



Province of Alberta

The 25th Legislature
Third Session

Alberta Hansard

February 18, 2003 to December 3, 2003
and Index

The Honourable Kenneth R. Kowalski, Speaker

Legislative Assembly of Alberta

Title: **Tuesday, February 18, 2003**

3:00 p.m.

Date: 2003/02/18

The Sergeant-at-Arms: Order! All rise, please.

[The Clerk read the Royal Proclamation dated February 5, 2003, summoning all Members of the Legislative Assembly of Alberta to convene on this date]

The Clerk: Please be seated.

[The Sergeant-at-Arms left the Chamber]

The Sergeant-at-Arms: Order! Order! Mr. Speaker.

[Preceded by the Sergeant-at-Arms, the Speaker, accompanied by the officers of the Assembly, entered the Chamber and took the chair]

head: **Prayers**

The Speaker: Welcome.

Let us pray. Almighty God, author of all wisdom, knowledge, and understanding, we ask Your blessings on all here present. We ask Your guidance in order that truth and justice may prevail in all of our judgments for the benefit of all Albertans. Amen.

Ladies and gentlemen, I would now invite Mr. Paul Lorieau to lead us in the singing of our national anthem. Please join in in the language of your choice.

Hon. Members and Guests:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

The Speaker: Please be seated.

Entrance of the Lieutenant Governor

[The Premier, the Clerk, and the Sergeant-at-Arms left the Chamber to attend the Lieutenant Governor]

[The Mace was draped]

The Speaker: Hon. members and ladies and gentlemen, prior to the arrival of Her Honour the Honourable the Lieutenant Governor, the Royal Canadian Artillery Band will play a brief musical interlude. They're located above me.

The RCA Band, Canada's oldest regular army band, was formed in Quebec City in 1879. It was subsequently stationed in Montreal and Halifax. It has seen service in both world wars and in Korea, and it has traveled across Canada and beyond our borders. Reconstituted in Edmonton in 1997, the band today is under the direction of Captain Gerry Heslip, who is in the Speaker's gallery.

The band will play *Crown Imperial*. The piece was written by the English composer William Walton in 1937.

[The Sergeant-at-Arms knocked on the main doors of the Chamber

three times. The Assistant Sergeant-at-Arms opened the doors, and the Sergeant-at-Arms entered]

The Sergeant-at-Arms: Ladies and gentlemen, all rise, please.

Mr. Speaker, Her Honour the Honourable the Lieutenant Governor awaits.

The Speaker: Sergeant-at-Arms, admit Her Honour the Honourable the Lieutenant Governor.

[A fanfare of trumpets sounded]

[Preceded by the Sergeant-at-Arms, Her Honour the Lieutenant Governor of Alberta, Lois E. Hole, CM, AOE, her party, the Premier, and the Clerk entered the Chamber. Her Honour took her place upon the throne]

Her Honour: Pray be seated.

I would just like to at this time, if I could, please, thank my staff. If I leave it to the end, I'll forget. A lot of the gunners came from Red Deer to be here, to be with us to make this event so special, and of course the Royal Canadian Artillery Band. They are magnificent. Of course, my Gentleman's Escort. I just would like to say to the city police and the RCMP who escorted me here: I'll tell you; it was wonderful. You know, Mr. Premier, that's the time it's great to take the Queen's place. I have to say to all of you that that was the one thing that my husband just loved. He loved the excitement of the escort. It is beautiful, and it is something very special, so I want to thank them because it was both RCMP and city police.

head: **Speech from the Throne**

Her Honour: Fellow Albertans, it is my pleasure to welcome you to the Third Session of the 25th Alberta Legislature. It is an honour to deliver the Speech from the Throne as it is an honour to serve the people of this province as Lieutenant Governor.

In this role, I have had countless opportunities to meet Albertans from all walks of life: farmers, public servants, homemakers, oil field workers, doctors, students, volunteers, [gardeners, and many, many people from all over. I will say that it has been very special for me. I will compliment the government on being so good. The plane is always available for me, and I can get around this province so well because of it. So I'd like to thank the government for that because that means I can meet people from all over.] While each individual's experience is unique, they all hold common values that reflect this province and its people most profoundly. Those values include pride, the pride that comes from meeting challenges head-on and doing things the right way, not the easy way. They include a willingness to try new things and take risks. They include a commitment to work hard because nothing worth having comes without effort. Most of all, Albertans value the freedom to manage their own lives balanced by a strong sense of responsibility to family and community.

Ten years ago the people of Alberta and their government charted a course for a new future. That course has brought the province to an era of unmatched growth and prosperity, but Albertans know that these things on their own are merely the foundation that will nurture a living legacy for generations to come. The challenge this government faces is one of keeping things "steady as we grow." Managing the pressures of growth means building a province that is strong today and remains strong into the future. It means ensuring that the advantage Albertans enjoy today grows into the promise of tomorrow, a promise to our children.

A Bright Future for Children

This government's highest priority must be to secure a bright future for children and youth. The government will demonstrate its commitment to that priority by undertaking a range of initiatives to ensure that Alberta's most precious resource, its children, is protected and enabled to develop to its fullest potential.

To ensure that children at risk receive the help they need when they need it, the government will amend the Child Welfare Act. The amendments will emphasize the importance of early intervention and the preservation of the family and will increase the involvement of communities in the care of children. This approach recognizes that creating an environment where children succeed is an endeavour that stretches far beyond the ability of any one family or any government. Education and health systems, the corporate and voluntary sectors, parents, extended families, and caregivers are all part of a vital community network of supports that must be in place for children to thrive.

The first piece of legislation this government will introduce in 2003 will set in motion the creation of such a network. Bill 1, the Premier's Council on Alberta's Promise Act, will enshrine in law this government's commitment to children and youth. Alberta's Promise will mobilize every sector of Alberta to build the character and competence of young people by making and keeping promises that focus on five specific areas of commitment. These are

- giving children a healthy start and a promising future,
- providing safe and healthy communities for our children's growth, education, and development,
- ensuring that every child receives ongoing support, care, and guidance from at least one caring adult in his or her life,
- offering children the chance to make a difference through volunteer activities and opportunities to serve others, and
- seeking out the best tools, models, and examples of other individuals and communities so that Alberta's children may learn, benefit, and succeed.

This initiative will provide funding to the Alberta Centre for Child, Family and Community Research, a private, not-for-profit agency that will be established by stakeholders to explore the issues and challenges faced by children and families. The first priority of the centre will be to conduct research on the prevention of fetal alcohol syndrome. Over time the research agenda will be broadened to address other issues such as early childhood development and youth at risk. By learning more about the best ways to prevent future problems, we will be better able to give children what they need most in life, a good start.

Part of that good start is a good education. Alberta has an excellent learning system with gifted, caring teachers, a strong curriculum, and students who have proven themselves to be national and international leaders. Maintaining the province's high-quality learning system is a top priority for this government.

The Alberta Commission on Learning has been struck to review the issues and challenges facing the education system and develop recommendations on how the system can meet the demands of students both today and tomorrow. While the commission undertakes its review, the government will continue to support and improve student learning. One of the ways government will do this is by dedicating an additional \$20 million to help Alberta school boards purchase additional classroom resources that support the curriculum including textbooks and reference books, teaching resources, and computer software.

The most important classroom resource is teachers. Alberta teachers already play an active role in developing curriculum, provincial exams, and learning and teaching resources, but there is

still a need for more direct feedback from teachers. This government will explore opportunities to better connect with teachers.

The government will also take steps to strengthen the postsecondary education system to promote lifelong learning. Legislation will be introduced this session to enable the adult learning system to better anticipate and respond to future economic and workforce trends and needs.

A Strong Economy

One of the foundations of the promise to children is a strong economy. Albertans know that economic strength is a means to a better life, not an end in itself. A robust economy generates the prosperity that allows people to realize their dreams. It creates challenging, high-paying jobs. It sustains a thriving arts and cultural sector. Most importantly, a strong economy gives a society the ability to invest in the programs most valued by its citizens.

The government will move forward in a number of areas to ensure that Alberta remains an economic leader in Canada. First among these is a commitment to the province's agricultural producers and rural communities, the backbone of this province's economy. Through good times and bad the province's farmers and ranchers have never let Albertans down. They provide safe, high-quality, affordable food products and support an economic base that extends well beyond rural communities into a global marketplace. In these times of uncertainty marked by persistent drought and rising input costs this government will not turn its back on its producers.

The government will continue to improve safety nets that allow farmers and ranchers to make the best management decisions for their operations. Through the life sciences strategy and the complementary Alberta agricultural research and innovation strategy it will advance research and innovation, which are the keys to long-term industry growth, profitability, and environmental sustainability. It will work with rural communities to identify and resolve barriers to growth, and it will continue to oppose the monopoly of the Canadian Wheat Board and advocate for marketing choice for Alberta wheat and barley producers.

The government will also focus efforts on ensuring the long-term stability of the energy sector. Energy is a major driver of the province's prosperity, creating jobs, stimulating economic growth in numerous other fields, and generating significant revenues for Albertans. Alberta is well established as a producer of conventional oil and natural gas, but the future of energy development is nonconventional resources like the oil sands, which hold the second largest supply of oil reserves in the world. Given the enormous potential of Alberta's resources, this province will continue to be a leader in the energy economy.

The government will focus on adapting the regulatory regime and investing in energy research and technology development to unleash the potential of nonconventional resources such as oil sands and coal bed methane. New technologies such as the use of carbon dioxide in enhanced oil and gas recovery will also play a role in extending the life span of known resource reservoirs and addressing the province's commitment to reduce greenhouse gas emissions.

As well, this year the government will accelerate the implementation of the Alberta energy research strategy. This includes exploring new technologies for the cleaner use of Alberta's vast coal resources. Funding will be provided for a clean coal demonstration project to develop better techniques for the use of coal in electricity generation.

Government will also focus on the consumer side of the energy sector, particularly in the area of electricity. While progress has been made on delivering new generation to meet growing consumer demand, there are still issues to be addressed around customer

choice and service, particularly in rural areas. The government will introduce legislation that will refine the structure of the electric industry. This will further level the playing field to attract new investors into Alberta's electricity and natural gas markets to increase competition and value for consumers. It will also provide consumers with a new regulated option to purchase power at a rate tied to the competitive wholesale market.

Agriculture and energy are only two examples of areas in which Alberta is a player in a world market. In all sectors prosperity is created by the evolution to a broader, more diverse, knowledge-based, and globally competitive economy. To encourage this transition, the government will create a value-added strategy. This will be a long-term plan focusing on a 20-year horizon. It will encourage increased manufacturing, tourism, exportable services, and the processing of the province's resources here in Alberta rather than simply exporting raw materials along with the jobs and wealth that go with them to other jurisdictions. Key to this strategy will be mobilizing the enormous potential of Alberta's northern economy for the benefit of all Albertans.

A Clean Environment

The government recognizes that economic growth must not occur at the expense of environmental protection. Instead, they go hand in hand. Sustainable economic growth requires clean air, water, and land, and Albertans will accept no less.

This year the government will move ahead with a made-in-Alberta plan to reduce greenhouse gas emissions. It will reintroduce legislation to enshrine Canada's first comprehensive climate change action plan in law. Albertans are committed to doing their fair share to address global warming, and this bill will reinforce the province's pledge to take meaningful action.

Alberta will continue to be a strong national voice on this issue to ensure that any actions taken have environmental benefits and are not simply motivated by political posturing or rhetoric. This government will not allow Ottawa's implementation of the Kyoto protocol to endanger Alberta's economy, its environment, or its way of life. The government will use any and all tools available to assert the province's constitutional right and responsibility to manage its natural resources.

The government is also moving forward to address Albertans' concerns about the future of one of their most valued resources, water. [And I can say quite honestly that I find water very important. Of course, we do have greenhouses. But it is important.] This spring the government will bring forward a water management strategy that will outline short-, medium-, and long-term actions that can be taken collectively and individually to protect the quality and manage the quantity of Alberta's water supply.

A Solid Infrastructure

One of the key supports for a strong economy is a solid infrastructure. As Alberta has grown, so has its need for health facilities, schools, and roads. The province's unprecedented economic growth has surpassed its investment in capital projects, and Albertans aren't willing to wait until tomorrow for the infrastructure they need today. That's why the government will develop a new capital plan to address infrastructure needs. Budget 2003 will call for significant new investment in each of the next three years toward this priority area. This approach will bring predictability and stability to capital spending and end the pattern of deferring sorely needed infrastructure projects when provincial revenues fall unexpectedly.

The capital plan will include a framework for public/private partnerships that will pull together the best resources and skills from

both the public and private sectors. An advisory committee of experts will be struck to evaluate proposals over the life of a project to determine whether there is a net benefit to taxpayers. The government recognizes that the partnership approach will not be the right solution for every project, nor will it replace conventional pay-as-you-go capital financing. However, there are some situations where such an approach may work well. The government will carefully consider partnerships and all other options so that Alberta can meet its infrastructure needs at an affordable price.

The government understands that existing infrastructure must be preserved and maintained in order to continue to serve Albertans in the future. Looking after the infrastructure the province already has will continue to be a high priority for this government. So, too, will be working in partnership with municipalities under the Premier's Task Force on Infrastructure to address their infrastructure needs.

A New Fiscal Framework

The new capital plan is part of a larger fiscal framework the government will implement to bring predictability, sustainability, and more discipline to its fiscal management. Just as the new capital plan will eliminate the need for stop-and-go infrastructure spending, a new sustainability fund will be created to do the same thing for operational spending.

Government will add to the sustainability fund when energy revenues are high and rely on the fund when energy revenues are low to ensure that government spending doesn't rise and fall with volatile energy prices. The new fiscal framework will enable the government to address growth pressures while remaining true to its principles of balanced budgets, debt repayment, and accountability.

A Focus on People

A strong economy and a solid infrastructure enable a society to respond to the needs of people, especially those who are most vulnerable. Albertans recognize that they owe a debt of gratitude to seniors and have a responsibility to care for those who are most vulnerable.

The government will increase monthly payments to low-income seniors who live in lodges and receive the Alberta seniors' benefit to ensure that they can obtain the additional services they require to remain independent and healthy for as long as possible.

This government will also work to ensure that low-income seniors and families, individuals with special needs, people in remote communities, and the homeless have access to basic shelter. It will integrate homeless shelter programs to provide a more comprehensive approach to addressing the needs of homeless and near-homeless Albertans. As well, it will facilitate the development of more affordable housing under the Canada/Alberta affordable housing agreement.

The government will continue to implement the reforms recommended by the low-income program review. Legislation will be introduced to create the framework for a new integrated income support program to begin in 2004. The new program will reduce complexities and improve service in the current system of supports for low-income Albertans. The government will also adjust its employment training programs to be more flexible to make it easier for Albertans to gain the skills they need to find and keep jobs.

A Better Health System

A good health system helps all Albertans play a role in the economic, social, and cultural life of the province. Health care and the need for health system reform have led the public agenda in

Alberta and across the country for the past year. System reform will continue to be a major focus of the government in 2003-2004. That's because even with one-third of all government spending going to health care, too many people are still waiting too long in emergency and for diagnostics, surgery, long-term care, and other services. Budget 2003 will increase funding for this priority area.

Still, more money is not the only answer. For Albertans who have been disappointed in their access to the health system or the quality of their care, the need for reform is real and personal. The government will continue to reform the health system to improve access and quality. It will set limits on how long Albertans should wait for selected services like consultations with specialists and some major surgical procedures.

But access is not just about hospitals and high-technology diagnostic procedures. It is about getting good advice quickly and easily no matter what the day or the time, and it's about getting continuing support so Albertans stay healthy. Primary health care reform is essential to make the system work for Albertans. Many family doctors are too rushed to provide the type of care wanted. The government will work with caregivers, especially doctors and nurses, to create 24-hour, seven-days-a-week, comprehensive care practices that make better use of all health professionals.

The ultimate goal of any health system must be to help people enjoy a high quality of health that leads to a high quality of life. Staying healthy is the first step toward that goal. The government will set targets for the next 10 years to develop, implement, and evaluate strategies to promote healthy behaviours and prevent injuries and chronic diseases. This work will begin with diabetes and will extend to other ailments.

The number of Albertans living with diabetes is expected to double over the next 15 years. The rate of incidence of diabetes is even higher in aboriginal communities. The government will develop a new diabetes strategy that will focus on preventing the primary risk factors that lead to type 2 diabetes and addressing the needs of those who already have the disease to prevent and reduce serious complications.

Comprehensive health care requires reliable, immediate information sharing among all the people involved in providing care. Alberta will implement electronic health records to provide quicker access to patient records, fewer treatment errors, improved efficiency, and reduced costs.

The government recognizes that the way to reach its goals will be different in rural Alberta than in the cities. It will develop a rural health action plan to determine how best to implement changes to improve access to health services in rural areas. The plan will focus on primary health care and continuing care reform, ambulance services, and getting and keeping skilled health care workers in small-town Alberta.

Government will ensure that the changing needs of Albertans are met. Continuing care service plans will be implemented in each health region. These will involve fully implementing a co-ordinated system to provide one-stop access to information, assessment, and continuing care referrals as recommended in the long-term care review.

Safe Communities

Staying healthy means staying safe. Albertans already enjoy the lowest property and violent crime rates in western Canada despite having the fastest growing population in the country, but further steps can and will be taken to ensure that all Albertans feel safe in their homes and communities.

New legislation will be introduced to improve the province's corrections system by creating a zero tolerance level for illegal drug use, violence, and gang-related activities in provincial prisons. Offenders will be held fully accountable for misbehaviour while in custody and will have to earn remission through good behaviour, not merely time served.

The government will strengthen the province's ability to prepare for, respond to, and recover from major emergencies by providing each municipality in the province with advice and assistance on developing emergency plans and emergency management training.

The government will improve Albertans' access to justice by introducing a new family law act that consolidates and updates provincial family laws and makes them easier to understand. The bill will address many issues that affect Alberta families including spousal support, child maintenance, custody, and access.

The government will also introduce new legislation this session to amend the Young Offenders Act to reflect federal legislative changes. It will continue to work with the federal government in this area of shared responsibility to produce the best results for young people in the justice system and for communities.

A Full Partner in Canada

Albertans are committed Canadians. They hold dear the traditions that have shaped this nation and the ideals for which it stands. Albertans want to be full and equal partners in Canada, but true partnership is only possible when all parties are respected and valued for what they bring to the table. Alberta's ability to be a partner in Canada is compromised by the current federal government, which often does not listen to the people of this province.

This government remains committed to protecting Albertans' interests nationally. It will continue to press the federal government to make a genuine effort to deal with Albertans' concerns and ensure that their priorities are addressed fairly and genuinely. It will do everything in its power to protect Alberta's economy and make certain that provincial jurisdiction is respected.

The government will also continue to press the federal government to live up to its responsibilities for aboriginal peoples, particularly in the areas of health and child welfare.

Conclusion

Fellow Albertans, the government's agenda for 2003 is about keeping steady as we grow. It is a promise to the children of Alberta. Keeping the promise means unleashing innovation, leading in learning, and competing in a global marketplace. It means making Alberta the best place in the world to live, work, and raise a family. Keeping the promise means showing leadership and working in partnership. Keeping the promise means promoting Alberta's interests and securing benefits for Albertans as equal partners in a strong, united Canada. Keeping the promise means all Albertans working together to turn the many advantages we enjoy today into opportunities for those who follow us.

With the help, goodwill, and hard work of all Albertans it is a promise the government can and will keep.

[Before I thank you all, may I just say again to everyone here that it is a pleasure for me to serve you as the Lieutenant Governor. You've all been great to me, every one of you, and I thank you for that. I just have to say that I am very, very pleased to have Harriet Winspear here with me today. May I just say that Harriet is one of the people that I often talk about because she is a person who knows what volunteering is all about. She is great; she sets such a wonderful example for all Albertans, as I know all the rest of you do too.]

Thank you, ladies and gentlemen, and may God bless you all.
 God bless Alberta.
 God bless Canada.
 God save the Queen.

The Sergeant-at-Arms: Order! All rise, please.

The Speaker: Hon. members and ladies and gentlemen, I would now invite Mr. Paul Lorieau to lead us in the singing of *God Save The Queen*. Please remain standing at the conclusion.

Hon. Members and Guests:

God save our gracious Queen,
 long live our noble Queen,
 God save The Queen!
 Send her victorious,
 happy and glorious,
 long to reign over us:
 God save The Queen!

The Sergeant-at-Arms: Order!

[Preceded by the Sergeant-at-Arms, Her Honour, her party, and the Premier left the Chamber as a fanfare sounded]

The Speaker: Please be seated.

[The Mace was uncovered]

[The Premier returned to the Chamber]

head: **Introduction of Bills**

The Speaker: The hon. the Premier.

Bill 1
Premier's Council on Alberta's Promise Act

Mr. Klein: Thank you, Mr. Speaker. I request leave to introduce a bill being the Premier's Council on Alberta's Promise Act. It gives me a great deal of pleasure to move first reading of Bill 1.

This bill, Mr. Speaker, proposes the creation of a community network of supports for all Alberta children. It will marshal the resources of the private and voluntary sectors, the health and education systems, families, and governments to create an environment where children have the opportunity to thrive, succeed, and be happy. The bill enshrines a promise made on behalf of all Albertans to the province's children. It's a promise to be partners with our neighbours, heroes to our children, and champions of their future.

[Motion carried; Bill 1 read a first time]

Tablings

The Speaker: Hon. members, I have the honour to table a copy of the speech graciously given by Her Honour the Honourable the Lieutenant Governor.

Motions

The Speaker: The hon. the Premier.

Mr. Klein: Thank you, Mr. Speaker. I move that the speech of Her Honour the Honourable the Lieutenant Governor to this Assembly be taken into consideration on Wednesday, February 19.

[Motion carried]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that pursuant to Standing Order 49(1) the select standing committees for the present session of the Legislative Assembly be appointed for the following purposes:

- (1) Alberta Heritage Savings Trust Fund,
- (2) Legislative Offices,
- (3) Private Bills,
- (4) Privileges and Elections, Standing Orders and Printing, and
- (5) Public Accounts.

[Motion carried]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that the following members be appointed to the Assembly's five standing committees:

- (1) Alberta Heritage Savings Trust Fund Committee: Mr. Hutton, chair; Mr. Magnus, deputy chair; Mr. Bonner; Mr. Broda; Ms Carlson; Mr. Knight; Mr. Lougheed; Mr. Marz; and Mr. VanderBurg.
- (2) Legislative Offices Committee: Ms Tarchuk, chair; Mr. Ducharme, deputy chair; Ms Blakeman; Mr. Friedel; Mrs. Fritz; Ms Graham; Mr. Hlady; Mrs. O'Neill; Dr. Pannu; Dr. Taft; and Mr. Tannas.
- (3) Private Bills Committee: Ms Graham, chair; Ms Kryczka, deputy chair; Rev. Abbott; Mr. Bonner; Mr. Goudreau; Mr. Graydon; Mr. Jacobs; Mr. Johnson; Mr. Lord; Mr. Magnus; Mr. Maskell; Dr. Massey; Mr. McClelland; Mr. McFarland; Mr. Ouellette; Dr. Pannu; Mr. Pham; Mr. Rathgeber; Mr. Snelgrove; Mr. VanderBurg; and Mr. Vandermeer.
- (4) Privileges and Elections, Standing Orders and Printing: Mr. Klapstein, chair; Mr. Johnson, deputy chair; Rev. Abbott; Mr. Amery; Mr. Cao; Ms Carlson; Mr. Danyluk; Mrs. Fritz; Mr. Graydon; Mr. Hlady; Mr. Jacobs; Mr. Knight; Mr. Lord; Mr. Lougheed; Mr. Lukaszuk; Mr. MacDonald; Mr. Masyk; Mr. McClelland; Dr. Pannu; Mr. Renner; and Mr. Zwozdesky.
- (5) Public Accounts: Mr. MacDonald, chair; Mr. Shariff, deputy chair; Mrs. Ady; Ms Blakeman; Mr. Broda; Mr. Cao; Mr. Cenaiko; Ms DeLong; Mr. Goudreau; Mr. Hutton; Mrs. Jablonski; Mr. Lukaszuk; Mr. Marz; Mr. Mason; Mr. Masyk; Mr. Ouellette; and Dr. Taft.

[Motion carried]

Mr. Hancock: Mr. Speaker, I move that the Assembly stand adjourned until 1:30 p.m. tomorrow.

[Motion carried; at 4:03 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, February 19, 2003**

1:30 p.m.

Date: 2003/02/19

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon. Welcome back.

Let us pray. As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy. As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country. Amen.

Please be seated.

head: **Introduction of Visitors**

Mr. Lougheed: Mr. Speaker, I am pleased to introduce to you and through you to the Assembly, in your gallery, the organizer and a participant in the weekend hockey game that lasted 80 hours, Dr. Brent Saik; Susan Saik, his wife, a major organizer; Angelica Hope, daughter; Vicky Saik, his mom; and Brenda Martin, another organizer and sister of Brent. Congratulations. Thank you for a job well done. Would the Assembly please greet those assembled, and I'd ask them to rise and receive the traditional warm welcome of the Assembly.

head: **Introduction of Guests**

Mr. Horner: Mr. Speaker, it's my pleasure to rise today and introduce a constituent and longtime supporter and for his young years a very knowledgeable, politically astute young man, Michael Cooper, who is seated in the public gallery and is a member of our association and on my board of directors. I'd ask Michael to rise and receive the traditional warm welcome of the House.

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you, Mr. Speaker. [some applause] Thank you for that sustained applause. I would like to introduce to you a constituent of mine. We met during the election. He was either brave enough or foolhardy enough to join me waving at cars on the freeway at 7 in the morning, and we're both here to talk about it today. It's a real delight to have Rhett Peterson. Would you please stand and receive the warm welcome of the House.

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you, Mr. Speaker. It's my pleasure to introduce today a good friend, someone who truly represents rural Alberta, like many members around this Assembly. He's the president of the Association of Municipal Districts and Counties. I'd like to ask Jack Hayden to rise. Jack is in our members' gallery.

Mr. Speaker, it's also my pleasure today to introduce a constituent of Fort McMurray who is a realtor and really a champion for affordable housing, a young Albertan from Fort McMurray, Tom Stratton.

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

Mr. Johnson: Thank you, Mr. Speaker. I'd like to introduce to you and through you Dr. Richard Pink, a recent graduate of Masaryk medical university of Brno in the Czech Republic. Dr. Pink has

come to Alberta to work under the supervision of Dr. Franco Leoni in surgery in Camrose for roughly the next year. Dr. Pink is seated in the members' gallery, and I'd like him to rise and receive the warm welcome of the Assembly.

head: **Oral Question Period**

Premier's Council on Alberta's Promise

Dr. Nicol: In its Speech from the Throne yesterday the government failed to deliver a vision for Alberta's children. Its showcase legislation is a bill that promises no money, no concrete action, and only another committee in the form of the Premier's Council on Alberta's Promise. To the Premier: can the Premier explain exactly how this new committee will protect children at risk? Isn't that Children's Services' job?

Mr. Klein: Indeed, it is Children's Services' job, Mr. Speaker, and I daresay that the hon. minister does a commendable, wonderful job of protecting children. But there is also a responsibility on the part of society to protect the best interests of children. This involves community leaders. It involves, of course, parents. It involves teachers. Basically, Alberta's promise to children is to bring all of these factors together, all the community factors, along with government to develop programs that serve the best interests of children. Nothing wrong with that at all.

Dr. Nicol: Can the Premier explain how this new committee will improve opportunities for learning? Shouldn't the Minister of Learning be doing that?

Mr. Klein: Mr. Speaker, again, the hon. Minister of Learning does a wonderful job in the administration of his duties to provide education to children and postsecondary students. He does a wonderful job. But, again, the promise to Albertans relative to children is to involve teachers, community leaders, parents – and I included teachers this time – to shape and mold children to become productive citizens in society. I find absolutely nothing wrong with that.

Dr. Nicol: Can the Premier explain what the difference was between this mandate and the mandate of the commissioner for family and children that started off in the early '90s? Why are we doing that all over again? Why don't we just act on the recommendations of that commission?

Mr. Klein: Mr. Speaker, I find it very strange indeed that the hon. leader of the Liberal opposition would oppose the involvement of community leaders, would oppose the involvement of parents, would oppose the involvement of teachers, would oppose the involvement of various nonprofit organizations that are involved with children, would oppose these people all coming together to co-ordinate efforts in the best interests of children. It's beyond me why he would oppose these things.

Education Funding

Dr. Nicol: Last year a government-appointed arbitrator negotiated a settlement with Alberta's teachers that the government refused to fund. Because of this, Alberta's school boards need at least \$142 million for classroom resources. Yesterday we heard that the government is committing \$20 million to classroom resources. To the Minister of Learning: if children are a priority, why did the government offer them \$20 million for classroom resources instead of the \$142 million they actually need?

Dr. Oberg: Mr. Speaker, yesterday we took the precedent-setting move of announcing in the throne speech that there would be \$20 million to purchase textbooks. This represents about 80 percent of the dollars that school districts use during the year to purchase textbooks. We wanted \$20 million targeted to what we heard from parents in the time that we were not sitting in the Legislature, that they wanted resources put in the classroom. These \$20 million will be resources that are directed directly towards the classroom.

Dr. Nicol: To the Premier: if children are a priority, why did the government spend \$33 million on the horse racing industry this year and you're only putting \$20 million into the classroom?

Mr. Klein: This is comparing apples and oranges and grapes and pears. Mr. Speaker, the amount that goes to the horse racing industry comes from funds generated by the horse racing industry and, of course, the lotteries associated with horse racing and gaming generally. I would remind the hon. member that that money goes to improve and to enhance an industry that is vital to the agricultural community in this province. It keeps literally thousands of people employed: trainers and groomers and lots of low-income earners who would otherwise be on welfare. So overall it's a good program. To compare that program to education spending or to the allocation of money to any other area of government endeavour is entirely unfair because we try to identify priorities. We try to split the pie as evenly as we possibly can.

I mean, there are within this caucus a number of areas where people think money ought not to be spent or money should be spent or more money should be spent. The Liberals have their ideas of where money should be spent. As a matter of fact, they have lots of ideas, Mr. Speaker. As a matter of fact, if we were to accede to the requests of the Liberals and the NDs and all the special-interest groups out there as to where money should be spent – in the first six weeks of 2003 the opposition parties and various stakeholders, special-interest groups have requested almost \$7 billion in increased provincial funding, and that's just in documented, on-the-record requests. That's in just the last six weeks.

1:40

Dr. Nicol: To the Premier: if children are a priority, why did the government spend \$105 million to upgrade VLTs and you're only putting \$20 million into classrooms?

Mr. Klein: Mr. Speaker, again, it's comparing apples, oranges, grapes, pears, and elephants, llamas, and everything else. First of all, the upgrading of VLTs is just like maintaining any other kind of property that the government is responsible for. We're responsible for various vehicles, for various kinds of infrastructure. These things become dated, and they have to be maintained. All the money that is used to upgrade these comes from the VLT profits themselves; in other words, from lottery money.

But, Mr. Speaker, I would like to point out that we do dedicate VLT revenues to various priorities of government. Here are just a few examples of how VLT revenues are helping to address priorities. Last year, 2002-2003, approximately \$42 million in VLT revenues went to Learning directly. Approximately \$50 million went to Health and Wellness. Another \$50 million went to Infrastructure, including schools. So \$142 million in one year alone out of VLT revenues went to priority government services.

We're talking about a revamp or a refit program that is about 10 years in the making, Mr. Speaker. So it stands to reason that these things need to be upgraded from time to time if we're to have VLTs.

Dr. Taft: Mr. Speaker, on Family Day hundreds of parents rallied on the steps of the Legislature to express their concern and anger over various problems in Alberta's schools. Not one government MLA accepted their invitations to attend. [interjections] I can hear their regrets; I'll pass them on. To the Minister of Learning: given that an arbitrator gave the teachers a 14 percent wage increase over two years and this government has only given school boards 6 percent to cover those wages, leaving an enormous financial shortfall, does the minister feel that there are millions of dollars of fat to be trimmed from the school system?

Dr. Oberg: Mr. Speaker, first of all, the arbitration settlement was a two-year arbitration settlement, not a three-year, which detailed 14.09 percent. What the school boards have actually received – and I will use the gross dollar amount – for the salary enhancement, which was the 4 percent and 2 percent, was \$118 million. For the grant rate increases, which were 3 percent and 3 and a half percent, they received another \$180 million, for a total of \$298 million over two years. The arbitration settlement, according to the Alberta School Boards Association figures, will cost \$260 million. Two hundred and ninety-eight million minus 260 million: I think the hon. member can do the math.

Dr. Taft: Let's come at it a different way then. Does the minister believe that there are sufficient funds available to schools to properly support the teaching of the curriculum without any parent fund-raising? A yes or no answer will be fine.

Dr. Oberg: Yes.

Dr. Taft: Given that there are schools in my constituency and across this province where the walls are cracked like dry earth, where rain routinely blows through the window frames, and where broken heating systems mean students wear jackets in the classrooms, how does the minister justify spending \$2.2 million on renovating his staff's own offices?

Dr. Oberg: I'm sorry, Mr. Speaker. I could not hear the final part of the question.

The Speaker: Please proceed.

Dr. Taft: Thank you. Given that there are schools in my constituency and across this province where the walls are cracked like dry earth, where the rain blows through the window frames, and where broken heating systems mean children must wear jackets in the classroom, how does the minister justify spending \$2.2 million on renovating his staff's offices?

Dr. Oberg: Well, Mr. Speaker, I would certainly invite the hon. member to come to my office. What he would see is some place that has not been renovated in quite a considerable while. What happened in the department's office is that they renovated because they joined several buildings together. Those were renovations that were approved and needed to be done, and the \$2.2 million was what was needed.

When it comes to actual construction on schools, we have put in in the last three years very close to a billion dollars, and that's just for new school construction and modernization and renovation. The hon. Minister of Infrastructure, who I'm sure would like to speak on this as well, puts in money each year for operations and maintenance that I believe is in excess of \$300 million.

The Speaker: The hon. leader of the third party.

Dr. Pannu: Thank you, Mr. Speaker. The Tory government's failure to fund the arbitrated salary settlement with the province's teachers has left a \$142 million hole in the school board budgets and created a financial funding crisis. The government caused this crisis. They provoked the strike with the teachers. They imposed an arbitration process. They are now forcing boards to cut core services. Finally, when a board chair speaks up, they respond with bullying and intimidation. My questions are to the Minister of Learning. Why is this government refusing to accept its obligations to fund the outcome of an arbitration process that it imposed on teachers and instead is forcing school boards to cut core services, increase class sizes, and incur crippling deficits?

An Hon. Member: Why don't you give the same answer, Lyle?

Dr. Oberg: Well, I will. Mr. Speaker, again I'll beg your indulgence here. I will give the same numbers that I just gave: salary enhancement, 4 percent and 2 percent, for a total of \$118 million; grant rate increases, 3 and a half percent and 3 percent, for a total of \$180 million; for a grand total of \$298 million that went to the school boards in the last two years as an increase. The arbitration settlement came in at \$260 million, leaving \$38 million.

Mr. Speaker, the hon. member knows full well that when it came to the arbitration arrangement that occurred, first of all, the president of the ATA wanted the arbitration. As a matter of fact, in a meeting with the Premier and myself he pointed that out, that he wanted arbitration. We were in a position where there was a strike going on. Obviously, the hon. member wanted the strike to continue so that students could continue not to learn. We put an end to this, so that's what the arbitration did.

1:50

The Speaker: I take it, hon. member, that you want to rise on a point of order.

Mr. Mason: Yes, Mr. Speaker.

The Speaker: Hon. leader, proceed.

Dr. Pannu: Mr. Speaker, my second question to the same minister: how can the minister expect school boards to find \$142 million of so-called efficiencies when they have already had to endure 10 years of this government's cutbacks and neglects?

Dr. Oberg: Mr. Speaker, I find that absolutely absurd. Obviously, the hon. member has not looked at the budget that has been tabled in this House for the last 10 years. The last time there was a budget in this House which showed a decrease for education was in 1994-95. Every year since that time, we have seen increases in education, \$298 million in the last two years. Education is something that this government takes extremely seriously. Two hundred and ninety-eight million dollars is a huge increase. When you take this relative to anywhere in the country, we are by far the largest increase.

Mr. Speaker, the other point that I will make today, which is a new point but is something that is on the per capita expenditure on education, is something that Stats Canada put out. It put us, believe it or not, in the number one position at \$1,970.80. The interesting part is that the next closest is 14 percent below us, and a place like Ontario is a full \$900, or close to 90 percent, below us. When it comes to funding in education, this government has gone above and beyond the call of duty.

Dr. Pannu: So is the minister accusing the School Boards Association of misinformation and, worse still, of lying when it says that the government has left a \$142 million hole in school board budgets? Will the minister answer that question honestly?

Dr. Oberg: Absolutely, Mr. Speaker. There have been some boards that have budgeted deficits, but they have budgeted deficits because they have those dollars in their operating surplus account. They have taken those dollars out. There was roughly \$110 million, \$115 million around the province in these accounts that have been accumulated over the years, and many of the school boards will be using those.

We have worked with individual school boards who are looking at running a deficit, and, yes, Edmonton public is one of those. We are currently working with them. Mr. Speaker, to date they have achieved significant savings. There was \$1.9 million that they have saved in Metro College. They wrote a letter to me yesterday or the day before asking that an amount be transferred from their operating capital account to their operating account, which was money from the sale of the administration building, which is another \$1.9 million. They said in the media that they would receive about \$3 million in savings. All of a sudden we're down to around a \$6 million issue on a \$600 million budget.

The Speaker: The hon. Member for St. Albert, followed by the hon. Member for Edmonton-Mill Woods.

Federal Health Care Funding

Mrs. O'Neill: Thank you, Mr. Speaker. The provision of quality health care services is a vital and primary concern of this government. It is certainly paramount in the minds of Albertans and certainly for the citizens of my constituency of St. Albert. My question is to the Minister of Health and Wellness. In yesterday's federal budget the federal government announced upwards of \$34 billion for health care to the provinces and territories. Specifically, there is, as I understand it, an immediate injection of \$2.5 billion to be provided to the provinces and to the territories. Could the Minister of Health and Wellness explain to us what that translates to for our citizens in this province?

Mr. Mar: Mr. Speaker, the arrangement that was made among first ministers in Ottawa the week before last I'll try my best to explain in a relatively straightforward way. The first year of the deal has relative clarity, and it is, as the member has reported, \$2.5 billion this year coming through on a per capita basis, and Alberta's share – we've been working with our federal counterparts – would be in the magnitude of \$248 million coming this year. If at the end of the first year, 2003-2004, there's a federal surplus, then an additional amount of funding will come through in the amount of \$2 billion, which, if distributed on a per capita basis, will result in an additional \$200 million to the province of Alberta.

Now, the point is, Mr. Speaker, that this is a significant amount of money, but consider that we spend \$19 million a day on health care. The \$248 million that we are to receive immediately from the federal government would pay for about another 12 or 13 days of health care; not a great deal. So what it means to Albertans is this. This money, while appreciated, will help shore up what we currently do, but Albertans should not be expecting that their access to physicians or wait lists would be diminished overnight or that access to drugs would somehow be improved. Again, it's a significant amount of money but not when you consider the context of the amount of money that we currently spend on health care at this time.

The Speaker: The hon. member.

Mrs. O'Neill: Thank you, Mr. Speaker. Again to the same minister. My question is with respect to the federal targeted money that was mentioned among the breakdown of the billions of dollars. I want to ask the Minister of Health and Wellness if he could explain to Albertans how that targeted money is going to be translated, again, for us, the Albertans, in the health care provision.

Mr. Mar: Well, Mr. Speaker, in the years after the first year of this deal, which is essentially a cash deal the first year, in the second year and out there is a great lack of clarity, and there's a lack of clarity in a number of areas. How much money will be provided by the federal government? The Prime Minister talked in the House of Commons about a \$17.3 billion deal over three years. His federal Treasury officials were briefing the media the next day in Ottawa saying that the amount of new money was really in the magnitude of \$10 billion, far short of anything recommended by either Senator Kirby's report or Mr. Romanow's report.

The issue is also muddled by the concerns about what will or will not qualify for these particular areas that were struck in the accord as being priorities, those areas being the issues of home care, diagnostics, catastrophic drug costs, and primary health care reform. As an example, Mr. Speaker, we previously used a federal primary health care reform initiative to fund our Health Link line, that will hook up everybody throughout the entire province by this summer to telephonic health advice, doctor-approved, nurse-delivered, 24 hours a day. That initiative was funded through federal primary health care reform moneys. When I asked federal officials, "If we expanded that Health Link line to an out-call service and not just an in-call service, would that qualify for the new pool of moneys for primary health care reform?" the answer was: we don't know because the definitions have not yet been established.

Finally, Mr. Speaker, there's a lack of clarity because we do not know how this money will be distributed. We don't know if it will be distributed on a per capita basis, which, of course, the province of Alberta would support, but if, for example, in the area of diagnostics the money is distributed on a needs basis, that money may end up going to other parts of Canada and might not ever make it west of the province of Ontario.

So it's for those reasons, Mr. Speaker, that the out-years lack clarity. It seems clear, however, that we'll have to wait for the next Prime Minister and the next government to be able to establish a deal for long-term, sustainable health care funding from the federal government.

The Speaker: The hon. member.

Mrs. O'Neill: Yes. Since the primary vehicle by which we receive the money for health from the federal government is through the Canada health and social transfer protocol agreement, my question to the minister here is: do we have any indication of how and when they are going to carve out moneys and specify moneys in that agreement that will be specifically related to the targeted areas?

Mr. Mar: Well, I should say, Mr. Speaker, that I have much time and much respect for the federal Health minister, Anne McLellan, and I will say that she and ministers of health and first ministers, as well, have much heavy lifting to do over the months to come to try to put some flesh on these bones that were established in the health accord. I think that there are some worthwhile things to pursue in the health accord, including setting aside money through a Canada health transfer, not CHST but a CHT. But with respect to the timing

and the establishment of such methods of funding, I think we are probably some number of months away. Again, the federal commitment was for \$2.5 billion immediately. Our latest advice is that that may still be several months away from now, so we cannot rely on that money immediately.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Red Deer-North.

2:00 Children's Services Adoption Web Site

Dr. Massey: Thank you, Mr. Speaker. Placing wards of the government in caring, safe, and permanent homes is an objective all Albertans support. Handled properly, the Internet holds the promise of furthering such placements. My questions are to the Minister of Children's Services. How did the minister respond when cautioned that the Children's Advocate might object to some of the information on this site?

Ms Evans: Mr. Speaker, I have never been told that the Children's Advocate might object to some of the information on the site. The wonderful part of this site is that it is picking up where *Wednesday's Child* leaves off, a program that has long duration but in the last five years funded by the Dave Thomas Foundation and initiated by the now Minister of Learning. We've seen a 70 percent success rate of the 30 children that annually were placed there.

Mr. Speaker, I would just identify a couple of things about that site. That site identified on television, coming into your living room, to probably over millions of viewers if you look at all of Alberta, not only the child but the diagnosis, some very descriptive things about the very special needs of the child. At no time did the opposition or, in fact, any other member of the public raise any concern in the years that this program successfully evolved and adoptions were in place that either triggered or set off any alarm bells with people in the department, including the co-ordinator of freedom of information and protection of privacy. Everybody said that this is very much similar to what had been done previously with the video clips that have been provided through the great work of CFRN TV, which is where that program was initiated.

So to the hon. member opposite, although there were extensive reviews conducted departmentally on the features of the web site, making sure that it was absolutely secure in terms of not being interactive and allowing people to access further information, there was nothing – in other words, behind the site – that would give cause for alarm. The site was launched and to the greatest extent has been positive.

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. To the same minister: why wasn't the web site cleared with the Privacy Commissioner?

Ms Evans: Mr. Speaker, perhaps my other hon. colleague might want to respond in terms of the structure in government for the organization of the freedom of information and privacy commissioner.

Quite frankly, the FOIP co-ordinator for our department is part of the government's structure under the Human Resources and Employment ministry. That co-ordinator provided us assurance that this site was appropriate, did not raise any concerns – I think that during the process of evolving, the site may have raised some issues – cleared the site, didn't identify that there was anything further. When the commissioner responded again later and said that he was wanting some investigation, we were pleased to comply.

Mr. Speaker, I think the question that we will still be addressing is: on the longer term, contextually, should the minister go further when approval has already been given by the co-ordinator? That's something that I've already been in discussion on with my hon. colleague the Minister of Government Services, and in the future perhaps we will iron out just exactly what level should be accelerated to the commissioner's position, but we were satisfied that we had accomplished our objectives in our discussion with the co-ordinator and his approval.

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. Again to the same minister: was cost saving a consideration in the hasty launch of the site?

Ms Evans: Well, Mr. Speaker, this site was not announced in haste. This site took a long time to prepare, and a lot of work was done by a lot of people to make sure that the site was appropriately done. Cost saving was never once mentioned, not to me, by any of the officials involved or anybody at all.

The one thing that has been stressed over and over and over again is that we've got in Alberta – and this is the true travesty – some 5,000 children who are permanent wards of the province who have not been able to be adopted, who have not been able to receive the benefit of a positive home. The web site, I believe, Mr. Speaker, with already 13 preliminary matches has shown some great success in enabling us to try and find proper homes for children.

The Speaker: The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Gold Bar.

School Boards' Amalgamation

Mrs. Jablonski: Thank you. Mr. Speaker, it is a top priority of this government to maintain the province's high-quality learning system. Alberta's students lead the country and much of the world on national and international tests. Our school boards have been an integral part of this success. My question is to the Minister of Learning. Is the Department of Learning going to reduce the number of school boards through amalgamation?

Dr. Oberg: Mr. Speaker, this was a question that was raised by a colleague of the hon. member as well as my own colleague. It came about from a meeting where we had 11 school boards sitting in one room at a time, 11 school boards of the greater Edmonton region sitting and talking about putting more resources into the classroom, more resources into education in general. I think the obvious question that came out of this was: "Is there any way that we can direct administration costs into the classrooms? Those administration dollars could be spent there." I responded by saying that the Commission on Learning will be looking at this. As a matter of fact, it was one of the questions that was in the paper that was put out, and I expect them to take a very serious look at it.

Mrs. Jablonski: To the same minister: will the Commission on Learning include considering the number of school boards that will best serve the interests of the student and best serve the communities as well as looking at the financial considerations?

Dr. Oberg: Mr. Speaker, first of all, when it comes to the number of school boards, we have reduced the number of school boards from roughly 120 down to the existing number of just over 60. I believe that local decision-making, that the grassroots process is very important in the school system.

In direct response to your question, the learning commission will be looking at all different factors. They have an open hand to look at all the factors when it comes to governance, and I would fully expect that they will be looking at the questions that you just asked.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you, Mr. Speaker. To the same minister: when do you expect to receive the completed report from the learning commission?

Dr. Oberg: Mr. Speaker, initially the learning commission was due to report back at the end of June. They gave me their interim report at the end of January and at that time felt that they could not have a good, completed report by the end of June. They have subsequently stated that they would prefer to bring it in around the end of August or the first part of September. I told them that I would prefer to have it in June, but over that preference was the preference to have a good, completed report, a good, thorough report, and that's what they will be doing. So I'm anticipating it towards the end of August or first part of September.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Norwood.

Electricity Deregulation

Mr. MacDonald: Thank you, Mr. Speaker. As utility bills go up, this government's credibility goes down. A quick visit to the web site altaliberals.ab.ca will show just how expensive electricity has become as a result of this Conservative government's boondoggle, this \$9 billion boondoggle. Now we find out that municipally owned utilities are the next victim of this expensive power play. My first question is to the Premier. How is preventing future growth of the generating capacity of municipally owned utilities going to lower costs for consumers of electricity in this province?

Mr. Klein: Mr. Speaker, it's all part of the general and overall deregulation scenario. If you're looking for easy answers, you need to look no further than the opposition benches. Their answer is always the same. At least I think it's the same, because we really don't know where they stand on this. Is it to reregulate or to spend more money? That might be their way, but it's not the Alberta way.

2:10

I'd like to point some things out. The easy answer ignores the fact – and they ignore the fact because it's politically good for us. Naturally they would ignore it. They ignore the fact that the actual cost of power in Alberta is less than half of what it was when deregulation began on January 1, 2001. On January 1, 2001, it was 13.1 cents a kilowatt-hour. Today it is 6.4 cents. That easy answer ignores the fact that with or without deregulation power generated by natural gas, as that price of natural gas is going up, naturally will be more expensive, then, when natural gas prices are high. I mean, it's quite natural that those prices will go up. The easy answer – and this is something they fail to mention; they fail to mention it all the time – ignores the fact that regulation helps hide or subsidize the true cost of power.

But what the opposition doesn't mention is the collective \$100 billion – can you understand? One hundred billion dollars – taxpayer-supported debt for electricity generation that Canadian consumers in other provinces will eventually have to pay. They never mention that. They never mention that in Ontario, for

example, every person in that province owes \$2,875 in an electricity debt. That's \$11,500 for a family of four. They never get out there and spread that word. I hope that you do. I hope that you do. We know that public debt is the Liberal way, Mr. Speaker. Public debt is the Liberal way.

Mr. MacDonald: Given that the easy answer for the Premier is a visit to altaliberals.ab.ca to see just exactly how much Alberta consumers can save from your electricity deregulation scheme, why does this government continue to attack local governments' rights to provide utilities to citizens at the lowest possible cost?

Mr. Klein: Mr. Speaker, we don't. But I would hope, in the interest of honesty, in the interest of political honesty, something the Liberals always strive for, I think, that they would put on their web site so all can see that every person in the province of Ontario owes a \$2,875 electricity debt, \$11,500 for a family of four. Put that on your web site and smoke it.

Mr. MacDonald: Mr. Speaker, I'm shocked at the Premier's reaction.

Why must Alberta consumers always take a backseat to this government's big business friends who are doing nothing but promoting electricity deregulation? The ultimate cost is always paid by the consumers of this province through higher bills.

Mr. Klein: Mr. Speaker, relative to the question I'll have the hon. minister respond.

Mr. Smith: Mr. Speaker, the Premier is quite right when he says that the debt in Ontario that is supported by taxpayers is \$2,875. In fact, in Manitoba, a long-held ND bastion, that debt is \$7,200, and in Quebec it's \$5,500.

Mr. Speaker, the only people in here who have ever supported big business sit over there in the ND area. We're saying that we have real time, real pricing, transparent – we talked about a Speech from the Throne that talked about the value of our children. This government will not mortgage their future by artificially subsidizing electricity rates.

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

Nonrenewable Resource Revenue

Mr. Masyk: Thank you, Mr. Speaker. My constituents have been phoning, asking questions about rising natural gas and oil prices and how they affect the provincial revenues. To the Minister of Energy: how much money has the Alberta government collected in nonrenewable resource revenue and freehold mineral tax over the last three years, and how has it been spent?

Mr. Smith: Mr. Speaker, as much as this could be an extended answer, let me be extremely brief yet salient because it's important, because no other province in this dominion shares such a great wealth. In fact, in the year 1999-2000 our revenues were \$4.7 billion. In the bonanza year, where gas ran to over \$10 a gigajoule, the revenue for that year was over \$10.8 billion. In fact, in 2001-2002 it was \$6.5 billion. We estimate that it'll be around that area this year. Unlike the bonanza year, if you will, where it hit \$10.8 billion, natural gas has not hit that plus \$10 threshold in the last quarter. So that's \$22 billion over the last three fiscal years, 32 percent of total government revenue, and that was put into general

revenue and was used to provide funding for key services. For example, it runs the health budget on an annual basis.

The Speaker: Okay, hon. minister. We'll probably have a budget debate sometime this session as well.

The hon. member.

Mr. Masyk: Thank you, Mr. Speaker. Again to the same minister: will Alberta continue to have such high revenues in nonrenewable resource revenue and freehold mineral tax in the future?

Thank you.

Mr. Smith: Mr. Speaker, I think that this year could accurately be described as one of uncertainty given the situation in the Middle East – the Iraqi situation has led to a war premium on oil – as well as the situation in Venezuela. The general strike in Venezuela has reduced shipments and increased the price of heavy oil. Alberta is known for its abundance of heavy oil, and the spread between light and heavy has never been so narrow. So there's ample evidence to show that this year, as a result of those two effects, has shown us some bonus revenue that wouldn't be expected in the future.

However, Mr. Speaker, natural gas continues to be a fuel of choice. We've had wonderful blizzards and great cold weather in the market area in the east. That demand for this product has continued to drive up the price. It's a freely traded commodity. It's a commodity that we use. We get good prices because we don't have pipeline costs to pay, but it's one that we believe, as the business plan states – I would rather be conservative than liberal in our estimates – still will continue to provide good, strong funding sources for this government.

The Speaker: The hon. member.

Mr. Masyk: Thank you, Mr. Speaker. In addition to royalty resource revenue, the government of Alberta has a fuel tax of 9 cents a litre of gasoline. Could the Minister of Transportation please explain where this revenue goes? He can identify Anthony Henday separately.

Mr. Stelmach: Of the 9 cents a litre that the Alberta government collects in fuel tax, every penny is invested in road infrastructure either through capital grants to municipalities or on the provincially owned highway network system. Unfortunately, though, of the 10 cents of federal tax that is collected, I can assure you that none of that comes back to the province, at least at this particular time.

Energy Conservation Initiatives

Ms. Carlson: Mr. Speaker, as a result of government bungling, energy prices have skyrocketed, and this province is not one step closer to meeting greenhouse gas emission targets. For five years the Official Opposition has been urging the government to show some environmental leadership by starting a retrofit loan fund. As other provinces have realized, helping consumers make expensive home retrofits with revenue-neutral loan funds is smart and effective. My questions today are to the Minister of Environment. Why doesn't this minister explain to his colleagues that demand-side management like home retrofits save energy and are important initiatives for preserving the environment and reducing Alberta's greenhouse gas emissions?

2:20

Dr. Taylor: Well, Mr. Speaker, that's exactly why this government

has established and funded Climate Change Central, an organization that's at arm's length from government, to look at these issues. In fact, we have further funded an office of energy efficiency. They have a different title for it now; it's just up and running. One of the things they will be investigating is the ways that consumers can actually save energy and what will encourage consumers to save energy. Is there a possibility that this organization may at some stage look at exactly what the member is talking about? That's for the organization to determine, but they will be looking at all options to encourage consumers to save energy.

Ms Carlson: Well, Mr. Speaker, since Climate Change Central has been in operation for five years and has so far accomplished absolutely nothing, will this minister admit to this Assembly and to the province that that was just another committee struck to do nothing, just to try and make this government look good when they refused to take any action?

Dr. Taylor: Mr. Speaker, I have to take exception to her comments, and I will get her the annual reports of Climate Change Central for the last several years and all the activities that have been accomplished. For instance, last year they organized at the University of Alberta a conference and a structure for emissions trading. Presently, they're working and talking to organizations about emissions trading, how those structures should be organized. I can go on and on and on with the activities that Climate Change Central has done, but rather than doing that, I'll simply forward to her the annual reports of Climate Change Central.

I think she should actually apologize to Climate Change Central for saying that they have done nothing.

Ms Carlson: Mr. Speaker, I'm just expressing the concerns I hear from people from Climate Change Central themselves.

Will this minister just do the right thing and commit to helping move this government out of the Stone Age and forward on an environmental policy by committing today to bring forward a retrofit loan program that will be revenue neutral for you guys that will help consumers move forward on this issue and save them some money?

Dr. Taylor: Mr. Speaker, once again, I don't think her constituents have talked to her about the ineffectiveness of Climate Change Central. I don't believe it.

In the larger issue, Mr. Speaker, I will say that we have as a government, very clearly, a climate change action plan, an action plan that we will be committing dollars to, I believe, in the upcoming budget – I hope – and we will be doing that as we go forward. Certainly the members of the opposition will see that we do have a commitment. We're presently talking to various industrial sectors about sectorial agreements as to how they can reduce greenhouse gases at an industry level, and we will continue with our planned investment in innovation and technology sectorial agreements, consumer buy-in among other issues.

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

Education Funding (continued)

Mr. Mason: Thank you very much, Mr. Speaker. I'm currently touring schools in my Edmonton-Highlands riding. What I see are schools like Eastglen high school, that is desperately in need of some upgrades and refurbishing. I see schools like Rundle elementary, where excellent programs to help high-needs students learn are

threatened. What I see, what parents and teachers see is an attempt to preserve excellence in the face of a government-created crisis in our schools. My question is to the Minister of Learning. Does the minister agree with his colleague the chair of the Tory Edmonton caucus when he talks about the schools funding crisis as being part of a concerted effort by the school boards and the school industry, including teachers, to make sure that they are at the head of the line for public dollars?

The Speaker: The hon. minister.

Dr. Oberg: Thank you, Mr. Speaker. First of all, I would definitely, definitely not call this an educational funding crisis. As I illustrated earlier in a response, we're talking 1 percent of a budget, that we will go in and attempt to work with the Edmonton public school board to take a look at and find out if there are ways that those dollars can be saved.

Our teachers are very highly valued professionals. Right now our teachers are at the highest level of any teachers in Canada when it comes to payment. The last arbitration settlement put them there. The dollars have flowed to the school boards in order to pay for those settlements. Again, I don't want to have to reiterate for the third time this question period about how many dollars we've put into the education system. We've put more money in the education system than any other province in Canada and, I would hesitate to say, perhaps any state in the U.S. as well.

Mr. Speaker, our results are number one in the world. Our teachers are the highest paid in the country. We spend more money than anywhere else in the country, yet you call this a crisis.

The Speaker: The hon. member.

Mr. Mason: Thank you, Mr. Speaker. Well, we call it a crisis indeed.

What does the minister have to say to parents who are concerned about the crisis in our schools? Or are they also part of the so-called school industry?

Dr. Oberg: Mr. Speaker, what I would say to those parents who are concerned about their children is: absolutely, I'm concerned about my children every day. I want to ensure that the education system that is there continues to be there. One of those ways that the education system will continue to be there is through fiscal responsibility. It's my job as Minister of Learning to ensure that fiscal accountability. It's my job as Minister of Learning to ensure that we continue to be number one in the world, and that's a challenge that I take very seriously.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Will the minister, then, tell parents who are concerned about crumbling schools, ballooning class sizes, and threatened programs caused by 10 years of Tory cuts why sending in the auditors is the answer to the school crisis?

Dr. Oberg: Absolutely, Mr. Speaker. First of all, I'll reiterate again – there seems to be a lack of listening in the Assembly today – that there has not been a cut in education since 1994-1995. The education system took the lowest percentage cut of any department when we went through it in 1993. Since that time, education funding has increased dramatically. Since 1995 education funding

has increased 46 percent. Over that same time frame we've seen a 6 percent increase in the number of students.

So I guess my message to the parents is that it is not a crisis. The reason we're going in with an audit team is because the Edmonton public school system is such a decentralized system that dollars are being put out to the schools, and realistically we're looking at where those things are spent. We have some schools that are running a large surplus. We have other schools of the 208 schools in Edmonton public that are running deficits. Quite simply, we're going to go in there and work with Edmonton public to find ways that they can achieve the savings so that they can balance their budget.

head: **Recognitions**

Strathcona-Tweedsmuir School Avalanche Victims

Mr. Tannas: Mr. Speaker, on Saturday, February 1, 2003, Alberta suffered a great loss when seven grade 10 students from Strathcona-Tweedsmuir school tragically lost their lives in an avalanche. Together with their families, friends, teachers, and classmates we mourn the loss of Ben Albert, Daniel Arato, Scott Broshko, Alex Pattillo, Michael Shaw, Marissa Staddon, and Jeffrey Tricket.

When we think of young people, our first thoughts are of the excitement and enthusiasm that they show each and every day, excitement for life, for learning, for experiencing new challenges. This tragedy has touched all Albertans. Perhaps we may find comfort and encouragement in the words from David Brower's *Let the Mountains Talk, Let the River Run*: "A ship in harbour is safe, but that is not what ships were built for."

May God bless Ben, Daniel, Scott, Alex, Michael, Marissa, and Jeffrey and all those who suffer their loss.

The Speaker: The hon. Member for Clover Bar-Fort Saskatchewan.

World's Longest Hockey Game Cancer Research Fund-raiser

Mr. Lougheed: Thank you, Mr. Speaker. It's with great pleasure that I rise to bring recognition and congratulations to a dedicated group of individuals, led by Dr. Brent Saik of Ardrossan, who this past weekend succeeded in breaking the Guinness world record for playing the longest hockey game.

Dr. Saik and his teammates played their game until 4 p.m. on Sunday, ending 80 hours of play, surpassing the previous record by 11 hours. Dr. Saik, the goaltender for the blue team, defeated the white team by a score of 650 to 628. Even more impressive is the amount of money raised by these players for the Cross Cancer pediatric research centre. The initial goal was to raise \$50,000. They doubled that, and the money is still coming in.

In addition to the 40 players, also to be commended are the dozens of dedicated volunteers who kept the game going. I ask that all members of the Legislature join me in congratulating Dr. Brent Saik and his teammates and the volunteers for their dedication to the game of hockey and, moreover, their generous donation to the Cross Cancer pediatric research centre.

Thank you.

2:30

Barb Tarbox

Dr. Taft: Mr. Speaker, in recent months we've all heard of the campaign of Barb Tarbox to encourage people to quit smoking. Barb, who is dying of cancer caused by her own smoking, has given all of us a new model of courage, and she deserves all the tributes she is receiving.

Today I want to make a point of recognizing the courage and commitment of Barb's husband, Pat, and her daughter, Mackenzie. Pat and Mackenzie are sharing the last days of their wife and mother, the most important person in their lives, with thousands of others. At a point when anyone else would be demanding privacy and time for themselves and their family, Pat and Mackenzie are providing the time and space for Barb to carry out her campaign. They are making a sacrifice that none of us would want to make, and they deserve our gratitude and respect because of it. Barb's campaign will change the lives of many people for the better, and we will long remember her because of it. We must also remember the contribution her husband and daughter are making so that this campaign is possible.

Mr. Speaker, I'm sure every member of this Assembly will join me in recognizing the contribution Pat and Mackenzie Tarbox are making to a better world.

Thank you.

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

Pierre Lueders and Giulio Zardo

Mr. Cenaiko: Thank you very much, Mr. Speaker. On behalf of all Albertans it's my pleasure to congratulate Pierre Lueders and Giulio Zardo, members of the Canada One two-man bobsled team. On Sunday this duo won a silver medal at the world bobsled championships in Lake Placid, New York. Mr. Zardo hails from Quebec, while Mr. Lueders resides in Alberta.

We are extremely proud of this team's accomplishments. Winning a medal is an incredible feat. Overcoming a number of obstacles to achieve this success makes it even more remarkable. This team has been together just for one year, so this medal is a tribute to their hard work over the past 12 months and ability to reach this level of distinction in such a short time. The duo also faced formidable weather during the competition. Temperatures dropped to minus 36 degrees Celsius, and winds reached more than 35 kilometres per hour. While other teams canceled their training runs, this team braved the cold to continue practising. Such commitment to excellence is an example to all of us.

We are extremely fortunate to have Mr. Lueders with us today, and it's my honour to introduce him to the Members of this Legislative Assembly. I invite him to stand and receive the warm welcome and congratulations of this House.

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

Calvary Community Church

Ms Carlson: Thank you, Mr. Speaker. Today myself and my colleague from Edmonton-Mill Woods would like to recognize the Calvary Community Church in Mill Woods for their outstanding part of the programming that focuses on single parents and their families. As a part of their programming they have Just Me and the Kids single-parent support groups, which include Tuesday night dinners where the whole family can come for \$1, parenting courses, programming specifically for the kids. They provide letters to single parents to be able to get their taxes done for free. They have the Care Closet, which is a clothing bank. They provide food to carry families over as required, and they make sure the kids and even the moms have gifts at Christmas and Mother's Day and birthdays. They also provide celebration meals such as Thanksgiving and Christmas dinners.

We would like to thank this church for providing services that are greatly needed and very much appreciated in our community.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Bellerose High School Marathon Hockey Game

Mr. Horner: Thank you, Mr. Speaker. Today I rise to recognize the courageous students from Bellerose composite high school in St. Albert who also took part in a grueling 79 hour and 59 minute hockey marathon. Out of respect for their marathon counterparts in Sherwood Park who were raising money for cancer, the students gracefully declined to go over the 80-hour point to ensure that their counterparts would receive the Guinness book record for the longest hockey game ever played. Not only did the students show class and character by allowing this to happen and the record to be received, but they also gave \$2,000 of their own fund-raising for their school to cancer research.

Forty students took part, but I would like to give special recognition to two of the student organizers, Brandon Jansen and Jeff Beaton. There were also two young ladies who took part in this painstaking game, Sue Beaudette, who finished the match, and Venessa Langhorn, who actually got quite ill and could not finish the event.

Once again, I would like to congratulate all the participants and volunteers from Bellerose composite high school in this outstanding display of heart and determination.

Thank you.

Freedom to Read Week

Mr. Vandermeer: Mr. Speaker, today I'm delighted to rise in recognition of the 19th annual Freedom to Read Week, February 23 to March 1, to reaffirm the importance of open access to reading materials. All Canadians have the fundamental right to have access to all expressions of knowledge, creativity, and intellectual activity and to express their thoughts publicly, as embodied in the nation's Bill of Rights and the Canadian Charter of Rights and Freedoms. This basic right is essential to the health and development of our society and democracy itself.

Writers, publishers, librarians contribute to this freedom by making it possible for readers to choose freely what they read. Our librarians mark Freedom to Read Week by setting up displays and holding special events such as public readings and book displays about access to information and freedom of expression. Freedom to read can never be taken for granted. It is part of a precious heritage that allows us to choose what materials we read and take home from our local library.

Mr. Speaker, on behalf of the Minister of Community Development and all members of the Assembly I am pleased to support our libraries and Freedom to Read Week.

head: **Presenting Petitions**

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

Mrs. Ady: Thank you, Mr. Speaker. I rise today to present a petition signed by 2,600 Albertans, and incidentally my constituents, representing the communities of Douglasdale, McKenzie Lake, and Chaparral petitioning the provincial government to request immediate funding for six much-needed schools on the Calgary board of education's capital plan list for 2002-2003.

head: **Notices of Motions**

The Speaker: The hon. Member for Edmonton-Mill Woods on a Standing Order 15 motion.

Dr. Massey: Thank you, Mr. Speaker. I give notice that under Standing Order 15(2) I intend to raise a matter of privilege and, further, or in the alternative, contempt of the House.

The Speaker: The hon. Member for Edmonton-Strathcona on a Standing Order 30.

Dr. Pannu: Thank you, Mr. Speaker. Pursuant to Standing Order 30 and after having provided your office with appropriate notice, I wish to inform you that upon the completion of the daily Routine I will move to adjourn the ordinary business of the Assembly to hold an emergency debate on a matter of urgent public importance; namely, the genuine emergency resulting from the government's failure to properly fund school boards for arbitrated salary settlements, operations and maintenance grants, and grade 10 credits.

Thank you.

head: **Introduction of Bills**

The Speaker: The hon. Member for Grande Prairie-Smoky.

Bill 3

Electric Utilities Act

Mr. Knight: Thank you, Mr. Speaker. I request leave to introduce Bill 3, the Electric Utilities Act.

Changes to the Electric Utilities Act will build on Alberta's competitive environment and ensure a more level playing field to help attract new entrants into Alberta's competitive electricity market. Mr. Speaker, this is yet another example of Alberta's leadership in North America, and it represents another step in the right direction for our province and for all Albertans.

Thank you.

[Motion carried; Bill 3 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that Bill 3 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

The Speaker: The hon. Member for Medicine Hat.

2:40

Bill 4

Alberta Personal Income Tax Amendment Act, 2003

Mr. Renner: Thank you, Mr. Speaker. I request leave to introduce a bill being Bill 4, the Alberta Personal Income Tax Amendment Act, 2003.

Mr. Speaker, this bill will introduce amendments to provincial legislation, bringing it into consistency with federal and personal income tax legislation.

[Motion carried; Bill 4 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that Bill 4 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

The Speaker: The hon. Member for Dunvegan.

Bill 5

Line Fence Amendment Act, 2003

Mr. Goudreau: Thank you, Mr. Speaker. I rise today to request leave to introduce Bill 5, the Line Fence Amendment Act, 2003.

Mr. Speaker, this bill will clarify the spirit of the Line Fence Act, which provides direction to neighbouring landowners who share a common fence for the raising and containment of livestock.

[Motion carried; Bill 5 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that Bill 5 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

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

Bill 11

Auditor General Amendment Act, 2003

Mr. Yankowsky: Thank you, Mr. Speaker. On behalf of the hon. Member for Calgary-Foothills I beg leave to introduce Bill 11, the Auditor General Amendment Act, 2003.

The amendments are designed to add further clarification to the Auditor General Act.

[Motion carried; Bill 11 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that Bill 11 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

The Clerk: Pursuant to Standing Order 37.1(2) I wish to advise the House that the following document was deposited with the Office of the Clerk on behalf of the hon. Dr. Oberg, Minister of Learning: an excerpt from the Alberta Teachers' Association brief and general argument submission to the arbitration tribunal under the Education Services Settlement Act.

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

Mr. Hancock: Thank you, Mr. Speaker. I rise today on behalf of the Premier to file with the Assembly a letter from Mayor Bill Smith of the city of Edmonton regarding recommendations of the Alberta Electoral Boundaries Commission. The letter notes a motion passed by Edmonton city council that calls on the government to direct the commission to maintain Edmonton's current number of seats in the provincial Legislature. The letter is being tabled at Mayor Smith's request.

The Speaker: The hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Speaker. I wish to table five copies

of a petition with over 370 signatures from Highwood and area residents requesting that the government of Alberta allow "Special Constables to enforce provincial statutes on Primary and Secondary Hwy's within the jurisdictional boundaries of our towns and villages."

Mr. Lougheed: Mr. Speaker, today I rise to table with the Assembly copies of a letter from our Premier to Dr. Brent Saik, the organizer of the longest hockey game in history and fund-raiser for cancer.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I'd like to table five copies of an announcement of a new awards program to recognize individual Albertans for outstanding achievements and contributions to the arts in the province. This announcement was made during the Canadian Conference of the Arts annual awards presentation which was held here in Edmonton in the fall.

Thank you.

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

Dr. Taft: Thank you, Mr. Speaker. I'm rising today to table copies of a letter from a seniors couple in my constituency who are living on a fixed income, and they're forwarding a notice from their landlord that says, "We were hoping to stabilize rents and expenses but due to utility deregulation, rents must again increase."

Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I rise this afternoon to table over 1,500 signatures from Albertans from places like Rochester, Elk Point, Edmonton, Coalhurst, St. Albert, Calgary, Lethbridge, Slave Lake, Rosemary, Wetaskiwin, and Sherwood Park, just to name a few of the locations. These 1,500 Albertans are urging the Legislative Assembly and particularly this government to "reinstate natural-gas rebates immediately," whether it's an election year or not.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I have two tablings. I first table an Alberta School Boards Association publication, *Hot News*, dated February 7, 2003. The ASBA is concerned with the crisis in our education system. The \$142 million hangover from the teachers' arbitration is causing and forcing the school boards to lay off teachers and cut services to students. That's the first one.

The second tabling is the appropriate number of copies of a letter addressed to me by Mr. Richard Grynias of Edmonton. This is dated February 5, and in this one Mr. Grynias expresses grave concern about the crisis in education that's simply been deepened by the government's refusal to pay for the additional costs to school boards that arise from the arbitrated settlements for teachers' salaries.

Thank you, Mr. Speaker.

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

Mr. Mason: Thank you very much, Mr. Speaker. I'm tabling today a letter from Sheila Greer of Edmonton dated February 7, 2003, and addressed to the Premier. She's asking the Premier to

allocate sufficient funding to the province's education system so that the crisis in our schools may be averted. She's also complaining of the behaviour of the Minister of Learning.

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

Mrs. Ady: Thank you, Mr. Speaker. I rise today to table the appropriate number of copies of 855 letters that I received from constituents regarding provincial funding for the Calgary Catholic school district. Four copies of the tabled letters have already been deposited with the Clerk's office due to the volume.

Thank you.

The Speaker: Hon. members, pursuant to the Legislative Assembly Act I table with the Assembly the appropriate copies of the Members' Services Order 1/03, being Constituency Services Amendment Order (No. 11).

As well, pursuant to section 63(2) of the Freedom of Information and Protection of Privacy Act I am pleased to table with the Assembly the annual report of the Information and Privacy Commissioner covering the period April 1, 2001 to March 31, 2002.

Pursuant to section 10 of the Electoral Boundaries Commission Act I am pleased to table with the Assembly the final report of the Alberta Electoral Boundaries Commission, entitled Proposed Electoral Division Areas, Boundaries and Names for Alberta.

Now, hon. members, we have some business to deal with. The hon. Member for Edmonton-Mill Woods.

Privilege

Misleading the House

Dr. Massey: Thank you, Mr. Speaker. I rise under Standing Order 15(2) a matter of privilege and, further, or in the alternative, contempt of the House. The issue of contempt deals with comments made by the Minister of Learning on November 25, 2002, on page 1483 of *Hansard* in his response to questions about class size. As *Hansard* reports, my questions were to the Minister of Learning, and the question was: "Given that class size was a major issue in the teachers' strike, what action is the minister taking to avoid a new budget-driven crisis?" The minister's response was: "Mr. Speaker, the ATA in their submission to the arbitration tribunal said that the awards could be funded by increasing class size and by decreasing the hours of instruction." In his reply the minister stated, as I said, that the ATA would be willing to accept increased class sizes as well as changes to hours of instruction. I have since received a copy of a letter from the president of the ATA indicating that the minister's reply misrepresented the position of the ATA, and it's rather clear. It says:

On December 5, 2002 I wrote to you concerning your frequently repeated statements that the Alberta Teachers' Association had invited boards to increase class sizes and/or hours of instruction in order to fund arbitrated salary settlements. In that letter I advised you that your comments misrepresented the position of Alberta's teachers and provided the actual text of our brief to the arbitration tribunal on this matter. I also reminded you that we had previously advised your deputy minister of our concerns.

He goes on, and he's copied MLAs.

2:50

The effect that all of this has had is that the minister has misled the House in his reply and for reasons unknown. The minister's response was not a misstatement of a few words, which might be interpreted in different ways. He was commenting directly on the ATA submission to the tribunal, intentionally citing the ATA's position, although apparently inaccurately.

Mr. Speaker, as you know, Erskine May's *Parliamentary Practice*, 22nd edition, defines contempt as

any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt.

Marleau and Montpetit, speaking to the issue of contempt in chapter 3 of the *House of Commons Procedure and Practice*, state:

Any conduct which offends the authority or dignity of the House, even though no breach of any specific privilege may have been committed, is referred to as a contempt of the House. Contempt may be an act or an omission; it does not have to actually obstruct or impede the House or a Member, it merely has to have the tendency to produce [the same] results.

Further, Mr. Speaker, John Maingot's *Parliamentary Privilege in Canada*, 2nd edition, provides the most direct citation in this particular case of contempt. When speaking of the requirements for a prima facie case of contempt, Maingot argues that

it must be shown that the Member was obstructed in his work relating to a proceeding in Parliament and not simply while he was performing his representative duties in his constituency or in other myriad areas . . . nor simply in his private [member] capacity.

Mr. Speaker, quite simply and to the point, I was obstructed or at least was the victim of the same results in performing my duties in the House as one of the members, as a member of the Official Opposition and, even more specifically, Her Majesty's Official Opposition critic for Learning. Information was given by the minister which is not factual. There's a copy of the letter from the arbitrator who speaks to the issue, and in that letter the arbitrator says: accordingly, it would be inaccurate to suggest that the ATA advocated increasing instructional hours or class sizes.

Had the minister provided a statement which reflected the actual position of the Alberta Teachers' Association, my line of questioning and the way I performed my duties could have been substantially different. Therefore, the minister's obstruction is apparent. This had nothing to do with my private capacity nor did it have anything to do with performing the representative duties in my constituency. This obstruction occurred directly and unequivocally in performing my House duties.

Mr. Speaker, in an example case suggested in Maingot's work on pages 233 and 234, a prima facie case was apparent because the RCMP misled the minister, who in turn misled the House and a member of the House in question period. In this circumstance the infraction was much more severe. The minister had the correct information at his disposal and did not accurately present the information. In the case mentioned in *Maingot* at pages 233, 234, it is stated that

before the House will be permitted by the Speaker to embark on a debate in such circumstances . . . an admission by someone in authority . . . either that a Member of the House of Commons was intentionally misled or an admission of facts that leads naturally to the conclusion that a Member was intentionally misled, and a direct relationship between the misleading information and a proceeding in Parliament, is necessary.

The work gives examples of an authority, which might include a minister or an instrument of government policy. In this case, Mr. Speaker, the authority is from the president of the organization that gave the minister the information. Given the circumstances and the nature of the question, clearly the person giving the information to the minister is the one who is stating that the minister misrepresented that information, and I already read part of that letter. Further, the proceedings in parliament, specifically question period, are directly linked to the information, as it was part of the minister's operation in that proceeding.

Mr. Speaker, this is clearly a case of contempt of the House and, further, or in the alternative, a matter of privilege. The minister gave me and the House inaccurate information and either directly or indirectly obstructed and interfered in the performance of my work and rights. If we cannot count on accurate information being brought before the House, I believe it is a grave concern for the principles of accountability, democracy, and fairness, which you and I hold as a standard for this Assembly.

Thank you.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. It gives me great honour to be able to stand and dispute the claims that have just been put forward on a point of privilege.

Mr. Speaker, first of all, a point of privilege is a very serious matter. Saying that I have infringed upon the rights of any member of this Assembly is something that I take very seriously, and I would ask that you rule on this immediately to put this to an end.

I will refer to what the hon. member has stated in his letter to you of January 30, 2003.

In his reply the Minister stated that the Alberta Teachers' Association advocated that they would be willing to accept increased class sizes as well as changes to hours of instruction.

I will then, Mr. Speaker, quote from page 1483 of *Alberta Hansard*, which, as the hon. member has correctly quoted from, was in a question about class size, and I believe that this should be quoted again. I answered the question that was posed by the hon. member by stating, "Mr. Speaker, the ATA in their submission to the arbitration tribunal said that the awards could be funded by increasing class size and by decreasing the hours of instruction." I will say that there probably was a typo or I did misspeak in that the comment was: increasing the hours of instruction.

Mr. Speaker, I would like to draw your attention to a document that was tabled on December 3, 2002. It is sessional paper 700 of 2002. I would draw your attention to page 16, which is section 4 of the general submission by the arbitration tribunal on the Edmonton public school board system. I will say in preface to this that this is a very similar document as to the first six cases that were put forward by the arbitration tribunal. Section 4, ATA's General Submissions, says, "This is a summary of the ATA's submissions about the general considerations which the Arbitration Tribunal should take into account."

I will then turn to page 25 and refer you to section (q), which is out of the same section that deals with the ATA's general submission to the arbitration tribunal.

School boards can accommodate higher salaries and benefits by adjusting instructional hours or class sizes – both of which are outside the scope of the Arbitration Tribunal by virtue of section 23 of the Education Services Settlement Act, though both affect the quality of the teaching work place. Some school boards can use surpluses. Accordingly, there can be no argument about their ability to pay for the increases being sought by the ATA.

In summary, the ATA is seeking end rate grid adjustments of between 18% and 20% for the various school districts, spread over the mandatory two-year term of the collective agreements.

Mr. Speaker, I will also refer you to a document that was tabled today, and that document was an actual part of the submission to the ESSA that the Alberta Teachers' Association made. Again, in prefacing this, I will say that this document was not provided to us until the president of the Alberta Teachers' Association made this available to us. This document is from an ATA brief of general argument to the arbitral tribunal. I will quote halfway down the page, which is section (b):

Nevertheless, for most jurisdictions this is not an issue, in reference to the fair and reasonable compensation.

For those few jurisdictions at or near deficits there are a number of potential methods for implementing reasonable awards, which may or may not be carried out:

- Reduce programmes
- Reduce non-teaching services
- Raise teaching hours of instruction
- Seek power to levy local taxes, establish foundations or other schemes to increase revenue
- Close small schools
- Apply to merge jurisdictions

Then I will quote again.

All of these are clearly inferior to what the ATA has always advocated – often in unison with affected school boards – as the only proper solution:

- Seek greater Government assistance for public education.

3:00

Mr. Speaker, there were a lot of words that came to mind when I heard that I was being brought up for a point of privilege. Probably the first one was shock, the second one was dismay, and the third one was sadness that this hon. member would bring this forward. It is very clear in what *Hansard* has stated that I have brought forward what the ATA has put forward in their submission. I in no way said that the ATA advocated it. In fact, in *Hansard* there is no word that says advocate there. It said that the ATA put it in their submission.

Mr. Speaker, on December 3 of 2002 the arbitration tribunal was tabled before this Assembly and was open for all members to see and read. This afternoon a part of the actual submission to the ATA was also tabled in this Assembly which said exactly the same thing.

I am extremely distressed that this point of privilege could damage my reputation in this Assembly, that this point of privilege is false, that this point of privilege is not indicative, hopefully – I have held the hon. member in esteem. He has always been a very esteemed colleague. I feel that this takes him over the edge. I believe that what was stated in *Hansard* is a direct response to what was tabled in this Legislative Assembly, and I would also add and urge the Speaker to take immediate action on this point of privilege as for every minute that this false point of privilege hangs out there, it is damaging to me personally. Mr. Speaker, I would urge you to act promptly, and I would urge you to act in the right manner.

Thank you.

The Speaker: Hon. members, the chair has listened attentively to the arguments made on this purported question of privilege brought by the Member for Edmonton-Mill Woods and is prepared to rule, primarily because the chair has had several weeks to deal with this matter rather than just the last five or six minutes.

In brief, the member alleges that his ability to perform his duties was obstructed by the Minister of Learning's answers to certain questions concerning the Alberta Teachers' Association on November 25 and December 3, 2002. The member alleges that the minister misled the Assembly in these responses, which led to an alleged contempt of the Assembly. The only way that this could be a prima facie question of privilege would be if the chair found that the Minister of Learning had deliberately or intentionally misled the Assembly.

In his January 30, 2003, letter giving notice of his intention, the Member for Edmonton-Mill Woods does not directly allege that the minister deliberately or intentionally misled him or the Assembly. The parliamentary authorities are quite clear that for there to be a contempt, there must be a finding that there was some intention to mislead the House. Leading parliamentary authorities on this subject were canvassed in the chair's March 20, 2002, ruling.

In this case, before the matter can be dealt with, there must be a finding under Standing Order 15(6) that the purported question of privilege was raised at the earliest opportunity. Leaving aside the question of what circumstances would allow something done in a previous session to be the subject of a question of privilege in the next session, there is a very real issue about the timeliness of this application. In his notice the Member for Edmonton-Mill Woods indicates that this was the earliest he could raise the matter "as the Legislature had adjourned before I learned of the information which has caused me to take this action." The information consisted of letters from Mr. Booi, the president of the Alberta Teachers' Association, and from Mr. David Jones, the head of the government-appointed arbitration tribunal under the Education Services Settlement Act.

Of course, the member could not have had this information as the letter from Mr. Jones was dated December 17, 2002. It cannot be overemphasized that Mr. Jones was responding to a December 11, 2002, letter from the Minister of Learning asking for clarification of the ATA's position, which, in turn, was prompted by a December 5, 2002, letter from Mr. Booi questioning the minister's interpretation, which was the day after the fall sitting concluded. How could the minister have deliberately misled the Assembly if he was not advised of the positions of the parties until after he had spoken?

At best, this is a dispute between members as to facts or interpretation of facts. It would not necessarily be a point of order, and I do not find that it gives rise to a *prima facie* question of privilege.

The chair wants to take this opportunity to remind members that an allegation of deliberately misleading the House is a very serious matter that is hardly ever made out. Members, however, of a certain age may remember the Profumo affair in England in 1963, when a minister was found to have deliberately misled the House, or the Eggleton affair of February 2002 in the Canadian House of Commons, but these are extremely rare instances. The member cited a 1978 ruling from the Canadian House of Commons involving the RCMP and the then Solicitor General, but as Marleau and Monpetit state at page 87 of the *House of Commons Procedure and Practice*, there was a finding that the minister had been deliberately misled by officials. There is no such allegation here.

While members have a duty to be vigilant in their questions and answers, occasionally mistakes may occur. The chair is not suggesting that such occurred in this case but wants to remind members that our procedures provide members with an opportunity to provide additional information following Oral Question Period, and certainly the chair would never deprive a member with an opportunity to take the floor to indicate that he or she was wrong.

head: **Request for Emergency Debate**

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

Education Funding

Dr. Pannu: Thank you, Mr. Speaker. I'd like to speak to the motion that I put on the record earlier today. I will certainly request your indulgence because I have to convince you and the members of this House that there indeed is a situation again, an emergency, and for that reason we should suspend the regular business of the House to debate my motion. So I certainly ask for your forbearance. I'll be brief. I'll try to strictly use only those arguments and reasons and facts that I think are pertinent to arguing for genuine urgency.

Speaking to urgency, Alberta students are already paying the price for this government's stubborn refusal to fund the arbitrated salary settlements and to restore operations and maintenance grants and grade 10 credits. I urge you, Mr. Speaker, to allow this debate to

proceed this afternoon. The government's failure to address this most urgent matter is creating a genuine emergency, an emergency requiring the immediate attention of the members of this House.

Speaking to urgency, Mr. Speaker, the Alberta School Boards Association said, "The \$142 million funding gap facing school boards . . . will turn into a chasm that students across the province will fall into, if the government doesn't foot the bill." The ASBA continues, "Every board in this province will hit the wall – and we are talking cuts to teaching staff, ballooning class sizes – and potentially school closures."

In some school districts cuts are already being made. Edmonton public schools have already canceled or postponed various projects and made significant cuts to their purchase of supplies, equipment, and services. Even with these cuts, Edmonton public schools are still anticipating a \$13.5 million shortfall in this year's budget.

So returning to the issue of emergency, Mr. Speaker: why do we need to debate this issue this afternoon rather than wait for the budget debate? The reason is that the school funding crisis that we need to debate today has been caused by past government decisions. The single biggest contributor to the schools' funding crisis is the arbitration settlements reached with the province's teachers last June.

Speaking to urgency, past decisions of the Tory government are causing today's crisis in our schools. The government provoked a strike with teachers. The government imposed an arbitration process and are now refusing to assist school boards to fund the salary settlement, leaving a \$142 million hole in school board budgets. Instead, school boards are being forced to cut core services. When school boards dare speak up, the government response is bullying and belligerence and sending in the auditors.

The school funding crisis is a genuine emergency, Mr. Speaker. We need to debate the school crisis in this Assembly this afternoon. I urge you to rule in favour of allowing a debate on this Standing Order 30 request to proceed this afternoon.

Thank you, Mr. Speaker.

3:10

The Speaker: The hon. Minister of Learning on this motion.

Dr. Oberg: Thank you very much, Mr. Speaker, and I will stay strictly with the urgency of this motion, as I believe that is what is being debated here today. Budget 2002 was passed in this House, in this Legislative Assembly, back in April of 2002. Included in that were increases to the Alberta school boards' budget of, for the fourth time today, \$298 million. In June of this year an arbitration settlement came down which awarded teachers 14.09 percent. That enabled our teachers to be the highest paid in Canada. Indeed, it took a four-year education teacher's pay to, at minimum, \$42,867 and a six-year education teacher, at maximum level, to \$72,893, which is the number one rank in Canada. There are also benefits on top of that. The arbitration award totaled \$260 million over the two years. The school boards were given \$298 million.

The third time line that I would stress that this is not urgency today is that the school board knew about the settlement. The school board knew how many dollars they were getting as of September 1, 2002. August 31 is their fiscal year-end. September 1 is the first year of their new budget. Mr. Speaker, they knew how many dollars they were getting. They knew what their teachers' costs were, what the arbitration settlement was at that time, back on September 1.

So speaking directly to the urgency, these are the same situations that have been there since September 1. I feel that there's definitely no case for urgency in this Standing Order 30 today.

The Speaker: The hon. Government House Leader on this point.

Mr. Hancock: Thank you, Mr. Speaker. I'd just like to add three points to the comments made by my hon. colleague with respect to the urgency. The opposition well knows and the leader of the third party well knows that in the session one of the most important pieces of business that we do is to debate supply, and there will be an opportunity at an appropriate time to debate supply, not once but three times.

The hon. member can anticipate the third-quarter results, which have to be published before the end of February, and he knows that the common practice is shortly thereafter to bring in supplementary supply. I can assure him that he will have the opportunity to debate supplementary supply shortly after the third-quarter results are published.

He can also anticipate an opportunity to debate interim supply, which is normal, because we have to provide for supply to be available immediately after the start of the new fiscal year, April 1. So in the event that full supply has not been completed prior to the end of the fiscal year, interim supply must be in place, and the hon. member has been in this House long enough to know that he will have an opportunity to address all issues of funding through the process of the interim supply debate. Then, of course, the House spends a good month debating the full supply, and he'll have that opportunity.

So it seems premature to bring up an issue around funding at a time when we've started a session, most of the time of which will be devoted to discussing the issue of funding.

The Speaker: Hon. members, let me first of all confirm that the leader of the third party did give proper notice of his intention to seek permission to present this motion under Standing Order 30. Notice was received by my office yesterday, by 1 o'clock, so that requirement had been met.

One of the key considerations that has to be made with respect to the urgency arguments is the whole question of whether or not members will have another opportunity to discuss the matter in question. As this is only the second day, well, perhaps even arguably the first day, of this particular session and some suggestions would be that we'll be here till probably September or October, one would think that since considering the Speech from the Throne has been scheduled this afternoon, there would be an opportunity this afternoon to begin discussion of this subject matter if one so chose. The hon. member himself would be given some priority in terms of the speaking order with respect to the Speech from the Throne. That's one of the courtesies provided to the leader of the party in this Assembly. Having done that, then the other alternatives provided and outlined by the hon. Government House Leader, including the estimates themselves, would certainly provide an opportunity.

So I would suspect that there will be ample opportunity, and the chair does not consider this matter a matter of such degree of urgency that warrants the postponing the business of the session this afternoon. Therefore, the request for leave is not in order.

The hon. Member for Edmonton-Highlands on your purported point of order.

Point of Order

Allegations against a Member

Mr. Mason: Thank you very much, Mr. Speaker. The Minister of Learning is having a tough day, but he's 2 for 0 now. During the question period the hon. Member for Edmonton-Strathcona was asking questions to the hon. Minister of Learning, and in his response to that question I heard the hon. minister say that the hon. member wanted the strike to go on, that he wanted the children to continue not learning, or words to that effect. I did step out and look

for the Blues and wasn't able to find them, but perhaps they are there and you have them. That's the best of my recollection of the comments.

I would argue, Mr. Speaker, that this violates Standing Order 23(h), (i), and (j).

(h) makes allegations against another member.

I think it's clear that the suggestion that the minister made that the hon. member wanted a strike and wanted children not to learn was an allegation.

(i) imputes false or unavowed motives to another member.

Clearly, this is the case. Obviously, the minister's suggestion implies or asserts that the Member for Edmonton-Strathcona had motives in challenging the minister on his policies which were unavowed, and quite clearly I would assert that they are false.

(j) uses abusive or insulting language of a nature likely to create disorder.

Quite frankly, the suggestion that the hon. Member for Strathcona, who has spent his career promoting education as a professor at the University of Alberta in the Faculty of Education, would like children not to learn is insulting in a very profound way. I would suggest that the minister is out of order and should do the honourable thing and apologize.

Thank you.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. Over the past year we have been involved in numerous discussions in this Legislative Assembly about the whole issue of the strike that occurred, and the hon. members opposite have many times stated that this government wanted a strike. As early as today they said that it was the government that imposed the arbitration.

The ultimate outcome of not stopping a strike, of having a strike that goes on, is that students do not learn, that the teachers are not in the classroom. That is the ultimate consequence of continuing a strike. The only way that we could have gotten the teachers back to work was through the arbitration agreement that the Alberta Teachers' Association told the Premier they wanted as well. So if you say that it was a government-imposed arbitration that the strike was to continue, then the next step is that students would not learn.

Mr. Speaker, I do not find in 23(h), (i), and (j) that there was any intention to impute motive. I was quite simply stating a fact, stating a consequence of a continued strike action, stating a consequence of things that would have occurred if there was not an arbitration process. That is quite simply what was stated in this House today.

3:20

The Speaker: Well, let's take a look and see what was actually said, which would probably be very helpful. The hon. Minister of Learning, in responding to a question – and we'll skip the first paragraph of his long answer and go to the second paragraph.

Mr. Speaker, the hon. member knows full well that when it came to the arbitration arrangement that occurred, first of all, the president of the ATA wanted the arbitration. As a matter of fact, in a meeting with the Premier and myself he pointed that out that he wanted arbitration. We were in a position where there was a strike going on. Obviously the hon. member wanted the strike to continue so that students could continue not to learn.

Now, a cursory review of section 23 in our Standing Orders would suggest to me that the making of allegations against another member or imputing false or unavowed motives is a no-no and not part of the tradition of this House. Sometimes I suspect that hon. members, particularly ministers, actually listen to the questions that are being put their way, and when they do that, they tend to probably respond

to some words. So may I also quote, then, some words issued by the hon. leader of the third party? I quote from the question.

The government caused this crisis. They provoked the strike with the teachers. They imposed an arbitration process. They are now forcing boards to cut core services, and finally, when a board chair speaks up, they respond with bullying and intimidation.

Section 23, hon. members, refers to accusations against hon. members, not accusations against the government. So no matter how inflamed the hon. Minister of Learning might have been in listening to the questions from the hon. leader of the third party, the hon. leader of the third party was providing the nuances that he has the right to provide in his questions. However, the hon. Minister of Learning did cross the line by making a specific accusation against the leader of the third party. So I am now going to invite the hon. Minister of Learning to revisit his remarks and perhaps make comment with respect to his remarks.

Dr. Oberg: Well, thank you very much, Mr. Speaker, for this opportunity to speak. I will certainly take the best of three in today's actions and apologize to the hon. member and withdraw my comments.

The Speaker: That matter is ended.

head: **Orders of the Day**

head: **Consideration of Her Honour**

head: **the Lieutenant Governor's Speech**

Mr. Jacobs moved that an humble address be presented to Her Honour the Honourable the Lieutenant Governor as follows.

To Her Honour the Honourable Lois E. Hole, CM, AOE, Lieutenant Governor of the province of Alberta:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly, now assembled, beg leave to thank you, Your Honour, for the gracious speech Your Honour has been pleased to address to us at the opening of the present session.

The Speaker: The hon. Member for Cardston-Taber-Warner.

Mr. Jacobs: Thank you very much, Mr. Speaker. It's truly an honour for me today to rise in the Legislative Assembly and move acceptance of the Speech from the Throne. The speech that was presented by Her Honour the Honourable the Lieutenant Governor, Lois Hole, served to open the Third Session of the 25th Legislature, but it was done in a manner consistent with the best traditions of honour and duty that the office of the Lieutenant Governor represents.

To begin with, Mr. Speaker, I would like to express how grateful I am to live in the province of Alberta. It is a land that is blessed with natural beauty, with pristine mountains and crystal-blue, clear water. It has huge tracts of good agricultural land and an abundance of natural resources: oil, gas, coal, timber, to name a few. As I travel this province and see the diversity – the crops, the herds of cattle, and the scenic beauty – I am filled with a sense of pride and gratitude that Alberta is my home.

It is a pleasure to address the Assembly on behalf of the constituents of Cardston-Taber-Warner. I am proud to represent the people of this riding. I have deep roots in this area as I was born in southern Alberta and raised my family in the community. I am committed to my riding and dedicated to bringing my constituents effective and efficient responses to the issues of this province and the challenges that all of us face together. I am also devoted to voicing their concerns, making sure they are heard. These individuals have elected me as a representative, and it is my job to reflect the views

of my constituency to the government. I try to do so with humility and respect and in a manner suitable to the people of my constituency. Mr. Speaker, the constituency I serve has experienced steady growth, allowing for the development of flourishing communities that help to enable our province's prosperity. These contributions have assisted in the development and the continuation of our province's favourable economic position and our ability to offer such a high quality of life that makes Alberta the best place in the world to live.

I should note, however, Mr. Speaker, that even though these rural agriculture-based communities have made positive contributions to Alberta's success, they are today experiencing some challenges; for example, the high cost of electricity generation and delivery, the delivery of health care and education, and also the challenge of loss of population due to the challenges of economic sustainability of family farms and small businesses.

Alberta has many natural advantages which have served as the basis of this province's thriving economy, but our natural advantages have been met by our equally innovative resource of people. It is because of their hard work, ingenuity, and independent attitude that this province is a leader and a great place to live. Alberta has maintained an economic agenda that ensures the existence of a viable free enterprise environment and that provides its businesses with the tools necessary to compete in a global market. Our province's economy remains strong. Alberta held its ground during a time of global economic uncertainty last year, and despite this slowdown that continues to some extent today, our province enjoys a leading economic position.

Over the last 10 years Alberta has had the fastest growing economy in Canada. It is projected for 2003 that Alberta will continue to be a leader with a solid economic performance. Alberta consistently rises above other provinces, having the highest investment per capita in the country. Our unemployment rate is anticipated to remain low, while an additional 40,000 new jobs are expected to be created. The province's vibrant economy clearly not only provides for a healthy job market but also translates into new opportunities for Albertans. As growth continues, this province will also be focused on an approach to maintain our sustainability. This disciplined policy will allow the government to put money towards the province's priorities while ensuring that the finances of this province remain on track for Albertans.

I agree, Mr. Speaker, that the challenge we now face is to stay the course and keep things steady as we grow. The government is committed to its sound fiscal principles. As the Premier reinforced in his televised address, the government will stay centred on getting rid of what is left of our provincial debt, and I commend him and thank him for that. Alberta has put into place sustainable fiscal management plans. These plans include both balanced budgets and debt elimination to render certain our province's continued growth and prosperity. I believe balanced budgets, debt elimination, low taxes, and a minimum of regulation are vitally important to this province's continued prosperity. We must continue to create an economic environment where people are free and are rewarded for their efforts.

3:30

Mr. Speaker, coming from a primarily rural constituency, I feel it is my duty today to represent the views of many families involved in farming and agriculture. Agriculture is an imperative sector both to our economy and our history. Alberta was built by farmers and ranchers while today agricultural societies continue to play a crucial role in the development of this province. Agriculture is one of the founding elements of our economy. Alberta is the second largest

agricultural producer in Canada despite having only 10 percent of the country's population and 22 percent of its farms. Clearly, our producers know no bounds in developing innovation strategies and embarking on cutting-edge research. It is evident that the agriculture sector plays a vital role in our province's leading economic presence.

As Her Honour pointed out, the government has made a commitment to those in the agriculture sector. The Speech from the Throne reaffirmed the province's dedication to this industry and the people who make it thrive. This government recognizes the significance of food producers across the province. The government will also provide assistance to Alberta producers through a comprehensive portfolio of agriculture safety net programs. These programs show the dedication of the government to an industry that affects all Albertans, be they urban or rural.

Farmers and ranchers across the province can feel assured that their government is committed to addressing the concerns and difficulties agriculture producers face during uncontrollable situations. The government is exploring long-term solutions to maintain the vitality of the agriculture industry. The government is modifying and altering assistance programs for farmers and ranchers in order to alleviate the hardships faced when drought strikes. It is looking into crop insurance programs to enhance these measures, making them more responsive to the needs of farmers. Program flexibility will also be increased to accommodate heightened pressure on the livestock industry.

This year the government will focus on innovative strategies and advanced research to help build an even stronger agriculture sector. These directions will aid in the development of accelerated growth, increased prosperity, and environmental preservation throughout the industry. All members should realize by now that agriculture is not an outdated industry. It is a strong, vibrant, innovative sector that will continue to make Albertans proud well into the 21st century.

Mr. Speaker, I would now like to shift my focus and speak on an issue that has sparked much controversy and debate, the Kyoto protocol. No one should doubt that citizens across this province are committed to a clean environment and are more than willing to do their part to maintain a healthy Alberta. The state of our environment is an extremely important issue, but we must ensure that it is addressed in the most appropriate manner and does not come at the expense of stunting our economic growth.

Mr. Speaker, the Kyoto protocol is not the answer. While having good intentions to pose a solution for the reduction of greenhouse gas emissions, good intentions are not good enough. It is not the right solution for Alberta or for Canada. Within Kyoto's international approach there are difficulties. We are seeing problems already in the methods and the science of this design. We need a made-in-Alberta strategy to deal with the unique circumstances of our province. We must develop a plan that is suitable for Albertans, recognizing the environmental concerns and embracing the appropriate solutions while not compromising the economic outlook of our province.

Mr. Speaker, I would now like to turn my last remarks to addressing the importance of our children and our families. I certainly agree with the Speech from the Throne in that our children are our greatest resource. These individuals are our future. Therefore, it is vital that we give them every opportunity to grow and develop to their greatest potential. I was pleased that in the throne speech a commitment was made by the government to create an environment where children could achieve their divine potential. I believe that all the areas of commitment that were made in the promise are important. However, I also feel that a great effort should be made to strengthen families. The family is the basic unit of society, and I believe that for a province or a nation to be strong, it must have strong families. These

should be families that are accountable and responsible for their own welfare and ones that work together to achieve their goals and objectives.

I would like to note that when I speak of families, I refer, for the most part, to the traditional family, consisting of a father, mother, and children, where each member of the family recognizes their role and responsibility and works hard to succeed. These are the kinds of families that created the foundation for what this province is today. Therefore, I believe, Mr. Speaker, that it is imperative for the government to find ways to create a climate to encourage families to stay together and work to achieve success. Families also need to be responsible and accountable to solve their own problems.

Mr. Speaker, I believe in the old adage that it takes a village to raise a child. This village includes grandparents, extended family, teachers, educators, and the community at large. I certainly commend teachers and educators for the vital role they play in teaching our children. It is said that in the first five years of a child's life the child learns the moral and social values that last a lifetime. Therefore, I believe that the home is the most important environment for the child and that a good home and strong family is vital to raising children to become honest, hardworking, and responsible adults.

Mr. Speaker, the issues I have focused on are only some of the important issues facing Alberta. The Speech from the Throne outlines a promise to our children and an agenda for our future. This message highlights many crucial areas that the province will continue working on to find the best strategies and solutions to Alberta's ongoing challenges.

The Speech from the Throne is an extremely important message and one that I am proud to move acceptance of. This speech illustrates the government's leadership and commitment. This message also shows that our government will continue to find new and improved ways of doing things. We will not sit back and be complacent but will discover innovative solutions, ensuring that the high quality of life Albertans enjoy today will continue. I am proud to stand in this Assembly and support these directions for our future and our continued growth and prosperity.

I thank you.

Mr. VanderBurg: Mr. Speaker, it's with extreme pride that I second the motion for consideration of Her Honour's Speech from the Throne.

It is indeed a privilege to rise this afternoon and reply on behalf of the constituents of Whitecourt-St. Anne. My constituency is fortunate enough to enjoy wide economic diversification, and this results in issues and concerns relating to agriculture, energy, sustainable resources, economic development, infrastructure, health care, education, and utility bills. These are very real concerns to the residents of Whitecourt-St. Anne as well as throughout the province.

The Hon. Lois Hole talked about this government's commitment to both agriculture producers and rural communities. I do agree with Her Honour that they are the backbone of this province. As a member of the Standing Policy Committee on Agriculture and Municipal Affairs I am continually impressed with the complexity of important agriculture issues in Alberta. More importantly, my participation in this committee has heightened my awareness of the very real needs of local producers in Whitecourt-St. Anne. I am fortunate to have had the opportunity to bring these agriculture concerns directly to the attention of my colleagues, including the Minister of Agriculture, Food and Rural Development. Mr. Speaker, her commitment to the sustainability of agriculture is commendable, and I'd like to thank the Member for Drumheller-Chinook for her hard work. She is a true champion in the eyes of rural producers.

3:40

I also enjoyed Her Honour speaking of ensuring the long-term stability of the energy sector. These industries generate revenue for government programs but, more importantly, stimulate economic growth. In the Whitecourt-St. Anne constituency the lack of frost this last fall has delayed exploration in the petrochemical industry, but since the new year the weather has been much more seasonal, so the oil and gas sectors are now back to their normal winter routines. This is great news for the families in the area as well as the economy of Whitecourt-St. Anne.

Her Honour also talked about the consumer side of the energy sector, and this refers to customer choice and service in rural areas. Dramatic increases in utility bills are causing very real hardships in my constituency. Whitecourt-St. Anne is home to many low-income and fixed-income households. Unfortunately, Mr. Speaker, these people find it ever more difficult to pay these increasing bills when their sources of income are not increasing accordingly. I can say with confidence that half of the phone calls, faxes, and e-mails received by my constituency office are directly related to these issues. I realize that a great deal of progress has been made on delivering new generation, but a lot more needs to be done to help the people who do not have the finances to pay for the escalating utility bills. I look forward to the debate in this Assembly regarding the proposed legislation that will help to address these issues. I'm confident that this government will find a way to ease the burden on low-income households across the province.

Mr. Speaker, I agree with Her Honour that one of the key supports for a strong economy is a solid infrastructure. This is very true in my constituency, and thankfully some of the work necessary to keep up with Alberta's growth has already begun. Last year I was thrilled to be part of an announcement of \$63 million being dedicated to twinning 50 kilometres of highway 43 in Whitecourt-St. Anne. This highway has been known for years as the Alaska cutoff and is now a large part of the Canamex north/south trade corridor, that runs through Alberta to the United States and Mexico. It also serves as a gateway to Alaska and the Mackenzie highway. The economy is usually the first reason used to invest in highway infrastructure, but twinning this 50-kilometre stretch will improve the road safety by spreading out traffic, improving intersections, and helping the larger trucks and resource-based equipment get to their destinations. I am committed to ensuring that steady progress is made on this project until its completion in four years.

Her Honour pointed out how the government will continue to reform Alberta's health care system to improve access and quality. Mr. Speaker, many constituents in Whitecourt-St. Anne are concerned about the state of health care in their area but do not see boundaries or administrative procedures as important issues. The concerns I hear over and over again regard ensuring effective health care that is delivered in a timely manner. By building on the work that has already been done, I'm confident that progress will continue as the government strives to make health care even more efficient.

Her Honour also talked about the value-added strategy to take advantage of the enormous potential of Alberta's economy. Mr. Speaker, I'd like this government to pursue two very important issues in northern Alberta and in my constituency. First of all, the softwood lumber issue remains a very important issue and continues to have dramatic effect on the local economy. The lumber industry is a major economic component of the Whitecourt-St. Anne constituency. While it suffers, so do the spin-off businesses, and the overall result becomes negative for all communities. My hope is that all sides will soon come together to finally settle this dispute. This industry needs to have both the Minister of Sustainable Resource

Development and the Minister of International and Intergovernmental Relations push hard for a resolution.

The second issue is the issue of economic development of mineral extraction in northern Alberta. I am presently working on a strategy driven by industry to create investment in the precious mines and minerals sector. Alberta has a potential to launch another lucrative resource-based industry. Junior mineral companies can use today's technology coupled with Alberta's rich resources to develop this exciting new industry. I believe that continued exploration combined with the right investment will create mining opportunities in this province within the decade. The possibility of creating substantial revenue for the province and an opportunity for new and stable employment truly does exist. There are several new diamond mines operating in the Northwest Territories. With less than \$3 billion of investment, the people of the territories will see a return of \$50 billion.

I believe that Alberta could invest substantially less and generate similar revenues because of our existing infrastructure and well-trained workforce. Diamond discovery is not new to Alberta, and I'm sure that most of you know that in 1958 Alberta's first diamond was found in my constituency, around the Evansburg area, by a local farmer. So prospectors living and working in my constituency have told me of the great potential for diamond and gold discovery in Whitecourt-St. Anne. As we speak, these same prospectors are working on projects in northern Alberta that have huge potential for mineral extraction. I thank both the ministers of Energy and Economic Development for their encouragement to help this industry develop.

Mr. Speaker, this is just a snapshot of some of the many issues on the minds of residents of Whitecourt-St. Anne. This year I hope to build on the successful meetings that I've had with the mayors, the reeves, school boards, REAs, gas co-ops, and other authorities representing the people of Whitecourt-St. Anne. These representatives have a lot of work to do, and I would like to assist them however I can. I do enjoy partnering with them, as we all play a large role to ensure that Alberta remains the best place to live, work, and raise our families.

In closing, Mr. Speaker, I'd like to thank my family for their love and support. I'm very fortunate to have a spouse that supports me. We all know how stressful this job can be at times. My staff both in Edmonton and Mayerthorpe take this job as seriously as I do, and I thank them for that. We will all remain very diligent about responding to the concerns of my constituents. I've always said that I'm not interested in bringing government representation to Whitecourt-St. Anne, but I'm truly interested in bringing the interests of Whitecourt-St. Anne to this government. I would like to thank the people of Whitecourt-St. Anne for giving me the honour of speaking on their behalf today.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I want to start by thanking Her Honour the Lieutenant Governor of the province for delivering the speech yesterday afternoon with her usual grace and humour and thank her for her continuing outstanding service to the people of Alberta. She makes us all proud.

With respect to the substance of the throne speech, I must confess that I found the speech disappointing. This Speech from the Throne finds the Tory government in the middle point of its mandate. What a difference two years make. Two years ago the money to buy votes in the March 2001 election was just flying out the door. This Tory government spent over \$4 billion in rebates of all kinds in the lead-

up to the last election. Albertans we talk to have no interest in petty jurisdictional squabbles with Ottawa, that the government seems so keen to ignite. The government wants to keep attacking the Canadian Wheat Board, even when all three Alberta districts elected through democratic process pro Wheat Board directors. The government seems to be out of touch but doesn't see it that way. The government wants to keep fighting yesterday's battles over Kyoto despite the fact that the doomsday scenarios that the Tory government used and the millions of public dollars that the provincial Tories used to frighten Albertans with last fall are nowhere in sight. Anything to take the focus off the failings of this government.

Right now there are two issues making our phones ring off the hook more than any other; namely, high utility bills and the funding crisis in our schools. Albertans are currently suffering the double whammy of high utility bills because of this government's bungled deregulation scheme and sky-high home heating bills. On March 25, 1998, the Premier stood up in this Assembly and promised Albertans that electricity deregulation would make electricity cheaper and that their bills would be lower. The Premier has not been able to keep that promise. Far from lower bills, power bills across the province have nearly doubled as a result of deregulation. While jurisdictions like California and Ontario are wisely backing away from electricity deregulation, the Tory government here plunges blindly ahead. The throne speech refers to changes being proposed to electricity deregulation. Just like four years ago, the government is promising to fix the problem the second time around. This time, however, Albertans are likely to not take the government at face value.

3:50

Two years ago, at the same time as the last provincial election, it only took a month of high natural gas prices before this government stepped in with rebates. We started out with rebates of \$50 per month. This was later tripled to \$150 per month. Now the Minister of Energy tells us that natural gas prices will have to stay high for a whole year, for 12 months, before rebates are even considered. Before a provincial election, natural gas prices had to stay high for only a month before rebates kicked in. After an election they have to stay high for a full year. This is cynical politics at its worst, Mr. Speaker. When the Tory government are looking for votes, they suddenly care about the hardship of high heating bills. Two years before an election it's not on their radar screen.

That's why my colleague from Edmonton-Highlands has called on the government to enact a consumers-first gas price, featuring automatic rebates anytime the price of gas rose 20 percent above the five-year rolling average. It is our gas, Mr. Speaker. Why shouldn't Albertans enjoy the benefit of it? We deserve a rebate system that protects consumers from spikes in the prices, that's free from political interference and manipulation and gives our consumers an advantage over the rest of the continent.

Turning to the genuine emergency being created by this government's refusal to adequately fund schools, it's important for Albertans to understand why there is a financial crisis in our schools. It's not – I repeat: it's not – the fault of school boards. The financial crisis is being inflicted by policy changes made by this provincial government, changes made after school boards had finalized their budgets. It wasn't only the arbitrated settlement with teachers. The Tory government also changed the formula for calculating grants for plant operations and maintenance. The government also capped credits for grade 10 students. The combined impact of failing to pony up for the arbitrated salary settlements and the above policy changes have left a multimillion dollar hole in school board budgets.

Unlike senior levels of government, school boards are not allowed to run deficit budgets. This leaves school boards with no alternative

but to cut core services, and these cuts will be highly detrimental to our students. We are talking about increasing class sizes, laying off 350 teachers in Edmonton public alone, cuts to the international baccalaureate program, closing schools. The list goes on and on and on. First, the government provoked teachers into going on strike; then they imposed an arbitration process. Now, instead of ponying up to pay for the arbitration award, the government is instead forcing school boards to cut core services. Then when school boards speak out about the resulting financial crisis, the government responds with bullying and intimidation. It is a government that rules by intimidation and fear: if you dare to speak out, we'll send in the auditors, and if you dare to speak out, we'll threaten you in other ways.

The Alberta School Boards Association has calculated the shortfall from the arbitrated salary settlements alone at \$142 million across the province. Michele Mulder has this to say about the funding shortfall:

The \$142 million funding gap facing school boards on the teacher salary front will turn into a chasm that students across the province will fall into, if the government doesn't foot the bill. Edmonton Public is not alone in facing cuts to teachers and programs . . . Every board in this province will hit the wall – and we are talking cuts to teaching staff, ballooning . . . and potentially school closures.

Students are being made to suffer because of the government's refusal for the past eight months to fund this funding shortfall. This is wrong and must be set right, Mr. Speaker. The government's refusal to pony up for schools brings into serious question its sincerity of the so-called children's agenda.

The throne speech talks about a bright future for children and youth being the government's highest priority. Well, actions speak louder than words. Meaningful action to assist children is more than setting up a council with a nice-sounding name. It is to undertake concrete initiatives to assist children. Yesterday's federal budget contained hundreds of millions of dollars in initiatives for child care and to give children a better start in life, especially children from low-income families. This government must back up the fine rhetoric in the throne speech with concrete actions to help children in similar ways.

Turning to postsecondary education, there's a growing crisis of affordability for postsecondary students. The University of Alberta has just announced a 6.9 percent overall tuition increase for students next year, and the University of Calgary is contemplating a similar increase. On top of this, the differential tuition that has just been introduced will lead to a further doubling of tuition in faculties such as medicine and law. Community colleges like Grant MacEwan have announced a general tuition increase of 10 percent. Postsecondary education is an investment in the future of our young people. It's a public investment worth making, yet it scarcely rated, as I mentioned, in the throne speech, and certainly there were no concrete initiatives to address the crisis of affordability in postsecondary education. Provinces, such as Manitoba, with far fewer fiscal resources have been able to freeze postsecondary tuition fees. The question that Albertans are asking is: why not Alberta?

Despite the fact that health care is the number one priority of Albertans, yesterday's throne speech surprisingly had very little concrete to offer. Albertans should perhaps be grateful that the government seems to be backing away from some of the more negative recommendations of the Mazankowski report. These are the recommendations that involve delisting of services and user-pay medicine through schemes like imposing health care deductibles.

The return to appointed regional health boards is a real step backwards. The scrapping of health boards, that were two-thirds elected, after barely more than a year is a real slap in the face of local democracy in this province. It is clear that the Tory government

doesn't want to have to be responsive to concerns at the local level. It wants a free hand to impose its own health reforms. This is extremely disappointing and regrettable. Albertans will be poorly served through the increasing centralization and control over the health system in the ministry of health. Rural Albertans, in particular, had better watch out.

The throne speech contains a vague commitment to reduce waiting time for surgery and to see specialists. Here, too, actions speak louder than words. Since the last election, waiting time for MRIs, for joint replacements, for heart surgery are all going up, not down.

Turning to affordable housing, \$67 million of federal affordable housing moneys have been left sitting on the table for almost a year waiting for the province to match them, yet the number of homeless Albertans continues to rise. The number of Albertans who have been forced to live in temporary or substandard accommodation is growing even faster. Yesterday's federal budget contained even more financial support for affordable housing and to fight homelessness. Will those moneys be left on the table by this provincial government as well? I sincerely hope not, but I fear that they will, Mr. Speaker.

This throne speech promises changes to the government's fiscal framework. What exactly is the fiscal bottom line of this government? I'm afraid we won't know the truth until June, long after the spring sitting is over and after it's too late to do anything with the money other than apply it to debt reduction. This government has underestimated the budget surpluses to the tune of well over \$20 billion in the last 10 years. Another multibillion dollar surplus is likely in this year's budget while the funding crisis in schools continues to hover over our heads and is nowhere near being addressed. The human deficit continues to grow.

As the spring sitting of the Legislature gets under way, Mr. Speaker, the New Democrat caucus will continue to focus on the real priorities of Albertans, and we look forward to the work of this House as the session unfolds.

Thank you, Mr. Speaker.

The Speaker: Hon. members, Standing Order 29(2)(a) kicks in, so we have five minutes under our rules.

That being the case, then I'll call on the hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks, Mr. Speaker. I was expecting other government members to be speaking, but I'm happy to be granted the opportunity to rise and speak in response to the Speech from the Throne. I'm remembering that last year the Member for Drayton Valley-Calmar felt that I hadn't said enough positive things. I think he said that I hadn't said any positive things about the government, so just to aid him this time, I thought I would put the positive things up front so that he would be sure to hear them.

4:00

I was very pleased to see the commitment to integrating the homelessness plans. That is very important for, certainly, members of my constituency, but overall I think it is a concern of a number of people that we haven't had a good, comprehensive handle on the programs that we're offering for the homeless. I think there has been confusion, certainly. We've even seen it in this House over what exists or who's responsible or who's funding who or how or how much. So I think that is a very positive step, and I congratulate the government on having done that.

I also note and I approve of heartily the move to commit to more affordable housing and to working with the feds on more affordable housing. I mean, the province is jumping on the federal bandwagon

here, but that's okay. That's a good bandwagon to jump on, so I don't blame the province at all for taking advantage of the plans and programs the federal government has put out. I know that there was \$67 million that was up as a matching grant. I know that the government still hasn't quite found the money or where all of that's going to go, but I'm looking forward to any future announcements about how that's all going to work. So two really positive moves forward that I have spoken about many times in this Assembly, and I'm glad to see that, in fact, the government is moving forward on it.

Now I have to move into a series of: here's a good idea, but . . . I have to be suspicious here. I think George Orwell would have loved this government because its use of propaganda and spin is a perfect and classic example of the ministry of truth, and I'll just give you a couple of examples of what I'm talking about.

[Mr. Shariff in the chair]

I think I need to get clarification on what the government is intending through the Speech from the Throne because in the past I have a couple of examples of the government saying one thing and in fact doing another; for example, saying environmental controls around Bovar, but in fact what we get is health warnings to pregnant women not to eat the wildlife or the fish because of contaminated groundwater and snow around Bovar. The government has said that they want to look after children, and then we have cuts in prevention programs. The government says that they want to support healthy lifestyles, but then they won't let adult sport organizations have access to casinos which would keep the programs they offer affordable and accessible. So clarification is what we're looking for. The good idea, but – I'd like to see exactly what the government intends by this.

When it's talking about increasing the Alberta seniors' benefits to seniors in lodges and, I'm assuming, nursing homes, although they're not specified, I'm waiting for the other shoe to drop here because I also know that there's a discussion going on behind closed doors about increasing the co-payment in these care facilities. So is this going to be an instance where the government gives seniors living in those facilities an increase in Alberta seniors' benefits and immediately takes it away by increasing the co-payment? I'm looking for a clarification because that I don't think is going to give the seniors what is stated in the throne speech, which is extra services. I think they're going to get exactly the same thing for more money.

I'd like to raise another point about a possible increase to co-payment, something I think we need to keep in mind if, in fact, that's what the government is considering that may well be a way for those facilities that have no other means of raising money. If the government is not going to give them an increased grant, increasing the co-payment is the only way for them to get the additional money they need to pay the higher electricity bills, natural gas bills, food costs, everything else that's rising for them.

One of the circumstances I've run across is that even for someone with a reasonable pension, once they're paying that co-payment, anywhere between \$900 and \$1,100, that may be leaving this senior's spouse or partner with fairly limited means. So if you had a take-home pay from your pension of \$2,000 but one of the couple is, in fact, in a care facility and is paying \$900 or a \$1,000 or \$1,100 towards the co-payment fee, you're leaving the other spouse with \$800 or \$900 to live on, which is not a lot of money. I don't think we can assume in this day and age that everyone has their mortgage paid off nicely, so we may be creating a difficulty there.

I was very interested to see the discussion of integrated support, and I ask the government to please not leave Albertans hanging on

this. There are a number of individuals out there who are very, very worried about these support benefit programs, and my concern is that if we have different levels of support programs that are integrated – we have the widows' pension, we have AISH, we have SFI, and we have seniors, just to name a few. We haven't seen an inclination in the past from the government to raise all boats to match the one floating highest out of the water.

What we've seen is a tendency to lower them all to submarine levels, and I have a concern there about which programs would be reduced, if in fact that's going to happen, and some reassurance to people that we're not going to have the highest level of support program dropped to the lowest level or to some mid range. Has this happened before? Yes. Indeed it has. We had the government cut almost a dozen universally accessible programs for seniors, cut them all, and provide one program in exchange which was limited as to who could access it, and it gives, in fact, less benefits. So there's one very concrete example of what I'm talking about. I'm wondering if perhaps the age-related benefits discussion is taking place around this integration. This is the discussion that the Minister of Seniors didn't seem to know anything about, so perhaps that's where it was all taking place.

One of the areas that really has very little credibility with me – and let me start by saying as I venture into this area that zero tolerance is a lofty ideal and a good one. But in this particular example the government fails to give any examples of a successful zero tolerance program instituted anywhere, in any corrections system anywhere in the world. In my experience – and I'll admit that I haven't investigated every single one but more than most, I think – I haven't found any prison in the United States, for example, that's been successful with a zero tolerance policy on drugs, violence, or gang relations.

My concern particularly around drugs is that I don't want to see this be an excuse for a lack of action on harm reduction strategies. I think we are jeopardizing the health and safety of our own government workers; that is, the people that are working in the prison systems. If the government is not willing to look at harm reduction strategies like a needle exchange program, which is going to help reduce the number of cases of hep C and HIV, for example, you know, when we have inmates who get into fights or we have to have prison staff come and break that up or deal with them in some way, if we continue to have those levels of infection, the people that ultimately get infected are our government employees.

I call upon the government to make sure that those kinds of harm reduction strategies are going into place. Frankly, it may well be a good idea – I'm yet to be convinced – to try and pursue that course wholeheartedly, but they must be balancing it with harm reduction strategies or they really are, I think, running the risk of harming their staff and putting those inmates through more than what they were sentenced for.

I also had a concern about the statement that was made about arts and culture. It's referring back to a robust economy, that somehow that's going to sustain a thriving arts and cultural sector. That is part of it, but I continue to call upon the government and to look to the government to adequately fund arts and culture. That, in fact, has not been happening. There's been no increase in actual real funding from this government for the arts and cultural sector since 1988. None of these groups or organizations or individual artists get to go to Home Depot and say: please sell me the lumber to build my set or whatever at 1988 prices. They don't get that benefit, and we really need to look to that.

4:10

I hear people saying: oh, well, you know, there's been no problem; that sector has stepped up to bat every time; it's not affecting them.

Yes, it is. We've lost a number of companies in the last 10 years: Stage Polaris, Nexus, Mile Zero, Phoenix Theatre. We've had a number of large organizations, especially those affiliated with the government's art stabilization fund, suffer serious financial crisis; for example, Alberta Theatre Projects, again Stage Polaris, the Citadel, the opera, the Edmonton Symphony, and the Calgary Philharmonic, all groups that were supposed to have been helped by the government's art stabilization fund, all of which, after they were on this program, suffered severe financial instability. So 10 years of this government has not been good for the arts.

Issues that I didn't see addressed in the throne speech that I was really hoping to see included an increase in the number of sitting days. The reason for that specifically is that I sit on the Public Accounts Committee, and that committee, mostly through the decision of the government members on it, keeps defeating my motions to sit longer and to have more meetings. As a result of that, I think we need to be very alive to the fact that that committee only meets when we're in session. If we have a very narrow sitting time, we are getting through less than 50 percent of the ministries for scrutiny and review, and I think that's a serious problem for Albertans, for people who work for the government, for people that are interested in how the government does business. More than half of the government ministries are not being reviewed or scrutinized, and I think that's a serious problem.

Now, this is easily addressed. We could meet outside of session. We could meet more than once a week in session. There are certainly ways to do that, but the way it stands now, we're sitting for approximately 12 or 13 weeks when we're in the spring session, a couple of weeks when we're in the fall session. You take off the first week and the couple of weeks we spend in meetings with the Auditor General and you're left with between nine and 11 actual ministries and ministers that appear before the committee. I think that's a problem.

We know by looking at other provinces that, in fact, only one other province goes ministry by ministry. We could switch to a system where we identified issues and pursued a different issue each time. I'm more than willing to look at that, but I still think that we need to be able to cover all of the importance of what our financial and public accounts are about.

I am concerned that I'm not seeing a commitment from the government to upholding democratically elected bodies. I think we've had some pretty chilling examples in the last couple of years where the government has a group that doesn't agree with them and that's it; they're gone, be it a school board, a regional health authority. Now I even see that democratically elected directors for the Wheat Board are being talked about in the Speech from the Throne. It looks like the government is out for them on that one. I think that's an issue, and I'm disappointed that the government isn't willing to address it and be more supportive of democratically elected boards.

I'd like to see a follow-through from the province on its promise of having a rebate kick in for the gas prices. That didn't happen. [interjections] Oh, I'm sorry. I've run out of time. Thank you.

The Acting Speaker: Standing Order 29 kicks in. Any questions?

There being none, the chair recognizes the hon. Member for Calgary-Buffalo.

Mr. Cernaiko: Thank you very much, Mr. Speaker. It's an honour to once again respond to the Speech from the Throne, delivered by Her Honour the Honourable Lois Hole. Today I'd like to talk about how the important plans talked about in the Speech from the Throne will affect the people living in Calgary-Buffalo.

Over the past two years I've talked about the unbelievable diversity of cultures, ethnic backgrounds, and incomes in downtown Calgary. My constituency office has received dozens of letters and hundreds of phone calls regarding a long list of issues. Her Honour referred to health care, building safe communities, and protecting seniors and children. These concerns reflect the views of my constituents in Calgary-Buffalo.

People want an accessible, seamless, and dependable health system. Mr. Speaker, I can assure you that people in my constituency simply want health care reform to happen right now. More money will not solve the problems facing our health care system. I believe that this government needs to continue changing health care delivery in 2003 to meet the increasing needs of Albertans. I was happy to see Her Honour explain that the government will continue to reform the health care system to improve access and quality. I also agree with Her Honour that access includes getting good advice quickly and easily no matter what the day or the time.

Mr. Speaker, I have talked to several seniors who remain concerned about their health care coverage as Alberta revamps its health system. The scope of coverage, including what services are covered and what will be taken from their benefits, remains a major concern. I'm confident that the answers to these questions will become clear as health care reform moves forward.

Many seniors who call my office also have problems paying their power bills. This troubles me a great deal as these people have worked hard throughout their lives. Many have served in the armed forces, and most of them are unable to contribute to the workforce. I agree with Her Honour that we owe seniors a debt of gratitude, but I do not feel that this debt is being paid as long as these people have a problem paying their bill because they are on fixed incomes. Her Honour referred to extending programs for seniors to ensure that they have shelter. There are many people in my riding who feel that they have the ability to find their own way in their lives after retirement, but as long as skyrocketing power bills continue, many residents have to choose between paying their power bill and buying groceries. My hope is that legislation planned for this session will protect low-income households from future increases.

Critics are quick to point out that deregulation alone is responsible for high power bills. Mr. Speaker, this simply is not the case. Albertans would be paying higher power bills under the old regulated system. However, this government has the ability to refine the structure of the current system to attract new investors and increase competition and value for consumers.

Mr. Speaker, I strongly believe in a Conservative government that is concerned with the safety of children and people who are unable to care for themselves. My constituency office receives many calls from people asking for information about SFI or AISH benefits. Many homeless people rely on drop-in centres for shelter from the elements. I was pleased to hear Her Honour speak of Alberta's commitment to protect children and give them the best possible start.

In 2001 I was given the honour of chairing the review of the Child Welfare Act. The general consensus from 600 written submissions and over 130 meetings is that Alberta's current Child Welfare Act does a good job of laying out a clear, effective framework for protecting children, but there are many areas open for improvement.

One of the goals of the Child Welfare Act review was to find ways to reallocate resources to improve the effectiveness of the current system. One of the most important facts we learned is the importance of early childhood development. The first three years are the most important years of a person's life, and age three to six is the second most important stage. My goal was to find a way to build a legal foundation that protects children and supports families through the child's early years.

The committee's starting point was to have the best interests and well-being of children in mind along with the fundamental responsibility of parents for their children. I traveled around the province and met with hundreds of stakeholders who each expressed their views and opinions about Alberta's child welfare system. I would like to thank each of them for their time and for sharing their experience and their opinions with me. Late last year the committee finished the review process and developed 55 recommendations for improving child care in Alberta.

I was also happy to hear Her Honour talk about meaningful change in the level of safety and well-being of Alberta's children. As we heard in the Speech from the Throne, the first piece of legislation introduced in this Assembly will help establish a community network to preserve this government's commitment to children. The Premier's Council on Alberta's Promise Act will bring every sector of Alberta to the table to build the Alberta Centre for Child, Family and Community Research to look at issues and challenges faced by children and families to achieve the ultimate goal of giving Alberta children the best possible start. This is a relatively unique approach to bring all concerned parties to the table to look after the best interests of children.

4:20

I will be introducing legislation this session that will contribute to the well-being of children and safety of inner-city communities. As I've mentioned in this Assembly before, Calgary-Buffalo is home for people from all economic classes. For example, Mr. Speaker, there are a number of multimillion-dollar condominiums located near areas ravaged by crime. Since my days as a police officer I have known this to be the reality of urban life, but since becoming an MLA, I've had the opportunity to help communities and law enforcement officials increase the safety and well-being in their neighbourhoods.

Soon after the last provincial election, Mr. Speaker, a resident living in my riding told me about a law passed in Manitoba to help communities reduce street prostitution. I'm very excited to introduce similar legislation in the form of a private member's bill later this spring. I will introduce legislation that will reduce crime, save crumbling communities, and help people to feel safe walking around their neighbourhoods.

This government's vision for health care, the protection of children, and maintaining the well-being of vulnerable Albertans continues to be the focus of my role as representing the needs of my constituents. I'm honoured to represent everyone living in Calgary-Buffalo, and I will continue to enjoy working with the members of this Assembly.

Thank you, Mr. Speaker.

The Acting Speaker: On Standing Order 29, any questions for the hon. member? There being none, the chair will recognize the hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker, for this opportunity to speak to the Speech from the Throne. I'd also like to thank Her Honour the Honourable the Lieutenant Governor for her inspiring speech yesterday. The entire speech was moving and thoughtful.

There are a number of areas in the speech that will be seen as crucial to the well-being of my constituency of Olds-Didsbury-Three Hills. These areas are: a sustainability fund, the Alberta advantage for our children, an information system for health care, improvements to crop insurance, infrastructure, and increased funding for low-income Albertans.

The Lieutenant Governor stated in the New Fiscal Framework

section that “the new capital plan is part of a larger fiscal framework the government will implement to bring predictability, sustainability, and more discipline to its fiscal management.” My constituents in Olds-Didsbury-Three Hills have expressed concern over the boom-and-bust cycles that we have faced as a province over the decades. The sustainability fund, which will take the peaks and valleys out of government spending, will bring reassurance to my constituents that when government makes promises for services, the money will be there even in tough times.

I commend the hon. Premier for his restraint in spending and the development of a rainy day fund. Rural Albertans understand planning for hard times. It’s something we’ve done for generations. My constituents come to me time and time again and applaud our government for having balanced budgets, paying off debt, and being accountable. I’m reassured that these principles are still first and foremost in the government’s agenda. It takes a strong commitment and will and leadership to remain true to these goals, and I believe our government is up to the task.

The Lieutenant Governor stated that the Alberta advantage should be “a promise to our children.” I believe it’s important that one generation does not reap the benefits of the Alberta advantage alone and leave nothing for future generations. The Alberta advantage is something that must be sustained for all generations for our province to be successful and to continually prosper.

In the Premier’s televised address he mentioned the development of a wait list registry to be up and running by this summer. This commitment was matched in the Speech from the Throne when the Lieutenant Governor stated, “. . . fully implementing a co-ordinated system to provide one-stop access to information, assessment, and continuing care referrals . . .” I strongly support this initiative. It will allow my constituents and all Albertans to monitor their wait list, allow them to plan their surgeries and tests more effectively. I believe this registry will also better enable patients to make more informed and timely decisions about their health. This should also make for shorter waiting lists.

It was also stated by the Lieutenant Governor that the government will set limits on how long Albertans should wait for selected services like consultations with specialists and some major surgical procedures. That’s certainly good news for patients on waiting lists. However, I do offer a word of warning or caution to our Minister of Health and Wellness that any such policies that be drafted, to ensure that those who drive the health care system do not use such policies against taxpayers for their own profits and ultimately drive up the cost of health care.

The government’s commitment to battle diabetes is also an issue that is dear to me and a number of my constituents. It makes me proud to see that this government is taking a leading role in fighting this disease. I also urge the Minister of Health and Wellness to examine the high cost of needles and diabetic strips that type 1 diabetic patients are faced with every day.

My constituents will be happy to know that this government will “continue to improve safety nets that allow farmers and ranchers to make the best management decisions for their operations.” The people of Olds-Didsbury-Three Hills will also be happy to know that Alberta’s producer-driven crop insurance and safety net changes will provide farmers with the most extensive and comprehensive set of risk management tools available in all of Canada.

I also stand committed with the farmers in my constituency on allowing an alternative marketing system for wheat and barley producers. My constituents support this government in its struggle against the Canadian Wheat Board. The Alberta government wants a Canadian Wheat Board and federal government regulation to stop standing in the way of opportunity for Alberta producers. The

province will continue to pursue marketing choices for Alberta producers because the Canadian Wheat Board system is holding back many producers and investors from pursuing value-added opportunities. We’re not advocating the abolishment of the Canadian Wheat Board. Simply, we’re trying to provide marketing choices like those producers in Ontario now enjoy. In a free and democratic society we should settle for no less.

The issue of infrastructure is a hot topic in my constituency. We need new roads, bridges, and more school modernization for us to continue to be a first-class community. I’m encouraged to see that the Minister of Infrastructure will have more resources at his disposal to address these pressures.

The increased stress on low-income earners due to a higher cost of living has not been forgotten by this government either. In her speech the Lieutenant Governor stated:

The government will increase monthly payments to low-income seniors who live in lodges and receive the Alberta seniors’ benefit to ensure that they can obtain the additional services they require to remain independent and healthy for as long as possible.

I commend the rationality and understanding of this government to recognize that these boom times do have a downside of higher inflation and that we are doing the best to offset these increased costs.

Overall, the people of Olds-Didsbury-Three Hills will be delighted in the bold direction that this government is headed. Showing fiscal restraint in boom times is a commendable characteristic. Providing state-of-the-art medical information systems, recognizing farmers as the backbone of this great province, and increasing funding to both infrastructure and low-income earners shows that this government has its priorities clearly set.

Once again, Mr. Speaker, I’d like to thank the Lieutenant Governor on another excellent speech.

Thank you.

The Acting Speaker: Under Standing Order 29, any questions for the hon. member? There being none, the chair recognizes the hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker, for the opportunity to respond once again to the Speech from the Throne. As always, it was a delightful experience to have the Lieutenant Governor in the Assembly dispensing not only the Speech from the Throne but some generous hugs to those that were here to hear the speech. I don’t think it’s well known that there is more to those hugs that you received from the Lieutenant Governor than just the warm hug. It’s often accompanied by some rather sage advice whispered quickly in your ear or some comments on current issues that I always find more than interesting. So she does just an excellent job of representing the monarch in our province and is a credit to the position she holds.

The Speech from the Throne started with a bright future for children, and I’m delighted that that’s there because I’m one of those people who firmly believe that getting youngsters off to a good start serves us all so well in the future and, more importantly, serves them as individuals. It’s a time in life when their language is being developed, and it’s a time when they’re learning to question their environment. It’s, more importantly, a time when their social development is well under way. The failure to ensure that the best kind of conditions are in place for those things to happen is well documented in research. Youngsters that have been products of deprived situations have great difficulties with language and social development. As I said, it’s well documented. It’s something you can act on with the assurance that what you do will have great positive implications down the road.

4:30

We haven't all the details yet, but I look at what's happening in early programming for youngsters elsewhere, and I notice that a number of states, if they're not actually doing it, are considering moving to full-day kindergarten for five year olds and optional half-day kindergarten for four year olds. The last progress that we made in terms of kindergarten programs in the province was the introduction of the half day, and we even lost that for a brief period of time in the mid-90s. So I hope that when we see all of the throne speech translated into program and action, there will be some movement in providing programs for young children, younger than five years of age, and also an extension of the opportunities for five year olds to engage in preschool programs.

I think that there's a problem, and I took the opportunity when the Children's Services minister was kind enough to invite me to her office to talk about upcoming legislation to talk to her about the difficulty of her department trying to work with children and their families when they don't have control over the SFI funding. If the preservation of family is a high, high priority, then it would seem to me that the Children's Services ministry would be in the best position to know what families need and to assess the impact of programs like SFI on families and to make some adjustments when necessary. I hope it's something that might be seriously considered as we look at a bright future for children that they are dealt with under one department, and I think the umbrella that's best, obviously, is the Ministry of Children's Services.

I was interested in Alberta's promise that's in the speech because it's an inviting notion, that you could marshal all the private and the volunteer organizations in the province in the best interests of children and that somehow by creating an organization you could raise money and you could further their efforts. I don't know what the polite word for it is, Mr. Speaker, but I was surprised, frankly, that there wasn't some reference to the source of Alberta's promise. If you go to the web site and you place the term "America's Promise" into the computer, it'll come up with a document that indicates that America's Promise is based on five efforts:

1. Caring Adults.
2. Safe Places.
3. Healthy Start.
4. Marketable Skills.
5. Opportunities to Serve.

Just coincidentally, it's very, very similar to what we have in the throne speech, and I thought that they might at least acknowledge where they got the ideas from. It's one thing to borrow ideas; as an academic I'm still somewhat sensitive in terms of, if you're borrowing people's work, your obligation to credit where it came from.

America's Promise was quite different from what we have before us in one major way, however, and that is that it was a nonpartisan effort. It was former President Carter and the wife of a former President, Nancy Reagan, Bill Clinton, and I think there was a fourth, a Republican, that joined together to create America's Promise. It was deliberately nonpartisan; they wanted the entire country to be mobilized behind the idea.

I thought: what an opportunity lost in the throne speech when you see the attack on the federal government in the latter parts of the speech. What an opportunity this would have been for the government to show some leadership, to enlist the other provinces. In fact, there's an Ontario program that's much similar to this that I understand is faltering. What a wonderful opportunity this would have been for the government to reach out to other provinces and say: now, let's make this a national effort, regardless of the kind of political party you belong to. What kind of a great impact, the potential that has for children all across the country, not just Alberta.

But as I said, I think it was unfortunately an opportunity lost, and the government has at least the obligation to let the public know where the ideas came from in the first place.

Moving on and still under A Bright Future for Children, the \$20 million for school resources was most welcome. I think any help that schools can get they welcome. It amounts to about \$35 a student, which, if you translate into today's book prices, would be about a textbook per student. I'm not sure that it comes anywhere close to what schools need in terms of resource money, that it makes it possible to buy the kind of computer software, the kind of computers, the other kinds of basic resources that they need.

I would be curious and I'll be curious when the budget comes forward to find out what the figure of \$20 million was based on – how did you come up with a number like \$20 million? – and that it was a number designated for classroom resources, because for the last few years in this House we've heard that there are adequate resources in the classroom. When asked in question period, we are constantly assured that, yes, there's adequate money for basic classroom resources, that there's no reason for parents to fund-raise because the money is there. Yet, lo and behold, we have a sum of \$20 million placed in the throne speech to accommodate those needs. So, again, I'd like to know why. Where did the figure come from? I think that that \$20 million raises the whole question and a more basic question in terms of the funding of education in this province, kindergarten through postsecondary, because what we lack is any kind of a rationale for the money that is doled out by the government to those institutions.

Unlike other jurisdictions, a number of American states have developed adequacy formulas that are public – the public can access them – and say: this is the basis on which we provide money for textbooks; this is the basis on which we provide money for teachers to your jurisdictions. There is a clearly laid out rationale for the moneys that schools receive. I'd submit that the time, Mr. Speaker, for that kind of a rationale to be developed in this province is long overdue, that going from year to year and having an increase somehow or other based on the money that was received by boards or by institutions the previous year and not in any way related to the kind of costs they face is not acceptable. It's a poor way to do business.

4:40

I look at the adequacy formulas developed elsewhere, and there are different ways of doing it. I know that the state of Oregon uses an expert panel that sits down and looks at an elementary school and says: "Look, if you have an elementary school of 340 children, these are the kinds of things they are going to need. They're going to need a librarian. They're going to need a teacher for every 17 children in K to 3. They're going to need a counselor for every 250 children." So the adequacy formula lays out very carefully what a school will need. They have a similar specification formula for middle schools. They operate a lot of middle schools. They have the same for high schools, and I know that the model that they use is a 1,000-student high school. The advantages of having some standards in place, even if you haven't got the money that year to finance them, is that they at least set some goals. They allow legislators and they now allow the public to know where the government is going and to make some judgments about the adequacy of the funding that's being provided. It's not easy.

The people in Oregon use an expert panel to come up with the adequacy formula, but other states have tried some rather complicated statistical analysis not very satisfactorily. Other states have used exemplary school districts, school districts that do very well on tests and various measures. They use that as the model and try to

fund all of the school districts across the state to a similar level, giving them the same resources.

So, again, the need for an adequacy formula has never been more apparent than when you read the Speech from the Throne. The postsecondary institutions in the province, I know, are still trying to recover from the cuts of the mid-90s. They've never really come out of those cuts, and you see now the pressure for differential fees at the two major universities. You see the constant pressure on tuition, and there seems to be no end in sight. Again, I think part of the problem is that there's no rationale for how the money is distributed to those institutions other than on the basis of the previous year's funding.

Thank you.

The Acting Speaker: Under Standing Order 29, if you have any questions. There being none, the chair recognizes the hon. Member for Calgary-Fort.

Mr. Cao: Thank you, Mr. Speaker. It is my great pleasure and honour to rise today and respond to the Speech from the Throne delivered by the Lieutenant Governor, Her Honour Lois Hole, to open the Third Session of the 25th Legislature. It is with great esteem that I support the values and direction delivered in the Speech from the Throne, and I thank the Lieutenant Governor for doing an excellent and gracious job.

The speech is an important message outlining the agenda and standards for the upcoming session. These plans are more than just ideas but, rather, directions and goals of where the government is heading and how we can continue to build the best place in the world to live, in Alberta. This plan also embodies the hopes and dreams of our fellow Albertans and provides the directions for how these ideals become realities.

Mr. Speaker, I'm very proud to stand in this Assembly today representing all my constituents of the riding of Calgary-Fort. I'm committed to working hard with all my colleagues to ensure that individuals who have elected me will have effective representation. I'm dedicated to providing my constituents with efficient and comprehensive responses to Alberta's ongoing concerns.

Over the last year Alberta remained committed to sustaining our province's high quality of life. Mr. Speaker, I would like to take a moment to reflect on 2002 and highlight some of the many achievements and accomplishments our province has attained. Alberta's health care system was ranked among the best in the country by the Canadian Institute for Health Information. Alberta became the first province to establish a pharmaceutical information network. This network allows for the exchange of electronic medical information. The government increased education spending to \$3.5 billion for 2002-2003, while adult learning increased over \$1.3 billion. The government established 165 new scholarships for apprentices. Alberta became the first province to launch widespread immunization to infants for bacterial infections and meningitis. The Queen Elizabeth II Golden Jubilee Recognition Act created scholarships and awards acknowledging exceptional talent in youth in the areas of citizenship and art. The government upgraded current technology to find innovative strategies for the reduction of carbon dioxide emissions by 85 percent in heavy oil extraction. This was achieved through a joint venture with Canadian oil and gas producers in an oil research project.

I would like to note that none of these achievements would have been possible if it were not for the hard work, commitment, and dedication of Albertans across the province. The year 2002 shaped up as a favourable and prosperous year, but it was not without challenges. As the Lieutenant Governor stated, it is our pride that stems from meeting challenges head-on. Our government and its

citizens responded efficiently, effectively to the complications and difficulties that this province faced.

Alberta expressed its opposition to the Kyoto protocol and was to the utmost vocal in its resistance, as Her Honour expressed. Albertans are dedicated to doing their role to address global warming. Our province proposed a made-in-Alberta solution to reduce emission of greenhouse gases while not jeopardizing the global competitiveness of the Alberta economy. The Climate Change and Emissions Management Act supports climate change measures but reiterates the ownership of our natural resources. The proposed plan balances the environment's protection with Alberta's economic growth.

The year 2002 saw those in the agricultural industry feel the hardships of difficult drought. Alberta experienced the most horrendous drought conditions this province has faced in 133 years of recorded weather history. Our government responded by providing \$324 million in aid to Alberta farmers through the farm income assistance program. The province also suffered the worst grasshopper infestation in 30 years; \$10.3 million was given through a cost-sharing program to compensate farmers for their losses. These responsive measures were taken to ease the difficulties of Alberta farmers and the industry that we depend on every single day.

The government and citizens across the province responded to the challenges put before them. These difficulties test our ability and our effective responsiveness to new pressures but aid in making Alberta stronger.

4:50

Mr. Speaker, I would like to shift my focus to the Alberta economy. As we face global economic uncertainties, the government has begun developing long-term strategies to sustain the high quality of life Albertans have worked hard to achieve. Despite ambiguities and uncertainties in the world community Alberta's economy remains strong and continues along its pattern of growth. Over the last year the province led the rest of Canada, experiencing the highest growth rate among all the provinces. It is projected that in 2003 Alberta will again be a leader, with a presence among the top provinces, with the highest economic growth. Alberta continues to prosper and meet new highs as the inventory of major Alberta projects reaches a new record, indicating \$85.2 billion and 934 projects.

Mr. Lukaszuk: How many?

Mr. Cao: Nine hundred and thirty-four projects.

Our province was also recognized by the Fraser Institute with an award honouring Alberta's fiscal performance. The institute ranked our performance as number one across Canada.

Our province's continued development has helped us to maintain our solid financial position. This growth has not only occurred in sectors that have proven favourable to Alberta but also come from diversifying towards new innovations and strategies, offsetting the volatility of the market in energy. As the Lieutenant Governor alluded to, this new strategy has become crucial in sustaining the long-term growth and prosperity of our province. Through the work of the Financial Management Commission Alberta will once again be the leader in finding innovative ways to pursue our fiscal priorities, and although the government will be developing new ways to manage Alberta's finances, the government remains dedicated to sound fiscal management, balanced budgets, and debt elimination.

As Her Honour Lois Hole expressed, a strong economy allows our society to invest in initiatives supported by its people. Alberta's policy of sustainability permits excess dollars to be transferred into

health care, education, social assistance programs while keeping a strong financial record. Alberta has one of the highest median incomes across the nation, but it is important to note that it also maintains one of the lowest poverty rates in the country.

However, despite our province's economic growth, wealth, and success there are Albertans that are in need of assistance across the province, and these citizens may be more vulnerable due to disabilities, special needs, or unique circumstances. Low income and poverty are consequential concerns. They are issues that affect communities throughout Alberta. Despite our low rate of impoverishment not all Albertans are isolated from the hardships of poverty. Our province is devoted to reducing impoverishment by giving these individuals the support and the instruments needed to help them help themselves.

Mr. Speaker, the government remains committed to providing for those that may be most vulnerable. Alberta recognizes the unique situation they face, the importance of supporting these individuals. The government continues to put into place instruments and measures to assist these citizens, utilizing their strengths and encouraging their talents while providing them with opportunities to contribute to the growth and prosperity of our province.

Mr. Speaker, the Alberta government offers programs and services to children, seniors, and families in need. Housing assistance is provided to low-income families and those that are most vulnerable in society. As Her Honour conveyed, shelter is a basic necessity in which our government will ensure that those in need will have access. The province is addressing housing concerns through rent supplements, social housing, special-purpose housing. Other areas of support for those in need come in forms of income assistance, tax cuts, child care support services, subsidies for child care, health coverage, and job training.

The government is reviewing and modifying its assistance programs, finding new ways to deliver these services efficiently, effectively to those who are vulnerable. The low-income review is mapping the future agenda for the single-income support program. The government is designing this new program to be less complicated and easier to understand while focusing on what is most needed for those with low incomes. Employment training programs will be altered to assist Albertans, giving them confidence and identifying their strengths. These initiatives will provide relief to individuals while giving them the necessary tools to ease difficulties and become independent. Mr. Speaker, the government recognizes the need and remains committed to delivering assistance to alleviate economic pressures while designing programs and providing tools to utilize the strengths and talents of every Albertan.

As you can see, Mr. Speaker, Alberta had a busy year in 2002, and stemming from the direction given in the Speech from the Throne, 2003 will shape up to be just as busy. However, the government has mapped out an agenda that ensures our province's continued success. Glancing back, we see Alberta as a great success story. Looking forward, Alberta is leading in many important areas. If we have any issue, it is the issue other jurisdictions would love and wish to have. To me, Mr. Speaker, Alberta's issue is not the lack of public revenues, but it is the challenge of divvying up amongst stakeholder groups. My analogy is that the Alberta pizza has been ever growing in size, but the arguments are in the slicing. I envision a need to find a new, innovative, and daring way to slice the Alberta public pizza. For that reason, I will introduce a private member's bill, the financial summit act, with the intention to open up a new way, a co-operative way for all stakeholders and interested groups to share fairly, equitably, and openly. We have only one pizza on the table. The bigger the slice here means a smaller slice there.

In closing, Mr. Speaker, I would like to thank you for the opportunity to respond to the Speech from the Throne. I am very

pleased to support this message as it represents and exemplifies our government's solid record, leadership capability, vision for the future, goals for continued prosperity, and commitment to the people across our province.

Thank you.

The Acting Speaker: Standing Order 29 kicks in now. There being none, the chair recognizes the hon. Member for St. Albert.

Mrs. O'Neill: Thank you very much, Mr. Speaker. First of all, I would like to acknowledge today the Lieutenant Governor, Her Honour Lois E. Hole, for her delightful and insightful delivery of the Speech from the Throne yesterday in this Assembly's Chamber. I would also like to say and recognize the fact that I am very proud and have always been in admiration of this wonderful woman who represents the Queen in our province and, indeed, whom I have the honour of representing since she is a constituent of mine in St. Albert.

Six years ago, Mr. Speaker, I rose in this Assembly and spoke in response to the Speech from the Throne, in 1997, and I indicated that I believed then that the sky is not falling. I spoke figuratively then, and I speak figuratively today to say that I still believe the sky is not falling. As a result of 9-11 I can also say that I believe the sky is not falling, literally, as well in Alberta, and please God, it will not.

[The Speaker in the chair]

Why I say this is because I feel that the theme of yesterday's Speech from the Throne, the message of our government, is that we live in a province that is well blessed, a province that is well governed. The direction that was indicated in the Speech from the Throne yesterday is one of optimism, not only for today, and for the delivery of good governance and the enabling of good services to the people of Alberta during this year and during this term, but also for the whole of the province and this country, because I think it sets an example of what we want to leave for the future, for our children.

5:00

In particular, of course, the Speech from the Throne yesterday spoke about a bright future for our children. We do enjoy, as I said, a very high quality of life today. We have, through the work of those who went before us, those in the far distant past and those in the immediate past who have helped to build, a province that is caring, that I do believe is fiscally responsible, that has cleared the deck of debt for us as citizens and looks to the future so that we don't burden our children with that debt that they would have to pay off without providing for the services that growth and the future will demand.

Yesterday's Speech from the Throne spoke about the challenges that we will be facing in the future, and indeed those are challenges that we face in microcosm, I would say, in my constituency. As the speech indicated and as the government direction has articulated in yesterday's message, we spoke about the direction of Alberta's Promise, Bill 1, that will look to of course providing for and acknowledging our responsibility as government, a promise that we must make to our children and to future generations that we will provide them with the opportunity for a healthy lifestyle, for a good education, and for the circumstances under which and within which they can grow and become not only productive but very, very loving, caring, giving, and responsible citizens of both the province and the country.

In particular, I want to speak about the reference to the children and the opportunities. Yesterday's speech spoke, again, of the opportunities of early intervention that we must pay attention to for children who are at risk and for the responsibility of the government to care for those children and supplement their needs if the commu-

nity at large and the family, of course, does not provide it. But we also indicated in the speech that as a government we have the responsibility to create the circumstances for the family to provide for their children and the children of the broader community as well.

I'd like to take a moment to boast about St. Albert because there are lots of things that I can boast about in St. Albert, not through my efforts but through the efforts of those who work so hard for and within the community to create these educational and caring opportunities.

We have three school districts who govern education in my community. We have the St. Albert Catholic, the St. Albert Protestant, and the Francophone boards, who provide a wide range of programs, from the gifted to those who are indeed special-needs children. They provide it right across the spectrum from nursery school, as we used to call it, or ECS, right through to grade 12, which has enabled my community to send thousands of our residents to postsecondary institutions not only in the greater capital region but also across this province, this country, and this continent.

I'd like to also indicate that certainly in St. Albert our students outperform the Alberta and Canadian averages for academic excellence, which is something that I noted when we got a printout of how our students are doing. We do outnumber the rest of the province both with regard to the number of recipients and to the amount of the awards for Rutherford and Louise McKinney scholarships. That's a feather in our cap but a feather in each of the caps of the individual students who have worked so hard. In other words, it has paid off for them to study hard, and they are putting their brains to work to earn not only a good education but some money for themselves.

The other interesting thing that I want to indicate, because the direction was planted in the speech yesterday, was the fact that our school dropout rate in St. Albert is among the lowest for the province's urban areas, and I attribute that to: the quality of the programs that have been put in place will continue to be put in place and continue to be enabled by virtue of our Department of Learning to be available for the children not only in my constituency but indeed across this province.

I also feel that I want to acknowledge the fact that we are in St. Albert a very well-educated community. Seventy-six percent of our residents and our workforce have a postsecondary education, which is a high percentage. The responsibility for us as a government – again, it was indicated in the speech yesterday – is to continue to ensure that we have the wherewithal for our residents to become an active partner in what we are called: a continuous learning community. We do have the presence of Athabasca University in our community. We have Fairview College in our community as well as those residents who attend NAIT, Grant MacEwan, and even as far south as the University of Lethbridge. A number of our residents attend both the campus courses here in Edmonton as well as by way of residence the University of Lethbridge. They do attend the University of Alberta, of course, as well, which has a strong component of research as well as teaching capabilities and excellence.

Yesterday's speech also indicated that we are challenged as a province with our infrastructure both horizontal and vertical, and my community is no exception. I am pleased to say that because we are within the jurisdiction of the Capital health authority, we have Sturgeon community hospital, which attends to the needs with both day and overnight surgery procedures provided there as well as day programs not only for those who require them on an ongoing basis but for those who also need them in crisis situations.

We also have demonstrated over the years that we are a caring community through our long-term care health facilities, and I am happy to acknowledge the fact that most recently it has been

announced that we will have a new P3 project, a long-term care project that will be adjacent to the Sturgeon hospital by the Citadel company, who will be doing it, and a redevelopment of the Youville home, which has quality of care par excellence but has a building that prohibits it and restrains it from providing the most current wherewithal and ambience with which to care for those who have needs of long-term care.

I want to also mention that, of course, with the Speech from the Throne there was mention of the government's plan to develop a new capital plan to address the infrastructure. My constituents have told me over and over and over again that the peaks and valleys roller coaster is something that they can't tolerate much longer. So the indication from the Speech from the Throne, knowing that we as a government are going to address this and level it off and give some predictability as well as sustainability to not only invest properly our revenues, dedicate them, and provide for capital and infrastructure needs, is a very, very hopeful sign and a welcome sign to my constituents in my community.

In yesterday's Speech from the Throne, too, there was mention, of course, that "a strong economy and a solid infrastructure enable a society to respond to the needs of people, especially those who are most vulnerable." That is the responsibility that I know our government takes very, very seriously. We always want to help those to help themselves, but we take seriously our responsibility to help those who cannot help themselves. That is why there is mention in the throne speech of this focus, if you will, toward affordable housing to help people to be not only independent but to be able to afford within their own budgets a decent circumstance under which they can afford their own space and the responsibility for their own space.

I would be remiss, Mr. Speaker, if I didn't speak about what I consider a very healthy approach to reforming our health care system in light of what we all know is a top priority of this government. We do need to reform it in order for us to implement such strategies as increasing the scope of practice for those who are health care providers. It is key to making the system work efficiently and economically, but it is more key, if I could say that, to making sure that those who are in need of health care services are able to access it with the least amount of hoops to go through, of mountains to climb, of side roads to take and so that they can get service quickly, readily, and appropriately from the appropriate provider.

5:10

I do welcome the opportunity that we will be receiving by way of funds from the federal government, but I must say that as a government we take our responsibility seriously to provide health care for the citizens of Alberta, and we are finding ways to do it which are most efficient, most efficacious, and most productive not only for those receiving but for those delivering the skills that they have so appropriately acquired in their respective professions.

I want to conclude by saying that as the Speech from the Throne concluded with our affirmation of our position within the country of Canada and our provincial role, I share the pride of our government in making sure that we and fellow Albertans realize what a role we play, what responsibilities we graciously and generously accept to play our role to make this country strong and to make sure that the environment in which we all live as Albertans and Canadians is one that is economically strong and socially responsible, and that's what I believe is the message the Speech from the Throne delivered yesterday.

Thank you, Mr. Speaker.

The Speaker: Hon. members, the provisions under Standing Order 29(2)(a) now are available. The hon. Member for Grande Prairie-Smoky under provision of Standing Order 29.

Mr. Knight: Yes, Mr. Speaker.

The Speaker: Please proceed.

Mr. Knight: Thank you. To the Member for St. Albert. I listened and heard your comments with respect to what was said in the throne speech, and the support of children, of course, is extremely important. I have a question for you with respect to FAS. It was mentioned, of course, in the throne speech, and it's such an important issue, I think, for Alberta's children. My question would be: do you have any idea what might be our initial steps to confront and combat this extremely serious situation for Alberta's children?

The Speaker: The hon. member.

Mrs. O'Neill: Thank you, Mr. Speaker, and thank you very much to the Member for Grande Prairie-Smoky for his question. We all know that FAS knows no socioeconomic bounds. It is not limited to a particular segment of our society, so from my perspective – and I must say that that's what our community volunteer centre through our St. Albert Help Society, in co-operation with FCSS and those preventive measures that they're all engaged in, are engaged in: a campaign of education to educate the women who will be carrying these children to make sure that they do not consume alcohol while they are pregnant. It is a preventable disease, and indeed it will only be prevented through awareness, through education, and through the responsible actions of those who carry our future children.

Thank you.

The Speaker: The hon. Deputy Premier.

Mrs. McClellan: Thank you very much, Mr. Speaker. I just wanted to make a few brief comments, although the Speech from the Throne could involve many areas that one would like to speak on.

First, I want to add my compliments to Her Honour the Honourable the Lieutenant Governor on her very gracious and very human presentation of our speech. We are indeed fortunate in this province to have this gracious lady as our Lieutenant Governor. Others have commented on the very heartfelt way that Her Honour presented the speech.

I wanted to mostly comment in my few moments, Mr. Speaker, on the promise to children. I feel very strongly about it, this government feels very strongly about it, and I commend the hon. Minister of Children's Services for her efforts in ensuring that all children have an opportunity to reach their potential. Part of that, certainly, is education, and we have talked a lot about that today. It is an important area to all of us, whether it's an urban school who faces many different needs or whether it's a rural school who faces many different challenges.

I'm just going to narrow my comments to a school I'm fairly familiar with, which is a little school in my constituency, the school at New Brigden. I want to talk about the dedication of not just the teachers, because they are dedicated in that area, but of the whole community, that works very hard to ensure that that school, with under 50 students, a school that was built in the 1950s, has a lot of pride. Ministers that have visited it have noted how well it's cared for by our local custodians.

Mostly what I want to comment on is the quality of education that these young students get. It may seem that when you're in a school that has triple grading, that has shortened noon hours and recesses to accommodate busing, there could be some disadvantages. But last spring there was a nationwide scholastic challenge. I apologize; I don't recall the name of it. There were some 50,000 students across Canada who took part in it, and it was for grade 8 students. I was so

proud to learn that a young lady, Sheila Pratt, from that small school placed four points below the Canadian champion, who was a young student who was in a gifted program at Queen's University.

So this young lady in grade 8, with a full education in this small school, faced that challenge. But there was even more pride when I realized that the second-place winner – and Sheila, incidentally, was first in Alberta – was also from that school, a young man, Darcy Blair. He would have been first had he been competing in Manitoba, Saskatchewan, or British Columbia. He placed second in our province. This was a competition that was very broad. It was across all of the subjects. It wasn't limited to mathematics or social studies or language arts. It made me realize just how important our commitment is to these students wherever they are and whatever their school makeup is. Every child in this province has the opportunity to reach, to the best of their ability, their potential. I just applaud the teachers, the community, the parents council, who have worked so hard to ensure that excellence occurs in that very small school. So nobody will tell me that there is this distinct disadvantage to living far away from major centres, 210 miles from any of the three that are within distance, and that you can't achieve it and that it doesn't take the whole community to provide a valuable education to our students.

5:20

Having said that, I was also very pleased to acknowledge the strong commitment to agriculture. Mr. Speaker, 2002 is a year that I think most of us in that industry would like to wipe off the calendar, didn't feel sad about when we stroked December 31 off and entered into this new year. Of course, we're all encouraged by the increased moisture. I believe the city of Edmonton has more snow now than it has had in the past seven years. I know that it's somewhat of a struggle for snow removal, but I can tell you that it has given our agricultural producers a great lift, particularly east of the city, where they have had four years of drought conditions and at least have now the potential of some runoff and some spring moisture. We will continue to work very hard to improve our safety nets, our risk management tools for producers, and I will have a greater opportunity to speak to that, of course, when we debate agriculture later on in the year.

The health system improvements and reform go on, Mr. Speaker, and must go on. We do have to continue to improve access and quality. Those of us who represent rural ridings understand that maybe even better than most. Whether it's 10 minutes to an ambulance is not our first concern; it's that we have very well-trained people who can manage situations on the spot. I remind people that 99 percent of the resources that drive the economy of this province are produced in the rural areas of this province, and with that comes a great deal of concern for the safety of the individuals who work in somewhat hazardous industries.

The focus on people is evident in this speech, whether it's safe communities, education, health.

Again, I will close by saying that I and, I believe, all of my colleagues in government will continue to keep our promise to the children of this province that they will have the opportunity to realize their dreams and to have a very bright and successful future.

With that, Mr. Speaker, I would move that we adjourn the debate.

[Motion to adjourn debate carried]

The Speaker: The hon. Government House Leader.

Mr. Hancock: I would move that we adjourn until 8 this evening.

[Motion carried; the Assembly adjourned at 5:23 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, February 19, 2003**

8:00 p.m.

Date: 2003/02/19

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

head: **Consideration of Her Honour**

head: **the Lieutenant Governor's Speech**

Mr. Jacobs moved that an humble address be presented to Her Honour the Honourable the Lieutenant Governor as follows.

To Her Honour the Honourable Lois E. Hole, CM, AOE, Lieutenant Governor of the province of Alberta:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly, now assembled, beg leave to thank you, Your Honour, for the gracious speech Your Honour has been pleased to address to us at the opening of the present session.

[Adjourned debate February 19: Mrs. McClellan]

The Deputy Speaker: The hon. Leader of Her Majesty's Loyal Opposition.

Dr. Nicol: Thank you, Mr. Speaker. It's a real pleasure this evening to rise and make some comments on the Speech from the Throne.

The Speech from the Throne, as presented this week, makes a lot of promises. It really doesn't do a lot to outline the actual plans that the government intends to use to implement these promises. If we look at and put the Speech from the Throne in context with the list of legislation and the bills that we've already seen introduced, it gives us a sense of really a lot of talk and a lot of promise with little indication of any of the detail that's going to be brought about in terms of how we go about implementing it.

You know, the main focus that we get out of that Speech from the Throne is that the government is going to in a sense address the agenda of children. I guess the first reaction that people would have to that kind of a statement is: shouldn't that just be what government is about? The main focus of a government is to make sure that the young, those that can't help themselves, are the ones that get the major consideration in connection with any particular policy. This is why the government created a Ministry of Children's Services. This, to me, should have focused the idea that a government is committed and should be committed to looking at the impact on children of just about everything we do and what it means to the youth, to the people who will be Alberta in the future.

Yet now all of a sudden they feel that they've got to make a statement that children are important, and how do they do that? They introduce legislation which in effect creates a promise which sounds good when we look at the Speech from the Throne, but when you actually look at Bill 1 and see what it is, Bill 1 isn't really a promise to children. It's basically a bill which sets up another agency, whose mandate extends over all of the things that the ministries that we look across here and see on a daily basis are responsible for doing. Children's Services, Learning, Health, Justice: all of them are, in effect, part of what this agency is supposed to be doing.

If we look at the initial statements in the Speech from the Throne, they say: this is designed to increase the involvement of communities in the care of children. Well, Mr. Speaker, I challenge that that was the mandate of the commission for families and children back when it operated in the early 1990s, from about 1993-94 up through about

'95, when the recommendations were put in place that created the regional authorities for children and the Ministry of Children's Services. I guess I ask: what more of a community input could this province ask for or expect on behalf of their children than a group of people from the community – a group of people who have interest in children, a group of people who are affected, a group of people who have children – coming together and bringing their ideas on what the relationship should be between a child growing up, the family within which that child operates, and the government which legislates on behalf of its citizens?

When we look at Bill 1 in conjunction with what's in the Speech from the Throne, we see a group of people being appointed by the government as opposed to coming out of the community – appointed by the government – to give them an expression of what their interest is in children. I really think, Mr. Speaker, that that raises some real issues about what the accountability of this agency will be. Will they be accountable to the government, or will they truly be accountable back to the community? You know, that commissioner's process really brought into the discussion community people, people who wanted to commit an evening of their time or a number of evenings of their time to in effect describe what they felt should be the community's relationship to the children in that community, and that's what we need to have if we're going to have a true interaction between where we are as a province and where our children should fit into where we are as a province.

The mandate that is outlined in the Speech from the Throne doesn't follow through in Bill 1, you know, because it really doesn't talk about the relationship between the Premier's Council on Alberta's Promise and the designated Alberta Centre for Child, Family and Community Research that's outlined in the Speech from the Throne other than when we look at the Speech from the Throne, there's a direct funding partnership or funding connection between the two of them. That, I guess, raises some concerns about: why do we need another agency to in effect look at some of the issues of directing research?

Mr. Speaker, we already have the Alberta heritage fund endowment for medical research that can look at a lot of these issues if we expand the mandate a little bit. We don't need to create another bureaucracy to in effect administer research. I can't imagine a Centre for Child, Family and Community Research as described in this Speech from the Throne document having the expertise to actually conduct research. We need to have critical masses involved when we want to start dealing with research. If we're going to actually conduct primary research into issues like fetal alcohol syndrome, which is the primary area that they're going to start talking about – you know, they conduct research on the prevention of fetal alcohol syndrome. I suggest that that's the kind of thing that should be done in connection with a critical mass of primary researchers.

Had this Speech from the Throne indicated that what they were looking for was a centre that would bring together research, review that research, and make recommendations to government, that may be a reasonable mandate. But when they say "to conduct research," as a scientist my question immediately becomes: how effective is this going to be? In effect, we don't have, unless we're planning on funding this with, you know, hundreds of millions of dollars, which I hope isn't the case, that critical mass that's necessary to actually conduct that research.

So I guess what we really need is more care by this government in effectively describing for Albertans what they intend to do. What kind of a promise is that, you know, when you talk about conducting research under the auspices of an Alberta Centre for Child, Family and Community Research, when you don't describe the parameters

of it, when you don't describe enough to let Albertans understand? Will there be a critical mass there? I think the thing that we have to look at, too, is how this relates to a lot of the other things that are going on in the flow of that speech.

8:10

We go into a long discussion right after the focus on the Alberta Centre for Child, Family and Community Research, and we talk about education. We talk about the need for an education system that allows every child to reach its potential. Mr. Speaker, every Albertan should say: right on; that's what an education system should be mandated to do. But in the context of this speech, this mandate for the next year by this government, what does it say? Not very much of anything about what they're going to do to make sure that children, especially the children who are in need in this province, children that are having difficulty in the current education system – there's no indication here that we're going to have additional support for them. Twenty million dollars for textbooks? Well, that's probably a half a textbook per student at the high school level. Half a textbook.

You know, Mr. Speaker, I would have felt much more comfortable if I had seen some suggestion in this that there was going to be a review – never mind more actual dollars but a review – to talk about what's critically needed for children that are having trouble in the education system. Why are children falling out of the education system? Why are they being sidelined in the education system? It's one thing for the government to stand up and say: our children are performing exceptionally well. But what happens is that they do a preliminary study with their tests and they design the exam so that a certain percentage of the students will get that percentage. This is the way they work.

The Deputy Speaker: Hon. leader, I'm sorry for the manners of one of the ministers.

Hon. minister, I wonder if we could take your turn, and I'll put you down on my list. You're next but not while somebody else is speaking. That's just plain bad manners.

Hon. leader.

Dr. Nicol: That's all right, Mr. Speaker. We have to accept the fact that there are some people that don't know how to behave in the province.

As we look at some of the rest of the stuff that goes on in here, there are some questions that also come up when we talk about the idea of the advanced education system and the postsecondary system. No reference in this document to the government's position or what the government intends to do about the issues of differential tuition. You know, is this going to be the future for Alberta students, where they have to look at the cost of the program they want to go into, where they have to look at it from the point of view of if it is reasonable to expect their parents to pay more than their neighbours' or their friends' parents pay for them to help to get an education, to be further in debt at the end of their schooling system? I would have liked to see some reflection in this document about the idea that, in effect, the government has a position and it wants to make a statement that says: advanced education in any field should generally be available to every student in our province.

Mr. Speaker, the next section of the Speech from the Throne goes on to try and relate the economy, a strong economy, and how this ties back to children in our province. I think that once we get by the first couple of statements, we realize that the government doesn't really make that work, and then they go on and talk about some of the other issues that the government is going to look at. If we're

really interested in looking at what constitutes a strong economy from a child's point of view in this province, it's opportunity, it's training, it's a belief in a future, but it's also the things that come out when we look at: why is it that some businesses like to come? I know that when I worked at the school of management at the University of Lethbridge, there was a lot of work we did following what made communities or what made countries attractive to businesses.

You know, Mr. Porter from Harvard had done a lot of work evaluating the relative competitiveness of different communities, setting out parameters to look at what constituted competitive communities. One of the things that came down on almost every one of his criteria was the idea that it wasn't just necessarily the financial opportunities and the financial aspects that determine where a company is located. They looked for infrastructure. They looked at education for their employees' kids and, also, education opportunities and upgrade opportunities for their employees. They looked at the environment and recreation opportunities. None of that's talked about in here. None of it is dealt with in the context of what creates a strong economy.

It's interesting that they go on to talk about, especially at the start, the agriculture community. The government has just released a whole new series of opportunities for crop insurance. You know, it provides a little bit more significant coverage, but what it doesn't do is really address the broad-based issue of what should be the risk management decisions being made by farmers and the public as it plays a part in that risk management process. They, in effect, don't try to tie together very many of the programs except to say that there'll be no more ad hoc programs, which I support fully, Mr. Speaker. I hope that they're able to carry through with that, because that only distorts whatever kind of risk management signals a properly designed program would be sending to producers. So let's hope that in the next year or two we actually see that that can be sustained.

The other interesting part that comes up. I think that as we go across the province, I probably run into just as many people saying, "What's the government doing about the Wheat Board?" as saying, "Why aren't they doing something about the Wheat Board?" I raise this again, the same as I did during the debate on the bill last term, in the sense, Mr. Speaker, that this is a process where the producers have a right through a democratic process to express their opinion. They expressed that opinion as recently as last fall in board elections. In effect, the statement made by the farmers through a democratic process was to elect people to that board who supported the single-desk concept. So I guess I have some questions about: what is it that the government is doing trying to second-guess a democratic process that's in place for producers in this province?

The other thing that the government talks about is the energy sector. They're talking about electricity here as well in this Speech from the Throne. I guess what we need is a little more explanation and a little bit more clarity, even when you look at Bill 3, as to the impact of a statement like: "While progress has been made on delivering new generation to meet growing consumer demand, there are still issues to be addressed around [consumer] choice and service, particularly in rural areas." What does that mean to the REAs? What does that mean to the groups that have, in effect, been serving rural Alberta for years providing them with access to reliable electricity? Where do they stand under this new process? We need to see that that's made clear.

8:20

They also talk about that they're going to "introduce legislation that will refine the structure of the electric industry" and "provide

consumers with a new regulated option to purchase power at a rate tied to the competitive wholesale market.” I guess that a red flag went up when I read that, Mr. Speaker, in the sense of: is this going to be some kind of an adjustment to the five-year regulated rate option? Is it going to be an early cancellation, like some people have asked me, that they’ve heard might happen? I guess that that’s where we need some clarification. If this is a transition program for people who choose to leave a five-year program that the government put in place, that would be useful. If it’s a substitute, why is it that the government can’t carry through on a commitment that they made to people who wanted to see how this shook out over the first five years of a new electricity sector? I always stumble when I have to say deregulated sector, because it’s very obvious that under the new electric industry in Alberta it’s a much more heavily regulated sector than it ever was before. It hasn’t really helped reduce the cost of electricity for Albertans. It’s made, in effect, a really differentiated system where people have to face uncertainty and face higher bills.

Mr. Speaker, I’m going to leave my comments and my debate about electricity and all that until we debate Bill 3, so I won’t burden everybody with it twice. We’ll, in effect, only have to deal with it in one case. I’ll cover my issues about deregulation when Bill 3 comes up.

The other issue that comes up is: what are we going to do about the environment? There’s a very short section in this bill about Alberta’s relationship to its environment, the role of the environment in Alberta, and of course there’s reference made to Kyoto. But the one that really has some concern is the government’s initiative to bring forward a water management strategy. Mr. Speaker, I ask: where are the water management plans that were mandated under the ’95 Water Act? Those have never been forthcoming. Why don’t we use the legislation that’s in place to look at how we should be dealing with our water, how we should be dealing with the process of putting together what the speech talks about as short-, medium-, and long-term actions to deal with water? That should have been done through those water management plans. Why is it the government let those lapse and not really come into being so that there were mechanisms put in place to deal with the issues of water?

As we go through the rest of the speech, there’s a long section that talks about infrastructure. Mr. Speaker, it is a really good idea that they’re really starting to talk about the debt we’ve created in our infrastructure. We have to make sure that a process is put in place to, in effect, replenish our infrastructure and get rid of that debt that we’ve got in our infrastructure.

They talk about a capital plan that’ll include the framework for public/private partnerships. Mr. Speaker, I just want to relay a little conversation I had with a cost accountant who worked for one of the major corporations who were doing a lot of development work here in Alberta. His question to me was: “You know, Ken, why would the government ever consider P3s? Why would they ever consider these private/public partnerships? As a business we would never lease an asset unless it was a temporary, short-term type of arrangement like in a research project.” But our schools, our courthouses, our hospitals are not short-term investments in our province. Those are investments that we will be using for 15 or 20 or 30 or 40 years, well into the future, and if we buy them with our own money, we, in effect, have an option to truly make good use of those dollars as a public.

How do we deal with it if we transfer what, in effect, is a debt obligation on our books into a long-term operating obligation? Mr. Speaker, we still have to pay for those assets. If we do it with our own money as a public, we can do it at a lot less cost than we can do it through allowing someone else to finance it, allowing someone else to incorporate into it a risk premium. Those don’t have to be

put into public investments, and I really hope that the government follows through in two different places in here where they talk about these public/private partnerships that will only be used when there’s a net benefit to taxpayers. I hope that here, for all Albertans, they’re talking about a long-run net benefit, not a truncated, one-year or very short-term cash flow kind of an issue. It is part of the process of a government’s obligation to its citizens to look at, as the Minister of Infrastructure just said, a lifetime cycle of those assets. In all of the work that I’ve done in the last couple of months with accountants, with people in the business community since this debate has been quite public, none of them has been able to come up with an example that they feel comfortable with and that I would accept where, in effect, it’s cheaper for us as a public to do it through a partnership. So I challenge the government to make sure that as we look at that on this life cycle structure, we end up with it being truly in the best interests of Alberta taxpayers.

Mr. Speaker, the next section of the speech gets into looking at the new fiscal framework. I must say that I’m really pleased to see the government put in place the sustainability fund. This is something that we’ve been asking for for a long time as an opposition. The Financial Review Commission last year, in effect, developed that idea, matured it, made some changes to our suggestions, but it will deal with three out of the four components that I had in our renewed fiscal stability initiatives that I released and that I’ve been talking about since I became the Leader of the Opposition. It’s good to see that three out of the four are being adopted by the government, and let’s hope that they actually make it work in the right way. The infrastructure fund, the smoothing of natural resource revenues, and the stability or sustainability fund – we’ve got one more to go on it, and that we’ll deal with in future debates as we talk about how to deal with budget processes.

The next issue that comes up, Mr. Speaker, is the health care system. This is something that we really have to look at now critically in the context of the new initiatives being taken by the federal government. I’ve had a couple of chats with the minister of health, and it seems that there are some possibilities here now with that new recognition of the federal responsibility. It’s about time that the feds began to accept the fact that this is by agreement and by law a joint issue area and that they’re going to cough up a little bit to cover their obligation.

You know, I think we need to look at the areas of our general health care system. My extended family had a chance to use the health care system this winter, and while I was visiting in the hospital, I ran into a fellow from the U.S. who was there visiting his mother in the next room. He was talking about how he was really impressed with the health care system here and how if his mother had been in the U.S. where he was, there’s no way they could’ve afforded the care she was getting here in Alberta. He said that the kind of care she was getting and the particular regime that she was under would’ve probably only been available to a very select few in the U.S. I think, Mr. Speaker, that what that said to me was that, you know, we’ve got a system here, a public health care program that makes sure every Albertan – every Albertan – has access, has a sense of participation, and can feel that that health care system is there when they need it.

8:30

One of the things that we really have to start watching for, Mr. Speaker, is that as we start making changes, as we start reviewing and reformatting the health care system, let’s not jeopardize that young man’s sense that his mother was getting awfully good health care here in Canada, health care that she couldn’t have obtained had she been sick with exactly the same ailment in the United States. As

a family even the comprehensive insurance that he carried – and he was employed by a significant U.S. firm – he said wouldn't have been able to give that kind of care. So, you know, this is the kind of thing that we have to be proud of as Albertans and Canadians, and we have to make sure that we really strive to sustain that universality and that access to our health care system.

I think the government's initiative to develop some priorities on healthy behaviour is a good idea. You know, we need to build that into both our education system and our health awareness systems, but we have to look at it from the point of view of: let's make it work. A year ago in the Mazankowski report we had all of these great recommendations about increasing the tax on cigarettes and putting that money into a health prevention fund. It's good to see now that there are some initiatives being made in the health prevention area. Let's see a correlation between the dollars that were coming in from that increase in the tobacco tax and the dollars that are actually spent on these prevention programs because we've got to make sure that we do promote responsibility and responsible use of our health care system and responsible expectations in our health care system.

Just a few more comments, Mr. Speaker, then I'll cede the floor to someone else.

The other concern I've got in the health section of this speech is that they're going to start to improve and implement electronic health records. Please consult with the Privacy Commissioner. We've got to make sure that this is done in a way that Albertans can feel comfortable, can feel that, yes, this system is safe and isn't going to release personal information in an uncontrolled way.

Another area in health that I have just a comment on or a question as much as anything. I think it's really important that we do look at a rural health action plan. The idea of ambulance services: I guess the caution that I would raise there when they start talking about ambulance services is that a lot of communities in Alberta have developed a really strong relationship between their protection services in the community, especially fire services, and their ambulance services. When those things are working really well, we've got to make sure that can be kept up because there are some really good working partnerships there, and we've got to make sure that those kinds of things are not disrupted but that ambulance and standard of ambulance service is available for all Albertans.

The other thing is that when we start looking at that, if we're going to rely more and more on the ambulance services to transport people to, need I call them, distant contact points for the health care system, should we be looking at some kind of different concept of, you know, what is fair costing on it? Should it be the user pay, or should it be the system pay? That's a debate that we need to have. I'm not going to make judgments on it right now or make recommendations on it, but I just think that it's a debate that really needs to come out, and I hope the committee that's dealing with the ambulance review is really looking at that kind of thing as they come forward with their recommendations.

Mr. Speaker, the last section goes on and deals with safe communities. I guess the question comes up especially in the second paragraph, where they're going to "improve the province's corrections system by creating a zero tolerance level for illegal drug use, violence, and gang-related activities." Great. How? You know, this is the kind of thing that supposedly is limited and controlled in our current prison systems. If we come up with a system to make that work in Alberta, we should bottle it and put it on the market. We've probably got a worldwide market that we can sell that in because it'll sure, you know, be something that I think a lot of institutions and governments would be interested in. It seems to be something that we should look at in the context of a lower tolerance for that kind of

thing, but zero tolerance – you know, how do you deal with it?

The only other question I have, Mr. Speaker, and then I'll conclude with a couple of general comments. When we look at the new family law act, one of the things that Albertans have addressed with me on a number of occasions with respect to the idea of family law is the burden of cost that it comes with, especially, you know, in family court when there's a separation. It seems that whichever of the family members has access to the largest cash pool, in effect, gets to direct the process a little more, and what we need to do is look at seeing if there isn't some way in this context of the new family law act where some of that financial burden can be removed a little bit. If we could do that, I think it would make a lot of people feel that their legal system really does work much better for them. It probably will help.

The concern that I want to just kind of end with is some of the things that I didn't really see in the Speech from the Throne which in some ways I would've liked to have seen something about. There's only one place in the speech where the relationship of Albertans to the senior citizens of this province was mentioned, and that was in connection with "seniors who live in lodges and" – and I stress the "and" – "receive the Alberta seniors' benefit."

8:40

You know, there are a lot of areas where change in government policy has really created hardship for seniors in our province. A number of them retired expecting some kind of a safety net or a support structure being there from the public because it was available at the time they retired. If we wanted to change those programs, especially for seniors with low income, without a lot of flexibility, we should have thought of, in effect, grandfathering or grandmothering them into it. This is the kind of thing where we've really created some hardships.

I guess that when you look at that statement in the Speech from the Throne that talks about dealing with a review of supports for "low-income seniors who live in lodges and receive the Alberta seniors' benefit," I stress the "and" again. Mr. Speaker, I have a number of seniors in my community who are just as financially strapped living in rental properties or in their own homes, and the equity in their homes is in many cases used up. Why are we limiting it in this context to an "and" situation? You have to be on the seniors' benefit and in a lodge. If we truly wanted that seniors' benefit program to be able to earmark support for seniors who are having financial difficulties, we shouldn't be tying it to a residence because all of the conditions that allow them to qualify in effect stipulate that they are in financial difficulty, and that should be the criteria in the context of how you're looking at it in this paragraph as we deal with this review. So I would hope that as the government gets to implementing that review of those payments, they look more flexibly at the conditions that they imply in that statement.

The other area that I've had an awful lot of questions about almost the whole 10 years that I've been serving the people of my community in this Legislature has been: what about the fixed income individuals, the AISH, the SFI? No indication here that they're going to be brought into any kind of a reasonable review of level either on an absolute basis or a geographic basis. I think we need to see some kind of a commitment. All the review that's talked about in there does, if you listen to people in the community, is scare them with the potential rather than encourage them to expect any kind of real, true support. So, you know, those are areas that we need to really look at in the context of something beyond what was written into the Speech from the Throne.

Mr. Speaker, we've got a lot of time during the rest of the session to debate some of the specific issues, whether it gets into budget

debate or whether it gets into some of the specific legislation that we're already aware will be coming. So not to belabour my points on this, I think that we really need to focus on the fact that the main theme of the Speech from the Throne really should have been one of: how do we incorporate into everything we're doing a little bit of compassion? How do we deal with fairness? Yet we tried to focus in a very unique way, a way that I find really hard to comprehend as an elected official, some kind of a realization that children in this province are important. I would have thought that that would have been just fundamental to everything we do. If we can't act on behalf of our children, who are we as parents, whether that's as individuals or as a government? You know, who are we as a government if we can't be true to the children of this province?

So thank you very much, Mr. Speaker. I appreciated the chance to comment on the Speech from the Throne.

The Deputy Speaker: Hon. members, under Standing Order 29(2)(a) we've received indications from three hon. members – the hon. Member for Edmonton-Rutherford, the hon. Minister of Environment, and the hon. Member for Lac La Biche-St. Paul – of a desire to ask the hon. Leader of the Opposition questions relative to the speech. Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Speaker. I listened attentively to the comments by the hon. the Leader of the Opposition, and the member's obvious, genuine interest in children was paramount in his comments, and I'd like to explore that a little further, if I may.

In Bill 1 under Alberta's Promise, the premise of Alberta's promise is "an initiative to encourage organizations, corporations and individuals to enhance community resources in order to further the well-being of children." In the hon. member's comments the point was made that Alberta already through the government has a number of ministries charged with the responsibility for children. In my opinion, Mr. Speaker, the key to this initiative, Alberta's Promise, is that it doesn't rely on government agencies. It relies more on the community. As a province and as a society, as a country, perhaps we've got over the years further from the notion that it's the family and community as a first resort of assistance. Why would it not be in the child's interest to pursue the notion of involvement of family, community, and organizations, nongovernmental, in the well-being of children?

Dr. Nicol: Mr. Speaker, I explained that. We had the commission for family and children that was a community-based initiative. I guess the question comes up in terms of: as a public, if we're going to make commitments to children, should we be doing it through selectively controlled nonprofits, or should we be doing it through a public agenda that truly has a public initiative and a public interest on behalf of those children?

You know, the member brought up Bill 1: "Alberta's Promise is an initiative"? Give me a break here. Promises have a standard associated with them. Promises are not initiatives. Promises are a commitment to a level of commitment. There's nothing in Bill 1 about a level of commitment. What can children expect from this province? Only what this group of appointed people decides is in those children's interest. I'm sorry, Mr. Speaker. I'm not buying into that.

The Deputy Speaker: The hon. Minister of the Environment.

Dr. Taylor: Thank you, Mr. Speaker. I've been listening to the opposition response to the throne speech all day, so if my question expresses perhaps a polite sense of frustration, I'd ask for your

tolerance. My question deals with what I perceive to be misrepresentation of the facts around education. I don't have the Blues in front of me, but I think I heard the member say that Alberta students do well, you know, in the international light. We're one and two in science and math and so on because of the fact that the tests are set by the department of education. Now, if that's the opposition leader's understanding of it, then I certainly would excuse his ignorance, but if he actually knows the truth, that the tests are international standardized tests that are not set by the department of education, then I believe he should get up and apologize to Alberta students, Alberta teachers, and, more importantly, to the Minister of Learning.

Dr. Nicol: Mr. Speaker, I challenge him to read the Blues. I never made reference to the international exams. I made reference to the exams that are established by the ministry through a process within the ministry. Those were the exams I was talking about. Albertans do well on the international exams because not all of our students take them.

The Deputy Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. Agriculture is a continuously changing environment, and crop insurance is addressing those changes with the input of actual producers. The hon. Leader of the Opposition has major criticisms about the program, which had multiple stakeholder involvement. My question is: what would he do to provide a stable safety net for agriculture?

8:50

Dr. Nicol: Mr. Speaker, how much time have we got? This is one of the things that I've been talking about for years. What we need to do is collapse all of our safety net programs into a true program which is risk management driven by the farmers and which provides for an insurance that gives them cost recovery protection. It takes out all the other risks, and it becomes a true risk management situation.

The Deputy Speaker: Thank you.

Hon. members would agree that you've had an opportunity to ask the previous speaker to answer questions, and hopefully you also realize that as brief as his answers were, some of our questions were not quite as brief, so not as many members were able to participate.

The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. My question to the hon. Leader of the Opposition with respect to the situation that I believe I heard him say where there was . . .

Speaker's Ruling Question and Comment Period

The Deputy Speaker: Hon. member, I'm sorry. I didn't make myself clear enough. The five minutes that's allowed under Standing Order 29 has gone. If you're rising to speak to the Speech from the Throne, well and good. Away you go. But if you're wanting to ask another question, we'd have to have unanimous consent to waive the Standing Orders and make an extension, and I would suggest that the likelihood of that is remote. So if you wish to speak, please do so.

Mr. Knight: Mr. Speaker, I wasn't watching the clock. I didn't realize the five minutes was up. Excuse me, and thank you very much.

The Deputy Speaker: You're probably suffering from the same problem that I have. I can't hear the machine either, but it did ring, and I have it on reasonable authority that the five minutes are well up.

The hon. Member for Edmonton-Gold Bar.

Debate Continued

Mr. MacDonald: Thank you very much, Mr. Speaker. It's with interest that I rise this evening to participate in the Speech from the Throne by Her Honour the Lieutenant Governor, Lois E. Hole. I've listened to the remarks not only from the hon. Member for Lethbridge-East but certainly from earlier this afternoon in the Assembly. When one thinks back to yesterday, when the Assembly was full of guests and everyone was on their best behaviour, it was a reflection of this province's current fortunate prosperity. There certainly are some initiatives that were discussed in the throne speech that I would not only applaud this government on but encourage them to go further.

I was pleased to hear in my role as Energy critic that the government will focus on adopting a regulatory regime and investing in energy research and technology to perhaps bring onstream amounts of coal bed methane. This is a pleasant development, and I can take from this that the government is waking up to the reality that our resources are slowly diminishing. Conventional crude oil production levels have been in decline for 30 years but now with natural gas as well. So that's a sound idea. It's certainly going to take some planning. There are issues surrounding the production of coal bed methane, and that's that the disposal of the water that is pulled off before production starts has to be addressed. That's certainly something I would like to encourage the government to go further on in developing.

I have some ideas on this, some very good, sound ideas on this, and if they would like to adapt those ideas, then for the betterment of the province I would say: go right ahead, the same way you took the sustainability fund from the Official Opposition. Dr. Nicol, the Member for Lethbridge-East, has been encouraging you to do this for some time, and finally we're seeing some form of it. Certainly, the same would apply also for infrastructure enhancement.

Now, one thing I did not notice in here are – and this is getting back to natural gas – the huge volumes of natural gas that are consumed in the production of synthetic crude oil. Natural gas is a source of hydrogen; it's certainly a fuel gas for the heaters that are there. We need to ensure that that industry, if it is going to prosper and expand, also has a reliable and affordable supply of natural gas.

Now, when we turn the pages in this speech and we look at our health care system, I can't help but think of how we can improve our public health care system. Certainly, there has to be a dialogue and there has to be a partnership developed with the federal government. Many members of this Assembly may not agree with this, but health care is a provincial government responsibility, but it is also a federal government responsibility. The enforcement of the Canada Health Act's principles of accessibility, comprehensiveness, portability, public administration, and universality is determined, of course, by the federal government. Public health care in that way is a joint federal/provincial responsibility.

I was astonished to hear: oh, we're going to have \$250 million coming to Alberta, and while perhaps the health minister will not use it, the education minister will to solve the many problems that are in the Department of Learning. That is why not only this hon. member but many of the constituents that I'm proud and honoured to represent in this Assembly express concern about the idea of the federal government giving this province in particular money with no

strings attached. The constituents of Edmonton-Gold Bar are of the opinion that not only should strings be attached to this money, but the strings should be pulled tight.

Now, after the newspaper articles concerning the hon. Minister of Learning and the fact that, oh, well, maybe this is a convenient pool of cash for the problems that were expressed earlier today in this House during question period in regard to public education, I have to caution all members of this Assembly and remind each and every hon. member, Mr. Speaker, that when the current regime – I shall use that word – came to power 10 years ago until Bill 11 was passed in this Legislature, it has been alleged that Alberta violated the Canada Health Act six times. No action was taken publicly by the federal government with the exception of the former minister Diane Marleau, who in November of 1995 imposed fines because this province failed to ban user fees. So that is reason enough that not only should strings be attached, but they should be pulled tight if we are to have a better public health care system in this province, and that is the one word, Mr. Speaker, that's missing in this speech in the part that is describing and discussing health systems. It's the word "public." We have to ensure that we have a good public health care system that helps all Albertans. I can't emphasize that enough, because as we drift down this road to privatization, we only have to look at what happened with electricity deregulation and the frustration and the confusion that's expressed by consumers across this province, and hopefully we will not continue to apply the same logic to public health care as we have to electricity deregulation schemes. Where are the cost-benefit analyses that either scheme will work? There are none.

9:00

Now, whenever we talk in this province about P3s, what we should be talking about is a commitment to public health care, a commitment to public education, and a commitment to a public service that works for each and every Albertan in an efficient use of the taxpayers' dollars. I cannot for the life of me see how these P3s are going to work. Perhaps in time I will be proven wrong, and if I'm wrong, I will certainly stand to be corrected.

There is another group of citizens who have long been left out by this government. There have been many promises made to them by this government, but nothing has happened. Those are the Albertans who are clients of SFI and AISH. Where's their money? Now, we look at the increase in natural gas prices and what it has done to heating costs. We look at the increase in electricity prices. We see the combination of both those increases and the effect that they have had on the cost of living in this province. There has been reported an inflation rate greater than 8 percent. These citizens have not received a dime in increase.

I just thought I would go through my files and find the Speech from the Throne from after the March election of 2001, and after I go through this, Mr. Speaker, I can't put very much faith in this document. It's a public relations exercise, and it's worth emphasizing at this time that since this regime has come to power, this Public Affairs Bureau has grown into a \$10 million, 300-person outfit, just to spin the message. Two years ago this was the message, and this is what's been left out from Albertans as we hear and discuss another throne speech. This is from roughly two years ago.

Legislation will be introduced this session to put into law a commitment to help protect Albertans from high natural gas prices.

This bill will ensure that Alberta consumers have a competitive natural gas service that maintains the Alberta advantage.

Where's the Alberta advantage now when people have to decide between heat and meat? Where is the Alberta advantage for those citizens who are forced to have a disconnection notice? They can't

afford to pay their natural gas bills let alone get the \$45 for the reconnection fee. There was a commitment made. We can have this money tree during an election year, but two years after the election we're really tight with the people's money. Now, I can't understand how a government could make such a promise and then break it.

Now, it also states in this throne speech from two years ago that the government will work to reduce and stabilize electricity prices by streamlining the approval process to bring new generation projects onstream. The government will continue to address electricity price concerns and other consumer issues with the advice of the newly created government Advisory Council on Electricity.

How many government advisory councils on electricity have we gone through in two years and at what cost? The government is going to work, it states here, "to reduce and stabilize electricity prices." Electricity prices spike all the time.

I was encouraging the Premier this afternoon to go on the Alberta Liberal web site, altaliberals.ab.ca, and see what savings he could have from our plan. Mr. Speaker, electricity was at 14 cents a kilowatt-hour, 1 o'clock, 1:30 in the afternoon today – 14 cents – not 4 cents, this mythical spot in Alberta where you can get electricity, according to the Premier, for 4 cents. It's 14 cents. It goes anywhere from 99 cents to 2 cents. How can businesses plan their monthly budgets when they do not know what the costs are going to be? This is from two years ago. We still have the same problems. [Mr. MacDonald's speaking time expired] Oh, I'm sorry. Thank you.

The Deputy Speaker: Any questions? No? We're ready for the next speaker?

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I just want to take a few minutes because I thought the Speech from the Throne that we heard from Her Honour the Lieutenant Governor yesterday was exciting. The speech that I heard was one of hope, one of future, one of caring for children and building on a system which will allow each of our children in this province to develop to the best of their potential, and that is more exciting than anything I've heard tonight.

Mr. Speaker, yesterday Her Honour the Lieutenant Governor graced us with her charm and her presence and, I might say, reminded us of the job that she's been doing for all Albertans in breathing life into the office that she serves and bringing to all of Alberta a real appreciation of not only that office but of the role of government itself. So when she spoke the words of the Speech from the Throne and talked about a bright future for our children, it was a message, I think, that all Albertans can take to heart.

Although members of the opposition decry a lack of detail in the Speech from the Throne, it would be normal not to have a great deal of detail in the Speech from the Throne because the throne does speak in concepts and in directions, and the concepts and the directions that are set out here are very strong. It talks about how you provide for the future of our children by having a strong economy, by making sure that people have jobs and have an opportunity to earn an income so they can take care of their children and where the government can be in place to help provide an opportunity for education so that our children can be ready to compete in a knowledge-based economy and can be ready to compete in a global economy and can enjoy those issues of quality of life around the arts and other aspects of life that are so important. So, again, the Speech from the Throne was very uplifting from that perspective.

Mr. Speaker, the Speech from the Throne talked about the Commission on Learning and the role of learning in our society. It

talked about the important role that teachers play as mentors and role models for our children in helping our children succeed. It talked about the steps that we need to take to strengthen the postsecondary education system in promoting lifelong learning. These are all essential underpinnings of a strong and prosperous future for our province and for our children, so again I have to say that for me the Speech from the Throne talked very positively about a strong future for our province.

9:10

I don't want to dwell at length. There are a couple of things that I think are very important that were mentioned in the Speech from the Throne. An acknowledgment that we are moving from a commodity-based economy to a knowledge-based economy, not expressed in that language but expressed in the context of the Speech from the Throne. We have to be prepared. We've enjoyed a great history based on a resource-based economy, and we will have a considerable future on that resource-based economy, but we have to build that future based on value-added, on improving the development of those resources rather than exporting them in raw form, on improving our technologies, on delving into the life sciences, on moving into the knowledge-based economy in a very strong way. So talking about our children and their future, talking about education is very important to that structure.

Essential as well is how we move to a knowledge-based economy and how we get the research that underpins that economy into the market and build the base. So we need to spend time over the course of this session, I believe, Mr. Speaker, and certainly as we move forward as a government, talking about how we invest in a knowledge-based economy, not we as government but we as people in the province. How do we get the capital that's necessary to develop that economy, and what role can government play as a leader in that area?

Focusing on people obviously means focusing on health, and we have some strong issues ahead of us in that area as we move to reform the health care system. We need to look particularly at the primary care system, and we need to focus on some of the issues that came out of the Mazankowski report. Health as an economic engine and the research and development side, being very conscious of how we not only deal with the acute care side but how we take care of ourselves so that we live healthy so that the system doesn't have to cost as much as it does in the future. Reforming primary care. Making sure that we have all health care professionals able to act to the level of their training and expertise and that we do not restrict them from acting in that capacity, that we use the full range of their abilities in our system.

But I think the most important thing that I read in the Speech from the Throne, Mr. Speaker, was at the conclusion, where it talked about the promise meaning unleashing innovation, leading in learning, competing in a global marketplace, and making Alberta the best place in the world to live, work, and raise a family. Those are very important directions that speak directly to the mission and vision that this government has had. Since this government was elected 10 years ago, there's been a strong focus on the fiscal agenda, a strong focus on getting the fiscal house in order, balancing the budget, and paying down the debt. Those were very, very important strategic objectives, but those strategic objectives were only accomplished for one purpose, and that was to achieve the true vision of this province, which is stated in our government business plan, "a vibrant and prosperous province where Albertans enjoy a superior quality of life and are confident about the future for themselves and their children." That is the vision of government, but it's the vision that the people of this province have told government

that they want us to try and work with them to achieve, to develop the human potential of all of our citizens, putting in place opportunities for each of our children to succeed to the best of their potential. I think the Speech from the Throne develops that in a very exciting way, and I'm looking forward to working with this government to achieve that vision as outlined in the Speech from the Throne.

With those words, Mr. Speaker, I would move that we adjourn debate.

[Motion to adjourn debate carried]

head: **Government Motions**

4. Mr. Hancock moved:

Be it resolved that the Assembly resolve itself into Committee of the Whole, when called, to consider certain bills on the Order Paper.

The Deputy Speaker: This is a nondebatable motion.

[Government Motion 4 carried]

Adjournment of Session

5. Mr. Hancock moved:

Be it resolved that when the Assembly adjourns to recess the spring sitting of the Third Session of the 25th Legislature, it shall stand adjourned until a time and date as determined by the Speaker after consultation with the Lieutenant Governor in Council.

[Government Motion 5 carried]

The Deputy Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 9:17 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: Thursday, February 20, 2003

1:30 p.m.

Date: 2003/02/20

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. O God, life and health are precious. We ask Your blessings upon our Lieutenant Governor, the Hon. Lois Hole, as she begins a journey of medical treatment. Let us pray that Her Honour will be back on her feet quickly, meeting and greeting Albertans. Let us reach out with compassion, understanding, and prayer to Her Honour and her family. May God bless them all. Amen.

Please be seated.

head: **Introduction of Visitors**

Mr. Jonson: Mr. Speaker, I am pleased to introduce to you and through you to members of the Assembly His Excellency Mr. Ki-ho Chang, ambassador of South Korea to Canada. He is accompanied today by his wife, Mrs. Lee, and several Korean consular officials from Vancouver and Ottawa.

Korea is Alberta's fourth largest trading partner, with annual two-way trade averaging nearly \$1 billion over the past five years. Alberta has a productive sister province relationship with the Korean province of Kangwon. This was Alberta's first twinning relationship and will reach the 30-year milestone next year.

We appreciate the ambassador coming to Alberta, and we anticipate a productive and mutually beneficial relationship with him over the coming months and years. I would like to ask our honoured guests to please rise and receive the traditional warm welcome of this Assembly.

head: **Introduction of Guests**

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

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of this Assembly four young students who attend Tempo school in my constituency of Edmonton-Whitemud. They're Logan McColl, Hunter McColl, Aidan McColl, and Kathryn Wood. Tempo school has reading week this week, and these students have taken this opportunity to come and watch question period and learn about our form of government and our Legislature. They're seated in the members' gallery. I'd ask them to rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Calgary-North Hill.

Mr. Magnus: Thank you, Mr. Speaker. It is my pleasure today to be able to introduce to you and through you to Members of this Legislative Assembly some of Alberta's and Canada's finest firefighters representing seven of nine firefighters' associations in Alberta. I'll ask them to stand as I call their names. They are Gord Colwell, president, Alberta Fire Fighters Association, from Calgary; Ken Block, president, Edmonton Firefighters Service Association; Scott Wilcox, president, Calgary Firefighters Association; Brian Makey, president, Fort McMurray Firefighters Association; Bart Rowland, president, Red Deer Firefighters Association; Kim Smyth, president, St. Albert Fire Fighters Union; Brent Shelton, vice-president, Alberta Fire Fighters Association; Tim Stewart, vice-

president, St. Albert; Ron Polutnik, recording secretary, Red Deer; Mark Faires, recording secretary, Calgary; and Mike O'Reilly, treasurer. In addition to that, a gentleman named Paul Wyndham, also a fireman, is here, and he is the first firefighter in Alberta to receive WCB benefits for cancer.

I would ask that all members of this Legislature give these firemen, no pun intended, a very warm welcome.

The Speaker: The hon. Minister of Infrastructure.

Mr. Lund: Thank you, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and through you to members of the Assembly a recent graduate of Grant MacEwan College's journalism program, Mr. Rob Harris. Rob is here as an intern in my department's communication division, and I would ask him now to rise in the members' gallery and receive the traditional warm welcome.

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

Mr. Maskell: Thank you, Mr. Speaker. It's my pleasure to rise today and introduce to you and through you to the members of this Legislature a person who has made a great deal of difference in my life over the past two years. The person I speak of is Jo-Ann Briscoe, a former nurse who chose to be a stay-at-home mother, but she was far more than a stay-at-home mother. She was a very active person in her community and was president of the Elmwood Community League for many years. Jo-Ann is the person who manages my constituency office and does a wonderful job in helping me serve the needs of constituents in Edmonton-Meadowlark. Accompanying Jo-Ann today is her son Behn and daughter Bekky. They're not truant from school; they're also students at Tempo who are enjoying this reading week. Jo-Ann, Behn, and Bekky, would you please rise and receive the warm welcome of this Legislature.

Mrs. Jablonski: Mr. Speaker, it gives me great pleasure to introduce to you and through you to members of this Assembly 38 students from Red Deer Christian school. I understand that these students are among the smartest and the brightest in Red Deer. With them today are their student teacher, Miss Amy Zesko; their teachers Mr. Jim Driedger and Miss Carolyn Stickland; and parent helpers Mrs. Aletta Cartwright, Mrs. Alleta Loney, Mrs. Joanne Jacobsen, and Mrs. Kim Schreiner. I would ask the students and their teachers and helpers to rise and receive the warm welcome of this Assembly.

head: **Ministerial Statements**

The Speaker: The hon. the Premier.

Her Honour Lois E. Hole

Mr. Klein: Mr. Speaker, thank you. I take this opportunity today on behalf of every Member of the Legislative Assembly to extend our sincere best wishes to Her Honour Lieutenant Governor Lois Hole. It's so good to see so many young people in the galleries today, because Lois Hole lives for young people. She lives for children.

Earlier today in a public statement Her Honour advised Albertans that she is currently preparing to undergo cancer treatment. I know that all Albertans join us in extending our thoughts and prayers to her at such a difficult time. As well, our thoughts are with the members of the Hole family, who, I understand, are close by her side.

As all Albertans know, Her Honour is a woman of remarkable strength and energy, and we saw that during the delivery of the

throne speech just a few days ago. I am confident that in short order we will have the true pleasure of seeing her back in her office greeting staff and visitors to the Legislature with her warm smile and, of course, her traditional hug.

I know that every Albertan would join with me in sending heartfelt thoughts to this remarkable and beloved lady. In the meantime, let me break from protocol and simply say: "God be with you, Lois. Our prayers are with you."

Dr. Nicol: Mr. Speaker, this morning we were very shocked to hear of the medical condition facing our Lieutenant Governor. We in the Official Opposition join everyone in this Legislature and all Albertans in letting her know that our thoughts are with her. Her hugs have brought all Albertans into the reach of the Lieutenant Governor, her office, and the Queen she represents. It's now our turn to reach out and give our Lieutenant Governor a symbolic hug, a hug that wishes her a speedy recovery, a hug that expresses our support for her and her family, and a hug that will carry her through until she returns to her duties as our Lieutenant Governor.

The Speaker: Hon. members, might I ask if the Assembly would give unanimous consent to permit the leader of the third party to participate?

[Unanimous consent granted]

The Speaker: The hon. leader of the third party.

1:40

Dr. Pannu: Thank you, Mr. Speaker. I, too, want to join with the hon. Premier, the Leader of the Official Opposition, and indeed all members of this House in expressing concern over the news that we heard this morning about the Lieutenant Governor's illness. I along with millions of Albertans am very proud of the fact that we have a model citizen in the person of Lois Hole as the Lieutenant Governor of this province. She represents all that is noble and good and strong about Alberta, and I want to extend my best wishes, along with millions of Albertans who are doing the same, I'm sure, as they hear this news, for a speedy recovery and a return to full work and the provincial duties that she is doing as Lieutenant Governor with such outstanding performance. I also wish her family our sympathies and our hope that Madam Hole will be back to her work and will regain her health in full.

Thank you.

head: **Oral Question Period**

Electricity Deregulation

Dr. Nicol: Electricity deregulation has failed in Alberta. This government promised lower prices and more competition, but just the opposite occurred. Instead of putting an end to this failed experiment on high electricity prices, this government plans to move even further ahead with deregulation. To the Premier: how come this government is planning to entrench high prices in electricity in Alberta?

Mr. Klein: Mr. Speaker, we're planning on doing anything but. What the whole idea of deregulation is is to provide competition, and to enlighten the hon. leader of the Liberal opposition further, I'll ask the hon. minister to respond.

Mr. Smith: Mr. Speaker, I have seen the Liberal plan at www.altliberals.ab.ca, and in fact if anybody here wants to buy into

a plan that spends \$3 billion to save \$1 billion, I guess you would be a Liberal. That's the foundation of their plan.

The Dominion Bond Rating Service has come out and said that deregulation is working in Alberta, and it's working because the power price is lower than what it was when deregulation started. Secondly, Mr. Speaker, we have seen electricity prices drop on January 1, 2003, and this bill that is now before the House – so I'm reluctant to talk about the details – will bring even further deductions. But let's not forget for a moment that if you lived in Quebec, you would be part of a guaranteed structure that guaranteed \$36 billion worth of electricity debt. We are not going to mortgage the future earnings of children to subsidize electricity prices today.

Dr. Nicol: Mr. Speaker, we talked about a plan that, in effect, costs less than \$2 billion to return Albertans a billion dollars a year. That's what he forgets to tell Albertans.

To the Premier: given that retail competition has failed to provide lower electricity prices for Albertans, why is the government continuing to pursue this deregulation just for competition's sake?

Mr. Klein: Mr. Speaker, it's not just for the sake of competition, although that's one of the primary elements. It's also being done to encourage more electricity generation. As a matter of fact, since deregulation – and the Liberals failed to put this on their web site purposely because it's good news – there have been many hundreds of megawatts, perhaps thousands of megawatts of new power developed.

Again, I'll have the hon. minister expand.

Mr. Smith: Mr. Speaker, the electricity prices that the Leader of the Opposition refers to are those electricity prices that remain as the regulated rate option, and in fact those rates are part of the commitment that this government gave to Albertans to the period 2005. Now, those particular regulated rates were set prior to the introduction of the Electric Utilities Act by the city of Calgary and the city of Edmonton behind closed doors in some such manner with which I'm not familiar. Now with this bill those two utilities will be, in fact, setting those rates transparently in front of the public and in hearings that the hon. member can attend himself.

Dr. Nicol: Again to the Premier: are you telling us that you don't want municipality-owned utilities to act in the best interest of their own consumers of electricity in their jurisdiction? Is that what you're telling us?

Mr. Klein: Mr. Speaker, we do, in fact, want the municipalities to act in the best interests of their constituents whether or not they own utility companies. The simple fact is – and the hon. Member for Edmonton-Highlands knows this full well – that these power companies owned by municipalities have expanded far beyond the borders of the municipalities. They are now businesses and big businesses. Enmax is competing in Edmonton. EPCOR is competing in Calgary and throughout the province. They are no longer little municipally owned power companies. They are big companies competing in a very competitive world. If they want to play with the big boys, then they have to be subject to the same regulations and the same regulatory applications as the big boys.

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

Dr. Nicol: Thank you, Mr. Speaker. Given that the preregulation price that Albertans paid for electricity was about 4.5 cents a

kilowatt-hour, why did the Premier say yesterday that the 6.4 cents that we're currently paying is about half of what it was when deregulation began?

Mr. Klein: Mr. Speaker, according to the information that I have, as of January 1, 2001, electricity was selling on average at about 13.1 cents a kilowatt-hour. Today it's selling on average for about 6.4 cents a kilowatt-hour.

Perhaps the hon. Minister of Energy can bring us up to date as to what the rate is today and perhaps what it was on January 2.

Mr. Smith: Mr. Speaker, electricity prices are fluctuating in Alberta because they are tied to natural gas. Sixty-five percent of our base load generation is with coal; the balance is with natural gas. As we've seen natural gas come up in price, so has electricity. The price that the Premier has quoted is absolutely correct. The last price I saw was 4.7 cents at the noon hour. There is entirely an abundance of evidence that shows that we are on the track to lower prices. The prices are lower today than they were last year. They will be lower next year than they are this year. Deferral accounts will be paid off. I would direct the member to the ATCO service network, which has the same price as it did prior to deregulation.

Dr. Nicol: Mr. Speaker, to the Premier: is the 13.1 cents that you quoted not the price that was on January 1, 2001? That was caused by the uncertainty that was associated with the impending deregulation. It had nothing to do with the status of the current presentation of electricity at that time.

Mr. Klein: Mr. Speaker, I have to refresh my memory, but I do recall quite vividly the debate that took place in this Legislature, the questions that were being asked at that particular time as we headed into deregulation. I can tell the hon. member that, yes, deregulation created a certain degree of uncertainty, but that was not the only – the only – cause for electricity prices to increase at that particular time. If I recall correctly, a number of power plants were shut down, at the same time putting a tremendous demand on the requirement for electricity. Gas prices had spiked to an all-time high. The province was in the midst of one of the most extreme albeit positive growth periods of all time, putting a tremendous amount of pressure on electricity. So there were a number of factors that I alluded to at that particular time that contributed to the cost of electricity at that particular time.

1:50

The Speaker: The hon. leader.

Dr. Nicol: Thank you, Mr. Speaker. Mr. Premier, will you remind your minister that no matter who holds the mortgage, in the end the utility users of this province have to pay for it. We can borrow money at a less costly rate as a public than you can through the private sector, so the cost of that mortgage is actually less when it's held by the public than it is when it's held by the private sector.

Mr. Klein: Mr. Speaker, I knew I was going to hear it. It was inevitable that I was going to hear it from the Liberal opposition because the philosophy of the Liberals is to spend, spend, borrow, spend, spend, spend, borrow more, spend. So what they would like to do is to develop a situation that exists in Ontario, for instance, where every man, woman, and child in that province owes \$2,875 in an electricity debt.

An Hon. Member: So what?

Mr. Klein: So what? Every family of four is indebted to the tune of over \$11,000 to the electric company under a regulated system, Mr. Speaker. Their solution: borrow, borrow, spend, spend, borrow, borrow, and borrow more.

Mr. Smith: Mr. Speaker, the member brings up an extremely important point on why the private sector that can borrow more expensively must pay income tax. You know, surely they must be more expensive, and that must explain a bit why EPCOR in Edmonton has a 5.825 cent per kilowatt-hour charge and ATCO in the rural area has a 4.78 kilowatt-hour charge.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Education Funding

Dr. Massey: Thank you, Mr. Speaker. In a new funding wrinkle the Minister of Learning claimed: there's plenty of money for boards to pay teachers; they simply must take the money out of the instructional grants. My questions are to the Minister of Learning. The instructional grant rate increase for two years was \$180 million. Why is the minister recommending that \$142 million of this be taken directly out of the classroom?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. Again, I'll reiterate what I said yesterday, and that is that the school boards were supplied with 4 percent and 2 percent for teachers' salaries, for a total of \$118 million, and 3.5 percent and 3 percent, for a total of \$180 million. When you add those two together, it comes to \$298 million.

Mr. Speaker, last budget year was the first time that we had actually put a salary enhancement in for teachers, because quite frankly we thought that they deserved it. Where the negotiations have occurred when it comes to teachers' salaries, it has always been out of the basic grant. For the last hundred years it has always been out of the basic grant. The basic grant increases this year were \$180 million. Those are what were expected to be negotiated between the school boards and the teachers. We guaranteed a minimum. We said that the \$118 million must go to teachers, but it was up to the school boards and the teachers to negotiate where that other \$180 million went.

The Speaker: The hon. member.

Dr. Massey: Thank you. My second question to the same minister: does the minister agree with his colleague from St. Albert when that colleague says that there isn't any wiggle room with things the way they are, referring to boards?

Dr. Oberg: Well, Mr. Speaker, the 14.09 percent was certainly a very large salary settlement. It amounted to around \$260 million. That's an awful lot of money that has been put into teachers' salaries. When it comes to the amount that they received, it was \$298 million, so you have about \$38 million worth of wiggle room. That is throughout the whole province. The 14.09 percent was something that the arbitrator put down. It was something that he felt could be afforded, and we are living within that. But I'll leave it up to the Assembly as to whether \$38 million is a large amount of wiggle room or a small amount.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister, Mr. Speaker: why does the minister insist that funding is adequate when documents from his own department indicate that when you accommodate inflation and enrollment, there has been no increase since '93-94?

Dr. Oberg: Mr. Speaker, all it takes is for the Member of the Legislative Assembly to take a look at what my budget figures have been since 1995. From 1995 on, the amount of dollars put into the basic K to 12 education has increased by 46 percent. Enrollment growth has increased by 6 percent.

I'll again draw attention to the figures that I showed yesterday, which are from Stats Canada. Mr. Speaker, these are not affiliated with our government. They're not affiliated with the federal government. They're supposed to be arm's length from the federal government. It shows that we spend more on education per capita than any other province. As a matter of fact, the next closest to us is New Brunswick, which is 14 percent less. As I said yesterday, for example, we spend about 85 percent more on education than they do in Ontario. We spend more money on education than any other jurisdiction in the country. [interjections] They're saying that they don't believe it, but I guess that what they should do is talk to their leaders in Ottawa who look after Stats Canada and find out what's going on. These are Stats Canada data.

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

Electricity Deregulation

(continued)

Mr. Mason: Thank you very much, Mr. Speaker. Five years ago the government released what it hoped would be a blockbuster: deregulation of power. They promised lower power prices to Albertans, but the movie was a bomb because power prices have subsequently doubled in this province. Now the government is planning a sequel. [interjections] It's not the background noise. I just need to put on my glasses; that's all. Since power bills for most Albertans have doubled because of deregulation part 1, why should Albertans believe that power rates will fall now that deregulation part 2 is in the theatres?

Mr. Klein: Who's it to?

Mr. Mason: It's to the minister.

Mr. Smith: Well, Mr. Speaker, the belief part is solidly grounded in fact, and the fact is that 2,300 new megawatts of generation have come on at no additional cost to the consumer for paying for that generation. Back in the regulated days, Genesee, the last coal-fired plant to be built, took 14 years from permit to first piece of power. If we had waited the 14 years or tried to find a regulated solution, we'd have had blackouts, we'd have had rolling blackouts, and we'd have had spikes much higher than what they are today.

Now, Mr. Speaker, what we do know is that there were deferral accounts levied on both the regulated rate and on the purchaser price for 2000 and 2001. These deferral accounts will fall off at the end of 2003, representing a 20 to 25 percent decline in the price of power alone as well as an open, transparent hearing process, more generation coming on. The Calpine 300-megawatt plant is coming on in Calgary. We're going to be the largest windmill producer of power in Canada by this time next year. I mean, the deregulation story has allowed the private sector to solve a government problem.

Mr. Mason: Mr. Speaker, given that the minister is predicting a 25 percent reduction in power rates in this province in the next year or two and given that power prices have doubled already, it doesn't take very much – even the minister of education could do the math and find out that we're still going to pay 75 percent more for power than before deregulation. What does the minister have to say to Albertans?

Mr. Smith: Well, I can say, Mr. Speaker, to Albertans that this is a very good province to invest in, that this is a very good province to live in, that this is a very good province to vote for this government in, as the people proved in 2001. Deregulation is a long-term process, but it's a process that has delivered appropriate generation when it was needed. Yes, there have been some bumps in the road. That's never been denied, but we know – and we know by the refinement of the Electric Utilities Act – that everything we do continues to put downward pressure on prices.

2:00

Mr. Speaker, I will just refer the hon. member because I think he was probably part of this rate setting – EPCOR Edmonton has 5.825 cents per kilowatt-hour. EPCOR/Aquila has 6.129 cents and Enmax 5.985 cents. These companies do not pay taxes. These companies also invest, can borrow money at a lower rate.

Now, for the poor beleaguered private operator that is in Alberta by the name of ATCO, it must pay corporate tax at the rate of 50 percent as a publicly traded company, and in fact it also has to borrow money at market rates. Their rate is 4.78 cents per kilowatt-hour, some 25 percent cheaper than the city-owned rates.

Mr. Mason: Mr. Speaker, given that the minister is continuing to try and pass off the high prices of Alberta as if they were a temporary measure, will he guarantee under this new deregulation scheme that the government has come up with that prices will go down to where they were before deregulation, and if not, will he resign his seat in this Assembly?

Mr. Smith: Mr. Speaker, the last government that guaranteed electrical prices in western Canada was the New Democratic Party in British Columbia. Today that hydro corporation is \$7.1 billion in taxpayer-guaranteed debt.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Edmonton-Gold Bar.

Farm Income Support Programs

Mr. Marz: Mr. Speaker, thank you. Hog producers in our province have gone through another difficult year, and the drought has affected them as it has the rest of the agricultural industry, but hog producers have also been faced with low commodity prices as well as skyrocketing production costs. Many of my producers have told me that the risk-management tools that are in place, including the farm income disaster program, are not meeting their needs. My question today is to the Minister of Agriculture, Food and Rural Development. Will this government adapt existing programs so they better address the financial crisis that the hog industry is currently facing?

Mrs. McClellan: Mr. Speaker, there's no question that the hog industry has faced highs and lows in pricing for some time. By nature it's cyclical, and generally the period of time between high and low is long enough that they're able to maintain their operations. However, in the last four or five years they've had some highs and lows that came pretty close together. We responded first in 1998, I

believe it was, to the crisis then in depressed prices by introducing a disaster loan program. Fortunately, we had made a decision as a government about a year ago now to reinstitute or continue that loan program, so we have that available on the short term.

The hog producers are not incorrect when they make the statement to us that the farm income disaster program doesn't meet their needs on a short-term basis. However, I expect they will have a different opinion very shortly because the farm income disaster program is based on your tax year, and of course most producers who are on a calendar year are doing their taxes now. I can assure you that we are expecting and are planning for a fairly high draw on that program because of the big swing in prices.

So we have the loan program in place. It's been very successful. I can tell you that the repayment schedule has been excellent on it, Mr. Speaker, and we have FIDP, that will kick in for producers soon.

Mr. Marz: To the same minister, Mr. Speaker: could the minister explain how the current agricultural policy framework negotiations will benefit the hog industry?

Mrs. McClellan: Mr. Speaker, we were one of the provinces who signed the agricultural policy framework umbrella document in June of this year. We did it because we felt that it was important to move ahead, especially in the areas of safety nets for our producers, and to be part of that discussion, we felt that we should be signatories. Well, in fact, in order to be part of the discussions and negotiations, we had to be signatories.

We've been negotiating on our producers' behalf, and very recently, about two weeks ago, you saw introduced changes to the crop insurance program, which I think have been very well received by our grain and oilseed producers. Those would not have been possible without a lot of hard work from, I can tell you, members around our caucus and the fact that we signed that. Now the discussion is on NISA.

In the interests of time, Mr. Speaker, I can't go into all of the complexities of the discussions around NISA, but Alberta has not been a part of NISA for some time because of the inadequacies of the program. If – if – we can negotiate a disaster component under the NISA program, if we can respond to the concerns of the beginning and developing farmer, that may very well be the answer for our meat industry on these issues.

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. My final question is to the Minister of Energy. Given that the recent increased energy costs have been a contributing factor to the greatly increased costs of production, could the minister please tell me what he is prepared to do, if anything, to offset these high costs to the hog sector?

The Speaker: The hon. minister.

Mr. Smith: Thank you, Mr. Speaker. Certainly we recognize the importance of the pork producers in diversifying an important sector of our economy, that being the agricultural economy of Alberta. There are no specific energy rebate programs in place for pork producers, but of course all Albertans have benefited from the electricity return of \$40 per month as well as the 3.6 cents per kilowatt-hour on commercial use paid in the year 2001. I know that natural gas is used as a heating source in pork barns, and again in the year 2001, when gas reached \$10.28 per gigajoule, there was both a \$150 per month rebate and a commercial rebate of \$6 per gigajoule.

Electricity Deregulation (continued)

Mr. MacDonald: Mr. Speaker, as utility bills go up, both natural gas and electricity, the credibility of the Premier and this government goes down. Power deregulation in Alberta is the granddaddy of all Progressive Conservative billion dollar boondoggles. Albertans are reminded of this costly policy mistake every month through higher bills, and when they visit the web site altaliberals.ab.ca, they see just how much of a rip-off electricity deregulation has become. My first question is for the Premier. Is the generation of electricity in this province guided by competitive market forces?

Mr. Klein: Mr. Speaker, that question was already asked and answered. That's part of the answer, competitive forces, yes. Competition normally results in lower prices, but deregulation was also brought in to encourage more power generation, and that has happened.

You know, I hate to answer the last questioner's question, but there are some unique things going on relative to hog farmers, and one needs to go down to the Oyen area and look at the Highland farms, where they use the manure and the methane off the manure to cogenerate electricity. This can occur under deregulation. You don't have to buy from an established power company. There are all kinds of examples that deregulation has opened up.

I talked to a young fellow just recently, and he said: you know, with deregulation there's going to be a tremendous market for me to joint venture with an Italian company to bring small, six-kilowatt wind generators to individual farm families, you know, small windmills. It would power a house and a barn.

This is what deregulation has brought about: the ability for people to go out and do imaginative things, Mr. Speaker, and also for those people who depend on the major lines and the major electricity companies, for those electricity companies, including a city-owned utility that was represented at one time by the hon. Member for Edmonton-Highlands, to go out and generate more power.

The Speaker: The hon. member.

2:10

Mr. MacDonald: Thank you, Mr. Speaker. Again to the Premier: in regard to city-owned utilities why attack Edmontonians again by picking on municipally owned utilities when this government has different roles for TransAlta Utilities, one of the big boys, which was allowed to operate and continues to operate certain hydro projects developed with the assistance of taxpayers on both the Bow and North Saskatchewan river systems?

Mr. Klein: Mr. Speaker, I would remind the hon. member that TransAlta is also joint venturing with EPCOR to develop coal-powered electricity generation. We are not picking on municipalities. We're saying that if municipalities want to play outside their borders, if they want to be players on the provincial or, as a matter of fact, on the national scene – because I understand EPCOR now is competing in Ontario – if they want to be national and provincial players as opposed to municipal players, then let them be subject to the same rules and regulations as the other private-sector players.

Mr. MacDonald: Mr. Speaker, that development between EPCOR and TransAlta is created because of the uncertainties around electricity deregulation, and you know it.

If competition and choice are so important, why not give other companies the choice to compete for the lucrative operation that

TransAlta currently has along the Bow and North Saskatchewan rivers? Why not open that up for competition?

Mr. Klein: Mr. Speaker, I can't recall any new dams being built lately, I'm telling you, to harness water for the generation of power. If it did, then the environmental community missed me altogether, and I'm sure it would not happen.

I suspect that the hon. member is talking about dams that were built many, many, many years ago with private dollars – many years ago, 30 or 40 – and it's not only on the North Saskatchewan River. I don't know if he mentioned the Oldman. There's the Bow River. There's Seebe. There's Bears paw. There's Ghost dam. There's Dickson dam. That was the last dam. I don't even know if that's a power generator; is it? I think that's a water control dam. But, anyway, as far as power generation goes, those dams were built eons ago, even before the hon. member was born.

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

Disposal of Used Oil

Mr. Cao: Thank you, Mr. Speaker. Environmental protection is vital to Alberta, and the government's priorities on that subject are very high. Recently I received a call from a constituent who operates an automotive shop in Calgary. He called to express a concern about a new service fee he's required to pay to have the used oil from his shop picked up and properly disposed of, and he's concerned also that if the fee becomes so high, then proper disposal would be jeopardized. As the province oversees the regulations related to management of used oil in the province, my question is to the hon. Minister of Environment. Can the minister explain what these new fees are for?

The Speaker: The hon. minister.

Dr. Taylor: Thank you. The member is quite correct. The disposal of used oil is overseen by the Alberta Used Oil Management Association, effectively known as AUOMA, and that group is certainly recognized around the world as leaders. Saskatchewan has started a program like ours; B.C. has started a program like ours. Certainly Ontario is looking at it, and even the OECD has invited AUOMA to present our program.

In response to the member's specific question, there are no new fees. What he may be referring to is a fee that is charged by a company that picks up the oil from the garage, and that is a result of a company charging a fee. These are not AUOMA fees. They are not government fees.

The Speaker: The hon. member.

Mr. Cao: Thank you. My first supplemental question is to the same minister. So what are the alternatives for Alberta companies in terms of how they can dispose of their used oil?

Dr. Taylor: Well, Mr. Speaker, there are about a hundred companies in Alberta that are doing this, so I don't know the specific instance that the individual member is referring to, but certainly AUOMA would be prepared to provide his constituent with a list of companies that are doing this. Some are charging fees, some are not charging fees, and the information that I have indicates that some are even paying the garage owner to pick up the oil, because they then turn and resell it and reprocess it. So, as I say, there are a hundred

companies doing this. On a standard four-litre oil change there is an environmental charge of 90 cents. Eighty-six cents of this goes back into the system, back to the people that pick up the oil, the collectors of the oil. Only 4 cents of this, around 4 percent, is used for administration of AUOMA.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. My final question is to the same minister. If Alberta consumers are already paying the fee for the oil recycling and the cost does not cover the cost of disposing of the used oil, then where does all that money go?

Dr. Taylor: Well, as I said, Mr. Speaker, there are only 4 cents of 90 cents that go to AUOMA. One of the ways they can do this is because as we use our vehicles, certainly they burn oil, and when you do your oil change, you pay, as I said, on the four-litre oil change about 90 cents. Not all of the four litres goes back into the system, because some of our cars burn a little less; some burn a little more. So they actually have a bit of a surplus based on this, and once again they are using that to invest back into the system.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Little Bow.

Education Funding

(continued)

Ms Blakeman: Thank you, Mr. Speaker. In the throne speech this government stated that its highest priority must be children. However, Alberta schools are dealt a \$142 million shortfall while the horse racing industry gets \$33 million more and there's \$105 million to upgrade VLTs. Yesterday the Premier said that this government tries to split the pie evenly. My questions are to the Premier. Is the Premier saying that the government views gambling as equal in priority to education?

Mr. Klein: Mr. Speaker, what I did point out is that gambling in this province contributes a lot to education. During my time in this Assembly all we've heard from the Liberals is how bad the education system is. You know, they need to get out from under the dome. They need to travel the province. They need to talk a little bit about the stories . . . [interjection] No. I'll tell you a story though. You know, maybe you should read a little book. It's easy reading. Even you can understand it; that is, the members of the Liberal Party. It's called *Syrup Pails and Gopher Tails*, stories of a one-room school and the marvelous education system we had, the marvelous education system we have today, because I'm going to tell you a story that took place only a year ago.

A standing ovation greeted Sheila Pratt at the New Brigden school on June 27. Principal Deena Meekins announced that Sheila was the provincial winner in the grade 8 Canadian scholastic challenge. Sheila's score of 79 was only four behind the national champion and within the top 10 in the country. This exceptional score was the highest of the 3,000 in the province of Alberta. In fact, two New Brigden students did exceptionally well. Darcy Blair, second place, received a medal for his mark of 68, well above the national average. Indeed, this score is higher than those scored by the provincial champions of Manitoba and British Columbia. You know, a mark of 50 percent – 50 percent – was considered very good. This year the national average . . .

The Speaker: And I thank you and will look forward to having the document tabled in the Assembly, hon. member.

Ms Blakeman: The Premier is a good storyteller, but I'm looking for the answer or the truth.

Perhaps he could explain why Alberta schools are on a 17- to 18-year or longer rotation for repainting but VLTs get replaced in less than 10 years for chipped paint and a few minor dings.

2:20

Mr. Klein: Mr. Speaker, again the Liberals seem to be obsessed with seeking out the negatives. All I'm trying to do is say that there are so many positive things, and I plan to give a story a day about the wonderful things that are happening in our schools. A story a day. You know, there won't be enough time in this legislative session nor the next 10 legislative sessions to tell a story a day about the wonderful, good things that are happening in the education system. I'm going to go on.

This year the national average was 44 questions correct. The grade 8 class at New Brigden school achieved an average of 54 correct, 10 percent above the national average. By the way, the top score in the country was 83, and this was earned by a young man who attends the University of Toronto school for the gifted. This is a story of a small school in rural Alberta, a good story.

The Speaker: The hon. member.

Ms Blakeman: Thanks. I'll try again. Again to the Premier: why are Alberta schools on a 17- to 18-year or longer rotation for repainting when VLTs get replaced in less than 10 years for a few paint chips and some minor dings? Why does it take so long? Where's the priority?

Mr. Klein: Mr. Speaker, again, our priority, of course, is education, and I just recited a story of what a small rural school can do with dedicated teachers, inspired students to achieve outstanding, remarkable academic results.

The Speaker: The hon. Member for Little Bow, followed by the hon. Member for Edmonton-Riverview.

Irrigation Farmers' Utilities Billings

Mr. McFarland: Thank you, Mr. Speaker. The irrigation sector in Alberta's agriculture industry pumps water from May to September, and they're billed twice a year. Many of these irrigators finally saw their final meter reads, which were taken in November by Aquila, billed to them through EPCOR in January 2003. Some of these were totally inaccurate and grossly wrong, and EPCOR blames Aquila for this frustrating delay in a billing that prevented the irrigation business sector from properly expensing multithousands of dollars on their 2002 income tax return. In January I was made aware of many of these irrigation problems. My question to the Minister of Energy is: can he direct Aquila to correct the inappropriate, inaccurate billings that were sent to the irrigation farmers so that they can be properly compensated for a legitimate business expense, which wasn't properly billed to them in time for the 2002 tax year?

Mr. Smith: Mr. Speaker, Aquila commercial operation has publicly stated that it has made errors in delivering meter reading data and billing data to EPCOR. Further, EPCOR made a business decision to delay billing until accurate billing information was made available for irrigation customers. Clearly, a commercial EPCOR/Aquila problem. They have taken steps to resolve the billing problem, and the irrigators are encouraged to contact EPCOR, from whom the bill originates, with their billing concerns.

The irrigators are also free to contact the Alberta Energy and Utilities Board for further corrective action.

With respect to the tax situation, I do not know what specific information either Aquila or EPCOR will give to those irrigators.

The Speaker: The hon. member.

Mr. McFarland: Thank you. Again to the minister: what, if any, action can be taken to ensure that Aquila will properly credit overcharges on transmission and distribution charges which resulted from the overestimates and incorrect meter reads taken by Aquila back in November?

Mr. Smith: The most appropriate direction for that, Mr. Speaker, is through the Alberta Energy and Utilities Board, which is now working with people who have inappropriate meter reads, where they have billing problems, and we can expect the EUB to direct Aquila because Aquila remains under the regulated part of the transmission structure in Alberta. They are regulated. They have service performance, code of conduct performance standards that must be maintained, and they're subject to the full scrutiny of the Alberta Energy and Utilities Board. So the direction of redress lies with the Alberta Energy and Utilities Board.

The Speaker: The hon. member.

Mr. McFarland: Thank you, Mr. Speaker. Given that there is a \$75 potential credit to an account and that further action through the Energy and Utilities Board may not happen until 2004, could the EUB be directed to manually handle each and every one of the irrigation accounts to ensure total accuracy before these fictitious, horrible bills are mailed out?

Mr. Smith: Well, Mr. Speaker, the member brings up a suggestion that may be entirely appropriately handled by the Alberta Energy and Utilities Board. I will certainly forward that information to the Alberta Energy and Utilities Board. Of course, they already are aware of the billing irregularities with respect to irrigation.

Now, with respect to the \$75 that the member refers to, this is put in place to ensure that both EPCOR and Aquila were going to undertake making the appropriate corrections to failed and erroneous meter readings that had occurred in their area of service. I can report to the House that as of February 18 the EUB has forwarded 1,287 calls to EPCOR for review. EPCOR, therefore, must examine these bills, determine if they qualify for a credit, and return them to the EUB with a recommendation that is then reviewed by the EUB. So far, to this day, 395 bills have been returned to the EUB from EPCOR for review. Of those 395, Mr. Speaker, 256, or just about 70 percent, will receive a \$75 credit. Out of the 350,000-customer service base, that means a total of 1,287 calls or files represents three-tenths of 1 percent of the total response. It shows clearly that the EUB mechanism that regulates what Aquila does is working and is working well. Plus, it demonstrates that there is an area which the member who has difficulties can direct that to that particular body.

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

Government-appointed Committees

Dr. Taft: Thank you, Mr. Speaker. Yesterday the Premier announced he is spending \$6 million to devise a consultation process to examine the dispute between First Nations and oil-field contractors. Sounds like yet another expensive government committee.

Hollywood had the \$6 million man; this government has a \$6 million committee. To the Premier: I'm sure Albertans would like to know who is going to be paid this \$6 million.

Mr. Klein: Well, you know, the Liberals hang around like hungry wanna-be journalists down in the newsroom, and they pick up on every word. That's why they're holding their scrums prior now to it: so they can listen to the reaction. You talk about media 101 and the need for media advisors: they need it. Having said that, he would make a very, very poor reporter – a very poor reporter – even poorer than the poorest reporter, because his facts are all wrong as reported.

As I said, this is part and parcel of the implementation of the monetary requirements for the aboriginal framework agreement. Now, I also said that as I understand it, the hon. minister had asked for \$25 million to fully undertake the consultation process and all that's involved in putting in the aboriginal framework agreement. She didn't get that.

But relative to what she's going to do and how she plans to proceed with respect to the framework agreement and how the money will be spent, I'll have her respond.

2:30

Ms Calahasen: Well, thank you very much, Mr. Premier. First of all, I think it's important to recognize that we have to be able to do an adequate consultation process, and that process has to be able to include all the stakeholders, and those are the stakeholders that we'd be working with relative to any kind of consultation we deal with. Most specifically, Mr. Speaker, we want to ensure that the First Nations' issues are addressed as well as industry's concerns so that we can ensure that people can get access to land where the people have permits to be able to do the work that they need to do.

The Speaker: The hon. member.

Dr. Taft: Thank you. Six million dollars. Again we'll try the Premier. What's the time frame for this \$6 million, and where's the business plan?

Mr. Klein: Well, Mr. Speaker, again, you know, maybe I ought not to have answered the question put to me by one of the reporters and picked up erroneously by the Liberal Member for Edmonton-Riverview, but this is a budget item. It will be coming forward to the Legislature for debate in conjunction with the business plan. All the details will be spelled out at that particular time.

All I said was that the minister had asked for \$25 million. The best she can hope to expect – well, this, of course, is contingent on how the vote goes and how the debate goes – is \$6 million at this particular time. The business plan will be released along with the budget, Mr. Speaker.

The Speaker: The hon. member.

Dr. Taft: Thank you. We'll broaden the question. Does the Premier have any idea of the total amount being spent by his government on all the committees it's created?

Mr. Klein: Do I have any idea? No, but I can get the amounts, I'm sure, including all the money that's being spent on committees that include opposition members and perhaps all the money that's being spent on the opposition as well.

You know, Mr. Speaker, I can say this: the administration of government is a big business. In anticipation, well, the Liberals sat down today at their caucus, came up with I don't know how many

different questions covering a wide range of areas. We need to be on top of all of these issues because as the government – as the government – we have the responsibility for the administration of all of those departments. So, yes, there are ministerial committees; there are MLA committees; there are legislative committees. I imagine there are numerous committees within the administration of government. There are deputy ministers' committees. There are ADM committees. There are committees relative to division heads. There are committees in the bowels of all the departments because decisions are made on the basis of consensus, and when you need to achieve consensus, you need to bring people together, and that could be construed as a committee.

The Speaker: Hon. members, before we proceed to the next item in the Routine, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

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

The Speaker: The hon. Member for Calgary-North Hill.

Mr. Magnus: Thank you, Mr. Speaker. Earlier I introduced some firefighters to the members of this Assembly, and there have been a few more that have come in the room, and I would like to include them in the record for the members. I'll ask them to stand as I call their names out. Their names are: Lorne Corbitt from Edmonton; Larry Walsh from Edmonton; Dale McLean, the secretary of the Edmonton Firefighters Union; and Greg Holubowich, vice-president of the Edmonton Firefighters Union. I'd ask that all members give them a very warm welcome.

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

Mr. Mar: Thank you, Mr. Speaker. Today we have a very special guest in your gallery, a person that many Albertans have recognized for her enormous commitment and leadership and dedication to the health of Alberta's young people. This is a woman of vision who has dedicated herself to the service of others and by doing so has contributed enormously to one of the most enduring values that we as Albertans hold dear and precious: to enjoy a life that is healthy and free of disease. This is someone that I have no doubt members of this Assembly have heard of. I'm speaking of Barb Tarbox. She's here today with her good friend Tracy Mueller. In a few moments the hon. Member for Wetaskiwin-Camrose will welcome Barb on behalf of the Assembly and all Albertans and speak to her accomplishments. I ask that all members please give this person the warm welcome of this Assembly.

head: **Members' Statements**

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

Barb Tarbox

Mr. Johnson: Thank you, Mr. Speaker. Today I have the honour of thanking a very special person and friend, a woman whose courage is an inspiration to all. Since being diagnosed with terminal lung cancer last September, Barb Tarbox has dedicated the remaining months of her life to talking to as many children and teenagers as she can about the dangers of smoking. Barb is a mother, a wife, and a former model. She started smoking when she was just 11 years old and is now dying because of her tobacco addiction.

With no previous experience in public speaking, Barb started talking to small groups of students in Edmonton classrooms. Her campaign has since truly become a national antismoking crusade. Her original goal was to touch 1,000 students with her message. Soon it became 5,000, then 10,000, and now 50,000 before smoking takes her life. Through the hard work of her teammate and manager, Tracy Mueller, she has now spoken to over 40,000 students and tens of thousands through the means of TV.

As chair of AADAC I would like to thank Barb for her support of the Alberta tobacco reduction strategy and its goal of preventing young Albertans from starting to use tobacco. AADAC has worked with Barb on a series of television and newspaper ads and several speaking engagements.

Barb and her family's willingness to share their painful journey in such an honest way is working and will be her legacy to all of us. She has received thousands of e-mails, letters, and phone calls from children and adults who have been inspired to quit smoking, make a commitment to never start, or encourage a loved one to quit. Local and national media have documented her cross-country campaign, and the National Film Board is working on a documentary and educational video.

Today I am pleased to announce that AADAC will establish an annual award of excellence and scholarship in her name for work in tobacco reduction focusing on children and youth. But most important today, Mr. Speaker, I just want to say: thank you. Thank you, Barb, for your courage, your sacrifices, for your service to the youth of this province and, indeed, to all Albertans.

Thank you. [applause]

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

Women's Cross-country Snowmobile Relay

Ms Blakeman: Thank you, Mr. Speaker. Snowmobilers have been in the news recently and not for the best reasons, so today I'd like to recognize a special group of snowmobilers and a snowmobile manufacturer for starting a trek which promotes responsible snowmobiling and raises money for a good cause.

Polaris Industries, in searching for a way to celebrate their 50th anniversary in 2004, wanted to encourage more women to become involved in this recreational activity. The idea of a cross-country relay for women was the result, with funds being raised for breast cancer research. The ride started in St. John's, Newfoundland, on January 11 and arrived in Alberta yesterday, coming from Meadow Lake, Saskatchewan, to Bonnyville.

In each province three VIP riders were chosen to represent their province. The VIP riders in Alberta are Darlene la Trace from Sherwood Park, Lisa-Marie Pelky from Red Deer, and Louise Sherren from Erskine. Other riders can join in on any leg of the relay, and anyone can help out by pledging to sponsor participants for each mile they ride. According to the Polaris web site, over \$70,000 in pledges has been raised so far.

2:40

I especially want to cheer on the women riding from my old club, the Sherwood Park Snowmobile Club. These women and their support team have taken responsibility for the Swan Hills to Whitecourt segment. They are Mineko Blakeman, Karen Dowhan, Heather Armstrong, Priscilla Heaton, and I think that my old riding buddy Sandy Alton is joining them.

I also want to thank all of the men who are participating in the ride. Thanks, guys.

The riders are helped out by volunteers and guides from the

Bonnyville Snowdusters, Smoky Lake Trail Twisters, Athabasca River Runners, Swan Hills Snow Goers, Whitecourt Trailblazers, Northland Sno-Goers, and the Valleyview and Swan City snowmobile clubs.

Thanks to Polaris for promoting women and snowmobiling and raising money for an important cause, and a special tip of the helmet to all the women and their support teams who ride segments across Alberta.

Thank you.

The Speaker: The hon. Member for Calgary-North Hill.

Alberta's Firefighters

Mr. Magnus: Thank you, Mr. Speaker. I rise today to pay tribute to Alberta's firefighters, the toughest, most physically fit group of workers to call this province home. They risk their lives to save our lives every day.

The first thing a firefighter is told when he or she takes the job is that it is inherently unsafe. Firefighters can put on helmets, masks, and protective gear, but they know that every time they walk into a building, they might not walk out, and in a fire their bodies under the best equipment will suffer from smoke and soot exposure. Structures can collapse, things can explode at any moment, and always, in every fire, there are carcinogenics and chemicals burning that have a high likelihood of causing cancer. Firefighters all know that they are more likely to get cancer just by virtue of doing their job.

There are six cancers, Mr. Speaker, which are known as the firefighters' cancers. They are: brain cancer, bladder cancer, kidney cancer, non-Hodgkin's lymphoma, leukemia, and colon cancer. Take just two of these cancers: colon cancer and leukemia. Studies show that a firefighter is 68 percent more likely to get colon cancer than anybody else if they have been on the job for 20 years or more. The risk of getting leukemia is doubled after only five years on the job. These figures are staggering, and it brings home the sobering truth that firefighters put their safety on the line to ensure ours, but if they get these cancers, they've got to go through a process with Workers' Compensation, and they are not guaranteed at this date to receive WCB benefits. Can you imagine getting cancer, being worried about your own life and the well-being of those around you, and having to prove to the WCB that, yes, fighting fires for 20 years most probably is the reason you have cancer? It isn't fair, and it's time to do something about it.

In this session I will bring forward a private member's bill that if passed would grant presumptive status to any firefighter who contracts one of the firefighters' cancers. While there will be a years-of-service restriction on this presumptive status, the message will be clear. If a firefighter puts his life on the line protecting Albertans and contracts cancer from doing his job, this government has the obligation to ensure that the firefighters and their families are given proper recognition and compensation for the valuable service that they have undertaken and the suffering it has caused them. It is the right time to do this and the right thing to do.

Thank you, Mr. Speaker.

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

Assured Income for the Severely Handicapped Benefits

Mr. MacDonald: Thank you, Mr. Speaker. One raise in nine years. Many honourable members of this House would quit in protest if they received only one raise in almost a decade. We certainly wouldn't see them for dust if that solitary increase was equivalent to less than half a percent a year. Yet that's what this

government expects people with disabilities that prevent them from holding gainful employment to survive on.

The inflation rate in Alberta for the last decade has eroded the purchasing power of AISH clients. In 1999 assured income for the severely handicapped payments were certainly increased, but it was only by \$40 a month. By comparison, Alberta MLAs have been receiving annual increases in salary recently. Alberta's Human Resources and Employment minister said last May that he would be looking into the AISH program when the MLA low-income review committee advised him that low-income support rates in this province need to be increased. The minister said that he would look at the AISH program separately from the supports for independence program, a plan that is supposedly under way. Where are his suggestions? Where is the proof for AISH clients of this province that this government is at all interested in their well-being?

Rhetoric won't put food in the mouths of AISH recipients when natural gas bills are so high that they must use their food budget to supplement the high cost of natural gas. Mere words won't keep the lights on when there's no money to pay for increasing electricity bills either. Only a much-needed increase in AISH benefits will bring some measure of comfort to AISH recipients. For shame's sake this government must do something to help these vulnerable members of our province, and now.

Thank you.

head: **Notices of Motions**

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

Mr. Hancock: Thank you, Mr. Speaker. I rise pursuant to Standing Order 34(2)(a) to give notice that on Monday my colleague will move that written questions appearing on the Order Paper do stand and retain their places.

I'm also giving notice that on Monday my colleague will move that motions for returns appearing on the Order Paper do stand and retain their places.

head: **Introduction of Bills**

The Speaker: Hon. Minister of Justice and Attorney General.

Bill 6 Justice Statutes Amendment Act, 2003

Mr. Hancock: Thank you, Mr. Speaker. I request leave to introduce Bill 6, the Justice Statutes Amendment Act, 2003.

This bill proposes amendments to four pieces of justice legislation. Under this bill the Judicature Act will be amended to streamline the selection processes for provincially appointed judges. The provincial Young Offenders Act will be amended to coincide with the changes under the new federal Youth Criminal Justice Act, which comes into force on April 1, and changes to both the Petty Trespass Act and the Trespass to Premises Act will strengthen the provincial trespassing laws by allowing peace officers to lay charges and raising the maximum fines for committing these offences.

[Motion carried; Bill 6 read a first time]

The Speaker: The hon. Member for Grande Prairie-Wapiti.

Bill 7 Real Estate Amendment Act, 2003

Mr. Graydon: Thank you, Mr. Speaker. I request leave to introduce Bill 7, being the Real Estate Amendment Act, 2003.

The Real Estate Council of Alberta is responsible for administration of the Real Estate Act. The council has consulted with their stakeholders on these proposed amendments and are fully supportive.

Thank you.

[Motion carried; Bill 7 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that Bill 7 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

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

Bill 8 Health Foundations Act Repeal Act

Mr. Mar: Thank you, Mr. Speaker. I beg leave to introduce Bill 8, being the Health Foundations Act Repeal Act.

[Motion carried; Bill 8 read a first time]

The Speaker: The hon. Minister of Sustainable Resource Development.

Bill 9 Mines and Minerals Amendment Act, 2003

Mr. Cardinal: Thank you very much, Mr. Speaker. I request leave to introduce Bill 9, the Mines and Minerals Amendment Act, 2003.

This act will amend existing legislation to reflect the way that seismic geophysical exploration is currently done by updating terminology and practices.

[Motion carried; Bill 9 read a first time]

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

2:50 Bill 13 Government Organization Amendment Act, 2003

Ms DeLong: Thank you, Mr. Speaker. I request leave to introduce Bill 13, being the Government Organization Amendment Act, 2003.

This bill authorizes continued production of voluntary ID cards. Thank you.

[Motion carried; Bill 13 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that Bill 13 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

The Speaker: The hon. Member for Highwood.

Bill 201 Emblems of Alberta (Grass Emblem) Amendment Act, 2003

Mr. Tannas: Thank you, Mr. Speaker. I request leave to introduce

Bill 201, being the Emblems of Alberta (Grass Emblem) Amendment Act, 2003.

Bill 201 will amend the Emblems of Alberta Act by designating a native grass species, rough fescue, as Alberta's provincial grass. As a provincial emblem rough fescue will be an official symbol representing Alberta's prairie heritage past, present, and future.

[Motion carried; Bill 201 read a first time]

The Speaker: The hon. Member for Calgary-North Hill.

**Bill 202
Workers' Compensation (Firefighters)
Amendment Act, 2003**

Mr. Magnus: Thank you, Mr. Speaker. I request leave to introduce a bill, being Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003.

Studies consistently show that firefighters face an increased risk of contracting one of six firefighters' cancers. This bill will bring fairness to firefighters who contract the cancers.

[Motion carried; Bill 202 read a first time]

head: **Tabling Returns and Reports**

The Clerk: Pursuant to Standing Order 37.1(2) I wish to advise the House that the following documents were deposited with the office of the Clerk: on behalf of the hon. Mr. Mar, Minister of Health and Wellness, pursuant to the Occupational Therapy Profession Act, section 5(4), Alberta Association of Registered Occupational Therapists annual report 2001-02; pursuant to the Dental Disciplines Act, section 8(4), Alberta Dental Association and College 2001-02 annual report; pursuant to the Health Facilities Review Committee Act, section 16(2), Alberta Health Facilities Review Committee annual report 2001-02; pursuant to the Regional Health Authorities Act, section 14(3), Health Authority 5 annual report 2001-2002; on behalf of Mr. Cardinal, Minister of Sustainable Resource Development, Surface Rights Board and Land Compensation Board annual report 2002.

The Speaker: The hon. Deputy Premier.

Mrs. McClellan: Thank you, Mr. Speaker. I would like to file copies of two documents today: the Agrivantage final report and recommendations, Building Tomorrow Together, and Alberta's Agriculture Research and Innovation Strategic Framework. Both of these documents as they are implemented will contribute to the advancement of the agriculture and agri-food industry in Alberta and ensure that the industry remains competitive and respected.

Mr. Speaker, I would just make members aware that copies of both reports are available from my office upon request.

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

Ms Blakeman: Thank you, Mr. Speaker. I'd like to table five copies of a letter from the Elder Advocates of Alberta directed towards the hon. Minister of Health and Wellness in which they are asking the government to make mandatory five tenets: to reduce abuse of seniors including not prescribing psychotropic medication and no permanent relegation of residents to bed and allowing nurse's notes and medical files to be available to the resident and maintaining a written protocol.

Thank you.

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

Dr. Taft: Thank you, Mr. Speaker. I rise today with the appropriate number of copies of a letter to table urging the Alberta government to keep its promise to protect the Bighorn wildland recreation area. The letter is written by Mr. Paul Otto.

Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have two tablings today. The first one is a document from Alberta Learning indicating that funding has changed very little for public education when one factors in inflation and enrolment, and this document includes the fiscal year '93-94 right up until the current time.

The second document that I would like to table for the benefit of not only members of this Assembly but all Albertans is a Did You Know document prepared on behalf of the Alberta Liberal caucus, the Official Opposition, comparing what some of the expenditures of this government are – for VLTs, for horse racing, for extra staff, for expansion of the cabinet – and what that money could be used for in public education.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I rise to make two tablings today. Both are letters, and I'll be tabling them in an appropriate number of copies.

The first letter is from Mrs. Doreen Smith of Edmonton. It's dated February 14, just a few days ago, addressed to the Minister of Seniors. Mrs. Smith is expressing great concern about the sea of hardship that the high gas and power bills are causing to her and thousands of other seniors, many of whom also live in my constituency. That's the first letter.

The second letter, Mr. Speaker, is a letter from Mrs. Jean Polasek of Clairmont dated February 17, addressed to her MLA. Mrs. Polasek is a board member of district 1, the Alberta Council on Aging and has written this letter on behalf of many seniors and single mothers in the area who are finding it impossible to pay their gas bills and desperately need an immediate break in the form of rebates if they are to be able to stay warm in this cold weather.

Thank you, Mr. Speaker.

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I have two tablings today. The first tabling is a letter from the Marlowe family in Edmonton dated February 7, 2003, addressed to the Premier. They had a shock of disbelief upon opening their utility bill and are seeking help.

The second tabling is a letter from a greenhouse operation in Coronation dated January 25, 2003, also addressed to the Premier. This greenhouse has been in operation for the past 19 years and is now canceling spring orders and laying off staff due to horrendous increases in utility bills.

head: **Projected Government Business**

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

Ms Blakeman: Thank you very much, Mr. Speaker. If I could ask the government to please enlighten us on the projected government business for next week.

The Deputy Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. Projected government business for the week of February 24 to 27, 2003. At 9 p.m. on Monday the 24th under Government Bills and Orders, address in reply to the Speech from the Throne; second reading or Committee of the Whole for Bill 1, Premier's Council on Alberta's Promise Act, Bill 5, the Line Fence Amendment Act, 2003, and as per the Order Paper.

For Tuesday, February 25, in the afternoon under Government Bills and Orders for second reading Bill 4, Alberta Personal Income Tax Amendment Act, 2003; Bill 5, Line Fence Amendment Act; Bill 11, Auditor General Amendment Act, 2003; and as per the Order Paper. At 8 p.m. under Government Bills and Orders under second reading or Committee of the Whole Bill 4, Bill 5, and Bill 11, and as per the Order Paper.

Wednesday, February 26, under Government Bills and Orders we anticipate the supplementary supply messages to be presented under Government Motions with respect to supplementary supply motions being moved and then second reading of bills 3 and 2 and as per the Order Paper. In the evening under second reading Bill 6, Justice Statutes Amendment Act, 2003; Bill 7, Real Estate Amendment Act, 2003; Bill 8, Health Foundations Act Repeal Act; Bill 9, the Mines and Minerals Amendment Act, 2003; and Bill 3, the Electric Utilities Act; and in Committee of the Whole Bill 3, Electric Utilities Act; and as per the Order Paper.

On Thursday, February 27, in the afternoon under Government Bills and Orders, Committee of Supply, supplementary supply, day 1 of 1, and we would anticipate requesting unanimous consent of the House to revert to Introduction of Bills to permit the introduction of the Appropriation (Supplementary Supply) Act and as per the Order Paper.

3:00head: Orders of the Day

head: **Consideration of Her Honour**

head: **the Lieutenant Governor's Speech**

Mr. Jacobs moved that an humble address be presented to Her Honour the Honourable the Lieutenant Governor as follows.

To Her Honour the Honourable Lois E. Hole, CM, AOE, Lieutenant Governor of the province of Alberta:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly, now assembled, beg leave to thank you, Your Honour, for the gracious speech Your Honour has been pleased to address to us at the opening of the present session.

[Adjourned debate February 19: Mr. Hancock]

The Deputy Speaker: The hon. Member for Calgary-Shaw.

Mrs. Ady: Thank you, Mr. Speaker. As I rise today to add my voice to the response to the Speech from the Throne, my thoughts return to the Lieutenant Governor. I know that my colleagues in the House and myself all feel the same level of appreciation to her for her greatness.

As I think back to just a week ago when I had the opportunity to have dinner with her, I asked her at that time how her husband was doing, and she said to me: you know, he's got to do all the really important things in life. He's had a family, he's been able to see

them raised, and he's been able to see them become productive citizens, actually run the business better than we did, she said. She said: he's been able to have grandchildren and see them grow up; all the truly important things he's got to see happen in our family. She said to me that that was the most important thing to her and her husband.

As I reflect now on the Speech from the Throne and I think of how earlier this week she stood in this House knowing of her condition and gave that speech, I am doubly impressed with the nature and the spirit of the woman that is the Lieutenant Governor of this province.

I looked at the title of the speech, and I thought what she must have been thinking as she read A Promise to Our Children as she reflected on her own family and her own family condition, and before I even knew that news, that title really jumped out for me. I've heard some opposition members say: "A Promise to Our Children is too vague. It's not solid enough. There's not enough detail. What does it really show?"

I'd like to kind of look at the cup half full today instead of half empty. When I see the words A Promise to Our Children, those mean a lot to me. I'm the mother of four children, and I know that when I think about my children and I think about the future of this province, it makes me doubly – doubly – determined to make sure that we provide the kind of future that we want for our own children. I want for my children a province that is strong and economically able to manage their families. I want for my children safe communities. I want for my children a lot of the things that are covered in the Speech from the Throne that was given earlier this week, so I was delighted as I read that speech.

I'm not only a mother, but I'm a Member of the Legislative Assembly, and I represent the constituency of Calgary-Shaw. I've always said that it's the greatest constituency. Some of my colleagues have a problem with that, but I stand on that and want to say that since I've been in office, just over two years, I find that this is a good time to reflect and look back over the last two years to see what kinds of promises we have fulfilled and the kinds of promises that we want to fulfill in the future.

Now, I've always said that I come from a large constituency. That constituency is now over 90,000 people, and I'm sure that if I stand next year, I might be saying that it's over a hundred thousand people. It is the largest constituency in the province of Alberta, and it's a very rich constituency, and I know that if they read this speech, they would be very encouraged as they see the action that government is preparing to take. So in my response today I wanted to in particular keep my constituents in mind and express to you some of their hopes and desires and the things that they will be encouraged about as they read this speech.

I quote from the speech on the first page when it talks about the prosperity of Alberta and the course that government has charted for their new future. It said, "That course has brought the province to an era of unmatched growth and prosperity." That is true. That is true. You don't have to live in Calgary-Shaw to know that this province is growing.

I often hear my rural colleagues talk about how long it takes them to drive across their constituencies and how difficult that is for them sometimes. You can drive across my constituency of 90,000 people in under 15 minutes, but I must tell you of my surprise when I drive to communities within my neighbourhood and see whole new subdivisions that have sprung up since the last time I visited them. It is growing rapidly.

As I knock on the doors of those people and visit and talk with them, they tell me where they've come from and why they're here. They've come from Saskatchewan. They've come from British Columbia. They've come from Ontario. They've come from further

east. I'm told that Ontario is not the east, that there are more eastern provinces. I always ask them: "Why are you here? Why did you come to the province of Alberta?" They always say to me: I came here because there was a job; there was a job so that I could have a salary to raise and support my family. That's why they come. They're young. They're dynamic. They're bright. Now, I'm not saying that I have the brightest constituents in the whole province, but I think close. [interjection] Others think they do. But I'm always impressed with the nature of the new constituency that is growing around me, and I think: why do they come?

I remember back in the early '80s when my own family was living in a little community down in Riverton, Wyoming, and the oil and gas industry plummeted, and for the very first time in our family we didn't have a job. It's the first time that we'd not had a salary. I quickly learned a lesson: all the other things that we seek in life are really nice, but when you don't have a job, it is very, very difficult on families. I've never forgotten that lesson, and I've always been grateful for my husband being able to be employed and being able to support our family.

Now, as an MLA for the last two years many, many times I've heard the expression: how can a rich province not? In fact, I thought that if I had a nickel for every time I've heard that expression, I probably could solve all the problems in the province of Alberta. I thought back about that, and I thought: you know why the people tell me that they come to Alberta? Not because it's a rich province, but because they can support their families. I think sometimes we lose sight of that in this province, and I think this throne speech points that out. It says that we have a prosperous province. We do. People have jobs. They have a way to support their families. So when I look to A Promise to Our Children, I can think of no greater promise than that.

I like the saying "steady as we grow" because there's no question that we've been able to establish – and I think not just because of oil and gas but because the government was prepared to make tough decisions and to bring this province into a fiscal responsibility mode that allowed it to get where it is today. When we see "steady as we grow" in this speech, I think that that's a reality. Now our task and our job as government is to make sure that we don't, you know, have to go backward, that we can continue to go forward and that the promise can be bright in the future for our children.

I particularly wanted to spend just a moment on A Bright Future for Children, as it was entitled in the speech, and it says that Alberta's most precious resource is its children, that our job is to protect and enable them "to develop to their fullest potential." I don't think of us as not having tried to do this in the past. I think we've gone to great efforts to do this, but what this speech tells me is that we are focusing an even greater attention to this difficulty.

We start with the Child Welfare Act. I'm the chair of the Social Care Facilities Review Committee. Part of my responsibility with my committee is to go and visit those children that are not in ideal circumstances. They live in foster care homes. They live in circumstances other than with their families. It is difficult for me to watch those children. I see people providing, and I see foster care parents who are trying very hard, and I always honour the work that they do. Yet these children are not with their families, and they are not in homes. A religious leader once said that it is not enough simply for parents to provide food, shelter for children and their physical well-being, that there's an equal responsibility for us to provide nourishment, direction to the spirit and the mind and the heart.

When I look at these children and I think of my own four children, who have had all the benefits of parents – now, I'm not saying that I'm the best mother always, but practically always, but my children

have always had the benefit of a mother and a father who love them and grandparents who love them. They've had the benefit of living in communities that also care for them. I think of all the coaches that have coached them in basketball over the years. I think of the Scout leaders that have hiked up the hill with them in the middle of the winter and, you know, brought them back home to me even though sometimes they really annoy me and I wonder if they should come back, but they do. I think of those people that have cared and loved my children. I think of the teachers in schools that have invested in my children, worked hard with them to ensure that they got a good education and that their promise was bright.

3:10

I realize that it takes many people in order for this to happen, so when I look at this reform of the Child Welfare Act, I think it's appropriate. I think it's the right thing to do. I do not think government should do this alone. In the speech it says:

This approach recognizes that creating an environment where children succeed is an endeavour that stretches beyond the ability of any one family or any government. Education and health systems, the corporate and voluntary sectors, parents, extended families, and caregivers are all part of a vital community network of supports that must be in place for children to thrive.

And I say, "Hear, hear" to that.

The other piece that was covered by the Speech from the Throne that I wanted to respond to was the initiative for the Alberta Centre for Child, Family and Community Research into fetal alcohol syndrome. Myself and the hon. Member for Red Deer-North were able last year to go with the hon. Minister of Children's Services to a conference on fetal alcohol syndrome. I must be frank with you. Before I came into office, I wasn't really aware of fetal alcohol syndrome. I've now seen children that have fetal alcohol syndrome. I've been able to talk to foster care parents and parents who adopted fetal alcohol syndrome children. I've been able to visit with mothers that have had fetal alcohol children. I'm not certain why I wasn't exposed to it. I suppose I feel fairly protected in that way, but as I looked and spent time with these children, I realized that it was a problem that needed to be dealt with, and I've been so impressed with the colleagues that are surrounding me that also feel strongly about this. As I see this in the Speech from the Throne, I feel encouraged because it talks about research on the prevention of fetal alcohol syndrome. Much time and attention has already been spent on identifying fetal alcohol and what it is and defining it, but let's prevent it, and I'm encouraged to see this in the Speech from the Throne.

If you look at the Calgary-Shaw constituency, one of the richest resources that it has, although there are some, I guess, sour gas wells in the vicinity, is children. I have over 25,000 children in my constituency. In fact, I have more children in my constituency probably than some members have constituents, which tells me I have roughly, if you do the math, 50,000 parents of those 25,000 constituents that are children, so it's no surprise to me when issues about education or that primarily affect children come along that I hear and that my phones ring and that my e-mail is filled with the concerns of parents and of children. So when Alberta's Commission on Learning was struck, I was very encouraged. I felt like it was an opportunity for us to take a good long look at what we were doing in education. Could we improve on it? Could we make it better? Where were the challenges? I will be bringing forward a motion later that will talk about the complexity of the classroom this year. I think it's something that we do need to address and something whose day has come. So I'm very encouraged when I see in the Speech from the Throne comment on Alberta's Commission on Learning, and I very much await their results and hope that we will

be able to improve an already excellent education system and make it even better.

I was also encouraged to see the \$20 million to help Alberta school boards purchase additional classroom resources and textbooks. Often some have said: well, that only buys half a textbook per child. But I would like to point out that there is budget already out there for textbooks, and this will add and enhance that and create more opportunity for textbooks, and I think it's a good-news story. I was very encouraged when I saw that in the Speech from the Throne.

In the few short minutes that I have left I just want to touch briefly on infrastructure. Many of you have heard me talk about infrastructure, and at the beginning of it it talks about a solid infrastructure. "As Alberta has grown, so has its need for health facilities, schools, and roads." Now, what I say to my constituents is: many of you have come to the province because you have jobs, but unfortunately you were not able to drag with you your schools, your roads, and your hospitals. So as I see my constituency continue to grow, we have needs in my constituency for these things. It says in the speech that the "economic growth has surpassed its investment in capital projects, and Albertans aren't willing to wait until tomorrow for the infrastructure they need today." I think that reflects the Calgary-Shaw constituency. They recognize that there's difficulty in this area, and that's why, first of all, they sent me to Edmonton, and that's what they look to us for as government: to not tell them why they can't have it but to come up with the kinds of solutions that will ensure and enable them to have it in the future. So I'm very much encouraged as I look at this government trying to become more flexible in how they look at infrastructure.

Now, perhaps all ideas out there are not the best ideas, and perhaps things have been tried other places that were not effective. That doesn't mean that we can't capitalize on the successes. I think of the Bethany care facility within my constituency, which is a P3 arrangement and working very well. [some applause] Thank you. I also think of Hampton school, which I've seen in the news. All over the news they talk about Hampton school, but I've had opportunity to tour that school and talk to parents and students and teachers, and I can tell you that there are some pretty happy parents and teachers and students in Hampton school today, very grateful that there was a P3 arrangement. Now, could that be improved upon? Absolutely. Are there ways that we as government can help control some of those factors that were negative? Absolutely.

So, again, I'd like to just close today by saying that steady as we grow is the way to go. I think this is a speech of promise and hope, and I think the Calgary-Shaw constituency will enjoy reading this. I thank you again.

The Deputy Speaker: Comments? Questions?

The hon. Member for Edmonton-Riverview to speak.

Dr. Taft: Yes. Thank you, Mr. Speaker. If there are no questions for the hon. member.

The Deputy Speaker: Well, that's what I had asked, and that's why I was asking you. Go ahead.

Dr. Taft: Okay. Thank you, Mr. Speaker. It's my privilege to rise in this Assembly to speak to the Speech from the Throne. I concur completely with the comments of the hon. Member for Calgary-Shaw in expressing her feelings and, I'm sure, the feelings of all of us about the condition of the Lieutenant Governor and the courageous job she did in delivering this speech just a few short days ago, an inspiration for all of us.

There has been much discussion already on the nature of the Speech from the Throne, and the phrase I've heard from any number of us is that it's a matter sometimes of looking at whether the glass is half full or the glass is half empty. I think we may want to say that sometimes some people's glasses are full and some people's glasses are empty, and we need to keep all of that in perspective. It's not a simple issue of: is one single glass half full or half empty? The fact of the matter is that for many of us, probably for all of us who are members of this Assembly in most regards our glasses, our lives are very full and very wealthy and very prosperous. But there are many people in this province whose glasses are by any measure less than half full, and we want to try to remember those people as we go through our daily business in this Assembly.

The Speech from the Throne, of course, is focused on children, A Promise to Our Children, and that's a noble focus for this speech and for this government and for this Assembly. I think we would all concur that looking after children and providing all the resources and supports we can for children from conception right through to the early years of school is crucial and is probably the single most important way to secure the future of this province. So, for example, when amendments to the Child Welfare Act are raised – and I'm told that they will "emphasize the importance of early intervention and the preservation of the family" – I commend that, and I hope that that prevents, for example, the kinds of issues that we were debating a year ago in this Assembly from arising, where we saw reductions to early intervention programs.

I also agree completely with the emphasis on fetal alcohol syndrome. It's a frightening problem for this society. There have been some dramatic crimes, some murders committed in this province by people who suffer from this condition, and they really have no conception of what they're doing. That's just a small and dramatic example of the severity of this disease. I know that it's extremely widespread. The thing is that we already know how to prevent fetal alcohol syndrome. We know what causes it, and we know how to prevent it. So I hope that rather than just pouring research money into this question, we actually take action, as the Minister of Children's Services has, but we need to take more action on preventing fetal alcohol syndrome.

3:20

Another tremendous program that as recently as last night I was hearing very discouraging words about the future of is the Alberta initiative for school improvement, AISI, as it's known as in schools. They have had some dramatic results through this program in many schools in Edmonton, including some schools in the most impoverished neighbourhoods.

What's the issue? Well, the issue is that the funding is running out for those programs this year. This is it, and there's a very decided risk that young children, preschoolers in neighbourhoods like Norwood and indeed neighbourhoods across Edmonton and across Alberta will suddenly not have the supports that have made huge differences to their early childhood development. So I hope that that program gets extended as a result of this speech.

The \$20 million investment in schools and school resources, frankly, is too small, but it's better than nothing. There are schools in this province, for example, where the maps still show the Soviet Union, and that sort of geography is so far out of date that we're not doing anybody an advantage by that. If schools can use some of this money to improve their resources, great, but we shouldn't have allowed them to get so far behind as it is.

Moving to the section of the speech on a strong economy, the two great emphases in the speech are on agriculture and energy, which we all agree are absolutely fundamental to the prosperity of this

province. The agriculture sector is in a very rough spot. I know that we voted in the fall for a substantial increase to support that sector because of the drought and ironically also because of some flooding in southern Alberta, but I'm afraid that the future of this sector is in for long-term problems and that we need long-term solutions. I know that our leader has some very clearly thought-through ideas on that, and I hope the government listens to those.

I am concerned about the commitment of this government to continue to oppose the monopoly of the Canadian Wheat Board. A tremendous number of farmers in this province and across western Canada support the Canadian Wheat Board, and they show that every time members to the board of the Canadian Wheat Board are elected, and they continuously elect members who want the Wheat Board to continue. I'm concerned that this government is actually listening to a very narrow voice on that particular issue.

The energy industry also gets a substantial amount of attention, and let's be honest: it's the energy industry that separates Alberta's economy from the economies of the other provinces in this country. So well they deserve particular attention, but they don't deserve the kind of attention the electricity industry has received in this province in the last few years. We all know that electricity deregulation has brought many problems, and I am concerned when I read that the government is planning to make further changes and hopes that these changes will "increase competition and value for consumers." Frankly, I'm a big fan of competition, but anyone who knows economics knows that there are limits to markets and that competition doesn't always work and that in fact it was because of a breakdown in competition early in the 20th century that we got into regulated electricity in the first place. I am not optimistic that the moves of this government are going to benefit consumers of electricity in Alberta at all.

The economy needs to diversify in this province, and although we trumpet the efforts of diversification, if you take a hard look at their success, proportionately Alberta's economy is still overly dependent on energy and agriculture and especially on energy. Tory governments have been trying for 25 years or more to diversify the economy with very mixed success and some spectacular failures. I'm not sure what new thoughts this government has to put into place as it's suggested here, but we'll be watching them carefully.

P3s have had a fair bit of debate, and they're going to get a fair bit more, I'm sure. They are specifically referred to in the Speech from the Throne. It's curious. The Speech from the Throne says that "Albertans aren't willing to wait until tomorrow for the infrastructure they need today. That's why the government will develop a new capital plan to address infrastructure needs." Well, I'm sure there has been a capital plan in place for many years. I'm not sure why we particularly need a new one. The old one would probably have worked perfectly well if the government had just followed it. Instead, it was on and off and on and off. So some stability, which we've argued for in this party for many years, will be welcomed in the sector. However, turning to P3s is a risky business, and I would encourage – encourage – the Minister of Infrastructure and all members of this government to very, very carefully examine the evidence on P3s. There is, in fact, an extensive body of analysis on P3s, and by and large their usefulness is extremely limited. So let's approach this issue with great caution.

The new fiscal framework that's referred to in the Speech from the Throne is hard to disagree with in any substance because, after all, it is essentially a borrowing of our own party's position. So my congratulations to the government for doing that.

Seniors. While the Member for Calgary-Shaw has a huge number of children in her constituency, I have a huge number of seniors, and if there's something I would have liked to have seen more emphasis

on in this speech, it is the plight of seniors, over half of whom are living on incomes of under \$15,000 a year. Seniors have borne the brunt of a great number of the government's cuts in the last decade, and it doesn't look from this speech like they're going to get much of that returned. So I would like to see much more careful attention paid to seniors.

And now to health care. Health care will continue to be the top priority of Albertans and of Canadians as it has been for many, many years now. This government from the beginning has wrestled with health care and has in my view and the view of many, many other people not done a particularly good job of it. In fact, health care is one of the areas that this government consistently scores low on in terms of public confidence, and there are many reasons for that.

But at least they're right that still more money is not the only answer for improving health care. I think that we would all agree with that. One way of improving health care is better management, and I am very concerned that we have a health department in which in 10 years there have been eight changes of deputy minister, the revolving door at the top of that department, and as a result there's continuous chaos. So it would have been nice to see a commitment to steady management there.

I would also like to have seen some explicit addressing of conflict of interest issues in the health care system because the system as it is now tolerates conflicts of interest that, for example, would never be tolerated in the legal system. They would never be tolerated in any major corporation, and indeed they wouldn't be tolerated elsewhere in the public sector. It's an issue that needs to be sorted out.

There are also questions of the credibility of the promises of the Speech from the Throne. I mean, after all, I'm reading from the Speech from the Throne of 2001, that says: "The government will provide Albertans with a stronger voice in health system management. This fall Albertans will elect two-thirds of the board members of the 17 regional health authorities." Unfortunately, a mere two Speeches from the Throne later we've seen those elected positions abolished. So it does make me wonder: how much can we rely on the promises that we're seeing in the Speech from the Throne? How much does it mean when we read fine words under the section on the health system here when those promises are so easily and so soon broken? But we can always hope, and we can always work, as we will, to hold the government accountable.

3:30

The speech also has drawn some controversy over its comments about Alberta's position in Canada, and I would like to note the curious paradox in which this government very, very tightly ties its funding to school boards. So, for example, the \$20 million being provided can't be spent on anything except exactly what this government says. They're very quick to tie funds to school boards, but oh, my goodness, if the federal government ties funds forwarded to the province, the noise, the complaining, the objections are nothing short of remarkable. It's this kind of double standard that rubs many Albertans the wrong way and, frankly, undermines the province's own position. Wouldn't it have been better just to have said: "We'll give the \$20 million to the school boards. You guys spend it how you want." That's how we want the federal government to treat us. That's a position that could be respected.

Finally – I see I'm running out of time here – this province wants to do everything to protect Alberta's economy. We agree with that, but I for one have differing views on what actions need to be taken there.

Thank you, Mr. Speaker.

The Deputy Speaker: Questions? Comments?

The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Speaker, for allowing me to respond to this year's throne speech. This province is truly blessed with the gift of our Lieutenant Governor, and I wish her a speedy recovery as we all keep her in our thoughts and prayers and send her our hugs.

Like Her Honour I share a vision for our children and our youth, a vision where we in the Legislature make a promise to them, a promise of protection, encouragement, and, most of all, prosperity. Themistocles of ancient Athens demonstrated the importance of children to government when he said, "The Athenians govern the Greeks; I govern the Athenians; you, my wife, govern me; your son governs you."

Mr. Speaker, every parent understands exactly what Themistocles meant and, therefore, why the Alberta Promise is so important. This promise is shared by the people of Alberta and by the people of Red Deer. Did you know that there are some people in Red Deer that actually think that Red Deer is the centre of the universe? And then there are some people in Red Deer that know that Red Deer is the centre of the universe.

In response to Her Honour's remarks, I'd like to talk about three very important issues that are at the heart of Alberta's Promise. The first is mentoring and the important difference that having a strong mentor makes in a young life. The second is doing everything we can to prevent fetal alcohol syndrome in Alberta and to do this without any hesitation. The third is ensuring that we take all necessary steps to protect Alberta's prosperity, especially in light of the federal government's ratifying of the potentially dangerous Kyoto protocol.

On my first point, one of the promises Her Honour highlighted is to ensure that "every child receives ongoing support, care, and guidance from at least one caring adult in his or her life." For most Albertan children this support comes from within the family, but we know that many children come from troubled homes or from single-parent homes where that parent works hard to pay the bills and to set a good example for his or her children. In cases where a parent needs a little help from their friends and neighbours, when they need someone else to be there for their child, every Albertan who is ready, willing, and able should take the time to be there as a mentor, as an in-school mentor or as a Big Sister or Big Brother. We already have dedicated and committed mentors in the form of coaches for hockey, soccer, ringette, lacrosse, and every other kind of coach, in the form of leaders for Brownies, Cubs, Guides, Scouts, Pathfinders, and Venturers, and in the form of youth group leaders as well as teachers and tutors. These mentors do a great job, but we need more.

Mr. Speaker, in my role as head of the Youth Secretariat I've seen firsthand the value of mentoring. When I go into schools where Big Sisters and Big Brothers have in-school mentoring programs, I not only see kids who are happier, healthier, and learning more enthusiastically, but I also see mentors who are happy as well. If you talk to anyone who's taken on the role of a mentor, including the in-school mentors, you'll hear stories about the good things that the child is doing and the successes of that child. You'll also hear them talking about how much fun it can be and how rewarding it is to play a significant role in the life of a young person.

If you knew beyond any doubt that by spending an hour a week with a child or a youth, you could make a huge difference in their lives, if you knew that just by being there, you could prevent them from turning to drugs or alcohol or that you could keep them in school and guide them to a successful future, that just by being there, you could prevent them from attempting suicide, would you do it? Would you take the time to be a mentor? My husband has always said that if you take a kid fishing, you'll never have to fish for him or her, or if you take a kid hunting, you'll never have to hunt for him

or her. Mr. Speaker, maybe it's time to take a kid fishing or hunting.

The theme of Her Honour's speech is Alberta's Promise. I'd also like to call it Alberta's challenge. I challenge each and every Albertan to call Big Sisters and Big Brothers or the boys and girls clubs and get involved. It will be one of the most rewarding decisions you will ever make.

Mr. Speaker, John F. Kennedy once said, "Ask not what your country can do for you; ask what you can do for your country." Well, you don't have to be a soldier or an astronaut, a brain surgeon or an Olympic athlete to make a difference for your country. You can make a huge difference by being a mentor, somebody's own personal hero.

On my second point, Mr. Speaker, I commend Her Honour's comments with regard to Alberta's efforts to prevent fetal alcohol syndrome. Fetal alcohol syndrome is a brutal affliction, even more sad because of the fact that children are born with it and it is not curable. It is a syndrome that inhibits their development and in such a way that some do not even know they have this problem. Yet the negative social effects of FAS are well known. We know that babies born with FAS don't recover, and often those with FAS become adults who are not financially or socially self-sufficient, and they are more likely to require special education and drop out of school. Some will likely end up in our jails because they do not know how to cope with this affliction. Many children with FAS grow up to be alcohol or substance abusers themselves.

The opportunity for children born with FAS to live a healthy, normal, and successful life is drastically reduced, and for some sufferers that opportunity does not exist at all. It is up to us to make sure that we take steps to rid Alberta of this terrible form of brain damage. I know that many of my colleagues are already fighting the good fight and that all my colleagues will join me in encouraging our government to keep fighting FAS. Red Deer and central Alberta are fortunate to have many caring and well-trained volunteers and outreach workers that are helping families and children to cope with this life sentence.

Finally, to my third point, Mr. Speaker. It will come as no surprise to anybody in this Assembly that my constituents are particularly concerned with the federal government's ratification of the Kyoto protocol. After all, when you're talking about Red Deer, you're talking about the centre of the oil and gas service industry. Not only has the Red Deer Chamber of Commerce and the city council of Red Deer informed the provincial and federal governments of their objections to the Kyoto protocol, but so have numerous businessmen and corporations. Our provincial government has reiterated its intention to fight the Kyoto protocol should it prove to be as onerous as first expected. That's only one part of the equation. The other is the commitment to future generations of Albertans that we will not let any action by the federal government risk the opportunity of these Albertans for success.

Mr. Speaker, it doesn't make me very happy to have to stand here with skepticism about our federal government, but I am nonetheless disheartened by its performance of late. Believe me; coming from Red Deer my constituents have long memories. Folks from Red Deer remember the national energy program, and they remember how it decimated the economy of the province. They remember the daily bankruptcies of businesses that failed because of flawed federal programing. And Red Deer was not the only city that suffered. To this very day I still see tough, mighty oil workers and educated, well-trained professionals shudder at the very sound of that which cannot be named.

3:40

So when we see another solution brought in from Ottawa or in this

case from a city in Japan that many Albertans had never heard of before, we rightly get suspicious, and when the federal Minister of the Environment tells me that their calculations only show an increase of 20 cents on a barrel of oil, I pray that those calculations weren't made by the same people who calculated the cost of the gun registry. When we see this made-in-Ottawa solution coupled with this wasteful gun registry, the monopolistic Canadian Wheat Board, the too little, too late farm programs, and the new round of federal intrusions into social programs, I start to shudder. This is not how this country is supposed to work.

So, Mr. Speaker, I will be introducing Motion 502 that asks the Legislative Assembly to urge the government to investigate and take steps to strengthen Alberta's position within Confederation. What might have worked 100 years ago does not work today. We need to negotiate a new deal in Confederation for all Albertans. After all, that is part of our promise: to protect our prosperity.

Mr. Speaker, I'm a good Canadian, and I will always remain so. This is also most definitely true of my constituents in Red Deer-North and many other Albertans. It does not seem to me that just because hardworking Albertans have found success, it is the federal government's job to waltz through and squash it. In fact, it should be the other way around; they should be encouraging our success because success for Alberta means success for Canada. In the case that the federal government will not share our success, this government will be there. We'll work so our young people know that this is still the best province in Canada and the best place in the world to live, work, and raise a family. And when the federal government comes calling with a new, punitive program that nobody asked for, we'll work hard to make them take it right back to Ottawa. This is another promise that we can make to our children.

Mr. Speaker, I would also like to add that a new fiscal framework to bring predictability, sustainability, and more discipline to fiscal management will be welcomed by the constituents of Red Deer. By eliminating the need for stop-and-go infrastructure spending, all Albertans will benefit.

On the environmental side I am very pleased that this government will provide funding for a clean coal demonstration project to develop techniques for the use of coal in electricity generation. We all know that sustainable economic growth requires clean air, water, and land and that Albertans will accept no less. This is why I am also very pleased about a made-in-Alberta plan to reduce greenhouse gas emissions.

Mr. Speaker, I've talked about three of the issues underlying Her Honour's promise to Alberta's children and youth. These are three of many. This government is right to put the concerns of our children and youth first and to promote and take action to ensure a prosperous life for them and indeed all Albertans. I, like most Albertans, have confidence in our government to fulfill these promises. I also have confidence in our wonderful citizens to follow our lead.

Mr. Speaker, when I was six years old, I made a promise. I promised to do my best, to do my duty to God, the Queen, and my country, and to help other people every day, especially those at home. Now, my mother might tell you something different, but I've always tried to keep that promise. I also intend to keep Alberta's Promise to ensure that Alberta's most precious resource, its children, are protected and enabled to develop to their fullest potential.

May God bless Alberta, and God bless Canada. Thank you.

The Deputy Speaker: The hon. Member for Calgary-West.

Ms Kryczka: Thank you, Mr. Speaker. It's been more than six years since I was first elected MLA for the constituency of Calgary-

West and six years since I first responded to the 1997 Speech from the Throne. I clearly remember describing proudly the distinctive community and geographic areas of Calgary-West and the wide range of ages of my constituents and especially the high standards and expectations they have for themselves and for their political representatives, especially their aldermen, school trustees, and MLA.

Now, six years later, I am of course much wiser, but I know I'm older. Much has happened in Calgary-West. Explosive development in the western half resulted in 70 percent of K to 12 students living in that sector having to leave the area to attend one of the many underutilized schools in the east sector of the constituency. There are traffic challenges also. Movement of constituents to and from work is an increasing frustration these days.

There are, however, many more housing choices for the increasing number of seniors who are choosing to age in place, who have said good-bye to their residential homes with the high-maintenance yards which they have lived in for many, many years. In Calgary-West there are, fortunately, increasing housing choices for all income levels of seniors. I am increasingly concerned, even alarmed, though, that with the years just how much more seniors become frail and thus dependent on others to maintain an acceptable way of life.

Turning to the Speech from the Throne, Mr. Speaker, which the Lieutenant Governor delivered so beautifully in her very special style on Tuesday, February 18. She should know that we all embrace her too. I wrote this before I read my memo about her recent health status, but especially now I wanted to say briefly that I extend to her our sincerest prayers for a full recovery.

I was very pleased with the key messages in the theme A Promise to Our Children with a focus on Albertans' common values, their pride in meeting challenges and trying new things, in working hard, in being independent but with a strong sense of responsibility to family and community. I agree with the steady-as-we-go challenge to manage growth pressures today and remain strong into the future.

Mr. Speaker, who can disagree with these goals, unless you have no family or children? Being a mother of two adult children and another two by my second marriage and now a grandmother of nine, I have a huge personal interest in the importance of planning for the next 10, 20, and 30 years. Whether it be access to quality health services, an excellent learning system, a strong economy, stabilizing of the energy sector long term, accelerating research, reducing greenhouse gas emissions, providing solid infrastructure, developing a more sustainable fiscal framework, and responding to the needs of people, especially the most vulnerable, the priorities in the throne speech covered very well all of the areas important to providing young Albertans with a better quality of life today and in the future.

However – and there's always a however, and that's where I'm at right now – economists and planners nationally and worldwide have red flagged demographics and an aging population for many years now. My counterparts in other provinces readily acknowledge that Alberta has the youngest population in Canada, and therefore we have the benefit of more time to prepare for its true impact in 10, 20, 30 years. Seniors are only 10 percent of our population now, so why worry today? The time of 20 to 25 percent seniors is years down the road. But having said that, Mr. Speaker, I have an increasing concern that is reinforced with very credible sources that as a government we are not acutely aware of the increasing numbers and health needs of vulnerable Albertans. By vulnerable I mean those who are too frail physically or mentally to advocate for themselves to government and health authorities and therefore depend on family and caregivers to do so.

The vulnerable include people of all ages, but the majority are older seniors. Think about this. Since 1997, for example, we have all become six years older, with time bringing about physical

changes and chronic conditions that we have to live with daily and for the rest of our lives. I'm probably speaking now to the older colleagues who are here in the House. For me I have now got progressive arthritis in my hands, and without medication most days it is very painful. My 90-year-old mother, Mary Sterling, has a walker now, provided by a wonderful provincewide community support program, Alberta Aids to Daily Living. It enables her to stay mobile more safely in her congregate living housing setting, but my mother has increasing osteoporosis in her spine and legs. I see a noticeable increase in her frailty monthly, but her great attitude never waivers. I'm sure most of you today can easily think of someone very close to you with similar progressive health problems. It's not hard to do.

Since 1997 I have visited seniors in many housing settings, and each time I revisit, I see significant changes: many walkers now where there were none and more than just a few wheelchairs. Many seniors no longer live there. They have moved to a long-term care setting, an Alzheimer's care centre, or have passed away. Since the development of the long-term care review report, very few frail seniors are now admitted to acute care hospitals. Bed blockers is pretty much a label of the past.

3:50

So I ask, Mr. Speaker: where do these seniors go? We know that seniors are living longer thanks to modern technology, but not all of them are able to spend their last years or months at home in a supportive community setting. One fact in Alberta is that there is an increasing number of older seniors and those with disabilities in the long-term care system who have complex and chronic care needs or, put another way, multiple severe health problems. They are a distinct subgroup of the population. Call it seniors' C3. By seniors' C3 I mean the seniors' chronic, complex care group, and I don't say that in jest, but they are definitely a very important group in our society.

This situation also exists in Ontario and, as in Alberta, the work for hardworking professional staff is heavier and more stressful in care centres now than in an acute care hospital. In Alberta many long-term care facilities are replacing the role of the chronic hospital, providing respirators and tube feeding to residents, for example.

A second reality of this health situation is insufficient funding to the long-term care operators to provide better quality care. The present funding formula, the CMI, or case mix index, is outdated. It's 15 years old, and more dollars are required for medical technology changes, pressures on the system, and increasing costs. Assessments for funding are done in the fall with funding released the following July, which is then out of step with residents' present needs. This government needs to commit to develop a more appropriate funding formula, one which will enable regional health authorities to more adequately fund an enhanced level of long-term care.

A third reality, Mr. Speaker, is the aging population, as I've already noted. A large very well managed long-term care centre administrator in Calgary has quoted to me that there was 80 percent walkers and 20 percent wheelchairs in their centre, and now it's reversed, 20 percent walkers and 80 percent wheelchairs. It is really important to understand that our population is not only aging or growing older. That age group is expanding in size from, as I said earlier, 1 in 10 to 1 in four.

A fourth reality that this government must address is Alberta's current long-term care accommodation rates, which are the lowest in Canada. Alberta's is \$32.60 per day, while the national average is \$58 per day. The accommodation rates paid by the resident are expected to cover the resident's cost for room and board and not

costs associated with direct care, nursing, rehabilitation, and support services, which are covered by the region or the government. In January 2002 this government increased the accommodation rates by 14 percent, or approximately \$4 a day, the first increase since 1994. A second anticipated increase by government has been deferred to date. This situation is a disincentive for owners to upgrade facilities or for private providers to enter the market.

The Alberta Long Term Care Association is unique in Canada in that it speaks with a united voice for private, voluntary, and public-sector facilities across Alberta. Its 30 member organizations employ over 15,000 Albertans, and they care for more than 10,000 elderly clients. They have urged government through the Health and Community Living Standing Policy Committee to address these funding problems.

Mr. Speaker, I've also heard many similar messages of urgency from the Alberta Gerontological Nurses' Association both in Calgary and in Edmonton, and in Edmonton it was at a recent presentation to the Seniors Advisory Council for Alberta. I've also heard from key administrators in the Calgary health region, from a number of individual owners and operators of long-term care centres, and from many very concerned parent members. The messages are the same and are cause for government attention.

To conclude, Mr. Speaker, our health system reform must include addressing the complex and chronic health needs of the subgroup that I have described. If we do not address the funding needs in this area, we will defeat, for example, our goal of retention of gerontology health professionals in the long-term care system. Our target of staying healthy may help prevent a degree of chronic diseases for many of us in the future, but we have a responsibility as a society and as a government to adequately care for those Albertans who are most vulnerable.

Thank you.

The Deputy Speaker: Questions? Comments?

Our next speaker, the hon. Member for Airdrie-Rocky View.

Ms Haley: Thank you very much, Mr. Speaker. Like all of my colleagues here I, too, would like to pass on my best wishes to our Lieutenant Governor in the hopes that she has a speedy recovery. Sadly, it also reminds me of so many of us who over the last few years have all dealt with members of our own families. Our Lieutenant Governor is like part of our family, but on a more personal level I, too, have members of my family that have been dealing with cancer this past year, and it is really a devastating disease.

I would like to say, though, that our health care system, you know, fraught with problems as it is – and there's never enough money or never enough resources to do everything that everybody wants it to – has been there for the people in my life that have had to deal with it, particularly this last year, and I'm very grateful to the dedicated doctors and nurses in both Ponoka and Red Deer that have been dealing with my family. I know how hard they work and how seriously they take their jobs, and I'm very grateful that they're there.

Back to the Speech from the Throne, Mr. Speaker. When we talk about a bright future for our children, there are few things more important than our children, if you can think of anything more important than them. I'm lucky. My sons are now, you know, past the K to 12 stage. One of them has a degree from the University of Calgary. The other is working on a certified program. I can tell you that education throughout the whole time that I've been an MLA has been an ongoing issue. It think it was probably an issue when I was going to school. It'll probably be an issue when my sons' children

are going to school. I'm not sure how you ever satisfy the growing expectations or the needs or the wants of everybody, but every government globally has to deal with their economics the best way they can.

We have tried to increase funding for education. Is it enough? Probably not. Will it ever be enough? Probably not. Are there things that we can do? Yes, I think there are. Perhaps the \$20 million is a step in the right direction. Maybe we need to be looking at a little bit more on the classroom side as we go toward the budget, and with any luck we can sort some of those issues out as well.

I'm one of the MLAs that's received hundreds of letters, and it really is hundreds. There were over 350 of them in the last four months from the Catholic school system in my area. They've got some serious issues, and they want some serious answers. I try really hard to listen to their concerns and deal with them to the best of my ability. It would be real easy if I could just come up with another \$400 million or \$500 million for education tomorrow, but probably next year I would find myself in exactly the same position, where once again it's not going to be enough for longer than a day.

As a taxpayer I can tell you that I'm not real keen on paying a lot more in income tax. We are spending as Canadians – forget the Alberta part – \$37.6 billion this year on interest on a federal debt, and it does matter, Mr. Speaker. When you put that number out there, \$37.6 billion, what does that really mean? Well, I'll put it to you this way. If you took 10 percent of that money, it would be \$3.76 billion, which would pay 50 percent of health care in Alberta. So when we sit as Albertans, as Canadians and we yowl and rant and rave about things in Alberta not being quite what they should be – but the deafening silence by our media, in particular, on critical thinking issues on a federal government level absolutely astounds me. Where are they?

We had one of my colleagues over here today talking about MLAs giving themselves a raise every year. Well, let's put that into some kind of perspective when we talk about the fiscal realities of this province. As a committee we decided that it would be easier to address a very tense issue. It's something nobody wants to deal with ever, but we have to deal with it realistically. You can't come along every four or five years and give yourself a 20 or 30 percent raise. There are members of that caucus and that little caucus that are on Members' Services that have agreed to these issues, so if we're doing it wrong, then I guess we need to deal with it in another way. That can be done as well.

When we fund education and you come up with several hundred million dollars to try and help an education budget and the vast majority of it goes to wages, that's normal. That's the biggest expense in a school, but it does make it difficult to try and do the other things that we want to do, which is to try and improve classroom conditions.

4:00

I have great, great hopes pinned on that Commission on Learning when they come back with their recommendations. I hope that after 30 years the study that they're doing will encompass all kinds of new and innovative ideas and not just be something that says: well, now you've got to go spend another \$4 billion, and oh, by the way, the results won't really change because you're already number one in Canada, you're probably number one in the world on most things, and your teachers are the highest paid in Canada.

So what do we need to fix after that? We need to fix some of the conditions inside the classroom. One of the more difficult issues that people really don't want to deal with or talk about is the full integration side. We know that there are some parents who believe that their children truly benefit from this, but we also know that there

are parents who feel that it has created a certain amount of chaos inside classrooms. It's not fair to teachers, and it's not fair to the other children. What's the right balance? I'm not sure, not being an expert on such matters, but I do know that we must not be afraid to deal with it, and I hope that the Commission on Learning is looking at it as well and will come back with some recommendations that we can work with to try and alleviate some of those problems.

On the new fiscal framework side of things, well, setting up a sustainability fund I believe has some merit. Also, for me personally it creates some concerns. When you're looking at it on a global basis, there are a few places where that kind of fiscal sustainability fund has actually worked quite well, and there are other places where it has been an unmitigated disaster. So we need to make sure, when we build this, that we build it in such a way that it creates a positive environment for this province and not just something else that creates more of a problem.

On the economy side, I think probably the highlight for me when the Lieutenant Governor was doing the Speech from the Throne was on the value-added side. I'm a firm believer in value added. As a child growing up in Alberta in the oil patch and later in agriculture – we're a great province for producing wonderful resources and shipping them out. I don't know if there are very many people in here that have actually spent time on a farm, but when you get, you know, 75 cents or 95 cents a pound for a thousand-pound steer or heifer and you go to buy some beef in the grocery store and it's, like, \$18 a pound, you think: "Okay. What part did I miss? How did it go from there to there? Somebody cut that thing, and now it's worth 20 times more than it was when I sold it." I probably lost money selling it, because we did that about seven years out of nine when we were raising cattle. The value-added side is where we can make agriculture into a \$20 billion industry. When I leave here, if we can achieve something like that, nothing would make me more proud than to have watched an industry such as oil and gas, such as agriculture or the wonderful natural resources we have turn around and make it into good-paying jobs for Albertans, keeping some of the value inside our province and helping to develop and diversify our economy.

You were right: on some of our economic changes we've been a little bit hit and miss. Realistically, 15 years ago in Alberta 40 percent of government revenue came from oil and gas, and now it's about 21 percent. So diversification does work. It is important, and we must continue down that road. What does that mean? Maybe in the future we'll have to look at some of our tax policies because when we look at venture capital, research and development issues we are not competitive with other provinces. As a result of that R and D technological advances are not being done here. They're being done in other provinces, and that's just an enormous loss for us. We do all of the work on the research, we help set up funds to do university research, and then we watch the technology leave the province so that somebody else gets the good-paying jobs. We need to address that.

The last thing I wanted to mention briefly was being a full partner in Canada. As one of the original people on the triple E Senate for Canada I can tell you that I don't believe that Canada can continue the way it is, not just because I'm a proud Albertan and a strong Albertan but because as a Canadian I don't think it's right or acceptable that one part of the country can totally and completely dictate to another part of the country. We want to be an equal partner in Confederation. I don't think that's asking too much. If one way of trying to achieve that is to have a tripe E Senate so that it can be a Senate where you have 10 Senators from each province or two Senators from each province – I don't really care what the number is. It has to be equal, elected, and effective. I think it would

be something that a federal government, looking around this country and wondering why one of the major players in this country is unhappy - then they need to start looking at what has made us unhappy. It's because we're not being treated equally or with respect, and it's time for both.

With that, Mr. Speaker, I'm going to take my seat and thank you once again for the opportunity.

Mr. Speaker, could I move to adjourn debate on this?

[Motion to adjourn debate carried]

head: **Government Bills and Orders**

head: Second Reading

Bill 1

Premier's Council on Alberta's Promise Act

The Deputy Speaker: The hon. Minister of Justice and Attorney General on behalf of the Premier.

Mr. Hancock: Thank you, Mr. Speaker. Today I'm pleased to rise and move second reading of the Premier's Council on Alberta's Promise Act on behalf of our Premier and on behalf of our Minister of Children's Services, who has championed Alberta's Promise for some time now and, I think, will be delighted to see this particular initiative come into force in Alberta.

Alberta's Promise is a nonprofit entity designed to encourage and recognize co-operation among Albertans to increase resources for programs benefiting our children and youth. The goal of Alberta's Promise is to mobilize the corporate sector and communities to form partnerships with not-for-profit organizations and governments to secure a brighter future for children and youth in Alberta. No money will flow through the Alberta's Promise organization. Partners will simply make a pledge as to how they will increase their contributions toward the well-being of children and then follow through on their promises. Corporations or communities are recognized as Alberta's Promise partners if they increase their investment in supporting children and youth by over 5 percent above current levels.

The five promises that make up Alberta's Promise are: committing to give Alberta's children "a healthy start and a promising future," working with neighbours to provide "safe and healthy communities for our children's growth, education, and development," leading by example and encouraging others to do the same, setting an example that the rewards of volunteering are immeasurable, and "seeking out the best tools, [best] models, and [best] examples of other individuals and communities so that Alberta's children may learn, benefit, and succeed."

[Mr. Lougheed in the chair]

The intent of the Premier's Council on Alberta's Promise Act is to establish the initiative, form a council to oversee its operation, and provide for the membership of the council. Providing a legislative base for Alberta's Promise will assist in raising the profile of this community collaboration both provincially and nationally.

The concept itself has been implemented in the United States as America's Promise and in Ontario as Ontario's Promise. Alberta, however, will be the first jurisdiction in Canada to enshrine the initiative in legislation. Establishing the Premier's Council on Alberta's Promise will enhance the initiative, and it is expected to assist in attracting high-profile community and corporate leaders to the council.

The Premier will chair the council. Its members and vice-chair will be appointed by the Lieutenant Governor in Council for a

maximum term of three years. Council members will have the following duties:

- (a) act in an advisory capacity [to implement] Alberta's Promise,
- (b) promote Alberta's Promise,
- (c) provide leadership in promoting the development of community strategies [that enhance] the well-being of children, [youth, and families],
- (d) raise awareness of the shared responsibility of . . . [all sectors of society for enhancing] the well-being of children, [youth, and families],
- (e) encourage financial and other support for initiatives and research that [enhance] the well-being of children, [youth, and families].

The Premier's Council on Alberta's Promise will outline that the council members will not be paid, but they may be reimbursed for travel and subsistence expenses. The Ministry of Children's Services will provide the administrative funding to assist the council in carrying out its duties. This bill, Mr. Speaker, will also require that the council prepare an annual report outlining its activities and the status of Alberta's Promise.

Mr. Speaker, Alberta's Promise, as I've said, is not a new initiative, but it's an initiative which has worked in other areas, as America's Promise and Ontario's Promise, and it's bringing into Alberta yet one more initiative which can encourage members of the community, which can encourage the corporate sector, the business sector, and communities to work together to enhance and improve quality of life for our children. We've heard over the last several days speakers replying to the Speech from the Throne, and the Speech from the Throne itself focused considerably on a bright future for our children. In fact, ensuring that our children have the abilities to succeed, to be the best that they can be, to maximize their potential surely is one of our most important goals.

4:10

Bill 1, while in some ways symbolic, as Bill 1 always is, also takes the opportunity not only to state this government's concern, focus, and direction on making sure that children have that opportunity and that promise, but engages all Alberta in the same task as we look forward to make sure that not only do we have an Alberta where our children can live and work and play and grow up in safe communities, can maximize their potential, but that all of our communities, all individuals in the province, and all corporate entities in the province have the opportunity to understand the focus, to participate in the initiative, and to work with us towards that vision, which this province is all about.

So in order to improve the lives of children and youth in Alberta above and beyond those things that government can do by itself, I would ask for all members to support the Premier's Council on Alberta's Promise Act, to join in partnership with businesses and individuals and communities right around this province to help improve the lives of our children.

Thank you, Mr. Speaker.

Ms Blakeman: Do we get questions?

The Acting Speaker: No.

The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have an opportunity to address some of the substance of Bill 1, the Premier's Council on Alberta's Promise Act. I have to say at the outset, first of all, that I'm going to support the bill. I think that any effort that the government undertakes to improve the lot and the potential of children is worthy of our support. It doesn't mean that I don't have

some questions about the bill that appears before us, and I'd like to spend a minute or two looking at some of those questions.

[The Deputy Speaker in the chair]

Bills in the Legislature, Mr. Speaker, usually reflect public policy or public policy attempts to address a problem. As I read Bill 1, I'm trying to determine exactly what the government thinks the problem is and what Bill 1 does in terms of a solution. Let me give some other examples. For instance, we have Bill 5, the fence disputes. It's intended, I think it's pretty clear, to resolve those issues when they arise between people with property that adjoins each other. Bill 11 is designed to look at how the Auditor General acts in particular situations and to take the office of the Auditor General and to improve, in ways, its operation. Bill 7 talks about the real estate industry and how agents and people working in that industry are to conduct themselves. Those are bills where it's fairly clear what the problem is and how the government through legislation is attempting to come up with a solution.

But in this case of Bill 1 it's not quite so clear. If you look at the preamble, I guess you can ask some questions: does the government feel that children are not our greatest resource? Do they feel that they somehow or other are not being valued? Did children not have the opportunities to reach their potential? Is there not a commitment to children on behalf of all Albertans? So it's rather a curious preamble when you look at it from the perspective of a bill designed to help solve a problem that exists.

I listened to the Government House Leader's comments. I haven't read the *Hansard*, but it seems that there's a notion that agencies and volunteer groups that are working on behalf of youngsters need to raise their contribution, and I thought I heard the figure, by 5 percent. I guess I'm curious as to where that kind of a number would come from and on what basis the government would decide that 5 percent is the number that's appropriate.

The appointment of the council members. I hope they're going to be drawn as being representative of all Albertans and not just government supporters. I worry about the independence of the council members, and I think with good reason. I look back to the Commission on Learning that was established by the government and how that differs so greatly from the previous commission on education, the Worth commission that reported in '71-72. The Worth commission was made up of people who were not known for their political affiliations. They represented the judiciary. They represented college presidents. There was a real attempt in putting together that commission to draw on members of the public who were at least perceived as being independent of the government. When you contrast that to how the current Commission on Learning is constituted, there is a dramatic difference. We even have a sitting MLA on that commission, and the notion that it somehow is arm's length to the government and will make decisions that the government may not favour is really I think drawn into question when you look at the membership. Even the chair of the committee ran as a candidate for MLA in southwest Edmonton. So I worry about the council members and how they will be drawn.

The Government House Leader indicated that the model is drawn from America's Promise and Ontario's Promise. The America's Promise model, if you go to the web site, is a very independent group of leaders who encompass the entire political spectrum. I think, as I indicated in my reply to the Speech from the Throne yesterday, that it was put together by former President Ford, Nancy Reagan, Jimmy Carter, and Bill Clinton. So there was an attempt to make sure that America's Promise could be seen as nonpartisan and would be open to working with groups of all political stripes in their efforts to improve the lot of children.

We don't have that with the bill as it is in front of us today. Instead, it's called the Premier's Council on Alberta's Promise Act. I can understand why, in some ways. The Premier has the prestige and the resources and the power to promote and to draw leaders from across the province into an enterprise such as this, but again the mere fact that it is a Premier who is associated with a political party I think is going to at least raise questions in the minds of some individuals and I think would also affect the decisions some individuals might make in terms of serving on the council. So unfortunate that it's not set up in a more independent fashion than it is as it appears to us now.

[The Speaker in the chair]

4:20

The question, again, of what the council is supposed to do I suspect is going to be worked out. I think working on the fetal alcohol problem is admirable. It's one that we all recognize has a great impact on Alberta and across the country, but there are some other huge issues for children, and I hope that the council isn't going to be confined to a narrow perspective. I look, for instance, at the problem of children living in poverty in this province and the huge amount of effort and how complex it is to try to get help to those youngsters and their families. So I hope that the council is going to address broader concerns and not confine itself to very, very important but necessarily narrow projects. I think that the bill – and I said at the beginning that I'm going to support it – has the potential, and it'll be interesting to see how it actually works when the council is in place and starts to do its work.

I'm reminded that at one point in this province's history we had an independent research council that worked on issues such as this and that that council, in fact, did the research that was used by the Worth commission when it last reviewed education in the province. So we have in our past history had a government-sponsored research council – it was fairly independent – that was designed to look into social issues and to do research much as what we've heard from the government with respect to Bill 1 and Alberta's Promise.

So with those comments, Mr. Speaker, I look forward to hearing from other members of the government's side of the house in terms of what they envision the council and its work to be, and again I go back to my basic question: what are the problems that Bill 1 is supposed to solve?

I guess I have to conclude with one concern, and that is that somehow or other the government may use the council to withdraw from its responsibility to children, particularly with respect to the Department of Learning and the Department of Children's Services. I think that if that were the case, if the intent is to use the council to render those two departments less responsible to children, it would be a retrograde step and one that I would hope that this government will guard carefully against happening. It would be unfortunate, indeed, if this were seen as a move to have the volunteer and the private sectors take over more responsibility than they already do. There aren't many in this Assembly, I think, that get through a supper hour every week without someone already calling for help or for money for a volunteer endeavour of some kind. I think this is a bill that could add to that kind of burden on those organizations, and I hope, as I said, that doesn't happen and that wasn't the intent when the Premier's Council on Alberta's Promise was designed.

Thank you very much.

Ms Blakeman: Well, I'm happy to rise to speak at second reading of Bill 1, the Premier's Council on Alberta's Promise Act. This bill doesn't make particular sense to me. There are some bills that the

government introduces that I agree with and some bills that the government introduces that I don't agree with, but this bill I just don't get. It doesn't seem to be doing or saying anything.

I listened with great interest when the Attorney General/House leader was presenting the bill because he outlined some pretty specific expectations or motivations for the bill. I looked carefully. I actually was flipping very quickly through the entire four pages of this bill looking for where those very concrete suggestions might be actually found in the bill which would give us something to check the performance against or would be a definitive direction, where people could look on the web site and read the bill and know exactly what was supposed to happen from this bill, but none of those things that the Justice minister actually outlined is, in fact, in the bill. Now, he did at one point read through the activities of the council, but all of the earlier sort of descriptive "this is what we mean to do with this" is, in fact, not in the bill. So it's not enforceable. There's nothing to monitor. There's nothing to judge the performance of the council against.

I don't understand what this bill is about. I mean, it seems to be a nice sort of slogan, a nice way to start out the sitting this year, say some sort of fluffy, cotton candy kind of things where everybody will go, "Oh, isn't that nice," and then nothing more will ever come of it. So I don't understand why they did this, or maybe that's the point. Maybe the point of bringing this bill in was so that we can have yet another avoidance of the real issues on behalf of this government as it regards children, because I'm not seeing where the government is stepping up to the plate on its own commitment and responsibility to education or children in care or perhaps funding for handicapped children or maybe foster children or perhaps prevention programs. Oh, that's right. I forgot. Those are the ones that got cut. Oops. All I keep hearing is: everything's great; the Liberals don't say enough positive things, because everything's just great. And now we've got this lovely slogan promise bill which doesn't actually do anything. It doesn't actually charge members of the council to do anything.

You know, that's interesting, because there's been a lot of talk in this Assembly recently about how blessed Alberta is and how fortunate we are, and you're right. We are. We are very blessed in Alberta. But we're blessed in Alberta by an accident of location in that under our feet flows oil, and that has given us most of our prosperity and our ability to get that oil out of the ground. But, you know, the Premier didn't put that oil there. He really didn't. I know that members opposite like to think that, but he didn't. I'm sorry, but the government's not responsible for having created that. I think we have to look back to another set of dinosaurs that, in fact, created that.

So let's look specifically at this act. Now, we have some interesting things that are in the preamble: recognizing "that children are our greatest resource," that the Legislative Assembly "is committed to building a province where children are valued, nurtured and given the opportunity to reach their full potential" – just remember the words "Legislative Assembly"; I'll come back to that – again, the Legislative Assembly recognizing "that achieving these goals for children requires a commitment and effort on the part of all Albertans." So we get three sort of nice little things that are being said about valuing and nurturing, sort of unsubstantive stuff, no action connected with that, just, you know, aren't they nice, and that's in the preamble, which, as we know, is not considered a part of the substantive legislation and therefore is not enforceable. Well, gee, so that blows sort of the first 25 percent of the bill, the preamble, which is unenforceable.

4:30

So I'm assuming that this promise is meant to be a program that is subsequent to government action. How do I know that since it

isn't really in the bill? Well, you know, gosh, darn, this wasn't an original idea. In fact, it was borrowed heavily – some might use another word – from America's Promise, the Alliance for Youth. Now, that's a totally different approach to it; isn't it? It's talking about an alliance for youth. It has five promises. It starts out:

To mobilize people from every sector of American life to build the character and competence of our nation's youth by fulfilling Five Promises:

1. Caring Adults
2. Safe Places
3. Healthy Start
4. Marketable Skills
5. Opportunities to Serve

Well, where would that be in this bill? Oh, it doesn't seem to be here. Well, I guess we're supposed to just know this, but we don't know it. It's not anything that anyone can ever download from this bill off the web or go and get from Queen's Printer and understand that it's supposed to be in here. It's not. So this is some sort of blank cheque bill, this: well, we'll put a bunch of people together, and they'll do something.

It's interesting because great care is taken in saying that the volunteer members of the council, those appointed by the Lieutenant Governor in Council, which, of course, we know is cabinet, won't be paid, but there's also a sector that talks very clearly about employees. I'm wondering if I can get a response from the government as to what the anticipated budget is for this council and how much they expect to be paying their chief officer. I think that could be quite interesting. That certainly indicates whether the government is sort of serious about supporting something or not supporting it. They can sort of strangle it with not very much money, but I'm interested in how much money they're going to pour into something that doesn't have a mandate. So I'm wondering how much a nonmandate is worth. I hope to have a response to that.

When we look at the model from which this was taken, which is this America's Promise, the Alliance for Youth, a couple of things immediately spring out as being quite different. This came from the 1997 Presidents' Summit for America's Future to provide a national call for action. I suspect – I could be wrong here – that this is, in fact, the Bob Stollery memorial bill as the government's attempt to respond to some of the very well-publicized accusations and disappointments that Mr. Stollery made during the Laurel awards luncheon a couple of years ago, which got an awful lot of press and sort of made the government sit up and pay attention. So perhaps this is the Bob Stollery memorial bill.

Now, as I look through the five guarantees or five promises that are available in the American program, it talks about an "ongoing relationship with a caring adult," and they're quite specific. They're talking about a "face-to-face meeting with [a] young person at least once a week" and "structured one-on-one interaction scheduled bi-weekly or weekly." So it's really coming down to very specific instructions on how this is to be followed. Do I find this in our Bill 1? No. I'm disappointed I don't.

Then we talk about "safe places and structures activities." No, I don't find anything mentioning safety or safe places in our bill.

It talks about a healthy start; that's the third promise. Interestingly, they're talking about access. They spell it out: access to "Success by Six" and "Head Start" or other early health interventions. I know that the government felt that they had to cut their early childhood prevention programs, so I'm wondering how they reconcile that. Are they planning to put it back in anticipation of this bill being passed? Maybe their support for Success by Six and Head Start in fact has been enhanced and they're hiding their light under a bushel, but I don't think so. They talk very clearly about health insurance coverage, in particular including eye and dental coverage

“served by a primary care physician.” Well, that would mean that they have to have access to primary care physicians, which a number of people in Alberta are kind of struggling with right now. So there’s something else that the government could step up to the plate on. Access to “two square meals a day.” Boy, we’re sure talking poverty when we’re talking about two square meals a day, not even three.

The fourth promise from America’s Promise is “marketable skills through effective education” with “special emphasis on achieving and maintaining grade level in reading and mathematics,” including young people of working age spending one hour per week with after-school jobs or an organized skill program: internship, apprenticeship, and summer jobs.

Finally, the “opportunity to serve,” which is another part of their basic promise kit. As my much gentler and nicer colleague from Edmonton-Mill Woods pointed out . . .

Some Hon. Members: Agreed.

Ms Blakeman: Well, you know, I tell the truth. I’m honest about it.

This America’s Promise was in fact put together by Gerald Ford, Jimmy Carter, Ronald Reagan and Nancy Reagan, George H. Bush, and Bill Clinton. What’s interesting about that is that it’s not nonpartisan; it’s all-party. That’s a major difference with what is happening with this bill. It’s very clearly a partisan endeavour. I mean, it’s headed up by the Premier. The Lieutenant Governor in Council is going to make all of the appointments. Now, I hear whispers that there’ll be some good Liberals on there so that we can’t dare get up and criticize them. Well, then, you’re just smart to take advantage of the good Liberals that are out there, but it’s not going to stop me from saying that there’s nothing in this bill.

I think what this bill should be about is leadership. I once had a corporate leader from Calgary who talked to me about funding for the arts say: you know, Laurie, corporations really look to the government for leadership to sort of set the direction. We were talking specifically about funding for the arts. He said: if the government is not going to show that they approve of what’s happening and support and lead and fund, the corporations aren’t going to follow suit here. I think I can use that same argument here. If we don’t have the government out-front already, showing how they are putting in place funding and support and programs and really committing, then why would any of the corporations or the communities follow suit?

I guess part of what really bothered me when I looked at this – and it was actually exacerbated by what I heard the Justice minister saying – was this concept that somehow the organizations, corporations, and individuals should be taking on more of the load. Given what those sectors have taken on in the last 10 years through off-loading of programs and services, I’d say that they’ve taken and shouldered quite a bit of the load. Now I hear the Justice minister saying that there’s an expectation that they’d better up that by 5 percent. Did I hear that incorrectly, that there was to be an increase in commitment from the corporate and community organizations and individuals by 5 percent? I’m not getting a reaction. I’ll have to check the Blues. Perhaps I’m mistaken, but I thought that’s what I heard. I say: well, if that’s matched by government, fine and dandy.

Thanks.

4:40

The Speaker: Hon. members, Standing Order 29(2)(a) now kicks in, so we do have a five-minute question and comment period that is available. The hon. Minister of Justice and Attorney-General.

Mr. Hancock: Thank you, Mr. Speaker. I’m wondering if the hon. member would be interested in advising if she thinks it’s a terrible idea that members of our community, whether they be corporate, individual, or municipal or however they are found in our community, the churches, nonprofit organizations, and each of us as individuals could be encouraged to increase their commitment to our children by 5 percent over what they’re doing. Is that a bad thing? Not required, not forced, but encouraged to participate in a greater way in our community to build a better community for our children.

Ms Blakeman: If the government will show the leadership by increasing their participation and support in every way by 5 percent or better.

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

Mrs. Jablonski: Thank you, Mr. Speaker. I would just like to clarify and ask a question on America’s Promise, a promise that was made and championed by Colin Powell. In the last state of the union address President Bush committed \$450 million from the federal government to sponsor mentoring. That’s how important it is. Ontario made the same promise, and Alberta has made the same promise. That’s why you see the similarities. Then my question is: don’t you think it’s a good thing that if everybody in North America could recognize the promise to all our children, it would be a better place for all of us?

Ms Blakeman: I’m sorry; I haven’t heard of any money being promised by the government.

The Speaker: Hon. members, the chair is open to additional speakers.

The hon. Member for Edmonton-Riverview to continue the debate.

Dr. Taft: Thank you, Mr. Speaker. Okay. I’ll proceed on the debate on Bill 1, the Premier’s Council on Alberta’s Promise Act. None of us are going to disagree with the intent of this act, I don’t think.

Ms Blakeman: Yes. I do.

Dr. Taft: Well, not many of us will disagree with the intent of this act or the sentiments of the act, perhaps I should say. However, there are a number of questions that arise from it and questions I’d like to raise and, in fact, suggestions I will make to the government and I think we may consider as an opposition caucus proposing as amendments down the road here.

The first thing I thought would be useful to do is to look up the dictionary meaning of a promise. A promise is an assurance that one will do something or that something will happen, an indication that something is likely to occur, potential excellence or making a promise, give good grounds for expecting, or firmly intends. Those are all what we would hope underlie some of our commitments to children. But one of the puzzles for me and I think for others with this act is that it’s not at all clear what is being promised, at least not in the act. If you were just to read this act, I think you would be left wondering: what is it really about?

So I think, as at least one if not both of my colleagues have pointed out, it would be a wonderful thing if we were to amend the act by actually putting the promise right in legislation so that people reading the act knew what the council was actually up to, and the council itself would know clearly in legislation what its mandate

was. Merely having the promise spelled out in a speech seems to me a halfhearted commitment. Let's take it that step further. Let's actually put the promise in the bill.

Before I get to some of my specific suggestions, constructive as they will be on how to improve the bill, there are questions that we have. Perhaps, judging from some comments made a few moments ago by government members, they have information that we don't have. We have no sense of the funding level for this council that's created in the act. What is the budget going to be? If the United States committed \$450 million to their promise, that would mean that proportionately Alberta might be committing \$4.5 million. Is that what we're looking at here? I don't know, and of course those kinds of commitments are important in us determining how seriously the government will take this bill. So it would be great if we had a more complete set of background information for this debate. What's the budget? Who is the staff going to be? How many staff will there be?

One of the things I wonder: what's going to be the relation between this council, in practical terms, and the Children's Advocate? We do actually have a well-established office in the Children's Advocate, and it seems to me that in many ways the fundamental idea of the Children's Advocate could overlap with Alberta's Promise. So what's the relationship going to be between this council and the Children's Advocate? Will this council report directly to this Assembly? What will be the partisan influences on the council, formal and informal? What's the independence of the council? Those are some of the questions that simply are unaddressed and left unanswered in the legislation as it stands, and we'd love to have more information on that.

Then, of course, there's always the question of results. I'm not familiar, and we've only had this bill how long? One day?

Ms Blakeman: Twenty-four hours.

Dr. Taft: Twenty-four hours, so I don't know what the results have been, for example, from America's Promise. Have they actually spent the \$450 million? Has it been well spent? Has it had an effect? In Ontario what have they done? What have they achieved? What did they set out to achieve? Did they reach their goals? Exceed them? How cost-effective were they? All those kinds of questions come up, and none of them are even set up to be considered in this bill, much less answered. We don't know what the objectives are. We wouldn't know how to measure the success of this bill if it was a success because it's not in here.

So that sets up some of the thoughts I've had about how to improve this bill. There are precedents for putting real detail, real, measurable standards into legislation. One that this government is very proud of is the Financial Administration Act, which actually puts out a number that forces the government into a particular commitment whether the government wants that commitment or not. Admittedly, it's sometimes an awkward commitment, but if we can do it for our budget, we can do it for our children.

So how can we improve this bill? Here are a few suggestions from me. Let's put the promise in the legislation. Let's walk the walk and not just talk the talk, and I think perhaps we'll make that amendment. Second of all, let's put some real measures of performance in this bill. If we're making a promise to children, what's the promise? Well, I'd suggest, for example, that we make a commitment to improving the high school graduation rate of children entering kindergarten. I learned last night that in the Edmonton public school system fewer than 70 percent of children who enter kindergarten finish grade 12. In other words, more than 30 percent of children in the Edmonton public school system never finish grade 12. That's

terrible. Let's put a measure in here. Let's promise that from here on in 80 percent or 90 percent of children who enter kindergarten will finish grade 12. Then we could really commit to something. That would be a promise.

4:50

How about addressing children living in poverty? Why don't we put an actual commitment to reducing the number of children living in poverty into legislation in the same way that way we put a commitment in legislation about balancing the budget and managing the surplus and paying down the debt? It's a different kind of debt; isn't it? It's a debt to children. So why don't we put a measure in this bill that says that we will reduce the percentage of children living in poverty? We could establish a certain line, the low-income cutoff that Statistics Canada has or some other generally accepted line, and say that we will reduce that number to 10 percent of children. My understanding, in Edmonton at least, is that about 20 percent of kids live in households that would be by any reasonable measure considered very poor. That would be a promise. Where's the promise, folks?

How about a promise like this: every child in Alberta will get at least one nutritious meal a day. We can measure that. We could figure that out. We know how to deliver it. That would be a promise. There are thousands of children who go to school every day in Edmonton, and undoubtedly in Calgary and undoubtedly in many rural communities, who never have a hot lunch, never have a nutritious meal. So there's a promise. Why don't we make that promise? Why don't we promise that every child in Alberta who needs a nutritious meal will get at least one every day? If we have to pay for that as taxpayers, why not pay for it? Isn't that as good as paying down the debt?

How about this? How about full-day kindergarten? The evidence on full-day kindergarten is enormous. We're seeing this played out yet again through the government's commendable program, the AISI program, Alberta initiative for school improvement. The assessment information on that is spectacular. The results have been spectacular. Where's that program headed? It's headed for history because the funding is going to be cut off. [interjection] The Minister of Justice is suggesting that maybe funding will be extended for that program. We look forward to that. But how about a promise for full-day kindergarten? We know the results from the AISI program and we know from all kinds of other research that full-day kindergarten is a huge benefit to children. It's easy to deliver. It's easy to measure. Why don't we make that promise? Why don't we put that in this legislation?

How about early literacy and numeracy programs for every child in this province? Of course, that could be delivered through full-day kindergarten. That would give our kids a huge start. Again, the evidence on that is tremendous. There's no question that there's fruitfulness to that promise. Let's make it. Let's deliver the goods here.

Day care. Adequate day care. Why not make that promise? Is there a reason not to promise that every child will have some adequate day care or every family will have access to adequate day care in this province? There's a promise we could make for children.

Full prenatal care. There was earlier discussion today, and there has been since the Speech from the Throne, about concerns over fetal alcohol syndrome. Well, the only way to prevent that is to get to mothers from the moment of conception and ensure that they are minimizing or, indeed, completely avoiding alcohol consumption. In some cases that means quite an aggressive prenatal care program. Now, that would be a wonderful promise not just to children but to ourselves, to all of society. So how about a good, aggressive, full prenatal care program in this children's promise?

How about a promise to protect children from abuse? How about a promise to provide shelter to children who need shelter? There are all kinds of things that can be promised here, and do you know what? They don't need to break the bank. They certainly don't need to be anything that's beyond the resources of this province, and indeed in the long run I think we'd find that they'd pay off. We'd be a wealthier society not just in terms of dollars and cents but also in terms of the quality of life and the quality of citizens we have here.

So I'm all in favour of making a promise to our children. This bill is a beginning, but this bill could be dramatically, dramatically improved. Let's put some real teeth in this bill. Let's take our children as seriously as we've taken paying down the financial debt.

So, Mr. Speaker, with those comments, I'll take my seat and look forward to hearing how the government members respond. Thank you.

The Speaker: Hon. members, Standing Order 29(2)(a) kicks in.

Mr. Marz: I have a question for the hon. member. He raised a number of suggestions of what promises could be made specifically, full-day kindergarten, early numeracy. I would wonder, with all these wonderful suggestions he has, if there would be a price tag that he's worked out as to what it would cost Albertans to fulfill all those promises successfully.

Dr. Taft: Mr. Speaker, I would be delighted to discuss that question. Personally, I find that in debating bills, the time for that sort of back and forth is during the committee, and I'll make a point of being here during committee when that member is here to carry that discussion.

Thank you.

The Speaker: Additional hon. members?

Then recognition goes to the hon. Deputy Premier.

Mrs. McClellan: Thank you very much, Mr. Speaker. I'm pleased to rise in support of Bill 1, Premier's Council on Alberta's Promise. I listened very carefully to previous speakers and appreciate, I believe, their support for the intent of the bill. I appreciated the little lesson through the dictionary of what a promise is, and I like what it says, too: an indication that something is likely to occur. I liked one other one better: firmly intend. That is really the gist of the government desire in this bill.

While I listened to other members from the opposition speak on this, I guess I've kind of realized that maybe in these instances our really philosophical differences become quite apparent. I see legislation as a framework. I see the detail being in the regulation, which is really how the activity occurs, and I see the business plan of the ministries that provide the services that would be provided in this by government maybe being where some of the benchmarking is done.

I'll repeat the five promises that Alberta's Promise is made up of. Committing to give Alberta's children "a healthy start and a promising future," and obviously there are a number of areas that are involved in that. Working with neighbours to provide "safe and healthy communities for our children's growth, education, and development." Again, some room for government involvement through our Solicitor General but certainly maybe even more through our community groups. Leading by example and encouraging others to do the same: I think an important role for government there. Setting an example that the rewards of volunteering are immeasurable: I do want to speak to that further. Maybe the most important part of this is "seeking out the best tools, [the best]

models, and [the best] examples of other individuals and communities so that Alberta's children may learn, benefit, and succeed."

Much was talked about by other members about America's Promise. I think that using that as a model but changing it to fit our country, our values, and the way we do things is very appropriate. This isn't the first initiative that we've worked together on with the United States of America. I would talk about the volunteer movement, where we have shared conferences, where we have shared ideas, where they recognized fully that Canada led the world in volunteerism. Certainly Alberta is the leader in Canada, and they were most anxious to learn from us and have us involved and invited us to be very full participants when they were developing some areas in their country. So we can always learn from others. I don't think it's wrong to use a good idea. It doesn't have to be our identification.

5:00

But I am concerned that we think we can codify children and their needs and write it all down on a piece of paper, because I can tell you that the needs of the children in my community are different than they probably are in the inner city of Edmonton, and the way that we would approach resolving those needs is very, very different. I think it's important that we recognize that there are differences. Our province is large and vast and is made up of so many communities, whether they are communities of interest, whether it's by nature of — we often talk about the mosaic of the people here. We have people from many countries. I can assure you that people who come here from other countries have quite a different idea of how to raise children and who should be involved in that than I might have. So I don't really think it's for me to say that, but it is for us, all of us in this Legislature, to understand the needs and the differences. And I'm sorry: in my experience you can't just write down a list and expect that all our children will fall in that list. Obviously, their needs will not fall in there. I think the fact that the framework is more an umbrella and general is a very positive thing.

I don't have a disagreement with the hon. Member for Edmonton-Riverview's desire for every child to have one nutritious meal a day, but I can tell you that in my community, in my school, that's handled in a different way than it might be here. Again, that's appropriate, but it is the families and the community. Frankly, if I had a disappointment in the opposition's comments on this, it was that the family was left out to a greater extent than I would leave them out. The first thing that we can offer our children is a safe home and environment, and they can be different. There is no question. But the family has to be, in my mind, first, and if families have difficulties in meeting needs, then we look at ways that we ensure that. In many families having a nutritious meal a day is not an issue, in fact in the majority.

Full-day kindergarten. Many communities have that. I can tell you that in my community — and it's easier to speak about your own — it's a private kindergarten run by the parents. I might say that those two outstanding children that were referred to earlier today and yesterday came through that system. It's totally different. Those parents raise money willingly and provide a kindergarten of their choice in their community for their children. They could send them on a bus to a full-day kindergarten, which would have no cost to them except, of course, the bus ride and the kids being out of their lives, but no; their commitment is to have that kindergarten.

So it's different there. The needs of inner-city Edmonton or Calgary or Drayton Valley are probably different again, but that's, I believe, what this bill recognizes, that there are differences. I don't doubt anybody's commitment in this Legislature to children. I may disagree with the approach or the measures that they might suggest

to deal with it, but I don't doubt that everyone believes that Bill 1 is a very important bill and should proceed.

I would remind members that this government was maybe the first in Canada that made a determination that it was important that we provide a benefit so that if moms wanted – wanted – to stay home with their children, it was not an economic hardship for them to do it. That came from consultations with mothers, and I was proud to be a part of the early discussions, much earlier in my career, and listened to moms that said that they needed to work a small amount to make it work. But if there was a tax break or a benefit to them, they could stay home and do all of those things for their children that they wanted to do for the difference in the dollars. They were not advocating that no mother should work, nor am I. I think that's a choice. What we want to make sure is that the moms and the dads can make the choice, and those are the things that I think we look at in this.

I believe, as I know many of you do, that the saying that it takes a village to raise a child is a very true saying, and the more we involve our community groups, those who know what the needs of their particular community are and what the best methodology is to address the issues there – it may be a literacy tutorial. It may be that in that community we have several teachers who are not working who have time who would like that interaction with children and would offer that. In others it may be an extra teacher in a classroom, and we have done that. I don't think that with children one size fits all. I've only two children of my own. They're certainly different. They are male and female, so I accept there would be some obvious differences there. But I've got four little grandkids, and I can tell you that they're as individual as they can be, and one size doesn't fit any part of all of them. I mean, they were raised in the same family by the same parents and in the same surroundings, and you'd think you'd get something that was similar, but they're all individuals and so are their needs.

I think the difference that I hear here is more philosophical in that the opposition members would like to see more codified legislation, have more structure in the legislation, whereas I believe that the legislation should be more of a framework document, that the detail be in the regulation so that if with children and our changing society we need to change things, it's much easier to amend, obviously, and change. The important thing for all of us, I think, in this Legislature is that this is Bill 1, that this is putting our children first, and I think we will all support that, whether we support exactly the way we have planned to do it. I want to certainly make a promise as a legislator that I'll support making this province better for our children and that I will do everything I can.

Mr. Speaker, I've been a foster mom of a child in another country for I don't know how many years, and it's always just simply amazed me what advantages those children can gain in a developing or a Third World country for a very, very few dollars a month. It just blows my mind. I don't remember exactly what it is, but it's under \$50 a month; I know that. I think it's my third child, because they reach a certain age and they move out of the program. I've never had the opportunity yet to meet one of my children, but I do hope that I will meet the present one I have. It has always humbled me, I think, when I receive a letter, a card from this youngster. I get a sense of what this has meant to him and his family and think of how much we have here, and it renews my belief in the fact that we're pretty fortunate to live here. But we can always do better. Any community that believes in their children and supports them will be successful in the end.

With those few comments, Mr. Speaker, I want to end my part in this stage of the bill.

5:10

The Speaker: The hon. Member for Edmonton-Centre on Standing Order 29(2)(a).

Ms Blakeman: Thank you, Mr. Speaker. I do have a question for the member. The member is the Deputy Premier and is a very influential member of the government. [interjections] Well, she is. I heard her say quite clearly that she was disappointed in the opposition not talking more about family. She must have been involved in the drafting of this legislation or as it passed through the various committees that government has for legislative review. I'm curious, therefore, why the word "family" does not appear anywhere in the act. It talks about corporations, it talks about community organizations, and it talks about individuals, but it does not talk about families. I'm interested as to why the government made the choice not to have the word "families" appear in this act if it's so important to her.

Mrs. McClellan: I think that we come back to the comment that I made earlier. I don't know whether it's an ideological or a philosophical difference that we may have in how we approach things. I see documents more as a framework for carrying out things, and it seems to me from the comments I heard that there was more of a desire to codify or identify or list in the legislation absolute actions rather than more general. So when I look at this, I see organizations, corporations, individuals, enhanced resources. I see all. What I was commenting on – I was surprised, and I may have missed it – was that I didn't hear that as part of the ideas of how to carry this forward, which is really what I was referring to when I mentioned that.

The Speaker: The hon. Minister of Justice and Attorney General to close the debate.

Mr. Hancock: Thank you, Mr. Speaker. We've had some interesting comments today about the nature and intent of Bill 1 and some comments from the opposition about the need for detail. I think the hon. Deputy Premier has indicated what I think is very true in this House from time to time, that on our side of the House we tend to want to put together framework legislation which encourages, allows, and creates the opportunity for things to happen, and if there needs to be regulation or structure around it, that can be built in regulations.

In this case the legislation that we're talking about today is very much promise legislation. It's very much being brought forward to encourage and to raise a topic for public discussion, to raise the profile of something which is incredibly important to our communities, to our families. It's not so much a piece of legislation that needs to have detail set out as to how and what and how much but is to encourage all of our communities to get involved in something which is very, very intrinsic to the future of our province. I'd encourage all members to support the legislation.

[Motion carried; Bill 1 read a second time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I would move that we adjourn until 1:30 p.m. on Monday.

[Motion carried; at 5:15 p.m. the Assembly adjourned to Monday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Monday, February 24, 2003**

1:30 p.m.

Date: 2003/02/24

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. O Lord, we give thanks for the bounty of our province: our land, our resources, and our people. We pledge ourselves to act as good stewards on behalf of all Albertans. Amen.

Hon. members, would you please remain standing for the singing of our national anthem. It will be led today by Mr. Paul Lorieau.

Hon. Members:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

The Speaker: Please be seated.

head: **Introduction of Visitors**

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

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of the Assembly Mr. Ben Heppner, the MLA for Rosthern, Saskatchewan, and opposition Justice critic in Saskatchewan. Mr. Heppner is also one of the founding members of the Saskatchewan Party. I had the pleasure of meeting with Mr. Heppner earlier today to discuss justice issues. He expressed an interest in our single trial court project, the collaborative law project that's being spearheaded out of Medicine Hat in Alberta, and many other issues that we find in common relative to justice. I'd ask Mr. Heppner to please rise and receive the traditional warm welcome of our Assembly.

head: **Introduction of Guests**

Mr. Vandermeer: Mr. Speaker, it's my pleasure to introduce to you and through you to the Members of the Legislative Assembly 37 students from John Barnett elementary school. Joining the students' visit to the Legislature are teachers Mr. Tony Kimble and Mrs. Pat Robinson and parents Mrs. Denise Hugman and Ms Aurelia Hough. I ask them to please stand at this time and receive the traditional warm welcome of the Assembly.

The Speaker: The hon Member for Lacombe-Stettler.

Mrs. Gordon: Thank you, Mr. Speaker. I am very proud today to introduce to you and through you some 30-plus students from Canadian University College, located near Lacombe. As students of sociology they are keenly interested in social sciences, social institutions, and social relationships, so what a good place to be today. I would ask that they rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Speaker. I am delighted today to introduce to you and through you to members of the Assembly three people who are very interested in Bill 201: Cheryl Bradley of the Alberta Native Plant Council, Tom Cameron of the Alberta Sport, Recreation, Parks and Wildlife Foundation, and Linda Duncan. They're in the members' gallery, and I would ask them to stand and receive the warm traditional welcome of this Assembly.

head: **Oral Question Period**

Natural Gas Prices

Dr. Nicol: Last week the Alberta Liberals tabled a petition signed by 1,500 Albertans demanding relief from the government for high utility bills. Today we'll be adding another 400 signatures. We'll continue to table petitions, which are available through our web site at ataliberals.ab.ca, until this government provides Albertans with some relief from their high utility bills. Mr. Premier, it's cold out there. A lot of people are trying to make choices between paying their utility bills and buying food and paying their rent. To the Premier: since this government has missed an opportunity to provide Albertans with natural gas rebates at the time when they need them most, what actions will the government take to protect Albertans from the recurring spikes in their heating bills?

Mr. Klein: Mr. Speaker, you know, the opposition continues to ask for natural gas rebates. I would like to explain the bill and the regulations attached to that particular piece of legislation. First of all, the government's rebate program is designed to ensure that when prices are high enough for long enough to translate into increased royalty revenues, those royalties would go back to Albertans in the form of rebates.

To ensure that the revenues are there, the government relies on the average reference price over the fiscal year. I would ask the Liberals to look at the regulations. There's no secret to this; it hasn't been hidden from anyone. If the Liberals would look at the regulations under the Natural Gas Price Protection Act, they would say that it states this very clearly. I quote section 2.

The Alberta price is determined by the Minister of Energy based on a forecast of the annual average of the Gas Reference Prices prescribed under section 6(1) of the Natural Gas Royalty Regulation, 1994.

Mr. Speaker, I can assure Albertans that when the money is there and the need is there, the rebates will be there.

Dr. Nicol: The regulations sure don't reflect the debate that went on when the bill was passed.

To the Premier: why are Albertans, who own the resource beneath their feet, paying more for the cost of fuel – and I stress: cost of fuel, not delivery charges – when they pay \$7.53 per gigajoule in the south and \$7.19 per gigajoule in the north when Torontonians are only paying \$6.03?

Mr. Klein: Mr. Speaker, I don't know what Torontonians are paying. I know that we're the only jurisdiction in Canada with a natural gas rebate program, and when the annual average of the gas reference prices prescribed under the section of the legislation and firmly entrenched in regulation reaches \$5.50 a gigajoule, then we will convene a cabinet meeting and consider at that time whether a rebate from royalty revenues is warranted.

I'll have the hon. minister supplement.

Mr. Smith: Thank you. Mr. Speaker, the Leader of the Opposition refers to a price of natural gas that is being charged today. He does

not go through a 12-month average. In fact, if he would go through a 12-month average, he would find that Toronto prices are in the neighbourhood of 30 to 35 percent higher than those prices charged in Alberta today.

Dr. Nicol: To the Premier: given that your budget contains no line item indicating a contingency plan for natural gas price spikes, does that mean that you never intended to provide Albertans with relief from high utility bills?

1:40

Mr. Klein: Mr. Speaker, there is no line item, but you will find out later today, when legislation is introduced, that the provincial government will be establishing a stability fund, and perhaps that fund – and I don't know for sure – can be used to provide rebates if and when they are needed. But I'm advised by the Minister of Energy that it probably will be a long time, unless there is a dramatic increase in natural gas prices, before we will reach the average of \$5.50 a gigajoule.

Utility Costs for Schools

Dr. Nicol: To the Premier. Given that many school boards are already facing a deficit and unpredictably high utility bills and these high utility bills are making the situation worse, what action will this government take to ensure that spikes in the price of natural gas do not negatively affect the programs and services offered by these schools?

Mr. Klein: Again, I will stress that we are the only province, the only jurisdiction in this country with a legislated program to provide rebates. Mr. Speaker, again, when the average annual price reaches \$5.50 a gigajoule, then in accordance with the regulations the minister would ask cabinet to implement a rebate program under the royalties that we receive and that would be returned to Albertans.

Dr. Nicol: Mr. Speaker, we're the only province that doesn't build risk management into our pricing structure, so that sets us apart as well.

To the Minister of Infrastructure: given that regular maintenance of furnaces in schools helps to keep heating bills down and given that children in an Edmonton area school were sent home last week because there was no heat in their school, why has this government deferred furnace maintenance in some schools, creating a situation that prevents schools from reducing their utility bills?

Mr. Lund: Mr. Speaker, each year we provide the school boards with a sum of money, about \$40 million, that goes to a program called BQRP, building quality restoration program. That program is administered by the school boards. To make sure that the plants are operating, can operate, and will operate, the money from the BQRP is there for them to use as they see fit in their schools.

Dr. Nicol: And they reduced the amount, Mr. Speaker.

To the Premier. In 2001 you provided schools with funding to offset higher than anticipated heating costs. What action does the government plan to take this year to help schools pay high fuel bills?

Mr. Klein: I would remind the hon. leader of the Liberal opposition that in 2001 gas prices reached an all-time high. Extraordinarily high. If I recall correctly, we were nearing or perhaps even over the \$10 a gigajoule mark. We aren't anywhere near that, Mr. Speaker.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Enron

Mr. MacDonald: Thank you, Mr. Speaker. The generosity of this government knows no limits during an election year, but two years later this government is very mean – very, very mean – with the citizens' own natural resources. My first question is to the Premier. What was the grant of three-quarters of a million dollars for given to Enron during the election year? What was that three-quarters of a million dollars to Enron for?

Mr. Klein: Mr. Speaker, I have no idea what the hon. member is talking about. I know that I certainly didn't sign a cheque to Enron, and I don't think anyone else did in executive committee or in the government, but perhaps some hon. member can shed some light on the question. I don't know.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Given that the documents from the last Public Accounts that have been tabled in this Assembly indicate that Enron Direct Limited Partnership received three-quarters of a million dollars in a grant from this government, why was the three-quarters of a million dollars given to Enron then in the form of a rebate, I assume, and now, two years later, you have no money from the natural resources of this province for the citizens that need it the most? Heat in this province is not a luxury.

Mr. Klein: Mr. Speaker, again, I have no idea what the hon. member is talking about. If he would be courteous enough to send the information over or to discuss the situation with the hon. Minister of Energy or perhaps the Minister of Finance or the Minister of Revenue, maybe we can get to the bottom of this. But I can tell you that he used the word "grant." We did not give a grant to Enron or any other company, for that particular matter. To do so would be a violation of the Financial Administration Act, and we're not about to violate our own acts of this Legislature.

Mr. MacDonald: Again, Mr. Speaker, to the Premier: did this government audit the grant payment of three-quarters of a million dollars that was given to Enron to make sure that it was accurate and that the taxpayers were not throwing money up in smoke, so to speak?

Mr. Klein: Mr. Speaker, I'm advised, sort of indirectly, that the hon. member is the chair of Public Accounts. You know, he should know, but I have no idea. Is there anyone here who can shed any light on this particular situation? I have no idea what he's talking about.

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

Electricity Costs

Mr. Mason: Thank you very much, Mr. Speaker. The Minister of Energy has been telling anyone who will listen that the reason Albertans have to pay the highest power bills in the country is to avoid the large debt load of power companies in regulated jurisdictions. The minister is also claiming, incorrectly as it turns out, that this debt is taxpayer supported. However, what the minister is not saying is that Alberta power companies owe a total of over \$10 billion and that Albertans' power bills reflect this fact. My question is to the Minister of Energy. Why is the Minister of Energy suggesting in a February 19 release that Alberta power companies have zero debt or, alternatively, that this debt has no impact on the bills that Albertans have to pay every month?

Mr. Smith: Mr. Speaker, there is no debt guaranteed by this government by any power company in this province.

Mr. Mason: Mr. Speaker, why does the minister continue to claim that the debt in other provinces is the responsibility of taxpayers when he knows full well that it is electricity ratepayers that support this debt, the same as here in Alberta?

Mr. Smith: Mr. Speaker, this voodoo NDP accounting clearly indicates – the primary shareholder of a Crown corporation is, in fact, the Crown. Therefore, the governments of those particular jurisdictions where there are Crown hydro companies have a responsibility to honour the debt. In fact, if the member would pursue it further and deeper, he'd find out that when these companies, because of their attachment to the provincial governments, owe hundreds of billions of dollars of taxpayer-guaranteed debt across this country, their bond rating issues are higher.

Mr. Speaker, it's very clear in Alberta that there is a line between what is published in terms of debt by the companies that they're responsible for. This government does not support the tremendous amount of debt for artificially lower electricity prices across Canada that these other jurisdictions have.

Mr. Mason: Very interesting, Mr. Speaker.

So why does the minister, then, continue to tell this Assembly when he knows or should know that billions of dollars of Alberta power company debt was guaranteed to be repaid by power customers when the cabinet approved the power purchase arrangements regulation back in July of 2000?

Mr. Smith: Mr. Speaker, I continue to put forth what is the truth of the structure of the electrical industry in Alberta.

The Speaker: The hon. Member for Grande Prairie-Smoky, followed by the hon. Member for Edmonton-Mill Woods.

1:50 Access to Crown Land

Mr. Knight: Thank you, Mr. Speaker. There has been much media attention given to a dispute involving contractors, the energy industry, and First Nations in northern Alberta. As a northern MLA I am concerned and so are a lot of my constituents about media reports over the past few weeks of extortion, of bribery, and of roadblocks on Alberta's Crown land. My question is to the Minister of Aboriginal Affairs and Northern Development. Minister, could you tell us exactly what the situation is?

The Speaker: The hon. minister.

Ms Calahasen: Thank you, Mr. Speaker. First of all, the Premier asked five ministers to come together in order to address this concern, and they are the Minister of Sustainable Resource Development, the Minister of Energy, the Minister of Aboriginal Affairs and Northern Development, the Minister of Justice, and of course the Solicitor General.

Since that time, Mr. Speaker, we've worked on a premise of consultation versus confrontation, and we've put together a plan. Our number one plan was to ensure that we clarified the position relative to payment of access fees, and we've also clarified the position of the involvement of aboriginal people in the economy. Thirdly, we've also looked at meetings to address this issue with First Nations, with chiefs that are impacted, as well as with the energy companies that are also part of the solution. We've also had

my deputy contact a subcontractor group to offer to meet with them to address the situation. As a matter of fact, as of today there is going to be a meeting this week. We've also looked at continuing to ensure that we'll work with the stakeholders and continue to have meetings.

Mr. Speaker, the Solicitor General's department has also met with the RCMP, and we are making sure that they understand the government's position. We have also looked at different ways to be able to address this concern that has been asked, which is to make sure that companies with leases and permits have a valid right to work on Crown land without interference. Let me add here that industry should not be paying access fees on Crown lands – that's very important – and, most of all, that any allegations of criminal activity should be reported to the RCMP. That's the proper process to utilize.

The Speaker: The hon. member.

Mr. Knight: Thank you, Mr. Speaker. I'll direct my first supplemental question to the Solicitor General. If there are claims of bribery and extortion, why are the RCMP not doing anything?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. The hon. member has brought up a good point, and if anyone is aware of a crime that has been committed, they should contact the RCMP. The RCMP will fully investigate complaints of extortion or threats, as they would any other complaint about any criminal activity. I want to let the hon. member know that we checked this morning and there have been no formal complaints filed. The RCMP have put in place a policy to deal with issues such as blockades to the areas in question, and if a member of the public makes a complaint about a blockade not allowing access, the RCMP will investigate.

The Speaker: The hon. member.

Mr. Knight: Thank you, Mr. Speaker. My final supplemental. Notwithstanding the formal complaints, we certainly have had in my riding a number of complaints lodged at the office with respect to this issue. I would like to ask the minister relative to consultation. We've had a number of cases to the Supreme Court of Canada, three in particular, that deal with this issue, and the matter of overall consultation with aboriginal people on resource matters . . .

The Speaker: I'm sure there's a question in all of this, hon. member.

Mr. Knight: . . . seems to be going on an awfully long time . . .

The Speaker: I agree.

Mr. Knight: Yes, I agree. . . . without resolution. I'd like to ask the minister . . .

Ms Calahasen: Well, thank you, hon. member. First of all, that was a long question. Alberta is certainly committed to a consultation process, and we have to look at a number of things. One, we have to look at what adheres to evolving case law; very important. Secondly, we have to address the concerns of aboriginal people. Thirdly, we must provide certainty for industry in the development on Crown lands. Those are the kinds of things we have to look at.

Court rulings have been saying that the Crown should consult where activities on Crown land may impact treaty or aboriginal

rights around traditional land use such as hunting, fishing, and trapping. We're certainly developing a process of meaningful consultation with First Nations, and all parties will have an ability to be able to have input into this process as we move forward, but that's going to be between First Nations and the Alberta government.

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

Children's Services Adoption Web Site

Dr. Massey: Thank you, Mr. Speaker. The government is now in damage control to rectify the errors in the hasty and ill-conceived adoption web site. It seems that each time the Department of Children's Services gets into trouble, an employee is hung out to dry. My first question is to the Premier. Legal responsibility for the web site rests with the Minister of Children's Services. Why is another public servant now under fire and not the minister?

Mr. Klein: Well, first of all, I'm going to have the hon. minister respond, Mr. Speaker, but as the hon. member knows, the Privacy Commissioner has released his report on the adoption web site. He found that Children's Services is within its authority to disclose the children's personal information for the purposes, the commendable purposes, I might add, of finding adoptive homes.

Relative to the disciplinary action that was taken, I'll have the hon. minister respond.

Ms Evans: Thank you, Premier. Mr. Speaker, the situation where a worker was found to have not followed through with the process and protocol of talking with the children and assuring that they had fully understood that they were consenting to be involved, that worker – and that's an internal matter with the director of child welfare – was spoken to by the director or someone acting on his behalf, and a letter was filed.

Relative to whether or not the minister acted within the purview of the ministry, I should quote from the summary of findings of the Privacy Commissioner's report. He states in para 26:

The Public Body is authorized under section 40(1)(c) and section 40(1)(f) of the FOIP Act to disclose the children's personal information on the website, for the purpose of finding homes for children who are available for adoption.

Secondly, in para 27:

The initial descriptions of the children contained more personal information than was necessary. The revised descriptions are in compliance with section 40(4) of the FOIP Act.

Mr. Speaker, that is his ruling.

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. My second question is to the Minister of Children's Services. She's absolutely right, and when will the Child Welfare Act be revised to protect the privacy of children from future blunders by this department?

Mr. Klein: Would you prefer to have those children in foster homes?

Ms Evans: Well, Mr. Speaker, you know, exactly the point. Would we leave these children languishing in the closets and hidden in the homes of foster parents who never release them to provide them an opportunity for loving homes? Let's not retreat to this kind of old-fashioned mentality where we don't use good communication devices.

The Child Welfare Act is up for amendment in this session. I'm sure that the hon. member can bring forward, if he finds it is at fault in any way, his own ideas. But could I point out for this Assembly and for the people of Alberta that not once is there a record that this minister has of this member's address to the *Wednesday's Child* program, which has been successful in adopting 70 percent of the children on that site annually.

The Speaker: The hon. member.

Dr. Massey: Thank you very much, Mr. Speaker. Again to the same minister: has this minister just accused foster parents of keeping children in the closet? Is that what I hear?

Ms Evans: You know, Mr. Speaker, no, but I should never be surprised at how low they can go.

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

2:00

Lehigh Inland Cement

Mr. Rathgeber: Thank you, Mr. Speaker. Recently a number of constituents in my area appeared before the Environmental Appeal Board to oppose the decision of Alberta Environment allowing Lehigh Inland Cement to convert from natural gas to coal within its cement kiln. The Alberta Environmental Appeal Board's decision was to allow them to convert to coal; however, they have to implement baghouse technology. I understand that they have recently begun their conversion, and my first question is to the Minister of Environment. Why is Inland Cement allowed to burn coal within its kiln before the baghouse is implemented?

The Speaker: The hon. minister.

Dr. Taylor: Thank you, Mr. Speaker. The recommendation from the EAB, which I concurred with and which I signed off on, says that the Inland Cement plant has up to 20 months to install the technology the gentleman is referring to as baghouse technology. Now, that was when the decision was made. It's now down to 19 months. But if the Inland Cement plant has more than what we call six dusting incidents in a one-year period, then Alberta Environment can arbitrarily reduce that time as it goes down every month – as I said, it's now at 19 months – to make it more immediate, and Inland, in fact, may have it installed before the expiry of their date.

The Speaker: The hon. member.

Mr. Rathgeber: Thank you, Mr. Speaker. My supplemental is to the same minister. If baghouse technology is, in fact, the best available technology, why did Alberta Environment not put that on it as a stipulation before the conversion to coal was allowed to take place?

Dr. Taylor: Well, let me first of all state, Mr. Speaker, that when the existing technology at Inland Cement works, there's not a problem, and that was one of the issues. There were some problems with the number of times that it tripped, as it's called in the industry.

Now, I will say that in making environmental decisions, Alberta Environment does not determine the technology. We don't specify technologies that companies have. What we do is set standards, and we will continue to set standards, and it is then up to the company to determine which technology will meet the standards that Alberta

Environment sets. The problem, of course, is that if Alberta Environment determined technology, you'd be favouring one technology over another technology over another technology, and that's not the position of this government or any government. It's a matter of us setting appropriate standards. So as we go forward, Mr. Speaker, as I've said, if the existing technology doesn't work – they have six or more dusting incidents within the period of one year – then that baghouse will have to go on immediately.

The Speaker: The hon. member.

Mr. Rathgeber: Thank you, Mr. Speaker. I appreciate both of those answers, but I'm curious to know: what is Alberta Environment doing in the interim to ensure that the air quality standards within the Edmonton-Calder constituency are maintained?

The Speaker: The hon. minister.

Dr. Taylor: Thank you. Well, as part of the approval Inland Cement was required to put more in-stack monitors right in their plants, so as the monitors monitor and as we do spot checks on the monitoring situation that we have there, we'll be able to tell if they're exceeding their limits. The other thing we have as Alberta Environment is what we call ambient air monitors in that particular area out there. So we'll be able to tell as well on our own monitors, the ambient air monitors.

I will say that the air quality in the area of Inland Cement is good. In fact, the air quality in Edmonton is good and improving. Every year it gets better, and Alberta has some of the best air quality and some of the most stringent standards in the country, Mr. Speaker, and we'll continue to monitor the situation.

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

Problem Gambling

Ms Blakeman: Thank you, Mr. Speaker. In 1998 eight Alberta communities voted to prohibit VLTs due to the perceived social costs associated with them. However, an injunction has prevented the removal of these machines since that time. Three weeks ago the Supreme Court ruled in the case of Manitoba that if a community voted to remove VLTs due to perceived social costs, they were completely within their rights. My questions are to the Minister of Gaming. Now that we have a Supreme Court decision, when will this government remove VLTs from communities that chose to prohibit them?

The Speaker: The hon. minister.

Mr. Stevens: Thank you, Mr. Speaker. Since 1998 there has been an injunction in this province granted by the Queen's Bench of Alberta in an action commenced in this province. That matter is scheduled for trial on April 28 of this year. The matter had been adjourned pending a decision of the Supreme Court of Canada from another jurisdiction, namely Manitoba, because the facts in that case were similar. It has turned out that the facts are indeed very similar and will be of great assistance in ultimately resolving the matter when it proceeds to court on April 28, but I anticipate that this matter will be resolved by the court at that time.

Ms Blakeman: Given that we know that drug addicts will commit crimes to feed their habit, what concrete steps has this government

taken to address the issues and costs of gambling addicts committing crimes to feed their addiction?

Mr. Stevens: Mr. Speaker, this ministry is charged with the control and management of gaming in a socially responsible manner, and accordingly there are a number of things that we are doing in order to address the issue of problem gambling. One example of that would be the funding of AADAC and its services for problem gambling and its education of the public. Some 4.2 million dollars annually is provided to AADAC, and my department works closely with them. I can advise you that a recent survey indicates that 95 percent of Albertans are aware of the problem gambling services that AADAC provides, so from my perspective that is a very good example of one of the ways in which we are addressing that problem.

The Speaker: The hon. member.

Ms Blakeman: Thanks, Mr. Speaker. Well, to the same minister: why aren't those AADAC programs which deal with the social problems of gambling given a fixed percentage of the gambling revenue? The higher the gambling revenue the higher the problems. Why aren't you connecting them?

Mr. Stevens: The process with respect to funding AADAC, Mr. Speaker, is that AADAC provides a budget through the appropriate ministry, which is, in fact, the Ministry of Health and Wellness. To my knowledge AADAC has requested certain amounts of money in the last several years, and they have been provided with the funds that they have requested to meet the issues. So we look to AADAC, who, in fact, in Alberta are the experts in addiction treatment, to provide us with guidance, and we have followed that to date.

Natural Gas Prices

(continued)

Mr. Shariff: Mr. Speaker, lately I've had several calls from my constituents expressing concerns about their gas bill prices. My questions today are for the Minister of Energy. In 2001 the Alberta government implemented the Natural Gas Price Protection Act to protect Albertans from high natural gas prices. As of February 1 ATCO Gas North is charging customers \$7.19 a gigajoule and ATCO Gas South is charging consumers \$7.54 a gigajoule. My constituents want to know: based on the average price to date, can Albertans expect a rebate at the end of this fiscal year?

Mr. Smith: Mr. Speaker, in order for the Natural Gas Price Protection Act to kick in, the price for the balance of this year, from February 24 onwards, would have to increase to about \$16.60 per gigajoule and remain there for the balance of February and March in order to reach the \$5.50 trigger price.

Now, Mr. Speaker, what makes this year different from the year 2001 is, one, there were abnormally lower gas prices during the first nine months of the fiscal year. In fact, the average of the natural gas at that time was about \$3.89. So it would take a real spike, an incredibly high spike, up to the \$16 and \$17 level, for at least six weeks for this to kick in.

So the way the act is structured, that charge would have to be incurred and then the Alberta reference price would collect the royalties of the amount of gas sold, and that takes place over a two- to three-month period of time. There would then be the amount left in government accounts that would be available for our government rebate.

Mr. Shariff: My supplementary is also to the same minister.

Because our natural gas resource comes from Alberta, why should residential users in Alberta have to pay not the same price but more than the people in Chicago, Toronto, and Kansas City?

2:10

Mr. Smith: Well, firstly, Mr. Speaker, let me thank the member for crystalizing the issue in a far better sense than the opposition did earlier. The issue at hand here is that today those people in Toronto or Kansas City or Chicago would indeed be paying less than the rate that they'd be paying in Alberta. That's over a one-day period. Over a 12-month period there is no way that these cities would have a lower gas price than Alberta. However, Albertans have said since 2001 that they want the opportunity to make decisions about buying contract gas, and in fact we want to be able to provide them with that opportunity so that they can pay a level price over the period of 12 or 24 or 36 months.

Government Contracts

Mr. Bonner: Mr. Speaker, this government constantly reminds us of the Alberta advantage, how Albertans are more innovative, flexible, and efficient. The Official Opposition says: let's better support the Alberta advantage by making sure Alberta companies get a fair chance at receiving government contracts. To the Minister of Infrastructure: why is it that in some areas such as information technology systems over 90 percent of the money paid in contracts goes to large international corporations while smaller Alberta firms who can provide the same service at comparable prices get next to nothing?

Mr. Lund: Mr. Speaker, when we're awarding contracts, they're handled in a variety of manners, but usually if the contract is of any substance and if, in fact, there are a number of companies able to handle it, we will send out a request for proposal. In some cases we simply put out a tender, and the tender would be a situation where the contract is not too complicated, there are a number of companies that are interested, and it could be that it's in a location where there's no need to call for a request for proposal. So those are the various ways they're handled, and if it turns out that it happens to be a large company that gets the contract, well, that's a fair and open competitive marketplace.

Mr. Bonner: Mr. Speaker, to the same minister: are there any rules for the large corporations that Alberta government contracts out to that state that they must give an equal opportunity to Alberta companies that vie for subcontracts on projects?

Mr. Lund: Mr. Speaker, there are a number of different situations that we can run into. Certainly, when a large firm is winning a contract, we may encourage them, but we have to be careful. When you start talking about directing that they take certain firms on, that then starts to get into a very shady area, and I would resist that in a lot of cases. Furthermore, under a number of agreements we don't have the liberty to direct. As a matter of fact, the interprovincial trade agreement that the hon. minister of intergovernmental affairs has worked on talks to the fact that you have to be open and allow for the competition to work, not direct.

Mr. Bonner: Mr. Speaker, to the Minister of Economic Development: given the minister knows that the best place for Albertans' tax dollars to go is back to Albertans, when is he going to establish a contract-awarding policy whereby, other things being equal, Alberta companies are given preference to others?

Mr. Norris: Well, Mr. Speaker, clearly the contract awarding has been described by the hon. Minister of Infrastructure, but I would remind the hon. member opposite that one of the tenets of this government is the free marketplace and competition, and never on this watch are we going to operate by giving contracts that aren't based on total open-market fairness and transparency. So I don't know if the member is suggesting that we should start giving contracts to friends who can't quite do the job as opposed to getting the best dollar for the taxpayer, but we're never going to go down that road.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Edmonton-Rutherford.

Natural Gas Rebates

Dr. Pannu: Thank you, Mr. Speaker. Last week and over the weekend just past temperatures dipped to the minus 30 levels and perhaps went even lower as Alberta saw typical winter weather hit us hard. As it happens, ATCO Gas bills also hit the mailboxes last week, and consumers are wincing hard. One bill that I received for a modest home in Edmonton is for \$175, and another homeowner with even a smaller home will pay \$211. My questions are to the Minister of Energy. Why is it that when the last provincial election was imminent, gas prices only had to spike for one month for the government to give rebates, but today, after three months of sky-high bills, the minister stonewalls Alberta consumers?

Mr. Smith: Well, I hate to take up all the time correcting the member's preamble, Mr. Speaker, but the prices have not been high for three months. We have seen an increase in bills; there's no denying that the price of natural gas is increasing. The Minister of Finance will be reporting later on today what happens when we sell 75 percent of that natural gas. We use only 25 percent inside Alberta. In fact, I would say that Albertans receive a natural gas rebate every time they buy something at a store and are not charged provincial sales tax.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Given that it's Albertans who own the resource, why should Albertans have to wait a full year before this minister and this government give rebates to protect them from sky-high home heating costs?

Mr. Smith: Mr. Speaker, now we're getting towards cash flow and accounting questions, which, I know, challenges the other 50 percent of the third party opposition. What happens is that we do not have the money available to pay for a rebate until we collect the royalty money on behalf of all Albertans. Now, that is not the rate that they see in their gas bill. It is the Alberta reference price, which is the price that we collect from oil and gas companies who sell their gas not only to Albertans but to all parts of North America.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. My last question to the minister: will the minister acknowledge that his legislated program is useless in that it leaves consumers hurting and introduce amendments to the existing legislation in this House that relieve Albertans from the burden of high gas bills? Will the minister make the commitment to the people he claims to serve right now?

Mr. Smith: Mr. Speaker, as the member knows, there were rebates paid in the year 2001. There was no Natural Gas Price Protection Act. In order to respond to what Albertans asked for, legislation was developed, which these members were a part of and voted on and debated, and then we were able to put that legislation in place. In fact, we are caring about Albertans. We are concerned about what happens with any increase in prices. We also know the great benefits that accrue to Albertans through the sale of their resources called oil and natural gas.

Mr. Speaker, we're always reviewing every piece of legislation. We're always reviewing the price of natural gas, and we're always ensuring that Albertans get top value, top dollar, for the natural gas they produce and they own.

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

Market Enhancement Recovery Fund

Mr. McClelland: Thank you, Mr. Speaker. My question is to the Minister of Human Resources and Employment. Alberta has long enjoyed relative labour harmony, a credit to employers, employees, and the unions involved. However, there are a few anomalies that have the effect of skewing the balance so as to be unfair to non-union employers. One such anomaly is the market enhancement recovery fund, referred to as a MERF. This is where unions subsidize union employers to underbid non-union employers, thus creating work for union members. My question: if it is illegal for employers to make direct financial contributions to unions, why is it not also illegal for unions to make direct financial contributions to employers?

2:20

Mr. Dunford: Well, Mr. Speaker, it's a very good question. On the surface it seems like we're, you know, connecting a couple of dots here as one follows from another, but I think it's necessary to put on the record the context of the items in the question. In the area of labour relations it's extremely important that we have a true reflection of the interests of the parties, so it was deemed necessary in labour legislation – and it probably is all across this country – some time ago, I guess, longer than the hon. member and I have been in politics. You can't have a union recognized by a Labour Relations Code that is dominated by the employer, so there was legislation put in place so that an employer could not provide financial contribution to a union in order then to destroy that separate vested interest that each would have.

Now, when we get into the area of the market enhancement recovery funds, we're not talking about an employer/employee relationship. The Merit Contractors Association, who made a presentation as recently as last week on this particular item to myself and to others, I think are connecting those two particular dots, and I think we have to look into this from that relationship of a competitive bidding operation rather than an employer having influence over its own actual union.

Mr. McClelland: My supplemental is to the same minister. As we continue, then, to connect the dots, since most of Alberta's mega energy projects are union projects, whereby employers are contributing to MERFs through the unions and those funds then are used in smaller institutional projects, are we not indirectly promoting unfair or unreasonable labour practices outside of the megajobs?

Mr. Dunford: Well, certainly the allegation is made that that is actually happening. There is nothing illegal about that in terms of

the Labour Relations Code or other acts that I'm responsible for. Let's accept for the purposes today that it is true. If, in fact, this is happening, again, in the current legislation there would be no illegal activity that's been involved. In fact, one of the discussions that is currently ongoing is whether or not MERFing is a labour relations issue under a provincial jurisdiction or whether or not it is some sort of a competitive issue that might come under the federal government. In any event, it follows along the general point, that was made decades ago, that employees should have more say and should have more direct involvement in what their employer is doing. Many companies have tried to provide stock-option purchase plans for employees, and I'm not so sure that this is not another reflection of that.

The Speaker: The hon. member.

Mr. McClelland: Thank you. To the same minister, Mr. Speaker. While it's obvious that the intent of legislation decades ago is not being followed through today as individual union members do not contribute to MERFs – contractors contribute based on hours worked – is this, therefore, not in contradiction to our present labour laws?

The Speaker: I hope hon. members appreciate that it's against the rules to ask for legal opinions.

Hon. minister, proceed very quickly.

Mr. Dunford: Well, very quickly, at a recent presentation on this matter this allegation was, in fact, made. I've asked to see that legal frame of reference, and I await it as we speak.

Calling Lake Fish Stocks

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

Ms Carlson: Thank you, Mr. Speaker. This government clearly doesn't believe in transparency or accountability, as the Calling Lake issue continues to identify. The Minister of Sustainable Resource Development opened up a lake, his lake, for fishing. This lake has collapsed and has vulnerable fish populations. For the past few weeks his ministry has denied the existence of a memorandum from senior department biologists that states that the pilot project on Calling Lake may cause the irrecoverable collapse of fish populations there. All of my questions are to the Minister of Sustainable Resource Development. Why does his ministry continue to refuse to release this memo?

The Speaker: The hon. minister.

Mr. Cardinal: Yes. Mr. Speaker, of course, the Liberal way would be to close everything down. That's the Liberal way. We don't operate that way. This is a very innovative project. It's working well. Again, I'd like to stress the fact that it is a five-year project.

An Hon. Member: How long?

Mr. Cardinal: A five-year project. We are monitoring it very closely. It's very well accepted by the department staff, the biologists. It's very well accepted by the public, Mr. Speaker. In fact, this Friday I announced the opening of an additional 16 lakes where you can now catch and keep a fish. That recommendation is coming from the biologists in the department working with us.

Ms Carlson: Mr. Speaker, the Liberal way would have been to properly manage fish stocks for the past 10 years in this province.

Given that senior department biologists in the memo say that there is scientific evidence this pilot project is causing irreparable damage to Calling Lake, will the minister just commit to ending this project?

Mr. Cardinal: Mr. Speaker, I assume that if the Liberals were to take over, they'd end all the projects in Alberta, but this side of the government will not do that. This project is working very well. The report hasn't been released yet. The report will be coming forward, and I'm not scared to file the report in the House and put an action plan behind that report. What they would do is close the province down.

Ms Carlson: Mr. Speaker, given that fish stocks are at this particular point in time and have been for some years collapsing in this province, why does the minister continue to refuse to make his decisions based on scientific evidence rather than the whim in his own neighbourhood?

Mr. Cardinal: No, Mr. Speaker, it's not the whim of the neighbourhood. The issue of sport and commercial fishing is a major issue to Albertans. The commercial fishing industry is about a \$5 million industry. The sportfishing industry is about a \$350 million industry. There is a challenge to keep the balance between having the commercial fishery viable and also having the stocks that these sports fishermen will utilize in Alberta. It's simple, but it's challenging to manage it. The only way we're going to do it is to be very, very innovative, and it's one of the most innovative projects you've seen.

The Speaker: Hon. members, before we proceed with Recognitions, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

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

Mr. Tannas: Mr. Speaker, I'm delighted to introduce three more guests who are interested in Bill 201. They're in the members' gallery: Jay Woosaree, Alberta Research Council; Laura Ferguson; and Louise Perkins. I'd ask these people to please stand and receive the warm welcome of the Assembly.

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much, Mr. Speaker. It's a real delight to take this opportunity to introduce to you and through you to the members of the House a great friend of agriculture in Alberta and one of the wisest fellows I know: he sold his farm and moved into the wonderful constituency of Edmonton-McClung, where he now resides and is a good friend. I'd ask Brian Heidecker to please stand and be recognized in the House.

2:30

The Speaker: Hon. members, there's a new face at the Clerk's table today, a visitor from the Legislative Assembly of Manitoba who's here with an exchange program, Mr. Rick Yarish. He's the Clerk Assistant and Clerk of Committees for the Legislative Assembly of Manitoba. He'll be here with us for the rest of the week taking part in the ambience of this very esteemed parliament.

This evening, as well, hon. members, the Eid Al-Adha ceremony. All hon. members are invited at 5:30 with a reception to follow in the rotunda.

head: **Recognitions**

Art Smith

Ms Kryczka: Mr. Speaker, I'm very pleased to recognize an amazing native Calgarian, Arthur Ryan Smith, CM, DFC, best known as Art Smith to Calgarians, Albertans, and Canadians. Art recently received the Order of Canada award in recognition of his exceptional record of lifelong public service. He was also inducted into the Alberta Order of Excellence in 1997.

Art Smith is one of a few Canadians to have served as a city alderman, member of the provincial Legislature, and three times elected to the House of Commons. He also represented Canada as the delegate to the United Nations in 1959, 1960, and 1961. Art Smith was founding chairman of the Alberta Economic Development Authority and founding co-chair of the Calgary Economic Development Authority. He was also founding president and CEO of the Calgary Homeless Foundation and remains the only honorary lifetime member.

Art was also an executive member of the organizing committee for the World Energy Congress; chief of protocol for the Calgary Winter Olympics; president of the Calgary Chamber of Commerce; president of the Air Cadet League of Canada; and board member of the Asia Pacific Foundation, the Calgary Airport Authority, and the Alberta Cancer Foundation.

Mr. Speaker, it is most fitting that Art Smith's exemplary public service commitment continues to be honoured.

Thank you.

The Speaker: The hon. Member for Medicine Hat.

Collaborative Law

Mr. Renner: Thank you, Mr. Speaker. Today I would like to take this opportunity to recognize a group of lawyers in Medicine Hat who are continuing to break ground in their promotion and practice of collaborative law. Medicine Hat is leading the nation in the growth rate of cases resolved through collaborative law.

The collaborative process is a client-centred process. The two collaborative lawyers are hired by their clients as settlement counsel to focus on settlement from the beginning of their retainer, to assist their clients in negotiations based on the clients' interests, to provide legal advice to their client to collaborate first and consider court as only a last resort.

Most traditional lawsuits are resolved before trial. The collaborative process is quicker, cheaper, and more amicable. Clients control the result and have a great deal of control over the cost and timing. Doesn't it only make sense that everyone agree not to go to trial in the first place? With constant pressure on the courts to deal with criminal matters, civil and family dispute resolution outside the court system is not only more effective for the client, it has tremendous potential to fundamentally change the way we operate courts in Alberta.

Congratulations to Janis Pritchard, David Carter, and over 30 others who are committed to practicing collaborative law in Medicine Hat.

Lakewood Community League

Dr. Massey: The Member for Edmonton-Ellerslie and I congratulate Lakewood Community League in Edmonton-Mill Woods as they mark their 25th anniversary. Over the years hundreds of community volunteers have served on the executive and along with others have been involved in providing a rich and wide variety of recreational, educational, and community service programs.

At the annual volunteer appreciation night on February 22 a number of awards were presented. Merit awards for outstanding and dedicated service were presented to Lisa LePage, Mike Bauer, Lyndon Bradshaw, Carrie McIlveen, and Peter Schenk. Merit awards for outstanding service and bingo volunteering were also given to Carol Badin, Wayne Robinson, Kim Hodda, and Neil Shewchuk. Six volunteers, Gwen and Keith LeClerq, Catherine Hunt, Nikki Bradshaw, Lorna Gallant, and June Sauer, were given a special 25th anniversary recognition award for having served five consecutive years as board members. Volunteer of the year was Nikki Bradshaw.

For 25 years Lakewood Community League volunteers have enriched the lives of Edmontonians in this part of the city. They have built and maintained facilities and instituted an enviable tradition of service.

Thank you.

The Speaker: The hon. Member for Grande Prairie-Wapiti.

Emerson Drive

Mr. Graydon: Thank you, Mr. Speaker. I am pleased to rise and recognize Grande Prairie's country rock band, Emerson Drive.

About seven years ago in Grande Prairie there was a high school talent show. That show began forming what would become Emerson Drive. Brad Mates, Patrick Allingham, and Chris Hartman played together for the first time. They decided to form a band and started practising in the Mates' family basement. Since that time they've gone on to several awards. They won the *Billboard* magazine top new country artists award, and from the Canadian Country Music Association they won the rising star award and the group of the year award.

Those who had the opportunity to see them or hear them at last year's Grey Cup will appreciate why the Peace region is so proud of Emerson Drive.

Thank you.

Peace Activism

Mr. Bonner: Mr. Speaker, last Friday evening I joined over 300 concerned citizens at the Canadian Islamic Centre, which is situated in the constituency of Edmonton-Glenarry, to listen to Jane MacKay Wright and Louis Schmittroth speak on the topic of Iraq and Palestine: Views from the Ground.

In 2002 these courageous Canadian grandparents traveled to the Middle East to observe the reality on the ground for civilians caught in the tragedies of war and social conflicts. Jane, a former professor of media arts, participated in a delegation to Iraq cosponsored by Christian Peacemaker Teams and Voices in the Wilderness to witness the effects of 12 years of sanctions and bombings on the civilians of this country. Louis, a retired computer science professor, took part in a journey to Palestine organized by the International Solidarity Movement to witness the reality of life in refugee camps and under military occupation.

The theme for both presentations was: in wars it is the civilians that suffer; let us look for alternatives to violence. It is because of their brave and valiant efforts that this important message is being spread and supported.

Thank you.

Scott Tournament of Hearts

Rev. Abbott: Mr. Speaker, I rise today to pay tribute to Deb Santos, Alberta's Scott Tournament of Hearts representative, and to Drayton

Valley, which hosted this year's Alberta Scott Tournament of Hearts from January 22 to 26, 2003.

Ms Santos won Alberta's tournament in Drayton Valley and ably represented our province at the national finals in Kitchener, Ontario, this past weekend. Against tough competition, Deb ended with a five and six record. The national tournament was won by Nova Scotia's Colleen Jones for the third straight year.

Mr. Speaker, curling is an important part of prairie life. It seems that as the nights grow longer and the days grow colder, the curling rink is where you go to find the spirit of community. In Drayton Valley our curling rink is filled with that spirit, both in the warmth of our volunteers and spectators as well as the camaraderie of competitors. This year's organizers did a first-rate job in ensuring that Alberta's Scott Tournament of Hearts was a success. They deserve a big pat on the back for their tireless efforts.

It's in mentioning events like this that I am truly proud to represent the people of Drayton Valley-Calmar, and so I ask all MLAs to stand up and give our curling volunteers, as well as Ms Santos, the recognition of this House.

Thank you, Mr. Speaker.

head: Presenting Petitions

The Speaker: The hon. Member for Calgary-North Hill.

Mr. Magnus: Thank you, Mr. Speaker. Today I rise in my place to present a petition signed by 1,644 firefighters representing about 75 percent of every available full-time urban firefighter in Alberta. The petition asks that the Legislative Assembly

amend the Worker's Compensation Board Act to create presumptive status for six cancers that have been conclusively shown to disproportionately affect firefighters as a result of the dangerous conditions in which [they] work.

Thank you, Mr. Speaker.

head: Introduction of Bills

The Speaker: The hon. Minister of Finance.

Bill 2

Financial Statutes Amendment Act, 2003

Mrs. Nelson: Thank you very much, Mr. Speaker. I beg leave to introduce Bill 2, the Financial Statutes Amendment Act, 2003. This being a money bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

Mr. Speaker, Bill 2 contains amendments necessary to move forward with a new fiscal framework that is designed to bring predictability, sustainability, and continued discipline to the budget planning process.

[Motion carried; Bill 2 read a first time]

The Speaker: The hon. Member for Little Bow.

2:40

Bill 203

School (Compulsory Attendance) Amendment Act, 2003

Mr. McFarland: Thank you, Mr. Speaker. I request leave to introduce a bill being the School (Compulsory Attendance) Amendment Act, 2003.

This is a bill to raise the school leaving age of Alberta students from 16 to 17 years, thereby increasing their educational opportunities to better meet the demands of the 21st century.

[Motion carried; Bill 203 read a first time]

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

**Bill 204
Insurance (Accident Insurance Benefits)
Amendment Act, 2003**

Rev. Abbott: Thank you, Mr. Speaker. I request leave to introduce a bill being Insurance (Accident Insurance Benefits) Amendment Act, 2003.

Mr. Speaker, Bill 204 would amend the Insurance Act to increase the limit on section (b) medical benefits delivered to those who have been in an automobile accident to \$25,000 over four years from the current level of \$10,000 over two years. As well, Bill 204 would include provisions for a dispute arbitration mechanism between insurance companies and claimants receiving section (b) medical benefits.

[Motion carried; Bill 204 read a first time]

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Environment.

Dr. Taylor: Thank you, Mr. Speaker. Last week in the House the Member for Edmonton-Ellerslie made some unfounded comments about Climate Change Central, so today I'd like to table in the House the appropriate number of copies of a number of Climate Change Central documents. Their actual progress reports and actions accomplished are in here, and I'd encourage the member before she makes those kinds of comments in the future to perhaps look at the information, and she would get more information.

The Speaker: The hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Speaker. I'd like to table five copies of letters supporting Bill 201, the Emblems of Alberta (Grass Emblem) Amendment Act, 2003. These are from the organizations as follows: Sandy Cross Conservation Foundation, Prairie Conservation Forum, Alberta Fish and Game Association, Alberta Native Plant Council, the Lethbridge Naturalists Society, the Alberta Wilderness Association, the Red Deer River Naturalists, Alberta office of the Nature Conservancy of Canada, Southern Alberta Land Trust Society, Vince Petherbridge, Karen De Groot, Shirley-Jean Mascherin, Lois Argue, Laura Ferguson, and the Western Stock Growers' Association.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I would like to table five copies of a letter from an Edmonton-Centre constituent, Janice Hoover, directed toward Dr. Jeffery Anderson, who's the chairman of the Alberta Foundation for the Arts. It's referencing the Artstrek program, which is now in its 43rd year, and that it produces the next generation of actors, playwrights, directors, and designers, ensuring that the theatre community remains vibrant and substantial, and urging Dr. Anderson to reconsider the cuts to the funding formula for this program.

Thank you.

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

Ms Carlson: Thank you, Mr. Speaker. Today I have three tablings. The first one is on behalf of the Leader of the Official Opposition. It's a letter to the Prime Minister with an attachment which is a

resolution opposing unilateral military action against Iraq which was passed by the Official Opposition of Alberta.

My second tabling is a letter from Barry Breau with the Alberta Environmental Network talking about forest certification and what a great project it is and how this government needs to pay a little more attention to it.

The third tabling is from Dean McQuay from Edmonton who is very concerned that the Alberta government is not keeping its promise to protect a critically important wilderness area being the Bighorn wildland recreation area.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I would like to table for the benefit of all members of the Assembly photocopies of the natural gas petition that reads, "We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government to reinstate natural-gas rebates immediately." These forms can be found at altaliberals.ab.ca. This group of concerned Albertans is from Round Hill, Edmonton, Spruce Grove, Legal, Acme, Donnelly, Lethbridge, Calgary, Elk Point, Kitscoty, and Riley, just to name a few.

Thank you very much.

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

Dr. Pannu: Thank you, Mr. Speaker. I rise to table five copies of a letter that I received from a resident of Ponoka who's a proud farmer, and he informed me that his electrical energy costs have increased by over 50 percent between 2000 and 2002. He puts a very tough question to me. He says:

If deregulation and subsequent price increases justified rebates to consumers in 2001, what is the rationale for not providing similar ongoing concessions until the deregulation debacle gets sorted out?

I don't have the answer. Thank you very much.

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

Mr. Mason: Thanks very much, Mr. Speaker. I have two tablings today. The first tabling is a letter from a senior citizen whose electrical bill has more than doubled and fluctuates each month. This letter is addressed to me and states: "I am a pensioner, living in my own home, on a fixed income. How can I budget on such ridiculous fluctuations?"

The second tabling is a letter from a resident of Leduc, dated February 11, 2003, regarding natural gas rates. This letter is also addressed to me and states, "The amount of \$727.63 is preposterous for a 2400 sq. ft. house with two (2) new furnaces."

head: **Orders of the Day**

head: **Written Questions**

The Speaker: The hon. Deputy Government House Leader.

Mr. Stevens: Thanks, Mr. Speaker. Proper notice having been given on Thursday, February 20, it's my pleasure to move that written questions appearing on today's Order Paper do stand and retain their places.

[Motion carried]

head: **Motions for Returns**

The Speaker: The hon. Deputy Government House Leader.

Mr. Stevens: Thanks, Mr. Speaker. Proper notice having been given on Thursday, February 20, it's my pleasure to move that motions for returns appearing on today's Order Paper do stand and retain their places.

[Motion carried]

head: **Public Bills and Orders Other than**
Government Bills and Orders
head: Second Reading

Bill 201
Emblems of Alberta (Grass Emblem)
Amendment Act, 2003

The Speaker: The hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Speaker. I'm honoured to move second reading of Bill 201, Emblems of Alberta (Grass Emblem) Amendment Act, 2003.

Last February the Prairie Conservation Forum approached me to sponsor a private member's public bill to amend the Emblems of Alberta Act to have rough fescue designated as Alberta's provincial grass. I was asked in part because Highwood contains a considerable portion of the remaining rough fescue grassland, which includes both the plains rough fescue and foothills rough fescue. Today I'm asking all hon. members of this Assembly to support the Prairie Conservation Forum and myself in amending the Emblems of Alberta Act to designate rough fescue, Latin name *Festuca scabrella*, as Alberta's provincial grass.

This rough fescue complex may also be recognized as three varieties or, as some taxonomists would prefer, three separate species, known as plains rough fescue, which is Latin *Festuca hallii*; foothills rough fescue, which is *Festuca campestris*; or the third one, northern rough fescue, *Festuca altaica*. Alberta is the only area that is home to all three members of the rough fescue complex.

Rough fescue is a long-lived, perennial bunch grass with deep fibrous roots which tap soil nutrients and bind soil particles. It is a self-curing, nutritious native grass and a major component of the rough fescue grassland, which makes excellent winter grazing. Its relatively high protein content provides good forage for wildlife as well as livestock, and its deep roots facilitate water penetration and act as a water retention factor in the watershed. A tussock of rough fescue has a life span of over 100 years, and consequently it produces few seeds each year with the occasional heavier seed sets every four or more years.

2:50

Range management conscious ranchers practise moderate grazing with their livestock following the 50-50 rule of thumb of leaving 50 percent and permitting 50 percent to be grazed each year. Rough fescue is also a decreaser when the grassland is overgrazed. Overgrazing decreases plant variety; however, zero grazing also results in less varied plant life than that of a moderately grazed grassland. Rough fescue has long been admired by the ranchers and cattlemen of Alberta and has provided a base for horse and cattle raising in Alberta since the 1880s.

You may ask, "Why a provincial grass?" to which I would respond: rough fescue is a very worthy symbol of our prairie heritage of rich grasslands and fertile soil, soil that was the gift of the grasslands to the first homesteaders and remains a gift to our farmers and our ranchers today. The prairie and foothills grasslands sustained the buffalo and Plains Indians for thousands of years before the ranchers and homesteaders arrived.

In the late 1980s a number of naturalists, conservationists, ranchers, government officials, both provincial and federal, agricultural groups, nongovernmental organizations, academics, researchers, and others developed a prairie conservation action plan to mobilize prairiewide efforts to conserve and manage native prairie species' communities and their habitats. As the Prairie Conservation Forum's chair, Cheryl Bradley noted in the 2001-2005 Alberta action plan: in as much as most prairie people today live in urban centres, the challenge is "developing a shared understanding of the prairie ecosystem, including recognizing the opportunities it provides and the limits it places upon us, and learning to care for our prairie home." In this recent action plan it's stated under goal 4, objective 4.1.2:

Implement a process to select a Provincial Grass that will be a symbol of our prairie heritage and convey a sense of prairie as home . . . for many Albertans. Design the selection process to raise awareness among Albertans about the ecology and value of native grasses and native prairie.

In early 2001 the Prairie Conservation Forum sent ballots to interested Albertans asking them to select one of five commonly widespread native grasses, and many MLAs who were here before the last election will remember receiving a letter and a brochure explaining the goal and the process. I had asked earlier for our pages to distribute copies of the Get a Grass ballot. The vote was announced in May of 2001, with the most favoured grass being rough fescue.

The choice of rough fescue as a prairie grass emblem or symbol for Alberta is supported, then, by associations and organizations who are members of the Prairie Conservation Forum, including, but to name a sample of its members, the Alberta Cattle Commission; Alberta Fish and Game Association; Alberta Native Plant Council; Alberta Wilderness Association; Canadian Parks and Wilderness Society; Ducks Unlimited; the Eastern irrigation district; Federation of Alberta Naturalists; the government of Alberta, including the departments of Community Development and Sustainable Resource Development; the Natural Resources Conservation Board; under the government of Canada the Department of National Defence, Canadian Forces Base Suffield; the Canadian Wildlife Service; Nature Conservancy of Canada; Shell Oil; Society of Range Management; and the universities of Alberta, Calgary, and Lethbridge.

Just as biologists, botanists, naturalists, environmentalists, and many others have for some years supported the protection of the tropical rain forests, members of the Prairie Conservation Forum wish to draw attention to the biodiversity of the remaining native grasslands, which have a unique ecosystem of their own. Our native grassland is not well suited to resisting the invasion of weeds and introduced plants when the grassland is plowed or disrupted by roads, canals, pipelines, or other disturbances. Such disturbances in today's remaining native grasslands areas compel us to advocate for increased research on how to repair and regenerate native plants in the disturbed areas.

With today's interest in the evolving Kyoto accord it is worth noting that an expert from the Agriculture and Agri-Food Canada research centre in Lethbridge and many other scientists as well feel that the native prairie grasslands are equal to the tropical rain forests as effective carbon soil sinks. Rough fescue's root mass and constant shedding of its deep rootlets make it an important component of carbon sequencing.

For thousands of years, then, rough fescue lands were the fall and winter mainstay not only of buffalo but of elk, deer, bighorn sheep on Alberta's plains, hills, and mountain valleys. These grasslands were the builders of the soil which sustains Alberta agriculture to

this day. I believe that it is fitting to recognize a suitable grass species such as rough fescue to help Albertans understand the importance of native grassland as an ecological unit, unique in its own right, and a grassland which is of major cultural and economic value to our province.

Rough fescue is found today in the southern two-thirds of Alberta: from the Cypress Hills in the south to the Grande Prairie plains in the north and in our foothills and mountain valleys as well as across Alberta's prairie lands. It has provided good winter feed for our native mammals. I mentioned the sheep, deer, elk, and bison, and today cattle and horses would be added to the list of beneficiaries.

No other state or province in North America has designated rough fescue as its official grass, and Alberta today has the largest remaining rough fescue grassland, which, while not endangered, is at risk. Making rough fescue our provincial grass emblem would, I believe, be an appropriate step to help Albertans recognize the importance of native grassland that is worthy of our respect and to preserve it for future generations.

I look forward to your comments and ask for your support on Bill 201.

The Speaker: The hon. Deputy Premier.

Mrs. McClellan: Mr. Speaker, thank you very much for this opportunity to speak in support of Bill 201, and I thank my colleagues in the House for accommodating me to speak at this time. First of all, I want to commend the Member for Highwood for introducing this bill to the Legislature and to say at the outset that I consider rough fescue an excellent selection as Alberta's provincial grass and, of course, appreciate the support that the Provincial Museum of Alberta has given this grass as well in determining it most appropriate. I would gather, as the Member for Highwood has indicated, that a majority of Albertans that took the time to fill out the ballot also concur. Certainly, it is the first choice of Albertans.

I wanted to just mention quickly the significance of emblems because I think they are significant. First, I would want to comment on our provincial colours – the blue and the gold represent the sky and the prairies – and our provincial tree, the lodgepole pine, which had a very significant part in this province's history. It was used to make railway ties in the very early years, and it continues to play a very major role in our forest industry in manufacturing poles, posts, pulp, plywood, mine timbers, and other lumber products. So I think rough fescue as a grass would be a great addition to this. I think it clearly indicates the importance of grass and agriculture to the development of the prairies and to the continuance of our province's economy.

This designation when passed – and I'll be the optimist in this – would make Alberta the second province in Canada, I understand, to designate a provincial grass, Saskatchewan being the first one. Maybe because we're prairie provinces we understand quite clearly the importance of grass.

Mr. Speaker, the agricultural history of our province does need to be preserved. It is the foundation of our province, and it will continue to play a vital role, and designation, I believe, will help ensure that our public understands what an integral role grasses play in the ecology and the environmental area of our province.

3:00

When the Prairie Conservation Forum set out in 1999 to select a grass emblem, I believe it was the Minister of Community Development that approved the project, and I would want to add my thanks to him. Certainly, one of their goals was to ensure that Albertans had a greater understanding and appreciation of the beautiful native

grasses that adorn our Alberta landscape. We're very pleased in Alberta Agriculture with this choice. We believe that of the more than 135 native grasses that could have been considered, rough fescue best meets the criteria of being widespread across Alberta as the hon. member has indicated. It's very easily recognized. It has a very high ecological significance. It's culturally important and economically important to our province.

[Mr. Shariff in the chair]

It was very vital to the survival of the pioneers who first settled this province in the 1870s. It provided the basis for most of the grazing for those homesteaders' livestock when they arrived. It's very hardy and can withstand the coldest of winters, and I thought that with the temperature hovering in the minus 30 degrees in the last couple of days, this would be something members would want to take into consideration. Without the sustainability of grasses like this, certainly agricultural development in our province would have been hampered and maybe just would have been unlikely.

I guess the most important thing to all of us who care a lot – and I believe it is all of us – about our native grasses, our native flowers: it continues to be a very, very important forage in the prairies and parklands of our province. It's still vital for the grazing of cattle, certainly horses, other animals, but it continues to be incredibly important for our wildlife whether it's our bighorn sheep, deer, elk, or bison.

The last thing I wanted to just comment on is that Alberta is the only province with all three species of rough fescue growing within its borders. I think that by recognizing it as our native grass we'll continue to ensure that all of those species continue to thrive and survive. This is an excellent step in preserving the heritage of Alberta and educating our public about the important role that wild grass species have played and will continue to play in our province.

So, again, my thanks and congratulations to the Member for Highwood for the foresight and insight to introduce this bill, and I look forward to hearing and reading other members' comments on it.

Thank you very much.

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

Ms Carlson: Mr. Speaker, I believe that two other members from the government side will go first.

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

Mrs. O'Neill: Thank you very much, Mr. Speaker. It is with great pleasure that I rise today and speak in support of Bill 201, the Emblems of Alberta (Grass Emblem) Amendment Act, 2003. I commend the MLA from Highwood for bringing this legislation forward for discussion and debate. It is apparent that this is a valuable bill and one to which I will be offering my support.

Bill 201 would amend the Emblems of Alberta Act to include a provincial grass. Rough fescue would become the official grass of Alberta, representing our prairies' heritage, culture, and tradition. Our provincial emblems symbolize the history, the people, the natural features, and certainly the values that together make what Alberta is. Each emblem embodies an integral component of our province's identity. Grasslands are a part of our history, our character, our economic wealth, and our environmental health. By designating rough fescue as an official emblem, we would acknowledge and celebrate the importance of prairie grasslands. Rough fescue would join other provincial emblems such as the great horned

owl, petrified wood, the lodgepole pine, the wild rose, and the colours blue and gold in symbolizing our province's heritage.

Mr. Speaker, with the passage of this bill Alberta would join Saskatchewan and several U.S. states in designating a provincial grass. Other jurisdictions have recognized the importance of having a symbol to reflect their history and culture and thus adopted provincial or state grasses as official emblems.

This province has over 135 different native grasses; however, rough fescue was chosen as the best candidate for a provincial emblem of Alberta. This grass represents our province's natural history, our province's role in agriculture settlement and development and economic importance, cultural significance, and historical heritage. While I recognize that this selected grass grows in only two-thirds of the province, Alberta is the only jurisdiction in North America that is home to all three subspecies of the grass. Designating rough fescue as our provincial grass would produce a very important benefit. It would lead to a heightened awareness of the importance that this native grass and native grassland species have had and continue to have on our province. The prairies are an extremely significant element of Alberta's past and present, and I believe that by officially recognizing rough fescue, we would indeed elevate the collective level of consciousness of Alberta's historical and cultural heritage.

Mr. Speaker, I would like to focus the remainder of my remarks on the importance of native grasslands to the Alberta prairie. The prairie is a fundamental aspect of our province's tradition, ecology, and heritage. The Alberta prairie grasslands as we know them were formed through geological processes in the course of millions of years. The prairie landscape has been and continues to be altered further by fire, flood, drought, wind, erosion, and even grazing. Each of these processes are dynamic and vary greatly in terms of time, space, and intensity. The alteration among these processes is a critical component of prairie biodiversity.

Eventually grass became the dominant vegetation of the prairies. Perennial grasses, various annual grasses, and many forbs thrive on the Alberta landscape. They have played a prominent ecological role in Alberta's past, and they continue to do so in the present. Prairie vegetation once covered over 14 percent of our province. Following the withdrawal of the glaciers, periods of drought caused many survival problems for the postglacial vegetation. The prairie plants grew complex root systems extending deep into the soil to find available water and nutrients. These deep-rooted grasses and drought-resilient plants prevailed to form the native vegetation of the land.

Mr. Speaker, our province is committed to the conservation of prairie grasslands. This government works in conjunction with other agencies to manage and preserve our native vegetation, while the conservation of prairie grasslands in community pastures relies on land managers, farmers, and ranchers who realize the value of and care for our natural prairie. Alberta's rural community has a deep sense of responsibility and stewardship towards the land, and this can be recognized through the passage of Bill 201. Designating rough fescue as the official grass of Alberta would heighten the awareness of our natural ecology. This designation would help to educate individuals about the importance of this grass species to our province. Albertans would develop a greater understanding and appreciation of native grasses. It is hoped that this could strengthen the efforts of conservation, preservation, and management of this vital ecological component of our ecosystem.

Our province's prairie grasslands are an integral part of our ecosystem, whose significance can be seen all the way from vegetation to consumer. Native grasses provide nutrition and sustenance for the livestock and wildlife that graze on the land.

Rough fescue in particular has a high protein and digestible carbohydrate content. Therefore, it is in the interest of the ranching industry to assist in the preservation and management of our natural habitat.

An increased awareness of the values, significance, and importance of the Alberta native grassland and parkland ecosystem may arise from official designation as a provincial emblem. As a direct consequence such a designation could highlight land use management practices and productive strategies that sustain diverse ecosystems across the whole prairie and parkland landscape. Our province has one of the largest terrains of grassland in the world. It is only appropriate for the province to embrace an emblem reflecting this prairie component. Rough fescue symbolizes the natural diversity across the province, spanning from the flat plains to the rolling foothills to the pristine Rocky Mountains. Albertans need to ensure that our native prairie with its wild plants and animals survives in our province and is conserved for its intrinsic values from which this and future generations can benefit.

3:10

Mr. Speaker, this provincial emblem would be more than just a grass. Indeed, it would be a symbol by which to acknowledge and reflect on the importance of our prairie heritage, tradition, and ecology. I strongly support this act and encourage all my colleagues to vote in favour of Bill 201, the Emblems of Alberta Amendment Act, 2003.

Thank you.

The Acting Speaker: The hon. Member for Calgary-Mountain View.

Mr. Hlady: Thank you, Mr. Speaker. The purpose of Bill 201, the Emblems of Alberta (Grass Emblem) Amendment Act, 2003, which I'm glad to have a chance to speak to this afternoon, is to designate a provincial grass. The species that has emerged as the favoured one is rough fescue.

The selection process for a provincial grass began in the fall of 1999 when the Prairie Conservation Forum took on the mission to get the government to designate a provincial grass. In April 2000 a group composed of individuals with expertise in native plants, range management, soil conservation, communications, and education was formed to spread awareness of and make the case for why Alberta should designate a provincial grass.

Alberta is graced with more than 135 different native grasses. The criteria used to select the five shortlisted species included widespread distribution throughout Alberta, ecological significance, cultural and social importance as well as economic importance. Furthermore, the grasses had to be attractive, easily recognized, and have socially acceptable common names. The five shortlisted provincial grasses, Mr. Speaker, included blue grama, green needlegrass, June grass, rough fescue, and western wheatgrass.

The goal, however, was to find the grass that best symbolized Albertans and our past. With this in mind the council left the final decision up to the people who knew best, Albertans. Over 2,000 Albertans from all over the province voted by mail-in ballot and e-mail from January to April in 2001. Alberta already has six natural emblems: wild rose, great horned owl, bull trout, bighorn sheep, lodgepole pine, and petrified wood. Garnering 37 percent of the vote, rough fescue was obviously the choice of people across the province as the provincial grass.

The rough fescue is described as a characteristic native grass of Alberta's grasslands. Mr. Speaker, all classes of livestock, particularly horses and cattle, as well as bighorn sheep, buffalo, elk, and other wildlife certainly use the rough fescue as a main feeding source

through the year. It is grazed in all seasons and retains a considerable amount of nutritive value after maturity. Its high spring protein and digestible carbohydrate content is extremely valuable to many species. During the winter season snow becomes trapped in the large clumps that form at the base of the grass, moistening and softening the foliage, thereby allowing good winter utilization. Rough fescue is the ideal forage for livestock and wildlife during the winter months.

Alberta is the only jurisdiction where all three subspecies of rough fescue can be found. Aside from limited colour differences and flowering characteristics, there is little that sets the three subspecies apart from one another. In terms of geographical distribution, plains rough fescue is prevalent in west-central Alberta, foothills rough fescue can be in the foothills region of Alberta, and northern rough fescue can be located in the Rocky Mountains region. Recently I did a tour through the foothills region of Alberta and got to see some of the wonderful placings of the foothills rough fescue and the importance to the elk as they migrate through the foothills. Alberta has the largest area of rough fescue grasses in North America. Rough fescue has earned the nickname "the queen of grasses."

Mr. Speaker, what I'm giving to you now are some comments from Albertans who had spoken when they were choosing a grass, and one of the quotes was:

In the summer and fall, I have often admired the fragile blooms of [Rough Fescue], but not until this winter while cross-country skiing, did I appreciate the beauty of those heads in winter as well. Because we did not have a heavy snowpack, I happened across a patch of their dried, rusty gold heads, still standing tall and strong, reflecting delicate shadows on the sparkling snow below. Truly a beautiful sight.

Anyone who says that Albertans don't have a poet in them just doesn't know very many good Albertans.

Mr. Speaker, another Albertan mentioned, "We depend on it for late fall and early spring grazing for our cattle." "Rough fescue is a high production palatable forage. Excellent quality winter feed." Upon the arrival of European settlers in the 1870s rough fescue provided sustenance to livestock which in turn provided food and income for the homesteaders. As agriculture and ranching grew in significance to Alberta, rough fescue played a major role in allowing ranchers' herds to survive the harsh winters in the early years. In the early stages of ranching there were no feedlots available at which ranchers could buy feed. Ranchers relied strictly on fattening their herds through open-range grazing from late spring to early fall. Doing so ensured that the herd would survive the harsh temperatures and the lack of grazing opportunities during the winter season.

Rough fescue has had the ability to adapt to the natural fluctuations in our prairie ecosystems. Rough fescue, however, does not have the ability to survive the changes initiated by man. The biggest change to the prairies since the 1880s is the change from native grasslands to cultivated crops, Mr. Speaker. It's well known that about 4 percent of the land, especially in southern Alberta, which is irrigated produces 20 percent of the crops here in Alberta. It's wonderful effectiveness, but at the same time we have lost some of our native grasslands to this. Lush grasslands were changed into crops to support human and livestock consumption. Researchers estimate that only about 20 percent of Alberta's prairie parkland region is in a condition which approaches its native state.

Allowing livestock to overgraze the land causes grass to not grow back as it would have had it been left alone for a sufficient period of time. Also, urban development, oil and gas development, and road construction have all played a part in the decline of our native grasses. New practices in range management are keeping grasslands healthier, however. There is a growing consensus among ranchers, ecologists, and biologists that native grasses are tremendously

important for ranching, the environment, and our economy.

Mr. Speaker, Bill 201 will ensure that rough fescue will remain an integral part of our great prairies and grasslands. Rough fescue is rooted in the land. Its roots can extend from four to six feet into the soil. The high nutritional value of rough fescue is due to its ability to dig deep and find the nutrients and resources and bring them to the surface. Rough fescue is a beautiful grass, tall and sturdy. It survives the winds of southern Alberta and stands ready to provide for another day. The spirit of all Albertans can be seen in rough fescue: strong and resilient, providing for each other through the riches that have been bestowed upon us by the land we live on, proud of our province and its people.

Mr. Speaker, I'm glad to support Bill 201, and we can proudly proclaim that we are as Albertans rooted in this land as well. Thank you very much.

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

Ms Carlson: Thank you, Mr. Speaker. It is my pleasure to rise this afternoon and support Bill 201, Emblems of Alberta (Grass Emblem) Amendment Act, 2003. It's nice anytime in this Assembly when we see issues of the environment and particularly the sustainability of the environment taking the forefront in discussion. Certainly, designating a grass and designating this particular grass gives us a focus on the importance of taking a look at the competing interests we have in this province at this time and recognizing how important the environment can be.

There is quite a bit of pressure on this particular grass, as there is on all regions of this province that are under environmental pressure, to be sustainable in the long run. This particular grass is a very hardy grass and is persistent, but under heavy grazing pressures or other kinds of frequent disturbances it also can become extinct or hard to cultivate. This grass grows on black, fertile soil, and it's, of course, a habitat preferred for cultivation in this province, so it's gone from much of the former range in central Alberta, particularly on the more level areas. Also, because it grows on fertile, black soil, it's under pressure from development, be that residential, urban kinds of developments or commercial developments, because we tend to populate those areas that have been successful in the past as farming areas. That also causes, then, fragmentation of the areas with roads and subdivisions, and it makes it susceptible to invasion by nonnative species.

3:20

Having said all of that, this is a perfect time to take a look at protecting this kind of grass, and designating it as one of the emblems of Alberta is a good way to do that. We do have some challenges facing us in terms of being able to keep this grass available and sustainable over the coming generations since we have had more than two-thirds of mixed prairie grassland regions being destroyed by cultivation. So the challenges that we see, really, as Albertans are to be able to commit to sound stewardship of the remaining grasslands so that this can be a living emblem forever in our province and to restore this rough fescue to lands where human-caused disturbances have resulted in the elimination of it or a significant decline. By doing that, we will contribute to the sustainability of ecosystems throughout the province. Grasslands are a basic building block for the sustainability of animals and other kinds of habitat.

So this is a timely time for this bill to come forward. It is a nice kind of legacy for this member to have in terms of all the kinds of good work he's done in this Legislature over the years, and we are very happy to support it.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. I am very pleased to have the opportunity to join my colleagues in support of Bill 201, the Emblems of Alberta (Grass Emblem) Amendment Act, 2003. I believe that this bill is extremely important to our province. Our provincial emblems help us define who we are. They symbolize our past, where we've come from, and allow us to see ourselves as we are today so we can see our path into the future. While Alberta has other natural heritage emblems, none symbolizes the importance of the prairies and agriculture to the province as the provincial grass emblem, and to me the rough fescue is the best grass to symbolize our province.

The gold heads of the rough fescue, standing tall, waving in the wind with roots that are deep, tenacious, and adapted to our prairie climates, reflect the heart and grit, the strength of the province and our people. Rough fescue was vital to the survival of those who settled Alberta, providing the basis for grazing when homesteaders first arrived. When people came to the prairies, it was because the grasslands offered the sustainability that the settlers needed for their livelihood. When my grandfather and before him my great-grandfather homesteaded here, the grassland was the stability of the family. It was essential to the development of the rural landscape.

We would most likely not have been able to sustain agriculture without the existence of rough fescue. It was extremely valuable as pasture grass for cattle and winter forage for wild animals. Due to its high nutritional value year-round, rough fescue has remained the most important forage on the prairies. In the same way, Alberta's and Canada's agriculture and agri-food sectors have been and continue to be key contributors to the high quality of life enjoyed by citizens across our province and country. I believe agriculture is our most important renewable resource and a major contributor to our economy in Alberta. I really believe that the longevity of agriculture on the prairies has a direct correlation to our stewardship of the land and the grasses.

Our challenge as the province continues to grow and prosper is to find a balance between economic growth and environmental protection. In many areas of the province we have changed the landscape and the ecosystems from native grassland to cultivated crops. As well, stop for a moment to consider the volatility of the grasslands in a drought. We have to be exceptionally cognizant of how fragile this resource is and how important it is to nurture it, to protect it, and to look after it for the security of our future as Albertans.

As Dr. MacEwan wrote in 1969, "I believe I am an integral part of the environment and, as a good subject, I must establish an enduring relationship with my surroundings. My dependence upon the land is fundamental." He also said, "I believe the biggest challenge is in being a helper rather than a destroyer of the treasures in nature's storehouse, a conservator, a husbandman, and partner in caring for the Vineyard." As a farmer and a rancher I have been dependent on the land for my livelihood and know firsthand the benefit and the value of living in harmony with the land.

As in so many areas, the successful balance can only be reached with the involvement of all partners: government, business, and the public. New practices in range management are keeping grasslands healthier, and I think that this legislation is an excellent complement to these efforts.

Designating rough fescue as our provincial grass emblem will raise awareness about the importance of Alberta's native grasslands. It will provide opportunities for Albertans to develop a greater understanding of and appreciation for the ecology of native grasses, the grasslands, and their cultural and economic importance. Al-

berta's grasslands are an important part of our heritage. They are so vital to the survival and existence of our agricultural industry. They are also a source of rejuvenation for our spirit, maintenance of our soul, fulfillment of our hearts, and enhancement of the beauty of our province.

By contributing to our evolving knowledge of the value of our grasslands, Bill 201 will help ensure that this precious natural resource is maintained and enhanced for generations to come. Then and only then will we be able to echo Dr. MacEwan when he wrote, "I am prepared to stand before my Maker, the Ruler of the entire universe, with no other plea than that I have tried to leave things in His Vineyard better than I found them."

Thank you, Mr. Speaker.

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

Dr. Massey: Thank you, Mr. Speaker. I, too, am pleased to support Bill 201, Emblems of Alberta (Grass Emblem) Amendment Act, 2003. The Member for Highwood, who brought the bill forward, along with a number of other speakers has made the case for choosing rough fescue very well. It's interesting because the selection of rough fescue joins a long list of other emblems that this Assembly has adopted in the past, and that includes the bighorn sheep, petrified wood, the bull trout, the wild rose, the great horned owl, the lodgepole pine, along with the tartan and the flag of the province and, of course, the very first emblem, our coat of arms.

3:30

The last few selections have gone fairly unchallenged. I note with interest that there was a vote on the choice of this grass, and rough fescue was the choice, but in the past some of the emblems chosen by the government have been challenged. It was right at the beginning, when the province was first instituted, in 1907, when the first Premier, a Liberal Premier, Rutherford, put forward a proposal for our coat of arms. In petitioning the Crown, they described it as "azure [in a] range of snow mountains with blue green coloured foothills, to a lighter green prairie into a golden wheat belt." This was based on a design that Mrs. MacCully from Lacombe had put forward, and it wasn't received very well by the College of Heralds in London. Initially they were quite critical, calling it "of the poorest class of heraldry" and indicating that it was inadmissible.

The road to emblem-naming since then thankfully has been much easier, and we've been able to change the provincial coat of arms over the years without similar interference or concern, as we have our flag. In 1967 the government proclaimed the official flag of Alberta, settling on the arms with a background of royal ultramarine blue, which was said to represent our unpolluted skies. In 1980 the government sought to beef up the coat of arms for the 75th anniversary of the province by adding a pronghorn antelope and some wild roses. They added the pronghorn antelope because Manitoba had already taken the buffalo.

I guess the point I'm making, Mr. Speaker, is that the selection of an emblem, something that stands for our province, is an important piece of work. In the past there's been a lot of time and effort put into choosing and bringing forward proposals, much as there is for this proposal, and I congratulate the individuals and the associations that have been involved in putting forward the proposal we have before us today. As I said, I'm pleased to support the bill that we have in front of us.

I think that with those comments, Mr. Speaker, I'll conclude. Thank you.

The Acting Speaker: The hon. Member for Cardston-Taber-Warner.

Mr. Jacobs: Thank you, Mr. Speaker. Certainly pleased today to rise and participate in the debate on Bill 201, the Emblems of Alberta (Grass Emblem) Amendment Act, 2003. I would like to note that as a third-generation rancher in southern Alberta whose grandparents came to that area about 1900, I certainly appreciate the importance of good grass and can tell all hon. members that without grass, ranches do not succeed. I've often tried to visualize in my mind the stories my grandfathers told me as a child, where they rode into that country and all they could see was grass up to their stirrups. That must have been a great sight and something that those of us who live today will never be able to see.

I think it's important, Mr. Speaker, that a society recognize the historical significance of its past. Therefore, I think it's important that we do this remembrance of this important grass to our history and our heritage. So I would like to take a moment and express gratitude and appreciation to the hon. Member for Highwood for all the effort he has put into making rough fescue our province's official grass.

Like all the official symbols of the province of Alberta the recognition of rough fescue as our provincial grass is as Albertan as the wild rose flower, the big horn sheep, or the lodgepole pine. Each of these emblems depicts a significant piece of our heritage and exemplifies our rich diversity and history. Although critics may dismiss the process of choosing rough fescue as the official grass of the province, it was in fact a process that involved the contributions of many, many Albertans. Mr. Speaker, I believe it's important to note that the hon. Member for Highwood facilitated this democratic process of choosing rough fescue through the Prairie Conservation Forum. This process included the participation of all Albertans in choosing rough fescue as a potential addition to our provincial emblems. It truly exhibited the great process of democracy we have come to hold so dear to our hearts in this Assembly.

Provincial emblems represent more than simple mementos for promoting a particular piece of our province. Provincial emblems are a special way of showing both the citizens of Alberta and the visitors to Alberta what our province is about. Nowhere, Mr. Speaker, is this more evident than with the long history of rough fescue and its importance to our agricultural community. Ecologically it would be hard to argue for a better grass to represent Alberta. Rough fescue has a wide geographic range in Alberta, covering the foothills, the montane, and the prairie regions of the province. The grass known as rough fescue consists, as others have said, of three closely related species that have between them adapted to the diverse habitat found in Alberta. Of all the western provinces only Alberta has all three rough fescue species within its boundaries. This is truly an Alberta grass.

Agriculture has been the backbone of our economy for over a century now, dating back to well before our province had its inception. Long before the oil and gas industry ruled the economic landscape here, agriculture was the leader that provided the majority of our families in Alberta with a living. As the dominant grass occurring in many first-settled areas of Alberta, rough fescue played an important role in agricultural development. Not only did it provide critical winter feed for livestock, but it ultimately sustained pioneering farms and families from the hardships incurred during the settling period.

The prairies of southern Alberta were viewed as a barren, hard, and lonely landscape by many settlers who arrived here in the 19th century. To many European immigrants the prairies provided a stark contrast to the seemingly more hospitable environment of their homeland, but the settlers also saw the prairie as a land of opportunity, a wilderness frontier which had to be tamed. These early perceptions of the prairies have significantly influenced the forma-

tion of many positive societal attitudes about acceptable human interactions within the prairie landscape and its value to us as Albertans.

Mr. Speaker, Albertans have long held a strong spiritual and philosophical value toward the prairies and rough fescue as an integral part of these core values, the values of family, community, and deep sense of heritage. The Alberta prairie landscape is a part of our cultural history and a significant aspect of our Canadian identity. Many aboriginal people and farmers and ranchers who live in close contact with the prairies have strong emotional ties to the land and its creatures. They feel a responsibility to be good stewards of the land. People who are highly dependent on the land for their livelihood inevitably come to realize the benefit and value of living in harmony with the land. The prairies are a source of aesthetic pleasure, and certainly rough fescue contributes to that appeal. Some people find beauty and inspiration there. It appeals to their eyes, hearts, minds, and imaginations and inspires writings and works of art. Just knowing that there are still native prairies provides an intangible though powerful source of spiritual refreshment. For people seeking escape from urban life, the prairies provide opportunities for solitude and reflection, a retreat where one can experience the natural world.

Some people believe that prairie species and the prairie ecosystem have an intrinsic right to exist in the same manner as other species and natural communities. Therefore, it is important for the province to recognize rough fescue as one of our provincial emblems and protect this vast prairie resource with extreme care and diligence.

3:40

As well, Mr. Speaker, beyond the social and philosophical value of the prairies and the habitat that it supports, the prairies of Alberta also hold a scientific and biological value. As one of the major ecosystems of North America the prairies are rich in biodiversity and genetic resources. Drought, grasshoppers, infestations, prairie fires, floods, and other natural processes have dramatically altered the landscape over a period of many thousands of years. Although it has experienced significant pressure and change, the prairie ecosystem as a whole has survived. Prairie species have at different times either flourished or have had to cope with population declines. Species that were uniquely adapted to the prairies were able to survive and pass on their genetic code to a new generation.

In our recent past human use and development of the prairie has resulted in the decline or demise of several plant and animal species. As a result, many people are concerned about human activities that lead to the extinction of prairie species. Bill 201 speaks to these concerns, Mr. Speaker, and highlights the importance that we place on our prairie resources. Because we know so little about how complex ecosystems work, we don't fully understand the function and value of individual species within the larger prairie ecosystem. We have only recently come to realize that it's wise to conserve as much of the planet's genetic material as is possible both to perpetuate natural systems and to provide future benefits to the human race. This is particularly true in our technologically advanced society, where research in genetic manipulation and the development of new hybrid species have progressed rapidly, leaving many ethical questions unanswered.

A large number of useful hybrid species have been developed from native grasses. Studies have shown how native prairie plants may be more efficient at soil erosion control, nutrient recycling, nitrogen fixation, and keeping insect and weed species under control than tame grasses and other crops. Native rangeland, with its broad diversity of plant life, including rough fescue, may have greater value as cattle feed than hybrid barley, corn, and forage crops, all of

which are grown predominantly as a single monoculture crop. Recent studies have shown that cattle which are finished for market on native grass rather than on domestic feeds produce meat with a higher conjugated linolenic acid content. Conjugated linolenic acids are antioxidizing and anticarcinogenic agents which are important to human health.

Mr. Speaker, with the recognition of rough fescue as the official provincial grass, it is in the province's interest to protect its native landscape and one of its provincial emblems from extinction. The economic and social value of the prairie landscape are also significant assets that are an important part of our economy.

The Acting Speaker: Hon. member, you've run out of time.

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I rise this afternoon to participate as well in the debate in second reading of Bill 201, Emblems of Alberta (Grass Emblem) Amendment Act, 2003. After listening to the previous hon. members of this Assembly in their endorsement of this legislation, it is certainly noteworthy. It is noteworthy that this Assembly would consider another symbol for this province with our centennial coming rather quickly, in another two years, that we would initiate an official grass from a field of five.

As I see here, we have an election of the rough fescue grass as our native grass. Also under consideration was the western wheat grass, the blue grama grass – and it's interesting to note that that's already designated in two states of America: Colorado and New Mexico – the green needlegrass, and it was not designated anywhere else. The June grass was overlooked by the electorate in this case, and perhaps the hon. Member for Highwood, who introduced this legislation, could in committee update us on the balloting that occurred at the Prairie Conservation Forum on the second floor of the Provincial Building in Lethbridge. The June grass, interestingly enough, grows all over the province. The rough fescue grows in an area, oddly enough, if you were to look at the map of Alberta, running east and west to as far north, maybe a little further north, as the town of Grassland, maybe Wandering River, maybe a little bit further. That's the range north of the rough fescue, but it is interesting that the June grass would grow all over the province. In the balloting that occurred, I for one would have an interest in just how many ballots were received, and was it the overwhelming choice of those who took the time out to participate to make the rough fescue our latest provincial symbol?

Now, Mr. Speaker, when we think of setting aside a grass like this and if it's going to be a special plant or a special grass, then are we also going to set aside a specific area where future generations can see this? The hon. Member for Edmonton-Ellerslie has suggested that it grows in a lot of different areas. It grows in a lot of places that are already protected, but the hon. member also spoke about special places designations and the fact that we are statistically underrepresented in special places allocations for grasslands. Perhaps at some point in the very near future I will be surprised by this government, particularly in light of the rather loud debate that went on last fall regarding the Kyoto protocol, that this Assembly will entertain the legislative proposal that we will set aside additional grasslands for future generations not only to enjoy but also to study. I think this is very important.

One only has to look at the fact that the Athabasca Glacier in the 100-year time frame that this province has existed has shrunk by two-thirds in volume. So not only would the notion that we would be willing to set aside areas for future generations to enjoy and study be notable, but I think it would be a step in the right direction as far as public policy is concerned. We have to realize that this province

is not an isolated island. We are members not only of the North American community but also the world community, and what we do here at a local level as far as conservation impacts everyone. Everyone. Mr. Speaker, we certainly are a member of the global village.

When you look at this bill, I think it's a good idea. We have certainly the rough fescue as it was described earlier in the opening remarks by the hon. Member for Highwood. Yes, there are three different types. There are northern, the foothills, and the plains rough fescue. It needs to be recognized, and it needs to be protected, and I think this is a good first step.

Thank you, Mr. Speaker.

3:50

The Acting Speaker: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. It is indeed an honour to rise today and speak on behalf of the Emblems of Alberta (Grass Emblem) Amendment Act, 2003. Again I want to start by thanking the hon. Member for Highwood for his efforts to adopt a new emblem that all Albertans can be proud of.

From the members who have spoken before me we have heard of the importance and the qualities of rough fescue in Alberta. I'd like to shift gears a little bit, Mr. Speaker, and talk about the selection process through which rough fescue was selected as the candidate for our provincial grass. Before I tell you about the selection process, a few words about the network that put the selection process together.

The Prairie Conservation Forum, Mr. Speaker, made up of 27 nongovernmental organizations and 20 provincial and federal bodies, played the lead role in setting up the selection process. The forum is a broad voluntary coalition representing agricultural groups, conservation groups, land and resource management organizations, federal and provincial agencies, industry, and academia.

The Prairie Conservation Forum has three broad objectives:

1. develop and implement broad strategies and focused initiatives for conserving native prairie ecosystems;
2. encourage information exchange among member organizations; and
3. raise public awareness about management issues pertaining to prairie landscapes, habitats and species.

The Prairie Conservation Forum typically meets three times a year – January, May/June, and September – in various locations within the prairie and parkland areas of Alberta. A steering committee meets between meetings to review and ensure implementation of actions agreed upon at the previous meetings and to plan the meetings. All forum meetings are open to the public.

Mr. Speaker, the Prairie Conservation Forum plays an integral role in creating awareness and preservation of Alberta's ecology. Its goals and the way it conducts its business are commendable. Some notable accomplishments of the forum include the development, publication, and implementation of two Alberta prairie conservation action plans, 1996-2000 and 2001-2005, which focused on conservation of biological diversity in prairie and parkland Alberta.

The forum also promotes education and awareness in the area of prairie conservation targeted at landholders, decision-makers, industry, and the public using various media, including a web site, brochures, displays, pamphlets, posters, writer kits, conferences, and speaking engagements. The forum has developed a university course, topics on prairie conservation, which has been offered as a senior seminar course by the department of biological sciences at the University of Lethbridge since 1998. The Prairie Conservation Forum has also established a proposed national wildlife area at Canadian Forces Base Suffield that resulted from discussions initiated by the Prairie Conservation Forum.

Mr. Speaker, it is obvious by this list of achievements that the Prairie Conservation Forum is dedicated to the preservation of Alberta's natural landscape while acknowledging the economic realities of the 21st century. It is for these reasons that the Prairie Conservation Forum was the perfect organization to conduct the selection process of the provincial grass.

In the fall of 1999 the forum initiated a project to select a provincial grass emblem for Alberta. The purpose of the project was to choose an official symbol of our prairie heritage and of the prairie as home for many Albertans. The process of selecting and officially designating a provincial grass, according to the Prairie Conservation Forum, would help Albertans to better understand and appreciate the ecology of native grasses and grasslands and their cultural and economic importance. The concept was approved in February 2000 by the provincial Minister of Community Development. In April 2000 a provincial grass working group was formed, comprised of several experts in native plants, range management, soil conservation, communications, and education whose organizations were represented on the conservation forum. The work of the provincial grass group was facilitated by the Alberta Native Plant Council's representative on the forum. The Society for Range Management served as the financial administrator, and as of December 2001 over 500 volunteer hours had been devoted to the project. A grant of \$5,000 from the Sport, Recreation, Parks & Wildlife Foundation helped to cover the costs, and there were generous contributions of photographs and artwork.

Of more than 135 different native grasses in Alberta the prairie members selected five to be shortlisted for consideration as a provincial grass: blue grama grass, green needlegrass, June grass, rough fescue, and western wheat grass. Among the characteristics shared by the shortlisted grasses, we find that they're widespread in Alberta and easy to recognize. Mr. Speaker, all of them are highly ecologically significant, specifically with regard to dominance, wildlife use, or at-risk status. Moreover, the five grasses are culturally significant and have great traditional and horticultural uses. They are also economically important, providing forage and use in reclamation.

An attractive colour brochure was developed profiling the five species and providing information on grasslands in Alberta. Media releases inviting all Albertans to participate in selecting a grass were distributed through the province from January to April 2001. Articles appeared in numerous magazines and newspapers, and several interviews with working group members aired on radio and television. Information on candidate species was posted on the conservation's web site, and over 8,000 brochures were distributed to some 40 Prairie Conservation Forum member organizations, schools, 4-H groups, interpretation centres, relevant academic institutions, MLAs, and the general public upon request and through government offices. Brochures were also made available at several conferences on agriculture, environment, and education.

After this thorough and democratic selection process, Mr. Speaker, an overwhelming choice for our provincial grass was rough fescue. Over 2,000 Albertans from many parts of the province voted by mail-in ballot and e-mail between January and April 2001. Rough fescue received 36 percent of the vote cast, with June grass coming second at 28 percent. Reasons given by Albertans for choosing rough fescue as a provincial grass were that it is an attractive and sturdy grass providing nutritious food for grazing wildlife and livestock in winter and summer and that it is an indicator of well-managed rangeland. Other reasons were that Alberta is the largest area of rough fescue grassland anywhere in North America; rough fescue grasslands are at risk; and, lastly, rough fescue is not designated elsewhere as a provincial or state grass. At the moment

Alberta has six natural emblems: the wild rose, the bighorn sheep, the great horned owl, the lodgepole pine, the bull trout, and petrified wood. And I surely can relate to that in this room. Given that Alberta is a prairie province, I believe it is appropriate that Alberta have an official grass emblem, just as most other Great Plains provinces and states do.

4:00

It is clear, Mr. Speaker, that the selection process that brought rough fescue forward as the nominee for a provincial grass emblem was complete, fair, and democratic. I would like to take this opportunity to thank the Prairie Conservation Forum for all the hard work and dedication in this matter. Alberta is culturally, ecologically, and economically rooted to the prairies. A provincial grass will reaffirm our prairie heritage to Albertans. For this reason I urge all my colleagues here today to support this bill and help create an emblem that bonds present and future generations of Albertans to our prairie character.

Thank you, Mr. Speaker.

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

Mr. Renner: Well, thank you very much, Mr. Speaker. I'm very happy to have an opportunity to rise today and speak to this bill. Interestingly enough, I had originally indicated that while I was supportive of the bill, I told the member that's bringing forward this bill, the Member for Highwood, that I probably would not be available to speak. However, given that there is time and we've had a lot of discussion on this bill, I thought I would take the opportunity given to me to just make a few comments on the bill.

First of all, I think it's appropriate, although I'm a city boy through and through, that I have an opportunity to discuss this bill, given that the area I live in is often referred to as the grasslands area. The city of Medicine Hat is located within shortgrass everything: we have Short Grass Ranches; we have Shortgrass Library System. We have all kinds of reference to our prairie heritage. Mr. Speaker, I live in the city of Medicine Hat with manicured lawns and don't have access to a whole lot of wild grass. On the other hand, I live in an area where many are very much cognizant of the importance of wild grass in our heritage and the tremendous way that the natural grass has contributed to the development of not only southeastern Alberta but, really, all of Alberta. So I'm very pleased that the member has brought forward this bill and proposes to signify one of the grasses of Alberta as a provincial emblem.

Mr. Speaker, let's talk just a little bit about the process. As members of my caucus certainly are aware, I have been critical at times of the private member's bill process. Frankly, I believe that there are times when we have passed bad legislation in this House through private members' bills because there has not been ample opportunity for the member to do sufficient research, there hasn't been ample opportunity for the public to be sufficiently knowledgeable about what is being proposed in a private bill, and I think, probably most importantly, there have not been sufficient resources available to individual members to consider the long-term ramifications that passing a law, that has exactly the same law as every other bill that's introduced in this House, may or may not have on the future of Albertans. In this particular case, I'm very pleased and happy to say that none of the aforementioned concerns apply.

The member has taken a tremendous amount of time and diligence in consulting with various stakeholder groups. The process by which we have selected the grass, the rough fescue grass, has been well documented by others in their debate this afternoon, so I won't get into that, but there has been ample opportunity for the public to have

input into this. From a point of view of long-term ramifications, the nature of this bill is such that I don't think that 10 years from now we're going to come to regret dealing with this issue in this House. After all, Mr. Speaker, designating a grass as a provincial emblem is a significant event in this House, but it's probably not a life-changing event for most Albertans. So I have absolutely no difficulty. In fact, I am very pleased to support the bill this afternoon.

Now, some have said that rough fescue, perhaps from the perspective that it is not native and does not grow in all parts of the province, should not have been chosen. However, I'd like to point out to all members that we have an emblem in Canada that all of us hold very near and dear to our hearts, and that's the maple leaf. I'm not sure that I've seen too many maple trees growing in this part of the world either. That doesn't mean that that emblem is not important and is not a significant emblem for our nation, Canada. In much the same way, fescue, for all of the various reasons that others have spoken to this afternoon, makes a very, very logical grass to use as a provincial emblem. We've heard about the longevity of the grass, the fact that the grass has deep, deep roots and can survive droughts and makes the best use of snow in the winter. All of these various factors, I think, speak well of the way that this grass mirrors in many ways the long roots that Albertans have in this province.

Mr. Speaker, I want to also spend just a little bit of time talking about some of the groups that have been involved and acknowledge the fact that, in addition to the Member for Highwood, a number of other groups have been instrumental, I think, in bringing this bill forward and, in fact, staying in touch with the MLAs. I have had contact with a number of groups, and I congratulate them and thank them for being involved in the process, in particular the Prairie Conservation Forum, which was instrumental in the process in dealing with the discussion related to the initiation of a grass emblem and then following through, with the assistance of a number of people and organizations, to eventually choose the winner, which is rough fescue. I think it's a tribute to that organization and to all of the naturalists throughout the province of Alberta that everyone has come together and is working so hard to see this bill come to fruition.

Mr. Speaker, I indicated that I didn't plan on speaking for a long time on this bill, but I am pleased that I have an opportunity to talk about some of the, I think, very valid and good reasons why I, like so many others that I've heard speak this afternoon, will be supporting this bill, and I encourage all others to support it in the same way.

Thank you very much.

The Acting Speaker: The hon. Minister of Government Services.

Mr. Coutts: Thank you, Mr. Speaker. It is really, indeed, a pleasure to stand this afternoon and speak to Bill 201, the Emblems of Alberta (Grass Emblem) Amendment Act, 2003. I'm just really delighted to be able to speak to and support this particular bill. I think it's fitting that the hon. Member for Highwood is the individual to bring this particular bill forward, not only in recognition of all the work that he's done for it, but if you happen to know the constituency of Highwood, it has within it one of the first rangelands designated as public land, where cattle were free to roam, and large ranches were settled there. From an historic point of view, it's appropriate that that individual from Highwood brings this particular bill forward.

It's not only that, but Albertans, you know, look towards their environment, and things like fescue grass represent some of the values that have been traditional in our province. As well, you look at the absolute respect that ranchers have for that particular grass, the

resiliency of the grass, not only for what it did for the buffalo, but those original ranchers found they could use it for raising the best cattle the world has ever seen. It is a testament to their fortitude.

4:10

Also, through our provincially protected areas we ensure that our natural heritage remains vibrant, that it remains strong and protected for today and for future generations. The intent of the designation of a provincial grass emblem is to select an official symbol of our grassland and our prairie heritage. This grass emblem will join the ranks of our other natural heritage provincial emblems. We've heard about them all, but I want to provide just a bit of a different perspective to that today. I will be proud to say that I stood up and supported this particular designation.

Every year when I go to my grade 6 classes, I give them a little quiz: what are the provincial emblems? Hopefully, next year we'll be able to say: yes, the provincial grass. Particularly in our area, with the northern fescue that is there, we'll be able to include that with the wild rose. It's synonymous around the world as our provincial flower. In the Crowsnest Pass area, where the lodgepole pine is predominant, we also will be able to add the grass to that. Of course, we've got the petrified wood down in our area right close to the Burmis tree, and although we don't see many great horned owls in our area, our kids always enjoy the significance of the little pin that we give them. So along with the Rocky Mountain bighorn sheep, that we see in our area, and the bull trout, that graces our wonderful, clean streams throughout the Rocky Mountains, we're adding this grass. I think it's something that my constituents will certainly identify with.

These emblems reflect the province's history, its natural diverse landscape, and its flora and fauna species richness. They represent elements of Alberta that are important to us all because they are symbolic of the wild, natural, and bountiful Alberta, that is home to aboriginal people and that first attracted European settlers to western Canada. Evidence of how important the grass was to the native people in bringing up the buffalo can be seen by visiting Head-Smashed-In Buffalo Jump. You can see evidence of that grass today at Head-Smashed-In.

Ecologically, it would be hard to argue for a better grass than rough fescue to represent the province of Alberta. Fescue grasslands are symbolic of natural and human-based systems and host a rich range of contrasting elements that do indeed reflect the diversity of the province. From a natural history point of view Alberta is the only place in North America that contains all three species of rough fescue. This grass is fairly widespread in the province and is found in four of the six natural regions in our province, those being the grassland, the parkland, the foothills, and the Rocky Mountains. Rough fescue ecosystems are the mature grasslands in the grassland natural region, and they are as synonymous as the old-growth forest in the boreal forest natural region. Because of the unique way that this grass retains nutrients in the system, it's a critical winter food source for wildlife, including important big game species of the prairies and the foothills.

From a human history perspective it is difficult to see how the parkland, grassland, and foothills regions of the province could have sustained agricultural development without rough fescue. It provided critical winter feed for livestock and sustained pioneering efforts on the prairie. Today it is recognized that an extensive cover of rough fescue is an indicator of a well-managed rangeland. No better evidence of the resiliency of this grass could have occurred than in the famous Granum fire of 1997, where 110 sections of prairie native grassland were burnt. Those ranchers and those farmers, yes, had to take their cattle to other areas because there was

no feed for the winter, but the next spring – it was an amazing thing, Mr. Speaker – with the extra rainfall that we had, that grass came back after a really intensive fire going over it. That's a testament to the root system and the depth that the roots go to preserve the vitality of the roots so that it will regenerate itself again next year. Within two years cattle were back on those barren lands, and because of its resiliency those ranchers did survive through a very, very difficult time.

Identifying rough fescue as Alberta's official grass emblem will contribute significantly to the conservation of natural grasslands. Our action to recognize this grass will go a long way to inform Albertans about native grasses and their ecological, cultural, and economic importance to the province and will aid in the efforts to educate the public about the critical importance of wild grass species to both the natural and human history of our province of Alberta. Albertans are proud of their province and will continue to help to protect the natural diversity that is found across this province, and I know that ranchers, who are probably the best stewards of the land, know this probably better than anyone.

This is evident in the success of the special places program, which took place in Alberta and involved the process of nominating, identifying, and establishing new parks and protected areas around the province. Alberta's parks and protected areas network conserves many of the most spectacular natural areas in the world from majestic mountains and wide-open prairies to the mystical badlands and the vast northern forests.

Alberta parks and protected areas are living libraries and laboratories of provincial natural heritage, and I know that the Minister of Community Development, the Member for Edmonton-Mill Creek, is responsible for protected areas. I know him as a former educator, and I believe I can speak on his behalf when I strongly say that in the benefits of life-long learning not only through the formalization of the education system but also as a part of exploration and the discovery of processes in life, education is necessary to ensure the sustainability of the province's natural features and biological treasures. As outdoor classrooms our protected areas offer hands-on exploration and a connection to a variety of natural ecosystems found in Alberta and contribute to our evolving knowledge of Alberta's natural and cultural history.

The Acting Speaker: I regret, hon. member, that your time has run out.

Mr. Coutts: Thank you very much.

4:20

The Acting Speaker: The hon. Member for Airdrie-Rocky View.

Ms Haley: Thank you very much, Mr. Speaker. It's a pleasure today to rise and be able to address this bill and actually offer support. Many of my colleagues will know how difficult it is for me to actually support a private member's bill, so congratulations to the hon. member. I'd like to thank my colleague the hon. MLA for Highwood for introducing this great idea. As has been mentioned repeatedly in here, Alberta has a number of emblems that represent Alberta's heritage and deep connection with our great outdoors, the Rocky Mountains, and the prairie life. The addition of rough fescue will help represent the importance of ranching and agriculture to the province of Alberta and, therefore, nicely complement the rest of the emblems.

I want to briefly revisit some of our other emblems to show how the proposed addition of rough fescue fits well with the existing provincial symbols. The first and perhaps most easily recognizable

Alberta emblem is, of course, our wild rose, and many of us know it as a blossoming pink flower that beautifies the Alberta countryside and adorns the top of our licence plates. It's also something that, for a child growing up in Alberta, was one of the first flowers that was out in the spring, and you just couldn't help but recognize its beautiful scent and just the joy. I think there were many of us as children that would collect them and press them into our textbooks, which was probably not a great idea but hard to resist.

One of our other emblems is the great horned owl, which was selected as the provincial bird by schoolchildren in 1977. This bird is a year-round resident of our province and as a resilient and resourceful bird shares some of the same characteristics that Albertans are famous for.

The next Alberta emblem that I'd like to mention is the official stone, which is petrified wood. Petrified wood and stone seems like a strange combination, but it was selected as our provincial stone largely due to its natural beauty but also because it was created during the same era as Alberta's oil reserves. The semiprecious stone symbolizes the importance of oil and the energy industry to this province.

Another beautiful Alberta emblem is the lodgepole pine, a tree found throughout the Rocky Mountains. The long, straight lodgepole pine was the preferred tree of the First Nations people for teepee poles, from which it gets its name, and it was also widely used in railroad construction and remains important to the lumber industry today. Clearly, as an important part of aboriginal culture and as a part of our railroad history and of the continuing significance of our forestry, lodgepole pine is a very appropriate official tree.

Yet another emblem that we're all familiar with is the Rocky Mountain bighorn sheep, and as the official mammal of Alberta it is a majestic representative of Alberta's inherent closeness to the Rocky Mountains.

In addition to the abovementioned, there is also our wonderful Alberta tartan from my colleague from Calgary here that came up with our dress tartan a couple of years ago. It's absolutely phenomenal.

My colleague from Stony Plain, Minister of Seniors, did the bull trout bill a few years back. You know, there were great pins with that, and, Don, I'm disappointed that there are no pins with the grass. But we had fish pins.

As I mentioned earlier, I wanted to give everyone a brief look back at a number of our Alberta emblems and the reasons that they make such great symbols for our province. Having said that, I believe that a provincial grass would go nicely with the sentiments expressed by the emblems here in Alberta. Bill 201 aims to add rough fescue as a provincial grass to that list, and as many of you know by now, rough fescue has played a very important role in Alberta as the main source of food for grazing animals, that are so important to our agriculture and prairie heritage. Without rough fescue's high nutrient levels it would have been much more difficult if not impossible to sustain agriculture development in our province.

As the provincial grass rough fescue would serve as a wonderful symbol of Alberta's close ties to prairie life, and further it would be a strong symbol of the important role agriculture has played in Alberta during the times of our pioneers to the equally important role that agriculture continues to play today.

I'd like to once again thank my colleague from the Highwood constituency for bringing this idea forward as well as to encourage everyone to support Bill 201 and make rough fescue the official grass for our province.

Thank you.

The Acting Speaker: The hon. Member for Grande Prairie-Wapiti.

Mr. Graydon: Well, thank you, Mr. Speaker. Members of the Legislature will be pleased to note that the Grande Prairie caucus is unanimous in their support of Bill 201.

It is my pleasure to rise today and to continue the debate on Bill 201, the Emblems of Alberta (Grass Emblem) Amendment Act, 2003, sponsored by the Member for Highwood. There's been much discussion about the validity of designating an official grass as an emblem for Alberta. The grass in question, of course, is rough fescue. We have many emblems in this province, ranging from official colours to official flowers to official birds. I think the member is quite just in his attempt to anoint rough fescue as the official grass of Alberta.

Mr. Speaker, where in Alberta we have approximately 135 active grass species and probably two dozen or more introduced species, rough fescue is a very complicated plant which has been studied for years by scientists so that its benefits could be fully realized. Three species of rough fescue are found in Canada and the United States: the plains rough fescue, foothills rough fescue, and northern rough fescue. These three species give rough fescue its character, and they dominate many of Alberta's natural regions and subregions.

Rough fescue is characterized by deep roots, roots which tap into the underlying soils, drawing nutrients and water while binding soil particles, improving water penetration and acting as a stabilizing force in watershed quality. The root system can grow many centimetres into the soil and can alter the carbon content of the soil around it. In fact, rough fescue is a key element in the development of our rich black, our thin black, and our dark brown soils, some of the most prevalent types of soil in Alberta and some of the best anywhere for growing. Mr. Speaker, the way that rough fescue alters carbon content in the soil is an extremely important feature of this grass.

The environmental benefits of rough fescue are immense, and I'd like to speak a few minutes on the positive impact this grass has on our environment. There have been many debates in this House on the validity of the greenhouse effect and discussions on whether the Earth is warming up. After the lengthy debate, we all seem to be in agreement on the fact that there is a change taking place in our climate. Since this is accepted, we must then also accept another fact, that the earth's carbon cycle is also changing, as the two, climate and carbon cycle, are linked together.

The carbon cycle is not that complicated. Carbon moves continuously among air, plants, and soil. Carbon dioxide, or CO₂, in the air is converted to organic forms by photosynthesis in green plants. CO₂, of course, is the dreaded greenhouse gas that everyone is worried about. When plants die, the carbon enters the soil, becoming part of the soil's organic matter. At the same time, organic matter in the soil is being decomposed, which returns the carbon back to the air as CO₂, and the cycle is complete.

Rough fescue is an important part of the global carbon cycle along with all the grasses in the temperate grasslands found in the northern Great Plains. They are important because of their vast area and high soil carbon density. The soils in the area where rough fescue dominates contain more carbon per unit area than most of those in other ecosystems worldwide. For example, Mr. Speaker, the soil of Alberta may contain a one-metre deep layer of up to 200 tonnes of carbon per hectare in the black soil zone under the fescue prairie. This means that carbon under foot may exceed the amount of carbon in all aboveground portions of a temperate forest and a tropical forest even though nearly half the dry weight of plant material is carbon. In fact, according to many studies our prairies, which are littered with rough fescue, take a considerably larger amount of CO₂ out of the atmosphere than do the rainforests.

Mr. Speaker, even though this isn't a science class, I think that a

most extraordinary facet of rough fescue must not be overlooked. It takes a significant amount of greenhouse gases out of the atmosphere, gases which are said to be causing climate change, increasing the overall temperature of the Earth. One of the issues we struggle with year in and year out is how to keep our air clean. Well, I think it's quite clear that one of the best ways to do this is to promote the growing of our native grasses, especially rough fescue. Not only does rough fescue sustain life for animals, not only is it extremely important to the global carbon cycle, but it could also be used as a strategy to clean our air. Promoting rough fescue as our official grass could possibly raise its profile and show the world that we have a natural way of battling climate change. It seems funny, but it's true. Our grass can be part of the answer to global climate change. Rough fescue is quite dominant throughout central and southern Alberta. It helps that Alberta has some of the best growing soils in the world.

Bill 201 recognizes that this plant is important to Alberta, and therefore it should be made an emblem of Alberta. Mr. Speaker, rough fescue is extremely important to Alberta's environment. As well, due to its role in the carbon cycle, it's extremely important for agriculture in this province. Because rough fescue holds so much carbon in the soil, this makes the soil around it extremely rich for growing. As mentioned earlier, rough fescue is the main reason for our extremely dark, nutrient-rich soil. The soil is extremely good for growing our wheat and other grains that are so prevalent throughout Alberta. When the pioneers came to Alberta over 100 years ago, they began clearing land to grow crops. What was cleared away was a lot of grassland, including fescue. The pioneers found the land to be rich and excellent for their crops, and this helped establish the unique culture that we know in Alberta today.

4:30

Of course, as the fields grew wheat, barley, and oats, the carbon content in the soil began to diminish as the new plants did not store as much carbon as did the native grasslands before them, but as fields were left to fallow and rough fescue began to grow back, the carbon content returned, albeit not to the levels of the past. Nonetheless, the carbon and the good soil returned when rough fescue returned. This is just an example of how the grasslands of Alberta are extremely important to not only the environment but to agriculture and also, one could argue, to the economy of early Alberta. Rough fescue, being a dominant grass in Alberta, is a big part of our history.

Mr. Speaker, rough fescue is an absolutely fascinating grass. Its life cycle, so to speak, is particularly interesting. The plant outlives the working career of those who study it, and this is true even though the species only sets seed periodically. Every few years field workers studying the plant report a good seed set, which still may only include half the population. The seed sets are frequently four or more years apart, yet the plant continues to flourish throughout central and southern Alberta. Rough fescue has a life span of many decades and potentially hundreds of years. This is absolutely remarkable especially considering the benefit the plant has for our environment, our agriculture, our landscape, and our geography.

As I mentioned at the beginning of my time, we have many different emblems in Alberta. Each of them represents something special. Every single emblem has something uniquely Albertan about it. Rough fescue has something uniquely Albertan about it. It represents what Albertans are. Like the fescue, Albertans take root in Alberta, and the roots give life to the province. The rough fescue, in the same way, took root in our province many hundreds and hundreds of years ago and began bringing about a land that is beautiful and important to the sustainability of life in the province

and on earth. Our environment benefits from the rough fescue, as do our farmlands which are benefiting from hundreds of years of carbon being stored in our soil, making it extremely advantageous for agriculture. Making the rough fescue an emblem of Alberta is something that Albertans would appreciate especially since no one can argue that without the rough fescue we might not have the province that we have today.

I support Bill 201 and urge all members to vote in favour of this bill as well. Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Leduc.

Mr. Klapstein: Thank you very much, Mr. Speaker. It's an honour and a pleasure to join debate on Bill 201, the Emblems of Alberta (Grass Emblem) Amendment Act, 2003, sponsored by the hon. Member for Highwood. I would like to talk about the importance of establishing a provincial grass for Alberta and the benefits of selecting a symbol of Alberta's prairie heritage.

Before I begin, I think that the hon. Member for Highwood should be commended for his hard work in bringing this bill forward. However, I would like to remind this Assembly that Bill 201 would enshrine rough fescue as Alberta's official grass on behalf of dozens of organizations and thousands of Albertans.

The hon. Member for Highwood has already pointed out that the selection process for an official grass was wide open to all Albertans and relied almost entirely on public participation. The Prairie Conservation Forum, a voluntary coalition made up of over 30 private and public organizations, wanted to draw attention to Alberta's rich prairie heritage. In the fall of 1999 the Prairie Conservation Forum began a project to select a provincial grass emblem for Alberta. The members of the forum believed that by selecting and officially designating a provincial grass, Albertans would develop a great appreciation for the ecology of native grasses and grasslands and their cultural and economic importance.

Mr. Speaker, there are more than 135 different native grasses in Alberta. The members decided to select five to be shortlisted for consideration as a provincial grass. The grasses on this short list are recognizable throughout Alberta, and three common characteristics are shared by the five species. First of all, each grass has a high ecological significance in that each is a dominant grass, essential food for wildlife, and is vital to the ecology of the region in which it grows. The members also decided that each grass should have cultural importance through traditional use in various agricultural industries. Finally, each grass had to have an economic impact on the region, such as the use for livestock forage. The Prairie Conservation Forum encouraged Albertans to get involved in the selection process by using various forms of communication including newspaper articles, brochures, and electronic media.

The overwhelming choice for a provincial grass was rough fescue. Over 2,000 Albertans from many parts of the province voted by mail-in ballot and e-mail between January and April of 2001. The selection of rough fescue as the official candidate for a provincial grass was announced on May 25, 2001. Mr. Speaker, I found the selection process to be an inspiring example of democracy at work. The decision to make rough fescue the final candidate as Alberta's official grass was not made inside a boardroom. This process was an example of how democracy is still the best way to make important decisions.

If Bill 201 were to pass, Alberta would not be the first province in Canada to designate an official grass. The idea of campaigning for an official grass began in Saskatchewan with the Native Plant Society. Just like Alberta's Prairie Conservation Forum, the members wanted to highlight the value of a native prairie species and

thought that enshrining a specific species would be a good way of drawing attention to the short-grass prairie.

It is interesting to note, Mr. Speaker, that Saskatchewan's Native Plant Society wanted to nominate rough fescue as a candidate for the official grass. It is a widespread native species associated with Saskatchewan's grasslands, but many people in Saskatchewan also associate rough fescue with Alberta, where the species is more widespread. So the Native Plant Society turned away from rough fescue just in case Alberta attempted to enshrine the species in the future.

The designation of a provincial grass is welcome in that it draws attention to Alberta's remaining native grasslands. Since our birth as a province Alberta has lost a great deal of our native grassland. Mr. Speaker, the remainder must be protected from development, not only from the perspective that dozens of animals depend on it but also because thousands of people depend on it. The use of native grasslands by our ranchers is probably the strongest example we have of sustainable development in this country. Rough fescue is a critical food source for wildlife and big game species of the prairies and foothills. Over the past decade elk and bison ranching have joined the ranks of pork, lamb, and beef as high-quality meat producers.

I have no doubt that there will be people, especially those living in urban areas, who will have no idea what rough fescue is or why we need to enshrine it as an official grass. I also believe that there will be those who will wonder why we need an official grass in the first place. Mr. Speaker, identifying rough fescue as an official Alberta emblem would be a key element in its conservation.

Mr. Speaker, I would like to address another possible concern as it relates to the relevance of a provincial grass. When this Assembly proposes an emblem to be added to Alberta's very distinguished list, it should represent the entire province. Alberta, as we all know, is a very diverse province. Wood Buffalo in the north is one of the world's largest boreal forests. The Canadian Rockies are also world renowned for their scenery and diversity of plant and animal species. It is not possible to find a uniformity of grasses or fauna of any kind across Alberta because our landscape is far too diverse. However, a decision had to be made in order to preserve Alberta's prairie heritage.

Mr. Speaker, the case for naming rough fescue as Alberta's official grass is overwhelming. Alberta is the only jurisdiction in North America that contains all three species of rough fescue. Plains rough fescue, foothills rough fescue, and northern rough fescue can be found throughout most parts of central and southern Alberta. From the perspective of human history and the settlement of Alberta the parkland and foothills regions of the province would most likely not have been able to sustain agriculture development without the existence of rough fescue. It provided critical winter feed for livestock and sustained pioneering efforts on the prairies.

The list of emblems in the Emblems of Alberta Act reflects the diversity and history of this province and its people. Each emblem has been carefully chosen from Alberta's natural habitat and symbolizes a unique characteristic of this province. Alberta's emblems serve a similar purpose to mementos in our homes. Over the years we have all collected trinkets and souvenirs that serve as conversation pieces and remind us of special events or experiences in our lives.

4:40

Some people may ask why this Assembly would debate a bill proposing an official grass. I think that an official grass, specifically rough fescue, would help preserve and promote Alberta's fascinating agricultural heritage, including ranching. For decades this grass has

been vital for grazing and the ranching industry. Put differently, I believe that an official grass, like any other provincial emblem, symbolizes a unique aspect of living in Alberta, one that deserves official recognition.

The most important lesson learned from our unique history is that Alberta's rugged terrain has played a significant role in making Alberta the most successful province in Canada. Irrigation, grain farming, prospecting, surveying, and, of course, oil and mineral extraction have all played important roles in creating the economic climate we enjoy today. Each of these industries combined working off the land with keen business acumen, which resulted in a more stabilized economy and a better standard of living.

The hardships these men and women faced forging new paths for future generations of Albertans is to be recognized, and while some may scoff at the mention of an official grass, a quick look at the history of Alberta tells us that our success is based on rural development. One of the goals of the Emblems of Alberta Act is to remind Albertans that this province is a wonderful and exciting region. Bill 201 goes a step further by helping Albertans recognize the need to maintain and manage this critical grass species.

Mr. Speaker, designating rough fescue as Alberta's official grass helps achieve this goal. I think it's important that we keep this in mind as we debate Bill 201 through this Assembly.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. I'm pleased to enter the debate on Bill 201 today. This bill would make rough fescue Alberta's provincial grass to stand amongst all the other great emblems which represent Alberta. Rough fescue, as we've come to know from the debate today, is a grass which manifests itself in three forms: the plains, foothills, and northern rough fescue. It's a grass that grows throughout the majority of our province. It's a wiry and sturdy grass and, some would say, stubborn, and that makes it as good a reason as any to call it Alberta's official grass. Today I'd like to state my support for Bill 201 and encourage all members of this Assembly to join me in doing so as well.

In discussing why I am going to support this bill, I want to talk for a short while about the economic significance of rough fescue and how rough fescue played an integral role in helping those who first began farming in our province, and in fact I'll argue that this help still occurs today.

The Acting Speaker: I hesitate to interrupt the hon. Member for

Olds-Didsbury-Three Hills, but under Standing Order 8(5)(a)(i), which provides for up to five minutes for the sponsor of a private member's public bill to close debate, I would invite the hon. Member for Highwood to close debate on Bill 201.

Mr. Tannas: Thank you, Mr. Speaker. I believe the merits of rough fescue have been adequately, nobly addressed by the members on both sides of the House, and I want to thank all hon. members for their comments and support this afternoon.

In my concluding remarks to the second reading this afternoon I would like to first of all acknowledge my debt to Cheryl Bradley of the Alberta Native Plant Council, who patiently answered my many questions and always with knowledgeable answers and suggestions that made this bill on this day possible. I also must acknowledge the work of Mr. Frank Ostlinger of the government members' research. I think he's done a tremendous job of researching and really appreciate his work.

I would also wish to thank a number of other individuals for their help and guidance: Ed Nelson of the Society for Range Management, Francis Gardner of the Southern Alberta Land Trust Society, Mac Blades of the Western Stock Growers' Association, Albert Middleton of the federal Range Research Station, Reg Ernst of the Society for Range Management, and Foothills ranchers Jim and Steven Hughes, Gordon Cartwright, and Ken Stiles.

Mr. Speaker, Bill 201 seeks to bring recognition and awareness of the importance of native grassland and the special role played by the rough fescue complex *Festuca scabrella*. As the hon. Member for Lac La Biche-St Paul noted, our symbols define who we are, and I believe that rough fescue is an ideal symbol for our Alberta prairie heritage.

Mr. Speaker, I move that the question be now put.

[Motion carried unanimously; Bill 201 read a second time]

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

Mr. Stevens: Thank you, Mr. Speaker. The next matter for consideration this afternoon is Bill 202, which is the Workers' Compensation (Firefighters) Amendment Act, 2003, which is sponsored by the hon. Member for Calgary-North Hill. A number of firefighters from throughout the province have been invited to attend next Monday as they wish to hear the entire debate with respect to this particular bill, and as such, at this time I would move that we call it 5:30 and adjourn until 8 o'clock this evening.

[Motion carried; the Assembly adjourned at 4:47 p.m.]

Legislative Assembly of Alberta

Title: **Monday, February 24, 2003**

8:00 p.m.

Date: 2003/02/24

[Mr. Shariff in the chair]

The Acting Speaker: Please be seated.

head: **Motions Other than Government Motions**

Family Employment Tax Credit

501. Mrs. Fritz moved:

Be it resolved that the Legislative Assembly urge the government to enhance the Alberta family employment tax credit to include all children in a family in order to bring equality between families with three or more children and families with two or less children.

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

Mrs. Fritz: Thank you, Mr. Speaker. It's an honour for me to rise and introduce Motion 501. This issue came to my attention on May 30, 2000. Mr. Thomas Lipp, who is a constituent, wrote to me with a serious concern regarding a flaw in the Alberta family employment tax credit program. I'd like to quote from his letter. Mr. Lipp wrote: There is [an] area of tax law that needs fixing.

The Alberta Family Employment Tax Credit is capped at two children per family. This disadvantages larger families because one parent almost always needs to stay home. The extra tax credit would recognize the extra employment effort of parents with larger families. In my business experience and study of demographics there is an enormous need for well trained young Canadians (i.e. the next generation). They will be the engine of the future tax system and social support network. Let's not discourage ambitious, employed parents with an unnecessary cap of two children per family.

Mr. Speaker, three months later Mr. Lipp wrote again. He said:

The single rate tax system is beautiful in its simplicity and fairness. Any changes to the AFETC should also be kept simple. Making this credit available to all children in a family is simple and fair.

That is what this motion is about. It is about fairness and equality.

Currently the Alberta family employment tax credit provides a tax credit of a maximum of \$500 per child to each qualifying family for the first two children of the family. The Department of Finance is currently reviewing this program and examining options for incorporating additional children into the program. It is my hope that this motion will help the department come to a fair and just decision for the thousands of children that are excluded from the Alberta family employment tax credit.

This motion is extremely important to Albertans for three reasons. First, this is a motion for Alberta's children, and our future generation is depending on us to make the right decision. Second, since the AFETC is a program that acts as a bridge between the welfare system and the labour force, enhancing the program will provide more incentive for parents to leave and stay off social assistance. Finally, bringing equality to the Alberta family employment tax credit program will bring the program into line with other family-friendly programs that are provided by the government.

The AFETC maximum benefit of a thousand dollars for two children is reached at around a net family income of \$19,000. After paying for rent, food, transportation, and clothing, a \$1,000 tax credit can be what gets some of Alberta's large earning families by in troubling times. However, families with two or more children need bigger apartments to rent, have more food and clothes to buy, so it makes no practical sense that there is a cap of two children for

the AFETC when it is more difficult for larger families to make ends meet.

Another hardship large families face is that many times only one parent can work while the other stays at home to raise the children. Removing the AFETC cap would improve these families' ability to provide basic needs for their children and allow parents to stay at home, thereby reinforcing family values in our communities.

Motion 501, I believe, is a step in the right direction. Families of three or more children need the same benefits that families with two or fewer children receive. Enhancing the AFETC will help parents of families of three or more children who are attempting to enter the labour force. Parents currently on social assistance would be reassured that the AFETC would come into effect for all of their children once they earn more than \$6,500. Acting as a bridge between social assistance and the workforce, the Alberta family employment tax credit under Motion 501 ensures that working families with three or more children are supported in achieving the Alberta advantage.

It is critical that the government take a proactive step in assisting working families to achieve financial stability. A strong workforce, Mr. Speaker, benefits us all. It is our responsibility to ensure that hardworking Albertans are able to provide a healthy environment for all of their children. Helping families achieve financial independence is one of the goals of this government. Enhancing the AFETC to include all children in a family will help bring this goal to reality.

Because the AFETC only applies to working families, it provides an incentive for working families to continue to work and not rely on government assistance. In this respect, the AFETC can be seen as a capacity-building program that helps shift low-income earners into middle-income earners. The AFETC leads to economic independence for Alberta's low-income families, which in the long term creates a stronger and more viable Alberta. This government has a number of family-friendly programs to help low- and middle-income families meet their needs. The child financial support program, the Alberta child health benefit, and the child care subsidy are all examples of excellent programs that make it obvious that this province is committed to helping working families.

The child financial support program provides medical and financial assistance when parents are unable or unwilling to care for their child and the child is being properly cared for in another home by a responsible adult caregiver. There is no limit to the number of children in a family who are eligible for this compassionate and sensible program.

The Alberta child health benefit is part of Alberta's role in the national child benefit, a series of programs designed to address child poverty across Canada. The ACHB is a premium-free health benefit that provides dental, optical, emergency ambulance, essential diabetic supplies, and prescription drug coverage for children living in families with low incomes. Eligibility for the ACHB is based on family size and the previous year's family net income. For a family of one child the annual net income must be below \$22,397, and for each additional child of the family the maximum threshold increases \$2,000. There is no limit to the number of children in a family that are eligible for this important benefit.

The child care subsidy program helps low-income families with child care costs. It applies to pre school-age children who are attending licensed day care facilities or approved family day homes. The program is operated by the Ministry of Children's Services and administered by the appropriate child and family services authority. Any number of children in a family that are in the pre school-age category are eligible for the subsidy if the family meets the program requirements. A low-income family of four children all requiring day care would be eligible for the subsidy.

Mr. Speaker, the common theme in all three of the programs that differs from the Alberta family employment tax credit program is that there is no restriction on the number of children eligible for these programs. For this government to continue to be the leading progressive jurisdiction in the country, I believe that the AFETC must be enhanced to bring it in line with all of the other policies and programs that relate to children in our province.

In conclusion, Mr. Speaker, I would like to acknowledge and thank Mr. Lipp for bringing this matter to our attention so that we can revise the AFETC program to best meet the needs of families with three or more children. In the name of equality I ask and I strongly urge all my colleagues here today to support Motion 501, and I also urge the Finance department to make a sound decision which will benefit and bring equality to all children and families as it relates to the Alberta family employment tax credit program.

Thank you, Mr. Speaker.

8:10

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

Ms Blakeman: Thanks very much, Mr. Speaker, and thanks very much to the member who has proposed this motion. I know that she works hard on behalf of her constituents, and obviously she's following through on a long-ago commitment to bring forward this issue affecting at least one of her constituents.

It's a very interesting proposal. I listened carefully to what the member said, and some questions have come up in my mind. As with all nongovernment, private member motions and bills, the opposition caucus has a free vote. It's up to each one of us to decide on the bills on their own merit, so I'm looking to having some questions answered before I finalize how I'm going to vote on this.

One of my first questions, in fact, the member referred to just at the very end. It would require an increase in the budget to support this particular program, and I was wondering if there was concurrence from the Finance minister to increase the budget as it would need to be. Somewhere I've read that this program currently deals with about 160,000 families. Now, it's not giving me the information on how many children are in those families, but one presumes seeing that the issue that's being brought forward by the Member for Calgary-Cross is that the program effectively limits families gaining benefit to those families with two children. How many of those 160,000 families have more than two children, and therefore what's the added expense to the program? So there are two questions there. One is: what's the added expense? The second is: is there buy-in from the Finance minister?

One of the other questions that came to mind as I listened to the member is that this program currently almost has no cost administratively because it is tied to or tags along behind the federal child tax benefit program, so the eligibility is tied very clearly to that. If you are eligible under the federal child tax benefit program, you're in on this Alberta family employment tax credit. It strikes me that in changing the way this program operates, it would also necessitate moving away from the essentially free administration that's being offered by following so closely upon the federal child tax benefit program. In other words, in order to create equality between families, the program would either have to have an allowable maximum per child and no family limits would be put on that, or it would have to be calculated in a way that significantly differs from what the federal program is doing now, and therefore the administrative costs would also go up. It makes it more complicated to administer because somehow a formula has got to be developed that deals with this. I think it would be reflected in higher taxes or higher cost anyway for the budget and perhaps have to pull services or

benefits away from another sector because I know that this government likes to zero out things. So what will be the effect there?

I think the idea behind this proposal overall is to help lift children out of poverty. Obviously, when you look at the parameters of the program, it's not a higher income or perhaps even a middle-income program. Its lower eligibility program level is \$6,500 a year, and I think its upper level is \$50,000 a year, so we're not talking families that have a lot of dough here. I'm questioning whether this is the most effective way to help lift those children and their families out of poverty. I'm questioning whether money invested in educational opportunities isn't a more effective way to in fact lift that child forever out of poverty. I understand the good intentions that the Member for Calgary-Cross has brought forward, but I'm not sure that this motion accomplishes that goal. It seems to be working inside of a very narrow parameter.

When I'm looking at what is the most effective way of addressing poverty for children or lifting poor families out of that situation, I was quite concerned recently to hear in the media about the discussions around the differences between inner city schools and suburban schools, between urban schools and rural schools. I think there's an area that we could be looking at to try and equalize things so children have a better opportunity and, in fact, can lift themselves out of poverty. I spoke a little earlier about opportunities for life: if we teach a man to fish, then he can feed himself forever. Well, doesn't that have something to do with . . .

Dr. Taft: Unless he lives on Calling Lake.

Ms Blakeman: Particularly if he lives on Calling Lake.

Dr. Massey: The right half of Calling Lake.

Ms Blakeman: Oh, I'm sorry; the correct half of Calling Lake. Exactly.

I would be more concerned with whether there was access or opportunity for a child to take advantage of apprenticeship programs or college or institutes of technology or university rather than having to now, as we're looking into the future, seeing differential fees for certain elite faculties in education. I don't know how that's going to help a poor kid lift themselves and the rest of their family forever out of poverty.

I also question why this government is one of the few that claws back the federal child tax benefit; I think it's almost dollar for dollar. I know that the government has always said: oh, we take the money that we save there and we invest it into other programs. And I guess there are two questions: one, I still don't see how clawing back a federal program against benefits that are being offered in a provincial program helps this family or this individual in the long run; two, exactly what is the direct link? Where is that money that is being so-called, in quotes, saved? What programs exactly is it being redirected into? Is it going into hot lunch programs? Is it being linked directly into the same area that it was pulled from when we're pulling it away from the Alberta-offered programs. That has interested me for some time and I think is closely linked to what is being considered here.

Again speaking about education, if we could look more closely at how we keep kids in school and how we help kids graduate from school and, as I said, go on to some kind of postsecondary endeavour, I think it's a better way of lifting people out of poverty forever.

The last point that I have to make here is that we've just had announced in the federal budget that more money is going into the child tax benefit program, and I'm wondering, just knowing how far in advance private members are required to submit their motions and

bills. Obviously, the member didn't have an opportunity to consider the effect of that federal budget on what she's considering here.

Mrs. Fritz: Well, we waited 10 years for it, Laurie. We didn't expect it to happen.

Ms Blakeman: She didn't expect it to happen. [interjection] I'm looking forward to what she has to say when she gets an opportunity to speak.

I mean, there's a \$965 million per year increase in this national child benefit spread out across – these things are always spread out across years; you can never tell how much you're actually getting per year. It runs to 2007. So this is bringing a maximum annual benefit for a first child to \$324. If that money all gets clawed back, then I don't see how this motion is taking us forward.

8:20

The Acting Speaker: Hon. member, your time has run out.

Ms Blakeman: Thank you.

The Acting Speaker: The chair recognizes the hon. Member for St. Albert.

Mrs. O'Neill: Thank you, Mr. Speaker. It is an honour for me to have the opportunity to join in the debate on Motion 501. To my way of thinking, bringing forth this motion shows a great sense of priority and deeply felt concerns for our children, and anything that helps Alberta's children lead better, healthier, and happier lives is something that I want to support. To reiterate, Motion 501 urges the government to

enhance the Alberta family employment tax credit to include all children in a family in order to bring equality between families with three or more children and families with two or less children.

To use the popular expression, the motion is in other words about leveling the playing field by ending an unfair practice.

Mr. Speaker, there are many reasons why this House should give its support to Motion 501. The foremost of those reasons is perhaps also the most obvious: it is our children. It is unfortunate that there are children among us who live in poverty and children whose parents are unable to properly care and provide for them. Through no fault of their own these children are often forced to begin their lives at a disadvantage. Lifting children out of poverty is a challenge fraught with considerable difficulty. Raising children is primarily a parental responsibility, but having said that, our children and the circumstance of their well-being is a communal responsibility. The idea that the responsibility for our children is shared by all members of society is part of our thinking and our attitude.

Mr. Speaker, we work diligently to see that education is accessible to all children regardless of their parents' income. Where there is need, the government where possible offers various forms of financial assistance to parents whose financial and/or employment situation is such that caring for their children is difficult. These are all aspects of how society at large comes together and offers support to our children. We do this because we recognize that our children are not only among the most vulnerable members of society but also because they are our most precious assets, and they point to our future as we want it to be.

Motion 501 is a timely initiative aimed at rectifying lingering unfairness with regard to how the Alberta family employment tax credit is distributed to low- and middle-income working families in our province. What Motion 501 seeks to accomplish is to enhance the Alberta family employment tax credit by extending the maximum credit to include all children in a family. At the present time the

maximum number of children covered under this program is two at a maximum annual amount of \$500 per child, or \$1,000 together. There are quite a few families in our province where the number of children exceeds two. A cap such as is in place disadvantages Alberta's larger families at a significant rate. Like it or not, the cap runs counter to the policy of this government to not disadvantage one group over another in the province. Families with more than two children have a greater financial burden than families with only one or two. Families with more than two children stand to benefit significantly from the outcome of Motion 501 as larger families are included under this benefit.

Mr. Speaker, Motion 501 is consistent with existing government policies stating that Albertans unable to provide for their basic needs will receive assistance. This is stated clearly in goal 5 of the government business plan 2002-2005. Rising inflation and the increased cost of living make it extremely difficult for larger families in the low- and middle-income brackets to continue to provide well for their basic needs.

Mr. Speaker, in 2001 the AFETC provided \$80 million in benefits to 160,000 Alberta families. There can be little doubt that removing the two-child limit would add more families as well as increase the cost of the program. Existing policies such as goal 5 of the government's business plan make expansion of the program imperative.

[The Deputy Speaker in the chair]

Alberta is the envy of every other province in the country. Our economy outperforms the economies of all other provinces and also that of Canada as a whole. We lead the country in economic growth, and we have weathered the recent fiscal storms better than any other jurisdiction. In spite of this, there are several other provinces that manage to offer child tax benefit programs where there are no limits on the number of children. As well, the payments exceed those available to low- and middle-income families in Alberta. British Columbia, Newfoundland and Labrador, and Nova Scotia all have implemented child tax benefit programs without caps. My point in mentioning these other provinces is that if other provinces, whose economies have not fared quite as well as our own, can afford to provide broader and more extensive assistance to their low- and middle-income families, there's no reason why we shouldn't do the same.

Our children are both our legacy and our future. We owe it to them to help them as much as possible, particularly where doing so can give a child an opportunity to live a life of possibility. For these reasons, Mr. Speaker, I will support Motion 501, and I urge all my colleagues to do the same. Simply put, it is the right thing to do.

Thank you.

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

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have the opportunity to speak to Motion 501 this evening, urging the government

to enhance the Alberta family employment tax credit to include all children in a family in order to bring equality between families with three or more children and families with two or less children.

I agree with the mover of this motion. I think anything that can be done to make life easier for low-income families or families of limited means is worthy of our consideration and worthy of our support. I think it's unfortunate that in a province and in the midst of the great wealth that is being generated in this province, we have families who find themselves in the position of having to look to the tax system for relief to try to make ends meet. As much as I will

support the motion because it's an attempt to help those families – and goodness knows they need all the help they can get – I think that it's a motion that should be much broader and should contain a lot more than what we see in front of us this evening.

8:30

I think one of the issues that has been before this Assembly for years has been the amounts of money that are made available to families living on SFI. No matter how you manipulate the tax system, what really counts to low-income families and families of limited means is the money in the pay packet on the 15th or the 30th or 31st of each month. That's where those families look for help, and it's really what impacts their life on a daily basis. I think that it's unfortunate that as one of the wealthiest provinces in this dominion we have not seen fit to make sure that those benefits are paid at a level that would make this kind of tax benefit more problematic for families. I think that if we were doing our job, looking after our neighbours, this kind of a tax credit would not be needed.

If you look at the numbers, they're really quite staggering. Each family who participates in the program is entitled to receive \$500 per child with a maximum of \$1,000 for the calendar year, and the credit is calculated at a rate of 8 percent of family working income over \$6,500 and is reduced by 4 percent of family net income over \$25,000. If you can think of yourself these days, Mr. Speaker, living on \$6,500 or even \$25,000 and trying to raise a family, I think you get some idea of how staggering the problem is for families and how badly they need some relief whether it's in the form of a tax credit but preferably in the form of direct aid.

We seem to have two minds in terms of helping people who need some help. On one hand, we'll have motions such as this, that seems to embody great sympathy for those families and the plight they find themselves in, and on the other hand we have programs like the supports for independence where we seem to be afraid to give those families too much, that we might be overdoing it were they to live a comfortable life, the notion that the pressure has to be kept on them at all times to get out and get a job. I think it's the discrepancy between this member's motion and what is done in the province that I find disturbing. I think that if you have lived in poverty, the way in which it degrades you and those around you is devastating and the judgments that are made about you because of your financial situation are for the most part unwarranted.

As I listen, Mr. Speaker, to the families in my constituency that need help, I wonder just how well we are, as I said before, looking after our neighbours. I'm going to support the motion, but I'm also very, very keen that the motion become part of a larger package that looks at the plight of low-income families and families with limited means and does more than tinker with the tax system. This is one thing we can do, but it's minimal in terms of the kind of help and the kind of assistance that these families need.

I think that with those comments, Mr. Speaker, I'll conclude.

The Deputy Speaker: The hon. Member for Grande Prairie-Wapiti.

Mr. Graydon: Thank you, Mr. Speaker. It gives me a great deal of satisfaction to rise tonight and join in the debate on Motion 501, sponsored by the hon. Member for Calgary-Cross. I'd like to take a moment to acknowledge the hon. Member for Calgary-Cross for bringing forth this initiative. It's a reminder to all of us that family values are and should remain a cornerstone of this government and its policies.

Mr. Speaker, there's no denying that the children represent our future in this great province, and it must be our mission as a society

and as a government not to leave a single one out. We owe it to our children to provide them with the best education, health care, and family service support in order to foster an environment for them to grow into future leaders and strong contributors in a vibrant society. It is in Alberta's interest to promote and facilitate strong family units. It is from the family that a young child learns about values, respect, and integrity. These virtues lay the foundation for a productive and responsible human being, one that makes a positive contribution to society. More and more people understand that childhood experiences influence success and happiness later in life. Many things affect these experiences, including parenting, family and community supports, income, and social services.

Families living on low incomes often face particular challenges in meeting the needs of their children. Financial support, social services, and early intervention can help address some of the difficulties that might otherwise lead to a need for costly services later in life. The Alberta government took the initiative in 1999 to divide the family and social services ministry to form, among others, the Children's Services ministry. One of the goals of forming this separate ministry was to devote resources to needs specifically centred on children. The province of Alberta, Mr. Speaker, has taken great strides in creating a family-friendly environment. From the introduction of the Alberta family employment tax credit, AFETC, in 1997 to the Alberta child health benefit, ACHB, to the child financial support program, this province has a strong record of promoting a cohesive family unit.

The Alberta family employment tax credit is a program funded by the Alberta government to help working families provide for their children. The program's main objectives are to support children in low- and middle-income families and provide incentive for the parents of these children to continue to work. Similar to the federal national child benefit the intent of the Alberta family employment tax credit program is to reduce child poverty and to support parental attachment to the labour market. The AFETC provides important support outside of the social assistance system for low-income working families. In 1998 the maximum credit was doubled so that more families could qualify for the benefit. In 2001 the AFETC provided \$80 million in benefits to 160,000 Alberta families.

Mr. Speaker, while the AFETC is a very well-respected and effective program for helping families provide for their children, it lacks a level of equality that is so greatly needed. Currently the Alberta family employment tax credit program provides a maximum \$500 tax credit per child to each qualifying family for the first two children of each family. Motion 501 would urge the government to remove the two-child limit under the existing AFETC program thereby providing a tax credit for every child in the family. Motion 501 is aimed at providing a level and equal playing field for all families in need of assistance.

The AFETC has several parameters. First, there is the phase-in rate, the phase-out rate, income thresholds, and credit amounts. The phase-in rate of 8 cents for every dollar earned on income over \$6,500 ensures that this credit program rewards increasingly a working family's income. It is reduced by 4 percent of family net income over \$25,000. This is known as the phase-out stage, and to qualify, family net income for the previous year must have been below \$50,000.

8:40

The Alberta family employment tax credit program provides an important support outside of the social assistance system for low-income working families. In 1998 the maximum credit was doubled in order that more families could qualify under the benefit. In 2001 the AFETC provided benefits, as I mentioned, to 160,000 Alberta

families. Mr. Speaker, these figures go a long way in establishing the profound benefit that the AFETC provides to low-income working families, but it's lacking in one crucial area, and that is equality. Equality amongst the children who are included in this program is essential, and that is one of the premises behind Motion 501.

Another factor behind Motion 501 is the improvement of one of Alberta's family-friendly programs. The province of Alberta should be proud of the emphasis it has placed on its status as a family-friendly jurisdiction. Mr. Speaker, another family-friendly program offered alongside the AFETC is the Alberta child health benefit. The Alberta child health benefit program is part of Alberta's role in the national child benefit, which is a series of programs designed to reduce child poverty across Canada. The Alberta child health benefit, or ACHB, is a premium-free health benefit plan that provides 100 percent coverage on dental, optical, emergency, ambulance, essential diabetic supplies, and prescription drug coverage for children living in families with low incomes. ACHB is for children under the age of 18 who are living in families with low incomes. Eligibility is based on family size and the previous year's family net income, similar to the AFETC program.

The child financial support program, Mr. Speaker, is another program offered here in our family-friendly province. The child financial support program, or CFS, provides medical and financial assistance when parents are unable or unwilling to care for their children and the child is being properly cared for in another home of a responsible adult caregiver. To qualify for this program, a caregiver may be eligible to receive benefits on behalf of a child if the child's parents have provided written consent and the child will be properly cared for in the home of the caregiver or if the child's income does not exceed the financial guidelines of the program. The amount of the monthly benefits received under this program can vary based upon the age of the child, the income of the child, and the relationship of the caregiver to the child. It is important to remember that while receiving benefits from child financial support, children can also receive medical benefits under the Alberta child health benefit program.

Mr. Speaker, I have shown here that Alberta is indeed a family-friendly province with many effective and compassionate programs aimed at improving the lives of so many underprivileged children. Motion 501 goes the next step by bringing an equality factor to the equation, an equality that crosses between families with three or more children and families with two or less children. Programs such as the child financial support program and the Alberta child health benefit offer some very valuable assistance to many Alberta families. It is the goal of Motion 501 to introduce the same type of equality of benefits that these programs offer our families and their children.

As stated, currently the Alberta family employment tax credit program provides a maximum \$500 tax credit per child to each qualifying family for the first two children in each family. Motion 501 would move to change the stipulation of the two-child limit thereby providing a tax credit for every child in the family.

I would like to encourage my colleagues, the hon. members here in the Assembly, to vote in favour of Motion 501. Thank you, Mr. Speaker.

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

Mrs. Jablonski: Thank you, Mr. Speaker. It's my pleasure to join the debate supporting Motion 501, sponsored by the hon. Member for Calgary-Cross. I'd like to congratulate the Member for Calgary-Cross for raising this very important concern.

Extending the Alberta family employment tax credit to three or

more children from the existing maximum of two helps strengthen the pool of resources available for parents. It seems to me that we should be extending some help to the larger families, and as every parent here knows, help is always welcome. Children can bring great joy and fulfillment that cannot be measured in dollars. Nonetheless, raising a child is a costly endeavour, and it costs more every year.

The Alberta family employment tax credit is a program funded by the Alberta government to help working families provide for their children. The program's main objectives are to support children in low- and middle-income families and to provide incentive for the parents of these children to continue to work. To help in the support of children is admirable and important, but it's more admirable to extend the support to all children.

The Alberta family employment tax credit helps support low-income earners re-entering the workforce and provides a bit more incentive for unemployed people to get back to work. Motion 501 simply extends the scope of this successful program to include families with three or more children. Re-entering the workforce is not easy. Extending tax credits would help encourage this. Currently the program operates by providing a tax credit of \$500 per child in a family with two children. I think this program works because it gives people incentive to move away from income support programs as a means of providing for their families. Mr. Speaker, the Alberta family employment tax credit operates more like an investment program rather than a support program, and I can't think of anything better to invest in than our children.

Mr. Speaker, the goal of any social program should be to encourage people back into the workforce as soon as possible. I believe that Albertans would prefer to earn their own way rather than rely on government assistance. The Alberta family employment tax credit recognizes the realities of returning to the workforce while trying to raise a family. There are people in Alberta who have a harder time finding and keeping stable employment, but the situation becomes more complicated when children are involved. This tax credit helps build the bridge between unemployment and a solid return to the workforce.

The overriding goal of Alberta's support programs is to give people the best environment possible to be independent. This government decided a long time ago that people should not be living off Alberta's support system if they were able to work. Since the early 1990s Alberta's support programs have been designed to protect people from impoverishment and prevent people from taking free rides at the expense of taxpayers. This tax benefit is an extension of this philosophy by providing increased incentive for people to keep their jobs.

Mr. Speaker, as we heard earlier this evening, there are two primary financial and health benefit programs that complement the Alberta family employment tax credit and protect low-income earners and their families from economic hardship and costs associated with health problems. The reality is that low-income earners often live from paycheck to paycheck. This can pose problems for families when children get sick. First of all, there's the Alberta child health benefit. This program is part of Alberta's role in the national child benefit program designed to address child poverty across Canada. As we heard, the Alberta child health benefit helps families by providing coverage for various services including dental, optical, emergency ambulance, essential diabetic supplies, and prescription drug coverage for children living in families with low incomes. The program is based on family size and the previous year's family net income. The tax credits earned by low-income Albertans don't necessarily have to be used for health-related products because of the coverage provided by the Alberta health benefit.

The second program that helps ensure the safety and health of low-income families is the Alberta adult health benefit, formerly known as the extended health benefit. This provides free health benefits to people and parents who leave supports for independence for work.

8:50

Low-income families must be healthy to succeed. I see no reason not to extend the credit program to include families with three or more children. Doing so would encourage more families to consider working rather than relying on income support. Other programs supporting low-income families have no cap on coverage based on the number of children in a family. The Alberta family employment tax credit should be consistent with other programs supporting independent families.

Mr. Speaker, Alberta continues to enjoy a growing, prosperous economy. Each year hundreds of jobs are created in Alberta by a variety of industries, and employers need to fill these positions. The unemployment rate in Edmonton, for example, is currently under 5 percent. This is incredibly low considering the state of the global economy. I mention this fact because there are opportunities for people to do better in Alberta.

Mr. Speaker, studies have shown that the first two children born in a family pose a much greater financial hardship than any children born after them. There are a variety of reasons for this as there are many costs related to establishing a home suitable for children. However, three or more children still pose financial challenges for families, and a tax credit could help larger families overcome these pressures.

Motion 501 would be an investment in Alberta families. Support for low-income Albertans will give them incentive to work. The tax credit program will provide families with more income to provide for their families and make them healthier. Studies have shown that healthier children perform better in school. Better grades will open doors for postsecondary education and a better standard of living. I realize that a tax credit is only part of the scenario. I believe that a lot more needs to happen besides raising a tax credit to better the lives of low-income Albertans. Motion 501 is a small step in the right direction.

Finally, Mr. Speaker, I would once again like to thank the hon. member for introducing Motion 501. If passed, this motion would help many Alberta families adjust to employment and independence. The Alberta family employment tax credit already helps thousands of Albertans and their families. Motion 501 will make it better by expanding the scope to include families with three or more children. In this day and age, with the number of children being reduced in Canadian families, I think that to extend this tax credit would encourage more than 1.5 children in a family. Motion 501 would not be a quick fix, but it would help larger families adjust to living independently. Healthy and happy and successful families are the cornerstones of a happy and successful Alberta.

I will support Motion 501 because it's the right thing to do, and I ask my colleagues to also support Motion 501. Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I am happy to rise and talk for the minutes that remain on this particular issue. I think it's a great discussion we've been having, and we'll be able to continue later on in debate on Bill 1 the whole discussion about the importance of families and children and income and poverty and so on.

The details of the motion have been reviewed for the record. I don't need to go through those at any great length. I would like,

though, to commend the Member for Calgary-Cross for her good intentions, I think, in bringing this forward. I have no doubt that she shares concerns that all of us have for improving the lives of families living with very low incomes and especially the children in those families. So I'm inclined on the basis of the intentions and the idea here to support this motion.

On the other hand – and this is frankly why we have the kinds of debates that we have or try to have here – there are some questions that are left with me that cause me doubts about supporting the motion. While the motion presumably would increase the income level of children in poor families, my concern, like that of both of my colleagues, is: is this enough, or should we be spending that money on ways to provide these families with the skills to move out of poverty? Is there a risk in bringing this particular motion in that we'll actually be sustaining people at a poor level? I don't know, and I'm not sure that the numbers have been worked through one way or the other, the analysis that's been done on that.

Would we be better, for example, taking the costs of this bill and putting it instead into, say, early childhood education programs or nutrition programs? Those are issues that I struggle with on all of these debates. It doesn't mean that I'm opposed to this bill; it means that I'm simply trying to expand the debate. I should say that I'm not opposed to this motion. It's not a bill yet. Maybe someday it will be a bill. But I'm trying to reflect on the broader issues that are touched on or are raised by this particular motion.

The costs of administration have been mentioned here. There's no sense here of the costs of administration of this motion if it ever did become law. What would those be? I'm wondering if the Minister of Finance has any insight into that particular issue.

There's also a question of how this works with the federal child tax benefit, which has been substantially increased and will be, I believe, substantially increased further in the next four years. I guess I would like to have more information on exactly what this proposal would entail: what it would cost, who it would benefit, how many people it would benefit, and how much they would benefit.

So I have a great number of questions about the impact of the motion. I don't question the motives of it. I don't question the importance of improving the lot of people living at very low incomes and especially children.

With those comments – and I see we're just about running out of time for this level of debate this evening – I will take my seat and review *Hansard* and listen to the closing comments of the sponsor of the motion before I finally make up my mind which way to stand on this.

Thank you, Mr. Speaker.

The Deputy Speaker: Calgary-Cross, in the one minute remaining today and four minutes next Monday, your final comments.

Mrs. Fritz: Well, thank you, Mr. Speaker. In closing, I would like to refer to a letter that was written by the same constituent that I talked to you about earlier, Mr. Tom Lipp, where he wrote:

I would like to recommend the cap of two children per family be removed for the following reasons:

1. This cap disadvantages families with three or more children. Such families already have a greater financial struggle, and would make good use of any extra funds from the AFETC.

The Deputy Speaker: Hon. member.

Mrs. Fritz: Two, "The removal of this cap would be in keeping with the family friendly policies of the Alberta Government."

The Deputy Speaker: Hon. member.

Mrs. Fritz: And: "I appreciate Alberta's leadership's desire to strengthen families."

Having said that, Mr. Speaker, I call for the question.

Speaker's Ruling Speaking Time

The Deputy Speaker: Too late. We've gone over, and I've been standing here for 30 seconds.

One of the problems with this particular set of rules is that we have 60 minutes in which to do a 65-minute debate. That's why the chair admonished you: in the one minute and the four minutes next day. So it'll have to be next day. I'm sorry; those are the rules that we've all agreed to.

9:00head: Government Bills and Orders
head: Second Reading

Bill 5 Line Fence Amendment Act, 2003

Mr. Goudreau: Thank you very much, Mr. Speaker. It's a great pleasure for me to stand today and move second reading of Bill 5, the Line Fence Amendment Act.

The Line Fence Act was enacted in 1980 to provide rural residents with a cost-sharing and dispute settlement framework that was primarily created to deal with livestock fencing issues. A fence that is mutually beneficial to two landowners of adjacent land occurs quite frequently in rural Alberta. One landowner will erect a fence, and if the fence provides a benefit to the neighbouring landowner, the neighbour will contribute to the cost of the erection, maintenance, and repair of the mutually beneficial fence. This concept is very simple, and it has been effectively applied to a great number of instances where fences benefited two rural neighbours. It is a cost-effective and efficient way to build and maintain a fence. Having neighbours build two overlapping fences to contain each of their respective herds just doesn't make any sense. The Line Fence Act is effective and is accomplishing everything it was intended to do, but there is a need for clarification. The bill being brought forward provides this needed clarity.

Urban residents are increasingly citing the Line Fence Act in instances for which it was not intended. With these citations, municipalities are being faced with the situation of having to share in the cost of a private landowner's fence. Mr. Speaker, municipalities should not be burdened with costs attributable to private fence construction and maintenance bordering on public lands where the legislation being applied was not intended for that situation. This use in an urban setting is completely against the original spirit of the Line Fence Act.

Bill 5 will ensure that the original intention of the Line Fence Act, to provide a cost-sharing and dispute settlement framework primarily for livestock fencing issues, is maintained, Mr. Speaker. The amendment also defines which livestock are contemplated. Under the act it recognizes that different species require different fences.

I urge all members of this Legislature to give this bill their full support. Thank you.

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

Ms Blakeman: Thanks very much, Mr. Speaker. I'm pleased to have the opportunity to speak in support of Bill 5, the Line Fence Amendment Act. I think this is a minor change, but it is one that's adjusting what's become a bit of a problem and, I'm sure, in some circumstances a major problem.

Essentially, the bill is attempting to restrict the circumstances under which a party to a shared line or a fence can seek to have the costs of that fence shared between them. Under the original bill both urban and rural property owners had a legal right to demand compensation from the person on the other side of the fence, the adjacent property, if they derived any benefit. Really, this was intended to address issues of livestock containment and delineation of property, I think, and having it used or applied under urban sensibilities perverts the original intention of the bill.

Certainly, in urban areas to have one person decide to build a six-foot fence between themselves and their neighbour and then try and ding the neighbour for equal cost of the fence is unrealistic, especially if they're trying to claim that somehow the second neighbour derives some sort of benefit. They may not have wanted a fence, and they certainly may not have had it in their budget to pay for one, so there's an issue here of fairness and of having the bill apply to where it was meant to apply. All that this amending act is doing is just correcting what the movement of history has perverted.

Essentially, it's making the act conform to the goals it was originally meant to achieve and eliminating any unwelcome interference in the urban areas, and I'm happy to support this bill.

Thank you.

The Deputy Speaker: The hon. Member for Dunvegan, then, to sum up, to conclude debate?

[Motion carried unanimously; Bill 5 read a second time]

Bill 9 Mines and Minerals Amendment Act, 2003

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

Mr. Cardinal: Thank you very much, Mr. Speaker. I would like to move second reading of Bill 9, the Mines and Minerals Amendment Act, 2003.

Mr. Speaker, in dealing with amendments to this bill, we are specifically dealing with part 8, which deals with seismic or geophysical exploration. This act will amend existing legislation by upgrading terminology to reflect the way the seismic and geophysical exploration is currently done. For instance, it will clarify administrative criteria, streamline existing procedures, enhance enforcement tools, and strengthen various roles already within the act.

Mr. Speaker, these amendments are a result of extensive consultation done for the exploration regulation review. During the process over 2,000 stakeholders were consulted about changes to how our province manages exploration. Since the Mines and Minerals Act also deals with geophysical and seismic exploration, we also need to amend this act.

Now that we are talking in terms of change, I think the easiest way to speak to these amendments is through a few examples. For instance, we want to introduce a unique identification number to the act, Mr. Speaker. This number will identify subcontractors working on an exploration program. Why is this important? Well, let's say that you are a landowner who notices a truck at the far end of your property, but there doesn't seem to be any visual sign or logo on the truck to identify it. As a landowner or community member you just want to know who is around your property for security reasons. With the creation of this unique identification number, you can now phone the department's information line. We will be able to tell you exactly who has approval to be working in the area based on this number.

Another example of how changes to this legislation will better reflect what should be happening in the field is through the stop-order program. The new stop-order amendment will allow our field staff to take immediate action if environmental incidents happen on the site. For instance, under present rules when field staff or an inspector finds a situation like a flowing shot hole causing water to run across a public road, we need to contact the licence or permit holder before any action can be taken. This sometimes takes a number of hours or longer, Mr. Speaker. Certainly, our field staff will always use every avenue to contact the licence or permit holder, but some things can't wait for hours on end. The stop order can be issued immediately to an on-site supervisor, directing that the activity must stop for the protection of the area.

9:10

Mr. Speaker, these are just a few examples of some of the changes that we are suggesting to update this legislation. After all the communication and consultation we've done on these changes, we are confident that everyone involved with geophysical exploration will see the many positive advantages. Industry will have the benefit of clearly understanding their level of responsibility, and the public will see that this government is willing to provide direction to ensure that this happens.

Thank you, Mr. Speaker. At this time it is my pleasure to move to adjourn debate on Bill 9.

[Motion to adjourn debate carried]

head: **Government Bills and Orders**

head: Committee of the Whole

[Mr. Tannas in the chair]

The Chair: I'd now call the Committee of the Whole to order.

Bill 1

Premier's Council on Alberta's Promise Act

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

Dr. Taft: Thank you, Mr. Chairman. Yes, I'm pleased to rise to address Bill 1 in what I hope will be a tremendous debate here and an insightful one. I know from the comments earlier this evening as well as just from knowing some of the individuals in this Assembly that the intentions of this bill will be close to the hearts of many of us and especially the notion of undertaking a promise to Alberta's children.

As we discussed at one point earlier, this bill lays out a framework, as the Deputy Premier put it, for addressing some issues, but its shortfall, to me a fundamental shortfall, is that it doesn't say what the framework is about. It refers to Alberta's Promise in the title, Premier's Council on Alberta's Promise Act, and there's even a section called Alberta's Promise, which reads: "Alberta's Promise is an initiative to encourage organizations, corporations and individuals to enhance community resources in order to further the well-being of children." It doesn't really say what the promise is. What is it that we are promising here? As a result, with that gap in this legislation, I think that first of all we need to debate that, and secondly, we need to look for ways to fill that promise, to make clear what that promise is.

Now, the one place where I have read the promise is in the Speech from the Throne. That is a substantially more clear expression of the

promise than what we have in Bill 1 itself, and I think it's probably worth reading into the record here. I'm quoting here from the Speech from the Throne of last week.

Alberta's Promise will mobilize every sector of Alberta to build the character and competence of young people by making and keeping promises that focus on five specific areas of commitment. These are

- giving children a healthy start and a promising future,
- providing safe and healthy communities for our children's growth, education, and development,
- ensuring that every child receives ongoing support, care, and guidance from at least one caring adult in his or her life,
- offering children the chance to make a difference through volunteer activities and opportunities to serve others, and
- seeking out the best tools, models, and examples of other individuals and communities so that Alberta's children may learn, benefit, and succeed.

Now, you note, Mr. Chairman, that that promise has somewhat, in fact substantially, more detail than what's in the bill, and I think that even with that, it falls short of what a real promise ought to be. Without something like this in Bill 1 it's really a pointless bill. Maybe it's not entirely pointless, but it's missing a direction. It talks about a promise, but it never makes one except that it promises to set up a council. Frankly, it's not news and it's not adequate that we simply set up another committee, another council for government. This government is becoming notorious for striking committees and councils.

So, Mr. Chairman, I would like to propose an amendment. We have the sufficient number of copies here, so we will distribute those, and then I'll speak to it in a moment.

The Chair: We require the original here plus four others.

Dr. Taft: Okay. There's the original. It's been approved by Parliamentary Counsel, and there are all the copies you need.

Mr. Chairman, may I continue? Thank you.

The Chair: This will be known as amendment A1.

Dr. Taft: Amendment A1. Thank you, Mr. Chairman.

Pretty well everybody now has copies of amendment A1, and for the purposes of the record I will make clear what amendment A1 is. It is an amendment to insert the promise as described in the Speech from the Throne into the legislation, and by doing this, it will in fact give some force, some weight, some substance to Bill 1, which otherwise is seriously in danger of looking like nothing more than window dressing.

The amendment reads that Bill 1 be amended in section 1 by renumbering it as section 1(1) and by adding the following after subsection (1):

(2) The Alberta Promise is an initiative that focuses on the following areas of commitment:

- (a) giving children a healthy start and a promising future;
- (b) providing safe and healthy communities for children's growth, education and development;
- (c) ensuring that every child receives ongoing support, care and guidance from at least one caring adult in his or her life; and
- (d) offering children the chance to make a difference through volunteer activities and opportunities to serve others.

That, Mr. Speaker, is the amendment, and the reason for making the amendment is, as I said earlier, to give Bill 1 some substance. I would assume that all members of this Assembly will support this amendment because we are drawing directly from the Speech from the Throne, which to my understanding reflects the commitments of

this government. All we are trying to do here is take some of the ideas that this government presented in the Speech from the Throne and put them into legislation. Pretty straightforward, and I would hope that it gets the widespread support of members of this Assembly. I'll be disappointed if it doesn't. I can't imagine why it wouldn't.

9:20

We could go through these items one by one. "Giving children a healthy start and a promising future." If that's Alberta's Promise as laid out in the Speech from the Throne, well, let's put it in Bill 1. Who can argue with giving children a healthy start and a promising future? I mean, after all, those are the points upon which a child's life and an adult's life are built. A healthy start and a promising future are exactly what this government should be committing to provide to its children, to our children, to the children of all Albertans. By giving that sort of commitment, we will be building a better future for all Albertans.

The second point, "providing safe and healthy communities for children's growth, education and development." Well, safe and healthy communities: again, good sentiments taken straight from the Speech from the Throne. Why wouldn't we put this into Bill 1? Safe and healthy communities. We all, I'm sure, want to have safe and healthy communities not just for our children but for all of us. If we're making a promise, let's promise this. Frankly, we've left it general enough. We're not saying in this particular amendment that there's any time frame. We're not demanding that there be any particular amount of money spent. We're just saying: if a promise is worth making, then let's really make it.

The third point under the amendment, again taken from the Speech from the Throne: "ensuring that every child receives ongoing support, care and guidance from at least one caring adult in his or her life." The bare minimum we can provide as a compassionate society for our children. Lacking that, children are left entirely on their own, and I can't imagine that anybody in this Assembly or anywhere in this province wants to see children left without any adult guidance at all. So it seems reasonable, taken from the Speech from the Throne. I think all of us in the opposition caucus would like to see this brought into Bill 1.

Finally, to speak to the fourth one a little bit for a moment directly: "offering children the chance to make a difference through volunteer activities and opportunities to serve others." I'm sure the intent behind this in the Speech from the Throne was to recognize that the real gift in life isn't what you get but is what you give and that the people who do best in life, the people who are happiest in life, the people who find life most fulfilling are not those who worry all the time about how much they get and how much they take. They are the ones, instead, who learn how to give and give and give. There's a wonderful paradox. One of the great paradoxes of life in many ways is that the more you give away, the more you end up getting in return automatically: the joy of giving and the joy of service, which is recognized in this particular part of the children's promise.

There's no particular cost involved here. There's no time frame. There's no onerous duty that the government will be saddled with. There's simply the notion of making the promise count. Let's realize what we're standing for as a Legislature. Let's take a stand. Let's take the Speech from the Throne and engrave it in legislation for the sake of our children.

So, Mr. Chairman, with those comments, I look forward to response from any and all MLAs. I hope they will find it in themselves to support this amendment. Thank you.

The Chair: The hon. Member for Edmonton-Centre on amendment A1.

Ms Blakeman: Right. Thank you very much, Mr. Speaker. I am pleased to rise in support of my colleague's amendment A1, which is essentially incorporating the detail that was found in the throne speech into Bill 1.

It was interesting. During the second reading debate on this I clearly remember the Deputy Premier talking about how as an ideology – and I hope I'm paraphrasing accurately here – the government prefers to have what she called a framework legislation and acknowledged that the Official Opposition preferred to have more detail. Indeed we do, and a big part of that is that it allows you to have something to measure against to see whether you are in fact accomplishing the goal. If you have too vague a framework, if it's not clearly outlined, then how do you ever establish what you were trying to do and whether you're achieving it in any way, shape, or form, whether you've moved towards achieving that goal?

In fact, I thought long and hard on the words of the Deputy Premier, and I thought: "Well, this seems to contradict some of the other things I see. Where have I heard someone arguing very strongly for clearly set out guidelines and measurements?" In fact, it's on page 3 of the Auditor General's report of 2001-2002, so the current Auditor General's report. Right at the very beginning it says Predominant Theme of Our Findings. I will just sort of skim through it, but essentially

government organizations need a systematic approach to manage risk. They need formal processes to explicitly link risks with controls and to ensure effective internal controls.

The government and certain . . . agencies would . . . have avoided weak internal controls if they had used formal risk management. This conclusion is based on the interrelationship of explicit risk [management], cost-effective internal control, and internal auditing.

Well, you can't do an internal audit if you have nothing to measure against, and the point is made by the Auditor General that poor risk management exposes Albertans to unnecessary costs.

Good risk management improves the government's ability to reach its goals.

I think that the idea that's presented behind Bill 1 is, in fact, a good idea, and I would like to see the government be able to achieve it, but without anything more specific in the bill I don't know how they can move ahead with the specifics of this or, indeed, for any of us to be able to look at the public accounts in a year or two from now or just look at the legislation and say: yes, this has been achieved. How? There's nothing that we're measuring against here.

So I commend the Member for Edmonton-Riverview for bringing forward a beginning of detail that needs to be in the bill by enshrining those five points found in the throne speech inside the bill. Again, I feel that this could be fleshed out again and further so that there is some detail from which we could gain a performance measurement, but I think this is an excellent start, and I urge the members of the Assembly to support amendment A1.

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

Dr. Massey: Thank you, Mr. Chairman. I'm pleased to have the opportunity to address the proposed amendment to Bill 1.

I look, Mr. Chairman, at the similar promises made elsewhere, and of course I raised America's Promise in second reading. If you look at the web site, there's a fairly good description about Ontario's Promise, which is a similar document, and when you look at Ontario's Promise on the web site and you look at our bill, there's a striking difference in terms of clarity. Ontario's Promise has five

points, very straightforward. It says that there are five promises at the core of Ontario's promise. Each promise focuses on "the fundamental elements that are essential to the successful development" of children and youth:

1. A healthy start . . .
2. An adult who cares . . .
3. Safe places to learn and grow . . .
4. The tools to succeed . . .
5. A chance to make a difference.

That's very, very clear, Mr. Chairman, and I think it's much more consistent with America's Promise, which was the root document for the Ontario work and Bill 1, Alberta's Promise, that we have before us.

9:30

I think what is good about the amendment is that it takes those five ideas and puts them in the body of the bill. It's the kind of detailing of the promise that gives them some legitimacy that having them in the preamble doesn't do. I say that with the full knowledge that I've in the past often been critical of preambles or the lack of preambles in government legislation, but in this case I think that much of what is in the preamble belongs in the body of the bill. Even with our amendment and trying to be true to the bill as it's written, there is still a lack of clarity.

It's very clear.

- (a) giving children a healthy start and a promising future;
- (b) providing safe and healthy communities for children's growth, education and development

really incorporates (3) and (4) of what's in existence in Ontario;

- (c) ensuring that every child receives ongoing support, care and guidance from at least one caring adult in his or her life

is the second of theirs. They state it more simply and, I think, almost more effectively: "an adult who cares." And (d) in our amendment, "Offering children the chance to make a difference through volunteer activities and opportunities to serve others," they encapsulate in (5), "A chance to make a difference."

So even with these amendments, Mr. Chairman, one could ask that it be made clearer. I think the bill is the kind of bill that could have a great deal of influence on individuals and organizations in the province, and for that reason I think it's important that it be very, very clear. I think it could, as I indicated, be more concise, but I think there should be no doubt about exactly what the promise is that we are making to children.

I think that for even an outsider to look at the bill and to find out that most of the bill about Alberta's Promise consists of items and clauses that refer to the Premier's Council on Alberta's Promise – the activities of that council, the membership of the council, the staff of the council, the bylaws and meetings of the council, the annual report of the council, and the expiry of the mandate of the council – it's really quite astounding that that makes up the body on pages 2, 3, and 4 of the legislation, and the actual promises have to be teased out of the preamble.

I believe that the amendment is sensible, it's logical, and I think it gives to the body of the act the kind of substance that those of us who support Bill 1 would find much more in keeping with what we understand to be the intent of the bill. So with those comments, I would encourage the Assembly to adopt the amendment as proposed by our colleague from Edmonton-Riverview.

Thank you.

The Chair: The hon. Deputy Government House Leader.

Mr. Stevens: Thank you, Mr. Chairman. I wanted to make just a couple of comments with respect to the proposed amendment A1.

First of all, I'd like to thank the hon. members opposite for their interest in this and for making suggestions which in their view improve the bill. But in listening carefully to their comments, it seems to me that they have not given full reading of the whereas clauses at the beginning, which set out in general and in clear terms what the purpose of this legislation is. I think it's important to read these words so that it forms part of the record:

Whereas the Legislative Assembly of Alberta recognizes that children are our greatest resource;

Whereas the Legislative Assembly of Alberta is committed to building a province where children are valued, nurtured and given the opportunity to reach their full potential; and

Whereas the Legislative Assembly of Alberta recognizes that achieving these goals for children requires a commitment and effort on the part of all Albertans.

That is the purpose of this legislation. It is very clear. Yes, it is in general terms, but that was intentional. It was intentional that we not drill down into detail but rather in clear and general terms outline what the purpose of this is.

So while I appreciate the efforts of the hon. members and certainly in general terms they would be in accordance with the thrust of what this legislation is, I would urge my colleagues in the Assembly to vote against this particular amendment.

The Chair: The hon. Member for Edmonton-Riverview on amendment A1.

Dr. Taft: Yes. Thank you, Mr. Chairman. I genuinely appreciate the response from the minister. Without bogging down in details, I guess our sense is that normally the preamble would lead to "therefore," and here's the purpose, and the "therefore" that follows in our reading doesn't make a promise. So I think there's a substantive difference there.

Frankly, in the preamble the whereases are honourable. I don't dispute that. I wouldn't dispute that at all. It

recognizes that our children are our greatest resource;

Whereas the Legislative Assembly of Alberta is committed to building a province where children are valued, nurtured and given the opportunity to reach their full potential,

and so on. Those are wonderful statements, but they are a preamble. They are the whereases that normally would lead up to the promise. Instead, what they lead up to is establishing a council. We were just wanting to follow the lead of the Speech from the Throne and put the promise right into the bill. So that's the intent of this particular amendment.

Thank you, Mr. Chairman.

[Motion on amendment A1 lost]

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

Ms Blakeman: Thank you. I, too, will have an amendment that I will speak to later. I will take the opportunity to send it to the table now so that you have it.

Just a couple of points that I wanted to make in general debate while we're in Committee of the Whole on Bill 1. A couple of things are still concerning me in this bill overall. Without getting into the issue of the lack of specificity, which my amendment and a number of other ones are attempting to address, but speaking more generally, when we look at what was intended by the originating promise that came out of the United States and then was picked up in Ontario, the one in the U.S. was an all-party endeavour, not a partisan endeavour at all. This very clearly is a partisan endeavour, and I would like to see that widened up. If truly we are seeking the

support of the Legislative Assembly – and I think at one point the legislation actually does even mention that it is seeking that support – I think, then, that it should be more of an attempt to have it be all-party rather than be as partisan as what is spelled out here. So that's an issue that continues to concern me.

9:40

The other issue – and, again, I brought this up during second reading and listened carefully to what members of the government said in refuting my point, and I'm willing to debate this issue further – is that in asking for a council to be put together of leaders of the corporate sector and of the community and the individuals, I think is how it's actually worded in the legislation, clearly there's an expectation that there is a fund-raising component to this bill and an expectation that the council would engage in raising funds, which would then be directed towards programs which will help children. My concern in all of this is that it's a pretty tight fund-raising pool out there in Alberta right now.

We have some very good groups who currently raise money, and they have a great deal of respect behind their names; for example, United Way or Catholic Social Services, who work very, very hard to raise money to fund existing programs for children. This council now gets into competition with those organizations who are already working very hard to raise money in a limited pool. So we're throwing another really big fish into quite a small pond, and my concern is that this council might be seen to be more prestigious, has the name of the Premier attached to it. If it moves money away from the good work that groups like United Way or Catholic Social Services are already doing and takes some of their money into the fund-raising pot or the coffers associated with this council, I don't see how we're further ahead, and I have real concerns about that.

I think at one point – and I'd asked for confirmation – I heard one of the members say that there was a hope, a desire that this Premier's council would in fact increase the amount that the corporate sector and the individuals were donating by 5 percent. Well, where's that 5 percent going to come from? I'd be really interested to see whether there's a belief by government members that this is 5 percent in addition to all of the fund-raising that's already going on out there for any number of excellent causes which benefit children directly or indirectly.

Through that we're talking about fund-raising for things like children's amateur athletics, even fund-raising for day care centres, other kinds of recreational opportunities for children, arts and cultural opportunities for children. I mean, there are already a lot of groups out there that are trying to provide this programming, and I'm not seeing where the additional 5 percent is going to come from without it taking away from the groups that already are out there. I don't hear a concrete argument as to how this moves the lives of children in Alberta further forward. So I'm interested in hearing a response to that.

I had wanted to raise – and I'm not sure that I did – the issue about the budget and the salaries. I'm interested in hearing what is the budget that will be accorded to the operation of this council. There's obviously an expectation that there will be staff. I'm interested in what the classification is that the staff would come in under and the commensurate salary level or range that would be attached to that. I'd like to get that answered, and even if you can't provide me with the total budget numbers – maybe it's coming when the budget is actually introduced by the Minister of Finance – you can certainly tell me the anticipation of whether this is going to be done by an administration 4 position or whether it's going to be ranked into management or a deputy minister level. What's the expectation there?

I think that my colleague from Edmonton-Riverview has already argued my concern that what's in the preamble, as we all know, is unenforceable. It is considered in advance of the actual legislation. So interesting sentiments that are put forward but not anything that we can actually measure against, because it's not considered part of the enforceable section of the legislation. But maybe there is a differing opinion on the other side.

Those are a couple of the issues that I have concerns about, and that is around the fund-raising. It is around: what can be measured from what's being proposed in the legislation? What's the budget that's anticipated being associated with it? What's the level of staffing that's being anticipated here?

Now, I did send to the table a copy of an amendment that I would like to bring forward. Perhaps it's possible to have that distributed at this time.

An Hon. Member: It's done.

Ms Blakeman: It's done. Oh, great.

The Chair: Okay. This is called amendment A2.

Ms Blakeman: And we're calling it amendment A2. Thank you very much. That's extremely expedient.

This amendment is moving that in section 3, which is addressing the activities of the council, a clause be added as (g), which is following the last one: to “develop recommendations that will facilitate the delivery of at least one nutritious meal a day to children through a program available in every school in Alberta.” So, again, this is our attempt to tie a very concrete activity that can in fact be measured and the success of it can be measured as we go through this.

One of the things that I notice in my schools – and all of my schools are classified as inner city, and we certainly know that a lot of these kids are coming from disadvantaged households and households that are working very hard to lift themselves out of that. Certainly we know that children who have an empty stomach don't learn as well at school. They're not as attentive. They don't take in the information as well. We have found over time that it actually is a good idea for society to join together, government and agencies in the community, to in fact provide some nourishment to children because it does help them learn better and retain information and be able to move ahead. I'd like to see that added into this promise because it should allow us to do even more work.

One of the interesting things that's been pointed out to me was a question that was asked, and that is: what's the difference between the last day of grade 6 and the first day of grade 7? The answer is: the child is not provided with the same access to those hot lunch programs. So those programs are available from K to 6, in my understanding. Perhaps it's changed, and I'd love to hear different, but once the youngster is in junior high or high school, the access to those programs is gone. There's no longer a funding flow-through and an encouragement from government for those programs to exist for those kids. From what I've been told, I mean, you're more likely to have a kid in junior high school that's in a rapid growth stage or is much more in need of a lot of food than I think could be argued a child who was younger than that. So to cut them off arbitrarily I think can be causing great hardship, and if we're trying to help these kids be involved in their community, to be taking in and maintaining what they're being taught in school, then this is a way to do it that we know works.

9:50

I'll give you another example of how we know it works from my community, and it's part of that same question, just slightly paraphrased, being the difference between the last day of school and the first day of summer, and the answer is the same. There was no program that was available for those kids that provided them with any nourishment once summer rolled around. So they could be in grade 4 or grade 5 or whatever, and they went down to the park the first day of summer holidays, and that's it. There's nothing available for them. They started a program called Snack in the Shack, and it's been immensely successful, and again it's a partnership. There is some funding from the government, I think through Capital health authority, and the co-operation of a number of the service organizations that work in my community and in other communities. I'm sure that in Edmonton-Norwood or Edmonton-Highlands or Edmonton-Beverly-Clareview or Edmonton-Castle Downs and certainly in Edmonton-Centre there's the need for that.

So I'm urging people to consider adding this. I hear the reluctance from members of government who are not interested in providing any more detail in the bill, but I don't want to see this bill be a slogan bill. I don't want to see it be something that five years from now everybody goes: "Oh, yeah. Right. We had that, but it meant nothing. There was nothing in it. Nothing was ever done, and there was no way to ever call anyone to account, because there was nothing to call people to account for."

If you want to make that promise to children, I think we have to take the promise seriously, and we have to say what we're going to do and mean it, and for that to happen there have to be clearly laid out programs that are expected to happen and some measurements that are to be achieved, targets that go with that. Now, that all doesn't have to be written specifically into the legislation, certainly, but the outline of the specifics of what we're talking about does need to be in the legislation. Otherwise, I think it does become a bill that's simply a slogan or a blank cheque or an empty bill, and I think Alberta children deserve more than that.

So those were the issues that I wanted to bring forward in support of my amendment A2, which is asking to "facilitate the delivery of . . . one nutritious meal a day to children through a program available in every school in Alberta." I know that my colleagues are interested in speaking to this particular issue, so I will clear the way and sit down.

The Chair: No, please don't sit down. We'd like you to move the amendment.

Ms Blakeman: Oh, I'm sorry. I would like to move the amendment that's known as amendment A2. Thank you.

The Chair: Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. I'd like to begin the debate on this amendment by reading from a recent book about poverty by one of Edmonton's best known authors. This is an excerpt from that book. I'm quoting the author's account.

One of my first interviews was with the principal of an inner-city school. It was an old three-storey brick building with creaky linoleum floors and small classrooms. My appointment was for noon and I got there just a few minutes early. We sat talking in her tiny second-floor office. Suddenly she got up from her desk and moved to the window. She motioned for me to join her. I pressed my head to the glass as she instructed and down below I could just barely see a little girl hiding under the stairs. Just then the noon bell went off. The little girl leapt to her feet, ran along the side of the

building, disappeared into a door, quickly reappeared and motioned across the schoolyard. Immediately, two small children, a boy and a girl, maybe five and four years of age, came running across the yard. All three vanished into the school.

The principal told me that the older girl, who was seven, was sneaking her younger brother and sister into the school's hot-lunch program. She did this several times near the end of each month. One of the new teachers noticed what was happening and, in a non-confrontational way, questioned the girl, who began to cry with shaking shoulders, deep sobs, and tears rolling down her face. There was no father in her family. Their mother had been sick in bed for months. They always ran out of food before the end of the month. The utility bill had to be paid; if it wasn't, child welfare would take the kids away from their mother. There was nothing in the house to eat.

Now, Mr. Chairman, if we're going to make a promise to our children, the least we can do is promise to give them a meal a day or at least a meal every school day – one meal, not three, not two, just one nutritious meal a day – and that's why we're making this amendment to Bill 1. If a promise is worth making, it's worth making specifically and it's worth keeping.

We might in this Assembly think that there aren't very many children in this province who go hungry, but the figures don't confirm that. Certainly, the majority of Albertans are well fed, and as the minister of health will agree, too many Albertans are too well fed, but at the other end of the spectrum too many Albertans and especially too many Alberta children are not fed enough, and malnourishment, undernourishment, is too widespread in this wealthy society.

Just to give you a sense of some of the figures on this – and there are, as we all know, many measures of low income. This is a subject of some substantial debate, and I'm just using one particular figure here, and I'll use another in a moment. In Alberta the prevalence of low income as a percent according to Statistics Canada: under 18 years of age from 1991 to the year 2000, year by year, it varied between a low of just over 10 percent to a high of 15.9, almost 16 percent, and translating that into actual numbers, we're talking anywhere from 90,000 to 140,000 Albertans under the age of 18 who are living in poverty. If we look at that by family unit, in two-parent families in the last decade anywhere from 8 and a half to 13 and a half percent of those families are low income. Those are families with children, two-parent families with children. If we go to female lone-parent families, shockingly almost 60 percent of those families are living at low income, and that has varied up and down. It's been as low as 30 percent, and in 2000 it was 38 percent. That's atrocious in this society. Let's see if we can do better. Let's make a promise to these people to do better.

Now, I've done some straightforward calculations and estimates on what this particular proposal would cost in its simplest form, and if there are, as I believe there are, 560,000 students in this province and if we only targeted this program to the half of those students who are in kindergarten to grade 6 – so let's say that's 280,000 students – and if we say that 15 percent of those students are living in conditions where they may not be getting nutritious meals, that's 42,000 children. Let's say that for a simple meal, maybe a container of yogurt and a whole grain sandwich, it's \$3. So that's \$126,000 to give one meal to each of those 42,000 children, and if we multiply that by the 200 school days, we're at about \$25 million for the year, substantially less than we subsidize the horse racing industry, and for that \$25 million we could ensure that every hungry child in this province gets at least one nutritious meal a day. What an amazing investment. What an amazing promise to fulfill to our children, and it is so doable. The schools are there. The teachers are there. The children are there. All that's lacking is the political will.

10:00

Let's think for a minute about what this would achieve. First of all, we're directly addressing children living in poverty and children going hungry. We're directly giving those kids food in their bellies. What does that do? Well, it helps them pay attention in school. It helps them learn. Perhaps, most importantly it teaches them that school is a hearth, that school is a place to go where you can get help, where you can get somebody who can care for you, somebody who feeds you. It turns school into a wonderful place for these children. At school it gives them a break from the otherwise impoverished conditions they're living in. The long-term benefit of that surely is that these kids instead of being turned off by school are turned on by school. School is a place where you go not only to get nourished in the mind but to get nourished in the stomach.

So it helps with learning. It entices children to love school. It helps them to pay attention. And do you know what? It will also help them to be healthier. These are kids who will have the adequate vitamins and minerals and calories to lead a healthy life. We all know, most of all I think the minister of health, who's here this evening to his full credit, the importance of something as simple as nourishment for a lifetime of better health. There certainly are very few greater threats to a lifetime of good health than poor diet, and here is a way that for \$25 million a year we can directly address that for tens of thousands of kids across this province.

Beyond that, what about the issue of justice? I'm not just talking here social and economic justice; I'm talking about the hard nuts and bolts of criminal justice. What happens to kids who when they are 10 or 11 or 12 are going hungry? Where are they going to turn? They're going to turn if they have no other choice to breaking and entering, to theft, to shoplifting, to petty crime. Where's that going to lead? Well, too often we know exactly where that leads. They end up on a path towards a conflict with the justice system, a path towards crime.

So those are some of the benefits that could come from taking this amendment seriously. I know the Member for Red Deer-North and the Member for St. Albert earlier this very evening talked about how much they value children. I hope that they're paying attention now because this is an opportunity to really stand up and be counted.

One of the promises in the promise that's in the Speech from the Throne, Alberta's Promise, is the promise to give children an opportunity to serve. I talked a few minutes ago about how wonderful that promise is because in the long run the happiest people are not those who are always in this world for what they can get but are in this world for what they can give. Well, this is an opportunity for us to give and for this government to give and for this government to be better because it has given.

So I hope – I hope – at least some of the members in the government benches will stand and support this amendment, an amendment of minimal cost, an amendment of substantially less cost than what we routinely provide to the horse racing industry, for example, and an amendment that in the long run, year by year by year, would make Alberta an unquestionably better society, a promise worth keeping.

Thank you, Mr. Chairman.

The Chair: The hon. Member for St. Albert on amendment A2.

Mrs. O'Neill: Thank you very much, Mr. Chairman. I just want to rise to speak to the amendment and to suggest that the proposed amendment is to micromanage the work of the Premier's Council on Alberta's Promise. I will not be supporting the amendment. Although the previous speaker indicated that there are many ways in which we can serve children, provide for children, I do not believe

it is being specific in this particular bill by way of the amendment that is proposed by the Member for Edmonton-Centre.

I'm not supporting the amendment, simply because the intent and the construct of the act as proposed in Bill 1 specifically do lay down the framework whereby the council can operate. It does not indicate and should not indicate what the specifics are of every detail, the rationale, and how the council should perform in its role as a council attending to Alberta's Promise, which is the promise for our children. So while I believe that certainly one nutritious meal a day to children in our schools, not every school but in many of our schools, would indeed assist a number of children, I do not believe that the place for that kind of direction is to be inserted into Bill 1. Therefore, I will not be supporting it.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. Again I thank the Member for St. Albert for rising and participating in the debate. This is a House of debate. We are in committee. All of you will know that many times I've said that I'm happy to debate these issues in committee.

This amendment in my view is not in any way, shape, or form micromanaging. To say that we should provide one nutritious meal a day to children is not micromanaging. It seems to me to be a bare-bones minimum of a compassionate society. We don't say, for example, in here how the program should be specifically delivered. We don't micromanage it by saying what the menu should be. Micromanaging would be putting the parameters of the program in here in absurd detail. We are simply saying: let's set a standard of ensuring that every school child in this province for 200 days of the year gets a minimum of one nutritious meal. Clearly, the majority of Alberta children don't need this, but equally clearly there are probably 40,000 who do.

What in the world is wrong with setting down a minimum standard? We don't say how it should be delivered. We don't say how much should be spent on it. I did some rough estimates. If this is micromanaging, we'd better chuck out 95 percent of the legislation in this province. I cannot believe that this is micromanaging or that the Member for St. Albert sees this as micromanaging and uses that as a reason to block an amendment that has as its motive, as its sole reason for being giving kids one nutritious meal a day. I just cannot accept that reasoning.

Thank you, Mr. Speaker.

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

Dr. Massey: Thank you, Mr. Chairman, for the opportunity to speak to the amendment. As members have probably surmised by now, Bill 1 was a topic of debate in our caucus, and in our decision to support it, I guess we looked at the bill and the great possibilities. We thought that the bill opened up in terms of making the lot of children better and in terms of creating conditions in which children could thrive and do better. That discussion both in caucus and informally resulted in a number of ideas coming forward that we hoped would make the bill better. I think as you've listened to the discussion and as you've listened to the amendments, the motives have been to try to make the bill better, to try to put some clothing on a rather bare-bones proposal, and to focus on additions to the bill that would truly make the promises tangible and would give anyone reading this bill and anyone attempting to adopt the ideas in the bill a good idea of what was intended.

10:10

The first promise: "giving children a healthy start and a promising

future.” I think this amendment speaks directly to that promise that youngsters would have a nutritious meal each day delivered through schools. Mr. Chairman, I think the Member for Edmonton-Riverview made the case quite eloquently and strongly in terms of the importance of nutrition in terms of that healthy start.

It’s also related to the second of the promises, and that’s “providing safe and healthy communities for children’s growth, education and development.” Part of that community in terms of youngsters’ development is one that would take on the responsibility to make sure that they were – not well fed. I mean, the amendment does not leave these youngsters in any way well fed. What it is is a minimum, a bare minimum that would ensure for most youngsters that at least once a day they were well fed. I think we’ve seen from programs that are in operation in some parts of our inner cities the huge difference breakfast programs make to youngsters and their performance. We’re certainly seeing there and have testimonials from teachers and parents in terms of the difference that providing those breakfast programs makes in youngsters’ ability to concentrate and to benefit from their participation in school experiences and instruction.

So it’s not an earthshaking proposal, Mr. Chairman. It’s one, as I said, that takes and extends the promise and puts something very concrete in front of people so that you can turn to this and say: “Yes. The promise is to get youngsters off to a healthy start, and this is the way we do it. One of the ways we do it is to provide a meal a day.”

I know it’s getting late, and our tolerance for amendments at this time of night seems to wane, but this is an important bill. It’s the first bill on the legislative agenda for this session, and it’s the Premier’s bill. We think it’s just got great possibilities, and we’d like to do what we could to make it better.

With those comments, I’ll conclude. Thanks, Mr. Chairman.

[Motion on amendment A2 lost]

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

Dr. Massey: Thank you, Mr. Chairman. As I said a few minutes ago, the tolerance at this time of the evening for amendments grows rather thin. I can’t miss the opportunity to do what I think is the right thing to do, and that’s to fully debate the bill and to put forward those ideas that we think make the bill a better bill. With that in mind, I’d like to propose an amendment to Bill 1, the Premier’s Council on Alberta’s Promise Act. I have the original here.

I’d like to move the amendment if I might, Mr. Chairman.

The Chair: This amendment will be called A3.

Dr. Massey: I move that Bill 1 be amended in section 3 by striking out “and” at the end of clause (e) and by adding “and” at the end of clause (f) and by adding the following after clause (f): “(g) develop recommendations to attain an 80% completion rate for students entering primary education to finish secondary education.”

I think the amendment, Mr. Chairman, is straightforward. We want to make a promise to children that we will put forward the effort, the needed resources, and the enthusiasm that it takes to have 80 percent of youngsters who enter school complete high school. It’s a promise that has been worked on elsewhere. A number of jurisdictions now have set completion rates, goals for their learning systems. It’s consistent with, I believe, a motion that’s coming forward fairly quickly in this session that would have youngsters retained in high school to the age of 17 years. I think the intent is consistent with that in that we want youngsters to stay in high school to complete it successfully.

I think that if we look at the statistics, it’s rather disturbing. I know that we raised the issue of completion rates in the House some time back, and the Alberta high school completion rates, if I recall correctly, are some of the lowest in the country if not the lowest. I remember that at the time the Minister of Learning indicated that one of the reasons for that was the booming economy in Alberta, that youngsters were finding it very attractive to leave school and to enter the market because they could get jobs and they didn’t need to have completed high school to pick up a job and in many cases to be well paid. So the explanation for more of our students not completing was an economic one, that times were good. But we all know, Mr. Chairman, that Alberta goes through bust and boom, and even when things are booming, the evidence is abundantly clear that students who complete high school do much better in the long run, throughout their lives, than those who fail to pass that kind of minimum standard. So the amendment would have us set the goal of 80 percent.

I think you can look at subgroups in our population. For instance, if you look at aboriginal students, the completion rates for many of those students are really very abysmal. There are efforts, I know, in Edmonton to create a separate school to attract those students and to try to develop a culture in which they feel comfortable so that they would be encouraged to . . .

The Chair: Hon. members over there, would you please take your party outside and into the Confederation Room and carry on there as loudly as you wish but not in here. Was that message received?

The hon. Member for Edmonton-Mill Woods.

10:20

Dr. Massey: Thank you, Mr. Chairman. I was just indicating that there has been an attempt by some boards, particularly the Edmonton board, to create a school particularly for aboriginal students, and one of the big concerns that led to the creation of that was the failure of those students to complete high school.

So there are great efforts being put forward by boards to do as best they can to encourage students to complete high school. What better way to aid those boards, what better signal to young people than to have a statistic like this: 80 percent will complete high school in Alberta’s Promise, that’s backed up by the Premier. I think that by making that kind of a statement, we make an important cultural statement, and we start to establish some norms. For many students it’s taken for granted that they will complete high school and go on to some form of postsecondary education, but for other students that’s not the norm. They come from some subcultures and often from backgrounds where completion of high school is just not taken for granted, and I think that this could go some way in terms of, as I said, creating the norm that you must complete high school and that that has the support of the community.

With those comments, Mr. Chairman, I’d conclude. Thank you.

The Chair: The hon. Deputy Government House Leader.

Mr. Stevens: Yes, Mr. Chairman. I move that we adjourn debate with respect to Bill 1.

[Motion to adjourn debate carried]

Mr. Stevens: I move that we rise and report progress.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports progress on Bill 1. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.
The hon. Deputy Government House Leader.

Mr. Stevens: Yes, Mr. Speaker. I move that the Assembly stand adjourned until 1:30 tomorrow afternoon.

[Motion carried; at 10:25 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, February 25, 2003**

1:30 p.m.

Date: 2003/02/25

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy. As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Children's Services.

Ms Evans: Thank you, Mr. Speaker. On behalf of my colleague the Minister of Learning I would like to introduce some very special people from the public service who are on an orientation tour here today from Alberta Learning: administrative services manager Audrey Chykerda; the team leader of public consultation, Carla Corbett; the HR planning manager, Dianna Wilk; the HR planning adviser, Darlene Marshall; marketing consultant Lisa Candido; business integration co-ordinator Maggie Nowak; and another business integration co-ordinator, Amy Beechey. I would ask that they please rise and that we salute them with a warm welcome from the House.

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

Dr. Taft: Thank you, Mr. Speaker. It's my pleasure to rise today to introduce to you and through you to all members of this Assembly 25 highly motivated and intelligent grade 6 students from St. Martin Ukrainian bilingual school in my constituency who are accompanied by their teacher, Mrs. Natalie Harasymiw. I would ask them to rise and receive the warm welcome of all members of this Assembly.

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

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to introduce to you and through you to all members of the Assembly, first of all, students from Metro College and their teacher, Mr. Jim Zalcik. I would ask them to rise and receive the warm applause of this Assembly.

I would like to introduce to you and through you to members of the Assembly 24 students from St. Jerome Catholic school and their teacher, Mrs. Rose Auger, and the student teacher, Mrs. Willy Hankinson. I would ask them also to rise and receive the warm welcome of this Assembly.

Mr. McFarland: Mr. Speaker, I was surprised as I came in today to notice with great pleasure a constituent of mine and her sister who are in the members' gallery. I would ask Mrs. Marjorie Sande, a former classmate that attended high school and wife of a farm family in the Lomond area, and her sister to please rise and receive the warm welcome of this Assembly.

head: **Oral Question Period**

Natural Gas Prices

Dr. Nicol: Yesterday through an application filed with the Alberta

Energy and Utilities Board, ATCO indicated that it would like to charge \$8.58 per gigajoule for northern Alberta customers and \$9.52 per gigajoule for southern Alberta customers. When compared to this month, that's a 19 percent increase for those in the north and a 26 percent increase for those in the south. This is a full \$3 to \$4 above the \$5.50 trigger price in the price protection act. To the Premier. Yesterday the Premier stated that Alberta was the only province with a Natural Gas Price Protection Act. How will Albertans benefit from being the only province with a price protection act, one that will not trigger when they're faced with an average 24 percent increase in their bills next month?

Mr. Klein: First of all, Mr. Speaker, the application, as the hon. leader of the Liberal Party pointed out, is before the Alberta Energy and Utilities Board, and it is up to the board as to whether those rate increases will prevail or will be approved. Secondly, we don't know at this particular time how those increases, if they are approved, will fit into the overall average and whether they will result in the achievement of the trigger price of \$5.50 a gigajoule. If it triggers the \$5.50 on an annual prorated basis, then I assume that consumers will be eligible for the rebate.

Dr. Nicol: Given that other provinces have natural gas price protection built into their legislation, why not invoke the act and give Albertans the same protection that other provinces get?

Mr. Klein: Mr. Speaker, I'll have the hon. Minister of Energy respond, but I don't know of any other jurisdiction that has built-in protection for consumers relative to natural gas prices.

Mr. Smith: Mr. Speaker, while we were listening to the Premier's comments, the Leader of the Opposition said, "Long-term contracts," which I guess means the ability to hedge or undertake a contract. In fact, that legislation will be brought before the House at a future date during this session where we will give Albertans the opportunity, as they have expressed, to contract both natural gas and electricity on a short basis, on a long basis, in combination with the two, and perhaps in combination with furnace-cleaning services, with other types of services. So these options will go forward, and they will add to what is already the best and most unique price protection program in Canada today.

Dr. Nicol: Mr. Speaker, to the Premier. Your minister has just talked about this as a future for Alberta, where they can get these kinds of long-term protections that other provinces have now. Our only protection is your price protection act. Why will you not have your government show some compassion for low-income Albertans and give them price protection right now?

Mr. Klein: Mr. Speaker, as the hon. minister pointed out, legislation takes time. You just don't snap your fingers or wave in the air and say: it shall be done. It requires legislative changes, and as the hon. minister pointed out, that legislation will be introduced this spring session.

The Speaker: The hon. minister.

Mr. Smith: Well, thanks, Mr. Speaker. In fact, if we were to go back to the debate in 2001, we'd see here that the leader of the opposition party says:

We have to make sure that price level we're going to protect is contingent upon and tied to the price we use in the budgeting

process for revenue generation and revenue estimation within the province.

That's exactly what we're going to do.

In fact, the critic from the opposition also stood up during that debate and said: "This could wind up costing us billions of dollars. What criteria will determine who gets a rebate? . . . Albertans are going [to have] to pay for this." We have to be very, very careful here, and we are. There is a very good program in place. It's unique in Canada, and it will protect Albertans at a point when it triggers into effect.

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

Dr. Nicol: Thank you. Mr. Speaker, there's a difference between being cautious and careful and being protective.

Utility Costs

Dr. Nicol: Most of us in Alberta are able to make budget changes in order to pay the high cost of utilities caused by deregulation. However, Albertans with low incomes are being forced to choose between heat and food. To the Premier: how is this government going to ensure that citizens don't have to make the choice between heat and food next month?

Mr. Klein: Mr. Speaker, that's a very insensitive and irresponsible statement to make. First of all, the legislation we have relative to the natural gas rebate program is unique in Canada. No other jurisdiction has that kind of legislation in place. Secondly, the hon. minister will be introducing legislation as it pertains to how gas companies purchase their gas and budget for that gas relative to the consumers.

1:40

Mr. Speaker, the cost of food, the cost of electricity, the cost of natural gas: it's an ever increasing thing, and the hon. member knows that. What we try to do through various government programs is to shield low-income Albertans from rising costs, whether those are rising costs in food, rent, gas, electricity, clothing, or any other commodity. That's what we refer to as social safety nets: to help those in society who truly need help.

Dr. Nicol: The safety net doesn't work if you don't trigger it, Mr. Speaker.

To the Minister of Seniors. Some seniors living in subsidized housing are telling us they now have to pay separate bills for utilities that were once included in their rent. Is there any program in place that the minister can use to help them when they now are being faced with increased utility bills in their subsidized housing?

The Speaker: The hon. minister.

Mr. Woloshyn: Thank you, Mr. Speaker. The key words in the comments were "subsidized housing." Some of the rents do include utilities; some of them do not. Along with the subsidized housing program, we do have the seniors' benefits program, and although that program does not go directly to utilities, people who are currently receiving cash from the Alberta seniors' benefits program can apply for special needs to help them with onetime expenses of a specific nature. In doing so, that also alleviates some of the problems, and hopefully they can meet their ongoing obligations with a bit of ease. We currently monitor the situation and keep track to ensure that we don't have anybody falling through the cracks, and I would stress to all members here and to people listening that if you

know of seniors who are suffering undue hardship, please let the department know or contact my office.

Dr. Nicol: My next question, Mr. Speaker, is to the minister of human resources. Many SFI and AISH recipients, when threatened with utility disconnection notices, must use all available resources before accessing onetime emergency assistance through your department. Does "all available resources" include any kind of a cut into their food budget or their rent, or what other aspects do they have to deal with before they can trigger the support through that utility program in your ministry?

Mr. Dunford: Well, Mr. Speaker, we're entering our second year of providing assistance to Albertans when disconnect notices are received. As a matter of fact, the amount of Albertans' money that we used last year in order to do this was \$1.6 million. We have no forecast at the present time as to what might be involved this year, but an Albertan that receives a disconnect notice on, really, either a natural gas or electricity utility can come forward, can seek assistance through our department. We, of course, have screening mechanisms, and we have entitlements that must be met, and we'll continue to be as flexible as we can to help as many Albertans as we can.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Foster Care

Dr. Massey: Thank you, Mr. Speaker. A statement of claim has been filed with the courts that alleges that a mother was sexually abused while in foster care and that in January of 2001 her daughter, also in care, suffered burns, broken bones, and lacked proper medical treatment. My questions are to the Minister of Children's Services. Given that the minister is in a conflict of interest protecting the reputation of the department while also needing to legally represent children who may have suffered while in the care of that department, will the minister follow the advice of successive Children's Advocates and establish an external review panel to investigate and compensate proven victims?

Ms Evans: You know, Mr. Speaker, on the basis of allegations – allegations – in a statement of claim that has been filed in the court but not yet delivered to me or to any of the other officials that have been identified in the statement of claim, the hon. member has chosen today to give us a release that really, effectively, damns the system, and I find that offensive. I find it offensive on behalf of those families that are involved.

In their release they state that we haven't paid attention to the previous Children's Advocate relative to an external review committee. Almost immediately we acted not with an external review committee but with changes to the CWIS so that immediately if a child is hurt by anybody in any place in any circumstance and they are in care, it is flagged on the CWIS and is immediately directed to the Children's Advocate so that the Children's Advocate has immediate access to absolutely every situation that could result in a thorough investigation of the claim that the child has been hurt in any way. We have made a technological improvement that is extremely positive and is working well.

Mr. Speaker, I think that, further, the hon. member is aware that we've had a John Doe case representing 429 alleged cases that's still not back from the courts with any decision on that. When it is, it may cause us to review it again, but presently this system is working

extremely well. The advocate appears satisfied, and we have frequent meetings and regular reportings. More importantly, as soon as a child is hurt, someone is there to follow up and investigate on their behalf.

The Speaker: The hon. member.

Dr. Massey: Thank you. To the same minister, Mr. Speaker: given that the minister is willing to place details of children up for adoption on the Internet, has she opened the files of those 400 children in the Calgary lawsuit?

Ms Evans: Mr. Speaker, I will not divulge all of the preparation by the government in terms of the cases, but there was a very thorough review done. It was presented in the courts, and we are waiting for the results of that court case.

I think the bottom line, Mr. Speaker, is that I have to believe that the hon. member opposite would like the same thing that the government would, and that is children safe and well protected and due diligence on their behalf. We have initiated this past year, this fiscal year, a complete review of the foster care system. We've had phase 1 of that review done. The things they're asking for in their release are a day late and a dollar short.

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. Again to the same minister: does the department follow the national guidelines for foster care in Canada, which includes providing legal representation for children in care?

Ms Evans: Mr. Speaker, in the statement filed I noticed some very severe allegations relative to whether or not we act in the best interest of government or in the best interest of the child. The mission of this department is to act in the best interest of the child. In almost every case this government exceeds all of the Canadian standards relative to child protection, child care, and representation for children who are injured.

The Speaker: The hon. leader of the third party.

Education Funding

Dr. Pannu: Thank you, Mr. Speaker. Growing class sizes, crumbling schools, school board deficits: these are the real-life consequences of the government's education policies. The government's mindless refusal to fund the arbitration settlements, cuts in plant operation and maintenance grants, and the imposition of a cap on grade 10 credits are creating this crisis. More and more school boards are speaking out about the disastrous consequences of the government's shortsighted policies. My questions are to the Premier. How can the government claim that there is no financial crisis in our schools when yet another school board, Red Deer public in this case, is sounding the alarm about deep cuts in programs and staffing?

Mr. Klein: Mr. Speaker, I have the opportunity to travel the province and do that on a number of occasions quite frequently, and nowhere have I seen the kind of situation described by the hon. leader of the third party. We don't see crumbling schools. We don't see kids going without. What we do see are good stories, wonderful stories about what is happening in our education system.

You know, if this hon. member would get out from under the

dome, if he would examine what is really happening in the education system, he would see that the eighth annual biology competition was written by 5,300 eligible contestants at 408 schools across Canada in April 2002. Three Alberta schools rated in the top 10 schools in the country. These schools were Old Scona academic school in Edmonton, which took first place, Western Canada high school in Calgary in fourth place, and Ross Sheppard high school in ninth place out of 408 schools across the country. Alberta's Travis Murdoch . . .

1:50

The Speaker: Perhaps, hon. Premier, we can get to chapter 2 a little later.

The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. If everything is as hunky-dory as the Premier claims, why are Elk Island, Red Deer, St. Albert Catholic, Edmonton public, and a growing number of parents, many of them in my own constituency, finding it necessary to speak out about the crisis in their schools, thereby risking punishment from the Premier's government? Is the Premier seriously suggesting . . .

The Speaker: Hon. leader, you can't have four questions in one preamble.

Mr. Klein: To carry on, he named eight schools, and I'll name one school, and that's Alberta's Travis Murdoch of Salisbury composite high school in Sherwood Park. He placed among the top 10 students in this competition, and he tied for seventh place, Mr. Speaker. So, obviously, there's a school that's doing a wonderful job.

We can talk about the almost 6,000 students from across Canada who participated in the seventh Canadian Open Mathematics Challenge in November 2002, and the top contestants in a region are named provincial champions. The gold medal honours for Alberta went to Peter Zhang of Sir Winston Churchill secondary school in Calgary. Obviously, that school is doing a very good job.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. How much more do class sizes have to grow, how many teachers have to be laid off before the government takes meaningful action to address the growing financial crisis in our schools?

Mr. Klein: Mr. Speaker, we obviously have taken action. We are obviously continuing to take action because, for instance, success in mathematics is nothing new to Alberta students. Alberta students consistently achieve at the top levels around the world, and that was demonstrated at the 2002 International Mathematics Competition in Glasgow, where a gold medal was awarded to Alexander Fink of Queen Elizabeth high school in Calgary and a bronze medal went to Robert Barrington Leigh of Old Scona academic high school in Edmonton. These two Alberta members were on the six-member Canadian team. In other words, one-third of the Canadian team came from Alberta. It couldn't be all that bad.

The Speaker: The hon. Member for Wetaskiwin-Camrose, followed by the hon. Member for Edmonton-Gold Bar.

Alberta Supernet

Mr. Johnson: Thank you, Mr. Speaker. The Alberta government's high-speed network project, Supernet, is scheduled to be completed soon. However, it was recently brought to my attention that there is

a legal dispute between Bell West and its subcontractor Axia NetMedia Corp. which could cause delays. My constituents are looking forward to having their libraries, schools, and hospitals connected with Supernet but are wondering how the dispute is affecting the project. My questions are to the Minister of Innovation and Science. What is the status of Supernet construction in the province?

Mr. Doerksen: Well, Mr. Speaker, imagine if you were a student in Rocky Mountain House that wants to take a class in Red Deer and have a live discussion over a distance of 85 kilometres. That's happening right now because of the Supernet connection.

But the hon. member is correct. There are some time lines in place that we have built into the contract to build Supernet. Our business plan calls for some performance targets to be met, and we are currently not meeting those targets precisely, and the 2003 year is going to be a pivotal year in order to complete this construction on time.

Mr. Johnson: To the same minister: what assurances can the minister give my constituents that the project will be completed on time and on budget?

Mr. Doerksen: Well, Mr. Speaker, we do have a contract in place, and our primary contractor, Bell West, is under contractual obligations to complete the build of the network by the end of the year 2004. We intend to hold Bell West to that contract and are working with them diligently to ensure that this year, 2003, we proceed quickly on the build schedule, connect our libraries, connect our hospitals, our schools so that we can deliver services to Albertans over the network.

Mr. Johnson: My final question to the same minister: what effect, if any, is the lawsuit between Bell West and Axia NetMedia having on the Supernet project?

Mr. Doerksen: Mr. Speaker, there is a commercial dispute between Bell West and Axia currently before the courts, and you know that I can't comment on that dispute. But what I will say is that my responsibility is to the people of Alberta to make sure that the network gets built and, secondly, more importantly, once it's built – because it will be built – to make sure that services are delivered over that network, because that is where the real value of Supernet is going to take place.

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

Enron Natural Gas Rebate

Mr. MacDonald: Thank you, Mr. Speaker. Two years ago during the provincial election this government played loose and fast with the taxpayers' money, and now, two years later, whenever we have another price spike in natural gas, this government is being very, very mean. My first question is to the Premier. Now that the Premier has had 24 hours to look over the public accounts documents, can the Premier please explain to the taxpayers of this province why a grant for three-quarters of a million dollars was given to Enron two years ago?

Mr. Klein: I'd be glad to explain. Mr. Speaker, I'm surprised. No, I'm not surprised, because it's so typical of the Liberals not to tell the whole truth. I'm not saying that they're lying. I'm just saying

that they don't tell the whole truth. They issue a one-page document which shows that Enron was the recipient of a gas rebate.

Enron acted as a supplier under the natural gas rebate program. They had one customer, Boardwalk Equities. From Land Link's records it would appear that 13,699 living units were assisted under the rebate program through Enron. In other words, that was through Enron to the company called Land Link to 13,699 either individuals or families living in those units, providing natural gas to Boardwalk Equities and all their customers. This number was submitted early in the program when Land Link was still considering payments per residential unit. Since all of these living units are in commercial buildings, they were then switched to the \$6 a gigajoule rate at the end of January. Land Link is not sure of the actual number of living units. It might be higher. The total amount paid to Enron was \$1.181 million, not the three-quarters of a million, as a matter of fact more: \$756,954 in March 2001, \$509,220 in April 2001, and a \$10,978 payment based on the final reconciliation in December 2001.

That is all the information I got but perfectly legitimate. Enron was a corporate entity at that particular time representing the interests of over 13,000 Albertans in living units who were deserving of a rebate at that particular time in accordance with the policy set down by the government. If this hon. member has any problems with that, then stand up and tell those 13,000 people that they ought not to have received rebates.

2:00

Mr. MacDonald: Again to the Premier, Mr. Speaker: if it was good enough then for the residents of Boardwalk Equities to receive a rebate, why are you being so mean with them now?

Mr. Klein: Mr. Speaker, we are not being mean with them. As a result of that rebate program and in order to end the ad hoc-ism relative to rebates, we put in a piece of legislation that says that when the annual average reaches \$5.50 a gigajoule, then the rebates will kick in. It was there to provide certainty relative to the protection of consumers.

Mr. MacDonald: Again, Mr. Speaker, to the Premier: what good is giving rebates after the price of natural gas is above \$5.50 for perhaps a period of time of up to a year when Albertans can't afford to pay their bills now?

Mr. Klein: Well, Mr. Speaker, that is wrong. That is not true. Albertans can. Everyone in this Legislative Assembly, I'm sure, can pay their bills. Thousands upon thousands upon thousands of Albertans can afford to pay their bills. The bills on average – on average – are lower than in any other jurisdiction in the country. Any other jurisdiction in the country.

I am sick and tired of the Liberals telling Albertans how bad it is here. You know, they talk about, "Oh, well, it's better in Toronto," or "It's better in Montreal." Well, Mr. Speaker, when the opposition compares households in Quebec or Ontario with households in Alberta, the comparison should be fair, but they've never been known for fairness. Never. They've been known for political trickery; that's all. They have never been known to be fair.

Where would you as a taxpayer prefer to live? Edmonton or Montreal? Edmonton or Toronto? Right now monthly electricity bills in Edmonton are about \$1 higher than in Toronto. Right now. Today. [interjection] I'm saying that right now they're \$1 higher in Edmonton than they are in Toronto, and, yes, they are about \$20 higher in Montreal, but Quebecers pay a 7.5 percent sales tax which results in about \$1,700 in higher taxes a year for a typical two-child

Quebec family. When you factor in higher fuel prices in Quebec – and they are higher – and when you factor in higher property taxes and when you factor in higher income taxes and other higher costs in Montreal, the two-child family in Montreal is paying over \$3,500 more a year in taxes and fees than the two-child family in Edmonton, which is 14 times more than the savings they enjoy over Edmonton on electricity bills. So let's be fair about it.

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

Federal Research and Innovation Funding

Ms Graham: Yes. Thank you, Mr. Speaker. [interjections]

The Speaker: The hon. Member for Calgary-Lougheed does have the floor.

Ms Graham: Thank you, Mr. Speaker. My questions this afternoon are to the Minister of Innovation and Science. Last week the federal budget announcements included some \$2 billion for innovation and some \$3 billion for sustainable development and environmental initiatives across the province. Based on my involvement with the Alberta Research Council and the Alberta Science and Research Authority, I'm interested to know whether the minister has been able to determine if Alberta will be able to utilize any of this new funding for our priority areas of ICT, energy, and life sciences.

Mr. Doerksen: Well, Mr. Speaker, in September 2001 provincial ministers along with our federal counterpart met and agreed that as a nation we needed to move Canada's research intensity from 15th place in the world to fifth place in the world. Our own throne speech last week continued to reinforce our commitment to our life sciences strategy. It continued to commit our efforts to the Energy Research Institute strategy, including a coal demonstration plant, and the money that has been identified through the federal budget, which, incidentally, came down the same day and, as the member has pointed out, was in the neighbourhood of \$2 billion, will be money that we will be able to use to help us achieve our objectives in Alberta.

Ms Graham: Mr. Speaker, my second question is to the same minister. It's my understanding that nearly one-quarter of the innovation money, some 500 million dollars, has been designated for the Canada Foundation for Innovation, or CFI, and it is to assist research hospitals with their infrastructure, so I'm wondering if we will be able to use this to help us build those centres for health research that have been on the books for four years both at the U of C and the U of A.

Mr. Doerksen: Mr. Speaker, something that we are very proud about in Alberta is the Alberta Heritage Foundation for Medical Research, and over the years of its existence we have contributed over \$700 million into research in that area. The member correctly points out that both the University of Calgary and the University of Alberta have proposals in to expand what they call the health research innovation centres. The initiative is something that we as a province support, and as money becomes available, we will make these things happen and continue our excellent reputation of research into those areas.

Might I just comment, Mr. Speaker. One project that we are world renowned for is commonly known as the Edmonton protocol, which is research into the islet transplants for the cure of diabetes or the

management of diabetes. It is a real breakthrough and something that we are very proud about in our province.

The Speaker: The hon. member.

Ms Graham: Well, thank you, Mr. Speaker. My last question, again to the same minister. The minister has referred to our own throne speech from last week where it was declared that we intend to accelerate our Alberta energy research strategy. So, again, has the minister been able to determine if we can utilize any of the \$3 billion to help boost our efforts in this regard?

Mr. Doerksen: Well, Mr. Speaker, I would encourage all Albertans to actually log on to the Innovation web site and actually read the strategic thrust that we have with our Energy Research Institute. They really cover five main areas: managing carbon dioxide, increasing the value of bitumen, burning clean coal, improving oil and gas recovery, and finding alternative energy sources. Our challenge is going to be to make sure that the contribution that we get from the federal government will in fact go towards the initiatives and the priority areas that we've identified as a province.

Swan Hills Waste Treatment Facility

Mr. Bonner: Mr. Speaker, from January 2001 to March 31, 2002, Swan Hills waste treatment plant lost \$9.5 million, and at least two-thirds of last year's revenue came from waste trucked in from outside Alberta. Furthermore, this government plans to keep operating and dumping cash into this environmental liability and has confirmed this fact by signing a long-term contract with Earth Tech (Canada). To the Minister of Infrastructure: why does this government even consider negotiating much less signing a contract with a subsidiary of a company that is on shaky financial ground, has settled claims involving Enron-esque accounting practices, and has former officials facing civil fraud charges?

Mr. Lund: Well, Mr. Speaker, anybody that cares about the environment will be very pleased with the agreement that we have just signed. It allows that plant, which has done a tremendous job of cleaning up toxic waste in Alberta, to continue to operate and to be in business for at least another 10 years, cleaning up and helping the environment.

2:10

But getting directly to the hon. member's question, in fact we checked with the Securities Commission before we went into this agreement. They found no problem with the company. We checked with other people that may be interested in the financial situation and the integrity of the company and found no problem. So as far as the incident with some of the top officials of the parent company in the United States it has no impact on the company in Alberta. As a matter of fact, they have a great presence in Alberta currently and right here in the city of Edmonton. They operate the plant that the city of Edmonton built in conjunction with TransAlta a number of years ago, the plant that processes all of the waste from the city of Edmonton. They're doing a tremendous job, and the city of Edmonton finds it very successful.

Mr. Bonner: Mr. Speaker, to the same minister: why does this government throw good money after bad at an outdated facility like Swan Hills when there is cheaper, safer, and on-site technology for waste disposal available from companies like Eco Logic Inc.?

Mr. Lund: Mr. Speaker, it's very obvious that that member and, I

believe, that party, because I've had questions on this particular facility from them before, must not be interested in protecting the environment. We on this side of the House are interested in preserving the environment and, in fact, enhancing it. Swan Hills has processed over a hundred thousand tonnes of toxic material from Alberta. They've also processed pretty well all of the PCBs that will be found in Alberta. When you look at that record and consider what would have happened to those toxic materials had Swan Hills not been built, I really wonder who's concerned about the environment. Us or them?

Mr. Bonner: To the same minister, Mr. Speaker: given that Eco Logic Inc. has much newer and better technology than what's available at Swan Hills, when will this government start putting taxpayers ahead of moneymaking opportunities for multinational corporations, and when will they shut down Swan Hills?

Mr. Lund: Well, Mr. Speaker, it's certainly our desire and plan to keep Swan Hills operating, and as long as there's waste generated to be treated and to protect the environment, we hope that we can continue to operate that plant. But the fact is that we just went through a process dealing with multinational companies and one that is a major multinational company in the world looking at toxic waste. They looked at it all over the world. It was very interesting. They came back and said to us that the Swan Hills plant is the best in North America.

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

Crime Prevention

Mr. Masyk: Thank you, Mr. Speaker. I and my constituents in still struggling Edmonton-Norwood continue to be concerned about the amount of crime in our neighbourhoods. It's a problem that seems to be growing with no end in sight. My question is to the Solicitor General. What is the government doing to address the high amount of crime committed in low-income areas such as my constituency?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. There's no question that police and communities are facing a number of challenges with crime in their areas. We're dealing with gangs, we're dealing with violent crime issues, we're dealing with cybercrime, we're dealing with child pornography, right down to vandalism and property crime. The best way to address these problems is working with the police and involving the community in crime prevention at a local level.

One of the things that I've seen that has been very successful is having community leaders get together to meet with the police and discuss their local needs and problems and work on them together. My department does provide support to help police and communities work together on crime prevention. The community mobilization program has supported more than 200 projects in Alberta since 1988, and this year \$2 million will be going to community-based projects.

The Speaker: The hon. member.

Mr. Masyk: Thank you, Mr. Speaker. That's very encouraging.

To the same minister: has the government ever given any consideration to all areas, including to the taxpayer, initiatives such as possibly a prisoner exchange with jurisdictions such as Russia so the prisoners and lawbreakers would really reconsider breaking the law twice?

Mrs. Forsyth: Well, Mr. Speaker, while I understand the hon. Member for Edmonton-Norwood's frustration, I'm not sure that that's the answer. Alberta's correctional facilities are not Club Feds. Our conditions at our provincial prisons are spartan: we have small, black-and-white TVs; we have no pool tables; we have no access to the Internet. All our inmates must do work to give back to the community. If they are not ill or if they're not enrolled in a program, they're out working. Serving time in Alberta provincial prisons is punishment enough.

The Speaker: The hon. member.

Mr. Masyk: Thank you, Mr. Speaker. These initiatives are very encouraging, and hopefully we can continue to work together.

Thank you very much.

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

Protection for Persons in Care Act Review

Ms Blakeman: Thank you very much, Mr. Speaker. An MLA committee is currently reviewing Alberta's Protection for Persons in Care Act. The act now provides a mechanism to investigate claims of abuse or substandard care for adults in publicly funded care facilities, including hospitals, nursing homes, and lodges. My questions today are to the Minister of Community Development. Can the minister tell us when the report is being publicly released?

The Speaker: The hon. minister.

Mr. Zwozdesky: Thank you, Mr. Speaker. This is indeed a very important piece of legislation that comes under my charge. I'm happy to tell you that the MLA for Cardston-Taber-Warner with the co-chair from Edmonton-Norwood have consulted and met with a number of individuals, stakeholders, you might say, from across the province. That report is being prepared, and we'll be considering it very shortly.

Ms Blakeman: Could the minister answer why the committee wasn't charged with establishing standards of care?

Mr. Zwozdesky: Well, Mr. Speaker, when this bill was first brought in, in 1998, by the hon. Member for Highwood, it was understood then that it would be approximately a five-year process to see how it worked out. We are attempting very much here to improve what is already a fairly good bill, but I know that the consultation process yielded some excellent recommendations and suggestions because some of the individuals inputting into that process did contact me directly, and I did meet with a few of them. So the member will just have to be patient a little while longer, and she'll get all the answers in the forthcoming report and the recommendations. I can assure you of that.

Ms Blakeman: The report he still hasn't said is being released.

Given that including failure to provide reasonable care in the definition of abuse may increase complaints, is this government considering the creation of a special court equipped with investigators or an ombudsman to deal with senior abuse issues?

Mr. Zwozdesky: Well, Mr. Speaker, we'll have to wait and see what we can do. I'm equally concerned, as I know the member is and as are all members in this House, about the care for seniors and for all

those members who are in a publicly funded, in whole or in part, facility. I can tell you that we receive upwards of 400, 500, 600 complaints of alleged abuse. They're all looked at very thoroughly, very carefully. Our intention here is to try and strengthen those particular preventative circumstances from occurring in the future, and we will do that.

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

Utility Costs (continued)

Mr. Mason: Thanks very much, Mr. Speaker. Natural gas prices have returned to their record highs of two winters ago. In fact, ATCO's March gas rate of \$8.58 per gigajoule is only slightly below the January 2001 rate of \$8.77 per gigajoule, which precipitated the \$150 per month rebates. All told, home heating costs are up 62 percent in just three months. To the Premier: with power bills almost doubling and home heating costs up 62 percent in this the coldest season of the year, how the heck does the Premier expect Albertans, especially seniors and others on fixed incomes, to pay their utility bills this winter?

Mr. Klein: Mr. Speaker, I've explained so many times in this Legislature that we do have a unique in Canada piece of legislation, that provides consumer protection down to \$5.50 a gigajoule when the yearly average reaches that amount. I would also point out to the hon. member that this is more generous than any other jurisdiction in the country, that natural gas prices on average throughout this province are lower than any other jurisdiction in the country. I also pointed out that we do have very generous social safety nets for those people who are facing higher costs relative to food, clothing, shelter, gas, electricity, and any other commodity. This is not a bad province in which to live, especially if you are in the low-income range, with the variety of programs that are available to assist low-income people.

2:20

Mr. Mason: Mr. Speaker, if this rebate program is so generous, can the Premier please explain to people that are paying high gas prices why they're not getting a nickel?

Mr. Klein: Mr. Speaker, why they are not getting a nickel is because the average price of gas is below \$5.50 a gigajoule. When the yearly average reaches that amount, then that will be the trigger point.

Mr. Speaker, I know that I painted the Liberals as being not entirely truthful in their assertions.

Mr. Mason: But we're worse. [interjections]

Mr. Klein: Mr. Speaker, to repeat what he said, just for the record, he said, "But we're worse." He took the words right out of my mouth.

Mr. Speaker, what they like to do is compare. There was a time not so long ago, when the former rebate program was in place, when indeed some consumers in this country paid absolutely nothing – absolutely nothing – for natural gas. I can tell you that relative to electricity relative to my condo in Edmonton – and I felt quite guilty about it – I paid absolutely nothing for one solid year. So, yes, people are upset when they compare this year's bill to the same bill last year, when they were receiving the benefit of rebates. Then I can see why people would be very upset. You know, I think that if the hon. member is to be honest and is to be reasonable about it all,

he would go out and point this out to consumers, but I don't think he will.

The Speaker: The hon. member.

Mr. Mason: Thanks very much, Mr. Speaker. The government only offers free gas in election years. Why has it changed its policy from letting easterners freeze in the dark to making Albertans freeze in the dark?

Mr. Klein: Mr. Speaker, first of all, I want to know of any Albertan who is freezing in the dark. Please, bring that case to my attention, and I will make sure personally that it is looked after and those people are looked after. I want to know.

This hon. member has made a statement, and it is not within the rules of parliamentary procedure to tell lies in the Legislature. He has said or implied that people are freezing in the dark in this province. I want him to back that statement up or stand up and apologize in this Legislature.

head: **Members' Statements**

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

Alberta Treasury Branches

Mr. Rathgeber: Thank you, Mr. Speaker. The time has come for Albertans to think seriously about the future of Alberta Treasury Branches. I'd like to talk about why I believe that it's time that our government consulted with Albertans regarding the possibility of privatizing or selling the ATB.

ATB was created in the 1930s by a Social Credit government eager to help Albertans fight the devastating effects of the Great Depression. At that time banks in rural Alberta were shutting down, and the government used ATB to provide financial help to Albertans, especially rural Albertans, who were feeling the effects of a severe depression. For the next 60 years ATB worked hard to serve the financial interests of both rural and urban Albertans.

However, the mandate of our government is much different than that of the Alberta government of the 1930s. Instead of seeking interventionist solutions to business problems, we let the market run its course and intervene only when the well-being of Albertans is affected. Moreover, while it is true that some charter banks are closing branches in rural Alberta, this does not mean that they are nonexistent in these communities. In fact, many charter banks retain local representatives, who work out of their homes or in partnership with other local businesses. As well, loans and other financial services can be accessed over the Internet or by telephone, and banking can be done through local ATM machines. Further, the presence of credit unions is only getting stronger in rural Alberta, so to suggest that rural Albertans will have no place to do their banking if ATB were privatized is just not true.

Today Treasury Branches provide more than half a million Albertans with a broad range of financial services including personal banking, commercial banking, loans, and mutual funds. These services are provided in 144 branches and 130 agencies in both urban and rural Alberta. Simply put, ATB is a full-scale financial services organization that competes with charter banks and credit unions to provide first-rate service to Albertans. On top of all this, ATB is in great financial shape right now. The economy is strong, and ATB is posting impressive numbers.

It is clear to me, Mr. Speaker, that ATB has become much more than a reliable alternative to the charter banks and credit unions. ATB has become a major player in its own right and an attractive

asset, that this province could sell for a healthy profit. If this province were to sell ATB, we would reap a great benefit, which could be used to pay down Alberta's debt or to fund health, education, or any other number of services that Albertans desire. In my view, the time to enter this discussion is now.

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

Shane Homes/Ernest Manning High School Learning Partnership

Ms Kryczka: Thank you, Mr. Speaker. In my constituency of Calgary-West a very unique, successful P3 has developed since 1997. It's a private/public partnership in learning between Shane Homes and Ernest Manning high school. It's not a P3 involving infrastructure or the school building. It engages students and the private sector and the staff in learning inside the building.

For six years students and Shane employees have been working together to design, construct, finish, decorate, landscape, and market several new homes. Students involved in the building construction and drafting and design learn all aspects of the home building industry from Shane's team of professionals. The partnership has created four homes over the years. Griffin Manor 1, 2, 3, and now 4 – Griffin is the school's mascot – are slated to be open in April in the new Calgary-West community of Cougar Ridge.

In addition to giving students a hands-on experience, Ernest Manning has secured more computers equipped with CADD, computer-assisted drafting and design software, a must-have in the industry. Like many students, Shane Wenzel, vice-president of sales and marketing, had a difficult time deciding what career path to follow. The partnership takes some of that pressure away for students by exposing them to a true work environment. The homes created through the partnership are built at cost – and this is where building comes in – with the proceeds from the sale of each going to the Ernest Manning Griffin fund. Shane also pays royalties to the fund every time the student-designed floor plan is used. To date Shane Homes has donated \$45,000 to the fund.

This partnership is a fantastic hands-on learning opportunity that enriches the lives of students and encourages joint community effort and funding for school-based activities and programs. Key stakeholders, including planners, politicians, and entrepreneurs, who would readily dismiss the notion of infrastructure P3s would surely benefit from learning about the success of the Shane Homes/Ernest Manning learning partnership. It is a business venture and a win/win for all involved.

Thank you.

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

School Councils

Dr. Taft: Thank you, Mr. Speaker. Since the beginning of public education in this country parents have been closely involved in the school system as parent/teacher associations, through home and school associations, or, more recently, through school councils.

School councils in their current form were given their mandate in the mid-1990s. Alberta Learning has even prepared a school council resource manual, which among many things describes the roles and responsibilities of school councils. Among their roles it says: "The school council may advise the principal on any matter relating to the school . . . It may similarly wish to advise the school board [or] Alberta Education." Among the responsibilities that Alberta Learning recognizes for school councils is to "actively represent the views of the school community and become as influential as possi-

ble." Mr. Speaker, I genuinely hope the school councils in Edmonton-Riverview and across this province really do become as influential as possible, for in the past month I've met with 13 school councils, and if they are at all representative of other school councils in Alberta – and I suspect they are – then public education in this province has a powerful, passionate, and determined advocate.

2:30

Several things have been impressively consistent across my meetings with school councils. First and foremost, parents are profoundly committed to public education, recognizing that it not only serves their children best, it serves all of society best. They are also deeply concerned about threats they see to public education in Alberta: programs being cut, classroom sizes growing, resources disappearing, and buildings deteriorating. Parents are demanding that school councils lead the way in fighting for public education. To do this, school councils must be able to communicate openly with all parents in their schools and in a nonpartisan manner.

Mr. Speaker, today I am asking school boards and the Minister of Learning to respect school councils' right to communicate and to listen carefully to what they are saying. Above all, I'm here to praise and commend the school council movement across this province.

Thank you.

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

Goods and Services Tax

Mr. Lord: Thank you, Mr. Speaker. We have been hearing a lot lately about frustrations with Ottawa for a variety of reasons. One of the main causes for this frustration has been the GST. It is easily the most hated tax in the country and is often cited as a reason to separate, but I have always wondered about this. It seems to me that the GST is just about the only tax in this country that's never been raised. That's primarily because it is visible. Who would dare to try and raise such a visible sales tax, a VST? So following this principle, maybe we should make all taxes visible if we really hated taxes and wanted to stop tax increases.

Frankly, we have the opposite case now: a plethora of HSTs, hidden sales taxes, that are being raised all the time because we don't know about it. In fact, this game goes so far in this country that it seems to me that some political movements have based much of their platform largely on opposition to the GST while other political parties seem to be out fleecing the angry by promoting other false solutions to lower taxes such as first demonizing capitalists and then raising business taxes to great fanfare knowing that the people are cheering only because they think their own personal taxes will be lower as a result. It is poppycock, of course. Any tax, levy, or additional burden placed on any business of any kind is really just another hidden sales tax by proxy because that cost is expected to be immediately passed on to the consumer in the higher prices of goods and services. The businessmen get the blame while bureaucrats get the booty, but we pay and pay either way.

Heaven forbid that any government should try to lower business taxes as we have done, which, of course, would just result in lower consumer prices and more economic development. Now, why anyone would be opposed to that, I don't know, but they are.

I think it is high time we start talking in this country not just about how much we are paying in taxes but how we are paying those taxes. For those who hate the GST, I suggest that they carefully examine the downsides of all other forms of taxation first. They will find that the GST is the least of all evils, I think, and at the very least it's certainly not a reason for breaking up the country.

Thank you, Mr. Speaker.

head: **Presenting Petitions**

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

Mrs. Ady: Thank you, Mr. Speaker. I rise today to present a petition from my constituency signed by 85 Albertans petitioning the government to increase current provincial funding for public education.

Thank you.

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

Mr. Mason: Thank you very much, Mr. Speaker. I am presenting today a petition signed by 53 Albertans asking the Legislative Assembly to urge the government to immediately raise the minimum wage to \$8.50 an hour and index it to the cost of living, as has been done with MLAs' salaries.

head: **Introduction of Bills**

Bill 10

Health Information Amendment Act, 2003

Mrs. Nelson: Mr. Speaker, on behalf of the Minister of Health and Wellness I am very pleased to introduce Bill 10, the Health Information Amendment Act, 2003.

[Motion carried; Bill 10 read a first time]

Bill 14

Securities Amendment Act, 2003

Mr. Hlady: Mr. Speaker, I request leave to introduce Bill 14, the Securities Amendment Act, 2003.

The amendments in this bill will provide greater protection for investors, allow Alberta businesses improved access to capital markets, and make the current regulatory environment more efficient. It will also lay the foundation for improved security laws when national reforms are made down the road.

Thank you.

[Motion carried; Bill 14 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that Bill 14 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

The Speaker: The hon. Member for West Yellowhead.

Bill 15

Forest and Prairie Protection Amendment Act, 2003

Mr. Strang: Thank you very much, Mr. Speaker. I request leave to introduce Bill 15, the Forest and Prairie Protection Amendment Act, 2003.

This act will bring existing legislation in line with current business practices by updating wording, clarifying stakeholders' responsibilities and roles, and strengthening enforcement activities.

Thank you.

[Motion carried; Bill 15 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that Bill 15 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

The Speaker: The hon. Minister of Sustainable Resource Development.

Bill 16

Agricultural Dispositions Statutes Amendment Act, 2003

Mr. Cardinal: Thank you very much, Mr. Speaker. I request leave to introduce Bill 16, the Agricultural Dispositions Statutes Amendment Act, 2003.

This act clarifies the rules around recreational access to public land leased for grazing and encourages co-operation and respect between recreation users and the leaseholders.

[Motion carried; Bill 16 read a first time]

head: **Tabling Returns and Reports**

The Clerk: Pursuant to Standing Order 37.1(2) I wish to advise the House that the following document was deposited with the Office of the Clerk on behalf of the hon. Mr. Mar, Minister of Health and Wellness: pursuant to the Regional Health Authorities Act, section 14(3), Capital Health Authority Annual Report 2001-2002.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. At this time for the convenience of all members of the Assembly I would like to table two documents. The first document is a publication from the Canadian Association of Petroleum Producers, and it's Natural Gas Prices in the North American Market.

The second tabling I have this afternoon is a memo from the Human Resources and Employment minister to the hon. Premier and all hon. government members of this Assembly. It's dated February 4, 2003, and it's a public relations exercise to help them get around the utility disconnect notices that are going to go to AISH and SFI recipients as a result of the dramatically high utility prices in this province.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I have two tablings today. Last week in my response to the throne speech I mentioned several arts groups which had shut down, and I've since had an e-mail from one of them announcing that it in fact has resurrected itself. So I'm tabling five copies of their note and a poster announcing their next event, which is Mile Zero Dance, the 2nd Annual Dance Lab Open Forum.

My second tabling – slightly delayed; I apologize – is the five copies of the program for the inaugural gala of the Davis concert organ which took place at the Winspear Centre last September. This organ was partially funded with a generous donation from Dr. Davis in memory of his wife. Excellent, excellent performance.

Thank you.

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

Mr. Bonner: Thank you very much, Mr. Speaker. With your permission I have two tablings today. The first is the required number of copies of a letter from the Northern Oilfield Contractors Association to the Slave Lake Chamber of Commerce. This is outlining their concerns on the ongoing difficulties that they are having doing their business on Crown land here in the province.

2:40

The second tabling, Mr. Speaker, is a copy of the program from the north division station grand opening ceremony, a new police station in northeast Edmonton that will serve the constituents of northeast Edmonton for many, many years to come. This took place on January 16, 2003.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I have five copies of a media release issued by Red Deer public schools to table today. The release is about the looming staff reductions and class size increases which will result from a million-dollar shortfall that the school board is facing. The chair of the school board, Ms Jefferies, expresses her frustration by saying, "It's a terrible shame that this province, with all its wealth, cannot seem to find adequate funding for the education of our children."

Thank you, Mr. Speaker.

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

Mr. Mason: Thank you very much, Mr. Speaker. I'm tabling a letter from Mr. Rolf Lehmann dated February 24, 2003, addressed to the Premier. Mr. Lehmann is very concerned with the tremendous rise in natural gas prices. He draws the Premier's attention to his election promise to shield Albertans from prices rising above \$5.50 Canadian and is requesting the Premier to send him his rebate.

The Speaker: Additional tablings?

Hon. members, before calling Orders of the Day, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

The Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. It's an honour for me to introduce to you and through you to members of the Assembly two individuals in the members' gallery. They are Trish Vandermeer and Samuel, the lovely wife and handsome son of our esteemed colleague from Edmonton-Manning. I would ask that you would join with me to give them the traditional welcome of this Assembly and if they would please rise.

Thank you.

head: **Orders of the Day**

head: **Government Bills and Orders**

head: Second Reading

Bill 11

Auditor General Amendment Act, 2003

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

Mr. Yankowsky: Thank you, Mr. Speaker. I rise to move second reading of Bill 11, the Auditor General Amendment Act, 2003.

The Auditor General Act was originally passed in 1978. Apart from some minor changes it has not been subject to any significant amendments since. Our new Auditor General, Mr. Fred Dunn, has requested these amendments to add clarity to his role. The first proposed amendment, which is on page 1, number 2, of the bill, would provide for a statutory oath of office similar to other officers of the Alberta Legislature. Information in the custody of the Auditor General should not be disclosed outside the provisions of the Auditor General Act. Having a legislated requirement for an oath of office would help ensure that client information obtained by the Auditor General remains confidential.

The second amendment, which is on page 1, number 3, of the act, corrects a drafting error in the original Auditor General Act. Replacing the references to the Lieutenant Governor in Council in section 10(2)(b) with the Executive Council and the President of the Executive Council respectively would make this section consistent with section 17(2), where the Auditor General can perform special duties at the request of the Executive Council.

Next up is a housekeeping amendment that is on page 2, number 4, of the act to replace the reference to Provincial Treasurer with the Minister of Finance and remove some unnecessary wording. There are also a few other places later on where Provincial Treasurer is updated, on pages 9 and 10.

The fourth proposed amendment on page 2, number 5, has several matters dealing with the access to information. Section 14 currently gives the Auditor General needed access to information to complete audits for all organizations where he is appointed Auditor by statute; for example, government departments, regulated funds, and provincial agencies. It is proposed that section 14 be amended to provide this same standard right of access to audit information and duty to co-operate with the auditor for other organizations where the Auditor General is appointed the auditor as permitted under section 11(b) of the Auditor General Act rather than the statutory requirement. In addition, section 14 would also be amended to clarify that the Auditor General has appropriate access to information to fulfill other duties he has under the act, such as section 15, to review the results of a Crown-controlled corporation's audit.

Section 14 should also be amended to ensure that it applies to former public employees, public officials, and personal service contractors. The section would also be amended to ensure that any information provided to the Auditor General during an audit, examination, or special duty should be privileged and not subject to disclosure. Again this ability to maintain control over confidential client information allows the Auditor General to properly consider and vet his recommendations and reports before they are disclosed to the public. The Auditor General should not be compelled to disclose confidential audit information in any court proceeding.

The next amendment on page 3, number 6, of the act would be a proposed section that the Auditor General may compel any individual possessing information relevant to any audit or special duty of the Auditor General to attend before the Auditor General and answer his questions under oath. The Auditor General is the only legislative officer who does not have the power to compel evidence under oath. This amendment would bring us in line with the rest of Canada.

Next, there are amendments to section 17 on page 5, number 7, of the act to clarify the mechanics of how an Auditor General's report on a special duty is to be presented to the Assembly. To date there has not been any problem in tabling these special reports, but the amendment just clarifies the process for the future.

Finally, on page 5, number 8, of the act the amendments clarify how the Auditor General would distribute a report to Members of the

Legislative Assembly when the House is not in session. Again, while this has not been a problem in the past, the amendment would add certainty to the process in the future.

This package of amendments will assist the Auditor General in his role and contribute to our commitment to openness and accountability. I urge all Members of the Legislative Assembly to support this bill, the Auditor General Amendment Act, 2003.

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

Ms Blakeman: Thanks very much, Mr. Speaker. I'm really pleased to see this bill come before the Assembly, or at least certain parts of it. It's long past time to see it, so I commend the government in having followed through on the recommendation of previous auditors general to in fact make these changes.

Just a couple of questions that I'd like to raise and comments that I'd like to make as we look at this bill in second reading. I heard the Member for Edmonton-Beverly-Clareview mention that there was contemplation of having the Auditor General have to sign an oath similar to other legislative offices. My question is: why similar to? Why not exactly? And how many of the other legislative offices are already required to do this, and which ones are not? That's just a small bit of information, and because the government has more resources than I do, they can do the work to find out the information.

2:50

I'm wondering what the concern is in asking that the Auditor General not disclose any information received by his office under this or any other act. What's the concern? Is there a concern about speaking to the media? I'm assuming that it's covered that he can report through the Public Accounts Committee. I know that the government puts these things in for a reason, and I'm looking more specifically for the reason behind that particular change.

The second question I had. I'd like to know the history and the context of changing the section in which it talked about special warrants, and what's been omitted is "for the fiscal year in which the special warrant is signed." That's now being omitted from the act, and I'm questioning why that's the case. It doesn't refer to the fiscal year. It simply says that they would be regarded as a supply vote, and I'm curious as to why that has been done.

I'm pleased to see the addition of the Crown-controlled organizations or other organizations. One presumes this is going to include some of the delegated administrative organizations over which the Auditor General is the auditor and see the inclusion of those into the act. Finally. We've been waiting for that one. Also the distinction of having "present or former . . . employees, public officials or personal service contractors" also captured in the net of those who the Auditor General can ask for explanations from. It's also capturing those same former or present employees from the Crown corporations and other DAOs. Again excellent. Really glad to see that.

I think that the most important change that's been proposed in this piece of legislation is the ability of the Auditor General by notice to require any person to come before him to give evidence under oath. This was sadly lacking and much commented upon in the West Edmonton Mall scenario, and certainly the previous Auditor General had made it pretty clear that he felt he needed to be able to do that and was not able to. Along with that is being able to compel the production of written documents, records.

There's quite a bit in here about contempt of court, that it's regarded as a contempt of court if a witness fails to appear or fails to produce the records that are being asked for. Excellent. I think that if we're going to be serious about this, then the legislation has got to

have the teeth in it to do it. It does exclude previous auditors general from being called to give evidence relating to any record or other information obtained by them when they were performing the job. So there are some cases, I think, that we're never going to know about.

I was hoping that a couple of other areas might get changed along with this. The Auditor General reports to the Public Accounts Committee, which is, of course, an all-party committee of the Legislative Assembly. My long-standing concern there is that the committee has historically restricted itself to meeting only while the session is sitting, and as we're having fewer and fewer sitting weeks, we have fewer and fewer meetings in which we can meet with the Auditor General and as a committee scrutinize the public accounts of various ministries. So this year I expect we'll get through about 11 out of some 24 ministries, which I think is a concern, and I continue to press for accommodation to be made for, in fact, both the Auditor General to be able to complete his job and for the committee to be able to complete theirs.

The way we have the Public Accounts Committee in Alberta is shared by only one other in Canada. That's where we go through ministry by ministry. All the other provinces and territories work with their Auditor General and members of the opposition and members of the government to choose the issue they want to examine. Then all of the witnesses and the information are culled together, and the committee meets to scrutinize a particular issue or series of issues. We don't do that in Alberta, and we may want to consider being able to do that in certain circumstances.

The other issue that I wanted to raise around the Auditor General and its relationship with the government was my concern over the number of times an Auditor General is having to repeat a recommendation before the government is in fact accepting it. If you look through the Auditor General's report, even the most recent one, 2001-2002, between pages 11 and 18 it lists all of the numbered recommendations that are appearing in this year's Auditor General's report. Now, the numbered recommendations are the most important ones. If you actually read through the document, which I highly recommend, there are additional unnumbered recommendations, which the Auditor General is careful to point out they'd still like to see done, but they're not tracking the performance of whether, in fact, they are reacted to. But they're most clearly wanting the government to both react to and implement the numbered ones.

I am really surprised by how many there are that are reading: we again recommend that the department of so and so; we again recommend timing of approvals. I mean, I haven't counted this, but in each department up to 50 percent of the recommendations have not been implemented by the government. You know, if we're going to go to the effort and the commitment as a Legislative Assembly to put an Auditor General in place and charge them with certain responsibilities, it seems to me that we should follow through on the work that the Auditor General then provides to us. To, I think, waste the time of the individual and the office to have to keep repeating and re-explaining what's desired is not a good use of that set of resources. So if the government is looking for a way to save some money, perhaps if they just implemented some of these recommendations, we wouldn't even need such a large Auditor General staff.

So I'm looking forward to the responses to the questions that I have raised. As I say, I'm, I think, the longest serving member now of the current Public Accounts Committee. I've been on it seven years. [interjection] I know; it is a badge of courage. I am very pleased to see these changes being implemented, particularly the ability to compel witnesses and require records and information to be produced and the inclusion of the Crown corporations and other agencies. Up to now there's been a belief or an understanding or a

desire that certain agencies would be looked at, but, in fact, the Auditor General had no way to compel the organization to work with them, so this really is capturing everyone. Now if we could just get consolidated reports, which include things like the universities and the schools and some of the other recommendations the Auditor General has been making to the government for some time, then we'd be in much better shape. But I'm quite pleased to see this legislation, and with the exception of the few questions and concerns I've raised, I am happy to support this bill, which is Bill 11, the Auditor General Amendment Act, 2003, in second reading, and I know that a couple of my colleagues wish to speak to it as well.

Thank you, Mr. Speaker.

3:00

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

Dr. Pannu: Thank you, Mr. Speaker. I rise to speak to Bill 11, Auditor General Amendment Act, 2003, in second reading. I just want to preface my comments on the bill by simply observing that something like this has been far overdue. I'm glad that some action is being taken to pay attention to some of the recommendations that have come forward from the Auditor General's office in the past.

[Mr. Shariff in the chair]

The record with respect to how the government has responded to the recommendations that come down from the Auditor General has not been encouraging in the past. I just look at the percentage of recommendations that received a positive response and action from the government. Starting in 1994-95, 8 percent of the recommendations received any attention from the government; the following year 11 percent; in 1996-97, again 11 percent. Then things begin to improve a bit. I would like to acknowledge this. In 1997-98 35 percent of the recommendations received some attention – no, not yet implemented. Sorry. I want to correct myself. The record has worsened, actually. In '98-99 44 percent of the recommendations received no attention from the government. In 2001 67 percent of the recommendations received absolutely no attention. In 2001-2002 80 percent of the recommendations had not been implemented by the government. So it's not a very encouraging record. That's the context in which this House is looking at Bill 11.

Bill 11 does take a few steps forward. Therefore, for that reason and for those aspects of the bill which show some movement forward, I will be supporting those sections of the bill. The most important one, of course, is the recognition here that the Auditor General needs to have the powers to compel witnesses to come before the Auditor General to provide information that is deemed appropriate or necessary by the Auditor General.

The ATB/West Edmonton Mall inquiry that the then Auditor General was requested to undertake showed a very glaring difficulty and problem with the existing legislation in that it revealed that the Auditor General had no powers to compel evidence that is of critical importance in sorting out the allegations and the matters of concern to Albertans, to the public, to this Assembly. So the then Auditor General expressed his frustration for not being able to do the job that he was asked to do because of the weaknesses and the gaps in the existing legislation with respect to the powers of the Auditor General. So that one shortcoming of the existing legislation will have been addressed if and when this bill becomes a law and is passed through the Assembly and receives royal assent.

There are some other matters which are quite routine housekeeping types, you know, that have been taken care of because of the changes in the titles of the ministers. The Finance minister is in

place of the Treasurer. The changes which have been made are routine. They don't really require any debate. I'm glad that that housekeeping is being done as we speak.

I draw attention to Section 14.2, Noncompellable Witness, I think on page 4 of this bill. That raises some concern in my mind as to the reasons behind excluding from the list the former Auditor General and employees of the office of the Auditor General from being compelled if necessary in the judgment of the current Auditor General to come before the Auditor General and give evidence. I think the public interest would be served best if the Auditor General is in fact given that ability to compel former Auditor Generals or employees of the Auditor General's department to be witnesses. So I need to really hear some sort of explanation and, indeed, a defence for the exclusion of the list of people under section 14.2. I'm not convinced that that's a desirable feature of Bill 11.

The fact that we're making some progress in terms of implementing some recommendations and particularly this critical one, as I said, you know, the ability of the Auditor General to compel witnesses to come before an inquiry held by the Auditor General, is certainly a positive step forward, and I want to congratulate the Member for Edmonton-Beverly-Clareview for including that in this bill. I will have an opportunity for closer scrutiny of the bill as we move into the study of this bill in committee, and I'll be considering making amendments to address the concerns that I have or may have from a closer reading of the bill at that point.

With that said, Mr. Speaker, I close my remarks for the moment. Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I rise with a great deal of encouragement and hope when I see the bill the Auditor General Amendment Act, 2003, as introduced by the hon. Member for Edmonton-Beverly-Clareview. Now, anything that can be done to improve the scrutiny or the means of scrutiny that the Auditor General would have over the expenditures of this government I think is noteworthy and should be supported by all hon. members of this Assembly.

Now, the idea that the Auditor General must take an oath of office before beginning his or her duties I guess would have merit. It certainly would have merit, but I don't know if it is truly necessary that the Auditor General take an oath. When you look at how much work the Auditor General has to do, I suppose taking a few minutes of his or her time to take an oath is harmless.

When you consider that this is a government that has increased spending – and this is supposed to be a fiscally responsible, prudent government – by 50 percent in just short order, that would be one reason why the Auditor General has his or her work cut out for them. Look at the increase in the cabinet portfolios; we've gone from 16, I believe, to 24. And, you know, with the expansion of the cabinet portfolios you also see the expansion of the deputy ministers, the assistant deputy ministers, this person, that person, so it increases the workload. There's no doubt about it. When you have this combination of increased spending and increase in the size of government, then anything we can do to strengthen the position of the Auditor General must be supported by all members of this House.

3:10

Now, sometimes we forget just exactly what the role of the Auditor General is, but from my perspective on the Public Accounts Committee one can see firsthand the important role the Auditor General has in the affairs of this province. We can go through and we can debate a budget, and the money can be spent, and some

people forget about the amount of money that's being spent and how it's being spent, but not the Auditor General of Alberta and his staff. They work very hard, and the result of their hard work is, of course, the report that's issued usually in the fall from their office respectively talking about each and every department.

Mr. Speaker, when you look at just precisely what the Auditor General would do – let's have a look at Infrastructure. The Auditor General, of course, will go through every department, but let's specifically look at Infrastructure and Bill 11 here as proposed by the hon. Member for Edmonton-Beverly-Clareview. If it could help out the Auditor General in just one small measure in the annual look at how money is being spent in the Department of Infrastructure, then, again, let's support it.

Earlier this afternoon we talked about energy rebate programs and the role of Enron. Enron Direct Limited Partnership received a grant from Infrastructure of \$756,000. I was pleased to learn the details of this from the Premier, but the Premier, Mr. Speaker, may have been confused in rolling one fiscal year into the other. Either that or there was a restatement of balance sheets, because from three-quarters of a million dollars the figure was, I believe, \$1.6 million or \$1.46 million. It was in the din of question period, and it's difficult to hear the other side, but there was a different amount. Certainly, if that's not the correct amount then the Auditor General will check all that out and determine that this money went where it should have gone. One needs to be assured and have the confidence that that energy rebate program went to where it was intended.

The hon. Government House Leader is anxious to participate in the debate here.

When we look at the energy rebate programs and what was said by the Auditor General in his last report, it's quite interesting. Certainly, I appreciate the information as it was given this afternoon by the government. It's one of the very few times that I've had the opportunity of asking a question and I actually got a detailed answer. It's a historic day, Mr. Speaker.

Energy rebate programs. I'm going to quote, Mr. Speaker, from the Auditor General's report.

During 2000-2001, the Ministry introduced the Natural Gas, Propane and Fuel Oil Rebates program as well as the Market Transition Credit Program. The total expenditure for these programs during 2000-2001 was \$790 million. Payments in the fiscal year 2001-2002 to the end of July totaled \$197 million. The natural gas, propane, and fuel oil rebates were given in respect of the four-month period January to April 2001.

Now, the Auditor General mentions in here that a consulting company was engaged "to administer certain elements of the program," and there was an audit done of the expenditures from the natural gas, propane, and fuel oil rebate program. The Auditor General recognizes here that the program was ending. However, there were some recommendations and observations made. These recommendations "reflect principles of good business practice and should be considered in the design and administration of any new program," and I can only imagine that what must be holding up the natural gas rebates program now is the government trying to get a good handle on this and following the Auditor General's recommendations so that they can make sure that every penny – every penny – goes to those who are in need of it and qualify.

The Auditor General is recommending that "changes to grant criteria be approved in writing by the Minister prior to any grants being paid pursuant to the changed criteria." The Auditor General is also recommending that the ministry "keep minutes of meetings to provide evidence of decisions and prevent loss of knowledge that could be useful in other programs." Now, this report goes on to say – and this is why it's so important that we strengthen the role of the Auditor General in this province, and this is why I'm going to support the hon. member's bill.

The Minister of Infrastructure issued two Ministerial Orders delegating to certain Ministry officials the authority to pay the natural gas, propane and fuel oil rebates according to the criteria attached to those Ministerial Orders. While the Ministry was putting the program into effect, it identified a number of issues that resulted in changes to the criteria. The Minister did not approve these changes in writing until May 16, 2001, when amended Ministerial Orders were issued. Accordingly, any grants made before the change criteria were implemented on May 16, 2001 (when they were officially implemented by the Ministerial Orders) were unauthorized to the extent that they were inconsistent with, or in excess of the limits prescribed by, the criteria in the original orders dated February 12, 2001.

For the hon. Government House Leader to somehow think that my questions earlier regarding Enron were out of order or whatever – I mean, whenever you look at the Auditor General's report, perhaps I'm not diligent enough in my work and perhaps I should have had an opportunity to ask many more questions regarding this rebate program and who got the money. Certainly, the Auditor General is very, very concerned, and we need, each and every one of us, to take this annual report home with us. I can be quite confident that this is on the Minister of Infrastructure's best-seller list and he certainly does read the Auditor General's report page to page, cover to cover. I would encourage not only members of Executive Council but all hon. members of this Assembly to keep a keen eye on what the Auditor General is telling us in the annual report.

3:20

Now, the Auditor General also has some comments regarding the monthly reporting process for utility companies. The Auditor General recommends that

the Ministry of Infrastructure establish an appropriate monthly reporting process for utility companies to ensure that payments to consumers comply with Ministerial Orders and expenses are properly recorded in the accounts.

The majority of the rebates that occurred before were paid to consumers through monthly billings of utility companies. One only has to look at the public accounts. It's another document that makes for a great read, and I can't wait for the next year of public accounts documents to be tabled in the Assembly by the hon. Minister of Finance. They're very interesting reading, and they're an accurate snapshot of where every tax dollar in this province is going. I don't know how, for instance, the Canadian Taxpayers Federation or the Canadian Federation of Independent Business feels about this, but I think that if they are not, they should read those public accounts in great detail.

When we look at the rebate program again and we realize that the ministry made advance payments to utility companies – the system of internal control did not monitor payments by utility companies – and we find out that the minister is developing an audit process to check the validity of payments made by utility companies, I certainly hope that process is finished and we can look for some sort of price protection for Alberta consumers. I'm sure the department has complied with the Auditor General's recommendations here and we can have a rebate program for those Albertans who are not as fortunate as us in this Assembly, who receive yearly increases in our annual salaries, and particularly those people on fixed incomes can look forward, under the guidance of the Auditor General, to a natural gas rebate program.

The Acting Speaker: Hon. member, the time has run out.

Mr. Lund: Mr. Speaker, I listened very intently to the hon. member as he went on about the gas rebate program and how it all evolved and the very important role that the Auditor General played in the

auditing and the comments that the Auditor General made, but the hon. member's comments would tend to have one believe that there was something wrong with the payment to Enron and that it somehow didn't fit. Now, I would ask the hon. member if in fact he is indicating that there was some money going to Enron that they were not entitled to and that the homeowners that received that money via Enron were not deserving of those funds, as he seemed to be indicating.

Mr. MacDonald: I guess that commentary was posed as a question, Mr. Speaker?

The Acting Speaker: Yes. Under Standing Order 29 we have five minutes.

Mr. MacDonald: Yes.

Certainly, if the hon. minister had been listening carefully to what I had said initially, firstly, in the fiscal plan that has been outlined in the public accounts that ended in March of 2001, Enron received a payment of three-quarters of a million dollars from the Department of Infrastructure. Now, the Premier earlier today in question period indicated that that payment was well over a million dollars, and in the noise that was going on here in question period I could not determine if it was \$1.4 million or \$1.6 million or whatever the amount was, but the amount was certainly greater than this. I gave the Premier the benefit of the doubt in my remarks because I thought that surely it must have been over two fiscal years because public accounts ends from one year to the next at the end of March. We'll only have to wait and we'll see what occurs next year, and perhaps there will be an additional \$750,000 or \$600,000 to Enron Direct Limited Partnership in the public accounts. I'm willing to wait. I'm willing to have the patience in that measure.

As far as the whole energy rebate program goes, it's the Auditor General that has questions, and I believe the Auditor General has every right to question and to observe what they audit in a minister's department. The Auditor General is pointing out some very valid concerns. I certainly hope that before the next energy rebate program comes – and I certainly hope it does come – all the wrinkles that were in this first program are ironed out. Surely you've had time since we've seen the price spike in natural gas rebates to do something about it.

Thank you.

Mr. Lund: As a follow-up to my original question I believe the hon. member is the chairman of the Public Accounts Committee, and he certainly just indicated that either he is not doing his job as chairman of Public Accounts or their money is being wasted. The fact is, Mr. Speaker, that there was more than one cheque to Enron, and anybody that knows anything about the program knows full well that there were a number of payments in the program and then at the end of it there was a reconciliation of all of the accounts done to make sure that in fact the money went to the people that were entitled to the funds. Of course, the comments that the Auditor General made are very valid, and we take their comments very seriously and do rectify any areas that the Auditor General might think are wrong.

So I guess my question to the hon. member would be: does he see any value in continuing this exercise of public accounts?

Mr. MacDonald: Yes, to the hon. Minister of Infrastructure, I certainly see a validity in public accounts, and I would be willing to share with the hon. minister . . . [Mr. MacDonald's speaking time expired]

The Acting Speaker: Hon. members, unfortunately, the only time

that we've allocated is five minutes for this Standing Order 29, and that has left us.

The hon. Member for Edmonton-Beverly-Clareview to close debate.

Mr. Yankowsky: Thank you, Mr. Speaker. I rise to thank the opposition for their comments and questions in regard to Bill 11, the Auditor General Amendment Act, 2003. The questions will be answered I guess in Committee of the Whole, and thanks again for your positive comments. I urge all members to vote in favour of this legislation, and I call for the question.

[Motion carried; Bill 11 read a second time]

Bill 8

Health Foundations Act Repeal Act

The Acting Speaker: The hon. Minister for Health and Wellness.

Mr. Mar: Thank you, Mr. Speaker. In 1996 we enacted the Health Foundations Act at the request of health authorities so that they could set up agent of the Crown foundations to help them with fund-raising. These foundations allowed health authorities to take advantage of federal tax incentives for donations to the Crown. Those tax incentives were removed by the federal government in 1997. All of the foundations are now disbanded, and the regulations that established them have already expired. So Bill 8, the Health Foundations Act Repeal Act, removes this obsolete legislation from the books. Bill 8 does not affect other health authority fund-raising bodies. The regional health authorities' regulations are outside of the legislation that is being repealed by this amendment act. Under the regional health authorities' foundation regulation regions will continue to operate their own foundations, and they will continue to operate foundations that the former hospital districts had established under the Hospitals Act. Accordingly, Mr. Speaker, I ask this House for support for Bill 8 with the confidence that this support will not affect regional fund-raising efforts.

Mr. Speaker, it's my pleasure now to adjourn debate on this.

[Motion to adjourn debate carried]

3:30

Bill 4

Alberta Personal Income Tax Amendment Act, 2003

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

Mr. Renner: Thank you, Mr. Speaker. It's my pleasure to move second reading of Bill 4, the Alberta Personal Income Tax Amendment Act, 2003.

Mr. Speaker, as I mentioned at the introduction of this bill, this is a fairly straightforward bill that primarily has to do with housekeeping amendments to the act to bring it into conformity with federal legislation.

Members, if I could just take a few minutes to go through a little bit of information on the act, then I'll be more than happy to answer any questions that arise, if any, during the committee stage of debate.

Hon. members, the proposed amendments do the following: clarify rules for calculating the tax liability of various individuals, clarify that total gifts claimed in Alberta for a year are equal to the amount claimed federally for that year, ensure that Albertans receive the intended amounts for the royalty rebate, and increase the equity of the tax system by ensuring that residents of other provinces are not treated less fairly than nonresidents of Canada.

Section 6 amendments clarify rules for calculating the tax liability of various individuals, including ensuring that nonresidents are only taxed on the taxable income they earn in Canada and simplifying the rules for calculating the tax liability of deceased individuals. A number of amendments are consequential to changes in the federal act and are required as a result of the tax collection agreement. Other amendments, in particular those made to sections 1, 5, 38, and 39, are consequential to the amendments to section 6.

Section 11 amendments clarify that the total gifts in any tax year for provincial purposes are equal to the total gifts that are claimed in that year for federal purposes.

Amendments to section 25 are consequential to amendments that were made to section 48, the minimum tax provisions, in the spring of 2002, and amendments to section 48 resulted in the value of royalty tax rebates for minimum taxpayers being smaller than intended. The amendments to this section will rectify this situation.

We also want to ensure that residents of other Canadian provinces will receive the full political donations credit and royalty rebate. Currently the legislation allows nonresidents to claim the full amounts of these credits but only allows residents of other provinces to claim a prorated amount.

Finally, amendments to section 42 will clarify the order an individual must use when applying for various credits to their tax liability.

I ask members of the Assembly to support Bill 4. Thank you, Mr. Speaker.

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

Mr. MacDonald: Yes. Thank you, Mr. Speaker. At this time I have two questions, please, for the hon. Member for Medicine Hat, and the first is in light of the comments from the Minister of Infrastructure.

The Acting Speaker: Hon. member, the provisions of Standing Order 29 don't apply to the mover. I recognized you to speak on the bill.

Mr. MacDonald: Oh, goodness. I apologize, Mr. Speaker. I was just anxious to ask some questions.

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

Mr. Bonner: Thank you very much, Mr. Speaker. I do have a few brief comments here on Bill 4, the Alberta Personal Income Tax Amendment Act, 2003, and I do thank the hon. Member for Medicine Hat for sponsoring this particular bill. As he has mentioned, the object of this bill introduces amendments to provincial legislation to bring it into harmony with federal personal income tax legislation.

Just by way of background to Bill 4, Mr. Speaker, there was an Alberta Personal Income Tax Amendment Act that was passed as Bill 21 during the session in the spring of 2002. This bill added a subsection (6), dealing with the provision for taxing Canadians who live outside of Alberta a proportion of the taxation year, to section 6, Amount of Tax Payable, of the original act.

Now, then, as well, Mr. Speaker, the majority of amendments being presented in Bill 4 are modifications to the existing act for the purpose of clarifying the language, making this act consistent with the federal act, and making this act consistent with itself. Because of its nature and because it is a housekeeping bill, we certainly will support this bill.

I would also like to note in the discussion here today, Mr. Speaker, that there are only two significant changes found in Bill 4. The first change is that subsection (7) is added to section 6, Amount of Tax Payable, and the additional subsection outlines how the Alberta Personal Income Tax Amendment Act should be read in the case of an individual who died during the calendar year. In that case, taxes will be calculated based on income earned during the taxation year.

Now, as well, a second significant change to Bill 4, the Alberta Personal Income Tax Amendment Act, 2003, is a change to section 39, Business Income in Alberta. This section, Mr. Speaker, falls under division 5, Restrictions on Credits, and Bill 4 removes political contributions and royalty tax rebates from the calculation that determines the maximum amount that can be deducted under various sections in the Alberta Personal Income Tax Act. This change will likely impact the amount available for deductions.

Now, then, as well, Mr. Speaker, there are other matters that this particular bill does introduce and does speak about, but these are quite minimal and really should not require an awful lot of debate, and I do look forward when we do get into Committee of the Whole to make some more comments at that time.

So with those comments, Mr. Speaker, I'll cede the floor to any others that wish to make some comments on Bill 4. Thank you.

The Acting Speaker: Hon. members, just for your clarification the five minutes allocated under Standing Order 29 do not apply to the first two speakers. They apply to subsequent speakers.

Hon. Member for Edmonton-Gold Bar, are you rising to speak on the bill?

Mr. MacDonald: Yes, please.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I will be brief at this time. I have two questions in regard to Bill 4, the Alberta Personal Income Tax Amendment Act, 2003, for the hon. member, and if they're answered in committee or in the routine of the debate, that's fine.

Earlier in the hon. member's remarks the member stated that we have to ensure that Albertans receive the intended amounts for the royalty rebate, and I am hopeful that we could get a clarification on this, please. What precisely are we talking about here to ensure Albertans receive the intended amounts for the royalty rebate? If I could get some clarification on that, I would be very grateful. Also, in regard to I believe it's section 39, how will this change, if at all, the way political contributions in this province are dealt with?

Those are my questions, and in the normal course of debate, Mr. Speaker, I certainly will await an answer. Thank you.

3:40

The Acting Speaker: Standing Order 29 kicks in now.

The hon. Member for Medicine Hat to close debate.

Mr. Renner: Thank you, Mr. Speaker. I've listened to the comments and questions of the members who have spoken on this bill, and while I could probably answer most of the questions today, I think it's probably most appropriate to wait until the bill comes back to the House in the committee stage, and I'll have much more detailed answers prepared.

At this point, then, I would ask that we call the question on Bill 4.

[Motion carried; Bill 4 read a second time]

Bill 9**Mines and Minerals Amendment Act, 2003**

[Adjourned debate February 24: Mr. Cardinal]

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

Ms Blakeman: Thanks very much, Mr. Speaker. This bill was introduced very briefly last night by the minister responsible. At this point my understanding is that there is support in principle for the bill. It has three purposes: to mandate a unique identifier code to help with the tracking and enforcement of exploration projects, equipment, and companies; to allow inspectors of exploration projects to increase their scope of work. It allows the adoption of codes from other industries into the exploration regulations, and it's also allowing the minister to issue stop orders. So this amendment is really only dealing with the exploration part of the larger Mines and Minerals Act. As I said, we're expecting to support this, although there are a few reservations that have been brought forward.

It does give some good clarification of the act, and it's also giving sharper teeth to the enforcement of the act. If there's one thing that I hear about sort of consistently in this area from my constituents is that they don't understand why something would happen and why no one knew about it, and a big part of that is monitoring and enforcement. I know that when the government looked to lay off a number of government staff to have smaller government, I don't think people recognized that the first people to go would be those frontline staff who provided the monitoring and enforcement work for the department. So I'm pleased to see that there is a stronger enforcement coming back in here with more power going to the inspectors and also allowing the minister to issue stop orders if necessary. It is also mandating, as I said, the unique identifier code, which should benefit again the monitoring and enforcement and the administration of the act.

Where we have issues with the amendment is the automatic adoption of codes from other industries, which we think could be problematic. There are too many references to regulations which are not spelled out. The contents are not known. So we're saying: well, we'll happily accept all of this, but what exactly are we accepting, and what's in the other regulations that are being linked to this or added on or accepted?

There is an additional concern that the minister is empowered to exempt almost anything from the act and its regulations. I would hope that the government wouldn't take this to the extreme, but it has happened before where we have a minister that can exempt virtually anything, then they do, and I think that that rather undermines the purpose of the whole act. So we have to be very careful about how that power is used. I think there's a positive side to what's being proposed here. We just have some reservations about the escape clauses, the ability of the minister to exempt things, and this inclusion of references to regulations from other industries into these exploration codes.

There are a number of sections in the bill that are mostly house-keeping, which is appropriate. I know that the government has been attempting to go back and look over its legislation and try and update it, and that's a very positive thing, I think. Certainly, I've been one to complain in the Assembly before that the legislation is antiquated in some cases because nobody has ever checked it or updated it. So I'm pleased to see that there is some updating here, a bit of house-cleaning and housekeeping going on, things like updating the name and including the name of the former act where it needed to be. That sort of thing needs to come through the Assembly, but I recognize that it is, in fact, just housekeeping.

There are sections here that talk about giving the cabinet consent to reconsider "decisions of the Minister [regarding] this Act, the regulations or an agreement." This is not a major change, but it is an explicit reference to the ability of cabinet to reconsider the decisions as the next logical step after reviewing the decisions. So reviewing the decisions of the minister.

We're also looking at changes that allow the minister to exempt operations being defined as exploration rather than devolving this power to a regulation. So we wonder why any operation would be allowed to be exempted from their rightful definition of exploration, but it's not that big an issue here. I think the real issue is: why is the power being given to the minister rather than to the regulations? Shouldn't these decisions be accountable to cabinet?

We have some tweaking of words in certain sections. I do notice that in one subsection the minister is being allowed to "exempt a person who proposes . . . exploration from the requirement" of operating with an approved exploration program. We're wondering why. I'm looking for justification from the government on this change. Surely, if there is a person who is proposing an exploration, they should be operating within an approved exploration program. Why would they be separated from it or exempted from it? So I'm looking for why this has been brought forward and proposed.

I'm just looking to see if we have any other really explicit concerns, and I'm not seeing that many. As I say, I think it's a good idea to update it, to clarify the language, certainly, to allow for stronger monitoring and enforcement, and I'm particularly pleased to see the stronger enforcement provisions, but I do have concerns whenever we've got a minister that can operate unilaterally, particularly to excuse an individual or a company from the requirements that everybody else is expected to conform to. That becomes a question of equality then, and in understanding the government's constant talking about level playing fields and free market forces and all of that, I think the point is that it's supposed to be an equal opportunity for everyone to compete and thrive. But if you start taking some organizations or individuals off to one side and saying, "You get special treatment because you don't have to conform to this particular regulation," then we've got a problem. It has to be pretty clear why that agency or individual is being allowed not to have to conform. I think it should be public and well publicized if there's a good reason for doing this, but I've yet to hear the explanation from the government as to under what circumstances or situations they would be expecting to make use of that particular provision in the legislation.

Now, I know that our critic is looking forward to making additional comments on this as soon as she is available to do so, but at this point I'm happy to have had the opportunity to speak briefly in second reading on Bill 9, the Mines and Minerals Amendment Act, 2003.

Thank you.

3:50

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

Mr. MacDonald: Thank you, Mr. Speaker. One has a quick look at Bill 9, the Mines and Minerals Amendment Act, 2003, and certainly there are questions for the hon. Member for West Yellowhead and the hon. Member for Whitecourt-St. Anne. One looks at this, and one has to wonder if these changes are being made to accommodate the further development of the diamond industry in northern Alberta, and perhaps this would even be of some assistance in accommodating potential development of the coal bed methane industry in this province.

Now, I have questions regarding this legislation. When you think

that the Minister of Energy is talking in the newspapers about diamonds being his best friend, certainly it's not electricity prices and deregulation. We see the success of the diamond mining industry in the Northwest Territories and some of the potential for development here, the enthusiasm the hon. Member for Whitecourt-Ste. Anne has for that industry to develop north and a little bit east of Whitecourt. I certainly hope that this establishment has not become a victim of globalization, but at the Blue Ridge tavern there are some regulars there who have for 20 years predicted that diamond mining will be a viable industry in this province, Mr. Speaker. I certainly hope that they are right.

Getting back now to coal bed methane, I don't know if this bill is addressing this specifically or not. It is difficult to develop coal bed methane where there are large holdings of private land. If someone on the government side of the House could explain the definition of private lands here and if this definition is an attempt to iron out the difficulties there will be for coal bed methane production.

[The Speaker in the chair]

In southern Alberta there are certain companies doing testing on coal bed methane production. I was hoping at one time to visit one of those test sites, but my hopes were dashed when the public relations person from that company said: "Thanks, but no thanks. We don't want to see you there on our property. You can certainly meet with some of the people or talk to them by telephone."

Ms Blakeman: Did they run you off?

Mr. MacDonald: Well, they didn't exactly run me off; they didn't invite me, in the first place, to run me off.

They were lukewarm to the idea, and I was sort of disappointed because I thought that the more anyone knows about the development and the potential of coal bed methane in this province, the better off all parties would be. Certainly, this was top secret, as far as I was concerned, and I thought: oh, well, if you're going to be that way, I'll just go to the Internet. I did, and I was surprised to learn of some of the success stories of coal bed methane and some of the problems.

Now, Mr. Speaker, I don't know if Bill 9 is the legislative route to deal with those problems. Certainly, when you consider what we can do here – and I'm not suggesting for a minute that the Minister of Energy or any other minister in this province, as a matter of fact, would adapt codes that are used for the production of coal bed methane in the Powder River basin by our neighbours to the south. Water is just drawn off those coal bed methane deposits and left on the surface. Now, the hon. Member for West Yellowhead may think that that's a good idea, but I'd bet many of the constituents out there would not, that water just left on the surface. It's not working out in America, and I can't see how it would work here. But there may be a good potential use for that water, and that would be to enhance oil recovery. We've discussed this in this Assembly before.

If we were to simply adopt the code that is occurring in the Powder River basin, I think we would be looking at an environmental nightmare, but perhaps this government has other plans and they've got some sound solutions to the problem of that water just being left on the surface. A large percentage of that water cannot be used for anything, really, because, unfortunately, it has virenum, it has mercury, and it has traces of arsenic in it. So to leave it on the surface is not the answer, even though you can in the short term get this increase in natural gas production through the use of the coal bed methane.

I'm told in estimates debates here last spring that 8 percent of

America's lower 48 production is coming from coal bed methane, and it looks like we're going to have the same potential here. With a little bit of research and thought I think we may be able to avoid some of the mistakes that have been made to the south of us as far as the environment is concerned. Now, if the intent of this bill with these amendments to the Mines and Minerals Act is to facilitate the further development of the coal bed methane industry, well, then, certainly that has merit.

Mr. Speaker, when one also considers the diamond industry in this province, and if it's in its infancy, as has been suggested by the hon. Member for Whitecourt-Ste. Anne, then it is something that we have to foster and encourage but not for one moment at the sake of the environment. I have the same cautions that were echoed by the hon. Member for Edmonton-Centre, and that is that one would have to keep an eye on the discretionary powers that have been left to the minister. Ministerial power has been known, unfortunately, to be not in the interests of all those concerned.

With those questions regarding the Mines and Minerals Amendment Act, Bill 9, I shall cede the floor to another colleague of the Assembly. Thank you.

4:00

The Speaker: Hon. Member for Edmonton-Glengarry, my understanding, sir, is that you've already spoken. Is this not correct?

Mr. Bonner: To Bill 9? No, I haven't, Mr. Speaker.

The Speaker: No? Okay. My information is wrong. Please proceed.

Mr. Bonner: This is to speak. If there are questions with respect to . . .

The Speaker: First of all we're going to deal with the questions that would be in order. Are there questions for the hon. Member for Edmonton-Gold Bar?

Then the hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you, Mr. Speaker. It is indeed a pleasure to rise this afternoon and speak to Bill 9, the Mines and Minerals Amendment Act, 2003. It is a bill that is sponsored by the Minister of Sustainable Resource Development, and I think it's a very timely bill, particularly, in fact, for the reasons that were outlined in a letter that I tabled here today by the Northern Oilfield Contractors Association.

We are having these difficulties in northern Alberta right now. As the hon. Member for Edmonton-Gold Bar has indicated, with the potential of huge diamond mines in northern Alberta – certainly their geologic exploration has indicated the presence of kimberlite, which of course is the ore from which we mine diamonds. Kimberlite is present in a number of areas in northern Alberta, and certainly for the benefit of all Albertans and particularly the residents of northern Alberta I think it is essential that we do have some type of legislation in place which is going to try to eliminate the problems that we currently are encountering in northern Alberta. I know that all parties that are involved with these difficulties are certainly working hard to come to some sort of a reasonable solution that will benefit all parties.

When we look at Bill 9, the Mines and Minerals Amendment Act, it does have a number of highlights which I think are very proactive, which will certainly give guidelines to the people who are going to be putting in the effort and the companies that are going to be developing sustainable resources in the province. It will be pro-

active to the point that, hopefully, a lot of difficulties will be eliminated and the development of these resources can continue uninterrupted.

One of the highlights that I was particularly glad to see in this piece of legislation, Mr. Speaker, was that this will allow for the mandating of a unique identifier code that will help the monitoring and tracking of exploration projects and equipment. In the sparsity of northern Alberta this would certainly be a great asset.

Now, then, as well, this particular bill will allow inspectors unencumbered access to exploration sites. Certainly, for the benefit of many concerns that we do have surrounding exploration sites, this will give Albertans a knowledge that people are on the scene that will take care of all safety and environmental concerns that they have.

As well, I see that Bill 9, Mr. Speaker, allows the adoption of codes wholesale into regulations, and once again we see that this will allow certainly a pretty tightfisted approach when it comes to the monitoring of what is happening. This bill will also allow the minister to issue a stop order on exploration projects. Once again, I think that this is a very good highlight of the bill. Any time these inspectors do come up with irregularities that they are not in support of, in this particular case it will allow the minister the power to issue a stop order on exploration projects.

Now, then, I see a couple of other highlights here. This bill will delegate much power to unknown regulations, and once again I do have some concerns when we start putting a lot of legislation into regulations. Certainly, at some point many of these should be debated on the floor of this Assembly, and all parties in the province should have knowledge of them. As well, I would like to hear additional debate, Mr. Speaker, and certainly further clarification on the highlight that this particular bill has provisions so that the minister can exempt pretty much any project from regulations. That to me raises a red flag, that we do have to have a situation where we do not have these types of powers in the hands of one particular person.

When the hon. Member for Edmonton-Centre was going through the bill, she did some analysis, and there were a few points that she was unable to make. I would like to continue where she left off, particularly under section 6(a). We are a little confused as to what is really going on in this particular subsection. Certainly, once we do get into Committee of the Whole, we will have the opportunity to get greater clarification, so I won't go into that too far at this point. There is no easily discernable subject of the sentence, which makes it virtually impossible to interpret. It would appear that cabinet will make regulations "respecting the research, testing, authorization or approval" of products described in the regulations.

Essentially, Mr. Speaker, the government is setting up a program which would have far-reaching powers as to what techniques and encryption can be used for exploration in Alberta. You know, this again gets back to a discussion we had during question period today as to: what do we do when it comes down to technologies? We see, for example, with hazardous wastes that we have old technologies which use incineration, and certainly that is not a state-of-the-art type of procedure for disposing of hazardous wastes. There are newer technologies in incineration, and we would like to see that they would be included in this particular bill and that any minister would not be able to say which technologies are used and which aren't.

As well, in section 6(b) we want to look at whether or not this subsection should allow the government to make regulations regarding the use of UINs. These unique identification numbers, I think, in some ways are definitely a very reasonable provision for the implementation and for their use here in the province.

4:10

Now, then, as well, I see that in section 6 there is just some housekeeping in section (d). Under (e) this breaks up section (j) in a manner corresponding to section (c) in the amendment. So there was no substantive change here. Section (f) delegates to cabinet the power to set the powers and duties of a person conducting an investigation or inspection and the responsibilities of those being investigated. This certainly makes sense, and I'm glad to see its inclusion in the bill.

One other point here under section 6 that I would like to discuss is (g). This particular clause repeals the clause that cabinet may make regulations respecting the exemptions of operations from the exploration part.

Overall, Mr. Speaker, as I mentioned earlier, I certainly think that Bill 9, the Mines and Minerals Amendment Act, is a proactive bill. I think it is something that all contractors are going to be quite happy to see, and I think that by putting these regulations into effect and these laws into effect at this particular time, it will serve us well as Albertans down the road.

I thank you very much for this opportunity to make some comments on Bill 9.

The Speaker: Hon. members, Standing Order 29(2)(a) is available should there be questions for the hon. Member for Edmonton-Glengarry on this subject.

[Motion carried; Bill 9 read a second time]

Bill 6

Justice Statutes Amendment Act, 2003

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

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure today to rise to move Bill 6, the Justice Statutes Amendment Act, 2003.

Members will recognize that it's been somewhat customary for us in the last number of years to bring forward modest amendments to a number of justice statutes in one bill, and that's the nature of the Justice Statutes Amendment Act today, which proposes amendments to the Judicature Act, the Petty Trespass Act, the Trespass to Premises Act, and the Young Offenders Act. I'll take a moment to go through and talk about each of those proposed amendments.

The Judicature Act. The definition of judicature in the *Oxford* dictionary is: the administration of justice or the judiciary. So it's obviously an act which deals with the administration of justice. In any event, Mr. Speaker, the amendments that are provided to that act in Bill 6 relate to two separate areas.

The first is with respect to section 32(a), where the bill proposes to strike out the masters and judges from that section. Now, that section 32(a) deals with the appointment of judges and masters and essentially provides that the Judicial Council may "consider proposed appointments of persons as masters, judges and justices of the peace and report its recommendations to the Minister of Justice and Attorney General."

I'd just report to the House that for the past three years we have had a two-stage process in place with respect to the appointment of Provincial Court judges, and that, of course, came into effect after a report that was done by the Member for Calgary-Lougheed, a review of the appointment process and the court process which recommended that there be a committee, which was subsequently established and called the Provincial Court Nominating Committee, to allow for public input into the selection process. So the process, essentially, since the inception of that committee has been a two-stage process.

First of all, applicants who wish to be considered for the provincial bench sent their applications in and were interviewed by the Judicial Council. For the record the Judicial Council as set up in the Judicature Act is comprised of the Chief Justice of Alberta or a designate, the Chief Justice of the Court of Queen's Bench or a designate, the Chief Judge of the Provincial Court or a designate, the president of the Law Society of Alberta or a designate, and two members appointed by the Minister of Justice and Attorney General. Once interviewed by the Judicial Council, recommendations are sent forward as to whether the candidate is recommended, highly recommended, or not recommended, and those that are recommended or highly recommended go on a list. Their application remains open for three years, and they could be appointed from that list.

Well, as I indicated, when the process was changed and the Provincial Court Nominating Committee was established, there became a second stage to the process. The nominating committee essentially consisted of eight members appointed by the minister, and these eight members represented the geographic diversity of the province and brought into the process an opportunity for the public to be involved in interviewing and helping to select candidates for the bench so that the public's interest could be represented in the process. I must say, Mr. Speaker, that in the three years that I've had the honour of serving as Minister of Justice and Attorney General, the process has worked exceedingly well. So why change it?

Well, it is a cumbersome process, and it's a process which is a bit redundant because of the two committees that need to hear from an applicant. So what we're doing and what this rather modest amendment to the Judicature Act allows for is to take the Judicial Council out of the process but in essence merge the same type of membership with the existing Provincial Court Nominating Committee process so that we have both representations on one committee. This will allow us to establish a single Provincial Court nominating body, which will fulfill the functions which are currently carried out by the two bodies.

Although it's not in the act, I can advise members that the new body will consist of up to 11 members, will include a chair appointed by the minister, will include the Chief Justice of the Court of Queen's Bench or designate, the Chief Judge of the Provincial Court or designate, the president of the Law Society or designate, and up to seven members to be appointed by the minister. By increasing the number of people on the committee, ensuring that more than 50 percent of the members are added through ministerial appointment, there will be greater public involvement in the new body and will allow for a balance that reflects the demographics and the regions of the province. The authority of the minister to appoint the chair and seven other members ensures that the public interest in the judicial selection process is served.

Mr. Speaker, there's often been comment and discussion about how judges are chosen and whether there ought not to be some public review process. We are regaled from time to time with the opportunity to see a process in the United States where a Senate confirmation committee gets to grill somebody on their background. That whole process was reviewed by the Member for Calgary-Lougheed's committee and, I think, quite rightly came to the determination that while there ought to be a process for public involvement and public knowledge in the selection process, it ought not to be a public process which subjected any potential candidate to that type of public grilling. The compromise I think has worked exceedingly well. The new committee I think will take it one step further and work even better, and I might say with just a nod in the direction of the Member for Calgary-Lougheed that the process we're going to now is the one that she actually recommended at the time. All things in due course.

There are two other minor amendments to the Judicature Act which I'd like to highlight as well. As people may have heard in the media, there have been some security incidents at Alberta courthouses in recent years. Alberta Justice has worked with a committee representing judges and justices in all three levels of the court and officials from the Alberta Solicitor General to deal with courthouse security problems. We believe that it is important that the courts remain open and accessible to all Albertans, and we don't want them to become armed camps. However, we do want to ensure the safety and security of everyone working in or conducting legitimate business at a courthouse. On that review it was found that the definition of courthouse in the act was too restrictive in that it excluded portions of a building not used in connection with the courthouse. It was believed that that narrow definition could possibly inhibit an ability to set up, for example, appropriate perimeter security and to deal with those sorts of issues. In the current act it states that the Minister of Justice "may appoint persons as security officers for the purpose of providing security in a courthouse," so the section will be amended to clarify that the minister may either appoint individuals or an entire "class of persons" as security officers.

4:20

So two relatively minor amendments but amendments, I think, with important connotations for Albertans, the first being to expand and continue the public role in helping to select members for the provincial bench and the second to enhance our ability to provide security for the courthouse, for the judiciary, and for all of our employees who work in support of the administration of justice.

The second bill which is being amended by the act is the Young Offenders Act. As all members again will know, after numerous false starts the federal government did pass a new Youth Criminal Justice Act to replace the old Young Offenders Act at the federal level. While many provincial jurisdictions were very concerned about what was in the Youth Criminal Justice Act and how it was being brought forward and the process of consultation – and there was in that case, Mr. Speaker, a very extensive program of consultation – the fact remains that the act has been passed and is coming into effect April 1 of this year. It will bring in a new regime of activity with respect to how young people are dealt with in the criminal court system. Members will know that the federal government is responsible for passing criminal law, so our Young Offenders Act is not a criminal law statute in terms of creating criminal offences but, rather, a statute aimed at the administration of the law and, of course, inclusion of provincial offences into the youth justice process.

The amendments, then, that we are bringing in under Bill 6 are essentially to align our provincial Young Offenders Act by changing its name to the Youth Justice Act and aligning the terminology that we have so that there's a common terminology between the federal act and the provincial act. For example, "disposition" is being replaced with "sentence"; "youth court" will become "youth justice court"; "community service" will become "extra-judicial sanctions." Again this is not our terminology, but that's changing the terminology so it matches the terminology which was passed in the new Youth Criminal Justice Act.

Another important amendment to the legislation is an increase in the maximum fine from \$500 to \$1,000 for provincial offences committed by young people. Under federal youth criminal law the maximum fine has been \$1,000 since 1984, will continue to be \$1,000 under the new legislation. The provincial maximum of \$500 has never been increased since the inception in Alberta of the Young Offenders Act in 1984, and it was decided that this was an appropri-

ate time to again match our maximum penalty with the federal maximum penalty.

Section 15(5) of the provincial act is also being amended to provide the court with the flexibility to impose combinations of fines, probation, and community service work. Previously under the Young Offenders Act the court could only impose a fine or community service or probation. The change will allow the court to provide meaningful and appropriate dispositions to young offenders based on the nature of the offence, the individual circumstances, and the discretion of the court.

Under current legislation, as well, the young person has the right to consult with legal counsel or a parent or the appropriate adult before giving a statement. The act will be amended to provide reasonable opportunity to consult with counsel and either a parent or an appropriate adult.

So again modest amendments to the Young Offenders Act now to make it called the Youth Justice Act to align it with the federal act, and while we're not in complete sympathy with all of the changes that the federal government made in the Youth Criminal Justice Act, it is our job to administer the justice system in the province, and we have to make it as open and as accessible and as understandable to the people of the province of Alberta as we possibly can, and an alignment is certainly in order to do that.

Two other acts included in Bill 6, the Justice Statutes Amendment Act, 2003, are the Petty Trespass Act and the Trespass to Premises Act. I would just indicate to the House that a review of those two acts, while modest again, makes some significant changes. The Member for Little Bow brought these to my attention some time ago when he asked about the Petty Trespass Act and the penalties that were available and why the act was not effective in allowing people to deal with intruders to their property, and following that being brought to my attention, I took the opportunity to review the acts and determine that, in fact, there were two significant problems with those acts.

One problem was that the fine was \$100 and had been \$100 since who knows when and certainly was not a deterrent to most people, but more importantly a charge under the Petty Trespass Act or under the Trespass to Premises Act could only be brought by the landowner. So the landowner had to go through a process of finding a justice of the peace and swearing out information, and it was all too cumbersome a process to make the acts effective.

What we're proposing in the Petty Trespass Act and the Trespass to Premises Act is to simplify the process of laying charges under the two acts as well as to increase the maximum fines so that the penalties can better match the nature of the offence. The maximum fines under the acts would be increased to \$2,000 from, as I said before, \$100 under the Petty Trespass Act and \$1,000 under the Trespass to Premises Act, and now any person who believes on reasonable, probable grounds that an offence has been committed may swear a complaint in front of a commissioner of oaths, and this means that, amongst others, a peace officer can lay charges. So now these acts will operate in the same manner as most other provincial offence acts, and in fact if somebody is trespassing on your property, won't leave, is causing damage or whatever, you could actually ask the police to lay a charge.

We'll also be making amendments to the regulations under the Provincial Offences Procedure Act so that the charge can be in the nature of a ticket which could have a specified penalty, so again to ease the process and make the acts more usable by Albertans. Now, the peace officer may have the alternative, of course, of actually issuing a summons requiring a trespasser to appear in court if the nature of the offence was such that it required it.

So the changes to those two acts are to make the acts usable and

to allow members of the public to protect their property from trespassers by invoking the provisions that are set out in those acts and using them.

I might just add that we have two acts. The Petty Trespass Act is essentially an act which would be utilized in a rural area or with respect to bare land, and the Trespass to Premises Act is an act which would be used probably in a more urban area or more particularly with respect to buildings such as shopping centres or those sorts of areas. It's an interesting history as to why we have the two acts rather than one act, but that's perhaps a story for another day. [interjections] No. I think that would be a prudent place to stop.

I'll cede my place, then, and let the hon. member opposite speak.

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

Ms Blakeman: Thanks very much, Mr. Speaker. I'm pleased we've been able to arrange between the minister and myself to be able to look at second reading of this Justice Statutes Amendment Act this afternoon, which is a slight change in schedule but suits both of us, so that's great.

4:30

This is an omnibus bill. It is changing a number of different statutes, and the minister has done quite a good job of sort of walking through what all of those are. We are changing the Judicature Act, the Petty Trespass Act, the Trespass to Premises Act, and the Young Offenders Act. I've had a brief opportunity since the bill was presented and got first reading to go through the bill, but in principle there's only one area that's causing me some hesitation. I think the other areas that are being changed are housekeeping and modernization, particularly where the fines are involved. I think that when we look at the existing fines for trespass, for example, a hundred dollars is not a deterrent. It's the cost of doing business, I think some people would argue. [interjection] It's true that if you've paid your natural gas bill and you have no money left, then that hundred dollars could be very hard to find. I think that for anyone that's up to mischief, the hundred dollars was no deterrent at all, whereas \$2,000 is a significant deterrent.

We have those two sort of partner bills. The Petty Trespass Act is really for occupiers of land, and my reading of it is that the Trespass to Premises Act is more about buildings. As the minister mentioned, that could cover things like shopping malls or institutions that the public would frequent, but it does allow for, in the one case, in the Petty Trespass Act increasing the fine from \$100 to \$2,000 and in the Trespass to Premises Act increasing from \$1,000 to \$2,000. I think that \$2,000 in this day and age is enough to make people sit up and pay a bit more attention, and I think that would be helpful.

I also think it's very helpful that it's allowing peace officers to initiate the action. People can be in a position where they don't want to be seen to be the one making a fuss or bringing a complaint forward. Maybe they're being bullied, or they're just not in a position to be the one that steps forward on an action. Perhaps they just don't have the time or they're busy or they're going away, whatever the reason. Up to now there's been a requirement that the property owner or the landowner appear at the police station and swear out the complaint themselves personally, and that certainly would not be convenient for a number of people that are in rural areas or in a centre that doesn't have a courthouse where they could be doing that. This is setting it up so that the individual landowner or manager of premises or the owner of a home can make the complaint to the police or RCMP and have them proceed with the action, which, I think, in many cases will be more suitable for

people. Safety is always a concern, and I'm hoping that this will help make all of our homes and work areas safer.

The one area where I have cause for concern – and this has been raised with me because I did spend some time investigating in the legal communities and other stakeholder groups if they could see any concerns arising out of Bill 6. There was very little comment except that there was some concern around the move to remove the requirement that the Judicial Council consider proposals for appointments for masters or judges. So that's taking away one of the two processes that are available now. The concern that was raised with me was: is there any way, then, that the one process would not be sufficient to guard against any kind of patronage appointment or appointment of an individual who perhaps didn't have as high a qualification as would be wished for that position? I can understand a concern there. I mean, we all want to believe that when we go before a court system, it's completely impartial and, in absolute partnership with that, that the officers of the court are highly skilled. I wouldn't like to think that that would be an issue here in Alberta, but this particular concern was raised with me, and I'm obliged to put it before the Assembly and seek an answer from the minister. He walked through the way it is now, and I'm looking for him to give some reassurance or perhaps spell out what the criteria is for choosing individuals, just to make sure that we're not going to have any kind of patronage appointment of someone who wasn't highly qualified.

The issue around the security in the courthouses is an interesting one, particularly in light of what we're looking at in Calgary with the construction or retrofit or renovation or some such thing of a new courthouse space there and whether it's P3 or not or whatever is happening. From what I'm understanding, this courthouse may well be inside of another building and, I think, partly is now, so there's a need that we have authority for security people to not only be physically in the courtroom but also have access to the areas around it. I think that part of this arose out of the construction of the special courtrooms for the gang trials, which were constructed off-site or close by or something. I think they're called CAPS, although they're going to be renamed to something odd. It wouldn't be SAPS; would it? No, it couldn't be. SOS or something, some other interesting abbreviation. The individual that I spoke to wasn't entirely thrilled with the new acronym and did make a point of mentioning this to me. I just apologize that I can't remember what the new name is going to be. It wouldn't be SAPS; it just couldn't be. They wouldn't do that. Please, please, I hope that's not what's happening.

So on the good side we have the clarification around the security in the courthouses, and I think that will play out and be important as we look at what happens in Calgary. We have the updating of the Petty Trespass Act and the Trespass to Premises Act, and then there are a number of changes with the Young Offenders Act. As the minister stated, this is the administration of the Young Offenders Act or, in our case, the Youth Justice Act, not the sort of Criminal Code component. Again most of it is changing Alberta's language to match the language that's in the federal code. I think that kind of specificity of language is very important.

Instead of an either/or scenario about courts being allowed to impose joint community service or a probation sentence, it's possible to do both of those for provincial offences, which, I think, is obviously desired.

There seems to be a section that is talking about spelling out that if a parent doesn't receive a copy of a probation order, it doesn't affect the validity of the order, which again is just a clarification of what's expected.

There's an increase in the temporary release date from 15 days to 30 days for the purpose of "medical, compassionate or humanitarian

reasons." That can also be used for a period of rehabilitation, drug rehabilitation, I'm assuming, or reintegration into the community.

4:40

Another section that I think the minister did touch upon was that a young person has to be able to contact legal counsel and a parent or a guardian or someone else that's looking after them. As it is now, that was an "or" situation. They could get in touch with one or the other, but this requirement allows the young offender the ability to contact both responsible adults: their legal counsel and a parent.

The minister did state at some point that this government was not in complete sympathy with all of the federal statutes. I'd be interested in knowing where he's not in complete sympathy. I'm assuming that we're talking about the Young Offenders Act and the Youth Justice Act, so perhaps when we're in Committee of the Whole, he could expand upon that.

In closing, Mr. Speaker, I have no problem in supporting the Justice Statutes Amendment Act in principle at second reading. We certainly have time in Committee of the Whole to go through this in more detail, and I do await the responses to the questions that I've posed here today. As I said, I have no problem supporting what's before us, with the one question that I raised about ensuring the integrity of that judicial appointment process now that it's proposed to go to sort of one stage instead of having a check and balance or a two-stage process through which to vet candidates for appointment.

Mr. MacDonald: How exactly is that going to work?

Ms Blakeman: How exactly is it going to work? Well, that's the question that we've put forward, and I think that it's important that that be expanded upon. As I said, that's my one hesitation in what's been put forward here.

So I appreciate the opportunity to speak to this bill in second reading, and I'm happy to support it at this point in principle. Thank you.

The Speaker: The hon. Minister of Justice and Attorney General to close the debate.

Mr. Hancock: Thank you, Mr. Speaker. I don't have much more to add, just some examples as to what we might have objected to in the federal Youth Criminal Justice Act. Just as one example and not to delay the process, the Youth Criminal Justice Act federally puts in place some fairly extensive processes and procedures which are going to really complicate the administration of justice rather than assist it. We'll require much more in the way of resources to actually accomplish the goals that were set out. There are other, more substantive reasons why we disagreed with the approaches taken, but all in all I think it was a very positive thing that the Young Offenders Act has now been replaced by the Youth Criminal Justice Act, and with the passage of this bill we will be aligned with that and able to engage the new process as well.

Thank you, Mr. Speaker.

[Motion carried; Bill 6 read a second time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. In view of the good work that we've done this afternoon, I would move that we adjourn until 8 this evening.

[Motion carried; the Assembly adjourned at 4:44 p.m.]

Legislative Assembly of Alberta

Title: Tuesday, February 25, 2003

8:00 p.m.

Date: 2003/02/25

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

head: **Government Bills and Orders**

head: **Second Reading**

Bill 8

Health Foundations Act Repeal Act

[Adjourned debate February 25: Mr. Mar]

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. Bill 8 is a notable act for its remarkable brevity. The entire operative portion of the act is six words long. I'm not sure if that's a record or not, but it must be getting close. Just to ensure that it's on the record, the entire bill reads: "The Health Foundations Act is repealed." It raises the question: why are we repealing this act, and what is this act about in any case?

The act was passed in 1996, and there was actually some substantial debate about the act at the time. The purpose of the act was the establishment of agent of the Crown foundations for regional health authorities and the provincial health board and the Alberta Cancer Board, and the idea of these foundations was that they would be set up to take advantage of federal tax laws that were in place at the time that would provide these foundations with special tax exemptions above and beyond what normal fund-raising foundations might have. In fact, donations to these foundations were given the same status as if they were donations to the Crown. However, the federal laws that made all of this workable and that provided these tax exemptions were later repealed, so these foundations created under the Health Foundations Act of 1996 no longer enjoyed any preferred status with regard to taxes and as a result no longer have a purpose for existing and, indeed, to my knowledge for practical purposes do not exist. Fair enough. We don't need the act any longer.

One of the controversial aspects of the act was to centralize a fair bit of power in the hands of the minister of health on the reasoning that the minister had the ability to co-ordinate the work of the foundations to maximize their effectiveness and efficiency, but there were, of course, some concerns about this. One was that it de facto put the minister in charge of quite a number of high-profile fund-raising foundations which he could then direct to cover off things that perhaps his department itself ought to be doing, and it also would create competition for all other fund-raising organizations and, indeed, would probably be very serious competition and somewhat of a threat to other health care fund-raising organizations. So I think that in many ways it's just as well that these foundations never really got off the ground.

We in the opposition – I wasn't here at the time, but a couple of my colleagues were – in fact voted against this bill in the first place. I know that may be a surprise, but we did. However, tonight we will vote for the repeal of this, and of course that's consistent. We didn't want these organizations in the first place, and there were various issues raised in the debate by the critic at the time, who was the Member for Edmonton-Glenora. We expressed concern that this was not good public policy that donors could not at all direct their donations. They were effectively giving their money to the minister, who could do with it as she pleased. We were, as I mentioned a few

minutes ago, concerned that it would undermine existing charitable foundations.

Now, the counterargument from the minister at the time, who is now the Deputy Premier, was that these foundations would benefit health facilities and programs across entire regions rather than individual facilities – these foundations were not tied to any one hospital or nursing home; they were covering the whole region – and that they would be able to use their special status as agents of the Crown. The government was perfectly clear in some of its intentions. I'm quoting here from comments made by the minister of health at the time.

... the minister has the authority to set definite priorities for the use of foundation funds in general to ensure that the work of the foundations is co-ordinated with the overall goals for the health system and to avoid duplication of effort with other agencies, confirming our concern that this was a highly centralized system.

As we predicted, these organizations never were useful. They never really got established. The legislation is now pointless, and I would in fact commend the government today for cleaning up an unnecessary bill and taking it off the books. So I know that I for one will be supporting Bill 8.

Thank you, Mr. Speaker.

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

Mrs. O'Neill: Thank you very much, Mr. Speaker. I will only take a moment because the bill itself is so brief that it requires a brief comment on it. What I want to say with respect to this bill is that it is obviously necessary because these Crown foundations are no longer serving a useful purpose if, indeed, they did at one time.

However, the reason I do want to comment on it is that we have a number of hospital foundations. I have one in my community that operates very effectively, fund-raises most specifically for truly needed initiatives that they sponsor and support within the hospital, and I would not want to diminish the strength of the efforts of those who work on those foundations and who, indeed, volunteer, I should say, on those foundations in order to enhance the delivery of health care within the hospitals.

I think it is important for clarification reasons if for no other that we identify those eight RHAs that established agent of the Crown foundations under the Health Foundations Act. We know that they are disestablished, but I'd like to read into the record that the eight were the Calgary Health Crown Foundation, the Capital Health Crown Foundation, the Chinook Health Crown Foundation, the Headwaters Health Crown Foundation, Health Region No. 6 Crown Foundation, the Keeweenaw Lakes Crown Foundation, the Northwestern Health Services Crown Foundation, and the Peace Health Crown Foundation.

Just so that we and everyone who is aware of this piece of legislation knows that we are not disestablishing hospital foundations, that are truly effective and very, very helpful in the delivery of health care in our communities and that are working so well, I'd like to take this opportunity to commend them for the work that they do in our communities, for them not to be confused with the ones that we are repealing through this act.

Thank you.

[Motion carried; Bill 8 read a second time]

8:10

Bill 7

Real Estate Amendment Act, 2003

The Deputy Speaker: The hon. Member for Grande Prairie-Wapiti.

Mr. Graydon: Thank you, Mr. Speaker. I'm pleased to move

second reading of Bill 7, the Real Estate Amendment Act, 2003.

The Real Estate Council of Alberta, commonly known as RECA, is responsible for the administration of the Real Estate Act. RECA consulted with their stakeholders on the proposed amendments and received their support.

The first amendment to the Real Estate Act is defining appraisers and including them in the licensing and regulating provisions. Appraisers requested that they be licensed and regulated by RECA in order to protect consumers against people performing appraisal services who are not qualified and have no liability insurance.

The act is also amended to allow RECA to take disciplinary action against former industry members within two years after the member leaves the industry. Currently RECA loses jurisdiction over industry members who are involved in disciplinary proceedings if the industry member withdraws their membership licence. When the licence is withdrawn, RECA must stop disciplinary proceedings. This allows former members to avoid responsibility for their actions and prevents RECA from bringing matters to conclusion.

Another amendment deals with the limitation period for prosecution of an offence. This amendment will provide that prosecution can begin up to three years after the date the offence is alleged to have been committed, a change from the current two-year limitation period. The additional one-year period will provide RECA with additional time to investigate cases where jurisdiction may otherwise be lost due to time constraints.

The last main amendment allows RECA to make rules requiring former industry members to retain their records for three years after they cease to be industry members. This provision will ensure that the records exist in case RECA investigates the conduct of former industry members for prosecution purposes.

The remainder of the amendments to the Real Estate Act in this bill are housekeeping in nature, Mr. Speaker.

With that, I would like to move that we close debate on this bill for this evening. Thank you.

The Deputy Speaker: Are you ready for the question?

Dr. Taft: Are we adjourning?

The Deputy Speaker: The chair would invite the hon. Member for Grande Prairie-Wapiti to clarify whether you're closing debate, whether you are moving that we adjourn debate, or whether the question be called.

Mr. Graydon: Just adjourning debate for this evening.

[Motion to adjourn debate carried]

head: **Government Bills and Orders**

head: **Committee of the Whole**

[Mr. Tannas in the chair]

The Chair: I'll call the Committee of the Whole to order.

Bill 1

Premier's Council on Alberta's Promise Act

The Chair: As you may recall from the previous evening, we were on amendment A3 as moved by the hon. Member for Edmonton-Mill Woods. Are there any further comments to be made with respect to amendment A3? The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. Yes, indeed, I do have some

comments on this. At least speaking for myself, I am excited about Bill 1 and the possibilities that it holds for the children of this province but, as you know, feel quite strongly that it would be a far, far better bill with some more substance in it, and that's the reason why we're moving some amendments, including this particular amendment.

One of the things that I've been working very hard at the last month or so – well, for much longer than that but particularly in the last month – is visiting virtually all the schools in my constituency and meeting with all the school councils. At one of those meetings we were told that in the Edmonton public school system only 68 percent of children who enter kindergarten or grade 1 reach grade 12. In other words, 32 percent of schoolchildren in the Edmonton public school system drop out. I was shocked at that figure. At this state of Alberta's development, at this state of our economy, at all the information we have of this being an information economy, to think that 32 percent of children drop out of school before reaching grade 12 was dismaying. I have also heard anecdotically that Alberta has one of the highest dropout rates in the country. Again that's a surprise to me and a cause of great concern if it's true. This is a terrible reflection on the future of our province, and indeed it's a poor reflection on the current state of our school system and our ability to meet the needs of the great, great majority of children.

There's been some recent research come out of Australia, dramatic economic research on the importance in investing in children. It's so dramatic that in the last decade a lot of core theory on economic development is getting revamped, and it's becoming formally recognized that the traditional notion that the way to develop an economy was to invest in capital is in fact outdated. Investing in factories and machinery and equipment and infrastructure and so on was the traditional model for economic development, but that model is being left behind. It's being left behind because of outstanding research done on what actually drives modern economies, and what drives modern economies turns out to be the level of education of the people.

The lesson from that is that it's much more valuable in the long run to invest in education than it is to invest in factories and machinery and equipment. You get a onetime return on investing in factories or machinery and equipment or infrastructure. It raises you up to that level, and then you stop there. After all, that's all there is at that factory. The machinery and equipment makes what it makes; it doesn't make anything more. But if you invest in education, you get a multiplying return on your investment. The well-educated person continues to learn and learn and learn and develop and develop and, as a result, throughout their entire life contributes more and more and more to the wealth and to the welfare of their society.

I'm sure that all of us can reflect on our own personal experience. I'm 47 years old. I remember slide rules in high school and even in first-year university, and then I remember how amazing it was to see calculators come along and then, of course, computers, desktop computers that today we laugh at but 20 years ago were astonishing. Well, each one of those pieces of equipment is gone. The money that was put into those slide rules is completely gone. The money put into those calculators is gone, and the calculators are gone with it and so on for each generation of computer. But for me and for, I'm sure, all of us here what we acquired in learning to use that equipment serves us over and over and over, and we build on that and grow from that.

8:20

That's just a simple illustration of how investing in learning and education and human capacity pays off so much greater than investing in capital. That illustrates also the kind of reasoning

behind this proposed amendment to Bill 1. We want the Premier's Council on Alberta's Promise to actually have a written commitment, a legislative commitment to develop recommendations to attain an 80 percent completion rate for students entering primary education to finish secondary education.

Now, I think that if anything is weak in this amendment, it's that we're aiming too low. It still means that we are prepared to accept that 20 percent of kids don't even get grade 12. I think that's aiming way too low, although it would be a substantial improvement over what we have today. But if we are to move ahead as a society and as an economy, then we need to commit and we need to commit fully and vigorously to increasing the completion rate of grade 12 and to reducing the dropout rate from school. We'll see better income. We'll see better health. Nothing correlates with health so closely as good education. We'll see a stronger economy, human capital that will go on producing and expanding generation after generation, and ultimately we'll have better citizens.

Mr. Chair, I would very, very much like to see this amendment adopted in Bill 1. I can't imagine why we wouldn't do it. We're not particularly committing the government to any unusual expenditure, we're leaving the recommendation wide open to any time frame, and we're setting a target that is perhaps too low and not too high. There's no reason that I can see not to support this amendment. So I would urge every Member of this Legislative Assembly – every member – to support this amendment and make Alberta's Promise really stand for something.

Thank you.

The Chair: The hon. Minister of Children's Services.

Ms Evans: Thank you, Mr. Chairman. Speaking to the amendment, I want to just point out that quite from the beginning in the development of Alberta's Promise both industry and the nonprofit organizations, the United Way in Edmonton and Calgary, the Alberta United Way, spoke quite specifically to us to the point that they did not want us to attempt through Alberta's Promise to usurp any other authority of any other body that was performing acts of support for children and youth and families. To that extent, while the intent of this amendment is admirable, it actually would be an amendment that maybe should be more appropriately vested in the School Act or something in which the government provides accountability – and we're accountable to Albertans – and can effect that accountability.

Alberta's Promise and the council that is appointed therein is a wonderful collection of leaders throughout the community that have come together to provide supports and additional supports for their own activities and for the activities of other nongovernment organizations that, in fact, enhance the quality of life in communities for children, youth, and families. In my view, although the intent of the amendment is, as I've said, commendable, it is out of sync in this particular piece of legislation that addresses the rules of conduct for the council and is not prescriptive particularly to any one segment as to how they should conduct or research and provide recommendations.

Now, ultimately, Mr. Chairman, the council, in fact, may do just that: may decide that within their mandate under promoting Alberta's Promise it could be extended to providing guidance for government on the well-being of children or individuals or organizations and raise awareness. They may wish to do that, but that should not be prescribed in the legislation. They should be encouraged to come forward with their own attitudes of what they believe to be possible.

I believe the difficulties encountered in other jurisdictions where they have had Ontario's Promise or some parts of the United States

where America's Promise has run into resistance is when there's a top-down dictum as to what should be done rather than a bottom-up generation of what is presented. I think that if you look very carefully at the membership of the council, you will note that people from all parties have been appointed to the council, people with leadership characteristics and qualities not only in the corporate scene but in the nonprofit sector, and these people, I am sure, will be quite capable of generating those initiatives that they believe to be attainable. This is not a working group. The secretariat is funded by the government of Alberta. That has been identified.

So although the hon. member opposite and the amendment that's proposed have very commendable ideals, this piece of legislation is not the place to insert this particular amendment. It's compelling a council that has not yet begun to an order of business that should be quite properly the government's order of business, and they should be looking at what they believe they can do, as I've said, from the grass roots in support.

If I may remind the hon. member of one more thing, I think right from the very first the reaction of the opposition has been: are you using Alberta's Promise as a vehicle to take over responsibility from the government? No, we are not. They are a different part of the village of responsibility and the Alberta community overall, and the government should quite properly still establish standards and maintain those standards in places other than in this particular act, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Glengarry on amendment A3.

Mr. Bonner: Thank you very much, Mr. Chairman. It is a pleasure to rise this evening to speak to the notice of amendment on Bill 1, the Premier's Council on Alberta's Promise Act. I have to say right at the outset that I'm in favour of this proposed amendment, and I'm in favour of it for many, many reasons.

I listened intently as the minister made some comments about the makeup of the council, how this was made up of members from all parties and that these were leaders of various different organizations in the community. Obviously, there must be some names attached with this council, and if the minister, please, could table in the Legislature a copy of the members of that council, I'd be very interested to see who's on that council. Thank you.

Now, then, when we talk about recommendations to attain an 80 percent completion rate for students entering primary education and finishing secondary education, I think that is a very good goal. As the Member for Edmonton-Riverview said, if anything perhaps that goal is set too low. But we have to be consistent, Mr. Chairman, on what we do in this province. We currently have achievement tests for our students in this province. They are administered to all grade 3, grade 6, grade 9, and grade 12 students, and we have acceptable standards. We want 85 percent of students that write those exams to pass those exams. We also set a goal of 15 percent of those students to reach the honours standing. This certainly was a directive that came out of the department of education and probably from the ministerial level down, so this wasn't grass roots when we look at achievement tests in this province. This was a top-down situation, and of course the debate still continues to go on as to whether we are making the best use of the results from those achievement tests. When we look at what was just recently released by the Fraser Institute as to the rankings of schools in this province, the cry from educators across the province was not in support of the findings that the Fraser Institute came up with, and I was happy to see that some school boards did not have that information released so that their schools could be ranked.

8:30

Now, then, as well, when we talk about a target of an 80 percent completion rate, I think where we have to gain a lot of encouragement, Mr. Chairman, is from the article written in the *Edmonton Journal* today by Paula Simons when she was talking about I believe it was North Edmonton school and how they had children with high needs that entered their school at the kindergarten level and how they worked with those students, how over a three-year period they have been able to dramatically increase the reading ability of students in grade 1, how children who write those achievement tests in grade 3 have drastically increased their results, that there is a greater number of students passing those achievement tests and doing quite well. For a high-needs school such as North Edmonton it certainly indicates that when we make that a primary goal, we can attain those goals. If we do that on a provincewide basis, then we will see results, and we will see more and more students remaining in school.

I had the opportunity, as I've mentioned before in this House, to visit parliamentarians in Great Britain last fall, and one of the interviews we had was with a Senator and former Member of Parliament of the Republic of Ireland. One of my questions to him was: what effect did your education policies over the last four decades have on the economic success and the turnaround in Ireland today? He said that, without a doubt, when they had the opportunity to expand their economy, to make their deals with the multinationals and whatever, these multinational companies never would have looked at the Republic of Ireland if they didn't have a very highly educated group of people, a wealth of resource there that they could count on to move Ireland from a have-not to one of the more successful nations in the world. Of course, it wasn't only education, but this certainly was the foundation. This was the basis that they used, and this was what multinational corporations in this world counted on when they moved their industries to Ireland.

I truly believe that level of education is certainly one of the major, major goals of the particular bill, the Premier's Council on Alberta's Promise Act, and it is so important that if we are to make this a goal of the province, we look at the formative years, when these students are first entering our public school system, that we provide them with all the tools and all the resources necessary in order that they get off to a good start. I think that when we have a goal such as an 80 percent completion rate, this is something that's going to ensure that we get students off to a very good start in school. We know that we are investing in the future when we do these types of things, and this would add a lot of teeth to this particular bill.

I would urge, Mr. Chairman, that all members of the Assembly support this amendment.

[Motion on amendment A3 lost]

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. I would like to propose another amendment to Bill 1. I've got the copies here. It's approved by Parliamentary Counsel, and we shall proceed. I'll just wait a moment while the amendment is distributed.

The Chair: We'd invite the hon. Member for Edmonton-Riverview to move his amendment, and it will be known as amendment A4.

Dr. Taft: Thank you, Mr. Chairman. I move that Bill 1 be amended by striking out section 4(1) and substituting the following:

- 4(1) The Council consists of
 - (a) the Premier,

- (b) those members appointed by the Lieutenant Governor in Council on the nomination of the Premier, and
- (c) an equal number of members appointed by the Lieutenant Governor in Council on the nomination of the Leader of Her Majesty's loyal opposition in consultation with the leaders of the other opposition parties represented in the Legislative Assembly.

Mr. Chairman, this motion is clearly intended to remove partisan concerns from the Premier's Council on Alberta's Promise. I think we would all agree that when it comes to the welfare of our children and to making a promise to them and to their future and to the future of Alberta, we all need to rise above partisan issues, we need to strike a balance, we need to strive to represent all Albertans, and that's the purpose of this particular amendment. We frankly don't know who's going to be on this council, and undoubtedly they're good people. They may well include some members from all political parties; we have no idea. But the fact of the matter is that the members of this committee need to be nominated through a variety of sources.

I noticed that when it came to discussing the previous amendment, the Minister of Children's Services made a comment that we don't want top-down dictums. Well, the way this bill stands right now and the provisions it has for appointing members feels very much like a top-down dictum. The Premier: you can't get much higher than that in Alberta. The Premier chooses who is going to be on this council. We'd like to end that top-down dictum. We'd like to split up that responsibility and follow a model that's already established in another part of our legislative process, which also, like children, needs to be beyond partisan politics, and that's the commission examining electoral boundaries. In that particular commission, the chairman is appointed by the Premier, and two members are nominated by the Premier, and two members are nominated by the Leader of the Opposition after consulting with other opposition parties. Exactly the same model. And the whole point of that is to get beyond the perception and the reality of partisan politics. That's why we're making this amendment.

8:40

We all know to the point of almost a cliché that it takes a village or a community to raise a child, and we want to ensure that all members of that community are represented, so that's the spirit in which we propose this amendment. We hope that it's taken seriously by the government. There are no costs. There are no risks. There are only benefits, the benefits of improved public credibility and the benefits of a broader base of support and membership.

So, Mr. Chairman, I recommend this amendment to all members of this Assembly. Thank you.

Ms Evans: Mr. Chairman, in compliance with comments made previously, we'll certainly be prepared to provide a list of the names of the council. Might I just say one thing? Anybody who wants to bring forward to the council a name that would like to serve on the council is quite able to do so. The criteria for selection has not been one of partisanship or political expertise. It has frequently been those people that lead organizations, lead corporations, leadership with the United Way, leadership with Lakeland College relative to early child development, and in fact we invite people to come forward. To enshrine this type of process would seem to imply specifically that there has been an emphasis on the governing party over any other appointments.

So I just draw to the member's attention, although this has not been formally launched in Alberta, that it's planned for some time later when the Children's Forum is available, while the newly appointed executive director and the vice-chairs do some work with

the corporations. Maybe ultimately this would be something that would emanate from that group itself, but quite honestly I think you'll find, Mr. Chairman, that once the names are circulated, this House will be very satisfied that the appointments that have come forward here and the people that have come forward, yes, may be friends of the governing party but, yes, are indeed friends of Her Majesty's Loyal Opposition. So I don't see the necessity for this particular amendment.

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

Dr. Massey: Thank you, Mr. Chairman. I'm pleased to support the amendment. The minister has made a couple of comments this evening that have put the opposition at a considerable disadvantage, her comments that the names of the council do exist. I think that if we had had those names, then our amendments might have been quite different, but without that and without the second item that the minister just commented upon – and that's the kinds of criteria that will be used in selecting council members – as I said, I think the opposition is operating at a considerable disadvantage. We're trying to make sure that Bill 1, a bill that we support, is the very best that it can be, and given that we don't have those names and that we don't have those criteria, I don't think we have any alternative but to proceed with our amendments.

I think the amendments themselves are sound. I mentioned before in second reading on the bill that if you look at America's Promise, there was great effort undertaken to make sure that the bill was nonpartisan. They had President Carter, Nancy Reagan, Gerald Ford. They had a good mix of council members who spanned the political spectrum in the United States, and I think that that's important, particularly with this council. You know, we've been fairly enthusiastic about the council. We've expressed some reservation that it not take on the legitimate function and responsibility of either Children's Services or the Learning department or any other department of government, that the government fully accept its responsibilities in those areas and that this is an embellishment, if you would, a furthering of the interests of those departments. So I think that with that minor reservation, we have been very, very supportive of what's before us.

If you look at the amendment and the assumptions that it's based on, the membership must be beyond criticism, and I think that that's just a given. If the council is to operate in the way that it's been presented to us, there can be no question as to the goals and the motivations of the council members. I think that's important. The hon. Member for Edmonton-Riverview made a comment about a government committee. Now, I thought I heard him say the learning commission, but I think he was talking about the Electoral Boundaries Commission.

The learning commission that we have today is dramatically different from the learning commission that reported to the government in 1972, and it's different dramatically in terms of the membership and how that membership was arrived at. The 1972 commission on planning in education was made up of members of the community who were known for their success in other fields and known particularly for their independence of government. So we had a president of the University of Lethbridge. We had a vice-president of planning at the university, Wally Worth, as the commissioner. There was someone from the judicial system. The government of the day bent over backwards to make sure that that previous commission was very independent.

That's not so with the present-day learning commission, and it, I think, is unfortunate. I believe that the commission is working very hard. It's going to come up with some good recommendations, but

if it doesn't or if the important things that have been relayed to that commission by parents and by Albertans are not included in the report, there's going to be always the suspicion, the nagging thought that somehow or other the commission was playing out the government's mandate and heard what the government would like to hear in its deliberations. I think that's why it's important that this amendment be passed and that the membership, as I said, be beyond criticism.

I think another assumption is that three or four heads are better than one. These are leaders in our province and political life that we've asked to be part of the council member selection, and I think that that's one way of ensuring that the very best Albertans are appointed and that none are overlooked because of a political stance they've taken or some other stance that they've taken that somehow or other may have offended the government.

I think that if you look at whose interests are served by the amendment, it's clearly and foremost children. We're ensuring as much as we can in this process that this is an all-party, nonpartisan endeavour, and I think that's in children's best interests, that there won't be other agendas played out by the council, that the intent as put forward in Bill 1 of getting youngsters off to a good start, making sure that they're safe, providing them with a mentor is really the focus of the council.

8:50

So I think that the goals of the Premier's council, the interests, are best served by this amendment. I think that if you look at what the gains are by passing this amendment, the council will take on a new legitimacy that it won't have if the members are appointed solely as they're outlined in the bill right now. Legitimacy for the kind of work that is envisioned for the council, I think, is extremely important. They have to be seen by the public and the corporations and the volunteer groups and the service clubs that they approach and hope to enlist in their projects as a very legitimate council. There are going to be some of those groups who will be very reluctant to put forth effort if in any way there's any perception that they are endorsing a particular political stance or a particular political party. That kind of association with a political party will be enough to prevent some organizations from working with the council as one would hope they might do.

I think that the amendment is a sound one. Maybe when we see the council members, our fears will be allayed. Maybe when we see the criteria that were used in selecting those members, our fears will be allayed. But putting this into the bill assures us that that will happen, and I think it just is sound appointment practice.

Thanks very much, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Riverview on amendment A4.

Dr. Taft: Yes, on amendment A4, Mr. Chairman. I'd just like to respond to the minister's comments of a few minutes ago. They illustrated to me exactly why we want this amendment. There was a real sense that everything about this council so far has occurred behind closed doors. She speaks about people who are chosen, people who are nominated, about the processes for nomination. To our knowledge all of that's occurred behind closed doors. There hasn't been a public process that I'm aware of. It hasn't been open to anybody but people presumably in cabinet to discuss, maybe in the backbenches of the government, but beyond that, extremely limited. And that exactly proves the point of why we want this amendment. Let's end the closed-doors construction of these committees.

She referred in her comments to members of this council being leaders of corporations, leaders from the United Way, a college president or something like that. I'm not convinced that those are the people who have any monopoly on how Alberta's Promise should be fulfilled. Maybe there'll be a native elder. Will there be a native elder? I don't know. In fact, I'd like to ask the minister: when will she table the names of the people who are going to be on this council? Will it be tomorrow? Would it be even tonight? Could she go back to her office, get the list, and bring it out here so that we could have a proper debate?

Ms Evans: I'm in the unflattering position of not having it available to me tonight, but I could certainly table it tomorrow. It was not something that I felt was going to be critical to the debate but will certainly provide that list tomorrow. I would really hesitate to try and give it to you from the top of my head because there are over 60 names, Mr. Speaker, but it could be tabled tomorrow.

Dr. Taft: I appreciate that gesture from the minister, and I'll accept it. As you can appreciate, it would have been nice to have had it, say, when the bill was tabled. Anyway, we didn't know the number. If there are 60 members on the council, it's a much larger council than we expected. I hope there will be members on it who are, for example, poverty advocates, maybe people with medical backgrounds, neurodevelopmental specialists, people like that. So we would like once again to bring this whole process out from behind closed doors. As my colleague from Edmonton-Mill Woods said, that's the only way that this council is going to have public legitimacy.

Thank you.

The Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman, just a few comments on amendment A4. I think that if we did see the 60 names, it would certainly alleviate a lot of the apprehension that we have in the formation of this particular council.

As the hon. Member for Edmonton-Riverview had mentioned, we don't have to have community leaders to know the issues. If we are going to have a council that represents all children in this province, then we certainly need a good mix, and I couldn't help but overhear the Minister of Transportation's comment that we should have a farmer on the committee, and I think that would be ideal. It's certainly someone who would know the issues facing farm children in this province, and they would be a welcome person on this committee. Even after teaching for 27 years I would never want to claim that I know the issues that are faced by farm children. So I think that would help us out as well.

I also must say, Mr. Chairman, that for this being the flagship bill of the Premier, I would hope for a lot more input from government members, and I'm sure that as we move through Committee of the Whole, there will be a lot more participation discussing this particular bill so that Albertans will know what their feelings are, where there is open discussion here in the Assembly, and that those good comments that are made in caucus and in meetings with the ministers could also be brought out. It would certainly allow a lot of credibility to this council.

So, in closing, Mr. Chairman, I want to say that we do have a great diversity of people in this province. We have great diversity of needs for these children, and we also have to have people on here that are going to know and understand the challenges faced particularly by the disadvantaged children of this province and what it means to some student whose parents perhaps are on minimum wage

and looking at a \$4,000 bill for tuition. We have to have people that understand that and not the presidents of corporations for whom \$4,000 for tuition really isn't very much. So I do look forward to seeing the list that is going to be provided by the minister.

I think this is an excellent, excellent amendment, and I would urge all members of the Assembly to support it. Thank you.

The Chair: The hon. Member for Lacombe-Stettler.

Mrs. Gordon: Thank you very much, Mr. Chairman. We're talking tonight about the Premier's Council on Alberta's Promise Act. The Premier stood in this Assembly several days ago and talked about the need for the province to look after children. The minister across the way I have known for I hate to say how many years. She and I served together municipally. We worked together through the AUMA when she was a member of the AAMD and C wanted to be part of the AUMA, and she became such. This minister is so committed to children. I don't know how you people can stand up here and say that you want to know the membership on this committee. When I walk into my community, whether it be Lacombe or Stettler, I look at those individuals in my community that are doing good for my community. I don't ask them what political party they belong to. I don't ask them what church they go to. I just know that at the end of the day they give. And they give from the heart.

9:00

Now, I can tell you that the Premier of this province, along with his wife, has been committed to children since he began as Premier, and this Minister of Children's Services will pick the people that can give from their heart, and "give" is the operative word. They will be the people that are in the best position to surround themselves with people that can give. I'll tell you something. I don't care whether they belong to your party, whether they belong to that party farther over there, or whether they belong to our party. I don't care what church they belong to, what community they live in. If they can give for the benefit of children, that's what is important.

Your member there from Edmonton-Glengarry said that this is an important piece of legislation. Well, let it be an important piece of legislation. Debate the people that are on the committee after they've had the first meeting, after they've decided what they want to do, after they've gone to the communities they represent, after they've gone to the corporate sponsorship, after they've put the dollars in place and decided what they're going to do for the children of this province. Well, hello? Get a life, get real, and get on with it.

We have in place something that is very important not only to Alberta but to the rest of Canada. Let's be proud of what the Premier has done, let's be proud of what that minister has done, and let's all get behind it and say: yes, this will work.

You know, many, many years ago your former leader – and I respected him greatly – Laurence Decore, when I was mayor of Lacombe, paid me a visit and said: Judy . . .

An Hon. Member: Hon. member.

Mrs. Gordon: . . . hon. member for whatever I was then, why don't you run for our party? I debated. But I'll tell you what, folks. Once in a while it would be nice in this Assembly if you supported something that we stood for. I'll tell you that in the eyes of Albertans and in the communities I represent, this piece of legislation is something you should support, and you should support it heartily because it means that children will be looked after, that children will be considered. In Lacombe I've got community leaders who'll get behind the Premier on this bill. Where the Minister of Transporta-

tion comes from, people in business there and community leaders will say: hey, I want to be part of this.

Mrs. Ady: Calgary-Shaw will.

Mrs. Gordon: Calgary-Shaw will. Even if they need schools, they'll still get outside. [interjections] And I know that the Solicitor General's people are always willing to look after and consider the needs of children. So it would be really nice in this Assembly one day if we had a bill that went through without amendment and the entire Assembly said: hey, let's together as Albertans endorse and support this.

You want to know the makeup of the committee. The minister said that she'll give it to you tomorrow. That should be good enough for you. It's good enough for me. And I'll tell you; I'm sure that when she tables that list tomorrow, I'm going to say: gee, I'm not sure what political party that person belongs to. But I'm going to know that they're corporate citizens. I'm going to know that they can encompass this, embrace this particular bill, and at the end of the day we will see results and we will see children better off in this province because of Bill 1, the Premier's commitment, the minister's commitment, and why not this entire Assembly's commitment to looking after the future needs of children.

Thank you, Mr. Chairman. [interjections]

The Chair: The hon. Member for Edmonton-Mill Woods, once everybody regains their good manners and allows you to speak.

Dr. Massey: Thank you, Mr. Chairman. I certainly respect the views of the Member for Lacombe-Stettler, and I think that the member's record in the Legislature since I've been here is one that has been working in the interests of children. But I would remind her that the opposition has a particular role to play in this Assembly. Part of that role is to oppose when that's appropriate, and part of that role is to try to make things better. We've said that we're going to support the bill. It's in the spirit of making things better that we have presented the amendments that we've had before the House.

The Member for Lacombe-Stettler talked about having worked with the minister. Well, I happen to have worked with the minister too, on the Alberta School Boards Association a long time ago and have great respect for the kinds of things that she wants for children in this province. It doesn't mean that those ideas should be acted upon uncritically. I think, also, that if the Member for Lacombe-Stettler checks the record, she'll find that the opposition has voted with the government 75 percent of the time. It's on the 25 percent, you'll find, that most of the debate is taken up.

So I reject the member's notion that the opposition should accept the bill and blindly vote for it. I think that if it's a good bill, if it can be made better, then that's our job. It's not just the job of the opposition; it's the job of every member of this House.

Just one last comment, I guess, Mr. Chairman. No one in this House has a corner on the market in terms of speaking for the interests of children – I don't believe that for one moment – and no one in this province knows everything there is to know when it comes to appointing councils such as the one that's being proposed here. We have argued for an open, accountable appointment process, and we've argued for some mechanisms to be put into the bill that would make the council more accountable. Those are completely appropriate amendments for the opposition to introduce, and I'm not quite sure what berating the opposition accomplishes.

Thanks, Mr. Chairman.

[Motion on amendment A4 lost]

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

9:10

Dr. Massey: Thank you, Mr. Chairman. We took the opportunity earlier today to pass over to the Minister of Children's Services some additional suggestions in terms of what we thought might make Bill 1 a stronger bill. I believe it was a member of our staff that passed those suggestions on to the minister, who has courteously enough agreed to consider them and to judge their appropriateness for incorporation in Bill 1, and we thank her for that and look forward to any suggestions for change that are in concert with the kinds of things that we proposed during debate.

Thank you.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. It's been an honour to discuss this bill. I appreciate the passionate debate that has arisen from time to time. I wish there was more of that in this Assembly.

We have tried to take this bill and make it better. We've proposed amendments that would have delivered at least one nutritious meal a day to schoolchildren in this province if they needed it. We proposed an amendment that would have committed a promise to increasing the number of children who complete grade 12. We've discussed issues about child poverty here. We have brought amendments forward to try to make this bill better. Unfortunately from our view, those amendments have all been defeated.

I do look forward tomorrow to learning the members of this council, the criteria by which they were chosen. No doubt they were very good, but I would like to point out to the Member for Lacombe-Stettler and all other members here that as my colleague from Edmonton-Mill Woods said, no one of us has a corner on the market for nominating people who know a lot about children. It is, in fact, with the notion that the legitimacy of this council could be strengthened by having more than one source of nomination for the members that we've brought that amendment forward.

I have no doubt that perhaps to the surprise of the Member for Lacombe-Stettler, we will be supporting this bill. We've said that from the beginning. All we wanted to do was make it better. It looks like none of the changes we've proposed will be accepted. That doesn't mean that our compassion and our commitment to children will diminish one bit.

Thank you.

The Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you, Mr. Chairman. I, also, would like to make some closing comments at this particular time. One of the comments I would like to make is that, certainly, being a resident for many, many years and being associated in one way or another with the hon. Member for Edmonton-Mill Woods, I can assure this Assembly that there is nobody more concerned about the children of this province than this gentleman and nobody that has put more into his life's career and goals to support the children of this province and to try to make education a better place for all students so that each child could be the best that they could be.

I look here at a 2001 public consultation by the Alberta School Boards Association, Shaping Young People into Good Citizens. In doing this, they had extensive public consultation. One of the questions was: who participated? They were

very successful in getting feedback from a large number of individuals and organizations. Feedback was gathered through a number of vehicles including: an online survey, an Ipsos Reid omnibus poll, direct contact with elected officials and provincial associations and local consultations at the school and school system level.

There was extensive consultation on what to do with children in this province. Some of the findings, particularly what Albertans agreed were the skills students need in order to become good citizens – and I will just quote a little bit of this, Mr. Chairman.

There was strong agreement among respondents regarding those aspects of citizenship that were the most important for young people to learn. Skills such as: critical thinking skills . . .

So we don't want our children in this province to blindly follow; we want them to question. We are in trouble when people in this Assembly cannot question. For any member to suggest that I should follow – I'm sorry; whether I'm a member of government or a member of opposition, I will question. It is critical.

What are the other skills students need to become good citizens? These, by the way, were responses from many people and extensive consultation in this province. They need problem-solving skills. So how do we solve problems? By taking the word of one person and saying that this is the way it will be? I was never brought up that way, I never taught that way, and I think my students are much better because they were allowed to think for themselves. They were allowed to question. I certainly was not threatened by their questions, and I would hope people in this Assembly aren't threatened when we do question. As well, they should have social skills, and leadership skills were identified as critical for young people to have if they were to become good citizens.

That is what we want for this bill, Mr. Chairman. We want it to be the very best it can be, and for any member to suggest that the people that are in this Assembly as part of the opposition tonight are not true citizens, are not truly concerned about the youth of this province is totally wrong.

Thank you.

[The clauses of Bill 1 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Stevens: Mr. Chairman, I move that we rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration and reports Bill 1. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Mr. Stevens: Thank you very much, Mr. Speaker. I move that the Assembly stand adjourned until 1:30 tomorrow afternoon.

[Motion carried; at 9:19 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, February 26, 2003**

1:30 p.m.

Date: 03/02/26

[The Speaker in the chair]

head:

Prayers

The Speaker: Good afternoon.

Let us pray. Our Father, we confidently ask for Your strength and encouragement in our service of You through our service of others. We ask for Your gift of wisdom to guide us in making good laws and good decisions for the present and the future of Alberta. Amen.

Please be seated.

head:

Introduction of Guests

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Yes. Mr. Speaker, we have a number of staff that are here with us today, all involved in the orientation, and I would ask each of them, as I call their names, if they would stand and remain standing. Then we can get a good look at some great employees. I'll begin with Jacqueline Wallis, Mauricio Telleria, Leslie Wei, Tracy Gould, John Mitchell, Donna Bruce, Cindy Ostapovich, Don Tymchuk, Val Jans, and Kevin Inkster. What a fine-looking group. Please welcome them.

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you very much, Mr. Speaker. It's my pleasure today to introduce a very good friend and his daughter. He actually lives in the second largest city outside of Newfoundland, and that's Fort McMurray. Brian Hatfield hails from Placentia, Newfoundland, and is here today. His daughter attends Father Mercredi high school, where she was recognized as one of the top female athletes in her grade 12 class. I'd like to ask both Brian and Janet to rise and receive the very warm welcome of the Assembly.

The Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Speaker. I'm pleased to rise today to introduce to you and through you to the members of the Assembly 19 bright and energetic grades 5 and 6 students from the Waskatenau school. These students deserve the best education possible, and I hope that the Aspen View school division makes the right decision in the future of their school. They are seated in the members' gallery and are accompanied by their teacher, Miss Audrey Toews; parent helpers Mrs. Cathy Schesnuk, Mrs. Peggy Zatorski, Mrs. Donna Barrow, Mrs. Sophie Rogoza, Mrs. Kim Ness, Mrs. Linda Dombowsky, Mrs. Becky Mulak, Mr. Zen Gurba. I would ask them to please rise and receive the warm welcome of this Assembly.

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

Mr. Vandermeer: Thank you, Mr. Speaker. Today I am pleased to introduce to you and through you to all members of this Assembly 16 young people from the Take a Break seniors community group. The seniors in Take a Break like to be kept informed about their provincial government and the programs that we offer. They meet twice a month and invite speakers from government and the business community to keep them informed about the programs which are specifically for them. I know that the Member for Edmonton-

Beverly-Clareview has met with them, and last year in October I had the pleasure of meeting with them.

The group has come to watch today's proceedings and also to tour the Legislature. I will read their names, and perhaps if they are able to, they could stand as I read their names: Dick and Lottie Cook, Mitch Dombrosky, Betty Krol, Martin and Clara Witten, Gerda Debbink, John and Mae Vlieg, Jo Niemantsverdriet, Berend and Gerry Witteveen, Henny Witten, Ann Helder, and John and Ruby Denning. Could we please give them the traditional warm welcome of this Assembly.

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

Dr. Massey: Thank you, Mr. Speaker. It's with pleasure that I introduce to you and through you to members of the Assembly 41 English as a Second Language students from NorQuest College. They're in the public gallery, and they're accompanied by their leaders Mrs. Moniz, Mrs. Bergman, Mrs. Walker, Ms Fryzk, Ms Apedaile. I'd ask them to please stand and to receive the traditional warm welcome of the Assembly.

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

Dr. Pannu: Thank you, Mr. Speaker. I rise with considerable pleasure to introduce to you and through you to the Assembly a very hardworking Edmontonian who's seated in the public gallery. His current MLA is the Minister of Economic Development, and the visitor is planning to take that seat away from the minister in the next election. I'm talking about Mr. Lorne Dach, who's vice-chairman of the city of Edmonton nonprofit housing corporation. He's also the recently nominated New Democrat candidate in the Edmonton-McClung constituency. I would ask him to now rise and receive the warm welcome of the Assembly, including his MLA.

head:

Oral Question Period

Natural Gas Rebates

Dr. Nicol: Given that a portion of the \$1.8 billion surplus announced today is due to the increased royalty revenues from the high price of natural gas, will the Premier give Albertans the natural gas rebates he promised prior to his election?

Mr. Klein: Mr. Speaker, the law is quite clear relative to rebates. As the hon. leader of the Liberal Party knows, when the average annual price reaches \$5.50 a gigajoule, then the rebate program will kick in.

Mr. Speaker, I find it very, very interesting that the Liberals would be talking about a rebate at this particular time. This is a much different tune than they were singing when the legislation was introduced. The hon. Member for — and I forget his constituency, but he's sitting at the end — Edmonton-Gold Bar, you know, when we were debating the bill, said: "This could wind up costing us billions of dollars. What criteria will determine who gets a rebate? . . . Albertans are going [to have] to pay for this . . . We have to be very, very careful here."

Well, Mr. Speaker, first of all, we were very, very careful in establishing the guidelines. As a matter of fact, we took the words of the hon. leader of the Liberal Party to heart when we drafted the legislation, because the hon. leader of the Liberal Party said:

We have to make sure that [the] price level we're going to protect is contingent upon and tied to the price we use in the budgeting process for revenue generation and revenue estimation within the province . . . If we go ahead and estimate the price of natural gas for our budgeting process at \$7 [a gigajoule], let's just say, and we

want to start protecting the price at \$5 [a gigajoule], what we've got is a \$2 margin there that we basically either have to put into our budget to debate the dollars that are necessary to cover the difference between what we're expecting out of revenues . . . Otherwise we'll end up running a deficit budget, and in Alberta we don't want to do that.

Dr. Nicol: Mr. Speaker, I stand by those comments today.

The government didn't have an annual average when it pulled the trigger to issue rebates in 2001, so why did the Premier consider it an emergency then, an election year, but it's not an emergency now when people are cold and needing that support?

1:40

Mr. Klein: Mr. Speaker, natural gas at that particular period of time was about \$5.76 a gigajoule on average. It had been, on average, for over six months, I believe. Election or no election, we had to take action, but it was ad hoc action. We took the advice of the hon. leader of the Liberal Party, and we put in a program that would be sustainable. Now, instead of talking about sustainability and programs that are responsible, they're talking about: well, go back to ad hoc-ism. You know, there was a wonderful quote that I heard today from the hon. Member for Edmonton-Rutherford. He said that today's benefit will be perceived as tomorrow's entitlement. We want to make sure that whatever entitlement is there is there through law and is there on a sustainable basis, and that's why we have the legislation we have today in place.

Dr. Nicol: How does the Premier explain his comments in 2001 when he said: Alberta's natural gas belongs to all Albertans, and they have told our government that in times of high prices such as we're seeing this winter, the revenues from gas should be returned to them.

Mr. Klein: Absolutely true, Mr. Speaker, and that's why we put in place legislation that says to Albertans that once, on average, natural gas prices reach \$5.50 a gigajoule, then there will be rebates. That is performing on a sustainable basis rather than on an ad hoc basis. Certainly, the situation in 2000-2001 prompted us to bring in legislation to ensure Albertans that there would be protection in the future rather than doing it on an ad hoc basis, as the Liberals would like us to do.

Natural Gas Prices

Dr. Nicol: Yesterday the Premier stated, "Thousands upon thousands upon thousands of Albertans can afford to pay their [natural gas] bills." However, the Official Opposition has tabled over 2,000 signatures from Albertans who cannot afford to pay their natural gas bills. The mayors of our largest cities are also demanding rebates on behalf of their constituents who can't afford to pay their bills. To the Premier: given that the Premier asked to be informed of any Albertan who is freezing in the dark, will the Premier help this Edmontonian who wrote to us on our web site, altaliberals.ab.ca, to say: it is proven that people are having their gas shut off, and I'm getting threats already to getting my gas shut off; can I get help?

Mr. Klein: Well, Mr. Speaker, if that person is in a low-income bracket and is entitled to certain government benefits, then I would ask him to contact the appropriate authorities – not the Liberals but the appropriate authorities within government – to see if there's any way we can rectify the situation. What I said in the Legislature was relative to a comment that was made by the hon. Member for Edmonton-Highlands, who talked about people freezing in the dark,

and I said: give me some examples. Otherwise, it's not true. If that is happening or if it's about to happen, we want to know, and we want to know the circumstances. We'll work with the family or the individual involved to make sure that they don't freeze in the dark. No one freezes in the dark in this province.

Dr. Nicol: To the Minister of Seniors: why do seniors have to wait until they are threatened with a disconnection notice before they're able to access any of your ministry's onetime assistance programs?

Mr. Woloshyn: Mr. Speaker, that statement is totally incorrect. The onetime support, the special-needs program, is not directed at utility costs per se, as I indicated in the House. It is directed at onetime, exceptional, unexpected expenses, whether they be repairs to the home – although we don't have a home repair program – whether they be dental work, whether they be stuck for eyeglasses, based on their ability to pay. So it's directed towards the needy.

This year, I do believe, we've helped somewhere in the neighbourhood of about 9,000 people, although I will have to research that number to get you an accurate one. So to say that I am waiting for them to get disconnect notices to pay their bills is totally misleading. I would stand behind that program one hundred percent because it is a very, very good program. It is the only program of its kind in the country, and it is directed at the people who need the assistance the most. I would appreciate it if the hon. Leader of the Opposition would get his research done properly before he poses a question of that nature, because I don't want the people for which I'm responsible to become unduly concerned over irrational statements of that nature.

Dr. Nicol: To the minister of human resources: given that the price of natural gas has just increased for the third month in a row and AISH recipients may only apply for onetime emergency assistance through SFI when they have a shut-off notice, what help does the government have for the AISH recipient who is faced with a second disconnect notice?

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you. Thank you for the question, because it allows me, then, to expand on what we talked about yesterday in terms of disconnect notices. While it is true what the opposition leader has indicated about onetime help for AISH, we can make the announcement here today, because I think everyone here in the House is familiar with this or at least should be, that when an AISH client runs into difficulty, we do have the opportunity to move them from the AISH program onto our supports for independence program and then see what kind of assistance we can provide at that time. So we don't want anybody thinking that just because they've been labeled and they have some kind of entitlement, they're stuck there. If there's a need, we try to find a way as best we can, Mr. Speaker, to try to deal with it.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton Mill-Woods.

Foster Care

Dr. Massey: Thank you, Mr. Speaker. People who are bad parents have their children taken from them by the government, but as a growing number of cases show, the government can also be a bad parent. My first question is to the Premier. When the government is a bad parent, who is expected to protect children?

Mr. Klein: Mr. Speaker, the way that question was posed is subjective, to say the least, because government is a huge entity. You know, there are all of the Members of the Legislative Assembly. Then there are the government members of the Assembly. There are the members of the Official Opposition; although not members of the government, they're still associated. Then there are 20 some odd thousand employees of the government. So what component or what individual or what segment of the government is the hon. member talking about? Who in the government or what body within the government is perceived to be a bad parent? Is he talking about me? Is he talking about the Minister of Finance? Is he talking about the Minister of Children's Services? As far as I know, they're all very good parents. All of those who have children are very good parents. So who is he talking about? Be specific. Name a name. Name an organization. Name a body.

The Speaker: The hon. member.

Dr. Massey: Thank you. The Children's Advocate documents hundreds of them each year, Mr. Premier.

My second question is to the Minister of Children's Services. What recourse is there for adults who as children were abused while in government care?

Ms Evans: Mr. Speaker, if the reference point is the alleged situation that was identified in the statement of claim yesterday and the situation alluded to by the hon. member opposite relates to people who have memories of mistreatment, we are hoping that with the process we have in place today, that I identified yesterday, albeit briefly, we will avoid having people who have these kinds of recollections and that nobody intervened. Currently, today, with CWIS, which accesses the child welfare files, we have the capacity for the advocate to act impartially and on behalf of that person the very first instance there's any transgression by anybody. That appears on the file. So if a foster parent abuses a child, it is noted there, and the advocate can immediately intervene.

If, in fact, it's a reference point to what used to be or what used to happen in the past, then obviously in many of those situations those people come back and make their representation through the courts or through some other filing. But, Mr. Speaker, today I think that we are very current with our information and very current, indeed, with our follow-through on behalf of those that claim some abuse at the hands of somebody employed by government or deployed by government to look after children.

1:50

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. Again to the same minister: why force those people to go to the courts? Why won't the minister establish an independent panel to investigate and provide compensation when the government has proven to be a bad parent?

Ms Evans: Well, Mr. Speaker, allegations, of their own accord, do not constitute proof. We have still got the situation with the John Doe case that has not been adjudicated by the courts. The courts have not come back and given us any recommendation. We're clearly waiting for that. We've got in place something that works for the here and now. If people today as adults have some difficulty that they want to raise, they can certainly approach this government, the Minister of Children's Services, the Minister of Justice. They file those complaints and bring them forward.

Should there be a necessity to bring forward another panel? I'm

not sure. I will tell you this. They could clearly write to this minister – and frequently they do – and we will try and investigate whether or not there's something. But I don't get a lot of complaints from people who allege abuse from times past. Usually, if they come forward and write, it's because they may be unsatisfied with the legal representation they've had in bringing that matter forward. So, Mr. Speaker, this external panel review process is not necessary.

Could I identify one more thing? We have the Child Welfare Appeal Panel, that currently works exceptionally well for those people that are unsatisfied today, and last year we had over 230 representations made to that panel. Administrative review solved all but 35 of those.

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

Natural Gas Prices

(continued)

Mr. Mason: Thank you very much, Mr. Speaker. As the provincial government turns a deaf ear to its citizens, Albertans are wondering why they have to pay heating bills that have spiked 60 percent or more this year. Now, some Albertans are a bit luckier, particularly those that live in the city of Medicine Hat, which owns its own gas utility and has shown that gas rates can be set at very reasonable rates right here in Alberta. While ATCO customers are paying over \$8.50 a gigajoule, Medicine Hat residents pay a rate of \$2.25 a gigajoule. To the Minister of Energy: why is it that the citizens of Medicine Hat get a break on their home heating costs, but this government, which has just announced a \$2.7 billion unbudgeted resource windfall, tells Albertans to forget it?

Mr. Smith: You know, Mr. Speaker, if I were to believe in reincarnation, I would come back as a New Democratic politician. I could still stay in the Legislature, and all I have to do is drop reason and accountability.

The city of Medicine Hat owns its own gas. The city of Medicine Hat does not pay royalties to the province of Alberta.* This has long been a city that's had gas used to light streetlamps. Medicine Hat has two wonderful members representing it here in the Legislature today, Mr. Speaker, and in fact they have gone about their business in a cordial way with the province and in an effective way for the city.

The Speaker: The hon. member.

Mr. Mason: Thanks very much, Mr. Speaker. Now, how is it that the government can justify collecting over \$6 billion in resource revenue, but it can't afford to pay 5 percent of that for natural gas rebates? I ask that to the minister.

Mr. Smith: Mr. Speaker, in the year 2001, when natural gas prices grew – in fact, the government of the day addressed this issue – we came up with the Natural Gas Price Protection Act. We struck a price in which Albertans could qualify for assistance at 5 percent below the price in 2001. So discounting inflation, discounting the increase in prices, we are still at a strike price that's 5 percent below 2001 levels. It was announced that way. It was announced in a 28th of August news release: the forecasted annual reference price in the year's fiscal provincial budget is the way that we'll establish the price; the trigger price has been established at \$5.50. We are being more than fair. We're being realistic of the issues of the day, and we're here to provide Albertans assistance with the rebate program as the prices get to the point where it was forecasted and put into law, which these members debated and these members participated in in the session of 2001.

*See p. 188, right col., para. 9, line 4

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, given that the minister thinks that 5 percent below the prices that existed before the last election is good enough, then can he please tell us why, if the government is getting \$6 billion a year from resource revenues, most of which is natural gas, the government isn't actively participating in the gouging of homeowners in this province on the price of their natural gas right now?

Mr. Smith: Well, Mr. Speaker, there's no New Democrat alive that wouldn't put \$27 billion worth of demands into a \$20 billion budget.

An Hon. Member: Yes, they would.

Mr. Smith: Yes, they would, and I guess that's what they're asking to do right now.

So, Mr. Speaker, in fact, over \$20 billion worth of royalties that have been collected over the last four years have gone into things like health care – and I'm sure the minister may want to talk about the changed budget in health care from 2001 – education, infrastructure, drought relief, forest fire assistance, not to discount the fact that there's been some 1.3 billion dollars in tax cuts delivered to this province since the year 2001.

The Speaker: The hon. Member for Whitecourt-St. Anne, followed by the hon. Member for Edmonton-Riverview.

Mr. VanderBurg: Thank you, Mr. Speaker. Many of the constituents in Whitecourt-St. Anne are calling my offices regarding utility concerns. The minister just talked about trigger pricing and this regulation regarding the average prices. It's difficult to explain. How does the minister calculate this average price, and how is a \$5.50 gigajoule trigger price calculated?

Mr. Smith: Well, Mr. Speaker, I appreciate the question. The Alberta reference price is the average selling price of all Alberta natural gas sold throughout North America less their transportation cost in a given month. Yes, it is difficult. First, you have a well. People take risks. They drill a well. They find natural gas. The natural gas is then produced, and it gets up into a device called a separator or a treater. It takes water out of it. It adds value to the gas. It puts it into shape to put into a pipeline. Then it's moved to a gas plant, and then its carbon dioxide is removed. If it's enriched, other ethane enrichments are removed for later sale. Then that gas is piped throughout the system down to Empress at the AECO gate, and then it's moved all across North America, where, in fact, if it was put into electricity, it would light up one out of every seven and a half homes in the United States.

Now, this price that has been paid is paid when it hits the gate price, and it is reduced of the transportation cost, and then if you're in that well, there are a number of partners in that well, so then the money is split amongst those partners. So, Mr. Speaker, what happens is the reference price is the price that we sell the gas at, and there's a lag of some 30 to 45 days, in some cases 60, before we can calculate that price and the payments that have accrued to the Crown.

2:00

Mr. VanderBurg: Well, again to the same minister. As you explained, you know, the trigger price is difficult to understand, and we have that trigger price calculated on the fiscal year average. Why not calculate that quarterly or seasonally then?

An Hon. Member: Good question.

Mr. Smith: Mr. Speaker, that is a good question, as one member has just said. In fact – and I think this bears some examination – why couldn't we look at calculating it maybe twice a year when we see prices change? For example, in August of 2002 the price of natural gas was \$1.84.

An Hon. Member: How much?

Mr. Smith: One dollar and eighty-four cents, Mr. Speaker. In November the price was moving up to that \$4 level. So, in fact, that is a reasonable suggestion. One thing we will not be able to do, though, is put two Januaries or two Februaries into a 12-month period.

Mr. VanderBurg: Again to the same minister: you know, due to the fact that competition and customer choice is a real answer to many of my constituents' concerns, will my constituents and will Albertans be better served by Direct Energy coming into Alberta to get into the retail marketplace?

Mr. Smith: Well, Mr. Speaker, I think that again the member has hit on the key. Competition, increased supply are certainly key in electricity. The ability for Albertans to choose whether they'd like to integrate gas and electricity prices, to buy on a 12-, 24-, or 36-month basis are all options that they will have at their disposal as the Gas Utilities Act comes forward to the Legislature. In fact, as Albertans make choices, there will still be a Natural Gas Price Protection Act, that will be based on good information, in-depth analyses. There are over 550 people in the Department of Energy that are experts in this business, that work hard and that will continue to deliver clear information on trigger price, forecast price, annual rates of calculation. It is a complex business, but we're going to work hard to make sure every Albertan can understand and benefit from this resource.

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

Electronic Health Records

Dr. Taft: Thank you, Mr. Speaker. Proposed changes to the Health Information Act will allow confidential patient information to be posted on computers without the consent of patients. Their consent will automatically be assumed, as if it were a negative billing. To the Minister of Health and Wellness: if consent for electronic sharing of records was important in 1999, when the Health Information Act was passed, why is it of so little importance today?

Mr. Mar: Well, Mr. Speaker, I first have to speak to the importance of electronic health records and circumstances as to why this is an important thing to do for the purposes of patient safety and better outcomes in our health care system. If an individual who's a resident of Edmonton is injured in a car accident in Pincher Creek, Alberta, the emergency team that sees that person at the accident site should be able to by wireless communications access that portion of the individual's record that relates to the fact of what their blood type is, whether they're diabetic, whether they're on certain kinds of medications, whether they're allergic to certain kinds of things, and therefore the treatment would be governed accordingly. The consent in such a circumstance, obviously, if the individual is unconscious would not be possible. Now, this is an example of why electronic health records are important.

Another example for the purposes of efficiency is that, say, an

individual sees a physician and gets a diagnostic test. Another specialist that the individual has been referred to should be able to access the lab values and the diagnostic tests without having to order them again, so this is for the purposes of efficiency.

Now, Mr. Speaker, it is in the best estimation of the people that we rely on, our physicians, our health care providers, that this kind of information is valuable to have.

Let me speak to the specific issue of patient consent. We have run a pilot project on the pharmacy information network. Some 4,200 people in Leduc and Westlock were participants in this particular information-sharing project. We asked for their consent, and out of 4,200 people only about 30-some did not consent to having their information put in the format of an electronic health record. So over 99 percent of people consented when it was explained to them what the value of this was.

So, Mr. Speaker, it's not that individuals cannot refuse consent – they still can – but the onus now shifts from the health care provider to ask for their consent to the individual patient, who still has the right to say: I do not consent to have this information on an electronic health record. They can still do that.

The Speaker: The hon. member.

Dr. Taft: Thank you, Mr. Speaker. A pilot project and focus groups are one thing; a full-blown public consultation process is another. Why did the minister not hold public meetings and provide public information sessions on these proposed changes?

Mr. Mar: This is a very important piece to help drive effectiveness and efficiency and, particularly, better patient outcomes in our health care system. That's the reason why we're moving forward on it, Mr. Speaker, and we think that from our example, from this very, very important pilot project – again, when Albertans are explained the reasons why an electronic health record is important, overwhelmingly they would consent to this idea.

Dr. Taft: The reason given by the government in writing is that it was an administrative burden.

Given that many government information systems are contracted out and that there have been any number of thefts of equipment and software, will the minister admit that there are real risks of massive breaches of confidentiality with these systems if, for example, a computer is stolen?

Mr. Mar: Mr. Speaker, it is very clear that Albertans do have concerns about inappropriate use of their health information. That is correct. However, the stakeholders that we worked with – physicians, health care policy analysts, health care providers of all sorts – recognize the importance of the confidentiality of this information, and I wish to assure this House and Albertans that every reasonable effort will be made to ensure the protection of confidential patient information. That is absolutely critical.

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

Calgary Board of Education

Mrs. Ady: Thank you, Mr. Speaker. As the Member for Calgary-Shaw I have over 25,000 constituents that are between the ages of kindergarten and grade 12, so learning and educational issues are always of great importance to me and my constituency. In a third-quarter announcement today it indicated that the Calgary board of

education will be receiving a onetime grant payment as a result of the award issued by the arbitration panel. My questions today are to the Minister of Learning. What is this payment to the CBE going to cover?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. We've been working very closely with the CBE for roughly the last four months on their budget. As the hon. member knows, back in the fall they announced that they were going to have a deficit of around \$16.5 million. We have been working with them, and indeed we have that almost down to zero right now. One of the sticking points in the Calgary board of education was a very unique clause in the arbitration settlement that was reached last June. In that unique clause it stated that the benefits for the teachers would be increased from 70 percent to 100 percent. This was the only contract in the province that this occurred to.

So, Mr. Speaker, what we have decided to do and what we did today was put CBE back on a level footing with all other school boards. This \$7 million actually was something that no other school boards in the province had to bear the cost of. So today in the third quarter we announced that \$7 million would be used on a onetime basis to cover that this year.

The CBE has been doing some very good things in their education system, and I would just like to take a minute to commend the board for their diligence, for making some tough decisions, and for doing what's right for students in Calgary.

Mrs. Ady: To the same minister: wouldn't other boards have received a similar clause in the arbitration process, and if so, are we considering similar payments to them?

Dr. Oberg: Well, Mr. Speaker, the interesting part about the arbitration settlement is that of all the boards in Alberta that had the arbitration settlement, the CBE was the only board that went from 70 percent to 100 percent. The rationale that the arbitrator gave was that because the minutes of instruction, the hours of instruction were taken out of the contract, this was to compensate teachers, but in reality it was an added burden that was placed on Calgary that no other school board in the province of Alberta had, and for that reason we recognized that. Again I will stress that we've been working with Calgary, working very well with Calgary for the last four months, and this is what happened because of that.

2:10

Mrs. Ady: My last question is again to the Minister of Learning. For clarification, then, are there no other boards in the province who provide a 100 percent benefit coverage to their teachers?

Dr. Oberg: Well, Mr. Speaker, in actual fact there are about 12 or 13 other boards that do that, but those were purely negotiated settlements. They negotiated that in contracts gone by, in years gone by, so there are 12 or 13 boards that are at that level, but Calgary is the only one who got it foisted on them because of the arbitration settlement.

Evan-Thomas Provincial Recreation Area

Ms. Carlson: Mr. Speaker, as a part of its continuing strategy to sell out the interests of Albertans in protecting parks and protected areas, the Alberta government has unveiled its draft management plan for the Evan-Thomas provincial recreation area in Kananaskis Country. This plan provides a wealth of opportunities to corporations and

developers, from expanding ski areas and chalets to new roads and hotels, but unfortunately this will come at the expense of the wildlife and wilderness that Albertans wish to preserve. My questions today are all to the Minister of Community Development. When, according to your own survey, 90 percent of Albertans believed that the highest priority in Kananaskis should be environmental protection even if this means fewer recreational opportunities for people, how can you claim that you are governing in accordance with the wishes of the people of Alberta with this new plan?

Mr. Zwozdesky: Well, Mr. Speaker, it's true that there is a draft management plan that's been arrived at after at least two years of consultation with the local community, individuals around that area, plus some environmental groups and others with a stakeholding interest. It's also true that the draft management plan is out there asking for public input and for comments, and the deadline for that passed, I believe, on February 14. All of those particular comments are being reviewed right now, and once they have been amassed and sifted through, I'm sure I'll get some final recommendations for that particular draft management plan.

I should say in conclusion, Mr. Speaker, that it's very clear that the policy there refers to the possibility, the potential, of small-scale developments perhaps proceeding, not large scale, nothing outlandish. Major proposals for new golf courses or new ski hills or things of that large type of project would be encouraged outside the protected area of Evan-Thomas.

Ms Carlson: It isn't in the plans, and they don't plan to do it, Mr. Speaker.

Given that 87 percent of Albertans said that commercial development should be directed outside Kananaskis Country, how can this minister condone and promote in these plans on behalf of Albertans the creeping commercialism that is occurring in the Evan-Thomas area under his mandate?

Mr. Zwozdesky: You know, Mr. Speaker, that's absolutely not true. There is no creeping commercialization, whatever that might mean to the hon. member.

I can tell you that over 60 percent of Alberta's crown jewel, Kananaskis Country, is under protective status of one type or another. We're very proud of that. In fact, we've had a very aggressive program of protection not only for that area but for other parts of this province as well, and the member is fully aware of that. Should there be any kinds of proposals for small-scale developments, they will be considered, and perhaps they will be granted – perhaps they won't be granted – but it's way too early to make any kind of rampant suggestions, as the hon. member is alluding to.

Ms Carlson: Mr. Speaker, why waste taxpayer dollars on surveys when this minister never intended to listen to what Albertans were telling him in the first place? [interjections]

Mr. Zwozdesky: I'm sorry, hon. member. I didn't quite catch the . . .

The Speaker: Well, hon. minister, there seems to be a bit of a buzz. I'm not sure if there's a full moon out tonight or if it's a special holiday I'm not aware of, but why aren't you listening pretty much sums up the question.

Mr. Zwozdesky: I heard the word "survey." They were just heckling a little too much.

It's common practice, as we go through the delicate issue of

balancing environmental protection concerns with concerns that the public has for access to its own beautiful parks and recreational areas, to do a lot of consultation. I assure you that there has been a lot of consultation with respect to this draft management plan, as there is with 14 others that are under my consideration or some form of committee consideration at the moment. So this is not a waste of money. This is a very thorough and honourable process that will yield some very specific results, I'm sure, of which we can all be proud and which we can all live with.

Thank you.

The Speaker: The hon. Member for Edmonton-Castle Downs, followed by the hon. Member for Edmonton-Centre.

Edmonton Public School Board

Mr. Lukaszuk: Well, thank you, Mr. Speaker. As a result of the 14 percent salary increase to teachers, the Edmonton public school board recently projected a \$13.5 million shortfall for the years 2002 and 2003. In response to that, the Minister of Learning announced that his department would conduct an audit of the Edmonton public school board. Today the Edmonton public school board announced that they will be increasing instructional time by some six minutes per day to partially address this issue. My questions today are to the Minister of Learning. What outcomes have you seen from the audit of the Edmonton public school board?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much. The formal audit of Edmonton public is not over, but I think we've already seen some good results. One of those results came in a letter from Don Fleming, the chairman of the Edmonton public school board, to myself in asking to move some funds from their capital account, which they received by selling their administration building, and to put it into operating. This amounted to around \$2 million. So, Mr. Speaker, through to the hon. member, there are good results coming out. I have not seen the final audit – I would expect it within the next couple of weeks – but I am very optimistic.

Mr. Lukaszuk: Again to the Minister of Learning: Mr. Speaker, will the minister conduct similar audits on other school boards in this province?

Dr. Oberg: Well, Mr. Speaker, I don't entirely like to use the word "audit." A good example of this is in my previous answer to the hon. Member for Calgary-Shaw, where I stated that we've been working with Calgary public for about four months, and consequently what happened today was as a result of that. Any school boards that want us to come in, we certainly will. If school boards are in a particularly bad position, we will certainly go in and attempt to help them, and that's what we're doing at the moment with Edmonton public.

Mr. Lukaszuk: Mr. Speaker, my last supplemental to the same minister. If in the end the money can't reasonably be made up this year by the Edmonton public school board, would the minister consider amortizing the deficit over a number of years to reduce the impact on students and to prevent shutting down programs?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much, Mr. Speaker. In a preface to that question I will say that I met this morning with members of

Edmonton caucus, and they made an excellent representation on behalf of their parents, on behalf of their students. I think their main concern, obviously, is programs for students. My main concern is programs for students. So what I have told them is that I certainly will look at this following the audit, following taking a look and working with them. I think it's a little premature to say for sure, but I will take a look at it, and I think that the Edmonton caucus did an excellent job in this.

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

Policing Costs

Ms Blakeman: Thank you, Mr. Speaker. Recently the Solicitor General has been commenting on the level of federal funding for policing in Alberta suggesting that the federal government isn't paying its fair share of policing costs. However, according to an AUMA report on the RCMP contract in Alberta with information from the Canadian Centre for Justice Statistics, the province contributes only 14 percent to policing, where the federal government contributes 37 percent and the municipalities 49 percent. My questions are to the Solicitor General. Why is 14 percent not enough federal funding for health care, yet the province paying a 14 percent share of funding for policing is just fine? Why the double standard?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. You know, the hon. member is quite confused. What the Solicitor General was commenting about on the federal funding were initiatives that I met with the federal Solicitor General, Wayne Easter, on, and that's in regards to providing us funding for gang initiatives – that is a serious problem in this province – and other initiatives as far as terrorism and things like that.

On the other issue which she talked about, the funding, it depends on what level the community is. If the community is under 2,500, we pay the shot, and the federal government and our contract is a 70-30 split.

The Speaker: The hon. member.

2:20

Ms Blakeman: Thank you, Mr. Speaker. Can the Solicitor General tell us why a third of the communities in Alberta have notified the RCMP that they will not be renewing their contracts? Can you explain that?

Mrs. Forsyth: Well, Mr. Speaker, the hon. member brings up a good point. We have a serious concern in this province in regard to policing. The police are dealing with a variety of crimes, with some very, very serious issues. We've had a committee go out and address some of the issues, and we will be reviewing that and dealing with that shortly.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Again to the Solicitor General: what are the priorities of this government when \$105 million is spent on VLT upgrades but only \$109 million on policing in Alberta?

Mrs. Forsyth: Mr. Speaker, I think, again, the hon. member is confused. The \$109 million that she's referring to comes under my department. Maybe the Minister of Municipal Affairs, also, would like to talk about the funding that comes from his department.

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. Under the municipal sponsorship program we have over \$95 million to go to communities, and I might say that in the release, for communities under 2,500 – you may be aware that the hon. Member for Lacombe-Stettler has done a police report. Some of the communities, aside from those under 2,500, are saying: how come those under 2,500 don't pay a cent towards policing? So there is some inequity based on what some over 2,500 pay versus those under. And the good neighbours are saying: hey, we've got to get some equity here. I think it's an important point.

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

Education Funding

Dr. Pannu: Thank you, Mr. Speaker. I hope against hope that the Learning minister is reconsidering his mindless refusal to make up the shortfall caused by the government's failure to fund the arbitration settlement it imposed and the shortfall caused by the cap it imposed on grade 10 credits. These shortfalls are creating genuine emergencies in our schools. By failing to listen to school boards across the province, this Tory government is hurting our school-going children. My questions are to the minister. How does the minister respond to Cindy Jefferies, board chair of Red Deer public schools, who said in a statement tabled yesterday, "It's a terrible shame that this province, with all its wealth, cannot seem to find adequate funding for the education of our children"?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. I'll reiterate what I've said in the Assembly several times, actually, this year already, and that is that there was \$298 million over two years that was given to the school boards for an arbitration settlement of \$260 million.

Mr. Speaker, you heard today that we had been working with Calgary public over a four-month period to delve into their budget, to find out what the issues were, and we came out with the conclusion that they had received a part of the arbitration settlement that no else had received in Alberta and subsequently did it. You also heard today that with Edmonton public we're looking at it. We think that there are some very positive steps that can be undertaken to make sure that they balance their budget.

Bottom line, Mr. Speaker, there's been a huge amount of dollars put into education in this province. We have by far the highest per capita funding, per capita spending on education of anywhere in Canada. There is a lot of money out there, and what is happening right now, quite frankly, is that taxpayers are demanding accountability for this government in how it spends its money.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: how does the minister respond to Michele Mulder, president of the Alberta School Boards Association, who, in reacting to the \$142 million shortfall faced by school boards, said in a statement tabled in this House, "The travesty of all this is that Alberta is the richest province in Canada [and] we shouldn't be having conversations about cutting teachers or services to students at all"?

Dr. Oberg: That's funny, Mr. Speaker. Roughly an hour ago I had a conversation with Miss Mulder, and she didn't mention that.

Dr. Pannu: To the same minister, Mr. Speaker: how does the minister respond to the board of trustees of Elk Island public schools, who, in a statement I will table this afternoon, say that the minister is misleading Albertans and just not listening when it comes to the government's refusal to fully fund arbitration settlements with teachers?

Dr. Oberg: Well, Mr. Speaker, again, the hon. member seems to have a little problem with his facts. I actually sat down with Elk Island public and the affected MLAs, probably about three or four weeks ago, and at that time they said: yes, it was going to be tight; yes, they were having some issues. But they also guaranteed me that they would have a balanced budget by the end of this year.

There are some tough steps that are going to have to be taken, but let's put this in perspective. Our teachers received a 14 percent pay settlement in the last arbitration agreement. Our teachers are now paid roughly 10 percent more than any teacher across Canada. That is what has caused this. We are working with school boards, as I have said. We've gone in on several school boards and will continue to help them. Elk Island public is one that has assured me that they will have a balanced budget this year.

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

Mr. Hutton: Thank you very much, Mr. Speaker. I've attended a number of school councils and most of the schools in my constituency over the past few weeks. Parents have been very concerned about the program cuts being proposed by Edmonton public schools. My constituents have heard that much-needed teachers are facing layoffs, programs are on the cutting block, and that many of these programs will affect students who are already the highest need, special-needs students and those who are at risk at a critical time in their life. My question is to the Minister of Learning. What is the minister doing to ensure that these and all students are not negatively affected by these proposed budget cuts?

Dr. Oberg: Well, Mr. Speaker, I think, first of all, that when it comes to the budget, there will be an increase this year in our business plan. The increase is there. I will say that when it comes to special-needs education, you have seen a 10 percent increase per year over the past two years on special-needs education, and you will see a considerable increase to special-needs funding this year. In talking to people around the country, our special-needs programs are probably the number one programs around the country. Talking to the superintendents, they say that our special-needs programs are going a very long way.

I guess that what I have a problem with in what the hon. member has said is a little bit of the fear mongering that is going on right now. We're attempting to work with Edmonton public, and we will do that over the next period of a few months. I don't think that any taxpayer in this country, let alone this province, would automatically want us to write a blank cheque to school boards purely because they say: we don't have enough money.

The Speaker: The hon. member.

Mr. Hutton: Thank you, Mr. Speaker. Again to the Minister of Learning. Parents have been handed school budgets and told: these teachers are gone. Are these cuts going to affect the classroom?

Dr. Oberg: Well, that's very interesting, Mr. Speaker. In talking to the superintendent of Edmonton public, I don't believe that they have received their final budget figures, I don't believe that this is

occurring, and again I refer to my previous comments about fear mongering.

Mr. Hutton: Mr. Speaker, I'm moving to the Minister of Infrastructure now with regard to the shortfalls in Edmonton public schools. To the Minister of Infrastructure through the Speaker: are you working at all with the Edmonton public school board to make any changes around the school utilization rate to help reduce some of these cost pressures?

Mr. Lund: Mr. Speaker, back about three or four years ago when the province was heading into the new century school program, where they were going to spend a billion dollars on schools, there was a decision made by the then minister and the government that, in fact, it would be prudent to look at the utilization and the formulas for calculating it. One of the effects of the changes has been that the operating and maintenance component that is now administered out of the Department of Infrastructure was affected by those changes in the calculation for utilization. Where it had the most negative impact was in areas where there are a lot of old schools, particularly old high schools, but we did exempt the high schools that were built prior to 1990 from the new calculations. Because of the calculations, the Edmonton public board did lose about \$1.8 million in operation and maintenance funds. So what we are currently doing is going back and having a look at the calculations. We are asking the department to look at the special circumstances to see if, in fact, there's something that we can do to even this out.

When the formula was applied, there were some jurisdictions that lost money. We didn't have more money, so some lost, some gained. Edmonton was one of those that unfortunately did lose some money.

2:30

The Speaker: Hon. members, before we move on to the next item on the Routine this afternoon, might we revert briefly to Introduction of Visitors?

[Unanimous consent granted]

head:

Introduction of Visitors

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

Mr. Mar: Thank you, Mr. Speaker. It is a great pleasure for me to rise today to introduce a very special guest to you and to members of this Legislature. After nearly 30 years in government in the province of British Columbia in posts that included being Deputy Premier and being awarded such honours as the Order of Canada, Grace McCarthy turned her attention to raising funds for research to help very sick children with Crohn's disease and ulcerative colitis and founding a foundation for raising money for such purposes. In seven and a half short years Grace McCarthy almost single-handedly has raised over \$5 million and established the first chair in pediatric gastroenterology in Canada, at the University of British Columbia, and all accomplished through volunteer effort. I ask our distinguished guest to rise and receive the traditional warm welcome of this Assembly.

head:

Recognitions

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

Alberta Special Olympics

Mr. Johnson: Thank you, Mr. Speaker. Recently I had the pleasure of representing the Alberta government at the Alberta Special

Olympics, held in the city of Wetaskiwin in my constituency. More than 500 athletes from all over Alberta and the Northwest Territories competed at these Special Olympics from February 7 to 9. It was a great event with all of the athletes having, as they said, a hoot and a ton of fun. Amongst the highlights was the closing ceremonies with special guest Lieutenant Governor Lois Hole.

The organizing committee with chair Sheana McDermott, Blain Fuller, and Byron King worked for over a year to oversee every detail of the games, and their efforts were rewarded in the wonderful experiences of all the participants. The community of Wetaskiwin was also a big reason for the success of these Olympics. They opened their hearts to the athletes to ensure that their short stay in Wetaskiwin would be enjoyable.

I would ask that all Members of the Legislative Assembly join me in congratulating the athletes, coaches, trainers, organizers, and the community of Wetaskiwin for the success of this year's Alberta Special Olympics.

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

Ramsay School

Mr. Cao: Thank you, Mr. Speaker. Today I rise to recognize Ramsay school in my constituency. Ramsay is a strong community with long historical roots to the early days of Calgary. It's now on a strong growth path as many people now prefer the inner city. The growth of Ramsay and inner-city communities requires schools, and Ramsay school is the answer.

Ramsay school is also going strong because of its robust community partnerships. Partnerships with the Alexandra community health centre, the Talisman sports centre, the YMCA, the Janus Academy for autistic children, and the anticipated partnership with the Stampede board will positively affect the quality of education and the student enrollment.

I believe Ramsay school continues to be a very good and strategic investment for the CBE. It's an important landmark in the community and in the city, providing an excellent and unique learning environment for local children as well as children with special needs. The building is historical, solid and sound, and runs efficiently.

To conclude, I want to recognize the fantastic work of the Ramsay school staff, parents, students, community residents. My heart tells me to continue to support the school. My head tells me how to find ways to help increase the enrollment and the space utilization. Representing my constituency, I have requested the CBE trustees to do the same.

Thank you.

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

United Brotherhood of Carpenters and Joiners

Mr. MacDonald: Thank you, Mr. Speaker. I would like to congratulate today the United Brotherhood of Carpenters and Joiners of America local 1325 on a century of success. The union has overcome adversity since its formation on November 11, 1902, with 18 members in its ranks. Now local 1325 can be proud of each and every one of the trades professionals in its 4,500 strong membership.

The local's purpose has remained the same over the last 100 years, and the union can take pride in having succeeded in improving the employment terms and conditions for its members and their families. Though the working conditions in this province still aren't ideal for everyone, workers can take heart that members of local 1325 continue to advocate for the rights of all Alberta workers.

Carpenters have a long and proud history dating back to before

biblical times. Many carpenters and joiners, indeed members of the United Brotherhood of Carpenters and Joiners local 1325, demonstrated quality work and pride in craftsmanship when they helped build this Legislative Assembly. Members of the united brotherhood have been an integral part of building this province into what it is today.

Again, congratulations to the united brotherhood of carpenters for their first 100 years' participation in the economy of this province.

Thank you.

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

Centralized Hospital Pharmacy

Ms Kryczka: Thank you, Mr. Speaker. I was pleased to attend with the health minister the official opening of Alberta's and Canada's first centralized hospital pharmacy on Friday, February 21, a move that the Calgary health region says will make drug dispensing safer, faster, and cheaper.

The \$2.5 million central production pharmacy is expected to save the health region \$1 million by having most of its hospital drugs in one highly secured location and a further \$2.5 million in nursing time. The pharmacy uses automated packaging systems to prepare medications for acute care patients in Calgary's four hospitals. Hospital staff then have more time to focus on patient care and increase the safety and quality of oral/intravenous medications.

Steve Long, director of pharmacy for the CHR, believes the facility creates the opportunity for their pharmacy technicians, assistants, and aides to work to their full scope of practice. Pharmacists will now be able to spend more time providing medication advice to physicians and nurses to improve patient care. All prescriptions can be tracked, and nurses and other staff will spend less time measuring prescriptions. This initiative is truly an exciting step forward in health care reform.

Thank you.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Ready Engineering

Mr. Horner: Thank you, Mr. Speaker. I would like to take a moment today and recognize an exciting company in my constituency for winning Alberta's small business award of distinction. Ready Engineering of Spruce Grove won this year's award. The automation and electrical engineering company which began in 1997 with two employees and one client is an excellent example of ingenuity and determination. Today Ready Engineering employs 19 people and has offices in Houston and Olympia, Washington.

I spoke to Lee today, and Spruce Grove is home not only because of a large client base nearby but also the great lifestyle Spruce Grove offers. I especially wanted to recognize Lee Ready, who founded the company with his wife, Susan, in a 750 square foot office space in Spruce Grove. Mr. and Mrs. Ready are a tribute to the entrepreneurial spirit that this province boasts and supports.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Little Bow.

Trevor Brown

Mr. McFarland: Thank you, Mr. Speaker. I'm very pleased to recognize an outstanding young man from the county of Lethbridge in the constituency of Little Bow, Trevor Brown. Accolades flow

from those who closely know and work with Trevor through his personal accomplishments and ongoing involvement.

Trevor was an honours student at Winston Churchill high school. He excelled in math and science, enrolled in the IB program, maintained an 80 to 90 average throughout high school, frequently was selected student of the month, participated in rugby and football, was a team captain last year, and when his coach was diagnosed with cancer, Trevor rallied his teammates and school peers to successfully raise \$2,000 for cancer research and the family in less than two weeks. He's also instrumental in many volunteering activities with seniors, and he tutors on a part-time basis as well as holding a full-time job this year where he currently is attending his first year at the University of Lethbridge.

On February 7, Mr. Speaker, I was privileged on behalf of the Lieutenant Governor of Alberta and the Minister of Community Development to present Trevor the inaugural Queen's Golden Jubilee Citizenship Medal, one of only five young Albertans, all from smaller communities in Alberta.

Trevor, congratulations on your outstanding achievements and accomplishments. Your dad, Laurie; your mom, Betty; your sister Tammy; your grandma Beth Clappitt; and your community are extremely proud of you, and I know that if the Lieutenant Governor would have been there, she would have given you one of her big hugs.

Thank you.

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

Edmonton Coalition against War and Racism

Mr. Mason: Thank you very much, Mr. Speaker. I rise to recognize a remarkable group of Albertans. The Edmonton Coalition against War and Racism is a committee of concerned individuals from all walks of life and representatives from labour, interfaith, and social justice groups. This group is working to further build the antiwar movement within the greater Edmonton area. They work to raise awareness of how the possible war against Iraq is not only not justified under international law but will make this world an infinitely more dangerous place.

The coalition recently organized two very successful peace marches in this city, the first on a very cold January 15, when 3,000 marched down Whyte Avenue in protest of the war, and the second on February 15, when over 12,000 marched down Jasper Avenue in what I believe is the largest protest march in Alberta history.

I applaud and support this group's hard work to educate Edmontonians and Albertans about the disastrous consequences of a war of aggression against Iraq.

head: 2:40

Presenting Petitions

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

Dr. Pannu: Thank you, Mr. Speaker. I rise on behalf of the working poor in Alberta to table a petition signed by 58 Albertans from Calgary, Banff, Strathmore who are petitioning the Legislative Assembly to urge the government to immediately raise the minimum wage in our province to \$8.50 per hour and index it to the cost of living.

Thank you, Mr. Speaker.

head:

Tabling Returns and Reports

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

Mr. Hancock: Thank you, Mr. Speaker. Today I have the honour and privilege on behalf of the Minister of Children's Services of tabling with this Assembly the requisite number of copies of the membership and biographies of the members of the Premier's Council on Alberta's Promise. I believe the hon. minister in comments yesterday in committee indicated that she would provide the names of the people who had been invited to participate and who had volunteered their time and efforts to make Alberta's Promise a very successful venture and make things better for Alberta's children.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. I rise today to table the appropriate number of copies of signatures of 1,641 names from citizens of Didsbury and area who are requesting that the Didsbury hospital services area become part of the Calgary regional health authority.

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

Mr. Mason: Thanks very much, Mr. Speaker. I have one tabling today. It's a letter from Ms Rachele Nelson of Fort Saskatchewan dated February 21, 2003, and addressed to her MLA. Ms Nelson was shocked to find that her natural gas bill jumped from \$153 in December to \$270 in January. She points out that as the Premier had promised to protect Albertans from the price of natural gas, why is he not now keeping his promise?

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

Dr. Pannu: Thank you, Mr. Speaker. I've got one tabling today. It's a document that I undertook to table in this House during the question period. It's five copies of a news release from the Elk Island public schools board of trustees dated February 22, 2003, a current document, and it's titled: Government "Just Not Listening."

Thank you, Mr. Speaker.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have one document to table for the benefit of the Assembly this afternoon, and it is a letter dated February 12, 2003, from the office of the Minister of Learning, and it is addressed to Mr. Bill Kobluk. It is regarding tuition fees and program access at the University of Alberta, and I would urge all members of this Assembly to please read this document.

Thank you.

The Speaker: Other members on tablings?

head:

Orders of the Day

head:

Transmittal of Estimates

The Speaker: The hon. Minister of Finance.

Mrs. Nelson: Thank you, Mr. Speaker. I have received a certain message from the Administrator of the province of Alberta, which I now transmit to you.

The Sergeant-at-Arms: Order!

The Speaker: Hon. members, the Administrator transmits supple-

mentary estimates of certain sums required for the service of the province for the fiscal year ending March 31, 2003, and recommends the same to the Legislative Assembly.

Please be seated.

Mrs. Nelson: Mr. Speaker, prior to moving a number of motions relevant to the supplementary estimates, I wish to advise that this morning I provided the government's 2002-2003 quarterly budget report for the third quarter to all MLAs. We have also made this report public, as required by section 9 of the Government Accountability Act. I have tabled this quarterly budget report as the amended consolidated fiscal plan. This revised plan is required by section 9 of the same act whenever a subsequent set of estimates is tabled during the fiscal year.

I've also tabled the third-quarter activity report for 2002-2003. This document describes the major achievements of our government during the recent period.

I wish now to table the 2002-03 supplementary estimates, No. 2. These supplementary estimates will provide additional spending authority to 14 departments of the government. When passed, these estimates will authorize an increase of \$206,642,000 in operating expense and capital investment.

Mr. Speaker, section 8 of the Government Accountability Act requires that the government table a new and amended consolidated fiscal plan when there is another set of estimates. I have just tabled the amended fiscal plan, the 2002-2003 quarterly budget report for the third quarter, in the Legislative Assembly.

head: **Government Motions**

6. Mrs. Nelson moved:

Be it resolved that the Legislative Assembly do resolve itself into Committee of Supply, when called, to consider supply to be granted to Her Majesty.

[Government Motion 6 carried]

7. Mrs. Nelson moved:

Be it resolved that the message of the Administrator of the province of Alberta, the 2002-03 supplementary estimates, No. 2, for the general revenue fund and all matters connected therewith be referred to Committee of Supply.

[Government Motion 7 carried]

8. Mrs. Nelson moved:

Be it resolved that pursuant to Standing Order 58(9) the number of days that Committee of Supply will be called to consider the 2002-03 supplementary estimates, No. 2, for the general revenue fund shall be one day.

[Government Motion 8 carried]

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

Bill 2

Financial Statutes Amendment Act, 2003

The Speaker: The hon. Minister of Finance.

Mrs. Nelson: Thank you very much, Mr. Speaker. It is my pleasure to move Bill 2, the Financial Statutes Amendment Act, 2003.

The proposed amendments are necessary to proceed with a new fiscal framework for Alberta as recommended by the Financial Management Commission. The commission noted this province's

enviable position as a fiscal leader, but it also said that we could do better. This new framework is designed to address the impact of volatile energy prices on budget planning, and it addresses capital planning pressures.

In order to proceed, the proposed changes are required to the Fiscal Responsibility Act, the Government Accountability Act, and the Financial Administration Act. Some of the amendments mark some significant changes in the way we conducted business in the past but remain true to our principles of open and accountable government and prudent fiscal management.

It's important that I draw your attention to these key amendments. One amendment to the Fiscal Responsibility Act would result in the budget, quarterly reports, and the annual report continuing to show two bottom lines. You will still see net results of operations and the results for fiscal policy purposes, which we all know is called the economic cushion. Currently there is only one adjustment between these two bottom lines. It relates to the unfunded pension liabilities, which have been relatively small in amount, that have continued to work under the new framework. Since we have a separate long-term legislative plan to address unfunded pension liabilities, this adjustment has been understood and not been an issue in our reporting. Results for fiscal policy purposes will now also account for revenue transfers in and out of the sustainability fund and exclude disaster funding and funding for the capital account.

2:50

If you recall, under the new fiscal framework we will be budgeting for natural resource revenue to be set at \$3.5 billion. Years in which nonrenewable resource revenue is below \$3.5 billion or the costs of emergencies or disasters are significant, you could see an actual consolidated drop or deficit reported by the Auditor. Now, this kind of deficit would be allowed because the actual deficit would have been prefunded by prior years' surpluses and would be covered by the sustainability fund, the capital account, or the retained earnings of the Agriculture Financial Services Corporation and the crop reinsurance fund.

We would also show various adjustments for the draws from the sustainability fund and the capital account to get to the net result for fiscal policy purposes. The net result for fiscal policy purposes will continue to show that we have balanced our books, and I want to make that very clear: this is not a return to deficit budgeting. It's against the law.

We will have a sustainable spending plan in each year's budget based on \$3.5 billion of resource revenues. If there's a shortfall in resource revenue, we'll be able to draw on the fund instead of cutting spending in the middle of the year, and disasters and emergencies will be funded even if there isn't a revenue windfall to cover them. This is a consequence of setting up a sustainability fund to stabilize volatile energy revenues. There will be transfers in and out of the fund, but we will have accounted for the transfers out of the fund with previous surpluses put into the fund.

Although I dread getting into accounting details, you should also understand that we're moving closer to the private-sector model for capital. Only amortization will count towards our bottom line rather than the full cost of the new capital that we own. This change brings a number of technical matters on how the cushion is determined. Assets will show up on our balance sheet, a new idea for this province to record its assets. We may also increase our liabilities on the balance sheet if we choose to look at alternative forms of financing of our capital as was recommended by the Financial Management Commission.

Another new initiative that adds flexibility to capital planning is the ability to carry over funding from one year to the next, Mr.

Speaker. I did look very hard to find the rule that says that everything in government has to end March 31 at midnight, and I couldn't find that rule. So we brought some reality in, and we will be allowed to carry capital funding forward from year to year. In other words, if a project can't be completed because of weather conditions, the funding that isn't used on the project that year could be carried over to the next year. It makes common sense to do that. These types of decisions will be laid out in the three-year capital plan that will now be required as part of the budget. The accumulated debt from prior years will still have the same legislated timetable for it to be repaid.

Another significant change is that implementation of the sustainability fund means the old 75-25 percent rule for surpluses will be gone. The contingency reserve for in-year spending will be fixed in the budget as at least 1 percent of revenue, or about \$200 million. Disasters and emergencies, net budgeted increases, and payments under the Natural Gas Price Protection Act and the capital account would not be charged to the contingency reserve. Any cash available beyond the \$200 million from year-end surpluses, except for that held in funds and agencies, would go to the sustainability fund.

The fund cannot go into debt. If the fund grew to more than \$2.5 billion, then we would have a policy decision to make use of the excess on things like debt repayment, adding to the heritage trust fund, or capital investment. It couldn't be used for ongoing operating costs. So any money currently dedicated for debt repayment will continue to be used for that purpose.

Other amendments are primarily technical, Mr. Speaker. This legislation marks a new era for Alberta, one that gets us off the energy roller coaster in favour of a more predictable and sustainable funding over the long term.

Mr. Speaker, I urge all members to support Bill 2. Thank you very much.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. It is with interest and a great deal of pleasure that I rise to speak on Bill 2 this afternoon. We on this side of the House have been very anxious to have this idea enshrined in legislation and accepted by the government side, a better balance between debt repayment and a more balanced approach to deal with the day-to-day routine of budgeting for this province.

Certainly, when we look at the third-quarter fiscal update that the hon. minister mentioned earlier, we recognize the importance and the significance of oil and natural gas royalties, or royalty revenue, to this province. It has been something that members on this side of the House have been saying for a number of years, and there have been legislative initiatives in the past. The hon. Member for Lethbridge-East had a bill in 2002, Bill 208, the Fiscal Stability Fund Calculation Act. We can go back to 1999, and the hon. Member for Edmonton-Ellerslie had Bill 228, the Fiscal Stabilization Fund Calculation Act. This is a walk down memory lane, Mr. Speaker. In 1998 the hon. Member for Edmonton-Mill Creek, who at that time was on this side of the House, who is now Minister of Community Development, had a similar legislative idea, the Fiscal Stabilization Fund Calculation Act, again, Bill 222. There are those that think imitation is a fine form of flattery, and in this case I would have to say that they're absolutely correct. Finally there is going to be some stability to the roller coaster, the ups and downs in revenue that we experience in this province from natural gas and oil resources.

Now, when we look at accumulated debt and net assets and cash available from operations from one year to the next, these are important issues. There's no doubt about that. The whole notion of

financial prudence I believe goes back to a former Liberal leader, Mr. Laurence Decore. He would certainly wave his wallet, and he had a machine to tabulate or calculate what the debt was going to be, and finally people took notice.

We could, I suppose, go back to the Premier's famous speech in Leduc – I wasn't there, and I'm told that it's not the last school that the hon. Premier visited – that indicated there would be tightfisted fiscal responsibility in this province. Now, that didn't last too long. In the last few years we have seen an increase of close to 50 percent in program spending.

We even got the supplementary estimates this afternoon. I was looking at a budget document earlier. I believe the total estimated was \$19 billion, and then suddenly it shot up to \$20.4 billion, so there are changes in the budget. Budgeting has certainly not been a strong suit of this current government. When you look at this increase in spending – in fact, I was at a meeting last night on education, and people asked me: when we spend all this money in this province, where does it go exactly? No one has the answer to that question. It's apparent that no one knows. I can bring in the Auditor General's report and go through it page by page, and certain respectful hon. members from across the aisle get indignant. Now, I don't know why they're so defensive. We bring up public accounts all the time, and the hon. members get defensive about that as well. Everyone has a right to know where the tax dollars are going.

[The Deputy Speaker in the chair]

3:00

Now, beginning in the next fiscal year, this government is going to start building a nest egg, a stability fund, that this side of the House has been advocating for years and years and years. Saskatchewan used their stability fund, or their nest egg. You've always got to keep the magpies out of the nest – always, always – because they can destroy the eggs in the nest pretty quick, and they can destroy the whole thing. The magpies in this situation would be political magpies, and they want public funds for no rhyme or reason, and I would say that one of those political magpies would be private health promoters. This electricity bill, which we're going to debate a little later on this afternoon, Bill 3: I don't know if there are political magpies there or not, but we will find out. We will study the issue, and we will determine if the Member for Edmonton-Riverview is correct with his cautious suspicions that perhaps there are political magpies there.

But this idea of a nest egg, I'm very pleased that the government has finally decided to do the right thing and adopt a good Liberal policy. Hopefully we won't have to use this stability fund and it'll be able to grow, and perhaps at some time portions of it could be set aside to replenish the heritage savings trust fund. I'm disappointed to see in this third-quarter annual report that the results have not been spectacular. They certainly, Mr. Speaker, have not been spectacular. In fact, it is with sadness that I have to note, and I'm quoting from the third-quarter fiscal update now, investment income.

Total investment income was budgeted at \$1.2 billion. It is now forecast at negative \$119 million, \$1.3 billion below the budget estimate.

The decline in equity markets is expected to result in a \$704 million loss in the Heritage Fund and other endowment funds (rather than budgeted net revenue of \$635 million). This loss includes a \$506 million write-down in assets, where the value is considered permanently impaired, and net realized losses of \$198 million.

I guess "permanently impaired" means it's worth very little to nothing. I hope we don't see any more investment losses like this.

I'm sure – and perhaps the hon. Member for Edmonton-Glengarry

can shed some light on this – there's going to be a review of the investment practices of that heritage savings trust fund. Certainly, in other departments – and this is considering that the budgets there are much more modest, that they're not like a pool of cash with \$11 billion in it – there are some pension funds that have been set aside, and I notice that there's been a reduction in the return on those investments, but nothing like this spectacular loss. I'm curious to note if anyone is phoning the administrators of those respective pension funds of the government to seek their advice. It wouldn't be a long-distance call either. I think a 427 number would reach these people and reach them probably quite quickly.

The idea of a nest egg and what this money could be used for if we ran into lower than expected revenues or financial difficulty – it certainly would provide some stability to the schools. Now, the meeting I was at last night, the school was in desperate need of repair. In fact, some students, a class full of them, had been locked inside the school, locked inside a classroom over lunchtime. They got locked in. They were lucky that a member of the staff . . .

Mr. Bonner: The janitor came. They had to take the hinges off.

Mr. MacDonald: The janitor couldn't take the hinges off, but a member of the staff could use a knife and rescue the children. Lucky there was no fire or there wasn't a fire alarm.

That's not the only mechanical deficiency with this school. There are certainly cracks in the cinder block walls. It's been on the books for repair so many times. It's been taken off because of what the minister said earlier: roller-coaster, or up-and-down, funding.

Mr. Bonner: Isn't it a 52-year-old school?

Mr. MacDonald: No, the school is not 52 years old, hon. member. The school would have been built in 1961, so it's a 42-year-old building.

It also has poor windows, other deficiencies. It has a \$60,000 heating bill, which a better heating system would certainly reduce. Now, this school has been removed from receiving an upgrade three times that this member is aware of. Hopefully this stabilization fund is going to prevent it from being removed once again, because the repair costs have now escalated. The repair costs have gone from over \$2 million to in excess of \$4 million because it was put off. It had to be deferred and deferred and deferred. Of course, the condition of the building worsened. That's one thing the nest egg, the stability fund, can be used for.

We can see other uses for this fund. Of course, there will be firm financial commitments for each department. Last year the Infrastructure department had a significant reduction in funding commitments. There were projects pulled all over the place, and there was certainly a cost to that. This stability fund will, as I said, make it more predictable not only for the department officials but also the contractors.

Now, in conclusion, Mr. Speaker, when we think of a fiscal framework for the 21st century, I'm pleased to see that the government is adopting an idea that was presented as recently as last year by the hon. Member for Lethbridge-East. I certainly hope that government members are over their tiredness from their enthusiastic support for the rough fescue grass and will participate in the debate this afternoon not only on Bill 2 but also on Bill 3.

Thank you.

3:10

The Deputy Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Edmonton-Glenarry.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to rise, as well, to speak to Bill 2, the Financial Statutes Amendment Act, 2003. I believe that this bill will actually end some of the practices of this government that we in the opposition have been campaigning against for a considerable period of time. One is the misuse of estimates on resource revenue in order to do what we like to call fudge-it budgeting. The government has of course consistently underestimated royalty revenue in their estimates over an extended period of time, billions of dollars in some years and a considerable amount in almost every other year. That's one of the problems that may be partly addressed by this bill because, of course, they'll be creating a fund, a stability fund, in order to try and balance those things out.

The government has made use of fudge-it budgeting for a number of crassly political reasons. One is, of course, that if they're underestimating their resource revenue on a regular basis and by a substantial amount in each budget, they can claim poverty as we go through the year and various crises manifest themselves; for example, the education crisis that we are now seeing in our schools. They can claim poverty. Then at the end of the year, Mr. Speaker, they have this so-called unanticipated surplus of billions of dollars, and they look like they're brilliant financial managers. Well, they're brilliant political tacticians but not brilliant financial managers. So I think that that's one thing that we believe will be partly offset by this.

You know, I know that the Liberal opposition has been campaigning for a stability fund for some years. We were only too happy to steal their idea, and we encouraged the government to steal their idea, and the government has stolen their idea and that's because it's a good idea. No one party has a monopoly on good ideas. I know that the Premier thinks we're much worse than the Liberals, but we also have some very good ideas from time to time. We compete with the Liberals to see who can upset the Premier the most.

Now, I'd like to go on to another point that's covered in this bill which, I think, is something that we're quite prepared to take credit for, and that is the elimination of the ridiculous, outrageous 75-25 split to go to debt reduction, that has bedeviled this government's financial position for many years. When it was combined with fudge-it budgeting and these magical, unanticipated, quote, unquote, surpluses appeared every year, surprise, surprise, 75 percent of it by law had to go against the debt. So the government was engaged in starving important programs by underestimating the revenue, and then, surprise, surprise, they have to put three-quarters of the surplus against the debt. This is going to be gone now, Mr. Speaker, and it can't come soon enough, as far as we're concerned, because we've always called this debt reduction by stealth, and I think that's exactly what it is.

So I think there are a number of points that can be made. I know that the member for Edmonton-Gold Bar talked about schools in his constituency, and I know that schools in my constituency are badly in need of money. So the addition of additional funds for infrastructure, which is not specifically in this bill but was contained in the update provided by the minister today, is also a bit of welcome news that I think the public has been demanding from the government. Municipalities have been demanding it, hospitals have been demanding it, and school boards have been demanding it. It's a step in the right direction, Mr. Speaker, but given that the government has admitted that there's \$8 billion of expenditures required to bring our infrastructure up to date, then somewhere over \$900 million is only a small part.

Mr. Speaker, we've always talked about the false economy, of doubling up on your mortgage payments in order to pay down your mortgage more quickly and failing to repair the roof on your house

when it needs it. If it rains, the damage can destroy the entire asset that you're hurriedly trying to reduce the mortgage on. So I think that what the government has done is it's shifted its debt from financial debt into physical infrastructure debt, and it's just as real as if it was a note that had to be paid. So I think that that's one point that I'd like to make.

I'd like to go on a bit more about the schools. I've been touring some of my schools, like other MLAs, and I know that the Eastglen high school needs a major overhaul. It's basically a sound building, but it's 50 years old, Mr. Speaker, and so it's reached the end of its design life. It can be preserved for another extended period of time if the government is prepared to put the money in, but the longer it delays, the more it's going to cost in the long run, and the most economic way to approach that is to put the money in now. I believe the school needs approximately \$20 million to be completely refurbished, and then it will be good, I'm sure, for another many, many years to come.

I've also toured some of the other schools, and there are some excellent programs at some of the schools in my constituency that help high-needs children learn to read. They no longer categorize them, Mr. Speaker, as just needing help and socialization. They expect a performance from these students. They take some of the students – for example, in mathematics and reading, they give them special help – and they turn those that have lagged behind and start off the farthest behind into the top performers in reading and in mathematics. The school programs there are absolutely outstanding, but again there are continuing threats with programs being shut down or coming under the gun, and many of these excellent programs may not be there next year.

So I think that both on the program side and on the capital side there is a very, very strong need for more adequately funding our schools, and the schools in Edmonton-Highlands do an excellent job in difficult circumstances. The government could certainly do a lot more to make the lives of the students and the teachers a little easier because quite frankly, Mr. Speaker, it's got to be seen as probably the most significant and important investment that this province can make, and that means investing in its young people and their education.

So, Mr. Speaker, I'd just like to indicate that generally we think that the government is moving ever so slightly in the right direction with this bill, and both opposition parties have been pressing them in these directions very hard for a number of years. We know that a blue-chip committee was set up by the Minister of Finance to study it, and many of their recommendations are included in this act. The New Democrat opposition did appear before this commission and make proposals, particularly with respect to the ending of the 75-25 mandatory debt reduction requirement that is currently the law. We're pleased to see that the commission took our advice and that the minister took their advice, and hopefully the Legislature will take the minister's advice and therefore be taking our advice, and we'd be very happy with that.

So I'd just like to close by saying that this particular bill I think is a recognition that this is a very wealthy province, and there's a modernization of the financial machinery that's included in this bill. It doesn't take away the capacity of the government to misrepresent potential revenues or to plead poverty when it wants to and have an abundance of riches when that's convenient, but it goes some way towards putting some limitations on those political maneuverings, and I think that it represents a positive step forward for the province.

Thank you, Mr. Speaker.

3:20

The Deputy Speaker: Before calling on the next speaker, I just want

to remind hon. members that I have at least one person who's asked to make some questions or comments under Standing Order 29.

The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Speaker. My friend representing Edmonton-Highlands in his comments indicated that the government consistently underestimated resource revenues, which resulted in a surplus at the end of the year. Now, when the member was making those comments, I was reflecting on a period of time when the government consistently overestimated revenues, and I was wondering whether it would be better to be in a position of being conservative on estimates of revenue so as not to be caught at the end of the day with bad news rather than good news. And since the revenues are very difficult to predict and that we do use as a government the very best objective minds to try to get a handle on it, what does the Member for Edmonton-Highlands recommend that we do rather than the procedure that we're using now, the conservative best methods?

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Well, thank you, Mr. Speaker. I'm caught between the rock and a hard place. I have to choose between being conservative and being liberal, and I pick neither of the above. But I think if you really look at some of the estimates that were used and some of the figures – and I don't have them at hand, but I do have them – where prices were estimated for oil and gas in budget after budget, you'll find that they were not reasonable, that they were set too low. So the answer, I think, is not to be too conservative or to be too liberal but to be more honest and use the best available information. I submit that the government has not used the best information because they have wanted to and been motivated to underestimate our royalty revenues.

Rev. Abbott: I wonder if the hon. member opposite could give us an honest forecast of what he thinks the natural gas price will be for our next fiscal budget year? For the record, of course.

Mr. Mason: Not offhand, Mr. Speaker.

The Deputy Speaker: No further questions? Then we will go to the next speaker.

The hon. Member for Airdrie-Rocky View.

Ms Haley: Thank you very much, Mr. Speaker. It's an honour to be able to get up and just address this for a few minutes. You know, after listening to my colleagues from across the way, I'm motivated to remind them that 10 years ago in this province we had a \$22 billion debt and a \$3.5 billion deficit, and we struggled with ways in which to deal with that and try and develop sustainable programs for the province of Alberta and for the people of this province so that they could once again be proud of where they lived and the programs that they wanted. We brought in the Fiscal Responsibility Act, deficit elimination acts. We brought in all kinds of things limiting government's ability to deal anywhere outside a specific parameter when it came to our finances, and it worked. We reduced and eliminated the deficit in the first couple of years, and we managed from there to pay down \$17 billion of a \$22 billion debt.

I want to remind people of the impact of a \$22 billion debt. The impact was \$1.5 billion in debt servicing cost, otherwise known as interest. The third largest department of government was interest. It doesn't provide a job, it doesn't provide any services but, my God, is it easy to rack it up. So, yes, we attempted to deal realistically with a very large problem. We set aside 25 years if that was what it was going to take to pay it off.

We have this gift in this province called oil and gas, and every once in awhile the prices spike beyond what anybody has anticipated, whether it's because of a Persian Gulf war, the ongoing problems with Venezuela, the problems in Iraq today, the extra cold and long winter that everybody in the northeastern United States is experiencing where we sell gas, the fact that their reserves are running low, or a thousand other reasons that can drive prices on the spot market up and down. So here we are in Alberta blessed with this resource, one of the few places in North America with these types of resources, and we have one of the lowest taxes anywhere in North America. We have no sales tax, unlike most places in North America, and one of the things that helps to prevent more and more income tax, more and more corporate taxes, more and more sales taxes is the fact that once in a while we get lucky with royalties.

So I'm supposed to sit here and believe that we're dishonest, misrepresenting the position of this government. Well, let's go back. Let's talk about that misrepresentation. We have quarterly updates. Somebody please tell me how many other governments in this country and in the United States actually have quarterly updates. Well, try none. You know, misrepresenting? Every quarterly update if there has been a change in natural gas and oil prices, we reflect it upward. Misrepresentation? It always fascinates me how these comments get made and nobody ever has to say: well, I was just sort of kidding or just being an envious political wank in here. The truth is that we don't misrepresent anything. I have never, ever in 10 years gone and lied to my constituents about anything, and I never will, whether anybody over there likes it or not. If somebody asks me a question, I'm going to answer it.

When we talk about the Fiscal Responsibility Act and the 75-25 split, it was never an easy decision to go 75-25. All we tried to do as a government was to make sure that as quickly as possible with the least problems possible for Albertans, i.e., no tax increases to pay down debt, we went with surpluses when we were lucky enough to get them to remove as much of that debt from Albertans as we possibly could. We're now down to \$5 billion, and that's still \$5 billion too much, but it's way better than \$22 billion with a \$3.5 billion deficit, where our cousins, you know, a little bit west of us in British Columbia, have a \$3.8 billion deficit this year. How many billions of dollars across this country are being squandered on interest because people have such a difficult time making tough decisions?

Mrs. Nelson: Thirty-six point seven billion.

Ms Haley: Thirty-six point seven billion dollars, just for interest, and of course our wondrous media don't bother talking about that. The fact that if you had \$37 billion to spend on health care in this country, that would be \$3.7 billion for Alberta, which, oh, by the way, is right around 50 percent of what they should be paying. But that's okay. We're here in Alberta, and, you know, apparently we just lie to Albertans all of the time.

We proceeded with a 75-25 split because that was the correct thing to do, and when we had 25 percent of a fund left for onetime spending, we got chastised and criticized for that too. Truth is we do have some infrastructure deficits in this province, whether it's roads or schools or hospitals. We've spent over a billion dollars in the last three years on schools, but we probably need another one and a half billion in order to solve all of the problems that have built up over decades of overspending or perhaps not spending enough.

The new FMC. You know, how do I say this? I believe that it has great potential. I really do. I think the sustainability fund can solve some problems. I think, however, going from one system to another creates its own pressures, and those are pressures that are going to be

difficult for the next six months while everybody sorts out exactly how it works and what it means.

3:30

If we can in fact set aside \$900 million in a capital fund or if this allows us the ability to use a capital bond issue at some point for another billion dollars' worth of construction programs, if that's what the right number is, then I think that's wonderful. I would, as a very proud Albertan, be enormously happy to convert my dying mutual funds and my RRSP to, you know, a whole bunch of Alberta bonds even if the interest rate was low. At least I'd know that I was getting something back. I see great potential on that side.

Mr. McClelland: I'm gonna trade my Nortel in for one Alberta.

Ms Haley: You're helping me, Ian. I appreciate it.

As to the changes in the legislation, yeah, I have some difficulty with the whole concept of restricting the amount as it goes into the \$3.5 billion. I need to know as an Albertan, as an MLA: is that the right amount? And maybe it'll take us a year to determine if that's the right amount. I worry about it because I'm not sure that we're keeping up with inflation on some of the spending side. Not on health care and education: I think that if we were all being relatively honest, we could look at our population and our inflationary numbers and we would say that health and education have kept up. There are other areas where I think there's room for some concern about whether or not we've created too much pressure by trying to be too fiscally tight.

You know, as my old dad would say: it was a crap shoot. You do your very best; you try hard. To satisfy all of the needs, you try to satisfy some of the wants. But it's never possible to do everything for everybody all of the time, and tough decisions have to be made. I'm very grateful to my caucus for making the tough decisions when they have to because each and every one of us has pressures at home. I have one of the highest growth rate ridings in the province of Alberta which means that no matter what we do, I will never have enough schools built fast enough. And my colleagues from Calgary-Shaw and from Banff-Cochrane – we're all in the same end. This one here too.

Mr. Knight: Grande Prairie-Smoky.

Ms Haley: Oh, yeah. Not you. I don't care. Sorry. He can wait.

The truth is that I need more schools. I need portables moved in. I've got some schools that need repairs. I'm competing with cities that sometimes have only 75 percent occupancy, but I may well have 125 percent occupancy. I can't get the schools built fast enough, and I have no inner-city schools to move kids into.

So we're all laying everything on the line trying to get the things that we need for our own ridings, and I'm no different than anybody else. I want my riding to be happy. I want a new overpass for the south end of Airdrie. I'm thinking that my chances are not looking real good at this point, but as a P3 maybe I can get it. I don't know, but you don't quit and go home and pout. You keep working to try and get the things that you need. Do I think it's a panacea? No. But it gives us a flexibility and an opportunity to do some things in a different way, and I'm going to do my best to make sure that it works properly.

The last comment I wanted to make was on rebates for natural gas, Mr. Speaker, and I only want to touch on this because when we talk about money that goes to a capital fund of \$900 million, that money is coming from royalties. Yes, Albertans are paying higher prices whether they're filling up their car or for their heater in their home

or for their power, and there's no question about that. A lot of people are struggling with that. But in the year 2000 in the United States they did a report on the national energy policy that showed that the average middle-class American family was spending 3.8 percent of their after-tax income on their energy needs. So whether that was heating or cooling or transportation, that's how much it was. With the huge price spikes in the year 2000, with natural gas skyrocketing – their home heating oil is going up; their power bills are ratcheting up, particularly in California – they went to 4.8 percent of their after-tax income.

We need some perspective on this issue. I am not in favour of anybody not being able to heat their homes. That's not what I'm trying to say, but it's easy to be hysterical and find a way to spend \$400 million or \$500 million here, or we can spend that same \$400 million or \$500 million on school construction or roads or other things that we need as a province without having to increase taxes, without bringing in a sales tax. These things have to be paid for.

As an Albertan I'm so proud to have grown up in the oil patch, but I know what the oil patch has done for this province. It's built it. It's still building it, and once in a while we need to be grateful and think about that reality because without it our taxes would probably be 300 or 400 percent higher than they are today on the Alberta side. The only way we could do the things that Albertans expect us to do would be to have to tax them to do it. Right now with our royalties we are absolutely blessed to be able to live in a province where we can get a road built, get a new school, and maybe not satisfy everybody's wants, but I'm pretty sure we're meeting the vast majority of their needs.

Mr. Speaker, I wanted to congratulate our provincial Finance minister for bringing this forward. I know that it was a tough struggle for her. I happen to be the chairman of a very tough caucus. We take no prisoners. She has had to earn her stripes on this one all the way through, and we probably aren't finished harassing her yet, but we've had a good time so far.

It's a pleasure to be able to speak in here and address this important issue, so thank you.

The Deputy Speaker: Standing Order 29. Questions or comments? The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. The hon. member made a statement in her presentation. She said that interest doesn't create a single job. I would think that it might take hundreds of people to look after \$1.5 billion in interest payments. My question is: does the hon. member have no compassion for those now unemployed accountants?

Ms Haley: Mr. Speaker, you know, with the greatest respect to my colleague, who'll probably never get to speak in caucus again, the answer would be that that accountant can get a real job.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. A question for the hon. Member for Airdrie-Rocky View: who created the \$22 billion debt that you referred to in your remarks? What did they spend it on and why? Who created that?

Ms Haley: I'm happy to try and take a shot at that. Albertans have very high demands, and it is very hard to say no. So during the '80s, as I recall this, the price of oil went up. We started to create the heritage savings trust fund. The price of oil went down, dropped to about 45 percent of the revenue that was streaming into the province,

and the question of the day back in the mid-80s was: do we slash spending by the same amount, or do we try to ride this out? They made the decision under the leadership of Mr. Don Getty, the Premier of the day, that they would try to ride it out in the hopes that oil and gas would go back up in time to prevent some of the problems that were going to escalate from that. I think that hindsight is a wonderful thing, and I'm not going to go back and try and second-guess them, but I can tell you this: when I ran in 1993, it was to get rid of the deficit and deal with the debt and no more of any more wishful thinking that you can live on tomorrow's dollars on the backs of your children. It's absolutely unacceptable to me.

The Deputy Speaker: We're ready for the next speech. I've got a couple of people who have indicated. One was Edmonton-Glen-garry; another one is Edmonton-Mill Woods. Following Airdrie-Rocky View then we would go to Edmonton-Glen-garry. No?

Mr. Bonner: I will speak, Mr. Speaker, but when I rose earlier, it was to ask a question which was not appropriate at that particular time.

The Deputy Speaker: Okay.

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

Dr. Massey: Thank you, Mr. Speaker. It's a pleasure to see Bill 2, the Financial Statutes Amendment Act, 2003, before the Assembly this afternoon. It's a good idea, and I guess it doesn't really matter where it came from. The fact that it's here and will be of a benefit to all the citizens in this province is good enough.

The fund is a recognition of the cyclical nature of our economy. In 1999-2000 50 percent of the province's income was made up of personal income tax, corporate income tax, oil revenues, natural gas revenues, and the sale of Crown leases. That's a huge amount of the income of the province that is very vulnerable to the kinds of economic conditions that prevail in the province or in the country at any particular time. So I think the bill is a recognition that we do have an economy that has great swings in terms of revenues, and this is an attempt to try to smooth out some of the ups and downs in that revenue stream.

3:40

The most important part, of course, and the reason for the bill is that it will allow the government to sustain investments. There were investments in public health care, investments in education and in children's services. I know that there's always great debate in the Legislature about some of those programs, and I hear often a question asked with respect to education, and that's: how much is enough? It seems to me that some people have thrown up their hands and have said: you'll never have enough; no matter how much we put into it, we could always put more. And that's true. I think there are some ways around that, but that is true.

We've made great progress, and we've come to expect that there will be continual progress in areas like health care and education. We can all walk into schools and look at the kinds of conditions that are there and compare them to our own experiences as youngsters and say: things are pretty darn good when you walk in and look at them. And that's true. But the progress that we've made was hard fought for. It was hard earned, and the reductions thus far, for instance, in class sizes, the innovations in terms of technology, the great improvements in terms of the preparation of teachers have all been hard-fought-for improvements, and they've been expensive. So I think what bothers people who are associated in those areas is

when they see that progress being lost or they see that progress slipping, and I think that has been a problem the last 10 years.

Hopefully, this bill that's before us now will go some ways to making sure that that doesn't happen in the future, that the gains that have been made, the levels of services that have been established will have some chance of being sustained when there's a downturn in the economy, and it's not a question of if there will be a downturn in oil prices; it's a matter of when. Look back at the history of our province and you can quite readily predict that there is going to be a downturn, and this fund, when that downturn happens, will be a bit of a safety net for programs that we all value but primarily those ones that are concerned with human services.

The volatility of the province is really, as I said, quite wide. As a percent of total expenditures, 70.7 percent of revenues has been the range in terms of that volatility, and that's quite a wide range and can have a huge impact on budgets. I think of the cuts that were instituted – was it last fall or the fall before? – and how devastating they were, and it seems that that kind of scenario will be avoided in the future when the fund is firmly established.

I would like to see some other things done in conjunction with the stability fund, Mr. Speaker, and that's the way, for instance, that education is funded. The history of funding in the province and certainly the way we did business when I was a school trustee was to look at economic conditions and to look at the available money and then to try to make some judgment, some calculation in terms of how much should be put into the budget. I can think of the years on the board where we went everywhere from a zero percent increase in the year's budget to one year I think our increase in the budget was 18 percent. Huge, huge variations, and it makes planning over the long term very, very difficult. Once you have a year of 18 percent and all the growth that comes with that, how do you sustain that the next year if there is a slowdown of the economy and you can't go to the community for additional revenues? It's the kind of budgeting that we have grown up with in the province and still practice to a great extent.

At budget time there's always a quick calculation of how much money has been added in various departments and then judgments made about whether that's enough or not enough. I'm hoping that there can be an attempt at some proposals to go with the stability fund that would bring some stability to the allocating of funds within particular departments.

I look at some of the work that's being done in other jurisdictions with respect to education funding and the whole notion of adequacy funding. I think it's an unfortunate choice of terms, but adequacy funding is really a proposal to make sure that there are adequate funds to educate all children well.

There are, I think, some really promising plans. I've looked in some detail at the Oregon plans, and I've looked briefly at the plan in Wyoming. I think they're the only two that are really in operation, but they have brought great stability to budgeting in those two jurisdictions. What they have done is looked at an elementary school and, in Oregon's case, a middle school and a high school and said: if we have an elementary school, how many teachers should we have? What's the standard for teaching staff and the ratio of teaching staff to students? How many librarians should we have? What kind of counseling service should we have in place? What is a reasonable allocation per student for textbooks and for computers? They have developed fairly extensive lists of the very fundamentals that are needed to provide an adequate education so that all children may be educated well.

It's an interesting exercise that they've gone through. In Oregon they relied primarily on a group of experts to determine what level should be established in each of their schools. Other states have

approached it differently. Some have some rather sophisticated economic analyses that, I have to admit, sometimes defy understanding. Others have used exemplary school districts or exemplary schools. They'll go into a very high performance school, one that's doing very well on a number of measures, look at the kinds of resources that they have used to achieve those results, then use that as the standard in terms of financing other schools. I think there's a great advantage to that kind of budgeting.

We're looking at how that might work in Alberta, working with some groups of parents to look at some individual schools to see how that would happen. I guess what I'm arguing for is another form of stability, one that's based on expressed needs in schools. Interestingly enough, they tie the needs to performance objectives, and if I remember right, the Oregon model ties it to youngsters achieving 90 percent in mathematics and 90 percent in reading scores. There's a performance level that they have set for each of these schools that the intended resources are supposed to help them meet.

So I think that this is really a good first step in terms of bringing some stability. I think there could be more done in terms of individual departments so that there would be some predictability. One of the reasons some people refuse to get involved in it is that I think it could be very expensive initially. I looked at the Oregon budget, and they had to increase their education budget by close to a billion dollars to put the plan in place, and I think that would scare anyone off, but if nothing else they have a set of goals to work towards. Some day when they do have the resources they can reach those goals.

3:50

Again, as I said, just one more piece of stability. What we have in front of us is an important piece and certainly the base piece that we need. It's a good move on the part of the government, and I'm delighted they've decided that they'll proceed with it.

Thank you, Mr. Speaker.

The Deputy Speaker: Comments? Questions?

The next speaker, then, is the hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you. Mr. Speaker, one of the highlights of my political career was standing on the steps of the Legislature while the Premier and the then Treasurer took great big scissors and chopped through a mock-up of a credit card. I forget whether it was Visa or MasterCard – it doesn't really matter – but it was a symbol of the fact that we had achieved a milestone in Alberta. When some of us arrived here in 1993, there were others perhaps such as yourself who were already here and wanted us to come and join the battle that you were fighting, and that was, first of all, of course, to get rid of deficit but then start doing something about the debt. So the milestone that was achieved and the symbolism that went with that particular ceremony was that net debt had been reduced to zero. If we want to associate a budget of a government as similar to a household budget, basically, then, at that moment in time the Alberta government had cleared up all of its credit card debt and was simply left with liabilities that were covered by an asset. So to use my homespun analogy, then, all we had left was the mortgage.

Now, at that ceremony I kept thinking: won't it be wonderful when we can stand outside on the steps and the Premier and whoever the Treasurer will be at that particular time – and I was hoping it would be the Member for Calgary-Foothills, because that gives you maybe an indication of where I'm going timewise here – will be able to draw up some kind of symbolic mortgage? I don't know what

we'd have to do with the fire regulations around the city, but we're good friends of firefighters, so maybe we could have lots of firefighters around and we could burn this mortgage. I'd been really hoping that this would've been done in, you know, 2001, or maybe it would be 2003. I was hopeful for 2005, but as I look at the reasoning for Bill 2, I have to tell you that my feelings are ambivalent because clearly within the context now of Bill 2 we're not going to be able to achieve zero debt by 2005.

I heard an hon. member say: well, maybe. And I haven't given up on the maybe either, but I was very, very hopeful at one time that this was going to be achievable, and now it looks like it's dimming. I want everybody to understand that I understand the reasoning for it. Albertans, just a great bunch of people that we are, that we represent, are enthusiastic, are motivated, but also have expectations that over the years have always been allowed, I think, to be met.

There was a question earlier today from one of the opposition members to one of our members basically asking and, of course, inferring that it was our government that had gotten the province into all of this debt. So if all we were interested in was political labels, then one might be able to say: well, yes, it was a Progressive Conservative government. There's no question about that. But I had asked basically that same question not to a current member of the government but to a past member, and I wondered: how did Conservatives ever get themselves into that kind of a situation? The past MLA that I asked said: go to the Speech from the Throne of 1983. I'm not here to throw stones at anyone, but I heard Premier Getty's name mentioned, and I think he inherited something. I think he inherited a lot of programs that were put into place by the then government, the Premier Lougheed regime of 1983.

Well, I see an hon. member giving me the gears, and maybe he had a family member that was part of that. Who knows? We're not pointing fingers at any one individual, at least I'm not, but I want to draw people's attention to where all of this started. It really comes from a context of when you sense expectation and then try to fill it. Even though your heart is good and maybe even your wallet is full at that particular time, whether or not they'll end up being sustainable is always the question. Clearly we found out that they were not sustainable.

If we remember now the campaign of 1993 – and, again, I made a reference to a past member, that had a debt-o-meter – the debt was huge. Twenty-two billion? Is that what we talked about? Of course, people were ragging then on the government about going into this \$22 billion in debt, and as a matter of fact I think everybody that ran in 1993 ran against the government. I know I did. I was the Progressive Conservative candidate, but I wasn't shy about what I was going to do when I got up there. In fact, the *Lethbridge Herald* throws a quote that I made publicly back in my face every time now that fate has made me, a person who at one time was disrespectful of authority, a person in authority. I mean, I find the irony of it sometimes rather tough to deal with. I never thought I'd be in this kind of a position, but I made the comment: I'm going to go up there and clean up this mess. I mean, can you imagine how naive and unsophisticated a young person – well, I wasn't really young then either, I guess – I was to think that this would be done? But we showed such tremendous gains in those first few years. We got rid of the deficit.

4:00

A point I was going to make – but in my digressions I got sidetracked – was the Liberal Party of Alberta going around with their debt-o-meter or whatever it was. I remember they used to talk about boondoggles, and this was always a fascinating thing for me, these boondoggles that the Liberals would come up with. I would

add them up. I'd say: like, you know, what are they really talking about here? They would talk about a boondoggle of \$400,000 and a boondoggle of \$376.42 and a boondoggle of maybe a billion or something like that. I added them all up, and I couldn't quite get to 2 billion. I said: well, okay; let's just exaggerate a little bit. You know, I'm acting like an opposition person as I'm attacking this government that's represented me, but I want to do something different if I can get up there. I said: let's add it up. Well, I think I got to about 2 billion. Well, what was that? That was 10 percent, Mr. Speaker, of what the debt was.

So where? Where? If you want to point fingers now at who caused all of that debt, just everybody, everybody in Alberta needs to go home tonight, and all they have to do is look in the mirror. That's what it was. It was schools; it was hospitals; all the things that we're trying to deal with now. It was seniors' programs. And how many of us have heard: hey, I built this; I built this province. They did. They built it; there's no question about it. But not all of it was built on a cash-only basis. There was debt that was taken up in order for all of these things that all of us have enjoyed to happen. So we – we – are responsible for this debt, and now it's we, of course, that have to get out of it.

I don't know if you would gain any sort of insight from this, but I think that for 25 years now – it might even be 30, Mr. Speaker – I have had a slogan hanging on the bulletin board in my home office, and it's in my handwriting. I don't know where I saw it. I obviously wasn't able to clip it, but I heard it, and I wrote it down. It says: you are the only problem you'll ever have, and hey, baby, you are the only solution. I think that is as good a slogan as any of us could adopt in this Assembly because it's exactly right. We are the only problem that we have, and of course we are the only solution.

So how do we then provide a solution? Well, obviously, one of the things that has happened is Bill 2. I understand, again, the articulation of why we are doing this. I understand the need for it, but it doesn't mean that I have to be happy about it. I wanted to be able to ride off into the sunset before I got too old being able to say: "You know what? I was there when the deficit went to zero. And you know what? I was there when the debt went to zero." I believe I can still make it, but I don't have control over when elections are called. You might have to put up with me for another term here, Mr. Speaker. We had a fellow in the gallery earlier that I thought probably peaked a little early in his campaign, having to peak today, but some of us are just maybe getting started here too.

In any event, there is a situation in Lethbridge-West, in Lethbridge-East, just like there is right across this province, of an infrastructure deficit, and I know that this government has to do something with that. So the mirror that I put in front of my face says that I have to back off to some extent, a small extent, on my mission to get to zero debt and have to understand and recognize that we have a situation here of infrastructure needs. We have a situation, of course, of needs of individual Albertans, and guys like me have to get off the high horse that I've been on for a number of years and have to be more compassionate, more sensitive to what is actually needed within this province.

Again, Mr. Speaker, I want to see that day, and I want to share that day with you and every member here in the Legislature when we can stand out on the front steps of this Legislature and burn that mortgage. Zero debt will have arrived.

The Deputy Speaker: Comments? Questions? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Please, Mr. Speaker. Yes. To the hon. Minister of Human Resources and Employment. In the remarks that were

made in regard to Bill 2, you suggested that the total debt that had been accumulated was as a result of building schools and hospitals and infrastructure in the province. Could you elaborate, and please tell me the role the grand industrial scheme that was employed by previous Progressive Conservative governments had in that accumulation of \$22 billion? Like, I'm talking about telephone companies; I'm talking about meat packing companies, steel companies, and such. What role exactly did that grand industrial strategy play, besides the construction of schools and hospitals, in that debt?

Mr. Dunford: Well, I think the hon. member is quite right. I think there was a role that industrial strategy played. I was involved with the Chamber of Commerce in Lethbridge at the particular time when the then government of Alberta was talking about diversifying the economy. They were doing what they could to try to remove us from such a dependency on the oil and gas industry. [interjection] Well, you know, it's a Liberal who asked the question. It was a Liberal that brought in the national energy program. He was a Liberal back in 1980, and he still is. How he can still be in Alberta and still be a Liberal is beyond me. I mean, he was a tradesman here in our country.

The Deputy Speaker: Are you answering the question?

Mr. Dunford: Yeah. I guess so.

The Deputy Speaker: The hon. Minister of Justice on the questions and comments part.

Mr. Hancock: Yes, Mr. Speaker. I'm wondering if I could ask the hon. member, in following up on the question from Edmonton-Gold Bar, if perhaps some of the reasons why there was a debt built up of that nature were because at a time of a previous government doing the things that Albertans wanted them to do, the program spending and capital spending followed the resource revenue and other revenues as they went up, and then the province was found short when the prices dropped rapidly and whether he thinks it's prudent with Bill 2 and the other things that this government has done to protect us from that type of a drop again.

[The Speaker in the chair]

Mr. Dunford: Mr. Speaker, I absolutely do. We've all been aware of the situation on this side of the hall. We've had a number of presentations from economists, from financial advisers, and it's just absolutely amazing to chart the revenues within Alberta and see just how volatile they are but then just trace the patterns of expenditures. It's not a correlation of 1.0, but you can see the movement. When there was money in the coffers, then money was spent.

The one thing that I'm proud of is that I was part of a government, then, elected in 1993 that had some impact on trying to remove or decrease that correlation. We tried to do this, of course, through the pay-down of debt, and we've been tremendously successful. I should have read the actual number here. Let's say that we're now under \$5 billion, so there's \$17 billion of debt that we've been able to use in terms of expenditure that hasn't led to either enhancing a program or – maybe I should use another “e” word – entrenching a program. Maybe I'll use another “e” word: entrenching and entitlement, which had been characteristic of not only this government, but it's been characteristic of governments right across this country.

And believe me; we are very fortunate to be in Alberta. If you get a chance to attend, like I do, pan-Canadian meetings and listen to the

issues and the challenges that are there in other jurisdictions in this country, I mean, you're glad to get on that plane and get your butt back here to Alberta.

4:10

The Speaker: Additional questions? Hon. Member for Calgary-Fort, a question?

Mr. Cao: No, Mr. Speaker.

The Speaker: Okay. We'll recognize the hon. Member for Edmonton-Glengarry, then the hon. Member for Calgary-Fort.

Mr. Bonner: Thank you very much, Mr. Speaker. It is a pleasure to rise today and speak to Bill 2, the Financial Statutes Amendment Act, 2003, and certainly I must congratulate the hon. minister for bringing this piece of legislation forward. It's something that the Liberals have supported over the years, and I'm proud to say that the first time it appeared in this Legislature was in 1994, and it was put forward by my predecessor in Edmonton-Glengarry, the Leader of the Official Opposition, Laurence Decore. Certainly, Laurence as mayor of this city had a tremendous record of fiscal responsibility, and we in Edmonton have benefited as ratepayers and as citizens because of his financial policies. So we are glad to see that this piece of legislation is finally in front of us.

The next area that we have to look at – and I know the hon. minister just briefly touched on it a few minutes ago – is revenues, and we certainly have enjoyed incredible revenues over the last few years. Looking back at a chart which was found in *Measuring Up*, produced by Alberta Finance – and I will table these at the appropriate time, Mr. Speaker – we see that since 1998 we've had revenues that have been increasing. We did have one spike in 2000 where we went up to \$25.6 billion in revenues, and then we settled down quite consistently in 2001 and 2002 to \$2 billion in revenues.

Now, I see that at that time, as we increased our revenues, we also increased our spending. But the chart on the bottom of this particular graph indicates that, as well, we've been able to put away a minimum – a minimum – of \$1 billion per year over those five years for debt reduction. Of course, we did have an abnormal spike in prices and revenues in 2000, and at that time the surplus was \$6.6 billion. So, yes, there is money here in this province at this particular time. We've been blessed.

I know that others have made references to our neighbour to the west, and certainly their economy, which is based on mining, which is based on lumber, which is based on fishing, certainly fell into hard times over the collapse of southeast Asia economies, very similar to what we'd experienced back in the '80s under the Getty government, when our revenues and the price of oil fell to \$10 a barrel. So we did have our fair share of tough times as well. I think that we have to look at what was occurring in the province at that time. The Getty government was committed to some expenditures that had been put upon them. As well, I must commend the Getty government because at that time we had a social safety net in this province which was top notch. Those were where the last cuts were made at that particular time, and the people of this province, I think, appreciated that. One of the strengths that that government showed was to have the courage to maintain social programs in this province.

Now, then, I have spoken in this Assembly before about how every budget must have flex in it. There must be some flex not only in the revenue sources that we have and how we allocate them, but there also has to be flex in our expenditures. I look at the highlights in the third-quarter fiscal update, and I know that not only I but many Albertans would be, I think, quite shocked to realize that

program spending has increased by \$1.7 billion from the budget. Almost \$1.4 billion of the increase is due to emergency and disaster funding for agriculture, forest fire fighting costs, and flood assistance. Those were certainly unforeseen, so that is one of the reasons that we do have to have flex: in order to deal with situations that are out of our control.

We also have to be able to deal with revenues when prices go down for our oil, for our natural gas, for our lumber, whatever. We also have to be able to deal with roughly a billion dollars in lost taxes due to a flat tax. Certainly, taxes are lower for some members of this province, but for others they are not, and they are marginal for those people that could use these more than the rich. So we do have interruptions in our revenues.

Now, then, as well, one of the things that I had talked about at other times and why we do need a stability fund in this province is because of the way we were allocating our surpluses. To allocate 75 percent of any surpluses to debt reduction and the fact that we could not run a deficit at any particular time certainly put the Minister of Finance into a position where she always had to have a lot of room between her revenues and her expenses just to be able to fulfill the legislation that was in place in this province. It was a situation that we wouldn't have expected any other business in this province to operate in. It was one of those situations where if, for example, we did get less revenues than what we expected, then cuts had to be made. Unfortunately, so many times when these cuts were made, the cuts were made to the programs in our social safety net, and the people that were the most vulnerable felt the effects of those.

We certainly see, as well, that they struggle in a lot of ways. How many people in this Assembly have talked about the recipients of AISH and how they haven't had an increase for many years, yet because of our success in this province we have rising rents, we have rising utility bills, we have rising food costs, and these people are trying to make do without any significant increase over the last 10 years. So I certainly think that when we have more stability in the budget, then we will be able to take care of these most vulnerable people better than what we're doing right now.

We know that in this province, Mr. Speaker, we've always had a boom-and-bust economy, and we've certainly been riding the crest for some time of a healthy revenue stream. I also noticed that roughly a year ago when Saskatchewan was having some problems with their budget, they were able to dip into it to the tune of about a hundred million dollars to maintain programs that they felt were necessary. I think that this is one of the strengths that this program, the establishment of a stability fund, will offer us here in Alberta.

4:20

Now, then, as well, we have to look at the infrastructure debt. We have a debt of approximately \$8 billion, as has been mentioned earlier in the Assembly here, and it has a huge impact. I look at the constituencies of Edmonton-Glengarry, Edmonton-Castle Downs, and Edmonton-Calder, where we have two school boards. The Edmonton Catholic board has certainly made the construction of a high school in Castle Downs their number one priority, and this is because their other high school in the area, O'Leary, is busting at the seams. It's at max. Now, then, in Edmonton-Glengarry we're also fortunate enough to have a Protestant high school, a public high school, Queen Elizabeth composite high school, that was built in 1959 to the tune of \$1.8 million.

This was an extremely well-built school, and on the list of Edmonton public for a refit this school is way down the list. It was built that well. To replace this school today, it would probably be somewhere in the neighbourhood of \$15 million to \$20 million. It's a great facility, and it certainly indicates what happens when we have

long-term budgeting. Here we have a facility that was built in 1959 for \$1.8 million that's worth certainly in excess of \$15 million today, and we compare an investment of that over the last 40 years and then compare it to the talk of P3s today, where we are going to end up paying more for facilities and have absolutely nothing left at the end of the agreement. So I think that the stability fund will also allow us to do some long-term planning.

Now, then, we had a situation a year ago when the budget was announced where there was going to be a tremendous cut to the construction industry in this province, particularly the road building contractors in this province, and all of a sudden we realized what a great effect hundreds of millions of dollars that would be cut from the budget would have on an industry of this nature. We would have certainly had businesses that would have ceased to function here in the province. We would have had skilled workers leave the province and travel to wherever the work is going on. We would have had any number of smaller businesses that do service work for that industry that would have suffered immensely if not had to close their doors.

When we have stability, when people know that the money is going to be there from year to year to complete projects, then it does add a lot of confidence in our marketplace. It adds a lot of confidence with consumers. So we do get the spending continuing. We have low unemployment, and certainly the stress put on the social safety nets are much, much less when we have people working. It certainly is a situation where we want people working, and it just makes for a healthier population and all.

So, Mr. Speaker, with those comments I will take my seat and listen to other debate on this particular issue. Thank you.

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

Mr. Cao: Thank you, Mr. Speaker. It's an honour for me to rise today to speak on Bill 2, the Financial Statutes Amendment Act, that was introduced in the Legislature on February 24 by the hon. Treasurer, the Minister of Finance. This province is blessed with oil and gas reserves that others only dream about. The benefits derived from the nonrenewable resources have made us the envy of other jurisdictions across North America. It has allowed us to aggressively tackle the debt to the point where we now have a triple A credit rating. No other province can make that claim. Alberta continues to lead the country in growth, and Albertans have the lowest tax burden in Canada. Albertans are the direct beneficiaries of the booming economy thanks in large part to the oil and gas sector.

At the same time, longtime Albertans know too well how quickly our fortunes can change. Maybe some of you remember the bumper sticker from the '80s, and I'm paraphrasing here: please, Lord, send us another boom, and this time I won't blow it. I can't help but be reminded of that bumper sticker as this government moves forward in its new fiscal framework.

We recognize that we have no control over volatile oil and gas prices, but we can do something to protect Albertans from in-year spending cuts when prices tumble. We're having a good year, but things could change and change very quickly. Now is the time to move forward with the new fiscal framework that will establish a sustainability fund to cushion Albertans against volatile energy prices. Now is the time to establish a capital account to ensure that critical projects are not put on the back burner when prices slide. They will slide; they always do. Now is the time to move forward with a bold, new fiscal framework that will serve Alberta well now and in the future. It frees us from the ups and downs of energy prices. It will outline a capital plan that will accommodate the pressures that come from being the best province in Canada. It

allows for spending that is predictable, but more importantly it allows for spending that is sustainable.

From my technical engineering background, the establishment of a sustainability fund or account is like building a dam, creating a reservoir of water. From this reservoir we can regulate a steady flow of water supply as needed. The needed water supply becomes less dependent on the whims of nature, seasonal fluctuations. The success of this concept has been proven many times over in the practice of irrigation over the millennium. Thanks to the continuously sound and strong fiscal management of the government, Alberta is on strong financial footings. We need to continue this responsible and responsive fiscal management in order to build a strong dam, creating a big reservoir, as in my analogy.

In addition, I would like to emphasize that Alberta does not have the problem of a lack of revenue, like all other jurisdictions. Our challenge is to control the spending. Based on my analogy of building a dam, creating a reservoir is only half of the equation. Once we have established a reservoir, we still need – and, indeed, a much stronger need to have the discipline – an effective way to open and direct the flow to where it is needed the most. Everyone will be thirsty when they see a big water reservoir. We need to find new, innovative, and collaborative ways to direct that flow. I'm confident that our members of the government caucus and the Executive Council will take this challenge and be successful in finding a way.

To conclude, I urge all Members of the Legislative Assembly to support Bill 2, the Financial Statutes Amendment Act. Thank you.

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

Dr. Taft: Thanks, Mr. Speaker. I appreciate the opportunity to speak to Bill 2, which, I think we all agree, is a significant piece of legislation, quite a change of direction, setting off in a new direction, as it were, for this government and one that reflects many years of debate on how to handle the fiscal situation of Alberta. I think most of the members in the Assembly are optimistic that this will serve Albertans well. It will bring some stability to a very volatile fiscal situation. It will allow a longer term time frame to be used for managing things like infrastructure, schools, roads, that kind of thing, and hospitals and generally should improve the efficiency of the government. I think we all recognize that on-again, off-again, on-again, off-again planning and projects and management ultimately is inefficient.

4:30

I think this is a good piece of legislation. I don't know what the regulations that go along with it will look like, but in principle it's a good piece of legislation. The opposition has been advocating for this kind of approach to Alberta's fiscal situation for many years. Creating the sustainability fund and creating a capital account together will be like a good ballast in a boat, a good ballast in a ship and help it to stay upright and help it to stay stable. I'm pleased to see the reference in the legislation to the three-year business plans and the three-year capital plans, and let's hope that we can stick with those capital plans so that members of the public, contractors, road builders, school boards, and so on, can enter their plans for roads or heart institutes or high schools in Castle Downs or whatever with a lot of confidence. So all in all it's a good piece of legislation. We're glad to see it come forward. That doesn't mean, of course, that we should stop being alert to where legislation and programs and plans can go off the rails.

As I think about how this is going to be enacted, I realize that all of us must watch for a couple of things. Number one is discipline. We need to remain disciplined. We don't want to get into the kind

of fiscal party mode that has arisen from time to time in this province where there's a loss of discipline in how money is managed and spent. [interjection] Yes. Reflect back on the birthday party of Alberta's 75th anniversary in a sense that maybe that was a symbol of times when money flowed awfully loosely, and I think we need to be cautious, as the hon. Member for Edmonton-Gold Bar mentioned, about the 100th birthday coming up. Let's be sensible about how we spend that money. That's a symbol of the necessity for us to remain disciplined and especially in the tempting year or so leading up to an election.

One of my concerns is that we may be creating here a couple of election slush funds, and we're all human beings. The government will be as tempted as anybody else as the election nears to open the floodgates and make promises for new facilities and new programs all over the place and in the process get us into a situation where when the party's over and the election's over, we have our fiscal hangovers. Human nature being what it is, you can count on those temptations being there, and the opposition being what it is, you can count on us trying to keep the powers of discipline strictly in force.

I have been interested to listen to the debate here on debt and the great concern over debt, so I'm going to talk here, raise some issues that might sound like heresy in Alberta, but I'm going to at least float the notion that debt isn't always evil. Debt is not always bad. There are such things as smart debts, and we should not absolutely and forever close our mind to the possibility that debt can be a useful tool if it is used properly. It comes down to an issue of good debt management. But all we need to do is look at the private sector to see how readily they use debt to help advance their businesses, to help build up their organizations, to build their capital base, and to build their human resources. So if it can be used so successfully in corporations, maybe it can be used sometimes successfully and intelligently in government. The same kind of lesson applies from our personal lives. Most of us here, quite possibly every single one of us here, at some point in our lives have entered personal debt, and we've done that for perfectly good and sensible reasons. We need to keep in mind that debt is not always evil. Debt is a tool to be used, a tool to be managed. So that's a caution I put out there.

I would also make the point that historically debts have been used to pull countries out of depression and out of recession. The most dramatic example of that was in the late 1930s, when one of the most severe depressions that this continent has ever experienced took hold and had unemployment rates in parts of the country at 30 percent or more. It was only when a new economic model was brought in that recognized there are times when spending money actually generates money that the country of Canada and the country of the United States began to pull out of depression. Governments began recognizing that, yes, building dams, building roads, investing in public works, and, tragically as it turned out, investing in the military as World War II came along actually put a heck of a lot of people to work. It primed the economic pump. So let's not turn debt into a bogeyman. Unnecessary debt is silly, and too much debt can be tragic. That doesn't mean that debt is always bad.

There's also been some interesting discussion here about industrial programs or some term like that and economic diversification efforts. I was one of many, many Albertans who was pretty quick to condemn any of the diversification efforts of the province through the '80s or, certainly, to express great concerns as we got into, oh, projects like the magnesium plants and the meat packing plants and so on, but I think we also need to keep our minds open on this particular issue.

If we look at some of the largest corporations in Alberta, the very largest corporations in Calgary, for example – Canadian Pacific, EnCana, Suncrude, Petro-Canada. If we looked at a list of the top

five corporations in Alberta, those would probably be on that list, right there. Every one of those had its roots in government action. Every one of them was created and subsidized through taxpayer efforts, and over the long run they've all proven to be fruitful examples of what good industrial policy can be. Canadian Pacific started in scandal and controversy under Sir John A. Macdonald, but it's grown into one of the very largest corporations in Alberta and in Canada. EnCana, created last year out the merger of two former public companies, Alberta Energy and Pan-Canadian, which was a spin-off of CP, is one of the great corporate success stories of this country. What are its roots? Direct government intervention in the economy. I'm sure I don't need to explain the roots of Syncrude to anybody here, a huge company with national and international success whose roots are directly in public intervention and the same with Petro-Canada.

So I am simply cautioning all members of this Assembly not to fall into black-and-white positions, where all debt is bad or all debt is good, where all intervention in the economy is good or all intervention in the economy is bad. Let's look at the evidence. Let's see what the evidence says. If the evidence says that sometimes the market works well, let's go with that. If the evidence says that sometimes the market fails and we need public intervention, let's follow that evidence.

4:40

I guess everybody agrees with me on that position of debt, judging from the silence here. [interjection] Maybe not. No. Maybe not so sure, I'm told. Good. I like debate. This is a House of debate.

Anyways, with those comments, Mr. Speaker, I will wrap up by once again saying: Bill 2, a good piece of legislation. I wish the Member for Lacombe-Stettler were here so she could hear me say that. I agree with the government, as I think we agreed last night with the government, and I will take my seat with those comments.

Thank you, Mr. Speaker.

The Speaker: Hon. members, Standing Order 29(2)(a) kicks in. The hon. Minister of Justice and Attorney General on that section?

Mr. Hancock: Yes.

The Speaker: Proceed.

Mr. Hancock: Yes, Mr. Speaker. I just wanted to ask the hon. member whether I heard him correctly that dollars should not be always considered black and white, that when it comes to debt and finances, sometimes things are good and sometimes things are bad. I'm just wondering, if he would deign to answer my question, if he would consider that it's appropriate to consider other policies of government in the same way and to look thoroughly and effectively at all policies of government with that same lens.

Dr. Taft: We're not in committee at this point; are we, Mr. Speaker?

The Speaker: No. We're not.

Dr. Taft: I would love to answer that. I have a personal policy where I prefer to respond to these questions in committee, so I would make a point of being here in committee to answer that question.

Thank you.

The Speaker: The hon. Minister of Justice and Attorney General. Continuing?

Mr. Hancock: On debate.

The Speaker: The hon. minister.

Mr. Hancock: Thank you, Mr. Speaker. I just wish to speak very briefly to Bill 2 at this point and then move adjournment of debate on this bill. Bill 2 is I think a very important step forward. The Tuer commission, the Financial Management Commission, did some very good work in the context of consultation processes that this government has made a very important part of its mandate: to discuss with Albertans, to consult, to do things thoroughly, and then to come back, have recommendations, whether it's the justice summit or the Future Summit or the Financial Management Commission or in any number of other ways this government has consulted thoroughly. In this case, the Minister of Finance I think has embarked on a great process which took advice and ideas from all Albertans through the Future Summit and through other mechanisms and then consulted with a committee of people who have a lot of expertise in the area but who also talked to Albertans and heard from Albertans and came back with suggestions.

Mr. Speaker, I hope to have more to say on that when we come back to this bill, but at this time I would like to move that we adjourn debate.

[Motion to adjourn debate carried]

Bill 3 Electric Utilities Act

The Speaker: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. I'm pleased to move second reading of Bill 3, the Electric Utilities Act.

Refinements for Alberta's electric industry require a new Electric Utilities Act to replace the old Electric Utilities Act. The Hydro and Electric Energy Act and the Municipal Government Act and the Small Power Research and Development Act will also be amended. This bill puts into place some important changes to Alberta's electric industry. The government is working to establish the best electricity market based on sound market principles and elimination of barriers to competition. All customers will have choice of who provides their electricity.

Alberta's restructured electric industry replaces a system in which customers could only receive service from whichever utility operated in their area. This system did not respond to the changes taking place in domestic or global utility markets. Other jurisdictions and other commodities were developing more responsive, efficient, and flexible consumer service arrangements. Regulatory costs in Alberta were high, and the process itself was failing to meet the needs of industry or consumers. The long and costly hearing process hindered industry's ability to be responsive to market changes including unprecedented population and economic growth in this province.

Starting in 1990, these concerns were the subject of intense discussions involving government, utilities, consumer groups, and industry. This process resulted in the passage of the Electric Utilities Act in 1995 as the first step in transforming Alberta's electric industry. It included the introduction of competition for the benefit of consumers across the province. In the first stages regulatory approval of the need for new generation was removed, and independent power producers were able to plan for and build new generation facilities. The Power Pool of Alberta and the transmission administrator were established. The next step was the passage of the Electric

Utilities Amendment Act in 1998, which laid out the transition to move generation built under regulation into the market over a period of 20 years using the power purchase arrangements. This orderly process continued with the development of regulations setting out specific rules, roles, and responsibilities of all the players in the market.

Electric industry restructuring is based on an important principle, that opening the marketplace to competition forces the generation, wholesale energy, and retail sectors to become more efficient, competitive, and innovative. These benefits are then passed on to the consumer through increased competition, effecting long-term downward pressure on electricity costs and rates through new supply. Since the generation market opened, Mr. Speaker, in 1998, over 2,300 megawatts of new generation has come on, contributing to more reliable supply of power for Albertans through competitive pressure encouraging retailers to develop innovative services that customers want and through enabling consumers to make more informed choices about the way they consume electricity and potentially to save money based on their choices.

In addition, industry can purchase electric energy and services at competitive prices, increasing its ability to compete in world markets and create jobs and wealth for Albertans. It is government's role to manage development of the electric marketplace and ensure it evolves in a way that encourages these efficiencies. This is the reason government is proceeding with these changes to the Electric Utilities Act.

There are seven major changes in this new act to discuss today affecting industry structure, how rates are approved, and customer choice. First, this bill establishes an independent system operator. This new market operator, often called an ISO, will bring the functions of the Power Pool and transmission administrator together into one organization and will also include responsibility for load settlement. An important function of the ISO will be to plan future development of Alberta's transmission system to ensure it remains reliable and adequate to meet the needs of consumers as our province continues to grow.

4:50

This bill also gives the Balancing Pool independence governed by its own board. As is the practice now, Mr. Speaker, the Balancing Pool will continue to ensure that the unsold power purchase agreements are managed efficiently in the interest of all customers. This bill also gives more independence to the market surveillance administrator to ensure it can fulfill its mandate as the market watchdog for electricity customers. The MSA oversees and monitors electricity market activity to ensure that it is competitive and that the market participants play by the rules. A more independent MSA will give customers greater confidence that the electricity market is operating in a fair, efficient, and openly competitive manner.

Through this bill the Energy and Utilities Board is given a wider role and more responsibility as the regulatory authority that approves distribution and RRO tariffs for the majority of customers. City-owned utilities like EPCOR and Enmax have become large businesses that no longer serve only their city residents. EUB oversight and approval allows for consistent treatment of market participants by ensuring a more even playing field for both investor-owned and municipally owned utilities. The EUB approval process is an open, public, and transparent approval process. This bill also gives the EUB more power to ensure service quality standards.

Some customers have complained about billing, metering, and services from their utilities. The board will ensure utilities live up to their responsibility to deliver satisfactory service to their customers. Where a utility fails its customers, the board can levy fines.

This bill brings Medicine Hat's energy trade with the marketplace under the payment in lieu of taxes directive. PILOT payments will flow into the Balancing Pool, benefiting all customers. This will also contribute to further level the playing field so all market participants compete fairly in the marketplace.

This bill introduces a regulated default option based on the Power Pool of Alberta pool price. This gives eligible customers access to competitive wholesale market prices just as customers now have for natural gas. Small business customers will be eligible for this option starting January 1, 2004, and residential, farm, and irrigation customers on January 1, 2006.

Finally, Mr. Speaker, this bill aligns the market structures for electricity and natural gas, allowing companies to market their energy products to customers together, resulting in more options for customers.

Of course, we have not recommended these changes without speaking to those who will be affected. Alberta Energy carried out extensive stakeholder consultation with industry and listened to consumers. Stakeholders were consulted on a series of projects carried out by Alberta Energy in 2001 and '02 to review Alberta's electricity market. The industry structural review reviewed market governance, functions, and responsibilities. The retail market review assessed barriers to retail market development. The level playing field review assessed how municipally and co-operatively owned utilities participate in the restructured electricity market. The liability review examined the future liability policy for Alberta's electric industry.

Through this very detailed policy process we have developed the Electric Utilities Act, 2003. This new statute will further our goals to create a competitive electricity market attractive to investors and benefiting consumers. We have already seen one positive announcement by a new company eager to enter Alberta's electricity market because they are confident that these changes will enhance the marketplace. As the hon. Minister of Energy has said many times: restructuring is a journey, not a destination. Through this bill we continue our journey.

Both industry and customers can be confident this government is working to ensure Alberta's electricity market is based on solid ground and has the customer in sight at all times. By doing this, I am confident Alberta consumers will benefit from active competition in our electricity marketplace. All Albertan consumers—residential, agricultural, industrial, and commercial customers—can benefit from the initiatives included in this new bill.

Thank you, Mr. Speaker.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a pleasure to rise and debate Bill 3 at this time. Before I do get into my remarks, however, I would like to publicly express my gratitude to the hon. Member for Grande Prairie-Smoky for his co-operation and his patience in briefing particularly this member and our research staff in regard to Bill 3.

Now, I certainly cannot support this bill, this high-priced utilities act. The greedy picking on the needy is what this bill is. This high-priced utilities act should be scrapped. The hon. member talked earlier about the regulatory costs and the regulations that we must somehow control. Well, for all hon. members of this Assembly: there are about 12 inches of regulations stacked one on top of the other for the current Electric Utilities Act. We had to use closure in 1998 with this legislation, and I certainly hope we don't have to use closure with Bill 3. The last time we did this, we rammed it through the Assembly. Who finally has picked up the cost? The consumers

of this province, and the costs are enormous. They're in the billions and billions of dollars, and, Mr. Speaker, I'm going to get into the costs of this deregulation notion, this scheme, further on.

It's time that we unplug high power bills for Albertans, and this act certainly is not going to do it, this high-priced utilities act. What we need is a low-cost plan for electricity in this province, and this is not it. This is not it. I'm sorry. I know the hon. member means well, but we need to provide low-cost power for Albertans and affordable power for your home.

If hon. members were to go outside in the corridor, they would see this Assembly in one of the original photographs, and the electricity industry – the distribution, generation, and transmission – was in its infancy in this province. How times have changed. When we think that we use electricity every day, it's something that we can't live without. No one wants to choose to buy electricity for their home. We can talk all we want about choice, but right now the choice that Albertans have is: do they have to go to the bank and get a loan before they pay their utility bill? That's the choice that they have been left with as a result of electricity deregulation. Some Albertans on fixed incomes have the choice of whether they have heat, light, or food, and this is certainly not a step in the right direction.

Now, electricity, as I said, is a matter of necessity, and low rates were an Alberta tradition until we let blind ideology get in the way. For many years Albertans enjoyed some of the lowest power rates in North America. Not any longer, not under this government's policy. If we adopt this bill, a continuation of high prices. Hello?

5:00

Now, for many years we didn't even need to think about electricity unless the power went out and we were counting the minutes or hours until service was restored. January 10 could have been a very unfortunate historic day in this province because the Power Pool had to go on an emergency alert because there were no more available resources. We can brag all we want about this generation that we've created under deregulation, but it wasn't available on that day. We were at the mercy of British Columbia and the providers of electricity in Saskatchewan. Fortunately, Saskatchewan had over a hundred megawatts extra, or there would have been lights out in some parts of this province. If I'm picking a place for the lights to go out first under electricity deregulation, it's going to be Calgary. It's going to be Calgary, not Edmonton.

An efficient, reliable, affordable system that once served us so well was dismantled by this government with no rhyme or reason. If there is any cost-benefit analysis that will tell us that deregulation is the economic saviour, table it. Table it in this Assembly for everyone to see. Where are the studies that show that there is a benefit for the consumers of this province, whether they're residential, commercial, or industrial, through electricity deregulation? The whole deregulation plan has failed. Not only has it failed; it's failed miserably.

The Alberta government, unfortunately, traded a perfectly functional, customer-friendly system for a complex, confusing, and, worst of all, very expensive, \$9 billion mistake. Earlier in debate this afternoon we were talking about Tory boondoggles, and electricity deregulation is the granddaddy of all Tory boondoggles. The great granddaddy. I can't believe that any government in any part of the country could top this. I doubt that it'll happen; I certainly hope it doesn't happen. Now, Albertans are paying the price, and they're going to continue to pay the price for this boondoggle. The government has spent billions of our hard-earned tax dollars trying to fix this costly mistake, and it hasn't worked. Bill 3 is not the answer. The mess will just get worse, unfortunately.

I urge all hon. members of this Assembly to visit altaliberals.ab.ca,

regardless of which area of the province you live in, and you can see for yourself. That's altaliberals.ab.ca. If you're an Enmax customer, our low-cost plan will save you 33 percent on your monthly bill if your consumption is around 600 kilowatts a month.

Do Albertans want to shop around for power? Not one Albertan – and there are many from all over the province who phone me on a daily basis complaining about their power bills – wants choice. What they want is affordable power. As if high, confusing bills aren't enough, with this Bill 3 Albertans are now going to be forced to shop around for electricity service. Apparently, there are going to be stages in this flow-through option. I don't have my computer with me, but it's coming up to peak demand in Alberta, and it would be interesting to know what the wholesale price of electricity is trading at at the 1700-hour mark, at this time. I can just look at January 14, for example, and at 6 o'clock it was 24 cents a kilowatt-hour. How is Bill 3 going to affect consumers with this flow-through option?

An Hon. Member: What's the average?

Mr. MacDonald: The average at this time, for the hon. member across the way, would be about 8 cents a kilowatt, and that's without distribution and transmission costs. That is going to be a problem for many Albertans. That is going to be a real problem.

Now, we need to have cheap, reliable power like we used to have, like the old Alberta tradition, and we need not only to consult with the supposed industrial stakeholders, but we should take a walk into the history pages of this province and recognize that a former government, the Social Credit government at the time – I believe it was 1940 – actually held a referendum on what direction the electricity distribution, transmission, and generation system should go in this province. That government listened to the people. This government, unfortunately, on this issue is not listening to the people.

How many people would like the choice of going back to a low-cost system?

Dr. Taft: I would.

Mr. MacDonald: Exactly. Everybody would, and this is not the low-cost system.

Now, power bills should be easy to understand. You shouldn't have to have a forensic auditor standing beside your mailbox when you get your electricity bill, and that's the case now. No one can understand the bills. No one can understand them. With a low-cost plan you would get one rate with no contracts to sign and no complicated calculations to make. That's what we need, and this bill is certainly not, Mr. Speaker, going to provide that. Every Albertan should be able to count on a steady supply of low-cost power for years to come, and nothing like this is guaranteed in Bill 3. There is no consumer choice here.

There is no discussion about exports and what they're going to do to our domestic prices here. Oh, no, we're not going to mention that. Exports are going to increase the domestic price of electricity in this province.

Now, electricity is not a commodity, as was described earlier in the Member for Grande Prairie-Smoky's remarks. Electricity is an essential service, and this is where the government has it wrong. It's not a commodity subject to radical price swings. We need to have a centralized, streamlined system that minimizes capital and operating costs, and that is not what Bill 3 is about. Electricity is not a commodity, because it cannot be stored. You can store wheat. You can store oil. You can store gas. You can store gold. You can

store any commodity, but you cannot store electricity. The system has to be in a constant state of balance between supply and demand, and that's why we can't treat it as a commodity. It is an essential service.

Deregulation has certainly not worked in this province. We were promised that changes would bring lower power bills. That was an empty promise. Electricity prices have skyrocketed. We only have to look at other jurisdictions; many, many have come to their senses and rejected deregulation. They aren't going one step down the road with another high-priced utilities act. They're coming to their senses and saying: this was a mistake, it doesn't work, and we're going back to a tried-and-true system to deliver electricity to consumers.

California's disastrous experiment with deregulation, which also started with the promises of cheaper power, ended in early 2003. RIP to electricity deregulation in California. This was after eight years of economic misery for consumers. In announcing the decision, the California Public Utilities Commission said that deregulation was the most expensive public policy mistake in the history of California. Can Alberta be very far behind? I don't think so, unfortunately.

5:10

I would urge all members to think about the money that we have spent on this costly mistake and think about the future. We look at the comments about natural gas fired generation, about how much of that has come onstream. Well, I don't have today's current supply/demand report from the Power Pool, but I have one from another winter's day. This was January 14, and of all that gas-fired generation that was supposedly created, less than 50 percent was being used at this hour of the day to provide electricity for Alberta consumers. Now, why would that be happening? Everyone was so anxious to build these natural gas fired generators, and then, suddenly, they don't want to operate them. What's going on? How are Albertans going to benefit from a system like that?

Our current system, one that is going to be enhanced in this bill, is going to allow the Power Pool of Alberta to continue to determine bids and offers submitted by market participants. What's interesting about this is that the lowest offer received for the last unit of generation required to meet demand sets the pool price. So everyone is going to be lumped in together, whether they're coal-fired or whether they're natural gas fired, whether it's hydro power. Everybody is lumped into that system.

Now, Bill 3 does nothing to end price manipulation. There have been two recent examples of price manipulation in the Power Pool in Calgary.

Mr. Smith: Tell the truth. Tell the truth.

Mr. MacDonald: Okay. The hon. Minister of Energy is talking about the truth. This is the truth. There were reports of price manipulation, and there was no clarification from the minister on how much electricity was involved in this price manipulation, what the cost was, and who was behind it. All this is done behind a veil.

Now, there has been a recent report. I believe it was . . .

Mr. Smith: Mr. Speaker, point of order.

The Speaker: Yes, hon. member.

Point of Order Imputing Motives

Mr. Smith: Mr. Speaker, a point of order, Standing Order 23, imputing false motives. The member has absolutely no way of

determining what information I had or did not have. If he'd stick to his facts, we'd be much obliged.

Thank you.

The Speaker: Hon. Member for Edmonton-Gold Bar, you have to respond.

Mr. MacDonald: Pardon me?

The Speaker: There's a requirement to respond here.

Mr. MacDonald: The facts are as reported in the *Edmonton Journal* and in various newspapers. I would be interested to see if the minister has any comments regarding the reported manipulation that occurred on the Power Pool web site dated December 16, 2002.

The Speaker: The point that we have here now, unfortunately, though, is the suggestion made by the hon. Minister of Energy that his personal character has been tarnished by comments made by the hon. Member for Edmonton-Gold Bar, and the last comments made by the hon. Member for Edmonton-Gold Bar do not contribute to the clarification of this issue. Whether or not somebody chooses to comment on something in a newspaper has absolutely nothing to do with the issue. If I understand the Minister of Energy, he cited Standing Order 23, some section in it, and I guess it's on that point that we need clarification, not on the issue itself. That's not the point of the point of order.

Mr. MacDonald: Thank you, Mr. Speaker. Now, when we're talking about . . .

The Speaker: Hon. member, please sit down. Hon. member, there's been a point of order raised. It has to do with personal aspersions against another member. The subject, the context of the bill has nothing to do with what we're talking about now. We're talking now about the personal aspersion against another member that has to be clarified. That's what I'd ask you to deal with. The hon. Member for Edmonton-Gold Bar has been recognized to deal with this point of order.

Mr. MacDonald: Yes, Mr. Speaker. I'm just looking for clarification on the remarks that were made from the *Edmonton Journal* in relation to this alleged . . .

The Speaker: Please, hon. member. Please. The rules clearly indicate that no member has to deal with anything printed in a newspaper. That's not the subject matter here. It's the question of personal aspersion against the Minister of Energy that I'd like you to deal with, please.

Mr. MacDonald: Mr. Speaker, I in no way, shape, or form in my remarks intended to cast personal aspersions at the Minister of Energy. The Minister of Energy, I think, is aware of the cases that I am talking about in my remarks regarding price manipulation.

The Speaker: Hon. Minister of Energy, does that satisfy the point of order?

Mr. Smith: Yes, Mr. Speaker, it does, and thank you for the opportunity for the member to clarify the fact that he would in no way know what information I did or did not have in my possession. Thank you.

The Speaker: Now please continue, hon. Member for Edmonton-Gold Bar.

Debate Continued

Mr. MacDonald: Thank you. Now, Mr. Speaker, when there is price manipulation at the Power Pool, it is a very, very serious issue. It's a very serious issue. When you think that electricity consumers in Alberta have been victims of this manipulation of this deregulated market, we need to improve that. We need to ensure that there are adequate guidelines here to deal with that, and they are not here. It is simply not in this legislation.

What's going to happen? Is this price manipulation going to continue? I certainly hope not, but unfortunately it has. When one looks at what has happened and the fact that there have been admissions – I find it amazing that when we have admissions that there has been price manipulation, nothing is going to be done about it, not in this bill, not in the past. I for one don't have the confidence that this legislation is going to deal with that.

If we look again at how much this is going to cost, we have to look at the total bill for the rebates. This is money that came from the auction of assets Albertans had previously paid for. That's \$2.3 billion. We look at the deferral accounts, the rate riders, and that's in the range of \$700 million. This is occurring because the government imposed a price cap, and this was the amount the utilities were forced to postpone collecting from consumers until after the general election, the last election, and now everyone has to pay.

Now, the Balancing Pool deferral. It's going to be interesting when we get into committee on this bill how there's going to be an explanation for the Balancing Pool deferral accounts. In the last report that was made available from the Balancing Pool, they are listed at \$345 million. Who, Mr. Speaker, is going to pay for that?

The Balancing Pool is required to take on certain risks in the industry, and they are bankrolled by Albertans.

The hon. Member for Grande Prairie-Smoky stated that fortunately a t e l y the PILOTs, or the payments in lieu of taxes, are going into the Balancing Pool for the benefit of all consumers. Well, this hon. member considers that to be a subsidy to some of the bigger electricity producers.

Thank you.

5:20

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

Rev. Abbott: Thank you, Mr. Speaker. I noticed that the member opposite claimed . . . Standing Order 29(2)?

The Speaker: Please sit down. Standing Order 29(2)(b) does not kick in to the second speaker, so we're open to people who want to participate. The hon. Deputy Premier.

Mrs. McClellan: Mr. Speaker, I would like to enter the debate on this bill, but I think that in view of the hour I would move adjournment on the bill.

[Motion to adjourn debate carried]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 8 p.m.

[Motion carried; the Assembly adjourned at 5:21 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, February 26, 2003**

8:00 p.m.

Date: 2003/02/26

[Mr. Shariff in the chair]

The Acting Speaker: Please be seated.

head: **Government Bills and Orders**

head: Second Reading

Bill 2

Financial Statutes Amendment Act, 2003

[Adjourned debate February 26: Mr. Hancock]

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I did speak briefly and adjourned debate, and I don't want to take too much time on Bill 2. I did want to just add a few words to the debate.

Because one of the members this afternoon in debate encouraged government members to get into debate on this issue and made a comment about the debate on Bill 201, the private member's bill, and how much participation there was on that, I just wanted to make sure that everybody understood for the record that before government bills come to the table, they go through a considerable amount of debate. Government members do have the privilege – and it is a privilege; I acknowledge that – of participating in debate at standing policy committees and at caucus and sometimes at cabinet, so they go through a lot of the discussion on bills before they come to the House. So when it seems like the opposition is afforded most of the privilege of speaking on bills in the House, well, there's a very good reason for that: they haven't had an opportunity to speak to the bill yet. They haven't had an opportunity to add their words of wisdom to the debate, but most of the members on this side of the House have participated fully long before it gets here.

Ms Blakeman: How would we know? It's out of the sight of the public.

Mr. Hancock: How would you know? Well, you know because the quality of the bill that comes to the House is usually superb.

What I wanted to say about Bill 2 is important. There are some significant changes, but one of the most significant changes to the way we do financial matters in the province, as outlined in Bill 2, is the change to the way that we deal with capital. I'm sure the Minister of Infrastructure won't mind if I spend just a minute talking about the way we do capital, particularly P3s, because P3s, public/private partnerships, have been a much misunderstood concept in the public debate in my view and one which really bears some discussion and clearing up.

The opportunity for government to leverage its capital to do more in the near term so that we have capital structures in place for the long term at a time when they're needed because the population has grown, because the economy is strong, because things are happening is a very important concept. In the old method of utilizing capital, it was, of course, pay as you go, and it came off the bottom line. That capital was not expressed in a balance sheet of government. So there was no acknowledgment of the fact that although the money was spent, there was good value obtained for it and there was an asset on the books, because the books didn't reflect those assets. So the change in Bill 2 which allows us to reflect assets on a balance sheet and show that an expenditure that's taken is accompanied by a corollary asset that's achieved and then that asset expended

through depreciation over the usable life of the capital project, I think is a very substantial change.

One of the other very substantial changes is the concept which allows us to partner with others to provide public goods, to provide public capital. There are a number of very good ways in which that can be done. One of the projects that is currently being talked about and currently being pursued is a courthouse in Calgary. Now, there is a high demand for capital properties. Health facilities and schools and roads are very important in terms of building and developing the future for our province, but justice in the courts is also extremely important. So how can we find capital to do all of the important projects when there's a limited amount of capital available? In my view, Mr. Speaker, Bill 2 affords us some opportunity to embrace the concept of a public/private partnership where it's appropriate and when it pays dividends for the public.

Now, I've mentioned the public/private partnership concept in a courthouse. I also want to talk very briefly about the concept of public/private partnerships in schools because in recent months there's been some discussion about whether or not they can be effective. Well, whether it's a courthouse or a school or any other public building, if you believe that a public/private partnership is simply having a private developer build a capital structure and then leasing it back to government over its usable life, you haven't got any more than a build/leaseback. That's not what you're talking about in a public/private partnership. It may be one way of building buildings and expressing the capital over the lifetime of the building, but it's not truly a public/private partnership.

A public/private partnership is a situation where you can get the private sector to bring its ingenuity, its ability to do projects perhaps better or faster to the table because of the way they can organize the operation. It's an opportunity to bring innovation to the table. It's an opportunity to reduce, perhaps, the long-term operating risks. But obviously any project of that nature would have to be done in a context where you don't reduce the quality of the building. You don't reduce the quality in order to get the private sector to build, and you don't pay more in order to get the private sector to build unless you're getting something more than you would the other way.

I'll use the school as a concept because in my constituency a lot of people have talked about this question of how you use a public/private partnership for a school. Indeed, the Leader of the Opposition has talked about that in my constituency. There is nothing wrong, in my submission, with having a public/private partnership with a developer in a new subdivision or a new area of a subdivision. I'll use Edmonton-Whitemud as an example. In the southwest portion of my constituency there are probably six new communities being built, and there are probably six developers building those communities. These communities are very good communities; they've got everything they need. They've got roads. They've got parks. They've got all the services you could want. They even have a place set aside to build a corner store. They've got everything they have, but they don't have schools.

Mr. Mason: They don't have a New Democrat MLA.

Mr. Hancock: I said: everything they needed.

What they need is schools, and the schools typically in our subdivisions don't get built until a lot longer down the road, when many of the young children who have grown up in those communities – new communities tend to have younger families – have left before the schools get built. So the system is wrong in terms of the way we develop, but you can't obviously build a new school in every subdivision. The planning process has got to change to recognize that. Probably in southwest Edmonton there's going to be one

school in that area, one elementary school, maybe one junior high school.

So the question then is: where does it get built, and how does it get built? Well, obviously, the question of where it gets built and if it gets built still has to be left with the school division, that is going to determine whether it's got need in the area and determine how it fits in its complement of schools and all those sorts of issues. Obviously, that's not a decision you leave to the developer. But there may be seven or eight or even probably 14 different school sites in that area, and any one of them could have a school built on it. Probably half of them are optimal for having schools built on them, and only one is likely going to have a school built on it.

Why don't we get together with the developers in that area and say: "Sharpen your pencils, guys; come to the table. Which of you would like to build a school in your neighbourhood on the land that's been set aside for schools? What we can bring to the partnership is seven or eight other pieces of land that can be put into the partnership, so put that into your mix." But nobody should be thinking about that. [interjection] The Leader of the Opposition is asking me a question. I'd be more than happy to answer it if I'd heard it.

Nobody is talking about letting the developer run rampant and build a school. Nobody is suggesting that the developer should set the quality standards of the school or decide where the school should be. But everybody, I think, would acknowledge that if a school were built in a community, it would enhance the viability of the community and enhance the salability of the community. So the developer obviously has an interest in having a school in their particular part of the community. And as long as there's not going to be one school in every community but there is going to be a school in one of those communities, why wouldn't you go to those developers and say: "Come to the table. What kind of a deal will you make?"

I'll bet you in some areas where there are that many houses going up and that many developers in there, you might get a developer who'll come to the table with a pretty good deal for the public. But they would have to build it to the quality standards. They would have to build it in an area that the school board wanted a school. They would have to meet all the requirements. We're not talking about having them build a school that we would lease for the next 30 years and pay them more than it would cost for the government itself to build the school. That's not the deal. That's no bargain. That's not a partnership. Partnership is when everybody gets something out of the process.

8:10

So, Mr. Speaker, what I wanted to add to the discussion today is that when we're talking about P3s, we ought not to confuse public/private partnerships with other forms of financing: build/leasebacks or bond issues or those sorts of things. Those may be relevant and appropriate in certain circumstances, but public/private partnerships are when the public dollar and the private dollar can go into a project, where the public gets something it needs on a timely basis, where the private sector obviously gets something that it needs, perhaps enhancement of their community. It's a win/win situation, and it costs the public less to get more. That's what a public/private partnership is, Mr. Speaker.

I'm very excited about Bill 2 providing some of the framework and structures so that instead of doing everything the same old way, instead of having to write off 100 percent of the dollars in the year that you commit to the project, you might think about capital in a broader perspective: carry capital over from one year to the next, dedicate it to the project you're trying to build rather than the year you're going to build it in, deal with it in an innovative way, have

the flexibility to do things appropriately to get the best costs so that you're not always building everything when the costs are highest and building nothing when the costs are lowest. Being able to manage capital in a much more businesslike manner: that's what Bill 2 does for us. It also opens all sorts of opportunities to unleash the innovation that can come from the private sector and allow it to do public good.

Mr. Speaker, I think Bill 2 is a good bill.

The Acting Speaker: All those members who've been sitting on the edges of their chair to ask a question of the hon. Government House Leader, this is your opportunity for the next five minutes.

There being none, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

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

Mr. McClelland: Thank you very much, Mr. Speaker. To you and through you to other members of the Legislature it is my honour and privilege to welcome to our Legislature 15 scouts of the Duggan Scout group. They are accompanied by their leaders: Paul Chell, Guy Germain, and Debbie Schmermund. We would ask them to please rise and accept the warm welcome of this House. Welcome.

Thank you, Mr. Speaker.

head: **Government Bills and Orders**

head: Second Reading

Bill 2

Financial Statutes Amendment Act, 2003

(continued)

The Acting Speaker: The hon. Leader of Her Majesty's Official Opposition.

Dr. Nicol: Thank you, Mr. Speaker. It's a real privilege tonight to stand and speak to Bill 2. I just want to start by welcoming to the Legislature the young Albertans that were just introduced. It's great to see them come in and take an interest in the democratic process, especially tonight while we're talking about some of the things that are really going to affect their future in the context of schools and how we build infrastructure and how we manage money so that they've got a stable province in the future. So, personally, I just want to say thanks for coming in, and I hope you enjoy the evening.

On Bill 2, Mr. Speaker, it's really one of those situations where you stand, and as the Official Opposition, you know, in a British democracy we're supposed to say: this is what's wrong and this is what's wrong and this is what's wrong. But for seven years we've been asking the government to do just what they're doing in this bill, so it's kind of hard for us to say there's much wrong with it. Since I became the Leader of the Official Opposition, I've been asking the government to try and implement four different tools that would improve our financial position and financial management in this province. Directly, three of them are now included in this, so I've got to say: for three-quarters let's say thank you.

It was interesting because the fourth issue, which had to deal with the predictability of budgeting for the arm's-length agencies, the minister talked about today and said that this was all going to be now built into the preparation and a much more predictable business plan adherence. So, in effect, all four of the things I was hoping for are being made possible by this bill. So to the Minister of Finance,

thank you. Albertans thank you. It's a great idea that some of these things are finally being put in place.

The Minister of Justice talked a minute ago about the idea of looking at how we deal with our capital assets and investment in infrastructure. That's one of the things that's really being facilitated by this act under the new capital fund that's going to be established. This is a fund that's really going to allow us to, as he explained, spread out in many ways the planning that we do for our infrastructure.

He took that debate and then went off and started talking about P3s. You know, this is one of the issues that you have to look at. If the government had been properly dealing with the needs of our infrastructure over the last 10 years rather than building a debt in our infrastructure – getting behind in building our schools, getting behind in building our highways and health facilities, getting behind in the courthouse that he talked about in Calgary – what we would in effect have is the opportunity to deal with: how is it that we should be planning capital in the long run in a stable, sustainable economy?

You know, with the example that the minister gave about this partnership where everybody gains, we have to recognize that if we were doing that planning appropriately at the start, these multiple communities that he was talking about, only one of which is going to get a school – and he suggested that the best way to do that was to see which developer would give us the best deal in building the school in their community. Well, I guess the reaction that I had to that – and I made a comment about it – is that it shouldn't be the developers that decide where that school is built. It should be the school board of the jurisdiction, in our case the Edmonton school boards, either the public or the separate school board. That's who should be deciding with the community planners, not developers, in terms of who can give the best deal to establish a school in their community. Obviously, they may end up saying: well, if we can put it in our community, we can sell our houses before they can in the other one.

Well, you know, that shouldn't be the criteria because it should be based on the overall community plan. What traffic patterns does the community want? What was built into the subdivision plan? What age distribution? What growth patterns do they want to see in the population base? Where might the next subdivision go? Those are the kinds of things that have to be put in. So I would suggest that letting developers decide where the school goes compromises a community in deciding . . .

Mr. Hancock: Nobody was suggesting that.

Dr. Nicol: Well, the minister says that that's not what he was suggesting, but what I heard him say was that, in effect, he would go to the developers and say: give us your best shot, and let's see what we can get.

The idea is that we've got to make sure that this is done in the community interest, and as a government our mandate is to make sure that the best use of the public dollar is there for the community, for Albertans. We should not be out there trying to make sure the developers make an extra dollar. They're going to do that anyway. What we've got to do is make sure that the public tax dollar is well spent. Private developers get their share of that because they are the people who are contracted to actually build the facility. They can do that. They can do that with the ingenuity and the speed that the minister talked about. So that's kind of what I wanted to talk about just in reaction to the comments that he had brought forward.

In the rest of the act what we're looking at are some real issues about the ability now to really have more flexibility in this long-run plan for our province, you know, the sustainability part of this act,

which is going to allow us to have a fund that will provide dollars for unforeseen and unpredicted shortfalls in revenue.

8:20

Now, the idea that a certain amount of our natural resource revenues is going to be dedicated to general revenue and the rest will go into the stability fund is great because what it does is give us that predictability that we need. When the stability fund is there, we can draw money back out if that level of natural resource revenue is not achieved. In this model right now and in the current government implementation plan it's going to be about 3 and a half billion dollars of natural resource revenues that go to general revenue. The issue is that when we build the stability fund, or the sustainability fund as the government is calling it, what we need to do is look at what is an appropriate level for it.

I was very pleased this morning when we had a chance to get a briefing from the minister's staff, and I want to thank the Minister of Finance for making that briefing available to us. What they talked about were the conditions under which money can be withdrawn from that stability fund. I guess the only question that came up in connection with it after my staff came back and debriefed me on their briefing was how it is going to relate to current budgeting practices. They talk about the idea that the sustainability fund will be used for emergencies, and they list fires, droughts, floods – you know, the Pine Lake tornado – and that kind of thing, yet when they're starting this fund off, they're only committing \$400 million to it this year. This act changes the contingency fund requirements of the general revenue fund from a 3 percent contingency fund down to a 1 percent contingency fund, yet it seems that we're putting more demand on that contingency fund, which is, in effect, the stability fund, or sustainability fund now, by having the flood and emergency components there.

I guess the question that I throw out – and at some point the minister can clarify this for me – is: is this over and above the normal budget amounts? We've always had disaster components built into our regular budget practice. She signals that it's over amounts, so that helps a lot. Thank you. That clarifies one of the concerns that I had. If we were going to put all of those emergency and disaster demands on this fund, then it wouldn't have been big enough, you know, based on some of the experiences we've had in the past few years, but if it is built into the regular budgeting practice and then this is just for over and above the plan, that helps a lot. Thank you. That works out to provide that kind of a better understanding for it.

I guess when we look at it from the point of view of: let's be a little optimistic and think down the road a few years, when the fund hits the cap of the 2 and a half billion dollars – you know, this is a really interesting one that the government gave us in the briefing. They said that once it hits that 2 and a half billion dollars, any additional dollars can be used for four things. They listed debt repayment, capital investment, improving the government's balance sheet, and not operating expenses.

It would be nice to have a fifth one put there which would have an asterisk on it that said: if it looks like we're now entering a new scenario where there's going to be a long-term continuing surplus, how about a tax cut? You know, that might be one of the things we should be looking at as well. If we built that up in a very short period of time, then what we need to do is look at whether or not this is sustainable. If that is a sustainable ongoing surplus, that needs to be one of the options because we sure don't want to make it sound like the only option we've got after that's full is to spend the money. It's Albertans' money. They should have some kind of a say in it as well or some kind of a claim on it. That's the kind of thing that I

would like to just add to their list of options when we look at it. It needs to be built in.

The next part that I just want to talk a little bit about is the benefits that we are going to have with the proposed capital planning part that's built into this. You know, if we actually do undertake and commit to those three-year capital plans, what is going to happen is that we're going to get rid of one of the greatest concerns that was expressed to me in the 2000-2001 period, when we had originally planned for a significant, almost \$2 billion capital budget, and then we had to cut back when revenues fell. I can tell the minister now that I got a number of calls from the capital construction industry in Alberta, if I want to put a broad base on it. I don't want to just say the highway builders or the school builders or that kind of thing. It was a general concern by the capital building industry in this province, and they said: how can they plan, how can they commit to their bank to buy new equipment to carry out the stuff we need if there's no predictability and no stability in our capital plan?

So this is another one of the things that is a spin-off from this whole stabilization concept that's being built into all of these different funds. I'm not talking about the fund; I'm talking about the concept of stability. It needs to be there from the point of view of not only our planning as policymakers but also planning on behalf of the industry that will be doing things for us or the planners who are, like the school boards, trying to meet needs of service delivery. What it does is that it really is going to create a much better environment for all of the things that we want to do in terms of planning in this province.

If we look at the other components that are in there, they talk about moving to an amortization of capital for the government's bottom line. You know, the amortization of capital is a mechanism to keep track of the capital that we've already put in place. I guess the thing that I would like to ask here in that context is: how do we deal with the backlog, especially over the next couple or three years as we try to catch up in some of the deficit that we have in our infrastructure right now?

You know, the Minister of Infrastructure and the Minister of Transportation and the Premier have all talked about the idea that we do have to in effect catch up. If we're going to talk about a balance sheet, which I've heard the minister talk about on a number of occasions, will that catch-up need or the deficit that we have in our infrastructure be included as part of the balance sheet for our province? You know, as we try to create the sustainability that we have been talking about here, that has to incorporate a degree of commitment to ongoing support for our infrastructure, and if we're behind right now, we need to recognize that and catch up so that in the future we can truly be dealing with sustainability of that infrastructure base.

So when the minister has been talking about this balance sheet for Alberta, I would hope that it includes, you know, some kind of an estimate of where we're at in the context of a deficit in infrastructure. If we're going to truly look at what we have to do as a province in making our decisions, the planners out there need to know where we're at, what's a backlog, if we're going to spend the extra \$3 billion a year for the next possibly three years. If the plans of the Premier in his television address work out, then the industry out there needs to know: is that an ongoing thing or is it for three years, that they get the extra billion dollars for three years and then it's gone, that we have to drop back to the approximately a billion that's in the budget on an annual basis? Then they can plan. But if they know that there's still a deficit in infrastructure, they'll expect there still will be possibly some subsequent catch-up in years after that third year. It gives them a chance to decide whether they should invest in new equipment or new training of employees, the whole bit.

So I would hope that that gets built into that infrastructure on that balance sheet basis.

8:30

The other aspect that we look at is, I guess, the increased flexibility, and that has to be something that we look at very positively in this piece of legislation because the government now is going to have options at the end of the year. It's going to have an option to look at how they can, in effect, deal with surpluses in the budget rather than having that rigid 25-75 that we had before. You know, I think that we have to look at that giving us as a province a real chance to deal with some of the issues that are being addressed or that arise during a year and look at it from the point of view of what's really in the best interests of the province as a whole. We need to look at that.

The interesting idea that we're going to have an option to, in effect, carry over those capital dollars really helps. The main thing that we're going to have is some stability. You know, Mr. Speaker, it's I think contingent on all of us to talk about this act and say that it gives us a chance to do things much differently than we did in the past. It's going to give us a chance to probably really promote better planning for the province, and I guess that from that perspective I would hope that everybody would help to in some way expedite this through so that we can put it in place.

I'm going to close with that, Mr. Speaker, and I'm going to close with kind of a humorous little incident that happened this afternoon. When the minister announced her third-quarter update at 10 o'clock this morning, the press obviously ran up and said, "Ken, what do you think?" After some discussions I made a comment. I said: "You know, it's really kind of interesting that we're getting this third-quarter update in the framework of the new legislation, which has not yet been passed, so in effect we're doing something that isn't legal. You know, we're reporting this third-quarter update using a framework that the Legislature hasn't given them permission to use yet." So in the Premier's 3 o'clock scrum one of the reporters picked up on it, went to the Premier and said, "Mr. Premier, the opposition is accusing you of breaking the law." He said, "What do you mean?" He said, "Well, you know, you're reporting your financial statements using a thing that isn't legal yet." The Premier looked at it and said: "Well, my gosh. Whip me with a wet noodle; will you?" So I don't want the Premier to have to be whipped with a wet noodle. Let's give him the framework.

Thank you very much.

The Acting Speaker: Standing Order 29 kicks in. The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. As I understand Standing Order 29, it's available for question or comment, and I'd only want to make the comment that the hon. Leader of the Opposition, I think, misinterpreted my remarks slightly. I'll give him the benefit of the doubt. There probably was too much noise in the place; he couldn't hear me. I did say that the school boards ought to be the ones who determine where schools go, make that determination. Developers can come to the table and make proposals, but the determination of where a school ought to go ought to be made on the basis of the public interest. That was the gist of my remarks. If I wasn't clear enough, I wanted to clarify.

The Acting Speaker: The hon. leader.

Dr. Nicol: I stand corrected.

The Acting Speaker: There being no questions, I'll recognize Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. I am pleased to take this opportunity in second reading to speak to the principle of Bill 2, the Financial Statutes Amendment Act, 2003. Well, I've been in this Assembly going into my seventh year now, and I've been hearing about the Liberal plan for a stability fund every one of those years, and now we have it incorporated into legislation by the Conservative government.

Mr. Mason: They're just Liberals in a hurry.

Ms Blakeman: You've got to be just the tiniest bit jealous about this one; don't you? I'm sorry. My remark was directed towards the Member for Edmonton-Highlands. I apologize, Mr. Speaker.

As I looked through the notes, actually, there was a letter from Dr. Percy, who was then the Member for Edmonton-Whitemud, first raising the idea, and then in fact the Member for Edmonton-Mill Creek had a bill brought forward with exactly that idea. Then, of course, it was brought forward by our own sitting Member for Edmonton-Ellerslie and then by our leader in the last year. So I think the Liberals deserve credit for being persistent in bringing this idea before the Assembly enough times that the government finally saw the light and, in fact, incorporated it into what they were doing.

I was interested or perhaps intrigued to listen to some excerpts from the government members talking about this act this afternoon. I heard the intergenerational debt argument being raised again, which I thought was very interesting. That's the one about how the government saved future generations of children from debt and deficit. I'm always fascinated by that argument, and it was used at the time, but it's as though the government members like to think that the debt was created by a meteor or an act of God or a firestorm or something. I mean, the truth is that the debt was created by the very same Conservative government. It took them 20 years to rack up the debt and 10 years to pay it off. This was not created out of thin air. They strut about as though they invented the most marvelous thing. Well, I guess they did. They invented an enormous debt, that all Albertans have had to help them pay off now. But they talk about it like they had no connection to the creation of it.

You know, they didn't dissolve the Conservative Party and start it again under a different name or something. They didn't. It's exactly the same party. If you check under the Societies Act registration, it's a continuous registry there. It's exactly the same party. It's exactly the same people that created the debt, and now they want congratulations for having to work to pay it down. Well, I don't know, Mr. Speaker. It's just one of those strange, twisted little facts of sitting in this Assembly some days.

I heard another member speaking: look in the mirror, and you will see who created the debt; it was Albertans who created this debt; let's blame it on the schools and the parents and the seniors. Excuse me. Those people were not the government. They did not make the choices that put those programs in place. They did not pass those budgets. The Conservative Party as the government did. You guys made those choices. Don't bother blaming that on the seniors. Don't blame it on the parents or on the schools. That's not who made those decisions. The current sitting government made those decisions. So don't blame it on anybody else.

Mr. Mason: The ogre of overspending.

Ms Blakeman: You're just itching to get up on this one again. Yeah; this was created by the choices of this government.

The other thing that I've followed along with, I've thought: wow, I don't think you could write a science fiction novel freakier than this stuff. I mean, is this whole idea that somehow this astonishing, brilliant, economic theory helped this government devise the plan to get rid of the deficit and the debt? Well, no. I mean, the money came from high oil and gas prices, from surpluses that way. Hello? It almost grew on trees, except it didn't. It came out of the ground. Lucky, lucky for the government. It literally opened up before them and came out of the ground. They couldn't have had it any luckier. So as far as brilliant planning and astonishing budget management, no. Sorry, guys. You had oil at, like, 40 bucks a barrel. I mean, anybody could have had a surplus with that.

8:40

An Hon. Member: Could it be good karma?

Ms Blakeman: Good karma. I'm asked if it could be good karma. Well, now we're back to this argument about who created the debt. The same people. So maybe the karma was that you'll finally get to pay off your own debt.

So we had cut stupid in that it wasn't planned. They were very quick cuts. The cuts came out of the frontline services. The cuts came out of maintenance, which is costing us a lot of money further down the line, as we know now. We had cut stupid, we had surplus easy, and then we had spend stupid. So I never quite understand why this government is so darned proud of this whole fiscal thing because it just strikes me as bizarre.

Now, let's talk about the intergenerational debt thing: "Oh, my goodness, we have to pay down this debt, or we will transfer debt to our children, to our kids and our grand-kids. Oh, man, we've got to do this right away." I go: what is the one group that has been affected instantly, in less than half of a generation? Which group of people in less than half a generation has borne the brunt of this government's choices? That would be our kids and our grand-kids. Well, how? Well, look at the cost of university tuition and tuition to colleges and institutes of technology. Who is carrying that debt on behalf of this government? Those students are in less than half a generation. So, wow. I mean, wow, you guys are good. It didn't even take a full generation to transfer that debt. You did it in less than 10 years by transferring it directly onto the shoulders of every single Albertan that was attending an educational institution and their parents. Hello? Like, wow.

I mean, we've got university tuition that went from a thousand bucks to 4,000 bucks a year. The debt load that students are walking away from school with now, the last year that I checked, was 25,000-plus dollars as a debt. So there's where the debt went. Right onto their shoulders: 25,000 bucks apiece. There you go. If you're going to be in medical or legal pursuits, you're looking at 40,000-plus dollars as a debt that you're walking out with, and that will soon be higher when they allow differential tuition fees in those faculties. So it's really our kids who took this debt on, but the government likes to take all the credit for it. You know, at least, you guys, admit that you transferred onto the shoulders of your children. Please give credit where credit is due.

Now, let's talk about the Financial Administration Act. This is the other one. It's straight out of George Orwell. It really is.

An Hon. Member: Straight out of George Bush, you mean.

Ms Blakeman: No. George Orwell. You guys must sleep with a copy of *Nineteen Eighty-Four* underneath your pillows. I mean, wow. It just oozes out of you.

Why – why? – are you so proud of having to pass a law to keep

yourself from going over budget, from overspending? Like, who would need to do that? You know, usually you pass laws when you know that there's a tendency to do something and you're trying to curb that tendency. So every time members of this government get up and beat their chests and have ticker tape parades about how gosh darn wonderful they are for having passed an act to keep themselves from overspending – hello? Well, then, what's your tendency? To overspend, and we've seen that: 20 years' worth of debt creation. I mean, I guess it was pretty obvious; wasn't it? You did spend 20 years creating this debt. You did have to hold yourself in line, so you passed a law so that you couldn't go and spend over your budget or create a yearly deficit. Wow. And you want congratulations for that? I guess you do.

The other thing that's happened – and this is a little darker, I think – is that I think it was an easy way for the government to control constituents and certain issue-based constituency groups because you could always use that big stick, that big devil, that bogeyman. That's the word I was looking for. "No, no, you know, we can't go over budget on this. We've got to get rid of the deficit and then get rid of the debt. So no, no, you can't have whatever the heck you're asking for."

I still feel that there were some philosophical or ideological moves that were made under the guise of this economic fiscal restraint. You know, it's in areas like the women's issues program. Now I don't even think it's a desk. It used to be a desk having come down from a branch, but I don't even think the desk is there anymore. There are certainly no programs being offered. Certainly it's in the attitude to poor people in Alberta that, you know, it's their fault somehow. I really didn't approve of that at the time, and I still don't.

We're back to looking at this idea of a stability fund as brought forward by the Liberals repeatedly, and I guess the government finally understood what it was. I was looking back at some of the government reaction in the past when we raised the idea of a stability fund and we explained what it was. I'm looking at *Hansard* from November 21, 2001, an exchange between the leader and the Provincial Treasurer, which is what I think she was called at the time, in which she goes on with some bombast about – and I think this is the crux of it why it took so long. It was just a total misunderstanding about what the stability fund was, and I guess that once they got their financial management group of buddies from Calgary to explain it through that committee – I can't remember the name of it – then all of a sudden that was okay. That put the kiss of success on it. It's just interesting reading, looking back now.

Here's the quote from the Finance minister.

The situation in the province of Alberta is to manage the realities that face us in the economy.

Sorry. I'm going to jump ahead a bit.

Albertans went into a contract with this government again this year and said: "Stay the course. Keep our taxes low, pay off our debt, and spend wisely." The corrective plan that we have put forward is in response to exactly what Albertans have asked us to do. This hon. member would like us to abrogate that responsibility and move away from it. We're not prepared to do that.

Well, how does she think that responsibility is going to be abrogated? Earlier on it says:

The alternative, which the Liberal leader would want, is to put us in debt, spend beyond our means, raise taxes, and not deal with reality.

That's what she thought the stability fund was. So no wonder it's taken us this long to come to this point.

Do I agree in principle with what's being proposed in this act? Yes. I think it is a way for us to start to achieve or at least have stability in sight. This is a boom-bust economy. This government has not been successful in understanding that and trying to manage

it. It's just ridden along with that roller-coaster ride and taken every Albertan along with it. What we're really looking for, I think, in any economic plan is stability and predictability. That's what people want. They want to know what's going to happen. They want to know how they can plan, and they don't want this sort of, "Yes, you're gonna have \$82 million for a school," and then four months later: "No. It's all gone. You're not going to have that until we don't know when." So it's all put off again. My goodness. As a parent how do you decide what school your kid is going to go for? I mean, everything is just placed in front of people and then yanked away again in the next possible second.

Thank you.

The Acting Speaker: Standing Order 29 kicks in. The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Speaker. Our friend and colleague from the Liberal Party, representing Edmonton-Centre, spoke to the genesis of the debt, how the debt evolved into the responsibility of the government to ensure that this did not happen again, and a preoccupation, perhaps, of the government to ensure that we didn't ever fall into the debt trap and the spiral that we found ourselves in beginning in the early 1980s, which caused a recession in Alberta that lasted at least a full 10 years and that caused many, many Albertans to lose everything that they had, to lose their life savings, their businesses. As time goes by, it's so easy to forget the national energy program. The national energy program, which was a creature of the federal Liberal government of the day, absolutely decimated the Albertan economy. Many people representing the Liberal Party feel that the national energy program was an intrusive raid on the resources of Alberta and that that was the genesis of Alberta's descent into debt that we had to dig ourselves out of.

So I would ask my colleague representing Edmonton-Centre . . .

8:50

The Acting Speaker: Hon. member, this time is for brief comments or brief questions.

Mr. McClelland: Okay. Thank you.

. . . to comment on the national energy program. In her estimation was that the appropriate policy for Alberta or was it not?

The Acting Speaker: You don't have to respond.

Ms Blakeman: Yes. I know that.

From the sublime to the ridiculous. You know, truly, the NEP was so long ago. Get over it, you guys. Move on. No wonder you're having so much trouble. It's 20 years ago, honey. We're into a new century. Come on. Move ahead. Good heavens. Every time something is critical towards you, you've got to drag that up. It's old. It's way over, you guys. Move on. If that's the best you can do, it's getting a little tiresome.

Mr. Mason: I would like to ask the hon. Member for Edmonton-Centre if it is not the case that not only was it this Conservative government that drove up the debt, created the debt and the deficit in the first place, but whether or not it's traditionally governments like, for example, the Thatcher regime or the Reagan regime or now the Bush Jr. regime that actually are the greatest deficit creators in the world and if they don't actually put Pierre Trudeau to absolute shame when it comes to driving up deficits.

Ms Blakeman: Yes.

The Acting Speaker: Okay. There being nobody else wanting to ask a question, the chair recognizes the hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I have to say that after so many years of talking about a stability fund from the perspective of the opposition having presented the idea in the bills, it certainly is a real pleasure to be able to talk about the stability fund from the perspective of the government actually introducing a bill that might in fact get passed this session. I would like in my comments to talk about how this fund has come to be and what I like about the way the government has proposed it and what I don't like about it.

First of all, before I get into those comments, Mr. Speaker, I have to make a few comments on what the Government House Leader said in his opening statements. He talked about the lack of necessity for private members on the government side and government members to speak to legislation because they had already talked about the legislation through their various committees and internal caucus processes, but he missed the whole point of being open and transparent and accountable to Albertans. When that debate occurs behind closed doors and is not in fact rehashed in the public on the record, then nobody knows how the government makes their decisions and what kinds of deals they come to. So we would urge them to actually participate in the debate, not just in flippant questions at the end of the our comments but standing up and putting forth the comments and concerns and debate they had within their own internal committees in terms coming to . . .

Rev. Abbott: That's none of your business.

Ms Carlson: Well, there's a smart-aleck answer there, that it's none of my business. The fact is, Mr. Speaker, that it has nothing to do with whether or not it's my business. It's the business of Albertans to know how their government operates, and it has been a commitment, an often broken promise by this government that they will be open and transparent and accountable. It is exactly Drayton Valley-Calmor's comment that it's none of our business that is completely disrespectful to Albertans and ignores completely the promises that this Premier has made to people election after election after election. So we would hope that that is not the same opinion that the front bench of this government holds, because it is not the way to govern a province. If you're making decisions on a good and sound basis in the best interests of the people of the province, then to be open and transparent, to have the discussion on the floor of the Assembly, where it properly belongs in a democracy, is the right thing to do.

It certainly speaks to the quality of debate. As the House leader said: the quality of debate is enhanced by them not participating. Well, I have to say that often that is the case, Mr. Speaker, but we would expect that they would get better over time. Being Liberals, we'll give them every chance possible to improve the quality of their debate, and we're looking forward to them at least trying.

The Government House Leader also spoke to the quality of the bills then hitting the Legislature because of the quality of their process, but in fact we have seen in this Legislature time after time after time bills hitting the floor that are severely flawed. They're poorly written. They require amendments, amendments often proposed by us, sometimes taken by the government from the opposition. Often the government has to bring in their own amendments to their own legislation because they didn't think it through in the first place. Sometimes they leave the bills on the Order Paper and never pass them, and sometimes after they're passed, they have to rescind them or bring in amended bills to improve the quality of the legislation.

This brings me to my point of the often-discussed all-party committees. If they would have some input from people who bring different visions of Alberta to the table at the drafting stage, at the general debating stage, we would see an increase in the quality of the bills that hit the floor of this Legislature. The complaint from the government side is that they would have to listen to us debate it in the committee and then again in the Legislature, but any of the government members who have worked with me over the years on a variety of different kinds of committees know that that isn't in fact true. Yes, we will have points of contention that need to be brought forward and we won't agree on, but for the most part we will work out the differences, come to a compromise. What happens is that the government will be complemented on the process in this Legislature, and the bill will go through all stages of the reading in a very timely and supportive fashion.

So what I would suggest is that, in fact, what the Government House Leader said is not always accurate. There are many ways that their processes of bringing bills to the floor of this Legislature could be improved. One, all-party committees at the drafting stage and, secondly, having their members debate the bills and talk about the process the bill went through through their caucus and whatever groups they took the bill out to for information and feedback to be discussed here on the floor of the Legislature. That would actually encourage some openness and accountability, as these have oft been promised by the Premier of this province.

Then I have to comment on a difference in opinion I see this evening between the Government House Leader and the Member for Edmonton-Rutherford. During my colleague the Member for Edmonton-Centre's debate she talked about this government, this Conservative government, albeit a few of the players have changed over the past 10 years and more of them over the past 20.

An Hon. Member: Stockwell Day is gone.

Ms Carlson: Yes. Thank goodness for that. That's the good news in this Legislature.

Mr. MacDonald: And forgotten too.

Ms Carlson: Well, perhaps. Perhaps.

In fact, it was a Conservative government who racked up this debt. My colleague from Edmonton-Centre said that it took them 20 years to get there. The Government House Leader said that no, in fact it only took them three years to get there. Then the Member for Edmonton-Rutherford stands up and says: it wasn't this government's fault at all; it all belonged to the NEP, which happened a lot longer than three years ago. So we have a difference of opinion in how we got there, but in fact if you go back – well, let's talk about the NEP for just a minute and who really contributed substantially to the problems that happened. The Conservative Premier of this province at that time decided that he was going to do what this Premier likes to do often, and that's to take on the federal government. Sometimes when you take on that kind of a fight you win, and sometimes you lose, and this time all of Alberta had to pay the price for the ego of the leader of the Conservative Party at that time. So that is where we can start to take a look at what happened with the NEP, but those years were not deficit years for this government.

9:00

When did this government actually run up the debt? I would agree with the Government House Leader on this, and in fact it was three years that it took for them to dig themselves into a hole. And the House leader was right; it did take them 10 years to get out of that

debt. How did they do it, Mr. Speaker? They did it by introducing huge user fees. They did it by creating a huge infrastructure debt that we have yet to figure out how to get our way out of. They did it by a human deficit, by reducing payments to low-income Albertans and those who don't have the same advantages as the rest of us in this Assembly. They did it by substantially reducing seniors' programs without consulting those very people who helped elect them into office, with the high cost of education, with the kinds of hidden user fees that we have seen, by such things as not just those times when you go to pay for your licence renewal but also things like fishing licences, like the tire tax, like downloading the dollars that they used to spend in research and development. All of these things were how they dug themselves out of the debt that they created.

Through that whole time period, through the whole 10 years that I've been here, we tried to give them good ideas on how to properly manage income streams, properly fund infrastructure, and maintain the kind of funding structure that gives some stability to those people and those organizations that count on provincial government funding. Those are municipalities, those are school boards, those are hospital boards, and those are everyday taxpayers, Mr. Speaker. So we took this issue very seriously because it looked like, when most of us here got elected in 1993, this government couldn't figure it out. They were very lucky. They had windfall oil revenues, but they didn't have a fiscal plan.

We spent some time in a subcommittee in our own caucus starting at the end of 1993 and throughout 1994 and talked about how to develop a debt management and retirement plan and long-term funding proposal that this government could adopt. We introduced that, Mr. Speaker, in January of 1995, and we called it the 2020 vision. It was initially introduced by the then Finance critic sending a letter to the then Provincial Treasurer outlining the highlights of it, and we called it a fiscal stability fund.

Mr. MacDonald: Did we have a bill by that name?

Ms Carlson: Well, I had a bill by that name, but so did many other people in this caucus over the past 10 years.

Mr. MacDonald: Tell me about that bill.

Ms Carlson: I will tell you about that bill, but first of all I wanted to see if I could go back and find the comments that had been made by the then Provincial Treasurer, Jim Dinning.

Mr. Mason: Jim who?

Ms Carlson: Jim Dinning. That's a name from the past; isn't it?

Mr. MacDonald: Does he have his hair dyed, and is he going to be Premier?

Ms Carlson: Well, I don't know. That's a good question. You'll have to ask him.

At that time he was asked whether or not it was a good idea to have a fiscal stability fund, and what he said at that time was quite amazing actually, Mr. Speaker. I'm trying to see if I can find the exact quote. I think I've got it here now. This is page 859 of *Hansard*, March 28, 1995. He was asked, "To the Treasurer: is the establishment of a stabilization fund . . . consistent with the government's commitment to open and understandable accounting?" Mr. Dinning said, "Well, Mr. Speaker, the answer is absolutely not."

So it's interesting to see how far this government has come since

March 28 of 1995 to the date of introduction of this bill, the Financial Statutes Amendment Act, 2003, where they have renamed our great idea that we have introduced into this Legislature through letters and through not one, not two, but three different private member's bills over the years. [interjection] Yes. Three different bills. We have hammered away on this particular issue year after year, bill after bill and have been told by this government how foolish we were and how we didn't know what we were talking about and that we had no clue what we were doing. Motions, too, Mr. Speaker. Motion 507 in 1999 was brought in. [interjection] That's exactly right.

So the bills came in, introduced by, imagine, the current Minister of Community Development, who happened to sit on our side of the House in 1998. He introduced the bill, the fiscal stabilization fund. I introduced the bill in 1999. Our leader introduced the bill in 2002. Every time we introduced it, we just got booed right out of this Assembly, and they told us how silly it was, and look what happens now. They slightly renamed it – not very original – from stability fund to sustainability fund, so the people can clearly understand that it was our good idea. And what do we find in the bill? That they took information right out of our original 2020 vision plan, which was very detailed and went through how to implement this, because we know that the government is not really quick on the uptake of new ideas and really good ideas. It usually takes them about three years to take our idea and bring it in as a bill and pass it. This time it took a lot longer than that. It took from January of 1995 until now, but, Mr. Speaker, we're happy to say that they actually got it.

What do we find in their bill? Exactly the principles that we had talked about all those times: taking available surpluses and resource revenues over a certain figure and keeping interest earned in the stability fund. All great ideas.

I know my time is just about up, Mr. Speaker, so what I really did want to be able to talk about was what happens to the heritage savings trust fund now with this stability fund and particularly what happens to the interest revenue from there. Once again, for years we have been saying to this government that to properly manage the heritage savings trust fund they need to, in surplus years particularly, inflation-proof that fund and keep that interest revenue in the fund in years when they don't need it. All we need to do is take a look at the fund that Alaska put into place, which started in the same year as our fund, which started with the same amount of money as our fund, which now is over \$30 billion in revenue and pays a yearly dividend to each citizen in Alaska as compared to our fund which has significantly depreciated over the past few years.

So my concern is that now that they have developed this sustainability fund, they also take a look at properly managing the heritage savings trust fund, that they inflation-proof it, and that they manage the money in a responsible fashion so that fund, too, can grow. Perhaps finally, Mr. Speaker, this government has got it.

The Acting Speaker: Standing Order 29 kicks in. The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'd like to ask the hon. Member for Edmonton-Ellerslie if she could elaborate somewhat on the sources of the deficit and the mythology that seems to exist among Tory circles with respect to the impact of the national energy program as opposed to the falling world oil prices as the primary cause of Alberta's economic decline at that time.

The Acting Speaker: Hon. member.

Ms Carlson: Thank you, Mr. Speaker. You know, it's really, really

a pleasure to have a New Democrat not trash the federal government at any point in time and who actually gets fiscal reality. [interjection] No, no. He gets the fiscal reality in this particular instance. He knows who actually is to blame for the financial situation that occurred over that point in time and, particularly, who is to blame for deficit-running budgets.

You know what? I'll tell an interesting story. I don't think I've ever said this in the Assembly. When I was first elected, in 1993, I was pretty idealistic about what government did. I remember going to my first Public Accounts meeting, and my very first question in that meeting was to the education minister. He was sitting down there with his deputy minister and the assistant deputy ministers and all the rest of the people that came with him, and I thought: I'll just start with a really easy question and sort of set up a frame of reference for where I want to go with my question. I said to the minister: Mr. Minister, can you tell me what your budget was for the year in question in Public Accounts? At that time it would've been 1992. He looked at his deputy minister and they talked a little bit and then to the assistant deputy minister, and then the talking goes all up and down the line, and he comes back to me and he says: Well, we didn't have a budget. I said: "No, no, no, Mr. Minister. You didn't understand my question. I wanted to know how much money you went to ask the Treasury Board for to run the education department on for the year and how you justified that money." And he says to me: "No, no. You didn't understand the answer. When we wanted more money, we just went and asked for it." So there was no budget planning process, and that is exactly how they got into the debt they were in. It has nothing to do with any other forms of government in this country. It has a lot to do with their complete inability to manage.

9:10

Mr. McClelland: Mr. Speaker, I move to correct this revision of history as put forth by my friend from the New Democratic Party and echoed by my friend from the Liberal Party. The price of oil did not go down until 1985-86. The national energy program started well before that and was a wellhead tax on the resource taxed as it came out of the ground. It would be similar to, for instance, a tax on the capital activity of the Golden Horseshoe: absolutely inappropriate. It's strangely similar to a carbon tax, which is the Kyoto accord, so they're doing it again.

So my friend from Edmonton-Ellerslie should take the opportunity to look at the dates involved in the national energy program and the decline of the price of oil so that people know that the national energy program did not come off until after the price of oil had come down, not before it came down. After it came down.

Thank you, Mr. Speaker.

Ms Carlson: Mr. Speaker, I would like to remind the Member for Edmonton-Rutherford that he is no longer in the opposition at the federal level. He doesn't have to make these kinds of comments and fight this particular fight. I would remind him, as he very well knows, that at the time that occurred, we were facing a worldwide major recession in the oil patch which affected Houston just as much as it affected Alberta. [interjection] Exactly. Worldwide governments were affected by what happened in the '80s. When did we take a look at the problems of this particular government? They started after that point in time, and we didn't see any other causes for that except complete mismanagement.

This member also knows that I'm quite happy to debate Kyoto with him at length at any time because he is wrong, Mr. Speaker, and we are right.

The Acting Speaker: The five minutes that was the allocated time has run out. Any other members wish to speak on the bill?

[Motion carried unanimously; Bill 2 read a second time]

Bill 3

Electric Utilities Act

[Adjourned debate February 26: Mrs. McClelland]

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

Mr. Mason: Well, thank you very much, Mr. Speaker. It's indeed a great pleasure of mine to rise and speak to this bill, which I've been anticipating for some time, and I've certainly been anticipating the opportunity to debate with the Minister of Energy. I would certainly hope that we can have a very productive debate.

I'd like to start with a brief statement, Mr. Speaker, if I may.

Mr. Speaker, history does indeed show that when there is competition, usually that competition exists for the benefit of the consumer, whether that person is buying from a retail store or is buying from an electric power company. Competition equals lower prices.

Now, those are not my words, Mr. Speaker. These were the comments of Premier Ralph Klein on March 25, 1998. "Competition equals lower prices," he said. What a difference five years makes. We now have prices that are anywhere between 40 and 100 percent higher than at the time this Premier made that statement.

Consumers in the Peace country and eastern Alberta pay 40 percent more for power than they did prior to deregulation. Calgarians pay 60 percent more. Edmontonians pay 80 percent more, and consumers in central and southern Alberta in the EPCOR/Aquila area pay fully 100 percent more.

Mr. Speaker, we have released a study from Hydro-Québec looking at the prices for electricity in major cities, and back in May 2000 Edmonton was in the middle of the pack; in fact, slightly below average for the cities surveyed. The cities surveyed on May 1, 2000, were Winnipeg, Montreal, Vancouver, Ottawa, Edmonton, Regina, Toronto, Moncton, Halifax, Charlottetown, and St. John's, Newfoundland. It had Edmonton clearly in the bottom half of power prices. Now, the same cities were surveyed again on May 1, 2002, and guess what? Edmonton has the highest power prices anywhere in this survey.

Mr. Smith: Well, that's because you were there as an alderman.

Mr. Mason: I want to deal with that because the minister said that I was there as an alderman. He's made a number of public statements and otherwise about the role that I personally had played, and the government loves to talk about that instead of the real issue. In actual fact, just to correct the minister, Mr. Speaker, I never was a member of the EPCOR board, rather was, as city council, a shareholder. We had regulatory authority over rates, and those decisions were made in public and in the interests of the citizens. On at least one occasion I was successful in turning down a proposed rate increase by EPCOR on behalf of the citizens of our city. So I just wanted to correct for the record the one additional little piece of misinformation that is being spread by the Minister of Energy.

Now, the minister has also talked at some length about the public debt that exists in regulated jurisdictions, and he's tried to suggest that we have lower prices in regulated jurisdictions because somehow the debt is being subsidized by those jurisdictions in the case of public power companies. That is, of course, not true, Mr. Speaker. This debt is not guaranteed by taxpayers; it's guaranteed by ratepayers. We have shown that major Alberta power companies carry a

debt totaling \$10 billion. That gives Alberta the third highest per capita debt load in its electricity utilities, and Albertans paid for that debt through their higher prices.

In fact, Mr. Speaker, I can give you some ideas of some of the cost. TransAlta has a debt of \$2.4 billion; ATCO, \$2.6 billion; EPCOR, \$1.6 billion; Enmax, because it has not up until this point participated in generation, has a very small debt of \$183 million; Aquila's debt is \$3.45 billion, for a total of \$10.238 billion. The source of this information is the 2001 annual reports of each corporation. That gives Alberta a debt load per capita of \$3,441.

Now, the minister can argue, and quite correctly, that this debt is guaranteed in a regulated system and in Alberta it's not guaranteed, except what the minister doesn't point out is that all of the PPAs are guaranteed by legislation. So billions of dollars of the Alberta debt are in fact guaranteed by this government on the backs of the ratepayers of this province exactly the same way as exists in fully regulated jurisdictions.

What about the other debt? What about new generation debt? That, of course, is not guaranteed. Any investor knows that if they have a guaranteed return, they expect a lower rate of return. If it's not guaranteed, as in the case of new generation debt in Alberta, they would expect a higher return, and they won't invest until they're sure they're going to get it. That means that capital is withheld from investment in the market here in Alberta until prices are sufficiently high as to support a higher rate of return to compensate for the higher rate of risk for new generation in this province. Therefore, we have structurally built in a situation where higher rates will exist on a permanent basis in Alberta in order to support the higher risk required by investors in a nonregulated system.

9:20

So, Mr. Speaker, the government and the minister are not coming clear with Albertans at all on the impact of this deregulated system. Quite the opposite to what the Premier said five years ago, competition in this case equals higher prices, and there are sound economic reasons for that.

Now, let's take a look at the cost of deregulation so far. Of the \$4.2 billion of rebates given by this government previous to the last election, \$2 billion was for electricity. So that's the first \$2 billion. Not even counting the first year, there's \$3 billion in high prices, so the conservative estimate of the cost of deregulation so far to Alberta consumers and to the Alberta government has been \$5 billion. There are many calculations that I've seen, that I think are very, very reputable calculations, that show that the cost so far has actually been closer to \$10 billion.

Now, Mr. Speaker, do you remember the huge hue and cry when the gun registry came in at a billion dollars? There was a national hue and cry about that billion dollars and rightly so because that was just a complete boondoggle on the part of the federal government. Everybody had every right to be upset. But when this government wastes between \$5 billion and \$10 billion on electricity deregulation and delivers less competition and delivers doubled prices, there's just not the same level of outcry, and I have to ask why that is. Well, Mr. Speaker, we're going to do our best to make sure that Albertans understand exactly what's gone on in this province.

The minister has also said that when the rate riders come off at the end of this year, power prices will come down. The fact is that they will not come down anywhere near to the original levels that existed before deregulation. One of the things that people don't understand and that we're helping them to understand is just what the rate riders are. As we well know, there was a very significant spike in electricity prices just prior to the last election, and the government capped the prices at that time well below the cost paid by the power

companies for that electricity in the first place. When the power companies broke into almost open revolt and talked about it being Alberta's version of the NEP, the government and the minister of the moment – I think it was the current Minister of Sustainable Resource Development; at that time we were having a new one every couple of weeks – told the power companies that they would be able to recover their lost revenue and their lost profit, as a result of capping the prices for electricity before the election, from the consumers after the election was safely out of the way. So we have two rate riders in order to repay the power companies for their lost revenues because the government froze power prices and capped them at well below cost in order to win the last election. So this rate rebate is simply the price that Albertans have to pay for this government's re-election strategy.

The problem we've got, Mr. Speaker – and I should say that it's a problem the government party has got. They've got a big problem that people get reminded of every month in the mail, and it's not going to go away. But this bill is a chance to change that. Unfortunately for government members, the minister has chosen to further entrench deregulation in this act. This will end the phase of phasing in deregulation, and this will be, apparently, the final form that it is going to take. So it is institutionalizing deregulation, and it is institutionalizing high power prices in this province. I would suggest to hon. members opposite that if they have any concern at all about this issue going into the next election, now is the time to act. This is your last chance. This bill should be defeated, because after this, high power prices become a permanent fixture of the Alberta economy and a permanent albatross around the neck of this provincial government, and I think people ought to be aware of that situation.

There's nothing in Bill 3 that suggests that the situation is going to improve. It is being based solely on the notion that it will help to spur badly needed investment in upgrading our transmission system and provide more competition in the marketplace. But I would submit, Mr. Speaker, that if a company like Direct Energy is prepared to enter the market at this time, it's doing so because of the high power prices that exist in the Alberta marketplace, so they can make a significant amount of money. They will not compete in such a way as to force down prices to the previous level before deregulation. That would be contrary to their interests. They will instead compete for a market share at or about approximately the level of pricing we now have, and anybody who believes otherwise is, in my view, extraordinarily naive. So don't depend on assurances from the minister that Direct Energy is going to bring down prices in making your decision to vote for this bill.

There are a number of other factors, Mr. Speaker, that need to be taken into account. EPCOR and Enmax will no longer be allowed to own the distribution system and act as retailers, so they are being forced to unbundle their services. The problem is that where it's already unbundled, which is in the EPCOR/Enmax area, there have been tremendous problems with billing errors as the two companies try to talk to each other. The government seems to be so pleased with this type of system that they are now going to require it as a mandatory feature for the rest of the province. I, quite frankly, cannot understand that at all.

Medicine Hat, which is a model of what I would call a social democratic system for providing for electricity and natural gas and utilities and has been able to provide lower power costs and lower gas costs for its citizens, is now going to have to contribute to payments in lieu of taxes. The whole question of payments in lieu of taxes is something that I'll perhaps deal with, Mr. Speaker, in the session when it goes to committee for amendments, because payments in lieu of taxes is not the same; municipal utilities are

designed to provide low prices and a return for taxpayers. They are not intended to provide a return for investors, so they should not be treated the same way.

Mr. Speaker, we believe that rate riders should be canceled and we should return to a reasonable and modernized system of regulation in order to protect consumers in this province, and I urge members to support that.

The Acting Speaker: Standing Order 29 kicks in. The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I have a question for the hon. Member for Edmonton-Highlands. Going back to a government of Alberta news release on August 24, 2000, this is good news for Albertans. Opening up the electricity market will mean more choice, better access and, ultimately, the most competitive power prices for our homes, farms, municipalities, businesses and industries.

9:30

Now, earlier there was talk about how we're going to have to subsidize and this myth that there are going to be subsidies somehow involved in having low-cost power. Could you please explain? Further on in this press release when you were talking about the power purchase arrangements and the fact that for the first auction the sale was \$1.1 billion, and the government claimed here that "some critics have suggested the power auction could have raised as much as \$4 billion" instead of the \$1 billion. "If the auction had raised that much, consumers would have had to pay more in electricity rates to allow the bidders to recover their investments." Do you agree with that statement, or do you think that perhaps it's the consumers that are subsidizing . . .

The Acting Speaker: Hon. member.

Mr. MacDonald: Oops. I'm sorry. Through the Speaker of course. Do you think it's the consumers that are winding up subsidizing the bidders?

The Acting Speaker: Hon. member, brief questions. The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I'm pleased to respond to the hon. Member for Edmonton-Gold Bar. Actually, what the power purchase agreements were for was the accrued value that consumers had paid in the plants as the plants depreciated and were paid off, but the fact of the matter is that the auction failed to raise the money that was necessary, and as a result I think that it's quite contrary to what the government news release said. This contributed to the higher prices for consumers in this province.

The Acting Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. Through you to the hon. Member for Edmonton-Highlands. He was talking about the rate riders, and I'd be interested to know his thoughts on my question, which revolves around: in 2002 two companies were making purchasing decisions because the rates had risen to fairly high levels. Both of those decisions were approved by the AEUB, and I don't argue with that. However, I'd like to know if the hon. member agrees with the decision which was made by EPCOR management to lock its customers into a full year's worth of high prices in 2001, which really has caused this huge discrepancy between the rate riders in the EPCOR/Aquila and Edmonton area and the ATCO area.

Mr. Mason: The short answer, Mr. Speaker, is no. I think that EPCOR made a number of serious errors with respect to that particular agreement and in their arrangements with Aquila. But I will point out that what happened was that the company that preceded Aquila, that owned that, sold it in the market set up by the government. EPCOR made the deal to acquire that area and then went to the market after the auctions had already taken place and on the market set up by the government, using the supply that was created under the rules of the government, purchased electricity at a very high price and then passed that on to consumers.

What is supposed to happen is that there's supposed to be some competition so that a company that makes those kinds of decisions goes out of business or loses its market share, and the fact of the matter is that there was no competition in any real sense to EPCOR in that area. So the government, having taken away regulatory protection, failed to provide competition in a way that would protect consumers. So ultimately it comes back, Mr. Speaker, to the bungling of the government in its deregulation effort.

The Acting Speaker: The hon. Member for Edmonton-Rutherford, followed by Edmonton-Centre.

Mr. McClelland: Thank you, Mr. Speaker. Deregulation has the effect of bringing market discipline to the production, distribution, and consumption of energy, thus driving efficient generation and use of the resource. I wonder if the Member for Edmonton-Highlands can give us an example of a publicly owned, publicly managed, publicly funded entity that could bring the same market discipline to any product.

Mr. Mason: Mr. Speaker, the member is letting his ideology get in the way of his understanding of how the world really works. In actual fact, public power is always cheaper than private power.

The Acting Speaker: Unfortunately, the time allocated for this section has passed.

The hon. Leader of Her Majesty's Loyal Opposition.

Dr. Nicol: Thank you, Mr. Speaker. I rise this evening to talk about the issues that arise from Bill 3. The attempt that the government is making under Bill 3 to kind of fix what has turned out to be quite a mess in terms of deregulation of electricity probably doesn't do much to really help it a lot. When you look at the structural changes that they've put in place – they keep talking about this concept of competition and how we have to make sure that competition works, but when you look it at from the point of view of this deregulation truly creating what, in effect, is competition, you kind of wonder whether or not it really is going to operate in such a way that consumers have the choice mechanisms that we normally think of in the context of market economics.

Mr. Speaker, we started off in Alberta with a structure in our electricity industry that had us at the bottom end of the cost distribution of electricity in all of the North American marketing jurisdictions for electricity. Some of the statistics I saw in the year 2000 put us about 24th out of 156, 24th from the lowest cost. The only ones that were underneath us were the jurisdictions that relied mainly on hydropower, which by operation is much less costly on a dollar investment basis. When you build in environmental costs, then you have to think twice about whether or not it really is as low cost as it is, but in terms of capitalization and current market reflections that is the lowest cost source.

So we didn't have a lot of hydro, but the way we dealt with our electricity, having private-sector operators mostly but also one major

municipal operator who was operating in the same vein with bidding into that generation pool, we had a very, very friendly electricity market system. The idea that we were going to restructure this somehow could have easily been done to give us more competition at the generation level without having to disrupt a system that was working really well. We could have built it in so that, you know, the cogen groups had an option to bid in, to supply power, and still to manage that without disrupting their independence and their business position. But, instead, we chose to try to create a competitive market through the system, and in effect we've ended up with a really disjointed system that has a lot of hoops to jump through, in effect more regulation than we had before, because it was very simple to flow through on a fixed-cost basis, through the monopoly distribution and transmission components, the delivery systems that were run, either through a co-op or a local municipal utility, and end up with a fairly stable cost structure.

You know, this is one of the interesting things that we heard earlier from the Member for I think it's Edmonton-Whitemud, that said that we would get market discipline from deregulation. The kind of deregulation – or reregulation is a better term – that we've experienced, in effect, has given us no market discipline whatsoever. The market discipline that we had through the previous system was much more stable and much more predictable and much more friendly, both to the residential and industrial and commercial users.

So, you know, talking about market discipline that would come from reregulation isn't illustrated in the end result that we've got. What we've got to look at is: why is that? A lot of it is that what we've done is we've created a lot more risk points in our distribution system. Really, the only risk point we used to have was the generation side, where there was uncertainty: was the load going to be needed? So what we had was a reserve commitment from some of those generators that they would come on when their load was needed. When they weren't needed, we paid their depreciation costs, and they operated. They got, in effect, a return on investment for a standby facility. That was really the only area where there was risk associated, and we had to capitalize that and pass it on through our pricing systems.

9:40

What we've got now is that we, in effect, have risk at a much greater degree because we've got market risk at the generation level because the pricing structure has to be designed to take into account the fact that they may not be the sufficiently low bid that day. So there's a risk there. We also now have added in a significant number of risk points once we get through the transportation and distribution networks into the market structure because we've added in by law a couple of more steps in the marketing process.

If you look at it from the point of view of this giving us better power, better choice, if we truly wanted to look at market structure and talk about choice, we by law are limiting many of the options that exist in a true market structure situation. The law prohibits consumers getting together and jointly buying. You know, the city or a municipal district cannot buy on behalf of its residents. The REAs are no longer allowed to buy collectively on behalf of their members. They have to open up their membership to other suppliers. Yet if you go out into a regular commodity market, groups can get together and bulk buy. Groups can get together and deal with timeliness. That's not allowed by this act.

So we are intervening and creating a market structure that isn't real life. It isn't the kind of thing that markets develop around. We're in a situation where we are in effect taking away from municipalities a lot of the choices that they should have a right to on behalf of their residents. You know, if they want to have a local

municipal utility that provides them with electricity or provides them with natural gas or one of the other utilities, that should be their choice. If they want to buy in bulk so that they can get a good deal, that should be their choice. Yet that's prohibited here. Municipalities, municipal governments are not allowed to participate. This act is going to force a separation between municipal ownership and decision-making and pricing decisions. What about choice? You know, if we truly talk about "Should Albertans be able to organize and get together in a fashion that they see fit?" this prevents them from doing that.

The other thing that's interesting, Mr. Speaker. Over the last year while we've been talking about the results of reregulation and talking to businesses, I've had a chance to talk both to businesses inside the electricity industry and consumers in the electricity industry. It's an interesting split in the sense of when you talk to them and you say: has reregulation worked, or has it not worked? Of the companies that are, in effect, users of electricity, very few of them – I would suggest maybe 1 in 20 – truly feel that they are getting a benefit from the imposed reregulation of our electricity industry. When you talk to the companies that are involved in the system, it's interesting if you pose two questions to them. If you pose the question, "Have you benefited from reregulation?" probably 4 out of 5 of them will say yes. Even some of the ones that are involved in the industry, about 1 out of 5 of them, are saying: "Well, no, not really. We like the other structure, the other regulation system better."

You ask that same group of industries, "What is your perception of what reregulation has done for the consumer in this province; has it benefited them or not?" They'll say: "Now? Today? No. No way." Unanimous. Even the people involved in the industry, if you say to a business, "In the long run will consumers benefit; will they have a better structure, a better pricing system for their electricity?" they'd say no. You know, in effect, what you've got are the people involved in the industry saying that this isn't going to help Alberta consumers of electricity in the long run. So there's a disconnect between what we see showing up in legislation, what we see trying to be put in place here by government and the industry, both of whom are going to be involved in that reregulation, and the consumers saying: it's not going to work.

Mr. Speaker, you know, this goes back to the discussion that we started here when the first electricity bill was passed in 1995, and I suggested that changing the structure of electricity from one which captures the market surplus for consumers to one which transfers the market surplus to producers is not going to benefit consumers in this province. In the end that's shown up to be what's happened. We are not getting a benefit of any of that market surplus being available to the consumer. You really have to wonder what is happening and how it's going to fit together and how it's going to come to any kind of a long-term benefit for the electricity users in our province. It's one of those things where you kind of wonder where the government was going, what they were after, or what they were trying to do. From a conceptual point of view it cannot be proven to be beneficial. From an operational point of view reregulation has obviously not given Albertans lower priced electricity, and we're ending up in a situation where "What next?" is kind of the answer that you come up with.

You look at some of the issues that have to be addressed, and the bill that we're looking at today is going to go through and try and once again reregulate and differently regulate the electricity industry. There are just a couple of specifics that I want to talk about to start with. You know, who knows whether the changes that we're making in the structure of the administration sector are going to really facilitate marketing ease or simplicity or clarity? We're only going

to know when we see it work. So to start saying, "Yes, no, yeah, maybe" – we're going to have look because it hasn't been working. The structure that we're proposing here doesn't seem to address the issues that were experienced in the previous regulated system, so how do we know that this is effectively going to be useful for Albertans?

One of the things that I raise that's interesting here is the PILOT payments. This is an interesting concept that comes up, and I think it's a reasonable concept. I'm not going to argue. You know, if we're going to have markets that have mixed ownership in them, we've got to have a base that's reasonably standard. It's kind of interesting in the sense that the municipally owned utilities are asked to make a payment in lieu of taxes, and they make that payment into the administrative structure of the industry where the private-sector participants who pay tax pay that tax into general revenue.

9:50

So, in effect, what we're saying is that the municipally owned participants in this structure are asked to direct their taxes into the administration of the system as opposed to those private sectors who don't contribute their tax to the administration of the system, just a cash flow issue here about, you know, whether the money should be going into the administration pool or the Balancing Pool or whether it should be going into general revenue.

I would suggest that if we're going to make sure things are always fair for both of them, the tax flow should be to the same fund in the end. So instead of putting those PILOT payments into the Balancing Pool, I would suggest that they go into general revenue because that makes it so the municipally owned participants in the industry are not contributing directly into the administrative support of that industry. They're being treated exactly the same, and the idea behind the PILOT payments in the first place was: we want to make sure these things are treated fairly, where they operate on somewhat of an equal basis, and we're not seeing that being a real criteria that comes up with this legislation.

You know, the end result, again, is that we should be looking at a structure of utilities that provides service to the consumer, to Albertans. Part of our responsibility as legislators and, in effect, the framework builders for the regulatory system should be to make sure that we're looking at the long-run best interests of Albertans. Again I go back to my warning in 1995 in saying that it's almost impossible to generate a competitive structure in the context of utility delivery when so much of it is subject to monopoly structure. Many of the other jurisdictions in North America that have tried some form of deregulation have failed, even the model that we all talked about as being a potential success story, Pennsylvania. You know, they went into some form of deregulation or reregulation, and it was a success at the start because they had a number of jurisdictions around with surplus power. They're now finding it a really difficult market structure to operate because the jurisdictions around don't have the surplus power anymore that they can in effect dump into that Pennsylvania market. So there have been some real issues come up about whether or not that is creating stability for them now.

When full capital cost recovery has to be built into this plus risk, you end up adding costs that you don't have if you build your cost structure on a fair depreciation schedule, a fair cost recovery

schedule, and a return on variable costs. So that's the kind of thing, you know, that we should be looking at in terms of trying to make sure that the utility industry in Alberta is fair, and I don't see that coming even with this what is, in effect, a second attempt at reregulation of Alberta's electricity industry. It's not giving us the kind of structure that we really need.

One of the things that we've really ended up with is some kind of a structure that's created a lot of confusion, and you have to accept that in any kind of transition when you move from one system to another without proper planning-horizon preparation.

You know, I think that if we're going to look at this and really be fair to Albertans and consider the idea of what is in their long-run best interests, one of the things that we should be looking at is a review of: is this really going to give Albertans low-cost, stable electricity? Mr. Speaker, I don't think it will. I think we've got to go and look at a cost-based electricity system. That's the most effective way when we've got an upward slope in supply curve. We can get much greater benefits for our consumers of electricity using a pricing system that is based on the average of costs as opposed to the highest price bid being paid by everybody. That doesn't give us a real effective structure that can encourage the kind of competition that is talked about.

Mr. Speaker, I just want to end with a comment about my own personal situation or experience with deregulation. I hold four accounts on electricity, and for two of them since January 2000 I've had fairly regular billings. In fact, they come quite regularly at the appropriate time each month. For one of my other accounts I have not received a bill since March a year ago. The other bill, which is my irrigation account, normally runs \$5,000 or \$6,000 a year. I received a bill recently for \$78. So if anybody complains that deregulation isn't giving much cost saving, you can tell them my story; you know, 1 percent of my normal bill. I'm afraid that when the other shoe drops, I will really be hit.

While I was chatting with one of the utility companies recently, I relayed this little story about the difficulties. It happened to be one of the groups that's involved in trying to develop market customers, so it's on the retail end. I relayed this little story about: "Why should I worry? I'm not having to pay my bills now." The guy says: "Well, why don't you sign up with us. We can take all that uncertainty out of your life. We'll make sure that you get your bill every month." So you see, Mr. Speaker, we have to look at both the bright side and the humorous side of everything, but until I start getting my bills, I guess I can be pretty satisfied.

Thank you, Mr. Speaker. As I said, I'd like to adjourn debate on Bill 3.

[Motion to adjourn debate carried]

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. It being 10 o'clock, I would move that we adjourn until 1:30 p.m. tomorrow.

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

Legislative Assembly of Alberta

Title: **Thursday, February 27, 2003**

1:30 p.m.

Date: 2003/02/27

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. Our divine Father, as we conclude for this week our work in this Assembly, we renew our thanks and ask that we may continue our work under Your guidance. Amen.

Please be seated.

head: **Introduction of Visitors**

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. It's my pleasure to introduce to you today and to the members of the Assembly Minister Monika Hohlmeier, who is the Minister of Education from Bavaria, Germany. With her in the Speaker's gallery is the delegation from Bavaria, which includes Dr. Harald Vorleuter, who is the head of the minister's office. Miss Claudia Piatzer is the spokesperson for the Bavarian state Ministry of Education. Dr. Ingeborg Berggreen-Merkel is the head of the Department for International Affairs, Youth, Adult Education in the state ministry. Also part of the delegation is Mr. Joachim Peter, a journalist from the newspaper *Die Welt*. Ms Bettina Vogt is their interpreter. Seated with the delegation is also Mr. Friedrich König, who's the honorary consul for Germany in Edmonton; Mr. Karl Suess, a German language consultant to Alberta; and Mr. Waldemar Riemer, a member of our Alberta Learning staff.

Mr. Speaker, I had the opportunity of having dinner with Minister Hohlmeier last night and learned that there are a lot of commonalities between Bavaria and Alberta. Their province, for example, is number one in Germany as our province is number one here, and the thing that dominated our conversation is that they have many issues with their socialist regime and the federal government as well.

So I would ask that all the delegation please rise.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Finance.

Mrs. Nelson: Thank you very much, Mr. Speaker. I would like to introduce to you and through you to members of the Assembly a team of dedicated staff from my department. Earlier today I announced my intention to deliver the budget speech on April 8, and the staff here today are part of the team that has been working very hard to put the budget together. They are here to watch the proceedings of this Assembly today as part of an orientation session to the Legislature. I'll ask them to stand and be recognized as I read their names. We have Chris Sargent, Ed Stafford, Kerstin Bzdel, Justin Halbersma, Liliana Cordeiro. I'd ask them to receive the warm welcome of this Assembly.

Thank you.

The Speaker: The hon. Minister of Revenue.

Mr. Melchin: Thank you, Mr. Speaker. It's my pleasure to stand today and to introduce three visitors from Alberta Revenue who are here as part of the public service orientation tour offered to all of the public service employees. We're thrilled to take this opportunity to

introduce them to all of the members. Each of these three are just within the past year new employees of Alberta Revenue and of the public service, and we're thrilled to welcome them aboard. I'd have them stand as I introduce them: Randy Proskow, Sheila Biollo, and Joanne Choquette. If they could please have a warm welcome.

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

Dr. Taft: Thank you, Mr. Speaker. I have three sets of introductions today. My first is to introduce to you and through you to all members of the Assembly three girls who are strongly committed to improving public education in Alberta and who have been instrumental in collecting a petition in support of better funding for public education. They attend Belgravia, Vernon Barford, and Ross Sheppard schools in Edmonton. They're in the public gallery, and I would ask them to stand as I call their names: Hayley Grundy, Molly Grundy, Grace Grundy, and their mother, Lorie Grundy. Please give them a warm welcome.

My second introduction is of a group of students from various schools in Edmonton who are also very actively committed to bettering public education in Alberta. These are outstanding students, the future of this province, and we need to ensure that our educational system is there for them to realize their potential. They are seated in the public gallery, and I would ask them to rise as I call their names: Charlotte Dibden, Robin Noblemen, Kathryn Lennon, Jessica Moe, all of Ross Sheppard high school; Sydney Neuman, Roxanne Nesbit, and Rhiannon Klein, all of Victoria high school; Christie Kneteman of Old Scona academic high; and Heather Whyte of Vernon Barford school. Please give them a warm welcome.

My last introductions, Mr. Speaker, also relate to education, this time to postsecondary education. The University of Alberta is in my constituency, as is one campus of Grant MacEwan College, so my constituents are all too familiar with rising tuition fees and other challenges facing postsecondary students. My two guests today are Mike Hudema, president of the University of Alberta Students' Union, and Anand Sharma, chair of the Council of Alberta University Students. Mike and Anand and many other students were instrumental in collecting thousands of names on petitions and letters that I will be presenting later in the Legislature. Please give them a warm welcome.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I'm delighted to rise and introduce to you and through you to the Assembly nine young Albertans, Edmontonians, our future leaders. They are also visiting here today to bring a message to this government to stop underfunding public education. They are aware of the negative consequences of continued underfunding for the quality of education that they are entitled to. They're seated in the public gallery, and I would ask them to rise as I call their names: Katrina Beatty, Ava Becker, Jonathon Balazs, Tina Caron, Jennifer Leech, Nancy Lambert, Tony Cyr, Alan Cliff, and Heather Shrimpton. I'll ask now my colleagues in the House to give them a warm, warm welcome.

The Speaker: Hon. Member for Edmonton-Glenora, you wanted to participate in introductions. Please proceed.

Mr. Hutton: Thank you, Mr. Speaker. It is a great pleasure for me to stand before you today to introduce to you and through you to members of the Assembly two young individuals that truly demonstrate the Alberta advantage in education in this great province.

Hailey is an international baccalaureate middle-year student at Westminster junior high school. She has a 91 percent average. She is bilingual, plays piano, bass guitar, drums. She's involved in ballet, Irish dance, skis and swims. She is an artist who has had her art used on the cover of the Edmonton public school board retirement program last June.

Accompanying Hailey is Hillary. She is a constituent with a 90 percent average at Parkview junior high school. She plays volleyball, basketball, participates in the track team. She is bilingual, plays piano, and in her spare time she assists her brother, who has muscular dystrophy, to lead a more independent and fruitful life.

Both are too busy to collect petitions in the constituency. I would ask that Hillary Schell and Hailey Hutton please rise and accept the warm welcome of this Assembly.

head: **Oral Question Period**

The Speaker: First Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Natural Gas Prices

Mr. MacDonald: Thank you, Mr. Speaker. The signatures just keep coming in. Four hundred more Albertans have visited our web site, altaliberals.ab.ca, to express their outrage over skyrocketing utility bills. This government protects the greedy and ignores the needy. My first question is to the Minister of Energy. Will the Minister of Energy finally admit that the natural gas protection act was all about public relations and had nothing to do with consumer protection?

Mr. Smith: Mr. Speaker, this member has a tendency to change what he says today as compared to what he used to say when he was here for the debate, when he was here for the passing of the bill, when he saw the bill unfolding, when he saw the process. Some of the comments from the time in the session in 2001: they would agree that this bill is not necessary; what kind of sheltering is necessary?

We look at this: the minister . . . If this bill, this slogan bill, this public relations exercise . . . were to be lining the pockets of the developers . . . at the expense of Alberta consumers, I would be very, very disappointed.

1:40

Mr. Speaker, we have a bill that went through an extensive policy process: standing policy committee, approval by cabinet, approval by caucus. Then it went in front of the House. It was Bill 1 in 2001. It was subject to extensive debate. It was 5 percent below the threshold established for the rebates of 2001, and we are putting that policy to the test now. We will evaluate how that meets that test. We have looked at it from a perspective of timing. Could we do it on a different 12-month period? Could we do it on something where it would be different from the budgeting process and the cycle in which we collect money?

Mr. Speaker, we have seen the Natural Gas Price Protection Act in its infancy work in 2001. We struck a good bill. It's good policy, and it's in place today.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the same minister: then why did this government repeal an act that would give Albertans natural gas rebates only to put in place legislation that ensures that rebates will only occur during an election year?

Mr. Smith: Well, Mr. Speaker, as used as we are to scurrilous

preamble, I think that kind of takes the cake. It kind of tops out on a Thursday. He's referring to the Natural Gas Rebates Act of 1974. That act was in place. It was repealed in 1987. This government responded to a very real crisis in 2001. It has good policy in place. We're watching what's going on now. The gas price is dropping. It's dropped \$2.40 in Henry hub today. I think all members enjoyed the sunshine outside this afternoon.

Mr. Speaker, it's good policy, it's effective policy, and most importantly there are other policies put in place by this government that will protect seniors, low-income Albertans, and families in need.

Mr. MacDonald: But it is not an election year.

My next question is to the Minister of Finance. Will the Minister of Finance pry open her blue handbag immediately and let go of a small portion of the \$400 million she set aside yesterday for emergencies like skyrocketing natural gas prices and the bills that are reflected because of that high price?

Mrs. Nelson: Mr. Speaker, the hon. Minister of Energy has explained the act and the policy, as has the Premier, every day this week to this hon. member. I don't know what part he does not understand, but obviously we're going to have to give him a briefing so he understands the act that he actually voted for.

The Speaker: Second Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Education Funding

Dr. Massey: Thank you, Mr. Speaker. Edmonton students – and there are some in the gallery today – tell us that there are fewer resources in their classrooms, fewer librarians and resource teachers, and that they are sitting in larger and larger classes. On top of this, their moms and dads are fund-raising for the basic needs of their schools. My questions are to the Minister of Learning. Will the minister explain to these students why they are learning in resource-starved classrooms?

Dr. Oberg: Well, Mr. Speaker, that's a very long issue and a very long question. Part of it has to do with the 14.09 percent settlement that was received by the ATA in the last two years. Keeping that in mind, we just recently put \$20 million directly in the classroom in the form of textbooks, in the form of computer software, in the form of other resources that these students can now use.

I will take exception to one of the things that the hon. member just stated, and that is the larger class size. Mr. Speaker, we have just finished a survey from around the province which shows that the class size has not grown in Alberta and actually is very similar to what it was last year. Edmonton public, for example, in this present school year had an increase of 300 students and hired 82 new teachers to service those 300 students.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister, Mr. Speaker: why in some schools in this city do four students have to share one outdated textbook from the 1980s?

Dr. Oberg: Mr. Speaker, that absolutely is not acceptable, and I will take that up immediately with the superintendent of schools. I do not find that situation acceptable at all, and if it's true, I will certainly see it changed.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister, Mr. Speaker: why are school libraries such a low government priority that in some schools all the new books must be purchased through parent fund-raising activities?

Dr. Oberg: They're not, Mr. Speaker.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. At the last election Edmontonians were told that having a few more seats at the government's banquet table would make sure that this city shared in the feast. Well, two years later all the city is left with are crumbs. The Edmonton Tory caucus has failed to protect the city from losing a constituency and failed to get the same financial help for Edmonton public schools that Calgary public has received. My questions are to the Minister of Learning. How was the Calgary Tory caucus able to squeeze an extra \$7 million out of the department while the Edmonton Tory caucus got absolutely nothing?

Dr. Oberg: Well, Mr. Speaker, that line of thinking is something that is absolutely amazing. I don't know how many more times I have to say in this House what I said yesterday, and that was, quite frankly, that in the arbitration settlement there was an extra \$7 million weight that was put around Calgary public that was not put around any other school board. Any other school board. I could spell it out too: any other school board in Alberta. What the \$7 million did yesterday was level the playing field so that Calgary can be making the same decisions based on the same funding, on the same facts as Edmonton could.

The Speaker: The hon. member.

Dr. Massey: Thank you. Well, that being the case, then, will the minister give the other school boards in the province who also pay 100 percent of teacher benefits the same break?

Dr. Oberg: Mr. Speaker, I'm sure the hon. member was here yesterday, but I did explain this yesterday as well. There are approximately another 12 or 13 boards around the province who pay 100 percent benefits. Those boards negotiated that themselves. They negotiated that at the same table where they negotiated salaries, at the same table where they negotiated benefits. That was done prior. The Calgary public school board did not negotiate this. This was an extra clause in the arbitration agreement that they were saddled with that no other school boards were saddled with in their 54 arbitration agreements.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister, Mr. Speaker: will the minister give the Edmonton public school board the same budget flexibility that he has given Calgary public?

Dr. Oberg: Mr. Speaker, what I did yesterday was put Calgary public on the same footing as Edmonton public when it came to their budgetary issues. What had happened before then is that the Calgary public school board had a \$7 million penalty imposed by the arbitration that Edmonton public did not have. They are now on equal footing. We are working with Edmonton public and will

continue to work with Edmonton public to find out how we can help their budget issues. As I said yesterday in a question from the very exceptional Edmonton caucus that we have in this Assembly, I would look at amortizing after the audit that is occurring right as we speak today.

The Speaker: Hon. members, before calling on the hon. leader of the third party, just to advise the House, there will be a point of order dealt with at the conclusion of question period. It was during the exchange between the hon. Member for Edmonton-Gold Bar and the hon. Minister of Finance.

The hon. leader of the third party.

Dr. Pannu: Thank you, Mr. Speaker. Once again the Edmonton Tory caucus shows how ineffective they are at standing up for this city. While the government doles out \$7 million for a Calgary school board, the best suggestion Edmonton Tories can make and come up with is to let Edmonton public go into debt. They are literally mortgaging the future of our schools. My questions are to the Minister of Learning. How does allowing school boards to rack up debt and pushing funding problems onto future generations of students solve the problem of proper funding for schools?

1:50

Dr. Oberg: Mr. Speaker, the nice thing about this Assembly is that I get at least three or four chances to answer a question because it's repeated three or four times. What happened yesterday – and I will repeat what I just said – is that \$7 million was given to Calgary public to put them on the same footing as Edmonton public. I don't think that anyone in this Assembly would argue with the fact that we have to look at making everyone – everyone – including anyone in this Assembly, accountable for how our taxpayers' dollars are spent. Quite simply, that's what we are doing with Edmonton public. We are going in and taking a look, finding out how they spend their money. As I've stated already, there are some great inconsistencies; for example, 300 new students with 82 new teachers. Does that make sense, or doesn't that make sense? I can't answer that because we haven't looked into their books and into what their practice is. That is what we are presently doing. We want to help Edmonton public, and we certainly will look at doing what we can.

Dr. Pannu: To the same minister, Mr. Speaker: given that every school district is unique and has special challenges, will the minister recognize this and fund the entire arbitration settlements for affected schools, not just the parts that meet his political needs?

Dr. Oberg: Well, Mr. Speaker, it's funny because the last time I looked, despite the boundary redistribution Strathmore-Brooks did not extend into Calgary.

We have given \$298 million to fund a \$260 million settlement that the arbitration people brought forward. Included in that settlement was an extra tax, I will say, on the Calgary public school board for \$7 million. Again, quite simply this time – I'll even try to make it simpler if I can, Mr. Speaker – the \$7 million levels the playing field between Edmonton and Calgary.

Dr. Pannu: To the same minister, Mr. Speaker: do students in the Edmonton, Red Deer, Elk Island school boards and elsewhere really deserve to lose hundreds of teachers and valuable services all because their Tory MLAs are asleep at the switch?

Dr. Oberg: Mr. Speaker, I will say categorically that every Tory MLA in this Assembly represents their school boards and represents

their people. As you were told yesterday, when it comes to areas like Elk Island, they have assured me that they will not be running a deficit. We've seen some very interesting things in Elk Island, for example, in that they gave their support staff a 14 percent pay increase as well. These are all the types of things that we are looking at. Those are the independent decisions that school boards make right now, and we are confident in working with them. It's going to be tight, absolutely, but we are confident that the school boards will come out of this, that they will be okay, and to the hon. minister from Bavaria, that we, too, will be number one in the world again next year.

Thank you.

The Speaker: The hon. Member for Lac La Biche-St. Paul, followed by the hon. Member for Edmonton-Riverview.

Crop Insurance

Mr. Danyluk: Thank you very much, Mr. Speaker. Crop insurance changes recently announced by the Agriculture Financial Services Corporation have many of my agricultural producers very interested in the new programs. However, they are concerned with getting an appointment to see the AFSC insurance administrator before the deadline of February 28, which is tomorrow. My question is to the Minister of Agriculture, Food and Rural Development. What is AFSC doing in response to the tremendous uptake for pasture and forage insurance programs?

Mrs. McClellan: Mr. Speaker, there's been a remarkable uptake on this program. I think it's a direct response from producers to changes that have been made to the program that make it more responsive to their needs, and that's as it should be because the changes we made were farmer driven.

The deadline is tomorrow. Staff have been working up till 7 o'clock at night and past. The deadline is tomorrow, but if producers call in for an appointment and they cannot be seen, we will go up to March 11 to accommodate those appointments. But, Mr. Speaker, if people do not contact a representative in the many offices we have across the province before the end of the working day on February 28, they will not be accepted in the program.

The Speaker: The hon. member.

Mr. Danyluk: Thank you very much, Mr. Speaker. Many of my producers make their rental decisions for the following year in December. Why did the deadline for forage and pasture insurance get moved up three months to December 15, 2003, for next year's crop insurance?

Mrs. McClellan: Mr. Speaker, this is an insurance program. It is meant to be part of the risk management tools that a producer has, and we believe that they would be quite capable of making those decisions by December 15. An insurance program does not work if you wait until the eve of an event to insure. We are expecting that people, if they feel that they need this risk management tool, would make that decision in December.

The Speaker: The hon. member.

Mr. Danyluk: Thank you very much, Mr. Speaker. For my final supplemental, to the same minister. Many of my crop producers are concerned about the new prices for the crop insurance, that haven't been released yet. When will these numbers be available for producers to make the best decisions for their operations?

Mrs. McClellan: Those numbers will be available for producers on March 10. The deadline for that insurance program is April 30, and we're confident that we will be able to accommodate producers in that time frame. Mr. Speaker, I think we do have to recognize that those changes to that program were just made less than a month ago, so I think that for staff to be ready and the numbers to be ready for us and accurate, March 10 is what we could achieve.

The Speaker: Before calling on the hon. Member for Edmonton-Riverview, let me advise the House that we will have an additional point of order, this one raised by the hon. Minister of Justice and Attorney General on an exchange with the hon. Member for Edmonton-Mill Woods. He just didn't rise at the time.

Learning Resources Centre

Dr. Taft: Mr. Speaker, schools that wish to use the \$20 million the government has provided for textbooks and resource material must purchase them through the government-owned Learning Resources Centre. Schools must do this despite the fact the Learning Resources Centre charges far above the market price for many items. The government is using the Learning Resources Centre as a company store to claw back funds from cash-starved schools. To the Minister of Learning: given that purchasing 10 dictionaries, 10 spelling books, and 20 atlases will cost a school over \$400 more through the Learning Resources Centre than other suppliers, why does the Learning Resources Centre consistently overcharge schools?

Dr. Oberg: Mr. Speaker, I find that question extremely, extremely offensive. The Learning Resources Centre has provided an economy of scale for all our school boards and provides on average around a 25 percent discount to what it can be purchased for elsewhere.

The Speaker: The hon. member.

Dr. Taft: Thank you, Mr. Speaker. I will take the risk of offending the minister more in tabling the information to back up my question.

The Speaker: We'll do the tablings at the appropriate time in the Routine. Please proceed.

Dr. Taft: Thank you. To the Premier: will the Premier admit that his government has a double standard when it ties the hands of schools in purchasing materials even if it drives costs up, yet it complains so loudly when strings are attached to federal dollars for health?

Mr. Klein: What was the question? Mr. Speaker, what was the question? Are we tying their hands? No.

The Speaker: The hon. member.

Dr. Taft: Thank you, Mr. Speaker. I'm delighted to repeat it. To the Minister of Learning: will the minister give schools the opportunity to purchase the materials they need from the lowest cost provider?

Dr. Oberg: Mr. Speaker, there is no obligation for the school boards to purchase their equipment from the Learning Resources Centre. Right now there's approximately \$32 million worth of resources that are purchased at the Learning Resources Centre each year. Above the \$20 million that was provided now, we also give school boards a credit for \$5 million to purchase them at the Learning Resources Centre.

I will table on Monday the evidence that shows the prices for the Learning Resources Centre, and at that time I fully expect an apology from this hon. member for myself and my staff and my department.

2:00

The Speaker: The hon. Member for Drayton Valley-Calmar, followed by the hon. Member for Edmonton-Centre.

Commercial Fishery

Rev. Abbott: Thank you, Mr. Speaker. In my constituency some residents have fished for many years under commercial fishing licences. Pigeon Lake and Buck Lake fishers have followed the rules, reported their catches, and made use of the renewable commercial fishing resource. It's not uncommon to see three or four generations of fishers on the lake setting nets. People drive from all over Alberta to purchase whitefish right off Buck Lake. The small town turns into a fish marketplace for the day. The community comes to life holding a supper and a breakfast especially for the fishermen. If this is to change, there would be a strong economic impact on the community. In the past year the Department of Sustainable Resource Development has been implementing a plan that would put numerous small operators out of business. So my question is for the Minister of Sustainable Resource Development. [some applause] Thank you. Is there a future for Alberta's commercial fishery, and does it include small operators?

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. That's an excellent question by that member. The challenge is to have both a sportfishing and a commercial fishing industry in Alberta. As you mentioned before, the commercial fishing industry in Alberta is about 800 commercial fishermen. They presently access about 34,000 100-yard nets, and it's approximately a \$5 million industry. The targeted species, of course, are tullibee and whitefish. On the other hand, the sportfishing industry is over \$350 million, and over 350,000 members belong to that industry. So we do have challenges as to how we do the balance as we move forward.

In order to have a viable sportfishing industry and a commercial fishing industry, Mr. Speaker, we intend through a compensation program to reduce the number of commercial fishermen, to start with, down to about 200. Of course, they would also access about 18,000 100-yard nets. The compensation program, I believe, is one that was done jointly with the commercial fisheries association of Alberta, and they're fully supportive of it.

The area of the very small operators the member mentioned, with four total net privileges they can continue fishing until March 31 of 2005, at which time they will no longer be able to license.

The Speaker: The hon. member.

Rev. Abbott: Thank you. My only supplemental question for the same minister is: what are the time lines for buyouts, including the deadline for small operators to amalgamate in order to stay in business?

The Speaker: The hon. minister.

Mr. Cardinal: Yes. Mr. Speaker, a letter went out over a year ago to the commercial fishermen of Alberta advising them that there are time lines. In fact, the opportunity to apply for compensation is February 28, which is, I believe, tomorrow. Anyone who wants to

continue commercial fisheries and hasn't bought a licence, this year for open lakes it's March 15. That's important. A transfer for this year is March 15. Eligible small operators – and this is the important one – with fewer than four total net privileges who want to stay in the fisheries and buy out larger operators is March 15 of 2005.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Olds-Didsbury-Three Hills.

Human Rights

Ms Blakeman: Thank you, Mr. Speaker. Several years ago we had a cabinet minister of this government advocating that pedophiles be put in with the general prison population to let the moral prisoners deal with them, and now we have the Member for Edmonton-Norwood scoffing at human rights legislation, musing admiringly about using 50-millimetre machine guns on protesters, and advocating shipping repeat offenders to Russian gulags. My questions are to the Premier. Will the Premier ask this member of his caucus to apologize and withdraw his statements?

Mr. Masyk: Point of order.

Mr. Klein: Mr. Speaker, the hon. member alluded to has raised a point of order, and I don't know, other than reading the news reports, what exactly he did say. I don't recall reading in the newspaper article the comments or the statements made by the hon. member, but I will do this. I will undertake to discuss the situation with the hon. member.

The Speaker: The hon. member.

Ms Blakeman: Thank you. That's satisfactory.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Edmonton-Gold Bar.

Police Services

Mr. Marz: Thank you, Mr. Speaker. My question today is to the Solicitor General. Urban municipalities over a population and size of 2,500 are required to pay for police services, while rural municipalities and smaller urban municipalities are not required to do so even though they do receive police services and receive the fine revenues collected there. My question is: when will the Solicitor General take steps to correct this inequity?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. The hon. Member for Olds-Didsbury-Three Hills is correct when he says that cities and towns and villages and summer villages with more than 2,500 people are required to pay for police services. This is clearly laid out in the Police Act. I realize that some communities, especially many rural communities where the tax base does not reflect the policing needs, are having a hard time funding their policing. I've met with many communities across the province, and I've listened carefully to their concerns. This is an issue around equity, and we have to look at how we can make the system more fair. Equity is a complex issue. It's a growing concern and one that's been taken very seriously by this government. That's why the government MLA committee was asked to review policing in the province. We are reviewing the recommendations from the committee and the responses we've received, and the next step will be a careful review by our government.

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. Well, given that there's a movement started by some smaller urban municipalities over 2,500 to withhold payment for police services until this situation is resolved, can the minister assure Albertans in those municipalities that police service will continue uninterrupted?

The Speaker: The hon. minister.

Mrs. Forsyth: Thanks, Mr. Speaker. I understand that many municipalities in this province are in difficult situations, and I'm disappointed to hear from the hon. member that some municipalities have decided to take that action in their contracts with the federal government. I have not personally been contacted by any municipalities advising me of their plans. Again I'd like to assure the hon. member that we are providing police services in this province and would be willing to discuss his issues with his towns, and I'd be pleased to meet with them.

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. My final question to the same minister: would she consider immediately allocating all fine revenues collected within the police district to those municipalities who do in fact pay for the service?

Mrs. Forsyth: Mr. Speaker, the bulk of the fine revenue from the municipal statutes already goes to the municipalities in which the fine is issued with the exception of a surcharge that goes to the administrative costs and to support victims' programs. It's up to the municipalities to determine how that funding is used.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Highlands.

Natural Gas Rebates

Mr. MacDonald: Thank you, Mr. Speaker. This government's generosity has no limits during an election year, but now we find out the truth about the Natural Gas Price Protection Act, and we find out that it is yet another broken election promise. My first question is to the Minister of Infrastructure. What happened to the \$396 million that was left over from the energy rebate program in the election year? Where's that money now?

Mr. Lund: Mr. Speaker, I believe that the hon. member is the chairman of the Public Accounts Committee, and if, in fact, he is really concerned about something that happened over two years ago on the financial side, I would think that he would be able to find that in the public accounts. Either his research – incidentally, they get a large amount of money for their party research – is not working or he's not doing his job on Public Accounts.

Mr. MacDonald: Again, Mr. Speaker, this time to the hon. Minister of Finance. The \$125 million that was committed to the Natural Gas Price Protection Act two years ago was not spent. Where is that money now, and why don't you use it to provide emergency relief to Albertans at this moment?

Mr. Smith: Be gentle. It's Thursday.

Mrs. Nelson: I'm reminded it's Thursday, and it's been a long week,

but I'm just a little perplexed that this hon. member as the chairman of the Public Accounts Committee doesn't have a handle on what is going on from the years past. That's his job. I'm just really surprised that he's asking these questions.

2:10

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the Minister of Energy. Given that "Bill 1 does exactly that. [It] enables the government to react to gas spikes," why are the words of the Minister of Energy during debate on Bill 1 not the law now? Why do you have this cumbersome formula that does not allow for gas rebates when you said that gas rebates were just going to be for the spikes?

Mr. Smith: Mr. Speaker:

So when you think that this is the flagship piece of legislation from this government, I have to caution the consumers of the province and I have to caution all hon. members of the Assembly: we cannot accept this bill in this form. It is a blank cheque. It is like giving the government a credit card with unlimited spending: here; go for it. Anything could happen here.

Another sentence: "The concept of gas rebate programs is not bad." Did I say that in debate? No. The chairman of Public Accounts, who is supposed to know where the money has gone, said that in the debate in 2001.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-Currie.

Natural Gas Prices

(continued)

Mr. Mason: Thank you very much, Mr. Speaker. This winter Albertans have the dubious privilege of paying the highest home heating costs in the prairie provinces. The natural gas prices that will be paid next month by Saskatchewan residents will be more than \$3.40 per gigajoule lower than the price Alberta residents will pay, and residents of Manitoba will pay \$2.80 per gigajoule less than we pay in Alberta. We are sitting right on top of the gas. We supposedly own it, yet we're paying more for it than people in other provinces. What's wrong with this picture? My question is to the Minister of Energy. Why can provinces like Saskatchewan and Manitoba deliver natural gas to their citizens at winter rates that are 30 to 40 percent lower than the rates Alberta natural gas consumers have to pay in this province?

Mr. Smith: Well, Mr. Speaker, the hon. member is absolutely right when he says that he is sitting on top of all the gas.

To compare, on February 24, 2003, the price of gas in Alberta was \$12.20 a gigajoule, while the price of gas delivered in Toronto was \$25.70 a gigajoule. This member knows full well from his experience with big business in the utility of EPCOR that people can buy in these other provinces contracted rates, and those Crown corporations which support government debt guaranteed by the taxpayer are the same companies, Mr. Speaker, that buy their gas on a 12-month basis.

I would ask him to ask the same question in two or three months' time, and he will find that the price of natural gas will be somewhere between 35 and 70 percent higher in the provinces of Saskatchewan and Manitoba than it is in the province of Alberta.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, I appreciate the minister when he's witty but not when he's half witty.

Why should Albertans care that rates are cheaper in the summer when they're being gouged now during the winter at the very time they use the most natural gas?

The Speaker: That's an opinion, hon. minister.

Mr. Smith: Well, Mr. Speaker, I only wanted to be half witty so I could be on the same level.

It's very, very clear that the price of natural gas in Alberta today is sold at a spot rate. If people want to put a contract, they could have bought a contract from EPCOR or Enmax. In the future, Mr. Speaker, there'll always be a flow-through rate if people want to pay spot rate, but there will be opportunities for people to buy contract rate as well. Year on year, in and out, Albertans have been well served by their utilities, by the legislators, and by the great benefits that natural gas produces for this province.

Now, Mr. Speaker, I referred earlier to not only is there no sales tax in the province, but we've seen a third-quarter update that reflects how Albertans value and use the oil and gas revenue royalties that accrue to them, and this will continue. We will continue to be vigilant with a program that is unique in Canada and will protect Albertans at the point where the average annual price exceeds \$5.50 per gigajoule.

The Speaker: The hon. member.

Mr. Mason: Thank you, Mr. Speaker. Well, I'll ask a question. I'm tempted to make a statement.

The Speaker: Well, I'd like you to ask a question because those are the rules that you told me to enforce.

Mr. Mason: I appreciate that, Mr. Speaker. Thank you for that.

Given that Medicine Hat has cheaper gas than the rest of Alberta, given that Saskatchewan and Manitoba have cheaper gas than the rest of Alberta, what is it that those jurisdictions know that the Minister of Energy in this province doesn't know?

Mr. Smith: Well, Mr. Speaker, I know that people in Medicine Hat, I know that people in Saskatchewan – I've been there. I went to school at a little place called Notre Dame College, where in fact we didn't have natural gas. We had propane, and they would come and fill our tanks with propane. In fact, when this college ran out of money, we didn't get money for propane. We just sat there without any heat at all, but we didn't complain.

In fact, Mr. Speaker, I've worked in Manitoba as well. Manitoba has just converted its only coal-fired electricity generating station, in Selkirk, Manitoba, where I worked at the Selkirk Gordon Hotel slinging beer to try and get through college. That group now uses Alberta gas to fire up their electricity.

We're proud of what we do. We're proud of how we protect seniors. We're proud of how we protect low-income Albertans. We'll continue to be fair.

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

Regional Health Authority Human Resource Costs

Mr. Lord: Thank you, Mr. Speaker. In large corporations overtime pay as a percentage of total payroll rarely exceeds 1 or 2 percent, and 5 percent would be an item of some concern. We know that human

resource costs – in other words, the payroll – are a major concern to health regions. In fact, the highest percentage of health authority costs are related to the human resource component, wages and salaries. I understand that more nurses are listed as working part-time than full-time, which is driving up overtime costs, and that takes money away from other patient needs. My question is to the Minister of Health and Wellness. Can the minister tell us what percentage of nurses work full-time and what percentage work part-time in the Calgary health region?

Mr. Mar: Mr. Speaker, my inquiry to the Calgary health region has yielded the following information. There are 7,882 registered nurses working for that region. Of those, 1,679 are employed on a regular full-time basis, 3,058 are employed on a regular part-time basis, and the remaining 3,145 nurses are working in temporary positions or on casual contracts.

Provincially there are a total of 21,390 nurses currently working for RHAs. Of those, only 7,059 are working regular full-time, 9,626 are working regular part-time, and 4,706 are working in temporary positions or on casual contracts.

The Speaker: The hon. member.

Mr. Lord: Thank you, Mr. Speaker. My next question to the same minister: how much of the Calgary health region's total spending on part-time and how much on full-time nurses goes to pay for overtime?

Mr. Mar: Mr. Speaker, the Calgary regional health authority has an entire budget allocation for nurses' salaries in the amount of \$305 million, and of that total, approximately \$12 million is paid for nursing overtime costs.

The Speaker: The hon. member.

Mr. Lord: Thank you, Mr. Speaker. My third question to the same minister: will the government ensure that nursing overtime costs are addressed in the current negotiations between the public health authorities of Alberta and the United Nurses of Alberta?

Mr. Mar: Mr. Speaker, it is very important to know that the contracts for nurses are between regional health authorities and nurses and not contracts with the government of Alberta. So the responsibility for negotiating new contracts rests with the provincial health authorities of Alberta.

That contract with the UNA, the United Nurses of Alberta, expires on the 31st of March 2003. The Alberta government has no role in negotiating nurses' contracted hours of work or in determining their work schedules.

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

2:20

Licence Plates

Mr. Bonner: Thank you, Mr. Speaker. Licence plates on motor vehicles help society catch criminals, stop traffic violators, and recover stolen property. In Alberta, unlike nearly every other province and state on the continent, a plate is required only on the rear of the vehicle. The absence of a front plate hampers the police's ability to catch violators and criminals and locate stolen property. We have heard the story about a vehicle whose occupants were following and harassing children but could not be identified because

it was only viewed from the front. My questions are to the Minister of Transportation. Given that crime prevention organizations such as police services and Crime Watch in Alberta unanimously agree that front plates will help to curtail crime and increase public safety, when is the minister going to introduce mandatory front plates?

The Speaker: The hon. minister.

Mr. Stelmach: Well, thank you, Mr. Speaker. I believe that the hon. member will remember the discussion we had in this House some time ago on a motion that was brought forward by the Member for Clover Bar-Fort Saskatchewan with respect to issuing front licence plates. The decision of the House then, if I recall correctly, was to wait until we had to change the numerical sequence of our licence plates, given the reason of population growth, et cetera, and then that's when we would visit and look at the possibility of running a new numerical system for licence plates.

The Speaker: The hon. member.

Mr. Bonner: Yes. Mr. Speaker, the minister was quite correct that in the year 2000 we did pass a motion in this House and that many Albertans supported the front licence plate program.

Why will the minister not commit at this time that when this date does arrive, front licence plates will be reintroduced in Alberta?

Mr. Stelmach: Mr. Speaker, we have a motion that was duly passed in this House, and I suspect and believe that it's my responsibility to adhere to the motion that was passed by the majority of these members.

The Speaker: The hon. member.

Mr. Bonner: Yes. Mr. Speaker, to the same minister: given that new plates would only cost a few dollars for each driver, does the minister not agree that this is an insignificant cost for increased public safety?

Mr. Stelmach: Mr. Speaker, the hon. member is very correct in terms of various issues brought forward by numerous groups that have talked about issuing front licence plates. These would be from crime prevention to school bus drivers to others. We are currently assessing a lot of that information that has come forward in terms of school bus safety and crime prevention and are going to be coming forward with some recommendations. It might not all be in the form of a front licence plate but significantly looking at changes to the Traffic Safety Act to ensure that motorists are safe on our provincial highways and also at that time try and reduce significantly some of the crime that occurs.

The Speaker: The hon. Member for Calgary-Fort, followed by the hon. Member for Grande Prairie-Wapiti.

Natural Gas Prices

(continued)

Mr. Cao: Thank you, Mr. Speaker. Our Calgary-Fort constituency covers a large industrial park in Calgary. A few days ago the manager of a long-established factory in my constituency contacted me expressing his worry about the large increase in gas bills, that affects the viability of his business and the jobs of his employees. He talked about a gas billing increase around a hundred thousand dollars even though his business volume stays the same. My

question is to the Minister of Energy. Gas prices have risen over the past few months, and my constituents want to know how the natural gas prices are determined.

Mr. Smith: Well, Mr. Speaker, Albertans who buy natural gas from ATCO or AltaGas receive a monthly flow-through price based on daily and monthly spot prices. There is no profit component to these prices. The wholesale prices, however, are based on market prices set in an integrated North American marketplace. We export three-quarters of what we produce; we keep 25 percent. Of course, as everybody has seen and everybody has talked about, we have a very cyclical pattern in these prices: cold winter weather, chokes in pipelines, links to the oil price, explosions in Staten Island of gasoline stocks, poor drilling activity, and now it's been ramped up to massive drilling activity. So it is difficult to ascertain a stable price. However, there are people in the marketplace who you can go out and contract through hedging or through a series of financial instruments, as a business, to be able to get specific pricing.

Now, Mr. Speaker, in various papers today there were numerous reports that the hottest sector for growth, profit, and money invested will be the oil field energy sector, and that is a function of the quest for natural gas stocks and natural gas reserves in this province. As we see an economy that's going to have economic growth of some 4.9 to 5 percent, that search for natural gas will aid all businesses in Alberta because that is going to bring in a tremendous amount of investment. In fact, an oil and gas exploration company must spend anywhere from 115 to 125 percent of its cash flow in order to stay alive, to stay prosperous. So that money is injected into this economy on a continual basis, which then, of course, raises the taxes, the royalties, and allows us to be the number one province in this dominion.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. Small commercial businesses in my area, with their limited cash flow, would like to know what natural gas pricing options are available for them.

The Speaker: The hon. minister.

Mr. Smith: Well, thank you, Mr. Speaker. I think this is an area where the provincial government in co-operation with the industry can do more to provide a consumer education program, a program where we actually get more information out to small businesses, the real backbone of today's economy. In fact, there might be a minister here who'll wish to talk about the small business health of the economy given the change in energy prices in this marketplace. But those particular companies can already choose today from Enmax, EPCOR, and other natural gas marketing agencies to find specific contract points that will then allow them to nail down or determine a level of certainty for their business inputs, and we all know that certainty in business inputs is an important component of profit and growth.

Now, it's my understanding, Mr. Speaker, that many of these companies are in fact doing well. Business bankruptcies are at a very manageable level in Alberta, and I know that the hon. Minister of Economic Development will add materially to this question.

The Speaker: The hon. member.

Mr. Cao: Well, thank you, Mr. Speaker. To the same minister: what can Alberta businesses expect from the government policy if the natural gas price stays or keeps rising?

Mr. Smith: Well, you know, Mr. Speaker, businesses in Alberta today can expect the very same treatment that they have received since June 15, 1993, and that is a government that provides an environment that allows the private sector to flourish, a government that will not get involved in the ordinary business dealings of the day, a government that will not lend money and pick favourites over one company or another. This government will continue to provide that appropriate environment that allows business to flourish in this fair province.

head: **Members' Statements**

The Speaker: The hon. Member for West Yellowhead.

Edson Savings & Credit Union

Mr. Strang: Thank you very much, Mr. Speaker. It is with great pleasure today that I rise to recognize the Edson Savings & Credit Union. This past week they celebrated their 60th anniversary of serving the Edson and district residents in the town of Edson. The Edson Savings & Credit Union was incorporated on April 16, 1943. Their first annual meeting was held on January 12, 1944, with five elected directors, three credit committee members, three supervisory committee members. They approved 31 loans ranging from \$15 to \$30 each. The credit union declared its first dividend in 1945 and joined the Credit Union League of Alberta in 1946. In 1951 the credit union introduced savings insurance. Through the '50s the credit union grew continually. In 1957 the credit union joined Credit Union Central Alberta. By 1960 the credit union had surpassed \$100,000 in loan guarantees since its inception.

2:30

The economy began to heat up in the '70s, and the credit union experienced phenomenal growth. In 1973 the credit union hired its first full-time manager and opened for full service introducing current accounts. By 1975 the credit union assets surpassed the million-dollar mark.

Mr. Speaker, in 1993 through 1995 the credit union introduced home and auto insurance, registered retirement income funds, Interac payment terminals, and strictly business accounts. Over the next couple of years the credit union entered the technological age with the installation of its first ATM.

Congratulations, Edson Savings & Credit Union, on your 60th anniversary, and thanks for your dedication to the constituents of Edson and district.

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

Evan-Thomas Provincial Recreation Area

Ms Carlson: Thank you, Mr. Speaker. Alberta is home to some of the most beautiful and diverse ecosystems on earth. Albertans know this and appreciate it, and they are willing to make the sacrifices necessary to preserve it.

Unfortunately, this government does not share the same commitment towards the environment as the people of Alberta. This is abundantly clear from the draft management plan for the Evan-Thomas area submitted last November. In the plan the government outlined how it will allow new commercial development and the expansion of existing commercial interests in this fragile area. This will place in jeopardy the delicate balance between development and protection of this precious natural environment. One of the most distressing aspects of this entire process is how this government has systematically ignored the public input. This, of course, is nothing unusual, but for the Evan-Thomas area the government ignored the

results of its own public survey conducted by an expensive private consulting firm.

What did Albertans tell their government in this survey? Ninety percent of Albertans said that the highest priority in Kananaskis should be environmental protection even if it means fewer recreational opportunities for people. Ninety-one percent of Albertans said that Kananaskis is a home for wildlife and that it is our responsibility to protect this area for them. Eighty-seven percent of Albertans said that commercial development should be directed outside Kananaskis Country, in which Evan-Thomas resides. In spite of the sentiments expressed by Albertans, this government has gone ahead with plans that will allow more development and that will inevitably diminish the value of this natural area for wildlife and for people.

I call upon this government to listen to the will of Alberta's people, to listen to their own survey and redraft a management plan for the Evan-Thomas area. This plan should hold the will of Albertans and needs of the environment paramount and relegate the interests of industry to a position of only nominal importance. Albertans demand no less.

The Speaker: The hon. Member for Whitecourt-St. Anne.

Betty and Bud Underwood

Mr. VanderBurg: Thank you, Mr. Speaker. Much has been said directed to the Minister of Children's Services in this Assembly this week. This minister, her staff, and the foster parents in Whitecourt-St. Anne have been outstanding.

One outstanding couple in Whitecourt-St. Anne is Betty and Bud Underwood, and I'd like to tell you their story. Betty and Bud were foster parents in the Whitecourt area for a 28-year period, from June 1974 until June of last year. They reside on an acreage in rural Whitecourt but were seen in town daily, running errands, meeting with school officials, social workers, and doctors, to name a few. Everyone in town affectionately knew them as granny and granddad. I don't think it was until I was 40 that I knew "Betty." I just knew her as granny. She was always just granny in the town of Whitecourt.

During their time as foster parents Betty and Bud fostered 141 children. [interjections] It's outstanding. They included many long-term placements and some overnight placements. They never turned away any child. They were always willing to take a call from any worker at any hour of the day, including many calls in the middle of the night. They were always willing to give every child a chance and were strong advocates for children, but they also held them accountable. The children's families also found the Underwoods to be supportive and would call on them often during placements and after the children returned home.

Betty and Bud saw many children reach adulthood in their home and to this day maintain ongoing relationships with many of them. They took in children and accepted them as part of their family and continue to be granny and grandad to many sets of next generation children. They worked very well with teenagers and for many years fostered six teens at any given time.

During their many years of tireless commitment to the children and social workers, they seldom took a holiday or were unavailable at a moment's notice. They would carry cell phones and could be counted on quickly to return to town whenever there was a placement in crisis.

The decision for the Underwoods to finally stop fostering was made with much difficulty and was primarily due to health and old Father Time. If they could have, they'd still be fostering today and offering their much-needed unconditional love to many more Alberta children.

The home closed in June of 2002, when the couple chose to retire after seeing many children successfully enter adulthood. A retirement party was held by the Whitecourt office and was attended by many community members, former foster children, and staff.

Thank you to Granny and Grandad Underwood.

The Speaker: Hon. member, the next time the chair recognizes, the time frame will be one minute.

The hon. Member for Edmonton-Strathcona.

Education Policy

Dr. Pannu: Thank you, Mr. Speaker. School boards and parents across the province are raising the alarm about a growing crisis in our schools caused by this Tory government's policies. Albertans know that this crisis was caused not by decisions made locally by school boards or specific schools but the policy decisions unilaterally imposed by this government, policy decisions that increased costs for school boards but that the government is now refusing to pay for.

The first decision that put school boards behind the eight ball was ramming Bill 12 through the Legislature last spring. Bill 12 imposed binding arbitration in a dispute with teachers. Since the arbitrator announced the settlement last June, the government has stubbornly refused to pony up for the arbitration award. As Michele Mulder, president of the Alberta School Boards Association, said on February 6:

Do the math — school boards received six per cent to pay teacher salaries; a third party arbitrator imposed a salary increase of 14.09 per cent — we're looking at a \$142 million shortfall for ever and ever.

Another unilateral decision that negatively impacted school board budgets was imposing a funding cap on how many credits grade 10 students can earn. Finally, the government unilaterally changed the formula for calculating school operation and maintenance grants. In the case of Red Deer public schools, for example, this reduced their grant increase to pay for things like skyrocketing utility bills from 3 percent to less than 1 percent.

In summing up the frustration of school boards and parents across the province, the chair of Elk Island school board, Maureen Towns, said of the Minister of Learning, "He's just not listening." She further accused the minister of "misleading" Albertans. Strong words, indeed.

Why isn't the Minister of Learning listening? I'm not sure, but one thing is certain: the minister's mindless refusal to listen is hurting schoolchildren in this province. Class sizes will grow. Programs that allow our children to achieve excellence will be scaled back as will programs and support for children with special needs. That is the real tragedy, Mr. Speaker.

Thank you.

head: Presenting Petitions

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

Rev. Abbott: Thank you, Mr. Speaker. On behalf of the Minister of Government Services, the hon. Member for Livingstone-Macleod, I'm pleased to present a petition signed by 26 residents that ask the Legislative Assembly to urge the government to "remove abortion from the list of insured services that will be paid through Alberta Health."

The Speaker: The hon. Member for Dunvegan.

Mr. Goudreau: Thank you, Mr. Speaker. I rise today to present two

petitions. Both are from my constituency. They are petitioning the Legislative Assembly to urge the government to deinsure abortions.

Thank you. Mr. Speaker.

The Speaker: The hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Speaker. I wish to present a petition with 40 signatures from Highwood and area residents asking for the Legislature to "remove abortion from the list of insured services that will be paid for through Alberta Health."

2:40head: Notices of Motions

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. I rise pursuant to Standing Order 34(2)(a) to give notice that on Monday I will move that written questions appearing on the Order Paper do stand and retain their places.

I'm also giving notice that on Monday I will move that motions for returns appearing on the Order Paper do stand and retain their places.

head: Tabling Returns and Reports

The Speaker: The hon. Minister of Energy.

Mr. Smith: Thank you, Mr. Speaker. I wish to table further information to a question that I responded to yesterday with respect to Medicine Hat royalties. In fact, the city of Medicine Hat does pay some royalties.* They do not pay royalties on a portion of an agreement created by the Parliament of Canada, the Medicine Hat gas agreement area, which was signed in 1915. When the province of Alberta was granted control over its own resources, a most notable decision worked hard for and obtained by former Premier Brownlee, this part became exempt for Medicine Hat.

There are currently 440 gas wells in the Medicine Hat gas agreement area, and the price benefits to the city over the past decade have been worth approximately \$3 million annually. Medicine Hat has been a very co-operative player in this marketplace, and I did want to clear that information up.

Thank you.

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

Dr. Taft: Thank you, Mr. Speaker. I have three tablings today. The first is the appropriate number of copies of 197 letters to the Minister of Learning from university students. The letters raise concerns over rapidly rising tuition fees, note that Alberta ranks eighth out of 10 provinces in its general operating grants to universities, and notes that tuition fees in Alberta have risen 209 percent in the past decade, reducing access to higher education and jeopardizing the future of this province.

My second set of tablings today concerns education as well. It's the appropriate number of copies of a petition signed by 2,772 Albertans expressing their concern about reductions in teaching staff, larger classroom sizes, and the elimination of various special programs, and urging the government to "increase funding for public education." This petition was launched a mere two weeks ago by three sisters that I introduced earlier today, and it spread so quickly because it reflects the seriousness of these concerns.

My third tabling is a document that apparently has information that offends the Minister of Learning. It's simply a comparison of prices between the Learning Resources Centre, Chapters bookstore,

*See p. 141, right col., para. 6, line 2

and National Book Service on 13 different items showing that the Learning Resources Centre prices are 10 to 80 percent higher than other suppliers.

Thank you.

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

Ms Carlson: Thank you, Mr. Speaker. I have a number of tablings this afternoon. The first is from Vicki MacIsaac, who participated in an environmental science class that completed an environmental assessment on the Evan-Thomas Creek area showing vegetation in the area is of unique importance to supporting wildlife populations and would like development stopped in that area. She is from Calgary.

Ron Dagg, who also is very concerned over future commercial development of the Evan-Thomas area in Kananaskis Country, wants it stopped.

Dennis Floate, who is from Calgary, the same thing, is not supportive of any further development in the Evan-Thomas area.

Alix Miller also believes that the Kananaskis Valley needs protection and that we should stop all future development in that area.

Thank you.

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

Mr. MacDonald: Yes. Thank you very much, Mr. Speaker. I would like to table over 400 signatures from Albertans from all over the province who are urging the government to initiate a natural gas rebates program.

Thank you.

The Speaker: The hon. Member for Lacombe-Stettler.

Mrs. Gordon: Thank you, Mr. Speaker. I rise today with two tablings. First is a copy of the council resolution from the town of Blackfalds whereby they unanimously as a council reject the recommendations of the Electoral Boundaries Commission on the grounds of democratic and social diversity and ask the Legislature to reinstate the town of Blackfalds within the Lacombe-Ponoka constituency.

The second tabling is a letter from the town of Lacombe bearing the mayor's signature wherein they endorse and support the inclusion of the town of Blackfalds within the Lacombe-Ponoka constituency, removing them from Red Deer-North.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I've got one tabling today, five copies of a letter written by Ms Heather Waldie dated February 17, addressed to the Minister of Learning and copied to me. Ms Waldie is expressing her deep disappointment and sadness with the Minister of Learning's failure to listen to Albertans who are asking him to fund our school boards and our schools appropriately so that our children will get the best education that we can possibly provide them.

Thank you, Mr. Speaker.

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

Mr. Mason: Thank you very much, Mr. Speaker. I have two tablings today. The first is a letter from the office of the mayor of

the city of Edmonton dated February 26, 2003, and addressed to the Premier and the Minister of Energy. The letter contains the motion passed by city council on February 25 asking the government of Alberta to "immediately institute the natural gas price protection rebate program."

The second letter is from Mrs. Margaret Stumborg, a senior from Edmonton, dated February 24, 2003, and addressed to the Premier. She draws the Premier's attention to his broken promise of gas rebates and asks that a rebate be granted immediately.

head: **Projected Government Business**

Ms Carlson: Mr. Speaker, at this time I would like to ask the Government House Leader for the information on next week's projected government business.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. Under projected government business for next week on Monday, March 3, at 9 p.m. under Government Bills and Orders, Committee of the Whole for Bill 2, the Financial Statutes Amendment Act, 2003, and second reading of Bill 17, the Appropriation (Supplementary Supply) Act, 2003, Bill 3, and as per the Order Paper.

On Tuesday, March 4, in the afternoon under Government Bills and Orders third reading of Bill 1, the Premier's Council on Alberta's Promise Act; second reading of Bill 7, the Real Estate Amendment Act, 2003, Bill 13, the Government Organization Amendment Act, 2003, Bill 10, the Health Information Amendment Act, 2003, Bill 14, the Securities Amendment Act, 2003, Bill 15, Forest and Prairie Protection Amendment Act, 2003, and Bill 16, Agricultural Dispositions Statutes Amendment Act, 2003; and as per the Order Paper. At 8 p.m. under Government Bills and Orders in Committee of the Whole Bill 17, the Appropriation (Supplementary Supply) Act, Bill 2, the Financial Statutes Amendment Act, and Bill 3, the Electric Utilities Act and as per the Order Paper.

On Wednesday, March 5, in the afternoon under Government Bills and Orders for third reading Bill 17, the Appropriation (Supplementary Supply) Act; Bill 2, the Financial Statutes Amendment Act; Bill 3, the Electric Utilities Act; and as per the Order Paper. At 8 p.m. under Government Bills and Orders for third reading Bill 17, Appropriation (Supplementary Supply) Act, Bill 2, the Financial Statutes Amendment Act, and Bill 3, the Electric Utilities Act, and in Committee of the Whole subject to time permitting bills 4, 5, 6, 7, 8, 9, 11, and 13.

On Thursday, March 6, under Government Bills and Orders in the afternoon for second reading bills 14, 15, 16, 10, 18, 19, 20, 21 and as per the Order Paper.

That would appear to cover the week. Thank you, Mr. Speaker.

Speaker's Ruling Decorum

The Speaker: Well, hon. members, being Thursday and all, we have three points of order to deal with, but prior to that I would like to make a few comments with respect to a memo I sent February 12, 2003, to all Members of the Legislative Assembly, particularly the section dealing with decorum in the House. I'm particularly going to make these comments to the Sergeant-at-Arms, the hon. Member for Spruce Grove-Sturgeon-St. Albert, the hon. Member for Calgary-Currie, the hon. Minister of Health and Wellness, the hon. the whip for the government caucus, the hon. Member for Calgary-Fort, and the hon. Member for Edmonton-Glenora. I write underlined:

Members are reminded that the consumption of food is not permitted in the Chamber. After Orders of the Day are called, Members may consume beverages such as tea, coffee, soft drinks and juice, provided that they are contained in special cups which can be found in the South members' lounge.

Furthermore, the same kind of suggestion should apply to the use of computers until we get Orders of the Day.

2:50

We want to be consistent because, after all, this is a result of all the consultation with members of the whole Assembly, and it might in fact encourage us to continue with the Routine in a more prescribed, quicker way if, in fact, we know that we can just do these other things at the conclusion of the Routine.

Now, it really doesn't help very much if the hon. Member for Calgary-East chooses now to inform the House that the hon. Member for Calgary-Shaw is in violation as well, but that magnanimous point of view is really quite helpful. The hon. Minister of Health and Wellness is actually in two violations: drinking coffee and using his computer.

Okay. Let's try and get through these three points of order with the best harmony that we can possibly deal with in recognition that it is Thursday afternoon.

So number one. Let's see. Do I take it that the hon. Member for Edmonton-Gold Bar has a point of order?

Point of Order

Allegations against a Member

Mr. MacDonald: Yes, Mr. Speaker. I rise this afternoon under 23(h), which is "makes allegations against another member," and also 23(i), "imputes false or unavowed motives to another member," in regard to remarks that were made earlier in question period this afternoon by the hon. Minister of Finance.

The hon. member stated in the exchange that this hon. member supported the Natural Gas Price Protection Act and voted for it, and that is simply not true, Mr. Speaker. In fact, if you look at *Hansard* from that time period, whenever Bill 1, the flagship bill of this government after it was re-elected, was debated, one will see that I could see through the bill and that we tried to amend the bill. At no point in time did I support this bill in votes, and I would ask now that the hon. member apologize and retract that.

Thank you.

Mrs. Nelson: Mr. Speaker, my intention was not to slight the hon. member opposite. In reviewing the *Hansard* of May 28 of 2001, the time that third reading was given for the bill, the vote was called, and normally when there is opposition to a bill, there's a standing vote recorded by the members opposite. When there was none, I made an assumption that we had swayed the hon. member to agree to the bill. However, if I have made him feel slighted, I do retract that. I don't want you to feel slighted, but I am going only by the lack of a standing vote and the record in *Hansard*.

The Speaker: Is the matter dealt with?

Mr. MacDonald: Yes. Thank you, Mr. Speaker, and I would like to thank the hon. Minister of Finance.

The Speaker: Now, the hon. Minister of Justice and Attorney General.

Point of Order

Allegations against a Member

Mr. Hancock: Well, thank you, Mr. Speaker. In a question during question period today the Member for Edmonton-Mill Woods had

a rather long and unfortunate preamble which offended sections 23(h) and (j) in his question and specifically offended the sensibilities of members by making allegation against another member. Now, I know that normally when using 23(h), "allegations against another member," the member is specifically mentioned. In this case, he mentioned the Edmonton caucus, so I think it's very easy to discern which members the hon. member was slandering.

In his preamble he indicated that members from the Edmonton caucus were not standing up for the city of Edmonton with respect to the boundaries commission and Edmonton losing a seat. I think the hon. member should be admonished that the Electoral Boundaries Commission is an independent commission which is chosen through the processes set out by this House and set out by an act passed by this House in order to allow for an independent drawing of boundaries which does not reflect politics and does not reflect the . . . [interjection] That's right. It was terrible, as you say.

Anytime a boundaries commission report comes in, members of the House object to the contents of it, and rightly so because members of the House are the experts for their own boundaries and ridings. They understand their communities very well. It's a very, very difficult job for a boundaries commission to put a report together, but the boundaries commission made the recommendation that Edmonton lose a seat, not the city of Edmonton MLAs, certainly not the city of Edmonton MLAs from the Progressive Conservative side of the House or the government side of the House.

It is inappropriate for the hon. member to suggest that the boundaries commission is in any way an arm of government or an arm of the Edmonton caucus or in any other way politically motivated or driven. It had two members chosen by the government, two members chosen by the opposition, and if I recall correctly, they chose very badly and had to do it a second time. They're making allegations about members. When we're talking about something that's so sensitive as boundaries, to say that Edmonton members didn't stand up – I'm not sure; I can't say how many of them went to the boundaries commission. I know that I went to the boundaries commission. I know that other members of the government caucus went to the boundaries commission, and I know that now they're advocating the city of Edmonton spend \$50,000 of taxpayers' money to ask MLAs to change a boundary report after the fact and open ourselves to accusations of gerrymandering. Totally inappropriate and making slanderous allegations.

The Speaker: The hon. Opposition House Leader on this point of order.

Ms Carlson: Yes, Mr. Speaker. Hardly a point of order. More a point of debate or discussion. In fact, the only part he got right about the point of order was that Edmonton-Mill Woods was talking specifically about the Tory caucus when he talked about the Edmonton caucus.

In fact, there have been many references, editorials, concerns by municipal politicians in this entire region that when the Edmonton Tory caucus had an opportunity to make presentations and to lobby hard and effectively, which is what they promised in the last election that they would do for Edmonton, very few of them stood up and nobody stood up very loudly to defend the rights of Edmonton to keep that particular seat in Edmonton.

The Member for Edmonton-Mill Woods did not make allegations that government should unduly influence what is, in fact, an independent commission. What he was talking about was every member's right in this Assembly.

Mrs. Nelson: Did you go, Deb?

Ms Carlson: I talked to the commission before they met, and I was a part of the caucus committee and presentation. At the request of the commission I went and made a presentation to them, Mr. Speaker, which is my job as an Edmonton MLA, and I did it. Unfortunately, the same can't be said for other people on the other side. So, in fact, Edmonton-Mill Woods was right on the money in representing not only his view, not only the views of many municipal politicians in this greater region but also many views shared by people who live in this community who now feel disenfranchised.

As an example, the constituents of Edmonton-Ellerslie, by the time the next redistribution comes around, will get only half a vote in this province, and that is not reasonable, and that is not fair. If the opposition . . .

The Speaker: Okay. Thank you very much.

The person in question from whom these remarks came, the hon. Member for Edmonton-Mill Woods, is not here, and it would really be helpful for the chair for the hon. Member for Edmonton-Mill Woods to be participating in this point of order. I sense that where this is going is I'm going to have to recognize every member who represents a seat in Edmonton to get involved in a debate that is not part of a point of order. The fact of the matter is that the Blues clearly say the following, and I quote what the hon. Member for Edmonton-Mill Woods has said:

The Edmonton Tory caucus has failed to protect the city from losing a constituency and failed to get the same financial help for Edmonton public schools that Calgary public has received.

We could spend until 5:30 here this afternoon, I'm afraid, on this point, but I'm not sure that the House wants their time spent that way. So I'm going to delay this until Monday, and I want calm heads to look at this.

The fact of the matter is that the Electoral Boundaries Commission in the province of Alberta is an independent body whose members are appointed by the independently elected chairman of this Assembly, that you all have elected. Names are provided to the Speaker upon recommendation from the government leader and the Leader of the Opposition and are subsequently appointed. If it were to be suggested by any innuendo that an independent Electoral Boundaries Commission, created for a purpose, was in any way influenced by any member of the Assembly, then in essence there would be a great difficulty for everybody. So I want clear heads to think this through for the next several days. I'll return to it on Monday afternoon.

3:00

My understanding is that I have tabled in the Assembly the report from the independent commission. The tradition is that the government will then introduce a motion. The members will then have a bill to deal with, subsequently, in time. All members will have an opportunity to participate in the debate in this Assembly, where *Hansard* will record all of their comments for posterity without edit, and we'll find out. But if we're going to play with innuendo today, I want the hon. Member for Edmonton-Mill Woods to be participating in this, and I'll return to it on Monday.

Now the third one. The hon. Member for Edmonton-Norwood.

Point of Order Allegations against Members

Mr. Masyk: Thank you, Mr. Speaker. I rise under Standing Order 23(h). The Member for Edmonton-Centre implied false motives, that I suggested using machine guns on protesters. I ask that the member apologize to me and to the House and withdraw her remarks.

Mr. Speaker, if I offended anybody in the public in any way, shape, or form because of the language of intent or nonintent and different things like that and if it was taken out of context or put into context, I have issued a news release to apologize to the public, and I'd like to give this to the Assembly.

Thank you.

The Speaker: Just a second. There's an issue here, and I need some help, Opposition House Leader. We've got two points of order. The members to whom the points are directed are not here, and it seems to me that one of the most just things that should prevail, if we're going to have a review of this, is that the hon. member who is coming under question with respect to the point of order should have the courtesy to the Assembly to be here in the Assembly.

Now, having said that, I will listen to what the hon. Member for Edmonton-Ellerslie says before going further. Please proceed.

Ms Carlson: Thank you, Mr. Speaker. I refer to both the member's comments in the Legislature here earlier this week in talking about this point of order and direct quotes that were given in the *Edmonton Journal* in an article written by Kelly Cryderman, who in fact has the statements of the member under question on a tape recorder.

What was stated there was not what the allegations were from this member when he rises on the point of order. What they talked about here – and I quote from the tape recorder that we heard of the statements made . . .

The Speaker: Please, hon. member. No, no, no. We all know what the rules are with respect to this.

There's a reason to involve yourself, hon. Member for Edmonton-Rutherford?

Mr. McClelland: Mr. Speaker, if I may comment on this. The Speaker has referred to the absence of the member, but I think that for the record, because it will be the record that will be perused independent of any remarks that the Member for Edmonton-Centre may or may not wish to put on record, in the normal give-and-take of political life and political debate members independent of political affiliation conduct themselves in a fashion so as not to discredit each other in a capricious or a malicious manner. To break that convention is to debase the very essence of political discourse, and that's what we're talking about here: the essence of political discourse.

I know that the member representing Edmonton-Centre would not wish to maliciously or accidentally impugn the integrity of another member. Therefore, Mr. Speaker, I respectfully request that the Member for Edmonton-Centre or the House leader representing the Member for Edmonton-Centre on her behalf withdraw the remarks with regard to the Member for Edmonton-Norwood.

The Speaker: The only thing I'm doing right now: number one, I'm going to make a request that the hon. Member for Edmonton-Centre be here to participate in this point of order, and I'm going to refer members to page 114 of *Hansard* dated February 25, 2003, for the actual text of the words given by the hon. Member for Edmonton-Norwood. We all know the traditions of the House, that questions in question period are ruled out if asking for verification of statements made in newspapers and the like, and we're not going to get involved in that.

So we're moving on now, and I'm coming back to those two points Monday afternoon. It's now in *Hansard*: a public invitation by the Speaker of the Alberta Legislative Assembly to two hon. members to be here.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: I'd call the Committee of Supply to order.

head: **Supplementary Estimates 2002-03**
General Revenue Fund, No. 2

The Chair: Just so the chair has some idea of which way we're going, House leaders of the three parties, do we have any directions, or do we just start with whoever jumps up first? We already have the Minister of Human Resources and Employment doing that. Nothing on that? Then okay.

Human Resources and Employment

The Chair: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Okay. Thank you, Mr. Chairman. Alberta Human Resources and Employment, as the hon. members would know, has an annual budget of just over \$1 billion. Supplementary funds of \$25.8 million, representing 2.4 percent of our budget, are being allocated to meet a higher than budgeted demand for skill training this particular year. Now, one of the reasons for this: the labour force has grown significantly, as we're all aware here in Alberta, but the number of workers has grown even faster than the number of available jobs. For an example, there were 55,000 more people in the labour force in January of 2003 than a year earlier, while the number of jobs increased by 41,000, so the unemployment rate has crept up here in Alberta. In 2001 it averaged 4.6, and in 2002 it was 5.3. So these funds are being used to support people who are getting the skills they need to, of course, find and then keep a job, and our commitment is to give Albertans a hand up rather than a handout.

So this supplementary estimate, hon. members, is necessary given the difficulty of budgeting for programs where demand is driven by a number of other issues.

Thank you.

3:10

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

Ms Carlson: Thank you, Mr. Chairman. I appreciate those introductory comments. I have two questions that perhaps the minister could answer initially, and then I have another point to make.

In talking about the numbers of workers increasing in Alberta, we know that that's the case. We know that the population in Alberta is also increasing, so the expectation would be that there would be a natural increase in enrollment. My questions are: why didn't the department budget for this increase over this particular year? Do you have plans in place for next year to ensure that you can accommodate an increase in enrollment, since we would expect supplementary supply not to be an option next year?

The Chair: The hon. minister.

Mr. Dunford: Thank you, Mr. Chairman. As it regards the matter of the budget, we were looking at increases in this particular area, but we were also faced with some concerns that we had around the demographics that were leading into the AISH area. So what we've actually experienced is that we overbudgeted for our costs on the AISH side and underbudgeted on the skills side. So where we had

anticipated growth, we were a little bit off in those particular areas.

Of course, next year's budget will be revealed imminently, and then we can see how we've tried to accommodate our forecast for the upcoming year.

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

Ms Carlson: Thank you. Mr. Minister, we have a difference of opinion of what imminent is, because the end of the first week of April hardly seems imminent for a budget that will likely be \$20 billion or more to be presented in the House.

My last question and concern with these dollars, this almost \$26 million that we're taking a look at, has to do with recommendations that came from the Auditor General. I'm wondering how the recommendation that came from the AG's office ties into the additional money that you may have needed, and that's in terms of the AG again recommending that your department "improve the procedures to monitor compliance by training providers with the terms of the Skills Development Program." It would seem to me that these training providers are still people providing training with the addition of this new money. The criteria, the AG said, is that "the Department should have a plan, based on a risk assessment of the training providers, to review training providers' compliance with the terms." The findings were that you do "not have adequate assurance that the 302 training providers currently delivering the SDP are meeting the terms of the program," and "without effective monitoring, there is a risk that training providers are not complying with the terms." There's no assurance, therefore, "that students are receiving adequate instruction and training and that training providers are spending the funding appropriately." So does any of this come into play with this additional funding you have, or are any of those people back in retraining because they didn't get the job done the first time?

Mr. Dunford: Well, I don't have the Auditor General's previous comments in front of me as we're speaking here this afternoon, but my recollection is that he talked in terms of risk, recognized, however, some of the control features that we had brought into place, and indicated that we were showing marked improvement in this particular area.

I want to assure the hon. member and other members in the House that we continue with the competitive bid process. We have also memorandums of understanding with many of both the private providers and also the public institutions that do the skills training for us, and a part of it is our performance measures that would indicate that employment is achieved after the completion of these contracts. Now, whether or not there is some recycling of the same person back through the training program, I'm not in a position to answer at this point. I think it's logical to assume that there might be some, but we are not in the business of training for training's sake, so I would think that the numbers would be minimal.

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

Ms Carlson: Thank you, Mr. Chairman. That concludes my questions for your department. Thank you very much for those answers.

I'd just like to make a couple of general comments, and then hopefully we can ask the Minister of Justice to introduce his supplementary estimates in a moment.

We're overall a little concerned about a few things with these supplementary estimates. First of all, 14 departments have asked for more money. I have to say that in my 10 years of being here, this is

definitely the biggest supplementary estimates book we've seen. It's the second time that the government has come back and asked for money in this year, which suggests that there are some problems with their budgeting processes and their revenue forecasting ability. So we have concerns about the overall reliance of government on supplementary estimates as a part of that budgeting process, as it really demonstrates a lack of long-term planning.

Certainly, this isn't the kind of budgeting process you could get away with in industry and live to be the head of a department for very long. Often it can cause, I believe, a tendency for ministers to overspend or to certainly not plan for the future in terms of being able to hit their benchmarks and their long-term planning objectives. While "long-term" is a relative term here because it means three years with this government, they still have a really hard problem with meeting those benchmarks, and we see this happen all the time in the departments where what comes out in the business plans in one year isn't even relevant six months later, never mind three years later, when they're supposed to be forecasted for.

So two supplementary supply estimates in one year means that it's a government governing without being able to follow a definite plan. We see that with the third-quarter update that just came out. The surplus for three short months changed from \$199 million to \$1.8 billion. I mean, surely someone in that government can add and should be able to figure this out before we get into supplementary estimates. So we have some real concerns about that.

It's interesting to note, Mr. Chairman, that this is the last supplementary estimate that the government introduces because of the proposed changes to the fiscal framework that the province operates under. It means that the government will be limited to \$3.5 billion a year in operating expenses. I think that most stakeholders in this province will be pleased to see supplementary supply go because it means they're now better able to engage in long-term planning. So on the one side, it's been really bad, I think, in the past, and I have said that repeatedly on the record. Let's hope that the new plan they're going to will be better. It looks like it uses sound fiscal policies, and we hope they will stick to it. We certainly are quite prepared to keep their feet to the fire to ensure that this happens.

I guess that this question goes to the Provincial Treasurer. When we take a look at page 5 of the 2002-2003 supplementary estimates, we see that the adjusted gross amount and dedicated revenue was increased by almost \$48 million. Could you tell me why that money is not coming through supplementary supply? I might have missed something on the read through of it. So if you could answer that question for me, or if you could get back to me in writing on why that has occurred.

We would like to, then, move on to the Ministry of Justice.

Mrs. Nelson: On that same page, Mr. Chairman, if the hon. member looks, she will see that that is coming from ag and rural development, Government Services, Justice, Transportation, and some from Infrastructure, so in particular she needs to go back into their detailed pages for a further breakdown.

3:20

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

Ms Carlson: Thank you, Mr. Chairman. Now I'm hoping that the Minister of Justice could give us an overview of his department and the requests for additional moneys.

Justice

The Chair: The hon. Minister of Justice.

Mr. Hancock: Yes. Mr. Chairman, I'd love to give an overview of the Department of Justice, but we don't have enough time this afternoon to deal with all the good things that are being done by that department and the good people that we have working in it. However, we have asked for supplementary supply for approximately \$2,623,000, and the purposes for that are clearly set out in the supplementary estimates. Eighty-five thousand dollars of that is for the child-centred family justice initiative. That's a flow-through actually. That's money which primarily comes from the federal government as part of their family law initiatives, and we receive it and then apply it to programming. So that's simply just an increase in the amount of money that we've been able to receive in that manner.

The primary amount of the money, quite frankly, is to pay for salary settlements. The salary settlements in the last year or so have been difficult to accommodate within the existing budget particularly because – and I think I explained this last year, as well – there were significant changes in some of the grids and processes. The impact of this salary settlement wasn't the 4 and 5 percent. Rather, it impacted the department by about 11 percent. So there was a significant need for that money to be applied to the budget to deal with those.

We did receive some money at the end of last year to accommodate those pressures, but it was onetime money, and we were expected to try and go back into the budget and try and find the resources to deal with that over the longer term. In doing so, I've been able to make the case to the Treasury Board that we actually needed the extra resources rather than trying to accommodate it within the budget because of the types of services that we're providing and the need for those services.

So those resources, the supplementary appropriation, as the hon. member will see, are spread, quite frankly, right across the department based on an allocation according to the manpower budget, and then the balance of it is with respect to external legal costs relating to the issue around Kyoto, that we all are so painfully aware of from last fall.

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

Ms Carlson: Thank you, Mr. Chairman. Sorry. I missed the part where you talked about onetime money. Could you explain to me exactly why it was onetime money and that you hadn't budgeted for it?

The Chair: The hon. Minister of Justice.

Mr. Hancock: Well, yes, Mr. Chairman. Allocation of scarce resources is, of course, one of the most difficult tasks of governance. Although we had been accommodated on a onetime basis for some of those costs, at the tail end of last year, when the budget was put together for the current year, we were asked to try and rearrange our resources and find ways to meet those costs internally, and I was able to come back and say that that was not the most prudent way to deal with Justice. If at all possible, it was more appropriate to obtain extra resources, and now we've succeeded in doing so. I hope that that will be annualized from here on.

Ms Carlson: So, Mr. Chairman, they were expecting a 5 percent and 4 percent increase and had an 11 percent increase. How many of those dollars were for bonuses and layoffs?

Mr. Hancock: Couldn't break down per se the bonuses and layoffs, but I can say this: we haven't been laying off staff. We have had to

go through some rather painful hiring freezes in order to try and manage the budget, and over the course of this year, at one point in time we had a spectre of perhaps having a \$7 million deficit in our budget if we couldn't manage it. So we have had to engage hiring freezes and other tasks to try and stay within budget, and for that reason I was able, as I've said before, to come back and say that this is not a good way to do business. We need to have the extra resources. We can't manage the full 11 percent without cutting back in areas that ought not to be cut back and, as I say, were successful in making that case and having the extra resources applied.

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

Ms Carlson: Thank you, Mr. Chairman. My last set of questions on Justice are, of course, around the Kyoto accord. Five hundred thousand dollars is asked for here. There has been no legal challenge. The bill was left on the Order Paper. We would expect that there's going to be an additional requisition for dollars in the coming budget. Can you tell us what you spent the money on?

Mr. Hancock: Legal advice.

Ms Carlson: Well, Mr. Chairman, I know that lawyers are expensive. I know that the troop of lawyers you would have put on this particular potential fight with the feds would have been enormous, but for a 30-second flash in the pan that the bill was in this House and the lack of legal challenge that was forthcoming, I've got to tell you that \$500,000 seems very expensive. How many lawyers? Come on. Albertans deserve some detail on this, Mr. Minister.

Mr. Hancock: I would be delighted to provide some detail if the hon. member can't imagine this. In essence, one of the jobs that the Department of Justice is to do is to provide legal advice to government, and when one has the spectre of such a disastrous policy as the approval of the Kyoto accord and what its implications might be for Alberta, for Albertans, and for the Alberta economy, one has to be totally and fully prepared to provide good legal advice at every and all aspects of the whole discussion.

So throughout the fall, right from the time that the Prime Minister attended in Johannesburg and told the world community first, rather than telling the Canadian community, that Canada was going to sign the Kyoto accord, Alberta and the Department of Justice, as the legal adviser to the government of Alberta, had to gear up for a discussion that we had hoped to have at a political table rather than through legal channels. It was prudent and appropriate for us to review all constitutional aspects. It was prudent and appropriate for us to look at all of our potential opportunities. The amount of \$500,000 might seem like a lot of money, Mr. Chairman, and it is a lot of money, but it pales in comparison to the amount of money that the economy of Alberta will lose and the jobs that will be lost in this province and the implications of signing the Kyoto protocol for the province of Alberta.

The hon. member quite rightly indicated that we brought forward a bill as part of our overall plan. The Department of Environment and the Department of Energy worked on the preparation of the legislation, as did the Department of Justice, and of course in doing so, we also had to be very prudent and careful that the things we were proposing to put into legislation were constitutional, appropriate, and advanced the cause of Alberta and Albertans in the whole discussion of Kyoto. This is a difficult task, and when you do a difficult task and you do it quickly and you engage the best and the brightest and the most talented people in that particular area, it costs money. That's what the \$500,000 was for.

I'm sorry that the hon. member thinks that one should only spend the money if they eventually go to court. That may yet happen. Who knows? We haven't seen the way the Kyoto policy has been implemented by the federal government. They're only now, as we speak, trying to figure out what it was they signed and what they're going to do with it. But Alberta, I can tell you, through the Department of Justice's efforts and the efforts of the departments of Environment and Energy and the players that have been at the table through the fall and spent a lot of time and energy on this issue to protect Albertans' interests, will make sure that we not only do what's appropriate for the environment and appropriate for Albertans but that we also protect the economic interests of Albertans. We have engaged lawyers, and we have researched a number of different initiatives, and unfortunately because the federal Liberal government was not specific, in fact didn't even have a game plan, we had to explore a wider range of issues and concerns than those that we might have otherwise had to deal with. So it's been a fairly complex file, and \$500,000 is a lot of money but necessarily spent.

3:30

Ms Carlson: Well, Mr. Chairman, can this minister tell us how many firms those best and brightest that he alluded to belonged to, that are working on this file for \$500,000? Did it go to just one law firm? Was it spread out? Do we see some regional representation between northern and southern Alberta?

Mr. Hancock: Two law firms, both in Edmonton. This isn't a policy development process where you get regional representation. This is a legal issue where you go to the people who have the expertise. In this case, we were able to find the expertise in Edmonton, and some of my colleagues to my left, only geographical of course, are saying: tsk, tsk, why not Calgary? But we were conscious of cost and expense, and because they were dealing with our department and dealing with us, rather than paying a lot of expenses of flying people back and forth and paying expenses on processes that weren't necessary to getting the results that we needed, we hired two Edmonton law firms, and there have been several lawyers from those law firms engaged.

I must also say while I'm talking about this that we also deployed a considerable amount of the Department of Justice's internal legal resources, and the expertise that we have on constitutional law within the Department of Justice is unparalleled anywhere.

So essentially there were three groups of lawyers, if you will: the Department of Justice lawyers, as I said, unparalleled in their expertise with respect to constitutional law, and then because we needed the added help in doing research and bringing the issues to the table, two Edmonton law firms were also engaged.

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

Ms Carlson: Thank you, Mr. Chairman. I believe that that concludes my particular remarks on Justice, but I know that Edmonton-Highlands has some comments and then perhaps Edmonton-Centre on this same area.

Chair's Ruling Speaking Order

The Chair: Hon. member, the chair has a bit of a problem. I asked all three House leaders if they would tell me what order. Now we have one hon. House leader directing another one to make a comment. Right now it seems that we're on the Minister of Justice's supplementary estimates, and if you're going to speak about that, then go ahead.

The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I was going to do that. I'd indicated to the House leader for the Official Opposition that if now might be a more convenient time for everyone, I would pop up and address this particular issue because I have considerable concern about it as well.

Debate Continued

Mr. Mason: I have some other questions for the minister because I have considerable concern. Clearly, the minister is right that there is a large reservoir of expertise on these matters within his department, and I'm sure that he was able to get administrative assistance as well from the minister of intergovernmental affairs. But I seriously would like to know what the results have been for this particular expenditure. I would like to know in some more detail what avenues of research were followed and whether or not any of this research has actually been utilized in the government's campaign against the Kyoto accord.

I would like to also know the minister's view with respect to the usefulness of this. I know that since the accord has been ratified by the Parliament of Canada, the government has now adopted a different position with respect to that ratification and is now claiming that, in fact, it is not necessarily as dire a situation as the government portrayed in the first place. In fact, I think that it's clear that there was a lot of posturing on the part of the provincial government with respect to Kyoto and that the fears that were being expressed no longer seem to be tormenting the government.

So I really have to question this particular expenditure, Mr. Chairman, half a million dollars for legal expenses to fight Kyoto when the government ultimately doesn't feel that it's as damaging as they said it would be. I'd like to know what the taxpayers of Alberta got for their money specifically in this case that could not have been provided by the department's own legal staff.

Mr. Hancock: Well, to answer the last question first – and I don't know whether I got the first question, so if I missed it, I'd ask the member to repeat it. But to answer his last question first – what did we get that we could not have got from our own in-house legal staff? – the answer is nothing. We didn't get anything we couldn't have got internally, but we didn't have the time to do it all internally given the essence of time. If we'd had a much longer period of time, the expertise in the department is there, but because we were in a compressed time frame, we didn't have all of the resources available to do it within that time frame. Therefore, we had to go outside, as we do in those circumstances. The capability is certainly there within the department. As I say, the expertise in our constitutional law department is exemplary, but we did need the additional assistance and also wanted the additional assistance on a number of areas relative to gearing up for any potential challenges.

When one is looking at the Kyoto affair and the protocol and the processes that went through, we had to look on an ongoing basis, on an iterative basis at the steps that were being taken and what might be appropriate: whether or not, for example, we should consider applying for an injunction, whether we should apply for a reference, whether we should take some other court action. It's not only with respect to the ratification of the Kyoto protocol. It doesn't end with the ratification of the Kyoto protocol. It's an ongoing issue because many of the issues actually come up with respect to implementation rather than ratification. So it's a moving target but a very important one.

The hon. member mentions posturing, and of course even he would agree that you can't posture without having a good background, a good understanding of what it is you're talking about. He

calls it posturing. We call it advocating on behalf of Albertans in the most strenuous way possible. I think we're talking about the same thing. He just is putting a bit of a different spin on it. The reality is that the Alberta government did act on behalf of Albertans in the strongest way possible, and we needed, in order to do that, to have the best advice possible so that we knew the strength of our position and knew where we were coming from legally as well as politically. I think we have succeeded.

Did Albertans get value for the money? Well, I think Albertans get good value for their money from this government. Did we succeed? Yes, and even his source of facts, the *Edmonton Journal*, I believe in an editorial, indicated that we did get some significant changes from the federal government in terms of their approach to Kyoto and how it would be implemented.

We've made progress already. We've made some substantive progress. We've worked very strongly with industry in this province and with the public in this province in order to make cases to the federal government as to the damage that they were going to be doing with this protocol if they didn't. They've come out now with a number of iterations of their position, and each one has changed, but each one successively has been more aligned with what Alberta has been talking about in terms of a made-in-Canada approach to greenhouse gases. So, yes, we've made significant inroads on this discussion.

We didn't stop the federal government from signing the protocol, and that was not fatal. It would have been a good place to start if we'd been able to stop the federal government from signing the protocol, get them to understand that that political step was not the best way to deal with greenhouse gases and to deal with that problem, particularly when we have a carbon-based economy and need to be sensitive to that as well as to the sustainable development and as well as to the very important issues relating to the environment.

But we were able to do the legal research that was necessary and provide the legal background that was necessary so that this government had a very strong foundation upon which to make its arguments both publicly and to the federal government. We achieved great movement in what the federal government has been saying it intends to do, but we intend to continue to be extremely vigilant with respect to ongoing implementation of the Kyoto protocol and what damaging effects it might have on Alberta's economy.

The Chair: The hon. Member for Edmonton-Highlands to the Minister of Justice.

Mr. Mason: Thank you very much, Mr. Chairman. Well, just to supplement the question. It is likely that some slight movement on the federal government's part was achieved through the efforts of the government of Alberta, but there are a number of ways to achieve that. You can achieve that administratively and politically as well as legally, but this half a million dollars is for legal costs, and the part of the question that the minister didn't respond to is: what exactly did we get for this \$500,000? Is the government going to be pursuing legal options in connection with Kyoto now that it's been ratified, or is it going to continue an administrative dialogue and a political defence of the province's priorities as the government sees them? This is the question. Will the minister table the legal bills that they've incurred to these external forums in this matter so that the Assembly can see exactly what we paid for?

3:40

Mr. Hancock: Mr. Chairman, it's not normal to table legal bills in

the House or otherwise make them publicly available, because often they give an indication with respect to the legal advice that's received. Of course, legal advice is a matter of some privilege, legal privilege I'm talking about, which is an important concept. One ought not to be required to disclose legal advice because one might need it some time in the future, so we have to maintain that sense of privilege, and the legal bills are associated with that legal advice and can sometimes give indications. So, no, I will not be tabling the legal bills in the House.

But I can tell the member that we did get legal advice. We got legal advice on a number of aspects both with respect to the ratification of the protocol and with respect to potential methodologies for implementation. We have thoroughly looked at what our legal position might be from time to time, and the process has changed over the course of the six to eight months that we've been on the file, the focus with respect to ratification and then with respect to implementation.

As to whether or not any formal legal action in the courts will be taken, well, that remains to be seen because we haven't seen the full implementation process. We haven't seen in any great sense of detail how the federal government intends to achieve its obligation or its intention now that they've ratified the Kyoto protocol. We do know that if they move ahead to achieve the greenhouse gas reductions that were set out in the Kyoto protocol for Canada, if that becomes a legal requirement, that will be very damaging to our economy without something more than what they've offered so far.

So, yes, we intend to remain on the file. Yes, we intend to remain vigilant. Yes, we intend to work in a practical and pragmatic way to make sure that Alberta industry is not damaged, and, yes, we intend to continue to protect the environment. But we need to have, it's imperative that we have a good understanding of our legal position at every aspect of the way, and I don't apologize for the need to do that or for the need to have that properly resourced. I only wish that we could have done it in-house because we do have such exceptional people in-house to be able to work on these things. We have to continue with the other aspects of government as well, so we can't devote all the resources that we have in-house to one file, and therefore we had to seek and get expert legal advice from outside.

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

Ms Blakeman: Thank you very much, Mr. Chairman. I'm pleased to have the opportunity to question the Minister of Justice on his supplementary supply budget. There are just a couple of questions. Well, actually one is a statement.

I understand that the increase in salary that appears here is due to a larger than anticipated salary settlement, and I hear that the minister was willing to apply for more money to cover that settlement. Knowing the quality of people that are working in that department and how underpaid they are in some sections, I'd like to thank him for his support of that salary increase for the staff. I think that's a good idea.

Now, one of the questions that I had was about bonuses, whether there is still room in the budget to pay bonuses to those that have earned it in that department.

The only other question I have here, aside from the overall concerns that I have with supplementary supply budgets, but I won't go into that on this minister's time, is that I notice there is a notation under the department summary that notes that it's including an increase of pretty much \$4 million in the allowance for doubtful accounts. I would like to know: what are these doubtful accounts, and what has brought the need for an increase in the amount? Obviously, this is an internal department transfer. Nonetheless,

almost \$3,944,000 has been put in as an increase into the allowance for doubtful accounts. I'd like an explanation, please, of what the change is, why you're anticipating that extra \$4 million, some description of the accounts.

Now, I know that you have to have contingency money there if lawsuits, for instance, go against you, but is that what this money is for? Can you detail what the doubtful accounts are? Sometimes that's what the government has to pay out: they're expecting to lose; who knows what these settlements are. But \$4 million is a significant amount of money, and I'm interested in what the explanation for that is.

Thank you.

The Chair: The hon. Minister of Justice.

Mr. Hancock: Thank you, Mr. Chairman. I'm pleased that the hon. member recognizes the need for us to deal with the salary issues within the department. She'll know that, for example, court clerks for years suffered under an administrative process that didn't allow for appropriate adjustments and those sorts of things, and we've been able to fix that and to make that change. I think that most people in the department are now quite satisfied with the way that the salary processes have been dealt with, but it did result in, during the course of that five and four settlement in past years, the actual impact on our budget being significantly higher. So I'm pleased that we have the support of the opposition with respect to making that right and embedding in this budget through supplementary supply and hopefully in future budgets the amount of money necessary to cover that.

The second question was?

Ms Blakeman: Bonuses.

Mr. Hancock: Oh, bonuses. Well, of course we won't know about bonuses being payable until after the year-end to see whether we've met targets and those sorts of things, but I would hope that within the management of our operation our managers have been prudent enough to make sure that as we move through this, they will have set aside sufficient money to pay bonuses if they are accrued.

I tend to operate on the policy in the department rather than dealing with the managerial detail. I think my deputy minister and executive staff appreciate that. They get to manage the department. I haven't specifically asked them if there's bonus money set aside, but I would be very surprised if bonuses were provided for this year that there wasn't sufficient money to pay them. However, without this supplementary estimate I think that would have been one of the first things on the chopping block because we were very, very short, in fact had to do hiring freezes and take other steps to make sure that we met budget. So this will help to deal with that issue.

Now, with respect to the final question that the hon. member raised, the \$3.944 million allowance for doubtful accounts, the hon. member may recall that some two or three years ago the federal government made a change in the federal criminal law which resulted in the fact that you could not jail people for certain offences for nonpayment of fines. So the collection process became more difficult with respect to some of those fines, and the \$3.9 million essentially relates to old, uncollectible fines from years gone by, and it's time to take them off the books. That doesn't mean to say that they will not be collected if they can be collected, but from an accounting perspective, rather than have the Auditor General comment on it, we thought it would be prudent to take them off the books.

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

Ms Blakeman: Well, thank you. Sorry. I get so inspired by the minister. I came up with two more questions while he was talking.

Can I just confirm that the \$85,000 that's appearing under vote 3.0.6, child-centred family justice, is the Zebra centre? Okay. Good. I'll look for an explanation on that.

My second question is around the Public Trustee's office. I've had an issue raised a couple of times. I'm sure the minister is also aware of the same issue, where the Public Trustee's office was not able to follow through on a request that in legislation appears to be doable with administering living wills, I think. What are they called? It was essentially living wills, how an individual wanted to be looked after if they lost their mental faculties and had left written instructions with the Public Trustee and expected the Public Trustee to administer that. There have been some legal opinions, I gather, obtained by that office that said that they couldn't follow through on administering this, but there also seemed to be something said about a lack of staff time to do this. I'm wondering, with this increase that I'm seeing under the Public Trustee's office, if perhaps that would help facilitate what these individuals were looking for, whether this, in fact, is added staff.

3:50

The last question is once again on the maintenance enforcement vote, 3.0.5, just confirming that that \$128,000 is salary and, if it's not, if I could get an explanation of what it is specifically.

So those three questions: Public Trustee, child-centred family justice, and maintenance enforcement. Thank you.

Mr. Hancock: Perhaps, with your indulgence, Mr. Chair, I could just ask the hon. member to repeat the last question, about what was for salary.

Ms Blakeman: Maintenance enforcement: was it salary, or is there something else in that \$128,000 that appears under that vote?

Mr. Hancock: Well, Mr. Chairman, as I've indicated earlier, the supplementary estimates, primarily, here are for salary issues, and the division among the various portions of the department is based strictly on a proportion of the payroll that each of those areas has. So the expectation is that those are salary related. Now, I can't guarantee that each and every dollar goes to salary. That's the intention here, but, you know, as is always the case, we may have already contributed to our salary budget in some area by taking it from some other area temporarily. So what I'm saying is that it may in effect be spent in some other way because we've now replenished the salary budget. The intention here is to meet the salary requirements as a result of the increase.

With respect to the child-centred family justice initiative I don't believe that's specifically the Zebra house, but I can certainly undertake to advise the hon. member if that's going there. This is relating to the family justice initiative. The federal government has provided some money, and this is a flow-through of that money back into our family information centres and those sorts of areas. I will get the detail for her as to what specific area the \$85,000 is going into, but I don't believe it's the Zebra centre.

With respect to the third question, it was . . .

Ms Blakeman: The Public Trustee.

Mr. Hancock: Public Trustee. I don't anticipate that the money that we have available as a result of the supplementary estimate will expand the services available from the Public Trustee. They're already fairly stretched in terms of the services that they can provide. In any event, I wouldn't think living wills would come under the

Public Trustee because the Public Trustee is a trustee of resources, of dollars, those sorts of things. The Public Guardian is the office which deals with the guardian of the person for most cases.

I'm sort of speculating here, but it wouldn't seem to me that you would want to do a living will and have either the Public Trustee or the Public Guardian be the person who makes the decisions on your behalf. A living will is a very personal document. It ought to be something in which you designated somebody who is very close to you to deal with. In any event, it wouldn't in my view fall within the Public Trustee's purview because, really, the Public Trustee is managing estates, not dealing with the individual, the person.

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

Ms Blakeman: Thanks. I apologize to the minister for not being able to be more clear. I don't have the documentation with me. I'll get it and send it over so that we can satisfy the questions of the constituent on this concern.

Thank you.

Municipal Affairs

The Chair: The hon. minister responsible for Municipal Affairs.

Mr. Woloshyn: Thanks very much, Mr. Chairman. I am very pleased on behalf of my colleague the Minister of Municipal Affairs to request some \$11.4 million, \$10 million for the orphan underground petroleum storage tank program and another \$1.4 million to finish off the 2002 disaster recovery program. I think the notes are self-explanatory. Page 73.

The Chair: Any further comments?

The hon. Member for Edmonton-Centre.

Ms Blakeman: I'm sorry. Am I understanding that the Minister of Seniors was speaking for the Minister of Municipal Affairs?

Mr. Woloshyn: Yes, I am.

Ms Blakeman: We had asked some questions earlier during, I think, the budget debate, in fact, for this. We did not receive responses for these, so I'll repeat these questions again, and perhaps the minister can have his colleague answer them for us.

This is specific to the Ministry of Municipal Affairs and around these underground petroleum storage tank programs. Could we get the minister to table any studies or reports that his department has about the effects of the 5,200 leaking petroleum storage tanks on Alberta's drinking water supplies? Could the minister release a list of the locations of all of the tanks that have been identified to date and the planned date for mediation? Who receives money from this fund, and what are the specific cleanup plans? I mean, there's \$10 million in here to deal with the accepted applications and \$1.4 million pursuant to disaster recovery. We're mostly interested in additional information about this \$10 million for the underground petroleum storage tank program with those accepted applications and in, I guess, what kind of applications were not successful in applying for some of this money, which also would indicate some of the criteria for those that were successful in being accepted. If those questions could get passed on – and perhaps we can get an answer in writing or through a tabling – I'd appreciate it.

Thank you.

The Chair: Hon. minister, is that what you would like to do?

Mr. Woloshyn: Yes. Thank you. I'll pass on *Hansard* comments

to the Minister of Municipal Affairs, and then he will take whatever course is acceptable.

The Chair: The chair would indicate that we have now received notification from the House leaders that they would like to proceed in a slightly different order than haphazard and that we are still on the Department of Justice, as I understand. If that is finished, then we'll move to Agriculture, Food and Rural Development.

Agriculture, Food and Rural Development

The Chair: The hon. Minister of Agriculture, Food and Rural Development.

Mrs. McClellan: Thank you, Mr. Chair. I'll deal with the supplementary estimate of \$39,719,000. This funding is needed to support the increased costs associated with our safety net programs.

I was interested in the Member for Edmonton-Ellerslie's concern on our ability to budget, and I know that the ag critic from the Official Opposition supported the dollars that were expended in agriculture in emergency assistance. May not have agreed in total on the way they were distributed but agreed that the need was there, and I think everyone in the House would agree that this was a very unusual year. It was the worst drought in 130 years. I don't think anyone would expect that someone could predict that.

Just to give you an example, last year I believe it was in the range of \$288 million that was paid out under Ag Financial Services under crop insurance. I may be wrong within a million or two in that last year, but it was the highest payment made in 40 years' history of that program. Well, this year we have surpassed that fairly significantly, so we've had to cope with that. I think that producers have made use of all of the tools that were available to them to mitigate the impacts of this disastrous drought on their operations.

So the additional \$50,858,000 for ag lending assistance – and I'll give you the numbers – is \$2,473,000 to support lending assistance programs delivered by Ag Financial Services; \$46,137,000 represents the provincial share of the increased cost of delivering the farm income disaster program; and \$2,248,000 for additional provincial costs for crop losses caused by waterfowl and wildlife. These are offset by a reallocation of \$11,139,000 within the agriculture insurance and lending assistance program.

4:00

I should just note that increases in expenditures are substantially offset by a federal contribution of \$37.3 million, primarily for the farm income disaster program payments. As a result, the net draw on the general revenue fund is really \$1.8 million, but, as you know, because of our accounting system, because of the way we expend and account for those dollars, we have to record them in a supplementary estimate, hence the request for Agriculture for this year.

I think that Agriculture tries very hard to live within its budget. Ag Financial Services has a tremendous record of success in dealing with these issues, but this was an extraordinary year. We don't have to go far for data on that. The encouraging thing, I would say, is that we've all seen some moisture. We're all thankful for that, unless we're driving on some streets and trying to get to and from work during this, but my understanding is that the city of Edmonton, which is one of the driest areas in the province, has more snow now than it has seen in the last five to seven years. We're all encouraged by that, and we hope that that continues on into the summer and mitigates this disastrous drought that covered over 75 percent of our farmland in the province. The drought affects more than just our agricultural communities; it affects our urban communities as well. We were certainly encouraged by our urban centres who put out

water management messages encouraging people to conserve that resource, and I would say that the whole province, urban and rural, pulled together to try and mitigate the effects of the drought.

With those comments, Mr. Chair, I'd be happy to try to answer any of the questions directly related to these sup estimates. If there are any that go beyond that, I'd be happy to respond in writing, in the interest of time.

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

Ms Blakeman: Thanks very much. In looking at the areas that funding is being requested for and also looking at the Auditor General's report, I notice that two of these areas for which money is being requested also turn up in the Auditor General's report, and I'm going to question the minister on that.

Now, in fact, it appears – and perhaps the minister could address this briefly – that in the recommendations from the Auditor General from the previous year on the farm income disaster program there was a recommendation that the department “perform annual performance evaluations of [the farm income disaster program] to assess the achievement of the program.” In this particular case, \$46,137,000 of additional provincial costs is what we're examining in this supplementary supply. In fact, it appears that the department did successfully implement the recommendation to perform the annual performance evaluations. If I could just get the minister to speak briefly about that.

The second area is around the Agriculture Financial Services Corporation, and it, as well, turns up as a recommendation in the Auditor General's report. It is talking about reinsurance programs, and I'm interested because it speaks specifically to weather and reinsurance. I'm just quoting page 43 of the annual report of the Auditor General of Alberta, 2001-2002.

The reinsurance took the form of weather derivatives, which are financial instruments that would pay off if rainfall across the province dipped below average levels. Second, [the Agriculture Financial Services Corporation] reinsured an area substantially larger than its pilot program.

So there's a concern being raised by the Auditor General, and this is specific to the native pasture pilot program. What's caught my attention, of course, is the direct reference to weather and particularly rainfall dipping across the province. So I'm wondering if this recommendation, which came out of the report in September, has been dealt with inside of the additional money that's being expended.

As an overall comment on additional money from the government being put towards farming programs, I continue to have a frustration. Although I represent a downtown riding in an urban centre, it's not that I'm unsympathetic to what's happening to the farmers and, indeed, the entire issue of the family farm, which we have yet to really have a full-fledged discussion on as to how it's most appropriate to support the family farm in Alberta. I wish we would have that discussion, because I think it would help us all make better policy around it. I continue to be frustrated that we have ad hoc support programs, and I see these programs as being biased and, some would say, inflexible. I can't comment on the inflexibility of it. I would continue to question the minister as to why we cannot develop stable and predictable programs that are based on a stable and predictable income. Certainly, you've heard from the Leader of the Official Opposition, who's also our Agriculture critic, that we're looking for a farm income insurance program that's based on lost income rather than on margin or yield or production values, a program that gives farms the freedom to make production decisions mid-season.

My final point here is: what's the difference between the fall

sitting and this sitting? It wasn't a big agricultural production time. I'll admit that I represent a downtown riding, and maybe I misunderstood this, but why is there additional money being asked for now as compared to the last set of supplementary estimates that we had in the fall? There was money then. There's money now. I'm saying: well, what kind of farming went on between December 2 and February 27? [interjection] Well, there's a lot of innovation in Agriculture, Food and Rural Development. Maybe there's innovation I'm just not up to speed on.

So if I could get the minister to comment on those three issues that I've raised, please.

Mrs. McClellan: Certainly. Hon. member, the agriculture programs are complex. I appreciate your interest, and I invite you, when you have time, to have a good discussion with the ag critic in your caucus, because he has worked very hard over the last year to join in the discussion on how we achieve some of the things that you've talked about. Unfortunately, you've missed the announcement of about three to four weeks ago where we announced a comprehensive set of safety nets, so I'm going to sort of go backwards from your last comments and move back to the first ones to try to assist you and other members in the House to understand why it took this long.

There has been a discussion in Canada on agriculture. It has taken almost two years, I will grant you. I attended my first meeting on the agricultural policy framework in the Yukon two years ago this June, and Minister Vancilief, the federal minister, and the 10 provincial ministers and the territorial ministers came together and agreed on a framework to go ahead with an agricultural policy that would be a national policy. One part of that included a complete review of the safety net program, and when we talk about safety nets, we talk about crop insurance, pasture insurance, hay insurance, and we talk about NISA, the net income stabilization account. Those are considered the safety net portions. There are four other chapters in the agricultural policy framework. They centre around the environment, food safety, renewal. I'm trying to think of what the other one is, but it'll come to me. But the safety net chapter was the one that we really concentrated on at the outset, and we directed our officials to work towards a safety net that would perhaps be one program.

4:10

Now, I must admit that in the Yukon I expressed my concern. I did not believe that we would be able to come to one program. It would be great, but crop insurance is different. It's very seasonal, and to deal with a safety net, an insurance program where you have to deal with a tax year that's a year later than the year you're working in, is extraordinarily difficult, but we try, and our officials worked hard on it, came to a conclusion throughout that work that, indeed, we could not. There would have to be two. So what has come about is a comprehensive set of safety nets under crop insurance and an improved NISA program.

Now, if you think back to June in Halifax, where the ministers met together to conclude the umbrella agreement on the ag policy framework, you might recall that Alberta signed that agreement at that time. It is an umbrella agreement, and what happens under that is that each province then negotiates under that set of principles bilateral agreements for their province. Understand that agriculture in Newfoundland and the Yukon is quite different than it is in Alberta or in Ontario or in Quebec, so that's why you have bilateral agreements. Understand also – I should have mentioned this at the outset – that agriculture is a 50-50 shared responsibility constitutionally, one of the very few areas that is a shared jurisdiction.

In June we signed that agreement, which enabled us to begin negotiations immediately with the federal officials – our officials,

their officials – on those chapters. I am proud to say that while the negotiating trail sometimes was rocky, we were able to conclude our negotiations and announce to our producers in January a new set of safety nets which are comprehensive, which will eliminate the need for ad hoc programs. You will not look for ad hoc programs in Alberta this year. We have an improved crop insurance program that looks at the weather production, that looks at a spring price option, and that looks at our revenue stream. We have improved our hay and pasture program, and we are able to use under silage barley for proxy. It's very difficult to actually nail down silage, if you know what silaging is. Cutting hay is one thing and grazing pasture is another thing. Silage is another thing. So we've used barley as a proxy, and the reason that we use barley is because it is the indicator of price in feed. As you know, barley is heavily fed in our province.

So we have that in place, and I can tell you that our producers are very happy. I have spent a lot of time in the last weeks with producers, and the reason that they're pleased with the programs is because they designed them. We spent a lot of time in this province doing a crop insurance review. It was begun by the Minister of Infrastructure when he was minister. It concluded last year with focus groups around the province, where we sat down at a table with 15 or 20 or however many farmers, average guys, and said: is this what will work for you to make good risk management decisions? Because it is an insurance program.

It's a tripartite program shared between the federal government, the provincial government, and the producer. So it's not a matter of this government just saying: this is how it will be. We have to negotiate agreement with our partners, which are the producers and the federal government. I'm pleased that the federal government has been very helpful in moving through this process. When I phoned the federal minister and told him that we were ready to announce them, he said, "And?" I said: well, you're going to like some of it, maybe some of it not quite so well, but I hope you're going to help us fund all of it. We have a cordial relationship in the development of these programs. They're very important. So, hon. member, ad hoc programs in that area are gone.

I can tell you that the Premier of this province gave this minister the very clear direction that we were to get there, and we have. We'll make some more changes. If you go back and look at the news release from the announcement that was made in Lacombe, you will see that there are some additional changes that will be made in 2004. One of those is in cushioning. One of the difficulties that you have on an index is that if you have successive years of bad production – weather related, not your fault, not bad management but these anomalies that might run four years or five years – your production index goes down, down, down. Pretty soon your coverage isn't any good for you.

I've often tried to explain this. If you have a \$120,000 house and you insure it for \$120,000 and it burns down, you get your money, unless you did something like set it yourself, which we wouldn't do. If you rebuild that house, you reinsure it and it burns again, you still can insure your house for that value, and if it happened again, you could do the same thing. You don't lose your protection on your insurance, but your premiums go up; right? That's the way it works. That's what insurance is about, and that's what this is about. So it's important for us to be able to cushion that index so that the program doesn't come to the point where it is of no value to the producer because through no fault of their own they've had some repeated years.

If you look from just west of the city of Edmonton to the Saskatchewan border, which is primarily, of course, what we're interested in, there have been four to five years of significant drought, very significant. If you are not using some indexing or

cushioning of that index, your insurance would not be of value to your producers. This year, because of the general drought covering so much of the province, very few indexes will go down. In fact, I would suggest that most indexes will rise because they're all in the same position. So there wasn't the urgency to deal with that this year, but we do intend to deal with it next year.

The other area that we need to do some more work on is in the silage area in that insurance program, and we've made a commitment to producers to do that.

No no ad hoc; we've done that. I've tried to explain the process. We have a national process. Now, I can't speak for other provinces as to whether they've negotiated their bilaterals, but I can tell you that Alberta has. I can also tell you that I'm very pleased with the other four chapters – food safety and environment, renewal, et cetera – because we did have agreement from the federal government that they would recognize what we had already achieved. We have invested so much in food safety and in environment and so on that our costs will be negligible or nil to receive our federal share at the outset, because we are ahead in those programs.

So that's the ag policy framework. You hear a lot about it, some negative and some good, but I have to say this. I've been a legislator for 15-plus years. I was in this portfolio some dozen years ago, and this is the first time that we've had a five-year agreement, and that is very important. The federal minister has negotiated with his Finance minister a block of money. Is it enough? Probably not. Would it ever be? Probably not. But it is what we have. So my opinion is that it's time to get on with it and get the job done for producers, and I think our producers concur.

4:20

When you look at the issues around the family farm, we first of all have to say: what are we talking about with the family farm? We hear a lot about corporate farms and all of that. I can tell you that the majority of corporate farms in this province are held by families, and one of the reasons that they are incorporated is for tax purposes and business management purposes. It can be father/son, son/daughter, it can be brother/brother, and they're incorporated, so it looks like we have a large number of corporate farms. Most of those corporate farms, the majority – I can get you the figure. I think there are less than 3 percent that are not held by families. Less than 3 percent. I'm sure I'm right on that, but I'll get you that. So the family farm does exist. Has it changed? Yes. Will it continue to? Yes. For those of us who've been in the industry for a long time, maybe we want it to a little, but the emphasis is still there.

The other thing that's encouraging to us – we're getting just a little bit away, maybe, from these, except the importance of support to the industry in a time of need, and that includes our family farm – is that the age of our farmers is lowering. Yes. That's important to us, because there was a period of time when it was rising. We are seeing more young people come into the industry, and that is really important if you want to sustain agriculture.

The way we do business has changed. The environment has changed us. We're looking at new ways of doing things, continuous cropping. I can tell you that farmers are very environmentally minded.

On the issues of the Auditor General's report, the reinsurance. The very reason that they're called pilots is because they are pilots. When you introduce something using a weather derivative, you're using the very best information you have, but until you put it into absolute practice, you do not know how it's going to work. On the reinsurance side we're very thankful that we do have reinsurance in this province, because the reinsurers picked up a large portion of our loss this year. So it was a good thing to have.

On our native pasture program, the weather derivative and the satellite – we have both, and we have them on pilot – were piloted because we weren't sure. Sure enough, we did find some problems in that area. One of the problems is that in the weather derivative you use weather stations, and we didn't have enough for the anomalies in weather that we had this past year. When you have unusual drought like the worst in 130 years, I guess you could expect that your weather patterns would be quite different than they had been. We've improved that this year. The federal government as part of its drought response has assisted in the development of a further number of weather stations. That was announced here in the city of Edmonton, actually, about a year ago by Minister Vancilief, and we will have more than double the number of weather stations that we had last year. How it works: a producer chooses a weather station that he thinks is most appropriate to his area. What happened last year is that the one that was normally the most appropriate was very abnormal; it may have rained there and not where it used to. So what we can do this year because we have additional stations is have a producer choose three in his area – I've told them: you can't pick one at High Level and one at Manyberries – and use an average. That's a great improvement in that.

We still have some issues on soil testing, moisture testing in soil, but we'll work those out.

I'll give you a written response on the acreage side of your question on reinsurance.

You've already indicated that the Auditor General did indicate his pleasure with our changes in performance measures and evaluations on the farm income disaster program.

I think I covered all you asked and more than you ever wanted to know about farm programs.

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

Ms Blakeman: Thanks. The minister opened the door on this one, and I would just like to add a few comments about it. That is the whole issue of risk management and safety nets. This isn't something that the minister can particularly answer, probably isn't even for her department to answer, but it is an issue that continues to concern me, representing, as I do, a number of small businesspeople in the downtown centre, and it's a question of equity. The minister has worked hard to explain why the money is necessary going to the family farm. It is a question of risk. Farmers know that they're in a risk business, and they try and manage that risk. Nonetheless, there are government programs to assist them here because that, one assumes the overall argument is, helps everyone in Alberta. But I continue to be concerned and want to see more equity across the province. It seems that agriculture gets the safety net; they get the money; they get the help.

I have businesspeople who equally are doing their best to manage their risk, to manage things which can scupper their success, which are equally as uncontrollable as what our farmers or agricultural sector could be dealing with, like weather. You know, we've got the Goldfome here in Edmonton. Electricity and gas prices are making it very difficult for that businessperson. No control over that. Small businesspeople trying to import or have a cross-border business can't control the U.S. dollar, and it sure affects their business and certainly affects their ability to manage their risk. Acts of God, political insurrections in a country that produces tin, and we've got somebody that's trying to put Chinese food into tin cans. So there are all kinds of risks that my small businesspeople are doing their best to manage, and there's no assistance for them, but there is a great deal of assistance for the farm. So to me it's a question of equity. I keep raising this, and I've yet to see the government give me any kind of really solid response on that.

Let me be very clear here. I'm not saying that the agricultural sector doesn't deserve every penny they're getting. I'm not saying that, but I am saying that it's a question of equity. There's a lot of assistance for that group of small businesspeople who are trying to manage their risk but no assistance for another group of small businesspeople, that being my downtown small businesspeople, who are trying to manage their risk. So it's a question of equal treatment across Alberta.

Thank you.

Mrs. McClellan: Well, I'll try to very briefly answer that. Your small business sector can buy insurance against theft, fire, things like that. The weather is the farmer's fire and theft, and that's what they're protecting. There is no private insurance for agriculture. A farmer buys the same insurance on his house, pays probably more premium because he's away from a water supply, I can tell you that, doesn't have a hydrant in front of his house, pays the same insurance for his liability on his place, faces the same costs when you consider that most of the farm machinery is imported from the U.S. We gain overall as an economy on the export side, granted, but when he buys a John Deere tractor, it comes from the U.S. at a U.S. price. When he buys the parts for it, he does that. We don't insure him against that.

So I appreciate the concern. We support small business. Agriculture is the single largest manufacturing sector in this province. The single largest manufacturing sector. Most of it is small business, and much of it is in the city of Edmonton. The rural community does not have that side of it to a great degree. There are over a hundred companies in the city of Edmonton – I'll just use that because we're here – who value-add agricultural products and ship to over a hundred countries in the world. So it's a huge part of our economy. I mean, we could name some of them. Often we don't think about it, but you look at Cheemo, well known; Saxby Foods, very well known; and the list goes on and on. There are over a hundred companies in this city. Our value added last year went to \$9.9 billion – that's doubled in 10 years – \$8.9 billion on primary, almost doubled in that same time period of large growth, no question, in cattle. We are the largest cattle producing and processing province. We're the second largest agricultural producing exporter in Canada. I think that when we think about the size of our province, 10 percent of the population, and you consider that we're the second largest agricultural exporter, it speaks well to the business community in this province who develop the value added. We need to continue to have that good primary product for them to work with.

4:30

So I appreciate your concern, but we're mixing apples and oranges when we talk about it because the producer has those same risks. What we're talking about here is the weather risk and loss of production because of that, which is like a fire or a flood or something to them. If there was private insurance available, I can tell you the federal government and the provincial government would not be involved in insurance, and we've investigated that over and over again.

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

Dr. Pannu: Thank you, Mr. Chairman. I want to start by complimenting the minister for displaying a very thorough knowledge of matters related to this portfolio. She certainly brings very vast experience as a cabinet minister and also as one who comes from a farming area of the province. So I'm delighted to hear someone talk with some degree of authority based on both firsthand knowledge

and knowledge acquired when running a department which handles matters that really mean survival or collapse for lots of farmers and farming families.

As to my own knowledge with respect to Alberta agriculture it's very limited, I must confess, but I do come from a farming background. I grew up in a part of India that's known for its agricultural economy, a vibrant economy. The green revolution transformed it. I just visited there for two weeks last month, and now I know how the green revolution impetus has petered out. Added to that, the WTO-related uncertainties – and WTO has been signed by India – are causing a great deal of grief to family farms and family farmers. In Punjab and in many other parts of India as well farm indebtedness has become an absolutely huge problem.

Farming at the best of times, because of weather, because of markets, because of pestilence, and other problems, is always a risky business, and the kinds of risks involved with it are quite different for the producers and for the owners and for the investors. So there's a need for the kind of programs of both the federal government and the provincial government. Hopefully, many of them in collaboration with each other try to provide relief to not only families but also communities that rely on healthy agricultural production and activity.

In the rural areas of Alberta – and I'm sure we would all agree that we want to make sure the rural areas remain attractive places for Albertans to want to stay, not only aging Albertans but young Albertans – the economic health of small towns is very much dependent on the economic health of farms and farm families. There is symbiosis there: one exists in relation to the other to a large degree.

So I'm generally very impressed with what the minister has said, and I know that she has the best interests of the farming community at heart.

My questions have to do with the supplementary estimates related to the farm income disaster program. I understand that this \$46,137,000 of extra money that's being asked for in the supplementary estimates is the result of the farm disasters that occurred from the widespread drought that has been experienced, and particularly this year just past it has been unprecedentedly dry weather that has hit our farmers in parts of Alberta and Saskatchewan and maybe – I don't know – some other parts of the prairies as well.

Now, some of the farmers perhaps have been hurt a lot more by this drought than others because the intensity of the drought has been variable across the province. The minister will add to my information, but my understanding is that areas north of Edmonton, particularly the northeast part of the province, have been most seriously hurt by this and areas south of here less so, but there have been scattered sort of affects of it. There's no uniform, whole region that might have been affected.

So this \$46 million, I'm sure, has been channeled in the direction of the farmers who have been affected – farm families, corporations, and others – but my question is: was this money targeted, as this government normally does, to the most needy, to those who were most seriously affected by the disaster caused by drought, and if so, would the minister want to comment on how the targeting was done? What criteria were used? What regions were targeted? The number of family farms that received the assistance because they were most affected.

The second related question arises from the minister's observation that when this farm relief, this disaster relief was being provided, there was a great deal of concern expressed by some members of the Assembly, including perhaps my caucus, that much of this money would end up in the hands of large corporations, so she drew to the attention of the House in her remarks just 10, 15, 20 minutes ago that

only 3 percent of the farms are owned by nonfamily corporations. I suppose that's the exact word to use.

Now, it may be the case that only 3 percent of the farms are owned by nonfamily corporations, but my question is: what overall arable area is owned by this 3 percent? We do know – and I think the minister would confirm it or contradict it – that concentration of ownership is a fact of life, and the rate at which the land resources are concentrating in the hands of fewer and fewer families or corporations is growing. The rate is picking up speed. So if she would comment on the percentage of ownership in terms of acreage; you know, whether it's mixed farming land, whether it's ranching, raising horses or beef cattle or whatever else. What percentage of that land is owned by the 3 percent? So if there is a disparity between the percentage of corporations, which is 3 percent, owning farmland and the area that they own, then I suspect that the minister would be able to tell me what portion of \$46 million has gone to the 3 percent corporate-owned entities as distinct from the family-owned ones.

The third question that I have is based on my lack of knowledge on this, and I will ask this. Of the \$75.5 million or \$75.6 million that was originally budgeted for this particular item, farm income disaster program, do any of those funds come from the federal government as well? Will the new allocation, the \$46 million supplementary that the minister is asking for, bring some more federal money as a matching fund, and if so, what would that be?

Maybe I can sit down and have the minister address these questions first.

4:40

Mrs. McClellan: There are two different programs that I think the hon. member is alluding to. One was a grant program that we did this summer in response to the drought, the \$324 million that was distributed on an acreage basis, and it was distributed whether it was a seeded acre of crop or a pasture or a hay. So that was a different program.

FIDP is cost shared. The \$324 million was not cost shared by the federal government. That was taken out of an emergency fund, and as you would recall, at the time we were facing a very huge concern about loss of breeding stock. Cattle were coming to the market in quite substantial numbers. I'm pleased to tell you that it would appear that our cattle numbers are down about only 10 percent. It was significant, I believe, and the people in that community tell me that it was significant in stopping the loss of our breeding herds, which is what we wanted to do. We had about 5.4 million cattle. We're about 5.2 million. Those are our figures. So that program was different.

Under those programs there always is a cap, and you cap the amount that an individual can have, and if it's a corporation, there's a limited number for that corporation, a cap on that too. I'll give you a written response explaining that part of the program to you.

Under FDIP. FDIP is triggered based on a significant loss in your income, and it's done on your tax form, so FDIP only responds a year out. So after you've done your tax forms, if you've had a significant loss, if you've dropped below 70 percent, then you can look at requesting a FDIP payment.

The federal government has participated in farm income disaster. They did give notice that they would no longer be involved in that. They announced that in June of this year and set aside some transition money to move to an improved NISA, net income stabilization account program, to eliminate the need for that. We're not quite there yet. We're still working on NISA. We're looking at a federal/provincial meeting later this month to try and conclude that. That net income stabilization account program would have a disaster

component so that we could get away from these other programs, but we're not there yet.

Your question: did the federal government contribute? Yes. In fact, \$37.3 million would come from the federal government. Because of the way we have to account for our dollars and our expenditures, we show this as a supplementary estimate to agriculture. The net draw on the GRF in this instance would be about \$1.8 million, but you understand how we have to do our accounting.

So it is difficult when you have to do these ad hoc programs like we did with the \$324 million. We think we distributed as fairly as we could. The administration of delivering that \$324 million was around 1 percent, and I think that's fairly significant, and in fact some officials from the federal government commended us on it. They had had some experience and found that it was difficult to keep it under 20 percent when you get the complexity. So keeping it simple helped.

We also did an analysis on the program and found that the bulk of the money went to the most affected area. There was some discussion at the outset – you're right – that some areas that didn't need it got it. Well, you know, the year wasn't over when they got it, and I can tell you that some of the south, which is the very deep south, south of the No. 1 highway – there's an awful lot of Alberta on the other side of that – suffered some real problems with harvest, as did central Alberta. It's very unusual to be combining in December and January. I've been on a farm for 40 years, and I've only experienced it maybe once or twice, the same with spring. The only exception might have been some parts of the Peace River, and even they had some difficulties with harvest and suffered yield losses as well as quality. So I think that overall, while we knew it wasn't perfect and so did the producers, it came out as evenly as you can.

The other thing that was important to producers is that – actually the first farmer did have his cheque in nine days – we were able to distribute that money very quickly. So low administration, get it out fast, let people make a decision on their herds and what they're doing and so on. I think it worked, but it's not the best way. We prefer what we've done now: a good comprehensive safety net program, a good crop insurance program, a good hay and pasture program. We're saying to producers: "Look at these programs. Look at your operation. If you need a risk management tool, which means that you can't self-insure, then you had better take advantage of these because we are out of the business of ad hoc programs."

So good questions. I am going to give you a written answer on acreage because I think you'll want something just a touch more in-depth than acreage. Your corporate entity might be a hog operation; it might be a dairy; it might be a feedlot. So just giving you acreages wouldn't probably give you the answers you need. So I will give you that in writing and probably can even give you an indication of what part of production they represent as well. It's better to have the whole story when you're looking at those.

I was interested in your comments on your area in India because I had the pleasure of meeting with the agriculture representative – I'm not sure they call it minister – when I was at world trade talks, and we had a fair discussion on some of these challenges. It's always amazing how similar our challenges are. Although our farms are quite different, the challenges in these things are the same wherever you are in the world.

I'll respond more fully in writing.

Seniors

The Chair: Okay. The hon. Minister of Seniors next.

Mr. Woloshyn: Thank you, Mr. Chairman. Back in June of 2002

the Alberta government and Canada Mortgage and Housing Corporation signed the Canada/Alberta affordable housing agreement. The funding requested today, the supplementary appropriation, is for some \$17 million. The net payout from the Alberta government is 8 and a half million dollars. The other 8 and a half million dollars are from the federal government. This is to implement the program for this current fiscal year.

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

Ms Blakeman: Thanks very much, Mr. Chairman. Just a couple of issues that I wanted to raise with the minister around this money. First of all, he and I have had a couple of go-rounds about whether this money was coming. When was it going to happen? Was it going to be new money? Blah, blah, blah. I think it was today actually – yes, there's officially an announcement about this money. It is new money. I'm just double confirming that. Yes, indeed, it is, which is what I thought, which is excellent. It will actually result in some new affordable housing and accommodation for Albertans. I've always believed that the province has got to step up to the plate and put money on the table to encourage this kind of thing, and I'm pleased to see that they are in fact doing it.

Now, the question I have is an accounting question. It may be easily answered by explaining that it has to run through the account. In fact, the government is putting up 8 and a half million dollars. The books are showing \$17 million. Perhaps the minister can comment on whether the federal money may well be a reimbursement. Once the province shows that the money has gone out, they will be reimbursed for their share. Otherwise, why is the accounting showing \$17 million going out? The minister is quite up front in admitting that, in fact, it's a matching. It's only \$8.5 million.

4:50

As I always do, I'm checking the Auditor General's report, and the only hesitation there was that the ministry does not present consolidated reports, which would mean presenting the information, the audited statements, from all of the entities that it's responsible for, the revenue and expenses of management bodies, et cetera. That seems to be the only concern, and that's really not reflected in what we're seeing here.

So I'm very pleased, frankly, to see that this money is finally happening. It's certainly something that I've been asking for for some time. My big concern was that it wouldn't be new money, that the province would take the opportunity to say: well, you know, last year or this year we've already spent X amount of money building something else, and let's use that money to qualify. That was the concern that I continued to raise in question period with the minister – and I'm glad I did – and continued to press for. I'm very pleased to see what I'm seeing here.

If he could just answer that question about why it's appearing as \$17 million when, in fact, the province is really only putting out \$8.5 million. Unless the province pays up front and gets reimbursed by the feds.

Thanks very much.

The Chair: The hon. minister.

Mr. Woloshyn: Yeah. Thank you for your comments and observations. As I indicated to you when you were asking the questions along the way about the program, we entered into an agreement, and the understanding was quite clear, that the program was going to be straightforward, clean, mutual, administered by both the provincial and the federal governments, although it was tailored to meet our

needs and the understanding was that it would be new cash. Because of the wrinkles that were going on, that you're well aware of, I felt that it was more prudent to proceed with the announcement when we had the money in hand, which was today. I thank you for your support.

Your observation as to how it works is probably accurate. We have to show it as a program because we're involved in it, but this doesn't show the source of the funding. That's why I made a point of saying that half of it is GRF; half is from the federal government. To be quite frank with you, as to whether the money is going to be through us or directly from them to the projects, I don't know. As you may well be aware, this is project driven, not a grant with no strings. We found this to be very successful in some of the other things that were done with SSHIP and HAPI, going with the project approach. So that's why we've taken that.

With respect to your comments the Auditor General – I do respect his observations – sometimes gets a little bit carried away as to how much should be consolidated. A lot of our management bodies manage one or two bits of property for us and have a considerable amount of their own property. We take very grave care to ensure that anything they manage on our behalf is documented, so it's all up front and we get our fair share and the whole thing. To try to consolidate all the bodies that we deal with, as was indicated there, would be quite unrealistic and would throw a lot of confusion into it. A better way of approaching it, which we do, is to show the net value of our assets regardless of who's managing them. As you know, I guess that virtually all of our projects, all of our inventory of whatever – \$1.2 billion – is managed by outside bodies. So I feel very comfortable that we're quite clear on the province's bottom line, and I'll have those discussions once again with the Auditor, I'm sure.

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

Ms Blakeman: Thanks. In speaking, the minister just twigged my mind to something else. The money is to be disbursed. It's project driven rather than just handing it out with no strings attached, as the minister explained. Is there a file folder with projects that have already been proposed that will now be examined for suitability to receive the money? I know that the ministry has worked fairly closely with the Edmonton land trust and, I believe, a similar organization in Calgary. Forgive me; I can't remember their name. Is that how some of the money will be distributed, going through to those two organizational management bodies that will then ensure that the projects are completed, or are there actually, as I say, applications that have already been forwarded to the minister and are awaiting some pot of money that would be available to them?

Thank you.

The Chair: The hon. minister.

Mr. Woloshyn: Yes. A good point. We have more than a sufficient number of projects in the file folder to proceed with distributing this money. A couple of things have to happen. One is that Canada Mortgage and Housing and us have to agree on the specific projects. When that's done, we'll just do it and forward it to whoever is going to be managing the project. There are more than enough to do with this \$17 million already.

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

Dr. Pannu: Thank you, Mr. Chairman. I have just a few questions for the minister. There's a huge need, obviously, for affordable

housing or low-income housing in this province, from Fort McMurray to Edmonton to Grande Prairie and other places. We are aware of it. I don't know if \$17 million will make a real difference, but it certainly is a start. It's been long overdue, in my view.

The government did have the federal commitment for \$67 million over five years, I think, in its hands for over a year now. The delay has been noted and caused concern among those who are looking for an affordable roof over their heads. I don't know if the minister is able to comment on whether or not the projects that will qualify, that are not only eligible but are finally selected for support – is there some sort of formula in terms of percentage of the overall cost of the project? Is there a cap on the amount of money that those projects will receive from this fund? That's my first question.

Second is whether or not these funds are going to be targeted for the communities in most need. I mentioned Fort McMurray. We know, first of all, that the definition of affordability is quite different, I guess, in a place like Fort McMurray than it might be in Red Deer or even here. So is there a plan that the minister has which will help him target these funds where they are most desperately needed and relieve the pressures with respect to affordable housing?

I understood the minister as saying that under this plan, under this supplementary estimate no project has as yet been funded and no project is currently underway. So this is all for the future. The minister will clarify it. He's shaking his head. I obviously didn't interpret what he said clearly.

The point that I have in mind is: is there some sort of time line when these projects must start and how soon they need to be finished? We are more than halfway through this winter, but certainly the next winter is not all that far away, and homeless Albertans, even the working poor who work day and night yet can't afford to really have affordable housing, would be interested in knowing if the minister has a plan which will get some of these projects underway and in process on an urgent basis.

Another question that I have, again in the minister's department: is there some sort of priority in terms of whether or not co-op housing comes first or a private investor willing to invest some money and then create some housing units for rent comes first? Is there some sort of priority list in terms of criteria that will help the minister to guide decisions with respect to priority that can be given to projects depending upon where they come from? Who are the organizations, institutions, or entities seeking to undertake these projects?

5:00

I'm unfamiliar with the general programs, so there's a question that the minister should, I guess, answer as information for someone who doesn't know enough about the way these things are done. Are the low-income residents in this affordable housing entitled to buy these spaces, or does it depend upon the individual project, or is there a uniform, standardized sort of policy that the department and the government have to promote certain kinds of affordable housing that would ultimately be available for ownership by those who originally may have moved into them for rent?

So these are some of the questions. The minister may want to seek some clarification on a question or two that I have asked. Really, I'm interested both in targeting the money and in time lines. What are the minister's thoughts on that?

The Chair: The hon. Minister of Seniors.

Mr. Woloshyn: Thank you. The questions were good questions. The preamble was unfortunately very inaccurate. The agreement was signed nine months ago. There has been no delay. When the

agreement was signed, I visited with the mayors of seven cities, and I got a consensus as to how the program would be delivered. It's not limited to the seven cities I visited. It's whatever community. There was no delay, quite frankly. It's just a matter now that the funding is in place, and you'll see that the question you could have asked is: how would you distribute it in 30 days, so to speak? Well, it's not a problem because we've been working on this since the agreement was in place.

It is a provincial program. Local people determine in consultation with us the varying levels of what constitutes affordability, because you're absolutely correct: what's affordable in one community is very different in another one. I would suspect that the majority of the units will be directed toward the rental market, although not restricted to the rental market. This will go on a project-by-project basis; however, the units, to qualify for funding, must remain affordable for 20 years, which means that anybody buying it would have some sort of life lease or something on there so that you couldn't use these properties to speculate. They have to remain available for affordable housing. Those kinds of criteria might vary from community to community, depending on who's administering it and what they feel is the best need for it. The maximum amount that would be given is \$50,000 per door, per unit, if you will: 25 and 25. That's the maximum. We expect that to lever moneys.

We invite the private sector and the municipalities to participate with us on the same rules as anybody else. So it's wide open, provided the basic criteria are met, and that is that the units must be affordable. There will not be operational subsidies from the government, so they have to have a method in there that these units will be self-sustaining for operations and the provincial priorities are addressed. The focus will be on the areas of highest need provincially, so it's not going to be per capita, say. It's based on need.

There is one project that the particular people, who are municipal people, are involved in and have already started it with the hope that they will get help. They've front ended the moneys, and we'll certainly be looking down to them and treat them appropriately. We will, in effect, become partners in this, and they have chosen to put in their portion. As I indicated, \$50,000 doesn't buy a whole unit, period. So they've taken the risk on their own of going ahead with some very appropriate housing in the community. I won't go on to mention it here. I should speak with them first before I say it.

So in answer to your question "Has something started," yes. Have we got others ready to go? Yes. The only thing is we do have to work closely with CMHC on announcements and things like that because they are funding partners with us.

Dr. Pannu: Thank you, minister, for addressing almost all of my questions. I've got one additional one. The number of units that the minister thinks can be funded from this current supplementary estimate that he has asked the Assembly to approve: does he have an estimate of what the total number of units are that he might be able to fund from this?

Mr. Woloshyn: I'm getting, I guess, to the point where sometimes I forget numbers, but if you divide 50 into 17 million, that's a minimum number of units because the \$50,000 support from the government is a maximum, if you follow me. So if you just divide 50 into 17 million you'll find the minimum number of units this money will buy.

Sustainable Resource Development

The Chair: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Chairman. I'll do my presentation, and if time allows, then no doubt the opposition or

whoever may ask questions or make comments, and if time doesn't allow for me to answer the questions, then my staff is here and we'll go through *Hansard* and do it in writing. As minister responsible for Sustainable Resource Development I'm here today to explain to you the need for supplementary estimates to our budget. These estimates relate to two areas mainly, fire protection and regulation of the confined feeding operations, which was moved to my department just over a year ago.

First of all, I'll touch on the forest fire area. Last year, of course, Alberta had one of the worst wildfire seasons ever, I believe, in 133 years largely due to severe drought and persistence of drought over a number of years. There were over 1,450 fires. In addition to that, it burnt over 496,000 hectares of forest land. The wildfire, in addition, threatened more than seven communities and led to the evacuation of about 2,000 Albertans, mainly in the Fort McMurray area. Our forecasted expenditures to the end of this fiscal year now total \$317 million, resulting in an anticipated shortfall of about \$18.7 million. So I ask for your support in granting these funds so we can meet our business plan priorities and objectives for protecting our forests.

The second area I want to cover very briefly is the confined feeding operations, and I'll try and do it reasonably quickly, Mr. Chairman. The new responsibility, of course, in this particular area was moved to my department in January of 2002, and it's just a bit over a year ago. At the time we decided not to allocate new dollars. We were being prudent, I guess, and wanted to see what demand existed in the first place, and demand, of course, is very significant. Over the past year the NRCB had received an extremely large volume of applications. So our projection of operating costs to fiscal year-end are now at \$4.9 million, which leaves a shortfall of \$2 million. The NRCB will use \$1.6 million from the cash surplus they had, which leaves an additional funding of \$400,000. So I ask for your support in these requests.

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

Ms Carlson: Thank you, Mr. Chairman. I'll start with the moneys asked for for the feedlots. When you talk about demand, what are you actually talking about there? Is this hearings, public hearings, enforcing the regulations, or so on? Also, then, given what you now know about last year, in next year's budget are you going to project what you think is a fair amount of costs associated with keeping this part of the department running?

5:10

On the forest fires I just want to make a few comments. Yes, last year was an exceptionally tough year for fires, and we have always supported the request for dollars for fighting fires in this province, and we'll continue to do so. In fact, we had a unique experience in our family last year. My son went to work at the staging area in Lac La Biche and worked as a roustabout to see what it's like to work in that kind of a situation and had a very enjoyable experience working on the front lines, so to speak, or close to the front lines and working with department officials. So thank you for that.

I think that the fires in general are well handled. I'm a little concerned as we continue to see drought conditions again for the next year, and it looks like large fires in this province aren't going away. So I'm a little concerned that in the long term we create a fiefdom within the department that's for fire suppression, and I think it's really important that we have adequate benchmarks to be able to measure performance, particularly performance related to costs and cost overruns. So I'm hoping that we'll see some of that or have some discussion of that in next year's budget. I think that fire

suppression could become a department of its own within the government, and we just want to make sure that we're getting the very best value for our dollars that we can. So far it hasn't seemed to me to be a problem, but I think it's time for a warning flag to go up.

Those are all the questions I have on that area. If we could just take those under advisement, if you don't mind, Mr. Minister, because I really do have a question for the Minister of Economic Development that I would like to put on the record, at least, even if he doesn't have the opportunity to speak to it in the couple of minutes that we have left.

Thank you.

Economic Development

Ms Carlson: It's only \$4 million that Economic Development is asking for, Mr. Chairman, but they're asking for it in marketing, so with the kind of explanation we have so far in this department, it looks like a lot of money for beer and pizza. So we're hoping that there are some actual benchmarks and that we can get a description from the minister of where that money is coming. In fact, I would like a little more than a two-minute description, if we can, on why it is that these weren't dollars that were originally asked for within last year's budget and some specifications in terms of where the money is going to be spent and how you're going to judge the value of how that money is spent. So if I could get a short note on that from the minister sometime in the near future, that would be very beneficial. He's nodding in agreement with that.

So I do very much appreciate this minister staying here to share his comments. We've nearly run out of time. Looking forward to the written information and also from Sustainable Resource Development, who has agreed to provide that information in writing to us.

With that, we have only about a minute left, Mr. Chairman, so we'll conclude debate on estimates this afternoon.

Mr. Norris: Well, I would just like to say, Mr. Chairman, that having heard some of the comments, I will be very happy to provide the information to the hon. member, but the reference to beer and pizza I find somewhat offensive. If we're going to spend any kind of money for the taxpayers of Alberta, it certainly wouldn't be on that, and I will provide her with it, but at the outset the money is going to be used to promote one of the greatest industries we have in Alberta, which is the tourism industry. It's going to go, in consultation with the industry, to the places it should, and it's money well spent on behalf of the taxpayers of Alberta.

Vote on Supplementary Estimates 2002-03 General Revenue Fund, No. 2

The Chair: Okay. We don't have to give the comment about pursuant to Standing Order 59(2). We have, then, for our consideration the supplementary estimates, No. 2, for the year 2002-2003. It is now quarter after 5 in the afternoon, so we take the whole estimates in one lump form, although it does refer to the departments that have already been referred to and those that are in the document.

Agreed to:

Total Voted Operating Expense and Capital Investment	\$206,642,000
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Mr. Zwozdesky: I move that we rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

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

All resolutions relating to the 2002-2003 supplementary estimates, No. 2, have been approved. Mr. Speaker, I wish to table a list of those resolutions voted upon by the Committee of Supply pursuant to Standing Orders.

Aboriginal Affairs and Northern Development: operating expense, \$1,400,000.

Agriculture, Food and Rural Development: operating expense and capital investment, \$39,719,000.

Economic Development: operating expense, \$4,000,000.

Energy: operating expense and capital investment, \$3,300,000.

Environment: operating expense and capital investment, \$2,000,000.

Government Services: operating expense and capital investment, \$4,565,000.

Human Resources and Employment: operating expense and capital investment, \$25,800,000.

Infrastructure: operating expense and capital investment, \$800,000.

Justice: operating expense and capital investment, \$2,623,000.

Learning: operating expense and capital investment, \$33,500,000.

Municipal Affairs: operating expense and capital investment, \$11,400,000.

Seniors: operating expense and capital investment, \$17,000,000.

Sustainable Resource Development: operating expense and capital investment, \$19,075,000.

Transportation: operating expense and capital investment, \$41,460,000.

Amount of operating expense and capital investment to be voted under section 1, \$206,642,000.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you. In keeping with past practices when Committee of Supply finishes and the opposition parties having been apprised, it's my pleasure, Mr. Speaker, to seek the unanimous consent of the Assembly to revert to Introduction of Bills to allow for first reading of Bill 17, the Appropriation (Supplementary Supply) Act, 2003.

[Unanimous consent granted]

5:20head: Introduction of Bills

The Deputy Speaker: The hon. Minister of Finance.

Bill 17

Appropriation (Supplementary Supply) Act, 2003

Mrs. Nelson: Thank you very much, Mr. Speaker. I request leave to introduce Bill 17, the Appropriation (Supplementary Supply) Act, 2003. This being a money bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

[Motion carried; Bill 17 read a first time]

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

Mr. Zwozdesky: Thank you, Mr. Speaker. I would move that we now call it 5:30 and adjourn until 1:30 p.m. on Monday.

[Motion carried; at 5:21 p.m. the Assembly adjourned to Monday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Monday, March 3, 2003**

1:30 p.m.

Date: 03/03/03

[The Speaker in the chair]

head:

Prayers

The Speaker: Good afternoon and welcome back. Hon. members, would you please remain standing after the conclusion of the prayer for the singing of our national anthem.

Let us pray. O Lord, guide us all in our deliberations and debate that we may determine courses of action which will be to the enduring benefit of our province of Alberta. Amen.

Now would you please participate in the singing of our national anthem in the language of your choice. We'll be led by Mr. Paul Lorieau.

Hon. Members:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

The Speaker: Please be seated.

head:

Introduction of Guests

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. It's indeed a great pleasure for me to rise and introduce to you and through you to all members of this House several bright, young, alert, attentive, and very inquisitive students from one of the best schools in Mill Creek, and that would be Julia Kiniski. I would ask that they rise with their teacher, Mr. Don Douglas, and other helpers to receive the very warm welcome of all members of this Assembly. Thank you for coming.

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much, Mr. Speaker. I, too, want to rise on this beautiful Alberta day and welcome some of the best and brightest in the province of Alberta from the riding of Edmonton-McClung, students from Good Shepherd school. They're accompanied here today by their teacher/group leaders Mrs. Doreen Neuls and Ms Val Newgard, as well as parent helpers Ms Lise Prosser and Mrs. Pat Davidson. I would like them to rise and please receive the warm welcome of the gallery. Welcome to the Legislature.

The Speaker: The hon. Member for West Yellowhead.

Mr. Strang: Thank you very much, Mr. Speaker. On behalf of our Member for Wetaskiwin-Camrose I would like to introduce 35 students from the Battle River home and school camp and their group leader, Mr. Richard Schultz. At this time I'd like to have them rise and receive the warm welcome of this Assembly.

Thank you.

The Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Speaker. It's my pleasure to rise today to introduce to you and through you to the members of the Assembly 25 energetic students from Sturgeon composite high school. They are accompanied by their teachers Mr. Norman Zweifel and Mr. Ron Haskell. They're seated in both members' and public galleries. I'd please ask them to rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Minister of Revenue.

Mr. Melchin: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of the Assembly nine visitors from Alberta Revenue who are taking part in a public service orientation tour. This is to acquaint everybody a little more with the operations of the Legislative Assembly. I'll ask them to stand: John Mathias, Warren Regehr, Jennifer Smart, Brandy Stefanyk, Kim Le, Irena Luciw, Tanya Holmes, Doug Stratton, and Justin Chow.

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

Mr. Maskell: Thank you, Mr. Speaker. It is my pleasure today to introduce to you and through you three guests who are seated in the members' gallery. Last Thursday a new Canadian play, *Einstein's Gift*, premiered on the Citadel's Maclab stage, and my guests are here as a result of the premiere. My first guest is Vern Thiessen, who is artistic associate of dramaturgy, and play development at the Citadel Theatre. He's president of the Playwrights Guild of Canada and a board member of the Edmonton Arts Council. His play *Einstein's Gift* received its world premiere at the Citadel Theatre. This talented Albertan, a grad of the U of A, has written for stage, radio, and television for over 15 years.

My second guest is Bob Baker, artistic director of the Citadel Theatre, a position he's held since 1999. He's been nominated for and been the recipient of numerous awards including the Sterling and Dora. As a result of his strong leadership, the Citadel Theatre is considered by many Canada's leading theatre.

Finally, my third guest is Sol Rolinger, QC, officer of the Order of St. John, recipient of the Queen's jubilee medal, and known by many in this Assembly. He's a senior partner in the 108-year-old law firm of Duncan & Craig, which counts in its namesake the first Minister of Justice of the province of Alberta in 1905, Charles Cross, and the first mayor of the city of Edmonton in 1904, William Short. Mr. Rolinger has many public faces, including that of a member of the board of governors at the Citadel Theatre.

Gentlemen, would you please rise and receive the warm traditional welcome of this Assembly.

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

Ms Kryczka: Thank you, Mr. Speaker. This afternoon I am really very pleased to introduce to you and through you to this Assembly – a moment ago there were two people sitting up there that I was going to introduce, but I will refer to the second person anyway. I would like to say that in Calgary-West we produce only the best. The person who has left momentarily, Gord Olsen, is an outgoing executive director of the southern Alberta office of the Premier, and I suspect he's out maybe already doing work as a consultant. That would be his next career. The person that is left sitting there, very important to us, brings wonderful people and business skills to his new job as executive director of the southern Alberta office of the Premier. I'm sure that everyone he works with, whether politicians or citizens, will feel that they were well heard. Rich Jones, would you please – and you are; see how keen he is – rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Calgary-North Hill.

Mr. Magnus: Thank you, Mr. Speaker. It's a privilege and a pleasure for me today to be able to once again introduce a number of Alberta's finest firefighters who are here from all over the province today to watch us while we negotiate our way through Bill 202. They're in the public gallery. I'll ask them to stand as I call their names. They are: Gord Colwell, president of the Alberta Fire Fighters Association; Scott Wilcox, president of the Calgary Fire Fighters Association; Wayne Johnson, president, Lethbridge Fire Fighters Association; Brent Shelton, vice-president, Lethbridge Fire Fighters Association; Ken Block, president of the Edmonton Fire Fighters Association; Wayne Hudson, president, Grande Prairie Fire Fighters Association; Steve Larsen, vice-president, Grande Prairie Fire Fighters Association; Kim Smyth, president, St. Albert Fire Fighters; Tim Stewart, vice-president, St. Albert Fire Fighters. Then we have Mr. Paul Wyndham, the original firefighter in Alberta to collect benefits from WCB, who is with us today, Greg Holubowich, Dale McLean, Brian Davies, Dan Carmichael, Paul McGonigal, Bill Quinn, Rollie Bullerkist, Fred Hermery, Tim Casavant, Larry Walsh, Lorne Corbett, Greg Tanouye, Steve Spiegelmann, and Ron Polutnik. I see they're all standing. I'd ask that this House give them the warm welcome that we're known for.

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

Mr. Cenaiko: Thank you very much, Mr. Speaker. It's my pleasure to introduce to you and through you to all members of the Legislature in the members' gallery Mr. Ed Campbell, a member of the Prostitution Awareness and Action Foundation of Edmonton, who is here representing hundreds of Edmonton volunteers. Mr. Speaker, they literally work day and night to improve the safety and security of communities battling the devastating effects of street prostitution. I'd ask that Ed please rise and receive the traditional warm welcome of this Assembly.

head: 1:40 **Oral Question Period**

The Speaker: First Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Energy Prices

Mr. MacDonald: Thank you, Mr. Speaker. This government promised during the election to protect Albertans from the skyrocketing costs of natural gas. Albertans already know firsthand the fatal flaws that went into the policy. The only solution this government has is to advise Albertans to turn down the thermostat and put on a sweater. My first question is to the Premier. Does your government practice what it preaches? Have you in your office turned down the thermostat and put on a sweater?

Mr. Klein: Yes, Mr. Speaker, I do quite often in my own office. As a matter of fact, in my own home I do it as well. My wife keeps the temperature at about 67 degrees, I think. Notwithstanding my complaints, I have to put up with it because she is very strong on conservation. My wife will attest that, indeed, we take very strict conservation measures. She even makes me turn off the little flashing light on the computer because, apparently, there's a power drain there. She is very, very conscious of electricity bills. So, yes. The answer is yes. Yes, we take all the conservation measures that we possibly can in our house and in my office, and I encourage all Albertans and the hon. member to take whatever conservation measures they can and he can to reduce the cost of electricity and the

cost of heat – it only makes sense – and to make a contribution to the Kyoto accord, as flawed as it is, to make an effort at the reduction of greenhouse gases, which we all want to do, but we want to do it in a responsible and reasonable way.

Moreover, Mr. Speaker, not only are we requiring people and asking people to take conservation measures, as all people should; we have implemented a special-needs program on a temporary basis to now include rising utility costs for low-income seniors. I would remind the hon. member that as a result of the rebate program that was put in and because we didn't want to continue with ad hoc hocking this particular situation, we introduced legislation that said that if on an annual basis natural gas reaches \$5.50 a gigajoule, then rebates would kick in. That is clearly announced in regulations, which were publicized on the government network – what is it? – www.gov.ab.ca.

Mr. MacDonald: My next question is to the Minister of Seniors. How long will it take from the time an Alberta senior applies for the special-needs assistance program to help with their high utility costs before that application is filed and they will receive any money? Will it be July, or will it be August so that they can pay for their air conditioning unit?

Mr. Woloshyn: Mr. Speaker, I really resent his tone. It shows how insensitive and ill-informed he is. The special-needs program is directed at seniors who have difficulty balancing their incomes against ongoing expenses, and we have had this program for some time. We've expanded it to include the increase in utility costs as of 11 o'clock this morning. People who have applications in the mail will be getting cheques very quickly, and hopefully we'll be able to stay within our time line of three weeks between the receipt of application and cheques being mailed out. However, I expect a bit of a run on this, so there might be slight delays.

In answer to his rather foolish comments, the program has started now, is effective immediately, and hopefully will reach needy seniors within the week, if you will.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Speaking of insensitive and uninformed, my third question is to the Minister of Energy. Given that you promised Albertans that deregulation would bring lower energy prices, why are we now paying some of the highest bills in North America?

Thank you.

Mr. Smith: Well, Mr. Speaker, the preamble, of course, is incorrect, which we have to correct. That promise was not made by me that we would have lower energy prices. I have always said that competition will bring new generation, will also bring the competition, and we will have the lowest possible prices that the market will allow us to bring.

Let me also say that, in fact, Albertans have been conserving and Albertans have responded. Today ATCO, the utility for natural gas, Mr. Speaker, has implemented a budget plan where people who have paid, say, for example, \$80 a month on their budget plan now will pay about \$103, and it can be budgeted over a 12-month period, with the consumption being 60 percent in the short term. Also good news for Albertans is that ATCO has said that conservation has created about a 10 percent reduction in natural gas demand across this province over the last two years, so in fact Albertans are practising what they preach.

Low-income Albertans

Ms Carlson: Mr. Speaker, leaving Albertans to choose between heat and food is only the latest example of this government's lack of concern for low-income earners. There is no Alberta advantage for tens of thousands of Albertans. My first question is the Minister of Health and Wellness. Why does someone making \$16,000 a year pay six times more of their salary to health care premiums compared to someone making over \$100,000?

Mr. Mar: Mr. Speaker, I'll have to take the information in the member's question under advice. However, I can say that health care premiums provide a significant amount of revenue for the functioning of our health care system. To the best of my recollection about \$900 million a year is collected through health care premiums. We use that money to fund a \$19 million a day health care system, a total of nearly \$7 billion. Albertans understand the value of the health care system. They do contribute to it directly through health care premiums but also through other sources of revenue that accrue to the provincial government, including income taxes. People do acknowledge that this is a valuable system and that they contribute to it, and that is the reason why we have health care premiums.

Ms Carlson: Mr. Speaker, my second question is to the Minister of Learning. Why, when parents can't afford extracurricular activities such as field trips, are their children denied an equal opportunity to learn?

Dr. Oberg: Well, Mr. Speaker, one of the things that we pride ourselves on in Alberta is that all students have opportunities and equal opportunities to learn. One of the reasons why we eliminated the ability for the school boards to tax was so that everyone would have equal opportunity, something we pride our students on, something we pride our system on in this province.

Ms Carlson: Mr. Speaker, my third question is to the Minister of Human Resources and Employment. Given that MLA salaries are indexed to inflation, why aren't AISH and SFI rates tied to inflation? Those people haven't seen an increase for 10 years.

Mr. Dunford: Mr. Speaker, there's an important fundamental here that we all have to be aware of, and that is the fact that the philosophy of this government is that we will provide a hand up and not handouts. The other defining philosophy that we operate under is the fact that people should be better off working than on assistance. So everything that we do is geared toward moving people from temporary assistance, then, through skills training and into the workplace. You will note from our budgets over time that we devote a tremendous amount of our budget toward the skill training areas.

I want to reaffirm today and to make sure that everyone understands that our supports for independence program as it now exists is a program of last resort and it is a temporary resort, and the benefit levels, then, are geared in order to continue to provide the incentive for people to get trained and to get into the workplace.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Riverview.

1:50 Capital Regional Health Authority Board

Dr. Taft: Thank you, Mr. Speaker. In the new Capital health region more than twice as many people live in the city of Edmonton as elsewhere in the region, and every major facility is in Edmonton. Yet on the new region's board, handpicked by this government, the

people of Edmonton only have half the per capita representation as people from outlying areas. To the Minister of Health and Wellness: did the Edmonton government caucus make a formal presentation to him on the membership of the Capital region health board, and if so, will he table it in the Legislature?

Mr. Mar: Well, Mr. Speaker, I want to say that, first of all, there are fine facilities that exist in the newly drawn Capital health region that are outside of the city of Edmonton. One example – and the member may have recalled this – is that the Leduc facility was at one time outside the Capital health region, and when it was brought into the Capital health region, hundreds of surgeries were moved from overburdened facilities in the city of Edmonton to a very good facility out in Leduc, that has a good infrastructure and solid staff, surgeons, health care providers out there, and that has helped the people of Edmonton in relieving some of the wait lists that existed in facilities in the city of Edmonton.

On the subject of health board appointments there were previously approximately 189 people on our 17 health boards. Of that, 126 were elected individuals; the balance were appointed. Mr. Speaker, in going to nine regions, we now have 111 members who sit on those regional health authorities. Sixty-five of them were previously elected, and 46 of them were previously appointed. I can assure you that the people who were put on the Edmonton Capital health region board are outstanding people. We recognize that there must be representation from the areas outside the city of Edmonton in order to have a functioning regional health authority that operates like a system as opposed to a mere collection of facilities.

The Speaker: The hon. member.

Dr. Taft: Thanks. It seems the minister has confirmed another failure of the Tory government caucus.

To the Premier: how does this government explain to Edmontonians that each of their voices on the Capital health board are now worth only half as much as voices from outlying areas?

Mr. Klein: Mr. Speaker, you don't explain it that way. You explain it in such a way that a regional health authority is to provide for the health needs of a region and that the region is appropriately represented. Governance is important. Administration of the system is important. But what is important to Martha and Henry is that health care is there for them when they need it. That is what is important, and that's what we stress.

The Speaker: The hon. member.

Dr. Taft: Thank you, Mr. Speaker. Again to the Minister of Health and Wellness. How does he justify eliminating five out of 12 Edmonton members from the Capital health board?

Mr. Mar: Well, Mr. Speaker, first of all, I want to say that the 189 people that I referred to earlier in answering the member's first question, without exception, I found that those people, whether they were previously appointed or previously elected, have been people who have been of character, who've brought passion to health care, who've been constructive. So the first thing that I want to do is thank all of them for having served on our previous 17 regional health boards.

Secondly, Mr. Speaker, in moving from 17 health regions to nine health regions and amalgamating a number of regions, in order to do so, clearly we had to reduce the number of overall members serving on regional health authorities. As I indicated, we went from 189 to

111, but if you look at the numbers, 126 were previously elected out of 189, roughly two-thirds. Now we have 65 out of 111 who were previously elected, again roughly two-thirds. We have preserved a balance of bringing in the interests of all people, both in urban areas as well as in rural areas. We've struck a balance with respect to the number of people who are elected and appointed. We've got a more efficient and effective system in nine regions than we had with 17, and it's for that reason that we've made the decisions that we have.

Natural Gas Prices

Dr. Pannu: Mr. Speaker, the government's deregulation policies are tailor-made for foreign companies like Direct Energy while shafting Alberta electricity and natural gas consumers. The gang that gave us the highest power prices in Canada is looking for a repeat performance in natural gas. Later today I will table internal government documents showing that the government's proposed rule changes for natural gas utilities will in fact drive up costs to consumers. My question is to the Minister of Energy. After breaking a promise to provide natural gas rebates, why is the government rubbing salt in Albertans' wounds by introducing changes that will drive Martha's and Henry's natural gas bills even higher?

Mr. Smith: Mr. Speaker, the Natural Gas Price Protection Act is a policy that was put in place after 2001. Its threshold price is 5 percent below what was achieved in 2001. The government has taken very active measures to move on protection of seniors, protection of low-income Albertans, protection of families in need. Throughout this debate people have asked for options and choices about how to purchase their natural gas, whether they want to purchase it on a two-year, a three-year, or a five-year basis. The gas utilities amendment act will in fact offer Albertans those choices.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: how can the minister claim that the proposed changes to natural gas utilities won't either drive up costs or are a direct response to consumer demand when this is directly contradicted by an internal document dated December 24, 2002, a Christmas Eve lump of coal, that states that costs will in fact go up? In addition, the government has produced no evidence that consumers are demanding choice.

Mr. Smith: Mr. Speaker, we will look at the tabled document, and we'll take it under advisement.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Last question to the same minister: why is the government pursuing changes to natural gas utility policies that both government bureaucrats and the Consumers' Coalition say will both drive up costs and increase the likelihood of billing errors?

Mr. Smith: Mr. Speaker, natural gas has been deregulated in this province since 1985. This is, in fact, the last piece of that 17-year process. Throughout that time, people have bought natural gas on the spot rate or they've used the budget plan. This bill will allow people to purchase natural gas on a long-term contract, allow them to integrate it with electricity purchases, allow it to integrate with furnace cleaning services and furnace maintenance, computerized thermostat services. There will be more choices in the marketplace for Albertans.

As to the prospect, Mr. Speaker, of lower prices, prices here are now more expensive than they are in Ontario. People will then be able to exercise their own choice and be able to make their own determination about how they want to buy this commodity called natural gas.

The Speaker: The hon. Member for Bonnyville-Cold Lake, followed by the hon. Member for Edmonton-Mill Woods.

2:00 Regional Health Authorities' Billings

Mr. Ducharme: Thank you, Mr. Speaker. Since the release of the Deloitte & Touche review of the Lakeland regional health authority's financial situation, Lakeland and Health and Wellness officials have rerun the numbers and have identified to date nearly \$1.6 million in government underfunding. As they reviewed the import/export funding between Lakeland and Capital health, they found that Capital has been overbilling Lakeland on a yearly basis for inpatient and ambulatory services. Some claim that the overbillings could be in the tens of millions of dollars. My questions are to the Minister of Health and Wellness. Is the minister aware of these overbillings, and if so, has he asked the Auditor General to review?

Mr. Mar: Well, Mr. Speaker, first of all, I want to lay to rest any suggestion that either the Capital health authority or another large health authority, such as the Calgary health region, would intentionally try to overbill any of the regional health authorities outside of those two areas for services that have been provided.

There may be good examples, Mr. Speaker, of why for medical reasons a rural region whose patient has come into one of these larger health regions would be charged more than once for the same patient. For example, for the sake of efficiency a number of different procedures may be done on a single day for a particular patient, and it's for that reason that there may be multiple charges for a single patient visit on a particular day.

Now, Mr. Speaker, having said that, from time to time there can be errors made in the billings, and given the number of patients who travel from rural health authorities to the larger centres, there may be errors. So, for example, in one case in the Capital health region it was disclosed that a number of procedures, some 20 of them – I believe it was for angiograms – had been recorded on a single day as having been done to a single patient. It turned out that those angiograms were in fact done on a number of different days, but they were recorded on a single day, which was clearly in error.

We have completed a review, Mr. Speaker. We find that there has been approximately \$1.3 million in total for all 17 health regions and the two provincial health boards, and we will rectify that. Keep in mind, however, that that would be out of a total budget for regional health authorities of some \$4 billion. No, we have not asked the Auditor General to investigate this further.

Mr. Ducharme: To the same minister: as the minister has just confirmed that overbilling by Capital health has occurred in all the other rural health authorities, how will the minister reimburse these affected health authorities?

Mr. Mar: Mr. Speaker, I'm happy to reply to that. As I said, we did review other regions, and, yes, we did find examples of similar situations. Now, I want to say first and foremost that the errors have been corrected and that funding levels are adjusted accordingly. In addition to this, regions will be compensated for the year currently 2002-2003. In addition, we have implemented corrective procedures, as have all the regions. As an example, the Department of

Health and Wellness has implemented stricter guidelines on how services are coded, and the Capital health region also has made changes to its reporting system to avoid exactly these kinds of errors in the future.

The Speaker: The hon. member.

Mr. Ducharme: Thank you, Mr. Speaker. To the same minister: as the overbillings are a very, very serious allegation, will the minister reconsider his decision to not ask the Auditor General to investigate rather than just simply accepting a departmental review?

Mr. Mar: Well, Mr. Speaker, this has not strictly been a departmental review. This has been a review that has been done with the health authorities working with us, and while allegations of overbilling are serious, I can assure again the hon. member and members of this House that this is not an intentional effort on the part of any regional health authority but that we should expect errors to occur. We should try our best to minimize those errors from time to time. One point three million dollars in a \$4 billion regional health authority budget strikes me as being, while important, relatively modest.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Grande Prairie-Wapiti.

Operational Costs for Learning Ministry Committees

Dr. Massey: Thank you, Mr. Speaker. Earlier this year when Edmonton public schools announced a budget crisis, the Ministry of Learning responded by sending in a team of auditors. When the Official Opposition requested information with respect to the cost of Learning department committees, the minister's response was that such information was not readily available. My questions are to the Minister of Learning. Why is it so difficult for the minister to keep track of committee costs within his own department?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. Well, what the hon. member from the opposition asked me for were things such as the Alberta Vocational College committee, the committee that was designed back probably nine or 10 years ago to look at the dissolution of the Alberta vocational colleges into the existing Bow Valley College and NorQuest College. So it is not that it is difficult. What it is is very time consuming. It would require a lot of resources from my department. Could we do it? Yeah, we could do it, but quite frankly we would sooner take those moneys and put it into the classroom, put it into kids, where it's needed.

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. Again to the same minister: how can the minister lead by example with school boards when he can't keep track of costs within his own department?

Dr. Oberg: I'll repeat my first answer, Mr. Speaker. It's quite easy to do. We can do it, but it is going to be very cost intensive. You know, in talking to the hon. member and with some of the questions that have been asked, I'm sure that they would much sooner have dollars spent in the classroom.

Mr. Speaker, the other issue here is that a lot of the work that's done, as much work as possible, is done by members of my own department with their own salaries. They are on salary. It is not

included in the cost of the committees. So, again, could we do it? Yeah, we could do it. Is it very expensive? Yes, it's very expensive and very time consuming to do. Do we want to do that? No. We would much sooner put those dollars in the classroom.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister, Mr. Speaker: does the minister not think it would be better to put his own fiscal house in order before trying to give school boards budget advice?

Dr. Oberg: Mr. Speaker, our financial and fiscal house is very much in order, and there is absolutely no doubt about this. Again, as I say, obviously the opposition member wants us to spend money – needless administrative dollars, bureaucratic dollars – that we could put in the classroom.

The Speaker: The hon. Member for Grande Prairie-Wapiti, followed by the hon. Member for Edmonton-Centre.

Softwood Lumber Policy

Mr. Graydon: Thank you, Mr. Speaker. The media reported last week on developments in the softwood lumber discussions between Canada and the U.S. Specifically, there's been much talk about a draft policy bulletin being prepared by the U.S. Department of Commerce. My question is to the Minister of International and Intergovernmental Relations. Could the minister please explain what this draft policy bulletin means to Alberta and whether it signals an end to the softwood lumber dispute?

Mr. Jonson: Mr. Speaker, the draft policy bulletin sets the rules for changed circumstances reviews under U.S. law which the U.S. Department of Commerce would follow. Under the proposed rules provinces that show they have made significant market-oriented changes in their forest management systems would have the countervailing duties against their softwood lumber exports eliminated. Each province would have to study its system to determine what changes might be needed and whether they are prepared to make them. Further, those changes would have to be made and implemented before requesting a changed circumstances review.

It's important to understand that at this point the policy bulletin is still in its draft form. The U.S. still needs to publish the draft policy bulletin for consideration by the public for 30 days before it can be finalized. Until the final bulletin is published, it is too early to say whether this process will provide a basis for any province to request and be successful in a changed circumstances review.

Nevertheless, Mr. Speaker, it is our view that the development of this document, which will be there in black and white, does indicate progress in the overall dispute and holds the potential for, after further discussion, leading to some resolution of the matter.

The Speaker: The hon. member.

Mr. Graydon: Thank you. My next question to the same minister. The minister indicated that the policy bulletin could result in a long-term solution, but it may not result in an immediate end to the duties. What are the possibilities of an interim solution in the meantime while we wait for this to happen?

Mr. Jonson: Well, Mr. Speaker, there is an issue here, and that is that there is the possibility of an interim solution if there was agreement from the American negotiating powers that be, number

one, that the money they have that has been collected from Canadian producers by the United States government, in the area of \$1 billion, would be returned. That's one stipulation that has to be there. Secondly, the proposal is that the Canadian government would be required to collect a tax or a levy on softwood lumber at certain levels here in Canada.

On those two particular points, Mr. Speaker, there has not been agreement thus far, and the matter will have to be revisited. There will have to be some type of bridging mechanism which provides for a reasonable export tax levied by the Canadian government or through the provinces. Lastly, of course, there would have to be the return of that some one billion dollars that has been collected to this point in time during this dispute.

2:10

The Speaker: The hon. member.

Mr. Graydon: Thank you. My final question this afternoon is to the Minister of Sustainable Resource Development. How open is the government to changing our forest management system so that we have the option of participating in a changed circumstances review?

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. Of course, like I've said before in the House, forestry continues to play a very important role in our economy in the province. We will of course continue to consult with industry as we move forward through the softwood lumber negotiations, and we will study the final proposal put forward by the U.S. Of course, we will not be making any quick decisions, because we feel that we have a very secure tenure system here in Alberta, and that is how we get investment. We have our forest management agreements, which are long term, and we are not willing to put those on the table as far as negotiation because that's what creates the stability in our forest industry here in Alberta. I can say over and over again in this House, like I've said before, that we do have sound management practices in our forests. We have lots to be proud of.

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

Assisted Care Facility Review

Ms Blakeman: Thanks, Mr. Speaker. A paralyzed 72-year-old man died in an Edmonton extended care centre in December after his ventilator became disconnected and no one responded to multiple alarms. The minister of health was widely quoted at the time saying that the Health Facilities Review Committee would investigate. More recently he stated in a letter to a seniors' group that the Capital health authority would investigate. My question is to the Minister of Health and Wellness: so which agency is investigating this tragic and preventable death?

Mr. Mar: Mr. Speaker, this is a tragic death. I can say that the Mill Woods facility is under the jurisdiction of the Capital health region. The region does have the resources and the expertise to conduct a full and impartial investigation into this matter. Of course, should their review disclose that there was any criminal wrongdoing, the expectation would be that it would be turned over to the appropriate police authorities.

Obviously, Mr. Speaker, the Capital health authority's first responsibility would be to share the results of their review with the family of the individual who died, and thereafter I would expect the

Capital health region to then share the results of their investigation with me. At that time I will determine if there should be any other steps taken in this matter.

The Speaker: The hon. member.

Ms Blakeman: Thank you. This next question is directed to the Minister of Justice. Given that under section 35(1) of the Fatality Inquiries Act the Justice minister has the power to order an inquiry into a death, will the Minister of Justice commit today to do so for this case?

Mr. Hancock: No, Mr. Speaker. The minister of health has outlined a process which ought to be undertaken first before we go to any question of a fatality review inquiry.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Back to the minister of health: given that this is the third suffocation death at that facility alone in recent years, what is the health minister going to do about this problem?

Mr. Mar: Mr. Speaker, I've already outlined the process which will be undertaken in this particular case of the circumstances of the man who died outdoors last year. I should note that the Capital health region has informed me that the family of the patient who did die last year agrees that there was no wrongdoing involved in this particular incident.

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

Seniors' Utility Costs

Mr. Hutton: Thank you, Mr. Speaker. I don't think there is a member in this Assembly that is not concerned about seniors on fixed incomes as it relates to the rising utility costs. The Minister of Seniors has just announced plans to help seniors with rising utility costs. My question is to the Minister of Seniors. Is this a new program? How much assistance will be available, and is it available to all seniors in Alberta?

The Speaker: The hon. minister.

Mr. Woloshyn: Thank you very much, Mr. Speaker. The program is the special-needs program. What we've added to it is the ability to look at seniors' expenses by including increasing utility costs. That's the portion that's new. I think that it's very important to remember that it is not a rebate program, and quite frankly, in keeping with our focus on helping the people that are most needy, the program is not universal to all seniors in the province.

Cell Phone Use

Mr. Bonner: Mr. Speaker, using a cell phone while operating a motor vehicle is a dangerous exercise. Albertans know this both intuitively and from experiences on their roads and highways. Despite this, on March 11 of last year this government defeated a bill that would have made it illegal to use handheld cell phones while operating a motor vehicle, and five months later Kristen MacDonald was killed by a trucker trying to find his ringing cell phone in his vehicle. To the Minister of Transportation: what specific strategies has the minister's department taken since the legislation was defeated to conduct studies within the province to determine the impact of cell phone use on highway safety?

Mr. Stelmach: Mr. Speaker, I'd just like to make one correction. The legislation that the hon. member is referring to was a private member's bill that was brought forward, and it wasn't government legislation.

With regard to what we are doing in terms of the Ministry of Transportation, we're working with other provinces, looking at the evidence that's coming forward in a number of studies, one that was done in the province of Quebec. There are also a few studies coming from various American states with respect to cell phone use and their relation to distractions on the highway.

Mr. Bonner: Mr. Speaker, given that scientific studies have determined that people are four times as likely to be involved in a motor vehicle accident if they are using a cell phone and given that up to 6 percent of all motor vehicle accidents are attributable to cell phone-related distractions, when – when? – is this government going to reintroduce legislation to ban cell phone use in motor vehicles?

Mr. Stelmach: Mr. Speaker, the government didn't introduce the legislation. So we won't be reintroducing any legislation because it wasn't introduced in the first place.

However, with respect to distractions on highways, there's a list of various distractions that occur, ranging from changing music on a CD to reaching for cigarettes, drinking coffee, eating, pets in the vehicle, as well. So there are a number of distractions. However, with the introduction of the new highway Traffic Safety Act and increased penalties, we will be able to enforce a lot of these distractions much better.

The Speaker: The hon. member.

Mr. Bonner: Thank you very much. To the same minister, Mr. Speaker. What will it take for this government to confront this ongoing and critical safety issue?

Mr. Stelmach: Mr. Speaker, with the introduction of the new highway Traffic Safety Act, which comes into effect May 20, the act will address significantly increased fines in those areas that have come up as most devastating in terms of fatalities and accidents. There is an area with respect to distractions on the highway. There are also issues that we're going to cover in terms of the number of pedestrians that have been killed on Alberta highways, securement of load, vehicle changes, et cetera, and I believe that with the introduction of the new legislation and proper enforcement, awareness, and also education, we'll be able to reduce the number of incidents.

2:20 Regional Health Authority Boards

Dr. Pannu: Mr. Speaker, in October 2001 Albertans elected those they wished to be in charge of running their public health care system. This past Friday these elected representatives were fired without cause halfway through their mandate. The minister has been saying that Albertans don't care whether health boards are elected or appointed. Albertans are outraged about this trashing of local democracy. To the minister: will the minister level with Albertans and admit that elected health boards were scrapped because they stood in the way of the Tory agenda to further health care privatization?

Mr. Mar: Mr. Speaker, I think I've answered this question when asked by the hon. Member for Edmonton-Riverview, and I wish to reiterate that of the 111 people who will now serve on our nine

regional health authorities, 65 were previously elected. I really want to emphasize again that prior to elections we did have all appointed boards. There were examples in the elections of October 2001, referred to by the hon. member, where an entire board was acclaimed, and the people who ran were the very same people who had been previously appointed.

So I wish to say that we have some confidence in the people that we have selected. They have been selected on good criteria, people who were selected for their experience in dealing with large organizations, with their community ties, their ability to speak passionately and effectively and constructively on the issue of health care reform, that understood the needs of local representatives throughout the entire health region.

We should say, Mr. Speaker, that we have the best health care system in all of Canada, and our expectation is that we will continue to do so.

Dr. Pannu: Mr. Speaker, my next question is also to the Minister of Health and Wellness. How can the government justify giving local Tory MLAs veto power over who is handpicked to serve on appointed regional health boards from the hundreds of elected members who were dismissed in the first place?

Mr. Mar: Well, Mr. Speaker, I want to assure the member and all Albertans that political stripe was not a relevant criteria for selection to regional health authorities.

The further point that I wish to make is on the issue of accountability. Mr. Speaker, who do Albertans hold accountable for the health care system? The fact is that they hold us, members of the government, accountable for the health care system. Why is that? It's because we collect the taxes, and we distribute the money that is used by our health care system, so that accountability ultimately rests with government MLAs.

Dr. Pannu: My final supplementary, Mr. Speaker, is to the Deputy Premier. Given the government's callous and arrogant dismissal of local democracy, when does the government plan to replace elected school trustees with Tory appointees, thereby further undermining local democracy?

Mrs. McClellan: We'll let the Minister of Learning answer.

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. We have absolutely no intention of eliminating school trustees. The school trustees do a very good job. What the hon. member seems to forget is that in Alberta we have very close to 2,000 schools as opposed to 100 hospitals. The school trustees do an excellent job at the grass roots, and there's no intention to get rid of them.

The Speaker: The hon. Member for Edmonton-Castle Downs, followed by the hon. Member for Edmonton-Ellerslie.

Utility Costs for Low-income Albertans

Mr. Lukaszuk: Thank you, Mr. Speaker. All Albertans are affected by the rising cost of utilities. However, those who are most affected by it and with the least ability to deal with those changes are individuals on fixed incomes, such as SFI/AISH recipients, and perhaps widows. My question is to the Minister of Human Resources and Employment. Are there currently any programs or policies allowing the department to assist the recipients of those programs with those rising costs?

Mr. Dunford: Yes, there is, Mr. Speaker, and I think we've been able to announce this throughout Alberta. When we have low-income Albertans, people on our client lists receive a disconnect notice from a utility, they can come forward and seek assistance from our department with that notice. Now, I don't have any figures that would be up to date, but for an example, last winter when we did this, I think about \$1.6 million was provided then to needy Albertans to help out on their utility bills.

We have to make it clear that we're not here to help somebody that's just upset about a utility cost and then simply refuses to pay their bills. What we're interested in is somebody that is struggling to get by, has been trying to meet their obligations, find themselves in a situation where they're unable to keep up to their costs, and have received this disconnect notice. They come forward to us, we look at the criteria whether they would be eligible for social assistance, and if so, then we would help out.

The Speaker: The hon. member.

Mr. Lukaszuk: Thank you. My second and last supplemental to the same minister. Mr. Minister, would you consider developing a policy allowing your department to perhaps increase the rates of those benefits over the winter months, when the cost of living is increased as a result of the higher utility costs?

Mr. Dunford: Well, first of all, of course, this government has legislation in place that would look at average costs of utilities over a yearly period. I want to say without trying to raise any expectations, Mr. Speaker, that our department has always tried to listen. We've always tried to help out. The hon. member's suggestion might be something to be looked at, but we'd have to be very, very careful in this. The main criteria we operate from is the fact that we recognize that there are Albertans that need the help of the taxpayers of this province, and as a steward of taxpayers' money, then, I take this situation extremely seriously and try to find the best way that we can in order to help out. It's a balance, and we attempt at all times to strike the right balance.

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

PCB Release in Edmonton

Ms Carlson: Thank you, Mr. Speaker. On January 24 of this year this government announced that it was laying nine charges against the city of Edmonton relating to the accidental release of a small amount of PCBs at Commonwealth Stadium. My questions are to the Minister of Environment. Given that this case sets a harsh precedent for strictness of enforcement and severity of penalty, is this government going to treat all cases from this time onward with such strict interpretation and severe penalties?

The Speaker: The hon. minister.

Dr. Taylor: Thank you, Mr. Speaker. Under the Environmental Protection and Enhancement Act when there is a spill or a release of toxic hazardous materials, then we have a certain procedure we have to follow. What we do is an investigation and then forward the information from the investigation on to the Department of Justice.

Ms Carlson: Mr. Speaker, he didn't answer my question, so I'll ask it again. Given that this case sets a harsh precedent for strictness of enforcement and severity of penalty, is this government going to

treat all cases from this time onward with such strict interpretation and severe penalties?

2:30

Dr. Taylor: Well, Mr. Speaker, to start with, the Department of Environment doesn't decide the penalties. That's a simple fact of life. I will repeat my answer, and hopefully she will listen. The Department of Environment does the investigation. We don't lay charges. We do the investigation and pass our investigative files on to the Department of Justice. We could ask the Minister of Justice to comment on his procedure after that.

Ms Carlson: Why did it take 18 months to bring this case forward? What was the reason for the delay? It was a simple case.

Dr. Taylor: Mr. Speaker, it takes a while to do an investigation where people are brought in from the United States to do the investigation to help to determine the seriousness of the situation, and it just took a while to do the investigation. I don't think it's an excessively long period of time at all.

head:

Recognitions

The Speaker: The hon. Member for Little Bow.

Canada Winter Games

Mr. McFarland: Thank you. Mr. Speaker, I'm very pleased to recognize the achievements of Team Alberta during the first week of the Canada Winter Games now underway in Campbellton, New Brunswick. This past weekend our Alberta men's hockey team captured the gold medal. Alberta also garnered the gold in men's long-track speed skating and in several other events that include squash, badminton, and cross-country and freestyle skiing. After one week of competition I'm very proud to announce that Team Alberta is holding down third place at the Canada Winter Games with a total of 33 medals: 10 gold, 13 silver, and 10 bronze.

I'm also proud that the government of Alberta through Alberta Sport, Recreation, Parks & Wildlife and the Ministry of Community Development have provided the funding that helped prepare athletes for these and other competitions. I hope that everyone will join me and our Minister of Community Development in congratulating all our young Alberta athletes, their coaches, trainers, and parents and in wishing them continued success through to March 8.

Thank you, Mr. Speaker.

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

Steadward Centre

Mr. Hutton: Thank you, Mr. Speaker. It is a great pleasure that I stand today and recognize Dr. Robert Steadward, his staff, and all the volunteers involved at the Steadward Centre. Yesterday my colleague the hon. Member for St. Albert and I had the privilege of participating in the 12th annual indoor classic at West Edmonton Mall. There were hundreds of participants from the disabled community. The Steadward Centre provides maximum opportunities for Albertans with disabilities to enhance their physical and mental well-being through individually prescribed and group programs of physical activity, fitness-related medical intervention, and psychological services. Hats off to Dr. Steadward, Sandy Jacobson, the staff, and volunteers for organizing a great, fun event.

Thank you, Mr. Speaker.

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

Energy Conservation

Mr. MacDonald: Thank you, Mr. Speaker. Today I rise to recognize the humble sweater, that comfortable yet underappreciated garment that helps Albertans with high utility bills now that the government's deregulation policies have failed. The government would not protect Albertans from high home heating bills. Even the Minister of Energy, upon realizing that his own act contains fatal flaws, has found solace in the dark blue sweater. The sweater, insists the minister, will comfort Albertans because they currently cannot afford their sky-high utility bills. The sweater has picked up right where the government's energy policies have left many Albertans, freezing in the dark.

I would like to say that we are a hardy breed here in Alberta, much like the rough fescue grass, and I think it appropriate to suggest that the humble sweater one day be recognized as Alberta's official garment. The sweater can then be honoured along with the other official emblems: the official arms, the official flag, the official flower, the official dress tartan, the official bird, the official stone, the official tree. I think that the sweater would be in proud company.

Thank you, Mr. Speaker.

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

Polish Veterans' Society

Mr. Bonner: Thank you, Mr. Speaker. On Saturday evening the Polish Veterans' Society gathered to celebrate its 65th anniversary. The society was originally formed by a group of 100 veterans from World War I. Later, World War II veterans, their families, and interested members of the general public were able to join the society. I know that the original members would be proud of the society's accomplishments over the past 65 years and that all of them would certainly agree that their optimism and vision has continued.

Approximately 30 years ago the society built a senior citizens' home and a few years later added an attached banquet hall. The building of this complex demonstrates their commitment to their community. Over the years it has provided a comfortable home for many seniors, and through their fund-raising efforts they've been able to assist the residents with subsidized rents.

In the span of 65 years the Polish Veterans' Society has been consistent in its dedication to the Polish community. They have enriched the lives of many by their efforts. Congratulations on your anniversary, and may the next 65 years be as successful as the first.

Thank you.

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

Cultural Diversity

Mr. Cao: Well, thank you, Mr. Speaker. Today I rise to recognize a celebrity event in Calgary. Nowhere else in the world but in our Alberta do we celebrate cultural diversity with gusto. Nowhere else but in Alberta can we visually, acoustically, and linguistically immerse ourselves in many parts of the world within a short evening. Indeed, just a moment after enjoying the rich culture from the subcontinent of India, we crossed the Pacific to the lands of Columbia, El Salvador, and Chile, with their fiesta spirits and colours. Then we crossed the Atlantic to enjoy the colourful, festive traditions of Hungary, Poland, and Switzerland. Then we went to Spain, with its heartfelt rhythm of the flamenco. We are brought back to Calgary with the sound of the Calgary Police Service Pipe Band.

Cultural diversity has enriched our province, our nation. Crossing

the ethnic boundaries, sharing the cultures, provides solidarity and understanding among our fellow Albertans. Culturally speaking, this is what we call the Alberta advantage.

I want to thank the hundreds of Albertans who delivered outstanding performances. Please keep growing the flower garden of Alberta's culture.

head:

Presenting Petitions

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

Dr. Taft: Thank you, Mr. Speaker. I have today a petition – it's in order – signed by over 1,500 Albertans which says:

We, the undersigned residents of Alberta, petition the Legislative Assembly to consider increasing base funding to post-secondary education to ensure that every qualified Albertan is able to attend University.

Thank you.

head:

Introduction of Bills

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

Bill 18

Energy Statutes Amendment Act, 2003

Ms DeLong: Thank you, Mr. Speaker. I request leave to introduce Bill 18, the Energy Statutes Amendment Act, 2003.

The Mines and Minerals Act and the Freehold Mineral Rights Tax Act will be amended by this bill. The amendments will provide legislative clarity for investors as well as ensure the rules are clear and effective if someone drilling a well trespasses onto minerals for which they don't have the rights.

Finally, the bill will allow the government to enhance its tenure and collections practices, thereby ensuring that Alberta continues to have the best land tenure and royalty systems in the world.

Thank you.

[Motion carried; Bill 18 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that Bill 18 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

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

Bill 21

Ombudsman Amendment Act, 2003

Mr. Ducharme: Thank you, Mr. Speaker. I request leave to introduce Bill 21, the Ombudsman Amendment Act, 2003.

This bill will allow the Ombudsman to more thoroughly investigate complaints and will allow for the expansion of his jurisdiction to include other government agencies not currently covered by legislation.

[Motion carried; Bill 21 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that Bill 21 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

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

2:40

Bill 206

Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003

Mr. Cenaiko: Thank you, Mr. Speaker. I beg leave to introduce Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003.

Mr. Speaker, Bill 206 will help create safer and healthier city communities for children and families. This bill will reduce sexual assaults committed on those women and children involved in the sex trade industry, supporting the Protection of Children Involved in Prostitution Act. Bill 206 provides for a strong deterrent and another tool for police enforcement but also includes a provision allowing for the release of the vehicle if the seizure creates a financial hardship to the offender's family. Bill 206 sends a strong message that this government will not tolerate the victimization of women and children who are trapped in a world of drug and alcohol addiction.

Thank you, Mr. Speaker.

[Motion carried; Bill 206 read a first time]

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

Bill 207

Municipal Government (Councillor Disclosure and Protection) Amendment Act, 2003

Mr. Lord: Thank you, Mr. Speaker. I rise to request leave to introduce a bill being the Municipal Government (Councillor Disclosure and Protection) Amendment Act, 2003, otherwise known as Bill 207.

[Motion carried; Bill 207 read a first time]

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. I have two tablings today in direct reference to question period on Thursday, when I told the Assembly that I would be tabling the information about the Learning Resources Centre as questioned by the hon. opposition member. I have those as one tabling.

Mr. Speaker, the second tabling is actually a letter of support for the Learning Resources Centre from Avi Habinski, executive director of school and district services of Edmonton public schools, expressing his support for the excellent job and discounts that occur at the Learning Resources Centre.

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

Dr. Pannu: Thank you, Mr. Speaker. I've got five tablings here today. I'll be tabling them in the appropriate numbers required. The first one has confidential proposals for a Gas Utilities Statutes Amendment Act, 2003. This is dated October 3, 2002.

The second tabling is Gas Statutes Amendment Act, 2003: Gas Distribution Act. So confidential again.

The third one is a confidential document called Gas Statutes Amendment Act, 2003: Rural Utilities Act.

The fourth document is an overview of the ministry's assessment of the major changes which shows that these changes will drive up

costs for consumers. This is with respect to the natural gas amendment act, and this is issued from the acting assistant deputy minister for the department.

The last one, Mr. Speaker, is a letter dated January 17, 2003, from the Consumers' Coalition of Alberta to the Minister of Energy, indicating that the proposed changes to gas legislation will increase costs to consumers and also likely cause confusion.

Thank you, Mr. Speaker.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have four tablings this afternoon. The first one is a letter that I'm tabling on behalf of the Leader of the Official Opposition of Alberta. It is dated February 20, 2003, to Mr. Ken Block, president of the Edmonton Fire Fighters' Union. In this letter the hon. leader is indicating that there is a recognition that the essential services that firefighters provide to all Albertans is very important and hopes that Bill 202 will be passed.

The second letter that I have to be tabled this afternoon, Mr. Speaker, is dated December 31, 2002, and it is addressed to the chairman of the Alberta Electoral Boundaries Commission. It is from Gary Hanson from West Edmonton Mall, the general manager and chief officer, urging very strongly that Edmonton keep our 19 seats in this Assembly after redistribution.

The third letter is a letter dated February 28, 2003, to the attention of the hon. Premier, and it is regarding unreasonably high gas prices. It is from a troubled citizen who has a disconnection notice after a \$1,258 bill that is in arrears.

The last tabling I have is five copies of the petition that over 900 Albertans have accessed from the altaliberals.ab.ca web site urging the government to do as they promised and reinstate natural gas rebates.

Thank you.

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

Mr. Bonner: Thank you very much, Mr. Speaker. With your permission I would like to table the appropriate number of copies of the program commemorating the 65th anniversary of the Polish Veterans' Society.

Thank you.

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

Ms Blakeman: Thank you, Mr. Speaker. I'd like to table five copies of a letter from a constituent, Michael Denkers, who was denied qualification for AISH because he was \$11 over the limit and noting that the AISH Act declares that disability benefits received from CPP are nonexempt, whereas if the same amount was received from a private insurance provider, the first \$200 is not considered and the remainder is prorated at 75 percent.

Thank you.

The Speaker: Additional tablings? The hon. Member for Calgary-Buffalo.

Mr. Cenaiko: Thank you very much, Mr. Speaker. Today I would like to table the required number of copies of letters from urban communities supporting legislation that would allow the seizure of vehicles involved in prostitution-related offences. In addition to the over 100 letters of support from Albertans tabled last fall, including support from Mayor Bill Smith and Edmonton council, these letters

are from the following: 11 letters from Distinctive Employment Counseling Services of Alberta, one letter from the executive director of Metis Child and Family Services, six letters from students at King's University College, 11 from social work students at Grant MacEwan College, 10 letters from staff from the Prostitution Awareness and Action Foundation of Edmonton, 27 letters from the 124th Street Safe and Caring Community meeting, and 10 letters from women highly concerned about the exploitation of children and vulnerable women.

Thank you very much, Mr. Speaker.

The Speaker: Hon. members, the chair has received a letter from the hon. Member for Edmonton-Ellerslie requesting that the chair provide an explanation to some of the Speaker's rulings of February 27, 2003. Following that, we will deal with the two matters that were left over from Thursday dealing with two purported points of order, and following that we will deal with a point of order from today.

So, hon. Member for Edmonton-Ellerslie, if there's some clarification you'd like to provide with respect to your letter, please do it now.

Point of Order

Explanation of Speaker's Rulings

Ms Carlson: Thank you, Mr. Speaker. As the letter stated, the questions regarding your rulings on Thursday have to do with the two points of order that you requested the members for Edmonton-Mill Woods and Edmonton-Centre to respond to today.

I would like you to tell us about two separate issues. The first is your ruling on naming the members absent from this Assembly, which has not been a parliamentary tradition of yours or of the Commonwealth associations. Secondly, if you could explain your ruling on not allowing me as the Opposition House Leader to speak on their behalf on the points of order. In both cases you cut me off while you did allow a second government member, who does not hold a House leader position, to respond. I'll take this information under advisement in terms of proceeding with the point of privilege against yourself from the perspective of impartial rulings of the Speaker.

2:50

The Speaker: Hon. member, methinks there was a threat there, which would violate every provision within everything in the Assembly, and methinks that the hon. member doth protest too much. Let me, however, in the best form of parliamentary decorum attempt to respond to the letter.

First of all, there were some interesting words that were used by the Member for Edmonton-Ellerslie which are factually, I believe, quite incorrect from the perspective of the chair. What the chair did last Thursday was recognize, with the greatest degree of propriety, the civility and the courtesy that would normally be expected in this Assembly on a point of order.

First of all, the Standing Orders clearly indicate that the attendance of members in this Assembly is mandatory and, in fact, do provide, I guess, in the extreme interpretation of everything, for the members having to advise the Speaker when they would be absent. That rule has never been enforced by this chair. There's some degree of civility and decorum provided by the chair with respect to the attendance of those members in the Assembly.

Now and in the past, if a point of order is raised in this Assembly and particularly when innuendo is part of the point of order – in reading the text and listening to the text from last Thursday, clearly statements were made with respect to innuendo with respect to two

purported points of order. Who in this Assembly would be so arrogant that they could purport to speak on behalf of another person, knowing exactly what the intent of the original member raising the point would be? Who possibly would stand and say: I know better than what the other person is saying or thinking?

Well, what the chair did last Thursday was afford an opportunity for those members who were absent from this Assembly to in fact be here in this Assembly to participate in the purported point of order. How difficult would it have been if, in fact, the points of order were dealt with last Thursday and a member to whom the point of order was addressed was not here and was found to be out of order without having had a chance to participate in the point of order? Methinks that immediately there would be some member standing up and saying, "How dare you? How can you possibly make a decision?" and the member who was not here coming back the following Monday and saying: how could you have made a decision without offering me an opportunity to participate in the discussion at hand? It would appear to me that that would have been the biggest of all infringements of the privileges and the rights of a member of this Assembly.

I would never do that, hon. members. To have one member stand in this House and say that they can speak on behalf of another member when that member is not here and has not provided any information to the chair providing the authority for that other member to have their proxy would certainly jeopardize the independence of the chair and the civility and the courtesy and the decorum and the traditions of parliamentary government.

So what was done last Thursday? There were no rulings with respect to any purported points of order. The only thing that was done last Thursday was to say that it would be very helpful and that the member should be here.

Secondly, while it is a long-standing tradition not to comment on the absence of a member from this Assembly, from time to time that is done. When it is done by the chair, it is done with obvious reasons, and obvious reasons in this case were for the protection of the two members who were not here. If that is a difficult position for any member to comprehend, understand, realize, or appreciate, well, the chair feels sorry for that person who would come forward with that kind of myopic interpretation of their own.

In terms of cutting anybody off, that is just absolute nonsense. When a point of order is being presented, there is concern given to the point of order. But if it is not a point of order that's being addressed, rather another aspect that's being addressed, then clearly, in terms of the utilization of the time of all members of the Assembly, there is a requirement for the chair to intervene and intervene judiciously, appropriately, and in a timely manner. That doesn't mean that a member will not have an opportunity to participate later if and when they believe that they should have the right to.

Thirdly, as far as one member being more important in this Assembly than another member, for a member to assume that because they, quote, have a certain position, end quote, and then they look at another member who, quote, does not have a certain position, end quote, that they should be denied the right to participate is the greatest of all arrogance in a parliamentary democracy. Every member in this Assembly is an equal in this Assembly. There are no differences. There are no differences among members. All members in this Assembly have one vote, represent a constituency, and will be treated equally. No member has two votes, three votes, four votes, an inside track, an inside approach, a special privilege. That would be tantamount – tantamount – to the greatest chaos that could ever exist in a parliamentary democracy and would be to suggest that, in essence, there are several categories. How would you categorize this? Will one give precedence to the Government House Leader,

saying that he's much more important than the Opposition House Leader? Will one say that the Opposition House Leader is a heck of a lot more important than a private member from her own caucus? I think not.

This is a parliament of equals. This is a parliament of people, all who have one vote, all who have the right to participate, and all who should have the right to participate, and as long as I am the Speaker of this Legislative Assembly, duly elected by secret ballot from among all the members, I will be here to protect all members on an equal basis, without bias to any of them. That's the explanation.

Now, it's a few minutes shy of 3 o'clock in the afternoon, and the chair indicated that he would return to two issues from Thursday last. He also said that he asked for some clearer heads to look at these things since Thursday last.

Point of Order

Allegations against a Member

The Speaker: One point of order was raised by the hon. Member for Edmonton-Norwood. The hon. member rose. The hon. Member for Edmonton-Centre was not present – I repeat it again: not present – last Thursday for whatever reason, totally immaterial and insignificant to anybody. Members do have the right to leave this House. The chair, in listening to what had been said, listening to the brief statement by the hon. Member for Edmonton-Norwood, hearing that the hon. Member for Edmonton-Norwood had issued a particular statement with respect to some comments, might view this matter to be closed. Is that a correct understanding?

Mr. Masyk: Yes.

The Speaker: There is no point of order on that item.

Point of Order

Allegations against a Member

The Speaker: Now, the second item had to do with a point raised by the hon. Minister of Justice and Attorney General with respect to certain comments made by the hon. Member for Edmonton-Mill Woods. In reading the views of the hon. Minister of Justice and Attorney General, it had to do with some certain phrases and some certain words essentially dealing with – and I quote from *Hansard*: “The Edmonton Tory caucus has failed to protect the city from losing a constituency.” I stop the quote at that point although the quote does go on.

The chair did indicate the independence of an Electoral Boundaries Commission and the process for the Electoral Boundaries Commission in dealing with a particular issue and the process in there. Part of it was an innuendo that the hon. Member for Edmonton-Mill Woods essentially had secondary, I guess, objectives from the ones that actually pop out, that the implication and innuendo would be there that members of this Assembly can actually influence the Electoral Boundaries Commission. Now, the hon. Member for Edmonton-Mill Woods didn't say that the Edmonton Tory caucus could influence the Electoral Boundaries Commission, but the words led to the intervention, I believe, on the basis of innuendo.

The chair, quite frankly, doesn't want to see the Assembly spend a great deal of time on this matter. If there's a requirement for us to proceed on further discussion with respect to the point of order, the chair will sit down and listen to it. It's also recognized from time to time that this Assembly must accept conflicting views of the same idea or statement. All members know that they cannot influence the Electoral Boundaries Commission. If it were to come to be that a member was in a position to influence the Electoral Boundaries

Commission, this House and this parliament would have one heck of an issue. The courts would have one heck of an issue.

So if the hon. Member for Edmonton-Mill Woods would clarify that the intent was not to have anyone influence the Electoral Boundaries Commission, I do believe we could deal with this matter and wrap it up very, very quickly.

3:00

Dr. Massey: Thank you, Mr. Speaker. It was never my intention through innuendo or through the use of my words to imply any impropriety on the part of the government caucus. The root of the question referred to the record of the Edmonton Tory caucus and the kinds of activities that might have been undertaken and I think citizens in the city still are concerned weren't undertaken in terms of bringing the arguments that would clearly show taking a seat away from the city as an undesirable alternative. In the past there were campaigns. For instance, when the Calgary accord was being discussed, there were citywide town halls that were instituted by the government. I think there's a whole host of activities that would have raised citizen awareness, would have encouraged them to take some action that couldn't in any way be construed as doing anything but the kind of public service work that MLAs do on a day-to-day basis. I had no intention of making that kind of inference, as I said, either by word or by the choice of words, and that's it.

The Speaker: So, hon. Government House Leader and Minister of Justice and Attorney General, for fear of the hon. minister coming back to the Speaker and saying that I cut the hon. minister off, the fact of the matter is that I'm terminating this. This is not a point of order. The hon. member has had a chance to respond in the House with respect to this matter, and that's where that matter ends.

Now, the hon. Minister of Justice and Attorney General on the point of order raised today.

Point of Order

Clarification

Mr. Hancock: Well, thank you, Mr. Speaker. Under Standing Order 23(f) with respect to debating any previous vote of the Assembly, and *Beauchesne* 409(1) – and this perhaps may turn out to be simply a point of clarification. The hon. Member for Edmonton-Glengarry indicated in a preamble to a question that the government had defeated a bill on cell phone usage. It's very clear that the bill that the hon. member was talking about was a private member's bill. That was clarified in the response by the Minister of Transportation, but it still behooves me to raise the point of order that I raised at that time to clarify and to make sure that the hon. member understands and withdraws the reference to the concept that the government defeated a bill.

In this Legislature governments can bring forward bills, but the Legislature debates and passes bills. Private members can bring forward bills, and the Legislature debates and passes bills, and while we're used to a considerable amount of leeway in preambles to questions with respect to the factual nature of the preamble, in this case it is an affront to the House to suggest that the government defeated a private member's bill.

The Speaker: The hon. Member for Edmonton-Ellerslie on this point of order.

Ms Carlson: Thank you, Mr. Speaker. On behalf of the Member for Edmonton-Glengarry he certainly did state that the government defeated the bill to have more clarification, which this really is: a

point of clarification, not a point of order. To be defeated in this Assembly, when opposition members vote for a bill, the bill has to have a majority of government members and government private members support it or vote against it, and in this case that is what happened. So we're dealing here with a point of clarification.

The Speaker: Actually, there may very well be a point of order, and it would be *Beauchesne* 411(4), where members are actually cautioned that questions should "not criticize decisions of the House." There was a decision of the House with respect to this matter, but this was not raised during this purported point of order, so it will not be dealt with.

The chair looked at the hon. Member for Edmonton-Glengarry when the hon. Minister of Justice and Attorney General rose on the point of order. The hon. Member for Edmonton-Glengarry conveyed to me that he didn't think he'd said that government defeated the bill, and that was fair. So that matter is dealt with as a point of clarification.

Speaker's Ruling Role of the Speaker

The Speaker: The last words this afternoon, Standing Order 2 of the Alberta Assembly:

In all contingencies unprovided for, the question shall be decided by the Speaker and, in making a ruling, the Speaker shall base any decision on the usages and precedents of the Assembly and on parliamentary tradition.

Number 13(1), "The Speaker shall preserve order and decorum and shall decide questions of order." And I repeat: this Speaker will not be intimidated by any member with a threat, and if the hon. Member for Edmonton-Ellerslie stands in this Assembly again, she will be challenged immediately to proceed with her point of privilege and the whole process within this Assembly will be dealt with forthwith. Enough of that nonsense.

head: **Orders of the Day**

head: **Written Questions**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you. Mr. Speaker, proper notice having been given on Thursday, February 27, it's my pleasure to rise and move that written questions appearing on today's Order Paper do stand and retain their places.

[Motion carried]

head: **Motions for Returns**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Proper notice having been served on Thursday, February 27, it's my pleasure to move that motions for returns appearing on today's Order Paper also do stand and retain their places.

[Motion carried]

head: **Public Bills and Orders Other than
Government Bills and Orders
Second Reading**

The Speaker: The hon. Member for Calgary-North Hill.

Bill 202

Workers' Compensation (Firefighters) Amendment Act, 2003

Mr. Magnus: Thank you, Mr. Speaker. I am pleased today to rise to support Bill 202, the Worker's Compensation (Firefighters) Amendment Act, 2003.

This bill, Mr. Speaker, has a unique significance. This bill affirms the ability of every member of this House to seek redress when policies and laws don't work, to debate the institutions and processes that deliver services, and to make quick, substantive, positive change to improve the lives of those who need help in times of greatest need.

Years ago anecdotal evidence suggested that firefighters – the fittest, the strongest, the healthiest people in any profession – were getting some types of cancer more often than people in other professions, and that's what prompted scientific research to begin. The evidence was conclusive and decisive and has been since 1992.

There are six cancers that affect firefighters more often than the general population. They are brain cancer, kidney cancer, bladder cancer, leukemia, non-Hodgkin's lymphoma, and colon cancer. A surgeon at the Foothills hospital right in Calgary has dubbed these the firefighters' cancers.

Studies from Burnett, Guidotti, Mount Sinai, and the Ontario industrial disease panel, to name a few, all have told the same story: the profession of fire fighting makes firefighters more likely to get these cancers than you and I. Why? Because every time that a firefighter walks into a fire, whether that be in a home, an office, a vehicle, he steps into a toxic soup of soot and gases that are released by the burning materials. The chemicals used to make everything from the furniture we're sitting on to the gas that powers our cars to the clothes we wear are inert and harmless when used normally but become altered, airborne, and deadly when they're burned.

Firefighters do take precautions. They wear masks, but we have all seen firefighters or pictures of firefighters immediately following a fire, and they are black. They are covered from head to foot in soots, gases, and again, those same toxins, and that exposure happens, Mr. Speaker, hundreds and hundreds of times in the career of a professional firefighter, and that for some leads to cancer.

[The Deputy Speaker in the chair]

Until the research started coming out, firefighters didn't even ask for compensation when they got one of these cancers because they didn't know that the cancers were likely job related. When the research made the link between the profession and cancer clear, firefighters began asking for compensation, but the WCB, understandably, wasn't built to deal with this kind of a situation. It put the onus on individual firefighters who had cancer to prove that the cancer was work related, to determine the cause of the cancer, to provide records of fires fought, and to pinpoint the fire that was the cause of the cancer. It's not reasonable, Mr. Speaker, and it is not possible. Not only have firefighters traditionally not kept detailed logs of fires, nor do they conduct pollution analysis at every fire, but asking them to determine the cause of their cancer is a bit like asking a smoker to prove which cigarette caused lung cancer. There is simply no need to put the onus of proof on a firefighter with one of these cancers. The research is clear. These cancers are disproportionately work related.

3:10

Compensation for a firefighter with one of these cancers should not be left up to the discretion of any body, including the WCB. It should not involve a process of accumulating research, attending hearings, and waiting for months and months and months. Mr.

Speaker, if a firefighter drops an axe on his foot, he gets coverage tomorrow, but if a firefighter gets leukemia from years of being exposed to carcinogens, he could wait as long as a year for a decision. There's enough research now that when a firefighter gets one of these cancers, his or her only fight should be with that cancer, not with an arm's-length government body to determine whether or not they'll provide compensation, and that is why we need to ensure that when a firefighter does get one of these cancers, there's a presumption that the cancer is work related unless otherwise proven. That's what 23 U.S. states and one province, the province of Manitoba, have done, and it's time for Alberta to follow suit. We have the power and the ability to fast-track this process and to give peace of mind, and I think we should do that today.

Some have argued that if we make laws that give presumptive status to firefighters, then we might open a floodgate to other professions asking for the same thing. With respect, the floodgate argument does not hold water. You see, there's a huge difference between firefighters and other professions. If in any other profession workers encounter a dangerous situation, an environmental risk, they can refuse to work under that danger. They can appeal their working conditions, but firefighters cannot. When an oil refinery explodes or a chemical factory catches fire, firefighters are duty bound to enter that environment and work in it. They have no choice, and that, Mr. Speaker, is the difference. Firefighters are different.

There's another reason to support this bill, a more emotional, less tangible reason, and that is that firefighters deserve it. They deserve to know that just as they are there for us whenever we encounter danger and just as they answer any call for help, they can count upon us as legislators and Albertans to back them up in their rare times of need. Firefighters haven't come before the Legislature before, making demands or asking for help. That would be out of character for them, but this matters to them deeply. It matters that we send a signal that we understand the risks they take, the dangers they face, and the duty they accept, a duty that few of us would ever consider.

Mr. Speaker, there's a reason why we hold firefighters in such tremendous regard. These are people for whom heroism is just part of a day's work. There's a reason why every little boy wants to grow up to be a firefighter, and I'm led to believe there are a few little girls. I'm getting that from the other side. In my past career as an air traffic controller I have seen firefighters rush, firsthand, headlong where angels fear to tread. I've watched them go into a burning 737 and, frankly, rescue a very, very good friend of mine who was the last person out of that airplane, into infernos where second-guessing, a moment's hesitation, a wrong decision literally – literally – means life or death.

What we sometimes forget, though, is that firefighters are the point of first response for almost every emergency. During the past few months I've had long conversations with firefighters who have shared their everyday stories of dealing with death and life, from being the first to arrive at a tragic car accident to delivering a baby when EMS couldn't make it to the scene and a mother couldn't make it to the hospital. Everyday miracles, everyday tragedies, everyday danger, and it's part of their job. We hold them in high regard, we honour them when they fall, and we have a chance today to be there for them when they are struck down silently. We have a chance today to support them when they are at their weakest, and today we can tell firefighters that just like them, they are there for us, and we are there for them.

One firefighter told me very, very recently, actually last Friday, that since September 11 getting to work in the morning has been just a little bit tougher. He said he believed that the passage of this bill would send an awesome message of support from this House to every firehouse in this province. He said it would give firefighters

a little starch. Today let's come to the aid of firefighters with cancer. Let's give them a little starch because, Mr. Speaker, it's the right thing to do.

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

Ms Carlson: Thank you, Mr. Speaker. On behalf of the Official Opposition in Alberta we are very happy and very proud to support this legislation as it goes forward. Our Human Resources and Employment critic has been advocating for this type of legislation since Manitoba passed similar legislation last May. It really is the right thing to do for firefighters, who risk their health daily to protect the community.

When we were discussing this bill earlier this morning, the Member for Edmonton-Riverview wanted me to remind this Assembly and all Albertans that on 9-11 when everyone was leaving the World Trade Center, who did we see going back in there and risking their lives and in some cases costing their lives but public-sector unionized firefighters. We all owe you a vote of thanks, and I thank you for that.

Mr. Speaker, my son wants to be a firefighter. He is 19 years old now, and he has wanted to do this since he was a very young man. He's putting in a couple of years at college so that he can reach a level where he is going to be acceptable to be accepted as a fireman and is very much looking forward to that day. So when I say that I'm supporting this legislation as a legislator and as an Albertan and a community-minded person, I'm also very much supporting it as a mother of a future firefighter, so thank you very much for what you do on our behalf.

The Deputy Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you, Mr. Speaker. I want to begin today by complimenting the mover of Bill 202. I don't think anyone here questions the passion, the concern that has been raised by the Member for Calgary-North Hill in sponsoring this bill, and of course I want to extend my congratulations to him.

Secondly, I want to compliment all the firefighters here in the province. Some of them are here in the gallery today, and I think it's very important that they be here to listen to the debate and to listen to both the compliments that they'll receive and also the concern and some of the issues that one might have, including myself, in terms of the principle of this particular bill.

It must be understood that what we have here today isn't a bill that's suggesting that firefighters ought to be covered for the cancers that they're exposed to within their work conditions. That is accepted. I agree a hundred percent with the mover of this particular bill on the research that's been done and what it should lead to, then, in terms of an application for WCB because of a work-related, in this case, disease rather than injury. So what must be clear, I think, to all members of the House and certainly, then, through *Hansard* and out to all members within the firefighter occupation but also to all Albertans: again, it's an issue that goes beyond and aside whether or not a firefighter experiences cancer and, once having experienced cancer, whether or not we should do whatever we can to be able to assist that firefighter and their family as they go ahead to seek compensation, to seek medical benefits. There's not one of us in this House today that is going to vote against firefighters and the struggles that they have against cancer.

3:20

I want to also compliment, then, Alberta's Workers' Compensation Board, because when the Fire Fighters Association came to me last year with this particular issue – and, of course, in attendance

they had, as I recall, a representative from the Manitoba Firefighters Association – they were very articulate about what their concerns were and felt that in the past they had not been receiving perhaps the kind of attention, the kind of sensitivity, that a firefighter ought to from the Workers' Compensation Board. At that particular meeting I think I expressed, certainly in my recollection, some concern and some sensitivity toward the particular issue of cancer and compensation, and I share that today. I have not wavered from that.

In fact, by way of some background, Mr. Speaker, we have worked with the WCB in order to do a number of things. There have been changes since that particular meeting. One of them, of course, is a clearer understanding that in these matters a firefighter does not have to prove which fire they might have been exposed to in order to receive recognition for that cancer. Now, I'm not sure what other jurisdictions have done in the past about this. I'm told by the Alberta WCB that they've had a situation in place now for a reasonable period of time where a firefighter has not had to prove that. [interjection] Well, whether that's a long period of time or not, I am not sure, but I can tell you this: as we are speaking about this issue today, that is no longer in place.

So I believe that the workers' compensation system in Alberta has been trying to move forward, then, on the issue of how to deal, then, when a firefighter comes forward. I believe that they have made it more streamlined. The number of questions now that the applicant has to answer has gone, I think, from 18 to something like seven. More importantly, since a date in June of last year the sensitivity had been raised to: now let's make sure we understand this application, whether it is a firefighter or not. So there's been more focus on what has happened. In fact, in that period of time and regarding the cancers that are part of the bill, it is my understanding that there has not been an application that's been denied.

What I'm speaking against today is the principle of the bill, and again it is important for everyone to understand that the principle of the bill is not talking about a cancer and talking about a firefighter. That is accepted. We all accept that. What the principle of the bill is saying is: where is the onus of proof in attempting to receive compensation?

Now, I think it's important, then, at this particular stage to think about how a parliamentary system such as we have works, and I want to contrast that to a system that is currently in existence in the United States. The mover of the bill talked about 23 states that have accepted the presumptive nature of the cancers, and there shouldn't be any question about that. I think 50 states should be accepting that because the United States was set up under a Napoleonic code rather than a British parliamentary system, and under a Napoleonic code you have built into that whole realm of legislation, of regulation, a presumptiveness. The individual is right until somebody proves that they are wrong. So if somebody wishes to take my words today and help throughout the States, then they're welcome to it, but in Canada, under a parliamentary system, the onus has always been on an individual or a collective that if you are entitled to something, you must show how you meet that entitlement.

So this is the only thing that we're talking about. Bill 202 turns that upside down. The presumptive nature of it is more like a U.S. system than a British/Canadian system, and it would put the WCB in a position of, first of all, guaranteeing the acceptance of the claim until such a period of time that they can prove it or disprove it. That is the essence of the bill, and that is why I want everyone today to know and to understand that we're not in a popularity contest here about firefighters. There is no question about the value of firefighters, and I hope that this *Hansard* is distributed to firefighters so that I don't get these e-mails that I've been receiving from firefighters that clearly don't understand the position that I'm trying to take. We

are not for or against firefighters by whether or not we support or don't support this particular bill.

What we have here, and I think where firefighters should celebrate the fact, is that we have a plan A and we have a plan B. Now, if plan A is the presumptive nature of Bill 202, then that is a way to resolve the issue as far as firefighters are concerned, and they support it, and that is fine. This is a democracy. There's no problem with that. What I'm saying, though, is that there's a plan B that's been in effect for a period of time and remains in effect today, and that is where the government and WCB are working to see how we can reduce any sort of barrier or any sort of bureaucratic hazard that a firefighter might expect. And just for those of you that are so turned off by a WCB system that you would want to do anything that might impact them, this would be a reason to perhaps follow the bill. That was for my friend down at the far end.

It is my oath to uphold legislation and regulations that are duly debated here in this House, and I have a sworn duty to ensure that the policies and procedures support those regulations, and right now in our system if you are applying for a benefit, the onus has to be yours that you show entitlement.

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

Dr. Pannu: Thank you, Mr. Speaker. I am pleased to rise on behalf of the New Democrat opposition in the Assembly to speak strongly in support of Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003. I also want to thank the hon. Member for Calgary-North Hill for bringing this piece of legislation forward.

I want to express some disappointment at the minister's remarks just made in the House, but it's a democracy. We have a right to disagree with each other and express our opinions on the floor of the House as we please. So I am disappointed somewhat.

I want to also acknowledge a letter that I received from a man that I respect very highly, Ken Block, president of the Edmonton Fire Fighters' Union local 209, who I understand is present in the public gallery here today. Welcome, Ken, to the Assembly as we debate this legislation, and I assure you that your letter of February 3, 2003, was an added impetus to my determination, which was already there, to support any legislation that will provide adequate support and protection to our heroic firefighters, men and women, who provide us protection, give us help when we need it, and in doing so, put their own lives on the line.

Thank you all for the work and the public service that you offer, and hopefully this Assembly will pass this bill and do what's right, which is to proceed with a legislation which has a presumptive status, which puts the onus of proof for injury received at work by firefighters on the shoulders of the employers so that the injured workers – and they're affected in this case by deadly forms of cancer, six different types – won't have to stand in line and fight both their cancers and the WCB in order to receive the coverage that they so duly deserve.

Firefighters make an incalculably important contribution to our society, to our communities. They protect our lives, our homes, and our families. They also bear the price of this contribution all too often with their own lives. My own constituency is host to a memorial statue of firefighters that have served our communities and who are no longer with us.

3:30

But the most obvious dangers faced by firefighters – the heat, the building threatening to collapse – are not necessarily the most threatening ones. The most obvious ones are the ones that we know about and people think about. On a daily basis firefighters run the

risk of being exposed to a number of toxins such as asbestos, benzene, hydrogen cyanide, nitrogen dioxide, and others. It's no surprise, then, that firefighters face a 30 to 50 percent increase in the likelihood of the risk of prostate cancer and many other cancers. The science on this matter is very clear and solid. We reap the benefits of these men's and women's dedication, but they pay the cost. It's only fair that as a society we do everything we can to mitigate their costs.

Currently, if a firefighter acquires cancer because of their occupation, they must prove to the WCB that the cancer is linked to their work as a firefighter and their repeated exposure to the toxins mentioned earlier. Imagine, Mr. Speaker, being asked to risk your life every time you leave your family and go to work. Imagine that after five, 10, or 20 years of risking your life you are told that you have cancer. What would your priority be? If it were me, I would want to spend time with my family, my friends, and my close colleagues, knowing that I'm suffering from cancer and that it may be terminal. I would want to focus my energy on getting better, on beating this terrible disease. Instead, our current system forces firefighters to waste valuable time convincing the WCB that they deserve compensation.

Let me tell you, Mr. Speaker, that the Workers' Compensation Board tends to greet injuries that have any complexity with a great deal of skepticism. This is part of what Justice Samuel Friedman noted in the review of the WCB appeal systems when he said that the WCB system has an entrenched culture of denial. Injured workers who apply for benefits find themselves to be immediately under suspicion. Injured workers are forced to undergo numerous instances of humiliation. They are disbelieved. They are told that their pain is only in their minds and accused of being lazy, uncooperative, and outright dishonest sometimes.

Several years ago I had the privilege of advocating on behalf of a woman who had been perfectly healthy her entire life. Shortly after being forced to change from one office to another, she became terribly ill because of sick building syndrome. My constituent wanted nothing more than to heal herself and return to work. Rather than be given this opportunity, she spent several years of her life suffering the indignity of the WCB's constant suspicion and the poverty that accompanied the inability to work.

I met recently with another constituent who was injured over 20 years ago and whose battles with the WCB eventually had to be extended to a battle with Health and Wellness. That constituent has found that the longer he has been in the system, the more doors were slammed in his face and the more indignity he suffered.

So is it fair to ask firefighters to risk their lives for many years of their careers and then to force them to battle the WCB's culture of denial should they be unlucky enough to develop one of these six types of cancer linked to their occupation?

I also want to stress, Mr. Speaker, that firefighters are in a nearly unique position in their employment. In most jobs if your employer asks you to perform a dangerous and life-threatening task, the law guarantees you the right to refuse. The very nature of the firefighters' employment means, however, that they must put themselves day in and day out in harm's way for our protection, for providing service to their communities.

Detractors of this legislation will argue that it creates a slippery slope. The other occupations may start to make similar claims. The New Democrats say: let them. If a link can be proven as conclusively as a link between firefighters' occupation and their rate of cancer, then let us implement presumptive legislation in those cases as well.

To conclude, Mr. Speaker, I want to thank the men and women of this province, some of whom are in the public gallery today, who

have dedicated themselves to protecting, to providing safety and security to us and our families. I would like to encourage all members of this Legislative Assembly to give their clear and strong support to this legislation.

Thank you.

The Deputy Speaker: The hon. Member for Calgary-Cross.

Mrs. Fritz: Thank you very much, Mr. Speaker. I am pleased to rise today, as well, and join in debate on Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003. Like others in the Assembly I would like to take this opportunity to express my thank you to my friend and colleague the hon. Member for Calgary-North Hill for all of the hard work that he's done in order to bring forward such an important piece of legislation.

There have always been and hopefully always will be those who dedicate themselves to saving the lives of others. Those who make it their profession to save lives are very, very special people who are held in the highest regard by our society because in many circumstances they put their own life on the line in order to save the life of someone else. One important group of individuals who perform this noble duty is our province's firefighters, and we are all here today paying tribute to them as well. They are elite professionals who have chosen a career that only a small number of Albertans would be brave enough to choose.

It is imperative to note that Alberta's firefighters are expected to go into potentially deadly environments and then save the lives of their fellow citizens day in and day out. They choose to perform this dangerous profession, which over the past several decades has claimed the lives of many of their brotherhood, and regrettably, Mr. Speaker, there are countless numbers of firefighters across the globe who have lost their lives as a result of work-related injuries such as burns from high-intensity heat, smoke inhalation, or falling debris. However, there is a silent enemy, that we heard of earlier, that is as deadly to a firefighter as any inferno or falling structure, and I am referring to cancer.

Our society is not a stranger to cancer. We hear about it every single day. Many of us have been personally affected by this potentially fatal disease. Many of us have had our loved ones and friends lose their lives to this horrific disease, while others are currently battling this terrible illness. The more we hear about cancer, the more it appears to be an epidemic that will only be stopped through the efforts of the entire world community.

Mr. Speaker, as you heard in this Assembly, firefighters are one group of individuals who have been particularly affected by this terrible disease. Due to their type of work they are highly susceptible to developing six specific types of cancer: bladder, kidney, non-Hodgkin's lymphoma, brain, and colon cancer and leukemia. I don't have to remind everyone here today that all of these are potentially fatal.

One of the key reasons why firefighters are so susceptible to contracting these particular cancers is directly related to the types of environments in which they work. Over the past several decades there have been significant changes in the sophistication of many of the materials that are used in construction. More specifically, there has been an increase in chemicals being used in construction to speed up construction time, lower costs, or improve the quality of structures. However, while these chemicals have reaped great benefits for the construction industry, they have proven to be extremely dangerous and potentially deadly to our firefighters. As these chemicals catch fire, they release potent carcinogens, which, if absorbed by human skin, can cause cancer, and currently our firefighters do not possess the equipment which can fully protect

them against these deadly agents and are therefore under the constant threat of acquiring the six cancers that were previously mentioned.

Mr. Speaker, Alberta's Occupational Health and Safety Act gives our province's workforce the option of refusing to do a certain task related to their work if they have reason to believe that such a task is potentially harmful to their health. However, due to the nature of their work firefighters are not permitted this kind of option. Unlike other professionals they have a duty and responsibility to all Albertans, and this duty involves their entering dangerous and life-threatening situations. Unlike other professionals they have no choice but to save life even it means compromising their own. As a result of this, many of our brave firefighters have contracted cancer and are currently suffering from its terrible effects. You would think, Mr. Speaker, that those firefighters who are suffering from any of the six work-related cancers would be receiving automatic compensation from the Workers' Compensation Board. This regrettably is not the case. The current WCB regulations stipulate that the onus is on the individual firefighter to prove that he or she acquired cancer while performing their duty.

3:40

Mr. Speaker, I believe that we have one of the best WCB systems in this country, a system that I strongly support. With all systems, though, change can be made, and it can be made for the better. Usually, that's brought forward by people that are experiencing the occupational hazards that relate to their type of employment, and that is exactly what has come to the Assembly today. Right now the system implies that we are prepared to put our firefighters through the agonizing process of having to prove their case even though it has been scientifically proven that firefighters are at a greater risk of developing these six cancers.

Putting some of our society's most selfless members through such an arduous process while they are trying to come to terms with such a deadly disease is simply unwarranted, and it must change. We appreciate the self-sacrifice of firefighters and must do everything in our power to help ease the pain of those who contract cancer. One of the best ways toward accomplishing this goal is for this Assembly to amend the Workers' Compensation Act and automatically provide our firefighters with the compensation they deserve.

This has already been accomplished in one other Canadian province and 23 states of the United States. During the spring 2002 session of the Manitoba Legislature a bill was passed which outlined Manitoba's commitment to fair treatment and compensation to its fire-fighting professionals who contracted cancer. Manitoba set the standard for other provinces to follow by passing Bill 5, the Workers Compensation Act, on May 2, 2002. The act established a new set of guidelines which give Manitoba's firefighters automatic compensation status if they were to contract brain cancer, leukemia, non-Hodgkin's lymphoma, bladder, or kidney cancer. It is also important to note that Bill 5 not only gave compensation to the firefighters who recently contracted cancer, but the law was also made retroactive to 1992. This meant that firefighters who made their claim to Manitoba's Workers Compensation Board after 1992 received automatic coverage. The road to introducing Bill 5 in Manitoba was one that involved tragic events. Since 1987 17 firefighters have died in Winnipeg from work-related cancers. That is 17 lives lost and 17 families shattered.

The group that was largely responsible for lobbying the Manitoba government to bring forward Bill 5 was the International Association of Fire Fighters. They brought forward numerous studies which outlined the risks and dangers of fire fighting. These studies included sizable amounts of data illustrating the likelihood of firefighters contracting work-related diseases when compared to the rest of the population. The evidence is compelling.

In closing, I would like to thank my hon. colleague from Calgary-North Hill once again for having the resolve to bring forward this important, historic piece of legislation. I congratulate you, hon. member. I would also like to thank our firefighters, many of whom are here today, for bringing this important matter to our attention so that we as legislators can enshrine our policies into legislation. I would urge all of my colleagues to support our province's firefighters by voting in favour of Bill 202.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar, followed by the Hon. Minister of Finance.

Mr. MacDonald: Thank you very much, Mr. Speaker. I, too, rise this afternoon in debate on Bill 202 and urge all hon. Members of this Legislative Assembly to endorse the proposal, the Workers' Compensation (Firefighters) Amendment Act, 2003, as tabled here by the hon. Member for Calgary-North Hill.

I, too, would like to congratulate and thank the hon. member for bringing this legislation forward. I was pleased to see it come forward and pleased to see how it was developing – I heard through the grapevine that it was developing very well – because I was disappointed last June to find that support of an idea that the Official Opposition had in regard to following the legislative initiative from Manitoba was not being received favourably in some quarters in this province. So I'm delighted that the hon. member has worked at this, and I appreciate his work and his efforts. Hopefully, everyone can listen to the debate this afternoon and support Bill 202.

Now, every day or every evening, whenever a firefighter goes on shift, they're willing to put their life on the line for each and every one of us. There are very few jobs where that is one of the requirements. After the hon. member's description of the toxic soup that firefighters must go into in order to do their job, there's no doubt that they are exposed, and unfortunately they can acquire various cancers including bladder, kidney, non-Hodgkin's lymphoma, colon cancers, or leukemia as a result of their job. We look at the composition of our modern building materials and the resins and the glues and the inhibitors that are put in these materials to make them more soundproof and, in some cases, even to fireproof them to a certain temperature. The firefighters are exposed to this, and they're exposed to this over a period of years. While our building materials and how they burn have certainly changed in the last 50 years, the laws to protect not only the firefighters but their families have not changed.

When we look at not only residential fires or commercial fires but also large industrial fires, which firefighters are required to fight, it is more important that we pass Bill 202 to recognize just the number of carcinogenic substances that they encounter in their line of duty. Some may say that this is a special treatment. I don't think so when you compare firefighters to other workers in Alberta. Firefighters – and I repeat this – every shift, whether it's afternoon, night, or morning shift, put their lives on the line. If unfortunately – and I hope it never happens, but I'm sure it will – one of the membership is diagnosed with any of those forms of cancer that have been mentioned earlier, they and their families should be able to have at least the comfort of knowing that there are going to be benefits through the workers' compensation system.

I'm not going to speak too long this afternoon, Mr. Speaker. There are many members of this Assembly that, I understand, are very anxious to participate in debate. In conclusion, when you consider what the firefighters put on the line every time they answer a call, it's the least we can do. It will not be an expensive program for the WCB to carry out, as I understand, and certainly we have the

occupational disease reserve fund. It's in excess of \$200 million. Hopefully – hopefully – the number of firefighters that are going to be diagnosed with cancer from job exposure is going to be in the single digits across the province. But it shouldn't be a matter of money; it should be a matter of priority. It was a clear day in September, a beautiful September day, when the rest of the citizens of New York City were going one way and the firefighters were going another. I know it's outside the jurisdiction of Alberta, but I have no doubt that the firefighters in this province would go the same way the firefighters in New York City went, and that was inside a burning building to save lives. The least we can do is consider this Bill 202 and make it part of the law of this province.

Thank you.

3:50

The Deputy Speaker: The hon. Minister of Finance, followed by the hon. Member for Edmonton-Glengarry.

Mrs. Nelson: Thank you very much, Mr. Speaker. I am very pleased to stand with a number of colleagues on both sides of the House in support of Bill 202. I, too, would like to thank my colleague from Calgary-North Hill for raising this issue and bringing it forward. When he first told me about his quest, I was a little overtaken. I couldn't believe that we didn't already have this in place. In fact, I think I said to him: well, that's a no-brainer, so bring it forward, and let's get on with it. I couldn't believe it.

Like many have said, this bill recognizes that there are six cancers that are occupational diseases particular to fire fighting. It also says that we accept a presumptive status for these cancers in the legislation, and it calls for a study to be carried on about the cancer rates for volunteer firefighters. It also does one thing that I think is important. The onus of proof is now shifting a little bit – and this is something that has been a concern and, I know, is changing – from the injured worker to prove the case to WCB proving the case.

So when I think about what we're doing, I think about burning buildings, explosions, bombings, chemical spills, house fires, grass fires, acts of terrorism, all types of disasters and emergencies that are associated with people that care for us, people that call to look after us by simply dialing a number, and they're there. Without hesitation they enter into all of those situations, all of them emergencies, and go in to make things better and to rescue us.

I was reading some articles, Mr. Speaker, and I know that a lot has been said about the different types of things that have happened. I was interested in the article – and it may have been talked about – from Dundas, Ontario, where John Gray's father was a firefighter in Hamilton for 28 years. John talked about building roofs caving in, staircases caving in, his father being trapped in a fire. He never dreamt that his father would have brain cancer. He never dreamt that his father would die that way as a firefighter for 28 years. Now, he was diagnosed, and he did receive compensation in Ontario, but this does happen. One of the things that they said when they were looking at this in Ontario through the Ottawa Professional Firefighters Association was that there had been 10 studies that had linked statistical data between brain cancer and fighting fires, but they weren't too sure what the link was. There was a strong suspicion that exposure to toxic fumes, gases and that released when plastics and synthetic materials burn causes problems and a link to cancer, carcinogens. These things are found in every car and every home, in every office building that we have.

In fact, there's a whole list of them. I was interested to look at some of the dangerous chemicals that are there before our firefighters every day that they are out on the streets for us. Acrilan is probably one of the biggest ones. It's a white and yellow liquid that

burns very easily, and it's found in the manufacturing of plastics and perfumes. It's also found in livestock feeds and pesticides, and it can be created by combustion from wood, cotton, carpeting, and upholstery.

Another one is asbestos. Of course, we know the dangers of asbestos and exposure to it, but it's amazing the amount of asbestos that is there in buildings, particularly the older buildings, that burn.

Benzene. Benzene, of course, is found all over in things such as dyes, chemicals, linoleum, oilcloths, varnishes, and lacquers. These are in buildings and businesses and homes when firefighters go in.

Chloroform. Chloroform, again, is something that is found on different organic materials at fires. It's usually found in low quantities but still at sites they go into, and it can cause huge damage to the liver and kidneys.

Diesel exhaust. Diesel exhaust, of course, is a mixture of chemicals including benzene, formaldehyde, and polycyclic aromatic hydrocarbons. PAH they call them. When you go into a place where there's diesel exhaust and there's been a fire, this is all inhaled.

Formaldehyde, halons, hydrogen chloride, hydrogen cyanide, nitrogen dioxide, and organic solvents, even vinyl chloride, which is another chemical in bag and bottles and automobile upholsteries and toys and consumer goods: when these things burn, they're inhaled, and the firefighters are exposed to all these chemicals. They can't be doing anything other than hurting our firefighters.

In fact, there was a fire on July 9, 1997, in Hamilton at the Plastimet building, where 400 tons of plastic, most of it polyvinyl chloride along with polyurethane foam and polyethylene, were involved. It took between July 9 and July 12 to put the fire out. There were 204 firefighters who responded to the fire. One hundred and eighty-five were on-site from July 9 to July 12. One hundred and sixteen were involved in the cleanup and the decontamination. Fifty-six percent reported throat irritation, 52 percent eye irritation. One hundred and twenty-eight were exposed to smoke, 97 were exposed to mist, and 60 were exposed to ash and fallout. It goes on and on. Today's firefighter is exposed to more chemicals and more carcinogenics than you can believe.

The difficulty is that we ask our firefighters to do the job for us. A number of studies have already been held in the United States and in Ontario. Why this hasn't been dealt with in our province is beyond me. The time has come to move forward on this. When we all saw the vision of what happened in New York, where the flames were burning away, the debris was all over, the temperatures were high, it was the firefighter's face that went into the flames, in to rescue, in to carry the day, to help people. In an article that was written on it, it said that among the substances that escaped in that fire, there were 1.2 million tonnes of debris at ground zero made up of asbestos, benzene, dioxin, polychlorinated biphenyls, also known as PCBs. These are all linked to cancer. Now, they won't know for probably some 20 years if the impact of that rescue is going to be felt, but already they're having fallout from people who participated at ground zero. But it won't be assessed for 20 years.

In the meantime there's an expectation that firefighters must go in. We depend upon them for our own safety. Now, why we would not put some safety in place for them and for their families so that if something unforeseen such as cancer hits them as a result of this occupational hazard is, in my view, unconscionable. It's a must. It's no different from any other high risk.

4:00

Fighting fires has changed dramatically over the last 30 years. We just haven't changed with it. So the time has come, Mr. Speaker, for us to move forward, to protect our firefighters and their families so

that they have an opportunity to have a clear conscience when they go into those fires to save our lives, to protect our families, to protect our businesses, to protect our communities.

I would encourage all members in this House to stand behind the colleague from Calgary-North Hill, who has carried this bill, and the other colleagues within this Legislature and put this forward and join the fold of people on the front line that protect the firefighters of this province.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Glengarry, followed by the hon. Member for St. Albert.

Mr. Bonner: Thank you very much, Mr. Speaker, and it is, indeed, a pleasure to rise this afternoon and speak to Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003. I must also add my thank yous to the Member for Calgary-North Hill, who has sponsored this bill and who has spoken so passionately and strongly for it to be passed here in the Assembly. I would also like to add that I certainly favour this bill, and I will lend my support along with other members in this Assembly to see that it does get a speedy passing.

These brave firefighters encounter any number of difficult and dangerous situations in the course of their employment. They are generally the first on the scene of disasters: fires, accidents, toxic waste spills, drownings, and the list goes on and on. Their dedication to safety in this province is unparalleled. Over the years they have developed measures to deal with the most dangerous of situations. They train constantly to hone their safety skills. They develop strategies to deal with toxic waste. They have developed safety equipment to assist in search and rescue and assist them in the predicaments that they find themselves in. We also find, Mr. Speaker, that many of these procedures, much of this equipment finds its way into the industrial sectors of our society, into the residential parts of our society, and it certainly assists in the safety of us all.

The bill supports compensation for firefighters with six different types of cancer, and these types of cancer are specified as primary site cancers, and it certainly is a very, very good piece of legislation.

If we look at the workers in this province, one of the things that they have to do in order to get WCB benefits is prove causation, and I think that by the comments that have been spoken here in the House this afternoon, where our firefighters are expected to go into any number of different situations and they are exposed to so many different types of toxic materials, this particular bill is an important first step in dealing with that idea of causation. Certainly when we look at injured workers in the province and particularly those who have contentious, long-standing claims, the whole idea of causation is the biggest hurdle that they have to get over. This piece of legislation here today will eliminate for these workers, these people who, when they are called to action, place their lives on the line for Albertans, that first huge hurdle that so many workers in this province have to face. I think, as well, that when the injured workers of this province look at this legislation, they will also be thanking the firefighters because they have addressed a very, very serious flaw in our WCB legislation here in the province.

Now, certainly there is evidence, as has been pointed out here in the Assembly today, that firefighters do have an increased incidence of certain types of cancers, and I think that all of those have been dealt with here in the bill.

So, Mr. Speaker, I would like to take this opportunity to thank all firefighters in this province, in this country, and around the world for the great work that they do. I would also like to thank their families

because these people put their lives on the line for us on too frequent occasions and in many instances because of the stupidity or the lack of attention that the ordinary person has. As well, I would like to urge all members of this Assembly to support this bill, to see that it progresses through the House as quickly as possible so that we can offer this protection to the people that risk their lives for our safety.

Thank you very much.

The Deputy Speaker: The hon. Member for St. Albert, followed by the hon. Member for Lac La Biche-St. Paul.

Mrs. O'Neill: Thank you very much, Mr. Speaker. It is my honour to rise today in support of Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003. I would like to commend the hon. Member for Calgary-North Hill for his dedication to this important matter which holds such incredible human interest for all of us. Bill 202 proposes the presumption of compensation for full-time firefighters who are regularly exposed to fire scene hazards and later contract certain cancers. A firefighter presumption means that certain injuries are presumed to be caused by the occupation of fire fighting unless the contrary is proven.

I am speaking here today in support of Bill 202 because I personally feel firefighters deserve presumptive status, but I'm also here speaking to voice the ideas of my constituents. Mr. Speaker, firefighters, some of whom live and many of whom work in my constituency, have contacted me and voiced their support for Bill 202, and I would like to acknowledge that there are three members in the public gallery today who represent the firefighters of St. Albert. We are very, very proud of you. Thank you.

The only province to have presumptive legislation for firefighters is Manitoba, and believe me; it is not like me to commend legislation that an NDP government has passed. However, it is important to note that the opposition Conservatives in that province were also in favour of the legislation. In all seriousness, Mr. Speaker, Bill 202 is an important piece of legislation that will directly affect the personal lives of firefighters and their families.

As has been acknowledged by all – and I stress “all” – who have spoken on Bill 202 today in the Legislature, firefighters put their lives at risk in their dedication to preserving and protecting the lives and property of Albertans. In the line of duty they encounter obvious perils, the flames and the debris that can cause traumatic injuries like broken bones, sprains, and burns, but they also encounter more insidious dangers: the smoke, gases, and fumes of various burning chemicals, plastics, and other synthetic material. There is no such thing, Mr. Speaker, as a standard fire.

I know that my colleagues here today recognize the complex hazards faced by firefighters and the increased risks these hazards produce. I also know that they, like me, want to ensure that firefighters who contract occupational cancers receive the benefits to which they are fairly entitled. Firefighters have received a great deal of intensive investigation from scientists over the last two decades. This research was prompted by the knowledge that firefighters are exposed through their work to a variety of known carcinogens and toxic agents contained in fire, smoke, gases, and building debris and that they are exposed to them on a regular and recurring basis.

The medical and scientific evidence has come a long way. There is now substantial medical and scientific literature on firefighters and occupational illness. That is why this amendment to the Workers' Compensation Act has been brought forward to identify the presumptive status for firefighters.

4:10

In a March 2002 study done by the Manitoba Workers Compensa-

tion Board it was concluded that the evidence available since 1994 suggests that it is reasonable, given the available scientific evidence, to adopt a policy of presumption for claims submitted by full-time urban firefighters for primary site brain cancer, bladder cancer, kidney cancer, non-Hodgkin's lymphoma . . . and leukemia.

This study was conducted by Dr. Guidotti, an internationally known epidemiologist. Dr. Guidotti served as professor of occupational and environmental medicine and director of the occupational health program in the department of public health services at the University of Alberta, but since 1999 he has been professor of occupational and environmental medicine at the George Washington University Medical Center in Washington, D.C., and was seconded to work on epidemiology issues after September 11, 2001.

You may have noticed that the study specifically mentioned "full-time urban firefighters." Bill 202's presumptive status is also limited to full-time urban firefighters. However, it should be noted that Bill 202 also calls for a study to be done on rural and volunteer firefighters to determine if a link exists between their occupational hazards and cancer. I feel strongly that this is an important part of Bill 202. The evidence must be strong and clear before we legislate presumptive status, which is the case for full-time urban firefighters.

Mr. Speaker, for a moment I would like to talk about the cancers that Bill 202 gives presumptive status to. The cancers, as I mentioned, are brain cancer, bladder cancer, kidney cancer, non-Hodgkin's lymphoma, leukemia, and colon cancer. It should be noted that Bill 202 has gone even further than the Manitoba legislation to include colon cancer because of the scientific evidence linking the disease to the occupation. Full-time urban firefighters are at least twice as likely to die from six firefighter cancers as their non fire fighting counterparts. This statistic is astounding. It is time to implement fair and just legislation for the men and women who risk their lives for us every day.

Bill 202 calls for the Minister of Human Resources and Employment to set the minimum time lines that a firefighter must serve in order to receive presumptive status when these six cancers are discovered. The minimum time lines set out in the Manitoba legislation are a good reference point for us to consider. The minimum periods of employment in Manitoba range from five years for leukemia, 10 years for brain cancer, 15 years for bladder cancer, and 20 years for non-Hodgkin's lymphoma and kidney cancer. I believe these minimum time lines are important because they are based on medical evidence. They are not random estimates that the Manitoba government selected nor are they estimates that we here in this Legislature should presume to identify solely without the medical verification.

So, in conclusion, Mr. Speaker, I would again utter my appreciation, as others have done, for the fine work and the great confidence that the firefighters in my community and theirs give to us who are residents living under their care, if you will, in their jurisdiction, and I would strongly urge my colleagues here today to look at the evidence and to support this important piece of legislation.

Thank you.

The Deputy Speaker: The hon. Member for Lac La Biche-St. Paul, followed by the hon. Member for Edmonton-Mill Woods.

Mr. Danyluk: Thank you very much, Mr. Speaker. I am also very pleased to have the opportunity to speak to Bill 202. My constituency volunteer firefighters support the hon. Member for Calgary-North Hill on his initiative to bring this bill forward. Voluntary firefighters from my constituency also agree with the intent of the bill but would like to see the bill extend its coverage to rural voluntary firefighters.

Firefighters in rural Alberta have a lot of similarities with their urban counterparts. Voluntary firefighters have exposure to the same conditions that full-time firefighters do. I would encourage the support of subsection (6)(b), page 2, for the WCB to investigate and prepare a report on the status of the research and submit it to the minister.

[The Speaker in the chair]

Automatic coverage and approval of benefits and coverage for cancer-related health concerns to voluntary as well as full-time employees should be mandatory. Toxic fumes and smoke are present at all fires whether the location is urban or rural. Exposure to these fumes is no different if you are a voluntary firefighter or a full-time firefighter.

Voluntary firefighters respond to a large number of fires. For example, in the town of St. Paul last year voluntary firefighters had 120 responses. They included bush fires, oil patch related fires, vehicle fires, major structure fires, and low-profile fires. It is worth it to mention that we cannot always view unexpected negative potentials. It is important to note that low-profile fires can have major health dangers and the potential of long-lasting ramifications. Vehicle and dumpster fires are probably some of the most dangerous as firefighters cannot anticipate their contents or their toxins. Also, there is a major concern when the flames are extinguished and firefighters relax their guard and may inhale smoke of a smouldering fire without knowledge of the content.

There are some differences in urban and rural departments. Education seminars are usually done on free time for voluntary firefighters, so they are less likely to happen in a timely fashion. They have full-time jobs that take time when courses are traditionally held. Sometimes toxic exposure information and training about these fires are not relayed to voluntary fire departments in a timely manner. Professional protection equipment is more likely to be substandard in voluntary departments than it is in a full-time department. A lot of equipment upgrades are purchased by voluntary fund-raising and may not necessarily happen when needed.

I would like to close by saying that volunteer firefighters have no pensions to fall back on, and their participation is usually their commitment to the support and protection of their communities. There are long-term firefighters in small rural departments. Many have volunteered for 20 to 30 years. To have negative contact with fumes and toxins does not necessarily need to be over a long period of time but can occur during short exposure. I would ask that rural voluntary firefighters have the same opportunity of support as their urban counterparts. Mr. Speaker, it is imperative for the WCB to have an industry report of the toxic implications to rural firefighters along with their urban neighbours.

Mr. Speaker, I would like to express the support of the voluntary firefighters in my constituency for Bill 202. Thank you.

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

Dr. Massey: Thank you, Mr. Speaker. I appreciate the opportunity to say a few words in support of Bill 202 this afternoon. Much has been said about the bill. The bill is one that requires the WCB to presume that all firefighters filing for benefits due to brain, bladder, kidney, non-Hodgkin's, lymphatic, or colon cancers, or leukemia had their illnesses caused by the job. It asks that firefighters are to receive presumptive status in accordance with the years of service time restrictions. It's retroactive to 1993. It requires a three-year WCB study, and in order not to give benefits, the WCB must prove employment as a firefighter didn't cause the disease. So these are the provisions of the bill.

4:20

I guess one of the things I'm having a problem with is that a bill like this is necessary before the Assembly. It's really a very, very clumsy way of dealing with an issue that faces firefighters, and that has been well established by the medical community. The study cited by the Member for St. Albert from the University of Alberta, Guidotti and Goldsmith, says:

The evidence available since 1994 suggests that it is reasonable, given the available scientific evidence, to adopt a policy of presumption for claims submitted by full-time urban firefighters for primary-site . . . cancer,

and it goes on to list them. It seems that when there is this kind of evidence available, Mr. Speaker, the WCB itself would see the need to act and to prevent or at least to make unnecessary the kind of hard work that has gone into preparing this bill and getting the bill before the Legislature to deal with a problem that is well recognized by the medical community. Unfortunately, it's a reflection on the problems that those of us that deal with the WCB often have.

I recently gave the executive assistant in our office who deals with WCB cases a bonus because of the very fact that she has to spend so much of her time working with clients to gain from WCB the legitimate compensation that is legitimately theirs. So I'm glad the bill is here, I'm glad it has the support, and I hope that it does pass the Assembly.

I think we should also warn ourselves that there may be others. These are the ones at the present time, as a result of firefighting, that can be directly attributable to the occupation, but there may be others, and hopefully we won't find ourselves back here with another bill trying to add those to the list, that the WCB will see the wisdom of acting on solid medical evidence and provide the kind of compensation that is rightfully deserved by firefighters.

With those few comments, Mr. Speaker, I'm pleased to, as I said, support the bill and hope it passes through the House quickly. Thank you.

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

Mr. Cenaiko: Thank you, Mr. Speaker. I rise today in support of Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003. I'm very pleased to have the opportunity to speak to this bill, and I commend the hon. Member for Calgary-North Hill for bringing forth this initiative.

Imagine if you will a fire in a residential neighbourhood. It spreads quickly, engulfing first one home then another and another. Not only is much of the neighbourhood if not all of it at a risk but so are lives, belongings, and property, not to mention memories. In a situation like this, the first thing anyone would do is dial 911 and ask for the fire department. Likewise, Mr. Speaker, when a fire breaks out in an office building or a warehouse, we call the fire department. Indeed, in many cases we don't even have to do that. As soon as the fire erupts, sensors detect it, triggering the alarms at the nearest fire stations. All we have to worry about is getting out. Yes; all we have to worry about is getting out alive so that firefighters can get in and do their job.

If you stop and think about that for a minute, Mr. Speaker, this is what is at the heart of this issue: the very idea that amongst us we have a few dedicated men and women who as part of their daily routines willingly risk their lives to save ours. To say that they are brave is an understatement. To say that they are courageous gets us closer, for what they do on a daily basis requires courage, empathy, and caring for their fellow men and women. It takes a very special person to do that day after day. As far as I know, firefighters are the only professionals who cannot refuse unsafe workplace conditions:

fires, smoke, collapsing buildings. By its very nature the job of a firefighter is unsafe. Firefighters go where the rest of us don't want to go, be it due to fright or inability. When on the job their lives are in constant peril as they stand ready to save our lives even at the expense of their own.

Mr. Speaker, at a very young age children begin forming dreams and aspirations about what they will do when they grow up. Obviously most children who dream of becoming firefighters do not realize their childhood dream. As they grow older, the interest wanes and even disappears, or they take stock of themselves and their options and realize that their temperament, physique, or some other factor makes them less than well suited to the rigours of being a firefighter. But for those who do keep the dream alive, for those who decide that being a firefighter is more than just a childhood dream, and for those who risk their lives each and every day for the benefit of the rest of us, what is it that drives them? What is the attraction? What is it that makes them commit to a job that's often more a mission than anything else and where dangers abound? I suppose that the answers to those questions will be as plentiful as there are firefighters. The exact reasons why someone would choose to be a firefighter will depend on the person.

There is, perhaps, a tendency in contemporary society to portray firefighters as heroes. While I don't want to belittle this view in any way, I get the feeling that most if not all firefighters are uncomfortable when described that way. The way they view themselves and what they do is that they are professionals who are merely doing their job. To them what they do is their duty. Their duty, then, is to be the first defenders at the scene of a fire, and in that capacity they take educated risks in order to minimize the loss of life and property. Taking risks, confronting danger, sometimes staring danger in the eyes. There are times when danger blinks first, other times not. With some regularity we read in the papers or hear on the news that a firefighter perished in the course of trying to gain control of a fire or that a building on fire collapsed, sending firefighters to an early death. Situations like these, where firefighters die violent deaths, make for powerful and attention-grabbing headlines. They remind us that there are members of society who are willing to risk their lives so that the rest of us can live.

Not all dangers have instantaneous results, however. Far from the headlines firefighters fight dangers whose impact are felt just as strongly but which are played out over long periods of time. Mr. Speaker, firefighters are regularly exposed to numerous and highly carcinogenic substances that are released during common indoor fires. As building materials have changed over the years, the number of chemicals used in the manufacturing of these materials has increased. When there are fires, therefore, their exposure hazards are greater now than in past years. As the hot, thick smoke develops and surrounds the firefighters, hazardous chemicals are absorbed through the skin. Protective gear notwithstanding, the chemicals also have the ability to permeate the materials of which the protective clothing is made.

Studies over the past decade have demonstrated increased occurrences of six types of cancer among firefighters: brain cancer, bladder and kidney cancer, lymphatic cancer, leukemia, hemotopoietic cancer, and colon cancer. The evidence is mounting that firefighters run two and even three times as great a risk as the general population does contracting these six different types of cancer. It does not, therefore, require a leap of faith to presume that there exists a cause and effect relationship between prolonged, repeated exposure to certain kinds of carcinogens and increased occurrences of the types of cancer I just mentioned.

It would seem reasonable to grant presumptive status to claims for firefighters involving any of these types of cancer. At the present

time, however, Alberta firefighters who are diagnosed with any of these types of cancer do not have such a presumptive status. The situation they face is anything but streamlined. When a firefighter is diagnosed with cancer, the onus lies on the firefighter to prove that the cancer was caused by his or her occupation in order for him or her to be able to make a claim for assistance from the WCB. In Alberta no cancer has presumptive status for any fireman wishing to receive workers' compensation benefits due to the contraction of these cancers.

4:30

Bill 202 would require that in cases where a firefighter files for WCB benefits due to these cancers, the WCB presumes that these injuries are occupational cancers, the dominant cause of which is employment as a firefighter. The firefighter would receive presumptive status regardless of how long he has worked as a firefighter as long as cancer was not detected at the time of his or her initial physical exam. This is where an already difficult situation is made worse: but for very large fires fire departments in Alberta do not keep track of every fire that erupts, let alone perform a rigorous analysis to determine the chemical makeup of each and every fire. However, this is just what the WCB requires. These are the kinds of details that the WCB expects the firefighters to produce in order to substantiate their claims.

So, Mr. Speaker, this is how an already onerous adjudication process becomes bogged down in an information-gathering process. Why? Is it really necessary that when those who stand prepared to sacrifice their lives for the rest of us but are no longer able to do so because of illnesses they contracted as a result of doing their job, we make them jump through hoops? I don't think so. This, however, is exactly what ill and sometimes dying firefighters are forced to do. After years of serving this society, they now have to not only suffer the consequences of exposure to toxins but also suffer through needlessly long waiting periods while WCB assigns caseworkers and investigates their claims. Is this the way to treat people who are so prone to being called heroes?

Last year, Mr. Speaker, our colleagues in the Manitoba Legislature passed Bill 5, which gives presumptive status to firefighters with WCB claims involving brain, bladder, or kidney cancers as well as non-Hodgkin's lymphoma and leukemia. The act allowed the Lieutenant Governor in Council to set a period of service thresholds for firefighters who made claims related to each cancer. In the United States 23 states have enacted presumptive legislation that goes further than would Bill 202, were it passed into law.

Mr. Speaker, I understand there are concerns that granting presumptive status to firefighters' cancers will lead to calls for similar measures to be extended to other groups. Let me reiterate my earlier point. Firefighters are the only group of professionals in society that do not have the right to refuse unsafe working conditions. If Bill 202 can be construed as a special and unfair benefit to a small group of people, we need only remind ourselves and others of the work they do on our behalf day in and day out.

Another concern is that all of a sudden there will be an outpouring of claims for WCB benefits. Let's face it. No one wants to have cancer. Cancer claims aren't going to appear mysteriously out of nowhere if Bill 202 is passed. Current statistics bear this out. Each year 1.8 of every 1,000 firefighters are diagnosed with cancer. In Alberta there are roughly 2,300 firefighters. Using simple math, then, it can reasonably be assumed that four cancer cases involving firefighters would be brought to the WCB's attention in Alberta each year.

I believe that Bill 202 is right for Alberta. I support it wholeheartedly and ask all of my colleagues to do the same. We owe it to our

firefighters to pass Bill 202. I've worked with firefighters for the past 24 years in my career as an inspector and member of the Calgary Police Service, and I truly appreciate them being here today and truly do honour and respect the job they do.

Thank you, Mr. Speaker.

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

Mr. Cao: Thank you very much, Mr. Speaker. It is my great pleasure to rise today to speak on Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003. Firefighters provide safety to our communities. They cannot refuse the tasks in their jobs. It is a selfless job with numerous risks. These individuals put themselves in danger to save lives and ensure the public's safety. Firefighters go well beyond the call of duty, oftentimes putting their lives in jeopardy without possibly knowing the severity of the situation. This danger extends apart from the immediate risk. The unknown hazards are even more alarming, long term, and can be more destructive to the human body. I commend the MLA for Calgary-North Hill for bringing this legislation forward for discussion and debate.

Mr. Speaker, there have been several major industrial fires in my riding. During the years I have made many visits to the Calgary fire stations and the Calgary Firefighters Association headquarters in my riding. The most recent public poll in Canada indicates that 96 percent of the public are saying that among 20 professions firefighters are the most trusted. I share the public's feeling, the appreciation for the firefighter.

Through its awarding of presumptive status, Bill 202 will aid in providing a compensation process to firefighters, balancing their dedication and commitment to public safety at the very high risk of their own life. Mr. Speaker, my head tells me to ask the Member for Calgary-North Hill, who introduced the bill, to continue to work out the issues of different categories of firefighters, the definition of illness coverage as it relates to other professions. My heart tells me to support this bill. I encourage all my colleagues to vote in favour of the Workers' Compensation (Firefighters) Amendment Act, 2003.

Mr. Speaker, let me go into a bit of detail for my reasoning. Bill 202 would provide presumptive status to firefighters who choose to receive workers' compensation benefits upon developing brain cancer, bladder or kidney cancer, lymphatic cancer, leukemia, hemotopoietic, and colon cancer. Bill 202 would grant firefighters with just compensation for their dedication and devotion to the safety of our community.

I would like to address today two main issues concerning firefighters. First, I would like to speak about their work environment, and second, I would like to highlight the diseases and the medical concerns stemming from the working conditions firefighters face. Mr. Speaker, fire fighting is an extremely dangerous occupation which involves exposure to toxic chemicals and physical agents in concentrations that are unparalleled when compared to other work environments. Firefighters, while upholding public safety, are exposed to a vast variety of dangerous chemicals. This list of substances includes polyvinyl chloride, benzene, formaldehyde, pesticides, polycyclic aromatic hydrocarbons, asbestos, and the complex mixture of carcinogenic substances that emerge from the combustion of synthetic and plastic materials. All of these materials are commonly found in a variety of different fire sites.

Current fire circumstances are far more complicated than those of the last 50 years or even more so of those in the last 20 years. The reason for this change is due to the introduction of more than 70,000 synthetic chemicals to the marketplace. However, what is alarming is that the majority of these materials have never been tested for

possible toxic effects, while the long-term effects of the materials that have been tested are still not defined. In fact, a study by the U.S.A. National Academy of Sciences found that no data was available for the carcinogenicity and toxicity of 80 percent of the chemical substances in industrial use today.

Mr. Speaker, the lack of toxicity information on chemicals in commercial use signifies that firefighters are subject to chemicals with unknown outcomes. Firefighters in our communities are not only exposed to carcinogens, but these individuals put themselves in surroundings with materials whose disease potential is yet to be identified. Practically every emergency situation faced occupationally by a firefighter has the potential for the exposure to carcinogenic agents. This exposure occurs most typically through inhalation; however, some of this material can penetrate the skin.

4:40

Changes in the nature of fire fighting have altered due to the development of plastic materials. Firefighters in our province can expect to encounter plastics in every fire they fight. Just pause for a moment and think about the plastics in a typical room, let alone in an entire house or a building. The problem occurs when the plastics are exposed to heat. These materials become dangerous as decomposition begins, releasing a myriad of hazardous materials. Aldehyde, cyanide, acid gas, carbon monoxide are just some of the toxins that are released. These fumes are generally invisible and, in the case of carbon monoxide, odorless, thus appearing harmless.

Mr. Speaker, firefighters know very little about the identity of the material they are exposed to or the possible hazards that exist with it. Nevertheless, firefighters across the province continue to respond to the scene to save lives and reduce property damage with no regard to their own potential risk in the process. A firefighter's work environment is unique in that it is unlike any other. A fire has no workplace control or occupational safety and health standards to follow. It is an uncontrollable environment that firefighters confront day after day. These community heroes not only have to deal with great personal danger and inherent urgency entering hazardous situations from which others are fleeing and have no ability to schedule work or minimize stress, but they also put themselves at risk of developing chronic fatal diseases.

Bill 202 would guarantee the benefits to firefighters who contract one of the highlighted cancers. The bill would eliminate inconveniences and complications of cancer claims to the Workers' Compensation Board. Firefighters would receive adequate compensation while bypassing the troublesome process. Alberta is a province that values each of its citizens. Firefighters provide a special service to our province. They enhance the public safety of our communities. These individuals play a special role in the well-being of our families, friends, and neighbours.

Mr. Speaker, I would now like to shift my focus and address the diseases associated with firefighters and their work environment. It is evident that the full extent of occupational cancer risks for firefighters is not known. It is likely that in the years to come and research to follow, more cancers will be found prevalent to firefighters. Nevertheless, despite the gap in scientific information available, it is apparent that firefighters have a considerable risk of contracting occupational cancer. Each of the cancers outlined in Bill 202 has been linked biologically with the carcinogenic chemical exposures encountered by firefighters in their work environment. Cancer is characterized by unrestrained growth and chaotic multiplication of cells in human bodies.

I recommend that our hon. members vote for the bill. Thank you.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. It's a pleasure to be here today and rise to speak on Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003 sponsored by the Member for Calgary-North Hill. I'd also like to add my welcome to all the members from the various departments from around the province. It's good to see you all here today.

Mr. Speaker, this bill is one which I feel will be talked about immensely over the coming weeks and months. It's an important issue, one that must be discussed at great length. Those of us who are voting on this issue must do so with both knowledge and sound judgment, and to make the right decision, we need to hear all of the arguments involved. I appreciate all the previous comments of the speakers before me and particularly those of the Minister of Human Resources and Employment for providing his perspective on this issue.

Our decisions, like all those we make, must be just to all Albertans. Bill 202 would amend the Workers' Compensation Act to ensure that brain, bladder, kidney, lymphatic leukemia, hemotopoietic, and colon cancer have presumptive status for any firefighter wishing to receive workers' compensation benefits due to the contraction of these cancers.

Mr. Speaker, firefighters are here within our society. They put themselves at risk every single day and in most cases in disregard for their own safety. They ensure that the public is safe, and they think nothing of charging into a burning building to ensure that there's no one in harm's way. Firefighters put others first when it comes to their line of work. They routinely think nothing of sacrificing themselves for the benefit of others, and in their line of work dangers are always lurking. Whether those dangers are flaming buildings or collapsing structures or the diseases that are associated with the job, firefighters think nothing of it when they put the public safety in the forefront of their minds.

This bill, as I have mentioned, would change the way that WCB deals with firefighters who have cancer. Currently those cancers which I listed earlier – and I don't want to have to repeat them again – do not have presumptive status, meaning that if a firefighter is found to have cancer, they have to prove that they contracted it from their line of work. A firefighter can receive WCB benefits, but the onus is on the firefighter to prove that the job caused the cancer. Bill 202 would put the onus on the WCB to prove that the firefighter did not contract the cancer from fighting fires.

Mr. Speaker, there have been many studies over the past decade that have linked cancer and the occupation of fire fighting. Firefighters are regularly exposed to numerous highly carcinogenic substances that are released during very common indoor fires. These are the sorts of fires which firefighters deal with every single day. One such study which looked at this very issue was conducted in Ontario by the industrial disease standards panel, whose report detailed the connection between cancers and heart disease and the occupation of fire fighting. In 1999 the Harris government accepted portions of that 1994 report, which in part recognized that brain and lymphatic cancers should be afforded presumptive status within the Ontario workers' compensation legislation. The Ontario government, however, did not agree with that portion of the panel's findings. In Ontario the unions representing Ontario firefighters came to the panel because they believed that there was scientific evidence available to establish that fire fighting contributes to heart and lung disease. As part of its investigation the panel did a study of mortality among Toronto area firefighters between 1950 and 1989, and the study revealed that there were significant increases in brain cancer. It also found that a variety of other cancers were increased in firefighters.

The study discovered that firefighters are exposed to a wide

variety of cancer-causing chemicals. Chemicals in fires are extremely varied as they depend upon the type of fire and local physical conditions. For instance, synthetic materials such as polyethylene and polyvinyl chloride have been widely used since the early 1950s in furniture and building construction. Mr. Speaker, these substances are often more dangerous when they are smouldering than in high heat.

One must note that firefighters wear self-contained breathing apparatuses when they are fighting these initial stages of a fire, but they take this apparatus off when the main work is done. As they can fight a fire when it is smouldering, the breathing apparatus is removed because they are cumbersome and slow the work down. This means that firefighters are exposed to very dangerous yet common chemicals when they are battling a fire in its final stages, the smouldering stage. Synthetic materials cause a number of hazardous chemicals, such as hydrogen cyanide and hydrochloric acid, that are released during this stage. These chemicals are prevalent at fire sites. As well, concrete retains heat and gases like a sponge, then releases toxic fumes as the cooling takes place and for long periods of time after the fire has been extinguished.

4:50

Mr. Speaker, the panel found that firefighters are constantly exposed to hazardous chemicals, chemicals which pose a significant threat to their health. The panel also detailed how firefighters are exposed to chemicals that are particularly dangerous, ones that are known to cause cancers, which Bill 202 seeks to give presumptive status to. One of the most dangerous chemicals is polycyclic aromatic hydrocarbon, or PAH. PAHs are found disbursed in nature, and they are formed during the combustion of many organic materials and high temperature processing of crude oil, coal, and coke. They also occur in tobacco smoke and grill smoke and fried foods. Links have been made to suggest that PAH exposure can cause leukemia and cancers of the bladder and kidney. The scary part is that these hydrocarbons are found in something that all firefighters are exposed to in high amounts almost every single day. Polycyclic aromatic hydrocarbons are found in soot, and all fires create soot. There is no doubt in my mind that firefighters are exposed to a high level of PAHs, and these chemicals can cause cancer.

The statistics show also that there is a significant excess in mortality in firefighters from esophageal and liver cancer and leukemia. The link was made from another source. It was found that chimney sweeps who are exposed to very high levels of soot have higher levels of leukemia and esophageal and liver cancer. What the panel ultimately found was that there was evidence that many of the chemicals that firefighters are exposed to are known to cause cancer in humans. The statistics of the panel showed that mortality rates in firefighters are higher, and many die from diseases that are caused by chemicals that they are exposed to.

There are many different studies that show that the chemicals firefighters are exposed to are cancer-causing agents. Of course, it's very difficult for anything to be proven beyond a shadow of a doubt. This being the case, it remains difficult for firefighters to prove that the cancer they have was contracted through their line of work, so, Mr. Speaker, I don't believe that the onus should be put on a firefighter to prove that his or her cancer was caused by their line of work, even though there seems to be ample evidence to support their claim. If a firefighter gets cancer, he should not have to worry about dealing with the Workers' Compensation Board and getting their benefits. They have other more important things to deal with, like treatment and family. Let the WCB take care of finding the statistics and the evidence to prove that the firefighter's cancer was caused by another source.

I think Bill 202 is an important step for our firefighters. They work extremely hard to protect our society and our loved ones from death and destruction. As I said from the outset, we should not be in a rush to pass judgment on this bill without looking over the facts. This being said, however, there seem to be ample statistics out there that show clearly that the work firefighters do can cause them to get sick, and if firefighters are getting sick from that job that they do, then they should receive WC benefits for it. I do realize that this can be very expensive and cost employers as well as the WCB large amounts of money, but the stats do show a link. I think the onus should be put on the WCB to prove that the firefighter's cancer was caused by some other source rather than the job. I urge all members to vote in favour of this bill.

Thank you.

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

Mr. Lukaszuk: Thank you, Mr. Speaker. It's an honour to join the debate on Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003, sponsored by the hon. Member for Calgary-North Hill.

It is difficult to properly and completely articulate the importance firefighters have made in preserving the safety and value of Alberta communities. As we all know, they are usually the first to arrive at an emergency scene and are capable of performing many basic medical procedures as well as fighting fires. I believe that every reasonable attempt must be made to preserve the well-being of Alberta's firefighters. However, the presumptive status proposed in Bill 202 sets a dubious precedent for future policy directions for the WCB. It is also a matter of WCB policy and not legislation.

The firefighter would receive presumptive status as long as cancer was not detected at the time of his initial physical exam. If Bill 202 were to pass, developing cancer would become an occupational injury. Mr. Speaker, I am a little mystified by this assumption. There is an incredible amount of research related to the causes of cancer and cancer treatment.

For the sake of time of this Assembly I would like to focus on the causes of six cancers that some researchers link to firefighters. The only established environmental risk factor for brain cancer is radiation. Other environmental factors have been suggested as risk factors only, yet no conclusive evidence exists that clearly implicates these factors.

People with weaker immune systems have an increased risk of developing lymphomas, which are cancers that develop in the cells of the immune system. However, researchers have been unable to determine why this is the case.

Workers exposed to certain chemicals or electromagnetic fields over a long period of time are more likely to develop leukemia. Again, Mr. Speaker, this research is open to interpretation and not yet fully conclusive.

Researchers have also found that people with a mother, father, brother, or sister with kidney cancer also have a higher risk of developing the disease themselves. There is also a link to manipulation in the genetic structure of the body's cells that passes from generation to generation.

There are also instances where certain groups are likely to develop cancer, but doctors aren't sure why. For example, tall people have a higher risk of developing colon cancer. On the other hand, people who maintain a healthy weight have a lower risk of colon cancer as well as kidney cancer. Again, researchers are still trying to find out why this is the case.

Workers in the rubber, chemical, and leather industries are at risk of developing bladder cancer. So are hairdressers, machinists, metal

workers, printers, painters, textile workers, and truck drivers. If Bill 202 were to pass, this Assembly would have to address the specific concerns of these industries as well.

Finally, Mr. Speaker, how would the presumptive status proposed by Bill 202 apply to firefighters who use tobacco products? People smoking cigarettes have a higher risk of kidney cancer. When they inhale, chemicals filter into their urine, and those chemicals cause cells in the kidney to become cancerous. The chance of getting bladder cancer also increases for people who use tobacco products.

In no way am I trivializing the horrible process these people must go through as they battle various forms of cancer. However, I cannot find any proposals in Bill 202 that are designed to prevent cancer from happening to more firefighters in the future. It seems to me that Bill 202 is more reactive than proactive.

Currently firefighters, like any other persons contributing to the Workers' Compensation Board, can make a claim that their cancer is related to their occupation and can receive WCB benefits. However, the onus lies on him or her to make a claim for assistance from the Workers' Compensation Board. Such claims are being accepted now. The Workers' Compensation Board assesses compensation claims on a case-by-case evidentiary basis. The Alberta WCB accepts disease claims from firefighters, as it does with all claims, on an evidentiary, not a presumptive, basis. Perhaps there may be a way to alter policies to make the claim acceptance procedure faster and more user friendly for firefighters without passage of legislation.

Mr. Speaker, some groups have made a strong case that there may indeed be a probable association between certain types of cancer and the work firefighters do. The list of high-probability or probable association includes brain, bladder, kidney, and colon cancers.

Some provinces, such as Manitoba, have embraced presumptive status for firefighters and enacted legislation similar to Bill 202. That does not mean that we should follow, but rather, perhaps, we should lead in Alberta. Bill 202 dramatically conflicts with the policy directions of this government and the WCB. There has not been any legislation passed which grants presumptive status to any occupational group such as that proposed in Bill 202. Although there are provincial governments who have moved towards presumptive status for firefighters, there remains the danger of doing too much without proper information. Alberta is taking a different route. This government has heard the concerns of Alberta firefighters regarding the amount of detail required by WCB for its settlement. I believe that firefighters would be better served working with WCB to improve and standardize the adjudication process of their claims. It is also important to note that the WCB has also heard the concerns of firefighters and continues to communicate with the firefighters' representatives. Progress is occurring in making assessments more quick and effective. To date all claims have been accepted.

Mr. Speaker, my concerns do not simply lie with the increased costs to compensate firemen battling cancer. I worry about the impact this would have on the WCB as a whole, its independence from political interference, and other industries around the province which contribute to WCB premiums and don't have presumptive status. Cost should never be a concern when just compensation is considered.

5:00

There are other questions that need to be addressed that are not covered in Bill 202. For example, not only should we be asking what, exactly, causes the cancers; we should also find ways to prevent it from happening in the future. Finding effective ways to help firefighters avoid developing these cancers should be this government's and WCB's number one concern. Further, the

presumptive status proposed by Bill 202 fails to appreciate the effect this policy shift would have on other industries and tradespeople contributing to WCB.

The first example I can think of is the oil industry. There is a long list of toxins and chemicals that people work with every day. If another research study revealed cancer in these industries, legislators would be compelled to give people in the oil industry presumptive status because the precedent would have already been set with firefighters. As I mentioned before, the National Cancer Institute in the United States has made a link between bladder cancer and working in the rubber, chemical, leather, printing, and painting industries. Legislators would be compelled to extend presumptive status to these hardworking Albertans as well.

In closing, Mr. Speaker, I believe that this bill conflicts with the Workers' Compensation Act in that the act does not give presumptive status to any other occupation. Bill 202 is unfair to all members of the WCB due to the fact that it does not address the claims of other occupational groups whose members work around chemicals or environments deemed to be cancerous. I am sure that every member in this Assembly would agree that firefighters are remarkable people and play a large role in preserving our communities, but I do not believe that they should be exempt from the overall policy framework of the Workers' Compensation Act. To do so would set a dangerous legislative precedent for other industries contributing to the WCB. Changing WCB policy is the proper method to address the firefighters' issue.

Thank you, Mr. Speaker.

The Speaker: Well, the time has expired.

I'd now invite the hon. Member for Calgary-North Hill to close debate on Bill 202.

Mr. Magnus: Thank you, Mr. Speaker. There have been a number of questions that have been raised within this portion of the bill, which is second reading, and to the principle of the bill. I guess I've been listening to some of the debate and the argument, and I have to question some of the comments that came out.

When we're talking about the principle of presumption and to shift the onus now onto the WCB to in fact prove that a firefighter did get his cancer somewhere else – I'm told that that isn't necessary by a number of the speakers, but we have had a period of time now where we've had presumptive association within the WCB itself. What that presumptive association was supposed to do was, in fact, allow firefighters who get cancer on the job to lessen their burden of proof, if you will. I guess that my problem when we start talking about that is quite straightforward in that that onus, which is currently on the firefighter – it's almost like an individual fighting the great big body that is the WCB, and I have difficulty with that. When we get into the discussion about the floodgate argument, where it's going to make all kinds of other professions come into the WCB and request compensation, well, you know, it strikes me that if you're a worker in Alberta or anywhere in this country and you get sick from your workplace, is it not what the WCB was originally intended to do and originally set up for, to pay those people who, in fact, got sick in their workplace?

The third point that I would like to address has to do with the volunteer firefighters. You'll note that the last paragraph in the bill asks for a study. Now, this is the same study that is within the Manitoba legislation, and it's not my intent to have the WCB go out and do an entirely similar study. However, I would like the study done in conjunction with their WCB so that we get, in fact, the best study that it's possible to get. That study, of course, within the bill asks that the board come back in three years' time to this Legislature

with a report, and I'm sure there will be a number of members that are looking forward to that.

Mr. Speaker, firefighters are unique and special. I think it's been mentioned a number of times how firefighters don't have a choice. If you're in any other profession in Alberta and your employer asks you to go into an unsafe working condition, quite simply put, they are turned in, in fact, to the government of Alberta through the labour minister to go forward and tell that employer: you cannot make your employees work in unsafe conditions. Firefighters are the only profession in this land where, in point of fact, everything that they do is unsafe.

I've heard a number of comments about breathing in the smoke. It's not just the breathing in of the smoke, or you'd probably have lung cancer involved in that list of six, and it would probably be a list of seven. If you've ever seen a firefighter coming out of a fire, even with the breathing apparatus, with the best equipment a firefighter can wear today, their whole body is covered with soot for not one, not two, but three days. It can go that long, Mr. Speaker, and that soot is, of course, laden with carcinogens and toxins.

When I've met over the last period of time, actually probably the last year and a half or so, with firefighters, like many of us here I've developed a huge respect for them. I think that they are the most solid, upstanding individuals, collectively and individually, that I've ever met in my life, and while I would like to thank many of them today, my five minutes is winding down. I'll do my thank yous at third reading, assuming we get that far, of course, Mr. Speaker.

I'd like to point out that some of these very, very special individuals have spent a lot of time over the last couple of months, frankly, going to funerals. On Friday in Winnipeg a memorial was held for the first firefighter that was ever paid benefits by the WCB in Manitoba. His name was Captain Rick Stoyko, and a number of our firefighters, of course, from Alberta went, a number of the people that I can call friends today.

Their job is difficult at the best of times, impossible at the worst of times. I won't mention, of course, that date in September, but for anybody that had an opportunity – and I think everybody in this room, everybody in the world had an opportunity – to see some of those pictures, in particular a picture of a fireman sitting on a curb with his face absolutely blackened by the soot, the toxins, and the chemicals from that horrendous fire, you would understand where they're coming from. This is an accumulated exposure. It's not something that is a onetime event.

I would like to thank all the members here for sitting very patiently through what has been two hours of very, very illuminating discussion. As I say, I'll thank my firefighters and the people that have helped on this bill as we go along. I'd like to call the question, Mr. Speaker.

[The voice vote indicated that the motion for second reading carried]

[Several members rose calling for a division. The division bell was rung at 5:08 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Bonner	Jacobs	Nelson
Broda	Jonson	Norris
Cao	Klein	O'Neill

Carlson	Kryczka
Cenaiko	Lord
Danyluk	Lougheed
Evans	Magnus
Forsyth	Marz
Fritz	Maskell
Graydon	Massey
Haley	Masyk
Horner	Melchin

5:20

Against the motion:

Abbott	Friedel	McFarland
DeLong	Herard	Snelgrove
Doerksen	Lukaszuk	Strang
Dunford	McClelland	Vandermeer

Totals:	For – 35	Against – 12
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[Motion carried; Bill 202 read a second time]

Bill 203

School (Compulsory Attendance) Amendment Act, 2003

The Speaker: The hon. Member for Little Bow.

Mr. McFarland: Thanks, Mr. Speaker. It gives me a great deal of pleasure today to rise and sponsor and participate in the discussion for Bill 203, the School (Compulsory Attendance) Amendment Act, 2003.

The purpose of this bill is to amend the existing School Act in order to accomplish three objectives. First, it would raise the mandatory school attendance age from 16 years to 17 years old. Second, the bill would apply this age requirement universally and consistently. As it currently stands, the School Act allows the school board or in some cases the Minister of Learning discretion to excuse mandatory attendance before age 16 for sufficient cause. Third, Bill 203 would eliminate the use of attendance boards. Currently attendance boards offer school authorities a method to resolve attendance disputes without immediate use of court action. Eliminating these boards would make school boards more accountable for ensuring student attendance. Let me stress, Mr. Speaker, that it should be the goal of every parent or guardian to see that their child graduates from high school and, hopefully, pursues some type of postsecondary education.

Mr. Speaker, we've had a long afternoon. I have a longer speech than I have time left, and I would at this time like to move that we adjourn debate on Bill 203 until 8 o'clock tonight, and I look forward to continuing my speech later on.

[Motion to adjourn debate carried]

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I would move that we now call it 5:30 and adjourn until 8 p.m.

[Motion carried; the Assembly adjourned at 5:24 p.m.]

Legislative Assembly of Alberta

Title: **Monday, March 3, 2003**

8:00 p.m.

Date: 2003/03/03

[Mr. Shariff in the chair]

The Acting Speaker: Please be seated.

Hon. members, before I recognize the hon. Member for Calgary-Cross, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

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

Mrs. Jablonski: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to members of this Assembly members of my family and a friend. Sitting in the members' gallery is my baby girl, Krystin, and she's the mom of my granddaughter Taiya Jablonski. With them is Ian Moon, a friend of the family. They are here to hear the debate tonight on Motion 502. Would you please stand and receive the warm welcome of the Assembly.

head: **Motions Other than Government Motions**

Family Employment Tax Credit

501. Mrs. Fritz moved:

Be it resolved that the Legislative Assembly urge the government to enhance the Alberta family employment tax credit to include all children in a family in order to bring equality between families with three or more children and families with two or less children.

[Debate adjourned February 24: Mrs. Fritz speaking]

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

Mrs. Fritz: Thank you, Mr. Speaker. In closing debate on Motion 501, as I only have about three and a half minutes left, I would like to refer to the Speech from the Throne delivered by Her Honour the Honourable Lois Hole, Lieutenant Governor of Alberta, on February 18 of this year. On page 2 it is written:

This government's highest priority must be to secure a bright future for children and youth. The government will demonstrate its commitment to that priority by undertaking a range of initiatives to ensure that Alberta's most precious resource, its children, is protected and enabled to develop to its fullest potential.

Mr. Speaker, Mr. Tom Lipp, who is a constituent of Calgary-Cross I referred to in earlier debate, stated in a letter dated August 1, 2001, the reasons why the structure of the Alberta family employment tax credit must be changed.

I would like to recommend that the cap of 2 children per family be removed for the following reasons:

1. This cap disadvantages families with three or more children. Such families already have a greater financial struggle, and would make good use of any extra funds from the [Alberta family employment tax credit].
2. The removal of this cap would be in keeping with the family friendly policies of the Alberta Government.
3. The removal of this cap would be a minor contribution to strengthening Alberta's future workforce.
4. The associated implementation of such a change would be relatively simple . . .

I appreciate Alberta's leadership's desire to strengthen families.

Mr. Speaker, I now call for the question.

[Motion Other than Government Motion 501 carried]

Constitutional Reform

502. Mrs. Jablonski moved:

Be it resolved that the Legislative Assembly urge the government to investigate and implement steps to strengthen Alberta's position within Confederation.

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

Mrs. Jablonski: Thank you, Mr. Speaker. Thank you for giving me the opportunity to introduce Motion 502 to the Assembly today. Motion 502 is designed to be a conduit through which we in the Legislature can bring some of the concerns that we've been hearing from my constituents in Red Deer-North and all of our constituents to public debate.

In the throne speech delivered by our beloved Lieutenant Governor, Her Honour the Honourable Lois Hole, we heard:

Albertans want to be full and equal partners in Canada, but true partnership is only possible when all parties are respected and valued for what they bring to the table. Alberta's ability to be a partner in Canada is compromised by the current federal government, which . . . does not listen to the people of this province.

The response from the federal government to these comments in our throne speech was a very inappropriate, condescending letter from the federal Minister of Intergovernmental Affairs. His letter was, in fact, proof positive since it completely missed the point made in the throne speech that the current federal government not only does not listen to the people of this province but is clearly incapable of hearing them.

Mr. Speaker, you know as well as I do what some of these other concerns are. The Kyoto protocol continues to be of great concern to Alberta. The federal government has ratified Kyoto without meaningful consultation with the provinces. We know that Alberta will continue to do everything in its power to protect the economy and make sure that provincial control over our resources and the environment is respected before it is too late.

Another major concern is the continued bungling of the gun registry. Gun laws in Canada were among the strictest in the world. Proud gun owners registered their handguns, carried permits where needed, locked up all their guns and ammunition in separate areas, and used trigger locks. They obeyed strict regulations about semiautomatics and agreed with the laws that did not permit ownership of automatic weapons. But when Ottawa demanded the registration of every gun in Canada, including the old flintlock that hasn't fired in 50 years and hangs over your fireplace, westerners protested in large numbers. Even a challenge at the highest level could not make a difference, and now, when it was first estimated to cost around a million and a half dollars for the registry, we are facing over \$1.4 billion in costs. When my husband and I were in Miramichi, New Brunswick, this summer, home of the federal gun registry, my husband was tempted to give the same salute that Prime Minister Trudeau gave to western Canadians.

Let me put the cost of \$1.4 billion in perspective for you if you find it hard to imagine what \$1.4 billion really means. The entire Canadian armed forces budget is \$1.2 billion. One point four billion dollars for a useless gun registry and \$1.2 billion for the armed forces. Imagine what \$1.4 billion could do for our ill-equipped, understaffed, and underfunded armed forces. They might even be able to afford to replace the aging Sea King helicopters with something as nice as the two new jets that the Prime Minister bought for himself.

Another concern is the Canadian Wheat Board. I was born and

raised in Ontario, and like most good Canadians in Ontario I had no idea what Albertans were complaining about until one day I was in the hockey arena. Thank God for hockey, because I can't think of anything else that bonds Canadians together more than our hockey teams. I know that the majority of Canadians were glued to their television sets a year ago watching our two great Canadian teams, the men's and the women's, win gold medals in the 2002 Winter Olympics. It was a moment in time when all Canadians felt the same. Thank God for hockey, loonies, and Trent Evans.

But getting back to that day when I was in the Innisfail arena watching my boy play hockey, I stood next to a farmer. I mentioned that I was originally from Ontario, and we got to talking. He told me that things weren't really fair for western farmers. When I asked him why, he told me that he could sell a bushel of wheat cheaper to a farmer in Ontario than he could to his own neighbour. Well, I found that hard to believe, but it's true. In fact, it's so true that a western farmer will even get arrested and thrown into jail if he takes a bushel of wheat across the border and donates it to a 4-H club. So, Mr. Speaker, can anyone here please explain to me why western Canadian farmers have to sell their wheat to the Canadian Wheat Board but farmers in Ontario and Quebec don't?

Well, Mr. Speaker, these are just a few of the concerns that Albertans have been worried about. I don't know how many of our good, law-abiding citizens became federal criminals on January 1 simply because their guns didn't get registered. I wonder: how many guns did the Hell's Angels register?

Mr. Speaker, we haven't mentioned other major concerns like health care or Senate reform. Alberta has two elected Senators-in-waiting, Bert Brown and Ted Morton. These are the elected choices of Albertans, yet neither has been appointed to the Senate. In health care the Mazankowski report for the province of Alberta offers practical measures for the delivery of health care while the federal Romanow report has recommendations that are based on what Romanow thinks Canadians want.

On September 1, 2005, Alberta will celebrate its 100th anniversary in Confederation. We will be singing and dancing in the streets as we proclaim our Canadian citizenship, which makes us all proud. Just what does Confederation mean? In a confederation states retain their original sovereignty while delegating a limited number of powers to the new central power, which is a creation of the states. It sounds like we need to take a good look at just what has happened in the last 100 years. Maybe it's time to negotiate a new deal. What applied 100 years ago does not necessarily apply today. Our province and our country have evolved, and it's time to make this province and all provinces stronger within our country of Canada.

Indeed, Mr. Speaker, if we want to avoid separation, then we had better find a way to achieve ownership of what is rightfully ours. Not only is it important for Alberta to strengthen its position in Confederation, but it's important for all western and Atlantic provinces as well. If Albertans chose to quit fighting and accept the Prime Minister's plan of doing nothing, the final outcome is inconceivable.

The outcome for the west in the 21st century has already happened to the Atlantic provinces in the last century. When they entered Canada, they were vibrant, growing societies. The Maritimes were British North America's industrial heartland. They boasted a strong, world-class trading economy, including a dynamic and growing financial sector. The Maritimes needed trade with England to keep their economy running, but after Confederation they had trade walls built around them, and central Canada became their only major market. Their industry was bought up by corporations from Upper Canada, and when it was time to reinvest, they built factories in Upper Canada, where the population was. The Maritimes have now

become so dependent upon federal infusions of cash that they have no choice but to sustain the existing system. This is what will happen to the west if we do not act immediately. If you doubt this, just think about Saskatchewan's position today. People are leaving the province every day. Most of them are headed for Alberta. Its agricultural industry is already forgotten by Ottawa and trying not to be too alarmed by the mismanagement by Ottawa of native concerns in British Columbia.

8:10

Before it's too late, Alberta must take steps to strengthen its position within Confederation. We must be able to control our own destiny, and by taking the necessary steps, we can lead the way for other provinces. A union of strong provincial governments taking care of their legitimate jurisdictions under the Constitution of Canada will only make Canada stronger. This is a position that Quebec has argued for years. In its position paper released in January 2001, the Quebec Liberal Party stated:

The autonomy of the two orders of government constitutes the very essence of federalism. That autonomy is essential to the survival of our federation. [It] is the only thing that can help maintain it in the long run.

It's time for Alberta to take control of areas that are fully within its existing constitutional authority, areas that we have unwisely allowed Ottawa to run in whole or in part. We should, like Ontario and Quebec, consider running our own police force, with one provincial police academy of excellence. We should control our own pension plan and our own taxation system. We should force Senate reform back on the national agenda. Until we take control of our rightful constitutional powers, we will never be able to limit the extent to which an aggressive and taxation-hungry Ottawa ignores our interests. Mr. Speaker, there will be a cost to setting up the operation of a police force or a pension plan or the collection of our own taxes. Will this price be a price that Albertans want to pay, and if Albertans want to move in this direction, would they be willing to use the heritage savings trust fund to pay the cost?

There are Albertans who are talking about separation. I want those Albertans to work with us to build a strong Alberta inside the Canada that our Fathers of Confederation meant it to be. I respectfully request, for the sake of all Albertans and for all Canadians, that members of this Legislature support Motion 502 urging this government to take steps to strengthen Alberta's position in Confederation. I know that the majority of Albertans share a strong belief in Canadian unity and would do nothing to compromise it, but, Mr. Speaker, to do nothing is to compromise Canadian unity. Please support Motion 502.

Thank you.

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

Ms Carlson: Thank you, Mr. Speaker. I like the Member for Red Deer-North, so I have to say that I'm very surprised that this is the position she came out with in a motion that I thought had very honourable intent. I expected her to act in the role of mediator or to say: "Just a second. We have to think about how we strengthen Alberta's position within Confederation by working co-operatively and resolving differences." What do I get? I get the same rant from her as we get from the front bench of this government. I thought that what we were going to see here this evening was a private member on the government side who would be looking for ways to strengthen Alberta's position in a positive fashion.

Dr. Taylor: You were wrong as usual, Debby.

Ms Carlson: Well, you know what? It's interesting that the Minister of Environment would like to heckle across the floor but isn't interested in getting involved in debate. I challenge him to stand up and put his concerns and comments on the record for a change.

Mr. Speaker, when I listen to what Albertans have to say, I have to tell you that I was as surprised as the rest of Alberta with the kind of rant that the Premier recently came up with, and we saw that various media outlets had a really tough time finding people who even knew what the heck he was talking about. When I listen to Albertans, here's what I hear from them. I hear them saying that they believe they are Albertans first but foremost patriotic Canadians, that there is always a way to . . .

Dr. Taylor: Come to my constituency.

Ms Carlson: Well, you know what? There goes the Minister of Environment again, and let me tell you that I have been recently in his constituency, and I found a lot of people there who support being Canadian.

Dr. Taylor: You met with the two Liberals; that's why.

Ms Carlson: No, no. I met with a lot more than the number of Liberals that are in that area because I tell you: not too many Liberals down there. But there are a lot of people who supported this member last time who aren't too happy with the actions of his government this time. So we're seeing that as a lot more fertile ground than what it has been in the past, and don't worry; we'll be there next time.

Mr. Lukaszuk: Where are you going to borrow the money from to get there?

Ms Carlson: Don't worry about that, Mr. Speaker. We got another one who thinks he's . . . Didn't you learn your lesson this afternoon? You're going to pay a high cost for that particular speech. Perhaps you'd like to get on the record again this evening.

The Acting Speaker: Hon. members, it would really help if the person who has been recognized to speak would speak through the chair, and that would prevent dialogue or debate that's going across the floor here.

The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. It's because they are so provoking and so wrong that I'm challenged to debate across the floor with them.

What Albertans tell us, Mr. Speaker, is that they believe that Albertans desire to protect the unique benefits they enjoy as Albertans and that to do so, they want to maintain a strong provincial government but within a federal umbrella. As I was listening to the Member for Red Deer-North with her extraordinary comments, I listened to her say that we should have our own provincial pension plan, and the thought that ran through my mind was: oh, yeah; these guys would sell off the heritage savings trust fund to fund it, and then they would mismanage it just like they did with the electricity deregulation, which has only cost us \$9 billion out of our own pocket so far. And what does she say next? That, yes, maybe Albertans would like to use the heritage savings trust fund to pay for the cost. Well, that's an interesting statement.

I also have to comment on the concept of a provincial police force. [some applause] Well, once again the Minister of Environment supports something without getting on the record, so I'll put it on the

record for him. There are a lot of Albertans who like the RCMP doing the work they do within the province and believe that they do a very credible job and that they raise the standard of policing to a level that is the envy of many jurisdictions globally. I'm a little concerned that this province would think that they could duplicate the training and the resources and the kind of infrastructure that's already existing within the RCMP and is, in fact, a part of the heritage of this country for a provincial police force. I'm sure that would be an interesting debate in this Legislature, and I look forward to seeing that at some point, but I certainly won't support that particular motion, nor would I support selling off the heritage savings trust fund.

You know, Mr. Speaker, if we take a look at the record of Alaska and Alberta in terms of funds like that, the Alaska fund and the Alberta fund got started in the very same year. They got started with the very same amount of money, and what has happened subsequent to that is that Alaska has annually been able to pay a dividend out to the people who are resident in Alaska. At the same time, they have been building the fund to an incredible amount of money now. It's well over \$20 billion. What's happened to our fund? Through the mismanagement practices and the lack of inflation-proofing, we see that fund dropping steadily. It hit a high of \$12 billion. Now it's dropping, and did you ever see a red cent from that fund? I certainly haven't seen one.

Mr. Herard: Well, where have you been?

Ms Carlson: Where have I been? I've been watching the money slip through our fingers by doing a lot of things that weren't viable for a provincial government to be in over the years such as funding friends in different companies. That is not a good use of money.

An Hon. Member: How many years ago?

Ms Carlson: Well, it was while a lot of this particular front bench was still elected, and certainly the Premier was at the cabinet table, making those decisions at that particular time. So it isn't a new government we see here; it's the old government dusted off and shaken up a little bit. The good news is that . . .

Dr. Taylor: Ty is not that old, Debby.

Ms Carlson: Let him speak for himself, Minister of Environment. Maybe he needs dusting off too. Are you speaking for yourself as well? No. You only came in in '93, so you just got the tail end of those decisions.

There have been some good decisions made on the heritage savings trust fund recently, and that is to have it independently managed, and I certainly support that. I hope to see that fund grow. I do not hope to see a reversal of what has become a more positive trend with regard to the fund by these kinds of concepts that come forward be they from private members or on a government members' day.

8:20

We feel, Mr. Speaker, and the majority of Albertans when polled, regardless of who polls them – whether it's the government or whether it's media stations or whether it's think tanks – think that talk of separation is a poor signal to the rest of Canada and to the citizens of Alberta. They don't support it. This government has a tendency to fan the flames of separation when they want to divert attention from some of the real issues that we're dealing with in the province, and it's very disappointing to me to see this motion here in front of us presented in the fashion that it is.

So I reverse my earlier decision when I came into here thinking that I would be voting for this motion. I certainly will not be.

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

Mr. Snelgrove: Mr. Speaker, it's only Monday, and we've become an unruly mob. I'm looking forward to talking about this. I think that if you go back to read the title of the motion, it says: strengthen Alberta's independence within Confederation. Yet separation seems to be what the topic's become, and quite honestly in many parts of Alberta that's what it has become because we haven't had the courage to talk about Alberta as a strong province within Confederation. In fact, we haven't had the courage to talk about all the provinces positioned in a country, equal partners, strong, moving responsibility for things that are best left to local issues to them.

I can use the example of a family that raises a child or several children. You bring them up as good as you can. You get them an education. Hopefully they can get a job, and they move out on their own. They become an independent family in your community or in a neighbouring community, equal to you, still working together maybe for the health of the grandparents or sharing a cottage at the lake, but they become independent, and with the independence comes responsibility for the issues that surround a family. Well, we're just about a hundred years old, Mr. Speaker, and I think it's time that the federal colonial attitude started to reflect that we've become a mature province and we can handle issues in a Confederation best left to the lowest level of government we can.

I think the hon. member was right when she said that we have to keep the idea that there's only one taxpayer, there's only one country. Alberta, by an example, is starting the process of showing that local government is probably the best, most reflective level of government there is. The closer to the taxpayer, to the person providing the service, you can be, normally the more bang for the buck you get, and the better chance of solving whatever particular crisis or situation you're in happens to be municipal government.

Now, we can't sit here and stamp our feet and blame Ottawa for all our troubles because they're down there and not understanding that the cities and the growing communities in Alberta are faced with the same thing. They've got growth problems. In the same 40-mile radius you can have a community that can't afford to grow and one that is shrinking so bad they can't afford to keep their services running. So we're faced with a multitude of different situations, and from Edmonton I don't think we understand how to deal with it. I know we don't, and Ottawa certainly doesn't understand how to deal with different matters in different provinces. Taking a huge portion of our money to the back rooms there and collectively dividing it up into areas that they feel somehow expert on certainly doesn't work.

One of the things we say is: well, how come people don't complain? I don't think the average Albertan knows that their share of our Canada pension plan is about \$6 billion worth of equity and \$57 billion worth of debt, and we're concerned about a provincial debt that's \$4 billion or \$5 billion, and one of the biggest concerns Albertans have: get that paid off. Don't worry about your pension. A good story and a letter in the mail will look after it. We're sitting here saying: we could do better. We could do better if the people knew how to manage their money or got to watch it. You know, when you get that far away, sometimes maybe responsibility or accountability loses a little bit of – it's just gone.

Now, we can bring up the specific issues about policing or about collection of taxes. Those are all kind of incidental to the big picture. Do we believe that a dictator in Ottawa can handle people's lives better than a government closer to home? That's the crux of

the question. Who best can deliver? I don't doubt and I believe very strongly that we need a strong federal government to do the things that a strong federal government should, like a strong armed forces for defence of our country. We need to have a country that can guarantee justice and equality for everybody in Canada, but we don't need a government that says: we don't think that stealing a car is too serious, so two weeks in jail is fine. If the people have issues with crime or issues with punishment that we want to deal with locally, that's fine. We may have different priorities, not wrong, not right, but different, and I think that's how it should be dealt with.

We have an Edmonton police force, Calgary police force, absolutely world class, top-notch police forces. We can do that in Alberta. We've got as many professionals in the different occupations and professions as anywhere in the world. We would probably be as a province the place to move to. Where else would you want to go? All we're saying is that as a province by ourselves we really would have nothing but a strong province with British Columbia, Saskatchewan, and the rest of them, all understanding their responsibilities. It's like at home, Mr. Speaker. If you tell four kids to take out the garbage, it probably won't get done, but if there's one who knows that's his responsibility and he's accountable for it, it probably will.

Well, in this country we have people that are federally responsible, or irresponsible, for the environment. We have a provincial government that's responsible for environmental issues. What good does the overlap do the average taxpayer? There's one taxpayer, Mr. Speaker. What good does it do to duplicate the entire health administration? It does none. It doesn't put a doctor in a hospital. It doesn't put a bed under a patient. It does nothing except create egos out of people that spend other people's money in a way that might make them feel good.

So having the discussion about: what do you do best, what do we do best? Maybe all the provinces aren't as far along the line of evolution. There may be a province that says: "You know, quite honestly, we don't feel that we're responsible for our environmental concerns. We really appreciate the federal government being here. Please look after forests." That's fine. That's a cost benefit. That's a results analysis you can do, and that's your business as a province. But the opportunity to set out the environmental standards and situations your people live in should be put as close to the people there as possible. We may have a province like Alberta that feels that it's very important to have strict environmental standards, probably some of the toughest in North America. That's our decision to make.

Dr. Taylor: The toughest.

Mr. Snelgrove: The toughest. Especially if you happen to leak a little bit of PCB out on someone at a stadium. Man, I'll tell you; I wouldn't want to be building the jails to look after those people.

We have to talk a little bit, too, about the condescending attitude of the federal system now, how they deal with the less fortunate people. They deal with them by raising the RRSP limits for the wealthy. Now, that makes no sense. At least as a province of Alberta we've raised the basic exemption up to a level that's probably still below what it should be, and what happens in a federal system? "No, no. Let's give everybody making \$60,000, \$70,000, \$80,000 a little bigger break. Let's keep as many programs as we can to keep the people in poverty in poverty so our bureaucrats have a job and keep the basic level low." It makes no sense to take money off the top and keep the poor people – \$6,800 exemption? Honestly, give them a break. Let's start to reflect what the actual need is out there.

We have programs the federal government uses for sponsoring students. Then why do we? If we're responsible for it, let's be responsible for it. Let's decide who's going to pay what bill, and then let's have only one level of government do it. The fuel tax. In Alberta it's a very good idea to determine how much you'll spend on transportation. If we had all of the fuel tax collected in Alberta, our transportation system would not be any problem at all. Ten cents goes to Ottawa; 3 cents comes back. Or build the roads. If you're going to tax, build the roads. They don't do either. It would be a wonderful position to be in.

8:30

Dr. Taylor: Tell us where the 7 cents goes.

Mr. Snelgrove: The Minister of Transportation hides it on his farm in Vegreville.

Why do we have two layers of tax and a GST on fuel for a road tax? It makes no sense. As long as they don't have to be here and watch what goes on, they can take it. It basically boils down to this. In our area here with 83 people we're probably within a few hours and in many cases a few minutes of the people we represent. Many town councillors are in the same situation or even closer. How often are we able to meet or see our federal representatives? If you're from where I'm from, the fellow has an area about the size of Prince Edward Island to cover. It isn't physically possible for them to get to the communities, to see the concerns the communities have, yet so much of their lives is controlled in Ottawa.

There's really no need for it. Move the responsibility back to where the people are paying the bills, where they're aware of what their needs are. I think that can be done by having a province that's on an equal and fair footing with all the other provinces in Canada. It's not that you need special favours. I think Quebec went about this in, I guess, for them a very good way, but quite frankly out here I think we get very sick of the 'never-endums.' They have them down there until they get their way. Well, we don't need that. We want to have the discussion about Alberta within Canada.

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

Mr. MacDonald: Thank you very much. It's with a great deal of interest that I join the debate this evening on Motion 502, Alberta's position within Confederation. The remarks from the hon. Member for Red Deer-North are curious, certainly, to say the least. I understand that later this month the Progressive Conservative Party is having their convention in Red Deer. I don't know whether this is some sort of advance idea or not, Mr. Speaker, but certainly there are going to be lots of people there, and one of the main topics of discussion will be, from what I understand, the threat from the right, from the Alberta Alliance. I see this motion as nothing more than . . .

Mr. Ouellette: There is no threat.

Mr. MacDonald: Now, the hon. Member for Innisfail-Sylvan Lake said that the Alberta Alliance is no threat. Certainly, from what I'm hearing, they're working very hard, and they're organizing at the grassroots level in constituencies such as the one that the hon. member represents. I think they may be a threat. The more people that are involved in the political process, I say, the merrier.

Certainly, when we think of what was written recently in *Insight into Government* by Mr. Rich Vivone and, particularly, the latest edition from last week and the talk in the corridors – now, this is a very interesting news magazine. It's put out on a weekly basis, of

course, and the highlight, really, of my Friday is getting a chance to have a review of this. There has been much comment, certainly, about the comments of the separatist element in Alberta from the throne speech. Now, *Insight into Government* asks the following question, Mr. Speaker: "Why did [the throne speech] give profile to the tiny separatist element?"

It follows that with another question: "Is it because Alberta's role in Canada will be discussed at the Conservative convention in March?" This is a political motion, if I ever heard one in this Assembly. Now, Mr. Speaker, I'm quoting again from *Insight into Government*: "Is it because the Alberta Alliance is now officially a political party and have a leader – Randy Thorsteinson of Red Deer?" Now these events could be related.

They ask another question: is this idea of separatism just "another windy attack on Ottawa?" When you consider Alberta's position in Confederation and when you consider the unfortunate drought as a result of climate change that occurred in this province in the last number of years, the severity of that drought reached its zenith last summer, and farmers from all over Canada pitched in and tried their best to help. I can imagine what they would think – it was around Ottawa where the majority of this feed, this hay, came from for Alberta farmers – about the hon. Member for Red Deer-North's speech. I for one, Mr. Speaker, follow the views of Mr. Peter Lougheed, and that is that I am first a Canadian and I am second an Albertan. I think we need to follow the example that has been set by Mr. Lougheed.

Now, the hon. Member for Red Deer-North talked about how desperately we needed Senate reform, that we had to have an elected Senate, and this is not a week after this government dismantled the regional health authority boards, dismantled them. Well, essentially they were fired. These were democratically elected people, and not all of them could make the cut. The reason given, Mr. Speaker, was: oh, there was so little interest in those elections, there was such a low voter turnout rate, and it was too expensive to maintain.

Now, if I were the hon. Member for Peace River or the hon. Member for Fort McMurray, well, I might get a little nervous if this government is apt to take a notion after they look at the election results and the voter turnout rates in the last election: oh my goodness, there's less than a 40 percent turnout in those two constituencies. This is way too expensive to maintain.

So if we're talking about democracy and we're talking about Senate reform and we're talking about an elected Senate, why does it not apply in our own backyard here in this province, to maintaining elected regional health authorities, which are perhaps spending as much as one-third of the total provincial budget of this government? That to me is a real double standard, Mr. Speaker.

Now, getting back to the original premise, I think, that's behind this motion – that is, to strengthen the support of the right wing for the government – I have to explain the contrast between the Member for Red Deer-North's comments and those from the hon. Member for Vermilion-Lloydminster. Early in February of this year the hon. member suggested that Alberta needed independence. Now, the hon. member is talking about the influence of the west on the federal political scene, and the hon. member states that the two sides of the conservative coin, the Alliance and the PC parties, need to find the middle ground. Well, that's fine and dandy, but it is my view from the remarks earlier that the hon. Member for Red Deer-North wants to push them right off that ground altogether. There's no room for people that are sympathetic to the Alberta Alliance in her political ideology.

In conclusion, Mr. Speaker, we're talking about the need to share the wealth of this province. We're talking about needing to share the wealth of this country, and each region at one time or other histori-

cally gets their time. I would like to ask – and perhaps this can be answered in debate in the next half-hour. How much did all Canadian taxpayers pay, if anything, if anything at all, to subsidize the construction of the Husky upgrader in Lloydminster, which has made an enormous economic difference to the region around Lloydminster, not only on the Saskatchewan side of the border but on the Alberta side of the border as well. How much did all Canadians subsidize the construction of that facility?

Thank you.

8:40

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

Mrs. O'Neill: Thank you very much, Mr. Speaker. I believe that Motion 502, which is entitled strengthening Alberta's position within Confederation . . .

Mr. Strang: Say that again.

Mrs. O'Neill: It says, "strengthening Alberta's position within Confederation."

It speaks to the strength of our province as we are Canadians and in the context of our great nation of Canada. Those who assume that this motion says anything about separation, I think, are making very, very dangerous assumptions, just as those who assumed that the comments about our strength within Confederation as articulated in the throne speech ever suggested any thought of separation were wrongly misguided by their own thoughts rather than by what was actually in the speech.

I think that this particular motion challenges us in Alberta to work to make sure that our federal government recognizes what a fine partner we are in this great nation. At the beginning of the 20th century Alberta assumed its place in Confederation while on the frontier edges of the nation. I believe that Motion 502 sets out how we are to position Alberta on the leading edge of a new era of Confederation, and I think we should acknowledge our strengths while we speak to Motion 502.

I would like specifically to identify in our minds and certainly in our consciences the fact that we here in Alberta have recognized through our wonderful wealth of historic sites the wonderful role that the First Nations have played in building this entire country. We have – and I would iterate it very specifically – a very large Franco-phone community in Alberta, which creates a strong tie to our eastern neighbours and to that province which was once called Lower Canada in the initial four provinces' Confederation Assembly. We also have, thanks to the efforts, I believe, of the people of Alberta, those who broke the land and who built this province, very diversified cultures represented, and we have a strong component of multiculturalism. We do in Alberta, I believe, form a wonderful part of the mosaic of Canada both by virtue of our multiculturalism and by virtue of those of us who are here to assist each other in making sure that we have one common purpose.

As for the military that was mentioned earlier and the military strength of our country, my constituency borders on the base at Namao, which is a very large base of military strength and training. A number of those men and women who work at the base, who are strong and proud members of our Canadian military, live in my community, and I would like to say that I think that this motion calls on us to make sure that the rest of the country understands the role that we all want to play in defending our great nation. We have the training; we have the personnel. We just need a little bit more money in order to encourage and strengthen that. Having said that, Albertans recognize the fact that we have and our people have a role

to play in making sure that the defence of this country is indeed strengthened from within and, I say, from a large contribution of Albertans.

I would be remiss, I think, when speaking about strengthening our place within Confederation, if I didn't speak about how strong we have been in our call for the reduction of CO₂ emissions. In spite of what all the rhetoric surrounding the Kyoto protocol would suggest to others around the country and around the world, in Alberta our position has always been that we will play our part and we will play it in spades to contribute to the quality of the environment not only in our province but in whatever we can do to improve the environment and to be good custodians of the environment right across this country.

It is a known fact that Albertans pay more in equalization payments than any other jurisdictions. Perhaps close to Ontario, but certainly we are at the top of equalization payments. I think this is a very tangible contribution that we as Albertans make to the strength of this country. It is a reaching out to the other provinces and our fellow Canadians who reside in other provinces that we are here to assist them in ways in which we can, and we facilitate it through our agreement of not only cohabitation in this country with our other provincial and territorial cousins, but we certainly facilitate it also because we believe that we are all contributing to a strong nation and to a strong Canada.

The cost-sharing for the responsibility of certain nationwide health care initiatives is a concern, and I think that's why Motion 502 is important. We all want to strengthen not only Alberta's position within Confederation or within the delivery of health care, but certainly we want to strengthen the awareness of the nation in what we are doing that is so leading edge with respect to health care delivery. The same can be said, of course, with education. These are two jurisdictions and two areas of responsibility that primarily reside with the provincial government. We feel that we are leaders in both of these areas, and we really do, though, lack the recognition from the rest of Canada for the leadership roles that we have assumed in both of those areas.

We have much work to do, and as I understand this motion, it's a rally call for all of us who reside in Alberta to respond further, to communicate better, and to identify more clearly to the rest of Canada how strong we are, how willing we are to contribute to the national good, and how important it is that our voice be heard, our voice be heard as an equal voice, as an equal partner, and as a very proven partner for all that we have done.

I want to pay special tribute this evening to the leadership that our government has shown, particularly through the Premier and the Premier's office and in particular as well through the Department of International and Intergovernmental Relations because we are a player on the national scene. We are a credible player, we are an articulate player, and we are a risk-taking player, something that a number of the other provinces are not only afraid to do but they are unable to do. That's why I think we have a challenge in front of us. We have a responsibility before us.

I would say, Mr. Speaker, in conclusion that I really and truly do believe that our position is strong, but we have the challenge to make it even stronger and even louder within Confederation. With that I would just say, "O Canada."

The Acting Speaker: The hon. Member for Olds-Didsbury-Three Hills.

8:50

Mr. Marz: Thank you, Mr. Speaker. I'd like to thank the Member for Red Deer-North for bringing forth Motion 502. This motion, as the previous speaker stated, calls for our government to "strengthen

Alberta's position within Confederation." That certainly does not speak at all of separation, as some previous speakers have suggested.

Mr. Speaker, Alberta is too often brushed aside in the federal political game. Our views and our opinions are more often than not relegated to being second class. I find this absolutely unacceptable since I believe that Alberta is the one province that keeps this country together through our never-ending support and our leadership. Yet on almost every major federal/provincial issue that negatively affects this province, we find that our interests as Albertans are brushed aside time and time again.

In fact, there's an abundance of examples throughout history. One could look back to an Alberta that came into being in 1905. The federal government was going against the wishes of those that lived in the large territory that wished to become a province. The feds saw this as a threat and divided the territory up into what is today's present boundaries in the hopes that the west wouldn't be very strong, and it seems to have worked so far.

Of course, that may seem like a tiny issue, but let's move throughout history. Alberta's not yet a hundred years old, yet we have got more problems with our federal government than what most teenagers have with their parents. Let's look at the boondoggle of the 1980s – I got that expression from the hon. Member for Edmonton-Gold Bar; he likes to use that term – when the federal government, in fact our current Prime Minister, forced the national energy program on us. I think everybody remembers that one. The NEP proved one thing, and that was that when the feds want our money, they'll try to get it at every turn. The NEP was nothing more than a glorified cash grab even though Alberta, with the backing of Saskatchewan and Manitoba, told the federal government that this would bring devastation to our economy. Did they listen? No. There are estimates that show that the NEP cost us roughly \$50 billion. Think of where this province would be right now if we'd been able to continue growing at the healthy rate we were at that time.

Of course, some argue that the NEP was good for Canada. I guess that depends on who's doing the assessment. How could a disastrous policy that is so detrimental to the province be considered so good? There wasn't even an agreement between the provinces for the NEP, yet it was pushed forward. Yet when this province puts an issue forward, we face an immovable brick wall. For instance, when our Justice minister lobbied to raise the age of sexual consent from 14 to 16, we were met with nothing but closed ears. The reason that was given to us was that there was no provincial consensus on this issue; therefore, it wouldn't happen. Yet when it benefits the federal government and knocks Alberta down a peg or two, provincial consensus doesn't seem to matter. Mr. Speaker, I've had quite enough of that sort of behaviour from our wasteful federal government. We should no longer stand for the attitude of disrespect, and we should now solidify this province into this country.

Mr. Speaker, this motion urges the government to think about policy innovation that will strengthen this province in Confederation. We can no longer sit back and let the federal government stick their fingers in our jurisdictions. For instance, implementing the Mazankowski report is a policy to strengthen this province, and having more innovative policies that challenge the status quo will ensure that we continue to lead this nation. Canada is a great country, and I believe that it could be even greater. We should be head and shoulders above many other countries in the world, but sadly we're not. We're not because the policy adopted by the federal government in Ottawa looks favourably only on a select few in this country. This should not surprise us, especially after seeing the disregard the federal government has for the majority of the provinces.

For example, a month or two ago we were told by the federal government that we would not be given health money that was owed to us, money that our health system desperately needs. They said that if we wanted the money, we must do as they say. Eventually they gave us the money but not in the form of a formal agreement. Mr. Speaker, health is a provincial responsibility, and we handle it quite well. Some would argue that the health outcomes in this province are the best in Canada. For our federal government to sit back and tell us how to run our province with money already owed to us is simply unacceptable. How much longer will we allow ourselves to be treated as unequals in this country?

Motion 502 will continue Alberta's process of changing that. The Alberta government wants to change the face of politics in this country by showing Canada and the world how to spend taxpayers' dollars responsibly. Many other provinces followed our lead to make themselves accountable to the electorate, but the federal government doesn't seem to follow that precedent. They spend outside of their means, and this is all going to put an insurmountable pressure on our future generations. I draw the House's attention to the many, many wasteful policies of the federal government, the first being the forever-cursed gun registry. We're told it would only cost \$2 million. However, reports from the Auditor General show that a possible \$998 million later we were told the truth. There have been a billion dollars lost elsewhere in the federal human resources department, millions wasted on studies with misplaced reports, and possibly billions more on implementing Kyoto. I guess we'll have to wait to see that.

Mr. Speaker, the underlying similarity of all these examples is that Alberta said to us and to the federal government: no more wasting. We listened. The feds did not. The feds continue to put policies forward that bring Canada down. From our laughable military funding to the crash and burn of our loonie, Alberta's interests and westerners' interests as a whole are just not being met.

Therefore, it's time we start taking care of ourselves while trying very hard to lead the rest of the provinces to rebuild this country. It's time to assert what are provincial responsibilities and strengthen our position in Canada. This government must begin by adopting policies that not only strengthen Alberta within Confederation but strengthen Canada as a Confederation. We must assert ourselves within this country, and I believe Motion 502 is a step in the right direction, and I would hope everyone in this Assembly would support this motion.

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

Mr. Lord: Thank you, Mr. Speaker, for giving me the opportunity to rise today and enter the debate on Motion 502, the strengthening of Alberta's independence within Confederation. Motion 502 undoubtedly strikes a chord with many Albertans and western Canadians who feel that Alberta and the west have long been ignored or even plundered by the various federal governments that have sat on Parliament Hill. It's easy to reach this point of view, especially if all we do is read the many western Canadian newspaper headlines that we are all so familiar with. We have all been indoctrinated about these grievances since we were all little kids, and no doubt we will hear more of them in the future. I'm glad that this motion does not call for separation, as we heard earlier, because I couldn't support that, Mr. Speaker, but I can support the idea that in certain areas we could use a little more independence, at least from the current government in Ottawa, particularly when it comes to their socialist and anti-American and anti small business sentiments and their pro government monopoly preferences.

However, in wondering what value I might be able to add to

tonight's debate and what I might say that might be helpful in improving Alberta's position within Confederation in coming years, I decided to suggest a very different approach to the issue tonight, one that isn't often heard. It isn't often heard because it isn't popular, and it won't make me popular, I don't expect, but I am reminded of a quote by U.S. President Abraham Lincoln that he serves his party best who serves his country first.

I think that in terms of strategy of how to win friends and influence people in Ottawa to see things our way, there are some things that need to be said about our past strategies, and in my admittedly 20/20 hindsight opinion they haven't always been the best. I'm going to ask us all to look in the mirror for a little bit over the next while. I'm going to ask us all to question whether or not we might be the authors of our own misfortunes, at least to some degree. I'm going to ask us to make sure that our historic grievances as a province actually stand up to unbiased independent scrutiny, that we aren't just looking at our side of the media story. It appears to me that some of the main grievances we all know about, such as the national energy policy, which I lived through, too, and the GST and so on, clearly have a very different other side to the story to them that we haven't heard much about, and they do get blamed for a lot of things that they didn't actually do.

The facts are that when we are very angry about something, we tend to be easy prey for those who see opportunity in fleecing the angry, manipulating us and pressing our hot buttons in order to sucker us into following their plan of action with our money and our votes.

The Acting Speaker: I hesitate to interrupt the hon. Member for Calgary-Currie, but the time allocated for consideration of this item of business has concluded.

9:00head: Government Bills and Orders

head: Committee of the Whole

[Mr. Shariff in the chair]

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

Bill 2

Financial Statutes Amendment Act, 2003

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

Ms Carlson: Thank you, Mr. Chairman. We've had a little bit of time now to have Bill 2 out in the community, to start to get some feedback on it and find out what people think of it, and it's been interesting to hear what people have had to say. We've had some people who were very interested in different aspects of the bill and some who weren't all that pleased with it, some who figured that this was just another way for this government to talk about ways to build slush funds. I would be very interested to hear what the government has to say about this, because in fact that could be a very real problem. If there are not the proper parameters put around the bill and if there isn't enough targeting for benchmarks that remain consistent from year to year in this particular bill, we could see ourselves back in the situation where we were with the heritage savings trust fund some 10 years ago, when the government and government committees decided how they would spend that in manners that are reminiscent of some of the kinds of spending we see today.

This government has a long-standing tradition of really developing

their plans from election to election. The first year they talk about how great they are. The second year they slough through all the stuff that they don't want to see become campaign issues. The third year they start the money giveaway, and the fourth year, when we're in an election year, bang. There it is, right in everybody's grubby little hand so that they can think about: "Well, maybe this government wasn't all that great in the past, but when I've got money in my paw right now, that's going to be a real advantage. Perhaps they'll be better in the future." So they vote for them again. It's an excellent election strategy, and it's an excellent way to stay in power for 30 years, but it isn't very good for the longevity of the province.

We have what is the most outstanding province in Confederation – there's no doubt about it – and we are blessed with an abundance of riches. Unfortunately, this government has had a long-standing tradition of being able to squander those riches. With what we have had, we should have had a heritage savings trust fund built up to the point in time where we had so much interest revenue coming off that money and other kinds of earned income that we would have all kinds of options today: options like completely eliminating personal income tax, options like eliminating corporate tax, options like eliminating health care fees, options like ensuring that people who are low-income families could actually live with some kind of dignity. So those are the choices that could have been made. Those weren't the choices that were made, and people are a little concerned that with this bill we may be back to the same old game. I hope not, Mr. Chairman. I hope that doesn't turn out to be the case, but we will be following the progress quite closely.

The framework that was given for the bill and the detailed plan that we had in our 2020 Vision was excellent and did lay out a roadmap that I think even this government could follow. Let's hope that they do. [interjection] Well, you've cherry-picked some of the best ideas so far, so keep on trucking, and we could all be in pretty good shape down the road. So far those kinds of things haven't happened.

I have a few concerns when I take a look at the overall flow of what this government has talked about doing with this money so far. They say things like, "Energy rebates will come out of this fund," which already, right off the bat, makes it a slush fund. I just want to talk a little about energy rebates, Mr. Chairman. We know that they are only a short-term management problem-solving tack that this government can use. Should they do it in the short term? Absolutely. Why should they do it? Because with the bungling of electrical deregulation and the way gas prices are going, we have many, many families in this province who really are making the choice between paying their electrical bills and being able to buy food and even in terms of the quality of the food that they're able to put on the table. So those are the real choices that people are having to make right now.

To people in this Assembly an increase in your bill of \$100 a month isn't going to break the bank, but there are certainly people who are living in low-income situations, the working poor, particularly, I'm talking about, those who don't qualify for day care subsidies or for subsidized housing, to whom \$100 makes all the difference in the world. It significantly makes a difference between what they can eat. Where else can they cut back on their budgets? They can't cut back on transportation. We have such a lousy public transportation system throughout this province that it's impossible to get the kids ready, get the little ones to day care, get the school-age ones to school, and then get yourself to work on time. Even if you could find a bus schedule that would actually do that, you'd have to leave at 4 o'clock in the morning, and then you'd have to expect that the buses are running on time, which, as we know, particularly in this city, doesn't happen to be the case. So it isn't like they can stop running their car.

So if you think about people's disposable income, rent or mortgage payments are fixed. Utilities are skyrocketing. They have to maintain some sort of a transportation program. The discretionary income comes on things like food and clothing. Now, who is going to say in this province that we should deny our children things like coats on their backs and boots on their feet and mitts on their hands? Nobody. But by the same token, should they have to live on Kraft Dinner for a whole month all because the government didn't plan deregulation properly? I don't think so.

So our concern is that this government started talking about deregulation a decade ago. From 1995 on, for sure, we told them repeatedly that they have to put the plan in place, that they have to tell people how the plan is going to roll out, that they have to put some certainty in the marketplace so that companies can start to build, so that we won't face situations where prices skyrocket and we're looking at brownouts and things of that nature, where there's a stable, competitive environment for businesses to thrive in. This government didn't listen. They didn't put the plan in place. They didn't do any of those things that they were supposed to do. What happened? They forced deregulation through, prices skyrocketed, and they did it on the backs of the taxpayers to the tune of what amount so far? Just additional fees for people to pay their energy bills so far for deregulation total \$9 billion. That isn't what Albertans have paid in totality for their fees for energy costs. That's just the extra cost of deregulation so far, all on the backs of people.

Now, it's a little easier for people in our income bracket or people who make more money than us to be able to foot that kind of bill, but for people who clear \$800, \$1,200, \$1,400, \$1,600 a month and are trying to raise families, that burden is enormous. It isn't like we spread the risk or the cost out, where those who can least afford to pay pay the least and those who can afford to pay a bigger share take that burden with them. That's not what happens in this province, Mr. Chairman. People pay the same amount of money, so the disproportionate weight of carrying this government's mismanagement on issues falls on the backs of the working poor. That's a real mistake, and we hope that this government has learned something from that and will have a better planning model in the future. So far there is no evidence of that. We don't see five-year, 10-year, 15-year, 20-year, how about 50-year forecasts coming out of this government in terms of sustainable development and economic planning in the future. We see three-year rolling business plans that roll right off the page every year, and we see a new set of plans come in. That isn't a very good management strategy. We hope that in the future they will improve that. So that's one cautionary note about this bill as it moves forward.

9:10

We're still hearing about P3s, Mr. Chairman, not just from people throughout the province but certainly from the government's own plan within this bill. They say that this is the kind of place where the funding for P3s, for what they see as their share of a private/public partnership, comes from. In a P3 as described by the government, the government's share is just going to be the ongoing lease payments. So tell me what sense that makes.

First of all, let's talk about the whole concept of P3s and how absolutely senseless it is from an economic standpoint to venture into them. Let's forget for a second all the evidence out there about how these P3s haven't worked in other jurisdictions or even, in fact, in this jurisdiction. Let's forget that developers are in to make a buck and that they will provide the least quality possible given the price tag that they've won the bid at and that they will retrieve as much money as they can from governments in lease payments over time. So, on the one hand, we get a product that meets the minimum

standards, doesn't exceed them, and on the other hand we're paying the best premium price that a company can negotiate with the government for the lease of these premises. Let's forget that argument for a second, which in itself doesn't make good economic sense.

Let's talk about the cost of money and what it means for governments to be able to borrow, if governments are in a position where they have to borrow, which this government isn't. With this kind of a fund that they're going to be funding their P3s out of, the money is there in a pot. They can build the structure and pay for the ongoing maintenance costs of it, and that cost over time, over the life of the building, be it 10 or 15 or 20 or, more likely, 30 or 40 years – because what we've seen is that many of the schools that are still functional have lasted for decades and decades and decades. If you amortize the original construction costs over that length of time, including the ongoing maintenance costs, the actual present value of the building is very, very low. Even if the government has to borrow, especially a government like Alberta, who's got a triple A rating, governments can always borrow money at a lesser cost than companies can. So their cost of borrowing is going to be lower. That means that their building costs are also going to be lower. So if the government has to borrow the money and then you amortize the life of that building and the cost of borrowing and the cost of construction over time, you're going to see that that cost also is a great deal less than what any kind of lease payments that they could negotiate could ever be.

It's like all of these car companies out there now pushing you to lease the vehicle rather than buy it. Why do they do that? Because people buy a newer and more costly vehicle, and the company makes more money. It isn't because it's cheaper to you as the consumer. I have never yet seen a loan agreement for a car that over a five-year time period is not cheaper than the lease payments over the five-year time period. And guess what? At the end of the day not only do you have a paid-off car, which is an asset for which you reap the benefit for however many extra years you keep that vehicle in having no capital cost outlay. You've paid less money over time than what you do over the term, which is usually a five-year term. You pay less money over that time when you include the balloon payment at the end if you want to buy the vehicle. What they really want you to do is just keep on leasing forever and ever and ever and paying them forever and ever and ever. Well, that doesn't make good economic sense. Good economic sense means you spend the least amount of capital possible to purchase the item and then you reap the benefits over the life of that item.

So what's wrong with P3s is they're just going to cost more money, not to this particular administration, because they'll be long gone by that time, but to the people of Alberta. So that means we are putting this economic burden on the backs of our children and our grandchildren. Mr. Chairman, that is just flat out a wrong way to do business. So I was very disappointed to see in this bill that this government could possibly talk about funding P3s out of this particular legislation.

What do we need them to spend the money on that they're going to accumulate in this fund? What we do need them to spend the money on is flattening out the revenue streams when we have a boom-and-bust economy. If Peter Lougheed had done what he originally said he was going to do more than 30 years ago – and that was successfully diversify the economy beyond the kind of single-based economy we had – then we wouldn't need this leveling out now that we've got. It's because we still depend on raw oil and gas prices. It's because we still depend on trees that we simply lop the branches off and ship out elsewhere. It's for those kinds of reasons that we have such a volatile economy. Had they done more tertiary

development in the early days, spent a greater amount of time and energy on that kind of development, we would have a flatter revenue stream now and we wouldn't be facing these volatile years that we have.

They are starting now to do it on the technology side, on the medical technology side in particular, and on the agrifood side in some cases, and that's a good move, but it's still just a very small piece of our revenue stream. In the meantime, we go through these boom-and-bust cycles about every five to 10 years, and if we happen to have a government in place on the day of the bust cycles, we get ourselves into huge financial problems. They don't know how to manage their way out of them. They don't know how to cut back on costs or economize in the right areas. They just lop money off the top. How this government operates the budget is like a sponge. They take all the water and squeeze it out in the dry years, but they don't really shrink the size of the sponge, and in the boom years it puffs back out to the same size and even sometimes bigger than it was before. So we don't see any economies at all, and that's a really bad thing.

So, in the meantime, until we can get a government in place that knows truly how to manage budgets and how to forecast for the future and how to provide those basic necessities that governments should be responsible for – like universal health care, like a universal education program, like good, solid infrastructure programs – then we have to have some sort of relief from the bust times, something to level out the income so that we don't see the kind of chopping and dashing that we've had here in the past 10 years in some of the core services of government. So for that, we have been advocating for a long time for a stability fund, and now we see it come forward under another name and with a couple of add-on items that look like they could be contentious in the future but, nonetheless, addressing one of the core issues that we've been talking about for a number of years.

As I hear people out in the community talking about this particular bill and what it means for us in the future, Mr. Chairman, we've seen a fairly mixed reaction. A lot of people are very suspicious. A lot of people think that this government has spent over 30 years not being able to manage the finances of this province and won't be able to do so in the future. However, there are a few people who reserve judgment in some areas and think that if this is going to be a start in leveling out the boom-and-bust cycles, then it might not be a bad plan. At this point, I think I have to reserve judgment because we'll have to see it in action.

So far this government has done nothing over the past years to inspire confidence in me, but you never know. They may be on to a good thing here, and if they just keep that Alberta Liberal 2020 Vision right beside them on the desk as they're making decisions and in the middle of the cabinet table and use it as a blueprint, then in fact, Mr. Chairman, we might not be in too bad of a position. But we'll know better once this legislation has passed and we see it works its way into the budgeting process, and they may be able to work out the wrinkles. It doesn't look like it's going to be a real problem for the next year or two the way oil and gas prices are going. It looks like we're not even at the peak of the cycle of booming at this stage, which is probably a good thing for this government. It gives them some time to figure it out, some time, I hope, to do some real long-range planning, planning that will take them beyond the next election and take Albertans into a future that could be fiscally sound, we hope.

So with those comments, Mr. Chairman, I believe I'll take my seat and see if anyone else wants to enter into debate.

9:20

Dr. Taylor: No. Keep going.

Ms Carlson: You know, the Minister of Environment is so mouthy tonight, but he refuses to stand up and enter into debate, and we really wish that he would put his comments about this bill on the record because he hasn't done so yet, and that is part of the problem.

Dr. Taylor: The whip won't let me.

Ms Carlson: You know, the government talks all the time about the possibilities of free votes and how they are their own people and they represent their constituents, and what we hear the Minister of Environment talk about now is that the whip won't allow him to enter into debate on this particular bill. Well, I have a secret for the Minister of Environment: the whip isn't here. So he could at this point in time just stand in his place and put a few . . .

An Hon. Member: The deputy whip is here.

Ms Carlson: I don't think the deputy whip is quite as tough as the whip, Mr. Chairman, so I think that probably he could take his place this evening and share a few of his comments with us. Maybe he could share his comments with regard to how the lightbulb came on on the front bench in terms of the Alberta Liberals having a really good idea that they needed to steal. We'd like to know what year that actually happened and how long it took them to be able to put the plan in place.

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

Dr. Taft: Thanks, Mr. Chairman. I'm happy to follow the comments of my colleague from Edmonton-Ellerslie and take a few minutes to raise some questions and put some thoughts on the record about Bill 2, the Financial Statutes Amendment Act. As has been widely noted, this act draws on ideas that originated with the Alberta Liberal caucus. The good ideas that they are, the government is welcome to share them, to use them, but we ask them to use them wisely. I know that's asking a lot, but we ask it anyways.

As I go through this piece of legislation in some detail and look at the different clauses, various questions arise, questions that relate to, well, different issues, some of it relating to the generalities of the bill, the lack of detail, the lack of regulations, and so on, and sometimes relating to other issues. I'm noticing here, for example, under section 1 – I'm on page 21 of the bill as I've got the copy in my hand. It's amendments to the Fiscal Responsibility Act. Let's see; it'd be 2(2)(a)(ii). In any case, it says:

The total outstanding borrowings of the Alberta Social Housing Corporation pursuant to section 25(3) of the Alberta Housing Act, excluding any borrowings for the purpose of financing capital investment on or after April 1, 2003.

Now, this is excluding it from the definition of accumulated debt. So accumulated debt under Bill 2 will come to mean various aggregated amounts, but it will exclude "any borrowings for the purpose of financing capital investment on or after April 1, 2003."

Clearly what the government is doing here is letting itself off the hook. It's leaving itself a very large loophole. At least that's the way I read it. If I'm incorrect, any of the government members are welcome to correct me on this, but the way I read it, there's a great big loophole that will allow borrowing for the purpose of financing capital investment after April 1, 2003, to be exempt from the definition of accumulated debt, which seems like potentially an enormous loophole.

Mr. Herard: What about the asset? Where do you put that?

Dr. Taft: Well, one of the members from the government is asking where the asset goes, and I don't know. If you know the answer to that, I'd be happy for the explanation.

Likewise, the following section excludes "any debentures issued for the purpose of financing capital spending by school boards on or after April 1" from the definition of accumulated debt. Again it raises the same questions about: are we leaving ourselves a large loophole here? As one member suggested, will there be provisions here for calculating the assets? If all of that is excluded from the aggregated amounts that form the accumulated debt, then, as I say, are we looking at a substantial loophole here? I don't know, but it makes me concerned that there is that loophole here.

I'm also noticing that in the definition proposed for accumulated debt, there's no mention here or anywhere else in the bill, I think, of what's come to be called the infrastructure debt. It would be interesting to see some reference to that. I see the Minister of Infrastructure is in here today, and he might want to comment on why there's no reference to that issue in this bill. Maybe it will be handled some other way, and maybe it's not of immediate concern for the government. I know the government and many others have questioned the whole concept of infrastructure debt, but I do think the Premier has come to accept its legitimacy. It would seem that we can, on one hand, not have any cash debt, but if our roads and public facilities and so on are in serious disrepair, then we have a different kind of a debt, and it might be nice to consider handling some measure of that in this legislation or some other legislation so that we had a full and complete accounting. Referring back to one member's comments about the assets, there might be the opportunity here, in accounting for the assets and depreciation and so on, to account for infrastructure debt.

Anyways, on page 24 of the bill, under Alberta Sustainability Fund, which is one of the major, major components of this bill, section 2.1(1) reads . . .

Mr. MacDonald: Is it a stabilization fund or a sustainability fund?

Dr. Taft: One of the members, the Member for Edmonton-Gold Bar, is asking if it's a stabilization fund or a sustainability fund. Well, here they're calling it a sustainability fund. [interjection] We'll see how it's run, and that actually goes to the heart of my questions for the government. I'm wondering: how is this sustainability fund going to be managed? What are the details on how it will be managed? There are some ideas here, references here. As it says, "If for a fiscal year actual non-renewable resource revenue exceeds non-renewable resource revenue for fiscal policy purposes, the difference must be allocated to the Alberta Sustainability Fund." That's pretty clear, and that makes sense. I think that works for all of us, and that has a stabilizing effect. When Alberta is in a gold rush, as it were, of nonrenewable resource revenues, then that money will be set aside in the sustainability fund, and presumably in years when nonrenewable resource revenues are low, we can draw on that fund to support general revenues or other things, but that still doesn't indicate to me how it will be managed. Are we going to see an office set up under the Minister of Finance, for example, that will be managing this? Maybe it'll be privatized out. Maybe it'll be handed out for some kind of short-term fund management company to handle. Will it be put into short-term deposits? How is this going to be managed? I'd be curious to have any thoughts from any government members on that particular issue.

Mr. MacDonald: Are you nervous about the next election and how that might be used?

9:30

Dr. Taft: Well, yes, I know that the Member for Edmonton-Ellerslie raised questions about this being used as a slush fund, and the Member for Edmonton-Gold Bar raised that issue, and I've heard that concern myself. I know that we've talked about it in our caucus, and it is a legitimate concern. It's curious that this legislation is being set up at this moment after all the years that we've argued for it and would just happen to be coming into full force in the lead-up to the next election. Certainly, our concern is that it will be used as a fund to give out election goodies. We'll have to wait and see. [interjections] Well, we'll see how they're done. I'm getting comments from government members challenging some of my thoughts, and they're welcome to stand up and put them on the record.

The same kind of questions about the Alberta sustainability fund can be asked about the capital account. I'm now on page 25 of the bill, which refers to the capital account, section 2.2(1): "The Capital Account is established as an account within the General Revenue Fund." Well, again, the same sort of questions, very practical questions. How is this going to be managed? Are we going to have a director of the capital account who, again, maybe invests in short-term investments? Will there be any parameters on what those investments can be? Are we going to see, perhaps, an ethical investment policy to ensure that none of the money in this account is even briefly invested in something like Talisman Energy or other energy companies or tobacco companies or whoever might have ethical track records that don't meet everybody's approval? I don't know. Is the government going to have policies on that for this account or not?

I've wondered, as well, what will happen if there are surpluses in this account. I do notice a good clause in here about deficit. It says under subsection (3), "The net assets of the Capital Account may not be reduced to an amount less than zero." In other words, the capital account can never be run as a deficit. Fine. That's wise. But what happens if at the end of the year there's a surplus? Can this capital account get larger and larger and larger? I'm not sure that that's clear in here. I don't see that it's spelled out here, but perhaps somebody can correct me if I'm wrong.

So there are questions I have there about the capital account. How is it going to be managed? Who's going to manage it? Will it be all done in-house? Will it be farmed out to a management and investment firm? What policies for investments might they have for the money that's in there, or are we just going to leave it in extremely low interest bearing savings account sorts of rates while we use the money?

Another change I notice in this particular bill has to do with the debt elimination schedule. Now, it says here on page 26 and page 27 of the bill under the debt elimination schedule, section 5, that "the accumulated debt must be no greater than the following," and then it lists five different time benchmarks and amounts of money to be the maximum amount in accumulated debt in each of those benchmarks. Those benchmarks stretch out right until the year 2024-25, until that fiscal year, which is still 23 years in the future. By then, it says that the accumulated debt, which, if I've read this bill correctly, does not include school board debt and won't include debt under the Housing Act – but I guess it'll include everything else. The entire thing will have to reach zero by the end of the 2024-25 fiscal year. Given the times we're in right now, that's a very modest target to set, but at least it's a target, and it's in black and white. I've lost track now. Maybe one member or another here can tell me what the current debt figure is for the province, but I think we are so far ahead of schedule that we could easily have eliminated the debt entirely within the next few years, which could make this piece of legislation

more or less redundant. But I do note the very modest sorts of objectives that are set under this part of the legislation.

Turning ahead a few more pages in the bill, I'm now on page 29, which refers to the consolidated capital plan, and it says here that "the Minister of Finance must prepare a consolidated capital plan for the Government as part of the consolidated fiscal plan for a fiscal year." It makes no reference here whatsoever to the Minister of Infrastructure, and I'm wondering what the Minister of Infrastructure's plans will look like and how they will fit into this activity by the Minister of Finance, especially when it goes on to say under subsection (2) that "a consolidated capital plan must be for a period that includes the fiscal year and at least the 2 subsequent fiscal years." So we're looking here at a three-year capital plan, which I would have thought would have been the primary responsibility of the Minister of Infrastructure. There's no reference at all to that minister in here, but I do hope that the Treasurer, the Minister of Finance, is actively consulted on this. Otherwise, either his work or the work of the Minister of Finance will be completely irrelevant.

So, Mr. Chair, there's no end of comments that could be made under this piece of legislation. Fundamentally, as we've said, a good idea, but like all legislation pretty much, the devil is in the details. I hope that somebody in the government will pay attention to my comments, maybe even answer some of the issues.

Thank you, Mr. Chair.

[The clauses of Bill 2 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Chairman. I would move that the committee now rise and report Bill 2.

[Motion carried]

[Mr. Shariff in the chair]

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

Mr. Maskell: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration and reports Bill 2.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

9:40head: **Government Bills and Orders**
head: Second Reading

Bill 17

Appropriation (Supplementary Supply) Act, 2003

The Acting Speaker: The chair recognizes the hon. Deputy Government House Leader on behalf of the Minister of Finance.

Mr. Zwozdesky: Thank you, Mr. Speaker. I would like to move Bill 17 on behalf of the hon. Minister of Finance.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. This bill asks the government for over \$206 million extra dollars in order to defray some of the additional expenses that the government has incurred this year. [interjections] Certainly one of them has not been altaliberals.ab.ca, which is a web site that will show how much money Albertans can save. There has to be an accounting at some time of all the money that has been spent on electricity deregulation in this province, but Bill 17 is not the time to be discussing that.

Now, the government is requesting that there be funds made available in this bill, Bill 17, for 17 different departments. Transportation has requested the most money, \$41 million, and the majority of these dollars will go towards costs incurred as a result of the provincial government having taken over responsibility for the secondary highway system. For the second appropriation act in a row the Department of Agriculture, Food and Rural Development has required funds, \$2 million less than Transportation, \$39 million this time around for agricultural assistance programs.

When we look at Bill 17, we see that it is the second appropriation act to be brought before the Assembly this year. The first, Bill 36, was of course brought forward during the fall sitting of the Legislature. Bill 36 called for \$822 million to be spent in five different departments. I have attached, Mr. Speaker, the Bill 36 final briefing for further information on the first appropriation act of this fiscal year.

The \$206 million has \$3.3 million set aside for the Department of Energy. I don't know what the Department of Energy is going to use this money for. Perhaps it's going to be to study rebates or perhaps it's going to be a public relations campaign to try to convince Albertans one last time that energy deregulation will work. When the government tries that, I would urge all Albertans to visit our web site, altaliberals.ab.ca, and if you're a customer in Aquila/EPCOR or EPCOR or Enmax or ATCO, you can see the savings that you can make by following our low-cost energy plan and unplugging electricity deregulation. Perhaps if the citizens would have a look at that web site, then the \$3.3 million requested by the Department of Energy would not be necessary. Certainly, I hope this is not a public relations campaign like the one we had on Kyoto or the one that we had in Bill 11, any of those campaigns where we tried to swing public opinion in our favour with tax dollars.

Now, this government has relied, Mr. Speaker, on supplementary supply as opposed to good budgeting techniques to finance programs throughout the fiscal year. In fact, during most years the government requires two appropriation acts to see them through the year. This reliance on in-year spending is indicative of a government that has difficulty developing a fiscal plan and then sticking to it.

The constituents of Edmonton-Gold Bar, whenever they assemble at Kenilworth school, always ask the question: we know there's so much more money being spent on programs; is it true that it's close to a 50 percent increase in program spending in the last five years? And, yes, I admit that it's true, and they say: well, where's all this money going? That's a question that I'm going to have to be diligent in pursuing.

Many hon. members, Mr. Speaker, will say: well, you're the chairman of Public Accounts; you should know where every dime goes. And I'm afraid I don't. That's a hard job, to find out where this government spends money. Certainly spending has increased, but where the money goes is the question that's on the minds of public school parents in Edmonton-Gold Bar.

Now, the government stakeholders, of course, include school boards, regional health authorities, and construction firms, and all these stakeholders are incapable of long-term planning because of the stop-and-start funding that they receive. An example of that

would be one public school in the constituency of Edmonton-Gold Bar that has been on the list for reconstruction twice. It has been denied twice because of this stop/start spending, and in the process and in the time period between the first denial and the second denial the cost of the reconstruction and retrofit of the school has increased by well over a million dollars.

Dr. Taft: Is that a waste?

Mr. MacDonald: That is poor planning.

Dr. Taft: It's a complete and utter waste.

Mr. MacDonald: It's a complete and utter waste; I would agree. That is one example.

Another example is, unfortunately, a senior high school. The gymnasium ceiling had tiles falling off, so the school board had hired a scaffolding company to construct this scaffolding to remove them because it was an issue of public safety and student safety.

Dr. Taft: Was there asbestos?

Mr. MacDonald: There was not any asbestos that this member is aware of, but the school board, unfortunately, only had enough money to remove the tiles. They didn't have any money to replace them, and on a night like tonight, when the temperature is so cold, there is reduced insulating value in the gymnasium of that high school, and because of the budget cuts, the stop/start spending, after the ceiling tiles had been removed, the scaffolding was disassembled. The school year started again, and what's going to happen? The school board has to hire the scaffolding company twice instead of once because they only had the budget to remove the tiles, not to purchase new ones and replace them while the scaffolding was in the school last summer.

This is a desperate waste of money, and I want to see this stopped. Long-term planning not only applies to electricity generation, transmission, and distribution in this province. Long-term planning also applies to regional health authorities and to school boards, and their hands are tied because they don't know where the next dollar is going to come from.

Now, the government, the province had requested this year well over a billion dollars for in-year spending, and this illustrates a lack of solid budget management. Last year the government requested slightly more, \$1.4 billion. The government of Alberta continues governing and spending without any definite plan. As I illustrated earlier with the examples of the two public schools in the constituency of Edmonton-Gold Bar, the lack of a plan ultimately costs Alberta taxpayers more as they have to pay for the stopping and starting of projects year after year after year.

9:50

Next year, Mr. Speaker, this government hopefully is going to have to change their tune. After almost a decade of Liberal calls for more stability in this province the government is going to finally adopt the Alberta Liberal plan for fiscal stability with Bill 2. Speaking of Bill 2, there are two hon. members of this Assembly within view of this member who sponsored a similar bill. We have to always remember that we're talking about stability, not sustainability. Sustainability may be a public relations exercise for the government and for the folks over at the Public Affairs Bureau, but everybody knows that it's a stability fund to stabilize funding with the ups and downs of the oil and gas prices.

Now, Bill 2 will limit the government to only \$3.5 billion a year for operating expenses that are there no matter what – right? – but it will be interesting to see how this government reacts when they are

forced to make a change in their spending habits. This government has never been constrained in the amount that they can spend, and we hope that they do not face constraints this time.

Hopefully, Mr. Speaker, as a result of strong energy markets we'll be able to work ourselves into a sound fiscal future. We're going to end, hopefully, the three-month budgeting plans and, I hope, the three-year budgeting. We talk about quarterly reports and business plans from one year to the next. I would urge this government to go beyond the Liberal plan and have a close look at what the state of Alaska has: 10-year plans. I know that it would be challenging for this government, but I think they should try. It would be interesting to see them go from a three-year plan to a 10-year plan and just see what happens.

Should one support this appropriation bill until the government comes forward? Should it be supported, or should we wait until they provide some explanation as to how the additional expenditures will help the government meet its performance measures?

Ms Carlson: Let's wait.

Mr. MacDonald: The hon. Member for Edmonton-Ellerslie is urging not only this member but other members of the House to wait. Let's see what happens here.

The performance measures and the goals of the various departments should direct department spending. The fact that this government spends outside of these guidelines means that this government is governing without a plan. We simply cannot support the fact that this government is governing without a plan. A government that is committed to measuring performance should be taking the business plans to heart rather than having them gather dust on some government shelf. If they're not gathering dust and they're going to be an embarrassment, well, we'll just change them so that there is a different meaning.

More different departments are requesting additional money through Bill 17, Mr. Speaker, than in past years. This would seem to indicate that the government is having a more difficult job managing their finances. The fiscal roller-coaster ride in Alberta is unacceptable, and disallowing the government use of supplementary supply is one way to slow down the fiscal roller-coaster ride that we're now on. If Albertans want to see a roller coaster, they'll go to West Edmonton Mall. They don't need to have a look at this government's up and down and up and down and the stopping and starting.

Now, if this government expects to limit its expenses to the \$3.5 billion a year in the future, it had better start to practise now. What better way to practise than by voting against the appropriation act this year. Additionally, the government promises to limit the size of its economic cushion down from 3.5 percent to just 1 percent. In this fiscal year that amounts to only \$200 million. The government has requested nearly \$207 million in this bill, Bill 17, alone.

Now, when we look at the various sections, Mr. Speaker, and the various departments, Aboriginal Affairs and Northern Development is requesting \$1.4 million to provide for Alberta's initiative on aboriginal consultation. I certainly, in light of what's been going on in northern Alberta, would like to know how this money is going to be spent. The money requested falls under the land and legal settlements line item. What would be the total cost of this program?

Agriculture, Food and Rural Development, as I said earlier, is requesting close to \$40 million, and the Official Opposition believes that farmers need stable and predictable income, not ad hoc support programs. Furthermore, the ad hoc support programs are biased and inflexible. The Official Opposition would like a firm income insurance program based on farmers' lost income, not on margin, yield, or production value. The program would give farmers the

freedom to make production decisions midseason.

Economic Development has requested \$4 million more to provide additional funding for tourism and marketing services. This money, as I understand it, is going to be split up across various line items under the tourism marketing section. Now, why couldn't this department wait for the next budget to ask for an increase given that there are no items in tourism where there could be an immediate demand for this money within the industry? One would have to ask: what specifically will these funds be used for? Are they going to be used for travel, promotion, or are they going to be used for developing the tourist industry into something that will provide long-term economic benefits for future generations of Albertans? Tourism, in the view of this member, will certainly be a very large industry in the next 50 to 60 years in this province. Why weren't the original allocations enough in the Economic Development portfolio? Did certain programs return over budget? What will the return on this additional 4 million dollars' worth of investment be given that the tourism industry is supposed to bring a return on its investment?

Now, Mr. Speaker, we talked about energy a little earlier, and if many Albertans and many government members would take the time and visit altaliberals.ab.ca, they would see for themselves the savings that could be had with our low-cost energy plan, and perhaps this money in Alberta's Department of Energy would be unnecessary.

The Environment department is requesting \$2 million "to accelerate grant payments to local authorities under the Alberta Waste Management Assistance program." What type of emergencies in waste disposal have arrived such that the budgeting amount was not sufficient? Why do the payments need to be accelerated, Mr. Speaker? Will there be a reduction in next year's budget to compensate for the increase in this year's budget?

Government Services is the next department on the long list here that's going to get some extra cash. The department is requesting 4 and a half million dollars to provide funding for the initial phase of a driver's licence upgrade program. Now, that's noteworthy in itself. I don't know how many times in the last year there have been questions about drivers' licences and the validity of them in this province. The system does not seem to be working. Any time a driver's licence program is altered, there is a chance that personal information, of course, may be released. The last time there was information released from that department, one of the Edmonton newspaper reporters found them fluttering in the summer breeze.

10:00

Dr. Taft: No kidding. How did that happen?

Mr. MacDonald: I have no idea how that happened, but it was definitely a breach of security. Definitely.

Mr. Speaker, what upgrades are going to be made in this initial phase with Government Services, and again how are the future phases of this program going to be funded? [Mr. MacDonald's speaking time expired] That's disappointing because there are many departments left.

Thank you.

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

Dr. Taft: Thanks, Mr. Speaker. It's very difficult to follow in the footsteps of the Member for Edmonton-Gold Bar and his eloquent words on this bill, which is an important bill for the government to get, Bill 17, Appropriation (Supplementary Supply) Act. I just have a handful of comments.

I am struck by the nature of this bill, and I have concerns about the budget process in general. We'll be coming up, I guess, in a month or so to the third budget since I became an MLA, and it's not even going to be tabled, I don't think, until we're actually into the next

fiscal year, which will be the second out of three budgets, at least, that are that late. This particular bill is part of the budget process, and the fact that we're into our second supplementary supply bill in three months tells me that the budget process is a bit out of whack and needs to be improved. Budgets are late. Business plans are extremely late. I know that in the regional health authorities many of their business plans weren't approved until the second and, in some cases, the third quarter of the year. So there are some really serious problems with the budget process.

There's an ancient Chinese proverb that says: govern a great nation as you would cook a small fish. Some members might like me to repeat that: govern a great nation as you would cook a small fish. Now, I have pondered the meaning of that proverb, and I think what it means is that no matter how big the issue, you need to pay careful attention to the details. You need to be very delicate, very precise, and pay great attention to details. We all know that if we were cooking a small fish, a minute or two too much and it'll be overcooked. In the same way, I want to pay careful attention to the budget. I mean, it's a \$20 billion bill, a \$20 billion piece of expenditure, but every dollar counts. I'll just raise a handful of issues about this great budget, and hopefully it will help the government cook it like a small fish.

The hon. Member for Edmonton-Gold Bar has already referred to a couple of the departments that I had questions about, and I won't repeat his oratory. I do have a particular question around the Justice department, and I bet the Environment minister might have some comments here too. I see that the Justice department is requesting \$2.6 million, and of this \$500,000 is for external legal costs related to Kyoto, \$500,000 to a law firm to study Kyoto.

Ms Carlson: Two law firms.

Dr. Taft: Well, in fact, the Member for Edmonton-Ellerslie is saying, "Two law firms." The truth is that I don't know how many law firms are involved. There could be a whole number of them.

I would be most interested to see some more details on where this half million dollars is going. What are the billable rates? What work is being done here? Will we ever see in the public or in this Assembly the results of that \$500,000 in legal fees? In fact, there's so much contracted out by this government to legal firms; it's astonishing. So that's one particular area that certainly caught my attention.

I do note also as the health critic that in this bill there are no requests for supplemental spending for health. Hats off to the Minister of Health and Wellness for that if this is any indication that he's managing to finish out the fiscal year without needing any supplementary supply bills. So good for him. Good on him.

Otherwise, I would simply be repeating some of the comments of my colleague from Edmonton-Gold Bar, and I won't bother doing that. So with those comments, I'll take my seat.

Thank you, Mr. Chairman.

The Acting Speaker: The hon. Minister of Finance to close the debate?

[Motion carried; Bill 17 read a second time]

Mr. Zwozdesky: Mr. Speaker, I think it's been an excellent day of progress with some very enlightened debate, and as a result, I would move that the Assembly now stand adjourned until 1:30 p.m. tomorrow.

[Motion carried; at 10:07 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, March 4, 2003**

1:30 p.m.

Date: 03/03/04

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon. Welcome.

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

Please be seated.

head: **Introduction of Visitors**

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. Today it gives me great pleasure to introduce to you and through you to the members of the Assembly representatives of a delegation from Russia. This is the second time in less than a week that a delegation from around the world has been here to look at the Alberta education system, the Alberta Learning system. This afternoon they are going to visit a school to see what a typical Alberta school is like and learn about one of the many innovative AC projects. I'd like to welcome Mr. Alexey Mayorov, who's the deputy head of the Department of Strategic Development with the Russian Federation; Ms Galina Chernova, Minister of Education for the Chuvash Republic; Ms Viktoria Prudnikova, head of the general education division of the Science and Education department for the Samara Oblast; Mr. Mikhail Gruzdev, deputy head of the Education department for the Yaroslavl Oblast; Svitlana Semenko, an interpreter for the group; and Mr. Waldemar Riemer, a member of our Alberta Learning staff. I would ask them all to rise and receive the warm welcome of the Legislature.

head: **Introduction of Guests**

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

Mrs. O'Neill: Thank you, Mr. Speaker. It's my honour to introduce to you and through you to members of this Assembly His Worship Mayor Richard Plain, who is seated in your gallery. He is, as you know, the mayor of our wonderful city of St. Albert and a recent recipient of the Queen's golden jubilee medal. He met today with the Member for Spruce Grove-Sturgeon-St. Albert and myself, and I'm honoured that he's here. I would ask everyone in the Assembly to please give him the traditional warm welcome.

The Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Speaker. It's my pleasure to rise today to introduce to you and through you to members of the Assembly 84 visitors from Gibbons school. They are grade 6 students. They are accompanied by their teachers Mr. Don McIntyre, Mrs. Rhonda Hruschak, Mrs. Colleen Baillie, Ms Sheline Connolly and parent helpers Mrs. Pam Yakymchuk, Mrs. Donna McDonnell, Mr. Dennis Gauchier, Heather McWhirter, and Mrs. Jennifer Hamstra. I look forward to visiting their school in the next couple of weeks to speak to the students. They're seated in both the public and members' galleries, and I wish them to rise and receive the warm welcome of this Assembly.

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

Mrs. Jablonski: Thank you, Mr. Speaker. It is with great pleasure that I stand today to introduce to you and through you to the members of this Assembly two committees that have been working diligently on some of our new children's legislation, the Family Support for Children with Disabilities Act. Members of the committee are just walking into the members' gallery at this point in time. I'd like to introduce them, and as I introduce them, if they could please stand: Mr. Bruce Uditsky, Dr. Wheeler, Sharon Holtman – I think we're ahead of them right now – Kathleen Waxer, Linda Stainton, David Jardine, Ed Riediger, Doug Endres; and staff that have been working with them, John Mould, Roxanne Gerbrandt, Judith Dyck, David Oman; and staff that have been working with this committee as well, Sharon Harewood, Susan Rankin, Deborah McElrath, Kathleen Freese, Sandra Klashinsky, and Karen Ferguson. Mr. Speaker, they've been working very hard on our behalf. I would like to ask them all to rise to receive the warm welcome of this Assembly.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. It gives me great pleasure to introduce to you and through you today two representatives of one of the finest postsecondary institutions in the province, the University of Calgary. Presently we have with us the president of the University of Calgary, Dr. Harvey Weingarten, and his special assistant, Donna Mastel. I would ask them both to rise and receive the warm welcome of the Legislative Assembly.

The Speaker: The hon. Minister of Infrastructure.

Mr. Lund: Thank you, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and to members of the Assembly Maureen Fisher, the chair of the Wild Rose school division, which covers Rocky Mountain House, Drayton Valley, and an area around them. She is standing in the members' gallery, and I'd ask that you give her the traditional warm welcome.

The Speaker: The hon. Minister of Aboriginal Affairs and Northern Development.

Ms Calahasen: Thank you very much, Mr. Speaker. It is a great honour today to introduce to you and through you to the members of the Legislative Assembly 22 of the north's brightest and greatest students. We have 22 students from Roland Michener secondary school, and they are accompanied by Ms Susan Giesbrecht and Mrs. Sheri Smears, and they are seated in the public and the members' galleries. They drove from Slave Lake this morning despite the cold and made it here just to see the action of the House, so I'd appreciate it if the Members of the Legislative Assembly would welcome them as they stand.

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

Mr. Mason: Thank you very much, Mr. Speaker. I'm delighted today to introduce to you and through you to this Assembly a group of social work students from Grant MacEwan College. Some of us in this Assembly are extremely fortunate to have these students serve their practicum in our constituency offices. My constituency of Edmonton-Highlands and my colleague's constituency office of Edmonton-Strathcona each reap the benefits of having two students assisting us and our constituency assistants with casework that comes in on a daily basis, and we certainly appreciate their assistance.

They are accompanied by their instructor, Mrs. Kathleen Quinn. I would ask them to rise and receive the warm welcome of this Assembly.

head:

Oral Question Period

Seniors' Utility Costs

Dr. Nicol: Confusion, frustration, and exasperation: this is the effect of the government's bungled attempt to offer Albertans some relief from the skyrocketing costs of heating our homes this winter. Government programs are not a success unless the people who need help get help when they need it. To the Premier: why must some seniors be forced to go begging for assistance when you already promised all Albertans a rebate?

Mr. Klein: Mr. Speaker, seniors are not going begging. There is a program in place that has been put in place on a temporary basis to accommodate low-income seniors in particular. There is a web site. They can go on the web site, or they can phone the toll-free number to seek assistance. As to a promise of a rebate, that was a promise that was fulfilled, because after the last rebate program, which was introduced on an ad hoc basis, we introduced legislation to bring in a gas rebate program based on the yearly average of \$5.50 a gigajoule. As I understand it, we aren't up to that amount right now. Currently that price is averaging about \$4.41 a gigajoule. When it reaches \$5.50 a gigajoule, then the rebate program, as promised, will kick in.

1:40

Dr. Nicol: To the Premier: where's the help for schools, churches, greenhouses, the severely disabled, the working poor? Where's the help for those other Albertans who need some support?

Mr. Klein: Mr. Speaker, I would remind the hon. leader of the Liberal Party that we don't produce the gas, we don't distribute the gas, we don't sell the gas, but we have been generous enough to put in a rebate program based on an average price. Relative to greenhouses and schools and municipalities and health care institutions and postsecondary institutions, the rebate will kick in when it kicks in for all Albertans, and that's when the average price reaches \$5.50 a gigajoule.

Dr. Nicol: To the Minister of Seniors: what help is there for a senior who does not qualify for assistance under the Alberta seniors' benefits program and is faced with a disconnection notice this month?

Mr. Woloshyn: Mr. Speaker, I would ask that all members of this Legislature have the courtesy, if they have seniors who are in dire straits, regardless of whether they qualify for a program or not, to forward their needs either to the Seniors ministry in the Standard Life Building or to my office.

As was stated in this Legislature on many occasions, we will not let people fall through the cracks. To bring forward one general statement of one person with a disconnect notice and ask me to say what will be done in that instance is quite simply, Mr. Speaker, impossible. We have to know the circumstances around it. If somebody has been negligent and refuses to pay their bills, that's one scenario. If somebody has hit unforeseen, undue hardships, that may be another scenario. So unless we look at it on a case-by-case basis, I'm afraid I can't give you an answer on what will be done on that particular one because I don't know the details.

What I will say is that this is an extension of our special-needs

assistance program, and, yes, in order to qualify, you should be on the Alberta seniors' benefit program. However, if in any instance there is an extreme special circumstance, as we've done in the past, we will look at it, Mr. Speaker.

Dr. Nicol: To follow up with the Seniors minister: what is the minister doing for seniors who want to apply for assistance under the Alberta seniors' benefit program but get a constant busy signal when they call your 1-800 number?

Mr. Woloshyn: Well, if those seniors are in your constituency, I would hope that you have the application forms, that you could give to them directly, and I would like to say the same to all other members. They can come in person. They can get it on the web site. Yes, the number is being plugged, and, yes, some of the calls are going to my office.

I also might point out very clearly that the deadline for applications, I believe, is May 31. There's a reason for that, and I do ask that the seniors have patience, because they do have to do a submission. We will be looking after them. There's not a panic mode in place here, and for those folks who have a busy signal, have a bit of patience. Go to your MLA's office, go to the Seniors' information offices and pick up the special-needs application forms.

Dr. Nicol: To the Premier: given that the Minister of Energy required EPCOR to take immediate action last summer to reduce the amount of time consumers spent on hold, why doesn't the same standard apply to the Ministry of Seniors?

Mr. Klein: Mr. Speaker, I think the hon. minister indicated that if there is a problem, he would look into it. I don't know what is causing the phone lines to be tied up. The hon. minister has indicated that if there is a problem, he will look into the problem and see if it can be rectified. There is no way that this government wants to deny any senior in need of special needs, whether it's for electricity or food or any other commodity. We don't want to see those seniors denied an opportunity to get the help that is due them.

Dr. Nicol: To the Minister of Seniors: if seniors can't get through on the 1-800 line, can they call your office directly?

Mr. Woloshyn: Mr. Speaker, I'll repeat. We have seniors' offices in Calgary, Edmonton, Red Deer, Grande Prairie, Lethbridge, and other communities. Information booklets are available there. Every MLA's office, both sides of the House, if they don't have the application forms, can certainly get them through the Seniors ministry. They can get them from the MLA offices. We have also the 1-800 line, which this weekend had a backlog of some 2,500 calls, 700 of which were relative to utility bills. Also, we have a web site – I think it's www.seniors.gov.ab.ca – where they can get the application form mailed to them.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Health Care Labour Legislation

Mr. MacDonald: Thank you, Mr. Speaker. While the province faces severe shortages of health care workers, this government works in secret to strip away the democratic rights of those workers and drive even more of them out of the province to find employment. My first question is to the Premier. Why is the powerful cabinet committee secretly making drastic changes to labour laws when there is already a committee of government backbenchers getting paid by

the taxpayers to examine the same issue? Are they not doing a good enough job?

Mr. Klein: Well, if it were a committee of private members, then the accusation would probably hold. If I know the Liberals, being true to form, they would accuse the private members of meeting in secret.

Mr. Speaker, this government, not the opposition, has the right to proceed to develop policy, to develop legislation, to develop regulations, to develop programs in any way, shape, or form that it sees fit. That's why the people elected a government.

It was decided that a special committee under the chairmanship of the hon. Minister of Innovation and Science would be struck to study ways in which labour negotiations take place and to make sure that the process for negotiation was a streamlined process. The committee brought in some recommendations relative to a specific case. This case relates to the redefining of the regional health authority boundaries and a process to speed up negotiations.

Nobody is being stripped of their democratic rights, Mr. Speaker. As a matter of fact, I think the union should welcome this as a way to expedite negotiations. After all, I would think that the union leadership would want to seek and do what is in the best interests of their members and do it in the most expedient manner. I would think they would want to do that.

Mr. MacDonald: Again, Mr. Speaker, to the Premier: why is the government continuing to antagonize health care workers by shutting them out of the process and treating them as part of the problem and not the solution?

Mr. Klein: Well, Mr. Speaker, I guess the hon. member can interpret this any way he wants and, being the Liberal that he is, will interpret it, obviously, in a negative fashion. But changes are needed, quite simply, to enable health care reforms to proceed, and the end objective is better patient care and, hopefully, a more expedient way to negotiate settlements, which in turn lead to more care and more concern for the patient.

So, Mr. Speaker, this is nothing that is sinister. This is something to really bring some expediency to the whole negotiation process, and I think we all want that.

1:50

Mr. MacDonald: Mr. Speaker, to the Minister of Human Resources and Employment, who also sits on the powerful secret cabinet committee: after the government has stripped health care workers of their democratic rights, are public school teachers next?

Mr. Dunford: Well, Mr. Speaker, perhaps just to clarify some of the member's preamble to the first suggestion: at times we'll have government committees made up of government members out looking at whether things should be reviewed under the Labour Relations Code, and quite often events will simply overtake the situation. As the Premier has noted, there is a reform coming to the regional health authorities that now has come into play. We're looking at something like 400 collective agreements and that sort of thing as to whether or not that's an efficient and an effective way in which to have health reform proceed. So we have a very specific situation that we're looking at with some very specific goals in mind.

Dr. Pannu: Mr. Speaker, the government is planning yet another assault on collective bargaining rights of health care workers. Health care will suffer if the government proceeds with its plan to deny health care workers their internationally recognized human rights, including the right to strike. Already the community care sector has

severe shortages among LPNs, registered nurses, occupational therapists, and many others. These employees are moving to greener pastures, places where their work is appreciated and rights are respected. My questions are to the Minister of Health and Wellness. How will this government plan, cooked up by this secret cabinet committee, affect a workforce that's already demoralized, short-staffed, and overworked?

Mr. Mar: Well, Mr. Speaker, there are, as the Premier indicated, some 400 collective agreements in the province, and I can give the hon. member somewhat of a history lesson in this matter. He may recall that at one time there were some 200 hospital boards that existed in this province, each one of them with collective agreements with various health care workers, and what's happened is that over time those collective agreements have been continued. So now that we have nine regional health authorities, it makes perfectly good sense from the purpose of streamlining our ability to negotiate with employee unions that we should be able to streamline the number of collective agreements that we deal with.

There's no sinister purpose in any of this, Mr. Speaker, and I would point out that some 93 percent of health care workers already do not have the right to strike, so we're not making any kind of a dramatic change in this regard. But I will say that we have a great deal of respect for the people who work in our health care system. We have what is measurably and objectively one of the best health care systems in Canada, if not the best, and the strength of it is in the very people that we've attracted from other places and the people that we train right here in this province.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. I wish that the minister would respect their rights, not just respect them.

Given this government's blatant hostility towards them, how does the minister plan to reduce staff shortages among LPNs, registered nurses, and occupational, physical, and speech therapists in the community care sector?

Mr. Mar: Well, Mr. Speaker, I'm reminded by the Deputy Premier that a 22 percent increase in the last nurses' agreement was a pretty good start. [interjections]

The Speaker: The hon. minister has the floor.

Mr. Mar: We have dramatically increased the number of people that we have trained in health professions in this province. To the best of my recollection, about three years ago we had some 3,700 people training in health care professions; this year we have about 5,000. We have dramatically increased the number of admissions to medical schools, to nurses. We're working hard at training other health care professionals, technicians, and technologists as well. So we have made every reasonable effort for short-term purposes to recruit people from other jurisdictions, but in the long term, ultimately, training people right here in Alberta will be a better medium- and long-term solution. So we have taken all responsible steps to do exactly that.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My second supplementary to the same minister: why doesn't the government put its energy into improving frontline health care delivery instead of scapegoating hardworking health care workers to cover up its own failures?

Mr. Mar: Mr. Speaker, the hon. member's assertion is patently absurd. We have, as I indicated, expressed our appreciation for people who work delivering services to Albertans when they need it in this province. Measurably and objectively we do have a good health care system in this province. We have invested in the human resources, recognizing that health workforce issues are a critical concern not just in Alberta but across Canada as well. I think if the hon. member would spend time in other parts of Canada, he would find that our health workforce initiatives are superior to many other jurisdictions, if not all of them, that we have as a percentage recruited more people than any other jurisdiction, that we have increased our training of people in this province dramatically, that we have increased our health care spending in this province consistent with the kind of priority Albertans place on a health care system that they value a great deal.

The Speaker: The hon. Member for Calgary-East, followed by the hon. Member for Edmonton-Riverview.

University of Calgary

Mr. Amery: Thank you, Mr. Speaker. The city of Calgary has been experiencing an unprecedented rate of growth in the last few years. I'm glad to have been able to contribute to that growth. This growth is causing pressures in so many different areas. There has been a lot of talk surrounding the increased demand to attend the University of Calgary, and the institution struggles to deal with this growing demand with their existing spaces and resources. My question is to the hon. Minister of Learning. Could the minister explain to the thousands of students who are turned away every year from the University of Calgary what the government is doing to help the U of C address these very important concerns?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. First of all, I will say that back in '99-2000 the enrollment at the University of Calgary was roughly 21,000. It's now gone up to around 23 and a half thousand, an increase of about 11.4 percent. Over that same time frame the funding for the University of Calgary has increased 28.1 percent.

The other point that I will say, which is probably the most significant point, is that we as a government support postsecondary education very strongly and want more and more and more and more students to attend our postsecondary institutions. We are working with all our postsecondary institutions, not just in Calgary but also in Edmonton and the rest of the province as well, to ensure that there is more access, to ensure that there are more student spaces, Mr. Speaker, things such as the student loan program. All of these things add in to accessibility to the universities. Our universities are very good for bringing on students, but it is something that we have to continually move towards, we have to continually put more spaces in, and we have to continually ensure that there is a better postsecondary system for our students.

The Speaker: The hon. member.

Mr. Amery: Thank you, Mr. Speaker. To the same minister: could the minister explain what the government is doing to ensure that the University of Calgary has the resources it needs to be on a level playing field with other postsecondary institutions, such as the U of A?

Dr. Oberg: Well, Mr. Speaker, when we give out the dollars, it is

done on a formula that takes into account size of the institution. It takes into account location of the institution. It takes into account programs that are being run at the institution. This is done on an allocation that was actually studied by an MLA committee as early as the year 2000. So a couple of years ago it was taken a look at. We attempt to make sure that the dollars go out in a fair fashion to all our institutions, but I think you have to recognize that there are some particular courses that one university or the other college may well put forward in their curriculum that other universities or colleges don't. The cost of these can be significantly different. We have put forward a lot of money through the access fund, and the access fund targets specific university and college curriculum and courses, so there is a difference in the amount of resources that are needed for each one.

I can only answer this by saying that we constantly work with the universities to ensure that they have funding, that postsecondary education is of primary importance to us and will always continue to be of primary importance to this government.

The Speaker: The hon. Member for Edmonton-Riverview, followed by the hon. Member for Olds-Didsbury-Three Hills.

2:00

Learning Resources Centre

Dr. Taft: Thank you, Mr. Speaker. I've done due diligence on information from the Minister of Learning that his department's Learning Resources Centre has lower prices on books than private providers. I received information this morning from a book distributor showing that their prices often beat the Learning Resources Centre's. But the key point here is not who is right or wrong. The key point is getting the best value for schoolchildren and for taxpayers and respecting the autonomy of school boards. To the Minister of Learning: will he free school boards so that they can spend the \$20 million in additional funding through providers of their choice?

Dr. Oberg: Mr. Speaker, the \$20 million will be used for the Learning Resources Centre to purchase resources for the classroom.

With regard to the hon. member's preamble, we presented and we tabled in this House yesterday a list of the various prices of the books that were put forward. There was one book, for example, that was available through the Learning Resources Centre for \$8.37; it was available at Chapters for \$7.83. A key component to this is that last year in the province of Alberta there were three books bought. Any one that you have that has a considerable number of books shows a decrease, a 20 to 30 percent decrease. We have testimonies from school boards saying that this is the best way to purchase the books.

Mr. Speaker, I wasn't going to reiterate this, but now that the hon. member has the floor, I will demand an apology for my staff and my department for comments that that hon. member has made against the Learning Resources Centre.

Dr. Taft: I'll be happy to table the information contradicting the minister.

The key point goes, then, to the Premier. I don't see what the problem is here. Why won't this government allow schools to buy books from the lowest cost providers?

Mr. Klein: Mr. Speaker, I haven't spoken to the Learning minister about this, but I don't know if there is anything that prevents a school district or a school board or a school from buying books from the vendor of their choice. I don't know. I'm receiving a nod in the affirmative from the hon. minister. The Learning Resources Centre

is there so that school districts, school boards can buy in volume and at a reasonable price. It's a government service that is offered, but it's entirely up to the schools as to whether they wish to take advantage of it. I have to believe what the hon. minister says, that by and large and overall the resource centre offers a good service and good value for the school boards.

The Speaker: The hon. minister to supplement.

Dr. Oberg: Yes. Thank you, Mr. Speaker. I'll just add that with regard to the school boards purchasing their supplies elsewhere, there is nothing prohibiting them from purchasing their school textbooks or their school resources elsewhere. This is a \$20 million credit that they have towards the Learning Resources Centre. If they feel that those dollars should not be spent elsewhere, then they all have that ability.

Mr. Speaker, I'll go through some of the books, and I'll just . . .

The Speaker: No. I think we've spent enough time right now.
The hon. member.

Dr. Taft: Thank you, Mr. Speaker. My final question to the minister, then, since he's so confident: is the minister prepared to invite the Auditor General to review the operations of the Learning Resources Centre to see how its efficiencies compare to private-sector companies?

Dr. Oberg: Mr. Speaker, as a matter of fact, I will be appearing with the Auditor General tomorrow morning at Public Accounts, and I'd be more than happy to have the Auditor General address this issue. More importantly, we presently have the province of British Columbia coming to the Learning Resources Centre in order to purchase the books from us. As a general rule we're around 30 percent lower than anything on the market. [interjections] They're saying, "Nonsense," but again I will demand – I will demand – an apology to our members of the Learning Resources Centre because of the excellent work that they do. This is completely against the people in my department, and I will not tolerate that and I will not stand for it.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Edmonton-Mill Woods.

West Nile Virus

Mr. Marz: Thank you, Mr. Speaker. Quite a large number of my constituents are involved in the horse industry, and many more are recreational horse owners, and they've been following with some interest reports of the West Nile virus. My question today is to the Minister of Agriculture, Food and Rural Development. With the number of West Nile virus cases occurring across Canada and the United States this past year and increasing this year, what is her department doing to alert and prepare the horse industry in this province for this disease that might affect their animals?

Mrs. McClellan: Mr. Speaker, the West Nile virus was first revealed in New York state in 1999. In early 2002 we put together a committee consisting of human health and animal health officials. That's in addition to tracking this since the disease came out. One of the parts of the plan is to share information on the spread of this disease or protective measures that can be taken against this disease with our Alberta horse associations, with our Alberta veterinarians. We've asked our veterinarians to facilitate laboratory testing of

horses that might have a disease that looks like West Nile. I would say that West Nile virus did not show up in our horse population last year, but it could well cross our borders this year, so we are being vigilant.

Mr. Marz: To the same minister: could the minister explain how horses become infected with West Nile virus and what precautions owners can take to prevent that?

The Speaker: Well, if this is a matter of government policy . . .

Mrs. McClellan: No. Not really.

The Speaker: Third question, hon. member.

Mr. Marz: Okay. Could the minister explain what symptoms horse owners can watch for to guard against this?

The Speaker: Bring it into government policy, hon. minister.

Mrs. McClellan: Mr. Speaker, one of the things that our department has tried very hard to manage in this whole thing is the information that is there for our horse owners and, in fact, all of our livestock owners because there are many myths and, of course, rumours and unknown quantities. We can say, from our veterinarians in Alberta Health and the research that's been done, that the West Nile virus is certainly spread by mosquitoes. It is not spread from horse to horse. It is not spread from horse to cattle or people, although people can get the West Nile virus but not in that way. There is a vaccination that horse owners can use to protect their horses because it can be fatal in the population.

The other thing I would just add, Mr. Speaker, in closing is that under the minister of sustainable development we have a wildlife disease program, and this is, I think, very important. It's one of the best in North America. In that program we are gathering birds submitted by the public and monitoring all of those birds. I think that's an important part of tracking this disease. I can say that out of the 245-odd birds that were received by that department last year, there was no West Nile virus detected.

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

University of Calgary

(continued)

Dr. Massey: Thank you, Mr. Speaker. Postsecondary institutions have never recovered from the 20 percent funding cut that they took in the mid-1990s. At the University of Calgary higher tuition, larger classes, and more classes taught by sessional instructors are the legacy. My questions are to the Minister of Learning. What will be the impact of the University of Calgary cutting another \$30 million from its budget next year?

Dr. Oberg: Well, Mr. Speaker, it's very apropos, actually, with the president of the University of Calgary sitting in the audience today, that this question is asked. The University of Calgary is working on how to redistribute their budget. They're looking at putting money in some areas, taking it away from other areas, and I really commend them for doing that.

The other thing that I will add, obviously, is that there will be money in this year's budget. There are increases again in this year's budget. As I mentioned in my previous answer, the amount of

increase to the University of Calgary is 28.1 percent over the last three years.

2:10

Again I will say: are the universities stretched? Yeah, they are stretched. Mr. Speaker, they are stretched. They're trying to deal with an increase in population of around 4 to 5 percent that is coming into their institutions these days. They're looking at how they can do that, and we're working with the University of Calgary and all our postsecondary institutions in the province of Alberta to ensure that they have the resources to meet the students that are coming in.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister: given that the average size of junior courses has increased from 65 students to 77 students at the University of Calgary, does the minister consider that acceptable?

Dr. Oberg: Well, one of the hon. members here just said that they are not in kindergarten, and that's very accurate in this particular case, Mr. Speaker. When I went to university, there were large classes. There were some classes, not that I was particularly in, that had 250 to 500 students.

An Hon. Member: What are you doing here?

Dr. Oberg: Yeah. Exactly. What are you doing here?

Mr. Speaker, this is the type of situation that we are working with the universities on, that we're looking at.

To answer the question that was tossed across, what happened is that I went to medical school and passed from medical school.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister, Mr. Speaker: will there be enough funding to prevent the University of Calgary from moving towards differential fees next year?

Dr. Oberg: Mr. Speaker, it is up to the University of Calgary's board of governors as to whether or not they move to differential fees. It is completely within the legislation that was passed in this particular House to do, and it is up to them as to whether or not they have differential fees.

The Speaker: The hon. Member for Calgary-West, followed by the hon. Member for Edmonton-Glenarry.

Long-term Care Facilities

Ms Kryczka: Thank you, Mr. Speaker. With our aging population we already have many more older seniors living in long-term care, and their health care needs are increasingly chronic and complex. That is placing greater demands on hardworking health care staff and facilities to meet residents' needs. I would stress that these seniors are unable to lobby government for themselves, so it must be done by MLAs, family caregivers, and friends, and I have heard from many of them. My main question is to the Minister of Health and Wellness. Will the minister explain why increased accommodation rates in Alberta's long-term care facilities, which are among the lowest rates in Canada, are necessary to regenerate those facilities and to provide the necessary level of care to ensure that our seniors live in dignity?

Mr. Mar: Mr. Speaker, we did take the results of the long-term care review very seriously. There were 50 recommendations that were made to the Alberta Department of Health and Wellness, and from those 50 recommendations we took in nine strategic directions and future actions based on those recommendations, that included the following: the promotion of healthy aging, the regeneration of long-term care facilities, the development of an Alzheimer's initiative and initiatives that allow seniors to age in place in the communities that they're familiar with. Now, we are continuing to implement those initiatives and review our progress, and many colleagues will know that our hon. colleague from Redwater recently toured facilities throughout the province to see firsthand how our progress was taking place.

Now, Mr. Speaker, on the narrower point of additional revenue that may be required to meet the needs and requests of an aging population, we recognize that government does need to make a change with respect to its approach in caring for seniors. We've already seen some of those changes take place. For example, in 2000-2001 we provided \$37.5 million to help regions enhance home care and keep seniors in their community. Since 1999 we've built 413 new supportive living spaces, and since September of 2002 we've provided new spaces in care for 6,310 seniors.

Ms Kryczka: Mr. Speaker, my first supplemental is to the same minister. As owners and operators of long-term care facilities tell me, the current outdated funding formula and the accommodation rates are insufficient to provide the level of care that is necessary for the complex health needs of long-term care. What is the minister doing to stop the overall underfunding of our facilities?

Mr. Mar: Mr. Speaker, we do continue to work with the industry and do recognize the legitimate concerns of owners and operators of long-term care centres. We do need to work on strategies to increase revenue to ensure that the best service is available for our seniors. The findings of the long-term care review told us that some facilities are out of date for the needs of seniors that are living there today, so we are aware that new revenue streams are required in order to update long-term care facilities.

The Speaker: The hon. Member for Edmonton-Glenarry, followed by the hon. Member for Edmonton-Highlands.

Blairmore-Bellevue Water Pipeline

Mr. Bonner: Thank you, Mr. Speaker. Last fall I questioned the Minister of Municipal Affairs with regard to the situation with the Blairmore-Bellevue water pipeline. At that time the minister had indicated that he had not met with the municipality with regard to this particular issue. To the minister: has the minister had the opportunity to meet with the municipality?

Mr. Boutilier: Mr. Speaker, in actual fact, after the question by the hon. member my staff, my deputy minister met with the municipality that the member mentioned and had a very good meeting. I must admit that the meeting went well, and the deputy minister reported back to me that they had a complete understanding of the situation regarding their municipality's authority.

The Speaker: The hon. member.

Mr. Bonner: Thank you, Mr. Speaker. To the same minister: is the minister going to conduct an inspection under the provisions allowed in the Municipal Government Act?

Mr. Boutilier: Mr. Speaker, what was communicated to the municipality is that, no, there will not be an inspection under the authority of the Municipal Government Act.

Mr. Bonner: Mr. Speaker, to the same minister: has the minister met with representatives of the Crowsnest Pass Ratepayer's Association with regard to their concerns over this issue?

Mr. Boutilier: We've been directly, Mr. Speaker, in communication with the municipality, and of course the ratepayer's association works with the municipality. That's what we've been endeavouring to do, work directly under the Municipal Government Act with the municipal leaders.

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

Gas Industry Deregulation

Mr. Mason: Thanks very much, Mr. Speaker. First the unbundling of the distribution and retailing functions of the electricity industry led to massive billing errors and higher costs to consumers. Now the government is poised to further duplicate its electricity mistakes in the gas market and further drive up costs, create confusion, and create billing errors. This is a deliberate, consciously planned restructuring of the industry, which this government knows will lead to even higher home heating prices. To the minister: why is the minister ignoring warnings from his own officials that further deregulation of the gas industry will lead to higher home heating costs?

Mr. Smith: Well, Mr. Speaker, there is no such evidence that indicates that prices will in fact increase. I think the member is referring to the allegedly secret documentation that was tabled yesterday by his colleague, that in fact was surreptitiously obtained from our web site, that is published for everyone. In fact, the Member for Edmonton-Highlands is included on our distribution list for consultation as an interested party.

So all the stakeholder consultation, all the discussion about the act that is soon to be introduced in this House has in effect been done openly and with debate and discussion. Throughout previous questions the member has asked: why have Albertans been paying more than people in Ontario or in Saskatchewan? In fact, at any given time by utilizing the provisions in this bill, Albertans will be able to take advantage of a cost that they feel is appropriate for them.

Mr. Mason: Mr. Speaker, the question to the minister is this: given that his own officials are warning that further restructuring of the gas industry will lead to higher natural gas prices, which are already sky high, why is the minister proceeding in this direction?

2:20

Mr. Smith: Well, in fact, Mr. Speaker, we would have to see concrete evidence of the allegations put forward by the member. We do know that through the provisions of this bill there will be a billing cost added to the flow-through rate in the bill. That is the only change.

We also know that there will be a different way of using gas storage. Gas storage was formerly inside the regulated system, and in fact now, Mr. Speaker, people are going to be able to take advantage of gas storage for their own price savings, where gas can be purchased at a lower price during the summer and then put into storage, and then that mechanism, that product, can be offered to

consumers. In fact, I would expect that with the increased competition, the ability to take storage out of the regulated rate system and then have the regulated rate system reduced by that much, overall we're going to see Albertans get the very, very best value they can get for natural gas compared to any other place in Canada.

Mr. Mason: Mr. Speaker, given that this government has repeatedly alleged that electricity deregulation would bring down the price of electricity, why should Albertans have any confidence whatsoever in the minister's assertion that further deregulation of the gas industry is going to get us anything but higher prices?

Mr. Smith: Mr. Speaker, the member talks about the wonderful ability of Crown corporations to provide cheap and low-priced electricity and the fact that the debt doesn't matter at all and the fact that if you fix wholesale prices, then electricity prices won't climb. Well, I'm sure he has a very good explanation for the blackouts and the rolling brownouts that occurred in Ontario, a regulated market, this weekend.

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

Water Use by Oil and Gas Industry

Mr. Yankowsky: Thank you, Mr. Speaker. As our lakes, creeks, and sloughs dry up by and large due to the prolonged drought, there are also questions around the use of fresh water by oil drilling companies, which they pump into deep wells to increase their oil recovery. Estimates on the amount of fresh water used by oil companies are that in one year they will use the equivalent of what the cities of Edmonton and Calgary combined use in one year or the amount of water contained in Pine Lake, which is located east of Red Deer. That's a lot of water in a province that doesn't have much fresh water to begin with. My question is to the Minister of Energy. Are the estimates, by way of example of water used by oil companies, that I quoted correct?

Mr. Smith: Mr. Speaker, appropriately, the member has brought to the House the question of conservation of water, and just as conservation is important with any resource or any commodity, it's also important with water. Now, in fact, there does seem to be continuing discussion and some confusion regarding allocation of the use by the oil and gas industry. Department data indicates that the actual volume of fresh water used by the oil and gas industry for oil field injection purposes is approximately one-sixth, or six times smaller than the estimates of the allocation just quoted by the member. In fact, only 3 percent of all water in this province is allocated for use in oil field injection and surface mining and oil sands projection. The industry only uses 33 percent of the total allocation, so that's roughly 1 percent of total water allocation.

Mr. Yankowsky: Again to the same minister: why are oil companies using Alberta's freshwater instead of so-called brackish water or CO₂ for their recovery purposes?

Mr. Smith: Well, Mr. Speaker, the issue of using potable water in injections is not a new one. In fact, the former Member for Grande Prairie-Wapiti, Mr. Wayne Jacques, brought this up some eight years ago. The industry continues to be a licensed and a responsible user of water, and in fact I think you can see that we're starting to see in the industry moves toward recycling the water, moves toward reducing the amount of freshwater, and moves toward using salt and

brackish water, or saline water, where it can be obtained. In fact, I believe that that's some of the substitute water that's been used in the Cold Lake project. So we also start to look for other options that can be used in enhanced oil recovery.

Now, there are two benefits. One, Mr. Speaker, there is estimated to be as much as 60 percent of produced, conventional oil reserves remaining in reservoirs that need to be recovered through enhanced technologies. Now, these enhanced technologies have used freshwater injection before. They're moving now towards brackish water, saline, but in fact we're also experimenting with nitrogen, other forms of vapours, and if nitrogen can be effective, then it's possible that we can use carbon dioxide. Carbon dioxide used in enhanced oil recovery has multiple benefits. One, we can use it as a driver in place of freshwater, and, secondly, we can reduce the amount of CO₂ in the atmosphere today.

The Speaker: The hon. member.

Mr. Yankowsky: Thank you, Mr. Speaker. This question is to the Minister of Environment. Can the minister tell this Assembly what he as the Minister of Environment is prepared to do about the depletion of our freshwater by oil companies?

Dr. Taylor: Mr. Speaker, the member raises a good question. Last year we started a process in which we're developing a water strategy for the province. I think this is going to be one of the most significant strategies that this government will release over the next several years, but we are in the process. We're hoping that the draft of the strategy will be on the web site at the end of this month, and then we'll be able to have consumer and stakeholder response to it. But in that strategy we recognize that all consumers – municipalities, commercial enterprises including oil companies – have to be more effective in their utilization of water, particularly freshwater.

So conservation is going to have to be a big part of what we do in Alberta. If I might give you an example of that, the city of Calgary municipality has half its city metered, half unmetered, and the unmetered section, of course, uses twice the amount of water that the metered section does. So it's not just the oil industry that has to conserve. The oil industry, quite frankly, is going to have to change its practices, and you will see in the water strategy, as we move forward, suggestions to the oil industry as to how they may change their water utilization practices. I think it's important for them to realize that and do that.

The Speaker: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Grande Prairie-Smoky.

Water Strategy

Ms Carlson: Thank you, Mr. Speaker. We're happy to hear that the water strategy is finally going to be available to the general public, since the consultations happened last June. Can the Minister of Environment please tell us when this water strategy will see its way into a bill that we can debate in this Legislature?

Dr. Taylor: Well, it's a good question. As I said, we're going to have the strategy, hopefully, on our web site by the end of the month. We hope to be able to have a final strategy available by the end of September or later in the summer, and from there we will need to make the necessary legislative changes and budget changes to put the strategy into effect.

Ms Carlson: What is the water strategy going to say about water transfers, interbasin transfers, in this province?

Dr. Taylor: Well, Mr. Speaker, quite clearly we heard at the forum that we held last June in Red Deer that we should take a look at interbasin transfers, in one sense, in that the smaller interbasin transfers are not so much of a concern. The legislation we passed last spring, you may remember, which is essentially a small interbasin transfer, you know, that's an issue that should be able to go forward. But the other issue, if she's referring to these large interbasin transfers from the north to the south, there was little support for that, and you will see some discussion of that in the water strategy. But there was little support for the large interbasin transfers.

Ms Carlson: Mr. Speaker, will the water strategy address issues of how to manage the projected drought conditions that are going to exist again in regions of this province?

Dr. Taylor: Well, Mr. Speaker, although we've had drought in central Alberta the last several years, if you look historically, the droughts have occurred really to the major extent in southern Alberta. One of the issues in southern Alberta, quite frankly, is water storage. For instance, two years ago the irrigation districts didn't have enough water. So as we move forward, I believe that we need to look at water storage, particularly off-stream storage, that could be effective in increasing water availability in areas that, you know, have endemic droughts. Even in central Alberta there may be some projects that we need to look at for water storage and water movement across the province.

head: 2:30

Members' Statements

The Speaker: Hon. members, before calling on the first of several hon. members to participate, might we all extend happy birthday wishes to the hon. Member for Calgary-Mountain View?

Canada/U.S. Relations

Mr. Lord: Mr. Speaker, recently we have heard some very negative and hurtful comments about Americans, implying that they are illegitimate and so on. I think this is very unfortunate, and it isn't the first time. In fact, I am disappointed that the feds haven't yet declared this a new national crisis, started a royal commission to investigate, hired some social workers, and dispensed some federal funding grants to all concerned. It certainly is what they would do if any other identifiable group was made the target of all this high-level hatred.

Mr. Speaker, I agree that some Americans do talk funny, but that's no reason to hate them. The reality is that we should recognize that they are our very best customers. In fact, I think the Americans are very good friends of ours, especially here in Alberta. While I don't think they invested their money in Alberta to develop our oil industry entirely out of the goodness of their hearts, they did help quite a bit. When Mr. Trudeau insisted that they couldn't take the \$60 billion or so home with them and made them send it east to pay Liberal salaries instead of south, well, the Americans did end up with a pretty raw deal, eventually having to sell many of their assets to us at fire sale prices. So now we're making tons of money from what used to be their assets. You could understand why they might be upset with us, but here we are calling them names, in effect suing them to buy even more of our products.

I have observed that any person who continually insults their best customers and their best friends soon has neither. It's too bad that we have people running this country who have never run a small business; otherwise they would have known better.

So I'd like to send my little thank you to the Americans and tell

them that we really do appreciate them and their business and their continuing fight for freedom. Thank you, Mr. Speaker.

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

Teachers

Mr. McClelland: Thank you, Mr. Speaker. Over recent weeks I've had occasion to speak with many teachers and parents as a result of comments that I made that were reported in the local media. Those discussions have underscored the reality that the unintended consequences of words are sometimes more damaging than the thoughts expressed.

In the normal give-and-take of public policy debate in the public arena we sometimes forget that behind the debate there are real people with real hopes, real dreams, real sensitivities, and real feelings. Teachers and the teaching profession are an integral, valued, and respected segment of our civil society. We entrust to teachers and the school system represented by trustees our most valued resource: our children, our future.

To the extent that I contributed to the sense of teachers feeling undervalued by society for their individual and collective contribution, I offer my sincere apology. We are in this together: students, parents, teachers, trustees, and political representatives. The least we owe each other is a frank, open, and honest debate leading to the resolution of problems and mutual respect.

Thank you, Mr. Speaker.

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

Education Funding

Dr. Massey: Thank you, Mr. Speaker. My school has lost three teachers, three teacher's aides, and \$300,000 of funding: it's part of the message I recently received from the school principal. The story is the same in many schools. Even with these reductions many school districts across the province will be forced into deficits this coming year.

Clearly, school financing in our province needs a major overhaul. The changes instituted in the 1990s are not working. Equity was achieved by taking taxing powers away from local boards, centralizing the funds, and returning the dollars to boards on a per pupil basis. However, underfunding of education has meant that schools' only claim to equity is that they are all equally poor. Class sizes are growing, learning resources are scarce, and support staff is dwindling. When pressed on the funding issue, the Premier's response is: how much is enough? The question deserves an answer.

What services are needed to enable all children to achieve at high levels? To answer the question, two models have been developed. With the professional judgment model a panel of experts determines the resources needed by schools at elementary, middle, and high school levels to reach a particular level of achievement. How many children should be in a class, what level of library services should be available, and similar questions are addressed. With the successful schools model an analysis is made of the resources used by successful schools to reach particular achievement levels. This, then, becomes the basis for determining the funding levels for all schools. Only the professional judgment model has been put into wide-scale practice. The states of Oregon and Wyoming have structured their state funding schemes based on this mode. The impetus for change in the United States was a series of law suits launched by parents who claimed funding was inadequate. The courts agreed.

In Alberta we would be wise to act before we face the agonies and costs of court battles launched by parents making claims of inade-

quacy. The time to deal with the question of funding adequacy is now.

Thank you.

The Speaker: The hon. member for Calgary-West.

School Utilization in Calgary-West

Ms Kryczka: Thank you, Mr. Speaker. A harsh reality in Alberta is the existence of the equivalent of 150 underutilized public system elementary schools, and the challenge of this government as manager of taxpayer dollars and the respective school boards is to significantly decrease this number. The enormous conflict is between good management practised by administration bodies and the emotions felt by communities who value traditions and resist change. I have experienced firsthand the trauma of the process to close underutilized schools.

Calgary-West is in a sector that includes equally many underutilized schools on the one hand but also an adjacent high-growth area that needs new schools and services. So I ask: how does an MLA fairly represent these two conflicting situations? You can't get on a school board's new school list unless underutilized schools are closed. I have already been accused by my constituents of deserting one to advocate for the other. So what a squeeze I'm in.

My personal response to this challenge is to continually work to resolve each of these two situations. I'm very pleased today to describe how Glendale elementary school in Calgary-West is truly a model of the typical underutilized school that's struggled in the past with many challenges, but since 2001 these have been resolved by merging with a second underutilized school in the same area, Glen Meadows elementary. For the students of both schools it had been a win/win situation, and I say students very strongly. Mostly the principals, teachers, parents, and students have been able to move forward and have developed wonderful, enriched, unique programs that have served in healing the wounds of 2001 and have increased the sense of pride and achievement in all they do. They absolutely thrive on success and recognition.

Glendale elementary school is truly the heart of the Glendale community, and it's still only 275 students. The journey was not an easy one, but the outcomes have proven, in my opinion, that it was the right decision. I would predict that other amalgamations of schools in Calgary-West will be occurring and can occur with similar success but, for me, not fast enough.

Thank you.

head:

Notices of Motions

The Speaker: The hon. leader of the third party.

Dr. Pannu: Thank you, Mr. Speaker. On appropriate notice being provided to your office and the office of the Government House Leader, I now rise to inform the House that I plan to rise in this Assembly later today, at the end of the daily Routine, to request the opportunity to make a brief statement on why a media briefing on Bill 19 that took place yesterday morning breached the rights of this Assembly and my rights as a member of the Assembly.

Thank you, Mr. Speaker.

head:

Introduction of Bills

Bill 19

Gas Utilities Statutes Amendment Act, 2003

Mr. Ouellette: Mr. Speaker, I request leave to introduce Bill 19, the Gas Utilities Statutes Amendment Act, 2003.

The changes proposed in the Gas Utilities Statutes Amendment

Act will refine the structure of the Alberta retail natural gas marketplace to provide greater opportunities for customer choice. Through this proposed act introduced as Bill 19 today, government will improve the ability of about 900,000 natural gas consumers served by major utility companies to buy natural gas from the supplier of their choice.

[Motion carried; Bill 19 read a first time]

The Speaker: The hon. Government House Leader.

2:40

Mr. Hancock: Thank you, Mr. Speaker. I'd move that Bill 19 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

The Speaker: The hon. Member for Calgary-Mountain View.

Bill 20
Alberta Municipal Financing Corporation
Amendment Act, 2003

Mr. Hlady: Thank you, Mr. Speaker. I beg leave to introduce Bill 20, the Alberta Municipal Financing Corporation Amendment Act, 2003.

The proposed amendments are designed to give the Alberta Municipal Financing Corporation greater operating flexibility.

[Motion carried; Bill 20 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that Bill 20 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

The Speaker: The hon. Minister of Children's Services.

Bill 22
Child and Family Services Authorities
Amendment Act, 2003

Ms Evans: Thank you, Mr. Speaker. I rise today with huge pleasure to introduce the first of three bills being presented by Children's Services this afternoon, Bill 22. It is the Child and Family Services Authorities Amendment Act, 2003.

It will remove the maximum currently within that piece of legislation to allow us to expand the membership on the boards, thereby accounting for the reduction of the children's authorities from 18 to 10, and accommodate better and more fairly community representation.

I now ask that this be read for a first time.

[Motion carried; Bill 22 read a first time]

Bill 23
Family Support for Children with Disabilities Act

Mrs. Jablonski: Mr. Speaker, I rise in the House today to request leave to introduce to the Legislature Bill 23, the Family Support for Children with Disabilities Act.

Bill 23 will provide separate and distinct legislation to cover

services for children with disabilities. The intent of the Family Support for Children with Disabilities Act is to provide a spectrum of proactive family-centred services to empower families of children with disabilities, preserve and strengthen these families, and prevent them from going into crisis. This proposed legislation is based on what was heard from Albertans during the review of the Child Welfare Act. I move first reading of Bill 23.

[Motion carried; Bill 23 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that Bill 23 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

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

Bill 24
Child Welfare Amendment Act, 2003

Mr. Cenaiko: Thank you, Mr. Speaker. I beg leave to introduce to the Legislature Bill 24, the Child Welfare Amendment Act, 2003.

Bill 24 deals with an amendment to Alberta's child welfare legislation. The proposed legislation is based on what was heard from Albertans during the Child Welfare Act review that was launched in the spring of 2001. While there have been some specific amendments to the Child Welfare Act through the years, the direction and guiding philosophy behind Alberta's child protection services hasn't been reviewed for over 17 years. The Child, Youth and Family Enhancement Act places an emphasis on the safety and well-being of children, increased involvement of families in decision-making processes, parental responsibility, seeking permanent homes for children in government care, the areas of adoption, services for aboriginal children and families, expanding the role of the Children's Advocate, supporting youth as they are transitioning to adulthood, and increased accountability for services being delivered to children and families.

I move first reading of Bill 24.

[Motion carried; Bill 24 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that Bill 24 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

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

Bill 205
Citizens' Empowerment Act

Dr. Nicol: Thank you, Mr. Speaker. It gives me great pleasure to introduce Bill 205, the Citizens' Empowerment Act.

This bill consists of two major elements. The first will allow people of Alberta to initiate a petition in referendum to prevent a bill from coming into force. The second part allows voters to petition the Legislative Assembly to introduce a bill that they feel is important.

[Motion carried; Bill 205 read a first time]

head: **Tabling Returns and Reports**

The Clerk: Pursuant to Standing Order 37.1(2) I wish to advise the House that the following document was deposited with the office of the Clerk on behalf of the hon. Mr. Mar, Minister of Health and Wellness: pursuant to the Public Health Act the Public Health Appeal Board annual report 2002.

The Speaker: The hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Speaker. I have three tablings today, with the requisite number of copies. The first two are letters from the mayor and council of the town of Turner Valley. My first tabling is a letter dated October 22, 2002, to the Electoral Boundaries Commission stating the town's wish to remain within the electoral division of Highwood and includes a copy of the town council minutes.

My second tabling is also a letter, dated February 26, 2003, addressed to the Highwood MLA to draw to the attention of this Assembly that the town of Turner Valley wishes to remain in the Highwood constituency.

My third tabling, also a letter, this one dated February 28, 2003, was sent to me by the mayor and council of the town of Black Diamond requesting that the town of Black Diamond be retained within the boundaries of the Highwood riding.

Mr. Broda: Mr. Speaker, on your behalf I rise today to table five copies of a document signed by 24 members of the Westlock Outreach Committee and Westlock United Church congregation. These citizens are requesting that the government implement changes to our health care system in Alberta.

Thank you, Mr. Speaker.

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

Mrs. Ady: Thank you, Mr. Speaker. I rise today to table the appropriate number of copies of a letter that I received from a constituent of my mine, Dave Fryett, chairman of the South Fish Creek Transportation Action Committee, asking that funding be restored to the south Deerfoot Trail extension in particular and two overpasses currently on deferral.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. I rise today to table the appropriate number of copies of 30 letters from constituents, three of which are from the town of Carstairs, the town of Didsbury, and the county of Mountain View, all asking that the Didsbury hospital become part of the Calgary health region.

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

Dr. Taft: Thank you, Mr. Speaker. I'm pleased to rise today to table the appropriate number of copies of a brochure produced by the Alberta Liberal caucus called High Power Bills Unplugged: Low-Cost Power for Alberta. It notes on the back: find out how you could save with the low-cost power plan; check out the calculator at www.altaliberals.ab.ca.

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

Dr. Pannu: Thank you, Mr. Speaker. I have two tablings today. The first one is the appropriate copies of a media advisory issued by

Alberta Energy dated February 28, 2003. It's called Media Briefing on Gas Utilities Statutes Amendment Act 2003.

The second tabling, Mr. Speaker, is five copies of a letter that I wrote this morning to the Member for Innisfail-Sylvan Lake informing him why New Democrats will not be attending the briefing today, scheduled for 11:45 a.m., related to Bill 19.

Thank you, Mr. Speaker.

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

Mr. Mason: Thanks, Mr. Speaker. I have one tabling today. It is a letter from Mr. and Mrs. Stevenson of Edmonton dated February 26, 2003, and addressed to the Minister of Seniors. They are very displeased with the Premier's leadership on gas and electricity deregulation and write: "It has been a fiasco. There is real fear in the minds of seniors when they see just how much [they are] being gouged in the guise of service to the public."

2:50

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

Dr. Massey: Thank you, Mr. Speaker. With permission I would table five copies of a submission by Anna Pellatt and the Alberta Civil Liberties Research Centre to the Child Welfare Act review, 2002. The submission and the advice contained in the submission will be useful as we debate Bill 24, introduced just moments ago in the Assembly.

The Speaker: Additional tablings?

Hon. members, I'm tabling today the appropriate copies of a document entitled Report to the Speaker of the Legislative Assembly of the Investigation by the Ethics Commissioner into Allegations Involving the Member for Leduc, dated March 4, 2003.

Mr. Knight: I rise today to table the appropriate number of copies, Mr. Speaker, of a letter from the municipal district of Greenview with the support documentation with respect to the issue surrounding access to highway 43. They're asking that "Alberta Transportation consider local input when designing accesses."

Thank you, Mr. Speaker.

The Speaker: I believe, hon. leader of the third party, that your point with respect to Standing Order 15(2) would now be appropriate.

Privilege Contempt of the Assembly

Dr. Pannu: Thank you, Mr. Speaker. Pursuant to Standing Order 15(2), that you just referred to, I rise on a question of privilege. My question of privilege will argue that as a result of the actions of the government, the rights of the Assembly and my rights as a member of this Assembly have been breached.

The factual background to this question of privilege is as follows. Last Thursday, February 27, notice was given on the Order Paper of the Legislative Assembly for leave to introduce Bill 19, Gas Utilities Statutes Amendment Act, 2003, sponsored by the Member for Innisfail-Sylvan Lake. The following Monday, March 3 – that was yesterday – the Alberta Department of Energy held a media briefing. This was pursuant to the issuing of their media advisory on February 28 that such a briefing will be held for the media.

The media advisory said, and I briefly quote:

Department of Alberta Energy officials will be on hand for a technical briefing, media only [underlined in brackets], at 11:00 a.m. on Monday, March 3, 2003.

The briefing will be held in Room 213 of the Alberta Legislature Building.

Officials will answer background questions on the Gas Utilities Statutes Amendment Act 2003, which will be introduced into the [Legislature] Monday as Bill 19.

In my view, these events constitute a contempt of this Legislature thereby bringing the authority and dignity of the House into question.

Erskine May, 22nd edition, on page 108, Mr. Speaker, describes contempt.

Any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence.

The briefing that I object to was for media only, in fact literally underlined in the media advisory itself from Alberta Energy. Earlier today I tabled a copy of the media advisory in the House. Moreover, I ask you to consider, Mr. Speaker, that nowhere on the media advisory is it stated explicitly that the information provided would be subject to embargo.

Section 115 of *Beauchesne* requires that a question of privilege be brought to the attention of the House at the first possible opportunity. With your permission I want to address this matter just briefly. In that respect I will explain why I'm raising this question of privilege today rather than yesterday. The fact that the media had received a briefing on the contents of a government bill prior to members of this House receiving any such information was already a serious matter, even had Bill 19 been introduced yesterday. This serious matter was made worse by the government's decision to not introduce Bill 19 in the House yesterday despite notice having been provided on the Order Paper.

In other words, members of the media received a detailed technical briefing on the contents of Bill 19 some 25 hours before any member of this House received the same information and some 28 hours prior to the bill being placed before this House. Opposition members did receive an invitation from the Member for Innisfail-Sylvan Lake to attend a briefing at 11:45 a.m. today. I instructed my staff to decline this invitation because, in my judgment, such briefing constituted contempt of the Assembly, Mr. Speaker. I earlier tabled in the House the letter that I sent to the hon. Member for Innisfail-Sylvan Lake.

The failure to place Bill 19 before the Assembly before its contents were shared with the media interfered with my rights as a member in a very serious and real way. Yesterday at noon I made myself available to the news media. At that availability I was asked by a news reporter to respond to specific information that could only have come from the earlier media briefing on Bill 19. I ask you, Mr. Speaker: how can I respond to information that the news media has but that I have been denied access to? This clearly interfered with my rights as a member of this House by placing me at a severe disadvantage vis-à-vis the reporters who attended the Bill 19 briefing.

I want to make it clear that I find no fault with the news media in this matter. Their job is to report the news. To ask the news media to embargo information not provided to members of this House for over one full day places the media in an untenable position in the same way that I was placed in an untenable position myself.

Two years ago this month an incident occurred in the federal Parliament whose circumstances bear a direct parallel to the events which occurred here yesterday. On March 14, 2001, Vic Toews, MP for Provencher, raised a question of privilege in the House regarding a Department of Justice briefing on a bill prior to its introduction in

Parliament to the House of Commons and the exclusion of Members of Parliament and their staff from that briefing. On March 19, 2001, the Speaker of the House of Commons delivered his ruling on the question of privilege. The Speaker concluded that the provision of information concerning legislation to members of the media while denying such information to members of the House of Commons and without any effective measures to secure the rights of the House constituted a *prima facie* contempt of the House.

To guide the Speaker of this Assembly – that is, you, Mr. Speaker – in your deliberation as to whether a *prima facie* breach of privilege occurred, the House of Commons Speaker's ruling is very relevant. I seek your indulgence to quote at some length from Speaker Peter Milliken's ruling, as I believe it outlines with great clarity the reasons and arguments as to why my rights and the rights of other members of this House were interfered with.

The federal Speaker ruled:

The House recognizes that when complex or technical documents are to be presented in this Chamber, media briefings are highly useful. They ensure that the public receives information that is both timely and accurate concerning business before the House.

In preparing legislation, the government may wish to hold extensive consultations and such consultations may be held entirely at the government's discretion. However, with respect to material to be placed before parliament, the House must take precedence. Once a bill has been placed on notice, whether it has been presented in a different form to a different session of parliament has no bearing and the bill is considered a new matter. The convention of the confidentiality of bills on notice is necessary, not only so that members themselves may be well informed, but also because of the pre-eminent role which the House plays and must play in the legislative affairs of the nation.

3:00

Mr. Speaker, Speaker Milliken of the House of Commons continues:

Thus, the issue of denying to members information that they need to do their work has been the key consideration for the Chair in reviewing this particular question of privilege. To deny to members information concerning business that is about to come before the House, while at the same time providing such information to media that will likely be questioning members about that business, is a situation that the Chair cannot condone.

The House of Commons Speaker continues:

Even if no documents were given out at the briefing, as the hon. government House leader has assured the House, it is undisputed that confidential information about the bill was provided. While it may have been the intention to embargo that information as an essential safeguard of the rights of this House, the evidence would indicate that no effective embargo occurred.

In this case it is clear that information concerning legislation, although denied to members, was given to members of the media without any effective measures to secure the rights of the House.

I have concluded that this constitutes a *prima facie* contempt of the House and I invite the hon. member for Provencher to move a motion.

Mr. Speaker, I ask you to carefully review the facts of this case and compare them to the facts of the case that occurred two years ago in the House of Commons. I hope that you will conclude that the facts in this case are even more compelling. In the federal Parliament there was only a delay of a few hours before the time that a media briefing occurred and when the bill was introduced. In this case, there has been a delay of over one full day.

For all of the above reasons, Mr. Speaker, I urge you to rule that a *prima facie* breach of privilege has occurred. Should you so rule, pursuant to *Beauchesne* 114(2) I would be prepared to move the necessary motion setting out a course of action for the Assembly.

Thank you, Mr. Speaker.

The Speaker: Hon. Government House Leader, are you prepared to make a comment with respect to this today?

Mr. Hancock: Yes, Mr. Speaker. I'd be prepared to make a comment now and, if it is your pleasure, to make written comment on this subject. It's obviously a very serious matter anytime a question of privilege or breach of the privileges or contempt of the House is raised. In this circumstance I would suggest to yourself and to members of the House that no question of privilege has been made out on a *prima facie* basis at all, but, as I say, should you wish to have further argument on it, I'd be happy to do that.

The question is one around: what's appropriate briefing to provide to any member of the public or other members of the House prior to a bill being introduced in the House? I think it is a common practice in this Assembly and I certainly have assured opposition members since I've been House leader that I encourage my colleagues to speak with their opposition critics with respect to any bill that they're going to introduce into the House, to give them information prior to the bill being introduced into the House as to what the nature and contents of the proposed legislation will be. That is done often, and members of both opposition parties have certainly attended in my office to be briefed on bills that are being introduced from our perspective.

Now, obviously, at that stage, it's not a matter of providing a copy of the bill, which we would not do, because the bill ought to be the property of the House, but we do provide specific and sufficient detail so they can understand the nature and direction, which is only appropriate in a modern parliamentary context where discussion of public policy ought to be done thoroughly, frankly, and in the public interest.

The question of discussing with the public and the media. Again, as the hon. member has alluded to, it has been the practice of this government, certainly since I've been here and since long before that, to have full, frank, open consultation with the public, and in the nature of the particular bill in question, Bill 19, there has been a discussion with stakeholders on an ongoing basis for at least the last year, as I understand it. The minister is present today and can supplement any remarks that I might make with respect to the process, but as I understand it, the discussion of the Gas Utilities Act has been ongoing for the better part of the last year. Discussions with stakeholders have happened. Drafts of legislation have been discussed. In fact, the hon. member who's raised the question of privilege tabled some early drafts of the bill in the House yesterday, so obviously he had them and was aware of their contents. But the process that we've followed has always been that the actual bill itself is not shared with anybody prior to it being tabled in the House. That's the gist of it.

One would hope that there would not be any ruling of this House – and I would certainly ask you, Mr. Speaker, to carefully consider any ruling that you might make – which would stop a good, full, open, frank discussion with the public, including briefing the media, with respect to legislation that's going to come before the House so that people can have a good understanding of the contents of legislation. What we need to make sure of, of course, is that the final draft of a bill, the bill that's actually going to come before the House, is the property of the House and is not released.

I'm given to understand – and no suggestion has been made otherwise – that the bill itself was not provided during the media briefing, that the legislation was not released prior to it being tabled in the House, that the briefing involved a discussion with the media of some of the technical aspects of what was going to be proposed, but that would be simply an extension of the discussion that's been had over the last six months and longer with the public, with the

stakeholders, and with everybody else that was interested with respect to the bill.

Indeed, the opposition and the member raising the question of privilege this afternoon has indicated to the House that he, too, was invited to be briefed and turned that opportunity for briefing down, but I can assure the House that on other similar occasions the opportunity for briefing has not been turned down, that they've participated in briefings prior to bills being entered into the House, and this circumstance was no different.

It's important that the media is briefed fairly early on, fairly close to the time of introduction of a bill, because that's when they pay attention to the legislation that's being brought forward. That's when they're interested in it. Again I'm given to believe – and nothing has been suggested otherwise in the House – that there was no information shared with the media that was not part of a consultation process, part of an ongoing public discussion, part of the process building up to and preparing for the legislation to be written and the legislation to be entered into the House.

Nothing that the opposition member has said has indicated that anything that is particular to the bill itself was shared with anybody inappropriately prior to being entered into the House. All the hon. member has complained about is that there was a briefing, and as I've tried to outline for you, Mr. Speaker, and for members of this House, briefing the opposition, briefing the public, briefing the media, having open consultation processes is a hallmark of this government.

The Speaker: Would anyone from the Official Opposition choose to participate in this point?

Now, the bill in question was introduced under the name of the hon. Member for Innisfail-Sylvan Lake. Is there anything further that the hon. member would like to add to this matter?

I believe that the bill was then made and became a government bill. Is there anything the hon. Minister of Energy would like to add to this matter?

Hon. Member for Edmonton-Highlands, you have something of a concrete nature to add to this matter?

Mr. Mason: Absolutely, Mr. Speaker.

The Speaker: Proceed.

3:10

Mr. Mason: I wish to deal with two points raised by the hon. Government House Leader. First of all, consultation that has taken place in advance of the bill, including the distribution of draft bills. Mr. Speaker, there is a very distinct difference and a very important one between draft legislation and actual legislation, and I would submit that once the bill is finalized and is prepared to be put before the House, it is something that needs to be introduced first of all to the House and all members to have an opportunity to see that before the media does.

I will refer to the government news release dated February 28, 2003, and it indicates that media only is to be present and that the "officials will answer background questions on the Gas Utilities Statutes Amendment Act 2003, which will be introduced into the Legislation" – that's a typo on their part: legislation – "Monday as Bill 19." This is not referring to any draft bill. This is not consultation. This is specifically dealing with a briefing on legislation that has already entered its final form before being introduced to the House.

The second point – it's a smaller one, Mr. Speaker – that I'd like to respond to the hon. Government House Leader on is that the

briefing which the hon. Member for Edmonton-Strathcona declined was one day after the briefing which was provided to the media.

So I would suggest, Mr. Speaker, that in accordance with the precedent which has been set in the federal House, this is clearly a *prima facie* case of privilege.

The Speaker: I want to get all the input we can possibly get because I am prepared to deal with this matter by tomorrow afternoon. If there's anything further – I've recognized two members from the third party. Does the hon. Deputy Government House Leader or the Government House Leader have anything further to respond to? There was a challenge. You don't have to.

Well, the chair has anticipated such a situation for going on two years now so finds it rather interesting that we've arrived on this day of March of 2003 with this kind of parliamentary dilemma before us, and it is one. Prior to tomorrow I would encourage a number of members to read the *Journals* dated Tuesday, March 7, 2000, at which point in time we had a similar situation arise in our House. A similar matter was dealt with. A ruling was provided at that time with respect to an almost similar kind of situation as the one we're talking about here today. Now, words were given. Caution was provided. Advice was provided.

Then, rather interestingly, since that time – and I'm just absolutely delighted, and I must congratulate the hon. leader of the third party for the impeccable research. The hon. member quotes from a ruling of March 19, 2001, in the Canadian House of Commons, which was almost one year after the one in the Alberta Legislative Assembly, a ruling provided by Speaker Milliken in which he did provide a conclusion that did set in motion a certain process.

So I will deal with this matter today and tomorrow and, hopefully, be in a position to come back and provide a ruling on this, but if any hon. member wants to convey any further information to me, the deadline for receiving such would be 10 o'clock tomorrow morning so that there would be ample opportunity for us to deal with this matter and have a ruling prepared by hopefully tomorrow afternoon at the conclusion of the question period. So I repeat: if there's additional information that needs to be provided to the chair with respect to this particular matter, please provide it no later than 10 a.m. tomorrow. Ample opportunity has been given, and ample invitations have been given to all hon. members today who chose to want to participate in this or add something of a parliamentary nature, and I think that concludes that.

So let us now proceed.

head:

Orders of the Day

head:

Government Bills and Orders Second Reading

Bill 7

Real Estate Amendment Act, 2003

[Adjourned debate February 25: Mr. Graydon]

Some Hon. Members: Question.

The Speaker: Well, hon. members, the debate was adjourned in the second reading of Bill 7 by the hon. Member for Grande Prairie-Wapiti, and the chair hears nothing but calls for the question.

The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. We are happy to see this bill come before the Assembly. It's one that we are going to be supporting. It's definitely a bill that allows the authority of the Real Estate Council of Alberta to keep pace with developments in the real estate

industry. It isn't really a very big bill. It isn't all that significant, but the changes that we see here are important. It brings appraisers under the act's licensing and regulating provisions, which we think is a very good idea. It extends the length of time the Real Estate Council of Alberta can take disciplinary action against former industry members to two years, which is also a good increase and is in line with the timing of their investigations, and it allows the council to require members to retain records for three years after they have left the industry, not as long as the tax department requires them to keep the records but certainly important for investigations done within this particular mandate. So we will be supporting this bill in principle.

[Motion carried; Bill 7 read a second time]

Bill 13

Government Organization Amendment Act, 2003

Ms DeLong: Mr. Speaker, I'm pleased to move second reading of Bill 13, the Government Organization Amendment Act, 2003.

Alberta Registries currently issues identification cards to Albertans 14 years of age and older who do not drive so that they are able to have government-issued photo identification. The production and issuance of identification cards will mirror those of drivers' licences. The identification card program is completely voluntary, and in the year 2001 there were 37,000 identification cards issued.

[Mr. Shariff in the chair]

Express legislative authority is required to continue operating the current identification card program. The basic authority is being set out in schedule 12 of the act, and most of the details will be in ministerial regulation.

Thank you very much, Mr. Speaker.

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

Ms Carlson: Thank you, Mr. Speaker. Once again, this is a bill that's relatively minor in nature, although it does raise for me a couple of important issues. The first is the issue of providing identification for people who don't have a driver's licence. We think everybody has got a driver's licence, but in fact that isn't true. Many people who have medical conditions do not qualify and need some form of ID in many cases, and some people choose not to drive, and those that are 14 or younger haven't actually put in the hours or the training to qualify for a licence and also need some kind of identification.

I recall when my father had a stroke and could no longer drive, and the worst part of the rehabilitation during that time period was the fact that he was going to lose his driver's licence. There was quite a bit of significance for him attached to that. Having talked to people who work in the health care field and the rehabilitation field, they say that that is a common occurrence, that losing the ability to drive is a big deal, but losing the ability to have some kind of ID is even a greater threat to their independence, and they see that as quite a significant event in their life. So for those reasons it is important that we have access to some kind of identification card for people in that kind of a circumstance.

But we have a real issue about security, Mr. Speaker, and I'm not sure that we see that this bill identifies any of those concerns. There have been recent events of thefts in the offices where these ID cards are going to be available. When we talk about issues of national and international security and we talk about issues of personal identifica-

tion for people, it's something that needs to be considered, and I'm hoping that in committee the member who introduced this bill will address those issues for us.

3:20

There's some talk that the fingerprint or other proof of identification that's being suggested for new drivers' licences also be used in this case. I would like to see that happen. There was not that long ago in Mill Woods an instance where a false ID was made up to take a girl across a border, and that's a pretty significant event. We need to ensure that we have enough security around these kinds of ID cards that those kinds of occurrences cannot and will not happen in the future.

So before I actually decide to support this bill or not, I would like to have the security issues identified, and let's talk a little bit about how we're going to ensure that security is maintained in these instances and that there will be the same kind of security around them as we see around other pieces of identification that are important from a legal responsibility.

With those comments, I'll take my seat.

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

Ms Blakeman: Thanks very much, Mr. Speaker, for the opportunity to speak in second reading of Bill 13, the Government Organization Amendment Act, 2003. Specifically, as the Member for Edmonton-Ellerslie has noted, this is about capturing in legislation the ability of Alberta Government Services to continue to issue photo identification cards to Albertans who request them.

Now, I'm assuming that this can happen even if they do actually have a driver's licence, but primarily people, certainly the constituents that I have dealt with, that need to be able to get this kind of card are those who – I can think of two examples. One was an issue of poverty where the individual had experienced dramatically reduced circumstances and no longer had a vehicle to drive and hadn't for some period of time, and the driver's licence lapsed, and then they couldn't get any other form of identification. The photo ID, that is part and parcel of the driver's licence, is the number one requested piece of identification to start any other process, whether you're talking about a passport or anything else. So it's really critical that there be an alternative to a driver's licence and that if people cannot get a driver's licence or do not wish to have a driver's licence, this is available to them and needs to continue to be available to them.

The other circumstance that I've dealt with in my constituency with constituents who needed to get access to this card was those who had an illness that would preclude them from being able to drive or were taking medication that would prevent that. Again, we're in an age where everybody wants identification. As a matter of fact, we're moving towards more information being captured on the identification cards.

I know that the minister for this same department sponsoring this bill through the Member for Calgary-Bow is – I've totally lost my train of thought.

Some Hon. Members: Question.

Ms Blakeman: No. You don't get to call the question just because I lost my train of thought.

The additional information that he's proposing come out in some kind of smart card, which I continue to think of as a snoopy card because it may well be capturing far more information than they really need to on a driver's licence – I think we need to be watching

that. If there is an enhanced card being offered on one side with additional information – and I have to state that I'm very cautious about giving my support to that – we have to make sure that if that does happen, there is an equivalency through this particular kind of identification as well. We can't have a second-class form of identification just because people choose or are unable to or can't afford to keep up a driver's licence.

We are increasingly requiring that identification be produced in all kinds of circumstances now that didn't used to be the case. For this one fellow that came to me, I actually had to write up some documentation to say that I knew who he was and that I'd known him for a long period of time and that he was who he said he was so that he could actually go and get this identification card so that he had at least one piece of ID. He couldn't even get a bank account opened because he had absolutely no picture ID or identification that institutions would accept.

On the one hand, I'm glad to see that it's being solidified into legislation, but I think there are a number of other concerns that we need to look at. If I could look forward to having the questions that I've raised be answered, then I'm willing to speak to it again in Committee of the Whole.

Thank you.

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

Ms DeLong: Thank you, Mr. Speaker. I will in Committee of the Whole go into more detail in terms of security issues, but to give some immediate comfort in terms of the security: the security for this card will be identical to the security for a driver's licence. As you are aware, we are moving forward in terms of increasing the security on the driver's licence cards.

To the Member for Edmonton-Centre in terms of whether or not this will be like a second-class card: this card will be handled exactly the same way as the driver's licence card. In fact, one of the things that I really like about it is that we are not setting up any sort of separate administration, no separate computer system, nothing. This is all handled exactly the same way as a driver's licence.

Thank you.

[Motion carried; Bill 13 read a second time]

Bill 10

Health Information Amendment Act, 2003

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

Mr. Mar: Thank you very much, Mr. Speaker. Across Canada electronic health records are becoming the standard in health care for efficiency and, more importantly, to improve the results of patient care and the reduction of medical errors. Developing electronic health records is a key initiative in the Premier's Advisory Council on Health report. It is our blueprint for health reform.

To realize the benefits of electronic health records, care providers need access to information. Often family members and close friends need information that helps them understand what has happened when a patient dies. Yet at the same time we must protect patients' privacy and the confidentiality of their information. Bill 10, the Health Information Amendment Act, 2003, achieves this balance between access to information and privacy and confidentiality protection.

Section 60 of the current act already requires reasonable steps to protect the security and confidentiality of health information

including information in an electronic record. Bill 10 will strengthen this protection by adding a provision specifically to protect the confidentiality and security of electronic health records. With enhanced security and with the support of all major stakeholders, Bill 10 then removes the requirement to get patient consent before information can be shared through electronic health records if that health information can identify an individual.

The pharmaceutical information network project shows that 99 percent of people consented to have their records shared by electronic means. The people who keep and manage electronic health records have told us that getting consent is an administrative burden that takes away time for patient care. All provinces and territories agree that consent should not be required in a health care setting if the information is used for treatment and care. When we ask for consent under the current act, the implicit message to patients is: the risk is yours, and you accept it. With the proposed changes we change the message to: the risk and duty is ours, and we will meet it.

3:30

Mr. Speaker, in the sad event of a death the family and friends of the deceased need access to health information to understand what has happened. The current act does not permit this information to be disclosed for reasons other than the administration of the estate. In the case of a child there may be no estate, but the parents still need to understand and work through their grief. Bill 10 addresses these issues with amendments recommended by the Information and Privacy Commissioner. Bill 10 authorizes discretionary disclosure of health information that relates to circumstances surrounding death or health services the person received before death. Where disclosure is not contrary to the express request of the deceased, this balances privacy with the surviving family's need to know. Under the current act only the personal representative of someone who is 18 or older at the time of death may exercise rights on behalf of the deceased. Because access to information may be needed to administer an estate of a child, Bill 10 removes the age restriction, as recommended by the Privacy Commissioner.

Mr. Speaker, in conclusion, in fairness to the professionals and families who need access to health information, in the interests of patients whose caregivers will be able to make better decisions, and to increase confidentiality protection for patients whose information is used to provide better care, I ask this House for support for Bill 10, the Health Information Amendment Act, 2003.

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

Dr. Taft: Thank you, Mr. Speaker. It is, as always, a pleasure to rise and speak in this Assembly. I was listening to the minister's comments and find myself frequently agreeing with him, so I thought I'd start off with that volley and, in fact, say that we're very pleased in particular about the component of Bill 10 that addresses the sharing of information on the death of a child. It's an issue that was brought to our attention in the fall. I think it was brought to the minister's attention as well. I'm glad to see that the minister has brought forward legislation to address that particular concern. It had led to a handful of very sad and completely unnecessary dilemmas. So there's wholehearted support certainly from me and, I'm sure, from the opposition caucus for that particular part of this legislation. We may want to discuss that angle at greater length in committee, but it's pretty straightforward.

The larger aspect of this bill and the one that is more difficult is the part that addresses the issue of consent around health information, and it's a genuine dilemma. It's one for which there is no perfect solution. In principle and in general I can say that I am

uneasy with trends towards more and more personal information being kept on computers, and I say this as somebody who has no particular history to be sensitive about.

An Hon. Member: Well, how do we know?

Dr. Taft: Well, you might find out sometime.

Nonetheless, there's a trend in society in which a tremendous amount of information is collected on each and every one of us and installed in computer databases. Every time we use a credit card, every time we make any significant or even sometimes tiny purchase, every time we rent a video, every time we respond to a consumer survey, and on and on and on, information is collected on us. Indeed, every time members of this Assembly enter their offices and use their security cards, information is collected on us.

While all of this information is distributed in many smaller databases so that there isn't one, single, Big Brother system out there, one of the most dramatic trends in computer technology is the networking of databases. Certainly, I know I have and I bet many of us have had the experience where you're making a purchase – I can remember a few years ago purchasing a refrigerator. Part of the deal was that it was an interest-free purchase, so I applied to have this interest-free arrangement, and the clerk said: well, I'll just pass this information on to our central office through phone. In about two minutes the clerk and whoever he was talking to on the other end of the phone had completely reviewed my financial records and decided that, yes, indeed, I was creditworthy. That was done through a sales clerk at an appliance store. Certainly, I assume that there was some kind of safeguard on that information, but it was easily penetrated by a clerk at an appliance store.

That's just one example. I know there have been other times. I went a couple of years ago to rent a video at a store that I regularly went to, and I showed my membership card as I had to, and the clerk popped up and said: oh, sir, your Visa card is about to expire. I'd never used my Visa card at this shop. I'd always paid cash, as we probably all do for something as cheap as a video rental, but the databases were linked, and this person knew my credit card was coming up.

I tell these stories because they illustrate how much personal information is readily available. I know these issues are well known to the minister, to the department, and to the people who have worked on developing the electronic information systems. Nonetheless, I am uneasy about this trend in our society, and I think one of the principal safeguards for individual privacy and, ultimately, individual freedom is our right to have the minimal amount of information necessary collected on us without our consent.

So the thrust of part of this bill, which is, as I understand it, to prevent or to stop requiring active consent from people for some of their information to be placed on computerized systems and to assume that that consent is given and to not collect the information only if they actively object, is to me a very major step. I must say that it's not just that way for me. I've heard from legal people, civil liberties people, and from health people who share these concerns. That is going to be, I imagine, the most contentious part of this legislation.

While I expect, as is typically the case in this Assembly as it's structured, this legislation to go through, I'm concerned, then, that down the road we may run into problems with implementing the legislation, or we may run into something of a public backlash when people who didn't realize that their private information was being computerized learn about it and say: "Hey, what's going on here? I didn't expect this. I didn't want this." So I do think that this is in that regard a very significant piece of legislation with profound potential implications.

The questions I raised today do not mean that we are opposed to electronic records on health care. I have listened for many years to physicians who have wished they could have had better information on a particular patient. There are many examples, I think the most dramatic coming out of emergency wards, where somebody turns up unconscious or without an informed friend to help them and the doctors aren't sure what medications they're on, they aren't sure what allergies they have, they aren't sure what blood types they are, and they need to act instantly. In those situations doctors are presented with a difficult and dangerous situation that they wish they could address, and presumably this kind of information system will help them address those problems.

For every one of those problems I find myself wondering: are we taking a huge and expensive step to address what is, frankly, a fairly small number of problems? Is this one of those things that from society's perspective overall it would be nice to have but except in a few dramatic cases is not necessary to have? How much is this going to cost in hardware and in software and in human effort and human time to implement? What are the benefits of that really going to be to the health care system? How many patients are really going to be treated significantly differently because of this information? I don't know the answer to that, but I think it's a question that perhaps needs to be asked more.

3:40

I am concerned, and this is a concern that goes back many, many years, to days in the 1980s when I worked in the provincial civil service. There was an initiative there, that the Minister of Children's Services has occasionally referred to as CWIS, the child welfare information system. That computer system cost millions of dollars to develop and caused incredible disruption and grief to all kinds of people as it was being developed. I began to wonder then if the real driving force behind it wasn't largely the computer companies and the software companies and the computer enthusiasts who had in their minds some kind of ideal, but when that ideal was being turned into reality or the attempt was made to turn that ideal into reality, it just didn't work very well. It was very, very costly and in many regards didn't work as well as the old paper system. Now, I assume – I hope – that CWIS has come a tremendously long way. I imagine it has, but it gave me an insight into how painful and how costly and how slow and disruptive developing these information systems can be. I do have a sense that this provincial government is actually spending hundreds of millions of dollars annually on developing new computerized systems that I'm not sure are, in fact, worth that cost.

So that's another reason I'm skeptical of this whole direction. Is this a nice-to-have, or is it really a need-to-have? What's the cost, and what's the benefit? Is the benefit really as great for society as people who sell computers and software would like us to believe? I remember back – I'm sure we all remember – to the promises of a paperless office. The computer was going to bring the paperless office. Well, I probably got 500 pages of paper delivered to my office today alone, so a lot of these promises haven't materialized.

I'm also concerned that there are times when it's better to be second or third or fifth or tenth in developing an innovation than trying to develop it yourself. It's not always the best to be the first one to challenge a problem because all of the expensive lessons are learned at your cost and all the expensive mistakes you made at the cost of your government or your citizens. So I can't help wondering if we wouldn't be better off letting another province iron out all the enormous bugs we're going to have with this system and then learn from their difficult experiences.

An Hon. Member: Why not let the feds do it?

Dr. Taft: Well, maybe we could learn a lesson from the federal government – you're not kidding – on how not to do something.

So I'm hoping for some interesting comments from the government members on the issues of personal privacy and individual freedom and on the issue of intrusion of government into people's private lives without their active consent. I assume that's a significant issue for all members of government, especially the Member for St. Albert, who is making a variety of comments on this.

Ms Blakeman: But not on the record.

Dr. Taft: But not on the record. No.

So I look forward to the discussion that's going to be here, Mr. Speaker, and I'm happy to see how the debate unfolds. Thank you.

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

Ms Blakeman: Thanks very much, Mr. Speaker. I'm glad to join in the debate in second reading on Bill 10, the Health Information Amendment Act, 2003. This is a proposal that always seems to have two sides or two parts to it, because off the bat the bill has what I think is quite a good, positive movement, that I'm not going to challenge, and then I think there's another side of it that is worth challenging.

Obviously, the section of the bill that's dealing with allowing for the discretionary release of health information around an individual's death is a positive move. I think a number of us can remember the episode that led to this. As a matter of fact, I know that in the Official Opposition we in particular pushed for this amendment, even calling on the Minister of Health and Wellness to implement it back in November.

The second part of it, though, is this sort of negative billing idea, of giving or not giving permission, and there's a good and a bad side to that one as well in a couple of different ways. I think that we can look at it and say: okay; well, this does allow for health professionals to share accurate information quickly and easily. It would stop some duplication of testing and diagnosis.

I remember when I was in the hospital, I couldn't believe that every single health professional that came at me had to run the same dang tests, and they were particularly uncomfortable. I kept saying: don't you keep this information somewhere centrally where you can all look at it; why do you have to keep doing this to me? It was kept centrally. It was supposed to be, you know, the clipboard that used to hang on the end of patients' beds. But even by that time that wasn't necessarily happening, and I felt at the time that there was a lot of duplication of service and staff time that didn't need to be happening if they'd just managed to share the information and the results of various diagnostic tests with each other.

All of that would certainly be addressed if we had this sort of instant access from the health professionals to a shared database of information on a computer. So we're trying to balance here expediency and delivery of high-quality health care against an individual's privacy.

I think what always comes to me is the removal of choice in this situation, that what we have now is that the choice is there and has to be offered to the individual. They have to be told, you know: you must release this or sign a consent form so health professionals can get at this. The person is offered the choice. They can take it or not take it. But what we're talking about with this bill is eliminating that section. So they're no longer offered the choice; it just happens.

This government seems to be very keen on taking away people's

ability to protect their personal privacy. I mean, we had an MLA police review that talked about having unmanned drones going out in the country and spying on people and collecting video tapes of folks, you know. I think you have to draw a line – and that may well be an ethical line; it could be a moral line – where you say: no, we're not going to take away people's ability to stop that.

I'll give you a sort of minor example of that. A lot of us, when we go to the stores now, are offered these customer loyalty cards, and with it usually comes an incentive, like you'll be able to take advantage of sales that only those people with these cards will get. True, but you also are giving over an awful lot of information about you and your choices in life. Of course, all of those are recorded, and that will lead to your being lobbied to purchase other kinds of similar merchandise, but you still have the choice. You may not like the choice particularly – that is, I don't want the customer loyalty card, and therefore I won't be able to take advantage of your sales – but at least that choice is still there rather than having to say to everyone: sorry; we're going to record every single thing that you're going to buy whether you like it or not, and you're going to get lobbied by other marketing firms whether you like it or not. I still maintain that we need to hold onto that personal integrity and that personal choice about that.

3:50

I heard someone over here heckling about: oh, the sky is falling; the sky is falling. I don't think the sky is falling here, but I think that there are a number of very clear, conscious choices that we need to make about how we as legislators deal with people's personal information.

Now, we have a number of examples in front of us. This is a question of trust. If that personal information is collected in whatever form, can we trust that it will be reliably held, that the people who get access to it will be restricted, that it will be only those people that absolutely have to be able to get access to it? I would argue that the examples we have before us do not give us a lot of faith in that. We're still getting stories of medical records found in boxes in people's backyards, of hard drives of computers being sold before they were wiped off.

You still also have to deal with not human error here but, I guess, human corruption. What comes to mind is the story in Quebec where the Hells Angels were able to bribe an employee who was working in a private registry to look up the licence plate number of the journalist and was able to provide that. Of course, then they waited in the parking lot by the car with that licence plate number and were able to shoot at the journalist.

So that is a matter of human corruption. That person had access to very personal information, and there was no way to control them. I mean, no, they're not supposed to do it, but they did it. That's the issue here. No, they're not supposed to do it. No, other people are not supposed to be looking at this information, but I don't see the safeguards that assure me that that's not going to happen. I don't see that there's enough protection there that's going to make me trust that this system is going to work. I mean, it seems every month, every couple of months there's another story of how a bunch of personal information on a computer, on paper, on whatever that was collected by government on its citizens is found in a place that it shouldn't be, or people that shouldn't be having access to it indeed have access to it. I think until we can have, let's say, a demonstrated period of time where the government manages to keep all of this personal information on people indeed secure, I'm not able to extend my trust in government that they will do that.

Again, I think it is wrong to take away the choice of people to say yes or no. As I gave an example with the customer loyalty cards,

they do make that choice understanding what the limitations are, yes: I won't give you that personal health information, and I understand that that might mean I don't get an immediate diagnosis if I am in a car accident because you will not have access to my health care records. Maybe it's a two-hour wait or a four-hour wait or an eight-hour wait, but, you know, frankly you could be sitting that long in emergency waiting to get checked in anyway until your family members, whoever else has that information, show up. So at this point I don't see the urgency there.

I don't see that there are enough safeguards being put in place that protect how the information is collected, where it's stored, who has access to it, and how it's disposed of eventually. What do you do with old information? How is it archived, and, again, who has access to it? So I see too many reasons still out there to not trust that this system can be put in place in a way that satisfies my need on behalf of constituents to protect their privacy and to protect their choice.

It may well be that the minister has stupendous statistics that he's able to bring forward of where the system works and what he's willing to see put in place to offer these safeguards that I'm looking for, and I look forward to hearing more from the minister and to further debate in Committee of the Whole. I have real hesitation in supporting this bill as it stands now.

Thank you.

The Acting Speaker: Hon. members, Standing Order 29 kicks in.

Hon. Member for Edmonton-Highlands, are you rising to ask a question?

Mr. Mason: Yes, I am. I'd like to ask the hon. Member for Edmonton-Centre if she has concerns about the number of people who have access to this information and whether or not individuals should have access to their own information?

Ms Blakeman: That's interesting. Yes to the second part. I think that individuals always need to be guaranteed access to the information that's kept on them. We, I think, have lots of examples where in fact information is incorrect, yet an individual looking at their own files could instantly say, "Oh, that's the wrong information; here is the correct information," or supply them with documentation of it corrected. It's just fundamentally wrong to keep personal information on someone and not let them see it. Now, there can be a process in place to allow them to gain access to this information – that's fine – but they have to be allowed to see the information that is being kept on them. So I answered the second part of your question first.

The first question. Part of what I was talking about is the concern about how many people get to have access to this information. Where does the buck stop? Where does the access code end? I remember I had an alarm system once that you could sort of gradate employees on when they were able to enter the office space and who was allowed to come in after hours or on weekends and how many times they could come in and out in a given period of time. I don't see any attempt to have that kind of coding or security in there. So where does this end? Maybe the minister can lay this out for us. Who all does get to see this? Doctors? Okay. Pharmacists? Well, possibly. The orderly? The nursing aide? The personal care attendant? Who? Who all gets to see it? What is that list, and what's the security clearance, if you want to call it that, of the people that get to see it?

So I think there is a real concern about that, and thanks for the question.

The Acting Speaker: There being no questions, the chair recognizes the hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I, too, am happy to be able to rise today and speak to Bill 10, the Health Information Amendment Act, 2003, as introduced by the Minister of Health and Wellness. It's interesting to have seen the evolution of this bill or some variation of this bill over the 10 years that I've been in this Legislature. We've seen trial balloons raised by a variety of health ministers and sometimes government private members on issues around smart cards and gathering information on people and some form of information transfer that makes the information readily accessible to whoever is out there that might want it.

Interestingly, also in this bill we see the government resorting to one of their usual tactics, Mr. Speaker, and that is that they put a little piece in the bill that is motherhood and apple pie, that is very difficult to not support, that in fact everybody in the world would support. In this case, that is the piece that talks about allowing custodians to provide access to and disclosure of health records/information of deceased individuals. No one wants to vote against something like that. It's a very supportable part of the legislation, and we have seen recently, as discussed by several of my colleagues, instances where that's very important to occur, but it's a small piece of this bill.

The major piece of this bill talks about what is in fact an example of a kind of negative billing. Where we all will understand what this legislation does in this Assembly because it's been discussed, most Albertans won't know that this goes into place, so they won't know that their health information is out there electronically, able to be transferred to those people that somebody else deems to be appropriate.

4:00

So when we talk about this legislation, the fundamental questions for me are: do I trust the government to get the information correct in the first place? The answer to that, fundamentally, is no. We have seen too many examples of this government not processing information accurately, sometimes through no fault of their own, but something happens in the translation of the data where there is incorrect information. When someone from my family or myself or anyone I know has health information that can be transferred from here to there that I don't know is happening or where I don't know that this entity has access to transfer it there, how am I going to know, one, that I want it to go and, two, that it's accurate? In a case where you have to give consent first, there is an understanding of what's occurring, and there is an ability for the individual to check the accuracy and to actually convey the message of whether or not they want the information transferred. That won't happen with this bill. We are going to see lots of people come back to the government and to their doctors and to the hospitals and say, "Why did you do this?" and then, "If you did it, why didn't you get it right?"

So it's very interesting that this is a government who talks all the time about reducing regulation, about reducing information, about increasing individual rights and freedoms, but what we see, slowly, year after year, is more legislation coming in that does exactly the reverse of that, actually quite different than what their philosophical bent is. It's interesting to see the increase in control that they have taken on people's information and how they want to be able to do that now without getting anybody's consent. That deals with the issue of whether or not I think they can get it right and whether or not they should have the access to that.

It really comes down to an argument over values, Mr. Speaker. We as Liberals certainly value the individual and the individual's

rights, and we think that health information is probably the most important, the most vital, the most sensitive information there is out there about us that can be shared and that Albertans need to be consulted in a very widespread manner to decide whether or not this should happen. This is, in fact, a very good referendum question, and that is: do you trust the government to keep this information and share it without you being able to give consent and then, in fact, verify and know who the information is going to? As it stands here, you won't always know who's getting the information, which was the Member for Edmonton-Highlands' question.

So I think that for those reasons I can't support this bill, certainly, in principle, and I think that perhaps on this bill, Mr. Speaker, we should have a standing vote at second reading, because it is a vote in principle on whether or not we trust this government to handle personal health information correctly and whether or not it should be able to be transferred without consent having been given. So I leave that out there for discussion and debate. I hope that we'll get some feedback from government members or government private members on this particular issue, because this is a big issue for people in this province. I know that they expect and hope to pass this very quickly, without too much discussion, but I'm not sure that's going to happen.

The Acting Speaker: Under Standing Order 29, any questions?

Speaker's Ruling

Question and Comment Period

The Acting Speaker: Hon. members, this chair failed to recognize one hon. member who had a question not directed to the Member for Edmonton-Ellerslie but to the Member for Edmonton-Centre. For the record, the chair will provide an opportunity to the hon. Minister of Justice to enter the question in the record, and if the hon. Member for Edmonton-Centre chooses to respond for one minute, the chair will also provide her a response time.

The hon. Minister of Justice.

Mr. Hancock: Thank you, Mr. Speaker, but I can raise the point in speaking directly to debate.

The Acting Speaker: Wonderful. Thank you.

Debate Continued

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

Mr. Mason: Thank you very much, Mr. Speaker. It's a great pleasure to rise to speak to Bill 10, the Health Information Amendment Act, 2003. I just want to indicate that I think that there are tremendous increases in efficiency and effectiveness that can be found through electronic means of records of any sort, and I think there are particularly great advantages to be found in the area of health records and permitting the sharing of health information amongst the people who need it and who have received the permission of the patient, either at the time or previously, to access that information.

Having said that, Mr. Speaker, I also have reservations about the lack of safeguards around this information. The question of who can have the information is one. Clearly, doctors should have it. Other health care professionals who may be dealing directly with a patient should have it. However, can the information be accessed by people who shouldn't have it? Can, for example, officials of the Ministry of Health and Wellness access the information? I think the minister should respond to this, and I'm sure that he'll respond that, no,

there's no such intention, but I would ask then: what is the safeguard?

Secondly, is the information going to be made available for medical research? Can it be used by researchers in some way? There are many good arguments that would be put forward for that type of thing – the advancement of science, seeking breakthroughs against disease – many, many arguments that, I think, have a lot of validity, but the question comes back to consent and the ethics of proceeding with research without the informed consent of the people who are supplying data. So I'd like that addressed, not just in terms of whether in principle the government is for it or against it but concretely how they would ensure that people's information is not accessed without their consent for purposes for which they did not give the information.

Then, I guess, there's the question of how people are being deemed to have provided their consent. There was a case a few years ago, Mr. Speaker, when cable companies in this province and across the country as well provided new packages of service to their regular customers and raised the bill for them and informed them that if they didn't want the extra package of channels and didn't want to pay the extra money, it was their obligation to contact the cable companies and inform them of that fact. Otherwise, they would receive the extra channels, and they would be charged. This became known as negative option billing, and it got a lot of people very angry in this country and in Alberta, and the government, in fact, introduced changes to its consumer legislation to outlaw the practice. That was a positive step, but the question is: how does it get applied?

I raised in this Assembly about a year ago a question of one publication that was engaged in the practice of negative option billing. The minister took it under advisement and acknowledged that it was, in fact, negative option billing, and the government's response was to send people who received this publication without their consent and who were having their credit cards charged for something they didn't request another letter, to which they had to respond to the publication. The government's response under its own legislation, when negative option billing was clearly banned, legally banned, was illegal in the province – their remedy in a case was to engage in the same practice again of forcing people to respond if they didn't want it.

4:10

I don't know where we're further ahead, but it leads me to the question of whether or not the government can be trusted in this kind of case, and the government is clearly operating with respect to consent to medical information in the same fashion; that is to say, it is a negative option approach. If any citizen does not want their health information to be recorded electronically and available to whoever can access it, they must take the initiative and ask that their information not be included. It's precisely the same situation that the government banned when it came to consumer information, even though they haven't enforced it properly, that is being suggested here by the government in terms of how people will have an opportunity to make sure that their information is only there with their consent. So the consents that are envisaged by the government are negative option consents, and that is a serious problem.

Mr. Speaker, I started by saying that I thought there was tremendous opportunity, particularly in the health care field, for electronic information to be a tremendous benefit to medical professionals and to patients, but it's a new area, a complex area, and one which we have seen is wide open to abuse. There is no lack of stories about hackers or misuse of information, about the lack of safeguards for electronic information in the world. It is incumbent on the government, in my view, to clearly demonstrate that they have found and

anticipated various elements of potential abuse to which this information could be subject and that they have provided remedies against it.

If you look at Bill 10 and its grand total of five clauses – there's a fifth clause striking out one sentence, so I guess it has five sections, a very, very short bill – it clearly doesn't fit the bill in terms of providing adequate safeguards on the use of the information, on the requirements of permission for people, and who may or may not access it. As a result, Mr. Speaker, the New Democrat opposition will not support Bill 10 as it is a clearly flawed approach to an important frontier in medical science.

Thank you, Mr. Speaker.

The Acting Speaker: Standing Order 29.

There being none, the hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I just wanted to take a brief opportunity to speak to Bill 10, because I think it is not only an important piece of legislation in and of itself but symbolizes a very important process of government. Speaking to the process of government, the Health Information Act was brought in some two years ago, I believe, and it was the subject of a considerable amount of debate around the issues of the privacy of information in respect to the rights of the individual and those issues. There was a debate around those issues at the time and a thorough airing of those concepts including a lot of concerns being raised, sometimes, I think, inappropriately, with respect to access to information by members of cabinet, for example, and who they could share that with.

All of that amounted to somewhat a scaring of the public with respect to an issue which is of supreme importance to us, and when I say scaring of the public, I say that advisedly, because it's patently obvious from the bill itself, now the Health Information Act, that there were severe penalties put in place, \$50,000 under section 107 of the act, if people misused information or utilized information in an inappropriate manner.

The Member for Edmonton-Centre was speaking this afternoon, was talking about the need to be careful about collecting information – and I hope I'm not paraphrasing her inappropriately – because somebody somewhere once sold information from a registry fraudulently and inappropriately. Well, surely the fact that sometimes people do bad things – and hopefully get caught and are sanctioned for it – should not stop us from moving forward on processes which are exceedingly important for the good of the community.

What I wanted to point out in debate is that when we look at Bill 10, we have to look at Bill 10 in the context of the Health Information Act. The severe penalties and the strictures in the Health Information Act do protect the public with respect to their information and the inappropriate sharing of their information, provide heavy sanctions for those people who use information inappropriately or share it inappropriately but allow us to move forward to gather information in health records in an electronic manner so that they can be used for the benefit of the individuals no matter where they access health care professionals.

If we are to engage in true health care reform which allows health care professionals, whether they are doctors or nurses or pharmacists or other health care professionals, to practise their profession to the extent of their training and expertise and to provide full value to the community by providing their services at the highest level they can, then we have to have the ability for them to access information appropriately. Really, what the Health Information Act is about is providing for electronic health records so that health care professionals, wherever located, can in appropriate circumstances access appropriate records for the good of the individual involved.

Now, in order to make that effective, there needs to be an appropriate database maintained and there needs to be appropriate information put on that database and there needs to be appropriate safeguards built around that database so that there's protection for the public and for individuals from misuse. It's quite astonishing to hear the Liberals get up and say that they're the protectors of the rights of the individual when that is classically what the Conservatives do. Again, what we're doing at this stage with the Health Information Act is providing for the proper use of public resources in a publicly funded health care system to ensure that individual Albertans can have access to their records through their appropriate health care provider in appropriate circumstances and appropriate places.

Will there ever be a release of information inappropriately? Mr. Speaker, you can't guard against all eventualities, but what you can do is build a system that's the strongest and best system possible and then put severe sanctions in place for those that misuse the system, and that is what is in place under the Health Information Act as it stands, even without Bill 10.

What Bill 10 does – and it's the second part of the remarks I wanted to make – is indicate a process whereby the government is flexible enough to be able to look at a piece of legislation that was put in place, and as we move through this system of health care reform and as we move through the process of introducing technology to improve the quality of health care that's available to individual Albertans, we're prepared to make appropriate amendments at appropriate times in order to make the system work better and, indeed, protect the public even more. So I would encourage people to support Bill 10.

The Acting Speaker: Standing Order 29. The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much. I listened carefully to the minister's attempt to defend the bill, but nowhere did I hear him attempt any justification of the removal of choice that currently resides with the individual as to whether or not they wish to give consent for access to their personal health records. Can the minister attempt to justify that removal of choice from the individuals that is encapsulated in this act?

Mr. Hancock: Well, Mr. Speaker, choice is still there. It's just a question of how it's exercised. In this case, the change in the act is to allow a person to choose not to have their records put into the system.

But I would indicate to the hon. member that right now, as people go to see their health care provider, a record is made and put in the file and put on a shelf. Everybody in that office has access to that record, and anybody who wants to break into that office has access to that record. Their health care record is no safer in that office, I would suggest, than it is hanging on the end of the bed at the hospital, where, when you go to visit somebody in the room, you can read the records of the other three people.

This is a significant improvement, I would suggest, under the Health Information Act, to the protection of health care records, not a denigration of it. People still do have the choice to take themselves out of the system, but the system doesn't work if you add too many burdens to it, and therefore the change of the process of choice is necessary.

4:20

Mr. Mason: Just a comment, Mr. Speaker, on the minister's response. It's clear that the minister doesn't understand the

difference between a locked filing cabinet and a modern, networked electronic data system. There's a quantum leap in accessibility to records which are stored electronically, and anyone who has the right code can access the information. So that's why you need to design modern electronic techniques to protect the information, which is much, much different than just a sanction in case you happen to get caught, because nine times out of 10 you won't get caught.

Mr. Hancock: Obviously, Mr. Speaker, bigger filing cabinets need bigger locks, and when you're designing an electronic system, you have to design locks that work on an electronic system. When you have a filing cabinet, you use the key approach. But we're moving into a modern era. We're in the 21st century. We're going to be using technology. We're going to be using it to the advantage of the public, and, yes, security needs to be designed in.

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

Ms Carlson: Thank you, Mr. Speaker. My question has three parts. Could the minister table information for us laying out that this will be a strong and secure system? We haven't seen any documentation so far. The second part is: can he tell us what the cost is going to be of enforcement and monitoring and what that plan is? And, more generally, we would like a cost-benefit analysis of moving forward on this position.

Mr. Hancock: It appears, Mr. Speaker, that the Liberals would like to know exactly what has happened in 1950 before they get into 1980 or, indeed, 2003. The only way you can actually have the absolute details of everything that's happened is if you go to public accounts.

Mr. Speaker, when you design systems, you don't design all the details before you pass the legislation. You pass, as she so rightly pointed out in her remarks, the framework of the legislation, and then under the framework of the legislation, which sets out the principles of what you're trying to accomplish, you put in the details and regulation with respect to the regulatory process, and then you get the experts to design the system. Yes, most Albertans do have faith in their government and do trust that the public servants that they hire to take care of those details will do those jobs to the best of their ability and in the public interest.

The Acting Speaker: The hon. Member for Edmonton-Riverview? Any other questions? Anybody else who wants to speak on the bill?

Mrs. O'Neill: Mr. Speaker, I just want to make a comment with respect to the bill and the discussion that we've just had and the choice that has been put before us and been questioned by members of the two opposition parties. They have used in their speeches references to credit cards. They have used references to smart buyer cards. They have used references to, probably, the Safeway purchasing card. They've said that it has a choice.

Well, I'd like to talk about another choice that impacts more specifically and, I think, less frivolously on the discussion at hand, and that is with respect to the driver's licence that we have, that gives us the opportunity to choose whether we wish to donate our organs should we die in an accident. It is a choice, and it's a choice that we are able to make and sign and have verified by those whom we love, and it's a choice that I think should rightfully reside there. However, let's consider just for a moment the fact that since it is not a given, there are many opportunities that happen where individuals who die could have, should they have known, been able to donate their organs and save someone else's life.

So while I respect that that whole process should be by choice, I would say that if we're still talking in the arena of health care delivery, by knowing what can happen with our record, just by virtue of allowing and trusting our information to go into the system, we are going to allow a number of people to get the best care they possibly can and the immediate attention that they need and the appropriate one.

So we have two different scenarios. Don't misunderstand me. I'm not trying to say that we should just automatically be able to give our organs, but I do want to say that in many cases it's a question of life and death. It's a case of health care, and I think that, in this instance, it does indeed mean that we will be able to provide better health care, faster health care, more accessible health care, and ultimately the most appropriate health care to those people when they need it.

The Acting Speaker: Standing Order 29.

Ms. Carlson: Mr. Speaker, I don't think the member was all that clear in her remarks. Is she suggesting that all people should now be, without their consent, automatically organ donors unless they opt out?

Mrs. O'Neill: No. I was not suggesting, and if the member had listened, she would have heard me say: make no mistake about it; I am not suggesting that these should be similar.

Ms. Carlson: Then, Mr. Speaker, exactly what was her correlation between the organ donor story and the story about not having any consent with medical records?

Mrs. O'Neill: I wasn't making a correlation, and I indicated that I wasn't making a correlation. I was making a reference to the delivery of health care and what records or what consent or the requirement of consent in the case of the organ donor or, in this case, the assumption of the consent of sharing that information, and I was saying not a correlation but a fact that both instances with different entry points and consents do provide for better health care.

The Acting Speaker: Any other member who wishes to speak on the bill?

The hon. Minister of Health and Wellness to close debate.

Mr. Mar: Mr. Speaker, I've listened carefully to comments made by hon. members on both sides of the House. I note that there are some concerns that are being expressed that, I think, are legitimate ones but are properly dealt with, as the Minister of Justice correctly stated, as we develop the system once we've passed the framework as set out in Bill 10. Accordingly, I move second reading of same.

[The voice vote indicated that the motion for second reading carried]

[Several members rose calling for a division. The division bell was rung at 4:27 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Speaker in the chair]

For the motion:

Abbott	Hancock	O'Neill
Ady	Hlady	Pham
Amery	Jacobs	Rathgeber
Broda	Klapstein	Shariff

Calahasen	Knight	Snelgrove
Cao	Lougheed	Stelmach
Cenaiko	Lukasuk	Stevens
Danyluk	Lund	Strang
DeLong	Magnus	Tannas
Doerksen	Mar	Taylor
Dunford	McClelland	VanderBurg
Goudreau	McFarland	Vandermeer
Griffiths	Melchin	Yankowsky
Haley	Oberg	

Against the motion:

Carlson	Massey	Taft
Mason	Pannu	

Totals:	For – 41	Against – 5
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[Motion carried; Bill 10 read a second time]

4:40

Bill 14 Securities Amendment Act, 2003

The Speaker: The hon. Member for Calgary-Mountain View.

Mr. Hlady: Thank you, Mr. Speaker. It's a pleasure for me to stand today and move second reading of Bill 14, the Securities Amendment Act, 2003.

This bill will make several changes to legislation governing capital markets in the province. The proposed amendments will provide greater protection for investors, allow Alberta businesses improved access to capital markets, and make the current regulatory environment more efficient. Mr. Speaker, this legislation marks the first time securities law has taken steps to address corporate governance and protect investors. This bill also lays the foundation for improved securities laws when national laws are made down the road. As securities are constitutionally a provincial jurisdiction, provincial ministers are taking this responsibility seriously, including our own Minister of Revenue, who is taking personal leadership in this matter.

I urge all members of this Legislature to give Bill 14 their full support. Thank you.

Mr. Speaker, I would like to adjourn debate.

[Motion to adjourn debate carried]

Bill 15 Forest and Prairie Protection Amendment Act, 2003

The Speaker: The hon. Member for West Yellowhead.

Mr. Strang: Thank you very much, Mr. Speaker. I am pleased to move second reading of Bill 15, Forest and Prairie Protection Amendment Act, 2003.

First of all, I would like to address the amendments being made regarding this act, which are necessary to meet today's challenges in wildfire management. These changes are part of a continuing process to seek new and improved ways to manage wildfires for the benefit and protection of all Albertans. As we have seen in the last couple of years, Mr. Speaker, fires are a huge reality in the forest areas of our province. We have seen fires move close to and even into communities. We need to make certain that our legislation and practices in dealing with wildfire are envisioned with how we protect Albertans and their valuables.

These changes will bring the act in line with Sustainable Resource Development's business practices by upgrading wording, clarifying jurisdictions in interpretation of the act, and strengthening the department's ability to determine the cause and the responsible parties in wildfire investigations. The amendment will allow the minister to move more effectively to administer fire bans. As well, these amendments will strengthen Sustainable Resource Development's enforcement ability with the intent to reduce the number and severity of human-caused fires. The amendment will clarify that the forest protection area does not apply to land within the boundaries of the summer villages.

Sustainable Resource Development has consulted extensively with other ministries, municipal governments, and other stakeholders in preparing these amendments. Thank you for your support of this important piece of legislation.

Thank you, Mr. Speaker.

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

Ms Carlson: Thank you, Mr. Speaker. I'm happy to have this opportunity to talk to Bill 15, the Forest and Prairie Protection Amendment Act, 2003. I would like to thank the Member for West Yellowhead for the work he's done on this bill and for his attempts to try and get ahold of me, prior to this bill being introduced, to discuss it in a little more detail. Unfortunately, given the tight time constraints we had, that was impossible, but I certainly do appreciate the effort on his behalf and his staff's behalf to get in touch and go over some of the issues.

We don't have too many problems with this bill, Mr. Speaker. The highlights of it really are that there is a lot of housekeeping and clarification in the bill over what was existing before, and that's all good news. It gives forest officers and fire guardians more powers, which we see as a positive move forward in this regard, and we'll support that.

It repeals the limit on the liability of an offending party against the act for reimbursement to the minister. That's an interesting part of the act. We don't have a real issue with that, but I think that that's the part of this act that is going to be the most open for discussion and debate, and that comes in section 4 where it talks about who in the act will be liable for reimbursing "the Minister or any other person for the costs and expenses of fighting the fire." These are going to include:

- (a) the person who caused the fire,
- (b) the person who directed the lighting of the fire,
- (c) the person who was otherwise responsible for the fire,
- (d) the person who owned the land on which the fire began and does not establish that the fire ignited or was lit without that person's consent, express or implied, and
- (e) the person who was in control of the land on which the fire began and does not establish that the fire ignited or was lit without that person's consent, express or implied.

So there are some issues around this. While it's excellent that people are being held liable for fires they cause and there should be a more just method than we've seen, perhaps, in the past of the determination of who should be held liable, there are some concerns around this.

First of all, dealing with the first three – the person who caused it, who directed the lighting, and who was otherwise responsible – if it's an underage adult, who's then responsible financially for having the fire lit? If your teenagers head out and have a bush fire and cause a forest fire to occur, who pays? The kids, the parents, or as we go down to (d), what may potentially be the person on whose land they were having the party? In many instances in that case they're not there with the permission of the landowner. So I'm

hoping that when we get to committee, the Member for West Yellowhead can explain that part of the bill in a little bit more detail.

There is some concern about assumed innocence within that principle, and maybe we want to talk about the plaintiff in such a case, which in this case would be the government, having to establish the guilt of the defendant. What's the process that we'll go through in that regard? I think that that takes a little thinking through. It isn't spelled out here. Traditionally, the devil is in the details. In this case, the details come in regulations, and we would just like to have a little more information on how this is going to be processed.

The fines, Mr. Speaker, have been substantially increased. If I'm correct, I believe they're up to and including the cost of fighting the fire, which we know is millions and millions of dollars. So that'll be interesting to see how the first kinds of fines are placed and how high those fines will be.

I guess my questions around that, too, are the old enforcement and monitoring questions. Fighting fires comes under Sustainable Resource Development. They've taken some pretty heavy hits in the past years in terms of employee cutbacks. They don't have enough people for monitoring and enforcement now. What is the expectation with regard to the forestry side of this in investigating the fires, in determining who's to blame? Who is then ultimately going to decide what the penalties are going to be for this?

So, generally, in principle, Mr. Speaker, we do support this particular bill, and I'll go through it section by section when we get to the committee stage, and at that point we might have an amendment or two. If we do, then we'll share them with the member prior to introducing them into the House to see if we can get some consensus on them. Other than that, I'm quite happy to support this legislation.

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

Mr. Mason: I'll defer.

The Speaker: The hon. Member for Dunvegan.

Mr. Goudreau: Thank you, Mr. Speaker. I just want to provide a few comments on Bill 15, the Forest and Prairie Protection Amendment Act, 2003. There is currently some confusion regarding the role of summer villages as they are not specifically identified in the act. The amendments clarify that the Forest and Prairie Protection Act does not apply to the land within the boundaries of summer villages. Similar to a town, a city, or a village, a summer village will continue to be responsible for controlling wildfire activities within their area. This is consistent with current application and definition under the Interpretation Act, where a summer village is considered a village. As in the past Sustainable Resource Development will offer assistance if required, just like they do with a city or town or any other village. These changes will help us to clarify the status of summer villages.

Thank you.

4:50

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

Mr. Mason: Thanks very much, Mr. Speaker. I'm pleased to rise to speak to second reading of Bill 15, the Forest and Prairie Protection Amendment Act, 2003. Generally, I think the act is of a housekeeping nature. It takes the existing legislation and develops it further, and it looks to us like it makes a positive contribution to the management of fires on prairie land and in forests.

It's clear, Mr. Speaker, that as a result most likely of the changing climate in Alberta, this is going to become an issue that needs more and more attention and more and more resources of the government. We've seen in recent years a very dramatic increase in the size and intensity of some forest fires. As we all know, notwithstanding the best efforts of some forestry companies, a very significant portion of Alberta is forested. It is our third industry, as I understand it, a critical piece of Alberta's economy and a critical piece of Alberta's natural environment.

As the forest appears to be drying out, more fires, larger fires, more damaging fires are going to be a problem that needs to be dealt with, so costs of fighting these fires, Mr. Speaker, are going to be a significant issue as well. The act does deal, I think, well with this problem by indicating that people who cause the fire or who directed the lighting of the fire or would otherwise be responsible for the fire are responsible or liable to reimburse the government for the costs and expenses of fighting the fire. The act goes on a little further and establishes that if you own the land on which the fire started or if you have control over the land on which the fire started, it is your responsibility to show that it was caused without your consent. So I'm assuming that if you can show that there was a lightning strike on your land and the forest fire started, you would be off the hook, so to speak, as far as the liability is concerned. What, I guess, is of concern here is placing the onus on the person who owns or controls the land to show, if a fire was caused, that they did not consent to it. That may be tricky. It's certainly a contradiction of the principle that you need to be found to be responsible for the fire. So that may be cause for some concern, but I'd certainly be prepared to listen to the minister's or the hon. Member for West Yellowhead's explanation of how that would work exactly.

I think it's certainly very positive to ensure that the minister can go into agreements for fire control, and that's a continuation of what previously existed in the act, but it's a more general statement rather than the listing of various things that the act presently has. It presently lists timber, forests, mining, drilling, and so on, and I think that having a more generic catchall is a good thing.

Now, I have a question about the municipal districts and urban municipalities. It really says that the minister, first of all, can "enter into an agreement" with them, and that's good. Then it says that the minister can go in and "fight a fire within a municipal district" if he thinks that the municipality is not acting expeditiously enough in order to control the fire and extinguish it, and that strikes me as a bit of a failure.

I would prefer to have the act be more directive as far as the Crown is concerned, that plans to control and to prevent forest fires and to respond to them when they occur ought to be a mandatory obligation of the minister, rather than saying that "the Minister [might], with a view . . . enter into [it]," as if it were something that could be just left to the whim of the minister. I think the legislation could be considerably more directive here and take positive, active steps and require the government to take positive and active steps in order to have these plans in place wherever there's a significant potential risk of either a prairie fire or a forest fire. So I think that would be much preferable to having the minister sort of intervene and say: "You're not doing a good job. We're taking over. We're going to come in. The province is here, and the fire's going to be put out." As we know, it's easier said than done once a fire gets out of control. Some sort of positive preventative direction for the minister and the government would be very much a way of strengthening the legislation.

I see that the legislation also talks about railway rights-of-way. The existing legislation talks about 100 metres either side of the railway right-of-way as being the responsibility of the railway. The

new legislation will allow this number to be established by regulation. So I'm curious as to why this is. Is the 100 metres not enough or too much? What really ought to be the responsibility of the railways? Very often railways can be a source of fires, not as much as in the days of steam, I'm sure, but there still are chemicals used. There still is friction. There still are things that can go wrong, even cigarettes thrown off a moving train, I suppose. Trains often in the areas of forest fires are the only human corridor through these areas, and I think that that implies or requires a greater level of responsibility on the part of the railways. If there's a forest fire and it's a quarter of a kilometre off the railway right-of-way but the railway is passing through, they are in the best position to report and deal with the fire at its early stages. It seems to me that we should have some more certainty with respect to railway responsibility just outside the bounds of their right-of-way.

5:00

Now, the changes to closure of forest areas are interesting, but they limit who can close the forest area in the event of a fire, and I think that that's something that needs to be taken into account as well. Generally, Mr. Speaker, there are some changes a bit later where it talks about the responsibility of urban municipalities in or bordering a forest to "take all necessary precautions that the Minister orders to prevent and suppress fires on land within its boundaries or under its control." This goes back to the comment that I was making earlier with respect to the responsibility of the minister to enter into fire control agreements. It's wonderful that the legislation is directive in this matter, but it could again go further and require the minister to have some consultations and to have a plan rather than just to issue orders to urban municipalities. I think that there's a joint responsibility and that joint planning is the way to go rather than just issuing orders to these municipalities.

It does give entry and inspection powers, and this is an interesting thing. This is essentially a continuation of the existing legislation which allows that

a forest officer or fire guardian may without a warrant, at any reasonable time, enter on and inspect any land and premises, except a private dwelling house, for the purpose of exercising powers or performing duties under this Act or [under the legislation].

I think that is useful, but the act goes on and talks about some of the things that the forest officer or fire guardian can do, which include the production of documents relating to "the purpose for which the officer is exercising any such power." Now, that is a concern, Mr. Speaker, because you have the officer coming in. It's a circular argument, essentially, which is that you can require anybody to produce any documents related to any reason why you've shown up on their property in the first place. It should, I think, specify what exactly the documents are that can be taken by the officer.

It goes on. It can:

(d) take samples of any substance or thing;

What does that mean?

(e) conduct tests or take measurements;

Again it's completely undefined.

(f) record or copy any information by any method;

(g) reproduce any record from data in the form of a printout or other intelligible output;

(h) take photographs or audio-video records;

(i) make reasonable inquiries of any person orally or in writing.

So there's a real lack here, Mr. Speaker, of specificity, and I believe that it should be limited much more tightly than it is.

It goes on to say that "a forest officer may, without a warrant, seize anything that is produced to that officer or that is in plain view during an inspection." That means that, I guess, the officer can't look under - well, I was going to say under the bed, but private

homes are excluded. So it would have to be in the stable, or it would have to be something like that. Obviously, this is a really interesting approach. You can just sort of come without a warrant, seize anything that you can see. You can't lift anything up to look, but if you can see it, you can take it. Then you can "remove the thing seized or may detain it in the place where it is seized and shall deal with it in the same manner as if it were seized under the authority of a warrant." What is this, Mr. Speaker? These are broad powers without any explanation or definition whatsoever. I really don't understand why this section on seizure is so ill-defined yet so sweeping, and that's a significant concern that I have about this.

Now, it goes on that the forest officer can "stop and inspect any vehicle, rolling stock, aircraft or vessel that the officer reasonably believes is or has been used in the commission of an offence." That's reasonable, Mr. Speaker, I would have to say.

The Speaker: Thank you. Standing Order 29(2)(a) now kicks in. The chair will recognize an additional speaker.

Some Hon. Members: Question.

[Motion carried; Bill 15 read a second time]

Bill 3 Electric Utilities Act

[Adjourned debate February 26: Dr. Nicol]

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

Dr. Pannu: Thank you, Mr. Speaker. I'm pleased to have this opportunity to enter debate on Bill 3, the Electric Utilities Act, in its second reading. This is an interesting bill. That's the best way I guess I can describe it. It's a bill that I think restates this government's intention to continue down the disastrous road of deregulation for the electricity industry and production and transmission and distribution and the retailing of it that it's been doing for some time. I think Albertans need to be worried even more now with this bill before us, and I'm sure it will be going through this Legislature but, in my view, with a speed that's unhealthy. I think we need to hold some public hearings on issues like this before we go through a sort of mechanical debate on this, given the balance of numbers in this House.

Bills as important as Bill 3 need to receive more public attention and public input into the debate rather than just going through the normal procedure, but that not being the case, I have to say that the underlying principles and objectives of Bill 3 are fundamentally flawed, Mr. Speaker. I was looking at the purposes of the act and its rhetoric of competition and choice and markets, which shows to me that there is an unwillingness on the part of this government and the minister who is in charge of this particular area to learn from experience, to have sort of pragmatic common sense come into play. There's reluctance to let it happen.

Bill 3 seeks, in my view, to more deeply entrench and extend electricity deregulation by establishing an even more dysfunctional legislative framework than we currently have. Electricity deregulation has demonstrably failed everywhere, including Alberta. However, while other jurisdictions like California and Ontario have wisely chosen to throw in the towel on deregulation, this province, this government, the Tory government, has chosen to more deeply entrench it, and that's unfortunate. This is more than a rearranging of the deck chairs on the *Titanic*, Mr. Speaker. This is reckless and irresponsible. It is turning directly into the path of a coming iceberg as opposed to turning to avoid it.

5:10

In discussing the deeply flawed objectives of Bill 3, I want to briefly reflect on a meeting I held last week with representatives from a company called Direct Energy. Interestingly enough, this British-owned company is being held up as a shining example of how competition will increase should Bill 3 be approved by this Assembly. At this meeting, Mr. Speaker, we were told by the representative of Direct Energy that their purchase of the retail businesses of ATCO Gas and ATCO Electric was conditional on the Legislature passing Bill 3 and a separate bill yet to come establishing similar rules for natural gas utilities. So maybe to be more transparent, this bill's title should have been the direct energy act.

I find it instructive that members of this Assembly are being asked to change rules to benefit foreign-owned multinational corporations while hurting Alberta-grown, very successful institutions including municipalities and the power corporation that they own, rural electrification associations, and rural gas co-ops. It's like turning our backs on our own winners, on our own entrepreneurs, on our own institutions, and that's regrettable.

My colleague the Member for Edmonton-Highlands recently attended the annual meeting of the provincial Federation of REAs. Believe me, Mr. Speaker, the really normal Albertans who attended this meeting were scathing in their criticism of the government's failed electricity deregulation scheme.

Getting back to my meeting with the representatives of Direct Energy, in sitting down with the representatives of this British-owned company, I suddenly experienced a real sense of déjà vu. Five years ago through Bill 27 legislation was passed to set up the legal framework for the first go-around of electricity deregulation. At that time, there was another foreign-owned company that was promising the moon should electricity deregulation be put in place. The name of that company was Enron. We shudder to hear that name, Mr. Speaker, today. Back in 1998 Enron was this government's poster child for the first round of electricity deregulation. I think we all know the government's poster child and what's happened to it: it's long gone. Enron was brought down by one of the largest corporate fraud and accounting scandals in history.

While I'm talking about Direct Energy, I'm in no way even suggesting that Direct Energy has a record that's comparable to Enron, that we need to worry about its integrity. All I am doing is urging members not to place all their hopes on a corporate white knight to bail out the government's deregulation scheme. Let's not forget that the only reason these foreign companies want to play in the deregulated electricity sector is so that they can make a buck. They are not doing it for our health.

There are so many fallacious premises on which Bill 3 is based that I don't really know where to begin. The first false premise is that municipally owned utilities like EPCOR and Enmax have somehow been competing unfairly. Nothing could be further from the truth. EPCOR and Enmax followed all the rules established by this government. The fact that the Tory government has been unable to either attract or retain other companies who are willing to play in the troubled waters of Alberta's so-called electricity deregulation market, the fact that other companies refuse to get involved in what can only be called a dysfunctional marketplace, is not the fault of EPCOR or Enmax.

Quite frankly, the Minister of Energy and his government colleagues should be getting on their knees and thanking their lucky stars that EPCOR and Enmax have continued to serve smaller Alberta customers. Without EPCOR and Enmax the Tory government's fatally flawed electricity deregulation scheme would have been an even bigger disaster than it already has been and is. Current rules require municipally owned corporations to make payments to

the Balancing Pool in lieu of the federal and provincial corporate income tax called PILOT on those portions of their operations that are deregulated. This would include their generation and retail functions but not distribution or transmission.

Under the changed rules of Bill 3 cabinet is empowered to make municipally owned utilities subject to PILOT on all of their operations, including those such as distribution, that continue to be regulated. Every additional dollar that EPCOR and Enmax pay to the Balancing Pool is one less dollar of dividends and payments for municipal governments.

In Bill 3 the City of Medicine Hat will be subject to PILOT, a payment in lieu of taxes, as far as energy trades with the rest of the interconnected system. It currently is not subject to PILOT at all. In fact, the government allowed an exception to Medicine Hat's case last time around to get all MLAs to support the then bill which has created the current mess. So the undertaking that the government gave to the citizens and residents of Medicine Hat at the time will be taken away if this bill is passed, and that will be an act of bad faith. In other words, dollars will be taken out of the pockets of citizens of Medicine Hat and put into the provincially controlled Balancing Pool.

I submit that the entire premise behind PILOT for municipally owned power companies is flawed. EPCOR, Enmax, and other municipally owned utilities do not exist to create wealth and profits for private shareholders. These utilities exist to generate revenues to support municipal services. PILOT is therefore tantamount to a provincial tax on municipalities. It's essentially a monitored transfer from Edmonton, Calgary, Medicine Hat, and other municipalities to the province. Every dollar paid into the Balancing Pool through PILOT is a dollar that cannot be used by the city for policing, firefighting, and other things.

Therefore, Mr. Speaker, I think this flawed bill needs to be put on the back burner for a while, and I have a reasoned amendment to move at this point, which I'm willing to distribute. If you want me to read this into the record as it's being distributed, I would be happy to do that. I move that the motion for second reading of Bill 3, the Electric Utilities Act, be amended by deleting all words after the word "that" and substituting the following:

Bill 3, the Electric Utilities Act, be not now read a second time because the Legislative Assembly believes that it will cause inefficiency and confusion in the electricity production and delivery system and increase costs for Alberta consumers.

That is my motion.

I believe I have already given fairly good rationale, reasons why we need to not proceed any further with this bill at this stage and should, in fact, engage in systematic consultations with Albertans by way of striking an all-party committee of this Legislature that will go around the province and hold hearings. It's too important a service, utilities. It's not a commodity; it's a utility. It's too important a utility to be left to the mercy of the market forces. It's not something that we should play around with.

We've already created considerable problems for Albertans, who are consumers of this utility 24 hours of the day every day of the month and every month of the year. Our small businesses, medium-sized businesses, and households are all hurting as a result of the crisis that the deregulation of electricity has already caused in this province. So it's time for us to heed the concerns of Albertans, and they're coming to us from across the province.

5:20

Therefore, Mr. Speaker, I would urge members to support this amendment that I have just circulated to my colleagues in the House and urge them to consider supporting it. I would like to see my colleagues now have the chance to rise and speak to this amendment.

Thank you, Mr. Speaker.

The Speaker: Hon. members, we are now on the amendment. I'd refer hon. members to *Beauchesne*, pages 200, 201, and 202, particularly sections 670, 671, and 672 with respect to "Reasoned Amendments." The debate now narrows.

On the amendment, the hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. Well, I'm pleased to rise to speak to this amendment proposed by the thoughtful and wise leader of the third party in the Assembly, the leader of the New Democrat opposition. I am going to support this amendment because I do believe that this is the right course. This is an opportunity to apply the brakes to this misguided and expensive – an emphasis on expensive – ruinous, in fact, experiment with electricity deregulation that this government seems to be heck-bent on pursuing.

I think that we have seen that other jurisdictions have got into significant trouble with electricity deregulation, notably California. California was the poster child for electricity deregulation, and we have seen the dramatic problems that have existed in that state in the United States. Finally, although it took a change of party to implement that.

Dr. Taylor: Democrat to Republican.

Mr. Mason: I think it was the opposite way, hon. minister. It was Republican to Democrat. The governor there now has led the reversal of the disastrous deregulation that existed in California, and it's expensive and it's complicated and it creates a lot of problems, but it clearly doesn't cause as much problem as continuing down this ruinous path. They've finally had to recognize that in California.

Now, if California, with a population equal to the entire country of Canada, cannot make electricity markets work with the massive amount that's generated and consumed in California, what makes the government think that we can make them work here in Alberta, with a tiny fraction of the population of California? What makes them think that it's going to work here if they can't even get it to work in California?

The other place that I wanted to refer briefly to, Mr. Speaker, is the province of Ontario, and they were proceeding in this direction as well. Unlike California, which was far ahead of Alberta, they were far behind Alberta, and with electricity prices rising and with an election coming, they did what good Tories always do at election time, and that is to change direction and shift gears, perhaps only temporarily. They have plenty of inspiration right here for that, but I think that Alberta could find some inspiration in the regime of the Conservatives in Ontario in this particular case and take a look at changing direction here.

Mr. Speaker, it is clear. The record is clear. In three years of deregulation in Alberta, power prices for average consumers, including farmers, including small businesses, including homeowners, including much of the nonprofit and public sector, including hospitals and schools and universities and so on, has doubled. It's gone up between 40 and 100 percent, and it's going to go up even more. We've seen what's happened. We've seen what's happened when different companies try to participate in the market.

The government has taken away regulatory protection from consumers through deregulation, and they have not provided market mechanisms to keep prices in check and to ensure that providers give good service. Quite the contrary has happened. Anyone that thinks that when Direct Energy gets involved in this market here – whatever concessions the government is prepared to give them on the gas side, they are not going to do so with the objective of driving down power prices in this province. They will compete on a different basis. They

will compete for market share, but they will not have an objective of driving down prices to where they were before deregulation kicked in.

So, Mr. Speaker, I think that it's clear that this act, as it's presently constituted, offers no solution for Albertans. In fact, only the motion . . .

The Speaker: Hon. member, we're on the amendment, not the act.

Mr. Mason: Yes. Thank you.

Only this amendment offered by the wise leader of the New Democrat Party in our province offers Albertans what they need and what they deserve, which is a way to get out of this mess, a way to get cheaper power, a way to get simpler bills that people can understand. You know, you could certainly find that on www.newdemocrats.ab.ca.

Mr. Speaker, it is an opportunity here for this House at this time

to put an end to this foolish and expensive and harebrained scheme of electricity deregulation and get back to producing power for the interests of the public and for industry in this province at low prices and see it for what it is. It's the lifeblood of the economy of this province. It's an essential element required by everybody for daily living. It is not a commodity to be traded and driven up by monopolies imported from offshore, which is what the government wants to see by passing the act as it now stands. This amendment, quite frankly, is the only hope, the last hope of the Tory party before the next election to change this ruinous policy that is going to haunt them from riding to riding.

So, Mr. Speaker, I would urge . . .

The Speaker: Hon. members, the House stands adjourned until 8 o'clock.

[The Assembly adjourned at 5:30 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, March 4, 2003**

8:00 p.m.

Date: 2003/03/04

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

head: **Government Bills and Orders**

head: Third Reading

Bill 2

Financial Statutes Amendment Act, 2003

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

Dr. Oberg: Thank you very much, Mr. Speaker. On behalf of the hon. Minister of Finance, I move third reading of Bill 2, the Financial Statutes Amendment Act, 2003.

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

Ms Blakeman: Thanks very much, Mr. Speaker. I'm pleased to have the opportunity to speak in third reading of Bill 2, the Financial Statutes Amendment Act. While this has been an interesting time, following the debate of this act, I'm sure the members opposite have heard many times how pleased the Official Opposition is to see the government take up the excellent Liberal idea that we've been proposing for almost 10 years, I think. In fact, I think it is 10 years; '94 might have been the first time that it was brought up. But the key is that we do have a rock-and-roll, boom-and-bust, roller-coaster revenue base that's connected to the resource industry and how well or how much that sector is struggling, and it does make for instability.

Certainly, one of the major tenets that government is providing is to attempt to achieve some kind of stability for its citizenry, and that should allow for budgeting, for example, in all departments that's reasonable, that takes into consideration things like regular, scheduled maintenance of infrastructure and computer systems and inventory. This is not allowed to happen if we have: "Well, we've got a whole bunch of money. Oops, sorry; no, we don't, and we're going to make you cut some of it mid-year."

I think a number of the issues that the Liberal opposition continues to raise through the fall sitting and now into the spring sitting have come about because that boom and bust has happened. I appreciate that the financial commission that was put together by the Premier was able to recommend this and that it's now coming before us.

In third reading we're speaking to the anticipated effect of the bill, and I'm hoping that the anticipated effect of this bill will be more stability, a couple of concerns that have been raised and not addressed. When we were looking at the amount of money that would be set aside and put into this stability fund – I think actually the government has got a slightly different name so they can pretend they came up with the idea; they're calling it a sustainability fund – it was getting the sort of average amount that had been produced or was available from the resource sector of \$350 million I think was the figure that I had heard. Yet if that's the average, then that's hardly enough, I think, to build that cushion. I just wondered if in fact that is going to be enough to carry us through and to build that cushion appropriately. Part of the effect of it is to kind of smooth out those peaks and valleys and that roller-coaster ride. That is something that I'm still anticipating, that that may not be enough money to be putting into that as a commitment to actually get this up

to speed and useful the next time we're looking at a down year.

I'm also looking to having the budgeting process made a bit more believable from this government, and that's an additional effect that I expect from the bill. In other words, we keep having these budgets that come forward – and one is expected to budget low on revenue and high on expenses, but this government is so wildly out of line with what actually happens. I mean, it's not a matter of being out by 100 percent or 200 percent; we're, like, 4,000 percent out. I think once for fun a colleague of mine looked at the previous Treasurer's track record, and it was abysmal. He was out, like, 400 times or something. I do expect that an effect of this legislation is to put the government into a position where its budgeting will be more based in reality, and we'll have something that closer approximates the actual revenues or the actual expenses instead of having such inflated numbers happening on either side.

I would hope that we would be able to see an appropriate dedication to ongoing maintenance, an overused word but I'll use it again because the government didn't seem to get it the first bunch of times. You're expected to keep your car in regular maintenance on an annual basis, and you shouldn't be surprised, if you never take that car in for an oil change or any kind of a check up and after driving the heck out of it for 10 years, that it just comes to a slow, grinding, and noisy halt on the side of the highway. Well, yeah, if you haven't done anything to keep it in good repair, that is going to happen to you, and it's going to cost you an awful lot of money to do the major repairs, when you could have spent a consistent amount of money to keep it in reasonable running order. So there is the question of the maintenance that I would like to see.

I understand that the government doesn't want to commit itself to funds that it would then have to find over and over and over again on a yearly basis. They don't want to make a commitment to be funding something that they then find they can't keep up the payments for, but there are a couple of areas, in particular, where I feel the government is so far behind that they're almost catching themselves on the next lap, and that is around the use of the lottery funds to the traditional lottery-based foundations, that being the Alberta Foundation for the Arts; Alberta Sport, Recreation, Parks and Wildlife Foundation; Wild Rose; and the human rights, citizenship and multiculturalism education fund. Now, the very last one was a more recent creation, and amalgamations are downgrading a number of things. It's stuck at a \$1 million budget. But the other ones that I mentioned have not had increases, not even inflationary increases, or COLA, if you like, for a dozen years or more, since the late '80s. And these are showpieces. These are the things that the government loves to take pictures of and put in their brochures to show everybody what fun we all have here in Alberta and how great it is. You can only put so many pictures of oil wells or drainage ditches in your brochures and on your web sites. Eventually and very quickly the government turns to pictures of tens of thousands of people at the folk festival or at the Fringe or at the Citadel Theatre.

We had introductions of some of the artistic personnel and board members from the Citadel Theatre in here yesterday. The funding to the Alberta Foundation for the Arts has been stagnant for so long; I can't believe it. I keep hearing: well, you know, everybody's coping; everybody's keeping up with it. No, they're not. We have lost companies. We've gone from a five-play season in most theatres to a four-play season, to a three-play season, one of which is a co-pro and is being brought in or bought or shared with somebody else. So, in fact, it's two plays or two plays and a bit in a season. That community has coped and tightened its belt far better than I ever thought it would, but there is an end to this.

I think that also holds true in the recreation and sports sector. For amateur sports we're talking about trying to turn our population

towards a more health and fitness lifestyle. Certainly, it starts when you're young, and it starts with that kind of promotion and opportunity. That is much tougher to get, again, because those lottery-based foundations have not had an increase. Well, why not? Good question because in fact the amount of money in the lottery fund has increased staggeringly, yet certainly as a percentage of the total funding the amount of money going into those foundations has not increased. It's actually reversed itself. In the beginning it was 80 percent of what was in the lottery fund that went to those foundations, 20 percent to other things. With the advent of the VLTs and the slots that income has just gone up and up and up. We're now over a billion of revenue that the government takes home, so to speak, from those gambling activities and not one penny more to those organizations.

8:10

There's definitely a movement from the government side to curtail the grants and the resources that are available to arts groups and sports and recreation groups down to sort of one outlet or one possible grant. Well, the reason that all those other different grants and project grants and CFEP and CIP and the lottery boards and all those other things came into being was because their operating grants were frozen and weren't increasing and they had to try and access all these other areas to keep going with. So you can't have it both ways. Either increase the operating funds that they've got or continue to give them access to project grants and other ways of providing those services and programs and cultural opportunities.

As part of this stability fund and looking towards the government to provide a more stable financial basis, I think we need to have a discussion about the place of gambling in our finances in Alberta, and I'm hoping that the passage of this act will then lead to that discussion about gambling revenues. It's where a significant portion of the revenue that drives this province comes from. Is it appropriate? Is it appropriate to have the government as an addict to gambling revenues and, in doing so, make every Albertan an addict to gambling revenues? There are additional issues that have come up around that, around restrictions and licensing, to which kind of groups get access to casino and bingo funds. I'm straying off the discussion about this actual Financial Statutes Amendment Act, but it is all part of the financial picture that this government presents to its public and how it manages its own resources.

One of the things that I think does need to happen is that we need to have some sort of measurement device in place so that we understand whether this stability fund is working. The government is not good about that. They're not good about tracking forgone revenue and by forgoing a certain amount of revenue through whatever mechanism whether in fact that advanced whatever the purpose of it was and how we measure that. Programs tend to get put in place and left there without ever going back and looking at them to see if, in fact, it achieved the purpose that it was set up to do. We have to be better at doing that. Now, part of that is, indeed, setting targets, and it's being able to understand all the different ways that you can offer incentives and record and track, monitor and evaluate, that sort of thing. The Auditor General and his staff are always available to assist us with that, and I think we need to pay more attention to what they're trying to tell us. Certainly, they've repeatedly said things like: we've got to have consolidated statements; we need to adhere more closely to the financial reporting schedules and common practices, which we don't do. They're certainly putting an emphasis in the Auditor General's report that's currently out on risk management and understanding how we do that.

So in third reading of Bill 2 I'm glad to see that the government did take the Liberal idea of a stability fund and has instituted it. I do

look to the government to now follow through on the other opportunities that this should open up for it and to provide us with more stability, with more realistic budgeting, and with better monitoring and evaluation and measurement mechanisms against what it's actually doing with the money, to move from a strict accounting basis to one of value for money, which is where I think we need to go.

This government has been quite ahead of its time in some of the financial ideas it put in place and then never followed through on them. So we have the beginning of a great system that was never really implemented and put into place.

Thanks for the opportunity to speak in third reading on this, and I look forward to the rest of the discussion around this bill. Thank you.

Mrs. Ady: I'm honoured also to rise and speak to Bill 2 tonight, the Financial Statutes Amendment Act, 2003, that was introduced in the Legislature on February 24. I have to disagree with my colleague. I do not think that we're behind, I do not think we've renamed it, and I don't think of it as their idea. I think that we're ahead of our time.

An Hon. Member: Have you got your shoes on?

Mrs. Ady: No.

I think we are ahead of our time. I think that this government has spent a lot of time and a lot of energy bringing their financial house under control, that perhaps there was not the opportunity for this before as we had to get spending under control, we had a deficit, and we had a debt that needed to be taken care of. Because we were able to do those things and because we had the discipline to bring them into being, we're in the position today to now take the next step which is the stability fund.

This province is blessed with oil and gas reserves that others only dream about. The profits derived from these nonrenewable resources have made us the envy of other jurisdictions across North America. It has allowed us to aggressively tackle the debt, as I said before, to the point where we now have a triple A credit rating. Now, in my book that's an advantage, one that we should be using as a province. No other province can make that claim. Alberta continues to lead the country in growth, and Albertans have the lowest tax burden in Canada. I've said many times in this House that Calgary-Shaw is a good example of the Alberta advantage. When I moved to the area of the city that I lived in some 15 or 16 years ago, we weren't that large. I now am the MLA for 17 subdivisions in Calgary. It's big; it's big. It's truly a reflection . . .

An Hon. Member: You can still walk across it in one day.

Mrs. Ady: My colleagues are saying that I could walk across it in one day, and they're right about that. But in that time period I would cross 90,000 people, and I think that that is the story. The reason that it's the story . . . [interjections]

Speaker's Ruling Decorum

The Deputy Speaker: Hon. member, I hesitate to interrupt you, but too many of your colleagues are offering you help. It's really hard to receive help from all these hon. members, so if we all could just let the hon. member speak for herself. As she does say, she represents more constituents than any of the members here. Let her speak.

The hon. Member for Calgary-Shaw.

Mrs. Ady: Thank you, Mr. Speaker. I am sure my colleagues are all well-meaning and just being completely supportive, and I thank them.

Debate Continued

Mrs. Ady: The reason that I say it is a success is because it shows how many people have moved to Alberta because of the Alberta advantage, because, as I've stated before in this House, they have jobs. So they come here to this province because they can support their families and they think it's a great place to live, and I would agree with them.

At the same time, long-term Albertans know something too, that these kinds of fortunes can quickly change. We recognize that we have no control over volatile oil and gas prices, but we can do something to protect Albertans from the in-year spending cuts when prices tumble. We're having a good year, but things could change and change quickly. I am remembering the very first year that I was in this House and September 11 came, and it was a horrible time. I remember just being in shock after that incident and thinking of what a horrible time it was, and it had a direct effect along with other things on oil and gas prices. In one day from Calgary-Shaw we had on deferral a high school, three overpasses, and a DATS centre. That's what it caused in the Calgary-Shaw constituency alone. So when people tell me things can change quickly, I'm a believer. I've seen them change very quickly. I'm happy to say that we've been able to manage and been able to put money back into some of those projects, and they're moving forward today, but it was disappointing to have it and then have the price of oil and gas tumble so rapidly and have it reverse our fortunes. So when I say that things can change quickly, I know that they can.

8:20

But we can do something to protect Albertans from in-year spending cuts. Now is the time to move forward with a new fiscal framework that we will establish, and it's a sustainability fund to cushion Albertans against these volatile energy prices. Now is the time to establish a capital account to ensure critical projects are not put on the back burner when prices slide. And they will slide; they always do.

So when I look at this act, I'm very encouraged. I've followed its progress very carefully since the time that the Financial Management Commission was formed and the recommendations came back, and I saw within it hope, hope for the future and the opportunity that we now had afforded to us as Albertans to be able to take that next step. It frees us up from the ups and downs of energy prices, and it will outline a capital plan that will accommodate the pressures that come from being the best province in Canada. It allows for spending that is predictable, but more importantly it allows for spending that is sustainable. I think it is a good news story to be able to tell our municipalities and our school boards and those people that are dependent upon government what they can count on because we have a fund that will protect us from the rise and the fall.

I'm particularly encouraged to see that we're planning – and I've heard others mention it – to put a lot of tools in the toolbox. I'm really a believer that we should be considering all options with caution. The last thing that we want to do is undo the good work that has been done in this House previously in getting spending under control, but we also don't want to inhibit the ability to manage our finances differently in the future and perhaps fund infrastructure a bit differently than we have in the past. My constituents have always said to me: how could we ever afford a ring road around Calgary in one given year or even in a three-year period? It's one of

those kinds of projects that needs predictable and sound planning and funding. So I'm very encouraged when I look at the Financial Management Commission, and I think that the constituents of Calgary-Shaw are very encouraged to see government moving in this direction.

I just want to close, Mr. Speaker, by saying that I urge all Members of the Legislative Assembly to support Bill 2, the Financial Statutes Amendment Act, 2003. Thank you.

The Deputy Speaker: Before we continue, may we have consent to briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

The Deputy Speaker: The hon. Minister of Innovation and Science.

Mr. Doerksen: Thank you, Mr. Speaker. It is my privilege this evening to introduce to you two friends of mine, one that I've known for some time and the other that I've just met. The person I've known for a long time is Bryan McIver. How I met Brian was that he had the audacity, actually, one time to send a letter to the Premier's office requesting him to come to his social 30 class and make a presentation. Of all the letters that were written to the Premier, that one was accepted and acted upon, and in fact that is the first opportunity that I had to meet this young man. Subsequent to that, he worked in my office in Red Deer for a summer, and we've kept in contact over the years, and I'm pleased that he's visiting with us tonight.

Accompanying him is a lady by the name of Lisa Wuerfel. I sure hope I pronounced that name correctly, Mr. Speaker. I'm pleased to introduce her and Brian to members of the Assembly, and just so they know that I actually know what's going on in the House, we are currently debating Bill 2, the Financial Statutes Amendment Act, 2003, which is a very important act in the governance of our financial affairs into the future. If I could ask Brian and Lisa to stand and receive the warm welcome of the Assembly, that'd be great.

head: **Government Bills and Orders**

head: Third Reading

Bill 2

Financial Statutes Amendment Act, 2003

(continued)

The Deputy Speaker: Any comments or questions? The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Speaker. Like others in the Assembly I welcome the opportunity to rise this evening to speak to Bill 2, the Financial Statutes Amendment Act, 2003, and like other members that have spoken this evening, I must commend the government for finally seeing the light and the reason that we do need a stability fund in this province. Of course, as I mentioned in previous readings on this particular bill, it was the Member for Edmonton-Glengarry who preceded me, the late Laurence Decore, that first introduced this concept to the House in 1994. It was just as important at that particular time as it is today because, as the hon. Member for Calgary-Shaw had just mentioned, we had not only a huge debt in this province; we also were running deficits. Certainly, this was one of the planks that the late Laurence Decore, who became leader of the Official Opposition, had proposed in the

election of 1993. So it does have a reasonably long history in the House before we actually got around to passing this.

Certainly, the whole idea of this particular fund is to give some sense of stability in our budgeting practices in this province. We do have a roller-coaster economy in this province, and quite thankfully we've been able to maintain a very, very good revenue source over the last few years. I see that in 1998 we had revenues of \$16.8 billion. In 1999 we had revenues of \$20.17 billion. We had quite a peak in the year 2000, \$25.6 billion. In 2001 we had \$22 billion, and again in 2002 we had revenues of \$22 billion. So, yes, we have been very, very fortunate in the fact that we are at a peak, that we are at the top of the roller coaster, and it has been a blessing in most regards.

But along with this, Mr. Speaker, what we haven't had is the flex in the budget, and certainly part of that was because we have this law in this province that says that we can't run a deficit. What happens is that we have to leave that room particularly at the end of the budget year to ensure that we're going to have revenues to cover our expenses, so it does put a tremendous amount of strain on the budget process. It also limits the amount of flex we have in a budget, and we certainly need flex. We need flex in a budget, as the previous speaker had said, so that if we do have events such as 9-11 where the price of oil and natural gas dropped drastically and dropped rapidly, we certainly have to be able to cover those things off in a budget. Likewise, during the past year where we had enormous droughts and had to fight a number of forest fires in this province and we had to have unexpected spending of \$1.2 billion, then we also have to have flex in that direction. That is a very, very critical part of any budgetary process.

The whole idea of a budget is that it adds stability. It adds stability to the businesses in this particular province and to the people who are so reliant on the social programs and the funding of those social programs. So this is definitely a step in the right direction.

Now, then, as well, this will allow organizations such as the AUMA and the AAMD and C certainly more stability in their budgeting processes. Of course, this here, at that particular level, is the level of government that has the most contact with the people, and it is critical when they are so reliant on the provincial government for their finances and for their funds that they have stability at that process. Certainly, none of them wants to get to the point where we were a few years ago, I believe just one or two years ago, where we announced our budget and then we had to make serious cutbacks in the amount of funding that was going to go to those particular organizations. When that happens, it puts a tremendous stress on everybody down the line. At that time, we had people with AUMA that were saying: how can this government expect us to set budgets and stick to our goals when we set those plans for three to five years and we have a budgetary process in this province that doesn't last three to five days? So to have a stability fund, to have that source of revenue which will cover when we do get a tremendous drop in our revenues or we get, as we've seen this past year, a great increase in our expenses is a welcome sight.

8:30

I look at Saskatchewan. Now, Saskatchewan in the year 2001 only had revenues of \$6.8 billion. In 2002 they were experiencing some of the problems that we've experienced when our revenues weren't quite as great as what we had expected. So rather than them having to cancel programs, rather than them having to defer projects in their province, they were able to draw on \$100 million from their stability fund to keep programs running, and what a welcome thing this was, particularly to those people who required that stability in

their lives. Those are the disadvantaged people who rely on things such as AISH, supports for independence, who are so reliant on this government. Even our programs such as health care, such as education require steady funding and increased funding because we do have things like inflation pouring into the situation. This would certainly allow those programs to continue in a fashion that they had set their goals.

Now, then, I also heard how Alberta is probably one of the few provinces and probably is the only province that has a triple A credit rating. Of course, when you have a triple A credit rating, this allows you to borrow money at a very, very low rate of interest. So when we are talking particularly of a province that had revenues in excess of \$20 billion for the last four years and we have revenues of that type and nature, we have a triple A credit rating, yet in this province, this province of haves, we have an infrastructure deficit of somewhere in the neighbourhood of \$8 billion. I could stand to be corrected if I'm out of line here, Mr. Minister, so please feel free to jump in at any point. But to have in a province that has revenues of this nature an \$8.1 billion infrastructure deficit means that we have not been very good at budgeting, but this will certainly I think add to the stability that we wish in our economy.

As well, I look at the situation in this province, Mr. Speaker, where we've been toying with the idea of these P3s, and P3s to me just aren't the answer. I look at a situation that we have presently in the constituency of Edmonton-Glenarry. We have a high school that was built in 1959 for \$1.8 million. I don't think that high school could be replaced today for under \$15 million. When we see how it is ranked as far as requiring maintenance and repair against other schools in Edmonton – even though the school is over 40 years old, because it was built very, very well, the school is ranked way down. Now, that was quite an investment in 1959, to spend \$1.8 million on a school, yet that school today, 40 years later, has appreciated in value. It has served us much longer than I think people would have expected it to. So it's been a great investment for the people of Alberta and particularly for the people in the constituency of Edmonton-Glenarry who had the opportunity to send their children to that school for many, many years. As I look around this Assembly, there are probably many members in this Assembly that wish they could have a school built in their constituency and probably do require schools to be built in their constituency. So certainly with a triple A credit rating, with a stability fund these would be wise, wise investments and certainly would assist us in, you know, more stability.

It would also help us not create such an infrastructure deficit as \$8 billion, and it would be a welcome sight to many parents in this province who desperately want schools in their neighbourhood for their children, who moved to neighbourhoods because there was almost a promise that they were given, not necessarily by the government but by developers, that land had been set aside for schools and that schools would be built there. Here they are. Their children have moved on through elementary school, they've moved through junior high school, yet they still don't have a school in their neighbourhood.

Now, as well, this stability fund would assist us in not having to cancel and defer projects. When huge cuts were made to the construction of highways in this province a few years ago – and that funding was reinstalled very quickly – we saw a huge cry by the road builders of Alberta and quite rightfully so. Many of them had made long-term commitments to purchase very expensive equipment, and if that equipment is sitting there and not working, then it eats up their profits very quickly and in a lot of cases would put some of the smaller businesses and even some of the bigger ones out of business. It also means that the staff that they have been able to gather over the

years and provide employment for are going to be laid off, and when those people are laid off, Mr. Speaker, they go where the work is. They are sought and their skills are certainly valued, so we would lose them out of this province if we didn't have work here for them. So, again, a stability fund will allow us to make certain that the goals and the projects that we plan for, the contracts that we let could be completed without interruption.

Now, as well, when we look at the infrastructure debt, we also have to look at another debt, you know, and this is the debt on our highways. Our highways in this province do require regular maintenance and upkeep, and because of our budgetary practices over the last few years the regular maintenance that is required on all the highways in this province has been less than what is required. Unfortunately, when we get this situation, evidence seems to point to this not being a linear function. As we let the highways deteriorate because of lack of maintenance, those costs of fixing them down the road actually increase much quicker. Again, we do have a tremendous amount of roadwork going on in this province. We are blessed with many great highways in this province, and certainly we want to see those maintained.

One other area that I think we should talk briefly about . . . [Mr. Bonner's speaking time expired] I will do it some other time.

Thank you for this opportunity, Mr. Speaker.

The Deputy Speaker: Questions? Comments?

Edmonton-Highlands to speak at third reading?

8:40

Mr. Mason: Thank you very much, Mr. Speaker, and it's my pleasure to speak at third reading of Bill 2. I want to, I guess, begin by thanking the government for getting around to adopting a principle that's been in place for a long time, and that is the fiscal stabilization fund.

Now, I know that our Liberal colleagues are very pleased to take full and complete credit for this idea, and it's true that for some time they've been putting it forward, and it's a commonsense proposal. When you have wildly fluctuating revenues, it only makes sense to invest surpluses and then draw on them when you have a below-average take. The city does that, for example, with its snowfall clearing budget. You have very, very widely fluctuating amounts of snowfall, and it costs about \$3 million to clear the city completely of snow after a major snowfall. You may have to do it six or seven times in a year and in other years not at all, so it's clearly a financial type of arrangement that lends itself to this stabilization fund act.

But the Liberal opposition is not the first to implement this idea, nor is the government. On April 1, 2000, the government of Saskatchewan brought in its Fiscal Stabilization Fund Act. I'd like to stop there, Mr. Speaker, but actually if you go further back and in the interest of fairness, the Filmon government in December of 1989 brought in their Fiscal Stabilization Fund Act. So it has a long history. It's not an original idea, but it is a good one, and we support that part.

Mr. Speaker, we have to talk a little bit about why the government has become overly dependent on these very unstable sources of revenue, and they have. It forms a greater proportion of their revenue now than it did a few years ago. Why is that? Well, it's because the government, like lots of other Conservative governments around the world, is overly fond of tax cuts for rich people. They have given away \$400 million in corporate taxes already, and this schedule will continue until the corporate tax cut equals a billion dollars of lost revenue per year. A hundred and eighty million dollars is expected to be in the next budget, whenever that is, and that will be a further reduction. The government, of course, under the previous Provincial Treasurer, Stockwell Day . . .

An Hon. Member: Who?

Mr. Mason: Stockwell Day. Remember him?

. . . brought in the flat tax, which cost the government another several hundred million dollars.

If there were a fair taxation policy, then the government would not be so reliant on resource revenue and we wouldn't see the situation we saw a year ago when the minister was terrified because all of a sudden oil and gas prices went down. There was less revenue, and she was afraid that if she ran a deficit, she was going to go to jail, which is almost what the government's legislation would require her to do. So we saw sudden cuts to badly needed programs, including for at-risk youth, for aboriginal youth, and so on, in order to prevent an accidental deficit.

One of the other criticisms that we have had of the government's policy is the deliberate underestimation of resource revenues on an ongoing basis in the billions of dollars every year. Of course, that allows the government to plead poverty when there are demands placed upon it for program spending and then look like financial geniuses at the end of the year when, surprise, surprise, they have a multi billion dollar surplus, 75 percent of which, until this legislation, had to go to debt reduction. So the government was able by stealth to rapidly accelerate the debt reduction program that existed. Now, fortunately, that piece is also coming out in this act, and that's a second bit in its favour, that it eliminates the 75/25 split for unanticipated surpluses being applied to the debt. That's a good thing, and we support that, and we've in fact advocated that for a number of years.

But this act will not require what we call truth in budgeting. In other words, it won't require the government to predict revenues from oil and gas on a reasonable basis at all. They can continue to hide the surpluses in the way they have been doing. So we're concerned, then, that if money in excess of the 3 and a half billion dollar cutoff could be spent if the fund was fully topped up, then that money would be leftover for spending on what's called priorities, which is really political spending, politicized priorities, and that won't be prevented in all cases at all.

Now, the Minister of Justice and Government House Leader has talked about how this act sets the stage for P3s, public/private partnerships, and he spoke at some length about that. There's no doubt in our minds that P3s are simply a way to transfer funds from the public purse that is paid by the taxpayer into the hands of corporations to do the work that the government can already do more cheaply and better. The government can do this because they have the expertise that they need. We all know the old saying about hiring the consultant who borrows your watch to tell you the time, and that is certainly the case when it comes to the construction of specialized government facilities such as courthouses and other government facilities. It is the expertise resident in the government departments that needs to be accessed, usually free of charge to contractors, in order to plan, construct, build, and indeed operate, if that's the case, these public facilities.

Of course, we know that the government doesn't need a profit, and we also know that the government has access to cheaper money than the private sector. In that respect, Mr. Speaker, all the advantages are on the side of government provided that it is well run and efficiently run, which is the responsibility of the government. If it's not well run and efficiently run, then that's a problem with the government rather than with something intrinsic to the public sector. If the government is planning to make use of this act in order to have private investors build schools, courthouses, and all sorts of other public facilities, then they're going to be producing higher costs in the long run and possibly a lower quality of facility.

Now, I've got some interesting things. Of course, under Margaret Thatcher, the patron saint of Conservatives everywhere, the first 18 P3 hospital projects in Britain cost 53 million pounds, which in real money is \$110 million Canadian, for consultants alone.

P3s in Britain have led to a 30% reduction in hospital beds and a 25 percent reduction in clinical staff budgets.

In the first British P3 hospital in Cumberland, short-cuts in facility construction and design have created a shocking host of problems:

- two ceilings collapsed because of cheap plastic joints in piping and other plumbing faults – one joint narrowly missed patients in the maternity unit
- the sewage system could not cope with the number of users and flooded the operating theatre with sewage.

Wow.

- clerical and laundry staff cannot work in their offices because they are too small
- a transparent roof design flaw and no air conditioning mean that on a sunny day the temperature inside the infirmary reaches over 33 degrees celsius.

8:50

Now a little closer to home.

In Nova Scotia P3 school deals exempt the for-profit owners and builders from any legal liability for shoddy construction and faulty wiring and plumbing.

I don't know if the government is planning to do that or not, but I wouldn't be too surprised.

The Halifax P3 school's well water was contaminated by arsenic. The for-profit owners denied responsibility and students and staff were forced to use bottled water for over 12 months. In [the year] 2000, all future P3 schools in Nova Scotia were canceled in a flurry of scandal and public outrage. By then the thirty Nova Scotia P3 schools, with contracts as long as 35 years, were slated to cost the public \$32 million more than if they had been built in the traditional manner.

Now, maybe that's just an isolated example, but in Prince Edward Island "the government pulled out of its P3 hospital project after it discovered that it would cost more than if the hospital were kept public."

Here's a quote from Bruce Davidson of the concerned Walkerton citizens. He says:

The privatization of water testing meant an inexperienced firm oversaw the safety of our drinking water. When lethal levels of e. coli were found, all they did was send a fax. They ignored provincial guidelines that suggest notification of the Ministry of Labour and the Ministry of Health. In fact, they said they had never read these guidelines. It is unacceptable that such behaviour won't lead to criminal charges – in fact, their actions were adequate according to ministry officials. All on the promise of saving a few dollars? Don't mess with our lives like that – keep the profit motive out of our public services.

Here's another one.

While P3s may be a useful means of bringing the innovation of the private sector to bear, they are not without their critics. In many cases, governments find P3s attractive because the private sector company assumes the heavy capital costs of a project and governments are only required to pay "rental fees" over the longer term. Unfortunately, while P3s may cost governments and taxpayers less in the short term, these arrangements often cost more in the longer term . . . The rental costs charged to governments must be high enough to allow the private sector partner to recoup its costs and make a profit for its shareholders. The cost of borrowing is often higher for the private sector than for governments. And P3s often have higher administration costs. Critics also suggest that the quality of private for-profit run facilities can be lower than publicly run facilities and that, in some cases, these arrangements have resulted in beds being closed and staff being reduced . . . This is not to say that P3s are without a place (for example

in the case of health information systems), but they are no panacea and their use and value need to be carefully considered.

The source of this quote was the final report of the Romanow commission on the future of health care.

Having quoted from a number of sources, I would caution the government, in its zeal to find new ways to get the private sector involved in government, that in the long run the costs are bound to be higher and the quality of the workmanship and the operation of services and facilities is liable to be considerably less. There are going to be very serious cases, I think, in the future if the government persists in this direction. The experience of other places shows that P3s are an idea whose time has come and gone. Other places have tried them and have abandoned them, and this government should as well.

Thank you, Mr. Speaker.

The Deputy Speaker: Questions or comments?

Mrs. Ady: I'd just like to ask the hon. member – he made reference to the fact that there were problems in construction with P3s, and having been in construction myself, if it can go wrong, sometimes it does go wrong. I think of Fish Creek elementary, that had the same difficulty, not built as a P3 but built as a typical construction project. Is your suggestion that these things only go wrong in P3s, or do they go wrong in construction projects?

Mr. Mason: They can go wrong with construction projects when those projects are not adequately supervised. The problem is that in order to increase the profit margin in a P3 situation, the contractor is more likely to try and find ways to cut corners. This is not as serious a concern as when the profit motive is absent and the public interest is placed as the highest priority. That is when the government does it.

The Deputy Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. Notwithstanding his latest comments totally putting down in the most grievous way honest contractors that work hard to build our buildings and build our structures across this province, I wanted to ask the hon. member whether or not in his swipe against the tax policies of the government where we instituted two rate systems, 0 and 10 percent – and he talked about the loss of revenue to government – he perhaps overlooked the fact that the government raised the personal exemption for low-income Albertans significantly so that it's significantly higher than any other Canadians enjoy before taxes kick in. That's one of the reasons the revenue went down but put money in the pockets of low-income Albertans.

Mr. Mason: Mr. Speaker, I will admit that I neglected to point that out. It's a good thing that the government has done that because low-income Albertans certainly need the tax room in order to pay their utility bills.

The Deputy Speaker: No further questions?

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a pleasure to rise this evening and have one final look at Bill 2, and certainly there are some aspects of Bill 2, which I expressed earlier in debate, that one has to consider a step in the right direction. Now, there are some other aspects of this bill that I do have some reservations about, and hopefully in the limited time that is available at third

reading, perhaps some of my questions could be answered.

The hon. Member for Edmonton-Highlands was absolutely right to express some concern earlier in private conversation to this member, some concern and caution in regard to the changes that are going to occur with Bill 2 in the Government Accountability Act, some of the consequential amendments. This, I believe, Mr. Speaker, is just one of them. The changes that the hon. Member for Edmonton-Highlands pointed out – and I did a little bit of research while the hon. member was speaking – I believe are noteworthy, and I think it is appropriate that they're brought to the attention of the entire Assembly.

Now, if we look at Bill 2, the Financial Statutes Amendment Act, 2003, we see where it is proposed that we are going to strike out section 19 of the Auditor General Act and substitute it with section 18. When one looks at that, of course, Mr. Speaker, the first thing that comes to mind is: what is the difference between section 19 and section 18 of the Auditor General Act? On first glance you would think, well, there's not much, but whenever you have a chance to look at this and look at this in detail while the hon. Member for Edmonton-Highlands is involved in debate, one notices that there are significant changes here.

9:00

Section 18 of the Auditor General Act is regarding an annual report on financial statements.

18(1) After the end of each fiscal year of the Crown, the Auditor General shall report to the Assembly on the financial statements of the Crown for that fiscal year.

Well, that's fair enough, but

- (2) a report of the Auditor General under subsection (1) shall
 - (a) include a statement as to whether, in the Auditor General's opinion, the financial statements present fairly the financial position, results of operations and changes in financial position of the Crown in accordance with the disclosed accounting principles,
 - (b) when the report contains a reservation of opinion by the Auditor General, state the Auditor General's reasons for that reservation and indicate the effect of any deficiency on the financial statements, and

lastly, Mr. Speaker,

- (c) include any other comments related to the Auditor General's audit of the financial statements that the Auditor General considers appropriate.

Now, that's what we're getting in this new act, and that's fine, but it's sort of like an artist's work in progress or a painting in progress.

What we're giving up here is section 19, which is the annual report of the Auditor General. Now, what would be the difference between the annual report of the Auditor General and the annual report on the financial statements? Well, Mr. Speaker, there's a significant difference here.

- (2) A report of the Auditor General under [section 19(1)] shall include the results of the Auditor General's examinations of the organizations of which the Auditor General is the auditor, giving details of any reservation of opinion made in an audit report, and shall call attention

and this is very important.

to every case in which the Auditor General has observed that

- (a) collections of public money
 - (i) have not been effected as required under the various Acts and regulations, directives or orders under those Acts,
 - (ii) have not been fully accounted for, or
 - (iii) have not been properly reflected in the accounts.

We go on to talk here further in section 19(b) of the disbursements of public money:

- (i) have not been made in accordance with the authority of a supply vote or relevant Act,
- (ii) have not complied with regulations, directives or orders applicable to those disbursements, or
- (iii) have not been properly reflected in the accounts,
- (c) assets acquired, administered or otherwise held have not been adequately safeguarded or accounted for.

It goes on here further:

- (d) accounting systems and management control systems, including those systems designed to ensure economy and efficiency, that relate to revenue, disbursements, the preservation or use of assets or the determination of liabilities were not in existence, were inadequate or had not been complied with.

Now, we're giving this up for just the annual report on the financial statements. I would love to know what the Auditor General's opinion on this is. With this amendment has the Auditor General, his office, or his staff been consulted whenever we strike out section 19 and substitute 18 for it?

Now, Mr. Speaker, section 19 is quite extensive. It goes on to say that

the Auditor General may

- (a) comment on the financial statements of the Crown, Provincial agencies, Crown-controlled organizations or any other organization or body of which the Auditor General is the auditor on any matter contained in them and on
 - (i) the accounting policies employed, and
 - (ii) whether the substance of any significant underlying financial matter that has come to the Auditor General's attention is adequately disclosed.

This goes on, and it is very interesting.

Now, I at this time would like an explanation, please, from government members across on why this is happening. Is it perhaps because the Auditor General's report is not ready in a timely fashion? I don't think so, but perhaps that's the reason. The hon. Member for Edmonton-Highlands is absolutely correct to be concerned about this. I'm concerned about this, and now after discovering this, unless I can get some answers from across the way, I believe I'm going to have to support this bill with a great deal of reluctance. I think the Auditor General should be able to get at the operations of this government in a fashion that gives the Auditor General the widest scope in which to conduct a study of how and where and on what the tax dollars are being spent.

With those comments, Mr. Speaker, I will cede the floor to another hon. colleague. I am very anxious as to why section 18 replaced section 19, and I await an answer from the members across the way.

Thank you, Mr. Speaker.

The Deputy Speaker: Any comments or questions? You have a comment or question?

Mr. Mason: Yes, I do.

The Deputy Speaker: Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. Well, you know, to the hon. Member for Edmonton-Gold Bar, I certainly hope that the government will also respond to that, but while we're waiting, I wonder if you could express your view as chairman of Public Accounts on how you feel that this might affect the work of that committee.

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

Mr. MacDonald: Yes, Mr. Speaker. I'm certain that it will affect Public Accounts. I hope it doesn't slow down the work of that committee whenever the Minister of Finance has to report not only to the Assembly but also to the Auditor General and the taxpayers, certainly whenever you consider that the contents of public accounts for a fiscal year shall include the following in this bill:

- (a) the consolidated annual report prepared under section 10,
- (b) the ministry annual reports prepared under section 14, including the reports or statements pursuant to sections 23, 25(3), 28(5), 28.1(4), 30, 56(2), 66(2) and 75 of the Financial Administration Act, and
- (c) any supplementary schedules, statements, explanations and financial statements that the Minister of Finance may require.

Now, I know that the hon. Member for Edmonton-Centre would be delighted to receive any extra supplementary schedules, statements or explanations, and financial statements from the Minister of Finance so that that hon. member could pursue and continue to ask the diligent questions that she does ask in Public Accounts because this would certainly help her out.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thanks, Mr. Speaker. Since we're still waiting for the government to respond to this, does the hon. Member for Edmonton-Gold Bar believe that this will mean that the Public Accounts Committee will no longer be able to ask the Auditor General questions or review his report?

9:10

Mr. MacDonald: Mr. Speaker, I certainly hope not. The annual report is a snapshot. It's a reflection on all government spending. I would be very disappointed if that were the case, and I hope that as long as I am sitting on the Public Accounts Committee the Auditor General continues to provide observations and remarks not only to the committee but also questions and observations to the various ministries that appear from time to time before the Public Accounts Committee.

[Motion carried; Bill 2 read a third time]

Bill 1

Premier's Council on Alberta's Promise Act

The Deputy Speaker: The hon. Government House Leader on behalf of the hon. Premier.

Mr. Hancock: Thank you, Mr. Speaker. I'm happy to rise and express strong support for and, in fact, move Bill 1, the Premier's Council on Alberta's Promise Act, for third reading.

Much has been said with respect to the nature of the bill and the purpose of the bill, so I won't expand on that, as I've spoken in earlier debate, but I would commend it to the House and ask that we get strong support for this important initiative for Alberta's children.

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

Ms Blakeman: Thanks, Mr. Speaker, for the opportunity to speak in third reading on Bill 1, the Premier's Council on Alberta's Promise Act. This was an interesting opportunity to watch the quintessential differences, I think, between the two opposite sides of this House or at least two out of the three.

My colleagues and I felt very strongly that there was a great potential with this promise to actually detail what the promise was

and to set out some targets and some clear measurements of what was expected to be achieved. In fact, none of that is in this bill, and the government members continue to talk about a framework. Well, I don't know how anything is to be filled in with this promise when all we ever have is the scaffolding for it, but we never get any siding on it, no flooring, no doors and windows, nothing. I mean, this is – and I don't want to say empty promise because it just sounds like I'm throwing rhetoric around, but honest to goodness what's in this bill? It is so loose it does become a slogan bill. There's nothing that can be measured. There are no achievements that are targeted here to be worked toward.

You know, the opposition could have said: "Yeah, yeah, Bill 1. It's a slogan bill. Let it go. Let them have their say, and let it go." But we didn't. We tried to bring to the attention of the government members some improvements that could be done. We spent time here bringing forward amendments and trying to improve it as we felt it would improve the bill. All of the amendments were defeated and then some, I think. But we were doing things like actually incorporating the promise that exists in the other programs in the world, where this kind of plan or program has been put in place before, to actually put that in the bill. The only listing of clear "the Council shall" activities – it's listed under Activities – is administrative, you know, that it would sit "in an advisory capacity," that it'll "promote Alberta's Promise." What does that mean? We don't know what the promise is? "Provide leadership in promoting the development of community strategies." Who? So somebody else is supposed to do this, but the government just stands around and promotes it. And then – oh, one of my favorites, yup – "raise awareness of the shared responsibility of organizations, corporations and individuals for furthering the well-being of children." If that isn't a download statement, I've never seen one.

So what exactly was the government going to do in this bill? Nothing. We don't know what the promise actually was except for references to the ones that were started in the States and elsewhere in Canada. There were some members that stood up and said: oh, well, you know, really it's all in the preamble. Well, we know that the preamble is not enforceable, and it's not considered part of the bill, so if you really felt that strongly about it, put it in the bill.

This was a very frustrating episode as far as I'm concerned. I mean, we couldn't even convince the government to be as concrete as accepting an amendment that would develop recommendations to facilitate the delivery of at least one nutritious meal a day to children through a program available in every school in Alberta. No. Government wouldn't buy that. That's not part of their promise to children in Alberta. So in the end this was a very frustrating exercise.

I still don't know what the government really intends to do about it. I know that they're going to appoint a bunch of high-profile Albertans, lots of people from the corporate and nonprofit sectors to sit on a committee somewhere. They're going to have some kind of a budget. They're going to pay a CEO, who I'm sure is a good friend, probably a significant amount of money. I asked that question twice. I never got an answer to it. I asked for the budget. I asked for what the CEO's salary would be or even what human resources category it would be from. You know, this has got the Premier's name on it; I've got to presume that there's some money behind this. I didn't get any answers at all about it. I guess we have to remember to bring that up and try and dig that information out during the actual budget debate.

So I don't know what the effect of this bill is going to be. I'm afraid the effect of it's going to be zip, that it will be a slogan that will be referred to . . .

Mr. MacDonald: Like the Natural Gas Price Protection Act.

Ms Blakeman: Yeah, it might be like the Natural Gas Price Protection Act.

It will get referred to, you know, in warm fuzzy terms, but it actually doesn't do anything or mean anything, and nothing concrete is ever done that helps Albertans. You know, such potential here, such potential to really deliver a concrete program for Alberta's children, and such a void that is left, an absolute yawning chasm of nothingness that actually came through the bill. So a very disappointing experience.

Thanks, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Well, thanks, Mr. Speaker. I guess I'm pleased to rise to speak to Bill 1. Well, actually I am pleased to speak to it. I'm certainly not pleased with the bill. This bill is an empty piece of legislation. It's something that the government can put in its campaign leaflets at the next election to suggest that they've actually done something about this. If it has any real content at all, that content is to off-load responsibilities for children onto the so-called community.

Now, it's one thing for the community to be involved. If the government is there to support the community, if there are adequate programs, if there's stable funding, then I think the community can be a tremendous resource, and I would not say otherwise. But where the government is simply seeking to cover up its own inadequacies by reaching out or appearing to reach out to the community in order to help children, it's quite disgusting.

9:20

I want to continue with that a little bit further. I believe that this is an attempt to try and paper over the appalling gaps in this government's approach to children's welfare. It's an attempt as well to extend the myth that the government is not responsible for citizens' welfare. So instead of adequately funding early intervention programs, instead of providing adequate support to families living in poverty, and instead of investing in education, the Premier's council will examine ways in which the community can fill those gaps. Children will be the last to benefit. This also provides a potential Good Samaritan volunteer opportunity for well-connected Tories to enhance their public image.

Mr. Speaker, I've been involved in community organizations and at city council and have represented some of the areas of Edmonton which are amongst the poorest in Canada. I know that the federal riding which overlaps Edmonton-Highlands is, of all the federal ridings, the second poorest in Canada. There's one in Montreal that is poorer than Edmonton Centre-East. I represented that area for 11 years on city council and for two years now part of that area as MLA for Edmonton-Highlands. It has always amazed me how well-heeled individuals will come down to the poor part of town in their Lexus and talk about their wish to give back to the community, yet they support politically a government that has been relentless in its cuts to programs that benefit people in those areas and is singularly responsible for the extension of poverty in this province.

If we're talking about child poverty, according to the Canadian Council on Social Development, which drew its data from income trends in Canada by Statistics Canada between 1980 and 2000, 15.2 percent of the children in this province live at or below the poverty line.

Ms Blakeman: How much?

Mr. Mason: Fifteen point two percent. The number is 112,000 children, so of course you can extend that two or three times to get a clear indication of the total number of people in families, because these children are mostly all in families who live in poverty.

Now, if you look at the government's approach to the minimum wage, if you look at its cuts to social welfare and its refusal to revise those things, its refusal to assist those people with high utility costs, for example, you'll see that the government has contributed to the maintenance of this poverty which affects these children in the cuts to programs. The last time the price of oil and gas went down, we saw how programs for children at risk were cut by this government. We have now a situation where SFI rates have not been raised since 1993. As well, Alberta has the lowest minimum wage in Canada. Poor families, Mr. Speaker, equal poor children. We've seen the approach to children as adopted by this Ministry of Children's Services where we have the highest rate of apprehensions of children in the country. The reason we do so is because we also provide one of the lowest levels of support for families in need. So the government has a large number of children, then, in custody.

So what's the government's approach? It's not to put in place preventative programs and allow families to stay together. No. It's an eBay-style adoption of children, where children are marketed on the Internet. We have Sleep Country ads to try and help children, kids kept in motel rooms, a million dollar cut, which I referred to already, last year to early intervention programs for children.

Then, Mr. Speaker, there is the question of education. There is a continual underfunding of education. The Minister of Learning is always pleased to talk about how much we fund education in this province, but at the forum tonight a representative of the public school board provided some statistics. This was carried live on CBC radio. If you take into account inflation over the past 10 years or so, the increase in funding for education in this province has been less than 1 percent. We have ballooning classroom sizes, ongoing fights with teachers. A government survey, which was released last year, found that the average class size for grades 1 to 3 is 23 students per class, well above the ideal of 17 students per class. The same survey found that approximately 41 percent of classes in all of Alberta have 25 or more students. Further, 71 percent of classes have an average of four students with special needs. The question is: how can those students receive the attention they need when they're being packed into classrooms?

Of course, children grow up, and they finish public school. They want to go on to postsecondary education. Here the government has allowed the tripling of tuition fees in Alberta in the last 10 years. We have pointed out in the past that a tuition freeze would only cost \$40 million for the government, yet the government is giving away \$180 million in corporate tax cuts.

So we come back to the bill, having dealt a little bit with the government's actual record when it comes to children, and what's notable is the complete absence of tangible goals for the council. Now, without such goals, Mr. Speaker, the council can only be used as a PR tool of convenience, with success stories coming according to the Tories' time line and not the children's time line. There is no mention of the membership of the council.

All in all this is nothing more than a charade and an attempt to say in words what the Tories have consistently failed to deliver in deeds, when they have been in this government for as long as they have been and they have financial resources at their disposal which are the envy of any other provincial government in this country. Yet the record with respect to children is, frankly, shocking, Mr. Speaker, and to place such a bill before this Assembly is a slap in the face of every poor child in this province.

The Deputy Speaker: Comments or questions? Calgary-Shaw.

Mrs. Ady: Thank you, Mr. Speaker. It's an honour to rise and join debate in third reading of the Premier's Council on Alberta's Promise Act. Frankly, as I was listening to the last hon. speaker, my hon. colleague . . .

The Deputy Speaker: Hon. member, I'm sorry. We're on Standing Order 29, and that's comments or questions with regard to the last speech. The hon. Member for Calgary-Fort is asking a question or making comments, and then we'll have you give your speech.

Mr. Cao: Thank you, Mr. Speaker. I would like to ask the hon. Member for Edmonton-Highlands. You juxtaposed two things: one is student tuition fees, and the other one is tax breaks to the corporation. I just want to venture a question to you. I wonder where the parents get the money to pay for the students to live and to study. Also, where will the student work after graduation if there are no companies or businesses around?

Thank you.

9:30

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. Of course, dramatically increasing tuition fees increases the burden on parents and on families and on students, but I think the hon. member is suggesting that without these tax cuts we wouldn't have free enterprise, we wouldn't have corporations, we wouldn't have jobs. I absolutely don't agree with that. Long before these tax cuts came along, Alberta already had a very, very favourable tax regime for private business, and there were plenty of jobs. So I think the suggestion that without these tax cuts private investors would abandon this rich province is simply not the case.

The Deputy Speaker: Further questions and comments?

The hon. Member for Edmonton-Glenarry indicated that he wanted to speak earlier.

Mr. Bonner: Do you want to speak?

Mrs. Ady: Yes.

I just want to speak very shortly, Mr. Speaker, and finish my remarks.

The Deputy Speaker: Okay. The hon. Member for Calgary-Shaw.

Mrs. Ady: Thank you. As I said before, I'm proud to be able to stand today and speak on third reading of the Premier's Council on Alberta's Promise Act. As I was saying earlier, when hearing the remarks of the previous speaker, I suppose that if you looked at my family, where there were six kids and my father did not make a very large income and my mother did not work, we would have been considered poor, although I didn't ever know we were poor because I was raised in a very loving family with parents who cared and taught us well. We were able to all go out and get an education and were able to proceed forward and become productive adults. So I do not think that poverty is necessarily an indicator in all cases. I think a lot of times it has to do with family and the support that family has for you. So I'd like to object to that.

I'd just like to say that I have a substantial number of youth in my constituency. More importantly, as a mother I understand the importance and the need to ensure the well-being of children and

youth. I've also had the opportunity to travel the province and see the children that we have in care. They're very well cared for, and I very much object to the idea that we are not caring for children in this province, because we are. I think we're doing a very good job under difficult circumstances for these children, and I think this bill gives promise to those children and gives them some additional resources and help as we proceed forward.

Mr. Speaker, this government can make all the promises in the world, but they won't make a difference unless that promise is kept. I offer my most sincere heartfelt congratulations in support of Bill 1. However, I recognize that promises are just that, promises. I implore all members and all Albertans to make this promise real and help make the dreams of Alberta's children come true.

Thank you.

The Deputy Speaker: Comments or questions?

The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Mr. Speaker. It is a pleasure to rise this evening and speak to Bill 1, the Premier's Council on Alberta's Promise Act. Like a number of people in this Assembly I've been blessed and had the opportunity to work with children for most of my life, something that I certainly enjoyed and certainly something that I take a lot of pride in. When I was teaching, it was said that it takes a community to raise a child. That statement has never been more true than it is today.

When we look at the situation here in Edmonton and that two years ago we had 130 children under the age of 15 that were homeless, then we do have a serious problem. I do not have the statistics at hand as to how many homeless children we had under the age of 15 in the last count, but all indications were that this number was going to grow, and certainly it has. Society's responsibility is to provide full social and economic participation to all Albertans, but unfortunately, Mr. Speaker, there seems to be a systematic failure on the part of governments to perform this basic function. So we do have to re-examine what we've been doing and where we're going. So the bill here, the Premier's Council on Alberta's Promise Act, should be focusing on more than just children. It should be focusing and setting targets on how we can provide children with full social and economic participation in this great province.

Now, then, when we have a bill in this Legislature it is to fix some problems, but we don't have any stated here, as we've mentioned earlier. This occurs, Mr. Speaker, at a time in this province when families are under greater financial stress than they've ever been before, and we do have departments in government which have been given the mandate to assist our children and assist parents in raising those children. We look at, for example, the Department of Learning, and we look at what has happened in our schools just recently, where we had an arbitrated settlement which was out of the scope, out of the responsibility of our locally elected school boards, yet we did not put funding in. We did not give funding to those school boards so that they could meet those new salary demands. Hopefully, in this budget that we expect to come down in the next three to four weeks, that funding will be restored so that we aren't looking at laying off teachers, we are not asking parents to go out and fund-raise, we are not having schools, such as I have in Edmonton-Glenarry, which have food banks in the school, another school which sets food out daily on a regular basis for hungry children to get food, another school where they have clothes that are donated for children that don't have clothes. These are situations, these are problems that I would have liked to have seen this bill address in our education system alone.

We also have in this province, Mr. Speaker, the lowest minimum wage of any province in Canada, and we are seeing in this province, a have province, that businesses cannot budget for their workers that extra dollar-an-hour raise or whatever it takes. Perhaps those businesses should not be in business if this cannot happen. We see people in this province who are on AISH, supports for independence. Those benefits have not been raised for 10 years. We want to have a flagship bill that is going to take care of children, that is going to provide all those great opportunities that every parent wishes for their child, yet we will not help the poorest of the poor. In listening to Senator Doug Roche last year, he had just a fabulous quote, and it went something like this: there are those in this society that think a rising tide raises all ships; however, it is only raising the yachts. So the most vulnerable people in our society are going to look at a bill like this and say: how is this going to help me?

In the debate the other night the Minister of Children's Services was asked to provide a list of the names on the council, those Albertans who have been nominated to this council and have accepted a position on the council, and I read through that with interest. There were quite a number of names that I could pick out, and I must say so that there is absolutely no confusion that I was impressed by the list of people that had been put on that council. Again, what is the mandate for those people? What resources do they have in order to fulfill the conditions that we wish every child in this province could be raised under?

9:40

Just to review those quickly, Mr. Speaker: "giving children a healthy start and a promising future." Well, I would like to know how we can have a situation in this province where in the formative years, the years when we require the greatest number of resources to be put into the education of children – and that's at the primary grades, in elementary school – increasing the size of those classrooms and having resources from those classrooms reduced is going to fulfill this particular point of "giving children a healthy start and a promising future." It doesn't add up. No matter how good those people are on that council, without the resources put into our schools this goal is unachievable.

I think what we have to look at is the situation that was reported in a north Edmonton school, where those resources were put into those children who were identified as requiring more assistance. Certainly, over the last three years they had targets that they wanted improved, targets such as every child being able to read at a grade 1 level when they completed grade 1, and they did it. They did it. In a lot of schools in this province where we think that those same targets should be achieved, they are not. So, yes, we can do amazing things, but we have to have commitment. It sounds good, what we have here. There is nobody in this Assembly that wishes more than I do that we could provide that for every child in this province, but so far we have not done a very good job.

I look at the second point, "providing safe and healthy communities for our children's growth, education, and development." Well, we are working towards that, yet I see that the city of Edmonton has the same number of officers on the streets today as they had in 1983, and again it is a funding issue. They cannot afford to have more, and like any other organization in our society their costs have gone up immensely too. Certainly, there are a lot more sophisticated equipment and crimes to deal with, but we do have to provide those types of services if we wish safe and healthy communities.

We also see where families have to pay more for health care premiums. Again, for some people, as I've already indicated, this is stretching those family budgets even thinner. We have to look at how we can provide the absolute best health for children.

I look, as well, to another point, "ensuring that every child receives ongoing support, care, and guidance from at least one caring adult in his or her life." Certainly, that is a goal that we wish for every child. Every child has to grow up in a situation, as the hon. member has mentioned, in a loving family where that support will take place. That means, Mr. Speaker, that we have to create a society where parents and families do have the opportunity to get together.

There is so much potential in this bill, Mr. Speaker, that I do get excited when I read it. I do get excited when I see the quality of people that are sitting on that council. I do get excited that we can make a difference in the lives of so many children, that we can certainly increase the opportunities for so many children in Alberta, because if we can't do it in this rich province, then I don't know how it can be done.

So, again, I will be voting for this bill. I certainly hope that the council will be able to come up with strategies that will fulfill these five points and that the big winner in all this will be the children of Alberta.

Thank you very much.

The Deputy Speaker: Comments? Questions? The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Speaker. I appreciate the hon. Member for Edmonton-Glengarry's positive comments in regard to this bill, and as with other members I appreciate the fact that the opposition's role and function is to oppose. Sometimes being in opposition is much more difficult than others, and I think that with this bill this is one such occasion because in principle it would appear to me that the opposition, and particularly the member representing Edmonton-Glengarry, is in accord with the overall principle of the bill, and who couldn't be? The premise is "Alberta's Promise is an initiative to encourage organizations, corporations and individuals to enhance community resources in order to further the well-being of children."

Well, the question, Mr. Speaker, is: how does one oppose such a premise? Is this not something that we as a Legislature representing all of the parties and all of the people in our province should subscribe to wholeheartedly and without reservation?

Mr. Bonner: I think if the hon. member had been paying close attention, Mr. Speaker, he would have heard me say that I certainly do support this bill, and I will be voting for it.

The Deputy Speaker: Hon. Member for Calgary-Bow, a question or comment?

Ms DeLong: Thank you, Mr. Speaker.

An Hon. Member: It's questions or comments.

Ms DeLong: Or comments? Actually, neither. I wish to just speak on the bill on debate.

Speaker's Ruling Question and Comment Period

The Deputy Speaker: If the time is up, then we can have you speak on the bill, but before doing so, I think I'll just make a comment.

There was at least one comment, if not two or three comments, when the hon. Member for Edmonton-Rutherford was making his comments as to a question. They must think it's question period, and the rules and regulations – but if they read Standing Order 29,

they will see that you can ask a question or make a comment. So the encouragement is ill taken.

The hon. Member for Calgary-Bow.

Debate Continued

Ms DeLong: Thank you very much, Mr. Speaker. I would like to make a few comments on Bill 1, specifically under Activities, 3(e), “encourage financial and other support for initiatives and research that further the well-being of children.” I believe that we just assume we know what’s good for children, and in actual fact we really do need to do more research in terms of what’s good for children. When I was a child I never went hungry, but by today’s standards I lived in what might be considered abject poverty. I remember that there was one winter when we were living in a little cabin where there was one bedroom for our parents, but there wasn’t a bedroom for the three kids, so my father put plywood around the outside of the porch. In the wintertime it was literally freezing out there, and the outhouse was quite a ways away, but we were a very happy family. One of the things that I have heard recently is that the number one indicator in terms of how successful children are is a loving mother and father. That is certainly something that I had in my life, a loving mother and a loving father involved in my life.

There is recent research that has been out there that says that the number one thing – it isn’t education; it isn’t the health care system; it isn’t the level of poverty – that indicates whether or not a child is going to be successful is the involvement of their parents in their life, not just their mother but also their father. I’m very encouraged by this bill, especially part 3(e) referring to the research. I’m hoping that we are going to make some real progress in this area in actually determining what does make for successful children.

Thank you very much Mr. Speaker.

9:50

The Deputy Speaker: Comments? Questions? The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Mr. Speaker. Just to reply to the hon. member that just spoke, our bill has been, I think, modeled in some respects after the Ontario’s Promise and after the America’s Promise. Now, then, I would suspect that both of those jurisdictions, again, have put as much effort into researching what the needs of children are as we have done here. It’s amazing how similar these are.

Now, the five promises from Ontario were: a healthy start, an adult who cares, safe places to learn and grow, tools to succeed, a chance to make a difference. The America’s Promise: ongoing relationships with caring adults in their lives, parents, mentors, tutors, or coaches; safe places with structured activities during nonschool hours; healthy start and future; marketable skills through effective education; and opportunities to give back through community service. I think we do have a very good handle, Mr. Speaker, on what it is that children require. I think that what we have in Bill 1 certainly parallels what we find in the Ontario’s Promise and in the America’s Promise.

Thank you.

[Motion carried; Bill 1 read a third time]

head: **Government Bills and Orders**

head: Committee of the Whole

[Mr. Tannas in the chair]

The Chair: I’ll call the Committee of the Whole to order.

Bill 17

Appropriation (Supplementary Supply) Act, 2003

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

Mr. MacDonald: Mr. Chairman, thank you very much. I appreciate the time to discuss Bill 17, Appropriation (Supplementary Supply) Act, 2003, in detail at this time, and I would like to bring to the attention of all hon. members of the Assembly the expenditure that is devoted to Government Services: \$4.5 million. Now, I know that the Member for Edmonton-Centre is very surprised that the Government Services ministry would need an additional \$4.5 million. I for one am surprised at some of the problems that are going on at Government Services, certainly with the registries and with the increase in what’s apparent to me: the information technologies service contracts that are being contracted out.

Perhaps the reason that they would need this money is because of the reduction in revenue generated from motor vehicle licences. Now, we all know that licensing fees went up, and if you go back to the third-quarter fiscal update from Budget 2002 – and all this relates to Government Services – I see that there are premiums, fees, and licences, which are really taxes. The government is going to have a very, very hard job now, Mr. Chairman, getting around not calling these items taxes because, of course, they’re forcing the municipally owned utilities under another bill before the scrutiny of this House to place right on the bills any extra charges as taxes. So for any extra charges here, in my view, if the government is going to be above reproach, they’re going to have to call these taxes as well.

But, Mr. Chairman, we see the main reasons for the change from the budget for motor vehicle licensing. There’s a \$14 million deficiency here because of lower commercial vehicle registrations. Am I to assume that because of the tax increases . . .

Chair’s Ruling Proximity to the Microphone

The Chair: Hon. member, you go on and off the air for those like the chair that are a little hard of hearing. Whenever you turn around with your back to the microphone, it’s inaudible. That may be a comfort to some people, but it’s not to the chair. I wonder if you could hopefully spend as much of your speech time addressing it to the chair or to the microphone, which was designed to hear you speak into it, not with your back to it.

Thank you.

Mr. MacDonald: Yes. Certainly, Mr. Chairman. I apologize to all members of this Assembly.

Debate Continued

Mr. MacDonald: Now, the lower commercial vehicle registrations. I need the answer from the government if this is why we need at this time an additional \$4.5 million, Mr. Chairman. As we increase the registrations, have commercial enterprises fled this province for other jurisdictions where registration for commercial vehicles, large fleets, is much cheaper? If this question could be answered in the course of debate, I would certainly welcome that.

This wouldn’t be the first time this has happened. Unfortunately, many enterprises are contemplating leaving this province because of our high utility costs with electricity deregulation. Manitoba is a very attractive place now to do business because of the low cost of electricity.

Mr. Mason: And the good government.

Mr. MacDonald: I hear from the hon. Member for Edmonton-Highlands, "and the good government" as well.

We need to be very careful. Now, whether this \$4.5 million is the result of large commercial fleets abandoning this province because of high costs and going elsewhere to register all their vehicles or not, I'm very anxious to hear from the Government Services department in regard to this because I'm told that they're requesting this \$4.5 million to provide funding for an initial phase of a driver's licence upgrade program, but perhaps there are other budget deficiencies as a result of the huge, skyrocketing increases in premiums for vehicle registrations.

Now, Mr. Chairman, also, at any time a driver's licence program is altered, there's the chance that personal information may be released. I would like to know what precautions have been taken to ensure that no personal information is going to be released. What upgrades are going to be made in this initial phase of this alteration, and how many future phases of this program are going to be funded?

10:00

I understand also that it was last July, July 2002, that the fees associated with drivers' licences went up as well. What is that money going towards, and why does the Government Services department need additional funding now?

Now, the human resources and enjoyment portfolio. Human Resources is requesting \$25.8 million here, Mr. Chairman. This is to provide additional funding for skills development programs. It astonishes me that we're going this way at this time. I'm hearing reports – and I certainly hope they're not true – that some of our facilities that provide training to apprentices, whether it's in Calgary or whether it's in Grande Prairie or whether it's in Edmonton, have a shortage of money. There have been some significant cutbacks. I hope this is not true. If it were true, is some of this money going to be going to NAIT and SAIT? We're talking about a skills shortage, a huge skills shortage across this province in tradespersons. At the time this shortage is growing – it's certainly in some sectors causing anxiety for the planners – how could we cancel or reduce funding for those institutions when we need to be training more young Albertans, not less? Is some of this money going to those institutions, or where exactly is this skills development program going? I'm always puzzled by this. I've been puzzled by this Canada/Alberta labour market agreement since it was initiated, I believe going back to 1998. [interjections] Pardon me? I'd better direct my comments through the chairman.

Now, the skills development program, this co-operation between Canada and Alberta, puzzles me, and one of the reasons why it puzzles me is it's apparent to me that we're paying this money up front to the providers. It doesn't seem to be pursuant to the student finishing the course or attending the course in a timely and regular fashion, but if they're there on the first day of classes, well, then, this school, whether it's a private school or a public school, gets the money. Last summer we had the unfortunate case of a bankruptcy with one of these outfits. They were getting money from the Canada/Alberta labour market agreement, and I couldn't believe that the contracts were worded in such a loose fashion, where taxpayers were losing the money and the students, of course, were losing a placement. Their courses were up in the air. Here I see that we're getting another \$26 million to provide additional funding, and if this hon. member had more time, it certainly would be devoted to a little bit of digging around that Canada/Alberta labour market agreement. If I wasn't so busy with Public Accounts and I had a place to spend my time, Mr. Chairman, that's where it would be. Yes.

Now, the population of Alberta is growing, so one would naturally expect that each year there would be an increase in enrollment in these various programs. If that's the case, why didn't this department budget for an increase in enrollment? Another question that I would have: does the department have plans in place for next year to ensure that we can accommodate an increase in enrollment and that supplementary supply will not be an option?

Infrastructure is the next department that got some money, and they got a significant amount of money. Now, as I understand it, Infrastructure is requesting money to fund land acquisition costs, Mr. Chairman, and I would like to know what land the department is acquiring. The fact that Infrastructure is acquiring land that they did not budget for illustrates the lack, again, of long-term planning by this department, and one would have to question that this is yet another case of the lack of long-term planning meaning additional costs for taxpayers in Alberta.

Mr. Bonner: It's certainly at a time when land costs are high.

Mr. MacDonald: Yes. Certainly, we are buying at the top end of the market. We are, yes, buying at the top end of the market, and that's a very good point. Why couldn't this department wait to acquire this land next year so that these costs could be included in the budget?

Alberta Justice. Now, as I understand it, Alberta Justice is going to be requesting \$2.6 million. The money is broken down for staff salary settlements, and I think that some of this money would be going to increase the compensation levels for some, if not all, the Crown prosecutors in Alberta. The Crown prosecutors were, I believe, underpaid. They certainly are not undervalued – we appreciate the work they do – but they were underpaid. I commend, in this case, the department's and the minister's concern, and the concern turned into a modest increase in compensation for those individuals. The court reporters are also included in this group. They work very hard also, and that is to be noted.

Now, the external legal costs relating to Kyoto. I would assume that this is completely separate from the communications plan that we all saw on television and heard on the radio and certainly saw in newspapers. I wonder if it really was necessary. Was this half a million dollars to discuss a constitutional challenge, not knowing that air sheds are like Canada geese, that they do not respect boundaries?

Mr. Chairman, at the same time, I believe that this department needs to fully explain its request for over \$2 million for staff settlements. Some of this is understandable, but are there any unbudgeted staff cuts? Also, whenever there were staff cuts, did other people get bonuses?

Now, Alberta Learning is a department that is in the news these days. Here we learn that Alberta Learning requested \$33.5 million. Certainly, the Calgary board of education is getting \$7 million, \$1 million for the government service payments for teachers' pensions, and \$25 million to the teachers' pension plan. There's no doubt that the \$7 million is certainly needed in Calgary, but we need double that in Edmonton. We need \$13 million, \$14 million right at the start, and that's only for the public board, Mr. Chairman. It is unusual that one city would get an amount of money like this \$7 million. I know that the circumstances, as explained by the hon. minister, are different in both cities, but both cities are facing a crisis in public education.

10:10

Well, the public school boards are caught. They're caught between parents on the one hand and the government on the other

hand, and they have no autonomy. They need autonomy, and that is recognized on this side of the House. They have so many limitations from which to make decisions. One, of course, would be the inflexible school utilization rate. One only has to leave this Assembly and hear a news report where here in Edmonton the separate board is, unfortunately, having to look at organizing a series of public meetings to determine whether it's necessary to close three schools. This is the most unfortunate of circumstances. Every neighbourhood needs to have a school. The school is a focal point of any neighbourhood or any community, and I think we can work around and solve these problems without having to close these schools, Mr. Chairman.

It is quite interesting whenever one considers the circumstances in Calgary and the generosity of the government. How could Edmonton be overlooked? Now, certainly, this may change when we hear next month from the hon. Minister of Finance with the budget, but I'm disappointed at that. I've heard over the years of the difference between Edmonton and Calgary, and I don't think that in this case there is any difference. Both of them need money and the commitment from this government. Both cities need the commitment from this government to adequately fund public education. It is an investment; it is not a cost. I look forward, when the budget comes around, to there being an effort put forward to alleviate all the concerns, or most of the concerns anyway, of the elected public school trustees in both respective cities.

Now, in conclusion on the Learning issue, Mr. Chairman, we have to make sure that all school boards across the province that are short of funds due to the arbitrated settlement are considered, not just one district. People from this city ask me all the time: why does Calgary get \$7 million more than anyone else?

Thank you, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: To ask a question of the hon. member.

The Chair: We're in committee, hon. member, and that doesn't obtain in committee because in committee we're able to go back and forth and ask questions. No, that doesn't obtain in committee. It's not part of the format.

Mr. Mason: That's okay.

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

Ms Blakeman: Thanks very much, Mr. Speaker, for the opportunity to speak to Bill 17, Appropriation (Supplementary Supply) Act, 2003.

You'll have to excuse my confusion, but this is the second supplementary supply bill that we've had in this fiscal year. So when earlier in the evening I was talking about my frustration about the instability of the government's budgeting process, this is a perfect example of why. That's not to say that there isn't some understandable need occasionally to come before the Assembly to ask for additional funds to be added to a department's budget for something unforeseen. This is now not only routine from this government but regular and repeated approaches to the Assembly for additional funds. As I say, in some instances it's understandable and certainly supportable, but in others I just have to say: why didn't you know this in the first place and ask for the funds? Otherwise, you'd better be able to justify why you're coming before the Assembly and asking for this money now.

Essentially, we're at the very beginning of March. This money

has to be spent by the end of the month. So, one, if you've already spent the money or started the program for which you assumed you were going to get the money, well, shame on you, because it hasn't been passed by this Assembly, and if you are planning to spend it in the next 30 days, my goodness, what a rush to spend money. I certainly hope all the regular controls are in place for that.

In Committee of Supply I wasn't able to scrutinize every department that I wished to. I was trying to concentrate on the ones for which I'm appointed critic and then got into quite an exchange with the Minister of Agriculture, Food and Rural Development. I'd like to come back on some of that exchange because it was not satisfactory to me. So a couple of additional questions come up that I wasn't able to query earlier.

Under Economic Development we're looking at \$4 million, extra tourism. I say: well, why didn't you know about this before? What's such a goldarn-all emergency that you have to get this money? There's a request to provide additional funding for tourism, marketing, and services. What's happened that we need to get this additional marketing and services that is either going to be performed in the next thirty days or, shame on you, you've already done it and assumed that the Assembly was going to pass the supplementary supply request?

That is indeed what's happening. We're looking at a supplementary appropriation of \$35,000 into the Travel Alberta Secretariat operating expense, \$250,000 into the in-Alberta regional marketing operating expense, \$325,000 into the international marketing operating expense. Oh, here we go: tourism destination regions, \$3.3 million operating expense. Then under Tourism Services, Alberta image promotion, \$55,000; visitor support services, \$35,000. Well what in the Sam Hill is going on here? I never got a good clear explanation about that, and I'm not willing to support it until I do.

I think the Energy estimates have already been covered.

Supplementary estimates of \$2 million – and we do have the Minister of Environment here tonight, so maybe I can get a response – is requested “to accelerate grant payments to local authorities under the Alberta Waste Management Assistance Program.” Why do you need to accelerate these grant payments? Now, I'll tell you why I'm asking this. I am increasingly suspicious that there is a humdinger of a surplus out there, and the government is desperate to spend the money so that they don't have to go before Albertans and once again admit that they shortchanged services all year long so they could have this honkin-big surplus, which should have been wisely invested in these programs all the way along. Now they're in a big hurry to siphon off some of that money so that that surplus doesn't look quite so bad when they have to fess up to it at year-end.

10:20

One of the things that's really interesting to me about all of this is that we have a request for \$206,642,000 in this appropriation, but at the second quarter the government was forecasting a surplus of \$199 million. Now in the third quarter they are forecasting a surplus of \$1.8 billion, so that's a pretty staggering increase in what they're expecting for a surplus. I just found it really interesting that we've got an appropriation bill that's looking for \$206 million and that here at the second quarter we had \$199 million, which was what the budget was. So the close connection of those two figures sure makes me think that they're looking to dump money like crazy into these different departments. When I read something about accelerating grant programs, I say: why? Why are you putting more into this? Was there a demand? Did we miss a target? Have we overshot a target? What kind of information can be given by the government at this point that justifies accelerating a program like this? I'm not hearing it.

I have some questions, actually, for the Minister of Government Services. We have: “\$4,565,000 is requested to provide funding for an initial phase of a drivers license upgrade program.” Again, if this was planned for this year, then there should have been sufficient funds in the budget to do it. If it wasn’t planned for in this year, why are you now deciding to do it at the very end of the year? You’ve now got – this is the 4th of March – three and a half weeks to spend this money. How do you prudently spend this money in three and a half weeks for this program? So what since fall has happened that is so dramatic, so urgent that this extra money is needed to do this program? Or is it simply a matter of the department going: “Well, we could do this now. So if we take some of that money away from the surplus and put it in here, then we’ll look like we were really anticipating things, and the surplus won’t be quite so large?”

My other concern around this department in particular doing things in a hurry is a history of a sort of sloppiness, and I am particularly looking for reassurance that any computer or hardware that would be included in this program for \$4.565 million is going to be compatible with existing programs. What exactly is being anticipated here? Is this a contract that is going out to someone else? No. Indeed, when I look at it, we’ve got \$1.8 million. So \$1,846,000 is operating expense for private agent services/general registry, and we’ve got \$2,719,000 under capital investment. So, in fact, there is some expectation of capital investment. Was there a tender process for this? Is the minister able to talk to us about what was in the criteria for the tender process and whether we’ve got successful bidders? Obviously, if the money is going to be spent by the end of March, you must have already had this tender process happen and have your successful bidder that’s going to implement it; right? Or, in fact, you were playing fast and loose and had already done this before you had permission to do it. Is this a contract that’s going out to a private registry? That’s where it’s showing up, under vote 2.0.2. So I’m interested if some private registry got a windfall of a \$4.5 million contract just at year’s end. What kind of contract do they have? What are the performance measurements that are in place? What are the targets that are in place?

I’m looking at Human Resources and Employment next. In the appropriation bill there’s a request for \$25,800,000

to provide additional funding for the Skills Development Program as a result of an increase in the number of students enrolled in basic education and short-term training courses leading to sustainable employment.

Now, that skills development program – you’re going to excuse me because I have just seen that. If I look in the Auditor General’s report, I know that I am going to find something in there about the skills development program, and it’s not going to be something happy if it was turning up in the Auditor General’s report. Have the concerns about the skills development program been addressed before we plow – how much? – 25 million bucks into it? There we have it, recommendation 27.

We again recommend that [the] Department of Human Resources and Employment improve the procedures to monitor compliance by training providers with the terms of the Skills Development Program.

It’s noted that in 2001 this was recommendation 22. Now, I’m finding this in the Annual Report of the Auditor General of Alberta 2001-2002, page 151.

How does the minister respond to this recommendation, which has been made multiple times to his department, that there is a problem with the skills development program? Do I see something happening here? No. I see another \$25 million being dropped into this very program that has been identified as having compliance problems. So I think we need to have the minister answer for that one, and I would like to hear him answer that before I’m required to vote on this appropriation bill in Committee of the Whole.

I have two additional questions about this skills development program. One of my frustrations for an extended period of time, back to when I was with the Advisory Council on Women’s Issues, is that there’s money put into skills development to help people retrain or to upgrade their training or to train into markets where there’s a skill shortage, but we never quite commit to it. I’m just trying to think of an appropriate analogy, but I don’t think I want to go there. Essentially, one of my complaints then was, you know, that people always seem to be able to get skill development money to retrain as a hairdresser, and my thought was: well, how many hairdressers do we need in Alberta? At that time, my interest was in women and what was happening, and they tended to be channeled into things like what used to be called secretarial college but would now be called administrative support and into hairdressing.

Well, I mean, my goodness. How many administrative support and hairdressers do you need? Why weren’t we using that money to encourage women into skills development programs that would’ve actually lifted them out of the pink-collar ghetto and help them get into something that was really going to be a good income for them? Why weren’t we looking at encouraging them into apprenticeship programs like welding or steam fitting? There are all kinds of things that could’ve been happening here.

So I have real questions about how effective these programs are. I think we tend to train people into what appears to be quick and easy access routes, but in fact they don’t sustain people for a lifetime of employment. So in that are we really getting value for money? Are we really getting value for money when we keep spending money to train people to be hairdressers? No, I don’t think we are. Not that we don’t need hairdressers – and this is not a slam against hairdressers in Alberta in any way, shape, or form – but really is this directing people into the skill markets that we need and giving them enough of an education that they’re actually going to be successful? I’ve had people from programs like this. They get six months of computer training. They come and you say: okay; turn on the computer. Well, their skill level is so narrow that they’re actually not very skilled in this, and you end up not being able to keep them on staff because they’re really not conversant with, you know, the programs that you need them to be conversant with and the operating systems that you need them to really know. So I don’t know that we’re very successful here, and I’d like to hear the minister defend that.

10:30

Now, I’m going to leave Infrastructure alone. I’ve already talked about Justice.

One of the other places that really jumped out at me was Municipal Affairs. We’ve got \$10 million for the underground petroleum storage tank program to deal with accepted applications. So does this mean that the ministry was not on the ball in the first place to know what kind of money they were going to need for the year if they’d already accepted these applications? Why were they accepting the applications throughout the year if they didn’t have the money in the budget to do it? Or is the minister going to tell me: “No. This is the process they always use”? They approve them all, and then they wait until they get the money. Maybe that’s how it’s done. [interjection] Well, the Attorney General and Justice minister has somewhat answered my earlier concern that because we have surpluses, we’re taking money and putting it into programs. But I will let him get up and respond on the record to me.

Now, we also have \$1.4 million in there for disaster recovery programs. You know, I don’t have a problem with that, and that’s exactly the kind of thing I do expect to see in an appropriation supplementary supply vote. I do not expect to see things like

plowing funding into programs that already exist because you want to accelerate them or because it's a program on the books that you haven't been funding for a couple of years, but, heck, you've got this 'gi-normous' surplus coming and you're trying to hive off some of that money so it doesn't look quite so bad and you don't look like you, in fact, starved schools and health care systems and infrastructure yet again all year so that you could come out and go: "Oh, aren't we wonderful? We can pay down more on the debt." But, really, who paid that debt? That would be the children and the people that needed the health care system and our students in the postsecondary institutions.

The final point I want to talk about is to go back to the conversation that I was having with the Minister of Agriculture, Food and Rural Development around what I saw as the inequity of payments that were being made to the farmers but no equivalent program for small businesspeople, for example, in the cities. The minister said: well, we have this, and the government pays for it because there's no insurance program that's available; in the cities the businesses can, in fact, get fire insurance or theft insurance. True, but we're really talking about risk here. We're talking about the farmers dealing with the risk that they have with the weather. But my point is: I have small businesspeople in downtown Edmonton that are also dealing with risk. They're dealing with risk like the American dollar or with government instability for countries that they wish to trade with or who buy their product in some way, shape, or form. They also are affected by weather. I talked earlier about the Golfdome. It's certainly affected by weather as a business risk. They're not able to forecast in any way or have any reliable way of knowing. So I disagree with the agriculture minister, and I challenge her on that one.

Thank you very much.

The Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. I would also like to make a few comments on Bill 17, Appropriation (Supplementary Supply) Act, 2003. In the Legislature this evening we debated Bill 2 in third reading, regarding the establishment of a stability fund here in the province. It was certainly a good Liberal idea brought to the Legislature in 1994 by Laurence Decore. It was a step forward in dealing with the peaks and valleys of our revenues. It is a welcome bit of stability in our boom-and-bust economy.

Now, Mr. Chairman, it took nine years for the government to see the value of such legislation, but now I think it is time that we look at another proposal brought forward by Laurence Decore, particularly in a province where the provincial government likes to tout itself as a champion of business, in a province where the government likes to portray itself as having some particular kind of insight and sensitivity as to how we are going to handle a budget that is blessed with revenues that were only dreamed of a decade ago, but at every supplementary supply time we have a process that I think must be quite embarrassing to the government. One of the things that Mr. Decore had proposed was to develop a much stronger kind of budget scrutiny, a much stronger budget review process. Instead of having the government decide what goes in what column, the proposal of Mr. Decore would be to open that up and not start in March, when the estimates are brought in, but in fact start far, far earlier.

The Ontario budget model, in fact, picks up many of the elements of what I call the Decore proposal. You have a powerful all-party committee that picks up a number of departments each year. They meet with the ministers of those specified departments long in advance. In Alberta that process may start with meetings in the summer because we know that is when the government starts pulling

together all the pieces that are then merged into some form of a budget process.

Other provinces have said that there is a better way to do a budget. Hopefully, Alberta will choose to take the next step and improve their budget process so we don't have this embarrassing situation of supplementary supply. The kind of numbers being put forward before us today is a clear indicator that there must be a much better way to do business. We need a process, Mr. Chairman, whereby we have all-party scrutiny of the budget, which will reflect the priorities and the needs of Albertans. The fact that year after year we see billion dollar plus supplementary estimates tells us that something is not working right.

Now, I don't know in this particular case, Mr. Chairman, if the reason that we are seeing such a large amount, \$206 million extra, is because of the desire to reduce the size of the surplus. I'm sure that this is welcome spending in some areas, but again it does point out the very weak and poor budgetary practices that we do have in this province, where we continually come back to this Assembly throughout the year asking for more and more money.

The Minister of Aboriginal Affairs and Northern Development is looking for an operating expense of \$1.4 million. In looking at this request for \$1.4 million, the supplementary estimate is requested "to provide funding for Alberta's initiative on Aboriginal consultation." Now, then, earlier this year I had the opportunity to travel to Slave Lake, Mr. Chairman, and take part in a forum that was sponsored by the Northern Oilfield Contractors Association. Certainly, the issues that were raised were looking at the situation in northern Alberta, where we have an unfortunate situation where the First Nations councils and the Northern Oilfield Contractors Association have been at loggerheads with each other over issues on Crown land. In looking at that, certainly one of the issues that I think is common to both sides is the fact that there certainly has to be a much better consultation process between these two groups. There also has to be a very consistent set of guidelines put forward by which both parties will be able to continue in an agreed-upon process that will certainly eliminate this conflict situation.

10:40

What is required here is some resolution to this problem. The problem is having a major impact on our northern communities because if the contractors in those communities cannot secure contracts, if they cannot go to work, if when they go to work, they cannot make a living at this particular line of work, then the impact flows back to the communities in northern Alberta. It takes away much-needed revenues from other businesses and certainly has a huge impact on their children and their families.

So my question to the Minister of Aboriginal Affairs and Northern Development this evening would be: how much of this \$1.4 million that is being put forward in supplementary estimates is going to go towards solving this issue between the Northern Oilfield Contractors Association and the First Nations councils?

At this particular time, Mr. Chairman, I will cede the floor to other members of the Assembly who wish to ask further questions on the supplementary estimates. Thank you.

[The clauses of Bill 17 agreed to]

[Title and preamble agreed to]

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

Some Hon. Members: Agreed.

The Chair: Opposed?

Some Hon. Members: No.

The Chair: Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report Bill 17.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 17.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I would move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 10:45 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, March 5, 2003**

1:30 p.m.

Date: 2003/03/05

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. O Lord, grant us a daily awareness of the precious gift of life which You have given us. As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and of our country. Amen.

Please be seated.

head: **Introduction of Visitors**

Mr. Jonson: Mr. Speaker, I am pleased to introduce to you and through you to members of the Assembly Mr. Robert Helfenstein, the consul general of Switzerland, on his first official visit to Alberta. He is accompanied today by the honorary consul for Switzerland here in Edmonton, Mr. Dobler. Alberta and Switzerland have a strong trade and investment relationship totaling tens of millions of dollars a year and covering a range of areas including technology and pharmaceuticals. Switzerland is the sixth largest source of investment in Canada, a significant amount of which impacts our province. Tourism is also an important part of this relationship with thousands of Swiss tourists coming to Alberta each year and many Albertans visiting Switzerland as well. There are more than 17,000 Albertans of Swiss origin, and we appreciate how much they have contributed and continue to contribute to the building of this province. I would ask that our honoured guests please rise and receive the traditional warm welcome of the Assembly.

head: **Introduction of Guests**

Mr. Klein: Mr. Speaker, I don't know if my guests have arrived. Oh, they are here. Good. Now I can introduce them. I'm pleased to introduce to you and through you to members of the Assembly a group of individuals who participated in a fund-raising auction held this past December in support of the Edmonton Christmas Bureau. The *Edmonton Sun's* Hicks on Six successful phone-in auction raised a record \$65,750, and my office was happy to help out with a donation of a lunch with me and a visit to the Legislative Assembly. The Christmas Bureau is a most generous organization that helps many Edmontonians to enjoy the Christmas season. Visiting the Assembly are Todd Bish, Michelle Sigurdson, and Vivian Manasc, who couldn't join us today because she had to conduct a seminar. But Todd and Michelle are seated in the members' gallery, and I would ask that they rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Medicine Hat.

Mr. Renner: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of the Legislative Assembly some special guests that we have seated in your gallery this afternoon. I would like to introduce Mr. Barry Penner, who is the MLA for Chilliwack-Kent in the British Columbia Legislature and president of PNWER, the Pacific Northwest Economic Region. Accompanying him today is the executive director of PNWER out of the Seattle office, Mr. Matt Morrison, and also the director of U.S./Mexico relations from International and Intergovernmental Relations in Alberta, Mr. Marvin Schneider.

As you know, PNWER is a significant organization, that the province of Alberta is proud to participate in, dealing with regional cross-government and cross-border initiatives. It's a public/private partnership, and as such these gentlemen are in the city with us today to meet with legislators, government officials, and representatives of the private sector in anticipation of and making final plans for a conference that Alberta will be hosting in Calgary this July. I would ask these gentlemen to rise and receive the traditional warm welcome of all members of the Assembly.

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

Mrs. Jablonski: I'm sorry, sir. Because of the roads today my kids had to cancel.

The Speaker: The hon. Member for Lacombe-Stettler.

Mrs. Gordon: Thank you very much, Mr. Speaker. I would like to introduce to you and through you 52 visitors from Lacombe upper elementary school in the constituency of Lacombe-Stettler. These are enthusiastic grade 6 students who asked me a number of great questions. With them are teachers Mr. Derek Rankin and Miss Heather Mackay; as well, parent helpers Mrs. Hendrika Derks, Mrs. Colette Burnham, Mrs. Rochelle Bos, Mr. Garry Evernden, and Mrs. Barbara Westwood, who went to school in Lacombe with our very own David Gillies. I would ask them to rise and receive the warm welcome of the Assembly.

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

Mr. Lord: Thank you, Mr. Speaker. It's my pleasure to rise today to introduce to you and through you to all members of this Assembly a very special guest and a very conservative kind of guy. We have with us today the Alberta director of the Nature Conservancy of Canada, a group which works to conserve working landscapes all across the country and which has been instrumental in helping to conserve an amount of land across our province which is almost comparable in size to the city of Calgary. It's a wonderful win/win environmental success story in this province. I would ask Mr. Larry Simpson, seated behind me, to please rise and receive the warm welcome of this Assembly.

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

Rev. Abbott: Thank you, Mr. Speaker. It gives me great pleasure to rise today and to introduce to you and through you to all the members of this Assembly a young political science student who is attending Grant MacEwan College. He is a resident of Calmar in my constituency. In a couple of weeks he will be heading to Ottawa as a foreign affairs youth delegate representing Alberta. I would ask Kris Palmer to please rise and receive the warm welcome of the House.

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

Dr. Taft: Thank you, Mr. Speaker. I'm very pleased today to introduce to you and through you to the Legislative Assembly members of the United Nurses of Alberta negotiating committee. The United Nurses of Alberta represent thousands of registered nurses, registered psychiatric nurses, student nurses, and mental health workers. These are caring professionals who work long hours in sometimes very difficult conditions. They are seated in the members' gallery, and I'd ask each of them to rise as I call their

name: Nicole Bownes, a home care nurse in Edmonton; Judy Brandley, a public health nurse from the Chinook health region; Arlene Moreside, a public health nurse from Peace River; Linda Currie, a staff nurse from the Brooks health centre; Ken Ewanchuk, an emergency room nurse at the Foothills medical centre; Bridget Faherty from the Queen Elizabeth hospital in Grande Prairie; Phyllis Footz, a community health nurse from Tofield; Ruth Jeannotte, a long-term care nurse from Lethbridge; Sandi Johnson, a public health nurse from Calgary; Sandra McLean, a registered psychiatric nurse in Camrose; Heather Smith, president of the UNA since 1988; Pauline Worsfold, a recovery room nurse at the U of A hospital; David Harrigan, the UNA director of labour relations and chief negotiator; and Mark Cowan, the labour relations officer with the United Nurses of Alberta. Please give them a warm welcome.

The Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Speaker. It's my pleasure to rise today to introduce to you and through you a friend and constituent, Major Jack Ashford, and his son Marc. Jack is a member of the armed forces at Edmonton Garrison. He's also a town councillor for the town of Gibbons. Today he brings his son Marc to visit the Legislature. Marc wasn't able to visit the Assembly here last year because of a strike and is very interested in the Legislature itself. He also had the opportunity of visiting our own Sergeant-at-Arms, Mr. Brian Hodgson, this morning. They're both seated in the members' gallery, and I'd ask them to please rise and receive the warm welcome of this Assembly.

1:40

Mr. Jonson: Mr. Speaker, today it is with great pleasure that I rise to introduce to you and through you to members of the Assembly four members of the Samson Cree Nation administration who are seated in the members' gallery. I'm pleased to introduce Pat Buffalo, Glenda Swampy, Rose Saddleback, and Roy Louis. Roy Louis, I think, is perhaps not there. They were here for meetings in the Legislature today with the Minister of Gaming, and it is great to have them here at the Legislature, particularly considering they are some former students of mine going back a number of years. So please join me in welcoming them to the Assembly.

head: **Oral Question Period**

Health Care Labour Legislation

Dr. Nicol: Changes to our public health care system are now proceeding via government committees, backroom deals, even shutting out government MLAs. Revelations of a secret cabinet committee set to infringe upon workers' democratic rights is only the latest example of this government's bungled attempts to manage one of our most precious resources, our health care professionals. To the Premier: why did the government jeopardize fair and balanced negotiations by establishing cabinet committees and shutting health care professional workers out altogether?

Mr. Klein: Mr. Speaker, as I explained yesterday, it's the responsibility, indeed the duty, of the government to establish policy. It's not uncommon to strike committees, either committees of MLAs, other government members, or cabinet committees, to study specific problems. This is not unusual indeed. I think that there are about 60 or 70 committees now doing work in various aspects of government services to develop policies, programs, consider changes to regulations, legislation, and so on. So it's not unusual, unfortunately, or fortunately, I guess, for Albertans, that the Liberals will never have

the opportunity to understand and to experience how government carries out its business and develops policy.

The point is this: the committee chaired by the hon. Minister of Innovation and Science looked at ways to simplify and clarify labour relations in the health care sector as well as other sectors of the public service. The committee is considering – and I have to be careful, Mr. Speaker, because the legislation, I think, is either before or about to come before us – changes that will streamline labour relations and ensure that all workers are treated fairly and consistently and, most importantly, result in better integrated health services for Albertans.

That's what it's really all about. It's about patient care. It's about care for the patient, care for the sick and injured, Mr. Speaker. We have to remember also that 90 percent – I think the hon. Minister of Health and Wellness pointed out yesterday – of health care workers already don't have the ability to strike because they are deemed to be essential. So we're not proposing a major change, and RHAs of course have asked the government to update their labour relations rules because they haven't kept up with changes in the health care system.

Dr. Nicol: To the Premier: how will antagonizing and pre-empting thousands of frontline health care staff lead to that better health care delivery that you just spoke about?

Mr. Klein: Mr. Speaker, I don't know what he's talking about: pre-empting. Basically, it was a policy and it is a policy of this government to reduce the regions from 17 to nine. As we reduced the various health authorities from over 200 to 17, now we're going down to nine. Quite simply, we want to streamline and bring labour relations activities associated with the regionalization in line with that regionalization to achieve some expediency.

Dr. Nicol: To the Minister of Health and Wellness: why is this government jeopardizing patient care by pushing more frontline staff out of the province and into other countries? [interjections]

The Speaker: The hon. minister has the floor.

Mr. Mar: Mr. Speaker, I think the Premier has very completely outlined the purpose of what we are doing with respect to our labour legislation, keeping in mind that the regional health authorities are looking for this kind of change so that changes that will help streamline the bargaining process with our unions will actually match the kind of efficiencies that we've achieved in the health care system.

We have made dramatic changes, moving from 200 hospital boards in this province to 17 regional health authorities, now down to nine. As an example, Mr. Speaker, there are dozens of collective bargaining units with the Calgary health region. I believe that in the David Thompson health care region there are something like close to 90 collective bargaining units. So the idea that a regional health authority should have to administer in the case of Calgary some 16 or 17 collective agreements is a great waste of time. Our bargaining process should reflect the kinds of changes that we've made in the health care system.

Water Use by Oil and Gas Industry

Dr. Nicol: Yesterday the Premier, the Minister of Environment, and the Minister of Energy gave the green light to the energy industry to continue to deplete freshwater, which is a scarce resource in Alberta. My question to the Premier: why is the energy industry being treated

differently than communities, agriculture, and other industrial producers in this province?

Mr. Klein: Mr. Speaker, there isn't. When the media asked me in the scrum, which was attended by the hon. leader of the Liberal opposition, a reporter accused or said that the hon. Minister of Energy said in this House, I guess, that water was to be free for oil companies, when, in fact – and I read from *Hansard* – in answer to the hon. Member for Edmonton-Beverly-Clareview's question the hon. minister said:

Mr. Speaker, appropriately, the member has brought to the House the question of conservation of water, and just as conservation is important with any resource or any commodity, it's also important with water. Now, in fact, there does seem to be continuing discussion and some confusion regarding allocation of the use [of water] by the oil and gas industry. Department data indicates that the actual volume of freshwater used by the oil and gas industry for oil field injection purposes is approximately one-sixth, or six times smaller than the estimates of the allocation just quoted by the member. In fact, only 3 percent of all water in this province is allocated for use in oil field injection and surface mining and oil sands projection.

I quote that because nowhere in that answer or in subsequent answers, Mr. Speaker, did the hon. minister allude to water being free. As a matter of fact, there isn't any plan to put in a water pricing system at this time, but that's not to say that we won't be looking at the idea in the future. The province's new water strategy contains a draft recommendation to look at water policy, water pricing, and polluter charges as incentives to stimulate changes in water use, and we'll be asking Albertans what they think of that strategy this spring. That's all there is to it.

Dr. Nicol: Mr. Speaker, they also spoke about suggestions and changes that were going to be put to the oil industry.

To the Premier: by creating different expectations for different industries, are you not picking winners and losers, something you promised Albertans you wouldn't do?

1:50

Mr. Klein: Mr. Speaker, the question may be fair, but it's still dumb.

You know, what I said is that one has to consider the tremendous costs incurred by oil and gas companies when they set to explore and to produce oil and gas and the tremendous risks that they take in terms of hitting nothing but a dry hole. So, Mr. Speaker, there's a tremendous cost to an industry that really drives or is the engine of our economy, and we've got to be fair. But relative to water pricing and water policies, as I indicated earlier, that will be a matter for public discussion and public consultation this spring.

The Speaker: The hon. leader.

Dr. Nicol: Thank you, Mr. Speaker. Voluntary compliance hasn't worked. Why isn't the government encouraging the energy sector to adopt other alternatives instead of using freshwater?

Mr. Klein: Well, Mr. Speaker, again, if you go back to *Hansard* – and I think I'm allowed to quote from *Hansard* – the question asked by the hon. Member for Edmonton-Beverly-Clareview was:

Again to the same minister: why are oil companies using Alberta's freshwater instead of so-called brackish water or CO₂ for their recovery purposes?

The answer by the hon. minister was as follows:

Well, Mr. Speaker, the issue of using potable water in injections is not a new one. In fact, the former Member for Grande Prairie-

Wapiti, Mr. Wayne Jacques, brought this up some eight years ago. The industry continues to be a licensed and a responsible user of water, and in fact I think you can see that we're starting to see in the industry moves toward recycling the water, moves toward reducing the amount of freshwater, and moves toward using salt and brackish water, or saline water, where it can be obtained.

Nothing could be clearer than that.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. Instead of talking about water pricing, let's talk about the lack of water conservation in this province because lack of freshwater will end the Alberta advantage. My question is to the Minister of Energy. Will he tell this House how many billions – that's how many billions – of litres of water the energy industry uses in this province every year with the blessing of his government's policy?

Mr. Smith: Mr. Speaker, that's an important question, which we're going to work very hard to work on an answer. I guess the fingertip statistics that I have are that the oil and gas industry drives 30 percent of a \$150 billion economy. That's about \$45 billion. Last year the oil and gas industry was the number one capital investment vehicle in Alberta and has remained so for many years. The oil and gas industry continues to employ some 25 to 30 percent of all Albertans. This industry since Leduc and, in fact, in budget projections in the last three fiscal years will deliver some 20-plus billion dollars in oil and gas royalties to this government for the use of the people of Alberta. Those are the figures I have in my statistics.

Ms Carlson: Mr. Speaker, to the same minister: Mr. Minister, isn't it true that while you don't monitor how much they use, the industry itself says that under the policies of this government the energy industry is accessing 30 percent of all Alberta's groundwater resources?

Mr. Smith: If I can refer to an answer that I gave yesterday that's already been quoted today in the House, Mr. Speaker, it does talk about the utilization of water in the industry. Reading from my answer of yesterday:

Government data indicates that the actual [amount] of freshwater used by the oil and gas industry for oil field injection purposes is approximately one-sixth, or six times smaller than the estimates of the allocation just quoted by the member. In fact, only 3 percent of all water in this province is allocated for use in oil field injection and surface mining and oil sands projection. The industry only uses 33 percent of the total allocation.

Ms Carlson: Mr. Speaker, at the appropriate time I will table the industry release that says 30 percent of groundwater.

To the same minister: given that more than 170 billion litres of water each year from this province used to recover oil will not be available to the ecosystem or for human use for tens of thousands of years and given that this province is already facing drought and water shortages, why is this government going to exempt the oil industry from mandatory water conservation and efficiency measures?

Mr. Smith: Well, Mr. Speaker, the two givens that are the preamble to the question make it impossible to answer the question because it imposes a hypothetical and, in fact, impossible situation.

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

Energy Prices

Mr. Mason: Thank you very much, Mr. Speaker. The Minister of Energy's answer to those who can't afford sky-high home heating bills . . . [interjections]

The Speaker: Hon. members, the hon. Member for Edmonton-Highlands does have the floor.

Mr. Mason: Thank you very much, Mr. Speaker. The Minister of Energy's answer to those who can't afford sky-high home heating bills is: turn down the thermostat, and put on a sweater. There may be a run on knitting needles and yarn, but Albertans know that this is an attempt to trivialize their difficult situation. Will the minister admit that his home heating strategy involves nothing more than two knitting needles and a ball of wool?

Mr. Smith: Mr. Speaker, I appreciate the member's question. In fact, if I were actually to refer to strategies that are on web sites by the utility companies that supply natural gas in Alberta, you would find that they talk about turning down thermostats. You'll find that they talk about being able to lower the temperature in a home. This valuable information on reducing consumption, a strong conservation message for the natural gas that's used in Alberta, can save Alberta homeowners and renters upwards of a hundred dollars in a heating season. There are tremendous new technologies and new innovations in that. In fact, some of that includes computer-controlled thermostats. Some of that concerns putting information with respect to home heating in the homes. Also, insulation is a very important piece.

So I think that each and every one of us has a responsibility for our own conservation in our own home as well as in our place of work.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Why are Albertans being forced to start up web sites for cold people such as www.coldpeople.com in a desperate attempt to get the message through to this government that sky-high home heating bills are really hurting people?

Mr. Smith: Well, you know, Mr. Speaker, when I pick up the phone and answer the phone, I get some discussion of different and various ways to help Albertans cope with increasing commodity prices. In fact, here's one that says:

Personally I looked ahead 2 years ago at what was happening and replaced all windows, purchased an automatic thermostat, insulated my attic to above standard, and refinished my basement with lots of insulation along with a high efficient furnace. Thankfully Karen and I are able to afford this unlike many other Albertans. The price I think will only go higher so money well spent and I get my own personal rebates every day.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, perhaps the minister can respond to the citizen who indicated that she only burns one bulb at a time, wears long underwear, sets the thermostat at 15 degrees, takes sponge baths instead of showers and baths, does the laundry in the sink, and has cut back on cooking as a result of high energy prices. Can the minister respond to that citizen?

2:00

Mr. Smith: Well, Mr. Speaker, you know, the last time I saw somebody knitting beside an important event, it takes me back to the

French revolution. That person sat there and knitted and cackled and laughed while people died. So, in fact, instead of doing that in this House, we have taken steps. We have a Natural Gas Price Protection Act to serve people. We have a seniors' program that protects seniors. We have a low-income program that protects people in need. This government understands the importance of this industry to this province, it understands how critical it is to assist people in their time of need, and it also helps Albertans plan for the future.

The Speaker: The hon. Member for Grande Prairie-Smoky, followed by the hon. Member for Edmonton-Gold Bar.

Aboriginal Economic Development

Mr. Knight: Thank you, Mr. Speaker. I continue to receive questions from constituents with respect to First Nations involvement in resource projects. I would like to pursue another, more positive side of this story today. The aboriginal policy framework outlines a commitment to work with aboriginal people to ensure that they're involved in the economy. There is still a great deal of unemployment on reserves in northern Alberta, in fact in some cases up to 90 percent. Can the Minister of Aboriginal Affairs and Northern Development tell us what is being done to ensure that aboriginal people can be part of the economy?

The Speaker: The hon. minister.

Ms Calahasen: Well, thank you very much, Mr. Speaker. First of all, the hon. member is correct. There is still a great deal of unemployment on reserves, in fact even off reserves. Economic development is the cornerstone of the aboriginal policy framework. It is really important to make sure that we continue to do that. Certainly, getting a job is one sure way of dealing with unemployment on or off reserve.

We're making great progress, Mr. Speaker. As a matter of fact, on a national scale via the federal, provincial, territorial, and aboriginal ministerial forum it's a priority. In fact, we've recently had business summits in Toronto, as a matter of fact on February 19 and 20, showcasing business partnerships and encouraging the partnerships to occur. We've also seen on a western basis that there'll be a western business summit, as well, in Saskatoon from March 24 to 26 to ensure that we continue to highlight business partnerships, to encourage all sorts of different jobs that'll be available.

Mr. Speaker, on the provincial side we're ensuring that educational and skill development occurs in preparation for jobs, which is a cornerstone of whatever happens, and encouraging industry to do joint ventures and partnerships with First Nations and Métis. That's something that we have to continue to do and make sure that we do a good job of it.

Mr. Knight: Mr. Speaker, to the same minister: given the fact that there is aboriginal economic development occurring, can the minister tell us what types of partnerships exist today in Alberta?

Ms Calahasen: Well, Mr. Speaker, first of all, over 50 partnerships have been developed so far, and more and more are coming. As an example, I just want to read some of the examples that I have. In the oil and gas industry Athabasca Chipewyan First Nation and Aqua Jettors & Aqua Sonics business venture uses a new ultrasonic wave method to remove bitumen. Aseniwuche Winewak Nation signed a guiding principles agreement in March 2001 with Chevron Canada and Burlington Resources setting out guiding principles in the areas of land stewardship, project consultation, education and training,

employment and business opportunities. In fact, in the member's own constituency Sturgeon Lake First Nation and Devon Energy signed a joint venture partnership for the production of oil wells on the reserve and for the provision of oil and gas services from the First Nation to Devon Energy.

On the forest industry side, Mr. Speaker, Weyerhaeuser Canada Ltd. has relationships with Little Red River Cree, Horse Lake First Nation, and Sunchild/O'Chiese for various forestry contracts, an agreement to promote business, employment, training, education, and communication. Tolko Industries has relationships with Whitefish Lake First Nation and Driftpile First Nation for fibre supply agreements and harvesting contracts.

Mr. Speaker, on the energy side, very important . . .

The Speaker: That's fine, hon. minister. Perhaps you'd be kind enough to table in the Assembly the document from which you are quoting or take advantage of the opportunity for a ministerial statement.

The hon. member.

Mr. Knight: Thank you, Mr. Speaker. I thank you for the answer. I wasn't aware of the depth.

My final question. To the Minister of Economic Development, Mr. Speaker: are there any further plans to encourage aboriginal people to get involved in the Alberta advantage?

Mr. Norris: Well, yes, Mr. Speaker. At the outset I'll try and be a little more brief in my answer to my hon. colleague, although brevity is not a skill Irish people are famed for.

Mr. Speaker, we are partnering with the hon. minister's department on a number of different issues. One of the more important ones is the tourism framework. We're looking at aboriginal tourism as an initiative. We are also encouraging aboriginal groups to join our regional alliances, of which there are now nine throughout the province of Alberta. I believe that the member is a member of the Grizzly Economic Alliance, and those alliances are set up to develop regional economies. We are also looking at funding to the Métis associations for economic development. Finally, we're looking at a program specific to aboriginal business through the Business Link, which is funded by our department. It operates out of Edmonton. There's a similar operation in Calgary as well.

I would like to comment and commend my colleague the Member for Lesser Slave Lake for doing such a good job on such a vitally important file, and we're honoured to work with her on it.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Glenora.

Natural Gas Rebates

Mr. MacDonald: Thank you, Mr. Speaker. Over 600 Redwater residents have added their names to the long list of frustrated Albertans over this government's broken election promise. Two years ago during the election the Premier said:

High oil and gas prices are both a blessing and a challenge . . .

Thanks to oil and gas royalties, Alberta is the only province that can help its citizens. We are returning gas royalties to [our citizens] through our rebate program.

My first question is to the Premier. Why was this government so eager to give substantial natural gas rebates to farmers, homeowners, and businesses during the election year, but now, two years later, you continue to break your promise?

Mr. Klein: Well, first of all, Mr. Speaker, we're not breaking our

promise. Secondly, I can't understand, for the life of me, why the hon. member is so upset that we're not doing that now, because they were highly critical of the program at that particular time. Now they're saying: bring it in; bring it in. They want it, you know. There's the old adage about sucking and blowing, that you can't do both at the same time, and they seem to be able to do it.

Mr. Speaker, as a result of that program, that was brought in because of extraordinarily high natural gas prices, prices that reached over, I believe, \$10 a gigajoule at that time and an average price that far exceeded the average Alberta bench price of \$5.50 a gigajoule – we had to do something, but we also said that in the future we can't ad hoc this. Therefore, legislation was brought in to provide a sustainable protection program, and that protection program, as has been explained in this Legislative Assembly many times before, is based on a yearly average reaching \$5.50 a gigajoule. When that yearly average reaches \$5.50 a gigajoule, then the rebate program will kick in.

Mr. Speaker, I would suggest also that a little politics is being played here, and it's associated with the weather. You know, when the weather is warm, the politics will stop. You just wait and see.

Mr. MacDonald: Again, Mr. Speaker, to the Premier. These are your election promises made two years ago. When will this government keep the promise they made during the election year – and the promise was this: “to monitor prices and respond forcefully and appropriately” – and assist Albertans sitting in the cold with a sweater worrying about their high utility bills? When are you going to keep this promise?

Mr. Klein: Promises made, promises kept, Mr. Speaker. We said that we would bring in legislation, that we would bring in protection programs, and those promises are being kept as we speak today. We said at that time that we can't continue to deal with this on an ad hoc basis, that we have to bring in a program that is going to be sustainable. Therefore, the rebate program was brought in, and for these people to try to tell the Alberta public that they didn't know about it is not being truthful. I can't say that they're telling lies; it's unparliamentary. But it is being dishonest, because the regulations relative to the gas rebate program were published in a news release and put on the Internet in August of last year. So they knew full well that the legislation was in place, and the regulations were well publicized.

2:10

Mr. MacDonald: Again, Mr. Speaker, to the Premier: given that Albertans do not have a positive future, can you explain to us your goal, which was expressed in the election, that you're going to have available and affordable energy for all Albertans? Why have you broken your promise?

Mr. Klein: Mr. Speaker, available and affordable energy for all Albertans. Absolutely. Absolutely. That's what we have strived to do through our natural gas rebate protection program. Certainly, that's what we're striving to do, and that's what we're striving to do through deregulation.

I'd be glad to table this letter. It's a copy of a letter that was sent to me by Hunter Hunt of Hunt Power, LP. He says:

In closing, Hunt Power has experienced deregulation in the United States, the United Kingdom and now Alberta. We have seen deregulated markets that work and others that are fundamentally flawed. Alberta is on the right track. I encourage you to maintain your course to a fully developed competitive generation market. Finally, I would like to commend the Honourable Murray Smith for his dedication to Alberta's energy sector. Please feel free to contact

me directly should you have any questions or comments regarding Hunt Power and its involvement in Alberta.

By the way, because of deregulation here is a company that is proposing a 345-megawatt Crossfield energy station, Mr. Speaker, and he clearly points out that it's because of deregulation that they have entered the market to provide more power for Albertans and a bright future for Albertans.

The Speaker: The hon. Member for Edmonton-Glenora, followed by the hon. Member for Edmonton-Mill Woods.

International Offices

Mr. Hutton: Thank you very much, Mr. Speaker. I have been receiving a number of calls from constituents about the government opening international offices. My question is to the Minister of Economic Development. The Alberta government has a number of international offices in locations throughout the globe. Why has the government established these offices?

The Speaker: The hon. minister.

Mr. Norris: Well, thank you, Mr. Speaker. Before I address that, that document looks so comfortable in the hon. member's hands that maybe he should come on over and join us. It just fits. It looks so good. Such bright, good colours.

Mr. Speaker, the answer to the hon. member's question is that, quite simply, we have a remarkable story to tell here in Alberta. Because of the vision of the government that is currently in power, Alberta is one of the best investment vehicles in all the world. Those international offices are set up to spread the word about what goes on here: the Alberta advantage, the friendly business climate, the low tax regime, the understanding that business drives the economy. We want to increase trade from those jurisdictions to Alberta and let them know about the great place that Alberta is to invest in.

The Speaker: The hon. member.

Mr. Hutton: Thank you, Mr. Speaker. My final question is to the same minister. What is he using to gauge that these offices are meeting the needs of Alberta businesses?

Mr. Norris: Well, Mr. Speaker, that's not only a good question. It's a vital question, because we wouldn't operate these offices without some really serious checks and balances on behalf of the taxpayers of Alberta and the businesses of Alberta. What we have is a document that's tabled yearly called the AIMS document, which is the Alberta international marketing strategy, and in that we go out and consult with businesses throughout Alberta to ask them if the services we're providing are up to date and accurate, if the use of these offices is getting out there. To date I'm proud to report that of the people of Alberta who have used the offices, 87 percent respond that they have had either a good or a very good experience with the offices. But we can always make it better, because the Alberta story is just that great to sell.

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

Education System

Dr. Massey: Thank you, Mr. Speaker. The Alberta Commission on Learning heard the voices of many Alberta parents who are seriously concerned about the state of our province's schools. One of those

parents was Rhonda Ozckowski, who has some questions that she would like answered. My questions are to the Minister of Learning. Rhonda wants to know how many ways this minister needs to hear that her daughter's school, like every other school in this province, needs smaller class sizes before action is taken.

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much, Mr. Speaker. It's a very interesting question. First of all, I'd like to say at the outset that I'm glad that the lady that the hon. member has spoken about has sent her letter to the commission. The commission has received about 15,000 submissions to this point, and they're currently in the process of tabulating them.

With regard to the class size issue, Mr. Speaker, I would hope that this hon. member knows and I would hope that he realizes that there are many papers or many documents that say that class size is very positive when it's smaller; there are other people that say that class size is not as positive when it's smaller. There are people that say that class size should be this particular number; there are others that say that class size should be that particular number. One of the challenges of the Learning Commission is going to be to sift through all of the research that is out there and try and dispel some of the myths that are out there. I anticipate having the response from the Commission on Learning back around the end of August, and it should be very interesting. I'm looking quite forward to what they have to say.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister, Mr. Speaker: Rhonda wants to know how many ways the minister needs to hear that her daughter's school, like every other school in this province, needs more teachers.

Dr. Oberg: Well, Mr. Speaker, I do not think that her daughter's education is as simple as having more teachers in the classroom, as simple as putting more teachers in their school. However, I'd be more than happy to look at her particular situation if the hon. member would just give me the name of the school and the school jurisdiction.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister, Mr. Speaker: Rhonda wants to know how many ways the minister needs to hear that her daughter's school, like every other school in this province, needs to stop fund-raising for basics.

Dr. Oberg: Mr. Speaker, that's a very interesting question. I had a conversation with the chairman of the Edmonton public school board two days ago. He came and said that the only money that he received for teachers' salaries was the 4 percent and 2 percent. So the next question that I asked him was the obvious one: well, what did you do with the 3 percent and 3 and a half percent that you received? It must be for classroom conditions, and he said: yes, we put it into classroom conditions. Well, the next question, then, obviously is: if you had \$35 million, why on earth are you fund-raising for textbooks, if indeed you are? Those are the kinds of questions that we're looking at. Those are the kinds of questions that we're asking the Edmonton public school board as we go in with their audit.

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

Calgary Ring Road

Ms Graham: Thank you, Mr. Speaker. The city of Calgary, along with many other communities in Alberta, is under a great deal of stress to accommodate the population growth due to our strong economy, and in my riding of Calgary-Lougheed, in southwest Calgary, the need for adequate roads is of critical concern to my constituents. One of the major problems is that my riding straddles Fish Creek provincial park and is bounded on the west by a two-lane road with a one-lane bridge, which is the only real main thoroughfare to get from south of Fish Creek park north to downtown Calgary. I see the Member for Highwood also indicating that his constituents need this improved road. Anyway, we understand that the city has now approved a widening of that one-lane bridge and of the road from south of Fish Creek park to Anderson Road, but this is a road that goes nowhere. So my question today is to the Minister of Transportation. We read in the papers that the city and the Tsuu T'ina nation are negotiating a ring road that would join Glenmore Trail to highway 22X, south of Fish Creek park. Is the province involved in this negotiation, and if not, why not?

2:20

Mr. Stelmach: Mr. Speaker, the chief of the Tsuu T'ina nation, Chief Sanford Big Plume, and also the mayor of the city of Calgary, Dave Bronconnier, had sent a letter to the Premier requesting representation from the province of Alberta in the negotiations between the two, and the Premier has replied, sent a letter back, and has delegated the Ministry of Transportation to participate in the negotiations.

Ms Graham: Mr. Speaker, given that the province will be participating, then, in this negotiation, does this mean that the road is a provincial highway, or will it be a city road, or do we know?

Mr. Stelmach: Mr. Speaker, our interest, of course, is to complete the Calgary ring road, and in order for it to be a ring road it has to have a multilane freeway status. If these negotiations produce fruitful and we do have the necessary right-of-way for an expressway, then I assume that the province will be involved.

The Speaker: The hon. member.

Ms Graham: Mr. Speaker, thank you. If this is a ring road, then will this be benefiting from the \$150 million that Allan Rock announced would be coming Calgary's way for a ring road?

Mr. Stelmach: Mr. Speaker, the hon. member raises actually a good question, because so far, to date, we've only received confirmation by way of a fax of \$150 million for the completion of ring roads for both Edmonton and Calgary. The comment was made that the federal government would pay for the ring roads around both of the cities. Well, the total cost of the ring roads is about \$2.6 billion, and if you read the last budget from the federal government, it had \$3 billion for infrastructure over 10 years. Our share of that would be about \$30 million, so I would think that at that rate it will probably take 86 years to complete.

The Speaker: The hon. Member for Edmonton-Glengarry, followed by the hon. Member for Edmonton-Strathcona.

Injured Workers' Allegations

Mr. Bonner: Thank you, Mr. Speaker. To the Minister of Justice:

when letters from injured workers alleging criminal wrongdoing in their cases with the WCB are forwarded to the Justice department by MLAs, what procedures does the ministry follow?

The Speaker: The hon. minister.

Mr. Hancock: I'm sorry, Mr. Speaker. I wasn't paying attention, and I do apologize.

The Speaker: An answer was provided. Question two.

Mr. Bonner: To the Solicitor General: when a letter alleging bribery involving the WCB is forwarded to the Solicitor General, what procedure does her department follow?

Mrs. Forsyth: Mr. Speaker, I appreciate this question, and that is a very good question. If there are accusations about bribery, we will forward that letter and have the police investigate.

Mr. Hancock: If I could supplement that answer, Mr. Speaker. I'm going to assume that a similar question was asked of myself, and the proper process, of course, would be the same: to refer it to the police for investigation.

Mr. Bonner: To the Solicitor General, Mr. Speaker: given that the WCB is an arm's-length organization from the government, why did the Solicitor General's department choose not to send a letter to the police but, instead, sent the letter of investigation to the WCB to have them explain it away?

Mrs. Forsyth: Well, Mr. Speaker, you know, I appreciate what the hon. member is saying. I really don't know what he's talking about. If he'd be kind enough to send me the information, I'll certainly look into it.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Spruce Grove-Sturgeon-St. Albert.

Health Care Labour Legislation (continued)

Dr. Pannu: Thank you, Mr. Speaker. For over a year the Labour Relations Board has been spearheading a comprehensive review of health care bargaining units. This has been a multistakeholder process involving government, health care employers, and health care unions. The LRB is examining both the number of bargaining units and their geographic scope and looking at the impact of changes in regional health authority boundaries. I'll be tabling the latest update from the LRB later on. The first two questions are to the Minister of Human Resources and Employment. Why is the minister casting aside more than a year's work by the Labour Relations Board in favour of ham-fisted unilateralism to change the rules through legislation, changes cooked up by a secret cabinet committee?

Mr. Dunford: Well, first of all, I want to thank the Labour Relations Board for all their diligent work over the past year. They obviously haven't been just sitting around knitting.

The situation is quite clear, Mr. Speaker. We had a situation just recently where we had a change in the boundaries, a change in the number of regional health authorities, and it is this government's wish and desire to remove any sort of long-term reconfiguration, then, that's going to take place. We're going to do it through

legislation, and we'll do it quickly, and it'll allow all the parties then to be able to adjust very, very quickly instead of having to extend over years and years and years of hearings.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My first supplementary to the same minister: why should Alberta's registered nurses continue bargaining with the provincial health authorities when the rug under negotiations has literally been pulled away as a result of the cabinet's secret plan to unilaterally change the rules?

Mr. Dunford: Again we have another yarn. He talks about some kind of secret situation. I mean, what does he think we in government do if we meet constantly? We'd like to have a way in which sometimes we could get rid of some of those meetings actually, Mr. Speaker. And if you think that we would do anything ad hoc . . . Are you listening or what? [interjections] He's not listening.
Thank you.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. My last question is to the Premier. Why has the government through a secret cabinet committee chosen the path of confrontation that involves a unilateral imposition of an unjust law that will surely provoke civil disobedience, following the Premier's shining example that he has set, while driving health care providers out of the province?

Mr. Klein: Mr. Speaker, this really has not been the path of confrontation. Actually, it has been the path of intelligence. But needless to say, the NDs can't understand that. Any path of intelligence is something that would be strange and unusual to them. They would rather sit around doing their knitting. You know, I don't know how much mental stimulation that provides, but perhaps the NDs would be interested in some numbers. They're very simple, and it would put their claims to shame, to say the least.

He talks about legislation that's driving health care workers out of the province. You know, contrary to what they say, the numbers show a steady increase in the number of health care workers in Alberta. This is fact. This is absolute fact. The number of fully licensed physicians has increased by 626 over the last three years. The number of registered nurses has increased by 1,517 during the last few years. The number of licensed practical nurses has increased by 741 in the last few years. The number of postsecondary seats in health care has increased by 2,116 in the last four years. I know the NDs will never ever have the opportunity of participating in a Premiers' conference or a ministerial meeting involving colleagues from across the country, but I can tell you that at Premiers' conferences that I've attended, other provinces and other Premiers have frequently expressed concerns that Alberta, because of our progressive policies, because of our good policies, is luring away their health workers because of our nation-leading standards and salaries and working conditions and other conditions that prevail here.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

2:30

Education Spending

Mr. Horner: Thank you, Mr. Speaker. The Greater St. Albert Catholic school board distributed a letter to parents on February 28 – and I will table the letter later today – indicating that the arbitration

award of 14 percent has not been matched by grant increases, which have amounted to 6 percent. Members of my constituency have raised questions about the amount of government funding, and listening to the minister's response to a question earlier today, it is my understanding that the amount of funding was more than the 6 percent salary bonus, if you will. The letter also indicates that the school board is saying that they must take action. To the Minister of Learning: are there any outcomes from the Edmonton public school board's audit that might help the other boards as well, particularly St. Albert?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much, Mr. Speaker. In direct response to the question, it's still too early to see what is happening with the Edmonton public school board audit. I'm anticipating that that will be done by the end of this month, and we hope to have results at that time. I will say that in the first week that we have been in there we have found some very encouraging results. We have found some issues, but we're also working closely with them. I will say, as well, that I sent a letter to the chairman of Edmonton public saying that they could move \$1.9 million into their operating from their administration. So that has moved down already.

Mr. Speaker, the point that I'll make about Greater St. Albert, though, is that they did have the 4 percent and 2 percent, but they also received 3 percent and 3 and a half percent. So today I am sending Mr. Dave Caron, who is the board chairman, a simple letter, and it is quite simply saying, more or less: what did you do with the other 3 percent and 3 and a half percent? We're asking them to determine where those dollars were spent. They say that they only have 4 percent and 2 percent for teachers' salaries, so we want to know where the other dollars went.

The other point that I will make, Mr. Speaker, is that – you know, it's funny that when we actually ask for accountability on where taxpayer dollars are spent, we hear guffaws from the other side – Greater St. Albert, as well, their accumulated operating surplus on August 31, '02, was roughly \$1.547 million. Their projected accumulated operating surplus as of August 31 of '03 is \$492,000 to the plus. To the hon. member: to the plus.

So I find it a little difficult with this letter. We will be asking them to show us where they spent the money. I understand that there is also a decline in enrollment in their region, but we will be straightening this out.

The Speaker: The hon. member.

Mr. Horner: Thank you, Mr. Speaker. I would just like to ask the minister that if he was requested and working with the board, if the minister's department would be prepared to assist Greater St. Albert with an audit similar to the one of Edmonton public.

Dr. Oberg: We certainly would be. Greater St. Albert is not one of our highest priorities because, as you see, they are sitting in a positive situation with around \$492,000 accumulated operating surplus anticipated at the end of this year. Mr. Speaker, if they want help in budgeting, if they want help in divvying out their taxpayers' dollars, we'd be more than happy to do that, and we certainly would at their request. I will be expecting, though, their answer as to where the 3 percent and 3 and a half percent went. If it didn't go to teachers' salaries, then I want to know where the dollars went to. So hopefully we will have that soon.

Thank you.

The Speaker: The hon. member.

Mr. Horner: Thank you, Mr. Speaker. That's all.

head: **Recognitions**

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

Canadian Interuniversity Sport Volleyball Championship

Mr. Lukaszuk: Thank you, Mr. Speaker. I rise to recognize an outstanding group of young athletes who represented the U of A with grace and glory at the recent 2003 Canadian Interuniversity Sport's volleyball championships. The men's national championship was hosted by the University of Alberta. About 2,000 volleyball fans filled the stands to cheer on their Golden Bears defending their national title in the gold medal match. Congratulations to the Bears on winning the silver medal in this match.

The U of A Pandas traveled to Quebec City to compete in the women's national volleyball championship and earned a bronze medal by defeating their southern rivals, the University of Calgary. This is the Pandas' first CIS championship medal since their remarkable run of six straight national titles from 1995 to 2000. Congratulations.

On behalf of all of the members of this Assembly I congratulate all these young athletes and their coaches, Laurie Eisler and Richard Schick, on their outstanding achievements and on making Edmonton again the city of champions.

The Speaker: The hon. Member for Wainwright.

Queen Elizabeth II Golden Jubilee Citizenship Awards

Mr. Griffiths: Thank you, Mr. Speaker. I'm pleased today to recognize the five recipients of the first annual Queen Elizabeth II golden jubilee citizenship medals, which, I might add, are sponsored by Alberta Community Development and Alberta Learning. These medals honour the accession of Queen Elizabeth II to the throne and her service to the Commonwealth over the past 50 years. Every year one student from each high school is first nominated to receive the Premier's citizenship award. From this group of worthy candidates the five most outstanding will receive the medal and a \$5,000 cash award for their education or personal development needs. They will also receive a congratulatory letter from Her Honour, the Hon. Lois Hole, Lieutenant Governor of Alberta.

Mr. Speaker, the inaugural recipients of this new scholarship and medal program are James Boldt of Pincher Creek, Trevor Brown of Lethbridge, Sophia Di Castri of St. Albert, Michelle Durocher of Fishing Lake, and – I'm very proud to say – Kelsey MacMillan, one of my constituents, from Irma. Please join me in congratulating these exceptional young Albertans on their outstanding achievements.

The Speaker: The hon. Member for Banff-Cochrane.

Kananaskis Country

Mrs. Tarchuk: Well, thank you, Mr. Speaker. Today I'd like to recognize the 25th anniversary of Kananaskis Country. Encompassing more than 4,000 square kilometres of diverse landscapes, from glacier-capped mountains to rolling foothills, Kananaskis Country is the jewel of our province. This multiple-use area provides a variety of year-round recreational opportunities for Albertans and visitors to our province.

With more than 2 million visitors a year Kananaskis is also a major contributor to the prosperity of our province. We have discovered much about the area wildlife and landscape through research conducted over the past 25 years, and Kananaskis programs have been recognized with top awards from Interpretation Canada for nearly 10 years. Kananaskis Country is well protected, with over 60 percent of its land designated as provincial parks, wildland parks, an ecological reserve, and a wildlife sanctuary.

Please join me in saluting this anniversary milestone and in recognizing the value of Kananaskis Country and its importance in maintaining the quality of life that makes Alberta such a great place to live and visit.

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

University of Alberta Sports Teams

Dr. Taft: Thank you, Mr. Speaker. The University of Alberta, which I am proud to say is in my constituency of Edmonton-Riverview, is a dominating force in Canadian university sports. Whether it is in volleyball, basketball, track and field, hockey, wrestling, football, soccer, or any number of other sports, the Golden Bears men's teams and the Pandas women's teams do themselves, their university, and their province proud with their performances. The athletes, coaches, and staff of these teams put in long and grueling hours, and they do it for the best of reasons: the challenge of improving personal performances, the thrill of competing, the fun of playing, the pleasure of fitness, and the fulfillment of teamwork. And let's not forget the joy of victory, which the Pandas and Golden Bears are able to celebrate more often than any university in Canada and, frankly, more often than most people can count.

Gold, silver, and bronze championships are won by the U of A every few weeks. Just this past weekend silver and bronze medals were won in men's and women's volleyball and in track, and there are great chances that later this month there will be more national victories in hockey and basketball. So to the University of Alberta and its sports teams: congratulations. We're proud of you.

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

Jean Paré

Mr. Snelgrove: Thank you, Mr. Speaker. It's my pleasure today to rise and recognize a truly outstanding Albertan. You may have heard of Mrs. Jean Paré, the author of *Company's Coming* cookbooks, which, incidentally, recently passed the 20 million mark in copies sold. Along with her son Grant and her daughter Gail, Jean remains very active in all aspects of the business. The company is a great example of Alberta's success on an international scale.

2:40

However, there is another side to Mrs. Paré that you may not be familiar with. Jean's concern and care for others, her unassuming personality with no desire for recognition are what make her an exceptional humanitarian. She is a committed foster parent, a dedicated member of the IODE, is active in her church, and sings with the ladies' auxiliary choir. The local food banks and women's shelters are constant beneficiaries of her unselfish generosity. In spite of her many commitments she is a dedicated friend and a wonderful neighbour.

Through all of this Jean has been supported by her husband, Larry. Together they are indeed a couple that all Albertans can be proud of. It was my honour to present Mrs. Paré with the Queen's golden jubilee medal in Vermilion recently. Her business success along

with her commitment to community values make her a worthy recipient and an Albertan we can all be proud of.

Pharmacist Awareness Week

Mrs. Gordon: Mr. Speaker, for generations the local pharmacist has been a trusted source of practical advice. After a minimum of five years of university, four of them in pharmacy and pharmaceutical sciences, no one is more able to take on the responsibility of providing advice in dispensing drugs that do so much good, but if taken incorrectly or wrongly, the combination can cost a life.

While pharmacists are experts in medication, they do so much more. We rely on their counsel to manage our diseases and conditions, even how to prevent disease. Many pharmacies sponsor cholesterol and blood glucose monitoring services and counseling on how to best quit smoking. Some pharmacies offer advanced education on diseases and conditions like asthma, diabetes, osteoporosis, or MS.

Pharmacist Awareness Week runs this week, from March 3 to 9. This is our opportunity to thank Alberta's 3,000 pharmacists, the majority of whom work in 800 community pharmacies across this province plus the many in alternative related jobs in hospitals, universities, labs, et cetera.

Thank you to my favourite pharmacist, Bob Bailey.

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

Dr. Arthur Mano Bollo-Kamara

Dr. Pannu: Thank you, Mr. Speaker. I rise to recognize and honour an extremely gifted and extraordinary Albertan. Dr. Arthur Mano Bollo-Kamara was born in 1950 in West Africa and passed away in Sherwood Park on October 27, 2002.

Dr. Bollo-Kamara dedicated his life to scholarly pursuits as well as to the pursuit of the arts by way of his musical talents. He served with such professional organizations as the Association of the Chemical Profession of Alberta, the Western Environmental Agricultural Laboratory Association, and the Standards Council of Canada.

As founder and performer of the Wajjo drummers and member of the successful Alberta group called Juba, his music gave us food for our souls. He also shared his love of music by serving on the board of the Edmonton folk festival.

Mr. Speaker, a research scientist with the spirit and soul of a poet. I am honoured to pay tribute to this great Albertan, and we miss him among us today.

Thank you.

The Speaker: Hon. members, just a couple of additional recognitions. On this day 62 years ago the hon. Member for Wetaskiwin-Camrose entered the world, and on this day 11 years ago the electorate of Little Bow delivered to this Assembly the current member.

head: Presenting Petitions

The Speaker: The hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Speaker. I wish to present a petition with 40 signatures from Highwood and area residents asking for the Legislative Assembly to urge the government to "reinstate natural-gas rebates immediately."

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I would like to present to the Assembly a petition organized by Ms Joanne Black of Calgary, and it reads:

We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government to implement the income recommendations of the 2001 MLA Committee Low Income Programs . . . (low-income Albertans with disabilities or other barriers that prevent them from working will receive adequate and assured income support).

This is signed by over 40 Calgarians.

Thank you.

head: Tabling Returns and Reports

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. I have five copies of a letter to Mr. Dave Caron to be tabled that I alluded to in response to a question I was asked today in question period.

Thank you.

The Speaker: The hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Speaker. I wish to table five copies of a petition with 507 signatures from residents of the town of Nanton requesting that the government give priority to "enforcing a regulated cost for utilities that would be affordable to all residents of Alberta."

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

Mr. Cenaiko: Thank you, Mr. Speaker. On behalf of the Community Action Project I'd like to table 755 letters and signatures from residents living in Edmonton's inner-city communities supporting Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. Because of the volume I have provided the Clerk's office with the required number of copies. These people agree that Bill 206 will help improve their communities, making them healthier and safer, deterring sex trade offenders from entering their neighbourhoods.

Thank you very much.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have two tablings this afternoon. The first tabling is signatures. There are 605 signatures on this petition urging the residents of Alberta to petition the Legislative Assembly to "urge the Government to re-instate natural-gas rebates immediately." This petition comes from citizens of Redwater, Gibbons, Radway, Edmonton, Egremont, Bon Accord, all over that part of Alberta.

My second petition is five copies of a graph that I worked on with some other able-bodied people, and it's entitled Deregulation, Unplugged. It is a graph that demonstrates how electricity can be an inexpensive essential service under the Liberal caucus's low-cost plan, and anyone can access this graph, that is not available in the Assembly this afternoon, at altaliberals.ab.ca.

Thank you.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I'd like to table five copies of a letter from a constituent, Sharon Babish. Mrs. Babish is a widow and is trying to make the point to the government

that it's very difficult for low-income seniors to be able to stay in their homes and pay increased prices on power and gas. She notes the increase on user fees for things like licence plates, increased property taxes, telephone, cable, et cetera. She's asking for help for all the seniors in Alberta.

Thank you.

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

Mr. Bonner: Thank you very much, Mr. Speaker. I have three tablings this afternoon, and with your permission I would like to table the appropriate number of copies. The first is a letter from an injured worker in the province to an MLA.

The second is the required number of copies of the WCB benefit payments listing showing that this injured worker got compensation for \$114,000, medical aid for \$40,000, and a pension of \$155,199.06, for a total of \$309,847.70, but in this particular case this injured worker has not received one penny of this pension.

Finally, I would like to table the appropriate number of copies of a letter from the public security division of the Solicitor General to the fraud investigations at the Workers' Compensation Board. This clearly indicates that the allegations put forward by that injured worker were not forwarded to the police but to the WCB, who was supposed to be the investigator for this complaint, and the last line reads, "Can you please review and advise me what information should be provided from the Solicitor General to [the injured worker]." So this clearly indicates that the information received . . .

The Speaker: Hon. member.

The hon. Member for Edmonton-Strathcona. A tabling?

Dr. Pannu: Thank you, Mr. Speaker. I've got two tablings today. First, I table five copies of the House of Commons report regarding the question of privilege raised by Vic Toews, MP.

The second tabling, Mr. Speaker, is appropriate copies of a letter from Mark Asbell, chair of Alberta Labour Relations Board, dated January 21, 2003, which gives an update on the Labour Relations Board review of standard bargaining units in health care.

Thank you, Mr. Speaker.

2:50

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

Mr. Mason: Thanks very much, Mr. Speaker. I have one tabling today. It's a letter from a woman in Calgary in response to the Energy minister's solution to cope with the rising utility costs. She writes that since December 2002 she has set the thermostat at 15 degrees, worn tights under jeans, wool socks and heavy slippers, two sweaters and a jacket, one bulb burning at a time, sponge baths, using a sink for laundry, and restricting eating. It has not worked.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. I have a copy of a letter, which I alluded to today, from the Greater St. Albert Catholic schools which was distributed to all parents in their area.

The Speaker: Hon. members, yesterday afternoon in the Assembly when we were dealing with a matter before the Assembly, I indicated that I would receive submissions from any hon. member that wanted to make them to me as of 10 o'clock this morning, and I'll file the documents that I had received by 10 o'clock this morning for

complete transparency in this matter. I'll refer to them later, in a moment or two.

Additional tablings?

Privilege

Contempt of the Assembly

The Speaker: Well, we do have a matter arising out of the business of the Assembly yesterday. After offering all hon. members an opportunity to make a submission yesterday afternoon and then further indicating that I would receive any pertinent information that members thought would be pertinent in any way to this matter of privilege by 10 o'clock this morning, I'm now prepared to rule on the purported question of privilege that was raised by the leader of the third party yesterday.

I would like to note that in addition to the submissions that were put forward on this matter yesterday in the House, both the leader of the third party and the Government House Leader have taken advantage of my invitation and submitted supplementary material to my office prior to 10 this morning. In addition, the Department of Energy submitted some information to my office about what transpired at the briefing, all of which I have tabled now for the benefit of members.

As a preliminary matter the chair notes that the leader of the third party provided written notice of his question of privilege to my office yesterday at 10:25 a.m., thereby fulfilling the two-hour notice requirement under Standing Order 15(2). There was no dispute by the Government House Leader yesterday about this question being raised at the earliest possible opportunity.

The leader of the third party has submitted that there has been a contempt of this Assembly. The chair would like to remind members that breaches of privilege and contempts of the Assembly are treated in the same manner, and therefore the process outlined in Standing Order 15 applies.

The chair quotes from page 108 of the 22nd edition of *Erskine May*:

Generally speaking, any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence.

The chair has carefully reviewed the discussion in yesterday's *Hansard* and the material provided this morning. The material facts in this matter are as follows. There was a media briefing on Bill 19, Gas Utilities Statutes Amendment Act, 2003, that took place in this building on Monday, March 3, at 11 a.m. The media advisory for this briefing confirms that only media were invited and that department officials were available to provide information and answer questions regarding Bill 19. The material provided to my office this morning from the government indicates that there were no documents distributed to the media at the briefing, but information about the contents of the bill was provided. Bill 19 appeared on notice for the first time on the Order Paper for Thursday, February 27. This bill was introduced and received first reading yesterday, March 4. The chair notes that the sponsor of this bill is the Member for Innisfail-Sylvan Lake. However, this bill is clearly a government bill, and it was moved to Government Bills and Orders on the Order Paper by resolution of this Assembly yesterday during the Routine. Moreover, the February 26 direction to the Clerk's office to place this bill on notice on the Order Paper came from an official at Executive Council, not a private member. The leader of the third party advised this House yesterday that on Monday at noon the media questioned him on information relating to Bill 19. To

summarize his argument, the leader of the third party asserts that his rights as a member of this Assembly were interfered with in a serious way as he was not privy to the same information as the members of the media who had attended the briefing.

Hon. members, it is the Speaker's role to find whether a case brought by a member constitutes a *prima facie* question of privilege. This is a threshold role. The Speaker does not determine whether there is actually a breach of privilege or contempt as that is up to the Assembly. As Joseph Maingot states at page 221 in his work *Parliamentary Privilege in Canada*, second edition:

While the Speaker may find that a *prima facie* case of privilege exists and give the matter precedence in debate, it is the House alone that decides whether a breach of privilege or a contempt has occurred, for only the House has the power to commit or punish for contempt.

In his presentation yesterday the leader of the third party referred extensively to the March 19, 2001, ruling by Speaker Milliken of the Canadian House of Commons at pages 1840 and 1841 of *Commons Debates* for that day, that there had been a *prima facie* contempt of the House when the federal Minister of Justice provided a technical briefing to the media about a bill that was on notice and introduced following the meeting. That case is very, very similar to the case presented by the hon. third party leader yesterday. The only difference seems to be that in the House of Commons case, the briefing was the same day as the bill was introduced, and in the Bill 19 situation the briefing was the day before introduction and the bill here was introduced by a private member rather than a minister.

In essence, Speaker Milliken found that once a bill is on notice, media briefings are not allowed. To quote briefly from his ruling:

The convention of the confidentiality of bills on notice is necessary, not only so that members themselves may be well informed, but also because of the pre-eminent role which the House plays and must play in the legislative affairs of the nation.

Following his ruling a motion was passed referring the matter to the House Standing Committee on Procedure and House Affairs, which found that there had been a contempt of the House. The matter was effectively resolved in the committee when the minister apologized and indicated that she had instructed the department not to provide advance copies of bills, other materials, or technical briefings until after a bill is introduced.

As the chair indicated yesterday and as the Government House Leader pointed out in his written submission this morning, there is a March 7, 2000, ruling by this Speaker where a similar issue was raised about a media briefing on what was then Bill 11 prior to the introduction of the bill. Based on the precedents that existed at that time, the chair found that there was not a *prima facie* question of privilege.

Of course, since that time there is the ruling by Speaker Milliken of the Canadian House of Commons. The chair wants to make it very, very clear that the Legislative Assembly of the province of Alberta is not bound by decisions from the Canadian House of Commons or any other Assembly in Canada. This would be contrary to the nature of Canada's federal system. However, how could this chair hold that the Canadian House of Commons and its members are to be accorded greater respect and dignity than the members of this Assembly? The role of the chair cannot be to lessen the dignity and the respect of this Assembly or its members. The chair agrees entirely with Speaker Milliken when he states:

To deny to members information concerning business that is about to come before the House, while at the same time providing such information to media that will likely be questioning members about that business, is a situation that the Chair cannot condone.

The chair would also like to cite from the final paragraph of the House of Commons standing committee report where it states:

The rights of the House and its Members in this role are central to our constitutional and democratic government. This case should serve as a warning that our House will insist on the full recognition of its constitutional function and historic privileges across the full spectrum of government.

Accordingly, the department briefing provided to the media concerning Bill 19 when the bill was on notice but before it was introduced constitutes a *prima facie* case of privilege as it offends the dignity and the authority of this Assembly. As the chair has noted on many previous occasions, the principle of ministerial responsibility holds that ministers are responsible for the actions of their officials and, in turn, are responsible to the Assembly for those acts. Strictly speaking, this constitutes a *prima facie* contempt of the Assembly, although it is treated in the same way as a breach of privilege.

3:00

The chair would also like to briefly comment on the next steps in this process and make some comments about what this ruling does not say. First, the chair is not ruling that consultations on proposed legislation are out of order. This is not in any way the intention of the chair's ruling nor the House of Commons' ruling nor of the committee that reported to the House of Commons. The Standing Committee on Procedure and House Affairs stated at page 4 of its report that there are often extensive consultations at the policy development and legislative drafting stages of bills which are exclusively within the purview of the government. The committee found that the House's interest arises when the notice of intention to introduce the bill is given to the appropriate House officer. Furthermore, the committee found that the conventions concerning lockups for the budget or the Auditor General's report were not affected.

Yesterday the Government House Leader referred to a practice of the sharing of bills with opposition members before introduction. The committee addressed that issue too by saying that the adoption of a policy on briefings should not prevent the provision of courtesy copies of government bills on a confidential basis to opposition critics shortly before their introduction. Of course, these are matters that can be considered by a committee of the Legislative Assembly of Alberta if the appropriate motion is moved and passed by the Assembly. I would expect that the leader of the third party would put on notice a motion to refer this matter to the Standing Committee on Privileges and Elections, Standing Orders and Printing.

Regardless of the disposition of that motion, the chair wants to strongly encourage members to find a mechanism to address the broader issue of how consultation in this technological age can be accomplished without violating the ancient privileges and rights of the Assembly. Hon. members should be aware that as parliamentarians we have a duty to keep our practices and procedures in step with the developments in society. Committee consideration would provide members with an opportunity to consider these issues. Some years ago there was a Select Special Committee on Parliamentary Reform to consider certain issues of procedure such as the sub judice rule. Perhaps that committee could be reconstituted or the matter referred to the Standing Committee on Privileges and Elections, Standing Orders and Printing. The chair wishes to stress that this is a matter of concern to all members, not just one caucus.

I would now refer the leader of the third party to Standing Order 15(6), which provides for the next step in this process; namely, that a member "may give notice not later than at the conclusion of [tomorrow's sitting] of a motion to deal with the matter further."

The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. On behalf of the hon. Member for Edmonton-Strathcona I give notice that tomorrow

under section 15(6) of our Standing Orders I will move that the matter of the question of privilege raised on March 4, 2003, by the Member for Edmonton-Strathcona regarding the Energy ministry media briefing on Bill 19, Gas Utilities Statutes Amendment Act, 2003, prior to it being introduced in the Legislature be referred to the Standing Committee on Privileges and Elections, Standing Orders and Printing to review the procedure to be followed in such cases in light of the Speaker's ruling of March 7, 2000, and the ruling of Speaker Milliken of the House of Commons of March 19, 2001, and the subsequent report of the House of Commons Standing Committee on Procedure and House Affairs.

Now, Mr. Speaker, I'm prepared to take direction. If you would prefer to deal with this motion today, we're prepared to do so. Otherwise, I'm providing notice for tomorrow.

The Speaker: Well, with the notice of motion, that's entirely up to the wish of the members. I can be guided here with respect to if the members want to let this stay over for a day – notice was given – or to deal with it today. That's entirely the wish of the members.

Hon. Government House Leader, I don't know if you're in a position to say anything.

Mr. Hancock: Well, with respect to the motion itself, Mr. Speaker, I would prefer that we deal with it tomorrow. With respect to any other business arising from this question of privilege, if it was to be dealt with today, that wouldn't be a problem. But I think we ought to consider your ruling before we act upon it.

The Speaker: The hon. Minister of Energy.

Mr. Smith: Well, thank you, Mr. Speaker, and thank you for the opportunity to comment on this issue. In fact, since I have assumed elected office, there is no entity that I've held with greater respect or with greater dignity than the proceedings not only of this House but of the members that are involved in this House and the proceedings that go on inside this Assembly.

Having said that, Mr. Speaker, it is my duty as the Minister of Energy to apologize to the leader of the third party, the hon. Member for Edmonton-Strathcona, and to say that there was absolutely no intent to obstruct or to impede the work of this Assembly or his work. If there has been, it is my deep and profound regret. I will continue to hold this House in the highest respect, the highest esteem for the work that it does for all Albertans.

Mr. Speaker, I think that it's been an important piece. It's been an important piece of learning. It is, as you have commented in your ruling, a way that we try to cope with the fast pace of technology, courtesy, and the ability for all Albertans to know the important dealings that go on in this House.

So let me finish, Mr. Speaker, by offering my profound apology, profound regrets, and to ensure that as long as I am minister in this portfolio, it will not happen again.

The Speaker: Let me say thank you to the Minister of Energy. Thank you.

Hon. leader of the third party, we will await the motion until tomorrow. Did you want to accept this?

Dr. Pannu: Mr. Speaker, I just want to rise and thank the minister for his very clear and strong statement not only extending an apology to me personally but to note that the integrity of the House, its dignity and its respect and its ability to perform the appropriate role in our government system, is as important to him as to every other member. So I want to thank him and await our discussion on the motion that's before the House tomorrow.

Thank you.

The Speaker: Hon. members, this can be a place of great honour, and we've just seen that, so I appreciate that.

The hon. Government House Leader on a point of order.

Mr. Hancock: I think that in light of our discussion on a rather profound matter, the point of order that I intended to raise today could be skipped.

Speaker's Ruling Exhibits

The Speaker: Okay. The chair will make a comment, though, not knowing what the point of order was.

There was a situation today where two hon. members were sitting with knitting needles in their context. The chair did not note that for a number of seconds and could not understand what the response was from the Assembly with respect to this matter. I don't know if that would have been ruled out as a prop or not, because I don't know what it would have signified as a prop. Surely, some members will look at certain pieces of paper and some books and some documents, and I suspect that members need to bring their domestic chores into the Assembly. There's nothing that I can understand that would preclude that.

In the other one the hon. Member for Edmonton-Gold Bar did have a certain piece of paper that had certain colours on it, which was a publication of a certain political party, and that could not be construed as a prop either. Members stand up in this Assembly with documents in their hands. So clarification of that.

Point of Order Tabling a Cited Document

Mr. Hancock: I'm sorry. I should have probably, then, put it in context. I wasn't going to complain about the hon. Member for Edmonton-Strathcona sticking to his knitting but was going to suggest that the Member for Edmonton-Gold Bar ought to table the document that he referred to extensively regardless of its colour.

The Speaker: And that probably would have been in order as there were other ministers who were encouraged today and other members who were encouraged today, but the member may choose to do that tomorrow or not.

Mr. MacDonald: I certainly will do that tomorrow, Mr. Speaker.

head: **Orders of the Day**

head: **Government Bills and Orders**

head: Third Reading

Bill 17

Appropriation (Supplementary Supply) Act, 2003

The Speaker: The hon. Minister of Finance.

Mrs. Nelson: Thank you very much, Mr. Speaker. I'm very pleased to move third reading of Bill 17, the Appropriation (Supplementary Supply) Act, 2003.

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

Dr. Massey: Thank you, Mr. Speaker. I appreciate the opportunity to make a few final comments at third reading on Bill 17. I think it has to be noted that this bill asks for \$206.642 million in extra funding to defray some additional expenses that the government has incurred this year. I think we all understand that there are things that

happen during a budget year that could not be anticipated when the budget was drawn up and that would cause the government to have to make some adjustments. Those adjustments, when they come before us, are hard for the opposition if they aren't linked to particular parts of the business plan so that we can understand why the changes are made and where they sit in the government's overall scheme of things. But, as I said, we understand that those occasions arise. We also understand that a number of the items that are included in Bill 17 are things that Albertans need and that the money is needed for them now.

3:10

I think, though, that it wouldn't be fair not to comment on what's asked for in a couple of instances, and one is the Learning requisition, where I think the total is \$35 million that is being asked for. A large piece of that is for the situation that arose out of the strike with the teachers last year. There's money in here that came out of that dispute. I guess the point that I would like to make, Mr. Speaker, is that the government is able to come back to the Assembly when it is faced with an outcome and ask for money to cover an agreement that has been reached during a particular situation. Unfortunately, school boards don't have that same privilege, and I think it's unfortunate. In fact, I was looking forward with some anticipation to there being some sums in the Learning department to help boards meet the obligation imposed upon them by the arbitrator. As I said, I'm disappointed that there isn't a sum in the Learning department's estimates for boards.

[Mr. Shariff in the chair]

I think that the sum that boards have indicated they need, that would help them make up the difference, was \$142 million province-wide as a result of the arbitrated settlement. It's a huge sum of money. I've heard the minister explain how he thinks boards should be making up that arbitrated settlement. He indicates that, yes, there were the 4 percent and the 2 percent in the budget for wages, but then he also goes on to indicate that the 3.5 percent for classrooms should also have allowed boards to make up the arbitrated settlement. Well, 4 and 2 and 3.5 don't make up 14, Mr. Speaker. It also ignores the fact that that 3.5 percent was dedicated in the budget for classrooms. That 3.5 percent was dedicated to cover all of the expenses: inflation, increased enrollment, all the kinds of things that happen to school boards.

So I think it's really distressing to hear the minister try to pass off and take no responsibility for the position that the school boards find themselves in as a result of an arbitrated settlement that this government put into place. It would have relieved so many school boards, it would have relieved the pressure on so many schools across this province if the sums that are needed could have been included.

There was a forum last evening. I've heard from parents across the province distressed at what's happening, the proposals for September 2003 that boards are having to come up with as a result of the underfunding and the box that they find themselves in as a result of those arbitrated settlements.

So I look at the sums here, particularly in Learning, and I won't be supporting Bill 17 for a number of reasons but in large part for what isn't there and what should be there in terms of the Learning budget.

I think we also have to note that every time we have something requisitioned, such as those that are before us now, it really is a fault in the budgeting process. Hopefully, the stability fund, the funds that are being created, will help in the future. I'm not quite sure how they might be applied, but I think there's the possibility for the

government not having to budget in this way and at the same time to respond to emergencies and rapidly changing conditions.

I guess if there's another area that I'd just like to touch on briefly, it's the fact that we don't see in the budget any relief for Albertans with respect to utilities, and that's, as I said, very unfortunate. We had an 80-year-old senior get herself to our constituency office in order to tell us how badly she is suffering as a result of the high utility costs and to plead with us to try to do something for her. This would have been an opportunity, a place in the budgeting process, in the supplementary appropriations that are before us, for those individuals and, in fact, all Albertans to be looked after, and again I think it's with regret that that has not happened.

I think with those comments, Mr. Speaker, I'll conclude. Thank you.

[Motion carried; Bill 17 read a third time]

head: **Government Bills and Orders**

head: Second Reading

Bill 3 Electric Utilities Act

Dr. Pannu moved that the motion for second reading be amended to read that Bill 3, the Electric Utilities Act, be not now read a second time because the Legislative Assembly believes that it will cause inefficiency and confusion in the electricity production and delivery system and increase costs for Alberta consumers.

[Debate adjourned March 4: Mr. Mason speaking]

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

Mr. Mason: Thank you very much, Mr. Speaker. Could you indicate to me, please, how much time I have left?

The Acting Speaker: Seven minutes left.

Mr. Mason: Seven minutes. Okay. Thanks very much, Mr. Speaker.

Just to conclude my remarks from the other evening, I do believe that the hon. Member for Edmonton-Strathcona's amendment is a wise one, and I think it merits consideration by all members of this Assembly. We have seen the great experiment with deregulation in Alberta in action for some three years now, and we've seen a number of assertions by the government and different ministers at different times as this experiment has unfolded. We saw at the beginning of my comments that the Premier had said that competition in the marketplace would result in lower costs for consumers of electricity than existed previously; that is to say, under the regulated system that had served Alberta for many years before. We've seen that the contrary has come to pass. We now have power prices in this province between 40 and 100 percent higher for consumers than before deregulation was implemented. We have seen that that pattern exists in other jurisdictions where this experiment in some form or another has been undertaken. So we can see clearly the logic of the hon. member's motion, that it will increase costs for Alberta consumers.

3:20

Going back to the auctions, the PPAs, the government indicated before those auctions that they would expect that several billion dollars would be returned in order to pay for the production of electricity by the depreciated generation assets of the system, but we saw that the auction and the auction after that fell billions of dollars

short of what the government had set as a benchmark for the success of this auction. So we already knew at that time, Mr. Speaker, that the process was not unfolding as the government had predicted and that the entire experiment was in serious trouble.

Unfortunately, the government decided to forge ahead with electricity deregulation even in the face of these facts, and as electricity prices began to mount, especially just before the election, the government was forced to act and froze electricity prices. It capped them. In other words, it stepped into the marketplace and regulated them after companies, for example, Enmax and EPCOR, had purchased electricity on the spot market at very, very high prices to serve new customers outside the cities. This, of course, put these utilities into a financial crisis because they were forced to sell electricity at prices well below the prices they paid for that power in the first place.

So the government promised them that if the prices were frozen at that point – and this point was just before the last provincial election, Mr. Speaker. This is a familiar theme, I know, but it's a very true one. The government froze them but promised these companies that they could recoup their lost revenues by adding rate riders to the subsequent year's power bills after the election was out of the way. So the rate riders, that have given so much grief to so many people and which so many people in this province don't understand, are simply paying back the power companies for having to sell power at below cost before the election.

This was a political move; it couldn't be anything else, Mr. Speaker. It was a deliberate effort on the part of government to force power companies to provide cheap power before the election, yet the ratepayers have to pay back the power companies once the election is safely out of the way. So you see how this system of deregulation has developed.

Now the government is going even further. They're committing themselves even more deeply. They're diving headfirst into the quicksand, Mr. Speaker, not letting it suck them down reluctantly at all but are actually diving headfirst into this, and this act will result in permanent high prices. I'll tell you why. Any company that comes into this market and doesn't get a regulated rate of return takes a higher risk in Alberta's market, and in order to get a higher risk, they will expect a higher rate of return. Before they will invest, they will expect higher power prices in order to support that investment and that higher rate of return.

There's a structural flaw in deregulation, and that is that by forcing people to risk half-billion dollar generating assets and transmission assets, it guarantees that the rate of return has to be higher, and therefore the price of electricity has to be higher. This is something that I think most people who invest – and many people do today – will understand. If you want to invest in bonds, you get a lower rate of return. If you invest in equities and you take your chances, you expect a higher rate of return because there's high risk. The same thing applies here.

So this is, I think, the last chance for the Assembly to stop this reckless direction, to ask the minister and to ask the government to consider whether or not it really, really does want to go down this path, because once committed to this path, Mr. Speaker, the consequences for Albertans will be grave. So I urge members to support this motion.

Thank you.

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

Ms Blakeman: Thank you, Mr. Speaker. Yes, I am rising to speak to what we commonly call a hoist amendment, which is requesting that

Bill 3, Electric Utilities Act, be not now read a second time because the Legislative Assembly believes that it will cause inefficiency and confusion in the electricity production and delivery system and increase costs for Alberta consumers.

I'm facing a dilemma as I rise to speak to this motion. In bringing forward a hoist motion at this point, it in effect has ceased debate in second reading of this bill, which is a frustration for those of us who wish to speak in second. We have now lost that opportunity through the choices made by the mover of the hoist.

On the other hand, I am extremely frustrated by the situation around electricity and the result of what's left after the government's mucking about and deregulating and re-regulating and deregulating the electricity market. I don't really want to see a delay of any kind. We need some improvement in the situation and some stability now. There's often a time limit set in a hoist where it says: not now be read a second time but be read in six months or so. That's not in this motion, so it's just saying that it never be read again. I think there's definitely a need for change in this system. Is this bill, Bill 3, the change that is needed? Not from what I've seen of it.

So you can see my dilemma, Mr. Speaker. I'm somewhat frustrated at the hoist being brought in now, which precluded my colleagues being able to speak in second on this particular bill, but on the other hand I think the bill is not very good. I'm trying to choose kind words here this afternoon. I think it's a terrible bill, and it doesn't address any of the problems that we've seen with the deregulation of the electrical market. We need stability in that market now, and we need the change that's going to bring that stability now.

What does that mean for the constituents of Edmonton-Centre? What it's not doing is it's not improving the situation of the many people who live in condominiums in Edmonton-Centre and are trying to work with their condominium boards, the number of calls I get from treasurers of associations like that that are trying to figure out how they set the budget for the condominium association for the upcoming year when the prices seem to go nowhere but up. But how far up? How much do they have to increase their condo fees to cover the costs of this? Then, of course, I have the people who actually own the condos who are calling me and saying: "What am I supposed to do? I bought into this condo at \$56,000. My condo fees when I moved in were, you know, a reasonable \$200 a month. Now they're talking a thousand dollars a month. They're going to have to go to \$1,200 a month, and besides all of that I'm supposed to come up with the money for the sinking fund, that we're all required to have now. I can't afford to stay in my own condominium. What am I supposed to do?" You know, I can't give them an answer for that. I've consulted with the banks to find out what advice they could offer someone, and I'm certainly willing to and do indeed pass that information on to people, but it is a real concern. I'm disappointed that members from the government side would feel that this would be a laughing matter or that somehow they wouldn't be believing that this is in fact happening to people. Perhaps if they got out from underneath the dome a bit more often and actually answered the phones in their offices and listened to what people were saying, they would understand that this is what's being faced by people.

3:30

An Hon. Member: Thousand dollar condo fees?

Ms Blakeman: Thousand dollar condo fees? Oh yeah, easily. Oh, yeah. What do you think? I'm making this stuff up? Of course these people tell me this.

An Hon. Member: You're absolutely making it up.

Ms Blakeman: No. No, I'm not.

An Hon. Member: You're reading it off your web site.

Ms Blakeman: Oh, that's baloney. Honest to goodness. Get out from underneath the dome, you guys. Listen to your constituents. [interjection] A thousand is what I said. Get out from under the dome. Talk to people.

The Acting Speaker: Hon. members, the hon. Member for Edmonton-Centre has the floor.

Ms Blakeman: Thanks, Mr. Speaker. One of the original issues that came up around this is around the rebates that were offered for the electrical deregulation, just before the last election actually. What happened was that there was an offer of a \$40 rebate directly on the bills of individual homeowners, but what that turned out to be was that it would go directly onto the bill of detached single-family dwellings or directly onto the bill of anyone that had a direct meter to their apartment. Some of the quite elderly in those three-floor walk-ups had their own meters, so they were getting the rebate directly onto their bills. Some of the very high-end condominiums also had their own meters, so they were getting the rebate directly on their bills.

But for any of those that were living especially in the high-rise apartment buildings or condominiums, there was one meter for the building. There was one bill that was received, either administered by a management company or by a condominium board or by the owners of an apartment building, for example. There was huge confusion because what happened there was that those buildings were deemed to be commercial and were offered the commercial rebate rate, and I'm trying to remember what that was now. I think it might have been 6 cents a kilowatt-hour, but I'm happy to be corrected on that. I don't remember. But it turned out to be far different and less money than the \$40 that was being credited to people's single-family home bills each month. This is what I was told by people. When they calculated it, they found that it was less than that \$40.

So here it was. The government was saying, "We're taking care of people in their homes," but it really depended on what kind of a home you had. If you had a single-family detached dwelling, yeah, you got the \$40 directly on your bill. If you had a high-end condominium or one that was in a very small building, you probably got it as well. Everybody else was faced with this situation where they got less of a rebate, and it went directly to the management company, the condominium association, or the owners who were the ones that were receiving the one and only bill for the one and only meter in the building, and it was less of a rebate.

This caused huge confusion with people who kept calling, saying, "My rent is going up, and I'm not seeing the rebate. When do we get the rebate?" and trying to explain that they'd had it. It had gone to whoever gets the bill for the electricity in their building, and one presumes they had, as a result, not had their rent go up as much or had their condominium fee go up as much as it might have had that rebate not been applied against it. So huge confusion about that, people out there who still think that they're owed this rebate, and of course they've had it, although it never passed through their hands. The way that whole system was handled I said at the time was unfair. I still maintain that it was unfair because it did treat people differently, depending on what kind of lodging they had, whether they were in a high-rise apartment building or condo or a low-rise one or a single-family dwelling.

This is the kind of confusion that we get out of this government's program, and I'm not seeing those kinds of issues being addressed when I look at Bill 3. So am I willing to be supportive of a hoist motion that would take the entire bill away and trash it and, one presumes, say, "Start over again; we need a different one"? Yes. I'd prefer that we started over because I don't think Bill 3 is really going to address the problems that we've already seen as a result of electrical deregulation, but on the other hand what kind of delay are we looking at? Maybe it's possible to make something out of Bill 3. Maybe there are amendments that we could be bringing in, perhaps working with government, perhaps not, trying to improve what we've got. If you throw it out, you're looking at another six months for sure before there could be another bill coming, and that's not likely to get to this Legislature in time. So, in fact, we're looking at next spring, and that would mean people having to go through another summer – air-conditioning costs are on your electricity bill – and back around through another winter, and I don't think people can handle the uncertainty of all of that.

You know, when I talked about the budget and some of the other bills that the government's got up in front, I talked about instability and that people are trying to find some stability, and in this case they're trying to find some certainty. Once again this has been sort of a boomerang or ping-pong experience with electrical deregulation. People didn't understand it. It's incredibly complex. It didn't work. We ended up with these rate riders. We've got the rebates. And people still don't understand what the rate riders are.

It was two things that went on. After the election and after the rebates then we had, as the Member for Edmonton-Highlands quite clearly articulated – and I would refer people back to his arguments there of how, when the regulated rate option was brought in by the government or put in place, in fact the energy companies had a right to then recoup the difference between the regulated rate option and what they were actually purchasing the electricity at. Now, that's sitting on their bill as one extra price that they're paying every month, and on my bill I think that's around \$12 or something every month. Then there was – I'm not going to remember the right name – the 2000. That was a rate rider, and the other one is the difference in the regulated rate option. There was a rate rider that was approved by the EUB in 2000 but, in fact, I think, never levied, and the companies were allowed to recoup that cost as well, and that was another \$10 or something that's on my bill every month. So already you have \$22 that will miraculously disappear just before the next election is called, so people can expect their electricity bill to go down.

An Hon. Member: Cynic.

Ms Blakeman: I'm being accused of being a cynic here, and, yes, I'm afraid I am, having been in this Assembly for six years now. Yeah, I'm a cynic about how these things always seem to get manipulated.

I'm undecided about whether to support this hoist or not because it doesn't put in place anything else that's going to help us deal with this or help our constituents deal with this.

Earlier today I tabled a letter from a senior who was saying: "Please understand. Give us a break. I mean, we're not getting significantly more money, yet all the user fees that we have to pay along with everyone else continue to rise." She used as an example car registration, which was now going from \$52 to \$68, and the \$52, in fact, is an increase from a year or two ago. It seems to me that it wasn't that long ago that I was paying 34 bucks a year. Now we're looking at it being up to \$68 a year. For someone on a fixed income that's a pretty significant increase over a relatively short period of time, and we're talking, I think, over three years or so.

So, certainly, for seniors and many people on a fixed income it is a real difficulty to deal with the increases in user fees – and, boy, is this government ever keen on them – plus dealing with the increases in utility costs, both electricity and gas utility costs. We know that there have been a number of increases over the past few years in residential telephone line rentals, and that will continue to go up as well. We're not even dealing there with inflationary increases in things like food and clothing. [Ms Blakeman's speaking time expired] I'll have to thank you for the opportunity.

3:40

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

Dr. Massey: Thank you, Mr. Speaker. I would like to take the opportunity to speak to the reasoned amendment that's before us. The effect of passing this amendment is that there would be no order for second reading on some future day in the Assembly. So should this amendment pass, it would have the effect of killing the bill and making sure that it would not come back to the House for consideration at some future date.

The wording of the amendment I think is quite clear, that Bill 3, Electric Utilities Act, be not now read a second time because the Legislative Assembly believes that it will cause inefficiency and confusion in the electricity production and delivery system and increase costs for [Albertans].

Mr. Speaker, I think there are a large number of Albertans who believe that deregulation has not worked for electricity customers in Alberta, and I think there's very little reason to believe that the changes that we find in Bill 3 before us are going to make electricity deregulation any better. Electricity deregulation has failed, and I think it's time that the government admits it and returns to a system that will benefit customers.

The bill allows the Minister of Energy to pursue competition for competition's sake. Competition of itself is not going to bring prices back down to the kinds of historic levels that Albertans had grown accustomed to, and the bill really caters to big business in a way that I think has an adverse effect on customers. We expected, Mr. Speaker, a bill that would put customers and consumers in Alberta first, and that's certainly not what this bill is. Alberta is a rich province, and Albertans should benefit from those resources. The goal has to be to provide electricity to Albertans at the lowest possible cost and not to provide an open market for electricity retailers.

Pursing competition at any cost is not in the best interests of Alberta electricity consumers. The way the act is worded, the advantage that we have had as Albertans I think will continue to be eroded. I think the act, like many of the government acts that we've seen before us in the Legislature, leaves too many details to be determined by regulations, and it's impossible to predict what the final market will look like should this bill be passed, and that's the same kind of difficulty we've had with the previous bills with respect to the deregulated electricity industry. For instance, no one knew that we were going to end up auctioning off our assets through the power purchase agreements. That happened through regulation. This bill moves a lot of regulations into the bill but also then opens the door for a whole host of other regulations that we have grown, with good cause, I think, Mr. Speaker, to suspect. The government has failed to deregulate the electricity industry once. I guess the question is raised: why should there be any trust put in the government through this act to make this situation any better?

I think that even the Premier has admitted that this bill will not bring lower prices to consumers. There are no guarantees that more retailers are going to move into the Alberta market once this legislation has passed. Again, the word from the industry is that the

market is actually too small to entice the kind of competition that's needed to actually lower the prices.

I think, Mr. Speaker, those are my major concerns and the reason why I'll support the reasoned amendment that's before us. Thank you.

[The voice vote indicated that the amendment to the motion for second reading of Bill 3 lost]

[Several members rose calling for a division. The division bell was rung at 3:46 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Speaker in the chair]

For the motion:

Blakeman
Bonner

Mason
Massey

Pannu

Against the motion:

Abbott
Amery
Calahasen
Cao
Cardinal
Coutts
Danyluk
DeLong
Doerksen
Ducharme
Dunford
Gordon
Goudreau
Graham
Graydon
Griffiths

Haley
Hancock
Hlady
Hutton
Jablonski
Jacobs
Klapstein
Knight
Kryczka
Magnus
Mar
Marz
Maskell
McClellan
McFarland

Nelson
Oberger
Pham
Rathgeber
Renner
Shariff
Smith
Stelmach
Strang
Tannas
Taylor
VanderBurg
Vandermeer
Woloshyn
Yankowsky

Totals:

For – 5

Against – 46

[Motion on amendment to second reading of Bill 3 lost]

[Motion carried; Bill 3 read a second time]

4:00head: Government Bills and Orders

head: Committee of the Whole

[Mr. Shariff in the chair]

The Deputy Chair: We'll call the committee to order.

Bill 4

Alberta Personal Income Tax Amendment Act, 2003

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

Mr. Renner: Thank you very much, Mr. Chairman. It's my pleasure to have an opportunity to address the members at the committee stage of Bill 4. There were a couple of questions that were asked by the Member for Edmonton-Gold Bar during the debate at second reading, and I intend to address those questions as well as any other questions that other members may bring forward at committee.

Before I do that, Mr. Chairman, I want to relate a very quick story to you and to all members of the House. I hate to admit it, but about 25 years ago I was in university. I was taking an accounting course. It was an income tax accounting course, and the first day of class the instructor said: there are no textbooks for this class, and you can bring the tax act in with you when you write the final exam.

Mr. Amery: And you still remember that?

Mr. Renner: I do remember that, hon. member.

That final exam was the implementation into me of some very strong life lessons. Lesson 1: if you don't work hard, you don't pass. Hon. member, I must point out that I failed that exam miserably. Number 2: if you think that the tax act is simple and you can find solutions in it, you're kidding yourself. Number 3: the tax act is complex, to say the least, and I can understand, when we are dealing with changes to the tax act, why we have to come back from time to time and deal with consequential changes because they were overlooked the first time.

Hon. members, I'm here to tell you that the tax act is extremely complex. It's complex because over many, many years Assemblies such as this have constantly come up with great new ideas on how to change the tax rules, and some very highly motivated and intelligent folks have found numerous ways to use the rules to their benefit, and then Legislatures are forced to come back and close so-called loopholes. So over the years the tax act has become extremely complex, and I would hate to think, 25 years later, what the poor students in that same accounting class are faced with now. The tax act that I had was about that thick and extremely complex, and we've had 25 years of, quote, improvements to the act in the ensuing time.

So with that said, hon. members, I want to explain as best I can in terms that I hope everyone can understand—and I recognize that this is complex—the answers to the questions that Edmonton-Gold Bar presented, and also I will try and deal with as many answers to questions that members may pose later on today.

The Member for Edmonton-Gold Bar asked two questions, one specifically related to the reference in my comments to the corrections that are here to deal with the royalty rebates. I'm going to read the answer, and then if members still don't understand, I'll explain further if necessary.

When we calculate the tax rebate for the Alberta royalty tax credit, it's based upon the tax rate times the amount of royalties that are paid, but then we have something that's called a minimum tax. So that's the point at which I'm going to start reading from prepared text here, because it does get quite complex.

When the alternative minimum tax applies, the royalties are multiplied by a different rate based upon an alternative calculation of both tax and income. The amendment to the royalty rebate is consequential to amendments that were made to the minimum tax in the spring of 2002. Under these previous amendments the minimum tax in Alberta was changed from being a separate tax calculation to being a top-up to the basic amount of tax an individual would normally have to pay. The result is that under the current legislation the tax rate used to calculate the royalty rebate may be based only on this top-up and not on the entire tax the individual pays. This makes the tax rate used to calculate the royalty rebate smaller than intended, resulting in the royalty rebate being smaller and the taxes, consequently, higher than intended. I told you it was complex.

The gist of it is that we changed the rules in this Legislature on how we deal with minimum tax, and we forgot that there needed to be consequential changes on the reference to minimum tax so that we had an equal and level playing field when we calculate royalty tax rebates. So that's how we came to where we are today.

The second question had to deal with political donations. Again this has to do with consequential changes. Let me take a moment to read the response that I have, and then I'll put it into a little plainer language. The act currently provides the full political donations credit to individuals who have business income in Alberta but are not residents of Alberta but prorates this amount to individuals who have business income in Alberta but are residents of another Canadian province. This amendment simply corrects the inequity by allowing other Canadian residents the full amount of the credit just like nonresidents of Canada.

So it's pretty straightforward. If you have business income in Alberta but are not an Alberta resident, you are entitled to a credit. Unless we deal with this amendment and pass this amendment that's proposed, the same thing will not apply to you. If you have business interests in Alberta and make political contributions in Alberta, a nonresident but a resident of Canada, then there was a proration. All we're doing is making it equal so that all nonresidents have exactly the same opportunity to those credits.

So with that, hon. members, I'll take my seat. That answers the two questions that came up in second reading. If any other questions come forward, I'll do my best to answer them at committee.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. Thank you to the member for the responses to questions posed by my colleague from Edmonton-Gold Bar. He doesn't have to convince me that the tax act is difficult. I've tried to wend through some sections of it, and it is a horrendous task in terms of trying to understand what is intended. I guess if ever a document cried out for plain language legislation, that is one. It really is a document that is obscure to most Canadians.

I think the overall reaction to Bill 4 is, as the member has indicated, that this is really a housekeeping bill, and it's a bill that results in a number of changes that have to catch up with changes that were made previously. Given, as I said, the complexity of the act, we can understand how the necessity arises. Most of the changes are editorial in nature, and I think the opposition accepts them as such.

4:10

The notion of clarifying rules in terms of tax liability is welcomed. As the member just indicated, the clarity surrounding gifts is one that was needed, and making sure that Albertans receive the intended royalty rate is an important change, as are the ones that make sure that there is equal treatment of Canadians with respect to where they happen to reside in the country.

I think with those comments, Mr. Chairman, I'll conclude, and I'm ready to pass Bill 4 to third reading. Thank you.

[The clauses of Bill 4 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 5

Line Fence Amendment Act, 2003

The Deputy Chair: Are there any comments, questions, or amend-

ments to be offered with respect to this bill? The hon. Member for Dunvegan.

Mr. Goudreau: Thank you very much, Mr. Chairman. I'm pleased for this opportunity at committee to again address Bill 5, the Line Fence Amendment Act, 2003. During second reading of this bill there was really not a single objection to be heard. This gives me great confidence in the fact that this amendment is providing the clarification that is necessary to prevent the act from being used in instances for which it was not intended.

As I had mentioned during second reading, the Line Fence Act was enacted in 1980 to provide rural residents with a cost-sharing and disputes settlement framework to deal specifically with livestock fencing issues. I thank the Member for Edmonton-Centre for speaking to this issue during second reading.

The changes to this bill are very minor, but they do have far-reaching effects. Without this clarification to the act municipalities across the province could potentially be burdened with costs in the hundreds of thousands of dollars, and these costs would be directly attributable to an oversight in the creation of the Line Fence Act that occurred more than 20 years ago. The correction of this oversight will ensure that this piece of legislation will only be cited in rural situations.

With those comments, Mr. Chair, I will conclude. I am confident that all members of this Assembly will support this bill. Thank you.

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

Mr. Bonner: Thank you very much, Mr. Chairman. It is a pleasure to rise and make a few comments on Bill 5, the Line Fence Amendment Act, 2003. I would like to congratulate the member for bringing this piece of legislation forward and to certainly add my support to this piece of legislation, because as trivial as it seems, it will certainly go a long way in clarifying the situation that neighbours find, particularly in urban areas, as to who is going to pay the cost of a fence between their properties. So Bill 5 does, by way of clarification, make very small changes to the existing act, restricting the circumstances under which parties to a shared fence may seek to have the costs of the said fence shared between the parties.

The object of this bill, Mr. Chairman, is that under the original bill both urban and rural property owners had a legal right to demand just compensation from an owner of an adjacent property who derived any benefit from a fence shared by the two property owners. The new bill restricts this right to only when the fence in question is designed to keep livestock out of the adjoining land of another owner. In essence, this restricts the bill to the rural and agricultural use, which alleviates the complexities inherent in the application of the bill in urban settings.

Certainly, we see why this particular bill is required. It has a lot to do with urban sprawl, whereby our development and expansion in communities is moving in and infringing upon the rural areas around our urban centres. So it is a good piece of legislation in that it definitely clarifies the position that residents find, whether they be in an urban setting or whether they be in a rural setting, and it certainly will go a long way to reducing any friction between landowners, whether they be rural or urban.

With those few comments, Mr. Chairman, I'll take my seat and certainly urge all members of the Assembly to pass this piece of legislation. I notice this afternoon that we also have the Member for Lacombe-Stettler present, so I'd like her to note, as well, that I am voting for this piece of legislation and that I think it's an excellent piece. I will be on your side for this, hon. member.

Thank you very much, Mr. Chairman.

[The clauses of Bill 5 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 7

Real Estate Amendment Act, 2003

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

Mr. Graydon: Thank you, Mr. Chairman. There was very little debate at second reading. No questions were brought forward, and we did have support from the Official Opposition on this at second reading. It is a bill that is supported by the industry, brought forward by them with full consultation, and I anticipate smooth passage through committee.

Thank you.

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

4:20

Ms Blakeman: Thanks very much, Mr. Chairman. I'm pleased to have this opportunity to speak in Committee of the Whole to Bill 7, Real Estate Amendment Act, 2003. I missed my opportunity to speak in second, although I do understand that there is support from my colleagues in the Official Opposition for the bill. It looks to me as though the changes that are being suggested are fairly minor, and it does appear as well, from the notes that I have, that it is supported by people working in the sector.

So what we really have is a bill that is bringing appraisers under the act's licensing and regulating provisions. It's extending the length of time that the Real Estate Council of Alberta can take disciplinary action against former industry members. It's extending it to two years, and that's actually becoming a sort of industry standard now, I think, not only in this sector but in any sector, that if you haven't brought forward your complaint or commenced the action before two years have passed, then it's going to move on. You've lost your opportunity. So everybody seems to be settling on about that two-year mark. The one exception to that, of course, is regained memories of childhood assault or sexual assault or abuse or that kind of thing for adults.

Also, the act is allowing the council to require members to retain records for three years after they leave the industry. That gets more important but also more difficult as we move into a computer age. Although it was supposed to give us a paperless society, all it does is that we now have computer disks or tapes and we have paper. In particular, with the information that's stored on the computer disks or tapes, in some cases, or CDs now, you have to have a copy of the original program that wrote the information in order to be able to read it or to stay with the same program. I am very conscious that with records that I created or documents that I created even five years ago, even within the time span of this job, I'm two or three versions of the creating program further on. When I do open that document, I usually get a prompt saying: "You need to update this document. Do you want the program to do it?" You say yes. You know, who'd heard of Microsoft 15 years ago? That wasn't the primary company. It may well be that in another 10 years from now

we're all working on a different document system and won't even have the programs that will open and be able to read the computerized, digitalized versions of things.

So requiring real estate members to retain records for three years after they leave the industry is a prudent move, but this sort of provision is going to become far more interesting as we move into this electronic age and start changing programs around and finding out that even with a document that's a year old, you may not be able to read it anymore because everybody has moved on to a different system. I think that probably why we end up putting so much paper out is just so that we have some sort of record.

But more to the point is being able to follow through on transactions to see if there's a problem and to be able to ask people who are leaving the industry to hang on to their documentation and their records of the work that they did, because in many cases it does take a while to figure out that there's a problem. Or perhaps there's a good thing that happened, and you want to follow it through and find out what made it good or what made it possible so that others can repeat it. So that's a very prudent and helpful thing to have in the legislation.

I think this has been brought forward to the government, actually, by the Real Estate Council of Alberta and is allowing them to keep pace with developments in the industry. The Real Estate Council of Alberta is an independent agency. It's responsible for regulating the real estate industry in areas of consumer protection and provision of services to improve the industry for its members. The Minister of Government Services does oversee this association. It looks like this Real Estate Act was last amended in 1995, so eight years ago.

The first section, "the Alberta Association of the Appraisal Institute of Canada, the Alberta Assessors Association, the Canadian National Association of Real Estate Appraisers," are all added into the original groups that were listed, which were the Alberta Real Estate Association, the Alberta Mortgage Brokers' Association, the Building Owners and Managers Association of Edmonton, the Building Owners and Managers Association of Calgary. Good heavens. This is a long list. I don't need to read this all out. Essentially, it's adding in the others that are active in this sector. Well, that's interesting; I'm not seeing the auctioneers one. I wonder how the industry is planning on dealing with this new idea of auctioning off houses. There was one of those that took place here in Edmonton, and I think everyone reserved opinion on whether it was successful or not, although it is my memory that the owners were happy enough with the price they got.

A number of the other clauses that are in here are, in fact, strictly administrative, and then there are sections which talk about the ability of different groups; adding in the appraisal institute, the Assessors Association, and the National Association of Real Estate Appraisers; appointing members to the council and that the member must be, in fact, a real estate appraiser. It changes around who is allowed to appoint whom to what and, I'm assuming, tries to update that. The rest of the bill is, essentially, housekeeping.

I've certainly heard the Official Opposition accused of unduly holding up bills in the Assembly, but, you know, if there's nothing wrong with a bill, if it's been looped back through the stakeholder groups and they're supportive of it, particularly if it came from the community which was asking for changes in how they regulated themselves, we're not going to have a problem with that as long as the public in the end is well served. That's our job here: to make sure as legislators that Albertans are going to come out ahead in whatever kind of legislation we make.

As I have outlined here, this is a straightforward bill. It's minor housekeeping changes plus those changes that were requested by the members of the real estate sector. I'm happy on behalf of my

colleagues to speak in favour of this bill in Committee of the Whole, and I'm glad I got the opportunity to just go through it and look a bit more in depth at the various sections that are being proposed here as I didn't get the chance to do that when we were in second reading on the bill.

So thanks for the opportunity, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I appreciate the opportunity to make a few comments about the act before us right now, the Real Estate Amendment Act, 2003, Bill 7. I think what the act does is speak to the growing maturity of the industry and that maturity in seeking the changes before us which will give the industry more say over the actions and activities of its members. It draws the appraisers under the act's licensing and regulating provisions and, as has been noted, extends the length of time that the association will be able to take action against a member, should that be necessary, and also action against former members. So it really is, I think, a mark of a profession that is maturing and wants to take on more responsibility for the activities within the industry and have some control over the activities of members.

4:30

We've seen a number of acts before us in the last number of years in this Assembly that were put forward by professions who want some of the same kinds of controls that are before us today, and I think that we have been very supportive of those professions and associations realizing that self-discipline is preferable to discipline from the outside. It's much more effective when those people who are fundamentally affected by the activities of industry members have some say in how those members behave and particularly if that behaviour is inappropriate and in any way detracts from the reputation of the industry. As I said, we've been very supportive.

I think that what it shows is the obligation not just that the industry is willing to undertake in terms of protecting the consumers but also other members. It's important, if you're part of a profession, that you know there is a shared obligation by all of the members of your profession to behave in ways that are appropriate and that bring honour and bring credit to the profession or to the industry in which you're working.

So it's a good piece of legislation, and I think the provisions are most reasonable, and hopefully it will have the outcomes that the mover and the industry itself intend. I'm sure, Mr. Chairman, that it will, so I'm delighted to support it and look forward to the speedy passage and proclamation.

Thank you.

[The clauses of Bill 7 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 8

Health Foundations Act Repeal Act

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

Ms Blakeman: Thanks very much, Mr. Chairman, for the opportunity to speak to Bill 8, the Health Foundations Act Repeal Act. I know that my colleague the opposition critic on Health and Wellness spoke to this in second reading, and essentially what the act is doing is repealing the Health Foundations Act, which established foundations which were agents of the Crown. I think that originally this was done as a way of facilitating corporate fund-raising, but let me just check my notes here. It turns out that the act is being repealed because there are currently no foundations which exist that are, in fact, covered by the legislation. The legislation was originally passed in 1996 as agent of the Crown foundations for the RHAs, provincial board of health, probably the Alberta Cancer Board. These were set up to take advantage of federal tax laws that were in place in '96 that would allow these foundations to operate with certain tax exemptions.

The donations to the foundations were treated as if they were donations that had been given to the Crown, and if my memory is right, there was a better percentage of tax credit that you got. I mean, currently, for example, the one I'm familiar with is charitable donations to arts foundations. That's really 17 percent, so if you donated a hundred dollars to your favourite local theatre group, when you actually came to do your income tax and you had the tax receipt back from the theatre – it was a charitable tax receipt recognized by Revenue Canada – you were really only excused from paying tax on \$17 out of that hundred dollars that you donated. Now, interestingly enough, when you look at that as a comparison and to demonstrate that there are different percentages depending on what you're looking at, if you look at charitable donations to political parties, in Alberta anyway, up to your first \$150, I think, 75 percent of it is deductible off your income tax. So a much better rate than 17 percent.

This was trying to take advantage of the laws that were in place at the time federally about donations, and it got a much better rate. I'm pressed to remember what the rate was, but you did get a much better rate donating to a Crown corporation, probably closer to what the political parties' one was. I'm just trying to remember now. I know that there was an arts donation that was targeted to a certain organization, I think, but it was donated through what then would have been Alberta Culture or the Alberta Foundation for the Arts to take advantage of a better tax rate. So that was the *raison d'être* for having this act passed in 1996. Then the federal laws repealed the tax exemptions that were available here. Therefore, the foundations didn't enjoy a preferred status and didn't need to use it and, I'm assuming, moved off. I know that the Member for Edmonton-Glenora was, I think, a member of the Glenrose board or perhaps the Glenrose Foundation. Maybe he can add to this.

At the time, this was brought forward as Bill 14, the Health Foundations Act, by the then minister of health, who's now the Minister of Agriculture, Food and Rural Development, and in fact this was to allow for "the establishment of foundations to receive private donations for the benefit of regional health authorities and provincial health boards." I'm quoting out of *Hansard*, page 622, March 18, 1996. The minister went to some lengths to talk about how the new foundations would not interfere with the mandate of the existing foundations and would differ only in that the money would benefit health facilities and programs that were across the entire regional health authority rather than targeted to individual facilities.

"Gifts to agent of the Crown foundations are unconditional. Donors may indicate a preference for the way their gifts are used, but the foundation would not be bound to follow that preference." This is quoting from page 623. Still from the sponsoring minister's remarks in presenting the bill: "This is necessary in order to comply with federal tax legislation." Then the minister continues:

On the other hand, the minister has the authority to set definite priorities for the use of foundation funds in general to ensure that the work of foundations is co-ordinated with the overall goals for the health system and to avoid duplication of effort with other agencies. This authority is similar to other foundations such as the Wild Rose Foundation and Alberta Sport, Recreation, Parks and Wildlife.

So we know why we had it. It did serve a purpose, but when the tax status changed, it was no longer viable, and in fact I think the foundations, if they ever existed, were shut down.

4:40

This is needed to clean up obsolete legislation, and actually I'm pleased to see that, because I have complained in the past that this government has not been good at reviewing and updating its legislation. With the newer legislation that the government has brought forward, it has been careful to put in usually a five-year review date, and I always prefer to have the actual date in the legislation, because then nobody is guessing or trying to go backwards and find out when the proclamation date was so they can go forward and figure out when the five-year mark is. They've been good about putting it in the legislation they've passed but not good about going back and cleaning up some of the archaic language and essentially obsolete and unusable sections in legislation that just, you know, aren't useful anymore or are totally obsolete or, as I said, using archaic language which isn't readily recognized by people today.

What was the example I was thinking of? There was a justice bill, I think, last year, and it was referring to – remember? – people having to advertise in the paper and say: I, so-and-so, say that I'm no longer responsible for the debts of my ex-spouse or my spouse, blah, blah, blah, formerly known of such-and-such an address. I mean, nobody ever did that anymore, yet the law was still on the books and the requirement, strictly speaking, was still on the books. It does show you how law is a living thing and legislation is a living thing and needs to be updated and reviewed and brought out into the fresh air every now and then to make sure that it's still relevant to the lives that people are living. So I'm glad to see that the government has managed to dig this one out. Now, this legislation is not all that old – '96: it's seven years old – but we've got to start somewhere, so I'm certainly willing to support the government in starting on this one.

I should note, however, that at the time the original bill was passed, the Official Opposition members voted against the originating act, the Health Foundations Act, and did raise a number of concerns particularly because it was centralizing power in the minister's office. That, frankly, is a theme that we've continued to see from the government since 1996, where we get to kind of framework bills or shell bills where everything is referred to the minister and the minister may decide to make recommendations or do something. But it's always centralized back to the minister, who may decide to do something or not to do something. They have a total say in it, and I'm frustrated with that because I don't think it serves Albertans.

You see, it does lead to the kind of confusion we've got right now over the energy bills, where there was a lot of talk from the government at the time that would make people believe, correctly or incorrectly, that they would get energy rebates if the price per gigajoule went over \$5.50. Of course, as soon as it got even near to that, people started going, "Okay; when are the rebates coming?" and not a word was said. Then it passed over that amount, and still not a word was said, and people started to say, "There was a promise here, and you've broken your promise," including members of the Official Opposition, rightly so, saying: you promised. Well, no. Then the real, exact language of the bill was trotted out, and it's:

"No, no, no. This is a yearly average, and we have to go through the full 12-month period before we can determine what that annual average is. No, people won't be seeing any of this until sometime much later, probably in the summer." So that is the kind of frustration that people experience when we have that kind of centralization of power into the minister's office. I don't think it serves Albertans well.

The second concern that we had at the time was that the new foundations would compete with the existing foundations for charitable dollars, and we continue to have that as an issue everywhere in the charitable sector as more and more programs and services are either abandoned by government and picked up by that sector or there's an arrangement made or a contract signed, in some cases, to transfer government programs and services to be delivered by the nonprofit sector, and somehow the money never exactly goes along and matches it. So if the program was a hundred thousand dollar program but, you know, you also had to consider the cost of the secretary that answered the phone and the photocopy person and the cost of the desk and the extra telephone line and the extra paper this person would use, et cetera, et cetera, it was going to be more than the cash amount of \$100,000. That extra amount, that administrative support amount of money, never seems to come along with that original grant, and slowly but surely the charitable sector ends up fund-raising to pay for the entire cost of a program that's essentially a government program. Therefore, they need to be able to be accessing those charitable dollars, and the competition is pretty fierce. Here we were raising the concern that the foundations would be competing with existing foundations for that ever scarce charitable dollar.

The final issue that was of concern to us was that donors could not direct their donations. Now, I did earlier refer to and quote the minister's opening remarks at the time back into the record in which it was clear that the minister could direct that but the donors could not. Once their money was given to agents of the Crown, it was disbursed as the foundation – which you need to read as "the minister" – saw fit, and it was to be disbursed throughout the regional health authority, not just to a particular facility. So, in fact, I think that at that point you would have to go directly to probably the original foundation or the friends-of group associated with a facility and donate through them, but, back to where we started, you would then be receiving less of a charitable tax receipt for it at whatever lower rate it was pegged for. You would not be able to take advantage of the higher rate that was available if you donated through the Crown corporation.

So that was the trade-off people had. You could donate through the Crown corporation and get a higher tax receipt, but you weren't able to direct where your donation went, or you could go directly to a facility or friends-of organization, give them the money and direct it specifically to a program – children's services or pediatric services, whatever you wanted – but you would get a much smaller tax receipt. It would be worth less.

So it's interesting to read back before I was elected and see what my colleagues were doing at the time and that, in fact, reading it now, I agree with a number of the issues that they raised, because those issues continue to be of concern to me and, I think, to Albertans some seven years later.

So in not approving of the bill being brought forward in the first place, I'm certainly willing to stand and support the bill being repealed at this time. Thanks for the opportunity to raise these issues, particularly the ones around the charitable sector, and to underline again how important any assistance we can give the charitable sector is. I appreciate the opportunity to speak to the bill in Committee of the Whole.

Thank you.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. Just a few comments. I think the committee were supposed to examine the clauses of the bill, and there is only one clause in this bill to look at, and it's the essence of the bill. I think the minister made it abundantly clear when he introduced it that this was to repeal the provision that allowed Crown foundations to be formed that would be able to take advantage of the unique tax incentives that Crown foundations enjoy and that no one had taken up the challenge and actually formed one of these foundations.

4:50

I suspect that one of the things that will have to be made abundantly clear – and the minister did make the remarks when he introduced the bill – is that this in no way affects all those foundations that are already in place in the health care system. The foundations that had been established and operated under the former hospital districts and those that were established under the Hospitals Act are still viable foundations. They're still going to be appealing for money and support.

As I say, I think the choice of language was unfortunate when this act, the Health Foundations Act, was introduced in 1996. It may have been wiser, in retrospect, to choose a descriptor that wouldn't cause the kind of confusion that is possible now where people hearing of this legislation may assume that all foundations are no longer viable. I think that would be unfortunate in the extreme because those foundations do extremely good work for the community on the projects that they undertake with respect to providing services and support for the public health care system, and if in any way their efforts should be somehow or other affected by the repeal of this act, I think it would indeed be, as I said, unfortunate.

The act is very straightforward, and I assume that because no one actually created one of these Crown foundations, the effect of passing this bill will be minimal. Whether there were any plans in the works to establish them, we haven't been told. We've heard nothing from any such individuals or groups, so one can only assume that it was a piece of legislation that was seen to be superfluous. Even with the attraction of the credits that were available to Crown foundations, that still wasn't deemed incentive enough for groups or individuals to go out and create new foundations or to take the foundations that they were already part of and to re-create them under Crown foundations so that they could actually benefit from the tax benefits of Crown foundations.

I think that with those few comments, Mr. Chair, I'd conclude. Thank you.

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

Mr. Bonner: Yes. Thank you very much, Mr. Chairman. I would also like to make a few comments today on Bill 8, the Health Foundations Act Repeal Act, and welcome the opportunity to do so. I see that this bill was sponsored by the Minister of Health and Wellness, the Member for Calgary-Nose Creek.

Certainly, I think it is a bill that is required. I can say quite honestly that in all my time in the Legislative Assembly it is without a doubt the shortest bill. There are some very important points that must be raised when we are looking at this particular bill. So when I was preparing my comments on Bill 8, the Health Foundations Act Repeal Act, I first of all looked at the bill and decided after a lot of scrutiny that this was a good bill, that this is a bill that I can certainly support.

Some of the rationales as to why I came to these conclusions are that there are no foundations which currently exist which are covered

under this legislation and that foundations are currently covered under the RHA foundations regulations. I also found out that no foundation or RHA currently existing will be affected by the removal of this legislation. I found out in discussions with the Capital health authority that they indicated that repealing this act would have no effect on their foundations or assets. I think that was critical in that we know that certainly in the area of health in this province all RHAs are certainly under very fine, fine lines when it comes to their finances, so we wouldn't want to see anything that would impact their ability to raise funds or anything that would affect their assets.

Now, then, as well, by way of a little history I found out that in 1996 the Liberal caucus voted against the Health Foundations Act and raised several concerns. One of the concerns that we had at that particular time and one of the reasons that we did vote against this particular bill was that it would centralize power in the minister's office. This was an issue that we felt very strongly about, that we could not support legislation of this nature when it had centralized power in the minister's office.

Another reason that this caucus voted against this particular bill in 1996 was the fact that new foundations would compete with existing foundations for charitable dollars. Certainly, since 1996 I think all of us have experienced that there has been just a huge, huge demand in all sectors of society for charitable dollars. I know that in my particular constituency I would say that we get at least two or three requests for some type of charitable dollars or donations to various groups. So with the expansion of new foundations and the number of foundations in this province we certainly were concerned about the competition for charitable dollars. We have seen, particularly over the last few years, a great development in the types of lotteries that different organizations will have and, as well, the creativity that is involved in these fund-raising efforts. Those can be for luxurious cars, for exotic holidays. We have seen fund-raising attempts which will have a number of beautiful homes up for raffle. So, certainly, we were quite concerned at that time and would be again today as to the scope and the nature of foundations competing with one another for those much-needed and dear charitable dollars.

5:00

Another concern we had in 1996, Mr. Chairman, was the fact that donors in this province could not direct their donations. What would have happened in 1996 was that money given to agents of the Crown would be disbursed as a foundation, which may be directed by the minister as the minister sees fit. Again it gets back to that central question as to the centralization of power in the minister's office. In fact, this was such an issue that the then MLA for Edmonton-Glenora introduced an amendment that Bill 14, the Health Foundations Act, not be read a third time. To quote that member on April 29, 1996, he goes on to say:

So, Mr. Chairman, Bill 14, [the Health Foundations Act] is not good public policy. Bill 14 should not become law in this province. Consequently, at this time I would like to move the following amendment. The amendment reads that everything after the word "that" be substituted with the following:

Bill 14, the Health Foundations Act, not be read a third time because the government has not proven to Albertans that agent of the Crown health foundations will not unduly compete with and impede the ability of existing health-related foundations to raise funds and carry on their charitable activities.

Now, these were the wise words of the then member sitting for Edmonton-Glenora, and these were presented to the House on April 12, 1996. So we had concerns as far back as then about this particular bill.

You know, we did have the opportunity and we do now have the

opportunity to point out that the government was warned that this act was bad policy, and they should have heeded the advice of Her Majesty's Loyal Opposition at that time and not passed the Health Foundations Act to begin with. We also note that the government will claim that they are not repealing this legislation because it is bad policy but, rather, because changes were made to the federal tax laws that these foundations were set up to take advantage of.

So with those comments, Mr. Chairman, I certainly have to say that there are many, many things that could be said about Bill 8 even though it is such a short bill, but at this time I would like to conclude my remarks on Bill 8 and certainly listen to the exciting debate of other members on this particular piece of legislation. I thank you for this opportunity to speak to it.

[The clauses of Bill 8 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 9

Mines and Minerals Amendment Act, 2003

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

Dr. Massey: Thanks, Mr. Chairman. I listened when the minister introduced Bill 9 and spoke of the extensive consultation that had been undertaken. I think that at the time he indicated that over 2,000 stakeholders had been contacted about the changes that appear in the bill before us, and that's a lot of consultation. I think it's the kind of homework that leads to the easy passage of bills through the Legislature when we can be assured that all of those people who are going to be affected by a particular piece of legislation have actually been contacted and know what's going to be included in the legislation, not only know that but have had some part in the drafting and agree that the legislation is in their best interests.

So I'm pleased that the minister has done that kind of consultation, and the intent of the bill, I think the objects of the bill are clear. It gets over a huge problem for the industry, and that's the tracking and the enforcement of exploration projects and the equipment and companies that are operating in an area. In the past this has proven to be a problem. Having no universal system for clearly identifying who was doing what in an area has led to a number of problems with landowners; for instance, not knowing who is operating in their area and having no common way of identifying from the activity exactly who the operators are. That's one of the major changes that the bill allows. It introduces a common marking system that will be used throughout the province so you can readily identify the operator in an area and the kinds of things that are going on.

Additionally, it allows greater powers for inspectors of exploration projects, and that, I think, is going to be welcomed by landowners. It also allows for the adoption of codes from other industries into the regular exploration regulations, and that will be useful. I think one of the other powers that it gives is the power of the minister to issue stop orders. Again, given the exploration activities and the extent of those activities across the province, that's a provision that I think

will prove useful in some instances. What that really allows is the field staff to stop and take immediate action if there is potential damage to the environment.

That's a critical power, Mr. Chairman, to have: allowing immediate action to be taken and then allowing for a more reasoned and a more problem-solving approach to the issue than the kinds of processes that are in place at the present time. This act will allow activity to be halted immediately and then for the problem to be looked at and some decisions made. I think that that again will be welcomed by landowners and those people who are concerned particularly with environmental damages and things that may happen because of exploration that may put them at a disadvantage or may somehow or other affect the environment negatively.

So I think we've been through the bill, Mr. Chairman. We're pleased that it's here. A good number of the items in the act are simply housekeeping provisions that had to be made, but I think that the major thrusts of the bill, putting in place an identification system and also the powers for the minister to stop action, are two very important provisions. I'm pleased to support the bill.

Thank you, Mr. Chairman.

[The clauses of Bill 9 agreed to]

[Title and preamble agreed to]

5:10

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

Hon. Members: Agreed.

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

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report.

[Motion carried]

[Mr. Shariff in the chair]

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

Mr. Maskell: Thank you, Mr. Speaker. The Committee of the Whole has under consideration certain bills. The committee reports the following: bills 4, 5, 7, 8, and 9.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.
The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 8 this evening.

[Motion carried; the Assembly adjourned at 5:13 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, March 5, 2003**

8:00 p.m.

Date: 2003/03/05

head: **Government Bills and Orders**

head: **Committee of the Whole**

[Mr. Tannas in the chair]

The Chair: Please be seated. Good evening. I'd like to call the Committee of the Whole to order.

Bill 11

Auditor General Amendment Act, 2003

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

Mr. Yankowsky: Thank you, Mr. Chairman. I rise to move Bill 11, the Auditor General Amendment Act, 2003, in committee. We had three opposition members speak to the bill in second reading, and I have read through *Hansard* and pulled out all the questions that they had asked, and I would like to answer those questions at this time. The three members that spoke were Edmonton-Centre, Edmonton-Strathcona, and Edmonton-Gold Bar.

The first question was from Edmonton-Centre, and it was also followed up by Edmonton-Gold Bar, and it had to do with legislated oath of office. The question was, specifically: why will the oath be only similar to oaths of other offices but not exactly the same? I would like to answer that. Essentially, the oath would be the same as the oaths required of the Information and Privacy Commissioner and the Ethics Commissioner. So I just can't see that there's going to be any great amount of difference except in name, but we will have to wait and see till that is published.

The second question that Edmonton-Centre had was: what's the concern in asking that the Auditor General not disclose any information? I would like to answer that in some detail. Information in the custody or under the control of the Auditor General should not be disclosed outside the provisions of the Auditor General Act. The ability to maintain strict control over confidential client information allows the Auditor General to properly consider and vet his recommendations and reports before they are disclosed to the public.

Recently, attempts have been made under the *Alberta Rules of Court* and the federal Bankruptcy and Insolvency Act by private parties to gain access to confidential information held by the Auditor General. In one case the Court of Queen's Bench has ruled against disclosure; however, this decision may be appealed. Future cases are anticipated, so these applications underscore a need to make it clear that the Auditor General maintains strict confidence over client information obtained during audits and special duties subject to the Auditor General's duty to report to the Assembly under the Auditor General Act. The Auditor General should not be compelled to disclose confidential audit information in any court proceeding. Information supplied to the Auditor General in confidence should be privileged similar to information obtained by the Ombudsman under section 25 of the Ombudsman Act.

Another question that was asked by Edmonton-Centre was in regard to: does Bill 11 restrict the Auditor General's power or duty to provide information to the Public Accounts Committee? I would have to answer: no. Bill 11 does not restrict the Auditor General's power or duty to provide information to the Public Accounts Committee. Section 26 of the Auditor General Act ensures that the Auditor General will continue to provide information to the Public Accounts Committee.

Another question by Edmonton-Centre was: why are the warrants for the fiscal year in which the special warrant is signed to be deleted from section 12(5) of the Auditor General Act? Well, currently a special warrant can be issued for the office of the Auditor General only after the beginning of the fiscal year to which a special warrant relates. In some cases after an election special warrants for government departments may be issued for interim supply a few days before the beginning of a fiscal year. This is a technical amendment that will harmonize the office of the Auditor General with government departments.

Another question from Edmonton-Centre. It was more of a comment, but I did pull a question out of there I think. It had to do with: does the amendment to section 14 of the act give the Auditor General additional access to information held by a Crown controlled organization or a delegated administrative organization? Section 14 ensures that the Auditor General has access to audit information held by all organizations of which he is auditor whether he is appointed auditor by statute or by other means as permitted under the act. These organizations currently include regional health authorities and several other organizations closely associated with RHAs or public postsecondary institutions. This could include other Crown controlled organizations and delegated administrative organizations if the Auditor General was appointed as their auditor, but that is not presently the situation.

The second-last question from Edmonton-Centre, and again it was more of a comment than a question, but I think there was a question in there: does the proposed section 14(2) exclude previous Auditors General or employees of the office of the Auditor General from giving audit evidence to the current Auditor General? Important evidence from these individuals is likely already in the Auditor General's possession but, yes, the amendment will allow the current Auditor General to consent to the examination under oath of a former Auditor General or employee of the office of the Auditor General. As I mentioned earlier, the main purpose of the proposed section is to prevent the disclosure of confidential audit information to others when it would be inappropriate to do so; for example, a private, civil litigation trying to get information from a former Auditor General or staff member.

Another question from Edmonton-Centre: does Bill 11 make the Auditor General auditor of more Crown corporations? I would have to say: no. The Auditor General would continue as the auditor for ministries, departments, regulated funds, provincial agencies, and other organizations as permitted under the act. These amendments do not change the organizations which are audited by the Auditor General.

We had a question from Edmonton-Strathcona in regard to noncompellable witnesses and, more specifically, the reason behind the proposed section 14(2) in regard to noncompellable witnesses. In 1999 and 2000 private parties attempted to gain access to confidential audit information held by the Auditor General. In one case the courts ruled against disclosure. In the other case issues were resolved without disclosure by the Auditor General. The proposed amendment would ensure that the Auditor General maintains strict confidentiality over client information obtained during audits and special duties subject to the Auditor General's duty to report to the Legislative Assembly under the Auditor General Act.

So I want to thank the opposition for their comments, their questions, and I hope that I have answered them sufficiently.

8:10

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

Mr. MacDonald: Thank you very much, Mr. Chairman. I would

like to express gratitude to the hon. Member for Edmonton-Beverly-Clareview for his clarification on the questions not only from myself but also from the hon. Member for Edmonton-Centre. I appreciate it.

Certainly, when we look at this bill section by section and the fact that in section 2 we're establishing that the Auditor General must take an oath of office which is administered by the Speaker of the Assembly or in the absence of the Speaker, I believe, the Clerk, one can certainly live with that. The Auditors General, whether it's the present one or previous Auditors Generals or an Auditor General yet to be named at some point in the future, are all bound by a professional code of ethics, and certainly I think that is necessary, but if this Assembly feels that an oath of office would make everyone more comfortable, then fine.

Now, section 3 is clarification of language, as I understand it, and we are removing the Lieutenant Governor in Council, and we're replacing that directly with the Executive Council and the president of the Executive Council. That is our hon. Premier, the Member for Calgary-Elbow. So, you know, there doesn't seem to be much of a change there, Mr. Chairman, but some of the other changes that have been made: I think one should go on the record and talk about them at this time and see if there are any other questions from anyone.

Before there are questions from anyone, I should say, Mr. Chairman, particularly in dealing with section 7 . . . This section adds new reporting provisions. Now, the Auditor General in performing special duties as required by the Assembly is required to give the report to the chair of the committee, who must lay the report before the Assembly immediately if it is in sitting or within 15 days after the session starts. The president of the Executive Council also gets the report and on three days notice to the Speaker will give all members a copy of the report. When distributed to the members, the report is then made public.

There are similar provisions, I believe, in the Ethics Commissioner's governing legislation. I would like to know if this has been followed letter for letter. Are these the same steps that the Ethics Commissioner would make in a report, or is there something different? What would be the reason that we need this, because certainly in section 20 of the current Auditor General Act

the Auditor General may prepare a special report to the Assembly on any matter of importance or urgency that, in the Auditor General's opinion, should not be deferred until the presentation of the Auditor General's annual report under section 19.

Also, section 20 here, Special Reports, subsection (2):

A report under this section must be presented by the Auditor General to the chair of the Select Standing Committee who shall lay the report . . . forthwith if it is then sitting or, if it is not sitting, within 15 days after the commencement of the next sitting.

Now, this has to be an addition or a strengthening of the current section 20, as I'm reading this. I see the hon. Member for Edmonton-Beverly-Clareview nodding his head, and that is quite interesting, and I believe it is noteworthy.

There are certainly already provisions in the act for the establishment of audit committees, the meeting of audit committees, the scope and the results of an audit, and the Auditor General in this province certainly has a lot of work to do with the increase in spending that has gone on, Mr. Chairman. It is noteworthy that we have seen a 50 percent increase in spending in this province. We've seen the cabinet expand from 16 to 24. It wouldn't surprise me to open the *Edmonton Journal* or any other paper – the *Edmonton Sun*, as a matter of fact – on a Saturday morning and see where the Auditor General is looking for more staff because there is going to be a lot of work to do. [a computer sounded] I believe that computer agrees with that last statement, by the noise it's making at least.

The office of the Auditor General is perhaps, Mr. Chairman, one of the most important offices, and when we look at the role the Auditor General can play in ensuring that every tax dollar is spent wisely, it not only applies to other governments in other jurisdictions but this government in this jurisdiction as well. The Auditor General has to be, certainly, independent, but the Auditor General's office has to have respect from all citizens of this province, and I think this bill as proposed will enhance that respect even further. We have to ensure that there is accountability to the taxpayers.

In conclusion, Mr. Chairman, the Auditor General is no different than the former president of the United States of America, Harry S. Truman. The buck always stops on the desk of the Auditor General, and I think that through the efforts and the initiative put forward by the hon. Member for Edmonton-Beverly-Clareview, the Auditor General will have an easier job of making the buck stop at his or her desk.

Thank you, Mr. Chairman.

[The clauses of Bill 11 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Chair: Opposed? Carried.

8:20

Bill 13

Government Organization Amendment Act, 2003

The Chair: We should ask the hon. Member for Calgary-Bow to speak to the questions that were asked in second reading. I think that is the usual.

Ms DeLong: Thank you very much, Mr. Chairman. There was a request during second reading for more information on the security of the identification cards, so I have some information here for the House. The current identification card is identical to the current driver's licence and has the same security features. The only difference is in the title of the card and the colour of the background. To obtain an identification card today, a person must prove their identity by producing one primary and one secondary piece of identification. If a person does not have primary identification, then two pieces of secondary identification will be required. Examples of primary identification are a passport, government identification card – provincial, territorial, or federal – and citizenship certificate. Examples of secondary identification are birth certificate, credit card, social insurance card, work visa, or marriage certificate.

Registry agents who suspect that fraudulent identification is being presented will not provide services and may notify the police. A person cannot have multiple identification cards nor can they have an identification card if they hold a subsisting driver's licence. This way, there is control over the number of cards in circulation, making it difficult for anyone to create multiple identities. Law enforcement supports this security precaution.

Hopefully, this will answer some of the questions that were raised during second reading. Thank you very much, Mr. Chairman.

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

Dr. Massey: Thank you, Mr. Chairman. Appreciate the opportunity to make a few comments about Bill 13 at the committee stage. The

whole notion of identity cards has drawn a lot of attention the last number of months from a number of different aspects.

One, there was the problem of high school students being able to secure identity cards and in some cases even drivers' licences through false means and to use those cards to enter bars, primarily, and I wonder if the mover of the bill feels that the security surrounding the issues of the cards is stringent enough to prevent that kind of fraud from happening. It's an issue with respect to, as I said, high school students and the kinds of activities that they use those cards for.

A second issue surrounds the whole business of the registries and how secure their operations are. We had the example in Edmonton of a registry being broken into twice within weeks of each other and the machinery and equipment for producing cards being stolen, and again it seemed to point to some weakness in the security system surrounding the issuance of those cards at the registries. So I have a question about the security with respect to that.

One of the clauses that, again, I wouldn't mind some comment on is the Crown absolving itself from any liability or loss or damage arising from card issuance. I would appreciate some comment on that and the relationship between the government and the issuing of the cards. It seems to me that with the amendment the government washes its hands of any responsibility for what might happen, and I wonder if that's really an appropriate action for the government to take with respect to the issuing of photo identification cards to Albertans who don't drive. I know that the government can't possibly be held responsible for the misuse of the cards, but I think they can and should be held responsible for making sure that in the first instance the cards are not produced and not issued to individuals that inappropriately try to obtain such an identification card. So those are a couple of issues that were raised as I looked through the bill.

I guess one of the other things that would have been interesting to see is the kinds of regulations that are being put in place around the bill, and again it's I think unfortunate that the committee on law and regulations no longer exists in this Assembly, as it does in many others across the land, where there would be an opportunity for those regulations to be presented to the committee and examined. As I said, the whole notion of identity cards has come into the spotlight since September 11 of last year, and I think there are more and more questions being raised about the possible abuses of those cards.

Thanks very much, Mr. Chair.

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

Mr. MacDonald: Thank you very much, Mr. Chairman. I have a few observations I would like to get on the record in regard to Bill 13, the Government Organization Amendment Act, 2003, but at this time I would like to express my thanks to the hon. Member for Calgary-Bow and her staff for taking the time the other day to bring myself and the research staff up to speed in regard to the purpose of this bill, to allow Alberta Government Services to continue issuing photo identification cards to Albertans who don't drive. Certainly, Alberta Government Services is having a little bit of difficulty with providing that service to those who do drive. I hope this goes without any wrinkles because in my view there are problems that need to be addressed. I think the hon. minister is working very hard to address them, but I do have my concerns about some of the money and how it's being spent and whether or not we're going to have a tamper-proof driver's licence whenever all this is said and done.

At this point in time I think that whenever we consider having photo ID cards for people who don't drive, we think of students or we think of — one group that we do not think of is seniors, and some

seniors have for whatever reason never had a driver's licence. Certainly, if this ID is going to be sufficient, then I think this is necessary. I had some concerns — and they have been addressed — regarding the sale of bogus IDs. If we can be selling bogus drivers' licences, there's no reason why these cards, for instance, couldn't be sold at some point with alterations to underage drinkers, and the hon. Member for Calgary-Bow and the staff have assured me that they have programs and regulations that will take care of my concerns. If people are caught once at this, I think the entire licence of the registry office should be just simply pulled if this sort of action is going to be going on. That was one concern I had. One cannot be, I think, too zealous in protecting personal information.

Governments at all levels, certainly, may have the best interests of the citizens at heart, to protect the citizens from terrorist attacks, but to gather large amounts of private, personal information on individuals under the guise of protection from international terrorism, we have to observe this very closely. I would caution any government, whether it's the current provincial government or the federal government, to be very, very careful about this and not be tempted because a person's personal information — and that includes health information — is their business and no one else's. A computer hacker or anyone else, it doesn't — that's the hon. minister's business and not mine. I certainly am at this point, after the explanation I've had, confident that this photo ID system will not be abused, that it will not be abused in any way. I certainly hope that time will prove me right in this because it's apparent to me that the staff have done their work on this one.

With those remarks at committee, Mr. Chairman, I will cede the floor to another hon. member of this Assembly. Thank you.

8:30

The Chair: The hon. Member for Calgary-Bow.

Ms DeLong: Thank you very much, Mr. Chairman. Regarding a few of the comments from the Member for Edmonton-Mill Woods — you had questions about whether or not there would be sufficient security. This is always, you know, a question that people are struggling with, and it is something that we really do pay an awful lot of attention to. Unfortunately, it's true that registries have been burglarized just as banks have been burglarized. There are bad people out there, and all we can do is make sure that our security is as good as possible.

In terms of liability this is an optional card. It's not something that anyone has to get. It is very much just an optional card. It is very much a government card in that it's just an ID card. It's not something that we are sort of putting out there in the marketplace at all, so that's why we're limiting the liability on it.

Oh, in terms of the regulation, the regulation will be very similar to a driver's licence card, essentially all of the same regulations in terms of the identification that's required to be able to get it. It will be pretty well exactly the same as a driver's licence card.

I think that's about it. Thank you, Mr. Chairman.

[The clauses of Bill 13 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Bill 3 Electric Utilities Act

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

Dr. Taft: Thank you, Mr. Chairman. This my first opportunity to rise to address Bill 3, the Electric Utilities Act. Among the many bills that have been introduced so far in the Legislature, this is one of the biggest and most important, and it's one that will be getting a lot of attention, I think, from us and from the general public, so we might as well hunker down and get into the details here.

I suppose we should start the debate with a bit of perspective on the situation we're in now because Bill 3 is an attempt to get us out of a problem. It's too bad that we're in the problem in the first place, but we need to know how we got into the situation so that we can reflect on whether Bill 3 will actually help us get out of the situation.

Electricity, as all of us will see tonight as we look around the legislative Chamber and our offices and go to our homes and condominiums, where the heat is flowing and the light is on, keeps the modern world going. Without electricity there's no modern life. There are no computers; there's no electric light; there's no modern commerce: there's nothing like that. So we're dealing with something here that is of fundamental importance. We're also dealing with something that is unique. Electricity is a fantastically complicated thing, a fantastically complicated form of energy, and for us to manage it in the way that we do as a society is actually a great achievement for all of us.

The electrical grid in North America has been called the world's largest machine. We are linked across this country, across the continent, throughout Canada and the United States and into parts of Mexico, on one enormous grid that's divided into particular zones, but it is all interlinked one way or another, and the linkages and flows through that system are both enormous and extraordinarily sensitive. They're enormous enough so that they power huge factories. They draw from enormous power plants – coal-fired power plants, hydro dams, and so on – and they pour this electricity out across the continent through an incredibly complex grid system. That system, as large as it is, is very, very sensitive too, so when a factory, for example, gears up its equipment, drawing on the electrical grid, that draw can be sensed on the grid thousands of miles away.

The trick and the great achievement of the modern electrical industry is to keep that grid in balance. We all know that if we get too much power going onto a circuit, we can blow the circuit and it can all shut down. It's also the case that if there's too little power on a circuit, it will collapse as well, and of course a collapse, especially on a night like this when the temperatures are terribly cold, I think, right across Canada, could be catastrophic.

So we're dealing with something here that is essential. It has to be managed moment to moment. It's not at all like things that we consider typical commodities, whether that be grain or natural gas or coal or cotton or coffee or oil. Those things can be stored. We can build up supplies during the low season, draw them down during the high season. They can be shipped from one location to another. In many cases their forms can be changed. Electricity is not like that at all. We can't store it; the use of it has to be balanced exactly with the generation of it. So there's no possibility, for example, for us to generate a whole lot of electricity, say, in the fall or spring, when demand is lowest, and then draw that down in the winter. It just doesn't work that way.

So we have a product that's not a commodity. It's essential to modern life. Do you know what else? There's no substitute for it. We can't power our microwave with gasoline. We can't plug our refrigerator into the propane tank.

8:40

An Hon. Member: Yes, you can.

Dr. Taft: Well, okay; poor example. You can get a propane refrigerator, but you can't plug your television into a propane tank. You can't run your computer or your cash register in a business on anything except electricity. In fact, if you think about it, if you are running a business, whether it's an autobody shop or a dental office or a retail centre like a Wal-Mart, perhaps the one thing you could do without the least – in other words, the one thing that is most necessary – is electricity. If your phone system goes out, whether you're repairing cars or drilling teeth or selling ladies' wear, you can continue to function, but if the power goes out, the whole thing shuts down: your equipment shuts down, your security shuts down, your cash registers shut down. There is no substitute for electricity.

So for those reasons and others this is not a product that ought to be handled in the way that other commodities are handled. This is not a product that lends itself to market forces. In fact, there is a very good reason that we ended up with a regulated market in electricity. When electricity first was being used in North America, it was a free-for-all. Anything went. Anybody could start their own power company, run their own power lines, and as a result there was nothing short of a mess. It was extraordinarily inefficient. There were no standards. There were safety issues. There were supply problems. Prices were unstable; supplies were unstable. And while people recognized that this was an astonishingly useful form of energy, that usefulness was being profoundly compromised because it was just left open to the free market. So there was a public and business demand a hundred years ago to create a regulated electricity market.

You know what? We did a heck of a good job on this continent and especially in this province of developing a very effective, economical, and profitable regulated electricity system, and for decades and decades Canada in general and Alberta in particular enjoyed very fine electrical services. Consumers had low prices, safe services, and high reliability, and the electricity companies were profitable. It was win/win/win.

Alberta had some of the least expensive and most reliable electricity in the industrial world for decades even though our hydro sources are very limited. This was a great benefit for us. This was seen as a pillar of our economic development strategy. It was a policy that was supported actively by the government and by regulators and by consumers and business, and it was trumpeted. I know I read a lot of economic development material from this province which said that one of the great attractions to moving your business to Alberta is reliable, cheap electricity. So it was a building block of the economy of this province. Unfortunately, we've seen that building block pulled out from the foundation of Alberta.

One of the cornerstones of the electricity industry in Alberta was and actually continues to be the municipally owned power companies, especially EPCOR, which historically was one of the big three power companies in Alberta, along with TransAlta and ATCO. To a lesser extent, Enmax, the Calgary-owned utility, was a very significant player. It didn't own generation like EPCOR did, but it did service a large customer base very effectively.

So those companies have a long track record of effectively managing power, in EPCOR's case generating it very well. I don't know how many people are aware here of the farsightedness of

EPCOR and of its predecessor, Edmonton Power. It was in the late 1950s that Edmonton city council actually bought the rights to the coal in the Genesee area even though they knew that that coal and the generating stations they wanted to build there weren't going to be needed for more than two decades. They got ahold of the rights to that coal in the late 1950s and hung on to that through two decades before serious efforts were made to build the Genesee power plant. Thank goodness that city council in the 1950s was so farsighted and that city council in Edmonton in the 1980s was so farsighted to get those coal beds and to build Genesee. So these are companies with fantastic track records. These are companies that are well managed.

Before I became an MLA, I did a number of reviews of EPCOR, and it is – at least it was at the time; I have no reason to believe it's different – fundamentally a very well managed company. One of my concerns with Bill 3 is that these companies are going to be constrained, that these companies are going to be limited. The strength of these companies, which frankly have helped carry Alberta's two largest cities through decades and decades of growth and prosperity, is going to be diminished. I for one think we need to stand up and defend strongly the right of municipally owned power companies. So that's one of my concerns with Bill 3.

I gave a bit of history there, Mr. Chairman. I think we now need to look at the whole issue of what's often called deregulation, although I think that's a bit of a misnomer. The idea of deregulation is in some ways to take electricity back to the economics that existed when power companies were first developed and the whole notion of electrical power was first developed; in other words, back to the time when it was something of a free-for-all for power companies. Now, we all recognize that that's a bad idea, so there are enormous regulations under the so-called deregulated system. What this government has tried to do is take a product that is not a commodity and is not well suited to the marketplace and has tried to create an artificial marketplace, as it were. There are what economists call natural monopolies, and one of those, certainly, typically is considered to be electricity.

Well, we've taken a natural monopoly, and we're trying to create an artificial market out of that. We take something that should be handled as a monopoly – all its characteristics suggest that it's best handled as a monopoly – and out of, I guess, ideological commitment we say: "No. It's got to be handled as a market, so let's put in all kinds of laws and regulations to turn this into a marketplace." Ironically, we go from a regulated system in which there are a few hundred pages of regulations to a so-called deregulated system in which the number of regulations is about four times that amount. It's a mistake. It's a fantastic increase in the complication and inefficiency of the electricity industry.

8:50

Now, we could have and should have looked at experience in other jurisdictions when we got into the electricity deregulation business or the business of deregulating electricity. Let's look at what happened in some other jurisdictions when electricity was deregulated. Everybody here will certainly know of the experience in California, but California was actually nowhere near the first jurisdiction to get into electricity deregulation. Electricity deregulation actually began in its current form under Margaret Thatcher in the late 1980s and early 1990s in Britain. Britain had certainly a more expensive power system than Canada did at the time. Britain relied very heavily on coal. One of the problems with the coal industry in Britain is that because of the political power of the coal miners, all kinds of steps were taken to artificially keep high the price of coal and keep high the demand for coal so that thousands

and thousands of coal miners and hundreds of mines could be kept employed. This put an artificial floor under the price of fuel for power plants and, as a result, kept the price of power high.

One of the things that was done in Britain – and I certainly remember the showdown between the coal unions and the Thatcher government. The Thatcher government actually set out to break the coal unions in Britain, and the effect of that was to help lower the price of electricity. But at the same time that that was happening, the electricity industry in Britain was being deregulated. A lot of people think that the price drops, which were pretty modest frankly, in British electricity were the result of deregulation. In fact, there's some very good evidence to suggest that they were the result of the drop in the cost of coal because of the opening up of the coal industry or the removal of the artificial supports for the coal industry.

When Britain deregulated, it faced much of the same controversy that Alberta faced several years ago and in fact is living through right now. Many industrial consumers of electricity were extremely, extremely unhappy with what happened with electricity deregulation in Britain. One of the problems they had was that there were wild swings in price. Well, that sure sounds familiar here; doesn't it? So, for example, it wasn't uncommon in Britain for power prices to swing upwards or downwards by 400 percent in 24 hours. We see swings far greater than that in Alberta these days. In fact, there were swings up and down of thousands of percent in just a few days, which led to stunning electrical bills in Britain, to industrial shutdowns, and in fact to bankruptcies. We could have learned that lesson here, and I'm afraid we didn't. I wish we had, because we should have stayed with the system that was in place up until the mid-1990s.

There was also very, very little consumer interest in shopping around for an electricity provider. Research has shown over and over in Britain and in the United States – and it's supported by experience here in Alberta – that people don't really want a whole lot of choice in electricity. What they want is cheap, reliable electricity. There weren't people protesting on the streets or writing letters to the editor under the old electrical system saying: gee, I wish I could buy my power from a different power company. People had excellent service. They were happy with it. It was not an issue. The only people or organizations – and I'll give them their due – who really wanted greater choice in power were the major industrial consumers. If there was one segment of society that has benefited from electricity deregulation, it may be – I say: may be – the really large industrial consumers. I would have liked to consider a different content for Bill 3, perhaps looking at, at least exploring the notion of a deregulated power system for the really major industrial consumers and a regulated system for the residential and small business consumers.

Anyway, the experience in Britain provided the swings, the instability. People didn't want choice. They found it fantastically complex. People didn't want salesmen coming door to door offering them power.

I'll take my seat, I guess, Mr. Chairman, and carry on later. Thanks.

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

Dr. Massey: Thank you, Mr. Chairman. I'd like to take the opportunity at committee to look in some detail at the particular sections of the act, starting with part 1, Interpretation, Application and Purpose. Part 1, of course, lays out the relevant terminology that is used throughout the act. On the whole, they remain similar to what we had before, with a few additions and some deletions.

But there are some important changes, Mr. Chairman, in this section. One of them is that the definition of an electric utility has been broadened to allow for the convergence of the natural gas and electricity retail markets, and that's important because it would allow one retailer to sell both products, which is quite a change. The definition of farm transmission costs, which deals with supplying electricity to rural electrification authorities, has been removed, and the definition of municipality has been expanded to include any Métis settlements established under the Metis Settlements Act. In addition, the definition of a power purchase arrangement has been added to the act, and the inclusion of this article now justifies the claim that we had no idea that Alberta's electricity-generating assets were going to be sold off when the government began its deregulation process back in 1998.

One further change of some import in this section is that the definition of retailer has been modified by removing the phrase "directly to customers" from the end of the definition, and what this means is that the definition of retailer is broadened by considering firms that provide any electricity services, even if those services aren't provided directly to customers as retailers. This change, Mr. Chairman, could potentially allow the government to artificially increase the count that they have of the number of retailers in Alberta, allowing them to claim that the new legislation is a success even though that in actuality may not be the case. So it's a clause that allows the government to do some fudging, should they wish to do so, in terms of the number of retailers that are or are not in operation in the province at a particular time.

Section 1(2) defines the different terms created by the Electric Utilities Act and where their meaning is derived. Section 1(3), subsidiary corporation, simply states that the Electric Utilities Act determines if a corporation is a subsidiary according to the Business Corporations Act. So a matter of definition.

An important section is section 1(4). This is where the Medicine Hat service area is defined. It lays out very clearly what is meant by the phrase: Medicine Hat service area. The definition of this area is really quite important to the remainder of the act because the area is often exempted or treated differently when it comes to various regulations. So when you read the act and you see the Medicine Hat service area, that has a very particular meaning with respect to the act. Furthermore, later parts of this act prevent the service area of Medicine Hat from growing any further. So that's an important point when you read the act, to see how the Medicine Hat service area is defined, the limits placed upon it, and the kinds of capabilities and constraints that are placed upon that area.

9:00

Sections 2(1) and 2(3) lay out the exemptions from the act. Alberta's deregulated electricity industry is really a unique industry in that it includes a number of city-owned utility companies, and thus far the municipally owned utilities have created a problem within the government's deregulation scheme because they have certain rights and privileges that others do not have. So you have EPCOR and Enmax with laws that govern their operations that other retailers don't have, and this section of the act guarantees these utilities certain privileges, and it also denies them others. I think it has to be noted that the only municipally owned utility that is completely exempt from this act is in Medicine Hat. So you look at the treatment of municipally owned utilities and they are treated differently depending on where in the act you find yourself.

Section 3 deals with the effect of the act, and the clauses contained under this section reflect the current policy of the government. It's important to note that this act clarifies that it is not necessary for market participants to divest assets as a result of any other clauses

that are present within the act. So some exceptions there that are important as we look through the act.

If you look at section 4, immunity for the Crown, no lawsuit can be brought before the Crown as a result of the changes to the electricity industry that are going to be made because of this act. This is a similar clause to the one that was found in the 1998 version of the act.

Section 5, the purposes of the act, lays out eight purposes of the act, including providing Alberta with an efficient electric industry structure, providing Alberta with a competitive power pool, providing Alberta with rules that would allow an efficient market to develop, allowing a flexible framework so that the market can guide decisions made about this industry, providing a range of choices for electricity customers, ensuring that the benefits and costs associated with the Balancing Pool continue to be shared, continuing with the power purchase arrangements, and providing a framework that allows for the efficient regulation of the electricity industry.

It was interesting in the briefing for the act, an outline for electrical restructuring that is similar to the vision that was outlined in the last act – and this vision remained the same or somewhat relevant. However, there's no mention about protecting the interests of customers or about providing consumers with the lowest possible cost of electricity.

This, Mr. Chairman, was a point that was important to us when we supported the reasoned amendment earlier in the day in discussion and debate, that the focus of the act seems to be on fostering competition for competition's sake and that the interests of consumers appear to be secondary in the act. That is what we found most unacceptable and still find unacceptable and the major reason why we won't be supporting Bill 3, that the absence of consumer interests is glaring in the information that we have before us. It's one of the things that I think the government has an opportunity to rectify before the bill actually is passed and becomes law, and it's something that we hope they will seriously address and propose some changes to make the interests of consumers more evident and more paramount in the bill.

Continuing with the section analysis, Mr. Chairman, section 6 lays out the expectations of the market participants, and it explains how they're to behave in the electricity industry in the province.

Part 2 of the act, Mr. Chairman, deals with the independent system operator and transmission and explains what it is and the duties and how the independent system operator and transmission are to work. First of all, division 1 establishes the corporate organization. It establishes a corporation to be known as the independent system operator. It makes it clear that this is not an agent of the Crown and that this independent system operator is supposed to be a corporation that is completely independent of government and will operate and manage the power pool system. Now, whether or not it is, I think, is open to question, and there are some other parts of the act that raise the independence of the ISO and some questions about, as I said, that independence.

Section 8 deals with the appointment of ISO members, and it's going to be the minister again who appoints nine members to sit on the ISO, who will oversee the business of the independent system operator. Of course, the question that immediately comes to mind is: how can this be an arm's-length corporation of the government when the minister is appointing the members? There seems to be a basic conflict. How independent can you be when you're appointed at the pleasure of the minister? It certainly sets up the case where the minister has the potential to exert undue power and influence over the board. I know that this is a practice that's taken for granted throughout the province, but it doesn't make it right. It's a method of controlling, and it seems to contradict the other elements that we

see in the act talking about the independence and even the very name: independent system operator and transmission.

Section 9 represents the standard sort of protocol in terms of giving natural person powers to the corporation. The intent of this, of course, is to allow the corporation to operate independently of the government. Yet, as I said, there's a serious caveat against that given that the minister is actually the one who appoints the members to the ISO.

Section 10 outlines the ability of the ISO to make bylaws to govern its own business and its affairs. They cover a wide range of topics that are fairly common in terms of corporations, areas such as the code of conduct of members, what constitutes a quorum, what the remuneration will be. I think that it's a section that the public is interested in having public and open to scrutiny.

9:10

Section 11 allows for the appointment of the chief executive officer. Again, in the appointment of the CEO it's important to remember that the board is composed of members appointed by the minister, and thus the CEO is ultimately going to be someone that the government in general and the minister in particular hold in favour. It doesn't say where the CEO comes from, so it's likely that that individual will be appointed after a list of recommended candidates is put forward by the ministry. That would seem to be the most likely scenario in terms of the appointment of the CEO.

Section 12 is fairly straightforward. It indicates that the ISO "must appoint an independent auditor."

Section 13 deals with the ISO and the kinds of committees that it must establish to consult with the market participants. The Power Pool currently has such a committee, and this section really just indicates that the ISO would take over these duties.

Section 14 talks about the budget and that the ISO is responsible for preparation of its own budget, including both the costs and the kind of expenses that it's going to be involved in. It's also important to note that the ISO is intended to be a nonprofit corporation.

Section 15 has the details of the ways in which the ISO does its reporting, and there are some questions about the stipulations that are outlined in this part of the act. The ISO has to prepare an annual report within 120 days of the end of its fiscal year, and there's no specification of exactly what the fiscal year is. What fiscal year will the ISO be following? We assume that that's left up to the bylaws.

The filing of the annual report is designed to ensure the accountability of the ISO, and I guess it's that accountability that we're concerned about, because section 15 indicates that the annual report will not be made public until it has been provided to the Minister of Energy. Of course, that allows the Minister of Energy, just as many other ministers have in terms of receiving reports early, to put an interpretation on that report before it's released to the public. We've seen that time after time in the government, Mr. Chairman, starting with the report of the Children's Advocate and some of the reports out of Alberta Learning, where the report is issued and there is a long and detailed press release that puts a particular spin on the information that suits government purposes. When we have those kinds of provisions, it doesn't look like this is really the arm's-length organization that the government claims it is or certain parts of the act pretend it really is.

It also leads to some questions, I think, in terms of: how is the ISO going to be treated under the terms of the Freedom of Information and Protection of Privacy Act? Again, I think there has to be, hopefully before the act is passed, some clarification. The ISO is going to be a body that has all the information about the Power Pool and, therefore, how prices are set, so I think it's important that the

public have as much access to this information as possible without interfering with the operation of the market.

I think that before I move on and look at division 2, which is the second part . . . [Dr. Massey's speaking time expired] Thank you, Mr. Chairman.

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

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to rise this evening and speak to Bill 3, the Electric Utilities Act. Certainly, this is one part of the two-pronged plan by this government to go down the deregulation road even further, when other jurisdictions are coming to their senses and realizing that this is costing the consumers enormous sums of money and they are going back to a plan that will provide electricity to the consumers at the lowest possible cost. The two-pronged receptacle is history for safety reasons, and this two-pronged approach with the further deregulation of electricity and natural gas by this province should also be history.

Now, there are many examples that can be used to illustrate how poorly electricity deregulation has worked and will work in the future, Mr. Chairman. The hon. member needs his laptop back, so this will be brief. If all hon. members of this Assembly check powerpool.ab.ca and see how high the cost of electricity is and then go to altaliberals.ab.ca and see our low-cost power plan, they will see the difference between the plan that we are proposing and the plan that is going to become the reality of this bill in the Power Pool.

In question period this afternoon at 2 o'clock the actual posted pool price for electricity was 35 cents a kilowatt-hour. Thirty-five cents a kilowatt-hour. At 1 o'clock, when we were preparing for question period, it was 13 cents a kilowatt-hour. At 2 o'clock this afternoon, when this government was trying to defend their deregulation policies, electricity was trading at the wholesale level of 35 cents a kilowatt-hour. The hour previous to that it was 13 cents, and at noontime it was 9.8 cents a kilowatt-hour. This notion that you can find electricity for 4 cents a kilowatt-hour in this province is simply that: it's a notion. If people continue to say that, it's going to grow from a notion to an urban myth. Electricity is now an expensive commodity in this province. We go further on in the afternoon, Mr. Chairman, and there's no relief for the consumer in sight.

Now, there are dramatic fluctuations in price. At 9 o'clock tonight – and this is after peak demand, and there is a reduction in the consumption of power – usually on a cold, extreme night like tonight, it will be about 8,300 megawatts. We are told that we should not worry about this because there has been so much generation coming onstream. The generation that has come onstream, Mr. Chairman, is generation that is expensive because the majority of it is powered by natural gas. It's fine and dandy to brag about this natural gas power generation capacity that has been built in the last number of years. According to the Power Pool, there is at this time close to 4,600 megawatts of gas-fired generation, and there is about 2,300 of it that is total net generation at this time.

So if we have this power that is trading at 9 cents a kilowatt-hour or a little better than that, then where is this generation that was built? Why is it not coming into the system? Surely people would like to make the argument that, well, there are exports, there are imports of electricity into our system. That is correct, but in the last number of weeks – and any hon. member of this Assembly is certainly encouraged to enter into debate – there was a notice on this web site indicating a disruption in California somewhere, and the disruption resulted in 1,700 megawatts of power being lost.

9:20

Mr. Rathgeber: How many disruptions have there been in Alberta?

Mr. MacDonald: There have certainly been lots of disruptions in Alberta, and if the hon. Member for Edmonton-Calder would like to look at this web site, it would show that January 10 there was a disruption, there have been a couple of recent disruptions with lines in the Calgary area, and disruptions are occurring here.

The disruption in California should not affect our domestic price, Mr. Chairman, but it is my view that it is. If we pass this legislation, it is going to further affect our price. In the past there would be lots and lots of imports into this province from B.C., but where are they on a cold night like tonight? For some reason we're not reeling in a lot of power on the southern tie-line. We should not be developing a power system that is going to be influenced by American interests. We are setting up in this bill formal arrangements with the Regional Transmission Organization West, and that is not in our interest.

Now, I could go through each sector of generating capacity that we have in this province, whether it's coal, gas, hydro, or others like wind – right now we just have wind power – but we need to look after our own interests first, and our own interests, in my view, include the consumers. The consumers should be given the lowest possible price that we can deliver electricity for. Let's put the consumers at the top of this pyramid, not at the bottom, where Bill 3 is going to put them.

Mr. Chairman, this is not the first time that this province has participated in this debate about private versus public or turning over the whole generation system to private enterprise because they can run it more effectively. This political debate follows the history of this province, and I'm disappointed that in this legislation the municipally owned utilities are being singled out. They are being singled out, and I think they're being singled out unfairly. The municipally owned utilities have had a proud history in this province, and the notion that they do not pay taxes is just totally wrong. It is totally wrong. Last year, for instance, EPCOR paid significant taxes. Not only did they pay significant taxes, but they also paid \$40 million in payment in lieu of taxes into the Balancing Pool. Customers of EPCOR and customers of Enmax are subsidizing the rest of the system, and they're going to continue to subsidize the rest of the system through these payments in lieu of taxes to the Balancing Pool.

Perhaps we would be better off putting that money into the general revenue fund of this government if we're going to call it a tax, which this bill wants to do. It's going to force them to call it a tax. I can't understand for the life of me – and this is such a fine city – why this government continues to pick on the city of Edmonton. Yes, it's picking on the city of Edmonton. The mayor and the city council should not have to go cap-in-hand to the Minister of Energy whenever they want to do something in regard to EPCOR, and that is what I'm afraid is going to happen here. Now, if we look at the past history, Mr. Chairman . . .

Mr. Smith: Point of order.

The Chair: The hon. member has a point of order or a question?

Point of Order Questioning a Member

Mr. Smith: *Beauchesne* 333. I wonder if the hon. member would entertain a question.

The Chair: The hon. Member for Edmonton-Gold Bar only needs to say yes or no.

Mr. MacDonald: No.

The Chair: Then you may continue.

Debate Continued

Mr. MacDonald: Thank you, Mr. Chairman. I welcome the minister's response. He can enter into debate just like everyone else.

Now, we look at the Alliance Power Company. This is a walk down memory lane. The ownership of utilities was a hotly debated topic, just as it is tonight in this Assembly, in the early decades of the 20th century in this province. Many thought that public utilities should be privatized while others were opposed to the idea, and this is very similar to what's going on here with Bill 3, Mr. Chairman.

Now, Edmonton Light and Power did not escape scrutiny, just like EPCOR and Enmax are not escaping scrutiny with this bill. The city council of the day had received numerous proposals from private businesses that wanted to participate in the electrical industry. Does this sound familiar? When the question was put to the public in a referendum – this is not the first referendum we have had in this province. This in 1916 would have been the first referendum. There was another referendum in 1948. I say to this government: why not put this bill to a referendum? Why not put your whole electricity deregulation policy to a referendum? Previous governments certainly were willing to do that.

However, Mr. Chairman, when the question was put to the public in a referendum, voters agreed that this would be a positive step forward to allow the privateers to operate with electricity. Now, consequently, proposals were called for, and between 1916 and 1919 the Alliance Power Company took over the power plant. It sold power in bulk just the same way this power pool is operating today, and under this proposal it's going to continue to operate in the future. It sold power in bulk to the electric, light, and power department of the city of Edmonton. This arrangement came to an end due to financial difficulties. Well, I'll be. I don't want to sound like an alarmist, but I certainly hope that doesn't happen now because the consequences of this would be enormous. So much of our life centres around electricity and not only electricity but affordable electricity.

Now, Mr. Chairman, I would like to at this time share this with the Legislative Assembly, and this is a quote.

I have been in business 12 years, and never before have I been without power for such a long time. It is certainly fortunate that no one was being treated by our permanent wave machine when the power went off.

This is from the *Edmonton Journal*, and this is not about West Edmonton Mall in 2003; it's about Madam Day's beauty parlour on the impact of a power outage on May 27, 1936. Now, if we're not careful with this legislation, Mr. Chairman, we are going to be looking at power outages. Power outages could occur under this current system that's being developed.

9:30

Mr. Smith: Like the outages in Ontario.

Mr. MacDonald: The outages in Ontario. There we've got another Progressive Conservative government tinkering with a perfectly good electrical distribution, transmission, and generation system, and, yes, there are power outages because of the Progressive Conservative government in Ontario.

I hope for the sake of Albertans, because they're fine citizens, that they're not going to be burdened with power outages. But if they do come, it is my knowledge of the power system that Calgary will be affected before Edmonton, and that's a sad, sad event. That's just

how the distribution system is arranged, unfortunately, Mr. Chairman. Calgary is more vulnerable to electricity deregulation failure than Edmonton.

It is interesting also to note that in 1971, of course, Peter Lougheed became Premier of Alberta, but the province of Alberta passed an act that stipulated that the Energy Resources Conservation Board must approve all changes to Alberta's electrical system. Now, it's sort of been downhill ever since. [interjection]

Chair's Ruling Decorum

The Chair: Hon. Member for Edmonton-Calder, when each of the hon. members has finished their talk, I've looked over this way and you haven't stood up. Now somebody is standing up, and in this House the tradition is that the person who was recognized by the Speaker or the Chair in this case is the one that's speaking. If you wish to speak following this gentleman's speech, we'll have you speak. Until then, perhaps we'll just have the hon. Member for Edmonton-Gold Bar speak.

Debate Continued

Mr. MacDonald: Thank you very much, Mr. Chairman. Now, this bill is going to take a lot of work to improve, and I'm willing to attempt that. I have never in my time in this Assembly seen legislation that needed so much work to improve. I don't know how to describe this bill without going through it at this time in committee except section by section. When we look at how we've been held hostage by high electricity prices in this province, we've got to fix the problem. We have to. It's almost going to be an emergency.

It was explained earlier by the hon. Member for Edmonton-Riverview that before all this happened, we had some of the lowest costs in North America. Now we have costs that bounce all over the place, and one only has to look at the Power Pool web site to confirm that. This is what consumers will be facing with the flow-through option that will be part of this legislation. We have to have a serious look at how to improve this.

I know that there has been a consultation process. A lot of people have been contacted, and a lot of people have discussed these

amendments, but I don't know if consumers, if Martha and Henry have been consulted on this. I don't know what Martha and Henry are paying for electricity and who their provider is these days, but I'll bet Martha and Henry are not happy. In fact, I'm going to have to keep an eye out for Martha's and Henry's names on the natural gas rebate petitions that are just coming in because I'm certain that they have an opinion on that.

At this time, Mr. Chairman, I would like to adjourn debate on Bill 3, the Electric Utilities Act. Thank you.

[Motion to adjourn debate carried]

The Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following: Bill 11 and Bill 13. The committee reports progress on Bill 3.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I would move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 9:39 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Thursday, March 6, 2003**

1:30 p.m.

Date: 2003/03/06

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. Our Father, we thank You for Your abundant blessings to our province and ourselves. We ask You to ensure to us Your guidance and the will to follow it. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. It's indeed a pleasure to rise once again and introduce to you and through you to all members of this House some very special guests who are here today, six representatives from Chrysalis. Yes, indeed, Chrysalis is one of our very special Alberta societies for persons with disabilities. Representatives who are here today include Mr. Stan Fisher, the president and CEO; Trevor Crick, the vice-president for Edmonton; Linda Pinney, vice-president for Calgary; Laurie Balfour, the controller; and Isabelita Wheeler, the executive assistant. As with many members in this House we've all had the pleasure of seeing some of the tremendous work these individuals do on behalf of some of the most needy people across this province. I've been to many of their events, and I know how hard they work and the sincerity that they bring to that work. So it is with great, great pride that I ask them all to stand now and receive the very warm welcome of all members of this House. Please rise.

The Speaker: The hon. Minister of Finance.

Mrs. Nelson: Thank you very much, Mr. Speaker. It is with great pleasure that I introduce to you and through you to members of the Assembly a number of people who are visiting the Legislature from the Department of Finance. For many of them this is their first time since they were in grade school that they've been back into this actual Assembly. So we do welcome them today. They are Peter Blandy, Bradley Geddes, Felix Choo, Gerald Beaudry, Sophie Baran, Tara Dahl, Linda Sinclair, Lorna Smith, and Dave Mulyk. They are in the members' gallery, and I'd ask them all to rise and receive the very warm welcome of the Assembly.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. I have two sets of introductions today. The first one: it gives me great pleasure to introduce to you and through you Janice Schmidt, who is a first-year student at NAIT in the office and records administration program. Today she is job shadowing with Tanya Cliff, who works in my office and is a graduate of the same program. I would ask that both Janice and Tanya stand and receive the warm welcome of the Legislative Assembly.

The second set of introductions is two people that have journeyed from Brooks to meet with the Minister of Seniors and receive some excellent news today, I understand, about things that will happen in Brooks. They are Barry Morishita and Diane Murray. I would ask them to stand and receive the warm welcome of the Legislative Assembly.

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

Mr. Cao: Thank you, Mr. Speaker. I would like to introduce to you and through you to all members of the Assembly Allan Jobson, one of my Calgary-Fort constituents. He has in-depth knowledge of WCB matters, has written many documents to suggest improvement in WCB legislation, policies, and regulation. He currently volunteers in my office advising injured workers regarding their WCB claims. He is here in Edmonton to help organize the injured workers groups provincewide. The new umbrella organization helps to inform injured workers of their rights, including the right to be informed of all benefits, entitlements, administrative procedures, and appeals, and also their doctor's right to assist them with their medical treatment and rehabilitation. This organization, sir, hopes with the help of government and training institutions to devise a way for injured workers to take charge of their rehab. Also, in Allan's words: we also want to dismiss the continued myth . . .

The Speaker: Hon. member, there is part of the Routine known as Members' Statements. Perhaps the member might look at that and just get on with the introduction now.

Mr. Cao: Thank you, Mr. Speaker. I would like to ask Allan to rise and receive the traditional welcome of this House.

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

Mr. Lukaszuk: Thank you, Mr. Speaker. With us today in the gallery are three fine employees of ATCO company, a company that has just donated brand-new computers to schools in Castle Downs, and they are Mr. Bart West, director of corporate affairs; Ms Aleksandra Nowacka, senior analyst; and Mr. Bob Baer, regulatory manager. I would like them to rise and receive the traditional welcome of this Assembly.

Thank you.

Mr. VanderBurg: Mr. Speaker, it gives me great pleasure to introduce three special ladies to you and to all of my colleagues: first, my mom, Kitty; my baby sister, Pat; and my lovely bride for 27 years, Liz.

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

Mr. Mason: Thanks very much, Mr. Speaker. Today I'm very pleased to introduce to you and through you to the Assembly some very important people. The first is the person who's known me longer than anyone else, and that's my father, Bob Mason, as well as my stepmother, Kay Guthrie. With them today are my cousins who are visiting from Britain, Stewart Wallace and Annalisa Wallace. They're going to take some time touring the province. They've spent some time with my sister in Calgary, and they're going to be seeing a Flames and Oilers game. They're going to be doing a little bit of skiing, and they're going to be seeing many of the fine things that Alberta has to offer. They are seated in the public gallery. I would ask them to rise and receive the warm welcome of this Assembly.

head: **Oral Question Period**

Energy Prices

Dr. Nicol: Albertans gripped by the chill of soaring natural gas prices must brace for another icy blast when they open up their next power bill. This government has broken one promise after another: first, no natural gas rebates, and now higher, not lower, power bills

due to this government's botched deregulation scheme. To the Premier: will the Premier admit that thanks to deregulation, where the price of power is determined by the highest bidder, that system causes power prices to spike along with natural gas prices?

Mr. Klein: Mr. Speaker, I guess it's a matter of the market prevailing. Quite simply, through deregulation we firmly believe that competition will bring the price down. That is happening. You know, there are some tremendous deals out there. Just listening to the radio – and this is a city-owned utility, Enmax, and if I recall, a city of Calgary owned utility. I know that he's familiar with the city of Edmonton owned utility because they set the rates. At least when he was on the board of EPCOR, they set the rates. But I heard an ad just the other day saying that if you sign a contract for gas and electricity through Enmax, you get two months free of both electricity and natural gas. Now, that seems to me to be a deal. I don't know the intricacies of how long the contract is, but this is an example of how competition works. This is a company that's out there competing in the retail market and offering deals. It's just like any other commodity, any other retailer. We see it all the time with automobiles. We see it with groceries. We see it with furniture. We see it with real estate, and now we're seeing it with power. So there are deals to be had.

1:40

Dr. Nicol: To the Premier: given that it is impossible for a school board to put on a sweater and the Catholic school board needs an additional \$2.2 million to pay their utility bills, will this government help schools pay their utility bills, just like they did before the last election?

Mr. Klein: Mr. Speaker, there is a program in place. I've repeated the answer I think about 17 or 18 or maybe 27 or 30 times, but I'll say it once more just so the hon. leader of the Liberal Party understands and he won't have to ask the question ever, ever again.

The answer is that we put in a legislated rebate program that kicks in when the price of natural gas reaches \$5.50 a gigajoule, and this government plans to do absolutely nothing beyond abiding by the rules and regulations associated with that protective legislation.

Dr. Nicol: Mr. Premier, then why didn't you put together the regulations on that particular piece of legislation the way you promised Albertans you would during the election and the way you promised them you would during the debate on that legislation? You talked about onetime support, not this year-long average. Is that not true?

Mr. Klein: I'll tell you what is true, Mr. Speaker. You know, the Liberals didn't follow me to all my campaign stops. They should have. Perhaps they would have been more successful. I don't think they would have been, but I say that facetiously. I can tell you that what I said during the campaign at every campaign stop was: folks, after dealing with this emergency situation on an ad hoc basis, we will consider a program very similar to the interest-shielding program that was introduced by then Premier Peter Lougheed, where interest rates were shielded down to 12 percent. Once the price dropped below 12 percent, the shielding came off. I said that we would introduce a program similar to that relative to natural gas, and we were true to our promise. We did precisely that.

Energy Marketing

Dr. Nicol: This government is good at making promises but short on delivery. They promised natural gas rebates we will never get. They

promised low electricity prices that will never arrive. Now it's unleashing energy retailers on consumers who don't know what a kilowatt is from a gigajoule. Mr first question to the Minister of Government Services: how will the government ensure that Albertans are not taken advantage of by retailers who seem to come calling just when energy prices spike?

Mr. Coutts: Mr. Speaker, under the legislation that we have in Government Services, as it pertains to natural gas and electricity marketing, marketers that go out there have a code of conduct that they must follow. As well, they must present themselves, identify themselves, the company they're representing, and they must come forward with a contract to present to the person that they're trying to sell to, and they must properly represent themselves and their company and the product that they're trying to sell before that prospective customer. That legislation is in place, and we adhere to that legislation. When we get complaints, as was indicated here last fall, we will take the proper procedures to investigate those complaints and take the appropriate action under the legislation.

The Speaker: The hon. minister to supplement.

Mr. Smith: Well, thank you, Mr. Speaker. I want to help the Leader of the Opposition out as much as I can. A megawatt-hour is the amount of energy used to heat one home for a year, and in fact a gigawatt-hour is equal to 1 million kilowatt-hours or 1,000 megawatt-hours. So anytime the member needs further information on how to measure electricity either by its consumption or by its sale, I would direct him to www.energy.gov.ab.ca.

Dr. Nicol: To the Premier: why didn't the government bring in the consumer education plan that was suggested at the time deregulation was brought in?

Mr. Klein: Mr. Speaker, the question may be a good one, or it may not be a good one – I really don't know – but I'll have the hon. Minister of Government Services answer it.

Mr. Coutts: Mr. Speaker, in terms of energy pricing either on the natural gas side or on the electrical side, that comes under the EUB, and the Minister of Energy for the province of Alberta has explained that whole process many, many, many times in this House. I have just explained what Government Services does in terms of consumer protection when people are asked to sign a contract. That legislation is in place and we abide by it and we will investigate when we get complaints.

Dr. Nicol: To the minister of consumer affairs. Do you not think that education of the consumer is an important part of consumer protection? Why haven't you implemented that education plan that you promised?

Mr. Coutts: Mr. Speaker, I don't know where the hon. member opposite has been. We have had consumer tip sheets out on electrical marketers, on natural gas marketers, on conservation, on energy conservation. We have had that out there for many, many, many years. It's available on the web. I'm sorry; unlike others in the Assembly I don't happen to know the www dot numbers, but I'll get it for you. That information is available on tip sheets. It's also available from the people in the industry. You've got EPCOR. You've got Enmax. You've got all of the companies that give out these kinds of tip sheets on energy savers for their homes.

Energy Efficiency Retrofit Assistance

Ms Carlson: Mr. Speaker, with energy costs skyrocketing, everyone is paying more, and while this government wallows in royalty cash, schools, hospitals, and municipalities must take valuable dollars from vital areas like classrooms and emergency wards to be able to keep the temperature in their buildings at a reasonable level. My questions are to the Premier. Given that every American state and many Canadian provinces have already accepted and developed energy efficiency retrofit assistance and incentive programs, when is the Premier going to introduce one in Alberta?

Mr. Klein: Mr. Speaker, a very, very interesting question. I had a briefing note on exactly what we have done, and the list is very impressive. I'm looking for it. I would be very happy to provide the hon. member with the steps that have been taken to conserve energy. The steps have been very significant indeed.

Yesterday – I haven't discussed this with the Minister of Infrastructure yet – I had the opportunity of introducing two individuals in the Legislature, both involved in architecture and retrofits and designing buildings in a way that is energy efficient. One of the participants, who couldn't be here, was about to conduct a seminar with the Alberta Urban Municipalities Association, but she's also on the board of governors of an organization called LEED. I don't know exactly what the acronym stands for, but it is an American organization that really sets standards for the construction of institutional buildings: hospitals, schools, other government buildings. I've asked that individual to send me as much information as she possibly can as to how we can participate in that program, and I'll be having that discussion with the hon. minister and members of my caucus.

Ms Carlson: Well, Mr. Speaker, here's another good idea for the Premier: now that the government has adopted two of the Alberta Liberals' great ideas, the sustainability fund and infrastructure fund, will he not adopt the retrofit fund for the benefit of all Albertans?

Mr. Klein: Mr. Speaker, I'm not going to get into the establishment of funds or anything else until we decide exactly what we're going to do. As I said, we've already done a tremendous amount. I'll have the hon. Minister of Infrastructure supplement relative to what we have done, and we will do more.

After we decide what we're going to do as a matter of policy, then we will assign the appropriate amount of money to that particular project. Whether it's in a special fund or not, I don't know at this particular time. I'll have the hon. minister supplement.

1:50

Mr. Lund: Mr. Speaker, in all of our modernization plans and whenever we build anything new, we do put in all the necessary things to make the building the most efficient that it can be, whether it be added insulation, the most efficient types of lighting, those types of things. But I think it's also important to recognize what the government itself has done over time. Back in about '95-96 we started the energy efficient retrofit program, which saw us do some 200 projects where we put in efficient lights, did things with the insulation, did things with the heating, and that whole program has shown the reduction in our consumption in the electrical and the energy side by a very large percentage. So we would encourage people to look at something along that line because, in fact, there are many things that you can do in your own home or in your own business that will have a payback within three years or five years.

The Speaker: The hon. member.

Ms Carlson: Thank you, Mr. Speaker. To the Premier: given that we've heard this minister brag about their own energy efficiency initiatives, which are good, when is this government going to help schools, hospitals, and municipalities attain the same level of energy efficiency, which would also be good, and seriously put more money in the hands of these organizations for operating costs?

Mr. Klein: Mr. Speaker, according to this expert – and I will take my advice from experts. This individual from yesterday – I believe her name was Ms Manasc – devotes her architectural life to designing and retrofitting buildings to make them energy efficient, and she is a recognized spokesperson on this particular issue, so she is an expert.

Once we decide what we're going to do as a matter of policy, that policy will then extend to school boards and hospital boards, hospital districts, and so on.

But the point I want to make, because I asked her precisely this question, is that the Liberals say: you need more money to do this. And she says no. She says that the construction costs are about the same, and the operating costs are far, far less, so they should be asking for less money.

The Speaker: We've already spent nearly six minutes on this set.

The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-McCall.

Electricity Prices

Mr. Mason: Thanks very much, Mr. Speaker. A survey by Manitoba Hydro, released by the New Democrat opposition this morning, shows that Albertans in every community from Taber to Grande Prairie are paying more than other Canadians for their electricity, and as the wholesale price of electricity keeps going up, this government's credibility drops like a stone. The one exception to this is the shining example of Medicine Hat, where publicly owned utilities lead the way with the cheapest nonhydro power in Canada. My first question is to the Minister of Energy. Now that this government has the distinction of being the administration that squandered the best energy advantage in the entire country, will the minister stop trying to convince Albertans that bills are going to go down and, instead, admit that, in fact, almost every part of this province, with the exception of Medicine Hat, pays more for electricity than the rest of the country?

Mr. Smith: Mr. Speaker, because we do not own our own generation facilities – and, in fact, unlike the other parts of Canada, where there is at least 100 billion Canadian dollars of debt stacked up against these artificially low electricity prices, we don't keep track of the prices we have because we aren't responsible for them. The marketplace is. I do have in my possession information that indicates that of the people that are offering electricity in the province, ATCO is competitive with other jurisdictions across Canada.

Now, with respect to the policy, there may be others who wish to add. Thank you.

Mr. Klein: Well, Mr. Speaker, I can't help but supplement because the hon. Member for Edmonton-Highlands is leaving the wrong impression. You know, it's true that electricity prices are higher than normal right now, and it's probably true that they're higher than in Manitoba, but you have to understand that Manitoba and Quebec, the two supporters of the Kyoto protocol, co-incidentally, have huge, vast amounts of water – huge amounts of water – and they're able to build these huge, massive dams to generate hydro power.

Dr. Pannu: What about Medicine Hat?

Mr. Klein: Medicine Hat, as Rudyard Kipling says, has all hell for a basement. Name me one other city.

The Speaker: The hon. member.

Mr. Mason: Thanks very much, Mr. Speaker. I do appreciate the Premier's effort to help out his minister.

I do want to ask the minister another question. Since he is so insistent on meddling with utilities and rearranging the deck chairs on the *Titanic*, will he at least look at the Medicine Hat model, which still delivers the cheapest nonhydro power costs in the country?

Mr. Smith: Mr. Speaker, you know, one of the good fortunes this government has is that it has two representatives in this government from the city of Medicine Hat, unlike the zero representatives that come from the ND for Medicine Hat. I have information from the Member for Medicine Hat, who says: "The prices in Medicine Hat have gone up dramatically over the past two years. As old gas reserves are depleted and new gas is used, the price rises even more, until it reaches the same level as anyplace else." Fundamental market supply and demand.

Now, Mr. Speaker, let's just talk about the Manitoba example for one second.

The Speaker: Hon. minister, please. We've now gone five minutes in this exchange. There are a whole series of members that want to participate.

The hon. member.

Mr. Mason: Thanks very much, Mr. Speaker. My final question is to the Minister of Finance. Since the Minister of Energy has proven himself unable or unwilling to deal with high power prices, will the Minister of Finance tell us if she has any plan to combat the high inflation in this province, caused in large part due to rising energy prices, other than dealing with the person three places to her right?

Mrs. Nelson: Well, Mr. Speaker, there's no secret to the fact that Alberta is leading the way in economic growth in this country once again, and I can tell you that we believe that that will continue. I believe that someone wants to supplement my answer, but there's no secret to that kind of arrangement. I don't know why the opposition is so surprised with the growth and success that's occurring in this province, that is not found anywhere else.

Centennial Programs

Mr. Shariff: Mr. Speaker, Alberta's centennial year, 2005, is rapidly approaching. Many communities, municipalities, and other organizations throughout our province are becoming very anxious to know how the plans announced a few years ago by our government are proceeding. My questions are to the Minister of Community Development, who is responsible for Alberta's centennial program. Can the minister apprise this Assembly of the status of this important program that Albertans are counting on?

The Speaker: The hon. minister.

Mr. Zwozdesky: Thank you, Mr. Speaker. I'd be happy to do that. In fact, we've had tremendous interest in the Alberta centennial programs. We have dozens of municipalities and community-based

organizations who are right now undertaking and finalizing some of their plans for special arts festivals, special cultural events, sports days, contests, competitions, reunions, homecomings, and so on.

From the government of Alberta's perspective we're also working on our medals program, coins, flags, banners, and of course the important celebration day itself, September 1. Our MLA for Calgary-Fort is chairing the official Alberta song competition, which will be unveiled very soon. That's drawn a lot of interest as well.

Finally, I would just say that our provincial government, myself specifically, has been working with the federal government on some larger initiatives, and those details will flow out as we come closer to the event itself.

2:00

Mr. Shariff: Mr. Speaker, my first supplemental is again to the same minister. What is the status of the request for financial assistance from community-based projects?

Mr. Zwozdesky: Well, Mr. Speaker, members of this House will recall that we had an application deadline for phase 2 of community-based centennial programs looking for financial assistance. That deadline was March 1, and unfortunately just prior to our being able to announce them, we experienced the tragedy of September 11, and the centennial program was deferred. The bottom line is that we had about 150 applications that came in, requesting hundreds of millions of dollars, which was beyond our official capacity anyway, but that centennial program for community-based projects still remains officially deferred.

I would say, Mr. Speaker, that we were happy to fund approximately 12 projects to the tune of about \$56 million from Olds to St. Paul to Grande Prairie to Calgary to Edmonton, and I'd be happy to provide that list at some point if members of the House would wish to have it.

The Speaker: The hon. member?

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

Labour Legislation

Mr. MacDonald: Thank you, Mr. Speaker. Health care workers are very concerned that their democratic rights will be eroded even further by this government. Unions in a wide variety of professions, from teachers to tradespersons, fear that they will also be on that list and that that list will lead directly to right-to-work legislation. My first question is to the minister of human resources. Is it the ultimate goal of this government to bring in right-to-work legislation for teachers and other unionized workers in this province?

Mr. Dunford: The answer is no. We recognize the ability of people to bargain collectively. What we have here, of course, though, is the situation where the importance that has been portrayed to the government and portrayed by this government is that health care is the most important issue we have in front of us. There are reforms that need to go forward, and we think – and we think that many Albertans will agree with us – it is very important, then, to find a way to streamline and make more effective and more efficient the labour relations that take place within the health care sector.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the same minister: how many professions is this government prepared to deem an essential service in order to abolish unions in this province?

Mr. Dunford: Well, one of the interesting things about Alberta, Mr. Speaker, is that we generally enjoy very good relationships with the union movement despite the fact that we're a Progressive Conservative government. Now, there are all kinds of Liberals and there are all kinds of NDP people that try to find ways to wiggle in between there and wedge us apart, but when you look at the record in Alberta, you find that we have an incredibly successful way in which we handle the disputes that arise at times between employers and employees.

One of the areas of measurement of a minister within this portfolio, of course, is the number of negotiations where job action is the end result. You know, we're the lowest in Canada. We think that's very important, and we think that's a sign of a healthy relationship between the government and its union movement.

Mr. MacDonald: Mr. Speaker, to the Premier: given that the Premier was quoted in 1999 stating that this government has always resisted right-to-work legislation because there is a good balance between the right to work and the right of unions to organize, if this is true, why set up a secret, powerful cabinet committee to study right-to-work legislation, that is going to do nothing but destabilize labour relations in this province for the next five to six years?

Mr. Klein: Mr. Speaker, I am so happy that the hon. member asked that question and, as part of his preamble, alluded to this so-called secret committee. I take the hon. member back to *Hansard*, Thursday, November 21, 2002. Please excuse me for not using the hon. member's constituency, because I am quoting directly from *Hansard*.

Ms Carlson: To the Premier: then how does the government answer the charge that this new policy they are floating is a socialist policy, not free market based? Mr. Premier, you look like Pierre Elliott Trudeau on wage and price controls.

Mr. Speaker, here's the answer:

Mr. Klein: Mr. Speaker, again the Liberals are conducting their research in the *Edmonton Journal* and the *Calgary Herald*. Clearly, public-sector salaries account for about \$10.8 billion of the government's budget, and each increase in public-sector salaries costs the province about \$108 million, and since government funds the public sector, we have to ensure that salary settlements are sustainable over the long term. We need to do that so we can budget and budget properly. So we do have a group of government members looking at strategies to deal with the impact of public-sector salary increases on the provincial budget . . .

Mr. Speaker, that so-called secret committee was announced almost six months ago.

. . . but I can tell the hon. member that no concrete proposals have been brought forward to cabinet or caucus or Treasury Board [at this time].

Mr. Speaker, this nonsense that they spout about a secret committee is nothing more than that: absolute nonsense. They are misleading the people, because they knew – they knew – at that particular time. They are not telling the truth, and that is a shame.

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

Electricity Supply

Mr. Cao: Thank you, Mr. Speaker. Given that electricity is a vital part of Albertans' businesses and a key component in Albertans' quality of living and that this winter has been the coldest in a number of years, because of news they are hearing about blackouts in other provinces, my constituents are concerned. My question is to the

hon. Minister of Energy. How does Alberta's restructured electricity market work to prevent blackouts and ensure adequate supply?

Mr. Smith: Mr. Speaker, in many ways, and it does it in such a way that it brings power to the marketplace so that there aren't blackouts.

But in terms of comparing provinces, I think that maybe the Premier may wish to supplement on some of the discussions that go on about people leaving one province and coming to another. Is it for the power? What reasons is it for?

Mr. Klein: Well, Mr. Speaker, indeed, I do appreciate very much this opportunity to supplement, because while the opposition NDs are out telling Albertans how bad it is in this particular province – and they are. I don't know how they provide policy direction to their communications director, if indeed he is their communications director still, but I do quote Lou Arab. Now, I don't know if Lou Arab is still with the NDs, but

Lou Arab cut \$240,000 off his mortgage when he left Vancouver in April [of last year] for a job in Edmonton that paid him less money, but left him further ahead financially with less stress.

"We lived in this great neighbourhood (yet) we were one car accident or roof repair away from financial ruin," said Arab, communications officer for the tiny New Democrat caucus in the Alberta legislature.

The Speaker: Hon. Member for Edmonton-Highlands, you rose on a point of order?

Mr. Mason: Yes, I did, Mr. Speaker.

The Speaker: Okay. We'll deal with it later.

The hon. Member for Calgary-Fort.

Mr. Cao: Thank you, Mr. Speaker. My second supplemental question is to the Minister of Energy. Talking about the concern for blackouts and ensuring an adequate supply of energy, I would like to ask the minister: how does this new generation restructuring benefit Albertans?

2:10

Mr. Smith: Mr. Speaker, Alberta's restructured market does not hide the true price of power. In fact, some 2,500 new megawatts of generation came on without causing the ratepayer additional expense. Now, it's so difficult these days to compare apples and apples in the power business. Ontario, which reverted to the Crown model and to the price-fixing model, is now being subject to rolling blackouts. That has not happened in Alberta. Manitoba, which allegedly has some low power rate – also, what is not being mentioned by the New Democrat Member for Edmonton-Highlands is that that New Democratic government put Manitoba in the highest personal tax rate in Canada. Is that the price you pay?

Mr. Cao: My last supplemental question is to the same minister. Thinking about the Alberta situation here, what electricity choices do Albertans now have?

Mr. Smith: Mr. Speaker, this marketplace still remains regulated. There is the regulated rate option, that is tabled on an annual basis. The EPCOR/Aquila service network tables with the Alberta Energy and Utilities Board. The ATCO service network tables with the Energy and Utilities Board. After, I'm hoping, through the successful guidance of the Member for Grande Prairie-Smoky, that in fact EPCOR and Enmax RROs will be approved for the year 2004-2005. During that time there are other options outside of the regulated

envelope that customers can avail themselves of, and I strongly advocate that they contact their utility companies.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Red Deer-North.

Preschool Programs

Dr. Massey: Thank you, Mr. Speaker. Each Thursday Alberta Liberals will ask a specific question that members of the public have asked us to pose. Today's questions raise the concerns of Helena Beca, who is an Edmonton playschool teacher and also vice-president of the Edmonton Preschool Association. My questions are to the Minister of Learning. If children are such a high priority for this government, what will be done for Edmonton playschools that cannot afford the recently announced 500 percent rent increases?

Dr. Oberg: Mr. Speaker, I, too, read the *Edmonton Journal* this morning and saw this. It looks like what is occurring is that the playschools have had very much a subsidized rent from the Edmonton public school board. Playschools are outside of the basic mandate of the School Act, and they have decided to take the money and subsidize a playschool program. The average amount of dollars that goes on operations and maintenance for schools is around \$55 per square metre, and even at that point the school boards are saying that it's quite tight.

My understanding is – and again I must only say that I read this in the paper – that they were paying approximately \$8 per square metre. What Edmonton public school board is looking to do is bring their rate up to be very comparable with Edmonton Catholic over the next five years. I agree with Edmonton public that they should not do that immediately, that it has to be done slowly to allow the parents to be able to come to grips with that. My understanding is that they are bringing it up to the same level as the Edmonton Catholic school board.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister: was jacking up leases on preschool and out-of-school care programs a suggestion of the minister's audit team?

Dr. Oberg: No.

The Speaker: The hon. member.

Dr. Massey: Thank you. My third question is to the Minister of Children's Services. Will your department take any responsibility for helping to keep these Edmonton preschool and out-of-school care programs open?

Ms Evans: Mr. Speaker, through family and community support services in this province we fund \$57 million to the municipalities of Alberta, 266 of which take advantage of that program. The city of Edmonton gets approximately \$15 million and, with local family and community services boards, can assign priorities, does assign priorities, and spends dollars in support of programs that support the community. We do not directly manage how those priorities are established except to fund on an 80-20 basis, 80 cents from the province and 20 cents locally, those municipalities that make that identification.

With the Minister of Human Resources and Employment over the last three years there have been times, for before- and after-school

child care, when we have directly assisted the city of Edmonton at their request for very special needs for those children that are in that category. Mr. Speaker, it would not be appropriate for us to pick either their priorities or influence that. No doubt those parents can go back and talk to family and community support services and say: are there assignments of dollars that can be made to this program? But I do believe that, fundamentally, parents through their local municipal government have the right to set those priorities.

I should point out further, Mr. Speaker, that this past year, when we added \$15 million more to that program, we made it fully funded, as per the request of municipalities for social programs that they wanted to influence.

The Speaker: The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Glengarry.

Crystal Methamphetamine

Mrs. Jablonski: Thank you. Mr. Speaker, we may be facing an epidemic of crystal methamphetamine use in Alberta. Crystal meth is an illegal drug that can be produced from raw materials found on store shelves and is sold on our streets, usually to students. Crystal meth creates a feeling of euphoria for six to eight hours. Use it twice and you're addicted. This drug is considered to be the worst drug that ever hit the streets of the United States, and there is an alarming increase in its manufacture and use in Alberta. Our children are being targeted, and there is a high risk of aggressive and violent behaviour, paranoia, and brain damage. Our youth, our parents, and our teachers need to be well informed of this highly dangerous drug. My question is to the Minister of Health and Wellness. What is this government doing to deal with the rapid increase in methamphetamine use in the province?

Mr. Mar: Well, Mr. Speaker, this drug is highly addictive, and as has been suggested by the hon. member, it's easy to manufacture with ingredients that are relatively easy to obtain. In this province AADAC is the Alberta government's lead organization in providing information, prevention, and treatment services for alcohol and drugs. AADAC is well aware of the concerns and the problem associated with the increase in the use of crystal meth, or speed, as it's referred to. The drug is more technically known as methamphetamine.

Now, Mr. Speaker, in order to address crystal meth use in Alberta, AADAC has been working with community organizations throughout the province including the police, schools, and workplaces as well. Their focus has been to increase the awareness of the risks associated with the use of crystal meth. AADAC is also reviewing its treatment protocols around this particular drug to ensure that it continues to follow best practices. AADAC does offer information and treatment assistance for crystal meth use, and anybody needing help should contact AADAC.

Mrs. Jablonski: My second question is to the Solicitor General. Given that the synthetic drug has an extremely high potential for abuse, dependence, and brain damage, what are our police services in Alberta doing about the crystal meth labs and crystal meth dealers, that are on the increase in Alberta?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. The hon. member is right. The increase of meth use and the production of meth is well known to the law enforcement agencies in this province. The RCMP K

Division drug awareness, service, and chemical diversion program is working on a number of strategies to address this very serious issue. A drug-endangered children's seminar was presented in Edmonton in January. More than 800 police members, prosecutors, and children's service workers attended. Also, the conference was well attended in Calgary. The hon. Minister of Children's Services and I both attended. At the seminar a U.S. team of experts spoke on an innovative approach to dealing with the issues of meth and children. Under the program in the U.S. parallel drug and child abuse investigations are used to deal with home meth labs and the dangers children are exposed to.

The Minister of Children's Services and I have requested more information about the program. I have discussed it with the chiefs of police across the province, and I'm meeting with the RCMP in the next couple of weeks to discuss a drug-endangered children's protocol and how to address meth labs.

Injured Workers' Allegations

Mr. Bonner: Mr. Speaker, yesterday I tabled documents in this House that clearly illustrate the violation of the right to natural justice of an injured worker. In the tabled letter from the Solicitor General's public security department to the fraud investigation department of the Workers' Compensation Board, the public security department asked, "Can you please review and advise me what information should be provided from the Solicitor General to [the injured worker]." To the Solicitor General: why, given the Solicitor General's and the Minister of Justice's comments yesterday, was there no police investigation after allegations concerning bribery were forwarded to the Solicitor General?

The Speaker: The hon. minister.

2:20

Mrs. Forsyth: Thank you, Mr. Speaker. Again, we're at a question that was asked yesterday, and I had gone back to my office immediately after the questions and forwarded a letter to the hon. member asking him to provide documentation. I still haven't received that, but I have been doing some investigation, and I have some tablings that I'd like to present in regard to the injured worker he's talking about.

I'd like to quote from my letter that I wrote to the person he is referring to.

In regards to the allegations of bribery within the Workers' Compensation Board, I would encourage you to forward this information, in writing, to the Calgary Police Service. My department does not have investigative authority to address this.

The Speaker: The hon. member.

Mr. Bonner: Thank you, Mr. Speaker. To the same minister: since this injured worker cannot trust the Solicitor General for a fair and unbiased review of his complaint, who in the province should he turn to?

Mrs. Forsyth: Mr. Speaker, you know, you wonder how low they'll go. Through all of this information and all of this stuff I have to tell you that I got a call from someone, and they said: don't get off the horse to fight the pigs, Heather.

I would like to mention again that I have directed the person who is inquiring about this particular issue: "In regards to the allegations of bribery within the Workers' Compensation Board, I would encourage you to forward this information, in writing, to the Calgary Police Service." This has nothing to do with my department. I have told him to refer it to the Calgary Police Service.

Mr. Bonner: To the same minister, Mr. Speaker: given that tabled WC benefits payment documents indicated that the injured worker received a pension of \$155,199.06, of which he has not received to this day 1 cent, will the Solicitor General commit to conducting an investigation into this matter?

Mrs. Forsyth: Mr. Speaker, again the hon. member has asked me a question – this is a dispute that this particular person has with the WCB and obviously some payments that he feels he's due. He can contact the Minister of Human Resources, and certainly they'll try and do something.

Mr. Dunford: What's happening here isn't right. The hon. member in the opposition is trying to cast aspersions on an hon. member that's trying to do her job.

Now, he knows very well that I'm the minister responsible for the legislation, and if he's got something like this, then it should be showing up on my desk. Let's start directing the responsibility where it is. He knows very well that I'll take up this case.

Don't you go start picking on some other ministers. It's here where the responsibility is, and you know that.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Calgary-Buffalo.

Water Use by Oil and Gas Industry

Dr. Pannu: Thank you, Mr. Speaker. One year after a very serious drought in this province Albertans are more aware than ever that we live in a province with an abundance of oil and gas and a growing shortage of water. Almost all Albertans agree that too much freshwater is being used by the energy industry to produce and replace oil, thus taking that water out of the ecosystem and reducing our ability to engage in sustainable farming, to produce food, or to provide safe drinking water to Alberta communities. Unless the government takes action now, these simple, basic, everyday necessities and activities will be beyond the reach of future generations of Albertans. My questions are to the minister of environmental protection. What concrete action is the government taking in support of the phased reduction and eventual elimination of the use of freshwater by the energy industry?

Dr. Taylor: Well, Mr. Speaker, it's an interesting question, and it's been answered several times before in the House. Perhaps his staff should write different questions for him, but by the same token I will repeat my answers.

We have a water strategy that will be on our web site at roughly the end of March. At that stage it's a draft strategy; every Albertan will be able to respond to it. Very clearly, one of the issues is the utilization of freshwater, potable water we should call it, by the oil industry. But conservation is not just about the oil industry. Conservation is about all Albertans; the agricultural industry, for instance. I spoke at an irrigation conference just two weeks, three weeks ago and talked to irrigators about their need to conserve water. I spoke yesterday at an AUMA conference. To them I talked of the need of the municipalities to conserve water and the consumers to conserve water. So it's not about picking on one industry. It's about making all our industries more efficient in their utilization of water.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: can the minister outline a time frame with specific benchmarks for the

phased reduction and eventual elimination of the use of freshwater by the oil and gas industry?

Dr. Taylor: Mr. Speaker, I've already outlined the time frame. I've told this House before that at the end of March we'll have our strategy out there for people to comment on. Part of the discussion will be on all industries' utilization and consumer utilization of water, including, you know, his own use of water. For instance, consumers can save water.

I was in Australia just recently on a private visit, and I happened to notice that they have interesting toilets there. They have a toilet there that you can use a half a flush or a full flush. I would suggest that he get one of these toilets in his place because he needs to use the full flush quite often.

Dr. Pannu: Mr. Speaker, my last question to this minister, who's managing to be a little humorous today. I'm glad to see that. Will this minister give an undertaking to this House and through this House to all Albertans that any policies that he brings forward for conservation of water will not mean that this basic human need will be turned into a market commodity to be available only to those who can pay the highest price?

Dr. Taylor: We have no plans at present of putting a price on water, but I will be honest with you, Mr. Speaker, and the member. In the discussion strategy that you are going to see, you're going to see some discussion and a statement about whether or not there should be some kind of price for water. Now, that doesn't mean that it's our policy. This is a draft document that's coming out, and where we got this from was the stakeholder conference that we had last June in Red Deer and the thousands of responses that we got from Albertans saying that this is one issue that we should consider. So it will be part of the draft discussion document.

The Speaker: Hon. members, prior to recognizing the first of several hon. members to participate in Members' Statements today, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

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

Mr. Ducharme: Thank you, Mr. Speaker. It is my pleasure to introduce to you and through you to all the members of the Assembly a group of ladies and gentlemen representing the Métis Mothers of Alberta. They are here to witness the tabling of a petition by my colleague the MLA for Calgary-Cross. They are seated in the members' gallery, and I'd ask them to stand as I introduce them. I understand that some of the guests may not have arrived yet, but I will introduce all of them. Maryann Stepien; Gayle McKenzie; Muriel Stanley Venne; Audrey Poitras, the president of the Métis Nation of Alberta; Bertha Clark Jones; Deborah Coulter; Mr. Bob Coulter; Barb Budesheim; Melanie Omeniho; Mr. Jerry Letendre; Carol Carafelle-Brzezicki; and Mr. Trevor Gladue. I'd ask all members to please join me in extending them a warm, traditional welcome.

head: **Members' Statements**

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

Lois Hole Library Legacy Program

Mrs. O'Neill: Thank you, Mr. Speaker. Alberta's libraries are among Canada's finest, and they play a vital role in the lives of each generation and in the future growth and prosperity of our province.

Yesterday I had the opportunity to attend the official and proud launch of the Lois Hole library legacy program at our St. Albert public library. This program is truly the brainchild of Her Honour, after whom the program is named. The Lois Hole library legacy program began as an idea formed when our Lieutenant Governor gave a rousing speech to the library community at a library conference. On this occasion, as is her wont Her Honour departed from her prepared text and told the tale of Grandma Hole and her drawer full of sweaters. Apparently Her Honour discovered one Christmas that her mother-in-law had been graciously accepting the gifts of her children and relatives, often sweaters, and putting them into a drawer, where they were never worn. Her Honour noted: would it not have been better for everyone, including Grandma Hole, if the gifts had been to a library, honouring Grandma Hole in the process? Her Honour concluded by commenting that Grandma Hole certainly didn't need another sweater but the local library could certainly use another book.

2:30

So it is that the Lois Hole library legacy program invites friends to help build the collections in Alberta's libraries. Donations may be more than simply a personal gift to your library and community. The legacy program allows for a donation in the donor's own name or to honour a friend, family member, or organization. In recognition of Her Honour's special link to our St. Albert community through her contribution to libraries as both author and advocate and by virtue of Her Honour's longstanding utilization of our libraries, I am honoured to speak about this wonderful program in our Legislature today. I encourage everyone to consider participating in the Lois Hole library legacy program.

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

International Women's Day

Ms Blakeman: Thank you very much, Mr. Speaker. I would venture to say that many, perhaps most, people would say that women have achieved it all. You've come a long way, baby, and all of that rhetoric. Certainly, there are success stories: federal pay equity legislation, recognition of Alberta's Famous Five as nation builders, women in elected office in every level from school trustee through to MP and Senator, almost limitless career choices for our daughters from stay-at-home mom to CEO. I know that some will feel it's churlish of me to observe that we continue to have a gender gap in wages, that female lawyers and doctors continue to flee from an antifamily corporate culture, that choices in reproductive health are there on the books but not in reality. Just when will the minister of health have studied coverage and accessibility to midwifery services enough?

Well, gee whiz, Laurie, can't you just be content with how far women have come and sit down and be quiet? [interjections] Well, I wish I could, and that exchange of interjections is exactly why I stay up. It's no fun being a feminist in Alberta, I'll tell you, but those Alberta women who haven't achieved pay equity still look to me.

Sexual and workplace harassment toward women is still high on the hit parade of complaints to the Human Rights Commission. Poverty is still a women's area of expertise. Elderly women are still more likely to be staggeringly poor. Poor single-parent families are

still more likely to be headed by women, and poor kids come from poor families. Talk about your intergenerational debt. Women's shelters still ask me about their funding, and, yes, they did get an increase for staff salaries – rightly so, as they'd fallen behind their government counterparts – but shelters still do not get enough funding for most of the programs and outreach they offer.

So women have come a long way, far enough to celebrate but, for me, not far enough to sit back and be quiet. Happy International Women's Day.

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

International Women's Day

Mrs. Fritz: Thank you, Mr. Speaker. I, too, rise today to celebrate and acknowledge International Women's Day, which will be celebrated around the world this Saturday, on March 8. In 1977 the United Nations established International Women's Day as an opportunity to reflect on the many issues that affect women. These include reviewing the progress made to advance women's equality, assessing the challenges that are unique to women in a contemporary society, and considering future steps to enhance the status of women and acknowledging the gains made in each of these important areas.

This year, Mr. Speaker, the theme is Worldwide Women, WWW: Surfing the Digital Revolution. This theme encourages us all to take a closer look at the impact of information and communications technologies, in particular Internet applications, as they affect women and use these technologies to help advance women's issues and to promote greater equality.

The hon. Minister of Community Development, who is responsible for women's issues, recently met with his federal/provincial/territorial counterparts to address a number of issues which are of particular importance to women. These issues included the prevention of violence against women, promoting and pursuing women's health issues, and encouraging greater economic equality for women.

Mr. Speaker, International Women's Day is an important time to focus our attention on these and many other issues affecting our women in our province and elsewhere. Therefore, I would ask all members of this Assembly and all Albertans to consider these issues as we reflect on the many significant contributions that women have made and continue to make to our society.

Thank you, Mr. Speaker.

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

Electronic Health Records

Dr. Taft: Thanks, Mr. Speaker. Nothing is more personal than someone's health information. It can reveal what medical conditions you've had, what medication you're on, whether you suffer from an embarrassing or a socially unacceptable illness, and what treatment you're receiving. Every day health professionals collect and document these details to assist in diagnosis and treatment, but few health professionals or patients really have any idea where that information goes, who has access to it and under what circumstances. Nor do they know of the many secondary purposes this information may be used for.

Until now the Health Information Act gave Albertans a direct measure of control over these files. It required health professionals to get permission from Albertans before their identifiable health information was shared over electronic systems with other custodians. Now the Alberta government is taking part of that measure of control away.

The issue of control revolves around ownership. In Alberta this government has gone to great lengths to avoid even suggesting that Albertans own their own health information, because ownership implies rights, and ultimately it is the rights of individual Albertans that are being forgotten in this debate over health information. We are not opposed to electronic health records or to sharing of those records for medical purposes among health professionals. We are not opposed to streamlining the process to improve patient care, but this should not be done in haste, trampling patient rights in the process.

Roy Romanow, in his recent report on the future of medicare, recommended that individual Canadians have ownership over their personal health information. We agree with his recommendation. As Liberals we value the individual and the individual's rights. Health information is probably the most sensitive information that can be shared. Albertans should have some measure of control over how that information is shared.

Thank you.

head: **Statement by the Speaker**

Calendar of Special Events

The Speaker: Hon. members, before proceeding to the next order of business, every time an individual member in this Assembly rises to give recognition to a particular week or day, my office tends to get lit up with phone calls saying: well, how come these other days are not recognized? So just for the awareness of all members, the year 2003 is the International Year of Freshwater, March is Help Fight Liver Disease Month, National Kidney Month, National Nutrition Month, National Epilepsy Month, Learning Disabilities Month, Red Cross Month. March 1 to April 30 is Easter Seal mail campaign, March 2 to March 8 is International Women's Week, March 3 to March 7 is National Social Work Week, March 3 to March 9 is Pharmacist Awareness Week, March 7 is the World Day of Prayer, March 8 is the International Women's Day, March 8 is also the United Nations Day for Women's Rights and International Peace, March 9 to March 23 is the Semaine nationale de la Francophonie, March 10 is Commonwealth Day, March 14 to 20 is National Farm Safety Week, March 17 is St. Patrick's Day, March 20 is the Journée internationale de la Francophonie, March 21 is International Day for the Elimination of Racial Discrimination, March 21 is also World Poetry Day, March 21 to 28 is the Week of Solidarity with the Peoples Struggling against Racism and Racial Discrimination, March 22 is the World Day for Water, March 23 is World Meteorological Day, March 24 is World Tuberculosis Day, and March 27 is World Theatre Day. My apologies for any days or weeks that I'm unaware of.

head: **Presenting Petitions**

The Speaker: The hon. Member for Banff-Cochrane.

Mrs. Tarchuk: Thank you, Mr. Speaker. I wish to present a petition with 53 signatures from the constituency of Banff-Cochrane requesting the Legislative Assembly to urge the government of Alberta to revise the Public Health Act food establishment permit regulations as they relate to bed and breakfast.

Thank you.

head: **Notices of Motions**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you. Mr. Speaker, I rise pursuant to

Standing Order 34(2)(a) to give notice that on Monday I will move that written questions appearing on the Order Paper do stand and retain their places with the exception of written questions 1, 2, 4, and 7.

I'm also giving notice that on Monday I will move that motions for returns appearing on the Order Paper do stand and retain their places with the exception of motions for returns 1, 4, 5, 9, and 11.

Thank you.

2:40head: Introduction of Bills

The Speaker: The hon. Member for Calgary-North Hill.

Bill 12

Financial Sector Statutes Amendment Act, 2003

Mr. Magnus: Thank you, Mr. Speaker. I request leave today to introduce a bill being Bill 12, Financial Sector Statutes Amendment Act, 2003.

Bill 12 includes amendments to the Alberta Treasury Branches Act, the Credit Union Act, the Insurance Act, the Loan and Trust Corporations Act, and the Public Sector Pension Plans Act.

Thank you, Mr. Speaker.

[Motion carried; Bill 12 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that Bill 12 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

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

Bill 25

Class Proceedings Act

Mr. Rathgeber: Thank you very much, Mr. Speaker. I rise today and request leave to introduce Bill 25, the Class Proceedings Act.

Mr. Speaker, this legislation will help ensure that Alberta's civil justice system operates in a manner that is fair [inaudible] in promoting class action matters. This legislation sets out specific procedures that the parties must follow when pursuing a class action while bringing our legislation in line with the majority of other provinces.

[Motion carried; Bill 25 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I would move that Bill 25 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

head: Tabling Returns and Reports

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

Mrs. O'Neill: Thank you, Mr. Speaker. I rise to table five copies of a letter that I received from Karen Ferrari, who attended the education forum on Tuesday evening, a letter addressed to me asking me to continue to speak to the issue of education and its funding.

Thank you.

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

Dr. Taft: Thank you, Mr. Speaker. I have the appropriate number of copies of a document to table today listing prices on materials from the Learning Resources Centre of the Department of Learning and comparing them to prices from a private wholesaler. In some cases the Learning Resources Centre price is lower, but in many cases the private wholesaler is lower.

Thank you.

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

Ms Carlson: Thank you, Mr. Speaker. I have three tablings today. The first two are on behalf of the Leader of the Official Opposition, the first being from David MacBain, who is very concerned about freezing in the dark because of heating bills.

The second is from Al Yarmoloy, who is requesting that the Premier call an election, because he would like more money to offset his energy costs.

The third is the much awaited, for some strange reason, CAPP's, Canadian Association of Petroleum Producers', own paper entitled Water Use. I referred in my question yesterday to where they say, "Concern has been expressed that Alberta's oil and gas industry uses a large percentage (up to 30%) of Alberta's licensed ground water," and then state, "This is true," and, of course, then we get the "but."

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

Dr. Massey: Thank you, Mr. Speaker. With permission I table five copies of an e-mail from Lyn Palindat, secretary of the Kate Chegwin school council, addressed to the Minister of Learning asking why the minister declined an invitation to be a panel member at the forum on public education hosted by Kate Chegwin school council.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have two tablings today. The first one is a press release dated February 14, 2003, from the Alberta Liberal caucus, the Official Opposition, and it's in regard to high heating bills and a reminder of yet another Tory broken promise.

The second tabling I have this afternoon, Mr. Speaker, is copies of a petition urging the government to reinstate natural gas rebates. There are 152 signatures on this petition, and they are from Albertans from Smoky Lake, Waskatenau, Coleman, Bellevue, Castor, Innisfail, and Calgary.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I rise to table five copies of a document which comes from this House's own Standing Committee on Privileges and Elections, Standing Orders and Printing. It's dated November 25, 1987, and the title of this document is Report in Response to Government Motion No. 9 in Relation to Matters Dealing with Order and Privileges of the Assembly.

Thank you, Mr. Speaker.

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

Mr. Mason: Thanks very much, Mr. Speaker. I have one tabling today. It's a letter from Jacqueline Powell addressed to the Premier

and dated March 3, 2003. She is extremely disturbed that her combined gas and electric bill now surpasses her monthly mortgage payment.

Thank you, Mr. Speaker.

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

Mr. Cao: Thank you, Mr. Speaker. With your permission I rise today to table a report authored by Mr. Allan Jobson and a letter to him from the president of WCB. Mr. Jobson's report, a cross-examination of WCB annual reports, contains questions and suggestions hoping to lower workplace injury rates and claim costs.

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

Mrs. Fritz: Thank you, Mr. Speaker. In honour of Métis women I am pleased and proud to table in the Assembly today four copies of an historical petition of over a thousand names on behalf of all Métis mothers, who are deeply concerned and who are working hard to ensure that the Métis children taken into care in our province are identified in the child welfare legislation. This petition demonstrates a strong commitment to the culture and desire of Métis mothers, some of whom are with us here in the gallery today, to properly nurture their very precious children. Congratulations.

head: **Projected Government Business**

The Speaker: The Official Opposition House Leader.

Ms Carlson: Thank you, Mr. Speaker. I would ask at this time that the Government House Leader share next week's projected government business with us.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. Under projected government business for the week of March 10 to March 13, on Monday, March 10, under Government Bills and Orders for second reading at 9 p.m. Bill 22, Child and Family Services Authorities Amendment Act, 2003, Bill 23, the Family Support for Children with Disabilities Act, Bill 24, Child Welfare Amendment Act, 2003, and Bill 21, Ombudsman Amendment Act, 2003.

On Tuesday, March 11, in the afternoon under Government Bills and Orders for second reading Bill 12, Financial Sector Statutes Amendment Act, 2003, Bill 18, Energy Statutes Amendment Act, 2003, Bill 22, Child and Family Services Authorities Amendment Act, Bill 23, Family Support for Children with Disabilities Act, and Bill 24, the Child Welfare Amendment Act, and for third reading Bill 4, Alberta Personal Income Tax Amendment Act, 2003, and Bill 5, Line Fence Amendment Act, 2003. On Tuesday, March 11, at 8 p.m. under Government Bills and Orders in Committee of the Whole bills 6, 10, 15, 16, 19, 21, 18, and 3 and as per the Order Paper.

On Wednesday, March 12, in the afternoon under Government Bills and Orders for second reading Bill 14 and Bill 20, the Alberta Municipal Financing Corporation Amendment Act, 2003, and Bill 25, the Class Proceedings Act; in Committee of the Whole Bill 14 and Bill 20; and for third reading bills 3, 6, 7, 8, 9, 11, 13 and as per the Order Paper. At 8 p.m. under Government Bills and Orders Committee of Supply, interim supply, day 1 of 2; third reading of the Electric Utilities Act and as per the Order Paper.

On Thursday, March 13, in the afternoon under Government Bills and Orders Committee of Supply, interim supply, day 2 of 2, and we would at that time anticipate requesting unanimous consent of the

House to revert to Introduction of Bills to allow for the introduction of the Appropriation (Interim Supply) Act.

The Speaker: The hon. Member for Edmonton-Highlands on a point of order.

Point of Order

Referring to Nonmembers

Tabling a Cited Document

Mr. Mason: Thank you very much, Mr. Speaker. I rise on a point of order with respect to the comments made by the Premier in response to a question from the hon. Member for Calgary-Fort. The Premier read some document with which I am unfamiliar about a staff person of the Alberta New Democrat caucus. He read at some length and made suggestions that he didn't know if this person was still in our employ or whether he should remain in our employ. I don't have the Blues, but these are certainly my recollections of what the Premier said. He talked at some length, quoting personal information of this individual, and quite frankly it was nothing but a deliberate drive-by smear of the employee of our caucus, and I take very, very strong exception to it.

2:50

I have a number of citations, Mr. Speaker, with respect to this. Standing Order 37 deals with the tabling of documents, and it is well established in this House that when you are referring to a document, it should be tabled in the Assembly. Also, Standing Order 23(j) talks about use of language which is intended to create disorder.

I would like to also draw your attention, Mr. Speaker, to *Beauchesne* 77, which says:

Freedom of speech does not mean that Members have an unlimited or unrestrained right to speak on every issue. The rules of the House impose limits on the participation of Members and it is the duty of the Speaker to restrain those who abuse the rules.

That leads to *Beauchesne* 493(4), which I will quote briefly.

The Speaker has cautioned Members to exercise great care in making statements about persons who are outside the House and unable to reply.

This is also a subject of Marleau and Montpetit on page 524 of *House of Commons Procedure and Practice*, under Reference by Name to Members of the Public.

Members are discouraged from referring by name to persons who are not Members of Parliament and who do not enjoy parliamentary immunity, except in extraordinary circumstances when the national interest calls for the naming of an individual. The Speaker has ruled that Members have a responsibility to protect the innocent, not only from outright slander but from any slur directly or indirectly implied, and has stressed that Members should avoid as much as possible mentioning by name people from outside the House who are unable to reply and defend themselves against innuendo.

Mr. Speaker, the Premier's deliberate and premeditated attempt, in response to a question that did not even come from a member of the New Democrat opposition caucus, on a staff person who we highly value and who, obviously, the Premier fears is completely unacceptable. We take great offence to it. It's a violation of the rules of the House, the standards of the House, and I believe that the Premier should stand in his place and apologize to this House for that despicable slur upon our staff person.

Mr. Speaker, I know that you have ruled in the past that you wish the people who are the subjects of the points of order to be present at the time when you deal with them, so we would be happy to wait until Monday for the Premier to be present in order for this matter to be further dealt with.

Thank you, Mr. Speaker.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. There is no point of order raised in anything that the hon. member has just said. With respect to tabling of documents, he may have a point, and I would be happy on the Premier's behalf to table the requisite number of copies of a newspaper article, which normally doesn't get tabled in the House, a matter of public record from the *Edmonton Journal*, December 11, 2002, which is available to all members. So it needn't be made part of the sessional record. It's available to all members and anybody else on the Internet.

It's a newspaper article that the Premier was referring to, the reference of which was that the individual involved clearly submitted himself to the interview for the purposes of the article. It was an article, quite frankly, about how good it is to be in Alberta. A number of individuals were quoted in that article about why they've moved from B.C. to Alberta and how they have a better life in Alberta as a result of that. One of the people quoted in that article happened to be the individual mentioned by the Premier, and the information which he read at that time came directly from the article and referred to the individual, information that that individual obviously provided to the newspaper for the newspaper's publication about his role as a communications officer with the New Democrats.

I believe that I heard the Premier say – and I was sitting right beside him – that he didn't know whether the person was still working with the New Democrats. He didn't want to suggest for a moment that the situation that applied at the time the article was printed was still extant today, and I think that was an appropriate clarification on his behalf, but in no way did he cast any aspersions as to whether or not the individual should be working for the New Democrats. He only used the reference of the newspaper article to indicate that people are moving to Alberta because Alberta is a wonderful place to live, even New Democrats, obviously, or people who work for them. One shouldn't assume that they have memberships.

With respect to the issue about tabling, I'd be more than happy, if it's appropriate, to table the newspaper article, more than happy to do so on behalf of the Premier.

With respect to whether it creates disorder, I should hope that it wouldn't create disorder in this House to refer to people who, of their own accord, tell the media what a good opportunity there is in Alberta and what a good life you can have in Alberta if you choose to move here. I wouldn't think that that would be creating disorder.

With respect to *Beauchesne* 77, that "freedom of speech does not mean that [you] have an unlimited or unrestrained right," no, but during question period there's certainly a lot of latitude to be able to speak to issues that are raised. Again, at a time when you're talking about, as I remember the question, the comparison of energy prices and the cost of living, the remarks of the Premier were absolutely bang on point with respect to the privilege and benefit of those of us who have the opportunity to live in this great province.

With respect to the reference to *Beauchesne* 493(4), cautioning the members to "exercise great care in making statements about persons who are outside the House and unable to reply," I think that is a very, very important rule that all members should keep in mind at all times. Many members should be admonished with respect to that, sometimes with respect to letters or questions they raise and naming individuals' names. They ought to make sure that they have the permission of that member and that they don't refer to members. But, in this case, the rule does not apply because it was a newspaper article which that individual, obviously, submitted to the interview, gave his quotes, and it was published and is in the public domain for everybody to read both in back copies of the newspaper and on the Internet.

Mr. Speaker, there is no point of order.

The Speaker: Additional comments from members on this point?

Would the hon. Minister of Economic Development get to his place? The chair is going to stand up. Otherwise, he wants to stay there for 10 minutes. Well, hon. members, it's Thursday afternoon, so why not?

First of all, the hon. Member for Edmonton-Highlands is certainly within his right to rise on a purported point of order. I'm going to make one statement though. Swords tend to be sharp on both sides, and sometimes people may not necessarily want what they ask for. In the context of the comments that were made by both parliamentarians here this afternoon, should one accept all the arguments and enforce all the rules that were being demanded to be enforced, I daresay that question period would change very, very dramatically. So let me just deal with some of these things very, very quickly.

A comment was made with respect to *Beauchesne* 77 at the time, on freedom of speech, that members have an unlimited right to speak on every issue. Well, the fact of the matter is that in the exchange between the hon. Member for Calgary-Fort and the minister in question – and then there was an interjection by the Premier – that whole exchange for that set of questions took less than four and a half minutes. Now, that compares to the first set of the Leader of the Official Opposition, five; the second, four and a half; the third, five and a half; the third party question, the fourth question, was five and a half; the Member for Edmonton-Gold Bar and the minister of health's session was six minutes plus. So in terms of time it fits right within the norm. There was not anything inordinate, out of order with respect to that.

3:00

Secondly, in terms of what was actually said – and I'm going to quote from the Blues – this is what the Premier of the province of Alberta said:

Well, Mr. Speaker, indeed I do appreciate very much this opportunity to supplement because while the opposition NDs are out telling Albertans how bad it is in this particular province – and they are. I don't know how they provide policy direction to their communications director, if indeed he is their communications director still, but I do quote Lou Arab. Now, I don't know if Lou Arab is still with the NDs, but Lou Arab cut \$240,000 off his mortgage when he left Vancouver in April of last year for a job in Edmonton that paid him less money.

It goes on for some additional sentences. There's nothing in there that to my knowledge is scurrilous or meets the test of being scurrilous or disparaging or anything else, so I don't know. As far as I know, this was a quote that came from a newspaper. At least, the Government House Leader basically verifies that it is. He will table the document so that it'd be to the benefit of all members. If this is something that came right out of a newspaper, well, members tend to do this quite frequently.

Now, the business of naming names. There's caution here that should be applied to this, because let me tell you that today was a good example of a lot of individuals standing up and saying that they want to name names. The hon. Member for Edmonton-Highlands says: well, don't ever mention somebody's name. This is a name that came out of a newspaper, which is quite different. We also heard the Member for Edmonton-Mill Woods saying that each week he would bring to the attention of the Assembly a personal issue from somebody and raise the name of the person. No interjection was given at that time. We all saw another question and answer with respect to some purported legal dispute, so one has to be careful with respect to this.

On the point of order the closest point of order that I could ever find with respect to this whole thing might be the fact that a document might have been tabled at that point, but it was a quote

that came out. It was a short quote. Generally, our rule is that if you're going to have a long quote, table the document. You can quote a line or two or three out of something and you can generally get away with it. But I don't find any slur, directly or indirectly, with respect to this, hon. member, so I think we'll just pass on this one.

Now, before I say the next number of words, there is the question of when one deals in the Routine with a motion arising out of a ruling that basically caused a *prima facie* case of privilege. So we looked back as best we could and found that on May 12, 1994, there was a situation in terms of a ruling, and the Speaker of the day basically said that he would deal with it after Orders of the Day. So I'm now going to call Orders of the Day, sit down and get up, and we're going to deal with this question.

head: **Orders of the Day**

Motion under Standing Order 15(6)

The Speaker: Hon. members, before recognizing the hon. Member for Edmonton-Strathcona and a debate, if there is to be a debate, on a motion, if there is to be a motion . . . I'm couching my words because until we have the motion actually moved – I don't know if there's going to be a motion, but let's assume that there's going to be one. The chair would like to review some procedural issues surrounding this motion.

First, this motion is unique as it does not appear as a government motion or a private member's motion. It has its own category on the Order Paper as matters of privilege are extremely important matters to the life of a Legislature. The last privilege motion the chair recalls being debated in this Assembly was moved on May 12, 1994, and hon. members should know that the chair has firsthand knowledge with respect to that particular motion because at that time the chair ruled that the current Speaker, who was then the Deputy Premier, had a point that was in favour of the then Deputy Premier. So it was this chair, then, who could actually go that step. So there is firsthand knowledge with respect to this.

But since then, the time limits of debate have changed by changes to the Standing Orders. Now under Standing Order 29(1) there is one set of speaking times for government bills and motions and another set of time limits given for debate on private members' motions and bills under Standing Order 29(3). As this is a hybrid motion for which there is no existing provision, the chair must make a decision as provided for in Standing Order 2. Accordingly, the chair finds that each member speaking on the motion will be limited to 10 minutes. In reaching this decision, the chair was influenced by the provisions for debating a matter of urgent public importance under Standing Order 30, where every member is limited to 10 minutes. Like here, the Assembly is setting aside the ordinary business to debate something of significance. For greater clarity there will be no question-and-comment period after a member speaks.

As a follow-up to the many questions from members since yesterday's ruling let me reiterate that there is nothing in the ruling that precludes consultations prior to a bill going on notice. Putting a bill on notice presumes that the bill is in its final form. At that point, it is the members of the House who are to have first knowledge of the contents of the bill. This occurs at first reading.

Now, a ruling was given with respect to this matter. A decision was arrived at. An hon. member rose in the Assembly, apologized to the Assembly, and we moved on. But as a consequence of the House's Standing Orders, Standing Order 15(6), the Assembly has a motion before it, and if moved, then the House has to deal with it and dispose of it.

So at this point the chair will recognize the hon. Member for Edmonton-Strathcona, if he chooses to be recognized.

Dr. Pannu: Thank you, Mr. Speaker. I will begin by putting the motion on record. I move that

the matter of the question of privilege raised on March 4, 2003, by the Member for Edmonton-Strathcona regarding the Energy ministry media briefing on Bill 19, Gas Utilities Statutes Amendment Act, 2003, prior to it being introduced in the Legislature be referred to the Standing Committee on Privileges and Elections, Standing Orders and Printing to review the procedure to be followed in such cases in light of the Speaker's ruling of March 7, 2000, and the ruling of Speaker Milliken of the House of Commons of March 19, 2001, and the subsequent report of the House of Commons Standing Committee on Procedure and House Affairs

and, in addition, Mr. Speaker, in light of the ruling made by yourself yesterday.

I want to begin by acknowledging the apology of the Minister of Energy on behalf of the government in the Assembly yesterday. The minister's apology is full and complete. I accepted the minister's apology and consider that particular aspect of the matter closed.

It should be noted, Mr. Speaker, that the motion before us today does not deal with an apology for past actions. The motion before us today does not involve past actions at all but, rather, actions that need to be taken by this House in the future to ensure that these past mistakes are not repeated.

In this respect, it's important to note that the House of Commons voted in favour of a motion to refer the matter to the Standing Committee on Procedure and House Affairs. While there does not appear to have been a recorded vote on the motion brought forward by Alliance MP Vic Toews, it would not have been approved without the support of the government members, I think.

Mr. Speaker, as you noted yesterday in your ruling, what we are dealing with in the motion is a very narrow window of time, the time between when an item is put on notice and the time it is introduced into the Assembly. In most cases this time frame is only perhaps one full day or, at most, a few days.

As you noted in your ruling yesterday, Mr. Speaker, the matter that's before us in this motion should in no way impede the executive branch in its consultations and briefing on government legislation prior to and after a bill being placed on notice. I'm fully supportive of the consultations, whether it be news media, the public, or the opposition caucuses, prior to a bill being placed on notice. In fact, we on this side of the House encourage it and appreciate the opportunities for consultation with the government side. However, that's not the subject matter of this motion.

I note that the Standing Committee on Privileges and Elections, Standing Orders and Printing is chaired by the Member for Leduc and the deputy chair is the Member for Wetaskiwin-Camrose. I have had the pleasure of working with both of these members in other capacities and know them to be persons of the highest integrity. The fact that this standing committee rarely meets is not a valid argument for why it should or should not meet to consider the particular motion. In fact, I remind this House that the government members themselves have voted in favour of referring a *prima facie* breach of privilege to the standing committee on privileges and elections on at least one previous occasion. The fact that the standing committee on privileges and elections has rarely met is also reflective of the rarity with which the Speaker has actually ruled that a *prima facie* breach of privilege exists.

3:10

In fact, in the research on this that we have been able to do thus far, there have only been very few occasions in the past 20 years in

which the Speaker had ruled that a *prima facie* breach had occurred. It's a very rare event in the life of a Legislature, Mr. Speaker. One occasion involved a former Member for Athabasca-Lac La Biche and the right to use the French language in the Assembly. In that case, the Assembly voted in favour of a motion referring the matter to the standing committee on privileges and elections. The standing committee deliberated on that matter and issued a report with the recommendations that were tabled earlier today.

On another occasion, April 1993, that you have already referred to, the *prima facie* breach of privilege involved an allegation by a former Member for Calgary-Buffalo against a former Attorney General. On April 29, 1993, this House approved a motion to refer it to the standing committee, which involved allegations made by the then Member for Calgary-Buffalo against the then Attorney General. The Member for Barrhead on behalf of the government made the motion to refer. The motion was subsequently debated and approved by this House, though there is no record that the standing committee was ever called to consider the motion.

It is important to note that the matter that led to the breach in the case before this Assembly today did not involve any wrongdoing on the part of any individual member but, rather, imperfections and gaps in the process whereby this House deals with its own business and affairs.

In support of approving this motion, I also wish to refer this House to a memo from the Government House Leader to the Speaker dated March 5, 2003, and tabled yesterday in this Assembly. In this letter the Government House Leader makes the argument that this serious matter is best dealt with by way of an all-party committee. The House leader says:

Thus, I argue . . . there is no *prima facie* case of privilege; however with the able assistance of the Speaker, perhaps we can find some all party mechanism to once and for all establish some all party agreed-to process that eliminates this constant privilege issue and its nebulous relatives, and guides the honest efforts of people to consult with stakeholders.

Mr. Speaker, I couldn't agree more with the Government House Leader. The motion that is before this House today would do exactly what the House leader recommends be done in the submission yesterday to the Speaker.

In light of the Government House Leader's submission to the Speaker yesterday, I look forward to his support of this motion today. I'm certain that should the Assembly see fit to approve this motion, the standing committee of this Legislature, like the standing committee of the House of Commons, can work effectively to develop protocols that safeguard the rights of members while ensuring that information is provided in a timely manner to the news media and the public. Should the Assembly approve this motion, I'm prepared to commit that my colleague and I are prepared to work constructively to develop protocols and rules that achieve all of these ends. For all the above reasons I urge members on all sides of the House to support this important motion.

Thank you, Mr. Speaker.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'm pleased to rise and speak to this issue, and I want to start by indicating to the hon. member who moved the motion that, unfortunately, I cannot support his motion. I'll try and outline to the House why I cannot support his motion, but the gist of it is that the motion is tainted with a breach of privilege. A motion to refer a matter to the committee to deal with the issue of how briefings should be dealt with or when the House owns a bill and those sorts of things might be quite another

matter, but this motion is on the floor today because you, Mr. Speaker, ruled yesterday on a *prima facie* case of a breach of privilege, and thus this motion is about privilege. This motion is about referring a breach of privilege to the standing committee.

With respect, Mr. Speaker, I would have to argue that not only was there not a breach of privilege yesterday in the House with respect to the matter that was raised, although you found that there was a *prima facie* case. As you so eloquently pointed out yesterday, the test that you face is a threshold test. It's for the House to determine whether or not there was, in fact, a breach of privilege. But even if there was a breach of privilege, that breach of privilege has been fully and completely purged by the actions of the Minister of Energy on behalf of and taking responsibility for his department, making a full and complete and abject apology to the House for the actions of the department in providing the briefing to the media before the bill was before the House.

Of course, it was evident in the evidence that was before you that the bill itself was not shared with anyone. It was a media briefing on the technical aspects of the bill and information relating to the bill, which is, of course, the stuff and substance of all briefings. But no paper was shared, and the bill itself was not shared, so there was not, in my view, a breach of privilege, and if there was a breach of privilege, the question is moot because the full and complete apology is the most that one could expect, I would argue, in terms of any disciplinary action.

Now, the hon. Member for Edmonton-Strathcona has indicated that because of the apology he is not looking for any further sanction but looking for a process, but unfortunately what we're vested with is a motion which is referring the breach of privilege to the standing committee, and I cannot ask members in this House to support that. In fact, the record would show, if that motion was passed, that this House passed a motion based on the breach of privilege, and that is inappropriate as a method, in my submission, to get a resolution to the issue, which we would all like to get a resolution to.

So what we have, I would submit, Mr. Speaker, is a situation where the rules of this House were actually followed to the extreme. You made a ruling on March 7 of 2000, relative to a similar situation, and at that time it was clear in your ruling that

in keeping with the role of the Assembly and the respect that it should be accorded that bills in their final form should first be reviewed by the Assembly after first reading. In the chair's experience this is the accepted practice in Alberta, and the chair would expect it to continue.

Indeed, that was honoured in this case.

I will go on.

Even in the federal Parliament, where the Speakers of the Commons and the Senate exercise control over the entire building, it has been held that restricting attendance at a media lockup does not constitute a question of privilege.

Again, by having a technical briefing for media and not including other members or allowing other members to attend it or inviting them to attend, it is specifically not a breach of privilege in accordance with that ruling.

Allowing or not allowing a member to attend a media briefing does not constitute an impediment or an obstruction to the member performing his or her parliamentary duties.

So that is clear in terms of the rules of our House.

Now, Mr. Speaker, you were placed on the horns of a dilemma because since that ruling there's been a subsequent ruling from the Speaker of the federal House. The Speaker of the federal House, the House of Commons of Canada, did in fact rule that once a notice is placed on the Order Paper, it becomes the purview of the House and that doing a briefing between that time and the time it's introduced for first reading is a breach of a member's privilege. So I think it

was fully within your purview to indicate that now, having the opportunity to revisit the issue, you take into account the ruling of the federal Speaker.

However, you also took great care to indicate that we were not bound by the decisions of the federal Speaker, and therefore I believe that the advice that I as House leader have been giving to my colleagues throughout with respect to briefing opposition and briefing media was in accordance with the rules of the House as we understood them to be. We will now, of course, have to deal with the rules of the House as they now are, which is a different thing, as we go forward, and we will certainly be doing that. I for one as Government House Leader will certainly be encouraging members to follow the rules as we now know them to be until such time as we can visit those processes and procedures in an appropriate manner.

3:20

So, Mr. Speaker, I would argue to members of the House that they should not pass this motion because the motion is tainted with the aspect of a breach of privilege. By passing this motion, it would suggest that we wish to refer a breach of privilege to the standing committee. Although the motion does go on to talk about the processes, it cannot divorce itself from the reason why it's on the Order Paper in the first place, which is the question of breach of privilege. As I've said a number of times, first of all, because the actions that were taken were fully consistent with the March 7 ruling, I would argue that there was not a breach of privilege. Secondly, if there was a breach of privilege and even in the absence of it, the Minister of Energy did the right thing and apologized for what really is the gist of this issue, and that is that the hon. member was not afforded a timely briefing so that he could have been in a position to respond to media questions, which, again, was the subject that the federal Speaker was ruling on as well.

So without this question of privilege having been raised, the matter which really ought to have been dealt with would have been a complaint, I would suggest, from the hon. member perhaps to the House leader or perhaps to the Minister of Energy indicating that he ought to have been briefed in a timely manner, consistent with the media, so that he would be able to respond to media questions.

As we move forward, it's in the interests of all members that we have good, solid public policy discussion and, in the interests of all members, that the public understand the issues that are going to be before the House and that are before the House and that all members have the opportunity to understand them to their fullest extent, and sometimes that requires a technical briefing.

So we do need, Mr. Speaker, to move on to a manner of resolving this in an appropriate way at some point. The hon. Member for Edmonton-Strathcona mentioned my submission to you on this, and I believe it to be something that we need to do. We need to get together, perhaps with the Speaker and all parties, to talk about what the rules of the House should be.

As House leader I encourage us to put bills on notice at the earliest possible opportunity so that all members of the House can know as soon as possible when a bill is going to come before the House. Prior to the House meeting we issue a news release to indicate, to the extent that we are able, that the bills that are ready or are close to being ready have gone through all the approval processes that will be brought before the House. I meet with House leaders and outline in some detail what our legislative agenda is going to be, provide a great deal of material and want to continue to do that, and then when bills are ready in their final form or close to their final form, we put the bills on notice on the Order Paper so that people can know in advance, even if they don't have the detailed content, what items might be coming up. Then I encourage colleagues to provide in-

depth briefings to opposition members, and obviously they will also want to provide in-depth briefings to the media.

So now we're in a position where, by putting the bill on notice, we are no longer able to brief the media, although in your ruling, Mr. Speaker, you did indicate that we could still share, on a courtesy basis, information with members of the opposition and perhaps, if I read it correctly, even a copy of the bill, which is something which we have not done under the earlier rules. We do need to resolve those issues, because in the absence of resolving those issues, what we have is a blackout period, in essence, from the time the bill goes on notice to the time that it comes into the House, and that's not, in my view, in anybody's interest.

However, I'll make a commitment to work with opposition House leaders and with the Speaker's office to try and find an appropriate resolution and recommendations to bring back to the House, but, Mr. Speaker, I have to ask members of this House not to support this motion, because the motion is tainted with the question of privilege. Although it purports to be a motion to send it to the standing committee for the purpose of dealing with the process, it's a privilege motion.

The Speaker: The hon. Opposition House Leader.

Ms Carlson: Thank you, Mr. Speaker. We agree with your ruling that there was a breach of privilege in this case. We accept the Minister of Energy's apology for that, and that has been the practice of this House in previous situations, and we find that that is acceptable in this case.

With regard to the motion we see before us, we agree, certainly, with the intent of the motion. This whole situation has brought to light a procedural issue in terms of dealing with a large number of bills coming right at the very beginning of session and the briefing processes around them. While we support the intent of the motion where it talks about reviewing the procedures to be followed with each case, we have very grave concerns that if this motion goes to the committee, it won't be dealt with in a serious fashion. We know the committee structure, we know generally how those votes go in those kinds of committee structures, and this is an important issue that needs to be dealt with.

It would be my hope and suggestion that first of all we could do what the Government House Leader has outlined, and that is to get the House leaders together to develop a more formal structure in terms of briefing on substantive bills and the timing of that briefing in terms of how soon before or after the bill gets introduced in the House. The Government House Leader has attempted to get his ministers to brief the Official Opposition and the ND opposition party in a timely fashion. In some cases it has worked very well and in some cases not so well. For example, in this session on Bill 3, which is a substantive bill, also from the Minister of Energy, offers were made early on, prior to the bill being introduced, for substantive briefings. We would like to see that kind of a process more formalized so that situations like we saw happen this week don't happen again in the future.

I think it's in the best interest of all members of the House if we try that approach on an informal basis first and have House leaders go back to their caucuses and see if we can find a framework, a set of procedures, to move forward on that will be agreeable to all parties, because the intent here, really, is to give us good information in a timely fashion. That's what we need to debate these substantive bills. There are other issues with other bills in terms of people getting briefed well after they've been introduced. In fact, my colleague for Edmonton-Centre is right now at the briefing for a bill that was supposed to be up for second reading this afternoon. Of

course, it's impossible for us to raise substantive issues and questions on a bill that we haven't seen or had explanations of.

So we would ask first that all members in the Assembly agree to move forward and try to find a framework for resolution to this. If that doesn't work, Mr. Speaker, I believe that the option is open to us to bring forward this kind of a motion in the future that would be unrelated to any situations of privilege brought against members, and that's what we would support.

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

Mr. Mason: Thank you, Mr. Speaker. Well, to say that I'm disappointed with the comments of the Government House Leader and the Official Opposition House Leader is an understatement.

Dealing first of all with the comments of the Government House Leader. You, Mr. Speaker, did not find that a breach of privilege had occurred. Rather, you found that a *prima facie* case for breach of privilege had been found, and this is a distinction which should be clear to the Government House Leader as he is a lawyer by profession. That means that the issue needs to be resolved, and I think that in terms of any pursuit of that, it is largely the procedures of this Assembly that this motion should be put. In fact, the rules call for such a motion or anticipate it at least.

The minister has gone on to argue the case here in his debate on this motion as to whether or not a case of privilege actually exists, and this is not the forum for that, Mr. Speaker. This is a motion on whether or not to refer your finding that there was a *prima facie* case of privilege to the appropriate body within our rules in order that it can be dealt with there.

Now, we have said – and we're sincere in this – that in terms of any sanction that might be applied for this offence, it has already been dealt with by the minister's apology, which we completely accept. I'd like to refer hon. members to the recent case with respect to the House of Commons when the Minister of Health did a very similar thing, and she issued her apology prior to the motion being debated. Nevertheless, the House of Commons voted to refer this to their committee not in order that the minister be punished but that some sort of resolution could be found. This is, in fact, exactly what the Government House Leader anticipated in his brief to you, Mr. Speaker, prior to your ruling that there should be some all-party attempt to deal with this. This is precisely where the matter ought to be dealt with, and it is the body where the rules indicate these cases should go.

3:30

I want to correct, I think, the Government House Leader on one other important point, and that is that at no point in your ruling yesterday, Mr. Speaker, did you say that the government is now in a position where it cannot share briefings on legislation with members of the media. In fact, my recollection is that you went out of your way in that ruling to indicate that that was not the case. What needs to happen, as we interpret the ruling and as we interpret the report of the committee of the House of Commons that dealt with a similar case there, is that if a briefing on legislation is going to be provided to the media, it must be provided to members of the Assembly first. So there is no limitation or prohibition on briefing the media as far as we are concerned and as far as we interpret both your ruling and the report of the committee of the House of Commons, and I would suggest that any attempt to persuade people that the government can no longer share with the media or any policy adopted by the government to limit briefings to the media in light of your ruling yesterday is not in accordance with what has been said.

Now, I thought that the response of the Official Opposition House

Leader was disappointing, but it really is a sad commentary on the state of the democratic institutions of this Assembly when the opposition feels that reference to a standing committee of the Assembly will not produce a serious result, and that's not the Official Opposition's fault, Mr. Speaker. I think it speaks to the fact that we have a number of standing committees of this Assembly that, if they've ever met at all, certainly haven't met in the recollection of many of us in this Assembly. Nevertheless, we believe that this is the appropriate place to refer the matter.

Mr. Speaker, we've said and we want to reiterate that in terms of any sanction that might be applied in this case, we believe it's already been met by the minister's apology. But we also believe that there is a great opportunity, which was anticipated in your ruling yesterday, that we can resolve some of these questions about what constitutes a case of privilege, what the rights of the members of the Assembly are with respect to getting information, and so on.

In conclusion, Mr. Speaker, I have to say that I am very disappointed that the government is going to use its majority to block the course of parliamentary justice in this case. It is a bit akin to after someone being indicted for an offence, the police would decide that the person was not guilty, and it wouldn't be going to trial. Of course, these institutions are the parallel within this Assembly to the court system that exists outside it. We've got the Government House Leader now standing up and saying that essentially nobody's guilty even though the person in question has – effectively it's been found that there is a *prima facie* case, and there will be no trial because the government can use its majority to prevent it. This is not the trial; this is the motion to refer it for consideration. I just want to reiterate that what's on trial here is not the Minister of Energy, who's apologized, but what is on trial here are the procedures that have sometimes been used by the government, and what we want to do is find an effective way to correct those so that the rights of members are respected in the future and we do not have to spend time in this Assembly on matters like this.

So with that I will conclude my remarks and suggest that the members ought to protect the rights of the Assembly, uphold the suggestions made by yourself in your ruling, Mr. Speaker, and vote in favour of this motion.

Mrs. McClellan: I'd just like to make a couple of comments regarding the motion and through those comments urge members not to support the motion. I've read very carefully and listened to your ruling on the procedures that occurred. I listened very carefully to, I think, a very profound apology from the minister. Mr. Speaker, I've not as long a time in this Legislature as yourself or maybe one or two other hon. members, but I have been here quite some time and have had the opportunity to act in several ministerial capacities, and I have to say that I have experienced, I think, three Speakers, two Premiers, and, of course, an assorted number of colleagues.

Mr. Speaker, the practice of briefing, if you wish, or talking with the opposition members is not a common practice, and it is not a requirement. It has been a courtesy, and I think it has been done with the best interests of the amount of information that can come and for the best interests of developing the best legislation. I have had the privilege of having information that I have shared with my critics – often critics because sometimes it doesn't work that everyone is able or wants to avail themselves of that – and I would feel very badly if I felt that I could no longer do that. Again, I was disappointed that this occurred. I think it has been a good practice.

I'm going to use an example. After this I'm a little bit afraid to use anything, but I'm going to use an example. On a piece of legislation that would be coming into the House on an agricultural matter, Mr. Speaker, the bill is due to come in and is put on notice,

and it is discovered by one of my colleagues, the opposition members, somebody, that the people affected by this bill have some very serious concerns with a clause. If we were to proceed this way, I couldn't sit down with that group and, indeed, try to identify the concern and repair to make the appropriate change if that bill had been put on notice. This is a very real example because it could've happened in this session but just by chance did not. I think that's really unfortunate. I know debate tends at times to be a bit confrontational, but it really isn't. The idea of debate on a bill – I try to accept the comments of the opposition in that way, that they are trying to improve the legislation that we are putting forward. I think the briefing, anything that we can do to improve the legislation prior to bringing it in, solves some of those issues, lessens the amendments, makes the House flow better and probably better legislation.

So I just wanted to make those very brief comments as a person who has been here for a period of time in different House rules. I find that these things work well for us, and I would not want to see them discouraged or stopped. It is a courtesy. It is not a requirement, although I understand from Mr. Speaker's ruling very clearly what the issue was in this particular case, and as I say, the minister has, I think, very eloquently and very profoundly apologized for the infraction. I think we all understand it better, and I do not want to see us go to something that might change something that has worked effectively in these last short years that it's been in place, the courtesy of briefing with our opposition members.

Thank you, Mr. Speaker.

3:40

The Speaker: The hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Speaker. I just wanted to clarify something and particularly in the comments made by the hon. Member for Edmonton-Highlands that somehow this vote is a matter of upholding your ruling. I would hope that I misunderstood him, but just so that it is clear to all hon. members what the role of the Speaker and the duties of the Speaker are, I refer to *Beauchesne* 117 on page 29 on the role of the Speaker.

Once the claim of a breach of privilege has been made, it is the duty of the Speaker to decide if a prima facie case can be established.

Further down at (2):

It has often been laid down that the Speaker's function in ruling on a claim of breach of privilege is limited to deciding the formal question . . . and does not extend to deciding the question of substance.

I think that's what we're really looking at today.

Further to that, *Beauchesne* again, 172(2) under the procedural duties of the Speaker:

It has often been laid down that the Speaker's function in ruling on a claim of breach of privilege does not extend to deciding the question of substance whether a breach of privilege has in fact been committed – a question which can only be decided by the House itself.

Then when we go to the motion as recorded in our Votes and Proceedings that we all received today, it says that the hon. Member for Edmonton-Highlands on behalf of the hon. Member for Edmonton-Strathcona "gave oral notice of his intention to move that the matter of the question of privilege raised on March 4, 2003 by the Member for Edmonton-Strathcona regarding the Energy Ministry media briefing . . ." That is what the substance of the motion is, and I would think that the apology as everyone has accepted it would do, and I concur with the remarks of the Government House Leader and the House leader of the Official Opposition.

The Speaker: The hon. Member for Edmonton-Strathcona to close the debate.

Dr. Pannu: Thank you.

The Speaker: Hon. members, I just want to make it very clear. No other member wants to participate?

Then proceed, please. Close the debate.

Dr. Pannu: Thank you, Mr. Speaker. First, a very brief clarification because the Member for Highwood has drawn the attention of the House to this matter. I want to quote from your ruling so that the matter is clear to every one of us once and for all. I just want to quote from the last few lines of your statement in one paragraph. You said:

Perhaps that committee . . .

That is, the Select Special Committee on Parliamentary Reform.

. . . could be reconstituted or the matter referred to the Standing Committee on Privileges and Elections, Standing Orders and Printing. The Chair wishes to stress that this is a matter of concern to all members, not just one caucus.

I just want to first of all express my disappointment with the position that the Government House Leader has taken in opposing this motion before the House, a motion that is principally intended to refer this whole matter and the matter of your ruling yesterday to the committee that would work collaboratively and co-operatively, involving members from all sides of the House, to resolve these matters in a way that becomes a public record. We are certainly willing to engage in backdoor negotiations prior to that. There's no reason why the three House leaders cannot meet in preparation for that, but this is a matter that is of public concern.

This is a matter that the all-party committee of the House of Commons, an all-party committee represented by five different parties: the Canadian Alliance Party; the Liberal Party, the ruling party; the Conservative Party; the new Quebec forum or whatever it's called; and the NDP . . . All five parties are represented on this committee of the House of Commons, and this committee, Mr. Speaker, says what you quoted here yesterday, and I want to requote that. It's important for everyone to pay attention to it for our own good to make sure that the work of this House, the reputation of this House is maintained and done in the best possible way. This is the quotation:

The rights of the House and its Members in this role . . .

That is, the role as elected representatives.

. . . are central to our constitutional and democratic government.

This case should serve as a warning that our House will insist on the full recognition of its constitutional function and historic privileges across the full spectrum of government.

So, Mr. Speaker, really, what's at issue here is the obligation of the House to define clearly the boundaries between the powers of the executive branch of the government of Alberta and the legislative branch of the government of Alberta, which is this Assembly. I really find it difficult to understand why the Government House Leader and the Deputy Premier resist the opportunity that this House has to draw these lines clearly in the interest of the health of democratic government and constitutional government in this province. This is what I find very difficult to understand.

It is true that the minister was contrite when he stood up yesterday in this House in the best possible way, and that particular matter has been resolved, but the matter that has not been resolved, Mr. Speaker, the matter that led me in the first place to rise on a point of privilege and contempt of the Legislature, is the inappropriateness in constitutional and legislative terms of the practices and procedures that have been used in this particular instance that call into question the rightful role of this Assembly in debating the legislation, in receiving the legislation and the information. So it is those practices that will not be examined publicly by an all-party committee. It will not become a record of this House.

In essence, what the Government House Leader has argued, what the Deputy Premier has argued, is that there is nothing with that particular practice that your ruling has put into question, that I have certainly raised questions about. So if this House votes against this motion, it in fact then votes to get a message to the government to continue with the kind of practice that is challenging this House. That's the issue, Mr. Speaker.

3:50

We need a public record of this House speaking in one voice that it does see that there is something wrong with those procedures and practices. Then this House, as a House, as a collective, is willing to take on this challenge and collaboratively and co-operatively address those issues. That's why I call on the members of this House to vote for this motion that's before it in my name.

Thank you, Mr. Speaker.

[Motion lost]

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

Bill 16
Agricultural Dispositions Statutes
Amendment Act, 2003

The Speaker: The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Speaker. I wish to move second reading of Bill 16, the Agricultural Dispositions Statutes Amendment Act, 2003.

Mr. Speaker, the intent of the bill is to promote co-operation and respect between disposition holders and other users of public leased land for grazing. In particular, it addresses recreational users and industry that may want access to the land for exploration. The legislation sets clear rules that encourage better communication.

We provide these leases because we recognize the importance of grazing to the sustainability of these public lands. Over the years the farmers and ranchers with leases have provided excellent stewardship, taking care to ensure that these lands are kept in good condition. At the same time we recognize that other Albertans, such as hikers, hunters, and anglers, want access to these lands also.

[The Deputy Speaker in the chair]

There are about 10 million acres of agricultural public land, also known as the white area, and about 5 million of those are currently leased. We work with about 5,700 grazing leaseholders to manage these lands, Mr. Speaker. For background, we have almost 100 million acres of public land in the province of Alberta, of which 86 million acres are in a green area. Less than 1 percent of the green area is under agricultural lease that would restrict access.

The department will continue to use a commonsense approach to this legislation.

An Hon. Member: That'll be new.

Mr. Cardinal: That'll be new, but we'll do that.

Right now legislation and regulations do not specifically address the rights of either these recreational users or the leaseholders, Mr. Speaker. This can lead sometimes to confusion. If there is a conflict now, the only solution is the courts, which can be lengthy and very costly. The new legislation and regulations clearly state the rights and responsibilities of the leaseholder and the recreational user.

These leaseholders are the stewards of this land and need to be aware of who is using it, Mr. Speaker. Recreationists also want to access these lands. Most people who go hunting or hiking want to know where they are, whether it is on public land or private land. This is something recreationists have asked for since the early 1990s. This legislation balances these needs. For example, leaseholders will be required to provide contact information to the department and allow access for defined recreation purposes unless there are extenuating circumstances; for example, in some cases when there is a fire danger or when users want access to fenced pasture where livestock are present. On the other hand, recreational users will be required to contact the specific agricultural disposition holder prior to entering the land for recreational purposes and follow the duties outlined in the regulations, such as packing out all litter, not lighting fires without consent, and closing gates where possible.

The legislation will be accompanied by better information than was available before: a brochure including general information, public lands' office phone numbers, toll-free telephone lines, and the web site; a train-the-trainer program to help our staff provide local information sessions; and continued use of our Use Respect signage to encourage more use in potentially high traffic areas. The web site will allow leaseholders to be contacted but will contain safeguards to protect the privacy of leaseholders. As well, under legislation the leaseholder will have reduced liability for the recreational user.

This legislation also provides an appeals process for the resource companies who want to access the lands for exploration purposes. In the past once a leaseholder refused access for exploration, the company had no right to appeal the process. All the current processes of negotiation and a review will continue to occur until the leaseholder ultimately rejects the exploration request. Under the proposed legislation, Mr. Speaker, if a leaseholder refuses entry, a new dispute resolution process can be used. The final step is that the company can go to the Surface Rights Board and apply for a right-of-way entry in order to explore on a grazing lease or a farm development lease. In this way the explorer's activity is dealt with the same way as oil and gas development accesses.

Mr. Speaker, this bill rescinds the Agricultural Dispositions Statutes Amendment Act that was passed by government in 1999 but not proclaimed. The intent of this new bill is similar: good stewards of our public lands. With regard to compensation the original legislation only dealt with part of this issue; that is, the compensation payments. We will continue to study the issue of surface compensation as well as rental rates and assignment fees as a package over the next year or so. The key stakeholders in this government are confident that we can develop a better solution on these issues than contained in the former act, a solution that is workable for leaseholders and all Albertans. One other change from the former act is the continued payment of taxes directly by the leaseholder to the municipality. This is an efficient process that we want to continue.

Our legislation builds on extensive public consultation that occurred in 1997 and reflects recent discussions with the stakeholders. We believe our new legislation accomplishes a balanced approach. It considers the varying needs of users and provides secure access for our resources.

Thank you very much, Mr. Speaker.

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

Ms Carlson: Thank you, Mr. Speaker. Happy to have this opportunity to speak to Bill 16, the Agricultural Dispositions Statutes Amendment Act, 2003. Well, the one thing we know for sure is that as long as there are grazing leases in Alberta, there is going to be controversy about a variety of the issues surrounding grazing leases, and this is certainly no exception.

This bill is a case where we did get a briefing by the department prior to the bill being put on notice – I don't think even the final drafting was done – and it's good information to have, certainly, to go over what the highlights of the bill are going to be, what both sides think are controversial issues. In some cases we can decide to agree on some aspects of the bill and disagree on other aspects of the bill and move forward from that point. It's more helpful to get a briefing on the bill when we can see more information, more detail of what's going to be in the bill, so I was quite pleased by the part of the Speaker's ruling that talked about the potential for us seeing bills ahead of time on an embargoed kind of basis or any other kind of basis. So I look forward to those kinds of discussions and debates being held and new rules being put in place around that.

4:00

What we see before us with Bill 16 is the result of a bill that was talked about back in 1999. There are about 5 million acres of public land leased for the purpose of grazing with about 5,700 grazing leaseholders, and those 5 million acres account for approximately 3 percent of Alberta's total geographic land. It happens to be land, Mr. Speaker, that is used for multiple purposes, not the least of which is recreation, and that seems to be where the most amount of conflict comes between existing leaseholders, recreational users, and then oil and gas who want access to the land for a variety of reasons.

When we saw Bill 31 come forward in 1999 and subsequently being passed, what we also saw after the passing of that legislation was some really quite strenuous discussion and objection from a variety of stakeholders but most especially grazing leaseholders, Mr. Speaker. Bill 31 at that time was intended to establish dispute resolution processes for industrial and recreational land access disputes and to clarify the rights and responsibilities of leaseholders and other persons in respect to the access of public land. These changes actually never attracted too much attention during the actual debate of Bill 31. What made it so controversial was that the government planned to change the terms of all the leases held to public lands so that the lessees would no longer receive compensation from resource companies who were using the same land. This was very controversial in part because lessees paid out approximately \$3 million in fees for the rights to their leases but received over \$40 million in compensation from resource companies.

The other controversial issue at the time was that the government was going to see changes in terms of the lease, which is a contract, unilaterally so that lessees received no compensation for the land they had paid to use but lost to resource operations. We saw that at the time as a breach of contract law and that there should have been some compensation.

Most of the debate happened after the bill was passed. At the time of passing, the Premier talked about taking some time before they would proclaim it, pending further consultation with those affected. He said that they would make a change to the bill, saying that the amendment will empower the agriculture minister to make regulations and that it would probably take about six months for that bill to be proclaimed. So that was in May of 1999. Here we are in March of 2003, and we see a new bill in place, and those controversial sections are out of this bill so that, hopefully, they can get this part of it passed, which deals with the least controversial portions of the old Bill 31.

The minister talks about those more controversial parts being brought in later on, and I'm sure there will be a lot of debate. Sometimes it's easier to get controversial legislation passed in the first part of the Legislature, when people don't seem to be paying as much attention as they do when the weather warms up and we get towards the end of it. He might have brought these bills in in the

wrong order, Mr. Speaker, but that remains to be seen, and I guess we'll see it during the debate.

For the most part, we don't have too many concerns with this bill as it stands. It clarifies the rights and responsibilities for recreational and exploration access to public land used for agricultural purposes, and that's a good thing. The dispute resolution mechanisms are created, and to have those resolutions is also a good thing, Mr. Speaker. We have some concerns around those, which I'll get into. In principle they're very supportable, but in a practical application they may not be as useful as other forms might be, so we're looking at that now in terms of potentially bringing an amendment when we get to committee stage.

We, as always with these bills, have a concern about the regulations. Once again we see in this bill that a lot of the power is going to be designated to regulations, and some of those decisions, Mr. Speaker, are quite substantive and should in fact, we think, take place on the floor of this Assembly so that the reasons for putting them in place are talked about, the reasons why some parties may not like them to be put in place are talked about, and that is public information that people can review and look at later on to make comments on and understand the process of how it happened. [interjection] Yeah, we may be looking at that too.

The biggest concern we hear from groups at this stage is that the new fees that are talked about here could be substantial and may create some issues for groups. They're taking a look at it now. So for the most part it's not too bad, but we do have some concerns with a few parts of it.

Really, the stakeholders who were unhappy with this particular bill were those who are primarily recreational users, and I think they have some legitimate concerns. The minister talked about the process for people notifying leaseholders that they want access to the land, and in theory that sounds like a really good idea, but it's a little harder in practical application when you get out on those 5 million acres and decide where it is you want to go and how you're going to plan your trip. What this means now is that recreational users have to put in a great deal of planning and thought to where they're going to go, when they're going to be on the land, and how they're going to access it. So the spontaneity of being out on some of these slopes and deciding to change your route for whatever reasons – there could be a multitude of reasons why you would want to do that – is going to be lost because you're going to have to notify leaseholders now that you want to cross their land. So if you're out there and you want to go somewhere, you hope, first of all, that it's well posted, that you're notified that you're going to be going onto grazing leases. That should be obvious in most cases because there'll be fences, but then there has to be some sort of notification process, I think, posted on those fences so that if people are there and want access, they can.

The way the process is set up now, it seems to me – unless I've misunderstood it – that they've got to take a look at a map and they've got to notify local offices on the web site or by phone or, I'm sure, by fax and find out what the access number is to get permission from the leaseholder and then wait for that leaseholder to respond back to them. We hope all that happens in a timely fashion, but we don't know how long that process is going to take, and I think those are legitimate questions to ask. What are we looking at for a turnaround time here in order for people to get permission? This is not the kind of province where people plan their hikes out in that kind of detail far, far in advance. I'm a hiker, and certainly I know that often when we get out there on the slopes, we'll change our mind about where we want to go, and it doesn't look like that's going to be a viable option if it's a grazing leaseholder's land that we want to go on to.

I understand the leaseholders' concerns, and I think some of the rules being put in place are very good. We should always, when we're in the countryside, pack out our litter. There is no doubt about that. I'm not a supporter of having open fires at any time because of the high potential for fire damage. There are many ways that heat and cooking materials can be provided for other than open fires, so I think that's a good regulation. Definitely, any responsible hiker will be very careful about things such as closing gates, and certainly, in our case, staying out of fields that have herds on them unless you're some distance from them. You can be disruptive to the herd, and of course the herd can be quite disruptive to you if they choose to do so. So just an issue of safety on both sides. That part is good, but we do see, certainly, a cramping of style and access for recreational users. I talk about hikers, but this applies to other recreational users, too, including snowmobilers and horse riders and ATVs. So I think that that's a part of the bill that's going to be under some discussion in the future and needs to be talked about.

4:10

The dispute resolution is another part that might be of issue. The law previously was very unclear as to whether recreational access had to be allowed by the disposition holders. For exploration access the lessee had total discretion to accept or reject access proposals with no appeal for the company, and these areas needed to be clarified and changed respectively, and a dispute resolution process needed to be implemented. So this bill does accomplish those goals.

I see in the very near future that we will have, I believe, increased controversy between resource companies and leaseholders as we see water become an even greater scarce resource than it is right now. We have these rules now where resource companies can use freshwater in a nonrecoverable kind of manner. We've seen already resolutions being passed by municipalities and different agricultural associations to say that they are urging the government not to let resource companies use clean water for injection purposes. As that fight heats up, I believe we can see more issues arise in terms of land access. So definitely it's very timely to have a dispute resolution process in place.

The dispute resolution process, if I recall correctly, is having a designated person in a region be the person who makes the decisions. Of course, when there's only one person in charge of that process, there are always going to be some issues. Some people will say that one person is better than a panel because they're easier to find and the dispute is resolved quicker, and I think both of those statements are true. However, you don't have the kind of balancing or mitigating aspect if there is an issue between personalities or if the person making the application believes there was any unfairness or bias in the decision. There's no balancing effect there, so that's, I think, an issue. In addition to that, we don't know what the appeal process is if someone doesn't like the decision. So if we could get that clarified in committee, that would be helpful.

So it's mostly good. I think I'd like the minister to address those issues that I've talked about there and see where they go.

Public access to public land, of course, is a long-standing argument in this province. Stakeholders such as some environmental groups certainly believe that the public should have foot access to all public lands at all times, and Bill 16 now requires any person who wishes to enter leased land for recreational purposes to contact the leaseholder, who is required to allow reasonable access. So this provision will certainly be disruptive to recreational use, but it seems to be at least a move towards some kind of a balance in terms of safeguarding the rights and privileges of the person who's paying for access to the land. But I think it is a big issue, and I think it's one that we need more explanation on, or I do believe we will be

bringing an amendment forward in this regard. The regulations are always a problem.

I really do want the minister to tell us why so much of the detail will be left with the devils behind close doors. [interjection] The minister says: only angels. Well, Mr. Speaker, that may be his interpretation, but in my 10 years here I'm not sure that that's how I would define it. I think that the way I did define it was far more accurate. While some of the regulations are of the quality that the members have talked about, some of the other regulations are not of such a high grade and are not quite so explainable.

So with that, Mr. Speaker, I will conclude my remarks at this time. We're looking forward to hearing the debate on this particular bill and certainly looking forward to hearing a little more from stakeholders than we have so far. It certainly seems a lot quieter than the last time we talked about this bill in this Assembly, but perhaps the days are early yet.

Thank you.

The Deputy Speaker: The hon. Member for Innisfail-Sylvan Lake, followed by the hon. Member for Edmonton-Strathcona.

Mr. Ouellette: Thank you, Mr. Speaker. It's a great pleasure to rise and join the debate on Bill 16, the Agricultural Dispositions Statutes Amendment Act, 2003, sponsored by the hon. Minister of Sustainable Resource Development. Sustainable Resource Development manages about 90 million to 100 million acres of public land. Our programs and services are designed to ensure sustainable and integrated use of this public land, achieving the greatest benefits – environmental, social, and economic – for Alberta. To reach this goal, all users need to be aware of their responsibilities and to be good stewards.

Mr. Speaker, Albertans such as hunters and hikers are unsure of their rights and responsibilities on public land that are leased for grazing. Bill 16 provides direction to clarify any uncertainty surrounding this issue. Occasionally, leaseholders of public land may have differing and firmly held views of their rights. By promoting improved communication and co-operation between recreational users and leaseholders, we will be keeping the access of public land open to the public with consent of the leaseholder. Bill 16 promotes increased and improved communication as well as co-operation between recreational users and leaseholders.

Under Bill 16 the leaseholder must provide reasonable recreation access to the public lease land. Although an agricultural disposition holder must provide reasonable recreation access to the land, the regulations recognize that there are times when the disposition holder can say no or put conditions on access. Examples of such incidents include the presence of livestock or a high fire hazard, such as we experienced this past year. Mr. Speaker, these are examples of a leaseholder's business and livelihood being seriously impacted by members of the public who do not understand livestock behaviour or the risks livestock pose. This is why there needs to be an open line of communication between the leaseholder and the public user. Respect for the land and each other by both parties will ensure that public land is being used to its fullest potential.

Bill 16 will legislate that the recreational user will have to contact the leaseholder prior to coming onto the land. The majority of recreationists already take this step and recognize that the leaseholder needs to know when someone is on their land. This also provides the leaseholder the opportunity to provide information, including any hazards that they should watch out for.

The Department of Sustainable Resource Development is constructing a web site that will provide easy access to the necessary contact information, thus making it easier for recreational users to

get in touch with the leaseholder of the public land they may wish to use. Stakeholders have tested the site, and the consensus is that the site will prove to be extremely useful and will be an important tool for promoting communication and co-operation. Mr. Speaker, with Bill 16 government will initially focus on providing information about the new rules. It is expected that stakeholders and Albertans will co-operate fully and provide a good start to opening the provincial doors of communication and co-operation.

The Department of Sustainable Resource Development has to monitor how the new laws and regulations are working, especially during the early stages, when people are just learning about the new rules. As well, there's an information dispute resolution process available to both leaseholders and recreational users where there is a conflict.

4:20

Mr. Speaker, Bill 16 also provides a legal mechanism under the Public Lands Act to deal with recreational users and agricultural disposition holders who abuse their rights. This legislation allows the minister to impose a penalty where either the recreational user or the agricultural leaseholder contravenes the legislation. In other cases, if court action is taken and the person is convicted, the court can impose a fine of up to \$2,000. This is consistent with other laws in Alberta.

Mr. Speaker, public land is just that: land for public usage. At the same time, if that land is being leased, there needs to be respect and consideration for the leaseholder when it comes to public use of the rented land. Bill 16 will improve communication and co-operation between the recreational users and the leaseholders. This will keep access to public land open to recreational users while still respecting the rights and obligations of the leaseholder.

We are all aware of the important role that oil and gas exploration plays in the economic prosperity of Alberta. Bill 16 will allow seismic exploration to be undertaken for conventional oil and gas on public land, which will ensure that future generations can enjoy the same economic prosperity through Alberta's natural resources as we have.

Mr. Speaker, I encourage all members to vote in favour of Bill 16 and vote in favour of keeping access to public land open to recreational users. Thank you, Mr. Speaker.

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

Dr. Pannu: Thank you, Mr. Speaker. I rise to speak to Bill 16, Agricultural Dispositions Statutes Amendment Act, 2003. This bill, it looks like, supersedes Bill 31, that this House spent a great deal of time four years ago debating. If my memory serves me right, I think it went to third reading, and it has since been waiting to be proclaimed. Now we know that it will never be proclaimed. We've got this new bill now, which at least suggests to me that it really shows that the government has succumbed to the enormous pressure that it was under from some special interests in this province, primarily the leaseholders and especially big ones and rich ones among them.

Mr. Speaker, it really is a sad commentary on the commitment of this government to protect public interest, when based on its own news release, which the government released, I guess, on May 18, 1999, it gives very interesting information on the amount of public revenue that will come to the public Treasury. If Bill 31 had been proclaimed in '99, its own figures indicate and show, according to this government release of May 18, 1999, that while the leaseholders pay about \$3.5 million annually in lease payments to the public Treasury, they collect over \$40 million annually.

My guess is that even if the government had proceeded with the

proclamation of Bill 31 and the government had been able to negotiate at least \$20 million annually to be paid by leaseholders from the income that they received from the surface compensation they get from oil and gas companies, the Treasury of this province would have been at least \$20 million richer annually. I'm using approximate figures. It could be more; it could be less. So by today we would have been as a province richer by at least a hundred million dollars, money that we could well spend either on improving children's services or on education or on seniors' services; you name it. But that was not to be. This government, as I said, sold out public interest in order to placate a few of its powerful supporters, who are the big leaseholders.

The government's own numbers indicate that – here are a few cases that the government itself provides – on one existing land operation it is estimated that a grazing leaseholder pays less than \$30,000 per year in rental and taxes and receives a value of \$400,000 in surface compensation annually. Another figure that's given here: another leaseholder pays less than \$650 per year in rentals and taxes and receives approximately \$75,000 per year in surface compensation.

I can go on using the government's own data to draw attention to the rationale that the government used to justify bringing forward Bill 31 during the debate, but Bill 31 was destined to be frozen in its tracks, as it were, because these powerful special interests were able to twist the arm of the government, either of the current minister or of the minister who was in charge then or of the Deputy Premier of this province, to get their way. So it's very disappointing, Mr. Speaker, that this Bill 16 abandons the government's own commitments which were reflected in Bill 31. If they had been respected, if those commitments had been adhered to by this government, the public interest would have been well served.

It's a sense of *déjà vu*. Time and again this government betrays its own commitments to the people of Alberta and sells out to special interests because they happen to be powerful, and since they are powerful, their interests come before the common good and the public interest. It's a crass example of the determination of this government to continue with both corporate welfare and cowboy welfare. This is exactly a clear illustration, Mr. Speaker, of the government's real commitment to powerful special interests in this province at the cost of serving the common good and the cost of the public interest, that ought to be its first and foremost responsibility to serve and protect.

In addition to the giveaway in terms of revenues to both the powerful stakeholders, who happen to be big ranchers, and also in facilitating further access by oil and gas companies when they seek rights to enter these lands, which are public lands but on lease to private leaseholders, thereby easing the entry of these companies onto those lands while at the same time restricting, in effect, by way of the changes that are made here to public access to those lands, this government has really shown its real colours, which is that it will not stop short of depriving Albertans of their fundamental rights of public access to public lands so long as it sees that it has to address first and foremost, put as its first priority, the concerns of a small minority of Albertans whose support it seeks and in whose interests it acts all the time when it has to make choices between the rights of average, ordinary, severely normal Albertans on one hand and the privileged and powerful few on the other.

4:30

Mr. Speaker, we received communication from the Alberta Wilderness Association and the recreational association of Alberta, and these nongovernment organizations are very concerned about the way their rights have been put at risk, right of access to public lands,

just so that the government can protect the privileges of its good friends both in the oil and gas industry and in the ranching industry.

The next point I want to make, Mr. Speaker, is the sort of lack of respect for the work of this House that this government shows time and again. Bill 31, a government bill brought before this House in 1999, debated here through all the necessary stages, received the approval and support of this House, and then the government decides to completely ignore it and make sure that it dies. That speaks to the general sort of attitude of dismissal which amounts to contempt of the work that this House does here. It's very sad to see this government violate its own commitments made previously in so blatant a fashion and not to respect the decision of this Assembly, that it is supposed to do. The executive branch of the government rules supreme in this province. In its operations it undermines the value of the work of this House, its constitutional authority, and its constitutional role in the process of developing its laws.

So this bill, Mr. Speaker, is something that I must speak against. It's regrettable that it replaces a much better bill, that the government had brought before this House in 1999 and asked this House to seriously debate, improve through debate, and vote on. We all voted on it. All those votes, all that debate, all those hundreds of minutes, hours and hours of work that we did on the bill now are nullified. They're of no avail. What we get in its place is a bill that's seriously flawed for the reasons that I have stated. So myself and my colleague, the Member for Edmonton-Highlands, will have an opportunity to speak on this bill later on in the remaining stages of the debate on this bill.

So with that, Mr. Speaker, I conclude my comments.

The Deputy Speaker: Comments or questions?

Further speakers? The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Mr. Speaker. I do enjoy this opportunity to speak this afternoon to Bill 16, the Agricultural Dispositions Statutes Amendment Act, 2003, and I must commend the Minister of Sustainable Resource Development for bringing this bill forward because the use of Crown land, certainly the use of leased land in this province is forever changing. I do realize that this bill is a wise attempt to try and improve previous legislation that was passed in this House, and I think that it is a wise move anytime that we have legislation which does pass in this House that members of this House obviously have reservations about that we do delay implementing it, particularly if we do have a better piece of legislation which does come forward. In my estimation, from what I've read so far, I do think that Bill 16 is an improvement on Bill 31.

That being said, Mr. Speaker, I still think that there are some issues with Bill 16 that have to be clarified, some issues that I know the minister will be commenting on as we move into Committee of the Whole, and I look forward to further debate on this particular bill.

The primary objectives of Bill 16 are threefold, the first being that there is a dispute resolution process for exploration access disputes on leased lands. This is certainly critical because many people in this province that have had leased land or have had leases on land for some time have certainly put a lot of effort into those and are reliant on the income from some of those lands, whether it be through leases with oil companies, whether it be for their grazing practices, or whatever. The last thing we need, certainly, is full-blown disputes on leased land.

I look at the situation we have in northern Alberta right now where we have the Northern Oilfield Contractors Association and the First Nations councils which are striving very hard between both groups to settle the disputes arising over access to Crown land, and I think

when I look at Bill 16, that this is certainly the first step, an initial step, towards looking at some of those issues between the First Nations and the Northern Oilfield Contractors Association. This will prove beneficial to all parties in settling those disputes, and I know it is the goal of all members that we get those disputes settled so that our northern communities that rely heavily on the Northern Oilfield Contractors Association and all the spin-off industries that happen to take place as a result of this will stay strong, that the rights of Treaty 8 for the First Nations will not be violated, and that all parties will participate in a win/win situation.

Now, then, the second objective of Bill 16 is a dispute resolution for recreational access disputes on leased lands. Again, this is an ever evolving issue in this province where we certainly have vehicles that give us much more access and much more range when we do leave the beaten path and get off our highways and secondary roads. So, again, this will offer the leaseholders some type of resolution as to how to deal with these problems. Unfortunately, when we do get into not only the rural areas but the wilderness areas of this province, then it is critical, when we don't have fences and we don't have signs posted and whatever, that these things can be worked out.

The third primary objective of Bill 16 is that there is a clarification of rights and procedures for recreational access on leased lands. Again, this will alleviate the confrontational type of activities that we could have between the leaseholders and those wishing to use that land for recreational purposes. So I see from these three primary objectives that this will certainly lessen the opportunity for conflict.

4:40

Now, then, as well, with Bill 16, Mr. Speaker, there are other changes that must be noted. Of course, some of these other changes include that the minister can issue overlapping leases without the lessees' consents. As well, another change that must be included is that it allows maximum penalties for contravention of the Public Lands Act. Again, this is welcomed because it does provide for Albertans some type of protection for their public lands.

By way of history, Mr. Speaker, there are in the neighbourhood of 5 million acres of public lands that are leased for the purpose of grazing to about 5,700 leaseholders. That is quite substantial when you think of it, yet these 5 million acres account for only approximately 3 percent of Alberta's total geographic land. So this is in some areas, I guess, not that much, as well, if we're only talking 3 percent of the land but, again, vital that we do have legislation that will cover these lands.

Now, then, unlike the Member for Edmonton-Strathcona, who spoke previously, I feel that Bill 31, which was the predecessor of Bill 16, even though it was debated and passed in this House, what was realized was that this was inadequate legislation for what we had. Certainly, if there's one body in this province that should be able to say that we've got a better idea, we've got legislation which will serve our needs, we've got legislation that will address potential problems, we can do it better, then certainly this is the body that should be able to say: we are going to hold back on legislation because there is a better way.

So, yes, we did spend a lot of time, but it wasn't wasted time. I think that in their own way many of the discussions that we held and that occurred here for various hours throughout the session on Bill 31 were extremely valuable because all members in this House had an opportunity for input into that bill. Certainly, that is one of the reasons we do have debate and more important than any bill that we pass in this House. That this House stands for the symbol of free speech is more important than anything else we do. So I agree with the holding back of Bill 31.

Now, then, as well, when I look at Bill 16, one of the things that

I do like is the dispute resolution. Previously the law was unclear as to whether recreational access had to be allowed by disposition holders. For exploration access the lessee had total discretion to accept or reject access proposals with no appeal for the company. These areas needed to be clarified and changed respectively, and a dispute resolution process needed to be implemented. This bill, certainly, Mr. Speaker, will accomplish that goal.

[The Speaker in the chair]

As well, when we look at this new piece of legislation, stakeholders such as the Alberta Wilderness Association believe that the public should have foot access to all public lands. Now, then, Bill 16 requires any person who wishes to enter public leased land for recreational purposes to contact the leaseholder, who is required to allow reasonable access. This provision will certainly be disruptive to recreational use, but it seems to be a reasonable balance, seeing as the lessee paid for access to the land and, therefore, should have priority in terms of safeguarding rights and privileges. I certainly think that we do have to have the permission of the leaseholder to enter those lands. This is wise and particularly if it is people using that land who would be unfamiliar with the land. The leaseholder would be the most qualified person to know where the dangerous areas of the land are, if there are any, and certainly could inform those people of any situations where public safety would not be able to be maintained if they were not familiar with what was happening.

I know that we did, in our discussions earlier, talk about the regulations. In Bill 16 there are many sections that delegate power to regulations. Again, I have a caution here. The caution is that because in Bill 31 we had legislation that was not adequate, it was never put into force. When we rely on regulations, Mr. Speaker, we certainly don't have the opportunity for full debate in this Legislature on those regulations. I think that in many cases our legislation would even be improved to a greater extent if we did have more debate on these issues rather than leaving them to regulations, particularly when many of these are important considerations that could have and should have been included in the bill. This is a major issue with much legislation, and certainly these issues should be addressed in debate.

Now, one of the things that Bill 16 does is offer important clarification of rights and responsibilities, and it implements needed dispute resolution processes. It is certainly a much better bill than Bill 31, and it addresses all issues that have come up since 1999, so it will be much better legislation than what we have now.

So, Mr. Speaker, I appreciate the opportunity to speak to Bill 16 this afternoon, and I certainly await Committee of the Whole to hear further comments from the minister and have him address some of the concerns that we do have with the bill. Overall, certainly it is a bill that I support, that my colleagues support, and I would encourage all members in the Assembly to support this bill.

Thank you very much.

Mrs. McClellan: Mr. Speaker, it gives me great pleasure to rise and join in the debate on Bill 16. The hon. member of the third party probably moved me to get up and speak by some of his comments. I hope he'll take the time to review some of the comments that are made by other members, such as the member who just spoke, Edmonton-Glengarry, and understand a little bit better what public lands are all about and that there are a variety of types of public lands in our province and that we manage them in a variety of ways.

Essentially, we're talking about lands that are under an agricultural disposition that may be also utilized for energy or gravel or some other type of activity on that land. We have public lands that

the public has the right to utilize. They are provincial parks. They are federal parks. They are reserves. But, you know, few people really understand that even in those parks there is restricted access. I'll give you an example: Dinosaur provincial park, one of the real gems of our province. It is, you know, a national heritage site. There is fully 50 percent of that park that you as the public may not visit unless you are accompanied by a paleontologist on a dig. That's a restriction, and I'll tell you that it is one stiff restriction. The rest of the park has access, but again it is limited. You can't ride a horse in Dinosaur provincial park.

4:50

Yet we somehow have this idea that when a rancher or a farmer leases some land under an agricultural disposition, which he pays a rental and a fee for, the rental being based on a formula that is based on the productivity or the productive value of that — it's a formula that's devised for that purpose — somehow that land is open season. I've tried to explain this to people and say: you know, if the government owned a public building that we leased to a private individual for their purposes of business, would you expect to be able to go in and utilize that building, perhaps use the bathroom, the copier, have coffee in the coffee room? No. Could you pitch a tent on the grass in front of it? Well, I would expect that in the city of Edmonton there would be a little car with blue and white flashing lights come up and tell you to leave. Yet somehow, when it's under an agricultural disposition, it takes on a whole new connotation.

You know, living in a rural area — and I can tell you that I'm not a holder of public lands at this point in my life but certainly have had some association with it — we live in great harmony with the people who are hunters, people who want to snowmobile. Very, very rarely is there ever an incident. When there is, it's not too pleasant, but rarely. Generally, producers or people who hold these dispositions do not mind if the public want to access that land for snowmobiling or something. However, when they have all of their investment in their best purebred herd of cattle or horses on that land, they obviously want to know what the public might be doing there. We generally don't like to have our very best cattle and horses out in hunting season because there seems to be a bit of a difficulty at times in determining which are deer and which are cattle and horses. So it's a matter of: use respect, ask permission. That program has worked tremendously well in the province. We've had hunters that have come back to our land, private land, year after year after year. They become friends, and it isn't an issue.

I think we have to understand that there are a variety of public lands in this province and that the producer rents the surface of that land for an agricultural purpose, no different than the land, I think, that I hold as a private individual under title. So when somebody wants to have another activity — and it could be oil and gas; I can say, again, a lot of that activity in our province — generally, absolutely not a problem. Generally. We only hear about the incidents.

But we do have a formula, and really there isn't a lot of negotiation. It is set, whether it's nuisance, loss of use, disturbance, all of those things. It's calculated and determined. For example, if it were on our land, if we were growing mustard on that quarter, if they were going to take out X number of acres, they count how much mustard you would produce on that, they multiply it by the market price, and that determines the loss of productivity, whether they have to put a road in to have access to it and the problems that it can cause the producer himself for access. These things are all determined. The Surface Rights Board has served this province well for many, many, many years. I had the honour of being minister responsible for the Surface Rights Board for almost four years, and I can tell you that they do an exemplary job of dealing with those times when issues do come up, and they settle them quite well.

I wanted to say that I think it's a responsibility for all of us to try and understand the differences of where we live in this province. It's a vast province, and the issues that we face in different parts of it, obviously, differ greatly. I've tried very hard to understand the urban issues that my colleagues face in the urban areas and have spent some time trying to do that. The longer I spend here and the more time I spend here, I wonder sometimes if I'm an urban resident or a rural resident anymore, but I think that is what we need to do.

I believe that the amendments that have been made in this bill, which have been brought forward by all of the players, are the ones that we should really concentrate on, and to suggest, as I thought I heard the hon. leader of the third party say, that there was a lack of respect for the House – and I'm going to review the Blues. I don't understand exactly what that means because this Bill 31 was passed and not enacted. If that's what I heard, it's an interesting concept, but, you know, I think I would prefer the way we're doing it now. If you pass a bill and a problem arises and it's identified to you, doesn't it behoove you to fix it? Or do you just say: well, we did this and we agreed to this and we're – I don't know what the expression is. I probably can't use it in the House. But we'll go full blast ahead.

I think this is the right way. A great deal of time was spent by some of my colleagues in this Legislature talking to people who wanted to use this land for recreational purposes, who have a concern about the environmental stewardship of the land, who want to use this land for an economic benefit, whether it is for the agriculture disposition that it's been leased by or the company that may want to drill for oil or gas on it or extract gravel from it. When these people take the time to sit down with us and say, "We have some issues; we'd like to try and clarify them," I think it behooves us to listen. Maybe Bill 31 wasn't perfect. Maybe it was a perfectly good start. Maybe this one won't be perfect, but it's probably better than what we had, and that is our objective: to ensure that all of the users of our land, especially our public land in this province, have the opportunity to access it in the best way.

Much of the land that we talked about in this is very fragile land, and it is incredibly important that we have good land management practices. In my constituency I have 5 million, 6 million acres of land that is in a place called the special areas. Some of my colleagues that live far north have some people who moved from that area in the '30s, when we had a drought and the land virtually blew away, Mr. Speaker. Today I'm proud to say that even in these drought years that we've experienced in the last two to four years, there was very little land moving in the special areas because of very sound, very strict land management practices. So I say that because it is important that we recognize that much of this land is fragile, and it's important we keep it.

5:00

My colleague from Highwood brought forward the bill for the emblem of Alberta, identifying rough fescue as our grass. Do you

know that Alberta has more of that grass left than any of the other prairie provinces? We have more of it left in our province. In fact, I think we're the only province that has all four varieties of this, and I have to believe it's because very good land management practices have been established in this province.

Mr. Speaker, in my view all Albertans' interests are important. None takes precedence over the other. But in my experience good-thinking people can sit down, resolve the issues. Yes, some have to give a little here and a little there, but you can reach something very manageable. I think that has been achieved, and I applaud the people who worked on the first round of solving some of the outstanding issues on this, what is now what I call the second round, and we have Bill 16. I'm certainly listening to input that I hear from people in my constituency as to how they see it and making sure it does address the problems that were perceived to be in the original bill.

I think that we can move forward, make the best use of this land for agricultural purposes, for other economic purposes, for recreational users, and maybe most of all and most importantly to us is to ensure that we have good environmental stewardship of this land. I think this bill will allow us to do all of that, and I commend my colleague for bringing it forward and for all of the hard work that has gone into bringing this bill to this point today.

The Member for Edmonton-Glenarry talked about the importance of a dispute resolution mechanism. Incredibly important. We don't have to have differences between people who have the same objectives, and that's a strong, healthy province and a good utilization of our public land that we hold in trust for the people of the province. That's in here. I think it will deal with it.

As the province progresses – and we will; we are. Albertans are a dynamic people. They're not ever going to sit still. We may find that at some point we have to do another amendment. I think that if we do, it will be because of progress, not regress.

So, Mr. Speaker, I wanted to make a few comments at this point in the bill, talk about the principles of the bill, and encourage members to support passage of it.

Mr. Speaker, with that, I would adjourn debate on Bill 16.

[Motion to adjourn debate carried]

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you, Mr. Speaker. It's indeed been a very interesting afternoon and lots of progress as I reflect on the week, and therefore I would now move that we call it 5:30 and adjourn until Monday at 1:30.

[Motion carried; at 5:03 p.m. the Assembly adjourned to Monday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Monday, March 10, 2003**

1:30 p.m.

Date: 2003/03/10

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon and welcome. Hon. members, would you please remain standing after the prayer for the singing of our national anthem.

Let us pray. At the beginning of this week we ask You, Father, to renew and strengthen in us the awareness of our duty and privilege as members of this Legislature. We ask You also in Your divine providence to bless and protect the Assembly and bless the province we are elected to serve. Amen.

Now would you please join in the singing of our national anthem in the language of your choice. It will be led today by Mr. Paul Lorieau.

Hon. Members:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

Please be seated.

head: **Introduction of Visitors**

The Speaker: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. It is a pleasure for me to rise this afternoon and introduce to you and through you two fine gentlemen from the province of Nova Scotia, who, it should be noted, had one of the teams in the recent Brier finals. I would like to introduce, firstly, Mr. Jim DeWolfe, who was elected to represent the people of Pictou East in the province of Nova Scotia in March 1998. Mr. DeWolfe is the chairman of the Standing Committee on Resources as well as the vice-chair of Public Accounts. With Mr. DeWolfe is Mr. Dale Madill, a representative from Nova Scotia's Department of Energy. They are seated in your gallery. I would ask them to rise, please, and receive the warm welcome of this Assembly.

Mr. Jonson: Mr. Speaker, I am pleased to introduce to you and through you to members of the Assembly His Excellency Sergei Darkin, governor of Primorskii region in Russia. He is accompanied today by several members of his government and the Canadian honorary consul to Russia. Alberta has much in common with the Primorskii region, which is in the Russian far east. Many Alberta companies are already active in Russia and are interested in exploring new partnerships in a variety of areas. The governor's visit is a good opportunity to discuss areas of co-operation. I would ask that our honoured guests please rise and receive the traditional warm welcome of the Assembly.

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

Mrs. O'Neill: Thank you very much, Mr. Speaker. It's my honour today to introduce to you and through you to members of this

Assembly Professor Gerald Gall, who is a professor of law at the University of Alberta and who teaches constitutional law and civil liberties. He's the author of *The Canadian Legal System*, in its fourth edition. He is seated in your gallery with his wife, Karen. He has recently, in 2002, been appointed an officer of the Order of Canada, and he is currently the president of the John Humphrey Centre for Peace and Human Rights. I would ask Professor Gall and his wife, Karen, to please rise and receive the traditional warm welcome of this Assembly.

head: **Introduction of Guests**

Mrs. McClellan: Mr. Speaker, on behalf of the hon. Premier I'm pleased to introduce to you and through you to members of the Assembly nine members of the Public Affairs Bureau who are in the building today on their public service orientation tour. I'll ask them to stand as I call their names so you can all recognize these valuable employees. With us today are Cathy Ducharme, Craig Hutscal, Lisa Gano, Rob Hicks, Donna McClelland, Jim Stuart, Marlo Shinyei, Michelle Lennie, and Gwen Vanderdeen-Paschke. Would you please give them a very, very warm welcome.

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much, Mr. Speaker. It's an absolute delight to rise on this beautiful Alberta day and introduce through you and to you in the House 33 of the best and brightest that Edmonton-McClung has to offer. The students of Good Shepherd school are here with their teacher, Mr. Rob Madunicky. I'd ask them to rise and please receive the very warm welcome of this House. Welcome to the Legislature.

The Speaker: The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to the Members of the Legislative Assembly 27 grade 6 students from the village of Boyle in the constituency of Athabasca-Wabasca. They are accompanied by seven adults, and they're either seated in the members' gallery or the public gallery or both. I'd like them to rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. I have two sets of introductions today. The first one: I'm very pleased to introduce to you and through you to the Legislative Assembly Dan MacLennan, president of AUPE, and union representative Steve Nimchuk. They have with them Terry Luhoway from NAIT; Jerry Nolan from Athabasca University in Athabasca; Bonnie Nahornick from Athabasca University in Calgary; Ron Whan from Lethbridge Community College; Lisa Daniels from the Alberta Vocational Centre, Lac La Biche; Nancy Ritchie from the University of Calgary; Dan Tilleman from the University of Calgary; Rod Feland from NAIT. They represent the education sector subcommittee within AUPE, and I would ask them all to rise and receive the warm welcome of the Legislative Assembly.

My second introduction, Mr. Speaker, is someone who is no stranger to many of the people in this Assembly. I'd like to introduce to you and through you to the Legislative Assembly Doug MacRae, who is the new executive director of the Alberta Association of Colleges and Technical Institutes, and I would add that he is

doing an excellent job in bringing the colleges and technical institutes together. I would ask you to rise and receive the warm welcome of the Legislative Assembly.

The Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. I'm pleased to rise and introduce to you and through you to the Assembly two constituents of Lac La Biche-St. Paul. Wayne and Karon Hanson moved to Elk Point in 1980 when Wayne accepted a transfer with the Alberta Treasury Branches to open and manage the new branch. Karon was employed with Elk Point Gas, Ltd. in the administration department. Wayne worked for the Treasury Branches at locations throughout the province for 20 years. They are both happily enjoying retirement and are the proud parents of Danny, who is a researcher for the government caucus.

Wayne and Karon are visiting the Legislature for the first time today, Mr. Speaker, and are seated in the public gallery. I'd ask them to rise and receive the warm welcome of the Assembly.

1:40

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

Mr. Hutton: Thank you very much Mr. Speaker. It's a great pleasure for me today to stand and introduce to you and through you to members of this Assembly two very special Edmontonians, Joan and Cam Tait. Cam Tait is a nationally renowned journalist, whom I will recognize after question period. With Cam is his lovely wife, Joan, who is a longtime resident of Edmonton and a champion of many worthy causes. This is her first visit to the Assembly, and I would ask Joan to please rise and receive the warm welcome of this Assembly.

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

Dr. Massey: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to members of the Assembly 36 students from Tipaskan school in Edmonton-Mill Woods and their teachers/leaders Mrs. Norma Nay and Mrs. Gerry O'Riordan. I had the pleasure of reading to these youngsters during Read-in Week. They're excellent listeners, particularly if you scare the daylights out of them with master authors like Edgar Allan Poe. They're in the public gallery, and with your permission I'd ask them to stand and receive the traditional warm welcome of the Assembly.

head: **Oral Question Period**

Energy Prices

Dr. Nicol: My first question is to the Minister of Environment. Since this government won't offer Albertans natural gas rebates, will this minister consider the Alberta Liberal plan for a revolving fund that would provide consumers with low-interest loans to make their homes more efficient as a means to reduce heating costs?

The Speaker: The hon. minister.

Dr. Taylor: Thank you, Mr. Speaker. From our perspective and from my perspective it is not a government's position to be involving loans to anybody, revolving loans or not, by providing loans. In fact, I believe that would go against the Financial Administration Act. The Minister of Finance could comment on that. But I would like to say that we are working and we have funded an energy efficiency office called Energy Solutions at Climate Change Central.

They will have their own board of directors, and one of the things their board of directors will be discussing is programs that they could do like that in partnership with the private sector.

Dr. Nicol: My second question is to the minister of human resources. Since this government won't offer Albertans natural gas rebates, will this minister increase AISH and SFI rates in the winter months to cover the additional cost of living caused by high home heating bills?

Mr. Dunford: Mr. Speaker, I think that our ministry has been trying to respond as best we can to some of the issues that some Albertans are faced with. We're open, we're accountable, and we stand ready to try to do the best that we can.

Dr. Nicol: To the Minister of Energy: since this government won't offer Albertans natural gas rebates, will this government adopt the Alberta Liberal plan for low-cost power to ensure that power bills don't spike when home heating bills spike?

Mr. Smith: Mr. Speaker, this government does have in place the natural gas price protection plan, that will kick in when the average annual price reaches \$5.50 a gigajoule. That price is 5 percent lower than what it was in 2001 when rebates were issued, and in fact it was appropriate at the time, in 2001. Policy was made; a law was struck. We're obligated to stick to that law, and we are holding to the letter of the law. It is important to note that there continue to be programs available to seniors and those families in need that do need them when they do need them.

As to the question would we implement the Liberal program to spend \$3 billion to effect \$1 billion worth of savings, the mathematics would tell me no.

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

Dr. Nicol: Thank you, Mr. Speaker. It's a billion dollars a year, for the minister's information.

My second question. Many Albertans can no longer afford to pay their skyrocketing home heating bills. Charities, schools, low-income Albertans, severely disabled Albertans, and seniors are just a few of the groups that are struggling to make ends meet when faced with high utility bills, yet the assistance offered by this government targets only a fraction of those groups. To the Premier: where can the thousands upon thousands of Albertans who cannot afford to pay their high utility bills and aren't eligible for the government's onetime assistance program get the help for high utility bills, as this government promised them in the last election?

Mr. Klein: Mr. Speaker, as the hon. leader of the Liberal opposition knows full well, we have a rebate program. To say that we refuse to give rebates is absolutely false. The rebate program kicks in when the average price over one year reaches \$5.50 a gigajoule. That is the rebate program. That was well publicized last August. There was a press release, there was information put on the Internet, and Albertans certainly were given the opportunity to know about the rebate program and the regulations attached to that program.

There are programs in place, as the hon. member noted, to help low-income Albertans and to help seniors. When the rebate program kicks in, or if it kicks in, then all Albertans regardless of their financial situation will be eligible for rebates.

Dr. Nicol: Again to the Premier: where can Edmonton's Food Bank

get the help to cover the \$3,000 increase in their February utility bill so that they don't have to cut back on the food they make available to low-income Albertans?

Mr. Klein: Mr. Speaker, it is tough. It is tough, indeed, and this has been an extraordinarily cold March. The demand for gas certainly throughout North America and probably worldwide is at an all-time high although not as high as it was two years ago. What I would say to the Food Bank is that when the rebate program kicks in, they will be entitled to a rebate.

I'd like to point out – and I know that misery does not enjoy company and it's hard on everyone – that the fact is that this is one of the only jurisdictions that I know of in North America with a rebate program of any kind. People living in the northern part of North America are all going through the same thing. People are paying extraordinarily high gas prices in all the provinces of Canada and in all the northern states of the United States, Mr. Speaker, and insofar as I know, this is the only jurisdiction that has put in place a rebate protection program. All the other jurisdictions have to deal with it with no hope of any rebates whatsoever.

Dr. Nicol: It's only good if you use it, Mr. Speaker.

Where can the tenants across the province who are facing rent increases to cover their high utility costs find the help that this government promised them in the last election?

Mr. Klein: Mr. Speaker, what we promised during the last election was exactly what we have delivered, and that is a sustainable rebate program based on an average price. It is not an ad hoc program; that's what we wanted to get away from. Indeed, that's what the Liberals suggested at that particular time, that we get rid of ad hocism and establish a program that would provide some certainty, and that's exactly what we did.

As I said previously, it's hard on everyone; I know. It's an extremely cold March. As I pointed out previously, this is the only jurisdiction that I know of that has any kind of a rebate program whatsoever. So food banks and charitable organizations and institutions in other jurisdictions have to deal with the problem the same as Albertans have to deal with the problem, but in those other jurisdictions there is no hope of a rebate program.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

1:50

Energy Marketing

Mr. MacDonald: Thank you, Mr. Speaker. This government's cold answer to high energy prices and low temperatures is to turn down the thermostat and put on a sweater. In fact, I suspect that the next time there is an annual television address, the Premier will look quite a bit like Perry Como. My first question is to the Minister of Government Services. Are all natural gas and electricity marketers who advertise for business in Alberta required to have a licence?

Mr. Coutts: Yes, Mr. Speaker.

The Speaker: The hon. member.

Mr. MacDonald: Thank you. To the Minister of Energy: since Direct Energy is not listed as a registered retailer, according to the Department of Energy's web site, why is Direct Energy allowed to advertise that they are open for business when they do not have a licence?

Mr. Smith: Mr. Speaker, if you were to look at Direct Energy's web site, there's actually quite a humorous ad on there, and it depicts a gentleman with nose hairs torn out of his nose. In the right-hand column is a picture of a nose hair clipper, and under it it says: "Have you rushed in to make a foolish purchase? Just wait. Direct Energy is coming."

The Speaker: The hon. member.

Mr. MacDonald: Thank you. Again, my final question is to the Minister of Government Services. Why is this government allowing Direct Energy to operate outside the law when retailers' licences are designed to protect consumers? Where is the consumer protection in this?

Mr. Coutts: Mr. Speaker, I am very confident, our department having had discussions with Direct Energy, that they know the rules, and when the deal is done between them purchasing the retail sales of ATCO, they will definitely be licensed marketers in this province. We'll be there to make sure. But you know what? We're not going to presuppose anything here, because we have to make sure that the deal is done between ATCO and Direct. That's how responsible we act on this side of the House.

The Speaker: The hon. leader of the third party.

Education Funding

Dr. Pannu: Thank you, Mr. Speaker. This Thursday at 7 p.m. at the downtown campus of Grant MacEwan College the New Democrat caucus is hosting a town hall meeting on the crisis in public education. This crisis is a direct result of this government's refusal to properly fund schools. More information on our town hall meeting is available at www.newdemocrats.ab.ca. My questions are to the Minister of Learning. Will the minister encourage the Edmonton Tory caucus on behalf of this government to attend this meeting to hear firsthand the concerns of parents, teachers, and school boards about the funding crisis in our schools?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much, Mr. Speaker, and thank you very much for giving me this opportunity to speak about the tremendous job that the Edmonton caucus has done in going out to numerous panel discussions, in going out and talking to the public. I understand that the hon. Member for Edmonton-Castle Downs about two weeks ago went to the Alberta Teachers' Association convention. The hon. Member for St. Albert had a panel discussion on CBC, which I really, really commend her for. The hon. Member for Edmonton-Mill Creek just yesterday went to a panel discussion. So I think that the Edmonton caucus is going above and beyond the call of duty to hear what the public is saying. I'll leave it up to them. If any of them want to attend a New Democrat meeting, it's up to them.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. My question to the same minister: would the minister himself care to come and attend this forum and listen to the concerns of parents, teachers, and school boards about the crisis that his own policies have created in their schools?

Dr. Oberg: Well, Mr. Speaker, I believe that back in university the very first time that I voted I voted for the NDs. In all fairness, I saw the light after that, and since that time I have not joined the ND Party, and I will not be voting for them.

Dr. Pannu: My second supplementary to the Minister of Learning, Mr. Speaker: why does the minister refuse to meet face-to-face with education stakeholders in a public town hall meeting to defend his government's education funding policies? What is he afraid of?

Dr. Oberg: Well, Mr. Speaker, to let the hon. member know, this morning I met with the Edmonton Catholic school board, where we heard a lot of very good issues about what was going on in education. It was an excellent meeting with the Edmonton caucus of this government; it was exceptional. I meet all the time in public. I believe the last time I met in public was with Chinook's Edge school district, which was a week ago Friday. So each and every day I meet with groups of people, and I will continue to meet with groups of people, hear what their ideas are, hear what is going on in education from their point of view.

On Thursday night, Mr. Speaker, I was attending a mentoring program for the Calgary Educational Partnership Foundation, and that evening I spent probably two, two and a half hours speaking to a principal from Banff as well as a person who was in the Calgary board of education. So I am absolutely hearing what is going on out there.

The Speaker: The hon. Member for Calgary-Buffalo, followed by the hon. Member for Edmonton-Riverview.

Police Services

Mr. Cenaiko: Thank you, Mr. Speaker. The Solicitor General's office is responsible for adequate and appropriate policing in Alberta. Municipalities inject more than half a billion dollars a year into policing in Alberta with the Solicitor General providing approximately \$110 million for rural contract policing. The town of Coaldale and the Coaldale Police Service are presently examining the opportunity to integrate services with the Lethbridge Police Service into a regional model, which could eliminate the rural RCMP contract. The town of Sundre and other municipalities are also exploring alternative solutions. My question is to the Solicitor General. If two or three municipalities decide to amalgamate or integrate police services, like many municipalities have amalgamated in Alberta, would the Solicitor General's department transfer funding to municipalities when the rural RCMP, whom the Solicitor General presently provides funding for, would not be required?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. Under the Alberta Police Act municipalities with 2,500 or more people are required to provide their own policing. These policing options are outlined in the Police Act, and they include establishing a municipal police service, contracting with Alberta, contracting with Canada, entering into an agreement with a council or another municipality, or establishing a regional police service. The money that may be freed up under the provincial policing agreement is reallocated to other communities served by the provincial policing agreement.

The Speaker: The hon. member.

Mr. Cenaiko: Thank you, Mr. Speaker. My first supplemental

question is also to the Solicitor General. Will the Solicitor General's department assist or meet with Coaldale and Lethbridge in their discussions, as the rural RCMP contracts geographically located between Coaldale and Lethbridge may not be required, and would that funding from her office be provided to those municipalities?

Mrs. Forsyth: Mr. Speaker, I can tell the hon. member that I and officials from my ministry have been in discussions with Coaldale and Lethbridge. Coaldale currently has its own police force, but the town is reviewing this to see whether this is the best option for them or whether another option, as I mentioned in my earlier response, would be better. At this point Coaldale has not made a decision about which option it wants to pursue. Whatever option they choose, they have the responsibility under the Police Act to ensure that adequate and effective policing is provided. I'm waiting to hear from the municipalities about what direction they choose to go.

The Speaker: The hon. member.

Mr. Cenaiko: Thank you, Mr. Speaker. My final supplemental question is to the Minister of Municipal Affairs. Do you and your department encourage or discourage municipalities to look at regionalized municipal services sharing infrastructure between themselves?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. The short answer is an unequivocal yes. Any time we're able to take a dollar, have regional partnerships with neighbouring municipalities, and stretch it into a dollar fifty for tax value, I think that's very important. This past year in terms of restructuring and regional partnerships we spent over \$4 million helping municipalities if that was what local municipalities were looking for based on their municipal leadership. I want to say that they're coming together, that they're working together and, basically, taking a regional partnership and stretching that dollar into perhaps \$2. That's good, I think, in any municipality within Alberta.

The Speaker: The hon. Member for Edmonton-Riverview, followed by the hon. Member for Whitecourt-St. Anne.

2:00

Asbestos in the Foothills Hospital

Dr. Taft: Thank you, Mr. Speaker. According to government documents, about 30 Albertans die of asbestos-related diseases every year, making it the number one cause of occupation-related fatal diseases accepted by the WCB. For years there have been concerns regarding asbestos exposure at the Foothills hospital in Calgary, with no satisfactory response from this government. This is the second serious issue of asbestos contamination at a health facility in the Calgary health region to be made public in recent months. To the Minister of Human Resources and Employment: given that Alberta Environment is taking the city of Edmonton to court over the release of just a few drops of PCBs, is occupational health and safety considering charges against the Calgary health region for years of asbestos problems at the Foothills?

Mr. Dunford: Well, I'm not sure at this point, Mr. Speaker. I'll have to check on that. My understanding of the situation is that they've found that the Calgary health region is in compliance, that the asbestos in the particular facility that we're talking about here is in place, and as such there is no health hazard that I've been made aware of at this point.

Dr. Taft: Interesting response, Mr. Speaker.

Given that the Calgary health region is publicly claiming that there is no risk to staff or patients, and so is the minister, then why did his own department find it necessary to recently issue a compliance order concerning asbestos against the Calgary health region?

Mr. Dunford: There might be a number of issues that are related here, Mr. Speaker.

An Hon. Member: Or unrelated.

Mr. Dunford: Yes. That's true: or unrelated.

As I indicated in my first answer, I think – perhaps he wasn't listening – you know, certainly I'd get a briefing from the department, and then we can perhaps get further through this particular situation.

Dr. Taft: I'd have thought that he'd have been briefed since it's been all over the media.

To the same minister: why were incidents of asbestos exposure allowed to continually occur at the Foothills hospital for years and years and possibly decades without proper action?

Mr. Dunford: Well, I think he's done pretty well for a question today. He's managed to stretch it into, you know, three issues in an attempt to get me to respond to basically the same question, and the answer remains the same.

The Speaker: The hon. Member for Whitecourt-St. Anne, followed by the hon. Member for Edmonton-Mill Woods.

Food Establishment Permit Fees

Mr. VanderBurg: Thank you, Mr. Speaker. Last fall the food regulation was amended to allow regional health authorities to collect fees for food establishment permits. Since then, in Whitecourt-St. Anne the RHAs have abused this privilege, and it impacts my hotel/motel industry, retail establishments, and many other businesses. For example, my liquor store owners are being ordered by the authorities to pay a \$100 levy because they sell pop or chips at their businesses. My question is to the Minister of Health and Wellness. Why would you allow the RHAs to go ahead with this cash grab?

Mr. Mar: Mr. Speaker, the issue of being able to generate funds on the part of a regional health authority was actually a recommendation set out in the Premier's Advisory Council on Health. It was one of the recommendations that we did accept.

I should say that with respect to the regulation surrounding food permits, the regulation was requested by the regional health authorities in order to help generate revenue. The principle of that regulation makes perfectly good sense, and that is that there should be some ability to recover the costs associated with food safety programs, which regional health authorities are responsible for. Of course, the food industry is growing rapidly, and there needed to be some way of collecting some of the costs associated with that program.

I should say, Mr. Speaker, that one of the things that is contained in the regulations is that regional health authorities do have the ability to waive the fees in circumstances where they see that it is appropriate, so I would expect that in circumstances where it would make sense, perhaps with a not-for-profit agency, regional health authorities do have and should use in some circumstances the ability to waive those fees.

Mr. VanderBurg: Mr. Speaker, again to the same minister. I understand the answer, but we do have small businesses that need protecting. What will you do to protect these small businesses from paying this permit fee, and when can I expect you to act on this?

Mr. Mar: Well, Mr. Speaker, we have heard . . . [interjections]

The Speaker: The hon. minister has the floor.

Mr. Mar: We have heard some concerns expressed by Albertans regarding the way that the regulations are being applied by the regional health authorities, so the Department of Health and Wellness is currently conducting a review of this regulation in consultation with all stakeholders, including the regional health authorities themselves.

We are proposing some modifications, Mr. Speaker. For example, as I indicated, charitable and not-for-profit organizations, stores that are selling prepackaged food such as chips and gum will not need to pay for a permit. Licensed liquor stores and nonfood establishments that perhaps have coffee and doughnuts available for their customers likewise would not require a food permit.

Mr. Speaker, this consultation process is under way right now. My expectation is that it will be completed with a response to the consultation by this fall.

The Speaker: The hon. member?

Mr. VanderBurg: I'm satisfied. Thanks.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Wainwright.

Legal Representation for Children in Care

Dr. Massey: Thank you, Mr. Speaker. Providing protection and legal representation for children who have been abused while in custody of the province is a requirement of Canada's national guidelines on foster care. The Alberta government often fails to meet these guidelines. My questions are to the Minister of Children's Services. Why do ministry lawyers openly admit that no one in the government will provide legal representation for children who have been abused while they're in care?

Ms Evans: Well, Mr. Speaker, that is not true. We have provided legal representation for children who have been abused while in care, and I'd just draw to the Assembly's attention that about a week and a half or two weeks ago the hon. member opposite made this same suggestion in his question, that there were Canadian guidelines, some Canadian standards that we were not following in Alberta. In fact, what he is citing now on the foster parents is something that we, in actual fact, do. We represent foster families. We represent children in care. I'm not sure if there's a particular detail that we can follow up on his behalf, but we, quite clearly, provide representation and safety and protection to children in care.

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. To the same minister: why has the policy allowing the Children's Advocate to investigate children's complaints of abuse while in care been abolished?

Ms Evans: Well, Mr. Speaker, it hasn't. As a matter of fact, again to the same hon. member I responded that we're even better than we

ever were by having CWIS adjusted technologically so that the minute there is an allegation of abuse or children are in any way in any difficulty, the advocate receives that report. The advocate follows up on that report.

Mr. Speaker, the mandate of the Children's Advocate has in fact expanded within this last year to include his work developing mentorship programs for people who could be natural advocates both in First Nations communities and in other communities. So rather than narrowing the mandate, I would suggest that we've expanded the mandate, and we have looked at his capacity to assist with administrative reviews. On special case reviews the advocate has been involved and has been absolutely beneficial to both the process and the outcomes for children.

The Speaker: The hon. member.

Dr. Massey: Thank you. To the same minister, Mr. Speaker: if the Children's Advocate can't investigate and government lawyers won't provide legal representation, where do children go for help?

Ms Evans: Mr. Speaker, in the first two responses I've said that we do provide legal support. I provided the answer that the advocate is involved. I think that the third question is built on an assumption that we do neither of the above, and I have said quite unequivocally that we do.

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

Agricultural Subsidies

Mr. Griffiths: Thank you, Mr. Speaker. Albertan and Canadian grain producers continue to be bothered, even harassed by American trade complaints. Last week a preliminary U.S. ruling found that Canadian exports of hard red spring wheat and durum are being subsidized to the tune of 3.94 percent. My first question is to the Minister of Agriculture, Food and Rural Development. Is it true that the Alberta government ownership of railcars contributed to the subsidy rate calculated by the U.S.?

2:10

Mrs. McClellan: Well, Mr. Speaker, let us be very clear that of the 3.94 percent levy, if you wish, that has been suggested or actually implemented by the Department of Commerce, only .35 percent of that is railway cars, and of that .35 percent, Alberta cars make up a portion. There are also cars from the government of Saskatchewan and the government of Canada, the federal government. I'd like to make one other thing very clear. There is no subsidy associated with these cars, because the railways pay what is considered to be a reasonable rental or fee for the use of those cars.

So, Mr. Speaker, this case is far from over. Certainly, our government will be putting forward our position and making it very clear that the cars that are owned by the government of Alberta and, if you wish, leased for that use are not a subsidy. It is interesting that the U.S. government, who put out about \$190 billion in farm subsidies in their latest farm bill, would be challenging our farmers, because our subsidies are nowhere near that. They will be the first to tell you.

The Speaker: The hon. member.

Mr. Griffiths: Thank you, Mr. Speaker. My next question, then, is to the Minister of International and Intergovernmental Relations. What will this government do to defend Alberta's interests?

Mr. Jonson: Mr. Speaker, I think it's important to understand that the only specific government practice from the Alberta side that the U.S. is looking into in this investigation is the alleged subsidization of grain cars, and that is certainly an area that we will be responding to, but it's the federal government and other provincial governments who are responsible for defending many of the activities and programs that come under attack from this United States industry initiative. For example, the federal government is responsible for defending the activities of the Canadian Wheat Board. Alberta will review the U.S. Department of Commerce preliminary determination in detail, and we will be, certainly, alert to any activities or developments in that particular area.

Mr. Speaker, because the federal government is involved in this particular case, the Alberta government will continue to co-operate with the federal government and other provincial governments on the legal issues that are involved here, and we will be strongly urging the federal government to make every effort to defend Canadian farmers, Canadian wheat growers against this particular set of allegations.

The Speaker: The hon. member.

Mr. Griffiths: Thank you, Mr. Speaker. My final question, then, is back to the Minister of Agriculture, Food, and Rural Development. What factors have led to Canadian agricultural trade policies and practices being a continual target for U.S. trade challenges?

Mrs. McClellan: Well, Mr. Speaker, certainly Canada and Alberta, in particular, are proud to be the producer of some of the highest quality milling wheat there is in North America, and that means that our wheat is in very high demand in the U.S. We export a great deal, some \$98 million worth, of high-quality wheat to the U.S. However, as our Minister of International and Intergovernmental Relations has indicated, the Canadian Wheat Board practices have been under investigation. I think that nine investigations have been held, and Canada has not been found to be outside of international trade rules. We're going to continue to work with our industry, as the minister indicated, the federal government, and other departments of our government, but we're even willing to help one bit more. We're encouraging very much the federal government to make the Canadian Wheat Board a voluntary marketing option for western Canadian farmers, in particular, and perhaps get this issue off our plate.

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

Assured Income for the Severely Handicapped

Ms Blakeman: Thank you, Mr. Speaker. Some of my constituents with disabilities are being refused AISH medical benefits simply because of the source of their income. Albertans receiving money from a private disability insurance or employment have their eligible income calculated differently and can receive AISH medical benefits, but people receiving Canada pension plan disability are subject to different terms. My questions are all to the minister of human resources. Why does this government discriminate against the recipient of CPP disability compared to a person receiving the same amount from wages or private disability insurance?

Mr. Dunford: Actually, Mr. Speaker, the CPP and wages and benefits that come through disability are all part of what we look at under AISH. The decision by this government for a long period of time as it relates to AISH was that the income from Canada pension

plan, being another government plan, would be deducted dollar for dollar. It's been the policy, and it's been in place for some time.

Ms Blakeman: Nonetheless, you're discriminating.

My next question: given that this government's discrimination against CPP disability recipients trying to access AISH can and has been overturned upon appeal, will the minister now change the policy?

Mr. Dunford: I think it's regretful that the opposition uses terms like "discrimination" in this particular case. There is no discrimination. All AISH members are dealt with the same way as it relates to Canada pension benefits or any of the other types of income that they might receive.

Ms Blakeman: To the same minister: given that the people who receive CPP disability income are also discriminated against by this government's emergency assistance for utility cutoff, why is this government leaving those Albertans in the cold?

Mr. Dunford: She seems to want to persist in the use of the term. I think we deal with everyone the same way under the AISH program.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-East.

Education Funding (continued)

Mr. Mason: Thanks very much, Mr. Speaker. In addition to the funding shortfalls in our schools, which are caused by the government's decision to unilaterally reduce operation maintenance grants, to cap grade 10 credits, then the arbitration settlements, now skyrocketing utility bills have combined to give school board budgets more holes than a field in a gopher farm. School utilities this winter could easily be double what they were last winter. My question is to the Minister of Learning. Does the government acknowledge that school board budgets are already overstretched, and if so, does the government acknowledge that they will then require top-up funding to cover skyrocketing utility bills?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. Well, I will transfer the question to the minister responsible for operations and maintenance, which is the hon. Minister of Infrastructure.

Just prior to that what I will say is that in Alberta we spend more per capita, by at least 16 percent, than any other jurisdiction in the country. Over the past three or four years we have increased the amount dramatically. Since 1995 it has increased 46 percent, over which time we've seen a 6 percent enrollment. So it has gone up.

But in direct response to the energy issue, I'll ask the hon. Minister of Infrastructure to respond to that.

The Speaker: The hon. minister.

Mr. Lund: Thank you, Mr. Speaker. Yes, we recognize that some school boards are having some difficulty making ends meet relative to the utilities, but I also know that pretty well all of them did have a term contract as far as the electricity is concerned, and that's at a fixed rate, so it is just on the gas side that there is some problem. We are conscious of it. We are monitoring it and meeting with school boards to get a feel for just how serious this whole situation is.

The Speaker: The hon. member.

Mr. Mason: Thanks very much, Mr. Speaker. Given that the minister once had some common sense when he was in his youth, as he told us today, when he voted for the New Democrats, I have some hope that he will actually answer the question, which is: what exactly are school boards supposed to cut by way of programs or staff or maintenance in order to meet the increased obligations due to skyrocketing utility bills?

2:20

Dr. Oberg: Again, Mr. Speaker, we are one of the few jurisdictions in Canada that has the obvious opportunity of increasing the amount of funding that school boards receive. In the province to the west of us they have had a zero percent increase and will continue to have a zero percent increase for the next two years. The amount of dollars that we have put into education makes every other province in Canada pale by comparison. There is a tremendous amount of money that is going into education.

Again I will ask the hon. Minister of Infrastructure, whose responsibility it is, to respond to this issue.

The Speaker: It would have been really helpful to have the hon. minister respond originally. We still have four additional members who would like to participate. Let's move on.

Mr. Mason: Thank you very much, Mr. Speaker. Well, I would like to ask the Minister of Learning, who is responsible overall for school programs: what exactly are schools supposed to cut by way of programs, which he is responsible for, in order to pay for this increase in utility costs, that is unbudgeted?

The Speaker: Hon. Minister of Infrastructure, if you wish.

Mr. Lund: Thank you, Mr. Speaker. I really appreciate the opportunity to comment on this particular question because, in fact, the hon. member is talking about the operation and maintenance of schools. This year we transferred some \$323 million to school jurisdictions within the province for operating and maintenance. While I know that some are tight – and we are monitoring them – when you take it in the whole scheme of things, the increase in three months out of a total year, we hope that they'll be able to handle that kind of increase.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Calgary-East, followed by the hon. Member for Edmonton-Glengarry.

Minimum Wage

Mr. Amery: Thank you, Mr. Speaker. The average rent of a one-bedroom apartment in Edmonton is about \$650 and about \$750 in Calgary and about \$1,200 in Fort McMurray; that is, if you can find a place. The cost of heating and lighting a house is skyrocketing. That is in addition to other expenses like driving a car or taking the public transportation system. All expenses have gone up over the last few years. The only thing that hasn't moved is the minimum wage of this province. My question is to the hon. Minister of Human Resources and Employment. How does the minister expect those people earning minimum wage to make ends meet?

Mr. Dunford: Mr. Speaker, if there was a substantial number of Albertans that were working at the minimum wage, then I think there would be cause for great concern. However, the information that I

have is that 1.2 percent of the working force is actually at the minimum wage, and it's my understanding that three-quarters or something of that number are actually students working in jobs where tips are also available. So it's a situation that we continue to monitor, and whether or not we will have to increase that in the near future I think is a question that's really debatable at this particular point.

The Speaker: The hon. member.

Mr. Amery: Thank you, Mr. Speaker. Since we live in the most prosperous province in the country and we have the lowest minimum wage in the country, would the minister consider looking into this very important matter immediately?

Mr. Dunford: Actually, the interesting thing and what makes debates around minimum wage so incredible is whether or not the minimum wage has any impact on anything. Really, what tends to drive the wages that an employee . . .

Mr. Mason: Not here. Most kids get more from an allowance than you pay them.

The Speaker: The hon. minister, please.

Mr. Dunford: You know, in a socialist situation, of course, you have to put these things in place, but in Alberta what you've got is a market that's operating. There's a huge demand for labour, and like anything else, when the demand is high and the supply is low, then of course wages in this particular case will tend to rise. So there are very, very few people that are actually working at minimum wage in this province.

The one thing that I think we must keep in mind is that the overriding concern that we as a government should have is that people are able to get into the workplace, because when they get into the workplace, they start gaining experience, they start learning new skills or enhancing skills that they already have, and of course they start advancing within a wage and salary administration plan and start to gain seniority. So I think we should be concerned more about the number of people that are getting into the workforce rather than concerning ourselves particularly with a socialist technique such as a minimum wage.

Allegations of Fraud in the WCB

Mr. Bonner: Mr. Speaker, on March 5, 2003, the Solicitor General in response to my questions regarding the WCB said, "If there are [any] accusations about bribery, we will forward that letter and have the police investigate." But on the same day I tabled documents showing that the Solicitor General's office didn't forward the letter to the police but, instead, forwarded it to the accused organization, the WCB, requesting that the WCB tell the Solicitor General's office what to tell the injured worker. To the Solicitor General: given that the Solicitor General's policy is to forward allegations to the police, why was the issue not forwarded to the police but to the WCB?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. My understanding is that when the matter was forwarded to WCB, it was about a clarification; it wasn't about the bribery issue. WCB had responded and said that there was information that they could not provide to our department. We since then, if I may be so bold, have written the particular

individual that he's referring to two letters, one that was addressed on January 14 and another letter on February 27, thanking him for his letter of February 7, in which I wanted to clarify regarding his concerns to the WCB, and I appreciate the information that he's forwarded to me.

Concerns involving the WCB do not fall within my mandate, and I said, as I outlined in my previous conversations, "I understand that you are forwarding your allegation of fraud within the [WCB] to the Calgary Police Service," and I again reiterate that "the Calgary Police Service has the authority to investigate such issues." I also noted in my letter to him on the date of the 27th of February that I have forwarded his concerns to the Minister of Human Resources and Employment.

Mr. Bonner: To the same minister: was the suggested response from the WCB the same response that the minister forwarded to the injured worker?

Mrs. Forsyth: Mr. Speaker, again I want to reiterate that the fact is that the person that is alleging allegations in regard to bribery to the WCB has a process in place. That process that's in place is to contact the Calgary Police Service if he's got allegations of bribery. If after he has forwarded it to the Calgary Police Service he does not like the answer that the chief of police gives him, he has the ability to forward his concern and appeal to the Law Enforcement Review Board. The process is in place for this poor, injured worker, and all he has to do is follow it.

The Speaker: The hon. member.

Mr. Bonner: Yes, Mr. Speaker. To the minister of human resources: given your intervention on Thursday, when did your ministry become responsible for fraud and bribery in this province?

Mr. Dunford: That is so typical of this member in this particular file. If we want to see how low anybody can go, we just have to use him as a perfect example. We'll just let the *Hansard* record—people can read, and they can read where he's coming from.

The Speaker: The hon. Member for Edmonton-Castle Downs, followed by the hon. Member for Red Deer-North.

2:30

Education Funding

(continued)

Mr. Lukaszuk: Thank you, Mr. Speaker. This morning the capital region caucus met with the Edmonton Catholic school board. Some of the issues raised, which are not different from issues raised with me by some of the parents in Edmonton-Castle Downs, included unpredictable funding to children who receive PUF grants and later enter grade 1 and unpredictable funding for infrastructure to the school boards. My first question is to the Minister of Learning. What support is available to students who have been in receipt of program unit funding, PUF funding, who enter grade 1?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. Well, first of all, I'll outline to the Legislative Assembly that PUF funding is funding that we use for early intervention. It's the moneys that are out there for any child over two and a half up until six years of age that allow them to get prepared for school. We feel in this government that it is extremely important to prepare students for school, especially

those with severe special needs. As soon as these students get into the school system, they also receive the severe special-needs funding, and that is transferred to the school board.

Just to give you context of how many dollars are spent, presently in the grade 1 to grade 12 system there is \$336 million per year spent on special-needs funding. But I will say one other thing, and that is that in our business plan we monitor the parent satisfaction of those children with severe special needs, and 84 percent of the parents who have severe special-needs kids are satisfied.

An Hon. Member: How many? How much?

Dr. Oberg: Eight-four percent, Mr. Speaker.

We fully recognize that the special-needs students need funding. We have increased the rates around 10 percent per year over the past several years. We have increased it quite dramatically. So in response to the hon. member's question, when they get PUF funding, they can move right into the severe special-needs funding if they qualify for it.

Mr. Lukaszuk: Mr. Speaker, my only supplemental. To the Minister of Infrastructure: what is the ministry doing right now to provide the school boards throughout Alberta and particularly the school boards in Edmonton with more predictable funding for their infrastructure and ongoing expenses?

The Speaker: The hon. minister.

Mr. Lund: Thank you, Mr. Speaker. The financial management review committee made a number of recommendations, and we of course as government accepted those recommendations. As a consequence there is going to be a stabilization fund established. Also, as the Premier announced some time back, we are going to establish a capital fund, and I believe that between the capital fund and the stabilization fund and the opportunity to use alternate ways of financing, we will be able to accomplish a great deal as far as sustainability in the whole capital field in schools, hospitals, postsecondary institutions. Also, I would plan that we will not get into a situation where we start projects and then have to pull them back because of lack of funding. We are looking at a five-year business plan where we would see the finances being there to continue with our construction over a longer period of time.

The Speaker: Hon. members, thank you very much. Because of the brevity associated with questions and answers, for the most part, we had 14 sets of questions accommodated today. That's appreciated. Only one member is still on the list.

Might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(*reversion*)

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

Mr. Lord: Thank you, Mr. Speaker. It's my pleasure to rise today to introduce to you and through you to all members of this Assembly eight representatives from the Alberta Restaurant & Foodservices Association who are here today to celebrate an important milestone for their industry, which I will be talking about a little later. I hope they're all here. I'll introduce them anyway. I would ask our guests, who are seated in the public gallery, to rise and remain standing as

I read their names. We have with us today Lindy Rollingson, CPM, CAE, president and CEO of the Alberta Restaurant & Foodservices Association; Mark Medland, treasurer and chair, government services committee, vice-president of Maclab Hotels & Resorts organization; Carmelo Rago, representing the very popular and very successful Sorrentinos restaurant chain, which is now expanding across the province; Paul Tsang, an old friend of 27 years, responsible for a number of Edmonton's finest restaurants including the huge, new, private-function restaurant and nightclub facility called Dante's; Lyle Beaugard of the very popular Blue Iguana; I'd ask him to rise along with Normand Campbell, owner and proprietor of Normand's restaurant; from the Sheraton Grande Hotel we also have Grant McCurdy; and, finally, Simon Smotkowicz, executive chef of the Shaw Conference Centre and president of ICE 2005.

Mr. Speaker, these people have made a career of quality service to others, and I ask that they now receive the warm traditional welcome of the Assembly.

head: **Recognitions**

Restaurant and Food Services Industry

Mr. Lord: Mr. Speaker, I'm delighted to rise again today in recognition of this important milestone for the restaurant and food services industry across Canada. We have verification that the industry now employs 1 million Canadians from coast to coast, including 116,400 just in this province. This makes the food services industry across Canada one of our very largest employers, employing directly or indirectly more Canadians than the entire agricultural, banking, forestry, pulp and paper, petroleum production, motor vehicles and parts manufacturing industries combined and contributing \$42 billion annually to our GDP. It is the largest single employer of young people in our nation.

In fact, I myself began in this industry, Mr. Speaker, first as a dishwasher, then as a French service waiter, chef, bartender, and owner as well, and I am very proud of my time there. The skills that I acquired later proved invaluable to me, as I am sure they have for many. Congratulations to the restaurant and food services industry.

Thank you, Mr. Speaker.

Randy Ferby, Dave Nedohin Scott Pfeifer, Marcel Rocque Nokia Brier Champions

Mr. McClelland: "Hi, Mom. Kids, I'll be at home at 2 tomorrow." With the Nokia Brier tankard stretched high over his head, Alberta's Randy Ferbey signaled to everyone his success as a person and as the skip of an incredible rink. And what a rink it is. The steady, dependable first rocks of the pride of St. Paul, Marcel Rocque, were followed by the confident play of second, Scott Pfeifer. You just knew he would make his shots. By now the house was full of rocks. Skip Randy Ferbey was called upon to make both the right strategic decision and to make the difficult shots again and again. Finally, Dave Nedohin time and again making incredible shots, that had to break the hearts of Nova Scotia's hometown rink and crowd, to win a record-setting third consecutive Brier, an incredible accomplishment of this wonderful team, including their coach and alternate, curling out of the Avonair Curling Club in Edmonton, the pride of St. Paul, Sherwood Park, and of all Alberta.

Congratulations to the Ferbey rink; Nokia, prime sponsor of the Brier; the organizing committee; the fans and citizens of Halifax; and especially all the competing rinks, who make this uniquely Canadian event such a memorable success. Well done, all.

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

Mill Woods Community Patrol

Ms Carlson: Thank you, Mr. Speaker. The Member for Edmonton-Mill Woods and I would like to recognize the Mill Woods Community Patrol. This patrol is a community-based volunteer initiative in co-operation with the Edmonton Police Service, which trains its volunteers to patrol Mill Woods area streets to observe what goes on in their community and report any suspicious activity to the police.

The patrol existed in prior times but was disbanded a number of years ago. The idea to re-form this group became a focus due to the number of serious and high profile events that occurred in Mill Woods. The Mill Woods President's Council made inquiries with the EPS, as did the EPS with them, to see what could be done to help create a safer and stronger relationship with the police and within the communities themselves.

The Edmonton Police Foundation was approached to assist with start-up costs such as radios and airtime. They agreed with the initiative and thereby donated the money required to purchase the radios and up to two years of airtime. To date the Edmonton Police Foundation has donated \$12,000. With this the community patrol was reborn in the summer of 2001 with the first patrols taking place in November 2001 after initial training.

Good work.

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

2:40 University of Alberta Pandas Hockey Team

Mr. Lukaszuk: Thank you, Mr. Speaker. I am very pleased to rise today to recognize the University of Alberta Pandas hockey team. The Pandas captured a second straight national title by defeating the University of Toronto Varsity Blues in a dramatic 4-3 overtime win. This accomplishment was made all the more exceptional by the fact that the Pandas entered the championship game with an astonishing record of 33 wins and – guess what? – zero losses and only one tie.

It takes a great deal of skill and dedication to win a championship banner, and the Pandas hockey team is to be congratulated for continuing a rich tradition of athletic excellence at the U of A. This latest achievement builds on the university's reputation for good sportsmanship and excellence in athletics. Another exciting and successful year for the U of A varsity sports team. I know all members of this Assembly join me in extending their best wishes and congratulations to the head coach, Howie Draper, and all members of the University of Alberta Pandas hockey team.

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

Professor Gerald Gall

Mrs. O'Neill: Thank you, Mr. Speaker. Earlier today I introduced to this Assembly Professor Gerald Gall, who was appointed as an officer of the Order of Canada in late 2002. At the ceremony in Halifax in which Professor Gall received his medal from Her Excellency, Governor General Adrienne Clarkson, the following citation was read:

[Gerald Gall] is a defender and a promoter of freedom and justice. An authority on Human Rights and Professor of Law at the University of Alberta, he is a founding member of the Board of Directors and now President of the John Humphrey Centre for Peace and Human Rights. He has provided leadership to countless professional, social action and religious organizations, as well as to governments at the provincial, federal and international levels. One of the key organizers of the 1998 International Conference on Universal Rights and Human Values, he is recognized and respected

as a man of action who champions with great passion these issues of world concern.

I would ask everybody in this Assembly to join me in congratulating this wonderful St. Albertan.

Thank you.

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

Monica Hughes

Dr. Taft: Thank you, Mr. Speaker. I rise in the Legislature today to recognize and celebrate the life and work of Monica Hughes. Monica, who died last week in Edmonton after living most of her life here, was a wonderfully successful author of books for children and young teenagers. Her work won many awards, including two Governor General's awards and the Order of Canada. She won the Canada Council children's literature prize for a story about a boy with leukemia and the Phoenix award for her famous Isis science fiction trilogy.

One of her greatest accomplishments was getting so many children excited about reading, an accomplishment that will live on for years. I've spoken to teacher/librarians who marvel at how children love to read her stories. Many of these stories are set in Alberta, including one at the Provincial Museum, so children relate them to their own lives, and teachers can use them as part of the curriculum. My own children have read her books, and I remember how excited we were when we learned that such a famous author lived right here in Edmonton. She proved it was possible for internationally acclaimed writers to stay in and write about our province.

Monica Hughes was a modest, compassionate woman with a clear sense of social justice who always wanted to leave children with a sense of hope. I think the best tribute to her simply might be this: she made the world a better place.

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

Cam Tait

Mr. Hutton: Thank you very much, Mr. Speaker. Today I recognize Cam Tait, a renowned public speaker and writer and a true champion of the disabled community, including my nephew who has muscular dystrophy. Cam is one of his heroes.

Cam is a journalist with the *Edmonton Journal* and has done general news reporting and children's columns and feature writing. Cam now writes three columns a week, two columns on community investment and one on volunteers. He is also a columnist for the web site charityvillage.com. Cam was also a winner of Yuk Yuk's search for Canada's funniest new comic in Toronto in 1995. In 1996 Cam became a Paul Harris Fellow with the Edmonton downtown Rotary Club. Cam was given the honorary diploma of communications technology at NAIT. Most recently Cam received the Queen's Golden Jubilee Citizenship Medal for outstanding service as a volunteer in Canada.

The most important thing to Cam is his family: his wife, Joan, stepson Darren, and his parents. It gives me great pleasure to recognize my friend Cam Tait.

The Speaker: Hon. members, Mr. Tait is also a very mean putter at many celebrity fund-raising golf tournaments, where he raises money on behalf of many worthy causes in this province.

head: Presenting Petitions

The Speaker: The hon. Member for Little Bow on behalf of the hon. Member for Calgary-Lougheed.

Mr. McFarland: Thank you, Mr. Speaker. On behalf of the chair of the Standing Committee on Private Bills I beg leave to present the following petitions that have been received for private bills under Standing Order 93(2):

- (1) the petition of Sister Theresa Carmel Slavik for the Sisters of St. Joseph of the Province of Alberta Statutes Repeal Act, and
- (2) the petition of Reverend Thanh K. Nguyen for the Forest Lawn Bible College Act.

Mr. Mason: Mr. Speaker, I am presenting on behalf of the working poor in Alberta a petition signed by 65 individuals from Fort McMurray. These Albertans are petitioning the Legislative Assembly to urge the government to immediately raise the minimum wage to \$8.50 per hour and index it to the cost of living, much as MLA salaries are.

Thank you.

head: **Tabling Returns and Reports**

Mr. Friedel: Mr. Speaker, it's my pleasure to table the requisite number of copies of the 2001-02 annual report of the Northern Alberta Development Council.

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

Mrs. O'Neill: Thank you, Mr. Speaker. It's my honour to table the appropriate number of copies of a letter signed by the residents and their families of Chateau Mission Court in St. Albert requesting that the Alberta government realistically fund and financially support the seniors' housing industry.

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

Ms Carlson: Thank you, Mr. Speaker. Today I have two tablings. The first is a tabling requested last Thursday, information put out by the Member for Edmonton-Mill Creek, where there was some debate whether or not promises made were, in fact, promises kept.

The second set of tablings is the appropriate number of copies of the program from the first annual Spring Wilderness Celebration, held here in Alberta, of the Alberta Wilderness Association, where they collected money and funds enabling them to support their development of causes in northern Alberta, particularly in outreach work and wilderness protection.

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

Dr. Taft: Thank you, Mr. Speaker. I'd like to table five copies of excerpts from *Occupational Health & Safety Magazine*, a publication of Alberta Human Resources and Employment. These excerpts are taken from four different issues of the magazine, and they show that from November 2000 to January 2002, a 14-month period, 32 fatalities resulting from asbestos exposure were accepted for compensation by the WCB.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have three tablings for the information of the Assembly this afternoon. The first is the scandalous price of electricity on March 9, 2003. The price in the Power Pool bounced around from as little as much less than 2 cents to over 66 cents a kilowatt at 8 o'clock last night.

Now, the second tabling is a presentation that was made in December to the Alberta Electoral Boundaries Commission by John

Patrick Day, a well-known Edmontonian and resident of Edmonton-Norwood.

The third tabling I have this afternoon is more of the petitions from Albertans urging the government "to reinstate natural-gas rebates immediately." There are 310 names on this petition. They're from Holden, Banff, Raymond, Lethbridge, Coleman, and Calgary, just to name a few of the many centres expressing outrage at natural gas prices.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I rise to table five copies of a letter signed by a parent whose children go to McKernan elementary and junior high school, a school that's the pride of the communities surrounding it, communities such as Belgravia, McKernan, Windsor Park. My own daughter went to that school a few years ago. The writer of the letter expresses deep concern about the shortfall in funding which may lead to this school losing as many as three teachers, about 10 percent of the staff. Forty other parents have signed a similar letter, and these letters have gone to the Premier of the province.

Thank you, Mr. Speaker.

2:50

The Speaker: Hon. members, earlier today I had placed on your desks a message from Her Majesty the Queen, head of the Commonwealth, for Commonwealth Day.

I'm going to table in the House this afternoon copies of a new pamphlet from the Legislative Assembly entitled *Alberta's Famous 5*. Because of the efforts of Alberta's Famous Five—Emily Murphy, Nellie McClung, Henrietta Muir Edwards, Irene Parlby, and Louise McKinney—women are recognized as persons in Canadian law. This pamphlet will enhance the Legislature tour of the Famous Five portraits.

head: **Orders of the Day**

head: **Written Questions**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Proper notice having been given on Thursday, March 6, it is now my pleasure to move that written questions appearing on today's Order Paper do stand and retain their places with the exception of written questions 1, 2, 4, and 7.

[Motion carried]

Human Resources and Employment Underexpenditures

Q1. Mr. MacDonald moved that the following question be accepted.

How much of the \$25.5 million underexpenditure from income support to individuals and families, \$621,000 underexpenditure from the widows' pension program, and \$8.8 million underexpenditure from the assured income for the severely handicapped program outlined in the 2001-02 Alberta Human Resources and Employment annual report was spent on homeless shelters, additional system development costs, and salary increases respectively?

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

Mr. MacDonald: Yes. Thank you very much, Mr. Speaker. I'll be brief, but I would express my disappointment. I feel that this information would be of great interest not only to the taxpayers but certainly to individuals who are receiving AISH and the individuals receiving family and social services, and I at this time would like to see this information forthwith.

Thank you.

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you, Mr. Speaker. I'm pleased to respond on behalf of the hon. Minister of Human Resources and Employment, who has indicated his willingness to accept Written Question 1 as phrased.

The Speaker: The hon. Member for Edmonton-Gold Bar to close the debate?

[Written Question 1 carried]

Untendered Contracts

Q2. Mr. Bonner moved that the following question be accepted. What is the total amount of money the Department of Infrastructure has spent on untendered contracts between January 1, 2001, and December 31, 2002, what are the names of the individuals and companies who have received these untendered contracts, and what is the amount they each received as part of their contract?

The Speaker: The hon. Minister of Infrastructure.

Mr. Lund: Thanks, Mr. Speaker. I would recommend that the Assembly reject this question because of the huge costs. It's a total waste of taxpayers' dollars to go through and find all of these contracts and to list them. When you look at our normal business in Alberta Infrastructure, we have contracts for consulting services, for property management, for facility lease, and many others, and many of these are extremely small. If the hon. member has, really, something that he wants to find, I wish he would be more specific so that we could in fact accept this. But this would be a total waste of taxpayers' dollars to ever spend those many hours by staff going through to find those, so I would urge the Assembly to reject this one.

The Speaker: The hon. Member for Edmonton-Glengarry to close the debate.

Mr. Bonner: Thank you very much for this opportunity, Mr. Speaker. I would have to disagree with the minister. One of the complaints that we see year in and year out in the Auditor General's report is the fact that there is not enough accountability in regard to these untendered contracts. Certainly, this is one issue, where literally hundreds of millions of Alberta taxpayers' dollars are spent in the Department of Infrastructure, and there is a considerable amount that is spent on untendered contracts. Certainly, Albertans have every right to know where their tax dollars are being spent, what they are being used for, and which contractors are getting this work.

So I think it is a very valid question, Mr. Speaker, and I would urge all members in the Assembly for open and accountable government to support this question. Thank you.

[Written Question 2 lost]

Federal/Provincial Affordable Housing Agreement

Q4. Mr. Bonner moved on behalf of Ms Blakeman that the following question be accepted.

What is the breakdown of the money that will be used by the government to match the federal government's \$67 million contribution to the affordable housing agreement signed in June 2002?

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you, Mr. Speaker. I'm pleased to advise the House on behalf of the hon. Minister of Seniors that he is willing to accept Written Question 4 as phrased.

The Speaker: The hon. Member for Edmonton-Glengarry to close the debate.

Mr. Bonner: Thank you, Mr. Speaker. Yes, particularly in light of the fact of housing for the homeless and the fact that it was almost one year ago that the federal government put forward \$67 million as a matching sum by the province for the construction of affordable housing, I welcome and thank the hon. minister for accepting this particular question.

Thank you.

[Written Question 4 carried]

Maintenance Enforcement Computer Systems

Q7. Mr. Bonner moved on behalf of Ms Blakeman that the following question be accepted.

What is the current status of all integration of the maintenance enforcement case officers' computer systems, and what is the plan for completing the integration?

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you, Mr. Speaker. On behalf of the hon. Minister of Justice I'm pleased to indicate that he is willing to accept this question as phrased.

The Speaker: The hon. Member for Edmonton-Glengarry to close the debate.

Mr. Bonner: Thank you, Mr. Speaker. On behalf of the Member for Edmonton-Centre I thank the minister for taking these considerations.

[Written Question 7 carried]

head: **Motions for Returns**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you, Mr. Speaker. Proper notice having been given on Thursday, March 6, it is my pleasure to move that motions for returns appearing on today's Order Paper stand and retain their places with the exception of motions for returns 1, 4, 5, 9, and 11.

[Motion carried]

Driver Licensing System

M1. Dr. Massey moved on behalf of Mr. MacDonald that an order of the Assembly do issue for a return showing copies of all

studies and reports prepared by or for the Ministry of Government Services between September 12, 2001, and January 14, 2003, regarding the establishment of a new system for issuing drivers' licences in Alberta.

The Speaker: The hon. Member for Edmonton-Mill Woods on behalf of the hon. Member for Edmonton-Gold Bar.

Dr. Massey: Yes. Thank you, Mr. Speaker. I think it's fairly self-explanatory.

3:00

The Speaker: The hon. Minister of Government Services.

Mr. Coutts: Thank you Mr. Speaker. Drivers' licences are the most acceptable form of identification by law enforcement agencies as well as retailers and financial institutions. Airlines are included in that and employers and many other entities in both the private and public sectors. The importance of this security document creates a need to make sure that the security of the card and the issuance process and the card design are of the highest quality possible. So releasing any studies or any reports regarding this system would breach the security of that system, and for these reasons I would like to move that we reject this Motion for a Return 1.

The Speaker: The hon. Member for Edmonton-Mill Woods to close the debate.

Dr. Massey: Thank you, Mr. Speaker. Well, I certainly don't accept the argument. We haven't asked for privacy to be breached. We've asked for the reports, and the practice has been that those reports are provided. The privacy act is respected with respect to individuals, and I fail to see why the reports that are asked for cannot be so modified to provide the essence of what the reports are about without breaching anyone's privacy or in any way compromising the system.

[Motion for a Return 1 lost]

Correctional Services MLA Review Committee Report

M4. Mr. Bonner moved on behalf of Ms Blakeman that an order of the Assembly do issue for a return showing a copy of the final report from the Correctional Services MLA Review Committee to the Solicitor General.

The Speaker: The hon. Solicitor General.

Mrs. Forsyth: Thank you, Mr. Speaker. We are rejecting this motion for a return. I received the report in December 2002, and officials from my department and I are taking some time to go over it very carefully. As well, the recommendations in the report will need to be carefully considered by the government before the report will be made public, and it would be inappropriate to release the report before a thorough assessment has been completed. I move that Motion for a Return 4 be rejected.

The Speaker: The hon. Member for Edmonton-Glengarry to close the debate.

Mr. Bonner: Thank you very much, Mr. Speaker. Again I would urge all members of the House to not reject Motion for a Return 4. As the minister has indicated, this work was completed last fall. The report has been in their hands since December. We feel that it is especially important for members of the opposition to have a copy

of this report because there is legislation forthcoming on material in this report, and if we are to have a full and open and responsible debate on this piece of legislation and, certainly, the opportunity to provide Albertans with the best possible legislation, then we feel that it is vital that this report be released.

Thank you.

[Motion for a Return 4 lost]

Calling Lake Fish Populations

M5. Dr. Massey moved on behalf of Ms Carlson that an order of the Assembly do issue for a return showing all reports respecting the fish populations, including the populations of walleye and pike, and the general environmental health of Calling Lake prior to and after the April 1, 2002, start of the pilot project which allows approximately two-thirds of Calling Lake to be opened for the harvest of walleye and pike.

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

Dr. Massey: Thank you, Mr. Speaker. Again the motion is fairly clear, and as much as we respect the minister and his long experience in the area and his expertise as a fisher, we do have the odd doubt and would like his wisdom balanced by the work of some of the members of his department.

The Speaker: The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Speaker. I move that Motion for a Return 5 be accepted.

The Speaker: The hon. Member for Edmonton-Mill Woods to conclude the debate.

Dr. Massey: We thank the minister for his wisdom, Mr. Speaker.

[Motion for a Return 5 carried]

Infrastructure Contract Management Process

M9. Mr. Bonner moved that an order of the Assembly do issue for a return showing a copy of the Department of Infrastructure policy on its contract management process.

Mr. Lund: Mr. Speaker, this particular motion for a return asks for a copy of the Department of Infrastructure's policy on its contract management process. I would be only too happy to file with the Assembly key documents that detail the contract approval process within the ministry.

In response to recommendations made by the Auditor General in his last annual report, the ministry has commenced an extensive review of its processes and documents that detail our contract management process. The first document is the interim mandate of the recently restructured Contracts Review Committee in response to the Auditor General's recommendations, where we really find the mandate of this committee such that the members play a more active role in the evaluation of all contracts and tenders. Previously this committee provided support for both infrastructure and transportation contracts, and the first phase of our initiative was to split the committee so that it can now focus on contracts under the mandate of Alberta Infrastructure. The second phase of our review will include a more detailed review of the approval levels within the organization.

In addition, we have developed a consultation and selection policy, which is currently in draft. We have consulted stakeholder organizations and private industry, such as the architecture and engineering professions, to ensure that our proposed changes respect a fair, equitable, transparent, and appropriate way of doing business with their member firms and have developed a policy that will clearly communicate the department's process for consultant selection and contract awards.

Mr. Speaker, I feel that these documents will provide this Assembly with the information on the importance of Alberta Infrastructure ensuring a fair and open contract management process. So we will be accepting this motion and be only too happy to table those documents.

The Speaker: The hon. Member for Edmonton-Glenarry to close the debate.

Mr. Bonner: Thank you very much, Mr. Speaker. I want to thank the minister for his commitment to table those documents in the House and also for the brief explanation on the processes and procedures that they have instituted to try and deal with this situation. So thank you, Mr. Minister.

[Motion for a Return 9 carried]

Transportation Contract Management Process

M11. Mr. Bonner moved that an order of the Assembly do issue for a return showing a copy of the Department of Transportation policy on its contract management process.

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I am pleased to undertake this motion and accept it on behalf of the hon. Minister of Transportation.

The Speaker: The hon. Member for Edmonton-Glenarry to conclude debate.

Mr. Bonner: I'd like to take this opportunity to thank the minister for accepting this motion for a return.

[Motion for a Return 11 carried]

3:10head: Government Bills and Orders head: Committee of the Whole

[Mr. Shariff in the chair]

The Deputy Chair: We'll call the committee to order.

Bill 201 Emblems of Alberta (Grass Emblem) Amendment Act, 2003

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

Mr. Tannas: Thank you, Mr. Chairman. At committee stage I have no amendments to offer, but I would like to answer some questions which were asked in second reading. Now, when I was reviewing *Hansard*, I only determined that one member, the hon. Member for Edmonton-Gold Bar, had a few questions on June grass, respecting

its distribution, selection, and the balloting process. I'll perhaps spare everyone too much of the reading of the questions, but it just said that perhaps the June grass was overlooked by the electorate in this case and wanted to know who introduced the legislation and the committee update on the balloting and that kind of thing. I'll endeavour to do that.

Just as a reminder, rough fescue is also found in Peace River and Grande Prairie, because there was a comment that it only went as far as Grassland.

Now, to try to explain why the Prairie Conservation Forum balloting process arrived at rough fescue, which is found in approximately two-thirds of Alberta, and, as the hon. Member for Edmonton Gold-Bar observed, the June grass is found throughout Alberta. So if one first looks at the process for choosing the five grasses that were on the ballot – and all the members are familiar with that ballot. It was distributed here in the House when we had second reading and also was distributed to many members several years ago when it was distributed to the MLAs. A list of grasses was compiled, which in Alberta is well over a hundred species, approximately 138 species, and an evaluation matrix was developed by the Prairie Conservation Forum. Seven members of the Prairie Conservation Forum's provincial grass committee, including Cheryl Bradley, Tom Cameron, Cheryl Dash, Reg Ernst, Vern McNeely, Ed Nelson, and Liz Saunders, everything from grass specialists to ranchers and so on, drew up a list of 41 grasses which are relatively common and widespread in Alberta. That is to say that those species were reasonably well known and their range covered at least 25 percent or more of the province.

In May this list of 41 grass species was sent to all members of the Prairie Conservation Forum asking them to select the five grasses that they felt should be on a shortlist. From that shortlist they came up with a shortlist of 41 out of approximately 140. They came up with the following: western wheat grass and northern wheat grass were deemed to be almost the same, but between the two of them there were 21 choices; blue grama grass, 14; rough fescue, 28. So it had most of all of the 41. June grass was 16, and needle and thread grass was 18. So that information for the hon. Member for Edmonton-Gold Bar.

Then comments were made on this process as to why they made their choice or why they didn't make a choice. Just a few of them are:

- Choose a grass representative of the Fescue Grassland as Saskatchewan's emblem represents the Mixed Grass Prairie and Manitoba may well choose one representative of the Tall Grass Prairie.

So that was advice from one of the members of the Prairie Conservation Forum.

- Needle and Thread is probably the most common in Alberta and has a neat sounding name. Rough fescue may be found in a larger geographical area in Alberta. Sweet Grass sounds neat and is used by native people.
- Only choice is Rough Fescue. The crème de la crème.

Another one said:

- I am honoured that a "dirt" person is allowed to have a vote on such matters!

I presume that's one of the agricultural fellows. Finally, there's another comment.

- There is only one candidate and that is Rough Fescue. It is widespread, unique, and vital to the future of both the cattlemen and wildlife. Put [myself] down five times [for that].

So those are just some of the comments in that process.

Again, rough fescue was the first choice, and then on the basis of that, they were able to pick the five grasses that you saw on the ballot. This was sent to several thousand interested Albertans but

not only just sent out to them. Advertising was placed in many newspapers and magazines and on the Net and other means, then, for Albertans to vote on this issue of a provincial grass emblem or symbol for Alberta, and there were some rural schools that participated in it. The balloting resulted in 2,021 ballots, with rough fescue receiving 738 and therefore being the largest, with a majority of 36 percent. June grass was 556, blue grass was 305, western wheat grass was 226, and green needle was 196. So they ranged, then, from 36 percent down to 10 percent.

I'd like to add to this by referring to *A Guide to Using Native Plants on Disturbed Lands*, and we could go through that and spend the next hour looking at all of the ones, but if you look at the various types of grasslands like submesic grassland, upper slope positions, Parry oat grass is the largest, and rough fescue is in there as well at 15 percent of the canopy cover. Go to mesic grassland, lower slope locations: rough fescue is 32 percent, and the others all fall below that as a species with the canopy cover. It goes on through grassy upland sites. Again, plains rough fescue is the largest, and it goes on from there.

Before I conclude, I would add a few more thoughts on the appropriateness of rough fescue even though it doesn't grow throughout the province. Some of the reasons are that if we look at Alberta's emblems, like the wild rose and the great horned owl, those are pretty widespread throughout the province, but the bighorn sheep is found primarily in the Rocky Mountains on our western border. The lodgepole pine is widespread in western Alberta but not found very far east of the Rocky Mountains. Bull trout is found in Alberta's glacial waters. So the fact that rough fescue is only found in two-thirds of the province of Alberta as opposed to a hundred percent of Alberta is, perhaps, not as crucial as the hon. Member for Edmonton-Gold Bar might have thought. The current roster of emblems reflects different cultural, historical, and ecological aspects of Alberta's diversity. There is, however, no emblem which signifies Alberta's prairie heritage, and that's one of the selling points of rough fescue.

The Provincial Museum of Alberta has made some comments that I think are worthy to note. They have written:

The Prairie Conservation Forum (PCF) appears to have done an excellent job in selecting rough fescue as the candidate grass species for inclusion in the Emblems of Alberta Act as the official grass of Alberta. It is clear that the PCF devoted considerable effort into making the selection of this grass a democratic, scientific and educational process.

Educating the public about the ecological qualities of a focus group of critical grass species and then allowing them to vote on their preferred species was an act of informed empowerment.

They go on to say:

Ecologically, it would be hard to argue for a better grass to represent the Province of Alberta. This grass is symbolic of natural and human based systems on a number of fronts and presents a diversity of contrasting elements that do indeed reflect the diversity of the Province.

The Provincial Museum of Alberta said:

In summary, The PCF has done an excellent job selecting rough fescue as the candidate grass for Alberta's official emblem. They have involved the public in the selection process, they provided educational material to promote awareness of all grass species, and they worked with a wide range of stakeholders. The final selection was based on sound ecological principles.

In concluding my remarks at this point in the committee stage, Mr. Chairman, I would like to say that I look forward to any further comments or questions that anyone may offer.

3:20

The Deputy Chair: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Chairman, and thank you to our Member for Highwood for bringing this important bill forward for debate at this time. I just want to rise briefly and indicate my support for this both as an individual and as minister responsible for parks and protected areas. I think it reflects well on some of the values that we as Albertans hold with respect to our environment in general.

Through our protected areas program, Mr. Chair, we try to ensure that our natural heritage remains vibrant, strong, and protected for today and available for the future. The intent of the designation of a provincial grass emblem, I believe, is to select an official symbol that reflects that our grassland areas and our prairie heritage are equally important.

I know that the fescue grass emblem will join numerous other natural provincial emblems, which have been alluded to: the wild rose, the lodgepole pine, the petrified wood, the great horned owl, the Rocky Mountain bighorn sheep, the bull trout, and so on. These emblems are all important to our history in one way or another, and they represent the basic elements of Alberta that are so important to all of us because they are symbolic of the wild, the natural, and the bountiful aspects of our province, of which we are so proud. It was some of these very first elements, of course, that were very appealing to our aboriginal people and that, in turn, helped attract the first European settlers to western Canada.

Fescue grasslands, in particular, are symbolic of natural and human-based systems, and they do host a very rich range of contrasting elements, which I'm sure many members here are aware of, and as such they do reflect the broad diversity of our province. So from a natural history point of view, Alberta is the only place in North America that actually contains all three of these species of rough fescue, which perhaps other members have referenced. This particular grass is fairly widespread in our province, Mr. Chair, and it is in fact found in four of the six natural regions, those being the grassland, parkland, foothills, and Rocky Mountains.

The rough fescue ecosystems that are the subject of debate today are also important in that they provide a critical food source group for the winter, in particular for wildlife, including many of our big game species of the prairies and of the foothills. But from a human history perspective it's difficult to understand how the parkland, grassland, and foothills regions of the province would have been properly sustained from an agricultural point of view without the rough fescue presence. I'm told and I've read some stories where rough fescue indeed provided critical winter feed for livestock and helped sustain pioneering efforts on the prairies in the early days. So extensive cover of rough fescue is an important indicator of a well-managed rangeland.

I think that in identifying rough fescue as Alberta's official grass emblem, we will contribute significantly to the conservation of our natural grasslands and help focus attention on the human history and the ecological history of our province. Albertans, I know, are very proud of not only our province but also of what we are doing to help protect the natural diversity of the tremendous charms that our province has to offer. Obviously, Mr. Chair, that is evidenced by the success of our special places program, in which Albertans were involved extensively in the process of nominating, identifying, and establishing new parks and protected areas across our province, and that extensive network has been the recipient of many accolades over the past year and a half or so.

Mr. Chair, as I begin to wrap up here, I just want to address a few areas of the province that are very specifically involved in one form or another and/or that touch on this important bill. Some of the areas that we have protected through our special program alluded to earlier, where different types of natural prairie grass could be found,

would include the Rumsey heritage rangeland, which is adjacent to the Rumsey ecological reserve, and it protects the largest remaining tract of aspen parkland in Canada, spanning the transition from the northern fescue grassland to the central parkland. Another area is the Milk River natural area, which contains some of the most diverse and least disturbed grasslands in the country. Another area is the Hand Hills ecological reserve, which is part of the largest remaining fescue grassland in the world. The Tolman Badlands heritage rangeland preserves the northern fescue grasslands north of Drumheller. Finally, the Kleskun Hill natural area protects some of the largest remnant pieces of native grassland in the Grande Prairie area.

These successes, Mr. Chair, are indeed a result of very special partnerships that our government has with businesses and with Alberta communities provincewide. Volunteer efforts need to be recognized in this respect because they, too, are a very important component of building on our success. Over 240 individual stewards and 71 steward organizations are currently involved in the parks and protected areas volunteer steward program. As an example, the Peace Parkland Naturalists assist parks and protected areas in Grande Prairie with the promotion and management of the Kleskun Hill natural area. Of equal importance are the conservation efforts of private landowners, which complement the provincial protected areas and contribute to the overall conservation of the grassland and the parkland natural regions in Alberta.

So this is a very timely bill, it's a very important bill, and credit for it obviously goes to the member bringing it forward, but credit must also go to other initiatives such as Operation Grassland Community, which is a stewardship, education, and partnership program that works directly with landowners, youth, and the general public toward conservation of native prairie habitat.

Mr. Chair, in closing, the Prairie Conservation Forum has done an excellent job in helping select rough fescue as the candidate grass for Alberta's official emblem status. They have worked hard to involve the public in this selection process, they've provided educational material to promote awareness of all grass species, and they've worked with a wide range of stakeholders in bringing this recommendation forward.

I want to quickly acknowledge the contribution of our Alberta Sport, Recreation, Parks & Wildlife Foundation and, as the Member for Highwood indicated, the Provincial Museum of Alberta and its staff, who are within my ministry, for their sincere efforts as members of the Prairie Conservation Forum, who also assisted in the selection of rough fescue as the official grass and for their support in this recommendation.

Mr. Chair, my final sentence is simply to recognize that many Albertans and the Prairie Conservation Forum need to be sincerely thanked for their very hard work and their exceptional recommendation. One way we can do that is by approving rough fescue for designation as the official provincial grass emblem.

Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to rise in debate this afternoon and participate in the discussion on Bill 201, Emblems of Alberta (Grass Emblem) Amendment Act, 2003. I appreciate the hon. Member for Highwood's answers to some of the questions that I had and certainly from the previous speaker, the hon. Minister of Community Development. In that case, one could only say that, well, perhaps the grass is greener on that side of the fence for a change.

When I look at this bill and I hear all hon. members of the

Assembly speak in favour of it, I certainly see no harm in adopting this. I'm surprised at the attention it's getting. When I'm listening to the arguments as they're presented, it astonishes me to look around this Assembly and see so many members interested in participating in this debate, yet we only, Mr. Chairman, have one plant in the entire Assembly, on the Clerk's table. I've had the honour and the pleasure of visiting a few Legislative Assemblies in Canada, and certainly some of them have a lot more vegetation than just that.

3:30

I would encourage, in light of the overwhelming support this bill is getting from government members, that perhaps it's time that – and this could be done in conjunction with the centennial year. It could be a modest, inexpensive recognition of our centennial year. I don't want centennial years to be getting out of hand, Mr. Chairman, with a lot of monuments and stuff being built. I would rather schools and hospitals be constructed, but what we could do perhaps is at some point for visiting schoolchildren whenever they come to the Assembly – it doesn't necessarily have to be in here – we could have an aquarium with a few bull trout in it so that the children could see firsthand, up close our provincial fish.

Now, we could also do something similar with a little patch of this rough fescue grass. I'm not saying that it should be in front of the Mace or anything like this, but certainly there could be a place. Or perhaps we should make a couple of square metres of rough fescue sod or grass in the vicinity of one of the entrances to this Assembly so that Albertans could see for themselves our grass emblem, so to speak.

I'll be brief, Mr. Chairman. In conclusion, I would urge that perhaps we should look at a few more plants in this Assembly. We've got one, and I think we could have a lot more. There's certainly room for them. Perhaps it would make the Assembly that much more of a pleasant place, and with that I would conclude my remarks.

It would be a good, symbolic way to mark our first 100 years as a province to perhaps have a few representations. I'm not saying to have, for instance, a stuffed owl in this Assembly or anything of that nature; don't get me wrong. The public is apt to come in and get confused and have a great deal distinguishing which constituency that stuffed owl would be representing. It certainly wouldn't be an opposition constituency.

Those are some of the things that I think we should do that would be modest and inexpensive, and we could recognize not only this rough fescue grass but other emblems in this province. Thank you.

The Deputy Chair: The hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Chairman, and thanks to the hon. Member for Edmonton-Gold Bar for the good suggestions. Actually, some of them were anticipated, and there are now some examples of rough fescue growing in the gardens of the Legislature, and about 20 feet from where my car is on warmer occasions parked there is a rough fescue plant. Now it's well buried by the snow.

There are suggestions, as well, that maybe we might have, in addition to that plant, some of the native plants. Of course, one of the problems with native plants is that they have as part of the cycle that there has to be a dormant period and a cold period as well as a warm period, but the Native Plant Council is going to follow up on those suggestions.

Thank you.

[The clauses of Bill 201 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

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

Mr. Zwozdesky: Thank you, Mr. Chair. I would move that we now rise and report.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Tannas: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 201.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

head: **Public Bills and Orders Other than
Government Bills and Orders**
head: **Second Reading**

**Bill 203
School (Compulsory Attendance) Amendment Act, 2003**

[Adjourned debate March 3: Mr. McFarland]

The Acting Speaker: The hon. Member for Little Bow.

Mr. McFarland: Thank you, Mr. Speaker. When I began debate on March 3, I indicated that the principles of Bill 203 were to raise the legal leaving age from school from 16 to 17, universally and consistently, and at the same time Bill 203 would eliminate the use of attendance boards. If I could carry on from that point, Mr. Speaker, I also wanted to reiterate that I think it should be the goal of every parent or guardian to see that their child graduates from high school and, hopefully, pursues some type of postsecondary training. There is no denying the fact that staying in school increases a young person's opportunities in this world far beyond those of a high school dropout.

Let me start by addressing the first point: raising the mandatory school age from 16 to 17 years old. Opponents to this bill will argue that children who do not want to be in school should not be forced to attend school. Let me ask you this, Mr. Speaker: how many 16 year olds are mature enough at that age to fully realize the consequences of leaving school early? The notion that a child who is 16 years old who does not desire to be in the classroom will be mature and responsible enough to be a productive member of the workforce is a little bit far-reaching in its assumption.

Another small stretch of the imagination, Mr. Speaker, is to assume that all children who drop out before graduating will eventually see the error of their ways or the decision that they've made and return to school to earn their graduate equivalency diploma or even to attend a vocational institution. These students were not interested in attending when the tuition was being paid for. How could we really believe that they'll suddenly be interested in educating themselves when the tuition is coming directly out of their

back pocket? In the meantime, they're destined for a life of minimum wage positions and near poverty.

Bill 203 is a move in the right direction, Mr. Speaker, and passing it into legislation is the right thing to do. It also ties in with the goals of this government, the future welfare of our children, and our children's promise act, that was introduced this year.

Mr. Speaker, dropout and graduation rates have long been used as indicators of success in preparing students for their future careers or postsecondary education. These rates have a long-term impact on such conditions as unemployment, earning power, average income, and quality of life. I believe it's important to point out that even young people who are only interested in agricultural pursuits require some type of formal education. Having some experience in the business of farming myself and recognizing how technology and information is changing, I can speak to the need for training in this industry.

For those young people interested in expanding their knowledge and background in agriculture, Olds College, for instance, offers a two-year agricultural production and management diploma. In this program at Olds College the requirement is, at very minimum, Mr. Speaker, a high school diploma, 55 percent in math 20 or 23, 55 percent or better in science 30. This immediately excludes the individual who thought they were so smart and had to quit school when they were 16.

Another example, one that may not be as rural but certainly applies to many of the younger people from urban Alberta, would be those who want to work with children who may have experienced difficulties in their lives. Lethbridge Community College, as another example, offers an excellent program in child and youth care. Applicants to this program are required to have an Alberta high school diploma or an equivalent including a minimum of 60 percent in each of social studies 30, English 30, and one other 30-level subject. A young person with these honourable goals of working with underprivileged children will immediately feel the impact of the decision they made to quit school at the age of 16. They simply won't be accepted.

3:40

Recent studies by the National Centre for Education Statistics reported that high school dropouts were three times more likely to receive public assistance than high school graduates who did not go to college. Three times more likely, Mr. Speaker, to receive public assistance. This is a very telling tale. It speaks not only to the lost economic activity to the province as well as to a lifetime of minimum wage, public assistance but also to the increased cost to individual taxpayers. Producing a well-educated, diverse workforce is integral to Alberta's economic success. Keeping children in school until at least 17 years old and increasing graduation rates will help add to Alberta's comparative economic advantage.

The response from the Department of Learning paints such a different picture in terms of costs. While Stats Canada figures point to lost productivity, the Learning department has focused their arguments on a small increase in administrative costs. According to their data, historically the proportion of 16-year-old students who stay in school for the next school year is between 75 and 80 percent. Given this enrollment trend for 17-year-old students, the introduction of a mandatory age requirement of 17 years would create an overall basic learning cost pressure of approximately \$43 million for basic instructional grant funding and system administration. How can one even begin to put a price tag on the value of an education? It is the cost of, and I'll quote, not, unquote, providing a high level of education for our children that's truly more measurable.

New Brunswick is the only province in Canada, Mr. Speaker, for

those interested, who has raised the minimum mandatory school age above 16. On July 1, 1999, New Brunswick through their Education Act required children to stay in school until they graduate or turn 18 years old, and the results have been very encouraging. In 2000-2001 their dropout rate had fallen by 25 percent since 1993, when it stood at 3.8 percent. This indicates that this type of legislation will keep children in school. Studies have continually shown that keeping children in school for longer periods increases their likelihood of continuing to a postsecondary institution.

I'd like now to turn my attention to addressing the second point of Bill 203: applying the age requirement universally and consistently. Section 13(5) of the School Act prescribes who can be excused from mandatory attendance and for what reasons. Bill 203 proposes to strike section 13(5) from the School Act. Under Bill 203 reasonable exceptions to attendance rules will remain unchanged. These exceptions include absences for sickness, recognized holidays, suspensions, expulsion, even those students who've graduated from school prior to the age of 17, those students who some call gifted.

The third issue I'd like to address regarding Bill 203 involves the elimination of the attendance boards. Currently under 15(1) of the School Act attendance boards represent the ultimate authority in resolving truancy issues. Attendance boards were established to provide an alternative to the immediate use of the courts for enforcement of the compulsory attendance.

Thank you, Mr. Speaker. I encourage your support.

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

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have an opportunity to speak in support of Bill 203, the School (Compulsory Attendance) Amendment Act, 2003. If we go back and look at the history of compulsory attendance laws in our country and across the continent, the purpose has been pretty clear, and that's to prepare youth to be productive members of our society and, more importantly, maybe in some instances, to create an informed citizenry, a citizenry that can take part and can guide our democracy. So those two goals, to make them productive members and to create an informed citizenry, I think have been valid goals in the past, and they're certainly valid goals for this bill.

I think for me the important thing about the bill is that it helps to establish the social norm that you finish high school, and there's been some research that would support the notion that the context within which a law like this operates is very important, and the message that it gives youth in our province is that high school graduation is a minimum requirement. We'll hear the arguments, I'm sure, opposing this bill, Mr. Speaker, that talk about the difficulties of keeping youngsters who don't want to be in school there, but I think that that's a whole different argument and needs to be addressed by itself, apart from the compulsory attendance law. I think that it is really important that we pass this law, but even more important is what is done in schools based on the knowledge we already have to prevent the problem from occurring in the first place. What can we do in schools so that the times that the compulsory attendance law has to be invoked are minimized?

I think that if you look at some of the research on, for instance, who stays in school, there's some good evidence that dropout rates in small schools are lower than those in large schools. If you attend a small high school, there's a pressure on you to be part of the culture of that small school. You're forced to take part in the photography club and be on the schoolbook council, a number of activities – you have to be on the basketball team; you have to be on the football team – if those settings are going to work in a high school. So there's great pressure on students in small high schools

to take part in school life, and it's that engagement that we know is one of the factors, a contributing factor, in keeping youngsters in school and having them complete high school. We have to work to try to get that balance so that the pressure to leave school is balanced overwhelmingly in favour of the pressures to stay in school, and I think that that's an important aspect of the whole problem.

We know that it's informed parents whose youngsters are more likely to stay in school. By informed parents I mean parents who are engaged with the school, the purposes of the school, who work at home to affect their youngster's attitude towards school and school performance, and it doesn't mean that they have to sit down and do the math 30 homework for youngsters. All they have to do as a minimum is to ask what's going on, to question youngsters about what's happening in school. "How's your progress in this area? What kinds of things are you engaged in?" It's that kind of activity that leads to youngsters staying in school along with the kind of emotional support that parents can provide.

We know that parental educational attainment has something to do with whether youngsters stay in school. If your parents completed to 10th grade, then the chances are there won't be as much pressure on you to complete high school as children in families where parents are high school graduates. An important aspect of this bill is that it does make it, as I said before, the norm that you complete high school.

Youngsters that are positively engaged in extracurricular activities are more likely to stay in school than those who aren't. You know, if we're really serious about the problem of dropouts, then we have to look at what's happening in schools and what kinds of opportunities are there provided for extracurricular activities and to make sure that when there are pressures on school funding those extracurricular programs are not sacrificed in the name of saving money. They have an important role in helping youngsters avoid being at risk for dropping out. Those activities create a network that draws youngsters in and helps to keep them in school. We know that youngsters living with both biological parents are more likely to complete high school. If you have a higher family income, you're more likely to stay in school. If your parents are employed, you're more likely to stay in school. So there are a number of family factors where I think schools, by the programs that they have in place, can help youngsters stay in school.

3:50

We know that social bonding, educational engagement, achievement that pays off eventually in employment are important factors for youngsters that stay in schools, and we also know that schools that provide a haven for youngsters from home problems and a place for vocational training programs, opportunities to build relationships – those are the youngsters that stay in school.

So we have some pretty good notions of the characteristics of youngsters that do stay in school, and it's those characteristics that I think we have to build on. This law will cause schools to look maybe more seriously at those programs. Those characteristics I think are important in building programs that will help youngsters stay in school and again, as I said, build that very important norm, that the minimum in our province is staying for the completion of high school.

We can start things very, very early, Mr. Speaker. We know, for example, that you can predict even as early as kindergarten who's going to drop out. We know that youngsters that are engaged in disruptive behaviour is one indicator that youngsters might possibly drop out of school. Youngsters who exhibit aggressive behaviour that goes unrestrained in the early years of school is another possible predictor of someone who may want to leave school before they

complete high school, and we get caught up in condemning social promotion as being something very bad, but it's also one of the surest predictors that someone will drop out of school if they have been retained by at least one grade. So by holding youngsters back, we make the probability of them dropping out of high school higher. There's the whole notion of poor attitudes to school, whether that comes from the home or it's allowed to be fostered with the school itself. That leads to youngsters opting to leave school earlier or trying to.

There are a number of youngsters who are not mature enough to make the connection between high school completion, finishing school, and better economic opportunities down the road. The previous speaker mentioned some of the costs that we all pay for those youngsters not being able to make that connection, and I think it's good to question the ability of 16 year olds to make that connection.

Thanks, Mr. Speaker.

The Acting Speaker: The hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Speaker. It's my pleasure today to rise and speak at second reading to Bill 203, School (Compulsory Attendance) Amendment Act, 2003, which is an act to amend the School Act and is sponsored by the hon. Member for Little Bow.

Mr. Speaker, education is an absolute necessity in this part of the 21st century. It's very difficult for children in today's world to get employment and, better yet, to be able to remain employed without at the very least a high school diploma. This being the case, there are still far too many children in Alberta who are not completing their high school education. I wonder whether this is due in part to the fact that our laws are, I guess you could say, lenient on those who wish to drop out of school. Currently any child in Alberta who is of the age of 16 is able to drop out of school uncontested by the truancy officials that we may have here, and I think that's probably in today's world quite unacceptable.

Worse than that though, Mr. Speaker and hon. members, is the fact that many are able to leave school on their 15th birthday. It takes two or three months, if we are considering it, following the 15th birthday when they don't show up to school before they appear on the truancy list. By the time the truancy officer gives the parents proper registered letter notice, authorized notice, if the proper address can be located, to present their child at the school that he or she is supposed to be in, two, three, four months can pass, and finally the truancy officer sees that this is not bearing any fruit and takes the case to court. That may take two or three or more months to get a date for the court. By the time the case comes to court, in this circumstance the child may be well past their 16th birthday, in which case the matter has to be dropped. But let us say, by chance, that if the case gets to the court before the 16th birthday, the court may rule that there are only six weeks, five weeks, four weeks, seven weeks left and it's not worth while for that child, who has missed all of the school since their 15th birthday. If there's only this limited period of time in the school year, it's not worth while issuing a court order to force that child to return to the classroom. Having been in the education system for 27 years and being a school administrator for a considerable period of that time, I know that truancy officers for those kinds of individuals that I've just described are loath to try and do anything about it, because by the time it gets to court, it's not worth their while.

So, Mr. Speaker, as dropout rates continue to be high in our learning system in Alberta, we must look for ways to encourage children from even considering the option to drop out. Bill 203 is a small step in fighting the dropout battle. Its main value is that it

will raise the legal dropout age from 16 to 17 and the de facto rate to 16 from 15. I'm not sure that this bill really goes far enough, as I personally would support 18 years, but it's a small step in the right direction. I don't think that a 17 year old is all that much further along in the maturity scale to make the decision to stay or not stay in school than a 16 year old, but there are some statistics to say that this age is a better choice than 16.

The most important thing that we must realize is that a student who is 17 is one year closer to graduation than a student who might be 16, and this could go an extremely long way in a teenager's decision-making process. If they are thinking about dropping out, they may ultimately decide against it if they feel they are too close to graduating to quit. They may only have six or eight months left until graduation when they turn 17, so they continue on. Or as the hon. Member for Edmonton-Mill Woods suggested, the sports programs often keep people in for a considerable period of time, and that is a bonus.

As we debate the merits of the bill, I'd like to turn to some success stories in other provinces and states that have had a higher legal dropout age. Granted we will not be able to keep every single child in school, but if our legislation keeps one more child in high school until they have completed, then that will have served some purpose.

4:00

In Canada, Mr. Speaker, there's only one province – it's been mentioned by the hon. Member for Little Bow – that has a legal dropout age that is higher than 16, that being, of course, New Brunswick. The province of New Brunswick has a record of a steady decline in dropout rates since 1993 and even more so since their legislation, a dropout rate that is somewhere around 2.8 percent for Anglophone students and 3.1 percent for Francophone. This is a remarkably small number of students dropping out when trying to find Alberta's dropout rate to compare the two.

I found many different and conflicting numbers for our province. Some pegged the rate at 18 percent, some pegged it a little lower at 8 percent, and the general statistic that is found is that the dropout rate is around 13 percent. Whatever rate, it's much higher than New Brunswick's, and I find that embarrassing, and it must be embarrassing for the other eight provinces as well. We must ask ourselves, then: is our average rate higher because the legal dropout age is lower? If this is the case, then we would be seriously considering the importance and the implications of this bill, Bill 203, the School (Compulsory Attendance) Amendment Act, 2003.

Another state is Kansas. A child can leave high school before they graduate and before they turn 18 if and only if they are at least 16 years of age and have written consent from their parents, guardian, or the court for their withdrawal, and that has proven to close the dropout rate down to less than 3 percent. Apparently in the last year for which we have statistics, it's fallen to 2 percent in Kansas, and that, of course, is an incredibly low figure, Mr. Speaker.

The state of Maine has a very low dropout rate. In fact, it has stayed below the 5 percent mark since 1985 in both the public and the private systems, and in 2001 the dropout rate was 3.07 percent, a far cry, then, from that found in most provinces now in Canada, including, of course, Alberta.

So I think, Mr. Speaker, statistics show that the higher the mandatory school age for children, the more likely they will stay in school and complete their diplomas, and this, I would suggest, should be our goal. It may seem trivial to switch the legal dropout age from 16 to 17, but I believe the positives far outweigh any negatives that might be offered. As I mentioned, I would support the age of 18 were that to be proposed.

If we pass Bill 203 – and I feel we should – I think we would see

the benefits within the next five years. I imagine a province where our dropout rate is lower than 5 percent and students choose to stay in school because they know they want to and, of course, are required to do so. Bill 203 will help keep students in school until they are close enough to graduation, and therefore if they have any thoughts of dropping out, they may well change their minds and refuse to quit school because they are so close to the end. That is the difference between a 16 year old and a 17 year old: the latter is so much closer to finishing. I know that most children will make the proper decision if given the chance and the direction.

I fully endorse Bill 203 and ask all of my colleagues to vote in favour of this important bill. Thank you.

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

Mr. Bonner: Thank you very much, Mr. Speaker. It is indeed a pleasure to rise this afternoon to speak to Bill 203, the School (Compulsory Attendance) Amendment Act, 2003, and I would like to compliment the Member for Little Bow for bringing this forward. It is a bill that I think is long overdue, and it is a bill that many people in this province welcome, particularly those parents in the province who happen to have those children who at the age of 15 or 16 have certainly lost interest in school. It's very difficult for those parents – and in a number of cases it can be single parents – to get these children motivated to go to school. So I think that from that very standpoint, if we as a province make this a priority that we want children in school for that extra year, certainly we will see the effects of this type of legislation over time.

[The Deputy Speaker in the chair]

Most of it, Mr. Speaker, is certainly just a change in attitude. We have seen a number of bills in this Legislature that have been passed where initially we did not see the effect. I think of bills, whether they be the wearing of seat belts in automobiles, where at one time we did not have many that wore their seat belts to a point now where we have quite a few people that wear seat belts and, I think, probably in ever increasing numbers that do. Just recently, we passed legislation in this House which would require young people under the age of 18 to wear bike helmets and, of course, without doing a scientific study, I would have to say that when I drive the streets in the summer, I certainly see a greater percentage of young people wearing helmets. So I think that through legislation this is a start. This is a start. I don't think that students will stay in school just because we have legislation, but they do have to. Legislation will give us a tool from which to start.

A place to start, first of all, is to look at why students drop out of school. When we look at students dropping out of school, truancy is usually the first step towards a lifetime of problems, and this is certainly backed up by a study that was done at Florida State University. They have identified many, many factors associated with dropouts. The other findings that the study has found: the average annual income of dropouts was less than one-half of high school graduates and half of welfare families were headed by dropouts and half of the prison population were from these families. So, certainly, we look at dropout rates in high school. We compare those to the rates of unemployment. We also look at the low status and low-paying jobs that these types of people end up with, and, Mr. Speaker, this would lead to the disenfranchisement from society of these people, and that is a key, key factor when we look at why students don't want to stay in school.

When we look at studies that are done even in this province, Mr. Speaker, I look at a study called *Shaping Young People into Good*

Citizens. It is a study conducted in 2001 by the Alberta School Boards Association, and what they did for this particular study was they toured the province and they interviewed many, many people and they had many other people who certainly provided feedback. They had used any number of vehicles to gather feedback, including an on-line survey, an Ipsos-Reid omnibus poll, direct contact with elected officials and provincial associations, and local consultation at the school and school system level. One of the things that they found out was that Albertans agree on the skills students need in order to become good citizens. There were skills such as thinking skills, problem-solving skills, social skills, and leadership skills that were identified as critical for young people to have if they are to become good citizens. Again, to become good citizens, I think one of the things we have to do is start that involvement with the community at a very early age.

Now, as well, we have programs in this province, early-start programs, which deal with high-risk students. We look, for example, at the recent studies and recent activities at North Edmonton school. We see that in programs that identify students who are going to have difficulty along the way, programs that are initiated at the primary level in elementary education, these students have improved immensely over previous classes in the school. So, certainly, by giving these students success at an early age, we raise their self-image. We raise the level of confidence in those young individuals and with the success the probability that those students will remain in school increases.

4:10

As well, we look at other areas where we can help students, and this is certainly in a variety of ways. One of those in the school setting is that we offer academic achievement classes. We certainly have the means and the tests now so that we can identify students who are having difficulty and in what areas they are having difficulty. If we can provide those programs in a timely manner at the first possible opportunity, then the chances of those students not slipping through the cracks and not being left behind are much, much greater.

Now, then, we also have heard it said many, many times that it takes a community to raise a child. I think it is also critical, Mr. Speaker, when we are looking at keeping children in school, that, you know, we have those opportunities and those activities in the community that give students the opportunity to take part. It gives them the opportunity to feel wanted, and it certainly provides a safe environment, which I think is something that we want to ensure in our schools.

We've been relatively lucky, I think, in Canada with the safe environment that most of our students do experience when they attend school, and I think this is critical. I look at the city of Edmonton, where they have just brought in legislation on bullying because this is certainly something that they want to eliminate. It is something that they've identified as a potential problem, and it is a problem in some areas, and they want to make a safe environment for students. I think that if we do provide a safe environment for students in school, then their desire to stay in school, their desire to achieve in school certainly grows. Without a doubt, Mr. Speaker, the biggest payoff that we get for our investments in this province is with our students. Students that stay in school, students that learn, students that see learning as a lifelong goal and something that's to be enjoyed, not to be endured, are commendable. It is certainly an investment that will pay the greatest dividends down the road.

Now, then, in this same study that I mentioned earlier from Florida State University, they found that there is no single approach that works for everyone. [Mr. Bonner's speaking time expired]

I thank the Legislature very much for this opportunity, Mr. Speaker, and I would hope that everybody in this Legislature would support this bill. Thank you.

The Deputy Speaker: The hon. Member for Wainwright.

Mr. Griffiths: Thank you, Mr. Speaker. It is an honour and a pleasure to rise today in support of Bill 203, the School (Compulsory Attendance) Amendment Act, 2003, sponsored by the very honourable Member for Little Bow.

Mr. Speaker, as we all know, the purpose of Bill 203 is to increase the mandatory school attendance age from 16 to 17 years old, and I'd like to point out that regardless of some members' opinions, this bill will not apply to me as I am of voting age.

Mr. Horner: You won't have to resign?

Mr. Griffiths: No. I won't have to resign.

I'd like to stress to this Assembly that I firmly believe that Bill 203 is a step in the right direction, and I encourage this Assembly to view Bill 203 as a step towards a bright and successful future, Mr. Speaker. The point as I see it is to ensure that Alberta's children are provided with the necessary options and opportunities to be successful. Bill 203 is about the success of Albertans, their children and grandchildren, and the success of this province.

The commitment to children is clearly evident in this province. For instance, Alberta's Promise is directed to creating an environment that will allow children, youth, and students to succeed. Mr. Speaker, the commitment that has been made includes concern for the health and safety of Alberta's children and youth at home and in the community. Our commitment also includes the promise that every child receives an education and has support, care, and guidance from at least one caring adult as well as open doors so that they can make a difference and serve others. This overall commitment is expressed partly through our education system. I believe that Bill 203, like other policies, is directed towards the success of our children and the students of this province. They are our most precious resource, and it is our responsibility to help in developing that resource to its fullest potential.

One of the government's highest priorities is to secure a bright and successful future for all children and youth. Success can be viewed in many different ways, and I'm certain that if you were to ask each and every member in this Assembly today what success meant to them, you would not get the same answer twice. I'm willing to guarantee that more often than not the root of any one person's definition of success is: self-development, self-improvement, knowledge, and education.

If I may, I'd like to share with the Assembly a passage that I once read: that man is a success who thinks his own thoughts, who sets his own course, who lives by his own standards and creates his own destiny. I firmly believe in what I just read, Mr. Speaker. However, I also firmly believe that society, government, and, most importantly, family play a large role in preparing children, youth, and students for the roads they will travel. It is the responsibility of mentors, teachers, and family to prepare today's youth for what lies ahead, guiding them in making good life choices and decisions. By doing this, we ensure that they will succeed on their own, being their own person, thinking their own thoughts, and creating their own destiny.

Mr. Speaker, Alberta's learning system is outstanding. Our teachers are caring and kind. Our students have excelled at national and international levels. Our curriculum is one of a kind and improving every day. Our education system should not be taken for granted. We have a responsibility to ensure that students don't

lightly defer the opportunities and options that are provided for them by our education system. In 1981 only 60 percent of all 19 year olds in Alberta completed high school, which is compared to 65 percent of all 19 year olds across Canada. Five years later, in 1986, Alberta's high school completion rate for 19 year olds had risen to 64 percent but Canada's average for the same group was 68 percent. Ten years later, in 1996, 68 percent of Albertans aged 19 years had completed high school while Canada's average of 72 percent for the same age group was again higher.

Alberta is the financial envy of our country. Our balanced budget and debt-free future is something we are all proud of and can pass on to our children. It is time to strive for excellence in other areas as well. I commend Alberta Learning's 2002-2005 business plan, which has set a target for improving high school completion rates for 19 year olds from 72 percent to 75 percent. I'd also like to recognize the efforts that have been made in providing opportunities for mature students who may have left school before they obtained a diploma or want to upgrade their classes to enter a postsecondary institution. For whatever reason, I commend the work that they have done to ensure that all Albertans have access to the education they deserve.

Mr. Speaker, times are changing. The technology advancements that have occurred in the past 20 years are amazing, to say the least. These advancements have also drastically changed the world in which we live. Thirty years ago things were a lot simpler. Your father taught you how to farm, just as his father had taught him. You could fix your own car from what you'd learned in shop class or from working on your dad's car, though lots of us got in trouble for it.

I believe that the success of any person is dependent on their knowledge, and when it comes to knowledge, the more you have, the better off you will be. Alberta's market is competitive on a global scale, and if this province is going to succeed, Albertans have to succeed. A high school education will give today's youth the option to continue their studies at a postsecondary institution. They may not decide to follow that path right away after graduation, but they will have that option. To be competitive in a global marketplace, the products that Alberta produces need to be of the highest quality. Those high-quality products come from research and passing that information on to producers, whether it's a mechanic, a farmer, a construction worker, a nurse, a doctor, an engineer, or any other trade or occupation. The market is continually changing, and to stay competitive, we have to change with it, which means learning the most you can of the newest material you can all the time.

Mr. Speaker, we live in a time when the phrase "lifelong learners" is common. As a teacher I heard that quite often. We don't just teach our students about facts and figures and numbers; we teach our students how to learn and that they must continually learn to evolve to keep pace with today's society.

Bill 203 ensures that Alberta's youth will have the option to stay competitive. The statistics show that the longer a student stays in school, the more likely they are to complete high school and the more likely they are to appreciate learning throughout their lives. Let Bill 203 be the first step in providing the opportunity of success for all Alberta students.

Thank you, Mr. Speaker.

4:20

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

Mr. Lukaszuk: Thank you, Mr. Speaker. It's an honour to join the debate in support of Bill 203, the School (Compulsory Attendance) Amendment Act, 2003, sponsored by the hon. Member for Little

Bow. I cannot think of any reason why a teenager should not be in school. The fact is that some high school students think mandatory attendance isn't such a big deal. Bill 203 makes it a big deal by amending the School Act to make it harder to avoid penalty for deliberately leaving school early.

I understand that there are various social and economic pressures on teenagers and that there have always been instances where students have had to leave school before graduation to attend to other matters. Whatever the reason, it is an undeniable fact that the best place for young people is in the classroom. I don't think young people are aware of the lifelong negative consequences of terminating their education early. Mr. Speaker, I struggled with this temptation when I was in school, but I chose to stay in high school and completed a degree in education.

As an educator I have seen the dramatic consequences when students failed to complete their basic education. My experience as a teacher and the studies done on the undereducated have revealed two unmistakable facts. First, there are clear connections between low education and low income, and there are also connections between low education and poor overall health. Alberta's teachers, school administrators, trustees, and the Alberta government have worked very hard to build one of the most successful and dynamic education systems in the world. All of the hard work, careful planning, and dedication means nothing if students aren't in the classroom.

[Mr. Shariff in the chair]

Mr. Speaker, Bill 203 may be viewed by some as simply sweating the small stuff. After all, forcing teenagers to stay in school does not guarantee that they will actually embrace their education opportunities. But raising the mandatory attendance age to 17 sends a clear message, urging students to stay within their studies. Students who ignore mandatory attendance and any parent that allows this to happen must realize that there are dozens of learning opportunities in the Alberta education system. As we all know, students have always been able to choose from a variety of options in addition to their required courses. Optional courses are designed to provide opportunities for students to explore other areas of interest and possible career opportunities. The range of optional courses offered in Alberta varies from school to school, depending on such factors as student and parent preferences, appropriate facilities, and adequate staffing. For example, Alberta provides 22 career and technology studies programs, ranging from agriculture and forestry to community health or legal studies. The fine art programs, comprised of art, drama, and music, encourage and develop personal expression through artistic activities. Students have the opportunity to explore visual expression and establish the groundwork for artistic skills.

Aboriginal courses provide students with a framework to understand diverse aboriginal cultures within their region, their country, and the world. Amiskwaciy Academy is the best example of the Alberta government's commitment to educating aboriginal youth. The academy is open to any student with an interest in understanding the values and traditions of aboriginal culture. The unique mix of programming options and activities and events and personal guidance is designed to give students an opportunity to understand and appreciate Alberta's rich aboriginal history while preparing them for the challenges in the future.

The registered apprenticeship program, Mr. Speaker, sends students into the world of work, where students spend part of their time in school and part of their time in industry as registered apprentices in one of Alberta's 50 designated trades. The RAP

program continues to be an incredible success in Alberta because students apply concepts learned in school to their career as an apprentice.

The green certificate, Mr. Speaker, for senior high school students allows students in grades 10, 11, and 12 to participate in agriculture-related apprenticeships, earn credits, and complete a technical level of a green certificate in any of the seven specializations. Alberta Agriculture, Food and Rural Development and Alberta Learning jointly administer the green certificate program. Many senior high schools organize special career development activities such as mentoring, job shadowing portfolios, and other career fairs.

Mr. Speaker, I could spend all afternoon listing possible education options for Alberta's high school students, but for the sake of time and patience of my colleagues I would like to briefly touch on the most important reason that young people should stay in school: the integration of technology. Children are learning to use many forms of technology from a very early age. By the time a student reaches high school, they are expected to perform complex research and explain the advantages and disadvantages of using different forms of information accessed through various forms of electronic media. High school students learn to assess the authority, reliability, and validity of electronically accessed information. As Albertans become more dependent on technology, young people must have the critical thinking skills necessary to sort through information in order to make proper decisions. I would also like to remind this Assembly that the Alberta Supernet will soon be operational in all provincial buildings. Supernet will open its doors for education that is simply not possible to do anywhere else in Canada.

Mr. Speaker, technology is here to stay. In fact, it will continue to play a much larger role in the future. Students learn the basics in high school, and without a basic understanding of technology young people will be lost. Thankfully, Alberta Learning has designed a curriculum that helps students to part the waters of the sea of information. But all of the work teachers put into lesson plans becomes meaningless if students aren't encouraged to stay in school. Alberta's teachers are hardworking, passionate, and dedicated men and women committed to the best interests of their students, but teachers can only do so much. I believe that parents must also share this commitment to youth. Changing the legal age of mandatory attendance from 16 to 17 may not seem like a significant adjustment at first; however, raising the age of mandatory attendance and raising the expectations of local boards should also raise the expectations of parents to encourage their children to stay in school. Schools are not meant to be holding areas for young people until they reach the age. Albertans must realize that people need to achieve the highest level of education possible. Failing to do so results in an underskilled workforce and an underachieving province.

I would like to thank the hon. Member for Little Bow for bringing Bill 203 forward. I realize that raising the mandatory attendance age from 16 to 17 will not guarantee a hundred percent high school completion rate in Alberta, but this bill does not operate in isolation. There are many learning options for students that accompany the scores of classes. Keeping students in school for one more year will help the overall goal of developing well-prepared learners for lifelong learning, the world of work, and citizenship.

Finally, Mr. Speaker, I believe that every opportunity must be made to ensure that young adults reach their full potential. Bill 203 amends the School Act and sends a clear message that Alberta needs young people to succeed in school. Alberta's future begins in the classroom. I think that every reasonable attempt must be made to ensure that young people realize their full potential. I urge all colleagues in this Assembly to vote in support of this bill.

Thank you, Mr. Speaker.

4:30

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

Mr. Cao: Thank you very much, Mr. Speaker. It is with great pleasure that I rise today and speak in support of Bill 203, the School (Compulsory Attendance) Amendment Act, 2003. I would like to commend the MLA for Little Bow for bringing this legislation forward for discussion and debate. It is an important topic that affects not only Alberta's youth, but it has far-reaching consequences that encompass the rest of our province.

With the passage of this bill the mandatory attendance age would increase from 16 to 17 years old. This policy would extend its application across the province, enforcing attendance requirements with limited provisions for exceptions. This bill would also abolish the use of attendance boards, placing the authority and jurisdiction with the local school board to ensure student attendance. The overall goal of the bill is to raise the number of Alberta youth who complete secondary education.

Mr. Speaker, let me put some strategic thinking on the matter. Indeed, we are living in a global, competitive economy. Our quality of living depends on our abilities and competitiveness. As Canadians and Albertans we have been enjoying an advantage of being ahead. However, others are catching up. The gap is reducing fast. Our muscles cannot compete with the low costs of the multitudes in other parts of the world. We need to push ahead, literally, with our heads. It has become evident that the individuals who do not complete high school have a harder time securing decent-paying jobs. The gap in opportunities between students who drop out and those who graduate is widening, and we are finding that more entry-level, trade-specific jobs require a minimum of high school graduation.

We are living in an increasingly knowledge-based economy in our society. The skills required to work and live are changing rapidly. These alterations and modifications have extensive implications on equitable participation and social cohesion. As a society we are experiencing a shift in the skill structure and employment requirements taking place across our province, throughout the country, and even around the world.

Mr. Speaker, in addition to frequent unemployment or low-level employment, students who do not complete high school are at risk to experience a plethora of personal and social problems. It is apparent that young people who do not complete high school face many more problems later in life than those who graduate. Moreover, in many instances students that drop out of high school ultimately end up causing the community many longer term problems. Numerous studies and research establish that the earlier the grade from which a student drops out from high school, the less likely the student will ever graduate. The closer the student is to completion, the greater the chance of receiving that diploma. Students that go back to complete secondary school often discover that it's more difficult and usually more costly. Students find it tougher to get back into the routine of school once they have been away from the education environment. In turn, individuals that go back usually attend colleges which are for high school courses for students to upgrade and attain the diploma. However, these courses are offered for a considerable fee. Bill 203 aims to keep more students in school, thus increasing the chances of successful secondary graduation.

Mr. Speaker, youths dropping out of school are not basing their decisions primarily on grades. Granted, some students leaving secondary education have poor or failing marks, but this only makes up 10 percent of those dropping out. Many students have excellent and superior grades. Thirty percent of high school dropouts in

Alberta hold A or B averages. Therefore, it is apparent that the individuals leaving school are not doing so because they are struggling with their marks.

Students may decide to drop out of school for any number of reasons. These reasons may include helping their families or starting families of their own, which usually appears to make sense at the time. Decisions are also supported by the people closest to them. Therefore, individuals feel that leaving school is a favourable choice. However, the consequences of not graduating are vast and can be severe. More often than not most 15 and 16 year olds do not realize or comprehend the outcomes stemming from their actions. These individuals truly believe they know what is best for them. Adolescents need guidance. They do not have the grasp of what lies ahead. Our youth need to be prepared as best as possible in an ever changing economy with no guarantees.

Mr. Speaker, the gap between dropouts and more educated individuals is expanding as opportunities increase for higher skilled workers, thus disappearing for the less skilled. The labour market appears dismal for young people that do not complete secondary education. According to a study by Human Resources Development Canada, dropouts, when compared to graduates, encounter unemployment, low incomes, increased dependencies on unemployment insurance, social insurance, and family allowances. Without a high school diploma most dropouts will end up in either dead-end jobs or relying on public supports. Once the individual makes the choice of leaving school, it may be difficult to escape from the economic and educational circumstances. Dropouts are restricted in their choices of job opportunities; thus, it becomes imperative for students to graduate. Increasing the mandatory attendance age would raise the likelihood of more students obtaining their diploma.

One issue that needs to be addressed when looking at Alberta's young people and secondary education is the noncompletion rate or, inversely, the number of individuals graduating from high school in Alberta. The noncompletion rate is 25 percent. Nationally 18 percent of young adults are leaving high school without graduating. These are not numbers that our province or our country should be proud of. Noncompletion rates have been decreasing across the province and the country; however, these numbers are still too high.

Several jurisdictions in the United States have increased their mandatory age requirements to 17 and 18 years old to augment the completion success of secondary education. New Brunswick remains the only province with a mandatory attendance of over 16 years. Students are required to attend until they graduate or until they turn 18. These initiatives have proven effective in the New Brunswick education system. The province has experienced a decline in dropout rates and an increase in student graduation rates.

Mr. Speaker, Alberta's education system ranks over other provinces as having the best performers. Charts of national test results and aptitude scores place Alberta above the other provinces. However, we need to address the issue of our province's high school noncompletion rate. Alberta has one of the highest dropout rates when compared to other provinces in the country. It will not matter that our education system is the best in the world if one-quarter of our youth are not able to reap the reward from it.

I encourage my colleagues to vote for the bill. Thank you.

4:40

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

Mr. McClelland: Thank you, Mr. Speaker. Our colleague from Little Bow, when he brought this bill to the Legislature, I think, touched on a very important nerve, and that is the importance of education to the citizens of Alberta and in a larger sense the

importance of education to the citizens of Canada. Particularly, it gave those of us in the government an opportunity to speak to the notion of education in general and of our commitment to education and of the acknowledgment of the importance of education in a civil society. So Bill 203 is in my estimation a very important piece of legislation that goes far beyond the notion of merely keeping youngsters in school one additional year, although that one additional year is very, very important and does reflect the difference that a year makes over perhaps 40 years as our economy and as our culture has evolved, particularly in recent times.

Now, we often speak anecdotally about Alberta or the future being a knowledge-based economy and of the importance of investment in a knowledge-based economy for the future of our province. We're going to have to make the investment in a knowledge-based economy if we're to profit from it, and that investment is going to have to be at two levels. One is the investment at an educational infrastructure level and an investment in the dollars that go to fund education, both students and teachers, and the other is the investment in the idea that knowledge is a driver of the economy. In Alberta in the next generation we're going to be coming to grips with the fact that our economy has evolved from a resource-based economy to a knowledge-based economy, and it will be the application of knowledge in a knowledge-based economy which will be the driver of the economy in the next generation.

I see members opposite waving in encouragement and saying: right on; glad you finally touched that nerve. This is where we need to have this debate in our province. Are we going to make the investment in postsecondary education so as to be able to benefit down the road from the innovation and eureka science that comes out of the investment in education, and where is that going to come from?

Well, Mr. Speaker, we in Canada are a branch plant economy. There are very few head offices in our country as compared to any other country in the world. Alberta relative to the rest of Canada has very few head offices. Investment in research, particularly at a postsecondary education level, does not come from corporations, by and large, in Canada and specifically not in Alberta. So there is only one place for that investment to come from, and that's from the public purse. That's why we must as a government and as a people make an investment in postsecondary and education as a whole.

Now, this specific piece of legislation says that we are going to encourage youngsters to stay in school, and previous speakers from both sides of the House have very clearly made the economic argument about how important it is for youngsters to stay in school. Members opposite and members on the same side of the House have quoted statistics that have clearly indicated that with every year of school achieved, the increase in income rises exponentially. It's incredible to see statistics that tell us that every year in school will raise the income opportunity of an individual by something in the order of 8 percent. What better investment can be made?

Now, we know that staying in school, particularly for some families and some individuals, is difficult. As was the case made by members on the other side of the aisle, economic opportunity and economic advantage has some statistical evidence to do with whether or not youngsters will stay in school. The best indicator of whether or not a child will go to university or will graduate from university is not the amount of money that's available in terms of student loans or the tuition that's required; the best indicator of whether or not a child will go to university is whether or not their parents have gone to university. That's the kind of world we live in. We're a mentoring society.

This legislation, then, says that we as a society place value, economic and human value, on the notion that our young people

should stay in school and be prepared for a life based on a knowledge-based economy. We also see in this the notion that not everyone is going to go or should necessarily go to university. Our society needs people that bring a diverse host of talents to the table, so we should not, in my opinion, feel that those who don't go to university are somehow failing either themselves or their family. There are all kinds of education opportunities that don't require university but do require application, and that's what this bill is all about. It's to say: look; if you find yourself in a difficult situation either in your economic circumstance or in your home life and the circumstance that you find yourself in is perhaps knocking around without the parental support that many children are able to take for granted, then the benefit of staying in school, no matter how it's achieved and no matter what struggle a youngster has to make to achieve it, is going to pay dividends in the long run. We all know how difficult it is for someone 16 or 17 years of age to understand and see beyond the horizon that, gosh, it's a worthwhile investment to stay in school, to complete it, to complete that grade, especially when their friends or contemporaries are perhaps no longer in school or pursuing other interests and the peer pressure is very strong to leave, or perhaps the parental guidance is not there and there isn't a mentor and there isn't someone to say: stay in school; it's worth it.

Friends opposite are indicating that they have experienced that very thing in their homes with their children, trying to keep their children in school. Haven't we all? What parent has not had their child come home and say: "I've had it. I want to quit. I want to move on"? But those children who benefit from the mentoring and the guidance of parents or loved ones that will see them through will benefit tremendously down the road. The question is: how do we reach the people? As was indicated by others who have spoken to this very important bill, how do we reach them to ensure that they understand the importance of graduation and of pursuing their educational foundation?

4:50

So this bill has as its core at least two distinct and separate and worthwhile objectives. The first is the human objective of the potential to realize the best that each of us as human beings can bring to the table, to realize our full potential, and there may be many young people who will need our collective help to achieve it. Then the other dimension is the economic benefit that we as a society gain from having a high mean, average, level of education. As others have said, there is a direct relation between achievement, economic and social, and education.

Thank you, Mr. Speaker.

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

Mr. Lord: Thank you, Mr. Speaker. It is an honour and a pleasure to rise today to support Bill 203, the School (Compulsory Attendance) Amendment Act, 2003, sponsored by the hon. Member for Little Bow. As we all know, the purpose of Bill 203 is to increase the mandatory school attendance age from 16 to 17 years old.

I would like to stress to the Assembly that I firmly believe that Bill 203 is a step – and I encourage this Assembly to view Bill 203 merely as a step – a step towards a bright and successful future for our children. There are other steps that will also need to be taken before we can succeed, but a journey of a thousand miles always begins with a single step, and maybe this is it. The point, as I see it, is to ensure that Alberta's children are provided with the necessary options and opportunities and the desire and ambition to succeed in life. Bill 203 is about the success of Albertans, their children and grandchildren and, therefore, the very success of this province.

Mr. Speaker, students leave school early for numerous reasons: the perception that education is irrelevant or for other mental, physical, or social reasons. More often than not the student that leaves school early is dealing with one or more of the many problems that adolescents face these days. The issues that Alberta students face are real problems, and they deserve to be taken seriously, but allowing our children to leave school, to leave the process that will supply them with the skills and knowledge to be successful in life is not the answer. By allowing students to leave school early, we are telling our children that it is acceptable to quit, acceptable to run away from their problems rather than tough it out and solve them. We should be teaching our young people how to cope with their difficulties and excel in spite of them and to learn that success in life depends on perseverance and facing up to the issues. After all, nothing comes without effort. You do not get large trophies for a nickel's worth of effort, and we want our kids to win large trophies in whatever endeavour in life they choose.

The commitment to children is clearly evident in this province. For instance, Alberta's Promise is directed at creating an environment that will allow children, youth, and students to succeed. The commitment that has been made includes concern for the health and safety of Alberta's children and youth at home and in the community. Our commitment also includes the promise that every child receives an education and has the support, care, and guidance from at least one caring adult as well as opening doors so that they can make a difference and serve others. Mr. Speaker, this overall commitment is expressed partly through our education system.

Mr. Speaker, I believe that Bill 203 like other policies is directed towards the success of our children and students in this province. It is our responsibility to help in developing that resource to its fullest potential. One of the government's highest priorities, in fact, is to secure a bright and successful future for all children and youth. I firmly believe that. Successes can be viewed in many different ways. I am certain that if you were to ask each and every member of this Assembly what success means to them, you would not get the same answer twice, but I am willing to guarantee that more often than not the root of any one person's definition of success is grounded in self-development, self-improvement, knowledge and education, and continuing that throughout life.

Mr. Speaker, if I may, I'd like to share with the Assembly a passage I once read: that man is a success who thinks his own thoughts, who sets his own course, who lives by his own standards and creates his own destiny. Of course, that applies to both men and women. I firmly believe what I just read, Mr. Speaker. However, I also firmly believe that society, government, and, most importantly, family play a large role in preparing children, youth, and students for the roads that they will travel in their lives. It is the responsibility of mentors, teachers, and family to prepare today's youth for what lies ahead, guiding them in making good life choices and decisions. By doing this, we will ensure that they can and will succeed on their own and be their own person, thinking their own thoughts and creating their own destinies.

Mr. Speaker, Alberta's learning system is outstanding. Our teachers are caring and kind. Our students have excelled at national and international levels. Our curriculum is one of a kind and improving every day. Our education system should not be taken for granted. We have a responsibility to ensure that students don't lightly refuse the opportunities and the options that we are able to provide for them and which so many in the world do not have.

Mr. Speaker, in 1981 only 60 percent of all 19 year olds in Alberta completed high school, which compared to 65 percent of all 19 year olds across Canada. We were quite a bit lower than across Canada. Five years later, in 1986, Alberta's high school completion rate for

19 year olds had risen to 64 percent. Canada's average for the same age group was 68 percent. Ten years later, in 1996, 68 percent of Albertans aged 19 years had completed high school, but Canada's average was 72 percent for the same age group, and it's still the same degree higher.

Mr. Speaker, Alberta is the financial envy of the country. Our balanced budget and debt-free future is something I'm sure we are all very proud of. It is time to strive for excellence in all other areas as well. I commend Alberta Learning's 2002 to 2005 business plan, which has set a target for improving high school completion by 19 year olds from 72 percent to 75 percent. I would also like to recognize the efforts they have made in providing opportunities for mature students who may have left school before they had obtained a diploma or want to upgrade their classes or enter a postsecondary institution. Whatever the reason I commend the work that they have done to ensure that all Albertans have access to the education they deserve.

Times are changing. The technology advancements that have occurred in the past 20 years are truly amazing. These advancements have also drastically changed the world in which we live. Thirty years ago things were a lot simpler. Your father taught you how to farm, just as his father had taught him. You could fix your own car from what you had learned in shop class or just from messing around at home.

Mr. Speaker, I believe that the success of any person is dependent on their knowledge, and when it comes to knowledge, the more the better without limit. Alberta's market is competitive on a global scale, but if this province is going to succeed, Albertans have to succeed in the new world. A high school education will give today's youth the option to continue their studies at a postsecondary institution. They may not decide to follow that path immediately after graduation, but at least we should have that option available to them.

To be competitive in the global marketplace, the products that Alberta produces, what we manufacture here, need to be of the highest quality. Those high-quality products, the goods and services, come from research and passing that information on to producers who will ultimately manufacture it. Whether it's a mechanic, a farmer, a nurse, a doctor, an engineer, or any other trade or occupation, the market is continuously changing, and we must stay competitive and have lifelong learning if we're going to change with it.

Mr. Speaker, Bill 203 ensures that Alberta's youth will have the option to stay competitive. The statistics show that the longer a student stays in school, the more likely they are to complete high school. Let Bill 203 be the first step, the first of many necessary steps in providing the opportunity of success for all Alberta students. I call on members of the Assembly to support this bill.

Thank you, Mr. Speaker.

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

Mr. Snelgrove: Thank you, Mr. Speaker. Well, it's indeed an interesting discussion we've had today on Bill 203, and I certainly understand and applaud the hon. Member for Little Bow's initiative in bringing this bill forward. However, I can't support it because I think it takes a very simplistic view of what might be wrong with the education system.

I think the question we need to ask ourselves when we're dealing with an issue like this is: why aren't the kids staying in school? I guess maybe I'm from the old school. I think you can lead a horse to water, but you can't make him drink. I really don't know what

will be accomplished by legislating someone who doesn't want to be in school, who shows very little interest, who contributes nothing to the classroom or to his own education. I fail to see how passing legislation that requires them to be there moves the education system along our lofty goals. I think we have to look at it from the point of view of: why would someone who is 17 not want to be in school? Either it is because he's got more serious troubles in his life than we possibly know or the school program isn't teaching him something that attracts his interest or provides him with any type of challenge.

5:00

Mr. Lund: How about her?

Mr. Snelgrove: Or her. You bet.

So I think we have to look at what we are doing with our high school education now that forces some of the kids to make a choice at that stage of life and say: there's nothing there for me; it's better out there. I think it brings around the whole discussion about the development of career training and of trades and stuff taught in co-operation or in conjunction with high school curriculum. Maybe we have to rethink the thought that a successful high school graduate has five or six of the 30 subjects or whatever Alberta Learning has at this point. It was five 30 subjects when I graduated, but that's a little while ago.

I think that for a high school graduate now, if he were to have his second year of mechanics or his second year of electrical with a base knowledge of fundamental learning in math and the other appropriate sciences, maybe from the point of view of some students that's more appropriate, and I would think it is. I know many of the people that started school with me that left early and entered the trades, particularly at that time mechanics, or people that may have left and joined the oil patch. Right now many of these are extremely successful people with very good, solid families and actually have become pillars of their community without the grade 12 diploma.

So I have to really wonder about legislating someone to stay in school longer without looking at the root cause of why they're not wanting to stay there. I don't disagree with any of the hon. members who have said how critical an education is, and I don't think that is connected to a bill legislating people to stay in school longer. If, in fact, it were the case and it were better, why wouldn't we have it legislated right till 18? You know, is grade 10 that much better off than grade 9? I don't know. I mean, if education is something that you can legislate people to attend and do well in or at least learn something, then why are we quitting one grade higher and not two? Pretty well all the kids in my children's grades are going to be at least 18 or 19 before they complete grade 12, so I'm not sure why we would say: well, let's just go one more year.

Mr. VanderBurg: Because I was married when I was 18. That's why.

Mr. Snelgrove: Well, we do make mistakes, George, that we have to live with.

I think there are other incentives you can throw at the system. With a child who's not attending school, I don't believe the family should be eligible for family allowance. I don't think he should be eligible for the tax deduction. I think that if you're not in school, then you should be working. I think that that in itself is more of a way for the family to stay in touch with a child or at least recognize, you know, that we do pay in this world for successes and not attendance. I mean, if you want to work on them, let's work on the low-income assistance withdrawal or the loss of your dependent tax

deduction or through some form where there's a direct relationship to the dollars involved instead of simply stating: well, we're going to make him stay in school. He can be a little troublemaker for another year and cost the taxpayers another \$4,000 or \$5,000, but we'll feel better because he made 17 before he dropped out. I just don't think that's what we need to do.

I think we need to relook at what schools provide students. I think we need to get current. I mean, they say now that you may trade your occupation two or three times in a lifetime, so coming out of school may prepare you for what university skills are now, but is that preparing our next generation for what's needed next? I don't know. I think that the thing it tells us is that some kids aren't getting what they need in school, and I don't think legislating them to stay there does one bit of good.

With that compelling argument in front of you now, Mr. Speaker, I would take this opportunity to ask the question of the House as to whether I've convinced all the clear thinkers or not.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Little Bow to close debate.

Mr. McFarland: Thank you, Mr. Speaker. I know that everyone wants to vote on the matter. I just want to take a few minutes to thank each and every one of you who contributed to the debate.

I have, maybe, one point that I'd like to bring to everyone's attention. With the exception of the Member for Wainwright, most all of us that are currently here today probably were considered pretty fortunate if we got through grade 12 and took some sort of postsecondary. The youngest of the MLAs here is also a university graduate and understands the importance, as all of us do, of education. But when thinking about this bill, I thought back to 1969.

Mr. Norris: That was a good year.

Mr. McFarland: Yeah, it was. And you liked the roadrunner and lots of other things. That would be the Minister of Economic Development.

Anyway, back in 1969 Dr. Christiaan Barnard was experimenting with putting a heart into a monkey, and it wasn't too long after that that we put a man on the moon. All through these years the legal age to leave school, Mr. Speaker, never changed at all. We're now in the 21st century. They say that education and knowledge is doubling every 17 to 36 months, depending on who you talk to. I think it is of utmost importance for any student anywhere, regardless of cultural, religious, societal, economic, financial considerations, to realize that it is so important to be in the 21st century, to take the opportunity to avail yourself of as much education as possible, and that instead of looking at 16 or 17 as the year that you quit learning more, you look at your lifetime as being a total learning experience.

Thanks to everyone for their participation in the debate, and I would call the question. Thank you.

[Motion carried; Bill 203 read a second time]

Bill 204

Insurance (Accident Insurance Benefits) Amendment Act, 2003

Rev. Abbott: Mr. Speaker, it gives me great pleasure to introduce Bill 204, the Insurance (Accident Insurance Benefits) Amendment Act, 2003, to the Assembly this afternoon. There has been over the

last while quite a bit of debate over the workings of the insurance industry as well as litigation surrounding insurance claims. It is my hope that this bill can once and for all protect the granting of section B benefits from the often contentious battles that insurance companies and injury lawyers get into over benefits that a client ought to receive.

Mr. Speaker, before I get into the nuts and bolts of my remarks, I'd like to outline my points briefly. First, I'll explain Bill 204 and what it would do to the Insurance Act as well as the effect it would have on the ground. Second, I'll make the claim that Bill 204, most importantly, puts claimants back at the centre of insurance disputes. It says clearly that claimants who pay for the insurance matter most, not their lawyers and not their insurance companies. Finally, I'll make a few remarks about the importance of independent medical examinations. I'll argue forcefully that it's time we made sure that the insurance world treats claimants fairly instead of as pawns to be moved about a chessboard by injury lawyers and insurance companies.

On my first point, the purpose of Bill 204 is to amend the Insurance Act to increase the limit on section B medical benefits delivered to those who have been in an automobile accident to \$25,000 over four years from the current level of \$10,000 over two years. Bill 204 also includes provisions for a dispute arbitration mechanism between insurance companies and claimants receiving section B medical benefits. Mr. Speaker, section B benefits are medical benefits that must be delivered by insurance companies to any person who has been in an automobile accident. It does not matter if the person is responsible for the accident; these benefits must be delivered. Currently the Insurance Act requires insurance companies to pay up to \$10,000 in medical costs and \$500 in chiropractic costs over a two-year period to any person who accesses his or her section B benefits. Only the Yukon, which requires insurance companies to pay \$10,000 and zero in chiropractic services, ranks lower than Alberta in delivering these medical benefits.

5:10

An Hon. Member: How can that be?

Rev. Abbott: I know. It's a shame.

Five provinces and territories – Newfoundland, Nunavut, Northwest Territories, Nova Scotia, and PEI – require insurance companies to pay up to \$25,000 in medical costs over a four-year period. All other jurisdictions are higher, ranging from \$50,000 over four years to unlimited benefits over an unlimited time period. The provinces with the higher limits are all running no-fault insurance systems or systems that are closer to no-fault, whereas Alberta is, of course, closer to the tort system, Mr. Speaker.

Given that Alberta's system retains elements of a tort system for settling insurance disputes, it's time that Alberta joined at least the minimum set of provinces and introduced section B benefits like those asked for in Bill 204. This is only fair, Mr. Speaker, and it leads to my second point.

Bill 204 seeks to start a process that would put consumers at the centre of the insurance industry once again. Mr. Speaker, this bill speaks to the nature of a contract. From the point of view of an insurance consumer you are buying insurance to make sure that if you are injured, you are taken care of medically, and if you cause an injury to another person, the company will pay for it. What sort of message does it send for an insurance company to not pay for medical expenses, especially considering that section B benefits are mandatory and must be bought by consumers? Now, this is not to

suggest that insurance companies should be left wide open to anybody who can fake an injury. It is, however, to suggest that when a legitimate claim for medical expenses is presented, insurance companies should be there for their consumers to provide them with the adequate services needed to have their medical problems solved. We do not want this to fall back onto the taxpayers of Alberta or onto the individual clients having to pay out of pocket once they have purchased insurance to do that for them. This was the logic behind raising section B rates from \$5,000 to \$10,000 only five years ago, and it's also the logic behind this bill today.

Now, Mr. Speaker, an objection that may be raised here is that the average section B payout is something like \$3,700. Given this, members might be tempted to ask why we should be raising section B benefits to \$25,000. Well, I'll respond by saying that the \$3,700 is an average, and we all know what can happen with averages: most people end up low while others end up high, and taken together, we get that average.

Well, to take an extreme example, when I got in an automobile accident, I went to a couple of physiotherapy sessions. I soon figured out that I had no need to be there, and I stopped going. I then sent in a very, very small section B claim to my insurance company – I think it was about \$80, Mr. Speaker – and I was done with the process. On the other hand, someone could get into an accident, really crank their neck or break some limbs or ligaments and have to send in a massive claim, well over the \$10,000 limit. So, yes, the average claim does come out to something like \$3,700 in those cases, but that disregards the massive claims of some consumers like the example I just suggested. So we see that this raise is designed primarily for those people who are really injured and cannot pay.

Mr. Speaker, this brings me to my third point. Regarding independent medical examiners, it is this section of Bill 204 that I believe really puts consumers back at the heart of insurance concerns. As it stands currently, any insurance company wishing to stop paying medical benefits to claimants can send claimants to a doctor of the company's choice . . .

The Acting Speaker: I hesitate to interrupt the hon. Member for Drayton Valley-Calmar, but under Standing Order 19(1)(c) I must now put the question on the following motion for consideration of Her Honour the Lieutenant Governor's speech.

head: **Consideration of Her Honour**

head: **the Lieutenant Governor's Speech**

Mr. Jacobs moved that an humble address be presented to Her Honour the Honourable the Lieutenant Governor as follows.

To Her Honour the Honourable Lois E. Hole, CM, AOE, Lieutenant Governor of the province of Alberta:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly, now assembled, beg leave to thank you, Your Honour, for the gracious speech Your Honour has been pleased to address to us at the opening of the present session.

[Adjourned debate February 19: Ms Haley]

[Motion carried]

head: **Government Motions**

Address in Reply to Speech from the Throne

9. Mr. Zwozdesky on behalf of Mr. Klein moved:

Be it resolved that the address in reply to the Speech from the

Throne be engrossed and presented to her Honour the Honourable the Lieutenant Governor by such members of the Assembly as are members of the Executive Council.

[Motion carried]

Mr. Zwozdesky: Thank you, Mr. Speaker. I would move that we now call it 5:30 and adjourn until 8 this evening.

[Motion carried; the Assembly adjourned at 5:15 p.m.]

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

Legislative Assembly of Alberta

Title: **Monday, March 10, 2003**

8:00 p.m.

Date: 2003/03/10

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

head: **Motions Other than Government Motions**

Constitutional Reform

502. Mrs. Jablonski moved:

Be it resolved that the Legislative Assembly urge the government to investigate and implement steps to strengthen Alberta's position within Confederation.

[Debate adjourned March 3: Mr. Lord speaking]

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

Mr. Lord: Thank you, Mr. Speaker. When we foolishly make decisions in anger, we usually end up jumping from the frying pan into the fire, so it's very important to calmly look into a mirror first to see if there is anything more that we should or could be doing in order to strengthen Alberta's position within Confederation. Otherwise, we might not find ourselves occupying the high moral ground that we thought we were and which will be needed to win our case. Rather, we might end up being portrayed as a bunch of greedy, ill-informed whiners complaining all the way to the bank, which would only make everyone even angrier. The facts are plain: Alberta on average is doing exceptionally well right now compared to the rest of the world despite all our complaints about Ottawa, so much so that one might want to question what is reality and what is merely perception. Why are things going so well for us if everything is so bad?

It's also abundantly clear that Quebec, which many people point to as a province whose strategy we should be emulating, is not doing so well on average at all, largely a result of investor uncertainty caused, in my mind, largely by the constant raising of the extortionist threat of separation. I know as a former stockbroker that that has not only led to what is probably the largest drain of investment capital in Canadian history and, further, stifled untold billions more from being invested there in the first place, but it has also led to the largest brain drain of human talent in Canadian history out of that province as well. Whatever little bit of extra federal welfare they get in return, in my mind, comes at a very high price and is a drop in the bucket of what they would now need to turn things around. I suggest that we learn from their mistakes and recognize their colossal blunder for what it is and not emulate it at all just because it gets them a little more welfare than what we get. It's cutting off your nose to spite your face in my view and not something a proud people do.

Mr. Speaker, a nation's assets are not measured in dollars and cents alone, and wealth transfers, in fact, are not measured in dollars and cents alone either. The fact is that a well-educated, hardworking population is a nation's greatest asset. So when we look at how many of Canada's best and brightest people are moving to Alberta, you have to realize that when we look beyond dollars and cents to this transfer of people, we are witnessing one of the largest wealth transfers in Canadian history into Alberta. At the same time, we have seen one of the largest wealth transfers in Canadian history out of Quebec.

How big is this transfer? Well, I estimate that if you add up the contributions to Alberta's GDP of just the people who have moved to Alberta in the last 20 years, over their 30-year career average it

might be as much as \$350 billion. That's \$350 billion of new wealth Alberta wouldn't likely have otherwise. Think of the annual taxes we are now collecting as a result of all these new people moving here because of uncertainty, bad government, and lack of opportunity elsewhere. This is only in estimated dollars and cents. Think of all the other important contributions that these new Albertans will make to Alberta as well in coming years. Raising the separatist threat in an extortionary manner, Mr. Speaker, in my mind, is one of the very few things that might actually derail the Alberta economy, and I am very concerned that we do not follow any false prophets and go down that garden path.

So what should we do to improve Alberta's position within Confederation? Well, there are a lot of things I'd like to get into, but I am out of time today with only four minutes. I do like the idea of tackling this problem of improving Alberta's position within Confederation. In fact, I envision Alberta maybe even helping to save Canada by continuing to demonstrate the benefits of capitalism. So I thank the Member for Red Deer-North for having brought up an opportunity to begin discussions on this very important issue.

Thank you, Mr. Speaker.

An Hon. Member: Question.

The Deputy Speaker: Someone has called the question. It's unnecessary to do that, but apparently they felt compelled to do so.

We permit at the end of the allotted time – the hon. member spoke to within about two seconds of it – the mover, the hon. Member for Red Deer-North, to close debate.

Mrs. Jablonski: Thank you, Mr. Speaker. In closing debate on Motion 502, urging the government "to investigate and implement steps to strengthen Alberta's position within Confederation," I would like to address the importance of this motion.

Mr. Speaker, many of my constituents of Red Deer-North have day-to-day concerns about raising their families, paying their utility bills, the cost of gas at the pumps, and getting good health care. The majority of my constituents in Red Deer-North are very loyal Canadians, and most don't really care about strengthening Alberta's position within Confederation. Most don't care what level of government looks after health care or education as long as they have employment, good health care, and good educational opportunities. Many of my constituents won't care about strengthening Alberta's position in Confederation until the economy and their jobs are affected. When the federal government in central Canada imposes legislation that seriously affects the economy of Alberta and jobs are lost, companies go bankrupt, and families are destroyed, then Albertans will demand to know what the provincial government of Alberta did to protect their rights.

In the past year Albertans have opposed Ottawa on several key constitutional issues. The most prominent of these is our government's disagreement over the Kyoto protocol. Several other issues that Albertans have expressed concern over are the Canadian Wheat Board's continued monopoly, the federal gun registry, and the attempts of the federal government to attach conditions to further health care funding. These issues are further complicated by the fact that Alberta is currently paying \$9 billion per year more into federal equalization and transfer programs than the province receives in return from these programs.

Generally, there are five prominent recommendations for change that would strengthen Alberta's position within Canada. These five ideas include an Alberta pension plan, an Alberta provincial income tax collection agency, an Alberta police force, the resumption of provincial responsibility for health care, and forcing Senate reform

back on the national agenda. Motion 502 does not necessarily endorse these suggestions but asks the government to research and investigate these possibilities as well as other means through which the position of this province in Confederation can be strengthened. These are all constitutionally valid ways through which Alberta can protect itself against federal encroachment.

Alberta would not be the first province to implement some of these recommendations. Quebec is already way ahead of Alberta in strengthening their position in Confederation. Alberta has, however, always been a leader in developing policies and strategies that continue to build on our success and strength while identifying common areas for interprovincial co-operation and provincial/federal co-operation within Confederation. Alberta has a well-deserved reputation for honestly facing problems, developing workable solutions that meet the needs of all parties concerned, and above all defending the interests of Albertans.

Mr. Speaker, as I have said before, to those Albertans who are talking about separation, I challenge them to work with us to build a strong Alberta inside the Canada that our Fathers of Confederation wanted it to be. For the sake of those in the federal government and Alberta's opposition parties that find it difficult to understand the intent of this motion, it is not a motion about separating. It is a motion that requests action to strengthen this great province and thereby strengthen this great country of Canada. By having stronger voices, we have a stronger nation – stronger provinces, a stronger nation – for to do nothing and to accept the status quo is to weaken Canada.

In conclusion, Mr. Speaker, I would encourage all members to support Motion 502 so that Albertans will always be assured that federal government policies will only affect their jobs and their economy in a positive way.

[Motion Other than Government Motion 502 carried]

Incentives for First-time Home Buyers

503. Mr. Shariff moved:

Be it resolved that the Legislative Assembly urge the government to establish a financial incentive program to encourage first-time home ownership.

Mr. Shariff: Mr. Speaker, I've great pleasure in rising today to sponsor debate on Motion 503. Over the past 10 years the province of Alberta has experienced a tremendous expansion in growth. Due to the hard work of all citizens of Alberta we have created an environment that is the envy of the rest of Canada. This expansion, however, has come at a cost to Alberta, a cost in terms of unaffordable housing and accommodation. The purpose of introducing Motion 503 for debate in this Legislative Assembly is to urge the government to establish a financial incentive program to aid first-time home buyers. These are potential home buyers who through the regular channels of borrowing might not otherwise be able to afford reasonable and adequate accommodation.

8:10

Mr. Speaker, with our phenomenal population growth the province of Alberta has also experienced a dramatic rise in the value of real estate. It is a simple example of supply and demand. For example, the average price of a home in Calgary and Edmonton is over \$200,000. For those Albertans who are desperately attempting to save towards that first home purchase, the timing and environment could not be any worse. Interest rates are at an historical low, unemployment levels have maintained their low levels, and the Alberta economy is continuing to lead the country in growth, yet

many working families do not have the means to be able to afford purchasing reasonable housing. Most families today are two-income households struggling to pay a high rent and bills for day-to-day living. Most are unable to even consider putting money aside for a down payment. Those who are able to save a little find themselves unable to qualify for a mortgage because of high debt ratio.

Mr. Speaker, as I look around the country, there are many models of programs encouraging home ownership. For example, the federal government through the Canada Mortgage and Housing Corporation offers what they call a home buyer's plan, which allows first-time home buyers to use up to \$20,000 of money in the RRSP program towards a down payment for the purchase of a home. This program is great for those who have the resources to put aside money for retirement and invest those savings into home ownership.

However, there are many young Albertans that are struggling to meet the heavy debt load they carry after graduation. According to Alberta Learning, as of March 31, 2002, the average debt load for a university undergraduate today is \$18,871. For a graduate student that figure rises to \$28,824. In my office I have seen young couples who have \$60,000 to \$70,000 of student finance debt. Many of us who have children currently in postsecondary programs know that the cost of education has risen dramatically. Many parents who previously were able to help fund some of their children's education costs are now unable to do so. Therefore, young people are being burdened more and more with carrying higher and higher education debt loads.

Mr. Speaker, the point here is that attempting to secure that first job to pay off these burdensome debts makes it financially impossible for many young people to put enough money away for a house purchase. As well, with the pressures of contributing to an individual pension fund, knowing that the Canada pension plan as it currently stands will not be around for any length of time, with paying down student loans, with the increasing cost of living in many urban centres where the jobs are located, and with real estate prices in those centres rising beyond the budget of many, it is less likely that many young adults will be able to afford the purchase of a first home.

Some of you may recall that in 1976 the Alberta government, through an entity known as the Alberta Home Mortgage Corporation, offered the starter home ownership program. This program was offered to assist low- to middle-income families purchase their first homes. This program lasted until 1984, when it was disbanded. One of the problems with this program, Mr. Speaker, was that it was structured inefficiently and created a burgeoning bureaucracy rather than helping those it was intended to aid.

A proposal that includes tax credit incentives for first-time home buyers has been an effective program in other Canadian jurisdictions as well as in the United States. The stimulation of home ownership through the mortgage interest deduction and capital gains exemption is sound economic policy. The economic stimulus of tax benefits is multiplied by the equity growth created through home appreciation. Various provincial jurisdictions offer programs that aid their constituents with the purchase of a home through tax incentives and benefits.

The Ontario government offers the Ontario home ownership savings plan, which provides a refundable tax credit to help lower income individuals and couples save towards the purchase of a first home. Persons with a net income of less than \$40,000 and couples with a combined net income of less than \$80,000 can benefit from this program. When an individual or couple files an annual federal income tax return, a claim for an Ontario home ownership savings program tax credit of up to \$500 per person or \$1,000 per couple may be made. This tax credit is based on net income for the year and the amount deposited into the plan during that year.

Mr. Speaker, British Columbia offers a property transfer tax exemption for first-time home buyers. The property transfer tax credit is calculated at a rate of 1 percent on the first \$200,000 of the fair market value and 2 percent on any value over \$200,000. For example, in a \$250,000 house in Victoria a first-time home buyer would have a property transfer tax exemption of \$3,000.

The previous two examples given from British Columbia and Ontario demonstrate those governments' commitment to providing their citizens with an incentive for home ownership. With the rising costs facing many of our younger Albertans, it is vital that we help create an environment that promotes home ownership. Motion 503 speaks to that goal, and I urge my colleagues to support this motion.

Thank you.

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

Ms Carlson: Thank you, Mr. Speaker. It's nice to see that the backbench likes to be a tax-and-spend kind of organization. They're sounding very Liberal, which is not the first time today that we heard private members who support this government sounding very Liberal. I have to say: that pleases me to no end.

The one program that the member forgot to talk about is the one that was in the mid-60s that was also available – and I believe that would have been with the Social Credit government – where homeowners could receive a grant. Of course, houses were a lot less then, and I think the average grant was about \$500.

Mr. McClelland: Five hundred dollars. You could buy a house. I was there.

Ms Carlson: Five hundred dollars. You see? There's another tax-and-spend member that would like to participate in debate and tell us how this government can help people at the ground level, which we've been saying for a long time. I tell you: this is shaping up to be a pretty fun week. I can hardly wait to see what else they talk about. We may see them actually enter into debate on substantive bills, and wouldn't that be a change, Mr. Speaker?

Anyway, I have to say that I'm completely in support of what this member has to say. Now I know that nobody will vote for it – and I'm sorry for that – because we can see the moaning and groaning. You guys can just pretend to be tightfisted with your money in helping out people. Just for once close your eyes and tax and spend away openly instead of behind closed doors and by regulations, which is how it usually happens.

I urge everyone in this Assembly to support this motion.

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

Mrs. O'Neill: Thank you, Mr. Speaker. Motion 503 calls on the government to establish a financial incentive program that aids first-time home buyers in the purchase of their first home. The Member for Calgary-McCall has introduced this motion, and I feel that we should all support it because it is not something that will tax others but will give an incentive for first-time home buyers to enable them to get into the market of being homeowners.

Alberta has experienced phenomenal growth over the past decade. With this growth, the province has also experienced a dramatic rise in real estate values, with prices of homes escalating each year. While prosperity and economic growth is good for the overall health of the province, it has created a problem for first-time home buyers trying to find an affordable residence. I'd like to just draw on my experience. Just prior to being elected to the Legislature, I did sell residential real estate, and I can tell you that the greatest desire

among young couples, young people is to be able to purchase their own home so that they can stop putting money into rent that is not going to build equity for them. But many of them are in circumstances where they have to pay rent, and at the same time there isn't additional help from us, who could give it without it being a drain on other parts of our economy and our resources. They just could do that in order to establish themselves and in order to enhance the economic growth of this province.

8:20

This motion will lay the groundwork for strengthening community development across the province. It has been shown that home ownership increases the wealth and the stability of the family unit, thereby decreasing dependence on government programs such as welfare, pension plans, and various other social services.

The Alberta government has long been a proponent of lowering personal income taxes. That we have talked about, and that we have done. This motion sets in place the groundwork for using interest payments paid against a mortgage as a tax credit for the homeowner. As the mover of the motion has indicated, there are certain programs, one in Ontario and one in British Columbia, that really do assist first-time home buyers, and I think this is an excellent opportunity for us to join that.

Motion 503 complements the mandate of the government to make Alberta the lowest tax province in the country. The rising costs of home ownership in the province exclude many potential home buyers immediately from buying a home, and then they find themselves, I know, in circumstances where they are paying out rent so they can't put aside the money or can't get a tax credit in order to save money to buy their first home. It's a very difficult treadmill, perhaps I'd call it, to be on.

Albertans as well as all Canadians interested in purchasing their first home benefit under the provisions of CMHC, a program that is nationwide albeit a program that does require \$2,000-plus in order to purchase the insurance on it. Again, that's a bit of a setback whereas the proposal that is here in Motion 503 suggests perhaps a tax incentive or another way that wouldn't require more money up-front. By adding another financial incentive to the CMHC first-time home buyer program such as tax credits against interest paid on a home mortgage, Albertans could see the added economic and social benefits to purchasing their first home.

There should be minimal negative impact to any segment of the population with the proposed motion, and that's what is so I'll say nice about this motion, that it doesn't rob Peter to benefit Paul. In that sense, it would have minimal impact. In fact, I think it would be one of those what I call enablers of the economy, particularly for the segment of first-time home buyers as is stated in the motion.

With the huge influx of in-migration to the province of Alberta rental properties are unable to keep pace with the burgeoning population. That's true, I know, in the capital city of Edmonton. It's certainly and absolutely true in my community of St. Albert and, I understand, in the city of Calgary, and I know of other parts of the province. Housing starts have been at a record pace. For example, Calgary's single-family starts are 25 percent higher than in 2001. But many lower income families are still unable to afford reasonable accommodation, particularly that kind of accommodation which means an investment, their own investment in their own property.

With the benefit of a financial incentive such as tax credits added to the CMHC program, Alberta could see an even larger personal investment in real estate, and I'd like to stress the word "investment" because this is indeed an investment not only for the family, but it is a strengthening for the province's economy as well. It's also an opportunity for individuals to feel that they are building their future

as they build the province's future. With the economic boom over the past decade and the cost of living in many parts of Alberta having risen quite dramatically, particularly in the sector of real estate, residential housing, as I mentioned, Motion 503 could provide relief to many of those who are unable to afford housing in their current situation.

In closing, I would just like to comment on the fact, too, that in many, many instances when people look to invest, they look to invest in order for them to create some more security in their lives and more stability in their lives. That, I believe, is the strength of this particular motion. It speaks to the opportunity, the enabling by us in this Legislature to pass a motion to encourage us to put in a tax incentive that indeed is truly saving money in order to invest in family, life, and the future.

So I would encourage everybody in this Assembly to vote in support of Motion 503. It makes sense. It makes sense for the first-time home buyer, it makes sense for the economy, and I think it makes sense in responding to what families and young people want, and that is stability and investment in their lives. Thank you.

The Deputy Speaker: The hon. Member for Clover Bar-Fort Saskatchewan.

Mr. Lougheed: Thank you, Mr. Speaker. I'm pleased to join in this debate on Motion 503, sponsored by the Member for Calgary-McCall. A financial incentive program that aids first-time homeowners seems like a good idea, at least at first glance, but I think the reality is that people can successfully qualify for home ownership after moving through that home-buying process without direct intervention from this government. As we all know, Alberta's economy is very heated currently. It's driven up the cost of housing. Another government program could help more Albertans move out of rented units and into homes of their own, but I think there are some problems with Motion 503 that seem to go against the policies of this government and perhaps even work against some people wishing to buy a home.

First of all, Mr. Speaker, I believe that the market should establish eligibility for home ownership and not a government program. I also wonder if any consideration has been given to the possibility of house prices increasing due to the increased demand for homes brought on by this Motion 503. The financial incentive created by this government would likely increase the price of homes. A dramatic increase in the number of customers surely would create more demand for homes, and following supply and demand we know that would lead to higher prices. Therefore, Mr. Speaker, Motion 503 could actually backfire and create an artificial additional upward pressure in Alberta's housing market. I don't believe this is appropriate.

I realize there are federal/provincial partnerships that provide housing for low-income and special-needs people. There's already some good work being done between the federal and provincial governments to help low-income and special-needs people afford homes. Mr. Speaker, I believe that there should be no extra funding to expand these programs, and Motion 503 goes a little bit further and may upset the market forces that drive real estate.

As the hon. Member for Calgary-McCall pointed out, establishing a financial incentive program for people looking to buy a home is not a new idea in Alberta. There have been several instances where the government of the day believed government intervention was necessary to provide opportunities for people to buy homes, Mr. Speaker, but none of these programs is operating anymore, and the reason is that real estate issues need to be settled in the real estate market. We've heard a great deal about the federal government's

Mortgage and Housing Corporation financing and how the public program has assisted thousands of families. We must remember that real estate, though, is a private industry driven by competition. Banks, real estate agents, and most potential homeowners know that they must ask very important questions before they get too far into the home-buying process. The most important issue they must address is to ensure that they're able to handle the responsibility of the finances of owning a home.

I'd agree that there are many barriers that prevent families from buying a home. Mortgage payments are often more expensive than renting. Owners must also assume responsibility for maintenance and upgrading appliances or any renovations that may occur. Houses often appreciate slowly in value, and the benefits of home ownership only occur usually after several years, once a substantial amount of equity has been accumulated. My point is that the decision for buying a home should be left up to the individual, and a financial incentive provided by this government may encourage people to buy homes when they aren't prepared to qualify. There could then be a resulting increase in the number of personal bankruptcies and defaulted mortgages.

8:30

The Alberta government used to be involved in helping families buy affordable housing, but that was quite a while ago, and priorities have shifted substantially since the '70s and '80s. Right now Albertans are concerned about health care reform, rising expectations for education, and financing new capital projects. The funding needed for any proposed financial incentive must come from other key areas of this government. I can't justify taking funding away from other government goals when there is not a significant crisis in the housing market.

Mr. Speaker, I'd assume that the members in this Assembly are aware, as are all Albertans, that Albertans are experiencing a housing boom. That boom means that things are going well. I see no reason for the government to meddle in the affairs of the housing market. I haven't heard any public outcry in my area regarding this issue. There have been no indications that there's a housing shortage or lack of buyers that could be rectified by this kind of program. This Assembly should therefore focus on the allocation of public funds to areas that need improving.

The housing market may be concerned if Albertans weren't buying homes because the labour market was shaky, the economy was unstable, or perhaps interest rates were too high. Alberta's labour market is the best in the country. The economic activity is the envy of the rest of Canada, and the interest rates are relatively affordable. These are some of the conditions that have created a successful housing market in Alberta. A housing boom contributes substantially to the economic health of the middle class of the province. An accumulation of a substantial net worth through a lifetime of home ownership means retirees are less dependent on social security and retirement programs as a source of income in their retirement years. But neither of these actions justifies the need for another financial incentive program for potential home buyers. People should consider buying a home only when they've achieved reasonable employment and financial stability. I think the role of this government is to set up a framework that encourages economic growth, and that in turn raises the standard of living for all Albertans.

Motion 503, I think, artificially inflates the number of potential home buyers. The housing market continues to flourish in Alberta without direct intervention from this government. Potential homeowners can access affordable mortgages through the federal government and the private sector, and I think the situation should stay that way.

Mr. Speaker, I don't believe that government intervention, which may take resources away from other programs, is an appropriate way to go, and therefore I cannot support Motion 503. Thank you.

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

Rev. Abbott: Thank you very much, Mr. Speaker. It is with great pleasure that I rise today to speak in support of Motion 503, the first-time home buyers program. I would like to take the opportunity to commend the MLA for Calgary-McCall for bringing this issue to the foreground for discussion and debate. It is a valuable motion, one that has many benefits not just for the home buyer but also for the entire community and, therefore, a motion that I support.

The purpose of Motion 503 is to introduce a financial incentive program to encourage and assist first-time home buyers in purchasing a home. Mr. Speaker, shelter is a basic need that should be accessible to citizens across the province. Furthermore, the dream of home ownership is a fundamental premise and goal that Albertans strive to achieve. However, the rising cost of home ownership in our province may now exclude many potential home buyers from purchasing their first home. The establishment of this incentive program attempts to offset the complications and difficulties of buying a home while compensating for the uncertainties in the housing sector in Alberta.

Housing conditions in our province have changed dramatically. Alberta has experienced incredible growth – incredible growth – over the last 10 years. Our province has seen an influx of individuals moving to Alberta not only from across the nation but from international destinations as well. There are more individuals moving here than to any other province in Canada. In fact, Alberta received a net gain of just under 120,000 people between 1996 and 2001.

An Hon. Member: How many?

Rev. Abbott: One hundred and twenty thousand. This increase was more than double Ontario's, the second place province.

Mr. Speaker, with this migration of people to Alberta our province is also experiencing a boom in the construction sector. Over the past six to seven years there has been a steady increase in the construction of housing. This boom, of course, is being fed by a heightened demand for housing. This demand is predicted to increase 61 percent between 1998 and 2028.

Mr. Speaker, with the demand for housing so high our province is currently experiencing a rise in real estate value. Over 2001 the cost percentage increase per home varied from 5 to 13 percent across the province. An average-priced home in Fort McMurray, for example, will cost Albertans just under \$250,000. Calgarians can expect to pay over \$200,000 for a modest home while it will cost Edmontonians just under \$200,000 for their home. Now, I acknowledge that housing costs in Alberta are reasonable when compared to other urban centres across the country, but the alarming fact is that the steady rate of increase in costs is not expected to level off anytime in the near future.

Mr. Speaker, I would now like to shift my focus and spend some time highlighting the financial rewards that arise from home ownership. Buying a home is a major life decision that is a dream for many Alberta families. Purchasing a house is also the biggest financial investment that most people make in their lifetime. So buying right and having the ability to purchase is important to home buyers. Now, there are many financial benefits from home ownership. These range from the tax breaks that accrue from the increased

value in your investment – in other words, there's no tax charged on the capital gains if you were to sell your home as long as you buy another one.

Home ownership is a first-rate investment, and it should be encouraged. The current rise in housing prices makes home ownership an attractive way to invest money. Real estate values have been steadily rising as the stock markets have been declining. If Albertans purchase a home today for \$200,000 and housing prices rise 10 percent over the next year, then that house will have a new value of \$220,000. The initial investment has built up \$20,000 of tax-free home equity.

Now, buying a house can also stop inflation. Albertans purchasing a home today will freeze the rising costs of construction tomorrow. It also increases your savings. Mortgage payments help contribute to an individual's net worth. A portion of the money an individual pays goes toward building equity. It's not just all going out to rent, as the hon. Member for St. Albert mentioned.

Purchasing a home is a solid investment. Incentives and assistance should be made available to Albertans wanting to buy a home. Now, these programs could ease the difficulties, making the process less complicated and more affordable. Owning a home is considered a sign of success, and it does provide great emotional rewards for many homeowners. It allows the opportunity to improve an investment by upgrading the home. Encouraging and increasing home ownership will let Albertans obtain a return on the money they invest as well as money borrowed.

So, Mr. Speaker, I strongly support this initiative because of the possible financial rewards. Therefore, I encourage all of my colleagues, even my colleague from Vermillion-Lloydminster, to vote in favour of Motion 503 and a potential first-time home buyers program.

Thank you, Mr. Speaker.

8:40

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

Mr. Lukaszuk: Thank you very much, Mr. Speaker. I rise this evening to participate in the debate in support of Motion 503, the first-time home buyer program. Indeed, this incentive program will not only affect possible first-time home buyers, but it will have a far-reaching implication for communities across the province. Granted, I acknowledge that there are already programs in place to assist those purchasing a home. However, with increasing housing costs across Alberta, this incentive program would provide another benefit to encourage first-time home buyers.

I would like to spend some time addressing the benefits that stem from home ownership. Owning a home can bring a personal satisfaction that comes from having roots and a sense of belonging in the community. Owning a home brings many benefits along with some new responsibilities. Fostering home ownership or providing incentives to purchase a home would aid in reinforcing community development. Motion 503 would provide the foundation for strengthening communities across our province. A homeowner has a feeling of belonging in the community as well as a sense of personal security. Owning a home provides a peaceful sense of assurance. Possessing and taking care of a home gives a family the feeling of roots, stability, Mr. Speaker, and security. With every flower bulb planted and every coat of paint on the wall, the home becomes more valuable and individual, and it is an investment.

Home ownership contributes to social harmony and family stability as well. Several studies suggest that home ownership is positively linked to the stability of the family, residential satisfaction,

and neighbourhood security. Almost half of homeowners stay put for eight or more years. "How long?" you may ask. Eight or more years. By living in one place for an extended period of time, children are more likely to be raised in a stable environment. Advantages of this consistency include a constant educational experience, the ability to form long-term relationships, and the child's overall emotional security.

Owning a home brings great pride to Albertans. A home is more than just walls and a roof. It is a reflection of character. It is filled with memories and traditions that get built over time. Take a moment, Mr. Speaker, to think about the houses on your street or the neighbouring farm or acreage. These are more than just houses. They are a representation of the hard work and dedication that individuals put into them. They portray pride and honour.

The government needs to extend its commitment to citizens regarding affordable housing. The first-time home buyer program, Mr. Speaker, is a step in the right direction. The long-term benefit of home ownership will profit all communities across the province by instilling stability and security. Many lower income families are still unable to afford reasonable housing. With the assistance of tax incentives, taken with the existing federal programs, these individuals may be able to buy a home and receive personal investment in their real estate. Expanding home ownership to lower income families is seen as a way to contribute to community improvement as well as an individual's satisfaction. The first-time buyer program would allow home ownership to be more accessible to these individuals.

Motion 503, Mr. Speaker, could lead to an even larger personal investment in real estate in Alberta. Even when individuals rent, they pay a mortgage, their landlord's mortgage. It makes sense for individuals to contribute to their own mortgage instead of throwing money away in rent. However, individuals have to be able to overcome the initial hurdles in order to invest in a new home.

Alberta has been experiencing accelerated growth. While this prosperity and economic growth is favourable for the overall health of the province, it has a dramatic impact on the housing sector.

Mr. Speaker, any first-time home buyers program could provide relief to those who are unable to afford housing. This growth in home ownership would enhance community development and decrease the dependency of families. A home is a symbol of independence, both spiritual and physical. An Albertan's pride and joy is their home, and these provide the joy that underpins pride in our communities, our cities, and our province. In order to maintain a high level of home ownership in Alberta, sustaining housing affordability is crucial. The challenge for the government is to ensure that affordable, reasonable housing is within the reach of the citizens of this province.

Mr. Speaker, Motion 503 hopes to encourage homeowners with an incentive program for first-time buyers. This program would provide assistance, making it possible for Albertans to purchase a home who may have otherwise abandoned home ownership. With this incentive come many benefits not only for the individual homeowner but for the surrounding community as well.

I commend the MLA for Calgary-McCall for bringing this issue forward. I support this initiative, and I urge all colleagues to vote in favour of Motion 503 and a possible first-time home buyer program. Thank you, Mr. Speaker.

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

Mr. Snelgrove: Thank you, Mr. Speaker. While I wipe a sentimental tear from my eye and try and think about all the wonderful things

that come with home ownership, I'll tell you that what can come with home ownership is a debt that you can't afford, taxes that you can't afford, a job that disappears, and a mortgage you can't afford. What a wonderful spot we'd be in if we've talked these wonderful, young, impressionable people into a home they can't afford. If you could go back in history and find one good thing that government does by helping people do things they shouldn't do, I'd be curious to know.

So we want to go down this path of going back into business, because, as the hon. Member for Clover Bar-Fort Saskatchewan said, buying a house, borrowing money is a business. It's a business, as simple as that. It's wonderful to suggest that somehow some department of government could come up with a plan that would recognize the need, then, and pick the winners and losers again to decide who should get a new house and who shouldn't. Not a concern about: will they have a job five years down the road, will their job move to McMurray, and what'll they do with their house? Well, let's sell it. Then be a first home buyer in Fort McMurray again? No.

Now, we get these good ideas in government, and what we should do is carefully sit down and think about it. Who is the best to decide when you buy a house? Hopefully, if you're in a family situation, you may rent for a while. You'll prove you can save a little money, put it in the bank, let it build, determine what you can afford to do and determine what would happen if you do lose a job. So you build a little bit of history into your credit. After a while, when you have a little bit of money to put down and you've got a history of employment that a bank would accept, then you go in and borrow the money in a straight-up market situation with no government incentive or offer at all. That's how it should be. For us to suggest that somehow we could help these people out by giving them a tax break or giving them a little break on interest just gets us back down a road that we should never think of going down.

So with that, Mr. Speaker, I would like just to encourage people to think very carefully about starting once again to get in business, pick winners and losers, spend taxpayers' money on helping people to buy a house. Quite honestly, it's a very noble idea, and I commend the hon. member who brought it in for having a wish. But a wish is all it is, and once upon a time shouldn't be in the bills in this House.

Thank you.

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

Mr. Lord: Thank you, Mr. Speaker. It's my pleasure to rise tonight to speak in favour of Motion 503. I recognize that my hon. colleague opposite has brought up some very good points; however, I do think on balance that . . .

An Hon. Member: He's not opposite. He's on your side.

8:50

Mr. Lord: Yes. I realize that, but I do disagree with him on a few points here.

I do think that this motion, on balance, has more benefits than not. Mr. Speaker, the motion calls, really, for the government to establish a financial incentive program that will aid home buyers in the purchase of their first home, and of course we all can think back and remember what position we were in when we first bought our very first home. I don't know about everyone in the Assembly, but I can certainly say that in my case it was a very big purchase. In fact, I had to borrow money on my credit cards at a very high rate of interest in order to come up with the full down payment, and it was

years of struggle to pay those high interest rates and to get that house. However, it turned into a great investment for me and helped me much later in life in a number of other ways, and I would not have had that advantage of the increase in real estate value if I had not been able to come up with the down payment. As a matter of fact, I used that technique several times to acquire houses and in fact made quite a bit of money from it that I wouldn't have made otherwise if I had not been able to buy a house with very little money down.

I wasn't sure when I first bought the house whether or not I would like being a homeowner. I was thinking, you know, that it would be hard. You have to mow the lawn and all sorts of things, but in fact it turned out that I enjoyed that. In fact, most people who buy their house and now are owners of the home instead of being renters in an apartment suddenly take a great interest in their property. In fact, you start doing the little things to fix the house up and make it nicer, and in aggregate, when a lot of people are doing this in a community, frankly, it adds a lot to the stability of every community. Every community, in fact, would benefit from having more home owners than just renters. Nothing against renters, but it's just that there is more incentive to take care of your property, fix it up, and so on. So it creates more stable communities.

There are just so many benefits of more stable communities that I don't think we even have time to get into them all tonight, Mr. Speaker. In terms of less policing, more stable communities result in everyone knowing everyone else, increase what they call social capital within a community, which is just as important as developing economic capital. Social capital refers to trust and relationships with your neighbours and with other people. Frankly, with strong social capital, economic capital is generated much faster because you don't have to worry so much about, you know, having to have lawyers and everything else because you trust people. So stable communities not only improve quality of life dramatically; they lead to less crime, less policing, greater growth of economic capital. There's just numerous, numerous benefits to encouraging home ownership.

Of course, in this day and age we're hearing a lot about struggling students at university with high loans and payments that they may take years and years to have to pay off. Well, it's very discouraging for those people to even think about trying to own a home in their 20s, and in fact many of them probably will not even be able to own a home in their 30s, and that's the age when many of them have young families and so on. So when you start thinking about the difficulties there for these people, clearly it would be beneficial to encourage particularly people with young families to be living in a home in stable communities. So those are just a few of the points that I could raise on that point, Mr. Speaker.

Now, the motion also sets in place groundwork for using interest payments paid and deducting mortgage interest against your taxes. Well, this is quite common, actually, in many parts of the world. It's my understanding that it's allowed in the United States, and if you look at the productivity and the economic growth and capital in the United States - in fact, it's been listed as one of the major factors in the United States, that people can deduct their mortgage interest payments from their taxes, which Canadians have never been able to enjoy. If it sets in place the groundwork to look at that, basically it would encourage people to invest in their homes, to save money in their homes and build up equity as opposed to just staying in rental apartments and never having that advantage.

So we'd be encouraging our populace, in fact, to start building equity, which is going to be very important as they get older and in their old age. We have RRSPs and whatnot, but really when you compare the savings rates of Canadians to many other people in the world, we as a nation do not save a lot of money, and there is a very

big concern that we are not saving enough money in our nation for all of us to get by in our old age. So home ownership is for most people one of their greatest investments of their lifetime and the source of much of their equity which will be needed in their older age.

Mr. Speaker, of course, we've heard from many of my colleagues this evening about the rising costs of home ownership and how much trouble this is causing for homeowners in Alberta. In fact, I am pleased to be working with one of my colleagues on a secondary suite housing committee concept right now which is going to go out and consult with Albertans. We have looked at the idea of encouraging secondary suite development in new subdivisions and new houses specifically to help young people who are maybe buying a new house and can't quite afford the mortgage payments to consider taking in a tenant, perhaps in the basement in a rental suite, which would then help them with their mortgages, help them to afford this new house and create a supply of affordable housing at the same time. So if you have a situation like that, that would also create an incentive program to aid first-time home buyers and at the same time would create another important stock of affordable housing, which we desperately need in this province right now.

I do not see, Mr. Speaker, that there are any major negative impacts that the proposed motion would foster. I don't see any negative impacts at all really to the idea of encouraging people to buy houses. The more houses that people buy, the more houses that developers can sell, and in fact that creates jobs for carpenters, plumbers, electricians - you name it - right across the board. So a lot of economic development, job creation, and all those people pay taxes. In fact, they'd be paying taxes on income they would not have had had it not been for all this new supply of houses being sold to these young people through a program like this. It would be my guess, because I haven't done such a study, that if you added up all those extra taxes generated, it really begs the question of whether or not this would be a net negative or a net plus in fact to the taxpayer.

In fact, when you get into the multiplier effects of that additional money being generated in the economy and start going through all the multiplier effects and so on, my guess is it would be a huge economic generator in this province to make a small investment in helping people buy new houses that otherwise would not be buying those houses. So I suspect that far from being something we should fear about the government getting into the business of business again, I guess I would believe that it's more likely that we'd create tremendous economic benefits right across the province from doing this, and the net effect to the taxpayer would be, in fact, that the government would have lots more taxes and could maybe even look at lowering taxes as opposed to having to raise them.

As I mentioned earlier, Mr. Speaker, this evening I talked about the influx of immigration to the province of Alberta and how all those people, of course, coming to Alberta is impacting housing. We would attract younger people to come to Alberta earlier in their careers. Never mind all the other wonderful impacts that has in terms of the talent they bring with them and the creativity and everything else; these people moving to Alberta earlier in their careers because they could afford a house in Alberta with a lower down payment as opposed to what it might cost them in other provinces where they aren't earning as much money and the down payment would be higher - well, when you add up the longer career of these people moving to Alberta, the taxes they would generate in Alberta instead of some other province, the GDP that they would be increasing as a result of their entire careers and their entire wages being paid in Alberta instead of some other province, I think the effects of that could be absolutely astronomical.

I did talk about \$350 billion earlier as being a number that I had

estimated the value of people moving to Alberta would contribute. [Mr. Lord's speaking time expired] Thank you, Mr. Speaker.

The Deputy Speaker: I hesitate to interrupt the hon. Member for Calgary-Currie, but the time limit for consideration of this item of business on this day has concluded.

9:00head: Government Bills and Orders

head: Second Reading

**Bill 21
Ombudsman Amendment Act, 2003**

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

Mr. Ducharme: Thank you, Mr. Speaker. I am very pleased to rise this evening to speak to Bill 21, the Ombudsman Amendment Act, 2003. Alberta has had an Ombudsman since 1967, and the Alberta office of the Ombudsman was the first of its kind in Canada. As many members know, the role of Alberta's Ombudsman is to act as a kind of watchdog over the workings of the government administration. He is completely independent of the government and the Legislative Assembly and has broad powers to investigate complaints about administrative actions, decisions, policies, and procedures. As an independent officer of the Legislature the Ombudsman makes sure that the administrative practices and services of public bodies are fair, reasonable, appropriate, and equitable.

In addition to his investigative powers, the Ombudsman can make recommendations about how to improve the way government works. He provides annual reports to the Legislative Assembly, and in certain circumstances he can also issue other reports if it is in the public interest to do so. These powers ensure that Albertans have yet another way to subject government departments and agencies to public scrutiny and review.

I'll now take a moment to go through some of the amendments included in Bill 21. First, you may notice, Mr. Speaker, that a number of the changes are purely housekeeping amendments. For instance, over the years some practical problems have arisen when three different acts dealing with professions each amended the same sections of the Ombudsman Act. Because those acts weren't proclaimed in the order that was expected, the amendments didn't work properly, and certain sections of the Ombudsman Act did not read the way they were intended to read. Bill 21 fixes those problems. Similarly, the bill clarifies some definitions and cleans up some of the drafting language. These housekeeping changes do not change the intent or meaning of the provisions of the act as they are now.

The bill also includes a technical amendment that deals with financing of the Ombudsman's operations. This amendment addresses a timing issue and allows a special warrant to be signed to provide funds to the Ombudsman's office for a fiscal year before that fiscal year actually begins. This is the current practice for government departments. Without this amendment the special warrant for the office of the Ombudsman can't be signed until the first day of the fiscal year, and this causes unnecessary administrative delays in funding.

Another amendment will clear up an oversight in the act so that the Ombudsman will be able to consult with the heads of agencies in the same way he can currently consult with government departments.

Finally, Bill 21 adds a provision to the act that clarifies that the Ombudsman when conducting an investigation under the act is not subject to the provisions of the Health Information Act. This will allow the Ombudsman to access all of the information he needs to do

his job without restriction. It should be noted, though, that in no way does this mean that the Ombudsman can interfere in the health commissioner's role and duties as legislated in the Health Information Act.

Mr. Speaker, I'll now move on to the more substantive amendments included in Bill 21. The term "agency" has been amended by this bill. This amendment could ultimately result in the broadening of the Ombudsman's jurisdiction. Generally speaking, the Ombudsman investigates the administrative decisions, recommendations, actions, and omissions of governmental departments and agencies. Right now the definition of "agency" is limited to bodies listed by name in the act itself. Amending this definition will allow it to be updated so that the Ombudsman can be given jurisdiction over provincial agencies that perform responsibilities delegated to them by the government as those agencies are created. By allowing the jurisdiction of the Ombudsman to keep pace with the changing face of government, this amendment will ensure that the Ombudsman remains an effective watchdog of administrative fairness in government.

Bill 21 will also expand the Ombudsman's jurisdiction in another way. Under this amendment the Ombudsman will be able to review the concerns resolution processes put in place by regional health authorities, the Alberta Cancer Board, and the Alberta Mental Health Board. Once these concerns resolution processes are formally established, Albertans will be able to engage the services of the Ombudsman if they feel that the processes were not properly administered.

Mr. Speaker, when a complaint is brought forward, it is essential that the Ombudsman be able to review the matter thoroughly and without unnecessary limitation. This is the reason behind the next couple of amendments I'd like to discuss.

The first is a procedural amendment that allows the Ombudsman to treat a written complaint that he receives from an Albertan as consent to release that Albertan's information for the purposes of the Ombudsman's investigation. Basically, this amendment does away with the need for the Ombudsman to get two written documents from the complainant: first, the initial complaint and then a subsequent consent to release. This will save time and allow the Ombudsman to initiate his investigation as soon as he receives a complaint.

Another closely related amendment allows the Ombudsman to access all information relating to the complaint he is investigating. Right now some legislation restricts his ability to access information such that he can only obtain information that specifically contains the name of the complainant in it. With the amendments in Bill 21, however, the Ombudsman's ability to access information will not be fettered. The end result will be that the Ombudsman will have the legislative authority to acquire all the information he needs in order to fully investigate complaints.

The last amendment that I want to address, Mr. Speaker, is one that deals with the implementation of the Ombudsman's recommendations. The office of the Ombudsman is a complaint mechanism of last resort. This means that the Ombudsman cannot become involved until all formal and informal appeals have been completed by the individual who has a complaint. For instance, many Alberta government departments, boards, agencies, and commissions have internal appeal processes available to resolve complaints. If an individual has completed all available appeals and remains dissatisfied with either the fairness of the process or the outcome, the individual can then turn to the Ombudsman. Right now if the Ombudsman finds that a person was not treated fairly, he can recommend that the matter be reheard.

However, in some circumstances a department, tribunal, or agency is prevented by its own legislation from implementing the Ombuds-

man's recommendation even if it wants to. Bill 21 solves this problem by allowing a department, tribunal, or agency to accept the Ombudsman's recommendation and implement it. This means that they can reconsider or rehear a matter if they choose to do so. Given that the Ombudsman's review is really a test of whether a body has acted fairly and with due process, it is logical that upon a recommendation by the Ombudsman that body should have the ability to implement the recommendation if it chooses to do so.

Through the powers vested in him by the act, the Ombudsman is able to provide government bodies and agencies with an independent review of their administrative practices and procedures. This kind of scrutiny ultimately benefits all Albertans by building public confidence and trust in the workings of government. I am confident, Mr. Speaker, that these amendments to the Ombudsman Act will go a long way to help Albertans maintain confidence in the way their government is administered. I, therefore, urge all the members in this Assembly to support Bill 21.

Thank you, Mr. Speaker.

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

Ms Carlson: Thank you, Mr. Speaker. Happy to speak to Bill 21, the Ombudsman Amendment Act, 2003. We appreciate the briefing that we got on this bill, and it looks like we will be supporting it, but we do have some questions.

[Mr. Lougheed in the chair]

It updates the Ombudsman Act to include certain recommendations that have been continually advocated by the Ombudsman. Of course, that's good. It also includes more organizations, some professional organizations, which is also good, we think – but we've got a few questions – and then some authority to investigate the complaints with the RHAs. So, of course, some questions around that too.

I'd like to put the questions on the record at second reading so that, hopefully, they get addressed when we're in committee, which will give us a better framework for deciding whether we need to bring in any amendments.

A big question for us is how the Health Facilities Review Committee fits into all of what's talked about here with the RHAs. We need to know what the chain of events will be in terms of that committee. Will the Ombudsman be involved at all in matters that are sent to the committee? So if we could have that question answered.

Also, then, we get down to one of the later sections where they're deleting the idea that a complainant must provide written consent before information which is secret or confidential can be used by the Ombudsman. We understand that when a person files a complaint with the Ombudsman, it makes little sense to get a second authorization. It looks like that's going to be okay with us. But then when we go to the one where you make a recommendation after the investigation to have the appropriate authority rehear or reconsider the matter he was investigating, we don't understand exactly what that means. Could we get some definition on that? We need it clarified and some examples as to what giving the Ombudsman such powers will entail.

Just down a little further, in section 9, our concerns are that it gives the department, agency, or the organization the power to reconsider a matter but also gives them the power to "quash, confirm or vary that decision or recommendation" that the Ombudsman makes. Now, this concerns us quite a bit. It seems to make the section quite ineffective if the body is given the option to comply or not comply with the recommendation. So the justification for doing that would be, I think, our concern there.

Then when we talk about section 14, it adds a new section in the act which allows the Lieutenant Governor in Council to "make regulations designating boards, commissions, corporations, offices or other bodies as agencies" that will fall into this act. Now, I think this is our biggest concern here. As we see in other pieces of legislation, it shows that the government wants to move issues out of the Legislative Assembly and into the backdoor regulation process of government, which, of course, we complain loudly about every chance we get and hope that ultimately at some point in time someone will listen and make sure that that manner of dealing with issues stops.

9:10

Other than that, section 15, where the minister has the ability to make regulations regarding patient concerns resolution processes that the Cancer Board provides, gives the minister some power over approving the process. Our question there is: will this be used to bring a more universal approach to the general process?

So if we could get those questions answered, it looks like we'll be able to approve this when we get into committee. We might have one amendment coming out of it in terms of the regulations, but other than that, it looks good to us.

Thank you very much.

The Acting Speaker: The hon. Member for Bonnyville-Cold Lake to close debate.

Mr. Ducharme: Question.

[Motion carried; Bill 21 read a second time]

Bill 16 Agricultural Dispositions Statutes Amendment Act, 2003

[Adjourned debate March 6: Mrs. McClellan]

The Acting Speaker: The hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Speaker. I'm compelled to speak tonight on Bill 16, the Agricultural Dispositions Statutes Amendment Act, 2003, primarily because of the intervention last day by the hon. Member for Edmonton-Strathcona. If you read the speech, you'll see that much of it is premised on what is not in the bill, and as someone who represents a significant number of leaseholders in the Highwood constituency, many of whom are third-, fourth-, even fifth- generation ranchers, who've been good stewards of the land, I feel that I need to straighten out the record a little bit.

First and foremost is that Bill 16 does not deal with the issue of compensation, as to whether or not the ranchers receive too much or too little or pay too much or too little on their leases. That will be dealt with in a subsequent bill. So, then, what is Bill 16, and why am I supporting it? There are about five main issues here. The first one: that it continues to recognize the stewardship role of ranchers. It ensures contact by recreational users, people who would use the grazing leased land; reduced liability; new mechanisms for resolving conflict; and new legal remedies.

The first one, then, Mr. Speaker. The government provides these leases – this is recognizing the stewardship role – because grazing is important to the grassland ecosystem of the foothills and Porcupine Hills in my constituency and the sustainability of these public lands. You say: well, gee whiz, they've got a sweetheart deal. Well, maybe they do, but they are obliged to graze no more than 50 percent of the grass that grows there because this is an important watershed area.

They are continuously monitored by rangeland managers from the Department of Sustainable Resource Development who look at that and do not want to have those lands overgrazed in any way or trails made on them that lead to erosion and, therefore, depletion of the importance of the watershed of those areas. These areas in Highwood and in other parts of the province provide excellent water retention. So part of the deal that the rancher has is the expectation that he/she/they will look after the watershed and look after the resource of the native grass.

Over the years, Mr. Speaker, the farmers and ranchers of those leases have provided excellent stewardship. Some years ago we had the declaration of the Whaleback, part of which is in the constituency of Highwood and most of which is in the constituency of Livingstone-MacLeod. The Wilderness Association said that this was pristine land and should be really protected. How interesting. It's the oldest agricultural disposition in the province. It goes back to the late '70s, early '80s that that has been continuously ranched but ranched in a stewardship way that is recognized as being the right way to make sure that that watershed is protected and the native grass there is protected.

The livelihood of agricultural leaseholders is based on their continued access to the land for grazing as well as the long-term protection of the land. Although an agricultural disposition holder must provide reasonable recreation access to the land, the regulations in Bill 16 recognize that there are times when the disposition owner can say no or put conditions on access. That's one of the provisions that I particularly like. It ensures contact by recreation owners to the holder of the disposition, to the rancher, if they want to utilize that grazing land.

The conditions, though, that the rancher may put on are that if it's a fire danger – and if you've got very dry grassland, in the fall and even in the winter when there's no snow, it's a high fire hazard, and vehicles can't go in there, and campfires can't be utilized. Also, when livestock are in some of these areas, you can't have people out there hunting. Some of the ranchers that I know practise a deal whereby they only allow a certain number of hunters on at a time or, if they don't practice that, they advise them and say: "Well, in these two sections there are 15 hunters on this day in that area. The chances of you shooting a deer are slight, but the chances of you shooting another human being are pretty good." Then it might be that the rancher is looked upon as a gatekeeper, but it's a responsible gatekeeper that they would be. If the rancher is not, then the provision of Bill 16 says that there is a process by which that "no, you cannot come on this leased land" can be appealed, and that certainly appeals to me.

The only thing in here is that there's nothing to take into account what it's like to be a rancher in the fall and early winter. It's nothing for them to receive 10, 15, 20 phone calls before 7 o'clock in the morning, and that isn't always the most welcome thing and not only that but to be awakened by the noise of trucks in your yard because there are 10 trucks with their horse trailers and the whole bit all ready to go hunting on the area that you're responsible for. So it ensures contact by recreation users.

The person who wants to walk across the land usually isn't much of a bother. It's the ones that want to use their quads. I know, Mr. Speaker, that you wouldn't allow us to show exhibits in here, but I have a wonderful set of photographs that show you the damage that those quads and four-wheel drives can do on a wet day on rangeland. Of course, those people seem to get some joy out of going up a hill straight up and in lowest gear so that the grass is chewed up, and that's the irresponsible recreation user. So if you have to make a contact with the rancher, then there's a chance for that rancher and

that recreation user to come to some agreement of what conditions they can utilize the leased land on.

Reduced liability is also a feature of Bill 16. This legislation reduces the liability of the leaseholder for the safety of recreation users. If a rancher says, "Yes; on these conditions you can go on my land," and the person somehow is injured because there was a ditch or any kind of impediment to their going over the land, they can sue the leaseholder, and there are some unfortunate situations that have occurred when a plain yes is given. As a result, Bill 16 is addressing an important consideration that goes on with the access. It'll provide clarity and assurance to leaseholders who previously had no clear direction in this area, and that will lead to greater co-operation between the leaseholder and those members of the public who might like to access the land for recreational reasons.

9:20

Bill 16 also contains a new mechanism for resolving conflicts. The legislation then makes a dispute resolution process available to both leaseholder and recreational users where there might be a conflict. That is very much an improvement, and it's certainly a great improvement, as some of these others are, over the former Bill 31. It certainly seems to me to be a wonderful step forward.

Bill 16 also provides a new legal remedy. Prior to this legislation, Mr. Speaker, the rights and duties of all users were somewhat unclear. There was no legal way to deal with recreation users who did not respect the environment, and now a leaseholder will be able to ask a peace officer to intervene, and court action may be taken for those who abuse the land. If court action is taken and a person is convicted, the court can impose a fine of up to \$2,000.

The legislation also allows, Mr. Speaker, the minister to impose a penalty where either the recreation user or the agricultural leaseholder contravenes the legislation, so it's a two-way street. The leaseholders have a good history of stewardship on our land. Under the current legislation the minister has the discretion to cancel a lease if the conditions are not maintained, and this direction continues under Bill 16.

For those reasons, Mr. Speaker, I would support Bill 16 and believe that it's a great improvement over some of the provisions of Bill 31. Thank you.

The Acting Speaker: Under Standing Order 29 or to continue debate?

Dr. Taft: To speak. I'm to speak to the bill if there are no questions.

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

Dr. Taft: Thank you, Mr. Speaker. I appreciate very much the comments from the Member for Highwood on this particular bill. Generally, I think I tend to agree with him on what he said. As the member described, there are actually three or four purposes to the bill: dispute resolution process for exploration access disputes on leased lands, clarification of the rights and procedures for recreational access on leased lands, some procedures for conflict management, and clarification for access to the land.

[The Deputy Speaker in the chair]

Now, it's interesting. The land that we're discussing here is some of the most beautiful country in Alberta and some of the most beautiful country, I would argue, in the world, the portions of it that I've driven through, the Whaleback region that the Member for Highwood mentioned and the ranch land south of there. I under-

stand there's a total of about 5 million acres of public land leased for grazing to about 5,700 leaseholders, and 5 million acres sounds like a tremendous amount of land. It's about 3 percent of the total land area of Alberta.

This bill has some controversial history to it in the form of other bills, and I think the government has split some of the issues into two or more pieces of legislation. We'll have to wait and see. This is probably relatively uncontroversial compared to what some of the others might be holding or might present in the future.

I think we would all acknowledge the contribution of the ranchers of the lands involved here to the agricultural development and, indeed, to the cultural development of this province. The lands that they are responsible for, that they are stewards for, are trademarks, almost, of this province. I think "stewardship" is in many ways the best word to be used here. These people are very conscious that the lands that they are occupying under these leaseholds are lands that they are stewards for for future generations. Indeed, the fact is that I believe the leases here are relatively long-term leases. I think they're 20-year leases or something like that and that they do encourage people to take a long-term view of the land and to conserve the land that is there. This stewardship helps to keep the grassland ecology in balance. It helps to both sustain the grass and to keep other forms of vegetation from moving into the grasslands. It keeps the bush and potentially the forest from spreading out into the grassland and keeps that interstitial territory between the prairie and the mountains in beautiful condition.

One of my concerns with this bill is the requirements and the potential controls on foot access. Now, I can imagine that access issues are an enormous headache for the leaseholders of these lands, and, as the Member for Highwood described, in the fall when hunters are calling maybe by the dozen early, early in the morning to request permission and when you have to deal with the sometimes genuinely destructive and offensive activities of motorized vehicle operators, quads, and other off-road vehicles, I can see that that's frustrating, irritating, and sometimes exasperating work for these leaseholders. So I think it's probably very wise for us to be looking at ways of controlling access for many people to these lands, but I am concerned about the limits potentially placed on walkers and hikers, people who will do a minimum of damage and undoubtedly are on these lands to celebrate the beauty of the land rather than to rip it up with off-road activities on quads.

I found myself thinking back to the U.K. model for access to lands, which is a very ancient model. The U.K., as people here will know, has a population of over 50 million people in a total area significantly smaller than Alberta. So it's very, very crowded land, and the issues of access to lands are very difficult, but they've been thought through very carefully, and there's a very long historic tradition. I learned about this tradition living in Britain and going on hikes with classes from my sons' schools. We'd go out for rambles through the English countryside, and I discovered soon that walkers in Britain have guaranteed access to the trails in the British lands. It doesn't matter where the trail goes. If it goes through somebody's backyard, across the middle of a field, through a farmyard, or wherever it goes, people have guaranteed access to that trail as long as they stay on the trail.

This leads, of course, sometimes to conflict because farmers, in particular, may not like and appreciate the fact that walkers have guaranteed access to their land. So sometimes you'll have a farmer placing a couple of fairly aggressive bulls in a field and doing things like that to discourage walkers. But the walkers are equally determined and have actually organized themselves so that every trail in Britain that has this common law heritage of access is walked every five years at least once, and doing that and recording the fact

that that trail has been walked guarantees that the rights of access continue for at least another five years. These rights go back many, many, many centuries, in fact in some cases prehistorically.

9:30

Now, in Canada we take a much different approach. In some ways it's the mirror image. For in Britain, while there are guaranteed access rights to land, the access to rivers is a completely different thing and the access to streams is a completely different thing. In fact, landowners can for practical purposes prohibit people from using the flowing water, the streams and rivers that go over their property, but they can't prohibit people from going on the land. Here we have it in some ways the other way around. In Canada you can actually canoe down a river or across a lake and you have guaranteed access to that public water, but if you get out of your canoe and walk very far inland, suddenly you're on private property and you're not supposed to trespass. So they're kind of mirror images, reverse images in the two countries.

I can't help wondering in this case or in cases like we're discussing under this bill, Bill 16, if there isn't a way for guaranteeing access to walkers to trails through these lands as long as they stay on the trail and providing them that access without having to go to the leaseholder for permission. Now, perhaps through the course of debate on this bill that issue will be clarified for me and explained to me, but I think we can put walkers in a separate category for regulations and legal issues than, say, people on motorized vehicles or people on horseback, or I suppose these days we even have to worry about people on mountain bikes. But walkers, I think, could be guaranteed access to these lands on trails, and I'd like to consider that, whether that's addressed in regulations perhaps or the legislation. I'll be looking for some discussion and maybe some better information for my sake on that issue as we go through this bill.

Beyond that particular issue this bill at least seems to strike a reasonable set of positions. There are some questions we have around what appear to be some extraordinary powers granted to the minister, if we're understanding this bill properly, to potentially create multiple leases on the same land, something to that effect, so we will need to have some clarification on that as we go through this bill. But as long as the extraordinary powers of the minister to act potentially in unusual or destructive ways, in manners that perhaps contravene the interests of the leaseholders or the various parties to the leases, are contained, I at least will probably support this bill and I imagine that our caucus will also.

So with those comments I'll take my seat and look for other debate. Thank you.

The Deputy Speaker: The hon. Minister of Infrastructure.

Mr. Lund: Thank you, Mr. Speaker. I certainly agree with the hon. member as he was describing the stewardship that leaseholders have exhibited. As we were setting up the special places, it was quite interesting. The folks that seemed to have some problem with letting agriculture have access to this land still nominated areas for special places and acknowledged that the leaseholders for some long period of time had been operating on that land and that it was in just as good shape if not better than they originally found it.

In his comments he commented about the leases being 20 years and seemed to indicate that it was important that it be a long-term lease in order that that management continue, and I'm wondering if the hon. member would be suggesting that the leases be longer than 20 years or that perhaps we have some type of rolling 20 years. That means that at the end of 10 years there'd be an assessment, and if everything is up to snuff, you'd get another 20 years. So you would have that kind of management ahead of you as you go forward.

Dr. Taft: I don't make it a practice of answering questions in this situation – I'm happy to do that in committee – but I'm open to those ideas. I don't have a solution here, but I think we need to stay away from really short-term leases, which encourage people just to squeeze everything out of the land in two or three years and be gone.

The Deputy Speaker: Further questions or comments? The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. I was just wondering if the hon. member would answer a question with regard to his travels in Britain and the fact that when he was wandering from one farm to the other farm if at that time they were concerned about the spread of mad cow disease or various other pesticides or those sorts of things.

Dr. Taft: I shouldn't have answered even one question. I'm happy to debate that in committee. I think the proper place for these kinds of questions back and forth is committee.

Thank you.

The Deputy Speaker: Further questions? Further comments?

The hon. Minister of Sustainable Resource Development to conclude debate?

[Motion carried; Bill 16 read a second time]

Bill 22 Child and Family Services Authorities Amendment Act, 2003

The Deputy Speaker: The hon. Minister of Children's Services.

Ms Evans: Thank you, Mr. Speaker. I believe this is very self-explanatory. It's striking out "not more than 11" and substituting "the," the effect of which will enable us to provide sufficient board members to be appropriate for governance of the larger expanded territories of the child and family services authorities.

Moved a second time.

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

Dr. Massey: Thank you, Mr. Speaker. Just a few brief comments as we look at Bill 22. It's true that it's designed to eliminate the limits on the number of children's authority board members, but I think what it does is raise some questions about the direction we're going in terms of the children's authorities.

We've seen the map of the new boundaries. One of the strengths when the authorities were created was laid out I think fairly clearly by the government. The intention as I understand it from the remarks of the minister and the government publications was to make sure that the services that were delivered were relevant to the community and that they have a strong local flavour, that they could respond to local needs, and it seems to me that as we progressed and, for instance, now that the regions have been changed, I wonder how much of that local authority and input and the creation of situations that meet the particular needs of an area are being eroded. If you look at the map of the authorities, in region 8 I wonder how much the people in Fort Vermilion have in common with people in Grande Prairie. Huge, huge differences in those communities, the kinds of populations that they serve. Similarly, you could ask, for instance, in region 7: how much in common do people in Hinton have with

Athabasca? And you could go on through the regions. The northern ones are particularly large, Mr. Speaker.

9:40

So I think that we should take a serious look at what's happening to that goal of delivering programs that are really responsive to local needs and whether that is still a legitimate goal or whether the government has with the experience with the regions decided that that goal shouldn't play as large a role in the delivery of services as was first envisioned when the regions were created. It's not particular to this bill, although it does allow for the appointment of more members that seemingly could represent more communities. You could make the argument that the change has the possibility of helping local representation, but as we've watched the changes in local communities, it's a worry that their role is being downplayed and that more and more of the decisions are going to be made centrally and then fanned out to local communities.

With that, I would adjourn debate on Bill 22, Mr. Speaker.

[Motion to adjourn debate carried]

Bill 23 Family Support for Children with Disabilities Act

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

Mrs. Jablonski: Thank you, Mr. Speaker. I am pleased to speak to second reading of Bill 23, the Family Support for Children with Disabilities Act. Through the Child Welfare Act review conducted by my very competent colleague from Calgary-Buffalo, Children's Services heard from Albertans that supports for children with disabilities need to be addressed separately from child protection, that supports for children with disabilities should be family focused, and that improved access to information and an integrated service system across government is vital. The Family Support for Children with Disabilities Act will provide separate and distinct legislation to cover services for children with disabilities.

Currently supports for families who have disabled children are provided under the Child Welfare Act. The intent of the current resources for children with disabilities program is to provide support to assist families with some of the extraordinary demands that result directly from their child's disability and to enable families to maintain the child in the family home. The current resources for children with disabilities program is currently perceived and in many ways delivered as a financial benefits program.

In December Children's Services established a ministerial advisory committee and an expert advisory committee to provide recommendations regarding the development of the Family Support for Children with Disabilities Act. Bill 23 reflects recommendations from both of these committees.

The new Family Support for Children with Disabilities Act will change the resources for children with disabilities program. The intent of Bill 23 is to provide a spectrum of proactive, family-centred supports and services to empower families of children with disabilities, preserve and strengthen families as well as prevent these families from experiencing crisis which could potentially result in child protection needs.

The new legislation will clarify eligibility for the resources for children with disabilities program, require service plans to reflect the complex needs of children, refocus programs for children with disabilities on early intervention and family supports as well as promote better service co-ordination across government ministries.

There are three types of service areas identified in the new

legislation: first, information services and service co-ordination; second, family support services focused on the needs of the family; and, third, therapeutic services focused on the needs of the child based on the child's medical diagnosis and assessment of the child's functional needs.

The nature and level of family support services and therapeutic services will be clarified as regulations are developed in consultation with stakeholders. The regulations will also set out expectations for parental cost sharing, taking into consideration the parents' ability to pay to ensure that families aren't put into financial hardship.

Families will continue to have the right to access a formal appeal process. The appeal panel's decisions will be guided by the parameters of legislation. An option for mediation has been included as an alternative dispute resolution mechanism and a less adversarial way to resolve a conflict as an alternative to an appeal.

I support this bill because I know it is based on the principle that a respectful partnership exists for family support services and that this partnership supports parents in meeting their child's needs. Bill 23 is intended to preserve and strengthen the family's capacity to promote their child's healthy growth and development.

Mr. Speaker, I am pleased to move second reading of Bill 23.

Thank you.

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

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have the opportunity to make some comments about Bill 23, Family Support for Children with Disabilities Act. It's coincidental that Bill 23 bears the same number as article 23 of the Charter of the United Nations, the rights of the child. It was to article 23, which deals with handicapped youngsters, that I turned in terms of looking for principles that might underlie a handicapped children's bill such as Bill 23.

I think it's worth just visiting what article 23 of the human rights of the child says. It says:

1. States Parties recognize that a mentally or physically disabled child should enjoy a full and decent life, in conditions which ensure dignity, promote self-reliance and facilitate the child's active participation in the community.
2. States Parties recognize the right of the disabled child to special care and shall encourage and ensure the extension, subject to available resources, to the eligible child and those responsible for his or her care, of assistance for which application is made and which is appropriate to the child's condition and to the circumstances of the parents or others caring for the child.
3. Recognizing the . . . needs of a disabled child, assistance extended in accordance with paragraph 2 of the present article shall be provided free of charge, whenever possible, taking into account the financial resources of the parents or others caring for the child, and shall be designed to ensure that the disabled child has effective access to and receives education, training, health care services, rehabilitation services, preparation for employment and recreation opportunities in a manner conducive to the child's achieving the fullest possible social integration and individual development, including his or her cultural and spiritual development.

I think that article is sort of the measure that I used and that I'll continue to use in judging what we have before us in Bill 23.

I have some questions about Bill 23, Mr. Speaker. I would like and, I guess, appreciate some information in terms of the consultation that the ministry undertook with community agencies and municipalities in terms of the family support services. It's a matter of information that I would appreciate being enlightened on.

I think there are some serious flaws in the legislation. The very first one is that it seems to medicalize disabilities, and it goes back to the era and re-establishes the medical model for dealing with

disabilities. I think that putting medical doctors in charge of the diagnosis is a mistake. Certainly, they're one of the professionals that are qualified to do some of the diagnosis, but what is really required is an appropriate, regulated professional, and that's a wide range of professionals, not just medical professionals, Mr. Speaker. I think that if you look at the definition of disabilities, it's extremely narrow, and I think there could be some questions raised as to whether it's compatible with the Charter of Rights and Freedoms. It might be worth looking up that definition and comparing it to the one that we have in the act.

9:50

The act makes a provision for income testing, and as such it is a major departure from the HCS program established by the Lougheed government, and it's diametrically opposed to the philosophy of the government because the aim of the program then was to cover the cost of raising a child with a disability that was above the cost of raising a normal child. I think the separation of family support services and therapeutic services is a step that deserves a second look before we proceed with the passing of the bill. I think there are some serious reservations. We've heard from some stakeholders who are alarmed with what we have before us and, I think, raised some legitimate questions that deserve answers as we go through second reading and move into committee with Bill 23.

With that I would adjourn debate on Bill 23.

[Motion to adjourn debate carried]

Bill 24

Child Welfare Amendment Act, 2003

The Deputy Speaker: The hon. Member for Calgary-Buffalo.

Mr. Cernaiko: Thank you very much, Mr. Speaker. I'm pleased to rise and speak to second reading of Bill 24, the Child Welfare Amendment Act, 2003. Alberta's Child Welfare Act is a key piece of legislation that provides the foundation for child protective services, adoption services, and services to children with disabilities. It has a profound and direct impact on the lives of thousands of Alberta's children and families. In May of 2001 Alberta Children's Services announced a review of its Child Welfare Act. It had been over 17 years since the legislation underwent a major review and overhaul, so there were many issues that needed to be addressed. I was very honoured when the Minister of Children's Services asked me to lead this review and subsequently introduce this bill in the Legislature.

The Child Welfare Act review team, including myself as chair, consisted of a number of representatives from across the province. Our work began with child welfare research being done provincially, across Canada, and internationally. A discussion guide was created, and in December of 2001 public consultations began and information was requested from Albertans. The process was structured to provide all Albertans with opportunities to share their perspectives and contribute to the production of a balanced piece of legislation. In the past year we traveled across Alberta holding over 140 meetings with stakeholders across the province. Mr. Speaker, we had the opportunity to meet with a wide cross section of people to gain a full perspective on the issues of child welfare. We spoke with youth, parents, frontline workers, aboriginal elders, First Nation communities, Métis and Inuit representatives, foster parents and agencies, child and family service authorities, other ministries, and the general public.

Mr. Speaker, throughout the process both the review team and myself learned a lot about the child welfare system and heard the concerns of Albertans. We received a spectrum of responses and

feedback in over 600 submissions. These submissions reflected the values, principles, and areas of concern for Albertans. Based on the research that was completed internationally and across Canada as well as the submissions and information provided from Albertans, recommendations for legislative changes were developed and presented to the hon. minister in the form of the Strengthening Families, Children and Youth report. This report concluded the Child Welfare Act review process. The minister accepted the report for further review in developing the legislation, and the report was publicly released in December 2002. Recommendations for legislative changes have placed greater emphasis on and accountability for the safety and well-being of children, permanent placements for children, the involvement of children and families in decision-making, the importance of respecting all cultures, ethnic backgrounds, and religions, and finally the importance of supporting youth who are in transition to adulthood.

With these areas in mind, I'd like to highlight some of the key legislative changes in Bill 24. In responding to children in need of protective services, it's recommended that families receive services through a new approach called differential response. This approach would make it possible to refer and co-ordinate access to community services for low-risk families and allow high-risk families to continue to receive support through the mandated protective services.

The legislation supports new court processes and time lines that will focus on earlier resolution of problems by further involving families in the decision-making process. This will also involve the development of a concurrent planning process that obtains permanent homes for children at the earliest opportunity. Concurrent planning is the practice of developing two plans for the family at the same time. The first is the preferred plan and focuses on reunification with the child's family, and the second is an alternate permanency plan for the child if the parents do not follow through with their responsibilities.

The proposed legislation will emphasize permanency for children in government care and recognize their developmental needs and how these needs change over time. Specifically, the maximum time a child can remain in government care will be reduced from three years to 15 or 18 months, depending on the age of the child, with an increased focus on children under the age of six years old. Another area involves increasing permanency for children by further supporting families to provide homes through private guardianship for high-needs children who are permanently in government care. The ability to provide supports to these families is an extension of the current service delivery system for families who adopt special-needs children who are in government care.

It's proposed that "secure treatment" be renamed "secure services" to reflect the importance of a continuum of services being provided to youth who are in danger of harming themselves or others, including confinement for a maximum of 30 days in order for them to be stabilized.

New provisions address situations where a child under the guardianship of the director of child welfare refuses essential medical treatment. The new provisions establish a process whereby the director may apply to the court for authorization to provide treatment to the child, thereby respecting the views of the child and allowing the child to express those views to the court.

Mr. Speaker, in addition, it's recommended that an increased focus be placed on the following: the use of a mediator or alternate

dispute resolution process to resolve issues with the family, ensuring that children are informed of their procedural rights, further development of the role of the child and youth advocate with an increased reporting requirement to ensure that issues affecting children and families are addressed, legislating the administrative review process, and updating and clarifying the role of the appeal panel.

The legislation also emphasizes the involvement of First Nations bands in decision-making and the uniqueness of aboriginal culture, heritage, spirituality, and traditions, including Métis and Inuit. There will be an increased emphasis through the court system on holding parents responsible for the parenting of their children.

The area of adoption includes a number of recommended changes as well. These changes include supporting families in adopting children through an easier and less expensive process, further assistance for families in adopting children from another country, and a continued move by Alberta toward open adoption records. For adoption orders granted after proclamation of the new legislation, adult adoptees and birth parents would have full access to their adoption information. Either party may file a no-contact preference that would indicate whether or not the person involved wants to be contacted. For adoption orders that were granted prior to proclamation, adult adoptees and birth parents would have access to identifying information about one another, unless a veto was filed. A veto would prevent the release of any identifying information. Any vetoes that have currently been filed would remain in place.

10:00

Mr. Speaker, in addition, there are a number of recommendations that include increasing accountability for services being delivered to children and families, revising the principles that guide decisions affecting children and families, the clarification of some of the definitions relating to the grounds for child protection involvement, aligning the confidentiality and disclosure provisions with the Freedom of Information and Protection of Privacy Act, changing the name of the act from the Child Welfare Act to the child, youth, and family enhancement act, increasing jail time and fines for persons wilfully abusing a child.

The proposed new legislation we are discussing today could not have been possible without the input that the Child Welfare Act review team received from Albertans.

I am pleased to support this bill because I am confident it will amend Alberta's child welfare legislation to better the lives of children, youth, and families. It will also strengthen the way Alberta Children's Services is able to support our most precious and vulnerable citizens. Thank you, Mr. Speaker.

I move second reading of Bill 24, the Child Welfare Amendment Act, 2003, and to adjourn debate for this evening.

[Motion to adjourn debate carried]

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

Mr. Zwozdesky: Thank you, Mr. Speaker. I would now move that we stand adjourned until 1:30 p.m. tomorrow.

[Motion carried; at 10:02 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, March 11, 2003**

1:30 p.m.

Date: 2003/03/11

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. O God, grant that we the members of our province's Legislature may fulfill our office with honesty and integrity. May our first concern be for the good of all our people. Guide our deliberations this day. Amen.

Please be seated.

head: **Introduction of Visitors**

Mr. Jonson: Mr. Speaker, I am pleased to introduce to you and through you to members of the Assembly His Excellency Mr. Wade Armstrong, high commissioner for New Zealand. This is the high commissioner's last official visit to the province as he will soon be leaving his post for a new assignment. During his three years in Ottawa he always demonstrated strong support for Alberta's relationship with New Zealand. Alberta and New Zealand have much in common, particularly a shared emphasis on free trade. Several Alberta companies are active in New Zealand, and there are valuable educational links between the University of Alberta, the University of Calgary, and postsecondary institutions in New Zealand. We appreciate the high commissioner's hard work, and we wish him all the best in his new endeavours. I would ask that our honoured guest please rise and receive the traditional warm welcome of this Assembly.

head: **Introduction of Guests**

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

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure this afternoon to introduce to you and through you to all members of the Assembly employees from Alberta Justice court services. These individuals are here on the public service orientation tour, which, I understand, is being promoted and carried out by the Leg. Assembly Office and your good offices. I'd ask Ms Julie Ulmer, Ms Ana Melo, Mrs. Shelley Hein, Ms Susan Logan, Mrs. Glory Kopinsky, Ms Wendy Yanish to please rise and receive the traditional warm welcome of the Assembly. Great public servants doing good work for Albertans.

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

Mr. Johnson: Thank you, Mr. Speaker. It's a pleasure for me to introduce to you and through you to the members of this Assembly seven AADAC staff members who are also on a public service orientation tour. In introducing these staff members, I would also like to acknowledge the excellent work that they do over in AADAC. They are seated in the members' gallery. I'd like to ask them to stand as I introduce them. Terry Lind is director of AADAC information services. From AADAC policy and business planning we have Sally Greenhill, Sandy Goatcher, Darlene James, Christy Nickerson; and from AADAC communications, Korey Cherneski and Keith Hughes. I invite all members to welcome our guests today.

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

Mr. Rathgeber: Thank you very much, Mr. Speaker. It's indeed a pleasure for me to rise and introduce to you and through you to all members of the Assembly 27 of Calder's not necessarily oldest but definitely wisest citizens. They're senior citizens from Shepherd's Care Kensington Village along with the recreational therapists Kara Cooper and Mrs. Linda Gerke. I'd ask all the residents from Shepherd's Care to rise – they're in the public gallery – and receive the traditional warm welcome of this Assembly. Welcome.

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

Mr. Herard: Thank you very much, Mr. Speaker. It's a real, real pleasure for me to introduce to you and to all members of the Assembly a couple of people who are very, very near and dear to my wife and I, and they are my son David's wife, Lori, and our very first grandson, Matthew. I think he was trying to deliver his first speech in the House just a few minutes ago.

Mr. Hlady: That's a tough act to follow, Mr. Speaker, but I have two sets of two guests I'd like to introduce to you today. The first is Perry Pearce, who is the head of government relations for Burlington Resources out of Houston, and it's his first visit to the Legislature. He is accompanied by Doug Noble from Sparks & Associates. I'd ask them both to rise and receive the warm welcome of the House.

The other two are Geoff Wright and his wife, Linda. Geoff is with Economic Development Services of Chatham-Kent, Ontario, but he's also a native of Pincher Creek. I'd ask them both to please rise and receive the warm welcome of the House.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I'm very pleased today to introduce to you and through you to all members of the Assembly two very special guests who are seated in the public gallery. Michael Spencer-Davis is a very fine Canadian actor who trained here at the University of Alberta BFA program and lived and worked in Edmonton for many years. He has returned here to star in the Citadel Theatre's production of *Einstein's Gift*, written by Edmontonian Vern Thiessen. I'm especially pleased to welcome his son, Jack Davis, to this Assembly. Jack is eight years old and was born here in Edmonton. He now lives in Toronto with his parents and has come back to visit his dad. I would ask them both to please rise and accept the warm welcome of the Assembly.

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

Dr. Pannu: Thank you, Mr. Speaker. It's my distinct pleasure today to introduce to you and through you to all members of this Assembly a large number of guests: labour leaders from across the province, health care workers' union leaders, as well as health care workers from Peace River to Lethbridge. As I call the names of my guests, I'd ask them to stand and please remain standing until after they have received a warm welcome from the Assembly. The first guest is the Edmonton and District Labour Council president, Alex Grimaldi; Alberta Federation of Labour president, Les Steel; secretary-treasurer for Alberta Federation of Labour, Kerry Barrett; United Nurses of Alberta first vice-president, Bev Dick; Jane Sustrik, second vice-president, UNA; Karen Craik, secretary-treasurer, UNA; Nicole Bownes, home care nurse in Edmonton; Judy Brandley, public health care nurse, Chinook health region; Arlene Moreside, public health care nurse, Peace River; Linda Currie, staff nurse, Brooks health centre; Ken Ewanchuk, ER nurse and president of the nurses' local at Foothills medical centre; Sandi Johnson, public

health nurse, Calgary; Ruth Jeannotte, long-term care nurse from St. Michael's health care centre in Lethbridge; Sandra McLean, registered psychiatric nurse, St. Mary's hospital in Camrose; Pauline Worsfold, recovery room nurse at U of A hospital; Bridget Faherty, registered nurse at Queen Elizabeth II hospital in Grande Prairie; and last but not least, Phyllis Footz, community health nurse, Tofield. I'll ask all members of the Assembly to give all of my guests a warm welcome.

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

Mr. Mason: Thank you very much, Mr. Speaker. Well, if further proof that the labour movement is alive and well in Alberta was needed, here it is. I'd like to introduce to you and through you a number of other labour leaders from our province. From the Health Sciences Association of Alberta, Elisabeth Ballermann, – and I'd ask people to rise when I call their name – Doug Meggison; from CUPE, Yvonne Fast, Dianne Wyntjes, Pam Beattie, and Ron Pilling; from the United Steelworkers of America, Duane McEwan; from the Canadian Labour Congress, Mike Desautels; and from the Operating Engineers, Lionel Laverdiere, Bruce Moffat, and Bruce Cryliuk. I'd ask all members to join me in giving them a warm welcome.

1:40head: Oral Question Period

Energy Prices

Dr. Nicol: Mr. Speaker, 2,300 seniors have called the seniors information line hoping to get some relief from their high power and gas bills. Staff returning those calls have been told not to tell seniors over the phone whether or not they qualify for the government's onetime assistance program. As a result, seniors are being lulled into thinking that they'll get help when many won't. This is a cruel form of deception carried out by the government on seniors at a most vulnerable time. To the Premier: why did you not send all seniors an application and guidelines, like you did other groups who have received financial support from the government?

Mr. Klein: Mr. Speaker, there are different processes for different things, and we've decided to go this particular way.

The Liberals say that the government is misleading seniors about their eligibility for special-needs assistance from high utility bills by refusing to provide any program details over the phone and simply sending out complex application forms. First of all, the forms are not complex. They're very simple; even the Liberals can understand them. And I don't know how anyone can call this program "cruel." There is no other province in Canada that has a program like this to address emergency needs faced by low-income seniors. No other jurisdiction in this country. What is cruel is the campaign of misinformation and fear being spread by the Liberals. That is cruel.

The Minister of Seniors has made a commitment that low-income seniors who need the help will find it under this program. Basically, a senior phones, an application form is sent out, a thorough evaluation is done on those applications, and seniors who qualify get the rebates.

Dr. Nicol: Wouldn't the staff's time be better spent telling the seniors the criteria rather than going through this public relations exercise, sifting through application forms from people who don't have a hope of getting any help?

Mr. Klein: Mr. Speaker, a lot of seniors have hope of getting help – that's what the program is all about – especially those who need it the most. I will have the hon. Minister of Seniors supplement.

The Speaker: The hon. minister.

Mr. Woloshyn: Thank you, Mr. Speaker. The negative reference to staff is totally unwarranted and certainly, if you will, one of the most despicable ways that you can take to offend people.

We have answered 11,000 phone calls. I have 23 staff working on this. They've worked overtime every day; they work Saturday. When somebody phones in, there's a very simple question put forward: are you on the seniors' benefit program? If the answer to that is yes: "Then you should fill out the form, and we will assess it to see if, in fact, your income level and your expenditure level warrant some cash support."

We have done a couple of other things. If seniors have expended their \$5,000 limit for the year on other onetime expenses, they are not precluded from applying for this unforeseen, if you will, extra additional cost. That's taken into consideration. It would be a waste of time for the telephone answerers to discuss a senior's situation without having the facts before them. Quite simply, Mr. Speaker, I think we've also gone to the point of accepting applications, not guaranteeing something – they have to show that the hardship is there – but we are sending out applications to people whose incomes are above the \$18,000 for singles, which is the normal level for the cash supplement, all the way up to \$23,000. For couples I do believe it goes up to \$37,000.

We mail out the application, you fill out the application, you apply for it, and if you qualify, you will get it. The application forms are available to anybody who asks for them regardless of age. They're available in our storefront centre in the Standard Life building, through MLA offices, through the Seniors offices, and phone calls to my office.

Mr. Speaker, any further kinds of comments with derogatory reference to staff behaviour I think is unfair to the clientele that we're trying to serve.

Dr. Nicol: Back to the Minister of Seniors then. Why is it that the line staff will not discuss the criteria with people who haven't prequalified so that they'll give to those individuals who are calling in a sense of whether or not they will qualify in the end?

Mr. Woloshyn: Mr. Speaker, I don't know how to get the message through. Very clearly, if you are on the seniors' benefits program receiving cash or even if you are on the seniors' benefits program only receiving a premium supplement – we'll even look at that – you fill in the application the same as you would for any other onetime special need. We've just expanded the criteria to look at the increase in the utility bills to ensure that seniors who are pressed for cash and whose problem has been caused largely by these bills will be looked at in a positive fashion. Some seniors who don't pay utility bills will not even be considered under this program.

Dr. Nicol: To the Minister of Seniors: what programs will you be sacrificing in order to fund the overtime and the additional staff to answer these phone lines?

Mr. Woloshyn: One more irrelevant, irresponsible question. The answer to that is none. We provide a service to seniors; we'll continue to provide the service. And, no, I don't know what the budget number is because we haven't processed the application forms. Some time after May 31, when the program is hopefully fully finished, I'll be coming back to the Treasury Board and to this House for supplementary requisitions.

Dr. Nicol: To the Minister of Seniors. The minister has said that

some cheques will be mailed out for this program as early as today. How could one possibly get through on the phone line, fill out the applications, and have them approved in that short period of time?

Mr. Woloshyn: Well, Mr. Speaker, I am so pleased he has posed that, because the answer to that is: yes, some cheques did go out today. I have a very diligent, efficient staff that looks at special-needs applications. As of last Monday any applications that were in the hopper, whether they be for teeth, for appliances, whatever they were, the staff were instructed to have a look at them, and if these people were also paying utility bills, without consultation, without delay we added \$400 to a homeowner and \$200 to a renter. The cheques may not have gone out today, but the paperwork is in, and they will be going out no later than Thursday. So if you applied for special needs and you had a utility problem, we took care of it for you partially. These people, just for the next question, are not restricted from applying again if the support was insufficient.

Dr. Nicol: Back to the Premier. Why doesn't this government just amend the Natural Gas Price Protection Act and help all Albertans who are in trouble?

Mr. Klein: Well, Mr. Speaker, all Albertans will be helped once the average price reaches \$5.50 a gigajoule. I don't know of any other jurisdiction in the country or in North America, for that matter, especially in the cold parts of North America, that has a program like that. I don't know if the hon. leader of the Liberal Party has been to other parts of Canada to find out what is going on or whether he wants to tell the Alberta people the comparison kinds of programs or the lack of programs in other provinces to deal with high natural gas prices. [interjection] They can have contracts here, and there is nothing wrong with contracts, but I'm talking about the price at the wellhead, the delivery costs, and so on, and what people are paying in other jurisdictions. It's astronomical not only for natural gas but for gasoline at the pumps. No, the Liberals don't like to tell those stories because that's the good side of it.

You know, I would hate to be in the opposition – I really would – because they live in a negative world. Everything is negative. To them the province is the worst possible place in which to live. I don't know why they stay here; I really don't.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

1:50

Energy Marketing

Mr. MacDonald: Thank you, Mr. Speaker. Yesterday the Minister of Energy described an ad from a web site address. The ad from Direct Energy asks: have you rushed in to make a foolish purchase? All Albertans know that the most foolish purchase that has been made in the history of this province has been the billion dollar mistake, which is energy deregulation. My first question is to the Minister of Energy. Why is Direct Energy allowed to advertise that they are open for business when they do not have to date a licence to operate in Alberta from the Department of Energy or Alberta Government Services?

Mr. Smith: Mr. Speaker, I'm sure that *Hansard* will reflect the answer from yesterday, and if the Minister of Government Services wishes to supplement, he certainly may.

Mr. MacDonald: Perhaps to the Minister of Government Services then. Could the minister please explain how yesterday he could tell

Albertans that, yes, all energy marketers have to have a licence to conduct business in Alberta and that there is no problem with Direct Energy advertising in Alberta without a licence?

Mr. Coutts: Mr. Speaker, the answer to that question is the same as it was yesterday. Anybody marketing electricity in the province does have to have a licence, but it's not against the law to advertise.

Mr. MacDonald: Perhaps it is better with a sweater.

Now to the Premier: will the Premier please provide Albertans with some form of consumer protection and have Direct Energy pull its ads from local newspapers until such time as they have become a licensed marketer?

Mr. Klein: You know, let me get this straight. Let me fully understand. This hon. member is trying to curtail free speech – right? – one of the fundamental principles of Canadian democracy. He wants to say: muzzle them; prevent them from saying: we're coming, and we have a good product. That's what he wants to do. He wants to muzzle them. You know why? Because it might be a good story, and they aren't used to good stories. They don't like to tell good stories. They like to go around and tell everyone what is bad about this province. Mr. Speaker, I'm not about to curtail free speech, certainly not in a democracy. We'll let the Liberals do that.

Health Care Workers' Collective Bargaining

Dr. Pannu: Mr. Speaker, last Halloween the Premier stood on the steps of the Lethbridge courthouse, surrounded by national media, TV cameras and all, to support a few Alberta farmers engaged in civil disobedience against the federal grain marketing law. Present today in the galleries are nurses and other health care providers who strongly believe that a law removing their internationally recognized right to strike and unilaterally ripping up their collective agreements would similarly be unjust. My questions are to the Premier. Do all laws need to be obeyed, even unjust ones, or only the laws the Premier likes and supports?

Mr. Klein: Mr. Speaker, first of all, I'll set the record straight. We did not support them breaking the law. We said quite emphatically, as a matter of fact: if you break the law, you have to pay the penalty. This government, not the opposition, not that socialist opposition, is on record as saying that the Canadian Wheat Board is highly discriminatory. The act governing the Canadian Wheat Board is highly discriminatory because it takes away the right of choice for Alberta, the northeastern part of British Columbia, a small part of southwestern Ontario, Saskatchewan, and Manitoba. It is a matter of taking away the right of choice and having a monopoly on an individual's right to raise a crop and market that crop as he or she sees fit. They don't like that. They support that law. They support taking private property – and that's what a crop is; it's private property – and having to sell it through the government because to them the government is everything.

Dr. Pannu: To the Premier again: why does the government believe it's okay for a person to break federal laws, like those that govern wheat marketing, but not provincial laws that gut collective agreements and take away internationally recognized rights from health care workers?

Mr. Klein: Mr. Speaker, perhaps he should open his ears and close his mouth, because he obviously is not listening. I said that we did not condone – we did not say it was right to break the law. We're

saying that the law is a bad law, and those farmers either paid fines or went to jail. They served their time. They paid the price.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. In light of the government's support of a handful of farmers who break federal laws, will the Premier similarly endorse the right of health care workers to break an unjust provincial law, or is the government just being a hypocrite?

Mr. Klein: Mr. Speaker, the law is the law is the law. Although some people may not like the law – and we don't like the law, and those farmers didn't like the law, but they broke the law, and they paid the price – if we pass a law, and people break the law, whether they like it or don't like it, they will pay the price. It's as simple as that.

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

Asbestos Abatement at the Foothills Hospital

Ms DeLong: Thank you very much, Mr. Speaker. I understand that there have been complaints, including in the news media, about exposure of workers to asbestos in the Foothills medical centre in Calgary. What type of work is being conducted at the centre that would involve asbestos?

The Speaker: The hon. minister.

Mr. Dunford: Thank you, Mr. Speaker. There are renovations that are under way at the Foothills medical centre, and this construction and renovation work has been going on now for a period of time. Most of the renovation work that involves asbestos – and this is around the issue that has been raised in the media in Calgary and, of course, came to the House yesterday – is in the ceiling spaces and some of the mechanical rooms. Now, the asbestos insulation is applied to beams, piping, and boilers, and the Foothills medical centre does in fact have a management plan in place to address any uncontrolled release of asbestos at the facility.

The Speaker: The hon. member.

Ms DeLong: Thank you. First supplemental to the same minister: could the minister tell us what involvement his ministry has had with the Foothills medical centre?

Mr. Dunford: Mr. Speaker, we've actually had quite an involvement since 1999, and I think it's fair to say that the use of our resources in this particular matter have been perhaps more than the ordinary. I think that's justifiable in the sense that when we hear the word "asbestos," everyone gets sensitive, as they should because this is, of course, one of the identified areas that we have to be very careful about. To provide the member and members here in the House some basic information, there have been 139 asbestos project notifications that we've received since 1999, 30 asbestos abatement projects have been inspected, and of course we've been involved in preproject meetings over this situation.

Now, as referenced and as a matter of public information because our orders are posted, we've actually submitted 22 orders, and they were in fact issued to asbestos abatement contractors where deficiencies were noticed. I want to inform the members of this House that compliance with the orders was achieved within the specified time

and that the remaining 109 asbestos project notifications have been reviewed for proper safe work procedures.

The Speaker: The hon. member.

Ms DeLong: Thank you very much. Are you satisfied that the work being conducted now at the centre poses no threat to workers or to the public?

2:00

Mr. Dunford: Under our legislation, Mr. Speaker, we have the ability to shut projects down if there's any imminent or immediate danger to workers or, you know, to the public. In this particular situation, we have not had to do that. When we've issued orders, the employer, the contractors in this particular case, have complied. It might be noted that in January of 2003 the Calgary health region has now put on permanent staff an industrial hygiene/construction safety specialist. Their duties, of course, are to oversee occupational health and safety concerns in regard to this particular construction that's going on at this facility and then, of course, also because of the presence of asbestos at that site.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Red Deer-North.

Legal Representation for Children in Care

Dr. Massey: Thank you, Mr. Speaker. Yesterday the Minister of Children's Services claimed that her department provides legal representation for children who have been abused in care. However, court records indicate that in some cases the right to representation may be denied or suspended until the child reaches the age of 18. My questions are to the Minister of Children's Services. Will the minister confirm that there are cases where the government refuses to act on behalf of children who have been abused in care?

Ms Evans: First of all, Mr. Speaker, the fundamental thing that Children's Services must do when a child is abused in care is take care of the child, protect the child, and assure the safety of the child. I think that when we've been talking over the last couple of days about the subject, I should make it eminently clear that the first thing that the child welfare director and the caseworker must do is assure that the child is removed from the scene, if that's the case, or ensure, at least, that the child is protected.

Now, while a child is in care, Mr. Speaker, under the current terms of the Limitations Act there's no legal obligation on a parent or guardian to commence civil action on behalf of a child. The Limitations Act recognizes – and I want to be very clear about this in this House – that by suspending the limitation period for the commencement of civil action while a child is a minor, it gives the right for the child when the child has matured, and it preserves that child's right to commence an action at such time as the child reaches adulthood and is able to make his or her own decision and determination about whether litigation is in his or her best interest.

Let's be clear with one other part of this, Mr. Speaker. When a child is abused in care, it may be because some birth parent, some member of the extended family, some sibling, or some friend has abused the child in care. This is no deviation from what I cited yesterday, because we do provide legal representation for children while they're in care. In the case that's currently before the courts, the 439 John Does as represented in Calgary and which has not been judged yet, the allegation, I'm assuming, that's coming across the floor is that those children have not been represented while they're

in care. I think we can come back and look at that case when the judgment is finally rendered about the merits of the case and the other details, but currently I think it's important to provide that response.

The Speaker: The hon. member.

Dr. Massey: Thank you. To the same minister, Mr. Speaker: on what basis does the government pick and choose which abused children they will follow up on with court action?

Ms Evans: Well, again, Mr. Speaker, it would appear to me that the hon. member, who has represented, again, the allegations that have come from litigation that's been launched against our department, has been very selective in citing that as a premise for this question. It depends on what's in the best interest of the child. That is the underpinning of the Child Welfare Act. That is the underpinning of every part of the practice of social work and everything that we do. More than that I cannot say, but I would invite the hon. member and all in this Assembly to review my answer yesterday in the context of, overall, what we do when a child is abused or has not been protected or has been injured in any way while they're in the care of the government of Alberta.

The Speaker: The hon. member.

Dr. Massey: Thank you. To the same minister: on what basis did the government decide not to represent the 439 children who are subject to that lawsuit in Calgary before the lawsuit was launched?

Ms Evans: Mr. Speaker, I believe that when the judgment comes out, we will be able to defend ourselves on this, and I think it's more appropriate there, but at the time I cited that there were perhaps less than 60 cases where substantiated abuse was actually confirmed to be an issue for the government of Alberta. So the overall shot in the dark which, I think, has been taken here, that all 439 might somehow have been abused while in the care of the government and while in the government's direct administration of care, is something that has not yet been substantiated by the court. I find it offensive that repeatedly the hon. member of the opposition continues to harbor allegations which have yet to be proven in a court of law.

I'd invite the Minister of Justice to add to my response.

The Speaker: The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Riverview.

Fish Management Plan

Mrs. Jablonski: Thank you, Mr. Speaker. After this long, hard, cold winter many of my constituents will be looking forward to the spring so that they can get out with their fishing rods and enjoy the beautiful Alberta outdoors. Many Albertans have become accustomed to the catch-and-release policy on many of the lakes in Alberta and are concerned about conservation, but there's still the hope that some lakes will be suitable for some harvest. Just recently the Department of Sustainable Resource Development announced that some lakes will be opening up for walleye fishing. My question is to the Minister of Sustainable Resource Development. Considering the challenges facing Alberta's fisheries, can the minister tell this House why the decision was made to open up these fisheries?

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. I don't have cabins on those lakes, to start with.

As part of our overall plan to improve the Alberta fisheries, my department came forward, of course, with a balanced harvest and monitoring plan, that included 16 new lakes in the province. Most of these lakes are stocked, of course, and they are found across the province. A map was circulated to all government members. Lately, Mr. Speaker, of course, there continues to be a great interest in easing the catch-and-release restrictions with walleye in Alberta. We continue to hear from anglers, groups like the Alberta Fish and Game Association, who support conservation and who support a balanced approach in achieving well-stocked walleye.

Dr. Taylor: How many lakes, Mike?

Mr. Cardinal: Sixteen new lakes. These lakes, Mr. Speaker, were selected by the staff. They felt that additional harvest without jeopardizing recovery was in support of our walleye management plan. Some of these lakes include Vincent Lake, Long Lake, that only have a limited, three fish per week harvest, whereas some lakes can sustain more. Further details of the plan, of course, are in this booklet which was released. Page 6 shows a nice message, and I encourage people to read that.

Mrs. Jablonski: Mr. Speaker, my final question to the same minister: given that the Western Walleye Council strongly recommends continuous stocking of select lakes to ease the fishing pressure on lakes with natural recruitment, will the ministry consider developing an effective and efficient stocking program?

The Speaker: The hon. minister.

Mr. Cardinal: Yes, Mr. Speaker. I feel very confident that my department has taken a balanced approach in selecting these lakes, and I believe these are the most suitable lakes at this time for walleye fisheries. It is important to note that these lakes will get, also, additional monitoring on an ongoing basis. We are, of course, making some minor adjustments in some of our lakes, with pike fisheries for an example, and are in fact reducing some walleye harvest in some lakes and also reducing some perch catch in other lakes. So we are going to continue monitoring the situation.

2:10 Asbestos Abatement at the Foothills Hospital (continued)

Dr. Taft: Mr. Speaker, it's clear, based on extensive documentation and on many eyewitness reports, that there have been serious breaches of proper asbestos removal at the Foothills hospital in Calgary. The health and lives of workers and possibly of patients and the public have been placed in jeopardy. To the Minister of Health and Wellness: can the minister confirm that requests by workers and contractors to have asbestos properly removed from the Foothills were denied by the Calgary health region management because it was not covered in the budget?

Mr. Mar: Mr. Speaker, I'm not aware of such an allegation.

Dr. Taft: Go and look it up.

To the Minister of Health and Wellness again: can the minister explain why the Calgary health region just this week denied that there has been any risk to staff or patients from asbestos exposure at the Foothills, when the government's own documents show that this is patently untrue?

Mr. Mar: Mr. Speaker, I believe that if the hon. member will refer to *Hansard*, the minister responsible for human resources answered that question earlier today.

Dr. Taft: I'll try again. All right. To the Minister of Human Resources and Employment: given that asbestos exposure is the largest occupational cause of death and disease, will the minister bring a Crown prosecutor into this case to consider charges under the Occupational Health and Safety Act?

Mr. Dunford: Mr. Speaker, we bring in Crown prosecutors in matters where there are violations of orders, violations of the particular act. The normal process is that we send inspectors to the work site to inspect the work, and they write orders. Of course, if there's noncompliance within a specified time on these orders, then we have the option of whether or not we wish to take further action. As I mentioned in a previous question earlier today, we actually have issued 22 orders on asbestos abatement contractors where deficiencies were noted. In every case the contractor, or the employer, has applied and has lived by those orders within the specified time.

Now, the hon. member is persisting in a certain line here. If he has information that we've not had provided to us through the employer, through our investigation, he's certainly welcome to place it on my desk, and we'd be glad to have a look at it.

The thing we have to understand, though, is that asbestos just in and of itself is not the hazard. Asbestos in place, of course, was a normal building component. The thing about it is that when we're removing asbestos, then we have to be very, very careful because this is when it can be harmful: when it gets into the air and when it is inhaled. It's not on the skin, anything like that. It has to be inhaled, and that's what our inspectors are out there looking for. We have the legal mandate to protect workers in these kinds of situations, Mr. Speaker, and we are doing that.

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

Seniors' Housing

Mr. Rathgeber: Thank you, Mr. Speaker. For quite some time now the ministries of Municipal Affairs and Seniors have been floating the idea of removing private, nonprofit seniors' housing from receiving grants in place of municipal taxes. It has been suggested that this change will in fact take place this year. Many seniors in my constituency are concerned, noting that in some cases this could result in rent increases of up to 20 percent. My question is to the Minister of Municipal Affairs. Could you explain the reasoning behind removing nonprofit seniors' housing from the list of facilities who receive grants in place of taxes?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. It's a very good question. In 1995 the Municipal Government Act was amended, which basically allowed municipalities to tax nonsubsidized and not-for-profit seniors' organizations, but our government, actually, since 1995 paid a grant to the municipalities to cover their taxes. We're still doing that. The regulation has just lapsed. We've been hearing from seniors relative to the situation, and I'm very proud to say that based on support from my colleagues and our government, we will be continuing for the next few years with this program.

Mr. Rathgeber: That is, indeed, very good news.

My supplemental question is to the Minister of Municipal Affairs. Is this idea of phasing out nonprofit seniors' housing grants in place of taxes simply being delayed, or is it off the table altogether?

Mr. Boutilier: Of course, we never say never. I think it's always worthy of review, but I can say that for the fiscal year 2002, the fiscal year 2003, and subsequent years out in regulation we will be providing the grant to assist seniors because that's our commitment as a government. There are 47 seniors' facilities that are unsubsidized that are not for profit, and we're, again, listening to what seniors have said and the hon. member who has brought this to my attention, and we're going to continue to help them for the years out.

Mr. Rathgeber: My second supplemental is to the Minister of Seniors. Given that many seniors are having difficult times making ends meet, what is his ministry doing to help low-income seniors who are having economic hardships due to high rents?

Mr. Woloshyn: Mr. Speaker, first of all, I'd like to point out that the seniors' benefits program is directed at low-income seniors, and our highest level of support under the seniors' benefits program is towards renters. In addition, the special-needs assistance program, which does have a \$5,000 maximum, is also directed at the lower income seniors. We have a very good lodge program within the province, where the ones that are run by the foundations in association with the government must leave in the senior's pocket \$265 regardless of the rent. So that is taken into consideration.

The ones that you just referred to in your previous questioning, the low-income ones, do have a look at being fair with the rents. Yes, it is a concern, and we'll be looking at the matter not only as it pertains to the very bottom end but looking at the threshold levels too, because in fact that is becoming a greater concern as we're going along, but we don't have a specific program directed at renters per se at the moment.

Water Strategy

Ms Carlson: Mr. Speaker, an innocent bystander could be excused for thinking that this government doesn't care about one of Alberta's most precious resources: its water. For all of its posturing and the lip service it pays, this government has done remarkably little to ensure that Albertans have safe access and plentiful supplies of water. To the Minister of Environment: why is there no water consumption monitoring program in this province?

Dr. Taylor: Well, Mr. Speaker, there are certainly in the cities that are metered water consumption monitoring programs, because the meters in the cities monitor. With the oil industry as well, if that's what she's referring to, although she was a bit indirect, they are given a licence, and they are required to report how much water they use.

Now, does that mean that we cannot do better? Of course not. We can do better, and one of the issues that you're going to see, as we come forward, in our water strategy, which we will put on our web site, hopefully, at the end of the month, is ways to actually monitor more effectively, not that we're not doing it – I said more effectively – the appropriate amount of water that's being utilized in this province, because as we go forward, we have a very serious issue with water utilization in the 10- to 15-year time frame. So we need to have better methodologies of monitoring the water utilization.

Ms Carlson: When will the Minister of Environment launch a

provincial water inventory project so that fact-based decisions can be made?

Dr. Taylor: Once again, Mr. Speaker, one of the things you will see in the water strategy as it comes forward – and, you know, we kind of wanted it to be a bit of a surprise, but we seem to be leaking this information out slowly, but it is water. As we go forward, for instance, groundwater is an issue. We do not have good maps of groundwater in terms of the amount or the quality of the groundwater, and that's one of the issues that we need to deal with.

Ms Carlson: They've been talking about this as an issue to deal with for as long as this minister has been in this House. When are they going to do it? When are they going to develop the maps, develop an inventory, and start monitoring water in this province? It's not that hard to do.

Dr. Taylor: Mr. Speaker, I was minister for about six months or less when we started this process, so I don't think that's that long. We started last June with a water forum in Red Deer that stakeholders attended and discussed issues. We put some information out on our web site, in a document in MLAs' offices, and we had a huge number of responses. The draft water strategy that we're going to put out at the end of the month will be mailed to 1,300 stakeholders.

2:20

An Hon. Member: How many?

Dr. Taylor: To 1,300 stakeholders and also to the people that were involved in the water forum.

All of those people, Mr. Speaker, are going to monitor this program as we go forward, and we will have a final water strategy available in the fall. That will be just a little over two years since I was made minister. We are acting. It's an important issue, and we will continue forward.

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

Natural Gas Prices

Mr. Mason: Thanks very much, Mr. Speaker. Soaring gas prices are causing widespread misery among tens of thousands of Albertans. Those who are on a limited income are suffering severely. Before the last election the government promised gas rebates to protect Albertans from spikes in gas prices. To the Minister of Energy: why has the government broken its promise to Albertans to protect them from spikes in natural gas prices?

Mr. Smith: The government has not broken its promise, Mr. Speaker.

Mr. Mason: Mr. Speaker, given that the minister has repeatedly said that the legislation under the gas protection act was the reason that they couldn't give relief to Albertans now that they need it, will he admit that all it takes is a simple cabinet decision to change the rules and give Albertans the protection they need from natural gas prices?

Mr. Smith: Mr. Speaker, the Natural Gas Price Protection Act is a matter of record. It was thoroughly debated in the House in the period of 2001 in the spring session. The member was here. We've got excerpts from his debate. We've got excerpts from the opposition debate. There was not a standing vote on it, so we can only

assume that they approved it, as well, and support the decision. In fact, it was all done in an open, transparent manner, and we were absolutely critical about ensuring that we had a program in place that would protect Albertans from a period of these price increases.

Now, what the member neglects to add is that, in fact, the threshold price for the natural gas protection act is 5 percent-plus lower than what it was in 2001, and we have not reached those numbers yet. In fact, for the balance of March, to obey the legislation that that member voted for as well as other members of the House, the price of natural gas would have to reach \$19 per gigajoule.

Mr. Mason: Mr. Speaker, given that we now have a rebate program with no rebates, why won't the minister admit that a cabinet decision could change the threshold, that could give immediate relief to Albertans who need it now? Why won't he bring it forward at the next cabinet meeting?

Mr. Smith: Well, Mr. Speaker, that's probably the same individual who accuses us of doing things in secret and behind closed doors at cabinet meetings. We don't do that. We bring forward legislation that is debated in this House in a transparent fashion, and all the folks over there that are now talking about this bill and what it should be and what it shouldn't be were all here for this debate. In fact, if I look back, I can think of things from Mr. Mason, who said, "It was in fact through natural gas rebates that the present government [is] where it is today."

Well, we have delivered on a promise that is consistent and is available for all Albertans. It has a threshold price. It's lower than what it was in 2001. We have reached out to seniors, we have reached out to families in need, and we are monitoring the situation on a daily basis.

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

Education System

Mr. Maskell: Thank you, Mr. Speaker. Despite the high scholastic achievement of Alberta students, despite the level of remuneration to teachers, despite the high statistical level of provincial funding dedicated to education in Canada, there remains a consistent charge that education, particularly kindergarten to 12, is underfunded and not a priority of this government. There are many anecdotal incidents that do little to promote the improvement of our learning system. My question – and I have only one question, no supplements – is to the Minister of Learning. What is the government doing to restore a nonconfrontational relationship with parents, teachers, school boards, and most importantly, students?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. I just will reiterate what the hon. member has said. First of all, we have the highest paid teachers in the country by about 8 to 10 percent. Secondly, our students do the best in the country, as a matter of fact the best in the world when it comes to any international assessments or national assessments. Thirdly, in the province of Alberta we spend more on education per capita than any other province in the country by a significant amount.

With regard to the member's actual question about the nonconfrontational relationship, it is my belief and it is my will that

we do not have a nonconfrontational relationship, Mr. Speaker. We don't want to have a confrontational relationship, and it is something, as the hon. member has said, that we monitor constantly. I meet with school boards. As a matter of fact, to this date I have met with about 15 school boards since the 1st of January. We have had some very constructive meetings, and I have given the School Boards Association an undertaking to meet with all 64 school boards by the end of June, so that is something that I'm certainly working towards.

With regard to the teachers, Mr. Speaker, as the hon. member knows, in the throne speech we have committed to getting more grassroots input from the teachers, to talking to teachers. The exact mechanism of that is yet to be worked out, but we hopefully will be talking to some grassroots teachers around the province.

Mr. Speaker, with students, for example, last Friday with Chinook's Edge in Innisfail I had the opportunity of touring a school and reading to students for probably a good half-hour. It was very interesting. It was good. Last Friday I had the opportunity of mentoring students at the Calgary Educational Partnership Foundation, which again was very fulfilling. I didn't see any opposition politicians there. It was minus 30, but we went out and took 250 kids who are at risk of not staying in school out onto the ski slopes and mentored them.

So, Mr. Speaker, we're doing a lot.

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

Bingo Licensing Review

Ms Blakeman: Thanks very much, Mr. Speaker. In January of this year it was announced that stakeholders were to be consulted with regard to changes to bingo terms and conditions. Since that time I've received dozens of letters from organizations who have concerns over some of the proposed suggestions. Many of these nonprofit and charitable groups are volunteer based, meeting weekends and evenings, and require several months to meet, form committees, prepare a response, and report back to their board for approval. My questions are all to the Minister of Gaming. Given that the first deadline extension to April 30 is not enough for these groups, will the minister extend the deadline to June 2003, to allow them enough time to prepare responses?

Mr. Stevens: Mr. Speaker, the background with respect to this matter goes back to 2001 when this government considered the licensing policy review recommendations, which included 13 recommendations regarding bingo. At that point in time we accepted it and have been working on implementation of some of them. Others, ultimately, as a result of consultation with the bingo industry, made their way into a draft terms and conditions document, that went out this past January. As the hon. member has indicated, one request for an extension from the end of February, which was the original deadline, to the end of April has been received and accepted. At this point in time it would appear that that is adequate.

I can tell you, sir, that the AGLC, the Alberta Gaming and Liquor Commission, who is responsible for this, is meeting with each and every one of the bingo associations; there are some 50-odd throughout the province. So there will be a direct contact, all of which, I believe, will be by the end of this month. That leaves a full month after that face-to-face consultation has occurred for additional written material to be provided.

2:30

The Speaker: The hon. member.

Ms Blakeman: Thanks very much, Mr. Speaker. I'm curious as to why the government only provided partial documents of the bingo terms and conditions to these groups when the government supposedly wants informed feedback. Why were only partial documents provided?

Mr. Stevens: Mr. Speaker, the draft terms and conditions relative to bingo in full are contained on the web site of the AGLC. Candidly, without detail I wouldn't be able to provide further particulars. If the hon. member wishes to tell me in what fashion she understands there to be a deficiency regarding the material, I'd be happy to consider it.

Ms Blakeman: Sure. I'll supply that.

Final question to the same minister: given that under the proposed terms and conditions a facility which uses electronic bingo, not the handheld, must provide for a bar or a lounge, why is the government creating such an unpalatable choice for many charities? Is the new policy no bingo without booze?

Mr. Stevens: The draft terms and conditions provide particulars with respect to three aspects of electronic gaming, one of which is handheld bingo, another which is POG bingo, machine bingo, and I believe that that is the one that the hon. member is referring to. The draft terms and conditions do draw a connection to the service of alcohol. The fact is that with respect to the introduction of electronic gaming into bingo halls, it's adults-only or 18-only access.

The fact is that these are draft terms and conditions. We have indicated to the bingo associations that by virtue of being draft, we're interested in hearing from them as to what they would like to see, and the AGLC is receiving those alternatives. In meeting with some representatives of the bingo associations, I have indicated that on that particular point the liquor provision should be an option, that it shouldn't be a mandatory condition, and I anticipate that that probably is something that will make its way into the final terms and conditions.

head: **Statement by the Speaker**

Sixth Anniversary of Election to Legislature

The Speaker: Hon. members, six years ago today, on March 11, 1997, 21 members received the right to attend this particular institution, so let me congratulate today the hon. Minister of Justice and Attorney General, the hon. Minister of Gaming, the hon. Minister of Children's Services, the hon. Minister of Municipal Affairs, the hon. Minister of Revenue, the hon. Member for Edmonton-Centre, the hon. Member for Edmonton-Glengarry, the hon. Member for Redwater, the hon. Member for Calgary-Fort, the hon. Member for Bonnyville-Cold Lake, the hon. Member for Calgary-Lougheed, the hon. Member for Wetaskiwin-Camrose, the hon. Member for Leduc, the hon. Member for Calgary-West, the hon. Member for Clover Bar-Fort Saskatchewan, the hon. Member for Edmonton-Gold Bar, the hon. Member for Olds-Didsbury-Three Hills, the hon. Member for St. Albert, the hon. Member for Edmonton-Strathcona, the hon. Member for West Yellowhead, and the hon. Member for Banff-Cochrane on their sixth anniversary.

Before I call on the first hon. member, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

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

Mr. Mar: Thank you, Mr. Speaker. It's an honour for me to be associated with the health care system that we enjoy in this province, which is measurably one of the best systems in Canada. There are many people who should take responsibility for that. We have outstanding health workers – nurses, technologists, technicians, physicians, and surgeons – but we also have outstanding administrators. In your gallery today are representatives, being chairs and CEOs, of the newly drawn nine-boundary regional health authority model. I would ask that these individuals please stand and be recognized by this House in the traditional manner: Mr. Len Mitzel, chair, region 2; Tom Siemens, CEO, region 2; Jack Davis, chief executive officer of health region 3; Jean Graham and John Vogelzang, chair and CEO of health region 4; Mr. Steve Petz, CEO of region 5; Sheila Weatherill, chief executive officer of health region 6; Robert Jackson and Bob Cable, chair and CEO of region 7; Mr. Dalton Russell, chief executive officer of health region 8; and Patricia Pelton, chief executive officer of health region 9.

head: **Members' Statements****The Speaker:** The hon. Member for Edmonton-Glenora.head: **Oral Question Period Policies**

Mr. Hutton: Thank you very much, Mr. Speaker. A question in Oral Question Period is out of order if, among other things, it is long and rambling, is an inquiry about a matter for federal jurisdiction, is hypothetical or seeks the hypothetical, seeks information on a bill scheduled for discussion today, seeks information from a minister whose estimates are up for consideration today, seeks opinions, seeks legal opinions, asks about something before the courts, asks a minister to speculate, asks the minister to comment on something outside the minister's sphere of competence, is unrelated to government policy, seeks comment on a newspaper article, accuses someone of lying, is guilty of naming a member by proper name rather than constituency name or executive office.

Although my question is more of a federal jurisdiction thing and kind of hypothetical and although the bill and budget issue I want to talk about is on the Order Paper under projected government business for consideration this evening prior to the scheduled consideration of the minister's estimates, could the minister give us his opinion or legal advice as it affects matters currently before the courts on what the bill's impact will be 10 years down the road, especially if the minister could speculate, though it is outside the sphere of the minister's competency and doesn't really have a lot to do with government policy? Regardless of that, could the minister speculate regarding a recent newspaper article claiming that a member of the opposition is deliberately lying to the Premier, Ralph Klein, about a bill? Obviously, the sky hasn't fallen, as the opposition predicted.

I believe, Mr. Speaker, I just broke all 14 principles. I trust this bad example provided by Mr. Gillies and me will assist members, researchers, and communications officers in the future. Thank you.

The Speaker: The hon. Member for Grande Prairie-Wapiti.

**Canada Winter Games
Team Alberta**

Mr. Graydon: Thank you, Mr. Speaker. I rise this afternoon to

recognize Team Alberta's 342 members, consisting of athletes, coaches, managers, artists, and mission staff, who recently participated in the 10th Canada Winter Games in New Brunswick, which our Minister of Community Development also briefly attended.

Since 1967 the Canada Winter Games have provided a cultural and athletic experience for young athletes and cultural delegates from across Canada. I am proud to report that this year it was mission accomplished. Team Alberta has had its best showing ever and finished third overall with a total of 91 medals: 28 gold, 36 silver, and 27 bronze. They impressed all of Canada and Alberta with their skills, talents, abilities, and their spirit of healthy competition. In doing so, they continued a rich legacy of young Albertans who personify hard work, commitment, and determination.

I was honoured to have been the mayor of the host city of the 1995 Canada Winter Games in Grande Prairie. Athletes and good citizens are made through hard work, commitment, strong families, and the opportunity for competition and growth. Our growing participation and success in regional, provincial, national, and international sports are proof positive that sports are a wise investment in our future. I am proud that Alberta Community Development through its Alberta Sport, Recreation, Parks and Wildlife Foundation has helped to prepare our athletes for these and similar competitions. Many go on to represent our province and our country at international events.

In recognition of their achievements I ask all members of this Assembly to join me in congratulating the athletes, coaches, volunteers, artists, staff, parents, and family members who took part and participated in the 10th Canada Winter Games. Thank you.

International Women's Day

Dr. Pannu: Mr. Speaker, last Saturday, March 8, was International Women's Day. This is the day celebrated around the world to mark the struggle of women everywhere for equality, justice, peace, and development. I salute the women who braved the bone-chilling temperatures by gathering in various communities across the province to celebrate International Women's Day, including two dozen Edmonton women who endured minus 40-degree wind chills to rally in front of city hall. I salute the 350 Edmontonians who in conjunction with these events attended a benefit event that raised over \$10,000 for Alberta women's shelters.

Many International Women's Day activities across Canada and around the world this year focused on the imminent invasion and occupation of Iraq. Women know this will not only be a war against Iraq but also in a very real sense a war against Iraqi women and children. Throughout history women often led the struggle opposing war. This year, in 2003, as some nations once again gear up for war, many International Women's Day events included readings of Aristophanes classic play *Lysistrata*. *Lysistrata* organized women to withhold certain private relationships from men until they agreed to put an end to a foolish and unnecessary war in ancient Greece. Last Saturday reading *Lysistrata* was part of International Women's Day events held in Calgary and Medicine Hat. There are similar readings in dozens of communities across Canada and over 1,000 readings in 59 countries around the world. If enough of us raise our voices for peace, we can once again avoid or discourage yet another disastrous war in the Middle East, a region that has in recent decades endured too many wars already.

2:40

My colleague from Edmonton-Highlands and I will be joining thousands of Albertans at a major peace rally on Saturday, March 22. I invite the members of this House to join us at that rally. The rally will begin at 1 p.m. at Churchill square in downtown Edmonton.

Similar rallies are being organized in other Alberta communities. Together, Mr. Speaker, we can win the peace.

Thank you.

head: **Presenting Reports by
Standing and Special Committees**

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

Ms Graham: Thank you, Mr. Speaker. In accordance with Standing Order 94 the Standing Committee on Private Bills has received the petitions presented Monday, March 10, 2003, and can advise the House that the petitions comply with Standing Orders 85 to 89.

Mr. Speaker, this is my report.

The Speaker: Would all hon. members in favour of the report, please say aye.

Hon. Members: Aye.

The Speaker: Opposed, please say no. The report is carried.

head: **Presenting Petitions**

Mr. MacDonald: Mr. Speaker, I have at this time a petition urging that there be an increase in AISH rates across this province, and this is organized by Joanne Black in Calgary and signed by many Calgarians.

Thank you.

head: **Introduction of Bills**

The Speaker: The hon. Minister of Human Resources and Employment.

**Bill 27
Labour Relations (Regional Health Authorities
Restructuring) Amendment Act, 2003**

Mr. Dunford: Thank you, Mr. Speaker. I request leave to introduce a bill being Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003.

I might point out, Mr. Speaker, that it is an unusual title for a bill, but it is a means, then, to send a message to all Albertans that a special situation has developed within health care in terms of restructuring, and it needs a response in terms of labour relations by this government.

[Motion carried; Bill 27 read a first time]

head: **Tabling Returns and Reports**

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

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure today to table the response to Written Question 7, accepted by this House yesterday. I would advise the House that copies of the response have been delivered to the Member for Edmonton-Centre, who raised the question, as well as to the Leader of the Official Opposition and the leader of the third party.

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

Mr. Cenaiko: Thank you, Mr. Speaker. I'd like to table the required number of copies of 50 letters supporting Bill 206, the Traffic Safety

(Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. The letters tabled today are from people living in Calgary, Strathmore, and De Winton and are an indication that many Albertans are concerned about the effects that street prostitution has on Alberta's urban communities.

Thank you.

Mr. Lougheed: Mr. Speaker, I'm pleased to table the Alberta Disability Strategy, prepared by the Premier's Council on the Status of Persons with Disabilities, and present it to the government for consideration. Viewers can obtain copies by phoning 422-1095 or toll free 1-800-272-8841.

Thank you, Mr. Speaker.

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

Ms Carlson: Thank you, Mr. Speaker. I'm tabling five copies of a court excerpt indicating that the government may or may not represent children who have been abused in care, a practice which some of us in this Legislature find reprehensible.

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

Dr. Pannu: Thank you, Mr. Speaker. I rise to table five copies of a New Democrat opposition news release dated October 30, 2002, regarding the Premier's visit to Lethbridge in support of the farmers who had broken the law.

Thank you, Mr. Speaker.

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

Mr. Mason: Thanks very much, Mr. Speaker. I have one tabling today. It's a letter from Dianne Strilaeff dated February 25, 2003, and addressed to the Minister of Energy. Mrs. Strilaeff is concerned with the rising cost of natural gas and power and is seeking help to pay her bills.

The Speaker: Additional tablings?

Hon. Member for Edmonton-Highlands, did you rise on a point of order?

Mr. Mason: I did indeed, Mr. Speaker.

The Speaker: Please proceed then.

Point of Order

Referring to a Member by Name

Mr. Mason: Mr. Speaker, during the answer to my question the Minister of Energy referred to me by name rather than by my constituency. Under *Beauchesne* 484

it is the custom in the House that no Member should refer to another by name. Members should be referred to in the third person as the "the Honourable Member for . . ."

and so on.

That concludes my point of order, Mr. Speaker.

Mr. Hancock: Mr. Speaker, it was clear that the hon. minister was using a quote from *Hansard*, in which members' names are printed. That may in fact be a breach of the spirit of the rule but not of the letter of the rule. In any event, if it was a breach of the rule, it was a rather modest one, and I think the House could be just advised of the rule again and advised not to use members' names in the House. Perhaps the Speaker could clear up the question as to whether, in

quoting *Hansard*, one should insert the name of the constituency instead of the name of the member as it's printed in *Hansard*.

The Speaker: Well, an admonishment was given, directed to the Minister of Energy at the time. Perhaps the Member for Edmonton-Highlands had not heard it, but there certainly was an admonishment provided by the chair at the time.

It is absolutely correct: we do have this anomaly. *Hansard* refers to the name of the individual rather than the constituency. So you have this, I guess, little – little – dilemma that, in essence, if one is quoting from *Hansard*, you do run across the name. I think the preferred approach, of course, would be to refer not by name but to the constituency, and that would provide some purity with respect to the whole issue. But, hon. member, admonishment was provided at the time.

head: **Orders of the Day**

Transmittal of Estimates

The Speaker: The hon. Minister of Finance.

Mrs. Nelson: Thank you, Mr. Speaker. I've received a certain message from Her Honour the Honourable the Lieutenant Governor, which I now transmit to you.

The Sergeant-at-Arms: Order!

The Speaker: Hon. members, the Lieutenant Governor transmits interim supply estimates of certain sums required for the service of the province and of certain sums required from the lottery fund for the fiscal year ending March 31, 2004, and recommends the same to the Legislative Assembly, dated March 10, 2003.

Please be seated.

The hon. Minister of Finance.

Mrs. Nelson: Thank you, Mr. Speaker. I now wish to table the 2003-2004 interim supply estimates. These interim supply estimates will provide spending authority to the Legislative Assembly and the government for the two and a half months ending June 15, 2003. By that date it is anticipated that spending authorization will have been provided for the entire fiscal year ending March 31, 2004. As announced previously, we are tabling Budget 2003 on April 8.

When passed, these interim supply estimates will authorize approximate spending of \$4.8 billion in operating expense and equipment and inventory purchases, \$90 million in capital investment, \$50 million in nonbudgetary disbursements, and \$309 million in lottery fund payments. Interim supply amounts are based on departments' needs to fund government programs and services. While many payments are monthly, other payments are due at the beginning of the quarter and fiscal year. Some payments are seasonal.

2:50 head: **Government Motions**

11. Mrs. Nelson moved:

Be it resolved that the message from Her Honour the Honourable the Lieutenant Governor, the 2003-04 interim supply estimates, and all matters connected therewith be referred to Committee of Supply.

The Speaker: This is a debatable motion.

The question has been called.

[Government Motion 11 carried]

12. Mrs. Nelson moved:

Be it resolved that pursuant to Standing Order 58(9) the number of days that Committee of Supply will be called to consider the 2003-04 interim supply estimates shall be two days.

[Government Motion 12 carried]

head: **Government Bills and Orders**

head: **Second Reading**

Bill 12

Financial Sector Statutes Amendment Act, 2003

The Speaker: The hon. Member for Calgary-North Hill.

Mr. Magnus: Thank you, Mr. Speaker. It is my honour today to move second reading of Bill 12, the Financial Sector Statutes Amendment Act, 2003.

This bill includes a set of amendments to financial sector statutes administered by the Department of Finance. The vehicle of omnibus legislation is an approach that the department hopes to use in the future to ensure that the Alberta financial sector legislation is updated on a regular basis. It also fosters greater consistency with respect to the business powers of the Alberta financial institutions affected and allows the government to promote a level playing field with their federally regulated competitors on a timely basis.

Alberta Finance is responsible for regulating the insurance industry and provincially incorporated financial institutions operating in this province. The ministry is also responsible for legislation governing a number of public-sector pension plans. Among the major amendments proposed in the legislation is a proposal to allow deposit-taking institutions to acquire life insurance agencies to compete with federal financial institutions; a proposal to exempt employee benefit plans covering medical, dental, prescription drug, and disability benefits from the Insurance Act subject to provision allowing the application of the legislation or elements of it to a long-term disability plan should the need arise; provisions to allow the credit union system to better co-operate nationally; and a provision to formalize the Minister of Finance's ability to approve regulatory guidelines for Alberta Treasury Branches similar to those used for banks and other federally regulated financial institutions.

The first three proposals were the subjects of stakeholder consultation, while the last two were specific to the credit unions and Alberta Treasury Branches and are recommended following consultation with the affected entities. The proposal for regulatory guidelines for ATB is in response to a recommendation of the Auditor General. Within the Insurance Act we're proposing to amend the Insurance Act to exempt employee benefit plans, and this brings our legislation in line with the treatment of those plans elsewhere in Canada, with the decision to exempt them being made after consultation with the stakeholders involved, Mr. Speaker.

Many employees made the point that requiring coverage of these benefits through insurance would be too costly. As well, for some benefits insurance is not readily available, and the act will provide that it would continue to apply to long-term disability benefits only if a regulation is passed to bring it into effect for specific categories of long-term benefits. This provision is put forward to recognize the difference in impact on the individual between employee benefit plans, such as sickness and dental, and long-term disability coverage. We propose to give the minister the ability to cancel the licence of an extraprovincial insurer who fails to meet the legislated \$3 million capital requirement, and the provision ensures that extraprovincial insurers are treated the same as Alberta registered insurers for purposes of complying with Alberta's prudential standards.

With regard to the ATB Act, the Credit Union Act, and the Loan and Trust Corporations Act, the insurance companies, deposit-taking institutions, and trust and loan companies are increasingly competing with each other in the provision of services to Albertans. The amendments are designed to provide a level playing field for provincial institutions, and we're proposing to amend the Alberta Treasury Branches Act to allow ATB Financial to own life insurance brokerage subsidies. Similar amendments would be made to the Credit Union Act and the Loan and Trust Corporations Act to enable these institutions to also own life insurance brokerage subsidies. This levels the playing field and allows them to compete with banks and other federally regulated entities in the provision of wealth management services. However, the authority does not extend to property and casualty insurance.

I'd like, Mr. Speaker, now to turn to discrete amendments to the various statutes. Under the ATB Act Lieutenant Governor in Council approval was required to ensure that strategic investments were approved. However, the established business planning processes have eliminated the need for approval of the institution's significant shareholdings. The minister's approval of ATB's business plan provides the necessary control over these shareholdings. Therefore, it is not necessary for the Lieutenant Governor in Council to also approve these investments.

Other amendments include allowing financial leasing directly by ATB, which would harmonize the ATB with federal financial institutions. The ATB amendments would also add additional regulation-making powers to formalize the use of guidelines in setting standards comparable to those followed by federal financial institutions and to adopt regulations governing the treatment of unclaimed deposits. These two amendments act on recommendations by the Auditor General.

Under the Credit Union Act, owing to the speed at which changes occur in the financial services sector, Credit Union Central Alberta will be given the capacity to exercise business powers available to Credit Union Central of Canada, provided those powers do not conflict with the Credit Union Act. Approval by the Lieutenant Governor in Council will be required prior to exercising those business powers. For business reasons dealing with the efficiency and effectiveness of Credit Union Central Alberta and the credit union system generally, a framework for allowing the amalgamation of provincial centrals will be available in the legislation. Conditions for amalgamation would be set, again, by the Lieutenant Governor in Council.

Other changes include increasing the number of Credit Union Central nominees on the Credit Union Deposit Guarantee Corporation's board from one to two members, enabling credit unions to use means other than local newspapers to connect individuals to unclaimed account balances, and provisions requiring disclosure of annual remuneration to the credit union boards to improve transparency to members. Recognizing the need to protect the privacy of an individual board member, the provisions require disclosure on an aggregate basis; for example, the range of remuneration paid on the board and the average individual amount paid to directors. The LTCA amendment brings into the act an exemption from application of the Freedom of Information and Protection of Privacy Act that was previously contained in a FOIP regulation. The provision also includes a 50-year limit from the time the information is received by the regulator on the FOIP exemption. This provision is similar to the treatment of archived information under the FOIPPA.

Mr. Speaker, under the Public Sector Pension Plans Act the proposed amendment will remove the solvency funding requirements for the statutory public-sector pension plans. It will leave the flexibility to prescribe solvency funding requirements if required in

the future. The requirement for the plans to fund on a going-concern basis will remain. Solvency funding requirements are used to determine if there are enough assets to pay benefits earned to date in the event of plan termination. Solvency funding requirements are not necessary for public-sector pension plans because the risk of the employer declaring bankruptcy and winding up the plan is extremely remote. Further, its application to jointly funded public-sector plans can lead to significant volatility and upward pressure on employee and employer contribution rates when market interest rates and investment returns are low and stable. Removing the requirement to fund for solvency will stabilize employee and employer contribution rates and lessen intergenerational inequities, and it again brings us in line with many other public-sector plans in Canada.

Under the universities academic pension plan, Mr. Speaker, as of January 1, 2001, the universities academic pension plan is no longer established under the Public Sector Pension Plans Act and is now regulated under the Employment Pension Plans Act. All of the plan's liabilities and assets have been transferred to the new nonstatutory pension plan.

The consequential amendments include proposed amendments to the Funeral Services Act and the Cemeteries Act to remove references to credit unions and loan corporations as authorized trustees for the purposes of prefunding arrangements such as the purchase of funeral plots or funeral services in advance of death. The very limited trustee powers of these institutions are already set out in their own incorporating statutes. The amendments remove the potential for a loan company or a credit union to incorrectly hold preneed trust moneys. We will be doing a full review of trust powers for provincially incorporated financial institutions at a later date.

3:00

Mr. Speaker, again, the purpose of this omnibus legislation is to modernize existing legislation to keep our provincial financial institutions on a level playing field with their federal counterparts. I'd urge all members of the Assembly to support this bill in second reading.

Mr. Speaker, I would move adjournment of the debate at this point in time.

[Motion to adjourn debate carried]

Bill 19

Gas Utilities Statutes Amendment Act, 2003

Mr. Ouellette: Mr. Speaker, I am pleased to move second reading of Bill 19, Gas Utilities Statutes Amendment Act, 2003.

As with electricity government is pursuing further changes to the structure of the retail natural gas marketplace in a process that began over 20 years ago. These legislative changes have no effect on the Natural Gas Price Protection Act or on wholesale natural gas prices, which are set between buyers and sellers in the North American market.

Providing natural gas customer choice, which gives customers the ability to buy gas and other related services from the provider of their choice, is not new. Large industrial consumers in Alberta were first given choice in the late 1970s. Small industrial consumers gained this right in 1998. Commercial and residential customers saved when the major investor-owned utility companies gained access to choice in 1996. These rules allowed Alberta consumers served by major investor-owned gas utilities – ATCO Gas North, ATCO Gas South, and AltaGas Utilities – to buy natural gas from the supplier of their choice. At that time, choice was also extended to residential and commercial customers of municipally owned gas utilities at the municipality's discretion. It was not extended to small

volume customers of rural gas co-operatives because of their smaller scale and unique nature. Today virtually all industrial customers, which use about 80 percent of the natural gas in the province, have exercised choice as well as about 40,000 residential and commercial consumers. Seven retailers now offer choice, of which two retailers, EPCOR and Enmax, are currently marketing to residential consumers.

With more real-life experience and the implementation of choice on the electricity side, government needs to update the rules for natural gas customer choice. The Gas Utilities Statutes Amendment Act provides the enabling legislation that will refine the structure of the retail natural gas marketplace in Alberta to provide greater opportunities for customer choice for those who want it. The changes come under the Gas Utilities Act, the Gas Distribution Act, and the Rural Utilities Act.

The proposed changes are intended to expand retail competition in Alberta beyond the two retailers for residential consumers to provide greater opportunities for customer choice; align the retail gas market more closely with the electricity retail market and permit both commodities to be marketed together; enable firms and other utility companies, called default supply providers, to provide regulated natural gas supply service to consumers. Proposed changes under the Gas Utilities Act will improve the ability of about 900,000 consumers served by major utility companies to buy natural gas from the supplier of their choice. These utilities provide about 85 percent of the natural gas to residential and commercial consumers in the province.

[Mr. Shariff in the chair]

Up until now only natural gas utility companies could provide regulated service. The legislation will provide rules for other companies to provide gas supply service regulated by Alberta Energy and Utilities. The provider of regulated gas supply service will be called a default supply provider whether that service is provided by the utility company, as is currently the case, or by a company authorized to act on its behalf. Authorizing a default supply provider would require the Alberta Energy and Utilities Board's approval.

Consumers would have two ways of obtaining their gas supply: buying it at a regulated rate from a default supply provider, regulated by the EUB based on a flow-through of the actual market price for gas. The other option is to buy natural gas at competitive market prices through a contract from a retailer. Gas consumers who don't do anything will continue to receive their gas through the default supplier at flow-through rates just as they do today and have for many years. Contracts would not be regulated except for rules regarding ethical behaviour and the sharing of information to ensure that no company has an unreasonable competitive advantage. Consumers would receive a single bill for gas services from their retailer covering both gas supply cost and utility delivery cost rather than the two bills they currently receive from the retailer and the utility.

Under the proposed changes gas utilities would be able to separate gas supply and billing from the construction of infrastructure and physical delivery of natural gas. At the same time, natural gas utilities would continue to have the exclusive right to provide regulated natural gas delivery service. We also propose to have the EUB establish rules to standardize the exchange of data between utilities and retailers and set standards to assist the market in dealing with a large number of transactions. I should also mention, Mr. Speaker, that Alberta has some of the toughest rules in Canada for gas retailers.

The Gas Utilities Statutes Amendment Act also changes the Gas Distribution Act, which governs the provision of gas services by 67 rural gas co-operatives serving about 80,000 customers. Rural gas co-ops have played an important role in the development of rural Alberta, and our government will continue to support the rural gas initiative. The Gas Distribution Act currently provides rural gas co-ops with near exclusive rights to provide gas services within their franchised area. The primary change under this act would be the voluntary introduction of customer choice for individual gas co-ops based on an extraordinary resolution by their membership.

The hon. Member for Dunvegan, who led a review of rural gas co-ops in 2001, will outline more about the unique requirements of rural gas co-operatives, the proposed changes under the Gas Utilities Act, and some administrative changes to the Rural Utilities Act.

The proposed legislative changes I have outlined are intended to increase competition in the natural gas marketplace, providing consumers with a greater choice of suppliers to meet their energy needs. These legislative amendments would give consumers better ability to evaluate product offerings through greater convergence between natural gas and electricity retail markets, better ability to choose price stability, if they do so wish, through fixed price contracts, more varied product offerings, improved market efficiency, and more competition on the basis of service. At the same time, consumers who wish to remain on a regulated rate can do so indefinitely. Concurrent amendments to the Electric Utilities Act would align retail electricity and the gas market more closely and permit both commodities to be marketed together under similar rules.

Mr. Speaker, already government efforts to increase competition are paying off. A new company has announced its intent to enter the Alberta market. Other firms have expressed interest in entering the market as well. This will increase the number of retailers selling to residential and commercial consumers. I hope this gives some indication of the widening scope of the natural gas retail market.

Thank you for considering these legislative amendments.

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

3:10

Mr. MacDonald: Thank you very much, Mr. Speaker. It's with anticipation that I rise to participate in the debate this afternoon on Bill 19, the Gas Utilities Statutes Amendment Act. Again I would like to thank the hon. Member for Innisfail-Sylvan Lake and members of the Department of Energy for their courtesy and patience in answering not only the questions I had but also the questions from our crackerjack research staff.

Now, I have been, like many Albertans, following the price of natural gas. The promise that has been made to all Albertans that increased choice will reduce prices is just that. It's a promise. Certainly, prices could fall, but I think they will have to do with the ebb and flow of the North American gas market, not with the specifics of increased competition and more choice and reduced price. That hasn't worked to date with energy deregulation. That has been the promise that has been made. Two years ago, leading up to the election, that promise was made. "Don't worry. Be happy. Trust us. Energy deregulation will work. We will see more competition, and we will see greater choice, lower prices." Well, this bill, unfortunately, in my view, Mr. Speaker, is not going to provide lower prices.

Certainly, there are two steps to the energy deregulation. Bill 19 is one step. Bill 3 is another. They're related, in the view of this member.

Mr. Speaker, companies are told what they can charge for their gas. Everybody, including this hon. member, admires profit.

There's absolutely nothing the matter with profit. There are absolutely no problems with free enterprise, but where are we going to find the profit here if there is a set price from the EUB on a monthly basis as well? Every month the price can change. Now, where's the profit going to be? It's going to come from the pockets of the consumers.

In the last three years consumers have had to dig deep, really deep in their pockets or from their purses or from their wallets to pay for energy deregulation, whether it's electricity or natural gas. Consumers are quite frustrated. I spoke just before question period today with a gentleman from west of the city, and he was outraged. He had a number of questions for me at that time in regard to natural gas. Where would we be in 10 years, and where will this Gas Utilities Statutes Amendment Act place us in 10 years as consumers in this province? What will be the prices? This gentleman was born and raised in this province and lived all of his life west of the city. He was just newly retired, and he was concerned about the direction we're going in this province with energy deregulation, and it is my view that Bill 19 is just another step. I won't call it a progressive step, but it is certainly a disappointing step down the energy deregulation road.

We've looked at energy deregulation in other jurisdictions. We've done a lot of research on electricity deregulation that has been attempted, and citizens have told their governments that they want no more. They can't afford it anymore, and they want to go back to a low-cost system. I think we should be looking at studying some things with natural gas in this province that are probably not going to be popular with this government.

Now, what we need to do instead of looking at making a promise and a hope – and I'm sure that whenever the hon. Member for Innisfail-Sylvan Lake is speaking on this bill, he's holding his fingers like this, crossing his fingers, hoping that this will work. When we think that Alberta consumers are being faced with and have faced in the past substantial increases in their monthly natural gas bills as a result of higher prices and when we consider, also, that our natural resources, which everyone owns, are sold on the North American market, the government is getting more royalties for these natural resources because the more the natural gas is worth, the larger the amount of revenues that are collected and put in the Alberta treasury.

Now, I don't know if this bill deals with the fundamental issue of skyrocketing resource prices faced by Alberta consumers within the North American market. The current PC government has chosen in the past, during an election year, to provide temporary rebates, and now we have the rebates that are not really rebates. It's just a broken promise. But while hardworking Alberta families get poorer in their pocketbooks from rising natural gas bills, the Alberta government gets richer from resource revenue windfalls. Now, does Bill 19 adjust that? Is Bill 19 a step in the right direction? I cannot say that it is, Mr. Speaker.

When we look at what has happened, perhaps it is time that this Assembly – and I know there have been stakeholder consultations with this bill. This bill could easily be called the convergence bill or the convergence act, to converge the electricity markets and the natural gas markets and who knows what's next. I hope it's not water. That'll be the next thing, water, so that the salespersons can come to the door and not only sell a long-term natural gas contract but a long-term electricity contract and perhaps even a long-term contract for water. I hope we don't go there.

Mr. Smith: Point of order.

Point of Order Relevance

Mr. Smith: *Beauchesne* 459. We're going to hope against hope, Mr. Speaker, that this member will return to the principles of the bill, which is the topic in second reading. So we'll ask him to maintain to the principles, as it's important to this House.

Thank you.

The Acting Speaker: Hon. Member for Edmonton-Gold Bar, do you want to speak on the point of order? The Minister of Energy is rising on a point of order on relevance.

Mr. MacDonald: In response to that point of order, Mr. Speaker, in *Erskine May, Parliamentary Practice*, page 378, "A Member must direct his speech to the question under discussion or to the motion or amendment," but "the precise relevance of an argument may not always be perceptible." Now, I'm certainly discussing the implications of Bill 19 at this time, and I don't see a point of order here, but I would like to continue with my remarks regarding Bill 19.

The Acting Speaker: Hon. Member for Edmonton-Highlands, do you want to speak on the point of order?

Mr. Mason: Mr. Speaker, on the point of order I would just like to ask what the citation was, for my own purposes.

The Acting Speaker: *Beauchesne* 459.

Mr. Mason: *Beauchesne* 459. Thank you, Mr. Speaker.

The Acting Speaker: Hon. Member for Edmonton-Highlands, are you going to speak on the point of order?

Mr. Mason: As soon as I find it, Mr. Speaker. Yes. *Beauchesne* 459 states clearly:

Relevance is not easy to define. In borderline cases the Member should be given the benefit of the doubt, although the Speaker has frequently admonished Members who have strayed in debate.

The words that I heard from the hon. Member for Edmonton-Gold Bar seemed to be indicating that he was talking about markets and commodities, which is precisely what is established in this bill.

So it may not be directly on gas, but I would find it unduly restrictive to force people to limit their remarks strictly to that when they want to establish a point relative to the markets of commodities that were previously in a regulated market.

3:20

The Acting Speaker: Anybody else wish to speak on the point of order?

The Minister of Energy rose on a point of order citing *Beauchesne* 459, which states:

Relevance is not easy to define. In borderline cases the Member should be given the benefit of the doubt, although the Speaker has frequently admonished Members who have strayed in debate.

The hon. Member for Edmonton-Gold Bar had the floor. He was speaking to the bill in second reading, and I believe that he was trying to make a point. I hope that this clarifies that the second stage, at which we are today, is to talk about the principles of the bill.

The chair requests the hon. Member for Edmonton-Gold Bar to continue with his remarks.

Debate Continued

Mr. MacDonald: Thank you very much, Mr. Speaker. Now, with

Bill 19, when we are making amendments to the Gas Utilities Act, the Gas Distribution Act, and the Rural Utilities Act, we have to consider the implications of this in the entire domestic market. I'm sure that in these difficult times the hon. Minister of Energy is doing his level best to work to ensure that commodities such as natural gas and electricity are delivered to all Albertans regardless of whether they're in Nordegg or whether they're in Innisfail-Sylvan Lake or Edmonton or Calgary.

Now, when we discuss this bill and we look at the Navigant report, when we look at other discussion mechanisms that were used to talk about the convergence of the natural gas markets and the electricity markets, we failed to outline the fact that not everyone was consulted duly, like consumers. Many consumers that I talked to in regard to this bill were not aware that on the Department of Energy web site were some of the amendments to the Gas Utilities Act, the Gas Distribution Act, and the Rural Utilities Act and had been there for some time. Not all Albertans, who because of this government's policies are now paying sky-high natural gas bills, were aware that this discussion process to bring on convergence was going on, and when you think that we are making changes to the structure of the natural gas retail marketplace to allow for more competition, then the consumers should have played a bigger part in that consultation process.

Certainly, when you talk to the rural gas co-ops, which the hon. member mentioned before, they have expressed concern about this in the past. When we think of how this legislation will affect the operation of gas co-ops by allowing their members to buy natural gas from other suppliers if choice is approved by two-thirds of the members, well, then, perhaps we should give two-thirds of the residents of the city of Edmonton or the city of Calgary the same choice. Why do we not give them the choice to see if they want to have this supposed choice in the marketplace or this free-for-all? Why does that choice to stay away from that legislation or stay away from that idea apply to the gas co-ops and not apply to the citizens of Edmonton-Gold Bar?

Now, some citizens have approached me in the mall with just that question, and they do not think that they already have that choice. You know, what's their choice? Slam the door on the door-to-door salesman? Is that the choice they have? These are polite people, and they're certainly not going to do that. They're going to hear the sales argument, and I bet that by the time the snow flies next fall, there will be perhaps one or two people approaching them in regard to this matter. But they really don't want to choose between A and B as far as natural gas marketing goes. They want low prices that are guaranteed, and they want low prices that they can rely on if they're a senior on a fixed income or a senior with a pension income that just has a modest adjustment for a cost of living increase. They want to know that the price they're going to pay for natural gas to heat their homes is going to be predictable.

I'm sure we can say: oh, well, the answer is in the long-term contracts which are going to be available through Bill 19. But people don't want to gamble with that. People do not want to gamble with their utility bills. There are enough things to gamble on in this province, as we all know, without having to gamble on your utility bills. People want reliable and affordable utility costs, and they do not want to shop around. They'll certainly shop around for various other consumer products, but consumers just want reliability, and they want it to be affordable, and Bill 19 is not going to provide that. Why, after all the years of having some of the lowest heating costs in North America – and we're blessed with the natural resources, the natural gas, in this province – would we be entertaining this legislative notion that's Bill 19? Mr. Speaker, I don't understand why.

In researching for this bill, I came across a very interesting bit of information in the Legislature Library, and that was the fact that at one point, Mr. Speaker, a time period of 14 years, there was not an increase in natural gas rates in this province for residential use, and that amazed me.

Rev. Abbott: When was that?

Mr. MacDonald: The hon. Member for Drayton Valley-Calmar is asking me when that was. Well, that was in the '60s and in the early '70s.

Rev. Abbott: Well, times have changed a lot since then.

Mr. MacDonald: The hon. member is quite correct. Times have changed; indeed they have. At that time there was a system of domestic price and export price, and now we're all tied in together with the North American price.

It's going to be very interesting as debate proceeds in this Assembly, Mr. Speaker, when we allow with Bill 19 for the flow-through price of natural gas, how this is exactly going to work. Are consumers going to become more confused or more frustrated, or are they going to be shopping around for natural gas contracts?

Now, Mr. Speaker, when we look further at this bill and from the hon. member's opening remarks, I would have to assume that the object of Bill 19, well, is twofold. We were talking earlier about the convergence, but it is to align the natural gas retail marketplace with the electricity marketplace so that, again, one retailer can visit and try to sell these electricity and natural gas contracts together. I'm adding this in with water; when will we be back to deal with that issue?

The second point here is that this bill will open up the natural gas marketplace in an attempt to attract more retail competition, and I have to say at this time that it is a further step down the road of energy deregulation.

When we talk about consumer choice, again, or the ability for consumers to purchase natural gas from the provider of their choice, that has been available in the past history of this province to large industrial natural gas consumers since the late 1970s and to small industrial consumers since 1998 and to most – most, I say – residential consumers for the last six years. But currently customers who have chosen not to sign with a retailer pay a spot rate based on the monthly market price of natural gas.

3:30

Now, when we look at the city of Edmonton as an example, most residents pay the monthly ATCO Gas price that is based on the market price, and it is regulated, of course, by the EUB, or the Alberta Energy and Utilities Board, but as I understand it, in my research on Bill 19, it indicates that between residential and commercial customers 40,000 people have chosen to sign a contract with a retailer for natural gas. Currently, signing a contract is one of the only ways for consumers now to receive stable monthly bills. The old days are gone, and certainly the Member for Drayton Valley-Calmar is right. At one time, going back into the '20s, natural gas was considered a mere nuisance by the oil industry, and they had to flare it off, and then the industry got their backs up whenever the government of this province of that day forced them to have some control of the natural gas. [Mr. MacDonald's speaking time expired]

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I rise to speak on Bill 19, Gas Utilities Statutes Amendment Act, 2003. We have just begun second reading on this bill, and I hope that the members on the side opposite and the minister in charge of this area will listen carefully and change his mind and withdraw the bill after he hears some concerns that are genuine concerns expressed by Albertans from all backgrounds and occupations.

This bill will clearly further entrench the wrongheaded deregulation experiment that this government has been proceeding with. This wrongheaded experiment is so called by Albertans because they know from personal experience that it's extremely, extremely costly. It imposes on them unwanted costs, unbearable new costs. It constrains them from continuing to enjoy the delivery of these necessary utilities, electricity and, in this case, natural gas, from sources and providers whose track record is well established. There's a historical track record, a track record which, I think, is referred to with pride by Albertans because it delivered them the goods both in terms of the stability of prices and the low cost of these utilities.

All of that is being destroyed by deregulation. It happened with electricity, and now it's happening with natural gas, and now further steps are taken to change the legislation of this province to allow some new retailers to come in. It's a bill that, unfortunately, is designed to bring into the picture a multinational player, a transnational company. It's driven by industry. It's not driven by consumers under the notion of consumer choice, consumer choice which cannot be about gas. Gas is gas. Don't tell me that consumers will have opportunity to choose between gas A and gas B. There's one kind of gas. There's no choice. What we are going to see here is a choice between unregulated retailers and regulated retailers.

Albertans have not been asked, and it's not a customer/consumer driven bill. Let there be no doubt about that. It's a bill that is, I guess, designed to help this Direct Energy. I had the pleasure of meeting with representatives of Direct Energy, who told me very clearly that their purchase of ATCO retail services is contingent on a bill that they want in place before they will come here. Come here to do what? To not add value to the natural gas utility but to extract profit out of simply retailing that and then, of course, asking for legislative authority that once they get entry into our homes to sell gas, they can sell other services at the same time such as furnace cleaning, I was told. Even furnaces, security services. All of that – all of that – and being done without first ascertaining with Albertans whether they want this kind of choice, this kind of monopoly right to this huge transnational company to be able to do these kinds of transactions with us when we as Albertans know what choice means.

There are lots of retailers in Alberta already. There are lots of heating companies in Alberta. All of those are going to suffer, Mr. Speaker, as a result of the monopoly being grabbed, granted by virtue of this act, to this one favourite of the government, this Direct Energy. I ask the question: why this particular favour to this particular utility player? That's the principle, that's the rationale, and that's the spirit of this bill. I'm talking about its principles and the driving forces behind it, the so-called talk about creating a new market structure. For whom? The answer is clear: for Direct Energy, not for the consumers of Alberta.

Therefore, this bill does not deserve the support of this Legislature, Mr. Speaker. It will obviously lead to amending the existing Gas Utilities Act, the Gas Distribution Act, and the Rural Utilities Act, but the question is: why are these bills being amended and for whom? Whose interests will these amendments serve? That's where I find no promise either in the government's own news release that it'll lead to lower costs nor the promises that Direct Energy made in that meeting that I had the opportunity to have with them. They said

that they cannot guarantee lower prices; all they can guarantee is long-term contracts. How high will the costs be? "We don't know. That's up to the market." Well, will it lead to a total reduction in the size of the bill that we pay? "No, it won't. We will be charging new service charges." There'll be new costs added to what we already have, which are very high costs, and this Legislature has been speaking about those costs ever since we started the session. This bill will exacerbate the problems that Albertans face, problems created by this government's own policy in action and legislation up to this point.

3:40

This bill will simply deepen and broaden the scope of those difficulties for Albertans, and therefore I invite my colleagues to pay very special attention to the concerns that have been expressed by all kinds of observers, many of them disinterested politically at this point. The Consumers' Coalition and its legal adviser, Jim Wachowich, state very clearly that costs will go up as a result of this bill. The government's own briefing papers that were released last week, two weeks ago acknowledge that it will have a negative impact on the cost that we pay as consumers. It will create more confusion, and it will not deliver choice. There is no choice.

It will in fact limit choice in that it will give this Direct Energy company special entry opportunities into our homes so that they can sell the furnaces and the furnace cleaning, and the companies that we have indigenously grown in this province, in this city will be the ones who'll be cast aside, who won't have that kind of opportunity to have direct access to us through their billing, through their retailing activities, and all those retailing activities will cost more. Those costs will have to be recovered. Not only will those costs have to be recovered by the companies of Direct Energy, they will want to make profit on the costs. Otherwise, why invest? Why invest in retailing if you can't make profit? There'll be, of course, profit added to the cost of the gas itself, and then there'll be the service costs, which now will increase, Mr. Speaker.

I just want to, I guess, draw the attention of the House to something that was written in the *Edmonton Journal* today, Mr. Speaker. With your permission I hope I can quote from it. Paula Simons, one of the columnists, argues that simply deregulation wasn't enough to entice new retailers and entice customers to switch to these new retailers. She says,

Consumers saw no reason to leave time-honoured suppliers for the uncertainty of new retailers. And it's not as if anyone can sell you better gas. [Because] gas is gas. And no retailer could sell it below cost.

So the province "levelled the playing field." [How?] The only way it could entice retailers into the game, and the only way it could convince customers to switch, was to lob a grenade into the works. She continues: "Gas prices have shot up because of supply, demand and politics." Those politics continue. This government has been playing politics with the well-being of Albertans when it comes to the availability of utilities and their costs.

If this government were really interested in controlling costs and keeping them stable, it would not have removed the regulatory and legislative requirements that companies that produce gas had to respect, and those were, 10 years ago, that there remain underground enough reserves for the next 25 years for the use of Albertans. When you have that kind of supply and a condition that those reserves must be kept, that keeps costs low, that prevents speculation from taking place. Those requirements were removed, brought down to seven years some five, six years ago, about the time that I got elected to this Legislature for the first time, and even that requirement now has been removed entirely. No wonder speculators are having a field day and consumers in this province are suffering as a result of this.

So it is those politics of the gas market that really must be questioned, that must be subjected to scrutiny in this Legislature if all of us are concerned about the economic well-being of all Albertans, particularly household consumers. We cannot in good conscience fail to ask these very fundamental questions about the real reasons behind the increase in costs and the volatility of costs. This government's own policies are responsible for it. It's about time this government was held accountable for the failure of its policies which have created havoc on the family budgets of millions of Albertans.

Mr. Speaker, I'm running out of time. I think I have stated very clearly where I stand, where the New Democrat opposition stands in relation to what should happen to this bill. It deserves to be rejected after a thoughtful, serious, thorough debate of this bill and the provisions of the bill and a critical scrutiny of the long-term policy of the government that ought to be held responsible for the crisis that we find ourselves in now.

Thank you, Mr. Speaker.

The Acting Speaker: Hon. members, Standing Order 29 kicks in. We have five minutes for questions. Anybody wish to ask a question? The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I listened intently to the Member for Edmonton-Strathcona, and I share most of his concerns with this bill and would ask him to share with this Assembly and all Albertans what he finds to be the worst part of this particular piece of legislation.

Dr. Pannu: Mr. Speaker, I will just draw the attention of the House to the government's own background papers on this bill. This bill will increase the costs to consumers. This bill will add costs to the already very high costs of home heating, for heating our water that we need, and for cooking in some cases. It will impose on Albertans the choices they don't want. They never asked for them.

This is the irony, Mr. Speaker. The worst part of this bill is that it's so presumptuous. It shows that the government is so presumptuous. It says that Albertans must take a cold shower. They need to be educated. They need to be exposed to the vicissitudes of the markets. That's the only way they will learn to sign on to these long-term contracts which the retailers will have them sign under conditions which approach, in my view, intimidation and intense propaganda.

Thank you, Mr. Speaker.

Rev. Abbott: Mr. Speaker, a question for the hon. member. I'm just wondering how he can justify talking out of both sides of his mouth when during question period he says that Ontario people benefit from hedging and signing long-term contracts, yet here he's just said that he wants to deny that right to Albertans. So I'm just wondering how he justifies his flip-flopping and his double-talk.

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

Dr. Pannu: Thank you, Mr. Speaker. I don't know where the hon. Member for Drayton Valley-Calmar has been. This member never talked about Ontario people enjoying these services that he's now trying to offer to his own constituents, who will hold him to account on this. I never said that Ontario residents are enjoying the choices that he is now bringing through this bill to Albertans.

Mr. Ouellette: Mr. Speaker, I really wonder where the hon. member gets the information that no Albertans would like this bill or would-

n't like choice, that they're not asking for it. Every time we've ever seen price increases in Alberta, there have been phone calls to numerous MLAs saying that we should have choice. I just don't understand why this hon. member always wants to keep everybody under thumb so they can't have choices in this world.

Thank you.

3:50

Dr. Pannu: A very good question, Mr. Speaker. A very good question. It's the consumers of Alberta and the Consumers' Coalition of Alberta that are entitled to make these statements, not a particular member of this House, be that me or some other member saying that we want this choice. The Consumers' Coalition of Alberta speaks for consumers in general. I said that they are nonpartisan. They really speak to the concerns of Alberta's consumers, and that coalition says that this bill will only increase the hurt that Albertans are already feeling from the current deregulation policies of this government.

The Acting Speaker: Okay. There being no further questions, the chair recognizes the hon. Member for Dunvegan.

Mr. Goudreau: Thank you, Mr. Speaker. I would like to offer the following comments in support of the proposed legislative amendments for natural gas. Our government believes consumers benefit from competition and wants to remove the legislative impediments to choice for all Alberta consumers. There are two groups of Albertans who do not currently access choice: municipally owned gas utilities and rural gas co-ops. Other citizens have some choice, which is different from what the Member for Edmonton-Gold Bar earlier indicated.

Mr. Speaker, 21 smaller municipalities, which currently own their gas utility, have the legislative ability to offer choice to their members. These municipalities have chosen to exempt themselves from offering choice by passing a bylaw to that effect under the Municipal Government Act. The Alberta government is not changing any of these arrangements. It believes the decision to access choice rests with the individual municipality. If the citizens of those communities want customer choice, they need to persuade their town council to reverse the bylaw and extend the choice to its citizens.

The situation of rural gas co-ops is somewhat different. Since 1973 rural gas co-ops have provided clean-burning natural gas to rural Albertans at competitive rates. Their success is a result of the hard work and perseverance by rural Albertans and co-operation between farmers, industry, and government. Under the Gas Distribution Act co-ops have a legislative exemption from offering customer choice because of their unique situation.

First, they range in size from less than a hundred members to just over 4,500 members. Co-ops have significantly smaller customer bases over which to spread their costs compared to, for instance, ATCO's customer base of 840,000 or to AltaGas's customer base with over 55,000. Second, rural gas co-ops buy gas at over 450 locations across the province. One individual gas co-op may have as many as 25 purchase points, while investor-owned utilities have very few wholesale purchase points. It could be very costly for rural gas co-ops to develop and implement a supplement or load-balancing system for so many gas purchase points. Third, many co-ops use different billing systems, and providing choice may require extensive changes to these billing systems or in many cases a totally new billing system. At the same time, during the high gas prices of the winter of 2000-2001 some rural gas co-op members asked their elected representatives why they could not sign fixed price contracts

with other suppliers. So in spite of these obstacles, our government wants to remove any legislative impediments to allow choice for rural gas co-ops.

Last year the Minister of Energy asked me to lead a review of rural gas co-op issues, including customer choice. The Federation of Alberta Gas Co-ops was an important participant in that process. The committee recognized the potential financial hardships imposing choice could have on co-op operations because of their small scale and the cost of changes to administrative systems to implement choice. It recommended removing the legislative impediments for individual co-ops to provide choice to their members, but it felt the decision to offer choice must rest with the individual co-op members.

As a result, these proposed Gas Distribution Act amendments would enable individual rural gas co-ops to allow their members to buy gas from the supplier of their choice if it is approved by a democratic vote of the members of that co-op. This would only occur if two-thirds – and I repeat, Mr. Speaker, two-thirds – of the members of a co-op present at a special general meeting called for that purpose passed an extraordinary resolution calling for customer choice. Quorum requirements for a special meeting have been strengthened from 10 percent of the membership for usual business to 25 percent for a general meeting, at which an extraordinary resolution on customer choice would be voted on. This will ensure that any future decision to implement choice will be based on fair representation of the membership. If the co-op members do not choose customer choice, exclusive rights for gas co-ops would continue under the Gas Distribution Act. The proposed legislative changes include regulation-making powers in the event an individual co-op decides to offer choice. The Federation of Alberta Gas Co-ops and member co-ops would be consulted extensively if any draft regulations are developed.

Changes to the Rural Utilities Act include changes in the following administrative areas. The first change involves balancing a co-op member's right to obtain a copy of the membership list while ensuring protection of personal privacy. The second change involves enabling those with enduring power of attorney to vote on behalf of a rural utility member to ensure these members' interests can be properly represented in decision-making. A third change requires rural water associations to maintain a deposit reserve fund for replacing water systems similar to what is required presently by rural gas co-ops and REAs. More and more water co-ops are being formed to bring freshwater to rural residents and farms, so proper funding must be set aside to defray major costs of system upgrades or replacements.

Mr. Speaker, these changes allow the government to move ahead with customer choice while protecting the unique situation of rural gas co-ops. Thank you.

The Acting Speaker: Hon. members, under Standing Order 29 any questions? The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. There seems to be a bit of confusion, certainly for me, and I must admit that I'm easily confused. There's a situation here that appears to allude to the fact that deregulation is causing certain changes in the prices of natural gas. First of all, I'd like to know if the hon. member could tell me if 1985 might have been the right year for deregulation of natural gas, and secondly, did that deregulation cause the under \$2 a gigajoule prices we saw in Alberta last summer?

The Acting Speaker: The hon. Member for Dunvegan.

Mr. Goudreau: Thank you very much, Mr. Speaker. Certainly, gas prices are set on a world-scale basis, and whether we have some of these regulations or not, I don't anticipate that they are the causes for gas prices to be as volatile as they are. There are other factors that cause prices to fluctuate up and down.

The Acting Speaker: Hon. Member for Edmonton-Riverview, did you have a question?

Dr. Taft: No, but I'd like to speak to it.

The Acting Speaker: Anybody else have a question?

There being none, the chair recognizes the hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I'd like to be perfectly clear. I think this is a badly conceived piece of legislation. I'm reminded of a west African saying that says: many complaints have made the giant lizard death. I propose to you that the giant lizard here is the government. Let's just look at some of the correspondence on this. Has this government learned nothing from electricity deregulation? I'm now looking at correspondence to the department from Direct Energy that says that Direct Energy "supports the Department's vision of aligning the gas retail market more closely with the structure of the retail electricity market." Surely, that should make all members of this Assembly, all citizens of this province shake in their boots. My goodness. How about this correspondence from EPCOR to the department? "EPCOR is very supportive of aligning, to the extent possible, the regulatory and policy frameworks governing retail gas and electricity markets." Have we learned nothing from the destructive and expensive and pointless experiment in electricity deregulation? Apparently not, and we are now about to embark on a duplication experiment with the gas market. The whole notion behind this legislation is misguided, misplaced, and mistaken.

4:00

I've heard in comments from government members and government backbenchers on this bill that it will bring in more competition, and I don't doubt that that's to some extent, at least, the purpose of this legislation. I will say this over and over and over in this Assembly for probably as long as I'm here: competition works sometimes; competition fails other times. The evidence and the theory on that are absolutely clear. There are limits to competition.

Anybody here who has studied economics will know that markets sometimes fail. Sometimes competition is a bad idea. Electricity deregulation has shown that, and there are many other examples, and I'd be happy to tell you about other examples by way of illustration. We could go, for example, to the issue that's been in the news again in the last couple of days about antibiotics. Now, this does relate, in case the Minister of Energy wants to pop up on a point of order, to the debate here. Antibiotics. What if we just had a complete free market on antibiotics? Well, what would happen? We would see antibiotics used even more indiscriminately than they are now, and the externalities of that, the costs of that would be enormous. [interjections] I'm glad I'm getting so many responses from the government members.

We are finding in antibiotics, Mr. Speaker, that competition is causing enormous problems. It's causing all kinds of complications, all kinds of negative externalities. Unlimited competition in that field would be a disaster. Even the limited competition we've had is seriously problematic.

We could look at other examples, Mr. Speaker. We could talk

about health care. Now, I have debated health care economics in here many times. I've written on health care economics. The evidence on health care economics is clear: competition does not work very well in the health care sector. In fact, a society is better to organize its health care delivery as a public service than as a competitive commodity, and the evidence for that and the theory supporting it are simply overwhelming.

We could, of course, go beyond this. We could go on to issues of justice. For example, we would all, I hope, be offended if justice was turned over to the marketplace so that it was up for sale to the highest bidder. That can be done. It has been done in history. It's done even today in some parts of the world, where you can actually buy and sell judgments. We would see that as morally wrong. There's a limit to the marketplace there; right? Of course there is, and there are limits to the market forces for natural gas as well, Mr. Speaker.

The fundamental premise of this legislation is mistaken. Competition is not going to bring the price down. It is not going to have the effects that this government so badly wants. What it is going to lead to is market failure, a well-recognized experience, a well-recognized condition, where a market does not work effectively to deliver a product at a low price to the consumers. Market failure is what we are seeing in electricity deregulation, and we are going to see that in this case, as well, with natural gas, especially – and it's just stunning – when we see companies like Direct Energy advocating for us to align the natural gas market with the electricity market. I think we're going to have to work very hard to ensure that the public is generally and broadly aware of that information, because we know how the public feels about electricity deregulation: they are unhappy.

There have also been many comments in this Legislature about how people want choice, how people are desperate for choice on natural gas. I can tell you that I've never had one call in my constituency office asking for choice, and I can tell you also, Mr. Speaker, that there have been extensive surveys done about how badly or how little consumers want choice over natural gas. You know what? Almost no consumers want choice between natural gas suppliers. What they want is cheap, reliable, service. One of the reasons for that, frankly, is that there's very little room to add value to this particular product.

We can look at lots of other products. We can look at restaurants and food services, where the market does work well for competition, is effective, and where consumers have wonderful choice, businesses flourish. It's a great idea. It's exactly the kind of place where we want a market to function. Well, of course, there are endless ways to add value to food, endless ways to improve it, to change the flavours, to change the style, the quantity, make it cheaper, all kinds of opportunities to tailor-make food to the marketplace.

What about natural gas? Well, let's see. Are we maybe going to have a choice where people might buy peppermint-scented gas or ketchup-scented gas or maybe in some parts of the province garlic-flavoured gas? I don't know. Or how about different colours of gas? You know, is somebody going to pay more so they can have rose-coloured gas or yellow gas? No. There's no point in that. Gas is gas is gas is gas. There's no way that consumers could care less as long as the gas they're provided with meets basic quality standards. That's all they want, and that does raise a point for me which maybe at some point in the debate the Minister of Energy will be able to address: are there quality standards laid out in legislation so that all gas in this province meets basic standards of quality? That's a question I'll look for careful attention from the Minister of Energy on.

Beyond meeting the basic standards of quality, people simply want a supply of gas as a cheap and reliable source at a predictable price.

And because there's very little chance for added value to gas, what's a marketer to do? What are they going to say? We have what? We add what value to your product? All they can do is create an image, a corporate image that somehow the gas from one company is more appealing than the gas from a different company. That's going to require huge investments, Mr. Speaker, in branding and in image management, investments that are of absolutely no practical value to either the product or the consumer. All it's going to do is drive up the costs. So we are going to see the base level of gas get more expensive.

Ordinary Albertans are not going to benefit from this legislation. I can tell you that there are not, as far as I know, any citizens of this province who want to have more people marketing life's necessities to them. I haven't had anybody say: gee, I wish I had more telemarketers phoning me, trying to sell me products. I've not heard that from any Albertans. I haven't heard any Albertans say: gee, I wish my doorbell rang more often at suppertime so that I can welcome more marketers into my home to tell me about what they're selling, or I wish I had more junk mail so that I could sort through it and choose who my gas marketer is. Albertans don't want that, Mr. Speaker, but that's what they're going to get. That's what they're already getting in spades in legislation.

Mrs. McClellan: Isn't he a socialist?

Dr. Taft: The Deputy Premier is raising issues of socialism. I would dispute that fundamentally. What we have here is a government that is ideologically committed to the marketplace no matter what. Whether it works or doesn't, they are going to stick to it. A socialist would be somebody who is irrevocably opposed to the marketplace. My policy is: use the marketplace when it works, and don't use it when it doesn't. That's exactly what this government ought to be doing. A marketplace is not an idol to be worshiped. A marketplace is a tool to be used. Economic policy is a tool to be used. It's not a means to an end in itself, Mr. Speaker, but what we have in this legislation is a celebration of the marketplace for its own good, even though it's going to cost people more, even though it's going to lead, quite possibly, to a wilder fluctuation in prices, even though it's going to lead to all kinds of anguish for consumers. We're going to go ahead anyway just because we happen to worship the idol of the marketplace.

4:10

Use market forces when they are shown to work; do not use them when they are not. That was a lesson, Mr. Speaker, that our fathers and grandfathers and mothers and grandmothers learned the hard way, and that's how we got into things like regulated electricity and regulated gas in the first place. The original markets for those kinds of services were wide open free-for-alls, and they didn't work. That's how we got into regulation in the first place. We should not have forgotten those lessons of our ancestors. The great wisdom of our ancestors has gone out the door with this government.

What we are asking here is for small consumers to take on an unreasonable burden. Small consumers don't want it. I am happy and it's perfectly good for large industrial consumers to be able to play on the unregulated gas market because they employ full-time staff at very considerable expense to do nothing but monitor the gas market. How many people are aware here what the most volatile commodity in history has been until the last couple of years? Natural gas. If you wanted to trade one product on the exchange, the most volatile one was natural gas. Do you know what it is now, Mr. Speaker? It's now electricity. The price swings in those two products are far more extreme, far more volatile than any other

product that you can trade in, and we are exposing through this government's policies the ordinary Albertan to the most volatile products on the exchange market without any purpose. The only people who can keep track of these things and can manage effectively to these kinds of market forces are major corporations, who employ full-time, expert staff to do nothing but monitor the volatility of those products.

So we are simply putting consumers at the mercy of the market. They don't want that. They're going to pay more. They're going to be inconvenienced. The only group that's going to benefit from this, potentially, is companies like the ones we're seeing in this correspondence: Direct Energy and EPCOR and other related companies. Let's face it. This government exists to service those companies. At least, that's the image they certainly are portraying these days.

So, Mr. Speaker, you can tell from my comments today that I am strongly opposed to the entire direction of this legislation. It's misguided. It's going to serve the interests of Albertans poorly.

Thank you.

The Acting Speaker: Standing Order 29 kicks in. The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. I was very interested in the member's statements during his discussion there of competition and his example of antibiotics and the fact that if you had increased competition with antibiotics, you'd have a flood of antibiotics into the market, that people would be taking them like candy, I think, is kind of what he insinuated, yet they are prescribed by qualified medical professionals. I'm wondering if he's insinuating that our medical professionals are simply gouging the patients for a money motive. I guess I would say that if he fails to answer my question, I'll take that as a yes.

Dr. Taft: I'll be thrilled to answer his question at the appropriate time, which is during committee. Thank you.

The Acting Speaker: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. There were comments made with respect to the volatility of certain commodities, and I would like to know if pork bellies are maybe more volatile than natural gas, and I want to make a point: I said "pork bellies," not the Liberal "pork barrels" which, on the other hand, are pretty much constant.

There was some suggestion about gas is gas is gas, and I would like to ask a question. To this point in Alberta has the member had a choice of gas with a furnace maintenance system, gas with an air conditioning system, gas with a hot water heater, gas with a total utility package, or perhaps gas with a thermal generator?

Dr. Taft: I'll be thrilled to respond during the appropriate time, which is committee. Thank you.

Mr. Renner: Point of order.

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

Mr. Renner: I just have a point of order, Mr. Speaker.

The Acting Speaker: This is the five minutes allocated for question and answer.

Mr. Renner: Yes.

The Acting Speaker: Yes. Okay.

Point of Order Questioning a Member

Mr. Renner: Mr. Speaker, my citation is, in fact, Standing Order 29, and the member has indicated that he will be more than happy to answer questions at the appropriate time, but I would just like to point out to the member that Standing Order 29 reads:

A period not exceeding 5 minutes shall be made available, if required, to allow members to ask questions and comment briefly on matters relevant to the speech and to allow responses to each member's questions and comments.

So I would just point out to the member that the appropriate time is, in fact, now.

The Acting Speaker: The hon. Member for Edmonton-Ellerslie on the point of order.

Ms Carlson: Yes, Mr. Speaker. In fact, this provision was put in the last House leaders' agreement over some concerns from many contributing members in this Assembly because it is the belief of many people in this Assembly that given the long-standing tradition of parliamentary processes throughout Commonwealth countries on this globe, there traditionally hasn't been a question-and-answer period. There is one in Ottawa. They have tried it there; it's worked very well. Of course, they have a much greater participation in speeches and debates by private members who represent the government side. It would be appropriate for us to have questions and answers at all times if that was also the tradition in this Assembly, but it is not. The tradition in this Assembly has been to have the give-and-take of debate during committee. That is the procedure that this hon. member wishes to adhere to, and it is well within his rights to do so.

The Acting Speaker: On the point of order, the hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. I'm just wondering why the hon. Member for Edmonton-Ellerslie is arguing against Standing Order 29(2) when I specifically remember her saying how happy she was to be asked a question. In fact, she said that she waited nine years to be asked a question. I remember. I think it was me who asked her the very first question, and then if I remember right, she dodged the question. So I'm just wondering why she's against it now.

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

Mr. Mason: Well, thank you very much, Mr. Speaker. I'm pleased to rise to speak to this point of order, and I refer to 29(2) of the Standing Orders which says that following each speech,

a period not exceeding 5 minutes shall be made available, if required, to allow members to ask questions and comment briefly on matters relevant to the speech and to allow responses to each member's questions and comments.

Now, Mr. Speaker, I particularly do like this provision, although I certainly argued at the time that it should be in addition to the 20 minutes' speaking time, not taken from it, and argued that it was basically a way of reducing speaking time for members. However, it is a valuable tool, in my view, and actually I quite enjoy the give-and-take that it brings. However, there is nothing in 29(2) which requires a member to respond if he or she chooses not to.

In a similar way, in the formal question period there is no requirement for the government to actually answer the questions.

Mr. Speaker, it is called “question period” and it is not called “answer period,” as we on this side well know. We have stood in our place and asked very sincere questions of the government, only to be told that they are monitoring the situation, or in some way they slip into a message box that has no bearing whatsoever on the question actually asked. This is very common and frequent. However, it is quite within the rules, and I think *Beauchesne’s* are quite clear. I don’t know the exact citation, but the government is not obligated to answer the questions, and frequently they do not. So I would argue in reference to the point of order made by the Member for Medicine Hat that, in fact, the Member for Edmonton-Riverview is well within his rights to not answer the question, and it is not a point of order.

4:20

The Acting Speaker: Anybody else on the point of order?

The hon. Member for Medicine Hat rose on a point of order citing Standing Order 29 and making specific reference to sub (2). Hon. members, this is five minutes that’s allocated for question and answer or response. There is no compulsion to ask a question; there is no compulsion to respond to the question.

So there is no point of order, but this is certainly a point of clarification.

Debate Continued

The Acting Speaker: Do we have any more minutes left? Okay.

Does anybody else have any questions? The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. Yeah, the question I was going to ask is – in his speech the hon. Member for Edmonton-Riverview said that all natural gas is the same, and I’m just wondering what he bases that information on, because in fact there are different qualities of natural gas. There are certainly different grades of natural gas. It’s very similar to gasoline, where you can get, you know, your unleaded and your premium and your mid-grade, et cetera. I’m just wondering why he talks about something that he obviously knows very little about?

Dr. Taft: I’ll respond during committee if the member is there. Thank you.

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

Ms DeLong: Yes. I’m a little concerned about how low the opposition seems to hold our constituents in terms of their capabilities, in terms of their ability to operate in the market. Our constituents are used to getting mortgages themselves. I mean, there is no difference between money, you know. Money is just money. They borrow money, and they’re capable of understanding, you know, different mortgages – closed mortgages, open mortgages – different ways of acquiring money. Our constituents are perfectly capable of that. Why is it that, suddenly, when it comes to gas, they’re no longer capable . . .

The Acting Speaker: Hon. member, this is an opportunity to ask a question and make comments, not to make a statement. Do you have a question?

Ms DeLong: Okay. Well, I’m just thinking, you know: what does the hon. member think our constituents are capable of?

Dr. Taft: Well, now, that would be interesting to discuss in committee, and I’ll look forward to that. Thank you.

The Acting Speaker: Hon. Member for Edmonton-Ellerslie, are you ready to ask a question?

Ms Carlson: On debate. Not for a question.

The Acting Speaker: There being no further questions, the chair recognizes the hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. Well, it’s been an entertaining afternoon so far and certainly interesting to see the amount of comments off the record that have been provoked by various members speaking this afternoon. It’s interesting that the Member for Spruce Grove-Sturgeon-St. Albert would talk about those that were not responded to, but in fact what we had in far greater volume this afternoon were side comments from him and several other members, in fact many members of this Assembly who chose to do that rather than follow the processes outlined in this Legislature and actually enter into debate. It was nice to see, though, that one private member who supports the government’s side, the Member for Dunvegan, actually did rise in debate this afternoon to support his colleague who brought this . . . [interjection] I hear more chirping from the Member for St. Albert. Perhaps you’d like to put your comments on the record. If not, stay quiet.

The Member for Dunvegan had some interesting comments to say, and we can only hope that more people who support this particular bill would rise in debate and explain their reasons for its support, as well, because it’s good for Albertans to hear and to know what it is that those members, private members who support the government’s side, in the government front bench, think about when they’re coming to the conclusions of why they would bring some legislation into the Assembly. This is a good example of a piece of legislation that people do need to know about in this province and fully understand why the government has brought it in in the manner that they have and also want to know what their expectations are of this legislation and the timing of how it’s been brought in.

Energy deregulation as a whole has been a hot topic in this Legislature for many years, five to seven years, I believe, if my memory serves me correctly. When this government first started floating this idea as a trial balloon in terms of following their ideology, which of course is that the free market prevails, which we have heard some comments on this afternoon and lots of sidebar comments on – it is my observation, Mr. Speaker, from having spent now nearly 10 years in this Assembly, that this government does bow to the altar of free market whenever they can. Whenever there doesn’t seem to be another easy solution for them to get where they need to be, this is where they go.

We’ve heard the arguments in various areas from an ideological perspective about why it’s a good idea to go down this particular road. We’ve also heard many arguments, good strong arguments, I believe, ones that are supportable, why the free market isn’t always a good thing. The reasons why it can be a real problem in this particular instance, I believe, are large in number, not the least of which is that there are just simply by fact some things that governments can provide cheaper. We’ve seen some good examples in this province where privatization and free markets haven’t worked very well, and I point people simply to road clearing and maintenance and construction as the kinds of issues that we’ve seen. [interjections] Well, in fact, we heard more chirping again. This time, once again from across the floor, from the Minister of Environment saying that it works very well.

Dr. Taylor: That was the first time, Deb.

Ms Carlson: Not this afternoon. Perhaps during this particular debate.

He thinks that that's worked very well, but there have been a large number of concerns and complaints raised in this Assembly about those kinds of issues.

[The Speaker in the chair]

There is the fundamental principle of whether or not companies who build in a profit factor and who are motivated by profits can in fact provide the kind of service that is best for the people of this province or of the country, and there are many arguments having been made to say that that is not always true. Are they really low-cost providers? The answer, generally speaking, is no, because they will charge what the market can bear, and they always include a profit factor into their operational costs. So they are not low-cost providers necessarily. Can they even provide it at the lowest possible cost? Often not, once again, because by the time they factor in their costs of capital and their profit factor, they're often much higher than what governments can by nature provide.

Second is the issue of how complicated the matter is that you are trying to float in the free market. We saw a question come to the Member for Dunvegan from, I believe, the Member for Grande Prairie-Wapiti about whether or not deregulation causes changes in natural gas prices or whether there were other factors. That speaks to whether or not people can understand the issue. Here's a man who has spent a career working in this field who puts that question on the floor of the Assembly. The answer is: not always. The answer is that there's uncertainty built into the marketplace and that a lot of the prices are fixed by world prices. Well, how is the average consumer expected to be able to figure that out and to have the time to follow that in terms of finding who a low-cost provider can be? That question was followed up by the Member for Calgary-Bow, who was concerned that one of our colleagues had what she assumed was some kind of low esteem for her constituents, and I would like to assure her that that would never be the case. In fact, what we have is a very complicated issue that people have to try and unravel, and some people have more or less ability in that area. I speak particularly to people who I have seen come into my constituency office since we have seen these high energy costs in general, being both gas and electricity, and they are very concerned, and they don't understand the volatility in the markets. They don't understand how to figure out who they can trust in this direct marketing approach and who they can't. This is not a new issue, and people in this Assembly must have heard about this from their constituents.

4:30

If we recall a couple of years ago when there was a different direct marketer who moved into the province and was going door-to-door selling packages to people, convincing them that they were a low-cost provider, many people got taken to the cleaners on that, Mr. Speaker. I remember particularly a senior constituent who came into my office. She's a widow, and she once in a while will come in to talk about topical issues and have a cup of coffee and talk about what's happening out there and ask if there's anything that she should know about. At that time, when she came into the office, I warned her that these direct marketers were going around the community and that it wouldn't be in her best interests to sign up for any of these long-term contracts, and I went through all the reasons why in terms of the credibility and potential sustainability of the company and the price that she may be tied into, the length of time that she could be tied into the price, the other options she had available to her.

She listened intently and agreed with everything I said and came in two weeks later, and what had she done but signed up with one of these hustlers at the door. Why? Because that person on a one-on-one basis had convinced her that she was going to be getting a good deal. Well, it wasn't a good deal, Mr. Speaker. She really didn't have enough information to make the comparisons or enough information to be able to withstand the pressure sales tactics that we saw in this particular instance. That's not what we want to provide to our constituents. It isn't that she isn't smart. She's very clever. She's a very smart person. She makes very sound decisions, but she needs to have available to her all the information.

In this kind of a change, when even the government, who has known about this issue, and we've had numerous debates and all kinds of questions – they still can't get it right, Mr. Speaker. They have not only the members in this Assembly but a huge staff working behind them and access to untold resources, and we're still seeing a huge mess in this province. So if the government can't get it right, how do they expect consumers, who have many other decisions to make on a daily basis, to be able to do that? There were no insinuations on the abilities of constituents in my colleague's comments. It was rather a reflection of them having to deal with very complicated issues and a hugely uncertain market, which is what deregulation and the kind of legislation we see coming in has created – a very uncertain market – and that, I believe, is what's driving costs up to a great extent, and we're going to see increased volatility in the marketplace on this.

For the past three or four months while the weather has been really cold, I have seen a steady stream of people coming to my constituency office absolutely stunned at the kinds of bills that they are getting, most recently on gas. They're saying that the prices are too high for them to be able to maintain their houses, and they don't understand how this government promised that deregulation would cause the prices to fall rather than increase, that it would give them more options in the marketplace that would be cheaper, not higher. Well, I see that the Minister of Finance is clapping at that, and it would be something worth applauding if in fact it were true, but what have we seen so far? We have seen huge uncertainty in the marketplace. We have seen prices skyrocketing and peaking. We have seen lots of organizations, companies, and this government making all kinds of promises that so far they haven't been able to deliver on.

What we have not seen is what people are asking the questions about. How come, when we are actually sitting on the resource in this province, we are paying higher prices than other provinces? Now, I know the government will make all the arguments that it's much higher in Toronto than it is here, but that isn't, in fact, true if you take out the transportation costs. We're paying on average a higher price this winter for gas in this province, and people don't understand it. They're having a really hard time pulling apart the issues of electricity and gas. To them they're combined. They're energy costs, and they're too high. They don't understand, when we're sitting on the resources here in this province and when it has been a prior practice of this province to have a deferential pricing scheme for those who live in the province, that we are now paying these astronomical prices. They don't understand why the government hasn't stepped in in any direct way to help counteract those prices.

How could they have done that? Well, of course, we could've seen, and we would've seen had this also been an election year moneys coming back to the people either as direct credits on their bills or as rebate cheques. We could see this government do what some other provinces and, in fact, every single state in the United States has done, and that's bring in some kind or some kinds of

programs for home retrofits. It's very interesting to note that we often hear, Mr. Speaker, in this particular Assembly Texas held up as an icon of conservatism and . . .

Mr. MacDonald: Texas?

Ms Carlson: Yes, Texas. The kind of state that this government likes to follow in the footsteps of and stands up for a lot of things that this government admires. [interjection] Yes, that's exactly right.

There is one situation where I wish that this government would follow in the steps of Texas, and that's in retrofit programs. They have an astonishing number of programs, which we will discuss in some detail once this bill gets to committee, Mr. Speaker.

Another state that we'll talk about is good old redneck Florida. Jeb Bush. Now, isn't that a person . . .

Mr. MacDonald: He's running for president, 2008.

Ms Carlson: Well, he may be. That part I don't know about.

But I do know that this is a state where they have many layers of retrofit programs to help the people in their state ensure that their homes become more energy efficient and cut down on the energy costs. Now, this is a state that certainly doesn't experience the kind of weather fluctuations we have and certainly doesn't experience the cold, but in a very aggressively progressive manner they have brought in retrofit programs. [Ms Carlson's speaking time expired]

The Speaker: The hon. member for Grande Prairie-Smoky on the question section.

Mr. Knight: Yes. Thank you, Mr. Speaker. The hon. member had indicated that some things like natural gas and power are less expensive when governments provide them. My question is: considering only the cost of the debt, does the member suggest that this government should expropriate all the private infrastructure in the province for these utilities and assume this role?

Ms Carlson: Of course not. That's a ridiculous question.

The Speaker: The hon. Member for Vermilion-Lloydminster on the question and answer section.

Mr. Snelgrove: Yes. The hon. member mentioned that some things privatized didn't work out, like the maintenance of Alberta highways, and I'm wondering: could she elaborate a little bit? If the grass-cutting is cheaper and the snowplowing is cheaper and the crack-filling is cheaper and the guardrails are cheaper and we have no capital expense and no pensions and it's still only \$250 million a year, what part of that isn't cheaper?

Ms Carlson: Mr. Speaker, that would be the long-term replacement costs.

The Speaker: The hon. Member for Edmonton-Highlands on the question and answer section.

Mr. Mason: Yes, please, Mr. Speaker.

The Speaker: Please proceed.

Mr. Mason: I would like the hon. member for Edmonton-Ellerslie to perhaps elaborate a little bit on how the policies in Texas are more enlightened than the policies in Alberta.

The Speaker: The hon. member.

4:40

Ms Carlson: Yes, Mr. Speaker. I know that that comes as a surprise to some members in this Assembly, but in fact for not just a couple of years but for several years Texas has had retrofit programs in place to help make their communities more energy efficient, and a number of those programs are completely sponsored by state funding. It's interesting that in a state which has a very low tax rate and a very conservative kind of outlook, they could provide that kind of a service, when this province for past five years has been saying that they're not prepared to do it.

Now, we do hear these days that they have deferred this decision to Climate Change Central, and, Mr. Speaker, we will wait and wait and wait and wait and wait to see what the outcome of that deferral of a decision will be. Hopefully what we will hear happen is that this province, too, will step into the 21st century and take a look at helping every Albertan become more energy efficient, not just government buildings, which have been a good step that this government has made, but they need to move into a field where we can see other buildings funded by provincial infrastructure funds, like hospitals and schools, also become energy efficient so that they can cut down on their maintenance costs so that the maintenance dollars can go to other necessary functions such as fixing roofs and painting doorways and fixing rugs. I know there are a number of schools in my constituency that you can walk in, and as soon as the spring melt starts, they're going to have five-gallon buckets in their hallways collecting the rain.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. I just wanted to comment. The Member for Edmonton-Ellerslie made a comment that I wasn't participating in the debate, and I wanted to let her know that I have absolutely no problem at all putting my support for this bill on the record. My constituents dealt with commodities for many, many years in the agricultural sector – those go up and down – and I'm simply making those comments. I also wanted to thank the Member for Edmonton-Ellerslie for answering the questions which had been put to the Member for Edmonton-Riverview. I thought that was nice of her to do that for us.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar on the question and answer section.

Mr. MacDonald: Yes, certainly, Mr. Speaker. For the hon. Member for Edmonton-Ellerslie: in discussions on Bill 19 how many of your constituents have expressed an interest in having a choice of shopping for a natural gas contract? Or would they prefer an affordable and accessible service?

Ms Carlson: Mr. Speaker, so far since Christmas I have heard from, by e-mail or by them walking into the constituency or by letters that we have received, just over 200 people from the constituency. I have yet to hear from someone who expresses the ability to have some choice as being their primary concern. From less than 10 of the people we've heard, they feel that they're at their wit's end, and they would like a choice for many things, not all of them being electricity, lots of them being a different choice in government, but so far none on choice in gas or electricity.

The Speaker: The hon. Member for Edmonton-Highlands on the debate.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to rise to speak to Bill 19, the Gas Utilities Statutes Amendment Act, 2003. I think we might rather call this the Direct Energy bill in reference to the British company, formerly British Gas, that has already begun advertising in Alberta.

It's just a theory, Mr. Speaker, but one I want to put on the record, and that is that the government, having got into a great deal of trouble with its electricity deregulation, is desperate for somebody to come in and provide at least some measure of competitive electricity retailing in the province. The government, having taken away regulatory protection for consumers, promised competition as a means of providing some mitigating force on the prices that consumers have to pay, but that has failed. So having taken away the regulatory protection, the government has failed to this point to provide competition in its stead. Enter Direct Energy from Britain, who likes to provide bundled services: electricity, gas, and so on.

Now, part of the problem that has existed for part of the time that deregulation has been in existence in Alberta is that ATCO Gas up until this point has provided the distribution network for all or most of Alberta and was basically purchasing gas and putting it through essentially at its cost, providing fairly inexpensive electricity except when the prices began to spike, and I'll deal with that separately. That made it almost impossible for people to compete in the market, Mr. Speaker, because they couldn't beat the cheap cost. The only way they could beat the cost is if they were wise enough to buy on a long-term contract when prices were low because ATCO has had the policy of basically not hedging its gas, so we have been subject here in Alberta to dramatic price spikes as the price of natural gas in the American market rose. So even though we're paying dramatically changing prices for our own natural gas and very high prices for natural gas at times, it made it very difficult for anyone to compete in that market.

So in order to get Direct Energy into the Alberta market so that it could compete on the electricity side, the government had to provide changes to the framework for natural gas so that they could come in and compete against Alberta companies already operating in this province. In order to do that, you have to keep people from selling gas who own the distribution network, because they can make their money on the distribution network and offer the gas basically at cost, which doesn't allow an increase or a markup for the gas. Hence, nobody will try to sell the gas. So deregulation for gas to this point has not worked, and as a result of it not working, we've had relatively low prices except, as I've said, during the price spikes that occur all too frequently during the winter.

So we have to mark the gas up, and to do that, you have to make sure that distributors and retailers are separate, and that means anybody going into the retail market has to make a profit. It means that we're building in higher prices again to natural gas by trying to make deregulation work, and what we're doing is we're adding a middleman, and we're creating room for the middleman in this act to mark up the prices even more than we're already paying. So Albertans who have been shocked by the high prices that they're paying on their gas bills during the winter months in this province are going to be paying an incremental increase on top of that the year-round in order to get Direct Energy into Alberta and provide some attempt at competition in the electricity market.

So we're getting competition and higher prices too. That seems to be the watchword of this government: you get competition and higher prices too. You don't get competition and lower prices because, in fact, the regulated monopoly system that has existed for

electricity and for natural gas in this province has traditionally provided us with the lowest possible price and fairly reasonable service too, I might add. So it has to go by the boards in order that companies like Direct Energy can make money by selling Albertans their own gas.

Now, it's interesting if you look, Mr. Speaker, at why we're getting such high prices for gas in the winter, and I do want to touch on this a little bit. The government a number of years ago approved a proposal of a number of gas producers to build a great big pipeline to pump the gas into the American market. [interjection] What they've essentially done as a result – and I see that the Minister of Finance is taking responsibility for that decision, and that's good – is they are now pumping out the gas from this province faster than they're finding it, far faster than they're finding it, in fact to the point where we now have less than nine years of proven reserves in this province. That means that the gas will soon be gone or it will be at levels of production much lower than today. So the result is that the petrochemical industry that's built up – and I'm speaking specifically of Celanese, which is just adjacent to the constituency of Edmonton-Highlands – will no longer have the feedstocks that it once had, and that means that we are eventually going to lose a considerable industrial base from this province as a result of this shortsighted policy of the government.

4:50

Not satisfied with pumping out the gas way faster than it is being discovered, the government also changed rules that existed under the Lougheed administration which required that chemicals, liquids, and so on that are useful for the petrochemical industry would be extracted and only pure ethane be exported out of the province, and that meant that there could be a petrochemical industry here in Alberta. But the government has now allowed that also to be exported, so the whole gas product is now being exported, not just the ethane. It means that we are exporting jobs. This government's policy, Mr. Speaker, is clearly resulting in a net loss of jobs from this province and the export of Alberta jobs built on Alberta gas to places like Chicago and other places in the United States.

Now, the government is, as a result, desperate to try and get the natural gas pipeline from Alaska to come through Alberta so that they can restore some sort of source of natural gas as the gas comes through, and the Minister of Energy has had the audacity to suggest that Alberta should have the right to take these very same chemicals out of that gas as it passes through Alberta so that we can use them for our petrochemical industry here, having allowed the export of these chemicals from our own natural gas. It's breathtaking in its audacity, Mr. Speaker.

We need to consider what some people are saying about the government's policy with respect to natural gas. The Consumers' Coalition of Alberta submits: customers have not been or are not likely to be the principal driver of the proposed changes; rather, we see the industry driving the need to make these proposed changes so as to allow participants in the industry operating as commercial ventures to add costs to the system at the expense of the customer. So it's not just the Member for Edmonton-Highlands or the New Democrat opposition or the opposition that's saying this; it's people who study this and act on behalf of consumers. They're basically saying that in order to cater to the gas industry in this province, they are going to be adding costs to the system, which will be paid for by consumers.

Now, there's Paula Simon's article on March 11, "Gas prices have shot up because of supply, demand and politics," which I thought was very astute. [interjection] Well, hon. Minister of Learning, it's certainly more credible than this government. She says:

Consumers saw no reason to leave [behind] time-honoured suppliers for the uncertainty of new retailers. And it's not as if anyone can sell you better gas. Gas is gas. And no retailer could sell it below cost.

So the province "levelled the playing field." The only way it could entice retailers into the game, and the only way it could convince customers to switch, was to lob a grenade into the works.

Now, Mr. Speaker, the billing costs are likely to go up because the government is restructuring the industry to replace a vertical integration with a horizontal integration, and that is to say that companies like Direct Energy will bundle electricity, gas, credit cards, and other services, but there's no added value for consumers in this. You can get all these fancy little contracts. You know, you do it for three years and you get your gas for this much and so on, but basically the cost structure has been burdened with additional players. There are more middlemen, and the result is that whatever the contracts are, they're going to be somewhat higher than they are today. As the Consumers' Coalition says again: there is no cost saving or increased efficiency by having more players involved; instead, the more players involved, the more returns on investment must be met.

I think the other question is the increased confusion, and I know that the hon. Member for Calgary-Bow believes that this is no different or no more difficult than settling on a mortgage. I don't know about the hon. Member for Calgary-Bow, but when our family got involved in making a mortgage, we did an extensive amount of work and checking and comparing and calculating. We sought advice, and we basically undertook it as a major decision. The term was important and so on.

The question is why we should be paying more for gas, because we are, in order to have the choice of which package to pay more for gas. We're going to select because that's precisely the situation we're in. Life is getting far more complicated, and things which were simple before, like telephones or electricity or gas, are now becoming subject to all kinds of complexities where there's more opportunity for people to be taken to the cleaners all in order to implement this government's right-wing ideology, not just this government but across North America, that you have to have competition in every area. So it becomes more complex. Some people are able to manoeuvre in that complexity better than others. That suits the philosophy of the government very well because they believe in winners and losers anyway. But all of it needs to be taken in the context that all of this competition adds cost to the price structure, and the base price for the commodity, whether it's natural gas or electricity, is higher than it would be if we had a simple regulated monopoly where consumers were properly represented in the system. But this government, Mr. Speaker, believes that the market is a panacea, that it works equally well in all areas, and of course that's nonsense. Natural gas is not hamburgers. Natural gas is not buying televisions. It's something that's fundamental and which does not lend itself to that type of competition.

I think, Mr. Speaker, we need to be very careful with Bill 19. In my view, it is going to entrench higher prices, greater complexity, and I think that it's going to come back to haunt the government down the road. Any members here who may have been offered assurances that higher gas prices will be remedied by passing this act should think carefully before accepting those assurances and voting for this bill because it will not do so.

So I'd like to thank members for their rapt attention and yourself, as well, and I'll take my seat now. Thank you.

The Speaker: Hon. members, Standing Order 29 kicks in. Questions? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Thank you, Mr. Speaker. To the hon. Member for Edmonton-Highlands. In your remarks you were discussing the issue of ethane. How do you feel Bill 19 will change our competitive position not only in Canada but in North America? We are losing the ability to compete because we are losing the ability to have cheap and reliable natural gas to fuel our industries.

Mr. Mason: Thanks very much for that question, hon. Member for Edmonton-Gold Bar. I believe that our competitive position has already declined, because we are exporting our natural gas resources for others to use to create jobs at our expense. A more foolish policy, Mr. Speaker, I can't imagine, yet that is the market philosophy of this government taken to the utmost extreme. I believe that we are exporting jobs from this province as a result of that policy.

Now, in terms of how this bill will specifically affect the situation, we are going to be paying higher costs than necessary for using our own gas, and that adds to the cost structure of our industries and our businesses and our farms. That cannot help but reduce in an incremental way the competitiveness of Alberta businesses.

5:00

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

Ms Carlson: Thank you, Mr. Speaker. My question to the Member for Edmonton-Highlands is this: what would he see as a better alternative to this scheme that we see in front of us today?

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, I see a two-stage process. Basically, we could go to the situation where it was a regulated industry which would have a number of players, and consumers would have protection at the regulatory step. Any cost to be passed over to consumers would have to be built in and accounted for and justified before the AEUB.

But I would go further, Mr. Speaker, and I would hold up Medicine Hat as the example of what could be done. This government could buy, at the cheapest possible prices, our own natural gas. It could store it in place, underground, and it could be made available for sale to Alberta homeowners, businesses, farmers at cost. We could provide our own natural gas, which we own, at cost to everyone in Alberta, and we could dramatically reduce the price of natural gas in this province.

Now, you'd have to add some conservation measures so that people don't waste the cheap gas. That could be accommodated, and that's a very important piece. We could become more competitive, we could have a greater advantage, and we wouldn't have our seniors having to turn off their fridge and store their frozen goods and the contents of the refrigerator on their back porch, which is now what's happening in this province. It's a shame, quite frankly.

Mr. Lund: Well, Mr. Speaker, after having listened to the two socialist parties discuss this issue, I'm compelled to ask the hon. member some questions. In his diatribe he did talk about there being some ideological thing here where we were going to have a competitive market everywhere and that the marketplace was going to dictate. I wonder what he, then, would attribute as to why it is we're saying that all — all — of the transmission will be regulated if, in fact, we are moving just to market driven.

Also, the hon. member talked about how cheap gas would be and how we could sell it so cheap, but I do remember that last summer gas was down below \$2 a gigajoule. I'm wondering: how low does he think it can go and still have companies drill and buy land?

Also, on his comment that we own the gas. Well, to a certain degree that is true. We own some of it, but we have sold it. The other point that I would like him to explain: how would we backfill the \$7 billion that we got as royalty if, in fact, we were selling gas for . . .

The Speaker: Sorry. The time for this segment has elapsed. [interjection] I only enforce the rules, hon. member. I'm a helpless servant here.

Some Hon. Members: Unanimous consent.

The Speaker: Well, the question is asked: is there unanimous consent that the Assembly is prepared to provide to allow the hon. Member for Edmonton-Highlands to go beyond the prescribed five-minute rule to answer a question? Any hon. member opposed, please say yes.

Some Hon. Members: Yes.

The Speaker: Okay.

Now, additional speakers in the debate. The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Mr. Speaker, thank you. To paraphrase this very simply for the hon. members to get to their level, like Bart Simpson would say: it's just this simple. If you believe that government can control an economy and can run its people under a monopoly, where there is no choice and no competition, then you're sitting on the right side, but very few other Albertans, obviously, agree with you. The rest of the world history shows that we're right and you're wrong, and we're paying the bills for most of the people who think like you. So if you want to live in the old ages, in the dark ages, and hide behind gloom and doom and "can't work," keep sitting there, and you'll probably be down to one next time.

Mr. Speaker, it is just that simple. If free forces and competition work, then I'm all for it, and history proves it does. Thank you.

The Speaker: I'm sorry. All hon. members have already participated in the debate.

Ms Carlson: You should let us ask a question.

The Speaker: Oh, correct. You're absolutely correct. Five minutes. First, the hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. My question to him is: could he explain to us in some detail what other world forces he was talking about?

Mr. Snelgrove: I'd just like to bring to the hon. member's attention the USSR, that lived under the same guidelines that you have that the state could run stuff. It very successfully disintegrated with a huge, enormous debt, one of the lowest standards of living.

Saskatchewan, my province to the left, with enough debt that they probably can't get out of it, but they think like you.

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

Mr. Mason: Thank you very much, Mr. Speaker. I'm wondering if the hon. member opposite, you know, will remember the incredible, tremendous comments of Homer Simpson, who referred to the situation in his employment.

Frankly, Mr. Speaker, there are many, many states in the United

States, some with Republican administrations, who realize that the production, retailing, and distribution of gas and electricity are most cheaply and efficiently provided by a regulated system rather than a free market system. I'm just wondering if he actually just believes this as an article of faith, that somehow the market will come through for him, or whether or not he has scientific evidence to show that this particular system, which we're now trying out in gas and have tried in electricity, actually will deliver cheaper power and gas than the kind of system that he considers to be antiquated and historical.

Mr. Snelgrove: I would like the hon. member to bring us some examples from across the United States or across Canada where people are actually paying their own way without accumulating huge debts for their children to pay with regards to their utilities, be it electric or gas. Let's put it all in context, including the other costs of the distribution. Bring me their bills, and let's sit down with my house bill, and then we'll discuss it, because inventing these hard-done-by people all over the rest of North America simply isn't fair or factual.

The Speaker: First, the hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: I would like to defer to the hon. Member for Edmonton-Highlands, and then I'll ask my question, please.

The Speaker: Hold on. Did I also note that the hon. Member for Edmonton-Riverview wanted to participate?

Dr. Taft: No.

The Speaker: Then fine. The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. In response to the hon. member, if I go to the trouble of providing that information to him, will he undertake to vote against this bill?

Mr. Snelgrove: There's probably, absolutely, completely no chance that I'll vote against this bill.

The Speaker: The hon. Minister of Energy.

Mr. Smith: Thanks, Mr. Speaker. I'm wondering if the Member for Vermilion-Lloydminster, who has some substantial private-sector experience, may want to comment on areas where he has seen the invisible hand of competition, where he has seen regulated markets, where there has been a good foundation of regulation work, and other examples throughout his wide and diverse business career where, in fact, (a) it's okay to make a profit, (b) it's okay to share prosperity, and (c) it's okay to find an appropriate marketplace where appropriate commodities can be bought, sold, or traded, and in fact where there are marketplaces where there are marked rules, where there are marked codes of conduct or areas where entrepreneurs can succeed and they succeed through competition, price, service, and the other attributes that characterize an active marketplace.

5:10

Mr. Snelgrove: Well, Mr. Speaker, you can't pull the wool over that member's eyes. No doubt about it. Where the market forces work is exactly clear in my riding of Vermilion-Lloydminster, where they have grown at a rate because of a successful oil and gas industry that's being sold in world markets. As you just travel around Alberta, you will see that the economy we live in now is because of the tremendous competition in the other business sectors all coming

here to help us develop probably the biggest capital development in North American's history, the oil sands. But I know it would be your preference to shut it down and . . .

The Speaker: Thank you. This segment has now lapsed. The question-and-answer segment was fully two and a half times longer than the original speech in the debate.

Additional members to participate in the debate?

The hon. Member for Innisfail-Sylvan Lake to close the debate.

Mr. Ouellette: Yes, Mr. Speaker. After listening to that great debate speech from the hon. Member for Vermilion-Lloydminster, I think we should hurry up and call the question here and get right on to the major debate in committee.

Thank you.

[The voice vote indicated that the motion for second reading of Bill 19 carried]

[Several members rose calling for a division. The division bell was rung at 5:12 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Abbott

Griffiths

O'Neill

Ady
Amery
Boutilier
Broda
Cao
Cenaiko
Danyluk
DeLong
Doerksen
Ducharme
Dunford
Friedel
Goudreau

Horner
Jablonski
Jacobs
Jonson
Knight
Lougheed
Lukaszuk
Lund
Magnus
Mar
McClellan
Melchin
Nelson

Ouellette
Renner
Shariff
Smith
Snelgrove
Stevens
Strang
Tannas
Taylor
VanderBurg
Vandermeer
Woloshyn
Yankowsky

Against the motion:

Carlson
MacDonald

Mason
Pannu

Taft

Totals:

For – 42

Against – 5

[Motion carried; Bill 19 read a second time]

Mr. Stevens: Mr. Speaker, I move that we call it 5:30 and reconvene this evening at 8 o'clock in Committee of the Whole.

[Motion carried; the Assembly adjourned at 5:24 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, March 11, 2003**

8:00 p.m.

Date: 2003/03/11

head: **Government Bills and Orders**

head: **Committee of the Whole**

[Mr. Tannas in the chair]

The Chair: I'd like to call the Committee of the Whole to order.

Bill 21

Ombudsman Amendment Act, 2003

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

Mr. Ducharme: Thank you, Mr. Chairman. On second reading the Member for Edmonton-Ellerslie raised five questions which I would now like to address in the order in which they were raised.

First, the member asked how the Health Facilities Review Committee fits into the scheme of these amendments. Again I should point out that the office of the Ombudsman is used as a last resort. The Ombudsman cannot become involved in an issue until all formal and informal appeal mechanisms have been explored and concluded. Therefore, the Ombudsman's office will not review a complaint within the jurisdiction of the Health Facilities Review Committee until their review is complete. If the individual remains dissatisfied with the administration process, he or she can turn to the Ombudsman for further review.

The second and third questions seem to be about the same issue, so I will answer them together. The issue seems to be about section 9 of the bill, which outlines the power of departments and agencies to consider matters. After completing his review, the Ombudsman has powers under section 21 of the act to report his opinion and the reasons for it as well as any recommendations he may have to the department or agency involved. Historically some departments or agencies have felt restricted by their own legislation from implementing the Ombudsman's recommendations even if they felt the recommendations ought to be implemented. Section 9 of Bill 21 makes it clear that a department, tribunal, or agency can accept the recommendation and implement it. This means that they can reconsider or rehear a matter if the Ombudsman has recommended it and they choose to do so.

If, for example, the Ombudsman finds that a department did not properly consider all relevant factors when coming to a decision about an individual, the department can now on the Ombudsman's recommendation reconsider the decision it made and include in that reconsideration the factors identified by the Ombudsman. I would like to make it very clear that section 9 does not give a department or agency of the government the ability to "quash, confirm or vary" a decision or recommendation that the Ombudsman makes. In fact, what that section does is allow the department or agency to implement or adopt a recommendation of the Ombudsman if they choose to do so. The department or agency can also quash, confirm, or vary a decision that they themselves have made if the Ombudsman has recommended it.

One further concern seems to be that the department or agency has the discretion as to whether or not to implement the recommendation of the Ombudsman. The question has been raised as to why the Ombudsman does not have the power to command compliance with his recommendations. Traditionally the power of the office of ombudsmen across the country and indeed throughout the world has

been in their power to make recommendations and bring actions of governmental bodies under public scrutiny. Ombudsmen are not invested with the ability to order or command actions. The power to issue orders remains solely with the courts and other appellate bodies. The Ombudsman's clout and influence is his ability as a watchdog to make recommendations and ensure that the public is aware of the activities of the government and its agencies. I can tell you that historically governmental departments have taken all recommendations of the Ombudsman very seriously.

The fourth point was not really a question but a reference to section 14, which allows the Ombudsman's jurisdiction to be expanded by regulation. That section of the bill is tied to the amendment in section 1, where the definition of agency has been amended so the Ombudsman can give further jurisdiction over additional bodies as it becomes apparent that these bodies are appropriately reviewable by him. The idea behind allowing new bodies to fall under the Ombudsman's review is to ensure that the Ombudsman's jurisdiction can be continually updated in a timely manner. As we all know, regulations can be updated more easily than statutes can. By allowing the term "agencies" to be expanded in the regulation, the jurisdiction of the Ombudsman can be updated in a timely and responsive way. As noted earlier, this allows the jurisdiction of the Ombudsman to be kept current with the changing face of government.

The last question relates to the concerns resolution processes. The health authorities were asked to establish their concerns resolution processes based on a policy framework developed in 1998. The framework allowed for RHAs to develop individual processes to address the unique circumstances of each region. In the interests of greater clarity for the public, clear expectations of the health authorities, and certainly about the jurisdiction of the Ombudsman, regulations are planned under the Regional Health Authorities Act and the Cancer Programs Act. These regulations will build on the principles of the original policy framework and experiences with the processes that were put in place.

Mr. Chairman, I believe this answers all the questions posed in second reading of Bill 21, the Ombudsman Amendment Act, 2003. Thank you.

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

Ms Blakeman: Thank you very much, Mr. Chairman. I'm pleased to have the opportunity to make my comments on this bill. I regret that this is my first time in speaking to it and we're already in Committee of the Whole. We didn't want to hold up this bill. We certainly support it in the Official Opposition, and we're willing to give it speedy passage in second reading within one day so that it can move along right smartly. So just a couple of comments, and I'll apologize in advance if I repeat issues that have been raised by my colleague from Edmonton-Ellerslie. I listened carefully to what the sponsor of the bill was answering, and I hope not to repeat although there may be some statements I want to reinforce.

I have to give an E for effort to the soon to be retiring Ombudsman. I note, going through a number of his reports, his persistence in raising the issues that he wished to have covered by this legislation, and indeed I believe that most of his issues have in fact been covered by this. The '98-99 report was again – oh, I'm sorry; even that's a repeat of what happened in '97-98, so he really did have a long run at it. It looks like every year of the five years that he served, he brought forward more or less the same amendments. Again he's urging this amending act to come into being to allow the Ombudsman to remain current and to incorporate all the changing ways government is doing business, particularly around the contract-

ing out of services and the regionalization of service delivery. That was the '98-99 one.

Again when I look at the '99-2000 one, he's concerned that the fundamental issue is that if government wants the "watchdog" of administrative fairness to continue working in the manner it was intended, then legislation must be compatible to the way government is doing business,

and he would continue in his efforts to press forward. That appears on page 4 of the '99-2000 report. He also talks about "the jurisdiction of the Ombudsman expanded to meet the provisions of the Health Professions Act," which would in fact have passed at that time, and he's talking about providing independent third-party review for clients or patients who've raised their complaints to the professional body.

Then, sure enough, when I look at the 2000-2001, he's still looking for "much-needed amendments to the Ombudsman Act." They "appeared to have stalled with little or no possibility of proceeding." I'm wondering what the holdup was. I mean, I'm pleased to have this in front of us, but why did it take so long? This is five years from a respected officer of the Legislative Assembly continually bringing forward the same points. So what was the holdup in getting this legislation this far? Maybe I could get the sponsor of the bill to answer that. In 2000-2001 he's again talking about the Health Professions Act, the jurisdiction with the regional health authorities, the involvement of the Ombudsman in the complaint resolution process, and that the jurisdictional role of the Ombudsman needs to be expanded.

In the most recent one, the 35th annual report, which covers the years 2001-2002, I'm quoting from page 1, I think it is.

If the Ombudsman is to be an effective investigative body within the dispute resolution process, full access must be provided so that we may conduct thorough and impartial investigations. Restricting access to information will only compromise the purpose and authority of the Office.

Again, this particular concern has also been addressed under this legislation. So he's brought forward a number of ongoing points. One is capturing and enlarging the jurisdiction of the Ombudsman to the delegated authorities that the government has put in place, the concerns around the effect of the Health Professions Act, overcoming the restrictions that they've met with the Health Information Act, and the complaint resolution process that also came under one of the health acts. All of those have in fact been dealt with.

8:10

The sponsoring Member for Bonnyville-Cold Lake did identify very clearly what many people do not in fact understand about the Ombudsman. The position is meant to be one of a last resort, and it's meant to be looking at whether all of the policies and procedures that are in place were in fact followed. It's not a matter of somebody being unhappy with the decision that they got under a WCB appeal or under an SFI appeal or any other process that's there and being able to sort of get a new trial or a new appeal process. The point is: were all the processes followed by all of the staff members that were working with the individual? That's what this position is really looking for.

It's not about being able to get a new trial, a new day in court as such. People are not clear about that, and I don't know whether it's because the Ombudsman was a European invention. I don't know, but I certainly deal with those kinds of misunderstandings coming through my constituency office. We do everything we can to explain to people that, yes, the Ombudsman is the last place to go, but it's not about being able to review everything that's gone before and somehow get a new deal because you're unhappy with the decision. It's about whether you were treated fairly and all processes were

followed while you went through whatever procedure you were going through.

There are a couple of areas in here that I did want to make particular note of. I noticed at the very end that the Member for Bonnyville-Cold Lake was commenting on section 14 and the ability of the Lieutenant Governor in Council, which really is the cabinet, to "make regulations designating [additional] boards, commissions, corporations, offices or other bodies as agencies for the purposes of this Act." In other words, they can add additional organizations or agencies of the government as we go along or as they're needed. The member was making the argument that this is more efficient because it's easier to change regulations, and I continue to argue that that may well be the case, but democracy really wasn't set up to be easy or for the convenience of government. A big part of that, I think, is transparency and accessibility of information and the public's access to scrutinize the decision-making process, which is why we have things like the debates of this Assembly available in *Hansard*, so the public can read them and say: "Oh, okay. This is why they were doing something. This is the argument behind a given idea or a new amending act."

When we have regulations, those decisions are made behind closed doors. The decision-making process that went into it is not available to the public to scrutinize, and still, even with the advent of the Internet, it is very difficult for the public to (a) know that there's been a change in a regulation and (b) find it. That's still a concern. When we expect people to abide by whatever is passed by this Assembly or in this case abide by whatever regulations are changed by the cabinet, how are they to know that something changed? Nobody wants to invest too much money in doing a huge information campaign every time there's a change in regulations, and that continues to be a concern to me because the public doesn't know that things have changed even if they're watching it. Things are easily missed or go by even for members of the Assembly. Even we can miss having a change in regulation go by. So I will always be standing up in this Assembly saying: please don't do this under regulation. Democracy wasn't meant to be easy or fast; it was meant to be transparent. That's always my argument when I see this happen.

There are a couple of other places where it appears, and one place is where the cabinet is given the ability to expand the definition of agencies to include other bodies. That appears in section 2, the definitions. We're adding in a definition of administrative head. That's new, but it does make it clear who the contact person is, who the Ombudsman is supposed to be dealing with rather than them fishing around. Is it the president? Is it the CEO? Is it the executive director? Who exactly is it supposed to be? That is clarified here.

Now, under the definition of agency the MASH sector is not included, so we do not have the municipalities, universities, schools, or the hospitals except that some parts of the hospital stuff is, in fact, in here. We were talking earlier about the dispute resolution process that's been developed by the Mental Health Board and the Cancer Board. It's quite specific here that it's excluding the governors of a university, the board of governors of a college, specifically the governors of the Banff Centre for Continuing Education, health boards under the Regional Health Authorities Act, the Alberta Cancer Board, the Hospital Privileges Appeal Board, or the board of governors of a technical institute.

Then once again we have this "board, commission, corporation, office or other body designated as an agency in the regulations," which just continues to strike me as very wrong.

Now, there was confusion. Perhaps I could get the member to spell it out here in *Hansard* so that for anyone else that looks at this and is going, "Which way round does this go?" it's clearly spelled

out in *Hansard*, and they can refer to it forevermore in the immortal words of the sponsoring Member for Bonnyville-Cold Lake. It's around the Health Information Act, section 1.1: "This Act prevails despite the Health Information Act, except section 94 of that Act." So I think what that's supposed to mean is that the health information commission has jurisdiction over the Health Information Act but that the Ombudsman can get the information they need to investigate. I would like that clarified by the member, please, because it is a point of confusion, and we don't want to see anybody making a mistake because that wasn't read correctly.

We saw in the Auditor General Act, and we're seeing it again in this act, the change to allow that when special warrants are signed, they can be signed and pertain to a year other than when they were signed. So what's being deleted out of here is the actual language: "fiscal year in which the special warrant is signed." Where does that come from? Well, that, I think, came out of one of the recent elections that happened just before fiscal year-end, and there was a special warrant to authorize the expenditure of money for the new fiscal year. Given this glitch in the legislative offices and in the legislation that governs at least two of them – those being the Ombudsman and the Auditor General – the special warrant, when signed, only pertains to these departments for the year in which the warrant was signed. Well, it didn't work for them, and they didn't get any money. This is to allow for them to in fact get money if there need to be special warrants in the future, which I would dearly hope the government doesn't need to do.

You know, this is a large government. They have a number of good, forward-thinking fiscal procedures in place. I really don't think that in this day and age there should be a need for them to be signing special warrants or – what's the other word for them? – interim supply.

8:20

Mr. MacDonald: In the Getty days they were special warrants.

Ms Blakeman: Okay. In the Getty days they were special warrants. Now they're interim supply.

You know, there's no reason why there should be a need for that. The government can call the Legislature back in whenever they want and have enough time to get everything done, so there shouldn't be a need to do that. Nonetheless, the act is being changed to allow for it so that they would still get funding if they needed it. That's the second time that we've seen that.

We have the new section, that I had already commented on, about the patient concerns resolution process. This is really allowing the Ombudsman the jurisdiction to review these processes. That's a good one because people seem very happy with what will be in place from the RHAs, the Cancer Board, and the Mental Health Board with this patient concerns resolution process. The Ombudsman did need to be able to get access to the files to be able to review this properly, and that was not possible without this amending act.

There's wider consultation that's being allowed through section 6 of the amending act, section 16 of the original act, with notice of investigation.

There's been clarification and cleanup and updating around the agencies that are listed, people that are "an officer, employee or member of." That's been updated. The accounting organizations and forestry colleges have been dropped, and it's changed to "department, agency or professional organization." They continue to use that kind of wording.

Now, the more contentious part of this is the section repealing section 5, which is taking away the person's ability to provide or withhold permission. Essentially, there was a double permission, in

effect, before because someone would complain in writing, which was required, and then the Ombudsman had to go back to the individual and say: okay; now I need your permission to actually investigate. What this is allowing is for the initial letter of complaint or request to investigate to be taken as the permission to look into their personal details. So it's cutting out a step, but it's cutting out having to go back to people and find them again and get them to do a release form to look into things. While some people may see that as a difficulty in that they have less power, in fact it's just administrative cleanup. You have to assume that if you're asking somebody to look into your file, you've got to be giving them permission to actually look into the file, and that's what you're doing with the initial letter to commence an investigation.

At this point I don't have that many more comments. I'm perfectly willing to support this bill. I asked the member to put a couple of things on the record just so that we have it in *Hansard* for review for people. I'm, obviously, happy as a member of the Legislative Offices Committee to support the Ombudsman in his repeated requests to deal with what he felt was needed to bring this act forward into the new millennium. It seems he was sort of asking for all of this in '97. I guess that this is his millennium present.

I don't see anything in here that I really have concerns with except for the continued insistence by the Lieutenant Governor in Council to make regulations to change things.

Thanks for the opportunity, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. I'd like to just make a few comments this evening on Bill 21, the Ombudsman Amendment Act, 2003, and I would like at this particular time to thank the Member for Bonnyville-Cold Lake for sponsoring this bill. At the same time, since this is the first time that I've had an opportunity to speak to Bill 21, I would like to applaud and congratulate our Ombudsman, who had a little celebration last night on the occasion of his retirement, and to offer my thanks to him on behalf of all members of the Assembly for the job he has done as our Ombudsman over the last five years. What an outstanding job it was, and it was always done with the highest level of professionalism. It is because of his work and his dedication to the job and, certainly, his foresight that we have seen the results of that work and the introduction of this bill into this Legislature this year.

Now, then, of course, one of my concerns with the bill, as well, is that when we are dealing with the last lines of appeal for many people, we would have a lot of control put here in the hands of a minister, who has the opportunity by this bill to make all major decisions by regulations. Certainly, at the level of the Ombudsman we want openness and transparency to be perceived by all Albertans, to think that they have the opportunity for a fair hearing when they get there. I think it is critical that we take away from the minister this decision that so much of this bill will be governed by regulation. I think, as well, that one of the ways we'd do that, Mr. Chairman, is certainly by having open debate here in this Assembly. When we are having that debate, again, it allows for input to the minister from all parties and all members of the Assembly. So if there is one area where, I think, we could improve this piece of legislation, it is certainly in that area. I feel strongly that regulation is not the way to go.

As well, in reviewing the past annual reports from the Ombudsman, I was also quite impressed to see here the amount of traveling and consulting that he's done with other members in equal capacities in other countries throughout the world. As well, I think his sharing of ideas is a very, very good point. I think it is something that

certainly leads to much better legislation here in the province, and I commend him again for taking this opportunity to certainly inform himself of what is happening in the related fields with other countries.

Now, Mr. Chairman, the Ombudsman has made a number of suggestions and recommendations which would improve and expand his role or her role, if it happens to be a female. I think we have to look at this, particularly when such a great deal of the job of the Ombudsman is to be involved in the complaint resolution process. This complaint resolution process is not only with individuals, but it's from professional groups. It certainly is evident that the jurisdictional role of the Ombudsman must continue to expand.

8:30

Now, then, I see that in the 2001 report certainly goal 1 of the Ombudsman was to "promote awareness of the Ombudsman's expanded jurisdiction as it relates to the health professions and the Regional Health Authorities." I was paying close attention when the hon. Member for Bonnyville-Cold Lake answered the questions earlier on in this debate. You clarified many issues that we had with that, and I thank you for that.

I also was looking in the report, particularly the present provisions here in section 1, Definitions. When looking at these, right now the Ombudsman Act defines agency as "a Provincial agency as defined in section 1 of the Financial Administration Act" but does not include boards of universities, colleges, or technical institutes, provincial health boards, the Alberta Cancer Board, the Hospital Privileges Appeal Board, or the governors of the Banff Centre for Continuing Education. Certainly, I think that the proposed amendment will expand the definition of agency to include those bodies named in regulation.

This regulation would help ensure that the law clearly states who is and who is not under the jurisdiction of the Ombudsman. As agencies would be added by cabinet regulation, no agencies could be added without cabinet approval. Again, this particular bit of the act which would be governed by regulation is certainly, I think, a portion of the act that is weakened because we do not include this into the act itself but rather have it governed by regulation. As the Member for Edmonton-Centre has said earlier in debate, these can be changed rather quickly. Whereas in some cases it might be expedient to have these changes, it doesn't appear that it has to be that expedient when we see that over the last five years the Ombudsman has recommended change, yet change has not occurred. It has taken us five years to get to this point, where we are bringing in legislation that would certainly include some of the recommendations that the Ombudsman has made.

Now, then, another section that I also have concerns with is section 5, where we remove the requirement that the person has to give, for lack of better terms, a second permission for the Ombudsman to have the authority to review information. I think this is another major step that is wrong. I look at today when I was requesting some medical information. Originally, we had looked at getting this medical information from the University hospital, and it was not available there. The constituent who brought this to my attention said that because this was also related to the Ministry of Transportation, let us try and get the information from there, because it was in regard to a driver's record and the loss of a licence because of medical reasons. So when we put in our freedom of information request to have this information released, what I was told by freedom of information was that my initial request for information and the release that that particular constituent had given me was specific to the information held at the University hospital. So, at that point, I said: well, why don't we just get a blanket release? They said: "No. We prefer your request to be specific."

So at freedom of information we have some very, very specific and stringent guidelines that have to be followed, yet in section 5 all that has to happen is that receipt of the letter by the Ombudsman can be considered permission for them to delve into whatever information might be on that person or that organization. So, again, I think we have two different standards when we're looking at the Ombudsman Act and when we're looking at freedom of information.

I just have a few more comments here, Mr. Chairman, that I think we have to look at, and some of those are outlined again in the Ombudsman's report. I believe it was going back as far as 1998 that the Ombudsman had indicated that there are potential new responsibilities that are required in legislation. Certainly, one of these was "to cover the new Health Professions Act – a statute which regulates thirty-one health professions." He goes on to say: "In addition, I have been asked to assume jurisdiction under the proposed Regulated Forestry Profession Act," and he lists a number of others here as well. So I certainly was glad to see under the definitions that a number of these were included and that this recommendation was accepted.

Overall, Mr. Chairman, I certainly am going to be supporting this legislation. I think it is long overdue, and I think it is a piece of legislation that will strengthen the position of the Ombudsman. I only wish that we could have had debate on a number of these and then included them into the bill instead of the minister having the ability to make major decisions by regulation.

So with those comments, Mr. Chairman, I will take my seat and listen attentively while others join in debate on Bill 21. Thank you.

[The clauses of Bill 21 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Chair: Opposed? Carried.

8:40

Bill 15 Forest and Prairie Protection Amendment Act, 2003

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

Mr. Strang: Thank you. Today I would like to respond to questions that were raised by the hon. members opposite during second reading of Bill 15, the Forest and Prairie Protection Amendment Act, 2003. Mr. Chairman, 40 percent of wildfires in Alberta are human caused. In the last 10 years nearly 25,000 hectares of land have been burned because of human-caused wildfires. The major focus of these amendments is to reduce and prevent the number and severity of human-caused wildfires. These changes will allow Sustainable Resource Development to better protect the public, communities, and natural resources from wildfires.

Responsible parties: children and landowners. The hon. Member for Edmonton-Ellerslie had a concern regarding who is to determine responsibility for a fire and who should be held liable. Mr. Chairman, I'd like to acknowledge the co-operation of the hon. member in trying to meet with me to review these amendments and thank her for recognizing that people should be held liable for wildfires that they may cause. Sustainable Resource Development investigates all

wildfires to determine their cause and to identify the parties involved. Parents who are unaware of their children's activities or landowners who do not know what actions are taking place on their land are not likely to be found liable. Their knowledge and participation would be determined through a wildfire investigation. On the other hand, if a child or a teen was found to be deliberately setting a wildfire, amendments to the legislation provide options. Government can pursue legal or civil options, can request restitution, or the court could impose creative sentences such as community service.

Sustainable Resource Development staff investigating wildfires. The hon. Member for Edmonton-Ellerslie was also concerned that Sustainable Resource Development does not have sufficient staff to conduct these investigations. I'd like to advise the hon. member that all wildfires in Alberta are investigated by highly trained department personnel. If required, assistance can be provided by Fish and Wildlife officers, investigators from other ministries, outside experts, and the Crown prosecution office. I would like to point out, Mr. Chairman, that Sustainable Resource Development has an annual training program for wildfire investigators that is recognized through North America and graduates 20 people a year.

Who decides on the penalties for wildfires? The final concern of the hon. Member for Edmonton-Ellerslie was: who's going to decide on penalties for starting a wildfire? Mr. Chairman, the final decision on penalties is the responsibility of the courts.

Liability for wildfires caused by lightning. The hon. Member for Edmonton-Highlands was concerned about the possibility of requiring landowners to prove their innocence for a wildfire caused by lightning. Mr. Chairman, that would depend on the results of the investigation. An owner can be found liable for not extinguishing a wildfire if it can be proven that they were aware of the fire and didn't take action.

Railway right-of-ways and liability. The hon. Member for Edmonton-Highlands raised the important issue of distance from either side of the railroad right-of-ways. The act outlines the framework of responsibility, while the regulations fill in the details. The regulation will also be amended to include the hundred-metre distance on either side of the railroad right-of-way and a new reporting provision for wildfires that railroad operators start or that they may discover. The land that the railroad operates on is private land. Mr. Chairman, they have the same responsibility to report, contain, and extinguish wildfires on their land as other landowners in the province.

Fire investigation and documentation. The hon. Member for Edmonton-Highland's final concern was on the powers of the wildfire investigator. The amendment enhances the current powers and is not meant to override constitutional rights and freedoms of people being investigated. It must be noted, Mr. Chairman, that all wildfire investigators are highly trained and have a very narrow focus, one that relates directly to the wildfire investigation. During an investigation they may ask an operator to run an all-terrain vehicle so the investigator can check for sparks or check for maintenance records to determine if a particular piece of equipment shows any sign of mechanical problems that may have caused a wildfire.

In conclusion, Mr. Chairman, it is important to remember that during the development of this legislation Sustainable Resource Development has consulted with municipal governments, various stakeholder groups, and other provincial ministries. These groups have been supportive of our effort in the legislation.

Thank you, Mr. Chairman.

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

Ms Blakeman: Thanks very much, Mr. Chairman. Nice to be able

to speak to Bill 15, the Forest and Prairie Protection Amendment Act, 2003, in Committee of the Whole. I listened carefully to the Member for West Yellowhead in answering the questions that had been brought forward by the members for Edmonton-Ellerslie and Edmonton-Highlands, and we in the Official Opposition are certainly willing to support this bill. Again, as with some of the other ones we've discussed tonight, we're passing it through very quickly. It's already gone through second and not all of our members even had an opportunity to speak to it then. We're trying to space ourselves out, and my opportunity is now.

So this is a bill that has a lot of clarification and fine-tuning, if you like. It has three objects that clarify the portions that are too vague: give more power to the forest officers and fire guardians and increase the amount the government can recover from people who are responsible for the fires. Holy mackerel. This deals with everything to do with protection of forests and prairies from soup to nuts. It's covering fires and fire-fighting responsibility, pests and pest control, forest and fire personnel, fire seasons and permits, pollution control, closure of forest areas, conduct of those on or near public land with respect to fire hazards, reimbursement of fire-fighting costs, and entry onto lands. So primarily we're looking at the issues related to fires, the liability of individuals responsible for fires, and the powers of the forest officers and fire guardians.

So this is to strengthen the Forest and Prairie Protection Act and also to deter people from irresponsible actions. You know, we're all learning to be more careful when we're in the wildlands, off the beaten trail, as we come to an understanding of how our movement through there affects both the wildlife and the flora and the fauna. I can remember when I was really young and going through, and nobody thought anything about just leaving their lunch and their garbage wherever, just leaving it there. I remember being told that the animals would take care of it. Nobody would do that in this day and age – at least I hope they wouldn't – because we understand the impact that that has on the environment.

Particularly in Alberta in the last couple of years I think we've all come to understand and be impressed by – I hope we have been – the damage that can be done by fire, and it really is incumbent upon all of us to be much more careful to make sure that we're not in any position, in any way making it possible for a fire to start or to spread. The Member for West Yellowhead was talking about the ability given through this act to test drivers of ATVs, for example.

8:50

Mr. MacDonald: What about snowmobilers?

Ms Blakeman: Well, the snowmobilers ride on snow, so there's less of a fire hazard happening there, but thanks for the question from my colleague for Edmonton-Gold Bar.

I think that testing the ATVs and consciousness of that sort of thing is a good idea. We know now that in some areas the heat from the mufflers can start grass fires, and we've just come to understand how much devastation this can wreak upon our province. So having a bill that's going to strengthen all the possibilities there and give tools to the fire protection officers is a good idea. I'm certainly willing to support it.

In section 2 we have added the definitions for burning hazard, Crown, and fire hazard, and I actually asked about this. What is the difference between a fire hazard and a burning hazard? I mean, please. But, in fact, there is a difference, and that is that the fire hazard, while it's recognized across Canada, is not specific enough for people to really understand the variations that are possible here. So "fire hazard" just describes the physical characteristics of the fuel, but how it's arranged or how much there is of it or what condition

it's in, whether ladder fuels exist all would fall under the definition of a burning hazard. So it's just allowing for a lot more specifics to be used in describing what the factors are around a fire hazard. It also allows things like weather condition and extended periods of drought, all of that, to be worked into what's being considered. So that was easily answered once I actually started to do the investigation on it.

Under the same section it's also looking at including officers in the definition of forest officer, a definition for forest protection, a definition for unoccupied public land.

Now, one of the interesting ones is that favourite of all entities, the summer village, which, in fact, was not included in the act in the past. Although they had responsibility for certain things around fire protection and fire hazards, it was necessary to add in this new term, urban municipality. That new term of urban municipality includes summer villages. So there you go; they're included in the act now. [interjections] We have flights of fancy from my colleagues here. I'm glad to see that the summer villages are clarified because these are small areas that can go from a couple of dozen people to hundreds of people over the summer, and they do have responsibility for certain things, but that needs to be clarified in quite a few pieces of legislation. So here we have the clarification here.

Section 4 is really outlining who is liable for reimbursing the minister, and the Member for West Yellowhead went through in some detail about who caused the fire and who ordered it and whose land it was on, if they knew or they didn't know, so I refer people back to *Hansard* to the statements from the Member for West Yellowhead for the clarification on that.

A small change on the delegation of powers. The minister is now able to delegate powers other than the power to make regulations to any employee of the Crown rather than to any employee of the minister's department. I'm guessing that this has to do with other departments like Sustainable Resource Development and Environment or even Agriculture sort of crossing over in many of the same areas. So it's the employee that's really dealing with it rather than the employee of the particular sponsoring minister for this legislation.

Section 6 is looking at limiting the appointment of fire guardians by municipal councils to one year at a time.

Section 7 is repealing section 6 of the original act and inserting the right of the minister to enter into a fire control agreement with the councils of municipal districts. So that's not a material change. That was just previously in a different section.

In section 11 we've got another housecleaning section. It brings into line the wording with the new definitions of fire hazard and burning hazard, which I had detailed at some length a little bit earlier. It gives the municipal districts the ability to order elimination of a burning hazard rather than just order its reduction or removal. That's interesting wording. It's not substantive; it's a clarification.

Section 12 is repealing section 11 and putting alternate text in place. That's where the railway operation distinction is being covered that, again, the Member for West Yellowhead went over. The railway operation has to report "as soon as practicable" the fire and within a certain distance from the boundary of their right-of-way, which is a good thing.

Section 13 is another housekeeping measure.

Section 14 is repealing certain sections and replacing them. The only change is that the minister is able to advertise the closure of land to the public through radio, television, or other means of communication. One presumes we're talking use of the Internet here with some sort of broadcast e-mail, which is good, or telephone, one presumes, those sort of prerecorded messages that can go out. So it's giving some flexibility there to the minister as to whatever works

in different parts of Alberta, and certainly given the diversity of our province, that's a good thing.

Section 15 is compelling any person to tell forest officers who are performing their duties under the act to give the person's identification information, itinerary. So this is a fairly sweeping power. We always have to be careful about that because we're trying to strike a balance between the freedoms and liberties of the individual and the need of the Crown to control people or to know what they're doing. It's a fine balance, and I insist that it be maintained. So that section, I think, bears watching.

Section 16 is adding circumstances that are exempt from the section: added to fires for cooking or warming or flare stacks used by the petroleum industry and any other fire prescribed by the regulations. So that would be the crop burning, I think.

Section 17, again, is clarifying wording that hasn't been as clear as it needed to be, allowing it to be updated, and some sort of cleanup and housekeeping.

Again, section 19, amendments looking at anyone that has a commercial or industrial operation within a kilometre of public land having a fire control plan because we know that once we get the fire onto the public lands, then it's on our dime, and we need to be very conscious of who's responsible for starting the fires and also to try and strongly encourage people to control the fires from ever getting there.

A number of other sections, 20 through 23, again, more housekeeping changes just tweaking some wording. Then we get into pest control in section 24. Section 26, adding a caveat to when a forest officer or fire guardian may enter onto a premise without a warrant. The caveat is at "any reasonable time." Thank you. Always good to have that. You have to be again very careful with that sort of thing.

9:00

Under section 27 there are quite long enforcement powers that are added in after section 31 in the act. Oh, yeah. There's an interesting thing here. One of these is that an officer could basically commandeer or shanghai someone else's equipment to fight a fire, and if damage is caused to that equipment, I'm wondering if the third party has any recourse to recover damages. That may well be covered somewhere else. It might be quite obvious but kind of interesting to have clarified in *Hansard* so people can review it at some other point.

I mean, this is one of those bills that's like a huge miscellaneous statutes of minutia that's being changed here, and we went to some effort to consult a number of associations – Alberta Wilderness Association, Urban Municipalities Association, Surface Rights, fire chiefs, and a number of others – just to make sure that this was all on track, and as far as we're concerned, it is.

I know that one of the things that people expressed to me in the beginning was: is it going to be fair if a teenager or somebody like that at a bush party has had a few too many drinks at their grad and flicks a cigarette butt into the bushes and that starts a fire? You know, in this day and age I think we've come around to saying: yeah, it is the responsibility of that person. We need to be very conscious of how we behave when we're out of an urban area and to make it clear that the responsibility is on everyone to be careful, especially around fire and especially when we have had so many years of drought. This is increasingly important to every Albertan to protect our province. Certainly, there were concerns expressed to me about that, but I'm willing to stand up and defend the act on those terms. At this point I don't see any sort of hidden agenda here on that one. I mean, this government is very keen on putting responsibility for everything onto other people, but I think that in this case there is a necessity that we all recognize that it's limited. We all have to take

responsibility for it and particularly when we've been experiencing drought for as many years as we have. We all have to be on the lookout. So for a teenager to think that it's okay to flick a cigarette butt into the bushes when they're out at a bush party, no, it's not, is the answer. They need to take better care and make sure that it's out and take all the precautions that are necessary with that.

When I used to smoke, I was at the point where I was packing those cigarette butt ends back out with me because it's pollution, and although I was out there, obviously, in the winter, in snow, when the fire hazard was less – although it's arguable that there is still some fire hazard – I just wasn't, you know, willing to work with that anymore, and I just packed the stuff back out with me. It was easy enough.

So what we've really got here is the current act is about 20 years old. We needed to have it updated and the wording and terminology updated and in some cases expanded to maintain consistency. As I mentioned, it's a good thing that we've clarified the summer villages and their responsibility, adding in not only the person that caused the fire but other people that were responsible for that, and some expanded abilities of the fire guardians to investigate and to prevent. So we're happy to support Bill 15 in Committee of the Whole.

Thanks very much, Mr. Chairman.

The Chair: The hon. Member for Wainwright.

Mr. Griffiths: Thank you, Mr. Chairman. I am pleased to stand today to say a few comments on the Forest and Prairie Protection Amendment Act, 2003, Bill 15. The proposed amendments will bring existing legislation into line with current business practices. As well, these adjustments are part of a continuing process to find more effective ways to best manage wildfire for the benefit and protection of all Albertans.

More importantly, Mr. Chairman, I would like to respond to some of the inquiries that were made by the hon. Member for Edmonton-Highlands of the opposition during second reading of Bill 15. The first concern was fire control agreements with municipal districts. The hon. member was correct in saying that a positive and preventative direction is the best approach. The Sustainable Resource Development minister takes very seriously his authority and will not step in unless the municipality has requested assistance or the wildfire is threatening life and property. There are many communities and municipalities within and immediately surrounding the forest protection area, and Sustainable Resource Development enters into fire control agreements with those municipalities and communities on a yearly basis. Each year Sustainable Resource Development works closely with municipal districts and municipalities to review roles and responsibilities, update information, and ensure that everyone has the right contact names and phone numbers.

During these meetings they discuss new techniques in wildfire prevention and management and identify mutual training opportunities. It also allows Sustainable Resource Development to launch and promote innovative new programs such as the FireSmart community program, and, Mr. Chairman, I'd like to point out that the FireSmart program has been very successful in enabling communities, industries, and landowners to prevent wildfire hazards through better planning and will allow them to work collaboratively in situations that develop.

The second issue that the hon. Member for Edmonton-Highlands was also concerned about is the section on forest closure and the limits on who can authorize them. Forest closure is an extremely serious issue with Sustainable Resource Development, and that is why the responsibility is left with the minister, Mr. Chairman. Before a forest is closed, a number of factors are considered, such as

the level of the fire hazard, the threat for wildfires to start, and how many people could be in danger. Local municipalities and stakeholders are consulted throughout the process. I can assure the hon. member that public safety is our number one priority, and we will never, ever compromise on that point.

Thank you, Mr. Chairman.

[The clauses of Bill 15 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Bill 19

Gas Utilities Statutes Amendment Act, 2003

The Chair: Are there . . .

Some Hon. Members: Question. Question.

The Chair: Hon. members that require the question before it's even placed before the committee really aren't very helpful.

Again, are there any questions, comments, or amendments to be offered with respect to this? [interjection] Yes, there is.

9:10

Mr. Ouellette: Colleagues, as the sponsoring MLA I would like to summarize the reasons for bringing in this legislation, Bill 19, the Gas Utilities Statutes Amendment Act, 2003. Unlike the opposition our government believes in competition in the marketplace. We think that competition will result in lower costs in the retail gas marketplace and more choices for consumers.

To get more competition, you need more players in the marketplace. This bill has attracted a new competitor, Direct Energy, and other companies have expressed interest in coming to Alberta now that the playing field will be more level. Enabling more choice will result in giving consumers better ability to choose price stability, if they so wish, through fixed price contracts, more varied product offerings, competition on the basis of service, and improved market efficiency.

This legislation will also result in a single-bill model for retailers, reducing costs over the current two-bill model and providing more convenience for consumers. It will also allow gas and electricity to be marketed together. It doesn't make sense to have two separate regulatory frameworks for the two commodities. This means lower costs for businesses competing in the market, which should translate into lower costs for consumers. Unlike the opposition we think that businesses competing to provide gas and electricity service in the province should get a fair return on their investments. For default supply the return would be regulated by the EUB.

My friends across the way have questioned: "who is asking for choice? Consumers would just as soon have it all regulated by the government." A lot of consumers have wanted to purchase gas from someone other than their local utility company. Today over 40,000 consumers have exercised their ability to have choice. Many of them locked in when prices were much lower than they are today and are happy with the savings that they are now enjoying. The opposition doesn't seem to like airline and telephone deregulation either. I think most Albertans would agree that they have benefited from

competition in these industries and would not want to return to a regulated environment.

With respect to these unbearable new costs that the NDs have implied, the implementation costs should be minimal and retail prices should be lower through convergence of gas and electricity, implementation of a one-bill model, and increased competition.

We agree that gas is gas. The difference here is how we pay for it. With retail competition you get more choices on how you buy your gas, and retailers are likely to market gas in ways that are attractive to consumers. We realize that although customer choice has been around for years, this may still be a relatively new concept for many Albertans, and it may take time before consumers feel comfortable making a choice. Choosing not to choose is still an option for these folks, as in doing nothing other than continuing to make regular utility payments. Consumers can stay on the regulated rate, approved by the EUB, indefinitely until they find a retail offering that they are happy with and make a decision to enter into a contract with a retailer. We are not forcing people to choose. We are creating an environment that will encourage more competition and choice for consumers.

Mr. Chairman, this government believes in the free market system to help all Albertans. That's what makes Alberta's economy the envy of the country. Alberta consumers – residential, commercial, charitable, municipal – who prefer price stability can enter into a fixed price contract with a competitive retailer or go on a utility company's budget billing plan.

In summary, I encourage you to support this free enterprise approach to gas retail marketing. Thank you for considering these legislative changes.

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

Mr. MacDonald: Thank you very much, Mr. Chairman. It was with a great deal of interest that I listened to the remarks just concluded by the hon. Member for Innisfail-Sylvan Lake, and certainly the testament to the free market that was expressed by that hon. member has to come into question because this is a government that owns its own bank. It's one of the very few legislative jurisdictions in North America, where the free market economy is supreme, that owns their own bank. So I don't think that statement has come in handy. The hon. member says: well, Alberta Treasury Branches are the next thing on the block, and we'll have to wait and see. That's probably a bill that will generate a great deal of interest, as is Bill 19, the Gas Utilities Statutes Amendment Act, 2003, or another name for it could certainly be the Direct Energy convergence act.

Now, when we talk, Mr. Chairman, about amending the Gas Utilities Act, the Gas Distribution Act, and the Rural Utilities Act, we've got to stop and think for a minute and decide who is going to benefit from all this. Who is going to benefit from all this competition? The hon. Member for Edmonton-Highlands in second reading this afternoon mentioned the Consumers' Coalition, and the Consumers' Coalition certainly had some reservations about how this competition was going to benefit individual consumers. I have to agree with the Consumers' Coalition. We can talk about choice. This government has been talking about choice for utilities for three years. "Choice will bring lower costs." Well, it has not happened.

Leading up to the last election, choice was going to mean so much for consumers, and the only choice they have now, as I said here before, is which bill to pay first because they've only got enough money, enough disposable income, to pay one utility bill because of the high costs. The choice, Mr. Chairman, is not whether people want to select a marketer. They want cheap, reliable utilities, and this bill is not going to do it. The hon. member talks about: 40,000

Albertans have already signed up. Some of them are very disappointed with their contract. There are still 900,000 natural gas consumers in this province, and that's only a small percentage that have looked at choice.

Now, whenever we think of institutional users of natural gas, some of them have been for many years purchasing gas for their own use. Well, it would certainly be a contract, but those aren't the people that are calling the constituency office of Edmonton-Gold Bar on a daily basis, complaining about their natural gas prices. What they're complaining about is a government that has lost complete control of one of our natural resources, and Bill 19 is not going to bring that back.

When we consider what choices there will be – and we're going to have another player; we're going to have Direct Energy in the market – it is my view that Direct Energy should now, Mr. Chairman, be a licensed marketer in this province. They've certainly got an ad campaign going, and the ad campaign has been discussed earlier, in question period. There are two fellows that are pitching Direct Energy's entrance into the market here, and both of them look like they've pulled their hair out because of high energy prices. They're not happy, and I can only assume that this gentleman here has received his gas bill, and the other fellow must have received his electricity bill because he's not happy either.

9:20

Now, a licensed marketer in this province for natural gas, Mr. Chairman . . . [interjection] Yes. You certainly have to listen to this. Direct gas marketers must be licensed to do business in Alberta. Licensing requires a quarter of a million dollar security and the payment of a thousand-dollar licence fee, and marketers must provide, also, copies of all contracts and marketing materials. Now, Direct Energy is very anxious to get into this market. They have written the Department of Energy going back to November – I believe November 4 was the precise date – commenting and making suggestions regarding the draft natural gas legislation and regulations. Yes, it was November 4, 2002. They certainly expressed an opinion. They're not a licensed marketer, yet they're advertising here.

When we look at the licensed natural gas direct marketers in Alberta, we see the likes of CEG Energy Options, Coral Energy Canada, EnCana Corporation, Engage Energy Canada, Enmax, EPCOR, EPCOR Merchant and Capital LP, Nexen, PremStar Energy. But there's an advisory here from the Department of Energy, Mr. Chairman, and it states that residential consumers are advised to check with marketers to find out which client group they're currently selling to and which utilities are currently providing choice. So the Energy department is kind enough to put that there, but if we're talking about what the Member for Innisfail-Sylvan Lake states and we're going to have so much choice, why – I would like to know in the course of debate – are there all these licensed natural gas direct marketers in Alberta, but only two of the eight licensed retailers for commercial consumers are actively marketing to residential consumers, EPCOR and Enmax?

If Bill 19 is going to get all this crowd interested in door-knocking and selling long-term contracts, why to date have only EPCOR and Enmax shown an interest? What about the other enterprises that I have mentioned here earlier in my remarks? Why have they not got involved in this market? Direct Energy is a marketer on a white horse coming in to try to rescue an energy deregulation plan that to date has failed and failed utterly and has created nothing but high costs for consumers. How, in the course of this debate – and I'm going to certainly listen to all hon. members – is this going to reduce the costs for consumers? What we're going to be doing is creating

another level of middle persons. The middle persons have got to make a dollar, too, and I have no problem with a person making a dollar, but this is something that we have to recognize.

It's difficult for some members to recognize, but heat is not a luxury in this province. We live in a northern climate, Mr. Chairman, and heat is not a luxury, and heat in this case cannot be deemed as a commodity. Everyone in this extreme climate has the right to warm surroundings, and we cannot squander our resources. We have to put the consumers first. Bill 19 doesn't do that. It's setting up with Bill 3 to allow convergence of the natural gas and electricity markets, and I don't know how consumers are going to benefit in all this. They're not going to benefit with lower prices.

Now, natural gas at one time – in fact, Mr. Chairman, it was probably in the constituency that you do the honour of representing, the Turner Valley discovery – was just a mere nuisance. It was a mere nuisance. I'm told that from the edge of Calgary-Shaw you could probably see the natural gas, what was then, I suppose, countryside, but now it would be the urban part of Calgary called Calgary-Shaw. You could look south and see flares burning off the gas. It was a nuisance. Gradually we got control. Prudent governments in the past realized that it was a valuable resource, certainly, and when you consider how the economy in this province has expanded and how we have all prospered, it's based on cheap natural gas: accessible, affordable natural gas not only for residential use or commercial use but also for industrial use. In the course of the debate we're going to have to have a look and see exactly how much of our gas that we produce is used locally and by what sector: whether it's residential, whether it's commercial, or whether it's industrial, or there's another sector, I believe, and that's in power generation.

We have to be mindful when we're discussing this whole issue of natural gas of what the National Energy Board has to say, and the National Energy Board has moved to Calgary, and I think that's a very good home for the National Energy Board. The short-term natural gas deliverability from the western Canadian sedimentary basin in the next couple of years – and I would caution all hon. members of this Assembly to listen and carefully recognize that our natural gas is now like our conventional crude oil production. Conventional crude oil production, a lot of Albertans do not realize, has been in decline for 32 years now, and natural gas production – and I'm sure the Minister of Energy is going to come up with some real good incentive programs to spur on drilling. I'm certain of that. The National Energy Board stated recently in a report that

the initial productivity of a typical gas well in the [western Canadian sedimentary basin] has been decreasing and that decline rates have been increasing since 1996. Because of these changing characteristics, the number of wells placed on production each year would have to increase in order to increase deliverability from the [western Canadian sedimentary basin.]

Now, the board is anticipating certainly an increase in the number of gas wells drilled. I realize that the gas wells in southeastern Alberta are shallower and they're much cheaper to drill, but where the real risk is and where the real money is spent and where the real payback can be is in the Foothills Front and in the Peace River District, including the section of the Peace River Arch that is in the jurisdiction of British Columbia. There has been increased activity, and this increased activity was expected to increase deliverability, but it hasn't happened. Unfortunately, it has not happened.

An Hon. Member: Why not?

Mr. MacDonald: Because there has been a greater than initial productivity decline in the first year flow rates of those wells.

When we look at that and we look at the price of natural gas – and I think the price of natural gas will certainly moderate. Heating seasons are going to change, and we're going to have a cooling season. For our American market air conditioners will be the next thing to be turned on. Furnaces will be turned off, and air conditioners will be turned on south of the border, but there's still going to be a market for our gas. The situation in Venezuela will probably settle itself out, and that means a lot to the industries that are located along the Louisiana and Texas gulf coast. So, hopefully, there will be some moderation.

9:30

Whenever we look at the long-term implications, Mr. Chairman, of natural gas in this province, there's not an unlimited supply, and we have to ensure – and there are many ways of doing that – that we have accessible, affordable natural gas for Albertans to heat their homes and run their businesses on. That is a priority, and I do not see that priority in this legislation, unfortunately. This legislation is just driven by this notion that we're going to have competition for the sake of competition. When we consider what Albertans have enjoyed in the past as far as affordable heating costs, I think we have to look at going back there.

Mr. Chairman, when we look at implications of NAFTA – and perhaps the Minister of Energy is going to join in debate. I'm certain that energy officials have discussed this with the minister. When the Americans used tax incentives to encourage the development of the coal bed methane industry south of the border, there were no NAFTA considerations raised by the jurisdiction of Alberta, or they alerted the federal government and had the federal government do it. Certainly, there was no notification of that or there was no discussion of that in the press. Last year in this Assembly the hon. Minister of Energy explained that 8 percent of the gas production in the lower 48 came from coal bed methane. I was startled to read in that liberal newspaper, the *New York Times*, of the tax incentives that were utilized to get the coal bed methane industry onto its feet.

I would like to know if there has been any exploration by the Department of Energy to check out the NAFTA implications of this. Certainly, the same thing, to my knowledge, was not going on in this province, that we were having these incentives for natural gas production, at least not on that level. I know that we do have some royalty holidays, and those royalty holidays are complex issues. Some of those royalty holidays are not even scrutinized by the public. But if the Americans can do it, I'm curious to know why we can't.

Now, there's been a lot of talk about the Americans lately, and certainly, Mr. Chairman, I'm very fond of the Americans. There are only two things I don't like about America.

An Hon. Member: They keep bombing people?

Mr. MacDonald: No. It's their beer and their health care. The beer I find too watery, and the health care I find too expensive. But other than that, you know, they're our neighbours and they're our friends, and I always enjoy myself whenever I get together with Americans. We always seem to have fun.

On Bill 19, Mr. Chairman, we have to consider all these issues. We have to consider where we will be in the future. As a result of Bill 19 will we be looking at having industries leaving this province because of fuel gas to run their industrial processes? How will this work?

Thank you.

The Chair: The hon. Member for Wainwright indicated that he wanted to speak next, but if not, then the hon. Member for Edmonton-Highlands.

Mr. Mason: Thanks very much, Mr. Chairman. I'm pleased to rise to speak again to this bill at the committee stage. I guess I'll start by responding to the hon. Member for Innisfail-Sylvan Lake, who, much to my surprise, was critical of the New Democrats' position on this bill and, I'm assuming by implication, also the Liberal opposition's, although of course according to the Premier we're much worse than the Liberals. So if the Premier thinks we're worse, then we think that's better.

The assumption that introducing competition into an area of the economy is automatically going to produce better results is just that: it is an assumption. This assumption, if we're going to be scientific about it, needs to be tested. How do we test that? Well, what would be outcomes that we could look to to indicate whether or not one system was better than another? Well, Mr. Chairman, I would think that the first thing that you might want to look at would be the price. If you look carefully at the price of electricity, which is a similar commodity – it's not exactly the same, but after three years of deregulation in this province we have something to go on – we can see how the price has changed with electricity between the time that deregulation was begun and today. We can also compare the price of electricity in this jurisdiction, where deregulation has proceeded fairly far down the road, with other jurisdictions that have not deregulated electricity. So we can compare those prices.

We can also look at similar jurisdictions, so we could look at another jurisdiction that has tried to deregulate electricity, and we could then compare that result to the result we've seen here in Alberta. If we did all of those three things, we would be able to get an idea as to whether or not deregulation of that particular commodity had had a beneficial effect on price.

Now, I think we can do the same kind of thing with natural gas. The difficulty, of course, is that we are quite a bit earlier in the process with natural gas as compared to electricity, so we don't have a lot of results so far. But we can look at what the government has been doing with natural gas, and that is to allow wholesale exports of raw gas from the province into the American market, and we can see the result of that. We can see it with our gas bills this month and last month and next month, and we can see it with the result of government rebate programs before the last election. The result is that we have a far less stable system for natural gas pricing than we had before, and that's because shortages in other parts of this continent will drive the price that we have to pay for our own natural gas according to the system that the government has set up.

Now, is that beneficial for Albertans? Well, Mr. Chairman, it is and it isn't. It is in the sense that the government, because of its royalty regime, can realize windfall benefits from sharp increases in the price of natural gas, and they have in fact done that. That's good for Albertans provided that the government makes use of that additional revenue in a way that benefits Albertans. Again, the answer is: they do and they don't.

9:40

But it cuts both ways, Mr. Chairman, and what happens is that Albertans have to pay substantially more in the winter months when there's a shortage of gas in the United States. When we have a cold winter in Chicago, we pay through the nose here in Alberta notwithstanding the fact that it's our own gas. That hurts Albertans in a very big way, and I think that it's patently obvious that these additional costs are borne not just by individuals but by businesses, by farmers, and they are transferred to taxpayers through municipal tax in-

creases. We have plenty of evidence of that. The city of Edmonton, the town of Athabasca: there's no end to the list of municipalities that have had to either increase taxes or cut municipal services in order to pay for both higher gas and electricity bills.

It gets passed on in medical costs to the government, so it comes back to bite them on the nose, and it gets passed on to seniors who live in seniors' accommodation. In my particular constituency there have been significant rent increases for seniors in both lodge and apartment accommodation as a result of the need for those nonprofit organizations that run those lodges and apartments to meet increased utility costs in the province. So that's a negative consequence.

What we can see with electricity very clearly is that higher prices have resulted from deregulation both compared to Alberta in the past, before deregulation, or compared to other provinces that have not deregulated electricity, or we have also seen similar results in jurisdictions that have deregulated electricity. The same kinds of things have happened where there have been dramatic increases in power costs. So I think that the evidence is clear. When it comes to deregulation of electricity, higher prices are a result. What I'm going to go out on a limb here and assert, Mr. Chairman, is that deregulation in natural gas will in fact result in exactly the same phenomenon. In other words, we are going to see dramatic increases in gas over and above what we've already seen.

Mr. Chairman, there have been two kinds of increases. One is the market swings that we've seen as a result of the creation of a North American market, but on top of those market swings, which we're now experiencing, we're now going to see a built-in or a structural increase in gas prices because the government has added costs into the structure. So by forcing through this bill and through their previous policies, the breakdown or the separation or the unbundling, as they like to call it, of retail, which is the selling of the gas through the pipes that exist, and the distribution – you can't do both – you're creating, then, two or three additional levels. There's the gas producers, there's the transmission, there's the distribution of the gas, and then there's retailers, all of whom compete with one another in order to get market share, and they have to be separate from the distributors.

So what you're doing is you're adding more players and you're stacking them vertically. Each player has its cost of operation, and it needs a return on its investment. So we're adding cost as we go, as we start stacking these various entities. Where we once had one entity, we now have a number of them, and that's the unbundling process. It builds in a structural cost to support. So the government is trying to build an infrastructure to support what they call choice, but that infrastructure has a big cost.

Now, is the choice going to offset that? Well, obviously no, because the cost structure is your starting point for the cost of your gas and any competition takes place over and above that structure. How do companies operate in this kind of market? Do they cut things to the bone? Do they subsidize the natural gas? Do they work very, very hard to give people the cheapest possible gas? Or do they compete in other ways? Well, I think you could look at other places that have been deregulated. There are some changes they will attempt to give you. You may win a trip to Las Vegas if you sign a three-year contract or you might get free gas for a month or you might get some kind of bargain on your gas if you use it after a certain time at night or if you use more in the summer, but basically they don't want to bring down nor is it in their interest to bring down the cost of natural gas to prices that could be delivered under a regulated system.

So I think we can conclude, Mr. Chairman, that there is a very great likelihood that the passing of this bill will result in an increase in the cost that we pay for natural gas from month to month. It will

still swing wildly because the government has created this North American market, which they didn't have to do but that it would be very difficult to get out of now due to NAFTA, I'm quite sure. So we're now pumping out our gas faster than we're finding it. We're paying wildly fluctuating prices. In fact, we pay the highest prices at the time of the year that we use the most natural gas, and over and above that, in order to support all of these new entities that are coming into the Alberta market to provide so-called competition, we're going to build in a structural increase to the prices.

So I believe that we need to take quite a detailed look at Bill 19, the Gas Utilities Statutes Amendment Act, 2003, and we need to examine it. I would urge all members who are getting calls now: if your constituents are upset with the price of natural gas today, then I think you ought to consider very carefully whether you want to add to the burdens of your constituents by passing Bill 19 because that, Mr. Chairman, is exactly what you will be doing. If people can be persuaded, I guess, that for some sort of ideological reason that choice is a good idea, then they can be persuaded to go along with this bill until they have to start paying the piper. Then I think people are going to say: well, wait a minute.

There's a difference between ideology and a fervent belief in the market, an almost religious belief that the market solves all problems, and the practicalities of the matter. I urge the government and government members to put ideology aside and look at the practicalities of the matter because anyone that examines it from that point of view – what works; what delivers the lowest cost energy to homeowners; what is reliable; how can we best guarantee a reliable supply at a reasonable and a stable price? – will conclude that the package of government policies that have been proposed and implemented up until this stage and the further steps included in this bill are, in fact, the very opposite of practical, efficient, and public-minded policy for natural gas. In fact, they will have to conclude that it holds the average constituent of every member of this Assembly hostage to gas producers and gas retailers. Those companies are the ones who will benefit by this bill at the expense of the rest of us. Yet the government seems to be facilitating that even as we speak, and they are taking advantage of the fervent belief in the market of many members of this Assembly.

But I'm here to tell you, Mr. Chairman, that that is a misguided belief in this case. The market works wonderfully in lots of places, and contrary to what some may believe, we actually support the market when it comes to things like hamburgers and CDs and cars. There are lots of things that the market does a wonderful job at, but this is not one of them, and I think that it would be wise on the part of members of this Assembly to take a close look at the functionality of the system that the government is proposing and consider carefully how it will work, how it will deliver lower prices. Is there really going to be a rush of investors rushing in to fill some kind of market vacuum here in this province in order to compete with one another in a way that will drive down the price of natural gas? Is that realistic? Is that something that people really believe is going to happen? If so, what is the proof?

I believe that we should be asking the government to demonstrate

in a practical way with research how this function will occur if gas is going to be cheaper and the prices more stable and supply preserved for the future generations of this province. If they believe that, then they should probably pass the bill. Mr. Chairman, I don't believe that this bill will do anything other than the direct opposite. I think that it's a grave mistake, and I think that it would be a mistake to pass this bill as it now stands.

9:50

So, Mr. Chairman, just in conclusion, I'd like to indicate that the New Democrat opposition is and remains adamantly opposed to this direction of the government, which we believe is not in the best interests of ordinary Albertans. People with homes or farms or small businesses or people who are dependent on public services will all be paying more if this bill goes ahead. So I would certainly hope that during the course of debate at committee stage, we will be prepared to open-mindedly consider a number of very positive amendments that could be brought forward in order to fix this bill.

With that, Mr. Chairman, I'll be prepared to move that we adjourn debate on Bill 19 in committee stage.

[Motion to adjourn debate carried]

The Chair: The hon. Deputy Government House Leader. [interjections] Well, that's nice, but we just adjourned debate on Bill 19. Would you like to say some words about that?

Mr. Zwozdesky: Okay. Let's do that. Let's rise and report bills 21 and 15 and report progress on Bill 19.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following: Bill 21 and Bill 15. The committee reports progress on Bill 19.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.
The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I'm pleased that some progress has been made, and with that I would move that we stand adjourned until 1:30 tomorrow.

[Motion carried; at 9:56 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, March 12, 2003**

1:30 p.m.

Date: 2003/03/12

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. Though we as legislators of this great province and its people are taken from among the population and are selected by You to be architects of our history, give us wisdom and understanding to do Your will in all that we do. Amen.

Please be seated.

head: **Introduction of Visitors**

The Speaker: The hon. Deputy Premier.

Mrs. McClellan: Thank you, Mr. Speaker. It is indeed an honour and a pleasure to introduce to you and through you to members of this Assembly the Hon. Lyle Vancief, Minister of Agriculture and Agri-Food Canada. Mr. Vancief is accompanied by Ken McCready, regional director, Alberta and Territories, for Agriculture and Agri-Food Canada. Mr. Vancief is in Alberta today to carry out a number of official duties. We're delighted to have him visit our great province. We met this morning to finalize some of the details on the ag policy framework negotiations, which I believe are an outstanding opportunity for agriculture in this country and in this province.

We had the opportunity to visit a grade 4 class at Westglen school this morning to kick off a Canada-wide campaign on allergy alerts and food recalls. I know that Minister Vancief and I both want to thank the teachers and the students and the staff at Westglen for their enthusiastic participation. We attended a Growing Alberta luncheon where Minister Vancief announced a \$500,000 contribution to Growing Alberta, which we are matching as a province.

Minister Vancief will carry on this afternoon after he leaves our Legislature to meet with a number of our industry leaders and continue to talk about agriculture. I know that they will continue to talk to Minister Vancief about marketing choice for our province, and he expects it.

Mr. Speaker, it is an honour to have our Minister of Agriculture and Agri-Food for Canada in our Legislature today, and I would ask all members to give him a very, very warm welcome.

head: **Introduction of Guests**

The Speaker: The hon. Deputy Speaker.

Mr. Tannas: Thank you, Mr. Speaker. On your behalf I would like to introduce to you and through you to the members of the Assembly Mr. Reno Balon and Mrs. Margaret Balon, who reside in your constituency in Westlock. They're visiting today to watch their granddaughter, Andrea Balon, who is one of our pages assisting us this afternoon. They are standing in your gallery this afternoon, and I would ask that all members give them the warm traditional welcome of this Assembly.

The Speaker: The hon. Deputy Premier.

Mrs. McClellan: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to members of this Assembly a group from the Multicultural Heritage Centre who are with us today

to bring attention to Farm Safety Week, which starts today through March 19. Each year too many farms are the sites of horrific accidents, and this group of 20 individuals represents the average number of people who tragically lose their lives in farming accidents each year. Even one is too many, and we thank these members for drawing attention to improving safety. They are seated in the members' and public galleries, and I would ask them to stand as I call their names: Carol Haugen, Ralph and Bernice Jespersen, Audrey Kulak, Judy and Bill Kesanko, Jeanette Smith, Lucy Judge, Darlene Enzenauer, Bruce Foster, Rae Strass, Uta Preuss, Gordon and Ila Phillips, Gerry Kulak, John and Brenda Buckingham, Stephanie Szeponski, Roxanne Fisher, and Gerry Neufeld. I invite them to receive the very warm welcome of this Assembly.

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you very much, Mr. Speaker. We've all heard the saying: you can pick your friends, but you can't pick your relatives. Well, I want to say today that I'm introducing a relative of mine who actually introduced me to the province of Alberta over 26 years ago. He left a small rural community in Cape Breton, Nova Scotia, to come to Alberta and in fact allowed me to stay with him during my time of being a co-op student. My cousin's name is Warren Boutilier and I'd like to ask Warren to rise and I want to thank him for introducing me to this great province of ours.

The Speaker: The hon. Member for West Yellowhead.

Mr. Strang: Thank you, Mr. Speaker. It's with great pleasure today that I introduce to you and through you to the Assembly the Kopp family. As I introduce them, I'd like them to stand: Mr. Randy Kopp, Mrs. Catie Kopp, Nathan, Joshua, Esther, and Reuben, and as a bonus we got Mrs. Judy Aikman, their grandmother, visiting from near Newmarket, Ontario. This family was a great family that helped me in my election, and I'm very proud of them. So I'd like the members to give them the warm greeting of this House.

Mr. Vandermeer: Mr. Speaker, it's my pleasure today to introduce to you and through you 55 students from the Kildare elementary school. Accompanying them are their teachers Ms Lorraine Goruk, Mrs. Diane Shih. Their parent helpers are Mrs. Judy Wong, Mrs. Jenny Wayne, Mrs. Van Tran, and Mrs. Anna Wong. They are seated in the members' gallery and the public gallery. I would ask them all to rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Leader of the Official Opposition.

Dr. Nicol: Thank you, Mr. Speaker. I rise today to introduce to you and through you to the Legislature two colleagues that used to serve in this House with us. Lance White and Percy Wickman joined this House the same time I did, in 1993.

Ms Carlson: No. Percy before.

Dr. Nicol: Yeah. Sorry. Percy was in before that, in '89. That's right. Thanks for reminding me. I'd like to ask everyone in the House here to join me in welcoming them back as visitors to this House.

head: **Oral Question Period**

Natural Gas Rebates

Dr. Nicol: Two years ago today this government brought Albertans

onside with free-flowing energy rebates and a promise of lower utility bills. In addition to handing out millions in natural gas rebates in 2001, the government promised a law that would protect Albertans from unexpected spikes in the price of natural gas. This winter we have neither rebates nor a law that works. To the Premier: given that you promised Albertans that the Natural Gas Price Protection Act would work like a thermostat and kick in when the price hits a certain level, why did you change your mind after the election and decide that the trigger for natural gas rebates should be a yearly average price?

Mr. Klein: Mr. Speaker, you have to bring some sensibility and some . . .

Dr. Massey: They're election promises.

Mr. Klein: Mr. Speaker, if they want to talk about election promises, I'll tell you that they had election promises that totaled about \$23 billion. Thank God they would never be able to deliver on them, or we would be absolutely bankrupt.

There had to be a benchmark. It was deemed that a yearly average reaching \$5.50 a gigajoule would be reasonable, and when that price is reached based on the yearly average, Albertans will be entitled to the rebates. Simple as that.

Dr. Nicol: Can the Premier pinpoint exactly when this House got a chance to debate the regulation, not the spirit or the intent of the law but the regulation that stipulates that the annual average price of natural gas must reach \$5.50 before rebates are triggered?

1:40

Mr. Klein: The hon. leader of the Liberal Party knows full well the rules of the Legislature. You don't debate regulations in the Legislature; you debate the legislation, Mr. Speaker. Insofar as I know – and I know one of the hon. members rose on a point of order – there was no opposition to the legislation; it's only now when the temperature is cold. Now that it's getting warmer, as the temperature gets higher and higher and higher – you know what? – the temperature over there will become lower and lower and lower, and then they'll go on to another issue. Watch it.

Dr. Nicol: Will the Premier admit that he has no business saying that this law was fully debated in the House when the truth is that the government went behind closed doors to draft the regulations that actually say how the law would work?

Mr. Klein: Mr. Speaker, the hon. leader of the Liberal opposition has been around long enough to know how the Legislature works. You debate legislation. You debate the law in the House; you don't debate regulations. Regulations are administrative, and the people who drafted the regulations to fit the law are good-thinking people who devised a responsible and reasonable program, a program that provides sustainability, a program that Albertans can afford, but moreover a program that on a reasonable basis provides a certain degree of security relative to the price consumers pay for natural gas.

Dr. Nicol: To the Premier: why does the government make a flawed regulation a priority over its own promise and policy to return to Albertans a share of the resources that they own?

Mr. Klein: Mr. Speaker, I can remember the Liberal opposition yelling and screaming about the rebate program when we introduced it – that is, introduced it on an ad hoc basis – yelling and screaming

about it, how awful this was, and now they want us to institute the same thing. They were saying at that time that what the government needs to do is to bring in a program of stability, which is exactly what we did, and now they don't like it. But that's the way the Liberals are.

Dr. Nicol: Will the Premier admit that this legislation is flawed and amend it immediately since three consecutive large increases in the price of natural gas could not trigger rebates that Albertans deserve?

Mr. Klein: Mr. Speaker, I have answered this question so many times in the Legislature. The answer is no. First of all, the legislation is not flawed; it's good legislation. It's legislation that fits into the government's program of sustainability, doing what is right over the long term for Albertans, not a knee-jerk reaction to a problem that exists right now, albeit uncomfortable for some. We need to keep our eye on the big picture, something they've been unable to do, and to achieve sustainability, and that law does precisely that.

Dr. Nicol: To the Premier: will the Premier admit that the only emergency that distinguished the winter of 2001 from this winter was the government's need to get elected?

Mr. Klein: Mr. Speaker, there was no question; therefore, there will be no answer.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Health Care Workers' Collective Bargaining

Mr. MacDonald: Thank you, Mr. Speaker. This government has told health care unions that most of the questions they had about the new labour legislation will be answered later in regulations. High-stress working conditions are the root of the critical shortage of health care workers in this province, and the blame lies squarely on the shoulders of this government. That's why this government should promote negotiation, not confrontation, with our public health care workers. My first question is to the Premier. Now that this government has removed the right to strike from all public health care workers, will this government appoint three unionized health care workers to each of the nine new regional health authorities in an effort to promote continuous dialogue and understanding between the regional health authorities and their employees?

Mr. Klein: Mr. Speaker, something seems to be lost on the hon. member, and that is that there still are laws relative to collective bargaining and the unions have every right in the world to enter into collective bargaining. I'd point out that as long as I can remember, the nurses have not had the right to strike, yet they've been able to negotiate very generous salary increases through negotiations, and they were not appointed to hospital boards or regional health authorities. There's such a thing as collective bargaining. It has worked in the past, and it'll work in the future.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. To the minister of human resources: can the minister please guarantee that health care employees being moved into different bargaining units will retain their seniority as they move from new bargaining unit to new bargaining unit?

Mr. Dunford: Well, I think this is an opportunity again to make it clear to all Albertans and certainly to members in the House that what we're trying to do here with Bill 27 is set a platform on which the transition that's taking place in the regional health authorities can in fact take place. Now, there's some legislation that's involved, and there's some regulation that's going to be involved, but the specific that's in his question today is a matter of further collective bargaining and certainly not legislation.

Mr. MacDonald: Again to the same minister: will the Minister of Human Resources and Employment table the draft regulations to Bill 27 in the Assembly so that all Albertans can see exactly what is in those regulations?

Mr. Dunford: We have been an open and accountable government now for 10 or more years. We'll continue to be that. When the regulations are ready, they'll be well publicized, and people will understand what it is and what the rules will be.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Spruce Grove-Sturgeon-St. Albert.

Education Funding

Mr. Mason: Thank you very much, Mr. Speaker. For the past few weeks I've been visiting schools in my riding, meeting with teachers, principals, and parents. Full-day kindergarten, reading recovery programs, and literacy programs as well as smaller class sizes are vital programs that are achieving amazing results for high-needs children in these schools. However, many of these programs are now facing the axe next year as a result of the government's failure to address the funding shortfall of Edmonton public schools. My question is to the Minister of Learning. Will the minister guarantee that reading recovery programs and programs like them, that have led to a dramatic increase in the percentage of students who are meeting the provincial standard for reading and writing in these communities, are not cut?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. One of the things that we are doing with the new funding formula that is coming in is guaranteeing the flexibility to the school boards to put their dollars where they're most needed. If, for example, in Edmonton it's reading recovery programs, then the school board has the ability to put their dollars towards reading recovery programs. If in another particular school jurisdiction it may be mathematics skills, numeracy skills, they have the ability to put their resources towards that. The flexibility of school boards is actually going to increase quite significantly this September, and I would hope that the school boards make the right decisions.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Given the minister's answer, will he explain how greater flexibility is going to help the school boards, when the overall dollars that they have available are dramatically reduced as a result of the need to fund the teachers' arbitration?

Dr. Oberg: Well, Mr. Speaker, perhaps the hon. member should read the budgets that have been tabled in this Legislature for the last five or six years. What you have seen is steady increases in the

amount of dollars that have flowed into education. As a matter of fact, since '95 it's about a 46 percent increase. In the last four years, since I've been minister, we're sitting at around a 21 or 22 percent increase, so there's a large amount of dollars that has actually gone into the education system.

In talking to the school boards, one of their main issues is that too many of the funds have been targeted, for example, to this particular program or that particular program. They have lobbied quite vociferously to have the flexibility to put their funds where they're needed the most, and this government, being the government that it is, has agreed to that and agreed to work with school boards to ensure that they have that flexibility to put the dollars where they're needed.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, I want to give the minister credit. These programs have in fact been very successful.

The question is: will the government not recognize that there is going to be a significant reduction in these programs as a result of this minister and this government forcing the school boards to take the money for the arbitration settlement out of existing programs?

1:50

Dr. Oberg: Well, Mr. Speaker, as I've said in this House many times, there is approximately \$298 million that has been given to the school boards over the past two years. The arbitration settlement rose to a level of around \$260 million. Is there a lot of money left over? No, there is not an awful lot of money left over, but \$38 million is a significant amount of dollars. That's what they have to utilize, and that's what they will be utilizing to put it where it's needed the most. I have confidence that the school boards will put those dollars where they are needed the most, and as I've said before numerous times, we will certainly help them if that isn't the case.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert, followed by the hon. Member for Edmonton-Ellerslie.

Agricultural Policy Framework

Mr. Horner: Thank you, Mr. Speaker. While the hon. Minister of Agriculture and Agri-Food Canada has been in our province, many producers have expressed concerns about, among other things, market choice and the ongoing APF negotiations with the federal government. Could the Minister of Agriculture, Food and Rural Development update us on the status of the negotiations for the APF?

Mrs. McClellan: Mr. Speaker, as I indicated in my introduction of the hon. minister for Canada, we did have an opportunity to meet this morning and to just try to finalize some of our negotiations. I would say that on the four chapters outside of business risk management our task is virtually complete. Alberta has many programs that fit the program, and we don't have difficulties.

On the business risk management program we're continuing to do some work on the NISA program. As members know, Alberta has not been a participant in NISA as a province – producers are but not as a province – since 1996. I am becoming far more comfortable with the feeling that we are going to be able to manage those issues. Opportunities for beginning farmers and developing farmers: that is moving along very well; appropriate triggers so that when the money is needed, Mr. Speaker, the money indeed comes out of this program.

I have made it a practice of saying: it is the net income stabiliza-

tion account. That was what it was designed to do. It has not worked as well as it could, and I'm confident that the direction we're going will enable Alberta to be a participant in NISA in the future.

The Speaker: The hon. member.

Mr. Horner: Thank you, Mr. Speaker. A question to the same minister: given that there are some time lines involved here, if negotiations don't produce an agreement soon, what will happen to existing programs for the province's producers? Will they receive the protection they need?

Mrs. McClellan: Well, Mr. Speaker, we don't let our agricultural producers down in this province. They can be assured that the farm income disaster program will be in place as we transition into the new ag policy framework. This is the first opportunity, I think, that we've had to have an agreement in the span of five years that completely changed the focus and brought our agricultural policies up to the current times. We're appreciative that the federal minister has been able to get funding from his treasury that actually provides some bridging into the new policy framework.

Mr. Speaker, I would remind all members that thanks to the successful negotiations and the signing that Alberta did in June of last year, about a month ago we were able to introduce to our producers a very comprehensive set of crop, hay, and pasture insurance programs, probably the most comprehensive package of safety nets in Canada.

The Speaker: The hon. member.

Mr. Horner: Thank you, Mr. Speaker. My final question is to the same minister. The federal government has said that it would like to see this agreement signed by the end of this month because that's when the old agreements expire. Will the province be able to finish those negotiations in time?

Mrs. McClellan: Mr. Speaker, I think it would be indeed unfortunate if we as a province and a country let this opportunity pass us by. I've said in this Legislature in discussions on this: no, it's not perfect, but it's a perfectly good start. No, there probably isn't enough money, but there probably never would be. I am going to do my best to encourage my colleagues from across the country to take advantage of this opportunity for agriculture in Canada. My primary interest is our province. We're prepared to proceed.

Green Power

Ms Carlson: Mr. Speaker, my first question is to the Minister of Infrastructure. What is the current rate that Infrastructure pays for electricity, and what is the rate you locked this government into for the next 20 years with your new green power contract?

The Speaker: The hon. minister.

Mr. Lund: Thank you, Mr. Speaker. Thanks very much for the question, because it is a great day for the environment and for the government of Alberta. We just had the opportunity to sign a multiyear contract with Enmax Corporation and with Canadian Hydro Developers, Inc., and this sees us buying power at a rate about \$20 a megawatt-hour less than we are currently paying. So it is a huge savings to the province. The amount will be in excess of \$4 million a year on our consumption. We currently consume about 230,000 megawatt-hours per year. This contract is for 210,000. So

it's about 90 percent of our consumption. We've signed up to a 20-year contract at a fixed rate over that time. Mr. Speaker, these are environmentally sound projects, so we've also taken possession of the green credits.

Perhaps the Minister of Environment would like to add to the advantage to the environment.

Ms Carlson: Mr. Speaker, the question was: what is that fixed rate? Please share it with all Albertans.

Mr. Lund: Well, Mr. Speaker, in keeping with the openness and accountability of this government, the contracts will be available. It was through an open RFP process, and the current rate we are paying is about 89 and some cents a megawatt-hour. The new price will be 68 and some cents a megawatt-hour.

Ms Carlson: So, Mr. Speaker, then will this minister confirm that at that rate, because of energy deregulation bungling, Albertans are never going to see their electricity prices fall once again to affordable rates? Look at the price you're paying.

The Speaker: The hon. minister.

Mr. Lund: Well, thank you very much, Mr. Speaker. I'd like to thank the hon. member very much for that question, because the fact is that if it hadn't been for generation deregulation, we wouldn't have been able to enter into this contract because the small producers were not allowed to sell into the market. There was a cap uncovered, and this allowed them to come into the market, so there's hope for that break.

Don't forget, hon. member, that we own the green credits. The green credits are worth about \$15 a megawatt-hour. So the fact is that we will have that rate down to about 5.1 cents a kilowatt-hour, which is actually very much a good deal.

The Speaker: The hon. minister.

Dr. Taylor: Yes. Mr. Speaker, I'd just like to briefly supplement on behalf of Environment. You can see that I'm excited by this announcement today, and I'd just like to point out that for every one megawatt-hour we buy, it saves one tonne of carbon, one tonne of CO₂, one tonne of greenhouse gases. So this is very much a benefit to the environment. It is green and it is powerful and, quite frankly, the only way the Liberals will ever be green is green with envy.

The Speaker: The minister is not only excited, but he's also a fashion statement.

The hon. Member for Calgary-Currie, followed by the hon. Member for Edmonton-Glengarry.

Postsecondary Education

Mr. Lord: Thank you, Mr. Speaker. Many people in my constituency are wondering what is happening with education these days, and they wonder whether or not young people in this province are able to access the proper education or whether or not they're falling behind. Our government has recognized and is promoting the importance of education. However, one still often hears negative media stories of students being turned away or choosing not to attend postsecondary education. Recently Statistics Canada released the 2001 census data on education. The statistics include information about the level of education of Canadians and how much they earn. My questions are to the Minister of Learning. Can the

minister explain what this data means for Alberta and how our province compares to other provinces in terms of educational attainment?

2:00

Dr. Oberg: Well, thank you very much for that very, very excellent question, and I'd be more than happy to respond to this. Yesterday Stats Canada brought out a major report on the state of education in Canada. It's called Education in Canada: Raising the Standard. There are some very interesting details in that, and some of them relating to Alberta are nothing short of exceptional. I'll give you some examples. From 1991 to 2001 40 percent more people graduated from a trade school, college, or university in the province of Alberta. There was a 49 percent increase in the number of students who graduated from college and a 51 percent increase in the number of students who graduated from university. I think that this is absolutely exceptional. I'd like to be able to take all the credit for it, but the credit actually lies with our postsecondary education institutions and facilities and the excellent, excellent job that they are doing.

The Speaker: The hon. member.

Mr. Lord: Thank you, Mr. Speaker. To the same minister: so what does this data show about how Alberta compares with the rest of the world?

Dr. Oberg: Well, Mr. Speaker, I just happen to have that answer right here. What it shows first of all in Canada – and I realize that there are members of the federal government here, so everyone in Canada should be happy with this – is that 41 percent of the workforce population from 25 to 64 have a university or college education. That is the highest in the world, that is the highest in the OECD, and I think that we should all be very proud of that.

To put that into perspective, Mr. Speaker, the United States is at 37 percent, the United Kingdom is at 26 percent, and Japan is at 34 percent. So I think we are definitely going in the right direction. We are preparing our workforce for the educated world that is out there, and again I'd like to commend all the universities and colleges and postsecondary institutions in Canada for the excellent job that they're doing.

Mr. Lord: My final question to the same minister: given that there are always exceptions and that some of the most successful people in society don't always have that much formal education, what average correlation is there between education, lifetime earnings, and net worth?

Dr. Oberg: Well, Mr. Speaker, there is – and this has been proven time and time again – a direct correlation between education and lifetime earnings. I will add one thing though. The net worth tends to not be quite as direct a correlation, as many of us in this Assembly can certainly attest to. So that is not there, but the lifetime earnings certainly have gone up. The more education you have, the more lifetime earnings you get, and again certainly something we want our students in Alberta to strive for.

Untendered Contracts

Mr. Bonner: Mr. Speaker, it's amazing how this government operates behind closed doors and from under a veil of secrecy. It's undemocratic, and it's just not right. As an example of this behaviour, the Minister of Infrastructure refuses to let the public see any

documents relating to untendered contracts in his department. To the Minister of Infrastructure: why have you broken your promise to Albertans to govern fairly and transparently by denying them access to the records of contracts that were issued by your department but never tendered?

Mr. Lund: Mr. Speaker, a little background. What the hon. member is referring to is a written question that they placed on the Order Paper asking for a horrendous amount of information relating to the contracts that we have out there. We have a myriad of contracts. If the hon. member would be specific – what is it that he's looking for? – we'd only be too happy, but I cannot in good faith take good taxpayers' dollars and a whole bunch of book work that is going to yield nothing. We have little contracts out there where we simply set out for the most minor of things that we ask for, and we sometimes have contracts that are a little larger. But anything that's of any size goes out for either a tender or a request for qualifications and then an RFP.

Mr. Bonner: Mr. Speaker, to the same minister: what is fair and transparent government worth to this minister? According to the FOIP co-ordinator from his own department, these documents could be made public for less than \$6,000.

Mr. Lund: Well, Mr. Speaker, I would sure love to see what it is that he asked of the FOIP co-ordinator, because if he's specific in what it is that he's looking for, we'll provide it. But when you put just a whole blanket out there, I will not ask my staff to spend hundreds of hours looking for these little, tiny issues.

Mr. Bonner: Well, given that the research has already been done, Mr. Speaker, and that this minister has refused in the past to operate in a fair, democratic, and transparent manner, when can Albertans expect to see the contents of the documents relating to untendered contracts in this province?

Mr. Lund: Mr. Speaker, once again, I would love to see what it is that he asked of the FOIP co-ordinator, because if he was specific in his request and indicates that it was only a \$6,000 bill, why didn't he go ahead with it? Why didn't you ask then? Why didn't you get them to deliver it? Why didn't you go that route?

The Speaker: Hon. members, I should advise you as well that we do have a Standing Order that covers this last type of question. There was a decision of the House with respect to this motion.

The hon. Member for Edmonton-Castle Downs, followed by the hon. Member for Edmonton-Riverview.

Energy Prices

Mr. Lukaszuk: Thank you, Mr. Speaker. My constituents lately are inundated with information in newspapers, radio ads, and television ads with various companies promoting various contracts on energy. To the Minister of Energy: is there any objective information on which my constituents can make an educated decision whether they ought to follow some of the suggestions or not?

Mr. Smith: Mr. Speaker, as a matter of fact, at lunchtime I was going through the Department of Energy's web site where it talked about licensed retailers, talked about the ability for consumers to make choices, for consumers to be able to budget their bills, for consumers to be able to find the right energy mix for their particular circumstances. Now, that information is available on the Energy

web site, and in fact some 40,000 residential consumers in Alberta have already either purchased on a budget equalized payment plan or have purchased on contract.

This market, Mr. Speaker, is going to become more active, as we know. As we do that, the government of Alberta, the Department of Energy, will be very active in a consumer education program. In other areas where deregulation has worked, not as well as it has in Alberta, they found that one of the cornerstones of market success is consumer education. We intend to be full, we intend to be complete, and we contend that there will be adequate information out for all consumers to make wise, good choices depending on their individual circumstances. That's going to be the key: working with their utility companies or energy retailer such that they can make a good purchase. Our job has been to create through Bill 3 and Bill 19 a plateau, a menu-driven network where people can choose what's best for themselves.

The Speaker: The hon. member.

Mr. Lukaszuk: Thank you, Mr. Speaker. My first and last supplemental is to the Minister of Infrastructure. What is the minister's department doing right now to offset the high cost of energy that the school boards must face so that school programs need not be adversely affected?

Mr. Lund: Mr. Speaker, we recognize that there are some school boards that are having some difficulty, and we are monitoring that and asking them to let us know the severity of it. But I also want to point out that as of today the spot price of gas has dropped 50 percent from its peak, so it's headed in the right direction. I also know that many of the school districts had forward contracts as far as their electricity is concerned, so they knew what that number was going to be.

As far as taking funds out of the classroom to pay for utilities, no, the school boards cannot do that.

2:10 Asbestos Abatement in Calgary Hospitals

Dr. Taft: Mr. Speaker, under repeated questioning the Minister of Human Resources and Employment continues to provide nothing but vague assurances regarding asbestos exposure at the Foothills. The opposition raised this issue because we have obtained documents, many documents, and we've spoken with various people involved with these incidents. I'll be advising the people affected to contact his department but not until they speak with a lawyer first. To the Minister of Human Resources and Employment: how can Albertans take this minister's investigations seriously when the opposition, with very limited resources, finds more information and witnesses on both the Holy Cross and the Foothills asbestos contaminations in months than his entire department seems to have found in years?

Mr. Dunford: Well, Mr. Speaker, we have a workplace health and safety department, that is staffed by professional people. This department has been working with the Calgary health region and with the asbestos contractors I think since 1999 on this particular issue. I have given the word that I have received from the department about this issue in my place here in question period in previous situations. I also asked then that if they had information based on whatever research they have, whatever people have come forward to them, to please bring it to my attention and that I would make sure that it got looked at. I continue to wait.

Dr. Taft: Well, Mr. Speaker, we've done exactly that, so what

explanation can the minister give to workers like Ray Klaschinsky, whom we sent to him? This is a worker who faced substantial asbestos exposure at the Holy Cross, wrote the minister's department six weeks ago asking for help, and hasn't had any response. What's your response?

Mr. Dunford: The challenge was made by this hon. member to me a day or two ago, and my response still stands. I asked the member, if he had this evidence, to provide it directly to me, and I'm still waiting for that. Now, there have been I don't know how many letters that we would have that come to the department – that's right; I see you nodding – and that's exactly what I want you to do. We don't need to have any innuendo or anything like that about what might be happening elsewhere. If you want to make a direct accusation, then you present it to me, and we'll look into it. It's pretty simple.

Dr. Taft: Okay. So we'll carry on, Mr. Speaker. Will this minister commit to ensure here and now that all workers who have reasonable grounds to suspect that they've been exposed to asbestos at the Holy Cross and the Foothills will get the appropriate medical testing they deserve under the law in a timely manner?

Mr. Dunford: We have continued to operate within our mandate, Mr. Speaker, which of course is the law. The Holy Cross is now back on the table, then, besides the Calgary health region, and we continue to look at both of those areas. We will administer our own laws, and we don't need to be reminded by this hon. member to do that.

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

Natural Gas Rebates (continued)

Dr. Pannu: Thank you, Mr. Speaker. Today marks the second anniversary of broken promises and the continuation of this government's policy of high energy prices. Instead of its promise of energy rebates to offset natural gas price spikes, this government has delivered the highest electricity bills in Canada and a rebate program without rebates. Instead of helping Albertans to avoid frostbite in their living rooms, the government tells voters to look on the Internet for nonexistent better energy deals. Perhaps the government should advertise this new web site: www.untilthenextelection.com. My questions are to the Minister of Energy. What purpose does the rebate program without rebates serve other than filling up space on Tory election leaflets?

Mr. Smith: Well, Mr. Speaker, we'll look for that question under www.dumbquestions.com.

I will table at the appropriate time today the prices of natural gas from 2000 to the present time. If the member will go through the detail, the information that I will table, he will find that the prices in 2002-2003 are lower than they were in 2000 and 2001, and in fact the basis on which we struck the Natural Gas Price Protection Act was a strike price 5 percent lower than what it was in 2001 and one that has access for people, and it's very easy. It does work like a thermostat. It's just that the thermostat is in the middle of the door. It's not at the bottom of the door, and it's not at the top of the door. In fact, when the appropriate price is reached, rebates kick in. The money is then collected through the collection of royalties, and it fits inside the parameters of the budgeting process.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister. As early as next Monday's cabinet meeting this government could change its regulations and provide rebates. Will the minister tell Albertans why he won't or can't fulfill his party's election promise?

Mr. Smith: Well, Mr. Speaker, I'm sure if this government was to respond to every question every day in question period – why can't we change this, and why can't we change that? – we'd probably be like ND governments in other jurisdictions. For example, in Manitoba we don't even know how they'd price natural gas, but today the price of it is over \$10 a gj. So, in fact, as the member who was present, I hope, during the debate of Bill 1 in 2001 and read the press release of August 8, 2001, knows, this government reviews every regulation in a timely manner. The review for that regulation is scheduled to be July of 2003, and we will go through the appropriate process.

Dr. Pannu: My final question, Mr. Speaker, to the same minister. A dictionary in my office defines a lie as something meant to deceive or give a wrong impression. Doesn't this fit the Tory Party's rebate promise?

Mr. Smith: Mr. Speaker, I want to take this opportunity to stand and publicly recognize the importance of green power in this Assembly. In fact, the deal that was announced today, the energy price, would not have been available without the benefits of energy deregulation, would not be able to provide people across this province with the choices they have and with the ability to know that Albertans will always have good, up-to-date electricity; good, up-to-date transmission; good, up-to-date transmission facilities for natural gas; and they will always have natural gas because this province is looking ahead. It doesn't have the ability to look behind, as the NDs continue to point out.

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

External Legal Counsel

Mr. Rathgeber: Thank you very much, Mr. Speaker. My question today involves some recent media reports concerning legal fees for external legal advice related to the yet to be implemented Kyoto accord. These reports indicate budgetary items of approximately \$500,000, approximately half of which has already been spent. My questions are for the Attorney General. Why is the government obtaining the services of outside legal counsel rather than relying on the expertise and advice within its own department?

The Speaker: The hon. minister.

Mr. Hancock: Thank you, Mr. Speaker. The stories that were generated recently obviously came as a result of supplementary supply estimates in this House a week or so ago, in which we asked for and received permission of the Legislature to spend a supplementary amount of up to \$500,000 on external legal advice. We have, as I indicated in defence of our estimates at the time, a superb group of people who work within the Department of Justice who provide legal advice to government on constitutional matters, and we certainly have relied on their expertise and the expertise of that team in providing legal advice with respect to the Kyoto protocol and matters surrounding that.

Notwithstanding the excellent advice and the excellent support that we get from our in-house counsel, the Kyoto protocol is a matter of considerable importance to Albertans, and it could have a considerable impact on the Alberta economy. The government of Alberta and the Department of Justice quite prudently, I think, decided that we needed to look at all aspects to provide good corporate advice to all departments of government that were affected and to the government itself. You sometimes, in order to do that, need to have more than your current resources at hand and supplement those resources by going to external counsel, which is what we did in this case.

2:20

I might also say that it's sometimes prudent and was certainly prudent in this case to go to external counsel to have another look, another viewpoint at what we're doing so that we make sure we cover all the bases in providing that corporate advice. We had, in addition to external counsel, of course, the subcommittee of our External Advisory Committee, a legal subcommittee, which did not receive payment but which also provided legal advice and direction in getting on with how Alberta deals with the impact of the Kyoto protocol.

The Speaker: The hon. member.

Mr. Rathgeber: Yes. Mr. Speaker, to the same minister: what is the Attorney General doing to ensure that Alberta taxpayers are getting good value for the money they spent on outside legal counsel?

The Speaker: The hon. minister.

Mr. Hancock: Well, thank you, Mr. Speaker. This indeed is an important question with respect to any matter where we look for external legal advice in terms of monitoring how the files are handled and how the work is done on the files. I can assure the hon. member and all members of this House that we get exceptional legal value on this particular file because the file is of such signal importance to all Albertans and to the Alberta economy.

So while it seems like a lot of money – it is a lot of money to ask in terms of supplementary estimates in addition to the amount that we're expending through the use of our internal counsel. The value that Albertans get in having good corporate legal advice with respect to the Kyoto accord and the impact that it may have on our economy and on Albertans and the value that we've already seen in terms of the distance that the federal government has moved from the various positions they've taken over the course of the last six months to where they currently are, the positions they're taking in negotiating with industry in this province with respect to the targets that they might set – in all of those cases we can see both publicly and behind the scenes the value that Albertans have received from not just the legal advice but from the work of all members of the cabinet committee on climate change and all the departments of this government that have been engaged in this important discussion.

The Speaker: The hon. member.

Mr. Rathgeber: Thank you, Mr. Speaker. Given the government's occasionally unenviable record when it comes to constitutional challenges, can the minister advise how outside legal firms are chosen?

Mr. Hancock: First, Mr. Speaker, I'd like to address the preamble to that question because we sometimes get, I think, a bad knock for

the unenviable record, as he puts it. First of all, we don't take easy cases to court ever. The easy cases get resolved. It's the difficult cases that have to be litigated, so I don't apologize at all for the record of our department or of the external counsel that we hire.

Legal advice is not just about going to court. Legal advice is about assessment of risk and giving good corporate advice to government so that we can avoid risk where necessary and we can plan to deal with issues on a prudent and practical basis. Legal advice is not about going to court. Legal advice is about knowing where the risks are, knowing how to handle situations. It helps in the prudent planning of legislation. It helps in planning for whatever eventuality comes forward. The federal government in its lack of wisdom in this case did not set a strategy in place and say: this is the way we're going. So we had to plan for all the potential strategies.

But in terms of getting the right legal advice, we make sure that we go to the most competent people available, and when there are a number of competent people available, obviously other considerations come into effect with respect to timeliness, accessibility, affordability, and certainly to make sure that there's no potential conflict of interest.

2005 World Masters Games

Ms Blakeman: Mr. Speaker, the city of Edmonton is going to host the 2005 World Masters Games and is expected to put up \$2.6 million to host the games. It has been indicated that the province is also planning to fund the games to the tune of \$4 million. My questions are to the Minister of Community Development. Has any money from this year's budget been paid out or budgeted to be paid out to support these games before the end of this fiscal year?

Mr. Zwozdesky: Mr. Speaker, the World Masters Games are going to be one of the most incredible multisport events this province has ever seen, and I'm very pleased that the city of Edmonton took the initiative to put in the bid and followed that up with a visit to Australia, which I also was able to go on to help bring that good news here to Edmonton.

We did provide a commitment of, I believe, \$4 million or thereabouts to that very important event, and, yes, we have provided some budget moneys for it. I couldn't tell you if the cheque has actually been written and sent, but I'll find out for you. The short answer is: yes; we have budgeted for it. Whether it has been taken up or not is another matter. There are still some contingent moneys due from the federal government, and we haven't received anything in writing that I'm aware of that would effectuate a formal agreement in that regard.

The Speaker: The hon. member.

Ms Blakeman: Thank you. As part of the payment for hosting the games, has a portion of the funding been earmarked for a cultural component?

Mr. Zwozdesky: Thank you for that question. Yes, we are looking at a cultural component. As many members here will know, a cultural component does accompany virtually all of our sports events, and that's a good thing. The Canada Winter Games are an example; the Seniors Games are an example; the Arctic Winter Games are an example. We fund a variety of projects, and I'm very proud, actually, hon. member – and thank you for raising this – that we do emphasize wherever possible that culture is equally important and that it has a place within the overall celebrations of our sports events.

The Speaker: The hon. member.

Ms Blakeman: Thank you. I'm glad we could agree on that.

My final question to the same minister: will the government be smart enough this time to follow the example of the federal government by entering into an enforceable contract for a specific amount that is directed to the cultural component? You didn't do that last time. We didn't get the money to the cultural component.

Mr. Zwozdesky: Well, Mr. Speaker, we do build that in with the events that we sponsor or help provide money toward provincially. Now, as I've indicated in my first answer, we have not yet signed a formal agreement with all of the details. We have what you might refer to as a letter of understanding. We have a committee that has been struck and has met several times. We've referenced the cultural component, but I will undertake, in response directly to the question, to ensure insofar as possible and with whatever dollars we can allocate to it that a strong cultural component does surface within the World Masters Games.

The Speaker: The hon. Member for Wainwright.

Food Permit Fees

Mr. Griffiths: Thank you, Mr. Speaker. Several months ago the department of health allowed regional health authorities to charge food permit fees that range up to \$500 for handling, preparing, and selling food from scratch. My constituents have expressed concern that small restaurants, grocery stores, and bakeries are charged the same fee as their very large counterparts, who can absorb the fees more readily. My question is to the Minister of Health and Wellness. Will the minister consider changing the permit fees to reflect volume of sales of food so that our small business entrepreneurs will not be unjustly burdened?

Mr. Mar: Well, Mr. Speaker, I'd refer the hon. member to *Hansard*, issue 12 of the 25th Legislature, Third Session, Monday afternoon, March 10, 2003, at page 355, where I did answer a question from the hon. Member for Whitecourt-St. Anne relating to the history and the background of the charges for food permits. So for his information he may want to refer to that.

Now, it is correct, as the member says, that the cost of the permit varies between \$100 and \$500 depending on the class of business. So, for example, Mr. Speaker, for class 1, low-risk, prepackaged foods, the cost of such a permit is \$100. It ranges up to class 4, which is any establishment offering food through multiple venues, a fee of \$500. But the cost of the permit is related to the degree of risk associated with the food that is being vended. It does not relate to the volume of food that is being sold.

2:30

The Speaker: The hon. member.

Mr. Griffiths: Thank you, Mr. Speaker. I did refer to *Hansard*.

My next question, then, to the minister would be: will those small business entrepreneurs' concerns about the price of their fees be included in the review that's going on?

Mr. Mar: Well, Mr. Speaker, I did indicate in answering this question the other day that we are proposing modifications. We are listening to the concerns of Albertans, including the ones that the hon. member has mentioned. We've talked about, for example, exempting charitable and not-for-profit organizations that are selling

prepackaged foods and chips, licensed liquor stores and nonfood businesses that offer their customers food like coffee and doughnuts, perhaps an ice machine and vending soft drinks. Perhaps they should be exempted as well, but we're open-minded to modification of these fees.

The Speaker: Hon. members, before we go to the next item on the Routine, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(*reversion*)

The Speaker: The hon. Member for Cardston-Taber-Wamer.

Mr. Jacobs: Thank you, Mr. Speaker. I'm pleased today to be able to introduce to you and through you to all members of this Assembly 32 students and their 10 leaders from Taber, Alberta. These young people have traveled a long way to be here with us today and shown a great deal of persistence in making the trip. Their teachers are Mr. Pat Pyne, Mr. Nick Beer; parent helpers Mrs. Joanne Machacek, Ms Bonnie Elliott, Mr. Fred Williams, Mrs. Corinne Tye, Mrs. Sheila Heal, Mr. Rick Born, Mr. Ed Derksen, Mrs. Cheryl Domolewski. They are seated in the public gallery, and I would ask them to please rise and receive the warm welcome of this Assembly.

head: **Recognitions**

Second Anniversary of Election to Legislature

The Speaker: Hon. members, today, March 12, is the second anniversary of the right to the arrival in this House of some 23 members. A two-year anniversary is a very important anniversary, but I think I'll just recognize the group, the 23 new members that arrived. When it gets to be 12 and 20, then we'll probably write something else further in there.

To speak on behalf of the group, the hon. Member for Edmonton-Castle Downs is first.

Edmonton Firefighters

Mr. Lukaszuk: Thank you, Mr. Speaker. I would like to recognize today Captain Rod Kutney, Paul Hawes, and Jason Fiissel as well as Jeff Deptuck and Kurt Weare from station 5. These men are the five firefighters trapped and rescued while battling yesterday's apartment fire mere blocks away from our Legislature Building.

Mr. Speaker, firemen are a very proud group who may not often welcome accolades from others. However, I was filled with an uneasy feeling while reading about the rescue in today's newspaper. I imagined being trapped under a pile of metal, wood, and concrete. I imagined the smell of smoke and being trapped in the dark. I imagined not being able to yell for help because the mask I was wearing provided precious oxygen and protection from the rubble. I also imagined thinking of my family, especially my daughter.

We are all aware that working in dangerous conditions is always part of a firefighter's job, but I would like to recognize the heroic efforts of the firefighters who rescued their brothers as well as the five men trapped in the fight of yesterday's blaze. I understand that many firefighters feel that they are only doing their job and events as such just simply come with the territory, but to me yesterday's rescue was a sobering reminder of the dangers these men face every day.

Thank you, Mr. Speaker.

The Speaker: Also on his second anniversary, the hon. Member for Whitecourt-Ste. Anne.

Daryl Zelinski

Mr. VanderBurg: Thank you, Mr. Speaker. A young man from Whitecourt, Daryl Zelinski, just recently returned from running the Mardi Gras Marathon in New Orleans, Louisiana, on behalf of Team Diabetes and the Canadian Diabetes Association. To qualify for this marathon, Daryl raised \$6,500 and trained outdoors in Alberta's cold winter weather. As diabetes runs in his family, affecting his father and his two uncles, the cause was close to his heart. Twenty-seven other Team Diabetes members from Canada joined Daryl for the run of their lives with the other 2,000 marathoners.

Daryl finished 18th overall and was top Canadian. With a time of three hours, two minutes, 49 seconds he qualified for the prestigious Boston Marathon. This was only his second marathon, which is 26.2 miles, or 42.2 kilometres. Quite an accomplishment for Daryl, but the real winner was Team Diabetes, collecting \$165,000 in pledges.

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

Manor Village of Garrison Woods

Ms Kryczka: Thank you, Mr. Speaker. Last Thursday I was very pleased to speak at the dedication and opening of the Manor Village of Garrison Woods as MLA and as chair of the Seniors Advisory Council for Alberta. Statesman, a well-known developer in Calgary and Edmonton, is an authentic family-operated business with president Garth Mann continuing to pursue his vision of quality independent living for seniors in a community setting. Garrison Woods, their third Manor Village for seniors in Calgary, is a beautiful congregate living facility that provides excellence in housing design with an array of services to maximize personal independence, physical health, and emotional and spiritual well-being for its residents, and it is very affordable.

I was also very excited to learn about Dr. Mann's new expanded vision for seniors' housing, which, when developed in the near future, will provide an important bridge between independent living and long-term care living.

Congratulations to the Mann family for their continued commitment to community housing that provides Alberta's seniors with a quality lifestyle.

Thank you.

Edmonton Firefighters Red Cross Disaster Services

Ms Blakeman: Mr. Speaker, I want to take this opportunity to thank and recognize three groups who literally rush in where angels fear to tread. I'm reminded of the message often circulated after September 11 that the only people running into the World Trade Center buildings were firefighters and police officers; in other words, members of public sector unions. Yesterday again Edmonton firefighters ran into a building. They risked their lives as an apartment building caved in on them, and their colleagues worked to rescue them. Thankfully we have no loss of a firefighter's life.

I'd also like to recognize the Red Cross Disaster Services. These constituents hit by the fire are not wealthy, and they have lost everything, but am I ever grateful that we have the Red Cross at hand to at least provide assistance, temporary shelter, some replacement household goods and, most of all, personal support.

Finally, I'd like to thank in advance the people of Edmonton, who have always come through with great generosity to help folks recover from a tragedy like this. Thank you.

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

Members of the Alberta Legislature

Mr. Cao: Thank you, Mr. Speaker. Our parliamentary system has been proven through the test of time for over 800 years. Of course, it has evolved and become a remarkable, versatile, modern governance institution. Our province of Alberta has been blessed by choosing such a governance system.

Generally speaking, a system can only be as good as its components. I can say that our Alberta Legislative Assembly is the best and so are its members. First and foremost, MLAs represent their constituents. The MLAs earn their keep by making the views of their constituents known, by introducing bills, debating and discussing concerns with other members and various government ministries, but that's only a small part of the MLAs' work. MLAs perform most of their duties in their constituencies, out of sight of cameras and reporters, out of the dome. For 12 months of the year, all hours of the day and night, seven days a week they do their jobs with their ears, listening to the problems, the questions, ideas, and opinions of their constituents.

Mr. Speaker, today, March 12, is the second anniversary of the most recent election. I want to congratulate all members of the Assembly on their honourable commitment to serving Albertans with integrity and honesty and to protecting our parliamentary system.

The Speaker: The hon. Member for Medicine Hat.

Medicine Hat Curling Club Bonspiel

Mr. Renner: Thank you, Mr. Speaker. Curling bonspiels have been a long tradition in Alberta, a tradition that has been celebrated by curlers in Medicine Hat for over 100 years. The story of the first curling game in Medicine Hat is lost in antiquity. However, it is known that there was some play with, quote, iron rocks near the shoreline of the frozen river in the 1890s. This led to a turn of the century lean-to with two sheets of curling ice that hosted 18 rinks in the first annual bonspiel played in January 1903.

Over the years many things have changed. The club moved indoors in 1906. The new building solved a number of problems. However, on days when chinooks moved in and melted the ice, scheduling a bonspiel still was a little challenging. It wasn't until 1948 that ice-making equipment arrived. A new building in 1956, countless renovations, additions, and improvements, and the club continued to thrive until today. Throughout all the change there remained one constant: the annual bonspiel. A hundred years; a hundred bonspiels.

Mr. Speaker, please join me in congratulating Mr. Jim Poersch, bonspiel chairman; Mr. Des Grant, Medicine Hat Curling Club president; and all curlers competing this week in the 100th annual Medicine Hat men's curling bonspiel.

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

2:40

Edmonton Firefighters

Mr. Mason: Thank you very much, Mr. Speaker. Yesterday shortly after 11 a.m. an enormous fire broke out in an apartment building very close to this place. Edmonton firefighters were on the scene immediately. While working in the parkade of the building, the roof suddenly collapsed, trapping five of the firefighters. Fortunately there was no loss of life. All five were rescued, treated by Edmonton hospitals, and released.

This story reminds us of the heroes in our midst who are not always on the front page. They are heroes the minute they rush out to answer their community's call for help. They daily face risks in

order to keep the rest of us from harm. Mr. Speaker, they also face long-term risks in their profession, and that is why it is so important that this Legislature pass Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003. I am proud to rise and recognize these Alberta heroes, our firefighters.

head: **Presenting Petitions**

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

Mr. Mason: Thank you very much, Mr. Speaker. On behalf of the working poor here in Alberta I'm presenting a petition signed by 63 individuals from Calgary, Edmonton, and Fort McMurray. These Albertans are petitioning the Legislative Assembly to urge the government to immediately raise the minimum wage to \$8.50 per hour and then index it to the cost of living in a manner similar to that done for the salaries of MLAs.

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

Ms. Carlson: Thank you, Mr. Speaker. I'm presenting today a petition signed by more than 600 Albertans from all over Alberta who want to stop new development in the Kananaskis valley. They are urging the Legislative Assembly to

immediately withdraw the draft management plan for the Evan-Thomas Provincial Recreation Area and revise it so as to disallow any further commercial or residential development of the Kananaskis Valley.

head: **Notices of Motions**

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

Dr. Nicol: Thank you, Mr. Speaker. I rise at this point to give notice that at the appropriate time on the Order Paper I will rise and place a motion under Standing Order 40 before this House.

Thank you.

head: **Introduction of Bills**

The Speaker: The hon. Solicitor General.

Bill 26

Corrections Amendment Act, 2003

Mrs. Forsyth: Thank you, Mr. Speaker. I request leave to introduce Bill 26, the Corrections Amendment Act, 2003.

The amendments will hold offenders more accountable for their actions while in provincially run correctional facilities.

[Motion carried; Bill 26 read a first time]

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

Bill 28

Freedom of Information and Protection of Privacy Amendment Act, 2003

Mr. Lukaszuk: Thank you, Mr. Speaker. I request leave to introduce a bill being the Freedom of Information and Protection of Privacy Amendment Act, 2003.

The proposed amendments flow from the final report of the Select Special Freedom of Information and Protection of Privacy Act Review Committee. The report was tabled in the Legislature in late 2002.

Thank you.

[Motion carried; Bill 28 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that Bill 28 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Energy.

Mr. Smith: Thank you, Mr. Speaker. Further to question period today I'm tabling five copies of a document that's titled Natural Gas Prices 2000 to Present.

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

Dr. Massey: Thank you, Mr. Speaker. With permission I have three tablings, three letters that constituents have asked me to table on their behalf. The first is from Diane Coburn, who is concerned with the provincial government deducting dollar for dollar EI and increases of the child tax credit from social assistance benefits and AISH benefits. Her question is, "This seems like theft to me and I ask how the Klein government can get away with this."

The second letter is from Darlene Vinge. Darlene is concerned with the funding of public education, and she poses a question.

When will our government leaders stop seeing their perceived realities through rose coloured glasses? When will their arrogance end? Where is their social conscience? And what will happen to our children?

The third letter is from Mr. D. Vinge. It's a long letter addressed to Minister Oberg and asks for the minister to stop regurgitating statistics, and his quote is, "We need solutions."

Speaker's Ruling

Referring to a Member by Name

The Speaker: Hon. members, yesterday in the House a member of the opposition rose on a point of order with respect to the naming of names, and admonition was provided to the member who did do it. Now, twice today the hon. Member for Edmonton-Mill Woods mentioned an individual member by name. My phone will start ringing in my office about: why am I not enforcing the rules? So there was an admonition. The rule was that we do not mention names of members in the Assembly.

The hon. Member for Edmonton-Riverview.

head: **Tabling Returns and Reports**

(continued)

Dr. Taft: Thank you, Mr. Speaker. I rise with four tablings today. One is a copy of a letter to a manager in the workplace health and safety unit of the department of the Minister of Human Resources and Employment dated January 21, 2003, and he's asking for help. He has had no response.

The other three tablings are all related to education. I'm getting swamped with them. I've been asked by the writers to table these. One is to the Minister of Learning from Heather Waldie. It begins by saying, "I am appalled and saddened by your continued efforts to disregard the importance of funding education in this province."

The second is to the Premier from Melanie Shapiro. It's a long letter addressing the issue of public education as an investment, not an expense.

The final tabling is a letter to the Premier from Kelly Steeves of Malmo school raising issues around the formation of a new group called the Riverview Public Education Coalition.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I've got two letters. I'll be tabling five copies of each. The first letter is from seniors, 26 residents of Meadowlark Lodge. I received this letter in the middle of December. By then the House had risen, so I couldn't table it then. They wrote to me to make sure that the House knows about their concern about the hefty increase in their monthly rent. I'm sure that by now those increases have gone even beyond where they were then, over \$40. So that's the first tabling.

The second is a letter that I received. It says, "To Whom It May Concern," but I as an MLA received it. It's from Wendy Girletz from the small community of Cereal in the Drumheller-Chinook constituency. I just want to read the last few lines of it into the record, with your permission, Mr. Speaker. Ms Girletz says:

We as a community are tired of fighting to keep everything in this town and losing in the end. Many years ago we fought and lost our high school, two years ago we lost our elevators, this spring we fought and lost our health center, and now we have to fight again to keep our school.

She's suggesting that when she talked to her MLA, she said: you guys didn't holler and yell loud enough, so that's why you're losing your school.

Thank you, Mr. Speaker.

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

Mr. Mason: Thanks very much, Mr. Speaker. I'm tabling a letter from Margaret Fester dated March 3 and addressed to the Minister of Energy. She indicates that in her condominium her thermostat is set during the day at 68 degrees and at night at 62, but her last bill was still \$100.68. She writes to the minister and says, "It does not appear your theory is very effective. What is next, a toque, gloves and wool socks?"

Thank you, Mr. Speaker.

2:50head: Motions under Standing Order 40

The Speaker: Hon. members, on a Standing Order 40 application the hon. Leader of the Official Opposition.

Natural Gas Price Protection Act Regulations

Dr. Nicol:

Be it resolved that the Legislative Assembly urge the government to amend the regulations of the Natural Gas Price Protection Act to base the trigger price for rebates on a monthly, not annual, average price of natural gas.

Dr. Nicol: Mr. Speaker, under a Standing Order 40 application a case must be made that shows urgency and/or pressing necessity. The issue that I want to raise here in terms of urgency and pressing necessity is that the responses and the inquiries that we're getting from the public in Alberta are indicating that the high price of natural gas that is being experienced by users of gas in this province is really getting to be burdensome. They're looking at the bills that they've paid so far this winter, they know that their March bill is probably going to be higher, and they're very concerned that they don't have the money to make those kinds of payments.

But this is also a reflection of the fact that many of the seniors now are starting to call back in and say that they find that they don't qualify for the program that was introduced for seniors under the seniors' benefits program, that they are, in effect, on fixed incomes, and they cannot make a good case for keeping up their utility bills because of the cost and their fixed-income situation.

The other aspect is that many people on low income have no safety net, no mechanism through the government that they can access to get help, and their low-income status is creating a crisis. They're being faced with making choices about paying their bills versus other necessities in their life like prescriptions, like food for their family or themselves. This really puts them into a position where they feel that something needs to be done and done now.

Other groups that are calling in are talking about the crisis that it's creating for them as service providers to our community. One of the examples I talked about yesterday was food banks. This is a group that, in effect, is caught in a double position under the current high prices of natural gas, a double position because they have high utility bills now and they're getting an increase in demand on the services that they need to provide. So, in effect, they need to have a greater throughput of food, but they're being cut back in the amount of money that they've got because they have to pay those utility bills.

The other issue that comes up in terms of urgency is that we have at least one more month of high bills resulting from high consumption and the high prices, and that's going to be March. Because we've had reasonably cool weather the first two weeks of the month, we're looking at high prices, and when the bills start to come in, individuals who have in effect used up the cash reserves they have on their February and January bills will now be faced with: how do we pay those March bills?

The issue that comes up is: why do we have to debate this now so that we can make sure that the trigger is actually changed? It's an issue that we have to look at in the context of: what is best to provide the support to Albertans? Mr. Speaker, I suggest using a monthly trigger that's based on natural gas prices, and that in effect creates part of the urgency. If we're dealing with this on a month-to-month basis, using a monthly trigger, working in a relationship with the gas providers and the gas marketers, we can get the money to them at the time their bill comes so that it, in effect, provides them with timely support and timely rebates that will give them a share.

The issue comes up about: should we deal with this on a volume basis or a total bill basis? I don't think that's appropriate. The idea is that we've got to make sure that it's tied to price, because if it's tied to price, then what we show is that when prices go up, the royalties of the province go up and we have the actual money available to make those payments. So we don't want to tie it to a volume base that, in effect, could provide support as well.

Mr. Speaker, on that basis, you know, the idea here is to provide a sense of urgency, and in review I would like to say that there are a number of Albertans out there facing a real crisis trying to pay their February bills. Fear is prevailing in their minds about the March bill that could be coming yet, so if we don't put in place a workable program that will give them some support in the next week or so, in effect they will not be getting support by the time that March bill comes.

So with those arguments, Mr. Speaker, I ask everyone in here to give unanimous consent to support the idea that we need to debate this. We need to pass this motion so that the government will re-evaluate that trigger point.

Thank you, Mr. Speaker.

[Unanimous consent denied]

head: **Orders of the Day**

head: **Government Bills and Orders**

head: **Second Reading**

Bill 14 Securities Amendment Act, 2003

[Adjourned debate March 4: Mr. Hlady]

The Speaker: The hon. Member for Calgary-Mountain View.

Mr. Hlady: It's okay.

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

Ms Carlson: Thank you, Mr. Speaker. I was just a little concerned that we had yet to receive the bills that were tabled in the Legislature, and that was the discussion I was involved in.

Mr. Speaker, Bill 14, the Securities Amendment Act, 2003, in second reading is one that, generally, we are thinking we will be able to support. We've got a few questions, and I'd like to go through those.

To recap what this bill talks about, it's the Securities Amendment Act, 2003, and it provides greater protection for investors, which is a good thing. It's designed to allow Albertans improved access to capital markets. Perhaps given where they've been these last few months, it may or may not be all that great, but generally speaking we should have good access. Improved access is a good idea.

It's also part of an ongoing project between securities commissions across the province to harmonize Canada's securities regulatory system, and it represents really the initial phases of these changes. These new regulations are expected in the fall, and hopefully these changes that we see here now are not premature.

We saw with the beginning of the collapse of Enron that investor confidence in securities around the world had been, we could say, I think, Mr. Speaker, shattered. It illustrated the various loopholes that existed under securities legislation and tax evasion that could be used to deceive shareholders. It raised awareness with stakeholders that something had to be done, and securities commissions, mostly in the States, began to make small changes that would hopefully prevent another situation from occurring. However, another Enron-like occurrence happened when WorldCom collapsed last summer. This was even more spectacular and shed light on even larger loopholes that existed in the electricity market. Profits had been inflated, which meant that the company was overvalued, and once this was discovered, of course, the stock plummeted to next to nothing. This province had in fact invested in WorldCom, and we're not sure exactly what the total of some of the losses were there, but they would have been significant.

So these indiscretions of the companies in the United States caused the Sarbanes-Oxley Act to be passed, which made CEOs and CFOs personally liable for the financial statements. With the passing of the act, we saw the way paved for reform of security exchanges all over the world because it applied to all companies that trade in New York. Since the passage of this securities act commissions that operate outside of the United States have begun to undergo reforms to ensure that they are in line with the act and don't have any of the similar loopholes.

All securities commissions are a provincial jurisdiction, and Canada has begun this reform process as well. The federal minister has struck a committee and is looking at harmonizing and reforming securities commissions across Canada. Alberta is a leader in this field but has decided not to participate in the committee or even the process. So one of our key questions here that we hope gets

answered in committee is: why not? This government often talks about costs of duplication. This could be the case here. Will some of this work be redundant? Could it have been streamlined and more efficient if you worked with the feds on this? So if those questions could be answered, we'd be happy for that. But it is a good move, and I want to applaud them for recognizing as an issue that the Securities Act does need to be cleaned up, and we see some of the closing of the loopholes.

3:00

It tightens up the controls and clarifies the role of the Alberta Securities Commission and participants, and that's all good. But what about the ongoing harmonization project across Canada? The feds are in the midst of their consultation process, and that's a step in the right direction. Are we jumping into something before we know exactly where we need to go? We think that perhaps this bill is premature, and maybe what will happen is it gets held over. Do you think this bill is going to be held over to the fall?

Mr. Hlady: No.

Ms Carlson: No. Okay. Then we would like to have these questions answered when it gets to committee because the indication is that this bill will be passed somewhat quickly.

I just want to see if I've got any other questions that may need to be asked at this stage.

The government may tell us that the changes are mostly editorial in nature and that there really shouldn't be any debate on this bill, but we think that it is important to address the issues that we've talked about. We've talked to the Alberta Securities Commission, and they would like the government to give it new powers over public companies to prevent the kinds of scandals we saw in the past occur here, and the ASC would like the power to oversee corporate boards. Some of these additional powers are introduced here, but what we've heard from the commission, if we understood them correctly, is that they believe that further reforms are going to have to be made before this situation has been completely rectified. So if the government could address that in terms of what they see happening in the future or whether they recognize the Alberta Securities Commission's position on this, it would be helpful.

Mr. Speaker, if we can get those questions answered when we get to committee on this first, then we may see a fairly speedy passage of this bill in the Legislature. Thank you.

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

Ms Blakeman: Thanks very much, Mr. Speaker. I'm pleased to have this opportunity to speak in second reading on Bill 14, Securities Amendment Act, 2003. This is not a great area of expertise for me because I've never had enough money to invest, so I have some questions for which I'll apologize in advance to the sponsor. I hope they're not too obvious; they're not obvious to me. So bear with me, please.

The bill is supposed to be providing better protection for investors and improved access to capital markets and is part of a harmonization, which my colleague from Edmonton-Ellerslie was talking about. She was talking about the new federal regulations that are expected to come in and that hopefully this bill doesn't sort of contradict that. I'm interested that Canada did begin this reform process, as well, as a result of the fallout, as everybody has been saying, from investor confidence in security markets fading because of the behaviour of Enron and Arthur Andersen and WorldCom and Tyco and all of those ones that gave everyone else in the security

sector a very bad name because they deliberately cheated people.

So the feds have started this reform process in reaction to this. They're looking to harmonize. Alberta is pretty good in this field. Why isn't Alberta working with the federal government as part of a movement across Canada? We're such a leader. Why aren't we using that leadership with the rest of Canada? Instead, we're striking out on our own. I'm certainly sensing from some of the things that have been said in here in the last couple of weeks that there's a very strong separation streak in some of the members here. Is that why this is happening? He's shaking his head. Well, he'll give me an answer, then, when we get to Committee of the Whole. But I'm wondering why Alberta, who is a leader, is not participating in this at all.

There is a section here that is amending part of the financial matters re commission section. This is dealing with how the funds collected from the administrative penalties are spent. Right now this is spent for endeavours or activities which enhance or may enhance the capital market, and this is changing to only allow these funds to be spent to educate investors. Could I hear from the sponsor: what's anticipated here? Are they looking at public information or television commercials or leaflets stuck in your utility bill? How is it anticipated that these funds are going to be spent to educate investors? I think it's a great idea, and I'm glad to see it. I'm just wondering what's being anticipated here.

Now, when I look at the sections that are around the FOIP Act, I notice that there are changes in here governing whether or not information will be provided to or received from the bodies outlined in the section. Can we get some detail and explanation on what's expected to happen here? Let me back up. A number of times when you request information through FOIP and you're told that there's a third party involved, unless you get the permission of the third party, you're not going to get the information. Is this looking to sort of expand the definition of third party or expand the third party's participation in this? In other words, are citizens going to be able to have access to less information as a result of this or more or is it neutral?

The second FOIP amendment that I'm thinking of that really comes into play with business is the one about harmful to business interests, that the information won't be disclosed because it might be – and I'm not using the correct words – prejudicial to future business endeavours or something. Is that what's being contemplated here? So I'm just looking for some detail about what's being anticipated through this clause.

The registration section is also being amended, and it's eliminating the clause that lists the criteria that have to be met before the registration of a person or a company can take effect. So what happens now? If there's no requirement to meet criteria, does that mean that the registration is instant or doesn't require criteria or there are different criteria? I'm just curious about that.

Could I get some background, please, on the area that's talking about the types of parties not required to register before trading on the Securities Commission? Several of these types of trades and conditions have been removed, which indicates that they do have to register in order to receive this information. I'm not understanding why. Could you explain why?

Section 19 repeals a section in the Securities Act that requires reporting issuers that are not mutual funds to file financial statements every 60 days. Why is this being removed or lifted? I'm just looking for the explanation behind it.

I notice that again the power of the Lieutenant Governor in Council to make regulations is being expanded. I hate that. Now, I'm assuming that the argument here is that because the securities sector and the markets change so quickly, there isn't time to bring a

bill through the Legislature to address necessary changes, but I'd like to hear why. I really find that doing things by regulations is decision-making behind closed doors. The public doesn't get to scrutinize the arguments or the debates that happen around why something is put into place through a regulation. They're just told after the fact, and even then they're not really told. You're just supposed to know where to look to find out that something changed. It's very frustrating for citizens. So I am always going to be asking for justification when there's more regulation-making that's going on.

3:10

Finally, I'm noticing that the Alberta Securities Commission chairperson is looking for additional powers, and I'm sure that the member has been in close contact with this chairman of the ASC. They're looking for all kinds of things. I'm just reading from a newspaper article, but can the sponsor just talk a little bit about how far the government is willing to go with what's being suggested here by this individual? I guess that's not very fair if you don't know what I'm talking about. I'll table this for you or send you over a copy so you know why I'm asking.

So those are the questions that I had wanted to put on the record, and if the member is able to answer them at the beginning of Committee of the Whole, that would be helpful, and I thank you for the opportunity to bring forward those issues. As I say, I represent a very diverse community. We really go from people who live under the bridge, not trolls but people that don't have a home, to the folks that are living on Victoria drive in the multimillion dollar condos. There's some expertise in my community about investments, but an awful lot of people, myself included, just have never had the extra cash to be able to do this. This is a bit of a foreign world and a foreign language, so any clear explanations are most welcome.

Thank you.

The Speaker: The hon. Member for Calgary-Mountain View to close the debate.

Mr. Hlady: Well, thank you, Mr. Speaker. I do appreciate the questions from the Member for Edmonton-Ellerslie and the Member for Edmonton-Centre, and I look forward to answering them in committee.

[The voice vote indicated that the motion for second reading carried]

[Several members rose calling for a division. The division bell was rung at 3:14 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Amery	Hancock	Melchin
Blakeman	Herard	Nelson
Calahasen	Hlady	Oberg
Cao	Horner	Pham
Cardinal	Hutton	Rathgeber
Carlson	Jablonski	Renner
Coutts	Jacobs	Smith
Danyluk	Jonson	Strang
DeLong	Knight	Tannas
Doerksen	Kryczka	Tarchuk
Dunford	Magnus	VanderBurg
Fritz	Mar	Vandermeer
Goudreau	Marz	Woloshyn

Graydon Griffiths	McClellan McClelland	Yankowsky Zwozdesky
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Against the motion:

Bonner	MacDonald	Massey
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Totals:	For – 45	Against – 3
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[Motion carried; Bill 14 read a second time]

Bill 20

Alberta Municipal Financing Corporation Amendment Act, 2003

The Speaker: The hon. Member for Calgary-Mountain View.

Mr. Hlady: Thank you, Mr. Speaker. It is my honour to move second reading of Bill 20, the Alberta Municipal Financing Corporation Amendment Act, 2003.

The Alberta Municipal Financing Corporation Amendment Act, 2003, contains amendments that are designed to give the AMFC greater operating flexibility, Mr. Speaker. The AMFC Act was introduced and passed in 1956. The corporation was the first of similar organizations in North America. The act established the Alberta Municipal Financing Corporation, whose mandate is to help Alberta's local governments and other public service related entities gain access to capital markets at the lowest possible cost consistent with the financial viability of the corporation. This access is particularly helpful to smaller borrowers that would otherwise find it uneconomical to borrow on their own.

[The Deputy Speaker in the chair]

Since 1956 the corporation has made over 19,000 loans totaling over \$13 billion for roads and bridges, water and sewer projects, other utilities, schools, hospitals, and airport authorities. The act has not had a major restructuring or review since the early 1980s, and there is a need to reform the corporate governance of the corporation. Basically, the proposed changes are intended to make the corporation more flexible in responding to changes in financial markets and to modernize the corporate governance structure of the corporation.

In the current act the corporation's powers are specifically identified, and any changes that are needed because of changes in business practices, Mr. Speaker, require legislative amendments. Providing the corporation with natural person powers allows the corporation to react to changes in business practices or other forms of innovative financing while still complying with the overall mandate as set out in legislation. The natural person powers are the broadest in law and are the modern approach to corporate legislation. Corporate powers beyond the mandate could only be approved by the Lieutenant Governor in Council.

Legislation has also capped the total debt of the corporation at \$7 billion, thereby also capping its loan-making ability and the total guarantee that the province is susceptible to. Mr. Speaker, as at December 31, 2002, the corporation had debt and loans of approximately \$3.9 billion.

Another part of the modernization involves changing the name of the Alberta Municipal Financing Corporation to the Alberta Capital Finance Authority. The corporation's shareholders include postsecondary institutions, schools, regional health authorities, airport authorities, and irrigation districts. The term "municipal" doesn't reflect the true nature of these shareholders, Mr. Speaker.

Also, the term “corporation” isn’t widely recognized by international financial institutions like the title “authority” is.

To ensure that there is a reasonable turnover of the AMFC board members, Mr. Speaker, it’s proposed that a maximum term be put in place so that members serve no more than three 3-year terms. It’s also recommended that the minister have the ability to appoint the chair and the vice-chair. This proposed amendment is similar to what’s already being done with other Crown agencies, Mr. Speaker. Normal corporation bylaws are usually approved by the shareholders. Resolutions are normally approved by the board of directors. Like most Crown corporations only one set of policies is required, and therefore “bylaws” should be changed to “resolutions” to reflect the fact that the board of directors approves the overall policies of the corporation.

I urge all Members of the Assembly to support Bill 20. Thank you, Mr. Speaker.

3:30

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

Ms Carlson: Thank you, Mr. Speaker. Happy to have an opportunity to speak at second reading to Bill 20, the Alberta Municipal Financing Corporation Amendment Act, 2003.

I have a few more questions for this particular bill than I did for the other one. Generally we don’t have too many problems with it, but my first question comes with regard to stakeholder consultation. The stakeholders we consulted with, who were Alberta municipality kinds of associations, for the most part didn’t have anything to say about the bill because they weren’t aware that it was coming, so I’m wondering if the sponsor could elaborate on that a little bit and perhaps share with us those organizations that he did consult with in the process of this, because that seems unusual. Maybe we didn’t talk to the right people in the organizations, and until we know what the process was, I’m just a little reluctant to disclose who it is that has said they weren’t consulted with. Perhaps we didn’t talk to the right people.

Overall, this bill gives greater flexibility to the AMFC to distribute loans. It changes the name of the corporation, does quite a bit of housecleaning, and puts term limits on directors of the corporation. There’s greater flexibility in the mandate, and it’s good to see that some of this legislation has what is, in effect, a sunset clause in terms of reviewing what they’re doing, what their mandate is, and we applaud that kind of a process and wish that we could see it happen with more acts and certainly with regulations, which seem to be a big problem with this government in terms of renewal and looking at how effective they still are.

So what we have here is a provincial corporation that acts only as an agent of the Alberta Crown. It assists municipal jurisdictions within the province to obtain capital funds at the lowest possible cost through access to capital markets which would not be available to them on an independent basis. We see loans go to municipalities, school boards, and other local entities at interest rates based on the estimated cost for provincial borrowings with similar terms. All in all, a good concept. It was established in the mid-50s, and it issues various debt obligations to obtain the funds necessary, and they have the unconditional guarantee of the province. It was restructured in the ’80s, overall doesn’t have anything shocking in it and some interesting cleanup aspects to it.

Overall, we have a few issues, and those are in terms of delegating too much power to regulations. There are a few questions, and if I could put the questions on the record here at second reading and they get answered when it first comes up in committee, then perhaps we can move this quite quickly through the Legislature.

The first question is around section 3, where we see the definitions in the act, and most of the definitions are only a slight modification of those in the original one. We see new definitions being introduced for “improvement districts,” “minister,” and “special area.” Some of them are just modifications, but one of my questions is: why is the board of Northland school division No. 61 under the Northland School Division Act specifically cited as an educational authority? The definition of “health authority” is “a person, other than a regional health authority, that owns an approved hospital under the Hospitals Act.” Could you answer the question of whether or not this is a reference to privately owned hospitals? If not, what is the reference to? The term “resolution” is introduced here, and it replaces the term “bylaws” in many portions of the bill. According to what we hear, this is to reflect that these are approved by the board and not by the shareholders, which we understand and support.

Section 4. The name of the corporation is changed to Alberta Capital Finance Authority. It also gives the corporation the capacity and powers of “a natural person” but allows cabinet to make restrictions on these powers, rights, and privileges. The section also states that the corporation is not to engage in activity outside the business of the corporation. The ministry claims that by giving the corporation the powers of a natural person, the corporation will be better able to react to changes in business practices and forms of financing. We would like to see that justified. What’s the basis for this decision? Is there some background, or has it not worked in the past? If we could get some clarification there, that would be a little bit helpful.

The restriction that’s mentioned in the last subsection of this section which indicates that the corporation may not engage in “activity that does not pertain to the business of the Corporation” is good. It would seem like an unnecessary clarification, but I know from my past experience that this is actually a good thing to have happen.

Then if we go on to section 7, we see that this section repeals the original section 5 of the act, that talks about shares and their rights and so on both for class As and class Bs and class C and Ds. Our question is: why is this section being edited out entirely and not replaced at all? Some of the original sections here should be amended in the act, like the improvement districts’ rights – we agree with that – but we think the section should have been amended to conform with the new sections of the act, not just deleted. So if we could get some comments, that would be helpful.

Section 8(a) is fine, I think. Section 8(b) talks about an amendment that makes the wording say that the authority to purchase shares of the corporation may be given by resolutions “of the local authority or the Corporation.” The question is: why are you doing it there, and why shouldn’t the authority to buy shares have to be authorized by both the corporation and the local authority, not an either/or situation? Maybe we just don’t understand that, but if you could clarify that for us. It seems that the authority to purchase a share should be given the authority by the corporation. It’s maybe just confusing to us. If you could clarify that.

Section 11 talks about sections 10 to 13 of the original act being repealed, and now we see new sections to replace them. We understand that it’s largely a reorganization of the contents of the old act, and remuneration for directors and their services as well as travel and living expenses in the course of their duties is added. How that was handled before would be a question that we’d like to know. Why the reduction in the number of employees that the Alberta government can appoint to the board? It was three and now two. Cost savings or some other reason for that? If that could be answered. We see what’s repealed and added later on in the

amendment is that “the corporation is a Provincial corporation.”

Also, there’s no longer the provision that establishes how a person may establish the right to vote. Why did that happen? We think remuneration of directors is reasonable and a good idea. We’re hoping that the reason why you limited the number of employees that are directors is to establish more of an arm’s-length provision. Can you tell us why there’s no longer a provision establishing how a person may establish the right to vote in the directors’ election? We think there should be a provision requiring how this happens, so if you could tell us why that was left out.

Section 12 repeals the old sections 15 and 17. If we take a look at the amendment, it changes the term limit of a government-appointed director to three years from a potentially indefinite period and explicitly states that the directors are eligible to be re-elected or reappointed. It’s good to set terms for government appointments to the board. We think that that’s progressive and certainly support that, and it then hopefully promotes a review process for appointees. Could you tell us what that would be? Do you have some criteria established?

3:40

In section 15(4) you talk about: the terms of office are arranged so that the expiry of the elected directors’ terms will be staggered over three-year periods. So that’s the same as the original act. Is it necessary to have a staggered election format enshrined in the law? I can understand why you want to do that so that you’ve got some continuity on the board. That’s a good idea, but it seems like we see, generally speaking, that kind of stuff happen in regulations, and it seems to be interesting that it’s here at this time.

Section 15(5) to (7) talks about the consecutive year limits, and we think that’s good. A nine-year limit – so that’s three reappointments – is supportable.

Section 17 talks about the minister having the power to appoint the CEO of the corporation rather than having the board elect the CEO. I have a little bit of a problem with that. I think it’s good and it establishes a better arms-length kind of transition when the decision comes from the board. There is always the question of whether or not an appointment by a minister passes the smell test. Whether that is always at issue or not, it’s something that is talked about and there is concern about. So tell me why this happens. Is this a retirement spot, or is there some other good justification for why the board would not have an opportunity to do this? I think that is almost all of what I have to say.

Now, in section 15 where the section repeals sections 21 to 25 of the original act, we see an insertion of a section specifically dealing with the business of the corporation. So it repeals quite a bit of stuff there, and we see the inserted section indicating that the business of the corporation is “to provide local authorities that are its shareholders with financing for capital projects” and more information. My question here is: why shouldn’t the corporation have to include numbers in their annual reports anymore where we see this happen down in parts of section 25? We think that it’s very important to see the numbers in the corporation’s annual report, and we have quite a few concerns over them being deleted. This is an area where we might actually see an amendment come through in committee.

When the added section allows the corporation to act as a financial agent for the shareholding authority and also allows other businesses and services of the corporation to be described and authorized by the regulations, we have a real problem with that because this is the kind of stuff that we should see more detail in. The mandate has got to be straightforward and not have that delegated to the regulations. It’s got to be. This isn’t a change from the old legislation, but it should have been changed, we think. So if you could answer those two questions on that part.

Part of the part that’s repealed here is where it talks about “a

statement of the amounts borrowed by the corporation in any year shall be included in the annual report of the corporation” or “an estimate of the amounts required to be borrowed by the corporation in any year shall be included in the annual budget of the corporation for that year.” Now we don’t see those numbers, and if these dollars are backstopped by the Alberta government, which they are, then we think they should be available. So if the member could answer that, that would be helpful.

In section 16 we saw the subsections (2) and (4) of section 26 repealed, so if you could tell us why. This is an area that talks about the government’s guarantee to be endorsed on the securities issued by the corporation. Maybe there’s some technical reason why this is no longer relevant, but whatever the reason, if you could share that with us, it would be helpful.

Section 18 repeals section 28 of the original act, which talked about the corporation not accepting securities of a local authority unless all the requirements of the governing acts had been complied with by the authorities. So our question here is: does this mean that the corporation will accept securities from local authorities who have not complied with the requirements of the governing acts? Definitely we would see that as a wrong thing to do, but perhaps we’re just not interpreting this quite as accurately as the intent was.

Section 20 repeals sections 31 to 33. The changes we see here are that there is no explicit provision allowing the government of Alberta to purchase securities of the corporation instead of allowing a local authority to borrow money from the corporation by selling its securities. The local authorities can now “borrow money from the Corporation in any form or manner . . . acceptable to the Corporation.” No security provided by a local authority is invalid simply by virtue of failing to comply with statutory or other requirements related to this security. So is this good? I think we need some explanation here. Not requiring local authorities to borrow money by issuing securities allows the borrowing process to be more flexible, I think, is what I’m seeing here. If that’s the case, if you could confirm that. Not requiring them to conform to statutory or other requirements doesn’t seem very good, and we would like to have an explanation for that. It seems like you’re not requiring the securities to be legal in all aspects, and that seems illogical. I’m sure there’s some good explanation for that. That was repealing sections 31 to 33 of the original act. Maybe we just don’t understand that. It could be just that it’s not clear in how it’s laid out for us.

Section 21 repeals sections 34 to 36. There you’re dealing with the regulations for the corporation and loans to local authorities. The loss of sections is compensated for by a new section. What happens here is that the first added section indicates that the Corporation must adhere to . . . policies, standards and procedures that a reasonable and prudent person would apply in respect of a portfolio of investments to avoid undue risk of loss and to obtain a reasonable return.

Tell us why it needs to be in the act. It seems like there might be better ways of managing this. Perhaps this is a case, again, where regulations could be made respecting the corporation’s ability to make investments. If you could comment on that.

The part here where we see the added section on regulations that essentially says that cabinet can make any regulations they please, of course we’re not pleased with. Could you explain that to us, please? It looks like carte blanche for the government. Not that I would be untrusting. [interjection] Yeah. What’s my point? Exactly. You know, we just need to hear again why it’s so much more important to make stuff like this by regulation rather than having full and open debate. [interjection] Yes, well, that’s fine. Let’s hear it again.

I think that that pretty much explains the questions, and depending on what we hear in committee, we might have one amendment come

up here. Generally speaking, it looks like it's a bill we're supportive of. It was good to have some of the details that we got in the notes. We appreciate that and look forward to seeing what happens at the next stage in this bill.

With that, Mr. Speaker, I conclude my remarks.

The Deputy Speaker: Are you ready for the question? The hon. Member for Calgary-Mountain View to close debate.

Mr. Hlady: Thank you, Mr. Speaker. I look forward to answering all those questions, a couple of pages of them, for the Member for Edmonton-Ellerslie in committee.

[Motion carried; Bill 20 read a second time]

3:50

Bill 25 Class Proceedings Act

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

Mr. Rathgeber: Yes, thank you, Mr. Speaker. It is a pleasure to rise today and move second reading of Bill 25, the Class Proceedings Act.

As I mentioned during first reading, this act outlines the specific procedures for parties to follow when bringing class actions forward in our civil courts. Generally, a class proceeding is a legal action that involves a number of plaintiffs with similar claims against the same defendant or defendants. These actions may include mass disasters, defective consumer or industrial products, defective medical services, or misrepresentations of financial products or services.

Specifically, this bill does five key things, which I'd like to overview for the members of the Assembly today. First, the act creates a certification process. To become a class action, the proceeding must first be certified. Five criteria must be met for the court to certify a class proceeding. Number one, a cause of action must be disclosed, such as negligence. Number two, there must be an identifiable class of two or more persons. Thirdly, there must be an issue that is common among the class members whether or not that common issue predominates over issues affecting only individual members. Four, a class proceeding must be the preferable procedure for the fair and efficient resolution of the common issues. Five, there must be a representative plaintiff for the class.

Subclasses can also be created. Each subclass must have its own representative plaintiff. A subclass may be a group within the larger class that has common issues against a defendant that are not shared by all of the class members. Selection of a representative plaintiff is important, Mr. Speaker, and the act identifies three requirements for the representative plaintiff. The representative plaintiff of a class or subclass must be a person who

- (i) will fairly and adequately represent the interests of the [entire] class [or subclass],
- (ii) has produced a plan for the proceeding that sets out a workable method of advancing the proceeding on behalf of the class [or subclass] and of notifying class [or subclass] members of the proceeding, and
- (iii) does not have . . . an interest that is in conflict with the interests of other . . . class [or subclass] members.

In certain cases, Mr. Speaker, the court may certify a person who is not a member of a class or subclass as a representative plaintiff. The court may appoint an incorporated nonprofit organization as a representative plaintiff. If the court determines that the representative plaintiff is not fairly or adequately representing the class or subclass, the court may substitute another representative plaintiff.

Also, Mr. Speaker, the act sets out what a certification order must include. A certification order must describe the class, appoint the representative plaintiff, state the nature of the claim, state the nature of the relief sought, set out the common issues, state the manner and time in which a class member may opt out, and state the manner and time in which a person who is not a resident of Alberta may opt in. If a class includes a subclass or subclasses, the certification order must include the same information for each of those subclasses.

Mr. Speaker, the court may refuse to certify a proceeding or may decertify a proceeding if the criteria for certification are no longer satisfied. However, the act specifies that the court cannot refuse to certify only because one or more of the following may apply: first, that there is a claim for damages that would require individual assessment after determination of the common issues or that the relief claimed relates to separate contracts involving different class members or that different remedies are sought for different class members or that the number of class members or the identity of each class member is not ascertained or may not be ascertainable or, finally, that the class includes a subclass whose members have claims that raise common issues not shared by all class members.

Mr. Speaker, the second key thing that this act does is set out how a class proceeding will be conducted. The act requires common issues for a class to be determined together, then common issues for a subclass to be determined together, and, finally, individual issues to be determined unless the court orders otherwise. The court may stay or sever any proceedings related to the class proceeding. The judge who makes a certification order is to hear all applications that take place prior to the trial but cannot preside at the trial unless the parties consent. This is consistent with our current rules for case management.

Moreover, the act sets out how class members will participate in the action. Generally, the representative plaintiff conducts the case, making the decisions and giving instructions to the lawyer, but the act also allows the court to permit other class members to participate in the proceeding. The act indicates who is a class member, and the act sets out that an individual who is a resident of Alberta and who meets the criteria for the class is a member of the class unless they opt out of that proceeding. An individual who is not a resident of Alberta who meets the criteria for the class may, Mr. Speaker, opt into the proceeding.

The act sets out specific instances where notice is provided to class members. The representative plaintiff notifies the class members in three cases. First, notice is given when a class proceeding has been certified; second, notice is given when the common issues have been resolved in favour of the class; and third, notice is given when an application for certification of a settlement is made. The court will also be able to order that notice be given whenever it considers it necessary to protect the interests of any class member or any party or to ensure the fair conduct of the proceeding. The act sets out the details of what must be included in the notice in each case. The court must approve the content of any notice and the method of delivery before notice is given. Finally, Mr. Speaker, the court may order who will pay the costs of giving notice.

The third key thing that this act does is to establish procedures relating to orders and judgments given by the court in a class proceeding. The act specifies the details that must be included in a judgment on the common issues of a class or subclass, and it also states that a judgment binds every class member or subclass member.

Bill 25, Mr. Speaker, sets out the procedures that the court may follow to decide individual issues for class members or subclass members. It specifies the types of awards that the court may make and how they will be distributed, and it allows the court to make aggregate or lump sum monetary awards. The court may order that

the members of a class or subclass share in the award on an average or proportional basis or on an individual basis depending on the case before the court.

Mr. Speaker, the court may order that an award be directly distributed to each class member including crediting the class members as well as requiring the award to be paid into court or some other depository. The act also allows the court to make an order dealing with any unclaimed or undistributed amount of an award. The act requires that the court approve any settlement, discontinuance, abandonment, or dismissal of a class proceeding.

Finally, Mr. Speaker, the act allows orders or judgments under the act to be appealed to the Alberta Court of Appeal.

The fourth key element of this legislation, Mr. Speaker, deals with how costs will be awarded between the parties to the proceeding and the rules for contingency fee agreements in class actions. The court may award costs between the parties following the same rules that currently apply to other actions under the Alberta rules of court. Rules that apply to the content and requirements for contingency fee agreements also follow the same rules that currently exist in other actions under the Alberta rules of court.

As well, the act requires court approval of contingency fee agreements at two times during the proceeding. First, the class lawyer must apply for court approval of the contingency fee agreement prior to or at the time of applying for certification of the class proceedings. Secondly, Mr. Speaker, after the common issues have been resolved at trial or when a settlement has been approved, the representative plaintiff or the class lawyer must apply for court review of the contingency fee agreement. A further check on contingency fees is that if the court determines that the agreement should not be followed, it may amend the agreement and determine the amount owing to the lawyer or direct that the amount owing be determined in any other matter.

Finally, Mr. Speaker, the fifth key element of this act deals with the general issues such as limitation periods. It applies the Alberta rules of court to class proceedings except where varied by this legislation and indicates which proceedings the act may apply to.

Mr. Speaker, thank you for this opportunity to provide an outline of Bill 25, and I move adjournment of debate on Bill 25.

[Motion to adjourn debate carried]

head: **Government Bills and Orders**

head: **Committee of the Whole**

[Mr. Tannas in the chair]

The Chair: I call the Committee of the Whole to order.

4:00

Bill 19

Gas Utilities Statutes Amendment Act, 2003

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

Ms Carlson: Thank you, Mr. Chairman. It's a pleasure to stand for the first time in committee on Bill 19, the Gas Utilities Statutes Amendment Act, 2003. This is going to be a bill that is subject to a great deal of debate in this Legislature, and certainly, as we speak, amendments are being prepared for approval so that we can try to clean up what looks like a bill that is going to create more problems than it solves.

We heard some interesting comments when we spoke to it in principle in second reading, when certainly those of us on the side

of the House that I sit on were opposed in principle very much to seeing deregulation occur in gas in this province. They really see this as a companion bill to Bill 3, which is the electrical deregulation bill, and wonder why the government had to go here in the first place at this time. There is, I believe, a fairly good understanding in the communities that in order for this to become economically viable as a deregulated service in what is a very small market for outside players or those who currently play in this market in Alberta, we had to see the companion pieces of both gas and electricity come forward for deregulation so that companies looking at moving into the market could bundle services as compared to offering stand-alone services, and this is why we see this bill before us.

On the one hand, if we are going to be in a deregulated market, I do actually like to see more businesses rather than fewer offer services in Alberta. I do understand the cost efficiencies that occur when you talk about bundling services. If those were the only reasons for this government moving forward, then they might be supportable, but in fact we have not been convinced by anything that we have seen or that has been so far presented by either the government or by potential service providers that has convinced us that deregulation is going to decrease costs in this area.

What would have been a good transition for deregulation was when several years ago this government first brought up the idea to provide a framework for what the rules of the game would be. That would have been hugely beneficial because then those existing players in the market and those who are watching Alberta from the outside could have taken a look at the framework and decided then and there whether or not it was a market they wanted to be in, whether there was going to be a good transition phase put in place, and whether at the end of the day they could stand and actually make a profit and offer a good service.

That isn't what happened. The government put off making the decisions on how the deregulation process would move forward for literally years, Mr. Chairman. What happens then is: what business who has a profit motivation is going to invest in capital structure when they don't know what the rules of playing in the game are going to be? So all of the players, those that currently exist in the province and those who are looking at us from the outside, just sat back. They need some certainty in their life, and they need to know what the rules of business are going to be. They are not going to invest in megaprojects or even in small microprojects without having some kind of certainty, so they really had to see some of the rules of the game.

So why is that important to us as consumers? It's very important because if we don't have a streamlined process from the time that deregulation is started until the time it's actually implemented by the government, then we have a lack of investment. A lack of investment means a shortage of available power – in this case, it's a shortage of available gas – and what does that do but drive up costs for consumers, consumers being individuals, companies, schools, municipalities, and hospitals. That's exactly what we saw happen.

With the undercapitalization there wasn't enough quantity of product available to consumers when they needed it, and a shortage of product also pushes up the cost. Lots of demand and less supply: obviously, prices go up. Prices go up, and it's good for the companies, so they start to accumulate the capital that they need to capitalize to bring more power onstream. That makes it an attractive market for other global companies to come and take a look at Alberta, but it doesn't do any good at all for us as individuals. To add insult to injury, we're talking about driving up a cost which has traditionally been provided at a very low and sometimes subsidized rate, Mr. Chairman.

So we now have this interesting mix in the marketplace where we

have projects that were formerly subsidized by the government from a capital perspective, which gives those providers an interesting advantage in the marketplace. Of course, it's not an advantage that consumers benefit from, because the way the prices are determined is an advantage to those companies themselves. Did they accumulate that money in order to reinvest in the province? That's a good question, and I hope that somebody, maybe the Energy minister, can answer that. What it did do was certainly ensure that we had a great deal of uncertainty around all the decision-making, and that provided a very unstable market, which helped increase the prices.

Involved with that as well were some of the decisions that the government ended up coming out with on electricity, which have created some huge problems, and that is how they decided how they would eliminate monopolies and do what they felt was increased competition, and that meant putting a fence around what some of the companies could provide. So by doing that in a manner in which companies didn't have a lot of transition time between when they had to change the way they were providing a service and how they could then go out to the open marketplace, we created some real problems in the province around billings and compatible systems and things of that nature.

There's no guarantee that we're not going to see the same thing happen with gas utilities. I haven't seen anything yet come out from the government that encourages me that this is going to be a seamless transition. In fact, past performance by this government in any area would indicate to me that it's going to be far from seamless, and we're going to see any number of huge stumbling blocks as we move through this process. Who carries the burden for those stumbling blocks? Certainly, it is the consumer. So what we see here by the government's own news release is 900,000 natural gas consumers. It'll be open season on them for companies to come in and sell their natural gas to the consumers.

What we haven't seen in this process is any kind of education program by the government. When a service has been provided as a monopoly or in a monopoly kind of environment for decades, then if the government chooses to change the way that the service is provided, I believe that they have a fundamental responsibility to inform consumers of their new roles and responsibilities and rights as consumers in the new environment that they are going to be operating in, and that certainly hasn't happened here.

The problem is that the first wave of new companies in to try and supply consumers also includes a wave of less scrupulous organizations. People are out there to hustle the contracts and are middlemen and don't necessarily intend to deliver an excellent product with excellent service. When, in fact, people are locked into long-term contracts, there is no necessity for these companies to be supplying good product.

4:10

So we haven't seen any kind of an education program going out to consumers, which is, I think, a problem. Consumers need to know exactly what it is they're buying, where they can go for information on it, how they can line up the various companies and assess who's going to actually be here tomorrow, who's going to provide a good service, and who's going to have a customer service component to it that will be able to answer questions in a timely fashion, bill in a timely fashion, problem-solve in a timely fashion. We need consumers to be able to know how they get that information and how they compare apples and oranges. It's really easy to go into Safeway or IGA or Save-On and comparative shop between the apples here and the apples in another store. It isn't so easy to go to ATCO or AltaGas or any of the new companies that are talking about coming into the marketplace and compare them. People don't know how to

do it. They don't know where to find them, and they really don't know what questions to ask.

So we would expect that if this province really cares about consumers, they would have provided this kind of a background. It's not too late, Mr. Chairman. They can still do that, and we certainly would like to see that process happen. They need to know what competitive pricing will look like. They need to know the kinds of products they can expect and the kinds of services they can expect to be offered. They need to know how to actually compare them in terms of whether or not they're going to be getting good deals. I'm primarily thinking about individual consumers, households, when I say this, but we can't leave out other large buyers in this province, and we, perhaps even more than with individuals, need to be concerned about what uncertainty in the marketplace has as an impact on their prices and the long-term economic viability of those organizations within this province, on gas particularly.

I was just very recently out in Morinville talking to a business owner there who was absolutely beside himself. His prices for gas for two small retail locations had more than doubled over two years, and then in January the bill more than tripled, and he anticipated that in February, given what the prices were, he was going to go from having paid \$800 a month on average two years ago to paying \$5,000 in that month just for his gas. This was not the kind of business that can increase their retail price or attract more customers in order to pay that. He was very much concerned that he would have to close his business down. So that puts a large number of employees working at, essentially, minimum wage levels out of jobs in a town where there are not a lot of jobs available and his whole family, which was an extended family, out of business.

I'm sure that all of the rural members that we have represented in this Legislative Assembly are hearing similar concerns from small businesses in their jurisdictions, and I'm sure that, in fact, this person had talked to his MLA, who said that they couldn't do anything about it and was really quite unsympathetic to his situation. He really wanted to know who to turn to for answers and was really at his wits' end. I'm sure that people here in this Legislature are hearing those same concerns, and I would like to hear from them while we're in committee about what they're telling the people and the business owners in their area to do and how they think that they're going to solve this problem and when they think that we can see some stability in the marketplace and whether or not, in fact, they believe that prices are ever going down. It doesn't look to me like that's going to happen, and I really wonder what's going to happen to those small businesses.

I'm nearly out of time, so I'll have to wait until my next opportunity to speak to talk about what the small business associations are saying about gas and the impact it's having on small businesses and whether or not at this stage in the process they actually believe that deregulation is a benefit or a hindrance to their businesses and whether or not they believe that the pain is short term and that these issues will work themselves out over time and whether or not they believe they will be able to sustain their businesses for the length of time that it takes to get this worked out. I think that we may see a little more stability in prices in the future, but I sure don't think prices are coming down significantly or anywhere close to where they have been in the past, so that is a very big concern.

We had a great economic advantage here for businesses in terms of costs of operations. We're losing that advantage now. There are no two ways about that. We are seeing that all those things that were attractive for small businesses to stay and large businesses to re-evaluate where they were going to be located and to think about coming to Alberta are slowly slipping through our fingers. A lot of people say that the low cost of operations was a huge benefit and that

lifestyle choices were a huge benefit to relocating to Alberta, but we're seeing that the reduction in tax rates that the government promised hasn't come through.

We've seen, generally, operating costs increasing, so if our gas and utility rates are going to be as high or higher than other jurisdictions, who wants to come to a province where the weather always dips to 40 below at some point during the year, often for more than one period of time, and where we see a climate where you have to turn your furnace on, generally speaking, for four or five months out of the year, where there is no retrofit program, which is something that we see in all the states, which is a huge economic driver in terms of being a business attractor that has been lost here? Then on the general consumer side what's the benefit in coming to a province where your own personal expenses are going to be significantly higher than what they have been in other jurisdictions? Those are the kinds of questions that businesses are asking themselves, and they're seeing that when they add up the pluses and minuses of coming to Alberta, suddenly it doesn't look as attractive as it did two or three years ago. So we could hope that some of those questions get answered here.

I want to spend a little bit of time talking about the Alberta Energy news release that talks about how great the news is that natural gas consumers are going to continue to pay high prices. The minister talks about:

With more real-life experience, and the implementation of choice on the electricity side, government needs to update the rules to create a better environment for competition and allow more retailers to enter the market.

In fact, he's saying exactly what I had said, and that's that new people, new organizations, new retailers won't come into the province, into this market unless they see electricity and gas bundled because we just don't have enough people to make it viable, and that is essentially the biggest problem with deregulation. With only 3 million people in the province it just isn't sustainable, and it'll be interesting to see what kinds of packages we're going to have to see bundled together in order to make it attractive to people. That'll be very interesting to watch as it unfolds.

We see here that there are quite a few other things that they said that I have questions about, and that's when they talk about:

- align the retail natural gas and electricity markets and permit both commodities to be marketed together; and,
- enable firms other than utility companies to provide regulated gas supply service to consumers.

So am I going to be able to get my gas at the local video store, or is it going to be at the grocery store, or is it going to be with some other service that I currently pay for? What kinds of restrictions are there going to be? We see now already in this province people advertising who aren't licensed, and I find that to be a significant issue. I don't think the average consumer knows that that's occurring, and the government hasn't been able to give us any good information yet about why that is occurring. I don't think they want to, and I find it quite appalling that what we see are direct links to government web pages with some of these companies that are advertising.

Those are my comments so far, and I will be back, Mr. Chairman.

4:20

The Chair: The hon. Minister of Energy.

Mr. Smith: Well, thanks, Mr. Chairman. It is a privilege for me to enter into debate on Bill 19, Gas Utilities Statutes Amendment Act, 2003. This is a fairly minor piece of legislation that, in fact, does allow choice to continue, and it will help define market conditions. So I just want to reply to the member's comments and thank her for them.

Mr. Chairman, the member is absolutely correct when she talks about the value of a consumer education program. In fact, we probably haven't done as much as we could do, and we will do more. I would think that with the exception of maybe the Member for Highwood there's little knowledge that natural gas has actually been deregulated in this province since 1985. This is simply the final piece. So we'll take the member's comments into consideration with respect to building a consumer education program. She knows as well as anybody that a good market construct depends on good knowledge with the consumers in that marketplace, and we will ensure that that consumer education is there not only on the natural gas side but also on the electricity side.

Mr. Chairman, the foundation of these bills is to create an alignment of natural gas and electricity so that they can be picked off a menu in as simple a fashion as possible. I would emphasize that businesses, in fact, are asking for this because businesses always look for certainty and always look for ways to control their prices. The most popular way in Alberta of selling natural gas has been on a spot rate, and people now want to change that configuration.

Mr. Chairman, I am, however, driven to disagree marginally with the member when she says that the Alberta advantage is leaving us, and I can only quote statistics by august organizations such as the Canadian Imperial Bank of Commerce, that says that Alberta will lead the nation in growth next year at 4.9 percent. I can only quote the Department of Economic Development statistics where they come out and indicate that the business bankruptcies are not being driven up by increased energy prices and that, in fact, business continues to thrive here. It continues to grow here. In fact, Albertans continue to benefit from the fact that natural gas is priced at world markets because that's how we get our revenues. That's how the oil and gas industry, which contributes to over a third of this economy, brings its revenues into this province, by believing in free trade. So I would look forward to the member tabling statistics that indicate that there is a loss of the Alberta advantage, and certainly that's something we would look at.

I would also disagree on the drivers that motivate an economy. I think that an overall low tax rate, a government environment that does not pick winners and losers yet lets free enterprise flourish, lets free enterprise succeed but creates an environment that allows for the private sector to create jobs – there has been a record from December 5, 1992, to date that indicates that this province has been overwhelmingly the trendsetter across Canada. I would think that a 10-year record of job creation, to the point where there are now more people working in British Columbia and Alberta than the entire province of Quebec – a release today from Statistics Canada indicates that the educated are coming to Alberta as well as being educated in Alberta. Over 41 percent of Albertans have a postsecondary education.

The Member for Calgary-Bow was pointing out earlier today in caucus the salary levels that are being obtained by Albertans in an Alberta environment and that those who want to succeed can succeed. The fact that we are simply building on this 10-year record of success and a commitment by our government to free enterprise and a commitment by government to (a) educate its consumers, (b) allow market conditions to operate, (c) take advantage of international opportunity, and (d) provide a warm environment for people to educate themselves, bring up a family, and then succeed in their chosen endeavours I think is an important part of the Alberta advantage, and Bill 19 is simply one small but fundamental building block to that.

So we take the member's comments into account, and we will reflect that with a consumer education program, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. It's my pleasure to rise again to speak to Bill 19, and I want to deal with a few things. One thing that the Minister of Energy indicated, which I think is very important to this debate, is that natural gas in this province was actually deregulated in 1985, yet the interesting thing is that for a long time nobody noticed any change. Why the change was not noticeable is a very interesting little story, and I think it bears some telling.

Northwestern natural gas and Canadian Western Natural Gas, which later became ATCO Gas, at the time had a monopoly and they owned the distribution. They, in fact, owned their own supply, by and large. They had their own transmission and distribution systems, and they were the one-stop provider for natural gas, and they were regulated in order to protect the public against their monopoly. Then the government decided that they would deregulate gas and they would require Northwestern Utilities or Canadian Western utilities to transmit other people's gas, so you had much as you have with electricity under deregulation, sort of an accounting exercise. Whose electrons really are being moved? It really doesn't matter. You get the electrons or you get the ethane molecules in the case of natural gas, and it becomes an accounting exercise to keep track of who's buying it and selling it and receiving it and so on, but it's all the same product and moving through somebody's lines.

Then nobody to speak of after 1985 began to compete with what later became ATCO Gas, and why is that, Mr. Chairman? Well, the reason is that ATCO, like Canadian Utilities before it, was making its money on the distribution, and it got a reasonable rate of return. It was still a monopoly, and other people could in theory sell gas, but they would have to make a profit on the gas. They didn't have the distribution system, so they'd have to mark their gas up, but interestingly enough ATCO didn't mark up its gas. It made its money on the distribution, and it sold its gas on a flow-through cost at cost. It didn't make a profit on the gas. It made its profit on the distribution. So under those circumstances nobody could get into the market. It was technically deregulated, but they couldn't get into the market. Why? Because the gas was already as cheap as it could possibly be.

Now, whom does that benefit? It benefits all of us. It benefits farmers. It certainly benefits Alberta business and industry. It benefits the whole public sector because they all have the benefit of the cheapest possible gas. Whom does it not benefit? Well, obviously, it doesn't benefit any potential competitors who want to sell us gas.

4:30

Mr. Chairman, the government had to fix deregulation because it was working too well but not well enough for the people that wanted to make a profit on natural gas, big profits, I might add. So they had to dismantle that system because even though it worked for 95 percent of Albertans, it didn't work for the 5 percent of Albertans that this government really represents, and that's big oil, big business.

So we now have this situation. The government now has to separate distributors and retailers in order that everybody who wants to sell gas can't just do it by making money from the distribution system. They have to do it by marking up their gas. So everybody is now going to mark up their gas, and if ATCO or Canadian Utilities or any of these people want to be involved in the retailing of gas, they have to get out of the distribution business. That means that now there's going to be a markup on the gas where there wasn't before.

Now, Mr. Chairman, this is all entirely separate and different from the fluctuations due to market cost of the raw gas because of that other enormous mistake of the government, creating a North American market for Alberta gas. It also benefited the producers of the gas, and it has disadvantaged the 95 percent of the rest of us, with the important exception that higher prices seasonally provide revenues for the government, and those revenues come in part out of the pockets of Albertans who may or may not be able to afford the cost.

Mr. Chairman, if I can just get back to the situation that we have before us now, the government is deliberately through this bill creating a system in which there must be a markup on the gas where there wasn't before. Furthermore, they are creating layers of distribution, retail, and so on, so that each layer has its own costs, its own overhead, and its own requirements for profits. These profits and overheads are stacked one on top of each other, and they create a much bigger cost, which is of course passed on directly to the consumer. The government is in another way now contributing to the higher costs that Albertans have to pay to heat their homes, run their businesses, run their farms or, in the case of municipal taxpayers, run their cities, run their towns, run their libraries, their senior citizens' homes. All of these higher costs are being built into innumerable components that all come out of the so-called one taxpayer. This is obviously a bill that is not in the interests of most of our constituents, regardless of where you live in the province or regardless of which political party you represent. This is not in the interests of the citizens of Alberta as a whole.

It will create opportunities for some companies. So far, aside from ATCO, which has been here for a long time, the only people that seem to be taking advantage of this structure that's being created is, of course, the former British Gas, which was privatized by Margaret Thatcher, the patron saint of some of the members of this particular Assembly. [some applause] I note the great applause for Margaret Thatcher and her offspring, so to speak in a way, the Direct Energy company, which is now coming to Alberta.

So the higher prices that we have to pay as consumers in order to fuel this irrational plan will then be funneled into Direct Energy and go back to Britain, and all of the people that backed Margaret Thatcher are going to benefit from Albertans having to pay more for their own gas. So we become, in a sense, not hewers of wood and drawers of water but . . .

Mr. McClelland: Passers of gas.

Mr. Mason: The hon. Member for Edmonton-Rutherford says: we become passers of gas. I think that if this government is proud of that, then there are certain remedies that they can get at the drugstore that would take care of that problem.

But we do have a bigger problem, Mr. Chairman, and that is that the government is creating a structure that's far more complex than the one that went before. It not only produces higher prices for consumers, it not only takes some of the profits from the whole hierarchy of companies and exports them offshore, but it's immensely more complicated than the so-called regulated utility that went before.

We've seen the parallel too, Mr. Chairman, with electricity. When I was in my first part of the term before the last general election, I asked the Legislature Library and our staff to put together all the bills and regulations and orders in council that were in place to govern the electricity market when it was so-called regulated, because I remember Dr. West at the time saying that we were going to deregulate because we had a complex and cumbersome system for electricity, and it was very expensive to go to these hearings and

challenge. Companies had to pay money, and there were lawyers and accountants and consultants. It was all very expensive. You know, according to Dr. West, it actually cost several million dollars a year. Contrast that to the several billion dollars a year that Albertans are now paying for the so-called deregulated system. Anyway, when it came back, there were about three documents: a piece of legislation and a couple packages of regulations. If you measure the complex regulated system in inches of paper, it was about 2 inches of paper.

Then it took them some time to gather all the regulations and the acts and so on to cover the deregulated electricity system in Alberta. This is all just government regulation. This is not anything that's produced by the transmission administrator or any of those other strange, hybrid government creations needed to run the system but just the regulations of the government, the laws of the government, the orders in council, and so on. Mr. Chairman, guess what? It took two people to carry them all into this Assembly. I carried them down. I was holding them down here, and they came up to my chin. That is the deregulated system.

An Hon. Member: That's not very far to your chin. Your chin hangs down quite a ways.

Mr. Mason: Well, I would expect that it would come up to the minister's chin as well.

I think, Mr. Chairman, one of the things that's clear is that we have not deregulated electricity, and we are not deregulating gas. As the minister said, we actually deregulated gas in 1985. What we are doing is reregulating it in a complex and, I daresay, unstable system in order to allow companies to move in and extract profits from the system where they have no such opportunity now. That is in a nut exactly what this bill is doing. It has nothing to do with benefiting consumers in this province and everything to do with helping private companies extract more money from the pockets of Albertans. It does nothing more; it does nothing less. That is what this bill is about.

4:40

So I would say, Mr. Chairman, that it would be prudent on our part as an Assembly to consider whether we want to go down this road. Do we really want to charge Albertans more for gas than they're paying today? Do we think that Albertans want to pay more for gas or that they will be happy with us as elected officials if we allow a bill to go forward that is going to create increased costs as a built-in function of a new system? I think the answer is no. I think the public of this province would be and will be outraged to know that this government and this Assembly are prepared to structure something in which they get charged more for their own gas than they're already paying. I daresay that the people of this province believe that they're already paying far too much for natural gas.

I've seen a number of questions. I've been very pleased to see that a number of private members on the other side of the House have been either tabling petitions against higher gas prices or asking some somewhat pointed questions to the government about their failure to provide energy rebates and to deal with high energy prices in general. That, I think, Mr. Chairman, is a positive development, but if those same members cannot analyze what's happening in this bill and cannot see that this bill builds in in a structural way increases over and above the ones that have already taken place, then I don't think they have really thought clearly about the issue, and I think that their constituents will find their efforts lacking. So I would ask the members to carefully consider if this is the path they want to go down and whether or not this act is something that they want to take

to their constituents when the session is over or, indeed, in a year or two, whenever the next election is held, because I think it's contrary to the interests of their constituents, and I think their constituents will find that it is so.

Now, one of the features of the bill, Mr. Chairman, is what's becoming a standard feature of government bills, and that is what we call the shell phenomenon. The act creates, essentially, a shell in part of it which allows the government through order in council to determine the actual content of much of the bill. We saw with the bill that was introduced yesterday dealing with the rights of workers in the health care sector that it was entirely a shell. It gave all the authority to deal with this to the cabinet, which, as we know, meets once a week during the session and almost that much at other times behind closed doors and is able, then, to issue the regulations doing the things which really ought to be done by the legislation itself and debated in public by all members of the Assembly of all parties.

Now, let's look at some of the things that this act deals with by way of the shell. It's always interesting. One of the first places I always turn to in a new bill, Mr. Chairman, is to the section called Regulations. It's always a good idea to look at the regulations section of a bill because it tells you exactly what the government is going to be able to do without any further reference to this particular Assembly.

- 27.4(1) The Lieutenant Governor in Council may make regulations
 - (a) respecting the manner in which the functions of gas distributors, default supply providers and retailers are to be carried out;
 - (b) respecting the powers, duties, rights and obligations of gas distributors, default supply providers, retailers and customers.

It can authorize all of those to perform functions on behalf of the government. It can govern "the powers, duties, rights and obligations of persons performing functions" under the authorizations.

There's a long list, most of the alphabet, in fact, to go, so I would be pleased to stand up and finish my remarks a bit later. Thank you, Mr. Chairman.

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

Mr. McClelland: Thank you, Mr. Chairman. My friend from Edmonton-Highlands earlier invoked the name of Margaret Thatcher, Britain's Iron Lady.

Mr. Mason: Your patron saint.

Mr. McClelland: My patron saint – thank you – who dragged the British economy and the British psyche out the darkness of recession and despair into the sunshine of a renewed economy and a renewed confidence. One of the Rt. Hon. Margaret Thatcher's most cogent statements – and I'll paraphrase it – was that there is nothing done in the public sector using public investment that cannot be done more efficiently and better by the private sector, bringing the full weight of innovation, industry, and vision to the delivery of goods and services. Mr. Chairman, we would do well to learn from her, from her resolve, from her strength, and her vision.

Thank you.

The Chair: The hon. Member for Edmonton-Glengarry on Bill 19.

Mr. Bonner: Thank you very much, Mr. Chairman. [interjection] Obviously they do, but I would like to speak about Bill 19, the Gas Utilities Statutes Amendment Act, 2003. The natural gas industry in this province, Mr. Chairman, goes back much further than Margaret Thatcher. In fact, the first natural gas well in Alberta was found at

the Langevin siding by the CPR when they were drilling for water back in 1883. Certainly a long and storied history from that particular point about natural gas in this province.

Now, then, when I look at Bill 19, I look at something here that all Albertans feel very strongly about. I would just like to read a quote or two here. The quote comes from the *Calgary Herald*, and it reads:

Alberta is already renowned for its low home-heating prices. Soon, the claim that domestic natural gas prices will be the lowest on the continent will be incontestably true of Alberta. It is a fitting return on a resource that belongs to the people.

Now, as I mentioned, Mr. Chairman, this came out of the *Calgary Herald* of May 4, 1974, and this was certainly a different vision that the government of Peter Lougheed had for the residents of this province than what we have today. Further in this article it goes on, "As owners of the resource, though, Albertans shouldn't have to pay the full freight if they don't want to." Albertans today would agree with those comments.

4:50

Also interesting to note that at that time the Premier then promised both substantial increases in the price of Alberta natural gas and protection for Alberta consumers from those increases. So, certainly, then Premier Lougheed had this right, that, yes, Albertans do own a resource and that, yes, Albertans should be able to share directly in the ownership of that resource. It seems that we have this idea here in the province of Alberta, Mr. Chairman, that the rising tide lifts all boats, but the only boats that are being lifted in this province are the yachts.

We have the people, the disadvantaged people – the low-income people, seniors, people on AISH, people on SFI – facing unprecedentedly high costs of heating their homes without any rebate. So when they see a bill such as Bill 19, they can't help but indicate: "What is happening? We are sitting on this tremendous resource, yet we are not sharing in the benefit of it." Certainly, they have every right to be confused.

Now, when we look, we realize that Alberta produces over 80 percent of the natural gas in Canada. It is the world's third largest producer of gas, and it exports about three-quarters of production outside the province. Roughly 60 percent of the exports went to the U.S. in 2001 with the remainder used in Alberta and the rest in Canada. As well, I think that part of the confusion Albertans have is when they think that this natural resource, this great resource that we have in this province, is in short supply. Or is there a lot of it?

Again we certainly have confusion when we look at the Alberta Ministry of Energy's 2001-2002 annual report. In this particular report:

At the end of 2001, Alberta's in-place reserves of natural gas totaled 253 trillion cubic feet (tcf). Of that, about 200 tcf has potential for recovery under normal conditions, using conventional means.

Now, as well, when I looked at this, I thought: well, that is quite a lot of natural gas. Then I looked at what we produced in 2001 in this province, and it was 5 trillion cubic feet of gas. So if we have 250 trillion cubic feet of reserves, well, that's somewhere in the neighbourhood of over 50 years of natural gas in reserve.

I looked as well on the web site www.energy.gov.ab.ca and got some statistics from there, and this is where I was confused. Now, it says that the ultimate potential – and these are from their 2001 statistics – is 200 trillion cubic feet of natural gas, but then it goes on to say that the remaining ultimate potential is 94 trillion cubic feet. When we look at proven reserves of natural gas in this province, I think it's safe to say that we probably have under 10 years' supply of proven natural gas reserves in this province.

So what we have is a bill that is in front of us today where we have

certainly questionable reserves of natural gas, and we are going to open this up to choice. This would be good if the marketplace was not governed by supply and demand. As our reserves dwindle – and I think all members in the industry would certainly indicate that we do have dwindling reserves in the western Canada sedimentary basin – this bill will do nothing to address the fact that we do have a dwindling supply of oil and gas reserves. In fact, by swinging to this particular model, we will not provide those cheaper prices for consumers.

Now, as well, in looking at the issue of natural gas and the price of natural gas in this province – and again I went back to studies that have been done and looked at costs of natural gas – we look at, for example, that in 1998 the cost per gigajoule of natural gas was \$2.22. I looked at December of 1999. The price per gigajoule of natural gas was \$2.54. Then we move on to the year 2000, and in January of 2000 the price per gigajoule of natural gas was only \$2.50. As we follow along through the month-by-month pricing of natural gas in this province, we notice that in February it was up to \$2.52; March, \$2.72; April, \$3.10; May, \$3.35; June, \$4.33. Why did we get this sudden increase? As temperatures are increasing outside, we have a huge increase in the price of natural gas. It would seem to me that somewhere along the line the Alliance Pipeline must have had an influence, as well, on all of this.

Speaking of the Alliance Pipeline, I think that we also have to look, Mr. Chairman, at the amount of natural gas that is exported out of the province, and certainly in looking at that, 75 percent of our production goes out of province. Now, that leaves 25 percent of production for in-province, and that has a huge, huge impact on our petrochemical industry in the province, and the reason for that is that the natural gas liquids that we have in our gas here in Alberta are not stripped before that gas is marketed outside the province. I don't know where the people that negotiated for our natural gas to be exported to the States were when it came to this idea that we didn't need those natural gas liquids here in the province of Alberta.

A facility such as Joffre is a magnificent facility and those facilities were built in this province because of the foresight of Premier Lougheed many years ago. He certainly saw the value to Albertans of having a plant in Alberta where all of our natural gas would not be shipped to Sarnia or to the States or wherever to have it stripped and those stripped materials going into the petrochemical industry. So now we have this huge 42-inch line traveling from Alberta to Chicago, and all of our natural gas that is going through that line has not been stripped. It is no wonder that the petrochemical industry in this province is quite concerned about their future because so much of our gas is being exported. As well, at this point we cannot renegotiate the contracts to strip that material out of it.

5:00

Now, then, as I mentioned, the prices continued to climb from the middle of the year 2000 right up until December, when we hit \$8.28 per gigajoule. In 2001 is where we got the spike. In January 2001 the price per gigajoule was \$11.21. Certainly, it is no coincidence that through this particular period the provincial election year arrived.

Ms Blakeman: Oh, really?

Mr. Bonner: Yes.

Ms Blakeman: That would make quite a difference; wouldn't it?

Mr. Bonner: And it did make quite a difference. In fact, it made a difference that the government thought it was quite natural and quite

right to spend somewhere between \$4 billion and \$5 billion in rebates to Albertans and that they would forget this high price of \$11.21 per gigajoule.

Now, as well, if we looked at the prices that occurred in 2001 and we were to apply the same formula to rebates that apparently has been passed by regulation in the province, we would see today that, I think, we would not have met the same standards then that we do now for rebates. I don't have the figures in front of me for September, October, November, and December of 2001, but it's certainly something that I will be getting and I will be looking at to see if in fact we would have triggered this year average of natural gas prices so that people in this province would get a rebate.

One of the big changes in 1995 was that the Energy and Utilities Board got to set the rates, and they would do this every month. The system still worked well, and I think the Member for Edmonton-Highlands did an excellent job in indicating to all of us why the system continued to work very, very well even after regulations were changed in 1995.

We look at this legislation today, that members of this Assembly are being asked to pass, and what this legislation does is it guarantees profits to any gas distributor here in the province. This certainly isn't a free market model if you're guaranteed a profit. There's certainly no risk involved for companies that do get into the natural gas business in this province. So it is not legislation that is friendly to those who own the resource.

Certainly, when I look at this legislation – and I hear many comments from constituents. One is from the landlords of buildings, business establishments in the constituency, and they have grave concerns because the dollars that they spend to heat their buildings are enormous. They are enormous. For those that have been in business for the past decade, the prices they are seeing today are certainly quite different from what they saw 10 years ago.

As well, the higher prices have to be passed on to consumers, so certainly the consumer doesn't only see these prices reflected in whatever consumable products they happen to purchase, but they also see it in their heating costs and they see it in their gasoline. This strikes me as a bill that is so similar to what we witness at the pumps every time we go to fill up our cars, Mr. Chairman, in that irregardless of what company we have out there, we see that there are groups that do control the market. All raise their price and basically by the same amount at various times, and in those cases where prices do drop, those prices are also dropped at the same time and by the same amount.

I can't see where Bill 19 just by choice is going to lessen the price of natural gas, how it is going to benefit consumers, how those families in Alberta who are presently under greater financial stress than they've ever been before in the history of this province are going to get any benefits from this bill. So really what difference does it make if you fill your car up at Esso or Shell or Petro-Can if you're paying the same high price? That is exactly what people in this province are looking at.

So, Mr. Chairman, I know that down the road I'm going to get another opportunity to speak to this particular bill, and there are a number of points that I think are very, very important that the Federation of Alberta Gas Co-ops has brought up, and they certainly have some very, very serious questions that they wanted answered. They had made recommendations to the department and to the minister, and I don't know that those were ever addressed, but I welcome this opportunity to speak to the bill.

Thank you very much.

The Chair: The hon. Deputy Premier.

Mrs. McClellan: Thank you, Mr. Chairman. I wanted to make just a very few comments on Bill 19. There was a lot said about ownership of the resource, and I think it's true that Albertans are very proud that they own this resource, but I also think it's worth noting that the resource in the ground is worth absolutely nothing to Albertans.

An Hon. Member: Why?

Mrs. McClellan: Well, it's like having something in the cupboard that you know is there, and you really need it, but you can't get the cupboard unlocked.

So what do we do in this province? We sell the right to develop the resource, frankly, and that's where the benefit comes to the people of this province. If this resource stays in the cupboard, if you wish, with the lock on it and nobody has a key or you can't get in it, there is no benefit to Albertans. I want to remind all hon. members that the royalties that we receive on that resource are what help fund the programs that every person in this province holds so dear and assures that we have the quality of life not just for us but for our children and future generations and all of the things that we desire for our families.

5:10

To continually say that it's our resource and we deserve the benefit: of course we do, and we're getting it every day. We have a great opportunity to continue to develop this resource. So when you discuss that it's our resource and we should receive the benefit, I want everyone to look at the budget for health. This province has the best health system in Canada. This Capital region for two years in a row has been applauded and noted and said to be the best health delivery system in Canada. That's what this resource pays for, and the ownership of it comes back to the people of this province. So to say that this is our resource and we should get the benefit: ladies and gentlemen, we are getting the benefit today.

We have a learning system where through our postsecondary institutions and our schools we have the highest achievers. We have the best educated workforce in Canada. That's an asset, and we get it at a very small price.

Those are only two of the very large areas where we're able to return the benefit of this resource to the people of this province. So when we talk about ownership and we talk about the people receiving the benefit, I want to go on record as saying that I believe as a citizen of this province that we receive a very large benefit from the ownership of this resource and once we have it developed.

Mr. Chairman, I would like to adjourn debate on Bill 19 at this time.

[Motion to adjourn debate carried]

The Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report progress on Bill 19.

[Motion to report progress on Bill 19 carried]

[The Deputy Speaker in the chair]

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

Mr. Hutton: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration and reports progress on Bill 19.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.
The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that we adjourn until 8 this evening.

[Motion carried; the Assembly adjourned at 5:14 p.m.]

Legislative Assembly of Alberta

Title: Wednesday, March 12, 2003 **8:00 p.m.**
Date: 2003/03/12
[Mr. Shariff in the chair]

The Acting Speaker: Please be seated.

Hon. members, before we proceed, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

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

Dr. Massey: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to members of the Assembly a group of the 82nd Pathfinders. Their group leaders are Deena and Megan, with parent helpers Conny Pedde and Marion Reinhart. This group is working on their citizenship badge, and they're in the public gallery. With your permission I'd ask them to stand and receive the traditional warm welcome of the Assembly.

head: **Committee of Supply**

[Mr. Shariff in the chair]

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

Interim Supply Estimates 2003-04 Offices of the Legislative Assembly, Government, and Lottery Fund

Mr. Dunford: Mr. Chairman, with your indulgence, while I have the floor, can I act on behalf of another minister besides myself?

The Deputy Chair: There is no structure established for this procedure, so yes, you may.

Mr. Dunford: All right. I will make the request, then, on interim supply for both the departments of Human Resources and Employment and also Alberta Infrastructure.

As far as Human Resources and Employment is concerned, we need an interim supply amount to cover our expenses until the end of June. What we're asking for is approximately 25 percent, so we're asking for \$274 million. This is used to pay income support benefits such as SFI, AISH, and widows' pension; skills investments such as the skills development program; and staff salaries.

In the area of Alberta Infrastructure an interim supply of \$394.2 million for operating and equipment/inventory purchases to cover the following requirements: expenditures for infrastructure operations and ongoing commitments for the first four months of the fiscal year, which is approximately 33 percent; grant funding to health regions, school boards, and postsecondary facilities for projects under way; and start-up of new projects. Some examples are \$110 million for school operations, \$70 million for health care facilities, \$35 million for school facilities, \$30 million for postsecondary facilities. Also, a capital investment of \$13,997,000. This funding is required for land purchases, centennial projects, capital and accommodation projects, and the development cost of information technology systems.

Thank you very much.

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

Ms Blakeman: Thanks very much. Since we've leapt right into Human Resources and Employment with the minister also offering up information on Infrastructure, if I may, I'll ask questions specific to these departments.

I caught that the minister was referring to centennial projects, and I'm wondering if we can get some details on what those centennial projects are. We know certainly that in the arts and culture sector there were some centennial legacy projects that were approved, but I'm interested to hear that there are some falling under Infrastructure, and I'd like to hear what those would be.

Additionally, I'm questioning why the minister is requesting 25 percent of the budget for his department when in fact the time period that's being covered here is not 25 percent of the fiscal year. Why is he requesting additional money up front? Is there some additional payout or some additional program that is happening early in the year that he requires that money for?

So I'll just ask that couple of questions, and maybe I could get the minister to respond. I'll do more of an overview later. Thank you.

Mr. Dunford: I will have to take the question regarding the centennial projects for Alberta Infrastructure under advisement and get the minister to respond.

As far as what we're asking for: nothing unusual. We're talking about an estimate that would get us through to the end of June, so we're looking at the months of April, May, and June. If my math is correct, that's a quarter of the year, so that's the simple and the only reason that we're asking for 25 percent.

Ms Blakeman: In the preface of the document that's entitled 2003-04 Interim Supply Estimates, in the first paragraph it says that this is asking for money to support operations from the 1st of April, 2003, to June 15, 2003, so I recognize that I'm quibbling about a mere two weeks here. Nonetheless, you have asked for more money than is going to cover that.

Mr. Dunford: She's suitably embarrassed me over two weeks.

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

Ms Carlson: Thank you, Mr. Chairman. First of all, I'd like to make a few opening comments. We're here tonight to give this government approval to spend \$5 billion, and what do we get for it? We get one, two, three, four sheets. Well, they call it seven because they count the back page, that has nothing on it. Four sheets of information, one of which is a preface which really says nothing. Then we get a series of very flippant comments from the front bench ministers, who are getting all of this money, who can't even get their dates straight on when it is that we're giving them a quarter of their budget for the year or for almost a quarter of the year. It's absolutely appalling.

I have to say that in the 10 years that I've been in this Legislature now, they have an absolutely consistent record. Every year at this time they come back for more interim supply dollars. What does that mean? That means that they can't get their act together well enough in advance to be able to bring in a budget on time so that when the fiscal year starts, April 1, they actually have the money to operate. It's like these Pathfinders going to their parents and saying: I can't budget my allowance, so just give me four months in advance and trust me that I'm going to spend it wisely. Mr. Chairman, it doesn't work at home, and it shouldn't work here in this province. It's an appalling record.

This is, I think, the most money they've ever come for. What it tells me at first glance is that this year's annual budget is going to be at least \$20 billion, and they can't hire enough staff or work it out within their departments to be able to bring in a budget on time. Twenty billion dollars is a lot of money, and then we don't get any detail. In the time that it will take us to debate the other three-quarter part of the budget, we at least get two hours per department per day. We at least get some detail, and we at least get business plans, and we at least get some information from the ministers, not like tonight, when they just laugh their way through department after department. [interjection] Well, that's true. We do have a couple of ministers here who will give us some more detail, and I have to tell you that I'm looking forward to seeing that kind of detail, Mr. Chairman. I'm seeing maybe two – oh, well, there are three that we're looking for some detail from. Four, because we need money for trees and fish; that's for sure.

Dr. Massey: The dead fish minister.

8:10

Ms Carlson: The dead fish minister. The zero fish minister is closer to the truth.

But in terms of what we just heard from the prior minister, he talked for about two minutes on two departments. I have at least a few questions. I want to see some detail from the ministry that he is responsible for. Is this more money or less money than what you had in your department last year? Is this everything that you asked for? If not, why didn't you get the rest of the money that you asked for? I want to know about any new programs that you plan to start in that first quarter with the dollars that you're asking for.

For Infrastructure the same thing. More or less than last year? What are the priority issues going to be for the first quarter of the year? I think that's a fair question to ask for all the people in this province who are looking forward to seeing schools and hospitals and new repairs and old buildings being repaired. Those kinds of questions should be answered tonight, so I would ask that minister to stand up and respond, please.

Chair's Ruling Speaking Order

The Deputy Chair: Hon. members, this chair is a servant of the Assembly. In the absence of any established protocol of how this debate will follow, the chair is going to recognize a member of the government, a member of the opposition, and you can speak on any subject because there's no established order or protocol that we have with regard to how to proceed with the supply. So I'll be recognizing back and forth, and you will have the opportunity to rise again.

The hon. Minister of Aboriginal Affairs and Northern Development.

Debate Continued

Ms Calahasen: That sounds great. Thank you very much, Mr. Chairman. First of all, the Ministry of Aboriginal Affairs and Northern Development is requesting \$10,175,000, which represents 30 percent of the ministry's operating budget for 2003-2004. What we're looking for this money for is to pay for manpower, supplies, and services for the period April 1 to June 30, 2003. These operating costs will be consumed by the ministry in delivery of its five strategic priorities: the aboriginal policy initiative, otherwise known as the API; improved consultation with First Nations, as has been identified by a number of people; developing strategic relationships with aboriginal communities and organizations in Alberta; enhanced legal and historic research capability; and of course the development

of the north. Mr. Chairman, that will be the request from Aboriginal Affairs and Northern Development.

I would also like to represent the Minister of International and Intergovernmental Relations. He would like me to bring out that he is requesting \$1,940,000, which represents 30 percent of the ministry's operating budget for 2003-2004. It is required to pay for manpower, supplies, and services for the period April 1 to June 30, 2003, as well. These operating costs will be consumed by the ministry in delivery of its strategic priorities of co-ordinating and conducting intergovernmental negotiations, conducting successful international negotiations, and promoting and strengthening Alberta's international relations.

I look forward to the questions that may be coming our way.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I appreciate the opportunity to make some comments. It astounds me that we go through this process as we do. We're spending about a billion dollars an hour in the Legislature in the next two days, and when I think of how little scrutiny that spending will actually receive, I find it disturbing. I think of having come from local government and the kind of hours that are spent as school trustees and as local councillors poring over budget items and trying to make the best decisions and making sure that every dollar is well spent and how seriously that is taken at the local level. I can't believe that that's how we deal with billions of tax dollars in such a very short time with so little explanation.

The minister of human resources is here, and there are some really very, very critical questions about his department. Does this money, for instance, include increases for people who are on the SFI and the AISH programs? Those people are living on the edge, particularly with the increase in electrical and natural gas prices. The budget to those people is really a very, very significant document, and to have this before us and to have it projected to cover to June 15 without any more detail, I think, really lets groups like that down very, very badly. I think the government has an obligation to those groups to let them know what's happening. This is, as I say, really a disturbing practice, and it's one that every year seems to get a little worse. It puts the opposition and it puts anyone who would like to really closely scrutinize the budget in a really untenable position.

It'll be the beginning of April now before we get the business plans and the budget and are able to take and relate the dollars that are being spent or intended to be spent to the goals and to the past performance of various departments, and, Mr. Chairman, that seems to make a comedy of the whole business of preparing business plans and pretending that we're conducting government business in a responsible fashion. So I think my distress is distress that's shared by a number of members in the community, that we're forced to try to vote or not vote on such huge sums of money with so little detail.

I'd like to know, for instance, Mr. Chairman, about the Learning department and the kinds of increases that schools might expect, particularly for next September. We were at a meeting just last week where representatives of 38 schools in this city came because their schools are in the process of cutting teachers and increasing class sizes, and for those people the answers that they are looking for in the budget are really very critical. It affects the very lives of their children. Again, we'll have the money allocated to June when this passes tomorrow, and there'll be no answers for those people. I just find it very difficult to go to those people and explain what we're doing in the Legislature and even more difficult to explain how I as a member of the opposition had no greater input into the plans that the government has than being able to look at and criticize the kinds of things we have before us tonight.

I know that the government has to have money to operate, but it happens year after year after year. I remember as a school board member being frustrated when the same thing happened to us at the school board level with the administration wanting money before we had passed our budgets until we finally as a board just said: no; we're not going to spend a penny until we have the budget passed for the next year. That shook things up, and it was hard, I know, on administrators and people working with the system, but the change was made. Now I think it's a pretty well universal practice across the province that the boards have their budgets in place before a dollar is spent for the next year, and I need to be enlightened as to why that kind of planning is impossible at the provincial level.

Thanks, Mr. Chairman.

The Deputy Chair: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Chairman. We've now had two speakers from the opposition who seem to not understand the concept of interim supply, so I think it's perhaps prudent to spend a little bit of time talking about what it is that Committee of Supply is doing tonight. This is not a budget, as the hon. Member for Edmonton-Mill Woods quite rightly recognized although he was confused in some of his comments about it. The budget comes, as the Minister of Finance has indicated, on April 8 this year.

There are some good reasons why it's later than might otherwise happen this year. Sometimes the budget comes down two weeks after the House opens, and sometimes it doesn't. There's always good reason for the timing of a budget. Budgets take a lot of time to put together. There's an incredible amount of volatility right now in terms of markets and issues. As the opposition knows, as every member of this House knows, there are changes being made to the way we do budgets this year, and therefore the bill that the House dealt with earlier dealing with how we handle capital and budget capital had to be passed first. The opposition well knows that.

8:20

They also are, I think, acutely aware of the fact that their federal cousins came down with a budget at the end of February, and that budget very seriously has the possibility, at least, of impacting our budget because it speaks to how much money the federal government is putting into health care, and health in general is a huge part of the provincial budget. Even as we speak, I'm not sure that anybody could sort out exactly what the federal government has said with respect to what's new money, what's old money, what's indifferent money, and where it has to be spent in accordance with the protocols.

There are some very good reasons why you don't rush a budget to print without knowing at least as well as you can what your projections might be in terms of revenue, what some of your major expenditure items, particularly in health, might be, and how you might even perhaps look at your tax revenues and project those. So it's rather foolish to suggest that budgets have to come in at a particular time because April 1 is the start of the fiscal year and you have to have the budget passed so that you can start paying people.

We have a time-honoured tradition in not just the Alberta parliament but in all parliaments: the concept of interim supply. Of course, the people who work for government, the people who work for the people of Alberta have to be paid. The government continues, so you have the concept of interim supply. To suggest that we're spending a billion dollars a minute or whatever it was, a billion dollars an hour, and that we're not scrutinizing it appropriately in terms of Committee of Supply is a ridiculous assumption.

The budget is going to come down, and this Legislature will deal with the budget over 20 days as we always do, which is one of the more complete analyses of the budget, as far as I know, in any Legislature.

To expect, as is suggested by members of the opposition, that the budget should be prejudged in the interim supply estimates – with respect to what might be increased, what new programs might be in place, what people might expect in terms of what is in the budget – is ridiculous. Interim supply is just that: it's voting money so that government can continue to operate. The people who work for the people of Alberta can be paid for their work while we get on with the business of legislating, including passing a budget, which the Minister of Finance will bring down on April 8 and for which we will have plenty of time in this House. In fact, we always devote most of the spring session to the discussion of the budget.

So let's not pretend that Committee of Supply on interim supply estimates is anything more than what it actually is, which is voting a certain sum of money, in this case approximately a quarter of the year's budget, so that the business of government on behalf of the people of Alberta can continue to operate until the budget in its full and complete discussion through Committee of Supply can be dealt with appropriately and all of the issues and concerns that the people wish to raise can be dealt with in depth. That's not to say, Mr. Chairman, that Committee of Supply ought not to be an opportunity for people to ask important questions, so I'll sit down and see if some of those actually do come up.

Ms Blakeman: George Orwell must really be enjoying this. If I just heard the minister correctly, it's not reasonable for the people whose money we're spending, the taxpayers of Alberta, to know why they are being asked to okay a bunch of money in advance. Ten weeks worth of money, according to the first paragraph in the preamble of this document, for which people are blithely commenting that they're going to be asking for 30 percent, which would amount to four months, according to my calculations, which sure doesn't work out to 10 weeks. You say that this is for 10 weeks' worth of expenditure, but it's unreasonable to expect that we would have any kinds of targets, performance measurements, any kind of information about how this money is going to be used to tell the taxpayers: this is how we're spending your money.

This is unbelievable. I'm so glad those Pathfinders were in here, because they're going to be voting in the next election. [interjection] Yeah, they will be. They're over 16. Next election they're going to be voting.

I'm glad they were here to see how cavalierly this government treats their money and the money of their families. "Well, just give us an okay for it. We're going to spend a whole four hours talking about 24 ministries and some five billion dollars, but, you know, just give us an okay for this." I mean, honestly, all of you that are parents in here, would you hand over four months' worth of allowance to your child who needs it for 10 weeks without an explanation, without any kinds of targets, without any kind of discussion about how it's going to be spent or what they're expected to produce for it? This is astonishing.

Just this morning I was fortunate enough to have the Minister of Finance before the Public Accounts Committee, and we had a very similar discussion there in which the Auditor General admitted that yes, indeed, in the private sector this budget would have been ready and delivered two months prior to year-end. This coming from a government that is so keen on the free market, that is so keen on doing things like the private sector, but no, no, not when it comes to budgeting and money. With that, they're going to be late. With that, they're going to ask for 30 percent of the year's budget for 10 weeks'

worth of expenditure. So these two things don't compute. There's an inconsistency here with how seriously this government takes this budgeting process, this interim supply process, and what the rest of the world looks like. There you have your own Auditor General in the *Hansard* for Public Accounts this morning saying: well, yes, indeed, this is a problem, and in fact the budget should be delivered two months prior to year-end so you're not having to do an interim supply.

This government calls the Legislature in. Why doesn't this government call the Legislature in with enough time to debate the budget and have it in place before the fiscal year starts? Now, I've heard the excuse: gnash, gnash; wail, wail; the federal government is picking on us again. Oh, for heaven's sake. Suck it up. You can surely get your budget done and work out what you're missing. You do enough sup supplies in this place. You can easily go back and repair your numbers after the fact if there's that big a difference from what the feds are going to give you.

But let's look at the planning process for the entities that fall underneath this government. We now have RHAs who don't get their business plans approved until in some cases well into the second quarter. What kind of planning process is that? What kinds of restraints are we able to place on them? What kinds of targets are we able to have? How are we to be able to measure any kind of performance when in some cases we're not approving budgets for our regional health authorities until halfway through the year? What on earth – how out of control is this government? You know, \$5 billion for 10 weeks. This is astonishing.

Four pages. We have four pages of information here. Well, it's churlish of us to ask for more information than that because, gosh, it's an interim supply. This is ridiculous. The Minister of Finance is going to come forward with a new style of balance sheet budgeting or presenting of accounts, and I'd like to know from the minister – and maybe I'll get to hear this on the second day of two days with the supplementary supply – whether that new style and all of the rules and regulations that are going with it that we discussed in Public Accounts this morning and all of these new business plans and the budget are in fact going to be in place on the 1st of April. Are they going to be adhered to? Will everybody know what the rules are, or do they not kick in until after the real budget is done, which is somewhere in June or May according to where this government is going?

So every time you ask the Minister of Finance: well, what about this, and what about that, and how come there's a problem there? "Not to worry; we're going to have a whole new way of doing things." Really? Well, where is it? We will be six weeks into the fiscal year that she's talking about before we ever get to see all of this. There are no performance measurements, no goals, no targets in here. It's not prorated even to 10 weeks. I mean, I think any grade 10 math class you took this to would go: just a second here; what are they doing?

8:30

I mean, let's look at some of the things that the Auditor General has repeatedly said, in some cases over 13 times, that this government has been unable or unwilling to put in place. So far they have their own accounting system. Now, this supposedly is going to be changed. Well, we don't know. Is it the 1st of April? Is it the 15th of May? We don't know, and we're not getting any information about it tonight: just please give us \$5 billion for 10 weeks.

So several times the Auditor General has made recommendations that "the Department of Finance change the corporate government accounting policies to improve accountability." Well, why is that? Well, there are a number of things that this government is repeatedly

doing that don't jive with their much beloved private sector or frankly even with any other public sector.

What's the problem? Well, somebody said to me: "Laurie, when they go off and they make their very own kind of accounting, it kind of makes it look like they're trying to hide something, that if they did it like everybody else, somehow they would be exposed. Why do they keep choosing to run off and do their very own special one-of-a-kind accounting?" I said: well, I don't know, because the Auditor General keeps asking them to fall into line with this on the generally accepted accounting principles, also known as GAAP, and they keep saying, "We'll accept this recommendation," and it doesn't happen. Next year the Auditor General comes back again, says the same thing. The government says, "Yes, we accept this in principle," and it doesn't happen. Next year exactly the same thing. In some cases some of these recommendations 13 times, seven times, six times. You really wonder how committed the government is to following the recommendations of the Auditor General.

So what is it that's of concern here when they're not following GAAP? Well, we have things like reporting entities. Over and over and over again they say: you must give us consolidated financial statements; you have to include all of the money that the government is spending that's out there and how it affects everything that the money's going to.

"Certain entities have been inappropriately excluded from the reporting entity." This is from page 95 of the 2001-2002 Auditor General's report. "Financial statements should include all assets, liabilities, revenues and expenses in entities that ministries control."

They've listed reservations of opinion for the ministries of Health and Wellness, Learning, Municipal Affairs, and Seniors.

The CICA Public Sector Accounting Board . . . has initiated a project to assist in defining the reporting entity and another project to identify appropriate accounting policies to consolidate the entities.

Notwithstanding this, it still hasn't happened.

Assets. Over and over and over again you hear from the Auditor General that capital assets costing less than \$15,000 with useful lives of more than a year should not be recorded and expensed out in one year. The government keeps doing it. Why? Well I'm told by the Minister of Finance that we're going to have a brand-new way of doing this come the 1st of April. Well, the 1st of April is two weeks from now. What is the plan?

You're asking me to approve \$5 billion with no plan in place, but every time I question you about what your budgeting practices are you go: there's a new plan coming. What? You don't make sense anymore, and you're so arrogant about it, as though us asking to know what this money is being spent on is somehow out of line, that it's inappropriate for us to ask what this money is being used for and how. What are the programs? What are the measurements? How do we know if it was spent appropriately? Oh, tsk tsk, you shouldn't be asking us that; it's not a budget. What? It's \$5 billion. Of course, it's appropriate for us to ask you that.

All right; let's keep looking at the things we're asking about. That was the expensing out. Other assets are "misstated in financial statements." There are reservations of opinion for the ministries of Energy, Health and Wellness, and Sustainable Resource Development, problems in all of those not being addressed or at least not that I know of. "Liabilities misstated in financial statements." "Ministries revenue and expenses . . . reservation of opinion in the Ministry of Innovation and Science." I'm sorry; I missed the reservation of opinion in the Ministry of Justice and the Solicitor General and the Environment, Infrastructure, and Transportation.

Number five out of a list of six: discontinued operations, the Ministry of Agriculture, Food and Rural Development. Number six:

related party transactions, the ministries of Community Development, Health and Wellness, and Learning. That's pretty much gone around the world here, but somehow I'm not supposed to question this and question what the plan is for spending money because this is an interim supply.

Well, then, I go back to my original questions: why are we having an interim supply? This government has the total control to make sure that a budget is brought in and that we're in this House to debate it and pass it before the fiscal year starts, but the way the Minister of Justice is starting: "Well, no. Heck, nobody does that anymore. Gosh, no. I mean, that beginning of the year date really doesn't mean anything." We'll just kind of what? Roll through it, slide through it. But everything else is focused on that 1st of April date to the 31st of March. That's our fiscal year.

Well, a budget is a plan for spending money in a specific time period, and that time period is April 1 to March 31, so why aren't we getting a budget, Minister of Justice? Why aren't we getting that budget if we're supposed to be talking about that period of time? Why would you think it was acceptable to say: "No, no. We're just going to do an interim supply, and we don't really want to give you very many details, and don't ask for things like targets and performance measurements and business plans."

Business plans. You know, this government is actually ahead of the times on the business plans. You actually are. Good on you. But it's very frustrating when you've started an excellent process and then you've just left it there. You didn't cement the stuff in place, and you now face the possibility of slipping backwards in it. This sort of thing, an interim supply for \$5 billion that's going to run you 10 weeks into a fiscal year for which you're asking for 30 percent of the funding, is exactly the kind of thing that's going to lose your status there as a leader in this.

I know that the Minister of Agriculture, Food and Rural Development has been taking notes, and she's going to get up and answer this. I'm looking forward to it because it certainly is frustrating. [interjection] She's not going to answer it; she's going to do her estimate. Okay. Well, I'll look forward to additional opportunities to talk specifically about different ministries then.

The Deputy Chair: The hon. Minister of Agriculture, Food and Rural Development and Deputy Premier.

Mrs. McClellan: Thank you, Mr. Chairman. I am going to try and get specific and give some detail. We have been here 40 minutes, and I've heard one question, really. I think this is a serious process, and I understand that we have to have some discussion about the process. I've been in the Legislature for 15 and a half years, and many, many of those years have had a supply budget.

It's okay to hold your government accountable, but I've talked to a number of my colleagues in recent days and weeks because we're dealing with an agricultural policy framework. Agriculture is a 50-50 shared jurisdiction constitutionally, and a great deal of the discussions we're having will have a very profound effect on our budget.

The federal budget came in on February 18. Can anybody in this room remember when the last federal budget was? There is no set time frame, it seems. In fact, they go sometimes 18 months. But my colleagues tell me that some of them have not opened their Legislature yet, and their budget debate is two days. We could go back to that, but I don't think that was the best system. We could go back to A, B, C, D committees, which wasn't the most popular, where some of it was out of the Legislature room and some of it was in, and that would shorten the time frame. There are a lot of things we could do.

One of the reasons that we have three-year business plans – and

they are three-year forward not three-year backward. So you can look at the three-year business plan for my department, and you can see quite clearly what we anticipate for this year. Yes, there will be some fine-tuning, and, yes, there will be some adjustments in that to accommodate new programs such as the ones that we are dealing with in the ag policy framework. Yes, we have announced already changes to our crop insurance program, and those details will be updated in our new business plan.

We do three-year business plans for that reason. They are forward-looking, and they set out a three-year plan for the government. Circumstances will in some cases cause adjustments in that, but it is an overall government plan. So to look at 25 percent of the budget isn't, I think, realistic, and you will have that not in six weeks but eight days at least. By my calculations March 31 to April 8 is eight days, and then the budget will be presented with the business plans of this government. It won't be voted in that time, but it will be in front of you in that time.

8:40

This is probably the most transparent process of any government that I know of. I suggest to hon. members that you look at what others do and that we always look to improve what we do in this province, which is what this government has attempted to do and I think succeeded fairly well. I have not had one constituent call me concerned that we're doing interim supply. I have to tell you that in 15 years I have not had one constituent call me and say: why are you doing interim supply? I can tell you that the public that votes for 74 members of this government is much more interested in the overall government plan and then the detail of the budget.

So having said that, let's go into detail. First, I'll deal with Agriculture, Food and Rural Development, where we are requesting \$139,655,000. This funding is required to support our department operations until our budget and the estimates are passed, and of course that budget with our business plan will be tabled on April 8. Interim supply that we're asking for will cover these items. Manpower. We do feel that our very valued civil service should be paid on April 30. We do think that. We do think that all of the nurses, the teachers, the doctors, all of the people who work to provide services for the people of this province should get a paycheque. So I am asking you to supply part of that money to ensure that they do. There are related costs with that: supplies and services. There will be some capital acquisitions, very, very minimal, but there are also grant payments, and that's the part I'll get specific on in my department just to ensure that you are aware of this.

One of the reasons that we need interim supply is because we do pay many of our grants at the beginning of the year. This is an advantage to those groups, obviously. I'll list some of them for you. Irrigation districts. That plan has been in place for a number of years, and it varies little, very little. So if you look at what we've provided to irrigation districts for rehab and so on in the past years, you will be within a very fair range of that area.

Agricultural societies. All of those people who provide such valuable services to our rural communities and including the cities, such as Northlands – we all know what great work Northlands provides and the services they provide for both urban and rural – Calgary Stampede board, others like that. We do provide their grants early in the year.

Agriculture Financial Services Corporation. We have, of course, our crop insurance programs. All of our risk management programs with Ag Financial Services are lending both to producers at a primary level, our commercial division, and of course as you know Alberta Opportunity Company is included with Ag Financial Services. Those are some that we very specifically provide grants to

at the beginning of the year. I don't think you would want to change that practice. So those are the reasons that we would require \$139,655,000 for interim supply to get us through this period of time.

Now, I also have the honour of providing to you some information on Community Development, and with your permission I'll do that right now, and again I will give you some detail. This is for some short-term needs of the ministry, but mainly it's important to maintain our commitment to grant programs that support a diversity of recreation, sports, social, cultural, and heritage programs and activities through our lottery-funded programs. I know that members of the opposition support those programs, and I'm sure that they would want those grants to be paid so that that work can go on.

Certainly, our government recognizes the value of it, and as I said, I know that members opposite do as well, and it's important to support the army of volunteers that carry out those programs. That's what greatly assists the quality of life that we enjoy in this province. So I think they deserve this ongoing commitment, and I certainly support giving them their grants early in the year so that they can do that planning. Most of those organizations are operated by volunteers, and to make sure that their job is made less cumbersome for them would be helpful.

Another very important part of the interim supply for Community Development is the program for persons with developmental disabilities. I don't think that anyone would object to that being dealt with very early in the year.

Another one that's very near and dear to many of our hearts is our library operating grants. I think it's important that we do supply our libraries with their operating grants very early in the year so that they can continue their good work and know that our support for it is there.

Of course, finally, for all of the fine staff that do work in that ministry, we do want to see them have a paycheque at the end of April, as well, without any hesitation.

Those are the comments I would make. I will try to be more specific in both of those areas if I can and answer any questions, and I'm sure the Minister of Community Development will deal tomorrow with questions that I can't answer tonight. Anything that is required in detail on some of the grants in Agriculture, such as irrigation rehab, ag service boards, ag societies, and so on, I would be happy to commit again to providing how we provide those grants. If you want to know the process for division of those dollars, I'd be happy to provide that detail to you as well.

So thank you very much.

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

Ms Carlson: Thank you, Mr. Chairman. We'd like to thank the minister of agriculture for the level of detail she's provided here tonight. In fact, that is what we were expecting coming into the Assembly. We will save most of the detail of the questions for tomorrow afternoon, when it looks like there will be more time to get into them. In fact, she makes our point when we say that this budgetary process could be started a lot sooner and they could come in with the budgets because a lot of these expenses are standard operating expenses. They know ahead of time what the grants are going to be. They know ahead of time what the staff wages are going to be. It sounds like a threat when they come in here and say: well, we have to pay and we want to pay our staff; don't we? To think that by some chance we here on this end of the House could hold up an interim supply request and people wouldn't get paid at the end of the month is ridiculous, and definitely with proper planning we could see budgets hit this floor of the Assembly way sooner. If they weren't completely passed, they could be close to

being passed, and you could be making requests which, this minister knows, in the past have been for a lot shorter time period than the time period that we're talking about right now.

So don't tell us that because of us someone's not going to get their paycheque at the end of the month. That isn't what's going to happen. With proper planning, which other jurisdictions do – I don't think the feds do it either, so don't hold them up as an example. I agree with what you said there, but there are other jurisdictions in this country who do a very good job. [interjection] Well, let's take a look at the territories for one. They don't have the same kinds of problems that this government has here, and we see not this minister who just spoke but other ministers who've come in this evening who are absolutely, flagrantly arrogant about the level of detail that they'll provide.

8:50

When we see supplementary estimates come into this Assembly, we see some level of detail come in to back up the request. At least there's a breakdown in the program spending and in general areas and vote numbers, which is helpful. That information is already available to this government. They don't have to disclose secrets, and they don't have to disclose the big-ticket items or changes that they're going to make in whatever they roll out in the budget. For the most part the spending is consistent from year to year, and we could see that and have some detail if they think that we're going to be able to approve an interim supply for a quarter of the year's moneys prior to the end of this fiscal year. So I think that those are reasonable questions to ask.

This minister is one of the only ministers whose business plans actually make sense from year to year. With most of the other ministries you can't compare one year to the next. They say that they're three-year plans, but every year is the first year, and they reorganize the way the department is done. So it's absolutely impossible to find comparative figures. Those aren't business plans that are usable and workable like business plans are supposed to be. Those are figments of somebody's imagination, except in this department. This is one of the departments where you can actually have comparative figures, and I'd like to congratulate the minister on having done that work. It's gotten better over the years, not worse, and I have to say that in every single other department what we've seen before us has gotten worse, not better. So there's an example to follow for sure.

We also agree on this side that all grants should be given at the beginning of the fiscal year, but not just the grants. Other organizations that are dependent upon government funding need to know in advance so that they can plan their year. The biggest complaint we hear from the municipalities is that when they finally do find out how much they're getting, they only find out for the year. They need to do their planning cycles on three- or four- or five-year cycles. They don't get the information in time to be able to make good, consistent decisions and decisions that in the long run can save them money and talk about sustaining infrastructure over the long term. This government knows that those are concerns because I've been at meetings where those concerns have been given to the ministers responsible, yet we see a complete disregard for that happening.

So don't come in here and tell us that we're asking for too much information. In fact, we are asking for too little information, and I'm sure that all of these members that are here in this Assembly for the first time are appalled at the way this budgetary process operates. You couldn't do this in business. You couldn't do this at the municipal level. You couldn't do this in any other organization except a government that has had too much power for too long a time. They know that nobody's going to question what they do and

they're not going to go back to their home constituency and people are going to say: how come I don't know how much money I'm getting until one-quarter of the way into the year or more?

The day will come when people start to scrutinize what this government is doing, and they will actually realize what the Auditor General and other people have been saying about the planning cycle and what turns out to be the mismanagement of planning, and that has nothing to do with whether or not money is well spent. It's the ability to build a plan and to live by it, and that isn't very much to ask of a government that's asking for \$20 billion a year plus whatever other incidental spending they have.

Yes, it's true that the province doesn't know to the dollar how much money they're going to get from the feds, but they have a framework. They know in most areas the kind of spending that they're going to have available to them, and they can easily build a budget around that, Mr. Chairman. It is complete hogwash for the Government House Leader to have made the statements he did, that they can't do it. Everybody else in the world can do it. There's no reason why these people can't either.

When he was speaking, I was reminded of a breakfast meeting I went to recently where an accountant was talking about the implications the Enron fiascos have on the corporate world and how there was going to be spillover from that in the political world too in terms of how governments account for their money and don't account for their money and bring in budgetary processes, and I would suggest that this government, who likes to pretend to lead in all things, start to lead in this, and that's in responsible accounting.

I know that accounting practices for governments have been different. This government has told Albertans that they are going to try and follow business practices. Well, it's time they started to live up to that, and one of the ways that they can do that in a primary role is to start to account for their budgets in a timely fashion and bring them into this Assembly way before this time period. The minister of agriculture talked about how in her 15 years we've sometimes seen interim supplies come in at such a late date. I don't actually ever remember seeing a June date before, and I don't remember seeing this much money, but there have been many times when they've been able to do a way better job than this. This is one of the worst years on record, if not the worst year, and we will definitely be checking into that.

So I am hoping that the other ministries that stand up and have an opportunity to report tonight give the level of detail that this minister has so that we can have an opportunity to take a look at those numbers between this evening and tomorrow afternoon's sitting and at least be able to ask some reasonable questions. I really want the record to record that when I asked six questions of the minister of human resources, he refused to stand up and answer those questions in this Assembly. I hope he will reconsider that arrogance and answer those questions by tomorrow afternoon.

The Deputy Chair: The hon. Minister of Health and Wellness.

Mr. Mar: Thank you, Mr. Chairman. Like my colleagues I'm here for interim funding to meet our obligations to the public until we have an approved budget. I think that most members of the House would be familiar with the high cost of public health care. Our so-called free health care system costs this government and taxpayers approximately \$19 million a day, and that's just to maintain the status quo. The cost of running our health care system requires that I ask for interim funding of \$1.85 billion, enough to pay for health care until the end of June. This is prebudget funding, so like others who have commented on this issue I cannot give details now. Those will be available postbudget. This will give a good deal of time for

government to pass the Appropriation Act and still keep health care operating in this province.

Now, some may be tempted to anticipate health funding for 2003 based on this interim amount, but any extrapolation of the figures would lack accuracy. Last March my three-year business plan for 2002-2005 anticipated a 2003-2004 budget of \$7.11 billion. Of course, my final budget will reflect developments in the recent past; for example, the increase in federal support. However, details on my final budget and how it is allocated will not be available until budget day on 8 April 2003.

Colleagues, I stress to you that I'm not asking for an amount in addition to my 2003 budget. I only ask to advance one-quarter of my anticipated budget to cover the cost of health care for the first quarter of the new fiscal year. With access the number one issue in health care providing uninterrupted funding is essential.

Now, Mr. Chairman, the delay in our provincial budget is unavoidable if we are to table a budget that best meets the needs of this province and the people who live and work here. Interim funding for health care is equally essential so health services can continue uninterrupted until the budget is tabled.

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

Ms Blakeman: Thank you. Well, I appreciate it when a minister speaks for another minister, but seeing as we're not being given the opportunity to then question that person on the two portfolios that they brought forward, I'm having to go back one in order to question the Minister of Agriculture, Food and Rural Development on her presentation on Community Development.

I will note that in response to the comments that the Minister of Health and Wellness has made in which he's not going to give us any budget information at all for \$1.8 billion, perhaps what the government needs to consider doing is moving your year-end. If you're waiting on the federal money and that's your problem, then, you know . . . [interjection] It's not set in stone. Thirty five years ago this same government or the one before it changed the year-end date. If that's your big problem as to why you can't do it – and that's the repeated excuse that I've heard mentioned here – then look at changing the year-end date so that we can have this budget passed before.

9:00

Specific to Community Development. Minister, if I can ask you to use your seniority in that caucus. When you were the Minister of Community Development, you gave me a turnaround on questions that I asked within a couple of weeks before we had to actually pass the appropriation bill. Thank you for that. It allowed me to make a good decision and actually vote on the appropriation bill. Your colleague who you're speaking for tonight: please put pressure on him. It took me five months to get a response to questions that I asked last April. Not helpful, and if you're asking me now – we get two shots at this, two days of supply – I would like to have the answers to the questions that I ask tonight to be answered tomorrow. As far as I know, most of the staff that was there under this minister is still there under the current Minister of Community Development, so the expertise and the ability is still there to be able to do that kind of turnaround on answers.

What I'm looking for is the grant release dates, the cheque runs that happen: has that changed? My memory was – and I could be off on this – that for the Alberta Foundation for the Arts; Sport, Recreation, Parks & Wildlife; the Wild Rose Foundation; human rights, citizenship and multiculturalism education fund; particularly with the AFA there was a sort of advance grant that you got in, like,

March. Then once everything had cleared and the budget was settled and you'd submitted your plans for the following production year, you got a final of the money in about September and the fed money came in July. So I'm wondering if the grant deadlines have been moved around here. I'm not remembering a schedule that would be releasing the grant money. I'm assuming that we're talking operating grants, but maybe I can get an answer on that as well, whether it's the operating grant money that's going to be released between the 1st of April and the 15th of May or the 15th of June, whichever date you want to take here, or the project grants. Perhaps it's both. I know that in addition we've got the individual grants that would be talked about here. So if I can get some information around that.

The library grants. Has there been a settlement about changing the way these grants are calculated? For some time there's been a lag. The calculation on the per capita was based on years too far back to be helpful for fast growing communities like Grande Prairie or even Fort McMurray. We were based on 1997 figures as recently as 2001, I think, and the money that was therefore based per capita was just insufficient to run the library. Has there been a change in the formula? Has it (a) been updated to more recent per capita figures, and (b) have we changed the amount per head that is being allocated here?

Persons with developmental disabilities. I understand that there are changes being contemplated. We've got legislation that's coming that's going to affect this. I'm wondering about the way these grants are going to be allocated, and, again, since we're doing, according to what I'm being told here, a quarter of the year, how are these grant programs working, then? Are they going to give out a quarter of the grant and then come back later and do the other two-thirds, or are they going to up-front the money? There's not enough money to cover all the grants that need to be put in in that six weeks, so I'm not sure what's happening there.

Now, there were also some problems and reservations of opinion that we got from the Auditor General, and I'm wondering if those have been dealt with in the context of getting this advanced money into the year. We have got an underestimation of the ministry's cultural facilities that are operated with the assistance of volunteer societies. These are the friends-of groups, I'm assuming, that the minister set up when she was in that department. The ministry has not included the revenues, expenses, and surpluses. Therefore, the Auditor General estimates that the ministry's revenues, expenses, and net assets are understated by a lot of money: \$3.8 million for revenues, \$2.1 million for expenses, and \$3.1 million for net assets. So how is that affecting the budgeted amount? If you're asking for a quarter or 30 percent of the money for the year yet this money is underestimated, what's going on? How are these calculations being worked out?

The historical facilities that used to be operated with the volunteer societies and now the ministry and the historic resources fund have recorded accumulated surpluses that have been returned to the ministry in the sum of \$385,000 as deferred contributions. The fund has not recorded the surpluses at all if the volunteer societies have not returned the funds. So we've got unreturned surpluses totaling at least \$223,000. Does that mean they're not going to get a grant out of the money that we're talking about here? They're supposed to work on their surpluses? What sort of arrangement is being made with these organizations? You're right. For those groups that really operate during the summer – and that, I think, affects more dramatically the groups that are part of a strong tourism endeavour like museums and historical sites – they probably do need their grants up front. How is this being resolved? Does this mean that, you know, we're going to hear that the Torrington Gopher Museum is struggling because they don't have their grant up front because they had

a surplus that has been returned in a different bookkeeping year or something? I just want to know how that's all going to be worked out.

I'd like to know if in the money that's being expensed out here, being granted, there will be any expenses of capital assets of less than \$15,000. The reason is that the government is constantly criticized for just expensing out capital assets that are bought for less than \$15,000, and the Auditor General really wants those recorded as a capital purchase, which can be depreciated and amortized over a period of their useful life. I mean, something you spend \$14,000 on, for example, isn't usually used up in a year. It has some life beyond that. So as part of this money that's being granted forward, some of it is, I note, for capital purchase. Capital investment, \$265,000. Are any of those specific amounts that are under \$15,000 for capital assets?

I also want to know what kind of money is being granted as part of this \$209.5 million that is toward legacy projects, the same question that I asked the Minister of Infrastructure. What kind of program is in place around this? I know there was some seeking of information. The spouse of the Premier was heading up a group that looked at possibilities. There was a granting of several organizations with significant amounts of money, and then a granting process was put in place. So where are we with this legacy thing? It was happening, and then it wasn't. It was on hold. Do I take it, then, that it's happening again? Can we get some specifics about how much money is allocated there?

So those are the specific questions that I'm looking for information on for Community Development. Thank you.

The Deputy Chair: The hon. Minister of Seniors.

Mr. Woloshyn: Thank you very much, Mr. Chairman. I think it should be re-emphasized that interim supply is just what it means. It's the cash needed, if you will, to make sure that there's continuity in the operations of the government. When the final budget comes through with the business plans, that also will include whatever has been appropriated through interim supply. So to carry on and on and on about asking for these great megadollars makes it sound like some sort of an underhanded plot to deceive, which I think is quite unfair and unreasonable.

9:10

Having said that, I'll say that we're requesting interim supply for Seniors, some \$73 million, I believe it is. I might point out that there's nothing hidden in here, nothing different. Our business plans indicate that we flow through over 90 some odd percent of our budget, and quite frankly that goes towards the seniors' benefit plan, to the special-needs plan, to support for all sorts of housing programs that are under the portfolio. Will this be accurate? Even now because of changing needs we've had to enter into some changing requests. Only recently this House approved a supplementary requisition for the affordable housing program. That was done because when the budget was presented on whatever date, there was no such program to account for because the agreement was only signed in June. We were pressed just lately into supporting some special needs for rising costs to seniors. As I indicated in my comments, those costs will come forward again. They won't be indicated in the budget because, quite frankly, that information wasn't available when the budget was being drawn up. So no matter how hard we try, it becomes extremely difficult to be accurate right down to the very last penny because things change. However, I know that all the hon. members will support this request going for the Seniors ministry because it deals with the people who are most in need in the areas of income support and housing.

I'd also at this time, Mr. Chairman, like to bring forward a request for some \$64,169,000 operating expense and \$356,000 in equipment inventory for the Department of Municipal Affairs, and again this is to just go on and make sure that the major grant programs are paid during the first quarter. That's the indication I have, and if the hon. members have questions related to this, as usual the Minister of Municipal Affairs is quite prompt in getting that back. So if you have questions relative to this, please put them forward, and I'll make sure that he sees them so that he can respond to them.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I think the discussion around the process has been valuable, but I think that what it has done is pointed out exactly what we were saying, that for most of this money the government knew that these expenses were going to be there. There's going to be a budget. In this case it's going to be later. Why not sooner? That is the question that we asked given the responses we've had indicating that these are programs that are going to be continued. I think that the least we could have had is the kind of description that we got from the Deputy Premier and the department that she is responsible for.

There are a number of questions. For instance, in Learning I would like to know if the AC program is going to be continued. It's a program that schools have come to rely upon, and it's a program that has yielded some good information in terms of school improvement. Unfortunately, sometimes the information gleaned from the projects is ignored, but for the most part I think schools have been able to do some good things with funding from the AC program. It's an important program, and it would be useful to know if it is one of the programs that's being continued under the interim supply.

Is the interim supply the money that covers these months? Is any of that money going to be earmarked to cover the costs of the arbitration awards that the teachers received? That's an important piece of information for school boards to know because their planning for September hinges on the way in which these funds are designated. How is the funding formula being made more flexible? Will that flexibility apply to the spending of these funds that the boards will receive up until mid-June? Again, an important question for board members and for schools. What is the nature of the flexibility that's going to be given to boards? The minister has talked about it. Will that flexibility, as I say, apply to the funds in this interim supply? At the postsecondary level what about the access fund? Are there funds in here to continue the access fund, to change it? It's another fund that in the past has been relied upon by postsecondary institutions to undertake some new programs and to modify and continue some existing programs. So, again, it's important to them to know: will that access fund be continued?

In terms of the whole Learning department, how much of this money is designated for administration? How much of it is going to be directed towards programs? There's a great deal of concern about that balance, and there's concern about the amounts that are going to be found in the program moneys. Are there going to be changes to the per pupil grant, and will they be reflected in the spending of this money and the planning for the spending of this money? There are a whole host of questions that we'll ask, of course, when the budget for Learning comes, and it would be good to know the answers to some of those questions when we're committing such a large portion of the year's budget in the vote that will come on interim supply.

I heard the Deputy Premier talk about the business plans. Well, in Learning I think that every year has been the first year of a three-

year plan since I've been in the Legislature, and the same for Children's Services. There doesn't seem to be the kind of continuity from plan to plan that would allow the people scrutinizing the budget and the opposition, in this case, to say: well, yes, interim supply we can go along with because we have the three-year business plan, and we're into the second or third year of that plan right now, and we know what's intended. That's not the case. Every year is the first year, so you don't have that assurance that what you see on paper this year is actually going to be followed through in the second and third years in a number of departments. There's a constant shifting of the performance measures. We've asked year after year for some other measures to be added. We'll see none of that, given what we have before us in interim supply.

The whole argument that this is just to carry on business and that somehow or other we are in favour of holding up payment to public service employees is just one that's very offensive. I think it's an unfair thing to accuse the opposition of because we want to question spending of such large sums of money. Those programs are in place and could have been looked after months ago. There's nothing that they know about those programs today that they didn't know about those programs six, seven months ago in most cases. There'll be some settlements, for sure, that'll change rates, but in the scheme of things the percentage differences will be minimal. So to claim that the questioning is going to hold up or that we would be responsible for holding up their salaries is, as I said, offensive. There's no reason why those programs and the costs involved should be holding up the budget process.

So those are my comments about Learning. I have some specific questions I'd like to ask about some of the other departments, but I'll leave it for now.

Thank you, Mr. Chairman.

9:20

The Deputy Chair: The hon. Minister of Energy.

Mr. Smith: Thank you very much, Mr. Chairman. It's my task this evening to introduce interim supply amounts for the Department of Energy totaling some 47 million dollars. The \$47 million is essential as it ensures that the process of conducting land sales and our land tenure program continues. It's also critical for the collection of royalties and, of course, continuing the calculation of the average annual price of natural gas. Also, it's a piece that is essential, as well, to ensure that we can continue forward in not only collecting the revenues of royalties for this government but also ensuring that they are deposited into the general revenue plan.

There are no expenses that will be entertained, Mr. Chairman, outside of the business plan that has been tabled for this ministry, and there will be an update business plan come budget day which then tacks on the third year and leaves the previous two years intact. So, certainly, no surprises coming from the Department of Energy.

Thank you, Mr. Chairman.

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

Ms Carlson: Thank you, Mr. Chairman. It's reassuring to hear the minister say that there's going to be nothing outside of his business plans that we've seen in the past, and that's very positive. We'll certainly be taking a look at that when they come out next month and compare them and see how accurate that is.

It makes me wonder how much the minister plans to spend in the first quarter of the year working on the climate change issues. If he can share any of that information with us without divulging any budget secrets, even if it's in terms of more or less or an emphasis on whether the dollars spent are on research, operational, or legal kinds of costs – could you do that, Mr. Minister?

Mr. Smith: Actually, that's a good question, Mr. Chairman, because it refers to the climate change initiative, which primarily will be handled through Climate Change Central, also through the Department of Environment.

We'll continue on with our small department that does consultation with First Nations, working with that group.

Internally we're pursuing different strategies for carbon dioxide sequestration, carbon dioxide management. We are experimenting with nitrogen. Nitrogen has many of the properties of CO₂, and it's much cheaper at this stage, so we're going to experiment with putting nitrogen down hole and seeing if it can be used in enhanced oil recovery. As a matter of fact, that's ongoing right now with Talisman in the Turner Valley field. If nitrogen proves to be effective either in enhanced oil recovery or from a storage perspective, it then gives us the capability to explore both CO₂ sequestration and using more and more quantities of CO₂ for enhanced oil recovery as opposed to totally freshwater, for example, or potable water. If we could reduce the water driver behind CO₂, then I think that we can not only provide solutions to climate change, but we can also provide solutions to carbon dioxide management, which is something we're investigating. That is a part of the budget.

As I said, there are certainly no surprises coming forward. It's business as usual with our attention to climate change and our attention to being an appropriate custodian over the revenues that accrue to the people of Alberta via oil and gas royalty collection.

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

Mr. Cardinal: Thank you very much, Mr. Chair. It's my pleasure to stand in the House today to speak to the needs of interim supply for the Department of Sustainable Resource Development. Our ministry will require over \$91 million to ensure that our operation requirements continue until the budget is approved, and I believe that was explained earlier, also, in the House this evening.

In addition to fish and wildlife, forest land use and resource management, and the public lands program, we are handling all of the preparations to be up and running for the fire season, which is going to, no doubt, commence by April 1 of this year. For instance, \$1.3 million in capital interim supply is needed for such things as fire tower upgrades or fire bases that are crucial to the fire season, which of course starts early this spring. Mr. Chairman, we are dealing with the possibility of having to fight fires as early as April 1 if not before, so we definitely need to have the programs in place. We need to have people and contracts in place and ready to go at very short notice.

For the benefit of the opposition, I'd like to explain a bit more in various areas of department responsibility as to why we need to spend the money in the interim that we are asking for. The department does not stop operating. It continues, you know, after April 1. Very little changes in relation to how we operate our department.

A lot of our work, of course, is seasonal. The Alberta forest protection program is very effective in managing wildfires in forest protection areas. In addition, my department, of course, provides aid to the adjacent municipalities and counties, so we have sometimes no control in those when fire starts. Some are man-made, and others are natural, and we have very little control. Alberta forest protection policies, of course, are reducing the number of human-caused fires within the forest protection areas. Despite the population growth and escalating fire start-ups, we've done, I believe, a fairly good job in this, but we need the resources to ensure that we continue operating. Fire-fighting resources, of course, are managed to ensure that wildfire-suppression priorities of human life, communities,

waterfowl, soil, natural resources, and infrastructure are met. So we continue to seek new and innovative ways of managing wildfires to benefit all Albertans.

The other area that's critical is the area of fish and wildlife management. Alberta Sustainable Resource Development, of course, manages and allocates and conserves fish and wildlife resources for the benefit and enjoyment of all Albertans. We protect Alberta's fish and wildlife through effective legislation, regulation and enforcement, and new pilot projects even in some areas to ensure that we can be very innovative in how we manage our fisheries resources. We regularly assess the status of fish and wildlife populations, including endangered species and managed species, to ensure that populations are sustainable and sustained not only short term but on the long-term basis. Through regulations, a provincial management plan, and again management programs we oversee recreational hunting, trapping, outfitting and guiding, game farming, and wildlife captivity in Alberta is also maintained. The department administers Alberta's hunting and fishing licensing system for the primary benefit of Albertans and, of course, as part of our sustainable resource management of fish and wildlife resources.

I also wanted to touch on an area very briefly, because I know that the opposition is anxious to ask some questions, no doubt, the area of forest land and resource management. Forest health continues to be important. Alberta's forests are protected from insects, disease, and pests by effective detection and management strategies. Management is a shared responsibility, of course, with other levels of government, municipalities, and also industry, and in some cases with the federal government or federal parks. Forest management planning, harvesting planning, and annual allowable cuts are, of course, part of the role of our department to make sure they're done properly, and the measurements are all in place to ensure that proper operation plans with public input are done. Sustainable Resource Development works very closely also with other departments and industry to ensure that we move into value adding in our forest industry so we can create more jobs and utilize more of the resource for local benefit in Alberta.

9:30

In the area of allocation of timber our department allocates timber based on the volume of timber that is determined to be available for harvest in a sustainable way. So what we do is ensure that we monitor very closely when operation plans are put forward so that we know that the annual growth will exceed the annual allowable cut so we can have a sustained resource for a long period of time.

Revenue generation. Of course, timber royalties represent a fair return for Albertans, and they have to be collected on a timely basis. That entails a lot of work too. After all, out of our overall economic diversification plan – agriculture, the oil and gas industry – forestry comes in third and then tourism and science and technology. It is a very important industry. It's about an \$8 billion industry and employs over 54,000 people directly and indirectly, and I believe close to 50 communities depend on the forest resource as their major source of revenue for their particular areas, not only revenue for jobs but also for tax base.

The other important area, of course, is the issue of public lands and land disposition. Our goal is efficient management of public lands and to achieve the greatest sustainable benefit – environmental, social, and economic – for all Albertans. Just recently I circulated and I offered to make available also to the Official Opposition and the other opposition members the status of the public land in Alberta. A lot of people do not understand – and there are reasons for that – that a lot of our public land is protected. We have around a hundred million acres of public land in the province; 86 million of

that is in the green area, the protected area, and only 375,000 acres are leased to agriculture. So only 1 percent of the green area, of the 86 million acres, is leased to agriculture. The rest is protected, and that's very important for the public to understand. I think we are doing a very good job in protecting that resource both short term and long term. Although lots of times, you know, when you drive around the open areas of Alberta, you swear that there are no trees left, but once you get on a plane and start flying north and along the foothills into the territories, you'll find that most of our province is still covered with healthy trees.

The other one I'd like to touch on, of course, is the white area, which is the farm area. There are about 10 million acres of public land in that particular area, and about 5 million acres are in agricultural leases for various uses. So in the white area about 50 percent of that land is leased.

I think it's good for people to understand that we do manage our wildlife. The other one, of course, that is very important is the area of management of some of our wildlife. The most sensitive one right now, of course, in addition to the walleye is the grizzly bear, because there are concerns by some public members mainly in urban areas, not as much from the rural, northern, native communities, where people still trap, still live off the land. In relation to the management of grizzly bears, the challenge is that we have to ensure that we have a sustained population. From all indications since 1987 the grizzly bear population, we feel, has increased by about 200. It could run anywhere from 800 to 1,000 grizzly bears in Alberta.

This year, of course, because the endangered species committee had recommended to seriously consider putting the grizzly bear under endangered species legislation, we've taken, I think, a sensible, commonsense approach to try and work towards better management and sustainability of our grizzly bears. We've set up and asked for a recovery team. We have reduced hunting. In fact, we are in the process of increasing fines or recommending through the process an increase in fines for poaching because that is one problem. I feel the way to do it is to make sure that there's a stiff penalty out there for poaching.

The other thing I've circulated to our caucus members, and I will provide the same information to the Official Opposition and the second opposition – we've reduced, actually, the hunting. There are about 4,000 applications each year. In 2002 we allowed 129 licences, but normally what's taken is about 15 annually out of that. This year, the 2003 season, we'll reduce that by 20 to 25 percent; it's down to 100. But in addition to reducing it by 20, 25 percent, we've also changed the areas of hunting. For an example, in the north there is a more sparse population of animals, less economic activity, less people activity, less roads and stuff. We will continue in zone 1, for an example, a hunt of 30. This year again we're going to keep it at 30. But in the sensitive south areas we've dropped it to almost zero in some cases, and we'll continue managing that very effectively and monitoring it.

I noticed in an article that came out – and I believe it was in either the *Edmonton Journal* or the *Edmonton Sun* just yesterday – that our neighbour just west of us here, the next province, has continued to allow hunting. They are taking, I believe, 200 animals per year there, and they feel it's sustainable, so I'm going to start working very closely with them because animals don't know the boundary between B.C. and Alberta. They could move back and forth. So we'll monitor it very closely and gather the information required to ensure that we do proper management of our wildlife species.

The other area, of course, is the recent announcement in the fisheries, the overall rationalization of sport and commercial fisheries in Alberta. One of the most challenging areas, I believe, that the department has in addition to the grizzly bear, because of the

economic growth in Alberta, is the demand for increased fishing. It's very critical, so we have to manage it very carefully. We did open up more lakes for walleye fishing, and the detailed information, of course, is provided to all government members and also the opposition in relation to what lakes are open and how many fish they can keep and stuff like that. So we are trying very hard as a department to manage the resources out there and ensure that Albertans benefit from those resources not only in the short term but also on a long-term basis.

With that, Mr. Chairman, I'll sit down. Hopefully, they may have some questions.

9:40

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

Ms Carlson: Thank you, Mr. Chairman. We certainly appreciate the level of detail we got from this minister and also the openness and sharing of information that typifies our working relationship here in the Legislature. We're happy to accept all the information that he is willing to share with us and certainly appreciate that offer. It helps our understanding.

It's quite often that I ask a grizzly bear question in this Assembly, but we, too, have been closely monitoring the situation, and it looks like overall the management of that species has been progressing in a positive fashion, which is a change from where we were six to eight years before in the Legislature. So there won't be a bear question this spring, I don't think.

We still have some concerns over fish, and we'll be continuing to pursue that. We want decisions made on a science basis and look to see some progress in that area.

I'd just like to talk about the way the requests for money have come from Sustainable Resource Development. We would have liked to have seen a little more detail in terms of areas that the money was specifically requested for. But in what we did get, could we get an answer to what the capital investment money is for? It looks to me like it's a little less than half of what you got for last year, so if this is a quarter of the year's request and it's half the money that you got for the whole of last year, then that's a pretty significant increase, so we'd like to know what that is for.

Could we get some information on what you're budgeting for the fires this year and whether that's an increase over last year? Everything I've heard so far looks like it could be a worse year, so we would hope that the numbers would be as accurate as they could be so that you don't come back looking for lots of money in supplementary supply. You will have to, probably, anyway to some extent, given what happens with fire seasons, but if we could have some information on that, it would be helpful.

We see before us in this Assembly a new bill talking about fire management strategies in terms of who is going to be responsible and who is going to pay for fires. I'm assuming that the responsibility for monitoring and enforcing that law will come to your department. If so, do you have some dollars budgeted for that in the first quarter? Prosecutions, I'm sure, will be handed over to other departments, but definitely there's got to be some investigating done, so who does that is my question. Speaking of investigating, for us it's always been a real concern that in this department you don't have enough money for enforcement and monitoring what goes out in terms of manpower. So do we see somewhat of an increase there? Generally, overall do you see an increase or a decrease in your projection for moneys for this year? This is one department that we feel has been chronically underfunded and would like to make a case for seeing more dollars there.

Thanks for the information that you did give us on forest protec-

tion, which is, of course, one of your core businesses, and the forest, land, and resource management. The more information we have, the fewer questions we have in the Assembly, so I think that that sometimes can be beneficial. It certainly is to us when we have so many different portfolios that we can ask questions on. Can you tell us what's happening in the forest, land, and resource management in terms of recreational uses and if there's any specific focus on that for dollars coming this spring?

The fish and wildlife management, of course, is always a big issue. We've had quite a few more concerns this year about the wildlife management with regard to the various hunts and how licences are applied for and how they're advertised, and things of that nature. So it looks like a review of that process could be necessary, and I'm wondering if you plan to undertake that in this coming year, particularly as it applies to this request for dollars within the first quarter.

The minister talked earlier this week about what's happening with recreational fishing in the province when the lakes are opening up. We have some reservations about that and wonder if you're actually devoting enough resources in this first quarter to studying that. So if we could hear about that.

With the new bill that we're seeing, Bill 16, which talks about land use dispositions, how much responsibility will there be in Sustainable Resource Development for that? It would be helpful to know.

With regard to cabins we've had some requests from trappers who – I think it must be because it's been such a long and cold winter – in some years in the past believe that they've had access to cabins in the bush from your department. It seems like this year that access to use those cabins when they're out on their traplines has been denied, so we would like the minister to take a look at this policy. It seems to me that if those cabins are out there in the bush and given the decreasing numbers of staff you have out there each year for enforcement and monitoring, it could be beneficial to have these people use those cabins and then bring back a report to you in terms of the condition and any repairs needed, and generally having someone there to open it up, take a look, get rid of the varmints, clean it up a little bit can't be a bad idea. I'm sure that there can be some joint use agreements that occur out there that would be beneficial. It seems to be a good use of a provincial resource, and I'm hoping that the minister will take a look at that over the coming year and that we may see some changes.

Another issue that we might actually be pursuing in question period, depending on the answers we get, is changes happening in areas surrounding municipalities with regard to crossbow hunting. Crossbow hunting is, as I understand it, quite different from bow and arrow hunting, and it seems to me that people who use crossbows are not really much different from those who use guns. It seems to me that having restricted access to use crossbows for hunting purposes around largely populated areas is a good idea. We recently got some information indicating that you're looking at opening up the area just around Edmonton to crossbows, so if you could share that information with us, it may prevent us from having to pursue the issue in question period.

I think, given the time, that's the end of my questions on this department at this point. Perhaps we're going to hear from the leader of the ND opposition and his comments on the budget now, if that's appropriate.

The Deputy Chair: The hon. Minister of Sustainable Resource Development wants to respond?

Mr. Cardinal: Briefly. I'll answer some of the questions. If I don't answer some, we'll look at the *Hansard* and pass on the information.

In relation to the fisheries we do use scientists, and we're carefully evaluating the Calling Lake project, for example, and we do use scientific information. It's a five-year pilot project, so we should have a report available within the next month or two that you can have access to.

In relation to capital investment some of the stuff we require, of course, is leasing of planes, upgrading towers and upgrading communications equipment, et cetera, in relation to us preparing for the firefighting season. We also have about 38 contracts from First Nations that we require to put in place. It's capital because it's leases of equipment, leases of buses, vehicles, water trucks, et cetera. So that is where I require the capital dollars.

The fire budget itself is an interesting one because the Auditor General has also recommended that we should increase our base budget. Because of the dry weather we've had for a number of years, the five-year average for expenditures on fire is now over \$200 million. I think it's \$202 million a year, and our base budget is, of course, under a hundred million, so it's considerably lower. We are monitoring that very closely. I've in fact suggested to the department to start looking at maybe trying to increase our budget next year and ensure that we have, you know, proper money in place in order that the job is done.

9:50

The cabin you were talking about. I'm reviewing that particular situation right now. What I am looking at is the public liability. You know, what if somebody burns to death in a cabin like that or if somebody breaks a leg or dies out there, alone in the cold weather? We need to look at the public liability. I'm not saying that we're not going to do it. I'm saying let's use some common sense. If the public liability is there and covered already by insurance, then why can't we allow the person to use the cabin? So we are definitely looking at that.

The area of the crossbow. I am coming up with a draft strategy on the area of deer and moose and the seasons, the allocations and stuff. If you contact my office tomorrow, we can probably provide you a draft of what we are planning. It's just in the final stages, and this will come into effect, of course, next September, next hunting season. I think you'll like it. It's a good plan. In fact, I had asked my department to share it with you, but I don't believe it's been shared completely with all our caucus members yet. That's normally the first step. So I'll leave it at that because of the time. If we didn't, you know, answer some questions, we'll look at *Hansard* and pick them up.

Thank you.

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

Dr. Pannu: Thank you, Mr. Chairman. I'm pleased to rise and ask some general questions first about the interim supply estimates for fiscal 2003-2004. It's highly unusual to see this kind of request come before the Legislature in the month of March. I'm just finishing six years – I think that was yesterday – since I first got elected, and this is the first time in my six years and the beginning of the seventh that I see this very unusual request for interim supply estimates come before the House to address the government expenditures in the coming fiscal year, the next fiscal year. That's 2003-2004. Highly unusual. This looks like a government by paralysis, a government by inaction, a government by utter confusion and failure to develop clear estimates of what kinds of revenues there are, what kinds of expenditures are planned, and how taxpayers' money is going to be used.

The total request for these interim supply estimates comes to a

little over \$5.9 billion in this document. Now, this is for two and a half months, from April 1 to June 15, less than three months of the 12-month period of the next fiscal year. If you extrapolate the total size of the budget based on the request made for the first two and a half months of this year, it looks like the next budget will be at least \$26 billion or maybe more. I want to know if this is more or less an appropriate estimate of the overall size of the next budget.

The first question that I have is: why this highly unusual step by this government to ask for next year's budget in the estimates before the end of this current fiscal? Normally what's been the case is we have had the budget presented to this Assembly during the month of March every year. [interjection] True, but we have had more information. Even when the budget comes before us, there's at least more information on what all these sums are about, what all this money is for. There's hardly any information here for me to be able to say yes or no to this request because there is not enough information here.

So my first question is: why this unusual step in the first place? Secondly—three questions; okay?—since this two-and-a-half-month period that's covered by this interim supply will cost us close to \$6 billion, is it then appropriate to extrapolate based on this number that the total budget for the next 12 months, or the next fiscal, will be over \$25 billion or so? Thirdly, how do I determine whether or not to support this request when there is no information and no specifics about the moneys that are being asked for?

The Deputy Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I have the opportunity to provide some information with respect to the estimates relative to the Department of Justice, Department of Children's Services, and the Department of Infrastructure. I think that in view of the clock we probably won't be able to get into depth on all of those items tonight, but I will give a brief start on that.

The hon. leader of the third party, the Member for Edmonton-Strathcona, referred in his remarks several times to the unusual step of interim supply, and I think that other than perhaps one year—and I could stand to be corrected on it, but I do take a lead from the earlier remarks of the Deputy Premier, who has had some degree of experience in this House—interim supply is not an unusual experience in this House but rather something that we've done most years. One should be prudent and cautious in government and make sure that one doesn't run out of supply, so it's prudent to bring in interim supply, even though one is bringing in a budget perhaps even in March, so that you can pay your bills and you can pay your staff come April 1. It's not an unusual circumstance either in the Legislature of Alberta or in any other Legislatures in this country or, for that matter, from time to time in other democratic jurisdictions. I can recall occasions when the President of the United States asked for interim supply because the budget was still being debated down there.

So it's not at all an unusual circumstance to have interim supply. The budget date has been announced as April 8. The rationale for having the budget on April 8, I think I mentioned earlier this evening, comes from a number of circumstances. There's certainly been a great deal of volatility this spring with respect to the energy sector and energy supply issues, and being able to do an appropriate estimate of revenue is important, not just the revenue from our oil and gas sector but revenue from the income tax sector. It's helpful to have a good handle on what the results are projected to be from the previous year to project it into next year. There is also, of course, the fact of the impact that the strong economic performance in this province has on the CHST, the transfer payments from the

federal government. As members of this House will know, the stronger our economy is and the better the government does in terms of its revenue, the less we receive through the CHST, and that certainly has strong budget implications for us. I believe the adjustment during the last budget year was somewhat in excess of \$150 million downward in terms of the transfer payments with CHST. All of those issues are volatile in this particular time frame, and it's helpful to have a better grasp of those before bringing a budget to the table. In addition, as I mentioned earlier in comments in the House, there's a bill that was brought forward to the House in order to enable the structure for this year's budget, and it was prudent to plan the budget to come in after the legislation approving the structure, so it was necessary to deal with the budget on a later time frame.

10:00

Of course, the impact of the federal budget and the knowledge we had relatively early this year that there was going to be a significant issue with respect to health care funding. We weren't provided with information with respect to how significant and actually had to wait until the federal budget came out to get any real numbers and, even at that, some time after that to figure out what those numbers actually meant in terms of an impact for an Alberta budget. So I think it was prudent this year to wait to see what some of those numbers were and to do a proper set of business plans with proper projections rather than to bring in a budget and then come back to make significant adjustments early in the process.

As all members know, Alberta has one of the most open and transparent budgeting processes of any democratic government, reporting quarterly and making adjustments quarterly and reporting to the public exactly what's happening. It behooves us to try and be as close to reality as possible in putting together a budget. So this year it was prudent in our view to hold off the finalization of the budget until we'd seen some of those aspects gel to the extent that that was possible.

Again, interim supply is not an unusual step, not an unusual occurrence in this province or in any other jurisdiction to make sure that while one goes through the proper measured and thorough budget debate that's allowed in our jurisdiction.

Dr. Pannu: In the absence of a budget before us.

Mr. Hancock: Well, the budget will be before us shortly, but it's not that difficult to assume that there are going to be ongoing expenses of government and to assume that those ongoing expenses will be at least somewhat similar to those that are shown in the three-year business plans that were tabled last year and the adjustments that were made over the course of the year. In planning forward for interim supply, one can take some instruction from those numbers.

So to the question of why this unusual step the answer really is that it isn't an unusual step. It's quite normal to continue with supply while you're debating the budget and bringing the budget forward for a thorough and complete analysis and review by the Legislature, as I'm sure we can anticipate during the month of April and into the month of May in this year.

There have been a number of comments tonight about the time frame, and although the time frame is set out in the interim supply document as being from April 1 to a date certain—I believe June 15 is set out—really you're voting interim supply in an amount, not in a time frame. The estimate of the amount of interim supply is roughly the first quarter of the year, but interim supply is an amount of money, and therefore it's voted until it runs out. It becomes the

government's object and obligation to make sure that the budget is brought in before interim supply runs out.

However, to get to your two and a half month process and extrapolation, obviously you can't extrapolate the two and a half months to the full year. Obviously the two and a half months is an estimate based on a number of factors, one being supply of normal course of business over a quarter. In that normal course of business over a quarter there are some grants that are paid early in the year; there are some expenses which are incurred early in the year. So you can't assume that the dollar amount is going to match the full quarter.

I'm glad you asked the question: how does one vote for interim supply in this amount without more information? I think this process really could be a very informative process, where questions delving into specific areas or requesting specific pieces of information could be brought to the table. It's really a free opportunity, if you will, to examine areas that one wants to find out information about rather than looking at it as being the whole accountability section in two days for a quarter of the government's budget. Obviously it's not the complete accountability session for the government's budget. That comes through the 20-day process of Committee of Supply under the regular budget and the debate on the appropriation bill at that point in time. Obviously two days is not going to be sufficient to go through in any great sense of detail the money that's being asked for in interim supply, nor was that ever really the intention of an interim supply motion. An interim supply motion is obvious in its intent, and that is to continue to fuel the government so that it continues to run in its normal course until the budget can be fully brought in and debated within an appropriate time frame.

So I hope that answers the hon. member's questions.

The Deputy Chair: Hon. Member for Edmonton-Ellerslie, you're rising on a point of order?

Point of Order

Allegations against Members

Ms Carlson: I am. Under Standing Order 23(h),(i),(j) the minister was making allegations that some of his ministers would in fact answer questions, and they wouldn't.

Mr. Hancock: That's not a point of order, Mr. Chairman. That's a very specious method of getting a comment on the table without having had any other particular opportunity to do it. She could raise those questions at any other time in Committee of Supply.

The Deputy Chair: Hon. members, the hon. Member for Edmonton-Ellerslie has risen on a point of order on 23(h),(i),(j). However, I'd like to point members to Standing Order 58(9), which refers to the supplementary estimates. There is no provision therein that there is compulsion on any member to stand up and ask a question, nor is there a compulsion on any member to stand up and answer the question. So, quite frankly, there is no point of order on this particular section.

Hon. Government House Leader, you may proceed.

Mr. Hancock: Thank you, Mr. Chairman. I think it was clear to all that the hon. member merely wanted to make a statement and found the point of order as a way of getting that on the record, which I understand fully.

Debate Continued

Mr. Hancock: In any event, at this point in time, it being past the hour of 10 o'clock, I would move that the Committee of Supply rise, report progress, and beg leave to sit again.

[The voice vote indicated that the motion that the committee rise and report progress carried]

[Several members rose calling for a division. The division bell was rung at 10:09 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Shariff in the chair]

For the motion:

Amery	Graydon	Mar
Calahasen	Griffiths	Marz
Cao	Hancock	McClellan
Cardinal	Herard	McClelland
Coutts	Hlady	Oberg
Danyluk	Horner	Ouellette
DeLong	Hutton	Pham
Doerksen	Jablonski	Rathgeber
Ducharme	Jacobs	Renner
Dunford	Knight	Snelgrove
Fritz	Kryczka	Woloshyn
Goudreau	Magnus	Yankowsky

10:20

Against the motion:

Blakeman	MacDonald	Pannu
Carlson	Massey	

Totals: For – 36 Against – 5

[Motion carried]

[Mr. Shariff in the chair]

Mr. Renner: Mr. Speaker, the Committee of Supply has had under consideration certain interim supply resolutions for the offices of the Legislative Assembly, government, and lottery fund for the fiscal year ending March 31, 2004, reports progress thereon, and requests leave to sit again.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. In light of the hour I would move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 10:24 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Thursday, March 13, 2003**

1:30 p.m.

Date: 2003/03/13

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. Dear God, author of all wisdom, knowledge, and understanding, we ask Thy guidance in order that truth and justice may prevail in all our judgments. Amen.

Please be seated.

head: **Introduction of Visitors**

The Speaker: The hon. Member for Cardston-Taber-Wamer.

Mr. Jacobs: Thank you, Mr. Speaker. I rise today to introduce to you and through you to all members of this Assembly someone who really needs no introduction. Mr. Jack Ady is with us today. He sat in this Assembly as an elected Member for Cardston-Chief Mountain for three terms. During that time he was my MLA, and I can tell you and the members that he was considered by his constituents to be a very, very good MLA. I'm pleased that he's here today, and on behalf of this Assembly I would like to extend our thanks to him for the service he's rendered to this Assembly and to Alberta and to his community. He's in your gallery. I would invite Mr. Jack Ady to rise and receive the warm welcome of this Assembly.

head: **Introduction of Guests**

The Speaker: The hon. Member for Airdrie-Rocky View.

Ms Haley: Thank you very much, Mr. Speaker. It's a real pleasure for me to be able to introduce to you and through you to the Assembly four guests that are in the members' gallery today. The first and most important, of course, is Abigail, who is just a little girl but a very, very special little girl. She happens to be the daughter of Jennifer. She is sitting on her mom's knee up there. They happen to be the wife and daughter of Frank Ostlinger, who is a member of our government members' research staff, who originally came to us from Sweden, spent some time in the United States, and decided that he wanted to learn more about political things between Canada and the U.S., came up here and took his political science degree, also went on and took information systems and libraries. He's got his masters in that. We ended up with him as one of our incredibly talented research staff, just a huge addition to us.

But the real reason that the three of them are here today, Mr. Speaker, is the fourth guest that's with them, who is Sven – these are all Ostlinger family – and Sven is from Sweden. He originally was a marine with Sweden, later became a high school teacher, decided that he'd not had quite enough of the military and applied through the United Nations to become a member of the peacekeeping forces. So he's an encryption specialist and a sergeant now with the United Nations. He's stationed – and I'll probably say this wrong – at Prizren, Kosovo, at Camp Victoria, where he serves now. He's on leave and came to visit his brother and family for two weeks. I would ask them to please rise in our gallery, and we could all give them the traditional warm welcome.

The Speaker: The hon. Deputy Speaker.

Mr. Tannas: Thank you, Mr. Speaker. I'm pleased to introduce to

you three different groups. The first group is 33 students who are here today as participants in Mr. Speaker's MLA-for-a-Day program. They've spent time at their member's office and with you in the Chamber, and they will receive a tour and briefings on the constituent elements of this House later this afternoon. This program will be run again on Thursday, April 10. The ultimate aim of the day's activities is to further develop the interest and understanding of our parliamentary system among our student guests. Our student shadow colleagues are seated in both galleries, and I would now ask them to rise and receive the traditional warm welcome of this Assembly.

My second introduction, Mr. Speaker, is a group of students from Edison school, just outside of Okotoks. They're great students. There are about 25 students and parents with teachers Joseph Smith and Jennifer Harriman and parents Mike Farrier, Stephanie Orr, Krista Smith, Blair Murray, Nigel Waugh, Alnoor Rana, Brad Cennon, and Brent Spice. I'd ask those students to please rise and receive the warm traditional welcome of this Assembly. They're over there.

My third introduction, Mr. Speaker, is on your behalf. I'd like to introduce, again, to you and through you to all the hon. members of the Assembly Mr. Brad Watson, town manager of the town of Swan Hills. He's accompanied today by his wife, Louise Watson, and their daughter Ellie Watson. They're seated in your gallery this afternoon, and I'd ask them to rise and receive the warm traditional welcome of the Assembly.

Thank you.

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much, Mr. Speaker. It gives me a great deal of pleasure today to rise and introduce to you and through you a very special guest sitting in your gallery. My sister Sheilagh Ross and her family from Camrose are visiting us today. Aside from the obvious reasons, this is a remarkable family. They are. My goddaughter Jennifer underwent a liver transplant 10 years ago and is now the longest surviving liver transplant patient in Canada. To honour that remarkable journey, my two nephews, Mike and Tim, who tower over me at six foot six and six foot five respectively, skated across Canada to raise awareness for organ donation. The hon. Member for Wetaskiwin-Camrose will be doing a member's statement later about that, but I would like you to welcome my family to your gallery and give them the warm welcome and the honour they deserve.

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

Mr. Hancock: Thank you, Mr. Speaker. I'd like to introduce to you and through you to members of the Assembly a group of people whom I had the pleasure of meeting with today to discuss issues of concern in our community. Mr. Randy Atkinson, Mr. Murray Dorin, Mr. Ramsey Mackinnon, Mr. Wynn Payne, Mr. Ted Shields, Mr. James Spalding, Blaise Szekely are all seated in the members' gallery, and I'll ask them to rise and receive the traditional warm welcome of the Assembly.

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

Ms DeLong: Thank you, Mr. Speaker. Through you it gives me great pleasure to welcome five dedicated and wonderful University of Calgary students to our Assembly this afternoon. I'd like to ask each of them to rise as I call their name: Jennifer Banks, Connie Bird, Kathleen White, Kent Saga, Layne Douglas. They're all social work students at the University of Calgary, and they're all stopping

in to see the excitement of the Legislature on the way to the Alberta Association of Social Workers conference in Edmonton this weekend. Two of these students, Ms Banks and Ms Bird, call the constituency of Calgary-Bow home; however, I would like to wish each and every one of them the best of success as they begin their careers as social workers here in Alberta.

Thank you very much, Mr. Speaker.

The Speaker: The hon. Member for Calgary-Shaw, the daughter-in-law of Mr. Jack Ady.

Mrs. Ady: Thank you. The favourite daughter-in-law. It's on the record. Thank you, Mr. Speaker.

As you know, I have 25,000 students in my constituency, but rarely do they get to come up here. It's only the second time in the two years I've served. I'm proud to be able to introduce them today from Trinity Christian school and the parents. Their teacher is Mr. George Graffunder, and the parents that were brave enough to travel that far with them: Eileen Gaetz, Mary Zwingli, Monique Evans, Hazel Gunn, Linda Thiessen, Jayne Barnett, Jayne Walker, Angela Rankel, Charlotte Loepky, Kathleen Lefevre, and Scott Dykes. I'd ask that they would please rise and receive the warm welcome of the House.

1:40head: Oral Question Period

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

Heritage Savings Trust Fund

Dr. Nicol: Thank you, Mr. Speaker. This government will stop at nothing to get permission from Albertans to use the heritage fund. Today this government claimed that a nonscientific survey will provide direction for the future of the heritage fund, a fund that all Albertans hold dear. Despite the existence of scientific proof that Albertans want their heritage fund to remain an endowment fund, this government has left the door open to raiding the heritage fund. My question is to the Premier. Will you honour your pledge made to Albertans in 1993 when you said, and I quote, this is something that's so important it ought to go to a referendum, close quote, and hold a referendum before introducing any changes in the way the heritage fund is managed?

Mr. Klein: Mr. Speaker, I would like to set the record straight. First of all, the Minister of Revenue set out to consult the public as to what they would like to see done with the heritage savings trust fund. All he did today was release the results of that survey. There is no action being contemplated by this government vis-à-vis the fund because, ostensibly, people said, "Leave the fund alone," albeit the survey said by 51 percent, a very, very slim majority, that a portion of the fund should be used to pay down the debt. Well, some time ago we rejected that idea and introduced, instead, a new fiscal policy, which will be outlined in detail in conjunction with the budget and the business plans.

So this hon. member is getting way, way ahead of himself, but not surprising for political reasons to instill fear, to instill anxiety, to throw out falsehoods and assumptions and speculation to get people riled up. That's what it's all about. It's not about what we're going to do or what we're contemplating or what we might contemplate relative to the heritage savings trust fund. But I can say once again that the fund as it now sits will stay the way it is today.

Dr. Nicol: To the Premier: so there's no basis to the Minister of

Revenue's comments this morning when he said that in the next year's budget, 2004-05, you will be looking at the possibility of using the heritage fund to pay down the debt?

Mr. Klein: I don't know what the hon. member said. You know, he can say that anything is possible because nothing is carved in stone. Nothing is certain. But I can tell you that as of today, this very moment, nothing is contemplated relative to the fund. But with respect to what the minister said or did not say, why not ask the minister? I'll have him respond.

Mr. Melchin: Thank you, Mr. Speaker. Albertans value – and we've always known this – the Alberta heritage savings trust fund, and I do too. This question was to allow Albertans to provide some feedback about how they view it could best serve us in the future. It was always about: how can this fund best serve Albertans today and forever? So in that respect the endowment portion is and has been our policy and will continue to frame the primary policy of this government.

Now, there was one question related to the debt repayment. As was mentioned, 51 percent of Albertans did say that they would support using the fund. We released the results today. But it is important to ask Albertans, and we're pleased to be able to get a response from those types of consultations. It is not in our budget contemplation this year, but we clearly will come back and revisit making sure this fund is structured properly for even those kinds of questions but at a future date. It was just part of the consultation we've been involved with.

The Speaker: The hon. leader.

Dr. Nicol: Thank you, Mr. Speaker. To the Minister of Revenue: you just said "the endowment portion" of the heritage fund. Since when has this fund been divided up into a series of things. It is all an endowment in the minds of Albertans. Why are you changing it by making comments like that?

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. This fund has served Albertans very well for a variety of reasons over its 26-year history. It was originally created as a multipurpose fund for many of its years of history. In the last number of years our priority has been to repay the debt. We have used the income to help support programs of the government, over \$25 billion of income over the life of that fund. That income has helped benefit health and education, repayment of debt. It benefits Albertans continually. In that respect, it was very important to us to help clarify even the misconstrued comments at times – is it a rainy day fund? – or, otherwise, to get a clearer focus. Yes, it is an endowment fund, and I support that.

Dr. Nicol: To the Minister of Revenue: if you wanted to clarify Albertans' perspective on what that fund should be used for, why didn't you do a scientifically based consultation with Albertans rather than a voluntary response as a form of consultation?

Mr. Melchin: Mr. Speaker, we are pleased with the opportunity to consult with Albertans and ask Albertans. This survey was not a survey in the sense of only limiting it to a few randomly selected people to participate. It was designed to allow all Albertans to have a voice on it. Over 77,000 people responded to it, a tremendous response from Albertans.

Dr. Nicol: Again to the Minister of Finance. The process doesn't give any statistical significance to that kind of a survey. How can you judge policy changes on a survey that has no scientific statistical analysis basis?

The Speaker: I take it that question was to the Minister of Revenue.

Dr. Nicol: The Minister of Revenue, yes.

Mr. Melchin: Thank you, Mr. Speaker. Today, as I mentioned earlier, was the release of the survey. There were no policy announcements, no changes contemplated in this budget, but it is part of the consultation to which we are listening, and we will follow up on it.

Dr. Nicol: To the Minister of Revenue: since there's no scientific basis for that survey, why don't you just throw it out?

Mr. Melchin: Over 77,000 people felt it important enough to respond. That's a very high response and even statistically valid with respect to a representative sample. When you break it down geographically among all the regions of Alberta, results were similar, and it does have a high confidence level, even to that of exceeding a poll.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Natural Gas Rebates

Mr. MacDonald: Thank you, Mr. Speaker. This government threw millions of dollars around in energy rebates during the last election to hide the true cost of energy deregulation from Albertans before they voted. After the election this government promised in the throne speech that it would tap its substantial energy riches to shield consumers whenever natural gas prices get abnormally high. My first question is to the Premier. Given that after the last election the Premier stated that if we are facing something like \$9 or \$10 per gigajoule, that is abnormally high, why is your government so mean now when the average monthly price that Albertans are paying is over \$9? Why was that true then and is not true now?

Mr. Klein: Mr. Speaker, what we have here is the re-re-rebate. You know, I've answered the question so many times in this Legislature. What we said at the time – and there was no program in place other than an ad hoc program to shield consumers. By the way, the Liberals never talk about that. They never talk about that in positive terms and the benefit to Albertans at that particular time, that along with the electricity rebates. They never mention also that they were part of the debate that led to the legislation and never opposed the legislation that went into place, setting up a program to provide certainty relative to rebates. They never ever say that. They never ever say that they were part of the debate and did not oppose the legislation. What they are doing now is pure, unadulterated, down-low politics. Nothing more; nothing less. They were there for the debate.

1:50

Dr. Nicol: Where were the regulations?

Mr. Klein: Mr. Speaker, they talk about the regulations. At that particular time – and I'd like to go back to *Hansard* – I don't recall any of them getting up and saying: where are the regulations; how is

this going to work? [interjections] Oh, now they complain. Now they complain because it's politically expedient; the temperatures are cold. It's politically expedient for them to do it. When the temperature warms up, then they will cool on this particular issue, and they'll go on to something else, whatever is politically expedient at that particular time, whatever is negative. Whatever they can tell Albertans about what is wrong with this province, they will capture the moment and go out and spread their negativity.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the Premier: given that the Premier stated in April 2001 that \$9 to \$10 a gigajoule for natural gas was abnormally high, what has made your government change its mind and made you break your promise? Is the orange and blue sweater going to be your legacy to this province?

Mr. Klein: The orange and blue sweater, Mr. Speaker? Orange and blue are great colours.

I'm just reading here the natural gas prices 2000 to present: from April \$3.10, May \$3.35, June \$4.33, July \$4.42, August \$3.93, September \$4.66, October \$5.53, November \$5.79, December \$8.28, January \$11.21, February \$8.05, and March \$6.48, Mr. Speaker. Then it started to come down. We had a program in place at that particular time which was ad hoc because we didn't have the room to introduce legislation. As a matter of fact, the Liberals were out there saying: what this government needs is legislation to bring in a sustainable long-term program. We did it. We brought it in. They debated it. They didn't oppose it at all, and now they're complaining about it. But the facts clearly show that when the rebate program was introduced, gas had reached an all-time high, and it has not reached that level since.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the Premier: given that in April 2001 you said that if natural gas was between \$9 and \$10 a gigajoule – and that was an admittance that it was an abnormally high price – you would provide rebates, where are those rebates in the emergency that many Albertans are now facing? Where's the money?

Mr. Klein: Mr. Speaker, right now we go to two thousand and . . .

Mr. MacDonald: Broken promise.

Mr. Klein: Do you want to hear the information?

The Speaker: I do, and that's why I recognized the responder.

Mr. Klein: Well, they don't want to hear the information, obviously, because these are the facts.

Reference price natural gas 2001-2002: April \$6.59, May \$5.74, June \$4.44, July \$3.75, August \$3.53, September \$2.76, October \$2.40, November \$3.33, December \$3.20. We're into '02: January \$3.17, February \$2.71, March \$3.23, April \$3.91, May \$3.91, June \$3.54, July \$3.17, August \$2.93, September \$3.51, October \$4.27, November \$4.85, December \$4.94. January no figures, no figures, and no figures up to March, Mr. Speaker. Clearly, if you take those averages, if you take the 12 – how thick are they to realize that there are four seasons usually in this province? There is winter, spring, summer, and fall. They only allude to summer.

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

Health Care Workers' Collective Bargaining

Mr. Mason: Thanks very much, Mr. Speaker. This week at the request of health employers the government moved to deny internationally recognized employment rights to health care workers and chose to shuffle them around without any promise that their service or seniority would be protected. The government did the bidding of the employers in this case but completely blindsided the employees. We have a minister of human resources who sides with business over injured workers, the WCB over firefighters, and now regional health authorities over nurses and other health care workers. To the minister: why has the minister bent over backwards to let employers write their own ticket yet failed completely to consult with thousands of workers or their unions in matters of direct concern to them?

Mr. Dunford: Mr. Speaker, I might remind the hon. member that with the bill that was introduced the other day, we're really talking about a platform for collective bargaining going forward. Unions will be in place. There will be collective agreements that will be in place. It's just that we've enabled a much more streamlined position in terms of nine employers trying to deal with perhaps over 400 collective agreements, that this ultimately and finally would be 36 in number.

I might add to the comments on his preamble that the particular concerns he was expressing are not really labour code activities. They're more in line with the collective bargaining that would go on between two parties, and of course that will continue to go on. That hasn't been touched.

The Speaker: The hon. member.

Mr. Mason: Thanks very much, Mr. Speaker. Well, given that this minister seems to value the input of employers more than that of employees, since he didn't consult with them at all, how does he define the concept of balance in labour relations?

Mr. Dunford: Mr. Speaker, I've had the opportunity a number of times to speak publicly regarding this particular issue, and I think that the message is coming through to Albertans, at least I hope it is, that this was all about the delivery of health care. There's reform that's taking place here in Alberta that we believe will lead to better access to health care, lead to better delivery of the health care once a patient is in the system. So we have focused entirely on that, and I think that there's a greater good here that has been met and hopefully will be achieved.

As far as balance, we still have an incredibly good Labour Relations Code in this province, and we are providing a structure for health care bargaining similar to having had to provide a structure in the past for construction bargaining, for an example. So I think that in this particular case the government has upheld its responsibility, and we look forward to the two parties moving forward, then, from this point on in a more streamlined and hopefully a more beneficial manner.

The Speaker: The hon. member.

Mr. Mason: Thanks very much, Mr. Speaker. Well, why is it that this government uses a heavy hand – and those are the minister's own words – against its employees but a wet noodle against employers; for example, the Edmonton Economic Development Authority, which repeatedly violated Alberta labour laws?

Mr. Dunford: I guess we managed to connect some dots there.

What we, of course, do on a daily basis, Mr. Speaker, is deal with the issues that are in front of us. Again I want to repeat that this was an activity that the whole motivation for has been in the interests of the delivery of health care. That was the reason for it then, it's the reason for it today, and it'll be the reason for it tomorrow.

The Speaker: The hon. Member for Edmonton-Glenora, followed by the hon. Member for Edmonton-Mill Woods.

Heritage Savings Trust Fund

(continued)

Mr. Hutton: Thank you very much, Mr. Speaker. As chairman of the Alberta Heritage Savings Trust Fund Committee I read with interest the survey results that the Minister of Revenue released this morning. They show that Albertans value the fund and are not keen to spend it. I have one question to the Minister of Revenue. To assist the all-party committee that I chair, to help us with our deliberations in our meetings, what are some of the options that are being considered?

The Speaker: The hon. minister.

2:00

Mr. Melchin: Thank you, Mr. Speaker. I'd like to first say, with respect to the survey, that the heritage fund has always been known and valued, that it is an icon for Albertans. They do value it. In our approach to it all of the questions of the survey were preambled by: its uses ought to be allowed to be replenished and grow over time. That was the preface, that was the background to the survey. In that respect, with the options being reviewed, do we review things like the endowment fund? What does that mean, an endowment fund, and how is that properly structured so that it is clear to Albertans what that means and you can be clear on that? So that's paramount. That is the most supported idea, and we will bring that clarity back in further discussion. But this is a fund here to stay.

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

Student Loan Program

Dr. Massey: Thank you, Mr. Speaker. Cuts and chronic underfunding characterize postsecondary school finance in Alberta. The students in the gallery today will be under constant pressure to pay higher tuition, higher fees, and more for campus services. My questions are to the Minister of Learning. How will students at the University of Calgary next year pay for housing when a one-bedroom campus apartment costs \$726 and the student loan allowance is \$315?

The Speaker: The hon. minister.

Dr. Oberg: Thank you, Mr. Speaker. I cannot comment specifically on what the rental rates are in Calgary, but what I will say is that the student loan limit for students this year will be around \$10,200 to \$10,400 per year. That means that on a four-year degree they will be able to get around \$42,000. The interesting part is that they will have to pay back 20,000 of those dollars. The other roughly \$22,000 will be picked up by the provincial government.

The other thing, Mr. Speaker, which is really important, as well, is that in the upcoming year we anticipate that there will be 46,400 students who will receive student loans, for a value of \$417 million in the province of Alberta.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister: does the government see any relationship between rising student costs and the 1,500 people being fed at the U of A's food bank each year?

Dr. Oberg: Mr. Speaker, one of the things that I have looked at a lot since becoming minister has been the student loan program, and over that time we have increased the student loan program by about 45 to 50 percent. It's something that I feel very strongly about. We have also increased quite dramatically the student awards, such as the Jason Lang scholarships, numerous other scholarships. Jason Lang scholarships, by the way, are to the tune of around \$5 million or \$6 million a year, are regardless of financial need, are there for performance. We have seen a tremendous amount of dollars being put into that. The Rutherford scholarships, for example, are something else that this government does. I believe, off the top of my head, that they're around \$35 million or \$40 million a year.

So there is a huge amount of dollars that are going in. Students, for example, now pay in tuition an average of about 25 percent of the cost of their actual education. Seventy-five percent is being borne by the government and other sources. So we're seeing a huge amount of dollars go into postsecondary education. In saying that, Mr. Speaker, I will say that it's money extremely well spent.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister: what adjustment will the government make in the loans program to help students deal with skyrocketing utility costs?

Dr. Oberg: Mr. Speaker, one of the things that we tend to work on in the student loan program is the overall loan limit, and each and every year we look at the overall loan limit and how we can increase it. This year in the upcoming budget you will see what is going to happen. I think people will be reasonably happy. But, again, what I will say – and I really must reiterate this – is that Alberta has by far the best student loan program in Canada. Talk to any of the student groups; they will agree with that. It's something that we're very proud of: \$417 million goes out each year.

The Speaker: The hon. Member for Calgary-Bow, followed by the hon. Member for Edmonton-Riverview.

Utility Costs for Low-income Albertans

Ms DeLong: Thank you, Mr. Speaker. My question is for the hon. Minister of Human Resources and Employment. Mr. Minister, I've continued to hear from constituents who are still worried that they won't be able to pay their utility bills, so I'd like some further clarification on this. What is your department doing to help low-income Albertans who don't have the money to pay their bills?

Mr. Dunford: Actually, Mr. Speaker, we will help Albertans who do not have the resources to pay these utility bills. We have an emergency assistance program, that we've used now for a number of seasons, under our supports for independence program, but in answering the hon. member, it's very, very important that Albertans understand that in order to be able to access this particular assistance, there is a screening process that they're going to have to go through. First of all, they will have had to have received a disconnect notice. Through examination and through revealing of their particular situation, they will have to show clearly that they have no

other choice, that they have no other method of being able to pay and, I guess, more importantly, as well that they can show they are not eligible for any other types of assistance. So if you or any member here in the House have constituents that are in that situation, they must apply in person to a Human Resources and Employment office, and then we'll try to help as best we can.

The Speaker: The hon. member.

Ms DeLong: Thank you. How much money will your department provide to people who have no other way of paying their utility bills?

Mr. Dunford: Well, of course, we don't have just a sum that's given to everyone. We would want to examine each of the situations on a case-by-case basis, but we have a policy in place that there could be up to a thousand dollars for a circumstance, that could be provided for utility arrears or reconnection or perhaps even if there are some deposit fees that would come into place. Now, technically, under our policy there might be an opportunity for a person, you know, in really dire situations to perhaps use this more than once, but that would be a very exceptional situation, I'm afraid.

The Speaker: The hon. member.

Ms DeLong: Thank you. Mr. Minister, you haven't mentioned people on AISH. Does this include people who are on AISH?

Mr. Dunford: Well, it can. While AISH is a stand-alone program, we can move people off AISH on a temporary basis into our supports for independence program and perhaps, then, look after them that way. But in specific answer to your question, AISH in and of itself does not have this type of assistance available, so they'd have to move onto our SFI program.

Physiotherapy Programs

Dr. Taft: Mr. Speaker, every Thursday the Alberta Liberals will ask a question that members of the public have asked us to pose. Members of the public can send us their questions by phoning our office or visiting our web site at www.altaliberals.ab.ca. Today's question comes from an Albertan very concerned regarding funding and operation of physiotherapy programs in Alberta, so my questions are to the Minister of Health and Wellness. Given that the Expert Advisory Panel to Review Publicly Funded Health Services has already reported to the minister, when can Albertans expect an answer as to what is going to happen with public funding for physiotherapy?

Mr. Mar: Mr. Speaker, my expectation is that government will have a response to the report tabled by the expert panel, headed by Dr. Bob Westbury, sometime in the next three or four weeks, and the public will certainly be made aware of the response that we have once government has had the opportunity to review, digest, and make decisions on those recommendations.

The Speaker: The hon. member.

Dr. Taft: Thank you. Given that there are no requirements that community rehabilitation funding provided to RHAs actually goes to community rehabilitation programs, how does the minister ensure that Albertans get the physiotherapy service they need?

2:10

Mr. Mar: Mr. Speaker, we do rely upon regional health authorities to establish priorities for the delivery of health services within their particular regions, so we would expect that if physiotherapy is a needed area within a regional health authority's boundaries, that need would be made known to the people who run our system in those areas.

The Speaker: The hon. member.

Dr. Taft: Thank you. Given that the current community rehabilitation program is widely regarded in the profession as complex, confusing, and perceived by many as being unfair, what is the minister going to do to fix the system?

Mr. Mar: Mr. Speaker, we have asked this expert panel to provide for us their best advice on how to resolve some of these issues as to how we get effective – cost-effective and physically effective – treatment to individuals who require it. It is a complex area, but they have been charged with the responsibility of trying to sort through some of these complexities and look at evidence-based decision-making for the purposes of making policy.

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

Calgary Consolidated Courthouse

Ms Graham: Thank you very much, Mr. Speaker. As someone who has advocated for a consolidated courthouse in Calgary since my election some six years ago, I was very pleased to see that government had initiated a process last summer that would see a new Calgary courthouse built. Since then, I understand that three developers have been chosen to submit detailed proposals pursuant to an RFP, or a request for proposal. My question, then, this afternoon is to the Minister of Infrastructure. When will a developer be chosen to start construction of the much-needed courthouse?

The Speaker: The hon. minister.

Mr. Lund: Well, thank you, Mr. Speaker. This is, indeed, a very exciting and large project that we are undertaking in the city of Calgary. We're probably going to be building a building with some 1.1 million square feet, so it is a very large project. I would like to just quickly run through the process that we've been using, because it is extremely important to us that this be very open and transparent, and we wanted to make sure, because of the size of the project, that we didn't leave anyone out that had the expertise or financial ability to participate in the project.

So we first called for a request for expression of interest and had some 27 respondents to that request. Because of this great interest, we then decided that it was extremely important that we get some outside expertise to help us with it, so we called for an RFP to bring on consultants that had expertise in courthouses, in financing, in architecture, and those types of things. We then moved on to a request for qualifications, and out of that process we had some 10 people and firms respond. We then short-listed those and came out with six firms that were interviewed, and out of that, there were three that qualified to move forward to the next level, which will be the request for proposal. As we speak, the request for proposal is being printed. It will be made available to the three companies on Monday.

The Speaker: The hon. member.

Ms Graham: Thank you, Mr. Speaker. Given that this process is under way and that a developer will presumably come out of this process, when will the courthouse be built? Can the minister advise?

Mr. Lund: Mr. Speaker, we are actually on a fairly fast track with this whole project. We hope to have the contract signed to go ahead with construction in October with completion in the summer of 2006 and the ability to move in and start operating from that consolidated courthouse.

The Speaker: The hon. member.

Ms Graham: Thank you, Mr. Speaker. My last question is to the Minister of Justice. Given the obvious benefit to the court-going public in being able to attend one location instead of seven, I'm wondering if the minister can advise of other anticipated benefits to this new facility for the public.

Mr. Hancock: Well, Mr. Speaker, we would anticipate huge benefits to having a consolidated justice facility in the city of Calgary where all citizens of Calgary would know where they could go to access courts. Right now, as the member has indicated, there are seven different locations. There's prisoner handling in at least two of those; I think probably three or four of those where there are prisoner handling facilities. There are law libraries. There is a great amount of duplication of resources being utilized now, which can all be consolidated in one facility. So from an administrative point of view it makes a lot more sense and will save us some money, which can then be redeployed into the system to more effectively serve justice in that area.

From an access to justice perspective there are huge benefits to people knowing where they need to go to the court that they're supposed to be in, and that's very problematic right now with confusion. There's an opportunity in building a facility of this nature to bring together associated justice activities: family law clinics, mediation processes, and other processes which people need to access in addition to the courts. So there are a great number of activities which can be consolidated in that area, both redeploying resources and making the access to justice more effective.

Milk River Basin Water Management

Ms Carlson: Mr. Speaker, 20 years ago this province tried to build a dam on the Milk River. That plan was scrapped because the dam would endanger an internationally significant grassland that serves as the habitat for several rare and threatened species. But now this government is quietly trying to bring that plan back. To the Minister of Environment: what has changed in the last 20 years to lessen the environmental risk of putting a dam on the Milk River?

Dr. Taylor: Mr. Speaker, we're moving forward with the study at the request of the community. The study is not just looking at a dam; it is looking at options for water storage. Even in the driest year, about two years ago, we passed on between 55 and 57 percent of the water in the South Saskatchewan basin to Saskatchewan. We have to continue to provide 50 percent. Even in the driest year there was 7 percent of the water that flowed, so as we go forward in looking at water management issues, all the water management issues in all of the province need to be looked at.

As we move forward in particular to the Milk River basin system, the Milk River would be dry if it weren't for a number of options

and actions that have been taken in the past. This is a project of the community, the American government – the Milk River flows ultimately down to the Gulf of Mexico – and it is also a study that's been undertaken by us. As I say, it's just a study; there are no commitments. The study looks at onstream and off-stream storage plus environmental effects plus economic matters.

Ms. Carlson: Mr. Speaker, why is the minister conducting a prefeasibility study without a river basin management plan, as required under the Water Act?

Dr. Taylor: Well, Mr. Speaker, we are going forward with a study, and certainly we are working with all the basins right now in terms of getting water management plans developed. We've done a good one on the Bow River, we're working on the South Saskatchewan, and we're working with one on the Milk River as well. There would be nothing built either onstream or off-stream until there was a water management plan.

Ms. Carlson: Mr. Speaker, will the Environment minister tell this House how much this project will benefit Americans and how much it will cost Albertans?

Dr. Taylor: Well, Mr. Speaker, of course we're continuing to monitor the situation as it goes forward, but I can't tell her that until the study is complete, and if there's any benefit to the Americans, we would be expecting the Americans to pay their fair share. I had a meeting in Milk River some time ago with American community officials and so on. The Americans are interested in knowing what the costs will be, and of course they recognize that they need to pay their fair share of any project if – if – a project were to go forward.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Wetaskiwin-Camrose.

Education Funding

Dr. Pannu: Thank you, Mr. Speaker. I have never seen education stakeholders more united against this government's wrong-headed policies, which have created a serious funding crisis in our schools. School trustees, educators, parents, and students are speaking with one voice, saying that this Tory government is just not listening to their concerns. To the Minister of Learning. I hope he's listening. Can the minister please explain how he has managed the rare feat of uniting all education stakeholders against his government's policies.

2:20

Dr. Oberg: Well, Mr. Speaker, I think the hon. member is hallucinating again. I believe that the school boards are doing a very good job of managing their funds. I also believe that there's been huge amounts of dollars that have been put into education and the learning system. We put more money into the system per capita than any other province in Canada. Our students do absolutely the best on any examination across Canada; indeed, any worldwide examination. Lastly, our teachers are paid approximately 10 percent more than any other teachers in the country. So I would really caution this hon. member about talking about a crisis in education. It is trumped up, and I think it does a disrespect to those teachers that are doing a very hard job and doing very hard work.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. That's a very hallucinated answer to my very clear question.

My next question to the minister: why won't the minister swallow

his pride and admit that the government is wrong to not fully fund the arbitration settlement and grade 10 credits and that this refusal is exacting an unacceptable toll on Alberta classrooms?

Dr. Oberg: Well, Mr. Speaker, first of all, the arbitration settlement was fully funded. It was funded to the tune of \$298 million for a \$260 million settlement. The second point that I wanted to make is on CEUs. Do you realize that in the Edmonton public school board we had to fine schools because they were putting forward the wrong CEUs? They were using the CEUs to put dollars into their own coffers. In some school boards the CEUs in grade 10 were up to 47 per year. We had students that were receiving over 80 – 80 – credits. Do the math timewise. There aren't that many hours in the week. This was a huge problem. We have addressed the problem and are coming forward with the solution starting this September.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. For the minister to say today that the settlement was fully funded really shows how hallucinated he is. Will the minister tell parents and students that he has gotten the message and announce today that next year's education budget will contain sufficient funds so the school boards are not forced to lay off teachers and cut vital programs?

Dr. Oberg: Mr. Speaker, I will elucidate that hallucinating question. There will be money in the upcoming budget. You will however have to wait till the upcoming budget. A lot of the school boards are working extremely hard to balance their budgets. They're attempting to keep the number of teachers that will be laid off by attrition to a minimum, and we will see how they do it. I listen to people all the time. As a matter of fact, last night I met with the parent council at Eastglen, which I believe is in the hon. Member for Edmonton-Highlands' constituency, and I didn't see him there.

The Speaker: Boy, there's a lot of activity back and forth. To my hon. colleagues the Member for Edmonton-Highlands and the Member for Edmonton-Strathcona, just button it a bit; okay? Because if you don't, I'm moving your desks over here.

The hon. Member for Wetaskiwin-Camrose, followed by the hon. Member for Edmonton-Glenarry.

Labour Supply

Mr. Johnson: Thank you, Mr. Speaker. Recent reports have predicted that Alberta is going to have high employment growth over the next few years. Reports state that over the next five years there will be a strong demand for occupations that need university degrees, especially in nursing, business, and engineering. However, with many baby boomers retiring over the next 10 years, there is a real concern in my constituency that there will be large-scale worker shortages, especially in the area of health, where it has already been predicted that there is going to be a shortage of medical doctors and nurses. My first question is to the Minister of Human Resources and Employment. Does the minister and his department have any long-range plans to ensure that there won't be labour shortages in Alberta over the next decade?

Mr. Dunford: Yes, Mr. Speaker, to the question. In terms of plans they would be both immediate and, of course, long term and involve the federal government through the Human Resources Development branch of the federal government, but also we have cross-ministry initiatives here within the province of Alberta. I might just direct the

member's attention to a recent report that has been released by the Department of Learning and ourselves called Prepared for Growth. In that report we articulate a three-pronged approach to ensuring a strong labour market.

First of all, of course you want to deal with Albertans and make sure that there are strong training programs available for Alberta workers. Secondly, then, of course you want to increase the ability of workers from across this country to be able to come to Alberta and to work, and with that, then, of course we want to have in place good accreditation systems. Then, finally, just around the world: being able to attract skilled immigrants through, of course, the Alberta advantage.

So our portion of this in Human Resources and Employment is to provide information, to provide advice, and to provide financial support to help people get jobs, get training, and choose careers, then, with bright futures, for which, of course, doctors and nurses would qualify.

Mr. Johnson: My first supplemental is to the Minister of Health and Wellness. What plans does the minister have to ensure that there will not be a shortage of medical doctors and nurses in the next ten years?

Mr. Mar: Well, Mr. Speaker, I can assure the hon. member and members of this House and Albertans that our department is clearly aware of many reports that have talked about a general shortage of health professionals across Canada. Interestingly – and I think it's worth pointing out – this is one of the areas that was not specifically addressed by the federal government in its recent budget, nor was it really referred to except parenthetically in the Romanow report, although it was identified in both the Mazankowski report and the report done by Senator Kirby.

Mr. Speaker, we have done a good job of trying to deal with this particular issue, and it's a two-pronged approach. First of all, through primary health care reform we need to make sure that we make better use of the health professionals that we currently have in expanding the scopes of practice and the utilization of competent professionals in various areas of health care. So that's the first prong to the approach.

The second prong, Mr. Speaker, is with respect to the training of professionals and their recruitment and retention. Now, that is also a two-pronged approach. One is that in the short term we can recruit people from other places, and we've been successful in doing that partly because of our labour negotiation contracts with nurses, with physicians that have resulted in almost 650 new positions coming to Alberta in the last three years, some 1,500 new nurses in the last couple of years that we've been successful in recruiting.

Also, Mr. Speaker, we are interested in training more people, the theory being that people who are born, raised, and live here in Alberta and train in Alberta will tend to stay in Alberta, and so in that respect – and this is my final point – we have focused on postsecondary education seats for health care. I'm pleased to say that over the last four years we have added an additional 2,116 new spaces. Alberta now has a total of more than 12,000 postsecondary education seats devoted to the education of health care professionals.

Mr. Johnson: My final question is to the Minister of Learning. What steps has the Minister of Learning taken to ensure Alberta students are being encouraged to enter studies at the postsecondary level, that are predicted to be in high demand over the next ten years?

The Speaker: Okay. Thirty seconds, hon. minister.

Dr. Oberg: Well, Mr. Speaker, it's very, very hard to talk about our excellent postsecondary education system . . .

The Speaker: Can we come back with a ministerial statement, then, on Monday?

Untendered Contracts

Mr. Bonner: Mr. Speaker, yesterday the Minister of Infrastructure said that he wouldn't waste taxpayer dollars to make public the records of untendered contracts issued by his department. When I revealed to him that members of his own department calculated it would cost less than \$6,000, he said the amount was so small that the opposition should pay for it. The minister cannot have it both ways. To the Minister of Infrastructure: which is it? It costs too much to find the records, or they're so cheap that the opposition should pay for them?

2:30

Mr. Lund: Mr. Speaker, I think it's deplorable that an hon. member – I don't know why I use the word "honourable" – would stand in his place and say that I said something that I didn't say yesterday. I did not say that since it was so cheap they should pay for it. I never said that, and I think that the hon. member should actually apologize for making those kinds of accusations. I never said that.

Mr. Bonner: To the same minister, Mr. Speaker: do you deny that there is public benefit to making these records public?

Mr. Lund: Mr. Speaker, I told the hon. member the other day to get his act together and then we would answer his questions, but until he gets his act together, he can go the other route that he started.

Mr. Bonner: Mr. Speaker, given that the minister still doesn't have an answer, is he saying that the public should not be able to see these documents? What is the minister hiding that he doesn't want Albertans to see?

Mr. Lund: Mr. Speaker, we are hiding absolutely nothing. If the hon. member wants the public to pay for a fishing trip, I disagree with it. If he wants to narrow it down so that he defines what exactly it is that he wants, then we will deal with it, but I cannot, when somebody says that they want every contract that we've entered into over the last two years, have staff spend hundreds of hours going through and finding it. We will not do it.

Speaker's Ruling Items Previously Decided by the Assembly

The Speaker: Just a second. The chair is going to make a comment on what's just transpired here. This is the second day in a row now that this has transpired with this question. It would've been helpful if perhaps some learned parliamentarians in the Assembly might have interjected, but the chair will.

We have on our agenda and we have in our Routine items called Motions for Returns and Written Questions. Hon. members can pose certain questions. They have them identified. They're printed in the Order Paper. They're published. We arrive here on a certain day, and an hon. member moves a question. It is not for the minister to reject or accept the question; it is for the Assembly to accept or reject the question. If it were to come about that a question is being presented by someone and the hon. minister says, "Yes, I'm prepared to provide it" but the Assembly votes no, the minister cannot. It's the Assembly that rules.

In the series of questions that were raised the other day, I think following out of the question asked yesterday and the question asked today, the Assembly voted no to the provision of the statement. So for absolute clarity from a jurisdictional point of view and a constitutional point of view let us remember that it is the Assembly that rules, not a minister that rules.

Might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

Mr. Ouellette: Mr. Speaker, it gives me great pleasure to rise and introduce to you and to all members of this Assembly a very good friend of mine from Pine Lake, Doug Sawyer. Doug is a rancher at Pine Lake and a very good supporter of this government and a very good citizen of the Pine Lake area. He's also the president of the Clean Lake Society. He's a big-time hunter and a big-time fisherman, and I get to eat a little wild meat and some fish when I stop over by his house. I'm glad to see him come to take part in watching our Legislature today.

head: **Members' Statements**

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

The Ross Family of Camrose

Mr. Johnson: Thank you, Mr. Speaker. The Ross family in my constituency has done phenomenal work in raising awareness for the organ donation program. Mike, Tim, Kate, Jen, Rod, and Sheilagh have had a personal experience with the program. In 1992 Jenny, at the age of four, underwent a liver transplant to save her life from a virus. Jen lay sick for two weeks before an anonymous donor provided the gift of life for her. She made an excellent recovery, and she and her family have been large supporters of the donor program ever since.

Last summer Mike and Tim roller-skied from Edmonton to the Canadian Transplant Games, in St. John's, Newfoundland, in the Thanks 100 Times Over campaign. The campaign raised awareness of the organ donation program and also served to thank families of donors of organs and tissues. Mike and Tim roller-skied 6,000 kilometres in 69 days, visiting over 30 cities in nine provinces.

In November 2002 Jen was asked to represent the Stollery children's hospital as this year's champion child. She is an ambassador for the 80,000 children treated at Stollery each year. Jen has been asked to address the Senate of Canada next week on behalf of the children and families of the organ donor program.

Sheilagh Ross was appointed to the Canadian Council on Organ Donation and Transplantation in 2001 as one of the two Albertans sitting on the national council. Sheilagh is the lead for their public awareness initiative and sits on the donation committee.

The entire family continues to promote the benefit of the organ donation program, which is life. I encourage all Albertans to visit their web site at www.thanks100times.ca to learn more about the family's efforts. I also encourage all Albertans to fill out a donor card so that they, too, can give the gift of life.

From this Assembly I'm pleased to say thank you to the Rosses and welcome them here today.

Asbestos Exposure

Dr. Taft: Mr. Speaker, I hold in my hand excerpts from this government's own *Occupational Health & Safety Magazine*. These four

simple pages document in just over one year the deaths of 32 workers in Alberta, workers who died because of asbestos. They were insulators, plumbers, carpenters, and electricians. They were mechanics, painters, store clerks, and engineers. These workers who died because of asbestos are only the ones we know about. How many more Albertans are out there dying from asbestos exposure?

Our knowledge of asbestos has come a long way. At one time it was known as a miracle mineral used in a variety of substances like building materials, fire retardants, and insulation. We didn't know that asbestos fibres become embedded in the lungs and can lead to several fatal diseases, but now we do. Asbestos is the largest single occupational cause of death and disease. In Great Britain asbestos kills more people each year than are killed on roads. By 2020 it is estimated that a staggering 10,000 people a year will die from asbestos exposure in the U.K. alone.

In the past few months serious concerns regarding asbestos exposure at two health facilities in Calgary have been brought to light. The safety of workers and patients was put at risk at both the Foothills and Holy Cross, and despite the seriousness of asbestos exposure, repeated breaches of the government's asbestos abatement policy continued to occur. Where is the government on this issue? A good abatement policy means nothing if there is no will to enforce it. Improper asbestos removal at the Foothills and Holy Cross are two examples that we know about. How many times each day does improper asbestos removal in Alberta put worker and public safety at risk? There is no excuse. We know the dangers of asbestos. It is time for the government to show leadership and take action on this issue by properly enforcing the legislation.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Farm Safety Week

Mr. Horner: Thank you, Mr. Speaker. I rise today to recognize and bring attention to the Farm Safety Week campaign, which began on March 12 and will be concluding on March 19.

Statistics, Mr. Speaker, show that farming is one of the more dangerous occupations in Alberta. Unfortunately, statistics don't show the real impact farming-related deaths and injuries have on the families who have had a member seriously injured or killed. Millions of dollars in production and thousands of work hours are lost, but how do you measure the emotional loss of a family member? On average there are about 120 people killed and another 1,700 seriously injured each year in farm-related incidents across Canada, and one-fifth of those deaths occur in Alberta. In 2002 Alberta lost 24 members of its farming community, and of the people lost five were children.

The focus of this year's campaign is on children's safety because even one is too many. Parents can ensure the safety of their children through proper supervision and training for any task their children might be involved with. Children need to be assigned tasks that they are capable of doing safely. Farm-related tragedies are preventable. One of the most horrific facts that surrounds the death or serious injury of a child on a farm is that in the majority of incidents the parents of the child witness the incident. Climbing hay bales may look innocent, but when children climb and play on top of them, they may become unstable and fall onto the child. Tractors are another dangerous piece of equipment that children should avoid. One of the most common causes of serious injury or death for children is when they fall off a moving tractor. Although hazards exist on farms, they are a wonderful place for children to be raised. Children just need to be aware of the dangers that exist.

2:40

Almost every farmer in Alberta could tell a story about an injury they sustained or a near miss that occurred throughout their daily farming tasks, and it is important that these stories and the recommendations arising from them are shared, especially during this farm safety campaign. Alberta Agriculture, Food and Rural Development takes an active role in providing farmers with information that promotes farm safety year-round. Farmers are encouraged this week to share their knowledge and expertise and raise the awareness of potentially hazardous practices.

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

Electoral Boundaries

Mr. MacDonald: Thank you, Mr. Speaker. Last September a disappointing interim report was delivered by the Electoral Boundaries Commission recommending that the city of Edmonton lose a seat, that rural Alberta lose a seat, and that the riding of Fort McMurray be consolidated with the surrounding constituency to create a riding whose population was 20 percent over the provincial average.

The city of Edmonton is one of the two largest economic centres in Alberta. It serves as the capital for our fine province and over the past two years has seen substantial economic growth and increases in population. Yet even though our current population qualifies the city to keep 19 seats, Edmonton is being punished with the loss of one of them. This will leave our city underrepresented and with less influence and say in this House.

After the interim report of the Electoral Boundaries Commission was released, there was an outcry from the citizens, city council, and the opposition parties of this House. Mr. Speaker, we need representation in this city to watch out for the interests of all Edmontonians. This report takes that representation away. We need representation to protect our municipally owned utilities. We need representation to protect our public schools. We need representation to protect our public health care system. We need representation to protect and further our roads and our infrastructure. We need representation to speak for those who cannot speak for themselves: the disabled, those on low-income assistance programs, seniors, and children. If we lose that seat, the people of Edmonton will lose representation. They will have their democratic rights compromised. They will suffer the consequences of having one less voice at the legislative table.

I would now urge all hon. members, especially the majority of the Edmonton Progressive Conservative caucus, who to date, unfortunately, have remained quiet on this issue, to stand up and speak out on behalf of Edmonton. I am, as is the Liberal caucus, willing to work with those hon. members to ensure Edmonton does not lose a voice in this Assembly.

Thank you.

head: **Presenting Petitions**

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

Dr. Pannu: Thank you, Mr. Speaker. On behalf of the working poor in Alberta I'm presenting a petition signed by 53 individuals from Calgary. These Albertans are petitioning the Legislative Assembly to urge the government to immediately raise the minimum wage to \$8.50 per hour and index it to the cost of living just in the way MLA salaries are indexed to the cost of living.

Thank you, Mr. Speaker.

Speaker's Ruling Factual Accuracy

The Speaker: Excuse me. Hon. members, I don't know what the provision is with respect to the correction of stuff that's said in the Assembly that's wrong. The chair is also the chairman of the Members' Services Committee, and the last statement made is factually incorrect. MLA salaries are not indexed to the cost of living. This has been said in this Assembly several times, and who other than the chairman of Members' Services can stand up and correct it? All hon. members know how their stipends are calculated. It has nothing to do with the cost of living. This has to be clarified. This must be clarified. That is factually incorrect.

Members' stipends are adjusted on an annual basis on a formula that was determined, an independent formula called the average of weekly earnings index of the previous calendar year of workers in the province of Alberta. Totally unrelated to the cost of living index. The members of this Assembly have got to clarify. It's wrong to stand in here and make factually incorrect statements.

Dr. Pannu: With your permission, Mr. Speaker, I want to thank you for correcting me on this. I should have used the right language. Thank you.

head: **Notices of Motions**

The Speaker: The hon. Minister of Community Development.

Mr. Zwodzesky: Thank you, Mr. Speaker. I rise pursuant to Standing Order 34(2)(a) to give notice that on Monday I will move that written questions 3, 5, 6, 8, 9, and 10 be dealt with that day.

I'm also giving notice that on Monday I will move that motions for returns 2, 3, 6, 7, 8, and 10 be dealt with that day.

There being no additional written questions or motions for returns, there are none to stand and retain their places.

head: **Introduction of Bills**

The Speaker: The hon. Member for Grande Prairie-Wapiti.

Bill 31

Local Authorities Election Amendment Act, 2003

Mr. Graydon: Thank you, Mr. Speaker. I request leave to introduce a bill being the Local Authorities Election Amendment Act, 2003.

The act is reviewed approximately every three years. This bill will incorporate changes requested by local authorities since the last local authorities elections.

[Motion carried; Bill 31 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that Bill 31 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Seniors.

Mr. Woloshyn: Thank you very much, Mr. Speaker. I'd like to table the response to Written Question 4.

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

Dr. Pannu: Thank you, Mr. Speaker. I rise to table five copies of a letter from Gerry Toller-Lobe of Edmonton dated March 4, 2003, addressed to the Premier. Mr. Toller-Lobe is expressing his extreme dissatisfaction with the government's education funding policy and the resulting negative impact on his children attending McKernan school. They are reminding the Premier that education is an investment not only in education but in "health, law and order, productivity, culture and quality of life" for the collective good of society.

Thank you, Mr. Speaker.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I have three tablings today. The first is from constituent Ian Crichton, who writes about P3s, or as he likes to call them, "Picking the Public Pocket." He's asking that "the province of Alberta with ample access to capital and pride in its fiscal accountability should not risk the delivery of the services in our community so deliberately."

My second tabling is from Phillip H. Walker, who's asking that the motion passed by city council be tabled, that the mayor on behalf of city council urges the Premier and all members of the Assembly "to direct the Alberta Electoral Boundaries Commission to maintain the status quo in Edmonton."

Finally, Mr. Speaker, there's a heartfelt testimonial from a constituent, Jane Doe, who has found herself needing welfare and offers up her critique on the SFI budget.

Thank you.

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

Dr. Taft: Thank you, Mr. Speaker. I'm getting a tremendous amount of correspondence these days. The first tabling is from a student at Ross Sheppard high school named Tara Krysz, who has written to me expressing her concern over the services available in schools and the shortage of funding.

The second letter is from Lana Cuthbertson, also expressing her concern over funding cuts to education that the province of Alberta is making.

The third letter is a copy of a letter written to the public school board of Edmonton saying among other things: I'm concerned that my daughter's education "will suffer as a result of the recent financial difficulties your schoolboard is facing." That's from Dan Musica.

The fourth letter is a copy of a letter sent to me strongly urging the maintenance of Edmonton's 19 seats in the Legislature.

The fifth letter is from a person, Peter Schiavone, who wants to add his voice "to those calling for natural gas rebates – as promised by the [provincial government] last year."

Thank you.

2:50

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

Mr. MacDonald: Thank you, Mr. Speaker. I have two tablings this afternoon. The first is a letter that I received, and I was delighted to receive this letter from the hon. Minister of Finance. It's dated February 24, 2003, and deals with the consultation process to review the auto insurance business in the province of Alberta.

The second tabling I have this afternoon is from citizens from the following communities: Athabasca, St. Albert, Alberta Beach,

Onoway, Stony Plain, Edmonton, and Calgary. There are over 200 citizens here urging the government to "reinstate the natural-gas rebates immediately" that were promised during the election.

Thank you.

Mr. Mason: Mr. Speaker, I'm tabling a letter from a retired couple in Two Hills, Alberta, dated March 7, 2003, addressed to me regarding their gas and power bills. They write, "Enclosed gas and power bills which are taking food from our mouths."

head: **Projected Government Business**

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

Ms Blakeman: Thank you very much, Mr. Speaker. Pursuant to Standing Order 7(5) I would ask that the order of government business to be brought before the Assembly next week be now shared with the Assembly.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. Under projected government business for the week of March 17 to March 20 we project that on Monday, March 17, under Government Bills and Orders at 9 p.m. for second reading Bill 27, Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, and Bill 30, Appropriation (Interim Supply) Act, 2003, and as per the Order Paper.

Tuesday, March 18, in the afternoon under Government Bills and Orders for second reading Bill 27, Bill 18, Energy Statutes Amendment Act, 2003, Bill 26, Corrections Amendment Act, 2003, Bill 28, Freedom of Information and Protection of Privacy Amendment Act, 2003, and potentially Committee of the Whole on Bill 27, and as per the Order Paper. At 8 p.m. on Tuesday, March 18, under Government Bills and Orders for second reading or Committee of the Whole, depending on progress, Bill 27, and committee on bills 19, 30, and 3, and as per the Order Paper.

Wednesday, March 19, in the afternoon under Government Bills and Orders and Committee of the Whole or third reading, as the order progresses, bills 19, 27, and 3, and as per the Order Paper. At 8 p.m. under Government Bills and Orders again Committee of the Whole or third reading, as progress is made, on bills 19, 27, 3, and for third reading Bill 30, and as per the Order Paper.

Thursday, March 20, in the afternoon under Government Bills and Orders for third reading bills 19, 27, and 3. If time permits, Government Motion 13.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Shariff in the chair]

The Deputy Chair: We'll call the committee to order.

Interim Supply Estimates 2003-04 Offices of the Legislative Assembly, Government, and Lottery Fund

The Deputy Chair: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Chair. I rise to comment on the interim supply requirements for the Department and Ministry of Community Development. I did note in reviewing the Blues last

night – late last night, I might add – that the Member for Edmonton-Centre had placed some questions on the record which she wanted some answers to. I also noticed that she made a comment about the length of time it took to answer some of the questions that followed the main budget debate from last year, and I just want to make a brief comment on that, if you'll allow, because she has asked the question.

I want to just state at the outset that during the spirit of that exchange with the hon. member during that part of the debate, as I recall, she had requested time during the debate a year ago to put on record as many questions as she possibly could. I agreed to that, and I also agreed to Edmonton-Ellerslie's request. I can't remember and I don't have it just in front of me, but I'm sure it was close to a hundred questions or thereabouts when I combined two or three of the opposition members' questions, so it did take quite a long time to provide that.

Now, I'll handle that situation differently this year, hon. member. I will take up the time during the debate to answer as many questions from you as I can, but in response I think I provided 34 pages of answers to this hon. member and the other and then a supplementary 17 or 19 pages of answers, and my staff worked very hard to try and provide as many updated answers as we could. Some of them weren't ready to go, of course, because as I recall, they surfaced around the topic of the G8 summit. Some of that was in progress and in motion, so we held back a little bit on the timing just so that we could provide as much of the updated information as we possibly could, making it the most current, in other words. Nonetheless, my staff did try their very level best to provide as comprehensive an answer to every single question that was raised by Edmonton-Centre or Edmonton-Ellerslie or one other member whose name I don't recall.

So that having been said, we'll endeavour to do that thorough job again when the appropriate budget debate occurs, and I would hope, hon. members, that it won't take a number of months to provide, but when you ask that many questions and you have a conscientious department and staff like I'm privileged to have, some of those answers take longer than anticipated. We only have so many staff members, as does every ministry, so in defence of the ministry and my staff I make those explanations.

Now, specific to some of the issues that were referenced yesterday, I know that there were a number of items that were asked and/or referred to, not necessarily in a question form, during interim supply debate last evening, and I just will clarify again, Mr. Chair, that the request before the House right now is for interim financing or interim funding, bridge funding if you will, to meet what I could only describe as the short-term needs of the Ministry of Community Development until the 2003-2004 budget is officially tabled, discussed, and passed by all members of this House. I know that there will be some vigorous debate at that time.

Specifically, the \$209.5 million or thereabouts in operating expense that is being requested and the \$265,000 in capital investment that's being requested is being asked for in order to help us cover the anticipated needs of the ministry for the period April 1, obviously, of 2003 through to approximately June 15. I think everybody in the House probably heard in the debates yesterday that come the end of the fiscal year that we're currently in, which will be March 31, 2003, we do have a need to facilitate operations and continue to maintain services for Albertans in all areas from health care to education to infrastructure to transportation and on and on. So, too, is that same statement applicable to Community Development.

So we will be looking for interim supply dollars to help us continue providing services such as grant funding for our persons with developmental disabilities boards, which are spread throughout

the province, and I'll comment a little bit more on that shortly. That would constitute for the interim supply period approximately \$190 million in grants, and that will include funding to the PDD Provincial Board and to the regional boards. That will also cover our excellent library system and various other grant programs within my ministry's five lottery-funded agencies.

3:00

So, again, the majority of those funds, Mr. Chair, will go specifically to providing services to the most vulnerable in our society, the PDD recipients, and the system in general. I think it's probably important to note that since they receive their funding at the beginning of each month, the request before us includes about three months of supply rather than two and one-half months of supply, but still it's within those first three months, roughly, that we're looking for interim dollars to be approved today.

The other point I referenced was with respect to libraries. Libraries operate on a calendar-year basis, Mr. Chair, so of the applications that come in, many of these requests are received early, so they're processed as quickly as possible at the beginning of the fiscal year on a first come, first served basis. I'd say that about 50 percent of all the library grants that we do pay out tend to get paid out within the first quarter, so it's important that we have that interim money block available so that we can continue to provide our libraries across the province with the support that they need.

The other point, with respect to the payment schedule, which references other grants within the department and lottery-funded agencies. That varies, and that really depends on the type of grant and which specific grant program is being discussed. Some of these, Mr. Chair, do require funding at the beginning of the year, others require it on a quarterly basis, and some, as the hon. member, I'm sure, will know, require it on a biannual basis. So there are varying time frames here that we're having to deal with. But specific to the amount being debated today for interim supply, this amount that's being requested is based on our best known practices. Let's call them historical spending patterns, if you like. They reflect what we judge to be the anticipated needs for the period April 1 through to, again, about June 15 of 2003. So that tends to cover most of the 191 million or so dollars that were referred to yesterday.

The other points are with respect to salaries, Mr. Chairman. No department, no ministry is able to function without staff, obviously, and when we look at staff in Community Development, who are spread out through most of the province – and, obviously, a lot are also headquartered here – we will require approximately \$8.7 million to cover the salaries for the staff members that I'm so privileged to be able to work with.

There's also, I should add here, about \$265,000 that is being required for capital investment for parks facilities. I think members of the House will obviously know that our parks tend to be the busiest during the spring, summer, and early fall seasons, so in addition to the \$265,000 for capital investment in the parks facilities, this interim request also references I believe about \$7 million for supplies and services, which includes normal operating needs as well as some additional funding that is normally required to get the start-up of our parks going and making sure that they're ready for the very busy summer season that lies ahead.

There will be, of course, more information provided once the budget is tabled, and I know we'll get into quite some discussion on that. But the members of the Assembly along with all Albertans will be privy to those details when the budget is handed down, and I believe that will be on April 8 this year. Now, with that in mind, there were some specific questions that were asked, and I'll try and get through as many of them as I can in the time available.

There was a question with respect to grant release dates. Mr. Chair, the grant programs of the five lottery-funded agencies will continue to operate as usual and in accordance with the time lines and the time frames that we have for grant applications, and we're not expecting any changes to that. The interim request before us takes into consideration the anticipated amounts that will be required for all payments, be they operating grants or project grants or what have you, as well as other operational and capital needs items. The amount of interim supply for grants was calculated, as I said earlier, using previous spending patterns that we have a history with, and we expect that to be the same in 2003-2004.

With respect to library grants, Mr. Chair, should there be any specific changes to the library grants, those would be announced in the 2003 budget. Processing of library operating grants remains unchanged. I think that was one of the items referenced. Cheques are released after libraries submit applications and we've completed our final verifications, and I'll add that applications are, again, processed on a first come, first served basis. It probably should be noted for the Assembly that beginning in 2001-2002, the current population figures based on Municipal Affairs' official population list from the previous year have been used to calculate grant payments for libraries, and I expect that will continue.

With respect to PDD members here should know that the department—that is to say, Community Development—transfers funds that are allocated to us for that purpose to the PDD Provincial Board, and that's done on a monthly basis. After that, the PDD Provincial Board immediately forwards agreed-to amounts to the individual regional boards, and we have six of them throughout the province of Alberta, who work very hard to provide services for persons with developmental disabilities. Now, the provincial board will be working with regional and community boards to develop specific plans and determine specific allocations based on a lot of factors, such as projected caseload growth, projected increases in the cost of providing services to individuals, projected costs of increased complexities of cases, and so on. More specifics, obviously, will flow out once the budget is tabled.

The other comment is with respect to the Auditor's opinion regarding the so-called friends-of organizations that Community Development does business with. This reflects comments with respect to revenues and expenses and so on. The fact is that those aren't included right now within the areas that the member referenced, but I would say this. It's the ministry's opinion that the volunteer societies, the friends-of, that we're dealing with are legally incorporated not-for-profit organizations under the Societies Act, and as such they are independent from government operations, and I think they should continue to enjoy that independence. Therefore, their financial statements are not automatically incorporated into my ministry's budget or my ministry's financial statements. But it's a fair question for the member to ask, and in response I would only add, Mr. Chair, that we are continuing to have this dialogue with the office of the Auditor General to see if there's some other way that we can accommodate our needs as a ministry, that we can accurately reflect the independence and arm's lengthness and all of that stuff which the friends-of groups enjoy as well as issues raised by the Auditor General.

I would say that the recording of deferred contributions that may have been alluded to was done in accordance with generally accepted accounting principles because these moneys were received as restricted donations. Specifically to the hon. member's question regarding unreturned surpluses of I think it was \$223,000 in the context of grants to the friends-of societies, I would like to clarify that the ministry does not provide those societies with those kinds of grants. Therefore, the amount of \$223,000 that may have been

referenced was not recorded in the financial statements of the ministry since they were still being retained by the various societies who operated the particular historic sites which, again, may have been referenced.

There was a question with regard to expenses of capital assets of less than \$15,000 and the request for some details. I would just add, Mr. Chair, that my ministry follows the governmentwide policy and directives in this regard, and the way that we've been doing this is very compliant with the policies referred to.

3:10

The final issue is with respect to the centennial legacies grant program. As all members in the House will know—and I answered part of this question earlier this week in the Assembly—the centennial program had a phase 1, that occurred in September 2000, and then it had a phase 2, which carried an application deadline of March 1, 2001. Now, it was always referred to that the phase 2 grant applications would be dealt with and, hopefully, announced by September 30, 2001. Unfortunately, the tragic incidents of September 11 put all of that on hold. The centennial grant program had to be deferred, and as a result it still remains deferred.

We've received numerous grant applications for that program, and we've received numerous requests asking: when will the centennial grant program be undeferred? My answer to that would be: I hope it will be sooner than later. The centennial of this province will be a great event. As minister responsible for not only the centennial legacies grant program but also for the anniversary celebrations themselves and for all of the good things that will be happening throughout our province during that year and particularly focusing on September 1, 2005, I for one am very supportive of doing everything we possibly can to help the communities. The communities have shown tremendous initiative, I should add, and have gotten on with a lot of their own projects in the meantime. But the request for the centennial program to be undeferred remains on the table, and details on any possibilities of the centennial grant program being reinstated, including any budget amounts, if at all, as applicable will certainly have to wait until the budget gets tabled in early April. We don't have any way of advising any members of this House right now as to what the time frame of phase 2 applications may be, but as I said, I hope the decision to undefer or whatever will be made sooner than later.

I think there are specifics that members were looking for or that at least one hon. member was looking for, and some of those are, indeed, much more specific than I would be allowed to comment on at this time, but I can assure the member that they will all be addressed when the budget is tabled on or about April 8 or shortly thereafter, Mr. Chair.

So with that, I will cede the floor to other members who may wish to ask questions about other departments. I've given out about as much information as I'm at liberty to do at this time. So thank you for your kind attention, and thank you to the Member for Edmonton-Centre for her questions yesterday during interim supply debate.

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

Mr. Mason: Thank you very much, Mr. Chairman. I'm pleased to rise on the interim supply estimates, although I want to put on the record my concern that we're not in fact debating the budget. There's something funny here with the government delaying the budget so long. I don't know what they're actually up to, but it's something, and I'm sure that it will be clear to us after the budget is actually brought down, when it finally is.

Mr. Chairman, I have a number of questions and comments

interspersed on any number of departments contained in these interim supply estimates. I'll just begin, and hopefully the appropriate ministers will be able to respond at some time, if not this afternoon then afterwards, perhaps in a written form.

I have questions for Agriculture, Food and Rural Development. I'd like to know how much will be spent tracking livestock illnesses such as mad cow disease and foot-and-mouth disease. I'd like to know that if there's more drought, which seems likely, what measures will be taken to specifically protect family farms rather than to subsidize large corporate farms. I would like to know why the government reversed its position on subsidizing agricultural leaseholds, which has formerly been called cowboy welfare, between the never proclaimed Bill 31 and Bill 16, which is now before the Assembly.

In terms of Children's Services I would be interested in knowing how much the abominable adoption-by-eBay web site has cost and whether or not taxpayers will be expected to continue paying for this atrocity. Last year there was a total reduction in budgeted spending on early childhood intervention of \$6,277,000, or 17.56 percent, less than the year before. I'd like to know if the minister is committed to restoring that funding. I would like to know how many support agreements or apprehensions the department has had to enact because preventative measures, such as early childhood intervention programs, have not been in place.

Mr. Chairman, I'd just like to speak to this a little bit. Alberta has a high level of apprehensions of children, and it's one of the reasons why the government has a large number of children in care, in foster homes and so on, and it would seem better to me if the government would concentrate on preventative programs to support the families in the first place so that children need to be apprehended much less frequently rather than apprehending lots of children because the families don't have support and then marketing them for adoption on web sites. I'd like to know how much the support agreements cost last year and how much we can expect to pay this year.

Now, I know that Bill 24 has placed a greater emphasis on permanent placements for children in care. This appears to be an intentional shift in philosophy. A representative of the Alberta College of Social Workers has raised concerns that child welfare reforms and reform programs for families of children with disabilities are ultimately designed to reduce costs for Children's Services. So if children are adopted or placed with permanent guardians, then the financial responsibility of the department is reduced. I'd like to know how much the department expects to save with their emphasis on permanent placements.

Bill 24 will also put a 30-day cap on secure treatment for youths with serious addictions, and that's reduced from a cap of 90 days currently. I'd like to know what the expected savings are for that measure, and I'd like to know why, if there is not a significant saving, the cap needs to be legislated in the first place.

Some questions, Mr. Chairman, for Community Development. I'd like to know whether or not more money will be allocated to hire investigators at the Human Rights and Citizenship Commission. I'd like to know why human rights complaints take so long to resolve. I'd like to know what Community Development is or will be doing to combat increased incidences of racism after 9-11. I would like to know what Community Development will do to assist community leagues whose funding has already been reduced by cuts to municipal grants. I don't need to tell anyone here who represents an urban constituency the importance of community leagues to the well-being of the community and the excellent work they do, which I daresay saves municipalities and the provincial government a great deal of costs because of the hard work of the volunteers in those organizations.

I'd like to come now to the Department of Energy, and I'd like to ask a question, and perhaps, Mr. Chairman, at this stage it would have to be considered a rhetorical question. When can we expect gas rebates? I would like a commitment from the government that if rebates are not going to be implemented now, halfway between the last election and the next one, because gas prices haven't hit the trigger, I would like assurances that the government isn't going to change the trigger just in time for the next election and allow gas rebates before the next election. I'd really appreciate it if we could get the minister or some official from the government to put that commitment clearly on the record. We spent \$2 billion on rebates before the election, and that's, I think, just dealing with the gas side, yet Albertans have paid \$3 billion in higher rates since the election. So the net cost to Albertans both through paying for their own rebates and the higher prices that they have to pay as well is a very, very large amount of money.

3:20

How much more will the Department of Energy have to spend on getting the electricity deregulation policy to actually work? We'd like to know how much deregulation of natural gas will cost consumers. The Consumers' Coalition of Alberta has found, Mr. Chairman, through surveys and focus groups that there was no consumer desire for gas deregulation. I think that's a very interesting point. The consumers did not want gas deregulation. [interjection] The hon. Member for Edmonton-Riverview seems interested in that statement, and he agrees with it. I am also not surprised to find that consumers didn't ask for deregulation of gas, just like they didn't ask for deregulation of electricity.

It's an interesting contrast to those statements that are made in this Assembly that consumers want choice. Sure, they'd like to have choice, but now they can choose between which package of high prices they want to have rather than no choice and get cheap and reliable energy. So I think that's the consumer perspective on the whole thing, Mr. Chairman. Certainly my constituency office and that of the hon. Member for Edmonton-Strathcona have not heard any demands for gas deregulation. I wonder if any other members have had calls to their constituency offices from individual citizens demanding gas deregulation. [interjections] That's interesting. A number of members are saying: no, they have not received any calls whatsoever for gas deregulation. Well, it seems, then, that the only people who want gas deregulation are very ideologically driven Conservatives, and I guess Direct Energy probably wants it too. I know that the power companies, including the much-maligned EPCOR, also favour deregulation, and I think that's because they want to make a whole lot more money than they are, and I think that they'll be able to.

I guess the next question I'd like to ask is whether or not the Minister of Energy will table before the Assembly documents from any organization that has asked for deregulation of either gas or electricity and, as well, the correspondence from Direct Energy. Since it's apparent that individual Albertans themselves are not asking for deregulation of gas and power, then I would be very curious to know who is. So I'd ask the minister if he'd be prepared to put that correspondence before the Assembly.

Now, I would like to know who the government is going to buy their gas from in the next period of time, whether or not it's going to be Direct Energy or some other company, and I'd like to know what additional billing costs we're going to have in order to support Direct Energy.

We'd also be really interested to know whether or not the government is prepared to set up any sort of program to assist people to make their homes more energy efficient. There are a number of

approaches to this. One approach which was used in the city of Edmonton in connection with water was to create a revolving fund that allowed people to make investments in water reduction, and then the fund was repaid from the savings that those individuals accrued. It's an excellent approach, Mr. Chairman, because investing in energy saving technologies and simple energy reduction techniques can actually save a lot of money. If you look at it as an investment, then you can actually replenish an initial investment many times over, so it's a very, very positive approach to take.

Now, I guess the next department I come to is the Environment department, Mr. Chairman. I'd like to know how much money is going to be allocated to implementing Kyoto. Then I would appreciate it if the government could compare that to the amount of time or the amount of money spent trying to sabotage Kyoto. I think that would be a very interesting comparison. The government was obviously very, very interested in stopping Kyoto and got everybody whipped into a frenzy. Then when Kyoto was passed by the federal Parliament anyway, all of a sudden the government said: well, you know, it's really not going to hurt us very much, and we'll monitor the situation. So they clearly were crying wolf, and we all know what happened eventually to the little boy who cried wolf. He got eaten by one, or at least he should have. So I think that the government should watch out for the wolf.

I'm going to come to the money spent on lawyers when we get to the Justice department.

Dr. Taft: How much was that?

Mr. Mason: Hon. Member for Edmonton-Riverview, I believe that it was half a million dollars, and that's an awful lot of money. We still don't know which lawyers got it or what they did. We do know that it probably didn't go to injury lawyers, but much more than that we don't really know.

I'd like to know whether or not the government has studied and is prepared to report to the Assembly on the impacts of intensive livestock operations on the environment. As we know, this was an area of considerable concern. I won't go into the statistics that we gathered, Mr. Chairman, about the volumes of pig manure that will be produced once the Premier has his way and we have millions and millions of hogs in this province, but I think that to err on the side of the environment, we really ought to know how these operations have affected the environment so far, the groundwater in particular. I'd like to know if the Department of Environment will commit to an independent review of the impact of intensive livestock operations on nearby ecosystems, on drinking water, and on air quality.

I have a few questions for the Department of Finance, Mr. Chairman, as well. I'd like to know why the budget is so late. I'd like to know why the Finance department continues to intentionally underestimate revenue, particularly royalty revenue. I'd like to know how much the government will be giving away in corporate tax breaks this year. That's another interesting question.

You know, Mr. Chairman, I have here a list of the amount by which the government has lowballed its revenues since 1993-94. It's averaged well over a billion dollars a year, and we're projecting it's going to be close to \$3 billion this year. In that period of time – I think that's about 10 years – the government has lowballed its revenues by \$23.3 billion. It's no wonder they have all these surpluses, and of course they've gone 75 percent against the debt. So by underestimating that revenue, they've managed to starve programs and accelerate the paying down of the debt.

I'd like to ask the Ministry of Gaming how much they're going to be giving to the horse racing industry this year. I'd like to know how much they're spending on VLT maintenance and upgrades. I'd like

to know how much they're going to be spending on support for people with gambling problems. I'd like to know whether Gaming will continue to support core programs such as health and wellness.

3:30

Now, for Government Services, Mr. Chairman, I'd like to know if it's going to continue the unfair user-pay model that it's implemented with all kinds of multiplying user fees, given the government's promise that there won't be any tax increases. Does the government consider user fees to be a tax or not? I'd like to know if we still need to worry about people stealing the materials needed to forge drivers' licences in this province. I think that's a serious concern that we have.

Mr. Chairman, I would like to come to Health and Wellness. I'd like to know whether Albertans can finally expect to see the elimination of Alberta health care premiums this year. I'm not holding my breath, but, you know, with an election coming, we know that everything changes, and maybe the government will actually take a look at that. I'd like to know if the minister is prepared to increase the income levels for premium subsidy at least. I'd like to know if there will be funds to restore the enhanced optical and health benefits for seniors. That was a real blow to the seniors when they lost that, and a lot of people have had a lot of difficulty as a result. I'd like to ask whether the minister will increase the low-income cutoff for seniors' assistance. And will the minister commit to supporting midwives?

I'd like to know whether the government will be introducing more programs to help with smoking cessation and whether or not these programs match the increased revenue from higher tobacco taxes. People may recall that I voted against that particular provision, even though I've opposed smoking in my entire political life, because it was a simply a tax grab from low-income people who are much more inclined to smoke and there was no indication that the extra tax grab revenue would actually be used to help people quit smoking. Clearly it's not. It's just going to the bottom line. I'd like to know if there are any other programs that are being introduced to help people make positive health choices.

Now, Human Resources and Employment. I have a few questions for them. I'd like to know, given the recent surplus, whether this will finally be the year that AISH and SFI recipients can expect an increase. I'd like to know how much the government saves per year by not affording people a decent quality of life. I'd like to know why the minister hasn't pushed for a fair taxation system that would allow him to afford AISH or SFI increases. We'd like to know whether or not there are instances of caseworkers in AISH and SFI being seriously overburdened.

For the Minister of Justice and Attorney General I'd like to know how much money was spent on fighting Kyoto, and I'd like to know if he has plans to spend more this year.

Well, thank you very much, Mr. Chairman.

The Deputy Chair: Hon. member, the allocated time has run out.

The Hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Chairman. I know the hon. member had more questions on the Justice issue than just Kyoto, so I'll look forward to those questions when they come up, but he will have had the opportunity, of course, to debate in full in supplementary estimates not two weeks ago the supplementary estimate that was requested for the Department of Justice and Attorney General relative to a sum of \$500,000 which was in this year's estimates relative to the acquisition of outside legal advice relative to the matter of the Kyoto protocol. I've indicated both in answering

questions in the House and in debate on supplementary supply and elsewhere that we have, of course, a considerable contingent in-house relative to our constitutional law area. We've put a considerable amount of work in over the course of the fall in terms of providing legal advice to government on the Kyoto matter.

Kyoto, as all Albertans are only too acutely aware, is of extreme significance to our province in terms of the fact that we have a carbon-based economy, an economy that is very much supported by oil and gas, coal. Our electricity is generated primarily from coal and gas, so implementing a protocol relative to so-called greenhouse gases could have a very serious effect. So Alberta took a very strong and very important position with respect to the protocol. We always maintained that we were not opposed to doing something about the environment and environmental issues, and certainly we believed there needed to be a plan relative to greenhouse gases.

In fact, Alberta moved more quickly than any other jurisdiction in the country to establish Climate Change Central, to move and work very closely on the voluntary challenge process, to work with other jurisdictions across the country on a co-operative federalism basis with respect to how to meet the Kyoto challenge. But when the Prime Minister of this country went to Johannesburg, South Africa, and announced unilaterally to the surprise of his own government – and not just to their surprise but to the surprise of everybody across the country – what his timetable was and that he intended to do it without a plan, it behooved us to move very quickly to make sure that we understood the full legal implications of every step of that process, whether it was the process of approving the protocol or the process that might come afterwards with respect to implementation of the protocol, what our constitutional position was, what our position ought to be with respect to legislation, and what corporate advice we might give to government with respect to the risks that Alberta faced relative to the whole Kyoto question.

So the amount of money that was provided in supplementary supply, the additional \$500,000, was to cover some of the costs that were incurred, both the external costs and the additional internal costs that were dealt with. I can say that I think the external bills – and I don't have the exact number at hand – to date were in the nature of some \$300,000 to \$350,000. I can provide that number if the member is concerned about the specifics of it.

As we go forward, we're talking about interim supply for next year, and the money that's in the budget for next year will of course cover any advice that we need to provide. The question as to whether or not the quantity of money that will be needed to deal with the Kyoto protocol will bear a great deal of relationship to whether the federal government finally comes up with any specifics relative to how they intend to implement the protocol and what work we need to do relative to that implementation process.

So I can't give the member any more definitive answer than that with respect to the specifics of the numbers, but I can assure him that we will be vigilant. We will make sure that we have good research and good knowledge of all those which we might be reasonably expected to be engaged in and that we will continue to provide legal advice relative to legislation that might be brought forward, any potential challenges that might be made if and when appropriate and only if and when appropriate, but more than that, the baseline under any discussion relative to moving forward with the implementation of the protocol and how it might affect Alberta.

I wanted to just comment briefly because the Minister of Children's Services is attending a federal/provincial/territorial ministers' meeting. I know there may be others in the House who will speak directly to her estimates, but I wanted to respond to the question relative to, and more appropriately the derogatory note relative to, how he referenced the eBay web site. Just to put on the record

again, as the Minister of Children's Services has done so often in the past, the fact that we have children in this province who are in need of good homes and in need of loving parents. Any member who wants to criticize in that area – and critique is a good thing; it's not a bad thing – should be careful in terms of how they approach critique in an area if they're not prepared to step forward and do something, and there are children who need parents.

The *Wednesday's Child* program, using the television and using newspapers, has been in this province for a lot of years, and it's been a very successful program. Using technology to help make things better is not a bad thing. It's a good thing as long as it's done appropriately. Making sure that people know of the need for more people who are in a position to step forward and provide a good home for children in this province is a very good thing.

3:40

I can't provide the member with the specifics with respect to the cost of the web site, which was, when he got through the rhetoric, the gist of his question, and I'm sure the Minister of Children's Services will be happy to provide whatever detail is available on that, but I could not let the remark go by without comment. The web site has proved successful. People have taken more of an interest as a result of having that information available. There were a couple of issues that needed to be addressed and were addressed by the Minister of Children's Services relative to certain children who were on the web site, but overall it's proved to be a very positive tool to, again, increase the awareness of Albertans of the need to provide good homes for children who need it, when they are in a position to do so, and to provide access to the information and to encourage more people to be involved in that process.

So I would hope that he would in future, in dealing with issues of that kind of sensitivity and that kind of a nature . . . Certainly, needing information and critiquing process is a fair part of what we do and certainly a fair part of what the opposition does, but that web site is not a marketplace or an eBay or any commercial venture of that nature. It's a method, a very legitimate way of getting good information to people who need that information and to encourage people to be interested in children of this province who need their help. If they can provide that help, giving them the information and encouraging them to take advantage of that opportunity is a good thing, not a bad thing.

The hon. member also mentioned some issues with respect to Community Development. I'm sure the minister may wish to provide information on that, but he commented on one area that I wanted to deal with, and that was with respect to assistance to community leagues. Now, I'm not aware of provincial grants to community leagues other than through the very successful community facility enhancement program and the new and, again, very successful community initiatives program, but both of those programs are available for community leagues, and certainly I know that the community leagues in my region make good use of those programs to provide facilities for their communities.

I would concur with the hon. member that community leagues, particularly in the Edmonton experience that I'm familiar with, are a very, very strong builder of the community, and the programs that this government has put in place through the community facility enhancement program and through the community initiatives program serve to enhance and have been well utilized by community leagues to do that.

Community leagues in terms of their other funding and finances are really, well, creatures of the community, but they get support from the cities. So I'm not sure where he was coming from with respect to grants for community leagues or support for community

leagues, but I can think of no better support than that which is there now through the community facility enhancement program and the community initiatives program.

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

Dr. Taft: Thanks, Mr. Chairman. Can I just be made clear on how much time – is it 15 minutes or 20 minutes?

The Deputy Chair: Twenty minutes.

Dr. Taft: Oh, that's fun. Thank you very much.

Mr. Graydon: You don't have to use it all if you don't want to.

Dr. Taft: Oh, I thought I had to use it all. Don't I?

I know that I share the concerns of all the members in the opposition and, I have no doubt, the concerns of any number of other members on the government side with this entire process that we're faced with today. We are being asked here to approve legislation expending over \$5 billion with no supporting detail. I understand, of course, that it's interim supply.

Mr. Mason: Do we trust them?

Dr. Taft: The Member for Edmonton-Highlands is wondering if we trust them, and I guess we have no choice. Well, we do have a choice. We will be skeptical. That's our job, and it's needed. It's needed. So we're expected to approve over \$5 billion of spending that is itemized in total in about, I think, five pages, a billion dollars a page. In fact, I think it's only four pages. I know that none of us in the opposition, certainly in the Liberal opposition, I imagine in the third party as well, are comfortable with that – it's simply mind-boggling – and I'm sure that the general public won't be too impressed with that either. I cannot imagine any significant sized organization running like this. I can't imagine a multibillion-dollar corporation running like this. I can't imagine even a good sized nonprofit organization or a community league or a small business running with this sort of approach, and it is very worrisome.

The people of Denmark have an interesting saying that is of some relevance here. They say that one must walk a long time behind a wild duck before one picks up an ostrich feather. In looking at this document, it is a bit like a wild duck, and we're searching through it looking for something good, some ostrich feather somewhere, and I'm afraid we're going to run out of time before we find any. It is maybe not only a wild duck but a bit of a lame duck, maybe an ugly duckling too.

So I express a lot of frustration here, and that frustration is reinforced when I go through the *Hansard* of last night's debate for I as the health critic have many questions about how the \$1.8 billion that's requested in this legislation for the Department of Health and Wellness is going to be spent. Instead of any hope whatsoever of having that information provided, I see from last night's debate that the Minister of Health and Wellness has said that he's not going to do that.

I think it's important enough here to quote from last night's debate. I'm quoting the Minister of Health and Wellness.

I ask for interim funding of \$1.85 billion, enough to pay for health care until the end of June. This is prebudget funding, so like others who have commented on this issue, I cannot give details now.

Those will be available postbudget.

So he is not prepared and indeed he says that he cannot – it's not that he will not; he cannot – give details now.

He goes on to say a few sentences later, "Details on my final budget and how it is allocated will not be available until budget day," April 8, 2003, which is about three weeks from now. He finally concluded his brief comments – and that's all he made; the only comments he made last night are a few paragraphs worth addressing almost \$2 billion. He concluded by saying:

The delay in our provincial budget is unavoidable if we are to table a budget that best meets the needs of this province and the people who live and work here. Interim funding for health care is equally essential so health services can continue uninterrupted until the budget is tabled.

Well, I don't doubt that we need to find money to keep the health system going, and nobody on this side of the House is going to argue that we shouldn't, but the process is fundamentally broken here. I've heard other ministers use this terminology today, that they cannot – they cannot – provide details until the budget is dropped. Then I wonder if we aren't in a situation where in effect they would be violating parliamentary procedure in terms of anticipating the budget by giving details. If that is the case, then I wonder why we're here in the Legislature debating this at all.

The effect here is that we might as well return to the system of special warrants that was in operation for many years under the Conservative government. It was, of course, the current Premier. I think he insisted, he promised, he swore that he wouldn't use special warrants, but in effect that's what we've got here. We've got a request for \$1.8 billion, yet we have no ability for meaningful discussion of that money in this Legislature. So let's call a spade a spade. Let's be honest here and maybe just handle it through special warrants. At least that way there wouldn't be any pretext of meaningful legislative debate on these issues. That's my view on this.

3:50

I'm also distressed about the whole process because of the Auditor General's recommendations, and I'm now referring to the annual report of the Auditor General of Alberta 2001-2002. Recommendation 1, Improve Internal Controls: "We recommend that the Department of Finance, working with the other departments and the Alberta Corporate Service Centre, improve internal controls." It goes on to list a series of specifics.

Then it goes on a couple of pages later, recommendation 2:

We recommend that the Deputy Minister of Executive Council, working with other Deputy Ministers, establish an internal audit function to provide assurance that significant government systems and risks are managed effectively.

Risk management. Here we are being asked to approve \$1.8 billion in health funding alone, \$5 billion in total funding with no detail. Talk about risk and a breakdown in risk management.

Then recommendation 3 from the Auditor General:

We recommend that the Ministry of Finance, working with other ministries, develop comprehensive standards for preparing ministry business plans. We further recommend that Deputy Ministers and the Ministry of Finance ensure the standards are followed.

Yet here we are in a situation where we are approving more or less 25 percent of next year's budget with no significant detail, none whatsoever. It's unacceptable, and I need that to be absolutely and perfectly clear on the record.

We've been arguing for years in the opposition that there's a much better way to manage the provincial budget system, and maybe – maybe – this government will move in that direction. They're showing some signs of doing so. But, frankly, I'm very concerned, and I'd be prepared to bet that next year the budget will be late again. Maybe the Minister of Finance can tell me exactly what year was the last year in which the budget was voted on and approved

before the beginning of the fiscal year. It would be useful to know. It wasn't last year, and I know it wasn't the year before. It hasn't been as long as I've been in this Assembly, which is all of three years, but I'd be interested to know as a matter of fact when it was.

Now, we've argued for a radically different approach to managing the budget process, and to the government's credit they are gradually coming around to our perspective. Their wisdom is growing, but they have a long way to go before they catch up to us. What we've argued for, first of all, is to stabilize the wild misses in estimating resource revenues, to work from a five-year moving average based on the previous five-years' resource revenues so that we can smooth out these spikes and valleys in resource revenues and increase the accuracy of our resource revenue projections.

As the Member for Edmonton-Highlands was saying a few minutes ago, we have, I think he said, in the last 10 years missed the target on resource revenue projections by over \$20 billion. That's a staggering problem.

Mr. Norris: If he said it, it must be true, eh?

Dr. Taft: The Minister of Economic Development is wondering if it's true. It would be easy to confirm that.

Mr. Norris: That's your source?

Dr. Taft: That's one of my sources, yeah. What's yours? I'm wondering what the Minister of Economic Development's source is around this. [interjection] He doesn't have any. Okay. I guess he doesn't have any.

The Minister of Finance has made clear – and I sympathize with her – the difficulties in picking the right figure for resource revenue predictions, but if we used a five-year moving average, I think that would smooth that out.

The second thing we've argued for to improve the budget process is a fiscal stability fund, and we are seeing the government, after years and years of hammering away on them, finally moving on this. We want to ensure that funding for priority programs – health, education, children, infrastructure – is stable and predictable, and fundamentally it needs to be based on need, not on fluctuating oil and gas prices. Somebody's need for hip surgery or a child's need for a proper education or an impoverished family's need for the next meal does not change with the price of oil and gas. We need to break that bind that this government is in, establish base needs, and fund to those levels and then manage the swings in oil and gas prices. So by establishing a fiscal stability fund or an equivalent to one, I think this government is taking the right direction, and I do look forward to seeing that in next year's budget.

The government is also moving on one of our ideas with an infrastructure enhancement fund. They're calling it, I think, a capital fund. A good idea. That will allow us to get over the problems of on-again, off-again infrastructure funding, which plagues health care systems, schools, roads, all those basic services that the public needs. We have argued it for years, and the government has to some extent done this, but I'm concerned that they're losing focus.

A three-year business plan. The three-year plans that the government has produced have become less and less reliable, I feel, as the government has lost some of its commitment to this vision, so we see one year to the next all kinds of things moving. My colleague from Edmonton-Centre was referring to changes from one year to the next in the vision statements for the Gaming ministry, for example, dramatic changes, which make it impossible to track year by year the changes that are occurring in the business plans and really make the three-year business planning process very, very weak indeed.

So we can turn now to some of the specifics. I think a number of these issues have been covered by my colleagues, and I will cede the floor to collect some more information and see if there are any other members of either side, especially the government side, who want to make any comments whatsoever on the fact that we're being asked to spend \$5 billion here without any detail.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I'm pleased to have an opportunity again to speak to the 2003-2004 interim supply estimates, and I'd like to start with a few minutes looking at the sums put forward by the Department of Children's Services. The amount here is \$225,075,000. It's a huge sum. I think that there has been a great deal of activity going on in the Department of Children's Services with the reduction of the number of regions in the province from 18 to 10 and the consequent enlargement of those regions. Some of the regions are very, very large right now. The changes are calling into question one of the pillars that the recent changes to Children's Services was built upon, and that was the community-based pillar, where we would move from a provincewide system to one that really reflected the needs and the wishes of local communities. Yet everything that seems to be happening recently seems to be working towards the erosion of that pillar so that community involvement is becoming less rather than more. The huge size of the regions, I think, will contribute to making local community input more difficult.

4:00

So there are a lot of changes going in, and there were some very interesting questions raised in the family day home and out-of-school child care report prepared by KPMG for the department by Jordan Cleland. I'd like to ask some questions or get some information, if I can, in terms of the allocation we have before us and how much of that allocation is directed to rectifying or acting on some of the recommendations from the Cleland report.

The family day home program was created in 1980, and it was recognized that there was a need between formal centre-based facilities for children and then fully unregulated baby-sitting services. So it was recognized at that time that there was a need for something in between to be created. The family day home program provides care now to approximately 6,000 preschool Alberta children, and as the name signifies, it provides care for youngsters that's regulated by government standards. The care is provided by caregivers in their homes, but the system is administered by 88 community-based agencies that hold contracts with the day home providers. Those day home providers themselves, then, are under contract to child and family services. A good number of those 6,600 children are subsidized by government. Close to 40 percent receive some sort of subsidy from the provincial government, and the subsidy is paid to one of the agencies.

Now, one of the concerns that Cleland raised was the lack of an adequate supply of family day homes in general among the child and family services authorities and that there was a shortage of care spaces, particularly for the care of infants, and infants are considered from birth to 36 months of age. So I'd like to know if there are funds in this interim supply that will address the problem of trying to identify and bring onstream a number of spaces. Are there incentives being created? Are there strategies in place that will result in more care spaces in family day care homes being created?

The second question I'd like to have addressed is the concern that the family day home agencies were operating in an environment that

was rather loose and that there was not the kind of accountability by those agencies that one might expect in terms of an agency that is responsible for carrying out government programs. So I'd like to know if there are plans to use funds here to tighten up the regulations or the parameters in which family day homes operate.

One of the issues that Cleland identified was the practice of paying a differential administrative fee, based on the age of the child, to the agency and not to the parent. In centre-based day care the subsidy paid on behalf of a child is dependent on whether the child is an infant or a toddler, because the day cares then turn around themselves and charge that differential fee to parents. There's a higher fee, of course, if you have to look after children who require higher levels of care, and it seems to make sense. But the differential fees are not paid to the actual care providers. The agency gets a differential fee for the homes that it has under contract, but that differential fee is not passed on to the person who is actually providing the care for the youngster. A flat \$300 low-income subsidy is paid to the home on behalf of parents, and it's regardless of the age of the child to be cared for. It was a problem that was identified, and I wondered if that problem is being addressed with the funds that we're going to pass in terms of the interim supply budget. It seems only logical that you would pass on and pay a differential fee on behalf of the parents to the provider, and it seems to be a problem that needs to be addressed. It might result in more day care homes coming forward or people willing to provide care in their homes for children were that differential fee actually passed on to them. So I would like some information about the situation and what's being done.

One of the huge areas for child care, of course, is rural Alberta. Cleland spends quite a bit of time chronicling the difficulties of providing day care homes in communities that are remote from urban centres. The agencies themselves don't want to get involved in putting in place systems because of the huge distances that are involved and the costs of administering a network of day care homes in remote regions of the province. What it means is that for a large number of rural Albertans there is no option to place their youngster in a day care home. It's not just the remote regions. The report notes that even in a centre such as Brooks there's difficulty.

4:10

So the problem of rural Alberta and trying to come up with some solutions in terms of providing day care facilities or home care facilities still persists, and my question would be: what are the plans from the department? What does the ministry intend to do to address that problem? The Cleland report puts forward a couple of alternatives. One is where they have a registry that would have people register their home and become a provider, and I think the report indicated that it's used in British Columbia. That's evidently been rejected by authorities here for fear of the lack of regulation and lack of policing, the inability of the department to monitor the activities in those homes. The Cleland report does put that forward as one possible solution to the rural problem. They call it the registry model of standards administration. Again, as I said, it's one model that's been proposed to try to address the problem of providing day home service in rural Alberta.

Going back just for a minute to the provision of private care homes, one of the barriers that Cleland identified to increasing regulated family day homes was the 1994 changes that were made to the Social Care Facilities Licensing Act. Those changes changed the number of children that could be allowed in an unregulated setting from three to six. In the report Cleland says that this change was seen as an almost universal answer given by stakeholders as to one of the difficulties they had in trying to meet demand for homes. It's a matter of judgment, I guess, how many children should be in those

homes, but at the time it's acting as a barrier to the growth of those kinds of homes.

A couple of questions follow, too, in terms of the operation of the family day home care program within the child and family services authorities. Cleland seems to have identified two or three things that work against the successful operation of the program. The report points to the failure of the authorities sharing with each other successful experiences. So my question would be: are there funds or are there programs in this allocation of \$225,075,000 that will encourage the authorities to share information and to share successes with respect to family day home care programs? If there are, I would appreciate knowing what those incentives are for that to happen. It seems to make only good sense that we don't have 10 authorities at this point trying to reinvent the wheel if there have been successes that others could profit from knowing about.

The other thing – and I think it's most disturbing and something we've noticed in the Assembly, Mr. Chairman – is that there's a climate of cost containment identified, that cost containment seems to dominate decision-making in the child and family services authorities and the department. I guess it's that budget pressure from Alberta Children's Services that has created this environment. I think it raises questions about whether or not the best solutions are being sought and the best solutions are being put into practice when the overriding concern is not children and their care, but the overriding concern is cost containment. Cleland points that out as an observation on the funding for children's services and points to the fact that the Children's Services department has some difficulty in getting the kinds of budget allocations from the general revenue fund and some difficulties in the general budgeting process, getting the funds that would lead to that climate being changed and there being a refocus on the needs of children and the resources for programs being in place without a major concern being cost containment.

I think it's telling that in 1994 the budget allocation for child care in Alberta was \$70.7 million. In 2002 the figure has dropped to \$67 million, and I think that in part results in the kind of climate that Cleland reported.

We had asked, Mr. Chairman, on many occasions during question period and when we had other opportunities in the Legislature for the Cleland report. It was not that long ago that we actually got the report. I think it's a very useful document, and I think it points to some concerns that need addressing. It's my hope that the allocation of resources that we have in the interim supply bill before us will be directed to following up some of the solutions that Cleland has suggested, with the result that children in day homes and children needing out-of-school care get the kind of care that they need and deserve.

I only have a few minutes left – and I hope that I'll get another chance to speak to the interim supply this afternoon, Mr. Chairman – but I would like to ask a couple of questions. One is with respect to Executive Council. Under Executive Council there was an increase in Public Affairs' expenses in 2000-2001 from \$8,954,000 to . . .

The Deputy Chair: Hon. member, the time allocated has elapsed. The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Chair. I rise in follow-up to some questions which I believe the hon. Member for Edmonton-Highlands referenced a short while ago. I think there was a discussion he was pursuing with respect to community leagues. Now, community leagues do not receive any operational funding through the Department of Community Development. I believe the hon. Minister of

Justice and Attorney General commented on some other aspects with regard to the capital side of the equation, where they may be applying for assistance through the CFEP or the community initiatives program.

4:20

Specific to Community Development, the agencies that I'm privileged to work with, which include the Alberta Foundation for the Arts; the Alberta Sport, Recreation, Parks and Wildlife Foundation; the Wild Rose Foundation; the Alberta Historical Resources Foundation; the Alberta Human Rights, Citizenship and Multiculturalism Education Fund Advisory Committee; and the Alberta film development program – none of those organizations, to my knowledge, provide operational dollars to the community leagues. However, with respect to the Wild Rose Foundation, particularly, I do recall that some community leagues may have been funded for some equipment purchases. I'm just not fresh on when that was, Mr. Chair, but something rings a bell to me that items like tables, chairs, perhaps computers, and some of those kinds of things that might help them out may have been funded somewhere along the line as capital-related or equipment-related purchases.

The other interesting part of this question, though, for the member's information is to look and see how a particular community league exists in terms of its status and whether or not it's a large enough organization to own its own hall, for example, and therefore they may be registered as a society, in which case they might be eligible for certain programs in certain departments.

Now, the other part is with respect to the centennial program. I commented at some length earlier about the Alberta centennial legacies grant program. If a community league is formally registered as a society, then technically, of course, they would be able to apply for a centennial-related grant, but I don't believe any actually did, pursuant to the March 1, 2001, deadline. That's, of course, the one that is unfortunately still deferred. But I hope that would shed a little bit of light on the Member for Edmonton-Highlands' questions.

The other issue he asked about was the Alberta Human Rights and Citizenship Commission, and I think his question was with respect to the length of time it takes to process some of the alleged complaints that are received. Now, before I get into trying to comment on this area, I want to make it very clear, Mr. Chair, that the Alberta Human Rights and Citizenship Commission operates independent of government. This is not something that any minister interferes in directly or otherwise because they have their own independence, and I know that they enjoy that.

Some of the issues that the member would likely be interested to know he can certainly read up on in the Human Rights, Citizenship and Multiculturalism Act. This would outline a little more clearly for the hon. member what some of the possible grounds for discrimination under this act could be. I'll just reference a few of them for the purposes of the record, which will help me answer the other part of his question. There's a section in the act that deals with code of conduct and specifically discrimination regarding publications and notices; discrimination regarding goods, services, accommodation, facilities; discrimination regarding tenancy; equal pay; employment practices; applications and advertisements regarding employment; membership in trade unions; and so on and so on. Equally important and of great interest to the hon. member would likely be some references to the process, which is the thrust of his question. He can find some of those answers starting on page 10, I believe it is, of the act, where it talks about enforcement: who may make a complaint, settlement of the complaint, director's powers re complaint, investigator's powers re the complaint, and judge's order, and so on.

Now, what's important in having referenced that, by way of

background, Mr. Chair, is the fact that we have received more complaints over this last while, I'm told, and I think that based on what I've been hearing in the community and elsewhere, the complaints are not only increasing in number, but they're also increasing in terms of complexity. So it is taking longer for those complaints to be addressed by the Alberta Human Rights and Citizenship Commission and their staff, but we do have about 40 full-time staff, I'm told, at the Human Rights and Citizenship Commission, who do their best to process these complaints as quickly as possible. But I think the first thing that has to be understood is that the nature of the alleged complaint has to really be discussed with the complainant by the staff in order to first determine what the grounds are and if there are deemed to be grounds that are in effect addressed within the jurisdiction of the act itself.

The commission staff are available – and numerous of them work in Edmonton, obviously, and others work in Calgary – and they do try to determine these kinds of things with the complainant at the outset. If the nature of the complaint or the submission of complaint is such that it does fit the terms and conditions as outlined in the act – in other words, there are grounds or there are felt to be grounds for the alleged complaint – then one of the staff members will undertake to his or her best abilities to try and meet with or speak with the complainant and review the matter, and then I believe they try to approach this from a conciliatory point of view and try to arrive at some kind of conciliation to try and bring the two parties together and try and settle the issue. In the event that the complexity of the case is such that conciliation is not possible, I believe the process then would be to try and engage in some form of an investigation, which could involve an investigator from within or, in some cases, hired from the general public, someone who has, obviously, expertise in the area. And we also have the process whereby panels can conduct hearings. So there's quite a lot to this process, and it does get quite complicated.

Now, one of the reasons why there is frequently a bit of a backlog in the system in terms of reviewing and processing these complaints has to do with the complexity that I referenced earlier but also with the fact that we have an increasing population in this province. I think we're very fortunate and very blessed to have a population that is growing, oh, roughly at the rate of about 40,000 individuals, at least from in-migration from other provinces, and of course our natural population growth added to that simply means that we have more individuals that would be eligible to file complaints should they feel they have been in some way violated.

In that regard, Mr. Chair, I do recall that some additional moneys were added to the Alberta Human Rights and Citizenship Commission last year to try and catch up some of the so-called backlog in this area. We are doing our level best to ensure that complaints get addressed as expeditiously as possible and responded to and decided upon. I'm very proud that the Alberta Human Rights and Citizenship Commission has a very dedicated staff, very hardworking individuals that are very knowledgeable in this area. In fact, of the many different departments that I've seen in operation over the past several years, I can tell you that the Human Rights and Citizenship Commission has one of the lowest overall staff turnovers, which is indeed indicative of the commitment and dedication of those staff members, led by a very fine chief commissioner, who does his best with the team to look after the protection of human rights in this province.

4:30

The final thing that I would just like to say is that we are very proud of the strong educational programs that we try to provide through the Alberta Advisory Committee on the Human Rights,

Citizenship and Multiculturalism Education Fund. They are a very dedicated group, as well, who focus on educational programs that help eliminate some of the kinds of circumstances that might precipitate complaints coming forward to the commission itself. In that regard I would tell you that 80 percent or thereabouts, I believe, of the complaints that come to the Human Rights and Citizenship Commission are in one way or another targeting employment or employment practices. They are at least related to some form of employment-related complaint. So that having been said, Mr. Chairman, I think the Human Rights and Citizenship Commission does an excellent job. There's no doubt that human rights are important in this province and will continue to be.

Thank you.

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

Dr. Taft: Thank you, Mr. Chairman. I continue to be interested in the process here, and I've done a little bit of quick research, going back to the year before I became an MLA, to see when the budget was approved then. I don't know when it was approved, but I think the Minister of Justice might be interested. He personally introduced the Appropriation Act in the year 2000 on the last day that the House sat in the fiscal year 1999-2000, March 23, 2000. I haven't dug through here to see when the Appropriation Act was actually approved, but it would be interesting to see when was the last time a budget was actually approved before the fiscal year began. [interjection] I could keep digging. Maybe I will, just for the sheer joy of it.

Now, I'm wondering – and this is a serious question; again maybe the Government House Leader, the Minister of Justice, or somebody could advise on this – is there any danger of a minister breaking some kind of parliamentary protocol if they do respond with details on this bill? Are they in some way going to be violating provisions controlling the release of information on the budget? Is there any parliamentary procedural problem with their responding to details? Does anybody care to answer?

Thank you.

The Deputy Chair: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Well, thank you, Mr. Chairman. I think it's commonly understood in parliamentary jurisdictions that the provision of budget information prior to the delivery of the budget is a breach, and sometimes it's such a serious breach that you would then call for the resignation of the minister.

Now, in recent times, of course, we know parliamentary traditions do change. We see on the federal scale, for example, consultations with the Minister of Finance and various groups ahead of the budget and a committee which actually makes recommendations on those sorts of issues. On the provincial side, of course, there are sometimes comments made through the Speech from the Throne or through other vehicles, but I think it still is understood as a parliamentary convention that the new initiatives and changes that are being brought forward in the budget are first given to the House through the vehicle of the budget. So even through the discussion of supplementary supply one would hope that ministers and members of the House would honour that parliamentary convention, that the debate on supplementary supply is not intended to anticipate the debate on the budget but, rather, to justify the interim supply of money until you can have the budget debate.

Dr. Taft: I appreciate the minister's efforts. I'm not sure that that

leaves me any more clear. I guess we can just try and see what the response is.

I was going to ask some questions of the minister of health or at least see where we might get on those. I know that the minister said last night that he cannot provide details.

Ms Blakeman: That he wouldn't.

Dr. Taft: The Member for Edmonton-Centre is saying that he wouldn't. In fact, *Hansard* reads that he cannot. So I'm not wanting to trip anybody up here, but we can try.

The basic point here is staying on the theme of procedures for the moment but focusing more and more on health care. I'm sure the minister is aware that the entire business planning cycle for regional health authorities has been a real concern of mine. This is simply a subset issue of the larger one that I addressed a few minutes ago, which the whole budget process of the government falls behind. That then ripples through, of course, the Department of Health and Wellness down to the regional health authorities and their business planning cycle, and we had, I think, several dramatic examples of that problem in the fiscal year we're just concluding now. In fact, I'm certain that not one regional health authority had their business plan approved on time in terms of the fiscal year. I'm not sure that any even had it done by the end of the first quarter of the fiscal year, and I know of a couple that went long beyond that.

In fact, the Lakeland regional health authority's business plan, I think, never, ever did get approved, and eventually what happened is that the Lakeland health authority was eliminated without its plan ever being approved. Well, in fact, I guess Lakeland still exists. So I'm not sure whether the Lakeland authority's business plan ever did get approved through the entire fiscal year and if it'll just fall into the history books at the end of this month. I was just speaking an hour ago or so with media about the Lakeland situation and the situation regarding the new regional health authority 7, which replaces Lakeland, and their call to involve the Auditor General in their whole budgeting process and the interregional budget issues around the transfer of funds and billing. So we had a complete breakdown of the business planning process for the Lakeland health authority.

Similarly, there was, I guess, a complete breakdown for the WestView regional health authority's business planning cycle too, and as everybody here knows, the WestView regional health authority was eliminated midway through the year last year.

So these kinds of problems, which seem to be made even more extreme now, are making it almost impossible, I feel, or making it exceedingly difficult to effectively manage our health budget, which accounts for some 30 percent of the total provincial government expenditures. So I would put this question to the Minister of Health and Wellness. He may not respond; I think he said last night that he cannot. This is a question for him, though. How can the regional health authorities' business planning cycle be improved? What does his department plan to do to improve that process so that we don't have the single largest department of this government implementing business plans that are already six months out of date?

Now, we had some discussion on this issue yesterday in Public Accounts Committee with the Minister of Finance. It was a fairly candid conversation, as they typically are with her, and I appreciated her comments, but it seems to me that we need to work year by year to get this cycle on track more effectively.

4:40

So I'm wondering, to her or to the minister of health, what is realistic to expect for next year. Are we going to be moving on to a process where, perhaps, at the beginning of September the budgets

are being lined up, as they are internally anyways? We might actually see the budget for the following year introduced in this Legislature in February. I recognize that there are limitations because of federal policies and because of many other unknowns, but to be honest, those unknowns are always there. They're always going to be there. I think we would all agree that it would be a more effective planning process if the budget was introduced, debated, and approved before we began the fiscal year.

So I don't know if the Minister of Finance is prepared to make any comments on what might be realistic to expect next year in this regard. Would you like to take an opportunity on that? Yes? No?

Mrs. Nelson: No. Maybe. I don't know. When you sit down.

Dr. Taft: When I sit down. Well, I could sit down right now if you want.

Clearly, there are a host of fundamental questions to be raised about the department of health's spending here, the \$1.8 billion that we're going to be approving without any detail. I mean, some of the details I would be interested in are details around capital expenditures versus operating expenditures. In fact, if I could make a general suggestion, it would be delightful if the budget actually summarized the entire department's spending vitals categories. It used to be done years ago. It was done in the Department of Health and Wellness, or under its previous names: hospitals and medical care, and so on. Up until about eight or nine years ago they would actually summarize expenditures by capital and operating. That was helpful to know because we could keep a clear sense of what was happening with infrastructure in the health system.

Now it feels to me like the system is more difficult than ever in that regard. We have the Department of Infrastructure involved and the department of health involved. We have the regional health authorities, who each follow their own plans. So it makes it very, very difficult to follow. But I would be interested to know: of this \$1.8 billion how much is going to capital and how much is going to operating?

I'd also be interested to know how much is going to long-term care versus home care versus acute care and versus other services. Again, that used to be made very clear in budgets of several years past. It is now very difficult to track because each regional authority puts forward its own plans, and those are not summarized in the budget, at least not for the public to see. So we can't follow very easily, for example, what the multiyear trends are in long-term care spending or in acute care spending or in home care spending or in public health spending. That sort of detail would be very helpful. It used to be provided, and surely it exists somewhere in the system and could be fairly readily compiled by the vast staff that the government employs.

It also used to be the case that long-term care funding was broken down by public long-term care facility, not-for-profit long-term care facility, and private, for-profit long-term care facility. That, again, was helpful. Year by year you could follow the trends. How was the long-term care funding dollar divided up? How much of it went to for-profit long-term care facilities? How much of it stayed in the public sector? How much of it went to nonprofit groups like Bethany care homes and Good Samaritan long-term care services? So I would be interested in that kind of information here, and, as a heads up, I'll be asking for that in the budget when it is eventually introduced.

I think the public also has a right to know how much of this \$1.8 billion is going to be spent on P3s, especially on P3s that involve public/private partnerships with the for-profit, private-sector partner. For all we know, there are substantial new initiatives being proposed

here that will be launched in the next three months covered by this interim supply bill. Initiatives on P3s? We don't know. So there's no possible way that I'll be able to support this. The evidence on P3s when it comes to health care is not encouraging. The evidence is largely negative. In the long run they cost more, and often in the short term they cost more as well. There are already examples in Alberta of P3s with the for-profit health care sector that raise really serious questions. So I would like to know: is any of this \$1.8 billion allocated under Health and Wellness going to public/private partnerships? A perfectly reasonable question. The public has a right to know. I'm sure my colleague from Edmonton-Centre agrees, and my colleague from Edmonton-Mill Woods agrees, and all the other opposition colleagues agree. The public has a right to know where these billions of dollars are going.

I know as well that there are real concerns – and they are being brought to me repeatedly, and I raised them earlier today in question period – around expenditures and plans for physiotherapy and other community rehab services. There is no possible way to know how much is going to be spent on those programs in this \$1.8 billion. Will this government, will this minister, provide us with that information? I assume the answer is a flat no. I frankly think that's appalling. It's appalling that we're being asked to approve this money without any detail.

I could go on at length about health. I may continue to do so, but I have some questions about another area that I am critic for, and that's Aboriginal Affairs and Northern Development. This winter the issue that had been brewing for years around the access to Crown lands of oilfield suppliers and contractors blew up into the front pages of the newspapers. It was certainly brought to our attention forcefully by oilfield contractors and by members of aboriginal communities. The government eventually responded. A certain amount of confusion. We heard figures thrown around about the minister of aboriginal affairs hoping for \$20 million or \$25 million. The Premier said she would get \$6 million. I'm wondering if any of that money is anywhere in this interim supply estimate. Aboriginal Affairs and Northern Development has here a \$10,175,000 allocation. How much of that, if any, is going to address this issue of access of oilfield contractors to Crown lands in the north? I would love to hear the minister's answer to that question. Is some of the \$6 million that we believe she's going to be allocated in here? I don't know. Maybe she will have the courtesy to tell us that.

So, Mr. Chairman, there are many, many unanswered questions in this mystery. It's a mystery book, really; isn't it? The \$5 billion mystery. I don't think this government is going to help the taxpayer solve this mystery, certainly not for many weeks to come. But we will try to penetrate the fog and get an answer on where this \$5 billion is going.

Thank you.

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

4:50

Ms Blakeman: Thanks very much, Mr. Chairman. I've been told that last night I yelled at people, and I'm sorry for raising my voice. I don't take back one word that I said, but I'm sorry if I yelled at people.

I was and continue to be absolutely appalled and astonished at the government's arrogance around this whole discussion of interim appropriation. I've now heard a number of sort of possible causes and reasons put forward by members of the government, and I just want to talk a little bit about that, and then I have some specific questions about what we see in front of us. But it seems to me, you know, that the Minister of Justice, in defense of the lack of detail that

we were getting, even put forward the proposal that it was ridiculous that the opposition should be so forward in even asking for detail on this amount of money. I maintain that \$5 billion is an enormous amount of money.

Mr. Hancock: Point of order.

The Deputy Chair: The hon. Government House Leader on a point of order.

Point of Order Imputing Motives

Mr. Hancock: Thank you, Mr. Chairman. Under Standing Order 23(h), (i), and (j), with respect to casting aspersions, I never suggested for a moment that it was astonishing that anybody should ask any questions. I just tried to put it on the record last night that we were in interim supply and that questions relative to the interim supply discussions ought to be within the appropriate context of interim supply rather than trying to move towards discussion of the budget and anticipate what might come in the budget. When people are asking for detailed business plans and people are asking for performance measures and those sorts of things, that anticipates the budget. So that was the context in which my remarks were made, and any allegation of other motives is not true.

Ms Blakeman: Well, I think we're arguing the same point. The minister was saying:

to expect, as is suggested by members of the opposition, that the budget should be prejudged in the interim supply estimates – with respect to what might be increased, what new programs might be in place,

in other words, the detail

what people might expect in terms of what is in the budget – is ridiculous.

So I would maintain that it is perfectly justified and that the minister in fact has suggested that asking questions by the members of the opposition around detail in this interim supply was ridiculous.

The Deputy Chair: Hon. members, a similar point of order was raised last night, and this chair did clarify that in these supplementary estimates that we're dealing with, there is no compulsion upon anyone to ask a question, nor is there compulsion on anyone to respond to that question. So I hope that this reclarifies the argument once again.

Hon. member for Edmonton-Centre, you have the floor now.

Debate Continued

Ms Blakeman: Thank you. So what we have here is the issue of an interim supply, the opposition's desire to get detail from the government as to what this money is for. A number of times the government has said: well, you get the budget on April 8. I see here, again, a difference in interpretation and time lines in that the government seems to be saying, "Once you get the budget on April 8, all things are answered," and there's a presumption there that the budget would then be passed. From the opposition's side we're saying: yeah, sure the budget comes forward on April 8, but it isn't discussed and debated and actually accepted until just prior to May 15. So there's a difference in time lines here as well. [interjection] Yeah. I just put that out, April 8 to just prior to May 15.

The opposition was saying: you know, you're asking us to stand by for a long time to approve this money before we get the kind of detail that we're looking for, because, indeed, we do go through a process of questioning each and every minister looking for that

detail. Well, we're looking for some of that detail now because you're asking for some of that money now, \$5 billion worth.

I raise the issue again now that I can look the Minister of Finance in the eye and suggest that if it is so difficult for the government to be able to present a budget with enough time to debate it and pass it prior to the fiscal year-end, then may I recommend that the government and the Minister of Finance look at changing the year-end. That happened previously. Our year-end used to be the end of December, and it wasn't possible to accomplish everything that needed to be done by that time, so we now have a fiscal year-end of the end of March. If, indeed, we're having to wait for federal money, then, which comes some time in between the 1st of January and the end of March, I'm presuming is what's being assumed there, then fine. Move the fiscal year-end so that we can actually have the budget debated and accepted before we start the fiscal year. It is inappropriate in my opinion to be constantly bringing an interim supply before.

Now, we've also had a great deal of discussion back and forth about whether ministers would give any detail at all, and I'm thinking back to when the current Premier assumed his position, and at that time he said: no more special warrants. You know, the government is going to be open and transparent and available to answer questions and defend its budget; therefore, we would have interim supplies. But now we have a position where there's an interim supply and ministers are in some cases flat out refusing to answer any questions. So if the government is really not going to follow a process of open debate and answering questions during interim supply, then why don't you just go back to the special warrants? Except that that would be breaking your Premier's own promise. So I call upon the Premier to enforce his promise to us of open debate during the interim appropriation.

Lastly, on this sort of overriding issue of getting information on the interim appropriation, at one point one of the ministers last night – and, I'm sorry, I don't remember which – said: "Well, we do three-year business plans. Just look in the three-year business plan and you will have the answer. The money I'm spending is all part of what's in that three-year business plan." So I did that. I got the business plans, and I got the business plans from 2001 to '04 and 2002 to '05, and I thought: "Okay. Great. Then I can look this up and all my questions will be answered. I'll be able to tell how much of their money they're asking for or what they're going to use it for." And, oh, my goodness, when I start to look at it . . .

An Hon. Member: Oh, my goodness, pumpkin.

Ms Blakeman: Indeed. Looking at the Justice business plan from 2001-2004, when I look under expenses for core business, in this first one the courts are given a target budget for 2003-04, which is the budget we're about to go into here, of \$92.445 million. When I look at the next year, it's \$99.580 million. So which number am I supposed to take, Mr. Minister? Let me look at another one. Legal services to vulnerable people. In one of them it appears as \$84.182 million. In the next one it appears as \$80.158 million. Which number am I supposed to take since all of this detail was available in these three-year plans? The plans are different.

This is the point I was trying to make last night. This government really did step forward and take the lead in putting these business plans out there, and then you didn't cement the plan in place. You didn't cement the process in place. You just left it. You walked away from it. You didn't enforce it. You didn't keep it up. As a result, these get less and less helpful. Your three-year plans three years out are not very good. You refer people like me, saying: all the questions you want, answered in here. And I look. Well, Mr.

Minister, which number would you like me to take? For prosecutions would you like me to take the \$30.303 million, or would you like me to take the \$40.934 million?

So when you're asking for an amount of money to be voted as part of your budget, and you're asking for \$71.335 million, and I'm saying, "What's this for? How is it going to be allocated?" and I'm told, "Well, look in the three-year business plans," which three-year business plan would you like me to look at? Because the numbers are all different. Would you like another example? Let's look at revenue. When we're talking revenue, again, forecast for the year 2003-04, we have revenue of \$80.079 million. I look in the other one. What's the revenue? Oh, \$100.954 million. Which figure would you like me to take? How am I supposed to understand the detail when we have that kind of a difference? I mean, that's \$20 million between those two figures. So this should work. I should be able to look at this and get some kind of consistency and continuity from those three-year plans. But what's happening is that everything changes all the time, and they say: "Oh, well, you know, we're improving, and we're updating constantly. We've got to allow these figures to change and roll over." Okay. Well, shall we look, then, at some goals? They should be the same – right? – because goals are goals. You're just going to keep those in place.

5:00

Well, all right. Let's do that. Let's look at the goals for Government Services. I'll go to one book: goal 1, efficient licensing and registration services. Goal 1 in the other book: a fair and effective marketplace in Alberta with informed consumers and businesses and a high standard of conduct. Which goal would you like me to work from? They're both goal 1, two different plans. Which one am I supposed to take? There's a lack of consistency of what's being delivered in these three-year plans. Should I look at core businesses? They're even changing. In one case I looked at – here it is – the actual goals themselves.

Let's look at Gaming. All right. In one of them we have a mission statement. That's a fairly significant core, base from which the entire department operates. You shouldn't be changing mission statements every year, but in one here we have a mission statement that appears as: to ensure integrity, transparency, disclosure, public consultation, and accountability in Alberta's gaming and liquor industries to achieve the maximum benefit for Albertans. Well, that should be identical in the next one; shouldn't it? No. What we have is: to ensure integrity and accountability in Alberta's gaming and liquor industries and to achieve the maximum benefit for Albertans from gaming and liquor activities. They're different goals. This is in one year, folks.

Now, pick one. Which one is going to appear in your three-year plan for the budget that you're about to bring out, that we're waiting for? You know, you're not consistent here, and you're not sticking to your three-year business plans. When you're changing your mission statement, what is it you want me to stick to? You guys are telling me that everything I want to know is in here. Oh, yeah? You change your mission statement. You change your goals. You change your numbers. You're totally inconsistent in what you're offering here. So I just thought I'd point that out, because I really think you're letting down the people of Alberta with all of this.

Okay. I have some specific questions on departments. Yes, back to the Minister of Justice. Thank you for answering my Written Question 7, but the minister and I have had an ongoing conversation for some six years now – would it be? – over the maintenance enforcement program. In 1998 there was an MLA review, and in it there were strong recommendations, accepted by the ministry, that there would be an update and a new integrated computer system that

would be put in place. I had continued to ask questions about what the progress of that was and was some surprised in 2000, when I asked a written question, to be told that they were just then tendering for this new computer system. I've continued to ask those questions, so I've asked it one more time. I'm now told – and this is fascinating – that there's a maintenance enforcement tracking system called METS. It does all kinds of wonderful things and staff are able to update things and yada, yada, yada. But, actually, in the second paragraph there's going to be a new integrated system. The program is constructing a new maintenance enforcement management system called MIMS to replace the aging MET system.

An Hon. Member: What does MIMS stand for?

Ms Blakeman: Maintenance information management system.

So could the minister please clarify then? Of this money that he's asking for, the \$71 million as part of the larger budget that we don't have and we don't have any detail on and does not appear in any consistent way in any of the business plans that are available – is this MIMS the long-awaited integrated computer system that was recommended in the 1998 – 1998 – recommendation?

Mr. Hancock: It's being built over four years, as you well know.

Ms Blakeman: Four years? No, I didn't know that actually, Mr. Minister. That's why I keep asking you these questions on the record, so that we can continue to track this publicly.

So this MIMS is the long-awaited new system, and the MET system is on its way out. Okay. Well, I'm putting on the record what the minister is sort of mouthing to me across the well here. We can now look forward to the MIM system in the fall of 2004. Fascinating. I'll have another written question next spring asking how we're doing on this system, which will have now taken six years to get in place. Six years those staff have been working with antiquated systems. I can't believe this. Anyway, it must just make Calgary-Glenmore spin.

All right. A question to the Minister of Seniors. Of the money that's being asked for, that being \$73,115,000, which, I think, is again 25 or 30 percent of the budget to operate for 10 weeks, I'm wondering how much of that money is being set aside to deal with the increase in the budget to cover the costs of providing those seniors that are eligible with the additional money to assist them with their high utility bills caused by natural gas and electricity deregulation in this province. If I can get an answer to that, please.

Now, the next question is back to Community Development. He has a review out there for the protection of persons in care. I am wondering: of the money that he's asking for, which would be \$209,510,000 or perhaps the \$265,000 for capital investment, how much is to cover this review committee or the implementation of this Protection for Persons in Care Act? Of course, with that is going to go my standard questions: are you developing standards of care, and will this act be expanded, then, to include people that are not in institutional care?

Now, this next question goes to the minister responsible for insurance and for motor vehicles. I think this a joint question to Government Services and Transportation.

An Hon. Member: Treasury, actually.

Ms Blakeman: Oh, I'm sorry. Treasury. All right. Great.

These are questions around why we have the increased insurance rates, going up because we have so many accidents in Alberta. I have a constituent, Jeffrey Streifling, who has written to me a

number of times with suggestions on simple things that could be put in place through legislation to cut down some of the insurance claims – so this is less of an insurance question – like a law requiring properly adjusted head restraints. We require people to wear seat belts that are properly adjusted, and he is pointing out that we don't have anything that requires a properly adjusted head restraint, which would cut down on the number of whiplash claims.

An Hon. Member: It works in NASCAR.

Ms Blakeman: "It works in NASCAR" is one of the comments.

I make note in this that not all head restraints, in fact, are adjustable. A number of them are fixed in place, so that to me becomes a much longer process of negotiating with the car companies. But he does make a good point about the head restraints and how that might be able to affect those insurance rates.

He also makes a number of suggestions, and perhaps – I don't know – this possibility of legislation development is included under the money that I can't get details on under Transportation. He points out that it's impossible for the police to be able to lay charges on things like following too close. They basically just wait for an accident to happen and then hope that they can actually lay a following-too-close charge on them, but they can't sort of intervene while it's going on. He points out that drivers should satisfy one of four requirements: that the quotient of the distance between the driver's front bumper and rear bumper divided by their speed is at least two seconds, that they're traveling slower than the vehicle ahead, that the driver is decelerating, and that the driver is traveling more slowly than 20 kilometres, basically an exception.

He also raises the points of the timing in the red-light cameras, that there is a suspicion, in fact, that where the red-light cameras are being installed, the timing of the yellow light has been reduced. This is not the first time I've heard this one on the timing of it. I think that it's usually two seconds that you get.

5:10

Dr. Taft: No. It's usually three or four, but sometimes they reduce it to two.

Ms Blakeman: Oh, that's what it is. It's usually three or four seconds that you get in the yellow, but where they put the photoradar up for the red-light cameras, they're reducing it to two. So almost anybody that gets into the intersection on an amber gets a ticket. They're capturing people to make money. It becomes a cash cow. I'd like to know if there's been any investigation on this, any work on this at all, or any way that I can go back to this man.

Dr. Taft: Maybe the Minister of Justice has thoughts on this.

Ms Blakeman: The Minister of Justice has thoughts on it. Or Transportation. Well, I'll put it out jointly to the Minister of Justice and the Minister of Transportation to get something back to me on that one.

I'm over my time. I think I'm going to run out quickly. So I'll look for some response and maybe see if I can get a few more minutes later in the proceedings.

Thank you.

The Deputy Chair: The hon. Minister of Economic Development.

Mr. Norris: Thank you, Mr. Chairman. I just wanted to talk briefly about children. As you know, children are a priority for this government. We heard in the throne speech last month that the

government of Alberta's highest priority must be and will be to secure a bright future for children and youth. Before us today is a request for \$225 million in order for the Children's Services ministry to operate without disruption before the new budget comes down. Very vital. A large portion of these funds will be provided for the ministry to Alberta's child and family services authorities for program delivery; \$75,000 of that requested amount is needed for capital expenses. The remaining amount is needed for operating expenses including salaries, contracts, and outstanding commitments.

An important factor facing this ministry, Mr. Chairman, is that many contracts that child and family services authorities across Alberta have with their agencies that deliver services are on the front lines. Some of these agencies are providing funds for three months at the beginning of each fiscal year to help them with their planning goals. An example of such a funding allotment would be some child welfare protection agencies that receive a quarterly payment at the start of each fiscal year. Another example is for the family and community support services funding that goes out to municipalities in quarterly installments. Another area of urgent need is for Alberta parents who receive day care subsidy funding through this ministry so they can work while their children are cared for. A large portion of the Children's Services operating budget is allocated to salaries for direct services delivered to Alberta's children, youth, and families.

Mr. Chairman, I would ask that the committee support the supply of \$225 million for capital and operation expenses for the Children's Services ministry.

Now I'd like to touch on for a brief moment, Mr. Chairman, some of the activities that I think are vital to the economic . . .

The Deputy Chair: I hesitate to interrupt the hon. Minister of Economic Development, but pursuant to Standing Order 59(2) and Government Motion 12, agreed to on March 11, 2003, I must now put the following question. Those members in favour of each of the resolutions not yet voted upon relating to the 2003-2004 interim supply estimates, please say aye.

Some Hon. Members: Aye.

The Deputy Chair: Opposed, please say no.

Some Hon. Members: No.

The Deputy Chair: Carried.

[Several members rose calling for a division. The division bell was rung at 5:15 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Shariff in the chair]

For the motion:

Abbott	Graydon	Masyk
Calahasen	Haley	McClelland
Cao	Hancock	McFarland
Cardinal	Hlady	Nelson
Coutts	Hutton	Norris
DeLong	Johnson	O'Neill
Doerksen	Jonson	Pham
Dunford	Klapstein	Smith

Forsyth	Kryczka	Stelmach
Fritz	Lukaszuk	Tarchuk
Gordon	Mar	Woloshyn
Graham	Marz	Zwozdesky

Against the motion:

Blakeman	Massey	Taft
Mason		

Totals:	For – 36	Against – 4
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[Vote on interim supply estimates carried]

[Mr. Shariff in the chair]

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

All resolutions relating to the 2003-2004 interim supply estimates have been approved.

Support to the Legislative Assembly, operating expense, \$10,890,000; office of the Auditor General, operating expense and equipment/inventory purchases, \$5,195,000; office of the Ombudsman, operating expense, \$590,000; office of the Chief Electoral Officer, operating expense, \$600,000; office of the Ethics Commissioner, operating expense, \$120,000; office of the Information and Privacy Commissioner, operating expense, \$990,000.

Aboriginal Affairs and Northern Development: operating expense, \$10,175,000.

Agriculture, Food and Rural Development: operating expense and equipment/inventory purchases, \$139,655,000.

Children's Services: operating expense, \$225,075,000.

Community Development: operating expense and equipment/inventory purchases, \$209,510,000; capital investment \$265,000.

Economic Development: operating expense, \$11,445,000.

Energy: operating expense and equipment/inventory purchases, \$47,130,000.

Environment: operating expense and equipment/inventory purchases, \$29,340,000.

Executive Council: operating expense, \$3,760,000.

Finance: operating expense and equipment/inventory purchases, \$20,925,000; nonbudgetary disbursements, \$20,635,000.

Gaming: operating expense, \$47,000,000; lottery fund payments, \$309,500,000.

Government Services: operating expense and equipment/inventory purchases, \$58,280,000.

Health and Wellness: operating expense and equipment/inventory purchases, \$1,849,835,000.

Human Resources and Employment: operating expense and equipment/inventory purchases, \$274,000,000.

Infrastructure: operating expense and equipment/inventory purchases, \$394,190,000; capital investment, \$14,000,000.

Innovation and Science: operating expense and equipment/inventory purchases, \$43,500,000; capital investment, \$11,500,000.

5:30

International and Intergovernmental Relations: operating expense, \$1,940,000.

Justice: operating expense and equipment/inventory purchases, \$71,335,000.

Learning: operating expense and equipment/inventory purchases, \$888,895,000; nonbudgetary disbursements, \$30,000,000.

Municipal Affairs: operating expense and equipment/inventory purchases, \$64,525,000.

Revenue: operating expense and equipment/inventory purchases, \$11,345,000.

Seniors: operating expense and equipment/inventory purchases, \$73,115,000.

Solicitor General: operating expense and equipment/inventory purchases, \$66,840,000.

Sustainable Resource Development: operating expense and equipment/inventory purchases, \$91,635,000; capital investment, \$1,300,000.

Transportation: operating expense and equipment/inventory purchases, \$157,085,000; capital investment, \$63,260,000.

Mr. Speaker, I wish to table a list of those resolutions voted upon by the Committee of Supply pursuant to Standing Orders.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

Hon. members, we've worked hard this week. Given the time, the House stands adjourned until Monday at 1:30 p.m.

[At 5:32 p.m. the Assembly adjourned to Monday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Monday, March 17, 2003**

1:30 p.m.

Date: 2003/03/17

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. O Lord, grant us a daily awareness of the precious gift of life which You have given us. As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and of our country. Amen.

Hon. members, would you please remain standing now for the singing of our national anthem. I'll ask Mr. Paul Lorieau to lead us in the singing of our national anthem in the language of your choice.

Hon. Members:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

The Speaker: Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much, Mr. Speaker. I rise today on St. Patrick's Day. [interjections] Not being St. Patrick himself, I'll take thanks for him. I have a number of guests today. Two of them are constituents, and they are in the public gallery. Mr. Murray Fowler and Mrs. Marilyn Shannon are the father and stepmother of our head page in the Legislature, Nick Fowler.

Also sitting in your gallery today, Mr. Speaker, is another constituent, Mr. Don Clarke. Don is an outstanding and dedicated volunteer, no stranger to anybody in the House. He spends endless amounts of time and energy on a number of charitable foundations, including being one of the founding directors of the Kids Kottage. Don Clarke is Mr. Volunteer to Edmonton and really does embody the slogan that we use, the City of Champions.

I would ask them all to rise and please enjoy the warm welcome of the House today.

The Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. I am pleased to introduce to you and through you to members of this Assembly two guests who are seated in your gallery this afternoon. Donna Chamberland, who hails from the Lac La Biche-St. Paul constituency, is the president of the Alberta Council on Aging. She sits on the board of the Alberta Foundation for the Arts as well as Fort George-Buckingham House board. Donna is a member of the Friends of the Forts and associate member of the Society of Western Canadian Artists. Donna is also a recent recipient of the Queen's jubilee medal. Kristina White, the second guest, the executive director of the Alberta Council on Aging, resides in the Barrhead-Westlock constituency. Kristina is also the chair of Barrhead & District FCSS and a member of the Alberta Foundation for the Arts

as well as a Rotarian. I would ask Donna Chamberland and Kristina White to now rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. I am very pleased to introduce to you and through you to all members of the House 28 of the very brightest and most precious young resources that the Edmonton-Mill Creek constituency has to offer. These are students from Velma E. Baker school who are here studying the legislative process, and they are accompanied today by team leaders Myrna Januario and Charlien VanPapeveld and ably assisted as well and directed by their teacher, Sarah Boswell, who has loaned me her very special good luck Irish lapel pin, for which I am eternally grateful because, as some members here will know, I am frequently referred to as the Irishman from Sangudo, and with a name like Zwozdesky who could challenge that? Would our guests please rise and receive the very warm welcome of the Assembly.

Mr. VanderBurg: Mr. Speaker, it's an honour for me today to introduce to you and to our Legislature 32 guests from Barrhead-Westlock. Twenty-five students and seven adults from the Neerlandia school are visiting us today led by Jim Bosma, parent helpers and teachers Barb VanDijken, Mr. Glenn VanderLugt, Mr. Dwight Greilach, Mrs. Christine Andrukiewicz, Mrs. Elaine Aikema, and Mrs. Rhonda Tischer. I'd ask them to please stand and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Lacombe-Stettler.

Mrs. Gordon: Thank you, Mr. Speaker. I would like to introduce to you and through you to the Assembly 27 bright, enthusiastic grade 6 students from Clive school, which is located in the wonderful community of Clive, Alberta. With them are teacher Rob MacKinnon and his daughter Lynn. Rob is without a doubt one of my favourite teachers. Along with them are a number of parent helpers: Mrs. Schweer, Mrs. Bev MacDonald, Mr. Abe Klassen, Mr. Art Goelema, Mrs. Friesen, Mr. and Mrs. Ed Lewis, Shaun Lewis, Dan Lebreton. Thank you very much for coming and participating today. I want to tell this House that for the last 10 years that I've been an MLA, Mr. MacKinnon has brought a class each and every year. So thank you very much.

The Speaker: The hon. Solicitor General.

Mrs. Forsyth: Thank you, Mr. Speaker. It's a pleasure to introduce to you and through you to the members of the Assembly five employees from the Alberta Solicitor General. These employees are valued members of the human resource service in my hardworking and dedicated department, and they serve Alberta Justice as well. They are on a public service orientation tour and are seated in the members' gallery, and I'd like them to stand as I introduce them: Mrs. Diana Gackle, Mrs. Michele Sagert, Mrs. Natalie Masters, Miss Jackie Moncrieff, and Mrs. Jackie Starcevic. I'd like the Assembly to give them a warm greeting.

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to the members of the House today a visitor from down east. Her name is Heather Crowe. Now,

Heather Crowe worked as a waitress for 40 years in different cities in eastern Canada. She's 57 years old and has never smoked and never lived with a smoker, but as Heather herself says: the air was blue with tobacco smoke where I worked. In the spring of 2002 she was diagnosed with inoperable lung cancer. Ms Crowe has said: I want to be the last person to die from secondhand smoke at work. She is now doing volunteer work with Physicians for a Smoke-Free Canada, actively campaigning to help create smoke-free workplaces everywhere in Canada. I would ask Heather to rise and receive the warm welcome of the Legislature.

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

Mr. Hancock: Thank you, Mr. Speaker. Just a few moments earlier the hon. the Solicitor General introduced five persons from the human resources department that serve our two departments. I'd like to introduce a sixth person who's here who comes from the Alberta Justice side, Mrs. Beck. Mrs. Beck and the other people in human resources for our two departments do yeomen's service serving both departments and making sure that the people of Alberta are well served. I'd ask Mrs. Beck to rise and receive the warm welcome of the House.

1:40

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

Dr. Taft: Thank you, Mr. Speaker. I rise to introduce to you and through to all members of the Assembly a capable young man who's visiting here from Hinton. He's a student at Gerard Redmond high school, and he's in Edmonton at the University of Alberta attending a leadership seminar for a few days. I'd ask him to rise and receive the warm welcome of the Assembly. His name is Jeffrey Johnson.

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

Mr. Mason: Thanks very much, Mr. Speaker. I'm pleased to rise and introduce to you and through you to the Assembly two mothers who are concerned about the state of our public education system. They attended the crisis in education meeting this past Thursday organized by the New Democrat caucus and are here today in support of Bill 209, the School (Fees Elimination) Amendment Act, 2003, which I'll be introducing later today. I would ask Mona Luth and Melanie Shapiro to stand and receive the warm welcome of this Assembly.

head: **Oral Question Period**

Energy Prices

Dr. Nicol: This April 1 the government will play a cruel joke on the 150,000 customers served by ATCO Electric. Their power bills could double because of changes that will eliminate a stable price and force them onto the volatile spot market. This is the nightmare of deregulation facing all Albertans in the very near future. To the Premier: how does the government plan to protect ATCO Electric customers who cannot afford volatile power prices?

Mr. Klein: Well, Mr. Speaker, I'll have the hon. Minister of Energy supplement, but I do understand that ATCO is moving to a flow-through price system. That means that ATCO customers will pay the actual cost of electricity on their bills. Up to now ATCO has had to apply rate riders to catch up when the true cost was not being charged to consumers.

I would also remind the hon. leader of the Liberal opposition that

right now electricity prices are going up, and that's due ostensibly to the high price of natural gas, which is used to generate about 40 percent, as I understand, of our electrical power, Mr. Speaker. I would like to point out that this is not related to deregulation.

I would like to point out also that Alberta simply does not have the options relative to electricity generation that other provinces do; namely, the provinces of Manitoba and Quebec, that have huge amounts of water to generate hydropower. If we had that kind of power or if we were allowed to harness some of the energy that we do have without huge environmental protests, then . . . [interjections] Mr. Speaker, it's quite true. Ask the NDs if they would support building a dam anywhere in this province. You know what they would say? They would say: no, not even if it means lower power prices. They would say no.

Mr. Speaker, I'll have the hon. minister supplement.

Mr. Smith: Well, Mr. Speaker, in fact, ATCO has had the lowest prices for electricity in the province of Alberta for the last 15 months. We have not seen the specific application in front of the EUB, but we do know that electricity is a commodity. It has a market time when prices are low, such as ATCO's being the lowest in the land, and whatever they apply for, they, I'm sure, will be examined by the EUB. Of course, that is the importance of why Bill 3 must be passed: so that consumers can have options about how they wish to purchase their electricity.

Dr. Nicol: Again to the Premier: what is this government planning to do to protect all Albertans from high-pressure sales tactics of the marketers?

Mr. Klein: Mr. Speaker, I am not aware of any high-pressure sales tactics being used by any of the marketers. There is a bill before the Legislature that will bring one more marketer into the system, and that is the marketer, I believe, of ATCO Gas, and I don't know if it's electricity as well, but that is Direct Energy. More competition usually results in lower prices, and I would hope that the Liberal opposition won't oppose the bill.

The Speaker: The hon. leader.

Dr. Nicol: Thank you, Mr. Speaker. To the Minister of Energy: will the minister admit that his tinkering with deregulation has a destabilizing effect on energy prices that results in higher, not lower, bills for customers in Alberta? When will you unplug this mess?

Mr. Smith: Mr. Speaker, Bill 3, before the House at this time, is designed specifically for midcourse correction that delivers stability and transparency in an open marketplace that encourages generation, that continues to encourage downward pressure on prices. There's the entry of another retailer. There's the ability for gas and electricity to be marketed equally, and in fact we're able to do this without creating substantial amounts of socialist debt against future Albertans, the type of debt that now the government of Manitoba, the government of Saskatchewan, the government of British Columbia, the government of Quebec labour under, some hundred billion dollars' worth of taxpayer-guaranteed debt. That does not happen in Alberta. Albertans will be debt free for electricity tomorrow.

Dr. Nicol: As a result of energy deregulation, Albertans have never seen so many additional charges added to their already high power bills. The Minister of Energy promised relief from these expensive and annoying add-ons when he told this House last month, "These deferral accounts will fall off at the end of 2003, representing a 20

to 25 percent decline in the price of power.” Today we learned that this is another broken promise. To the Minister of Energy: when was the Minister of Energy planning to tell the 150,000 ATCO Electric customers that their deferral charges will not fall off, that instead their bills may double as a result of an additional charge that’s going to show up on their bills?

Mr. Smith: Mr. Speaker, the information the member has is so preposterously wrong that it – well, actually, it does border on the existing preambles and questions.

Mr. Speaker, deferral accounts are something that occurred in the period past when power was bought at a price more than what it was sold for. Those deferral accounts – and I stand by my word, and I will continue to stand by my word – will fall off certain bills in Alberta at the end of 2003. Now, in fact, the only deferral account that does stay on is the Enmax bill, which is six-tenths of a cent to the end of 2004. All the rest fall off.

Mr. Speaker, the determination of what the price will be is a market function. Both bills 3 and 19 are designed to put a marketplace into function that will in fact be much more efficient than useless heckling from the NDs as we try to answer these questions for Albertans.

The Speaker: The hon. leader.

Dr. Nicol: Thank you. What are you going to call those additional charges when the distributors and marketers try to catch up on the added cost that they have to pay over the regulated rate option?

Mr. Smith: Mr. Speaker, there’s been no evidence to see that that, in fact, has occurred, so it’s a hypothetical question.

Dr. Nicol: Again to the Minister of Energy: isn’t it true that deferral charges and your style of deregulation go hand in hand?

Mr. Smith: Well, I guess it’s no more true than the Liberal style of governing. The federal government delivers \$567 billion worth of debt in a trillion dollar economy, Mr. Speaker. I mean, believe me; when it comes to watching debt grow, watching irresponsible spending, there’s no better model than to watch the federal Liberals and any other area where the Liberals are in power.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Utility Costs for Educational Institutions

Dr. Massey: Thank you, Mr. Speaker. Utility costs at the University of Alberta have jumped from \$16 million in the year 2000 to a projected \$31 million next year. The University of Calgary and other postsecondary schools pay similar large increases. My first question is to the Minister of Learning. Does the minister endorse the university’s plan to cut staff in order to the pay the utility bills?

The Speaker: The hon. minister.

Dr. Oberg: Thank you, Mr. Speaker. I have not yet seen the budget from either the University of Alberta or the University of Calgary. I am assuming that they are taking whatever is necessary in order to run a very good university, which they absolutely do. I read about it in the newspaper, but I have not seen anything in writing from the University of Alberta as of yet.

The Speaker: The hon. member.

1:50

Dr. Massey: Thank you. My next question is to the Minister of Energy. What relief does the government offer to help these schools meet skyrocketing utility costs?

Mr. Smith: Mr. Speaker, as the member knows, the Department of Energy is not in that particular part of the business, and the question should be directed, perhaps, to someone in the government who is in a better position to answer that.

Dr. Massey: My next question is to the Minister of Infrastructure. Why hasn’t the minister reinstated the utility rebate plan for schools?

Mr. Lund: Mr. Speaker, I’m not sure which program he’s referring to. I suspect that it is the one that was through Learning in the year 2000. The questions to the Premier and others over the last two weeks relative to the rebate program have been answered thoroughly, so I don’t think it would be necessary to go over that whole field again.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for St. Albert.

Electricity Prices

Mr. Mason: Thanks very much, Mr. Speaker. Well, another day, another example of how the government’s botched deregulation scheme is set to gouge more customers. Albertans already pay the highest power prices in Canada, but if this wasn’t enough, ATCO customers are facing an immediate hike of up to 120 percent in their power prices and will be subjected to roller-coaster rides on the open market after that. My questions are to the Minister of Energy. Is this what the Minister of Energy had in mind when he promised cheaper power and lower prices, or do Albertans have to wait even longer for deregulation to deliver its dubious benefits?

Mr. Smith: Well, Mr. Speaker, again we have to correct these paragraphs of errors. In fact, what the marketplace is structured to do with the provision of electricity at a competitive market structure is to deliver adequate amounts of electricity in a province that is growing at the rate of 4 percent a year. If we were to look back at a socialist ND model and take, for example, Ontario Hydro: you know, \$38 billion of taxpayer-guaranteed debt, blackouts occurring in the province. What we are providing to Albertans is a marketplace in which power can be purchased according to the needs of the individual. They will be able to be traded freely throughout the province, will be able to provide jobs and opportunity. In fact, we have seen over 3,000 megawatts of new electricity arrive in the last five years without any taxpayer investment. Without this unregulated model there would never have been an opportunity for the government of Alberta to consummate the largest green-power purchase in North America.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Will the minister stand in this Assembly and tell customers in Grande Prairie and other areas in the electric distribution area of ATCO that they’re going to see a massive increase April 1 in their power bills? Will he stand here and admit that and tell them that?

Mr. Smith: Mr. Speaker, I will stand here and tell the people of Grande Prairie and the people in the ATCO service network, those

110,000 customers, that they have received the lowest power prices in Alberta for the last 15 months. We don't know what's in front of the board, but we also know that this group has benefited from deregulation.

Mr. Mason: Mr. Speaker, why is it, when the minister tried and failed to point to even a single residential customer paying less for power now than before deregulation, that his government is rushing forward to make a bad situation even worse?

Mr. Smith: Mr. Speaker, I had pointed out, contrary to the member's words and exaggerations, hyperbole, mistruths, misstatements, whatever they're called in this Assembly, that, in fact, that service area had received lower power prices than before deregulation, which was never a promise of this government, because the power prices being employed in the year 1999-2000 were the last, final prices given by an old, creaky, tired, regulated system on the margin of coal. In fact, we were very close to a blackout situation. If the private sector had not responded with new generation and taking investor risk, this province would be in the same position that Ontario is in and certainly the position that California was in. Now, in the case of Manitoba, where we have this socialist Crown model, that has \$7 billion worth of debt, a low power price for today, all they're doing is mortgaging their children's future.

The Speaker: The hon. Member for St. Albert, followed by the hon. Member for Edmonton-Ellerslie.

Student Finance

Mrs. O'Neill: Thank you, Mr. Speaker. Last week I met with three student leaders from the University of Alberta, and while they were framing their argument for a tuition freeze and against a tuition deferential, the discussion led to student loans. The students claimed that for every dollar in student finance it brings with it 50 cents in administration costs. So my question to the Minister of Learning is: is this true, and if so, why aren't we doing something about it?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much. In the student finance program we administer \$187 million from the provincial government and \$230 million from the federal government. That costs us approximately \$12 million to administer. Where the students' numbers are coming from actually includes the loan remissions, includes interest that is paid, and includes loan defaults, and that rises to around 50 cents on the dollar. So, Mr. Speaker, through to the hon. member, dollars that are flowing directly back to the students are what they are calling the administration costs.

Mrs. O'Neill: The supplemental is still on the topic of loans. The students also claimed that if they earn more than \$200 a month, then student loans are clawed back. So my question again is to the minister. Is this true?

Dr. Oberg: Mr. Speaker, part-time earnings are something that are looked into when calculating the amount of student loan dollars. We tend to work on a figure of \$225 per month. That's the number that we use, so after the \$225 it is clawed back.

One thing that I will say, though, which is very important and is a very important message to get out, is that there are appeal panels that look at each individual circumstance. So, for example, one of

the issues that is out there is about parents, that any time a parent earns \$50,000, they become not eligible for student loans. That absolutely is not true. Mr. Speaker, what I would advise the hon. member, through yourself, is that if there are any students that are having difficulty, that do not qualify for a student loan who they feel should, what they need to do is appeal. It's something that we look at on an individual basis.

Mrs. O'Neill: Well, my third supplemental to the same minister, Mr. Speaker, is with respect to the \$50,000 ceiling, where if parents earn that, then the students are under the impression that they cannot access student loans at all. What are the numbers of students who are successful with appeals in those circumstances?

Dr. Oberg: Mr. Speaker, the appeals are done on an individual basis, and we run in the range anywhere from 75 to 90 percent of the people being successful on the appeals, where students come in, tell their individual issue, their individual problem. Realistically, the majority of the time the students are absolutely correct, and our department is flexible enough and responsive enough that it takes that into consideration when determining the amount of student loan that the students get. So again the message that I want to get out there is that if there are students out there who feel that they are not taking full advantage of the student loans or they feel that they are not getting the student loans that they are eligible for, then I really would stress to go to appeal.

Sour Gas Leak

Ms Carlson: Mr. Speaker, at about 4 a.m. on Tuesday, March 11, a sour gas leak occurred 25 kilometres southeast of Caroline. Toxic hydrogen sulphide rushed out of a compressor station and spread to the nearby communities. Luckily no one was injured or killed by this accident, but serious questions remain. To the Minister of Environment: why was it that residents were not contacted about this potentially dangerous leak for more than four hours after the leak occurred?

Dr. Taylor: Well, Mr. Speaker, this leak did happen, as the member stated, and as I understand the issue, it was handled in full requirements of the act, our EPE Act, and it was handled the way it should be by the company. Now, I know that the company did have some difficulty in locating the leak because it was such a small leak, and it took them some time to do that.

2:00

Ms Carlson: Mr. Speaker, if that's the case, then why is the health authority now looking into this situation, and what can this minister do to reassure residents of this province that if a sour gas leak occurs, they are going to be notified promptly?

Dr. Taylor: Once again, Mr. Speaker, there is a procedure for notifying residents, and it's my understanding that the company followed the procedure appropriately.

Ms Carlson: Mr. Speaker, can't be the case.

To the same minister: given that the firm operating the sour gas wells only found out about the leak after the residents started smelling fumes, will the minister tell us what's wrong with this government's monitoring and enforcement policy?

Dr. Taylor: Mr. Speaker, there's nothing wrong with our monitoring and enforcement policy. As she correctly noted in her opening comments, the residents were notified within about four hours after.

The Speaker: The hon. Member for Edmonton-Castle Downs, followed by the hon. Member for Edmonton-Riverview.

Edmonton Public School Board

Mr. Lukaszuk: Thank you, Mr. Speaker. The Department of Learning currently is auditing the Edmonton public school board to determine the validity of the 13 and a half million dollar deficit. The Minister of Learning is on the record indicating that through this audit they have already managed to bring the deficit down to \$6 million. However, the chair of the Edmonton public school board and many officials are in disagreement and are wondering: where have the moneys been found? My constituents are confused. Would the Minister of Learning please advise us: where have the dollars been found?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. Well, first of all, I would like to say that the audit will not be complete until probably – we're looking at around next week. But already we have found in the range of \$5 million to \$6 million through things such as Metro College, through things such as the transfer of the capital reserve to operating, which I've mentioned in this House before, as well as some O and M funding. So we're in the \$5 million to \$6 million range at the moment. We will not have anything firm until the audit is complete, somewhere around the end of next week, but all will be made public as soon as we have the audit.

The Speaker: The hon. member.

Mr. Lukaszuk: Thank you, Mr. Speaker. The Edmonton public school board right now is in the process of doing their own budgeting for this upcoming school year and hiring and laying off teachers. When will they actually have firm numbers on which they can make actual decisions on staffing allocations?

Dr. Oberg: Mr. Speaker, that's an excellent question. As the hon. member well knows, the budget is coming down on April 8, and they will not have any firm figures from our department until after the budget. So I am hoping that after April 8 they will know what their actual dollars are, and then they'll make the decisions that are needed.

The Speaker: The hon. member.

Mr. Lukaszuk: Thank you, Mr. Speaker. My last question is to the same minister. If, indeed, there appears to be a deficit at the end of this audit, will the minister allow the orderly pay-down of this deficit for this past year and this year so that classroom sizes need not be affected?

Dr. Oberg: Again, Mr. Speaker, I'll repeat the answer that I've stated here. We will look at allowing the deficit to be taken out over a period of time. We're still under the assumption that we may well be able to find a significant amount of dollars, and hopefully the deficit will be eliminated, but time will tell on that. Again, we should know this by, hopefully, the end of next week, give or take a couple of days. So we're working from that point of view. I would stress again, though, to the hon. member that the budget is coming out on April 8, when they will know exactly how many dollars they have.

Edmonton Progressive Conservative Caucus

Dr. Taft: Mr. Speaker, last week at an education meeting I attended, the Minister of Economic Development admitted to parents that he and his colleagues have done a poor job of representing the interests of Edmonton parents and schools. He said, quote: I apologize if we haven't done a better job for you, and what we maybe have not done is a good job. To the Minister of Learning a yes-or-no question: given the Minister of Economic Development's comments, has the Edmonton Tory caucus made a formal presentation to him on the expected cutbacks in Edmonton schools, and if so, will he table it in the Legislature?

Dr. Oberg: Mr. Speaker, the Edmonton caucus has done an excellent job of representing the community of Edmonton to me. I believe that at the meeting that we are talking about, there were five MLAs from this Edmonton caucus. At each and every meeting that people are invited to, there are MLAs from the Edmonton caucus going out, and I will say that in many cases it is very difficult for the MLAs. I've heard some of the stories that have come back from there, and they've done an excellent job. So I think Edmonton is extremely – extremely – well served by the Edmonton caucus of this government.

Mr. Norris: Mr. Speaker, in the short time that I've been honoured to be an MLA, the one thing I know for a fact is that the constituents of Alberta and, certainly, our ridings are the most important people in the province of Alberta, and the day that we MLAs don't listen to our constituents is a problem. If the hon. member over there would have opened his ears, what I said was: maybe we haven't relayed your message back to our government. I had nothing but praise for the Minister of Learning, and that member had better figure out what we were doing that night, because he's absolutely incorrect.

The Speaker: The hon. member.

Dr. Taft: Thank you. We'll try another yes-or-no question. The first one didn't work. To the Minister of Health and Wellness a yes-or-no question he actually dodged a couple of weeks ago: did the Edmonton Tory caucus make a formal presentation to him on the reduced Edmonton membership on the Capital health board, and if so, will he table it?

Mr. Mar: Mr. Speaker, we have one caucus, and each and every one of those members of that caucus makes representations on behalf of their constituents. That is how we make decisions in our caucus. I don't know how they do it over there.

Dr. Taft: It looks like no and no.

We'll try the Minister of Energy. A yes-or-no question: has the Edmonton Tory caucus made a presentation to him on the impact of soaring utility costs on Edmontonians, and if so, will he table it?

Mr. Smith: Mr. Speaker, this is a large, large caucus. This is a caucus of 74 people, who at the privilege of their constituencies have been asked to serve. I don't think there's any one of them in here, including myself, that wouldn't speak up for the interests of their constituency, to be able to bring the interests of the constituency to government, not to be able to do it in the calloused fashion that the Liberal opposition has displayed today.

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

Federal Funding for Child Care

Mr. Cao: Thank you, Mr. Speaker. Given that our children are our future and the Alberta's Promise initiative of the government of Alberta is about Alberta children, reflecting the concerns of my constituents and the child care organizations, my questions today are to the hon. Minister of Children's Services. The federal government has recently announced the spending of \$935 million over five years for child care. Could the minister tell Albertans how much of this amount will be allocated to Alberta?

Ms Evans: Mr. Speaker, in the first year it will be 2 and a half million dollars, based on the fact that overall in Canada it will be \$25 million and we get about 10 percent based on our population. So in year 2 it will be about \$7.5 million, and it will go up proportionately to the final year, when we will receive about \$35 million. We had reflected in Ottawa that we would have preferred to see more of the funding front ended, not complaining about the amount but some more at the front end because of the reporting responsibility we have and which we have assumed on behalf of the province. It's a very small amount for the very first year and the second year as well, but it is coming.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. Also to the same minister: my constituents are hardworking parents and need child care, so how does this money help them and their children?

Ms Evans: It would be useful to recap that today we give about 11,000 children \$45 million in subsidies to assist hardworking Albertans to place their children in quality child care, either in day cares or in licensed day homes. Last December this government announced a \$5.6 million amount to further supplement accreditation programs so that we can improve the quality of day care delivery services, and in that amount were some dollars for respite care and nutritional supports and teaching to parents. So, Mr. Speaker, if I was looking at the additional federal funding, then over and above what we're currently spending and with the agreement of Treasury, we'll look at our accreditation program to see what is possible in the context of spending money. I might comment that the hon. minister of human resources had a program on low-income review, and we'll look at some of the initiatives contained in that report for some expenditure as well.

The Speaker: The hon. member.

2:10

Mr. Cao: Thank you. My last question is to the same minister. There are a number of child care organizations in Alberta that have problems with staff retention, and their staff have problems of low pay for important work. What is the government's plan to resolve the problem in light of the new funding?

Ms Evans: Well, Mr. Speaker, not necessarily in light of the new funding but looking at what was announced in December, the accreditation program, we're still in the process of distributing the information and listening to the concerns of the day care groups. I think it would be too early yet to evaluate how well we're proceeding on the accreditation, but if it proves to be a successful program, if it's embraced by the people that are employing child care workers and the child care workers themselves, I think you'll see a decline in the number of workers that leave our child care profession, if you will. Today 80 percent of the dollars that are being released to the

day cares that are taking part in the program are going to increase the wages of child care workers. So it is making some difference, and there are also some dollars that we are applying to training needs, as well, in the child care community.

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

School Fund-raising

Ms Blakeman: Thank you, Mr. Speaker. Chronic underfunding for schools has led to parents turning to casino and bingo gambling to pay for books, computers, and supplies. My questions are to the Minister of Learning. Does the minister endorse parents' and schools' reliance on casino and bingo revenue?

Dr. Oberg: No.

Ms Blakeman: What alternatives does the minister offer to parents who are morally opposed to using gambling money as a source of funding for their school?

Dr. Oberg: Mr. Speaker, in the throne speech this year we pledged \$20 million to the Learning Resources Centre, where the school boards purchase their supplies: textbooks, computer software, calculators, things like that. So we have done that. Again, it is up to the parent councils if they choose to partake in bingos. I had this question posed to me last week actually, when I attended the Eastglen parent council, where one particular lady said that it was against her beliefs to work at casinos, and I agreed with her entirely. I don't believe that that should be done to look after the basic needs. If it's done for the needs that are not basic, then I would support it.

The Speaker: The hon. member.

Ms Blakeman: Well, thanks. To the same minister: given that half a textbook is all that that money is going to purchase through the Learning Resources Centre, what alternatives is the minister going to offer parents who are morally opposed to casinos and bingos for funding the rest of the things they need for their schools?

Dr. Oberg: Mr. Speaker, currently there's approximately \$32 million per year that is spent at the Learning Resources Centre for textbooks. This is the place where they purchase all of their textbooks. We give them a \$5 million credit, which we've done every year, and we also have added this year a \$20 million credit. So I don't buy this purchase half a textbook.

Education Funding

Dr. Pannu: Mr. Speaker, Alberta parents are being subjected to an ever increasing array of user fees to pay for basic kindergarten to grade 12 education in this province. Fees for instruction materials and supplies charged by school boards have gone up about 50 percent over the last four years. Moreover, parents are increasingly having to rely on casinos and chocolate sales to raise moneys for things that are part of the core curriculum. My questions are to the Minister of Learning. When is the government going to stop nickel and diming parents to death and fully fund public education from kindergarten to grade 12?

Dr. Oberg: Mr. Speaker, we spend more money per capita than any province in Canada by about 16 percent. The next closest province is 16 percent less than us. We have the highest per student grants

when all the grants are taken into consideration in Canada. So I feel that we put a lot of money into education. I'll reiterate my answer: I think that if the parents want to fund-raise – for example, at Eastglen high school, that I was at, one of the cheques that the parent council was signing that night was for a microwave oven. That was one of the things. That was their priority. They have an excellent process whereby the people who are asking for money must come forward in front of the parent board, and they must take a look at each individual project. That's an excellent way to do it.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: why is the government imposing more and more hardships on parents who pay fees and raise money for their children's grade school education and, at the same time, undermining the principle of fully funded public education?

Dr. Oberg: First of all, Mr. Speaker, this government believes in fully funded public education and have put our money towards that, in fact. Since 1995 we've increased funding by 46 percent. The increase in student population has grown by about 6 percent since that time. So there has been a huge amount of money that has been put into education, and there will continue to be a huge amount of money put into education.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. The last question to the same minister. I trust that the minister is not in favour of parents fund-raising for school essentials, and if that is the case, can I count on his support for the upcoming New Democrat private member's bill that will put an end to this practice once and for all?

Dr. Oberg: Mr. Speaker, many student councils choose to fund-raise for things such as band trips, for things such as school trips that go all over the world. In my particular school in Grasslands they are presently going to Malaysia. I won't necessarily comment on whether I agree with that, but they have . . . [Disturbance in the gallery]

The Sergeant-at-Arms: Order! You're not part of the proceedings. Out.

Dr. Oberg: Mr. Speaker, in my particular school jurisdiction they are raising money to go to Malaysia. I have no problems with that if that's what they wish to do. I am not in favour of fund-raising for the essentials, I am not in favour of a student council running a casino for essentials, and that's why we put in the amount of money that we do.

The Speaker: The hon. Member for Clover Bar-Fort Saskatchewan, followed by the hon. Member for Edmonton-Glengarry.

Highway Snow Removal

Mr. Lougheed: Thank you, Mr. Speaker. During this winter several residents of Strathcona county, including school bus drivers who travel the roads and know them well, have expressed frustration with the snow removal on highway 21 and some of the secondary highways such as 830. My question is for the Minister of Transportation. Does the department monitor the quality of snow removal service that Albertans receive from those contractors, and is the department satisfied that the service is adequate?

The Speaker: The hon. minister.

Mr. Stelmach: Well, thank you, Mr. Speaker. The department does monitor the level of service on a regular basis. In fact, it's up to the department to put in place the standards that have to be met, and then on a very regular basis we have people that check to ensure that the contractors live up to those standards. The way the contracts are written is that the individual contractors are paid for the time they put in and also the material. So, of course, the sooner they're out, the more time that they put in. It not only improves the service, but also at the end of the day they get paid more.

Mr. Lougheed: Mr. Speaker, given that this morning residents driving highway 21 and secondary highways were limited to narrow pathways but the county crews were completely cleaning the side roads, including the shoulders, is the Minister of Transportation of the view that snow removal standards need to be improved?

Mr. Stelmach: Mr. Speaker, what the contractors are instructed to do is to clean one traveling lane immediately, right after the snowfall. Once they do all the highways, do all the interchanges, then they follow up with ensuring that all of the snow is removed off the highway into the ditch, including off the shoulder. This particular snowstorm, that went through early this morning, dumped a fair amount of very wet snow, and as a result they're pushing hard to get that snow off, but with wet snow like that, they can't drive as fast, of course, to get the snow off.

The one point I do want to make, Mr. Speaker – and this is very important, and it might hit home with you – is that even in your constituency when we had that last snowstorm, with a lot of snow, very windy conditions – in fact, we had two cars that actually hit our snow trucks out there in the middle of the night. So we have to be very careful, use some common sense when we put those trucks out, because we want to get the snow off the road as fast as possible, but we also have to ensure safety of not only the contractor, the person that's in that vehicle pushing the snow, but also of the cars on the road.

Mr. Lougheed: Mr. Speaker, since many times county crews travel the secondaries with their blades up, can municipalities take on the contracts for highway snow removal and perhaps achieve some efficiencies that way?

2:20

Mr. Stelmach: Mr. Speaker, we have always worked very closely with municipalities and also with the private contractors in saying that in emergent situations we've encouraged the contractors to enter into negotiations with municipalities. If there's a huge amount of snow, some emergency situation, we would find that municipalities and the department and the private contractors would work together.

In fact, when we first privatized maintenance, if we did the counts on the inventory of the equipment that was available for use on our provincial and secondary highways, we actually exceeded the number that we originally started with. Since then, municipalities have taken the about \$85 million that we've saved them by assuming responsibility for secondaries and they've purchased more equipment to look after their own roads.

Sole-source Contracts

Mr. Bonner: Mr. Speaker, the 2001-2002 report of the Auditor General states on page 158 that the Department of Infrastructure has sole-source contracts for engineering, architecture, and cost consulting services. Further, it states that the department has found no

formal documentation justifying this practice. To the Minister of Infrastructure: how can Albertans be sure that they are getting the best value for their dollar with these sole-source contracts?

Mr. Lund: Mr. Speaker, as the hon. member has mentioned, that was 2001-2002, so it is getting back in history. Whatever the Auditor General says in his report, we take it very seriously, and we have taken steps to alleviate the problem that some people seem to feel with the single-source contracting.

The Speaker: The hon. member.

Mr. Bonner: Thank you, Mr. Speaker. To the same minister: is there any formal criteria that contract work has to fit into to be sole source, or is it just decided by the minister?

Mr. Lund: Mr. Speaker, there was a similar motion for a return. In answer to that motion, I indicated to the member that, in fact, we will be filing the new procedures that we have implemented as far as the contracting provision is concerned. But, certainly, there are some small contracts where, with the time and the cost to put out an RFP or to put out a tender, for example, when in fact you may even have someone already on a contract and it's just an extension of that contract, it would make absolutely no sense to go through that whole long process.

Mr. Bonner: To the same minister, Mr. Speaker: what would he tell my constituents who say that they want hard evidence to show that their hard-earned tax dollars are being spent properly and cost-effectively?

Mr. Lund: Mr. Speaker, I would urge his constituents to get a copy of our annual report, to look in the Auditor General's reports, and to compare the amount of work and what we get done with the dollars expended, because I'm sure that he'll find that there's very good value for dollars spent.

The Speaker: The hon. Member for Calgary-Buffalo, followed by the hon. Member for Vermilion-Lloydminster.

Emergency Services Workers

Mr. Cenaiko: Thank you, Mr. Speaker. Medical personnel, emergency medical practitioners, firefighters, and police officers are often exposed to the bodily fluids of people they come in contact with in the course of their duties. There's no requirement for the person to provide a sample of their blood, and hospital personnel are prohibited from disclosing information obtained as a result of samples taken during medical treatment. My first question is to the Minister of Health and Wellness. Has the minister looked at Ontario's recently enacted provincial legislation that allows the local medical officer of health to order a blood sample from someone who accidentally or deliberately exposes a frontline emergency worker?

Mr. Mar: Mr. Speaker, I am familiar with the Ontario legislation, and I should say that the short answer is no. Our Alberta provincial health officer has not been made aware of any instances where an emergency first responder has contacted any infectious or communicable disease as a result of their occupation. We do work with colleges of health professionals, such as the Alberta College of Paramedics, to ensure that health professionals are well educated and follow consistent practices that will allow them to avoid being exposed to blood-borne pathogens during the course of their work.

The Speaker: The hon. member.

Mr. Cenaiko: Thank you, Mr. Speaker. My final supplemental question is again to the same minister. Is the minister considering similar amendments to our own Alberta Health Information Act to protect the health and wellness of these emergency workers?

Mr. Mar: Mr. Speaker, serious consideration to that has not yet been given, except that I should say that the Department of Health and Wellness does support the House of Commons Standing Committee on Justice and Human Rights recommendation to increase efforts in gathering statistics on the number of frontline workers who are exposed to blood-borne pathogens during the course of their work. We will continue to study data on this, and if at the conclusion of such a study there is a requirement or a need disclosed to change the Health Information Act, then at that time we would be prepared to do so.

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

Crop Insurance

Mr. Snelgrove: Thank you, Mr. Speaker. Farmers have been informed that they may be facing crop insurance premium increases of up to 20 percent. My question to the Minister of Agriculture, Food and Rural Development: how much of this projected increase is based on new programs with different coverages, and how does the premium reflect the coverages offered last year?

Mrs. McClellan: Mr. Speaker, a complex question. I'll try and simplify it as much as I can. There are two reasons that crop insurance premiums will change this year. One is the effect of not last year's but the 2001 claims and also, of course, to replenish our crop insurance fund, which, everyone would know, is severely depleted after last year's and this year's payments. The second reason is because of the improved program. So, in fact, on an average there would be about a 2 and a half percent increase because of the 2001 year, the drought, there would be just over 3 percent to replenish our crop insurance fund, and then it depends on the individual producers' operation and what coverage they choose. What we encourage producers to do, instead of just hearing that they're going up 20 percent: go to your district office, sit down with your agent and talk about the kind of coverage that you want for your farm, and they will tell you what the cost would be.

The Speaker: The hon. member.

Mr. Snelgrove: Thank you. Mr. Speaker, granted, the government made a very large and timely contribution to the ag sector last year. They also committed \$88 million as the matching component of the share the federal government made. Can the minister tell me what, if anything, of that \$88 million will be going to buy down the producers' share of crop insurance? What are the minister's plans for that funding?

Mrs. McClellan: Mr. Speaker, what the hon. member is alluding to are the bridging dollars that the federal government committed to bridge between the old programs into the new agricultural policy framework. The federal contribution was about \$600 million for all of Canada, and we attempted to determine what Alberta's share of that would be. That would be somewhere between \$80 million and \$90 million. We tried very hard over the period of a year to convince the federal minister to implement a payment system that

would ensure that the money went to those who needed it the most. However, in the end the minister determined to put it into NISA accounts, which didn't really help Alberta producers who had suffered three and four years of no crops, because after all 4.5 percent of nothing is really nothing. So they got a minimum payment.

Mr. Speaker, we determined in our province to use this money for bridging in a different way, and in fact what we have done with whatever would have been our share, somewhere between the \$80 million and \$90 million, is make the improvements to the crop insurance program. These, indeed, have a cost to them because the provincial government is responsible for cost sharing that program with the federal government and, of course, the producer.

2:30

The Speaker: The hon. member?

Well, hon. members, this is the first time since I've had the privilege of being the Speaker that I can actually say this. There's still time remaining in the question period, and we've exhausted all the questions.

head: **Recognitions**

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

Don Clarke

Mr. Hutton: Thank you, Mr. Speaker. It is indeed a privilege for me today to stand and recognize a great Edmontonian who has received the Order of Canada from the Governor General. His name is Don Clarke. As my colleague from Edmonton-McClung, the Minister of Economic Development, so aptly stated, Don is Mr. Volunteer. I could not list all the accomplishments of this great Albertan, but I will make an attempt to list a few.

Don currently serves on the Rosecrest children's foundation. He was a founding director of Kids Kottage with Dr. Colleen Klein, STARS air ambulance, and the Variety Club, where he received the Variety golden heart award for outstanding service. Don was past president of Goodwill Industries and Edmonton Klondike Days Association. A past police commissioner and key host of international baseball tournaments in Edmonton, Don has also received awards from the city of Edmonton; namely, the silver ribbon award, ambassador award, the life-well-lived award. Her Honour presented Don with the Queen's jubilee medal. So I'd like to congratulate my former colleague, my friend, and a great Albertan, Don Clarke, Order of Canada.

Thank you, Mr. Speaker.

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

Ireland Fund of Canada

Mrs. O'Neill: Thank you, Mr. Speaker. It is an honour on this St. Patrick's Day to recognize the Ireland Fund of Canada. The first Canadian chapter of the Ireland Fund was established in Toronto in 1978 by the Dublin-born former Lieutenant Governor of Ontario, the Hon. Hilary Weston.

The mission of the Ireland Fund is to be the largest worldwide network of people of Irish ancestry and friends of Ireland dedicated to raising funds to support programs of peace and reconciliation, arts and culture, education and community development for the people of Ireland, both north and south. The Ireland Fund of Canada also helps Irish projects here in Canada. Today the Ireland Fund is an international network, creating a global community of over 70 million people, including such countries as Canada, Australia,

France, Great Britain, Japan, Monaco, Mexico, and the United States.

Last Saturday evening the Minister of Economic Development and I and our spouses attended the Emerald Ball, and we raised money for special olympians attending the Special Olympics event in Dublin, Ireland, next year.

Thank you.

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

Minor Hockey Volunteers

Mr. MacDonald: Thank you, Mr. Speaker. If St. Patrick played hockey, he would be an Oiler. As another successful minor hockey season ends this month in Alberta, I would like to thank the thousands of volunteers, coaches, and referees for their support and commitment to hockey, the coolest game on earth. Minor hockey players of all ages benefit from the countless hours the volunteers put in. Hockey is a fast, exciting sport that must be first and foremost fun for those who play. The development of individual and team skills is important, and these skills can be used for life outside the hockey arena.

In conclusion, on behalf of all hon. members of this Assembly I would like to thank all those Albertans who this past winter took the time and had the patience to lace up tight skates for eager, excited young players, cheered enthusiastically for fair play in cold arenas, and taxied players at early hours and at odd hours to practices and to games. Your time did make a difference.

Thank you.

The Speaker: The hon. Member for Redwater.

Trio Tan 'n Tone

Mr. Broda: Thank you, Mr. Speaker. On March 11, '03, I had the distinct pleasure of attending a grand opening of the Trio Tan 'n Tone, a fitness centre in the hamlet of Radway in my constituency. I would like to recognize two good friends, Peter and Doris Kolybaba, owners of the centre, for their confidence in this province and for recognizing that this is a place to do business, that fitness and health go hand in hand. This is a welcome facility to our residents and surrounding areas. Peter and Doris, congratulations and good luck on your impressive, state-of-the-art adventure.

Thank you, Mr. Speaker.

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

Great Kids Awards

Mrs. Jablonski: Thank you, Mr. Speaker. On Sunday, March 16, during the fourth annual Great Kids awards ceremony at Fantasyland Hotel in Edmonton, 17 children and youth from across Alberta from the ages of six to 18 were presented with the 2003 Great Kids award by Premier Klein, Mrs. Colleen Klein, and the Hon. Iris Evans. From collecting medical supplies for the children of war-torn Afghanistan to raising \$75,000 for the Stollery children's hospital, these outstanding and very special Great Kids exemplify the many great kids in Alberta.

Congratulations to Max Gurela of Millet, Ryan James Martin of Stony Plain, Renee Reich of Hinton, Christopher Roberts of Spruce Grove, Matthew Armstrong of Fort Saskatchewan, Reggie Boucher of Warburg, Debbie Lam of Calgary, Cory Ulmer of St. Albert, Jesse Ward of Three Hills, Eli Cardinal of Wabasca, Sheehan Chowdhury of Edmonton, Brandi Johnson of Grande Prairie, Colin Jay Wiberg

of Lacombe, Laura Abday of Edmonton, James Montgomery of Wetaskiwin, Betty Ng of Edmonton, and Jonathan Vander Veen of Calmar.

Congratulations to these Great Kids. May you always have the ability to give to others straight from your hearts.

The Speaker: The hon. member knows she violated one of the standing rules, that's been repeated time and time and time and time again by the chair.

The hon. Member for Edmonton-Glengarry.

Edmonton Public Schools' Night of Music

Mr. Bonner: Thank you, Mr. Speaker. Last Wednesday evening at the Jubilee Auditorium a packed house was treated to Edmonton public schools' 39th Night of Music: A Musical Journey. It has been said that without music life is a journey through a desert. The Night of Music 2003 was a rich and rewarding experience as music students from Edmonton public schools led us on a musical adventure.

It takes a year of hard work to produce a Night of Music. A small committee co-ordinates the program and staging of the event, no easy task when 1,200 students and 72 teachers take the stage to demonstrate their musical excellence. The music for the performance was carefully chosen to reflect this year's theme and the variety of music styles and genres available to give students a broad base of musical experiences. Teachers and students have put in hundreds of hours of rehearsal time, giving up lunch hours and remaining after school, to attain a high-calibre performance and to ensure a positive learning experience for the students.

To producer Shirley Funk, music consultant, the planning committee, the music teachers, and the talented students: congratulations on an extremely successful and entertaining musical journey.

Thank you.

The Speaker: The hon. Member for Cardston-Taber-Warner.

Wheatland Select Organic Turkey Ltd.

Mr. Jacobs: Thank you, Mr. Speaker. It is my pleasure to rise in this Assembly today to recognize a company based in my constituency from the town of Taber: Wheatland Select Organic Turkey Ltd. Arnold and Barb Leth, the operators of the turkey farm, were acknowledged at the 2003 Alberta business awards of distinction on February 19 in Edmonton. The Leths were one of 15 small businesses honoured as winners of this event. The awards were presented to businesses in Alberta that exemplify achievement. The local organic turkey operation took home the agrivalue new venture award of distinction, sponsored by AVAC Ltd., a not-for-profit company committed to nurturing and developing value-added agriculture in Alberta.

Mr. Speaker, it's with pleasure that I congratulate Arnold and Barb and Wheatland Select Organic Turkey Ltd. for their accomplishments and their dedication to the organic industry.

Thank you.

head: **Presenting Petitions**

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

Mr. MacDonald: Thank you very much. I would like to present a petition, please, from 32 Calgarians as organized by Joanne Black. This petition urges the Government to "implement the income recommendations of the 2001 MLA Committee Low Income Programs Review."

Thank you.

head: **Introduction of Bills**

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

Bill 29

Law of Property Amendment Act, 2003

Ms Graham: Thank you, Mr. Speaker. This afternoon I'm pleased to introduce Bill 29, the Law of Property Amendment Act, 2003.

The purpose of this bill is to level the mortgage insurance playing field between CMHC and private mortgage default insurers to allow all mortgage default insurers the ability to sue borrowers for any balance owing on high-ratio mortgages after a foreclosure.

[Motion carried; Bill 29 read a first time]

2:40

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you, Mr. Speaker. I would move that Bill 29 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

The Speaker: The hon. Minister of Finance.

Bill 30

Appropriation (Interim Supply) Act, 2003

Mrs. Nelson: Thank you, Mr. Speaker. I request leave to introduce Bill 30, the Appropriation (Interim Supply) Act, 2003.

This being a money bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

[Motion carried; Bill 30 read a first time]

The Speaker: The hon. Member for Lac La Biche-St. Paul.

Bill 208

Occupiers' Liability (Recreational Users) Amendment Act, 2003

Mr. Danyluk: Thank you very much, Mr. Speaker. I request leave to introduce Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003.

Bill 208 will amend the Occupiers' Liability Act so that landowners' and occupiers' burden of liability to recreational users would be reduced to a level that is owed to trespassers.

[Motion carried; Bill 208 read a first time]

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

Bill 209

School (Fees Elimination) Amendment Act, 2003

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to move first reading of Bill 209, the School (Fees Elimination) Amendment Act, 2003.

Bill 209 requires the government to fully fund public education and put a stop to the nickel and diming of parents in this province. The bill eliminates fees for kindergarten and core instructional materials, computers, and equipment. The bill also enshrines in legislation a prohibition on fund-raising for school essentials.

Thank you, Mr. Speaker.

[Motion carried; Bill 209 read a first time]

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

Bill 210
Dental Care Review Committee Act

Mr. Masyk: Thank you, Mr. Speaker. I beg leave to introduce Bill 210, the Dental Care Review Committee Act.

Bill 210 would establish an all-party committee to review dental care in Alberta. The all-party committee would address accessibility for modest- to low-income earners, the feasibility of a fee structure, and quality care issues. The all-party review committee would prepare a report that would be presented to the Legislative Assembly. Given the links between poor oral health and heart disease, hypertension, and diabetes, this bill would have a substantial cost-saving mechanism for health care. A review of dental care in Alberta may identify potential concerns with quality of care and accessibility for Albertans, especially low- to modest-income earners, who may be without employer coverage.

Thank you, Mr. Speaker.

[Motion carried; Bill 210 read a first time]

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

Bill 211
Fair Trading (Telemarketing Licence)
Amendment Act, 2003

Mr. McClelland: Thank you, Mr. Speaker. I request leave to introduce Bill 211, Fair Trading (Telemarketing Licence) Amendment Act, 2003.

Mr. Speaker, this bill would require those engaged in the telemarketing business in Alberta to have a licence and, further, that to maintain the licence, the telemarketer who receives a request from a person not to call or fax a telephone number must remove that person's name and number from the telemarketer's list within seven days of the request. It's known as a do-not-call list.

[Motion carried; Bill 211 read a first time]

head: **Tabling Returns and Reports**

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

Dr. Pannu: Thank you, Mr. Speaker. I'm tabling five copies of a letter that I just received this morning dated March 16 and addressed to me from Mr. Victor Dorian of Edmonton, who has two elementary school-age children attending Westglen elementary school. He is alarmed at the possibility that his school will lose \$84,000 in the coming year and as a result lose 1.5 teacher equivalents. This will translate into an astounding 25 to 30 percent increase in class sizes, which he says is a frightening proposition for a parent with two young children in school.

Thank you, Mr. Speaker.

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

Mr. Bonner: Thank you, Mr. Speaker. With your permission I would like to table the appropriate number of copies of a program from Edmonton public schools' 39th Night of Music: A Musical Journey.

Thank you.

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

Dr. Taft: Thank you, Mr. Speaker. I have several tablings. I'm getting tremendous correspondence on education. The first is to the Minister of Learning from Maureen Santin expressing her concern for elementary school funding.

The next is a copy of a letter to the Premier expressing concern over lack of vision for public education funding from Linda and Ian Hallworth.

The next is another letter to the Premier from Mona Luth expressing her concern. She says, "I am appalled by your government's lack of concern and disregard for public education."

Finally today, a letter from Matt Rose to me expressing his concern and the concern of countless others about the public education system.

Thank you.

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

Mrs. Jablonski: Thank you, Mr. Speaker. Today I'm tabling five copies of the program for the Great Kids awards, 2003. I'm also tabling the biographies of all the children that were awarded that will tell you all the great and wonderful things they did to receive this award.

Thank you.

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

Ms. Carlson: Thank you, Mr. Speaker. Today I'm tabling five copies of the program for this year's Canadian business leader awards. For over two decades the University of Alberta School of Business has presented the Canadian business leader award to Canadians of distinction. Recipients are leaders, entrepreneurs, and pioneers of progress in the business world recognized for their outstanding achievements and business acumen. This year's recipients were Gwyn Morgan and David O'Brien.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have three tablings today. The first one is a petition by upset Albertans, and it states, "We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government to reinstate natural-gas rebates immediately." This is a hundred citizens from places like Spruce Grove, Edmonton, Legal, Camrose, Killam, and Bluffton, and they accessed this petition on our web site, www.altaliberals.ab.ca.

The second tabling I have is the market report from the Power Pool from Saturday, March 15, 2003, and it shows a wide range of prices, anywhere from 3 cents a kilowatt-hour to 17 cents a kilowatt-hour for electricity in this province. Then on March 16, Sunday, when you would think there would be no price spikes, we see at the same web site, the Power Pool market reports prices ranging anywhere from 1.5 cents a kilowatt-hour at 8 o'clock in the morning to 21 cents a kilowatt-hour at 5 o'clock in the afternoon, a wide range of prices.

Thank you.

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

Mr. Mason: Thank you very much, Mr. Speaker. I have a tabling from Mrs. Patricia Jansen of Edmonton dated March 14, 2003,

concerning the exorbitant cost of utilities caused by deregulation. She says that putting on an extra sweater has not helped.

Thank you, Mr. Speaker.

2:50head: Orders of the Day

head: Written Questions

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you. Mr. Speaker, proper notice having been given on Thursday, March 6, it is my pleasure to move that written questions 3, 5, 6, 8, 9, and 10 be dealt with today.

[Motion carried]

Human Resources and Employment Achievement Bonuses

Q3. Mr. MacDonald moved that the following question be accepted.

What is the total dollar amount broken down individually by position given as an achievement bonus to senior bureaucrats in the Alberta Human Resources and Employment ministry for each fiscal year from April 1, 1996, to January 14, 2003, inclusive?

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you, Mr. Speaker. We are prepared to accept Written Question 3 with the following amendments, and if I could just indicate to the hon. member and to others the particulars about the amendment. We would offer four amendments: first of all, to strike out the word "total" and substitute with "aggregate"; secondly, to strike out "broken down individually by position," and submit "and range of"; the third one is to strike out "given as an achievement bonus to senior bureaucrats" and substitute "achievement bonuses given to employees"; and the fourth one, to strike out "each fiscal year from April 1, 1996, to January 14, 2003, inclusive" and substitute "the 1999-2000, the 2000-2001, and the 2001-2002 fiscal years" so that the amended written question would read as follows:

What is the aggregate dollar amount and range of achievement bonuses given to employees in the Alberta Human Resources and Employment ministry for the 1999-2000, 2000-2001, and 2001-2002 fiscal years?

Now, the reasons for the amendments, Mr. Speaker. The first one: by substituting "aggregate" for "total," we can actually give hon. members more information. What we would then do is break down the achievement bonuses that have been paid out and move them into a range of dollar amounts, which we think will provide more complete information, then, that is being requested. Secondly, in being able to reply by substituting "a range of," we, of course, clearly indicate what I just talked about: that we would provide them in terms of a range. The third one: "senior bureaucrats" is not a term that we normally use, so it's doubtful of the meaning, but I think what the member is trying to ask for is what achievement bonuses were given to employees, and we're prepared to do that within the range, of course, of the freedom of information that we can. Then, the last one, of course, is the fact that it was in 1999 that the Ministry of Human Resources and Employment was in fact created, so what we're saying with the amendment is that we'll provide those achievement bonuses for the three fiscal years past where we have provided achievement bonuses to our employees.

I would urge all members here in the Assembly to agree, then, to the amendments as we've just put forward.

The Speaker: On the amendment, the hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Thank you, Mr. Speaker. The only thing I can say at this time is that I'm disappointed, but I can see where the hon. minister and department officials are coming from, and I always am of the view that any information I can get from the government is a bonus in helping one do one's job, and that, from the Official Opposition perspective, is to keep the entire government accountable.

In conclusion, I would have to remind all hon. members of the Rolling Stones and the fact that you can't always get what you want.

Thank you. I accept it.

[Motion on amendment carried]

The Speaker: The hon. Member for Edmonton-Gold Bar to close debate, then, on this question.

Mr. MacDonald: I have nothing further to say.

[Written Question 3 as amended carried]

Seniors Department Achievement Bonuses

Q5. Mr. Massey moved on behalf of Ms Blakeman that the following question be accepted.

What is the total dollar amount broken down individually by position given as an achievement bonus to senior bureaucrats in the Alberta Seniors ministry for each fiscal year from April 1, 1996, to January 14, 2003, inclusive?

Dr. Massey: The motion is part of a series of motions that we have on the Order Paper, Mr. Speaker, to get a handle on the kinds of salaries that are being paid. The government has been very forceful in publishing and making sure that the public is aware of the salaries that are paid to superintendents of schools and other officials across the province, and it seems to be only fair play that the government's own employees should be subjected to the same scrutiny. So I am pleased to move the motion.

Mr. Doerksen: Mr. Speaker, on behalf of the Minister of Seniors the government accepts Written Question 5 with amendments. Those amendments have been circulated already to all members, and they are similar to the amendments that were just described earlier by the Minister of Human Resources and Employment. Specifically, the Ministry of Seniors has only been in existence since March 15, 2001, so we have changed the request to accommodate that particular date change. Decisions on the '02-03 bonuses have not yet been finalized and so are not available. Also, we have amended the question to fall under the proper jurisdiction of the Freedom of Information and Protection of Privacy Act.

Mr. Doerksen moved on behalf of Mr. Woloshyn that Written Question 5 be amended to move that the following question be accepted.

What is the aggregate dollar amount given as achievement bonuses to employees in the Alberta Seniors ministry, and what is the number of employees broken down by range of the bonus amount who received a bonus for the 2001-2002 fiscal year?

The Speaker: The hon. Member for Edmonton-Mill Woods on the amendment.

Dr. Massey: Yes. I think the amendments are unfortunate, Mr.

Speaker. They really take the heart out of the questions as they are written. I think I would also like a bit of an explanation at some point in terms of where this violates the Freedom of Information and Protection of Privacy Act, and if that's the case, why the same provisions of that act don't apply to public employees like school superintendents.

[Motion on amendment carried]

The Speaker: The hon. Member for Edmonton-Mill Woods to close the debate on this written question.

Dr. Massey: No further comments.

[Written Question 5 as amended carried]

Government Services Achievement Bonuses

Q6. Mr. MacDonald moved that the following question be accepted.

What is the total dollar amount broken down individually by position given as an achievement bonus to senior bureaucrats in the Alberta Government Services ministry for each fiscal year from April 1, 1996, to January 14, 2003, inclusive?

The Speaker: The hon. Minister of Government Services.

Mr. Coutts: Thank you, Mr. Speaker. I wish to accept Written Question 6 with amendments, and the amendments have been distributed to all the members. I'd like to move that Written Question 6 be amended by: (a) striking out "total dollar amount broken down individually by position," and substituting "aggregate dollar amount and range of"; (b) striking out "given as an achievement bonus to senior bureaucrats" and substituting "achievement bonuses given to employees"; (c) by adding "broken down by the range of bonus dollar amounts and the number of employees who received a bonus within that range" after "ministry"; and (d) by striking out "each fiscal year from April 1, 1996, to January 14, 2003, inclusive" and substituting "the 2001-2002 fiscal year."

3:00

Mr. Speaker, the amended written question would then read as follows:

What is the aggregate dollar amount and range of achievement bonuses given to employees in the Alberta Government Services ministry broken down by the range of bonus dollar amounts and the number of employees who received a bonus within that range for the 2001-2002 fiscal year?

The rationale for this amendment is to be consistent with the spirit and the intent of the Freedom of Information and Protection of Privacy Act, which states that information that is broken down by the identity of each official will not be released as it is considered to be an unreasonable invasion of privacy. Therefore, I move this amendment.

The Speaker: On the amendment, the hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. Again, I'll be brief. I will certainly express my disappointment, but there is very little that I can do in regard to this. Certainly, the FOIP Act is important, and to see that it is going to be enforced in this way when we consider circumstances of other individuals, to say the least, is noteworthy, and it will be from this hon. member's perspective worth watching to ensure how this plays out for other individuals.

At this time, I will be anxiously awaiting the information when it does arrive from the hon. minister. Thank you.

[Motion on amendment carried]

The Speaker: The hon. Member for Edmonton-Gold Bar to close the debate on the question.

Mr. MacDonald: In regard to Written Question 6, Mr. Speaker, I have nothing further to say at this moment.

[Written Question 6 as amended carried]

Sustainable Resource Development Achievement Bonuses

Q8. Dr. Massey on behalf of Ms Carlson moved that the following question be accepted.

What is the amount of each bonus and the aggregate amount of all bonuses awarded to senior officials within the Ministry and Department of Sustainable Resource Development over the 2001-2002 fiscal year broken down by the identity of and amount paid to each official?

Dr. Massey: I think it's fairly self-explanatory, Mr. Speaker.

The Speaker: The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Speaker. I would be pleased to accept Written Question 8 with amendments. To be consistent with the spirit and intent of the Freedom of Information and Protection of Privacy Act, information broken down by the identity of each official will not be released as it is considered to be an unreasonable invasion of privacy. Therefore, I move that the amendment strikes out "amount of each bonus and"; strikes out "senior officials" and substitutes "employees and the number of employees who received a bonus"; and strikes out "identity of and amount paid to each official" and substitutes "range of bonus dollar amounts and the number of employees who received a bonus within that range." So the question will read:

What is the aggregate amount of all bonuses awarded to employees and the number of employees who received a bonus within the Ministry and Department of Sustainable Resource Development over the 2001-2002 fiscal year broken down by the range of bonus dollar amounts and the number of employees who received a bonus within that range?

Mr. Speaker, this information has been shared with the hon. Member for Edmonton-Ellerslie prior to 11 a.m. as per the procedures. I believe the amendment has been circulated to all members. Thank you.

The Speaker: On the amendment, the hon. Member for Edmonton-Mill Woods.

Dr. Massey: Yes. Thank you, Mr. Speaker. Again, I think the amendment is an unfortunate amendment, and it's the kind of amendment we've had on previous written questions. The amendment tends to mask information, and again it seems inconsistent with what the government expects of other public bodies in the province; namely, health authorities and superintendents of schools. These are public dollars, they're salaries that are paid to public officials, and I think if they're going to be anything, at least there's an obligation to be consistent. So I think it's unfortunate if the amendment passes.

[Motion on amendment carried]

The Speaker: The hon. Member for Edmonton-Mill Woods to close the debate.

Dr. Massey: No. Thank you.

[Written Question 8 as amended carried]

Operational Costs for Committees

Q9. Dr. Massey moved that the following question be accepted. What were the total operational costs of the following committees: Review Committee on Outcomes, MLA Committee on Lifelong Learning, Task Force on Children at Risk, Committee on Francophone Education Governance, Alberta Vocational Colleges Governance Task Force, Private Schools Funding Task Force, School Facilities Task Force, and MLA Postsecondary Funding Review Committee?

The Speaker: The hon. Minister of Environment.

Dr. Taylor: Yes. For the Minister of Learning, Mr. Speaker. The Minister of Learning would like to amend the question to read:

What were the total operational costs of the following committees:

Review Committee on Outcomes, MLA Committee on Lifelong Learning, and MLA Postsecondary Funding Review Committee?

That's the amendment that is proposed, and an excellent amendment it is.

The Speaker: The hon. Member for Edmonton-Mill Woods on the amendment.

Dr. Massey: Yes. Speaking to the amendment, Mr. Speaker, it really takes the heart out of the written question. I think we're left with two-sevenths of the information that we asked for, and unfortunately it's part of a pattern. We've been attempting as the opposition to get a handle on the costs of the committees that the government is running. We've tried by letter with this particular ministry to get those costs, and that's been unsuccessful. We've taken the route of coming to the Assembly asking for it, and again it looks like we're unsuccessful. It's really very perplexing why this kind of information isn't readily available. So I would urge the Assembly to reject the amendment and to allow the motion to proceed as it appears on the Order Paper.

The Speaker: The hon. Minister of Human Resources and Employment on the amendment.

Mr. Dunford: Yes, Mr. Speaker. Just to provide further information on the amendment as far as the rationale is concerned, the committees that are mentioned in the revised question now, as amended, were established during the minister's tenure in this portfolio, and the costs are readily determinable from the information that would be on file. The other committees were established by other departments – for example, advanced education and career development, infrastructure, and education – and the information may not be within the Ministry of Learning's files.

[Motion on amendment carried]

3:10

The Speaker: The hon. Member for Edmonton-Mill Woods to close the debate.

Dr. Massey: No.

[Written Question 9 as amended carried]

Environment Department Achievement Bonuses

Q10. Dr. Massey moved on behalf of Ms Carlson that the following question be accepted.

What is the amount of each bonus and aggregate amount of all bonuses awarded to senior officials within the Ministry and Department of Environment over the 2001-2002 fiscal year broken down by the identity of and amount paid to each official?

Dr. Taylor: Well, Mr. Speaker, we've had a number of questions similar to this, and we've had a lot of stimulating debate on this issue, so I won't go over it. I'd just like to propose an amendment to the question, which is similar to the other amendments that have been proposed, and the amendment will read as follows:

What is the aggregate amount of all bonuses awarded to employees and the number of employees who received a bonus within the Ministry and Department of Environment over the 2001-2002 fiscal year broken down by the range of bonus dollar amounts and the number of employees who received a bonus within that range?

As you've heard earlier, under provisions of the FOIP Act we cannot release it any more general than that, and that's an act I believe the people opposite support.

Dr. Massey: Well, again, Mr. Speaker, an unfortunate amendment takes away the thrust of the written question, and the whole series, as we've seen this afternoon, have had the same kind of axe taken to them in terms of the amendments. Again, it's unfortunate. It's information that's available, and I think it's information that could've been readily supplied by the government.

[Written Question 10 as amended carried]

head: Motions for Returns

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Proper notice having been given on Thursday, March 13, it is my pleasure to move that motions for returns 2, 3, 6, 7, 8, and 10 be dealt with today.

[Motion carried]

Breakdown of AISH Disbursements

M2. Mr. Bonner moved that an order of the Assembly do issue for a return showing copies of documents showing a specific breakdown of how much of the \$346,511,000 received by people on assured income for the severely handicapped in the fiscal year 2001-2002 was given as cheques to recipients, how much was spent on medical costs, and how the remainder was spent.

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I don't know if the Minister of Human Resources and Employment wishes to respond directly, but my information indicates that the government is prepared to accept Motion for a Return 2.

[Motion for a Return 2 carried]

Operational Costs of Health Reform Committees

M3. Dr. Massey moved on behalf of Dr. Taft that an order of the Assembly do issue for a return showing a detailed breakdown of expenses including but not limited to research fees, hosting fees, salaries, consulting fees, public relations, advertising costs, and meeting expenses for the following committees set up under the report of the Premier's Advisory Council on Health: the Committee on Collaboration and Innovation, the Expert Advisory Panel to Review Publicly Funded Health Services, the MLA Task Force on Health Care Funding and Revenue Generation, and the Health Reform Implementation Team.

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

Mr. Mar: Thank you, Mr. Speaker. I move to accept MR 3 as written.

[Motion for a Return 3 carried]

Health and Wellness Achievement Bonuses

M6. Dr. Massey moved on behalf of Dr. Taft that an order of the Assembly do issue for a return showing a detailed breakdown of the bonuses paid to staff of Alberta Health and Wellness in each fiscal year from 1992-93 to 2001-02 indicating the amounts of individual bonuses paid each year as well as the position held by the recipients of those bonuses.

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

Mr. Mar: Thank you, Mr. Speaker. I am prepared to accept Motion for a Return 6 with amendments. First of all, let me clarify that staff of the Department of Health and Wellness did not receive bonuses prior to the 1997-98 fiscal year, so I am prepared to provide information on bonuses received after that time. However, providing a detailed listing of bonuses paid to staff would identify individual employees. I should note that half of our freedom of information legislation is the protection of privacy. So for the fiscal years '97-98 through 2000-2001 I am prepared to provide an aggregate amount of bonuses paid, the range of bonuses, and the number of employees who received a bonus within that range.

Mr. Mar moved that Motion for a Return 6 be amended to read that an order of the Assembly do issue for a return showing a breakdown of the bonuses and the aggregate amount thereof paid to managers and senior officials of Alberta Health and Wellness in each fiscal year from 1997-98 to 2000-01 broken down by range of bonus amounts and the number of employees who received a bonus within that range.

Mr. Speaker, I move that Motion for a Return 6 be accepted as amended.

The Speaker: The hon. Member for Edmonton-Mill Woods on the amendment.

Dr. Massey: Yes. Again the same complaint, Mr. Speaker. We can't quite understand the double standard in terms of the reporting of bonuses.

[Motion on amendment carried]

The Speaker: The hon. Member for Edmonton-Mill Woods to close the debate.

Dr. Massey: Yes, Mr. Speaker. I was remiss in not thanking the minister for accepting the previous motion for a return on behalf of my colleague for Edmonton-Riverview.

[Motion for a Return 6 as amended carried]

Health and Wellness Credit Card Statements

M7. Dr. Massey moved on behalf of Dr. Taft that an order of the Assembly do issue for a return showing copies of the monthly statements for the credit cards used by the Deputy Minister of Health and Wellness, each of the assistant deputy ministers, the special policy adviser, and each of the minister's executive assistants from April 1, 1997, to December 31, 2002.

The Speaker: The hon. Deputy Government House Leader.

Mr. Stevens: Thank you, Mr. Speaker. It's my pleasure to respond to this on behalf of the hon. Minister of Health and Wellness. The motion for a return requests monthly statements for credit cards used by various members of the ministry over a six-year period. I think it goes without saying that this particular request does not deal in any fashion whatsoever with matters of public policy but, generously speaking, could be called administrative in nature. Just thinking of my own personal experiences, I know that when I receive my credit cards, often I can't even identify what's on them when I am responsible for the expenditures. So I do wonder what the purpose of this request is, given that there is no background.

Having said that, however, Mr. Speaker, the request is in the nature of records of account, and this particular Assembly has an officer who is responsible for reviewing records of account in the ministries, that is, the Auditor General. Furthermore, this particular Assembly has a particular committee which is responsible for reviewing the ministries and the records of account of those ministries, and that is Public Accounts, chaired by the able Member for Edmonton-Gold Bar.

So, Mr. Speaker, my recommendation to the members of the Assembly is that this motion for a return be rejected.

The Speaker: The hon. Member for Edmonton-Mill Woods to close the debate.

Dr. Massey: Yes. Again, I think it's unfortunate. Certainly, the spending of the administrative wing of the government falls under public policy, and it's a legitimate request to know how money that's approved in budgets of the Legislature is being spent. So I think it's unfortunate that it's not being accepted.

[Motion for a Return 7 lost]

3:20

Tecskor Software Inc.

M8. Mr. Bonner moved that an order of the Assembly do issue for a return showing copies of any and all records prepared by or for the government or its agents relating to the tendering process for any purchase or contract from or with Tecskor Software Inc., including the requests for proposals, since April 1, 1999.

The Speaker: The hon. Minister of Government Services.

Mr. Coutts: Thank you, Mr. Speaker. In response to this, I'd like to indicate that the government will be rejecting Motion for a Return 8. It's pretty clear that when a party has requested access to a third party's information, a formal freedom of information and protection

of privacy process must be submitted to ensure that the applicant and the affected third parties have an appeal process, and that is available to them through the Freedom of Information and Protection of Privacy Act. For these reasons we will, unfortunately, have to reject this motion for a return.

The Speaker: The hon. member.

[Motion for a Return 8 lost]

Income Support Program

M10. Dr. Massey moved on behalf of Mr. MacDonald that an order of the Assembly do issue for a return showing copies of all documents prepared by and for Alberta Human Resources and Employment between May 2002 and January 30, 2003, concerning potential changes to the supports for income program.

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Yes. Thank you, Mr. Speaker. We will be rejecting this motion for a return. The government is currently looking at our income support programs. As a matter of fact, all of the documents that have been placed in question through this motion cannot be released as they are actually advice, then, to the government.

The Speaker: The hon. Member for Edmonton-Mill Woods to close the debate.

Dr. Massey: Yes. Again, it's unfortunate, Mr. Speaker, that this information is not being shared. There's widespread public interest in what's happening with respect to these changes. There has been little information supplied, and I think that there is an obligation on the part of the government to better inform citizens in terms of what has been happening.

[Motion for a Return 10 lost]

head: **Public Bills and Orders Other than**
Government Bills and Orders

head: Committee of the Whole

[Mr. Shariff in the chair]

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

Bill 202 Workers' Compensation (Firefighters) Amendment Act, 2003

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

Mr. Magnus: Thank you, Mr. Chairman. In lieu of all the nice speeches we had in Recognitions about St. Paddy's Day, just about everything I've got on except my shirt is green, not that we're going to need the luck today. [interjections] You guys are colour blind or something here. We hope we don't need the luck today, because quite frankly I've been out and I've talked to virtually all members of this Legislature throughout the morning, either through the leaders of their parties or their caucuses or, indeed, our entire caucus this morning earlier.

Mr. Chairman, we've all heard the debate in second reading about firefighters and what it is about firefighters and their profession that makes them very, very special and, indeed, unique, and we passed that bill handily a week ago.

What I have before us now – and I'd like to introduce it – are amendments to Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003. I do have the requisite number of copies here, and I'll ask that they be distributed now. I'm assuming that you're going to want me to wait until they're handed out before continuing, Mr. Chairman.

Thank you.

The Deputy Chair: Hon. members, the proposed amendment is being circulated, and we shall refer to that amendment as amendment A1.

Hon. Member for Calgary-North Hill, you may proceed.

Mr. Magnus: Thank you, Mr. Chairman. Frankly, as I say, we've had an awful lot of debate on Bill 202, and the amendments that we have before us don't substantially change the intent of the bill for a very simple reason. What we were after originally was, indeed, to get presumption for firemen within the bill. Now, over a weekend of very, very difficult work with the minister's office, indeed the minister of human resources, with his staff, with the staff from the WCB – I saw somebody here earlier from there – and with the availability and the extremely hard work of a great many firefighters on the weekend, we have come up with what we think is, indeed, even superior to the bill that we discussed at second reading.

Within those amendments – and I'd like to just put them out on the floor at this point in time – we have section (a), and I'll just explain the differences, Mr. Chairman. What we've done there – and this is a fairly substantial move – is we have moved the cancer to regulation. It's as simple as that. I know that in originally speaking, we had chosen to have the cancers put right in the bill, but in hindsight and through a great many conversations talking to the other province that has this legislation, Manitoba, we feel that, frankly, by doing this, we will indeed put more flexibility into these cancers.

Now, that being said, I would like to point out that the minister and his office over the weekend as well – and actually, I believe they told me about this on Friday – came out with a seventh firefighter cancer that they would like to see covered in regulations. Frankly, neither the firefighters nor myself knew that the statistics and the statistical link were there previously, and as a show of good faith and just outright honesty from the minister's office and the WCB, they had come out and requested that, in fact, we add a seventh cancer, that being of the ureter, to the regulations. However, we have the bill in front of us today. The regulations will come down the pike fairly shortly.

The second change on this is housekeeping essentially. It was paragraph (4), and it's, "The Lieutenant Governor in Council shall make regulations." This takes the possibility of someone else such as the WCB or any other body out of the decision-making process regarding which cancers and which periods of employment indeed go in the bill. As I say, it is housekeeping. The writing is a little bit different, but we have changed it to the extent that the firefighters themselves liked it better. I think it works better for us. That is the second change.

The third change to this bill was the old section (5). Frankly, that's the section on retroactivity. I mentioned three weeks ago that we would in fact be pulling that section out and, again, for a very simple and up-front reason. We had what were seven firefighters with cancer that were known previous to this. All firefighters that

are known have now received benefits. It was expressed to me by someone earlier today that they were concerned there may be one out there that we don't know about, but quite honestly in conversations with the minister's office and the WCB retroactivity is something that is in a great many of their policies, and they do indeed go back for workers in a retroactive sense and have done that in the past. We feel that we're as safe as can be on that one.

3:30

In the last paragraph – and this is more for the rural folks than the urban MLAs, if I could say that – we have made a change within the paragraph itself. This change, I might add, came directly from the minister's office, and once again I feel that it, frankly, is more well written than the one that we had originally put out. As I said at second reading in my explanation of the bill, it was never our intent to have a WCB in Alberta and a WCB in Manitoba do exactly the same study and both report to their Legislature. That was never the intent, and we've simply done some creative writing to make that paragraph a little bit more straightforward. We've still got the report that we want in three years' time, and the WCB, as I understand it – and the minister will speak to this – will in fact be talking to the WCB in Winnipeg. We will get a report. We just didn't want two provinces doing absolutely identical studies somewhere down the line. I mean, we've got better things to do with our people, besides which the feeling is that if we include both provinces in this study, we'll in fact get a larger, more encompassing study. So I think it's a very good amendment, and I'm pleased it's there.

Mr. Chairman, those are the four changes to this bill, the amendments before us. I consider all of these amendments as I've moved them friendly amendments. Definitely friendly amendments. We have checked with the firefighters who have worked on this bill since day one. Two of the four, I might add – and I'll mention their names – Ken Block and Scott Wilcox, are lawyers in their own right as well as the counsel for the firefighters' association of Canada. We held quite a large conference call that went on for some period of time on Sunday morning.

We feel that by making these changes and putting this bill forward with these changes in it, we have indeed accomplished a very, very good bill on behalf of firefighters. The advantages to these amendments, quite honestly, give us more flexibility than, as an example, the Winnipeg legislation, and in point of fact when this bill passes and the regulations are written shortly after that, as opposed to Manitoba's five cancers in their legislation, we will indeed have seven. As I say, we've created more flexibility within the bill in order to add cancers to that.

With that, Mr. Chairman . . .

An Hon. Member: Let's vote.

Mr. Magnus: Somebody says: let's vote. I'd like to call the question. However, I won't. I'll give members an opportunity to speak. I'll lay those out on the floor, and we'll see how that goes.

Thanks so much.

The Deputy Chair: On the amendment, the hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. It is a pleasure to rise this afternoon and speak on amendment A1 to Bill 202, and I would like to thank the hon. member for the great amount of dedication and commitment that he's shown towards a quick passing of this particular bill and, as well, for the great efforts not only on his behalf but the amount of consultation that took place with not only

himself but the firefighters, the minister and his department, and the WCB.

Certainly, the amendments that do appear, that they've worked so hard to come up with, are amendments that I would also encourage the House to accept. The thing that I do like about this is that we do have a number of cancers that have been identified. We do have the capacity in this legislation through regulation to make quick changes to future developments in this regard and in this line. I think that what it also shows, Mr. Chairman, is the fact that there are links here between workplace hazards and the development of disease. I think it's critical that when we have injured workers who do get industrial diseases, whether it be the firefighters or whoever else, we do, by way of study, look at this causation factor. It is critical. It is why we currently have a group of injured workers in this province who continue to this day to wait patiently for their outstanding claims to be heard and brought to some type of closure.

We also have to realize that particularly in a province such as Alberta, where we do have a major petrochemical industry, where certainly every safeguard is put in place and every possible procedure employed to protect our workers, they are going to from time to time develop some type of disease primarily because of the association of workplace hazards. So it is a very, very historic piece of legislation here in the province, and I think it is certainly the grass roots whereby we will be able to move forward with legislation in this province, that when there is a definite causation factor, when there is a link between that causation factor and the work that people are doing, injured workers can be dealt with in a very speedy manner.

I must say that this is a tremendous first step for a group of people who put their lives on the line. Since this legislation was introduced into this House, we've had two examples in this city alone where we've had major fires that they have responded to and not only have responded to but have been involved in very dangerous situations, and they have done themselves proud. They have served the public in an absolutely incredible manner.

So, as I said earlier, Mr. Chairman, I would certainly encourage all members of the House to support amendment A1. Thank you.

The Deputy Chair: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Yes. Thank you, Mr. Chairman. I rise to speak in support of the amendments. Of course, it is very important to me that the work that's been done has allowed these amendments to come forward. If they are approved by the Legislative Assembly when it comes time to call the question and, of course, then become incorporated into Bill 202, then I'll be able to support Bill 202 at third reading.

I want to indicate my gratitude and compliments not only to the Member for Calgary-North Hill for bringing forward the bill and the friendly amendments but also to firefighters that have been involved in the discussions that we've had ongoing now for the past week, also to representatives of the Workers' Compensation Board. I had all of the aforementioned in my office last week, and we looked for a way in which we could accommodate some of the concerns that had been expressed by members, of course including myself, in this particular situation that we had in front of us. Really, what we were looking for was a way in which to show clear and unequivocal support to the firefighters.

Now, with the amendments that are in front of us, I think that we accomplish the goal of trying to overcome the major objections. While it is clear that there's still now a presumptiveness that's involved because we are putting the cancers first of all in the

regulations, which is very, very important because it, of course, is the government that will control the regulatory framework and the actual regulations that go in, I believe that there is a solid agreement here, while unwritten, between firefighters in Alberta and the Workers' Compensation Board of Alberta that the cancers to which the presumptiveness would apply will be based on science, and that is extremely important.

What we can't afford to have, in my view – and this has been a view since the early beginning – is any sort of automatic acceptance of a condition if there was fuzzy science or if there were more factors involved than science that were associated with the particular disability that was under discussion. That has now been achieved through the amendments that are being brought forward today and, of course, to a great extent reduces, then, the resistance that I was showing.

3:40

I thought it was wise on the part of the hon. member that the amendment, under “the Lieutenant Governor in Council,” instead of “may make regulations” asked for and received the accommodation that the act will say “shall.” This is extremely important in the sense that it removes any sort of feeling of mistrust that might be out there. I've found that one of the things that I've been fighting in this whole discussion around this isn't where WCB is today, but it's where WCB was 10 years ago. This is my opportunity now to talk about the WCB and how the new WCB is being reflected in these amendments, because again the very fact that they are friendly amendments coming from the member and the proposer of the bill is a clear indication that we're into some new, some more collaborative kinds of dealings now with WCB here in Alberta, and they're to be congratulated for that.

So with that, Mr. Chair, I want to just close by making a comment about the report on the so-called volunteers. I think it is incredibly important that we go through and look at the science and come back with a prepared report that would be brought here, into the Legislative Assembly.

Now, I know that in many cases ministers are supposed to play by the book and keep their personal feelings outside of some of the responsibilities that they have and the oaths that they took, but I want members to know that I have a personal involvement here in the fact that my brother is one of these so-called volunteers, and I know how hard through the years he has worked in that capacity fighting fires that arrive in his particular jurisdiction in southern Ontario. So it's with that feeling and with that need, I guess, to establish further science in this particular area that we're extremely pleased in how we've been able to deal with this situation. Of course, then, the science will stand, and any further additions to the regulation will then stand on that science and not on any other variable.

So today, I think, is a day that hon. members should be proud of. I think it's a day that firefighters here in Alberta can be happy about. I think it's a day where WCB has shown it's clearly involved in the new era. As the minister I want to thank all of those groups and will continue to support them as best I can.

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

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to rise and present a few questions to the Assembly in regard to Bill 202. I apologize to the hon. Member for Calgary-North Hill; I was unable to hear his initial comments this afternoon. I understand from the hon. Minister of Human Resources and Employment that some volunteer firefighters are also going to be

covered under this bill as well as the municipally owned fire departments that have paid staff, from the firefighters to the fire chief.

Certainly, I am at first glance cautious of this amendment. When I look through the bill, if all the parties that were involved in this are satisfied with it, then that is fine, but I am very cautious when I deal with the WCB and the phrase “unless the contrary is proven.” That rings alarm bells with this hon. member because of my experiences with constituents and injured workers and the lengths, in my view, that the WCB process has gone to deny benefits to these individuals, and there is no doubt in my mind. I am disappointed that the list of cancers is being removed from statute and put in regulation.

Now, my questions – and, hopefully, they will be addressed during Committee of the Whole debate this afternoon, Mr. Chairman – in regard to these amendments are: when are these regulations going to be drafted, and are the regulations going to be drafted before the board conducts this research? If we're going to twin with the province of Manitoba and do this research together, well, that's fine. But when, precisely, are we going to be able to see these regulations? I think that whenever you remove something from statute and put it in regulations, one has to be very careful. If these regulations are going to be drafted, will they be tabled in the Assembly for all hon. members to have a look at before this bill passes third reading?

With those comments I, in conclusion, will await an answer from the hon. Member for Calgary-North Hill – and we will wait with cautious optimism – that this bill has not been watered down, Mr. Chairman, from its original intent. I understood from the hon. member that there was quite a consultation process on Sunday morning, and I'm very pleased to learn that the hon. member is working diligently on behalf of the province on a Sunday morning. I suppose it's the only time that firefighters would be available. They've been very busy the last couple of weeks – that's for sure – in this city at least, well, all across the province. Their commitment to public safety and fire protection certainly does not go unnoticed on this side of the Assembly.

So in regard to my questions, if in due course of debate we could have a response, I would be very grateful. Thank you.

The Deputy Chair: The hon. Minister of Finance.

3:50

Mrs. Nelson: Thank you very much, Mr. Chairman. Again, I'd like to stand and speak in favour of the amendments that have been brought forward by the hon. Member for Calgary-North Hill. I know he has spent copious hours working with the appropriate parties to come forward with these amendments to streamline this bill and make it more comprehensive.

I'm particularly pleased that he has put the word “shall” in place of “may” under the regulation-making process by the Lieutenant Governor in Council. I think that is fundamentally important so that the government is directly held responsible for the process and the regulations that are going to be covered under the primary-site cancer and the period of employment regulation process that will be following on the regulations side.

When I spoke on this bill in second reading, I truly believed that we depend so much on firefighters to save us and to help us, and that's never been so evident as it was the last couple of weeks, again in the city of Edmonton, where we watched one day an apartment building burn and firefighters trapped for a time, a very scary time frame. Without hesitation they were in there to save lives and property and return the community as near to its original state as possible. To have a worry such as this burdening them is really not right morally or ethically, and for us to take that burden away by

assuring them that we will put a safeguard in place that protects not only them but their families is the least we can do when they do so much for us. So I am very, very pleased to be able to stand and support these amendments and this bill. The sooner we do this, the better.

Like – and I'm almost frightened to say – the Member for Edmonton-Gold Bar, I hope the regulation goes through speedily and without hesitation, because it is important that this come to a conclusion. I don't often agree with a Liberal suggestion. It's something I don't do, but in this particular case . . .

Mr. Mason: What about the stability fund?

Mrs. Nelson: Not you. No, no, not the New Democrats. That's stretching it. With the Liberals.

I do agree, Mr. Chairman, with this recommendation as I think it's urgent that this proceed. I want to say that I, like a number of members of this Legislature, have been cautious and somewhat suspicious of the good intentions of the WCB over the years of dealing with injured workers in our constituencies, and I'm very much encouraged by the change that I have seen of late. I think this is a good signal to send, that there's change afoot and that the credibility for us, dealing with injured workers and people in distress, is being restored to a position that was really the intent of WCB, and that was to be able to provide protection for the worker in the event of an unforeseen accident. God willing, that doesn't happen, but if it does, they are looked after and their families are looked after. Their acceptance of these amendments and this regulation process, I think, is a good signal that they are now getting back on the right track, and I hope it continues. So I would encourage them to do that, and through the Minister of HR and E we will send that message. I think it will be a good one, coming from this Legislature.

So I would encourage, Mr. Chairman, all members to support this amendment. Let's get this bill passed, get the regulations in place, and protect as best we can our firefighters, as they do us.

Thank you.

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

Mr. Mason: Thank you very much, Mr. Chairman. I'd like to briefly speak to the amendments to Bill 202. First of all, I'd like to begin by congratulating the hon. Member for Calgary-North Hill for his work on this bill on behalf of firefighters. I know that there were last-minute discussions around these amendments with firefighters, and that must have indeed stretched people's busy schedules to the limit, with the two major fires that we've seen in Edmonton. Clearly, between putting out fires, the firefighters have managed to put out other fires by working with the hon. member on these amendments. I was pleased, as well, to hear the comments of the minister with respect to these amendments. So it looks like we have a compromise in the works, and that is a very good thing.

There are some aspects to this that I think bear some discussion, but first of all I want to indicate that I believe that this is a very good approach. I know the concern has been that this approach could be extended to other groups. Well, frankly speaking, I think this approach should be extended to other groups but would remind people who are concerned about that that in every respect the Legislature can make a decision on a case-by-case basis, or in cases where the cabinet is allowed to make regulations, they may on a case-by-case basis make a decision on extending this on the merits of each case.

Shifting the burden of proof onto the WCB is a very positive step.

Instead of asking a firefighter who has been diagnosed with one of six types of cancer to prove a link between their occupation and illness, the link will be assumed, and the responsibility will be upon the employer or the WCB to disprove the link. I think this is well backed up by the literature that exists, the medical research that exists with respect to these kinds of cancer. This is clearly modeled on the Manitoba legislation; that province passed a similar act last year. There are 20 U.S. states, Mr. Chairman, who have similar legislation.

Mr. Chairman, firefighters by the nature of their job must put themselves into dangerous situations. Unlike other occupations, firefighters cannot refuse to enter these situations, and as a result they do suffer higher rates of illness directly related to their employment. I think that if similar occupations can be directly linked to cancer of various types or some other types of illness, then presumptive legislation may well be warranted in that case as well.

There are a number of types of toxins that contribute to these types of cancer: acrolein, acrylonitrile, asbestos, benzene, chloroform, diesel exhaust, hydrogen chloride, halons, formaldehyde, hydrogen cyanide, nitrogen dioxide, polycyclic aromatic hydrocarbons, vinyl chloride, and soots of various kinds. Firefighters face a 50 percent increase in the risk of colon cancer, and that number jumps to 68 percent in firefighters employed 20 years or more. There's a 30 to 50 percent increase in the risk of prostate cancer among firefighters. So, clearly, the situation we've had up until now, with firefighters suffering these illnesses that were clearly caused as a result of their profession having to go and appeal and fight the WCB in order to get compensation, must end, and this bill will go a great way toward ending that.

I just want to indicate, Mr. Chairman, that I have some concerns about shifting to the cabinet the decision-making around which types of illnesses are covered. I understand that there needs to be some flexibility. I recognize that this may well have been a compromise that was reached in order to secure support for the bill, and I take some comfort in the fact that the amendment says that "the Lieutenant Governor in Council shall make regulations," not "may," and I think that indicates that it's probably acceptable.

So, Mr. Chairman, in conclusion, I will support the four amendments as I see them to be essential to the passage of the bill. Quite frankly, I see the passage of the bill to be essential for the workers of this province. It's a significant step forward. I think it's a recognition that firefighters have risks, not just their immediate risk, as we saw with five firefighters recently being trapped in the fire very near to this place. Fortunately they were rescued. Those are the kinds of day-to-day immediate and direct threats that firefighters face in their work, and they can never be underestimated. Neither can we underestimate the long-term environmental impact on the health of firefighters of that very hazardous work.

4:00

I think this bill is, in fact, good recognition of that fact and a very progressive step forward for Alberta, which has not often led the pack when it comes to progressive legislation on behalf of workers. I would take my hat off to the hon. Member for Calgary-North Hill for this bill and urge that it be given all-party support in entering into the statutes of this province. With that, Mr. Chairman, I will take my seat. Thank you.

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

Mr. Broda: Thank you, Mr. Chairman. It's my pleasure to rise today in committee to discuss Bill 202, Worker's Compensation

(Firefighters) Amendment Act, 2003, as sponsored by my colleague from Calgary-North Hill. I had a whole bunch of notes that I was going to go through prior to this amendment that came out, and I'm very pleased to see the amendment changes that have occurred but also to have the ministry as well as the Worker's Comp and the firefighters and the Member for Calgary-North Hill work diligently on the weekend to come to some resolution. I think that by working together, we can see what kinds of accomplishments can be made.

I think it should be noted that it's important that we see in the amendment to Bill 202 that the Lieutenant Governor in Council shall do things that are there. Rather than having it in the bill itself, it'll be in the amendments. Important to note that if it stayed in the bill, every time we wanted some cancers added to the list, the whole act would have to be reopened. By including it in regulations, now the Lieutenant Governor in Council can do that.

As a member of a rural constituency I was pleased to hear the comments made by the minister on volunteer firefighters because in rural Alberta we only have volunteer firefighters, or at least in my constituency, anyhow, I don't have any paid fire-fighting departments. I'm going to relate to the fires in Redwater the last couple of years, the dangers that these volunteers go into. The last fire I recall, they went into a fire that happened to be in a country residential area not knowing what might be stored in the back of the back 40, if you want to say. We had propane tanks blowing up. Because one fellow had about 10 or 15 or 30 cars in the back 40, there were gas tanks exploding, all kinds of carcinogenic possibilities there. These firefighters as volunteers and also the ones in the urban centres are not sure. They cannot pick and choose which fire they're going to go to.

So I think this is commendable to have the Member for Calgary-North Hill bring this bill. I think it's due time that it be introduced, and with the amendments I think we have a bill that is full and complete. Certainly, I would encourage all our members on all sides – and I think we've heard that – to accept this bill and vote in favour of it.

With that, Mr. Chair, I will take my seat. I just wanted to bring those points out. I'm pleased to see that there are also possibilities for volunteer firefighters, as the minister has indicated, after a study is done. I understand that Manitoba would be doing a study, Alberta would be. By doing it jointly, we don't have to duplicate the system.

I'm very pleased on behalf of rural Alberta firefighters who are volunteers or urban firefighters as well. I commend all these gentlemen for a job well done, and when I say gentlemen, we have a lot of women firefighters that are volunteers in rural Alberta. In Redwater itself I think it's probably about a 60-40 split female/male. They're all volunteers, and when I say volunteers, that doesn't mean businesspeople. It means people from our schools. There were so many of our high schools kids in the Redwater fire that took time off, but they also graduated with honours this past year. They not only fought for the community, but they also did their studies, so I've got to commend them for that.

Thank you, Mr. Chair.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Calgary-Egmont.

Dr. Massey: Thank you, Mr. Chairman. I'd like to make a couple of comments. I won't repeat what I said at second reading, and I will support the amendment, but it's not without reservations. I'm very leery of regulations and regulation-making and, I think, with good cause. When we passed the bill in the House that allowed for the energy rebates, we didn't have the regulations in front of us or even the draft regulations at that time, and that's come back to haunt us.

No one knew at the time that the rebates were going to be dependent upon a year-long averaging, and that's made a tremendous difference in the lives of Albertans, who expected that that legislation would protect them from rising energy prices. So I have a deep-seated suspicion of leaving things to regulations.

Now, we've been assured that that's not going to be the case here, that the regulations will in fact include what's been taken out of the bill. But, again, regulations are much more easily changed, and they can be changed without coming before this Assembly. I think that it's something that's going to bear watching, and it's obviously been a compromise for some reason. The reason we've been given is that it allows more readily for other cancers to be added to it, but it allows for things to be taken away more readily too.

It's with that caution that I will support the amendment, Mr. Chairman.

The Deputy Chair: The hon. Member for Calgary-Egmont, followed by the hon. Member for Edmonton-Gold Bar.

Mr. Herard: Well, thank you very much, Mr. Chairman. I'm pleased to rise and stand in support of the amendments. The mover might be a little surprised because I was one of those who did not vote in favour of the bill in second reading. I've never in 10 years voted against principles that I believe in, and I wasn't going to start on that one.

I had a couple of reasons for not voting for it, and one of them is that as a matter of principle I don't think that politicians should be making medical decisions. I mean, we only have one medical doctor in the entire caucus, and I think he would probably have some difficulty trying to prove scientifically whether or not this should be done. I'm really pleased, though, with the amendments to the bill because now it takes it out of the realm of politicians enshrining something in legislation that is essentially based on some medical evidence somewhere and then putting it in regulation based on scientific proof. That's the key.

The second reason that I didn't vote for it is because I've been involved in trying to reform the WCB now for 10 years. At one point I tried to bring a private member's bill, much like you did, hon. member, and it was on medical panels. I think we ended up hoisting that bill; it seems so long ago now. In the meantime, we did convince the current minister responsible for the legislation to do a review, and I was honoured to be on both committees. Like the Provincial Treasurer said earlier, I'm impressed with the changes that I've seen with respect to the WCB.

4:10

One thing in particular. You probably are all familiar with Dr. Ohlhauser, the former registrar of the College of Physicians and Surgeons. Now, he's the person that the WCB put in place to put together medical panels, and I have a great deal of time for that man, and I've found him to be extremely honest in all of his dealings in the past. I know that he's doing the best that he can to ensure that the medical panels operate the way they should have always operated. One of these medical panels will probably at some time in the future look at whether or not a particular cancer or occupational disease should be included in regulation.

So given that the legislation is now changed and I think has been improved, as the hon. member said in his remarks, I'm going to be very pleased to support this bill. Thank you very much.

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

Mr. MacDonald: Yes. Thank you very much, Mr. Chairman. At

this time I have one additional concern and comment and question that I would like to get on the record, and perhaps the hon. Member for Calgary-North Hill can provide an answer this afternoon, hopefully. We have changed the original Bill 202 with this amendment, and I see that now we strike out subsection (2) and substitute the following.

If a worker who is or has been a firefighter suffers an injury that is a primary site cancer of a type specified in the regulations, the injury shall be presumed to be an occupational disease, the dominant cause of which is the employment as a firefighter, unless the contrary is proven.

Now, the original definition of firefighter at 24.1(1)(a):

... an employee, including officers and technicians, employed by a municipality or Metis settlement and assigned exclusively to fire protection and fire prevention duties notwithstanding that those duties may include the performance of ambulance or rescue services.

In light of those two definitions, what does that mean for firefighters that are employed in large industrial complexes? For instance, we could pick an oil refinery where there are individuals with 30- and 35- and 40-year careers. They may be there for two or three years, and they're part of the fire-fighting team. They're very well trained; they're very well schooled. It is amazing how quickly those individuals can get a fire under control, and speed is of the essence whenever you're dealing with, let's say, a refinery fire. Or let's even go further, and we can go to Fort Saskatchewan and talk about Dow Chemical or any of the industrial complexes there or Fort McMurray, where these individuals are doing this over the span of their careers, which could be 30 years. Where do they fit in this bill? What does Bill 202 do for them?

In conclusion, Mr. Chairman, I would have to ask the hon. Member for Calgary-North Hill: what does this bill mean for firefighters that are employed in large industrial complexes? They're employed there for a long period of time, and they have other duties, but in case there's an emergency, they drop whatever they're doing and head to the firehouse. The Member for Edmonton-Highlands was talking about exposure to benzene and toluene and all these lovely complex chemicals that are known to be carcinogenic.

Thank you, Mr. Chairman, for this opportunity to ask that question.

Mr. Magnus: Mr. Chairman, just to answer some of the questions that have come forward at this point in time. I don't believe that I'm limiting debate. I believe I have the right to get up more than once. Is that correct?

Regs to be drafted was asked right off the bat. I can't remember who on that side asked about it. The bottom line is we already pretty much have them on a piece of paper. The unfortunate part is that we can't really start writing the regs till we have a reason to do it. The reason is within the bill. Let me put it this way. I had a very short conversation with the minister. I said: is it a matter of a couple of months or a couple of weeks? He suggested that a couple of days is the answer. That should pretty much answer that. We'll have them very, very rapidly. It's not that complicated. We're going to have seven cancers on the regulatory sheet. It's going to be there, and we'll have it very, very soon.

As far as the regs – and somebody had talked about within the original bill and the fact that we changed the word “may” to “shall.” The reason for that – and I think the minister did express that fairly clearly. For those who might have missed it, the concern was that by leaving “may” in there, there was a possibility of somebody else changing those regulations. We didn't want that. We wanted Executive Council – in other words, the legislative body – to be responsible for putting these in or out, and that's exactly what we've

done. This was one of the key sticking points for us over the weekend, and frankly the firefighters and myself are extremely pleased to have that in there because it simply defines who's going to be doing that.

As far as the concerns on volunteers, now I've certainly had a lot of comments about this. I've had probably a half a dozen volunteers call me. This bill is for full-time urban firefighters and asking for a study about volunteer and other firefighters. The moral of the story is that I have a brother-in-law who works at Dow Chemical. He's been there for over 20 years. He's actually an ex city of Edmonton firefighter from fire hall 1, and for a variety of reasons he went to Dow and went into private industry. I understand what the Member for Edmonton-Highlands had to say earlier about the benzene. I mean, we all know that benzene comes out of virtually everything that burns. It's the most carcinogenic substance known to man. But, at the end of the day, my brother-in-law, the guy who works at Dow Chemical, frankly, has not actively fought a fire since he left the municipal fire department; that is, Edmonton's fire department.

So I understand where the member is coming from. I'd love to cover every firefighter I can think about, but there's a difference between a full-time urban firefighter who is actively going out there as opposed to a fellow who works as a fire prevention specialist, shall we say. It's going to be an interesting question, to the member opposite, if, in fact, it's challenged in that sense, because frankly there are possibilities. There's another possibility of a full-time fire chief, as an example, in a volunteer fire department. There will be interesting rulings. I believe they'd be covered.

Thank you.

The Deputy Chair: The hon. Member for Airdrie-Rocky View.

Ms Haley: Thank you very much, Mr. Chairman. It's my pleasure today to be able to rise in the House and share my thoughts on Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003. This bill, as you know, deals with the ability of firefighters to receive presumptive coverage for certain forms of cancer, and I'd like to thank my colleague the Member for Calgary-North Hill for bringing this bill before the House, for the tremendous amount of work that he's done to bring it this far, as well as to thank my Minister of Human Resources and Employment along with the Member for Calgary-North Hill for working together with the firemen and the WCB on creating the amendments. As anybody will tell you, I don't like to see divisions in my own caucus, and there were some pretty heated debates on this bill and not because anybody didn't support firemen but, rather, because changes to the WCB are extremely important, that we still have an arm's-length relationship with them. I'm very grateful to both of them for the tremendous amount of work they did to bring these amendments forward.

[Mr. Lougheed in the chair]

As mentioned already, Mr. Chairman, by a number of my colleagues, primary site brain cancer, primary site bladder and kidney cancer, non-Hodgkin's lymphatic cancer, leukemia, and primary site colon cancer have been shown to occur more frequently within the fire-fighting community due to their increased exposure to carcinogens and other toxic substances. Under current guidelines a firefighter may receive workers' benefit coverage; however, he or she must first prove that the specific cancer has occurred as a direct result of their exposure in the line of duty. Under Bill 202 a firefighter diagnosed with any of the cancers I've just listed would receive presumptive status as long as years of service restrictions had

been met. These limitations would be specified for each of the cancers, and this is also contingent on whether the cancer was found during the initial medical examination.

Providing firefighters with presumptive coverage for certain forms of cancers is absolutely necessary, Mr. Chairman. We rely on them to put themselves in harm's way, and we cannot ask them to run into a burning building filled with toxic smoke and then tell them that they have to prove that the cancer they had been diagnosed with had something to do with their lifestyle. We need to keep in mind that firefighters cannot wait for a building to burn out so that the risk is eliminated, and firefighters cannot refuse to do their job due to unsafe working conditions. They are the only group of workers – well, one of them; I am sure the military is also another group, but this is the main group of people where that is the case. In other words, the risk of exposure to cancer-causing elements is built into their job.

Bill 202 aims to change the status quo and give firefighters the benefit of the doubt when dealing with select types of cancer. To be more specific, it deals with cancers that have been linked to the conditions present in their line of work. This, Mr. Chairman, would leave sick firefighters with one less battle to fight while dealing with this terrible disease.

I also believe that the amendments proposed today should allow for a flexible way of adding cancers to the list once a link to the fire-fighting occupation is established, and I understand that, in fact, we've gone from six to seven cancers already. That's why I believe that we should take the actual list of cancers out of the legislation and include them in the regulations. It makes it easier to add additional cancers to that list if it's found necessary, and we wouldn't have to introduce future amendments to this legislation.

4:20

The other amendment that I totally appreciate is that it eliminates retroactivity from the bill, and it's been a long-standing practice of the Legislature not to include retroactivity in any of its legislation. In fact, some of the toughest debates we've had in caucus have been about whether or not there should be retroactivity on any piece of government legislation or a private member's bill. The WCB has been effective in resolving the outstanding claims, and the need for the retroactivity clause is no longer there.

The other amendment proposed today was the change in section 2(6) so that the WCB is required to prepare a report on the state of the current research rather than conduct research, and I agree with the Member for Calgary-North Hill that there's absolutely no point in everybody doing identical research no matter which province in Canada they're in, so I'm very grateful. If we can follow along with what Manitoba or other provinces that are looking at this are doing, then we all benefit from that.

With the amendments properly reflected in Bill 202, I would like to encourage all of my colleagues, including the ones that were having such tremendous difficulty with this last time, to support this important piece of legislation, and once again, Mr. Chairman, I appreciate the opportunity to get my voice on the record with this bill. I didn't have a chance in second reading, so I'm very grateful for the opportunity now. Also, on a concluding note, like every member of this Assembly I have nothing but the greatest respect for the people who serve as firemen in our province. I'm very grateful that they're here able to observe this debate today, and I wish them all the very best.

Thank you, Mr. Chairman.

The Acting Chair: Thank you.

The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Chairman. It's a pleasure to rise and speak on the amendments to Bill 202 today. I've a few short comments to make, but before I do, I'd like to also welcome the members of the various fire-fighting departments in the members' gallery today. My late brother-in-law was a captain with the Calgary city police force, and through our discussions over the years on some of the stories he related to me, I believe he gave me a little bit of insight of the dangers that people in various fire-fighting departments, especially major city fire departments, face on a daily basis. I'd also like to commend the Member for Calgary-North Hill for the work he's done not only on the bill, which I believe to be a good bill, but on the work he's done over the weekend in addressing the various concerns brought up during second reading and working very hard to make a good bill even better.

One of the things that I'm quite comfortable with is in amendment (4), changing "may" to "shall" and including those primary site cancers in the regulations. I don't think that there should be any fears by anyone that there's any room for jockeying things around because it refers to subsection (4), that "The Lieutenant Governor in Council shall make regulations" designating primary site cancers with presumption in subsection (2), and subsection (2) clearly outlines those six cancers very clearly. I'm sure everyone will expect to see that in those regulations.

The other thing that it makes happen is prescribing the employment periods; instead of may happen, that now shall happen, so I think that's a very good thing.

[Mr. Shariff in the chair]

One thing I do have a concern with in reviewing it after my comments in second reading – I didn't mention it before, and it was brought up by other members – is the exclusion of casual or part-time firefighters. I'm pleased to see there's an opportunity for that to be addressed in the future in section (6) of the amendment.

One question I guess I would have for the Member for Calgary-North Hill – and he may have addressed it, but I may have missed it, but perhaps in his closing comments he could address it – is: why three years? How did he arrive at three years before submitting a report to the minister on the research results regarding the industries? I'd be looking forward to why that is, why it couldn't be a shorter period of time, or why it has to be three years.

That's the only question I have, Mr. Chairman. As I said before, I believe these amendments make a good bill even better, and I would urge everyone in the House to support it. Thank you.

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

Mr. Cao: Thank you, Mr. Chairman. Let me begin by saying that I'm very pleased to have the opportunity to rise this afternoon and speak in support of Bill 202. Since the time of debate on Bill 202 I have had an opportunity to reflect at length on this bill and, I would say, what it means for our firefighters and for Alberta. During this reflection it occurred to me how many similarities and touching points there are between the firefighters, on one hand, and a group of professionals whose job is to protect the rest of us. Take soldiers for an example. This is perhaps a particularly useful comparison in light of the events of the last 18 months and also because the future looks no less uncertain. I think it's a fair assumption to say that more than anything men and women of our armed forces are motivated by the deeply felt desire to be of service to our country, to our fellow citizens. They sign up for military duty knowing that under most circumstances their time in service will be calm and quiet. Ordinarily, the biggest upheavals they face are the ardors of

boot camp or perhaps the discomforts imposed by lengthy field manoeuvres. They also know, however, that they can be called upon to enter into situations where dangers abound and where there is a real possibility that they may meet their Maker.

Having said that, Mr. Chairman, we know that our soldiers are willing to make the ultimate sacrifice for the benefit of the rest of us. In fact, we count on them to be willing to make this sacrifice. We make that assumption. If you want to be a soldier, you should also know that in the event of a severe situation, you may lose your life. In the last few years there's been an occasional outcry at how poorly compensated our soldiers are. These concerns have revolved around one or two main issues. On one hand, it has been shown that in comparison to soldiers of other countries our Canadian soldiers are, quite frankly, underpaid. Headlines were made when it was revealed how some soldiers and their families live in poor conditions. The other issue that gave rise to this concern was that here we have Canada's soldiers, men and women, who are willing to die for our country and we don't offer them sufficient compensation. When you put your life on the line for the rest of us, most of us think it's okay that you get a little extra than others. In fact, it's more than okay. It's appropriate. It is the right thing to do.

Mr. Chairman, I could even go as far as to say that society has a moral duty to protect those who protect the rest of us. This is what Bill 202 does for our province's firefighters. It offers them and their families some added protection in what is, in all likelihood, the worst possible time of their lives. Those of us here today who have not had a family member or friend battle cancer are very fortunate. It seems that so many people in all walks of life are diagnosed with cancer these days. However, if we think we have it bad, we should consider ourselves so lucky that we are not firefighters. Recently the statistics indicate that the risk of firefighters contracting cancer is between 200 and 300 percent higher than that of the rest of the population. Too much of a price to pay for being a protector of the rest of us, you say, and I say: you bet it is.

4:30

Mr. Chairman, I'm very pleased that section 2 of the bill specifies that a regulation will be developed to include the list of the cancers currently known and as they are discovered relating to fire-fighting work. There are six types of cancer that available medical evidence shows firefighters develop at much higher rates than the rest of the population. These inflated rates are due in large part to occupational hazards. I don't suppose we should be overly surprised that this is so. The rest of us generally stay away from toxic fumes and scorching fires. We have a choice in that regard, and the firefighters do not. There were a number of major industrial fires in my constituency in the last few years. In a firefighter's workplace the work environment is uncontrolled. Not only do the firefighters not have the right to refuse unsafe work. They also have absolutely no control over a range of concerns including but certainly not limited to air quality, toxic gases emitted from the fire, work area temperature up to a thousand degrees Fahrenheit, zero or near zero visibility, not to mention structural instability.

To expand briefly on just one of these points, today firefighters are routinely exposed to toxins such as carbon monoxide, asbestos, benzene, chloroform, formaldehyde, halons, hydrogen cyanide, hydrogen chloride, and nitrogen dioxide, just to mention a few. As if that isn't enough, Mr. Chairman, at the scene of a fire a firefighter will encounter not just one but many toxic gases. Not surprisingly, they don't come neatly in a compartmentalized fashion. Rather, they're encountering toxins not just one at a time, but it contains a mixture of toxins. However, when we look at the situation, it's interesting that it's not one plus one equals two. It's not that two

plus three equals five. The mixture together is a composition of toxins that we may not know the toxicity of.

I'm also very pleased to see that in section 2 there is an amendment that indicates scientific and evidence-based reports on the cause and effect of the concerns and also relating to fire-fighting work. Firefighters know the dangers of their job. They know that each and every time they enter the scene of a fire, there is a possibility that they may not come out. I also see that with the science-based and the evidence-based reporting, it removes the emotional and subjective views of the situation.

In recent years firefighters also had to recognize that some of the danger that they face is not immediate. Unlike the building that collapsed or whose impact it is on – they feel it right away – this toxic substance which the firefighters are exposed to lies dormant for many years. Just like the killer that cancer is, so are these toxins working away quietly, doing what they do best, killing by stealth and in slow motion. Mr. Chairman, there are times when people spend years dying. When death finally arrives, it is merely the grim confirmation that has been known for a long time.

Turning attention again to section 2, there is a mandate that if a firefighter is diagnosed as having one of the six aforementioned, hopefully developed in the regulation, that I quoted in my previous debate, "the injury shall be presumed to be an occupational disease, the dominant cause of which is the employment as a firefighter, unless the contrary is proven." By enshrining the presumptive status in the law, we will take a huge burden off the backs of firefighters who find themselves stricken by one of these cancers. In cases like this, it is only right and proper for some firefighters to do the best . . . [Mr. Cao's speaking time expired]

Thank you very much.

The Deputy Chair: The time allocated has elapsed. However, since we are in committee, the chair is willing to recognize you again if you wish to complete your comments.

The hon. Member for Calgary-Bow.

Ms DeLong: Thank you, Mr. Chairman. You don't have to bother timing me, because I'm only going to take a few minutes. I'd like to take this opportunity just to discuss a few points regarding Bill 202, which is the WCB firefighters bill. Firefighters have always been the good guys to us. You know, little boys want to be firefighters when they grow up.

Mrs. Forsyth: And little girls.

Ms DeLong: And there are some little girls who also want to be firefighters when they grow up.

They've always been the good guys. In front of my house I've got a river which becomes very dangerous in the spring, and twice I've seen firefighters go out and risk their lives on the ice to rescue. Once there were two little girls out there. Another time there was a young man who had lost his strength from the cold water. Both times they went out and saved them. Of course, we always admire them, but then 9-11 came along, and it sort of moved up several notches in that they aren't just the good guys, but they're our heroes. They're the guys who went in there, and they're the front line now for terrorist attacks. So I'm very thankful for this opportunity to be able to support them now.

I have to thank the MLA for Calgary-North Hill and the Minister of Human Resources and Employment for coming up with this amendment, because I do very much want to support the firefighters. Since you have now moved the cancers into the regulations and we do have the assurance that these regulations are going to be based on

solid science, I'm very glad that I am now in a position where I can support our heroes and support the firemen.

Thank you very much.

The Deputy Chair: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Chairman. It's an honour to join the debate on Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003, sponsored by the hon. Member for Calgary-North Hill. I believe that many of us have seen the print that illustrates a tired firefighter bent over, resting on a stool with two angels, one on either side of him, resting their heads on his knees, entitled *Tired Angels*. They say that a picture is worth a thousand words, and this print is certainly worth at least that many words plus a thousand tears.

4:40

As has been stated, Bill 202 would amend the Workers' Compensation Act to ensure that the six recognized firefighter cancers have presumptive status for any firefighter wishing to receive workers' compensation benefits due to the contraction of these cancers. There are approximately 2,500 full-time firefighters in the province of Alberta as well as 8,500 part-time and volunteer personnel, who put their lives on the line in order to save another life, and for this they should be acknowledged.

There have been some important points raised in opposition to Bill 202 that need to be clarified. The first point that needs to be addressed is the notion of retroactivity status. As we have heard from the sponsor, Bill 202 has been modified to reflect a nonretroactive clause in its wording. The retroactivity clause in Bill 202, Mr. Chairman, has created some conflict with those in disagreement with the bill. Initially, this retroactive provision would have allowed presumptive benefits to any firefighter who made a claim for any of the listed six cancers to the Workers' Compensation Board since 1992.

Mr. Chairman, Bill 202 has particularly been described as more of an emotional issue than a substantive issue. I believe that the proof from the statistics provided in the preceding and following speeches will dissuade that thinking. Bill 202 speaks to a point of unbiased medical and scientific proof that shows that firefighters alone are more susceptible to these six cancers and that they should be taken care of.

Another cancer that has not been discussed but has been linked though not officially listed among the six known firefighter cancers is testicular cancer. It is acknowledged that male firefighters may be more than four times more likely to develop testicular cancer than men in the general population according to the results of a German study. This type of cancer is rare, but it's the most common cancer in men aged 15 to 40. Although this association between fire fighting and testicular cancer is based on only a small number of exposed subjects, the findings are consistent with a recent cohort study from New Zealand. This New Zealand study found a threefold increase in the risk of testicular cancer among firefighters. These findings were published in this month's issue of the *American Journal of Industrial Medicine*.

Mr. Chairman, the reasoning behind such an association remains unclear, but there is a general consensus among medical experts that because firefighters are exposed to a number of potentially cancer-causing substances in smoke, soot, and the combustion products of burning synthetic materials, they are more prone to develop cancer. Again, this demonstrates that firefighters are susceptible to many risks and, therefore, should be compensated.

Another point that has been raised by those opposed to Bill 202 is

what I call the floodgate factor. Opponents will argue that by giving firefighters presumptive status to claim WCB benefits after contracting cancer on the job, this will open the floodgates, so to speak, to other groups in the manual labour force that work with chemicals classed as carcinogenic. Every worker from the waitress at the local diner to the body man at the local body shop will be attempting to claim the same status as a firefighter. The reality of this situation, Mr. Chairman, is that these claims will come before the WCB regardless of whether Bill 202 is passed into law.

As of this current date there is only one outstanding presumptive claim submitted on behalf of an Alberta firefighter to the WCB requesting benefits due to a cancer illness. The point here, Mr. Chairman, is that with the passage of this legislation it should not be expected that the WCB will see an overwhelming number of claims made from a variety of industries and professions, all claiming to have contracted cancer while on the job. Opponents have made statements that other industries and vocations could claim a link to their work environment and cancer. The hole in this argument is that major medical studies over the past 50 years and especially over the past 10 years have demonstrated a direct link between the occupation of fire fighting and the six deadly cancers.

As firefighters are the only group of workers who cannot refuse to work due to unsafe working conditions and given that their jobs exist for no other reason than to ensure the safety of Albertans, we owe it to them to provide benefits when doing their job puts them in contact with cancer. Firefighters should not have to fight the system when they should be fighting this horrific disease.

There have been other questions and concerns posed to this Assembly by those who are in disagreement with Bill 202, and one of these questions involves effective ways in which the government and the Workers' Compensation Board can work together to help prevent cancer cases within the firefighting community. One very significant way in which both parties can work to prevent cancer cases, Mr. Chairman, is ensuring that firefighters have the most current and up-to-date breathing equipment available. A self-contained breathing apparatus is probably the single most important piece of safety equipment used by a firefighter. Every time a self-contained breathing apparatus is worn in a contaminated atmosphere, it is protecting the health and safety of the individual firefighter wearing it. For about 25 years firefighters have used self-contained breathing apparatus, the firefighters' equivalent to scuba gear. A hose from an air tank feeds a mask that covers the firefighter's face. This system creates positive pressure, that makes sure that leaks flow out of the mask.

A report in 1994 sponsored by the Ontario Industrial Disease Standards Panel stated that although a standard firefighter's tank contains about 30 minutes of air, the tank is actually effective for only about 15 minutes. There are several reasons for this. A firefighter must allow 10 minutes to leave a burning structure so the breathing tank can be replaced. Firefighters have made comments that under strenuous conditions this type of breathing apparatus is hot, heavy, and very cumbersome. Third, firefighters have also remarked that it's hard to breathe once the tank has reached 30 percent capacity. This means that firefighters often remove their breathing apparatus as soon as the worst is over. It is then that they are most exposed to dangerous chemicals at the fire site. Mr. Chairman, I believe that providing firefighters with the most current and up-to-date breathing equipment available is paramount in helping to improve the health and well-being of our provincial firefighters.

In closing, Mr. Chairman, I would like to stress my agreement with the proposed legislation in Bill 202. I am certain that every member of this Assembly would agree that firefighters are indeed

true heroes in this world. They play a large role in keeping our communities and neighbourhoods safe. In light of this and based on the medical statistics backing this bill, I suggest that my colleagues move to accept Bill 202 and give a presumptive rest to this final fight that some firefighters may be forced to face.

Thank you.

The Deputy Chair: The hon. Member for Little Bow.

Mr. McFarland: Thank you, Mr. Chairman. At second reading I wanted to put a few comments on the record, but I was unable to. We ran out of time. Yes, I was one of the MLAs who voted against this bill at second reading, and I did it for a reason that I discussed with a couple of paramedics from the Lethbridge fire department who were up here later that day. The rationale I gave to them was that although I didn't disagree with the intent of the legislation, I am not a big fan of legislation. I would rather have seen this addressed through changes to the workers' compensation policy or changes to regulation. To some degree I am still convinced that that's a better way to go simply because regulations can be changed much quicker than legislation, and if there is good intent on both sides, we could accomplish the same thing.

Having said that, I must and want to compliment the Minister of Human Resources and Employment and the Member for Calgary-North Hill for coming up with a solution that appears, on the surface, to satisfy most of the parties involved. For that reason, I would like to support it. I do want it on the record, though, that I still have a concern that there may be some jobs or some occupations who may not even have access to similar policy or regulatory areas under the Workers' Compensation Board, and I had made the point with Wayne and Brad, who are paramedics in Lethbridge, that it would be unfair, in my mind, to have, for instance, a paramedic working out of a fire hall treated differently or through different legislation than the firefighter who is working out of the same fire hall. Granted, we're talking about cancers that were unfortunately gotten by some of the firefighters as opposed to maybe HIV or AIDS, that might be transferred through a blood transfusion at the scene of an accident. That was the point. It wasn't to put down the fire-fighting profession at all. It was simply to try to make sure that we had equitable legislation for everyone regardless of any traumatic or unfortunate incident which might result in a terminal disease.

So I do again congratulate the two parties involved for coming together, Mr. Chairman, with a most reasonable solution, and I appreciate the opportunity to put the thoughts on record.

4:50

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

Mr. Hlady: Well, thank you, Mr. Chairman. I'm glad to have a chance to speak to this in committee, as well. I had hoped to speak at second reading and didn't have a chance to do that, so I do have some points I'll make about that.

First, I would like to speak in regard to these amendments, Mr. Chairman, the concept of moving some of the legislation into the regulation area. I think that's a wonderful thing that the Minister of Human Resources and Employment and the Member for Calgary North Hill have come up with. As the previous speaker from Little Bow said, it's nice to see that the two sides have really come together on this issue. It seems that all parties are very satisfied and that everyone seems quite interested in seeing this go forward, and it seems to have addressed all the outstanding issues that were out there. So I'm glad to see that that's happened.

Mr. Chairman, Bill 202 certainly is an amendment to the Workers'

Compensation Act that would designate the following cancers as occupational cancers for firefighters, as I'm sure has been mentioned already: brain cancer, bladder and kidney cancer, lymphatic cancer, leukemia, hemotopoietic, and colon cancer. If a firefighter should receive any one of these cancers, that were in section 2 but have now moved to regulations, given the particular amount of time that he or she has worked, he or she would now be receiving presumptive status for workers' compensation benefits. The time line for each cancer is set out by the Minister of Human Resources and Employment, so I think this is all going to work very effectively in the future.

Section 6 of Bill 202, Mr. Chairman, calls for a three-year study to be conducted by the WCB on cancer rates in volunteer firefighters. This is very important, because I think there is still a question out there today. This is going to depend on pure science, the pure science of what we're going to find out about cancer relating to firefighters, especially in volunteers, which is not known. Today most of the science is all around full-time, urban firefighters dealing with fires that are found in the cities versus what you're finding often in rural, which is somewhat different, as we understand today. I think the research will certainly show or prove one way or the other whether that is a need that needs to be met, but it will be based on science, so that's a very good thing.

Mr. Chairman, if the WCB wanted to avoid paying benefits, they would have to prove that the firefighters submitting the claim did not contract cancer due to the hazards of his or her employment. It certainly is a reversal, and I know that's a challenge on the WCB, but I think they're up to making that work, and I think that's what has been decided between the hon. member and the minister.

A little history, Mr. Chairman. The career firefighter is plagued with risks and hazards, some of which include exposure to highly carcinogenic substances that are released during fires. Past studies have shown a strong relationship between certain types of cancers and firefighters. The cancers covered by Bill 202 will currently help firefighters if they're diagnosed with cancer. It is up to him or her to submit a claim with the WCB and then prove that the contracted cancer was due to occupational hazards involved in fire fighting. So with this reversal now I think we'll see firefighters being dealt with in a very timely way and not having concerns as they go through the problems associated with the cancers.

Mr. Chairman, Manitoba is the only province or territory in Canada to provide presumptive status to firefighters who contract cancer. However, Manitoba did not give presumptive status for colon cancer, so this is something that we've seen and the science has proven and it's gone along, so we've added that into this legislation. Manitoba has placed restrictions on the minimum amount of time a claimant must have worked as a firefighter to be approved. These restrictions are as follows: five years for primary leukemia, 10 years for primary brain cancer, 15 years for primary bladder cancer, 20 years for both primary kidney cancer and primary non-Hodgkin's lymphoma, all of which are listed in section 2 of Bill 202.

Other provinces, such as British Columbia and Ontario, are currently taking the same stand as Alberta, which just has left the onus on the firefighter, but I believe, Mr. Chairman, we might see changes on that in the future. Nova Scotia is also looking at the possibility of introducing legislation very similar to Bill 202. Currently, in the United States 23 states provide presumptive status for their firefighters, and some of the states have regulations such as Manitoba, placing a time frame on that.

Some of the counterarguments to Bill 202 will state that as a firefighter certain risks are taken and numerous hazards are confronted, that these risks and hazards are part of the occupation, and

those people who make the decision to place themselves in such a position are well aware of the consequences. There are definitely risks and hazards associated with being a firefighter. However, firefighters don't often think about themselves. Be it when they see a burning factory or office building with employees trapped inside or a burning apartment with tenants stuck on the 14th floor, I assure you they are not thinking of the types of cancer listed in section 2 of Bill 202. The only thing on their mind is saving human lives and extinguishing the fire. Should a firefighter lose a limb or fall out of a building while performing their heroic duties, compensation would be provided. Cancer is no different, other than that you can see a broken arm and you can see a severed limb. You cannot see the exact moment or predict the exact reason that cancer invades the body.

Another option may be to put more money into research so that advancements could be made for protective gear and breathing apparatus to ensure that firefighters are protected from chemicals and fumes. Mr. Chairman, this goes on all the time. Hopefully, we will move to that point so that we don't see firefighters needing to take advantage of this type of legislation. I applaud the idea that research be conducted to improve the equipment for firefighters. However, firefighters are still dying today, and it's going to be a bit of time before that type of research in equipment is fully available so that there is no risk in the future.

In conclusion, Mr. Chairman, firefighters put their lives on the line as well as the well-being of their own families to save the lives of others. Bill 202 provides a sense of security in an insecure environment, ensuring that if a firefighter should come in contact with chemicals that promote the development of cancer, compensation will be available. He or she as well as their family will be looked after and protected, a service that they selflessly offer to us without a second thought.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Chairman. It's also an honour and a pleasure for me to rise and speak to the amendments to Bill 202. As you know from the standing vote that was recorded, I was also one of those 12 members who stood up in opposition in second reading to the passing of this bill, but like the hon. Member for Little Bow I also would like to say that I'm now ready to support this bill with these amendments.

I want to thank the Member for Calgary-North Hill for these amendments and also the Minister of Human Resources and Employment for working with him. I know that they spent a lot of time over the weekend, a lot of hours, hashing this out, figuring out how to make the bill work.

Mr. Chairman, I had a bit of an issue because some of the problems with the bill were the fact that it was presumptive status to one occupation over another. As many people here know, I'm from Drayton Valley, which is the oil and gas capital of the world, according to the sign outside our town, certainly the oil and gas capital of Alberta, and we have a lot of people that work with various chemicals there. They find themselves in very dangerous situations on numerous occasions and also find themselves paying pretty high WCB premiums. So there was certainly some opposition from my area of Alberta with regard to this bill, but with these amendments that have been offered, I think people will understand that this is the right way to go, that this is the right direction.

I believe that by enshrining such presumptive status in law, we will take a huge burden off the backs of the firefighters who find themselves stricken with one of these cancers. In cases like this it's

only right and proper that someone fighting for his or her life be able to do so instead of having to spend precious time and energy gathering evidence that it really was on the job, that it really was the fires that brought this about. Such an information-gathering process will only add to the pressure under which the affected firefighter and his or her family find themselves.

With the amendments Bill 202 deserves our support. For those who protect the rest of us day in and day out, it is the least we can do. Mr. Chairman, I'm also happy that the amendments do include a provision to look at the rural and the part-time firefighters. Being from a rural area, that's something that I was very concerned about, making sure that the rural firefighters are also given a look at with regard to their exposure to these cancer-causing agents. So I'm glad that that's going to be part of the new bill and the amendments.

Mr. Chairman, I just want to say that I'm looking forward to third reading, where I can show my support for this. Again, for these reasons I will support Bill 202, and I urge the rest of this House to do the same.

Thank you.

5:00

The Deputy Chair: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Chairman. I want to rise, also, to just briefly indicate my support for this particular bill, to thank also the Member for Calgary-North Hill for doing all the work and research in getting it together and at the same time to support the amendments as proposed.

We've heard many eloquent examples over the days that this has been debated, in particular this afternoon, of the bravery and the courage and the determination of our firefighters in this province and last week in particular in this city. I know a lot of us watched here from the window vantage point the horrific fire that was occurring on 105th Street, and we were all hoping and praying for the safety of the people involved as well as for the firefighters who were trying to stamp it out. The same went for the news reports that we saw with respect to the tragic fire that occurred on 104th Street and 82nd Avenue in our city.

Mr. Chair, as I look at the couple of amendments before us, I want to support that first amendment because I know that whereas the original act in section 2 did specify the particular types of cancer that might be contracted by our firefighters, I think we all understand that cancer is something that we have some knowledge about but we don't have all the knowledge about. I know we're working toward that, but by moving this to the regulations section, it simply means that we'll be able to better define and more easily include any changes that might happen to that entire area of cancer research and through regulation be able to respond to it a lot more quickly than we could if it stayed in the act as printed. Bringing in an act to the Legislature – to make amendments, to update it, to change it – is a very lengthy process, but properly crafted regulations are more easily amended, more readily amended, and hence more quickly amended. So I support that particular amendment.

Secondly, the amendment that deals with subsection (7), the tabling of "a copy of the report prepared under subsection (6) before the Legislative Assembly within 15 days of receiving it," I think speaks to rapid accountability. Members should take some comfort in the fact that there is accountability that will be quite immediate with respect to the report and the research and everything else that surrounds it.

I know that from time to time, Mr. Chair, we have to make changes to WCB legislation, and this one will result in that. It will result in it for the benefit of our many friends, family members, and

others who are volunteers. I know we've also heard a lot about the people who are volunteer firefighters, and I'm reminded of the fire brigade that worked in my little hometown of Sangudo. They were oftentimes called out from sports days or woken up in the middle of the night, particularly to fight brushfires, which were very prevalent in rural communities. It seemed to happen with regular regularity, if I can say it that way, and they are to be applauded.

So let me simply close by once again supporting my many constituents who are firefighters. Let me extend my thanks to the firefighters who are here today and have been with us in various numbers over the past few days while this bill has been debated. Once again I urge all our members in the House to support the amendments and also to support the bill as it goes through the various phases and stages.

Thank you.

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

Mr. Mason: Thank you very much, Mr. Chairman. I would like at this time to ask those members of the government caucus who voted against this bill at second reading to reconsider. Perhaps we could have a standing vote, and we could make it a unanimous vote in favour of this excellent bill. I would like to commend the hon. Member for Calgary-North Hill for his hard work on all sides of the House in getting consensus around this bill and would ask government members to show solidarity with our firefighters and vote for this bill.

Thank you.

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

Mr. Magnus: Thank you, Mr. Chairman. Seeing no other speakers to these amendments, I would like to answer just a couple more of the questions that have come out in the last half hour.

The Member for Olds-Didsbury-Three Hills asked where the three-year term came from for the volunteer firefighters. Quite frankly, it was an arbitrary number. We looked at the Manitoba legislation; that is exactly what they put in their legislation. Now, in our minds it was simply a question of we felt it would take them three years to do the study. Their bill actually passed in the fall of last year. Ours, by putting a three-year time frame, started a little later, so we just kept the same time frame. Obviously, now with the amendment that we put forward, frankly, we hope to get one big study as opposed to two smaller provincial studies. It's just felt that the three years were arbitrary. That's as straightforward as it gets.

The Member for Little Bow raised some interesting points in his debate. He and I have been friends for a long time and talked about this issue on a number of occasions. I guess the example that was used was the EMS folks that work down in the Lethbridge area and his concern that this would preclude them from getting something that indeed the firefighters are getting. I'll just go by the example that you gave us today on the floor of the Assembly about what happens if an EMS person gets stabbed with a needle and gets HIV or AIDS. The difference here is really quite straightforward, and it's what makes the firemen, again, special and unique.

For an EMS person or a nurse, as an example, in a hospital – my wife is a nurse – if they stick themselves with a needle, frankly, they have forms to fill out all over the place. They know exactly when it happened, where it happened, how it happened, and they go through a great many tests to make sure that in fact they're not infected by any of these very, very dangerous diseases that are out there today. Bottom line is that they would be covered in a heartbeat with WCB

benefits because they can show exactly, again, where, when, and how it happened, as opposed to a fireman who's supposed to come up with an example of: where did you get your cancer from? Well, it could have been one of thousands of fires, and therein lies the difference.

Now, a number of members mentioned this, including the Member for Drayton Valley-Calmar, a couple of members on the other side, and it was based on the science to do with the cancers. The science is unequivocal. Our study groups go back to 1927, huge, huge studies. They actually started the studies going back 51 years ago, 1952, and the studies have been definitive. I'm talking about the science, the statistical linkage between these cancers and the general population and these cancers and specifically, in this case, firemen.

Just to give you a bit of an example – and I know less is more, and we're getting late in the day – the rate of cancer for non-Hodgkin's lymphoma in the general population is 2.5 per hundred thousand. Yet we've got a province like Manitoba who's been tracking this for the last 10 years: six firemen in Manitoba have non-Hodgkin's lymphoma; there are 1,800 in their study group. If I expand that – and I realize this number is not scientific, and I don't put it up to be scientific – out to the same hundred thousand of the general population, instead of having 2.5 per hundred thousand, we're now at 300 per hundred thousand firemen. Again, that number is not scientific. However, the numbers that we've got on our six cancers that were originally in the bill, not to mention the seventh cancer that will be in regulations, that being ureter cancer, the science is definitive. It is conclusive. Again, the science is there, and that's how they come in.

It is my expectation that the WCB, indeed Executive Council, because the LG in Council will be approving which cancers get in and those periods of employment – but it is my understanding that in order to pull a cancer out, frankly, you would have to have definitive, conclusive evidence stating that, in fact, firemen don't get as many victims to the cancer within each one of these cancers. Well, frankly, (a) there are no studies that show that, so I don't believe that will happen, and (b) the evidence is conclusive and definitive now since 1992. Very tough to pull one out. I don't think it'll happen at all.

As far as all the work being done, I appreciate the members saying that we've done an awful lot of work. I would point out a great many people. We have some of them here with us today, and I'd like to name just a couple of them. Ken Block from the Edmonton fire department, the fire association president; Scott Wilcox from Calgary, the Calgary firefighters association president; Gord Colwell, the association president for, in fact, all of Alberta; as well as Alex Forrest, the head of the Canadian firefighters association. All worked extremely hard on this. Love to take the credit for it, but I have to give the credit where credit is due. If you're in a government department and you're a minister or you're bringing forward a government bill, you've got the entire department. You've got in this case the WCB's billion-dollar corporation, who have all their lawyers and accountants and everyone else. As a private member you must rely on those people who are out there in order to in fact get a bill and to provide the information. Love to say I got all the research on this, but it was provided to me by some extremely solid and hardworking firemen right here from Alberta, as well as Alex Forrest in Manitoba.

5:10

The last thing I would say here is: the standing vote, I appreciate the member's viewpoint on that. I guess we'll leave it to the will of colleagues in the Legislature. I would love to have a unanimous one

in third reading; I'm not sure it's really necessary this time. The moral of the story, though, is: I guess we'll see what the will of the Chamber is. I would just like to thank everybody for supporting this amendment.

[The voice vote indicated that the motion on amendment A1 carried]

[Several members rose calling for a division. The division bell was rung at 5:12 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Shariff in the chair]

For the motion:

Abbott	Horner	Nelson
Bonner	Jablonski	Nicol
Broda	Jacobs	Norris
Cenaiko	Klein	O'Neill
Danyluk	Lord	Ouellette
DeLong	Lougheed	Pannu
Dunford	Lukaszuk	Renner
Evans	Lund	Stevens
Forsyth	MacDonald	Strang
Friedel	Magnus	Tannas
Fritz	Marz	Tarchuk
Griffiths	Mason	Taylor
Haley	Massey	VanderBurg
Herard	Masyk	Vandermeer
Hlady	McClelland	Zwozdesky

Totals:	For – 45	Against – 0
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[Motion on amendment A1 carried]

The Deputy Chair: The hon. Deputy Government House Leader.

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

[Motion carried]

[Mr. Shariff in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration and reports progress on Bill 202. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.
The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker, I rise to seek unanimous consent of the Assembly to waive Standing Order 4(2), which would allow us to revert to Committee of the Whole in order to consider the

remaining clauses of Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003.

[Unanimous consent granted]

head: **Public Bills and Orders Other than**
Government Bills and Orders

head: Committee of the Whole

[Mr. Shariff in the chair]

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

Bill 202
Workers' Compensation (Firefighters)
Amendment Act, 2003
(continued)

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

The hon. Member for Calgary-North Hill to close debate.

Mr. Magnus: Closed. Thank you.

[The clauses of Bill 202 as amended agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

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

Mr. Zwozdesky: Thank you, Mr. Chair, I would move that the committee now rise and report Bill 202 as amended.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 202 with some amendments.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.
The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. It has indeed been a very, very interesting afternoon of progress. Congratulations to everybody for helping the Assembly through with the unanimous consent to move Bill 202 along. That having been said, I would move that we now call it 5:30 and adjourn until 8 p.m.

[Motion carried; the Assembly adjourned at 5:28 p.m.]

Legislative Assembly of Alberta

Title: **Monday, March 17, 2003**

8:00 p.m.

Date: 2003/03/17

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

head: **Motions Other than Government Motions**

Incentives for First-time Home Buyers

503. Mr. Shariff moved:

Be it resolved that the Legislative Assembly urge the government to establish a financial incentive program to encourage first-time home ownership.

[Debate adjourned March 10]

The Deputy Speaker: If you're ready for the question, the hon. Member for Calgary-McCall to sum up.

Mr. Shariff: Thank you very much, Mr. Speaker. I want to take this opportunity to thank all the speakers who spoke in favour of the motion and the two members who raised concerns about the motion. I think this is a good motion. This will help young Albertans save money. This is not a motion that's proposing any grants or subsidies be given, and I hope that my colleagues will look at the young Albertans of today who need to start saving money for a home, which is the most important investment a family can make.

With those words, Mr. Speaker, I call for the question.

[Motion Other than Government Motion 503 carried]

Regional Police Service

504. Mr. Griffiths moved:

Be it resolved that the Legislative Assembly urge the government to take the steps necessary to establish its own regional police service including a regional police commissioner by 2007.

The Deputy Speaker: The hon. Member for Wainwright.

Mr. Griffiths: Thank you, Mr. Speaker. It's my pleasure to rise this evening and introduce Motion 504 to the Assembly. Motion 504 is designed to encourage the government to take the steps necessary to establish regional police services in Alberta before negotiations of the Royal Canadian Mounted Police contract, which begin in 2007.

I'd like to begin, Mr. Speaker, by indicating that Alberta has a long and proud history with the RCMP since 1932, when the RCMP took over provincial policing in Alberta. The RCMP has done an excellent job, and Albertans respect them for what they do. The RCMP has served this province with commitment and dedication, and in no way is this motion intended to be a reflection on the RCMP. The problem is not with the RCMP; it is with the federal government and the contract we have with them. The problem we face will arise in the upcoming contract negotiations with the federal government in 2007. As many members know, the current contract for the RCMP expires in 2012, but negotiations will begin in 2007. It's imperative that the provincial government takes the steps necessary to prepare for those negotiations so that our RCMP can be well-funded and that Albertans get the best policing possible.

I'd like to point out, Mr. Speaker, that policing is an area of provincial jurisdiction and that the province should therefore take

more responsibility for the policing needs of this province. As with so many other areas of jurisdiction, however, the federal government has used contributions to increase their influence in areas of provincial jurisdiction. That influence has led to policy decisions made by the federal government that do not reflect the values and needs of Albertans and the local governments.

More specifically, Mr. Speaker, municipalities have been waiting for the federal government to provide more funding and to provide more officers to meet their policing needs. If the municipality needs more officers, they must wait for the federal government to come up with more money, and they must wait for the federal government to hire more officers based on federal hiring criteria, not on local needs. The province could more readily and quickly meet the needs of municipalities and could more appropriately co-ordinate with local needs rather than federal direction. If history has taught us anything, it is that the federal government will continue with cuts to the RCMP funding contract, just as they have in health and just as they did with the last RCMP contract, in 1990. Those cuts and the layout of the current contract, which gives paramount hiring authority to the federal government, leaves our municipalities in a precarious position from which there is no reprieve, except in being prepared for the next round of negotiations in 2007.

Currently, confusion reigns as three levels of government pay for the RCMP, and we can all agree, Mr. Speaker, that confusion is not a good idea when it comes to policing. Who gets the final say in hiring? Who do officers report to when three governments pay those officers? Who determines priority areas of policing in municipalities in the province? Those are good questions, and all need to be answered to make policing in Alberta the most effective it can be. That can only be done if Alberta is prepared for negotiations in 2007. It's imperative that the government be in a position to negotiate if it is to affect these improvements. That position will not come from walking into negotiations with the federal government for RCMP contracts without any options. Frankly, we have to be prepared. We have to have a choice or another option or accept the deal the federal government puts in front of us, a deal which is likely to shortchange the province's needs, the needs of the municipalities and, most importantly, the needs of the police, who are such an integral part of community safety.

Mr. Speaker, in 1985 the provincial government considered plans for an Alberta regional police service. The idea arose because of the extensive difficulties the province had in renegotiating the RCMP contract in the early '80s. The idea was later dropped with the introduction of the new Police Act in that year. However, the notion resurfaced when, once again, the contract negotiations began in 1990, and again extreme difficulties were experienced. In both cases the federal government cut its share of funding for the RCMP force but continued to maintain ultimate control. It's important to point out that as federal funding declined, the province and municipalities made up a larger share of funding but with no increased say in management. That is a situation we can no longer tolerate if we are to assure ourselves of effective policing.

I need to iterate at this time that this notion does not demand the province form a provincial police force, nor does it call on the provincial government to opt out of the current contract. The motion asks the government to take the steps necessary to be ready to establish regional police services by 2007 so that when we begin negotiations, we will have an option if necessary. We may need to move to a provincial police force. We may find the federal government's deal impossible to resist. Either way, without a choice we will find it difficult to negotiate, and we will find that we will get exactly what we prepared for and what we deserve.

Mr. Speaker, municipalities pay varying shares of RCMP

contracts. Currently some counties pay nothing for policing. Municipalities can pay 70 percent, and still others pay up to 90 percent. The varying and disparate contracts are creating concern, confusion, and bitterness among municipalities, and that's being expressed to this provincial government. It is this government's job to be a leader in resolving these issues. Currently Alberta pays 70 percent of policing costs in the province, which amounts to over \$100 million on policing.

An Hon. Member: How much?

Mr. Griffiths: One hundred million dollars.

Mr. Speaker, a significant amount of money is spent on policing by the two levels of government alone, with little control of hiring, little discretion over meeting local needs, and increased concern expressed by municipalities.

Following this motion, beginning this process of establishing regional police services will allow the government to address with municipalities the concerns that are arising from current contracts either by allowing us to barter a better contract in 2007 or by allowing us to tackle the issues head-on from a local and provincial level should the negotiations fail. There's an added benefit, however. Setting up a regional police commission encourages us to begin aligning our own enforcement agencies so that we are organized and more efficiently run regardless of the outcome of the 2007 negotiations. Regional police commissioners would allow for co-ordination of activities, organizations, and enforcement.

Mr. Speaker, Motion 504 is the first step in becoming prepared for the renegotiation of our RCMP contract. The more prepared we are, the better the outcome will be. There are many steps in preparation for 2007. The government may want to begin to save money for start-up costs of regional policing in Alberta. The latest estimate I could find put start-up costs at \$45 million in 1994 dollars: a significant amount but easy to acquire over the next five years, before the negotiations begin with due diligence. The government may include as a step more studying of the best way to set up provincial services with regard to total and ongoing costs and differing policing scenarios. Many steps are possible, but we must take the first steps.

In summary, Mr. Speaker, Motion 504 asks us to prepare for the future, the future of policing in this province. I hope all hon. members realize the importance of this matter, and I urge all members to vote in favour of Motion 504.

Thank you.

8:10

The Deputy Speaker: The chair wondered whether or not the hon. minister wished to speak in his turn because of the evident enthusiasm with which he was meeting everything that was being said.

Ms Blakeman: I, too, am looking forward to the Minister of Economic Development getting up and debating on the record on this one. That could be quite interesting.

Mr. Speaker, this is an interesting motion because I don't know that the motion that's before us is reflected in the debate that the sponsoring member just gave us. I'm going to read the motion text into *Hansard*.

Be it resolved that the Legislative Assembly urge the government to take the steps necessary to establish its own regional police service including a regional police commissioner by 2007.

I listened carefully to what the member said, and he seemed to be saying – and I was able to jot some notes as he talked – that really what we wanted to be doing was prepare for negotiations which

would commence in 2007 for a contract which ended in 2012. This motion is actually saying “take the steps necessary to establish its own regional police service including a regional police commissioner.” So this motion is saying: done deal by 2007. And the member seemed to be saying in his statements that this was a preparation, a lead-up, to beginning a discussion with the federal government.

He noted that municipalities didn't have choice or that somehow the municipalities and the province were waiting for the feds to put in more money for policing. Well, if more money is truly needed for policing, then I'm assuming that the province, as well, could step up to the plate and put more money in. So I'm wondering why the member felt that only the federal government could solve this problem. Why wasn't he looking for a contribution from the provincial government?

He raised some issues around the three different levels of payment, coming from the municipalities, the province, and the federal government, and who determines priorities. What improvements is the member looking for? What priorities does he think are not established currently that he believes would somehow be resolved through instituting a regional police service?

I'm certainly quite comfortable with the concept of preparing for negotiations with the federal government. I think that's a fine idea. We certainly need to go into the negotiations with our ducks in a row, but he seemed to be saying something else when he was talking about that because he seemed to have already set the direction in his mind, is what I'm trying to say here. So it didn't seem that there was much negotiation left. He was talking about saving for start-up costs for, I'm assuming, a provincial police force or a regional police service or setting money aside for a study on setting up a provincial service. So that struck me as being inconsistent with his previous statements of saying: we want to prepare to go into these negotiations. He keeps saying that he wants to prepare for these negotiations and then talks about all of these things that he'd like to see set in place.

I'd actually sent a note to the member asking for clarification when I first read this because I think there were a number of different directions that could be gleaned from it. Was he talking about setting up a provincial police force? So this would be a province-wide police force similar to what they have in Ontario with the OPP.

Mr. MacDonald: The APP?

Ms Blakeman: Yes. In this case we'd be talking about the APP, the Alberta provincial police.

Or was he talking about a regional police service; in other words, grouping together several communities? For example, Lethbridge, Coaldale, Taber, Cardston could all enter into an agreement to have one police force that covers all of their area, and we'd probably have to have the counties involved in that as well.

Then he talks about a regional police commissioner. Then I thought: well, maybe he doesn't really want the regional service; he's looking for something like the regional health authorities or the regional children's authorities. Is that what he was looking for? Again, I listened carefully to the remarks that he made, and he seems to be advocating most strongly – although he mentioned all of those possibilities, I think, similar to the RHA setup – for the regional police service. I'm wondering what the member finds objectionable with sections 24 and 25 and 26 in the existing Police Act. What's the problem the member has with that?

I'll actually read section 24(1) into the record.

Subject to the prior approval of the Minister, [which I'm assuming the minister would give] the councils of 2 or more municipalities

may enter into an agreement to be policed by one regional police service.

Now, isn't that exactly what he's seeking? It's available now. It's available now under the Police Act that's currently in force, so why does he want to do this again somehow?

The next section is:

The Government of Alberta may be a party to an agreement referred to in [the previous subsection] if the region to be policed under the agreement includes an area not contained within the limits of a municipality that is subject to the agreement.

Thus, we're able to bring in the counties and some of the rural areas.

It talks about the ability to establish a regional police commission, which the member was also talking about. That's section 25(1). Section 25(2) talks about the appointments of members to a regional police commission and how they can be revoked or not. Then it talks about an oath. Then it goes on in section 26 to talk about the responsibilities of a regional police commission.

So is there some unhappiness that the member has with the existing clauses under the Police Act, that he would like to change this or he would like, in fact, to have this in place? If this is what he wants in place, then just say it or lobby his own minister to have it put in place. It's with the permission of the minister, the Solicitor General, to do so, and he's certainly free and has an inside track to speak to the Solicitor General and have this put in place. I'm curious as to why he feels he needed to take this additional step, and I'm not sure exactly what that additional step is. I don't think the member is talking about establishing regional police authorities along the same lines as regional health authorities. If he is, I sincerely hope not, because I don't think that would work well to serve Albertans.

If we are talking about the regional police services – and as I pointed out, that is not difficult to accomplish given the existing act and with the permission of the minister and the interest of municipalities and counties that want to get involved in this – then a few things, if I might, that I would like to see considered in a regional police service: ensure proportional representation from the municipalities that are utilizing the police service; ensure that representatives to the commission are appointed by the municipalities, not by the province; make it clear that the province is responsible for the funding of the regional police service under the Constitution of Canada. It seems possible, given the amount of fed-bashing that the member got involved in, that maybe he feels that he wants something changed under that, and perhaps that's under sections 24 and 25.

I would not want to see the same downloading of a sort of responsibility and even blame that happens from the government occasionally with the RHAs, where we ask a question of the government and they throw their hands up and go: have to ask the RHA. We'd like to have direct accountability.

There are some regional police services that work very well, a couple of examples. One would be the Niagara Regional Police Service. There's also an example in Ontario, the Peel Regional Police force. Actually, this has worked very well. In Niagara they have a number of units that usually only a very large city would be able to have; for example, they have a DNA unit, and they have an explosives disposal unit and a marine unit. You wouldn't usually find those in the smaller centres. So they've really been able to take advantage of this through that regional police service, and it does incorporate the municipalities of . . . [Ms Blakeman's speaking time expired]

Thank you very much, Mr. Speaker.

8:20

The Deputy Speaker: The Member for Calgary-Buffalo.

Mr. Cenaiko: Thank you, Mr. Speaker. It's my pleasure to rise and speak in favour of Motion 504. I think this motion is very important for the people of Alberta. It's a motion that has long-term implications for this province, implications that will no doubt benefit all Albertans. I think we should be clear on one thing about Motion 504 and what it is asking for. Motion 504 is asking the government to take the steps necessary to establish a regional police service as well as a regional police commissioner. As the hon. Member for Edmonton-Centre stated, the current Police Act, under sections 24 and 25, provides the legislation to proceed with regional policing, but I think it's extremely important that all hon. members realize that this motion does not ask the government to set up a police service but, rather, take the necessary steps.

Members may ask: why must we be taking steps to establish a provincial police service, especially by the year 2007? This is because the province must be prepared for the renegotiations of our RCMP contracts. We don't have a clear idea of how these negotiations are going to go. In 2012 the contract the Alberta government has with the RCMP is going to end. Hopefully, by that time we will have negotiated a new deal that will carry us for another 10 or 20 years with some portion of the present contract that's in place now. But the negotiations are going to be taking place beginning 2007, so the government of Alberta must have all areas covered before beginning negotiations. By 2012 based on the federal government's rate of \$132,000 per RCMP officer at only 3 percent increases for the next 10 years, the cost could be as high as \$177,000 per officer. I'm not sure which municipality can afford that.

The history of negotiations with the federal government with respect to policing in this province has become very expensive and difficult. Problems with police funding have risen to the forefront of the discussions. Over the years the federal government has cut their level of police funding to the provinces by significant amounts, and if history tells us anything, it is that when we begin to renegotiate our contracts with the RCMP, we should have a plan in place. This is because it is likely that the federal government will cut their share so drastically that we will be left to take care of most of the funding for our police agencies if, in fact, the 10 to 30 percent subsidy to Albertans is based on a true cost. If this is to be the case, Mr. Speaker, should we not prepare ourselves for the probable outcome? The answer, of course, is yes. We should be prepared.

Mr. Speaker, the best way to prepare ourselves is to look at all the options and have a plan in place that will give us an opportunity to have our own regional police service should the need arise. This will help us immensely in negotiations with the RCMP. As well, we will be in a much stronger negotiating position. If the federal government tells us that they are going to cut funding completely or charge provinces a hundred percent of the cost, we won't be left high and dry if we have a plan in place. We will be prepared to transfer policing over to regional services that municipalities throughout Alberta have agreed to.

This is not to say that we are unsatisfied with the current agreement with the RCMP. In fact, the opposite is quite true. Most Albertans would agree that the RCMP does a great job in policing our province. They are trusted members of our community, especially in our rural communities. They are active in the community, in sports, in teaching, as mentors in the community. The issues that many Albertans have with policing is not with the RCMP but, rather, with the federal government and their level of support. This being the case, we should prepare ourselves for what I feel is the inevitable.

Mr. Speaker, I think it's prudent that we also look at the MLA policing review that took place. A draft report was released in July of 2002, and in it there were a number of recommendations regard-

ing a provincial police service and/or regional. However, recommendation 33 of the July 2002 report did state something that has implications for what we are doing here today. The recommendation states that in preparation for the next provincial policing agreement in 2012

an external study of provincial policing be conducted to determine the efficiencies and levels of service of alternative methods of policing Alberta. These could include retaining the RCMP, forming a provincial police service, or regionalization of policing throughout the province, or combinations of these forms, [including the RCMP]. This study should be led by an MLA committee.

Mr. Speaker, this sounds like a necessary step for the government to take. It's another way for us to prepare ourselves for the upcoming contract negotiation. Now, granted, the recommendation is from the draft report of the committee and the final report and the final submission from the Solicitor General have not been released, yet I am confident, however, that the release of the final report will be very similar in tone and that recommendations will not be changed substantially. Therefore, we should seriously consider the motion that is before us today, especially after reading that recommendation. We must have all the information that can be provided to us before we can decide whether or not we continue on with the RCMP.

Mr. Speaker, the MLA Policing Review Committee took a number of submissions from many people across Alberta, and it's no secret that many of the submissions asked for the Alberta government to set up its own provincial police service. I believe that many Albertans would support Motion 504. I think that many would feel comfortable with a different policing arrangement, especially if it can be proven to be more efficient than our current arrangement.

We have many policing challenges that we as Albertans are facing, and these challenges will not slip quietly away. They must be met head-on. Some of these challenges include the policing of new technological advancements, such as the Internet, photo enforcement, information technology, DNA testing. Even though these seem like very large-scale problems, we are the ones that must solve the problems, problems that could possibly be faced easier with a different police service, one set up by our government. Of course, we don't know that for sure, and therefore we should be looking at how best to deal with those upcoming policing challenges so that when we must negotiate our current policing agreement, we will have all the information that we need to make an informed and knowledgeable decision.

Mr. Speaker, many Albertans are already questioning the current RCMP agreement. Many municipalities are in fact doing the same. There have been a number of jurisdictions around Alberta who question the usefulness of the current arrangement for their specific communities. Regions in southern Alberta are talking about regionalizing certain police agencies to deal with the new challenges that have arisen. Again, it's not because the RCMP have done a poor job in policing our province, but rather new and more efficient ways of policing are being investigated, and Albertans feel that if there are better ways, they must be tried and true.

Mr. Speaker, I would like to reiterate what I said at the outset of my speaking time, and that is: this motion does not ask the government to set up its own provincial police service by 2007; rather, it's a means for us to be prepared for the renegotiations that are going to begin that year. The more prepared we are, the more Albertans will benefit. I have numerous friends and former colleagues in the RCMP that would be more than happy to continue to live and work in Alberta under a new Alberta policing model. It's for these reasons that I support Motion 504, and I urge all members to vote in favour of the motion.

Thank you very much, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. It's always great fun to engage in these important debates.

Ms Blakeman: No, it's not. It's crazy-making. They don't make sense.

Dr. Taft: The only problem with this, I'm told by Edmonton-Centre, is it doesn't make sense.

I've been listening to the comments from all three members so far, and I think there's some merit on all sides, but I do find myself puzzling over this particular motion. Both of the government members have talked about this motion setting the stage for negotiations that commence in 2007, yet the motion doesn't say anything about negotiations. It doesn't say anything relevant to this. It doesn't talk about jurisdiction with the federal government. It doesn't talk about funding formulas. Indeed, it's so oblique as to be unclear what its purpose really is at all. Indeed, the wording of it isn't clear whether we're talking about regional police forces that might cover a region that encompasses, say, an area of southern Alberta or eastern Alberta or we're talking about an Alberta provincial police force. What are we doing here? I would like the sponsor of the motion to consider going back and thinking it through more clearly, getting more specific on the purpose of it. If it's about negotiations, let's talk about negotiations. If it's about jurisdiction, let's talk about that.

8:30

It seems to be a kind of backdoor way to start probing public opinion about the support for establishing a provincial police force in Alberta, and that kind of direction concerns me. It concerns me for a few reasons. First of all, as a born and bred prairie Canadian I have a deep appreciation for the heritage of the RCMP, as I'm sure every member of this Assembly does. The history of the RCMP goes back well over a hundred years to the days of, well, the North-West Mounted Police and the earliest days of this country's existence, and it is an extraordinarily credible, well-respected police force. We may not agree with everything they do or every procedure they follow, but nationally and internationally the RCMP are a great institution for this country. When we look at provinces like Ontario and Quebec that have their own police forces, we see all kinds of problems. I don't believe that either one of those provincial police forces are terribly well respected frankly, or I certainly hear doubts about that.

I also am very concerned that we would be introducing confusion around the mandate. Do we need yet another police service? We would have the RCMP. Whether or not we establish an Alberta provincial police force, we will always have the RCMP, just like there are RCMP in Ontario and Quebec. They do handle federal issues. So if we brought in yet another police service, we would have the RCMP, we would have the municipal forces, from the confusion and the wording of this motion maybe we'd have regional forces, and then on top of that we'd have an Alberta police force. I don't think that's necessary. I think, indeed, it runs the risk of driving up costs, confusing mandates, and adding an entire new layer of bureaucracy. So if that's the direction that this motion is trying to nudge the province, I disagree with it. I just don't think it's necessary.

I am frankly also concerned about the move hinted at here to increase the centralization of power in the provincial government. In my view, this is a government that has a history of centralizing power. We can look at school boards, which have been the subject

of some active debate in this Assembly recently. Their power goes back generations, really. It traces back to the British North America Act of 1867, I believe. School boards have a tremendous history. This government, this sitting Alberta government, removed the power of school boards to raise local revenues, and by doing that, effectively . . .

Some Hon. Members: No.

Dr. Taft: Okay; I stand corrected. It greatly curtailed and meaningfully removed the power of school boards to raise local taxes, and as a result school boards do not have a great deal of meaningful independence anymore.

We have also seen the treatment of the regional health authorities. Before there were regions, there was a vast number of boards, and arguably – I think the government was right in this – there were too many boards. But those boards reflected a huge number of voices that were very broadly based. Now we have a handful of regional health authorities, all dominated by people handpicked by this government. It's very centralized power, and I am concerned, Mr. Speaker, that we will see the same trend with an Alberta police force. It's a centralization of power if we are going in that direction.

So those are a handful of concerns I have here. I've heard the expressions of concern coming from the government members about the federal government in 2012 pulling their funding and leaving the province unprepared to fill in the gap. We don't know if that's a risk or not. That's almost 10 years away. But I am concerned that some figures I have from the Alberta Urban Municipalities Association suggest that the province as it is only funding a very small percentage of police expenses provincially, and I'm wondering if the province really wants to accept the full cost that would go along with accepting full responsibility. I think we'd have to think long and hard about adding perhaps hundreds of millions of dollars in extra expenses to the provincial budget. All of these areas need study, they need debate, and it isn't clear to me that that sort of work has gone on in the preparation of this motion.

Mr. Speaker, there were a couple of other comments I would like to get in here before we're done. I do notice that, as other members have pointed out, the Police Act does already make provision for regional police forces, so again the purpose of the motion is not clear to me at least as a member of this Assembly. Well, we could go on, but I see we're down to the last 20 minutes or so, and I think there are other members who would like to participate.

With those comments and those questions, I look forward to a response from the sponsoring member at the appropriate time. Thank you.

The Deputy Speaker: The hon. Member for Lacombe-Stettler.

Mrs. Gordon: Thank you very much, Mr. Speaker. The hon. Member for Wainwright has brought forward a motion, and I think what the hon. member is trying to do is make us aware, aware of the expiry of Alberta's contract with the RCMP in 2012 and the need to plan carefully for the upcoming negotiations and possible changes to the costs the province might be asked to incur. Now, these negotiations will probably start five years prior to this being signed, so I think he is telling us: let's look at all of our options; let's plan ahead; let's see what can be done.

Obviously, the member is a rural MLA, serves a very vast area in the eastern part of the province, and, I'm sure, has talked and heard from many of his municipalities. As the hon. Member for Calgary-Buffalo stated in his discussion, for the last number of months there has been a committee that has been doing a lot of work on policing.

The hon. Member for Calgary-Buffalo as well as the hon. Member for Dunvegan were two members on the committee, and I chaired the committee. The hon. member talked about a report that was released in July 2002, and it was the Alberta MLA Policing Review Committee, and subsequent to that report, we heard from a number of people that wanted some clarification, wanted to come in and talk to us. We received written submissions, and we met with a number of stakeholders when they requested a meeting with us, and this has now formed the basis for another report called Listening to Stakeholders. We feel this is an excellent report. The Solicitor General has it, and I do know that in the next few weeks we hope that this report will be released.

Municipalities talked to us, and they said that there are inequities in the ability of municipalities to fund policing. There are inequities in the costs municipalities are asked to bear. There's the whole consideration of what will happen in 2012 and the negotiations leading up to that and the increasingly complex and evolving policing practices and legal framework that impact how policing is carried out.

If you look at where municipalities are in this province, I believe the system is very complex, lacks logic, and is inequitable. For example, cities and towns with populations between 2,500 and 15,000 who have a provincial contract for RCMP municipal policing pay 70 percent of the cost with a 30 percent federal contribution. Towns and villages with populations under 2,500 pay nothing. The province pays a hundred percent of the policing costs for municipal districts, some counties, towns, villages, and summer villages when they're policed by the RCMP provincial police service. Cities with over 15,000 people and RCMP municipal policing agreements pay 90 percent with the 10 percent coming from the federal contribution, and cities and towns who have their own municipal police services pay a hundred percent. Presently in the province we have eight municipalities with their own municipal police forces, and one of them just happens to be the town of Lacombe.

8:40

The town of Lacombe has for a number of years operated its own police service, and I would tell you what Mayor Bill McQuesten pointed out to me and to the committee as well. Citizens of Lacombe are very, very proud of their police service. Unfortunately, because there are so few municipal police services operating in the province, the debate on policing issues among smaller municipalities inevitably focuses on arrangements with the RCMP. During these debates the awareness of the alternative of a municipal service is lost.

Many smaller municipalities are also concerned about the level of policing they receive. We were told repeatedly that these smaller centres were less concerned about contributing towards the costs of policing but expected that if they did pay more, they would receive better service. Though I haven't sat down with both parties and gone in depth on this particular area, I will relate a story to you.

The town of Blackfalds, which is 15 minutes south of Lacombe, hit that number where they were over the 2,500 threshold. They needed to then by law put into place policing. Now, being that they would fall under the 70 percent/30 percent, where they paid 70 percent of the cost and 30 percent was picked up by the federal government, they did not spend considerable time, money sitting down and discussing, looking at a regional police service with the town of Lacombe, because if they had done that, their cost would have been a hundred percent. Lacombe is paying a hundred percent. Going with the RCMP, they could contribute 70 percent; the feds would pick up 30 percent. Now, the Lacombe police are in the business of policing. They do a good job and have done so for a

number of years. What I think the hon. member is saying, which is something that we have said in our report, is that we hope this type of thing will be encouraged and not discouraged. We believe that there's little information available right now to municipalities on policing options and the benefits of developing their own police service or forming a regional police service. The information is not there.

We believe the Solicitor General should develop and compile information and a template on establishing and operating a municipal police service, regional police service, RCMP, just so those municipalities that must go through this will know what's involved, what the cost is, what is necessary, and what they can do that is best for their citizenry. This would assist them in identifying their communities' needs and then determining and implementing their best policing options.

So this is one thing the hon. member is saying: regional police could be looked at. Lacombe is in a position today – they've been policing long enough that they could very nicely tie into quite an area there and look at regional policing. So I'm saying that it should be encouraged, not discouraged; it should be prescriptive rather than restrictive. Yes, it's in the Police Act, but it would be nice if we could sit down with these municipalities as they have to move ahead and something could be done.

As I said, I think the hon. member is very correct in saying that we need to look at all of this before the contract comes up again. An external study of provincial policing should be conducted to determine the efficiencies and levels of service, alternate methods of policing Alberta. The hon. Member for Edmonton-Centre talked about Ontario. We looked at Ontario. Ontario has a provincial police force, it also has regional policing, it also has the involvement of the RCMP, and I think there are some things here we could look at. I, just like the hon. Member for Edmonton-Riverview, am very proud to stand anywhere and say that we have RCMP in Alberta and in Canada. The RCMP can still be part and parcel of all of this. It's only that I think everyone should know what their options are, what their community needs are, what their crime rate is, who they're identifying, et cetera, et cetera, et cetera.

Only by looking ahead, planning, studying, researching this are we going to know. I think that is what the hon. member is asking for. I'm sure that he could list a number of municipalities, because the committee certainly has heard from them, that are very, very, leery right now and have some concerns as to how they're being policed. Policing is the cornerstone of Alberta. It is important for all our citizenry. We must make our communities safe. Let's open it up and take a look at it. That's all the hon. member is asking.

There's one other thing. I do hope that we will hear from the Solicitor General as to what is happening with the committee's report and in regard to the hon. member's motion.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a pleasure to rise and enter into debate this evening on Motion 504. I will assure the Speaker that I will direct my remarks to the Assembly through the chair.

Now, after listening with a great deal of interest to what the hon. Member for Wainwright had to say regarding this motion, I would like now to read it into the record because I couldn't understand where the hon. member was coming from.

Be it resolved that the Legislative Assembly urge the government to take the steps necessary to establish its own regional police service including a regional police commissioner by 2007.

That's the motion that's printed in the Order Paper. I don't under-

stand in the hon. member's remarks what this has to do with negotiations with the federal government. There was certainly this rant on the federal government and any number of perceived slights by that government to this province. At this time I have to caution all hon. members of this Assembly that we need to be a little bit more responsible and perhaps a little bit more tempered in our comments.

There's a public health care system to fix, and the word "public" is very important in that. I think we should be working with the federal government, not getting involved in this contest to see who can hurl the loudest insults. Nothing is going to be accomplished that way. We have softwood lumber disputes. We have the hon. Member for West Yellowhead; this directly affects his constituency. We have the hon. Member for Whitecourt: job losses in that community. We should be working with the federal government to try to resolve these issues, not going on these confusing rants.

Also, another issue, Mr. Speaker, that's going to be coming into focus very soon is: after we have run out of our own natural gas liquids, what share are we going to get from the natural gas liquids as they come down from Canada's north? If we have this belligerent attitude toward the federal government, regardless of whether it's a Progressive Conservative government or a Liberal government or an Alliance government or maybe even a New Democrat government or a PQ government, there is a responsibility and a duty. I'm afraid that in the initial comments this evening from the hon. member I just don't understand where the remarks were coming from, because the text of this motion is quite confusing, in my view.

The motion, generally speaking, has an intent to establish regional police services, but there's no idea conveyed as to how that should be done. Now, we can look at police forces across the country, as the hon. member from Ponoka . . .

Mrs. Gordon: Lacombe-Stettler.

Mr. MacDonald: Lacombe. Ooh, the Lacombe police are going to be after me.

The hon. Member for Lacombe-Stettler was talking about regional police services. Certainly, there is a police service in Lethbridge. Perhaps, you know, there could be some sort of police service for Coaldale, for Taber, for Cardston, the southern end of the province.

When we look at what we have now with the RCMP, I would have to say that if we had an Alberta police force, I'm sure they wouldn't wear tunics. They would wear sweaters. That would be part of their dress; I'm certain of that. It wouldn't be a tunic. It might be the Alberta tartan, but it would be a thick sweater. They could hop in and out of the cars and write tickets and things without getting cold. [interjection] Well, there could be a number of things that they could do in their off-hours, as described by the hon. Member for Edmonton-Highlands.

8:50

Certainly, whenever we think of what initiatives can be developed for the betterment of this province, we should recognize that we have to work in a larger community, and that community is this country. Instead of just banging the drum that someone else is causing all our problems, we should look at ourselves and recognize that we are blessed with unlimited wealth as a result of our natural resources, and we should consider ourselves lucky. It's not because of the Progressive Conservative government in this province; it's despite the Progressive Conservative government in this province.

Thank you.

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

Rev. Abbott: Thank you, Mr. Speaker, for allowing debate on Motion 504, as presented by the hon. Member for Wainwright. Excellent speech earlier, by the way, hon. member.

I strongly – strongly – support Motion 504 primarily because it represents an opportunity for Alberta to take more control of its own destiny by having its own law enforcement agency in the province. Second, I support Motion 504 because the history of the policing contract between our government and the RCMP leads me to believe that the federal government will want to pay even less for their share of policing in our province when the next contract comes due. If we are going to be paying the bulk of policing costs in our province anyway, we may as well have our own police force in Alberta so that we can make the necessary policing decisions to help benefit our province.

Mr. Speaker, this idea has been gaining some steam for the past 15 years or so. It gained its initial prominence when the RCMP instituted a hiring freeze, which tied the hands of the government in the area of hiring more police officers in certain parts of this province. This idea has continued to gain support but for two new reasons. First, many Albertans have argued that having our own police force will be a sign to the rest of Canada and Albertans that we are serious about law enforcement here in Alberta and that we are serious about ensuring that our communities and roadways are kept safe. Other Albertans in the context of asserting a strong role within Canadian Confederation have stated that starting our own police force will be a sign to the federal government that we are serious about asserting our provincial jurisdictional rights. So I agree with both of these arguments, Mr. Speaker, and I'd like to spend the majority of my time this evening discussing these issues.

However, as a disclaimer I'd like to note that I personally have no objection to the work of the RCMP officers who currently police the majority of our province. The RCMP in the Drayton Valley-Calmar constituency are first-rate officers – I know because I live next door to one – who do their best to ensure that people feel safe and secure in our area and that they trust the region's police force. They've been there for all the residents in our riding, as I'm sure they have for all the citizens of Alberta.

The point about starting our own police force, therefore, ought to be made with a great deal of respect towards our RCMP officers. These officers should know that the provincial advantage of having a police force is not a slight against the good work that they do but is a step towards improving the way that policing is done in our province overall. Indeed, I along with many other MLAs would be honoured if many of the federal RCMP officers chose to join an Alberta police force. Mr. Speaker, the reasoning behind my support for the initiation of an Alberta police force has more to do with the advantages of having such a force in Alberta and less to do with any complaint with the work of the RCMP.

In showing this point, I'd like to talk a little about the history of the contract with the federal government with regard to the RCMP. As it stands, the Alberta government through the Solicitor General's office contracts with the federal government for the RCMP to provide policing services in Alberta. We've been doing this since 1932. The last contract we signed was in 1994 and, as has been spoken about today, is set to expire in 2012. Mr. Speaker, when we first entered into this agreement, the federal government agreed to pay a great deal of the cost of policing because we entered the agreement during the Great Depression, when times were tough in this and other provinces. As subsequent contracts were signed, the federal government agreed to pay less and less. So as it stands today, they now pay only 30 percent of policing costs in Alberta.

An Hon. Member: How much?

Rev. Abbott: Only 30 percent, and if historical trends are anything to go by, they will likely want to pay less the next time around.

In one sense, Mr. Speaker, while it may be surprising to some members of the Assembly, I do not have a problem with the federal government wanting to pay less for policing. Providing policing services, after all, is an area of provincial jurisdiction, and while that consideration has not stopped the federal government from trampling provincial rights in the past, they may be in the right by attempting to reduce their financial role. As it is our responsibility, we should pay the freight. However, if that's the case and we're going to end up paying for policing, then why would we not just have our own force?

If I may, Mr. Speaker, I'd like to draw a comparison here to the federal intrusion into the health care system. This province rightfully gets annoyed when the federal government attempts to tell us how to run our health care system, especially when they don't pay for the right to tell us what to do. Now, the same principle applies in this case. If the federal government isn't paying a lot for policing, then why would we employ their policing service, which operates under their rules, instead of starting our own?

Ms Blakeman: Mr. Speaker, a point of order.

The Deputy Speaker: We have a purported point of order. The hon. member.

Point of Order Relevance

Ms Blakeman: Thanks, Mr. Speaker. Under Standing Order 23(b): "speaks to matters other than . . . the question under discussion." This is a motion that is talking about regional policing, and the member has now decided to expose his views on the federal funding of health care. Please, Mr. Speaker, let's stick to what's in front of us.

The Deputy Speaker: The chair would share the same considerations. However, it did seem clear to me that he was drawing a parallel: on the one hand this and on the other hand that. So in the limited period of time that's available, I think it's just as well to let the hon. member conclude.

The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you very much, Mr. Speaker. That's a very fair ruling, even though I didn't get a chance to speak in my own defence.

Debate Continued

Rev. Abbott: This is not to suggest that the RCMP would not continue to operate in Alberta but only that its scope would be reduced. It would serve to enforce federal laws whereas a provincial police force would enforce our provincial laws. It makes sense. We all know about the great co-operation and communication that we now have between various police forces, and I believe that that can be enhanced even further between the RCMP and the Alberta provincial police force.

Mr. Speaker, before I conclude my remarks this evening, I'd like to talk about a few of the costs associated with Motion 504. There are, of course, some concerns to be raised with respect to this matter, the most prominent being start-up costs. To set up the infrastructure that would be necessary to run a state-of-the-art police force or possibly to buy some of that infrastructure from the RCMP would not come cheap. After all, the province would have to purchase

headquarters, stations, a fleet of vehicles, weaponry, radio towers, and new technology, just to name a few. We shouldn't fool ourselves; the cost would be significant. I know that the town of Drayton Valley would like to house the provincial training centre for the new provincial police force, and we trust that the Solicitor General's department would consider that when the time comes. Now, a new force would incur new costs, and we should be aware that many Albertans will question whether these costs are costs that the government should be shouldering instead of continuing to utilize the RCMP.

Thank you.

The Deputy Speaker: I regret that I have to interrupt the hon. Member for Drayton Valley-Calmar, but the time limit for consideration of this item of business on this day has concluded.

9:00head: Government Bills and Orders

head: Second Reading

Bill 27

Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003

The Deputy Speaker: The hon. Minister of Human Resources and Employment to move second reading.

Mr. Dunford: Yes. Thank you, Mr. Speaker. It is, indeed, a pleasure to move this evening Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003.

Now, the purpose and the reason for this bill is for the health authorities to streamline the collective bargaining process by making rules governing health care bargaining simpler, more straightforward, and easier to understand and administer for both employers and unions. It is time to bring the rules governing health care bargaining in line with the changes to the health system. It is time to streamline the collective bargaining process by reducing the number of collective agreements from over 400 to 36. The legislation enables government to establish four functional bargaining units to represent employees in the regional health authorities. These will consist of nursing; auxiliary nursing; paramedical, technical, and professional; and the fourth, general support services. Bargaining will be regionwide. Simply put, this means that the nine health authorities will each bargain with four functional bargaining units. This means that employees at different sites doing the same job would be subject to the same collective agreements, and this will bring certainty and clarity to their terms of employment.

Bill 27 considers health care in the regional authorities to be essential. Strikes or lockouts compromise patient safety and patient care. This is true no matter where you are working in the health authority. Removing the right to strike from community health and mental health authorities' employees in the health regions means that they will be subject to the same provisions in the Labour Relations Code as police officers, firefighters, and close to 90 percent of health workers that currently do not have the right to strike.

The government still believes in the collective bargaining process, where parties negotiating arrive at solutions, and in the rights of employees to be represented by unions.

Mr. Mason: Gee, that's great.

Mr. Dunford: That is good. Yes, I agree.

This legislation does not pre-empt the MLA review of emergency medical service workers. Paramedics not employed by the regional health authorities will continue to have the right to strike.

The scope of practice of nurse practitioners has grown in the last couple of years. Removing nurse practitioners from the bargaining unit will give health authorities the flexibility they need to proceed with primary health care reform. Under changes in Bill 27 these employees will not be entitled to severance, neither the stability or the existence of their employment is threatened, and their terms and conditions remain substantially the same. Legislation will ensure that severance is not used for purposes it was never intended for.

The changes under Bill 27 will not happen overnight. The legislation outlines a transition plan and grants special temporary powers so that the board can deal with issues that arise because of the legislation. Now, this will be a fair process for all parties as we move forward with the changes. This legislation is important for health reform, treats workers fairly and consistently, reduces the burden of administration.

Now, Mr. Speaker, I have been talking about Bill 27 in the public now for a week or more, and I've tried to emphasize something that is called the greater good, and what we mean by that little phrase is the fact that this government takes very seriously its responsibilities to deliver a high-quality health care system and to be able to do that in a timely fashion. One of the things that comes with the acceptance of that responsibility is to then move all of the different aspects of legislation or regulation into line with that type of vision and, of course, that direction. Clearly, I don't know if there's anyone here in the House, including my NDP friends, that would be able to arrive at an argument that would convince anyone that a strike or a lockout is good for the delivery of health care. If there was a situation of perhaps an overwhelming majority currently having the right to strike, well, then maybe this would be something that we'd have to look at. But, again, despite all the rhetoric, despite all the reaction that we've had from various groups around the province, the fact of the matter is that we're talking about approximately 10 percent of employees that would be working for these regional health employers.

So it's very, very important, I think, on that particular matter, but also of course there have been public documents that talk about wanting nurses at the bedside and also at the operating table rather than at the negotiating table, and I think this is something to really keep in mind. For those of us that do have some experience in labour relations, we know how long it takes to negotiate agreements, but that is a very small portion of the time that is actually spent, then, in labour relations. I know that I haven't ever calculated in my own mind the amount of time that I spent at bargaining tables and then what percentage that was of the time that I had to spend in administering the collective agreement through its lifetime, but it probably is certainly 1 to 4, one hour being in bargaining to four hours administering. It might even be as high as 1 to 10. There may be studies, Mr. Speaker, that have looked at that.

In any event, you know, if it is 1 to 4 or something of that particular magnitude, then it doesn't take too long to do the math. With over 400 collective agreements currently in effect, if we are to reduce that, then, to 36 in total throughout the province, I think that the logic and the reason behind this move would be fairly obvious, and it's only the emotion of critics of anything, basically, that this government does when it comes to health care that will be left. Emotional arguments can be traumatic at any particular given time, but over time, of course, we're going to have to rely on the logic and the reason and the science of things.

With that, Mr. Speaker, I look forward to the ensuing debate at the various levels on Bill 27 but really would hope that all members of the House will keep the seriousness of the bill and its provisions in mind. Keep also in mind the fact that collective bargaining is currently ongoing. Many of the collective agreements are to expire

on March 31. So I think there's a timeliness that needs to be looked at, and I hope that we could expect and count on the co-operation of all parties here in the House for a speedy movement through the process of this bill.

The Deputy Speaker: The hon. Leader of Her Majesty's Loyal Opposition.

Dr. Nicol: Thank you, Mr. Speaker. I rise this evening to speak to Bill 27. I guess that just at the end of the minister's speech there was a little bit of a contradiction from what he started off his talk with where he said, you know, that this is something that they're not going to rush into, that they're not going to try and implement all at once. Then he said: there's a real urgency to it because we have to have it done by the time this current round of negotiations and contracts gets put in place.

But, you know, the thing that we really have to look at as we go through Bill 27 and look and see what it really means to Albertans – I've already had a number of Albertans come up to me and ask what the minister is talking about when he says: we need this to promote safety and good health delivery. They're asking: is the minister trying to tell us that because of the current configuration of the labour contract negotiations, the relationship between each of the regions and their respective bargaining units, there's some implication there that we're not getting safe, quality health care? I hope that's not what the minister is trying to talk about, but it's a perception that's being left out there with Albertans, and the minister really needs to talk to some of these issues and try and make sure that when he puts messages out into the public, he's not dealing with messages that lead to any kind of a comment or any kind of an implication about the dedication and the approach taken by the workers in our health care systems.

9:10

As we look at this bill and deal with some of the background in it, the whole concept of labour relations is trying to develop a working process that allows for employees and employers to come to an agreement over working conditions and remuneration, but that whole process in itself really takes into account the fact that we do have to have a degree of consultation, a degree of give-and-take, a degree of: let's put all the issues on the table and see where we're going and what the options are that we've got. Yet in developing Bill 27, it appears that there was very little, if any, real consultation with the affected parties in terms of what their expectations were for the process.

I understand, Mr. Speaker, that there were a number of voluntary negotiations already going on to try and amalgamate some of the bargaining units and make the system more effective and more conducive to good relationships between all of the bodies involved. I think that if we're going to look at that, that probably should have been the process that was used, even if it might have taken, you know, one extra negotiation period or something to actually achieve it. It basically says that this is a participatory type of relationship that we're trying to develop between the employers and the employees rather than the top-down, heavy-handed approach that we're seeing here with Bill 27. That doesn't lead to good relationships with any of the bodies involved.

The main aspect that comes up every time we talk about this bill and that we get into debates about is the implication, as the minister said a few minutes ago, that there is a right-to-strike withdrawal for the remaining health care workers who are involved within the public systems, but it doesn't, in effect, create equity either, because it ignores those workers that are in the private-sector employment

delivering the same kind of a service. So they're selling this bill on the idea that it is supposed to put some degree of equity into it, yet it doesn't, and this is how we need to make sure that we should be going back and allowing the labour unions, the negotiating groups, to sit down and talk about how they want to see these kinds of things work.

But if we get to the actual idea of whether or not it is part of the option for the unions to take and withdraw their services, this creates a real inequity in terms of the negotiation and the bargaining power of both parties that are involved when the employees don't have a right to withdraw services when they want to. I think it would be more appropriate and is something that I'd like to throw out to the minister: should we not be talking about trying to define an essential level of service rather than an essential service? In this way what it does is it basically says that we know that health care in this province is essential to individuals in a critical state, in an accident state, for individuals who need treatment in a timely fashion.

There's a lot of our health care delivery, also, that is optional, that is voluntary, and that we could use as the median to deal with how we handle fair power-brokering in terms of trying to put out a point and trying to get a point established in connection with negotiations. If the employees don't have a right to strike, they don't have the mechanism to really push for their wishes. In the end what it's going to do is it'll go to arbitration, and we saw how this government handles arbitration cases when they dealt with the teachers last year. They created conditions that would allow the arbitrators to come to a settlement which didn't give full disclosure or full discussion of all of the options that were being raised as part of the issues of that strike situation, that contract negotiation situation. You know, we have to make sure that if we're going to deal with looking at trying to withdraw the option for individuals to use the ultimate withdrawal of service, then we have to make sure that, in effect, they do have some power to balance the power of government, even if it's through the Labour Relations Board, to appoint the arbitrators or to put the mandate, put the direction to the arbitrators. This doesn't give the process the same degree of balance that it has if the option is there to withdraw services.

You know, when we go through this and look at what, in effect, is happening with the implementation of this bill, we end up with some questions being raised about whether or not there's going to be fairness or equity put into this. A lot of people have already said to me: "Okay. So what? If you take away the right to strike, it doesn't effectively prevent the withdrawal of services." That is another issue that we have to watch, as well, because it has an impact on how these individuals can use the system to push, but it doesn't help in terms of labour relations when you have one group having their actions defined as illegal, when the Labour Relations Board through its arbitrators can put conditions out as well that don't necessarily appear to deal with any degree of fairness.

The next issue that comes up is this whole idea of amalgamation of the bargaining units. I've already mentioned briefly that, you know, there were some negotiations already under way to try and bring together some of those units into a larger group and a more common group, but by doing it in a heavy-handed way like this bill does, it really, in effect, doesn't give the relative units a chance to fully discuss and fully work out the issues that are involved in amalgamation, and that will create the possibility for a degree of "what would have happened if" and "you got this" and "we lost that" kind of give-and-take in the situation. That doesn't lead to good working relationships as these groups come together and have to deal with trying to get on with the delivering of health care.

I guess that the thing we have to look at, as you go through that, is that they're trying to amalgamate a number of them, yet they're

going to break out nurse practitioners. What we need to do is make sure that there is an option in there for them to develop an association or develop some kind of a group so that they can deal with working conditions and their relationship to the regional health authorities. You know, this is the kind of thing that has to come out of this when we have other groups that are being singled out of the system. We have to give them an option to organize as well. If that means that we'll have the nurse practitioners trying to form a professional association like the Alberta Medical Association for the doctors, that's the kind of thing that we need to be looking at. What options will be available for those nurse practitioners? The implications of the minister's comments at the start were that we expect to see a lot more of those career opportunities develop for the nurse practitioners in the future as they play a different role and a more unique role in delivering our health care systems. We have to kind of make sure that all of those options are really handled and dealt with in the context of where this kind of a system will take us as we go through the process.

9:20

The thing that we need to deal with also is that if we look at how these amalgamations are going to come about, there's no indication in this legislation about how the relative contracts will fit together. This is all left in many ways to the regulations or to kind of the will of what would probably end up being an arbitrator because people will have to be brought together and sort those things out.

If we look at this bill, as much as anything, Mr. Speaker, what we see is a lot of the characteristics that are really common with the way this government has been dealing with a lot of legislation in the past. There are some basic principles set down in the piece of legislation, and then almost everything else is left to a set of recommendations. That comes out there, you know, as we look through what's going on in the whole idea of that section 162, where they're talking about all of the different regulations that the Lieutenant Governor in Council can pull together. These are, in effect, going to dictate and be a heavy-handed, dictatorial type of approach to how these unions have to bring together their collective agreements, how they have to evaluate the relative merits of each of the different contracts, who gets what, how they deal with issues of seniority, all of that, and it doesn't seem to be in a way giving anybody a sense of expectation other than the fact that there's a lot of uncertainty out there.

If the minister really wants to see this implemented by the end of the month so that he can start these processes in place by the next fiscal year and put it in place for these contract negotiations that he was just talking about, Mr. Speaker, I challenge him to bring the regulations forward. Let us see them. Let us have a look at them while we're debating the bill, while we're dealing with them so that we can truly see what, in effect, these regulations will do to the implementation of this bill, to the actual way it's going to make these relative bargaining units work with each other or how the relative regional authorities will be empowered to deal with the relative union contracts that they have to handle. This is one of the things that I think the government is really trying to, in essence, hide behind almost. They keep saying: you have to wait for the regulations. Well, Albertans really saw what that meant with the Natural Gas Price Protection Act. They sell the bill on one set of parameters, and then when it comes time to implement it, the regulations create a whole different environment for the operation of that bill compared to what it was when they implemented it. So you can see that those regulations really do provide for the meat of any kind of a bill that we have to be able to look at in terms of evaluating: is it going to be good or is it not going to be good for the process at hand?

When we start going through this bill and look at all of the

different aspects and how they can be brought together, we see that almost everything here is undetermined. We don't know where it's coming from. We don't know where it's going. All we can see is that they're saying that the Lieutenant Governor in Council will have that power to dictate a whole series of things that either can be directly put into regulations and imposed on the process or can be directed through the Labour Relations Board and imposed on the process. I think it's incumbent on the minister to make sure that Albertans truly see those regulations while we're debating the bill, and that's important. If we don't see those, we don't really know how this is going to be implemented, how this is going to be put together, and what relative effects it will have in terms of bringing forward different aspects of that amalgamation. You know, this is the kind of thing again, Mr. Speaker, that's a very heavy-handed approach in the sense that they're not telling the relevant groups what the rules are, but they're saying that there's a set of rules you're going to have to follow, so buy into it. Well, that's not a very open, accountable process.

You know, if government is supposed to be open to the people who are being governed, we should be telling them what we're dealing with here, what we're asking them to deal with, or what conditions we're putting on their ability to negotiate with each other. If we don't do that, we're, in effect, trying to make sure that these individuals are buying into a process where they don't know what the rules are for. That's just not the right way to make legislation. That's not the right way to get groups to start working together. It's not the right way to accomplish what could be a simple process if we just let the groups negotiate with each other and put common courtesy, common practice in place and let them come up with an objective.

I'm sure and I know from talking to a number of the union members that they've already seen that amalgamations would be beneficial to some of them in a number of areas, and they were willing to do it. So why do we have to be so heavy handed on it and not give them the option that we've talked about here? Almost every one of these regulation subcategories says that the regulations will determine which trade unions are eligible for a vote by employees, will determine how the collective agreement will be selected. Why don't we let the workers make those choices themselves? The health care workers are out there. They know their working conditions. They know what they want. They know what they need to be effective in their job. Let's let them make those choices rather than have these kinds of regulations imposed on them. That doesn't help make the system work better, provide for a good working environment. We've got to make sure that that kind of thing is available on a voluntary basis, on a basis that truly lets the workers who are out there delivering our health care services in a very competent way have some buy-in to this, lets them have some say in the process.

The minister went through and said that there's going to be a common dispute process, yet how do you buy into it when it's imposed? You know, will people feel comfortable using it, either the employers or the employees? If there is a dispute that comes up, it's got to be something that the participants in it have in effect bought into by having some kind of power and some kind of a process to help design it. Yet this is one of the things that's going to be imposed through the Labour Relations Board. So we need to make sure that these kinds of things that we get in place are not done without really making sure that the groups are there. If we're going to have an effective operation and an effective moving forward by this whole process, we've got to make sure that everybody feels comfortable with it, and this kind of top-down activity by the government doesn't lead to that and doesn't promote that very much.

9:30

I guess that even when we get to looking at the four functional bargaining units that the act defines – the nursing; the auxiliary nursing; the paramedical, technical, and professional services; and the general support services – this is one of those things that we see: why didn't they consult with the health care workers to decide how they saw those things fitting together? This is one of the things where they've just gone out and defined a set of processes without saying: maybe there are unique characteristics, unique aspects, that come about in different areas that would allow or would encourage or would make for better labour negotiations if the workers that were there had a chance to decide how they wanted to work together. You know, this doesn't deal with a lot of that kind of buy-in generation, and what we're going to see is, in effect, the government being the driving agent for all of this rather than the true democratic process that usually comes about and follows collective bargaining processes.

The idea that we're going to have enforced bargaining units at each of the health regions also, you know, I think opens up some questions that we need to look at because what we want to make sure is that there is some continuity. Some of the bargaining units right now probably do represent geographic or functional areas of service within a health authority that can see themselves being or wanting or needing conditions that are not there in the broad perspective. What we're going to end up with, Mr. Speaker, is a whole bunch of subunit bargaining groups as opposed to the concept that we're talking about here of only having four. So we need to make sure that those kinds of things get put in place and make sure that the approach that gets taken leads to some kind of a buy-in type of relationship.

The other aspects that come up in connection with this, Mr. Speaker, have to deal with the way the government is going to, in effect, administer the act, bring about the proper consultation, and I would really hope and would suggest that it would help the process a lot if the minister makes a commitment to, in effect, go out, take the regulations, deal with the relevant groups that are there, make sure that they get a chance to be participants in developing those regulations so that we end up with a true process that'll work.

You know, the government thought it was going to develop some kind of a process with the teachers last spring, and all it did was create chaos and disaster. We don't want that kind of thing happening here, but this is what the government is leading to. When they make sure that all of this goes on behind closed doors, doesn't get done with the openness that should be there, what we're going to have is, in effect, second guessing – why didn't you do this; why did you do that? – and that doesn't lead to a productive settlement of any of the kinds of things that we need in making for appropriate and proper delivery of our health care services.

You know, the idea that we want to make sure that this provides us with a productive health care system I think would be a lot better if we could reflect on it from the point of view of this is something that is built and put together by the system instead of a top-down, real heavy-handed approach that we see in Bill 27. It's not going to lead to that kind of operational smoothness that the minister talks about when he gives us an overview of the bill. When you look at the kind of regulations that are in it, it's really indeterminate at this point exactly how it's going to work or any of the other aspects.

Mr. Speaker, in closing, I just want to call again on the minister to make sure that the regulations that are out there are made available so that people can see how this bill will work, how this bill will actually fit together, because the way it's put together here, it's very top down; it's very invasive to the spirit that really is behind the process of collective bargaining. Where it should be a collegial

“let's sit down and talk” type of relationship, the government here has just given us a system of take it or leave it. That's their approach: take it or leave it; you're going to have to live with it. That's not right, so I would encourage everybody in the room not to vote for this because we've got to have a process put in place that will, in effect, get buy-in from all of the groups. Let the groups be a determinant of their own futures and their own working conditions. That's what democracy and freedoms are all about, and that's what we should be trying to promote through this legislation. I don't expect that this will achieve that, and I would really hope nobody would support that as it moves forward.

Thank you.

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

Mr. Mar: Thank you, Mr. Speaker. As we move forward with health reform, we need to be flexible in how and where our health professionals provide service. Health reform is all about being responsive to the needs of Albertans and to the needs of health care providers. Now, we have already done much to make the health care system more efficient and more responsive, but more remains to be done, and we need to pick up the pace.

When we first created health regions in 1994, we streamlined 200 separate hospital boards into 17 regional health authorities. Those 200 boards came with 400 separate collective agreements, all of which were transferred straight over to the new health authorities. Last November we contracted those original 17 regions to nine so that they could move forward with efficiencies in health service delivery. Now we need to bring the labour structure in step with the rest of the health reform process, and Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, does that.

[Mr. Lougheed in the chair]

It releases the regions from the administrative burden of negotiating 400 separate collective agreements. It frees health care workers from the inequities caused by agreements which reflect the health system that we replaced nine years ago. As a result of those inequities, it is not unusual for one health employee to have the right to strike while another does not. It is not unusual for two employees in the same region to earn different rates of pay for the same work. That is not right. We need a system that makes sense, one in which all employees are treated fairly whether they work in a hospital or out in the community. Bill 27 gives us that system.

The regional health authorities tell us that the current bargaining structure must change so that they can continue to meet the challenges that come with health reform. My colleague will speak to the specifics of Bill 27, but I can assure you that the bill gives the health system the labour flexibility that it requires.

Mr. Speaker, we cannot ask health authorities to continue moving forward with health reform and then tie their hands when it comes to the effective use of their workforce. Bill 27 is the right legislation at the right time. It creates a system for health bargaining that makes sense. It simplifies the labour environment and creates a level playing field for health care employees. It protects health care workers from the unfairness of inconsistent labour agreements. It ensures patients receive the health care they need when and where they need it. It gives regional health authorities the flexibility to build a team of health professionals who can deliver new and innovative models of care, and that is the reason why I ask for the support of this Assembly for second reading of this bill.

The Acting Speaker: Questions? Do you wish to speak, or questions?

Mr. Mason: Yes. Thank you, Mr. Speaker. I have some questions for the minister under rule 29(2). I would like to ask the minister why the right to strike for public health nurses is taken away, why the government considers those people to be essential in the sense that emergency workers are considered essential.

9:40

Mr. Mar: Mr. Speaker, I think that a compelling argument has been made in the past by workers within the health care system that they are an integral part of an overall system, so it matters not whether we are talking about a person who works as a nurse within an emergency room or whether we might be talking about support staff that work within the hospital environment. This is all part of an overall system, and they work together hand in glove, and any set of workers who have the ability to legally strike can jeopardize and compromise the safety and delivery of service of health care within the system as a whole.

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

Mr. MacDonald: Thank you, Mr. Speaker. I, too, have a question at this time for the hon. minister of health. How much money will your department save with the streamlining of the bargaining units?

Mr. Mar: That is a difficult figure to ascertain at this time. I can give, however, examples of the types of onerous administrative burden that rest with regional health authorities. As an example, the Calgary health region with its newly constituted boundaries, including those of the former region of Headwaters, will have the responsibility for 16 different sets of negotiations governing something in the range of 44 collective agreements. Mr. Speaker, one can only imagine that the need to administer all of those contracts would be administratively burdensome.

Now, having said that, the exact figure associated with the nine regions is difficult to ascertain, but I can assure the member and members of this Assembly that the intention is that any administrative savings which can accrue should be directed towards frontline delivery of services.

The Acting Speaker: The Member for Edmonton-Highlands. Question?

Mr. Mason: Thank you very much, Mr. Speaker. To the Minister of Health and Wellness: can the minister tell the Assembly what specific health reforms he has in mind when he says that the labour relations arrangements envisioned in this act are necessary in order to proceed to the next stage with health reforms? What specifically are the health reforms he has in mind, and how does this act facilitate them?

Mr. Mar: Well, one example might be our intention, as stated and set out in the Mazankowski report, to give health care workers the ability to work within the full scopes of their practice. One example of that, of course, Mr. Speaker, addressed in this particular legislation is the subject matter of nurse practitioners. We think that it would be most appropriate given the independent clinical decision-making type of role that nurse practitioners have that their role is much more like that of a physician than that of a nurse. I think that most people would find it a surprise if they were meeting with their physician but had to change when there was a shift change. So the

consequence is that we would view that the role of nurse practitioners would be more like that of physicians and that regional health authorities should be able to use them in a manner which is much more flexible than a contract that might be more appropriate for nurses.

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

Mr. MacDonald: Yes. Thank you, Mr. Speaker. Again to the minister of health, please.

The Acting Speaker: Hon. member, the time has expired for questions.

Any members wishing to debate? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. It's a pleasure to rise and get a chance to participate in the debate this evening on Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003. When we look at combining multiple collective agreements covering the same type of employees and employers to produce the same results, one has to be quite concerned with this legislation. Certainly, I think at this time that the key to not only the public health crisis but the nursing crisis and other health care professionals in this province is negotiation, not confrontation. I see this bill as being quite confrontational toward a group of Albertans who have worked very, very hard to keep the entire system together during the last decade. It has been very tough, and I don't think this is the way to treat the health care professionals across this province.

We look and we see in the government's own press release that Alberta had the second lowest rate of work stoppages in the country in 2001. We look at the Canadian Federation Of Independent Business, their issues, the issues that are highest on their list of priorities, and we see – and I'm going to list them, Mr. Speaker – what's on their mind: total tax burden, government debt and deficits, employment insurance, government regulation and paper burden, workers' compensation, shortage of qualified labour, cost of local government, availability of financing, and at the bottom of the list is provincial labour laws.

The labour laws don't seem to be a problem for the majority of Canadian Federation of Independent Business. They certainly have more concerns about the shortage of qualified labour, and I'm afraid we're going to make our situation in this province worse. Health care professionals are needed across North America, and they're going to vote with their feet on this legislation and leave this jurisdiction for places where they will be treated with a lot more respect. When we talk about having fair and balanced labour relations, this is not, Mr. Speaker, how to do it. How will this foster fair labour relations?

We have a whole series of regulations which are going to be drafted in the privacy of the cabinet room, far from any of the interested parties, whether they are the public health care employees themselves or whether they are members of the Official Opposition or the Member for Edmonton-Highlands. It's going to be removed from them, and it's going to be in the cabinet room, I would suspect, with curtains drawn. Now, when we look at these regulations – and we're certainly going to look at them in a great deal of detail in committee – we are just enabling this government to govern more with regulations. Out of harm's way we're giving, in my view, further wide-sweeping powers to the Labour Relations Board.

There are some initiatives in here, and we're probably never going to know the details until some Friday afternoon when we see an

order in council come across the fax machine. How are we going to improve employer/employee conditions in this province by “authorizing the Board to make binding determinations as to terms and conditions to be included in a receiving collective agreement where the parties are unwilling or unable to do so”? Are we giving arbitration or mediation a chance, or are we going directly to the board?

9:50

Now, the idea that we have removed entirely the right to strike from this group of Albertans: we cannot take this lightly, Mr. Speaker. The right to strike is a fundamental human right and should not be taken away by any government.

An Hon. Member: A human right.

Mr. MacDonald: Yes, it's a human right.

When you consider the rights that we all take for granted, whether they're the right to associate, the right to have freedom of speech, these rights are very, very important in a democracy. We're so quick to remove them. [interjection] I'm going to look forward to the hon. Member for Edmonton-Castle Downs' views on this bill. Certainly he seems, Mr. Speaker, anxious to participate in the debate, and I welcome that because we need to hear all sides of the argument here.

Earlier, when previous speakers were speaking about this, it was to make everything simpler and fairer, I believe, were the words used. Straightforward was another description, and it was for the greater good. But I'm afraid that this new law, as we see it before us, will make collective bargaining in this province tougher, not easier. It will be much harder to come to a contract.

We look at what we have done to the regional health authorities and the fact that the elected representatives lasted hardly a year and a half. After a long period there were some elections to the regional health authorities, and now we have a wide-sweeping brush taken to the elected authorities. [interjection] I hear the comment that 60 percent are still elected. Well, Mr. Brian Bechtel is not among that group, nor is Ms Sheila McKay from Edmonton-Gold Bar. They were a good voice on their regional health authority. They were elected by the people; they were not selected by the government. There's a big difference in that. We have forgotten about that, and I have to wonder what part these selective regional health authorities had in writing this legislation, Mr. Speaker.

[The Deputy Speaker in the chair]

Now, we all know that there was a committee, and many labour groups were very, very pleased. The hon. Member for Olds-Didsbury-Three Hills and certainly the Member for Edmonton-Calder and the hon. Member for Calgary-Buffalo were on a committee that was struck by the Minister of Human Resources and Employment that was going to study changes to the labour code. Where are the results of that committee? Has there been an interim report presented to the minister? What parts of Bill 27 are part and parcel of that interim report? Or was their work completely ignored? We have the powerful, secret cabinet committee, that was struck at an undetermined date, chaired by the Minister of Innovation and Science, and oddly enough we had the Minister of Learning, we had the Minister of Health, we had the Minister of Human Resources and Employment, we had the Minister of Justice.

Now, what is being cooked up here, not only for health care professionals but for teachers and other unionized workers in this province, that could not have been discussed by the previous committee that I talked about? All this is important in relation to

Bill 27, because if we are going to have fair, balanced labour relations in this province, the labour groups have to have confidence in the system. When we act in this manner and we strike these powerful, all-secret committees, that is not going to give very much comfort to the unions. They need to be part of the process, and from what I understand and the research I've done, I'm afraid they have not been part of this process.

We talked about the fairness of all this. Well, how is it fair that in some nursing homes in this province, the private nursing homes, employees, if they're organized, can still go on strike, but if they're receiving paycheques from regional health authorities, the staff no longer – they do not have the right to strike? How can I say that they no longer have the right to strike? They do not have the right to strike.

Now, also, I understand that there was to be a study done on essential services. Perhaps in debate here the hon. Member for Calgary-Buffalo is going to enlighten not only this member but other members of the House. What happened to that study? Where is it? Perhaps at some time – and this will be coming later in the spring session – paramedics are to be swept into the fire services, in with the firemen. When we look at the past pattern of this government – and this is to me appalling, Mr. Speaker – this government likes to get one group fighting with another.

An Hon. Member: Divide and conquer.

Mr. MacDonald: Divide and conquer.

The Progressive Conservative book is to get one group fighting against another, and here with this bill I'm afraid what's going to wind up happening is that CUPE and the AUPE will be forced to fight it out for members and for jurisdiction, if I can use that word, authority. When we have only this one bargaining unit per health authority, this is what's going to happen, and the government is going to be able to sit back and watch these two groups have a fight over members and jurisdiction. Won't that be a pattern that we have seen before? Certainly the hon. Member for Edmonton-Centre has seen that. There are so many issues, but we will have lots of time, Mr. Speaker, in committee.

As I said earlier, in these regulations the labour board, I'm afraid – it is my interpretation and the interpretation of others – will be used to do the government's business with the health care professionals. Now, there are many people who have asked me: how will these changes affect the current round of collective bargaining? Mr. Speaker, we know that in the past the Provincial Health Authorities association had significant concerns. There were certainly worries in the past, going back three and four years, that the trend of aligning community health and facility-based wage rates could produce significant wage increases for some classifications. I would like to know in the course of this debate which classifications they are and how much of a wage increase we are looking at here. We are told that there's going to be significant administrative savings here, but we don't know, and I certainly would think that somewhere someone knows because we have a crisis in this province. It's not caused by poor labour relations; it's caused by poor government management when you look at how you have been planning to train and retain our health care professionals in this province. This has been an ongoing problem. One only has to look at overtime rates.

10:00

Now, I have been told in the research that I have done – and if this is wrong, an hon. member from the government could please come forward with the correct statistics – that there are 30,000 overtime hours worked a week in this province by health care professionals.

Thirty thousand overtime hours a week. The issue of overtime costs is not going to be resolved with this bill. We need long-term planning, not poor labour relations.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Castle Downs on comments and questions.

Mr. Lukaszuk: A question.

The Deputy Speaker: Okay.

Mr. Lukaszuk: I'm just wondering, for a point of clarification, if the member could advise me under what charter of human rights I would find the right to strike.

Mr. MacDonald: Mr. Speaker, at this time I would advise the hon. Member for Edmonton-Castle Downs to send someone to the library and bring up all the covenants that are there from the United Nations, and he'll certainly find what he's looking for there. Thank you.

The Deputy Speaker: Hon. Member for Edmonton-Highlands, on comments and questions?

Mr. Mason: Yes, on comments and questions, Mr. Speaker. I'd like to ask the hon. Member for Edmonton-Gold Bar if he could elaborate somewhat on the need for longer term planning in the health care system and how it relates to this bill.

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

Mr. MacDonald: Yes, Mr. Speaker. The hon. Member for Edmonton-Highlands brings up an excellent point, and that is the fact that we have in this province a health care workforce that faces many shortages, whether it's different types of registered nurses: intensive care unit nurses, community public health care nurses, emergency room nurses, general duty nurses, sexual health nurses, coronary care nurses, facility or acute care nurses, home care nurses, medical/surgery nurses. The list goes on and on and on. I would encourage all hon. members of this Assembly – again, it's in the library where I found this document. It is a study on the emerging and current health workforce issues in Alberta, and this was conducted three years ago by Alberta Health. They concluded then that there were three issues reported in order of importance: health workforce recruitment, the quality of the work life of those employees, and the need to examine quotas to address the lack of quality or adequately trained new health care profession graduates.

Now, the health care workers in this province received a needed increase in wages so that they wouldn't be leaving this province and going to work in other jurisdictions. This happened before the last election, when this government wanted labour peace. Now, two years into their mandate, they're waving this Bill 27 at the health care professionals. If anything, it's going to destabilize the workforce. For this government to complain about rising public-sector salaries – they're so concerned about it now, and before the last election it was their cash, not the people's, and the public-sector unions and, to be specific, the registered nurses were just playing catch-up. If you want them to work in Alberta, you've got to be willing to pay them.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Highlands in however much time we have for questions and comments.

Mr. Mason: If there's time remaining in his five minutes . . .

The Deputy Speaker: As long as the bell hasn't gone, you're on.

Mr. Mason: I would ask the hon. Member for Edmonton-Gold Bar if he might want to comment on the large scope for regulations and the problems that may be found with setting what should be regulations behind closed doors at the cabinet table.

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

Mr. MacDonald: Yes. Thank you, Mr. Speaker. I can assure the hon. Member for Edmonton-Highlands that I do have a lot of concern about this series of regulations and the fact that, you know, from the government's point of view – and this is not my point of view or the Official Opposition's point of view – the ideal situation is to have these regulations discussed or amended in the privacy of the cabinet room. For reasons which I discussed earlier, it's out of harm's way, it's not in any discussion, and on some quiet Friday afternoon when perhaps the reporters have gone home from the gallery down below, there'll be an order in council issued. All of a sudden we will have a series of regulations that will entirely destabilize our negotiating strategies.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Highlands to speak on the bill.

Mr. Mason: Thank you very much, Mr. Speaker. Well, I'm pleased to rise to speak to Bill 27, which I think is a very, very important bill. It's important because it shows what the government is capable of in its labour relations, and it shows the way the government treats workers in this province with contempt.

Let's start with how the bill came about, Mr. Speaker. The minister has talked about the desire of health authorities, that is to say in this case the employers, for changes that are included in this act. Now, it's clear from that that this government consulted closely with the employer, with the health authorities, in this bill.

Mr. MacDonald: No.

Mr. Mason: It is true, hon. Member for Edmonton-Gold Bar. It's apparent that this bill was brought about at the request of the health authorities themselves, and that must have involved, I think it's only logical to assume, a considerable degree of discussion with those players.

Now, these players are the employers in this case. If you look at this as a labour relations bill, which it clearly is, then there are always two sides, and the government has a responsibility to treat fairly both sides. We know from this government's record that it does not do so as a matter of course, but normally the government at least tries to maintain some sort of appearance of evenhandedness between unions and employers. That is certainly, I think, the generally accepted view of how a minister of labour – in this case the minister is not called that, but that's what he is. He has chosen to work very closely with the employer and to keep the employees and their unions completely in the dark, and he has indicated furthermore, Mr. Speaker, that he's not prepared to consult with unions, has not consulted with them in the drafting of this, and apparently will not consult with them in the drafting of the regulations under this act.

So it's clear from the outset that this bill was a setup job to give the health authorities what they wanted in order to deal with the

unions in the way they wished, and the unions were left completely in the dark as to the development of this legislation. A secret cabinet committee was established that worked with the employers in this case to draft the dream legislation that they wished in order to manage the labour relations in their sector as they wished.

What do we get out of that, then, Mr. Speaker? What kind of legislation comes as a result of this? Well, it excludes nurse practitioners from the right to join a union or to engage in collective bargaining. This obviously would make them more attractive for private health providers, who would like to avoid unionized labour. It may in fact be used by public health authorities, but it clearly opens up the door for private health care providers, which is of course one of the objectives of this government.

10:10

Now, the United Nurses has argued that the disentanglement to severance and termination pay could mean that if services are divested to private interests, employees will not be entitled to any compensation, including the potential loss of pension contributions and any negotiated severance or termination payouts. So we asked the minister of health earlier, after his speech, about that, and he saw the exclusion of nurse practitioners from the definition of employee as a desirable thing in order to provide greater flexibility for the employer with respect to their services. That can only mean a step backwards for that particular group of employees.

One of the biggest features of this piece of legislation, like just about any piece of legislation the government has recently introduced, is the enormous scope for regulation. Things that should be legislated, that should be debated publicly by all the parties who have representation in the Legislature are being delegated to the cabinet, which of course, as we know, meets behind closed doors without public scrutiny and without any opposition MLAs to provide constructive criticism. The result is that the regulations very often are very one-sided and completely without balance.

I understand that the minister has said that consultations with the unions did not and will not occur regarding these regulations. If that's not correct, then perhaps the minister will correct me, but I don't see him heckling me at the moment, so I assume for the moment that that's a correct statement.

Let's look for a minute, Mr. Speaker, at what kinds of things the government can regulate under this act. Section 162.1(1)(a) allows regulations to establish "region-wide functional bargaining units" for all RHAs. Section 162.1(1)(b) allows regulations to determine how bargaining agents and collective agreements are slotted into the regionwide units. This includes authority to determine whether there will be votes by employees, the types of collective agreements from which the final agreement will be selected and how those types will be determined, authority to determine which unions are eligible to select a bargaining unit by vote and the circumstances of that vote, and determination of how any votes will be conducted. Well, I'm sure that the employees of health authorities are sleeping easier tonight knowing that the cabinet has unfettered discretion to determine those matters.

But, Mr. Speaker, the act goes on. It allows regulations to continue current collective agreements. It allows regulations to require employers and bargaining units to bargain in good faith and, without limitation, establish processes by which contentious issues are resolved. It allows regulations to authorize the board to hear and resolve complaints arising from section 162.1. It allows regulations to authorize the board to impose binding determinations if the parties are unwilling and unable to do so. It furthermore allows regulations to authorize the board to treat affiliated locals as a single union. It allows regulations to require that affiliated locals act as a single union.

It authorizes via regulation the board to perform any action

prescribed by the board or by regulation which the union or the employer refuses to do. It allows regulations to be made on any other topic that the Lieutenant Governor in Council considers necessary. Hardly sweeping, is it, Mr. Speaker? It allows, via regulations, the chair or the vice-chair of the board to act alone with all of the powers of the board, and the board, via regulation, is not required to wait for an application to act and can intervene any time it sees fit.

So, Mr. Speaker, obviously we have components of an entire labour act as it applies to health care workers embedded in the ability of the cabinet to make the decision without appeal, without input, clearly, from all of the affected employees or their representatives, and it completely leaves health care employees subject to the dictate of the cabinet.

Other things about this bill that cause concern, Mr. Speaker, are that provisions of the act will take away the right to strike for any employee of a regional health authority, and the cabinet will be able to unilaterally change the end date of collective agreements and could extend them for months, years, or even indefinitely. Now, I don't know about some members, but I think this is a very serious situation, when you take away the rights of employees. The hon. Member for Edmonton-Gold Bar talked about it being a human right, and I believe that it is, but I do know one thing, that it is a civil right and that this country is party to international agreements that recognize the right to strike.

Now, any right of human beings in a democratic society is subject to some limitations, including even the right to free speech. So the question is: how do you define whose right to strike should be in some way abridged? The government hasn't looked at that. You know, you have people in here who are having their right to strike taken away whose services are not required on weekends, for example. So if you don't need someone on a Saturday, are they really considered an essential service? There are tests that could be applied to this, but the government has refused to debate that. It's refused to define it. The government feels quite comfortable taking away the right to strike of anyone it deems fit, and it doesn't have a consistent policy or test that is applied to workers to determine whether or not their right to strike should be in some way abridged.

Well, we over here, Mr. Speaker, don't believe that people's right to strike ought to be taken away, and if it is taken away, there had better be a really valid and strong reason for it and some insurance for those employees that they will be able to obtain fairness in their collective bargaining through some other way. This act is miles from doing that.

The act talks about regionwide bargaining units, and it proposes four units for each RHA: direct nursing and nursing instruction; auxiliary nursing; paramedical, professional, and technical services; and general support services. Now, it's interesting, Mr. Speaker, that the Labour Relations Board was seeking consensus among the stakeholders about the number of bargaining units and was supposed to make a decision by November of this year. The RHAs requested that the province override this process, and, surprise, surprise, the government was only too willing to do so. Why is that? Why is the government prepared to throw out consultation, collaboration, and collective decision-making between employees, their organizations, and their employers in favour of what the minister has called a – what did he call it?

An Hon. Member: The greater good.

Mr. Mason: He calls it the greater good, but we know it's only the good of his friends.

He called it – well, I'll come back. Maybe if somebody wants to

ask me a question, I'll remember what he called it, but I know that he's being tough with unions in order, he says, to protect health services in this province, and it's absolute nonsense, Mr. Speaker.

10:20

Now, the government, through regulations again, gets to determine every aspect of the transition from 400 bargaining units to 36, which is four units for each of the nine RHAs. It includes whether voting will take place, what types of collective agreements there are and how they'll be assimilated. Despite the authority of regulations to provide the framework for how and when votes occur, there is no provision saying that votes must occur. The board or even the chair or vice-chair of the board will be able to simply assign a union to represent unions without a vote. In the transition period any agreements on severance or termination are null.

Now, Mr. Speaker, to have the chairman of the authority determine which union workers have to belong to is a travesty of any sort of concept of labour relations that we have developed in this country. It reminds me of the corporatist model that was developed in Italy during the '20s and the '30s, where under Mussolini's government they set up industry leaders, which were the big corporations and employers, who determined the whole scope of. . . [Mr. Mason's speaking time expired]

Thank you, Mr. Speaker.

The Deputy Speaker: Comments and questions? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes, please, Mr. Speaker. Thank you to the hon. Member for Edmonton-Highlands. Do you think that the fact that unions may now have to negotiate amnesty at the end of a job action will in any way jeopardize labour relations or perhaps prolong job action as a result of the draconian legislation here in Bill 27?

Mr. Mason: Well, thank you for that, hon. member. I do believe that this will just add to the tension and the burdens and the discord that the government seems to be so keen on creating with its heavy-handed approach to labour relations. By the way, hon. member, thank you for jogging my memory. That's, in fact, the term that the minister used that I wanted to recall. He admitted that the government was taking a heavy hand with unions and employees with respect to this bill. So, yes, I do believe that there's going to be a lot of unrest for some time to come, and the labour relations climate is further going to be aggravated as a result of this action.

I guess the problem that I have, Mr. Speaker, to the hon. Member for Edmonton-Gold Bar, is that there was a process already in place where everybody was negotiating a reduction in the number of bargaining units in the health system, and there was good progress being made. The government has just thrown that all out the window, and I guess a question that both employers and unions will have to ask in the future is if there's much value in them trying to develop a long-term collaborative relationship in this industry or in any other one if the government is just going to arbitrarily intervene on behalf of the employers, throw out all of their work, and impose a settlement directly.

The Deputy Speaker: Further questions and comments? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Please, Mr. Speaker. I have another question for the hon. member. Given that the regional health authorities acknowledge that revisions to their boundaries could have a significant impact on collective bargaining, the resulting transfer of

services and employees from one health authority to another could produce challenges in the areas of seniority, portability of entitlements, and compensation agreements covering the same types of employees as they're combined or negotiated to produce similar terms and conditions of employment. Does he have any idea how much that's cost us?

Thank you.

Mr. Mason: Mr. Speaker, I thank the hon. member for his question, and I don't have a precise figure, obviously, but we can only estimate that there are going to be considerable costs and considerable time wrangling over these details, sorting it all out. You know, I think ultimately the workers are going to be wanting to try and maintain their union of choice, and this option won't be available to them. So I think that quite clearly this is just another example. You put your finger on it. There are going to be large costs of resolving all of these disputes, and it will take a lot of time and a lot of wrangling.

The Deputy Speaker: Edmonton-Gold Bar, any comments or questions?

Mr. MacDonald: Yes, Mr. Speaker. Again to the hon. Member for Edmonton-Highlands: does the member feel that Bill 27 in any way, shape, or form is going to alleviate the chronic shortages of health care professionals in this province?

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. No, I do not. In fact, I think the government's other agenda in health care, which is privatization, is going to set up a competition for existing professionals that will be drawn away from the public health care system leaving us with a public health system that is lower in quality and more short of key staff and professions than even it is today. So I think the hon. member has again put his finger on a very important point, and I commend him for doing that.

Mr. MacDonald: Mr. Speaker, again to the hon. Member for Edmonton-Highlands: does the hon. member feel that nurse practitioners have the right to collective bargaining?

The Deputy Speaker: Time is up.

The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. I'm glad for the opportunity to speak in second reading to Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003. This is an important bill for all of Alberta, I think. We need workers in this province from many different levels, and I'm always a little surprised at the government's attitude towards the working people in this province. I'm not a member of a union. Coming from a theatre background, we have a guild, but it doesn't provide all of the services of a union. But all of my family are union members: my mother in the teaching union, my father had five tickets and was a member of the union for every one of those trades, and both of my brothers are very active in the ironworkers' unions. So I'm certainly surrounded by union members and have very strong feelings about support for unions and for the concept of collective bargaining and the protection that it offers workers. So I was very interested in this legislation. I can't say that I was impressed by it or that I was looking forward to it, but I sure was interested.

The health authorities have already collapsed from the starting

number down to the nine we're now looking at. With it, as an excuse I suppose, the government is looking at collapsing the collective agreements that went along with the originating hospital boards and then the RHAs and now down to the nine RHAs. So they're talking about coming down from 400 separate collective agreements to 36, four bargaining units for each of the nine health authorities.

I'm not in favour of this legislation as we debate this in principle in second reading, and frankly I don't see what the government could do to amend this act that would make it palatable to me. I think that the right to strike is a fundamental one to uphold that relationship between workers and employers, and I don't think it should be taken away by government. I disagree with what this government is doing. As I read the newspaper articles and the editorials that have come out around the introduction of this, there seems to be some thought that this would somehow improve labour relations. I'm trying to remember the words that the minister used, greater good or common good or something, that somehow this is going to be a great big, fuzzy, happy, pink angora sweater that everybody is going to love to put on and wear on those cold winter days. I don't think this is going to lead to better labour relations around the health professions. I think that what's at the basis of those collective agreements is trust and respect. I don't think those principles are being brought forward in this bill, and I don't think they're being demonstrated by the government towards the people that work in those areas. So I don't think that sort of basic concept of labour relations is going to be enhanced by what we're seeing here.

10:30

I know that others have commented on the lack of government consultation with the unions, and I note that there are a number of observers in the gallery tonight. I'm assuming that they're here to watch the debate on this, and I thank them for attending and watching this debate. It's important to have you here today. Thank you.

I know that there was progression on work from union leaders working toward reducing the number of bargaining units voluntarily, and now we see the government bring forward a bill that wants to do it quickly, and there's a great deal of pressure from the government to pass this act before we take our break. So there's some great haste from government now. I don't understand and I've heard no explanation as to why there needs to be such great haste here. What was wrong with the work that was being done on a voluntary basis up until now? There's been no comment from government, just: "No. Here's the bill, and by the way we need it passed in two weeks flat, please." I don't know if that means that we're going to see the time guillotine, the time closure, brought in from government on this or not, but they seem to be all fired to get this passed.

I note in the legislation, the very first thing out actually, that the bill is throwing the nurse practitioners out to fend for themselves. I've been very interested in – I don't know how to describe them – that group. Most of them are women, I think, and I've always thought this was a real advancement for women in the nursing professions and have watched with keen interest the progression and expansion of their role, and I'm not very happy to see that they have been left without anyone sort of fighting on their behalf. I mean, we've got the doctors who've got their own AMA, but the nurse practitioners don't, and this is not aligning them with anything else. They've been stranded there, and I'd like to know why the government chose to do this – it's quite specific – and whether this was the intention of putting these changes in here that relate directly to them.

There have been a couple of questions asked but not particularly

answered, so I will try again. I'd like to know whether the personnel that are being transferred between these different bargaining agreements – you work for the Provincial Mental Health Board today, and tomorrow you work for the regional health authority. I'd like to know whether there is, in fact, a commitment – I'd like to hear it on the record – that staff will be maintaining their seniority and benefits and wage structures, and I'm not hearing that. Hand in hand with that goes the provision that appears at the end of the bill about no severance. Well, I can see the argument that you wouldn't need severance if you were doing exactly the same job at exactly the same seniority, exactly the same benefits, exactly the same wages and had no reason to anticipate any change in that if one day you work for the Provincial Mental Health Board and the next day you work for the regional health authority, but I'm not hearing it, and that makes me really suspicious about why no severance is in here and whether, in fact, the government is anticipating or putting in place the possibility of I think it's called constructive dismissal. I would like to hear very clearly that commitment from government.

I also note that the Labour Relations Board is charged with doing a number of things, and I sort of rolled along with that. Okay. Yeah, yeah.

- (e) authorizing the Board to hear and determine a complaint that a party has failed to comply . . .
- (f) authorizing the Board to make binding determinations as to terms and conditions . . .
- (g) authorizing the Board to deem affiliated local unions of the same parent trade union to be one.

Yada, yada, yada, all the way through these long lists of regulations, and then I note just a tiny little clause, just hardly even a sentence that says, "The Board may hear any matter or conduct any business under this Part through the chair or a vice-chair sitting alone." So all of these things, all of these powers, a lot of stuff, that are being given over to the board to put into place can in fact be done by one person. Did the minister intend this? Sorry; I'm sure he intended it. It's in the act. Why? Perhaps he could illuminate this. I know he has great faith in the chair and vice-chair of the Labour Relations Board, but, my goodness, I don't know that I can share that. So I'd like to hear some reasoning behind that.

A couple of different members have asked: what is the expected cost saving? I know that there was a question directly to the minister, who kind of ducked it and gave us some anecdotal material. I'm thinking: wow, you know, you're in such a hurry to pass this bill; you're saying that we need this for some reason. But when we go, "Okay; then is it really going to promote efficiency?" – and part of efficiency and the definition of that means saving money, economy – why don't you know how much this is going to save you or if it's going to save you? Are you saving it on the backs of the workers or saving it through some other sort of administrative protocol? Why can't you answer that question?

Once again I see this government going into major changes in the way the province operates, and nothing is being put in front of us that supports that decision-making process. I'm not getting a cost-benefit analysis. I haven't seen any reports tabled by the minister or referred to by the minister that show what a fabulous idea this is and how it was done in another land or another province and how it worked so wonderfully. Certainly, my experience with electrical deregulation and the same conversation with the then minister – not this minister, the then minister – in which I repeatedly asked him in Public Accounts to please provide the cost-benefit analysis, the reports, the studies, anything that the government had looked at at the time he was making the decision that would support why he thought electrical deregulation was such a good idea – he could not provide it, and that is well documented in Public Accounts. So it

was a whim. It was: well, I think it's going to be a good idea, so we're going to do it.

Mr. Mason: It hasn't turned out too well; has it?

Ms Blakeman: No, it didn't turn out too well. So I'm suspicious of government intentions now. It ruined my trust of the government forever. [interjections] I know. It's a sad thing.

A number of people have already talked about the amount of decision-making that's going to be done after the fact, under regulations, and there is a sort of constant chorus that we get behind curtains and things that come from the backbenchers over there by way of heckling. What disturbs me the most about regulations is that there is no public scrutiny of the debates. There is no *Hansard* recording of who brought up one issue, which issue, which member supported what part of it, you know, who brought up in support, who was against. The public has no way of ever knowing who stood for this and who didn't. I think that's important when you're making the kinds of decisions that are being anticipated in this bill. [interjection]

The Deputy Speaker: Hon. members, the House has only one speaker speaking at a time, and, hon. member on the front bench, you are not that member. It is Edmonton-Centre.

The hon. Member for Edmonton-Centre.

10:40

Ms Blakeman: Thank you, Mr. Speaker. So there's no transparency in this decision-making process. We have no idea of what the determining factors were in the final decisions. None. All we do is get the regulations. We don't understand why the government came to this. We don't get to see any of the discussion that went on. There's no record of anything except for the final order in council. There is no *Hansard* for this. There's no recording at all, and I think that that's a major part of the problem that this Assembly has come to. At one point there was even a standing committee of the Legislative Assembly called Law and Regulations, to which the amount of regulation that's considered in this bill could have been referred, and that committee is now gone because the majority of government members voted in favour of this recent change in Standing Orders which abolished that committee. It is a shame. At the time, I thought of it as the Gary Dickson memorial amendment because he referred so often to that Law and Regulations Committee, but it was a good idea. We even have the Member for Edmonton-Rutherford, who, when he first came to this provincial Legislature, spoke so passionately and at length about the importance of all-party committees discussing that kind of thing and is now silent on the issue, so I guess he's truly a member of that caucus now.

The other issue around regulations is that it's very hard to find out when they are released and, also, where one can find them completely. This government is quite good at e-government. The bills are available at www.assembly.ab.ca very quickly after they're introduced in the House, but finding out when the regulations are released and actually being able to get at them and look at all of them is a totally different story.

Thank you, Mr. Speaker.

The Deputy Speaker: Questions and comments? The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'd like to ask the hon. Member for Edmonton-Centre whether or not she believes that decisions made behind closed doors can in some way be beneficial

when it comes to the rights of workers to decide which union they want to belong to.

Ms Blakeman: I'm not sure that I'm following that question entirely. I don't know how a decision made in secret, in private would allow workers to gain any kind of knowledge or insight. They lose knowledge and insight, and so do the rest of us. I know that this government feels that this Legislative Assembly is not a useful place to be, because they've already created a parallel system in their own caucus in which they do legislative review and a parallel universe in which they often retreat and live, but it's why so many of them get impatient when we are in here debating, because they're not up debating. They will debate very little if at all. We've had two ministers up, and I'll be surprised if we get anyone else. Despite the enthusiastic commentary that I get from the Minister of Environment, he doesn't rise to his feet . . .

Dr. Taft: And Economic Development too.

Ms Blakeman: And Economic Development as well. That's right. . . . to actually put his thoughts on record. So his constituents and others do not know what his contribution was to the decision-making that goes on under the amount of regulations that are done in secret.

The Deputy Speaker: Further comments and questions? Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. Well, I'd just like to add a comment, and that is that I do agree with the hon. Member for Edmonton-Centre when she says that decisions made behind closed doors or, in this case, through regulation cannot be seen to be beneficial to workers, particularly when their rights and the continuation of their collective agreement is taken away or they are forced to join a collective bargaining organization that is not their choice, if they prefer one that would be better than another. In all of those instances I fully agree with the hon. Member for Edmonton-Centre. I guess that I would have to ask her why she thinks the government is operating in this way, so that they make more and more decisions behind closed doors which should be made by legislation in this Assembly with full debate. What is the government's motivation for doing this?

Ms Blakeman: I couldn't begin to guess at the motivation of government. However, it is about convenience. I think it's not about democracy. Democracy is participatory and noisy and time consuming but, I think, worth it in the end. I don't see any of those things particularly upheld.

Dr. Taft: There's a lot of noise here.

Ms Blakeman: Except for the noise. I'm sorry. The noise they're good at. The participation and the looking at issues and the healthy debate and exchange of ideas: nah, not so much.

Thank you.

Speaker's Ruling Question and Comment Period

The Deputy Speaker: Hon. members, before we proceed with the next item of business, just a reminder. There are some people who are saying that the hon. Member for Edmonton-Highlands wasn't asking a question. Of course, that reveals a misunderstanding of what we're operating under. Under section 29(2)(a)

a period not exceeding 5 minutes shall be made available, if

required, to allow members to ask questions and comment briefly on matters relevant to the speech and to allow responses to each member's questions and comments.

It does not have to be questions. It can be either or both.

May we have the agreement of the Assembly to briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. It gives me great pleasure to introduce a number of outstanding Albertans who fight day in and day out for the working people of this province. I would ask them to rise as I introduce them and then receive the warm welcome of the Assembly.

First of all, Mr. Les Steel, the president of the Alberta Federation of Labour; Barrie Regan from Carpenter's Union, local 1325. This, incidentally, is the oldest union local in the province. It is one hundred years old this year. Of course, we know that their members were integrally involved in the building of this Assembly itself. Alan Besecker from the United Nurses of Alberta, and he represents workers at the Alberta Cancer Board; Heather Smith, president of the United Nurses of Alberta; Bev Dick with the United Nurses of Alberta; Dave Malka from the Communications, Energy and Paperworkers Union; Ed Schell from the UFCW 401, representing workers at the Shaw Conference Centre. They are local labour heroes these days from their successful strike there. Kerry Barrett is the secretary-treasurer of the Alberta Federation of Labour. Kevin Flaherty is from local 458 of the Office & Professional Employees International Union. Mike Desautels is a representative of the Canadian Labour Congress. Gerry Donnelly is a representative of the International Brotherhood of Boilermakers. Peggy Morton is a representative of CUPE. Alex Grimaldi is the president of the Edmonton and District Labour Council. I ask them all to rise and receive the warm welcome of this Assembly.

The Deputy Speaker: With an introduction, the hon. Member for Edmonton-Riverview.

Dr. Taft: Yes. Thank you, Mr. Speaker. I would like to introduce one more person, who's been up there for, I think, the entire evening watching carefully. She's a former president of the AARN, a very well-known figure in nursing throughout this province, Louise Rogers. Please rise, Louise, and receive our warm welcome.

head: **Government Bills and Orders**

head: Second Reading

Bill 27

Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003

(continued)

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Yes. Thank you, Mr. Speaker. I appreciate the debate here tonight, at least the one-sided debate. It would be nice if we heard more from government members. For the people in the gallery who've waited so long, I might refer them to *Hansard* so they can look at the hours and hours of discussion on the rough fescue bill, the official grass of Alberta, and the tremendous enthusiasm for that bill from the government members compared to the complete silence, it seems, on an issue of fundamental importance, labour relations.

10:50

Now, I stand clearly here: I cannot support this bill, and I will not support this bill. I will not support it on the basis of the process and on the basis of its substance. My understanding of the process through which this bill was developed was that it was a very one-sided process, a process in which the tens of thousands of Albertans who will be so directly affected by this were not consulted through their labour unions, a process that was, I believe, overwhelmingly driven by the regional health authorities, the employers. No doubt the regional health authorities have a major place in this, but they are not the only party involved, and any reasonable, credible, dignified process should have involved all parties equally and extensively. So on that basis alone I could not support it.

I cannot support it, either, on its substance. The steps that are laid out in this bill simply should not be acceptable in a province like ours. The substance of this bill: among other things, eliminating the rights of many workers to strike, forcing them into particular bargaining units without consulting them. Those kinds of steps are just not acceptable. So for those two general reasons I will not and cannot support Bill 27.

The bill, as we've all reviewed here, reduces the number of bargaining units in the regional health authorities down to 36, reduces the functioning units down to four categories of employees. It removes the right to strike from I believe about 7,000 additional workers and places other restrictions on workers which, I think, in some cases may be justified and reasonable but in other cases certainly are not.

I am also very concerned by the substance of this bill, which in fact delegates all kinds of enormous power to regulations and to order in council by cabinet, and as a result, as we have been saying here tonight and as the people in the gallery and across this province will know only too well, key decisions will be made behind closed doors without any input and will simply be announced to the public as if they were decreed from some higher authority.

So, as a result, we maybe have a bill here that should be called the labour relations mystery bill because it's filled with mystery. We don't really know any details about what's going to follow in the regulations. What happens in this sort of circumstance? Well, that mystery leads to uncertainty. That uncertainty leads to fear, to mistrust, to stress, to discontentedness, and ultimately to militancy, and we find workers and employers staring across at each other in a poisoned atmosphere, in which they are now and always will be, it seems, as long as this government is in power, in an adversarial relationship. Unnecessary damage is done to the health care system, to the labour relations environment in this province.

So this is some of the fallout, I expect, we will be seeing as a result of this bill, and it's fallout that could have been in many cases pre-empted if a more normal, healthy, open, trusting process had been followed.

Ms Blakeman: From this government?

Dr. Taft: Even from this government. Let's try something new. Hope springs eternal. Hope springs eternal.

Now, we are told that this bill is necessary because of the restructuring of health care. Again, another mystery that's going on here. The restructuring of health care is driven, we're told, by the Mazankowski report. That's the blueprint for the new world of health care in Alberta. When we were first introduced to the Mazankowski report well over a year ago now, we were told that things would unfold fairly quickly. We passed a budget that provided \$25 million for the implementation of the Mazankowski report. A slew of committees was struck with all kinds of high-

profile people, and now we don't know what's happened. It seems to have fallen into some nether land. There have been reports prepared. We know that some of them are sitting on the minister's desk, but some of those have been there for months and have not been made public, and I'm beginning to be concerned that they may never be made public.

So if the restructuring of health care in this province is so complex and so mysterious, that yet again makes me wonder: what's going on with Bill 27? How do they know – how do they know – what they need in labour relations in the health care system when they're not being forthcoming at all on the restructuring of that health care system? We've kind of developed a black hole in the health care system in which we keep shoveling money for committees and reports and legislation, and nothing ever seems to come out in terms of the reform. So, yet again, more reason for distrust and mistrust over what this legislation entails.

My phone has been ringing about an issue that I was able to bring to the attention of the Minister of Health and Wellness earlier this evening and, to his credit, to which he responded, and I think it's worth getting on the record here. One particular aspect of this bill addresses nurse practitioners. Now, we all know that nurse practitioners are highly trained specialists. They typically have a master's degree and advanced training in nursing, and they are given extensive responsibilities and autonomy to practise much more fully than the standard registered nurse is allowed to do. They are also, I suspect – we don't know, but this is my suspicion – crucial to the future of health reform in this province. One of the aspects of this bill is that it prevents them from being part of a bargaining unit. It actually, as I understand and read the bill, forbids them from being part of a bargaining unit under a union.

One twist to that that was brought to my attention this afternoon is that while the bill was doing this, current regulations, as they were explained to me, required that nurse practitioners must be employees either of a regional health authority or of some other equivalent sort of body. So we were in a situation where nurse practitioners had to be employees, but they were not going to be allowed to organize and have the normal rights of an employee under labour relations, probably a situation that would be open to an immediate court challenge. I consulted with the Minister of Health and Wellness. He was able to respond to me quite rapidly that the regulations had been changed and that a substantial degree of autonomy is going to be granted to the nurse practitioners so that they are not required to be employees under the new regulations.

A concern that remains that I leave with the minister to consider is that the number of nurse practitioners in this province is small. They have no association, they have no college, no particular voice that speaks for them on an organized basis, so they are left at the moment when this bill is passed having to negotiate one-on-one with regional health authorities or their other employers. That sets up a difficult situation, to say the least, for the nurse practitioners, and it's probably not something that will encourage the expansion of that profession, assuming that they do have a big future ahead of them, and I certainly hope that they do.

11:00

Now, Mr. Speaker, one of the very biggest concerns with Bill 27 has to do with the infringement on the rights of workers to do things such as strike. To that end, I'm going to propose an amendment to Bill 27. I hope the clock stops so I don't lose my speaking time, Mr. Speaker, while this goes on. Thank you.

May I proceed?

The Deputy Speaker: Yes, hon. member. You may make the

motion and then we wait until hon. members have a chance to read it.

Dr. Taft: All right. Well, the motion reads that the motion for second reading be amended by deleting all the words after "that" and substituting the following:

Bill 27, Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, be not now read a second time because it is the Assembly's view that the bill infringes on the rights of workers in an unreasonable way.

That is the amendment.

The Deputy Speaker: Hon. member, in the nearly four minutes left.

Dr. Taft: Thank you, Mr. Speaker. The amendment is intended obviously to make the crucial point that the rights of workers here are being seriously infringed upon, and clearly the most serious infringement is the infringement on the right to strike. There was some discussion earlier here on whether or not workers really do have any right to strike under any particular charter, and indeed they do under the charter of the International Labour Organisation, I think it is, among other groups. The right of workers to strike is well recognized, and in fact it's clearly established in law.

I've in fact spoken recently to very senior members of this party and former members of this government who find this aspect of the bill to be objectionable.

An Hon. Member: Name names.

Dr. Taft: I would, but I'm not supposed to. I will tell you later if you like.

Clearly, the right to strike is the right to withhold labour, and in that sense it argues to be a natural right of any human being. You have a right not to work. You have a right to withhold your labour under any reasonable situation. When we remove that right from workers, we are disrupting and corrupting the entire collective bargain process, for surely we must ask ourselves: why would any employer negotiate seriously with workers if those workers do not ultimately have the right to strike? What's in it for the employers, in this case, to negotiate seriously? What's in it for them to move the process along, to compromise? Clearly, when their opponents, the people across the table, do not have that ultimate hammer, their motivation is going to be to drag negotiations out, to fail to compromise, and to generally take advantage of the legislated weakness that workers labour under when a bill like Bill 27 is passed.

These people in the health care system, Mr. Speaker, are professionals. These are people who got into the work of nursing and related professions because they want to care for other human beings. These people understand the true nature of a professional commitment, which is to put the interests of the person you're serving ahead of yourself. That ultimately is the crucial definition of a professional in this circumstance, and these people are professionals. Time and again we have seen nurses argue and go out because they are defending patient care.

Thank you, Mr. Speaker.

The Deputy Speaker: We still have the right, hon. members, to ask questions and make comments for a five-minute period, so if you are standing up, I presume that's what you are looking for. The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you. I wonder if the hon. Member for Edmonton-Riverview will entertain a question?

Dr. Taft: Mr. Speaker, I've tried to make it well known in this Assembly that I will stick to the former rules in which this kind of exchange was allowed in committee, and I'll happily take questions in committee.

Thank you.

Mr. Mason: Thank you very much.

Mr. Speaker, then I wonder if I can ask a question of the hon. Member for Edmonton-Gold Bar?

The Deputy Speaker: Hon. member, nice try, but no.

Mr. Mason: Well, thank you, Mr. Speaker. Then I'll make a brief comment.

I'm pleased to make just a brief comment following the excellent amendment that has been put forward by the hon. Member for Edmonton-Riverview. I guess I would certainly concur with him that in fact the bill does infringe on the rights of workers in an unreasonable way. It's a very arbitrary way and completely unnecessary to boot. I would, I guess, commend the hon. Member for Edmonton-Riverview – and I know he doesn't like to take questions – for this excellent amendment that the motion not be read a second time because in the Assembly's view “the bill infringes on the rights of workers in an unreasonable way.”

Well, that's certainly my view. That's absolutely my view, so I associate myself fully with Edmonton-Riverview's motion. I wonder, though, if it's the view of other members opposite here? I would like each and every member to stand up here and let us know whether they think this bill infringes in an unreasonable way on the rights of workers in this province, because that's what they're accountable to their constituents for.

Some Hon. Members: Question.

The Deputy Speaker: Calling the question really doesn't speed up the process at all; it just adds to the clutter of noise.

Hon. members are reminded that this is amendment A1. The hon. Minister of Human Resources and Employment has tried several times to get up and speak to this. The hon. minister.

Mr. Dunford: Well, thank you, Mr. Speaker. I'd like to point out for the interest of the members assembled that the right to strike is one way and a tool that is used to resolve disputes as they arise in the normal process of collective bargaining, but it is not the only tool that civilized economies have found to resolve disputes. Another excellent way that has proved itself over the years is compulsory interest arbitration. As a matter of fact, as I tried to point out earlier this evening, it is a device that's used not only by police officers and firefighters but also currently by about 90 percent of the health care workers today. So to move perhaps 10 percent of those workers into a system that has a long history of resolving disputes here within this jurisdiction in my view, then, is not an infringement in an unreasonable way, and I would urge all members to vote against amendment A1.

11:10

The Deputy Speaker: The hon. Member for Edmonton-Highlands on comments and questions, and you will be brief this time because we have others that wish to speak.

Mr. Mason: Thank you very much, Mr. Speaker. I have a question for the minister. I would like to know why he has developed this particular bill without any consultation whatsoever with the labour movement of this province?

Mr. Dunford: Before responding to that, I should also ask the members here in the House tonight to note the process that has been used. Now, it's perfectly allowable under the rules of this House, but we would note that the last member of the opposition that had a chance to speak tonight was the one that has proposed this amendment rather than, say, the first one or the second one or the third one. So there has been some heckling as to what might be going on here regarding this process, and I think people can determine for themselves just exactly what it is.

As far as the question is concerned, I don't think I've been uncandid with anyone who has asked me, including some of the people who have been interviewed here tonight in the gallery. I've been very open about what transpired in this particular case, and it was that the government decided to respond to a request from the Provincial Health Authorities association, who act for the employers in this particular case. I haven't shied away from it, and I'm not shying away from it tonight. That is your answer.

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

Mr. MacDonald: Yes. A question for the hon. Minister of Human Resources and Employment. If this legislation, Bill 27, as the hon. member has suggested, is at the request – I don't have the precise words – of the employers, how can one consider this to be fair and balanced? If we're going to have fair and balanced labour relations, it has to be a two-way street between employers and employees. Where was the employee input into this?

Mr. Dunford: As far as the request that was made, Mr. Speaker, it was an attempt by the employer, in their view, to bring some balance to the situation. Now, we resisted a request from the employers to get involved in the actual matter of collective bargaining as it related, then, to some specific clauses.

As far as was determined by the government, we thought it was a reasonable request in order to provide a platform from which bargaining in the future would spring. We see the fairness in it in the sense that we are still allowing employees to have collective bargaining on their behalf go forward, that they'll still be, should they wish it, represented by a union except in the case of the nurse practitioner.

Now, the nurse practitioner was, I think, unfairly characterized here earlier. What we were basically talking about – and if I could dare use an American term here in a British parliamentary system – is someone who has gained the professional attributes of a physician's assistant. So we were talking in this frame of reference, then, of someone who is between a registered nurse and the physician. There's a whole new challenging and exciting and interesting field of endeavour there that needs to be explored under health reform.

The Deputy Speaker: The hon. Member for Edmonton-Highlands on the amendment or questions?

Mr. Mason: Yes. A question for the minister: what are the criteria this minister uses when legislating away workers' right to strike? How does he decide who can strike and who can't, and who's next?

Mr. Dunford: Again, I want to assure the hon. member that we're dealing with a specific instance here. I would point to the very nature of the bill itself. It's quite an unusual title, as a matter of fact. When you look at Bill 27, Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, this didn't happen by accident, hon. member. This was specific. In a sense we were dealing with a specific situation.

The Deputy Speaker: Okay. That's the end of the questions, hon. member.

We now have before us amendment A1 as moved by the hon. Member for Edmonton-Riverview, which enables everyone now to talk once again at second reading. The hon. Member for Edmonton-Gold Bar on amendment A1.

Mr. MacDonald: Yes. Thank you very much, Mr. Speaker. It's with a great deal of interest that I rise to speak to amendment A1 to Bill 27 as proposed by the hon. Member for Edmonton-Riverview. Certainly, I have the view that a strike is a mechanism of ultimate last resort to try to settle an issue between an employer and an employee. I have to remind all hon. members of this Assembly that labour or employers for that matter don't have to worry about long periods of time where there is unrest, and there are those that will say it's restrictive or punitive labour laws that are the cause of this. Certainly, Mr. Speaker, that applies to the health care professionals. There have been very few examples of job action. I would urge all hon. members of the Assembly to support this amendment because when you look at this bill and you look at the amendment, this amendment will give an opportunity, shall I say, for a wrong to be corrected, and both sides then can have input into the legislation.

The hon. Minister of Human Resources and Employment explained to the Assembly that this was legislation that the regional health authorities group, or the employers, had assistance in planning and drafting. Now, I can't emphasize this enough, particularly after what we've been through in this province in the last 10 years with the lack of planning in regard to the health care professions. I know that this is not part of the regional health authorities, but I would use as an example the Cancer Board and the fact that over 50 percent of the registered nurses that work there – and there are in excess of 200, as I recall – are over the age of 50. We have to make some fast decisions here, and we've got to start talking about long-term planning. Overtime costs for that group of health care professionals in this province have gone up dramatically in the last year.

When one considers amendment A1, it would give this government time to catch their breath and say: okay; perhaps there was a little bit of a mistake made. In the past this government has taken great pride in explaining to everyone how willing they are to consult with stakeholders: there has to be stakeholder consultation. Well, why was there no stakeholder consultation on this legislation? I'm not going to get into that argument again on this amendment about the top-secret, five-person cabinet committee and how it just ignored the wishes of the MLA review committee. I don't know how some of the labour groups feel about this. These are the ones that made extraordinary efforts to contact the three MLAs on that review committee. In fact, I believe, Mr. Speaker, some of them even devoted a day and drove to Olds to see the hon. member and express their opinions on what should and should not be incorporated into any sort of restructuring of our Labour Relations Code.

11:20

Now, when you look at A1 and you look at what the hon. member is trying to attempt, again I have to urge all members to please consider this request. The situation of our public health care system is at stake here.

We can talk about having the right to strike. When that is taken away, as it is in this case, what's left? What's left here? There doesn't seem to be much left. The amendment gives us a way out from the confrontational styles of the past and gives this government a chance to have a second look at what they're doing with the health care problems. Bill 27 compounds the problems, and amendment A1 to Bill 27 allows us to get away from further pursuit of old-style

confrontational tactics, that we seem willing to use with labour negotiations. I'm afraid this is only going to lead to a further poisoning of the negotiating environment and a lack of confidence in the collective bargaining process, a lack of confidence in the Labour Relations Board. It goes on and on and on.

Now, this amendment will, as I said before, allow this government to take a second look. It's almost like if this government were the Senate and they were going to take another look at one of their pieces of legislation. Amendment A1 could actually be called the Senate second look.

Dr. Taft: A sober second thought.

Mr. MacDonald: A sober second thought even.

We could have a look at the implications of the legislation here. Like, we cannot be pitting one union against another in competition to represent far fewer bargaining units. I don't view that as healthy for labour relations. Now, as I understand it, union leaders – and there are still a few of them up in the galleries tonight – are baffled by this current government's lack of consultation with them. They're willing to consult, and as far as I know from the research that I've done, they were shocked when they heard about the five-person cabinet committee meeting, the secret committee, but they are willing to go that extra mile to ensure that we have good labour relations in this province and a collective bargaining system that works for everyone.

For a group of individuals – and I'm talking about the regional health authorities here – to think that this way of dealing with an issue is the right way – well, I hope I'm proven wrong, but I think we're in for some turbulent times as far as collective bargaining goes if we pass legislation like this. If we pass this, I'm going to be very, very disappointed. When we have health care professionals and their representatives willing to be part of the process, I think they should be welcomed. They should not be shut out.

I understand that there are 64 or perhaps 70 nurse practitioners in the province. Who's going to look after their interests? Nurse practitioners, who have had the ability to prescribe medication as well as order and perform tests much like physicians, have been left to fend for themselves by this legislation from what I can understand. Now, I'm told it's going to be changed. They certainly are not governed by the Alberta Association of Registered Nurses. They don't have the same representation as doctors have through the AMA or various other groups. What's going to happen with this group? I need this explained to me. They certainly had affiliation with the UNA in the past, as I understand it. Where are they going to be now? There are many people who look at them as one of the answers to alleviating some of our problems with our public health care system.

While unions and health care professionals are upset by this legislation – and I'm suspicious too – they are convinced that the worst is yet to come in the regulations. I had outlined this earlier, and I'm not going to get into the details on that at this time, but like the Natural Gas Price Protection Act in 2001 it appears that the regulations for Bill 27 will cause more discomfort than the act. I've got nothing more to say about the Natural Gas Price Protection Act, but it wouldn't surprise me if the health care professionals are trying to negotiate sweaters into their collective agreement, white sweaters.

While we're talking about getting serious with this bill – and I certainly am serious about this bill – the hon. Member for Drayton Valley-Calmar may consider the fact that long-term planning for our health care professionals is the solution to our problems. The solution is not to strip away their rights or, as some people have described it to me, contract stripping. Amendment A1, Mr. Speaker,

as proposed by the Member for Edmonton-Riverview, gives everyone here a second chance. I would much prefer that the government go to the library, dust off the plan that they had devised in 1998-1999, when there were many more regional health authorities and everyone agreed that there was a shortage of professionals. If they could find the professionals, keeping them was another matter. That was the problem. It had nothing to do with the labour relations act.

Now, I would remind all members of this Assembly that before voting any further on this legislation, we need to know – and we talked about this a little earlier – whether the health care professionals will retain the seniority, the benefits and wages they've earned and successfully bargained to achieve in the past. We need to know where they're going to stand in all of this. We need to know the cost implications of all this, and I'm sure someone on the government side has a figure. It's astonishing to me that we're not getting an answer to just exactly what the costs are going to be. Perhaps the amendment would give the government members time to dig up that information. If they have to phone the Provincial Health Authorities association, well, so be it. Someone must know, and I for one do not want to see legislation such as this, the reason for particularly health care professionals who have just finished their degrees, finished their training to take one look at this and bolt to the United States of America. Good-bye. That's happened before, and we've got to learn from our mistakes and not let history repeat itself.

11:30

Now, sure, we have lived through job action 10 years ago and near job action in 1997. Yet when I look at this bill and I look at the amendment A1, I realize that the government hasn't dealt with the underlying problem that continues to plague our health care system, and that is the critical shortage of nurses. It's getting worse. They're working longer hours under high-stress working conditions, and that is taking an increasing toll on our nurses and our other health care professionals. That is – and I cannot emphasize this enough, Mr. Speaker – the root cause of the current problems. It has nothing to do with unsound labour relations or anything else. That's where we should start looking at solving the problems, not with this draconian legislation.

Thank you.

The Deputy Speaker: Okay. Questions? Comments? The hon. Member for Edmonton-Highlands.

Mr. Mason: Well, thank you very much, Mr. Speaker. To the hon. member. I'm sorry; I'm getting a little tired here, but I think this is an important question that needs to be resolved. So I'd like to ask the hon. Member for Edmonton-Gold Bar if he doesn't think that taking away health care employees' right to strike won't actually help the government to recruit more skilled health care employees to the health care system.

Mr. MacDonald: No, Mr. Speaker, and to the hon. member. This is going to make a bad situation even worse. I think we need negotiation, not confrontation. [interjection] See? We're getting confrontation already. The root cause of the problem is lack of long-term planning. It has nothing to do with labour relations gone sour or the fact that one group has more power than another. We have not had a record of unstable labour relations in this province, and the answer lies in long-term planning for health care professionals: recruitment, training, and retaining the workers.

Thank you.

The Deputy Speaker: Hon. Member for Edmonton-Centre, comments and questions?

Ms Blakeman: Debate.

The Deputy Speaker: Okay. Do you want to speak, then, hon. Member for Edmonton-Centre?

Ms Blakeman: Thank you. I do, and I would like to speak in favour of the amendment A1 that has been brought forward by my colleague from Edmonton-Riverview, which would, if this is a reasoned amendment, have the bill "be not now read a second time because it is the Assembly's view that the bill infringes on the rights of workers in an unreasonable way."

[Mr. Lougheed in the chair]

I think, as my colleague from Edmonton-Gold Bar said, this does allow everyone to take a step back and be reasonable, take a reasoned and considered look at what's happening here. When I was speaking on the principle of the bill, I talked about the work that had already been done by the union leaders in attempting to achieve a voluntary reduction in the number of collective bargaining units to do with regional health authorities, and this would allow the government to go back and allow that process to roll out more rather than simply pre-empting it, which is in fact what happened, to everyone's surprise, I think.

My colleague for Edmonton-Riverview brought up the issue of the Manzankowski report and the amount of money that was allocated to it and how little we've actually seen come out of it except for legislation like this, which I don't think is moving forward health care in the province. I think the minister and I are going to have to agree to disagree on this one. I don't see it being about the common good. There's a phrase that keeps turning up in the propaganda – I mean, the literature – that's put out by the government on how this is going to make everybody happy. I'm sorry; I'm not going to be able to find this in a hurry. But I don't think that's the case.

One of the issues that is of particular interest to me around the whole issue of rights of workers is what's been created in Alberta around staff shortages. We know that when there were enormous cuts in health care services and, I think, a fair amount of disrespect thrown about particularly around nurses, we had nurses fleeing the province and being recruited away in very high numbers, and then, in fact, we had to spend as much money as was saved in incentive bonuses to get those same nurses to come back because we had such a shortage in the province. How many times are we going to repeat that scenario? I don't think that losing the right to strike is going to be seen as a big benefit by nurses and other health care professionals, and if this is another reason for them to leave the province, what is the government going to do with that effect on staff shortages?

When we look at the doors that are being opened up around private health care – I mean, there are only so many health care professionals here, and I'm still deeply suspicious of the link or lack of link around this. Does this bill make it even less attractive for people and more attractive for private providers of health care to be able to recruit health care professionals and to pay them even less well? I'm deeply suspicious of where the government is going with that whole relationship between the people that we trained to provide health care services to us in our public system and what the government is doing to set up that they get transferred into the private system.

Going back a little bit to a report that was put out, Current and Emerging Health Workforce Issues in Alberta: Questionnaire Findings, Final Report, from Alberta Health, March 1999. As part of that, there were a number of different tables that appeared. In particular, I'm looking at table 5-2, Top Three Health Authority Issues Impacting Health Workforce.

- A. Health workforce recruitment is an issue . . .
- D. The increase in labour relation difficulties . . .
- F. Nursing recruitment.
- G. The unattractiveness of health professions as viable career options.

I don't see how this legislation is addressing any of these issues; therefore, an amendment like A1, which stops this process and lets everyone go away and calm down and come up with something better, is something that I am highly supportive of.

Under table 5-4, Strategies Identified by Health Authorities to Address the Issue of Quality of Work-Life – very interesting. “B. Consultation with Alberta Labour to streamline certificates and bargaining processes.” I guess this is what we got from that, and others have already pointed out that it was the employer who was requesting these changes, not the workforce that was requesting these changes, not the public that was requesting these changes and, I think it could even be argued, not the government that was requesting the changes. So they're responding to the employer, and this becomes employer driven. You need a balance and one that carries with it respect, and I think that we're tearing that basis apart.

11:40

I know that I had a constituent send me a very long and detailed letter, and they worked in housekeeping at one of the hospitals and were very proud of the work that they had done there and were very puzzled at what they saw as a lining up by the regional health authority to privatize the services they were working in. Yet this individual was pointing out that they, in fact, had received and their team had received awards for the work and that people were constantly saying: this place is really clean; you guys are doing a great job. They were very frustrated by what they were constantly hearing from the regional health authority telegraphing to them that they were going to be privatized at the next contract go-rounds. They couldn't understand this because when they looked at the problems that had been experienced in Calgary around some of the same housekeeping issues and where there had been a lot of problems – and that was from a privatized firm – they couldn't understand why there would be such a push from the regional health authorities to do this, and I couldn't answer the questions for that individual. I see some of the same direction, that hand pushing things along here from the regional health authorities. I don't think that it's in the best interests of the worker in the end run.

The other thing that could be addressed – and this is just a small point, but there's a phrase that is used constantly throughout the legislation of “receiving collective agreement.” I checked in the definitions section at the front of the amending act. It's not defined there, so I actually pulled the statute for the Labour Relations Code and checked to see if there was a definition there, and there isn't. Now, as I said, I'm not a labour person and I'm not conversant with all the terms, but we should all be able to easily understand from the legislation what's being talked here. So this would allow there to be some clarification around the receiving collective agreement that is used so often particularly in the sections around regulations being done.

You know, it's “establishing types of collective agreements from which the receiving collective agreement for a region-wide functional bargaining,” et cetera, et cetera, “respecting the manner of determining from which type of collective agreement the receiving collective agreement,” et cetera, et cetera. It appears in half a dozen of the clauses here that are talking about the regulations that'll be developed, and there's no definition for it anywhere. I even sought a definition through Parliamentary Counsel, and they may not have had the time to get back to me, but I didn't hear back from them. So it gives an opportunity to clarify some of that.

You know, when I think about this government's sort of track record, somewhere I was reading – oh, it was in *Hansard* – about one of the question exchanges with the Minister of Human Resources and Employment in which he was pointing out that he felt that there had actually been a very positive working relationship between the government and labour groups and was using as an example of how wonderful this was the number of days lost to strikes, I think. I can't agree with this, and certainly in my life and as I look at those around me that are involved in labour issues, I don't think this government has been very friendly to unions.

[The Deputy Speaker in the chair]

I think that there is a need for a replacement worker legislation here in Alberta. When I look at the strikes that just go on forever, why are they able to go on so long? Well, because the employers can bring in replacement workers the next day, so there's no impetus to get them back to the bargaining table so that they can actually settle this. I think there needs to be replacement worker legislation, but I don't see it coming from this government.

I think there also needs to be – and I may not have the right phrase here – first contract arbitration legislation. Again, that's the root, that's the cause underlying a number of these very, very long strikes that workers have been trying to get. That's what was underlying the Shaw Conference Centre. They were trying to get that first arbitration. They go on strike to try and get it, the employer brings in replacement workers, and everybody is out on strike for extended periods of time. Finally we were able to get something settled with the Shaw Conference Centre. But I'm thinking of ones like Dynamic Furniture in southern Alberta; that went on for more than a year. I mean, how is that a good labour atmosphere in Alberta?

I mean, I'm not kidding myself. I don't think that passing this amendment is going to have the government pop up tomorrow with replacement worker legislation and first arbitration contract legislation, but I think it's an example of where we don't see leadership being given by this government in its labour relations. I think that we could go a long way down that path to make things better, and this legislation that's before us as Bill 27 is not a positive move for labour relations in Alberta. I think to say, “Oh, well, it's just 10 percent,” well, 10 percent of how many? How many people are we talking about here whose lives are affected? Why is 10 percent not acceptable in this instance to make a positive move, but other pieces of legislation come before us which affect only 10 percent of the people? So there's an inconsistency there from the choices that I see the government make.

Those are the points that I wanted to make in support of the amendment. I can't say that I'm hopeful that it'll get passed, but I think it's important that we continue to raise these issues in the Assembly, and I'm happy to speak in support of the amendment.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar on the comments and questions.

Mr. MacDonald: Yes, please, Mr. Speaker. In light of Bill 27 and amendment A1, as presented by the Member for Edmonton-Riverview, and whenever we look at the preamble of the current Labour Relations Code, which reads, “Whereas it is recognized that legislation supportive of free collective bargaining is an appropriate mechanism through which terms and conditions of employment may be established,” do you view A1 as a positive thing, and members should support it so we can have another look at Bill 27 to see if it meets that preamble?

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

Ms Blakeman: Thank you. Yes, in that Bill 27 does not come anywhere close to what's being set out here in the preamble.

An Hon. Member: You're supposed to be talking about the amendment.

Ms Blakeman: Yeah. That's why there's an amendment because the bill is not coming anywhere close to this. [interjection] Yeah, and the preambles are not enforceable, but it does set out the tone of it.

The Deputy Speaker: Hon. members, this is not the time in which you can fire questions back and forth. There is one person that is being recognized at a time. If you want to ask questions, please do so, rise in your place, but don't heckle.

The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. So, yes, I am very supportive of the amendment for exactly the sentiment that is set out in the preamble, and we need to make sure that that sort of idea is upheld.

The Deputy Speaker: Hon. Member for Drayton Valley-Calmar, were you asking a question? No.

Rev. Abbott: Mr. Speaker, I never said a word.

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thanks very much, Mr. Speaker. Well, there's a first time for everything.

I would like to ask the hon. Member for Edmonton-Centre how many unionized people she thinks live in Edmonton-Castle Downs.

11:50

The Deputy Speaker: Hon. members, you know, the question should be relative to what the hon. member just spoke about, and posing those kinds of things – it's really not trivial pursuit here.

If the hon. member wishes to answer the question, she may do so. If not, then Edmonton-Highlands, a better question.

Mr. Mason: Well, thank you very much for that, Mr. Speaker. I would reckon that there would probably be an awful lot.

But if question and answer is finished for the hon. member, then I'm prepared to enter into the debate on the motion.

The Deputy Speaker: Okay. The hon. Member for Edmonton-Highlands in debate on the amendment.

Mr. Mason: Well, thank you very much, Mr. Speaker. I do appreciate this amendment by the MLA for Edmonton-Rutherford. The question is whether or not we should actually give . . .

Mr. McClelland: Point of order.

The Deputy Speaker: The hon. Member for Edmonton-Rutherford on the point of order.

Point of Order Clarification

Mr. McClelland: I'm sure the hon. Member for Edmonton-Highlands meant Edmonton-Riverview.

The Deputy Speaker: Presumably this is a point of clarification, and it's now been clarified.

The hon. Member for Edmonton-Highlands.

Debate Continued

Mr. Mason: Thank you very much, Mr. Speaker. The hon. Member for Edmonton-Rutherford is in fact correct. I did err, and I meant to refer to the hon. Member for Edmonton-Riverview.

He does have an excellent amendment here because he's suggesting, through this amendment, that we not read Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, a second time because it's the Assembly's view that the bill infringes on the rights of workers in an unreasonable way, and I think that it does. It does infringe on the rights of workers in an unreasonable way. First of all, it takes away their right to choose which particular union they want to belong to. It gives too much power to unaccountable people to merge and combine locals of labour unions into larger organizations when, in fact, that process was under way in a voluntary fashion. So it's arbitrary, and it's the arbitrariness of it that I think is the greatest problem.

Mr. Norris: Arbitrariness?

Mr. Mason: I think "arbitrariness" is actually a correct word, hon. minister, so perhaps you'd like to check it, and then when you enter into debate on this motion, I think you can probably stand up and do that. [interjection]

The Deputy Speaker: Hon. member, we do have someone who wishes to speak, so the hon. Minister of Economic Development will be on my list after the hon. Member for Edmonton-Highlands.

Mr. Mason: Well, Mr. Speaker, I am not going to hold my breath for the hon. Minister of Economic Development to actually stand up and put his comments on the record, but we can always hope.

So the question is whether or not workers, then, have the right to strike. That's another key piece, and you know it might be interesting to review how workers got the right to strike in the first place because it wasn't given to them by governments. This may surprise members of this Assembly that when labour began to be used as a way of producing goods in factories during the industrial revolution, workers were working in these factories and mines in deplorable conditions. They were terrible, and they had child labour, little children in mines pushing coal carts. They would work for 10 or 12 hours a day. They didn't have a day off, not even Sunday, and the mortality rate of workers was astronomical. The whole existence of working people at that time was deplorable, it was inhuman, and something clearly had to be done. This was the society that existed in the 1800s, and I know that this particular frame of mind, of the 1800s, is very, very attractive to many members on the government side, but I think we can see that there was some modernization that occurred, and perhaps there'll be some modernization of government members' attitudes towards labour.

The entire process was that people were displaced from the land where they farmed or where they were peasants or serfs. They were displaced from the common land, and they created a labour pool that had nothing to do, nothing to sell but their own labour, and that is how they were able to exist. So they sold their labour very cheaply at the time. But it may interest some hon. members to know that it was not legal at that time to form unions or to go on strike. In fact, they would round people up and put them in jail for doing so, but the conditions were so bad, Mr. Speaker, that people fought back, and

they defied the laws that existed which made striking illegal and which made their freedom of association illegal, and there were many strikes. There was much violence. Many people were arrested and put into jail, but they eventually forced the governments of the day, which were dominated by large landowners and big factory-owning industrialists, to change the legislation. So the right of workers to organize and to collectively bargain for the price of their labour was established as a right. It was not something that was handed to them by the state. It was something that they took from the state by themselves, and the motion deals with the infringement of this bill on the rights of workers, so I think it's relevant to talk about where the rights of workers actually came from. They did not get handed to the workers by some benevolent government. They were taken by the workers for themselves because that was the only way that they could exist with any degree of humanity.

So the rights of workers in my view, Mr. Speaker, transcend the ability of governments to infringe them. They do not come from government; they come from the workers themselves. The government may place some restrictions on those rights of workers, but it always must do so with a view that the rights of those workers exist independent of the legislative authority of any government.

We have seen, for example, this Premier, the Premier of this government, go down to southern Alberta and appear at a rally for a number of farmers who illegally sold their wheat to the United States, in contravention of the federal laws. There was a rally that was there to defend those law-breaking farmers and part of their campaign against the Wheat Board, Mr. Speaker. So there was the Premier standing up for the rights of those farmers to break a bad law. [some applause] All of these members applaud. Yes. They all applaud because they know that the Legislature does not have unlimited power to take away the rights of people, and all members who just applauded have clearly acknowledged that this particular point that I'm making about the rights of workers is a valid one.

I might just note as an aside, Mr. Speaker, that all of the farmers who ran for the Canadian Wheat Board on a platform of being allowed to trade with the United States were defeated in a democratic organization. [interjections]

Speaker's Ruling Decorum

The Deputy Speaker: Hon. members, if you don't think that the hon. Member for Edmonton-Highlands is being relevant to the amendment, then stand up and make your point of order, then the hon. Member for Edmonton-Highlands can respond, and then maybe we might be able to make some sort of comment with respect to the two arguments. Just shouting it out is not parliamentary and shows a lack of knowledge of the rules of the House or of manners.

The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I appreciate that ruling.

12:00

Debate Continued

Mr. Mason: You know, I'll talk maybe a little bit about the situation in Poland because I know that the hon. Member for Edmonton-Castle Downs was from that country. I know that he's the first MLA of Polish extraction to be elected to this Assembly, and I think that's something to be very proud of, Mr. Speaker.

Let's talk about solidarity. Let's talk about labour organizations. I'm sure the hon. Member for Edmonton-Castle Downs would probably think that the events in Poland surrounding Solidarnosc were a very positive development. There the workers and the

professional people got together and went on strike and challenged the government and challenged laws that they didn't agree with. I'm sure he wouldn't disagree with that particular action. So the question is: why does he disagree with unions in this province objecting to their rights being taken away by this government? Is this government so much different from the Jaruzelski regime in Poland when it comes to respecting rights of labour?

Well, you could argue that point all day, Mr. Speaker, but the point is that workers have a right to organize and have a right to collectively set the price of their labour. It is not the right of any Legislative Assembly to infringe unreasonably upon that right, and I think that I would be backed up by the International Labour Organisation and United Nations in making that statement.

So the question is: does this act do so? I think that it clearly does infringe on the rights of workers in an unreasonable way, and I think workers have every right to oppose this legislation. I would hope that the Assembly would realize that they're going too far and that in bringing forward this legislation, this minister and, as well, the Minister of Health and Wellness are trying to do things the easy way.

Instead of working with people and getting agreement and trying to go through the process, sometimes time consuming, of actually getting agreement and making sure that everybody's rights are respected, they do what many members of this Legislature would like to do, and that is cut off the debate, cut to the chase and do what they wanted to do all along instead of going through a proper process of debate, amendment, and taking into account the positions of all parties. If this government didn't act in that way, I don't think members of this Assembly would think that that's how democracy ought to operate, but they clearly do, Mr. Speaker. They clearly believe that the Legislative Assembly is an annoyance, that it's something that is inconvenient, time consuming, and so on. I would warrant that the government feels the same way about unions.

Mr. Speaker, I just want to say that people who enter the health care profession do so because they have a profound compassion for other human beings. They do not and would not withdraw their services lightly or unless they were provoked to the extreme to do so. The suggestion that I think the government is making in this act is that health care professionals would be prepared to withhold their labour lightly or frivolously or use it as an unfair hammer over the health authorities' or the provincial government's head in a way that is, I think, just completely unreasonable to assume.

The Deputy Speaker: Order, hon. gentlemen. In your place.

The hon. Member for Edmonton-Highlands.

Mr. Mason: Well, thank you very much, Mr. Speaker. That gives me a chance to gather my thoughts and carry on.

You know, here are some words of wisdom.

It is recognized that a mutually effective relationship between employees and employers is critical to the capacity of Albertans to prosper in the competitive world-wide market economy of which Alberta is a part;

... it is fitting that the worth and dignity of all Albertans be recognized by the Legislature of Alberta through legislation that encourages fair and equitable resolution of matters arising in ... terms of conditions of employment;

... the employee-employer relationship is based on a common interest in the success of the employing organization, best recognized through open and honest communication between affected parties;

... employees and employers are best able to manage their affairs where statutory rights and responsibilities are clearly established and understood; and

... it is recognized that legislation supportive of free collective

bargaining is an appropriate mechanism through which terms and conditions of employment may be established.

Mr. Speaker, this is the preamble to the existing labour code of this province, and this particular act that the minister is putting before the Assembly is a violation of these principles, and I urge members to support this excellent amendment and hoist, or not hoist, and not read this bill a second time this evening.

The Deputy Speaker: Questions or comments? The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Castle Downs.

Mr. MacDonald: Thank you, Mr. Speaker. To the hon. member: given that there's a great deal of sympathy in the general public for health care employees and their cause and that certainly this public sentiment is added to by the well-publicized effects previous health care cuts have had on the working conditions of health care employees throughout the province, not only do health care employees enjoy the public sympathy, but they are generally perceived as being more credible than their employers or the government. Would the hon. member, in light of Bill 27 and amendment A1, agree with that statement?

Mr. Mason: Could the hon. member just repeat that last part?

Mr. MacDonald: Yes. Certainly.

The Deputy Speaker: If you can't hear from that distance, hon. member, we've got a bit of a problem. We do have other people who want to ask questions of the hon. Member for Edmonton-Highlands.

The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Speaker. I find it rather unusual and peculiar that the Member for Edmonton-Highlands would make allusions to the solidarity movement in Poland, but if memory serves me right, that movement actually rose against a socialist government, a communist government, a government that, I imagine, the hon. member would be more inclined to form if he were ever in a position to form a government. If I could refresh his memory, one of the first legislations that was introduced by this new movement was for the privatization of health care. Can you elaborate on that?

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker, and thank you for the question. Well, I was referring to that movement specifically in respect to labour relations because I was trying to stay on topic.

The Deputy Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. I just wanted to make a comment in relation to some of the comments that the hon. member was making whilst he was trying to stay on topic with relation to the Canadian Wheat Board. He had made a comment that all of the members who had been elected to the Canadian Wheat Board were not pro choice, and that simply is not true. There was an additional member elected to the Canadian Wheat Board who is pro choice.

Mr. Mason: Well, I think that pro choice is perhaps an unfortunate way to describe it, but my understanding is that the member that was elected that is in favour of being able to sell wheat individually into

the American market was actually elected in Saskatchewan and partly overlaps into Alberta. But in the major districts in Alberta in which some of these farmers stood for the positions, they were defeated and pro Wheat Board farmers were elected.

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar.
12:10

Mr. MacDonald: Thank you very much, Mr. Speaker. I have a question for the hon. Member for Edmonton-Highlands, and it is this. If there are significant increases in the fines that are going to be levied against health care labour groups, does this member feel that amendment A1 in relation to Bill 27 will further erode collective bargaining in this province?

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. To the hon. Member for Edmonton-Gold Bar: I absolutely believe that it's going to further erode collective bargaining. Ultimately unions are faced with the ability to withdraw their labour, which creates a situation in which both sides, quite frankly, suffer. Both the employer and the employee suffer. It creates a tremendous urgency to try and find some middle ground and resolution, and that's why it has stood the test of time. The other alternatives such as the minister has suggested are basically putting the workers, then, at the mercy of the state to make a decision through some means or another. Ultimately somebody has to decide for the workers whether or not what they're asking for is fair and just.

Mr. McClelland: In the health care sector when workers withdraw their labour, is it not the patient that suffers?

Mr. Mason: Mr. Speaker, there's no doubt that the patients can sometimes suffer, but the government has as much responsibility as the unions do.

[Motion on amendment A1 lost]

The Deputy Speaker: The Minister of Human Resources and Employment to close debate.

Mr. Dunford: Yes. Thank you, Mr. Speaker. Again, I thank everyone for their participation this evening. We've heard quite an array of views, but I stand by the earlier comments that I made in terms of the greater good, which is the delivery of a quality and timely health care system in Alberta. I would urge all of the members present here tonight to vote in favour of second reading of Bill 27.

[The voice vote indicated that the motion for second reading carried]

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

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Abbott
Ady
Broda

Jacobs
Johnson
Knight

Norris
Ouellette
Renner

Cenaiko	Lord	Smith	Totals:	For – 34	Against – 4
Danyluk	Lougheed	Snelgrove			
Ducharme	Lukaszuk	Stevens	[Motion carried; Bill 27 read a second time]		
Dunford	Mar	Strang			
Forsyth	Masyk	Taylor	The Deputy Speaker: The hon. Deputy Government House Leader.		
Friedel	McClelland	VanderBurg	Mr. Zwozdesky: Thank you, Mr. Speaker. I know that there are		
Graham	McFarland	Vandermeer	some members who are anxious to move on and do other business		
Herard	Nelson	Zwozdesky	tonight, and we've been discussing that, but in view of the hour I		
Horner			would move that the Assembly now stand adjourned until 1:30 p.m.		
Against the motion:					
Blakeman	Mason	Taft	[Motion carried; at 12:25 a.m. on Tuesday the Assembly adjourned		
MacDonald			to 1:30 p.m.]		

Legislative Assembly of Alberta

Title: **Tuesday, March 18, 2003**

1:30 p.m.

Date: 2003/03/18

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. O Lord, we give thanks for the bounty of our province: our land, our resources, and our people. We pledge ourselves to act as good stewards on behalf of all Albertans. Amen. Please be seated.

head: **Introduction of Guests**

Mr. Doerksen: Mr. Speaker, it gives me a great deal of pleasure today to introduce to you and through you a true friend of Alberta. In September 2000 the current Minister of Environment with Innovation and Science on an annual trip visited Silicon Valley where the department has facilitated the interaction of Alberta technology companies with investors, mentors, and customers in California. Mr. Nissley was the first California angel investor to work with us, and we now have over 60 investors working with the Alberta/California venture channel. Mr. Nissley is responsible for another first as he and his partner Frances Chang have invested in an Alberta company, the first Californian in the venture channel to do so. May I introduce to the House Hal and Juanita Nissley and Edgar and Frances Chang from Los Altos Hills, California. They are accompanied by Randy Thompson, board member of the Alberta/California venture channel, and David Antoniuk, director of research and technology commercialization with the Department of Innovation and Science. They are seated in the members' gallery, and I'd ask them to rise and receive the warm welcome of the House.

The Speaker: The hon. Minister of Children's Services.

Ms Evans: Thank you, Mr. Speaker. It's such an honour today to introduce a young lady from Austria, Lisi Aichinger, who is here with Dennis Pommen, a Rotarian in Sherwood Park. She has been an exchange student on a program here for almost a year. It will be a year in July, and then she'll go back to Austria. But something remarkable that we should all pay attention to: she's been in high school at Bev Facey, but when she started her tutorial as a student, she studied English for seven years, Latin for five years, Spanish for three years, and Russian for a year so far. What an international student of absolute world acclaim. I'd ask our special guest, Lisi, and Dennis Pommen to please rise and the Assembly to give them a warm welcome.

The Speaker: The hon. Minister of Infrastructure.

Mr. Lund: Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you and through you to the House a group of eight very caring and compassionate people, funeral directors from around the province. Their names are Gerald Connolly, Ron Smith, LeeAnne Snodgrass-Allen, Ken Papirny, Pat Wisener, and, from my hometown of Rocky, Gordon and Diane Flinn. They're seated in the members' gallery, and I would ask them to rise so we could give them the traditional warm welcome of the House.

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

Ms Kryczka: Thank you, Mr. Speaker. I am very delighted to

introduce to you and through you to this Assembly this afternoon Jeannie Morrison. Jeannie has been a Calgarian and a constituent of Calgary-West for five years. She lives in the community of Coach Hill, and she came to Calgary via Vancouver and Nova Scotia. She is presently external affairs manager for the west for Wyeth Pharmaceuticals. I would ask Jeannie to rise and receive a warm welcome from this Assembly.

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

Ms Carlson: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to all members in the Assembly today 59 visitors from Holy Family Catholic school. It's one of my favourite schools because that's where my children went. Today they are accompanied by teachers Mrs. Caroline Lepps, Ms Colette Coumont and student teacher Mrs. Alison Tymchak and teacher assistant Mrs. Marta Molnar. Parent helpers today are Mrs. Brenda Manning, Mrs. Joan Walters, and Mr. Scott Vickery. I would ask that they all please stand now and receive the traditional warm welcome of the Assembly.

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

Mr. Mason: Thank you, Mr. Speaker. I have two introductions today. The first introduction – and I'm very pleased to introduce this group – is a group of five students and their teacher from Inner City high school. Inner City high was founded in 1993 and assists students to find success in high school and to move on to employment. They're accompanied by their teacher, Mr. Tim Christopher-son. I would ask them to rise and receive the warm welcome of the Assembly.

My second introduction today, Mr. Speaker, is Mr. William Newhouse, the director of Poverty in Action, a group who advocates for low-income earners who are facing severe financial hardships. I would ask Mr. Newhouse to rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. I am pleased to rise today to introduce to you and through you the assistant to the U of A board of governors, Louise Shulko. As well, she is accompanied by an assistant from my office, Ms Neris Valle. I would ask both of them to stand and receive the warm welcome of the Legislative Assembly.

head: **Oral Question Period**

Energy Prices

Dr. Nicol: Mr. Speaker, today some Albertans will receive their third successive skyrocketing natural gas bill but still will not receive protection from price spikes that this government promised during the last election. In October 2001 the Alberta Energy and Utilities Board ruled that utility companies could not employ hedging to protect their customers from volatile prices because this government already had legislation in place to protect Albertans. To the Premier: will the Premier please explain how – and I quote from the EUB – consumers' interests are adequately protected by the Natural Gas Price Protection Act, end quote, when the price of gas is over \$9 and consumers are not receiving any protection?

Mr. Klein: Well, Mr. Speaker, the price of natural gas is determined by the market, and Albertans pay no differently than people in New

York or people in Minnesota or people in Ontario or Quebec. It's a market determination, although most of the gas, of course, is under our feet here in Alberta. Still, market forces prevail just like they do for any other commodity.

Now, relative to the role of the Alberta Energy and Utilities Board they make sure that any application for a rate increase is based on solid evidence relative to the need for such an increase, and members of the public and interested groups are invited to intervene, Mr. Speaker. I don't know what the procedure is, but the hon. leader certainly can make application to become an intervenor if he thinks that the rate increase being applied for is too extreme.

Relative to the intricacies of the hon. member's question I'll have the hon. minister respond.

Dr. Nicol: Again to the Premier: by allowing flow-through pricing, are the government and the EUB not sentencing Albertans to the most volatile of pricing systems?

Mr. Klein: Well, Mr. Speaker, I'll have the hon. Minister of Energy supplement because he is more closely associated with the issue.

The Speaker: The hon. minister.

Mr. Smith: Thank you, Mr. Speaker. Indeed, the flow-through pricing is something that Albertans have been used to for many years. There are now increasingly more commercial entities that will be able to deliver appropriate contracts that will mirror Alberta's consumption habits. For example, if you're a residential homeowner, you'll use about 45 percent of your natural gas during the period of December through March. If you're a greenhouse, you'll use 60 percent of your fuel through January, February, and March. So, in fact, these different market conditions exist all across the province. The structure of the legislation, that I don't want to talk about because it is in front of the House, will in fact deliver these types of alternatives easily and in an understandable fashion for all Albertans to get what they want from energy and electricity purchases. Do they want the best price? Do they want to have the level of pricing so that they can predict what they'll pay? Do they want an equalized payment plan? These are the types of choices and options that Albertans will have before them with the passage of Bill 3 and Bill 19.

1:40

Dr. Nicol: Again to the Premier: why does the government have a monthly model for price determination yet a yearly model for price protection?

Mr. Klein: Again, Mr. Speaker, the hon. minister is more intimately involved with these procedures and these issues. I'll have him respond.

Mr. Smith: Well, Mr. Speaker, with respect I would correct the hon. member's assertion in the question because, in fact, the yearly average annual price is based on the monthly prices on which we collect our royalty. Of course, we spend money in a budgeted fashion throughout the year, and then for a rebate to take place, we need that time based on monthly prices for the money to come in to the government so that a gas rebate could be paid if the average annual price exceeded \$5.50.

Dr. Nicol: In 2003 the Alberta Energy and Utilities Board approved a flow-through option for ATCO electricity customers. This is the same pricing model that has created unstable and uncertain natural

gas prices for Albertans. To the Premier: why does this government want to have the same instability and uncertainty in the electricity market that you have had in the natural gas market?

Mr. Klein: Mr. Speaker, the whole purpose of deregulation is not to create uncertainty and instability. It's done to create competition and to bring more power onstream, and that, indeed, has happened. We see many cogeneration projects, new coal-fired projects now coming onstream, more wind power now coming onstream. As this thing settles down, market conditions will prevail and people, as they are now starting to realize, can get some deals that will stabilize and provide some certainty to the power prices they pay.

The Speaker: The hon. minister.

Mr. Smith: Thank you very much. I just do want to add that Albertans have purchased electricity and they have purchased natural gas on a flow-through rate ever since the first kilowatt-hour was generated and ever since the first cubic foot of gas was sold. It's called spot-rate pricing. This is exactly the familiar territory that Albertans have been in and exactly the reason why they want to see Bill 19 and Bill 3 passed: so that they can employ these options. If you're on a fixed income and you want to know what your payment is going to be on a 12-month period, you'll be able to take advantage of that. Mr. Speaker, these are market forces tied in with a compassion for those who are on fixed incomes and those seniors as well as being able to deliver the maximum amount of choice and benefit to Albertans.

Dr. Nicol: To the Minister of Energy: will the minister commit to having the Alberta Energy and Utilities Board review their decision not to allow price protection by Alberta companies so that Alberta natural gas and electricity companies can provide some consumer protection that your government won't provide?

Mr. Smith: Will we tell them to do something in case somebody else doesn't do something so that if they can do something, then it would protect somebody else? Mr. Speaker, the Alberta Energy and Utilities Board has worked in the responsible domain of all Albertans since its inception. It works in the public interest. It goes out; it holds hearings. Those hearings are open. Those are transparent hearings. They're transcribed decisions; they're recorded decisions. The EUB has a 50-year plus record of operating in the public interest of all Albertans.

Dr. Nicol: To the Premier: is it the government's policy here not to have the Alberta Energy and Utilities Board participate and work with the companies in Alberta to help consumers get some stability?

Mr. Klein: Mr. Speaker, I stand to be corrected, but I believe that they do precisely that, in addition to conducting open and transparent hearings. If the hon. leader of the Liberal Party has a problem with the Alberta Energy and Utilities Board, which, as the hon. minister pointed out, has operated very successfully in this province for 50 years, indeed is recognized as a model for regulatory regimes around the world, then I would suggest that he take his problem directly to the board.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Education Funding

Dr. Massey: Thank you, Mr. Speaker. In the Minister of Learning's

constituency parents fund-raise for student trips to Malaysia. Diane Williamson, an Edmonton parent, says that her daughter's school had to use \$50,000 in casino funds to buy computers that are required by the curriculum. Obviously, two very different school worlds. My first question is to the Minister of Learning. Does the minister consider that this casino purchase was for basics, or was it for so-called extras?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. If, for example, the computer purchases were to add 10 or 15 or 20 computers to those that are already there, then I would consider it the parent council's choice as to where those dollars have gone. I would like to see from the hon. member how many computers, what the computers were used for, and all of the above in order to answer that question.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister: given that some American jurisdictions allocate close to \$150 per student for technology services, does the minister believe that the \$43 per student that we provide offers an adequate level of service to students?

Dr. Oberg: Mr. Speaker, the answer to that is quite simply no. The \$43 was a technology supplement to be used on top of the per student grant that is given to the school districts.

Dr. Massey: My third question is to the Minister of Innovation and Science. Does the minister believe that the \$43 per student will cover the cost of buying computers, evergreening, and the purchase of current software so that schools can take advantage of the Supernet?

Mr. Doerksen: Well, Mr. Speaker, the Minister of Learning is primarily responsible for the budgeting to school districts, but I would like to comment in terms of the Alberta Supernet because the advantages that that will provide to bring distance learning from remote locations to central locations is going to provide a tremendous advantage to Alberta students.

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

Electricity Prices

Mr. Mason: Thank you very much, Mr. Speaker. Yesterday over 100,000 ATCO Electric customers found out that they are to be the latest sacrificial lambs on the altar of this government's disastrous and ideologically driven deregulation scheme. They will face an immediate jump of over 120 percent in their electricity bills, and in all likelihood they will face even higher increases in the future, and all the government can say in response is that ATCO customers previously had the cheapest power in the province with the highest prices in the entire country. Some comfort. My questions are to the Minister of Energy. How high will prices and bills for electricity have to rise before this government admits that deregulation has been a failure?

The Speaker: The hon. minister.

Mr. Smith: Thank you very much, Mr. Speaker.

Mr. Mason: Is it 15 cents a kilowatt-hour, 25 cents, or even higher?

The Speaker: The question has been identified.

Mr. Smith: Mr. Speaker, one of the things that we are quite comfortable about is that we know that the prices from EPCOR are now going to be lower since he's left the management side of that company.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, given that the minister doesn't have an answer for the people of Alberta, who have to pay higher prices, and he won't give a straight answer, I'll try again. How bad does the damage . . .

The Speaker: Please, please, please. Hon. member, we have a rule about no preambles, that your caucus agreed to. It was signed. Let's get to the question.

Mr. Mason: Thank you, Mr. Speaker. How bad does the damage have to get before this government admits its mistake and fixes the problem? It's very simple.

1:50

Mr. Smith: Mr. Speaker, there has been some comment on this side of the House: would we like to go back to a socialist regulated system where we would put billions of dollars of debt on the backs of future Albertans, on the backs of future children of Alberta, on the backs of future business endeavours of Albertans? The deregulation formula was structured so that we could have generation come on at a timely rate. Now, a lot of factors have occurred since then; namely, the fact that this has been a very healthy economy. Growth means that you need new generation, and in fact – and I know that the Minister of Economic Development will want to supplement this – there has been a tremendous increase in wealth in this province. Yes, we have seen increased electricity prices, but what we see with the passage of Bill 19 is more options, now moving towards choice, new generation, and different alternatives for people in Alberta to purchase their power.

I would ask the Minister of Economic Development to supplement.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Will the minister admit that during the late 1970s the economy of Alberta grew even faster than it's growing now, yet generation was brought on in a timely fashion? There were no shortages and no brownouts, and prices were stable, not like now.

Mr. Smith: Well, Mr. Speaker, I think that an ND politician may have come up with a new Trivial Pursuit game, and it'll be called To Predict the Past. Every time we sit and have this discussion, this hon. member wants to go back to the days when there was an economy of some \$30 billion or \$40 billion. There was basically a one-strength economy. The circumstances of the 1970s were entirely different than the circumstances we're faced with today. If the hon. member would visit back in his rearview mirror, without the added comments that he wants to put in, he would find that the last regulated piece of generation took some 14 years from the time of approval to the time the first kilowatt was shipped.

Now, Mr. Speaker, if we would have tried . . .

The Speaker: Hon. minister, through the chair.

Mr. Smith: Now, Mr. Speaker . . .

The Speaker: Now, please. There are a lot of young people in the galleries today. I'd sure like to impress them with decorum.

The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Gold Bar.

Severe Acute Respiratory Syndrome

Mrs. Jablonski: Thank you, Mr. Speaker. Recent reports have talked about a mysterious illness that has already killed two people in Ontario and more in Asia. Little seems to be known about this illness. Yesterday there was a suspected case reported in Alberta. Many Albertans are concerned about this, and my question is to the Minister of Health and Wellness. Can the minister tell us what this illness is and who is susceptible to it?

Mr. Mar: Mr. Speaker, an isolated case in Edmonton of atypical pneumonia was reported yesterday afternoon by my department's provincial health office and the Capital health authority. This particular illness is now being referred to as SARS, or severe acute respiratory syndrome. This case appears to be similar to cases reported in both the cities of Vancouver and Toronto and is characterized by high fever and a cough. The patient in the particular case in Alberta was admitted to an emergency room, and because Alberta participates in the exchange of information in monitoring these types of problems throughout the world, the patient's condition was identified, and the patient was put in an isolation area while her illness continues.

At this point, Mr. Speaker, what health officials have confirmed is that this disease is transmitted person to person, specifically through sneezing and coughing. All evidence suggests that it is transmitted only through close contact. It appears that in Canada the illness has only affected recent travelers to southeast Asia, some of their family members, and one physician who was treating a patient with SARS in the city of Toronto.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you. To the same minister: can the minister tell us what his department is doing to protect Albertans from this illness and what precautions Albertans can take to avoid this illness?

Mr. Mar: Mr. Speaker, I think I need to give a very short history on the illness to put it in perspective and outline, then, what provincial health officials are doing in response. The World Health Organization issued an alert on the 12th of March of this year concerning cases of SARS in Vietnam, Hong Kong, and China. The following day Health Canada reported several people ill in the cities of Toronto and Vancouver. Based on that report, my department's provincial health office advised the regional medical officers of health throughout the province, the Provincial Laboratory, and Alberta physicians to increase surveillance of respiratory illnesses that were accompanied by fever, specifically with respect to individuals who had a history of recent travel in southeast Asia. Physicians were also asked to notify their medical officers of health as soon as they found suspect cases so that appropriate officials both provincially and federally could be notified.

Our office is in daily contact with Health Canada and regional health officials to ensure that new information is shared as quickly as possible. We are working with our global counterparts to identify

the organism that is responsible for this illness so that a potential treatment can be identified, thereby slowing the speed of the illness.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you, Mr. Speaker. Can the minister tell us what precautions Albertans can take to avoid this illness?

Mr. Mar: Well, Mr. Speaker, I first of all want to assure Albertans that we have thus far just had a single, isolated case in Alberta at this time, involving an individual who contracted the illness while traveling in Asia.

At the best of times, Mr. Speaker, we should always say that Albertans should be encouraged to wash their hands regularly to avoid contracting or transmitting respiratory diseases. Health officials are following up with other passengers who may have been exposed to this while on flights traveling to and within Canada and with family members of current cases. As well, individuals returning to Canada from Asia are being made aware of the illness and to watch for symptoms such as high fever and cough or difficulty breathing. If such people do find that they're experiencing these symptoms, they should contact their family physician.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for West Yellowhead.

Energy Marketing

Mr. MacDonald: Thank you, Mr. Speaker. Yesterday the Premier told this House that he was "not aware of any high-pressure sales tactics being used by any . . . marketers." But last week an energy marketer visited an 89-year-old woman named Annie Matlock in the constituency of Edmonton-Gold Bar and even asked for a copy of her late husband's death certificate. Mrs. Matlock, like so many Albertans, did not have enough information about the energy marketplace to protect herself from the high-pressure tactics and the offers being made and ended up signing a contract she later regretted. The company, to their credit, delivered a handwritten apology to Mrs. Matlock the following day. My first question is to the Premier. Where can seniors, who often don't have Internet access, go to find out what rights they have when an energy marketer comes knocking on their door?

Mr. Klein: Mr. Speaker, the hon. member is absolutely right, but to try and twist it to somehow implicate me in this particular problem is, I think, to say the least, misleading the House. I wasn't aware and I'm not aware as to what various salespeople do relative to the sale of any commodity, whether it's electricity or roofing or sidewalk repairs or anything else. The department to which this elderly person and any other person who feels that they're being misrepresented can turn is the Department of Government Services, and there are consumer protection programs relative to that particular department. The minister is not here today, but I will endeavour to get either the toll-free number or the Internet web page and pass it on to the hon. member.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. The Premier knows full well that energy deregulation is the first problem here.

Again to the Premier: how is this government ensuring that a marketer is using only timely, accurate, verifiable, and truthful comparisons in their aggressive sales pitches?

2:00

Mr. Klein: Mr. Speaker, this has something to do with marketing electricity and offering a customer a deal. This has nothing to do with deregulation, which, as I said before, has brought on vast amounts of new power and has provided competition in the marketplace. I guess whenever there is competition, you have aggressive salesmen, and these problems will arise from time to time. But, again, as I pointed out, there is a consumer protection program in place through Government Services, and once I determine the toll-free number and the web page address, I'll pass it on to the hon. member.

Mr. MacDonald: Again to the Premier. Consumers in this province know that energy deregulation is not a good deal. Now, how is this government ensuring that an energy marketer is not abusing the trust of a consumer or exploiting any fear or lack of knowledge or experience of a customer?

Mr. Klein: Mr. Speaker, you know, I get sick and tired of this. When the prices are high, then they complain. When the prices are low, you don't hear a peep. Six months ago the price of electricity was 4.4 cents a kilowatt-hour, and we didn't hear a thing from the Liberals. Nothing. Nothing. Absolutely nothing. They use deregulation as a political football. When the prices are down, they say nothing. When the prices are up, it's because of deregulation. When the prices are down, what do they say? Oh, it's because of the Liberals. Be honest. Complain just as loudly when the prices are down as you do when the prices are up. Be honest for a change.

The Speaker: The hon. Member for West Yellowhead, followed by the hon. Member for Edmonton-Riverview.

Seniors' Utility Costs

Mr. Strang: Thank you, Mr. Speaker. My only question today is to the Minister of Seniors. Re the special-needs assistance for seniors' programs to help seniors with the rising utility costs, does the criteria change cover costs for items like propane and other alternative fuel sources?

The Speaker: The hon. minister.

Mr. Woloshyn: Thank you, Mr. Speaker. Being brief, the answer is yes. The special-needs assistance program focuses on seniors in need who don't have the financial resources to fund onetime shortfalls. We expanded it to include utilities, and under that category propane, heating fuels, natural gas, and any other items used, if you will, for utilities will be considered as part of the program.

Holy Cross Hospital Renovations

Dr. Taft: Mr. Speaker, a for-profit corporation bought the Holy Cross hospital in Calgary to provide surgical and long-term care services on contract to the Calgary health region. My questions concern renovations done at the Holy Cross by this corporation. To the Minister of Health and Wellness: given reports that secondhand carpeting, some of it soiled and even marked with cigarette burns, was installed in patient rooms during renovations at the Holy Cross, does the minister consider this an acceptable standard for a public partnership with a for-profit health care corporation?

Mr. Mar: Mr. Speaker, I'm not aware of the circumstances that have

been raised to the attention of this House by the hon. member, and if he wishes to bring forward appropriate documentation to demonstrate this to me, I'll be happy to look into it for him.

Dr. Taft: Well, then, given that substandard drywall was installed during the renovations of the Holy Cross, forcing building inspectors to issue corrective orders to meet fireguard standards, can the minister explain why he continues to approve of the contract with the owners of the Holy Cross?

Mr. Mar: Mr. Speaker, I was not aware that the hon. member had taken on a nighttime job as a building inspector.

Dr. Taft: Well, he should be better informed.

So let's try one more time. Given that the minister must grant approval of this contract, has he reviewed the government's own files that show numerous safety and building code violations concerning the Holy Cross?

Mr. Mar: Mr. Speaker, again, if the hon. member is aware of such allegations, then I'd be happy to look into them for him.

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

Edmonton Public School Board

Mr. Hutton: Thank you, Mr. Speaker. I know that the Minister of Learning has stated several times that he is in the midst of an audit of the Edmonton public school board, but I am still receiving way too many calls and letters from concerned constituents regarding the memo that the chairman of the Edmonton public school board sent out across Edmonton which states that 350 teachers could be laid off. My question is to the Minister of Learning. Is the number even remotely accurate?

Thank you, Mr. Speaker.

Dr. Oberg: Mr. Speaker, we are still in the midst of an audit of Edmonton public, and I'll be more than happy to answer that question when the audit comes in. We have seen some extremely promising results on this audit to date. We're attempting to have the audit done. We're hoping that it will be done by the end of next week, at which time I'll be able to make it public.

Mr. Hutton: Again to the same minister. A number of my colleagues attended a public forum last week, which most, if not all, of the parent councils from west Edmonton attended. They informed us that classrooms will balloon to as high . . .

The Speaker: Hon. member, I interjected earlier about preambles. Let's get to the question.

Mr. Hutton: The question is: will the minister inform us if classrooms will balloon past 30 to 33 students in kindergarten to grade 6 next year?

Dr. Oberg: Mr. Speaker, the answer to that is no. We just did the class size study that went around the province. You'll be happy to know that the classes are actually slightly under what they were last year. For kindergarten the average is slightly over 19, for K to 6 the average is around 23, and above 6 it's around 25. So I don't see that. I think Edmonton public has taken steps by adding six minutes

to each school day, which will help considerably in keeping the class size down. So there are things being done.

Mr. Hutton: While meeting with those parents last week, it was expressed that grade 10 funding was capped. My question is to the Minister of Learning. Is the cap on the number of credit courses in grade 10 still in effect?

Dr. Oberg: Well, I'll answer that in two ways, Mr. Speaker. First of all, there was no cap on the number of credits. There was a per student amount of dollars that was given for each student in grade 10, and that amount is \$4,997.

Mr. Speaker, it is very interesting to note, though, the reason this was done. The reason it was done is that last year, in '01-02, we had over 200 cases of students who had more than 70 credits per year. Another very interesting thing is that last year there was approximately \$250,000 clawed back from Edmonton public for – and I'll give you the examples – first of all, inappropriate claims, where students were given credits for courses that they didn't take, that they were never registered in. In other cases students were given credits for simply casting ballots in a student election and attending regular school assemblies. There was a lot of abuse. The Auditor General even brought this out and said that there was a lack of accountability. Since that time, we have looked very closely at CEUs, and there will be changes brought forward this September.

Mosquito Control Program

Ms Carlson: Mr. Speaker, last year over 300 people in Ontario were infected with the West Nile virus; 11 of those infected died. We now know that the advance of the West Nile virus is threatening Alberta and its people, but in spite of this fact this government refuses to help stop the spread of the virus to Albertans. My questions are to the Minister of Environment. Given that mosquitoes are exclusively how this virus is transmitted, why does this government not have a program to help control mosquito populations in Alberta?

The Speaker: The hon. minister.

Dr. Taylor: Thank you, Mr. Speaker. It's a good question the member has asked. Until 1993 the province was working with the municipal governments in funding mosquito control programs, but in 1993 a deal was done with the municipalities where they would take over their own mosquito control programs, and that's where it sits today. The municipalities have had that responsibility and official control since 1993.

Ms Carlson: Mr. Speaker, with this new problem that's occurring, can the Minister of Environment explain how he expects municipalities to shoulder the additional burden of mosquito control and education now, when this government has drastically reduced funding to those municipalities?

2:10

Mr. Mar: Well, Mr. Speaker, we expect to find West Nile virus in Alberta in 2003, quite likely, in a bird first and perhaps in horses and eventually in human beings. There has been one case of West Nile reported here in this province from a person who contracted it while traveling in the United States.

Now, we do have a contingency plan for West Nile virus, but it's based on the best information about this disease in North America and on environmental and biological factors specific to the province

of Alberta. We are preparing a provincewide physician education program to ensure that all physicians are aware of this disease and how to test for it and whether or not and when they should refer a patient to a specialist.

Mr. Speaker, starting in April, we will be providing Albertans with timely information about the developments of this disease and about how Albertans can best protect themselves from the infection. We will continue to monitor the presence of this particular virus, again, in birds and in horses, and we will notify Albertans as soon as we note the virus's arrival in this province.

I should note that in places in other parts of Canada where spraying has been introduced as a way of dealing with the mosquitoes, there are health hazards associated with what is referred to as fogging. It is the best advice of our medical officers that the risk associated with fogging actually exceeds the risk associated with contracting West Nile virus. The likelihood of actually showing some of the problems associated with this virus are one in a thousand. It is a disease that, from the best advice that we have, is relatively modest compared to, for example, this issue of SARS.

So, Mr. Speaker, we are focused on the issue of West Nile virus. We do have a plan in place, but I want to point out that spraying mosquitoes is not necessarily the best way of dealing with it.

Ms Carlson: Mr. Speaker, my questions are to the Minister of Environment because we want to solve this problem before it becomes a health issue. To this minister. I agree that spraying isn't the only option. There are lots of other options out there. Is he going to be involved in a program to educate individuals on how they can reduce mosquito breeding areas in places like their backyard ponds and rain barrels?

Dr. Taylor: Certainly, Mr. Speaker. We already have information like that available in regard to not allowing standing water to exist in your backyards or rain barrels, as she's used. We encourage people to get rid of standing water like that, but it's not something that we can enforce. As the minister of health has quite clearly stated, we have a good plan, giving people information on how to protect themselves; for instance, wearing protective clothing, wearing mosquito repellent. We have this plan in place, and we will continue to monitor the situation as we go forward.

Postsecondary Tuition Fees

Dr. Pannu: Mr. Speaker, this Friday the board of governors of the University of Calgary will meet to consider hiking tuition fees for all students and imposing even higher differential tuition fees in the faculties of business, law, and medicine. In a document that I will table later, the university president, Harvey Weingarten, lays part of the blame on a 70 percent hike in the U of C's utility costs in the past two years. The planned tuition hikes will just about cover the hike to the U of C's utility costs. To the Minister of Learning: why is the government making students pay for its failed deregulation scheme through steep tuition hikes at the University of Calgary and other such institutions in the province?

Dr. Oberg: Mr. Speaker, under legislation that was tabled in this Assembly approximately six or seven years ago, the student will pay at most 30 percent of the cost at a particular university. So, basically, what that means is that the government, private business, and other individuals are paying for roughly 70 to 75 percent of those students' fees.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: will the minister on behalf of postsecondary students make representations to his cabinet colleagues to scrap the disastrous utility deregulation policy, thereby allowing universities to limit the increase in tuition fees, to give them some breathing room so that they can contain the rise on a yearly basis?

Dr. Oberg: No.

Dr. Pannu: Appalling indifference, Mr. Speaker.

My last question to the same minister: why does the minister refuse to admit that the \$9 million in additional utility costs at the University of Calgary is directly linked to their planned hikes in tuition fees and do something to stop this increase from taking place?

Dr. Oberg: Mr. Speaker, currently the University of Calgary sits approximately number 29 out of 45 universities when it comes to the level of tuition fees. They are currently looking at putting in a differential fee for things such as business, law, and medicine. Interestingly enough, at the University of Toronto the Faculty of Law now charges approximately \$16,000 per year for tuition. They also undertook a study which shows that the socioeconomic status of the participants in their faculty actually did not change when their tuition went up to \$16,000.

As we look across the country, we see tuition in these three faculties being extremely high. Mr. Speaker, in medicine, for example, across the country we're approaching \$9,000, \$10,000, \$12,000. We want to ensure that our universities have the spaces available for our students. The average cost of a medical degree is around a hundred thousand dollars per year of which these students are paying about \$6,000 or \$7,000. What this simply means is that the rest of the students are subsidizing those students in medicine.

Mr. Speaker, I strongly stand behind the board of governors of the University of Calgary in their decision-making process that will take place this Friday.

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

Mental Health Services

Ms Kryczka: Thank you, Mr. Speaker. Some of my constituents in Calgary-West and others in Calgary are concerned over an apparent lack of information regarding the government's plan for transfer of responsibility of mental health services in Alberta from the Alberta Mental Health Board to the regional health authorities. My first question is to the Minister of Health and Wellness. Will the minister explain the details of the transition plan and why they have not yet been communicated to mental health staff or the public?

Mr. Mar: Well, Mr. Speaker, we actually have been in contact with the employees, and the Mental Health Board has developed an internal newsletter specifically to alert staff to new developments. Seven issues of this newsletter have been produced to keep staff informed. The transition plan includes the transfer of programs and services on a geographic basis, protection of funding for mental health programs and services, maintaining the Mental Health Board in an advisory role with governance responsibility for provincewide programs like forensic psychiatry. We will continue to communicate extensively with mental health employees and service providers and stakeholders.

I personally have been in contact with Mr. Dan MacLennan of the Alberta Union of Provincial Employees to facilitate further commu-

nication. Information sessions have been held for mental health physicians and senior administrators both in Calgary and Edmonton, and these sessions are also available to other sites through teleconferencing. Presentations have been made to key stakeholder groups such as the Alberta alliance for mental illness. Finally, Mr. Speaker, last month a videoconference was held for staff and union members of AUPE throughout the province, and senior human resource staff were available to respond directly to their questions.

The Speaker: The hon. member.

Ms Kryczka: Yes. Thank you. Mr. Speaker, my first supplemental question is to the same minister. Can the minister assure us that after the transition mental health services will receive designated funding through the health regions, which would certainly be in the best interests of mental health patients?

Mr. Mar: Mr. Speaker, the short answer is yes. I want to assure members of this House and Albertans that dollars that are currently targeted for mental health will not be diverted to other types of programs as a result of going to regional health authorities. Regional health authority business plans will ensure that mental health funding will continue to be allocated to meet the needs of mental health patients in that region.

The Speaker: The hon. member.

Ms Kryczka: Thank you.

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

2:20

Breakaway to Win Hockey Lottery

Ms Blakeman: Thanks, Mr. Speaker. In January 2002 the government introduced the new breakaway to win lottery for the Calgary Flames and the Edmonton Oilers. At that time, I questioned whether or not these tickets would be added competition to existing scratch-and-win tickets whose revenue goes into the Alberta lottery fund to help charities, nonprofits, and volunteer agencies. Interestingly, Alberta Gaming has now gone to a \$5 ticket instead of the \$10 ticket they started with. My questions are to the Minister of Gaming. Why did the department break its commitment that these hockey tickets would not be in direct competition with other scratch-and-win tickets, particularly in the \$3 to \$5 range?

The Speaker: The hon. minister.

Mr. Stevens: Thank you, Mr. Speaker. We monitor the volume of lottery tickets which are sold within the province on a regular basis, and I can advise the hon. member and other members that, in fact, on a budget basis the sale of lottery tickets is up over budget for the year, so it would appear that lottery tickets are doing very well notwithstanding a relatively small part of the market being taken up by the hockey tickets.

The Speaker: The hon. member.

Ms Blakeman: Thank you. What was the rationale to changing to the \$5 ticket from the \$10 ticket?

The Speaker: The hon. minister.

Mr. Stevens: Thank you, Mr. Speaker. In business – and the issue of lottery tickets is a matter of business – it's necessary to create some variety and interest in order that people continue to have some attraction to the product. So it's quite natural and necessary, indeed, that over time the product changes, and in this particular case one of the changes that was effected was a change in price from \$10 to \$5.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Does the minister have any background information or any studies that would lead them to believe that this \$5 version is going to be more successful than the \$10 version was?

Mr. Stevens: Like all lottery tickets ultimately the people who work on it are expert in their field. They do the best they can to design the ticket. The hope is that it will be successful, but at the end of the day the marketplace and marketing that goes along with the particular product determines whether it will be successful or not. I can advise this member that both breakaway versions to date have been successful in that the hockey teams will receive funds, in fact have received funds, as a result of the sales, and we anticipate that the \$5 version will be successful also.

The Speaker: The hon. Member for Calgary-Fort, followed by the hon. Member for Drayton Valley-Calmar.

Bilingual Programs

Mr. Cao: Thank you, Mr. Speaker. Last week the federal government announced that it will be spending about \$750 million in bilingual programming across Canada. Part of these funds will be targeted to increase the number of high school students speaking French. My question today is to the hon. Minister of Learning. How will this funding impact Alberta schools?

Dr. Oberg: Well, as is often the case with the federal government, they have not fully announced any strings that are attached to these dollars. Mr. Speaker, I would say that I'm cautiously optimistic that they will help the students of Alberta in promoting French as an alternative language, as a language that can be learned within our schools. We hope that it will be an adjunct to what we already do, but the biggest issue is that we don't know what strings are attached. We don't know how the money will be divvied out across the country. We certainly hope that it is the federal government's intention to ensure that all students in Canada will benefit from this program, but again I really have to stress that we just do not know where these dollars are and where they're going to be spent.

The Speaker: The hon. member.

Mr. Cao: Merci, M. le Président. Une question secondaire pour le même ministre. My second question is to the same minister. With our plans for mandatory second language training in schools will this mean that schools have to use these dollars to offer French programming only?

Dr. Oberg: Well, Mr. Speaker, it certainly looks that way, that it will be directed directly towards French, and I actually agree with the federal government on this as it is their direction for bilingualism to support both of Canada's official languages. What I do hope, though, is that we will be able to use this funding, which will free up funding for other languages. I feel that the advent of second languages, the bringing in of second languages into our curriculum,

is an essential component of what we teach our children. So we will be doing that, and again I'll just reiterate that I'm cautiously optimistic that these dollars will be put towards good usage by the department in Ottawa.

Thanks.

The Speaker: The hon. member. C'est tout fini?

Mr. Cao: Oui, monsieur.

The Speaker: Then the Member for Drayton Valley-Calmar.

Trucking Regulations

Rev. Abbott: Thank you, Mr. Speaker. Proposed changes to the regulations concerning the amount of time that truck drivers can be on duty and the hours of service they can operate are scheduled to change in the near future. My constituency has a large number of oil field trucking companies and forestry companies, and they need to know how these proposed changes will affect them. My questions are for the Minister of Transportation. How were these proposed changes to drivers' hours of service developed, and when will they come into effect for Alberta?

The Speaker: The minister.

Mr. Stelmach: Thank you, Mr. Speaker. All the transportation ministers have been working on standardizing hours of service over the past two years. We've held public consultations in all of the provinces. The purpose here is to improve traffic safety but at the same time allow for the growth of trade and commerce. Transport Canada has recently published their amendments to the hours of service, and we will be working with them in harmonizing them because, again, here their jurisdiction is over the provincial borders. We'll be consulting with our businesses, our transportation people as to how we're going to enforce those rules within the boundaries of Alberta.

The Speaker: The hon. member.

Rev. Abbott: Merci beaucoup, M. le Président. My first supplemental to the same minister: will the rules be the same across Canada for similar industries?

Mr. Stelmach: Mr. Speaker, not necessarily. Presently oil and gas and agriculture have exemptions, and so does forestry, but in the new rules that are coming forward, it seems like the federal side of forestry will not be exempt further. As I said, we're still going to work with the industry to see that the primary cause, of course, is safety, but on the other hand we want to ensure that it doesn't impede the growth in those industries.

The Speaker: The hon. member.

Rev. Abbott: Thank you, Mr. Speaker. My final supplemental to the same minister: will you commit to consulting with trucking firms that operate in the natural resources industries on the implementation of drivers' hours of service?

Mr. Stelmach: Mr. Speaker, I'm getting a lot of advice back here as to what language I should use in responding to the question. Yes, we do commit to consulting with the industry. It's imperative that we take our time to consult with all industry to ensure that at the end

of the day we find the balance between safety and the ability to conduct their business, not only protecting their workers but also allowing for the growth of trade and commerce.

The Speaker: Hon. members, as the last comment by the hon. Minister of Transportation will probably elicit phone calls to my office about the language of the Assembly, I'd like to make it very, very clear to all those listening that hon. members may use any language they choose to use in this Assembly without restriction.

Speaker's Ruling Responses to Questions

The Speaker: Just a little clarification arising out of question period today. There was a series of questions and exchanges from the hon. Member for Edmonton-Ellerslie to the Minister of Environment. On the second question the hon. Minister of Health and Wellness responded to the question which then elicited a response from the hon. Member for Edmonton-Ellerslie saying that her questions were to be directed to the minister of health. All hon. members know that when questions are directed, they are directed to the government and the government may choose to answer and respond to the question. In this case, as the hon. Minister of Health and Wellness responded to the question, it is deemed quite appropriate because in the order of precedence, in fact, the hon. Minister of Health and Wellness comes before the Minister of Environment. So that certainly meets the test about responding on behalf of the Assembly per se.

Speaker's Ruling Decorum

The Speaker: The hon. Minister of Energy should not feel that when the chair rose with respect to his comments on decorum, they were directed directly to him. They were directed to all members of the Assembly, and they were not directed in any particular direction, to anyone.

Now, did the hon. Minister of Energy feel that I had cut him off before he concluded his answer? If he wishes to supplement the answer he was giving, I'll certainly give him an opportunity to do that now.

Mr. Smith: No, Mr. Speaker. I have nothing further to offer, but I do want to thank you for that clarification.

2:30head: Members' Statements

Federal Gun Registry

Rev. Abbott: Mr. Speaker, I rise today to let this Assembly and all Albertans know that on March 9, 2003, I visited the Canadian Firearms Centre web site, and I did what I'd hoped I would never have to do while living in this great province; that is, reluctantly I registered my guns. On January 1, 2003, thousands of average Albertans became criminals by default. That's right. By doing absolutely nothing, they became chargeable under the Criminal Code of Canada.

The federal gun registry is not only a colossal waste of money; it's also a bad law. Alberta and other provinces have strongly opposed the universal licensing and registration of all firearms imposed by the federal Liberal government through the federal Firearms Act. My government took the position that these regulations and licensing provisions were beyond the constitutional authority of the federal government. We launched a legal challenge to these provisions and pursued this challenge all the way to the Supreme Court of Canada. But you know who appoints the Supreme Court judges, Mr. Speaker: the Prime Minister. So, needless to say, we were not successful in our constitutional challenge of this bad federal legislation.

The June 2000 decision by the Supreme Court upheld the constitutionality of the legislation so that the Firearms Act was deemed valid, valid but not good and not right. Alberta remains opposed to the provisions on the basis that they are extremely expensive to implement and do not prevent or discourage the criminal use of firearms. As the Premier often says, a criminal is not about to stop and register his guns on his way to rob a bank.

Mr. Speaker, our government believes that it would be far more effective to have Criminal Code provisions that are stronger with respect to the criminal misuse and possession of firearms rather than a wasteful and expensive licensing and registration system that penalizes law-abiding Albertans. We further believe that the billion dollars spent should be applied to the enforcement of existing laws rather than the ineffective program of registry.

Mr. Speaker, in conclusion, I would like us to look further into the proposal put forward by the Responsible Firearms Owners of Alberta called the Alberta Western Firearms Heritage and Historical Act.

Thank you, Mr. Speaker.

Wealth Transfer

Mr. Lord: Mr. Speaker, the wealth of a nation and wealth transfers within nations are not measured in dollars and cents alone. The greatest asset of any nation is an industrious and creative population, and Alberta has truly been blessed in this regard and also to see so much talent moving here from across Canada. In fact, this brain gain could easily be valued at a minimum \$350 billion into Alberta, dwarfing any cash flows in the other direction. But this does not mean that we should rest on our laurels.

Alberta has also been losing a few of our best and brightest for a variety of reasons, some of which maybe we could have fixed. I think it would behoove our government to be aware of our own losses in this regard, to study why people moved elsewhere, and to find out what we could maybe do to improve the situation. For example, we have seen a lot of Alberta talent in the film, entertainment, music, and art community leave. What might a Todd McFarland have done for our economy had he stayed? Many small business entrepreneurs, including an Alberta entrepreneur of the year, have also left for a variety of reasons, one of which is a parochial approach to and subsequent lack of venture capital, a market in which Alberta is still only a minuscule player globally. Perhaps a stronger push towards harmonized national security regulations might have helped.

What is the value of people like this lost to our province, Mr. Speaker? Well, let's just take the case of one person, Dr. Norm Dovichi, who, while right here at the University of Alberta, invented technology that was absolutely instrumental in cracking the human genome. If we had just helped out that one individual, Alberta may well have been at the worldwide forefront of an industry that will rival our oil and gas industry. But we didn't recognize that, and for want of a relative pittance of research and venture capital dollars he went elsewhere.

Proud of Alberta as we are, there is more work to be done. We need all the inventors, entrepreneurs, and creative people we can get, and we need to encourage the ones we already have to stay here.

Thank you, Mr. Speaker.

Education Funding

Dr. Massey: Last week an Assembly exchange between a member and the Minister of Learning revealed a serious disconnect between the government and life in Edmonton schools. For the government the glass is more than half full. For them billions are being spent,

achievement scores are high, and teachers are the best paid in the country. Any problems are dismissed as the work of incompetent trustees or pesky teachers. For Edmonton parents there is little water left in the glass. Schools are cutting teachers, lack the money needed for textbooks and computers, and class sizes are growing. Parents are fund-raising for basics and a whole range of other items to free up school dollars for basic programs.

A letter I tabled last week from Mr. D. Vinge captured this disconnect. Mr. Vinge wrote: "I have noticed that when people with genuine concerns are asking questions, you throw out statistics . . . I think it would be so much more helpful if you could sincerely address parent and teacher concerns."

How has the government become so out of touch? Part of the answer rests in the kind of information the government uses to counter parent claims. For parents billions of dollars are meaningless. What counts is how many dollars arrive at the school door to cover costs. Are there enough dollars for reasonable class sizes, to buy needed textbooks and computers? Is there enough to hire support staff and provide services for special-needs students? The answer to these questions in many schools is a resounding no.

When the government hides behind billion dollar budget figures, they offend those who know better and contribute to the adversarial position they now find themselves in with parents and teachers, and they further add to the disconnect, that was highlighted again yesterday when a parent in the gallery shouted out in frustration at the minister's responses.

The time has come for the government to heed Mr. Vinge's advice: "I have no time for a regurgitation of your stats. We need solutions."

Thank you.

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

Global Conflict

Mr. Cao: Thank you, Mr. Speaker. As a person who has grown up and lived through the long 30-year war in Vietnam and now living in freedom in the peaceful land of Canada, I want to share my experiences and perspective.

To the leaders and the people of the hot spots of the world may I say that the measurement of the people or nation is neither in building or owning weapons of mass destruction nor the quantity of the populace. The true measurement is in the long list of achievements in mass construction of humanity and the quality of its people. The same could be said about those who aspire to compete on religious grounds. I believe the final judgment is based on human quality, not the quantity of controlled followers.

To those living far from the areas of problems, we need the ability to differentiate the criminal leadership from the populace on which they exert deadly control and to prevent that leadership from hiding in the name of the populace, race, national independence, or religious pretext. Human rights and freedoms and democracy for all humanity must be the only guide for our determination and fight against the scourge of tyranny, domination, discrimination, inhumane activities even by a government on its own people within its own boundaries.

The world has missed a great opportunity. Now we have to find and create a new one. The vacuum created by the end of the Cold War was quickly filled by the attitudes resurfaced from the Dark Ages. The world leadership failed to raise high the torch of humanistic ideals and take appropriate measures to prevent inhu-

mane events. The UN as an organization not only has the global mandate but needs the authority and help of strong force and determination to carry it out.

Thank you.

head: **Introduction of Bills**

Bill Pr. 1

Sisters of St. Joseph of the Province of Alberta Statutes Repeal Act

Mr. Griffiths: Mr. Speaker, I request leave to introduce a bill being Sisters of St. Joseph of the Province of Alberta Statutes Repeal Act.

[Motion carried; Bill Pr. 1 read a first time]

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

Bill Pr. 2

Forest Lawn Bible College Act

Mr. Pham: Thank you, Mr. Speaker. I request leave to introduce a bill being Bill Pr. 2, Forest Lawn Bible College Act.

The purpose of this bill is to set up a bible college in Calgary. Thank you, Mr. Speaker.

[Motion carried; Bill Pr. 2 read a first time]

2:40head: **Tabling Returns and Reports**

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. On behalf of the hon. Minister of Agriculture, Food and Rural Development I'm pleased to table copies of the responses to questions raised during supplementary estimates debate for the Department of Agriculture, Food and Rural Development on February 27, 2003.

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

Mr. Cenaiko: Thank you, Mr. Speaker. I'd like to table the required number of copies of 59 letters supporting Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. I'd like to mention that these letters being tabled are from Calgary and surrounding communities. I think this helps make the point that there is a desire and support for the legislation that preserves and rebuilds communities battling prostitution.

Thank you, Mr. Speaker.

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

Mrs. Ady: Thank you, Mr. Speaker. I rise today to table a newsletter with the appropriate number of copies from Dr. Brendan Croskery, the superintendent of the Calgary board of education, entitled Collaboration with Government. He says in this letter that "over this past year international assessments of student achievement have placed Alberta students in the front rank of all achievers in the world." He feels that there are many reasons for this, but one is because "the policies of our provincial government have made a significant contribution to student achievement." He also states that he believes there is strong evidence that government . . .

The Speaker: Please. Sit down. It's called tabling, not editorializing. This applies to everybody.

Proceed. Do you want to table?

Mrs. Ady: Yes. Could I go ahead and table?

The Speaker: Absolutely. Please table.

Mrs. Ady: I can complete? Thank you.
It's just because of collaboration . . .

The Speaker: Hon. member, just table the document. We'll move on. Okay? This applies to everybody. There's way too much editorializing going on.

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I have two tablings today. The first one is the energy policy from the Communications, Energy & Paperworkers Union of Canada that was adopted at their convention in September of 2002.

The second tabling I have this afternoon is on behalf of a Calgarian, Mr. Robbie White, who would like to express his concerns about tuition increases in this province.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I've got two tablings today. The first is five copies of a document from the president and vice-chancellor of the University of Calgary, Professor Harvey Weingarten, in which he draws attention to the increase in utility costs from \$13 million in 2000 to \$22 million this year.

The second tabling, Mr. Speaker, is just copies of a postcard campaign that was run by the University of Alberta Students' Union calling on the government to "freeze the fees" for this year.

Thank you, Mr. Speaker.

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

Ms Blakeman: Thank you, Mr. Speaker. I have two tablings. The first set is an announcement of the second annual Suicide Awareness March, which I attended on Friday. With that, I'm tabling copies of an information sheet prepared by the Support Network on suicide statistics.

My second tabling is a letter from a constituent, Claire Crummy, who is concerned that "Canada must reject the paradigm of endless war and embrace a paradigm of peace." I'm happy to support her in her peaceful stance.

Thank you.

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

Dr. Taft: Thank you, Mr. Speaker. I have 10 tablings today, but I'll move through them very quickly. They are a series of letters expressing concern over steeply rising tuition fees at the University of Calgary, which, the correspondence says, makes it difficult for students to continue their education. They are from Travis Murphy, D.B. Brown, Tanya K., Tyler Johnson, Robbie White, S.K. Cheria, Navid Nikou, R.T. Bergen, Kirstyn Elizabeth Nay, and J.D. Goble. Thank you.

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

Mr. Mason: Thank you, Mr. Speaker. I have one tabling today. It's a document titled City Centre Education Project: Planning 2003-2004, for McCauley school. This document states that the school

budget will be reduced by \$280,000, resulting in staff reductions of three teachers, two support staff, larger classes, and program reductions.

head: **Orders of the Day**

head: **Government Bills and Orders**

head: Committee of the Whole

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, I'll call the committee to order, but prior to calling the bill, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

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

Mr. MacDonald: Thank you, Mr. Chairman. It's a pleasure to rise and introduce to you and through you to all hon. members of this Assembly a gentleman who is present in the public gallery. Mr. Lionel Laverdiere is visiting the Assembly this afternoon, and he is a business manager with Operating Engineers, local 955. I would now ask him to please rise and receive the warm and traditional welcome of this Assembly.

Bill 19

Gas Utilities Statutes Amendment Act, 2003

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

Ms Carlson: Thank you, Mr. Chairman. I'm happy to have an opportunity to speak once again to Bill 19, Gas Utilities Statutes Amendment Act, 2003, in committee. We have many concerns about this bill, and we are waiting for some of the answers from the government and some explanation of why it will happen that with this bill, while we are going to see the ability for people to enter into the signing of contracts, it will put many people at a disadvantage. What happens when you sign those contracts? Companies aren't foolish. They're in this to make a profit, so they're going to make sure that any contracts signed are at a price that's going to guarantee them a flow of income, which means that consumers are going to be paying a higher price.

Who is it, Mr. Chairman, that's going to be forced into a position where they have to enter into these long-term contracts? It's the people who don't have the available cash ready to be able to follow the spot prices of the market. So most of the people in this Assembly won't have any problem having a reserve of money within their households so that they can ride out the high prices but take full advantage of prices when they're lower in the marketplace. That opportunity isn't available to everybody in this province. Many people, first of all, don't understand the whole process, and they don't understand that there are going to be some highs in the marketplace and some lows in the marketplace. They're just going to believe what they're told by, as we have already heard in this Assembly today, what are often high-pressure salespeople trying to lock them into a long-term contract that is going to give them stability in prices, yes, but it's also going to give them a long-term increase in prices without any options out.

For instance, we heard about the case today of the woman who was 89 years old who was talked into signing a long-term contract, a five-year contract, in fact. What are the chances, Mr. Chairman, that a woman of that age is going to remain in that home for the next five years? I would say that there's a very high chance that she wouldn't be there for the full time, and in that case how does she get out of that contract? In fact, if you take a look at the fine print that's listed there, it's going to be very difficult for her to do that without paying high premiums. Nobody is telling these people out there that these are the risks that they're entering into by doing this. Nobody is telling them that it's those who can least afford it who are going to be bearing the biggest brunt of the burden for leveling out the prices in the future. They're going to pay a premium. Why? Not because they don't work hard and aren't committed to trying to lower the overall costs of their house but because they can't afford to do anything else, and that's a real disadvantage.

2:50

What I talked about the last time I was in the Assembly and which I would like to go back to in a little bit more detail today, Mr. Chairman, is something that leads into these earlier comments, and that's consumer education. We found that people really don't understand what's going on out there. Many people in the marketplace don't understand. In fact, it has come to our attention that many people in the Department of Energy, including some of the communications staff, don't understand what's going on here and have had to go to outside sources, including us as the Official Opposition, to get a handle on exactly what the consequences of actions can be. So how do we expect the average consumer out there to really know what's occurring here and to understand what their options are and to understand how they can best take advantage of low prices? They don't. We need consumer education.

This has been borne out in other jurisdictions who have taken a serious look at focusing on energy, focusing on energy efficiency options, and focusing on consumer education. I would like the Assembly to have the opportunity to see what they are doing in Wisconsin in this regard, in the States.

Now, we hear lots of times that this government holds up various states as real role models for delivering service and for being efficient and effective and being low-cost providers and separating the state from business opportunities. We hear that often, Mr. Chairman, so this afternoon I'm going to walk us through a few of those states who do have different incentive programs and good consumer education programs, hoping that some of these great ideas may rub off on this particular government and that they may be able to incorporate them in their downstream planning as this bill unravels and we see the kinds of problems it's going to be facing in regulations.

If we take a look at the state of Wisconsin, they have a very interesting benefits program for providing supports for clean, affordable, and reliable energy. First of all, I'd like to review the focus on energy outline they have of how their staff is delineated, in fact what turns out to be an organizational chart, which gives us a perspective on how important they see education and training being as a part of what happens when they roll out information to their shareholders or their citizens. This information comes from the Wisconsin Energy Bureau. They have administrative advisers and the Department of Administration, division of energy, and the Public Benefits Council at the top. From the department of energy come compliance agents, an evaluation team and technical advisory group. Then rolling out of that, they have low-income programs. So imagine a state that has low-income programs for energy efficiency. Haven't we asked for that in this province, and wouldn't it have been

a good part to put into this particular bill? Wouldn't it be a great idea for a follow-through bill so that we see in legislation that this government is actually committed to making sure that people on low incomes in this province don't freeze in the dark?

So they've got the low-income programs directly underneath that. They have energy services and a weatherization program which is particularly focusing on energy-efficient measures and a stream of information that just educates that group of citizens. Those are low-income programs for people who appropriately qualify for them. The next phase of the program is residential administrators. So, once again, within their department they have a whole stream dedicated to low-income programs, and then they have a whole stream dedicated to residential administrators, which is quite different than this government, which has a whole stream dedicated to big business and nothing dedicated to anybody else.

Under the residential administrators what they have are the single-family, multifamily programs, so exactly what we've been asking for. Those who own their own homes, those who live in multiple residences, those who rent are all covered under this particular program, and then they have another whole area that just focuses on education, training. So exactly what we've been asking for here: let's tell these people who don't understand the program what's available, what's out there, what really is in their long-term benefit, the risks that they're taking, the kinds of forecasts that we can believe they're going to be paying as prices in the future.

Then they have a whole section designated to technology research and development. Then they have another whole sector dedicated to major markets administration. This is where the only focus of this government has been, on major markets administration. That talks about industrial and commercial programs. Now, so far what we see are just industrial and commercial pricing schemes in this government. We don't see actual programs that focus on what Wisconsin does, which has another department that talks about education, training and then another department that talks about technology research and development. Well, isn't that exactly what small businesses and medium-sized businesses are looking for now? They need to know what's available out there. They need to know how they can access technology research and development so that, in fact, they can take a look at stabilizing their prices.

It isn't enough to say that they're going to be able to enter into long-term contracts. Long-term contracts with whom and with what kind of energy sources? That information isn't available right now. What we have are a lot of companies that are under a lot of pressure to just maintain their daily functionality with increased gas costs, as we see coming through with this bill, not wholly as a result of this bill, but certainly this bill is a contributing factor to a greater or lesser degree. We see that debated in this Legislature, but certainly this bill is a contributing factor.

So now with them having to increase their output just to be able to cover their operational costs at a business level, who has time to go out there and start searching, on a cold basis, for research and development opportunities and educating themselves on what their other options can be and figuring out who the low-cost providers are and what they can access? It's an impossible task to ask these people. So what's going to happen is we're going to have businesses with very low or no profit showing. We'll see reduced incomes for business owners. We'll see an increase in debt being carried by these businesses. Ultimately what we'll see is an increase in bankruptcies. Why? Because this government couldn't figure out how to do deregulation properly in the first place and streamline electricity and gas together. What we see, once again, is this kind of ad hoc bill come in, like Bill 19, instead of what the market needed. It isn't like they weren't told that the market needed this. We've

been telling them for at least five years, and they haven't listened, but this is what Wisconsin has done. They've got a whole stream just dedicated to education and technology research and development for industrial and commercial programs.

Then, Mr. Chairman, looking forward, what else do they have? They've got a renewable administrator. So this is something that the minister of science and technology should've been taking a look at in terms of building this into the program because it's really forward-thinking what Wisconsin has done. They've taken and developed a market barrier program. Excellent. Exactly what we need here when it comes to energy costs.

3:00

It never used to be a problem in Alberta. Before deregulation we would never consider gas prices or electricity prices to be a market barrier. In fact, it was an advantage for us because this province has always been a low-cost provider, and in fact the low cost that was available to businesses and individuals was a large incentive for many head offices and other kinds of businesses to locate here in this province because the cost of operations were low. Low overall costs for lifestyle choices were a very positive factor for people relocating their families here. Not anymore. Now we have the same problem that some of those other states and other countries have had in the past, and those are market barriers.

Wisconsin recognizes this, and they have put in place a market barrier program section under their renewable administrator so that they can identify what they are, and they can start to problem solve on solutions. Light years ahead of where this government is, Mr. Chairman, but something certainly that could've been rolled into this particular bill.

Under the market barrier program they have education training, so once they have identified the barriers, they can do some training on how to get around them, get over them, get through them, or develop new alternatives, and the new alternatives come within the next field that they have here, which is technology, research, and development. So, now, what do we see? We see under the residential administrator technology, research, and development and education training. Under the major markets administrator we see technology, research, and development and education training. Under the renewable administrator we see technology, research, and development and education training. Obviously, this state considers this to be a very high priority, and this in a state that doesn't have the severe kind of weather that we have in this province.

All of those also have a single integrated marketing firm that helps them in terms of meshing all of these great ideas they have: the programs, the training, the technology development, all of the research that's being done. They have a single marketing arm that helps to integrate all of those ideas back into the marketplace. So we have the best of all worlds. We have a flat kind of an organization targeted specifically to the areas where we need information, and when there are some benefits for them to have joint programming, they do it. Exactly where we should be economically when we look at the market.

Then they also have an environmental research administrator and an environmental research forum which, of course, is very important as they take a look at the technology, research, and developments and other applications that they use, and it's very good that this goes through an environmental kind of a screen so that they can ensure that they are being environmentally friendly everywhere they go in the future and that they tie into the overall state and federal plans for hitting specific targets. So this is a really good program that we see here.

Here are some details on this particular program. It's called a

public benefits program, and it encompasses energy conservation, renewable energy development, low-income services. This was started back in 1999, Mr. Chairman, and it was part of the Reliability 2000 package that was promoted by a governor at that date and adopted by the Wisconsin Legislature. I'll be tabling this document when I'm finished my comments so that this government can also take a look at it.

I'd be happy to bring in a great idea like this in a private member's bill, but we know how far that would get. When people from this side of the House bring in that kind of legislation, it goes nowhere. Generally speaking, it's defeated at second reading. But I'm looking for solutions here in the shortest time possible, and I would be quite happy if some bright light on the government side of private members were prepared to take this forward because that would be the course of action that normally sees a bill passing through this Legislature. It's passed as a private member's statement, and then the government will not generally proclaim it, but what will happen is they'll come in with a government bill within a year or two of having first had that idea brought forward, and then we see it adopted. That would be very good because it would help us move into the place we need to be as future costs continue to escalate in this province and we continue to see instability of prices.

Wisconsin, who we don't really think of as a very liberal-minded state generally, I think – certainly, I haven't in the past – established a public benefits fund so that they could support low-income advocacy organizations and environmental organizations but also consumer and business groups and senior citizens and labour unions and retirees. Who could imagine that they could be this forward-thinking? But there they are. Good ideas for this Legislature to take a look at too.

So what happened? Where did they get the money from? Because this government always says: oh, you tax-and-spend Liberals. Well, here is a state that generally is not considered to be hugely liberal who has public benefit funds managed by the Wisconsin department of administration. So they get some of the moneys from the different transition funds, generally speaking previously spent by utilities internally for energy-efficient programs – some of that money has come into this program – and they have developed it.

So what happens here is that there are many participating utilities in this program, and the public benefits directly go to low-income, weatherization, and bill assistance. Go figure. They give their citizens rebates, Mr. Chairman, something this government promised to do but hasn't been able to follow through on. Even better than that, they talk about low-income weatherization, which means giving those people on low income access to the ability to lower the cost of their bills by retrofitting their homes. Exactly what we have been asking for in terms of a retrofit program and something that we haven't seen happen yet. I'm sure hoping that we see that come through in this particular budget.

We've heard now the Minister of Environment and a couple of other ministers talk about this program potentially being looked at and promoted by Climate Change Central. I don't think Climate Change Central has the money to put it in place. Maybe they do. Maybe there's a nice surprise coming for us in this particular budget, but I'd be surprised at that. What I think . . . [Ms Carlson's speaking time expired] Oh, Mr. Chairman, I'll have to come back. I'm not even done on this program.

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

Dr. Pannu: Thank you, Mr. Chairman. I'd like to make some general observations on Bill 19 as we enter debate on this bill in committee. The bill deals with some matters which are at the heart

of the concerns of Alberta consumers, particularly small consumers, small businesses, household consumers who are currently suffering from the spike in gas prices and having to pay huge bills to keep their homes heated, their business places warm, and to keep their water heaters going. I've been looking at some bills that have been coming through. We've been getting these bills from our municipal governments, from schools, from universities, from small businesses all across the province, public and private institutions and organizations, as well as individual families. The growth in the dollars that is indicated in these bills that all these entities have to pay on a monthly basis is truly shocking.

So when I approach my comments on this bill, when I think about this bill, I ask myself: is this bill an instrument? Is this bill a statement of a strategy that will deliver lower bills to the consumers I've just spoken about? Will it guarantee them lower bills? Will it reduce the cost to them of buying this utility, which is not a luxury? It's a necessity. I can't find any evidence in this bill that will give me even a weak assurance that if this bill is passed by this House it will put in place those arrangements which will take away the sting that these spikes result in and that it will reduce the overall costs of the gas at the very tail end of the process where it reaches the consumer.

3:10

Consumers don't care who delivers it to them, who owns the pipelines, who provides the services. All they're interested in is looking at the bill at the end of the month or the middle of the month. Mine came just yesterday, and I'm frankly quite shocked. When I looked at the amount, and when I compared it with what I paid in January and February, even this year, the increase was just quite shocking.

So why is this bill, then, being brought in? I think that what the bill really promises is a so-called choice to consumers. We already have had in this province two retailers, and now we are told that we need more. But we're not given any assurance, and there's no evidence that's produced to show that if we add a third one, a company by the name of Direct Energy – and that's what the bill seems to be designed for; that is, to facilitate the entry of Direct Energy into the Alberta consumer gas market – our bills will go down. No such indication. I can't draw those conclusions from reading the bill. I can't draw any conclusions based on the previous experience of deregulation.

So while the bill offers choice, Albertans want rebates. While Albertans are calling for this government to introduce rebates so that they could at least get some relief as they receive their bills and head to the bank to pay their monthly heating costs, and cooking costs in some cases, this bill simply offers choice without any evidence that if the choice is increased – that is, among the retailers; that's the only choice that's available – it will impact in a positive way, in a constructive way, the size of the bills that they have to pay, a size that has really grown enormously thanks to the deregulation policies of this government. So the government is frantically looking for some way in which to confuse the consumer further in order to cover up its own failure and its responsibility for the dramatic increases that Albertans are experiencing with respect to their home heating costs right now and the small businesses are experiencing with respect to the bills that they have to pay.

Just yesterday I was talking to a person that I take my laundry to, the owner of this laundry business, and she was very seriously concerned that given these increases, what does she do? Does she pass on the increase in costs to her customers? Does she cut back the wages that she pays to her employees? And the third thing that she's concerned about is that if she does the second – that is, in order

to reduce costs, she tries to cut the wages – what happens to her employees who have to pay these increased costs of home heating themselves?

So the effect of deregulation is wide-ranging. It affects a number of people, and it certainly affects the costs of everything – the cost of services, the cost of goods that are produced using energy – and this fuels inflation as a result. The cumulative impact of those increasing prices which are resulting from the speculative markets created by deregulation that's a policy of this government is very negative, very bad. It will fuel inflation; it will hurt jobs; it will lead to businesses, small businesses in particular, finding it a challenge to survive in the tightening marketplace. So why this bill is being pushed is something that's beyond my comprehension at this stage, and the only argument I hear is: the markets will take care of all of us in the long run. This faith in the market is very much like faith in some supernatural power that all we need to do is to assume that someone up there will take care of all of us, and in the same way the market will take care of us.

Well, Mr. Chairman, we know that that's not how markets work. Markets left to themselves create all kinds of serious problems, particularly when it comes to the basic needs that all of us have as human beings that must be met regardless. So long as we can afford to pay for those things, we will pay for those things, but markets don't reduce the costs. They don't make those basic needs related usables any cheaper. In fact, they made them more expensive, as we have learned from the deregulation of the electricity market and of the gas markets.

One organization that speaks on behalf of these residential consumers in particular is the Consumers' Coalition of Alberta, and I have their assessment of this bill in my hand here. First of all, let me put on record for Albertans who may happen to read the debate in *Hansard* as to what this Consumer's Coalition of Alberta does. It is

a residential utility ratepayer advocate. The CCA . . .

That is, the Consumers' Coalition of Alberta.

. . . has provided comment to the various government departments regarding issues of concern to utility customers. The CCA intervenes in utility rate hearings where the outcome of the process may impact residential utility rates.

The proposed amendments as set out in this bill, Bill 19, are supposed to sort of set a framework for the structure of the natural gas utility industry in Alberta. The comments that I find here are made by this consumer advocate in relation to Bill 19 and the amendments that it seeks to make in the existing piece of legislation dealing with natural gas utility services.

The CCA is very concerned that the proposed changes will result in more problems, very serious problems. The first one to draw attention to, of course, is the "increased costs to customers and exposure of customers to new costs or costs previously not in the utility system." I want to underline, Mr. Chairman, that in the judgment of the Consumers' Coalition of Alberta, CCA for short, one negative impact that the bill when it becomes law is going to have is an increase in costs to customers and their exposure to new costs that they previously have not had to pay. The question is then: why bring into being a law that will result in new costs to consumers?

3:20

The second negative impact that this organization draws attention to is about the "increased confusion to customers of natural gas distribution utilities and natural gas retailers." The confusion over the kinds of services for which they have to pay is the second concern that CCA expresses about this bill.

So two key negative features of this bill will either add to the

confusion of customers or add to the costs that they have to pay to get the same utility that they were getting at a lower cost in the past.

Generally the CCA views the proposed changes as paving the way for the entry of retailers to replace the sales function of existing integrated natural gas utilities. This is a change made rather than insure low cost utility services and stable rates to residential and other customers. The CCA submits that customers have not been and are not likely to be the principal driver of the proposed changes. Rather [the CCA sees] the industry driving the need to make these proposed changes so as to allow participants in the industry, operating as commercial ventures, to add costs to the system at the expense of customers.

Mr. Chairman, let there be no doubt here that the bill is designed to facilitate the entry of new industry players into the market, not in any way designed to limit or lower the costs for consumers. Quite the contrary. The expenses of the consumers will go up as a result of the measures proposed in this bill.

This statement that I just referred to above concludes with how existing costs in this industry will be increased. The exposure to new costs takes place when new entities or strata of entities, such as retailers, enter a market that was previously served by integrated utilities delivering and selling natural gas to consumers. Each new player or new strata [the CCA argues] will seek its return, and this . . . will add new costs to the whole system.

Mr. Chairman, my time seems to have run out, so I'll sit down then. Thank you.

The Deputy Chair: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Chairman. I rise today to join in the debate here with respect to Bill 19, the Gas Utilities Statutes Amendment Act, 2003, in committee. I found it rather interesting that the debate appears to wander a bit all over the map. It doesn't seem to contain itself an awful lot to the issues addressed particularly by Bill 19.

Some interesting comments and certainly one with respect to consumer education that I think has been addressed, although perhaps peripherally, by certain ministers in this government, and we do recognize that consumer education will be an extremely important part of the whole restructuring of energy in the province of Alberta as we move ahead not only, Mr. Chairman, with Bill 19 and changes to the marketing of natural gas but also other issues that affect energy in the province.

The comments that surround things that different states are doing with respect to their energy programs are also interesting, and some things come to mind when individuals discuss places like Wisconsin or other states in the U.S. One of the things that came to my mind is a question that has to do with renewable energy and the fact that some states have administrators or sections in their energy departments that are responsible for renewable energy. Certainly, Alberta doesn't take a backseat to any place in North America with respect to those issues. I believe that it was the hon. Minister of Infrastructure that stood in the House recently and indicated to all who had even a modicum of attention being paid to his comments that the largest single wind farm generating facility will be built where, Mr. Chairman? In the province of Alberta within the next three to five years onstream. And the energy produced from that development will be used by whom? The government of Alberta. So, certainly, comments with respect to renewables – I'm glad to see that other folks are also interested in them, but Alberta is doing. We're not talking; we're doing.

Another thing that I'd like to just touch on momentarily is the misconception, Mr. Chairman, that the minute you bring new players into a marketplace, it automatically, full stop, will increase the cost

to consumers. That is a misconception. The truth of the matter is that if you allow a single retailer to go into the marketplace and offer to customers a number of different services – and they may be related or unrelated to the energy business. They may be utilities, and they may be other homeowner requirements such as perhaps cable, perhaps telephones, perhaps high-speed Internet connection, perhaps things like homeowner insurance. It could be a thing like automobile recovery if you have a breakdown on the highway. There are a number of different services that can be offered to consumers, and the truth of the matter is that when a retailer is allowed to offer multiple services under one retail package, the price of the package is lower than the sum of the individual contracts with respect to the retailing portion. So those are some comments that I have with respect to some of the concerns that have been raised.

Further to that, I think it bears looking into Bill 19 – to get back to what we are really discussing in committee here, Bill 19 – and the idea, Mr. Chairman, that this bill will somehow put consumers at risk and that what the bill does is pave the way for some large multinational corporations to come to Alberta and rip off small Albertans and homeowners, et cetera. I think that if we look through Bill 19, we certainly see that the EUB does have a way to establish rules and regulations. There are appeal mechanisms, and certainly the protection to the consumers in the province of Alberta under this legislation will be at least as stringent or more so than what has happened in the past in the province where, lo and behold, who is it that protects consumers now, Mr. Chairman? I would suggest it's still the same group. We're not getting rid of them. In some cases we enhance their ability to protect consumers in the province.

So, Mr. Chairman, I'll leave my comments at that and thank you very much for the opportunity this afternoon.

3:30

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

Ms Blakeman: Thanks very much, Mr. Chairman. I'm grateful for the opportunity to finally be able to get some comments on the record with this bill. I've been eagerly anticipating being able to debate it a number of times, and somehow it's always adjourned just before I get a chance to speak. I'm not taking that personally.

Mr. Rathgeber: Let's adjourn now.

Ms Blakeman: Well, the Member for Edmonton-Calder would like to adjourn now, but I gather that that is actually something that's discussed by his caucus. I don't know that the sponsoring member is quite ready to adjourn, but perhaps he could discuss that with his colleague.

So starting from the beginning of this process, then – and I did listen carefully to the remarks from Grande Prairie-Smoky, and I will try and return to them at the end of my remarks – ostensibly this Bill 19, the Gas Utilities Statutes Amendment Act, 2003, is amending three different acts: the Gas Utilities Act, the Gas Distribution Act, and the Rural Utilities Act. Now, it's a sister bill to Bill 3 because it's trying to align the natural gas retail market with the electrical retail market.

So it is changing the structure of the natural gas retail marketplace to allow for more competition, or in the government's words, to encourage more competition. Part of that is providing consumers with the choice of signing a contract that's available over a longer period of time or floating on a natural gas spot market price. A big part of that is about who's taking the risk, where the consumer is taking all of the risk or where through regulation or other choices the risk is carried by other entities, and part of my concern on behalf of

my constituents is not to see them placed in the position where they carry all the risk and are not reaping an equivalent benefit as a result of that. That's part of what's the expected outcome of this bill and why it's problematic for my constituents.

Part of that is allowing for this flow-through price of natural gas. We're seeing problems with that right now with ATCO Electric and its pilot project that's being carried on as we speak. So what this bill is intended to provide for us – there's already a pilot project running that we can examine and see if in fact it's going to work very well, and it doesn't appear to be. At this point it looks like it will result in on the electricity side an additional deferral. We're trying to align these two so that a consumer would purchase from one seller. That becomes problematic. It is changing the rules of the marketplace again to try and attract the competition.

Finally, it's affecting the operation of the gas co-ops because it does allow their members to purchase from other suppliers if the choice is approved by two-thirds of the members. So that's changing their bylaws in how they operate things.

Now, I think it's interesting at this time to look at some of the history of gas deregulation in this province, its history as a public utility and then not, because we are seeing, essentially, a further deregulation in this marketplace. There are a number of consumers out there who, because there's discussion going on in both the natural gas marketplace and the electricity marketplace, have just joined those two together and don't understand that the natural gas marketplace utility was deregulated some time ago, in 1985, in fact. The province and the feds signed a deal at that point to deregulate the wholesale price of Alberta gas. Before that point, the province set the sale price for the gas producers. When Ottawa ended the national energy program, then the province and the feds also ended the made-in-Alberta gas price. So that was the beginning of this process that we're now looking at some 18 years later.

Not much happened around this until we started to have changes in the '90s, particularly with the Alliance pipeline. In my mind that's what really started to change a number of things, mostly because more gas started to leave Alberta, and the price started to rise, as well. Certainly we gained from that. There's no question. We benefited greatly from the royalties, and that was used to build schools and put infrastructure in place and a number of other things.

Dr. Taft: Not since the Alliance.

Ms Blakeman: No. Prior to that. Sorry.

At that time we still had protection for the consumers, although the small businesses and householders bought gas through regulated monopolies. So we've had a series of step-up changes in the way gas works here in Alberta.

One of the things that I keep noting from this government is this full speed ahead, full frontal move to deregulate along the lines of: if we deregulate, more competition will come. So we've deregulated and deregulated, but more competition didn't come, and all I see is the government with increasingly gritted teeth saying: we need more competition; we need more competition. And the competition isn't coming. I mean, let's face it. Direct Energy, which seems to be the great saviour on the horizon, which is an international company based in England, won't come here – and they've made it quite clear – unless this bill is passed. Who's kidding who? You know, international companies don't come into Alberta unless they think they're going to make a stink of a lot of money. And who are they going to make all of that money from? Albertans. Coming out of the pockets of the citizens of Alberta.

So to somehow try and gloss over this and say, "oh, no, you know, everybody's going to benefit greatly from this," that just isn't the

case. It's just not supported by what we've got in front of us. That great sort of free market drive, that private enterprise nirvana that this government keeps trying to achieve has not played out in either the natural gas market or the electricity market, yet they keep driving forward, insisting that somehow if we got more competition in here, it would all work better. Well, we're deregulating and deregulating, and they are not coming.

Mr. Rathgeber: What about Direct Energy?

Ms Blakeman: Well, the Member for Edmonton-Calder is asking about Direct Energy, which tells me he hasn't been listening to what I just said. I've just talked about how they're only going to come here if this bill passes and they can expect to make a lot of money out of the pockets of Albertans. Frankly, one competitor does not free market competition make, with the greatest of respect.

3:40

An Hon. Member: What about three?

Ms Blakeman: Oh, I'm sorry. I'm being corrected. Three. The existing two we had plus Direct. My goodness. That'll just knock them down from the competition.

You know, we've had two all the way along, and now we are doing everything we can to entice a third one into place, including passing legislation to attract a company from another country to come in. So this is not working. At what point does the government go, "okay; despite our best wishes that this would happen, it's not happening" and look at something else? I don't know. But it's certainly upsetting the government's ideological applecart that they must deregulate everything and privatize everything, and that will make it all better. Well, it's not making it better.

So what can they do to make this worth the while to entice new retailers in? Well, you know, as I've just been saying, we had a series of moves made by the government to deregulate and open up the marketplace and make it more attractive. It didn't happen, so now they're just going to throw a big bomb into it – I think a columnist in the *Edmonton Journal* was using that same analogy – to just blow the thing up in the hopes that somehow something will happen here and that it'll work the way they want it to, to get people to turn towards something new. Albertans don't want to do that. Albertans seem to be quite happy with the two companies that they had and have not really been demanding that they get a lot of other choice.

That brings me to a different part of this, and that is the whole concept of choice, because it's interesting that in Alberta anyway I think you'd be hard-pressed to argue with success that there is a lot of choice. It's not as though people could say: nah, don't think I'll have any natural gas; I'll – I don't know – have an in-home fire-burning stove to heat my home in downtown Edmonton or Calgary or Fort McMurray. It's not really viable here. I know of people I've visited in the States; some of them do that. They still have a furnace in which they're using heating oil, actually, but they really only use that to sort of keep the pipes from freezing. They really do heat their homes. When you go to the local pub, it's heated with a wood-burning stove, and they're very focused on that as a way to get heat. But we're not focused around that here. We really are focused on natural gas. So to talk about the very first layer of choice, which is "don't buy it at all, and then it's not a problem," that's not really viable here in Alberta.

We think that choice assumes informed consent. It's not that people can't learn how to figure out how to buy at the right price and when to buy it, but, you know, it is pretty complicated, and prior to now we had very large companies buying long-term contracts,

allowing them to hedge prices. We had them with their own reserves, which were able to be pulled into use if they needed it. There were a lot of other components in place that allowed those companies to take the risk instead of Alberta citizens taking the risk.

The concept now that we're going to have someone show up at our door saying, "buy a contract from me; I'm with Direct Energy," for example, or "buy your electricity from me on a long-term contract; buy your gas from me on a long-term contract" – and this is not to say that Albertans are incapable of doing this. They are, but it is very complicated and requires that we set everything else aside in our lives and pay attention to this in order to get all the ins and outs of it. I don't have the time to do that, and I'm sure that lots of other people don't have the time or the inclination to do that. But that's the situation that we're being forced into. We're supposed to somehow become experts in spot prices for purchase of natural gas, and somehow this competition out there in the marketplace is going to make this easier for us. Well, having one more into the mix on top of the original two I don't think is going to make it that much easier.

An Hon. Member: It gives you something to think about when you're working a casino for your kid's school.

Ms Blakeman: It does give you something to think about when you're working a casino for your kid's school.

Now, what's interesting is that in a number of other areas the government has been very proactive in recognizing the need to educate and protect the consumer. There are a variety of consumer protection laws that are in place, and in fact they continue to be put in place. Every couple of years there's something new that we discover needs a law, and it's usually about complicated information being out there and a requirement that the companies put forward information. You know, there are even quite complex rules about door-to-door fund-raising.

I was thinking about that when I heard the hon. Member for Edmonton-Gold Bar's question in question period today about an elderly constituent that he had being approached at her door to purchase a long-term contract. In fact, if that person had been at that door soliciting funds for a charitable activity or agency, they would have been required to be wearing visible ID, to provide information on the spot, mind you, not "I'll get back to you in a week or two" or "I'll put it in the mail" but on-the-spot information about the organization, financial, the board members, and also an information sheet about the process of that kind of charitable fund-raising and solicitation at the door and what the person could be asked to do and not asked to do.

So it's pretty thorough, and we recognize it in a number of sectors, but we don't seem to be recognizing it in this one. I'm interested in the change in attitude, and I haven't heard an explanation as to why we get that deficiency, so maybe the sponsor of the bill will be able to answer that for me.

I wanted to speak very briefly, and on my next chance to speak, I'll expand upon this. It is the position that the condominiums in my constituency have been put in with these fluctuating prices and the effect that that has on the people that are the owners or who are living in these condominiums. Of course, they're a nonprofit society. They're required to present their budget to their members in advance. These people are working folks. They are not for the most part accountants or bankers. They have many different jobs, and they are struggling in many cases to be able to understand how all of this works, understand how to get the best possible deal on behalf of the people living in the condominium, and to be able to forecast all of this in advance to put it into their budget.

They're required by law to put forward what the fees are going to be for the upcoming year by a certain date, and I hear from a number of the treasurers of condominiums just before that due date about their frustration about not being able to nail a lot of this down. I'm now hearing from some that are quite frustrated that in fact they did sign long-term contracts when all of this started to go wacko on them, and they know now that they've signed too high. There was quite a scare at the time about how high things could go, so when they signed in at a certain level, they thought that they were doing a pretty good deal. These people are very conscientious. They're all volunteers, but they're very conscientious that they're doing this on behalf of their neighbours and in some cases their family and friends. They're trying really hard but without a lot of education being provided by anybody or any help to make fairly monumental decisions. So that's part of what I've looked for in this act, and what I'm not seeing is the consumer protection.

I look forward to my next opportunity. Thank you.

3:50

The Deputy Chair: The hon. Member for Innisfail-Sylvan Lake.

Mr. Ouellette: Thank you, Mr. Chairman. I've spoken on this bill three times already, so I think that I probably have said enough, but there're a few statements that were made today that I'd like to clarify again. Everybody seems to be talking deregulation here, and they should understand that gas has been deregulated for 17 years. It seems like most of the hon. members are straying so far off Bill 19, that is stating that, yes, it's the best of both worlds. They're going to have the choice of having a long-term contract, or they can stay on the spot market exactly the way it is today.

I have to disagree with some of the hon. members that say: long-term contracts just cost you more money. Even today the way the market has gone, the EPCOR and Enmax customers are happy to be on contracts. They're paying \$5 per gigajoule when the rest of us are paying \$9. So why would we say, "No, we're not going allow our constituents to go out and sign a contract and be on a budget that is affordable to them"? That's one thing that you don't have to be rocket scientist for. You don't have to sit back like that little mouse voice in corner over there saying: oh, it sounds dumb, dumb, dumb.

Ms Blakeman: That mouse voice?

Mr. Ouellette: No. Over in that corner.

Where was I? They should be allowed to go out and get a long-term contract and afford the budget that they sign the contract for.

Mr. Chairman, I'm not saying that there won't be some overly aggressive direct salesmen, but the way some of the members have been speaking from next door, you shouldn't be allowing them to your door. So maybe they should just bring a bill forward to disallow direct salesmen.

The biggest thing of this bill – and I just have to keep stressing that – is that they're going to have a choice of signing a contract to be able to afford the same monthly charge 12 months of the year instead of having the high spikes. If they want to play the market, if they believe the market is going to be low, then they have that choice to stay on the spot market and purchase their natural gas exactly like they're doing today. The one exception to that is the rural gas co-ops, and we're protecting the rural gas co-ops to stay in their franchised area. The only way that their customers can have a choice is by passing an extraordinary resolution, and two-thirds of their membership have to ask for that choice. Otherwise they stay on the contracts that the gas co-ops have now.

You know, I have to rebut a little bit the hon. Member for

Edmonton-Ellerslie when she was saying that long-term contracts weren't a good deal, but I remember QP today. I'm sure it was that hon. member that asked why the EUB was recommending . . . [interjection] Now you lost me again.

She was asking why the EUB was recommending that they didn't have to hedge. Well, if you want people to be able to hedge, then you also should want people to be able to have a contract because they go hand in hand.

I can't think of any other questions that came up today that I didn't answer, so thank you very much, Mr. Chairman.

Ms Blakeman: Well, the member was just talking about hedging. Hedging was available to us before, but the risk was assumed by the company, and now you're looking for risk to be assumed by the consumer. So I don't agree with what's being put forward here.

Look; part of this is being sold by the sponsor of the bill and others with, "Well, you'll have a consistent bill. You'll know exactly what you're going to pay." Well, guess what? I can do that now. It's called an averaging out. Every company has a different name for it, but, you know . . .

Mr. Ouellette: But you've got to pay the piper here right soon, because the averaging out isn't going to have worked out.

Ms Blakeman: Well, I can organize with – and they make it easy for me – my natural gas provider to have an averaged out price across the year. I know exactly what I'm going to pay every month. So that convenience as such is already available to me without me having to go out and figure out whether I'm getting a great contract or not. [interjection] Well, he's saying that I'm going to get a bill that's going to try and level that out. The truth of the matter is that the company that I've worked with has worked along with me. When they knew that the price was going up substantially and I could end up with a large lump sum payment at the end of the period of time, they contacted me and we worked out a higher price per month. I was okay and kept going on that.

The truth is that the only people that will really be able to take advantage of working the spot market are people that can have, you know, whatever, a thousand bucks sit in their bank account so that if the bill comes in at \$200 that month, great; fine. Two hundred bucks. If it comes in at 800 bucks, okay; fine too. But you have to have enough disposable income to be able to just let that money sit there and to be able to replenish that pot every day. There are Albertans that can do that quite comfortably, but there also are Albertans who can't do that and for whom it is most uncomfortable. Lots of people live paycheque to paycheque, and we should maybe chide ourselves because that's not the way we've been told by our accountants to do it. [interjection] You and I are a very bad combo because we talk to each other too much.

So a lot of what's being promoted in this bill is already available to me without having to go through what's being proposed here, and it strikes me that most of what we're actually talking about here or what I see happening is a philosophy over what this government feels it should be providing to its citizens and what it shouldn't be. It has an ideological bent towards the private sector and a free market. You know, that invisible hand seems to interfere in a lot of places and then sometimes needs a lot of help.

I'll be quite frank. I think that any time we're looking at provision of a service that if a profit margin decision would cause the provider not to offer it and not getting it would cause a health or a safety issue for citizens, then I think it has to be either owned in the public sector by government or heavily regulated by it. That's not where I see this government going. Okay. Fine. I'm a Liberal. I'm coming from a

different point of view, but I don't see what's being put in place here as being end run a good idea for the people of Alberta. So there's no question that this is a government bill. It's following a government ideology. It's that whole thing about, you know: push it out there; get the private sector to do everything. But what are we hearing right now? We're hearing that some of us have constituents for whom paying the bill is a real struggle for both gas and electricity, and this bill is looking at integrating the two. So there's an ideological difference here, but I just have not seen the government make decisions around this that end up being most beneficial to constituents.

4:00

Not to flog a dead horse here, but the primary example in this debate is what has happened with electricity prices and that drive to deregulate the electrical industry. Prices have gone nowhere but up, and everyone admits they will never go back to the level that they were at. Aside from price we're also talking about stability and certainty in a market. That is nowhere to be seen here. My friend here from Innisfail-Sylvan Lake, the sponsor of the bill, will be saying . . . Sorry; I've totally lost that train of thought. I'll have to turn this over to someone else while I collect my thoughts and come back to this.

Thank you.

Mr. Ouellette: I just want to answer that one more time by saying that I honestly believe she was almost speaking for the bill there, saying that we needed the stability of contracts, and I'd like to congratulate her on that.

The Deputy Chair: The hon. Leader of Her Majesty's Official Opposition.

Dr. Nicol: Thank you, Mr. Chairman. I just wanted to respond to some comments that were made just a short time ago about the relationship between hedging in contracts and our question that came up in question period today. The whole idea is a matter of the number of tools and the kind of tools that are made available for marketplace management. If we look at it in the context of what's going on here, true hedging in the legal sense of the word is when we pass the risk of marketplaces off to a third party, not the buyer or the seller, but a third party handles the risk. That's what hedging is all about.

When you have the possibility of dealing with pass-through or spot market pricing, what you're in effect doing is passing on the largest percentage of the risk to the customer, the consumer. So what we're doing in the process of deregulation is, in effect, setting up a structure that passes all the market risk to the customer, because when you have pass-through, or flow-through, pricing, there is very little if any risk at the marketer's or producer's level. So in order just to make sure that that point is understood and, in effect, reflects correctly on the question that we were asking in question period today, it's the idea that if we don't put all the tools in place, then we don't create any kind of a market system that will work.

All that is is a signal that the government, in effect, doesn't understand the marketplace they're creating and doesn't respect the fact that there are all kinds of tools that operate truly in an open market. When we say that we're going to have to deal with that, yet we'd limit it, it just shows me – and that's what was reflected in the questions that were asked in question period – that this government doesn't intend to do anything that would pass on to the customers any kind of stability or protection from price variation and price instability.

The idea that the EUB would not allow for hedging, in effect, made sure that the variability of the spot market or the flow-through pricing always ended up facing the customers. If they would have allowed that hedging, what in effect would have happened is that when the marketers were flowing through, the variability could have been adjusted for the revenue they made off the hedge, and that would have given some stability to the customers. In effect, the businesses in this province care more about stability for the customers or dealing with the stability for the customers than this government does, because they won't allow the businesses to put in place those kinds of hedging options, and they also won't allow for a viable price protection system that will work. That's why we've got a price protection system that operates on a yearly basis, yet our pricing model is based on monthly or flow-through monthly prices.

That, in effect, doesn't create any kind of a mechanism for protection for the customer because they don't make their decision on the same basis as the price protection act. They make their decisions based on the monthly flow-through price, and that's where the protection should be occurring. We've got to make sure that when we look at these, we deal with the whole system of commitment, making sure that there are processes in place that will protect the customer. After all, as a government it's the people of this province that we should be acting for.

Mr. Chairman, I taught in the Faculty of Management. We taught businesses how to look out for themselves, how to deal with the issues. Government's responsibility is to make sure that the externalities don't impact adversely on the consumers in this province. This act doesn't do it; the price protection act doesn't do it. This whole deregulation system doesn't do it, and we should stop it.

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

Dr. Taft: Thanks, Mr. Chairman. I made some comments on this during second reading, and I'm pleased again to speak to it in a bit more detail during committee. There are many issues that have come up, and many of them have been addressed here. Everybody in this Assembly will know that based on all the evidence that I've seen, the business that this province has embarked upon of completely rearranging both the electricity and the natural gas markets is a mistake. This business of aligning through Bill 19 the natural gas market with the electricity market to create what is being called a dual fuel market is a massive mistake.

In fact, I'm concerned that we are through these processes rearranging some of the fundamental strengths of Alberta's economy into fundamental weaknesses and that we are in effect corroding the long-term strength of our province and diminishing our future substantially here. We will not understand and realize the full consequences and costs of these decisions and these bills that we're passing for years to come, but we're already seeing the terrible playing out and terrible costs of the electricity deregulation, and we will see that played out substantially further through Bill 19 in the regulatory changes to the gas market.

I also worry – I listened to the comments of the Member for Grande Prairie-Smoky in which he spoke about the opportunities, as he put them, for businesses, marketing companies, and so on, to combine gas and electricity marketing and bring in other things. I think he mentioned insurance, auto breakdown services, undoubtedly credit cards, cable TV maybe, telephone, Internet access, and who knows what else. We could have one giant omnincorporation handling all of this. My prediction here is that the next item we'll be seeing brought into this kind of structure is water, and that scares me even more because water is the very substance of life.

4:10

As I went through the briefing notes provided by the government on this bill and went through some of the correspondence we've obtained on the bill, I noticed that various groups and corporations were consulted. EPCOR submitted extensive material, Direct Energy did, and Enmax did, at least. But one of my questions is, frankly: who was consulted, and who was listened to seriously?

An Hon. Member: On Bill 19?

Dr. Taft: I believe so, yeah. I'll check my correspondence. They were all quite keen on aligning the gas market with the electricity market through Bill 19, and I do have some of their correspondence in my files here.

I'm concerned about other people whose consultations either weren't sought or were not attended to. I'm looking at a report done by the Federation of Alberta Gas Co-ops among other things. They were also working with Gas Alberta Inc. on Bill 19. They submitted an extensive report, I believe, to the Alberta government on restructuring the gas market, and they expressed some real concerns. In fact, they came out quite bluntly and said that the federation and Gas Alberta Inc. do not disagree with the fundamental principles of enabling competition or providing customer choice and that under certain conditions and with certain commodities there can be intrinsic value in introducing competition. That's a point I've made many times. They go on to say that deregulation of natural gas has worked well at the wholesale level. That decision was made many years ago. They're quite clear here. In this report they say that it does not work.

Now, I stand to be corrected in later work from the Member for Grande Prairie-Smoky, but the discussion they're presenting here is quite clear. They're coming out raising very, very serious questions about natural gas deregulation and the added costs of bringing in the marketing structures and the new competitors, the advertising that's required for that, the much more complex regulatory regime that's required for this. They are raising concerns that the price of natural gas is actually going to go up. They do conclude with, I think, a very good question.

The Federation and GAI conclude this summary by repeating the question that has been repeatedly put to us by our customers and which we have been asking of government for some time. "Who is asking for these changes?"

That's the question that I, myself, asked some years ago when I was doing some analysis on electricity deregulation, and it's a question I find myself asking again when it comes to Bill 19 and the deregulation, as it were, of the retail natural gas market. Who is asking for these changes? I hear nobody in my constituency asking for these changes. In fact, the feedback I get from my constituency is that these changes are likely leading to higher prices. That's exactly the experience people have with electricity, and they're not looking forward to this business.

We've also had examples brought forward about the kinds of hassles and pressures that ordinary people are subject to from gas marketing companies. This province has had some very bad experiences with natural gas marketing companies in the past, and I can't imagine that anybody in this province, any consumer in this province is looking forward to being subject to more and more of those pressures again. People were perfectly satisfied with the system that was in place some years ago, and I would much, much prefer that this government leave well enough alone rather than being driven by ideology and by lobbying, and I have no doubt that there has been heavy, heavy lobbying going on to get a bill like Bill 19 put into place. In fact, some people have referred to this along

with Bill 3 as the Direct Energy bills because Direct Energy, part of a huge multinational corporate group, seems to be pretty well setting the agenda on this and pulling the government's strings so that legislation that they say will have to be put in place before they'll come into the market is – snap to it – put in place by this government.

It makes me wonder about the issue of a registry for lobbyists, and I won't go off there because I might get called on a point of order on relevance, but frankly in my view it's highly relevant. We need to know who is lobbying this government and who's getting paid to do so, because I suspect that a tremendous amount of lobbying went on behind the scenes with Bill 19.

I'm, frankly, concerned about regulatory changes for natural monopolies in other areas as well. I was recently talking, just two days ago, with somebody who does a tremendous amount of work, in fact has built a career out of doing regulatory work on telecommunications and the CRTC at the federal level and who was making the point that the CRTC in the last 20 years has gone from the best telecommunications regulatory body in the world to one of the worst. What has led to that judgment? What has caused that downfall? An unrelenting drive by the CRTC to force competition on a natural monopoly. He was making the point that CRTC rulings now are almost scoffed at across the board by people in the industry and in the know. I'm afraid we're heading in the same direction with the regulatory regime in Alberta's gas and electricity industries, and Bill 19 is going to accelerate rather than slow that down. We will be back over and over again to address the issues that are spawned by this bill.

So I'm quite clear in condemning this legislation. I'm quite clear in condemning this entire process. As an Albertan I'm worried that the future of my province is being eroded, that the economic viability of this province is being weakened, that the tremendous natural wealth that we have in Alberta is being drained out of this province as quickly as possible, and that the handmaiden to all of this is this government.

Those are my comments for today on Bill 19, Mr. Chairman, and I would encourage anybody to stand and participate. Thank you.

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

Mr. McClelland: Thank you, Mr. Chairman. I'm pleased to accept the invitation of my friend from Edmonton-Riverview to participate in this debate because it's an extremely important debate.

The Member for Edmonton-Riverview indicated that there was perhaps some ideology behind this debate, behind the movement to deregulation, and I would suggest that there is perhaps some ideology behind the motivation to resist a move to deregulation or to a free market. As I had indicated briefly the other day in the House, for those of us who feel comfort and strength from the free market system, the notion of deregulation is not a fearsome thing. The notion of the private sector being the primary driver of a particular sector of an industry is not a fearsome thing.

We, of course, as a government have an oversight responsibility, and we need to ensure that the actions, particularly, as has been said, in businesses or companies that operate in a near monopoly or oligopoly status, do bear the scrutiny of those of us elected in the public interest. But the public interest is best served, in my view, through the initiative of the private sector, and there are very, very few, if any, goods or services that cannot be delivered at least as well, perhaps even better, by the private sector that are presently driven by the public sector.

4:20

Now, we as a government and as a province and as a nation have made the determination that there will be some aspects of our

economy that will be a combination of private and public. Some will be primarily public, and some will be primarily private. But when we come to the notion of the regulation of the delivery of energy, we are dealing with a product that has an absolute value, and that absolute value is not determined here in Alberta. It's determined because of the value of the commodity on a world market. We would all like to have our input costs protected so that we pay a lower input cost for our raw materials or our energy than any other sector. It gives us a competitive advantage. But what it doesn't do is give us any motivation at all to use that resource wisely, to use that resource as a finite resource, to put the real value of the resource directly attached to the product we're using.

Let me draw on the notion, for instance, of energy that's used in an automobile. If gasoline was 20 cents a litre, would there be any impetus on anyone's part to be frugal in the use of that commodity? I think, Mr. Chairman, that you will see innovation driven by the fact that Albertans are paying a market world price for energy. Innovation will drive conservation, will drive the efficient use, will drive new sources of energy so that we will have a critical path; for instance, perhaps into a hydrogen-based economy in the future. We are dealing with a resource that is finite, perhaps not in our generation, perhaps not even in our grandchildren's generation, but we cannot use the energy resources that we have today as if there is no tomorrow. There is a tomorrow, and that tomorrow will require us to be careful and conserve the products that we use. We should make as small a footprint on the world as we possibly can when we happen to be here in the world.

So with the notion of private initiative in the distribution of energy – and in this case we're talking about natural gas, but I think that in a greater vision we're talking about energy as a whole – we should not be afraid of the innovation that comes through private participation and ownership in a particular sector. We should embrace it. It doesn't mean we should go into it blindly, but we should go into it knowledgeably, carefully, considering all of the various avenues that we may end up going into, not abdicating our responsibility to act in the common good and in the public interest but with the confident resolution that the private sector has within it the capacity to deliver goods, services, and products at a level of efficiency and cost that just can't be done in an economy that does not have competition as its base.

So, yes, there is ideology here. There's ideology in that there are those of us in the House who believe in the private sector, and there is the ideology of those of us in the House who feel the comfort of the public sector. Yes, there is a divide there. That's why there are 74 members of that ideological divide that believe in the private sector compared with considerable fewer who are perhaps wedded to the notion that it must be the public sector that supplies everything.

An Hon. Member: How many?

Mr. McClelland: How many? Less than the 74 that are driving the notion that free enterprise will deliver a better product at a better price virtually every time.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Riverview, followed by the hon. Member for Drayton Valley-Calmar.

Dr. Taft: Thanks, Mr. Chairman. I do appreciate the comments from the Member for Edmonton-Rutherford, and I'm happy in committee to jump up and engage in debate.

I'll start off by, well, challenging some of the premises of the

Member for Edmonton-Rutherford and some of the premises that underlie Bill 19. I've argued in this Assembly and in many, many forums that the marketplace at times is incomparably effective and successful, that competition in the right circumstances works very well to produce the most goods at the lowest cost. It is highly innovative. It's creative. It's even fun. As somebody who's written a couple of books, there is, I would argue, no more purely competitive market than the book market. You go into an average Chapters bookstore and there are over a hundred thousand titles in that bookstore. You put your book in there. You're up head-to-head with a hundred thousand competitors. It's pure competition, and I'm pleased for that, and the last thing I would argue for is for the government to run all our bookstores.

I am quite comfortable with the notion of competition and a marketplace and the private sector but where the evidence shows that it works. The world is full of evidence showing that in many cases it does work. Equally, the world is full of evidence showing that in other places for any number of reasons the market does not work. So we maybe in this Assembly have three different ideologies. I think we are all, ultimately, ideological or value-based creatures. From the comments from the Member for Edmonton-Rutherford, when it comes to values and ideology, at least with economics, he's been very clear. He said articulately that the public interest is best served by the private sector and made a couple of sweeping statements which I would like to challenge: that almost without exception – indeed, I think he went beyond – a private market will outperform a public delivery of services. On the other hand, the New Democrat members, I think, would be much more skeptical about the marketplace and indeed at times, without putting words in their mouths, might argue that a market is inevitably a rip-off, that profit – I may be corrected here, and this is the joy of debate – almost by definition is a rip-off of the value of a worker's labour.

My position and, I suspect, the position in the middle is that we don't want to look at the issues with this ideology. We want to look at an ideology that asks: what's the most effective way to meet our fundamental values of freedom and prosperity and equality of opportunity? Those are questions, I argue, that could almost always be answered on the basis of evidence.

4:30

So while a moment ago I argued about the wonders of the marketplace for books – it's not perfect, but it's very, very good – I would in the next breath argue that the marketplace is an abject failure when it comes to, for example, health care. I've argued this forcefully and, paradoxically, in one of my books, and the evidence is really very clear. I won't go into that evidence because we're not debating health care here. But we are debating energy deregulation, and the evidence is equally clear that when we deregulate things like electricity and natural gas, especially at the retail level, we're likely going to see a lot more problems than we used to have. In fact, that's exactly what's happened with the electricity business in Alberta, and I'm afraid that's what we're about to launch into in the natural gas business. So this is a situation where the evidence I've seen suggests huge, huge caution. We should not proceed in this direction. If anybody on the government side has substantial evidence to the contrary, I'd like to see it. I assume that it would be on paper, and I'd like to look through it, because ultimately I am prepared to accept the evidence.

I would point out to the Member for Edmonton-Rutherford that when we look at the impact of the public sector on the economy, if you were to look at the list of the largest corporations in Alberta in the *National Post* magazine of last year, you would find that four or five of the largest seven corporations have their roots in the public

sector. I'm going from memory here. CP: we all know the origins of Canadian Pacific, scandalous as they were. They were squarely in the public sector. EnCana, which was formed out of a marriage of Alberta Energy, which was created by this Assembly, and PanCanadian, which was a spinoff of CP. Petro-Canada and Syncrude: those are among the very largest corporations in this province. I think we need to bear in mind that at times the public intervention in the market does make sense. I could go on. I am not convinced that the price mechanism alone, which we will see unfurled further through Bill 19, is going to lead to the innovation and conservation that the Member for Edmonton-Rutherford and other government members assume will happen.

There is no doubt that price does have some effect on demand, and indeed I and I think all of us in the Liberal caucus, as much as we've argued for rebates on natural gas, do not see that as any more than a short-term solution. It does disrupt economics. But when I see the price of gasoline soaring and I still see the number of SUVs on the roads, I think that the link between price and consumption is less direct than we might assume it is.

So, Mr. Chairman, I appreciate the articulate comments from the Member for Edmonton-Rutherford, but he's probably shocked to know that he didn't change my mind. Thank you.

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

Mr. McClelland: Well, thank you, Mr. Chairman. My friend from Edmonton-Riverview brought up a couple of very, very interesting points to make his argument. One was the competitive nature of the book-publishing industry, and I wonder if there is an industry in the country that is more heavily subsidized than the book industry in every single aspect. The book-publishing industry is perhaps the least free market industry and for some, I think, very understandable reasons, but just imagine trying to publish a book in this country without some public involvement of one form or another. I see friends laughing because they recognize the truth of that statement. At least, I assume they recognize the truth of that statement.

But another interesting point that the hon. Member for Edmonton-Riverview made had to do with the fact that he read an article recently in the *National Post* that indicated that four of the largest private-sector companies operating in Alberta today had their roots as public enterprises, and it's interesting that they grew from a public enterprise to a private enterprise driven by competition, driven by the market situation – and I can think of another one, Air Canada – driven by the necessity of getting capital. Members are laughing as they're thinking that Air Canada is perhaps not the most public of public companies at the moment.

Ms Carlson: They're not happy unless we're not happy.

Mr. McClelland: The Member for Edmonton-Ellerslie is commenting about Air Canada, and I can recall specifically when that decision was made federally that the head office of Air Canada should remain in Montreal forevermore. But, anyway, we digress. The point that I'm making is that the evolution from a public company to a private company is not new. It happens all the time, and essentially, I think, that's what's happening in our province and eventually will happen in our country as regards energy.

Now, Alberta had the resolution to see it through, and we're not right out of the weeds yet, but when we made the decision to go to a market economy in energy, it was by all accounts a gutsy manoeuvre. I mean, it was something that required unrelenting resolve to see through to an end, and once started on a course of this nature, you don't change horses in midstream. You've heard the old

chestnut that you've got to leap a chasm in a single bound. The worst thing that we could possibly do would be to in any way waiver from our resolve to see this through. Look what's happened in Ontario, for instance, as a direct result of the fact that they started on the road to deregulation, got cold feet. Now they've got the worst of both worlds, and it is going to be forever.

Mr. Mason: A low price.

Mr. McClelland: The Member for Edmonton-Highlands says, "A low price." They don't have a low price. What they've got is a subsidized price through the tax base for the energy that they're consuming today because they don't have the political courage to see it through to the end.

At the end of the day Alberta will be in a deregulated free market environment where energy will be used in accordance with its value in our economy, with all of the virtuous habits that that will entail. It will also mean that private enterprise will have invested in the regeneration of new energy sources. We will have the efficiencies of new energy sources and, as the Minister of Energy has said on a number of occasions, the capacity to bring green energy onside. Now, we're paying more and making a conscious decision to pay more for green energy than we would be for natural gas energy, but we're looking at it as an investment in the future.

So, Mr. Chairman, there certainly is an ideological root to this debate, and that is not a bad thing. The ideological position that is presented by our colleagues representing the Liberals and the New Democrats toughens our argument. It makes us make sure we've crossed the t's and dotted the i's. That's what their role is. But make no mistake; in their heart of hearts even the opposition understands the wisdom of what we have embarked on as a province. We have the unwavering resolution and the unwavering courage to see it through to the end, and our grandchildren, all of us, one day will look back at these days and say: thank God they had the vision and the courage to see this through.

Thank you, Mr. Chairman.

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

4:40

Mr. Mason: Thank you very much, Mr. Chairman. Well, that certainly is breathtaking in its scope and gives tremendous target to aim at. I would like to begin by assuring the hon. Member for Edmonton-Rutherford that we are here to do more than correct your spelling. Hopefully, we can correct your policies as well.

Now, the member has begun his comments – not these comments, the ones before – by suggesting that the private sector is not a fearsome thing. Well, it may surprise him to know that we don't fear the private sector either, but we do think that there is an important role for government in ensuring that things work well, work fairly. And it may further interest the hon. member to know that we don't believe that private sector necessarily is the organization that provides things in the best possible way. The hon. member said on March 12 – and I'm quoting from *Hansard* briefly, Mr. Chairman. He talked about Margaret Thatcher, Britain's Iron Lady, and I responded that that was his patron saint, something which he accepted. He said:

My patron saint – thank you – who dragged the British economy and the British psyche out of the darkness of recession and despair into the sunshine of a renewed economy and renewed confidence.

And he went on to say what he considers to be the Rt. Hon. Margaret Thatcher's most cogent statement. He paraphrased it, and he said that

there is nothing done in the public sector using public investment

that cannot be done more efficiently and better by the private sector, bringing the full weight of innovation, industry, and vision to the delivery of goods and services.

He went on:

We would do well to learn from her, from her resolve, from her strength, and her vision.

Now, the statement that there is nothing done by the public sector using public investment that cannot be done more efficiently and better by the private sector goes beyond ideology. It is dogma. Frankly, Mr. Chairman, it is nothing but dogma, and we in the New Democrats are, of course, considerably more practical in our approach to the balance between the private sector and the public sector. There are things that are more appropriately delivered, in our view, by the public sector, or if they are delivered by the private sector, they need to be regulated in the interests of the public by government or by government agencies. Things that fall into the categories of natural monopolies are first and foremost because if it's not a publicly owned monopoly, it will very soon become a privately owned monopoly.

I'll take Air Canada, in the first place, as an example of how all of the wonderful promises for a sunshine of a renewed economy and renewed confidence comes to Air Canada. The hon. member was very eloquent that night, and I think that we could look at Air Canada as a perfect example of what happens when you take a publicly owned corporation, you privatize it, you promise that the service is going to get better, you promise that you're going to get more flights, you promise that prices are going to come down, and so on and so on and so on, and because there's limited capacity in the marketplace for true competition – that is, multiple players that compete with one another – it transforms itself into a monopoly situation, except it's now one that's for private profit instead of public profit and it's no longer regulated for the protection of the public. That's what we have with Air Canada.

Just to give another example. Right now my wife and I are involved in a battle with Telus company because we can't get our phone repaired. There's some problem with the phone that's lasted since last week. I'll just recount for members a little bit of what we went through with this competitive, lean, private-sector organization that really wants to deliver customer service. We can easily transfer to someone else who will be completely better than they are and cheaper and more customer oriented, you know, and all of the other things that were promised by those people who actually believe this stuff. We can hardly hear on our phone, Mr. Chairman, because there's such a loud buzz, and we don't know what caused it.

Dr. Taft: Maybe it's being tapped.

Mr. Mason: The hon. Member for Edmonton-Riverview suggests that it's because it's being tapped.

We had arranged for them to come and fix the phone on Friday, and since my wife and I both work, we'd arranged for them to stop at the neighbours', pick up the key, and come in. Well, the repair person came, got the key, went in the house, couldn't find the box where the repairs were going to be done, and instead of phoning us – and we'd left him our cell numbers – from the house to find out where to go to fix it, the repair person left the home, returned the key, went back to his office, then phoned us: I couldn't find the box. So that was Friday.

Then we called and we said: you've got to come and fix our phone on Saturday. Well, they didn't come. We stayed home all day. They didn't show up. Then we phoned again and said: you must come. They said: we'll come tomorrow; we'll come Sunday. So I stayed home most of the day, and by lunchtime I was getting pretty

fed up, and I phoned them and I insisted on talking to a customer service representative from Telus, who explained to me that because it just showed on the computer that we had noise on the line, we were a relatively low priority for them, so they probably wouldn't come because they had these other ones that were completely out of service. I said: "Well, we can't even use the phone. Why didn't you tell us that? You just let us stay home all weekend long waiting for you guys to come." So they said: "Okay. We'll change it. We'll come this afternoon." Well, they didn't show up.

On Monday, yesterday, we both went to work, and we came home. Attached to our front door was a little piece of cardboard, a note saying: we called to repair your phone, but you weren't home. We had of course given our cell numbers and tried to make arrangements.

So that is the customer service that people that are Telus customers are receiving. This was supposed to be a company that was going to be customer oriented, that was going to provide good service. You know, when it was Edmonton Telephones, Mr. Chairman, you got better customer service than you do now.

So what's happened is that they make all these promises about how the private sector is going to deliver it better and so on, and you don't really end up with much competition because in most of these fields you probably get two competitors at the most, maybe three if you're lucky, and they all have the same lousy customer service because none of them wants to spend a whole bunch more of the shareholders' money to improve it.

Now, the hon. Member for Edmonton-Rutherford talked about gas, and this is something that caught my interest a great deal. He's suggesting that we're paying a world price for natural gas, and that's a good thing because it means that we will conserve our natural gas and put it to the best and highest use. I think that's a fair paraphrase of what the hon. member has said. Except, Mr. Chairman, we don't have a world market for natural gas. We have a North American market for Alberta gas because the government has supported gas producers in the construction of the Alliance pipeline, which links Alberta's gas fields with American markets.

So what's happening is we are paying American prices for our own natural gas. Not only that, but we are pumping out the gas so fast that we have less than nine years of proven reserves. We are rapidly depleting Alberta's natural gas supplies. Most of the natural gas produced in Alberta is exported to the United States. I think the consumers of Alberta, not including the large industrial consumers in Alberta, consume about 15 percent of the natural gas produced in this province, but over 50 percent of the gas is exported in its raw form to the United States. So in order to achieve this wonderful international price that's supposed to help us conserve our gas, we have to pump out our gas or we won't have any left. How does that help us conserve the natural gas? Again, Mr. Chairman, it's just a matter of bringing some practical reality to the ideological constructs that we all have. I don't believe that we are in any way conserving the natural gas here in Alberta by exporting it much faster than we find new reserves.

4:50

It may well be that the move towards deregulation is a gutsy manoeuvre. I won't quibble that it's a gutsy manoeuvre. It certainly shows a lot of guts to carry on in the face of the mounting evidence that it's a disaster. But is that what you want? Do you want to just go ahead for the sake of being gutsy or courageous, or do you want to go and be courageous because it's going to benefit the people of Alberta? That's the kind of courage that we need to see, Mr. Chairman; I'm absolutely convinced. I would say, quite frankly, that it would show far more courage on the part of the government if it

would admit that it had made a disastrous mistake and changed its direction. That would show courage. But proceeding hell-bent for leather towards the iceberg is not showing courage as much as it's showing – well, I'll leave it to people's imagination what that would show.

Now, it's interesting, Mr. Chairman, that the Consumers' Coalition of Alberta has prepared some comments on this legislation, and I think it's worth quoting at some length from their concerns about this legislation. The Consumers' Coalition is very concerned that the proposed changes will result in two key problems.

1. Increased costs to customers and exposure of customers to new costs or costs previously not in the utility system,
2. Increased confusion to customers of natural gas distribution utilities and natural gas retailers.

The CCA views the proposed changes as

paving the way for the entry of retailers to replace the sales function of existing integrated natural gas utilities. This is change made rather than insure low cost utility services and stable rates to residential and other customers. The CCA submits that customers have not been and are not likely to be the principal driver of the proposed changes.

I think this is important. They're saying that it is not the consumers – it's not the customers – that want this. So why is the government doing it? Well, they say that they see

the industry driving the need to make these proposed changes so to allow participants in the industry, operating as commercial ventures, to add costs to the system at the expense of customers.

In other words, the objective here is not to provide cheaper gas, more reliable gas, or gas for longer in terms of availability of supply. The objective here is to allow more companies into the market and allow them all to make a profit. So it's not a natural free enterprise system; is it then?

What it is is it's a natural monopoly that artificially needs to be transformed by elaborate regulation to create the opportunity for additional players to come into the market, make money, and add cost to the entire system. So it's not free enterprise functioning free and natural and bouncing through the fields. It's actually a rather complicated artificial legal construction that allows companies to come in and pretend to compete with each other in order to milk the consumers. That's the kind of free enterprise that we're getting in our energy industry in this province.

I'm carrying on with the Consumers' Coalition of Alberta.

The exposure to new costs takes place when new entities or strata of entities, such as retailers, enter a market that was previously served by integrated utilities delivering and selling natural gas to consumers. Each new player or new strata will seek its return and this, we submit will add new costs to the whole system.

The proposed changes to the regulations are in our submission much improved over the first drafts circulated earlier in 2002. Having said that we are still very concerned that the drafts create a confusing scenario for the average consumer of utility services. Terms such as "gas services" and "gas distribution services" are too much alike to allow for ready distinction . . .

We submit that at the end of the day the utility customer understands the concept of a natural gas utility to be not just a bundle of services but all matters relating to home space and water heating as well as cooking in some instances. We see no evidence, from focus groups or surveys that illustrates otherwise. It remains unclear to us that the proposed amendments do little if anything to move toward clarity, certainty or ease of understanding for the natural gas utility customer.

Now, I agree with the hon. Member for Edmonton-Riverview.

An Hon. Member: Edmonton-Rutherford.

Mr. Mason: I always get you guys mixed up, and I don't know why. Your constituents. Your constituents.

An Hon. Member: They're both taller than you, Brian; that's why.

Mr. Mason: Yes; I know.

I guess I agree with him when he says that rebates in natural gas are not the ultimate answer, and we agree with that too. That's a subsidization of a high price, and ultimately you're subsidizing people that are charging you too much for your own gas. I don't agree with the hon. Member for Edmonton-Riverview when he says that it's a distortion of the market because I don't think market applies or should apply in this case, and I guess that's maybe why he's a Liberal and I'm not. I believe that the market is based upon supply and demand, and the Americans demand and we supply, and that is exactly the cause of the high prices that we have in our situation right now. As long as we are pumping the gas out so fast into the American market that it's rapidly depleting and having to pay their prices for our gas, we've got a situation where the gas that's owned by Albertans is not being used for their benefit. They derive an indirect benefit through the windfall profits of the provincial government from royalties on that natural gas, but that's not the same thing as making sure that the gas is put to the ultimate use of the people who own it, and that is the people of Alberta.

So, Mr. Chairman, just in conclusion, I think the direction that the government is going with respect to this is disastrous and will produce the same results for natural gas and natural gas prices as the government's experiment with electricity deregulation has produced in that case, where prices are continuing to go up. We've seen already with electricity prices that they have increased in the three years since deregulation between 40 and 100 percent, depending where you live. The place where it's gone up about 40 percent – I'm sorry; I think it's closer to 60 percent – is in the ATCO area. Now, with the move to flow-through pricing for electricity, the prices for April in that particular distribution area will be based on the prices from this March; that is, the prices we have today. So if you watch those prices – and you can look them up – they have exceeded for the past period of time 10 cents a kilowatt-hour, and if that continues for the rest of this month, then the people in the ATCO service area will be charged an increase on their electricity bills of 120 percent over and above what they are now paying, and that is going to be a disaster not just for those people but for the people representing them.

Thank you, Mr. Chairman.

The Deputy Chair: Hon. Member for Grande Prairie-Smoky, are you rising to speak?

5:00

Mr. Knight: Yes. Thank you, Mr. Chairman. Well, there certainly has been a lot of discussion here this afternoon about disasters. However, I think that it needs to be pointed out here that deregulation is not one of those. Deregulation isn't now nor will it be in the future a disaster. It's claimed to be a disaster because of the situation that we find ourselves in currently in North America with respect to the price of energy and whether or not it is the responsibility of the government to shield consumers from the price of energy. That's a bit of a global issue. It certainly is a North American issue, and we are tied into that system.

There are some disasters, however, Mr. Chairman, that do have effect on the price of energy in North America, and most certainly here we're discussing situations with respect to public utilities and private utilities and mixes of the two and where private utilities should get regulation from or where they shouldn't. Do we deregulate them, reregulate them? One of the disasters that we have seen recently is certainly the situation in Venezuela and the inability of

the Venezuelan system, public and regulated, to continue to supply a product into the marketplace. It caused a complete collapse of Venezuela's contribution into the North American energy picture. That was one of the disasters that caused a bit of a price spike with respect to hydrocarbon in North America. Certainly, the situation that we currently find ourselves in in the Mid East is another one. We do have some problems that we have faced over this last winter with respect to the weather that have pushed up the prices of natural gas.

Production shortfalls. The member indicated that there certainly were some difficulties with respect to production. In Canada the export market to the U.S. for us has not increased. The member suggested that we are rushing to export all of our gas into the U.S. market. The fact is that Alberta had a 3.5 percent decline in exports to the U.S. over the last year. For the continental U.S.A., interesting to note, their conventional production of natural gas also declined about 5 percent, which has added again to the high cost of energy over the period of the last two or three months.

However, Mr. Chairman, there is globally a surplus of methane. The problem that we have with methane is not that there isn't enough of it; it's just that it's in the wrong places. The technology with respect to transporting methane globally has made some huge strides in the last few years. Certainly, with the coming to the marketplace of a situation where we see some new technology with respect to glass fibre wound tanks being transported on oceangoing tankers very similar to the oil tankers that we now are familiar with, we'll be able to transport compressed natural gas, probably in the order of two bcf per trip. In the next 10 years I'm sure that we'll see this technology approaching North America's shores, and that, along with liquified natural gas that we have used for 25-plus years now globally, will help to stabilize the prices of methane in the marketplace over the next few short years.

So the disaster is not deregulation. Certainly, deregulation had at one point in time perhaps contributed, because there always is some uncertainty when you look at the changes in legislation required to do something as bold as deregulate these industries.

The other situation with respect to natural gas – and we're speaking, of course, about Bill 19, so it's maybe on topic to speak about the U.S. multifuel generation system. Of course, when Venezuela and the Mid East went a little bit crossways in recent months, natural gas became a fuel of choice not only for reasons of trying to comply with emissions, but also there's a shortfall in the crude required to fire some generating stations. When you connect that with the weather and the requirement for power on the U.S. eastern seaboard and the midwest United States, certainly it pushed up the requirement for natural gas. We saw a historic drawdown on the storage caverns both in Alberta and certainly in the U.S. system. There was about an 800-bcf drawdown, I believe, at the end of last month with respect to the U.S. system, and it will require a certain amount of activity in the industry in order to replace that capacity.

To get around to some of the questions more specifically with respect to Bill 19 and the provision of some sort of protection for customers and the idea that customers are going to be left holding the bag or that the situation with respect to choice is being forced on them, that they're not asking for the choice and they don't want the choice, that they just want a bill and they want a low bill – I would agree that not many of us appreciate bills that we consider to be out of the realm of kind of average, and they have been, certainly in the last two or three months, anything but average. In my own experience, I live on a farm a couple of hundred miles northwest of Edmonton. My average bill from a rural gas co-op over the last three years for the winter months has been about \$150 to \$175. Interesting to note that when I opened the last one, it was \$398, and

certainly the picture won't be any prettier with the next bill. However, on consultation it has been indicated to me that in this difficulty that we face, although we will have to pay for the energy we use, they will allow a system where we can spread our payments out over the next six or eight months, I believe, maybe till the end of September, to help ease the shock of these last few months of certainly high consumption because of the weather and high prices because of some of the things that we have indicated here earlier.

When you get back to the situation again with the rural gas co-ops and their request or not request to have choice, certainly the legislation here will deal with that. I believe that the hon. member had spent a considerable amount of time with a task force with respect to rural gas co-ops. They have reached an agreement that I understand the co-ops are reasonably happy with, and that is that in order for choice to be implemented in any particular rural gas co-op, it will take a two-thirds majority vote of a special meeting called by the board of directors for that specific purpose. So we're not forcing the choice on any rural gas co-ops. They do have a mechanism to bring in choice if they require it or want it.

5:10

There were some comments made with respect to the government of Alberta allowing some percentage – perhaps it was higher than 50 percent – of Alberta's natural gas to be exported in a raw state. That's an interesting comment because to the best of my knowledge I actually don't know of any gas that's produced in the province of Alberta that leaves our borders in a raw state. I'm kind of thinking about the export pipelines, and I think I have a reasonable picture in my mind where they are and where they go and what's in them.

If the member was discussing or commenting on gas that's in the Alliance pipeline – and I presume that that is the gas that you're speaking about – very interesting for you, perhaps, to take a look at where that gas comes from. In fact, none of that gas, that I know of, that's in the Alliance pipeline is raw gas. None of it. For the gas that is rich gas, the specs on the Alliance pipeline are slightly different than the specs on the other export transmission lines that leave Canada. Of the gas in the Alliance gas pipeline, depending on the day, between 60 and 80 percent belongs to the province of British Columbia. We have absolutely no control over what liquids they do or do not ship. The gas does not belong to Albertans. We have on any given day between 30 and 40, 45 percent of that gas, all of which is processed to some degree. So no raw gas, to my knowledge, leaves the province of Alberta, and those liquids are not sold outside of the province of Alberta to the benefit of other people, companies, foreigners, or others.

So, Mr. Chairman, those are a few comments that I have with respect to some of the debate and some of the issues that are surrounding the debate. Certainly, I think that we've had some good comments on both sides, and I would be pleased to hear a response from the members opposite with respect to Alliance gas and the price of – and let's be clear – methane in the marketplace in North America.

Thank you, Mr. Chairman.

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

Mr. McClelland: Thank you, Mr. Chairman. I have just a few brief comments to add to this because my friend from Edmonton-Highlands was so eloquent, and he drove me to search for yet another quote, this time not from the patron saint, which I freely acknowledge, Margaret Thatcher, a woman of tremendous steel that, as mentioned earlier, almost single-handedly brought the British economy out of the depths of despair and darkness into the bright

sunshine of a better day. I see that it's bringing tears to the eyes of my friend from Edmonton-Highlands. My friend from Edmonton-Highlands also mentioned dogma and said that ideology is perhaps a step ahead of dogma and that those of us who would perhaps use dogma as a crutch would find our karma being eaten by our dogma. I don't think so, but I do think that straight reliance on ideology or dogma is a crutch that prevents us from having to think on our own about a particular subject that may be coming to the fore. It's our responsibility not to be trapped in the pit of ideology or dogma. That's why I would urge members opposite to consider the words of Thomas Jefferson, surely – surely – a hero of all democrats, democrats from either side of the aisle.

An Hon. Member: Old and New.

Mr. McClelland: Democrats old and new.

Thomas Jefferson, by the way, invented the angle on the plow, an interesting little bit of information for Trivial Pursuit fans. Thirty degrees is the angle, the optimum angle of a plow. Can you imagine the money that he could have made out of that? Except he felt that there are some things that man's ingenuity brings forth that belong to the common good. He was in charge of the U.S. patent office, and he did not take out a patent on that. He said it belonged to the common good. Quite a man.

One of the quotes that I'm sure my friend from Edmonton-Highlands will take comfort in and that will give him support as he goes into this deregulated world where he hears a buzz on his telephone, his alone:

If people let government decide what foods they eat and what medicines they take, their bodies will soon be in as sorry a state as are the souls of those who live under tyranny.

Now, of course, the context was entirely different at that time. When he made that quote, I would think that he was thinking more in terms of whether the food and the medicine they took were from a republican from the New World ideal or from the Old World.

As members know, that was part of the great debate when the United States really became the first modern democracy that gave individuals, regardless of their status, equal opportunity to succeed. That was the magic of the New World, I'm sure people would agree, and Thomas Jefferson was a bright light, a beacon of hope to many in the world. He placed economy and the capacity of the private sector to bring the best of whatever human ingenuity could bring to the table at the first of the capacity of the New World to be different from the Old World, to give opportunity to people because of their ingenuity and their own innate capacity and capability.

So when we talk about ideology and about a strength and a sense of faith in a free market, we don't do so blindly and we don't do so without the full knowledge that we serving the public have a fiduciary trust responsibility to ensure that the very misuse of an oligopoly or of a monopoly does not take place. We cannot allow ourselves to be so ideologically narrow that we would not think that an advantage that could be taken would be taken advantage of. That's why we have to be vigilant, and that's why this member, for one, salutes the opposition for ensuring that things don't just slip through.

I would encourage my friends opposite that when this debate is done, as surely it will be done – in a democracy we have the responsibility to try to bring others to our point of view. That's a cornerstone of democracy. We have the free and unfettered right to try to persuade others to our point of view, and at the end of the day if we are not successful, we have the obligation to join with the majority and go forward together. That's how democracy works. That's the foundation of democracy. If we don't do that, if we don't

see that we have the obligation after a debate to join with the majority and go forth together, then we are doomed forever to go into ever smaller, narrower groups of self-interest, and that is not the aggregation of interest that results in the public service being served.

5:20

Now, I know that my friends opposite, particularly the Liberals, understand the innate wisdom of those words because they are from an icon of the Liberals here in our country, Pierre Elliott Trudeau, who uttered those very words, that in a democracy we have the right and the responsibility to try to bring others to our point of view, and if we're not successful, we have the obligation to join with the majority in the common good.

I ask my friends opposite to join with the majority in the common good, and we'll go on to the next battle.

The Deputy Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report progress on Bill 19.

[Motion to report progress on Bill 19 carried]

[Mr. Shariff in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of the Whole has had under consideration and reports progress on Bill 19.

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

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.
The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that we adjourn until 8 p.m.

[Motion carried; the Assembly adjourned at 5:23 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, March 18, 2003**

8:00 p.m.

Date: 2003/03/18

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

head: **Government Bills and Orders**

head: Second Reading

Bill 30

Appropriation (Interim Supply) Act, 2003

The Deputy Speaker: The Hon. Government House Leader on behalf of.

Mr. Hancock: Yes. Mr. Speaker, I'd like to move for second reading Bill 30, the Appropriation (Interim Supply) Act, 2003.

As all members of the House know, we brought forward in Committee of Supply estimates letters from Her Honour the Lieutenant Governor recommending to the House that we have interim supply. It's necessary to provide interim supply because, as all members know, the budget comes down on the 8th of April, and we will then have a full month to . . . [interjection] Yes, Mr. Speaker. I will move right along and move second reading of Bill 30.

The Deputy Speaker: The hon. Leader of Her Majesty's Loyal Opposition.

Dr. Nicol: Thank you, Mr. Speaker. I rise tonight to debate the process in second reading of Bill 30. This is, basically, the bill that now puts in place the legislative authority for the Committee of Supply of last week. So we want to kind of look at the process of what we're doing as much as anything.

I guess one of the things that we have to start with early on in this discussion is the fact that this interim supply is quite different from the interim supplies that we've had in previous years. Recognizing that time constraint with the 1st of April start of the fiscal year, we end up needing authorization for expenditures to begin the first of the fiscal year, but we don't always have the budget completed at that time.

I guess the thing that's unique about this year is the fact that as we go through this, we don't have a budget document to tie the interim supply to. I know that that, in effect, doesn't influence the operation of ministries very much, because they do have the authorized power to move money around within their ministry as they see fit anyway, even after we approve a budget. But the thing is that for MLAs to critically evaluate what the Crown is asking for in the ministry, what we need to know is: how does that fit with the budgeting process? What percentage of the budget is represented by the interim supply? We know it varies by ministry, but it doesn't give us much to go on, because we don't have that base budget for fiscal year changes that we've always had in other years when we've been dealing with interim supply. It's generally been a process that's occurred halfway through budget deliberation so that we, in effect, have that document. I guess the thing that we need to deal with here is the idea that we are not as informed this year as we usually are by having that budget in process when we debate interim supply.

So what we're dealing with here, you know, is just blanket authorization of money for the ministries to spend. This leads to a lot of questions that come up in terms of: how do we go about now and begin our planning processes as we start looking at this over the

next number of weeks, possibly months, until we're finished with the budget? We start on the 8th of April. Where do we end up by the time the budget process is finished? It could be, you know, late May, possibly the start of June. In effect, what we've got, then, is the government operating with no program guidelines, no message being sent to agencies that use those dollars, like school boards, health authorities, children's authorities, local governments. They don't have the kind of information that they would have had if the budget had been in the process of being debated.

So I guess the question that comes up as we look at this is: what is it that sets this year apart so that the government is so late in bringing forward a budget? You know, the normal process is to blame the feds – right? – because they interrupted our budgeting process by having the gall to come forward with their own budget halfway through our process. But that doesn't really hold much when you look at it in terms of real process, because all we're dealing with are revenues that are going to be transferred down from the feds and how that fits into our budget. That kind of thing could have been adopted and fairly easily built into the budgeting process after the federal budget came down in late February. So the idea that it's almost two months after the federal budget before we can come up with our budget, to me, Mr. Speaker, doesn't hold much of an argument in terms of why we're so late this year.

So one has to put some other questions out there about what is going on. What has happened that the government couldn't finalize a budgeting process this year? You know, the volatility of revenues and the projections for revenues for the next year should have led the government to a reasonable expectation that they could have built this budget around the second year of last year's business plan and the fact that we're going to have dollars available because of the surplus this year to start a stability fund, which would then be there for us if some uncertainties were to arise during the next budgeting year. I guess the real question is: what happened this year that the budget was so late? It's really raising some concerns about: how do we operate as a province? What kind of planning can we do as a province? This delay and the uncertainty that gets created by this really start to reflect on whether or not we are really sending the right signals.

Mr. Speaker, this is where I think I get a chance now to talk about the fourth component of our fiscal plan that we keep talking about. The other three now have been basically adopted by the government, and I'd like to see the fourth one as well. That is, for any given budget the second year of the previous year's business plan becomes the basis for the next budget, and that has to be built on and prorated each year, based on per capita and productivity changes, so that we end up with, in effect, a really strong message being sent out there about a base budget for the year. Then bringing forward a budget is really fine-tuning it. It's a decision process that shows that we want to move money from one program that's now complete to a new program or to supplement an ongoing program or to in effect cut back expenditures for the province.

These are the kinds of things that we need to be more explicit about. This kind of a budgeting process, where there's always the uncertainty that gets reflected in the government's lack of consistency and lack of predictability in their budgeting processes, really leaves us in a situation where we should be looking at whether or not this is going to in effect stabilize and give us reasonable planning and reasonable direction for where we want to go.

So the process that we want to go through, then, is to look at that in terms of making sure that any kind of a budget expectation should almost have fixed dates through the year. The government has been getting fairly consistent now at starting session in early February, usually the second or third week in February. You know, it would

be great if we could institutionalize the same kind of thing about budgeting, say, being the last week in February. Then we could have it effectively through the process of approval by the time a budget year starts on the 1st of April so that we don't end up with all the uncertainty that gets passed on to the agencies that depend on the government for their funding. This is the kind of thing that we really need to be able to look at in terms of being able to work with the community groups, that more and more are responsible for delivering those services.

8:10

If we don't as a province put some predictability and consistency into our budgeting process, what do we expect, then, from those agencies? How do school boards finalize their budgets so that they can start dealing with staff, dealing with changes in school openings, classroom sizes, that kind of issue, until they get a budget? So, you know, it's really important that we be consistent and be in a position to facilitate proper decision-making and full decision-making by these agencies. To have them go through "Let's guess at our budget process" right now and then, when they do get the budget, have to go through the process again, that in effect wastes dollars that could be in the service delivery areas. We want to make sure that that doesn't detract from how we go about providing those services in a cost-effective way. We don't want to in effect create an overhead budget problem, because we're going to be dealing with the issues of uncertainty associated with not knowing what their budget is at the time they have to start operating under that budget. So that's what's important about having some consistency and some timing expectation associated with the budgeting process.

As you go through the document of Bill 30 and look at the different ministries, there are obviously different percentages allocated to the ministries. You know, it's not all consistent with, say, a three-month budget or a four-month budget being a quarter or a third of the total expenditures. Without having anything else in front of us, we have to make the assumption that this kind of reflects the in-year expenditure pattern. Some ministries spend more at the early part of the fiscal year; some spend more or less at other times.

You know, I think that really brings us back to the whole idea that we have to have some kind of planning process that gets accountability. Mr. Speaker, I was traveling the province in the last couple of weeks, and I ran into an individual who was kind of shaking his head at a phone call that he'd received that week. He had been a fairly regular supplier of material or services to the government, and he got a phone call from one of the people that he'd been dealing with saying: you know, we've got a bunch of money we've got to spend before the end of March. Well, that kind of message being distributed through communities really raises some issues about how accurately and how well we plan our budgeting processes. I don't want to in any way jeopardize that individual's relationship with the government, but the expenditures that he talked about making were in a program area that, to the best of my knowledge, is not an ongoing program.

Why are there a number of expenditures right at the end of the fiscal year when the program, in effect, is phasing out? These were not phaseout or closeout types of expenditures; they were asset expenditures. So with a program that's closing out, why do you need additional assets? You kind of wonder what process was going on in terms of getting those kinds of end of the year budget-clearing activities.

It would be, I think, more appropriate if we had the budget document in hand. Then I could be looking at it and saying: well, okay; I was operating under misinformation or incomplete information because I thought the program was ending, yet according to the

budget there are actually going to be expenditures in that program next year, so it might be reasonable for these kinds of asset expenditures at the end of a year. But, you know, that's the kind of question that comes up when we don't have a full disclosure and we're trying to debate and question what government expenditures hope to achieve.

Now, the idea that we're dealing here with interim supply. We'll get to address those issues after the 8th of April, when the budget is fully brought into place. You'll hear the story again at that time probably, and that means that in effect we'll be judging whether or not the kinds of things we're hearing in the community do reflect what is actually happening in this interim supply. You know, when you kind of look at it, it's awful hard to recognize that we're dealing with what is, in a sense, a couple of months' worth of expenditures in the budget when we're not really going to be able to know with any degree of accuracy where those dollars are going, where they're going to be put. So the main thing that we have to look at is: are we going to make sure that this budget process leads to that kind of support for and ability for the agencies that we've got out there to plan so we can really make sure we're dealing with them from the point of sending the right signals to them?

It's quite interesting in the sense that, you know, this year we're authorizing significantly more money for most of the departments than we did in interim supply last year. I guess that means that we're looking at the possibility of a longer time before the government expects the budget to be approved or whether or not it's just a matter of: they ran it too close last year; they want to have a little more this year. Yet we're trying to look at creating accountability and openness in this process, and that's kind of the basis for the comments that we're making that we can't judge what's going on when all we get is a set of numbers in a five-page document. The role that we're supposed to play dealing with the budgeting process is to be able to question government expenditures, yet when it comes to us in this form, as the opposition it's impossible for us to make any kind of a strong judgment about what is there.

I think that if we're going to convey to Albertans that we're serious about being an open process here, having full debate of what we're doing with their money, then what we should be doing is making sure that processes are in place for that kind of transparency, and we need to make sure that the budget document is available in a time frame that we have it when we start talking about spending parts of the money on a ministerial level expenditure base. The main focus there is to make sure that, in effect, as we look at the budgeting processes, the analysis that comes up – or even when we were in Committee of Supply on the debate on these bills, it's really difficult to talk about what is there when you don't have line items and all you can do is relate expenditure patterns here to comments that have been made by ministers with respect to expected changes in their programs or expected changes in their budget processes. We look at this in the context of where it might be going, and we don't really see much in the context of revenue-side estimates to balance what we're seeing here in expenditures.

8:20

We have to make an assumption that, in effect, this expenditure pattern over the period that it's authorized for – you know, it's interesting that we're authorizing it for the entire year because all of the little clauses in the bill talk about expenditures for operating expense or capital expense up to and including March 31, 2004. So this is a full year's expenditure possibility. I know full well that it'll all be gone long before that, but the main thing is that it gives a part of a budget for a full year's expenditure program, yet when we were

in Committee of Supply debating this, there was no ability to relate it to the programs that potentially will be offered by those ministries or to go back and look at potential revenues, changes in revenues, what impact this might have with respect to the status of the budget.

As I mentioned, Mr. Speaker, in many of the departments this is much bigger than last year, yet what we're dealing with is the idea that we have no basis to tie that into the revenue stream. If we're going to be assuming it's over the same number of weeks or months of expenditure, then obviously the budget for this year is going to be significantly bigger than last year's was. Well, is that a fair implication to be sending by putting this out without any revenue-side comparisons? We've got to be looking at this in the context of: is it reasonable for the next year? Is it operational for the next year? Will we be able to make it work? Will we be able to balance it with our revenues? Yet there's nothing in here that talks about where we will be expecting those revenues to come from, what basis they have for the significant changes that go on in some of those departments compared to the interim supply from last year. By that, I mean not only ups and downs but relative to other ministries. Why is it that we see such big shifts of the total dollars being spent by ministry this year?

You would expect that there would be some degree of consistency if we're looking at the same movement through a fiscal year, that they should have the same relative expenditures early in the year versus later in the year. That's the kind of approach that we think would really make the process work better, would be able to help so that as we go out to Albertans and they say, "Well, what's happening? You're not voting on the budget until May or something," you can say, "Well, we had a good view of the budget in the interim supply." Under this basis right now it's hard to say what the budget might look like from this interim supply.

That's, I guess, one of the other issues that I need to put on the record at least, that it was very difficult when we were in Committee of Supply on the interim supply estimates because what happens is that when you ask questions about those expenditures – why they were different from last year, how they related to last year's expenditures – the response that comes back from ministers is: well, we can't talk about that, because we don't want to disclose the budget. You know, I guess if that's the kind of attitude that's going to be involved in providing interim supply, what we need to do is, in effect, change the interim supply process more into the special-warrant process that occurs outside of session. What we have here is authorizing money that we have no idea and no ability to question how it's being spent.

That's the same thing that happens when you have special warrants outside the session except that it's cabinet that approves it as opposed to the Legislature. You know, when you don't have debate on it, what's the significance of our legislative vote as opposed to a government cabinet vote? In effect, what the government is trying to do is move this more and more into a secret, closed-door, behind-the-door process rather than having it open and out where we can effectively say: why are dollars being spent in certain ways at this time of the year when budgets are still being planned and we can't get a real good sense of what's needed to be done to make the process work?

Mr. Speaker, as I kind of wind down here and make some final comments, as someone who looks at this and says, "What do I tell my constituents when they ask what we did in terms of interim supply debate?" I'm not going to be in a position to be able to give them very much information about what we were doing, what we were expecting, what the government was telling Albertans about their expenditures when we voted to spend more than \$5 billion of their money. I think that really should make all of us a little bit uneasy when we're in effect committing \$5 billion of Alberta

taxpayers' and other revenue sources of dollars to programs that we have no basis to judge, no basis to compare to last year, no basis to compare to what we're hearing in the communities. I think that this really creates an accountability problem for us here in the Legislature as we look at this and say: what's going on? Why are we not providing Albertans with a degree of information that'll let them judge what we're doing when we vote in excess of \$5 billion for programs?

So, Mr. Speaker, I guess this is one of those bills that we have to have, but it's one of the bills that you kind of just feel like: how do we justify voting for it? The services that Albertans want from their government have to be there on the 1st of April, have to be available while we do the rest of the budgeting process. I guess all we can do right now is truly, you know, hold our nose and say: let's get on with it so we can see the budget on the 8th of April and hope that the explanations that we need will be available at that time. From the perspective of going back to my constituents now and saying, "I did a good job by you by voting for this," I'd have a real tough time trying to do that and feel that I was serving them well as their MLA.

I guess the question here is: next year let's make sure that the budget document is available by the time we start dealing with interim supply. Because of the fiscal year status relative to the first of the year and the process of getting the Legislature started, it's probably a little bit farfetched to ask the government to make sure that the budget is approved before the 1st of April so that we can get proper debate. But at least by having the budget document in the public domain by the time we vote on this, there's a greater degree of connection between what we're doing here and the ability to go out to our communities and tell our constituents that, yes, we worked on their behalf, and we worked in a way that will be accountable, that they can follow through and see that we worked on them.

As we go through this process, it's important that we try to do better next year. This is the 11th budget that I've debated since being in the Legislature, and I have to say: it's the worst budget process that we've had in the whole 11 years.

Rev. Abbott: You said that last year.

Dr. Nicol: Just in response to the member across the hall who said that I said that last year, that's a real bad admission by that member over there because it means his government is going downhill instead of making improvements over what we evaluated last year. That's the thing that we have to be afraid of, Mr. Speaker, and make sure that next year we go uphill, get the budget on the record before we have to vote for interim supply.

Thank you.

[Motion carried; Bill 30 read a second time]

8:30head: Government Bills and Orders

head: Committee of the Whole

[Mr. Tannas in the chair]

The Chair: I call the Committee of the Whole to order.

Bill 27

Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Whitecourt-St. Anne, followed by the hon. Member for Edmonton-Gold Bar.

Mr. VanderBurg: Thank you, Mr. Chairman. Just some comments I wanted to make. I know the minister is not here this evening, but maybe he could reply to me.

The health care staff out in Whitecourt-St. Anne have provided great service to my constituents. I often have time to talk to both the providers and the users of our health care system, and they've gotten to be good friends. The questions that the providers have on Bill 27 are few but very important to them. They are concerned that Bill 27 might remove their ability to fairly and freely negotiate with their employers. I would like the minister to address this for me.

As the MLA for Whitecourt-St. Anne I'm concerned that our rural health care facilities are able to keep and attract nurses and other health care professionals. Again, if the minister can give me assurance that Bill 27 will not negatively impact the staffing out in my constituency, I'd feel much better.

Those are my comments. Thank you.

The Chair: The hon. Member for Calgary-Buffalo.

Mr. Cernaiko: Thank you very much, Chairman. I welcome the opportunity to speak on Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003. This legislation strikes the necessary balance between the right to be treated fairly as a worker and the right to be a patient receiving care. The amendments facilitate better operations, fairer working conditions, and more effective and seamless patient care.

Albertans should be proud of our health care system. It is one of the best and most progressive in Canada for patients and caregivers alike, but this did not happen by accident. We are leaders in health care because we understand that to be the best means finding new ways of delivering health care and being committed to a vision.

When we started down the road toward health reform, we understood that the road was going to get rough from time to time. We also understood that we must stick to our vision and make the necessary changes that bring us closer to better patient care for all Albertans. This means we must be flexible and willing to adapt where we see a need for change. That is what Bill 27 is about. It provides the health regions with the flexibility they need to use the workforce to the best of its ability. It provides a level playing field and fairness for workers. It ensures that health care workers are available and that patients can count on those services at all times.

I'm particularly interested in the common dispute resolution mechanism that is established in this legislation. This is an area that the MLA review committee on ambulance service delivery closely looked at. In Canada there are some services that are so important to the public's well-being that the right to strike is withheld. In Alberta that includes people who work in hospitals, firefighters, and police officers. If these groups cannot come to a settlement on their own, they use compulsory arbitration to resolve these disputes.

Mr. Chairman, I've been an employee of the Calgary Police Service for 25 years. During my 25 years as a member I had the opportunity to work as an association representative for 10 years as well as a management representative sitting across the table from the association for three years negotiating contracts. We didn't have the ability to strike or the right to strike, but I can guarantee you this: the arbitration awards were always fair. The arbitrator himself was always selected mutually with both parties in agreement as to who that arbitrator should be. Firefighters and police officers have resolved their disputes successfully through compulsory arbitration for decades. In Alberta those same firefighters, police officers, and nurses are amongst the highest paid in Canada.

In the regional health authorities even the threat of a strike affects services to patients. If you can't be certain that the health workers

will be there to care for a patient, surgeries begin to be canceled and key people are pulled away from managing patient care to work on contingency plans. Health services and the authorities are so interconnected that you can't draw lines around certain groups of workers. If a person on early discharge from hospital can't get their IV drugs administered by a community nurse, people get backed up in the hospital, wait times increase, and more people have to be turned away. Having the right to strike in one part of the system affects the entire system, and we have seen health workers manage to negotiate very competitive salaries and benefit packages even when they do not have the right to strike. Currently 90 percent of the regional authority employees do not have the right to strike, and compulsory resolution is consistent with the dispute resolution process that most health care workers work under. As the hon. Minister of Health and Wellness said, reform is about being "responsive to the needs of Albertans and to the needs of health care providers." This legislation is a means to provide that responsiveness.

Bill 27 is necessary legislation to move health reform forward, reforms that will see Albertans enjoying improved access, expansion of primary health care, a stronger workforce, better collaboration among regions, and ongoing sustainability. Bill 27 is not the answer to health reform, but it is a necessary step on the road to reform. Providing our regional health authorities with the flexibility to develop the best team of health professionals helps Alberta's health system remain the best place to work and receive care.

Thank you very much, Mr. Chairman.

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

8:40

Mr. MacDonald: Thank you, Mr. Chairman. It's a pleasure to rise this evening in committee and participate in the debate on Bill 27. Certainly a lot has happened in less than 24 hours since we debated this bill at second reading. I listened with a great deal of interest to the previous speakers, and certainly with the firefighters and the police services across the province there has been balance and fair labour relations. The city of Edmonton firefighters are a model for a lot of different groups across the country that do provide essential services in that way, but I don't think that the nurses with Bill 27 can show much faith or confidence in any form of compulsory arbitration when we look at the wide-open window which is the regulations to this bill. If there's anything that would cause this member concern, it's these regulations. Now, what they will become, who's to say? But it is my view – and I expressed it last night certainly with section 162.1(1)(f) – we can eliminate an entire step in the collective bargaining process by mediation or going directly to the board.

Now, since we had a discussion on this at second reading, I see where the union, the Alberta Federation of Labour to be exact – and this is information from today. For more information regarding this concern regarding Bill 27, some unions in this province have launched a NAFTA challenge of this proposed labour bill. We thought last night that perhaps it would be prudent to have another look at this legislation, but obviously the will of the Assembly was not there. So less than 24 hours later, Mr. Chairman, here we go with a statement from the Alberta Federation of Labour that Bill 27 would strip all fairness and balance from negotiations in the health sector. Mr. Steel, who is present in the public gallery for the debate tonight, is one of the organizers and spokespersons in regard to this matter. I think we in this Assembly should take this matter quite seriously.

If the Alberta Federation of Labour and seven unions representing health care workers in the province have decided to launch a formal

challenge to Bill 27 and the amendments that are incorporated in Bill 27 on the grounds that it violates the NAFTA side agreement on labour, I would think that it's certainly time for – perhaps the hon. Minister of Human Resources and Employment doesn't have the time himself – officials in his department to maybe talk to this lawyer.

Now, the union's brief to the NAFTA administration office has been prepared by Mr. Robert Blair, described as a prominent Edmonton labour lawyer and the former chief of the Alberta Labour Relations Board. So this individual knows a great deal about this issue, and I think we should have, again, another look at this issue.

One of the key features, according to the Alberta Federation of Labour, of Bill 27 is that it robs health care workers and their unions of the right to due process when it comes to basic labour relations. This is a statement from Mr. Steel. We had quite a discussion on this and a lengthy discussion, granted, last night. There were many members on this side of the House who expressed similar concerns.

Now, the Federation of Labour also has this to say, and it is a quote: this is a clear violation of the obligations outlined under the North American agreement on labour co-operation, better known as the NAFTA side agreement on labour. The agreement was entered into in 1995 by a then labour minister who went on to a certain notoriety in Ottawa, the former Member for Red Deer-North, on behalf of the Alberta government. The labour minister signed this deal on behalf of the Alberta government, and it's still in force today.

Where the union is coming from on this, Mr. Chairman – the union complaint, which will be filed later this month, argues that Bill 27 violates part 2, section 5 of the North American agreement on labour co-operation, which says that each party – Canada, the United States, and Mexico – shall ensure that all labour relations proceedings “comply with due process of law.” This is very interesting. If you don't have a copy of this document, it is available at www.afl.org for any of you who have a laptop, because this is quite interesting.

Mr. Chairman, as it stands right now, the Alberta Labour Relations Board administers the rules governing collective bargaining in Alberta, but they decide whom the unions can bargain for, when they can bargain, how they can bargain, and even sometimes what they can bargain. The Alberta Labour Relations Board is bound by law to exercise its authority in an evenhanded manner. In particular, before making any decisions, the board conducts formal hearings at which all parties have the right to state their case publicly. The board then makes its decision based on the law and the evidence. It is exactly the impartial and balanced approach, a process that respects both sides in labour relations, that is being thrown out by Bill 27, and this is a concern, again, from Mr. Les Steel.

Basically, with Bill 27 the government is breaking its promises again. We've had many broken promises with this government, and this could be added to a long list. Bill 27, according to the Alberta Federation of Labour, is breaking its promises under NAFTA and completely short-circuiting the Labour Relations Board process. Instead of decisions being made with input from all parties, the power is going to be transferred to the provincial cabinet. There will be, in their estimation, no fair hearing for health care workers and no due process. It will be a kangaroo court. This is a concern, again, that was expressed last night. Of course, I was disappointed when we didn't decide to put a six-month freeze on this bill and have another look at it. We're going full steam ahead with this.

Now, people are very concerned about this bill, and one of them, of course, is Mr. Blair, whom I mentioned earlier. His concern with Bill 27 is that it will give the cabinet power to determine appropriate bargaining units in health care, to determine which unions emerge as

bargaining agents after regional health authorities have been amalgamated, and to determine which collective agreements are going to govern in those new bargaining units. So the cabinet is going to make this decision. On one hand and in one bill we have the argument being made where choice is good. Choice is good. We can have choice for electricity providers, choice for natural gas providers, but we're not going to give the health care workers any choice.

Mr. Dunford: You're wrong.

Mr. MacDonald: The hon. minister says that that statement is wrong, and certainly I would welcome his input in debate on this matter, Mr. Chairman.

This is a serious departure from past practice and in clear violation of our commitment to due process under NAFTA, maintains Mr. Blair.

Now, the Labour Relations Board has traditionally maintained its impartiality by engaging in a very careful balancing act between the interests of the employer and the workers, but with Bill 27 the government is throwing out all pretense of impartiality. We have to take the words of this learned fellow very seriously, and we have to study this. Again, Mr. Chairman, I'm urging all members to have a close second look at just what this gentleman has studied in this proposed bill. I think we should have a look at this, and we should examine this thoroughly.

8:50

When we have a complaint of this nature being filed, Mr. Chairman, and it is filed jointly by the Alberta Federation of Labour, the United Nurses of Alberta, the Canadian Union of Public Employees, the Health Sciences Association of Alberta, the Communications, Energy & Paperworkers Union of Canada, the United Food & Commercial Workers' International Union, the United Steelworkers of America, and the International Union of Operating Engineers – that is a large group, and that group wants to be part and parcel of a vibrant, progressive province. They don't want to be treated any differently than anyone else. They want to be treated with fairness, and they want to know that whenever they have an issue surrounding collective bargaining, it will be dealt with in a timely fashion and, again, with impartiality.

After reading this, my concerns, as I outlined them last night, Mr. Chairman, are deeper than ever regarding this bill. I think that when you look at the whole issue of essential services and the fact that it's not fair and it's not balanced and that some nurses in the public sector have lost their right to strike and others who are working in private nursing homes have not – no one has explained to me how this is fair and why one group loses their rights and another does not. I hope that this is not done on purpose. I can't see this being done on purpose. Why would we in this Assembly devise a law that's going to pit one group of workers against the other? That is what I'm afraid can happen here by, let's say, pitting the Alberta Union of Provincial Employees against the Canadian Union of Public Employees.

Mr. Dunford: It happens all the time.

Mr. MacDonald: If we're going to have this happening all the time, as the hon. minister states, how is that going to improve relations? Certainly, one group at the certification process can try to attract workers to their union, but let them work it out. Let's not take perfectly good sectors and throw one group after another. Let AUPE and CUPE go to the private nursing homes, and if conditions are

right, then unions will be formed because the workers will see that it's in their interest to get together so that they can have a common voice.

There's an old adage not only in Alberta but across the country that bad employers attract good unions. That's where competition belongs in the union movement; it's to have them go out and spread their message, organize the unorganized. It would be very easy for them to organize the unorganized if there is a poor employer or an employer that does not see them as a resource but looks at them as a commodity. I think we should always, if we're going to have productive labour relations, see our workforce as a resource. Workers are not commodities.

Mr. Chairman, at this time I will conclude my remarks regarding Bill 27, and I will be anxious to hear the comments from others, particularly in light of this development today where the Federation of Labour is launching a NAFTA challenge to this proposed bill.

Thank you very much.

The Chair: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you very much, Mr. Chairman. I know that there are members on both sides of the House that want to enter into the debate. One of the terms that's come into our jargon is mid-course corrections. One of the things we need to do if we see any member getting steered off a little bit is try to bring them back in line or at least in the direction very, very quickly before the rhetoric gets totally lost on us. I think it's important that we do that.

One of the things that I'm hearing the hon. Member for Edmonton-Gold Bar talk about is a concern about cabinet somehow picking the union or picking the collective agreement. Of course, we have to be clear, I think, about this particular area. Yes, there are going to be regulations that go along with this act, and this is causing some concerns, as has been articulated not only here in the House but also outside this Legislative Assembly. Basically, I'd just ask you to look at the patterns and processes that are already in place. It's not unusual in labour relations through regulation to bring some powers to the Labour Relations Board. When the hon. member and people both inside and outside the House get to see the finalized regulations, I'm sure that'll cause them a great deal of relief instead of the sort of grief that they currently have as they start thinking about all this boogie-woogie stuff that they keep surmising and of course trying to articulate.

I probably am as happy about today's events as the hon. member. I might even be more happy. I am happy that we have unions in this province that feel so strongly about an issue that they would actually make a NAFTA challenge. I think that is great. I think that shows that over time unions have come to realize what an important aspect NAFTA has been for the province of Alberta. This has been a tremendous trade agreement that has added immensely not only to the number of workers that are employed in this particular province but to the general wealth of workers that are employed in this province.

What I am particularly pleased about today, then, is the fact that here is a legal means that is available to organizations such as the unions that the hon. member listed that now are taking legal action against what we believe to be a legal entity here, Bill 27. I think that's right and proper. As a matter of fact, I have no idea what the press gallery did with this today, because as a member of government I can't expect to be shown in good light all of the time. Certainly, when I heard about the NAFTA challenge and when I was approached by the media, this was extremely refreshing because up until that point the only time the media were approaching me was

about what I was going to do in case there was an illegal strike. Very refreshing today, I must say, hon. members, to be able to talk about opposition within a democracy and what they were going to do in legal terms. I think this is extremely important.

9:00

Where we need to make a midcourse correction, I think – if we listened closely to the hon. Member for Edmonton-Gold Bar, he talked about pitting a union member against a union member. Now, this happens. In the real world this happens. Unions are very aggressive. Unions just don't go out and try to organize unorganized workers. Unions are no different than any marketing, free enterprise operation in the sense that they try to increase their jurisdiction, they try to increase their mandates, they try to increase their membership. And why shouldn't they? What is wrong with that? In an Alberta that is based on the principles of a market system, who here in this Legislative Assembly could possibly be against it? I'm certainly not.

So what we have here is not something that is abnormal or unusual. If there's anything unusual about it it is the fact that the government is taking a direct hand in saying that, yes, there's going to have to be some reorganizing of the certificates that are existing here in Alberta so that at the end of the day, whenever the end of that day is, we're going to have four certificates within a jurisdiction operated by a regional health authority. We're not saying, hon. members, for one minute which union it has to be.

Dr. Taylor: Of course not.

Mr. Dunford: That's right. Of course not.

We're saying: look; there'll be a democratic vote at some point, and the very people that will be covered, then, by that certificate and then subsequently that collective agreement are going to have a choice on who they pick. It is very, very simple what is taking place here.

As a reference to an earlier question that came from the MLA for Whitecourt-St. Anne, he talked about the concern that people have about removing their ability to fairly and freely negotiate with their employers. That's going to still continue, but the difference is that, like I tried to talk about last night, instead of 400 and some-odd collective agreements that have to be administered, well, throughout this province there are only going to be 36.

You know, I'm not so sure that the unions might not be supportive on this. Can you imagine all the energy and all the resources that they must put into administering 400 and some-odd collective agreements? And here's the government that is going to bring it down to 36, probably going to save them some resources, and at the same time they kind of get to kick us in the shin over it. Actually, they've kind of got it both ways when you think about it. I mean, we're probably doing something that's going to help them eventually, and in the meantime they get to continue with their old position and their traditional position of bashing this government. Actually, I'm not so sure that I shouldn't get with the leader of the Alberta Federation of Labour and maybe tell him what a good deal I think I'm giving him. Would you support that? [interjections] Absolutely. Okay.

An Hon. Member: We might come along for the show.

Mr. Dunford: Well, now, just a minute. I had some invites of people that might want to come along for the show. Now, just be careful.

I am having a little bit of fun, but I want to get serious for a moment. I want to get back to this NAFTA challenge and how

important I think this is. I believe that it establishes once again why this government has the respect it has for the Alberta Federation of Labour and for its leadership, not only now but the leadership that it's had in the past. You know, it's really the Federation of Labour that probably gets caught up inside the so-called pitting of unions, as they try to pick a union that will represent them over another union that was currently in existence. So I recognize the role that the Alberta Federation of Labour must have to have as kind of a referee within the union movement. I would think that they would have some understanding, then, of what we have as a government here and then trying to referee the situation that happens in just the normal events of labour relations as it happens here in the province.

But there's no question – and, again, I think I've been straightforward on this – that the reason we have Bill 27 in front of us tonight and the reason that Bill 27 has the title that it has is because there was a request by the employers involved in the reformation, the reorganization of the regional health authorities, and they asked us for some help in this area. The government after some deliberation said: yes, we are willing to help in this particular area. I think it's an exaggeration to suggest that we've gone overboard, that we're trying to switch a balance here in favour of all employers over all unions throughout the province. Again, I want to indicate that this is a specific situation that's been set up for a specific reorganization that is taking place.

There was a concern expressed last night and again tonight about whether or not our changes are going to somehow restrict the ability of people to go into this profession. Now, I might be wrong, but I would bet that there's not one nurse, there's not one licensed practical nurse, there's not one lab tech, there's not one dietician that went into this profession because they would then be able to join a union. I don't think that that's a part of the equation at all. The beauty of the whole situation, though, is that when they became a registered nurse or they became a licensed practical nurse or whatever profession they chose inside the system, in certain occupational capacities they could make, then, a clear choice as to whether or not they wanted to have their individual situation as it related to salary and benefits and working conditions bargained on their behalf by a registered trade union, and that's the way it should be. There's nothing in this bill that takes away from that.

So with those clarifications, thank you, Mr. Chairman, for recognizing me, and I hope this midcourse correction gets us back in the direction in which this bill is truly trying to go.

Dr. Pannu: Mr. Chairman, I would like to enter the debate on Bill 27, Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003. The title of the bill is quite innocent. The argument is given that since the number of health authorities is now cut down to about eight or nine, we need to make some changes in the legislation to reflect the reduction in the number of health care authorities across the province.

On the face of it it looks obviously interesting, reasonable, but I want to start by reflecting on some of the remarks that the Minister of Human Resources and Employment has just made. He's the one minister in this cabinet whose job it is to make sure that both the legislation related to labour rights and the policies governing the relations between employees and employers are even-handed, that they're fair, that he's not taking sides. The minister, I would like to hope, takes that responsibility seriously and interprets his responsibilities in the spirit and the way in which I have interpreted these responsibilities of his. I want to look at his remarks to see whether or not in my judgment he's so doing.

9:10

He talks about midcourse correction. I guess this is a term which is rather loose. It can be used in all kinds of ways. He, I guess, was referring to intervening in order to set the course of the debate here in the House midway through this debate ride, but I guess he's also perhaps alluding to the government's midterm crisis, midlife crisis, as it were. It's now desperately looking for ways of creating new issues. Its agenda has failed on deregulation, its agenda on education is blowing in its face, its policies on seniors are coming to haunt it, and now it's trying to create new bogeymen to attack. Its policies on regional health care delivery in rural areas are giving it some concerns. There is a veritable revolt in the rural areas in response to this government's attempt to roll back the services that are available to Albertans who live in small towns, in rural communities, on their farms.

So in order to cover its failures, in order to put a cover on its failed policies and anti ordinary people policies in this province, it's now targeting the union movement. It's targeting radiologists, the radiological technicians, X-ray technicians, nurses, most of whom also happen to be female workers in this province. The attack in this bill on labour rights very seriously has a focus of attacking female workers in this province, most of whom are the frontline workers in our health care service. I challenge the minister of labour to address these points that I'm raising and assure me that that's not what this bill is about.

He is talking in a very, I think, frivolous way about how the labour movement has come to see NAFTA as a benign agreement rather than acknowledging that the concerns of the labour movement must be so serious as to lead them to contemplate undertaking this most expensive lawsuit against this government's desire to dismantle the framework of labour relations that has worked really, really well in this province up to this point and is therefore saying: well, well, yeah, we know that we have pushed the labour movement to the wall. If anyone has their back against the wall, they fight back. That's what the labour movement is doing and is determined to do, it seems from the news release today.

If the minister is really serious and not frivolous about his remarks on the labour movement's attempts to take this matter through the NAFTA process, then he ought to stand here today and say that he is willing to commit his government and his ministry to footing the bill for this legal challenge so that once and for all the labour movement's concern, Alberta Federation of Labour's concern that this bill will violate NAFTA provisions is addressed and addressed not at the cost of the unions that represent custodial workers, janitorial services people, people who keep our hospital floors clean and get the minimum wages to do it for us, that their union membership fees are not used to pay for this NAFTA challenge but that this government in fact, taking the concerns of the labour movement seriously, is ready to pay for the legal costs of the NAFTA challenge that AFL and its affiliates are about to launch. I want the minister's answer to this. If he is serious in his praise of the labour movement, then I think it's incumbent on him to stand up and say that he will in fact find the funds from his own ministry under this government to pay for that. It's good for them, it's good for us, it's good for this Legislature, it's good for this government, it's good for the labour movement to have this matter settled. I'm disappointed but not surprised that the minister will do this. He was not being serious about this.

So Bill 27 is what I've said it is: it's a frontal assault on the democratic rights of Albertans. It's a frontal assault on the internationally recognized human rights of the people working everywhere and the people of Alberta. On the eve of a war that's being taken

into a country tomorrow in the name of democracy, I think we need to remember how we got these rights over the centuries. People fought for them. I'm sure the ancestors of most of us were victims of the injustices which brought them to a point where they recognized the need to organize to seek justice, fairness, and dignity for all regardless of whether these people are employees or employers.

A decent society, a good society, a civilized society extends those rights of dignity and fairness and justice to all, and this bill, in my view, is a withdrawal from that commitment. It's turning back the clock. I don't think that I for one am remiss in making note of what I see in this bill, which is really the betrayal of those commitments, which have historical roots. It's those commitments that were made as a society to all employers, employees, and ordinary citizens: powerful and weak, rich and poor, women and men.

Anyone who wants to seek employment in the workplace today I think has the right to expect to be treated fairly, treated in terms of laws that are fair and just and not told: we're going to take away the rights from you because we want to tell you that unless you accept these rules, we won't be able to deliver the health care services in an orderly fashion to Albertans. It's putting at odds with them the sons and daughters of the very people that this government claims to want to provide these services to.

Who are these nurses? Who are these X-ray technicians? Who are these dietitians? Who are these janitors? Who are these custodial workers? These are men and women whose parents are the ones that use these hospitals. This government wants to pit the frontline health care workers against their own parents, against their own brothers and sisters, against their own communities, Mr. Chairman, and that, I think, is a deeply regrettable strategy on the part of this government to divide and rule.

I will not stay silent on this. I want to bring these matters out and put them on the record. It's not a very creditable way, it's not a very good way, it's not a very reasonable way to deal with the changes that we are making and the changes we need in legislation to reflect those changes in the organization of regional health authorities. There are other ways, better ways, more fair ways, just ways of addressing and responding to those changes that are needed as a result of the reduction in the number of health authorities to the eight or nine that we have now.

Now, Mr. Chairman, I also want to beg your indulgence to refer to the circumstances that constitute the background to Bill 27. Bill 27 is part of a series of legislative and policy steps that this government has taken to undermine our health care system, to undermine the labour relations framework that has governed the delivery of services within health care. We first had the private hospitals bill, Bill 11. That's been in place. We've got the legal machinery and the legal framework now for private hospitals to set up shop, and we have one already operating. Then we had the Mazankowski report and the Premier's Advisory Council on Health, that was a product of that Bill 11. So the Mazankowski report has been accepted by this government, and the thrust of the agenda of those 46 or 47 recommendations that came out of the so-called Mazankowski report was to shift the costs of health care more and more to the users of those services and of course to facilitate step-by-step growing and progressive privatization of the health care system.

9:20

The third is the most recent step: the dismissal in a most contemptuous and regrettable way of the democratically elected members of the regional health authorities. That is the third major step in the progression of steps that this government has taken, all designed cumulatively to undermine the public health care system in this province and in this country. This government has made no

apologies about leading the charge on assaulting our public health care system in this province and setting an example for other people in other provinces who think in the same way as this government does to be able to do the same. This contemptuous dismissal of democracy and democratic practices and democratic processes that provided Albertans some assurance that the regional health authorities would have if not a hundred percent at least 66 percent representation through the democratic will openly and freely expressed by Albertans has been now squelched. That's been killed. So that's the third step.

Then we reach Bill 27, Mr. Chairman. This bill is not an isolated bill necessitated all of a sudden overnight by a change in the number of health authorities. It's part of a chain of events. It's part of a systematic attempt on the part of this government to transform our health care system so that we'll never be able to recognize it. If this government continues to be able to do this for another 10 years, it'll turn it into a private, for-profit health care system and a two-tiered health care system.

This Bill 27, then, in my view, is yet another step in the direction of not only weakening the health care system as we know it but of creating space for private, for-profit providers, the so-called private delivery of publicly funded health care services. Private companies don't come into the field unless they get legislative fire walls built around their rights to make profit. We have seen that with respect to Bill 19. Direct Energy wouldn't come into this province unless they are given the freedoms and the liberties that they think they need in order to make a profit.

Here, too, Bill 27 is creating the conditions for private, for-profit providers of health care to find the legislative framework in place which will assure them hefty profits without any roadblocks in their way. They want these legal guarantees, and that's what Bill 27, it seems to me, provides. It does so, as I said, Mr. Chairman, at a huge cost in terms of democratic rights that have been taken away from ordinary Albertans who are willing to work in the front lines of our health care system from janitors and custodial workers all the way up to physiotherapists and nurse practitioners. What's the reward for their willingness to work, for the commitment to provide those services when we need them? To lose the democratic rights that they along with all of us have earned as a result of the centuries of struggle and hard work on the part of democratic forces in our modern societies.

Government's agenda has changed. It's now to privatize, to assure that private, for-profit providers feel confident and assured that they can enter the field without risking their investment. To guarantee them profits, then, the government is willing now to stop talking about the cost-effectiveness of their policies. Whether they have to do with a reduction in the number of health authorities or the dismissal of democratically elected members of the regional health authorities or anything else, the government is now silent on the cost-effectiveness impact of its policies and merely talks about making sure that there remains in place one payer, the so-called public payer, but the delivery of services regardless of cost increasingly would be transferred to private, for-profit health care deliverers.

Having changed its own agenda, having come to the conclusion that its own policies will not lead to a reduction of costs – and we are seeing that, and I think they have come to realize this now – they are now changing the items on their agenda, what they want to accomplish. What they to accomplish is, therefore, privatization, and privatization requires, of course, decimation of the unionized labour force that presently provides the nursing services, health care services to most of us.

There may be another motive here. The health care service

providers represented by public unions have of course stood very firmly in support of a public health care system. They opposed the introduction of private, for-profit hospitals in the province, they opposed most of the recommendations of the Mazankowski report, and they have advocated the rights of Albertans to be able to have health care when they need it at a reasonable cost. They are being punished, I guess, for standing up for public health care, and this bill is further evidence of the fact that this government will not spare any man who stands up and defends the public health care system and expresses dissent and opposition to this government's agenda with respect to its own so-called reforms of health care.

So there's a price to be paid, Mr. Chairman, in this context, and much of the price is going to be paid by health care workers. They are going to lose the right to strike. Not only will they lose the right to strike; some of them will not even have the right to join a union. That to me is one of the legacies that this bill will leave behind if it ever becomes a law, and that's why I'm calling on everybody in this Legislature and everyone outside, whether they're members of unions or not, to pay attention to the real intentions and the potential impact of this bill before they decide to support it. This bill does not merit our support. This bill needs to go back to the drawing board and address the issues, some of which have been raised here by other colleagues of mine and some of which I have raised here at this moment. Once we do this, then we can go on to find a better bill to address the issues.

Thank you, Mr. Chairman.

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

Mr. McClelland: Thank you, Mr. Chairman. The hon. member who has just taken his seat, the hon. member representing Edmonton-Strathcona, a person for whom I have great personal respect and whom I know to be a person of passion, I know to be a person who is entirely committed to the position that he brings to the table and, it must be said, is consistent. Each time our friend representing Edmonton-Strathcona takes to his feet in the Chamber, he's consistent in what he says and essentially how it is said.

I think tonight the argument of our friend representing Edmonton-Strathcona is somewhat overblown, and in my considered opinion his argument is not strengthened when hyperbole is used to suggest that the legislation is anti woman, which it is clearly not; to suggest that it is anti union, which it is clearly not; to suggest that it is anti labour, which it is clearly not. The member asks: who are these people? Who are they? They are X-ray technicians, they are the nurses, and they are the support workers. They are also our brothers, our sisters. They're our mothers and our fathers. They're our neighbours. They're people that we work with shoulder to shoulder. They may be our children. To suggest that somehow there is a divide that divides all of these people who work in the health sector from all other Albertans is just not true, because we are all in this society together and we all have different responsibilities that we bring to the table. They're all human beings deserving of respect, human beings deserving of respect because they are human beings and deserving of respect for what they do, what they do for us as individuals, for us as a society, for Albertans as a whole.

9:30

Nothing in this legislation takes anything away from that. This legislation respects the employees. It respects the unions representing the employees. It does create a situation whereby employees are going to have to make a decision and make a decision in their best interests, and they will be the ones making the decision about what union they will belong to. At present, as has been said, there are

over 400 collective agreements representing these people who will now be working in nine health regions, and is it not better that people working shoulder to shoulder should have the portability to be able to work within the health region and work shoulder to shoulder beside others who are working under the same terms and conditions?

It respects the employer, and the minister has said that this legislation very clearly comes as a result of a request from the employer because the employer needs to have a much more workable relationship within the bargaining units. Can you imagine over 400 collective agreements and how much better it is for everyone involved, including the employees covered under these agreements, to bring it down to a workable 36?

Finally, this bill respects the taxpayer, the person that eventually pays the freight, and let's not forget that in a province with a budget of something in the region of \$20 billion a year, when the direct government expenditures in health care are in the region of \$6.5 billion, many of the people that we're discussing today to be covered under these agreements are the very taxpayers that will be funding the agreements in the first place. We can't separate people who work in the health care industry from people who pay taxes and support the very health care industry in which they're working. It's an enormous part of our gross provincial product.

So this is a commonsense approach in the consolidation to nine health authorities, four broad distinctions within the health authorities in bargaining units, and a total of 36 different collective agreements. It provides flexibility for the employees and the employers, it provides consistency for those working side by side, shoulder to shoulder, and it reflects a genuine commitment of the minister and of the department to the collective bargaining process and respect for organized labour and respect for people covered under collective agreements to be treated with respect and to be treated fairly.

The bottom line is that this legislation, in my opinion, is fair to all parties, including the public, the public who are part of this agreement through employment, through management, through use as a patient, and finally as a taxpayer.

Mr. Chairman, I commend this legislation to the House and ask that all members wholeheartedly support it. Thank you.

[Two members rose]

The Chair: The hon. Member for Edmonton-Mill Woods had indicated that he wanted to speak, hon. member. Edmonton-Mill Woods, followed by Whitecourt-St. Anne.

Dr. Massey: Thanks, Mr. Chairman. I appreciate the opportunity to make a few comments about Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003. It's interesting to view the context of the legislation that's before us. I think that if we look back, there's been a history of conflict between this government and unions. They certainly haven't a history of getting along with each other, and it's rather curious because the government parades itself often as a populist government. Certainly, the Premier is noted as seeing himself as a populist Premier, yet when it comes to concerns that everyday Albertans hold dear, I think it's interesting that the right to belong to a union and to take appropriate action if your interests are not being served by your employer is not supported by the government claiming to be populist.

So the context of this is an important context. I'm not sure quite what the word is, but when I saw the government describe the legislation as housekeeping, as just a correction, I thought that that

is really unfortunate because it is not any of those things. It's not housekeeping. It's not a correction. It's a direct attack on unions and the ability of unions to represent and to serve the interests of their members. So it's, as I said, unfortunate in terms of the way the government is describing the legislation. It's not the minor piece that they would have us believe it is, and I think that everyone in the province now knows that that's to be the case.

Part of the problem, of course, is the brevity of the bill. The main highlights of the bill, I think, are fairly obvious. It makes employees of the same employer subject to the same dispute resolution process, and it takes away the right to strike. It creates four functional regionwide bargaining units within each health region, and it excludes nurse practitioners from labour relations coverage. Finally, it ensures that severance isn't paid to a person who continues in the same job even though the name of the employer has changed.

So it's a bare-bones piece of legislation. It's a great piece of law writing. It doesn't really tell the full story, and I think that everyone is waiting for the other shoe to drop, and that's when the regulations are formulated. I think people have every good reason to be fearful of the regulations. We've been burned in this Legislature with regulations in the not too recent past. Just prior to the last election the rebate legislation was dramatically changed by the regulations. It was only after the regulations came out that Albertans found out that rebates wouldn't kick in until energy prices had reached a particular level and remained that way over the period of a year. That was a betrayal, I think, of the people of this province, and that was done not in the legislation but in the regulations that appeared later.

9:40

So I think that this is an instance where the government would be wise to put in place the draft regulations before the bill is passed in the Legislature. I've had this discussion before with government members who say: well, you can't have regulations until you have the bill passed. But you can have draft regulations. You can give interested parties a look at the shape of what regulations might look like, and probably you can give them just about the full body of the regulations, knowing the legislation that you have before the House. I think that given the unease of the unions and working Albertans over this legislation, the government would be wise to put forward the draft regulations for their examination before the legislation is through the House. I think it would be one way of at least delaying some of their fears. It doesn't take away the negative aspects, the attack in this bill on unions, but at least it would allow people some confidence that the worst is not yet to come.

It was interesting to note again the context of the bill, and again there's a commentary by a history professor at Athabasca University about the legislation. He reiterates the notion that there's a long history of conflict with this government and unions and people who represent workers. As that commentator, Alvin Finkel, indicated, it's a relationship that has been in place almost since the Conservative government came to power. He goes on to speculate that the root of this uneasiness is that the government is in actuality a big-business government that parades sometimes as a populist government. So that context, I think, is important as we view Bill 27.

One of the tragedies of it is the cavalier way in which the right to strike and unions are dismissed. I look at the profession, of course, that I know best, and that's the teaching profession. I look at how long and how hard that profession had to work to organize to gain professional status and to gain the ability to control its own affairs, and it was rooted in the treatment of workers and teachers that was just reprehensible. Teachers could be fired at the will of a school board member. They could be fired if they didn't buy their insur-

ance from a particular insurance agent in the community. Their abuses were many. At one point one of the local school boards contributed part of their salaries to the war effort without consulting with the teachers. So their will to control their own affairs, to gain some independence, to balance off the power of their employer with some power of their own was rooted in a long struggle and a very unfair history. There's a similar history to most unions in the province. Their roots are in unfairness. Their roots are in situations where they were not treated fairly by employers. They're rooted in situations where they found their work undervalued. It was a hard, hard struggle, and there were many, many sacrifices by many Albertans to obtain the rights that professional groups and unions enjoy today.

Here we see, with the stroke of a pen, those rights being abolished for a large number of Albertans, and again I think that that's really unfair. From the kind of comments I've heard from government members, there's little recognition of that history, and there's little recognition of the kinds of injustices that workers in the province have suffered. Again, I think that that's unfortunate. It's easy to take away rights from a group. You can take away their rights, but you can't make them believe, and I think workers will not believe the kind of pitch that the government has accompanied Bill 27 with in terms of the reasons for its need and the way it has been passed.

I think it's unfortunate that the government failed to consult with union officials. It seems the height of arrogance to take and change people's lives without even having the courtesy of consulting with them. It could have led to a so much better climate were the government to have spent some time talking with the union officials, talking about the kinds of things that they were trying to achieve, and to seek the co-operation and also the good ideas that unions might have brought to the table in terms of achieving those objectives. It's, again, a failure, and we've seen this, unfortunately, before.

I think the teachers' strike, the first provincewide teachers' strike in the province, is almost a case study in how not to work with unions, and it was fraught with opportunities lost on the part of the government, where if at any point someone had picked up the telephone and talked to the professional association, things might have then turned out quite differently, and students and teachers may not have lost time in the classroom. It's a real failure, I think, on the part of this government not to consult with those people that are going to be affected by the decisions that they're making, particularly as important a decision as taking away the right to strike and reorganizing the way in which they will operate with their employer and negotiate with their employer. So, again, I think that a failure to consult is unfortunate.

There are a number of things that can be said about the specific sections of the bill, Mr. Chairman. I think the detail is fairly clear. Again, the most contentious section is section 96, which lists employees who cannot strike and prohibits lockouts, the widening of the list of people who are not allowed to strike.

So I think that with those comments, Mr. Chairman, I'll conclude, and hopefully the government will see fit to pick up the telephone and talk with unions to see if the kinds of very offensive sections of this legislation can't be ameliorated and made more palatable to the employers and to the workers that it affects.

Thanks, Mr. Chairman.

9:50

The Chair: The hon. Member for Whitecourt-St. Anne, followed by the hon. Member for Edmonton-Glenarry.

Mr. VanderBurg: Thank you, Mr. Chairman. I thank the minister for clearing up one of the questions that I had, but could the minister

comment on the second part of my question, regarding if Bill 27 will negatively affect the ability to keep or attract health care workers in rural areas? I think that if I could have that assurance, I could definitely support this.

Thank you.

The Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that we adjourn debate.

[Motion to adjourn debate carried]

The Chair: Shall the progress on Bill 27 be reported when the committee rises? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Bill 19

Gas Utilities Statutes Amendment Act, 2003

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

Mr. MacDonald: Thank you very much, Mr. Chairman. There is still a great deal to talk about regarding Bill 19 at this time. It is of great importance to Albertans that there be a detailed discussion on the implications of this bill along with its sister bill, Bill 3, because when we align the natural gas retail market with the electricity retail market, we've all been told that this is going to be a good thing for all Alberta consumers. We have been told as consumers to wait and we will see all the benefits of deregulation, whether it's for electricity or for natural gas, and if we are patient, we will see the economic benefits of this. Well, I'm afraid that Alberta consumers could have a great deal of patience and the only thing they would see is their pocketbooks getting thinner and thinner and thinner as a result of the deregulation of our energy supplies.

Now, when we amend the Gas Utilities Act, the Gas Distribution Act, and the Rural Utilities Act, as we see in Bill 19, it puzzles me for one reason when I was listening to their earlier discussions. The amendments for this draft bill and the regulations, at least some of the regulations, were on the Internet for months, and I like that. A person could have a look at them. The researchers could have a look at them. If it's good enough for this bill, why would it not be good enough, for instance, for Bill 27? Why could we not have the draft regulations to Bill 27 on the Internet for all to see? The labour groups could also have a squint at the amendments.

When we talk here, Mr. Chairman, of changing with Bill 19 the structure of the natural gas retail market to allow for more competition, is this competition just for competition's sake, or is this actually going to drive down prices for Albertans? Now, I'm told by members opposite that this Bill 19 is to provide consumers with the choice of signing a contract or floating on the natural gas spot market to receive natural gas, and it allows for a flow-through price for natural gas. It's going to change the role of the marketplace in an attempt to attract more competition. Certainly, Direct Energy is very, very anxious to participate in the Alberta market. At least, they're advertising now. We have discussed this campaign in previous debate on this bill, and I'm waiting for the campaign to go one step further, and we will see what happens with that.

This legislation also affects the operation of the gas co-ops by allowing their members to buy natural gas from other suppliers if choice is approved by two-thirds of the members. Now, I said this earlier, and I have had no satisfactory answer: if we're going to allow the gas co-ops, their members, this choice, why not give the citizens of Calgary or the citizens of Edmonton the same opportunity to outline their views on this?

I have, Mr. Chairman, a constituent who ran into this whole idea of choice here a couple of days ago. The door-to-door salesman knocked on her door – the woman is 89 – and she was very polite, let this gentleman into her home, and he immediately went into a sales pitch. Within a couple of minutes he wanted to see her previous gas bill – and this is what the future is going to be for all Albertans – and then he wanted to see her electricity bill. This is the convergence that we're talking about. This fellow said that everyone in the neighbourhood was buying, and this was the price. Now, gas for a five-year contract would be \$7.25 a gigajoule, and for a three-year contract it would be \$7.67 for a gigajoule of natural gas.

Now, when one looks at this and one looks at the current price and what the price has been and one looks at the long-term forecast – and there's a great range in those long-term forecasts – where is the benefit for the consumer? We can look at the natural gas contract, and we can look at the terms and the conditions – and, fair enough, it's all outlined in the code of conduct regulations – but when we have this army of door-to-door salespeople, how is all this going to be regulated? How is the consumer going to be protected?

I asked earlier in question period here today about a senior citizen without Internet access. Fair enough, the Department of Energy, at www.customerchoice.gov.ab.ca I believe it is, has the marketers listed. Direct Energy's name is not on that list, but EPCOR is and Enmax is. There is a significant amount of money an outfit has to put up front in order to participate in the market, but seniors who don't have Internet access don't have access to this information, and in the case of the constituent of Edmonton-Gold Bar and other people in the neighbourhood, they had no idea if there was such a thing as an exit fee, what exactly it would cost if they wanted to remove themselves from the contract. There were taxes and other charges. What would that cost them? None of this was explained, as I am aware, between the time the salesperson entered the premises and the time the contract was signed.

10:00

Now, this particular company, EPCOR, to their credit realized that this was a rather forceful presentation and sent a supervisor around with a handwritten letter of apology to that customer, and they voided the contracts that had been sold. The 10-day cooling off period did not have to work, and that was a responsible company, in my view, but how many people besides the constituent, in this case Mrs. Annie Matlock, have signed these contracts and have not regretted the decision until it was too late? Now, there are some interesting details in this contract. I'm not going to discuss them before the Assembly now, but we need to know that if this bill were to go through that consumers, Mr. Chairman, are going to be protected.

Now, when we talk about marketers and misrepresentation, the government promised that there would be a strict code of conduct in place for marketers to follow, and make no mistake, the government assured everyone that they were going to be prepared to enforce it. Certainly, if we're going to have this system – and I look across the way and I'm disappointed, but it looks like we're going to have it – the first thing that Albertans who have concerns with any contracts have the right to do is to compare prices. The marketers must give consumers the time beyond the initial contract to read all documents

and understand them before they make a decision. That was not the case in the constituency of Edmonton-Gold Bar. That didn't happen.

Sure, we can cancel energy marketing contracts within 10 days of signing for any reason and without any discussion and without paying a penalty. These cancellation rights must be disclosed in the contract, but I would like to see the marketers explain the exit fees as well because if you want to get out of some of those contracts, the \$150 amount a month can add up to a lot of money for a senior that's on a fixed income.

Any and all marketers – and this is where the Navigant report hopefully is going to come into play – have to state plainly what they are selling, and certainly they have to show identification, and they must make timely, accurate, and truthful comparisons on every aspect of the contract including the cost or the price. You just can't go into someone's home and ask for their utility bill and then tell them, "This is what you're going to save," and forget to add on all the municipal franchise fees, the GST, the distribution charges. You can't forget to add those things on in your price comparisons. I don't know who is going to be monitoring that if we pass this legislation.

Now, marketers also cannot exert undue pressure. I believe in the case in the constituency of Edmonton-Gold Bar that undue pressure was exerted. Marketers cannot state that a product is less expensive when it cannot be proven, and certainly we have to give consumers a break after 9 o'clock at night and not bother them until 8 o'clock in the morning. Certainly the legislation that was presented this week by the hon. Member for Edmonton-Rutherford . . .

Now, we could have . . .

Chair's Ruling Decorum

The Chair: Hon. members. If you wish to be on the list for debating, hon. Member for Calgary-North Hill, I'm happy to oblige. Just put your name on the list. The same goes for you, and I'm not sure whether it was Edmonton-Glengarry or Edmonton-Strathcona. [interjection] You're the sinner. All right. Then we'll put your name down too. But right now we have the hon. Member for Edmonton-Gold Bar.

Debate Continued

Mr. MacDonald: Thank you, Mr. Chairman. When we have a look at how Bill 19 and Bill 3 are going to affect Albertans, we have to be concerned as to how this will lower the price in this case for the almost 900,000 natural gas customers served by the major utility companies.

Now, I talked a little earlier, Mr. Chairman, about consumer choice or the ability of consumers to purchase natural gas from the provider of their choice. We know that this has been available to large industrial gas customers in Alberta since the late '70s.

If we do an analysis of this bill and if we look at this whole notion of convergence and if we look at the Navigant report, and the Navigant report was urging some sort of consumer education program for Albertans, and the cost of that was \$2 million, 2 and a half million dollars, I don't know who's going to bear the cost of this, but perhaps that would help out consumers such as those in Edmonton-Gold Bar who were visited recently by the door-to-door salesmen.

Now, other jurisdictions have tried this deregulation. A lot of jurisdictions have tried it and have come to their senses and have concluded that it's not a situation that's going to benefit consumers, and so they have gone back to more regulatory control.

If we were to take Bill 19 and place in it somewhere a process

whereby we were going to allow for consumer education, consumers could know, and the senior who does not have Internet access would know the questions to ask the individual who comes to his or her door; the senior would know. I could be wrong, and certainly hon. members are encouraged if they have the Navigant report in their bill brief to discuss the total cost, but I believe it was about 2 and a half million dollars for this consumer education program.

Now, maybe the Minister of Energy is going to surprise everyone and announce a consumer education program. Maybe the government could rent part of our website, www.altaliberals.ab.ca. We could certainly help them out and put a page on there of consumer information and ways that consumers could have information and protect their interests whenever the door-to-door sales people come. We may have more retailers in this province as a result of this bill, but I don't think that's going to make things automatically better for the consumers, Mr. Chairman.

10:10

Now, we've heard this before, but there is still no guarantee that more competition will reduce our heating bills. Retailers will only come to Alberta if there's a possibility of making a profit, and if you've got the middlemen, they're going to want to make a profit. That's fair enough, but the profit is going to come out of the consumers' pockets. I don't know how we're going to reduce costs in this way. An enterprise has to make a profit. They certainly do, but I don't know how this is going to reduce gas bills, and Albertans have said many times over that they consider not only electricity but gas for heating as an essential service. They do not want to shop around. They want reliable and affordable prices, and there are no guarantees from this bill that just because the government makes more changes, energy deregulation will suddenly start to work.

If anything, I would have to say that the changes proposed in this act are going to create more uncertainty, more chaos for the customer, more frustration, more confusion. At the proper time I'm certainly going to try to repair this bill, to improve it. I look at the numbers across the way, and certainly it would be a miracle if we could convince this government that energy deregulation is an expensive folly, but I don't think that's going to happen. We're going to have to try to make a bad situation better with amendments.

I cannot support this bill at this time, because I think it's going to make things worse for customers. Thank you.

The Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. I'd also like to add a few comments on Bill 19, the Gas Utilities Statutes Amendment Act, 2003. The Member for Edmonton-Gold Bar has certainly raised many, many concerns that Albertans have, particularly about our energy costs and certainly where the government is going in regard to the delivery of energy to our homes. With the tremendous spikes that we've encountered in the price of gas this particular winter, Albertans are confused, and they're quite baffled about the whole process. But they're most concerned about the fact that not very long ago we had a very good system in this province where we didn't see these sharp spikes.

Certainly, when we look at legislation, particularly when Albertans look at legislation, one of the questions they do ask is: who does this legislation benefit? We look at the Gas Utilities Statutes Amendment Act and see that one of the big selling points is that it gives the consumer choice. It gives them the choice of the supplier, but it certainly does not give that consumer the opportunity to get cheaper gas prices that supposedly, because of competition, this is going to lead to.

Now, one of the examples that the Member for Edmonton-Gold

Bar did bring up was about a constituent of his who got approached by a particular salesman of a particular company. Well, one of those salesmen actually visited my home and offered my wife – I wasn't home; I was here – the same deal of signing a five-year contract whereby we would be paying the \$7.25 per gigajoule. Now, she is a thrifty Scot, and she watches those dollars and cents pretty close, so she said: "Well, I need some information in order to make a decision of this nature. That's quite a while, and we've seen many, many variations and fluctuations in the price." She said: what have you got for me that shows me that this will be beneficial to me? This person did not have any information that was satisfactory to her. The only information she could judge on was the last few gas bills that we had received, and they were certainly above the \$7.25 per gigajoule, so she said: well, no; I am not prepared to make this decision right now without at least having the opportunity to research this.

Now, then, it's also quite interesting to me in all this talk about whether rebates kick in or not that we don't use some type of a weighted average on this average price of natural gas that we do pay. When we're paying so much more for natural gas in the winter months, the colder months, and when we are using so much more, it would only seem fair to me to use a weighted average to determine what sort of price would trigger a rebate system, but it doesn't seem to be going to happen in that particular fashion.

[Mr. Klapstein in the chair]

I have other constituents who have phoned my office, Mr. Chairman, and they're also concerned. They're concerned about these other charges that they see on their bill, and one of their favourite questions they seem to ask and a very popular question is: how many times do I have to pay for the cost of bringing energy from the alley to my home? It seems that, you know, when people have lived in their homes for 30 and 40 years, they've certainly paid for that distribution system, and now they're paying again. So they do have questions of this nature.

Now, then, as well, in looking at Bill 19, one of the groups that we did have contact with and did provide us with information was the Federation of Alberta Gas Co-ops, and this is a group that certainly has a long and proud history and also a long record of providing the people in the federation with very affordable, very reliable energy over many, many years. One of the things with the federation and the Gas Alberta Inc. group was that they were also quite concerned with the changes that were going to be brought about by Bill 19. These are elected boards, and they do have governing executives to ensure that any initiative that is promoted by government meets a test of prudence and satisfies a cost-benefit analysis.

As I mentioned earlier on in the debate and in my comments this evening, where do we see the benefit to the consumer? The major concern that all consumers have is: what am I going to pay? All I've seen is more and more and higher and higher prices for natural gas, and certainly this comes out of their pockets and leaves them in a position where they have less disposable income. I think that another perhaps measure of this can be the sharp decline that we have seen in the amount of business that our fast-food industry is experiencing right now. Higher energy costs have driven up their prices. The higher energy prices have taken away from the disposable income that families have, and I think in all fairness we have to look at – you know, I think people generally are starting to eat healthier and starting to eat foods with less fat content. There's a whole gamut of issues as to why they have experienced a decrease of business, and I can't help but think, Mr. Chairman, that one of the reasons is that this has not benefited the consumer.

10:20

So I think that the position of the federation and the GAI certainly is a very strong position, that there should have been some sort of a cost-benefit analysis to see how all of this deregulation and the changes that we have made in this industry have benefited the consumer. It has to be more than just a choice of who you purchase that through.

Now, then, as well, Mr. Chairman, "if such an analysis has been undertaken," then these groups request that "the Province of Alberta . . . produce it for the benefit of consumers and further understanding of the marketplace." Again, I hearken back to the wise words of the Member for Edmonton-Gold Bar when he indicated that this certainly is a very complex industry and many, many different types of regulations govern it and many different instances by which the companies arrive at a bill for us. Certainly, for the average person out there they don't have the time nor the resources to look in and try to sort this out. The one thing they do know is that this has not benefited them. They are paying more, and the service has not changed any from the way it previously was. So they don't see the benefit here, and quite frankly neither do I.

The federation and the GAI did ask for an analysis, and they go on to say:

Without this analysis the Federation and GAI suggest this initiative is premature and should be suspended until it is determined that tangible benefits will flow to consumers. Any other action would be irresponsible. The Federation and GAI submit that it is time for the Province of Alberta to take a fall back position, as has been done in many other jurisdictions, and ensure this review is taken before we move forward with any more initiatives promoting or intending to promote a competitive retail market and customer choice.

Certainly, with a more competitive retail market we do know that in that instance where we truly do have competitive marketing, prices as a whole go down. But it is very hard to have a competitive market when we have reserves that – at this particular time we are looking at remaining ultimate potential of 94 trillion cubic feet, yet production is 5 trillion cubic feet. So using these figures – and these figures do come from the government of Alberta – in looking at this, if we do have 94 trillion cubic feet of remaining ultimate potential in this province and at this particular time production is 5 trillion cubic feet per year, that's less than 20 years of ultimate potential of natural gas in this province. When you do have a dwindling supply, it is very, very difficult for us to have a marketplace where we are going to have adequate production to warrant a competitive market and to see prices decrease.

Now, then, as well, the federation and the GAI, Mr. Chairman, only want what is best for their consumers, and as I mentioned earlier, they have a long and proud history in this province of providing excellent service for their consumers. They are certainly interested if there are any tangible benefits to be realized with our new legislation, Bill 19, and one of their other goals is to have their membership properly informed and properly aware of how to take advantage of any benefits that will exist as a result of Bill 19. This is an elementary request on behalf of the federation and the GAI. They just want to see those benefits, and they want to be allowed to educate their consumers on the rationale and objectives of customer choice that will result in a competitive advantage for their members.

They have provided, I think, an excellent report on their position in regard to customer choice. They have also gone on in this report, Mr. Chairman, to provide recommendations that they "request the government to review and implement at their discretion." The federation and the GAI conclude the summary by repeating the question that has been repeatedly put to them by their customers and

which they have been asking the government to provide for some time: "Who is asking for these changes?" I think that's a simple question when all things are considered in that it wasn't the consumers in this province who had asked for these changes, and certainly when we consider that it wasn't the consumer that had requested these changes, then it's quite easy to understand why they feel that they are not getting any benefit from these changes. Or if they are getting a benefit, the only benefit would be choice, and choice is no benefit if it isn't accompanied with a decrease in the rates they pay for gas.

So with those comments, Mr. Chairman, I will cede the floor to another hon. member to continue with debate on Bill 19. Thank you.

The Acting Chair: The hon. Member for Edmonton-Mill Woods.

10:30

Dr. Massey: Thank you, Mr. Chairman. I, too, would like to speak in opposition to Bill 19, the Gas Utilities Statutes Amendment Act, 2003. Like other members of the Assembly, I have gas to one of our residences supplied by a small gas co-op. The co-op has been delivering gas to our cottage for a number of years now at very, very reasonable rates. The delivery has been reliable.

Mr. MacDonald: What gas co-op is that?

Dr. Massey: That's the Lac Ste. Anne gas co-op. They've been doing a good job, and it's been quite a change to have the utility handled by that co-op. Like others we were on propane for a number of years and all the inconvenience that accompanied being on propane. The gas co-op has provided good service, I think, for our neighbours and for ourselves over a long period of time.

So when we were given a copy of the submission that they had made to the government on this topic, I was particularly interested in what they might have to say. What they have done, I think, is taken what can be a complex topic and set of discussions and put it into everyday language and made the case in language that most Albertans can understand. They make a number of statements and come up with a number of recommendations that I think are certainly worthy of consideration by the government. I think it's unfortunate that their recommendations thus far haven't been reflected in the kind of legislation or the kinds of provisions we see in Bill 19.

One of the tests that they insist the changes have to meet is a prudence test, and they make the claim that customer choice for electricity and for natural gas at the retail level has not really been fully examined, nor are they satisfied that it meets the prudence test. They take issue, as we have, with the fundamental principles of competition or providing customer choice for these particular utilities, and they state quite boldly that

deregulation of natural gas has worked well at the wholesale level, but cost-benefit analyses and reference to actual experience in other jurisdictions demonstrates it does not work at the retail or smaller consumer level –

and they underline "does not work" – and that when you do introduce customer choice at the retail or smaller consumer level, you end up putting on additional layers of overhead and you introduce a whole set of additional costs and open up a whole new line of work for regulators. I think it's from that premise that customer choice does not work with natural gas and electricity.

They also take issue with the claims that lower prices will prevail, that the competition will drive the price down. They claim that that's simply not true. They don't believe that the changes that we have before us will result in natural gas being delivered to their customers at lower rates.

I think they remind us that small consumers – and we've had

examples of that earlier today in the Legislature – have little protection from the marketing community. Most customers, most of us living our ordinary lives really don't understand the complexities of buying commodities such as electricity and natural gas. All you have to do is pick up copies of the government's legislation with respect to electricity and natural gas, and you can understand why most consumers don't understand what's going on and in most cases don't want to wade through the complexities of trying to figure out which direction they should take in terms of buying commodities, which are really very, very important in our province and are complex in terms of trying to understand what is actually happening in the market. We had the example earlier today from the Member for Edmonton-Gold Bar of a senior in his constituency being high-pressured by salespeople. That aside, just anyone who is interested but not so interested as to want to get into the legislation will have a difficult time understanding the complexities of trying to act as a responsible consumer in the retail market for electricity and natural gas.

[Mr. Tannas in the chair]

I think one of the things that this legislation reflects is the government's overriding enthusiasm for customer choice in the free market economy. It's an enthusiasm that often – and this case, I think, is a good example – is not tempered with good sense. Again, I think, as the gas co-op people point out, most customers don't want the burden of trying to figure out which retailer will provide them with the best and most economical service. They expect, as has been the history in this province, to have gas and electricity supplied at reasonable rates reliably, and I think that that's what the previously regulated market gave them. Many of us are finding it difficult to understand why the government has made the moves that they've made other than this great enthusiasm for the free market economy and believing, almost a religious type of belief, that everything must be operated with the use of the free market as the underlying principle.

Part of the problem with this bill as well as with the previous bill is that the people most affected have been left out of the drafting of the legislation. The consumers really haven't had any say in what's going to happen to them. They don't appear to have had any input in the drafting of the legislation, and they're being asked to be part of an unproven model and in fact a model that in other parts of the world has not been a success, particularly for small consumers. Other places where such a model has been a success, I think, the gas co-ops point out that there's been significant government intervention and some horrendous implementation problems.

That's exactly what's happening here. If you look at electricity deregulation and the number of regulations there were prior to deregulation and you look at the massive regulations now that accompany the supposedly deregulated market, it's quite astounding. This is anything but progress in terms of clarity, and it certainly doesn't follow the simplistic notions of a free market economy that are spouted in defence of what's being done.

10:40

The gas co-op people go on to point out that the regulations and the drafting of the law seem to have been undertaken almost exclusively by nonconsumer groups and that nonconsumer groups have dominated discussions and that that's been at the expense of consumers, that they've been left out of the loop. They flatly reject what the government is doing and claim that the changes that we see before us in Bill 3 are unwarranted and will add additional complexity and actually will increase utility and commodity costs.

The gas co-ops speak for a large number of Albertans, 250,000 rural Albertans, and they're finding it very difficult to understand why we're rushing in to change something that has worked very well. They report on surveys that indicate that what customers really want is commodities delivered safely and efficiently at reasonable prices, and the notions and the kind of complexity that's been introduced into their lives by deregulation are not complexities that they wanted.

They go on to raise a number of questions, and I think my colleague from Edmonton-Glengarry outlined a bit of what they had asked. The major question they have asked is: "Who is asking for these changes?" It's a question that I think the government is obligated to ask. Who is asking for these changes? Why are we into this mess? Why are we struggling to deliver commodity, natural gas and electricity, to homes and fouling it with all the complexities of a number of retailers going door to door trying to convince us that the way they are going to do it is best? Why are we going through all of this? Who has asked for it? Who wanted it to happen?

They concluded their submission, Mr. Chairman, with a number of recommendations, and my colleague from Edmonton-Glengarry referenced one or two of them. One of the things that they wanted was that there be a freeze on legislation and altering the rules and the regulations and amendments to statutes, that there be a freeze on everything until the government has had an opportunity to examine the issues and to clearly demonstrate that small-volume customers can receive tangible benefits that outweigh the costs and the risks. So it's, I think, a very important recommendation. Let's stop this madness until we actually can figure out what's going on.

A second recommendation they make is that things not proceed until there has been significant customer input. Let's hear from Albertans. Let's hear from those people that are going to be affected by the changes, what they want and whether they agree with the directions in which the government is moving.

They also asked – and I think this one has been mentioned before – if the government can conduct studies to "objectively analyze the costs and the benefits which can be realistically delivered." Part of their submission – and it's not their position alone, Mr. Chairman – is that the people have little faith in what's happening. They don't believe that there are going to be benefits. They believe that they're going to be burdened with complexity and forced to deal with issues that many feel incapable of dealing with and many just don't want to be bothered dealing with. So they asked the government for some studies that would at least include the voices of stakeholders.

A further and I guess their final recommendation in their submission was that there be "a 5 year moratorium on any further initiatives on unbundling or restructuring for electrical and natural gas utilities." I'm not sure how realistic that is at this point, Mr. Chairman. We seem to be down the road so far that turning back becomes difficult. Maybe putting a moratorium on it is possible, but there doesn't seem to be much willingness on the part of the government at this point to listen to those kinds of pleas, which is unfortunate.

The association I think raises the question about what happens if all of this fails? Even with the best of intentions, if this doesn't turn out the way that the government is assuring us it will, what's going

to happen to consumers and to customers in this province? Where are we going down the road if all of the regulations and all of the laws and all of the changes and all the ideology end up creating a situation that doesn't deliver gas and electricity at a reasonable price to homes and in a reliable fashion? It's a question that should have been raised much earlier. What is the price of failure should this not work?

I started out indicating that I was impressed with the submission of the Federation of Alberta Gas Co-ops and Gas Alberta Inc., who made the submission, and they raise some excellent points and in language that is certainly welcome after what we're used to in wading through the legislation, Mr. Chairman.

I think that with that, I'll conclude for the moment. Thank you.

The Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that we adjourn debate.

[Motion to adjourn debate carried]

The Chair: Shall the progress of Bill 19 be reported when the committee rises? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee now rise and report progress on bills 27 and 19.

[Motion carried]

10:50

[The Deputy Speaker in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports progress on Bill 27 and Bill 19.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 10:51 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, March 19, 2003**

1:30 p.m.

Date: 2003/03/19

[The Speaker in the chair]

head: **Prayers**

The Speaker: Welcome.

Let us pray. O Lord, guide us all in our deliberations and debate that we may determine courses of action which will be to the enduring benefit of our province of Alberta. Amen.

Please be seated.

head: **Introduction of Visitors**

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

Mr. Ducharme: Merci, M. le Président. Aujourd'hui j'ai 10 invités assis dans votre galerie à la suite de la célébration ce matin à la rotonde marquant la cinquième édition des Rendez-vous de la Francophonie et la Journée Internationale de la Francophonie, qui se déroulera le 20 mars. Je leur demanderais de se lever à tour de rôle. Ils sont M. Luketa M'Pindou, vice-président de l'Association canadienne-française de l'Alberta; Mme Claudette Tardif, doyenne de la Faculté Saint-Jean; M. Paul Pelchat, président de l'Association canadienne-française de l'Alberta, régionale d'Edmonton; Mme Elaine Lafèche, présidente de la Fédération des parents francophones de l'Alberta; Mme Thérèse Conway, présidente de la Fédération des aînés francophones de l'Alberta; Mme Patricia Rijavec, présidente de l'Institut Guy-Lacombe de la famille; M. Richard Murphy, président de la Chambre économique de l'Alberta; Mme Rita Hébert, présidente du Centre d'arts visuels à Edmonton; M. Corey Loranger, président de la Francophonie Jeunesse de l'Alberta; et M. Denis Tardif, directeur du Secrétariat francophone. S'il vous plaît, joignez-vous à moi pour leur souhaiter la bienvenue.

The Speaker: The hon. Deputy Speaker.

Mr. Tannas: Thank you, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and through you to the members of the Assembly the mayor of Turner Valley, Her Worship Kelly Tuck. Kelly is in your gallery this afternoon, Mr. Speaker, and I would ask all hon. members to give her the warm traditional welcome of the Assembly.

head: **Introduction of Guests**

The Speaker: The hon. the Premier.

Mr. Klein: Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to Members of the Legislative Assembly a group of individuals who participated in a fund-raising auction held this past November in support of the Juvenile Diabetes Research Foundation. These very generous farm leaders purchased an auction item in support of that foundation. That auction item was lunch with me and a visit to the Legislative Assembly today. Visiting the Assembly are David Blackwood, chairman of the Alberta Turkey Producers; Bill Feenstra, chairman of the Alberta Milk Producers; Kent Olson, president of the Alberta Cattle Feeders Association; and Bill Wildeboer, chairman of the Alberta Pork Association. They're seated in the members' gallery, and I'd ask that they all rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Minister of Seniors.

Mr. Woloshyn: Thank you very much, Mr. Speaker. I'd like to introduce some teachers and helpers and a few students from the Connections for Learning school, and I do owe them an apology. As they were coming up to the House, I was going down to have our picture taken. I'd like Kim Herbert, Heidi Zwickel, Heather Marrelli, Hilda Hildebrand to stand and receive the welcome along with their students.

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Merci, M. le Président. It's my pleasure today to introduce a member of the Northern Alberta Development Council as well as a very longtime resident of the constituency of Fort McMurray, the oil sands capital of the world. He has sat on road committees for years on end and is, indeed, a former bank manager of the Commerce bank in Fort McMurray. It's my pleasure to introduce Mr. Arthur Avery. I'd ask him to rise in the members' gallery and receive the warm welcome.

The Speaker: The hon. Minister of Community Development.

Mr. Zwodzesky: Thank you. Mr. Speaker, it's a great pleasure to rise today and introduce to you and through you two young women who are visiting us from Ukraine. Our first guest is Daria Koucherets. She's here from Ukraine's capital of Kiev, and for the past five months she's been studying economics at the University of Alberta's Faculté Saint-Jean. She is one of the recipients of the Alberta/Ukraine special recognition award, which our Premier announced during his historic mission to Ukraine last may. She was also a guest at our most recent meeting of the Advisory Council on Alberta-Ukraine Relations, and she's pursuing a PhD. She's already fluent in Ukrainian, English, Russian, and French, and perhaps others that I'm not aware of.

Our second guest is Natalia Mykolska. She arrived here in Edmonton on February 5, and she joins the Alberta International and Intergovernmental Relations department through a six-month internship under the Canada/Ukraine internship program administered by the Centre for Trade Policy and Law at Carleton University. She's providing research support and assistance also to our Advisory Council on Alberta-Ukraine Relations. She has a law degree and a master's degree in European studies, and I'm delighted that she's here joining us.

I see that they are both standing. [remarks in Ukrainian] Please join me in welcoming them.

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

Mr. Lukaszuk: Thank you, Mr. Speaker. To you and through you to the members of this Assembly it's my pleasure to introduce 20 residents of the Lions residence in Castle Downs led by group leader Mrs. Gerda Rebekowich. Also, it is impossible for me to name all the individuals, but I must identify one lady who, as it turns out, was my high school teacher, Miss Flaman. I would like to ask them to rise and receive the warm welcome of this Assembly.

Thank you.

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

Mr. Bonner: Thank you, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and through you to all members of the Assembly 50 bright and energetic grade 6 students from Lago Lindo elementary school. They're accompanied today by teachers Mrs. Murray and Mr. Peters as well as parents Janice Krill, Greg Mallet,

and Barb Kent. They are seated in the public gallery, and with your permission I'd now ask that they rise and receive the traditional warm welcome of the Assembly.

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

Dr. Pannu: Thank you, Mr. Speaker. I have two sets of introductions today. First, I'm pleased to introduce to you and through you to this Assembly parents who are worried about what the government's budget cuts to our public education will do to their children's future. My guests are seated in the members' gallery. They are Hayley Grundy, Melanie Shapiro. I would ask that they rise and receive the warm welcome of this Assembly.

Mr. Speaker, I'm also thrilled to introduce to you and through you to the Assembly 29 international students from the University of Alberta who are accompanied by their group leader, Miss Constanza Kehling. I believe they are sitting in the public gallery. I would ask them to rise and receive the warm welcome of the Assembly.

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

Dr. Taft: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to all members of the Assembly a constituent of mine, Marilyn Bercovich. Marilyn is very concerned with services to autistic schoolchildren in our public school system. I'd ask Marilyn to rise and receive the warm welcome of the Assembly.

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

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to introduce to you and through you to this Assembly parents who are worried about the government's budget cuts and how they will affect their children's school. I believe my guests are seated in the members' gallery. They are Karen Ferrari and Preet Sara. I would ask that they rise and receive the warm welcome of this Assembly.

head: **Oral Question Period**

The Speaker: First Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Energy Deregulation

Mr. MacDonald: Thank you, Mr. Speaker. This government has replaced democracy with three draconian decrees. Using a political sledgehammer to end debate on controversial bills which this government has no mandate for is an abuse of the trust Albertans have placed in their government. Albertans always demand to know what this government is up to. My first question is to the Premier. Given the high utility bills, that are the number one concern of Albertans, how can this government continue to force their energy deregulation policy on Albertans?

1:40

Mr. Klein: Mr. Speaker, that was the most confusing preamble I think I've ever heard.

Mrs. McClellan: Well, he's playing to the audience.

Mr. Klein: He must be playing to the audience, Mr. Speaker. He starts out about the use of time allocation and somehow melds that into the whole utility question. I don't know how one relates to the other in the slightest bit other than one of the pieces of legislation,

of course, alludes to energy. To answer the question, I'm not sure even what the question was.

Mr. MacDonald: What Alberta consumers are confused about is your energy deregulation policy.

Again to the Premier: is this government so ashamed of its energy deregulation policy that the Premier and this government are forced to sever and end public discussion on energy deregulation because you're afraid that the consumers are going to find out the truth about your energy deregulation policy?

Mr. Klein: Mr. Speaker, I'm not going to get into legislation. That is before the Legislative Assembly, and there will be ample time, notwithstanding time allocation, to debate the issue. What the residents of this province want to see is the business of government being done, not dragged out, not talked out time after time after time for purely political reasons. They want to see legislation passed, and the legislation will provide a much better scenario for competition, for customer safety, for access to choice. That's what it's all about.

Mr. MacDonald: Again, Mr. Speaker, to the Premier: if we can't debate energy deregulation policy in this Assembly, will the Premier agree to a provincewide radio debate immediately with the Official Opposition on this issue to let Albertans know what the government is really doing to them and their expensive utility bills?

Mr. Klein: Mr. Speaker, there have been to my knowledge seven hours of debate already. Seven hours. There's not very much that can't be said in 10 or 15 minutes. It's when the same things are repeated over and over and over again, it's when the Liberals get up and grandstand for purely political reasons that we have to bring in time allocation, which, in my mind, is the responsible thing to do in order to bring about reasonable closure to an issue and to demonstrate to Albertans that we are interested in doing the business of the Alberta people and not political grandstanding.

The Speaker: Second Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. Given that this government has spent over \$7 billion on energy deregulation, seven hours of debate is not too much to ask.

Now, headlines also tell the truth, and this says, "Small business grumbles over electricity deregulation." The Premier cannot ignore the truth, so I hope that the Premier has had an opportunity to have a squint at this morning's business section and knows firsthand how small business feels about energy deregulation. To the Premier. Since energy deregulation nearly one-quarter of small businesses surveyed report electricity rate hikes of 50 percent, and this is before the latest price spike. How can the Premier state that electricity deregulation in this province has been successful?

Mr. Klein: Mr. Speaker, first of all, I don't know what the Official Opposition would like to do. Would they like to go back to regulation, to brownouts, to blackouts, to a situation where there was no incentive to bring new power onstream to provide competition, to have marketers out there offering customers various kinds of deals relative to electricity?

Mr. Speaker, I go back to a comment I made either yesterday or the day before in the Legislature. We heard nothing, absolutely nothing, from the Liberals when the price of electricity was 4.4 cents a kilowatt-hour. You know, if the price is up, then they yell and scream. When the price is down, they say absolutely nothing other

than perhaps mislead the Alberta public by going out and saying: we're responsible for the low prices of electricity. So when the price is up, blame the government. When the price is down, they take the credit. That's the way it is, and that's how they like to play politics.

Mr. MacDonald: Let's go back to yesterday. Can the Premier tell Albertans where they can buy electricity for 4.4 cents a kilowatt-hour? I'm sure they will want to phone his office and get in on that deal. Tell us where you can get electricity for that price.

Mr. Klein: Mr. Speaker, if he would keep his ears open and his mouth shut for a change, he would probably hear what I said. I said that six months ago it was 4.4 cents a kilowatt-hour. Six months ago, not yesterday. They can't buy it today for that particular price, but there's nothing that says that it won't go down in the future. Electricity like any other commodity fluctuates. It goes up, and it goes down. That happens in a regulated market or in a deregulated market. If he needs any more clarification, I'll have the hon. Minister of Energy respond.

Mr. Smith: Well, Mr. Speaker, the member is clearly referring to an article on a survey reported by the Canadian Federation of Independent Business. Now, I think the Department of Economic Development keeps close figures on what occurs in small business, and I would ask the Minister of Economic Development to supplement.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Given that as the price of electricity goes up, the government's popularity goes down, can the Premier explain how the lowest offer received for the last unit of generation required to meet demand sets the Power Pool price? This is not a free market. Will the Premier now commit to change the system so that the Power Pool sets one low rate for all Alberta customers?

Mr. Klein: Mr. Speaker, relative to how the Power Pool operates, I'll have the hon. minister respond.

Mr. Speaker, in response to the preamble I would like to have the hon. Minister of Economic Development talk a little bit and answer a question relative to the scenario as it exists in Alberta today for small business.

The Speaker: The hon. minister.

Mr. Norris: Well, thank you, Mr. Speaker, for allowing me to offer this input. When I got elected with the group in 2001 – and a great group it is – the original premise that was put forth by the opposition is that this province was on its way to economic ruin because of the situation which was then electrical deregulation and gas prices. We listened over and over in that session about how this province was clearly going to lose any kind of Alberta advantage that they talked about. Well, my desk is full of evidence that proves them absolutely wrong – absolutely wrong – and I'd like to share some of it with you.

I would like to start with some of the real indicators of the economy. The capital investment . . .

The Speaker: Hon. minister, please, please, please. We've now had five minutes on this set.

The hon. Member for Edmonton-Mill Woods.

Education Funding

Dr. Massey: Thank you, Mr. Speaker. An inner-city Edmonton

school must cut close to \$300,000 from its budget. Gone is the equivalent of three teachers, gone are the smaller grade 1 classes gained as a result of the small class size project research, and gone is part of the reading recovery program. My questions are to the Premier. How can the government claim that Edmonton schools are adequately funded when this inner-city school must face such devastating cuts?

Mr. Klein: Mr. Speaker, there are numerous stories from schools throughout this province that tell of the profound success of the students and of the experience of teachers and the experience of parents, and I'd be glad to go through this list. The Liberal opposition, of course, is intent on finding only the negative, pinpointing very specific schools where there might be a problem – we don't know – a school . . .

1:50

An Hon. Member: There are lots of schools.

Mr. Klein: Lots of schools, and there are lots of success stories. He said that lots of schools have problems. But that is the purpose of the opposition: to go around and tell Albertans how bad things are. I take great exception to statements that budget cuts – there are no budget cuts. Stay tuned and see what happens when the budget is tabled. As a matter of fact, there's been a 46 percent increase in education funding over the past six or seven years. A 46 percent increase. Where do they get this notion? How can they tell people such untruths as to say that there are budget cuts? And they get away with it. That's the unfortunate thing about it. It's shameful, and they should stand up and apologize to the Alberta public.

Dr. Massey: You might want to ask your Economic Development minister.

How many budget-cutting horror stories does the Premier need to hear before he moves to adequately fund Edmonton schools? How many stories do you need to hear, Mr. Premier?

Mr. Klein: Mr. Speaker, again, this is absolutely shameful. It is not the truth. There are no budget cuts. As I said, there has been a 46 percent increase in spending over the last six years or seven years. There's been a 6 percent growth in enrollment. There are no budget cuts. They are not telling the truth, and they should be ashamed.

The Speaker: The hon. member.

Dr. Massey: Thank you. My last supplemental is to the Minister of Learning. Why are grade 1 class sizes increasing in this school given that the government spent half a million dollars in research showing that just exactly the opposite should happen?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. As I alluded to yesterday, we just finished our class size study, which showed that the size of classes in Edmonton public has actually decreased slightly this year. The average size in kindergarten, I believe, was 19.7. The average size in grades 1 to 6 was in the 23 range, slightly lower than it was last year. When it comes to the individual schools, it is the Edmonton public school board's responsibility how they shift resources around. Those are the facts.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Olds-Didsbury-Three Hills.

Dr. Pannu: Thank you, Mr. Speaker. Parents in Edmonton are outraged that core school programs are facing the axe. For example, Windsor Park elementary is facing the loss of three support teachers who provide ESL instruction and work with struggling students. Parents will keep putting the pressure on this government until it relents. To the Minister of Learning: will the minister accept his responsibility and tell this House what concrete actions he will take to prevent the loss of three teachers and an increase in class sizes at Windsor Park elementary?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. One of the actions that we have already taken is the audit of Edmonton public. As I've said in this House before, we have already achieved in the range of approximately \$4 million or \$5 million. We hope to have the results of that audit done by the end of next week, although it could be a little later than that.

Mr. Speaker, when it comes to budget decreases, I have to emphasize that there have been no budget decreases. There have been no budget cuts in Alberta since 1995. Over that time, we've put 46 percent – 46 percent – back into the education system.

Some Hon. Members: How much?

Dr. Oberg: Forty-six percent. There has been an increase in school-age population of around 6 percent over that time frame.

The other point that I really have to say is that the teachers received an increase of around 14 percent, making them the highest paid in Canada by about 8 to 10 percent per year. Our students do the best of anywhere in Canada and, arguably, the world.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. The minister didn't answer my question. Let me repeat it. Let me repeat the question to him. How does the government expect children at Windsor Park to learn in an environment where class sizes already average 27 students even before the loss of three teachers?

Dr. Oberg: Mr. Speaker, I do not believe that it is the Minister of Learning's responsibility to dictate to each individual school where and how their resources should be allocated. We allocate our resources to the Edmonton public school board. They have subsequently allocated them out to their schools. We have found some issues, we have found some problems with the way that Edmonton public is putting out their dollars, but again it is preliminary data, and we hope to have the final data by the end of next week or the first part of the week after.

Dr. Pannu: My second supplementary to the same minister, Mr. Speaker: why are parents at Edmonton schools being forced to fund-raise at casinos in order to purchase computers, computers that should be funded by the government as part of the core curriculum?

Dr. Oberg: Mr. Speaker, I think that the real question that needs to be asked in Edmonton is why Edmonton Catholic is doing so well and why Edmonton public is having issues. They have exactly the same funding formula. Edmonton Catholic has signed an agreement. They're doing well. So I believe that that's the real issue that needs to be discussed.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Edmonton-Centre.

Enforcement of Access Orders

Mr. Marz: Thank you, Mr. Speaker. Many calls to my constituency office deal with the breakup of families. The problem is further compounded by parents failing or refusing to abide by court-ordered maintenance payments and/or access orders. This government deals with breach of maintenance orders in a number of ways to ensure enforcement. However, the same cannot be said for breach of access orders, leaving court action as the only recourse. Can the Minister of Justice please explain why his department does not take steps to enforce access orders with the same enthusiasm and energy as it does with maintenance orders?

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

Mr. Hancock: Well, thank you, Mr. Speaker. I appreciate the comment being made about the enthusiasm of enforcement with respect to maintenance orders, because that's a very, very important part of government policy in terms of helping children and families in Alberta. The maintenance enforcement program has the legislative authority to enforce court-ordered child maintenance payments but, as the member rightly points out, does not have the same direct involvement in the enforcement of access orders, nor does it have the legislative authority to enforce access orders. Maintenance enforcement provides the program the authority to collect and disburse payments on behalf of the program's creditors and debtors, and it can't be emphasized enough how important that is to children in the province of Alberta. No one need fear the enthusiasm of the maintenance enforcement program if they pay their child support payments as ordered by the courts.

Custody and access are not related issues, however, Mr. Speaker. We've done surveys in terms of bringing forward the new family law, which we promised to bring forward to the House this spring, and in discussion with Albertans they indicated again that they do not believe that maintenance and access ought to be linked. Maintenance is with respect to the obligation of parents to support their children, and that's an important issue. Access is also very important but separate from maintenance issues and shouldn't be linked. The enforcement of access orders is done by people who exert their access rights through the courts. It's an expensive process sometimes. Sometimes it's a very problematic process. But the only way that you can actually have someone ordered to carry out an activity is through the process of the courts.

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. To the same minister. Obviously, it is very expensive to hire lawyers to do this, to go through the courts, but not very effective because the original order is ignored. So what's the minister prepared to do to bring fairness and equity to this system?

Mr. Hancock: Well, Mr. Speaker, the first thing, of course, is the legislative framework for that, and we have the hon. Member for Calgary-Lougheed and her maintenance review of a few years ago. That committee made some recommendations with respect to access. Of course, the hon. Member for Red Deer-South piloted a bill through this House in 2000 which strengthened the access provisions under the Provincial Court Act and in other legislation which provides parents the opportunity to more easily enforce their access orders. It isn't completely effective at this stage, Mr. Speaker. We do have to do more to look at how we can assist parents in enforcing access, because I can't say strongly enough that children having

access to their parents and parents being able to stand in the position of being a parent to their child is extremely important, separate from the issue of maintenance but extremely important. More needs to be done to allow that, but I think we can look to the good work that the hon. Member for Red Deer-South did in bringing forward that amendment in 2000. It is being much more effective than it was in the past. People are finding that they can use that process to enforce their access orders, and we'll do everything we can within reason to streamline that process.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for St. Albert.

2:00 Legal Guardians' Access to Medical Information

Ms Blakeman: Well, thanks very much, Mr. Speaker. Many elderly people who can no longer make decisions about their own health care are fortunate enough to have relatives whom they can appoint as guardians. However, these legal guardians are being denied access to medical information about their relatives and are precluded, therefore, from making a proper decision about their care. My questions today are to the minister of health. Is it a hole in the legislation that's preventing guardians from accessing necessary medical information, or did the government leave the law open to inconsistent interpretation by on-site staff?

Mr. Mar: Mr. Speaker, in our review of the Health Information Act we have made some changes as it relates to who may or may not get appropriate health records for the purposes of finding out what's happened to an individual with respect to their medical treatment and so on. If there is a suggestion here that there needs to be a further amendment made, I'm certainly willing to entertain that, but to this point this is the first time that this issue has been raised by this hon. member or by anybody, to my knowledge.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Well, given that it's been raised a number of times by elder advocacy groups, I'm surprised the minister hasn't heard.

I take it, then, that he will accept an amendment from this side during the debate on the Health Information Act this spring.

Mr. Mar: Well, Mr. Speaker, as the hon. member knows, she's certainly entitled to bring forward an amendment. We are interested in making sure that our legislation is good legislation. We're not unwilling to look at constructive amendments from the hon. member, from her or other hon. members of this Assembly. If it's a constructive amendment, we'd certainly be willing to entertain it.

The Speaker: The hon. member.

Ms Blakeman: Thank you. An additional issue then: given that auxiliary hospital staff told one legal guardian that she would have to pay to see her elderly mother's medical chart, can the minister explain the rationale behind this decision to allow charging for essential information?

Mr. Mar: Mr. Speaker, I'm left at a disadvantage in that I'm not aware of this particular set of circumstances, but if the hon. member wishes to bring it to my attention by way of correspondence and is able to document that this in fact was the case, then I'd be certainly more than happy to look into it for her.

The Speaker: The hon. Member for St. Albert, followed by the hon. Member for Edmonton-Riverview.

Electricity Marketing

Mrs. O'Neill: Thank you, Mr. Speaker. Yesterday in question period the Member for Edmonton-Gold Bar related an incident in which an employee of an electricity retailer allegedly used unfair pressure tactics to convince an elderly Albertan to sign a long-term electricity contract. Now, the member asked the Premier: "How is this government ensuring that an energy marketer is not abusing the trust of a consumer or exploiting any fear or lack of knowledge or experience of a customer?" Such allegations are of concern to me, Mr. Speaker, and therefore my questions today are for the Premier. Could the Premier please outline for this Assembly and for all Albertans what measures are in place to protect consumers from high pressure or unfair sales tactics in the marketing of electricity?

The Speaker: The hon. the Premier.

Mr. Klein: Thank you, Mr. Speaker. When the question was asked yesterday, I didn't have all the information before me. Like all members of the government side I was concerned with allegations made in the House, and I was also concerned, more concerned as a matter of fact, to read a Liberal news release yesterday that was maliciously titled Gov't Policy Leaves Seniors Vulnerable to High-Pressure Sales.

No government can guarantee that there will never be unscrupulous salespeople, regardless of what kind of product is being offered for sale. What the Alberta government does do is guarantee that there are strong, effective laws in place to protect Albertans who are approached by salespeople who use inappropriate or illegal pressure tactics. Under the leadership of the Minister of Government Services our government has developed a very strong set of rules to protect consumers in the area of electricity marketing in particular. I'm going to go through it, Mr. Speaker, because it's very important. The allegations raised by the hon. Member for Edmonton-Gold Bar were very serious and very misleading.

Under the electricity marketing regulation of the Fair Trading Act all electricity marketing companies must be licensed, must post a \$1 million security bond, must ensure that all employees comply with a 17-point code of conduct. Under this code of conduct marketers must show identification when approaching a consumer; make timely, accurate, and truthful comparisons regarding their product or service; and ensure that all data they use to support their claims is reliable. It is also very important for members to know that consumers may cancel any agreement to buy electricity from a marketer within 10 days for any reason and without penalty. So if someone has second thoughts about a contract after signing, they have every right to cancel that contract.

In summary, protection for consumers of electricity is very strong, Mr. Speaker.

The Speaker: The hon. member.

Mrs. O'Neill: Thank you, Mr. Speaker. Given that Alberta has such strong rules in place to protect consumers, can the Premier tell the Assembly what penalties are in place for anyone who is found guilty of breaking those rules?

Mr. Klein: Again, Mr. Speaker, quite contrary to the very misleading headline, Gov't Policy Leaves Seniors Vulnerable, under our legislation penalties for violating these rules are severe. A marketer

found guilty of breaking these rules is subject to a fine of up to \$100,000 or two years in jail or both. In the case that was raised in the House yesterday, I understand that Government Services is looking into the practices of the marketer in question to decide if any further action is warranted.

The Speaker: The hon. member.

Mrs. O'Neill: Thank you, Mr. Speaker. Finally, my second supplemental is to the Premier. Where can Albertans go to get more information about their rights as consumers or to file complaints about marketers?

Mr. Klein: Mr. Speaker, the department has made widely available two very useful publications, which, again, the hon. Liberal Member for Edmonton-Gold Bar failed to mention, purposely and maliciously, in his news release, a consumer tip sheet called Electricity Marketing: What Consumers Should Know and a booklet entitled How to Shop for Electricity. As well, any consumer who requires further information or has complaints about the conduct of an electricity marketer can call the toll-free consumer information line to get immediate assistance. The number is 1-877-427-4088. I hope he took it down, and I would hope also that if members of the opposition are serious about helping consumers, they will pass this information on to constituents. That would do a lot more good than issuing ill-informed, malicious, and misleading and harmful news releases.

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

Private Surgical Facility Contracts

Dr. Taft: Mr. Speaker, contracts that this government approves for surgical services between health regions and private operators state, "The Operator will comply with all requirements of the Occupational Health and Safety Act." My questions are to the Minister of Health and Wellness. What action will the minister take when an operator violates this section of the contract?

Mr. Mar: Mr. Speaker, one is not properly posing a question in the House if it is hypothetical. I did ask the hon. member in a very reasonable fashion just yesterday that if he was aware of such circumstances where a private surgical facility operator was breaching a particular occupational health and safety provision, he ought to bring it forward. I did that yesterday: 25th Legislature, Third Session, Tuesday afternoon, March 18, issue 17 at page 559.

2:10

Now, Mr. Speaker, I certainly would take the matter up if such an allegation were brought forward and it were demonstrated to be in fact correct. I would take it up with the minister responsible for occupational health and safety, the Minister of Human Resources and Employment, and it would depend, of course, on the nature of the breach. Is it a major breach? Is it a minor breach? This is the reason why our House rules say that you cannot ask a hypothetical question. If he does have facts, then he ought to bring them forward in the proper manner.

Dr. Taft: Mr. Speaker, it's not credible that this minister doesn't know about this violation. I have raised it repeatedly in this Assembly, and charges have been laid.

What policies exist to deal with senior medical staff of regional

health authorities who face charges of endangering the health and safety of their employees?

Mr. Mar: Well, Mr. Speaker, again we have an hon. member asking a question based on hypothesis or innuendo. I asked him, again, in a very reasonable fashion just yesterday that if he was aware of such breaches, then he ought to bring them forward. To make such allegations in this House – and he did indicate that he's made them in this House – without providing documentation, without providing any kind of evidence of such allegations in fact being true, it is very difficult to answer. That is exactly the reason why we do not allow in our rules hypothetical questions to be asked.

Dr. Taft: Mr. Speaker, charges have been laid.

Can the minister explain – probably not, but I'll try – how a private operator can hold a contract approved by his department while charges are being pursued against that operator by another government department?

Mr. Mar: Well, Mr. Speaker, he has not identified who this operator is. He has not identified what the charges are. He has not provided any information or evidence of his allegation. I've asked, a very reasonable request, for this hon. member to provide the evidence of the allegations of which he speaks. To make such insinuations about people who are not in this Assembly and not able to answer those charges themselves is entirely inappropriate.

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

International Travel Restrictions

Mr. Maskell: Thank you, Mr. Speaker. Many Albertans travel internationally for pleasure or on business, and I know from my previous working life that this is a favourite time for school field trips to international destinations, and of course it's also a popular time for family travel. As far as the efforts to maintain trade and cultural ties, ministers, government officials, and government of Alberta employees occasionally travel out of the country. My first question is to the Minister of International and Intergovernmental Relations. With the global uncertainty and impending war in Iraq, does the Alberta government plan to restrict travel by Alberta government officials?

Mr. Jonson: The government has indeed approved a temporary travel restriction policy in the event of war with Iraq, and it applies to all government MLAs and public employees on government business. They will be restricted from traveling outside North America after war is declared or under way. This restriction is designed as a safety measure, Mr. Speaker. The Alberta government is being cautious in light of what could develop globally, and the travel restriction will be in effect for two weeks to allow us to fully assess the international situation. Exceptions may be considered on a case-by-case basis, depending on the importance of the proposed travel.

The Speaker: The hon. member.

Mr. Maskell: Thank you. My first supplemental is to the Minister of Learning. What information has he provided to school groups planning international travel at this time?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. Yesterday afternoon I sent a letter to all school board chairs, and if I may quote from this, I will be tabling this at a later time.

We do not recommend travel to any countries listed in the travel advisories by the department of Foreign Affairs and International Trade. In addition to Iraq and Afghanistan, as of today, travel is not recommended in much of the Middle East, and a number of countries in Africa and Southeast Asia. I also urge you to exercise caution with travel plans that include stops or travel to the United States and Europe.

Mr. Speaker, ultimately it is up to the school boards, but I do hope that they look at the Department of Foreign Affairs and International Trade web site to determine the day-to-day travel advisories that are being posted on that site.

Mr. Maskell: My second supplemental is to the Minister of International and Intergovernmental Relations. What information can he provide to other Albertans who might be planning trips outside of the country?

Mr. Jonson: Mr. Speaker, the Alberta government, of course, cannot prevent members of the public from traveling. However, given the current world situation, members of the public are strongly encouraged to ensure that they are fully informed before making international travel plans. As the hon. Minister of Learning has just said, before traveling, everyone should check out the countries with respect to warnings that have been issued by the federal government. It also has been said that information is available on the government of Alberta web site, link to Security, and people should also make sure that they know their rights as consumers and what options are available if they decide to cancel as they go about arranging travel.

Naming of Natural Areas

Ms Carlson: Mr. Speaker, Albertans have been blessed with a province whose natural attributes are both beautiful and eclectic. There are many responsibilities that accompany such blessings. One of these is the responsibility to name our province's natural areas and landmarks. Unfortunately, this government has turned what should be a nonpartisan exercise into a highly political process, with parks named after former but still living high-ranking Tory politicians. Why has the Minister of Community Development refused to consult with the Alberta Historical Resources Foundation on the naming of natural areas even when the explicit mandate of this organization is to be the naming authority in this province?

Mr. Zwozdesky: Well, Mr. Speaker, the hon. member raises a good question. Unfortunately, she just has it a little bit wrong. In fact, within the act in question the minister does have the right to consult with whomever he wants, obviously, but more importantly has the right to name whichever provincial parks he or she wishes to. There is a process, however, whereby certain other parts of the Historical Resources Foundation may be consulted with respect to the naming of local areas or other types of geographic parts of the province.

Insofar as provincial parks are concerned, they are exclusively under the act, with the minister having the right to make those appointments. A proper consultation process is followed through that, and that's the process that I followed.

Ms Carlson: Mr. Speaker, to the same minister: why has the province made the naming of natural areas and landmarks a political process, contrary to former cabinet ministers in this government and to long-standing conventions and traditions adhered to where physical features of provinces are not named after living individuals?

Mr. Zwozdesky: Mr. Speaker, those can be named after whosoever it's the pleasure of the minister to name, following the consultation he or she undertakes. If the member has a particular case in point that she wishes to raise, I'd be happy to respond more fully to her, but the fact is that the legislation, as far as I remember it anyway, is very clear. That allows the minister to name a certain protected area or protected space howsoever the minister wishes to do so, and we have named many of these. We're very proud of the special places we have. It's been a tremendously successful program, and it came to a successful conclusion on July 24, 2001.

Ms Carlson: Mr. Speaker, to the same minister: when is this government going to realize that the natural areas and landmarks in this province should be nonpolitical zones for all Albertans, which was recognized by a former minister of this government? Steve West made that commitment.

Mr. Zwozdesky: Mr. Speaker, we have some of the most incredible scenery, the most incredible, beautiful parts that any of the world could ever hope to have right here in Alberta. There were a couple of people who come to mind that were very instrumental in ensuring that this particular program of special places came into being. One of them was a former Premier. One of them is the current Premier when he was the Minister of Environment. Another one is a late cabinet minister who was involved in the parks and protected areas. So as you look at some of these very special programs, which, by the way, are sanctioned and endorsed by world-reputed organizations, I don't think it goes too far and it certainly is within keeping to have some of them recognized and named in honour of those people who helped make them happen.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Whitecourt-St. Anne.

2:20

Education Funding (continued)

Mr. Mason: Thank you very much, Mr. Speaker. McCauley school is a high-needs inner-city school in my riding of Edmonton-Highlands. Despite student numbers staying the same, the McCauley school budget will be \$280,000 less this September. This is very significant and will mean three fewer teachers at the school, two fewer support staff, and larger class sizes. Meanwhile, another school in my riding, Riverdale elementary, is facing about a 15 percent cut in its budget next year, resulting in the loss of two teachers. My question is to the Minister of Learning: why is the government placing high-needs inner-city children at risk through its refusal to make up the shortfalls caused by the recent teachers' settlement, thereby resulting in these draconian cuts?

Dr. Oberg: Well, Mr. Speaker, again, for about the fifth or sixth time in this Legislative Assembly, there was approximately \$298 million that was given to school boards for a \$260 million settlement. We are currently working with Edmonton public to find out where their issues are, what is going on with them. We have found a considerable amount of money to date. The audit should be done, again, by the end of next week hopefully, and I'll be able to have more answers for you at that time. We are working with Edmonton public, and we're confident that we can get down to some answers.

The Speaker: The hon. member.

Mr. Mason: Thank you, Mr. Speaker. Has the minister stopped to

think about how these cuts will negatively impact on vulnerable children, leaving them to fall through the cracks and not become, ultimately, contributing members of our society?

Dr. Oberg: Well, Mr. Speaker, first of all, the premise of the question is absolutely wrong because there have been no cuts to Edmonton public, and there will be not be cuts to Edmonton public in the future.

Mr. Mason: Mr. Speaker, how can the minister just brush aside the kinds of cuts being faced by Riverdale school, including larger class sizes and the loss of library, math, computer support, and reading recovery programs?

Dr. Oberg: Mr. Speaker, Edmonton public stated that they were having a deficit of about 13 and a half million dollars. As I've stated, since that time we have found a considerable amount. We have to put this into perspective. This is on a \$600 million budget, so you're talking about 1 or 2 percent at the absolute most. What we need to do is work with Edmonton public, which is exactly what we're doing, and I hope to have some answers for you by the end of next week if the audit is finished at that time.

The Speaker: The hon. Member for Whitecourt-St. Anne, followed by the hon. Member for Edmonton-Glengarry.

Alberta Supernet

Mr. VanderBurg: Thank you, Mr. Speaker. In Whitecourt-St. Anne my libraries, community offices, and other public facilities have been patiently waiting for the Alberta Supernet services. I read in a news release that the dispute between Bell West and Axia has been resolved. To the Minister of Innovation and Science: what is your department doing to ensure that the construction schedules that are in front of them today are being approved in a timely manner to get on with the work that needs to be done?

The Speaker: The hon. minister.

Mr. Doerksen: Well, thank you, Mr. Speaker. Several weeks ago in the House I did report to the Assembly that there was a commercial dispute between Bell and Axia and that my responsibility was to make sure that Supernet was built according to the contract and built on time. Since that time, both of the companies and the government have worked very hard to find a resolution to this issue, and yesterday we reached an agreement that will allow Bell to proceed unimpeded in building both the base network and the extended network and will allow Axia to get on with the business of selling services and operating the network, that will be to the benefit of all Albertans.

Mr. VanderBurg: My final question to the same minister: when will I finally see some work in Whitecourt-St. Anne on this project?

Mr. Doerksen: Mr. Speaker, that is a very important question. Every member of this Assembly is desirous to see the Supernet hooked up to the facilities in their community. Because of the agreement that was reached yesterday, we are able to now get to the business of actually building the network. We have confirmed and Bell is committed to delivering the project on time by the end of 2004. We will have some amendments to the build schedule, and as soon as those are finalized, we will be reporting on those publicly so that the hon. Member for Whitecourt-St. Anne will know definitively when the services will be available in his community.

Emergency Preparedness

Mr. Bonner: Mr. Speaker, with war looming in Iraq, it's more important than ever that Albertans know that we are prepared for any type of attack. There are concerns about how ready we really are. In addition to the Auditor General's report last year on this province's preparedness, new concerns have surfaced regarding the funding given to our emergency personnel to counter and react to emergencies. To the Minister of Municipal Affairs: how can many Alberta police forces be ready for an emergency when they claim that they are underfunded by millions of dollars?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. I think the question is a timely one and an appropriate one for this Assembly. First and foremost, I want to say that the safety and security of Albertans is this government's top priority. I want to say that over the past year we've provided funding to our emergency responders, first responders, in eight municipalities across Alberta, the big and medium-sized cities, to deal with radiological as well as chemical and nuclear. In fact, that equipment is going to first responders based on what they identified. So we're pursuing, again, that objective of keeping Alberta safe, and certainly we're achieving that.

Mr. Bonner: Back to the same minister, Mr. Speaker: given that the 2001-2002 Auditor General's report says that many provincial departments don't have adequate emergency plans, what has your department done to address these concerns?

Mr. Boutilier: Let me first and foremost, Mr. Speaker, describe Alberta's plan. It's to plan for, respond to, and recover from. I can say that in working closely with what the Auditor General had identified, we have 13 ministries, the top critical infrastructure ministries, that have completed their business resumption plans, and not only that, they are being tested. So I can say that we're planning, we're responding, and certainly, if need be, recovering from any kind of event that may result here in Alberta.

Mr. Bonner: Mr. Speaker, to the same minister: given that the police chief in Calgary has said that this province still has no protocols or divisions of responsibility in case of an attack, do we have these provisions? If we don't, why not?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. Again another very good question. Every municipality in this province, all 360, has emergency operation plans. That is their responsibility as first responders. We're funding, we're trading intelligence, and without question the province of Alberta is being viewed not only in Canada but across North America as perhaps the best prepared in dealing with emergency operation plans.

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

Agricultural Policy Framework

Rev. Abbott: Thank you, Mr. Speaker. Many of my constituents are concerned with the speed at which the agricultural policy framework negotiations are progressing. They've heard that a number of farm organizations want to delay the implementation for a year because they feel that the April 1 deadline is too soon. My first question is for the Minister of Agriculture, Food and Rural Development. Will

the implementation of the safety net chapter of the APF be delayed until 2004?

Mrs. McClellan: Mr. Speaker, the safety net chapter, I believe, can be separated out into a couple of areas. All members understand that in Alberta we announced very significant changes to our crop insurance program some six weeks ago, and producers are busy utilizing those programs and, indeed, signing up for them. The outstanding program is, of course, the net income stabilization account, and that is where some of the uncertainty is.

Mr. Speaker, I have encouraged all of our farm groups – and there's one of the chairmen in the gallery today that would recall that as late as yesterday I encouraged them to look at it from an Alberta perspective, to look at this program on the basis of what is best for Alberta producers, because while it is a national program, certainly we have some interests that we want to have dealt with. My concern is that if it is not concluded by April 1, then what protects our producers over the next year? The government of Canada's agriculture minister has clearly said that they are no longer in the CFIP or the income disaster program. So I don't want to see our producers left without that protection. Now, true, Alberta has a farm income disaster program of its own, which the government of Canada contributes to in part, but because Alberta's program is more enhanced than any other province's, they only contribute to a part of it. We would lose that contribution.

I believe that we have to have our industry look at the program and say, "Does this meet our needs?" and get on with it. I am very concerned about our being one year more without a good net income stabilization program.

2:30

The Speaker: The hon. member.

Rev. Abbott: Thank you, Mr. Speaker. My final question is for the same minister. What if negotiations don't produce a finalized NISA agreement by the April 1 deadline?

Mrs. McClellan: Well, Mr. Speaker, I prefer to think on the other side and hope that in the next 10 days we will conclude negotiations on that. My understanding is that to conclude this, you have to have seven provinces and 50 percent of the producers in Canada sign off. The preference certainly would be that you would have 10 provinces, the territories, and the government of Canada sign off, and that would give you a hundred percent of the producers. However, as I've indicated and maybe somewhat selfishly, my concern is with the producers in our province and to ensure that they have every protection that they can and the best risk management tools that are available to them to make the best decisions on their operation.

This government has not let our producers down in the past; we won't let our producers down in the future. We'll continue to have programs. Are they the best? Well, I think that we could improve them, and a successful NISA conclusion would do that. So we're going to work hard with our officials, with our industry leaders – our industry leaders, not people from somewhere away that tell us what's best for us. If our industry leaders say that this is a program that'll work for them, we'll be signing that program off.

head: **Recognitions**

The Speaker: The hon. Member for West Yellowhead.

Royal Canadian Legion, Cadomin Branch

Mr. Strang: Thank you, Mr. Speaker. I'm pleased to rise today to

congratulate the Royal Canadian Legion, Cadomin branch 124, who will be celebrating their 70th anniversary on March 23. Over the past weekend the Royal Canadian Legion, zone 2, had their rally in Cadomin, and it was well attended by 80 people. This is an interesting note as the community of Cadomin only has 80 permanent residents. At the time of the Royal Canadian Legion branch 124's charter in 1933, the town of Cadomin was thriving, with approximately 2,500 residents. The Legion was the heart of the community, and the community was one of the biggest along what is called the Coal Branch.

The Legion is a meeting place and plays a vital role in the community, offering recreational facilities, and works closely with the recreation board and the volunteer fire department. The Legion presently has 58 members, and they are scattered across Canada. I wish this Royal Canadian Legion branch in Cadomin all the success in the coming years. Congratulations, Legion members.

Thank you, Mr. Speaker.

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

Richard Christensen

Mrs. Jablonski: Thank you, Mr. Speaker. I'm very proud and honoured to stand in the House today to tell you about Richard Christensen. Richard Christensen is an 11-year-old boy from G.H. Dawe school in Red Deer-North who paid attention in class when Wes Van Bavel from the Red Deer fire department taught fire safety. Two days after learning about fire safety, Richard went into his kitchen to get a glass of water and saw flames and smoke coming out of the oven door. Richard then saw the fire flare up higher and remembered what to do. Richard remembered not to throw water on a grease fire because it will get bigger and that the first step was to turn off the source of heat, so he switched off the oven and ran to a neighbour for help. The neighbour was able to put out the grease fire and saved Richard's home.

Richard has been awarded the national Gateway Safety Net Publications award and is a hero to his family and his neighbourhood. I want to commend Richard and his neighbour for their quick thinking and for their quick action. I also commend the Red Deer fire department and Wes Van Bavel for an excellent fire safety program that works. Congratulations, Richard. We are all very proud of you.

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

Les Rendez-vous de la Francophonie

Mr. Ducharme: Merci, M. le Président. Du 10 au 23 mars, 2003, on célèbre au Canada entier Les Rendez-vous de la Francophonie. Durant cette période de temps on célèbre les communautés francophones afin de promouvoir la langue et la culture françaises tant par ses activités sociales et ses célébrations que par sa dimension humaine et communautaire. Les Rendez-vous contribuent à renforcer les liens entre les anglophones et les francophones du Canada et favorisent un plus grand respect entre ces deux communautés. De plus en plus nos municipalités albertaines se joignent aux Rendez-vous en tenant des cérémonies pour reconnaître leurs communautés francophones. Parmi ces municipalités cette année on compte Edmonton, Lethbridge, St. Paul, et Calgary. Félicitations à ces municipalités.

En guise de conclusion, M. le Président, vous me permettez un mot sur l'Association canadienne-française de l'Alberta. L'association a été fondée en 1926, et depuis son établissement l'association maintient un membership imposant qui se chiffre aujourd'hui de plus

de 7,000 membres. L'association a toujours encouragé le développement d'un réseau de bénévoles d'un bout à l'autre de la province, comprenant 10 régionales, un regroupement jeunesse fort et actif, une fédération des aînés, une fédération de parents, et de nombreux autres organismes et groupes. L'association a appuyé la fondation de la Faculté Saint-Jean, de la radio française, et de la télévision française en Alberta.

Merci, M. le Président.

[Translation] From March 10 to 23, 2003, Les Rendez-vous de la Francophonie are held throughout Canada. During that period of time attention is focused on Francophone communities with the idea of promoting French language and culture as much through community and human relations as through social activities and celebrations.

Les Rendez-vous contribute to the reinforcement of links between Francophones and Anglophones in Canada by fostering greater respect between the two communities. More and more of our municipalities are joining in the Rendez-vous by holding ceremonies to recognize their Francophone communities. Edmonton, Lethbridge, St. Paul, and Calgary are some of the municipalities that did so this year. Congratulations to all of them.

To conclude, Mr. Speaker, allow me a word on the French-Canadian association of Alberta. The Association canadienne-française de l'Alberta was founded in 1926. Over the years the association has maintained a strong membership that presently stands at 7,000 members. Also, it has encouraged the development of a full network of volunteer organizations throughout the province, including 10 regional offices, a strong and vibrant youth organization, a parents' federation, a seniors' federation, and many more organizations and groups. The association also supported the foundation of the Faculté Saint-Jean and the French radio and television stations in Alberta.

Thank you, Mr. Speaker. [as submitted]

Edmonton Journal Indoor Games

Dr. Taft: The spirit of athletics, the fun of competition, the friendship of teammates, the excitement of victory, the glow of fitness and good health: these were all in ample supply last week during the annual *Edmonton Journal* games. Now in their 25th consecutive year the *Journal* games are a mainstay on school calendars and an institution of Alberta's indoor track and field season.

This year over 600 schools from Red Deer and north sent over 6,000 students aged six to 18 to the *Journal* games. For five days the University of Alberta Buttefield rang with cheers and squeals of excitement as children of all abilities raced their best. To add to the fun, there was a teachers' relay, a masters' mile, and an invitational pole vault match. Twenty-seven different events were staged, and over a hundred sets of medals were presented.

Sponsored and organized by the *Edmonton Journal* and supported by 60 volunteers, these games are a model of efficiency and fun. As a parent, a spectator, and a citizen I am pleased to have this Assembly recognize the *Journal* games as a wonderful celebration of the very best spirit of both sport and community.

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

Provincial K1 Ski Competition

Ms Kryczka: Thank you, Mr. Speaker. Last weekend my husband, Gord, and I spent two exciting days at Sunshine Village in the Banff-Cochrane constituency cheering on skiers racing in the provincial kinder 1, or K1, ski competition. Over 120 11- and 12-year-old boys and girls competed for their area clubs, traveling from Fort

McMurray, Grande Prairie, Edmonton, Pincher Creek, and from centres along the Bow Valley corridor including Calgary.

Alpine Alberta is a ski racing development program under Alpine Canada, which is very ably headed by Ken Read, Olympic skier. More than a hundred proud parents helped the Sunshine Ski Club host the meeting, including ex Canadian ski team racers Bill and Mike Irwin and lifetime parent volunteer and sponsor and skier Randy Tarchuk. The provincial K1 champions, Tristan Tafel from Canmore and Stephanie Irwin from Calgary, are both members of the Banff Alpine Racers Ski Club. On April 4 to 6 Tristan and Stephanie will be part of the four-member Alberta team to the Whistler Cup and international competition of 150 K1 and K2 racers. Stephanie, your family including very proud grandparents, Karen and Gord, wish you well in Whistler.

Thank you.

The Speaker: The hon. Member for Lac La Biche-St. Paul.

2:40 Lac La Biche Fisheries Enhancement Group

Mr. Danyluk: Thank you very much, Mr. Speaker. On March 1, 2003, I had the privilege of attending a fund-raising banquet hosted by the Lac La Biche Fisheries Enhancement Group. This group has been an instrumental force in the development of environmental projects in the Lac La Biche area.

Of note, their vision for the Alexander Hamilton park project with the collaboration of the municipality started out as a fishpond and has evolved into a multi-use activities park, which takes away the fish stocks pressure from the surrounding lakes. The Lac La Biche causeway project can be credited to this group's commitment to fisheries resources. They are currently working together with the county and world-renowned scientist David Schindler on a study of the water quality in the lake of Lac La Biche. This group raises tens of thousands of dollars each year and provides an additional \$150,000 in volunteer support.

Congratulations to the banquet organizers and all the other community partners for a job well done and another phenomenal success. Thank you.

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

Parent Advocacy Groups

Dr. Pannu: Thank you, Mr. Speaker. I rise today to recognize parent advocacy groups who spend countless hours working with their local schools alongside the teachers and administrators of the schools. These are parents whose primary commitment and concern is that Alberta's children receive the best possible education from kindergarten to grade 12, groups such as Albertans Promoting Public Education and Learning, the Edmonton Advocates for Public Education, Parents Advocating for Children and Teachers, Whitemud Coalition of Schools, the Riverview coalition of schools, Calgary Association of Parent and School Councils, Support Public Education – Act for Kids, Parents Advocating for a Catholic Education, and numerous others on parent school councils, who deserve our sincere thanks and high praise for their passion, dedication, and very hard work.

Thank you, Mr. Speaker.

head: **Presenting Petitions**

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I would like

to present a petition that has been organized by Joanne Black of Calgary, and this petition states:

We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government to implement the income recommendations of the 2001 MLA Committee Low Income Programs Review.

This is signed by 31 Calgarians. Thank you.

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. I rise to table five copies of a letter from me as minister responsible for multiculturalism to Dr. Celia Smyth, chair of the Northern Alberta Alliance on Race Relations, on the occasion of the International Day for the Elimination of Racial Discrimination, March 21. It's an effort that I certainly support, and I know that all members in the Assembly do as well. Congratulations and thank you to NAARR.

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

Ms Carlson: Thank you, Mr. Speaker. I have a number of tablings this afternoon. The first is from Darcy Handy from Grande Cache, who is very concerned about caribou management in this province.

The next two are from Aileen Pelzer and Eileen Patterson from different areas in Alberta, and they're very concerned about what's happening in Evan-Thomas in Kananaskis, where there is proposed development.

My last tabling is the required number of copies of approximately 850 letters from people very concerned about grizzly bear management in this province. This is one set, Mr. Speaker, and the other four sets were sent to the Clerk's office earlier. As Albertans will know, the Endangered Species Conservation Committee has been recommending that the status of Alberta's grizzly bears be upgraded from a species that may be at risk to one that is threatened with extinction in Alberta, but this government doesn't seem to agree.

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

Mr. MacDonald: Yes. Thank you very much, Mr. Speaker. I have four tablings this afternoon. The first one is a research document from the Canadian Federation of Independent Business entitled *Still in the Dark*, a second look at the impact of electricity deregulation/pricing on Alberta small and medium-sized business.

The second tabling I have this afternoon is a Profile of Alberta Seniors. This is a document that was put together by many people, but one in particular, Mr. Neil Reimer, is a constituent of Edmonton-Gold Bar.

The third tabling I have is a letter from a parent, Deborah LePage of Edmonton. It is addressed to our hon. Premier, and she is expressing her concern over classroom size and maintenance of our schools.

The fourth letter is again addressed to the hon. Premier. It is from Vern Griesheimer, and it is a letter expressing displeasure with the way the government is dealing with our children's education.

Thank you very much.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. I rise today to table the letter that I alluded to in the answer to the hon. Member for Edmonton-Meadowlark. This was a letter that was sent out to all school boards yesterday about international travel.

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

Dr. Taft: Thank you, Mr. Speaker. I am proud to stand today to table a letter to the Minister of Learning from Dr. and Mrs. Bercovich expressing concerns over cuts to special-needs students and asking the minister: what are they to do?

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

Dr. Pannu: Thank you, Mr. Speaker. I've got two letters to table today. The first letter is addressed to the hon. Member for Edmonton-Mill Creek and copied to me from Mr. R.H. Foerger. Mr. Foerger admits that he is not an expert in school budgets but expresses frustration at the fact that his son's junior high school turns down the heat, forcing students to wear jackets in school. He asks why this is necessary in a province as blessed with natural resources as ours.

The second letter, Mr. Speaker, is addressed to the Premier from Roger Abbott. Mr. Abbott is urging the Premier to ask for the resignation of the Minister of Learning for some years ago firing the Calgary school board, antagonizing teachers, and refusing to attend public school meetings about education.

Thank you, Mr. Speaker.

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

Mr. Mason: Thank you, Mr. Speaker. I have two tablings today. My first tabling is a letter from Katherine Koch and Sharon Enslen. The letter draws attention to the increased class sizes and reductions in teachers that Riverdale school faces due to budget shortfalls. The letter then encourages parents to make their frustration and anger known to the Premier and the Minister of Learning.

My second tabling is a notice from McCauley school which was sent home to parents. It indicates to parents that the school will likely have to eliminate three teaching positions, two support staff positions, and create larger class sizes as a result of budget shortfalls for next year.

head: **Orders of the Day**

head: **Government Bills and Orders**

head: Committee of the Whole

[Mr. Tannas in the chair]

The Chair: I'd like to call the Committee of the Whole to order.

Bill 27

Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003

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

Ms Carlson: Thank you, Mr. Chairman. I'm happy to stand and take my place to talk to Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003. In fact, this is my first opportunity to speak to this bill seeing as in second reading it went through the Assembly Monday evening after 9, and I was otherwise committed and couldn't speak to it.

2:50

This is a situation where we see the heavy hand of a large majority government coming forward to push legislation through this House

in the fastest possible time, so you have to ask yourself the question: why do they do that? There's a huge majority: 74 out of a total of 83 seats. What would be wrong with them bringing in legislation and taking some time for all Albertans to be able to study it and for opposition to have the opportunity to thoroughly review the legislation, to send it out to various stakeholder groups, to have perhaps on important pieces of legislation, significant pieces of legislation, like Bill 27 is, the opportunity and the time to be able to do things like hold town hall meetings or other kinds of public hearings so that we can get input and have the maximum amount of feedback on legislation? In fact, what would be wrong with the government doing exactly the same thing? Instead, what do we see with this legislation? We see it coming into the House for second reading Monday of this week after 9 p.m., when most people aren't paying attention to what goes on here under the dome, past midnight of that evening, and then brought back today in committee and brought back under the shadow of closure.

What we see when we look at today's Order Paper for only day 18 of this Legislative Assembly is a government motion under notice. In fact, we see three government motions under notice, all three of them dealing with closure. Mr. Chairman, it's now renamed time allocation by this government because they don't like the thought of closure, but time allocation where debate is limited on a bill is still closure no matter how you dress it up and try to trot it out for people to take a look at.

So now after one evening of debate and by our records less than 140 minutes of debate by the Official Opposition, less than 40 minutes of debate by government, less than 50 minutes of debate by the other opposition party represented here in the Legislature, and less than 25 minutes of debate by the minister we're seeing closure brought in on a bill that is a significant bill for this Assembly to be talking about. So Monday night it comes in. This is only Wednesday. Two days later we see a closure motion come in. The hammer will be brought down at what is likely the most available opportunity, perhaps tomorrow, perhaps Monday night, but certainly before we see the spring recess of this Legislature.

Why would they do that? Why would they give this the bum's rush through the Legislature? Because usually that means, in my experience in this Assembly, that something is wrong with the bill or that a large number of people are not going to like the legislation.

So what is this bill all about? Well, if we take a look at the highlights of the legislation, it talks about making employees of the same employers subject to the same dispute resolution process and taking away the right to strike. So union-busting, really, is what happens, I think, when you take away an individual's right to strike. That's been, in my experience, a place where this government has wanted to go for a long time.

We saw right-to-work legislation rear its ugly head in this Legislature some years ago, and it was abandoned for whatever reasons, but I always see it looming just under the surface with quite a few supporters in terms of taking a look at how we can better see this government drive its agenda with as little possible feedback and input from the people who supply the services and the products in this province, the workers, Mr. Chairman. That's always very much of concern to us and very much of concern to people involved in those particular areas. This time it happens to be the regional health authorities. Perhaps after the spring break we'll see that it's school boards and teachers. It looks like that's the kind of agenda we have here.

Another highlight, if you can call it that – really, it's not a highlight as I see it – is excluding nurse practitioners from labour relations coverage. I find that particularly offensive, Mr. Chairman. It's what we see often happens to professions that are disproportion-

ately represented by women. For many reasons they seem to be less able to organize and bring a strong voice to the table. Many of those reasons are because women are still primary caregivers in most households and in fact lead the largest number of single-parent families in the province and across the country. Here we see another problem surfacing for them, and that is that they are going to be excluded from that kind of coverage.

Why would they do that? It's a divide-and-conquer strategy. We've seen it happen before in this Legislature, and here it goes again. It's a real problem when we see health workers losing the right to strike and a particular group singled out for not being able to access coverage.

Another part that this bill talks about is ensuring that severance isn't paid to a person who continues in the same job even though the name of the employer has changed. That tactic can often be used as a trick, Mr. Chairman, and that's definitely a very bad disadvantage for people. It's not their fault that the business name changes for whatever reason. They should have some consistency. If they have an allegiance to an employer by going to work every day and fulfilling the terms of their contract, then the employer also has the same set of responsibilities to the employee, and that's to provide the kind of coverage that was outlined in the original contract of employment and not to be fooling around with that and jeopardizing a person's current benefits or future rights to benefits.

The other part that this bill talks about is an area that I'm not quite as familiar with, and that's creating the four regionwide bargaining units within each health care region, creating 36 bargaining certificates. I will leave that particular part of the discussion for some of my colleagues who are a little more informed on that particular area.

So what are our major concerns here? We fundamentally believe that the right to strike is a human right and shouldn't be taken away from anybody by any government, and if this government thinks that by taking away that right to strike, they are going to be in any way, shape, or form able to improve relationships between workers and themselves, they are sadly mistaken in that.

We're seeing a stage where we're going back into bargaining with some health care workers, where we're seeing possible massive restructuring and definitely at least some significant changes in health care. So we're already living in an environment of great uncertainty for health care in this province and for health care workers.

Instead of operating on a good-faith basis, what this government does is bring in this kind of legislation. If the government thinks that preventing work stoppage by unhappy unionized health care employees by prohibiting strike action – it's not right. Here they have employees already very upset, very apprehensive, and very concerned about what the government is doing. That's certainly not going to stop the potential for work stoppage.

What would be wrong with the government coming to the table in good faith? What would be wrong with them just saying: "We respect your right to strike as a basic human right. We respect your ability to walk away from the table and decide to take job action if you want to, but we don't think it's going to go there. We think that we can operate in good faith in such a manner that good decisions are made and that striking wouldn't be an option that workers would go to." Instead, this government is confrontational and aggressive right off the bat, and that's not a way to problem solve, particularly when we face what are going to be some of the most important decisions that we will make in this decade in terms of how health care is delivered, who delivers it, and how those services are provided on an individual basis.

3:00

We've seen enough strikes in the past to know that prohibiting a strike doesn't mean there won't be one. Taking away the right to

strike doesn't prevent work stoppage. It just really impedes any kind of conciliatory or amiable labour relations, and I don't think that should be the starting position for any government regardless of how clever they think they are or regardless of how large a majority they have. The day may come, Mr. Chairman, when they pay the price for that kind of work.

It doesn't take much effort by people of this province to take a look at past election results and analyze them and see that in many cases this large majority has a fragile edge to it. Two hundred votes one way or the other and we could've seen quite a different makeup in this Legislature, and 200 votes one way or the other isn't much for groups to start organizing on. I would suggest that we're going to see different strategies during the next election where people are a lot more targeted in what they do and where they go so that they can have a government that becomes more responsive to what it is they're asking for. I think that this is one group of workers that we could see doing exactly that, Mr. Chairman.

If we took a look at what happened in the last election, we would see that what would've happened is that this government would've still been the majority, but we would've seen around 30 or 35 members making up oppositions, more in the New Democratic opposition, more in the Liberal opposition. What that does is significantly change how accountable the government can be. That comes close to starting to put the government in a minority situation, and it's my personal belief that a minority government is the best government for people. While they, generally speaking, don't last very long, on average about nine months, what happens is that they have to respond to the needs of constituents because nonconfidence votes are very close to the potential of daily operating procedures, and consequently they tend to pass legislation that better meets the needs of people in the province. That is very well where this government could find themselves the next time, and that would be a very happy place for me to be. I'm quite happy to be in opposition, especially with the government operating the way it is, and I'm quite happy to be in a position to hold their feet to the fire on issues. It would be immensely easier if we had a larger opposition in this Assembly, and I think this government is walking itself right into that particular corner, and I personally couldn't be happier. Why? Because this government has done a number of things that I find are not very democratic, and this piece of legislation is an excellent example of that.

The government has yet again proven itself, Mr. Chairman, to be a foe to labour unions by taking this step towards abolishing labour unions in Alberta. We see that pitting labour unions against each other in a competition to represent far fewer bargaining units is not healthy for labour relations in Alberta. It is quite surprising that this is the step they took when we have seen such a lack of consultation with the union officials and the government. Not surprising to us who sit here in the Assembly day after day and see the kind of steamroller tactics that this government brings forward, exemplified this week in many cases: by this legislation, by the closure motions being brought in, by their request for additional funding in appropriations, where the government was completely appalled that we would expect them to answer any questions or provide any detail on their request for a \$5 billion advance on their yearly spending. It's the way this government has become accustomed to dealing with people, and I believe that this custom of theirs is going to cost them in the long run. In the short run it hurts the people of the province because the government is not responsive. They're not prepared to go to the table and consult in an open kind of comprehensive fashion.

They talk about roundtables and they talk about consultation processes and they talk about mail-in votes and opinions, but when

we pull off the layers of the detail, what we see is a government who gives lip service to those processes. We see mail-in consultations where questions are tailored to deliver a certain kind of response. Much to the chagrin of the government, I think, they didn't get the kind of response they wanted to on the last one, which was the Alberta heritage savings trust fund, so I'm sure that they'll continue to consult over the years until they do get the answer that they want. We see a number of roundtables where people sitting at the table say that if, in fact, there ever are outcomes of the roundtable process, they don't match what they heard at the table, and they find them to be a waste of time, and they opt out of the process.

We've seen, unfortunately, this year that a number of environmental groups agreed that they will not be involved in these consultation processes of the government anymore because the outcomes don't even come close to those decisions that they thought were made at the table. We have seen that many organizations and businesses and people have expressed concern about people opting out of the process because they feel that even if their opinions are contrary to what that group brought to the table, they're an important part of the process and they result in better decisions. But this government doesn't want better decisions. They want a process that gets from A to B as quickly as possible and that meets their political agenda and their particular political filters that they make decisions by. In the long run I don't have a problem with them getting there that way because, of course, they're representing particular positions and they would like to have decisions tailored that way, but often we see much better decisions made when the government is inclusive, when it incorporates other ideas.

We all know that if you put five people around the table who think exactly the same way, you're not going to get nearly as good or innovative or forward-thinking results as you do if you put five people around the table who all have divergent views. That's where we get some real progress in terms of initiative and in terms of good ideas, but those haven't been the kinds of processes that this government has wanted or asked for, even in terms of consultation on a key bill like Bill 27, the labour relations restructuring act. That's a real shame because while at the end of the day I'm quite sure that the labour unions and the government wouldn't have come to agreement on this kind of a bill, we would have seen some provisions in the legislation at least that would have recognized the need of health care workers in this province, but it isn't the way that this government likes to do business. In fact, what we see with this legislation is a whole lot of stakeholder work just going right down the drain.

There was a move in the province to voluntarily reduce the number of bargaining units in the health regions, and it was progressing, not as fast as this government wants, but if there's one thing that I have learned after 10 years in this Legislature, it is that legislation that is rammed through at a quick pace always comes back for revision and often comes back with huge flaws in it that end up being costly for Albertans, costly in terms of financial costs and in this case potentially health costs. So that's a real problem.

This government believes everything can be done better by business and by individuals rather than government, but I think historically we have seen that that has not been the case. Historically we have seen that labour unions have a place in the workplace, and I believe that as time goes on, we will see that they continue to have a function in the workplace that is positive and progressive, that labour unions, too, are evolving to a stage where they are more responsive to the needs of people and this government.

I have more to say, Mr. Chairman. I'll be back.

3:10

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

Mrs. O'Neill: Thank you very much, Mr. Chairman, for the opportunity to mercifully put an end to these ramblings. I have to do a little clarification before I speak to the bill. One of them is the fact that a number of people here have made reference in the last couple of days when speaking to this bill about basic human rights, and they have intimated that basic human rights were being denied when someone does not have the opportunity to strike. I would certainly acknowledge that the right to strike is a democratic right, but it's not a basic human right, and we need to clarify that because we in government are certainly in no way looking to deny anyone their basic human rights. In fact, we spend a great deal of energy working at making sure that people have the opportunity to exercise their basic human rights.

To the point, Mr. Chairman, I welcome the opportunity to speak to Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003. It is my observation – and I know of others too – that it's not an easy piece of legislation to debate because it does deal with what some might identify as competing values. I don't see them as competing, but I see them as complementary. The right to be treated fairly as a worker is very, very important, and the right to be treated fairly as a patient is also equally important. The interest behind and the intention behind this particular piece of legislation is to address both of those fair treatment issues. I see this piece of legislation as striking a necessary balance.

The amendments facilitate better operations, fairer working conditions, and, I would say, more effective and seamless patient care. It is important for us to look at it from the perspective, as we all know, of the health care that is provided or those attendant services that surround the direct delivery of health care.

Albertans, I know, should be proud of our health care system, and I receive testimony to that effect frequently from my constituents. I believe that in Alberta we have one of the best and I would say the most progressive in Canada for patients and caregivers alike, but this didn't happen by accident, Mr. Chairman. Since we are leaders in health care, we are that way because we understand that to be the best means to find new ways of delivering health care and being committed to a vision that looks after all that is attendant upon the delivery of health care. When we started down the road towards health reform, we understood that the road was going to get rough from time to time. It's not easy, and indeed we are looking to make sure that they are always decisions that are made for the best of everyone.

We also understand that we must stick to our vision and make the necessary changes that bring us closer to better patient care for all Albertans. In my mind, this means we must be flexible and we must be willing to adapt where we see a need for change, and of course that is what Bill 27, in my estimation, is all about because it, number one, provides the regions with the flexibility they need to use the workforce to the best of its ability. Everybody wants that, those of us in the workforce and those of us who are recipients of the health care provided by the regions. Secondly, it provides a level playing field and fairness for workers. Workers know where they are at as they work within the environment and within the culture and within the, I would even say, ambience of the delivery of health care. Finally, I would argue that it ensures that health care workers are available and that patients can count on those services at all times. We know, number one, that that's what patients and citizens want, and, secondly, we also know that that is what we as workers are interested in providing.

As the hon. Minister of Health and Wellness said in referring to health care reform: it's about being responsive to the needs of Albertans and to the needs of health care workers and providers. I

see this legislation as a means to provide that responsiveness. In my mind, Bill 27 is necessary legislation to move health care reform forward for the betterment of everyone, reforms that will see Albertans enjoying improved access, expansion of primary health care, a strong workforce, better collaboration among regions, and ongoing sustainability. I also believe that Bill 27 is not the exclusive answer to health reform, but it is a necessary step on the road to that reform.

So providing our regional health authorities with the flexibility to develop the best team of health professionals helps Alberta's health system remain not only the best place to work but also the best place to receive care. I would urge everyone in this Assembly to vote so that we can have the environment we want in the workplace.

The Chair: Before we proceed further in committee on Bill 27, I wonder if we might have the committee's agreement to briefly revert to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

The Chair: The hon. Minister of Transportation.

Mr. Stelmach: Well, thank you, Mr. Chairman. I wish to introduce to you and to the members of this Assembly two guests sitting in our members' gallery that have come to watch the proceedings of the House this afternoon. They are Robbyn and Dallas Ducheminsky from Tofield. Robbyn participated in Mr. Speaker's parliament I believe two years ago and is a first-year university student in the science program at the University of Alberta. Dallas is working here in Edmonton and is also a tremendous golf enthusiast. They're wonderful members of the Tofield community, and I would like them to rise and receive the traditional warm welcome of this Assembly.

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

Dr. Pannu: Thank you, Mr. Chairman, for this opportunity. I want to thank the House for allowing me to introduce a guest sitting in the public gallery, Mr. Les Steel, president of the Alberta Federation of Labour. I've known Mr. Steel for many, many years and developed a great deal of respect for his commitment to democracy, for being a model citizen and a highly respected and forceful leader of labour in this province. He's here, of course, to watch us debate Bill 27. Bill 27 is a matter of great concern to labour organizations in this province, so he's here to witness the debate. I'll ask Mr. Steel to please rise and receive the warm welcome of the Assembly.

Bill 27

Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003

(continued)

The Chair: The hon. Member for Edmonton-Strathcona in debate.

Dr. Pannu: Thank you, Mr. Chairman. Bill 27 is a piece of legislation that's going to have a very, very profound impact on the rights of Albertans who work in the front lines of our health care system, provide us the services that we need when we are ill, when our health is in crisis, when we are threatened with serious health consequences if we don't get good treatment, and they do a wonderful job, of course, of providing these services to us if and when we need them. This bill, as I said, will have profound consequences,

most of them, from their point of view, negative consequences, consequences that they simply find unacceptable. I think the nurses' organizations and other groups to be affected have made their position very clear. The union movement has found the bill so unacceptable, as a matter of fact, that they have chosen to launch a NAFTA challenge to the proposed labour law.

So when I hear the debate in this House about how good this bill is, how it already has or should have the support of every Albertan because it's going to provide flexibility, it's going to provide improved responsiveness, and it's going to improve accessibility, I really find it hard to believe those statements about what this bill was intended to do and the understanding that some of my hon. colleagues have in this House about the intentions behind this bill. That certainly is not how this bill is seen by the labour movement, by the frontline health care workers, and certainly the New Democrat opposition is in agreement with the thrust of the criticism and the profound concerns that nurses, physiotherapists, X-ray technicians, and other workers who will be affected by this bill, whose democratic rights will be taken away by this bill, have on this bill. Their concerns are real. Their concerns are genuine. Their concerns are important for this House to address.

3:20

As I mentioned just a moment ago, Mr. Chairman, the one unacceptable feature of this bill is its most antidemocratic nature. This proposed legislation takes the right to strike from all employees of the regional health authorities. The question then, of course, is: why is the right to belong to a union being taken away from the nurse practitioners? That even goes beyond just taking away the right to strike. So that's the second feature of it: the antidemocratic feature. The right to strike will be taken away, will go, will disappear.

The right to belong to a union will disappear for the nurse practitioners. Nurse practitioners, just to draw attention to who these people are, Mr. Chairman, are people who work very hard in their jobs. They've improved their experience, clinical skills, as well as pursued improvement of their academic qualifications so that they can perform tasks that most of their other colleagues who are not licensed practitioners cannot. It's a strange way to both recognize and acknowledge the efforts of this group of practitioners and the commitments that they have made to their professional activities when we take away from them the right to belong to a union in return for their demonstrated commitment to become better practitioners, invest in the development of their professional skills, seek higher professional qualifications, academic qualifications. It's ironic that the very group that's being targeted here for withdrawal of the right to belong to a union, a very, very drastic, antidemocratic step, are the people who in fact are highly committed clinicians and practitioners and professionals. It makes no sense to me, and I haven't heard any justification of why it is that these nurse practitioners should be punished rather than rewarded for their demonstrated commitment to their work and the demonstrated capacity to learn their skills, to expand the pool of skills that they can have, and in fact the demonstrated evidence that they have done so.

It really boggles the mind to hear someone say in this House that this bill is good for everybody, that it is benign, that it should be welcomed because it will improve the health care system. It won't. The system is improved only when the people who deliver the services are fully respected, are given dignity, and also when their morale is put up front as an issue which may be affected by any changes in legislation or framework of negotiations or whatever. This bill, in a sense, strikes at the very root of those factors, those practices, those provisions in the law which will send a positive

message to the frontline practitioners and the people who deliver these services to us. So if the morale is to be hurt by the provisions of this bill, the morale of nurses and licensed practitioners and other technical personnel, then why are we proceeding with it?

This is not to say that we shouldn't pay any attention to people who do the toughest and perhaps in some cases the dirtiest work in our hospitals, who keep our operating rooms clean, keep our hospital floors clean, the custodial service workers and the janitorial service workers. These are men and women who work awfully hard on unpleasant jobs to make sure that the standards of cleanliness in our hospitals and the rooms in the hospitals are up to the mark, and they do everything they can to ensure that there's no problem that arises from lack of cleanliness. How are we rewarding them? We are saying: we will take the right to strike away from you so that you can't bargain with your employers on a level playing field.

I heard that this bill is about making the playing field level. When you take away from employees the right to strike, I ask: how? The ultimate weapon that they have to seek parity with employers when they are negotiating is the very one that's being taken away. So I submit, Mr. Chairman, that this provision of the bill that will take the right to strike away from these workers, will in fact make the playing field highly uneven, uneven to the detriment of the very workers on whose skills and ability to provide services we depend.

So these are some of the questions that I hope the minister of health or the Minister of Human Resources and Employment or anyone else in this Assembly would try seriously to address about how this bill in fact is designed to level the playing field. My contention is that it does the exact opposite. There's something Orwellian about the language we are using here. Are there some misconceptions here which are honest and genuine? If that's the case, I'd like to certainly hear from the other side as to why they are claiming that this is a bill designed, in fact, to level the playing field.

So for that reason, Mr. Chairman, I think that since the bill, flawed as it is, is before us in committee stage, we should do everything we can to improve this flawed bill. I have an amendment that I would like to propose. This amendment is ready to be circulated. As the amendment is being circulated to members of the House, I just want to begin speaking about this.

The Chair: Hon. member, we will call this amendment A1. What I would suggest you do is move it, then wait a moment till the members have received a copy. We would ask the pages to deliver it to people who are actually in their seats and then do the rest later.

So if you'd move it, hon. member.

Dr. Pannu: Okay, Mr. Chairman. I am ready to move amendment A1, as you have numbered it, to Bill 27, Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003. My motion is as follows: I move on behalf of my colleague for Edmonton-Highlands that Bill 27, Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, be amended by striking out section 4.

3:30

The Chair: Hon. member, I think most people now have or appear to have their amendment, so if you'd begin your explanation, please.

Dr. Pannu: Thank you, Mr. Chairman. I suppose you are resetting the clock to start ticking or whatever it needs. [interjection] The hon. Treasurer has something to say, but I guess she'll have her turn in a moment. I'm very glad that she's here and paying attention. Wonderful. It's good to see such a healthy interest in the proceedings of this House by the front benches of the government. I'm

delighted, indeed, that she's so interested in the bill. In fact, every Albertan should take an interest and pay attention to what the bill is about and what it's likely to do, what harm it will do.

This amendment, Mr. Chairman, is a genuine attempt to limit the harm that this flawed bill will do. It simply is an attempt to make sure that we give this House an opportunity to amend this bill so that one of the main flaws in this bill, one of the most antidemocratic aspects of this bill is simply omitted or eliminated or withdrawn from the bill.

The right to strike, as I submitted a few minutes ago respectfully, Mr. Chairman, to all members of the House, is a fundamental right. It's a right that should not be tampered with except under the most extreme conditions, and even then I would hesitate to withdraw the fundamental democratic right. Democratic rights are to be protected by our Constitution, by our Legislatures, by our Parliament, not eroded, not attacked, not withdrawn, not taken away. As democratically elected representatives of the people, it's our obligation to respect both in letter and in spirit what the Constitution has to say with respect to the rights that we have, which protect us against undue and unreasonable treatment, may it come from our governments, may it be coming from employers or others.

So there is this certain notion of inviolability of certain fundamental rights, and it seems to me this bill if amended as I'm proposing will certainly reaffirm our commitment to the inviolable nature of the right to strike. The right to strike is never used by anyone and certainly by people who provide us with health care services unless they're absolutely pushed into a situation where they must use it as a last resort. There's evidence in this province that the right to strike has been a most rarely used instrument by our health care workers. It's not something that's lightly used. It's not something that is lightly recommended to the union rank and file by union leaders.

I would certainly, therefore, call on the House and invite them to look at evidence with respect to how often that right, while it's legislated, while we have kept it here, has been used by health care workers, any category of them who have this right to strike, in the past 20 years. We'll find that only once or twice, under extreme circumstances where they were unable to get anything by sitting around the bargaining table, was this right ever used by these workers. So if there is very little evidence of abuse of this right, then I see no justification for taking it away from these workers by way of this piece of legislation, Bill 27.

Secondly, Mr. Chairman, the right to strike is something that levels the playing field between employers on one hand and employees on the other. Employees exchange their services for remuneration from employers who hire them to provide those services, and whether the workers work in the public sector or the private sector is of little consequence here. What is important is that the playing field be kept level. The terms of employment are best negotiated when the playing field with employers and employees is as level as it can be.

By removing the right to strike, we seriously risk making the relations between employers and employees not better but much worse because were we to approve this bill and including section 4, which I'm trying to convince this House to strike from the bill, we would create conditions of unequal power, extreme inequality of power between employees on the one hand and employers on the other, in this case regional health authorities on the one hand and the health care workers who will be affected by this bill on the other.

Over 7,000 workers will be affected by this provision, and they'll be affected negatively, to the detriment, I submit, Mr. Chairman, of the betterment of not only the workers but of the system of health care that we have as such. It clearly will not serve the interests of those who lose the strike, but it certainly also will not serve us in any

way in improving our ability to make our health care system better and make the delivery of the health care services any better or more accessible or more prompt to Albertans, who day in and day out without prior notice at many times need to rush to our health care institutions to receive these very, very important health care services. [Mr. Pannu's speaking time expired] I'm done?

The Chair: Yes. That's 20 minutes.

Dr. Pannu: Okay. So I urge, Mr. Chairman, my colleagues in the House to support this amendment. Thank you.

The Chair: The hon. Government House Leader.

Mr. Hancock: Well, thank you, Mr. Chairman. I'm delighted to have the opportunity to rise and speak to the amendment in the context of the bill that's under discussion in this House, a bill which has had some four and a half hours of debate prior to today and will have a considerable amount more debate over the next few days as we deal with a very, very important subject for Albertans and as we deal with it on a timely basis so that when regional health authorities are merged from 17 into nine, effective April 1, they'll have a structure in place to deal with how you appropriately and effectively bring together the people who work for those health authorities in a sane and sensible way. It's very appropriate to have the opportunity to speak to not only the timeliness of the bill and the need to have it dealt with on a timely basis and have it passed in this House within the next week or so in order for it to be in effect for April 1. It needs to be passed with the section which the hon. member is trying remove by his amendment, and I'll speak specifically to that amendment for the moment because the hon. member is asking that section 4 be struck out.

3:40

Well, what is section 4, Mr. Chairman? Section 4 adds subsection (c) to section 96(1), and subsection (c) is, "employers that are regional health authorities and all of their employees to whom clause (b) does not apply." That basically adds to the section which prevents workers from striking and prevents employers from locking out employees. That essentially, then, makes a level playing field for all employees and employers within the regional health authorities system.

The act as it stands now, of course, exempts employers who operate approved hospitals as defined in the Hospitals Act and all the employees of those employers. So this is a relatively modest change, Mr. Chairman, but a modest change which is important. As you will remember from the past number of years, as we go through the labour processes and the negotiation processes in the health field, there has always been question as to whether something is an approved hospital as defined in the Hospitals Act, whether it's on the list or off the list, and who's in and who's out. This amendment makes the act very clear. If you're a regional health authority, you can't lock out your employees, and if you're an employee of a regional health authority, you can't go on strike.

The opposition, and particularly the member who brought the amendment, would have us believe that this is a massive intrusion into the rights of the worker, but the reality is that it's a modest number of people, by my understanding approximately 3,000 to 3,500 people, who will be caught by the amended act who are not already caught under the existing act. Mr. Chairman, each and every employee of the regional health authorities will know who they are, that they're within the Labour Relations Code in that way. There is no question. It's clear, it's concise, it's effective, and it means that

all people who are involved in delivering health care services – and the vast majority of them now, under the existing act, are under section 96(1)(b). In terms of this reorganization, that makes it clear that all health care employees paid by regional health authorities now come under the act, and regional health authorities in all instances, not just in cases of approved hospitals, come under the act and can't lock out their employees. So it puts in a fair process. Why is that necessary? I mean, you could just go ahead and leave the existing structure. Well, it becomes necessary because of what's happening in the rest of the act, which brings some rationality to the process.

Now, a member opposite – I don't remember which one; I believe it was Edmonton-Ellerslie – said earlier that there's been a process over the last number of years, a voluntary process where employers and employees working together can rationalize the number of unions and the number of bargaining units and that sort of thing. But it was 1994, I believe, when the regional health authorities were first initiated with 17 regional health authorities instead of in excess of 200 hospitals and health facilities. It's taken almost 10 years, and as I understand it, Mr. Chairman, there are still issues as a result of that regionalization, issues before the Labour Relations Board, and the Labour Relations Board is still looking at how those unions and bargaining units and employer/employee relationships can be rationalized based on the new structure, which is now some eight years old.

So as we move to rationalizing the boundaries of the health authorities and bringing the number of health authorities down from 17 to nine, it behooves us to look more closely with the benefit of hindsight at some of things that were done in the initial regionalization process and to take care of those issues up front and hence, prior to those boards coming into place on April 1, having in place the appropriate bargaining structures so that employers and employees have clarity, know where they stand on that issue. One of those important parts is to know that as health care workers, with all of their sisters and brothers in health care, they are subject to the same rules and that the employer is subject to the same rules with respect to all of their employees regardless of whether they're in an approved hospital or in some other health facility. That, Mr. Chairman, is a very good reason why members of the House should defeat the amendment, support the bill in its current form, and do it on a timely basis.

I just want to mention that again because earlier in debate – and I appreciate that we're on the amendment now, but it has relevance to the amendment – the issue was raised about the lack of debate and the fact that on the Order Paper today appears a motion relative to time allocation. Of course, the opposition would suggest, in fact have suggested I think, that it's the death of democracy as we know it when they know only full well that putting a notice on the Order Paper is not necessarily indicative that the motion will be moved nor is it indicative of when it will be moved. But if it's not on the Order Paper, one thing you can be certain of: it can't be moved. Therefore, it is a prudent process, not the death of democracy, to put a notice on the Order Paper so that it can be utilized at an appropriate time.

Well, when's an appropriate time, Mr. Chairman? An appropriate time is after all members of the House have been afforded an opportunity to participate in debate and to make the statements that they need to make to argue the merits of the bill. How much time does it take to argue the merits of a bill, including bringing forth amendments like the hon. Member for Edmonton-Strathcona has brought forward this afternoon? Well, this particular bill is a very important bill, but it's not a very big bill. The principles behind this bill are fairly straightforward, fairly simple. We've had about two and a half hours of debate in second reading on the principles of the

bill. We're now into the committee stage, and there's been in excess of an hour of debate before we started the debate on the amendment. [interjections] In excess of an hour. Only now is one of the hon. members bringing forward an amendment, and in committee it's the time we look at the line-by-line analysis of the bill.

One would expect that if the hon. members opposite had line-by-line analysis to do, they might bring forward their amendments so we could deal with the line-by-line analysis. But they don't do that, Mr. Chairman. What they do is they continue to debate the principles of the bill, if you can call it that. They complain about lack of time, but they wait for over an hour of debate before they even bring forward any suggested changes to the bill. So I'm pleased that the hon. Member for Edmonton-Strathcona has now brought forward an amendment because now we can do what we're supposed to be doing in committee, which is a line-by-line analysis.

I just wanted to raise that because it's somewhat disingenuous, I think, for the opposition to call it the death of democracy as we know it – my words probably, not theirs – when they say that they don't have time to review the bill, they don't have time to debate the bill, yet they don't use the debate in the manner in which it's intended: debate on principle in second reading, line-by-line analysis in committee.

In terms of undue haste I think it's fairly straightforward and obvious from the bill that it is necessary to pass this bill, it ought to be passed prior to April 1 so that it can be effective for the health authorities when they come into place.

I have other matters that I'd like to address, Mr. Chair, but they're probably not relevant to the amendment that's before the House no matter how wide I stretch the question of relevancy. I'll save them for when we've dealt with this amendment and perhaps can come back to them when other amendments, if there are other amendments brought forward, are on the table.

The Chair: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Mr. Chairman. It is, indeed, a pleasure this afternoon to rise and speak to amendment A1. I don't know how many times we've heard ministers responsible for labour in this province say that we have as a whole enjoyed labour peace in this province, but we also have to look at the right to strike being a fundamental human right, and it should not be taken away by any government or any piece of legislation.

3:50

Now, then, we have just heard the minister say that this bill will level the playing field. How does this level the playing field? We have enjoyed in this province excellent health care provided by professionals who certainly go above and beyond to provide the best care that they can for people in hospitals. The problem in this province, Mr. Chairman, is not the care the people get when they finally get to the hospital; it is getting to the hospital, getting past the lineups that have been created by this government because it constantly underfunded health care for the last decade. So this legislation is not going to level any playing field. It certainly will protect the rights of the sick and the injured, but it will also be doing it at the expense of workers' rights.

As well, on this particular amendment the minister also spoke about delivery and how this will improve health care. Now, I think that in the collective bargaining process when we do have two sides that sit down and have open and honest negotiations and those negotiations lead to a settlement, then we certainly do not have the bitterness that occurs after a strike; we do not have the hard feelings of workers against employers or vice versa.

We also have a lot of skepticism on the part of government members as to why anybody would challenge their legislation. Well, I think we have been given in this province many, many examples as to why we would challenge this legislation. I can think of what occurred at the *Calgary Herald* strike, where strikers were allowed to stay out on strike, and any of the tools available to the minister, any of the processes that were made available, were certainly not instituted at that particular time.

We also have the situation where in a province of many, in a province of great wealth, in a province where we talk about an Alberta advantage, we still have workers who have the lowest minimum wage in Canada, and this is a government that wants us now to remove the right to strike when we have union workers in this province who I'm certain if some employers had their way would be working for minimum wage.

I also find in speaking to this amendment, Mr. Chairman, that when we look at the union movement in this province, there isn't one person in this province that hasn't benefited because of what they stood for, rights for workers and improving the workplace not only in a monetary fashion but in safety and certainly in innovation. So we do have to look at both sides of this coin and say: yes, the unions have contributed much to this province.

As well, when we look at this particular amendment, an amendment I support, we look at comments that were made in debate earlier on this afternoon that we balance the playing field by not allowing the employers to lock people out or by not allowing the workers to strike. This is not a modest change. I'm sorry. This can never, ever be considered a modest change. If I did hear the minister correctly when he was speaking, he said that this would only affect in the neighbourhood of 3,500 workers. Well, 3,500 workers that are affected by legislation which limits their ability for job action certainly is not and can never be considered a modest change. I would think that if I were one of those workers in that position, my right to strike being taken away would have violated the whole idea of labour negotiations.

I can see, as well, why the unions do look at this government with some skepticism and look at this bill with skepticism. We have a situation here where a bill came before this House, and I don't believe the unions were consulted as to what was going to be in this bill. It reminds me of Judge Friedman's report, where the playing field is certainly not balanced but it is tilted in favour of the employers. So can't you see down the road the same situation happening if we go ahead and pass this bill as it now stands? We will be having MLA committees; we will be having someone like Judge Friedman taking a look at this issue and this piece of legislation, which is being ramrodded through this Assembly. It will have to be looked at rather seriously. Again, down the road we will be having to make changes to this legislation to deal with the unjustness to workers who will be denied their right to strike.

Mr. Chairman, this is not a bargaining structure that's going to work. It isn't a bargaining structure that has been successful in this province for many, many years. In looking at the merits of this bill, I cannot see how we can say that this bill removing the right to strike of workers deserves merit. This bill does not deserve merit, because the principles of the bill are wrong. This is poor legislation, and the principles of this bill are not straightforward and simple. There is an undercurrent that flows through this bill which is certainly not going to lead to more harmony in the relationship between employer and employee. It's certainly going to create stress, it's going to create divisions, and it's going to create ugly job action down the road. There is no doubt about it.

All we have to do, Mr. Chairman, is look at what has happened in the history of this province. If this government thinks it's preventing

work stoppages by unhappy unionized health care employees by prohibiting strike action, it is sadly mistaken. We only have to look at the Alberta Union of Provincial Employees, local 2424, two-day strike in 2000 or the United Nurses of Alberta's 1988 strike to know that prohibiting a strike doesn't mean that it won't happen. Certainly, those types of strikes that occur disrupt the whole labour negotiations that occur in this province. These types of strikes when people are forced into them certainly jeopardize the care that those health care professionals can give to people.

4:00

Just before I close, I was listening quite intently as the minister described that this process in the Committee of the Whole is where we examine this bill clause by clause, yet previous speakers in this Assembly today have not done so. So I think that, you know, before he tells the opposition that we are not examining this bill clause by clause, perhaps that would be good advice for him to give members on his own side.

So with those few comments, Mr. Chairman, I will certainly cede the floor at this time and give another hon. member in this Assembly the opportunity to speak to this piece of legislation, which, quite frankly, I cannot support, but I will support the amendment as proposed by the hon. Member for Edmonton-Highlands. So thank you for this opportunity.

Mrs. Jablonski: Mr. Chairman, I'm pleased to rise in the House today to speak to Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, and to the amendment. Alberta has the lowest rates of lost time due to job action in the country, and because unionized employees in this province do bargain in good faith without resorting to illegal activities, I believe that Bill 27 will ensure patient safety and simplify collective bargaining in the health care sector, and that's why I will not support the amendment.

Mr. Chairman, health care is all about healing the patient and keeping him or her healthy. Health care needs to be patient-centered and needs to ensure patient safety. I believe that Bill 27 with section 4 is important. The good delivery of health services is about being patient-centered and ensuring patient's safety. Bill 27 including section 4 will be important to the delivery of health services for many reasons, and I would like to mention three. Bill 27 will streamline bargaining, create flexibility in the health system, and will ensure severance is only used for individuals losing their jobs.

I think that it's obvious how Bill 27 with section 4 will streamline collective bargaining. For employers this will mean that instead of having to negotiate over 400 collective agreements, they will only have to negotiate 36. This means that each of the nine health regions will deal with four sets of negotiations, one for each bargaining unit. For employees it will mean that people doing similar jobs will be treated fairly and consistently. It brings people together by creating bargaining certificates for employees doing similar work: nurses/auxiliary nursing, paramedical, technical and professional services, and general support services.

In the present system in the David Thompson health region there are 96 different agreements that would have to be negotiated. The same types of workers at different hospitals can belong to separate unions and locals. Many employees receive different wages and receive different benefits. In the new legislation with section 4 there will be four sets of agreements and workers doing similar work and being paid the same and having the same terms and conditions. This legislation will make bargaining in the regional health authorities more consistent, more manageable, and more effective.

Bill 27 with section 4 will also ensure that severance is used for

the purpose that it was created for. It will assure that severance is only used for individuals who are actually losing their job. Staff who keep essentially the same job but change employers as a result of health authority boundary changes or moving mental health services into the regions will not be eligible for severance. For staff neither the stability nor the existence of their employment is threatened, and their terms and conditions remain substantially the same. This legislation will ensure that severance is not used for purposes it was not intended for. It will protect Alberta taxpayers from potentially paying thousands of dollars in severance to individuals that are continuing to work.

Bill 27 including section 4 ensures that the Labour Relations Board will be granted special temporary powers to ensure that the bargaining units are amalgamated in a manner that is fair to all concerned. This process will be outlined in the regulations if this legislation is passed. This legislation will streamline bargaining in the health care sector for employers, employees, and unions, will ensure all workers are treated fairly and consistently, and ultimately will result in better services for Albertans.

Bill 27 cannot serve these needs without section 4. Therefore, I urge all members to defeat this amendment. Then, Mr. Chairman, we will know that health care in Alberta is patient-centred, ensures patient safety, and meets the needs for the greater good. To quote one of my favourite *Star Trek* characters, Mr. Spock: the needs of the one do not outweigh the needs of the many. I know that if the very logical Mr. Spock were here today he would agree with me in urging everyone to support Bill 27 with section 4.

The Chair: Are you ready for the question?

The hon. Member for Edmonton-Mill Woods on amendment A1.

Dr. Massey: Yes. Speaking to the amendment, Mr. Chairman, I think we have to be clear exactly, again, what the amendment is doing. Section 4 of the government's Bill 27 says:

Section 96(1) is amended by adding the following after clause (b):

(c) employers that are regional health authorities and all of their employees to whom clause (b) does not apply.

That's being added to the act under the section that names the essential workers who are not allowed the right to strike, including firefighters and some hospital workers. The intention of this amendment is to wipe out the addition of further employees to that clause that would prevent them from taking job action.

It's a good amendment, Mr. Chairman, I think for a number of reasons. First of all, I don't think it's been demonstrated that there is a problem. The government certainly hasn't come forward with evidence that this addition is needed growing out of some past experience in job action. So it seems curious that it's here. Why would we widen the number of essential workers, take away rights of workers, when the experience has not been such that that action is warranted? I think that one of the largest arguments for supporting this amendment is that there hasn't been any demonstrated reason for having these additional workers labeled as such.

I listened to the Government House Leader claiming that somehow or other this makes all people equal, that they all know exactly how they're being treated, and I'm really finding trouble with that argument. What is the advantage of all workers knowing the status of other workers? There are workplaces all over the province where workers have different status, and just to be able to stand up and say, "Well, now they all know what their status is," seems to me, again, a rather weak argument.

So I guess that for those two reasons I would support the amendment, Mr. Chairman, and hope members of the House do likewise. Thank you.

The Chair: The hon. Member for Edmonton-Ellerslie on amendment A1.

Ms Carlson: Thank you, Mr. Chairman. I, too, support the amendment for all of the reasons outlined by my colleagues and the member who moved this amendment. In the interest of time I would call for the question on the amendment.

[The voice vote indicated that the motion on amendment A1 lost]

[Several members rose calling for a division. The division bell was rung at 4:09 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Bonner	Massey	Pannu
Carlson		

4:20

Against the motion:

Ady	Haley	Maskell
Amery	Hancock	McClellan
Boutilier	Hlady	Nelson
Calahasen	Hutton	Oberg
Cao	Jablonski	O'Neill
Cardinal	Jacobs	Pham
Danyluk	Klapstein	Rathgeber
DeLong	Kryczka	Renner
Doerksen	Lord	Smith
Dunford	Lukaszuk	Stelmach
Fritz	Magnus	Vandermeer
Gordon	Mar	Woloshyn
Goudreau	Marz	Yankowsky
Graydon		

Totals:	For – 4	Against – 40
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[Motion on amendment A1 lost]

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

Ms Carlson: Thank you, Mr. Chairman. It's too bad that that amendment was defeated. We will shortly try another one because so far I haven't heard anything this afternoon that convinces me that this legislation has been improved. So with that I would like to send an amendment to the table to be distributed to all members.

The Chair: Move it, and then when everybody has got it, we'll give you a signal to go ahead.

Ms Carlson: Thank you, Mr. Chairman. I would move on behalf of my colleague from Edmonton-Gold Bar an amendment, that I assume will be called amendment A2, that states that Bill 27 be amended in section 5 in the proposed section 162.1(1) by striking out clause (f).

The Chair: You may proceed with amendment A2.

Ms Carlson: Thank you, Mr. Chairman. For the ease of those members who are following this bill's progression, I would refer

them to page 2 of the bill where we go to part 2.1, Special Provisions Regarding Regional Health Authorities, where it talks about the Lieutenant Governor in Council regulations.

So a series of those regulations are listed under 162.1(1), being (a), (b), (c), (d), (e), and (f). Subsection (f) actually shows up on page 4 of the bill, and it reads as such: "authorizing the Board to make binding determinations as to terms and conditions to be included in a receiving collective agreement where the parties are unwilling or unable to do so." That is the specific clause that we would have deleted by this particular amendment. That's a binding arbitration clause, which we think doesn't belong in any kind of a bill or at any table. That role is best left to an arbitrator when two parties who are in negotiations can't come to an agreement, in agreement with each other or as determined by the government, and go into arbitration. This shouldn't be an automatic part of the regulations of any kind of a negotiation when we're talking about health care workers. So we think it's in the best interests of the legislation and the best interests of the workers of this province if that particular clause be deleted.

Mr. Chairman, I will keep my remarks short on this particular amendment, enabling us to get through the number of amendments we do have on this legislation before closure is brought to bear.

The Chair: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Yes. Thank you very much, Mr. Chairman, and thank you, of course, to the members for the amendment, but I would encourage on behalf of the government all members in the House not to support the amendment. Section (f), that is detailed here, is consistent with all of the other provisions, consistent with everything that we have been saying about the specific situation that we're involved with here, which is the regional health authorities' restructuring.

So with that, Mr. Chair, thank you very much.

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

Dr. Pannu: Thank you, Mr. Chair. I rise to speak in support of amendment A2, that's been moved by the hon. Member for Edmonton-Ellerslie on behalf of the Member for Edmonton-Gold Bar. It's another part of the bill that I find rather objectionable and regressive that this amendment tries to address and fix. This is the second serious flaw in the bill. Although it looks minor in terms of the number of words used, it seems to change the situation from where it's now to what it'll become. It makes the Labour Relations Code more authoritarian and antidemocratic in that the Labour Relations Board is being given additional powers to be able to make binding decisions all by itself. It may not even be the board as a whole. It may be a wise chair of the board who could make these decisions just in his or her own wisdom. Regardless of whether it's one member of the board or the labour board as a whole which would have the powers to make these arbitrary decisions in the form of binding arbitration, it is something that we don't need. The labour laws of this province are already, I think, somewhat unsympathetic towards the workers, and to add this kind of very, very powerful new element to the powers of the board I think will make things worse, not better. The purpose of any changes in labour legislation, I'm sure members of the House will agree with me, should be to improve our labour laws: make them more fair, make them more just, make them less authoritarian, and make them more democratic. If the changes that are proposed in Bill 27 don't do it, then surely we have the opportunity to amend those elements of the

bill one by one to improve what's being proposed as a response to the restructuring of health authorities that's going to be undertaken as of the 1st of April.

4:30

So I think the amendment, if passed by this House, will remove from the bill another unwholesome feature of it. Therefore, I will certainly be supporting this amendment and call on other members to consider seriously doing the same, Mr. Chairman.

With those brief remarks I take my seat and let other members speak.

The Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. I, too, would like to add a few brief comments in regard to amendment A2, which was introduced by the Member for Edmonton-Ellerslie on behalf of the Member for Edmonton-Gold Bar. What this particular amendment will do is certainly eliminate one of the clauses in this new bill that is extremely contentious, and in doing so, it will certainly allow the workers of this province a more democratic, fairer situation. When we talk about leveling the playing field, this is one of those amendments that will level the playing field.

I have great difficulty when I read the proposed section (f), "authorizing the Board to make binding determinations." The minute I see the word "binding," I can only harken back to negotiations last year between the Alberta Teachers' Association and this particular government. An arbitrator was appointed, and we passed legislation in this House to tie the hands of the arbitrator, to certainly limit the arbitrator's ability to make a fair and just settlement of the issues that were between the school boards and the teachers at that particular time. It was only through the sheer determination of the arbitrators that they did establish wiggle room, that they were able to come up with an arbitrated settlement that the parties seemed willing to live with. Certainly we have seen through the actions of the government since that arbitrated settlement that this government has not lent its support to that settlement.

I think that when we listen to the comments of the Member for Edmonton-Ellerslie and we listen to the comments from the Member for Edmonton-Strathcona, yes, this is a clause that will certainly grate on members when we allow these types of regulations to be authorized by the board.

So with those comments I will take my seat, Mr. Chairman, and certainly encourage all members of the Assembly to vote for this amendment.

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

Dr. Massey: Thank you, Mr. Chairman. Speaking in favour of amendment A2, the amendment would strike from Bill 27 the regulation-making capacity of the cabinet, the Lieutenant Governor in Council, and it would take away the authority of the cabinet to make regulations "authorizing the Board to make binding determinations as to terms and conditions to be included in a receiving collective agreement where the parties are unwilling or unable to do so."

This isn't the only bill where we've raised as a huge concern the role of regulations. We've asked and we've had a number of speakers ask why we haven't seen the draft regulations for Bill 27 as are available for Bill 19. The draft regulations for Bill 19 have been available on the Internet for some time. It seems to me that that is a sound practice for the government to follow, and I think they have to be given credit for having posted those regulations and allowing

people to see what's going to be in the regulations before the legislation is actually passed in the House. Now, they are regulations, and you have to remember that they can be easily changed, much more easily than the bill itself, but it is progress and a move in the right direction to see them. With such an important bill as this, a bill that affects the lives of thousands of Albertans and makes a pretty fundamental shift in terms of how we view certain classes of workers, it seems to me that this is a bill that cries out for the draft regulations to be available to people so that we can see what's intended.

So the intent of this amendment is to limit the regulating capacity of the Lieutenant Governor in Council, and I think it's an amendment that deserves support from all members of the Legislature. Again, I would urge the government, as quickly as they can and before this bill is closed in the Legislature, to make available the draft regulations.

Thanks, Mr. Chairman.

[The voice vote indicated that the motion on amendment A2 lost]

[Several members rose calling for a division. The division bell was rung at 4:37 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Bonner	Massey	Pannu
Carlson		

Against the motion:

Ady	Hancock	Nelson
Amery	Hlady	Oberg
Calahasen	Hutton	O'Neill
Cao	Jablonski	Pham
Cardinal	Jacobs	Rathgeber
Danyluk	Klapstein	Renner
DeLong	Knight	Smith
Doerksen	Kryczka	Stelmach
Dunford	Lukaszuk	Strang
Fritz	Magnus	VanderBurg
Gordon	Mar	Vandermeer
Goudreau	Marz	Woloshyn
Graydon	Maskell	Yankowsky
Haley	McClellan	

Totals:	For – 4	Against – 41
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[Motion on amendment A2 lost]

4:50

The Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. I'd like to make a few comments in Committee of the Whole and certainly to look at the role of the Labour Relations Board and how it is tasked with making many decisions on how this new process will work. Yet in doing so, in trying to strengthen legislation to improve this process, which I don't think this bill will do, it allows a single member of the board, the chair or the vice-chair, to make decisions alone.

In this particular case the job of the Labour Relations Board gets even tougher with the way this act is. While they are to be commended for the good work they do in this province – and I think it is because of their work that we have had a relatively good period of

employer/union relationships over the last decade – the very nature that we have a Labour Relations Board suggests that it should be the board that makes these decisions and particularly when these decisions impact many, many people. Certainly, I would think that when we have particularly the makeup of the Labour Relations Board that we would get a cross section of views and views that would lead to a settlement long before they would lead to job action.

So, again, in the interests of fairness and impartiality that workers expect when they get this far down the path in labour negotiations, they certainly don't want to turn this responsibility over to one person. So if we are going to do that and if we get a particular individual who does make a ruling that is unfair to one party or the other, does that mean now that we are going to have to also institute an appeals process where the decision that this individual made can be reviewed to ensure fairness to all parties?

In looking at this and on behalf of the hon. Member for Edmonton-Gold Bar, I would like to move that Bill 27 be amended in section 5 in the proposed section 162.1 by striking out subsection (3).

The Chair: Hon. member, just wait until we all get the copies.

We're now ready, hon. Member for Edmonton-Glengarry, so please proceed.

Mr. Bonner: Thank you. Can I correctly assume that this is amendment A3?

The Chair: A3. It is, yes.

Mr. Bonner: Thank you very much, Mr. Chairman. I did move this particular amendment on behalf of the hon. Member for Edmonton-Gold Bar, and it deals primarily with the Lieutenant Governor in Council regulations, section 162.1, by striking out subsection (3). Subsection (3), quite briefly, reads, "The Board may hear any matter or conduct any business under this Part through the chair or a vice-chair sitting alone."

This is another part of this entire bill, Mr. Chairman, that certainly isn't constructive, and it's certainly a part of this bill that will do exactly what we try not to do in labour relations, and that is to create a greater strain. By its very nature the dispute between employer and employee once it reaches this stage is certainly an estranged relationship, and we don't want to further antagonize either party. We certainly don't want to put additional strain on the whole idea of the settlement resolution that both parties are trying to achieve. So this is another very contentious section of the bill.

When we look at the way things are set up here, even though strikes are not allowed under this proposed legislation, with these contentious sections of the bill and particularly with the fact that we are asking one person to make a decision or one person could make a decision on the whole process, again, we are putting a tremendous amount of faith that the person who is in this position is going to be fair and impartial. But I also see that by leaving this particular clause in the bill – this is certainly one of those clauses that will lead to some type of job action – we will see tactics that will be used as an alternative to a full-blown strike. I look at things such as a work slowdown. I look at work-to-rule. I see a refusal to work overtime, and certainly that would impact the health care profession today in a huge manner. We have people in this province right now who have answering machines, and it's to identify callers and to take messages just so that they will not be pressured into having to work unwanted overtime. It also in the way of job action could lead to a tactic such as a sick-out or dress code infractions.

5:00

Again, Mr. Chairman, I would urge all members of the Assembly to vote in favour of this very worthwhile amendment. It certainly isn't a cure for a bad bill, but it will perhaps ease some of the tensions that this bill is currently creating with trade unions.

I thank you for this opportunity to make these comments.

The Chair: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Yes. Once again, Mr. Chairman, I would urge all members to vote against this particular amendment. There's some boogie-woogie going on over there in terms of the speech. Basically, it should be recognized and I think the hon. member does recognize that the members of the board are ethical people, well-trained, professional. Whether it's one or three probably wouldn't matter in ordinary situations all that much.

Really, the whole reason for providing this bill is, again, that it's specific, that it's happening in terms of the reorganization of the regional health authorities. We must move this along, and subsection (3) would go a great deal in helping us do that.

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

Dr. Pannu: Thank you, Mr. Chairman. I'll take a few minutes to comment on amendment A3, which moves that subsection (3) be struck from the bill. I think there are good reasons why this amendment should be supported. This bill, really, in various provisions that it has in it will, in my best judgment, undermine the collective bargaining process as it will affect these workers. It tightens the noose, as it were, around these workers and their ability to negotiate under reasonable and fair circumstances the terms of their employment, the conditions of their work, and the remuneration that they will ask for. Furthermore, these workers deal with life-and-death issues. They deal with our health care matters under conditions where we ourselves are unable to make judgments in our own best interests, and we defer those judgments to be made by doctors, by nurses, by other health care attendants.

As part of the negotiations that necessarily are part of getting collective agreements in place, these workers find that they have the responsibility to make sure that patient safety, patient rights are not undermined by the desire of employers to change workloads without the consent of the health care deliverers, the people who deliver health care services, because delivery of those services is affected by how many patients a nurse on a ward is charged to take care of. So workloads and the ability of the employee in the health care system to negotiate those workloads are critical. It is fundamental to securing the conditions in hospitals, conditions that would protect patient safety and protect patient well-being and patient rights. Employers, when under financial and fiscal pressure, when excited by new managerial models and ideologies, sometimes tend to think that more can be done with less. Not so, Mr. Chairman, in the case of workers who deal with life-and-death issues.

So to put sort of arbitrary powers in the hands of the Labour Relations Board is not only unfair to the patients; it has the potential of putting in jeopardy the patients' safety and patients' interests and patients' rights. Not only will it bind the hands of health care workers in negotiating conditions which they think are appropriate and necessary, as a matter of fact, to ensure patients' safety, for which they are responsible, but it also in my view is unfair to put this kind of undue burden on the Labour Relations Board, which is a third party unfamiliar with the conditions of work on the ground floor, at the place of work, at the point of delivery, and are asked to make these decisions sometimes.

As I said before, that's what subsection (3) is about, empowering the chair or vice-chair, one or two members of the board, to somehow summon this wisdom to be able to make the decisions contrary to the advice that they may get from the real stakeholders, who in this case are the patients and their families, in the first place, but equally important are the health care delivery workers, whose job it is, whose obligation it is, whose legal obligation it is to ensure patient safety and respect for patient rights.

So for that set of reasons, I support this amendment. I think it will improve this very flawed document, which has very little information in it. It takes away from this Assembly the powers to debate and scrutinize the details of this bill, if it goes forward, but certainly it's an amendment that will make the minimum necessary improvement in the existing legislation that is Bill 27.

With that, I close my comments on this particular amendment, amendment A3.

The Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I rise to speak to this amendment because I think it's appropriate to point out just what's happening with respect to the amendments being brought forward here. Amendments are brought forward on a clause-by-clause basis now to negative virtually everything in the act. And that's appropriate. It's the role of the opposition to do that. One might do it more efficiently by bundling amendments so you could deal with some of these things all together, but to deal with them clause by clause is useful as well.

Just to point out, then, what we're dealing with in this section "by striking out subsection (3)." Well, subsection (3), as the member who moved this amendment points out, allows the board to "hear any matter or conduct any business under this Part through the chair or a vice-chair sitting alone." So what's the problem with that? Well, it gives a single member broad and encompassing authority.

5:10

Well, let's look at the Labour Relations Code, section 9(10), which says:

Notwithstanding subsection (6), the Chair or a vice-chair may sit alone to hear and decide a question under section 12(3)(b), (d), (l), (m), (n) or (o), 14(2) or 76(4).

When you look at those sections, of course, you find that those are sections of the act which deal with certain items which would create efficiencies that it makes sense a chair or a vice-chair ought to be able to deal with sitting alone rather than having a panel to deal with those sorts of things.

Then it goes on to say in subsection (11):

The Chair or a vice-chair sitting alone may

- (a) where all of the parties consent, or
- (b) where, after a period of notice determined by the Board, none of the parties object, grant any order or directive within the Board's jurisdiction.

Then you look at subsection (12):

When the Chair or a vice-chair sits alone under subsection (10) or (11) or the Board meets as a panel, the Chair, vice-chair or panel, as the case may be, is deemed to be the Board for the purposes of the Act.

So when we look at the Labour Relations Code, Mr. Chairman, we find that there are quite a broad set of circumstances, some with consent of the parties and some without, where the chair or a vice-chair might sit to make determinations.

Then we go back and see that, well, this section is rather broader than that. It says that it can "for the purposes of this Part" sit on any application. So then you have to really question: is it necessary? Ought this to be taken out and create no circumstances under which a board chair or a vice-chair might sit alone? Or is it necessary to

enumerate in exhaustive detail only those areas that perhaps one might determine are appropriate for a board chair or a vice-chair to sit alone? Or is this a circumstance where it might be left to the board chair, which is a very important position, or a vice-chair? We leave the chair and the vice-chair of the Labour Relations Board – very, very important positions; you hire good people to be on those boards – some discretion to decide: is this topic a matter of process which a board chair or a single person sitting alone ought to be able to determine, or is it something that is of such import and substance that you ought to empanel a panel of three or a larger group to hear it?

I think that's what we're really talking about here: what discretion is left in the hands of a board chair or a vice-chair? In fact, under the Labour Relations Board it's the chair who determines when things are heard by a panel or when things are heard by the chair or a vice-chair alone. What discretion ought to be left to that person to determine when it's appropriate to have a single person hearing it – and usually that's in a process issue – or when it's appropriate to empanel something?

This amendment being brought forward and being debated by members of the opposition is saying that this is a fundamental problem and it's a breach, and it's actually, really, just carrying forward the terms of the Labour Relations Code perhaps more broadly than it's expressed in other sections but in the same manner and for the same purposes as it's expressed for the overall Labour Relations Code and just clarifies that that's applicable to this particular section. A nefarious amendment, Mr. Chairman. I think not. I'd ask people to vote against it.

Ms Carlson: Mr. Chairman, we wouldn't want the minister to confuse his argument with the facts, and I would refer him to the Labour Relations Board's own web site, that states:

The courts have held that the Board is not biased simply because the panel is not evenly balanced between labour and management representatives. However, where possible this is done to ensure the appearance of fairness.

So we know that the appearance of fairness is as important as making fair decisions.

I urge everyone in this Assembly to support this amendment.

[The voice vote indicated that the motion on amendment A3 lost]

[Several members rose calling for a division. The division bell was rung at 5:14 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Bonner	Massey	Pannu
Carlson	Nicol	

Against the motion:

Ady	Graydon	Maskell
Amery	Haley	McClellan
Boutilier	Hancock	Nelson
Calahasen	Hlady	Oberg
Cao	Hutton	O'Neill
Cardinal	Jablonski	Ouellette
Danyluk	Klapstein	Pham
DeLong	Knight	Rathgeber
Doerksen	Kryczka	Renner
Dunford	Lukaszuk	Smith
Fritz	Magnus	VanderBurg
Gordon	Mar	Vandermeer
Goudreau	Marz	Woloshyn

Totals:	For – 5	Against – 39
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[Motion on amendment A3 lost]

The Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that we call it 5:30 and adjourn until 8 p.m., at which time we'll return in Committee of the Whole.

[Motion carried; the committee adjourned at 5:27 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, March 19, 2003** **8:00 p.m.**
 Date: 2003/03/19
 head: **Government Bills and Orders**
 head: Committee of the Whole
 [Mr. Shariff in the chair]

The Deputy Chair: We'll call the committee to order.

Bill 27 **Labour Relations (Regional Health Authorities** **Restructuring) Amendment Act, 2003**

The Deputy Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. After at least two hours of the most scintillating debate that I can remember, I'd like to move that we adjourn debate on Bill 27.

[Motion to adjourn debate carried]

The Deputy Chair: Hon. members, the chair was remiss in asking the following question. Shall the progress on the bill be reported when the committee rises? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 30 **Appropriation (Interim Supply) Act, 2003**

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

Ms Blakeman: I sure hope we're on Bill 30. Thank you very much.

The Deputy Chair: Bill 30, yes.

Ms Blakeman: There was so much enthusiastic chatter.

I'm very pleased to rise in Committee of the Whole on Bill 30, the Appropriation (Interim Supply) Act, 2003. Now, during the supply debates on this bill I expressed my frustration on the lack of detail that was being provided by the government. I am a hopeful person, so I thought: well, I'll wait. I am a hopeful person. I still am. Cynical, yes, but hopeful still. [interjection] Oh, you did. Absolutely. I will put it on the record how excellent the Minister of Agriculture, Food and Rural Development was in getting her answers back to me. She has set an extremely high standard for all of her colleagues, and I commend her for it. You get your answers in time to vote the bill, and she answers all the questions. So I hope the rest of you are going to meet the standard that she has set.

So with the exception of Agriculture, Food and Rural Development I was looking into the actual bill to see if perhaps I might get more of the detail that I wasn't getting before, and what's occurred to me in the interim is that this is the first time that we've had an interim appropriation request where we haven't already had the budget tabled, where we couldn't already go to the budget and look at the budget and understand where . . . [interjection] No. We had a budget in front of us then.

An Hon. Member: Not in '98.

Ms Blakeman: Not in '98? I'm sorry. In 1998, then, it happened. This does not excuse anything. We still have before us almost no detail, and I didn't get any more detail when I actually looked at the bill itself, which is now appearing as the appropriation act, Bill 30. There's no additional information in here beyond what was available in the supply budget debate. It is about timing, and I continue to reiterate that this government has the power to make this happen in the order that it should be happening.

Now, during the last debates I said: "Okay. Fine. The government should be able to call us in sooner, get this budget debated, and get it passed in advance of the fiscal year-end." The Minister of Finance said: no; we're waiting for figures from the federal government, and that's why we're delayed. But that really only holds up occasionally because I think previous to this most recent time of presentation of a budget from the federal government, it was 18 months previous to that. So the concept of always waiting for the feds doesn't quite play out. It works in this example, but it doesn't work in other examples.

So I suggested that if they were really waiting for some sort of budget figures expected in sort of winter/spring, then move the year-end so that they could compensate for that wait period, trying to get final figures from the federal government to be able to work them into their own budget and be able to incorporate that. In fact, we have moved the fiscal year-end previously. I think it used to be the end of December, and they moved it to the end of March for similar circumstances. So if that continues to be our issue here, move it again. I really object to having these constant interim supply budgets.

Now, another issue that came up and was not answered, to my dissatisfaction – well, let me go on to something else, and I'll come back to that.

One of the answers that I got back in response to my observation of the lack of detail was: "Well, look at the three-year business plans. All the detail that you could possibly want is in the three-year business plans. Just look at the business plans for the year that we're talking about." So, indeed, I did go and request documents from the library – and they were kind enough to send them up to me – The Future: Meeting Priorities, Sharing Benefits, the budget 2001 business plan book, which would have this current year that we're looking at as its third year of a three-year business plan, and Budget 2002: The Right Decisions for Challenging Times, business plans which would have this current year that we're looking at, 2003-2004, as the second year of a three-year business plan.

When I compared the figures on a sample budget department, which just happened to be one of the departments I'm critic on – and that's the Department of Justice – in fact there were two entirely different sets of figures appearing for this either second or third year of a three-year cycle. One of my colleagues has observed to me that these three-year budget plans are becoming meaningless because every year is the first year. Every year we start over. Every year there's a new set of performance measurements and a new set of targets and a new set of whatevers, and I have made that observation during budget debates. You can't compare back and forth from one year to the next.

Now, I did say that I felt this government had started on the right path, that they were showing leadership. They should be out in front on all of this, and they're not following through with it, and that's a disappointment. It's a huge disappointment. If they were following through, we could in fact look at the second year of a three-year business plan or the third year of a three-year business plan and have more or less the same achievements and targets and numbers in there. Yes, times change, and, yes, you need flexibility, but to have every single figure in every line item totally different, like by \$15

million, by \$20 million, that's a lot of money to be that out by. Like, you start getting out by 15, 20 percent. [interjection] Yeah, it did. You have some figures that were \$80 million, and then the other plan was \$95 million. It was different by \$15 million. Well, I can look it up again, but I didn't want to embarrass the minister again, because he looked a little red faced last time.

So one of the frustrations here is being able to say: "Okay; it's reasonable. How do we judge whether what the government is asking for by way of this . . ." Well it's not a special warrant, and in fact I think the Premier is on record as saying that he didn't want to do special warrants when he came in because that was done behind closed doors. Everything was going to be done out in the open and debated openly; thus, we were going to have interim appropriations. That whole process becomes a mockery in itself when one minister gets up and delivers a one- or two-line explanation for two different budgets and sits down and refuses to answer further questions. Other people just leave the Assembly. We're not getting information on this, and considering that we had two hours on day 1 and two and a half hours on day 2, we're talking four and a half hours to debate \$5 billion. So it's a billion and something an hour that we were able to debate in the supply debates.

Ms Carlson: A billion and a quarter.

Ms Blakeman: A billion and a quarter. That's an enormous amount of money to anybody. It's our responsibility as elected officials to say: "Is this reasonable? Is it needed? What's it being used for? How we are we going to be able to measure against this?" Again, this is where I get referred to the three-year business plans, which I've already pointed out just change totally. I mean, missions change totally from one year to the next. How can you totally change your department's mission? There's no consistency between these business plans.

8:10

Dr. Taft: Mission impossible.

Ms Blakeman: Yeah, mission impossible.

So one of the things that I did ask for and get was a comparison between what was requested in an interim appropriation last year and what's requested in an interim appropriation this year to see if I can sort of glean some direction or information out of this, and in fact it is pretty informative. I think it is going to tell us some things.

We've got the Legislative Assembly, and I'm just going to round these numbers off. Last year in the 2002-2003 interim requests, so coming into this fiscal year, 13 million and change was asked for; this year, 18 million and change. So 5 million more dollars for the Legislative Assembly. That makes you think: well, hmm, that's interesting. So an increase across the board. What's happening? What's being expected there?

Aboriginal Affairs and Northern Development going from – now, this is the only one I've found so far that actually goes down. Oh, no. There's another one later on. I'll point that out. But it goes from \$11 million down to \$10.175 million. Well, still it's going down. Agriculture goes from \$102 million to \$139.6 million. Children's Services, from \$121.9 million to \$225 million. That's not quite double. That's a huge increase in what's being asked for here. Community Development, from \$125.3 million to \$209.7 million. Wow, like, what are they doing with this money? What's this for? There have got to be increases here if they're asking for that much more money in the interim supply. What's being anticipated? Why are we trying to grant them more money for the same period of time for, presumably, according to the tiny iota, the

dribble of information we've had thus far, business as usual. "No big deal. Don't worry about it. Just cover your salaries. Buy a few things. Don't worry about it. Trust us." Well, what are you doing with the extra money then? If I'm supposed to trust you, you've got to tell me some of this information.

Economic Development, \$8.5 million to \$11.4 million. Energy, \$40.5 million to \$47.1 million. Do you think there are rebates in that? I bet not.

Aah, here's one of the ones that goes down. Environment goes from \$34.1 million down to \$29.3 million. So that's one of the few that goes down.

Ms Carlson: So much for enforcement and monitoring.

Ms Blakeman: Yeah. Perhaps the minister would like to answer the question here while we're in the debate on this. Is it reflective of a loss of more frontline staff that do monitoring and enforcement for our environmental protection? The front line is where they always tend to cut, so is that where it's happening again?

Executive Council, almost exactly the same. Finance, \$30.5 million; going to this year's request, \$40.5 million. Gaming, holy mackerel, \$285.8 million last time; this time, \$356.5 million. Like, wow.

Dr. Taft: Could you repeat that?

Ms Blakeman: For Gaming? Yeah. It was \$285.8 million; this year's request is \$356.5 million.

Dr. Taft: A 25 percent increase.

Ms Blakeman: A 25 percent increase. For what? Are we going to get more VLT machines, more slot machines? Good heavens. [interjection] Interim supply to this year's interim supply. [interjection] No. Actually, your figures are almost all up. I'll keep going. You don't believe me? I'll read the figures out for you.

Ms Carlson: What's the time span between this year's and last year's?

Ms Blakeman: I don't know. I just have the comparison chart here. [interjection] I think the minister is going to join in the debate here, and I'm looking forward to any illumination he might be able to bring to it.

I'm going to continue here. We've got Government Services going from \$48.9 million to \$58.2 million. Last year Health and Wellness, \$1.5 billion; this year, \$1.85 billion, and almost no information from the Minister of Health and Wellness, who then refused to answer further questions. That's most disappointing. Human Resources and Employment – oh, this is one of the other ones that goes down. So we've got three so far. Human Resources and Employment: \$318.4 million last year, \$274 million this year. Infrastructure: \$279.5 million last year, \$422.19 million this year. Yowza.

You know, I'm still thinking. See, the other information you don't get as part of this is how big that surplus is going to be and where they're going to salt it all away. Like, how do they hide it all so they don't have to admit that they shortchanged schools and hospitals, seniors, the arts, municipalities, infrastructure, transportation? All those things that they did not allocate adequate funds to during the year, they shortchanged so they could come up with this humdinger, sucking-big surplus at the end of the year over and over and over again. I mean, how can a government with this many

resources at their disposal be so off in their budgeting? How can you be so wrong? If you worked for someone, you'd be fired for being that far out.

Ms Carlson: Budget sur-preez.

Ms Blakeman: Budget sur-preez, says one of my colleagues, and, yes, indeed, she's right. It's like Sunday night with Kraft Dinner; you never know what you're going to get.

Okay. Let's go back and look. Innovation and Science is another one that's going down. From \$64 million last year they request this year \$55 million. Well, thank you to Innovation and Science. International and Intergovernmental Relations: \$1.8 million last year, \$1.94 million this year. Justice: \$47.2 million last year; \$71.3 million this year. Gee, that's a fair whomping difference. You'd have to be talking about a lot more time that's being included to make up that kind of money. We're talking, like, \$25 million more here. We're just talking about a few weeks, by the way. Don't forget, folks: this is for the government to run for 10 weeks. But everybody just kind of rounds it up to the nearest – oh, I don't know – quarter.

So most of the departments have asked for either 25 or 30 percent of their entire budget for the year be allocated for them or to be available to them for 10 weeks. Like, wow. I'm sure glad I don't have children because, boy, if they came to me and said: "Please give me allowance for 10 weeks, but I'd like, you know, four months' worth or three months' worth to spend. No, I'm not going to give you much detail. I'll spend it on the usual things" – that's why I don't want to be a parent.

All right. Learning: \$615.5 million; request for this year, \$918.8 million. Well, then, why do we have classroom sizes rising? Why do we have the Edmonton school board being put through the wringer while the Minister of Learning tries to shake every dime out of its pocket? And we've got projected deficits from that school board. We've got larger classrooms. Schools are having to look at cutting teachers. One of my schools told me that their tuck shop, which sells chips and granola bars and things like that to the kids, they used to use it to buy, you know, big extras like a digital camera for their school. They're buying photocopy paper with it. They're buying paper for their photocopy machine. That's the level that they are operating at now. That's how tight they are. So how many times can the minister redo his offices on that kind of money? Three hundred million dollars. Wow.

Okay. Municipal Affairs goes down just a bit: \$65.4 million to \$64.5 million. Revenue going up. Whoa. Whoa. This elevator is going up high: \$6.8 million; this year's request, \$11.3. Seniors: \$47.6; this year, \$73.115 million. Yowza. Well, I sure hope that's going to benefit the seniors. And who knows? We have no information about what the request is for. We don't have a budget in front of us. They say: well, don't sweat it; you're going to have a budget within three weeks, so you shouldn't be complaining so loudly, Laurie, because, you know, in three weeks all will be explained. But the point is that I'm sent here by a group of people to watch out for their interests now, and I can't afford to take this government's word on things, because they haven't proved trustworthy in the past.

Solicitor General: \$46.5 million last request; this year's request, \$66.84 million. Twenty million dollars more for 10 weeks. Two million dollars more a week.

An Hon. Member: How much?

Ms Blakeman: Two million dollars more a week.

Sustainable Resource Development, it's also going down. So we've got – what? – 5 that have gone down out of the 24. Sustainable Resource Development: last year's request, \$101.9 million; this year's request, \$92.9 million. Finally, Transportation: \$139 million requested last year, \$220.3 million this year.

8:20

Now, the minister was trying to give me signals there that: we're asking for a longer period of time this year, and that's why the money would be higher. But, you know, when you look at some of these and they're getting \$20 million more, you start going: well, how much more time? Because, you know, it's 10 weeks this time; what did you ask for last time – two? – to explain that kind of difference?

So I know that my time is running out here, and I really question the ability of this government strongly at times, especially around its finances. It's just so wildly out on its budget projections, and then we have the total arrogance of the government saying: "Well, just trust us. Just give us this money. We're asking for 10 weeks' worth, but we're going to ask for, like, 25 for three or four months' worth of money to cover us for 10 weeks." It's absolutely unacceptable, especially when the government has the total power to call us into this House and get a budget passed before the fiscal year-end. It also has the power to change the fiscal year-end. For shame.

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

Mr. Mason: Thank you very much, Mr. Chairman. I'm pleased to rise to speak to Bill 30, the Appropriation (Interim Supply) Act, 2003. I actually have a great deal of concern, first of all, with the process that we're being asked to follow. The introduction of an interim supply measure is quite unusual, and the government has not been forthcoming, or at least not forthcoming enough for my satisfaction, in explaining why this measure is necessary.

Certainly, there is a great deal of money that is being proposed. If you go through the bill, there's \$18 million for the Legislative Assembly, which I don't question. There is just an enormous amount of money if you look at it by department, and the question why the government can't bring forward a budget in a timely way – one reason is, of course, the federal government not bringing forward a budget in a timely way or in a way that suits the provincial government, but there have been instances in the past, Mr. Chairman, where the federal government has done so and the province has managed to cast its budget just fine. It's clear to me that the provincial government must have a very good idea of the federal government's financial contribution to the Alberta budget, and I know that despite all of the posturing about the federal government that goes on, there is a lot of communication that takes place at the government level and at individual department levels.

I suspect that the provincial government may have some good news, be planning some goodies in the upcoming budget. I suppose that that's better than the menu they've been serving up until this point, and I would expect that they want to save that good news to as close to the end of the session as possible. That's a little bit cynical, Mr. Chairman, because it doesn't take into account the responsibility of this Assembly to scrutinize government expenditure.

A third reason I think that the government is doing this is that they want to get some better sense of what oil and gas prices are going to be, but with the launch this evening of the horrible war on Iraq by the United States, any certainty that might have existed with respect to oil prices is gone. Interestingly enough, following the old adage that you sell on rumour and buy on fact, the price of oil has in fact

gone down, and the stock market has gone up now that the war is clearly upon us or rather, I should say, upon the Iraqi people.

The Premier has talked on a number of occasions about his support for the American action because he believes that Canada should support the United States, but he does not take into account Alberta's long-term economic interests in making those statements, Mr. Chairman, because it's clear that the objective of the United States is to regain a larger measure of control over the world oil reserves. That's what the war is primarily being fought about. All of the other stuff is dressing, designed to fool those that can't think clearly about world affairs.

We've also seen the American hand in an attempted coup in Yugoslavia. Not Yugoslavia. What am I saying? In Venezuela. I apologize. That's a whole different kettle of fish there. The Americans were clearly behind the failed coup in Venezuela and, I would daresay, were involved up to their necks in the so-called strike in Venezuela, which was really a strike of the wealthy against the poor, and that has failed for the time being.

But what happens, Mr. Chairman, when the Americans do get their hands on the oil of Iraq and perhaps later Iran, perhaps later Saudi Arabia and perhaps Venezuela? Well, I think the first thing that we could say is that OPEC, as we know it, will be dead. It will become an irrelevant organization because the producing countries will no longer have the independence they need to set world oil prices and to control the amount of production that goes into the world market. What does that mean for Alberta? Well, OPEC has meant, as we all know, those of us that can remember back to the '70s, dramatically increased oil prices and, as a result, dramatically increased prosperity for this province. So what does the breaking of the back of OPEC mean? The United States is the world's largest energy consuming country, and it consumes far more energy than it produces itself, so it has an economic interest in lower oil prices, which it has been largely unable to achieve because of OPEC.

So now we have the Premier cheering on from the sidelines and from a safe location here in Edmonton the American aggression against Iraq, which will ultimately mean lower prices in the long run in the world, and that means lower revenues for Alberta in the long run. So here we have the Premier siding with people in the world who are prepared to use any means at their disposal in order to bring down the price of oil. I think that it's the height of folly and irresponsibility, Mr. Chairman, that the Premier is so entranced by our American neighbours and perhaps the American oil industry in Calgary that he can't objectively discern the long-term economic interests of this province. So I think that is a sad indictment of the Premier's leadership of this province.

That brings us to the financial situation facing the province, and it's, I think, an indication that the province doesn't know where to go with respect to oil and gas prices that has contributed to the fact that we have an interim supply act instead of a budget. We'll get the budget, and hopefully the government will get its act together.

8:30

I want to talk a little bit about education funding, Mr. Chairman, because we have a situation where there's a crisis in education in this province. The interim supply act provides \$888,895,000 for Learning. Now, this doesn't compensate for the shortages. [interjections] You need arousing? Okay. The problem is that I borrowed the Liberal notes tonight because I forgot mine at home. So if I'm a little bit boring tonight, I'm sorry. By the way, their notes didn't include anything about the war in Iraq or American foreign policy. That was my own elaboration. I'll try to pick it up for my Liberal colleagues.

Mr. Chairman, the education situation in this province is appall-

ing, and I know that the government is hinting that they're going to come rushing to the rescue like white knights when the budget finally comes down. I think that that's what they intend. In the meantime, schools throughout this province are going through an agonizing exercise. They are looking at their budgets, and they are trying to figure out what to cut, and the reason is that the Minister of Learning, having provoked the teachers into a strike and setting up an arbitration process which the teachers objected to strongly, which was entirely, entirely under the control of this government, produced a result that the government was not anticipating. Do you remember the droning on of the Minister of Learning in here in question period day after day? "We provided 4 and 2, 6 percent, Mr. Speaker." That's just the best that anybody has ever received in the world, leaving aside, of course, those people lucky enough to settle before the last election, who got dramatically more in way of revenue, closer to 22 percent.

Then the arbitration settlement that the government had custom designed to produce the result that they wanted came in at 14 percent, and then what did the minister do? He told the school boards that they had to take it out of their existing budgets. Well, he provided them, as we know, 4 and 2, and it came in at 14. So the arithmetic doesn't work, and school boards, and particularly Edmonton public school board, were millions and millions of dollars short. These cuts are now being distributed among the schools, and the principals are working through figuring out which teachers they have to lay off, which librarians they have to let go, which programs for needy children they have to cut, or what other changes they have to make with respect to their budgets. They're sharing this with parent councils, and I've attended several in the last week where the principals talked to the parents about what changes he or she has to make to that school budget in order to make do with the shortfall.

So the government is technically correct when they stand up as they did in question period today and berate the opposition for talking about budget cuts. It's not a budget cut, Mr. Chairman, at least in this particular year, but it is a huge unanticipated cost caused by the government which the government won't assist the schools with. So we are seeing parents getting mobilized across the city and, I daresay, across the province, and they are very angry, and they know exactly who they can blame.

You know, it's interesting. When ordinary parents come into this gallery to watch the proceedings and watch legitimate questions put to the Minister of Learning about the financial situation facing their children's school, they are totally unprepared for the kinds of cavalier nonanswers that they're getting. I guess they're really not familiar with our system and with question period, but I think they're particularly unprepared to deal with the blasé and inaccurate responses that we get in connection with school funding. So sometimes they lose control because they're unprepared. Now, hopefully that won't happen again. When we have guests in the Assembly to listen to questions about education, we're now trying to prepare them both with what to expect from the minister and what the rules of the House are so that we won't see that kind of situation again, Mr. Chairman. But it's understandable. They come here, their children's education is at risk, and the person responsible is largely unprepared to deal in a serious manner with legitimate questions about their children's education. So I can understand why they're angry. I'm angry as well.

Bill 30, the Appropriation (Interim Supply) Act, 2003, doesn't deal with this at all. It gives some interim supply, and if there are any little goodies that the government has in mind for education, they're certainly not telling the parents or the principals or the teachers, all of whom are going through a horrendous time trying to come to grips with the intransigent attitude of the provincial

government on this matter. I think it's shameful, Mr. Chairman, I think it's reprehensible, and it is not responsible government to let everybody go through that and then to either surprise them with more money in the budget in three weeks or, even worse, to not surprise them with more money in the budget in three weeks. It's completely a negation of what a responsible and in-touch government ought to be doing and how it ought to be acting. So I think we should have seen a proper budget from this government in a timely fashion so that everybody else that has to live within the budgetary decisions of this Assembly could have made their decisions and gone on with life and learning.

Mr. Chairman, I want to indicate that I still have a considerable concern about the government's habit of tilting at windmills, and in this particular case I am referring to Kyoto. Again, the government has got everybody all riled up by talking about the terrible damage that Kyoto is going to do to Alberta and its economy, and then when they have spent who knows how much money and got everybody all upset, Kyoto finally is passed, and what happens is that the government says: well, it really wasn't so bad anyway. I'm reminded of the story of the little boy who cried wolf, but in this case we have a little boy called Ralph who is calling Kyoto. You know, it gets everybody all upset, and then there is no big, bad wolf. Everybody goes back, and the next time this little boy calls wolf, people are not going to come running and get all excited. They're going to wait and see the proof, and the little boy might just get himself turned into a meal in the meantime.

8:40

Now, I know that the Minister of Justice has spent half a million dollars on legal fees in order to fight Kyoto notwithstanding the fact that he has indicated that he's got some of the best constitutional brains in his own department, and he still hasn't answered adequately the questions around that particular expenditure. We don't know who got it or what it was spent on, what they did for that money, and we certainly don't know how Albertans benefited by that expenditure. Obviously Kyoto is there. The government isn't challenging it in court and is in fact saying that it's really not so bad after all and that they know that the federal government is not really serious about the reductions that were implied when they originally signed the international agreement. So that's another thing, Mr. Chairman.

With those points, Mr. Chairman, I would be pleased to move that we adjourn debate and take my seat. Thank you.

[Motion to adjourn debate carried]

Chair's Ruling Referring to a Member by Name

The Deputy Chair: Hon. members, before I call upon the next bill, I just want to caution all members that we have a tradition in this Assembly not to refer to other members by their names. Hon. Member for Edmonton-Highlands, the chair did not interject at the time. However, I'm just cautioning all members: that's the tradition of this Assembly.

Bill 3 Electric Utilities Act

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

Dr. Taft: Thank you, Mr. Chairman. I'm pleased once again to rise

to speak to Bill 3, which I think is a hugely important bill and a hugely dangerous bill that is going to be part of a long-term acid bath for the Alberta economy. It is corroding what's left of the Alberta advantage year by year as the price of power in this province stays at the highest levels in the country and some of the highest levels on the continent. Before this electricity deregulation mess Alberta enjoyed some of the cheapest and most reliable power in the world in fact, not just on the continent but in the world, and that was widely recognized as a fundamental competitive advantage for Alberta. Indeed, the Alberta government itself trumpeted its cheap, reliable electricity as a building block for economic diversification. Well, those days are long gone, and they're gone for one reason only: the government's bungled deregulation.

So we are facing now Bill 3, and we are facing a situation among many things in which the price of power swings wildly and dramatically. We have seen the price of power in this province since deregulation swing from lows at probably 2 or 3 a.m. on a autumn Sunday of perhaps \$25 a megawatt-hour up to highs of \$999 a megawatt-hour, and they would have gone higher except that's the limit. The Member for Edmonton-Highlands asked: how much? Nine hundred and ninety-nine dollars a megawatt-hour we paid in Alberta for electricity at times, and it would have gone higher except that that's the maximum amount allowed under the law.

This was entirely foreseeable. You can go back, as I have done, and look at the experience with deregulation in the United States, for example. We all have heard about the disasters with deregulation in California. At least in California they had the common sense to get out of the mess. What we are seeing here in Bill 3 is digging deeper the hole that we are in. There's an old saying: when you find yourself in a hole, stop digging. What this government has done is: it's found itself in a hole and it's digging faster and faster.

Ms Blakeman: It's tunneling. It's brought in heavy-duty equipment to tunnel.

Dr. Taft: They're trying to get all the way to China. They're tunneling aggressively, and we are trying to stop them. Stop, please. Instead, deeper and deeper we go.

It wasn't just California that knew wild swings in electricity prices; the U.S. midwest, for example. In 1998 the *Wall Street Journal* among many other major media carried a string of articles about a three-day power outage in the midwestern U.S. that forced factories to shut down, and homeowners and businesses had to scale back dramatically their activities. It led to huge spikes in electricity prices, as high as – this is hard to believe, but it's true – \$7,000 U.S. a megawatt-hour. Seven thousand dollars U.S. a megawatt-hour for electricity that in that market would normally trade at about \$70 – seven, zero – so a hundred times the normal price.

Those are the kinds of swings that were occurring in other deregulated markets well before Alberta embarked on its experiment. We should have learned. We should have looked around and learned what was going on. Of course, some of the effects of that were massive economic dislocation. There were actually companies that went bankrupt. There was a steel mill that had to shut down, and because the molten steel hardened in the mill, they actually had to replace equipment. The molten steel cooled off, and it permanently damaged their steel-making equipment. So there was a massive fallout from electricity price swings in the U.S. midwest because of deregulation.

The same kind of thing happened in Auckland, New Zealand, in February '98, a long, long blackout. Here we're talking about five weeks of blackout.

An Hon. Member: Downtown.

Dr. Taft: Downtown Auckland was shut down for five weeks.

When they did a major investigation, as the people demanded, what did they find? They found that under the deregulated system the main power companies had stopped working to standard. They were consistently lowering their quality standards, their maintenance standards, their equipment standards, and ultimately the whole downtown of Auckland faced a five-week power blackout. Do you know how they coped with it? They actually had to bring a ship into Auckland harbor with a mobile generator and plug the ship into the grid to sustain Auckland.

We have lots of examples of the kinds of problems from electricity deregulation. We should have learned. One of the things that's worth noting is that unreliability in the power system can actually reward power generators. To understand that, we need to back up a little bit and look at how the electricity market works, and I'll speak specifically about Alberta.

8:50

As we all know in this Assembly, different fuels are used to power power plants, and each one of those fuels creates different characteristics for the plant. We have coal-fired power plants. Coal-fired power plants provide the majority of the base demand for Alberta's electricity system. In other words, the demand is there 24 hours a day, and we can never go below that base level. The advantage of a coal-fired power plant is that when it's up and running, it can run very, very economically. The disadvantage is that it takes about 12 hours to get it up and running. So you can't respond to short-term, hour-to-hour spikes in demand. Coal is very good for providing the fundamental base of our electrical system.

Supplementing that is hydropower, and there are a series of hydro dams in the foothills and mountains west of Calgary that are in fact less reliable than coal, less and less reliable as the decades go by because the province is drying up and the water in the reservoirs behind these dams is not there in the volume it should be. Nonetheless, when they're running properly, they provide cheap power. So those levels of power can come in at \$20 or \$25 a megawatt-hour.

We then go up to the brand-new cogeneration plants. As demand for electricity climbs in the early morning hours – 7, 8, 9 o'clock – as the factories kick up, as people cook their breakfast, as the lights in the office buildings go on, cogeneration plants like that at Joffre and a number up in the oil sands come on board, and they can produce power at \$40 or \$50 a megawatt-hour. So they're selling in.

Then if things really go bad, say it's a cold January day or an extremely hot July day – in the summer the air conditioning is on or in the winter all the furnaces are going – we bring in another level of power for those few hours of peak demand: the stand-alone gas plants like Rosedale, just outside of this building, or Cloverbar, very expensive because they are consuming huge amounts of gas, the energy's not used for anything except producing electricity, and they are old.

When things go worse still, we have to import power through the one big tie-line we have, which is to B.C.. At that point, we may be paying and frequently are paying hundreds of dollars a megawatt-hour because we are having to outbid California and the Pacific Northwest of the U.S. for that power because B.C. sells both south into the U.S. and east into Alberta. So we've got to pay more than California for that power.

So you can see, Mr. Chairman, that Alberta's electrical system has layers and layers of power and layers and layers of prices that come on and meet demand. The old regulated system priced power at the margin of each of those levels and then averaged it out so that in the

middle of the night we only paid \$20 a megawatt-hour because all we were drawing from was the very efficient, low-cost coal plants. Then as the day went on and each price category was brought in, the price was averaged out. It was a blended price.

What we have in the current system is nothing short of insanity. In the current system the highest priced power, the last power that comes into the market, sets the price for every other supplier. So if the last power to come in is power from B.C., where we're having to outbid California for it and we're having to pay, say, \$300 or \$400 a megawatt-hour, all the rest of the power is paid out at that rate. As a result, the prices of power have soared in this province.

So, Mr. Chairman, I would like to propose an amendment to Bill 3, an amendment that would help to address this very egregious flaw. I'll have the pages distribute that, and while they're doing that, I will read the amendment into the record. I'm making this amendment on behalf of our energy critic, the hon. Member for Edmonton-Gold Bar, and it reads that Bill 3 be amended in section 17(c) by striking out "relative economic merit" and substituting "marginal cost." I'll wait a moment for that to be distributed.

The Deputy Chair: Hon. members, just for the record, we shall refer to this amendment as amendment A1.

You may proceed now.

Dr. Taft: So what we are proposing to do with this amendment, Mr. Chairman, is bring a modicum of sense back into the pricing mechanism for electricity in Alberta. What we want to have here is power brought in and priced based on the marginal cost of that power. So if power is coming in from coal-fired plants, we would pay only that price, and if power is being brought in from coal-fired and cogen plants, we would only pay for the cogenerated power at the cogeneration price. We wouldn't pay for the coal power at the cogeneration price. And if we had to import power at hundreds of dollars a megawatt-hour, we would only pay that price for the amount of power that we actually import. So this is a way of ensuring that only the marginal price is paid for each unit of power.

This is, I think, of crucial importance if we are to regain some of the economic advantages that the residents and the businesses and the voluntary groups and the institutions of this province used to enjoy from a cheap electrical system. Frankly, it's only fair; isn't it? What in the world is proper about consumers having to pay hundreds of dollars a megawatt-hour for electricity that only cost \$20 to generate? It's insanity. It's insanity. There's no justification for that. There's no fairness to consumers. Frankly, all it is is a way for shareholders of the companies who benefit from this, who own the power purchase arrangements to make a whole lot of money. Nobody else benefits, and that's wrong.

Where's that money going? Well, in a couple of cases it's going to municipally owned power companies, EPCOR and Enmax, and actually in a third case, Medicine Hat. But in other cases it's going to shareholders that may not even live in Alberta or indeed in that case in Canada, shareholders in very large electrical utility corporations. So this is an amendment that will control the price. It will reduce the economic injustice and unfairness that's being perpetrated on Albertans, and it will have many immediate improvements to our society.

We heard in the last couple of days that the single greatest increase in any area of cost that the universities are facing in this province is the increase in utility costs. I think the University of Alberta is facing something like a \$16 million increase in its utility bill, the single largest cost increase that it faces. Well, that gets passed on directly to whom? To students, who have very few resources to pay for it.

Last night I was talking to a constituent who is on the board of a sizable nonprofit group, and they're on the brink of going under because of their electricity bills. What's the benefit of the current system for them? There is none. They're on the brink of collapse, and when they go under, if they do go under, thousands of Albertans who enjoy this particular organization's services will be left without. Our community is weakened; our society is weakened.

Hospitals and regional health authorities also are facing huge increases in their electricity rates. As a result, they can't hire the nurses that are needed, they can't do the MRI tests that are needed, they can't provide the service to seniors that seniors need, and on and on.

So, Mr. Chairman, I commend this amendment to the thoughtful consideration of all government members, who, I can see, are hanging on every word I'm saying, waiting to take up the debate, to at least thoughtfully consider the possibility that we could come to a more sensible pricing mechanism than we have now. The fact is that if anybody in this Assembly can explain to me what the benefits are of the current pricing system over what I'm proposing in this amendment, I would listen with great interest. But it may be that the members. . .

9:00

Mr. Knight: We don't debate amendments; we'll debate the bill.

Dr. Taft: It may be that one of the members from Grande Prairie will rise to the occasion. I look forward to that.

So thank you, Mr. Chairman.

The Deputy Chair: On the amendment, the hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I'm pleased to rise to speak to this amendment to Bill 3, Electric Utilities Act, proposed by the Member for Edmonton-Riverview on behalf of the hon. Member for Edmonton-Gold Bar. This amendment changes section 17(c) in order to make marginal cost the driving factor in the dispatch of electric energy and ancillary costs and hence, as I understand the hon. member's speech, will restore the averaging as the basis of price-setting in Alberta. That would in a single blow cut power costs in this province dramatically, and, you know, it makes a lot of sense to me.

Just for example, if we were producing half our power at 10 cents a kilowatt-hour and another 40 percent at 20 cents a kilowatt-hour and the last 10 percent at 50 cents a kilowatt-hour, according to the government system that is now in place for electricity, we would be paying all of our power at 50 cents a kilowatt-hour even though half of it was produced at 10 cents a kilowatt-hour and another 40 percent was at 20 cents. It would be the last 10 percent of the power at 50 cents a kilowatt-hour that would set the price for all of the power produced.

Now, I'm surprised that this system is okay with the government members because it means their constituents are paying twice as much for electricity now as they were before this system was implemented three years ago, and I would be particularly concerned if I were an MLA representing the area within the ATCO distribution area. For example, if I represented a constituency in Grande Prairie or in eastern Alberta, then I would be concerned that with the new flow-through pricing replacing the regulated rate option, my constituents' power rates stood to increase by up to 120 percent from their already very high rates.

You know, Mr. Chairman, the essence of high prices, the cause of high prices in this province that is causing, I'm sure, all MLAs

regardless of their affiliation a lot of grief is embedded in this very act. Here it is right in front us, the cause of all our discontent, and I would only hope that all hon. members would be prepared to do something about it. They've got the act in front of them right now, and here's an amendment that will change a key element of the act, that will change the way pricing is set and will in one blow restore a measure of rationality to pricing in this province. So it's offered to all hon. members. All they have to do is take advantage of it.

I'm reminded, Mr. Chairman, that in this province we have had auctions for existing power production. That is to say that the existing primarily coal-fired plants, most of which are partly or entirely depreciated, were subject to an auction process devised by then minister Dr. West. This auctions off the equity, which was owned in his view and mine as well by the ratepayers, and people bought power on 20-year contracts from Sheerness or any number of other plants, the Wabamun plants. Twenty years of power was bought at what is now a very low price, but with the current pricing model we have, the people who've bought that power can resell it at the high prices that exist in the deregulated marketplace today. So they are making enormous profits on those purchases because they can sell the power for a lot more than they paid for it in the first place.

I would commend this particular amendment to all hon. members because it gets at one of the key flaws of the government's system for electricity deregulation that exists today and it makes a great deal of sense. By voting for this, hon. members can do all of their constituents a great favour and cut their power bills dramatically. Here's the vote that will do it.

Thank you, Mr. Chairman.

The Deputy Chair: On the amendment, the hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I'm happy to enter into debate on this particular amendment. As the two speakers prior to me indicated, there are some very worthwhile reasons to support this particular amendment. It's too bad that we haven't heard anyone from the government side outlining why I am sure they will not be prepared to support this, but given that . . . [interjection] Well, I'm saving that for a little later in the night because that's an important debate to have. Given that this is a very poor piece of legislation and that our colleague from Edmonton-Gold Bar has worked very hard to try and improve what is very, very flawed legislation by bringing in many amendments that we hope to speak to tonight, this being the first, I would call for the question and ask all people in this Assembly to please support this amendment which will help to improve what is a very flawed bill.

Mr. Smith: Mr. Chairman, the amendment will do nothing more than bring closer the opportunity of having blackouts by ensuring that those must-run powers will start gaming the market and will then therefore not bid into the marketplace and thus constrain power, forcing up prices and putting Alberta and the Alberta grid much closer to a blackout condition. Therefore, I'd recommend that members respond in the negative.

The Deputy Chair: Hon. Member for Edmonton-Highlands, did you want to still speak on the amendment?

Mr. Mason: We're in committee; right?

The Deputy Chair: Yeah. You're allowed to speak if you still want to.

Mr. Mason: Thank you very much, Mr. Chairman. I guess I would like to request more information from the minister. I would like to know how this amendment will allow players to gain the market, as he says, and push us closer to a blackout.

Ms Carlson: Let the record show that the Minister of Energy refused to answer.

Dr. Taft: I did welcome the minister's comments, brief as they were.

Ms Blakeman: You are a generous person.

Dr. Taft: I am a generous person, a generous and good-hearted person. The fact of the matter is that a system using this kind of pricing mechanism that we are proposing here can work. It does work. It worked through the overwhelming length of the history of Alberta's power system. It's what's used in other provinces, it's proven, it's economically sensible, and it's the way to go. It would need to be, and certainly there will be other amendments brought forward tonight. So once this one passes, then we will be bringing forward other amendments which will allow for a complete and sensible restructuring of the electrical industry in Alberta.

9:10

If the minister would just recommend that his colleagues support this amendment, then he would see through the fullness of time that it was a very wise move to have done so.

Thank you, Mr. Chairman.

[The voice vote indicated that motion on amendment A1 lost]

[Several members rose calling for a division. The division bell was rung at 9:11 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Shariff in the chair]

For the motion:

Blakeman	Mason	Taft
Carlson		

Against the motion:

Amery	Graydon	McClellan
Calahasen	Griffiths	McFarland
Cao	Hancock	Melchin
Cardinal	Hlady	Nelson
Danyluk	Hutton	O'Neill
DeLong	Jablonski	Pham
Doerksen	Klapstein	Rathgeber
Ducharme	Knight	Renner
Dunford	Kryczka	Smith
Fritz	Magnus	Strang
Gordon	Marz	Tarchuk
Goudreau	Maskell	Woloshyn

Totals:	For – 4	Against – 36
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[Motion on amendment A1 lost]

The Deputy Chair: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Chairman. It is a pleasure for me to

rise tonight in Committee of the Whole and add some comments to the discussion surrounding Bill 3, the Electric Utilities Act, 2003. I might add that I'm pleased to be able to debate the bill, and perhaps I'm not so pleased at certain times to consider adding to the lack of debate with respect to amendments that may or may not be constructive.

Some of the points with respect to Bill 3 that perhaps might be constructive this evening are to indicate what the Electric Utilities Act will produce in its final form, and certainly there are a number of very important issues that are addressed in Bill 3.

I would like to start this evening with a little discussion surrounding the importance of the independent system operator, and this segment of Bill 3 will establish a corporation, and the corporation will be known as the independent system operator. They consist of a number of members, and they're appointed through a system that leaves this thing arm's length from elected officials, and certainly the ISO and its membership will then take on some very major responsibilities with respect to the full electrical generation and transmission and distribution and retailing system in the province of Alberta. The ISO, Mr. Chairman, will be responsible to lay out a budget for its operations, and along with their budget they will be required to report at the end of each fiscal year. Within 120 days of the end of their fiscal year, they must provide the minister with an annual report that lays out the business and the affairs of the fiscal year and contain with that report an audited financial statement for the fiscal year. So that kind of lays out the groundwork for how the ISO will operate and who it will consist of.

They have certain duties under the act, and they have some authorities under the act. The duties I'm not able to go into in detail and only because it would take certainly all of the 20 minutes of speaking time that I would be allocated or allotted in this initial go-around, but I will lay out the framework of their responsibilities. Certainly, Mr. Chairman, the duties are very important. The ISO will operate the Power Pool in the province of Alberta, and their mandate laid out in the legislation is to

operate the power pool in a manner that is fair, efficient and open to all market participants exchanging or wishing to exchange electric energy through the power pool and that gives all market participants a reasonable opportunity to do so.

To expand on that a bit, Mr. Chairman, what that means is that with this new piece of legislation linked to and certainly adding to the already positive results that we have seen from deregulation – this new piece of legislation and the ISO make it possible, Mr. Chairman, for any person, any entity, any corporation in the province of Alberta to be able to generate electrical energy and put it into the system, and that will be guaranteed by the independent system operator, open to all market participants.

9:30

A second thing that the ISO will be responsible for is the direct sales agreements and forward contracts. In other words, Mr. Chairman, we have a situation here where the ISO will be able to look at the direct sales agreements relating to the sale or purchase of electric energy in accordance with the terms agreed to by the parties of the agreement. In other words, if two people decide that they want to enter into a contract to purchase or sell electrical energy in the province of Alberta, the ISO will oversee these agreements and arrangements to be sure that they're fair and meet market requirements.

The ISO certainly has, as I indicated, a budget. There are certain fees required, and the independent system operator will establish, for the purpose of operating these processes that I have alluded to, fees payable by the market participants. This again will be part and

parcel of the ISO's budgeting process. They have, Mr. Chairman, along with the establishment of fees certain orders that they're able to give to market participants and a mechanism included in this legislation to allow the ISO to have some enforcement of their orders. Again, it's fairly detailed, but at the end of the day what I can tell you is that the ISO has the ability to go to people or a person, corporation, et cetera, that failed to comply with the orders, and they will be liable under this new act to fines of not more than \$100,000 per day.

An Hon. Member: How much?

Mr. Knight: One hundred thousand dollars per day is the maximum for noncompliance with orders of the ISO.

Mr. Chairman, we have heard rhetoric stacked upon rhetoric that what the Alberta government is doing with respect to this piece of legislation and Bill 19 is we're cutting away at the very ground that the people of the province of Alberta stand on with respect to being somehow guaranteed that their price of power won't go up, that they won't be gouged by unscrupulous people in the marketplace, et cetera, et cetera. One hundred thousand dollars a day, and this is, by the way, just the ISO's compliance. So we're putting some teeth into this legislation that will protect Alberta consumers, full stop.

There is also with respect to that issue a mechanism in the legislation to allow for people that have complaints about the ISO. If the ISO is felt to be heavy handed or leaning too hard on some individual or some person or a corporation, they can make complaints, Mr. Chairman, and the complaints would be lodged at the EUB. So the ISO itself, although it is an independent body, very important with respect to what we're doing in the province, also has someone to answer to. As a matter of fact, in reality when this legislation is complete and in place, it has two people really that it needs to answer to. Certainly, the complaint process through the EUB is one. Another section of the bill, that I would go into at a later point in time if I don't exhaust myself here, is the market surveillance administrator, and that's another story.

Mr. Chairman, another extremely important job that we are putting under the auspices of the ISO is the transmission system. The transmission administrator will operate under the ISO. The ISO under this new legislation and the dealings with the transmission administrator make the ISO the sole provider in the province, the sole provider of system access service. Again, as I alluded to earlier in the legislation, this independent system operator will make it completely accessible to anybody in the province of Alberta that wishes to tie in to the system. The independent system operator must provide system access service on the transmission system in a manner that gives all market participants wishing to exchange electric energy and ancillary services a reasonable opportunity to do so.

The ISO, with respect to transmission administration, Mr. Chairman, also will submit to the board a single tariff that sets out the rates charged with respect to transmission of electrical services in the province of Alberta. So the transmission administration falls under the ISO. More important than the transmission system that we have in place in the province of Alberta today, the ISO will also look forward to what the transmission requirements may be in the province of Alberta in the future with respect to trying to relieve some of the problems in transmission congestion that we have in the province today and also at the possibility that at some point in time Alberta will be in a position to export excess power. The ISO will look at how this could best be done and how the players in the marketplace, including the people of the province of Alberta, would or should be responsible for the investment with respect to those transmission services.

The ISO, Mr. Chairman, will also take a responsibility here with respect to the system planning and the alleviation of constraints, and I did mention that. We will be expecting the ISO to also give direction on receipt of a board approval to the ISO of the needs identification document. In other words, when the ISO, through the board, has been presented with documents that would identify a need for further transmission, the ISO may direct the owner of the transmission facility to submit for board approval a proposal to meet the need identified. So we're looking here at allowing a system where we will have, under the umbrella of the ISO, a much more comprehensive management plan with respect to the province's transmission system as it is and the way it will look in the future. A very important part of our new legislation.

Moving on to the market surveillance administrator, Mr. Chairman, under our new legislation Bill 3 will establish another corporation, and that corporation will be known as the market surveillance administrator. The market surveillance administrator consists of an individual appointed as the administrator under a section of this legislation. Again, Mr. Chairman, this individual will be a person who is not now nor has been connected in any way with the electrical business in the province of Alberta and will be at arm's length from the province and from the business, an independent person that has no material interest in the electric industry. The chair of the EUB will recommend to the minister the name of an individual to appoint as the market surveillance administrator, and the market surveillance administrator will oversee the business of the administrator's section of the act.

9:40

Now, again, Mr. Chairman, the MSA is extremely important and is another step that we're putting in place in this legislation. Unfortunately, in discussions that we have heard before the Legislature and certainly in the period of time that we've discussed this situation in committee, nothing good at all has been said about the MSA. The market surveillance administrator is an additional watchdog outside of the ISO that is looking at the whole umbrella of the business of electrical generation, transmission, distribution, and retailing in the province of Alberta, a watchdog to watch over people that I just pointed to in the ISO and others with respect to how they treat customers, how they treat the system, how they do or do not generate at times when it may be more or less convenient for them to do so, et cetera, et cetera, et cetera.

The MSA has been given the mandate to look at the whole umbrella of the electrical industry in the province. Again, they have a budget, and the market surveillance administrator will have his budget approved through the EUB, and the market surveillance administrator's costs and budget will be supported through the ISO. Again, the MSA will have to report, certainly similar to the ISO, within 120 days of their fiscal year. They will report to the minister, and they will provide a budget and other information required by the minister.

The market surveillance administrator, Mr. Chairman, has a very special role to play here. He has the authority and the ability to appoint a tribunal when and if there is a situation that requires what he would consider to be some type of investigation with respect to any player or any stakeholder in this marketplace, and the tribunal will do the investigation on behalf of the MSA. So, again, what we've done here is we've separated this whole system from the market players, from the elected representatives, and put it where it properly belongs, in the hands of an individual that has absolutely no connection with the government or, for that matter, with the marketplace. We've given him the ability to go further than that and in fact establish a tribunal to investigate complaints.

So, Mr. Chairman, those are some of the areas . . .

The Deputy Chair: Hon. member, the allocated time has elapsed. However, since we are in committee, you will be able to speak to it again if you so choose.

The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. Well, I followed the comments of the hon. Member for Grande Prairie-Smoky with some interest as he read through the bill. I was particularly interested in his comments on some of the independent bodies or components that make up this new system, and particularly I'm interested in the market surveillance administrator, who is appointed by the minister and who

- (a) is independent of any person who has a material interest in the Alberta electric industry, and
- (b) will enhance the performance of the Market Surveillance Administrator in exercising its mandate.

So it's an interesting structure. It's a very complex structure, and we know that in order to convert a natural monopoly into a profit source for multiple corporations, some complexity is clearly necessary.

It's interesting, Mr. Chairman. You know, I wonder if all of the intricacies of this act are going to be of very much interest to the people in northeastern Alberta and in the constituency of Grande Prairie-Smoky when they get their April power bills and find out that the power prices, which are already the highest in the country, will have doubled. I wonder if the remarks of the hon. Member for Grande Prairie-Smoky will be of great comfort to them as they try to find a way to readjust their family budget or their budget for their farm or their business in order to pay their utility bills and whether or not they have to pay more in rent for an elderly parent who might be in seniors' housing whose rent will go up or if they have children at the Grande Prairie Regional College whose tuition will have to rise in order to pay for this increase in utilities and so on and so on.

But coming back to the market surveillance administrator, it's clear under the act that it's not to be an agent of the Crown. That may, in the view of that hon. member, mean that it's independent, but it also means, quite frankly, Mr. Chairman, that it's independent of scrutiny. So I'd like to offer the following amendment. If the pages could take it, I will read it. I move that Bill 3, the Electric Utilities Act, be amended in section 42 by striking out subsections (3), (4), and (5).

Mr. Chairman, subsection (3) of section 42 says that the Market Surveillance Administrator is not a Provincial corporation for the purposes of the Financial Administration Act, the Auditor General Act or any other enactment.

The Deputy Chair: Hon. members, just for the record we shall refer to this amendment as amendment A2.

Mr. Mason: Thank you, Mr. Chairman.

- (4) For the purposes of the Government Accountability Act, the Market Surveillance Administrator is not part of the ministry, as defined in that Act, of any Minister of the Government of Alberta.
- (5) The Market Surveillance Administrator is not an agent of the Crown.

Now, as the hon. Member for Grande Prairie-Smoky has said, these sections do make the market surveillance administrator independent. He is so independent that he or she is not accountable to the public in any way. They will not be accountable to the Auditor General. In other words, the Auditor General will have no jurisdiction over the market administrator. As a result, the Committee on Public Accounts cannot examine the financial transactions of the market administrator. In case someone is not treated fairly or in accordance with the laws, the jurisdiction of the Ombudsman is limited, and the market surveillance administrator is not accountable under the Government Accountability Act.

9:50

Clearly, what we have is someone who's essentially a free agent and accountable to no one. The result is that the people are losing control to an even greater degree over their electricity system. To simply say that this person is independent of anyone with a material interest in the electric industry of Alberta is cold comfort to those people who believe that, in fact, we should be running the electrical system in the interests of the public rather than in the interests of the corporations, including large American and British corporations that this government hopes to attract into this province by offering them sky-high electricity prices upon which to base their profits.

Yes, we can get big American, British, and even Canadian companies to move into the Alberta electrical industry if we guarantee them sky-high profits as a result of sky-high prices, and that is precisely what this government is doing. So let's not be surprised when they come to this province. The government can pat itself on the back all it wants for that accomplishment, but it's not really much of an accomplishment at all, Mr. Chairman; is it? If you offer people prices for commodities that are two or three times what they should be, they will trip over each other to get into the market. They won't do so because they want to help us bring the prices back down; that's for sure.

I believe that this amendment is a very sound one and recommend it to all members who want to encourage accountability in government, including accountability in the brave new world of electrical deregulation in this province.

Thank you very much, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Riverview on the amendment.

Dr. Taft: Thank you, Mr. Chairman. Yeah. I read this amendment with some interest, and I do wonder here why the act is so determined to exempt the market surveillance administrator from any direct accountability to the people it's supposed to serve. Section 42(3) reads: "The Market Surveillance Administrator is not a Provincial corporation for the purposes of the Financial Administration Act, the Auditor General Act or any other enactment." Therefore it doesn't fall under any of those jurisdictions. It's out of the scope of the Auditor General. It's out of his reach. For example, if we were concerned that there were problems, we couldn't ask the Auditor General to investigate. Why not? What could they possibly be worried about finding?

Then the next section, 42(4), reads:

For the purposes of the Government Accountability Act, the Market Surveillance Administrator is not part of the ministry, as defined in that Act, of any Minister of the Government of Alberta.

So we are again deliberately and explicitly exempting the market surveillance administrator from the Government Accountability Act. Again, I can't imagine why. You would think that you would want this to be a very accountable organization. I mean, it is the market surveillance administrator. It's supposed to be keeping an eye on the market to ensure that that market serves the interests of all Albertans. From time to time you might have questions. You might have questions about a worry that the minister raised earlier that somebody was gaming the system, somebody was gaming the market. If you had that concern, you might want the Auditor General to investigate, or you might want to take other steps under the Government Accountability Act. If this bill proceeds as drafted, that wouldn't be possible.

Mr. Mason: What about Enron?

Dr. Taft: Yeah, you might have a concern about Enron. The Member for Edmonton-Highlands asks, “What about Enron?” or something like it, and certainly those would be a profound worry.

I think that it’s highly irresponsible for this piece of legislation, Bill 3, to exempt the market surveillance administrator from the strongest and most effective public watchdogs we have, so I will be supporting this amendment. I think it’s a good idea. I see no drawbacks whatsoever to this. There are no significant added costs. Indeed, I can see no drawback whatsoever. It doesn’t even interfere with the clumsy pricing mechanisms that this government seems to like. It’s just simple, good, accountable public management. So let’s get on with it. Let’s accept this amendment. I’d be interested to hear somebody on the government side justify their opposition to it if they are opposed. Maybe they’ll support it.

Thank you, Mr. Chairman.

Mr. Smith: Well, Mr. Chairman, I’ve examined the amendment in detail and word by word, and short of caucusing with colleagues and asking them to review the details of the amendment equally, I’m actually with regret going to have to speak out against the amendment. In fact, if the member were to proceed to the act, he would see that there’s ample public disclosure; there’s ample public scrutiny. In section 45, for example, “the Market Surveillance Administrator [or MSA] must appoint an independent auditor to review and audit its financial statements.” In the MSA budget, section 46(3), “the Market Surveillance Administrator must be managed so that, on an annual basis, no profit or loss results from its operation.”

Mr. Chairman, in Reporting,

48(1) The Market Surveillance Administrator must, within 120 days . . .

Not the two years or long, extended period that public accounts take place but within 120 days, four short months.

. . . after the end of its fiscal year, provide to the chair of the Board an annual report

(a) reporting on its activities, and

(b) containing its audited financial statements for the fiscal year.

So, in fact, rather than again go to the hidebound, carefully structured system of government, this act actually brings a much more responsive mode to public scrutiny and a much higher level of transparency in a much faster time frame in this pace of the world today. For those reasons alone, Mr. Chairman – I don’t want to go on further and bore members with other detail – surely those measures stand out far and above the amendment. That’s why, of course, one cannot in all good conscience and faith support the amendment.

Mr. Chairman, I did hear earlier some comments by some of the members over there in the opposition with respect to: what about Enron? Well, in fact, Enron did hold a power purchase agreement in Alberta, and upon the dissolution of Enron Canada that power purchasing agreement was sold, I believe, to TransCanada and Engage Energy. At no time did the power users of Alberta ever lose one kilowatt-hour of service, nor was one dollar lost in the transaction, nor was anything done in a less than transparent form that was apparent to the market.

Now, market transparency is critical for the success of the marketplace, Mr. Chairman, and structuring it in this way ensures that not only those people who play in the marketplace, who bid in their power in the marketplace in a very well-structured merit order graph, but also those consumers are able to see, because of the market rules that have been established by the Electric Utilities Act, how people play fairly, how people bid into this marketplace, how people collect their money from this marketplace, how they are prosecuted if they err in this marketplace. So, in fact, after two and a half years of really concentrated consultation with stakeholders,

well, even to the point where we ensured that the hon. Member for Edmonton-Highlands was included on the consultation list, we’ve brought forward this act in its entirety, and it’s complex. I appreciate the hard work that the opposition has done in taking a careful look at this bill. I know they’ve worked long and hard and diligently at doing this. Although I look forward to hearing other amendments, I must regretfully ask colleagues not to support this one.

Thank you.

10:00

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

Mr. Mason: Thank you, Mr. Chairman. Just to briefly respond to the minister. You know, the fact that there’s going to be an annual report within 120 days and that there’s going to be an independent auditor appointed hardly brings any degree of public scrutiny to this. Any organization can appoint its own auditors, and we know well from the experience in the United States that auditors are sometimes compromised by the people giving them the contracts. The case of Arthur Andersen and Enron comes to mind. These are concrete and real examples. They’re not just socialist fantasies and speculation; they’re free enterprise reality. So, you know, I don’t accept the minister’s comments that there’s adequate surveillance of the surveillance administrator, and it’s far from being transparent.

I would just point out that virtually every prediction made by this government in the whole course – and I don’t just single out this minister. I go back to the minister before and the minister before and the minister before that. Nearly every prediction from the government that’s been made with respect to the results that we could expect from electricity deregulation has not come to pass. Go back to their predictions of what would happen with the power auctions for the existing power production. The power purchase agreement auctions didn’t even come close to the number that was predicted by the government and failed to meet the threshold that they themselves had indicated would be a minimum in order for it to be considered a success. That’s the first thing.

Then look at the predictions made by the Premier and everyone else in the government with respect to price as a result of deregulation. We’ve seen the exact opposite of what was predicted by the government, and so on. You know, we could go into considerable detail. The government’s track record on living up to its promises and the commitments it made for deregulation fails any sort of test, Mr. Chairman. It’s all a matter of the public record. We can see what they promised, we can see what they predicted, and we can see what in fact has come to pass after three years of deregulation. So I take cold comfort in the minister’s assurances that appropriate accountability is built into this act with respect to the market surveillance administrator.

Thank you.

[Motion on amendment A2 lost]

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

Ms Carlson: Thank you, Mr. Chairman. I’d like to once again enter into debate on this particular bill, and I would like to thank the minister for finally getting on the record in this bill. When we take a look at the debate times we’ve had so far, he has been woefully absent in prior discussions, in fact not at all on the record, which is very interesting because while those who support his party position . . .

The Deputy Chair: Hon. member, I just want to caution you about

the practice that we have in this House that we do not comment on a person's presence or absence, and I hope this will be respected both in the Assembly as well as in the committee.

Ms Carlson: Well, Mr. Chairman, I was hardly commenting on his presence or absence. I was commenting on his absence of speaking to this particular bill. The two are quite different.

The Deputy Chair: It really helps when you clarify that. Thank you.

Ms Carlson: Many members in this Assembly are filling a chair and doing not much else, so it's nice to see that the minister was prepared to get on the record. [interjections] Well, I hear lots of moans and groans from members in this Assembly, and I challenge any of them, other than the one we have seen tonight, from Grande Prairie-Smoky, to get up on his feet and enter into debate.

In fact, what's happening . . . [interjections] Well, if you don't want to listen to me, then stand up and speak, other Mr. Minister who likes to sit and chirp from his seat rather than enter into any kind of legitimate debate in this Assembly, who just likes to sit and heckle. That would be the minister of human resources, who is not very happy with my comments but still isn't prepared to enter into legitimate debate on this. He should because, in fact, on this very substantive bill, which is a cornerstone bill for this government in this Legislative Assembly, we see that up until March 19 the minister himself wasn't present in debate. [interjections] You know quite well what I was speaking to.

Mr. Dunford: You're walking a fine line there; aren't you, my dear?

Ms Carlson: No, I am not walking a fine line, as the minister of human resources was saying, and I have to say quite frankly that I am certainly not your dear or anyone else's in this Assembly. I am a fully elected member of this Assembly, just as you are. [interjections] Thank you. I do see there is some support for that position.

In fact, the reason why you're so crabby about what's going on here is because the members supporting your side of this particular debate have been woefully absent in debate on this particular bill. We see that as of March 19 members supporting the Progressive Conservative Party who were elected in this Assembly spoke less than 15 minutes.

Mr. Dunford: So all these hours and hours and hours have all been you then? What are you whining about?

Ms Carlson: In fact, these hours and hours and hours that we've had in debate, Mr. Chairman, through you . . .

The Deputy Chair: Hon. members, it would really help if you would speak through the chair and refrain from a dialogue back and forth across the floor, please.

The hon. Member for Edmonton-Ellerslie has been recognized and is being requested to proceed.

Ms Carlson: Thank you, Mr. Chairman. As I am on my feet and speaking through the chair, I am quite happy to note that this is the first evening that I have entered into debate on Bill 3. In fact, I have yet to put in a full 20 minutes on the substantive parts of this bill. Because of the time allocation motion that we see on the Order Paper, I am now forced to proceed to the series of amendments we have that will try to make a very flawed bill better. It's tough to do

when you get this kind of legislation in front of you, but we take our role in this Legislature very responsibly, and as a result of that I will now proceed with the next amendment in the series of many amendments we have.

The Deputy Chair: Hon. members, we have an amendment before us, and we shall refer to this amendment as amendment A3.

Hon. Member for Edmonton-Ellerslie, you may proceed.

Ms Carlson: Thank you, Mr. Chairman. On the debate, through the chair, in spite of the fact that I continue to hear mumblings and grumbings from the Assembly. I know it's past 10 o'clock, so it's past the time that they like to go home, particularly . . .

An Hon. Member: Some of us have been working all day.

Ms Carlson: Well, so have many of the rest of us, Mr. Chairman, as that particular minister would like to comment. I know that particular minister is an early riser and likes to get her work done in the early part of the day, but if we had family friendly hours in this Legislative Assembly, then we wouldn't be entering into debate on amendments at 10 after 10.

An Hon. Member: Family friendly hours?

Ms Carlson: Yes, family friendly hours, which would be a change and would be something we've asked for for many years in this Assembly. It's not something . . .

Mr. Mason: Would it be like having family values?

10:10

Ms Carlson: It might be like having family values, Mr. Chairman, which this government talks about supporting but doesn't actually walk the talk.

The amendment which I am moving on behalf of my colleague from Edmonton-Gold Bar states that Bill 3 be amended as follows. A. Section 1(1) is amended by adding the following after clause (ii):

- (ii.1) "net metering" means a metering system that
 - (a) measures the flow of electricity both to and from the customer and the interconnected electric system,
 - (b) allows the customer, who produces a surplus of electricity by way of a renewable energy system, to send that surplus back to the interconnected electric system, and
 - (c) credits the customer's meter for the amount of energy sent back to the interconnected electric system.

B. Section 20(1) is amended by adding the following after clause (l):

- (m) the operation of net metering as part of the interconnected electric system.

Now, there's a really good reason why net metering would be a good idea to enter into in this particular legislation, and that is that as costs for electricity and energy in this province in general skyrocket, people need to take a look at finding viable alternatives to provide energy sources to their homes and to their businesses. They need to look to be much more environmentally conscious and friendly than they have been in the past. A very good way of doing that is to set up a net metering system for those people and businesses who are forward thinking enough and are able to put in systems within their establishments that generate energy through alternate sources so that at those times when they are having peak operations – for instance, if they wanted to run their oven during peak time at dinnertime – they could draw out of the system, and in down times, when they had excess capacity, be it through solar

panels or something else, they could send that back into the system. We think that those are very good ideas.

Net metering, for those who don't know what that is, is a simplified method of metering the energy consumed and produced at a home or a business, and it's got its own renewable energy generator such as a wind turbine. Under net metering excess electricity produced by the wind turbine will spin the existing home or business electricity meter backwards, effectively banking the electricity until it is needed by the customer. This provides the customer with full retail value for all the electricity produced. There are similar kinds of systems in the megaprojects right now, but we don't have anything at all like this for small producers.

So what would happen is that customers can use the electricity they generate with the wind turbines to supply their own lights and appliances, offsetting electricity they would otherwise have to purchase from the utility at the retail price. If the customer produces any excess electricity beyond what's needed to meet their needs, net metering is not allowed. The utility purchases that excess electricity at a wholesale or an avoided cost price. So that's a simple explanation.

Why is net metering important? There are three reasons why we should be taking a look at it. First, because an ultimate source like wind energy is an intermittent resource. It comes and it goes. They may not be using the power as it's being generated, and net metering allows them to receive the full value for the electricity they produce. Second, net metering reduces installation costs for customers by eliminating the need for a second energy meter. Third, net metering provides a simple, inexpensive, and easily administered mechanism for encouraging the use of small-scale wind energy systems or other alternate systems like solar-powered systems, that provide important local, national, and global benefits to the environment and to the economy.

Are there costs and benefits? Well, there certainly are benefits. Some of those are for both utilities and consumers. Utility benefits. Avoid the administrative and accounting costs of metering and purchasing the small amounts of excess electricity produced by small-scale wind-energy facilities, because when you think about this, your meter just runs backwards during that time. During these very cold times like we've seen in the past couple of months here, wouldn't it be really nice to see your meter running backwards. That would be a benefit for everybody. Consumers get benefits by getting greater value for some of the electricity they generate and by being able to interconnect with the utility using their existing meter. So they get continuous sources while really being forward thinking in terms of what they can provide for their household costs.

There's an indirect cost, Mr. Chairman. We wouldn't want to lead anybody down the garden path in terms of this. They're buying electricity from the utility, so it means that they're collecting less revenue from the consumer. This is a really good idea. The minister of agriculture will know that there are some people in her own constituency who have looked at this very seriously and who have tried to incorporate it, and I would expect to see her support this particular amendment because it's just a great idea. It doesn't derail what they want to do on this particular bill. It doesn't stop or stall deregulation at all. It has a real green benefit to it and fits very well in line with the government's proposal to use green power and to support the costs of bringing . . . [interjections] The cost is that they only have one meter so it's cheaper for the consumer, and the cost is that the consumer is not buying as much electricity from the existing utilities.

The consumer has the start-up cost of installing either wind or solar power, but that becomes very cost-effective for both the individuals and the other operators. You just have one meter and

whatever they generate – we know this and the minister of agriculture knows this very well. I remember times on the farms where she and I both grew up where all of the energy on the farm . . .

Mr. Hancock: You both grew up on the same farm?

Ms. Carlson: In the same area, where a lot of the energy was generated by wind turbines. There were no lines out there. It was wind generated. Then they went to a combination system where people couldn't use their excess capacity, but they could buy the power on the grid as they needed it. So this is just one step further in this particular idea, and that is that you connect those two systems. When they use energy from the grid, the meter goes forward, so the energy companies make money. When there's excess capacity and the consumer is generating excess capacity, the meter goes backwards and not in any kind of inflated or deflated price, at exactly the same stable kind of price.

So this is just one step further in the developments that we have seen people in her constituency use for literally decades, since we first saw settlements in those farm areas. My own grandparents in Oyen had this system, and there were good friends of ours in Cereal, where this minister now lives, who used that system until I was at least 15 or 16 years old. It's a really, really good idea. So I'm hoping that we'll see some interest in this particular debate. It's a positive kind of forward-looking innovation, just taking us a step further down the path of being green and looking at cost-effective ways for consumers to generally lower their average monthly electrical cost.

So with that and given the time, I will stop talking about this and hope that the minister of agriculture can convince the Minister of Energy that this might in fact be a good idea for them to take a look at. If we don't see it come up in here, we can see for sure that this is going to be a really good idea for a private member's bill in the future, and from that we'll see the government adopt it. But let them take a step forward. Let them do something that is very progressive here tonight and accept this amendment.

Mrs. McClellan: Mr. Chairman, I just want to make a couple of comments on the amendment. I don't disagree with the intent of the amendment, and certainly I think it's a choice that people might make. However, what I do have a problem with is legislating it. I don't tend to be a person who likes to overlegislate people's lives. What I am going to ask the hon. minister to comment on on this amendment, which will probably have some influence on my final decision, is: is there anything today that would preclude customers from entering into this?

Mr. Mason: Yes. I can answer it. I've got examples.

Mrs. McClellan: I've had an offer from the Member for Edmonton-Highlands to answer my question. I think I would prefer to stick to the free market system and ask the minister rather than the system that sets rates behind closed doors and so on, and that's the experience I think the hon. member has. So I would prefer that we ask the minister.

10:20

Mrs. Nelson: That was a cheap shot.

Mrs. McClellan: It wasn't a cheap shot. It was an honest fact. It was just a fact of life.

But it is an interesting concept, and I would like to ask the hon. minister if there is anything in the bill today that would actually

preclude using net meters. I do think that down the road we're going to see far more energy produced on farms. In my experience as a minister I do know that there are projects of bioenergy today being implemented, and it is my understanding that those projects can sell the excess energy from their project to the grid.

Ms Carlson: But those are big projects.

Mrs. McClellan: Well, they're not. That's the interesting thing. They're not necessarily big projects. In fact, we have a lot of small projects.

So if there isn't anything that precludes this from happening today, if the customer would bear the cost, and probably should, of the metering, then I don't understand why we would legislate a good idea. If it's a good idea, it'll flow. So I'd ask the hon. minister if he would comment on that.

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

Mr. Mason: Thank you very much, Mr. Chairman. I appreciate the hon. Minister of Energy deferring to me on this point, but I do have just an example. I know that one constituent of the hon. Member for Edmonton-Strathcona, who has been a candidate for our party federally in the past – and of course that may preclude her from any consideration opposite, but I think it's an interesting case – has put three solar panels on her roof, and the big, bad power company, in this case EPCOR, has refused to let her connect these solar panels into her home. She not only can't connect it so that she can draw power to light her home, but EPCOR won't let her put it into the grid. So there's an example here of where a big power company, in this case EPCOR, has refused to let this individual connect her solar panels into their electrical system. So it might be a good argument for putting this into the legislation. [interjections] I guess they're not listening, so that's fine. That was a clear example of how a power company is refusing to allow this.

The Deputy Chair: The hon. Minister of Energy.

Mr. Smith: Well, Mr. Chair, I'm pleased to enter into debate, and I'm particularly pleased to see this amendment. One of the reasons that I'm pleased to see this amendment is that it does talk about the future of metering, and we all know, particularly those who have suffered, I mean, have enjoyed the services of EPCOR in the Aquila service network how important accurate meter readings can be and in fact how much more efficient meter readings can be.

In fact, Mr. Chairman, in Puget Sound today Bonneville Power is undergoing an experiment with wireless meter reading, and you can under this experiment vend power back into the grid. For example, if you were away on holidays and you decided that you weren't going to use the power that you were allocated, you are able to vend back your power. Right now the cost of those real-time meters is about \$150 U.S., and I think that technology will move that price down over time, which I think will benefit all of us.

With respect to the present legislation, as the Minister of Agriculture, Food and Rural Development has asked, there are many, many cases of individual family farms that use wind power now. As a matter of fact, I think that a previous business owned by the member from Fort Macleod actually had a windmill that he would vend back into the grid. So this is achievable without more rules.

The other thing that's important as well, even as the member who did serve as part of the city management team – I guess they would be deemed the shareholder for EPCOR. In Calgary there's a house in the hon. Member for Calgary-North West's constituency that has

gone completely off the grid. [interjection] That's not yours? The red one on Nose Creek? [interjection] No. Is it? Well, we don't know because the final boundaries commission hasn't been brought in, Mr. Chairman, and I'm sure that's a topic for a different type of animated debate.

This is a very interesting home. This is a home where an individual has put solar panels in, not unlike the solar panels that the Member for Medicine Hat put in the government yesterday and was shown in a very attractive photo opportunity nattily attired in his green T-shirt. I'm sure that that thing is bolted in and working and I didn't see the EPCOR police down locking off the Legislature. I can only assume that if the hon. Member for Edmonton-Highlands would send us the name of the defeated ND candidate, maybe we could help ameliorate some of the difficulties about hooking up solar panels.

Solar panels as a form of renewable energy have met kind of a technological wall at this stage, Mr. Chairman. Solar panels really only store about 10 percent of the energy that is shone upon them, so the difficulty becomes in the mass that you have to have for storage.

Now, to make it possible to vend back electricity – I was fortunate enough to attend an opening in Calgary – there's also a device that takes solar power and converts it and puts it back onto the grid. That, of course, has been a Calgary company that on its opening stated clearly that this type of innovation, this type of new thought would not have been possible without deregulation.

With this competitive market structure, Mr. Chairman, not only do we get the good and wise minds of the opposition peering through legislation and responding with amendments, but we also get people who generate natural gas, who generate steam and then want to bolt the generator between where the steam is generated and where the bitumen is heated up. That generates copious amounts of new electrical generation without adding measurably to the emissions in this province, without adding measurably to the carbon dioxide that's emitted, and in fact the only cost is the capital cost one incurs in installing one of these large turbines.

So, Mr. Chairman, what we have seen with the advent of a competitive market in electricity is some 3,000 new megawatts, but contrary to the old Crown model or the old socialist model, this power has come on in a variety of new and different and innovative and creative forms. The government of Alberta, which is important to note, has just executed the largest green power contract ever executed in North America, which will then provide, I believe, 90 percent of its power requirements, which is in excess of some 23 megawatts annually, via a biomass and a wind project. I mean, that puts us in the forefront of energy innovation. In fact, if I were living in Grande Prairie-Wapiti or if I were the member representing Grande Prairie-Wapiti, I would be exceedingly proud of the investment, of the opportunity, of the jobs that are going to be created by this project that Canadian Hydro is undertaking with Canfor. Mr. Chairman, not only is it going to provide electricity; it's going to provide heat. It's going to heat those areas in those cold winters and, in fact, use less natural gas.

10:30

Now, the other benefit of this particular project is that it's in Grande Prairie. One of the things about Grande Prairie, Mr. Chairman, is that it is not well-served by transmission lines. So if you had an option of taking it under the socialist model, you'd run a transmission line up from your coal-generated plant in Wabamun, you would pay for the new plant there, then you'd pay for the new transmission up there, in the rate base for everyone, and then finally, some day, 14, 20, 30, 40 years – who knows how long the approval rates take? – you might be able to flip on a light switch in Grande

Prairie, but by then it would be too late. Everybody will have moved out and be living in B.C.

What this does, what the competitive market structure does is it gives residents of Grande Prairie an opportunity to be innovative, save money, to be conservative. I guess if you conserve energy, you're conservative, and I guess you could be progressive in doing that too. So you could live in Grande Prairie and in fact be progressive and conservative at the same time. I think most people in Grande Prairie probably are Progressive Conservative. Mr. Chairman, I digress.

The amendment itself has of substance things that can already be undertaken in the electricity grid of today. It also brings up the importance of net metering in the future, because as we see in Europe – and as you see in the appliances that are being shipped from Europe now, they have timers on them – people run their dishwashers, their dryers, their washing machines, these devices now after midnight, when the price of power is at the lowest. Albertans, by reducing their demands on our power surge period, our peak power period, between 4 and 7, can actually reduce power consumption in this province and also reduce price. In fact, in the first six months of 2001 electrical consumption was reduced by some 6 to 7 percent.

Certainly, I will keep this amendment on file with me. I think it's an interesting piece. We're going to watch continued power vending back and forth in the rural areas onto the grid. One thing you do have to remember, Mr. Chairman, is that if you do have a line, though, your net metering would also have a demand charge because once you are on the grid, there has to be firm power or power available for you should you make that decision to turn the lights on.

So as interesting as this amendment is and as diligently as the work has been done by the opposition to put it forward, I must regretfully ask colleagues to vote against it.

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

Ms Carlson: Thank you, Mr. Chairman. Regretfully, with regard to net metering the minister doesn't know what he's talking about, and he really needs to do some research on the issue. At the very least, he should have listened to what we said in the first description, and that is that there are three very distinct benefits for people who have net metering, and that is because consumers can't always consume all of what they have in terms of power because solar and wind power are intermittent power sources. So if they have net metering, then they get full value for the electricity without installing expensive battery storage systems. That's important because that affects the payback period for the person who's installed both the solar or the wind energy. Secondly, it reduces installation costs for customers by eliminating the need for a second energy meter. Third, it provides a simple, inexpensive, and easy to administer mechanism for encouraging small-scale use of alternate energy sources. In fact, the minister should know this. You can use your existing meter to take advantage of net metering because all of those meters go forward and go backwards, so this is a very interesting thing to do.

The minister should also know that 30 states already legislate the requirement for there to be net metering options. They require at least some of the utilities that are providing services in their areas to offer net metering for small wind systems, and the rules are enacted by state utility regulators. So as we have heard from the member here: that is not an option allowed by most of the providers in this province. In fact, we haven't been able to find a case where it has been, and then the States has found that it's got to be enacted by state utility regulators, and these rules apply to utilities whose rates and services are regulated at the state level. So this is a perfect little piece to tuck into this bill in a regulation.

For Alberta this would be very forward legislation, but it isn't news in the States because in recent years we have seen many states enacting net metering laws legislatively, including California, Connecticut, Delaware, Massachusetts, Montana, Nevada, New Hampshire, New Jersey, Ohio, Oregon, Vermont, Virginia, and Washington. In most of these states with net metering statutes all utilities are required to offer net metering for some wind systems and some solar systems, and many of them limit eligibility to just small systems.

So, in fact, this minister needs to get off his soapbox and onto a little bit of research and development and get with the program. If they're going to provide high energy costs to this province, then they've also got to provide alternate sources.

Mr. Mason: Mr. Chairman, since I spoke before, it occurs to me that I should speak to this rather than attempt to answer questions. You know, I think this is a good amendment. I think this is a very good amendment, and I think that the government could move quickly, not just take it under advisement but actually say: listen; we can do this. This could be done under a regulated system, just as it can be done under this system. This particular amendment is neutral when it comes to the type of system of electricity and would work very well.

I mentioned the case of the individual who tried to get EPCOR to hook in her solar panels on her roof, and they refused. They wouldn't do it. I know I get accused of just defending EPCOR all the time and not supporting deregulation because I'm supposedly supporting EPCOR, but in this case EPCOR is the bad guy, and it needs the government to enforce this. It's simple to do.

I recently spoke to a group of students at Harry Ainlay high school. Some of our pages actually belong to a student club there that's interested in politics. One of the things that was of most interest to them is the idea that you could produce power in your own house through a variety of means and your meter would actually go backwards because what it means is that the power grid is buying the power from you because you're producing more power than you're using.

There are lots of ways you can do it. Solar panels are just one; heat pumps are another. I'm thinking of agricultural applications. We know that the Premier wants us to have 17 million hogs in this province, and we know from previous debates just how much pig manure that would produce, Mr. Chairman, and there's a lot of heat in that pig manure. There's an awful lot of heat, and through the use of heat pumps you can actually convert that into energy that's usable and can be put back into the grid. Wind power has been suggested. There's small-scale water power. You can actually produce small amounts of electricity from streams that may be running through your property and so on. There's no end to the ways that people can produce their own electricity, so this amendment would allow that, and it's certainly something that we've been talking about for some time.

Now, I just want to get onto some of the things that the minister has talked about because he talks about the socialist system, by which he means the regulated system as opposed to the system we have here. I think that it's fair to say that the kind of system that's proposed by this government, that's emerging in this province, will produce a certain amount of innovation because there'll be a considerable amount of desperation. People will be desperate to find ways to save on their power bills, so they'll be prepared to try things, and I suppose that that is the silver lining in the government's direction, but it comes at an enormous cost, and it's so unnecessary. If you want to find ways to innovate, amendments like this one would certainly allow that, and this kind of innovation could take place in the kind of system that we support, which is a regulated

system, which this province has had. It was not socialists that brought this into existence, Mr. Chairman. I'd remind the hon. Minister of Energy that it is not socialists that brought about the regulated system in Alberta. It was Social Credit, and that's about as close as you can get. It was, of course, supported and maintained by the Lougheed administration, which was a conservative government, as well as the Getty government, which was also a conservative government. In Ontario they've turned back towards this, and this decision was made by Premier Eves, who is of course a Progressive Conservative Premier. So it's a kind of a system that has not only served people very well for many years, but it's been broadly supported politically, and to call it a socialist system is to completely misrepresent the actual fact.

10:40

Here in Alberta while it was a regulated system, the majority of the production and distribution of electricity was in the hands of private companies being Alberta Power, which then became ATCO Electric, and also Calgary Power, which then became TransAlta. The third player, which was a fairly small player but one of the big three, was, of course, EPCOR, which was owned by the people of Edmonton. So it works very well in an entirely publicly-owned electrical system as they have in some provinces, which you could probably call a socialist system. But in Alberta we never had a socialist system. We had a mixed system that was predominantly free enterprise but was regulated by the government.

I guess the other point that I'd like to make is that at the time that the economy was growing very rapidly in Alberta, more rapidly than today, in the late '70s, they were able to plan and bring on new generation in a timely fashion. There were not brownouts. There were not blackouts. In fact, the system was quite well planned, and prices were kept low because supply was balanced with demand, not through market forces but through planning. It did work very well. I think the suggestion that that system didn't work for Alberta is not true.

I know that allegations have been made, too, about how long it took to bring Genesee on-line. You know, I have some familiarity with that too, Mr. Chairman, because the provincial government refused to allow Genesee to be brought into rate base even though it had been deemed to be necessary and its supply was required, and it kept it out of rate base for a long time. The result is that the utility borrowed money in order to operate the generation and to pay a dividend back to the city, and this was added to the allowance for funds used during this construction. Of course, that was all then paid back when it was put into rate base because it was all eligible under the rules, and the result is that there was considerably more capital that had to be put onto the rate base and repaid in that fashion than would have been necessary.

So delays in getting Genesee into the rate base were the result of government opposition and particularly agitation from TransAlta Utilities which was picked up particularly by some of the Calgary representatives, who discriminated, frankly, against EPCOR in that case. You know, I look back and I remember meeting, as a member of city council, with Dr. West, who at the time was the Minister of Energy. He told us that this system would replace the cumbersome and expensive regulated system and that this would . . .

Bill 30
Appropriation (Interim Supply) Act, 2003
(continued)

The Deputy Chair: I hesitate to interrupt the hon. Member for Edmonton-Highlands, but under Standing Order 61(4) I must put the question proposing the approval of the appropriation bill on the

Order Paper for consideration by the Committee of the Whole. Does the committee approve the following appropriation bill: Bill 30, Appropriation (Interim Supply) Act, 2003?

Some Hon. Members: Agreed.

The Deputy Chair: Opposed?

Some Hon. Members: No.

The Deputy Chair: Carried.

[Several members rose calling for a division. The division bell was rung at 10:44 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Shariff in the chair]

For the motion:

Amery	Graydon	McClellan
Calahasen	Griffiths	Melchin
Cao	Hancock	Nelson
Cardinal	Hlady	O'Neill
Danyluk	Hutton	Pham
DeLong	Jablonski	Renner
Doerksen	Klapstein	Smith
Ducharme	Kryczka	Strang
Dunford	Magnus	Tarchuk
Fritz	Marz	Woloshyn
Goudreau		

Against the motion:

Blakeman	Mason	Taft
Carlson		

Totals:	For – 31	Against – 4
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[Motion carried]

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

Some Hon. Members: Agreed.

The Deputy Chair: Opposed?

Some Hon. Members: No.

The Deputy Chair: Carried.

Bill 3
Electric Utilities Act
(continued)

The Deputy Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that we adjourn debate on Bill 3.

[Motion to adjourn debate carried]

Mr. Hancock: Mr. Chairman, I would move that the committee now rise and report progress on Bill 3 and Bill 27 and report Bill 30.

[Motion carried]

The Acting Speaker: Opposed?

[Mr. Shariff in the chair]

Some Hon. Members: No.

Mr. Klapstein: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports Bill 30. The committee reports progress on Bill 27 and Bill 3. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Acting Speaker: So ordered.

Mr. Hancock: Mr. Speaker, I'd move that we adjourn until 1:30 p.m. tomorrow.

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

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

Some Hon. Members: Concur.

Legislative Assembly of Alberta

Title: **Thursday, March 20, 2003**

1:30 p.m.

Date: 2003/03/20

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. Our divine Father, as we conclude for this week our work in this Assembly, we renew our thanks and ask that we may continue our work under Your guidance. Amen.

Please be seated.

head: **Introduction of Guests**

Mrs. McClellan: Mr. Speaker, it gives me great pleasure to introduce to you and through you to members of the Assembly the staff of the communications branch of Alberta Agriculture, Food and Rural Development. We rely on these individuals day in and day out for a wide range of communication services. They are in the members' gallery, and I would ask them to stand and remain standing as I introduce them. First, director Terry Willock; assistant director David Hennig; public affairs officers Kerilyn Hamilton, Andrew Horton, Sharon Jensen, Marie McDonnell, and Michael Norris; and Louise McGinnis, branch administrator. I would ask that all members of the Assembly give our guests a very warm welcome.

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you, Mr. Speaker. As the Deputy Premier just indicated, we also have some members of Municipal Affairs here as well as members of our intern program, perhaps the youngest staff of any part of Canada, and it's my pleasure to introduce those youthful-looking people that are part of Municipal Affairs today. We have – and I'd ask them to rise as I introduce them – Laura Buckingham, Cathy McEnaney, Christine Kendrick, Ian McCormack, Terry Brown, and Wendy Peters, and our interns are Rispah Kiptoo from Red Deer, Jayne McPhee from Spruce Grove, Brandy Cox from Beaver county, and June Wilson from the town of Millet. Please join me in welcoming them to the Assembly today.

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much, Mr. Speaker. We always talk about what a wonderful, glorious province Alberta is, and in that context I think we have to recognize the people who built and left us this glorious province, our seniors. Today it gives me great pleasure to introduce to you and through you 24 members of MATT, which stands for the Mature Adults Third Thursday of Rio Terrace Moravian church. They are joining us here today. They're forming a group for the west end of Edmonton, which is going to be a remarkable benefit for all of us. They're here in the members' gallery and public gallery, and I would like all our colleagues to thank them for joining us and thank them for leaving us such a wonderful province.

The Speaker: The hon. Minister of Energy.

Mr. Smith: Thank you, Mr. Speaker. I wish to introduce through you and to the Assembly two wonderful people, John Buie and his son Nicolas Buie. John is the director of human resources and organizational effectiveness for the Department of Energy. I'd ask them to both rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. It gives me great pleasure to introduce to you and through you to the Legislative Assembly a visitor from New Brunswick. His name is Claude Laberge, and he is the principal of James M. Hill Memorial high school in Miramichi. Mr. Laberge has been here for the last two weeks, and in talking to him just prior to the session, I asked him why he had come here, and quite simply it was to see why Alberta students do so well.

Thank you.

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

Mrs. O'Neill: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to members of this Assembly 31 visitors from Sir George Simpson school in St. Albert. They are seated in the public galley, and they are accompanied by their teachers, Mme Gabourie and Miss Walker, and by parent helpers Mr. St. Pierre, Ms Rowland, Mrs. Heatley, Mrs. Zimmel, Mrs. Thompson, and Mr. Wilkie. I would ask them all to please rise and receive the traditional warm welcome of this Assembly.

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

Ms DeLong: Thank you very much, Mr. Speaker. It gives me great pleasure to introduce to you and through you today to all of the Assembly a group of students from Calgary. They are from the Queen Elizabeth high school. They're in grade 10. There are 42 of them here. They're accompanied by their teacher, Sarah MacLeod, and by two interpreters, since the school also includes people that are hard of hearing. So we have two interpreters. We have Dee-Dee Kay, and we have Laurel Villegas-Pryde and also a grandparent helper, Mrs. Roberta Leaver. So if these young people and their accompanying adults would stand, we would love to show you our appreciation.

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

Mr. Masyk: Thank you very much, Mr. Speaker. I am pleased to introduce to you and through you to the members of this Assembly two guests who are seated in the public gallery this afternoon. Shirley Saunders, who hails from Kelowna, B.C., was asked to participate in an intercessory prayer team at the G-8 summit held in Kananaskis, Alberta, on June 26 and 27, 2002. The second guest is my brain trust at the constituency office, my assistant, Joan Wynnnyk. I would ask Joan and Shirley to rise and receive the traditional warm welcome of this Assembly.

Thank you.

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

Dr. Taft: Thank you, Mr. Speaker. One of the great things about Canada is the success stories, and I'd like to introduce to you and to all members of the Assembly a fine Canadian success story today. Mr. Ernest Schultz is seated with two guests in the public gallery, and I'd ask him and his guests to rise if they could, please. Mr. Schultz was born into a pioneering homestead family in the Bashaw-Ponoka area. He grew up on a farm, served in the RCMP, and then went on to become a very successful car dealer and owner of car dealerships in both Alberta and B.C. He also happens to be my wife's uncle. I would ask all of you to give him and his guests a very warm welcome.

Mr. Lougheed: Well, Mr. Speaker, I'm pleased to introduce to you and the members assembled Mr. Tom Pearson from Dow Chemical, a resident of Fort Saskatchewan and member of the chamber of commerce.

head: **Ministerial Statements**

The Speaker: The hon. Minister of Economic Development.

Old Strathcona Fire

Mr. Norris: Thank you very much, Mr. Speaker and others. A week ago today a terrible thing happened in Edmonton. I'm talking, of course, about the fire in Old Strathcona. As you know, small business owners are the backbone of the Alberta economy, and our province is renowned as a land of risk-takers, entrepreneurs, and pioneers. As a former small business owner myself I know the passion with which these individuals pursue their business. It is truly a labour of love.

So today I'd like to extend our heartfelt condolences on behalf of the government to all those Old Strathcona business owners who lost their establishments last week in this tragic fire. I'm sure no words that I could say would accurately describe the loss that they feel. The neighbourhood is dear to all of us in Edmonton and, indeed, Alberta.

I would also like to comment on the bravery that was demonstrated by the firefighters of Edmonton in dealing with this, one of the most major fires we've had in a long time in the city of Edmonton and, indeed, the province of Alberta.

I'd like to leave you with a thought, though, Mr. Speaker. To the people of Strathcona. You've certainly lost the bricks and mortars but not the heart and passion that drove those small businesses. You will begin again, and when you do, know full well that the Alberta government will be supporting you in everything you do. In the meantime, our thoughts and prayers are with you.

Thank you, Mr. Speaker.

1:40

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

Ms. Carlson: Thank you, Mr. Speaker. The Official Opposition agrees that small business owners are the backbone of the Alberta economy. Also as a former small business owner I understand the dedication, commitment, and hard work these individuals undergo. The vibrancy that small businesses bring to our communities does not go unnoticed. The Old Strathcona small business owners who lost their businesses in last week's tragic fire played the additional role of preserving the extraordinary historical significance of this community in Edmonton.

We in the Official Opposition would like to extend our deepest condolences to the Old Strathcona business owners and their families who lost their businesses in the tragic fire. Also, we extend our condolences to the employees of these businesses who find themselves without employment after this horrible incident. Our thoughts and support are with them as they begin the process of rebuilding.

Additionally, we would like to thank all of the police and firefighters who worked so hard to save a real historic area of this city.

Thank you.

Mr. Mason: Mr. Speaker, I would like to request unanimous consent from the Assembly for the hon. Member for Edmonton-Strathcona to make a brief response to the minister's statement.

[Unanimous consent granted]

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

Dr. Pannu: Thank you very much, Mr. Speaker. I thank my colleagues for the consent that they have so generously granted.

Like all Edmontonians I was shocked and distressed by last week's fire that destroyed several buildings and family run businesses in Old Strathcona. Thankfully, no one was hurt or injured, though a number of animals at the Scales & Tails pet shop were lost.

Whyte Avenue is special. It's the cultural and artistic centre of the city. There's a piece of our history, and it's the pride of the south side neighbourhood that I'm proud to represent. It pains me that the heart of this vibrant area has a huge hole in it.

I salute the efforts of the firefighters who courageously fought the fire under extremely difficult circumstances and stopped it from destroying even more of our heritage.

As the MLA for the area I want residents and business owners in the area to know that I will work with the city, Old Strathcona Foundation, and the province to do whatever I can to assist the area and the business owners to rebuild. This setback will only be temporary. The spirit of Edmontonians is strong. I'm sure we will rebuild this part of Whyte Avenue in a way that reflects the history and vitality of Old Strathcona.

Thank you, Mr. Speaker.

head: **Oral Question Period**

Time Allocation

Dr. Nicol: Mr. Speaker, on December 4, 2002, the Premier told this House "that opposition, really dissent, is the essence of democracy. It is the fundamental underpinning of democracy." This government isn't practising what it preaches. It has invoked closure on controversial legislation at least 30 times since the Premier has come to power. My question to the Government House Leader: given that not all opposition members have had a chance to speak to Bill 3 and fairly represent their constituents, why is this government invoking closure through time allocation?

Mr. Hancock: Well, Mr. Speaker, it's a novel concept that a Government House Leader might be called to account in question period, but I'm certainly happy to respond to the question on behalf of the government. Time allocation is a rule of this Assembly and, quite frankly, the rule of a number of Legislative Assemblies, including the federal House. I might just, in response to the question, point out that in the federal House time allocation is used routinely on almost every piece of business by the federal Liberal government. Time allocation, which is not closure but which is fair warning in significant advance of an event that there's going to be a limited amount of time left in committee, is an appropriate tool to let all members of the House know that once a sufficient amount of debate has occurred or a sufficient amount of time has been allowed for debate, there has to be an opportunity to move on. As all members know, debate is unlimited, potentially, in committee. A member can speak as many times as they wish to speak.

Now, if you take a look at, for example, the Gas Utilities Statutes Amendment Act, which is one of the motions that's been put on notice for time allocation, there have been seven and a quarter hours of debate on the Gas Utilities Statutes Amendment Act. In that debate two members of the opposition have participated once, three members have participated twice, two members have participated three times, and two members have participated four times. In all that time, Mr. Speaker, particularly in committee – Liberal members participated for 187 minutes in committee, which is a line-by-line analysis of a bill – not one amendment has been introduced.

Dr. Nicol: To the Minister of Energy: is it the policy of this government to always limit debate about energy deregulation since the government also invoked closure on deregulation when it was last brought before this House, in 1998? [interjections]

The Speaker: I hope the Minister of Energy was able to hear that question.

Mr. Smith: Yes. Thank you, Mr. Speaker. In fact, the Ministry of Energy has been actively involved in consultation on Bill 3 for a two-year period, culminating in this legislation brought before the House. As has been brought up in the House, a part of the consultation process was even to include the Member for Edmonton-Highlands on the consultation list. It has been discussed through various committees: the Alberta Advisory Council on Electricity, that was a multistakeholder group; the business improvement group subcommittee; the retail businesses subcommittee. This is the most consulted-on bill that I have ever been involved in.

Dr. Nicol: To the Minister of Human Resources and Employment: given that this government neglected to hold proper consultation and then went behind union's back and now threatens to stop debate, is it the policy of this government to trample the rights of workers without any input from the labour community?

Mr. Dunford: No, Mr. Speaker. I think there have been many times that the record would show where we've engaged in quite an extensive consultation. This time is different. There's no question about that. I think I've been open and candid with everyone, including the members of this House, that a request was made by one of the parties to a collective agreement process. We have responded to various requests that were made. As a matter of fact, to try to at least provide for information – I don't know that I could say consultation – hon. member, immediately after the joint press conference that we had with the Minister of Health and Wellness, I immediately proceeded upstairs in this building to a room where there were quite a number of union leaders in this province present. I think it was a half hour or more that we were able to then discuss some of the aspects of this particular bill.

I'd like to congratulate all of the people, then, that have spoken inside this Legislature about Bill 27. I think they've been very direct on what their opposition was. The positions have been articulated in a very forthright and clear manner, and I believe that most things that could be said in opposition to this bill probably already have been said.

Tuition Fees

Dr. Nicol: Tomorrow the University of Calgary makes an important decision. The board of governors will decide whether to make up for years of government underfunding by going to students for yet more tuition money, this time over 200 percent more money from some faculties. To the Minister of Learning: is it the minister's policy to put the faculties of law, medicine, and business out of the reach of middle- and low-income Albertans?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. The University of Toronto just underwent a very interesting study. The University of Toronto has the highest tuition fee in the country for law, at \$16,000 per year. What they subsequently did was took a look at the socioeconomic status of the people who were entering law, and they

actually found that there was absolutely no difference from before they had increased tuition to now, when it is at \$16,000, what it actually is. In all fairness, the number of visible minorities was actually increased over this study, and it looks like it had no effect.

What the University of Calgary is doing is basically looking at differential tuition fees for three separate faculties. They're looking at it in business, law, and medicine. With regard to medicine the average yearly cost of a medical degree is very close to the \$75,000 to \$100,000 range, of which they will be paying – I believe that they looked at the number of around \$10,000. Typically what we tend to do, Mr. Speaker, is that university students would pay approximately, at most, 30 percent of the actual cost of their degree. The average in Alberta is around 24, 25 percent, so the government and every other funding source will be paying about 76 percent. What they are looking to do is bring medicine, for example, in line with the other faculties.

1:50

Dr. Nicol: Mr. Speaker, we won't get into the corrupt formula they use for calculating that 30 percent.

My next question is: why is increasing student debt the only solution this minister has to the problem of underfunding of universities?

Dr. Oberg: Mr. Speaker, the government of Alberta and the province of Alberta have about the second lowest student debt level in the country. It is roughly \$18,000 for a four-year undergraduate degree. We have by far the most generous student loan program, where those students that need it can achieve somewhere around \$11,000 per year, of which they will only pay back approximately \$5,000.

The other point that I will make is that the Liberal government in Ottawa also works with us in their student loan program, Mr. Speaker, and their remission to the students, to those kids that have gone through university and are now out working, is absolutely zero.

Dr. Nicol: Again to the minister: why doesn't the minister target funding to reduce tuition instead of increasing student loans, which only burdens students with a higher debt payment?

Dr. Oberg: Again, Mr. Speaker, the actual number – and I have found it – for university undergraduates is \$18,871, which is the second lowest in the country. It has been our goal in this government to provide dollars through the student loan program to those students who need it to attend university, and that's something that we have taken very strongly. We've increased the funding to student loans, to student financial assistance by very close to 50 percent over the last three years. In talking to the students, in talking to the student groups, they will certainly identify that the student loan program in Alberta is the number one student loan program right across Canada, and that's something we're very proud of.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Education Funding

Dr. Massey: Thank you, Mr. Speaker. Angele Beaudoin, a parent in Edmonton-Whitemud, wrote to her MLA to let him know that her school plans to cut four full-time teachers, one half-time kindergarten teacher, as well as administrative and custodial support. She blames these cuts directly on the government's refusal to fund the arbitrated settlement with teachers and the lack of budget flexibility

allowed Edmonton public schools. My questions are to the Minister of Learning. Why, if the budget has been increased as much as the government claims it has, are such severe cuts being made at this school?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker, and thank you for the opportunity to reiterate what was said yesterday. There were two schools that were brought up in question period yesterday, Windsor Park school and McCauley school, and I believe that these two schools really illustrate the issue that is happening with Edmonton public today. Windsor Park school has 179 students, which is a small increase over last year. They employ 8.7 teachers. Their class size, according to the 2002-2003 class size study, which is a self-reported study, is 26.7 students. The utilization rate for that school is 82 percent, which is right in the range that we're looking for.

In contrast to that, Mr. Speaker, McCauley school, which is in Edmonton-Highlands, has 210 students, with a relatively flat enrollment growth. Their grades 1 to 6 size is 14.7 students, and the utilization rate for the school is 35 percent. So that's what's happening in the school.

What we're looking at with the audit of Edmonton public is how they distribute their dollars out. Obviously, there are some issues with that, but hopefully we will be able to elucidate more to the hon. member following the audit of Edmonton public.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister: why, if the budget has increased, as the government claims, is it highly likely that over 200 schools in Edmonton public will be reducing staff next September?

Dr. Oberg: Well, Mr. Speaker, when it comes to increasing money, I think the hon. member is very capable of looking in the budget and seeing what has happened over the past two years. We've seen a huge amount of increase, but in all fairness we have had a 14 percent increase to the teachers, which has put a strain on some of the districts. What you take a look at, the point that I just illustrated, is the problem with Edmonton public in how they distribute the dollars out to their schools. When we have one school that has a class size of 14.7 versus another school that has a class size of 26.7, what we have to do is ask the question: why? There may be a very valid reason. With school utilization, for example, 35 percent versus 82 percent, again we have to ask the question: why? That's what we are attempting to do in the audit of Edmonton public.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister, Mr. Speaker: given that parents like Mrs. Beaudoin hold the government responsible, when will the minister, who found \$2 million to renovate his offices and \$7 million for Calgary public, find the \$13 million needed to prevent these cuts in Edmonton public schools?

Dr. Oberg: Well, Mr. Speaker, again, with the Edmonton public audit, as I've stated – maybe this member has got something in his ears and can't hear – we are already down approximately \$4 million to \$5 million, so it is not \$13.5 million.

On the other comment that the member made, I would invite the hon. Minister of Infrastructure to comment on the \$2 million that was used to renovate the offices and the amount of money that that has saved my department.

Dr. Pannu: Mr. Speaker, Old Scona academic high, in my riding of Edmonton-Strathcona, is the top ranked high school in Alberta. However, projected budget cuts threaten many of the programs that contribute to Old Scona's worldwide reputation for excellence. Every time the minister is confronted about the reality of these cuts, all he does is deny, deny, deny. Instead of Minister Lyle, we have Minister Denial. Once again my questions are to the Minister of Learning. Why is Old Scona academic high, a shining example of success in public education, facing a quarter million dollar shortfall in next year's budget?

Dr. Oberg: Mr. Speaker, I just gave you two examples of schools that are occurring in Edmonton public as we speak today. Old Scona – I found it very interesting because the hon. member over there usually does not like to rank schools, but all of a sudden he says that it is the number one school in the province, and it is – is very high in its scholastic achievement. But, again, there is a huge difference as to what is happening school to school in Edmonton, and what the audit of Edmonton public is attempting to do is look at why there is this difference. Why are some schools at 32 percent? Why are some schools at 90 percent or above? Why are they receiving similar amounts of dollars? This is one of the most intimate questions that we have to ask Edmonton public, and I'm hoping that by the end of next week we will be able to have the answer for the hon. member as well as for all the members of this Assembly and the general public.

The Speaker: The hon. member. No names.

Dr. Pannu: Thank you, Mr. Speaker. There were a hundred members present at the school council meeting last night, and they asked me to remind the minister of what's at stake, what you're risking in this school.

The Speaker: Work with me; okay? The hon. member knows that first of all he doesn't mention names of hon. members. Secondly, the hon. member knows that there are no preambles on the second question. The hon. member signed the agreement. Let's get the question, and let's move forward.

Dr. Pannu: Thank you, Mr. Speaker. Other than deny, deny, deny, what's the minister going to do to fix the quarter million dollar hole in Old Scona academic high's budget? That's the question. Answer the question, Mr. Minister.

Dr. Oberg: Mr. Speaker, you know, again – I've said this probably 15 times in the Legislature – we are taking a look at Edmonton public, the total Edmonton public. We will have those audit results in, again, hopefully by the end of next week.

With regard to the \$13.5 million they don't have a \$13.5 million deficit. We have brought that down by a minimum of \$4 million to \$5 million. Hopefully, we will be able to have a firmer number by the end of next week and that we will be able to tell. What has happened in Edmonton public is that the superintendent has asked the schools to go down to 85 percent staffing level in their staffing. This is a level that is very consistent with what is across the province of Alberta. It's dropped. There were some schools that were running as high as 92, 93 percent. As I've already stated, one school had a class size of 14.7 students. So we'll wait and see. We'll see what happens at the end of next week. Hopefully, I'll be able to give the Assembly more answers.

2:00

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My second supplementary to the same minister: why has the minister placed an arbitrary cap on grade 10 credits thereby denying high-achieving students an opportunity to reach their potential and leaving a \$100,000 hole in Old Scona's budget? Will he remove this cap?

Dr. Oberg: Mr. Speaker, I'll reiterate the answer that one of the hon. members asked me a few days ago. When it came to CEU funding in grade 10, what we saw was that at one point around the province there were over 200 students that were taking over 70 credits per year. There is not enough physical time in the school week to take 70 credits. We were seeing some schools that would award one credit for simply attending a school assembly. What that did is it allowed the schools to recoup approximately \$125 per student for having an assembly. So a thousand students, for example, would be \$125,000 that some of these schools were doing. As a matter of fact, for one particular school in Edmonton public – and I by no means state that that is the only school – we drew back \$250,000 a year ago. There was a huge problem.

What we have done since that time is we have looked at the funding formula, and we will be putting back CEUs come this fall, but there's going to be a significant difference. That difference is that the superintendent has to sign off the number of credits that each school brings forward. The board chairman has to sign off the number of credits that are coming from each school. The other thing that will happen is that as soon as there is a school that is more than two standard deviation units away from the norm, we will go in and investigate and ensure, quite simply, that the schools are telling the truth. We saw a huge difference in school jurisdictions, from 47 CEUs in some school jurisdictions to a low of around 32, with Calgary being at 37 or 38 and areas like Edmonton public being at 45 or 46.

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

Emergency Preparedness

Mr. Maskell: Thank you, Mr. Speaker. The missiles and bombs have begun to rain down on Baghdad. U.S. marines have entered southern Iraq. People around the world are glued to television and radio. Saddam Hussein has threatened retribution in the event Iraq was attacked. He stated that no place is safe. It's alleged that al-Qaeda has made similar threats. There has been intelligence that has listed possible terrorist targets in Canada, including sites in Alberta. We need to assure Albertans that we're doing everything possible to ensure their safety and security. My question is to the Minister of International and Intergovernmental Relations. As chair of the Ministerial Task Force on Security what steps have you taken in light of this information?

Mr. Jonson: Mr. Speaker, I'd like to assure the Assembly that a number of steps have been taken to ensure that Alberta has well prepared and well co-ordinated emergency and security plans in light of world events. We have improved our communication links with the federal government, the RCMP, and CSIS and with industry to ensure that information related to possible threats is shared with appropriate officials.

Coincidentally, cabinet approved Alberta's counterterrorism crisis management plan earlier this week. The plan is the result of long hours of work by a number of ministries in co-operation with other orders of government, intelligence agencies, and the private sector. Also, Mr. Speaker, it includes a comprehensive method of identifying critical infrastructure in the province and putting in place

appropriate security measures. The plan also includes a system for co-ordinating intelligence information.

Alberta, I think, Mr. Speaker, is more prepared than anyone else in the country at this point in time. To illustrate this, other provinces have been seeking information about what we're doing in Alberta so they can use our plan as a model for their security preparations.

Mr. Maskell: I have only one supplementary, and that's to the Solicitor General. What is the role of the security information management unit in Alberta's counterterrorism process?

The Speaker: The hon. Minister.

Mrs. Forsyth: Yes. Thank you, Mr. Speaker. I would like to reassure the members of this Assembly that at this time there is no identified threat in Alberta. My department is in continuous contact with intelligence agencies to ensure that we are informed of any information that could affect security in this province. As the minister mentioned, we are well ahead of everybody across this country and are getting calls from across this country.

We have created the security and information management unit, or SIM, as it is referred to, which co-ordinates intelligence and information about the threat level in Alberta in consultation with Alberta law enforcement services, Criminal Intelligence Service Alberta, the Canadian Security Intelligence Service, and the RCMP. We are in continuous contact with these agencies at all times.

Mr. Maskell: On second thought I do have a supplemental, and that's to the Minister of Municipal Affairs. How have you responded to the Auditor General's 2000-2001 report, which expressed concern over the co-ordination of government and municipal emergency plans in the province?

Mr. Boutilier: Thank you very much, Mr. Speaker. A very good question. I want to say that we've made tremendous progress, as the hon. ministers have mentioned. I would like to say that we are upgrading our security systems on a continuous basement, ah, basis, and in fact we've installed . . . [interjection] No. That's where the secret bomb shelter is, but I'll comment on that at another time.

Ultimately, our existing emergency operation centre, the op centre – we've been working in partnership with municipalities from across all of Alberta, including, for example, the Vermilion fire school in partnership with Lakeland College.

As well, I want to just conclude by saying, Mr. Speaker, that we can never be one hundred percent ready, but what we can do is be best prepared in planning for, responding to, and recovering from. Our new op centre is opening in early spring. In fact, it will accommodate up to 75 members of our emergency management operation centre.

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

Asbestos Abatement at the Foothills Hospital

Dr. Taft: Thank you, Mr. Speaker. About 30 Alberta workers died last year from asbestos-related diseases. Thirty Alberta workers dead. We've been hammering away at this government for months on safe asbestos abatement in hospitals. Now we learn that last Friday, just days after the Calgary health region assured the public that there were no asbestos dangers at the Foothills, two stop-work orders were issued at the Foothills for unsafe asbestos removal. There have now been, I believe, 26 asbestos-related orders against the Foothills in two years. To the Minister of Human Resources and

Employment: given the Foothills' abysmal track record on asbestos removal, will the minister finally admit that the Foothills management is not taking this issue seriously?

Mr. Dunford: Mr. Speaker, with the situation last Friday the department was notified, as they were supposed to be, that a renovation was in progress that might involve asbestos. So there was a site inspection that did in fact take place, and from that two work orders were then issued. A worker was actually performing some activities in the ceiling space, where suspected asbestos-containing fireproofing was present. Now, this renovation area was not accessible to the public or to patients. As a matter of fact, we had a situation there where I think the worker was actually working alone.

In any event, what we have is an ongoing renovation of aged facilities, and asbestos is there. For every occasion where the inspection has called for an order or in fact placed a stop-work order and then asked for remedial activity, that has been done. So we have a situation where the employer in this particular case is responding, as employers should, to direction from workplace health and safety.

2:10

Dr. Taft: Mr. Speaker, responding after the fact is too late. There have been 26 orders in two years.

So given there have been 26 orders in two years, is his department finally considering occupational health and safety charges against Foothills management?

Mr. Dunford: No, not at this time because the normal series of events is that we get notified about the work that's in progress. We take a look at what is happening. The orders provide for the activity then to be done in a safe manner and to prevent, of course, exposure in the air of any workers or any people associated with the Foothills situation. So they have hired an abatement supervisor that is working with them as well, and we'll continue to monitor it.

I think I mentioned here in the House some time ago that this was a major project and it was something that workplace health and safety in the Calgary division were focused on and probably taking up more of our resources, Mr. Speaker, than what ordinarily would happen.

So as long as we have compliance, there's no room, then, for charges.

Dr. Taft: Very disappointing.

To the Minister of Infrastructure: given the taxpayers' risk of huge liability costs from asbestos exposure, has this government done the prudent thing and followed other Canadian governments in filing a claim to recover costs from the bankruptcy of several U.S. asbestos manufacturers?

Mr. Lund: Mr. Speaker, when we are dealing with a building that has asbestos in it, depending on the project we will first of all make sure that there is somebody on-site that is expert as far as the handling of asbestos and what needs to be done with it. If it's a major thing like a demolition and depending, once again, on the magnitude of it – the General hospital in Calgary is a good example. The firm that was part of the demolition had to have that expertise. But to go one step further to protect the workers and the public, we hired another firm to watch the firm that was doing the removal.

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

Soil Contamination Cleanup

Mr. Cao: Thank you, Mr. Speaker. This week many of my constituents are following with great interest a judicial review hearing related to the cleanup of hydrocarbon and lead contamination that was discovered almost two years ago in Lynnvie Ridge in my constituency of Calgary-Fort. It is my understanding that the review revolves around the scope of the cleanup. Imperial Oil, who used to operate an oil refinery at the site until the late 1970s, is being required by Alberta Environment to remove and replace the contaminated soil. My first question is to the hon. Minister of Environment. While I know that we can't go into the specific details while the hearing is going on, can the minister please explain what is involved in a judicial review?

The Speaker: The hon. minister.

Dr. Taylor: Thank you, Mr. Speaker. As correctly identified, the hearing is going on, and I can't comment, obviously, on any specifics.

In terms of a judicial review what is happening is that the department has made a decision, and the court is reviewing the decision. Perhaps the Minister of Justice would like to comment further on the legal issues around a judicial review.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. My first supplemental question is to the same minister. As my constituents are very anxious to see the situation resolved, could this judicial review result in any further delay in resolving this situation?

Speaker's Ruling Sub Judice Rule

The Speaker: Well, I think the hon. minister was quite correct. If there's a judicial review going on here – and it can only be substantiated by a response from the Minister of Justice and Attorney General – these questions could be quite sub judice and outside the mandate of this Assembly. I can't respond to that, but we've had two questions. Proceed with your third one, hon. member. You may get nothing out of it.

Soil Contamination Cleanup (continued)

Mr. Cao: Thank you, Mr. Speaker. My final question is to the Minister of Justice. Is there another way, such as arbitration or mediation, that the residents can have their interests addressed without having to take the matters to court?

The Speaker: The hon. Minister of Justice.

Mr. Hancock: Well, thank you, Mr. Speaker. Indeed, when a matter is before a judicial review, that's the same as any other matter being before the courts, and the content of the matter itself ought not to be commented upon, but I can provide some comment with respect to processes. We, of course, have the regulatory processes and the provisions under the Environmental Protection and Enhancement Act which allow for people to take decisions of that nature through a judicial review process, and that, as I understand it, is what's happening in this case. But, of course, there's also the opportunity for anyone who has any grievance relative to a wrongful act of somebody or a perceived wrongful act which has caused them damage to bring a tort action in the civil courts.

Of course, we have been very strongly advocating that people use what is commonly known as alternative dispute resolutions in terms of going to mediation if all parties will agree to participate. So we would strongly encourage individuals who do not wish to use the judicial review process or find that that process is not effective for their particular dispute area to examine the opportunities to use alternative dispute resolutions such as mediation, and if necessary they can always go through the acute care system of the courts to have any issues determined in that manner. Alternative dispute resolution, mediation, arbitration processes have proved very successful for many people, and where the regulatory process is inappropriate or cumbersome or doesn't provide an effective result, those alternative processes can be very effective.

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

Energy Deregulation

Mr. MacDonald: Thank you, Mr. Speaker. Every Thursday the Alberta Liberals will ask a question that members of the public have asked us to pose. Albertans can send us their questions by phoning our office or visiting our web site at altaliberals.ab.ca. Today's question about energy deregulation comes from Mr. Bruce Thomas of Edmonton. My first question is to the Minister of Energy. Given that the provincial government's legislation promises rebates whenever natural gas prices average \$5.50 over a year, would Albertans who sign a contract for five years at the current rate of \$7.25 automatically qualify for rebates?

Mr. Smith: Mr. Speaker, the preamble is wrong. The Natural Gas Price Protection Act does not relate to energy deregulation. The average annual price is one that's calculated triggered at \$5.50, and in fact for January it was \$5.88. The important part about the rebates that are triggered in the natural gas price protection plan is that when that prices occurs, the rebate is made to everyone regardless of whether they've entered into a long-term contract or they're on spot rate.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the same minister: why isn't the trigger for natural gas rebates based on a price that consumers actually see on their bills?

Mr. Smith: That's actually a very good question. A very good question, Mr. Speaker. Of course, I'm in fact glad the member gave his proper credit due to a member of the public for putting that question in. That specific part is one that we want to examine when the regulation expires in July. So we will undertake that examination for Mr. Thomas.

Secondly, one of the reasons why it's structured with the amount that's in there is because that's how we collect the money from royalties so that we have the proper amount of funds that we are in fact able to rebate to Albertans across the province.

Mr. MacDonald: Again, Mr. Speaker, to the same minister: given that as a result of this government's energy deregulation consumers in this province have seen nothing but their utility bills skyrocket, can the minister please explain who benefits economically from energy deregulation?

Mr. Smith: I would strongly like to see proof that Mr. Thomas

wrote the preamble for the last question. Secondly, Mr. Speaker, the benefits economically are many, and they're to all Albertans. In fact, they accrue from investment; they accrue in the small business sector.

Now, maybe the Minister of Economic Development could better outline what happens to the small business sector.

2:20

Mr. Norris: Recognizing the time constraints, Mr. Speaker, I'll be brief on this, but, yes, I would like to say at the outset that businesses in Alberta are facing challenges of a number of different natures: insurance costs, high prices of labour, and things of that nature. But the facts of the matter are that Alberta is a remarkable place and continues to be the best place in the nation for all of the various economic indicators, and I'll just list a few of them that are facts. They're not fiction. As far as capital investment, the highest in Canada for the last five years. As far as GDP growth, the highest in Canada for the last five years. As far as net in-migration into the province, the highest in Canada. Net interprovincial migration, the highest in Canada. On and on it goes.

You can feel it in the economy. It's growing. It continues to grow. As I said two years ago, electrical deregulation and prices are one part of the equation. The Alberta advantage is a major, major advantage in low, broad-based taxes, a government that works and respects business, a government that understands that business drives the economy. It is working, Mr. Speaker, because our economy continues to grow and does not falter even though there are these challenges. Alberta businesses are the best in the world.

The Speaker: Hon. Minister of Learning, you want to rise at the conclusion of question period on a point of order?

Dr. Oberg: That's right.

The Speaker: Okay. The appropriate procedure is to do it at the time. I need to know what exchange there was with other members.

Dr. Oberg: Edmonton-Mill Woods.

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

Graduated Drivers' Licences

Mrs. Ady: Thank you, Mr. Speaker. As the May 20 deadline approaches for the new graduated licence program, I've been receiving many questions from 15- and 16-year-old constituents as well as their parents. My understanding is that there will be three stages to this program: the learner, the probationary driver, and the fully licensed driver. My questions are for the Minister of Transportation. The confusion seems to surround the curfew. Can the minister tell me at what stage there will be a curfew for drivers that says that they cannot drive between midnight and 5 a.m.?

Mr. Stelmach: Mr. Speaker, in the province of Alberta the curfew will only apply to the learner stage. So regardless of age, if it's an inexperienced driver filing for a driver's licence, they will go through a learner stage. It's during the learner stage only that is from the midnight to 5 a.m. In the second stage, the probationary stage, there is no curfew.

The Speaker: The hon. member.

Mrs. Ady: Thank you. My first supplemental goes again to the Minister of Transportation. If you were to receive your learner's permit before May 20, you could go and get a probationary licence almost immediately. After May 20 how long before you can receive a probationary licence?

Mr. Stelmach: Mr. Speaker, again, depending on age. If you were over 16 years old and you entered into the process in terms of applying for a licence, you would go through the learner stage and then, of course, proceed into the probationary. All of those individuals that have their learner's permit at this particular time will go through the regular process, including at the end of the probationary period an exit exam.

Mrs. Ady: My final supplemental again to the same minister: for clarification does this mean that my constituents will now be taking two road tests and paying for it twice?

Mr. Stelmach: Mr. Speaker, clearly, evidence across this country shows that new drivers are twice as likely to be involved in an accident as experienced drivers, and given the huge cost to society – I believe the Alberta Motor Association has pegged it at about \$3.8 billion to this province on an annual basis – we are as a result of some good work done by many members here, in fact the Member for Red Deer-South, introducing the graduated driver's licence for that very specific purpose, and that is to save lives.

There will be two exams. There will be the actual exam for the probationary licence at the completion of the probationary period. Again, it has to be suspension free for the last 12 months of the period. Then they will write what is called the exit exam. We are just developing and designing the exit exam at this particular time, consulting with all stakeholders, looking at the experiences of exit exams in other provinces like British Columbia and Nova Scotia. Mr. Speaker, I'm looking forward to the day that we can reduce the number of incidents in this province similar to the history in B.C. and Nova Scotia, which is about 30 percent.

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

Canada/U.S. Relations

Ms Carlson: Thank you, Mr. Speaker. There are compelling economic and security reasons for Canada and the United States to ensure that the Canada/U.S. border remains open for trade, tourism, and investment but becomes less vulnerable to disruption by terrorists and other threats. My questions today are to the Minister of International and Intergovernmental Relations. What is this minister doing to ensure that this province, this country, and the States are developing long-term policy on security and immigration where there would be broad agreement between all parties?

The Speaker: The hon. minister.

Mr. Jonson: Thank you, Mr. Speaker. First of all, I would just like to note that immigration is a federal responsibility. However, it is very important to our cultural and economic fabric here in the province, and it is something that we are certainly giving priority to and keeping an eye on with respect to recent developments.

Now, with regard to border security I can say that officials from my ministry recently met with representatives from the federal department of Foreign Affairs and International Trade. Alberta made it very clear to the federal government that keeping border

disruptions to a minimum is our highest priority, and we expect the federal government to do all it can to ensure that that happens. Also, we very clearly told federal officials that continued co-operation between the U.S. and Canada is essential to ensure the free movement of goods and products between our two countries.

Alberta continues to insist on more co-operation from the federal government on priority issues like border security and infrastructure security and continental defence and bilateral trade. Ottawa assured us at this recent meeting that the smart border accord with the U.S. is minimizing border delays, and that accord is an agreement between the United States and Canada to ensure potential border disruptions do not jeopardize the health of our economies.

Ms Carlson: Mr. Speaker, what is this minister doing to ensure that border restrictions are functional and don't necessarily harass people who need to cross the borders frequently?

Mr. Jonson: Mr. Speaker, we would certainly share the hon. member's concerns because that is a very critical matter that needs to be addressed. I can say that the people who developed Alberta's counterterrorism crisis management plan worked very closely with the RCMP, CSIS, and the Department of National Defence. Those organizations are in close contact with the FBI and Homeland Security in the United States as is our federal government and the American government. Alberta is making its counterterrorism crisis management plan available to other provinces, and we are working in that regard.

Overall, Mr. Speaker, we feel that the federal government is making a major effort. They are putting resources into working with the province of Ontario, in particular, where there are border crossing challenges and difficulties, and we are also monitoring the situation with respect to our access to the United States, basically through, for the most part, Montana, to make sure that every effort is being made to keep the trade, the trucks, the vehicles moving, the tourists moving, the immigration matter being kept up to date and moving smoothly.

Ms Carlson: Mr. Speaker, can the minister tell us what he's doing at this time to discuss with businesses how they are going to facilitate their business transfers across the borders during this next crucial time period?

Mr. Jonson: Well, Mr. Speaker, it's my understanding that this is an issue our federal government has been working on closely with the United States through the smart border accord, and Alberta certainly supports any efforts that are being made in that regard to ensure, as I've said, the free movement of goods and people across our border with the United States. However, we have to acknowledge that we are living in some very troubled times with some issues in this particular area being very touchy, so to speak, and they have to be dealt with very carefully.

The Alberta government does recognize the right of the United States to take appropriate steps to ensure their border security, and the Alberta government will continue to monitor the situation to ensure that there is as little disruption as possible in the passage of people and goods between the United States and Canada.

2:30

The Speaker: The hon. Minister of Learning to supplement?

Dr. Oberg: Yes. Thank you, Mr. Speaker. As the minister responsible for immigration in this government I would bring to the hon. member's attention that I will be meeting with my federal counterpart tomorrow morning to discuss some of these very issues.

Mr. Mason: Maybe he's also the defence minister, Mr. Speaker.

Energy Rebates

Mr. Mason: Mr. Speaker, Albertans are receiving their natural gas bills this week, and their reaction is probably unprintable and unparliamentary. Most Albertans paid more for natural gas this winter than ever before. For example, one Edmonton homeowner had bills this winter of over \$748 for a three-month period, higher than he would have paid in the year 2001 without rebates. My questions are to the Minister of Energy. Why won't the minister just admit that the only reason homeowners received rebates in 2001, when bills were even lower than today, was because an election was just on the horizon?

An Hon. Member: Patently untrue.

Mr. Smith: Mr. Speaker, a comment on the bench here is that it's patently untrue, and it is patently untrue. In fact, if I remember correctly that turbulent time of the year 2000, there was also an Alberta dividend paid to all Albertans in the preceding period, November-December, that was two times \$150. This was the first experience that this government had with a spiraling gas cost, the commodity price itself. They responded, and they responded appropriately. It occurred at a time when other events were taking place as well, but the government certainly responded.

Afterward, Mr. Speaker, we were asked to put a program in place. We have put a program in place. We've maintained our belief in market forces, but we have not lost our compassion, our compassion for seniors, our compassion for those who do need the assistance. Those programs have been put in place this year, and they have benefited people in their time of need.

Mr. Mason: Mr. Speaker, can the minister please tell the Assembly if the cost of giving consumers a \$1 billion rebate program in 2001 has been declared as an election expense by the Conservative Party?

The Speaker: The hon. member, third question.

Mr. Mason: Thank you very much. Well, since the minister chooses not to answer that question, Mr. Speaker . . .

The Speaker: Please, please. Party matters are not part of the question period routine. Hon. member, it wasn't a question of the minister not answering the question. The minister could not answer the question.

Mr. Mason: Thank you very much, Mr. Speaker. I would like to know from this government whether or not they are willing to repay the Alberta treasury the \$1 billion in election payoffs that they offered before the last election since it clearly wasn't a rebate program. They don't have one now.

The Speaker: Hon. members, the time for question period has now elapsed. Let me just indicate that on Monday of this week the House dealt with 15 sets of questions; on Tuesday, 15 sets of questions; on Wednesday, 14 sets of questions; and today, 11 sets of questions. So, all in all, pretty good. We could've had a few more today; that would've been good.

head: **Statement by the Speaker**

Fourteenth Anniversary of Election

The Speaker: I would also like to point out before we call on the

first member for Members' Statements that 14 years ago today, March 20, 1989, the following members earned their right to participate in this House: first of all, the hon. the Premier, the MLA for Calgary-Bow; the hon. Minister of Aboriginal Affairs and Northern Development, the Member for Lesser Slave Lake; the hon. Minister of Sustainable Resource Development and the MLA for Athabasca-Wabasca; the hon. Minister of Infrastructure and the MLA for Rocky Mountain House; the hon. Minister of Finance and the MLA for Calgary-Foothills; the hon. Minister of Seniors and the MLA for Stony Plain; and the hon. Deputy Speaker and the MLA for Highwood.

head: **Members' Statements**

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

Water Strategy

Dr. Taft: Thank you, Mr. Speaker. Pause for a moment if you will and think about where our province would be if it were not for our water resources. Farming and ranching in our province would be dead, the forest industry closed down, power generation would be crippled, and our now vibrant cities would be emptied of their people.

Life in this province, in all provinces, depends on water. For too long this government has taken Alberta's water resources for granted. Water has been an issue in this province for more than one decade, and what does this government have to show? No strategy, no management plan, no conservation plan. Nothing. And what does the Minister of Environment tell us? He says that there has not been enough time. He says that this government needs more than a decade to produce a water strategy for this province. In fact, when I questioned the minister in this House, he wouldn't even commit to have the water policy by next year. Meanwhile, Albertans struggle with their water shortage problems, living with stopgap measures from their government.

At the same time, the Official Opposition has presented numerous plans and solutions to address Alberta's water crisis. The opposition has repeatedly pressed for a water resource inventory, universal metering, a clean water strategy alliance, and water conservation incentives. Our solutions would ensure that Albertans have a plentiful supply of clean water now and into the future. Our solutions would also ensure that Alberta's ecosystems are treated in a manner that promotes sustainability and conservation.

Despite all of our suggestions this government has dragged its heels on a meaningful water policy for the last 10 years and has instead relied on stopgap measures. Finally, after much prompting, the Minister of Environment promised to show Albertans at the end of this month a draft of a provincial water strategy. We have waited for more than a decade. It had better be a good one.

Thank you.

Dr. Taylor: Your plan wasn't very good, Kevin. There are only seven of you.

Mr. Bonner: Without interruption?

The Speaker: Was that the cat calling the kettle black? The hon. Member for Edmonton-Glengarry without any interruptions? Rather aggressive this week. I think it has something to do with the full moon.

The hon. Member for Calgary-Montrose.

International Day for Elimination of Racial Discrimination

Mr. Pham: Thank you, Mr. Speaker. I rise today to recognize the International Day for the Elimination of Racial Discrimination, March 21.

The United Nations first recognized this day in 1966 and designated it in memory of the anti-apartheid demonstrators killed or injured in Sharpeville, South Africa, in 1960. Canada was one of the first countries to support this United Nations declaration, and it began recognizing the day on a national basis in 1989.

Recognition of the International Day for the Elimination of Racial Discrimination is particularly important this year considering the international terrorist crisis around the globe and the major conflict in the Middle East. Social harmony and peace are important and are only possible if we find ways to understand, value, and respect people of all races, religions, and ethnicity.

We are fortunate in Canada to have people with a wide variety of skills and experience who contribute to our communities and to have a rich mosaic of cultures woven into the strong fabric of our province and our nation. Let us celebrate the uniqueness of each individual and culture. Let us embrace a vision of Alberta where everyone has access to social, economic, and cultural opportunities on a fair and equal basis regardless of cultural or visible differences. We can, by working together, create an Alberta free of racial discrimination.

As chair of the Advisory Committee on the Human Rights, Citizenship and Multiculturalism Education Fund, I ask you join the community and the committee in working toward this goal.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Banff-Cochrane.

Dave Irwin

Mrs. Tarchuk: Thank you, Mr. Speaker. Today I would like to recognize a constituent and friend, Mr. Dave Irwin, one-time Olympian, an original Crazy Canuck, and a member of the Canadian downhill ski team from 1971 to 1982.

Dave recently organized and took part in the Dash for Cash downhill race at Sunshine Village on the same mountain that nearly killed him two years ago. Most of us will remember the terrible ski accident where Dave suffered severe head injuries and was hospitalized for three months, injuries that many people would not have survived. Not only do some consider it a miracle that Dave was skiing at this event, but it is even more incredible that he had one of the fastest times as a forerunner.

The Dash for Cash was the first major fund-raiser for the Dave Irwin Brain Injury Foundation and will become an important and I'm sure very popular annual event. On March 8 of this year, 22 teams of four and over 40 volunteers braved frigid weather and raised nearly \$50,000, money that will be put in an endowment fund to support research, awareness and prevention programs, and aid for those living with brain injury.

Dave's positive attitude and determination have contributed to his remarkable near-full recovery, and he truly is an inspiration to all of us. As a brain injury survivor, Dave is now using his talent and skill to help others and is working to remove the social stigma against people with brain injuries.

Please join me in congratulating Dave on the success of his fund-raiser and in wishing him all the best on his continuous road to recovery. On behalf of Albertans, thank you, Dave, for your major contributions to the people of this province.

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

2:40

Iraq Conflict

Mr. Mason: Thank you, Mr. Speaker. Today is a tragic day in the history of our shared humanity. It is the day that the leaders of the world's most powerful nation, the United States, chose to commit an act of unprovoked aggression against a much smaller and less powerful nation.

In the aftermath of the Second World War the United Nations was established to prevent unprovoked aggression. The UN Charter specifically prohibits powerful nations from launching wars of aggression against less powerful nations. The war against Iraq sets a very dangerous precedent. After regime change in Iraq, who is next? North Korea? Iran? Venezuela? Canada? The doctrine of pre-emption can be invoked by countries other than the United States against their less powerful neighbours. It will lead to greater proliferation of weapons of mass destruction as smaller countries arm themselves to better repel aggression. It will not make the world safer but rather much more dangerous.

Not only is the war against Iraq destabilizing; it is also unnecessary. Since last November weapons inspectors have been on the ground in Iraq working unimpeded. All of the U.S. and British intelligence leads claiming that Iraq was hiding illegal weapons were in the words of one of the inspectors: garbage, garbage, and more garbage.

The Canadian peace movement deserves a tremendous amount of credit for moving the federal government to opt out of the Bush/Blair war of aggression against Iraq. So does the federal NDP under the leadership of Alexa McDonough and Jack Layton, who have been saying since last fall that this war is illegal and wrong.

When the Premier ties himself up in knots pledging solidarity with the most retrograde elements of the Bush administration, he does a disservice to Albertans. In doing so, the Premier does not speak for millions of Albertans who deplore this war of aggression. The Premier claims to be protecting Alberta's interest in speaking out. By invading Iraq, the U.S. is seeking to re-establish control over the world's oil reserves. Counteracting OPEC to push oil prices down has been a cornerstone of American policy for decades. Low oil prices in the long term mean less exploration, less oil sands investment, and lower royalty revenues for the government. It means . . . [Mr. Mason's speaking time expired]

head: **Presenting Petitions**

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I would like to present a petition to the Assembly, please, and it is signed by 25 people from across the province, and they're petitioning the government here.

We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the provincial government to establish a provincially subsidized monthly transit pass program for low income Albertans that would apply to all municipalities with a public transit system.

Thank you.

head: **Notices of Motions**

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

Mr. Hancock: Thank you, Mr. Speaker. On behalf of the Deputy Government House Leader I rise pursuant to Standing Order 34(2)(a) to give notice that on Monday he will move that written questions

appearing on the Order Paper do stand and retain their places and also to give notice that on Monday he will move that motions for returns appearing on the Order Paper do stand and retain their places.

head: **Introduction of Bills**

The Speaker: The hon. Minister of Human Resources and Employment.

Bill 32 Income and Employment Supports Act

Mr. Dunford: Thank you very much, Mr. Speaker. I request leave to introduce Bill 32, the Income and Employment Supports Act.

This bill will bring different programs together under one piece of legislation and make the processes for delivering them clearer and fairer. It reflects the recommendations of the MLA committee to review low-income programs and of course the advice of thousands of Albertans. They call for income supports and employment supports to be brought together so that we can shift the focus from programs to people.

[Motion carried; Bill 32 read a first time]

head: **Tabling Returns and Reports**

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

Mr. Mason: Thank you very much, Mr. Speaker. I have a number of tablings today. This tabling is on behalf of the Member for Edmonton-Strathcona. It's a review of the Old Scona academic high school's finances, showing concerns about the anticipated funding shortfall.

I'd like to table an e-mail from someone from Spruce Grove to the minister, and it says: "That giant hissing sound is the sound of money being sucked out of Albertans' pockets."

Mr. Speaker, this is an e-mail from a Morinville senior, and he says that large gas lines "to export our natural gas out of this country . . . is good for Alberta's economy but I don't think it should be done at the expense of seniors and low income" Albertans.

Mr. Speaker, I'm tabling a power bill from Ardrossan with a comment from the citizen that the cost has nearly doubled due to deregulation.

Another power bill from Morinville, Mr. Speaker. This one says: "This is ridiculous, 4 times what it should be. We are going to move to another province before we have to lose our house."

This is an e-mail from a constituent of mine, Mr. Speaker, and it says: "I believe the government has to do something to lower the costs of rising energy costs . . . Something [has] to be done."

Mr. Speaker, this is a power bill from Edmonton with the comment, "Thank you for speaking on our behalf to what seems like a deaf ear."

This is an e-mail to my office, Mr. Speaker. It says: I would love to come up with energy saving devices and put them in place, but with prices steadily rising, I can't afford to buy any of the items.

Mr. Speaker, this is an e-mail from a single person who is paying one-third of the cost of her mortgage on her utilities.

Mr. Speaker, I'm tabling today a letter to Minister Woloshyn . . .

The Speaker: Hon. member, please, please, please. You know about the thing about the names. I must have said it six times this week.

Mr. Mason: I apologize to the Minister of Seniors. I quote in part from seniors voicing their displeasure with regard to the deregulation of utilities: "It has been a fiasco."

Mr. Speaker, I'm tabling a letter and some utility bills from St. Albert, and the citizen comments, "It is virtually impossible for our usage to double from one year to the next," yet the charges are double.

Mr. Speaker, this is an e-mail from one of my constituents. I'm quoting, but I won't quote the name. I'll just say that he says that the Premier "should wake up and realize . . . that all people are not in his income bracket."

Mr. Speaker, this is a letter I'm tabling from a stay-at-home mom. She says, "When are we going to see the beneficial prices we were told were coming?"

Mr. Speaker, this is a letter from 102 residents at River Ridge on fixed incomes. They indicate that an increase in condo fees has resulted from high utility costs.

Mr. Speaker, this is a letter from some citizens in Edmonton regarding their ATCO bill. It says in block letters: "We are . . . outraged." "Thank you so much."

An e-mail from a constituent. This citizen uses \$40 worth of power and is paying over \$100 worth of service charges.

Mr. Speaker, this is a letter and some bills from Daysland, and I quote from the citizens: "Our natural gas bills and power bills are outrageous . . . Mr. Premier, we are sitting here freezing in the dark."

Mr. Speaker, I'm tabling a letter and some utility bills from Red Deer, and the citizen indicates, "I may lose my house as I cannot keep up."

This is a bill with some written comments from St. Albert indicating, "We do not keep any lights on."

This is an e-mail I am tabling from a citizen, Mr. Speaker, and they indicate: do I need to turn off the thermostat and freeze the pipes in the house?

Mr. Speaker, I'm tabling a bill from Edmonton with a note from the citizen: there has to be some help.

This bill I'm tabling next, Mr. Speaker, is from Whitecourt. The citizen indicates: my cost per month has doubled.

These are some bills that I'm tabling from a constituent of mine, Mr. Speaker. The comment: there have been more power outages in the rural areas since privatization, and the response time is much longer, approximately six to eight hours.

I'm tabling a bill from Battle River. The citizen comments: the add-ons are disturbing figures.

I'm tabling a bill from a citizen in St. Albert who says: thank you for bringing this to Premier Klein's attention.

Thank you, Mr. Speaker.

2:50

The Speaker: Please. This is a real problem for me. It is now the seventh time, the second time in the last 10 minutes, that you mention names. Well, there seems to be a wall here with respect to this.

Maybe we can come back for tablings with you next Monday; okay?

We'll recognize the hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I have three tablings this afternoon. The first is a commentary from the C.D. Howe Institute, and it is entitled California Shorts a Circuit. It is about the electricity deregulation there.

The second tabling I have is on behalf of a constituent. It's a letter addressed to the hon. Premier, and it is from Laura Webster. Ms

Webster is expressing her concern about funding cutbacks and what they're doing to her local school in Kenilworth.

The third tabling I have is also addressed to our hon. Premier and dated February 25. It is from Kevin Whitton, the chair of the school council at Kenilworth junior high. Mr. Whitton is expressing concern about next year's budget for the school as a result of this government's policies.

Thank you.

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

Dr. Taft: Thanks, Mr. Speaker. I have four tablings today, all having to do with education. The first is from Karen Ferrari, a constituent of mine who attended the public gallery on March 19. She's expressing her grave concerns over education funding and also asks for an apology for the comments and groans by the Premier and government MLAs.

The second tabling is a letter to the Minister of Community Development from Melanie Shapiro. Among other things, she says, "Parents are all asking why the Government cannot fund education as a priority."

The third tabling is from Jenn Hoogewoonink to the Premier and the Minister of Learning. Among many things, she says, "We cannot smother concerns of scarcity in education when it directly affects who we are or who we can possibly become."

The fourth tabling is from Linda Telgarsky, a copy of a letter to the Premier and the Minister of Learning. She says, among other things, "I am concerned about the current situation regarding the funding of public schools."

Thank you.

The Speaker: Additional members? Additional tablings?

head: **Projected Government Business**

The Speaker: The Official Opposition House Leader.

Ms. Carlson: Thank you, Mr. Speaker. I would ask that the government now share with us what they expect to be the business of next week.

Mr. Hancock: I expect that next week will be taken up with further debate, additional and comprehensive debate, on Bill 27, Bill 3, and Bill 19.

To be more specific, on Monday, March 24, at 9 p.m. under Government Bills and Orders I would expect that we might take up government motions 14 and 16 and then proceed to Committee of the Whole on Bill 27 and Bill 3 and as per the Order Paper.

On Tuesday, March 25, in the afternoon under Government Bills and Orders for third reading Bill 27, Bill 3, and Bill 19, and as per the Order Paper. At 8 p.m. under Government Bills and Orders for third reading Bill 27, Bill 3, Bill 19, and Bill 30 and as per the Order Paper.

Wednesday, March 26, in the afternoon under Government Bills and Orders for third reading Bill 27, Bill 19, Bill 3 and as per the Order Paper. At 8 p.m. under Government Bills and Orders for third reading Bill 27, Bill 19, Bill 3 and as per the Order Paper.

Thursday, March 27, in the afternoon under Government Bills and Orders for third reading Bill 27, Bill 19, Bill 3 and as per the Order Paper.

The Speaker: On a point of order, the hon. Minister of Learning.

Point of Order

Allegations against a Member

Dr. Oberg: Thank you very much, Mr. Speaker. I rise today under Standing Order 23(h), which states, "makes allegations against another member." In the hon. Member for Edmonton-Mill Woods' preamble he stated – and unfortunately I have not yet had the Blues – that there were \$2 million in renovations spent in my office. As the hon. member fully knows, this was money that was spent in moving 470 of my staff from one building to another building, and that lease change saved the provincial government and the taxpayers of this province \$3.4 million net. He has made a direct allegation against myself personally that I spent \$2 million on renovations to my office. I stand corrected if that is not what is printed in the Blues, but that is what I feel that he said.

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

Dr. Massey: Thank you, Mr. Speaker. First of all, it wasn't in the preamble. It was in my third question. What I actually said was: who found \$2 million to renovate his offices.

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

Thank you. Again to the same minister, Mr. Speaker. Given that parents like Mrs. Beaudoin hold the government responsible, when will the minister who found \$2 million to renovate his offices and \$7 million for Calgary public find the \$13 million needed to prevent these cuts in Edmonton public schools?

The hon. minister said:

Mr. Speaker, again with the Edmonton public audit as I've stated, maybe this member has got something in his ears and can't hear, but we are already down approximately \$4 million to \$5 million, so it is not \$13.5 million.

The other comment that the member made: I would invite the hon. Minister of Infrastructure to comment on the \$2 million that was used to renovate the offices and the amount of money that that has saved my department.

There was no further intervention by any other minister.

"When will the minister who found \$2 million to renovate his offices . . ." Well, it strikes me that this is a point of clarification. Ministerial responsibility involves the taking of responsibility for everything under one's portfolio, one's department, and I suppose that in the most extreme interpretation, when the member says, "who found \$2 million to renovate his offices," he's assuming that the minister must assume responsibility for all the offices in his department.

Regardless of what it is, it was an opportunity for the minister to respond. Not the best words in the world – and maybe we've dealt with this as a point of clarification, with the House recognizing, as well, that sometimes we have to accept two contradictory views of the same situation – but a useful intervention for clarification. We all know it was not the Minister of Learning that spent \$2 million on, quote, his offices in the building. I don't believe that the Minister of Infrastructure, as a result of all its petitions from the Speaker over the last six years, would have even spent that much on the whole system.

head: **Statement by the Speaker**

Private Members' Public Bills

The Speaker: Hon. members, I've had a number of questions from hon. members with respect to the order of business on Monday, and I want to make the following statement in order to clarify as a result of a number of private members consulting with me in the last several days. It has to do with clarification to all members regarding

the sequence in which private members' bills will be called for debate this Monday, March 24.

Standing Order 9(1) states that "all items standing on the Order Paper, [with the exception of] Government Bills and Orders, shall be taken up according to the precedence." As all members are aware, Standing Order 8(5) provides that a private member's bill must be called in Committee of the Whole within eight sitting days of receiving second reading and within four sitting days after being reported by Committee of the Whole.

Sometimes these time lines will conflict depending upon the progress of various bills. In such cases the order of precedence is determined by the date and the time that the Assembly or the Committee of the Whole has made its decisions in respect of the bills. Therefore, given that Bill 201 received third reading on March 10, it must be the first item of business called on Monday afternoon. Committee of the Whole consideration of Bill 203 will then follow, and if time permits, the next item of business to be called will be third reading of Bill 202.

head: **Orders of the Day**

head: **Government Motions**

Time Allocation on Bill 19

15. Mr. Hancock moved:

Be it resolved that when further consideration of Bill 19, Gas Utilities Statutes Amendment Act, 2003, is resumed, not more than one hour shall be allotted to any further consideration of the bill at Committee of the Whole, at which time every question necessary for the disposal of this stage of the bill shall be put forthwith.

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

Mr. Hancock: Well, thank you, Mr. Speaker. In moving Government Motion 15, I would just advise the House that notwithstanding two news releases by the Official Opposition relative to the death of democracy as we know it, the fact of the matter is that 7.17 hours of debate have been undertaken on the Gas Utilities Statutes Amendment Act to date, including five hours in committee. As we've just heard under Projected Government Business, there are three bills on the Order Paper for discussion next week at committee and third reading, of which Bill 19 is one. So in addition to the 7.17 hours spent to date, there will be an additional hour in committee and then, of course, the full opportunity in third reading for any member to get on the record any concerns that they might have with respect to the bill.

3:00

In speaking to the time allocation motion, I would remind the House, as I had the opportunity to do thanks to the timely interjection of the Leader of the Opposition affording me the opportunity, that time allocation is a parliamentary procedure that's used in many parliaments around the world. Not that we'd want to follow the lead, ever, of the federal Liberal government, it's used on almost every bill, I think, in the federal House. It's certainly used extensively in the federal House.

But that's not the way we use time allocation in this House. It's a new procedure that's used relatively rarely. In the year 2000 it was used five times. In the year 2000 time allocation was used five times. In the year 2001 it was not used at all. We do have three bills that need to be dealt with before the end of the month, one of them being the gas utilities bill. So I'm moving Government Motion 15 today to deal with that.

Lest anyone suggest that they haven't had an opportunity to do line-by-line analysis in Committee of the Whole, I would indicate that the official Liberal opposition has spent 187 minutes, during which they introduced not one amendment. The New Democrat opposition spent 68 minutes, a full hour and then some, and introduced not one amendment. Members of the opposition have spoken a total of 22 times already on this bill. So although it is a big bill and a complex bill and a very important bill, there has been no lack of opportunity for members of the opposition to let government know and let Albertans know and let this House know what their views are with respect to every aspect of the bill.

So, Mr. Speaker, it is not inappropriate I think at this time to ask the House to consider that although endless debate is allowed in committee and any member has the opportunity to speak as many times as they want in committee under the rules of the House, once two members of the opposition have spoken four times and two members have spoken three times and three members have spoken twice and two members have spoken once and all members have had the opportunity to speak, then to suggest that a further hour of debate in committee might get us through committee, sufficiently allowing the opportunity to introduce any further amendments, or any amendments in this case, because they haven't introduced any amendments, and then we'd move on to further debate in third reading – I'd ask the House to support the motion.

The Speaker: Hon. members, Standing Order 21(3) allows one member of the Official Opposition to participate for up to five minutes. The hon. Member for Edmonton-Gold Bar is the participant?

Ms Carlson: Yes.

Mr. MacDonald: Thank you very much, Mr. Speaker. Certainly, to say to the hon. Minister of Justice that I'm disappointed is to be in these circumstances polite. Not only do we have Motion 15, Motion 14, we have Motion 16.

Now, when we talk about democracy, it always comes back to the words of the hon. Premier, Mr. Speaker, and those words were uttered in the election in 1997 in Fort McMurray: I believe in free speech as long as you say the right thing. When we have this bill before the Assembly and to learn that the government is going to limit and restrict and close debate and to compare their record with the federal government – the federal government has used closure eight times, whereas this government, with our research, in the last 10 years has used closure at least 30 times. One time was with the electricity bill, going back to Bill 27 I believe in 1998. Closure was invoked on that bill, and since that bill had closure invoked, electricity prices in this province have slowly been on a volatile rise. Now, were the consumers of Alberta well served by that act of closure? The hon. Member for Edmonton-Highlands with the tablings earlier and the outrage that was expressed by Albertans over their electricity bills would indicate to this member: no.

Now, the Alberta retail natural gas market is currently in a state between a fully regulated utility operation and competitive retail service. After the money that has been spent on energy deregulation in this province, the money that has been spent on the increase in natural gas prices and the bills, how can we say that over seven hours of debate or five hours of debate in committee is adequate? This is a complex piece of legislation. When one comments that the opposition has had the opportunity and they have not gone through this line by line, well, I have looked in *Hansard*, and those government members that have spoken certainly have not gone through the bill at committee stage line by line.

When we see double-digit price increases for natural gas in this province, this closure motion indicates to me just how far out of touch the government is with the consumers. Are not the consumers in the constituencies of Edmonton-Calder, Drayton Valley-Calmar, Redwater, Whitecourt-St. Anne, Calgary-Shaw, Calgary-Bow expressing their concern about natural gas prices and how they're affecting residential and commercial users in this province? I've heard in the last few weeks in this Assembly concern from all sides of the House.

To think that we are going to have a bill that is going to amend the Gas Distribution Act, the Rural Utilities Act, and the Gas Utilities Act all in one sweep yet we are lining this bill up with another bill that's going to have closure on it, Bill 3, so that we can have convergence of the electricity and the natural gas markets – this government wants to push it through the Assembly.

The amendments were certainly on the web site, the draft amendments for this legislation. I believe there were even draft regulations on Alberta Energy's web site, but that is not part of the debate of this Legislative Assembly. After the final draft was placed before this Assembly, all hon. members should have had the opportunity to stand in this Assembly and debate the merits or the negative aspects of this bill, and this has not been provided . . . [Mr. MacDonald's speaking time expired]

[The voice vote indicated that Government Motion 15 carried]

[Several members rose calling for a division. The division bell was rung at 3:09 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Abbott	Haley	McClelland
Boutilier	Hancock	Rathgeber
Broda	Herard	Renner
Calahasen	Hutton	Snelgrove
Cardinal	Jonson	Stelmach
Coutts	Klapstein	Strang
Danyluk	Lord	Tannas
Forsyth	Lougheed	Tarchuk
Friedel	Mar	Taylor
Fritz	Maskell	VanderBurg
Gordon	Masyk	Vandermeer
Graydon	McClellan	Woloshyn
Griffiths		

3:20

Against the motion:

Blakeman	MacDonald	Nicol
Bonner	Mason	Taft
Carlson	Massey	
Totals:	For – 37	Against – 8

[Government Motion 15 carried]

head: **Government Bills and Orders**

head: Committee of the Whole

[Mr. Tannas in the chair]

The Chair: I'd like to call the Committee of the Whole to order.

Bill 19

Gas Utilities Statutes Amendment Act, 2003

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

Mr. MacDonald: Thank you very much, Mr. Chairman. In the time allocated, which is certainly not enough time to debate this billion-dollar issue – this is going to be a billion-dollar bill for Albertans in the future – I would urge any members on the government side that wish to participate in the debate certainly to do so because Albertans will be interested in reviewing this record if natural gas bills continue to be as confusing as electricity bills currently are.

Now, when we talk about providing choice to citizens with natural gas delivery and that this choice is going to drive down costs, I have yet to be convinced of this. When I go through the bill, I see many, many things that need improvement. There are many ways to improve this bill, but still I don't think we can improve it enough that it is going to be a positive influence on Alberta consumers and is going to drive down prices in this province. It has yet to be explained to me how giving consumers more choice in signing a contract, whether it's for three or five years or even for one year or floating through on this natural gas spot price to receive natural gas for residential heating, is going to improve the lot of Albertans. With Bill 3, the sister of Bill 19, we have quite an extensive time for a market surveillance administrator.

One only has to look at, of all things, the Progressive Conservative Association of Alberta's policy convention booklet from 2002. This was a policy convention that took place November 15 and 16 at the Coast Plaza Hotel and conference centre.

Mr. Rathgeber: Were you there?

Mr. MacDonald: No, I was not there, but certainly I was delighted to receive a copy of the policy conference workbook.

In that workbook it's surprising how many good policies of this Conservative Party don't make it to this Legislative Assembly floor. This is one of them, and I think it's yet another example of imitation being a fine form of flattery. First, we see the stabilization fund being adopted. This is an opportunity for the government to take a fairly sound policy from the policy convention, and if we're going to take a bad law and make it a little better, well, let's do this.

In discussions there there was an effort made to establish a special watchdog committee to monitor. To monitor. Now, there are many Conservatives that are very good at monitoring the situation, and here is another example where the Conservatives want to monitor, but this committee should monitor the rural utility systems. The committee should have on it the Minister of Energy, municipally elected representatives, and energy and industry participants and clients. The clients would include the consumers, Mr. Chairman. This idea would be called price protection for rural utility systems. What a great idea to have price protection for natural gas consumers.

I was going through this legislation and going through Bill 3, and there was such a deal in Bill 3 made over the market surveillance administrator, but in Bill 19, the Gas Utilities Statutes Amendment Act, 2003, that was to my surprise not there. So at this time, Mr. Chairman, I would like to submit to the Assembly – and it's in order from the Parliamentary Counsel – an amendment to the Gas Utilities Statutes Amendment Act. I'm going to get one of the pages, please, to take this to the Chairman of the Committee of the Whole.

For the record I believe we will call this amendment A1, and as it's been circulated to all hon. members of this Assembly, I will read

the proposed amendment into the record: the hon. member to move that Bill 19 be amended in section 2(2) by adding the following after the proposed section 28.8:

Market Surveillance Administrator

28.9 (1) The Minister of Energy must appoint an individual to serve as the Market Surveillance Administrator who shall monitor and investigate the supply, distribution, and sale of natural gas from the distributor to the consumer.

(2) The Market Surveillance Administrator shall report to the Minister of Energy on matters in subsection (1) annually.

Now, I think this amendment A1 is reasonable, and I'm not going to in the short time allowed . . . It's reasonable because it's going to provide the same sort of protection that electricity consumers can get. I don't know what to say other than to urge the hon. members of the government – certainly, they must be aware of the price protection for rural utility systems, which was discussed at the convention last November, and it's certainly an issue that I have brought forward. I have had correspondence with the hon. Minister of Government Services, and I really wasn't satisfied with the response and the speed of the response from the department, but I think that it is very, very important. I have to say that I'm disappointed that we're going to have this so-called flow-through rate, and we're going to have these wild swings in prices.

3:30

In conclusion in regard to amendment A1, I would urge all members to consider that the EUB at one time thought that the Natural Gas Price Protection Act would allow some form of consumer protection. Now, if one looks at decision 2001-75, one can see where the board thought that the Natural Gas Price Protection Act would work in that manner, and when the board considers that given the provisions of the Natural Gas Price Protection Act some customers such as AltaGas would be sufficiently protected, the board thought that, well, if the Natural Gas Price Protection Act is that good, then there's no need to consider the hedging provisions that AltaGas had proposed to be necessary to soften up some of the price spikes for consumers.

Now, I'm sure there's going to be an hon. member of this Assembly standing up to say: we don't need the market surveillance administrator. There will be an hon. member from the government standing up to say: we don't need this because the board is going to take care of everything. Well, the board in that decision thought that the Natural Gas Price Protection Act was going to do the job, and we all know that that act . . .

Mr. Mason: It's useless.

Mr. MacDonald: I don't know when it's going to work. I heard a comment that it was useless, but I don't know when that Natural Gas Price Protection Act is ever going to kick in, and consumers across this province, to say the least, are resentful. They consider that Natural Gas Price Protection Act to be a broken promise. However, in regard to Bill 19 and the proposal that we have a market surveillance administrator, I would like all hon. members to consider this, and when you consider the manipulation of price that has been alleged at the Power Pool – it has been proven on two occasions, but no names have been released to the public, which disappoints me, Mr. Chairman – and when we see all these marketers coming in to supply retail service to customers for natural gas, the market surveillance administrator is needed. It certainly is needed, and I would urge all members of this Assembly to support this amendment, and this is the first of many amendments that I have in regard to this bill.

Now, when we consider this, Mr. Chairman, we have to think of

what's best for natural gas consumers in this province. They will need a market surveillance administrator to ensure that their interests in what is, in my view, flawed legislation have to be protected by someone.

Thank you.

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

Mr. McClelland: Well, thank you, Mr. Chairman. My friend from Edmonton-Gold Bar issued an invitation for members of the government or members opposite to him to participate in this debate and to speak specifically to the amendment that is before us. I'm glad that I was admonished to speak specifically to the amendment that is before us because it may have been a 'circuitous' . . . a roundabout route for me to get from it and to it.

An Hon. Member: Circuitous.

Mr. McClelland: Yes. You see, I can't even get the word out because I have so much difficulty with this amendment.

Now, the amendment of course speaks to the act that's before the House, the Gas Utilities Statutes Amendment Act, 2003. This act was brought to the House to facilitate, as members have said, competition in the marketplace. So what is this competition going to do, and why should we think that this competition is going to change anything? Why should we have any particular confidence in the capacity of the free market in essentially a deregulated gas energy market to provide value? I think that we should, Mr. Chairman, and we should . . . [interjection] Oh, I see. Okay. Thank you. I wasn't sure quite what the hand signal was, Mr. Chairman, and I was a little nervous because I know it's been a while since I got to the amendment.

An Hon. Member: I'll give you a hand signal you can understand.

Mr. McClelland: The member opposite suggests that he has a hand signal that I could understand very readily, and I'm sure that I could. Thumbs up would be the signal that I'm on the right track.

Well, the legislation that the amendment speaks to is legislation that brings competition to the marketplace, and that competition in the marketplace may provide innovation, which will in fact provide better value to the customers being served, and that's really what we have to look to. The commodity of natural gas has a finite value. We've all discussed this in the Chamber in the many hours of debate that this bill has been before the House, the endless debate, and we have come to understand that natural gas has a value, and we have come to understand that our planet is best served if natural gas is used with a mind to the finite limit of that resource and its actual value. If we use our resources based upon what their real value is, well, innovation comes into play, conservation, that I know members opposite, the Liberals and the New Democrats, would surely feel comfort with, and the efficient use of the resource.

Imagine, had we not considered a finite resource based upon its value to society, would we waste or would we not waste that resource if we had it for nothing? We're driven because we're human beings to make more efficient use based upon the price that we pay for a commodity. So although the prices have been high relative to what we used to pay for it, the price relative to its value to our economy and to the North American economy is not particularly high and is forcing us to innovate and to use the resource wisely.

Now, over the course of recent months the price has been high. It's spiked up. But it's spiked up in recent months because of world

geopolitical events, because we had a cold winter. But I would remind members opposite in the House and those listening that natural gas was at a three-year low this summer and that the price of natural gas is falling like a stone. I heard that on the radio this morning, that the price of natural gas is going down because it is a commodity that has a value that does go up and down, and that's why many of us have determined that it's in our interests to have predictability to buy a contract so that we know what we'll be paying for our natural gas energy from month to month for a period of years, similar to, perhaps, getting a long-term mortgage when we buy a house.

3:40

Yes, it has caused us to have to change how we think of natural gas as a commodity and, yes, it has been difficult for many people in the transition, and yes, it has been particularly difficult for people in a situation of low or fixed income without the capacity within their budgets to move resources around. Having heard that very valid concern, the government made the very appropriate and correct decision to do what was necessary to protect those in need, and certainly it would've been nice to be able to protect those in want, but that's just not a true reflection of life. We as individual citizens and as a government responsible for the fiduciary responsibility to be careful custodians, to be careful of what we do with the public purse and taxpayers' money and the resources that belong to everyone, have to make the tough decisions.

I know that it's opposition's role to say that everything we do is wrong and that we should do this and we should do that because that's the role of opposition, but I know the opposition members here present, being good and reasonable people, understand that behind the rhetoric, were the positions reversed, they would do the same thing because it makes sense. I see a member opposite gasping because finally someone said what was in their heart, and they couldn't say it.

So let's just look at what has been achieved as a direct result of a free enterprise approach to energy, and keep in mind that natural gas generates much of the electricity that we use, and therefore the cost of electricity is affected by the cost of natural gas.

Mr. MacDonald: Are we going to put this in your brochure in the next election?

Mr. McClelland: Yes. The member opposite says, "Are we going to put this in your brochure in the next election?" I hope and pray that the Liberals do because Albertans understand the innate sense of the words that I'm speaking.

Albertans are not people that can't see beyond the surface. That's why there are 74 of us in this House even as we speak: because Albertans understand and appreciate the free market and have faith and confidence in the free market.

We have 700 years of coal in our province.

Rev. Abbott: Eight hundred.

Mr. McClelland: "Eight hundred," I hear a member say. But we don't have very much hydroelectric energy. Other provinces have a vast hydroelectric potential and resource, very inexpensive to produce, very clean, and we need to compete with those provinces for our economy. We need to get to a clean coal, perhaps a gasification economy based on that 800-year, perhaps even more, inventory of coal potential.

I see the Member for Edmonton-Riverview is resting his head on his desk. Hopefully these words are not putting him to sleep.

Hopefully these words are encouraging the member to a more free enterprise and a more confident vision of the future.

What we need is to evolve to an economy that's based on hydrogen, on research and development. We need to evolve to an economy that makes better use of green power. The deregulation of the energy industry, including natural gas, has led directly to the capacity of the government of Alberta to be a leader in the country in the use of green power. Now, had we not embraced – and when I say we, I say Albertans, not just the government as represented by people in this Chamber today, but we as Albertans, Albertans as individual citizens and Albertans as business owners, large and small. Had we not the confidence to embrace the free market system, it would not have been possible for others to come into the market to bring their resources, their innovations, their skills, their commitment.

The Chair: The hon. Member for Edmonton-Gold Bar is rising on a point of order.

Point of Order Relevance

Mr. MacDonald: Yes, please. *Beauchesne* 459(1), relevance. Amendment A1 was specific to the market surveillance administrator, nothing to do with coal generation.

Mr. McClelland: Mr. Chair, I'll save the chair the difficulty of having to go through various references to cross-check the reference of the hon. Member for Edmonton-Gold Bar, and I stand suitably admonished for straying from the amendment, which had to do with the market administrator and the amendment here.

Debate Continued

Mr. McClelland: Now, it's clear, my friends, that were a market administrator as devised by the hon. Member for Edmonton-Gold Bar to be a part of this debate, that very individual would say: "Right on. What you're saying is absolutely correct and should have been said long ago." He or she, the market administrator, would probably say: I cannot understand the reluctance of the Liberals and the New Democrats to embrace legislation which would provide for a more competitive market, which would provide for innovation, which would provide for the use of green power, which would ensure that the future citizens – our children, our grandchildren, and their grandchildren – would have energy supplies at the flick of a switch, unlike other jurisdictions in our country and in the world who on the flick of the switch get disappointment because of yet another brownout, because there has not been the innovation or the investment in the energy sector, who when they open the mail and get their tax bill have disappointment because they know that they are going to be paying the price for public investment and investment and investment and lower power bills because they're paying higher taxes to offset the public investment in generation of power.

So, my friends, we have a bill before us which provides for the citizens of Alberta to have a market-driven energy industry using natural gas, evolving into coal hopefully, hydrogen, using green energy, using wind power, and the generation of energy from waste materials, technology that the world will come knocking at our door to purchase, providing jobs and a future for every Albertan, every child, every grandchild, and the thousands of people that move to our province every year for just those opportunities.

So I thank the Member for Edmonton-Gold Bar for inviting this member, this Member for Edmonton-Rutherford, to participate in this debate and try once again to put the opposition on the right course.

The Chair: The next speaker is Edmonton-Highlands, followed by Wainwright, followed by Edmonton-Riverview, followed by Vermilion-Lloydminster.

3:50

Mr. Mason: Thank you very much, Mr. Chairman. Well, I'll be glad to share the time with hon. members who wish to speak, so I will be relatively brief. However, you know, I must say in passing that once we have only an hour to go on the debate for the entire bill as well as any amendments and so on, it is interesting that members of the government are quite a bit more willing to jump up and speak for extended periods of time, and it leaves me wishing that we could in some way impose closure within the hour. Just for the record, that was a joke – that was a joke – and it better not appear in any Tory pamphlets in the next election.

The hon. Member for Edmonton-Rutherford talks about the advantages that are brought about as a result of the government bill, one of them being about how high gas prices bring innovation and make the best use and encourage conservation. But if we come to how the high prices have been arrived at, I think it tells a different story, Mr. Chairman. The primary reason for high prices for natural gas right now is that enormous quantities of this gas are being exported to the United States for them to use and for them to use to create jobs in their economy at our expense. So this is hardly conservation. It's conservation by wholesale export of a diminishing and valuable natural resource. I just needed to say that.

Mr. Chairman, I just want to indicate that I regretfully cannot support the hon. Member for Edmonton-Gold Bar's amendment to add a market surveillance administrator to the Gas Utilities Statutes Amendment Act, 2003. I know that this is a provision that's included in the electricity act that we're also debating, Bill 3, but this implies acceptance of the government's approach to deregulation of natural gas, that there would be a market and somebody's got to keep an eye on the market and so on. Quite frankly, the New Democrat view is that we don't need a market surveillance administrator; we need a regulated price for natural gas. Since it is our natural gas, then the needs of Albertans should be met first, and the entire structure that is being developed in Bill 19 will add enormously to the cost. The administrative structures will add a layer of costs as well, and that is not in the interests of Albertans as we see it. So we do not support Bill 19, and we cannot support this particular amendment since it merely reinforces the government's approach to deregulation in the gas industry.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Wainwright.

Mr. Griffiths: Thank you, Mr. Chairman. The amendment that the hon. Member for Edmonton-Gold Bar has presented is an interesting one.

Mr. Rathgeber: That's one way of describing it.

Mr. Griffiths: Yes. It is one way of describing it.

He drew the comparison between Alberta's deregulated electricity market and the market surveillance administrator as proposed. I think it's important to point out to that member some of his misinformation or his lack of understanding of the situation as regards comparison between electricity and gas. Mr. Chairman, the wholesale electricity markets have only been deregulated for several years, and the whole market itself is continuing to develop. The primary function of the proposed market surveillance administrator in electricity is to monitor the competitiveness of Alberta's emerging

wholesale electricity market to make sure that consumers get a fair price, that they're treated fairly, and that there is competition.

The difference between the electricity market and the gas market, Mr. Chairman, is that the natural gas market has been deregulated in Alberta for 17 years. It's a very well-developed wholesale natural gas market. It is extremely competitive, and it's highly integrated into a broader North American market. Any examination of the competitiveness of the wholesale natural gas market would need to occur on an interjurisdictional level. This of course would be beyond the scope of any market surveillance administrator that would be set up in Alberta. So I guess if I have a question to the member, it's: how could you justify creating a market surveillance administrator that could only function in Alberta, would be limited, couldn't deal with competition across the entire North American natural gas market? I don't understand it. It seems to me a waste of money and expense: taxpayers' money, taxpayers' expense.

At the same time, Mr. Chairman, I think it also has to be pointed out to the hon. member that Alberta Government Services responsibly oversees consumer protection relating to natural gas and electricity retailers and takes that responsibility very seriously. They do an excellent job at it. They will be monitoring the market prices very carefully. As well, the EUB is responsible for setting regulated transmission and distribution rates and regulated rates for gas and electricity. We have two bodies already created to monitor the system and make sure it works effectively. The board reviews metering and billing. It looks at residential, commercial, and small commercial consumers, and it's done so for years.

Bill 19 the way it's set up now will give the EUB additional authority to – I've written them down, and I'm going to list them – regulate companies other than utilities that would now be able to provide natural gas at regulated rates to consumers; increase fines for noncompliance with an EUB order; enable the EUB to enforce service quality standards and enforce a code of conduct which will govern the relationship between utilities, default supply providers, and retail affiliates.

Now, Mr. Chairman, in summary, if we started looking at examining the competitiveness of the wholesale natural gas market, we'd have to look at it in an interjurisdictional manner, which an Alberta market surveillance administrator could not do. We already have two bodies that effectively regulate or watch the market, and I guess my question to the member is: given that these two bodies already do this and given that it wouldn't have any effect interjurisdictionally, would the member consider admitting that this would just be duplication and a waste of taxpayers' money and remove his amendment?

The Chair: The hon. Member for Edmonton-Riverview, followed by Vermilion-Lloydminster.

Dr. Taft: Thanks, Mr. Chairman. A few comments, partly in response to the Member for Edmonton-Rutherford. I'd just like to point out to him, although he led the whole debate astray by drawing in the electricity industry, that before there was deregulation in electricity, the most reliable electricity in the world was in Canada. Edmonton Power, which was publicly owned in a regulated system, had virtually the top reliability in the most reliable country of the world. It also had far cheaper rates than we've got now. So correct your facts. Correct your facts.

Now, on this particular amendment I hear from government members repeated rejection of the notion of a market surveillance administrator. All we're trying to do here is keep you consistent. Bill 19 is aimed at drawing the gas network closer to the electricity system, and the electricity system integrated continentally has a

market surveillance administrator. So given that the government members are rejecting this notion for Bill 19, I'm wondering if they will be accepting an amendment to pull that function out of Bill 3. Would they be quite pleased to do that? I'd like their response. Are we going to chuck the electricity market surveillance administrator too? I think the public is deeply and justifiably concerned about price manipulation. I know for a fact that they want consumer protection. They don't know where to turn, and this is one chance to offer them a bone, at least to offer the consumer here a little bone while the big dogs of commerce eat up the rest of the dinner. Why don't we give the consumer a little bone?

4:00

I don't know how many of you have ever been to Bulgaria. I know I haven't, but there is a saying from Bulgaria: dry pants catch no fish. What we see here is a government that's committed to dry pants. We want the government to wade into this situation, get their pants wet, and catch a few fish, at least be on the prowl for some fish in case those fish are sharks out there cruising for innocent consumers.

So I'd encourage the government to accept its responsibility to protect consumers, accept this amendment to Bill 19. It will be a better bill because of it.

Thank you.

The Chair: The hon. Member for Vermilion-Lloydminster on amendment A1.

Mr. Snelgrove: Thank you. To talk to the amendment and just some of the subtle differences between a gas market regulator and an electrical market regulator, they are utilities, granted, but they are produced in very, very different methods. The ability to store electricity is nonexistent, so to regulate what is produced at power stations mostly like we have in Alberta, it's very critical that the balance between production and consumption be as closely tied as it can be because electricity that is not used is gone. Now, natural gas, on the hand, can be produced through the entire year. It can be put into storage caverns, and when you shut the switch off at your house, it stays in the gas line. It's not a commodity that just disappears. So to have the same surveillance on top of these things – we're not dealing with apples and oranges here.

Let's get a little bit more into what you mean about having an individual. According to your motion, "The Minister of Energy must appoint an individual." Well, with this bill he's done a lot better than that. He has 900,000 individuals monitoring the price of gas. And they won't report to the minister; they'll report to the company that's selling them that service. So rather than having someone watching out for people that purchase their own groceries, their own cable TV, their own telephone, that are completely capable of getting their own mortgage, buying their own vehicles, buying their insurance, buying all the commodities that are necessary in our life without the minister appointing someone to watch their business affairs, they're going to be able to do this by themselves.

Now, a really good example would be a gentleman from my community named Mr. Jim Davidson, who purchased a contract from, believe it or not, EPCOR three years ago for \$3.90. Now, at the time he was paying a little bit more than it was, but he stepped out on his own and bought a long-term contract with EPCOR, that right now is saving him a lot of money. He did that without anybody's help. He did it as a purchase of a commodity in the marketplace. Now, Jim isn't special. Jim has worked all his life. He's just an average, normal Albertan who on his own purchased a long-term requirement that he thought for his life and his situation was the best

thing he could do. In hindsight, which we're all very good at going to here, it was a very good move. But he did that.

Now, he couldn't have done that 10 years ago. He had to deal with ATCO, no ands, ifs, or buts. So now he had the opportunity to shop around, and he saved himself probably several hundred dollars a month. Giving customers a choice shouldn't have to be monitored by anybody. Hopefully, as time goes on and people become more aware of the electrical market and more suppliers are there, we will be able to back away from that individual who will have to monitor the electrical utilities, and the marketplace will begin to work as markets do when government gets out of the way.

We seem to think that somehow competition is new. I mean, it's a fact that natural gas customers, commercial people, have been able to have choice for over a decade, large customers since 1988, since the '70s in some cases. So why was it all right for the big boys to be able to buy at a right price and not the little guys, not the residential people, not the real people that it affects? We wouldn't allow that before, but things have changed.

So with this system we have in place, with this new process people talk to their neighbours. They see it on the news. The opposition makes a point of letting everyone know what all the bad options are out there and what good options they should do. People will use their good information and their diligence to make a decision about who they're going to buy their natural gas from, and trust me, they will be comparing with their neighbour in the coffee shop what price they pay, what other benefits they may have got.

Just take a step back to the deregulation of the phone rates. Ten years ago who was phoning you and saying: do you want to buy from Sprint? Nobody. Because it wasn't possible. They've actually become a bit of a pain now because they all want you to use their phones. Yet in the regulated monopoly part that Telus still has, they don't even have to provide service to people in my area for up to three years after they've built their house, and there is no one else allowed in there to do it. Now, that's blatantly unfair to parts of Alberta, but there's where you leave the regulated monopoly in place. They don't have to care. They don't have to worry about competition. They have the worst of all controls; the monitor is the federal government, probably the last fox you want to put in charge of the chicken house, probably the last one.

The thing we have to remember: I think many Albertans are under the impression that they're going to have to make a choice pretty soon, that they're going to have to do something, and maybe they're counting on the good graces of companies now, but they don't have to do anything. If you're perfectly happy with the service and the price you're getting from your natural gas provider, you could just simply stay there and get your bills, and they will provide that natural gas to you under the same governing body that they do right now. Now, I would think that some people that are more conservative, to use a phrase that's kind of popular in Alberta, may say: "I want to wait and see how this goes. I don't want to make that decision right now, so I'm going to watch. I'm going to talk to my neighbour on this side; I'll talk to my cousin down in Red Deer. I want to find out what they're doing." Believe me. When a marketer starts to provide better prices, better service, maybe a better monthly package, they'll get it. I mean, that's the way business works.

You know, most utility companies have let Albertans average their price along. Now, they didn't average the price of gas; they averaged the payment. And that was easy to understand: well, if I pay a hundred dollars a month, that's kind of like averaging out the price of gas from \$7 to \$2. Averaging is much easier for many, many people's household budgets. I know it certainly is for mine. So we've had that ability to understand that we can put a little bit of long-term stability into our household utility bill, and that benefits probably most people, most people that make what we make in here

and much more for people that make less. No one had to monitor that offer from the utility companies to say: "Do you want to pay a hundred dollars a month? Do you want to go from \$300 in the winter to \$20 in the summer?" They did that if it suited their situation. And this – what do I call you? Chairman? Speaker?

The Chair: Chairman.

Mr. Mason: That shows how much you speak.

4:10

Mr. Snelgrove: Yeah. You see, it's because we listen over here.

Mr. Chairman, there's another part of it that the regulatory body needs to make sure will be fair. The rural gas co-ops, now, are in a very different situation than a public utility in a city in that they have a closed group of owners. The only specific clause is to provide that utility gas service to them, and it will be difficult if one or two of those people in there decide they would like to be serviced by a new provider, who for some reason got gas cheap to them. We've recognized that in this legislation, and rather than have a monitor do that, we've let them decide. If the gas co-op says, "We're not playing. We voted. Our people want us to be the sole purchaser of gas, and the delivery will remain exactly like it is. We're going to buy it on the spot market or however they've done in the past," they'll be able to do that. But, you know, if the people in there say, "Let's open this up; let's, you know, get our fees for the delivery of it within, but let's let whoever wants to buy it," that's great.

I have an unfailing faith in human nature that those who have the general good of their neighbours will take charge and will help them, and they'll become informed, as most small rural communities and gas co-ops do. I mean, you don't have everyone be the expert on gas purchase or the cost of your distribution system upkeep or the equipment replacement, all the things that come into running a distribution system.

Now, there are many other things, if you were to have a market surveillance administrator, that he would have to deal with. Now, I mean, it would be one thing if he simply said: well, the price is too high, or the price is too low. But utilities don't set that price. The world market sets that price, and they take it. They either purchase from someone who's a producer on a long-term contract, that may give them a lower price than the spot and slightly higher than low spot prices – this amendment and this bill have nothing to do with the actual price of natural gas. It has to do with putting the stability into the delivery of it to you, to the consumer.

As part of the natural gas bill you have your basic charge for the gas; you've got rate riders, that might be there for maybe a pipeline or for some price that was up or down; your variable delivery charge, which could be on someone who uses huge amounts occasionally and not much; your fixed delivery charge, which is paying for the basic infrastructure; you have your municipal franchise tax, which many municipalities use as kind of a cash cow and may be not as appropriate as it should be; you have your meter reading, which is becoming more and more automated and more and more distant. I mean, many of our houses now and many of our businesses are read from the office in Edmonton over the phone lines, especially the big industrial users. So that price comes down too, but you don't need anyone monitoring that because business is able to look at the bills and say: can't afford to have the guy driving out every month or every two months; I want to go on the remote reading. Then, of course, the favourite son of all costs on it: the goods and services tax. I would agree with the hon. member who brought this forward, that part should be monitored by somebody, because that's really a cruel . . .

An Hon. Member: What part?

Mr. Snelgrove: The GST. It's just kind of a cruel trick they played on utilities.

So, Mr. Chairman, I think we have to take mainly under advisement that natural gas is different from electricity. It can be stored. It can be spot purchased at lower prices and stored; electricity cannot. So I think that in all fairness and with the good intentions of the hon. member we have to advise him that this is probably not a wise expenditure of money to include another level of bureaucracy in a place where it's probably not needed.

So with that, Mr. Chairman, I shall take my seat and thank the hon. member for his encouragement to partake in today's discussion.

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

Mr. MacDonald: Thank you, Mr. Chairman. I rise again to debate amendment A1 on Bill 19. Certainly, I'm pleased to see that the previous speaker, the hon. Member for Vermilion-Lloydminster, recognizes that electricity is an essential service because electricity is a product that cannot be stored. I'm pleased to hear that. Electricity is not a commodity. Another correction to the hon. member is that we do not have a world market for natural gas. We have tied ourselves to the North American market. Now, if we were to look at the world market and we were to look at, say, natural gas liquids or natural gas coming from the southern part of Argentina, there would be a significant price difference, and the gas co-ops in the hon. member's constituency would be envious of the price that the Argentinians pay for domestic gas. So to say that there is a world market is, to say the least, inaccurate.

Certainly, the hon. member said earlier as to previous speakers that: well, this is not needed. And then the hon. member said: oh, but we care and we listen. Well, the PC Party in Alberta, which some would consider to be a regulated monopoly – the policy chairperson, a gentleman by the name of Mr. Bill Almdal put together this resolution package and is calling for price protection for rural utility systems. If it's good enough for the policy committee of the Progressive Conservative Party, I don't know why it's not good enough for government members. They recognize a need for this.

I think it's a contradiction, in conclusion, to have a market surveillance administrator for electricity customers and then to just leave out the natural gas customers.

Thank you.

[Motion on amendment A1 lost]

The Chair: There are only two members standing. You need three, hon. member.

Mr. MacDonald: No. I don't want a standing vote, please, with the limited time we have left.

The Chair: All right. Sorry. Do you care to speak on the bill itself?

Mr. MacDonald: Yes. Thank you very much, Mr. Chairman. In the amount of time we had to discuss this very important issue – the 60 minutes is a guillotine on democracy. A standing vote, as much as I would like, would probably take up the last remaining bit of time that we have to discuss this important issue and how we're going to deal with the gas retail marketplace.

Now, I'm disappointed, to say the least, that amendment A1 did not pass, but certainly there are other concerns that have been expressed through this hon. member. One of them in regard to natural gas – and this government has been negligent in dealing with it in this bill, and at this time I would like to – is the natural gas quality in Alberta. The Federation of Alberta Gas Co-ops has a lot

to say, and they have a lot of concerns, particularly for those customers in southeastern Alberta. Our correspondence with the Federation of Alberta Gas Co-ops, Mr. Chairman, indicates that Alberta is one of the only jurisdictions in North America that has no criteria for supply basin gas quality. In Alberta we have always been at the whim of the tariff approved by the regulator, which does not imply or guarantee gas quality.

The solution according to the fine people over at the Federation of Gas Co-ops is to implement an inner Alberta delivery specification on natural gas that ensures that connecting operators such as the federation members are protected from plant upsets and in turn can pursue remedial action and costs when a plant upset occurs. One example is that currently in Alberta the large transportation utility tariff states that 16 parts per million of hydrogen sulphide is allowed in natural gas while Occupational Health and Safety has set safe exposure limits of 10 parts per million. So that's a difference of six parts per million. The inherent risk of this commodity can be minimized by preventive legislation.

4:20

They go on to say that a process was attempted through a negotiated settlement with producers and transporters in the province. As far as I know, to-date that process, Mr. Chairman, has failed. Now, I don't know what sort of discussions have gone on in the meantime, but I did not find any part of this bill that is going to protect the safety and integrity of our natural gas pipeline systems in the province as well as the consumers that they serve. Again, I'm disappointed.

I know this legislation wasn't drafted in haste, Mr. Chairman. Certainly, as was discussed here earlier, there have been draft copies of this on the Internet since last October, and even some of the draft regulations were on the Department of Energy web site, but no mention of this. If we cannot pass a law that is going to protect not only the delivery system but the consumer at the end of it, then I think we should have another look at this bill.

I'm sad to think that in light of these important issues and other issues this Assembly is not going to get a chance to debate Bill 19 in this nature. Certainly, it's a first that this hon. member has heard from the hon. Member for Wainwright, the hon. Member for Vermilion-Lloydminster in relation to this issue. This issue is of great importance to the rural gas co-ops, and I don't know – in their remarks they didn't explain how many rural gas co-ops they had.

The Chair: I hesitate to interrupt the hon. Member for Edmonton-Gold Bar, but pursuant to Government Motion 15, agreed to March 20, 2003, which states that after one hour of debate all questions must be decided to conclude debate on Bill 19, Gas Utilities Statutes Amendment Act, 2003, in Committee of the Whole, I must put the following question: on the clauses of the bill are you agreed?

Some Hon. Members: Agreed.

The Chair: Opposed?

Some Hon. Members: No.

The Chair: Carried.

[Several members rose calling for a division. The division bell was rung at 4:23 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Abbott	Haley	O'Neill
Broda	Hancock	Rathgeber
Calahasen	Hutton	Renner
Cardinal	Jonson	Snelgrove
Coutts	Klapstein	Stelmach
Danyluk	Lougheed	Strang
Forsyth	Mar	Tarchuk
Friedel	Maskell	Taylor
Fritz	Masyk	VanderBurg
Gordon	McClellan	Vandermeer
Graydon	McClelland	Woloshyn
Griffiths		

Against the motion:

Bonner	Mason	Taft
MacDonald		

Totals:	For – 34	Against – 4
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[The clauses of Bill 19 agreed to]

[Title and preamble agreed to]

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

Some Hon. Members: Agreed.

The Chair: Opposed?

Some Hon. Members: Opposed.

The Chair: Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report Bill 19.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 19. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in this report?

Some Hon. Members: Concur.

The Deputy Speaker: Opposed?

Some Hon. Members: Opposed.

The Deputy Speaker: The motion is carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. Pursuant to the agreement arrived at between House leaders earlier I would move that we do call it 5:30 and adjourn until 1:30 p.m. on Monday.

[Motion carried; at 4:37 p.m. the Assembly adjourned to Monday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Monday, March 24, 2003**

1:30 p.m.

Date: 03/03/24

[The Speaker in the chair]

head:

Prayers

The Speaker: Good afternoon. Hon. members, would you please remain standing after the prayer for the singing of our national anthem.

Let us pray. Our Father, we confidently ask for Your strength and encouragement in our service of You through our service of others. We ask for Your gift of wisdom to guide us in making good laws and good decisions for the present and the future of Alberta. Amen.

Now, would you please join in the singing of our national anthem. We'll be led today by Mr. Paul Lorieau, and would you please feel free to participate in the language of your choice.

Hon. Members:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

The Speaker: Please be seated.

head:

Introduction of Visitors

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Well, thank you very much, Mr. Speaker. It's my pleasure today to introduce two guests sitting in the Speaker's gallery today. His Worship Mayor Dave Bronconnier is here representing Alberta's largest city, the city of Calgary. I'd like to introduce him as well as his chief of staff, Marc Henry. I'd like to invite both to rise and receive the warm welcome of the Assembly.

head:

Introduction of Guests

Mrs. McClellan: This morning I had the opportunity, with my colleague from Olds-Didsbury-Three Hills, to attend the investiture of lifesaving honours. It is my honour and pleasure to introduce to you and through you to members of the Assembly two young men who received that honour along with a friend of theirs who was unable to be with us in the Legislature. They were honoured for saving a friend of theirs from icy water, actually at the seventh hole of the Drumheller golf course. I told the young men that we always thought the back nine was the dangerous part. These young men joined a number of others today in being honoured for extraordinary efforts to save a life. I will first introduce the two young men and their guests in your gallery. We have Kyle Kohut and Jeff Potter. These are the young men, with their friend Ben Kirby, who saved this young man's life. They're accompanied by John Kohut, Blair Potter, and Jarred Potter in your gallery, Mr. Speaker. With your permission – the balance of their guests are in the members' gallery – in the interests of time I would ask them to stand as well: Sandra Kohut, Liz Potter, Carli Samuel, Brittney James, Karly Kohut, and Jennifer Potter. Would you please give our guests a very warm welcome.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. I'm very proud today to introduce to you and through you to members of the Assembly five constituents from Olds-Didsbury-Three Hills. I'd like them to stand as I call their names. First, Bev Oliver from Three Hills. She was at the same awards this morning that the Deputy Premier spoke of, where she received her bar to the service medal for eight years of volunteer service. We have Bob and Anna Thompson. Bob is a member of the David Thompson health authority from the Trochu area. They are very proud to have with them their daughter Deanna, who also received an award this morning, the M.G. Griffiths plaque, which is the highest bravery award presented by the Royal Life Saving Society, for Deanna's work in Bali during the terrorist attacks on October 12 of last year, where she narrowly escaped the bombing but reacted very quickly in helping to save lives and treat many of the injured. They are all seated in your gallery accompanied by my lovely wife, Janis, and I would ask them all to stand and receive the very warm welcome of this Assembly.

The Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Speaker. On your behalf it's my pleasure to rise today to introduce to you and through you to the members of this Assembly 81 special guests, 67 students and 14 adults: teachers Mr. McDonald, Mrs. Chapotelle, parent helpers Mrs. Redl, Mrs. Ducharme, Miss Hill, Mrs. Gatzki, Mr. Stott, Mrs. Wahlund, Mrs. Rempel, Mrs. de Bruijn, Mrs. Steckly, Mrs. Miller, Mrs. Dubrûle, and Mrs. O'Brien. They're seated, I believe, in both galleries, and I'd ask them to please rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much, Mr. Speaker. It does give me a great deal of pleasure to rise on this glorious Alberta day and introduce to you and through you some few individuals from our Economic Development communications branch, a job not without its challenges. They are visiting the House today, and I'd ask them to rise as I call their names and be recognized: Chantal Beesley, Trina Dool, Rebecca Gillham, Connie Hill, and my old high school pal Ken Klatchuk. Would you please rise and receive the warm welcome of the House today.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I'm very pleased and honoured today to be able to introduce to you and through you to all members of the Assembly a very sharp group of students who attend John A. McDougall school in my riding of Edmonton-Centre. They're seated in the public gallery. I've already met with them. They're very aware of current issues like smoking and VLTs. With them today are two instructors, Ms Dhyana Roche and Miss Kym Beres, and I would ask them all to please rise and accept the warm welcome of the Assembly.

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

Dr. Pannu: Thank you very much, Mr. Speaker. I'm delighted to introduce to you and through you to all members of this House Mrs. Hayward from Edmonton. She's very concerned about the financial crisis that our public school system faces today and has been facing for some years. Mrs. Hayward is a parent of five children and

grandparent of 11. Mrs. Hayward's grandchildren attend five different schools, and she's active with each of the schools. She's a tireless volunteer and passionate supporter of adequately funded public schools. Mrs. Hayward is seated in the members' gallery, and I will now request her to please rise and receive the warm welcome of the Assembly.

1:40

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

Dr. Taft: Thanks, Mr. Speaker. It's my pleasure to introduce to you a guest who's seated in the members' gallery. She's a constituent of mine, a mother of four, a passionate advocate of public education, and a member of the Windsor Park school committee. I would ask all members of the Assembly to give Melanie Shapiro a warm welcome. If you would stand, please, Melanie.

Thank you very much.

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

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to introduce to you and through you to this Assembly one of the very active people in the New Democratic Party. Erica Bullwinkle is the first vice-president of the Alberta New Democrats. She took part on Saturday, along with 18,000 other people, in the rally that ended at this Legislature, and she's here this afternoon to listen to the parties' positions on the current situation in the Middle East. I would ask Erica Bullwinkle to please rise and receive the warm welcome of the Assembly.

head: **Ministerial Statements**

The Speaker: The hon. the Premier.

War in Iraq

Mr. Klein: Thank you, Mr. Speaker. Today I rise to comment on the strong friendship that Alberta has with Canada's closest ally and neighbour, the United States. As American troops put their lives on the line across the world to defend very fundamental principles that Albertans share with the United States, I believe that it is important that our friends in the U.S. hear voices of friendship and support from abroad. Equally important is a message of support for troops from Britain and Australia, our friends in the Commonwealth. They, too, are at the front lines of this conflict, and our prayers are with them.

Mr. Speaker, Albertans have strong ties with the United States. These ties extend far beyond economic interests. The ties between Alberta and the U.S. are rooted in much common history, a tradition of interchange of ideas, and shared values. Today, as conflict rages in Iraq, the thoughts of Albertans, including me and everyone in the government caucus, are not on economic issues. Our thoughts are with the troops, their families, and the American people, who are risking so much in order to uphold what so many believe in.

Our thoughts are also with the people of Iraq, a people with a long and honourable history of contributions to civilization, the arts, and human progress. We pray that peace will come quickly to their nation and that the result of this conflict will be lasting freedom and prosperity for them.

Certainly, Mr. Speaker, war is a horrible thing. Television images that Albertans and people around the world have seen over the last few days are powerful, sobering reminders of the ugliness that is war. These images and the very idea of war are stirring passionate emotions among Albertans and people across the globe. There are

profound differences of opinion among people as to whether this conflict is necessary or justified, and I respect and I'm sure all members of this Legislature respect the views of those who disagree with that conflict. I know that people who oppose this war speak honestly and from the heart.

For me our friendship with the United States means that we must send a message of support and support for other partners of the coalition. This does not mean that I advocate the use of Canadian troops in the conflict. I don't even know if Canadian troops have been requested. There are Canadian military personnel in the region, and our thoughts today are for their safety and the well-being of their families. In regard to the Iraq conflict the deployment of the Canadian military is a matter strictly for the federal government, and I will respect their decisions on the issue.

My message, Mr. Speaker, is one of friendship. It is a message of support for our neighbours and friends in the United States. It is the hope that the conflict will end as soon as possible and that coalition troops will return home to the arms of their families safely and soon. It's the wish that the values all free peoples share, values such as freedom of expression, of belief, of opportunity, will echo in Iraq and indeed across the world as the result of this conflict.

Thank you.

Dr. Nicol: We live in a dangerous and confusing time, Mr. Speaker. With the events of September 11 our world has fundamentally changed. We have entered a new era with new challenges, challenges which arise from actions of individual leaders like Osama bin Laden and Saddam Hussein. How we respond to those challenges will determine what sort of world we leave to our children.

What this new world needs, Mr. Speaker, is leadership, but that leadership must come through the United Nations, not from one nation acting alone. We recognize that the United States is our friend and ally. Many people say you should stick by your friends during this difficult time. That is true. Through the war on terrorism we have stuck by our friends.

The Official Opposition believes that leadership in the new age must be found in the rule of law. At the international level the United Nations is the organization that the world has chosen to embody and apply that rule of law. If we espouse our love for freedom and democracy, then we must respect the fundamental principles on which democracy is based. Provincial and federal politicians in Canada know the importance of the rule of law. We practise it every day. Canada is governed by the Constitution, that sets out the powers of the federal and provincial governments. Just as it would be wrong for the federal government to intrude into matters of provincial jurisdiction, so too it is wrong for the provincial government to intrude into matters of federal jurisdiction. Provincial leaders should address their concerns of federal jurisdiction to the government of Canada, not to representatives of foreign governments.

Mr. Speaker, the democracies of the world are expected to provide leadership and guidance to a postwar Iraq. How can we provide that guidance if we don't respect the rule of law at home or abroad?

In closing, Mr. Speaker, the Official Opposition sends their thoughts and prayers to the men and women serving with the U.S., British, and Australian forces, to their families, to the families of the people of Iraq who suffer from this action, and to our own men and women in the Canadian armed forces, who continue the fight on terrorism.

When we speak of friendship, we should not forget the important ties that many Muslim communities in Alberta and Canada feel to the people of Iraq. War will bring a great deal of suffering and strife to that troubled region. It is important that Canada be there through

the United Nations to help with the reconstruction of Iraqi communities. This action would be consistent with Canada's long-term commitment to peacekeeping and peace building through the United Nations.

Thank you, Mr. Speaker.

Mr. Mason: Mr. Speaker, I would request unanimous consent from the Assembly so that the leader of the New Democrat opposition can reply to the Premier's statement.

[Unanimous consent granted]

The Speaker: The hon. leader of the third party.

Dr. Pannu: Thank you very much, Mr. Speaker. I thank the House and you for this opportunity for me to make a statement on this very important issue of historic importance to all of us. I'm pleased that the Premier has chosen to retreat from some of his more inflammatory statements last week in support of the war against Iraq and his statements opposing the federal government's decision to not participate in what is an illegal and unnecessary war.

Last Saturday tens of thousands of Albertans marched peacefully against the decision of the Bush and Blair administrations to launch this war of invasion and occupation. This included 18,000 Edmontonians in the largest-ever rally in the history of this province. These Albertans marched in solidarity with millions of U.S. and British citizens who disagree with their governments on this war. These citizens realize that this war of aggression violates the UN charter and will only make the world less secure and less stable.

My New Democrat colleague and I, Mr. Speaker, maintain that the Premier should not have sent a letter to the U.S. ambassador purporting to speak on behalf of Albertans in expressing support for the Bush administration's decision to launch the Iraq war. This was clearly inappropriate for a provincial Premier, who is normally very sensitive about federal intrusions into Alberta's jurisdiction. I therefore urge the Premier to send a follow-up letter to the U.S. ambassador clarifying that he respects the decision and the jurisdiction of the Canadian government to not participate in the war against Iraq.

Like the Premier I, too, wish for a speedy end to this conflict, but surely the best way for this to happen is for the U.S. government and its allies to stop the war and withdraw from the territory of Iraq. An immediate end to this unjust, unnecessary, and unacceptable war of aggression is imperative, Mr. Speaker.

Thank you very much.

head: 1:50

Oral Question Period

Time Allocation

Dr. Nicol: Mr. Speaker, democratic government means that the people send members of all parties to the Legislature to debate matters of great public importance. Here in Alberta, however, this freedom is threatened by a government limiting debate on three bills affecting many citizens and arrogantly dismissing anyone who dares to oppose them. My question to the Premier: what's your government policy on when time allotment should be used?

Mr. Klein: Time allotment should be used, Mr. Speaker, when we have clear indication from the Liberal opposition that they're going to filibuster and hold up the business of the people of this province. Relative to one bill – I'm not sure which one it was; I think it was Bill 3 – I think they've already had seven hours of debate. Now, there are only seven of them. You know, that's an average of one

hour each. I can't imagine what they can possibly say in seven times one hour that hasn't been said before.

His Worship, the mayor of the city of Calgary, is in the gallery today. I don't know if the rules have changed, but I recall that at city hall debate was limited to five minutes per person. You know, if you can't say what you need to say in five minutes, then there's no use saying it at all. They've had seven hours already.

Dr. Nicol: To the Premier: how can you shut off the debate when you haven't yet heard or seen all the amendments we're proposing on those bills?

Mr. Klein: Mr. Speaker, they had lots of time to bring their amendments. You know, some amendments are rational, but amendments are simply another tool of filibuster. Nuisance and frivolous amendments are another rule of filibuster so they can talk again another seven hours on each and every amendment. When they keep bringing amendments forward and opportunity to speak and speak and speak again, that to me is a filibuster.

Dr. Nicol: To the Premier: if Bill 27 was so time sensitive, why wasn't that bill on health labour relations introduced at the start of the session instead of later?

Mr. Klein: Mr. Speaker, there is an Order Paper, and the Liberal opposition is privy to the Order Paper each and every day. We try to bring these bills forward as quickly as we can, but there is a process. There is a process in terms of getting a bill ready. Now, there are 47, I believe, pieces of legislation on this spring's Order Paper. Each of those pieces of legislation, since they are government bills and private members' bills – there are, well, 47 government bills, and I don't know how many private members' bills; many, many. But here is the process – and they will never know what the process is because they'll never be in government . . .

Mr. MacDonald: Don't be too arrogant.

Mr. Klein: No, I'm not being arrogant. Lookit; you went down from 32 to 17, and now you're down to seven. Next time around you'll be down to none.

Mr. Mason: We've got nowhere to go but up, Ralph, so watch out for us.

Mr. Klein: Just wait and see.

Education Funding

Dr. Nicol: When it comes to funding for education, this government has broken more promises than it has kept. According to the Minister of Learning's press release of April 25, 2001, in addition to funding for teachers' salaries, school boards were promised increased funding for local priorities such as enhanced literacy, class sizes, and increasing costs in noninstructional areas such as transportation and operations and maintenance. The school boards dedicated the grant increase of 3 and a half percent to the classroom, following exactly the minister's directions. To the Minister of Learning: given that school boards spent this money on the classroom, as directed, where does the minister think the school boards will get the money for the teachers' salaries?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. I do not have the press release from two years ago in front of me, but I do believe it says that after consultation with the ATA and with school boards there would be money available potentially for the classroom. I will attempt to get a copy of the actual press release and be able to read it and elucidate the Assembly as to what it actually said.

Dr. Nicol: Again to the Minister of Learning: is the minister accusing the school boards of not being open about their finances when they say that there's no money left to fund the arbitrated settlement with teachers?

Dr. Oberg: Mr. Speaker, I think the hon. Leader of the Opposition is referring to what we have done in Edmonton, and I think he will be pleasantly or unpleasantly surprised when the audit comes back. We have some schools, for example, that are showing utilization rates of anywhere from 24 to 25 percent. We've got to take a very serious look at some of these things. We have school programs in schools that have 35 students in them. Even in rural Alberta that program would not have continued.

Mr. Speaker, I would just ask that the hon. Leader of the Opposition wait until we have the audit. I'm hoping that the audit will be in by the end of next week. My people are now telling me that the actual audit itself will be approximately 200 pages, so I don't know if we will have it by the end of this week.

Dr. Nicol: Again to the Minister of Learning: will the minister prevent the teacher layoffs and cutbacks planned in schools across Alberta and finally fund the arbitrated salary agreement?

Dr. Oberg: Mr. Speaker, there are two parts to that question that I'd like to respond to. First of all, the part about funding the actual settlement: there was \$298 million given for a settlement of \$260 million, and I've said that numerous times in this Assembly.

There is one other point that I hope the hon. Leader of the Opposition will find interesting, and that is that there have been, apparently, layoff notices, or there have been teachers that have been singled out to be laid off in Edmonton. A very interesting fact is that Edmonton public does not know how many teachers will be retiring until the end of May, so it seems a little bit premature to be putting in layoff notices when they don't know – they don't know – what number will be retiring due to attrition.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Energy Deregulation

Mr. MacDonald: Thank you, Mr. Speaker. Energy deregulation is the most spectacular policy failure of this Progressive Conservative government. Business owners are so upset. They say: "The bills are so big; I don't like to open them up until they're due. Why stress myself out?" My first question is to the Premier. Given that an owner of a furniture store had an electricity bill of \$7,000 in 2001, \$12,500 in 2002, and if the current prices continue will have a \$24,000 bill at the end of this year, how can the Premier continue to claim that energy deregulation has reduced the cost of electricity for this and other small business owners across this province?

Mr. Klein: Mr. Speaker, I noted that the hon. member used "if," but he doesn't mention if prices go down what will happen. If prices go down, then, you know what? They will go on to another issue. You just watch and see. You see, they watch the political winds, and

whatever way the political winds blow, then they make a lot of noise, but as soon as the situation quiets down – so if the price goes down, so will the rhetoric.

So I say to that business owner: you look at things overall. You look at a very low taxation regime. You look at a government that plays fair, that gets out of the way of business to let them conduct business. You look at the very, very high productivity rate that we have in this province. You look at numerous other things that make up the Alberta advantage – no payroll tax, no sales tax, very low corporate tax, no capital tax, all of these things that Liberal and ND socialist governments have in other jurisdictions – and then you sort of figure out, which they haven't been able to do yet, why thousands of businesses are moving to this province.

2:00

Mr. MacDonald: It's been a mistake, and you know it.

Again to the Premier: given that in 2003 the year-to-date wholesale price for electricity is 8.9 cents a kilowatt – and that is 3 cents a kilowatt higher than it was last year – when can small business owners in Edmonton expect this mythical price of yours to come into effect? When are prices going to go down instead of up?

Mr. Klein: Mr. Speaker, prices will go down when the price of gas comes down, when the cost of generating electricity comes down, as more competition comes onstream. It will come down. I would remind the hon. member that it was the business community that supported strongly the notion of deregulation. Absolutely. When it was first introduced in 1995, we had strong support from the chambers of commerce in this province and from the private sector generally. You know, it's so typical of the Liberals to focus on the negative impacts of anything, because that's where their minds are. Their minds are in a negative mode.

To speak about the positives in this province, I'll call on the Minister of Economic Development.

The Speaker: The hon. minister.

Mr. Norris: Thank you very much, Mr. Speaker. As the Premier indicated, there are a lot of facts that I would like to put on the table because the fiction that seems to emanate over there is confusing, muddying the water.

I would like to just point out as a small business owner why people set up in Alberta. It's a great place to do business. In Alberta unemployment in the last two years has risen to the highest, Mr. Speaker, anywhere in Canada.* The number of new jobs is the highest of anywhere in Canada. This should very much interest the hon. member opposite. [interjections] Hey, hey, hey, fellows. The largest increase . . .

The Speaker: That's my job to say hey, hey, hey.

Hon. Member for Edmonton-Gold Bar, your last question.

Mr. MacDonald: Thank you, Mr. Speaker. This to the Minister of Economic Development. How can this minister state that entrepreneurs must accept more responsibility for high energy prices when this Progressive Conservative government's energy deregulation policy is to blame?

Mr. Norris: Well, now I'm back up, sir. I'll give you the bottom line. Mr. Speaker, I would like to preface this because this is very important for everybody to understand, including the Liberals. There are concerns in the small and medium and large business communities. There's no doubt about that. We are not going to

*See p. 668, right col., para. 1

deny that. But the bottom line is that all the economic indicators that everybody looks for in Canada are the best in Alberta.

I want to talk about the one that the hon. member was referring to, saying that businesses are in turmoil, that they're having trouble. The largest number of increases in small business in all of Canada, Mr. Speaker, took place – guess where? – in Alberta. So I would ask the hon. members opposite: instead of focusing on one piece of the puzzle, which is an important one, why don't you look at the whole package that this government I think quite brilliantly has put together that makes it the best business environment in the country, no ifs, ands, or buts about it?

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Edmonton-Rutherford.

Education Funding

(continued)

Dr. Pannu: Thank you, Mr. Speaker. For the last few months school boards, parents, community groups have all been trying to warn this government that if funding for education doesn't increase beyond the planned 2 percent, massive service cuts will occur in our schools. Another example of how this government is letting Edmonton down: Edmonton Tory MLAs are telling trustees to not expect anything beyond a 2 percent increase for the next budget year. With inflation over 7 percent, an arbitrated teachers' settlement of 14 percent, skyrocketing utility costs, and a host of other factors driving up costs, this would represent a slap in the face of Edmontonians who believed that they were getting a seat at the table when they voted Tory. My questions are to the Minister of Learning. How can the minister defend a 2 percent increase for Edmonton public when he knows this will mean ballooning class sizes in Edmonton schools?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. I will not be commenting on the budget, as the budget is going to be laid down in this Assembly on April 8. What I will do, though, is, if I can, read a press release from budget 2001.

"I look to the school boards and the Alberta Teachers Association to ensure these significant resources are maximized – giving a fair [settlement] to teachers and addressing classroom needs."

The bottom line is that the budget is on April 8, and I would ask that the hon. member wait to ask questions on the budget until it's actually tabled.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Maybe the minister can tell the House if he will be advocating in cabinet for a funding increase of more than 2 percent for Edmonton schools.

Dr. Oberg: Mr. Speaker, one of the things that occurs in government is a thing called cabinet . . .

An Hon. Member: Secrecy.

Dr. Oberg: Well, basically, the things that are said in cabinet must stay in cabinet, and that's something that the hon. member will probably never see in Alberta. What is said in cabinet remains in cabinet. What is said in Treasury Board remains in Treasury Board.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the minister again: can the minister confirm that if in the last few days or weeks he or any Edmonton MLA considered the question of firing the Edmonton public school trustees for making public the deficit the board faces and the effect that that would have on our schools?

Dr. Oberg: Mr. Speaker, I believe there are about two or three questions there. The first question, I do not respond to innuendo that has been written in the newspaper. The second question is about a potential deficit, and I've said numerous times in this Assembly that there will be an audit that will be done by, again, probably not the end of this week because it is lengthier than we thought, but there will be the deficit that will be looked at at that time if indeed there is a deficit, and how that will be dealt with will be decided at that time. So that is coming soon, and hopefully I'll be able to give the hon. member a better answer at that time.

The Speaker: The hon. Member for Edmonton-Rutherford, followed by the hon. Member for Edmonton-Riverview.

Municipal Infrastructure

Mr. McClelland: Thank you, Mr. Speaker. My question is to the Minister of Municipal Affairs. Municipalities, particularly Alberta's major cities, have persistent and increasing demands to provide infrastructure and other services due to the enormous growth pressures of our buoyant economy. My question: does the minister recognize these problems, and what's being done to address them?

The Speaker: The hon. minister.

Mr. Boutilier: Yes. Well, to follow up on some of the earlier comments by the Minister of Economic Development, over the last nine years Alberta has been the fastest growing province in Canada, and of course the 360 municipalities that fall under municipal government are in fact growing each and every day and very rapidly. In fact, just this morning His Worship the mayor of Calgary as well as the mayor of Edmonton as well as the president of the AUMA, representing over 200 municipalities, as well as the president of the AAMD and C for municipal districts and counties – we met with them in partnership with developers, with the UDI group, the Urban Development Institute, and many others relative to: how do we grow the pie? As you know, Mr. Speaker, when people come to Alberta, the fastest growing province in our country, they don't bring their municipal infrastructure with them. What we were doing today in our workshop was looking at potential enabling legislation, in partnership with those developers, to grow the pie to deal with the kinds of municipal infrastructure pressures that cities such as Calgary and Edmonton are facing.

The Speaker: The hon. member.

Mr. McClelland: Thank you, Mr. Speaker. My final supplementary question is to the same minister. Does the minister have a road map or a blueprint by which achievement to meet these ends will be and can be measured?

The Speaker: The hon. minister.

2:10

Mr. Boutilier: Thank you, Mr. Speaker. In measuring our progress, I'd like to say that our roles, responsibility, and resources committee, the first of its kind in Canada – the Member for Calgary-Mountain View, the Member for Edmonton-Rutherford, the Member for

Whitecourt-St. Anne sit on that committee as well as the Alberta Economic Development Authority. What we're endeavoring to do: as we go forward in the rapidly growing economy that we're facing, we want to be able to measure that progress by working in partnership with municipalities, and we're doing that. With today's three-hour workshop we had some very good feedback from home builders, from the Urban Development Institute. What we want to do before anything enters this House is consult with our stakeholders so we can measure to deal with the pressures that municipalities are facing. I think we're doing that, and I think that in the short term you're going to see some very enabling legislation coming forward to hear the feedback that we heard this morning from those stakeholders.

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

Education Funding (continued)

Dr. Taft: Thank you, Mr. Speaker. The Minister of Learning says that parents should not use the proceeds of gambling to pay for the basics of school education, yet in some schools in my constituency budgets have fallen to the point where parent fund-raising from casinos now exceeds the schools' total budgets for nonsalary operating expenses. Parents resent having to work casinos to pay for basics like computers, books, and supplies. To the Premier: given that many parents like those at Windsor Park and virtually every school council I've spoken with think it is wrong to use the proceeds of gambling for school education, will he explain why his government is not fully funding the curriculum that Alberta Learning mandates?

Mr. Klein: Mr. Speaker, I think that the hon. Minister of Learning has explained the policy time and time and time again, and why the Liberal opposition fails to comprehend the answer is beyond me. The answer is a simple one, but knowing the mentality of the Liberals, I will have the hon. Minister of Learning explain it one more time.

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. The hon. member raised specifically Windsor Park school. Windsor Park has approximately 179 students and a utilization of 82 percent. They employ 8.7 teachers. For another one that was raised in this Assembly, McCauley school, the utilization is 35 percent. It has approximately 210 students. I've talked about numerous other ones. The bottom line on the question is that all the resources for the curriculum are provided to Edmonton public.

I believe that approximately a year ago certainly the superintendent for Edmonton Catholic put out a statement that there would be and that there was no fund-raising for the basic resources such as textbooks, things like that. Mr. Speaker, the superintendent of Edmonton public put out a mandate to his principals for the same thing. If the hon. member would give to me that these schools are indeed fund-raising for some of the necessities, I will certainly take a look at it. With site-based decision-making it is up to the schools how they spend those dollars. I would be more than happy to look into it if it is provided to me.

The Speaker: The hon. member.

Dr. Taft: Thanks, Mr. Speaker. Well, the minister refers to Edmonton Catholic schools, so what does the minister say to Catholics who are forced to choose between breaking faith with their bishop who advises them not to work casinos for school funding or, on the other hand, their schools who depend on casino revenues for supplies and equipment?

Dr. Oberg: Mr. Speaker, I would strongly suggest them to keep the faith. If they don't want to work casinos, then they don't need to work casinos.

Dr. Taft: To the Premier: does government policy recognize any moral issues with using the proceeds of gambling to fund education?

Mr. Klein: The question: does the government defend, I believe, any moral issues . . .

Dr. Taft: No. I'll repeat it. Does government policy recognize any moral issues with using the proceeds of gambling to fund education?

Mr. Klein: Mr. Speaker, the hon. Minister of Learning has already pointed out that adequate funding is available to provide for school essentials. Fund-raising, whether it's through lotteries or bingos or other forms, bake sales and cookie sales and so on, is used to purchase items such as field trips and band equipment and other items that the school council feels to be extra to the vital and essential needs of the schools. For years and years raffles and various forms of gambling have been recognized as a legitimate form of method to raise money for these extras.

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

Constitutional Reform

Mr. Rathgeber: Thank you, Mr. Speaker. The Kyoto protocol, a billion-dollar gun registry, and the Canadian Wheat Board Act are but a few examples of federal legislation that is bad for and disliked by many Albertans. Yet each of these pieces of legislation could have been modified, if not defeated, if there was an effective set of checks and balances vis-à-vis the federal House of Commons. My questions are for the minister of intergovernmental relations. When is the government of Alberta going to table a constitutional resolution to reopen a constitutional debate on Senate reform?

Mr. Jonson: Mr. Speaker, the government of Alberta has long been the leading advocate in Canada with respect to Senate reform. We've been an advocate for centuries actually. Alberta has held the only two Senate elections in Canadian history, has long lobbied other Canadian governments in support of Senate reform, and continues to raise the issue with the Prime Minister at every opportunity.

In November, as members of the Assembly will recall, the Alberta Legislature again reaffirmed its support for a triple E Senate by passing a resolution calling on the Prime Minister to respect democracy and appoint one of the province's elected Senate nominees. Following that, the Premier wrote the Prime Minister again asking that he do the right thing and appoint one of Alberta's nominees to fill a vacancy in the upper House. The Alberta government will continue to pursue Senate reform and will do its part to make sure that this is on the national agenda at every opportunity.

The Speaker: The hon. member.

Mr. Rathgeber: Thank you, Mr. Speaker. My only supplemental is to the same minister. When is the government going to become more proactive in redefining Alberta's place in Confederation rather than reactive by filing unsuccessful court challenges?

Mr. Jonson: Mr. Speaker, actually the government has been quite active with respect to issues that bear upon the question raised by the hon. member. Recently there have been a whole series of high-profile issues where Alberta has found itself in fundamental disagreement with the federal government, including the Kyoto accord and health reform. I could just report to this Assembly, if they have not heard this before, that these disagreements have triggered a public concern that Alberta is neither getting its due nor receiving the respect it deserves from the federal government.

What I think sometimes gets lost in these tensions is the fact that Alberta has been a leader in the whole area of federal/provincial relations. Alberta has a well-deserved reputation for facing problems, developing workable solutions, and above all defending the interests of Albertans. In fact, we continue to be a leader at the negotiating table and have achieved some significant victories over the past year. We secured significant concessions from Ottawa on the Kyoto protocol related to emissions and capping the costs of implementation for the energy sector. In health care, Mr. Speaker, Alberta was instrumental in designing a health council that will report through health ministers and not be an independent oversight body, as recommended by the federal government. Alberta also led in the development of a dispute resolution mechanism in relation to the interpretation of the Canada Health Act.

Overall, Mr. Speaker, we have been very active in defending the rights of our provincial citizens.

Municipal Governance

Mr. Bonner: Mr. Speaker, last Thursday the Minister of Municipal Affairs mentioned the creation of six municipal authority pods in Alberta. To the Minister of Municipal Affairs: what would the role of these be in municipal governance in Alberta?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. Actually, what I did say last Thursday was this. As we near our hundredth anniversary in this province, if we were creating Alberta again a hundred years later, would we create it with 360 municipalities? I think we all know today that the answer would probably be less because of the fact that what citizens of Alberta are telling us is they want more money on the front line and less in governance. But having said that, I also would like to say this to the hon. member. I indicated that I would not force under my watch as Minister of Municipal Affairs any amalgamations in this province, and I continue to remain by that commitment.

The Speaker: The hon. member?

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

2:20

Electricity Billing

Mrs. O'Neill: Thank you, Mr. Speaker. Over the past couple of weeks I've been informed by a number of small businesses in my constituency that they have a new billing line charge on their Enmax bill, a line charge that has not been on the bill since signing a contract with Enmax in the spring of 2002. It reads, "Aquila RRO Rider," and the amounts are huge. I'm outraged because my

constituents did not anticipate this. They're appalled at the high amount, and I'm appalled that a company can leave this charge off for six months, misleading their customers through negligence. So my question to the Minister of Government Services: where is the consumer protection?

The Speaker: The hon. Minister of Government Services.

Mr. Coutts: Well, thank you, Mr. Speaker. In terms of consumer protection when it turns out that utility bills and bills have been added to or taken away from, one of the things that we found in the billing process, with many companies involved, was that there can be some inaccuracies and there can be some problems along the way. What we do in government is try to minimize those. As a result, last summer we had a billing task force, that was co-chaired by myself and the Minister of Energy. We looked at billing inaccuracies, and we got a commitment from all of the companies involved as well as Government Services and, as well, the Energy and Utilities Board to make sure that a process was put in place so that those inaccuracies could be checked upon and made proper.

The EUB has approved those rate riders that the hon. member is referring to, and a process is in place for anyone who has a cancellation or a collection. They should be advised that the EUB's consumer complaint line is the place to go for those rate riders, and that particular phone number is 1-866-215-1181, so you can let your constituents know that that's where to go.

Now, Mr. Speaker, in terms of marketing, if there are marketers out there in her constituency that do not show a licence, do not abide by the 17-point code of conduct, do not present a contract in front of a prospective customer that has cancellation rights, then the Fair Trading Act takes over. Under that act if we find that people have violated that act, then \$100,000 or two years in jail is the penalty for not abiding by that. If anybody wants to report that, they can call 1-877-427-4088, and we'll investigate.

The Speaker: The hon. member.

Mrs. O'Neill: Thank you, Mr. Speaker. While I'm on the topic of power bills, would the Minister of Energy please correct the unconscionable fear mongering and misleading statements made by the Member for Edmonton-Highlands, who told my local paper that ATCO power bills will increase by 70 percent and that EPCOR and Enmax will be forced to charge the market rate instead of a regulated one.

Mr. Smith: Well, Mr. Speaker, in fact, the Member for Edmonton-Highlands is probably doing more to encourage competition, doing more to encourage rate setting contracts out there because he does mislead the public with statements here in question period, with comments made in the paper. In fact, it's a competitive marketplace where people can make contracts, can make decisions about how much they're going to pay each month, and they can determine who their provider is. They can determine how they would like their bill to be structured. There are reputable marketers out there. There will continue to be reputable marketers entering the industry. And you know what? All it takes is for an ND politician to screw it up with bad information.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Edmonton-Highlands.

Education Funding

(continued)

Dr. Massey: Thank you, Mr. Speaker. The 30 school boards in zone

23 are having difficulty understanding how they are to pay for the government-ordered arbitrated teachers' settlement. The minister's retroactive accounting is not helping them. My first question is to the Minister of Learning. How else, other than by holding back funds, could boards have covered the arbitrated settlement?

Dr. Oberg: Mr. Speaker, first of all, it is zones 2 and 3, and I understand that the hon. member had a meeting with zones 2 and 3 last Friday, I believe it was, with many of our MLAs that were there as well.

Mr. Speaker, the question that was asked is whether or not the 3 and a half percent and 3 percent should have been held back. I go back to the press release of 2001 and that it was up to the ATA and the school boards to decide where those dollars were put. We had an arbitration settlement that was 14 percent, and subsequently a good deal of those dollars were used for teachers' salaries. We fully expect that the rest of the dollars would be put into the classroom. As I've said probably 15 or 20 times in this Assembly, there was \$298 million allocated for a \$260 million issue. I fully recognize that there are school boards that have other costs, other issues, but when it comes directly to salaries, those are the amounts of dollars that were there.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister: will boards be ordered in the future to hold back all classroom improvement dollars in order to cover possible increases in teachers' salaries?

Dr. Oberg: Mr. Speaker, the hon. member fully knows that BQRP funding or other infrastructure funding or, as he has called it, funding for the physical structures are related to the Minister of Infrastructure, and those dollars cannot be utilized for teachers' salaries, things like that. Those are very important dollars that are used to upgrade facilities, and in many cases it is something that is extremely needed.

The Speaker: The hon. member?

The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-Currie.

School Utilization

Mr. Mason: Thanks very much, Mr. Speaker. We continue to learn about the financial problems faced by Edmonton public schools because of this government's underfunding of education. Four schools, including three in my riding, are being eyed by the board for closure. This will mean busing students to other schools and will kill efforts to revitalize neighbourhoods as few parents will move to an area without a school. My questions are to the Minister of Learning. How many schools have to close and how many neighbourhoods have to be cut loose before this minister stands up for education and properly funds Edmonton public school board?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. I'm certainly glad that the hon. member asked me that question. I will go through the four schools that Edmonton public has said that they are looking at closing. The first one is Bellevue elementary school, which has 55 students. The utilization rate of that facility is 24 percent.

The second one is Horse Hill junior high program, Mr. Speaker, which is a program. The total school is ECS to grade 9, but they are

looking at the junior high program. The number of students in the junior high program is 34. The utilization rate of that school is 28 percent.

Mr. Speaker, the next one is the Sherbrooke program. There are 83 students in grades 5 to 9 that are going to be affected by that. The utilization rate of that school is 30 percent.

The last one is probably one of the more interesting ones, which is Stratford school. It presently has a grade 9 class which is an IB class that is being administered under Jasper Place school, but that school has 24 students, and the utilization rate of that school is roughly 28 percent.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, it goes well beyond those schools because given the minister's guidelines for utilization rates, the public school board is considering up to 50 schools that may be closed. Is the minister suggesting the closure of each and every one of those schools?

Dr. Oberg: That is so absurd that it really does not warrant an answer. Edmonton public currently is looking at four schools. [interjections] I will go on, Mr. Speaker. For example, the utilization rate for McCauley school is 35 percent. The utilization rate for Riverdale school is 57 percent. Those schools require dollars to keep them heated, to keep them on. Closing the schools that they were talking about – for example, I believe that two of the schools would have saved the Edmonton public school board \$613,000.

Mr. Speaker, school closures are never easy decisions, but I do commend the Edmonton public school board for taking a look at them. Their overall utilization in Edmonton now is approximately 68 percent, which means that 32 percent of their facilities are empty. They're taking a look at it. This 50 schools thing, though: those kinds of rumours, those kinds of innuendos with no basis in fact are extremely harmful to the Edmonton public school system.

2:30

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Will the minister admit that his utilization formula, which excludes things like playschools, computer labs, and so on, all of which are now considered empty space by his government, is contributing directly to those utilization rates that he's talking about?

Mr. Lund: Mr. Speaker, unfortunately the hon. member misrepresented the formula. There are a number of things that are exempt. As a matter of fact, when you look at high schools that were built before 1990, we use the old formula for establishing utilization. The reason for that is because there is space, like wide halls, that in fact cannot be utilized for instruction, so we exempt those. We exempt certain configurations in order to use the old formula. But it's really interesting that even if you apply the old formula to the overall utilization of the Edmonton schools, we still only increase the utilization by maybe 2 to 3 percent. So the idea that it's all because of a new formula is simply not true.

Dr. Oberg: Further, Mr. Speaker, I just want to allow the Legislative Assembly to hear what the former leader of the New Democrat opposition said. But to be frank about it, 54 in a school – this school is closing itself down.

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

Driving without Insurance

Mr. Lord: Thank you, Mr. Speaker. Some years ago someone close to me was hit by a speeding car as she was walking through a crosswalk. She was knocked 75 feet and nearly died. Some years later the same person was again hit by another car crashing right through the store windows to where she was sitting inside, and again she was severely injured. In both cases it turned out that the driver was completely uninsured in spite of being able to produce a pink slip at the time. Since then I have heard similar stories from others such that I wonder what is going on. My questions are to the Minister of Transportation. In light of the dramatic increases in insurance costs recently what are the penalties for driving without insurance?

Mr. Stelmach: Mr. Speaker, the penalties for driving without insurance, of course, are a mandatory court appearance, and the first offence carries a fine of anywhere from \$2,500 to \$10,000. Then, of course, for companies the fines are more severe. For a second offence within the first year the penalty does carry a jail sentence of a minimum of 60 days.

The Speaker: The hon. member.

Mr. Lord: Thank you. To the same minister: what are the trends of people being charged and being convicted of driving without insurance?

Mr. Stelmach: Mr. Speaker, taking into the context that the number of registered vehicles, both commercial and passenger, in this province has increased dramatically over the last 10 years, the actual trend is down. But you'd have to break it down into those three key areas from providing a pink card when stopped by a peace officer to the other side of the spectrum, being in an accident and having no insurance. We are stopping more people on the highway today that fail to produce a pink card. On the other hand, in terms of convictions following serious accidents, the number of those situations where a person was not insured is showing a downward trend over the last 10 years.

Mr. Lord: My final question to the same minister: what safeguards are in place in order to make sure people have a valid pink slip and haven't just canceled their insurance and got a refund after they got a pink slip to hang onto?

Mr. Stelmach: Well, Mr. Speaker, at the end of the day we certainly rely on the fact that all Albertans want to be honest and up-front with their insurance. A number of things do occur on a regular basis. One, whenever a police officer pulls a passenger or a commercial vehicle aside, they have the ability to confirm the insurance with the insurance agent, and the insurance agent has to provide the information when requested to do so by a peace officer. As well, because the fines have increased substantially, many Albertans are taking a second look at the cost of the fine versus higher insurance costs and are making provisions to ensure that they're properly insured.

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

Video Lottery Terminals

Ms Blakeman: Thank you, Mr. Speaker. The government has announced that it is going to be making upgrades or replacing VLTs in our province. This upgrade will be totaling some \$105 million.

Part of the costs have been attributed to new safety features which are said to help problem gamblers. My questions are to the Minister of Gaming. Is the government buying 6,000 new VLTs, or is the money for upgrades to existing machines?

The Speaker: The hon. minister.

Mr. Stevens: Thank you, Mr. Speaker. Two years ago in our business plan we indicated that there would be a replacement of an aging VLT system. As the hon. member knows, in Alberta we have a cap. We've had a cap on VLTs since 1995 of 6,000 machines. Many of them came in in or about 1991 and accordingly at this point in time are in excess of 10 years old. They needed replacement some time ago. So the answer to the question is that the money is being spent on replacement of machines, which will give us an opportunity to utilize new technology to introduce responsible gaming features.

The Speaker: The hon. member.

Ms Blakeman: Thank you. What evidence does the minister have that the new responsible gaming safety features will actually help reduce the time spent gambling and not be negated by the higher entertainment value of the new formats in programming?

Mr. Stevens: The issue of responsible gaming features on the electronic gaming machines is a relatively new one. The first province in Canada to introduce such features was Nova Scotia approximately two years ago. Such features are also located in some of the states in Australia. The research with respect to the effectiveness of responsible gaming features is still to be done in its fullness. However, there is preliminary indication that the features which we are bringing in here in Alberta and which were utilized in Nova Scotia will assist the people playing the machines to manage both their time and money more effectively.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Does the government see its role in providing these machines as one primarily of providing entertainment or as a revenue source?

Mr. Stevens: I think it's fair to say, Mr. Speaker, that in the plebiscites of 1998 Albertans said to this government that what they wanted was for this government to manage and control VLTs. They wanted us to ensure that the cap was maintained. They wanted us to do it in a socially responsible fashion. Part of the mandate of my ministry is that we are to address all those issues together with ensuring that the Alberta lottery fund, which is utilized for many community and public initiatives, is maximized. So it is a combination of all those things: social responsibility together with ensuring that there is revenue for the Alberta lottery fund and for the good work that it does.

The Speaker: The hon. Member for Calgary-Buffalo, followed by the hon. Member for Calgary-Bow.

Community Initiatives Program

Mr. Cernaiko: Thank you, Mr. Speaker. The community initiatives program has been returning lottery dollars to community groups and not-for-profit organizations, including volunteer organizations, to support their worthwhile endeavours in the community. Since we are coming to the end of the first year of the program and recently

we've heard a lot of concerns about parents fund-raising for core items in schools, could the Minister of Gaming provide me with an update on how the program is doing since its introduction last June?

2:40

The Speaker: The hon. minister.

Mr. Stevens: Thank you, Mr. Speaker. This is a nice tie-in to the questions asked by the last member because this is a very good example of the good work that is done as a result of Alberta lottery dollars. The community initiatives program was brought in and announced last June. It's a \$30 million per year program. I'm pleased to say that the feedback from volunteer groups who have availed themselves of this program is extremely positive. The year ends at the end of this month, March 31. At this point in time there are approximately 900 applications which have been processed. They're continuing to work on this, and by the end of the month we anticipate that well over a thousand will have been processed.

As far as the type of applications, Mr. Speaker, I can tell you that they are varied, with recreational initiatives receiving, according to my most recent data, about 25 percent of the money; social service initiatives, another 25 percent; cultural initiatives, about 20 percent; and the balance would include community service, education, heritage, environment, and health. The education initiatives which were funded at the time of this information, which is now dated, were approximately 5 percent.

The Speaker: The hon. member.

Mr. Cernaiko: Thank you, Mr. Speaker. My final question to the same minister: can the minister explain his department's policy relative to funding core items with lottery dollars?

Mr. Stevens: The Ministry of Gaming has had in place since 1996 a gaming proceeds policy, and as it relates to educational funding, I can tell you that we take that seriously. We have a list of approximately 16 specific paragraphs that deal with that that outline in detail what is and what cannot be funded. For example, funding includes resource materials but not textbooks. The Gaming ministry is also guided by the Alberta School Boards Association's policies. Those are in place, and I can advise that any funding that is done by this ministry is in compliance with those guidelines.

I think it might be of note to the members here that one year ago my ministry was FOIPed by the Liberals opposite. It's not something that they've talked about in this House, because it's good news. They wanted to get information on 20 schools throughout the province regarding the use of casino event proceeds. A year ago they were asking the same question with respect to the use of proceeds and the funding of textbooks and things of this nature. The fact of the matter is that I can advise that you haven't heard about it because all 20 of those schools were utilizing the proceeds in accordance with the AGLC policy.

The Speaker: The hon. Minister of Economic Development wishes to supplement an answer?

Energy Deregulation

(continued)

Mr. Norris: Yes. Thank you for the opportunity, Mr. Speaker. I would like to clarify one of the stats that I used earlier in explaining

the outstanding growth that we're experiencing in Alberta. I believe I said that the unemployment rate was the highest in Alberta. What I actually meant to say, clearly, is that the employment rate is the fastest growing in Canada.* That was obvious.

I would like to just offer quickly, Mr. Speaker, for clarification that in the year 2001 employment rose by 2.8 percent and in '02 rose by 2.6 percent, creating some 45,000 new jobs. I regret that that came out incorrectly and would like to reiterate that it is employment that is on the rise, not unemployment.

The Speaker: As per our rules, hon. members, when an hon. minister of the Crown supplements an answer, there's an opportunity given to the original member who first posed the question. Hon. Member for Edmonton-Gold Bar, if you wish. I believe it was your exchange.

Mr. MacDonald: No, thank you, at this time, Mr. Speaker.

head:

Recognitions

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

Peace Rally

Mr. MacDonald: Thank you, Mr. Speaker. I would like to congratulate more than 18,000 Albertans who took the time last Saturday to raise their voices on behalf of innocent people halfway around the world. Men, women, and children from all walks of life exercised the freedoms they enjoy in Canada and marched to the Alberta Legislature from city hall in support of peace in one of the largest protests the Alberta capital has ever seen. The Edmonton Coalition against War and Racism did a fantastic job of organizing the peace rally, and the crowd is to be commended for exercising its right to peaceful protest.

Congratulations to all those Albertans who know that they can make a difference with their words and their actions. All they asked was for this government to give peace a chance.

Thank you.

The Speaker: The hon. Member for Banff-Cochrane.

Beaupre Community Hall

Mrs. Tarchuk: Thank you, Mr. Speaker. On Saturday I had the opportunity to witness Alberta community spirit at its best as I participated in the grand opening of the new Beaupre Community Hall just west of Cochrane. It was only a year and a half ago that fire destroyed Beaupre's treasured old hall at the hands of arsonists.

Local residents were shocked and saddened and mourned the loss of a facility that held decades of fond memories for them, but it was not long before a group of volunteers set their sights on a new and improved hall and through determination proved adversities can be and will be overcome when a community unites. Local municipalities, businesses, and individuals gave generously, and today we have a beautiful multipurpose, very impressive community building that everyone can be proud of. On Saturday friends and neighbours young and old filled the hall to reminisce and celebrate, and what a celebration it was.

Please join me in congratulating the Beaupre Community Association, their dedicated members, and all who contributed to this wonderful facility.

Thank you.

*See p. 662, right col., para. 9

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Deanna Thompson

Mr. Marz: Thank you, Mr. Speaker. It's a pleasure for me today to stand in this Assembly and recognize a great young Albertan. On October 12, 2002, Deanna Thompson was vacationing in Bali with friends when tragedy struck in a nightclub right across the street from Deanna's hotel. Fortunately for her she was still in her hotel and not in the nightclub, where she was supposed to meet friends. The blast from the explosion shattered windows in her hotel, knocking her and her friend to the floor.

In the chaotic situation that ensued, Deanna went outside, where she encountered a young lady suffering from burns to her upper body and in severe pain. She immediately assisted in helping this young lady with another person and got this person to medical assistance. Right after that, Deanna returned to the scene to further assist with more than 30 other victims with no thought of risk or injury to herself. Mr. Speaker, Deanna has since learned that one of her friends from Hungary was in that nightclub that night and did not survive the injuries of this horrible terrorist attack.

This morning Deanna received the M.G. Griffiths plaque, which is the highest bravery award presented by the Royal Life Saving Society of Canada. On behalf of all Albertans I'd like to congratulate Deanna on the receipt of this award and say: we are all very proud of you for what you've done.

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

Spring into Spring Extravaganza

Ms Kryczka: Thank you, Mr. Speaker. Today I'm very pleased to share with this Assembly a very positive and exciting education example, one that has been occurring in my constituency of Calgary-West for many years. Last Monday evening the Ernest Manning high school music department presented the ninth annual Spring into Spring extravaganza at Calgary's large, prestigious Jack Singer Concert Hall with special guest performers from two feeder junior high schools, Vincent Massey and A.E. Cross.

The wonderful performance for family and many friends demonstrated the excellent achievement of the music programs at these schools, achievement attained only through hours and hours of hard work, team work, and the support of many who value the fine arts. The calibre and versatility of the student musicians, Mr. Speaker, was truly impressive. The respect and camaraderie for their music teachers was also very obvious, as was their love for music.

Recognition must also be given to the talented and dedicated music teachers and conductors: Kevin Willms and Dwayne Engh, music directors at Ernest Manning high school; Ken Thackry, music director at Vincent Massey junior high school; and Paul Brown, director of music at A.E. Cross junior high school.

To the Calgary Philharmonic Orchestra: too bad you missed the massed band finale of 285 musicians. It was absolutely thrilling.

Thank you.

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

Esso Women's National Hockey Championship

Mrs. Ady: Thank you, Mr. Speaker. I'd like to take this moment to recognize some extraordinary Albertans who took part in the 2003 Esso Women's National Hockey Championship that took place March 12 to 16 in Saskatoon, Saskatchewan. Team Alberta captured

the coveted Abby Hoffman cup in front of over 1,100 fans at Saskatchewan Place, and Alberta finished the tournament with a perfect record of six wins and zero losses, outscoring their opponents 46 to 10.

Mr. Speaker, the teamwork and determination of these extraordinary women from Team Alberta was a testament to Alberta's contribution to keeping our national sport at the top of its game both nationally and here at home.

Along with capturing the gold, Danielle Goyette was awarded MVP for the tournament and Colleen Sostorics received the award for top defenceman. The other gold medal winners included Amanda Tapp, Danielle Ayearst, Delaney Collins, Blythe Wurm, Kayley Hall, Jenna Barber, Trina Rathgeber, Cassie Campbell, Becky Klein-Swormink, Meaghan Mikkelsen, Dana Antal, Kerri Wallace, Corinne Swirsky, Jenel Bode, Kelly Bechard, Samantha Holmes, Karen Medhurst, and Brittony Chartier.

Mr. Speaker, these amazing athletes and their staff have brought Alberta hockey spirit to the national level, and on behalf of all members and all Albertans I'd like to send my congratulations to them.

Thank you.

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

2:50 Victoria School of Performing and Visual Arts

Dr. Massey: Thank you, Mr. Speaker. Today I recognize the work of the Edmonton public school board in ensuring that the inner city will continue to have a high-quality high school.

In the early 1980s the board was faced with building a new centre for education. Consultants recommended that it be built on one of four possible sites: the old administration building property, McNally high school, Alex Taylor, or attached to Victoria high school. The view that attaching the building to Victoria high school would ensure a viable high school in the inner city convinced the board. Then minister of education David King went out of his way to assist the board with this project. Twenty years later that decision has proven sound, and Victoria has grown beyond expectations to become a K to 12, world-class fine arts school.

Today the public board is maintaining that commitment to the inner city. Faced with a host of other building demands, the board has made replacing the dated Victoria a top priority. A brand-new building to house that world-class school in the heart of the city will soon be a reality. Congratulations, trustees.

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

War in Iraq

Mr. Cao: Thank you, Mr. Speaker. With honour I rise to recognize the sacrifices made by those who fight for us. Having the advantage of being born and raised in Vietnam during the period of the 30-year-long war, I can say that my family and many others fought for freedom and democracy locally and globally. The local repressive regime made it hard and impossible without the help from outsiders to share the same humanity ideals.

As the wars are going on in Afghanistan and Iraq, I feel strongly for the fighting men and women on the front lines, far away from their homelands. I see those fighters as my family members who bravely stand up for me and many others. They help sustain our quality of life, freedoms, and democracy we enjoy locally and globally. They are not fighting against a people, a nation, or a faith. They are making their ultimate sacrifices for our freedom and

fighting against the regimes of tyranny that promote violence and hatred around the world.

Mr. Speaker, I believe that we all want to fight against tyranny. Our arguments and hesitation are on how and when and where to fight. Someone has made the tough decision for us. Let's now all work together to the end of the fight in helping the millions to build a life on the same freedom and democracy we enjoy.

In gratitude to the freedom fighters I remain.

Thank you.

Speaker's Ruling Recognitions

The Speaker: Hon. members, thank you. Today four members went over the one-minute rule mark, and I really don't want us to arrive at a situation one day where people are going to stand up on points of order and what have you because people have gone a few seconds beyond. So could I just ask again to try and find the ability with one's articulation to stay within the one-minute rule.

head: **Presenting Petitions**

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

Dr. Pannu: Thank you, Mr. Speaker. I rise on behalf of the working poor in Alberta to present a petition signed by 54 Calgarians. These Albertans are petitioning the Legislative Assembly to urge the government to immediately raise the minimum wage to \$8.50 per hour and index it to the cost of living.

Thank you, Mr. Speaker.

head: **Introduction of Bills**

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

Bill 33 Insurance Amendment Act, 2003

Rev. Abbott: Thank you, Mr. Speaker. I request leave to introduce Bill 33, the Insurance Amendment Act, 2003.

The proposed bill contains two amendments to the Insurance Act that will ensure that awards resulting from an automobile accident return an individual to the same financial position they existed in before the accident occurred.

[Motion carried; Bill 33 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that Bill 33 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

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

Bill 34 Livestock Industry Diversification Amendment Act, 2003

Rev. Abbott: Thank you, Mr. Speaker. I rise today to request leave to introduce Bill 34, the Livestock Industry Diversification Amendment Act, 2003.

The intent of this bill is to make it easier for Alberta's diversified livestock industry to establish a domestic market.

Thank you, Mr. Speaker.

[Motion carried; Bill 34 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that Bill 34 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

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

Bill 35 Tobacco Tax Amendment Act, 2003

Mr. Cao: Thank you, Mr. Speaker. I request leave to introduce Bill 35, the Tobacco Tax Amendment Act, 2003.

The amendments in this bill will strengthen the controls regarding the purchase and sales of tax-exempt tobacco at duty-free stores, over the Internet, and through the Alberta Indian tax exemption program. These changes will help level the playing field for all businesses that sell tobacco. It also further discourages smoking, making Alberta a healthier province in which to live.

Thank you.

[Motion carried; Bill 35 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that Bill 35 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

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

Bill 212 Alberta Personal Income Tax (Education Tax Credit) Amendment Act, 2003

Mr. Vandermeer: Thank you, Mr. Speaker. I beg leave to introduce Bill 212, the Alberta Personal Income Tax (Education Tax Credit) Amendment Act, 2003.

This bill will amend the Alberta Personal Income Tax Act by introducing a nonrefundable tax credit to help parents pay for independent school tuition and also extracurricular tutoring programs. The intent of Bill 212 is to provide educational choice to families in Alberta who do not have the financial resources to pay for independent school education. It would also partially cover the cost of extracurricular tutoring and extra special-needs schooling.

Thank you.

[Motion carried; Bill 212 read a first time]

The Speaker: The hon. Member for Wainwright.

Bill 213 Canada Pension Plan Opting Out Act

Mr. Griffiths: Thank you, Mr. Speaker. I request leave to introduce a bill being the Canada Pension Plan Opting Out Act.

This bill allows Alberta to create an Alberta pension plan that would benefit all Albertans better by serving demographics and Albertans' needs.

[Motion carried; Bill 213 read a first time]

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

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

Mr. Bonner: Thank you, Mr. Speaker. With your permission I have three tablings today. The first is from Barbara Toombs, and she goes on to say, "I heard on the news today that Ralph Klein is requesting the Alberta MLAs to . . ."

The Speaker: Okay, okay, okay. Please sit down. Six times last week I said that you can't use names in this Assembly. Six times at least I said it. We're going to start again this Monday. You don't use names in this Assembly.

Mr. Bonner: She goes on to say that on the news today she heard that the Premier is requesting "the Alberta MLA's to draft a document in the name of and on the behalf of Albertans supporting the US attack on Iraq," and she goes on to say, "I would like to make it clear that I do not want it to be in my name or on my behalf."

My second tabling, Mr. Speaker, is the appropriate number of copies of a letter to me from the mayor of Edmonton, and he goes on to say:

I am writing to share with you my disappointment with the Province's decision not to sign the Vision, Principle and Fiscal Framework developed and approved by the Minister's Council. This document represented a milestone in provincial/municipal relations and clearly establishing Alberta as leaders nationally in acknowledging the critical need to address the financial crisis facing Canadian municipalities.

The third is a document which indicates that in a 120-page ruling issued today, Judge Allen Schwartz of the US Federal District Court, Southern District of New York, has thrown out Talisman Energy's motion to dismiss the suit brought against them on behalf of southern Sudanese plaintiffs.

Thank you.

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

Mr. Mason: Thank you very much, Mr. Speaker. I'm tabling a number of letters today in connection with the situation in the Middle East. First of all, I'm tabling a letter from Mr. Charles B. Davison dated March 18 addressed to the Prime Minister and copied to the Premier of Alberta. Mr. Davison writes that the Premier does not speak for all Albertans as Albertans are clearly against the war in Iraq and Canadian involvement in this endeavour.

The second is a letter to the Premier signed by 139 individuals, Mr. Speaker, who state their objection "to your action, without even a debate in the Provincial Legislature, of sending a letter of support to the United States Ambassador."

I have an e-mail here addressed to the Premier opposing any motion in the Legislature expressing support for the policies of the Bush administration on Iraq.

I have an e-mail addressed to the Premier acknowledging his right to his opinions and his right to speak out on provincial matters while chiding him for overstepping his bounds by writing directly to the American ambassador.

I have another e-mail addressed to me expressing concern that the Premier's statement about the so-called war on terrorism and tyranny will only serve to increase terrorism and tyranny throughout the world.

I have an e-mail here, Mr. Speaker, addressed to me, pointing out that the Premier has no right to send letters to foreign officials on behalf of Albertans, particularly if such a letter supports an illegal war.

3:10

I only have a few more, Mr. Speaker. I have an e-mail from a

constituent who opposes the war and does not know any Albertans or Americans who do support the war.

I have an e-mail addressed to the hon. Member for Drumheller-Chinook opposing the legitimacy of any motion tabled in the Legislature supporting the war on Iraq.

An e-mail addressed to the Premier opposing any motion in the Assembly which supports the war on Iraq.

An e-mail to the Premier opposing the U.S. attack on Iraq.

I have a letter addressed to the Premier. The writer is appalled at the notion that the Alberta government would table a motion in the Legislature supporting an illegal war.

Two more, Mr. Speaker. I have an e-mail addressed to the Premier acknowledging his right as a Canadian to express his views but reprimanding him for claiming he represents all Albertans and for stepping outside his jurisdictional authority.

Lastly, I have an e-mail addressed to the Premier opposing any declaration by the Alberta government that supports the illegal military intervention in Iraq by the United States and Great Britain.

The Speaker: Were there any points of order today that the chair may have missed?

head:

Orders of the Day

head:

Written Questions

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Proper notice having been given on Thursday, March 20, I now move that written questions appearing on today's Order Paper do stand and retain their places.

[Motion carried]

head:

Motions for Returns

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Once again, proper notice having been given on Thursday, March 20, I would now move that motions for returns appearing on today's Order Paper do stand and retain their places.

[Motion carried]

head:

Public Bills and Orders Other than Government Bills and Orders Third Reading

Bill 201

Emblems of Alberta (Grass Emblem) Amendment Act, 2003

The Speaker: The hon. Member for Highwood.

Mr. Tannas: Thank you very much, Mr. Speaker. It's with great pleasure that I rise in the Assembly this afternoon to move third reading of Bill 201, the Emblems of Alberta (Grass Emblem) Amendment Act, 2003.

Mr. Speaker, as I mentioned before, *Festuca scabrella*, known as rough fescue, is a long-lived perennial bunchgrass with deep fibrous roots which tap soil nutrients and bind soil particles. It's self-curing, nutritious, a native grass that is a major component of the rough fescue grasslands which makes excellent winter grazing not only for

livestock but, of course, for wild animals as well, like deer and elk. Its relatively high protein content provides forage, then, for livestock as well as wildlife, and the deep roots facilitate water penetration and act as a water retention factor in the watershed, particularly on the eastern slopes of the Rocky Mountains. A tussock of rough fescue has a life span of well over a hundred years, and consequently it produces only a few seeds each year with the occasional heavier seed sets every few years.

With the passage of Bill 201, the Emblems of Alberta Act would be amended further to include rough fescue, designating it as our provincial grass. Provincial emblems, Mr. Speaker, are important as they reflect a province's history, its biodiversity and nature, and the nature of this province. Emblems such as this portray who we as Albertans are. Designating rough fescue as our provincial grass would recognize it as an official symbol of our prairie heritage. Provincial emblems are selected because they are symbolic of the province's history, nature, or culture, past or present.

You know, Mr. Speaker, Alberta's provincial tree is the lodgepole pine. This tree was used extensively in the early 1900s to construct railway ties. However, today its role has expanded, and it is a significant contributor to Alberta's forestry industry as the lodgepole pine is processed into many lumber products such as poles, posts, plywood, and mine timbers.

Another official emblem is the great horned owl, which Alberta adopted as its provincial bird in May of 1977. This bird was the first choice of Alberta's schoolchildren, and it proudly reflects the concerns of Albertans for the management, conservation, and preservation of our province's wildlife.

All of Alberta's emblems, from the wild rose to the bighorn sheep to the bull trout, reflect symbolic meaning and value to our province. Amending the Emblems of Alberta Act would serve to enhance the legislation through inclusion of another significant emblem.

Mr. Speaker, it has been affirmed before in this House that rough fescue is a dominant native grass on the Alberta prairie and foothills. While I acknowledge that it is only found in the southern two-thirds of the province, some other provincial emblems are not as widespread throughout the province. The lodgepole pine, for instance, does not grow in many areas of the province, nor will you find bighorn sheep or petrified wood present all across the province of Alberta. Nevertheless, they are still important emblems of Alberta. Furthermore, Alberta is the only jurisdiction in North America that contains all three species, or varieties, of the rough fescue complex. This native vegetation illustrates the biodiversity of the province from the prairies to the foothills and to the mountains.

Native grasses which have been designated by other jurisdictions have been chosen because they portray the history and culture of those regions and therefore have a specific meaning and value for each of those regions. The selection of rough fescue is consistent with Alberta's other emblems. The prairie landscape is part of our cultural history and has a significant value to our Alberta identity.

The prairie landscape may have appeared harsh to the early settlers. Many pioneers came to the west because the price of land was reasonable and there was an opportunity to fulfill their hopes of building a better life for their families in a land that promised prosperity as well as religious and political freedom. These settlers saw the Alberta prairie as a land of opportunity, a wilderness frontier to be shaped into a new home. The treeless prairies soon became dotted with farms and settlements. It took men and women of courage and perseverance to transfer this land to fertile fields. These pioneers lived off the land and depended on the native grasslands.

Before the opening of the west to settlement and after the transfer of the Hudson's Bay territory in the northwest to the Dominion of Canada, there developed a unique ranching life on prairie and

foothills grasslands on the open range of Alberta. Generations of Alberta ranchers have acquired strong, emotional ties to the land and to the animals which depend on native grasslands. They feel a deep sense of stewardship of the land. Individuals who depend on the land for their livelihood inevitably recognize and acknowledge the advantages and values of living in concurrence rather than in conflict with the land and will adhere toward its preservation and its conservation.

Grasslands in general, Mr. Speaker, have a great spiritual value for our aboriginal people. Such people as the Stoney, Sarccee, Blackfoot, Blood, Peigan, and Plains Cree hold native grasses as being significant to their prairie cultural heritage, and they honour their close connection to the land.

Mr. Speaker, rough fescue along with other native grasses are of biological and scientific interest in that the prairie is one of the major ecosystems in North America. Native grasslands in our province are rich in biodiversity. Natural processes have altered the landscape over thousands of years. The prairie was influenced primarily by aridity, fire, floods, drought, and the impact of herds of large herbivores like the buffalo. The prairie ecosystem has survived despite significant pressures and change.

Alberta's native grasslands provide valuable forage for our livestock. When prairie grasslands are used as rangeland for cattle, money gets contributed to the Alberta economy. The livestock industry is an important part of our province's economy. Alberta, as you know, is the largest beef-producing province in Canada. We have over 40 percent of the national beef cattle herd. In 2001 this sector contributed an estimated \$5 billion in farm cash receipts to our economy. Native grasslands have contributed to the economic value of the province. Designating rough fescue as our official grass would acknowledge its importance to farmers and ranchers and its economic significance, and it would acknowledge the historic and cultural significance of the First Nations people of the plains.

3:20

Mr. Speaker, it is evident that native grasses are an important symbol to Albertans. The deep roots of rough fescue portray a strong, stable grass, thus reflecting our western heritage and the strong secure people that built our province along with those that support and contribute to its prosperity today.

Through the passage of Bill 201, existing legislation would be amended to include another provincial emblem. Rough fescue would be designated as our official grass and would serve as another provincial symbol reflecting our heritage, celebrating our culture, and valuing our natural history. I urge you to strongly support and encourage all of my colleagues to vote in favour of third reading of Bill 201, the Emblems of Alberta (Grass Emblem) Amendment Act, 2003.

Thank you.

The Speaker: The hon. Member for Cardston-Taber-Wamer.

Mr. Jacobs: Thank you, Mr. Speaker. It's certainly a privilege to rise today to speak in support of Bill 201, the Emblems of Alberta (Grass Emblem) Amendment Act, 2003. Again in third reading I commend the Member for Highwood for bringing forth this proposed amendment. Many things have been said about this grass and its importance to Alberta, and I would just like to offer a few comments on a practical basis as one who has worked in the livestock industry for many years and has seen the benefits of this grass to the agricultural industry.

I think, Mr. Speaker, it's important to recognize history and factors that have made a difference to the diversification and

progress of agriculture in Alberta. I think it's important to recognize the importance of agriculture in Alberta. Much has been said the past few days in our debate about competition, and I would like to point out to the members of the Assembly that agriculture, to my knowledge, is one of the few, if not the only, industries in the world that basically operates under what is defined by economists as perfect competition. That basically says that no one seller or buyer could affect the market. Because of this competition and because of the nature of the agricultural industry we in Canada enjoy access to the best food in the world at a very reasonable price. If you look at it, we don't work very many days as Canadians or as Albertans to buy the food that we eat. So I think agriculture has done a great job in feeding Canadians and in feeding the North American economy, really.

Rough fescue as a grass has certainly had an impact on the agricultural industry and upon its success. From the point of view of the ranching community and their use of rough fescue, one has to look at the historical benefits of this grass. Many of the early settlers were attracted to this province because of good grass and lots of good grazing. So they moved their cattle herds here from other places to take advantage of grasses such as rough fescue.

Rough fescue has the advantage of being able to cure on the stem and remain palatable and maintain its nutrition throughout the year. Some of the tame grasses such as alfalfa and timothy do not have that advantage. They lose their palatability over the winter and are not good grazing grasses, whereas rough fescue is a grass that cures on the stem, and consequently it can be utilized by ranchers throughout the year. The advantage to this, Mr. Speaker, is that it allows the ranching community to minimize their costs. It's certainly a lot more efficient to graze animals over the winter as long as possible as compared to bringing in the cattle or the livestock and feeding them hay. Rough fescue has the advantage that its protein levels are pretty well good enough to maintain the basic beef cow for most of the year with perhaps a little bit of protein and vitamin supplement during parts of the year as the mature cow approaches the calving season. But for most of the year this grass can maintain a cow and even provide hay. If ranchers choose to cut the grass for hay, it certainly will work also as hay. So when you look at the advantage of the grass with a view to minimizing costs and allowing cattle producers to survive the cattle cycles, the high prices and low prices, certainly it's important for them to be able to minimize expenses, and this grass has done a good job of allowing them to do that.

So, Mr. Speaker, when you consider the nutritional value of this grass, its ability to maintain itself throughout the year and cure on the stem, and when you consider what the livestock industry is in Alberta today and how it has developed, part of its development has been due to a grass like rough fescue, and certainly I think it deserves to be historically preserved as an emblem of Alberta. I would urge all members in this Assembly to support this bill.

Thank you very much.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you very much, Mr. Speaker. It's a pleasure to enter into the debate again on Bill 201 in third reading. I supported this bill in second reading, and I'm pleased to do so again today. This bill will make rough fescue Alberta's provincial grass. Because the grass in its three forms covers the majority of our province and because of its special characteristics as well as its very positive environmental impact, I believe rough fescue should be named Alberta's official grass.

I'd like to make some comments on what rough fescue has done

in the past. It has played a very significant role in helping those who first began farming in our province, and it continues to do so today. Actually, it's one of the primary grasses that sustain much of our wildlife, such as deer, elk, antelope, and, in days gone by, the bison. Therefore, I believe it contributes to our hunting and our outfitting industries as well as tourism. I believe it's also responsible for future generations of farmers here in Alberta. Recognizing the benefits that rough fescue grasslands have had on our province and by naming it our provincial grass, we'll be helping preserve it for the future generations of Alberta farmers. Also, by doing so, we will be making a commitment to preserve farming as an integral part of Alberta's future. I believe it's our responsibility as members of this Assembly to protect and preserve and enhance the economic and social framework of this province. It's also our job to celebrate our province's heritage and ensure that knowledge of the history of this province is imparted to future generations and every person in this province. Given that rough fescue has a major role in sustaining our province, I believe it deserves a place among our provincial emblems.

Mr. Speaker, as a farmer myself to me farming is a way of life. However, I do understand that it's also a business. Rough fescue has helped maintain that way of life in this province, and it has also helped maintain our ability as farmers to make a successful living here in Alberta. According to the Prairie Conservation Forum, we're the only province which has all three subspecies of this grass, and they all exist in this province simultaneously today. The forum also states that it would be difficult to figure out how the parkland and the foothills regions of this province could have sustained any agricultural development in days gone by without the existence of this grass. It provided critical winter feed for our pioneers to sustain their livestock numbers and thereby helped to sustain those pioneers who plowed the land and raised livestock. It's also a very efficient retainer of nutrients, which helps to keep our soil in this province some of the most fertile soil around.

3:30

Passing Bill 201 may well have the effect of promoting an increase in the amount of rough fescue in our province by raising awareness of its importance. Given the economic importance of our rangelands, which generate some \$230 million a year – and the Minister of Economic Development would be happy to hear that – this bill would ensure that there's more rough fescue on those rangelands, and that would mean more successful agriculture activities for years to come.

It's been said that farming is our heritage, our present, and our future. Our land here will always be farmed. Unlike oil, which is a limited, unrenewable resource, our land is a renewable resource. In order for that farming to continue in the future, we need to ensure that the natural nutrients are renewed. Rough fescue has been identified as one of those key ingredients to keep renewing soil, and it's up to us today to ensure that rough fescue is there for future generations and to educate those that are in the farming industry on the role that rough fescue has played in our past and what value it has for future generations. By passing Bill 201, we'll be taking one more step in protecting rough fescue for future generations, and I'd like to take this opportunity to urge all members of this Assembly to support this bill.

I will be supporting this bill, Mr. Speaker, and in closing, I'd like to ask all members to recognize the work and the foresight put into this by the hon. Member for Highwood and to support this bill as well.

Thank you very much.

The Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Speaker. It's my pleasure to rise today to offer my comments on Bill 201, the Emblems of Alberta (Grass Emblem) Amendment Act, 2003. I would like to commend my colleague from Highwood for bringing forward this bill, that would designate rough fescue as the official grass of Alberta.

Mr. Speaker, over the past number of years a growing number of Albertans have urged this government to recognize the role that rough fescue has had and continues to have in the socioeconomic development of our province. At no time was this more apparent than in April of 2002 when the Alberta conservation forum counted the votes that Albertans had cast to select what grass species would best serve as a symbol of our unique western heritage and identity. In this election Albertans had choices. In addition to rough fescue, four other shortlisted species were identified – June grass, blue grama grass, western wheat grass, and green needlegrass – but instead they selected rough fescue, a grass famous for its resilience, beauty, and agricultural value. Today this Assembly has the opportunity to tell the people of this province that they have heard their choice and that as their representatives in this House we are going to do something about it.

Mr. Speaker, I would like to explain why so many Albertans hold rough fescue in such high regard and how this valuable grass has helped shape who we as Albertans are today. Of all the grasses that occur naturally in Alberta, rough fescue has arguably played the most significant role in the history and the development of our province.

An Hon. Member: Who would argue that?

Mr. Broda: I don't know.

In the many years before European settlement rough fescue was the crucial ingredient which helped shape the identity and the traditional lifestyles of many of Alberta's native peoples. The same fescue plant that continues to carpet the grasslands and foothills of southwestern Alberta today also served as the ever important forage for herds of big game species including bighorn sheep, mule deer, elk, bison, and buffalo. Due to its ability to thrive and survive the cold winter conditions, rough fescue was the primary source of food for these animals throughout the year. Moreover, the various tribes of native people developed a very close relationship with this rich and seemingly inexhaustible source of forage as it ensured that the herds of game would remain sufficiently plentiful to allow hunting. It can be said that for the tribes that inhabited and hunted on the plains of southwestern Alberta, rough fescue was an essential agent of life which enabled their culture and society to thrive.

However, Mr. Speaker, not just native people recognized the value of rough fescue. Early European settlers, many of whom fled their former homelands as a result of war, instability, impoverishment, and persecution, came to the prairies in search of a better life. The vast majority of them saw farming as a way to earn money, rebuild their lives, and achieve prosperity, just as the native people before them had done. In time they, too, came to appreciate the significant role that rough fescue played in the life cycle of the prairies.

Just as wildlife appreciated rough fescue, the grass also proved to be an ideal source of forage for livestock. High in nutrients and resilient to erratic weather conditions, rough fescue became a mainstay in the diet of a number of our domesticated animals. The native peoples of Alberta and the early settlers both owe their experience of survival and welfare to this tall, exquisite, and abundant grass.

In a way, Mr. Speaker, it can be said that rough fescue was a factor

that contributed indirectly to the opening of the western frontier. Like the grass that they came to depend upon, these early Albertans were people of true grit and determination. As rough fescue had to adapt in order to survive in a tough prairie environment, these early pioneers also had to adapt to life in a new and vastly different land. However, they did not only adapt to life on the prairie, but through hard work and perseverance they laid down the foundation for the future economic success and prosperity which we are able to enjoy today. As it did in the past, rough fescue continues to play a significant role in Alberta's agricultural production. It remains a reliable source of high nutritional value for a number of domesticated animals.

Mr. Speaker, if Bill 201 is not passed, we will lose a terrific opportunity to increase awareness and understanding of the significance that rough fescue and other native grasses have had in shaping the Alberta we have today.

When the issue of the Kyoto protocol came up last year, this government argued that Alberta would be unfairly affected by the accord's carbon credit clauses. We felt that it was unfair to impose such a plan on our province, considering that Alberta has a very large number of naturally occurring carbon sinks. Rough fescue serves as one of our province's biggest carbon sinks. These grasslands are some of Alberta's leading conductors of carbon dioxide, a cycle in which plants take in carbon dioxide and in turn produce oxygen. Rough fescue, it has been proven, is particularly good in accomplishing this task and as a result has contributed greatly to keeping our environment clean. Mr. Speaker, if this province is serious about reducing the amount of the deadly greenhouse gases within our atmosphere, then we must take steps to protect rough fescue and Alberta's native grasslands. If we lost the prairies, we would not only compromise our ability to improve the state of our environment, but we would also compromise the quality of life for future generations of Albertans.

3:40

Apart from this environmental quality, rough fescue also remains the main food source for much of our wildlife, as indicated earlier. Unfortunately, many of these species are currently at risk of becoming endangered or, worse, extinct as a result of the loss of their natural habitat. According to the Prairie Conservation Forum 73 percent of the endangered animal species that live in Alberta currently depend on the Alberta grasslands for food. When combined with the fact that their natural habitat is shrinking, the survival of these species looks very grim. Mr. Speaker, if this province has any hope of replenishing the already depleting stocks of our endangered wildlife, we need to start protecting their natural habitat. This means protecting rough fescue.

I am convinced, Mr. Speaker, that designating rough fescue as Alberta's provincial grass will not only help educate Albertans about the importance of native grasses to our wildlife and environment, but it will also raise awareness of the need to sustain and preserve Alberta's native grasslands. Rough fescue has played and will continue to play a significant role in the development of our province if only we will let it do so. It is part of our identity, our culture, and our heritage. I urge all my colleagues to give it the recognition that it deserves by supporting Bill 201.

Thank you very much.

The Speaker: The hon. Member for Medicine Hat.

Mr. Renner: Well, thank you very much, Mr. Speaker. It's a pleasure for me to have an opportunity to discuss Bill 201 at this time. I'd like to use the time that's available to me this afternoon to

discuss three issues. First of all, the issue of provincial emblems: why is it appropriate, and why do we as a Legislature even spend our time dealing with issues such as provincial emblems? Secondly, I'd like to talk about: why would we choose to have a grass as a provincial emblem? Then, obviously and most important to this bill, why should we choose rough fescue as a grass? With your indulgence let me start down that path.

First of all, provincial emblems, I think, are something that we do with some reticence from the perspective that once we recognize something as a provincial emblem, we want to ensure that it represents the province and the people of Alberta in a significant way, and we don't think it would be appropriate for us to be dealing with 20 different bills recognizing provincial emblems at every session of the Legislature. So it is of some importance, and we recognize as a Legislature that from time to time members come forward and ask their colleagues in the Legislature to recognize and designate something as a provincial emblem. We do that for a number of reasons. Probably the most important reason, Mr. Speaker, is because we have pride in Alberta. We are very proud of the fact that Alberta is a unique place, and as such we want to have something that we can show as something that we have a lot of pride in.

For that reason one of the first provincial emblems that was designated, as you know, was a flag, and like all groups of people we have a lot of respect for that flag. From time to time there were other things added to that repertoire, so over the years we've added emblems such as an official tree. We've talked about an official trout. We've talked about a myriad of different things but always keeping in mind that they should be significant and that they should reflect Alberta's pride.

The second thing – and I think it probably is as important, particularly when we talk about the designation of natural wildlife and flora and fauna – is the issue of conservation and preservation. I think that it is absolutely critical that as we recognize something such as rough fescue, we keep in mind the natural habitat in this province. As we have a tremendous amount of economic activity and we have an explosion in population, an explosion in agriculture, an explosion in a number of areas, it has the tendency to put some stress on some of the natural ecosystems. By designating rough fescue as a provincial emblem, I think that that encourages an opportunity for us as legislators to keep in mind the importance of our natural spaces and also I think, probably, for Albertans to keep in mind the importance of natural space.

Finally, probably another reason why we choose to implement a provincial emblem program is from an educational perspective, and, Mr. Speaker, I know that you've had some experience in the classroom, and you know that oftentimes hands-on experience is the easiest way to teach someone and for people to remember. So whether we're talking about tourists or talking about children in our classrooms, if we want them to remember what Alberta is about, what things there are that we should be thinking about in Alberta, one of the most obvious things is to teach people about the provincial emblems. If you look at a jurisdiction and you look at their provincial emblems or their state emblems, you get a bit of an idea in sort of a microscopic form how the people in that jurisdiction and that vicinity think.

So for all of those reasons, Mr. Speaker, I think it's absolutely appropriate and probably of some urgency that we maintain a program of dealing with and approving provincial emblems here in the Legislature of Alberta.

The next thing I said that I would talk about, Mr. Speaker, is: why grass? Why would we choose to have as a provincial emblem grass? We talked about trees. We talked about fish. We talked about a

whole number of other areas that have already been designated, and the hon. member now is proposing that we designate a grass. Well, I'll tell you. It again gets back to what some other members have discussed in this Legislature, the fact that we, particularly in the non northern areas of the province, let's say, live the lifestyle and the history of a prairie people. Nothing can be more emblematic of what life on the prairies is than the waving grass.

I had an opportunity a couple of years ago – as a matter of fact, I'm hoping to have another opportunity this summer – to participate in a trail ride across Canadian Forces Base Suffield, which is one of the last areas where anyone can go and actually experience what it was like to be a pioneer at the turn of the century, because that's one of the few areas left in this province where you can literally stand on the prairie and for 360 degrees in every direction see nothing but waving grass, no fences, no telephone poles. There's nothing but the natural environment the way our pioneers saw it when they came here. As a matter of fact, as an aside, to say the least, I'm hoping to encourage other members to come with me on a trail ride across the base this summer, and other members will have a chance to experience that. But, Mr. Speaker, if you have had a chance to experience that, you can understand the importance of grass, particularly as it was in the early days in our history and as it is today, as the mainstay in our livestock industry in southern Alberta.

The other thing that I'd like to mention from a local geographic perspective. The area where I live is known as the Palliser Triangle, and it was an area that when the CPR was developing the land and bringing pioneers forward was designated as an area where you needn't worry about doing much development. No one could live there. Nothing grows there. Well, Mr. Speaker, nothing could be further from the truth, because as the first ranchers found out when they arrived in southeastern Alberta and southern Alberta, there is nothing better than the natural grasses in this area to raise livestock on. Literally millions and millions of cattle and other forms of livestock have subsisted almost exclusively on the natural grasses in the area.

So, Mr. Speaker, why name a grass? Well, obviously, we name a grass as a provincial emblem because of its tremendous historic significance in this province and its significance today as an economic driver within our economy

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Finally, Mr. Speaker, I come to the final point in my presentation in the debate this afternoon, and that is: why do we name rough fescue of all the myriad of grasses? One just has to walk out onto that prairie and realize that this is not a monolithic type of an experience. There are literally hundreds of different grasses that are growing on the prairie, but rough fescue, as others have talked about in this House, has some significance that I think should be mentioned if we're going to talk about grasses in the Legislature. It has high nutritional value. It has the ability to sustain that nutritional value during the winter and has remained the most important forage on the prairies and in the parkland. Rough fescue has the almost unique ability because of its deep, deep roots to survive in that notorious Palliser Triangle that I talked about. It survives in many other parts of the province, but it does particularly well in the dryer areas in southeastern Alberta because it has such deep roots. In fact, in preparing my notes for this afternoon, I was reading that in many cases the rough fescue root system is actually more extensive below the ground than what you would see above the ground.

Mr. Speaker, I was just getting started, and unfortunately I've run out of time, so I will resume my seat and encourage all members to support this important legislation.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. It is my pleasure to rise today and speak in third reading to Bill 201, the Emblems of Alberta (Grass Emblem) Amendment Act, 2003, sponsored by the Member for Highwood.

In Alberta we have many different emblems and official symbols, everything from colours to rocks to fish, and I believe that making rough fescue the official grass of Alberta enhances the emblems we already have. Rough fescue is extremely important to the agricultural growing process in the southern part of this province, and it has many different benefits and is a big reason why agriculture has flourished here in Alberta.

As the Member for Redwater has pointed out as well, there can be little doubt that rough fescue possesses a tremendous ability to hold carbon and return nutrients to the soil. The best carbon sinks in the world are found on Alberta's grasslands. The fescue takes CO₂ out of the atmosphere and stores the carbon in its root system, putting carbon nutrients into the soil, which, in turn, benefit our agriculture. Through millennia the grasslands built the organic base and fertility that the major bread baskets of the world, such as Alberta, enjoy today. The soil that is so rich for growing here took many hundreds of years to develop, and our agricultural base could arguably be attributed in part to rough fescue.

When the pioneers arrived in this area and felt the ice and snow of a prairie winter and the hot dry air of a prairie summer, they may have thought of going back to wherever they came from, where there weren't quite the weather extremes as here, but as they began to cultivate the land and grow crops, they found that this land was among the best places to grow food anywhere. So the pioneers stayed and braved the extreme prairie weather, and as agriculture continued to grow so did the territory, and eventually the province of Alberta was born. As the years went by and studies were done on the land, it was discovered that the rough fescue was the main reason for the nutrient-rich soil. This is not to say that rough fescue is the sole reason for the birth of our province, but it surely didn't hinder the progress.

I think the most important point to take from this is that rough fescue has played a significant albeit uncredited role in the lives of Albertans. Rough fescue is an important part of Alberta and lends itself to many qualities that Albertans themselves have. As the Member for Medicine Hat was starting to get into, rough fescue has an extremely large root system. The deep, fibrous roots tap into the underlying soils, drawing nutrients and water while binding soil particles, improving water penetration, and acting as a stabilizing force in watershed quality. The grass keeps surrounding soil moist and healthy and provides stability for growing. The root system is a stabilizer. The fescue could be over 100 years old and have a root system that goes deep into the earth, a system that stabilizes the land.

This is just like an Albertan, Mr. Speaker. An Albertan has deep roots in this province. These roots have been here sometimes for more than a hundred years. The roots of the Albertans stabilized the province. The stronger the roots, the stronger the province. Just like the rough fescue stabilizes the land, the rough Albertan stabilizes the province. This is why I feel that we should make rough fescue an official emblem of the province. The benefits and the symbolism that are found in this grass are much better than in any other grass in Alberta, and since the fescue is so important to our land, it's time we recognized that fact.

There are other benefits that rough fescue has, Mr. Speaker. As I mentioned, the grass is extremely good at removing CO₂ from the atmosphere. Over the past couple of years there has been an

immense debate raging over the effects of CO₂ in our atmosphere. Many argue that carbon dioxide is the cause of the Earth's temperature warming up. Some argue that there is far too much CO₂ in our atmosphere and that we must change our lifestyles in order to save everything from our ice caps to our forests to our families. Rough fescue has been shown in a number of studies to be an excellent CO₂ eliminator. This is because those deep roots of the fescue store more carbon than any other type of plant, therefore reducing the amount in our atmosphere. We should consider policies that include growing rough fescue as a CO₂ reduction strategy. It could be one way of getting rid of all that nasty CO₂.

Mr. Speaker, the benefits of the rough fescue are immense. It is an important part of our province, and I believe it may have an important role to play in our future. Of course, more studies should be undertaken to show all the benefits that rough fescue holds for mankind, but if we can find a way to use rough fescue to our benefit in fighting greenhouse gases, we should pursue it. I think a first step would be to recognize rough fescue as the official grass of Alberta. It's a small step but one that will be appreciated by Albertans. Hopefully, once this government adopts rough fescue as Alberta's official grass, the benefits will be realized and its importance recognized.

I urge all hon. members to vote in favour of Bill 201. Thank you, Mr. Speaker.

The Speaker: The hon. Member for Wainwright.

Mr. Griffiths: Thank you, Mr. Speaker. It is with great pleasure that I rise in this Assembly today and speak in support of Bill 201, the Emblems of Alberta (Grass Emblem) Amendment Act, 2003. I'd like to commend the MLA for Highwood for bringing this legislation forward for discussion and debate. But I would like to add an interesting perspective, that being that I'm the youngest member in this House, and I'd like to speak a bit on why this bill is important to me.

Dr. Taylor: Do you even know what rough fescue is?

Mr. Griffiths: I know what rough rescue is.

Mr. Speaker, being the youngest person in this House, I have a great fascination with the history of this province. We have a very proud history, a very distinguished history, and I often sat reading books about the history of this province and imagined the settlers coming across the prairie and seeing the open plains and the wide grasslands . . .

An Hon. Member: The rough fescue.

Mr. Griffiths: The rough fescue. That's exactly right.

. . . the open opportunity that was there and presented itself to the entrepreneurs, to the young people who traveled thousands of miles to start new lives. When you read the history of this province, it was not formed and founded by just farmers. It was agriculture. Primarily Alberta was founded by ranchers, people who didn't want to break up the land, but they wanted to leave the grass the way it was, the rough fescue, and run cattle across those open prairies. That's the history of this province, Mr. Speaker. So rough fescue symbolizes our past, a strong past that this province was built on before oil and gas was discovered, before any other investment came.

Rough fescue also symbolizes our future, however. As we tour around this province and look at the wide open grasslands and the opportunities that are there, we see tourism growing in ecotourism and agritourism as people from around the world want to come to Alberta to not only see its great mountains but its vast prairies and

open plains. Mr. Speaker, there are even some cultures around the world where people who get off the bus and see those open plains actually have panic attacks. They've never seen so much open space. The first thing that they see is the blue sky and the rough fescue, the grass that spreads across this province. So the rough fescue symbolizes the tourism potential of this province.

An Hon. Member: It symbolizes panic.

Mr. Griffiths: No. It doesn't symbolize panic. It symbolizes the open, beautiful opportunities that this province has afforded us from the beginning of time.

Finally, it's a symbol of freedom because, once again, Mr. Speaker, not only did our forefathers, our ancestors who walked into this province, see the open and wide opportunities and realize that anything was possible, but we see that today. We see that as our farmers struggle through drought, struggle through government intervention sometimes, struggle through a lot of things, but rough fescue is always there. It survives drought, keeps the cattle going . . .

4:00

An Hon. Member: My vision is blurring.

Mr. Griffiths: Don't get too teared up.

Mr. Speaker, rough fescue symbolizes our history, the nobility of our past, our failures and our successes, our tragedies and our triumphs. It's a symbol of a strong past, and it's a symbol of a strong future to come.

I would ask, Mr. Speaker, all members of this Assembly to support this bill. Thank you.

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

Mr. Tannas: Thank you, Mr. Speaker. It's an emotional afternoon. I'd like to now close third reading on Bill 201, but first I must express my appreciation to all the members who spoke at length in support of naming rough fescue as Alberta's grass emblem.

I also wish to acknowledge the work of our research assistants, in particular Frank Ostlinger, and to pay tribute to Cheryl Bradley of the Alberta Native Plant Council for her support, encouragement, and assistance.

Finally, I wish to recognize the fine work of the Alberta Prairie Conservation Forum, who made this bill possible.

Mr. Speaker, I would now ask all hon. members who feel so inclined to support rough fescue as our newest emblem and request that the question be now called on Bill 201.

The Speaker: Well, it certainly has been an emotional past hour.

[Motion carried; Bill 201 read a third time]

head: **Public Bills and Orders Other than
Government Bills and Orders
Committee of the Whole**

[Mr. Tannas in the chair]

The Chair: I'd like to call the Committee of the Whole to order.

Bill 203

School (Compulsory Attendance) Amendment Act, 2003

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

The hon. Member for Little Bow.

Mr. McFarland: Thank you, Mr. Chairman. I am delighted today to again have the opportunity to make further comment at committee stage on Bill 203, the School (Compulsory Attendance) Amendment Act, 2003. As I had indicated at a previous time, the bill speaks to a topic that is and should be a top priority for this government and a major concern for citizens of Alberta, and that topic is educating our youth and keeping our children in school.

As we move into the new millennium, it will be intellectual capital that will be the measuring stick for success. How well a country, region, or province maintains high levels of educated individuals in its labour force will determine its future course in this new economy and not necessarily how many resources it has in the ground. It is well acknowledged within the private energy sector that our province's energy basins are mature, meaning that they're here in Alberta but they've reached the height of oil and natural gas supply, a nonrenewable resource.

One resource that has not matured, Mr. Chairman, in a literal and figurative sense, is Alberta's youth, our most prized asset. In light of this, one should consider education to be a completely renewable resource. We in Alberta have moved well beyond the past conventional means of extracting value from the land. We must also strive to improve the value and efficiency of our education system.

[Mr. Shariff in the chair]

The introduction of Bill 203 will hopefully continue this process of streamlining and improving that system. The ramifications of this type of legislation will run deep, Mr. Chairman, and for many years to follow. It's reasonable to believe that a parent who has and was encouraged to finish high school and perhaps even continued on to postsecondary training will in turn encourage their children to do the same thing. This multiplier effect, if you will, creates an exponential increase in educated individuals in generations to come. We have slowly evolved in this direction, and we must continue on this path.

One of the areas that has been identified as a problem area is those who are brought up in an environment where education is not emphasized. Mr. Chairman, I would like to take this opportunity to relay some of my own experiences on the subject and maybe enlighten those in this Assembly on real-life tragedies involving individuals who struggle to survive in this world without the necessary skills of a basic education.

A few weeks ago, just after the introduction of Bill 203 in this Assembly, I had the opportunity to meet and talk with a man who had a very interesting story about life and education. He described to me in heartwrenching detail what life was like for him, a man of limited education. This fellow approached me after he found out that I was sponsoring the bill seeking to increase the mandatory age of school attendance. He had been living in an environment where education was not the top priority for him or of any of the young acquaintances in his area. He worked mainly as a farm labourer, putting in long hours doing heavy manual work such as roguing fields, feeding livestock, or fixing the fence.

Life was not full of much leisure, Mr. Chairman, but he was learning the value of hard work and developing a solid work ethic. While these are very noble and in many ways diminishing traits among our younger generation today, there was one very important aspect of his upbringing that was lacking: a formal education.

At the tender age of 14 years old he decided that he was going to strike out on his own, test the waters outside the circle he grew up in, and move away to the city. He found a job as a mechanic for a small businessman here in Edmonton. Although only 14 he had worked around machinery for quite some time and had taught himself about the trade. Over the years he took on many different jobs involving

mechanics. One employer agreed to pay him a wage of \$14 an hour. Well, he thought that was a pretty hefty sum, especially since he'd never really earned any money of his own for the work that he had done back home. He thought he had struck it rich, that life wasn't that hard. And why would he need an education anyway?

Well, as he soon discovered, his lack of literacy proved to be a very severe handicap. He was ridiculed at work, taken advantage of by his superiors, and left confused by the everyday responsibilities we all might take for granted. He had no clue what a T-4 was, and only after a warning from the tax department did he even discover that he had a much bigger problem. While all along he had assumed he had agreed to a job that would pay him \$14 an hour, he discovered not too long after finally filing his tax return that his boss had only been paying him \$9 an hour. Because of his lack of education he was convinced into believing that whatever people told him had to be true. He was unable to properly verify facts because he did not have the proper training, the know-how, or the knowledge. He was determined, though, and after a consultation at a career counseling school here in Edmonton, it was discovered that this man was managing in the city at approximately a grade 3 level of education.

There are several points in this man's tale where one wishes he might be able to go back and do things differently, but as he so adamantly stressed to me, he wished above all else that he could have had the opportunity to finish his schooling and obtain his high school diploma. The difference between this man's story and the story of so many of our youth who leave school before graduation is that they have the opportunity to get a formal education. This young man was never afforded that luxury.

4:10

Mr. Chairman, I would like to switch gears just a bit and address the purpose of the school board and to clarify the enforcement required under this Bill 203 amendment to the School Act by the individual school boards. As has been stated, currently under section 15(1) of the School Act attendance boards represent the ultimate authority in resolving truancy issues. Bill 203 proposes that sufficient powers currently exist for school boards to effectively enforce attendance, thereby making attendance boards redundant and obsolete.

Attendance boards were established to provide an alternative to the immediate use of the courts for enforcement of compulsory attendance. It was argued that a judicial approach would be not as effective or appropriate because it focused on sanctions rather than remedies. Well, Mr. Chairman, a school board superintendent or another individual designated by the school board has the power to locate a truant student during school hours, send the student home, and employ judicial backing if needed. When the board believes that all reasonable efforts to enforce the student's attendance have failed, the case can be brought to the attendance board.

As such, in its current form the School Act places only initial enforcement of school attendance with the school boards. Subsequent attendance board involvement represents the ultimate authority. Bill 203 proposes that sufficient powers currently exist for school boards to be effectively able to enforce attendance. Therefore, it's quite logical to surmise that attendance boards will only confuse the responsibility for attendance enforcement by adding another layer of bureaucracy to the problem.

Through this proposal of eliminating attendance boards, Bill 203 will make attendance enforcement more efficient. Truancy is a local problem and if given sufficient authority and responsibility can be solved from a local perspective. As both my rural and urban colleagues here can certainly attest to, this problem with noncompletion of students from high school stretches from the inner cities to

the far-out reaches of prairie towns throughout Alberta. Mr. Chairman, I only have to look back at that man in my office who did not have the education to see him through his life, a life that frankly took every bit of courage and perseverance just to survive.

Although this bill, Mr. Chairman, may not be the total answer to solving our high noncompletion rates here in Alberta, it certainly is the correct first step. Although we cannot change the past, we can surely make an impression on the future. I want to thank you and urge all my colleagues to support Bill 203.

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

Mr. Amery: Thank you, Mr. Chairman. It's a great pleasure for me to rise and speak to Bill 203, the School (Compulsory Attendance) Amendment Act, 2003. I would like to take this opportunity to express my sincere thanks and gratitude to the hon. Member for Little Bow for all the hard work that he has done in order to bring forward such an important piece of legislation.

Mr. Chairman, over the past 10 years this government has worked extremely hard in providing the best possible education system that our taxpayers' money can buy. Currently our children and our young people are provided with some of the best teaching facilities and techniques in Canada, and they are taught by some of the most committed and dedicated members of our province's communities. Alberta's high schools and postsecondary institutions, such as the University of Alberta and the University of Calgary, are renowned worldwide for their teaching excellence. As a result, our young people have continued to enjoy great success in their endeavours and are currently considered to be some of the most educated and brightest in the world. This noble feat was accomplished by giving Alberta's youth the opportunity to take advantage of all of the components of our superior education system. This system has time and time again continued to equip them with what is possibly the most important tool one can learn in life: the ability to think critically.

By having the opportunity to acquire this ability, Mr. Chairman, future generations of Albertans will be prepared to face all of the challenges and obstacles that come their way. By giving our children the opportunity to think, we have also not only ensured that they will lead our province and our country into a bright and prosperous future; we have given them the chance to guide the world into a global society which would promote tolerance and democracy.

As good as it may be, Mr. Chairman, our educational system does have a few faults which must be corrected. As my colleagues have mentioned before, section 13(1)(c) of the School Act currently stipulates that Alberta students can drop out of school once they reach the age of 16. Furthermore, section 13(5)(e) stipulates that certain students can be excused from attending school due to various factors including social or religious beliefs.

An Hon. Member: How about laziness?

Mr. Amery: That too.

I believe, Mr. Chairman, that in their current form these two clauses of section 13 impede our youth's ability to take advantage of all the wonderful opportunities that our education system has to offer. Allowing Alberta's youth to opt out of school at age 16 or giving their parents the right to take them out of school for whatever social or religious reason compromises their future success. At age 16 Alberta students are in no position to face the modern world. Many of them are not mature enough to make some of life's biggest decisions, let alone the decision to leave school. At age 16 it is their teachers who are in the perfect position to provide them with the

necessary knowledge and the understanding of what it takes to succeed in present-day Alberta and the modern world.

The world in which we find ourselves today demands an educated workforce, a workforce that can think, take initiative, and find innovative new solutions to the problems that we face, a workforce that is aware of and is willing to take advantage of the opportunities that are available to them. Mr. Chairman, the days when a person can drop out of school at the age of 16 and still have a bright future are gone. As we all know, a high school diploma today does not hold the same value that it held 20 years ago. Increasingly, our present-day economy demands that our youth pursue a postsecondary education before they can acquire decent jobs.

Mr. Chairman, studies conducted across Canada and the United States over the past decade have continued to show that students who drop out of school at the age of 16 face not only an uncertain academic future but are likely to turn to crime in order to make ends meet. According to one study conducted in the state of Nebraska, a common trait among 82 percent of the prison population was that they were all high school dropouts. The same study showed that if all of the high school dropouts had actually graduated, the state would be spending \$130 million less in social programs and that 35,000 fewer Nebraskans would be receiving public assistance. A study conducted in Canada showed that the annual dropout rate among high school students in our country was 18 percent, which costs the federal government approximately \$2 billion. In our province, according to a study conducted in 2001 by Alberta Learning, close to a quarter of our youth dropped out of high school before completion.

Mr. Chairman, I believe that we can do better than this. This province is capable of producing far better numbers. However, if we are prepared to do this, we have to take appropriate steps which would help minimize the terrible dropout rate that we are experiencing today. One sure way of accomplishing this task is for this Assembly to pass Bill 203 and amend the School Act, which presently permits students to drop out of school once they reach the age of 16. By amending section 13(1)(c), Bill 203 will extend that age to 17, which will bring the majority of high school students within one year of completing their secondary education. I believe that this one extra year will give our youth the time to mature and consider all of the opportunities and possibilities that education will open up for them. It will give them the necessary time to realize that by not completing at least their high school diploma, they may not only be shortchanging the chance to further their studies, but they may be shortchanging their goals and dreams in life.

4:20

Mr. Chairman, apart from increasing the mandatory attendance age from 16 to 17, Bill 203 also serves to amend section 13(5)(e) of the School Act, which permits our young people to be excused from attending school due to various family, social, or religious beliefs. Bill 203 will help alleviate this problem by repealing section 13(5)(e), and this bill will in turn allow the school boards to enforce the attendance rules and regulations on a consistent and fair basis. This means that the school boards will still permit students to be excused from attending classes due to particular holidays, sickness, suspensions, or expulsions, but they would not permit parents to neglect their children by not allowing them to pursue a proper education.

Mr. Chairman, our youth are the future of this province. Among them are the potential leaders of our province, our country, and our world. If we are going to entrust them with this momentous task, we had better make sure that all of them have the opportunity to receive the best possible education that we can provide. With this in mind,

I urge all of my colleagues to support our youth by voting in favour of Bill 203.

Thank you.

The Deputy Chair: The hon. Member for Airdrie-Rocky View.

Ms Haley: Thank you so much, Mr. Chairman. Thank you very much for the opportunity to speak to Bill 203, the School (Compulsory Attendance) Amendment Act, 2003. With respect – and I mean that sincerely – for my colleague for Little Bow, I must rise and speak against this bill today. I'm always sorry to speak against his bills as I know that he brings them forward with nothing but the very best of intentions, and besides that, he's a very good friend. I feel very strongly on the opposite side of this issue, and I'd like to share with you the reasons why I'm not supporting Bill 203.

At the outset I would like to say that in spirit I stand alongside my colleagues in the Assembly who do support this bill. As a parent I am proud to say that both my sons have completed high school and have attained some postsecondary education. My son Jeff has a political science degree from the University of Calgary, and my son Jason is currently in a golf management program. I know that education has opened many doors for them and will continue to do so throughout their entire lives. However, the reason behind their educational success was not legislation that made them stay in school. It was their willingness to be in school as well as their willingness to learn and family encouragement. Like everyone else in this Assembly I realize that staying in school increases a student's likelihood of prosperity and that lifelong learning will in fact become the norm for them, not the unusual.

Like all of my colleagues, I am acutely aware of the fact that the more educated a population becomes, the better a province or a state government would do. Simply put, the smarter we are, the brighter our future for everyone, for students as well as the society. But I believe that a strong education system works best when it is serving the needs of the ready and the willing students. We are not a successful province because we have forced students to be educated. We are successful because we have given people options for various courses of learning, and they have chosen the ones that are the best suited to their interests and their goals. As well, I also believe that in many cases forcing a student to remain in high school for an extra year, from the age of 16 to 17, will not necessarily accomplish anything. Young Albertans who want to get a high school diploma after the age of 17 will in fact get a high school diploma, and those who do not simply will drop out. Sometimes when we are struggling with something, we need to be able to step back from it, and many of those who do drop out eventually come back to learning, some through distance learning or Bow Valley College or a virtual school like we have at the Rocky View Virtual School in my area. Mr. Chairman, not all students wish to be inside a classroom, and some function better at home.

Furthermore, I think the bill skirts around the more important issue, which is that everyone would like to see all children finish high school, and if that's the case, then the bill should come right out and say it. If we measure success by whether or not students graduate from high school, then shouldn't we legislate that students must graduate from high school? Wouldn't that get us closer to the point? Related to this is the fact that in order to increase the chances of becoming economically successful, a young person today will almost certainly require some postsecondary education, and given that this bill is premised upon success, are we going to start forcing young Albertans to take postsecondary education whether they want to or not? That isn't our job, Mr. Chairman. These are decisions to be made by every Albertan as an individual and their families, not

their government. All we can do as a government is to try and provide the tools.

Secondly, Mr. Chairman, this bill speaks indirectly to the purpose of schools in this province. Are Alberta schools to be forced to provide a service to near-adult individuals who do not want to be there? Can you imagine the disruptive effect on some classrooms if that becomes the case? As all members here know, Alberta students consistently rank amongst the best in the world on standardized testing. This is the testimony to our education system, the one that we do have, one that stresses education above all else. Our schools are truly places to learn, not to coast. I believe that forcing someone to be in a school system against their will is bound to increase the number of problems in that system. This will hamper the ability of all students to learn, and if these students are not there to learn, then why are we trying to force them to be there?

As my third and final point, Mr. Chairman, I would like to state that during my 10 years as an MLA for Airdrie-Rocky View and, prior to that, Three Hills-Airdrie, not one parent, not one school board official, not one student, not one teacher has come to me with a request or a suggestion to increase the age limit for staying in school. I have over 50,000 people in my constituency, and none of them has ever asked me to do this. My larger point is that people learn best in places and in settings where they actually want to be. Possibly we ought to have the humility to realize that in the case of some of our older teenagers, school sometimes is not that place, at least not at that time in their lives.

This bill is based upon good sentiment and a noble goal, the education of all Albertans. However, due to the fact that the School (Compulsory Attendance) Amendment Act, 2003, attempts to keep people in a place where they clearly do not want to be, it will not be effective in ensuring that more Albertans graduate with a high school diploma, and that is why I will not be supporting Bill 203.

Thank you very much, Mr. Chairman, once again for the opportunity to be able to speak and put my point of view on the record.

The Deputy Chair: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you very much, Mr. Chairman. It's a pleasure for me to rise today and speak in support of Bill 203, the School (Compulsory Attendance) Amendment Act, 2003. Bill 203 is an important piece of legislation, because I believe that young Albertans need to be encouraged to finish high school. This will lay the foundation for their future in an increasingly competitive and demanding global economy.

Raising the mandatory age from 16 to 17 will bring young Albertans one year closer to graduation, which has become a basic necessity in today's world. A highly educated labour force that possesses the knowledge and skills needed for innovation and productivity growth and one that is flexible and adaptable in the face of ongoing change is a cornerstone of success for societies living and working in today's knowledge-based, globalized environment.

Mr. Chairman, in my opinion there are two important aspects in raising the mandatory school attendance age from 16 to 17. First, there are the individual or human benefits to achieving more education. Second, there are the societal and economic spillover effects of having a better educated province. A March 2001 study called *Literacy, Numeracy, and Labour Market Outcomes in Canada* discovered that each additional year of education raises annual earnings by about 8.3 percent. This statistic is astounding. In another study done by Statistics Canada there was a clear linkage between higher levels of education and higher rates of employment and lower rates of unemployment. With evidence like this, which

directly links education levels and income, Bill 203 should be seen as an investment plan for Alberta's future generations.

I do not believe, Mr. Chairman, that everyone is made for university education, but I do believe that everyone has a talent. To pursue this talent, training is needed, whether it be trade school or graphic design school, and while not a lot of these programs require a high school diploma, they most certainly demand specific higher levels of high school courses. Extending the mandatory age to 17 will give students thinking of dropping out at 16 an opportunity to achieve these specific courses so that they have a chance to realize their full potential.

Mr. Chairman, the basic issue that Bill 203 is addressing is that our society along with our economy has changed over the generations. Today almost any job that pays enough for an independent lifestyle requires some postsecondary education, training. Tradesmen need high school courses to get into apprenticeship programs, as do office management students. As you can see, there are very few professions left that are open to young adults without some kind of postsecondary training. This is why Bill 203 is so timely in our province's history.

4:30

Global economic fluctuations typically have a large impact on youth employment. Business leaders and social analysts believe that to succeed, Alberta's young people need to be adaptable and innovative and to have sophisticated communication and technological skills. Albertans who have not finished high school are disadvantaged when it comes to job security. When the economy takes a downward spiral, employees with low levels of education are more susceptible to losing their jobs. This stress places more burden on government social and economic programs. A report by the National Center for Education Statistics in the United States found that high school dropouts were three times more likely to receive public assistance than high school graduates who did not go to college. Once again, raising the mandatory attendance to 17 should be seen as an investment in the province's economy and its future.

One statistic published in a study called *Youth in Transition Survey* brought to my attention the cyclical effects that lower levels of education have on our society. The study found that high school graduates were more likely to have parents who had completed a postsecondary diploma or university degree, and the proportion of high school dropouts who had parents who had not completed high school were three times that of graduates. Mr. Chairman, this statistic makes it painfully obvious that high school dropout levels do not only affect the individual and his or her economic future, but they also affect the future of their children. The same study, which surveyed 22,000 Canadian youths between 18 and 20 years of age in the year 2000, found more evidence that the jobless rate was highest for high school dropouts with no postsecondary education.

There's some good news when discussing high school dropout rates among 20 year olds in Alberta over the past decade. In 1991 the dropout rate amongst 20 year olds was 14 percent, and in 1999 it was lowered to 12.5 percent. However, this still means that over one in 10 high school students are dropping out, and this is unacceptable. Another finding in the *Youth in Transition Survey* was that three-quarters of those who had dropped out later expressed regret over their decision. On a personal level, Mr. Chairman, in all my years I've not met one person who told me that they wished to have less education.

It should be noted that dropouts have a very difficult time re-entering the education system. The support network of the family is usually not there to provide financial and moral support for young Albertans looking to go back to school. Many in this segment of

society are living outside the home and are financially unable to go back to school. I can only imagine how difficult a decision it is for young people, once they're out of the home, to go back to their parents and say that they would like to be supported again to go back to school. Therefore, it's very important to pass this bill so that young Albertans are forced to attend school while they do have that support of their families. We have an opportunity to reduce the amount of regret and disappointment in the lives of these young Albertans. Raising the mandatory age from 16 to 17 will bring these disenfranchised youth one year closer to graduation. After spending this extra year in school, perhaps they will see the light at the end of the tunnel and go on and finish high school. Bill 203 is an extra push for Alberta's youth who for whatever reason are disengaged from the education system.

Building the requisite human capital for skills and knowledge begins with a strong educational foundation. The completion of high school is widely recognized in Canada and in other countries as the minimum education requirement. However, the labour market demand for skills and knowledge suggests that postsecondary education is fast becoming the new educational standard. Certainly, those youths who fail to complete high school will have particular problems integrating into the new economic society. Raising the mandatory age from 16 to 17 should be seen as an economic investment for this great province. It certainly is for the individual. The evidence is clear and blunt: education and income capacity are directly linked.

Some people are wary of this bill because of the costs attached to raising the mandatory age. However, the approximately \$43 million that it would cost this government to keep young Albertans in school for an extra year is a small price to pay. The long-term economic benefits far outweigh the short-term costs.

Mr. Chairman, people have raised the question of how this bill would be enforced. Well, Bill 203, by eliminating attendance boards, would place full and clear responsibility for attendance enforcement with school boards. It's my belief that people generally tend to obey the law, and by raising the mandatory age to 17, the mind-set of young Albertans would be changed, and 17 would become the new, accepted mandatory age. With more of the population having higher education, stresses on government services will decline, increasing the amount of money available for the province to reinvest in education and remain competitive in an increasingly demanding global economy.

Because Bill 203 makes plain economic sense for this province, I urge all my colleagues here to support this innovative piece of legislation and thank the Member for Little Bow for bringing it forward.

Thank you, Mr. Chairman.

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

Mr. Masyk: Thank you, Mr. Chairman. It's my pleasure to speak on behalf of Bill 203. I believe it's the right step for our education system, and I believe that our province will receive some benefit from this small but not insignificant change to the School Act. I'd like to speak on section 2 of Bill 203 with special reference to the constituency I represent, Edmonton-Norwood. I'd also like to pay special attention to the comments made in second reading debate by the members for Vermilion-Lloydminster and Edmonton-Rutherford. While these two members found themselves on opposite sides of the debate, I believe they both made important comments regarding the larger aims of our education system that we ought to look at more closely.

The Member for Edmonton-Rutherford talked about the impor-

tance of getting students ready for a different sort of economy that we would enter. In this new economy knowledge becomes an important tool, especially when we consider the specialization of every sort of job that is out there as well as the explosion of technical achievements that we've seen over the past 20 years or so. It isn't just a particular segment of our economy and particular careers that are subject to this change.

I think back to the '70s and '80s when, if you wanted to become a mechanic, you just helped your dad or went down the street to the local gas station or service garage; hopefully, the guy took you in, saw what you could do, and hired you. Nowadays, however, that doesn't happen. When you go walking into a mechanic's garage, it doesn't look like a service station did back then. One of the things you notice is a computer and diagnostic machines. Then you might see a wrench or a tool set. But if you want to be a mechanic or if you want to operate these machines, you have to know how to read and how to determine and interpret their outputs so you can make the right decisions. You also have to know what the machine is giving you so you know how to fix the problem. In order to do all this, you have to finish high school, and then you have to take one or two years of tech school or community college. All this shows that while the essence of being a good mechanic always involves getting your hands dirty to fix a car, the mode by which mechanics operate has been radically altered.

A larger point is the knowledge that the economy is touching every career in sight, and our students have to be ready for that change, Mr. Chairman. The Member for Vermilion-Lloydminster made an interesting comment on this point. He suggested that perhaps our focus ought to be in looking at the whole school system. Perhaps as MLAs we ought to be asking ourselves the greater question of how our schools should be preparing students for the economy that we're facing.

Finally, the member suggested that we should be looking at all the other sorts of classes we're offering in our schools to ensure that we offer a variety of courses that teach students a whole roster of skills that may be used by them. This is a point that ought to be taken by every member, by the province's learning commission. I know that Alberta's larger centres' apprenticeship programs are helping many students who have thought about dropping out or staying in school, and they may give it another shot. As well, the school system here in Edmonton is the one that caters to different reasons for kids that are in school. Of particular personal interest to me, Mr. Chairman, is Edmonton-Norwood, but this isn't the case for all the other areas of the province. There are those where initiatives and incentives to stay in school are not for all the kids without an aptitude for quote, unquote, learning from books. As well, aside from looking at the environment inside the schools, we've got to look at the environment outside our schools. We can't consider our schools in a vacuum. Rather, we've got to see our schools as connected to the larger community they serve.

4:40

In this light, Mr. Chairman, I would like to talk a bit about Edmonton-Norwood and say that for many students in my constituency a school is the best place they can be. I know that many kids in Edmonton-Norwood have big dreams, big plans, and I know that their parents like any other parents across the province have the highest hopes for the future success of their kids. However, Edmonton-Norwood has many challenges. There are pockets in the constituency of different levels of crime. It's on the news: on 118th, the prostitution; the break and enters. These are coming from young kids. You talk to the beat police, and they'll tell you that the youth are getting more and more wise about the law, what they can and

can't get away with. If it keeps them in school for one year, there is a likelihood that they might change their course or their pattern of thinking. One of my principals had told me that sometimes one year makes a drastic change in their attitude, from being a young, foolish child to becoming a young adult, and with that comes a different outlook on life.

It's sad in some areas of the inner city where a hot lunch program means learning. Does that reflect on the parents' ability to be a parent, or does that reflect on just the neediness of a community? You look at some of the kids that vandalize the school and are in lower grades. You know, what would possess them to do such things? If they could stay in school one more year, I think we could probably curb a lot of those things. And that's in just one area of the city. What if it made a difference? What if one year made a significant difference? You know, it's definitely not going to hurt, and I think we have a perfect opportunity here, being MLAs and receiving money from the taxpayers, to make a contribution in this segment of our jobs.

I would ask the members of the Assembly to really have a good look at section 2 of Bill 203. I would ask them to really think of the unfortunate kids who might, if they would stay in school one more year, not go on the street, who would not have to take a lesser job, who would have their horizons broadened. Mr. Chairman, I think we owe that to young people. I think we owe that to less-than-fortunate people and young kids that wouldn't otherwise have a chance. It's only one year, and I would encourage everybody to have a deeper look at it.

Thank you so much.

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

Dr. Pannu: Thank you very much, Mr. Chairman. I'd like to take this opportunity to make a few observations on Bill 203 while we are studying it in committee, the bill with the title of School (Compulsory Attendance) Amendment Act, 2003. The bill obviously calls on the Assembly to amend the compulsory attendance portion of the School Act so that high school students would be required to stay in school a year longer than they presently do.

I've been listening to the debate with considerable interest, as I'm sure high school students themselves, teachers, school boards, parent organizations, and the government itself are looking at this bill. There are some good assumptions on which this extension in compulsory attendance that's sought by way of this bill is based. Those assumptions are about the fact that an additional year of staying in school will improve high school completion rates, would assist young Albertans to take more seriously their commitment to complete high school. So that's a laudable assumption. That's a very good starting point.

In this day and age high school completion is a minimum. You know, you have to go beyond that to be able to survive and succeed in the work world that we find ourselves in given the complexity and the high-tech nature of the economy that we live in and the rapid changes that are required in learning our skills so many times over during a career, the fact that most Albertans and Canadians do have to in fact retool themselves every five, ten years given the rapid changes in the work world and the changing requirements of skills accompanying this technological change as well as change in the structure of occupations and job skills required. So the more education one has, the better it is. In that sense I congratulate the member for bringing this bill forward so that we can look at this one element that might help improve high school completion rates for our young people.

At this stage I'm simply looking as someone who's interested in

having some questions that come to mind addressed. The compulsory attendance will obviously have ramifications for school boards, schools, school superintendents, teachers, parents, and perhaps other groups. All of these stakeholders are, I'm sure, watching and listening, and what I would hope will happen in turn is that we have their input in some systematic way with respect to how they approach this extension of the compulsory attendance from 16 to 17 years, this increase in the number of years that we require by law of our students to attend.

So I wonder if the hon. member, the sponsor of the bill, has some information on whether or not school boards have been consulted, and, if so, have all of them been consulted? Has the Alberta School Boards Association perhaps been a partner in the development of this bill? The same pertains to, of course, the Alberta Teachers' Association as Alberta Teachers' Association represents all those high school teachers who are doing a wonderful job of helping our students who'll be affected by this extension. If so, what position has ATA taken on it? What input did the hon. member have from the ATA on the development of this bill?

4:50

Similarly, school superintendents and their association is another stakeholder that comes to mind. Certainly, I'll find it most instructive and reassuring to know that we have heard from them. The hon. member responsible for the bill will, I'm sure, have that information, and he'll share it with me and with the members of this House.

There are many parent associations, parent advocacy groups who are vitally interested in making our schools more successful, more effective in helping young people of Alberta to do better in school, to stay longer in school, to complete high school at a higher percentage of the student body. So what's their position? Any consultation that has taken place with parent advocacy groups would be another question that I would have that I hope the hon. member would have some answers for.

High school completion rates are also one of the many questions that are receiving extensive and detailed and expert attention from the learning commission. Since the terms of reference of the learning commission include specifically this particular item – that is, how we can improve the rate of completion of Alberta students through high school – I wonder if it wouldn't be, in fact, wise for us to hear from the learning commission. I'm sure everyone perhaps agrees that if we are to improve the high school completion rates, more than one measure will have to be taken, more than one change may need to be made. It's the interactive effect of those multiple changes that we may make as a result of the deliberations and recommendations of the learning commission that are likely effective in not only identifying increasing high school completion rates as our goal but in achieving that goal in order to be sure that the measures that we take will have a desired impact. Might it not be wise for us to wait, therefore, for a comprehensive look that the learning commission has been busy taking on the issue of how to improve these completion rates?

With those remarks, Mr. Chairman, I'll take my seat. Thank you.

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

Mr. Maskell: Thank you very much, Mr. Chairman. It is my great pleasure to rise today in support of Bill 203, the School (Compulsory Attendance) Amendment Act, 2003. I'm very pleased to be able to join the debate on Bill 203, and I'd like to commend the hon. Member for Little Bow for bringing forth this initiative.

You know, initially I wasn't sure whether or not I could support this bill and in fact shared many of the views of the hon. Member for

Airdrie-Rocky View. Then the faces of students past appeared before me and all of those students who said to me, "Mr. Maskell, why didn't you make me stay in school?" I know this business of legislating students to stay in school is a challenge and is a difficult one.

I need to share a little story with you. In my first year as an assistant principal one morning at about, oh, 9:30, 10 in the morning a father and a brother came to my door at the school and wanted to speak with me, and they told me: you know, my son was killed this morning in a motorcycle accident on the James McDonald Bridge, and we're here to clear out his locker and finish his school time. So I went to our records – and thank goodness he wasn't one of my students – and we discovered that he wasn't registered at school. He had dropped out some time ago, quite a long time before that. But this young man was getting up every morning with his lunch and his books and getting on his motorcycle, leaving the house, and heading off to school. The parents believed for all those months – and this was in the early spring of that school year – that their son was going to school every day.

I'll never forget the look on the father's face when he said to me: Mr. Maskell, I can never tell his mother about this, because she just couldn't handle the fact that he was living this false life for all of that time. Nobody from the school had ever let the parents know that this youngster was not attending school. Nobody had phoned and nobody had checked. We were supposed to be sending out attendance records and all of this kind of thing, and it hadn't happened at all.

I made a vow from that day forward and for the rest of my career that I would work very hard at keeping students in school. So any strategy that we can come up with that will help students stay in school is important, and I believe that if this is another way that we can retain a few more students in school, it's worth all of the effort.

Mr. Chairman, the purpose of this bill is rather simple and straightforward: it's a means by which we would ensure that more of our children stay in school and, I hope, graduate. You know, according to a recent study by Alberta Learning 72 percent of Alberta students graduate from high school, and, members of this Legislature, that's not good enough. We have to improve that result. We have to increase that. It's got to be at least 80 percent or more. We can't be satisfied with 72 percent of our students graduating. In fact, although we have wonderful results in this province, this result isn't our finest.

Since July 1, 1999, New Brunswick is the only province where the minimum mandatory school age is 18 years of age, and prior to that date it was 16 in that province just like it is throughout the rest of our country. To my way of thinking our colleagues in New Brunswick should be commended for pushing the amendment to raise the mandatory minimum school age there.

So, Mr. Chairman, it was recognized long ago that all children should have access to education, be it in a public or a private setting. It seems fair to assume that by making schools universally accessible to all children in Canada, the implied message is that going to school, that getting an education, is important. That our own provincial Ministry of Learning shares this belief is made clear in its 2001 report, *Removing Barriers to High School Completion*. At the very beginning it is explicitly stated that

Alberta Learning is committed to ensuring Albertans have the knowledge and skills they need to be successful and to learn quickly and flexibly throughout their lives. This process begins at an early age and reaches a key milestone when students complete high school and begin their adult lives by moving on to further education or employment. As such, the ability of every student to successfully complete high school is fundamental to continued success and quality of life.

Mr. Chairman, as the ministry's own report considers completing

high school a key milestone and states unequivocally that completing high school is fundamental to continued success and quality of life, I was surprised to learn that the ministry opposes Bill 203. Why? Has the importance of completing high school ceased to be of fundamental importance? I do not believe that to be the case, and here's why: look around and see what's driving our economy. To be sure, our province has a highly resource-driven economy, but it does not exist in a vacuum. We cannot, nor should we, rely exclusively on what our resources can bring us. As much as any other jurisdiction Alberta also needs to have a qualified workforce in today's burgeoning information and knowledge-based industries. Indeed, in today's competitive economy advanced technology skills and competence dominate. Completing high school is more than a key milestone in an individual's educational process; it has in many cases also become the minimum level of education needed to have an opportunity to compete in the labour market, obtain an entry-level job, and to secure a basic standard of living. Much more education and training is required for decent jobs, incomes, and life chances. Anything less than the minimum may restrict you to long hours, tedious jobs with little opportunity for advancement, and a low quality of life.

5:00

Mr. Chairman, we talk a lot about making sure that our children do not get saddled with debts incurred long before they reach adulthood. This concern has been and remains a key factor in this government's vow to pay off Alberta's provincial debt, and rightly so. Another issue of great concern is that we do what we can to make sure future generations are not restricted in their opportunities. It's our duty as legislators, as students, and as parents and grandparents to make sure that we do not place unnecessary hurdles to prevent our children and our children's children from being able to realize their goals, dreams, and ambitions.

A moment ago I said that high school dropouts are at a disadvantage in seeking meaningful employment. What they face are, if not unemployment, long work hours and low income levels. As the disadvantages they face accumulate, they will face increasing difficulty furthering their education, training, or skill development. This to me reads like a recipe for disaster. I want to make sure that all of our children have opportunities to succeed. Bill 203 won't ensure success on its own, but it is a step in the right direction.

Another argument I've heard against Bill 203 is that it could be seen as infringing on the freedom of young adults to choose when to leave school. I must say that I find this to be one of the most confounding and troubling arguments I've heard in opposition to Bill 203. I say this because when you think about it, there are a lot of things we don't let 16 year olds do and, I might add, with good reason. For instance, we don't let 16 year olds purchase alcohol, and in but a few weeks it will be illegal for anyone under 18 to buy and smoke cigarettes in public places. There's more. Those not yet 18 cannot purchase and register a gun of any kind. Starting this year, significant limitations have been placed on the circumstances and manner in which 16 year olds are allowed to operate motor vehicles.

The list, Mr. Chairman, goes on, but I think I've made my point. We have placed restrictions on certain kinds of activities, rights, and duties for certain age groups. We've done so because we and those who came before us felt it necessary in the ever present tug-of-war between individual rights and social responsibilities that there be some areas in which responsibility must take precedence over rights.

Quite frankly, I would also like to add that I think there are many issues about which 16 year olds cannot and should not make decisions whose impact may be felt throughout the rest of their lives. One such issue is whether or not they must attend school. Mr.

Chairman, I think we need only recall our own adolescence and teenage years to know that teenagers do not always fully appreciate the scope or impact of the decisions they make, let alone the decisions others make. Adolescents are much more likely to give greater consideration to what they like rather than what is good for them. I realize this is a generalization, but I think that with time we gain the maturity and experience necessary to make informed decisions that aren't guided solely by what we enjoy doing but also by what we have to do whether we like it or not.

As children grow up and are expected to take on more and more responsibility for their own lives and their decisions, they tend to realize . . . [Mr. Maskell's speaking time expired] Well, I'm out of time.

Mr. Chairman, I urge all those in this Legislature to support this bill. Thank you.

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

Mr. Cao: Thank you, Mr. Chairman. It is an honour for me to join the debate in the Committee of the Whole on Bill 203, the School (Compulsory Attendance) Amendment Act, 2003, sponsored by the hon. Member for Little Bow. I would like to address what the drawbacks in section 2(a) may pose to Alberta high schools and explain why these risks are worth the rewards.

Mr. Chairman, I accept the fact that there are issues with Bill 203. First of all, there's a risk of students simply riding out an extra year. There is an assumption that 16 year olds who don't want to be in school are no different than the 17 year olds who miss their classes. It may also be possible that these students may do more harm than good to the atmosphere in a classroom. I think it's safe to say that students who don't care about their own education care even less about the education of their classmates. Finally, it may also be true that the students who cause disruptions will only cost money because schools finance their programs based on the government's per student funding formula.

We must acknowledge that there may be drawbacks to this bill. Increasing the mandatory age of attendance could be problematic, but we should also make sure that we do not abandon those students who may only need a stronger push to stay in school. I know from firsthand experience the importance of promoting education through whatever means necessary. Mr. Chairman, I had the pleasure of chairing the Athabasca Tribal Council's school review committee. I traveled to northern Alberta and heard about the significant barriers to learners in northern Alberta. The committee heard about the need for more parent involvement and more collaboration between parents and teachers to help improve the learning programs required for students, but the most common concern among all of the schools in the region was the need to improve student attendance.

Now, one could argue that funding education in the far north is expensive in the first place. The schools are located far away from any major centre, students are scattered throughout the region, and facilities are in need of improvement. But it is not our place to decide who qualifies for education funding. The goal of Alberta's learning system is to educate all of Alberta's youth regardless of where they live, their ethnic background, or their current level of education. The best way to address all of these issues was to ask them what they wanted. What did the student want to achieve? What does the school board want to achieve? Mr. Chairman, these same questions need to be answered by those students who have not bought into the importance of basic education. This bill helps families, schools, communities encourage students to stay in school. Most Albertans realize the importance of education and work hard to ensure that students reach their full potential.

Mr. Chairman, Bill 203 plays an important role in the push and pull of education. Government, parents, schools, and society push students to succeed and reach their goals. Students are pushed to go to school and get their high school diploma. Students are pushed to earn high marks and think seriously about postsecondary education. Many students are pushed to be eager, disciplined, and hard-working. Finally, students are pushed to balance life, work, and school pressures. On the other side of this schools pull students into classrooms by making education more attractive. Students are pulled into the world of work to attain independence. Students are also pulled into education with the thought of doors opening as a result of their commitment to education.

This Assembly heard members speak about the need to make education more appealing to students. I agree that the Department of Learning should always be on the lookout for new learning strategies and programs. Updating and tweaking the curriculum is the best way to keep students' interest, but there are others. There are other factors such as programs designed for specific students and proper facilities that contribute a great deal to help attract and retain students who have not fully bought into the importance of education. Learning opportunities that encourage meaningful employment such as job shadowing and more connections to work would help pull students into the classroom.

5:10

I believe that Bill 203 also reflects the importance society places on education. The days of working a whole life with anything less than a high school diploma are gone. Sure; there may be certain professions that allow for a lower level of education in place of a good work ethic. There are many part-time jobs that do not require a high school diploma, but these jobs are hardly a career. The career opportunities available for adults without basic education are fewer in number.

The reality is that teenagers are not in the best position to decide their futures. Mr. Chairman, how can anyone know his or her full potential at such a young age? This is why the longer students spend in school the better. Young people must ask themselves what they want to do and where do they want to be. In other words, high school students must decide and define their success. Increasing the mandatory age of attendance to 17 will help those students who do not take their education seriously, but we all know it can be very difficult to force a teenager to do something they may not want to do. If these students spend an additional year in school and achieve anything, no matter how small, then Bill 203 has served its purpose.

Another aspect Bill 203 will address is the attendance boards, which many believe have failed to serve their purpose. These boards were designed to be an alternative to the immediate use of the courts to enforce compulsory attendance. It was thought that the court approach was not effective or appropriate in all cases. It focused on sanctions rather than remedies, and it did not try to get to the cause of nonattendance. However, the complex issues surrounding nonattendance are addressed easier through the school boards. The attendance boards are often viewed as a complicated process. Rather than urging students to stay in school, finding a resolution or applying sanctions are two other duties of the attendance boards that are a more effective result with the student, the school, and the guardian. Again, attendance boards only confuse the responsibility for attendance enforcement.

Mr. Chairman, I would like to refer back to the meeting with the Athabasca Tribal Council school review committee. Parents, teachers, tribal members did not mention the role or legitimacy of an attendance board because they were not considered part of the equation. My experience has proven to me that a local problem can

be best solved by a local perspective. Let's remember that urging students to complete their education provides them with the foundation of basic skills. These skills help prepare young people in their journey in the world of work.

Mr. Chairman, I strongly support Bill 203, and I urge all members to vote for it. Thank you.

The Deputy Chair: Are you ready for the question? Bill 203, School (Compulsory Attendance) Amendment Act, 2003. On the clauses of the bill are you agreed?

Some Hon. Members: Agreed.

The Deputy Chair: Opposed?

Some Hon. Members: Opposed.

The Deputy Chair: Carried.

[Several members rose calling for a division. The division bell was rung at 5:15 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Shariff in the chair]

For the motion:

Ady	Horner	McFarland
Cao	Jablonski	O'Neill
Carlson	Lukaszuk	Renner
DeLong	Marz	Strang
Dunford	Maskell	Taft
Evans	Massey	Taylor
Griffiths	Masyk	Zwozdesky
Herard	McClelland	

Against the motion:

Broda	Haley	Ouellette
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Cenaiko	Jonson	Snelgrove
Forsyth	Knight	Stelmach
Friedel	Lougheed	Stevens
Graham	Melchin	Tarchuk
Graydon	Norris	Vandermeer

Totals:	For - 23	Against - 18
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[The clauses of Bill 203 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Mr. Zwozdesky: Mr. Chair, I would move that the committee now rise and report.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 203.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? Carried.

Hon. members, since it's 5:30, the House stands adjourned until 8 p.m.

[The Assembly adjourned at 5:30 p.m.]

Legislative Assembly of Alberta

Title: **Monday, March 24, 2003**

8:00 p.m.

Date: 2003/03/24

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

head: **Motions Other than Government Motions**

Regional Police Service

504. Mr. Griffiths moved:

Be it resolved that the Legislative Assembly urge the government to take the steps necessary to establish its own regional police service including a regional police commissioner by 2007.

[Debate adjourned March 17]

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

Ms Carlson: Thank you, Mr. Speaker. I'm happy to have an opportunity to get involved in speaking to the motion that talks about a regional police service. Having read through *Hansard* and seen what was discussed previously, I'm a little surprised at the debate that's taken place because it doesn't seem to really be relevant to the motion that is before us. That motion is: "Be it resolved that the Legislative Assembly urge the government to take the steps necessary to establish its own regional police service including a regional police commissioner by 2007."

What we heard from the Member for Wainwright, who introduced this motion, was really to begin with a lot of fed-bashing. He talked about the problem not being with the RCMP but with the federal government and the contract they have with them, so the process rather than the implementation of the police force. Then he went on to talk about some of those things that they saw as roadblocks in their dealings with the federal government in terms of how they negotiate to get more police people. Then he stated: it's imperative that the government be in a position to negotiate if it's to effect these improvements. So my question to that hon. member is: is he really talking about negotiating, or is he talking about entering into these negotiations in 2007 with a threat, saying, "You take it our way, or it's the highway," which has been a standard practice of this provincial government when dealing with the federal government? That is not, I think, what the people of this province want when they come to a police force.

What do they want? They want our communities to be as crime free as possible. When crimes are committed, they want the police force to be able to solve those crimes and to bring the people who commit the crimes to justice as fast as possible. They want competent, well-trained police people on the street and in the field. Will we get that with the provincial police force? You don't talk anywhere here about how that agenda will be met. What they do talk about and what I see the Member for Calgary-Buffalo talk about is cost. So he doesn't seem to think that . . .

The Deputy Speaker: I hesitate to interrupt the hon. Member for Edmonton-Ellerslie, but under Standing Order 8(4), which provides for up to five minutes for a sponsor of a motion other than a government motion to close debate, I would now invite the hon. Member for Wainwright to close debate on Motion 504.

Mr. Griffiths: Thank you, Mr. Speaker. I'm sorry. I was under the

impression that seven minutes meant seven minutes for the member, and then I had five minutes after that.

The Deputy Speaker: Two for the member and then five.

Mr. Griffiths: Thank you.

Ms Carlson: I'll take your five.

Mr. Griffiths: No. No. That's all right.

Mr. Griffiths: Mr. Speaker, I guess I would like to address some of the concerns this evening that were raised by some of the other members during debate, particularly the Member for Edmonton-Centre. Actually, a few members have raised the point that they are concerned that the motion that's been written and that's been presented before this House doesn't just propose to take the steps to get ready to prepare for debate in 2007 but, rather, actually prepares to move to regional police services and to prepare for Alberta to move entirely on its own.

I would like to give an analogy that my dad always used to give me when I was a kid. He said: when you play cards, if you're going to bluff, it's best if you have four aces. Mr. Speaker, the way I equate that analogy to what the members have asked about actually preparing for a provincial police force is that it would be extremely difficult to move into negotiations telling the federal government, telling anybody that we're not actually serious about it, that we're just doing it for negotiations. If you're going to move into negotiations and you're going to take it seriously and you're going to try and work the best deal you have, you have to be prepared to take the alternative. You have to have the four aces in your hand that say that you can win either way. So if we're going to prepare this – as I suggested, the preparations for moving to regional police services in Alberta – we have to be fully prepared in 2007 to be ready to go to regional police services at that moment, not just contend that we might. We can't fake it, Mr. Speaker. We have to actually be prepared to do it. So I hope that addresses the concerns of those members.

Some of the other questions that were addressed. The Member for Edmonton-Riverview said that he didn't want power centralized in the province, Mr. Speaker. I find that really strange. He also raised the questions: why couldn't we work with the federal government and resolve the issue, and why couldn't the Alberta government contribute more funds? We're dealing with three levels of government: a local level of government, a provincial level of government, and a federal level of government. Negotiations in any circumstance when you're dealing with three levels of government are of course difficult, but the problem is compounded when you're dealing with the federal government, which is in charge of the hiring, pays for a small portion of the contracts; a provincial government, which pays for a portion of the contracts; and municipal governments, which actually sign the contracts and have the deal. The confusion from district to district, region to region makes it really difficult for the police services that we have now to co-ordinate their activities and make sure that they're as effective as can possibly be.

Mr. Speaker, some of the other members have brought up the point that they find it extremely difficult and confusing to think about losing the RCMP and moving to an Alberta provincial police force, which may be the consequence of this motion. They brought up issues that I wasn't even presenting with this motion, but I'd like to point out to the members that the first police force in this province, one that we had until we hit the Dirty Thirties, when

financing made it difficult to provide a provincial police force, was an Alberta provincial police force. I mean, the heritage and history is a completely separate issue and I don't think should even be identified on this particular argument. [interjection] I've got a sore throat. I'm sorry, Mr. Speaker. I have a cold. It makes it very difficult to continue talking.

Mr. Speaker, I think I've addressed all the concerns. In summary, I guess what I'd like to say is that we have a history and tradition in this province of doing things that suit this province well, of assuming our own identity, of being in charge of ourselves, of being responsible for ourselves. I think it's very important that we prepare ourselves to assume responsibility for whatever comes up, and I encourage all members to support this motion.

[Motion Other than Government Motion 504 carried]

Water Supply Standards

505. Dr. Nicol moved:

Be it resolved that the Legislative Assembly urge the government to create an organization similar to the Clean Air Strategic Alliance for Alberta's water supply to ensure that Alberta's water supply is maintained at the highest standards possible.

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

Dr. Nicol: Thank you, Mr. Speaker. It's important that we reflect on the role that water is going to be playing in Alberta's future. If we look at what is really needed in the upcoming period of transition that we're going through with our water and our water supply in Alberta right now, it's the idea that we have to have a true commitment to water quality. I think anybody who has been involved in agriculture, in human consumption, in industrial use recognizes fully that the quality of that water is really critical for the things that we're going to be doing and the direction that we'll be taking in our province.

We are here asking the government to create an organization similar to the Clean Air Strategic Alliance to look at water. The Clean Air Strategic Alliance has been a very successful effort by the government to bring together all the stakeholders, all the interest groups that are involved in clean air and get them into a position where they truly can listen, study, solve problems, and build all of that around a vision for this province.

8:10

Mr. Speaker, I'm familiar with the fact that the Minister of Environment has been telling us that toward the end of the month there will be a water strategy paper put on Alberta Environment's web site, but what we need is an organization whose mandate, whose true mandate is to go out and make sure that all of the people in this province are aware of both the benefits of quality water and the costs associated with allowing our water systems to become contaminated.

It seems like in Alberta we keep talking about the idea that we've got lots of water, yet the last two or three years really emphasized the fact that we don't. When water becomes short, it concentrates. We end up with concentrations of chemicals, either natural or human induced, industrially induced, into the water systems, and those levels of contamination or pollution in effect become more critical when there are dry periods, when there's concentration in nature. Also, when we look at how we interact with it in terms of what the impacts are of business activity and what the impacts are of human activity, we need to make sure that that quality aspect of our water

system is truly looked at and that we start and make a real commitment to first of all developing that vision that will then give us a direction of where to go as a province.

This water strategy paper I think is the government's most recent attempt at trying to define where we should be going with our water, but historically we've always seen the discussion around water focus on the quantity issues. What we'd like to see the government do through this organization is look at issues that are associated with quality just like the Clean Air Strategic Alliance is dealing with air quality and the impact that that has on individual Albertans, communities in Alberta, and us as a province, both in terms of our commitment to each other and also our commitment to, you know, kind of a vision or a perspective of what we want Alberta to be.

What we need is for this organization to begin to look at a visioning statement and start to plan for what we need to do about quality issues over the next five, 10, 15, 20 years and into the future. It's so important. If we are going to recognize that that quality in what we do about our water system is as equally important as quantity, then we've got to start planning now, thinking now, bringing together the groups now that will in effect result in some actions starting sooner rather than later to make sure that if nothing else we act to keep our water at current standards so that we can then begin to say: what do we need to do to bring it up in quality to prevent its further deterioration? This, Mr. Speaker, can run the whole gamut from the ideas of what about water for human consumption, what about water for our in-stream flows, what about the qualities that are necessary there, what are reasonable in-stream flow levels, what are seasonal variations in those kinds of things and how does that variation in water quality over seasons affect, you know, the basic ability of nature and human and commercial activity to function?

You know, it's always quite amazing when you look at some of the differences in the quality of water that's brought into our municipal water systems. We look at what this is doing to the capacity of those systems, the workload on those systems, yet when we get to the tap, almost all communities in Alberta have what is probably some of the highest quality water anywhere in the world. But every now and again we have incidences that in effect cause some real concern among Albertans, and what we need to do is look at how we can start telling Albertans that we're aware of that, we're doing something, and we're going to make a difference.

If we were to send a message today to the government by accepting this motion, we can start to plan for an organization made up of the stakeholders that are involved, whether it's, say, environment groups that want to maintain stream flows and quality in stream flows, whether it's members of the local municipalities that want to deal with the burden or the load factor on their water plants, whether it's issues like: how do we deal with making sure that the rural water systems that are being proposed to provide potable water to all of Alberta have quality components built into them? We've got to make sure that that approach to our water system does reflect on all of those available issues.

There's a lot of information becoming available now that really shows even things like if our livestock industry has fresh water that's of a high quality, the performance for those animals is significantly better than with water that has contaminants or that is less pure. So what we need to do is look at making sure that our groundwater systems are protected for rural Albertans and our stream-flow systems are protected in a quality way for the agriculture industry, Mr. Speaker. I'm not talking here just about the issues of irrigation but just basic availability within the livestock sector and the communities. The more you discuss water and water quality with

our commercial and industrial users, they focus on the fact that it's becoming more and more costly to them to get the water to the standard that they need for their processes, that they need to make sure that their processes work.

So I think it's a good idea that we do send a message today, that we focus on the idea that this is something we should start, and I hope everybody in the Legislature moves to support this motion. Thank you very much.

The Deputy Speaker: The hon. Minister of Environment.

Dr. Taylor: Thank you very much, Mr. Speaker. I'd just like to thank the member opposite for his comments. I can say in general that I as Minister of Environment personally agree with most of what he has to say. I just want to make a couple of points of clarification in a brief few minutes.

One I would point out to him is that the quality of Alberta's water is the best in the country. We're only one of two provinces – one of two, Mr. Speaker – that has adopted Canadian clean drinking water quality standards in either legislation or regulation. It's important to recognize that. We will continue to improve our standards as the technology becomes available. An example I might think of is that right now we're at five parts per million of particulate matter in our drinking water. Technology will soon become available to go to three and probably then to one, and as technology moves forward we will in consultation with the communities move to those higher standards, once again the only province that will probably do that.

8:20

It does raise some issues, though, because in big cities like Edmonton, Calgary, or Lethbridge, where the member is from, it's easier to move to those higher standards because the volume they put through keeps the cost down. The member probably has a few smaller communities in his constituency as well. I'm not exactly sure; maybe Barons. [interjection] No? Okay. It's much more difficult. Bow Island, for instance, is right now at .5 parts per million, and they're succeeding. But to move down to three parts per million becomes incredibly expensive for smaller communities. So one of the things I've asked the AAMDC and the AUMA to do is look at how tightening of these drinking water quality standards would affect their smaller communities. As I say, it's not an issue in the larger communities, but it could be a significant issue in the smaller communities. Once again, knowing Bow Island very well, they're almost borrowed to their max already, and for us to put more burdens on some of those communities may be difficult.

This is an issue that is ongoing. We need to continue to improve. We're not perfect. As I say, one of the two best in the country, but we're not perfect, and we can improve. I just wanted to raise that as a bit of a concern to the member.

He's quite correct that typically when we talk about water quality, we've only talked about drinking water, and we need to expand that definition to what I would call raw water as well. You're quite clearly going to see this on Thursday or Friday of this week. Our draft of the water strategy will be put on the web site, and you'll quite clearly see that the quality issue is not just around drinking water. You'll quite clearly see that the issues he raised around groundwater are in the water strategy that we're putting forward.

The concept of having a body like the Clear Air Strategic Alliance to talk about and advise government on water issues is certainly a valuable one. In fact, that's the way we came up, not in such a formal way, with the water strategy. We invited between 100 and 120 independent people, stakeholders to come to Red Deer last end of May or early June – I've forgotten the exact date – to talk about

these issues. We then put what they had on the web site, and we got literally thousands of responses to that. This draft water strategy is going to actually be mailed out to 1,300 different stakeholders. It'll include municipalities, environmental groups, irrigation, agriculture. You name it; it's going out. On top of that, Mr. Speaker, it will be on the web so people can reply, and we're going to allow about a month or six weeks for a reply. We'll get in that information, and then I hope that – well, I'm fairly confident – we'll have our final strategy available in September.

With the comments that this member has made, I hope that he'll support the final strategy because many of the things that he's talked about will be in that final strategy. It'll be much broader than what he's talked about because in the time allowed to him, he certainly couldn't discuss all the issues, but the issues that he's talked about will be there. For instance, we're recommending an overall group like the Clean Air Strategic Alliance, some kind of water governing council, but we're going to even go further than that. What we're recommending is that under the large water provincial council there be a basin council which would feed into the water council, and under the basin council, then, there'll be a local council that looks at individual rivers and management on those rivers. Each will feed into the other. In one sense our recommendation in the water strategy – I realize that I'm giving a bit of it away here – will be even more complete than the Clean Air Strategic Alliance, which is a provincial body. Now it is represented by people obviously from all over the province, but it doesn't have the same kind of feeder system or farm system, if I could call it that to use an athletic metaphor, that the water council will have.

So I think the member has raised a number of good points and certainly recognizing – and I have been saying publicly for some time that water is the important issue of the 21st century not just in Alberta but really on a worldwide scale. They had a United Nations conference on water recently in Kyoto, Japan, and quite clearly that's what the results of the conference were: recognizing that we need as a world to have certain strategies around water. So it's not simply an Alberta issue, but it is very important in Alberta because, as I've said repeatedly, unless we have a comprehensive and complete strategy, we simply will not have water for future economic, population, agricultural, or environmental resources as we go forward. It's simply impossible. If we get another million people in this province, which it looks like we will, Mr. Speaker, we're going to have significant difficulties around water, as I said, its utilization. I believe as we move forward, you're going to see that a lot of the water strategy is going to have to talk about conservation.

I spoke to an irrigation council here – I don't know – a month, six weeks ago and pointed out to them that irrigators are licensed to use roughly 76 percent of the surface water in this province, and they have to be better utilizers of water. So one district, the Eastern irrigation district, is actually giving its members an incentive to move to down drops. Apparently it costs, you know, \$7,000 to \$10,000 for a down drop. Eastern irrigation is giving its members incentives to move to pivots, away from flood irrigation, and it's one of the models that I use.

I say to St. Mary's, which is a large part of my constituency: why aren't you guys doing the same thing? You have to be proactive in encouraging your users. But it's not just the irrigators; I use them as an example. Communities, cities have to be proactive in encouraging their users of water to conserve as well. The one I often use, of course, is Calgary. Not to pick on Calgary, but you know half their city has meters; the other half doesn't. The half that does not have the meters uses double the amount of water. Actually, the city has a 15-year plan to have everything metered, but quite frankly as we

move forward towards conservation, I don't believe 15 years is quick enough.

Also, Mr. Speaker, we can look at the oil industry. The oil industry has to utilize and conserve water, and they realize that. We're having as a department discussions right now with the oil industry as to how they can better utilize water, how they conserve water, and so that's certainly an issue. Any strategy we have to have has to be based around conservation because unfortunately we can't create more water.

Now, we can do a better job of mapping the groundwater. We quite frankly don't have a good idea of how much groundwater we have in the province, where it is, or what the quality of it is. We have some good examples in basins, for instance, and close to the member's riding, in the Milk River basin. There's been a lot of research done there on groundwater. What's amazing to me is that the scientists, the hydrologists tell me that in the St. Mary's River basin from the time the water is on the surface till the time it goes in the river, percolates down, then comes back up in people's wells is something between 10,000 and 20,000 years. When I first heard that, it blew me away, Mr. Speaker, to think that when I take a drink in Etzikom or when I take a drink in Foremost, I'm drinking water that's 10,000 to 20,000 years old. Now, when you explain that to people, you know, it does blow people away.

So one of the programs we've got going right now – and a previous Minister of Environment started it, so I can't take the credit – is capping unused wells in the Milk River basin. I'm not sure if it was that member there nodding his head, the present minister of intergovernmental affairs.

Just let me conclude by saying that we've got a lot of exciting things that are going to happen, and I don't think the member's motion goes far enough, but I personally am pleased to support it.

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

Ms Carlson: Thank you, Mr. Speaker. It certainly was a pleasure to hear that the Minister of Environment is going to be supporting this particular motion. I think it comes as no surprise to anyone in this Assembly that I strongly support this motion, and to use the Minister of Economic Development's words from earlier today: every once in a while the Official Opposition has a positively brilliant idea. And this was one of them. This was one of them.

We've looked at this water problem for about 10 years and brought forward a lot of suggestions for the government. We're anticipating this new water strategy to come out any day now and know that it'll be a step in the right direction, but we need to take the politics out of the debate and discussion and put the science in. This is what we believe this kind of an alliance, like the Clean Air Strategic Alliance, or CASA, as it's better known in this province, would do. It's really nice to have the farm teams like the minister is talking about feeding information into a board, but our experience with boards in this province over the past 10 years has not been a completely positive experience, and in fact the government would share that reservation because there have been times when they have completely disbanded them.

8:30

If they were to take a strategy like they have with CASA and literally bring all of the parties who have a vested interest in ensuring that we have clean water and that we have enough quantity of water to sustain us now and in the next five years, the next 20, the next 50, the next 100 years – that's what we need to be looking at for a solution. That takes a kind of organization like CASA has evolved to, where while they don't actually have any teeth to implement

anything, they can make strong recommendations where they are truly representing all those directly affected parties in the province. The government, to their credit, has listened to this organization, has started to work to implement some of the strategies they've brought forward, and that's all very positive. I think it's very important that we put something like this in place because I did have a little concern with some of things that the minister was saying, particularly in his opening remarks. He spent a lot of time talking about water quality. I agree with him when he says that the quality of the water in this province for drinking water is the best in the country, if not the best then the second-best, and it's great that they've adopted the clean water standards and that they're continuing to improve them.

But what about water management practices? That's where the real issue is. We've got clean water. It's easy to keep those standards in place to be able to maintain that, but what we have to be concerned about now and in the future is water supply. Who gets it, where's it going, and where's it coming from? Those are the big issues that we need to answer in the coming decades and things that I don't hear anything on from the minister now.

You know, one of the questions we have to ask ourselves when many groups are competing for water, whether that's industry or agriculture or people or the ecosystem – all of those groups are competing for it. It's becoming a scarce resource in this province. In spite of what people think, we do not have an overabundance of water in this province. We have in Alberta I think perhaps the least amount of surface water that any province in this country has. It is becoming a scarce resource. So when we have all these competing interests, we have to start having the debate and the discussion about how we allocate those scarce resources. Do we pipe the water to the people in the industry, or do we move the industry and the people to where the water is?

We've seen already some real forward-thinking strategies happen with municipalities in this province. If we talk about Okotoks, which the Speaker is very familiar with, Okotoks has passed some bylaws on their growth. They're saying that they can't sustain more costs for infrastructure and for supplying some of their needs like water. They have put a cap on the growth in that particular area. That's a very smart thing to have done because the cost of providing those services over time will become immense. Well, we have many areas like that in this province.

To look back at something that was said earlier in question period today by the Minister of Municipal Affairs, he said: if we were to take a look back a hundred years – it's 98 years since this province became an official province – and were to start the planning over, would we do things differently? He was talking about municipalities, but I'm talking about water. Would we have put irrigation systems in like we did? Would we have put dams in like we did? Would we have located the cities where we did? I think those are questions that all of us in here can think twice about when we try to answer them, and there are some things that we would do differently knowing what a finite resource we're actually dealing with in water.

So those are the kinds of questions that we need to start talking about and finding solutions to. The Minister of Environment talked about the length of time it took for groundwater to seep through and become available for people or industry to use, and he's very right. If he knows that so well, then why in the world would he be allowing freshwater injections into oil wells when he knows very well that it is not going to be in the next 10 lifetimes of anybody that he is related to when they can recover that water from those deep well injections and reuse it again? It just isn't possible. It just takes too much time. So we need to be smart about our water management practices now, and we cannot make ourselves available to political

lobbying, whether that be from green groups or whether that be from industry, whether that be for intensive livestock or whether that be from existing agricultural users. We have to take that lobbying and all of those politics out of the decision-making, and we have to put the science back in it.

That's what CASA, the Clean Air Strategic Alliance, has been able to do. They've spent about 10 years doing it now, and they've done a very remarkable job. They are well respected by all groups in this province. Not everyone likes all of their decisions, but that's fine. On a consensus basis they have come up with some really good ideas, and they have moved the issue forward in terms of keeping our water clean and taking a look at how to work on progressing by still allowing industrial development and industrialization in this province but ensuring at the same time that we maintain not only high air quality standards but move towards higher ones. That's exactly what this water strategy group could do.

It looks like the minister is halfway there. We want him to just take the extra half a step to. . .

An Hon. Member: Go the whole way.

Ms Carlson: Well, sure. It would be great. We see some support for this particular motion from other people in the government, and what we do know from the past, Mr. Speaker, is that when the Official Opposition has a brilliant idea, it takes about two years from the time we bring it onto the floor of the Legislature until it's adopted. [interjections] Well, it's true. We've seen it happen over and over again. Now I'm hearing some moaning and groaning and a little laughter, but who I'm hearing it from are the newcomers to this Assembly. Those people have only been here for two years. When they've been around for four years or eight years or 10 years like myself, they'll see that over time there have been some really great ideas that have been brought forward by the Official Opposition that have ultimately been adopted by this government.

Mr. Ouellette: That's a good thing.

Ms Carlson: That's a very good thing. It is.

Mr. Ouellette: Everybody gets the odd decent idea.

Ms Carlson: Well, we get lots of decent ideas. You guys just figure out how to pick a few of them. This is a good one. We see right off the bat that the Minister of Environment thinks that it isn't a bad idea too, and he's quite prepared to vote for it. When I take my place, I'm going to try and talk the Leader of the Official Opposition into calling the vote soon so that we can get the support for this on the record. [interjection] Yes. I hear that the Minister of International and Intergovernmental Relations is telling me not to overdo it, that what could have been a good idea could be lost on a vote if I press our position too hard. I won't do that. I expect to see him and a few other people in this Assembly stand to support this particular motion when it comes to a vote because it's a really good idea, and we will give the Minister of Environment lots of credit for actually acting on it in a timely fashion. Don't worry about that. It'll be a great place for him to be, and he'll look wonderful to lots of people in this community from all different groups.

Mr. Broda: He already does.

Ms Carlson: Well, I have to differ with that particular opinion. The Member for Redwater had comment. I know from the e-mails and the letters and the comments I get that that isn't always the particular

position that that minister is thought of, but in this case I will be his champion as well if it comes to him putting this particular strategy in place.

So we're looking forward to seeing that as an outcome, Mr. Speaker, when we see the water strategy that he has rolled out in its final implementation in the fall, and definitely we'll be talking about that over the summer, about how this is a good idea and we're not too far apart, and hopefully at the end of the day we'll see a fine resolution.

Thank you.

The Deputy Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Good evening. Thank you, Mr. Speaker. It is a great honour for me to have the opportunity to join the debate on Motion 505, and I am very pleased to be able to do so. The idea that Motion 505 puts forward is a very good one, so good in fact that as I was reading, I thought the Leader of the Official Opposition, the sponsor of the bill, had crossed the aisle and joined the government caucus. All kidding aside, the hon. Member for Lethbridge-East is to be congratulated for introducing such a worthwhile motion as this. Taking a stand for water, for improving the quality of our water, and for protecting our sources of water is always important.

One of the things we learn early on in life in places such as introductory biology or physics courses in junior high school or maybe even earlier in a life sciences course in grade school is that without water nothing could exist. Water, this liquid that is so commonplace and so ordinary a feature of our lives and that we all take for granted, is really an essential component of life. Therefore, putting a premium on clean water and measures to safeguard water quality is in everyone's interest. All of us are all too familiar with the tainted water scandals in Walkerton, Ontario, and North Battleford, Saskatchewan, in recent years. In Walkerton, if you'll recall, Mr. Speaker, seven people died and more than 2,000 became ill after drinking water contaminated with E coli bacteria not quite three years ago. It is therefore not an exaggeration to say that unclean water affects us all, and the impact of unclean water is all negative. Nothing good can come out of polluted water, and as a result we must remain vigilant in preserving and protecting our water, always making sure that we're upholding the highest standards possible.

8:40

Mr. Speaker, in the past Alberta was able to manage its water supply thanks to a relatively abundant supply of clean water to meet Alberta's needs and maintain a healthy aquatic environment. As the population has grown, however, Alberta has seen rapid industrial, agricultural, and municipal growth, which has increased the pressures on existing water supplies, thereby potentially affecting the quality of surface water and groundwater. At the same time, nature's unpredictability has placed overwhelming demands on existing water supplies. For instance, consecutive years of drought conditions in most areas of the province have led to water shortages.

Now as ever the Alberta government is committed to ensuring that the province has an effective and sustainable way of conserving, managing, and protecting our water supplies which will preserve the environment while maintaining a high quality of life for Albertans. Here I would like to repeat what the minister has already pointed out, that Alberta already has one of the best water quality ratings in all of Canada. Alberta is one of only two provinces, the other being Quebec, that are in full compliance with the Canadian drinking water standards.

The Alberta government, though, Mr. Speaker, is not resting on wilted laurels. Instead, the government is already hard at work developing a provincial water strategy, as the minister pointed out, known as Water for Life, and I would invite all members as well as the Leader of the Official Opposition and anyone else who is interested for that matter to visit www.waterforlife.gov.ab.ca to learn more about the provincial water strategy. The development of this provincial water strategy has been under way since late 2001. The goal is to have an action-oriented water strategy, one that identifies specific activities and initiatives, in place by the fall.

Mr. Speaker, Motion 505 calls for the government to “create an organization similar to the Clean Air Strategic Alliance for Alberta’s water supply to ensure that Alberta’s water supply is maintained at the highest standards possible.” The thrust of Motion 505, therefore, is the establishment of what we may call a clean water strategic alliance, given that the objective is to create an organization similar to the Clean Air Strategic Alliance. One of the most appealing features of the Clean Air Strategic Alliance, or CASA as it’s often called, which has been noted by earlier speakers is that the makeup of the organization includes representatives of each of the three major stakeholders: government, industry, and nongovernment organizations such as health and environmental groups.

As well, in developing and applying a comprehensive air quality management system for Alberta, CASA operates through a collaborative, consensus-based process. This is a commendable approach. It is worth noting, Mr. Speaker, that it’s a well-known fact that agreements reached through a consensus exercise are likely to be more innovative and have greater longevity than those agreements reached through traditional negotiation processes. Where could such an approach be more crucial than when dealing with the very liquid upon which life as we know it depends? This is an issue where we need to have widespread agreement and understanding of the long-range impact of our decisions. This is not an area that should be subject to too much negotiation.

As evidence of the success of the consensus-based approach I would offer up the following. Significantly less gas has been flared in the province since the EUB implemented CASA’s recommendations for reducing solution gas flaring in 1999. The EUB estimates that in 2001 flaring of solution gas was reduced by approximately 50 percent from the 1996 baseline level of 1.7 billion cubic metres, doubling the 25 percent reduction target for 2001. Further proof that CASA plays a significant role with regard to Alberta’s air quality is found in the fact that in 2001 its mandate to resolve air quality issues in Alberta was renewed by its stakeholders for an additional three-year period ending next year. In other words, the CASA consensus model, if we may call it that, works quite well and to the benefit of all Albertans. There’s no reason to believe that it couldn’t be modified to be applied successfully to our water.

Mr. Speaker, I would like to draw our attention to one significant factor that we must consider here. Unlike air, water can be sold and is a commodity. If nothing else we know this because each and every month we receive a bill for our monthly water consumption; we do not, however, receive a bill for our monthly air consumption. [interjection] Well, they may do that in the north; I’m not sure.

Water, unlike air, can be harnessed, controlled, and distributed in accordance with need. It can also be redirected, for better or worse I might add. Modern history, as was mentioned again, is filled with dam-building projects, river diversions, and man-made lakes. The same cannot be said about air. Perhaps we have no choice but to try to operate by consensus when it comes to air since air cannot be harnessed, regulated, hoarded, or otherwise manipulated. It is in our best interest to work together to improve air quality. I hasten to add that by saying that we cannot manipulate air, I am referring to our

inability to control at will the flow or the abundance; needless to say, we have proven ourselves to be very adept at manipulating what we put into the air. Due to this very basic yet fundamental difference, I’m not sure that an exact duplication of CASA can be realized for our water. As far as I can tell, it is imperative that the government retain its proper regulatory authority.

Having said that, Mr. Speaker, the spirit and intent of Motion 505 are commendable. I’m very pleased to see that the Official Opposition has approved of the actions the government has taken on this matter to date, and I hope that such co-operation in common areas of concern will be more frequent in the future.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Mr. Speaker. It is indeed a pleasure to speak this evening on Motion 505, a very excellent motion brought forward by the Official Opposition and sponsored by the leader. I listened intently as the hon. Member for Edmonton-Ellerslie was speaking and enjoyed all the comments, none any stronger than those from the hon. Member for Innisfail-Sylvan Lake. He’s very familiar with water standards, particularly in Sylvan Lake with the impact that’s occurring in his constituency right now with the growth that is proposed there.

I also listened intently, Mr. Speaker, to the comments by the Member for Spruce Grove-Sturgeon-St. Albert, certainly when he talked about nature’s unpredictability of water supply. A number of years ago I used to park my trailer out in the constituency of Spruce Grove-Sturgeon-St. Albert, and the people’s farm that I parked my trailer on were the Carsons. Now, Mr. Carson at that time was about 75, and he used to relate to us the story of how his grandfather, who had homesteaded that particular property back in the 1800s, had written away to Scotland to get granite stones so they could mill their wheat. They actually had enough water power at that time on the Sturgeon River to mill their wheat. Certainly, we couldn’t do that today. Nature is very unpredictable.

I also heard with great interest late last fall Dr. Schindler speak on water in this province, and certainly Dr. Schindler’s comments are to be respected and listened to. Any number of people have talked about his work and how the quality of his work is up to Nobel prize standards. So when someone of this reputation speaks, I think it does us all well to listen. I was shocked when he was talking about the supply of water that we have in this province that the Peace and Slave rivers, the rivers that we think in northern Alberta supply a tremendous amount of water and have a tremendous amount of water, those major rivers in Alberta are flowing today at 30 percent less capacity than they flowed at 100 years ago.

So, yes, I think that in this whole discussion we are having on the water strategy, one of the things that we do have to take into consideration is the supply. I also think of the Athabasca River, whose headwaters are at the Columbia Icefield, and we look at pictures back into the 1920s of how that enormous glacier spread across the floor of the valley, and now it has receded past the floor of the valley and up the mountainside. So certainly I think that if we were to look at that as being a major source of water in this province in the next 100 years, we would have to say that we could possibly have the Athabasca and the Columbia rivers, which are both fed from those icefields, being probably dry at their headwaters because there won’t be any more glaciers.

8:50

So we do have a problem, and other members here this evening have talked about how we don’t want another Walkerton here. We

don't even like it in this province when we have alerts to boil our water, and that has happened with greater frequency over the last few years. It was quite interesting even looking over a hundred years ago to Cape Breton Island, to Louisburg and the fort there and the problems that they encountered because they didn't know what they were doing when their water became contaminated. We do want to avoid all of those types of situations, so water quality is critical.

I think that with Motion 505, that has been proposed here this evening, the clean water strategic alliance will move us along so that we can have sustainability not only in our communities but in industry as well. I think that what we have done here as well is very, very important because we have identified and prioritized this issue, and it is so important.

Just last fall in this Legislature, Mr. Speaker, as a group we passed a bill which would allow the building of a pipeline for the interbasin transfer of water, which probably was a first for this province, and one of the reasons we were able to do that is because those basins join up further down the line as well. So I think that's very important.

As well, I like the idea in this motion, Mr. Speaker, that all stakeholders will be involved in the development of this strategy. Certainly, when we look at industry, it is critical that they are involved because business does have a track record in this province of being able to solve problems very cheaply. They meet their standards quickly and much more efficiently than a lot of people give them credit for. So it is quite important that we do have a commitment from all members.

Now, then, another issue that we have to look at in this province because we are expanding not only from a population base but from an industrial base is that the demands on our fresh water are growing, and I certainly took with notice the comments made by the Member for Edmonton-Ellerslie when she spoke earlier, and she talked about the freshwater injection that is occurring in oil wells here in this province.

It was just on the weekend that a fellow was telling me that he'd been ice-fishing up around Barrhead, and they were up there before the sun came up and got out on the lake and got their holes drilled, and as they were doing that, a water truck backed up, filled up with water, and left. Then about a half an hour later a fish and wildlife officer came along and asked them if they'd seen this truck back up and fill up with water, and they said: yes. He said: I guess I'll have to get up a half an hour earlier tomorrow in order to catch them.

So we do have, even at this stage in Alberta, some companies that are acting unethically and illegally, so it is critical when we do look at a freshwater strategy that there are some controls, that there are some penalties for those people who do violate our clean water strategic alliance.

So, Mr. Speaker, I do put an awful lot of importance on this particular motion. It is one of those motions that certainly has vision to it. It will allow us to develop an action plan before it is too late, when there is a tremendous amount of stress on our freshwater and our clean water in this province.

So in closing, Mr. Speaker, I would urge all members of the Assembly to certainly support Motion 505, and I know from all the comments we've heard here this evening and the many more that we will be hearing – and I'm sure the Member for Innisfail-Sylvan Lake would like to speak to this motion because of the impact on that beautiful lake down in his constituency and the growing demands, the developments that are on that lake.

Anyway, with those comments, Mr. Speaker, I will take my seat and listen to other hon. members. Thank you.

The Deputy Speaker: The hon. Member for St. Albert in the moments remaining.

Mrs. O'Neill: Thank you very much, Mr. Speaker. I, too, am pleased this evening to have the opportunity to join in the debate on Motion 505, introduced by the hon. Leader of the Official Opposition.

Mr. Speaker, Motion 505 touches on a topic that is a top priority for this government and a major concern for myself, my constituents, and, I would daresay, for all the citizens of Alberta, and that is the preservation of one of our most valuable resources: clean water. It has been pointed out by the hon. member that the premise behind this idea is to establish an agency similar in structure and mandate to the Clean Air Strategic Alliance for Alberta's water supply. This would be to guarantee that Alberta's water supply is maintained at the highest standards possible.

To give a little background, Mr. Speaker, the Clean Air Strategic Alliance, or simply CASA as it is sometimes called, was established in 1994 by order of the ministers of Alberta environmental protection, now known as Alberta Environment, and the Alberta Department of Energy. The purpose of this initiative was to develop a new way to manage air quality issues in Alberta. The Clean Air Strategic Alliance is a nonprofit association composed of diverse stakeholders from three sectors as had been identified by a previous speaker. Senior representatives from each sector – government, industry, and nongovernment organizations such as health and environmental groups – are committed to developing and applying a comprehensive air quality management system for the people of Alberta through a collaborative, consensus-based process.

CASA has a long history of using consensus in its work. Industry, environmental groups, and government stakeholders have often cited this process as being a positive experience resulting in a strong commitment to the outcome. With specific direction from the Alberta government and in the intuitive belief that consensus is the right approach for multistakeholder decision-making, CASA uses consensus as the basis for its decisions.

As mentioned, with the implementation of CASA, which was designed to improve air quality in the province through stakeholder consensus, the government has already begun implementation of its own water quality initiatives. A cross-ministry working group led by Alberta Environment is in the process of developing a comprehensive strategy to identify short-, medium-, and long-term plans to effectively manage the quantity and quality of the province's water systems and supply. This strategy is known as Water for Life.

Now, in the past, Mr. Speaker, Alberta was able to manage its water supply thanks to a relatively abundant supply of clean water to meet Albertans' needs and maintain a healthy aquatic environment.

The Deputy Speaker: I regret that I have to interrupt the hon. Member for St. Albert, but the time limit for consideration of this item of business on this day has concluded.

9:00head: Government Motions

Time Allocation on Bill 3

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

Be it resolved that when further consideration of Bill 3, Electric Utilities Act, is resumed, not more than one hour shall be allotted to any further consideration of the bill at Committee of the Whole, at which time every question necessary for the disposal of this stage of the bill shall be put forthwith.

Mr. Zwozdesky: Now, there are a few points that need to be raised

surrounding this motion, and I'd like to share them with members of the Assembly at this time. First, Mr. Speaker, as you will know, every opposition member has already spoken to this bill, some in fact several times. For example, the hon. Member for Edmonton-Highlands and, I should also add, the hon. Member for Edmonton-Gold Bar collectively have spoken more than about 10 times to this bill.

Secondly, under Projected Government Business for this week the time from Monday to Thursday is exclusively concerned with bills 3, 19, and 27, and I believe the opposition has indicated that it wants time to address those specific bills. There is no other government business scheduled during that time frame, other than the interim appropriation bill that is.

Therefore, there is time for one more hour of debate at this particular stage. [interjections] I'm sorry; there are some interjections here. It's difficult to hear. The member will know that I don't interrupt her, and it would be nice if she would just keep quiet and let me finish here.

The Deputy Speaker: Hon. members, both sides know that there are five minutes on this side and five minutes on that side, and since it's going to soon be your five minutes, save it until then and let this hon. member say his piece.

Mr. Zwozdesky: Thank you, Mr. Speaker. Therefore, as I was saying, there is time for one more hour of debate at this particular stage following this motion, and then this bill can be moved along to the next stage, third reading, where once again there will be generous opportunity for members of the Assembly to speak yet another time in debate.

Finally, I might just point out for all members that time allocation is a fairly common and sometimes necessary occurrence in other parliamentary jurisdictions and particularly so at the federal government level, where since 1993 or so the federal Liberals have used closure, or time allocation, about 80 times. I'm not criticizing them for that. It's just a fact. Now, Mr. Speaker, that is far in excess of the number of times that our provincial government has used time allocation during that same time frame. If you actually go back further, you would find that the current Liberal government in Ottawa has used time allocation nearly 30 more times in its past 10 years than the government of Alberta has used in the past 32 years. So it would be accurate to say that in Alberta time allocation has been used very judiciously and, comparatively speaking, rather infrequently.

So let's be clear that this motion does not abruptly stop the debate at this minute. It simply allocates a time frame within which members can offer any new points that they wish and, one would hope, points that have not already been said many times earlier.

Bill 3 is recognized as important legislation that we must move along in a timely fashion, and I would therefore ask the Assembly to support Government Motion 14. Thank you for your attention.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I listened with interest to the hon. Member for Edmonton-Mill Creek discuss the use of closure, and certainly to say that there's going to be generous time to debate the high-priced utilities act at third reading is an embellishment to say the least, and the hon. member knows it.

Motion 14 erodes democracy and the authority of this Assembly. This use of closure is another example of history repeating itself. The hon. member said that closure is not used frequently here. The last time we dealt with a similar issue such as this I believe goes

back to 1998. Well, closure was invoked on that energy deregulation bill, and since then we have seen nothing but high prices. Debate was limited; discussion was restricted. If Albertans had known the full implications of energy deregulation at that time, then probably there would not have been the ringing endorsement of it that occurred. Albertans have certainly seen high power bills over the last couple of years as a result of the implications of that flawed legislation. Closure was used then, and it is being used now, and it is wrong.

The government knows that Albertans are very, very suspicious of their energy deregulation plan, and they want to get it entirely out of the newspapers and off the airwaves. They know that it has been the most expensive mistake in the history of public policy in this province, and they just want to quietly sweep it under the rug, so to speak, so that it will go away.

Now, Bill 11 is another example of closure in this Assembly, and that was to set up private hospitals. Whether they're private or public hospitals, they're using high-cost electricity to light them. Another victim of closure was the bill to send the teachers back to work last winter. This goes on and on and on, and history, unfortunately, has a tendency to repeat itself.

Now, by restricting debate, the government prevents the opposition from examining in public all the details of the bill. When we look at the high-priced utilities act here, Bill 3, we have to question and we do not have time to question: what is the role of the independent system operator? What is the role of the market surveillance administrator? What will be the role of the Federal Energy Regulatory Commission from America in determining domestic prices for electricity? What will be the role of the Regional Transmission Organization West? What role will that have in determining domestic electricity prices?

Now, I hear some member across the way say: well, that will do nothing. It will affect our prices. The American market has affected our prices in the past, and it's going to affect them again with how this bill is being set up. But, no, we do not want to debate this any further. We just want to sweep it under the rug and hope our problems will go away. But until we face the music and realize that we must adopt the low-cost plan of the Alberta Liberals, Albertans, unfortunately, are going to be faced with high-priced power.

How are you going to deal with your constituents – and this is to all government members – during the next election when they stand at a public forum and ask you: "Why did you have closure on the high-priced utilities act? Was it the greedy picking on the needy? How did you vote that night on that closure motion? My electricity bill hasn't gone down. You promised me I would have choice and with choice would come competition and with competition would be lower bills, but that has not happened. My bills have doubled." I realize that there's even a problem in St. Albert. [interjection] Seventy percent, I'm told, bills have gone up in St. Albert.

An Hon. Member: Wrong.

Mr. MacDonald: Wrong? Is it 80 percent?

Now, Albertans . . . [Mr. MacDonald's speaking time expired]

[The voice vote indicated that Government Motion 14 carried]

[Several members rose calling for a division. The division bell was rung at 9:09 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Ady	Hlady	Norris
Broda	Horner	O'Neill
Cenaiko	Jablonski	Ouellette
Coutts	Johnson	Renner
Ducharme	Jonson	Snelgrove
Dunford	Knight	Stelmach
Evans	Lougheed	Stevens
Forsyth	Lukaszuk	Strang
Friedel	Masyk	Taylor
Graham	McClelland	Vandermeer
Graydon	McFarland	Zwozdesky
Herard		

9:20

Against the motion:

Blakeman	Carlson	Mason
Bonner	MacDonald	Nicol
Totals:	For – 34	Against – 6

[Government Motion 14 carried]

Time Allocation on Bill 27

16. Mr. Hancock moved:

Be it resolved that when further consideration of Bill 27, Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, is resumed, not more than one hour shall be allotted to any further consideration of the bill at Committee of the Whole, at which time every question necessary for the disposal of this stage of the bill shall be put forthwith.

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

Mr. Zwozdesky: Thank you, Mr. Speaker. Once again on behalf of the Government House Leader I would now move Government Motion 16.

I'd like to just briefly comment and state that there has already been a lot of debate on Bill 27, and I know that there will still be considerably more. Specifically regarding Bill 27, every opposition member has had several opportunities to speak both during second reading of the bill and again at the committee stage. In fact, Mr. Speaker, we have now had about six hours of debate so far, and there will still be more. Several opposition amendments were also advanced in the second stage of the debate and during committee, and they've been dealt with.

The Official Opposition leader has taken the opportunity to speak for about 30 minutes of the available 90 minutes he had during second reading. The hon. leader of the New Democrats, the third party, has spoken four times, for a total of 51 minutes. Again I would remind members that on Projected Government Business for this week, three bills are being focused on rather exclusively, which I believe is in keeping with what opposition members would like to know, and those are bills 3, 19, and 27. In fact, no other business has been scheduled, as I mentioned earlier.

So it's time for us to move along on the debate on this bill as well, proceed to third reading, where once again following the committee stage there will be generous opportunities for everybody to speak again. I did remind members earlier that this particular motion does not suddenly halt the debate. It simply puts a time frame within which remaining points, new points, valid points, I'm sure, can still be enunciated.

Finally, I would just remind members again that time allocation is something that is used in other jurisdictions. As I indicated earlier, the federal government has in fact used it rather generously, considerably more often than we've ever used it over 30 years. They've used it 30 more times in the past 10 years alone. So it's not an infrequent occurrence, and it does allow the House to get on with the important business. Some of the business of the Assembly, Mr. Speaker, is time sensitive, and in this particular case we're looking at a situation like that.

So I would urge all members of the Assembly to please support this government motion. Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. Fair and balanced and impartial labour relations are not time sensitive. Now, Motion 16 is not a commitment to ensure fair and balanced labour relations by this government for Albertans or for health care professionals. I would remind not only the hon. Deputy Government House Leader but all members of this Assembly that democracy is about free speech, open debate. It certainly doesn't mean that there is a time limit on debate, and this idea that we can perhaps move along with debate: that's wrong.

This is yet another example of the discriminatory treatment this government imposes on public-sector workers. Health care workers require the same options as those available to their counterparts in the private sector. This government denies them that right. It is inconceivable that in the face of continued shortages of health care professionals the opinions of respected lawyers and the opinions of other experts in the labour relations field are ignored. The fact is that this government has chosen to continue to display complete utter contempt for the advice of others with respect to its own labour laws. It makes up the rules as it goes along. It's forgotten about consultation.

Now, if we want to take a little walk down the pages of history, after more than three decades in power this Progressive Conservative government has yet to honour a commitment made in August 1971 by Peter Lougheed, and this is the commitment, quote: in conclusion I would like to state that a Progressive Conservative government would move very quickly to give the civil service a much broader and definitive act which would give the members the same basic bargaining rights enjoyed by organized labour in the province. End of quote. This is another broken promise from a government which when confronted limits democratic debate.

The suppressive nature of Motion 16 and of Bill 27 as well as its unfairness will create conditions making collective bargaining tougher to conclude successfully, not easier, and that's one reason why we shouldn't move along with debate. It is dishonourable for this government to withdraw the right to strike of another 7,000 workers and impose a system of arbitration which no one knows will work or not. Many express a lack of confidence in its impartiality. Why impose a system that demonstrates this government's lack of faith in the collective bargaining process for health care workers?

Bill 27 will make it relatively easy now for management to get around its duty to bargain in good faith, but we're going to ram this right through this Assembly. Now, when we allow closure on the Bill 27 debate – you can call it a time limit if you want, but it is closure – we are promoting the idea that management, in this case the Provincial Health Authorities of Alberta, can reject a proposal, any proposal, from the health care professionals without fear of a strike or in most cases even a means of forced arbitration. That's why Motion 16 is unfair and unduly compromises the bargaining position of the health care workers.

Motion 16 is also unfair and unduly compromises the democratic processes of this Assembly. Motion 16 will only reinforce with the general public the support that already is there and will remain there for health care workers and their cause. Everyone knows – it's well documented – the effects that the health care funding cuts and the subsequent reorganization of health care in this province have had on the working conditions of health care employees. Now, I remind all members of this Assembly that the nurses have more credibility than the employers or the government of this province. Motion 16 does nothing to improve the government's bedside manner. The nurses have the bedside manner. They have tended to the ill, to those in need, and the government has tried to turn the public against them. The public knows. It's a listless, tired government devoid of any new policies that invokes closure.

Thank you.

[The voice vote indicated that Government Motion 16 carried]

[Several members rose calling for a division. The division bell was rung at 9:30 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Ady	Herard	O'Neill
Broda	Hlady	Ouellette
Cenaiko	Horner	Renner
Coutts	Jablonski	Snelgrove
Ducharme	Jonson	Stelmach
Dunford	Knight	Stevens
Evans	Lougheed	Strang
Forsyth	Lukaszuk	Taylor
Friedel	McClelland	Vandermeer
Graham	McFarland	Zwozdesky
Graydon	Norris	

Against the motion:

Blakeman	Carlson	Mason
Bonner	MacDonald	Nicol
Totals:	For – 32	Against – 6

[Government Motion 16 carried]

head: **Government Bills and Orders**

head: Committee of the Whole

[Mr. Tannas in the chair]

The Chair: I'd call the Committee of the Whole to order. For the benefit of those in the gallery this is the informal part of the Legislature. Hon. members are allowed to go around and quietly converse with their fellows. The only place where a person may speak is from their proper place. We have the rule that only one person may be standing and talking at a time, which sometimes is honoured more in the breach than in the keeping.

Bill 27

Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003

The Chair: Are there any comments, questions, or amendments to

be offered with respect to this bill? The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Chairman. I'm glad that I do get a chance, however brief, to speak to Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, in Committee of the Whole. When I spoke to this bill earlier – I think it was in second – I noted at the time my concern about the number of functions that were going to be guided by regulations. I talked at length at that time about my concern about the increasing use of what the government calls enabling legislation and what I would call shell or blank cheque legislation, where the government sort of gives itself a shell format to work from and all the details are filled in through regulations. My concern about that is because the public doesn't have any idea of how the decisions were arrived at that in fact result in the regulations. They also have no idea about what their own member's, assuming this a member on the government side, input was to the process. There's no *Hansard* kept. There's no record kept of the discussion that goes on in the government caucus or, indeed, in the cabinet that results in the orders in council that, in fact, establish the regulations.

The more I looked at that, the more something else came to the fore for me, and I have checked the *Hansard* of the previous debates on this bill. I don't find that anyone else raised this particular issue. I apologize to the minister if someone else has gone over this at length, but my concern here is when I look at the Labour Relations Code, and I particularly look under section 12, which is setting out what the duties are of the Labour Relations Board and what its function is, what it oversees, the decisions that it makes. I go back and I start looking at what in fact is – and this is where the questions start, Mr. Minister – being taken over by the government. Is it just for the purpose of this act, or is this the beginning of a series of labour acts that we see being changed, where the Lieutenant Governor in Council, in other words the cabinet, takes over the function and the duties of the Labour Relations Board? When I do start comparing back and forth, that is what's happening.

Now, I'm just going to go off on one little tangent here. I had done some research to find out if there was any kind of a definition that existed anywhere for "receiving collective agreement." It doesn't appear in the definitions that are at the beginning of Bill 27. It does not appear in the Labour Relations Code. I've looked in both of those places. I checked through the earlier *Hansard* recordings of the debate on this bill. Nowhere do I find this.

I have stated in the past and I'm on record as saying that I don't myself come from a labour background, but my family certainly does, so perhaps I missed something. Perhaps everyone else in the world understands this, but I don't see that there's a definition for that, and I think it only fair that it be there so that people understand exactly what's being said by the government's regulations in this bill. Partly that is able to be accomplished by having the minister himself speak on record in *Hansard* because then it can be looked up. So that was just one little thing I wanted to clear up from the last time that I spoke on this.

Now, when I start to look at the comparisons between section 12 of the Labour Relations Code and, in fact, the very long section which is section 5 in the amending act – but it's really pertaining to section 162.1 and 14 sections or phrases or subsections that are setting out these duties and discussing what will in fact be created through a regulation – I start to see where there's crossover here. In particular, the ability of the Labour Relations Code to decide what is an organization – sorry; this is section 12(3):

The Board may decide for the purposes of this Act whether . . .

(c) an organization or association is an employers' organization,

(d) an organization of employees is a trade union.

So it's defining and it claims for itself the right to define what is a trade union, yet we have, when I look at section (b)(iii),

respecting the manner of determining which trade unions are eligible trade unions for the purposes of a vote by employees to select a bargaining agent for a region-wide functional bargaining unit.

That's exactly what the Labour Relations Board does. So why is the government now doing it through cabinet under regulation? Why? I haven't heard an explanation from the minister as to what's going on here. So do we take it that the Labour Relations Board is – what? – suspended when this act is in play, or it doesn't come into play? Well, the minister is shaking his head at me, but I've heard no explanation on that, so I'm assuming that he's going to get up and give me an explanation on it. But why would the government the minister represents choose to undermine the Labour Relations Board, that this government has put in place, by doing things like determining what collective agreement will be the final collective agreement for the purposes of this act – that's something the Labour Relations Board does – or determining which type of agreement is going to be in place for a regionwide bargaining unit? These regulations are saying that the government is going to select that or decide that. That's the Labour Relations Board's job, and it's set out in section 12 of the Labour Relations Code that that's in fact what the Labour Relations Board does.

9:50

I've already talked about “which trade unions are eligible trade unions.”

Then it's got regulations “respecting the conduct of votes on any issue related to the selection of a bargaining agent or a receiving collective agreement.” Well, when we look underneath the subsection I was referring to earlier, section 12(3) – and I'm into the initials here:

- (e) an employer has given an employers' organization authority to bargain collectively on the employer's behalf or has revoked that authority,
- (f) a collective agreement has been entered into,
- (g) a person is bound by a collective agreement.

I'm going to skip down a bit. “A group of employees is a unit appropriate for collective bargaining.” That's decided by and is a power given to the Labour Relations Board under this act. How about section (o), “a person is included in or excluded from a unit” or section (p) “an employer is affected by a registration certificate of a registered employers' organization”? How about section (4)?

The Board has exclusive jurisdiction to exercise the powers conferred on it by or under this Act and to determine all questions of fact or law that arise in any matter before it and the action or decision of the Board on them is final and conclusive for all purposes, but the Board may [from time to time] whether or not an application has commenced under section 19(2), reconsider any decision, order, directive, declaration or ruling made by it and vary, revoke or affirm the decision, order directive, declaration or ruling.

Clearly, the government has chosen to encroach upon that jurisdiction which is set out for the Labour Relations Board. Why?

Now, we also have a side agreement. [interjection] But we haven't. I looked backwards, and this hasn't in fact been discussed at length. So we're being cut short on discussing it tonight, but I'll do the best I can to get the points out. So we do have a side agreement for NAFTA that was agreed to by the previous minister of labour who's moved into federal politics.

Mr. MacDonald: Foreign Affairs.

Ms Blakeman: Yes. I think he's serving as the opposition critic for

Foreign Affairs, but he certainly signed it on behalf of this government.

Why, then, is this government choosing to abrogate the responsibilities that it claimed upon that signing? Why is the government walking away from that or making a choice that somehow will view it differently? I don't understand that, especially since once again the government puts the citizens of Alberta on the hook to cover the costs of any jurisprudence, any legal arguing that will take place with this. The government loves to do this. It gets itself into these legal battles, but the people that really foot the bill are the taxpayers. I don't know that the taxpayers, if you went to them, would agree that this is really where they wanted their money going, having the government going back on its own signatory, its own signature to a side agreement of NAFTA. I'm not even going to get into whether we should have signed NAFTA in the first place or not, because I don't think we should have, but you did. This government did, and they did it with full confidence. So why aren't you upholding it, and why aren't you upholding the side agreement that was made by the labour . . . [interjection] I'm hearing heckling from the back row here – I don't know which one – that this was a federal agreement. Well, if that's so, then why did you have the minister of labour signing it? Obviously, he had the authority to do so, and he did so on behalf of this government. I'm having a nod from the minister. He was in fact empowered to do so.

I think this is a serious departure. I think it's a violation of obligations that are outlined under NAFTA, and I've heard no strong reasoning from the government as to why they feel that they can walk away from this agreement.

I've already talked about the Labour Relations Board administering the rules affecting collective bargaining in Alberta, and as far as I can see, most of them are being taken over. Now, my questions stand. Are they being taken over only for the purposes of this act, only for the purposes of this restructuring or reshuffling of labour relations under the health sector only, or are we now to expect a bill that's going to come in and restructure things under construction or vocational trades? What's next? Is this the beginning of a longer series? If it's not, then why is this the exception? If it's the beginning of a longer series, then what does the government stand for around collective bargaining? I'm hearing as little as possible, and I would agree. I find that there has been a deterioration in labour relations and in upholding and valuing the collective bargaining process in the province. [interjections]

The Chair: Hon. members, long-distance talkers, if you wish to speak to one another, that's wonderful and commendable, but please don't do it here. We have one person speaking and only one, not either of you two gentlemen. So if you could contain your conversations to outside the Chamber, that would be marvelous.

The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. I was talking about a deterioration in the upholding of an ideal of collective bargaining by this government. I don't know if that's true about this particular minister, but I certainly do feel just even as a citizen, before I was elected, that there wasn't a strong commitment by this government under this Premier for the workers in Alberta. There actually seemed to be an attitude that there was something wrong with workers, that they asked for too much or that they weren't contributing enough or that somehow they just weren't as good as other people. That has never sat right with me, and I think that we need to have a better understanding of exactly what the workers have in fact brought us in this province. [interjection] Does the government consider them a resource or a commodity? Oh, I would say

that the government considers workers a commodity but not a resource. [interjection] Well, then the Member for St. Albert can get up and speak to this. I mean, I would have looked to see legislation coming forward that strengthened the position of workers and upheld the position of workers in this province.

Let's face it. It wasn't a brilliant government idea that got us public education, that we all stand up and put our hands over our hearts and say that it means so much to us in this province. The idea for public education came from the workers. I think it could be argued, as well, that the idea for health care, medicare, came from the workers. As I said, people like to stand up and put their hand on their heart and go, "Wow, we're so proud of that here in Alberta," but in fact the idea itself came from and was campaigned for by the workers. Child labour laws: the government certainly didn't put those in place. They certainly didn't. That again came from the workers of the world. A lot of the laws that we value came from them. So why disparage what workers have brought to us? Why are they all of a sudden, well, over a long period of time, to be not looked upon as valuable resources in the province?

I talked earlier about the need for first contract arbitration – I never get the words right – that had led to so many long, drawn out, terribly costly strikes in the province. I think hand in hand with that goes a need to look at replacement worker legislation – yeah, scab legislation – because when an employer can instantly bring in replacement workers, there's no impetus upon them to sit down and bargain with the original workers to solve the problem. They just keep right on going. They bring in replacement workers and keep right on going, and it allows them to be able to do that.

So those are two pieces of legislation I'd much rather be looking at than what we're looking at today. Now, I'm aware that we only have an hour to debate that, and I've taken up almost my 20 minutes here. I know that there are other people that want to get on the record, and I'm hoping that I can get the minister up to also answer some of the questions that I've brought before him about what putting this bill in place is going to do to the concept of collective bargaining, the ideals that are brought forward and put in place by the Labour Relations Code, and in fact what the job description, the duties, responsibilities, and the powers of the Labour Relations Board are.

10:00

I want to leave that discussion by talking about fairness or equity or a concept of evenhandedness because that is what the Labour Relations Board is charged to do, and I think people believe that it does. I think people believe that the Labour Relations Board does come at things in an evenhanded manner, trying hard to balance both the interests of the employers and the employees, of the workers. Perhaps if government members don't believe that, they'll get on the record and say it, but I've never heard the government criticize the Labour Relations Board for not being evenhanded.

I think the real concern for me underlying all of this is that we would not have that same evenhanded approach when we look at the government deciding how these regulations are going to work behind closed doors. Again, we don't get to hear what the discussion is. We don't get to hear whether the Member for Edmonton-Castle Downs or Sherwood Park or Calgary-Shaw argues in favour of the regulations or against them. We have no idea, and if someone approaches them later and says, "Did you speak out for me?" they have no way, none at all, of going and checking if, in fact, their member did that or did what they said because it's all behind closed doors. Eventually somehow the regulations trickle out.

Now, we were able to get the regulations posted on the web site – or I think the government volunteered to put them on the web site –

well in advance of them being passed. Why can't the government be doing the same thing for the regulations that are being considered and brought forward under Bill 27 and, while I'm at it, Bill 3? I would like to see those regulations out there so that people can have some idea of what's being considered and are able to approach their MLA and say, "I want you to go into that caucus meeting and talk about what this regulation is going to mean to me as a worker who lives in Edmonton-Mill Woods," or Calgary-Cross or Calgary-Currie, and are able to get their voice heard, because if the government is going to take the discussion that rightfully belongs in this Legislative Assembly and put it behind closed doors, then we're going to have to get people to pursue you behind closed doors to make sure that you're carrying their voices forward. Frankly, I would rather just see the discussion happen here. I still bemoan the loss of the legislative all-party Standing Committee on Law and Regulations, so much talked about by the previous Member for Calgary-Buffalo, and in fact the deleting of that committee I think was done as a sort of memorial against him.

So I think that what's happening here is that we have no guarantee of an evenhanded approach. I think I can safely say that workers in this field are not viewing this government bill as being evenhanded and being able to say: do we trust the government to take forward these regulations and be evenhanded, fair or equitable, a level playing field and all those other much-beloved and ill-used phrases? No, I do not trust this government to do that. I don't trust you on a number of levels, but I particularly do not trust the government to be evenhanded around labour regulations and labour law when I see a bill like Bill 27 come forward.

Thank you for the opportunity to speak, Mr. Chairman.

The Chair: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Yes. Thank you very much, Mr. Chairman. Well, it is quite a load that we've had placed in front of us by the previous speaker, and I'm not sure that I can answer all of the little innuendoes and that sort of thing that were coming out of her speech, but maybe I can use them as a springboard for providing some more accurate information. As I listened to the speaker, it clarified for me to a great extent some of the confusion over individual phone calls that I've been receiving at my constituency office. So I think clearly there is one of two things that is happening here from the opposition benches: either a misunderstanding of what it is that we're trying to do with Bill 27 or deliberately misleading people that might be impacted by the provisions and the regulations of the bill.

One of the phone calls that I handled this afternoon was from a nurse in a large hospital who belonged to the UNA, and she was concerned about two things. She was first of all concerned that the government behind closed doors was going to tell her which union would represent her, and the second thing that she was concerned about was that the government was going to provide, then, and tell her what collective agreement she would be working under. Well, after I explained to her what I'm about to explain now to the rest of the House, while she didn't say that she was going to vote for me at the next election, she did indicate that she wasn't as concerned as she had been at the start of the phone call.

In order to arrive at four bargaining agents in each region and then to have four collective agreements in each region, some things have to happen, but if you're a member of UNA today, then you're going to be a member of UNA after Bill 27 and its regulations go through. In talking about four certificates for bargaining purposes, we've said that it'll be the registered nurses, and they're covered by UNA. There will be the professional technical people, and that's the Health

Sciences Association. There are the licensed practical nurses, and I think in all cases, at least in most cases, that's AUPE. Then there are the support workers.

Now, this is where it's not the government that's going to pick what union is going to represent them, but clearly it's in the support workers' area that most of the adjustments and transitions are going to take place. Although I don't have the numbers in front of me, there's a tremendous number of those folks that are a part of a bargaining unit under CUPE and probably as many under – I'm using acronyms here – AUPE, the Alberta Union of Provincial Employees. There's going to have to be some way to get those two bargaining units into one in any particular region. So in that particular case you might have support workers under AUPE in one particular region and under CUPE in another particular region, but in nine regions UNA is going to continue to represent the registered nurses.

So I think she felt better with that explanation, and I hope members here in the House and people that might be in the gallery feel better about that as well.

The other thing: when it became obvious that she was a nurse in a large regional hospital, it seemed likely to me that she would probably be staying under a collective agreement that she is used to. I don't know that that's going to happen in all cases, though, because in the Capital region, for an example, you would have registered nurses that would be under a facility agreement that would be designated as the Royal Alex hospital, and other nurses that work at the University hospital would be under a facility agreement under that organization, and then of course you have the community nurses that have their own collective agreement. You know, something is going to have to happen to make the selection, then, of one collective agreement. Now, whether it be a facility agreement from Royal Alex or a facility agreement from University hospital, the nurses themselves through voting will determine that, not the government behind closed doors. So I would hope, although it might be too much to expect, that from this night forward we get rid of this misunderstanding that somehow the government is going to pick both the bargaining unit and the collective agreement. That's going to be done by the employees in the health system themselves.

10:10

Now, I noted in the comments that there was a concern about the workers of Alberta, and I think it's fair to say that the concern for the workers of Alberta, if we mean that – if what we're truly talking about here is people that go to work that happen to live in Alberta, then I think that all three parties in this House can share not only a concern but also can share the responsibility for their interests. I don't think there's any question about the popularity of the Premier of this province amongst working people of Alberta. As a matter of fact, just earlier this evening when I was on a bit of a recess from my duties here in the House, I happened to be watching television, and there was quite a good documentary on this evening, *The Education of . . . Ralph Klein*. Now, there's an order in this House, but you don't have to get up. I'm simply quoting what the title of the documentary was. The documentary was *The Education of . . . Ralph Klein*.

The Chair: Hon. member, I think that the Speaker made it fairly clear this afternoon and at least half a dozen times last week that we don't use names, even if it is a title, so we refer to the Premier or the minister of whatnot or the hon. Member for Edmonton-Castle Downs, whichever.

Mr. Dunford: Well, I was watching a documentary, and it was

called the education of a rather spectacular Premier of Alberta. In any event, there was a great deal of time spent in talking about the popularity of the Premier of Alberta with working people of Alberta, and that stands today, because anybody in this province that gets paid on a two-week basis, or twice a month, has known since 1993 what this government was up to in terms of getting rid of deficits, paying down some debt, and lowering taxes. You know, even the hon. member that gets paid once a month has seen the benefits of all of that, as well.

I want to try to address, if I can, the question about a balance here in terms of labour relations. I want to say once again, because I think I've been very up front with this, that it is other interests that we are concerned about here rather than the interests of parties in a labour relations exercise. I think we as the government have said from day one that we are motivated by a desire to improve the delivery of a quality health care system in this province. You can be critical of us, you can make the phone calls to us, you can write the letters to us, and you can have your demonstrations, but you're not going to take away from us the deep-seated feeling that we have inside us, and that is that there's a greater good that's at stake here. The greater good is delivering to all of the citizens of Alberta a quality and a timely health care system. As sincerely as anything that we have believed in the almost 10 years now that I've been here, we believe in that. The greater good is a term that I use without any embarrassment, and I use it up front, whether it be with an employer in this province who's a little concerned about some of the reaction that Bill 27 might be having, because he's worried about it spreading into their particular area, or to a union leader that's here in Alberta or to a worker in Alberta.

There's a greater good at play here, and that, of course, is what is involved in a democracy. Now, a democracy doesn't mean that there should be a tyranny of the majority. What a democracy means is that the will of the majority will be done, but the interests of the minority must be looked after. I would ask, when you come to look at this particular bill, that you recognize that the workers that are currently unionized within the system will still be unionized, that the workers that are currently covered by collective agreements will still be covered by a collective agreement. The majority might still be covered by the agreement that they're used to, but there will be some transition, and I admit that.

As far as the NAFTA challenge, I welcome that. I think it's a proper thing that that should happen. We don't believe that we're in violation, but if some other party wants to take us to court to find that out, well, then we, of course, welcome that. Certainly NAFTA is an extremely important agreement for this jurisdiction. Why I nodded: the minister of labour, as the department was then structured, had the authority to sign that agreement. I only need to remind all of you that the federal government has no jurisdiction in labour relations as it relates to a provincially organized entity. They certainly have labour relations responsibility for federally licensed industries, but in Alberta the federal government would have jurisdiction over approximately 10 percent of the workers. So if you're going to have side agreements of NAFTA in terms of environment or in terms of labour relations, then of course the provincial governments have to sign on. What I liked about it is the fact that then the dissenters to what we're doing are looking at and understanding that there are legal remedies that can come when a government brings forward legislation and regulation. This is a lot better and a lot more useful than spending our time talking about the potential of illegal job action.

Now, the hon. member speaking previously talked about whether there would be restructuring, and it did make me think back to 1988, as a matter of fact, the last time there was any sort of real change to

the Labour Relations Code. One of the things that happened at that particular time was, in fact, a restructuring as to how collective bargaining would take place within the construction industry. So, actually, maybe inadvertently, you hit the nail right on the head, that periodically there is restructuring that takes place as times change.

I think you read too much into my motivation or into the government's motivation when you want to extend this beyond what this bill currently is talking about. I say again to everyone that's hearing my voice tonight and that will read this in *Hansard*: Bill 27 is a very unusually worded bill. Why is that? It's the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003. Now, is there anybody here in this Assembly or in the gallery that wouldn't understand, then, that this is a specific point which we are trying to deal with, and it ought to, I believe, allay any fears that people have about some sort of massive restructuring of the union movement here in the province. I think most union leaders in Alberta recognize this for exactly what it is. It is a regional health authorities restructuring that's taking place, and I think we've been quite up front with that. So what more explanation do we actually need?

10:20

Now, with the few minutes that are remaining, I want to assure the member that the reputation and the integrity of the Labour Relations Board is still intact. It'll still be intact later on, but in terms of the regulations that will be made, there will be specific instructions to the Labour Relations Board as to what they have to deal with and the manner in which it's to be dealt with.

When the health regions were first restructured back in I believe it was 1995, the government didn't take this kind of action. We thought what we would do was let the Labour Relations Board handle the situation. There's nothing like hindsight to make you smarter, but hindsight has shown us that that was an incredibly complex system then that we left up to the Labour Relations Board. So this time in the restructuring when it was clear that it was going to go ahead and we had the request from the employer in this case to simplify and streamline the system, well, then it showed, I think clearly, that the government had a job to do in this particular area.

The job, of course, wasn't to strip people of collective bargaining rights, and it wasn't to strip them of union membership – it was to leave them in place, and we've done that – but it was simply to have all parties understand that at the end of this day, whenever that day comes, there will be nine regional health authorities and there will be four collective agreements inside each of those regions. They will be border to border, and so there will be 36 collective agreements that will need to be dealt with inside the so-called regional health authority public health system. That is the streamlining, and that is what we're responding to. That is our motivation, and we want to get on with it.

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I would like to introduce an amendment to Bill 27, and I'll just move that Bill 27, the Labour Relations (Health Authorities Restructuring) Amendment Act, 2003, be amended in section 5 by striking out section 162.2. I'll just pause while you get that around.

The Chair: Thank you, hon. member. This amendment will be known as amendment A4, and we'd ask the pages to hand it out to people who are actually here, and then later you can go and fill in all the other desks. Good.

Hon. member, I think most members now have a copy, so you may

proceed on amendment A4.

Mr. Mason: Thank you very much, Mr. Chairman. The title of the particular section here is "disentitlement to severance and termination pay." This is, I think, cause for considerable concern. I would indicate that this particular section allows the Lieutenant Governor in Council to make regulations which would then override the terms of any collective agreement, and specifically the regulations suggest that individuals "are not entitled to severance pay, termination pay or other compensation as a result of a change in governance or restructuring of the prescribed entity."

Now, the way this has been described is that as you amalgamate health regions, you will be continuing your job, but you will have a different organization that you work for and therefore you're not entitled to severance pay as a result of the reorganization of the health authorities, and your job is unchanged. There's a certain reasonableness to that, Mr. Chairman, but I think the concern is that this is not the only agenda of the government.

The other agenda of the government, which was set out in the Mazankowski report, is an increased role for the private sector in health care delivery. So we may find that in fact many workers, if the government pursues this misguided agenda, may end up working on a contract basis, and this section in our estimation would allow the government to make regulations which would disallow severance even if people were going to be working at the same type of job but for dramatically reduced salary and benefits or wages and benefits. So I think that that's a problem.

Perhaps at least this amendment will elicit a clarification on the record by the minister. It is troublesome that the increasing level of privatization and divestiture of different functions in the health care system may in fact result in the situation that employees who've been working for a number of years for a regional health authority may not be entitled to any compensation, and that includes the potential loss of pension contributions in any negotiated severance or termination payouts. So this amendment quite simply would just delete this, and if the government wants to bring forward something later on that is more specific, clear, and produces less uncertainty, then, you know, we would welcome that. In the meantime this broad clause allows the cabinet essentially to make rules in a variety of circumstances and not just the simple circumstance of reorganization of health authorities, so we believe that it should be deleted.

Mr. Chairman, as I hope to introduce a second one in the remaining time, I will not take the full amount of time and will take my seat and look forward to the response of the minister and other members.

Thank you.

The Chair: The hon. Member for Edmonton-Gold Bar on amendment A4.

Mr. MacDonald: Thank you, Mr. Chairman. I, too, will be brief in the amount of time that we have to discuss these very important matters. In light of the fact that I do not believe that my questions that I directly earlier to the government in regard to this matter have been answered adequately, I'm going to support the amendment from the hon. Member for Edmonton-Highlands. Certainly – and this was recognized by the provincial health authorities of Alberta themselves – revisions to the health authority boundaries would have a significant impact on collective bargaining. The resulting transfer, as I understand it, of services and employees from one old region to one of the newly created regions certainly could and would produce challenges in the areas of seniority, portability of benefits, and compensation. Certainly, someone over there must have an idea of what all that was going to cost, or they wouldn't have slipped this

through at the back of the bill. Until someone can tell this side of the House precisely what those costs would be in the event of section 162(2), disentanglement to severance and termination pay, what the consequences of this would be for the taxpayers, I'm going to certainly support amendment A4.

Thank you.

10:30

The Chair: The hon. Member for Edmonton-Glengarry on amendment A4.

Mr. Bonner: Thank you very much, Mr. Chairman. It is a pleasure to rise and speak to amendment A4. I'm going to support this amendment for all the reasons that the two previous speakers have given, but as well one of the reasons that I think it's important to support this amendment is that I was going through a newsletter called *Challenger*, and there was a letter published in that newsletter from a medical radiation technologist at the Royal Alexandra hospital to the Minister of Community Development. She makes many, many points in here as to why we cannot leave clause 162.2 in this particular bill.

An Hon. Member: Tell us, Bill.

Mr. Bonner: I certainly will give you a little information here then. She goes on to say:

My contract with the employer expired on March 31, 2002. My union, the Health Sciences Association of Alberta, has been negotiating a new contract since the fall of 2001. Contract negotiation is a very long process but made even longer because the employer's representatives at the negotiating table are unable to make any decisions. Mediation took us nowhere, so now we are at the point of going to the arbitration. I don't understand why it has to come to that.

Now, these here are people that cannot go out on strike. "We are told," as she says, "that we can't strike because we are 'the essential services.'" That's exactly what this bill is going to do to over 7,000 workers: make them essential services so they can't strike. She says, "Yet we are not treated as such when it comes to negotiating a new contract."

Other concerns that she has:

Lately our professional provincial body formed a college to comply with the Health Professions Act. Do you know that our fees jumped from \$190 a year to \$540 per year? The employer reimburses none of that. On top of that we are required to have 48 hours of continuing education courses and credits. As you would imagine, that will also require some costs.

She goes on to say, Mr. Chairman:

I feel that the public needs to know all about those issues and only then will they be able to understand why they have to wait for the ambulance for 20-30 minutes, wait in ER room for 2-10 hours, wait to see a specialist for 6 months, wait to have diagnostic tests (MRI scans) for 6 months, etc. It is really difficult for me to understand that all of this is happening in the wealthiest province of this country and in the best country in the world.

She finally ends up by making a comment to the minister.

I am asking you to support our process of arbitration. Please keep in mind that hospitals do not function with just doctors and nurses. Allied health care workers make up many pieces of the complicated puzzle. We need them in order for the whole system to function effectively.

I think, Mr. Chairman, that when we do look at this amendment, it is a very good amendment because it will strike out that part of the bill that leads to this type of action or inaction by the employer. In the whole process of looking at contract negotiations, as the minister himself said: the greater good. So when we look at regulations, it is

for the greater good not only for those people who are sick or injured in hospitals, but it is also for the worker, for society at large.

As well, another point she made very strongly was that there has to be fairness, and I think people that have been negotiating since 2001 who have not got a contract to this day are not being treated fairly. Regulations such as one person could be empowered to institute will certainly lead more to a process that is not fair for workers but will result in hopefully not job action of the type of an illegal strike but certainly will not make for good morale and good care for patients.

The minister also talked about streamlining the process. Well, we have a process currently here with these workers, who after almost two years still do not have a new contract. Their last one expired a year ago. There were negotiations for almost a year before that. So we do need a much, much better, a much, much stronger. . . [interjection] Would the minister like to partake, Mr. Chairman?

The Chair: The chairman would like to partake by asking you if you would table the letter that you quoted extensively from.

No, hon. member. You have the floor, and if the minister or the hon. member being referenced wishes to speak after you're finished, that's fine, but you're on.

Mr. Bonner: Thank you. I'll try to finish up here because I do realize he does have another amendment.

We have an amendment here which is a very good amendment. If we strip people of their collective bargaining rights, then we are putting 7,000 more workers in the same position as this person here, and if that does occur, then we are going to have 7,000 more workers in this province who are not being treated with fairness.

So thank you very much for that opportunity, Mr. Chairman.

The Chair: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Yes. I want people to vote against this amendment. It's very simple, again, what our motivation is here. This government has never been happy with the rulings that came out of the so-called Grande Cache case. People employed one day, employed the next day, different name on a paycheque, but became eligible for severance pay, and because we're moving the Alberta Mental Health Boards into the regional health authorities, we need 162.2(1) and (2) to make sure that that doesn't happen in this case.

The Chair: The hon. Member for Edmonton-Ellerslie on amendment A4.

Ms Carlson: Yes, Mr. Chairman, on the amendment. I, too, support this amendment, and I'll keep my comments short because of the brief amount of time still available to us. The brief amount of time is available to us because of time allocation that's been brought in.

Now, this amendment follows very nicely with the two amendments that we brought in previously in the very limited time that we've had to debate this bill. Let the record show that this bill has been repeatedly brought in after 9 o'clock at night, and there is a good reason for that happening. The government does not want participation by the public in this particular debate.

Mr. Dunford: It's called Standing Orders.

Ms Carlson: It's not called Standing Orders. Mr. Chairman, this government has the ability to bring in substantive bills like this in the afternoon and in the evenings . . .

Mr. Dunford: Quit playing to the gallery and just do your job.

Ms Carlson: I am doing my job by ensuring that people know what has happened in the progress on this bill, and it has been a serious problem for democracy in this province. We have seen this bill come in late at night. We have seen debate limited on it. We have seen very, very good amendments being brought forward to make a crappy bill better, and look what happens. You know, nobody talks about them, nobody supports them, and we see debate limited like this.

This is a good amendment, and it follows in line with the two that we brought in in the very limited time we had to bring in amendments last week, which was Wednesday evening after 9 o'clock at night. Then, after we voted on the two amendments, you guys adjourned debate because you don't have the stuff it takes to stay here and debate this stuff and put good information on the record. Let the record show that the minister is laughing at that. He spent a very limited amount of time debating this bill. There's another minister, the Minister of Environment, who refuses to enter into debate in a legitimate fashion in this province, and he should stand up and be counted on this, let the voters in his constituency know where he stood on the issue to take rights away from health care workers and to union-bust. That's essentially where we're going with this legislation. I will definitely be supporting this amendment.

10:40

The Chair: The hon. Member for Edmonton-Highlands on the amendment A4.

Mr. Mason: Just to conclude, Mr. Chairman, it would be fine if the minister's amendment or if the minister's clause in the act was limited to the kinds of circumstances that he's referring to, but it's not, and I think everyone is very concerned that people could end up with a dramatically different job or dramatically different collective agreement or dramatically different employer and still have their severance taken away from them. This possibility is open under this particular clause, so the amendment takes it away. If the minister wants to bring something that's a little more certain and clear, then I certainly welcome that, but in the meantime I think that the members on the government should vote against the government on this particular bill.

[Motion on amendment A4 lost]

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I'd like to move an amendment, that Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, be amended in section 5 in the proposed section 162.1(1)(b) by striking out "whether with or without a vote of employees" and substituting "and the timing of votes of employees."

The Chair: Thank you, hon. member. We'll just take a few moments for the papers to be taken around to people.

Hon. member, why don't you commence?

Mr. Mason: Mr. Chairman, this particular amendment changes 162.1(1)(b), which allows the Lieutenant Governor in Council to regulate changes in bargaining units without providing for members of the bargaining unit to vote on the changes. The intention of this amendment is to ensure that the Lieutenant Governor in Council provides for votes by requiring that the regulations set the timing of

votes. So it's an elegant amendment, and it very neatly requires changes in bargaining units to be settled by a vote of those people who are affected. That's all I'll say at this point.

Thank you.

[Motion on amendment A5 lost]

The Chair: If you wish to speak, the hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. Certainly, as we conclude debate, unfortunately as a result of the closure motion this evening on Bill 27, I must say that I'm very concerned about future labour relations in this province in the health care professions.

Thank you.

The Chair: I'm sorry to interrupt the hon. Member for Edmonton-Gold Bar, but pursuant to Government Motion 16, agreed to March 24, 2003, which states that after a one-hour debate all questions must be decided to conclude debate on Bill 27, Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, in the Committee of the Whole, now I must put the following questions, then, to conclude debate. Having named the bill and given its title, on the clauses of the bill, are you agreed?

Some Hon. Members: Agreed.

The Chair: Opposed?

An Hon. Member: No.

The Chair: Carried.

[Several members rose calling for a division. The division bell was rung at 10:45 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Ady	Hlady	Norris
Broda	Horner	Ouellette
Cenaiko	Jablonski	Renner
Coutts	Johnson	Smith
Ducharme	Jonson	Snelgrove
Dunford	Knight	Stelmach
Evans	Lougheed	Stevens
Forsyth	Lukaszk	Strang
Friedel	Masyk	Taylor
Graham	McClelland	Vandermeer
Graydon	McFarland	Zwozdesky
Herard		

Against the motion:

Blakeman	Carlson	Mason
Bonner	MacDonald	

Totals:	For – 34	Against – 5
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[The clauses of Bill 27 agreed to]

[Title and preamble agreed to]

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

Some Hon. Members: Agreed.

The Chair: Opposed?

Some Hon. Members: No.

The Chair: Carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Chairman. I would move that the committee now rise and report Bill 27.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 27. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

11:00head: Government Bills and Orders

head: Committee of the Whole

(continued)

[Mr. Tannas in the chair]

The Chair: I'd call the Committee of the Whole to order.

Bill 3 Electric Utilities Act

The Chair: We have on the floor from a previous Committee of the Whole on this bill amendment A3, as moved by the hon. Member for Edmonton-Gold Bar. Are there any other comments?

Ms Carlson: Mr. Chairman, we continue to support that amendment and call for the vote.

[Motion on amendment A3 lost]

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

The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Chairman. I am pleased to finally be able to put my remarks on the record for this bill. In fact, I had risen to speak to a reasoned amendment back in second reading and spoke briefly to a reasoned amendment and then was one of the people that did not get to speak full out in second reading because the reasoned amendment necessitated the immediate vote out of second reading. Then every time that I have been here, every night as the bill got called onto the floor late, late at night, I was ready to speak, and they adjourned and went home, so I never got a chance to speak in Committee of the Whole until this time. So I'm pleased to be able to get the opportunity to do that now.

An Hon. Member: I thought the government said that everybody spoke a whole bunch of times.

Ms Blakeman: Yeah. I know the government said that everybody spoke a whole bunch of times, but they really didn't look at their records very carefully.

One of the first things that I want to make sure I do get on the record at this opportunity is to request that we get the regulations for this bill. Once again we have an enabling piece of enabling legislation from this government which sets out the sort of context or format of what the government would like to see, and everything else is accomplished through regulations. They did manage to set a very fine example with Bill 19, the natural gas amendment act, and put the regulations on the web site for everyone to be able to see and understand and to be able to approach their MLA to bring additional questions forward or to participate directly. That's fine. The point is that the regulations were known. It wasn't a secret. I would like to request that the regulations for this bill also be posted on a government web site or a nongovernment web site. I really don't care. Just get the regs out there so that people can have a look at them and understand exactly what the devil is in those details, because the detail is definitely the regs. So I wanted to make sure that I got that on the record and didn't let that slip by.

I do not like this bill. My notes are all from second reading, but of course it's past second reading. In Committee of the Whole one may speak more in depth about what's being proposed, can go in fact line by line or word by word and/or bring amendments, all of which are perfectly acceptable, despite what the Minister of Justice would like us to believe, that we should only be doing one or the other but not both.

What I don't like about this plan is that it doesn't put the consumer first. I think that a government electricity plan should be to provide electricity to Albertans at the lowest cost. It should not be to provide a more attractive market for electricity retailers. So my overriding question around this bill is: who benefits? And the answer I do not think is Albertans and certainly not if we are to judge this bill by the previous bills that the government has brought in around electricity deregulation. Albertans are not paying a lower cost there, and no matter how much this government stamps its tiny little foot and waves its tiny little fist in the air, it did not bring the prices down. The government insists that bringing more competition into the marketplace will work. Well, it hasn't. All that's happened is that this bill is now going to transfer even more of the risk onto the consumer, onto Albertans. So I think the answer to the question, "Who benefits?" is: just about anybody but Albertans and the consumers.

When I look back – and I'm now serving into my seventh year here, so I was around for a good part of the electrical deregulation, and I've spoken against it as much as I possibly can. So the government deregulated electricity in three stages, and the last was this retail portion, which is what's before us now. As far as I'm concerned, the stages were: one, create uncertainty; two, no one will build generators as a result of the uncertainty that's been created; and three, we don't have supply keeping up with demand, and prices start to go up. Now we go on to the other stages, which are price increases. So once again Albertans and the consumers did not benefit. Somebody did, but it certainly wasn't them.

[Mr. Lougheed in the chair]

So our problem, really, and I think the problem that the government has with this is how to get new companies interested in participating in this retail market. Now, what's interesting to me is

that if this really was a marketplace where companies would make a lot of money, they would have been in here like flint, but I think what we've got is that there's not enough profit that the corporate shareholders of companies can really make a lot of money. And that's the point, and there's nothing wrong with that. It's perfectly legitimate. That's what businesses do. They've got shareholders. They make money. That's what they're there to do. Lots of times they provide a service or a product that people want to buy. Great all the way around. But I think that that is not always true when you step into provision of utilities. I myself would prefer to see utilities owned by the government, but that's not going to happen in Alberta, so I've lost that on round one, but I will still try and maintain as much of a regulated marketplace as possible.

So I guess the question is: if a government deregulates and there is no increased competition, did the plan work? You can hum that along with the old saying about: if a tree falls in the woods and no one is there to hear it, did it make a sound? Same concept, the Zen of electricity, if you like. And I think that the answer is: no, it didn't work. The plan did not work; it failed. What we've got now is consumer confusion, we've got industry chaos, and we now have even the government admitting that we will never get back to the low prices that we once enjoyed. And where were we, say, eight or nine years ago? We had stability. We had low prices.

An Hon. Member: We didn't have enough power.

Ms Blakeman: We had enough power. We did.

Now, if the government hadn't made such a large declaration about how they were going to get in and really stir this all up and then did nothing for such a long period of time that it created that hesitation and uncertainty with the companies that were interested in building power plants, then they would have continued to build them, but we all know that they stopped because they didn't know what the government was going to do with electricity deregulation. They were waiting for the rules. They were waiting for some sign of what the heck was going to happen, and they didn't get it for a long enough period that they all went: whoa; let's stop these horses. And they did. They waited to see what the government would do, and they didn't get the legislation through in time, at which point we had not enough supply, and we did start to have rolling brownouts, which at one point I think the excuse for it, that was actually given by the then Minister of Energy, was that it was a squirrel that had caused a brownout in one particular area of a major centre in Alberta. Unbelievable. I'm sure he'll never live that one down.

Ms Carlson: It was a blue and orange squirrel.

Ms Blakeman: Yeah. It was a squirrel wearing a little blue and orange sweater, I think. It must have been that day.

But what we really have here is consumers that are paying and paying. They're paying the deferral accounts. And how many do we have now? We've got the deferral account from 2000. We've got the difference in the regulated rate option from 2001. We've got a deferred Balancing Pool. We've got higher prices. And still to come? Oh, my goodness, higher prices again and risks. Now, where are we – and this is interesting – with risks like site reclamation or force majeure compensation, for example? I did try and go through this.

11:10

I have a generating plant in my constituency. It's just down the hill here, the Rosedale power plant, and there's been a good deal of work from that community and a number of other communities that

banded together under the name of ConCerv to try and convince any power that they could that that power plant had reached the end of its useful life and should be shut down. Indeed, the Minister of Community Development did the right thing and supported the application for designation as an historical site, and with that requirement upon them the owner, which is EPCOR, decided that it was too expensive for them to follow through on the – I'm trying to remember the words that they were using – repowering. They were looking to expand and to put in new turbines and basically sort of reinvent that power plant.

Now, there is concern still being expressed by the community and others, including the city, which is now relooking at what's going to happen to that site, and I looked in here to see if there would be any answers provided. For example, we need to get the question settled of who's responsible for site reclamation. If in fact the city does decide as the major and only shareholder of EPCOR that they are going to shut down that plant, decommission it, in other words – its decommissioning date was 2000, so we're past it. We were led to understand during the last debate around electrical deregulation that for plants like that there was going to be a fund in place that would help pay for the reclamation of the site once the plant itself was decommissioned. There's an understanding that although the date mentioned was 2000, that doesn't mean that the power plant shuts down that day. It's just that you don't do anything more to upgrade it or upkeep it or maintain it, and slowly as it becomes obsolete, it will indeed be shut down, one assumes within, say, 10 years.

So where is the money to reclaim that site once it's been decommissioned? This is interesting. Okay. I can hear the minister sort of mumbling to himself, so I know, then, that he will get up and give me an answer to this, and I'm looking forward to it. Certainly the members of the community of Rosedale and everyone that's worked on the ConCerv group plus a number of other individuals in Edmonton and elsewhere that are interested in what's going to happen to this power plant will be interested in what the minister is going to tell us about that.

So what's in this bill that's going to help them with the decommissioning costs and the site reclamation costs? When I looked under Balancing Pool Duties, I didn't see it there, and when I looked under Generation, which is talking about permissible municipal interests in generating units, if I'm reading this right – and I may not be – it in fact seems to be saying that

if a municipality or a subsidiary of a municipality had an interest in a generating unit on May 1, 1995, that municipality or subsidiary may continue to hold that interest after May 1, 1995 if the generating capacity of the unit does not increase significantly beyond its capacity on that date.

In other words, under this the Rosedale power plant could not have repowered, which I think is why they were in such a doggone hurry to get that through before, and in fact it's failed. So now my understanding is that any future expansion of that plant would not be allowed under what's being proposed here in Bill 3, and I look to the minister to confirm or deny that.

I think that overall citizens in Edmonton have some trouble with this part 6, Generation, in that it is putting limits on what municipalities that own generating plants are able to do, and there is some degree of exasperation that's been expressed to me by citizens and therefore part shareholders, at least beneficiaries, of the city of Edmonton about having the municipality's hands tied around this.

So we've got things like the termination of power purchase agreements by the Balancing Pool, power purchase agreements ceasing to apply, et cetera, et cetera, and then, of course, the usual pages and pages of regulations. "The Minister may make regulations," and on it goes. So I am still wondering what happened, and

we were never able to get sort of ironclad confirmation of the original agreement about what was supposed to happen for decommissioning costs of plants under the previous legislation. My question stands: what's in here under this one?

I go back to my original concern here that what I see happening in this bill is that it is transferring the risk to Albertans, that the risks that would be taken under this are now guaranteed by Albertans. I think there's a need to make the companies take the risk. That's the way I've always understood it. You take the risk; you get the profit. You get the payoff. You get the big win. Isn't that the definition of free enterprise? That's not what I see happening here. I see the risk being downloaded onto the shoulders of the ratepayer, the consumer, the Albertan, and the companies stand to make an enormous amount of money. So they're not taking the risk, but they are making the money. There's an imbalance there, and it's not an imbalance that benefits Albertans.

The other major problem that I have with this bill is that it is not promoting conservation. So we have the risks being moved onto the shoulders of Albertans without their getting the benefits of the big payoff, and the bill is not promoting conservation.

I continue to be concerned about fairness. Now, I have raised the issue of fairness a number of times in connection with electrical deregulation. On the last go-round on this we found that there was an inequity in the way things were applied for a number of the constituents of Edmonton-Centre and, in fact, any constituency that had people living in high-rise apartments or condominiums because there was an inequity in how the regulated rate option was applied. There was a better rate for single-family, detached homes and a less beneficial rate applied to high-rise apartments and condominiums. The defining factor here was whether units were individually metered.

Interestingly, I have a number of very old apartment stock, three-floor walk-ups, that are still individually metered, which is unusual because in this day and age individual metering is considered high-end. So the very expensive condominiums along Victoria drive, which is where the Premier lives – and in fact he's referred to the fact that he has individual metering – get the advantage of the regulated rate option and also got the advantage of the rebates that were offered for energy.

The people that were living in the high-rise apartments and those apartments that had been condo-ized or were built as high-rise condos got a different deal. They got a different deal on the regulated rate option, and they got a different deal on the rebates and the money that was offered – what did they call them: energy refunds or something? – to help people cope with the very high electricity rates just prior to the election.

Now, it was sold at the time, and the government talked at the time about how they were protecting families, but in fact as I repeatedly pointed out, they were only really protecting and giving protection, offering special protection to families who were in single-family units. In other words, they only offered protection to families in certain kinds of living accommodations. So it was the living accommodation that was the deciding factor there, not whether or not you were a family or were talking about a residence or someone's home. In fact, those high-rise apartments and condominiums were often defined as commercial, and that's why they got the lesser rebate and in fact had a higher regulated rate option. So I'm interested in whether that unfairness is being carried through under this proposed legislation.

The other issue that arises frequently is that the volunteer treasurers of the condominium boards have to try and figure out what the electricity rate is going to be for the upcoming year. In fact, there's legislation that makes them do that by a certain time, and I

often get calls around that time of the year as they try and figure out what is going to be a reasonable estimate for them to include so that they know how to set the condominium fees. There's high confusion around that because they were told to check – I remember back in the beginning of this electrical deregulation – the web site for competition. They all duly went there, and there was no competition. They could not get another company aside from EPCOR and then, finally, Enmax to bid on their contract, period. So there was no competition for them, and they certainly did not manage to get a better rate.

Thank you, Mr. Chairman.

11:20

The Acting Chair: Thank you, hon. member.

The hon. Minister of Energy.

Mr. Smith: Well, Mr. Chairman, thank you very much for the opportunity to enter into debate and, certainly, attempt in my humble way to provide some clarity on the legislation and some further information on the bill. The member asked many questions, and hopefully I can shed some light on some of them.

I think the first question was a deleterious comment as to the effectiveness of the marketplace. Mr. Chairman, it's important to remember that the residential side is approximately 12 percent of the entire electrical marketplace. When you look at a load of some 8,000 megawatts in the Alberta grid, this means that 7,000 megawatts is being served without any problem, without anybody coming to government or to opposition and saying that there are difficulties in that part of the market. So we know that that part of the marketplace we've got correct, and that's 88 percent.

Now, I don't think there's been any denial on the government side that the marketplace at the retail level would be served better by further competition. We already have two city-owned utilities competing. If you're a business, then you have access to some 20 to 25 other commercial retailers to look at your business, and that part seems to be working. So, really, one of the things that we've heard is of the entry of another world-class retail marketer that will add substantially to competition, so I think that we can assuage the member's worries that the marketplace is in effect not working, because it is in effect working.

She did bring up the comment of force majeure. In fact, if you would go back to I believe it's the TransAlta turbine that went out shortly after the start of 2001. They tried to implement force majeure, which is a process in which the generator is held nonaccountable because of acts that would be nonpreventable for the generation of electricity. In fact, the Balancing Pool at that time ruled in favour of the utility who had the PPA, and TransAlta had to pay Enmax I believe a number around \$45 million. So in fact that part of the marketplace is working exceptionally well.

Then the member started to talk about owners' liability, the Rossdale plant, and limits on municipal generation.

An Hon. Member: Site reclamation.

Mr. Smith: And site reclamation. I can provide the information. To the best of my knowledge, Mr. Chairman, those who benefit from the generation are the owners, and as a result those owners would incur reclamation as a normal business risk as part of a commercial material transaction. Rossdale is an antiquated plant and in fact has only run in the last number of years as what we called a peaker plant, and that's the time from 4 to 7 p.m. During that time when the load goes up and we're all home washing dishes, turning on lights, and increasing the power load, then at that time these peaker plants come into play.

Now the last peaker plant, Mr. Chairman, that was built under the regulated model was one called Clover Bar. Clover Bar, which coincidentally happens to rhyme with your constituency, Clover Bar-Fort Saskatchewan, was the second – well, economically, one would say that it's the most inefficient plant in the entire mix of generating facilities in Alberta. That was built under the regulated model. It has a heat rate of 10.5, which means it's about 10,500 BTUs in order to manufacture a kilowatt-hour of electricity.

Today's peaker plants, today's natural gas plants, are not only just run for peak performance in the period between 4 and 7 but are run on the margin in the merit order graph. Those plants have a heat rate of 6.5. So the private sector has already – and this is without a long regulatory process – put in facilities that are 42 to 45 percent more efficient. When they're more efficient, what happens, Mr. Chairman? They are more conservation oriented, and I want to come back to that because part of the question from the member has been conservation. It's always a concern of this government, appropriate conservation and appropriate use of resources, and certainly there's no better hand than the invisible hand of competition to allocate those scarce resources via the mechanism and vehicle of competition.

Mr. Chairman, let me move on to the member's question on limits on generation.

An Hon. Member: Site reclamation.

Mr. Smith: Site reclamation is the responsibility of those who own the plants. So I will repeat for the benefit of the member. That way it's referenced in *Hansard* a second time for clarity.

Mr. Chairman, with respect to limits on generation, one of the real designs of this legislation was that we don't want to have limits on generation. We want the marketplace to determine what the limits on generation are, and in fact that's where you can see the nature of the competitive market in action. There have been some 3,000 megawatts of new generation come on over the last four years as investors who take the financial risk respond to a market opportunity. In fact, this month we're seeing the Calpine Corporation's 265-megawatt plant ramp up just outside of Calgary, and that's a very positive thing. Hunt Power has indicated their preference to put a 365-megawatt generator in the Crossfield area, an area, actually, where people are welcoming that facility for the jobs and investment that it creates. EPCOR, the municipally owned utility, that members opposite seem to love to love and love to hate, also are on budget, on time, and on spec in their supercritical coal-fired plant that they're building in the Wabamun area. So we're actually seeing very positive reports on new generation throughout the province of Alberta.

If I can turn the members' attention to part 5 of the bill, which is the liability section, the appropriate liability that the bill talks about is the liability or the protection, if you will, Mr. Chairman, for the independent service operator, the market surveillance administrator, and the Balancing Pool, all statutory corporations created by law and also with appropriate liability treatment specified in the law that creates them. Therefore, part 5 spells out that liability for each of the three areas as well as their employees. In fact, parties doing business in any market are exposed to the risks of error or damage to others. In the electric industry liability does exist for all parties, hon. member, and they manage the risk and they put the cost matrix to the risk analysis as part of their overall business judgment. So that part is covered in part 5 of the act and can be seen there.

11:30

I really want to provide crystal clarity to your comment about

conservation. Nothing has been better for the green power industries, as the Member for Edmonton-Highlands is going to point out shortly, than deregulation. There's no question, there's no doubt on the amount of green generation that has been put into Alberta, to the point where next year Alberta will surpass all other provinces, large and small, across Canada in their production of what is known in the marketplace as green power. In fact, what this program of deregulation and new competitive market structure has done is provided a value on heat, provided a value on waste product, provided a BTU value that has stimulated conservation and stimulated the utilization of power sources in every which way.

You will note that this government, that in many cases I know the hon. member wants to support but sometimes has just tiny little disagreements with, executed the largest green power contract in the history of North America. I know that's important to you members, so I wanted to make sure that that was on the record for you. The price is the price. It was a bid price. The hon. Member for Edmonton-Ellerslie said that it was a premium price. I know that her crystal ball might be parked beside a broom or something. You know, you would then be able to put forward some sort of accurate prediction, but, Mr. Chairman, there is absolutely strong and compelling evidence that this is the most reasonable green power deal. In fact, it's cheaper – cheaper – than the conventional power agreement that the government had.

So I know that the hon. member will want to support conservation. For example, Mr. Chairman, in Lloydminster, Archer Daniels Midland have a five-megawatt cogeneration in a wonderfully progressive and still Conservative constituency called Vermilion-Lloydminster, and a wonderful place it is. I've had the good fortune of visiting there. In this bright constituency there is also a five-megawatt generator that the Archer Daniels Midland corporation has for canola oil. It's a canola crushing plant, rural value-added, again another positive contribution to value-added agricultural strategy. In fact, when they look at the price of canola oil and they look at the price of natural gas, that's how they run their generator. Now, that to me is top drawer in conservation.

I know that what's being run on green power, the Enmax partnership with Vision Quest and TransAlta that's going to make Alberta the number one wind producer over the next year, is also important to the member, so we want to put that out. In fact, we take a look at Grande Prairie-Wapiti, just a wonderful constituency in the northern part of Alberta, one that is actually not adequately served at this time with good transmission. So, in fact, what does deregulation do? It allows you to put good generation close to the spot where it's needed, and what we're going to see, hon. member, is a biomass project on the Canfor site that's not only going to provide electricity for the government, but it also through the generation of steam is going to provide heat for government buildings. So it's two benefits in one. I can see that members on this side are quite taken with the ability for that to work that well.

I think I could go on with other conservation examples, but I'd be pleased to add those in further debate if they were further needed, Mr. Chairman. In fact, the marketplace is its own conservation device, and for that, the strength of this marketplace is particularly important.

I think that the member also talked about the inequity in the RRO and the importance of moving to something transparent to see how an RRO is set in a transparent fashion, to see that there is equity in distributing that regulated rate option to those who wish to take advantage of it. So that's why I know she'll then support the part of the bill that puts regulation into the Energy and Utilities Board, where it's held now in transparent hearings, and that will have fair scrutiny and the ability to note the equitable charging of electricity rates on a level playing field basis.

Mr. Chairman, I think that most of the comments by the hon. member have been responded to in an honest fashion. I think that we are seeing a competitive structure unfold in Alberta that is now delivering power at the right price at the right time at the right place. We're not having to mortgage the future of our working folks or our new companies or mortgaging the future of our children. We have a good market. We've asked for a midcourse correction, and this midcourse correction is not a creation of this Legislature. It's not a creation of this government. It's not a creation of the opposition's questions. It's a creation of two years of consultation, consultation with every stakeholder group, consultation that cast a net as wide and as broad as to include the hon. Member for Edmonton-Highlands as an interested party on the web site for information. He's taken that information and again, I'm sure, found some positive areas that he'll want to comment on when his time to contribute to debate arrives.

So, Mr. Chairman, this consultation process, a variety of committees, the Advisory Council on Electricity, the business issues group, the retail issues subcommittee – this bill, this midcourse correction, is simply a response to industry players, consumers, those individuals who have looked at a market situation and have responded in strong content to questions asked and provided us with good suggestions that we have assembled together and assembled in a bill called Bill 3, the Electric Utilities Act, that has been some two years in the making. It's been subject to a long and voluminous debate in the Legislature, to questions in and outside the House, and I think there's been a quite thorough examination on the bill.

The Acting Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks. Just three little points in response to the minister. I'm sure that he didn't mean to misunderstand the point that I was making about the unfairness in the regulated rate option, which was, in fact, an unfairness that was put in place by the government.

Secondly, one of the questions that I had asked very clearly at the beginning and to which I did not get an answer – so I'll put it on the record again – is: will we see the regulations perhaps posted on the web site or available for people to see before they are actually implemented?

Finally, again I'm sure that the minister wasn't being cute at all, when he talked about conservation, that he decided to talk about conservation on the side of developing new forms of what's called green energy. My concern with the bill was that it was not encouraging individuals to take steps to conserve the demand upon energy. In particular, I'm concerned about anything that can be done or any plan that the government has or advertising program that would encourage people to use less energy and to help them cope perhaps by retrofitting their homes or any assistance to retrofit their homes, such as the fund that's been proposed by the Member for Edmonton-Ellerslie.

So those were just three follow-up points that I wanted to make to the minister, and thank you very much for the opportunity.

The Acting Chair: The hon. Minister of Energy.

Mr. Smith: Thank you, Mr. Chairman. With respect to the RRO, the rate-setting process, I have outlined that it will be in front of the EUB, and we'll look forward to equitable rate setting across the board for the RRO.

The regulations – and the member makes a good point – are in discussion, under debate, in development. Some are posted on the web site, some are available through some of the various industry

subcommittees that are going on, and they're very much going to be put together in concert with consumer and with generator.

11:40

Just a final note, Mr. Chairman, on conservation. From a demand perspective, since the introduction of the new competitive market model in January there has been a reduction of about 6 to 7 percent, according to some early analysis by TransAlta, in the demand rate for electricity, so people are by paying attention to them taking measures.

As I talked to the former Auditor General tonight at a goodbye soiree for the Ethics Commissioner, Mr. Robert Clark, the former Auditor General said that when he got his electricity rebate, he just went out and took that money, \$40 a month, and bought high-energy-efficient light bulbs, and he said: I made a decision as to how I want to use the energy rebate that I received in 2001. Of course, you know, when the government put that money, which was consumers' money, back in their hands, we did not put any specific restrictions on how this should be used nor did we want to take programs that would drive tax reductions to the richer levels of society. We wanted, in fact, this to benefit everybody in a fair manner.

So I can report to the member that there is good progress in the marketplace on conservation, and we would expect Albertans to respond as they have in the past, with further attention to wiser and better use of their resources, as they do on an annual basis, Mr. Chairman.

The Acting Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. Well, I have a number of comments to make. I also have a number of amendments, but given the fact that the government has imposed closure and we only have a few minutes left, and given that the government just automatically votes down opposition amendments, without debate in many cases, I won't introduce them, but I will tell the House what we had in mind.

First of all, section 106 of the act prohibits owners of distribution systems from engaging in retail functions within the electrical system, and I believe that this is meant to tie the hands of EPCOR and Enmax. By amending the section, EPCOR and Enmax would have been able to continue to provide retailing services. This is the division or the unbundling that we've seen in the EPCOR/Aquila area, Mr. Chairman, and it's clear that the problems multiply when you've got two people involved, one in the distribution and one in the retailing of electricity. That's been a real mess. It doesn't, I suppose, always have to be as bad as it's been, but it certainly speaks to the government learning lessons the hard way rather than anticipating them and dealing with them before they happen, as we I think have a right to expect when it comes to our power system.

Another amendment might have been an amendment to section 147, which would have eliminated the payment in lieu of taxes. Now, of course, the money that Enmax earns benefits the citizens of Calgary, the money that Medicine Hat utilities earn benefits their citizens, and the money that EPCOR earns benefits the citizens of Edmonton. So this is money taken directly out of municipal coffers and funneled into the provincial coffers, and it would be better, I think, if we had the province involved in the electricity business so that the profits that would be made first of all could be reasonable and second of all could be put to the benefit of the citizens. This model of the municipalities is an excellent one and shows how we can provide power at a stable and reasonable price and at the same time use it to offset the requirement for taxes. That's seen by citizens of Edmonton, Calgary, and Medicine Hat as a very positive

thing, and it would be something this government would be well advised to look at as well.

Another amendment, Mr. Chairman, that I had in mind was looking at section 108. Clause (b) there will also allow the minister to further tie the hands of municipal entities, so that's a concern, and we would have been pleased to bring forward an amendment with respect to that one.

Now, there's another one that I think would have been worth the Assembly's consideration had not closure been brought in, and it's similar to the amendment striking out sections 3, 4, 5 of section 42. It strikes out the same subsections in section 75, and it ensures that the Balancing Pool is an agent of the Crown. Keeping the Balancing Pool as an agent of the Crown would have meant that the Balancing Pool would continue to fall under the jurisdiction of the Ombudsman, the Auditor General, and so on, and that would have made sure that the Balancing Pool had a reasonable degree of public scrutiny. We don't accept the argument that because they have to hire some auditors, that's going to be an adequate look at the operations of the system. This system is operated in the interests of the citizens of this province, or at least it should be, Mr. Chairman, so not having those kinds of agencies able to have a look into the operations I think ensures that the system will be much less accountable than it ought to be.

I'd like to speak a little bit about the effect of this legislation on REAs. Like most consumers the REAs, or the rural electrification associations, wish to be able to hedge against fluctuations in the extremely volatile Power Pool price. A proposed regulation will prevent REAs from hedging and force them to supply electricity at the flow-through rate only. This will be particularly disastrous as the lag time between purchase and sale of electricity for REAs will cause significant cash flow deficits as prices are increasing and surpluses as the prices decrease. Financial institutions are unwilling to hedge against REA deficits and surpluses, leaving the REAs in a cash flow bind. Now, we don't know if this is an intentional effort to push REA consumers into choice. The government likes to talk about choice. What it basically means is signing a contract with some big multinational corporation like Direct Energy. That's the government's idea of choice. It doesn't include the choice to have public power or REA power and so on. So we may see the REAs further disadvantaged by this.

Under the proposed regulations the REAs will no longer be able to arbitrate their membership eligibility. The year 2003 contracts with ATCO and Aquila have already been arbitrated under the assumption that arbitration of membership eligibility would be allowed to continue, and this was deemed a fair assumption as the task force of the hon. Member for Grande Prairie-Wapiti assured the REAs that the membership eligibility was not a consideration. I'd like to quote from the REA report to MLAs: Roles, Relationships and Responsibilities Regulation; Prohibition Against Arbitrating Membership Eligibility. It says:

REAs were specifically assured by the MLA members of the REA Task Force that membership eligibility was not a term of reference for the Task Force or up for discussion by stakeholders or a matter which government was reviewing. REAs have lost confidence in MLA assurances that they will seek input from REAs on matters specifically concerning them.

Well, Mr. Chairman, you contrast that with the wonderful assurances that we received from the minister that, you know, not only has he consulted with everybody; he's even included this member on his mailing list. Well, if his consultation with me was indicative of how he consulted with other stakeholders in the industry, then I don't think that the act is particularly reflective of everyone's interests. It certainly doesn't represent my interests.

The REAs feel that they should not be subject to the same prudential requirement deductions as competitive retailers. Statutory retailers such as REAs have a good history of payment, have hard assets to back their obligations, and are a regulated monopoly, which ensures their viability. Competitive retailers do not have the above advantages, and I'll quote again from the REA report to MLAs. It says:

Regulations that prescribe prudential requirements are an intrusion into the management function of REA businesses. REAs are in the best position to determine adequate (and fair) prudential requirements for the protection of their members.

Now, I can go on a little bit more about REAs, Mr. Chairman. REAs are already regulated by their elected boards of directors and the director of rural utilities under the Rural Utilities Act. Submitting REAs to additional regulation via the EUB will add to costs without adding to the service benefits accrued by REA members.

11:50

So I think there are a lot of concerns that had not been adequately resolved, at least the last time we talked to the REAs about this. It comes to the philosophy the minister described, which is that the invisible hand is best able to provide for many things, and I think this is, you know, going back to an economic theory of the late 1700s, being Adam Smith. I think economics have evolved a long way in the last 200 to 300 years, and I think there's lots of contrary opinion with respect to the utility of the marketplace to provide for anything other than the broad distribution of resources within society. It does provide that role quite adequately but in terms of being used as an environmental check and balance is ridiculous and does not take into account the actual history.

Where was the market, for example, when the cod stocks off Newfoundland were being fished out? The market didn't protect against that. The market is not protecting against the wholesale export of natural gas from this province into the American market, leaving us with no feedstock for our chemical industries. The market's not doing that, and we can go on and on and on. Because the government is so one-sided in its outlook, it completely negates the use and the role of responsible stewardship by government, and that's something that New Democrats actually believe in.

Now, the minister also talked about the question of green power: does, in fact, the deregulated system that the government has put in place lead to the development of green power, alternative energy sources, and conservation? Well, the answer is that, yes, it does. But the interesting thing is: how does it do so? Well, it primarily does so because it creates very high prices. All we have to do is make the price of a commodity beyond the reach of most people and you'll find that it does generate innovation and conservation, so that's certainly true. But what's the price we're paying, then, Mr. Chairman, for this conservation? What is the price that the average consumer, who admittedly doesn't consume the majority of power but is nevertheless completely dependent on that power for their daily lives – how do they survive, and how do they work within this kind of system?

I think that's something the government hasn't really talked about, and they haven't made any claims for electricity prices coming down substantially as a result of the increased competition. I'd like to hear some predictions. I know that we've had lots of predictions from the government about what their policies will produce in the electrical industry, and almost none of them have come to be, but it would still be useful if the people of Alberta had some inkling of what power prices are going to look like when we have Direct Energy and potentially another major retailer enter our market. Is it going to give some relief to these higher prices?

It's true; the minister has indicated, and I think correctly, that for

large consumers of electricity the market has not been too bad because they have considerable market clout, Mr. Chairman, and they have the resources and so on to buy in just the right way at just the right price in order to minimize their costs. They have market clout. On the other hand, the small percentage of power consumed by the vast majority of Albertans does not lend itself to market competition, and we've seen the results of that. I will be absolutely amazed if the entrance of Direct Energy and the other American company into the retail market substantially depresses electricity prices in this province, which brings me to the question of the flow-through pricing, which is replacing the regulated rate option.

They don't call it a regulated rate anymore, and they shouldn't, because it's not. It's really just a way of aggregating a market cost and passing it on to consumers. It's really just a way of calculating market cost for consumers. So what they do under this approach – and this is something that the hon. Member for St. Albert should understand so that she can explain this to her constituents. They take the price of power for the previous month, the average price. They average it, and that's the price you pay the following month. If you look at the prices this month that TransAlta is faced with, it's around 10 cents a kilowatt-hour, so that translates next month into a price that may be as high as 120 percent more than the month before.

I should clarify. That's only calculated on the energy portion. That doesn't include the multitude of new charges that people have to pay in order to support this new system, like distribution charges and rate riders and all of those things. That's just on the cost of the energy, but it is going to be a dramatic increase in the cost of energy. In fact, what we're looking at in this bill is the extension of that approach to replace the regulated rate option by all distributors of electricity or all retailers of electricity in this province. So not content with shooting up the prices of electricity now, already somewhere between a 60 and 100 percent increase since deregulation, we're now going to see on top of that dramatic increases yet again.

Mr. Chairman, I have a sense out there that I've not had before. There's a sound, and it's the sound of the voters of Alberta reaching their breaking point when it comes to utility costs. There is an anger out there on this issue that I've not seen before and which I fully expect will make itself manifest in due time. People are just fed up with having to pay these prices and always being told to wait for tomorrow or wait for next year. You know, there's an old saying from the farms in the Depression. They used to call it "next-year country" because, you know, the next year was going to be better. There was going to be some rain, and they'd get a crop in and so on. This has become next-year country as far as electricity goes because the government keeps promising: well, if we just go a little farther down the road, things are going to get better.

Well, they haven't so far, Mr. Chairman, and it should be a warning to people. It should be a real signal to all hon. members that the experiment with ATCO, where they agreed to be the guinea pigs with the EUB to try out this flow-through pricing, is going to result in a dramatic increase, and they're not denying it. I know that the hon. Member for St. Albert is upset that I'm suggesting that there's going to be another big whack on her constituents' power bills, but in fact if she checks with the power company or if she checks with the Consumers' Association or if she checks even with some other MLAs on the government side who know something about this issue, she will find that what I say is in fact true and is imminent.

So this is now part of the bill, and this will become generalized to all power retailers in the province. So what's happening now in St. Albert and Grande Prairie and parts of eastern Alberta within the TransAlta area is very likely going to become the norm throughout

the whole province because that's just the way that the market is being applied in this case, and it's nothing more than paying the average market price one month back.

So, Mr. Chairman, with those comments, I'll take my seat and thank everyone for their kind attention.

12:00

The Acting Chair: Thank you, hon. member.

Pursuant to Government Motion 14, agreed to March 24, 2003, which states that after one hour of debate all questions must be decided to conclude debate on Bill 3, Electric Utilities Act, in Committee of the Whole, I must now put the following question to conclude debate. On the clauses of the bill are you agreed?

Some Hon. Members: Agreed.

The Acting Chair: Opposed?

Some Hon. Members: No.

The Acting Chair: It's carried.

[Several members rose calling for a division. The division bell was rung at 12:02 a.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Ady	Hlady	Norris
Broda	Horner	Ouellette
Cenaiko	Jablonski	Renner
Coutts	Johnson	Smith
Ducharme	Jonson	Snelgrove
Dunford	Knight	Stelmach
Evans	Lougheed	Stevens
Forsyth	Lukaszuk	Strang
Friedel	Masyk	Taylor
Graham	McClelland	Vandermeer
Graydon	McFarland	Zwozdesky
Herard		

Against the motion:

Blakeman	Carlson	Mason
Bonner		

Totals:	For – 34	Against – 4
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[The clauses of Bill 3 agreed to]

[Title and preamble agreed to]

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

Some Hon. Members: Agreed.

The Chair: Opposed?

Some Hon. Members: No.

The Chair: Carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Chairman. I would now move that the committee rise and report Bill 3.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 3. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: All those who concur in this report, please say aye.

Some Hon. Members: Aye.

The Deputy Speaker: Those opposed, please say no.

Some Hon. Members: No.

The Deputy Speaker: The motion is carried.
The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. It has indeed been a very good evening of further debate on bills 27 and 3, and I'm sure all members are pleased with that. Therefore, I would now move that the House stand adjourned until 1:30 p.m., later this afternoon.

[Motion carried; at 12:16 a.m. on Tuesday the Assembly adjourned to 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, March 25, 2003**

1:30 p.m.

Date: 2003/03/25

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. Dear God, author of all wisdom, knowledge, and understanding, we ask Thy guidance in order that truth and justice may prevail in all of our judgments. Amen.

Please be seated.

head: **Introduction of Guests**

Mrs. McClellan: Mr. Speaker, it's an honour and a pleasure to introduce to you and through you some very special guests in the members' gallery. We have present today Brad Klein, who is the son of the Premier, his wife, Leslie, and their children Braden and Avery, and soon Great-grandpa Phil will be joining them. Braden and Avery had lunch with Grandpa Klein and Great-grandpa Klein, and of course mom and dad joined them. I would invite all members to give our special guests a very warm welcome.

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you very much, Mr. Speaker. When you're from the deep south, like I am, it's not often we get to welcome guests from schools, but it's certainly my honour to be able to do that today. I want to introduce to you and through you to the members of the Legislature 58 students, 13 parents, and three teachers from Dr. Gerald Probe school, that is in my constituency. Now, there's quite a list. I will briefly mention the names of the teachers and the group leaders. We have Mr. Vaughn Atkinson, Mr. Wayne Filipenko, Ms Misti Rogers, and all the parents and the students. They might be in both galleries. If they would rise and receive the warm welcome of the Assembly.

Thank you very much.

Mr. Mar: Well, Mr. Speaker, I'm pleased to rise and introduce to you and through you a number of guests who are sitting in the gallery: Anna Russell, Joan Meachem, Natalka Harvey, George Flynn, Anne-Marie Piccinin, Andy Tymkow, Lara Check, Bruce Milne, Amy Spencer, Andrea Stabbler, Laura Inglis, Sara Cooke, Fred Horne, and Sandra Duxbury. I'd ask that they rise and please receive the warm welcome of this Assembly.

Ms Evans: Mr. Speaker, I'm honoured today to introduce a group of exceptionally bright students from Horizon school in Sherwood Park. They've been here this morning touring the Legislature. They're in the public gallery. If they would please rise so we could give them the traditional warm welcome.

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

Dr. Pannu: Thank you, Mr. Speaker. I'm honoured today to introduce to you and through you to the members of the Assembly a number of parents from King Edward school. They are my constituents as well as active members of the parent council at King Edward school. In addition to them, there are two parents from Eastwood school and Forest Heights school. Let me name them, with your permission. The parents from King Edward school:

Joscelyn Proby, Jean McKenzie, Kelly Collins, Natasha Bergsma, who is here with her sons Raymond, Matthew, and Jonathan, Mary-Wynne Semchuk, Beverly Yeung, Dubravka Staka, Joanne Wynn. I'll ask them to please rise and wait until I name the other two visitors before they receive the warm welcome of the Assembly: Trudy Corless, a parent from Eastwood school, and Rita Kent, a parent from Forest Heights school. They're all on their feet, and I'll ask my colleagues to give them a warm welcome.

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

Dr. Taft: Thank you, Mr. Speaker. It's a great honour for me today to introduce to you and through you to all members of the Assembly Dr. Shirley Stinson, who's seated in the public gallery, and I'd ask her to please rise. Dr. Stinson has raised the profile of nursing in Canada and contributed to improved standards of patient care around the world. Her pioneering efforts to establish nursing research as a respected field of study led to one of the first master's and doctorate in nursing programs in Canada. Founding chair of the Alberta Foundation for Nursing Research, she has worked to promote the study of advanced clinical nursing practice, theory, and research and brought this view to other countries. Professor emerita at the University of Alberta and adjunct professor for life at the University of Calgary, she is a mentor to generations of young nurses. For her achievement she has been named as an officer of the Order of Canada. Please give her a warm welcome.

Mrs. McClellan: Mr. Speaker, it is a pleasure to introduce to you and through you a guest that has joined us since I introduced Braden and Avery. Their great-grandpa has joined us now. I especially wanted to introduce Phil Klein, because I thought he might be nervous. He introduced our Premier this morning at the breakfast for Kids Kottage, and I thought he might think that I would give him a similar introduction, but I won't. This is a gentleman who does a lot for the volunteer community, particularly known for Crystal Kids work. Please welcome Phil Klein.

head: **Oral Question Period**

The Speaker: First Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

McCauley School

Dr. Massey: Thank you, Mr. Speaker. Recently the Minister of Learning criticized low student numbers at McCauley school that resulted in small class sizes. This and low space utilization were used as criticism of the Edmonton public school board. My questions are to the Minister of Learning. Why would the minister criticize McCauley school when the school is being recognized internationally as an example of how the integrated delivery of community services can help inner-city students increase their achievement?

Dr. Oberg: Mr. Speaker, McCauley school presently has approximately 210 students. The average class size for grades 1 to 6 is 14.7. The utilization rate for the school is 35 percent. I'll have the Minister of Infrastructure comment more on the utilization ratio, but when a school is at 35 percent, it means that there's a considerable amount of the rest of the space in the school that is being funded by the school board, that costs them money quite frankly. What I'll do is have the Minister of Infrastructure supplement my answer on the utilization.

Mr. Lund: Mr. Speaker, we assess the schools, taking the amount of space that is available in the structure and then, of course, dividing that by the number of students, figuring out the capacity of the building and then dividing it by the number of students, to figure out the utilization rate. Obviously in the McCauley school there are a number of areas that aren't being utilized to their full extent, and that's why there would be some concern when we look at the overall operation of that particular school.

Dr. Massey: My second question is to the Minister of Learning. Why would the minister criticize McCauley school for having small class sizes when his own research project in this school concluded that there were large gains for students and his department endorsed such a plan under the AISI grant?

Dr. Oberg: Mr. Speaker, the hon. member is absolutely right that a lot of our projects under AISI were on class size, but again that was done in conjunction with the school boards and with the parents. We are currently tabulating the information on class size, and there are several areas in the province where they decreased class size and in actual fact there was no great improvement. McCauley's class size, again, is 14.7 students. The school is 35 percent utilized. A key point to this is that there are good programs going on there. Absolutely. There are a lot of hardworking teachers, and it's an excellent school, but we have to look at some of these utilization factors as well.

1:40

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister: why would the minister criticize McCauley school when the school has proven viable enough to be approved for a \$4.5 million renovation, which is currently under way?

Dr. Oberg: Mr. Speaker, first of all, I have not criticized their school. I've simply stated facts.

With regard to the authorization for the renovation that is under way, I'll ask the Minister of Infrastructure to comment on that.

Mr. Lund: Mr. Speaker, there's a process that we use for approving modernization whether it be under the major program or whether it's a separate program. In that process we look at the prioritization that is presented to us by the board that operates the school and then weigh that against provincial priorities. Certainly, the Edmonton public board has indicated that this school is a priority, and that's why they would have gotten approval for a modernization project.

The Speaker: Second Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

School Utilization Formula

Dr. Massey: Thank you, Mr. Speaker. Recently the Minister of Learning held up McCauley school as an example of how Edmonton public is underutilizing space. He told the Assembly that the utilization rate for the school is 35 percent. My questions are to the Minister of Learning. Does a utilization rate of 35 percent automatically warrant closure of a school?

Dr. Oberg: The answer to that, obviously, is no, Mr. Speaker. What happens is that the school boards, regardless of where they are around the province, are the ones who determine which schools stay

open and which schools close. We do not want and I don't think taxpayers want to be funding, to be heating, to be operating electricity to schools that are 65 percent underutilized, and that's one of the reasons that the utilization factor is taken into account when it comes to operation and maintenance. Again I'll ask the Minister of Infrastructure, in whose budget operations and maintenance are, to answer that question.

Mr. Lund: Mr. Speaker, we underwent a process involving the school boards, the superintendents, and the maintenance operators from a number of jurisdictions in order to devise a proper way of dividing among all 1,463 schools in the province of Alberta the operating and maintenance money. As it relates to McCauley, there was a program set in place some few years ago where they looked at seven schools within the centre of the city with the intent of bringing the utilization up. Out of that study it was obviously determined that McCauley was one that should continue and that the utilization would likely increase by the closing of one or two other schools within the area.

The Speaker: The hon. member.

Dr. Massey: Thank you. My second question is to the Minister of Infrastructure. How fair is it to compute the utilization rate of older schools based on wall-to-wall outside measurements, wider hallways, and larger entranceways that were characteristic of older school buildings?

Mr. Lund: Mr. Speaker, as I indicated earlier, we didn't do this internally on our own. We had a number of the players in the field actually devise how this is going to work.

As it relates to some of the older schools within the cities, for any high school that was constructed prior to 1990, we haven't changed the formula at all. It's only on the high schools that were built since that time. On the other schools another change that was made: rather than taking a capacity of 25 students per class, we now look at it in a more realistic way and count it on individual instead of on a 25-student basis. So I believe that this new formula certainly is more reflective of what needs to be done when we're building new schools. I recognize that it has created some problems in some of the older schools, but realistically if you take the new versus the old, the percentage of utilization usually falls only within 2 to 3 percent. So it's not a really big difference.

The Speaker: The hon. member.

Dr. Massey: Thank you. The third question to the Minister of Infrastructure: will the minister consider adopting our community school plan, which would make viable smaller schools by housing a variety of community and district services?

Mr. Lund: Mr. Speaker, that's a good suggestion. It's something that we're already looking at and doing. I must point out to the hon. member that if in fact a portion of the school is used for something other than instruction, then it is taken out of the base, so the utilization goes up. We are urging the boards to look at those types of things. Now, having said that, there's still some problem, because if you have a classroom that is large and you don't have enough pupils to put in it, you can't just carve up a part of that classroom in order to reduce the area.

So it will assist, and we are already trying to get boards to look at how they might do some of those things to actually serve the community.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Energy Deregulation

Mr. MacDonald: Thank you, Mr. Speaker. This Progressive Conservative government's energy deregulation policy has become a scandal. This scandal has meant the end of affordable home heating costs for all Albertans. Angry, frustrated, and now broke Albertans are waiting for the EUB to approve natural gas rates for next month. My first question is to the Premier. How much money should Albertans be saving this month so that they can pay the unexpected utility bill add-ons that are coming as a result of this energy deregulation scandal?

Mr. Klein: First of all, I take great offence at his use of the word, his very liberal use of the word "scandal." There is no scandal. The only thing scandalous about this Legislature is the Liberal Party.

Mr. Speaker, consumers have the opportunity to shop for both gas and electricity. They have the opportunity to enter into budget programs with the various retailers of energy and natural gas, and I would encourage them to seek the best deal that they possibly can. I'd remind the hon. member that deregulation has brought this about. It offers a choice, unlike the socialistic, regulated environment that the Liberals so much enjoyed, where the consumers had absolutely no choice whatsoever. And the NDs, I might add. One of their representatives, of course, was a member of that totally regulated corporation that begged to be unregulated.

The Speaker: I take it, hon. member, that you rose on a point of order?

Mr. Mason: Yes, I did, Mr. Speaker.

The Speaker: Okay.

The hon. Minister of Energy to supplement. Briefly, please.

Mr. Smith: Thank you, Mr. Speaker. The only part that I wish to supplement is the complete and erroneous connection that the member continually confuses beyond all shadow of a doubt to himself what deregulation is all about. In fact, the EUB has been regulating the price of natural gas and how it's been filed by ATCO since time immemorial. Wake up and smell the rulings.

The Speaker: The hon. member.

Mr. MacDonald: Thank you. High energy prices are scandalous.

Again to the Premier: how many millions of dollars will Albertans have to pay in deferral charges created by this government before this government swallows their false pride, admits its expensive mistake, and unplugs energy deregulation?

1:50

Mr. Klein: Unplug energy deregulation. Will the hon. member stand up in this House and say that he wants to go this moment right back to a regulated, monopolistic, state controlled environment? Mr. Speaker, is that what he's saying? If he's saying that, then stand up and say it.

Mr. Speaker, whenever you make change, there are going to be bumps along the road, and those bumps are becoming smoother and smoother each and every day. Deregulation is finding its way into the marketplace. There's more power than we've ever had before. There are more consumer choices than we've ever had before.

Undoubtedly, we went through an extraordinarily cold March – an extraordinarily cold March. Believe me; when the temperature goes up and when it gets hot, then the rhetoric over there will come down accordingly. You know, it's all related to the temperature. That's how they gauge things, by the wind and the temperature. If the wind blows this way, that's the way they go. If the temperature goes up, the rhetoric goes down; the temperature comes down, the rhetoric goes up.

Mr. MacDonald: Again to the Premier. To provide electricity to consumers at the lowest cost possible is the best public policy, and the government knows it. Now, how will this government protect Albertans from further costly add-ons that may appear on future utility bills given that on April 1 a new fiscal year begins and the natural gas rebate trigger is reset?

Mr. Klein: Mr. Speaker, as the hon. Minister of Energy pointed out, natural gas has been deregulated, well, for as long as I can remember. I think it was 1985 when it was deregulated. We're heading into warmer months; there's no doubt about it. Hopefully we won't have an extraordinarily cold winter, but having said that, there is one thing for sure, and even the Liberals can understand this: they don't make any more gas. There's only so much in the ground. It's a valuable commodity today, and it's probably going to become more expensive in the future. We have put in a trigger price of \$5.50 a gigajoule, and on an annual basis if the price reaches that, then the rebate program will kick in. It's more generous than what any other jurisdiction in this country, perhaps North America, offers. It's there to shield Alberta customers, as opposed to any other jurisdiction, against the rising cost of natural gas, and it will rise in the future.

Education Funding

Dr. Pannu: Mr. Speaker, joining us today in the gallery are parents from King Edward school in my constituency of Edmonton-Strathcona. I've received 91 letters from 130 families who send their children to King Edward expressing their concern about the chronic underfunding of public education in this province and the looming deficit that their own school faces this year. This shows just how strongly parents feel about the failure to fund the government-imposed arbitration settlement and the reductions in operation and maintenance grants. My questions are to the Minister of Learning. If the government is providing adequate funding to schools, why is King Edward school facing a 7 percent reduction in next year's budget?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. I'm certainly glad that the hon. member asked me that question, as just this morning I was talking to the superintendent of Edmonton public. I told him of some of the concerns that the hon. member has raised and that I have heard, as well, about the budgeting for this upcoming year. What he said to me was that he has in no way put out any budget targets to the schools. He said that he does not expect a final budget for them until well after April 8, which is our budget year. The hon. member should also know that we do not expect a final budget from the school boards until June 30 of this year, so I really believe it is very preliminary, and the superintendent has said that he has taken action against that.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Can the minister please explain how the loss of a teacher at King Edward school as a result of budget cuts next year, that the council of the school says will happen, will do anything other than hurt kids who'll be put into a combined grade of 29 or 30 kids?

Dr. Oberg: Mr. Speaker, speaking of budget cuts, I will read exactly what the superintendent of Edmonton public put out to his teachers on March 21 of 2003. It says:

Discussion surrounding budget planning and possible reductions to staff are appropriate, but no staff member . . . should be formally identified for transfer for 2003-04 until after the staffing procedures are distributed.

The staffing procedures for Edmonton public have not even been distributed yet.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. I'll repeat the question to the minister. Will he explain to the parents of King Edward school: how are they going to deal with the increased size of the classes in which their kids will be sitting when the number of teachers is cut next year?

Dr. Oberg: The hon. member obviously has a hearing problem, because as I have said, their budget has not even been finalized yet, Mr. Speaker. They have not sent out their final numbers. They have not sent out their AISI funding, which will be out approximately the end of this week. So it is very unfortunate that these hon. members will not talk to the actual administration and the school board, who are putting out these dollars.

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

Workers' Compensation Claim

Mr. Pham: Thank you, Mr. Speaker. The WCB's own medical expert has concluded that my constituent has the following work restriction: he cannot sit for more than six minutes at one time, cannot stand for more than one minute at a time, cannot walk for more than one minute at a time. WCB, however, has cut this man off temporary total disability benefits and ordered him to return to work, contradicting its own policy. On behalf of my constituent I would like to direct my question to the minister responsible for the WCB. What job can the WCB expect a man in such poor physical condition to perform, Mr. Minister?

Mr. Dunford: Mr. Speaker, I believe that I have to be somewhat careful in a response because as I heard the preamble of the question, we're dealing with a specific case, and I don't want to get the hon. member or myself, as a matter of fact, into any difficulty with freedom of information and protection of privacy. Maybe what I can say, though, in general terms is that a normal procedure that one might expect in a case like this or similar to this is that the WCB claimant would be directed to a rehabilitation facility, and at some point upon the completion of the rehabilitation program an assessment would be made in terms of the person's ability then to move forward into the workforce.

It's my understanding that in the specific case that has been raised, due to duplication of documents there might be some confusion on the part of the hon. member as to the actual direction that was provided.

The Speaker: The hon. member.

Mr. Pham: Thank you, Mr. Speaker. Again on behalf of my constituent I would like to address my question to the minister responsible for the WCB. Can the hon. minister ask WCB to provide the name of one employer who would be willing to hire a man who cannot stand for one minute, cannot sit for more than six minutes, and cannot walk for more than one minute?

Mr. Dunford: Once again, Mr. Speaker, I think that what is happening here in this specific case is a question arising out of perhaps the erroneous duplication of a document. I think that I would ask the hon. member to review with the constituent the actual information that has been provided. I would ask the hon. member to review the letter that was written by myself to him, where I offered to meet not only with the hon. member but also with his constituent to see if we can't bring more clarity to this situation.

2:00

The Speaker: The hon. member.

Mr. Pham: Thank you, Mr. Speaker. Given the fact that the minister's answers seem to indicate that my information is wrong, will the minister ask the CEO of WCB to resign if I can prove that he has tried to mislead the minister with the wrong information?

The Speaker: The hon. minister.

Mr. Dunford: Thank you, Mr. Speaker. One of the things that has taken place since I took over the mandate in 1999 was to work very diligently, in my view, toward enhancing the performance of WCB and bringing forward solid recommendations. Everyone here in the House is aware of two reports. We had what is called the Doerksen report, and we have what is called the Friedman report. As I recall, there were 59 recommendations that came out of those two reports. I believe that probably in the area of 54 to 55 of those recommendations were either accepted or certainly accepted in principle. As the minister responsible I, of course, always reserve the right to accept, reject, or modify recommendations, and I exercised that authority at that particular time on one or two of them.

I don't think that there's anyone here in Alberta that's had a recent situation with WCB as it relates to appeals that wouldn't agree that we've made substantial improvement in this particular area, and I think it's important that we leave this question with the thought in the minds of all of the members that we have made substantial improvement in this area, and certainly I will not be calling for the resignation of the chief executive officer.

Energy Conservation Initiatives

Ms. Carlson: Mr. Speaker, it is painfully obvious that the Minister of Energy doesn't have a clue about wise energy-efficient choices he could be pursuing on behalf of Albertans. Net metering means that small renewable power producers like wind and solar power can run excess capacity through their meters and their meters will spin backwards, which reduces their overall energy costs. A majority of U.S. states have this system, and so do Manitoba, Ontario, Nova Scotia, and the Yukon. To the Minister of Energy: why doesn't this minister realize that his government has to establish net metering rules before consumers can take advantage of this excellent system?

Mr. Smith: Well, Mr. Speaker, in nine years in the Assembly I'd just like to say that that's an interesting suggestion. If it isn't given in a spirit of sarcasm and criticalness, I'd be more than prepared to undertake that.

Ms Carlson: Mr. Speaker, my second question is to the Minister of Environment. Why doesn't this minister do his job by bringing forward good ideas like this, ensuring that the government not only knows about them but acts on them?

The Speaker: The hon. minister.

Dr. Taylor: Certainly, Mr. Speaker, and I'm very pleased to respond to that answer. The issue, as you know, is that we just recently have said that our green power purchases will be 90 percent by 2005 of all the power government uses. We are the lead government in this country in dealing with greenhouse gases and energy efficiency. So the government is clearly listening. The government is clearly taking action on ways to conserve energy.

Ms Carlson: Not nearly fast enough, Mr. Speaker.

To the Premier: when are we finally going to see this government commit to helping consumers bring their energy costs down through smart energy-efficient choices with a retrofit program like we suggest that introduces good concepts like net metering?

Mr. Klein: Mr. Speaker, the hon. member heard the Minister of Energy say quite clearly that it was a good idea – albeit it was put in a very sarcastic tone – and that he would take the idea under consideration.

Relative to steps this government takes to educate consumers about conservation efforts, Mr. Speaker, there are numerous programs sponsored both by the Department of Environment and by the Energy department. There's a wealth of information available through various government sources and programs to educate people about ways and means to conserve energy.

For the government's part, Mr. Speaker, I'm sure the hon. Minister of Infrastructure can respond. Numerous steps have been taken in various government buildings to achieve conservation measures, and the minister just recently announced that we're going to consume about 90 percent green power, power that is produced through wind or biomass or other means, and as the hon. Minister of Environment pointed out, this province is a leader in energy conservation and a leader in the reduction of greenhouse gases.

The Speaker: The hon. Member for Peace River, followed by the hon. Member for Edmonton-Riverview.

Energy Marketing

Mr. Friedel: Thank you, Mr. Speaker. My questions are to the Minister of Energy. Recently we learned that a company called Direct Energy is applying for a licence to market electricity and natural gas and possibly other consumer services in Alberta. We have discussed for quite some time how essential market competition is to reducing cost for consumers, and I know that many people are looking for other supplier choices for reasons that we don't really have to go into anymore but are anxious to look at competitive options. I wonder if the minister could advise us how long it might be before Direct Energy is going to be able to market energy services in the province.

Mrs. Forsyth: That's a good question.

Mr. Smith: Well, it is a good question, Mr. Speaker, and I thank the Solicitor General for that opinion, and it's a good opinion because people across Alberta are looking for alternatives.

Direct Energy as well as others, Constellation Energy for example,

have shown some preliminary interest in the retail market. Of course, there are some 22 retailers involved in the wholesale market.

For the Member for Peace River: the process is that Direct Energy's entry into the marketplace, Mr. Speaker, is subject to the Alberta Energy and Utilities Board's approval of the company purchase of the retail energy business of ATCO Gas and ATCO Electric. There's been a very public offer, some \$130 million being tendered. The Alberta Energy and Utilities Board will follow a standard review process which allows consumer groups and other interested parties to actively participate before rendering a decision. This means public hearings, a transparent process, transcribed decisions, all in the public domain, and then after the EUB approval or disapproval a more precise date will be set for the new market entrant.

The Speaker: The hon. member.

Mr. Friedel: Thanks, Mr. Speaker. The minister must have anticipated part of my second question. He covered the issues that the company must do before it has to operate. I wonder if the minister could tell us if anything is being done to entice other companies into retailing energy, particularly to consumers and small businesses in Alberta.

Mr. Smith: Well, Mr. Speaker, once again, very salient, very topical, and very important to small business, particularly those who use under 250,000 kilowatts per annum. That regulated rate option will be dropping off at the end of this year, and in fact independent business owners will start making contract decisions certainly in the next quarter and certainly over the next four to five months.

So in response to the Member for Peace River, I can say that the earliest we would see a licensing of Direct would be somewhere in mid-2003. Of course, I will be tabling for the benefit of all members at the appropriate time Direct Energy's advance advertising campaign titled More Energy Choices for Albertans and Direct Energy is Coming Home to Alberta.

2:10

Medical School Tuition Fees

Dr. Taft: Mr. Speaker, in contradiction to statements made in this Assembly by the Minister of Learning, an April 2002 study in the *Canadian Medical Association Journal* found that differential tuition fees make medical school less accessible to low-income students. The number of medical students with a family income of less than \$40,000 declined 30 percent after tuition fees were jacked up for medical schools. To the Minister of Health and Wellness: given the urgent shortage of physicians, how can the minister accept a policy from his own government that discourages people from attending medical school?

Mr. Mar: Mr. Speaker, I am aware of the work that was done in the *Canadian Medical Association Journal* in relation to this, but to address the issue of the number of physicians in this province I can say that we've done a very, very good job. There have been a number of strategies. The first strategy, of course, is to make better use of the physicians that we currently have, so we've done that. We are continuing to work on a primary health care strategy that will make better use of the physicians that we presently have in the province of Alberta. There are nearly 6,000 physicians in this province. In the last two years we've been able to recruit a significant number more to this province. That is also part of our strategy. We have a net increase in the number of physicians of something in the magnitude of 11 percent more GPs, 14 percent more specialists

over the last two years, a total of somewhere in the magnitude of 600 new physicians in the last two years. The third part of our strategy is to increase the number who are enrolled in medical school, and we have in fact increased the number of seats not only in medical schools but in nursing schools, as well, throughout this province. There are now over 12,000 people training in postsecondary institutions in the province of Alberta for health care professions.

So, Mr. Speaker, we are doing a good job with respect to recruiting people, part of that recruitment effort, I'm advised by Dr. Clayne Steed and Dr. Bob Hollinshead and Dr. Steven Chambers, all presidents or past presidents of the AMA. Our current contract with physicians has allowed us to be effective in our recruiting efforts. We have increased the number that we train in our own schools, and we are making better use of the doctors that we presently have.

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. I'm sure that the hon. member just made a little bit of an inadvertent oversight. He must realize that the study that I was citing was actually on law from the University of Toronto, not on medicine.

Dr. Taft: He never made that clear.

To the Minister of Learning. At least one minister is aware of the effect of differential tuition fees. Given that the U of A medical school has not had enough applicants to even come close to filling its vacancies for training in family medicine, will the government reverse the differential tuition policy for medical students?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you, Mr. Speaker. Once again the hon. member has a little bit of an error in the facts. Obviously, in family residency, which is after the medicine program, this is the first year in history, I believe, that family medicine in Edmonton was not matched 100 percent completely. This is not an uncommon procedure. What subsequently happens is that it goes through a second round of the match. This often happens in different faculties, and indeed when I was in the faculty of medicine, what happened was internal medicine at the University of Alberta was not matched and had to go through the second match. So this has absolutely nothing to do with differential tuition. In the residents program they actually get paid to go to school.

Dr. Taft: To the Minister of Health and Wellness: will the minister admit that the already poor access for the public to family physicians is only going to get worse as a result of differential tuition fees?

Mr. Mar: Mr. Speaker, the answer is no.

The Speaker: The hon. Member for Edmonton-Castle Downs, followed by the hon. Member for Edmonton-Centre.

Education Funding (continued)

Mr. Lukaszuk: Thank you, Mr. Speaker. Many constituents and some parents have contacted me with concerns relevant to the budgeting process in Edmonton public schools. I've heard that some EPSB principals are now telling teachers that a number of teachers will be laid off at the end of this school year. To the Minister of Learning: does Edmonton public school board right now have the budgeting information available to them for the year 2003-2004 to be able to tell teachers that they will be laid off?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much, Mr. Speaker. I will reiterate a little bit in that I did talk to the superintendent of Edmonton public school board this morning and raised this exact issue with him. He said that they do not have the information to finalize their budget. I quoted part of the response that he had sent out on March 21, 2003, and if I may, I'll quote the rest:

The ATA local has notified the district that teachers are calling them indicating that they have been identified for transfer. This action is precipitous as district Staffing Procedures – Spring and Fall 2003 have not yet been released.

It is too early for the schools to be finalizing their budget, and as I said in an answer to a previous question, the actual budget for Edmonton public is not due to be received by my department until June 30 of this year.

The other very interesting point, Mr. Speaker, is that the AISI funds, the Alberta initiative for school improvement, which amounts to close to \$9 million in the city of Edmonton and in Edmonton public, has not yet been divvied out to their schools, so they have no way of knowing exactly how many dollars are available to them for staffing for next year.

Mr. Lukaszuk: Mr. Speaker, the minister should also know that there is a great deal of concern that school improvement programs such as reading recovery may be cut away. Have those funds been withdrawn from the Edmonton public school board?

Dr. Oberg: Mr. Speaker, this is a very interesting question. Back in November of this year at the annual Alberta School Board convention I made the commitment to continue funding AISI, Alberta initiative for school improvement, for the next three years. I, too, have had questions from the general public about whether this excellent initiative will be continued, and the answer is, as I stated in November of this year, absolutely yes. It will be continued. What has happened is that Edmonton public has not renewed yet their new programs for the next three years, and in talking to the superintendent this morning, it seems that that will occur either at the end of this week or the first part of next week.

Mr. Speaker, we're talking about \$9 million here, \$9 million that is being given to Edmonton public to improve their schools, the initiative for school improvement, so that is quite substantial. I will say that the reading recovery program is one of those programs that fell under that funding. Hopefully Edmonton public will be notifying their teachers very soon.

Mr. Lukaszuk: Mr. Speaker, given that the minister is telling us that the audit of the Edmonton public school board may be taking longer than anticipated and the actual deficit is unknown, will the minister commit to us today and tell us whether he will allow Edmonton public school board to defer the pay-down of the deficit over a prolonged period of time?

Dr. Oberg: Mr. Speaker, there are a couple of things there. First of all, I would like to see that there be no deficit, and that's the condition that we are working towards. It's my understanding that there still may be a deficit.

In direct answer to the hon. member's question: yes, we will allow them to defer it over the next three years. The key component to this, Mr. Speaker, is that they will need to pay it back. We do not want Edmonton public penalized with three or four months left to go in the fiscal year for them, but they will be paying it back. But I will reiterate that I hope there is no deficit at all.

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

Life Lease Properties

Ms Blakeman: Thank you. Seniors in this province now have life leases as an increasingly popular option for meeting their housing needs, whereby the tenant provides a loan to a builder for a condominium complex and lives in a suite for a relatively low fee. My questions today are to the Minister of Government Services. Has the minister done any studies of life leases or had any discussion with the Minister of Seniors about the deficiency in legislation since I raised this issue last May?

2:20

The Speaker: The hon. minister.

Mr. Coutts: Thank you very much, Mr. Speaker. Life leases – the hon. member is absolutely right – are an emerging sort of market or housing option for Canadians who are 55 and older. These are people who wish to move into a managed housing situation and into complexes that would offer sustainable living arrangements for the rest of their lives. Presently there is no legislation in Alberta that sets out any kind of provisions for life leases. At this point in time we've had approximately 20 to 24 inquiries into our call centre about life leases, most of those people just wanting to know some kind of information about life leases, so at this present time we don't think that there's a big concern in terms of life leases.

Ms Blakeman: Can I confirm, then, that the minister will not consider implementing any kind of legislation or programming around life leases?

Mr. Coutts: Mr. Speaker, I can tell the hon. member that we are monitoring the life lease situation, and if we find that there is a need for legislation, we will certainly go out and do what this government has always done: take a look at the people and the stakeholders that are involved, do a consultation, and bring forward the kinds of legislation that are required, only if it's required.

The Speaker: The hon. member.

Ms Blakeman: Thanks. Well, given that this government was willing to enact consumer protection legislation on travel clubs, why is the minister dragging his feet on protecting seniors with legislation for life lease?

Mr. Coutts: Mr. Speaker, as I just mentioned in the last answer, if there is a need, we will do the consultation that is necessary. We will go out and we will look at the potential for any kind of legislation that would protect customers. But one of the most important things is that we're already monitoring this, and we've only had, as I said, 20 some odd inquiries into our office. If there is a need, we will certainly look at it.

I can only say one thing, Mr. Speaker. Consumers out there, when they're buying a piece of property and doing every single solitary transaction, should maybe take a look at getting a lawyer, take a look at it and get advice from a lawyer before they make that transaction.

The Speaker: Hon. Member for Edmonton-Highlands, I gather you're going to continue the discussion with the Minister of Economic Development now.

Mr. Mason: No. May I ask my question, Mr. Speaker?

The Speaker: Please. I just assumed that it would be to the Minister of Economic Development to continue the conversation.

Charter Schools

Mr. Mason: Thank you, Mr. Speaker. Parent groups in Calgary are very upset about the announced closure of five public schools in their city. To add insult to their injury, in the very same week that these closures were being announced by the Calgary board of education, the Minister of Learning announced the approval of a new charter school called the Calgary Arts Academy. To the Minister of Learning: can the minister confirm that this new charter school will likely be located in one of the schools closed by the Calgary board of education?

Dr. Oberg: Mr. Speaker, I cannot confirm that as what we have done at this moment is just confirmed the charter and agreed to the charter. It could well be that through negotiations with Calgary public this charter school does end up in one of the former public schools. What really needs to be reiterated here is that charter schools are public schools.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, I differ with the minister on that point.

Since the Calgary Arts Academy charter school will recruit its students from existing public schools, how can the minister justify approving a new charter school when he knows it will decrease the utilization rate of schools run by the Calgary board of education?

Dr. Oberg: Mr. Speaker, there are two points that I'll answer to that. First of all, I'll say it again: charter schools are public schools. Anyone who wants to go to the charter school can. They receive full public funding. The second point is that it's because parents want it.

The Speaker: The hon. minister to supplement.

Mr. Lund: Mr. Speaker, on the issue about utilization and the charter schools the fact is that if the charter school is in a school that has been closed by the public system, the square footage of that school is taken out of the calculation, so it doesn't even figure into it. What we are suggesting to the Calgary board of education is that in fact maybe a charter school could cohabitate with a public school, and the ratio of the area taken up by the charter school would then be pulled out of the total footage for the public system. So it's an advantage, not a disadvantage.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Will the minister admit that the projected 300 students of the Calgary Arts Academy charter school will be recruited directly from the public system, or does he think these students will just materialize out of thin air?

Dr. Oberg: Mr. Speaker, once again I will reiterate that the charter school is the public system. It is directly responsible to me as the minister. It is fully public. Anyone can go to the charter system. As a matter of fact, the policy of exclusion is something that cannot be tolerated in a charter school. They must include everyone who wishes to come to that. This particular charter school has decided to get into more arts students, get into more performing arts students,

and they have canvassed their school parents. They've talked to their parents and indeed have come forward.

Mr. Speaker, the other point that I want to make is that this is the second charter school in the last little while that has been approved. We do have another one on the way, which is going to be there immediately. The one that was approved, just on the outskirts of Edmonton, actually had to do with aboriginal children and should be very exciting. We also have one more that is under way, which is looking at a good way to deal with small schools and rural education. You can actually imagine that they would tailor their school year around the different seasons that occur in the agricultural community. So a lot of good stuff happening in this system, and charter schools is but one of the stories.

The Speaker: The hon. minister to supplement.

Mr. Lund: Well, Mr. Speaker, underutilization has been a problem with some of the bigger boards. The fact is that with charter schools and the way that we treat those as public schools, some of those students come from home schooling. Some of them come from independent schools. So, in fact, there are students coming into the system instead of just drawing from the public, as seemed to be indicated by the member.

head: **Members' Statements**

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

Heritage Scholarship Recipients from Edmonton-Whitemud

Mr. McClelland: Thank you very much, Mr. Speaker. It's a privilege indeed to be able to rise and speak on behalf of another member, and I do so today on behalf of the member representing Edmonton-Whitemud. It's perhaps apropos, because I have this opportunity, then to say kind things about Edmonton-Whitemud and about the students of Edmonton-Whitemud who are represented through the various scholarships. Members would be interested to know that of all the constituencies in Alberta, Edmonton-Whitemud ranks as number one – number one – for the number of scholarships: 611 in one constituency, that being Edmonton-Whitemud.

The total dollars involved are \$998,700. They break out this way: the Alexander Rutherford Scholarship, 323, for a total of \$661,200. Now, the Alexander Rutherford scholarships, as members know, are awarded on the basis of achieving an 80 percent average in five designated subjects in grades 10, 11, and 12. There are also the Louise McKinney scholarships for \$82,500, and this is for advanced education, and the Jason Lang undergraduate scholarships, 255, for \$255,000. They are the scholarships for students achieving an average equivalent to 80 percent in the first year of any undergraduate program of at least two years, and they will automatically get a \$1,000 scholarship.

2:30

Members, there is one other scholarship available. That's the Michael Luchkovich scholarship, part of the Alberta heritage scholarship fund, and that offers financial support to Albertans who have demonstrated outstanding ability in their work and are interested in pursuing short-term or part-time career-focused learning.

So, members, it's obvious that the province of Alberta through its various scholarship opportunities does recognize achievement, achievement of the students, but I think particularly when education is so much on our minds, education of the system as a whole, education including the teachers who make their contribution to make it work.

We also have our responsibility and contributions. So I recognize the Member for Edmonton-Whitemud, whom I know to work tirelessly with teachers, with the trustees, with those involved in education to improve the system, and I particularly recognize and congratulate on behalf of the Member for Edmonton-Whitemud those scholarship recipients in Edmonton-Whitemud.

Thank you.

Earned Income Tax Credit

Mr. Lord: Mr. Speaker, I have many low-income constituents in Calgary-Currie, and I am continually being asked: why doesn't the government just raise the minimum wage? If only it were that simple. It seems like such an easy idea for alleviating poverty, and it is hard to have to explain that raising the minimum wage at best would do almost nothing and, in fact, may actually make things worse. People don't know about the other side of the equation, which is poverty rates among small business owners who have to pay those wages, and that's because poverty rates among small business owners is probably the greatest unstudied and unrecognized problem area of our economy. It's as if no one wants to know about it.

The facts are that many if not the majority of small business owners are actually earning below poverty lines themselves. Average employers earn less than average employees in Canada, and with 95 percent of all businesses being small businesses, this means that raising the minimum wage translates directly into job losses and just increases the already high failure rate of small businesses since costs are up but revenues are not. I do not believe it to be a coincidence at all that the province with the lowest minimum wage has the best economy. Capitalism seems harsh in the short term, but it sure works in the long term.

I would like to suggest a new idea, however. It's called the earned income tax credit, also known as the incentive to work program. It is an idea that is credited with lifting millions of people in the United States out of poverty. It also works. It has political support from the left and from the right. Essentially, it involves not clawing back any income or creating other disincentives to work for people currently on social assistance, as our system tends to do. It encourages people who can work to do so and even tops up their paycheques by reversing the flow of money through the tax system, targeting low-income individuals directly, provided that they are working.

On behalf of my constituents, I hope we can look at this idea soon, Mr. Speaker, as it might provide a real solution. Thank you.

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

Red Deer College Kings Volleyball Team

Mrs. Jablonski: Thank you. Mr. Speaker, the Red Deer College Kings volleyball team has defeated some of the best university teams in Canada and the United States. Last week in Oshawa, Ontario, they won the Canadian National College of volleyball championship. But more sensational than that, the Red Deer College Kings volleyball team has won the national championship not once, not twice, not three times, but unbelievably they have won four consecutive national championships.

An Hon. Member: How many?

Mrs. Jablonski: Four consecutive.

This year's team may be the closest a coach would ever get to having a perfect team, with an excellent line of athletes including three players who were starters on the Canadian national junior team. Coach Keith Hansen was able to lead this team beyond being simply

the best to being magnificent. Each member demonstrated their superior skills by playing their roles, supporting each other, proving their mental toughness, and together made each other better, a team every coach dreams of.

Congratulations to these Red Deer College national volleyball champions: Nicholas Cundy, Adam Sillery, Robert Ellis, Aaron Schulha, Marcel Beatch, Samuel Foon, Brock Davidiuk, Jordan Turner, Seth Schalk, Adam Roth, Blake Henwood, Craig Marshall, Mac Kucharski, and Dallas Soonias. Congratulations to their head coach, Keith Hansen, who was chosen as the national collegiate coach of the year, and to assistant coaches Trevor Pikkert, Kevin Tennant, and Lee Tippman and also to their athletic therapists Heather Fletcher, Terry Smyth, and Melanie Tuck-Hoppins. All of Alberta congratulates you on your outstanding performance.

Tribute to Members of the Armed Forces

Mr. Bonner: Mr. Speaker, as communities and nations around the world move towards forming unions, this government talks of separation. Much has been made about the economic costs of separation: how Alberta's trade will be affected, what businesses leave Alberta, what currency we would use. But little has been said about the cost we've already paid to be a part of Canada, about the men and women from Alberta who have given their lives in service to this country.

In the rotunda of this Legislature hang the colours of various military regiments who have called Alberta home. These regiments represent the army, navy, and air force. The members of these regiments fought, and many gave their lives. From the First World War to the current operations against terrorism over 116,000 Canadians gave their lives in service to their country. Many of those were Albertans. A high price has been paid for our country, and there is no guarantee that we won't continue to pay that price with the lives of honourable men and women from throughout this province. Many of the approximately 5,000 military personnel from the Edmonton Garrison are currently serving in dangerous locations around the world.

This government almost seems to enjoy raising the spectre of separation. In fact, many political pundits claim the government uses talk of separation as a smokescreen to distract from the real issues. I hope that isn't true, Mr. Speaker. I hope that isn't true because that would denigrate the sacrifice that thousands of Albertans have made to our country.

As MLAs leave the Legislature today, I would urge them to look up at the names etched on the memorial plaques all around the rotunda, and when talk of separation comes up, think. Think about the names on those plaques. Think about the men and women who loved this country and died for it. Think of the price that generations of Albertans have paid in blood for this country. It is a price we must never forget.

Mr. Speaker, I will close with the words of former Member of Parliament for Calgary East, George H. Ross. These words are from a letter to Mrs. P. Quinlan on the death of her son Dennis, who was killed in action on August 17, 1942: "We can still resolve to do all in our power to insure that these young lives so gallantly given for the cause of freedom and justice shall not have been sacrificed in vain."

Thank you very much.

head: Presenting Petitions

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

Dr. Pannu: Thank you, Mr. Speaker. On behalf of the working poor

of Alberta I'm presenting a petition signed by yet more Calgarians, 53 of them in this case. These Albertans are petitioning the Legislative Assembly to urge the government to immediately raise the minimum wage to \$8.50 per hour and index it to the cost of living.

Thank you, Mr. Speaker.

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

Mr. MacDonald: Thank you, Mr. Speaker. I have a petition on behalf of 42 Calgarians. This petition has been organized again by Joanne Black. The citizens are urging the government of Alberta to "implement the income recommendations of the 2001 MLA Committee Low Income Programs Review."

Thank you.

head: Tabling Returns and Reports

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

Mr. Cernaiko: Thank you, Mr. Speaker. This afternoon I'd like to table the required number of copies of 38 letters from residents of the Edmonton area supporting Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. I think it's important to note the addresses of these letters. Residents from neighbourhoods including Petrolia, Mill Woods, Sherwood Park, and Norwood all believe that there's a need to address the pressures and rebuild communities battling street prostitution in the inner city.

Thank you, Mr. Speaker.

2:40

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

Dr. Pannu: Thank you, Mr. Speaker. I rise to table a letter that I received from a constituent, Mrs. Kelly Collins, dated March 17. Mrs. Collins expresses a serious concern about the ongoing underfunding of the public education system, underfunding that's made worse by the government's refusal to pick up the costs of the arbitrated salary settlement that it imposed on school boards.

Thank you, Mr. Speaker.

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

Mr. Mason: Thank you very much, Mr. Speaker. I have one tabling today. It is a letter from the World Lebanese Cultural Union, Edmonton chapter, dated March 23, 2003. It is expressing their dismay and shock regarding the Premier's support of war against the people of Iraq. As Albertans they do expect the Premier to work for peace before anything else.

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

Mr. MacDonald: Thank you, Mr. Speaker. I have four tablings today. The first one is five copies of an amendment I had proposed to make Bill 3, the Electric Utilities Act, in my view, better.

The second tabling I have this afternoon is a ballot from the German elections to provide two selections: persons from a particular party and a party which will determine the distribution of seats for the different parties. This is from an interested Albertan who lives in Edmonton-Gold Bar, Mr. Henry Vermeulen, and I would urge all hon. members to have a look at this.

My third tabling is a letter addressed to the hon. Premier. It is dated February 25, and it is signed by Deborah Maidens. Deborah is expressing an opinion that "our public education system is currently grossly underfunded."

The fourth tabling I have this afternoon, Mr. Speaker, is also from a resident of Edmonton-Gold Bar, Betty Tetterington, and it is addressed to the hon. Premier. Ms Tetterington is expressing the strong opinion about the lack of funding for public education in the school that her children attend.

Thank you.

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

Dr. Taft: Thank you, Mr. Speaker. I have quite a number of tablings today, all relating to education. The first one is a copy of a letter addressed to me from a constituent, Maureen Santin, who says that "educating our own children will be our best insurance for the future of our province and its resources."

The second is a letter from the same person, a completely different letter to the Premier, saying among many things, "Please supply the funds to ensure a strong education system for our children."

The next tabling is correspondence to the Premier and the Minister of Learning: "I am writing because I am concerned about the cutbacks to our public education system." It's from a Susan Hannon.

The next one is a letter to the Premier and the Minister of Learning from a Janet Haley Sperling saying among many things that "it will be increasingly more difficult to keep Albertans [in Alberta] if the public school system remains in crisis."

The next correspondence is from Elizabeth Anne Hayward to the Premier and says among many things that "a good public education system where rich and poor are given the same educational opportunity is the premise of a good and just society."

The next correspondence is from Elizabeth Hendricksen to the Premier and the Minister of Learning saying among many things: "I am concerned about the current situation regarding the funding of public schools in Edmonton."

Next is a letter from Marie Bergeron to the Premier and the Minister of Learning saying, "The Government is being disingenuous when it ordered binding arbitration but refused to step up to the plate and fund the result of that settlement."

The next is a letter addressed to me from a Kathy Pontus expressing her concern about school funding. She has two children in Edmonton public schools.

Next is a postcard to the Premier and to Dr. Oberg, and on it is a drawing of "Edmonton Elementary attempts to smash the world record for number of Grade One Students in the classroom."

The next is correspondence as a postcard from Monika Koch saying: it is an outrage that the government is not funding the arbitrated settlement for the teachers' salaries."

Next is from Shirley Dobrofsky, a postcard that says, "Fully funded high quality public education now."

Next is a postcard from S. Samuels saying, "Wanted: A government that listens and cares, previous applicants need not apply." It's expressing concern over education funding.

Next is another postcard that is in the form of a report card giving the provincial government an F for listening, saying, "Easily distracted, only able to listen in an election year."

The next is a postcard – I only have a handful left – from Karen Ferrari, saying: the current state of funding is unacceptable; losing teachers and large class sizes are not options in my child's education.

Next is a postcard saying: I would really appreciate a fully funded education system as a way of building the future. It's from a Mercy Kigunda.

Next is a postcard saying: we live in the richest province in the country; a teacher's assistant and teacher librarian should not be a luxury.

Finally, Mr. Speaker, a postcard saying: our public education system is approaching a crisis level; let's not get that far.

Thank you very much, Mr. Speaker.

The Speaker: Before I recognize the hon. Member for Edmonton-Glengarry in tablings, I just want to point out to the hon. Member for Edmonton-Riverview now, for the seventh time in the last four days, we do not use the names of members in this House.

Dr. Taft: I wasn't aware that I did.

The Speaker: Well, you might want to read the Blues.

Mr. Hancock: Point of order.

The Speaker: A point of order after the hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you, Mr. Speaker. With your permission I would like to table a document that was forwarded to me from the World Lebanese Cultural Union, Edmonton chapter. The subject was comments made by the Premier, and in this document they go on to say:

We the World Lebanese Cultural Union Society in Edmonton, and along with over 70,000 other Arabs and Muslims were shocked and utterly dismayed at your recent comments and support for this illegal and immoral war against the innocent people of Iraq.

It goes on to outline:

We believe that the war in Iraq today [is] not a war against terrorism to be supported, it's a war for oil and domination. Albertans along with millions of Canadians and billions around the world want peace more than anything else. Throughout the history, Canada supported peace and talked for peace, deeply believing that a peaceful world is a prosperous world.

Thank you, Mr. Speaker.

The Speaker: The hon. Minister of Energy on tablings.

Mr. Smith: Yes, Mr. Speaker. Thank you. Further to my comment in question period I wish to table today the appropriate number of copies of a brochure entitled Direct Energy is Coming Home to Alberta. In it Direct Energy speaks of coming home to Albertans. They say in there, "Alberta Has Done it Right."

Alberta's political leaders and regulators have developed a plan to introduce retail energy competition to the province... One element in Alberta's success has been the abundant supply of electric power and the fact that significant supply has been added since deregulation in January 2001.

Mr. Speaker, I also wish to table a brochure entitled "ATCO Delivers... more energy choices for Albertans, introducing Direct Energy."

Mr. Speaker, I do wish to also table copies from a web site that shows a man with band-aids around his nose and a nose-hair cutter that doesn't seem to work very well with the phrase "Impulse shopping never works out. So wait for Direct Energy before rushing into an energy contract."

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands on a point of order.

Point of Order

Clarification

Mr. Mason: Yes, please, Mr. Speaker. I'm raising a point under our

Standing Orders 23(h) and (i). Specifically, the Premier again claimed that I had at some point been a member of the board of EPCOR. Now, I would appreciate some guidance from you on this. I don't particularly feel insulted that someone would think I'd been on the board of EPCOR, but I've corrected the Premier and I've corrected the Minister of Energy in this House on a number of occasions. They know that this is not correct, and they keep repeating it. So I think that it's a violation of (h) and (i), but I would request your guidance on how to proceed in this matter.

Thank you.

2:50

The Speaker: The hon. Deputy Government House Leader on this point of order.

Mr. Stevens: Thank you, Mr. Speaker. I obviously don't have the benefit of the exact words which were used in this exchange; however, I was listening carefully at the time. What I heard being said was that the hon. member opposite who complains was an alderman with the city of Edmonton, which is a shareholder of a utility, at least at that point in time, here in the city of Edmonton. It seems to me, as the hon. member says, that's not a matter for a complaint. I think that the words simply are accurate, and perhaps it's a matter that this hon. member reads more into the powerful words of English, which can be sometimes taken as meaning different things, depending on where you sit when you hear them, but from my perspective the words were quite appropriate.

The Speaker: Let me just quote the last couple of lines from the Blues with respect to the response by the leader of the government, and I'll pick up the quote midway through the response:

It offers a choice unlike the socialistic regulated environment that the Liberals so much enjoyed, where the consumers had absolutely no choice whatsoever, and the NDs, I might add – and one of their representatives, of course, was a member of that totally regulated corporation that begged to be unregulated.

So on the face of it there's no mention of any of the firms or anything else that was brought up by the hon. Member for Edmonton-Highlands.

One thing is very, very clear. The use of words which can provoke debate, words like scandalous and all kinds of other things, may or may not be words without definition at a particular time. They can, depending on who the receiver is and the tone of it and everything else, provoke debate. So there's absolutely no doubt in my mind that it can elicit responses as well.

In order to have a legitimate point of order, there would have to be something that would actually hit home, and in the words that were used in here, to the hon. member who might take offence, as I sit in the chair on a day-in, day-out basis, there are quite a few words that I suspect a lot of members would take offence to. Heck, it's only Tuesday. It's still March. We've got a long way to go. Let's just thicken up the skin a little and see where we go with it.

The hon. Government House Leader on a point of order.

Point of Order Tabling Documents

Mr. Hancock: Yes. Thank you, Mr. Speaker. I'm rising pursuant to section 13(1) of our Standing Orders, which allows the Speaker to make a ruling or interpretation with respect to general matters before the House which aren't completely covered, and I'm rising with respect to the question of tablings in the House, the rules of the House particularly with respect to the actions of the Member for Edmonton-Riverview today in tabling his filing cabinet, but in previous days the Member for Edmonton-Highlands also saw fit to clean out his drawers for the benefit of the House.

Now, I do not object to people putting documents on the record of the House. I mean, obviously that is something that has been ruled on previously, and our rules for tablings are very broad in this House. It might be interesting to go back through the history of tablings, looking through *Erskine May* and some of the other reference tomes that we operate by where, really, tablings were initially the concept of tabling documents which were government documents for the public record. We've gone far beyond that and quite appropriately so, in my view, so that we can table other documents of interest, and in some cases, as I understand it, in the past even a hamburger has been tabled.

But, Mr. Speaker, when tabling documents, we also have a process in this House that has worked in the past very well for all members of the House where in tabling a document one might give the title of the document, the date of the document, if it's a letter, the to and from and a brief description of its content, and I'm not alleging that any of those were violated. However, I think it's appropriate, given what we've seen in the last week or two with extensive tablings of a number of letters all on the same subject, to put into the context of our rules what has I think been the practice in the past, where if one has a number of documents on the same subject, they ought to be tabled together. They do not need to be referred to individually and successively because that will prolong the process of tabling.

Now, we have put in place a mechanism where people can table documents with the Clerk prior to 11 o'clock, and those documents will be put on the record of the House and read into the record of the House in terms of the title, which is the appropriate way of tabling by the Clerk, but we have not changed the rules so as not to allow tablings in the House because members do want to be able to stand up in the House – from time to time even I might want to stand up and table with the House documents that a constituent has brought forward and specially requested be brought to the attention of the House. That's entirely appropriate.

Mr. Speaker, I would request your ruling under section 13(1) with respect to tablings because otherwise we'll see this get completely out of hand. Where it's appropriate, when you're tabling documents, particularly letters, all of which are on the same topic, they ought to be tabled together as a bundle and need not be individually read into the record.

The Speaker: Well, I would like to hear from the House leaders with respect to this matter because I intend on saying something. Now, the hon. Member from Edmonton-Riverview is not a House leader.

Dr. Taft: A point of order.

The Speaker: No. There's no point of order against you, sir, but I will hear from the hon. Member for Edmonton-Riverview if he wants to participate on this point, because there's history behind this. Go ahead.

Dr. Taft: Thank you, Mr. Speaker. I do appreciate that. I was in no way trying to abuse the privileges here. I understand the frustration of long periods of tablings. However, I am responding specifically to the requests of constituents who want to see their correspondence tabled in the Legislature and treated with respect. They want to ensure that their specific correspondence was presented.

Frankly, I am getting a huge volume of materials which people are asking to be tabled in the Legislature not only on education but also on the war in Iraq. I see no other option but bringing those voices to the Legislature when my constituents or other Albertans ask me to do so. We have taken the step of moving the tablings to the end

of the daily Routine so that it doesn't hold other things up, which I think was a wise step. I have made no habit whatsoever of going on with long tablings. I am simply responding to the demands of the citizens of this province.

The Speaker: The hon. Member for Edmonton-Highlands on this point of order.

Mr. Mason: Thank you very much, Mr. Speaker. Before I make my point on this, I wonder if the Government House Leader has a citation with respect to tabling other than 13(1).

The Speaker: The Government House Leader did provide a citation. Please proceed.

Mr. Mason: Well, Mr. Speaker, the only one that I heard was 13(1).

An Hon. Member: Oh, challenging the Speaker.

Mr. Mason: No.

That says "the Speaker shall preserve order and decorum and shall decide questions of order." That is, of course, the most broad power of the Speaker and doesn't pertain specifically to the matter of tablings, and it's clear that the orderly tabling of documents in this Assembly does not violate either the order of this place or the decorum.

I would concur with the hon. Member for Edmonton-Riverview that at certain times on certain issues constituents and others provide quite a large volume of correspondence to our offices, and it's our practice to try and bring them forward when that occurs. It is by no means an even amount of documents that we receive. It entirely depends on what the issue is at the time and how strongly people feel about it.

The Speaker: At the outset there is no point of order. We have rules in this Assembly which are very, very clear. There is a provision provided on the Routine for tablings, Tabling Returns and Reports.

Now, I'm going to make some comments though, and I'm going to make these comments from the current position that I hold as the chair. I'm also going to make some comments with respect to a previous position that I did hold once in the past as Government House Leader and also comments with respect to the role that I would think members would want to play in a parliamentary, democratic sense. We use wit here, we use our mind here, we use tradition here, we use the rules here, and we work within that environment. We do not use guns here, we do not use grenades here, we do not have airplanes here, we do not have helicopters or gunships, and we don't use submarines or warships. So we use what we have here.

3:00

Now, we have rules that we make. We have rules called Standing Orders, and we've made these rules, and quite clearly we have decided in this Assembly that we would go on what is normally the practice in most other parliaments anywhere that follow the British model. In virtually every other parliament that follows the British model, they have sections, and we have a section that we can quote from *Beauchesne* with respect to the tabling of documents. It's cited in section 347. This is the only paragraph in this whole big book which deals with the tabling of documents, and here's what it says:

There are, under Standing Order 32, two methods by which the government may table documents in the House. The first which is by direct deposit with the Clerk of the House means that the document is being tabled in accordance with an Act of Parliament

or in pursuance of a standing order or resolution of the House. The second method is more directly applicable to the Daily Order of Business of the House in that a Minister or Parliamentary Secretary acting on behalf of a Minister may table documents dealing with matters coming within the administrative responsibilities of the Government.

In virtually every other parliament that follows the British form, the only individuals who can table documents are ministers of the Crown where there is a statutory requirement for the tabling of a document, and that is the norm.

In the past in this Assembly, as a result of discussion among House leaders – in this case the Government House Leader, the Official Opposition House Leader, third party House leader – these matters have been discussed. The conclusion was that in this Assembly of Alberta there would be a provision to allow members to table documents. That proceeded for a period of time. Then we evolved to, the last time we reviewed the Standing Orders, that we would move that section later down in the Routine so it would be the last item, called Tabling Returns and Reports. Since that time, of course, you've had not only reports that are published. We went to telegrams to be tabled, then we went to fax messages to be tabled, then we got letters not only addressed to us but addressed to other people that we're tabling, and of course now we're into the e-mail business of tablings.

So here's what I think is going to happen one of these days: the ultimate filibuster is going to take place in this Assembly. We will arrive here at quarter to 3, at the conclusion of the question period, and when a time order is up to get something done, some debate done or something that has to be done by a certain time that day, hon. members are going to table 7,000-plus documents. We're going to be here at 5:30 on that day, and there is not a thing that anyone will be able to do about it because it's clearly within our rules and it's clearly within what we agreed to allow to happen.

So let me repeat: there's no point of order. But I am going to invite the three House leaders to revisit this issue, and I will invite them to co-operatively look at this portion of the Routine because it can work two ways. The sword in this case is double-edged, and it can cut both ways. The opposition may filibuster, or private members on the government side may filibuster. It's not necessarily the opposition that would do this. It could be 10 government members that don't like a bill presented by the government that has to be done on a certain afternoon, and the 10 just decide: this is the way we're doing it; we're tabling 7,000 or 10,000, and that deals with it. Or, worse yet, on a Monday, on a private members' business day on a Monday, a private member who has the right to present a bill comes here, and a group of members decides: well, let's not deal with this, but here's the way we can go about doing it. So the sword cuts all ways, hon. members.

So I'm going to invite the three House leaders to some time – there's no time requirement on this – basically look at this because everybody has something to benefit from a judicious approach in this regard and everyone also has something to lose if it's not done intelligently and it's not done carefully. I repeat: we make our decisions here by way of the usage of our minds to try and find the most workable solution for everybody so that we can advance the progress of democracy. I just implore that and would ask that again, and I repeat: there's no point of order here.

The members who are filing clearly have the right to do that, but I'm going to ask that there be a shortage of the verbiage that goes with the description in the future simply because it probably is not the best use of the time in the House. But that message will apply both ways: to ministers who want to give editorial comment with respect to the document that they're tabling, to other members who

want to give editorial comment with respect to the document that they're tabling.

The bottom line is that the three House leaders are going to be invited to look at this further to basically see if we can find a more rational and harmonious approach with respect to this. I do believe that's where we end with these points of order.

Now we're going to go to Orders of the Day.

head: **Orders of the Day**

head: **Government Bills and Orders**

head: Third Reading

Bill 27

Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Yes. Thank you very much, Mr. Speaker. I would like on behalf of the government to move third reading of Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003.

Once again pointing out that it is an unusual title and refers specifically to regional health authorities' restructuring will refer specifically to the fact that there are identifiable regional health authorities and that this will put in place a system of transition so that at the end of the process we will end up with nine regional health authorities, four bargaining certificates in each of those nine regional health authorities, and of course then there will be one collective agreement that will go with each of those collective bargaining units. So we would expect and forecast that at the end of this process – and I believe it to be some time in the April to September of 2004 time frame – we will have 36 collective agreements in this province rather than over 400 and that we will have a health system that is headed for and will achieve a quality and a timely and accessible health system, that all Albertans wish and desire.

Thank you.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I'm glad to get a chance to speak one more time in third reading of Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003. In third reading my understanding is that we are contemplating the effect of the bill.

One of the leftover things from Committee of the Whole that I wanted to raise again with the minister was that we have received confirmation from the Minister of Energy that following on the excellent example of publishing the anticipated regulations for Bill 19, he agreed last night that he would make available the anticipated regulations for Bill 3. I also asked that same question of the Minister of Human Resources and Employment, if he would make available, publish on a web site, for example, the anticipated regulations for Bill 27. I have quickly reviewed the *Hansard* for his comments last night, and I do not see him commenting on that. So I will ask that one more time: to please ask the minister to publish those proposed regulations so that members of the unions, workers that are unionized, other workers, citizens, MLAs, staff, other stakeholder groups can all have an opportunity to review these regulations since they are such an integral part of this legislation that's being proposed.

As the government has pointed out, this is in fact enabling

legislation where it sets out a context and all of the detail is to come at a later date through the regulations. Therefore, it's important that people see and understand these regulations. To say to us, "Please pass this bill," or "Please support this bill," when in fact the content of the bill is really contained in the regulations, which are not available, is asking me, I think, as a member of this Legislature to be irresponsible, and I am passing something that I can't look at and I can't contemplate, nor can I seek opinion, concerns, or accolades from my constituents on this issue. Once again I ask that the minister do publish these regulations. I know that he has another opportunity to speak to this bill, and I hope that when he does, in closing off this debate, he will in fact announce that he's doing that.

3:10

[Mr. Shariff in the chair]

What I've heard the government say is that this bill came about as a request from an employer, that being the regional health authorities, and in fact the regional health authorities are entities of direct legislated entities created by and wholly responsible to the government. So to somehow pretend that this was an outside employer that the government was looking to please is just a little bit ingenuous – I think because the regional health authorities – there's no question – are the entities of government. So in fact the government has asked itself to put this legislation in place.

I think it can be said, and I will certainly say, that this government has an uneven history with the labour movement in Alberta. Certainly, the labour movement has expressed that it feels that the government has tried to break a number of unions and not to be entirely supportive, and I think that this legislation before us has caused a great deal of fear. It's been interesting to see how many nights the galleries had people in them who stayed as late as they needed to as long as this particular bill was being debated to try and understand where the government was coming from with its opinions and its direction on this bill.

So to cast back over the concerns that were raised in the beginning and the responses that we've had from government and whether or not that in fact makes me more in favour of this bill, there was concern at the beginning around the nurse practitioners being in effect cut off or orphaned in that they don't have a professional union of their own and the moves that were being put in place by this bill would have truly cast them off. I understand that the Member for Edmonton-Riverview was able to have a friendly discussion with the Minister of Health and Wellness, and in fact they were able to resolve that so that the nurse practitioners would not be cut off and would in fact be able to get some assistance by way of affiliation with a professional association.

The bill is for the most part taking away what we call a right to strike. There was a great deal of discussion about whether this was a human right, and: was it really a right, and where did this right appear? I think for the most part that was cleared up. It's not a human right, but it certainly is part of the UN side agreements, and it also, in fact, is a side agreement for NAFTA that collective bargaining is certainly allowed and even encouraged. But taking away the right to strike from any group of people should not be done without a great deal of care. I think it does create an imbalance, and if you're going to take away something that does create an imbalance, then what are you going to do to try and restore some sort of balance? I don't see what's being brought forward by the government in this bill that indeed does restore any sense of balance or fairness or restore a level playing field if these workers in fact lose their right to strike.

Well, it's only 10 percent of the workers says the government;

that's no big deal. Sorry; I don't buy that. I don't think it's right to do that to any group of people no matter what the percentage is, and we never heard a number from the government about how many people that 10 percent in fact represents. Under any circumstances or any number I don't find it acceptable to do that. I think it's fundamental to how we have relations with the employers here, and if people wish to come together and unionize, to have a collective bargaining situation, then they should be able to do it, and I am deeply disturbed by the government taking away that ability from this particular group of people.

The unions had expressed some bafflement in that they had voluntarily been meeting to work toward achieving some sort of agreement to reduce the number of bargaining units in each health region, and they couldn't understand why, without them being aware of it, all of a sudden there was legislation in front of the Assembly which was going to do the same thing. So that didn't help to keep good union relations.

We asked a number of times whether the personnel would retain the seniority, benefits, and wages that they'd earned and bargained to keep. We had differing answers on that, I think it's fair to say.

There were also concerns about the clause that appears in the bill about the severance not being available. I think that comes down to a matter of trust, and unfortunately the trust, I think, is not there. It's a matter of trust in that it's quite clear in the legislation that if an individual is doing exactly the same job except that the name on the paycheque changes from the 31st of March to the 1st of April or whatever the enabling proclamation date is for this legislation, there should be no reason for them to be able to claim severance if their job is exactly the same. But we have sought reassurance that employees or that workers would not see their benefits, for example, change or pension contributions or seniority change in any way, and I'm not satisfied that those assurances have been received.

I think there's a genuine concern on behalf of government that people not be subjected to constructive dismissal, which is what we're talking about here if their job was changed enough that in fact it's a different job. I hope that the government will be able to hold its side up there and that it will in fact prove to be trustworthy around this situation because that's what we're talking about here. They've said that they won't do that and they won't abuse it. We have to wait and see if that is the case.

I brought up the issue of the regulations, and I've already talked about them being published so that people can have a look at them and understand them because the regulations are really the important part of this bill, but also my concern is around the legislation appearing to usurp the role of the Labour Relations Board. The minister credited me with more rabble-rousing in the community than I really should be receiving credit for because I actually have not had the time to get out into the community and give a number of people some information that would cause them to call the minister, then, and be concerned about how this legislation would impact them. I am not entirely satisfied with what I heard back from the minister.

He did not give me very clear detail about what in fact is the relationship between the regulations appearing in this act that do take on the role of the Labour Relations Board. He did address whether this was likely to continue on and appear in other bills. He indicated not, but I still express concern in this situation that we have regulations that do take over the job of the Labour Relations Board without giving any indication of what they're supposed to do now while this is all being decided by cabinet and put out as an order in council.

3:20

The government has avoided answering how much this new process is going to cost and was unable to offer guarantees that in

fact it will be in the best interest of workers. As I say, it becomes an issue of trust.

Those were the issues that I most wanted to raise when we talk about the anticipated effect of the bill once it is passed and up and working. I have listened very carefully, and the minister, I must say, was very good about being present and listening and answering questions, and that can't be said for all members of cabinet when they have bills in front of us, so I would like to give him the credit that is due to him for taking that time and for being here.

I still am not in favour of this bill, and I will continue to oppose it. I really object to having the right to strike being removed from workers. That's an integral part of collective bargaining as we know it. I disagree with what's happened to these workers, but I will be watching very carefully to see what happens when the bill itself is implemented.

I appreciate having the opportunity to raise these issues again and particularly and one last time ask for the regulations to be published and easily accessible for people to have a considerable period of time to read them and understand and even be able to go back and question through their MLAs and cabinet or the minister exactly what it is anticipated that the regulations will mean in their implementation. Thank you very much, Mr. Speaker.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a pleasure to get an opportunity to participate this afternoon in third reading of Bill 27. Certainly, although the changes may appear to some to be insignificant, I find at least some of the changes quite worrisome.

We all know in this Assembly how positive it is that we have stable and fair labour relations in this province, and the fact that one party, in this case the employees, were not consulted in my view in a timely fashion in regard to this bill is only one of the reasons why I would have concerns at this time. Whenever we use closure to limit and restrict debate in this Assembly on an issue, in this case Bill 27, it makes not only members of the opposition cautious and suspicious about what else is perhaps in this legislation, but certainly it does that for the public as well, Mr. Speaker.

I, too, would like to put on the record that the Minister of Human Resources and Employment's efforts in participating in debate in regard to this bill certainly do not go unnoticed by this member, and those efforts are appreciated. But when we look at creating our four functional, regionwide bargaining units and we are going to have 36 different collective agreements within the nine different regional health authorities, this streamlining of the bargaining process is only going to work if all parties were to know what the regulations were going to do or what the regulations were going to say. That, unfortunately, Mr. Speaker, is not the case.

Now, we are assured that this is going to make a real difference, and when you consider what our public health care system in this province has gone through, I can certainly see why Alberta's health regions, whether there are 16 of them or whether there are going to be nine, want to try their best to improve quality patient care. They have certainly been working with limits, Mr. Speaker, in the last number of years, and a goal that all health regions, as far as I know, are striving for is to spend health care dollars wisely. I think that under the most difficult circumstances they're doing the best that they can do. How Bill 27 is going to improve this, I don't know.

We have seen in recent years that there has been growth in outpatient home and community care, and the hon. Member for Edmonton-Riverview certainly has some very good ideas on improving community care. There has been this idea of centres of

excellence, and more health care professionals are working, as I understand it, in teams. We are using the full skills and abilities of each professional to reduce healing times for the patients, but that tells this hon. member that we need to ensure that health care professionals have confidence in the system.

Let's just look at one of the largest regional health authorities that we have and that certainly will remain, and that's the Capital health authority. Now, if we were to look through the latest annual report, 2001-2002, of the Capital health authority, which is one of Canada's largest integrated health regions, we would recognize – and I've spoken of this in the past – the challenges and the future directions that are needed. I have to question whether Bill 27 at this time is going to be the right answer.

It's been expressed many times before, but certainly the recruitment and retention of skilled staff, particularly of nurses, continues to be a major challenge. Thanks to a number of initiatives, including the recruitment of foreign nurses, Capital health was able to recruit over 250 nurses and 90 physicians in the fiscal year 2001-2002, and now with the measures that are occurring as a result of this legislation, I would be interested to go to a trade fair and see if the whole issue of labour relations is discussed in recruitment. Or is it even an issue with health care professionals? Certainly, it is an issue with the Australian ones that are coming here.

3:30

Now, when we look at how important this issue is for the future of health care – and I'm not only talking about registered nurses but other health care professionals as well – this is perhaps the most important area where long-term planning is needed. If we look at the Capital Health business plan here, the health workforce plan in progress, the personnel counts as of March 31, 2002 – these are year-old statistics, but fair enough. They're the latest that are available to the Official Opposition. There are 2,116 regular full-time registered nurses – registered nurses refers to registered nurses and registered psychiatric nurses – in this health authority. Now, there are close to 2,600 regular part-time nurses. There are 2,583. There are about 2,700 casual nurses, and there are close to 300 temporary nurses.

When we look at this, the first thing that we should consider if we're going to have positive labour relations is: how are we going to be flexible enough to recruit these nurses and retain them? Now, do some of the 2,500 that are working part-time want to work full-time? If they want to work full-time, why are they not allowed to work full-time? When we look at their ages, how many of them are over 50 years of age and perhaps in the next decade planning retirement? Of the registered nurses, the number of staff 50 or older as of March 31 last year, Mr. Speaker, was 1,800. In the temporary/casual category there were 546. There were close to 500 licensed practical nurses over the age of 50. We have to be cognizant of this.

When we look at changing the rules like we're doing with Bill 27, we have to recognize that long-term planning is needed, or we're going to have a real crisis on our hands. I hope that at some point in the future no hon. member of this Assembly would stand up and say that it is the union's fault or that it's the nurses' fault because our public health care system continues to lurch from one crisis to the next. We have to have long-term planning, Mr. Speaker.

I would alert all members of this Assembly to the annual report and to consider it when you're voting on this bill. If we were to take away the rights of a certain sector of workers, are younger people who are leaving high school or contemplating taking further education or career training going to look at just the regular part-time jobs? The majority of nurses in the Capital health authority are doing regular part-time work. If these individuals are only going to

be able to find part-time work, well, perhaps they're going to consider another profession, and it's time we recognize that. We have to look at the whole playing field here, Mr. Speaker, because it's so important.

Before I proceed further, when we look, Mr. Speaker, at the cost of sick time as a percentage of total salaries, it was \$21 million, or 3.3 percent of the total, and that does not seem out of line. So that would indicate to this member that members of the nursing profession are working very, very hard.

Now, when we look at other information that's provided by the Capital health authority, they state in regard to their financial information, and I quote: the financial outlook for 2002-2003 and beyond reflects increased cost pressures; the cost pressures that Capital health faces relate to labour contracts, staff shortages, population growth, and new technology. End of quote. I'm pleased that they talk about population growth and not about an increased seniors population driving up health care costs. It's total population growth.

Mr. Speaker, when we consider what the Capital health authority is worried about here, is Bill 27 the answer? I've been persistent in second reading and in committee asking: exactly how much money is this bill going to cost? How much of an inherited debt will each new regional health authority get as a result of this bill? Hopefully we're going to get an opportunity to discuss this.

Now, we have to look at employee future benefits. I've asked that question before in committee. Certainly, the revision of the regional health authority boundaries could have a significant impact on collective bargaining. There's the transfer of services and employees from one old region to a new region. This is going to have issues of seniority, portability of entitlements, compensation. Certainly, as outlined in the financial statements . . .

The Acting Speaker: Hon. members, Standing Order 29 kicks in. Any questions? Hon. Member for Edmonton-Centre, you have a question?

Ms Blakeman: The member was discussing his concerns about whether Bill 27 was appropriate. Can he expand on what those concerns were, please?

Mr. MacDonald: Well, there are many concerns, but it's a dollars-and-cents issue. I thank the hon. Member for Edmonton-Centre for the question. Certainly, there are future employee costs to be considered, there are pension obligations that shall be met, and these are of course going to come out of the budget of the province. Now, we have to be very careful of that, hon. member. I heard last Friday that 37.5 percent of the total provincial budget was devoted to public health care. I didn't realize it was that high, but that was a quote that was quoted twice: 37.5 percent, Mr. Speaker. In any way that we can save money, keep "public" in public health care, we have to do it. Bill 27, I think, should really go back to committee, because with the closure motion I don't think we have had adequate time to discuss all implications of this bill on our public health care system.

Thank you.

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

Ms Blakeman: Thank you. Could the member talk about what other amendments he would have done had he had the time to do it?

3:40

Mr. MacDonald: Well, certainly, there are many amendments that could be utilized, an amendment to perhaps move this entire matter

back to committee. There was a motion presented by the hon. Government House Leader yesterday evening in regard to this matter. An hour of debate is not enough time to ensure that this Bill 27 is going to provide stable, balanced, and fair labour relations in this province and prevent a bad situation from getting worse, and that's the situation that is unfortunately going on here because of lack of long-term planning. That's the chronic shortage of health care professionals, specifically, in this case, registered nurses and LPNs and various other health care professionals. It's just a shame that in an hour, in 60 minutes, discussion of this bill is to be concluded at committee.

The Acting Speaker: There being no further questions, the chair recognizes the hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Speaker. I appreciate the opportunity to speak to Bill 27. This is, as I think all parties recognize, a very important bill and one with many implications. We hope they aren't going to be profoundly negative. In fact, we all hope they'll be profoundly positive, but there are so many people with such serious concerns about Bill 27 that I am worried. I need to bring some of those concerns about the effects of this legislation to the floor of the Assembly. I was, even as recently as yesterday afternoon about this time, invited to meetings and attended meetings with people who were very concerned about this piece of legislation, so I need, in the limited amount of time we've been granted, to get some of those on the record.

One of the points that was brought to my attention and which, I believe, has been partially addressed – but I am awaiting more information, and I won't have time to collect all that information – concerns the situation faced by the nurse practitioners under this bill. Now, the original concern that was brought to my mind was that under this legislation the nurse practitioners are removed from the collective bargaining process, but under other legislation, under the Public Health Act, I believe, they are required to be employees under the regulations of that act. So while the intent of Bill 27 was for nurse practitioners to expand their autonomy, to increase their freedom to be self-governing professionals, they were under other regulations required to be employees. That set up a legal contradiction in which we had people who were required to be employees who were not allowed to collectively organize, and that would have opened this legislation to a court challenge. I was told of that very early on in this process. I raised the issue with the Minister of Health and Wellness. He assured me that the regulations that forced nurse practitioners to be employees was being altered so that they would be open to self-government and to the full extent of professional self-control and self-regulation.

The reality is that nurse practitioners are years away from having their own organizing college or registrar, their own organizing system, their own voice through which to negotiate. So I expect that for the next several years nurse practitioners are going to be in a position where they have to negotiate one-on-one with the regional health authorities as a result of this bill, and that's an unhealthy situation for nurse practitioners in particular and for the whole health care system in general. I think that we all recognize that nurse practitioners do have a crucial role in the ongoing evolution of Canada's health care system. We will be turning to them more and more, and we are right now leaving them in something of an organizational and legal limbo. So that's one of the concerns with Bill 27. The government has taken some steps to address that, but I think our timing is out of sync here. We may have wanted to handle it differently, but given the speed with which the government is pushing this bill through, we won't have that opportunity.

Another issue that was brought to my attention yesterday, which I know has some people very nervous, is the issue of succession rights. The way this was put to me is that the concern is that if a unionized health facility, let's say a rural hospital, were sold to, heaven forbid, a for-profit corporation, the requirement that the new owner respect the labour contracts that were in place with the existing public-sector unions was not necessarily guaranteed. In other words, the succession rights for the workers to continue with their contract would not carry through if the ownership of the facility changed. The concern was brought to me very forcefully that this legislation could have the effect of accelerating the breakdown of the public health care system in this province if we started to see any public facilities sold off. That would actually break up the health sector unions.

I looked into that quickly. I spoke to some labour experts on it, and I was reassured that that is not an effect of this bill. In fact, I was told that the bill is fairly tightly written, fairly narrowly focused and precise in what it intends to do, although that's not to understate the fact that there are worries under section 5. But the issue of succession rights, I'm afraid, because of the speed with which this is moving, remains a real concern for some members in some areas of the health unions, and I hope through these comments that I can help allay those fears, assuming that they're justifiably allayed.

Another issue that is being brought forward here and a worrying effect of this legislation is that it is pitting labour unions against each other in a battle for members. It's going to take the wisdom of Solomon and then perhaps some for the minister and the government and, I hope, the Labour Relations Board to sort that out. It undoubtedly will be tempting for some to egg on the unions in bidding battles and raiding wars. Let's really hope that that doesn't happen. That doesn't serve anybody in the long run. It destabilizes the work environment for employees; it heightens the tension on the workplace floor. In the end it doesn't serve anybody any better to create those situations, except it does serve people who want to distract the union leadership and union members from issues of really looking after their members. So I hope that this cabinet, this minister, and whoever else is involved, the Labour Relations Board potentially, exercise good judgment here, constructive judgment, take steps to calm the waters and prevent nasty raiding battles occurring between the unions. We'll have to wait and see on that. All we can do right now is hold our breath, again because of the speed with which this legislation is going through.

I also am aware that there's a NAFTA appeal potentially being launched around this legislation. I think we'll have to wait and see if that proceeds and how far it goes. It does raise the issues again of the fundamental legality of legislation like this, but time will tell. Time will tell. There are, as I keep saying here, many issues on which we can only wait and time will tell: issues around the regulations, issues around the handling of the labour union turf wars, issues around what happens with the nurse practitioners.

3:50

We have been asked many times to debate many things and bring forward many amendments on this legislation. We've not had the opportunity. I do have an opportunity right now even in third reading to bring forward an amendment, Mr. Speaker, and I would like to do so now. I have sufficient copies here for distribution by the pages. I'll wait a moment and then carry on with my comments.

Thank you.

The Acting Speaker: Hon. Member for Edmonton-Riverview, you may proceed now.

Dr. Taft: Thank you, Mr. Speaker. I move on behalf of the Member for Edmonton-Gold Bar that third reading be amended by deleting all the words after “that” and substituting the following:

Bill 27, Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, be not now read a third time but that it be recommitted to Committee of the Whole for the purpose of reconsidering the proposed section 5.

Clearly, Mr. Speaker, this is a plea for us to revisit this issue, return to Committee of the Whole and allow a more extensive debate on this piece of legislation. Wouldn't it be thrilling if we had the same extensive participation in debate on this legislation from government backbenchers as we had on the rough fescue issue? Rough fescue is the grass that has been now, I guess, legislated as an official emblem of Alberta.

Anyway, the intention of this reasoned amendment – it's not a hoist; it's a reasoned amendment – is to return the debate to Committee of the Whole so that we can take our time and maybe even allow a week or two to pass so that the affected bodies, particularly the tens of thousands of workers who are involved, can have some more vigorous and direct and meaningful input into this whole process. They are desperate for consultation on this particular issue. I welcome a free and open debate on this particular amendment, Mr. Speaker.

Thank you very much.

The Acting Speaker: Hon. members, Standing Order 29 kicks in. The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. Given that this issue is so important to the Member for Edmonton-Riverview and all the members of the Liberal opposition, would he be willing to abandon his cowardly ways and answer a question?

Dr. Taft: Mr. Speaker, that's exactly why I don't participate in this business. If we return . . .

The Acting Speaker: The hon. Member for Edmonton-Gold Bar is rising on a point of order.

Point of Order Insulting Language

Mr. MacDonald: Yes, Mr. Speaker. I rise on a point of order under 23(h), (i), and (j). I think that last statement from the hon. Member for Drayton Valley-Calmar is totally inappropriate, and I would ask him at this time to withdraw that comment from the official record. Thank you.

Rev. Abbott: I'll save the opposition the time of trying to prove their point of order, and I'll withdraw the statement.

The Acting Speaker: That really helps, but I'll caution all members. Every person in this Assembly is an honourable person. Please be cautious with the words that you use in this Assembly.

The hon. Member for Edmonton-Rutherford.

Debate Continued

Mr. McClelland: Thank you, Mr. Speaker. This is more by way of comment than question because I respect the Member for Edmonton-Riverview's decision not to participate in questions and comments. So I'll use this time as an opportunity to comment. I want to comment in general terms on this legislation just for the record at third reading.

As a result of this legislation over 400 collective agreements will

become 36 collective agreements in nine health regions, and this will be for the benefit of everyone involved in the system, including the employees covered under these contracts. They will be able to work shoulder to shoulder with other people doing essentially or exactly the same job and be covered under the same contracts. Yes, it's going to be difficult for some to arrive at this, because the employees are going to have to make a choice freely, of their volition, between one of two unions to belong to. That's the only way we're going to get from 400 collective agreements down to 36. The measures envisioned in this act are in no way antiunion, antilabour. They inure to the benefit of everyone involved, including the patients, including the taxpayers, and including the workers.

Thank you.

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

Rev. Abbott: Thank you, Mr. Speaker. Yeah, just a friendly comment. I think that Bill 27 actually will aim to streamline bargaining in the health care sector. I believe that employers, employees, unions, et cetera, have all been well consulted on this, and I know that our minister has done an excellent job. So I guess I just want to in a very friendly way speak against the amendment and put my comments on the record that I think this bill is in the right direction.

The Acting Speaker: Hon. member, that section was still under Standing Order 29 for questions and comments. I take it there's nobody else who has any more questions.

We will recognize the Minister of Human Resources and Employment.

Mr. Dunford: I would ask all members to defeat this amendment, and I will tell you why. We could spend hours discussing back in committee the concern about the severance situation, but I think the hon. Member for Edmonton-Riverview in his cogent and succinct way said as much as can possibly be said – and I don't know that it took him 30 seconds – and that was the fact that he went and had the act, I guess, reviewed, as I understood his comments, by legal authority, and they talked about how tight this act really was. Now, I think it's a reaffirmation that this government has not been kidding when it talked about the fact that with a very unusually named bill we were being very tight, in his words, or being very specific. I don't know that there's any confusion left here in the House or whether there should be any confusion left here in Alberta, as a matter of fact, of what we're dealing with, then, within this bill. So reverting to committee is clearly unnecessary, and I rely as my evidence the hon. member's own remarks.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar, on the amendment.

Mr. MacDonald: Yes, please, Mr. Speaker. Thank you. Certainly I appreciate the observations of the hon. Minister of Human Resources and Employment, but at this time in regard to the amendment there are many outstanding issues.

The Acting Speaker: Hon. Member for Edmonton-Gold Bar, I regret to interrupt you, but there was a note that I had which I did not understand clearly.

May we briefly revert to Introduction of Guests?

[Unanimous consent granted]

4:00head: Introduction of Guests
(reversion)

The Acting Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. It gives me great pleasure today to introduce three people to you. Two of them are from my community of Brooks. They are here with the Chamber of Commerce, who are holding their annual MLA reception tomorrow. The first one is Arlene Curry with the Chamber of Commerce, and the second one is Mara Nesbitt with the Chamber of Commerce. Mara Nesbitt is the president of the Chamber of Commerce and also happens to be my constituency assistant and has worked with me for approximately the last 12 years in varying capacities. Also with her is Sandy Stefanyk, who works in my office here. I would ask that they all rise and receive the warm welcome of the Legislative Assembly.

head: **Government Bills and Orders**

head: Third Reading

Bill 27
Labour Relations (Regional Health Authorities
Restructuring) Amendment Act, 2003
(continued)

The Acting Speaker: The chair once again recognizes the Member for Edmonton-Gold Bar, and my apologies that we interrupted you. We will give you the full 15 minutes from here on.

Mr. MacDonald: Thank you, Mr. Speaker. Now, when we're looking at the Alberta Labour Relations Board and the role that they're going to play at some time in the immediate future in regard to this legislation, Bill 27, perhaps now is a suitable time to move this bill back to committee. This could almost be our own version of the Senate. Certainly the hon. Member for Edmonton-Whitemud has spoken in the past about the Senate and the purposes of the Senate, and this motion is actually going to give us our opportunity to have another close second look at this bill.

When we look at health care labour relations and some of the changes that are proposed, we're going to have certainly these four functional bargaining units. The reason for having the four functional bargaining units as articulated by the Human Resources and Employment department on their home page is that the Alberta Labour Relations Board will be granted special temporary powers to deal with issues arising out of the formation of the four functional bargaining units. I'm sorry; in the length of time we have debated this, this issue has not come up. The Alberta Labour Relations Board will be granted special temporary powers to deal with issues arising out of the formation of the four functional bargaining units. Now, how is this going to enhance fair and balanced labour relations with the health care professionals? My questions at this time – and if we could go back to committee, we could have a good look at this – are: how long will these special powers last, and who will revoke these special powers? Will it be the Lieutenant Governor in Council? Exactly how is this going to work? I'm still concerned about some of the legislative notions that are going to go forward in regulation.

Certainly "authorizing the Board to make binding determinations as to [the] terms and conditions to be included in a receiving collective agreement where the parties are unwilling or unable to do so" – any member can stand up and correct me, but we are giving the board the authority for binding arbitration. Where is the mediation in this process? Certainly in the current act it's in there for employ-

ees, not employers, but there are some areas or some sections of the act where a one-person panel, whether it be the chair or vice-chair, can make certain specific decisions in regard to matters around employees.

This is another good idea why we should go back to committee, because in all the time this has been discussed, the answers haven't been coming from the side opposite. The Lieutenant Governor in Council regulations can – I think it's 162.1(3). "The Board may hear any matter or conduct any business under this Part through the chair or a vice-chair sitting alone." Well, this is in my view expanding the powers again of the Labour Relations Board, and I don't know what this is supposed to do. Is it the granting of special temporary powers? If these special temporary powers are to occur, then we should have a grandfather clause here to make sure that these special temporary powers don't go on forever. If we're going to have them until we get the whole issue of changing from 16 health authorities down to nine, then there should be some . . . [interjection] Well, there are a couple of other ones that are sort of outside that, but we need to ensure that whenever the reorganization of the regional authority boundaries goes on, these special temporary powers are dealt with.

I would urge, Mr. Speaker, for this issue to go back to committee to be discussed because it is certainly an issue of concern. Perhaps again I will pose the questions and at the end of my time speaking I will receive an adequate answer, but again: how long will these special powers last, and who will revoke these special powers? I don't think that it's in the interest of fair and balanced labour relations and even the whole issue of being impartial when we look at the current act and either a vice-chair or a chair sitting alone can make certain rulings regarding employees but not, odd enough, in my research, the employers. Now, if we could get an answer to that, it would be terrific.

In support, again, of the motion to recommit this bill to committee in light of closure that was invoked last night – well, it was on the Order Paper since last week, Mr. Speaker – we can never be too hasty. If we're going to have confidence in our entire system of labour relations, then let's have a good, broad discussion on what we need to do.

Now, I'm not saying that this government has proven itself again to be a foe or an enemy of labour unions. I was certainly pleased to learn yesterday in research that in August of 1971 then Official Opposition leader Edgar Peter Lougheed decided and expressed by letter that certainly the public-service unions should have the same rights as other union members in this province. That was a promise made then, and that was, gosh, 32, 33 years ago, and it still hasn't come to be. But there is always a chance and there's always a hope.

This was expressed by the hon. Member for Edmonton-Riverview: we can't pit one group of workers against another. There has been concern expressed that this bill is going to make the AUPE and the CUPE drive for the right to represent those workers. Now, if that's going to happen, if we're going to pit one union against another in a competition to represent far fewer bargaining units, how is this going to be healthy for all the labour relations in the health care professions in this province?

4:10

If we went back to committee, if we recommitted this bill back to committee, perhaps the government could have a consultation process with some of the unions. The union leaders in the past have been more than willing to meet with and work with this government, but now we have – and it's disturbing to learn in the course of debate earlier that: oh, we are taking the advice on this one of the provincial health authorities of Alberta, and we're going to take their interest,

and the health care professionals can like it or they can do whatever they figure is best. Certainly, I hope that they do not have a look at this legislation – I sort of broached this issue a little earlier – and vote with their feet and take their precious skills and go to another jurisdiction. I certainly hope that doesn't happen, Mr. Speaker. When unions and the health care professionals or the workers that they represent are upset by this legislation, they are again concerned about the regulations.

Now, perhaps this recommitment would not be necessary if all the regulations were tabled in this Assembly, even if they were on the Internet. Bill 19, the gas bill, the further energy deregulation bill – those regulations or draft regulations were on the Internet from October, from before Halloween, and there were also drafts of the legislation, Mr. Speaker. But with Bill 27 here there has been no such thing, and perhaps the leaders of the unions that represent the health care professionals wouldn't be here until 10:30, 11:00, 11:30 at night, concerned about the implications of this bill, if they themselves could have a look at the regulations.

It is amazing that – and this is getting back to Edgar Peter Lougheed after he was Leader of the Official Opposition and did become Premier – the Premier, Premier Lougheed in this case, would have regulations tabled in the Assembly for all members to see whenever they were debating bills, and I was surprised and delighted in the course of conducting research to find out that this was a parliamentary practice in those days. How things have changed in a little over a generation, in 32 years. Certainly, it would not be necessary to recommit this bill to committee if perhaps all members of the Assembly could see the regulations for themselves. It would certainly alleviate some of their fears.

Now, the hon. Minister of Human Resources and Employment talked about the United Nurses association, but certainly Ms Dick of the United Nurses association had some reservations about this legislation because she was fearful of what's in the regulations. This is a quote from Ms Dick. It's particularly offensive when you take the right to strike from anyone, she said, adding that not allowing health care workers to strike provides a, quote, false sense of security, end of quote. She goes on to state that the part she is most upset about is that nurse practitioners who currently belong to the union movement, including the UNA, will no longer be allowed to belong to a union. She pointed out that nurse practitioners have many of the same duties as doctors, but doctors are represented by the Alberta Medical Association. Now, that is just one person who is a member of the United Nurses and some of the concerns that she has expressed publicly in regard to this bill.

[The Speaker in the chair]

So in debate on the amendment here, Mr. Speaker, to recommit to Committee of the Whole for the purposes of reconsidering the proposed section 5 of the bill, I would have to urge all hon. members of this Assembly to accept this amendment.

Now, when we look further at this amendment . . . [Mr. MacDonald's speaking time expired] Oh, goodness.

The Speaker: The hon. Member for Edmonton-Highlands on the amendment.

Mr. Mason: Yes. Thank you very much, Mr. Speaker. I'm pleased to rise to this amendment. The amendment is that Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, not now be read a third time but it be recommitted to Committee of the Whole for the purposes of reconsidering the proposed section 5. Well, I think this amendment

goes part of the way. I would like Committee of the Whole to reconsider the entire bill, but if it's being asked to look specifically at section 5, that's, I think, a step in the right direction.

It says in that section that the following is added after section 162.

162.1(1) The Lieutenant Governor in Council may make regulations

- (a) providing for the establishment of region-wide functional bargaining units as bargaining units for the purposes of this Act for all regional health authorities and their employees who are represented by a bargaining agent.

Now, that's interesting. You know, I don't disagree with the objective of reducing the number of bargaining agents in this bill. It really in lots of ways makes sense, and I don't disagree necessarily with reducing the number of health authorities in the province. It may be a little bit of a rationalization that might be of some value.

The question in both cases, Mr. Speaker, is how you get there, how the government wants to get to their objective. It's not necessarily that they're always completely wrong on every objective they have. I think that in this case having a rationalized structure for health authorities is probably a good thing. [interjection] I know that the minister enjoys that. I'm sure he thinks I'm making progress when I say that the government is not always wrong. The government is not always wrong, but the government usually employs a method of getting to where it's going that leaves something to be desired, and I think it's the case here.

First of all, without consultation with the health authorities or at least the members of the boards they basically broke them up and fired a number of the public members, so I think that represents kind of an antidemocratic approach to restructuring these authorities, and that's part of the problem.

Now, in terms of how they want to get the regionwide functional bargaining units, the government has ignored a lot of work that's been done by the various bargaining agents, the various bargaining units, the different unions, and they have been working for some time at trying to reduce the number of bargaining units, so they're taken right out of the equation. They're completely sideswiped by this legislation. They're blindsided by it, and the government went essentially behind their back, and at the behest apparently of the employer in this case agreed to this legislation.

So it blindsided the organizations, and it also blindsided the workers, because what it does, Mr. Speaker, is it essentially takes away the choice of people within bargaining units to select which union they want. Not ultimately but it sort of lays before you nine units, as the minister had said today in question period, nine health authorities and four bargaining units in each one. Well, what happens if the employees want to have five bargaining units? Or six?

4:20

Mr. Magnus: It's not up to them, Brian.

Mr. Mason: We hear from the hon. member opposite that it's not up to them, and I guess that's really the part that I have the most difficulty with and why I believe that this should be referred back. I think we need to talk more about that. It should be up to them.

That hon. member, I know, has belonged to labour organizations in the past and has benefited by them, and I think that he would agree that freedom of choice in these matters is an important thing. I know that he's also done lots of good work with firefighters, so he knows or should know that some freedom to choose is part and parcel of a free collective bargaining process, and when the government intrudes or infringes on that, it really undermines the whole system that we have.

So it's how the government gets there. Rationalizing health

authorities and rationalizing bargaining units within the health authorities are both positive objectives, but we need to arrive there with some democratic discussion with the parties involved and not just a top-down decision by the government as to how things are going to be.

The next part that the cabinet can make regulations on is (b), and it says:

- (b) governing the manner in which a bargaining agent and a receiving collective agreement are selected for each of the region-wide functional bargaining units, whether with or without a vote of employees, including, without limitation, regulations
- (i) establishing types of collective agreements from which the receiving collective agreement for a region-wide functional bargaining unit will be selected.

Again here the cabinet is getting power in this legislation to determine those things on the behalf of employees rather than allowing the people freedom of choice.

Next, it will have the power to make regulations

- (ii) respecting the manner of determining from which type of collective agreement the receiving collective agreement for a region-wide functional bargaining unit will be selected;
- (iii) respecting the manner of determining which trade unions are eligible trade unions for the purposes of a vote by employees to select a bargaining agent for a region-wide functional bargaining unit, and respecting the circumstances under which such a vote may or must be conducted.

This is, I think, highly illustrative of the government's approach. The government will allow a limited democracy. In other words, the government will determine which trade unions are eligible for the purposes of a vote, and once they've set out who you can choose from, then they allow you to choose from the list that they provide. In some countries, Mr. Speaker, this is called guided democracy.

Ms Blakeman: What?

Mr. Mason: It's called guided democracy.

Ms Blakeman: Who invented that?

Dr. Taft: Was that Lenin?

Mr. Mason: No, I don't think it was Lenin. In certain authoritarian regimes that exist, you know, in different countries – and I don't want to slag any particular organization – it's often used after a military coup, for example, in order to get the country back to democracy. Once they've re-established western institutions and put the oil companies back in charge of the country, they often have a period where democracy is called guided. [interjection] Well, it may or not be appropriate to call it that, but there's clearly a lot of guidance being provided for these poor workers here so that they don't make a mistake and pick the wrong union. So the government is determining which unions they can select. Of course, once the government has done that, then we have free and unfettered democracy in choosing amongst those unions. That gives me a lot of concern, and it's one of the reasons I support this amendment and why I believe that it should be put back into Committee of the Whole so that we can review this entire section, because quite frankly I think there's a lot here that needs some work.

It says that cabinet may also make regulations "respecting the conduct of votes of any issue related to the selection of a bargaining agent or a receiving collective agreement." Well, depending what

rules the government makes, that may or may not be okay, but we don't know and, of course, the workers don't know, and until they know, they're not going to be stampeded into supporting this particular piece of legislation, nor will we in the New Democrat opposition, Mr. Speaker.

The cabinet may make regulations

- (c) providing for the continuation of existing collective agreements.

Fine.

- (d) requiring employers and bargaining agents selected under this Part to bargain collectively in good faith and to make every reasonable effort to negotiate amendments to the receiving collective agreements selected under this Part so that the receiving collective agreements will contain terms and conditions of employment for all employees in the region-wide functional bargaining unit, and governing the means by which that is to be accomplished, including, without limitation, the method by which contentious issues between the parties are to be resolved.

Now, that's interesting, and this gives me a lot of cause for concern as well. The government can determine "the method by which contentious issues between the parties are to be resolved."

There are existing methods of dealing with contentious issues, Mr. Speaker. There are collective agreements, collective bargaining, and if that doesn't lead to success, then there's mediation. Then if that doesn't work, the sides can both agree to binding arbitration, and if they don't want to do that, then you could be in a strike or a lockout situation, which we all hope we can avoid. But why isn't the government prepared to use existing methods of resolving disputes, contentious issues between parties in this case? If they're going to use arbitration – and I don't think they should, at least not in the first instance – then they should say so in the legislation. They shouldn't just leave it to the cabinet to make all of these decisions on behalf of both the workers and the employees.

If you move along, the cabinet can authorize or make regulations authorizing the Board to hear and determine a complaint that a party has failed to comply with a regulation under clause (d) and to remedy that failure in the same manner as it may remedy a failure to comply with section 60.

Moving on, under sub (f) it can authorize "the Board to make binding determinations as to terms and conditions to be included in a receiving collective agreement where the parties are unwilling or unable to do so." Well, I guess that's talking, then, about arbitration in a sense, but it really is different because the board makes the determination and it's not an arbitration process. So they've skipped a step there.

It can authorize "the Board to deem affiliated local unions of the same parent trade union to be one trade union for the purposes of this Part."

It may make regulations "requiring affiliated local unions of the same parent trade union to act as a single trade union for the purposes of this Act and to adopt rules and procedures for that purpose."

It can authorize "the Board to do anything that a trade union, employer or employers' organization is required to do under the regulations or by the Board and fails or refuses to do so," without setting any tests, Mr. Speaker, for whether or not organizations, employers, or unions fail or refuse to do so.

And it provides "for any transitional matters the Lieutenant Governor in Council considers necessary to ensure the transition from the implementation of this Part to collective bargaining under this Act generally." Well, there's a lot of room in a transitional arrangement to determine how things are going to work in the long run, Mr. Speaker, so I guess in this case the government is saying:

you just have to trust us. Why would the unions agree to that when the government was involved in working out the details of this act behind their backs with the employer and not telling the unions even what was going on so the unions find out about it post facto? Why would they feel that they had confidence in what the government ultimately wanted to do?

4:30

Again it comes back, Mr. Speaker, to the problem I have with this section in general and why I think the Committee of the Whole needs to revisit it, and that is that the government in trying to achieve what could be determined a reasonable objective is taking a shortcut. It's sort of trampled on the rights of people.

With that, Mr. Speaker, I'll thank the members and take my seat.

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

Ms Blakeman: Thanks very much, Mr. Speaker. I just want to speak briefly to this amendment that is asking that the bill be recommitted to the Committee of the Whole for the purpose of reconsidering the proposed section 5. The Member for Edmonton-Highlands has been kind enough to read most of those regulations into the record at this point.

My reasoning for wishing to see this bill recommitted to committee is that I still feel that there are some answers that are outstanding. I was also hoping that perhaps without the guillotine of the time allocation hanging over their heads, we might hear from some more of the government members on the record as to why they supported this bill and in particular to hear some of their thoughts around the regulations that are appearing in section 5, because there has now developed this parallel system that the government has with regard to the way it moves legislation through. It's making this Assembly a second or third stop and one in which the government members no longer participate.

I don't know whether the backbenchers were instructed not to speak to this bill or speak to government bills, but we heard from, I think, one or two of them. I always find it interesting and certainly instructive to hear what the various reasonings are from members of government, how it's affecting their particular constituencies or what in their life experience or past work experience has brought them to that point, and we don't hear any of that in this Assembly anymore. The Committee of the Whole is a more informal working session, and I had hoped that we would be able to encourage more of those members from the government side, whether in cabinet or whether they were backbenchers, to in fact tell us why they supported that bill.

I've spoken at length about my concern with the amount of regulations in this bill, as have many others, and my concern that the regulations don't appear to be being released so that they could be discussed. One of the things I said was that constituents could then contact their MLA and find out why their government MLA was supportive, or perhaps they weren't supportive behind closed doors in caucus, but we don't get to know that. I think it's government by stealth, government behind closed doors, and I'm just trying to do my bit to bring it back into this Assembly, which is what we're all supposed to be here to respect and uphold. The government is slowly but surely moving it away from here and diminishing the importance of this particular Assembly.

I recognize that the members are impatient and have already talked about this. Or supposedly they have. We don't know. We don't know how much they participated in it. We don't know if they were just given a briefing and everyone was told to follow along. We have no idea because that's never discussed in here. We don't know

how people feel about it. Neither do the public, and the public have no way of finding out what their own MLA said on the record because they didn't say it on the record. So that was my reasoning for wanting to see this recommitted back to Committee of the Whole, the hopes that it would encourage the private members on the government side to rise and get their thoughts or reasoning for supporting the bill on the record.

I continue to look to the minister to explain more about what I perceive as a conflict in section 5 of the amending act with regard to the powers that are allocated through the Labour Relations Code to the Labour Relations Board. There's actually even some differing opinion between myself and other members of my caucus about what this means, so I would have liked to have heard the minister speaking to that.

I do notice that one of the examples that appears in both places that I missed when I spoke to this earlier was in fact an issue that was raised by my colleague from Edmonton-Gold Bar, which was the authorization for the board to be able to conduct any business. It's appearing in this act under section 5(3): "The Board may hear any matter or conduct any business under this Part through the chair or a vice-chair sitting alone." A section very similar to that also appears under the Labour Relations Code, section 16(5): "The Board's powers under subsection (4)(a) may be delegated to the Chair, a vice-chair or an officer designated by the Board." So again my question, as it was for most of the other regulations involving the Labour Relations Board, is: does one override the other or set it aside for the purpose of this act, or do they both operate at the same time but there's some sort of referee? I was looking for that to be cleared up.

I guess my final concern was to know that there were union representatives that were meeting and working on this on a voluntary basis, working towards the same reduction of bargaining units as is given by the minister as the sole reason for needing to bring this legislation through. If there was a process that was already happening with the very groups that this bill purports to be dealing with, then what was the hurry that that process couldn't have been enhanced and upheld by the government? What was the hurry to subsume it or stop it or override it? I have not heard an explanation from the government side as to why. Was it failing? Was it taking too long? Were they not covering all the points that needed to be made? What was the reason that the work of that voluntary group was not acceptable? So, in fact, the work was being done, and I still don't see why it couldn't have been upheld. I was hoping that there could be more discussion around that or explanation around that if we're able to pass this amendment and recommit to Committee of the Whole.

So that's all I really wanted to say in support of the amendment. I hope that members of the Assembly will follow through and allow us to recommit this bill. Thank you.

[The voice vote indicated that the motion on the amendment lost]

[Several members rose calling for a division. The division bell was rung at 4:39 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Blakeman	Mason	Taft
MacDonald		

Against the motion:

Abbott	Goudreau	Lund
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Ady	Griffiths	Magnus
Amery	Haley	McClelland
Boutilier	Hancock	Melchin
Broda	Hlady	Oberg
Calahasen	Horner	O'Neill
Cao	Hutton	Shariff
Cenaiko	Jacobs	Strang
Coutts	Johnson	Tannas
Danyluk	Knight	Taylor
DeLong	Lougheed	Woloshyn
Doerksen	Lukaszuk	Yankowsky
Dunford		
Totals:	For – 4	Against – 37

[Motion on amendment lost]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I would move that we adjourn debate on Bill 27.

[Motion to adjourn debate carried]

4:50

Bill 19 Gas Utilities Statutes Amendment Act, 2003

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

Mr. MacDonald: Thank you very much, Mr. Speaker. Again it is a pleasure to rise at third reading and get in further comments in regard to the Gas Utilities Statutes Amendment Act at this time. Now, certainly whenever we consider . . .

The Speaker: Sorry, hon. Member for Edmonton-Gold Bar. We should have the moving of the bill first. The hon. Member for Dunvegan is going to move it.

Mr. Goudreau: Mr. Speaker, I'm pleased to move third reading of Bill 19, the Gas Utilities Statutes Amendment Act, 2003, on behalf of the Member for Innisfail-Sylvan Lake.
Thank you.

The Speaker: Okay. The bill now having been moved, hon. Member for Edmonton-Gold Bar, you may re-begin.

Mr. MacDonald: Thank you, Mr. Speaker. Bill 3 and Bill 19, in this case the Gas Utilities Statutes Amendment Act, are going to certainly create a great deal of interest and, unfortunately, concern for Albertans. Now, when we look at this bill – and we are looking at amending the Gas Utilities Act, the Gas Distribution Act, and the Rural Utilities Act – we are changing the structure of the natural gas retail marketplace to allow for more competition, and we've all been told that this competition is going to be a good thing and it's going to reduce the price for consumers. Time will tell, but when we look at what has happened – and this is only since Christmas – and we look at the natural gas market in this province and the relationship we have to the North American market, gas prices have shot up certainly. Yeah, there's the issue of supply and demand, and there's also the issue of politics. Energy deregulation has certainly added costs to natural gas, and it is my view that we're going to add costs even further in regard to this bill.

Now, Mr. Speaker, we have been given assurances in this

Assembly that this legislation affects the operation of gas co-ops only, and this is how it affects them: by allowing their members to buy natural gas from other suppliers if choice is approved by two-thirds of the members. I'm getting calls from all over the province from members of gas co-ops who are just not sure about that. They have had over the years natural gas provided by those co-ops on a cost recovery basis, and they're quite satisfied with that arrangement. They're nervous and they're skeptical of what we're going to do with Bill 19.

Certainly, we look at – and this has been discussed before in this Assembly; in fact, it was discussed in question period today – this deal that is going to be presented by Direct Energy in due time, and it was tabled by the hon. Minister of Energy. This is a marketer, in my view, without a licence that's anxious to participate in our market, but it's another case of a middle person, and how this is going to improve the situation for Albertans is beyond me.

Now, when we talk about aligning the natural gas retail marketplace with the electricity marketplace so that one energy retailer may market electricity and natural gas simultaneously or, in the words of the Navigant report, the convergence of these markets, I fail to understand and many of the 900,000-plus natural gas customers in this province also fail to understand how this is going to bring about lower prices. That's what this is all about, Mr. Speaker: providing what is really an essential service. I've said this in this Assembly before: heat is not a luxury in this province. When we consider what is going to happen and what the implications of this bill are, I think we should have another look at this. I really think that we should have another look at this notion that customer choice or the ability for consumers to purchase natural gas from the provider of their choice will mean lower gas prices for residential consumers.

We can look at the price of natural gas. For instance, hardly eight years ago natural gas was about \$1.65 a gigajoule in this province for residential users.

Ms Blakeman: You're kidding.

Mr. MacDonald: Yes, \$1.65. Those days are long behind us. In fact, when you consider that in some years the regulated rate for natural gas would be lower than even \$1.65 – and that was the winter rate too. Those, as they would say, were the good old days. Now we're looking at anywhere between \$7.58, \$8.58, a little bit over \$9. For this month, if we average ATCO north and ATCO south, we're looking at a \$9 a gigajoule price for natural gas. Whenever we consider what the price was then and what it is now, this certainly has not been an improvement for Alberta consumers.

I again fail to see how this bill, Mr. Speaker, will improve the lot of Alberta consumers. It has yet to be explained to me – and certainly I hope that at some point we can go back and have another look at this legislation – how the cost associated with combining these two billing systems is going to work. Who is going to pick up those costs? Will it be the consumers again? How is all this going to work out? We certainly know the problems. The citizens of St. Albert, Mr. Speaker, know the problems associated with billionaires and metering devices that, if they are working, are inaccurate. It would be in my view one of the places in the province with the most frustration expressed by consumers over this energy deregulation. St. Albert certainly would be one of the neighbourhoods that have been the victims of energy deregulation. How will the citizens of St. Albert share in these associated costs? That is a question that has yet to be answered.

5:00

When we consider that Bill 19 is going to move Albertans toward

a more deregulated energy marketplace and require a signed contract to receive stable prices – it's all about stability. It's not about low-cost energy anymore; it's about a stable price. Anytime you have this five-year contract, it's a gamble. When you look at some of the long-term price projections for natural gas – and these are experts and I'm sure the Alberta government has experts and they're probably contracting out to receive expert advice on natural gas prices not only for next year but for the next 10 years – they range anywhere from \$3.80 to \$4.50, some certainly as high as \$5.20 but not in the range of \$7.54.

When we consider contracts, Mr. Speaker, I was pleased to see on CFRN television one evening recently a gentleman who had signed a contract and had tracked prices. This gentleman had the contract, as I recall, for at least two years if not three, and there were only two months in that time period where he came out an economic winner as a result of signing this contract. Many constituents are asking for advice on this matter. I'm sorry; signing one of these long-term contracts for \$7.50 or \$7.30 at this time in my view would be inadvisable.

How can we make the argument that we're going to trade low-cost gas and, oh, we're going to have stable prices or the fact that the days of cheap energy are over? Mr. Speaker, you can't consider at any time that Albertans as owners of the natural gas should not receive the benefit, and the benefit in this case is the public good. To think that they should have to pay the same price as someone in, let's say, Chicago or San Francisco . . . [interjection] Now, an hon. member says that, well, citizens are gathering the royalties, which is true, but the Natural Gas Price Protection Act, which was a flagship after the re-election of this government, after the great rebate election, was supposed to share those rebates with the citizens. Unfortunately, that hasn't happened.

Certainly citizens from all over the province have signed our petitions. Thousands and thousands of citizens – over 5,000 and growing – have contacted this political party through altaliberals.ab.ca to express their dismay at this government in their reluctance to share the wealth from the natural resources. Now, there are many people in the community of Edmonton-Gold Bar who, Mr. Speaker, when they discuss Bill 19 at the coffee shop, think that the reason the government is so reluctant to give rebates is because it would cut into the sales of the direct marketers like Direct Energy and the municipally owned ones, Enmax and EPCOR. That's the reason there are no rebates anymore: because if people knew that there were going to be rebates, well, why would they rush out and buy one of these expensive long-term contracts when they don't have all the information presented in a timely fashion.

Now, when we look at this bill and we look at the future for Alberta, we must, Mr. Speaker, look at some of the promises that have been made here. Again, we are looking at enabling firms other than utility companies to provide regulated gas supply service to customers. We are looking at aligning, as I said earlier, the retail natural gas and electricity markets and permitting both commodities to be marketed together. Well, we already know that electricity is not a commodity, because it can't be stored. We're also proposing here to increase retail competition by providing a more equal footing for natural gas retailers and utility companies. There are a few municipally owned utilities in this province – some people say there are seven; others say there are nine – other than Enmax and EPCOR. Where do they stand on this? How does this affect them? How does it affect the customers that they serve?

When we look, Mr. Speaker, at these three statutes and how they're put together in this bill and the future for natural gas consumers in this province, I don't think it will be positive. It's not going to work out the way we are being promised. We are being

promised that this choice is going to work. When you consider what the Navigant report had to say – and this was commissioned by the government. Now, there have been a lot of studies commissioned by this government in the last couple of years. There are so many studies that it's hard to keep track of them all. Certainly there have been studies that have been promised by the Department of Energy to this member, and I'm still waiting. I don't stand too long at the mailbox every day because I've sort of given up.

There are many studies, but the Navigant report is perhaps the most interesting. Now, has it been followed here? The Navigant report spoke about having a consumer education program for all citizens. Other jurisdictions which have attempted this deregulation and then have realized the folly of their ways and have backed off have had consumer education programs. Nowhere in this bill do I see a consumer education program. Some jurisdictions set aside 50 cents, up to as much as \$2 – and this would be American currency – to have consumer education programs. But not here. Unfortunately, a constituent of Edmonton-Gold Bar got some firsthand, up-front information regarding these direct marketers who appeared at her doorstep. It was then that I realized that we must encourage this government to initiate some sort of consumer information and protection program. Not everyone has access to the Internet. Certainly, there are codes of conduct displayed on the Department of Energy web site for not only electricity marketers but also for natural gas marketers. It's there.

5:10

Now, a lot of people, because of their high utility bills, can't afford a home computer. High utility bills are eating into a lot of people's disposable income. If they could afford the home computer, then there's the Internet access. They'd have to pay for that too. Many people, as a result of this energy deregulation, have significantly less disposable income, Mr. Speaker. We talk about the Alberta advantage. We talk about: oh, yes, we have lower taxes; we have this; we have that. Certainly we need to have that so we can afford to pay our utility bills at the end of the month. They're skyrocketing totally out of control. How some school boards and some hospitals get by is beyond me.

In regard to natural gas costs earlier in debate on Bill 27 we talked about some of the regional health authorities. Many of the regional health authorities, many of our institutions of higher learning are having difficulty keeping to their budgets because of skyrocketing natural gas prices. How is Bill 19 going to give comfort and economic advantage to those institutions? Certainly some schools, not all schools, are looking at revising their budgets because of utility costs. It is perhaps at this time the number one public issue with Albertans.

Certainly, two years ago the novelty of rebates during an election year worked for this government. Many people decided: well, we'll give this energy deregulation one more chance – one more chance. Bill 19 is putting this government and their massive majority on the bubble, because I don't think the citizens are going to tolerate this any longer, these utility costs skyrocketing to the point where there are going to be difficulties at the end of the month with household budgets. People can only take so much, and when you look at \$400 and \$500 a month utility bills, it is far, far too much. [interjection] There will be an open revolt. I'm glad the hon. member brought that up, because as people articulate in the letters to the Official Opposition and in the phone calls, that are very numerous these days, it is an open revolt. I'm hearing from citizens all over the province, and they're not happy with the high utility bills.

The Speaker: The hon. Member for Grande-Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. Some very interesting comments from the member opposite provoked me to respond and perhaps pose a question or two. It was stated that eight years ago the price of natural gas was \$1.65. Well, we could go back a little bit further than that if we wanted to look back, which is really not the way we like to look, but we can look back. Would you happen to know the price of natural gas in 1963? It was 26 cents. Yeah, 26 cents. But that's just more trivia.

The important thing about the gas eight years ago, the gas in 1994, and natural gas today in the province of Alberta is to understand what happens to a stranded commodity. The question, then, might come to mind: when was the Alliance pipeline put in service? It could have some bearing on this whole thing.

Secondly, another question comes to mind. Today it might be interesting to check on the price of natural gas in the state of Wyoming. That will give you some indication of what has happened to the province of Alberta. Wyoming is where we were about eight years ago.

Certainly, Mr. Speaker, Alberta consumers are at the same time Alberta workers, the same workers who now enjoy the highest disposable income in the country, the lowest taxes, and no sales tax, all benefits from increased gas exports.

Another comment, Mr. Speaker. Electricity in a deregulated environment can be stored, secondarily, I admit. It can be stored behind dams and in gas storage caverns in the province of Alberta's natural gas hub, and you can turn it on in 10 minutes.

Another comment, just to end my comments, Mr. Speaker. The number one public issue in the province of Alberta today remains health care. Utilities may very well be a close second, but certainly the issues in my riding still revolve around health care.

Thank you very much.

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

Mr. Mason: Thanks very much, Mr. Speaker. I'm pleased to rise to speak to this legislation in third reading. Bill 19, the Gas Utilities Statutes Amendment Act, 2003, is a piece of legislation that I think merits considerably more discussion in this Assembly than it has had to this point. I guess I am of the view – and I've heard this view from many government members in the past – that if it ain't broke, don't fix it. [interjections] Well, a variety of combinations might well describe this piece of legislation, because we had a system that was not broken, did not need fixing, and the ideological tinkers just couldn't keep their hands off it.

You know, it's been stated many times during this debate that gas was deregulated a long time ago, and that's true. Basically, the ability for someone who wanted to retail gas to use other people's distribution network to do so has been established in this province for a long time. The interesting fact, however, is that over those years until very recently nobody really tried to do it.

I remember having a discussion with ATCO Gas management in Edmonton when I was still on city council and not, I might add, a member of the board of EPCOR. We did, Mr. Speaker, meet with them and discuss the gas market, the gas situation, their company, the outlook, and so on, and how they served the needs of people in northern Alberta for natural gas. While they didn't say so, it was obvious to anybody that was listening to them that their policy at that time provided very, very cheap gas. Their policy was that they would earn their return on their distribution system. They would buy gas and transmit it to customers at their cost. That was the policy of ATCO Gas and, previously, Northwestern Utilities.

5:20

So in that situation two things happened. First of all, you had the

cheapest possible gas for consumers because there was a regulated utility, that being the distribution network, which is still there, and that's where they earned the money. We were getting our gas from that company at cost, so we had low prices, as the hon. Member for Edmonton-Gold Bar has said and as the hon. Member for Grande Prairie-Smoky had said before that. We had very, very inexpensive gas. The second thing follows from it, Mr. Speaker, and that is that nobody else could get in the market. How could they make money? They couldn't make money because they'd have to sell gas with no profit, and they don't have a distribution system to make money from.

So it was a wonderful system that produced for consumers the lowest possible gas prices. In fact, the company at that time had a number of fields, reserves of its own, so it was often selling its own gas and not necessarily having to buy it all the time from a market.

Now, the government promises that we're now going to have choice. The interesting thing is that they imply that it was bad before because we didn't have choice, but what we had was the lowest possible price. Now we will have choice, but it will be significantly more expensive no matter what choice you take. It doesn't matter whether it's a difference between the choice of one company or another, or it doesn't mean if you choose to buy on a monthly basis at the monthly price or you extend it over a three-year contract. All of those options which people will now have will all be significantly more expensive than the system that we had in place in this province.

You know, I think the answer is obvious, Mr. Speaker. If you're going to have competition, you have to have higher prices in order that the competition can take place. So a company that wants to come into this market requires ATCO Gas or whoever it is to be charging more than their cost for the gas. Otherwise, how can they get into the market? They can't.

So we have a case, very clearly, where a monopoly is cheaper than competition. It's cheaper than what the government is proposing for the consumers, but they need to raise the price in order to have room for people to get involved. So unbundling raises its head. You separate the distribution from the retail function. You can't have a company selling what's essentially gas at cost and getting their money from a distribution system because you can't be in both businesses. That means that everybody, to make money, has to either retail gas or be in a distribution monopoly, but not both. That means that everybody is going to make a profit on the gas, so the prices have to rise.

The question is whether or not you're going to get enough companies operating on that basis to actually have price competition or whether you're going to have competition for other things. Are they going to come to you and say, "Well, you know, you might save a little bit if you buy a three-year contract or you might save a little bit here or there or you might win a free trip to Las Vegas or you might win an electric razor or a set of steak knives or something like that or you might get a month free if you buy a contract with us"? But, basically, the price of the contracts is going to be approximately the same as buying month to month if you average it out over a long period of time. That's the case, as we all know, with things like mortgages and so on. Basically, the price has to be higher, considerably higher, in order to support the system that the government is proposing.

So nobody should enter blindly into voting on the last reading of this bill. If they're getting concerns from their constituents about the high price of gas – and they are seasonal – if their constituents are concerned about this, then clearly they need to think through what the government is proposing and consider their constituents' interests in voting on this bill, and I urge them to do so.

Now, I know that the Premier has talked a lot, at least in answer

to questions put to him in question period, about the opposition only caring about this when the price is high. Well, you know, if you're trying to represent people, Mr. Speaker, you want to represent them when they have a concern. It's probably true that the people that we represent, the people that you represent, don't have a great concern about natural gas prices during the summer for two reasons. First of all, they don't use very much gas. None of us uses very much gas in the summer. Secondly, because of that, the demand for gas is way down, so the price is way down. So it's not an issue in the summer.

What is so hard to figure out about that? I don't know. But the fact of the matter is that the wintertime price of gas has continued to rise from winter to winter, and we have had a particularly cold winter, and that has been of some advantage to people that want to put tough questions to the government on natural gas and the prices and the policy. I submit, then, that in a perverse sort of way that's a good thing because it really gives everybody a taste of things to come, and if we have another cold winter, it's going to come back.

Yes, the government is desperately hoping for warmer weather and a nice, warm summer and so on, but winter will come again, as it always does, so the problem will come back. We'll have more cold winters in the future, and it's going to really press people who are struggling to heat their homes, and we've heard lots of stories. We've tabled letters and so on from citizens and documented some of their stories and some of their concerns.

In the end, Mr. Speaker, I think that this will be a very unfortunate

bill. We could, if we really wanted to, offer people much cheaper natural gas – and we could, as well, with electricity for that matter – by simply abandoning the sort of ideological constructs about how a market is supposed to work and about the magic of the invisible hand, which was formulated by Adam Smith 300 years ago, and sort of look in a practical way at how you deliver energy to the people of Alberta. If we can do that, I think we would find ways to provide low-cost energy to the people, and we could in fact go to a system that had the interests of the public in mind rather than the interests of shareholders of some companies that want to get into the Alberta market, take advantage of the high prices, and make more money.

So, Mr. Speaker, I see that it's getting very close to 5:30, and I think that if it's agreeable to the Government House Leader, at this point I will move that we adjourn debate on Bill 19.

[Motion to adjourn debate carried]

Mr. Hancock: Mr. Speaker, I would move that we call it 5:30 and adjourn until 8 p.m.

The Speaker: Well, I think I'd have to agree with the hon. Government House Leader. I won't even call the vote, because it is 5:30. The House stands adjourned till 8 o'clock.

[The Assembly adjourned at 5:30 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, March 25, 2003**

8:00 p.m.

Date: 2003/03/25

[The Speaker in the chair]

The Speaker: Please be seated.

head: **Government Bills and Orders**

head: Third Reading

Bill 30

Appropriation (Interim Supply) Act, 2003

The Speaker: The hon. Minister of Justice and Attorney General to move.

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure to move Bill 30 for third reading.

We've had quite a bit of discussion already on interim supply, and as soon as the spring break is over, we'll be coming back to do the regular supply, so I won't add any further words at this time.

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

Ms Carlson: Thank you, Mr. Speaker. Happy to have an opportunity to speak for the final time to Bill 30, which is, of course, the interim supply bill, where we are approving for this government's use \$5 billion without having any backup paperwork. We've had an opportunity to voice our concerns on this particular piece of legislation being brought in the way it was. We fully understand the financial commitments that the government has to its operations on a day-to-day basis, being ongoing programs, grants that are thankfully given at the beginning of every fiscal year, and salary and commitments to the staff who work for the government in all the various departments, and we know that those have to be and should be paid and of course paid on time.

Our concern all along has been that this government prolongs the bringing in of the budget to such a time in the year when people and organizations, all of those NGOs that rely on government financial support, have to start their planning for their year without really knowing for sure how much money they're going to be getting. Why don't they know how much money they're getting? Because we haven't seen a formal budget yet. As the Government House Leader stated, that budget will be coming in at the end of the first week in April, but that is already well into a lot of organizations' planning schedules, and there's no reason for it to be brought in that late. We've heard arguments from the government's side that they had to wait until the federal budget came in and that they're still not sure what the allocations are, so that takes a long time to figure out, but in fact, Mr. Speaker, that is just so much kerfuffle that they use to throw in front of people to try and convince them that they have a really good reason for not bringing in a budget.

In fact, there have been many instances in this Legislative Assembly when there has been no federal budget in the first six months of any year, so the government makes the estimates that they need to make based on what their projections are from the federal government and carries on. They plan their budget, they bring it in, they designate it, we scrutinize it, it gets voted on, and that's what happens in many instances. This year they're saying that they had to bring it in so late because they were being held up by the feds, really not an appropriate debate to have had because it isn't accurate. So we would like to see them change the process next year.

What we do need to see is a Legislative Assembly that comes in

at a standardized time every year. We at one time, while I was a member of this Assembly, had a House leaders' agreement that stated that the House sat prior to February 15 of each year. That was a pretty good process because what happened then is that we were able to at least see the budget prior to the beginning of the fiscal year, which is April 1, and usually had some time to spend scrutinizing it, asking questions of the various departments, comparing the business plans from one year to the next, taking a look at what their forward projections were, and generally had a fairly good understanding of what the government's direction was for the year. That isn't the case now. We're just shooting in the dark.

When we see a request come in for \$5 billion and a government who is so arrogant that they choose not to provide any information and are mortally offended when we ask questions about how they're going to spend the money, that isn't the proper way to run a government. You wouldn't run a business like that, and we shouldn't run a government like that.

When you're taking a look at a quarter of the budget year of the moneys we expect to be allocated being portrayed over three pages of information with ministers who are for the most part very reluctant to back up their requests with any substantive detail, we have a problem. We want to be able to know where the government is heading when they start into the year. We want to know that before half the year is over. We want to be able to ask some questions on behalf of our constituents and organizations that are receiving the funds, because that's the proper way to handle a government budget. It should be scrutinized, it should be available to people, and debate should be had at least in some detail prior to us making approvals for these kinds of supply requests. That's not the way this government chooses to do business. It's very unfortunate. I hope that they will see the error of their ways and take a look at restructuring that for the new year.

It isn't that their government officials couldn't be ready. We know that they start their budget planning process in September of every year, so there's absolutely no reason why it takes from September until the end of March for them to be able to figure out how and where they're going to spend their money. They say that they don't know the accurate figures, that many of the costs have been hard to determine in terms of particularly the revenue flow, but that is also, I believe, an unsubstantiated argument because what we see are what I think are pretty good projections on behalf of the government of what their revenue stream is going to be, including the volatile oil and gas prices. What we have seen traditionally in the past few years is that the surplus revenues they get when oil and gas prices peak or jump beyond what the expectations are is the surplus that the government uses to divvy up for its little pet projects over the course of the year and never would have been incorporated into the general planning strategy anyway. So that argument also doesn't hold any water as far as I'm concerned.

There is no good excuse for a government with this many people on their front bench and the number of staff that they have supporting them behind, all of whom are very excellent and well qualified and do a good job in terms of following their ministers' orders, no excuse at all why they can't have a budget ready earlier in the year, why we can't see some detail, and why we can't have put at least the biggest spending departments under scrutiny on the floor of this Legislative Assembly before we take a look at advancing them dollars for the first quarter of the year. So for that reason, we are not very happy with this particular budget, and we expect the government to act in a more responsible manner in the future.

With that, Mr. Speaker, I come to the close of my remarks, which makes, I see, all the government members very happy. Be happier to return to this particular debate when we see the formal budget.

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

Dr. Pannu: Thank you, Mr. Speaker. I want to make some brief comments on Bill 30, Appropriation (Interim Supply) Act, 2003. I raised several questions during an earlier stage of the debate on this bill in this House, and I heard a very spirited defence from the Government House Leader, the Minister of Justice and Attorney General. He was trying to defend what I think is the indefensible; that is, an unexplained and unjustifiable delay in bringing forth the real budget for fiscal 2003-2004 before this House by now.

Since the government failed to act in a timely fashion in bringing forward the budget for the next year as a whole, it found it necessary, therefore, to bring Bill 30 forward, asking the House to approve close to \$6 billion, according to my count on that evening, without really providing information that's normally required by Assemblies such as this one before its members can based on good information vote for or against the bill. That information not being there, it's difficult, therefore, to really debate the legitimacy of various items in this bill and have a discussion back and forth on whether or not the moneys requested, the amounts indicated here in the bill, are indeed justified and merit the support of members of the Assembly.

8:10

However, we are cognizant of certain other imperatives. The public service employees have to be paid. The Assembly's expenses have to be paid. There are bills there that await being paid. So the money is needed. There's no doubt about it. It's just the lack of appropriate and necessary information that will help us as members of the Assembly to scrutinize the requests made here. That's the issue.

As to the arguments given by the hon. House leader the previous evening when I raised some questions with respect to why the delay in bringing forward the budget for next year, the volatility of markets and the federal government's budget were two main reasons that were given, and neither of them was either compelling or convincing in any real sense. The federal government brought its budget forward quite some time ago, so that in itself is no reason why the provincial government here could not have prepared its own budget and brought it before the House by this day. The volatility of the markets continues, and that's in the nature of the markets given both the international situation and the normal speculative character of international markets in the current era of finances moving back and forth across national borders every minute of the 24-hour cycle of every day. So factors such as volatility, unpredictability, instability in the market are something that's normal, not something that's abnormal. If the normal fluctuations of the market are used to justify an unusual, an abnormal delay in the presentation of the budget, that isn't very convincing, and one can only say, then, that the government hasn't really done its job in a timely fashion.

The Minister of Finance will have an opportunity, I understand, on April 8 to bring forward the budget, and these numbers will obviously be blended into those overall numbers. We will hope that at that point there'll be adequate information provided in the budget documents for this Assembly to seriously debate the estimates and proceed to vote on those estimates.

So in the meantime to assist the government in its desire and ability to pay the bills that have to be paid – the budget may be delayed, but the payments can't be; that's recognized – I will be giving a sort of conditional support to the bill.

With that, I conclude my remarks on Bill 30, Mr. Speaker.

The Speaker: Hon. members, Standing Order 29 now is available.

[Motion carried; Bill 30 read a third time]

The Speaker: Before calling on the hon. Member for Edmonton-Ellerslie, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

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

Mr. Hutton: Thank you very much, Mr. Speaker. It's indeed a pleasure always to stand up in this House and introduce to you and through you to members of this Assembly constituents, but there's a family in the public gallery this evening that is a little extra special. It's our senior counsel's, Rob Reynolds', family. It's quite unique, and it is on public record that Ritu is due on April 8, and we'll see how close to the date we are. I would ask that Ritu Khullar and Samir Reynolds please stand up and receive the warm welcome of this Assembly.

head: **Government Bills and Orders**

head: Third Reading

(continued)

Bill 3 Electric Utilities Act

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

Ms. Carlson: Thank you, Mr. Speaker. I am happy to have an opportunity to speak to Bill 27 for what will be the last time this evening . . .

The Speaker: Hon. member, the bill has not been moved.
The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. I'm pleased tonight to move third reading of Bill 3, the Electric Utilities Act.

Certainly, there have been a number of concerns and questions raised in committee. Hopefully, in the time we have allotted in third reading, we'll be able to address some of those concerns, and we look forward to some more constructive criticism and debate with respect to this bill.

Thank you very much.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. There was a slight error in my process tonight, so I would move that we adjourn debate on Bill 3 so that we can proceed with Bill 27 as was previously agreed with the opposition.

[Motion to adjourn debate carried]

Bill 27 Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003

[Adjourned debate March 25: Mr. Hancock]

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

Ms Carlson: Thank you, Mr. Speaker. We'd like to thank the Government House Leader for the small amount of confusion there. It's a good thing, I think, that this is the final week before we have a short spring break and everybody has the chance to get a little rest and recharge their batteries.

As I started out saying a few moments before, it's a pleasure to be able to speak to Bill 27. It's not really a pleasure that this is going to be the last opportunity we have to speak to it in this House at this time. We have had some concerns with this particular bill, as have been outlined over the few hours of debate that we have been entering into over the past week. This is one of those bills that we've truly seen get the bum's rush through this Legislature. It was introduced last week and is already coming out of third reading and may see Royal Assent by the end of this week. So this could be – we'll have to check and see the records; we haven't had time to check the records yet – the fastest passage of a bill that we've seen in this Legislature from the date of introduction to the time it gets Royal Assent. I see the Government House Leader looking quizzically at me. I'm sure that with his vast resources he'll be able to check that and correct me if I'm . . .

Mr. Hancock: I'm sure that'll be on top of my priority list.

Ms Carlson: Yes. Mr. Speaker, he's stating that it'll be on the top of his priority list, and I'm sure that it will be. Accommodating anything that I ask for is always at the top of his priority list as I have noticed over the past few years. Sadly not the case, although I have to say that when we do have important issues brought up, he does deal with them in a timely fashion, and we certainly do appreciate that.

With regard to this bill, it feels like a union-busting bill to us. It makes us ask the question: who's next? It makes us ask the question: why was this bill so quickly brought in and pushed through the Assembly? We haven't had those questions answered yet, and in spite of all the squawks we heard from the government side on the amount of debate that we've had on this piece of legislation, for such a substantive piece of legislation which will significantly affect health care workers in this province now and for the foreseeable future the amount of debate has been limited. For the most part, with the exception of this afternoon, it's been limited to squirreling away little hours of debate here and there after 9 o'clock at night in this Assembly, when most people in this province don't even know that we're at work.

8:20

So it's been a problem for us. It's been a real problem. We've tried a couple of amendments. We didn't have time, I don't believe, to get all of our amendments to this particular bill on the floor. Our colleague from Edmonton-Gold Bar, who has been shepherding this bill and the critique of it through the Legislative Assembly, will be tabling any amendments that we haven't had a chance to talk to. I do know that the amendments that were brought forward weren't dealt with in as great a depth as we would have liked. I don't believe anybody in this Assembly actually had the opportunity to do the last stage of review in committee, which is a line-by-line, section review of the bill. There just hasn't been time due to the time allocation motion that was brought in on this bill after very little debate. The Government House Leader talked about seven hours of debate, but that was on three bills in total during committee; that wasn't per bill.

Mr. Hancock: Eight point five two.

Ms Carlson: Eight point five two, he is saying, on this one so far.

Well, that's good. Now we're getting to something that's about halfway to what a bill of this stature should have in this Legislature. It doesn't do anybody any favours in the long run to rush these bills through. We've seen that over time.

A lot of people complain that governments move very slowly, and that's true. I used to really hate that, but then when I see the legislation go through in a quick fashion . . . [interjection] I hear some more comments from the Government House Leader that I'm quite sure he'll be happy to put on the record.

The problem that we have seen over time when these bills get rushed through so quickly is that they end up being flawed in some capacity. We see them being brought back into the Legislature for some kind of substantive change in that year or the year following their speedy passage through, and that's worse than having taken the time in the first instance to take a look at the bill, to be able to put it out to the various stakeholder groups and to give them time to react. These bills that we send out to stakeholder groups and that the government has consulted on are generally speaking not the highest priority on those groups' lists, so we need to ensure that we have given them enough time to actually take a look at the bill, have the substantive parts of it discussed adequately, reviewed by whomever they choose to have review it, and then give them time to give their feedback to us. That's an essential part of this process, and it seems increasingly to be a missing part of the process.

I can't count the number of times in the past 10 years that people have phoned us and said, "Please hold that bill up just another day or two; we've got a couple of questions" or "Please hold it up; there may be a big problem with it." And we've passed it the night before. Generally late at night it's been passed, and there's no opportunity left to do that. We hope we don't see that same thing with this legislation, Mr. Speaker, because it's going to affect a great many people in this province and a great many workers whom the public generally relies on, those being health care workers.

With that, Mr. Speaker, I would like at this point in time to introduce an amendment at this stage because we have not seen our concerns adequately addressed with regard to this piece of legislation. Do you want me to read it into the record while it's being distributed? On behalf of the Member for Edmonton-Gold Bar I move this amendment. Will it have a number? Will it be A2? I see there was one earlier this afternoon. We will call it A2. The notice of amendment reads as follows: that the motion for third reading be amended by deleting all the words after "that" and substituting the following:

Bill 27, Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, be not now read a third time because it is the Assembly's view that the bill discriminates against employees of regional health authorities by taking away the right to strike and the right to termination pay.

An Hon. Member: Is this a hoist?

Ms Carlson: This is not a hoist; this is a reasoned amendment. The hoist will come next.

Still our biggest substantive concern about this bill is how it discriminates against employees by taking away both their right to strike and their right to termination pay. We heard yesterday the minister, I think it was, explaining the reason why he was taking out the right to termination pay. He talked about what happens with the restructuring when employees get laid off and then are rehired really within the same organization but are then eligible for severance pay. He said that that was the reason why they wanted to have this particular part of the bill in it.

Inasmuch as it pertains just to those particular situations, we

understand his dilemma. We believe that there are other manners by which he could deal with this particular situation, and those are private agreements with those authorities given the nature of the changes and crossover bids, talking to the union leaders and getting an agreement, a tactical agreement on how to move forward as the restructuring happens. We believe that that's entirely possible to do. If both parties go to the table in good faith – and we have seen that kind of good faith evidenced by the unions; government needs to also do that – then we believe that there are other ways around that particular obstacle other than changing it in the legislation, Mr. Speaker.

When we see the government move to legislation to make that kind of a change, we have to ask the question: what else? What else is this here for? What else can we expect to happen in the near future? Why is it that they don't believe that they would be able to operate with the unions on a good faith basis to negotiate these kinds of agreements? That's our concern with this bill. We haven't seen that adequately addressed in any of the debate that we've seen here and certainly not by the minister who is responsible for this. It seems to be a question that he avoids. That does not build our trust with where they're moving on this bill, and I'm certain that it doesn't do anything to build trust amongst the unions that he's dealing with in that regard.

Then there's the part of this amendment that we believe discriminates against employees of regional health authorities by taking away the right to strike. We believe that the right to strike is a fundamental right and that those employees have the right to use that in their arsenal of bargaining abilities if the need comes to that. Health care workers are not hugely militant to the point where the first thing they want to do is go on strike. They spend sometimes years at the bargaining table trying to negotiate contracts that are fair for both sides and work in a reasonable fashion. In my years in this province – and this is the province where I was born and raised – I have not seen health care workers strike without having been significantly provoked.

What is wrong with the current process that is here, unless the government doesn't wish to abide with a fair bargaining process? We saw shades of that during the teachers' strike last year. Looks like that's the way this government want to operate in the future. We have a real problem with that, Mr. Speaker. These workers have every right to strike. It has been a part of their agreements, it has been a part of their ability to negotiate, and it should be a part of their ability to negotiate in the future. This government I believe does not have the right to hold that kind of a hammer over their head and take away that ability from them, and we have serious concerns with that and as such have brought in this particular amendment as the last possible hope to see this government recognize the rights of workers in this province, particularly health care workers.

I would strongly urge all members of the Assembly to support this particular amendment because it is really worthwhile taking a look at. In the absence of having heard any reasonable and justifiable discussion from the government on why they're going forward with this, I believe this is the only option available to us.

So with that, Mr. Speaker, I conclude my remarks on this particular amendment.

8:30

The Speaker: The hon. Member for Edmonton-Mill Woods on the amendment.

Dr. Massey: Yes. Thank you, Mr. Speaker. I would like to add a few comments in support of the amendment that we have before us. As the mover indicated, it is a reasoned amendment and as such is

allowed under our rules to be adverse to the principles that are actually contained in the bill. There are two major principles that are offensive to the opposition and to many Albertans, and the principles that are being attacked in Bill 27 are the right of a particular group of employees to strike and the right of a group of employees to termination pay. Those are two rights that have been hard won. It's taken a lot of years and a lot of negotiation and a lot of grief to have those two rights pretty well as givens in our province for the most part. I think most employers would respect the right to strike and the right to termination pay. So we see Bill 27 as being a backwards step, being an unfair step, and being a step that's unnecessarily confrontational with respect to the organized employees in the province.

Another characteristic, of course, of a reasoned amendment is that it may express an opinion. Certainly, the opinion that employees that are being denied the right to strike in Bill 27 and denied the right to termination pay – you didn't have to go much further than the steps of this Legislature to hear how passionately many Albertans feel about those rights and how passionately they feel about the government moving to take those rights away. It's unfortunate, Mr. Speaker, because it's so unnecessary. There was no attempt to consult with the groups that are involved, and you would think that that would be a basic piece of the process in drafting any legislation, that the government would have not only the courtesy but would sincerely want the input of groups of citizens that are going to be affected by legislation, and that hasn't happened.

I think it was on this bill that the minister indicated that after he had presented the bill, he immediately adjourned to a meeting with the people involved to inform them of the contents of the bill, and that's very unfortunate because that's consultation after the fact. It's one of the real flaws in this government's dealing with organized labour and with professional groups that often decisions are announced and then groups are approached, and it seems to me that it's putting the process backwards.

So this amendment attempts to rectify two of the most offensive provisions of Bill 27, and the amendment I think is very clear. Although the history of reasoned amendments and the success of reasoned amendments have not been great in the country, I'm hoping that colleagues in the Legislature will see fit to support this amendment.

Thanks, Mr. Speaker.

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

Dr. Pannu: Thank you, Mr. Speaker. I rise to speak on amendment A2 to Bill 27. I think it's moved by the hon. Member for Edmonton-Ellerslie on behalf of the Member for Edmonton-Gold Bar, and the intent of the motion is to give the government and the Assembly more time before this bill is passed so that further and necessary consultations can be held.

If this amendment is passed by this House, it'll also allow the government to develop necessary regulations that will really constitute the exact changes that are being sought by way of this bill. This bill is a shell to give the government and the cabinet the powers to make regulations as it pleases, and it's very difficult for the House to determine what the substance is of those regulations, in what both exact and proximate ways they will change the existing arrangements. The scope, the scale, and the nature of the changes are all unclear from the bill itself, so it's very difficult for me as a member and for the New Democrat caucus to even make an intelligent decision on this bill, whether or not to support it, because the detail, the substance is missing.

That being the case, the only plausible reason that I've heard from

the government side for rushing the bill through the House is that it needs to be passed by the end of this month because the contract with health care unions is running out. It runs out on that date; that is, March 31. Mr. Speaker, if it is indeed the case that this bill has no regulations accompanying it and the regulations are not yet even drafted, then how credible is it for the government to argue that it needs this bill in place in order for it to be able to use it as of the 1st of April to deal with the situation that will arise from the expiry of the existing contracts that health care workers have with the regional health authorities? It remains beyond me to believe that if the government has no regulations at this point, has not even done the drafting of those regulations – and if that's the reason why it's unable to share those regulations with us members of the House so that we could in an informed way assess, as I said, the scope, scale, and the nature of changes that the government plans to make using this bill, then the *raison d'être* for rushing it through for March 31 so that it's available to the government as a legislative piece to use to deal with the emergent situation doesn't make sense at all.

If there are no regulations at this point, then I can't see how this bill can be enforced come April 1 without those regulations because regulations are the essence of this bill. It's really a bill that should be called an act to enact regulations, I guess, rather than anything else. This may be about the restructuring of health care authorities, but there's nothing in the bill that gives me a reasonable amount of information as to the real intentions of the government on this.

8:40

One can speculate on this – and I have worked very hard to be careful in speculating what the bill is about in my previous remarks on the bill – but I think this amendment that's before us, the reasoned amendment, which will mean that the bill will come back, I guess, for further debate before this House after six months, is perhaps at this stage the best way to deal with the conundrum that we find ourselves in, which is that it's difficult for us to vote on this bill unless we know what the regulations are, because it really is an attempt to seek the stamp of this House for the government to engage in the development of those regulations. Again, it's the regulations that should be approved by this House, not just this bill. So unless the intent of this bill is really to sort of get back at the union movement in the health care field for whatever reasons the government has and to break the unions, there's no reason why we shouldn't wait six months.

In fact, the unions as employees must be in my view consulted in the development of the regulations, which will give body and substance to this bill once those regulations are developed. So six months from now the government will have, I hope, consulted with unions, consulted with the employee groups who are going to be dramatically affected by this bill, and if those consultations indeed are undertaken by the government honestly and in sincerity, then the regulations that arise from those consultations will make this bill much better and will make this bill something that this House can intelligently debate and vote on.

My concern is that if the government proceeds, as it seems determined to do, to push this bill through the House tonight or tomorrow when it doesn't even have the regulations ready or drafted or consultations undertaken with the employees' representatives, then the effect of that failure on the part of government to not have consulted with the employees' representatives or its failure to have even draft regulations on hand and have shared them with this House to get the benefit of the debate and the scrutiny of this House as to the appropriateness of those regulations – all of this will simply profoundly alienate the very frontline workers who we expect to deliver health care services to us when we are ill, when our families

are ill and in whose care we place our life and expect them to make sure that our safety, the quality of service that we receive remain their first concern.

Workers who feel alienated, workers who feel mistreated, workers who feel excluded, workers who feel marginalized in the workplace and find themselves in a situation where the employer has all the marbles and workers simply have to obey the orders and have no recourse collectively to engage in serious negotiations and bargaining with the employer are not happy workers, are workers who are angry, workers who feel excluded. Anyone who has done any work in the area of management knows that good managers make sure that their primary concern always is that employees are kept onside, that the employees are not pushed into a corner where they feel confronted with unacceptable conditions under which they are forced to work.

So in terms of considerations from the point of view of good, effective, efficient, humane management or from the point of view of good, transparent politics, it makes no sense to rush this bill through at this stage. This amendment certainly would help the House to pull itself out of this difficult situation where the government's determination to push the bill through has put us the members of this House; that is, to proceed regardless of the very considerations and the concerns that I have noted as to how the employees are likely to respond to this bill if it doesn't receive any input from them and if they are denied the opportunity to be consulted and have the opportunity to see the regulations. After all, it is those regulations that are going to affect their ability to bargain, the ability to have an opportunity to put their case at the bargaining table and to be able to make sure that as frontline workers they have the working conditions and the workloads that will permit them to provide health care services in a safe and nurturing way to people who, once they become ill, certainly are dependent on both the ability and the capacity of these workers to provide in a timely manner and in a professional manner the services they so badly need.

So for those reasons, Mr. Speaker, I support this amendment, and I hope that my colleagues in this House will also favourably consider supporting amendment A2 that's before the House. Thank you.

The Speaker: The hon. Member for Edmonton-Glenarry on the amendment.

Mr. Bonner: Thank you very much, Mr. Speaker, and it is indeed a pleasure to rise this evening and speak to the amendment. I welcome this opportunity because we are rushing a bill through this Assembly. It's a relatively small bill, but it's going to have a huge impact on what happens in this province.

We have heard time after time how there's been adequate debate, but I believe that if my math is correct, there were 74 members elected on the government side last election. Twenty-five of those are either ministers or yourself, Mr. Speaker, and that leaves 49 backbenchers who have spent next to no time adding input into this bill. I know that Albertans want to hear from these people. They want to hear about this amendment tonight. I would daresay that there isn't one member in this House that doesn't have at least one of those 7,000 union workers who are going to lose their right to strike in their constituency.

We have to realize that a strike is the last option. We also have to realize that for those workers – and I outlined yesterday when we were in Committee of the Whole how the employer has treated some of these union workers, people that started contract negotiations in 2001 because their contract was going to expire on March 31, 2002, and how even today, a year later, those people do not have a contract.

8:50

So we have a piece of legislation here that is poor legislation. As the hon. Member for Edmonton Strathcona, if I heard him right – I wouldn't be surprised if this piece of legislation were back on this floor and we were looking at amendments to it because it is such poor legislation, because it does lead to provocation, it does lead to illegal strikes. Certainly, if we are concerned about the welfare of those people, those most vulnerable people who are in hospitals, then we should be concerned that there is no interruption, that there should be honest and open and fair negotiation. But this amending bill offensive. The bill is offensive. The amendment is trying to make a bad situation a little bit better.

We only have to look at the examples in the world of where there has been peace between employers, peace between governments and unions, and where economies that were in far worse shape than ours here in Alberta have been able to turn around. I was reading the book *Road to Growth: How Lagging Economies Become Prosperous*, and this was written by Fred McMahon from the Atlantic Institute for Market Studies, AIMS, and I noted in here that in a state economies such as Massachusetts and Michigan they certainly didn't get into a confrontation with the unions. What they did in order to improve their lot was they lessened the size of government. It goes on to say:

In other words, Maine did not take the same cure as Massachusetts and Michigan – significant reductions in state government and taxes – and has not benefited from as strong an economic turn-around.

So we have many, many examples of what it is that we can do in order to have labour peace, what we can do to have productivity in this province.

We have two other examples from economies that have turned around, and I'm looking at the Irish and the Dutch strategies. To quote again from this book:

Yet the successful Irish and Dutch strategies were remarkably similar to what occurs in the United States, though motivated as much by policy decisions as by the market. While U.S. wages naturally tend down during economic weakness, in the Netherlands and Ireland, government, unions, and businesses worked together to get the same effect through planning.

I think that's quite important, and it's quite important particularly when we see the amount of consultation that went on in this particular bill. There was next to no consultation. As a result, we had people in the galleries; we had people that already are planning strategies as to how they're going to counteract the negative parts of this bill. It is unfortunate that we have to get to the situation where we do have labour unrest in this province where it will lead to job action, whether it's work-to-rule, whether it's very poor relations in the workplace. All of these are not productive, and it could have been avoided. That is the thing: it could have been avoided. But once again we rushed. Once again we did not go out and certainly consult with all stakeholders. How much simpler it would have been if we would have simply had those regulations ready to ease the suspicious minds that these unions have.

Certainly, they have been given good cause in this province, Mr. Speaker. I can think of shortly after we were elected how a strike at the *Calgary Herald* went on and on and on, yet we did not have any intervention. I can think of just recently where at the Shaw Conference Centre we had a strike, and it was allowed to go on for months as well, and it was to the point where Shaw Communications didn't even want their name associated with it. So we saw press releases coming out with the Convention Centre, not the Shaw Conference Centre, because, again, this was damaging to their image and damaging to other sectors of their business.

We have legislation in front of us that certainly is going to infringe

on the rights of 7,000 workers, and as a result, Mr. Speaker, we are going to have labour unrest in this province, and it's labour unrest that certainly could have been avoided. So I would urge all members of the Assembly to support this amendment. I would certainly ask all members of this Assembly not to support this bill that robs health care workers and their unions of their right to due process when it comes to basic labour relations.

Mr. Speaker, I certainly will cede the floor. I know that as I mentioned earlier, there are 49 other MLAs that have the opportunity to speak to this bill and to this amendment, and I do know that their constituents and especially those constituents who are involved in some type of union would love to hear their comments and their input on this particular amendment and this bill.

Thank you very much for this opportunity to speak to the amendment.

[Motion on amendment A2 lost]

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

Ms Carlson: Thank you, Mr. Speaker. On the bill?

The Speaker: Well, I do believe I've already recognized the hon. Member for Edmonton-Ellerslie to speak on the bill.

The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have the opportunity to speak to Bill 27. I would like to, if I might, introduce an amendment to Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003. On behalf of my colleague from Edmonton-Gold Bar I move that the motion for third reading of Bill 27, Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, be amended by deleting all the words after the word "that" and substituting the following: "Bill 27, Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, be not now read a third time but that it be read a third time this day six months hence."

The Speaker: The hon. Member for Edmonton-Mill Woods does have the floor and can proceed.

Dr. Massey: Thank you, Mr. Speaker. The amendment is, as all the members recognize, a hoist amendment, and the intent is to put an end to the discussion of the bill and in fact to let it die and not to become law in the province. There have been a number of speakers, I think, who have outlined very clearly the reasons why that should be the case. The bill, in essence, is unfair to a group of Albertans. It takes away their rights, and as a bill that does that, it deserves to die on the Order Paper. In fact, it should never have been before the Assembly.

9:00

I won't go over all the arguments that have been made in terms of what's wrong with the bill, but again the workers, the professions that are involved are very, very offended with the provisions of this act and rightfully so. They see this as a bill in which progress is being not only halted, but the clock is being turned back to an era where employees were often treated this way and in other jurisdictions where employees are treated this way to their detriment, Mr. Speaker.

So, again, speaking to the hoist amendment, it is intended that the bill, Bill 27, with all its provisions die and that things remain the same as they are. We had hoped that if the government has objec-

tives in this area, once the bill has been hoisted, they might then take the opportunity, as they should have in the first place, to consult with the groups involved and then bring forward a bill that better reflects both the government interests and the interests of the employees that are affected.

Again, as I said previously, it seems only fundamental in labour relations that you would spend some time talking to the people that are going to be affected by your decisions before you make those decisions and even more fundamental that you would before changing the laws of the land have, if nothing else, the courtesy to talk to those groups to hear their views, to not only hear their views but to look to them for help with solutions. I'm sure that were they given the opportunity, they would have been pleased to contribute to the dialogue and the solution of the problem, and it's a problem that only the government seems to have at this point.

With that, I think I'll conclude, Mr. Speaker.

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

Ms Carlson: Thank you, Mr. Speaker. I properly rise now to speak to the amendment, and this is, as my colleague has said, a hoist amendment. It is the last opportunity we have to try and get the government to pay attention to what we think is a substantive bill.

In third reading our choices of what we can do to bring attention to the issue at hand are limited. We can try to have a recommittal of the bill, which is what we did earlier this afternoon on this, send it back to committee so that we can finish up with what we were talking about in committee. When that fails before the House, then we have the ability to do a reasoned amendment in third reading, which is what we just talked about, where it takes out a piece of the bill that is particularly offensive to us. Of course, that also failed here this evening, so we are at the very last stage of this particular bill, which is a hoist.

[The Deputy Speaker in the chair]

The intent of the hoist can be, as my colleague said, to put it out there in the ether and let people talk about it and think about it and hope that the government never brings it back. People think that that's unreasonable sometimes, but in fact in this Legislature we have had cases where that has happened, not that a hoist has ever been successful in the past while I've been here, but what has been successful is talking out bills until the government decides to leave them on the Order Paper over the summer time period.

As they have these bills out there in the community for people to talk about and hash through, often they do find out, they are convinced, that the bills are flawed, often fatally flawed, so many of those bills never do come back in the fall sitting. Of course, then they die at the end of that particular legislative sitting, and that's a good thing. Those bills that we've seen that have died on the Order Paper or never have been brought back have been fatally flawed, and we think this is also a fatally flawed bill that should have the same kind of future for it.

At the very least what the hoist does state is "that it be read a third time this day six months hence," which would bring us back into session in — this is March; April, May, June, July, August — September, a little early for this government but certainly doable. They don't like to come in until the end of November so that we can be out in time for Christmas and nobody has to work too hard. But, you know, we could come in a little early this year. [interjection] Well, perhaps the Government House Leader works hard when we're in session, but I see a whole lot of pocketbook reading going on in

corners of this particular Assembly and a lot of chitchat happening and often not a lot of work.

Dr. Massey: And a lot of solitaire played on computers.

Ms Carlson: Yes, a lot of solitaire playing on computers, as my colleague from Edmonton-Mill Woods has also noticed. [interjection] Well, the Government House Leader has some comments to make about the work schedule of people, and it certainly isn't the Official Opposition that has to find paid jobs on committees for their members, because we're quite busy keeping an eye on what this government is doing, talking to the people about what they think about what this government is doing, and putting that information together to come back into this Assembly. The Government House Leader may not realize it, but Official Opposition members don't have the kind of staff complement that people on your side of the House do, not only in terms of direct staff but in terms of access to . . . [interjection] There's the Government House Leader chirping away again, and of course those records will also now be in *Hansard* for all and sundry to read, so keep it up. This could be fun. Lots of good stuff to ship out to your constituents.

Dr. Massey: I'm here. I'm listening.

Ms Carlson: Yes. One of your constituents and my colleague from Edmonton-Mill Woods is listening with rapt attention, and I'm sure you're also providing some interesting amusement for all of the great and wonderful staff who work at *Hansard*, who really have what must be one of the world's most boring jobs translating what we have to say. As much as we think that what we're saying is brilliant, there are moments when it could be a little draggy for everybody concerned. [some applause] It's nice to see so much applause from the Assembly. People are actually listening to what I am saying. I do appreciate that. [interjections] Well, I see that Calgary-Shaw and the Government House Leader and the Member for Edmonton-Castle Downs all would like to enter into debate on this hoist, and nothing could please us more than that happening and to have those comments that they've made be a part of the history of this province for ever and ever and ever.

Unfortunately, we don't have for ever and ever and ever on this bill. Shortly, in probably 10 or 15 minutes, we'll have a vote on this amendment, and I fear that it will suffer the fate that the other hoist amendments have suffered in this particular Assembly and that the government continues not to listen to what we think is a very good idea. Just set the bill aside for a little while, think about it over the summer, get some more feedback, talk to the unions, figure out a way to work out some of these issues in a less confrontational manner. This government has all the power anyways. They don't have to succumb to these kinds of tactics to get what they want.

We would just urge them to act with some reason at this particular time and encourage them to support the hoist amendment that we see before us today under the signature of the Member for Edmonton-Gold Bar, who has worked so hard and so diligently on ensuring that we fully understood the implications of this particular bill in this Assembly.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Strathcona.
9:10

Dr. Pannu: Thank you, Mr. Speaker. I rise to speak on this hoist amendment. I think it's an opportunity for this House to seize this moment and fix a situation that really is quite disturbing. It threatens

labour peace in our hospitals. It certainly threatens the long-established and democratic rights of employees to organize and be represented by a union and to have the right to strike. These rights are simply being swept aside by this so-called innocuous legislation which seeks relatively modest change, using the words of the minister responsible for the area of labour relations.

Mr. Speaker, it's a bill that really is quite radical and far reaching in what it will do. It will set back labour relations in this province by 30, 40, 50 years, and that's not what Albertans want, that's not what health authorities should want, and that certainly is not what patients want. Patient safety must always remain a prime concern of all of us. Health authority boards, frontline workers, health care unions, this Legislature, the Minister of Health and Wellness, the Minister of Human Resources and Employment, everyone should put first and give highest priority to patient safety.

If this legislation is passed, which will deprive over 7,000 frontline health care workers, employees of regional health authorities in this province, I cannot see how taking their fundamental rights away will contribute to improving the conditions which guarantee patient safety or improvement in the quality of services provided in our hospitals to those of us who become sick and become vulnerable as a result and dependent on the good judgment, good logic, professional ethics, and commitment of the people who provide us health services.

Giving extraordinary powers to the Labour Relations Board to impose settlements, to sign agreements unilaterally, and hand them down to employees makes absolutely no sense. Whether it's the case that the labour board will have the right to do it both to the employees and the employers doesn't cut the mustard here. It's a very, very extraordinary piece of legislation in that it empowers the board, just the chair of the board, to do all of these things either to the employers or to the employees, and I don't think that should be acceptable in a free and open and democratic society. No board should have that kind of unilateral authoritarian right to impose agreements. Just to say that it levels the playing field for both sides in my view simply isn't an argument worth our attention. It's no argument. It's a nonargument.

If this bill passes, it will look like an attempt to rule and that the government is determined to rule by defeat rather than through appropriate legislation which has been carefully drafted: all its ramifications and implementations by and large are clear from the wording of the legislation. That's not the case with Bill 27. Quite the contrary. It's flimsy, it lacks any detail, and it puts all the powers of this Legislature into the hands of the Executive Council or the minister of the Labour Relations Board. This should never, never be contemplated, much less allowed to happen. Legislatures must remain supreme in the role that they play in our representative democratic political structures. They have a role which should not be abrogated or surrendered to other legitimate segments of the government.

So the effect of this bill will be in fact to write a blank cheque to the executive branch of the government to do what it wishes with the restructuring of the health authorities, with the rights of workers, with the collective bargaining process, with the working conditions, which we can all spell out that are necessary to underwrite patient safety in our hospitals. Patient safety is simply not possible to contemplate without the full co-operation and without the assumption that there's a motivated workforce and set of employees who are not only dedicated to the work that they do but feel appropriately rewarded and recognized for the work that they do. And these two conditions have to be there together, the dedication of the workers and the recognition of the importance of their work, guaranteeing them the respect and dignity that they deserve and should have.

So this bill will in my view destabilize the context of the workplace, the working conditions in such a fashion that it will both jeopardize the conditions which need to be there for patient safety to be put first and foremost and, secondly, it will jeopardize or certainly put in question the question of labour peace. Health authorities and hospitals as places where we go to seek healing and treatment and recovery are places that need predictability, that need amicable relationships and reasonable working relationships between employees on the one hand and employers on the other. If we turn hospitals into places where confrontation rather than co-operation is assumed by legislation, then we are in very bad shape, Mr. Speaker. This bill will lead to confrontation rather than voluntary co-operation and goodwill between employers and employees.

9:20

If postponing the consideration of this bill by six months or so means that we work with the old rules and the restructuring transition must move more slowly and a little more painfully, so be it. I think it's a price worth paying for ensuring and for getting the conditions which are conducive in the long run to provide us, as patients and families of ill and injured and sick, the assurance that good care will be provided and patient safety will be the outcome of the conditions of work and the framework within which employers and employees work.

So I guess, Mr. Speaker, this hoist motion is well intended in that it will put this bill off the Order Paper for the next six or so months. It gives the government to reconsider its position, it gives the regional health authorities to reconsider their position, and it will give all parties to engage in a consultative exchange of ideas and positions out of which should emerge a much better piece of legislation, which we would hope will address the problems that I see arising if this bill is passed.

This bill in a way is inevitable, sort of part of the sequence of events that were contemplated when Bill 11 was passed. Bill 11 gave rise to Mazankowski, of the Premier's advisory committee, which produced the Mazankowski report, and the Mazankowski report anticipated this antilabour legislation which is before us now. It really is an implementation of the worst parts of the Mazankowski report, and I think the House should reject this attempt to legislate what in the judgment of most Albertans are the worst parts of the Mazankowski report. There are some good parts of the Mazankowski report, but they fade in significance when you compare them with the flawed parts of the Mazankowski report.

The only part of the Mazankowski report that has received full implementation up to this point, Mr. Speaker, as we all know, is the 30 percent increase in health care premiums. This is the second part that's coming up, and if this bill is passed, that will I think further worsen the situation in the health care field.

So I will support this amendment, and I hope other members will as well. Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Glengarry on the hoist amendment.

Mr. Bonner: Thank you very much, Mr. Speaker. Again I rise to speak to the amendments put forward by the hon. Member for Edmonton-Gold Bar, and in this particular case it is a hoist amendment. I think it's a very good amendment because it gives us a chance to look at this legislation. As I mentioned earlier, it is a simple piece of legislation, it's a short piece of legislation, but it's also very shortsighted. The benefits that we are going to reap in this province from this legislation are short-term because it will not in the long run lead to the very things that we wish it to, and that is

harmony between labour groups, between employers, between employees, between the general public at large and the government. And what an excellent opportunity for us when we do have changes in the health care system taking place at the end of this month, what a great opportunity for all parties to sit down and look at problems they're going to encounter as we work through this particular new set of health regions and what impact it's going to have on the various unions.

I can't help but think back, Mr. Speaker, to the time when Lech Walesa was the head of the union and what a great, great person he was – certainly, this was at a time just prior to the crumbling of the Soviet Union – and how a person, a very intelligent person, a person with foresight, went from the point of being in jail in 1980 to winning the Nobel peace prize in 1983.

An Hon. Member: That's quite a leap.

Mr. Bonner: That is quite a leap.

Again, when I think of the oppression that occurred in the Solidarity trade union in Poland and what came out of it, it was remarkable. And I think that this legislation right here in its own much smaller way with less impact is going to do the same thing here in Alberta, that we're going to set up leaders in this province who are going to be extremely powerful. These leaders of the trade unions are certainly going to be militant because this is exactly what this type of legislation is doing to their rights.

I have to look at a quote that Lech Walesa made, and it comes from a great little book, *Great Quotes from Great Leaders*, and he goes on: "Everyone wants a voice in human freedom. There's a fire burning inside of all of us." The last thing we want to do in this province, Mr. Speaker, is ignite those fires of union unrest, because we have, as the minister has said countless times in this Legislature, relative peace amongst the unions and the employers. There certainly have been bumps along the way and there always will be those bumps along the way, and to bring in a bill that is fraught with controversy, a bill that is regressive against the rights of workers, then we are simply looking for trouble down the road.

We have right now staff shortages in our hospitals. We have shortfalls in funding and financing of our health care system. We have workers who go to work every day who say they're at a track meet because they don't stop from the time they get there until the time they leave. Is this going to be the button that triggers job action?

As I mentioned earlier, as well, what a great opportunity this would be for all of those MLAs that were elected during the last election, particularly those that campaigned that they would be the people's voice at the table, yet we haven't seen those members get up and debate in this Legislature, especially on government bills. How refreshing it was this afternoon in this very House when the Member for Calgary-Montrose got up and certainly represented one of the injured workers in his constituency in a very strong manner. Certainly, I hoped that that would be a great, shining example to other members, other backbenchers who don't have to be stifled, because regardless of all the legislation that we pass in this Assembly, Mr. Speaker, we all realize that what is even more important is that this Assembly is a symbol of free speech in our democracy. To come in here day after day after saying to constituents that you're going to represent them, that you're going to be their voice, and then sit by and see a piece of legislation such as this go by without consultation, without even regulations being drafted so that the workers know what rules they're playing with is wrong, and that certainly isn't what those hon. members got elected for and what they thought they would have when they came into this Assembly.

They certainly thought they would have that opportunity to speak. As I said, I certainly do have a new respect for the Member for Calgary-Montrose because he did get up and he did speak.

9:30

As we look around our region, we hear how we have the great work that's going on at our hospitals, whether it be the University, the Royal Alex, Sturgeon general, Grey Nuns, the Misericordia, all those wonderful hospitals, and our regional health authorities. To think that every member probably has in his constituency a few that are going to be affected by this legislation, yet we haven't had consultation. So this hoist would certainly give us that opportunity. It would give every MLA the opportunity to go back and see what those constituents of theirs think about this legislation. It would give them the opportunity to bring those views into this House and debate them openly and have that record in *Hansard*. How important that is.

I look at this legislation, and again reading in this book, *Road to Growth*, I think, Mr. Speaker, that we have to call a time out here, that we have to look at this piece of legislation, and we have to realize that it is fraught with failure down the road. This is like the Ford Motor Co. in 1958 when they pushed the Edsel out, and this is our Ford Edsel of this particular session. It's a piece of legislation that certainly might have some good components, but it's going to be badly overshadowed by its shortcomings.

When I was reading, certainly, in *Road to Growth* about how lagging economies become prosperous, I was struck by another quote in this book. It goes on to say, "Modern research shows that even the length of Great Depression, though not its onset, was more a policy error – too-tight monetary policy and inflexible wages – than a natural outcome." How those words ring so true when we look at Bill 27.

So, Mr. Speaker, I would urge all members of the Assembly to vote for this hoist amendment. It will give them the opportunity to go back to their constituencies to do the very thing they said they'd do when they campaigned at those doors, that they would be the voice of those constituents inside this House, not in a caucus meeting where there are no records but certainly where all of us can share net wisdom, can share net input.

Mr. Speaker, I certainly do support the hoist amendment, and I encourage all members to also support it. Thank you.

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

Mr. Lukaszuk: Thank you, Mr. Speaker. It's really disheartening to see how desperate the opposition must be to further their own political aspirations and causes that they would actually dig into books and misquote world leaders and try to draw some desperate comparisons between what's happening here with the bill before this House and what has happened in Europe and in Poland.

First of all, you know, I'm not sure if a little history lesson would fall upon deaf ears with the Member for Edmonton-Glengarry or if he has already expanded his cognitive abilities in his misquotes, but I'll give it a shot anyway.

Mr. Walesa, who he has been referring to, was indeed a union leader and quite an admirable character in our century. However, he was a character who has come to prominence because he was fighting against an oppressive socialist government, a socialist government that would probably resemble a government that one of the political parties across the aisle would form if ever given a chance, along the lines of the NDP perhaps or the Liberals. However, what is more important, Mr. Speaker, is to point out the

fact . . . [interjections] Obviously, the opposition is not interested in having some historical errors pointed out to them, but I will persevere.

It is of importance also to point out that Mr. Walesa, while trying to overturn this oppressive socialist or perhaps even communist government, was modeling himself on Canada and the United States, on North American governments much like ours, the one that we are sitting in here right now.

What also ought to be pointed out for the hon. Member for Edmonton-Glengarry is that when Mr. Walesa actually had managed to overturn the government and form a government himself, he had formed a government that was as democratic as this government is and had adopted many of the policies of our Canadian governments, federal and provincial. Mr. Speaker, it would be blasphemous to draw a parallelism between Mr. Walesa and any union movement here in this province. We do not have oppressive governments that would even resemble those governments of eastern Europe at that time, and the governments that have been formed in eastern Europe since are indeed democratic governments which are striving towards . . .

Ms Carlson: A point of order.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie, rising on a point of order.

Point of Order Relevance

Ms Carlson: Yes, Mr. Speaker. *Erskine May*, page 393, relevance. Is the member speaking on the hoist amendment?

The Deputy Speaker: Yes. The hon. member is speaking on a hoist amendment. I haven't heard anything directed to that, but surely you're going to tie this all in.

Mr. Lukaszuk: Well, obviously the ability to properly reflect on historical fact is as short as the span of attention of the hon. members because I was indeed getting to that point.

What needs to be said, Mr. Speaker, is that hoisting . . .

The Deputy Speaker: You were going to explain how what it is that you've been saying for the last few minutes is relevant to the hoist.

Mr. Lukaszuk: Indeed, Mr. Speaker. My comments are directly related to the hoist, as the opposition is arguing that this bill ought to be hoisted because the bill in itself presents such threats to the democracy of this province, parallel perhaps to what has been happening historically in eastern Europe. What I'm trying to exemplify is that there is no parallelism whatsoever and hence no need for hoisting.

9:40

The Deputy Speaker: I think, hon. members, that inasmuch as the hon. Member for Edmonton-Glengarry did bring this whole issue into his reasoning for supporting the hoist, we must bear with the hon. member for the opposite point of view, for opposing the hoist, which is what I presume the hon. member is doing. So I guess that one is as good as the other.

The hon. Member for Edmonton-Castle Downs to finish.

Debate Continued

Mr. Lukaszuk: Thank you, Mr. Speaker. Hence, since there is no parallelism, as I have, I imagine, clearly indicated, I would strongly urge this government to proceed with the bill before the House right

now and definitely vote against any amendment before the House to hoist this particular bill.

Thank you, Mr. Speaker.

[Motion on amendment lost]

[Motion carried; Bill 27 read a third time]

Bill 19

Gas Utilities Statutes Amendment Act, 2003

[Adjourned debate March 25: Mr. Mason]

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

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have the opportunity to make some comments at this stage about Bill 19, the Gas Utilities Statutes Amendment Act, 2003. It's at this stage that the Assembly traditionally goes back to the principles of the bill and revisits them now that we've had an opportunity at second reading to speak to the principles and at the committee stage to look at the details.

It wasn't that long ago, Mr. Speaker, that the natural gas business in our province was pretty simple. I think most Albertans were pretty proud of the system that we had. It was reliable, it was low cost, and I think that, in general, Albertans felt good that we were using our natural resource for our own benefit. I even recall driving around the province and seeing signs that used to have arrows on them that pointed up to the sky and said, "You're looking at some of the cleanest skies in the world" because of our burning of natural gas. So I think there was a general satisfaction with the way things were going with the natural gas business in the province and, particularly, with respect to consumers.

I guess the question has to be asked: what happened? What was wrong with the system that we had in place, that most people were satisfied with, that was providing heat to our homes and energy for industry at a low cost? What happened to change things? I've heard answers to that question in a number of places. The most commonly given answer is that something happened south of the border, that it was actually moves in the United States and movements there towards competition that really were the spark that ignited a whole host of deregulation efforts across that country, and of course the explanation has spilled over into Canada. I guess the act that started it all was in 1978 when Congress ended the federal control over the price at the well. That seems to have been the beginning of the efforts to deregulate the natural gas industry, and as I said, it has spread north of the border, and we find ourselves with another bill related to deregulation.

They seem to be predicated on a number of principles, but there's one principle that underlies all of it, and that's a blind faith in the competitive market, that somehow or other the competitive market can do all and can provide low-cost, reliable service with respect to any commodity just given the right conditions. I think that that's questionable, and it's being questioned in a variety of places. It's certainly being questioned south of the border, where it first raised its head. The deregulation there has been characterized by a belief that competition will bring lower prices. One author has indicated that this seldom materializes for consumers, for those of us who have to have the supply of gas at our homes, that it may in some cases result in lower prices for industry but that it has yet to be proven for those of us who depend on it for heating our homes, that we'll be waiting a long time before it delivers lower prices for us and for a number of reasons. It seems that for every plan that's put in place – and that's certainly been the experience in our province – there are unforeseen market conditions that arise that prevent the price

reductions from coming into place, things like stranded costs that are passed on to consumers, and again it's usually residential customers that are the last, if ever, to benefit.

I looked at some of the summaries of the experience in the States, and they pointed out the real need for advocates, for families to be on top of deregulation legislation, and we really haven't seen or heard a lot of that in the debate. It's part of the problem that arises when legislation is moved through the Assembly as quickly as this legislation has been, that those groups who might speak for families, the conservation professionals, in many cases are not even aware of the legislation, certainly not aware of the provisions, and haven't had an opportunity to look at the kind of impact that it will have on residential consumers and customers. I think that that's unfortunate. I think that if you were going to predict anything, you could predict that we will be here at this same time next year or maybe even sooner, next fall, with some more amendments to the Gas Utilities Statutes Amendment Act, trying further to fix it, and again that will speak to the haste with which it's been pushed through the House.

It's rather interesting as you look at the bill, Mr. Speaker, that it is called a deregulation for the natural gas industry. If you look at the provisions of the bill and the kinds of regulations that can be made, starting with section 28.1(1), they lay out the regulations that the cabinet, the Lieutenant Governor in Council, may make. When you read that list, it's two and a half pages long, and it's astounding in what is supposed to be a deregulated market that there's a need for so many regulations. They go from "respecting the powers, duties, rights and obligations of gas distributors, default supply providers, retailers and customers" all the way through to "respecting records to be kept by gas distributors, default supply providers and retailers;"

- (h) establishing a code of conduct governing the relationship between
 - (i) a gas distributor and its default supply provider,
 - (ii) a gas distributor and its affiliated retailers, or
 - (iii) a gas distributor's default supply provider and an affiliated retailer,
 or any aspect of the activities of the parties in the relationship.

I mean, the provision for what is going to amount to just a whole vast number of regulations is set up in this bill.

Instead of making life simpler for customers – and in particular my concern is the residential customers – life is going to become a lot more complicated. They're going to end up having to make some decisions that many of them feel ill equipped to make and are going to be put in I think an unsatisfactory position of trying to work their way through a number of retailers who will be making various offers to them and trying to understand those offers and the long-term implications. We've already seen examples of the retailers in action and the kinds of abuses that can occur and the kind of distress that's it's going to cause residential customers. We saw that earlier last week, I guess it was, in the Legislature with the case of an elderly resident who had been approached by a retailer with some rather unsatisfactory results.

9:50

It's a bill and it's a move on the part of the government that, again, is hard to understand. Why are we in this whole mess? What was wrong with what we were doing? Is ideology, blind faith in a particular economic model, really good enough to explain turning the province on its head and putting the province through the kinds of contortions and convulsions that the deregulating bills, whether it's Bill 19 or the electrical, Bill 3, that we have in front of us – is it worth the kinds of problems that are arising as a result of the legislation? Has the government not really lost sight of whom they're serving in terms of the utilities and the best way of going about providing that service?

So I conclude, Mr. Speaker. It's unfortunate that we are involved in this kind of legislation. I think it's even, as I said, more unfortunate that it's been pushed through the House as hastily as it has. Again, as I said before, I think we're going to be back here not too long from now with another package of amendments to try to fix the kinds of problems that will occur as a result of the legislation that's going to be passed here in Bill 19.

Thank you, Mr. Speaker.

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

Dr. Pannu: Thank you, Mr. Speaker. I'd like to join debate in third reading of Bill 19, Gas Utilities Statutes Amendment Act, 2003. I have had the opportunity, I guess, of speaking to this bill before, a couple of times at least, and putting on record my very serious reservations about this bill.

This bill obviously tampers with existing legislation to facilitate, it seems, on demand, more or less, a new company being invited into the new natural gas market structure that's being put in place, the company's name being Direct Energy. I think it would have been far more appropriate to give transparency to the title of this bill and call it the Direct Energy activities bill or something. It really is a bill which might as well have been drafted by lawyers for this company, Direct Energy, which this government seems to be so desperate to see enter the Alberta scene without asking the hard questions either about the record of this company in terms of billing practices and failures, of which we have learned a few things from Britain, or whether or not the entry of this company essentially as a retailer will do anything other than add to the costs to consumers of the billing services, which will now have to be assessed both at the level of wholesale and retail. This duplication will lead to an increase in the cost to small consumers, household consumers in particular, and small businesses.

Mr. Speaker, it's a bill that is intended to deregulate completely the market, with the consequences that have been apparent for some time both in the utilities area in general, electricity in this province, and natural gas. Things are bad as a result of deregulation, very bad indeed. One just has to look at one's bills over the last year or two to see how bad the situation has become largely as a consequence of the deregulation policies of this government. This bill will make the natural gas consumers' situation worse. If it has been bad before, it will become much worse now as a result of this.

I was looking at a recent piece of communication that the Alberta Rural Utilities Association sent to its members. The Alberta Rural Utilities Association is made up of several groups. I can see that there are about seven of them: Federation of Alberta Gas Co-ops, Alberta Federation of Rural Electrification Associations, Alberta Association of Municipal Districts and Counties, Alberta Water Co-ops, Gas Alberta Inc., Prairie Power Ltd., and Rural Electric Services Ltd. Now, these companies decided to form an association as a response to the pressure that they were receiving from the government to sign onto its deregulation agenda. This association, in its recent newsletter that it sent to its members, says – and I'm going to quote here and there:

Members of the ARUA [Alberta Rural Utilities Association] are united in their concerns about the impact of electricity and gas deregulation on small consumers . . . The ARUA is currently informing provincial government officials and legislators of the broad opposition to some of the current provincial government deregulation plans.

Then I have another quotation here, Mr. Speaker, from Dan Asner, president of the Alberta Federation of Rural Electrification Associations. Mr. Asner says, "The consequences of deregulation for the small consumer are quite alarming." He goes on to say, "Some have estimated the costs at thousands of dollars per consumer, and the

people I talk to just can't afford it and they don't want it!" It's an interesting commentary by rural associations, which represent small consumers, their members, and these are nonprofit organizations which have successfully delivered natural gas, electricity, utilities to their members at the lowest cost on record.

10:00

Another major partner in ARUA is the Alberta Association of Municipal Districts and Counties. Its president, Jack Hayden, is close to the rural community and is also quite particularly concerned about the impact that utility deregulation will have on small consumers in rural Alberta. He says:

We have many challenges in rural Alberta – low commodity prices, high input costs, a devastating drought – and the last thing we need is uncertainty about our electricity and natural gas bills as well. The deregulation initiative hasn't demonstrated any benefits to rural Alberta so far, but one thing it has clearly shown is the importance of mechanisms to protect consumers from price instability and opportunistic business practices.

Now, further down in this newsletter, Mr. Speaker, I will quote a little more and then go on to make some other observations. I think it's important to put on the record the concerns of these small consumers represented by this rural utility association and their members. This is a statement in the newsletter.

Government is already seeing that electrical deregulation that was supposed to reduce prices through increased competition is resulting in exactly the opposite. A major utility has applied to the Energy Utilities Board for a temporary rate increase to cover a projected shortfall of \$15 million in distribution costs for this year.

Of course, these association spokespersons and this umbrella association representing all rural utilities is anticipating some criticism, so the newsletter says:

We may be accused of living in the past or being unwilling to change. That is not true at all. Rural Alberta has some of the most technologically advanced utility distribution and service systems in the world. We also have tremendous safety training and experience and the service we provide to our customers is second to none. Our utility systems are evolving every day.

And they're very good.

The next paragraph is significant here.

We may be accused of fearing customer choice.

That's the key rationale behind deregulation and Bill 3 and Bill 19, Mr. Speaker. So they're saying:

But that also is not true. What choice is it if one has to choose between company A and company B and one doesn't want to do business with either? Utility companies aren't like fast food outlets – there aren't hundreds of them to choose between – there are very few. Most of these are large corporations catering to shareholders who want profits. Their interest in customers is limited to how the customer can generate profits.

That's the essence of my concerns about this bill as well. This bill, as I said, is a bill virtually written by the lawyers of this new company, Direct Energy, to come into Alberta and enter the retail field. This is a company whose activities and work will not add a single cent of value to the commodity or to the service. All they promise is bundling services, that we already have in this province, available in abundance, under conditions of free and open competition provided by Alberta-based providers of these services, whether it's furnace cleaning or new furnace installation or putting humidifiers on our furnaces or selling filters for these furnaces. We can go on and on and on.

There isn't an absence of competition, but if company A and company B, as this newsletter says, regardless of which company is offering the service, isn't something that you want to do business with, then what's the point of so-called choice? Adding another company by tampering with the existing legislation and framework, which has served to give us both stability in terms of prices and low

prices, seems not only wrong-handed; it's intention does not seem to be at all to provide consumers with the protection or security and stability of low prices. The intention seems to be to assist a big marketer to come into Alberta and underwrite the risks for it to do business in this province. That's not what this government should be about. That's not what this Legislature should be concerned about. The job of big corporations is to be able to take risks and handle them themselves without the assistance of governments or Legislatures.

That's why, Mr. Speaker, it's a bill that needs to be rejected by this Legislature. It's setting a very, very bad precedent. If this Legislature becomes simply a rubber stamp for companies' wishes, expressed in the form of some draft legislation, that will be a bad day for the province, for the consumers of this province, and for our democratic powers that we as a Legislature have.

So I will not be supporting this bill and would urge other members of the House to consider doing the same. Thank you, Mr. Speaker.

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

Ms Carlson: Thank you, Mr. Speaker. This is our last kick at the cat, so to speak, on this particular bill, Bill 19, the Gas Utilities Statutes Amendment Act, 2003. I think that on a bill like this we have to ask ourselves the question: why is it being brought in, who benefits, and why at this time? Seeing as we have had gas deregulation for some years now, the biggest reason I can see in all of the information that we have had presented to us is that they need this particular legislation so that new companies coming into Alberta can bundle services, bundle electricity and gas together along with other services and provide what is a more profitable package for them to give to consumers. It doesn't look to me like we see anything else more substantive than that as a reason.

So then the question is: does that help the people of Alberta? Does it lower their costs? Does it provide them with better service? In terms of service many of them will get one bill instead of two, so there's some streamlining in that regard, but they're going to be paying a high premium for that. They pay a service charge for that to be done. Plus we have seen through this whole deregulation crisis and mismanagement over the past number of years prices skyrocketing, not wholly because of deregulation but certainly in some contributing manner, Mr. Speaker, and that's a real problem.

Then in what happens to be one of the most substantive pieces of legislation, as a companion piece to Bill 3, and then as another substantive piece, Bill 27, we see this government take this hat trick of bills and shove them through the Legislature in a very short amount of time, where they bring in time allocation. I've got lots that I want to say about time allocation and what other jurisdictions do with regard to this and the other bill we still have under debate and also information that we weren't able to present in committee because of the shortage of speaking time and a whole lot of other good ideas, like the one we talked about earlier this week being the net metering, that I want to present.

Given the hour, Mr. Speaker, I believe that I will now adjourn debate and continue tomorrow.

10:10

[Motion to adjourn debate carried]

The Deputy Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. In light of the hour I'd move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 10:11 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, March 26, 2003**

1:30 p.m.

Date: 2003/03/26

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy. As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Well, thank you very much, Mr. Speaker. It's indeed my pleasure today to introduce two members from the constituency of Fort McMurray, and they are the president of the chamber of commerce in Fort McMurray, Bob Gazzard, as well as one of the directors, Carol Yayechnick. I want to say that Carol and Bob are truly people that represent and exemplify the spirit of our city slogan: we have the energy; nous avons l'énergie. I'd like to ask them both to rise today and receive the very warm welcome of the Alberta Legislature.

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you very much, Mr. Speaker. It's indeed a pleasure to rise and introduce to you and through you to all members of the Assembly here some very bright and energetic young students from Blessed Kateri elementary school in my area. They are accompanied by their teachers Mrs. Mhairi Miskew and Ms Cathy Kahanyshyn and parent group helpers Elizabeth Suwala, Nancy Coco, Yolanda Creswell, Elaine More, and Mrs. Connie Kahanyshyn. I would ask all of our special guests from Blessed Kateri to please rise and receive the thunderous applause of this Assembly.

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much. I rise on this glorious Alberta day to introduce to you a very rare Albertan. It's not often that we have a world cup champion and a gold medalist, but today we have them in the same person, and I'm referring, of course, to my brother-in-law Pierre Lueders. Pierre, of course, was the gold medalist at Nagano in the two-man bobsled. His accomplishments in representing Canada in the Olympics and at world championships are too numerous to register, but I would like to point out that there are 19 gold medals, 12 silver medals, 17 bronze medals, three world championships, and one Olympic gold medal in his repertoire. Of course, Mr. Speaker, you can appreciate that with my athletic ability I've counseled Pierre on all matters of bobsledding including the use of spandex outfits. It worked out much better on him than it did on me.

I would also like to take this opportunity to introduce to you and through you to the House a very special lady. Of course, Mr. Speaker, they say that behind every successful politician is a very surprised wife, none more than mine. I think I would say on behalf

of all members of the Assembly that our spouses allow us to do this, and I would like to publicly thank and introduce my beautiful wife, Veronica, and her brother Pierre Lueders.

The Speaker: The hon. Member for Little Bow.

Mr. McFarland: Thank you, Mr. Speaker. It's a pleasure for me to introduce to you and through you someone who when I looked up in the gallery I didn't expect to see, Mr. Chris Schonbrun from Lethbridge, Alberta. Chris is the manager of the Lethbridge Housing Authority. He grew up around Iron Springs and Picture Butte. His wife, April, is an RN at Lethbridge regional, and he's been a good friend for quite a while. Welcome, Chris, and please receive the warm welcome.

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

Dr. Massey: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to all members of the Assembly Mr. Steven Brodie. Steven is a key communicator for the McNally school council, where his daughter attends school, and in addition he is the chair of the Holyrood school council, where his son attends school. Steven is a passionate public school advocate, and I will be tabling his submission to the Commission on Learning later this afternoon. I ask you all to join me in welcoming Steven Brodie.

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

Dr. Taft: Thank you, Mr. Speaker. It's my pleasure to rise and introduce to you and through you to all members of the Assembly once again a parent from Windsor Park school who is observing the proceedings here regularly on behalf of a whole set of parents and of parent education advocacy groups. She's in the members' gallery. Her name is Melanie Shapiro, and I ask you to give her a warm welcome.

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

Dr. Pannu: Thank you very much, Mr. Speaker. I've got two introductions today. I'm pleased to introduce to you and through you to members of the Assembly 25 grade 6 students, bright boys and girls from Our Lady of Mount Carmel school, which is located in my constituency. They're accompanied by Mrs. Nicole Cunningham and two student teachers, Dean Carter and Jodi Walker. All of them are seated in the southeast corner of the public gallery. I would now request them to please rise and receive the warm welcome of the Assembly.

Mr. Speaker, it's my pleasure to introduce the second set of visitors, who are parents from Strathcona Nursery School, located at King Edward school. They are very concerned about the drastic rent increase for their nursery school that they see as a direct result of the provincial government's underfunding of education. They are Shauna Bevan-Stewart, Jill Cerezke, Kirsten Goa, David Goa, Talia Goa, Theodore Goa, Neil Robinson, Lisa Puchyr, Nikki McGill, Krista Wintoniak, Sandy Marcynuk, Susan Hagen, Shawn Robinson, Madeleine Ani. I suspect that they may be sitting on both sides of the House. I will ask them to please rise and receive the warm welcome of the Assembly.

head: **Oral Question Period**

The Speaker: First Official Opposition main question. The hon. Member for Edmonton-Centre.

Lobbyist Registry

Ms Blakeman: Thank you, Mr. Speaker. Since 1996 when the Official Opposition introduced Bill 223, we've been asking the government to implement a list of those persons and organizations who lobby the government. Albertans continually get the same response as was given by the Minister of Government Services in November 2001 when he said that such registries are strictly public relations exercises. However, this week Albertans have learned of the lobbying by big tobacco against efforts to clamp down on smoking and Tory country club soirees paid for by corporations and special-interest groups. My questions are to the Premier. Will this government commit to adopting the Alberta Liberal plan for a transparent list of people and organizations who lobby the government?

Mr. Klein: Well, first of all, Mr. Speaker, I would like the hon. member to stand up in this House, be honest, and mention and say out loud for all to hear about this great lobbying effort, this country club soiree, as she talks about: the dates, the times, who was there. Give us the evidence. Don't come out with this vicious, malicious, false innuendo.

Mr. Speaker, relative to tobacco industry ties, I didn't read the story, but I was asked yesterday by the media if I had been lobbied by Rod Love, who, as you all know, used to be my chief of staff, and Hal Danchilla, who used to work for the government as an executive assistant, now working as private consultants. I can say with all honesty that I have never been lobbied by Rod Love, Hal Danchilla, or anyone else representing tobacco companies. Never, never, never. For this hon. member to stand up and imply, to make the implication, the insinuation that we're subjected to lobbying by these people is shameful, and she ought to apologize.

1:40

The Speaker: The hon. member.

Ms Blakeman: Thank you. Given that this government's Tory cousins under Brian Mulroney established a lobbyist list, what is this government afraid of?

Mr. Klein: Mr. Speaker, we don't need a lobbyist list. We don't need a lobbyist list. We don't care who approaches the Liberals. They have their groups of people, like the Parkland Institute, this new Riverview school foundation. They're in the business of lobbying and pressing those Liberal members to bring forward matters that concern them as constituents, and that's fair. That's fair. That's what should be done.

There was also a story in the newspaper, I understand, about MLAs attending receptions. Well, I would remind the members of the Liberal Party that they are invited to many of these receptions as well. And you know what? I've never seen them refuse a free lunch or a free reception, you know. But I can tell you that these receptions – I'll go back to last week. There was one sponsored by the Canadian Diabetes foundation, a nonprofit organization. At the same time there was one sponsored by Bell Telephone. Mr. Speaker, this evening, I understand, there's a reception sponsored by the Chambers of Commerce. Nothing wrong with that. I meet in my office with numerous people relative to numerous issues, from nonprofit organizations to corporate interests to charitable organizations to groups that want legislative changes, and they also meet with these people. So to stand up and be as – I can't use the word "hypocritical" – sanctimonious as they are is, to say the least, dishonest.

Ms Blakeman: Given that it is a requirement that donors to political parties are listed in public documents, why aren't paid lobbyists made public through a lobbyist list?

Mr. Klein: Paid lobbyists? We don't have paid lobbyists. This is not the United States, where lobbyists register. We have numerous consultants who represent various companies and nonprofit organizations and other organizations. Plus, some organizations like the Canadian Association of Petroleum Producers, the Pembina Institute, the Parkland Institute have their own people in-house who approach government, well, pretty much all the time on numerous issues. Mr. Speaker, there is nothing wrong with it. There is nothing wrong with it. If she's talking about and alluding to the people who might want to host a reception, what they do is they register. Fine. Then they hold the reception anyway. So big deal. What's the big deal about it?

Access to Government

Ms Blakeman: In 1997 the then MP for Edmonton Southwest, now the Member for Edmonton-Rutherford, was quoted as saying: a few years ago many people thought the government of Alberta was run from the 19th hole of the Mayfair club. He also argued for a lobbyist registry and stated: for every yin there is a yang. My first question is to the Minister of Learning. Do parent groups requesting more funding from this government have to buy access by holding feasts at country clubs?

Dr. Oberg: Mr. Speaker, that's quite a revolting question and really doesn't deserve an answer, but I will say that tomorrow afternoon I'm actually meeting with 10 different parent councils.

The Speaker: The hon. member.

Ms Blakeman: Thank you. My next question is to the Minister of Human Resources and Employment. Will AISH recipients be more successful at getting a cost-of-living increase by holding soirees at country clubs? [interjections]

The Speaker: The hon. minister has the floor.

Mr. Dunford: I don't think that would be the way for AISH stakeholders to go about it. I think the more proper way is something that happened just recently. Mr. Speaker, you might be interested in this, as hon. members might be interested as well. I was asked to attend – I think they had coffee, but I don't drink coffee, so I'm not sure what else was there besides water. I was invited to go over to the Inn on 7th, which is a local establishment here in the city. Actually, I used to live there. I thought it was kind of country clubbish until, of course, the television cameras went in and looked at the room I had. Then that took care of any country club attitude there.

There is a group that is informally put together called the Alberta Disabilities Forum. They asked me if as minister I would go over and talk about the current status of AISH and what we saw in the future. I was glad to go over there and meet with them and say: look; I'm very concerned – I'm very concerned – about the sustainability of AISH.

An Hon. Member: They want them to register.

Mr. Dunford: Well, you know, I think that's what they do. If I'm hearing the hon. member correctly, they would want all of these

people that have worked their hearts out for the people that they represent – they're some of the nicest groups of people that I've ever met with. They were sincere about their issue. They poured their heart out to me, Mr. Speaker, about how they felt about this particular situation. I was very glad to go and meet with them, and I would meet with them again if they gave me the opportunity. As a matter of fact, I've indicated to them that after we have the budget on April 8, they're going to be one of the first groups that I go back to.

So I think that if you make a representation to a minister or a group of ministers in Alberta, we're going to respond. We're open, we're transparent, we care about these issues, and we're going to meet with these people.

The Speaker: The hon. the Premier to supplement.

Mr. Klein: To supplement, Mr. Speaker. I find this line of questioning outrageous, inappropriate, improper to say the least.

Mr. Speaker, the hon. Minister of Human Resources and Employment talked about meeting with a group concerned about AISH payments. I can tell you that every MLA in this caucus, every minister in this caucus meets with people in the back of fire halls, at curling rinks, yes, at country golf courses, and occasionally at the Mayfair Golf & Country Club, as do the Liberals – I've seen the Liberals golf there from time to time; you can't tell me they don't socialize at the 19th hole – at cattle sales, you name it. Our MLAs are there listening to people and taking under serious consideration their concerns. In other words, they don't become so compelled and so obsessed with the dome; they get out and they talk to constituents in a number of environments. That's why we have 74 and they only have seven.

Ms Blakeman: Well, again to the Premier. Low-income seniors haven't wined and dined this government. Is that why they have seen much-needed programs cut back over the last decade?

Mr. Klein: Mr. Speaker, again, this line of questioning is malicious, it's false, it's misleading, it's improper, and it's insulting to seniors' groups. Any seniors' group who wants to meet can meet with either me or the hon. Minister of Seniors or any other MLA or any other minister. To imply that these seniors or any other group has to hold a lavish dinner at a country club is so ridiculous, so wrong, so false, so misleading that this hon. member should have the courtesy to stand up and apologize. She should stand up and apologize, but I don't expect that she will.

1:50

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Energy Deregulation

Mr. MacDonald: Thank you, Mr. Speaker. Every month, as a result of energy deregulation, the Progressive Conservative government continues to dip their hand into the pockets and into the purses of Alberta consumers because of the expensive deregulation policies that have led to the energy scandals. Now, I would like to publicly lobby on behalf of Albertans for affordable energy costs. My first question is to the Premier. Given that the Premier promised that when the temperature goes up this spring, natural gas prices would go down, why are Albertans still faced with natural gas prices for the month of April that average \$8.75 a gigajoule?

Mr. Klein: Mr. Speaker, it's a simple matter of economics. March's bill is usually recorded in April. That's the way it is. You know, when I pay my cable, when I pay my electricity, I pay what I consumed last month in the next month. And I didn't say that when the temperature goes down, the prices go up.

An Hon. Member: That's because it's obvious.

Mr. Klein: No. I said that when the temperature goes up, consumption comes down. What I did say is that when the temperature is up, the Liberal rhetoric is down, and when the temperature is down, the Liberal rhetoric is up.

Mr. MacDonald: Again, Mr. Speaker, to the Premier: why, given that utility bill add-ons were supposed to be a temporary part of deregulation, do Albertans have to pay now nearly \$30 million worth of add-ons on their April natural gas bills? Explain that.

Mr. Klein: Yes, I can explain it, and I'll have the hon. Minister of Energy give a more detailed explanation, Mr. Speaker. I know that the hon. Member for Edmonton-Highlands knows this because not only was he on city council, he was a member of the EPCOR board. He knows full well that billing processes in a regulated environment and in a deregulated environment, in any environment – those billing charges, all of the add-ons were included in the overall price, and people were not given a breakdown. People simply were not given a breakdown, and that was probably company policy. If it wasn't, perhaps the hon. member can stand up and explain the situation as it was when he was on the board.

Mr. Speaker, I'll have the hon. minister supplement.

The Speaker: The hon. minister.

Mr. Smith: Thank you, Mr. Speaker. It's very difficult to explain in cold, logical terms because of the absolute confusion and mix-up between gas and electricity that the Member for Edmonton-Gold Bar has put forward, the absolute confusion and misinformation campaign from the Member for Edmonton-Highlands. In fact, the confusion that these two members generate is going to cost the taxpayers money because we're going to have to undertake a consumer education program that clearly outlines the choices Albertans have and not to be misled by misinformation, ramblings in the media, and totally inaccurate statements about what deregulation is all about.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the Premier: given that the confusion and frustration by consumers is caused by the failure of electricity and natural gas energy deregulation, will the Premier now admit that the Progressive Conservative's energy deregulation boondoggle translates into high home heating costs year-round for Alberta consumers?

Mr. Klein: Mr. Speaker, first of all, the only confusion that has been created has been created by the Liberals through their campaign of misinformation.

Relative to natural gas prices it stands to reason – and any elementary school student, any grade 2, 3, 4 student can understand – that when the price of a commodity goes up, you pay more, whether it's sugar or coffee or flour or potatoes or gas or electricity or wheat or barley. When the price of a commodity goes up, you pay more. And the price of gas is up.

The Speaker: The hon. leader of the third party.

Calgary Board of Education

Dr. Pannu: Thank you, Mr. Speaker. School superintendents serve two masters, their elected school boards and the Minister of Learning, and this minister keeps superintendents on a very, very short leash. A letter that can only be described as government propaganda is being sent to parents next month in school newsletters by the superintendent of the Calgary board of education. The superintendent's letter all but tells parents to zip it and stop criticizing the Tory government's education funding policies. My questions are to the Minister of Learning. What role did the minister or any of his officials play in the decision to send out this government propaganda to Calgary parents in the form of a superintendent's letter?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much, Mr. Speaker. I'm sincerely very happy that that hon. member chose to ask me this question today. The letter in question is a letter that was put out by the superintendent of Calgary public schools. I believe it was at the start of this week or the end of last week. It was completely unsolicited. It is actually a letter that is entitled Collaboration with Government. It's my understanding that most Albertans actually want their governments, their school boards, their municipal councils to collaborate and work together. This is an excellent letter. He chose to put it out in his superintendent's statement. He does it once a month. He has done it in his newsletter. He has done it once a month for the last 25 or 30 years in Calgary public.

If I may, this is the type of letter it is, and I will read the last paragraph, which sums it up.

I am a very strong supporter of teachers, support staff, parents and the community with respect to their massive contributions to student learning. Once in a while, would it not also be good for us to acknowledge that Alberta Learning is a major player in the business of public education?

The Speaker: The hon. leader.

Mr. Klein: Mr. Speaker, this . . .

The Speaker: I'm sorry; I've already recognized the hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: why is it okay for a superintendent to send progovernment propaganda to parents, but it's not okay for the Edmonton public school board to send a letter to parents outlining the consequences of government-imposed funding shortfalls? Why the double standard, Mr. Minister?

Dr. Oberg: Mr. Speaker, as I said, this is a regular letter that the school superintendent sends out once a month. Edmonton public has sent out letters to their public.

I was not the one who raised this as an issue. It's an excellent letter. It was tabled in this Legislature, which shows the benefit of it that is coming from Calgary public. Again, what the superintendent is simply saying is: hey, you know, Alberta Learning does some pretty good stuff too.

I would ask the Premier to supplement as well.

Mr. Klein: Well, Mr. Speaker, again there seems to be a little bit of

mischievousness going on here. The ND opposition has no problem when the ATA through teachers in any public school system sends home information. They have no problems whatsoever. They say that's good. As a matter of fact, they table those letters in the Legislature. They table numerous letters in the Legislature that are negative toward public education. But when some member of our caucus, the hon. Member for Calgary-Shaw, tables a letter, one letter, that says quite simply,

I want to take a rather different line in this newsletter and say a few words in support of our provincial government – directing my comments specifically to the education system,

this coming from the superintendent of schools in Calgary, they get bent out of shape.

Now, what is wrong? Are they saying that this superintendent is wrong, that he is dishonest, that he's not concerned? Is that what they're saying? If they're saying that or implying that, then stand up and say so. Are they saying that this letter is wrong, that it's wrong to collaborate with government? Then stand up and say so. Are they saying that it's only right to collaborate with the NDs and strategize with the NDs and to become absorbed with their socialist policies? That's okay. But when someone says something good about the government, oh, God, you can't say that.

2:00

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. My final supplementary to the minister: why is the minister attempting to silence parents by sending an intimidating letter from a school superintendent containing a subtle warning to not criticize his department and his Tory government?

Dr. Oberg: Mr. Speaker, you know, this is the second time today I've found a question extremely revolting, but this one in itself, where he said that we actually wrote this letter – we have a superintendent of the largest school district in Alberta who actually is saying that the 3 and a half billion dollars or \$4 billion that goes to public education in Alberta is spent well, is doing good things, that our students are well educated, that we have an excellent learning system, that we spend more money on education than anyone in the country. This letter is quite simply a letter that states to us, to the government of Alberta, to the people of Alberta that we have a good system and that we should recognize it. I'm personally very insulted when this hon. member says that I wrote this letter. It's extremely dishonest of the hon. member to say that.

The Speaker: I am unaware that this letter in question has been tabled, so perhaps at the appropriate time this afternoon it would be tabled.

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

Deer and Elk Population

Mr. Goudreau: Thank you very much, Mr. Speaker. My first question is for the Minister of Sustainable Resource Development. Again high numbers of deer and elk are posing havoc in parts of rural Alberta. This is especially evident in my constituency of Dunvegan, where herds of 50 to well over a hundred are roaming around. Not only are they getting into stacked hay and other feedstocks, but they are the cause of many vehicle accidents. We have deer trapped in ice on farmers' aeration systems and dugouts. We are losing hay and silage piles. Snowed-under crops are being devastated, and fences are being damaged. Can the minister tell us what is being done about this issue?

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. That's an excellent question. Definitely there are a high number of deer and elk in Alberta, and we continue, of course, to monitor the situation very closely.

You know, it's interesting to note that the deer population has increased by 50 percent since 1991.

Dr. Taylor: How much, Mike?

Mr. Cardinal: Fifty percent since 1991, so it's a real challenge.

Mr. Speaker, there were an estimated 4,000 to 6,000 accidents last year between animals and motor vehicles. Unfortunately, there were three fatalities, so we do have a challenge.

We do have a plan to deal with this specific situation, Mr. Speaker. Number one, of course, is to increase the hunting; number two, lengthening the white-tailed deer season from one week to one month in 15 wildlife management zones; additional supplementary licences for white-tailed deer also will be available in certain areas; and of course we are also developing two additional management zones in order to deal with that specific problem. We are looking at better signage. We'll be working very closely with Transportation in some areas. We may have to look at reduced speed limits. The other area is the habit of moose and deer crossing roads in certain areas. We need to look at how the landscape is developed. It's definitely a challenge. The other problem we have is deer and elk and moose have become urbanized and they've become reasonably tame. That creates yet a further challenge for our government.

The Speaker: The hon. member.

Mr. Goudreau: Thank you, Mr. Speaker. My second question is for the same minister. How can rural Albertans learn about what they can do to prevent problems with deer and elk?

The Speaker: The hon. minister.

Mr. Cardinal: Yes, Mr. Speaker. We are working, of course, very closely with other government agencies and stakeholders in order to work towards preventing wildlife damage to certain crops. In fact, we do help agricultural producers now to prevent damage in a number of ways through our ungulate damage prevention program, for example. The other is that staff works very closely with a farmer in relation to a store of feed and also the ability to develop fencing in some areas.

The Speaker: The hon. member.

Mr. Goudreau: Thank you, Mr. Speaker. My final question is for the Minister of Agriculture, Food and Rural Development. There are programs available, as the hon. minister indicated, to compensate some of our Alberta producers and to compensate for some of the damages that they're experiencing from deer and elk, but can these programs be enhanced to cover losses to stacked hay, the damaged fences, and the damaged buildings?

Mrs. McClellan: Mr. Speaker, the member is quite correct. There is a program in place to cover losses for stacked hay. That program is administered by Agriculture Financial Services, and it's been in existence for about two years. Producers should contact their local Ag Financial Services office to see if indeed their situation meets their guidelines. The guidelines primarily are on stacked and stored

hay, and it has to be stacked at a site that's readily accessible for feeding or transport. Today there are no programs for damaged fences and buildings, and we encourage producers to contact their private insurance carrier. Those producers do carry insurance on their farm, which is outside of our insurance programs, and those programs could possibly compensate for stacked and fenced hay.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Lac La Biche-St. Paul.

Education Funding

Dr. Massey: Thank you, Mr. Speaker. Deficit budgeting was not the answer to provincial financing of programs nor is it the answer to school board financing. Despite claims of astronomical funding increases the fact is that the buying power of school boards has remained relatively unchanged for the last 10 years. My first question is to the Premier. Why is going into debt illegal for the government but sanctioned for Alberta's two largest school boards?

Mr. Klein: Mr. Speaker, to insinuate or to imply in any way, shape, or form that it is sanctioned is absolutely wrong – absolutely wrong. We are not sanctioning it. We are saying as a last-ditch measure that if school boards need to, absolutely need to, they can run a deficit for three years, but they must pay it back. They must achieve a balanced budget. This is a case that may or may not come about because, as I understand it, the budget hasn't been tabled yet, but it is one of the options that is being explored by the Minister of Learning and people in his department. We don't know if that last-ditch, that emergency measure will have to be taken.

I'll have the hon. minister respond.

Dr. Oberg: Thank you very much, Mr. Speaker. The hon. member raises two points. About the potential deficit of Edmonton public, well, first of all, the reason that we are allowing them to carry it over for three years is because it has come about so late in the year, we do not want them to penalize students, to do some things that aren't necessarily that good right now. We're giving them three years to amortize their deficit.

The other issue that was raised was the issue of the deficit in Calgary public. The hon. member has been yelling across the way. Well, Mr. Speaker, Calgary public has done an extremely fine job of paying back their deficit. As you know, this deficit has been going on for about five years, and if you talk about sanctioning, I would say that we did absolutely the opposite of sanctioning it and that we actually fired the board.

The Speaker: The hon. member.

Dr. Massey: Thank you. My second question is to the Minister of Learning. Given that government figures show that K to 12 grants when adjusted for enrollment and for inflation remain at 1992 levels, how are boards expected to pay for the arbitrated teachers' settlement?

2:10

Dr. Oberg: Mr. Speaker, since 1995 the funding to education has gone up 46 percent. Enrollment during that time has gone up 6 percent. Last year the enrollment increase in Alberta was .25 percent, which is two and a half new students for every thousand students in the system.

The Speaker: The hon. member.

Dr. Massey: Thank you. My third question is to the same minister. When will the minister put in place an allocation formula that accurately reflects the costs of running a school?

Dr. Oberg: September 1.

The Speaker: The hon. Member for Lac La Biche-St. Paul, followed by the hon. Member for Edmonton-Ellerslie.

Commercial and Sportfishing Industries

Mr. Danyluk: Thank you very much, Mr. Speaker. Over the past few months I have received concerned inquiries from the commercial fishing operators about the progress of the rationalization program, which is aimed at reducing the size of the commercial fishing business in the province. Since the commercial fishing industry brings in millions of dollars annually and is a valuable part of my constituency and the provincial rural economy and represents an important part of rural life, my question is to the Minister of Sustainable Resource Development. What is the progress of the rationalization program, and will it enable small operators to continue to operate?

Mr. Cardinal: That's a very good question and timely, again, Mr. Speaker. We have in fact just modified our program, and we'll continue monitoring, of course, very closely the modifications. The overall plan, I've always said, is to reduce the number of commercial fishermen in Alberta and the number of nets they work with.

In response to some concerns recently brought forward by fellow MLAs in relation to the small commercial fisher operators, we have made some changes now so the smaller operators can continue to remain in the industry. In fact, we will now permit the small operators who have fewer than four net privileges to renew their zone licences . . .

Dr. Taylor: How many?

Mr. Cardinal: Four net privileges.

. . . beyond April 1, 2005, as long as they pay the new licensing fee of \$500. The transfer options will still be restricted for those small operators. In the overall rationalization program over 300 individual companies have applied now seeking compensation.

The Speaker: The hon. member.

Mr. Danyluk: Thank you, Mr. Speaker. My first supplemental, another question to the same minister: how does this commercial fishing rationalization contribute to the future of our overall fisheries?

Mr. Cardinal: Mr. Speaker, like I said earlier, it's a very, very important industry. The commercial fishing industry is about a \$5 million industry in Alberta and continues to diversify certain family operations across the province. On the other hand, the sportfishing industry is a \$350 million industry in Alberta, so it's a large, large industry. We have less than a thousand lakes, I believe, that do have fish that sport and commercial fishermen can access. That is why we want to reduce the 800 commercial fishermen down to about 200 and reduce the yardage they have from 37,000 100-yard nets down to about 18,000 so that we can continue monitoring the industry. We are continuing, of course, with the overall plan to try and find the dollars necessary, and I'll be working very closely with the Treasury Board and also the Finance minister to try and get the

dollars that are required to reduce that particular compensation program in the next three or four years.

The Speaker: The hon. member.

Mr. Danyluk: Thank you very much, Mr. Speaker. My final question is to the Minister of Economic Development. Since the future of our commercial and sportfishing industries is so prominent in the economics of our rural communities, in what ways is our government promoting these industries?

The Speaker: The hon. minister.

Mr. Norris: Thank you very much, Mr. Speaker. At the outset I would agree with the hon. member's premise. Sportfishing and commercial fishing are remarkable industries, and Alberta is blessed with some of the most pristine and beautiful lakes and rivers to fish in. Obviously, the Bow River comes to mind. A lot of northern Alberta is blessed with remarkable sportfishing. There are also some of the best guided tour operators in North America that operate in Alberta. So as a result of that, our department has recognized this as an outstanding tourism opportunity and has worked very closely with the industry to promote that through our call centre and our web sites.

With regard to aquaculture, I know that the hon. Minister of Agriculture, Food and Rural Development has a very strong program, but I think I would close by saying to the hon. member that any time there's an opportunity to promote any industry in Alberta, to get the message out about the beauty and the skills and the resources that we have here, our department takes it as a vital concern and will continue to work with the hon. member, as we have in the past, in Lac La Biche-St. Paul and continue spreading the message.

Net Metering of Electricity

Ms. Carlson: Mr. Speaker, yesterday the Energy minister said in question period that net metering was a good suggestion that he would be willing to undertake, but just six days ago the Energy minister helped to defeat an opposition amendment that would have enshrined net metering in legislation. My first question is to the Premier. Given the Energy minister's flip-flop, which is it: do you support net metering or not?

Mr. Klein: Net metering. Fishing nets? No. You know what? I thought I knew it all, but I don't. I don't know what net metering is, so I can't answer your question, but I'm sure that one of our very wise ministers knows.

Mr. Smith: Mr. Speaker, that's exactly the truth. This government does not know it all.

Mr. MacDonald: We know that.

Mr. Smith: So when this government sees a suggestion that is put forward in question period without some sort of cheap reply like we've just heard from the opposite side we're prepared to take that suggestion into the policy process. It's a reasonable thing to do, it's an honest thing to do, and it's one we can do from time to time. Frankly, because of the rarity of it, I guess that's why it's so difficult to integrate completely.

Ms. Carlson: Well, Mr. Speaker, given that this is hardly a rare

concept since 30 percent of the states and five of the provinces in Canada subscribe to net metering and the Energy minister has had since last week to begin to understand it, does he understand now that in order to allow net metering in this province, we have to see an amendment to the utilities act?

Mr. Smith: Mr. Speaker, when I said that it was a rarity, I was referring to the number of good suggestions that come from the Liberal opposition.

Mr. Speaker, we have an act before the House that is in debate, so I don't want to infringe upon that rule, but as I said in what I think was a feeling of co-operation and bonhomie amongst the House, we'll certainly look at it. But to continue to be criticized for not doing something in six days is not a good start.

Ms Carlson: Mr. Speaker, can the Minister of Energy, then, explain to us: if he thinks this is such a good idea now, why did he stand up in this Assembly and speak against the amendment and urge all of his colleagues to not support it?

Mr. Smith: Well, Mr. Speaker, it's important for me to thank all colleagues who voted against that amendment and who have been supportive of Bill 3 to get it to this stage. The process of introducing something into review and legislation is, as the member knows, a process of policy development. Now, in the two and a half years of consultation that Bill 3 took to get it to where it is today, the words "net metering" were not brought up by stakeholders, were not introduced into the mix, nor was analysis asked for. It has been on the initiative of the department, at my request, that we have examined the metering, wireless metering and interval metering, that's been taking place in Puget Sound, and if there's information with respect to making Alberta an even better competitive marketplace, we'd be more than pleased to examine it in the full breadth of the policy process.

The Speaker: The hon. Member for Calgary-Buffalo, followed by the hon. Member for Edmonton-Riverview.

Organization of Petroleum Exporting Countries

Mr. Cenaiko: Thank you, Mr. Speaker. The energy industry is a critical component of Alberta's economy, providing tremendous opportunities for all Albertans. Recently some members of the Organization of the Petroleum Exporting Countries, OPEC, have suggested that Alberta attend a future meeting of that organization. My question is to the Minister of Energy. Can the minister indicate what Alberta's position is in attending a future meeting of OPEC?

2:20

Mr. Smith: Mr. Speaker, that's a good question, and it's a particularly good question because we function in a global market. Albertans who sell their oil sell it at world prices. We do not establish a price. We are price takers. So at any opportunity that we have to broaden our competitive knowledge, to make a larger bank of intellectual knowledge that we have so that we can better serve Albertans, who since 1930 have owned this resource, we certainly intend to do so. We have found that it's important for Alberta to reach out on these matters because of the notoriously inept and notoriously poor energy policy that continues to emanate from Ottawa.

The Speaker: The hon. member.

Mr. Cenaiko: Thank you, Mr. Speaker. My final question is again

to the Minister of Energy. What is Alberta's policy or position with regard to joining OPEC?

Mr. Smith: Well, Mr. Speaker, I can remember the Rhinoceros Party actually running on a platform of joining a number of countries together who had snow every year, and they would then export the snow so they'd have a continually warm climate, and that organization was to be known as SnowPEC.

Mr. Speaker, with respect to OPEC, OPEC is a collection of countries that run their oil production through state oil companies. Alberta does not do that. The mechanism that we have for orderly development and competition of capital dollars is our royalty devices. Those royalty devices have served us well over the last 50-plus years. We will continue to do that. So Alberta will not look at joining OPEC as a particular entity, nor would we recommend it to the government of Canada. But we feel that on the supply side of oil Canada is the 10th largest producing country. We think there's much to be gained from that as well as from participating with the International Energy Agency, which works on the demand side, so that we can gauge supply and demand.

For example, and just to finish off, Mr. Speaker, there is non-Kyoto oil flowing into eastern Canada that gets refined and sold as gasoline, and in fact the Kyoto question turns into punishing those who produce but letting those who refine and sell do nothing. So it's a matter of examination.

Medical Officers of Health

Dr. Taft: Mr. Speaker, we've known for a long time that West Nile virus is coming to Alberta. It's killed 12 people and infected up to a thousand more in Ontario and has left at least one Albertan in hospital for months. Given that mosquito season is soon upon us, Albertans will be watching this issue closely. One can only imagine the impact of the disease on summer activities like camping, angling, hiking, golfing, and so on. To the Minister of Economic Development: has any analysis been done on the potential cost to Alberta's tourism industry from an outbreak of West Nile virus?

Mr. Norris: Well, clearly, Mr. Speaker, the West Nile virus is a concern. It's not my department's responsibility to know if and when it's coming, so I'm going to ask the hon. Minister of Health and Wellness to maybe offer comment about what his department is doing.

I would like to offer at the outset that any threat to tourism in any way, shape, or form, including economic, health, or otherwise, is of vital concern to us, and we will do something about it if and when that threat arrives. But I would point out that that's a big if.

The Speaker: The hon. member.

Dr. Taft: Thanks, Mr. Speaker. To the Minister of Health and Wellness then: given that a public health warning from a medical officer of health about an outbreak of West Nile virus could devastate the local tourism industry, what precautions has the minister taken to protect medical officers of health from political or economic interference?

Mr. Mar: Mr. Speaker, we are working very closely with our medical officers of health with respect to two serious issues, the first one being West Nile virus, and the second one, perhaps an even more critical one, is the issue of severe acute respiratory syndrome, or SARS. In both cases we are working with our medical officers of health to indicate to them what the best advice is that we have in our

monitoring of the situation. They are aware and have disseminated information to physicians throughout the province to look for symptoms of both of these diseases, which can be very, very serious.

So, Mr. Speaker, medical officers of health do have the authority to raise the issue should it become a legitimate one. We do know that there are at least two cases of West Nile virus that have appeared in human beings here in this province. In both cases, to the best of our information, they were contracted while outside of the province of Alberta. We are continuing to monitor with the assistance of other ministries the appearance of West Nile virus in animals, particularly birds and horses. We will work with medical officers of health and other public health officials to ensure that appropriate measures are taken to do our best to (a) have a public education program on how to avoid getting bitten in the first place and (b) how to recognize the symptoms should they appear in an individual so that appropriate medical attention can be given to such individuals.

The Speaker: The hon. member.

Dr. Taft: Thanks. That's all very good, but to the same minister: given that Dr. David Swann's firing last fall proves that medical officers of health face strong political pressures, will the government take steps in regulations or legislation to guarantee the job security of medical officers of health?

Mr. Mar: Mr. Speaker, you know, let's look at medical officers of health throughout the province. They have not been shy about indicating issues that are legitimate issues for discussion, but they are not hired by the province of Alberta. They are employees of regional health authorities. So as is the case with chief executive officers of regional health authorities, with medical officers of health, those types of questions are more appropriately directed to the employer. In this case, the employer is not the province of Alberta. The employer is regional health authorities. I can tell you that this system works very, very well throughout the province. People like Dr. Predy here in the city of Edmonton are highly respected health officials, and I think that we should continue to allow medical officers of health to report and be accountable to the people who hire them, which are the regional health authorities.

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

Education Funding (continued)

Mr. Mason: Thank you very much, Mr. Speaker. In the face of impending school closures, teacher layoffs, and growing class sizes in Edmonton public schools the dynamic Edmonton Tory caucus swung into action. In a bold move they have apparently convinced the Minister of Learning to allow Edmonton public school board to run a deficit. On the other hand, when the Calgary board had special requirements as a result of the teachers' settlement, they got \$7 million in cash. Why is the minister going to allow EPS to go into deficit when this government has made government debt a dirty word in this province?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. Well, the main reason is because we do not want to penalize students. It's close to the end of their fiscal year. We have just finished or are very close to finishing our audit. I hope to have the announcement of our audit the week after next. We're saying that if they are running a deficit

because of some mistakes that have been made, we will give them three years to pay it back, but still at this point in time that is a big if because we do not know if indeed they are running a deficit. As soon as the audit is in, I'll be able to tell the Assembly more.

Mr. Mason: Mr. Speaker, isn't the decision to allow school board deficits really just an admission that government funding for schools in this province is inadequate?

Dr. Oberg: No.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Since school boards get their money from the government either by grants or property tax and given that EPS is already predicting a large deficit for the following year and given that the government is expected to have another large surplus this year, why not just raise the grant now so that no public school board deficit is needed?

Dr. Oberg: Well, Mr. Speaker, first of all, the budget is coming out on April 8, and I do not want to usurp what is in the budget. We are talking about one school board out of approximately 64 or 65 different school boards around the province, and a lot of them are doing well. There are some that are in a reasonably difficult situation, but a lot of them are doing very well. A lot of them are adjusting, and we fully hope and we fully expect that they will not run a deficit. In this particular circumstance we have found it prudent to allow them to carry that deficit over three years. Obviously, if they want to pay it back sooner, they certainly can.

2:30head: Recognitions

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Bob Clark

Mr. Marz: Thank you, Mr. Speaker. I rise today to recognize a constituent from Carstairs who has distinguished himself through his many contributions to this province and to his community.

Bob Clark was first elected to this Legislative Assembly in 1960 and served to 1981 as MLA, minister of youth, minister of education, and Leader of the Official Opposition. In addition to a consulting business he also held the position of board member and chairman of the Alberta Special Waste Management Corporation. Bob also became Alberta's first Ethics Commissioner and first Privacy Commissioner, and he certainly left his mark on those two departments.

However, Bob's greatest love after his wife, Norma, and their family is hockey. His name is synonymous with the Olds Grizzlies junior hockey team, which Bob managed for many years, and he also served as chairman of the Alberta Junior Hockey League.

I was honoured last month to present Bob with the Queen's golden jubilee medal in recognition of all Bob's accomplishments and contributions, which are too numerous to mention in the time allotted here.

So congratulations, Bob, from all of us, and best wishes on your retirement.

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

Support for Americans

Ms DeLong: Thank you, Mr. Speaker. I rise to recognize Alberta

hockey fans and a couple of events which occurred in Alberta on the weekend. On Saturday night I had the pleasure of attending the Calgary Flames game in Calgary. I've never been so proud to be an Albertan as when the national anthem of the United States was sung. That group of about 18,000 Albertans cheered loudly and sang along with the American national anthem. I understand that the very same thing occurred on Sunday night in Edmonton at the Oilers game.

Just like within our society fans at those games were divided on this war. This is why I am so proud: regardless of their position they chose to honour our friend and ally to the south by showing the true strength of that friendship.

Thank you, Mr. Speaker.

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

Davis Cup Tennis

Mr. Lord: Thank you, Mr. Speaker. I am pleased to rise today to tell everyone about the Davis Cup event which is being held in Calgary this April 4 to 6, hosted by Tennis Canada.

Now, the Davis Cup event is very famous, having been in existence since 1900, and it's played in hundreds of countries around the world by all levels of players. The event in Calgary will be one of many happening around the globe over the course of the weekend, and fans attending not just from Calgary but, in fact, from across the province and elsewhere will be able to really enjoy some top-notch tennis matches featuring, for example, Canada versus Peru in the second round.

Of course, we're helping to host this event through the Alberta lottery fund, which is a proud sponsor of the Davis Cup, contributing \$25,000 towards that event. So we can take pride as a province and especially us Calgarians for our role in hosting this globally recognized event, and I would certainly encourage people to take this opportunity to get out and watch a few games if they can.

Thank you, Mr. Speaker.

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

World Theatre Day

Ms Blakeman: Thank you very much, Mr. Speaker. Tomorrow, March 27, is World Theatre Day. This international day is proposed by the International Theatre Institute and sponsored by UNESCO. World Theatre Day seeks to promote exchange of knowledge and practice in the domain of the performing arts, to stimulate creation between theatre people, to make public opinion aware of the necessity of taking artistic creation into consideration, to deepen mutual understanding to strengthen peace and friendship among peoples.

As the Official Opposition critic for the arts and an Edmonton MLA I'm supremely proud of our theatre community, which includes but is not limited to Azimuth, Die-Nasty, Chimpvov, the Citadel, Concrete, Electra, Fringe Theatre Adventures, Jagged Edge, Jubilations, Kill Your Television, the Mayfield dinner theatre, Northern Light, Oh Susanna, Rapid Fire, Running With Scissors, Shadow, Studio, Teatro la Quindicina, Theatre Network, Theatre-sports, Three Dead Trolls in a Baggie, Walderdale, and Workshop West, all in Edmonton. So go to a play this weekend, and help celebrate World Theatre Day.

Thank you.

The Speaker: The hon. Member for Cardston-Taber-Wamer.

Magrath Zeniths

Mr. Jacobs: Thank you, Mr. Speaker. I am pleased to rise today and recognize an outstanding achievement in high school for boys 4A basketball. Last week, March 20 through 22, 16 of the best 4A boys basketball teams in Alberta competed in the 4A provincial tournament at the Enmax Centre in Lethbridge. The quality of players and competition was outstanding. I congratulate all who participated.

My sincere congratulations are extended to the Magrath Zeniths of Magrath, Alberta, who were successful in winning the tournament and being crowned provincial 4A champs in 2003. This culminated a great season of hard work and commitment by players and coaches. These players include Giovanni Uneddu, John Leishman, Cam Smith, Riley Sabey, Doug Mehew, Ryan Clark, Allen Tollestrup, Brett Harris, Derek Blackmer, T.J. Quinton, Joe Schow, Shane Nishikawa, and coaches Phil Tollestrup and Mark Tollestrup. Mr. Speaker, again, my sincere congratulations to this team and their community for their achievement.

Thank you.

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

Youth Forums

Mrs. Jablonski: Thank you. Mr. Speaker, as chair of the Youth Secretariat it has been my privilege to attend youth forums as they are being held in nine different regions throughout this province. This morning I attended the youth forum at the Westerner exhibition grounds in Red Deer and spoke to more than 60 youths from the ages of 16 to 19 years. Some were on their spring break, and some were giving up classes for the day. They were all a highly energetic and motivated group. They listened as I told them that we needed and welcomed their ideas and suggestions to help us solve some of our teen issues. We talked about youth issues such as addictions, crystal meth, youth crime, and youth employment. They were glad to hear about the changes in the Child Welfare Act and the Family Support for Children with Disabilities Act. They were glad to know that we care about what they have to say.

Each youth forum will compile and submit a report of their ideas and suggestions to the Youth Secretariat. We will review these reports and carefully consider the recommendations of our Alberta youth.

Mr. Speaker, I would like to thank members of the Youth Advisory Panel who have volunteered their time to help make these youth forums fun and informative. Thanks to the staff of Children's Services and thanks to the youths themselves for their participation. If these youths at the forums are any indication of the future of this province, Alberta has a very bright and successful future indeed.

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

Song for Peace

Dr. Taft: Thank you, Mr. Speaker. A young constituent of mine, Quinn Grundy, is studying grade 12 in India at an international school. When news of the war in Iraq reached her school, the students there were so moved that several of them got together to write a song about peace. These students are from Europe, Asia, and North America; in other words, they span much of the globe.

Having written the song, they obtained instruments including a guitar, drums, and a violin and recorded it at a studio in India. They have now posted it on a web site for all the world to hear. Now, the

web address is so long there will be a link to that web site from my constituency web site, www.edmontonriverview.com.

These are some of the leaders of the next generation of humanity, and I would like to recognize their commitment to building a world without war.

Thank you.

head: **Presenting Petitions**

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

Dr. Taft: Thank you, Mr. Speaker. It's my pleasure today to stand and present a petition that's in order, signed by nearly 1,000 citizens of Alberta saying:

We are very concerned about the crisis in education. Reductions in teaching staff, enlarged class sizes or the elimination of any programs including music, special academic programs, and sports are all unacceptable ways to deal with the cost of education.

We . . . petition the Legislative Assembly to urge the Government of Alberta to increase funding for public education.

Thank you, Mr. Speaker.

head: **Tabling Returns and Reports**

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

Ms Carlson: Thank you, Mr. Speaker. Today I have two tablings, and these would be amendments on Bill 3 that we never had an opportunity to get to in committee, which is the stage where we would introduce amendments, because of the time allocation or closure motion that came forward. Both of these are very good, talking about other new ideas for this government to be energy efficient and help consumers.

Thank you.

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

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to table five copies of a submission by Steven Brodie to the learning commission. The submission reflects Mr. Brodie's deep concern with education and runs to over 60 pages and deals with a whole variety of problems facing the education system and offers some sound solutions. It's with pleasure that I table this submission.

2:40

The Speaker: Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I have four tablings today. Three of them are expressing concerns over education. The first is addressed to the Minister of Learning, as I say, raising concerns about funding for our children's education. It's from a Dr. Francis Landy.

The second is addressed to the Premier and the Minister of Learning from Marcia Barker, saying that she's concerned about the funding of public schools in Edmonton.

The third is to the Premier and the Minister of Learning from a Janet Haley, saying that she is very concerned about the state of learning and its impact on the weakening of the Alberta advantage.

The fourth tabling addresses Bill 27 and is from a Denise Palmer, expressing displeasure at the introduction of Bill 27. "I am an Albertan . . . I've lived in this province with my husband for almost 30 years." She's a registered nurse. She's very unhappy with Bill 27.

Thank you.

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

Mr. Bonner: Thank you very much, Mr. Speaker. With your permission I'd like to table the appropriate number of copies of a pamphlet that we received at the zone 2 and 3 board meetings, and it's titled Public Education: The Right Answer. It outlines the past, the present, and the future of public education in the province.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I've got three tablings today. The first one is a set of 49 letters written by parents of children at King Edward elementary school with a request to me to table these letters on their behalf. These letters are all expressing deep concern about the inadequate funding of public education and the negative impact that this underfunding has on their school.

The second tabling, Mr. Speaker, is a letter from the board of the Strathcona nursery school outlining how this underfunding is negatively affecting activities at the King Edward school, associated with the Strathcona nursery school. Their rents are going to go up by 700 percent, and they're very concerned that it'll make their school unaffordable and unsustainable.

The third tabling, Mr. Speaker, is a letter from a highly gifted and committed teacher at that nursery school. Her name is Heather Craig, and she makes compelling arguments why it is necessary for us all to work together to save schools such as this nursery school at King Edward school.

Thank you, Mr. Speaker.

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

Mr. Mason: Thank you very much, Mr. Speaker. I have two tablings today. The first is a letter from Linda Hughes, dated February 12, 2003, addressed to the Minister of Learning. She asks that her concerns be addressed and responded to in a timely manner, would like to know why MLAs' salaries have gone up over the past 13 years, why the government does not hold education in its highest priority, and would like a redistribution of her tax dollars as per her attached letter.

The second, Mr. Speaker, is a letter from Heather Smith, president of the United Nurses of Alberta, to the Minister of Health and Wellness, asking that the chair of the Provincial Health Authorities bargaining committee be fired for providing what she terms misleading and erroneous information about the negotiations for a new collective agreement.

The Speaker: The hon. Member for Edmonton-Highlands on a point of order.

Point of Order Clarification

Mr. Mason: Yes, Mr. Speaker. As I indicated yesterday in my point of order and perhaps inadequately, I continue to hear the Premier refer to me as a former board member. Not that I take any offence from that directly, but the purpose seems to be to suggest that I have had some conflict of interest in respect of this matter. So I again would appeal to you and to the Premier to get the Premier's facts straight with respect to my previous position, which did not include sitting on the board of EPCOR.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. This is a point of order that was argued admirably yesterday. Nothing has really changed in the circumstance, and I think that what happened yesterday is exactly the same as what happened today.

The Speaker: It appears to be more of a point of clarification than a point of order. Unfortunately, we do have this situation, and this contradiction does allow sometimes to have two different views of the same situation. That does cause a dilemma, no doubt at all. Perhaps the hon. Member for Edmonton-Highlands might just want to emphatically put in writing to the hon. the Premier the facts with respect to whether or not he was a member of such a board. I have no idea, so I don't know how I could rule on that. But if the member says he was never a board member of the power company of the city of Edmonton – we've heard him say that he never was, and presumably that will be conveyed to all hon. members, that the member never was a member of the board in question – then one should not suggest that he was.

head: **Orders of the Day**

head: **Government Bills and Orders**

head: Third Reading

Bill 3 Electric Utilities Act

[Adjourned debate March 25: Mr. Hancock]

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

Ms Carlson: Thank you, Mr. Speaker. We are now entering into the final stage on Bill 3. [some applause] While I hear some members who support the government position on Bill 3 applaud that particular perspective, it is not one that is shared by the Official Opposition. There is no doubt that this very substantive bill has been rushed through this Assembly in a most speedy and untimely fashion, allowing for limited debate on the issues at hand. We think that is incorrect. In fact, the debate has been some very few hours by this opposition.

Mrs. McClellan: Eight hours.

Ms Carlson: The minister of agriculture says eight hours on Bill 3. Have we had eight hours of debate so far on Bill 3?

This is a very interesting perspective, Mr. Speaker, because the government seems to feel that that is enough time to have brought in closure at committee on this particular bill. [interjection] It's now renamed time allocation, as the minister of agriculture and the Government House Leader stated. However, it is a form of closure, and time allocation, when they bring it in, means that we have one hour of debate left in committee after some hours. [interjection] In this case they're indicating that it's been close to eight hours of debate on this bill.

They have used the federal government's example of bringing in time allocation and closure on bills as their good reasons for also being able to do it here. This is the only thing they seem to agree on with the federal government. So it's monkey see, monkey do when it's convenient for them; otherwise, they don't like what the federal government does.

I would like to remind them that when you scratch the surface of what this government proposes – first of all, they give you a picture that looks nice. Then you scratch the surface, and you find out it isn't all that great, Mr. Speaker. If we take a look at what happens at the federal level – we took a look at that list that the Government

House Leader gave us and randomly picked three bills that the federal government had used time allocation on to see how long they let members at the federal level debate, and we found out something very interesting. It turns out that on the bill that had the least amount of hours of debate prior to time allocation – the one that we looked at was C-20, the Quebec Secession Act, the clarity bill. Before time allocation 15 hours and 15 minutes of debate were allowed as compared to about eight here. Then we take a look at Bill C-36, amending the Criminal Code: before time allocation, 17 hours and 58 minutes of debate. Bill C-49, An Act to Implement Certain Provisions of the Budget: before time allocation, 22 hours and 44 minutes of debate. Bill C-5, An Act Respecting the Protection of Wildlife Species: before time allocation, 37 hours of debate. We're not going to see that kind of debate on all three of these bills that this government brought time allocation on.

Let's talk about time allocation at the federal level. What does that mean? It doesn't mean that they're limited to one small hour of debate in the Legislature. It means that they get a whole sitting day. Quite different from the allocations here. So this government, who has this huge, overwhelming majority, continues to bring the hammer down on a very small opposition. Why would they do that, Mr. Speaker? That's the question.

We have very good things to say. We have great ideas to put out there to these ministers, which they often aren't able to actually understand the first time we introduce the idea, as we have seen repeatedly on net metering in this Assembly over the last 10 days. [interjection] Like the member says, I guess it's a fishing thing, if you ask the Premier.

2:50

They need some help, Mr. Speaker, on these bills. They need some help on where we go for the next step, and they don't seem to be prepared to take it, but definitely it's something that's required. So with the thought of helping this government understand some of the options that are available to them, at this time I would like to introduce an amendment that will refer this particular bill back to committee, where we can discuss some of those very excellent, great ideas.

The Speaker: Would the hon. member continue as the amendment is being circulated.

Ms Carlson: Thank you, Mr. Speaker. What we see in this notice of amendment to Bill 3, the Electric Utilities Act, that I'm moving on behalf of the Member for Edmonton-Gold Bar, who signed the amendment, is for the motion for third reading to be amended by deleting all the words after "that" and substituting the following:

Bill 3, Electric Utilities Act, be not now read a third time but that it be recommitted to Committee of the Whole for the purposes of reconsidering the proposed section 1 and proposed section 20.

Mrs. McClellan: Is this a hoist?

Ms Carlson: No, this is not a hoist. This is a recommittal. There are three possible amendments that we could make at third reading stage, and the first of those that we will be talking about this afternoon is a recommittal. The last of them that we'll be talking about this afternoon or this evening would be a hoist.

Now, why would we need this particular amendment? As we've seen even today in question period, there are a lot of unanswered options and things that the government really doesn't understand about where they could move on electricity in this province to help consumers lower their costs, given that this government has created huge increases in their home costs through the mess they have made

of deregulation. Even though we've told the government for the past five years that they needed to lay out the rules so that industry knew what the rules of the game were going to be, so that industry could ensure that they had enough capacity to meet the needs downstream, so that other industries who were looking at coming into Alberta could get set up, could get established, could get their networks happening, so that the companies now operating in this province could ensure that their information systems were compatible and could work well together, so that all the needs of the consumers and the industry and the government were met. Because they didn't do that, because of this huge kerfuffle that we've seen, prices have absolutely skyrocketed, people and businesses, particularly small and medium-sized businesses, are in great hardship. We need to go back with this bill and find out how to do it properly.

In addition to that, given that with this huge majority this bill is very likely to pass, the government needs to know how to be able to provide options to consumers to lower their costs. We've talked for a few months now about putting a government retrofit plan in place where the government would either loan to consumers on an interest-free basis or have some form of grant instituted, where consumers could access the dollars so that they can retrofit their homes, and potentially extend it to the business community so that they could retrofit their businesses, so that they could access different methods of building construction and new furnaces and hot water tanks and those kinds of additions to their homes or changes in their homes or solar power or wind power so that they could lower their overall costs and be more energy efficient. Not only does that effectively help us on the path to meeting our Kyoto targets, but it also helps consumers lower the operating costs in their homes. When we're seeing electricity and gas prices coming in this winter in many cases higher than people's monthly rent or mortgage payments, we certainly need to take a look at what some of those options are.

Last Wednesday evening we introduced in this House an amendment to allow for net metering. I need to explain net metering because even after talking about it Wednesday night, when we made a fairly thorough review of it, the Energy minister didn't get it. When he got up to speak to the amendment, he couldn't explain to anybody what net metering was and then, even not knowing what he was talking about, strongly urged all members in the Assembly not to support the amendment. So the amendment was defeated. Then when we asked him a question yesterday in the House about this, he said suddenly: this is a good idea, and we'll go forward and take a look at it. Yet when we asked him and the Premier about it today, once again they were suddenly clueless about what net metering is. The Premier thought it had something to do with fishing nets. I'm sure he knows now that it's something different. The Energy minister was so arrogant in his attitude. Between last Wednesday and the question yesterday he still hadn't taken the time to either read *Hansard*, where it was explained, or to find out from his own people what's required.

Net metering is a situation where individuals or businesses or farms who have adapted their places of residence or business to use solar power or to use wind power can take that capacity and hook it into the meter in their home. What happens, then, is that at the times of day when they're using a lot of electricity and they don't have enough capacity provided by the solar power or by the wind power, their meter, their regular household meter, just like you have on the outside of your house, runs forward as they use electricity from the grid. When they have an overabundance of capacity, more than what they're using in their house, that feeds into the meter itself, and the meter spins backwards, effectively reducing their overall monthly utility costs. So when they need the power, they access the grid, just like all of us do in our homes. When they have excess capacity, that

feeds into the grid, and their meter runs backwards at the same consumption level as it would run forward.

Now, what's required here for this to work effectively in this province is that we actually need a change to the utilities act. Either an amendment has to be brought in or a regulation has to be brought into the utilities act stating that companies have to provide this service in this province.

You don't need an extra meter to do this. The existing meter you have now goes forward and goes backwards. That works. The companies providing this service just have to agree to do it. The trick here is that they agree to take in the power that the consumer is offering at the same price that they're selling it out to them. In the States and in the provinces where there isn't a specific regulation saying that companies like EPCOR have to provide a net metering service, what happens is that the individual can come to an agreement with the organization. So we have an instance here in Edmonton where EPCOR won't do it. There's an instance in Calgary where Enmax will do it.

The trick is that if there is no legislation saying that what they're selling to the consumer is going to be charged at the same price as what is coming in, what the companies will do is give a bargain-basement price for that electricity coming into their grid from the household. So that's an unfair advantage that the large corporations have. If there is a regulation in place saying that this service has to be provided at the same level as what the daily household charge was to that household, then you really have a level playing field, and it's just an excellent idea for people who want to put a solar panel on their house. It's a particularly good idea for prairie farmers because of the ability to have wind power and feed that into their grid. It's a particularly good idea for intensive livestock operators. It really works well in communities where it's been used. It's good for acreages who can also hook up a windmill, and of course it works very well in city areas where you have the ability to put a couple of solar panels on your house.

3:00

So this was the idea that we were asking the Energy minister to adopt in the amendment. We even had the minister of agriculture saying that it sounded like an interesting concept and if it didn't cost companies any money to do it, it should be something that should be pursued. It's true. Because the consumers are selling a little bit of power in, there's an opportunity cost loss for the large companies like Enmax and EPCOR because they're not selling as much power to that consumer as they could've, but that is the only cost to the large corporations.

The cost to the individual is to set up their particular system, solar or wind, and then ultimately the hookup into the existing meter that they have, but they don't need a new meter, and other than that it's a system that works out very well. There are 30 states – some of them are northern states, but some of them are southern states – and they think that this is an effective enough way to reduce energy costs that they have set up legislation in all those areas for it. It's really something that we need to do. So I urge everyone to support this particular amendment.

The Speaker: The hon. Member for Edmonton-Glenarry on the amendment.

Mr. Bonner: Thank you very much, Mr. Speaker. It is indeed a rare opportunity that we get to speak to such an important amendment, an amendment that has huge implications and has a huge impact on the consumers of this province. Unfortunately, we keep hearing that there has been adequate debate on this bill, a bill that is potentially

going to cost the consumers of this province billions of dollars, yet we have had very little debate, and we've had very little participation by government members. Wouldn't it be nice for all of these people who get all the calls in their constituency offices and all the complaints about our high electricity prices and people that constantly complain about the price of their energy in this province, when for many, many decades they were accustomed to a regulated rate – those people, those Albertans, do not have the opportunity to hear their members debate. They perhaps may have talked about it in caucus or may not have – I have no way of knowing – but we certainly don't have a public record of that. We don't have their thoughts and their ideas in *Hansard*. Yet they're going to go back to their constituencies, and those very people that they represent are going to be paying larger and larger bills.

It is a very, very good amendment that has been proposed. Just to review that amendment: "Bill 3, Electric Utilities Act, be not now read a third time but that it be recommitted to Committee of the Whole for the purposes of reconsidering the proposed section 1 and proposed section 20." I think that is an excellent suggestion, Mr. Speaker, particularly when we are at the final stage of this bill and this is probably the biggest bill that we will be debating in this spring session. It is also a very, very important bill because electricity does affect each and every Albertan. It is certainly something that is getting a whole lot of attention.

Now, many years ago when I was still a student, I had the opportunity to take a course. One of our required readings was a little book called *Limits to Growth*, and in that book it described how we have all these feedback groups and things that we were doing. It was quite interesting to note even at that time that our professor said: really, if you wish to cripple Canada, if you wish to cripple any northern country, all you would have to do is when the cold weather, the 30-plus-below temperature, hits, somehow limit or destroy their electrical production. They would be crippled. That thought has always stuck with me, and that's well over 35 years ago that I listened to Dr. Wilson describe that.

We are dealing here with an extremely important issue. We are dealing with electricity, that certainly allows a much better quality of life for all of us in the world. It is an issue of fundamental importance. None of us want to get back to the days when the pioneers settled this province and they didn't have electricity. So we have to look here at how the electrical market has developed in this province, how it has played such a vital role not only in the development of this province but in the attraction of many people to this province.

[The Deputy Speaker in the chair]

We certainly realize that over time the electric industry, not only in this province but throughout North America, has become a very complicated system yet a very, I think overall, efficient system, particularly when you look at how the electricity grid has developed in North America and how links from different jurisdictions fit together and how we can reroute electricity because of shortfalls, because of problems with our plants, where we have breakdowns, whatever. But overall we can reroute electricity so that we can certainly handle all of these shortfalls.

It is a very, very complicated system, Mr. Speaker, because electricity is one of those essentials that cannot be stored. We cannot use it if we produce too much. We also have major problems if we produce too little. So the market, the system in North America has just done a fabulous job in not only operating but supplying us with cheap and reliable electricity. It has developed over decades, and of course as it has developed, it has met so many of the problems

that we would have encountered if we had not had a regulated system.

Now, again, at one time we did have a system that wasn't regulated, and it led to many, many problems. You know, we had supplies that were not necessarily sustainable. We had supplies that would come and go. It wasn't an efficient system. There were no standards.

Of course, we have to look at safety issues when we're dealing with electricity because it is one of those very volatile forms of energy that if not used correctly can have serious consequences. We have to look at the fact that there is no substitute for electricity, and we have to realize that electricity is not a commodity. It must be treated quite differently than other commodities. It is because of this, Mr. Speaker, that electricity does not lend itself to the market forces. So when we look at Bill 3, the Electric Utilities Act, that is certainly one of the goals: to allow electricity to be used as a commodity.

3:10

Now, then, when we do look at the regulated system which we did enjoy in this country for many, many decades, we had a very good supply. The supply was consistent. It was never in question, and as we required more electricity to come on-line, then certainly it came. We also had a very efficient system in that here in Alberta until we deregulated we had some of the lowest rates for electricity in North America. We also had standards where the producers had to meet those standards. We also had a system that had been developed over many years of dealing with electricity where it was very efficient; it was very safe. Certainly, we have all recognized how very useful electricity is as a form of energy. What we have in Alberta and had in Alberta was a very good system, and we did enjoy very cheap and very reliable energy. Why we would want to tamper with that particular system is above me.

As I did indicate, cheap, reliable electricity is certainly one of those issues that attracts people to Alberta. It attracts business to Alberta, and it has certainly led to the economic development that we enjoy in this province. All we have to do is look at our future and look to the hon. member's constituency of Fort McMurray. Certainly, the amount of energy that's required in that part of the province to produce and separate the oil from the sands – again, very, very critical. When we look at the future of this province and the potential that we have because of that huge oil spill that occurred I don't know how many hundreds of thousands of years ago up in northern Alberta, we have to realize that our success and also that success are based on different forms of energy, of course, and electricity being one of them.

We have had in this province a regulated system, a system that was supported by business. It was supported by consumers, it was supported by regulators, and it was the backbone of a very, very good system. It was without a doubt the building block of our financial success.

So in our amendment that we're speaking about here today, Mr. Speaker, we are asking for this bill to be recommitted to Committee of the Whole for the purpose of reconsidering proposed section 1 and proposed section 20. The electricity industry is, as I've indicated, a very, very complicated industry. It is one where we as Albertans have enjoyed some of the best and cheapest electricity in North America. The hon. Member for Edmonton-Ellerslie had just spoken very eloquently to the whole issue of net metering, which we have not even seen here. This certainly is one of those recommendations that I think the whole Assembly would like to look at because we do want the cheapest possible rates for our constituents.

Mr. Speaker, with those few comments I will take my seat and

urge all members to speak to this amendment. I think that all members should support this amendment as well because it will allow us to take a look at a bill that's a very complicated bill and certainly look at options where we can provide the type of service we had in the regulated system to Alberta consumers, a system that provided very cheap and very reliable electricity, something that unfortunately, since we've had a deregulated system in this province, we haven't been able to maintain. As well, I think that one of the things I haven't mentioned here is the fact that I believe that Bill 3 is going to remove the right of community-based companies like EPCOR to set their own rates.

So with those few comments, Mr. Speaker, I will take my seat and certainly look forward to the debate raised by all members. Thank you.

The Deputy Speaker: The hon. Member for Grande Prairie-Smoky on the amendment.

Mr. Knight: On the amendment. Thank you, Mr. Speaker. I have to rise and join debate with respect to an amendment before us that would in fact return a piece of well-thought-out, necessary, and timely legislation to committee for further study of two areas. The first one, I believe, is section 1, which I presume would be the interpretation. If we want to return to committee to discuss the interpretation of this particular piece of legislation, then I would say that we really are going to go back, well, at least until 1995. I think that was when the first one was brought in, a little before me, and that would be kind of where we'd be returning to. I can't really support the idea that we would need to go back eight years or something and kind of start this thing again.

Bill 3, Mr. Speaker, is actually a complicated piece of legislation. I agree with the member opposite. That is true. When you break it down and you look at the discussions that have taken place in this Assembly about the particular issues that the bill itself addresses, I think that I could argue that it would be difficult for us to have many more varying opinions with respect to these issues. Certainly, net metering is a technology that can be employed. No argument that it's a good idea. No argument that it's available. No argument that it's being done in certain places. However, I might perhaps put it this way: net metering is not really for the masses. There are certain circumstances where net metering can work, but we don't want to leave anybody with the impression that net metering is something that you would want to put in every household in the city of Edmonton. I rather doubt that that would work, although there are instances and certainly I'm sure they will be investigated. I do believe that in the province of Alberta right now there are instances where that return power system is actually working, so I certainly agree with that. However, it's not necessary to return the act to committee in order to address a situation like net metering. I'm sure that that can be accommodated other ways, and very likely in the regulations that surround this piece of legislation there can be accommodation made for situations similar to that.

3:20

The Electric Utilities Act has a number of very necessary parts to it with respect to the ongoing restructuring of the energy business in the province of Alberta and, I might add, Mr. Speaker, in North America in general terms. We really do need to understand that as we move ahead, Alberta will have to be connected with and be a player in a bit of a larger electrical market. So what we're doing here: we're going to establish an independent system operator. This new market operator will assume responsibility for the market operations in the province, and they will include the Power Pool,

system control, the long-term transmission system integrity, the planning and the management of our transmission system, which – and I agree again with the member opposite – is extremely important business for the province now. This legislation addresses that particular issue. We realize that on an ongoing basis and looking out a few years, transmission congestion could be a major problem for Albertans. This piece of legislation, under the ISO, will deal with that. Another important thing that the ISO will do is they will handle under one umbrella, under the ISO, the load settlement issue, and that again relative to transmission and distribution is extremely important for Albertans.

The way that we started into the restructuring of Alberta's electrical system brought about a situation where we had a requirement to organize a Balancing Pool. The Balancing Pool, again, is a temporary part of the restructuring, and it's ongoing for a 20-year period. We had to have a way in our system to allow the Balancing Pool to operate independently of the rest of the players. Another important part of the Electric Utilities Act, 2003, is to allow the Balancing Pool to become more independent and to be governed by its own board, a more independent Balancing Pool, Mr. Speaker, governed by a board of professional members no longer associated with the Power Pool.

Again I just want to go back to reinforce the things that the member brings up. They're absolutely true and critical. That is: what about ordinary consumers in the province of Alberta? What are we doing for consumers? Certainly, the ISO is part and parcel of an oversight system, but more importantly I think that the market surveillance administrator will be appointed by the EUB. Mr. Speaker, the market surveillance administrator will conduct surveillance, monitor and investigate the market to ensure that it operates in a competitive and transparent manner.

The MSA has under this bill some expanded responsibilities in the area of the retail market, and I believe that's the part that you would be most concerned about; that is, the consumers in the province. This will allow consumers to have a greater amount of confidence that the retail functions in the marketplace are competitive and are transparent. The market surveillance administrator is a single person, and when we go into that in the bill, it's understandable there that he has some major responsibilities and abilities given to him to carry out his function with authority.

So those are, I think, some of the issues certainly brought up that I hope I was able to help address and the reasons, Mr. Speaker, why I feel that it's important for this legislation to move ahead. I need to then address the situation with respect to the amendment, because I don't see the amendment, especially in areas of interpretation, being a productive thing that is actually going to move this piece of legislation in the right direction. So I have to urge my colleagues to vote against the amendment.

Thank you, Mr. Speaker.

The Deputy Speaker: On the recommittal amendment, please, Edmonton-Mill Woods.

Dr. Massey: Thanks, Mr. Speaker. Just a few comments to make on the amendment before the House that would recommit the Electric Utilities Act, Bill 3, to the Committee of the Whole for the purposes of reconsidering specifically section 1 and section 20. I think there are a number of issues that are in play. One is those two specific sections that the amendment addresses, and I'll speak to them in just a minute, but I guess that the purpose of the recommittal motion is more important than the specifics.

What we're asking is that there be, really, a sober second look at Bill 3. I think that it's wise that we ask for that second look at this

point, Mr. Speaker. We're still somewhat surprised that the government has seen fit to push this particular bill through the House with such haste. It's a large bill and it's an important bill, and it would seem to us that it's a bill that deserves a reasonable amount of time for debate and a reasonable amount of time for interested parties to have their say about the implications of the bill. We don't think that that's happened. So one purpose of the recommittal motion is to provide the Assembly and others who are interested in the legislation with an opportunity to again look at the provisions of the bill and the implications of the bill. In our case we've been particularly concerned about consumers in the province because those are the kinds of people that we've been hearing from in the last number of days. So there are those two purposes.

I think the need for a sober second look at it became really evident this afternoon, and as has already been mentioned, it surrounded the discussion of net metering. It was astounding to find that the minister in charge didn't understand – at least, it didn't appear to people on this side of the House – what something as basic as that term really was about. Even more distressing, Mr. Speaker, is that that minister would have advised his colleagues a number of days ago to defeat an amendment that would have placed net metering in the bill. So I guess that the point I'm trying to make is that the actions of the minister call into question the government's own understanding of its legislation. Has this been prepared so hastily that there have been some major oversights? When you have really quite basic and certainly not hugely significant things like net metering not even in the vocabulary of the minister and him advising the government to take action in the Assembly based on lack of knowledge, it's really most distressing, and I think it does point out the strong need for a second look.

3:30

It comes back to comments that we've been making about the natural gas bill before the Legislature, and that is that so much of the legislation seems to be driven by blind faith in the market and that somehow or other all you have to do is drive and drive and drive towards a competitive model and that no matter what the conditions are out there, somehow or other it's all going to work out. We've had that experience previously, Mr. Speaker, with the government, and the fact is that it doesn't always work out. Blind faith may be great in some areas, but when it comes to utilities, it doesn't carry the day.

The proof of it, of course, is the size of the amendment that's before us today, a bill that runs over 129 pages. That's quite an amendment and again, I think, speaks to the whole notion of things not being thought through carefully the first time and then having to be redone. I think it's unfortunate. So much of the legislation, I think, has been driven by that faith in a competitive market, and I think that our concern is that Albertans are now paying a high price and are going to be paying a higher price in the future for that kind of approach to public policy-making. Again, I think it's unfortunate.

Specifically, the amendment asks us to revisit part 1, which is Interpretation, Application and Purpose, and section 1 of that is Interpretation – and these comments were made previously, Mr. Speaker – which really defines the terminology that's going to be used throughout the act. Most of the definitions remain the same with the few that have been added or deleted as was necessary throughout the act. For instance, the definition of an electric utility has been broadened to allow for the convergence of the natural gas and electricity retail markets. The purpose of this, of course, is to allow one retailer to sell both products.

I think it's that whole concern about retailers – and the previous speaker, I think, tried to assure us that this has been looked at

carefully and that we don't need to have concerns, but given our experience, we do have concerns about how retailers are going to behave and the kinds of situations that, particularly, residential customers are going to find themselves in when this act becomes the law of the land and we really get into the deregulation as envisioned by the drafters of this legislation.

The definition of farm transmission costs dealing with supplying electricity to rural electrification authorities has been removed from the act, and the definition of municipality has been broadened to include the Métis settlements, that were established under the Metis Settlements Act.

The definition of power purchase agreement has been added to the act, and now I think it makes it abundantly clear that the claim that we made at the time that we had no idea that Alberta's electricity generating assets were going to be sold off when the government began its deregulation process back in 1980 was correct. No one had any idea what the government had in mind, and to claim otherwise is a distortion.

Section 1 defines where different terms created by the Electric Utilities Act get their meaning, and section 1(3) simply states that the Electric Utilities Act determines if a corporation is a subsidiary according to the Business Corporations Act.

An important section is the section that deals with the Medicine Hat service area. Section 1 provides the definition for that service area, and it's really quite important to the rest of the act because the Medicine Hat service area is exempted from some provisions, and it's treated differently than other entities in parts of the act, particularly when it comes to various regulations. So it's an important definition in terms of what that service area includes.

So those definitions have some implications. We're concerned, as I indicated, about retailers. We're concerned about the residential customers and that our concerns for residential customers are not reflected in the definitions that we see there. We've done some thinking about what might go there, but at this point all we're asking is for it to be taken back to Committee of the Whole for reconsideration purposes.

The second section that we had asked to be reconsidered was the ISO rules under section 20. This is the section that establishes what areas the ISO has jurisdiction in, and it outlines the various areas where the ISO can make rules. Most of the rules, we have to admit, already currently exist as part of the Power Pool, and this section simply transfers the rule-making authority from the Power Pool to the ISO.

But, again, as I said, the major purpose of the amendment before us right now, Mr. Speaker, is to ask for a very careful second look at the provisions of the bill, and as I indicated last night with another bill, I suspect we're going to be back here – and I would almost lay money on it – in the fall or next spring with further amendments to the act and more changes. Part of those changes will be as a result of not having done a thorough job in the first instance. Again, the concern we have is that amendments that are put forward are dismissed summarily and often without any knowledge of what the amendments actually mean or the content of the amendment. They're dismissed on purely political grounds rather than in the interests of trying to make the act a better piece of legislation that would better serve Albertans.

I think that with those few comments, Mr. Speaker, I would urge members to support the amendment before us and to allow the House to take a close second look over a longer period of time at the provisions in Bill 3. Thanks very much.

Mr. Speaker, before I conclude, I'd like to adjourn debate on Bill 3.

[Motion to adjourn debate carried]

3:40

Bill 19**Gas Utilities Statutes Amendment Act, 2003**

[Debate adjourned March 25: Ms Carlson]

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

Ms Carlson: Thank you, Mr. Speaker. I'm happy to resume debate on Bill 19. I'm wondering if you could give me some indication of how much time I have. Okay. Twelve minutes. Thank you very much.

We have still quite a bit to say on Bill 19 although we're in the final stages of this particular bill. The problem that we have had with it from the beginning is that while there has been deregulation in the gas markets for a long time, the principal reason for bringing this bill forward is to give companies that are moving into Alberta to provide electrical services, utility services a better market by being able to bundle services, being both gas and electricity. When we do things to provide a better platform for business to make money, it means somebody isn't making money, and that means it comes right out of consumers' pockets. That is our biggest concern with that, Mr. Speaker.

Having said that, I will now introduce an amendment that we hope will focus on consumer protection. I am happy to talk about the amendment to Bill 19, the Gas Utilities Statutes Amendment Act, 2003. I'm moving it on behalf of the Member for Edmonton-Gold Bar, and it states that the motion for third reading be amended by deleting all the words after "that" and substituting the following.

Bill 19, Gas Utilities Statutes Amendment Act, 2003, be not now read a third time because it is the Assembly's view that the bill will leave consumers vulnerable to entrenched high natural gas prices without consumer protection.

Why do we think that there won't be consumer protection here? It's because we haven't seen anything come forward from the government to indicate that that would be the case. Part of what protects consumers is bringing in other options for them to be able to take a look at so that there are more options available on the market. If they have things that are available to them to do, that brings down the cost of gas in general. I talked about some of those on the electrical side when we talked about net metering. The same thing can be given. Electricity sold into the grid provided by green sources can be used as a heating source as well, which then can be in direct competition with gas, which is what we're looking for here: whatever options are available that bring the overall price down.

In fact, Mr. Speaker, there are quite a few good options out there. We didn't have a chance to talk about some of these other options in committee because of the time allocation rules, but there are certain locations that have anticipated the high costs of gas and other sources of heat and have brought in very excellent programs for their particular memberships to participate in. If we take a look at some of the outstanding options that are out there, California has some really good ideas. They have something that's called an energy-efficient mortgage. Eligible technologies are solar water heat and active space heat and photovoltaics. Well, I don't have enough time to go into a definition of that for the Energy minister, so he'll have to look it up or get some of his staff to look it up so that he understands it, because something as simple as net metering seems to be an insurmountable barrier this particular week.

To go into a summary of the kinds of things that we could be bringing in that speak to this particular amendment talking about consumer protection are these mortgages. They can be used by homeowners to pay for energy-efficient measures for both new and existing homes. That becomes a critical factor, Mr. Speaker, because not everybody is going to go out and buy a new, energy-efficient

home. They can't afford to. And what do we do with the surplus on the market that is there otherwise? That's why our idea of having a retrofit program for existing homes is such a good idea. You could combine this with this kind of a mortgage. What happens is that they can be applied to most homes and work for both government-insured mortgages, like we have in this province, and conventional kinds of mortgages.

In a nutshell what happens is that all buyers who qualify for home loans also qualify for this. So it's intended to give these buyers additional benefits on top of their usual mortgage deal. What happens is that the lender uses the energy efficiency of the home, as determined by a rating that is federally monitored and implemented, to determine what the benefits are going to be. Then it can be used to finance all these technologies. So this could be in addition to the retrofit plan that we've talked about, or since the government doesn't like to take our great ideas all that often, then they could go to this mortgage program instead. We heard some discussions earlier this session about options for mortgages, I think brought up in private members' bills by private members who support the government agenda, so we know that for at least this particular idea there is some kind of support. So I would strongly suggest that both the Energy minister and the Environment minister get together with their respective departments and start to think about how we can help people get out of this huge corner that they have pushed the average consumer into with the kinds of costs that we're taking a look at.

Montana also has a really good incentive program for renewable energy, which would come in direct competition with high natural gas prices, which speaks to this particular amendment. This program is called a universal systems benefit program, and it's a public benefits fund incentive. The eligible technologies for this one are passive solar space heat, solar water heat, active solar space heat, solar thermal electric, solar thermal process heat, again photovoltaics, wind and geothermal electric.

3:50

I just had an interesting discussion with a person who came to my constituency talking about how to lower costs. This person is a home builder, and he talked about how we need to start taking a look at using thermal heat and electrical heat way more efficiently. He builds very low-end consumer houses, so first time buyer kinds of homes, and he builds them mostly around the Cooking Lake area. What he has done to keep his costs low for a long time is when he builds the home – traditionally, what builders do is take all their scrap materials and haul them out to the dump. That creates a few problems. It creates a waste problem, a transportation issue, dumping fees. All those add to the cost of the home. What he has done traditionally is dig a large hole in the backyard, so down about 40 feet and about 10 feet wide. What he does is dump all the household waste in that hole. Then what he does, also, is put water heater pipes vertically in the side of the hole, covers it all up when he's done building the house, hooks up the water heater pipes to the home. This is a very environmentally forward-thinking concept, and it works very well for him and, subsequently, for the people who buy those homes.

As that waste decomposes – now, if you think about it, it's all decomposable biomass stuff: wood, things of that nature – the decomposition creates heat. So what happens with the heat that's generated down there is it heats up the water coils, and that feeds into an electrical system into the house. That stuff takes about 20 years to decompose completely. At that point in time what it does is run through into the house and through tubing in the basement hooks up to the water tank there and provides heat for the home, thereby reducing the overall energy costs, effectively using waste

materials from building homes. This kind of power is a great idea. It's something that we need to be taking a look at as options, and it's the kind of thing that would specifically qualify for this particular benefit program that Montana has.

So when did Montana do this? You know, is this a situation where everybody just suddenly woke up? Well, most states have been working on these kinds of issues since at least the mid-1990s, and Montana brought this in as part of its 1997 restructuring legislation. So it took them a little while to get it all figured out and to get the legislation in place, which is exactly what we've been asking the Energy minister to take a look at and to bring forward here. What happened was that on January 1, 1999, all suppliers began contributing a very small percentage of their profits, and that created a fund. It supports energy efficiency, renewable energy resources, low-income energy assistance, and renewable energy research and development. So these funds are then distributed among these programs, and implementation began almost immediately. This is, once again, another really good idea that this government, had they done their research – you know, Mr. Speaker, they have way more people in their department to help them with research than we do, certainly, and it wasn't very hard for us to find out about these very excellent ideas that are out there in the community.

They also could have taken a look at some of the options that were provided to them by the Pembina Institute submission, options that speak directly to this amendment when they talk about consumer protection and leaving consumers vulnerable to entrenching high natural gas prices. In this Climate Change Action Plan for Alberta: Summary Overview submitted by the Pembina Institute, they talked about all kinds of things that could help overall in lowering gas prices and providing some protection. They also in this submission talked about net metering. So this isn't a new concept to this government. It has been around for a long time, and we strongly suggest that they read the stuff they get.

The Deputy Speaker: The hon. Member for Edmonton-Glengarry on the amendment.

Mr. Bonner: Yes. Thank you very much, Mr. Speaker. Again, I think it's very important that all members of the Assembly take a second look at Bill 19, another bill that is dealing with necessary utilities to the province. It's a situation where I think, when we look at the whole gas industry in this province, there are some things that we would like to do again. I look at our plant down at Joffre, Alberta, that strips the natural gas in this province and uses those by-products in the petrochemical industry. What a difference it has made to Alberta. Certainly, the foresight that Premier Lougheed had when he made it possible for Joffre to come into being and to compete with the Sarnias of the world and whatever else – it was one of those industries in the province that was welcomed, and it was one that was very beneficial to the province. A few years later we had the development of the Alliance pipeline, and we allowed all of that natural gas here in the province to flow out of this province without being stripped. Something like that has put our entire petrochemical industry in a very weakened position simply because of the source of materials.

So we look at this particular bill, Bill 19, the Gas Utilities Statutes Amendment Act, 2003, and what it's going to do here in the province of Alberta. Specifically to the amendment, Mr. Speaker, the hon. Member for Edmonton-Ellerslie has indicated that it "be not now read a third time because it is the Assembly's view that the bill will leave consumers vulnerable to entrenched high natural gas prices without consumer protection," and I think she was right on when she introduced this amendment.

When we look at the bill itself, we see that Bill 19 is a sister bill to Bill 3. It proposes amendments to align the natural gas retail marketplace with the electricity retail marketplace, and certainly it allows for a single billing of the two. It also changes the structure of the natural gas retail marketplace to allow for more competition. But, again, when we have a limited supply of natural gas in this province – and at our present rate of consumption we have less than 20 years of reserves left – then I think that we have to be very cautious about these bills that we pass in this Assembly. Certainly, the amendment will allow us to look at situations where we can provide cheaper gas to consumers here in this province.

Now, then, we talked at length in the Assembly about consumers having the choice of signing a contract or floating on the natural gas spot market when they receive their natural gas. Natural gas is one of those essentials in this province that are required for industrial growth. It's required particularly for a number of months for our consumers, our small consumers, and the constituents in all of our constituencies in order to enable them to live year-round, and it is an essential – essential – energy source. So we have to look at ways that we can provide this type of energy at a very competitive price but also at a price that certainly won't lead to wastage, because it is a nonrenewable resource.

4:00

Now, then, as well, I looked at a study which was done by the Federation of Alberta Gas Co-ops, and it's titled Improving the Competitiveness of Alberta's Retail Electricity Market. Certainly, when we are discussing Bill 19, which is the Gas Utilities Statutes Amendment Act, there are so many parallels between the two, and one of the conclusions that they came to was that in certain cases introducing competition into the marketplace will bring down prices. They go on to say that

deregulation of natural gas has worked well at the wholesale level, but cost-benefit analyses and reference to actual experience in other jurisdictions demonstrates it does not work well at the retail or small consumer level, without introducing additional costs, additional layers of overhead, and increased control required by regulators.

So they do have some very, very legitimate claims when we are looking at this particular bill and this particular amendment.

As well, the federation and Gas Alberta Inc. go on to ask the government to keep in mind this small consumer, who has little protection from the marketing community, does not understand complexities of purchasing commodities such as electricity and natural gas, and may never be comfortable or able to fully understand the unique commodity market process.

For that very reason right there, Mr. Speaker, I think it's essential that we as legislators do our homework here so that this whole process is open, this whole process can be understood by your small consumer, and we can provide them with the best price possible regarding the gas.

Now, then, Bill 19 as well allows for a flow-through price of natural gas, and it certainly does change the rules of the marketplace in that it attempts to attract more competition. But, again, how can we have more competition when we have a limited supply, particularly when we look at the resources that we do have in this province, known resources that have currently less than a 20-year supply?

It is with those comments, Mr. Speaker, that I support the amendment as proposed by the Member for Edmonton-Ellerslie. I am also in agreement with the federation and the Gas Alberta Inc. position where they look at the situation. Certainly, they look at a bill such as Bill 19, that is being promoted by government, and they say: does this meet a test of prudence, and does it satisfy a cost benefit to consumers? So far I think that what we have seen is that there is no guarantee that there will be a cost benefit to consumers

with the passage of this bill. It's a bill that will give them choice but certainly no guarantees that there will be a cost benefit.

So with those comments, Mr. Speaker, I will cede the floor to some other hon. member and encourage all members of the Assembly to vote for this amendment. Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Mill Woods on the amendment.

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have the opportunity to speak to the amendment. We're often accused of being repetitive in the opposition, and I have to admit that I'm feeling repetitive. I'm putting it down to the nature of the bills. Bill 19, the one that's in front of us now, the amendment for Bill 19, and Bill 3 are very similar and give rise to the same concerns, and Bill 27, a companion piece that has been introduced and rushed through the Legislature, also gave rise to some similar concerns. So if we're using the same arguments time and time again, it's because the three bills elicit that kind of criticism.

That being said, Mr. Speaker, I would like to support the amendment that would have Bill 19, the Gas Utilities Statutes Amendment Act, 2003, not read a third time. I think that what's important in terms of the reasons for the amendment being presented to the House is that it's our fear that it's going to leave consumers vulnerable to high natural gas prices and that there's going to be very little consumer protection, and I don't think that those fears are unfounded.

If you look at natural gas deregulation south of the border, one of the major concerns there has been that in all of the legislation the consumer has been left behind. They've been left out of any kind of major concern when the legislation was drafted and, again, a great faith that somehow or other the marketplace was going to take care of the consumer, and that in many places south of the border just hasn't happened. What has happened in a number of states where there is natural gas deregulation is that consumers are asked to pick a gas supplier on blind faith that the marketer can deliver what is promised, and it's very difficult for customers to make their choices without any evidence or the resources that they need to make sure that that is the case. How can consumers in Alberta, for instance, go out and interview someone in the marketplace and try to find out: what's a good company, what's a bad company, what's a good rate, what's a bad rate?

I've had – and I'm sure I'm not alone – trouble getting the whole business of gigajoules and all of the terminology that is now part of the legislation, making sure that I understood those and what kinds of implications that that has for my own residence. I think I'm one of the lucky Albertans, as are people in this Legislature who are dealing with it, and I still have to confess that I look at the water heater that's fired by gas and wonder how much energy that is and what it's going to add up to over a year, and I'm sure that I'm not alone.

4:10

It's really our concern with customer protection in this amendment that we're addressing and, again, the haste that it's being pushed through the House with and that the good kinds of education, the good kinds of alternatives and suggestions to consumers and ways to protect them are being left to be handled later, I guess is the way that they'll be addressed, and I don't think it's good enough. The experience elsewhere has been summarized as leaving consumers to significant risk. While the rules of deregulation and the regulations and the legislation are debated, the consumers are left out there on their own.

There have even been some schemes south of the border where consumers were encouraged in the interest of getting a better rate to pay their bills to the company ahead of time. They would be asked to put three or six months of utility costs up front, and you can imagine the kinds of Pandora's boxes that that opens in terms of what might happen to customers. The kinds of actions that some of the retailers have taken when customers have defaulted are actions unknown in our province. I know that in our constituency office when we have customers who have difficulty making their bills, we're able to negotiate with companies like the gas company to make sure that the utility stays on, to make arrangements for payment, and south of the border that's not been the case in many instances. Retailers have been very hard-hearted and have not had the kind of compassion that we have come to expect from our public utility companies in this province. So it sets a whole new climate in terms of the relationship between customers and the supplier of their natural gas and not always for the better.

I think some of the states have tried to move now to protect consumers, but again it's after the fact, and I'm afraid that that's what we're going to be in for in Alberta. We're going to be going back and saying: how can we rectify this situation that we've created with bills like Bill 19?

The fact that there were retailers getting ready to operate in the province before they were legally sanctioned to do so I think is just maybe the tip of the iceberg in terms of what we're in for when the vision for Bill 19 becomes a reality in the province, and again I think it's unfortunate.

The other piece is that consumers can be protected in a number of ways. One of them is through the legislation that we have before us, but there are a number of other things. They can be protected, first of all, by being encouraged to do things themselves that will protect them from high energy costs. The Member for Edmonton-Ellerslie indicated some suggestions that had come from the Parkland Institute. I know that many members of the government have a view of the Parkland Institute that's not always positive, but they do good work, and they have made, I think, some very positive suggestions for government action that would help consumers protect themselves from high natural gas prices. It's this kind of preliminary work that I think should be in place or should at least be ongoing before bills like Bill 19 are acted upon. One of the suggestions is that the government should improve the energy efficiency of new building construction, and they give a number of suggestions as to how that might be done.

Ms Carlson: It's the Pembina Institute, not the Parkland.

Dr. Massey: Did I say Parkland? Sorry. I need to correct that. I said Parkland Institute. It was the Pembina Institute.

An Hon. Member: The Fraser Institute.

Dr. Massey: No, not the Fraser Institute. We have our own biases about the Fraser Institute.

The suggestion is that the government immediately adopt the national energy codes for housing and building, that they could remove the barriers to the construction of R2000 homes in Alberta by reducing the costs for builders, because building those kinds of homes increases permit fees and municipal taxes associated with the construction of the home and again becomes a barrier. The government could shelter the incremental cost of qualifying R2000 homes from the municipal mill rate as well as providing a rebate on municipal development permit fees for homes built up to the 2000 standards.

So I think all that the Pembina Institute is saying is that there are actions that the government can take that would protect consumers, because the buildings that they were going to be responsible for paying heating costs on were standards such that those costs would automatically be less than they might otherwise be were less efficient construction methods used.

They also suggested that there be a retrofit of buildings, and this is something that our critic for Environment has spoken to a number of times and tried to make the government understand how important it is that there be encouragement for Albertans to retrofit. I think the suggestion was that there be loans available to families to retrofit their homes in order to make them more energy efficient. There again I think the notion is that there have to be financial incentives for builders and for homeowners to make their homes more energy efficient, to improve them, and with modest, I think, input from government. The suggestion has been that it be with interest free loans or low-interest loans and that there be a fund established so that that kind of money would be available.

They've also suggested that the government should work with postsecondary and vocational institutions and colleges to strengthen the training for building trades, contractors, and other professionals in the energy efficiency design, construction technique, and retrofit. So again a number of suggestions that would help the consumer and things that we think the government should have acted upon, if not before, at least in concert with legislation like we have before us on Bill 19.

4:20

Just in conclusion, Mr. Speaker, we think that the amendment has to be supported for a number of reasons. First, our fear is that it's being rushed through the Legislature too quickly. When we find examples where the government members and particularly government ministers don't understand the legislation, we're fearful that there's more in the legislation that may be damaging and may in the long run hurt Albertans. I think it's unfortunate that we have to have this go through the House so quickly. We think it's being unreasonably rushed through the Assembly. We think that it doesn't have accompanying it the kinds of programs that would help consumers and those people that are going to have to be making some pretty serious decisions that involve them and will commit them financially without really having full knowledge of what they're undertaking and that, again, there hasn't been the attention to consumer protection and consumer programming that bills such as Bill 19 really, really demand. I guess that the overwhelming concern is that it's not carefully thought-through legislation and that Albertans may in the long run be hurt.

With that, I'll conclude. Thank you, Mr. Speaker.

[The voice vote indicated that the motion on the amendment lost]

[Several members rose calling for a division. The division bell was rung at 4:22 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Bonner	Massey	Pannu
Carlson		

Against the motion:

Amery	Graydon	Marz
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Boutilier	Griffiths	Maskell
Broda	Haley	McClellan
Calahasen	Hancock	Nelson
Cardinal	Hlady	Oberg
Coutts	Hutton	Ouellette
DeLong	Jablonski	Pham
Doerksen	Jacobs	Rathgeber
Dunford	Klapstein	Smith
Fritz	Knight	VanderBurg
Gordon	Kryczka	Woloshyn
Goudreau	Magnus	Yankowsky
Graham	Mar	
Totals:	For – 4	Against – 38

[Motion on amendment lost]

The Deputy Speaker: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Yes. Thank you, Mr. Speaker. I would also like to take this opportunity to add a few more comments to Bill 19, the Gas Utilities Statutes Amendment Act, 2003.

Of course, this bill is twofold, Mr. Speaker. Firstly, it is to align the natural gas retail marketplace with the electricity marketplace so that one energy retailer may market electricity and natural gas simultaneously. Of course, the second object of this bill is that it will open up the natural gas marketplace in an attempt to attract more retail competition. In other words, Bill 19 will further the deregulation of the natural gas marketplace.

[The Speaker in the chair]

I did notice that when he introduced the bill, the hon. Member for Innisfail-Sylvan Lake stated that Bill 19 will improve the ability of about 900,000 natural gas customers served by the major utility companies to buy natural gas from the supplier of their choice. Well, of course, we think that is certainly a good part of the bill, that choice is certainly something that Albertans enjoy and something that perhaps they want. But, as well, in this choice, Mr. Speaker, they want a competitive marketplace and a competitive marketplace where we will see the best possible price for our consumers. I don't see in reading Bill 19 where the consumer here in the province is going to be looking at lower gas prices.

Now, then, by way of background when we look at the history of gas utilities in the province, customer choice or the ability for customers to purchase natural gas from the provider of their choice has been available to large industrial natural gas customers in Alberta since the late 1970s and to small industrial consumers since 1998 and again to most residential consumers since 1996.

Currently customers who have chosen not to sign with a retailer pay a spot rate based on the monthly market price of natural gas. For example, Mr. Speaker, most Edmonton residents pay the monthly ATCO Gas price that is based on the market price and regulated by the Alberta Energy and Utilities Board. About 40,000 residential and commercial customers have chosen to sign a contract with a retailer for natural gas. Currently, signing a contract is one of the only ways for consumers to receive stable monthly bills.

Of course, this is essential when we look at business in the province and certainly essential for those people who are on fixed incomes so that they will be able to get away from these soaring prices that we currently are seeing. I would suspect that if we were to poll the members of this Assembly, many of the calls, probably the majority of calls, that they get regarding the high price of gas that

we have experienced this winter would come from seniors who are on fixed incomes and seniors who had planned their retirement and planned it well, and certainly never, never did they ever expect to see prices fluctuate and their bills skyrocket as they have so that there were advantages for those people to sign a contract.

Now, as well, Mr. Speaker, when we look at businesses, they, again, want to know what their costs are. The landlord in the building that I'm in was expressing his displeasure over a building that they recently purchased where since last July he has been trying to get his electricity bill straightened out. Just after the new year he finally got a bill for \$50,000, and certainly he would have much preferred that this billing irregularity could have been straightened out months ago so that he would be able to pay a set fee per month as we moved along.

As it now stands, only natural gas utility companies can provide a regulated supply of natural gas. The changes proposed in this legislation will allow for the creation of a default supply provider. A default supply provider is any company that chooses to provide gas supply service at a rate regulated by the Energy and Utilities Board. The regulated rates proposed under this legislation will be based on the flow-through price of natural gas just as they are currently. Currently retailers must provide separate bills for electricity and natural gas. If you were one of the few Albertans who receives both electricity and natural gas from EPCOR, you would receive two separate bills and it would probably be on two separate billing cycles.

4:40

This legislation would allow the retailer to provide a single utility bill for both. Additionally, this legislation will allow retailers to provide a single utility bill for gas supply and delivery costs. Currently they both are billed separately. There will be a cost associated with combining these two billing systems together. This legislation, Mr. Speaker, will move Albertans toward a more deregulated energy marketplace and require Albertans to sign a contract in order to receive stable bills.

Now, then, I certainly will not be supporting this legislation. One of the reasons that I will not support this legislation is it proposes some of the same changes to the natural gas marketplace that Bill 3 proposes to the electricity marketplace. The convergence of the electricity and natural gas markets does not guarantee that more retailers will come to Alberta. It simply opens up the possibility that more retailers may want to come to Alberta. This means that the changes proposed in Bill 19 will not automatically make things better for consumers, and of course that's what we want to look at: lower prices for consumers. Additionally, there's no guarantee that more competition will bring lower heating bills. Retailers will only come to Alberta if there is a possibility of making a profit. It is in retailers' best interests to keep the prices and therefore the profit margins as high as possible. So I will not be able to support this legislation.

At this time I would like to move an amendment to Bill 19, and this is under the name of the hon. Member for Edmonton-Ellerslie. Perhaps, Mr. Speaker, with your permission I could read the amendment while it's being distributed. Under this the hon. Member for Edmonton-Ellerslie moves that the motion for third reading of Bill 19, the Gas Utilities Statutes Amendment Act, 2003, be amended by deleting all the words after the word "that" and substituting the following: "Bill 19, Gas Utilities Statutes Amendment Act, 2003, be not now read a third time but that it be read a third time this day six months hence."

The Speaker: The hon. member may continue.

Mr. Bonner: Thank you, Mr. Speaker. Certainly, Bill 19 is another piece of the puzzle in the delivery of electricity and gas to Albertans. Again, those are two very essential types of energy that we require in this province. Again, when we look at the amount of debate that has occurred in this Assembly on pieces of legislation which will impact consumers, whether they be business or residential or small consumers, in this province – this legislation will have a huge, huge impact. So in speaking to the amendment that we postpone the passing of this legislation for six months, I think it is in the best interests of all Albertans.

It has been an extremely quick process as this bill has been pushed through the Assembly at a record pace, and it certainly doesn't give the members of this Assembly an opportunity to get back to their constituencies. It certainly doesn't give them the opportunity to get input from all stakeholders here in the province. It doesn't give us the opportunity to examine this bill to see if there are improvements that can be made. Certainly, an amendment such as this would allow a lot more consultation. It would allow all the people in this province to have a say in this very important legislation. Mr. Speaker, I would certainly want to encourage all members to vote for this amendment.

I think, as well, that this amendment here would also allow all members that haven't had an opportunity to speak to this amendment to do so six months down the road, and of course they would certainly have the opportunity, as we said, to research, they would have an opportunity to sit back and look at what all has been presented in debate to this point, and they would have the opportunity to discuss this with their constituents in the coffee shops or on the golf course or wherever during the summer. I think that by following this procedure and by following this amendment, Bill 19 would become a much better piece of legislation, and it would be a piece of legislation that perhaps might even be amended so that we would not only be looking at choice for Alberta consumers, but we'd also be looking at the best possible price.

So with those comments, Mr. Speaker, I will take my seat and certainly look forward to debate by all members of this Assembly on this very important amendment. Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona on the amendment.

Dr. Pannu: Thank you, Mr. Speaker. I rise to speak on this amendment before the House that's been presented to the House by the hon. Member for Edmonton-Glengarry on behalf of the hon. Member for Edmonton-Ellerslie. The amendment's intent is clearly to see if the House would decide to hoist this bill for the next six months. That certainly will purchase members of this Assembly valuable time to take an extensive look at the consequences of this bill for consumers, for the market structure, for examining some embedded assumptions in this bill which would suggest that if this bill is passed, the volatility in the market, the instability, the spiking of prices, that there's a solution to all of those things in this bill.

There has been, obviously, some debate in this House on whether or not that is what will result if we pass this bill today, and there have been comments in the media, serious analysis given by consumers groups, Alberta Rural Utilities Association, and many other concerned groups. With the exception of the Minister of Energy and some companies – namely, the new company that's being invited by the minister to come to this province at whatever cost, Direct Energy – with the exception of these parties and the government of course, most other Albertans and organizations in Alberta have expressed very serious concerns about not only the unintended consequences of this further deregulation but the

negative consequences that can be foreseen quite clearly from careful examination of the bill.

4:50

This bill will neither lead to protection of consumers from price hikes and ongoing rapidly increasing costs to them, heating costs particularly for households and small businesses, but it will also not clarify matters from the point of view of the consumers and in fact will increase confusion among ordinary consumers of natural gas. There's no doubt that all parties agree that this bill if passed would be highly consequential. The question is: what will be the consequences? And if the consequences are primarily negative for the consumers, then who will pay for them? And if it is going to increase the costs of heating our homes and our schools and our business premises and our municipal town halls and city halls, then can we justify proceeding with it at this stage given that there are such deep differences among groups, institutions, individuals, parties with respect to the consequences of this? Not only will the consequences be different for different groups; they also are going to be highly negative as perceived at least by the vast majority of consumers in whose name this bill is being proceeded with.

So this amendment, Mr. Speaker, will help in providing more time for further serious thought by the government side, by the Minister of Energy. He certainly will have the benefit of further public discourse on this. He may even change his mind. I never assume that the minister is impervious to good, sane, sensible, wise advice from Albertans. After all, this Legislature is about reflecting and embodying the wishes of Albertans in our legislation and the policies that follow from the legislation which undergirds those policies. So the minister will benefit. We will learn from each other. Consumers, REAs, ARUA, which is the Alberta Rural Utilities Association – there are six or seven organizations that are members of that – will all have further opportunity to influence the minister and the government with respect to what should be in this bill and what should not be and what the primary purposes of the bill should be.

It seems that at the moment the bill in its present form does no more than promise a new market structure for our natural gas without explicitly expressing the social purpose which should be at the centre of this bill, which is to reduce costs, to reduce uncertainty and volatility so that Albertans can benefit from not only stabilized prices, smoothing out spikes in pricing, but also can be assured that given that they are the owners collectively of this resource, which is as important to us almost as water is in this cold climate, they will pay less than perhaps other jurisdictions. There's nothing so sacred about markets that we shouldn't have the courage and the will to say that regardless of how markets work, we are going to protect the owners of this resource from the unpredictability and the volatility of the market, which is in part to be explained not simply by demand and supply but also by politics, also by speculation, also by big corporate players who are present in the market to distort the market from operating as a truly free market.

It's a myth that modern markets are free markets. They're not, and deregulation is not the way anymore to make them free so they will work as a pure market. Deregulation, in fact, empowers the already very powerful few players to further be able to manipulate the market to their advantage to the disadvantage and at the expense of the small, ordinary, family-based household consumers.

Mr. Speaker, if the intent of the bill is really to serve appropriately and seriously the long-term interests of Alberta consumers – and that interest has at the core of it stable and low costs for heating and for running their business – then this kind of contrived competition scheme as represented in this bill is not the answer to it. That's exactly what we have heard, as I said, from all kinds of organiza-

tions, and media columnists have also jumped in to draw attention to the flaws in this bill.

So this amendment, Mr. Speaker, is a good amendment in that it recognizes that there is a lack of consensus on the consequences of this bill, on the appropriateness of the provisions in different sections of this bill, and on the purposes of the bill. Given that there is such widespread disagreement and therefore absence of consensus with respect to this bill by the very people who'll be affected by this bill, does it not make sense, then, to say that we are going to give people who'll be affected by this bill more time so that they can engage in further public debate and expert analysis for their respective memberships and clientele? REAs and Alberta Rural Utilities Association, the Consumers' Association and other groups come to mind here. Small business organizations are very concerned about their growing costs all the time. There are upward pressures because of increasing rates of inflation. Already they've been hit by electricity cost hikes, and this bill will make their business life certainly more difficult, Mr. Speaker, because this bill if passed will translate again into a substantial increase in their costs related to heating or other business activities and processes which depend on the use of natural gas as an appropriate form of energy.

5:00

So, Mr. Speaker, why is it, then, not really a reasonable thing to do to allow ourselves and all Albertans – and they have the right to expect this from us – an extension of six months for this debate to occur, for the analysis to happen, for the natural gas markets to settle down perhaps? As the members on the government side have been suggesting, as the temperatures improve and we move out of winter and into spring and summer, somehow the natural gas prices are going to come crashing down. If that is indeed what happens – and we have to wait to see if it happens – then maybe there'll be more people who swing to the kinds of policies that this government is opting for and that this Bill 19 will allow this government to proceed with.

This assumption that somehow natural gas prices are directly related to the seasonal fluctuation in temperatures I think needs to be tested carefully. We have seen that deregulation of electricity and natural gas over the last few years has not delivered on that promise. So let's wait and carefully study whether or not this assumption that's being sold as fact is in fact something that's supported by the natural gas markets and the prices that are produced over the next six months.

This amendment is very opportune, Mr. Speaker. It comes at a time when the weather is changing, the temperature is warming up, and we should come back to it in six months to look at it to see if we want to proceed with it.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Mill Woods on the amendment.

Dr. Massey: Yes, on the amendment, Mr. Speaker. Of course, the purpose of the hoist amendment is to kill the bill, to move consideration of it six months hence, which would be of course when the Legislature will likely not be sitting, and in fact historically that's where the hoist amendment comes from because the legislative sessions at the time lasted less than that. There used to also be a three-month hoist that was used in the latter part of sessions to prevent consideration of a bill. So that's what the intent is of the motion. We want to prevent the bill from coming to a vote in the House and being passed by the Legislature.

We want that for a number of reasons. The first is some of the

premises that underlie the bill, and we have serious questions about them. One of the premises is that the bill provides for consumer choice. The question that keeps rising and people keep asking is: who wants it?

If you go back a number of years, we have grown to expect that our public service utilities would be in place, that they would provide low-cost and reasonable service for things that are pretty basic to our lives: water, natural gas, electricity, even telephone service. I think we were happy with the kind of service that was being delivered. In this climate, as has been mentioned, certainly heating is crucial, and it's a service that we believe is a public service, and a public utility best handles that service to customers and consumers. So in the province we had grown used to having reliable basic services without the whole notion of consumer choice, and again the question comes back: "Who is pushing for consumer choice? Where has this come from?"

The movement first started, as we know, south of the border, the push there in a number of states to deregulate and to try to bring a competitive market to the delivery of electricity and natural gas, and that movement has moved north and particularly into the province of Alberta and partly, I understand, into Ontario. Again, it's predicated on political and economic beliefs in the operation of a free enterprise system and the role that the marketplace plays in that system. It attributes to the free market system much more than I think was ever intended.

So the whole notion of having consumer choice hasn't come from Albertans who have risen up and said: look; we want free market choice. It has come from this government and seems to be consistent with the philosophical beliefs that have guided many of the other pieces of legislation that we've seen before us, Mr. Speaker.

A second premise of the bill is that if we can just keep continuing and if we can just keep reshaping and if we can just keep adding more rules and more regulations, we're eventually going to get deregulation to work, that you can keep tinkering with it and if you tinker with it long enough, eventually something good will happen. I don't believe that that's the way Albertans want their utilities dealt with. What we have seen with the kind of tinkering that has gone on is that higher prices are the order of the day. There's no guarantee in this legislation or anything else that the government has put forward that there's going to be anything else but higher prices.

I was looking at some of the debate in *Hansard* in terms of how dramatically those prices have increased over the last number of years with respect to natural gas. It's really been quite astronomical. The days when we were looking at \$1.65 for gas compared to what we're at now, \$8 and some odd cents, are long gone. The reason for that in part, not totally but in part, has been because of the government's deregulation efforts.

One of the other things that Albertans have come to expect is that they will be the beneficiaries of the resources that they enjoy, and again I read *Hansard*, and some of the government members have argued that they are the beneficiaries. They receive rebates. We benefit because of the royalties that are paid. But in addition to those two things, I think Albertans have expected that because we're sitting on top of the resource, their energy bills will reflect that and their ownership of the resource.

5:10

A third premise that the bill rests on is that by passing this bill, we'll bring more retailers into the province and that somehow or other this is going to automatically lower the price and benefit consumers. I think that there are some serious questions about whether that's true. In fact, I think there's some real concern that what this does is open the consumer to competition with some

retailers that may not be working in their best interests.

I think, Mr. Speaker, that in supporting the amendment that the bill be read six months hence – my own personal experience with a gas retailer who appeared at the door, and the question to me was: I want to see your gas bill. I have to admit that I was somewhat taken aback that someone would appear at the door and ask to see the gas bill. I said: may I ask who you are, and why? His response was: I want to see your gas bill. He became more and more aggressive until I finally closed the door and just didn't deal with it any further. I still am somewhat surprised that that actually occurred.

Again, we're fortunate in this Legislature that we're dealing with the legislation and I think are somewhat more aware than the general public in terms of the deregulation and what it means in terms of competition and what it means to have retailers seeking your business. I was very much surprised. One of our major concerns we've had with this and with Bill 3 – I've said it before and I'll say it again – is that consumers have to be protected before the deregulation of the marketplace proceeds any further. We don't see the protection of consumers in the bill that we believe is necessary before we would pass a bill like Bill 19.

Many of the arguments that can be made against Bill 19 are similar to those that can be made against Bill 3. There's no guarantee that we're going to get lower bills. There's just this blind faith that deregulation somehow or other is going to work. We think it's going to do nothing but generate a huge amount of confusion in consumers' minds and that this bill, when it's passed, will only add to that confusion.

I think I'd also give an example of how this has happened, for instance, with the telephone service, the selling of long-distance telephone service to customers. If you look at some of the information coming out, people's feelings about the competition for telephone service are really very negative. Many of them frankly admit that they're confused by the kind of advertising that goes on. Many of them frankly say that they would just like to have the rate to pay the bill. They don't understand the different options that are being offered by retailers, and they find the whole business of trying to buy telephone service from a variety of retailers to be confusing and something that they really don't want to engage in.

I think that exactly the same kind of thing is going to happen in terms of electricity and natural gas, that consumers are going to be equally confused. It's something that we've heard time and time again, that people don't want and resent in many cases being forced into being involved in it. Again, as I said before, it's not a demand that has come from Albertans, that this kind of legislation be passed or that the government move further down the road with respect to deregulation. In fact, we hear the lament time and time again: "Things were going well. Five, six, 10 years ago we had good service, reliable service, affordable service. What's happened? Why have we lost that?"

So for all those reasons, Mr. Speaker, I believe that the amendment, that this "be not now read a third time but . . . six months hence," makes sense, and I hope that members of the Assembly will agree. Thank you very much.

The Speaker: The hon. Member for Edmonton-Ellerslie on the amendment.

Ms Carlson: Thank you, Mr. Speaker. I'm happy to stand and lend my support to this particular hoist amendment. It looks like I'm going to be the last speaker on this bill. [some applause] I hear that some members of the Assembly are very pleased with that. However, there are a number of issues that have yet to be discussed about this bill, and that's why we think a hoist, where this bill is read six

months from now, is such a good idea. In fact, there are a whole bunch of programs that this government could be supporting that they haven't heard about yet even one time, and it seems to take more than one time for them to hear about them and actually understand them.

We also haven't had an opportunity to talk about demand-side management to any great extent, Mr. Speaker. That's really an important issue for us to have talked about because there is no doubt that one of the clear lessons we've heard about energy efficiency after more than a quarter of a century of performance in North America is that it's very simple. It's much cheaper to save energy through efficiency gains than it is to build and operate new plants, and energy efficiency has proven that total energy demand can be lowered while delivering comparable or even enhanced services.

We haven't spent very much time talking about that. Why? Because this government is very much in support of a former Prime Minister of Britain, Clement Attlee, who subscribed to the theory – and this is a direct quote from him: “Democracy means government by discussion, but it is only effective if you can stop people talking.” This is something that this government strongly supports. We see it with time allocation. We see it with their muzzling . . . [interjection] Thank you very much, Member for Calgary-Mountain View; I appreciate the support.

This is a government who doesn't even let their own backbenchers talk. We've seen a couple of them. Grande Prairie-Wapiti has been on his feet several times during this whole debate, and we're very happy to see that participation, but as a general rule the members in

this Assembly that support the government's side tell us time after time that they have their discussions in their caucus and their standing policy committees and not in the open on the floor of the Legislature. Also, by not standing on their feet, they support this particular quote too.

Now, for people who know anything about Clement Attlee, he was the Prime Minister of Britain right after the defeat of Winston Churchill, and by subscribing to this particular philosophy, he was a very short-lived Prime Minister, soon to become the Leader of the Opposition, soon to be totally out of office. So I could wish that that would happen to this current government if they continue to subscribe to this particular philosophy, where it's most effective for their type of democracy if people stop talking.

With that, Mr. Speaker, I will call for the question on this particular amendment.

[Motion on amendment lost]

[Motion carried; Bill 19 read a third time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. In light of the hour I'd move that we adjourn until 8 p.m.

[Motion carried; the Assembly adjourned at 5:19 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, March 26, 2003**

8:00 p.m.

Date: 2003/03/26

[Mr. Shariff in the chair]

The Acting Speaker: Please be seated.

head: **Government Bills and Orders**

head: Third Reading

Bill 3 Electric Utilities Act

Ms Carlson moved on behalf of Mr. MacDonald that the motion for third reading be amended to read that Bill 3, Electric Utilities Act, be not now read a third time but that it be recommitted to Committee of the Whole for the purposes of reconsidering the proposed section 1 and proposed section 20.

[Adjourned debate March 26: Dr. Massey]

[Motion on amendment lost]

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

Mr. MacDonald: Thank you very much, Mr. Speaker. At this time I rise to speak at third reading of Bill 3, our high-priced utilities act. To say again that I'm disappointed in this legislation certainly would be an understatement. I don't understand how this bill is going to promote low-cost electricity.

Now, when we look at what needs to be done, are we going to have a long-term strategic transmission systems plan out of this act? No one has convinced me of that. Are we going to have excellent customer service? No one in the course of the debate has convinced me of that. Are we going to be able to resolve the problems with the wholesale electricity market, the apparent problems of price manipulation at the Power Pool? I don't think we are. The load settlement solutions? There's not an hon. member of this House who is not aware of the load settlement solutions, and no one has convinced me of the merit of Bill 3 yet.

To invoke closure on it I believe is the wrong thing to do. If anything needed discussion, it certainly would be the details of this bill. We saw a similar pattern with I believe it was Bill 27 in 1998, a similar statute that changed how electricity was generated, transmitted, and distributed in this province, and we've seen nothing but high prices ever since. Again, there are too many questions left unanswered to support this bill, and I would urge all hon. members of this Assembly to vote no – no – to Bill 3.

When we look at transmission capability and having adequate transmission capability, is this the answer, facilitating investment in both base load and generation? Is this bill going to be the answer? Mr. Speaker, when we have a look at what is left of the base load in this province, the coal-fired generators, we've got a serious problem, and Bill 3 is not going to resolve that. We have a lack of confidence. It's gotten to the point where two major generators of electricity have gotten together because they don't know the rules, and they have pooled their money to reduce their exposure. This is EPCOR and TransAlta at the Genesee power plant, and this uncertainty is costing everyone money, whether it is the – well, it's the old ratepayers, really, or the investors.

We're looking at customer service and customer choice here. Now, is this bill going to simplify contracts and processes? I don't think so. Are we going to have anything positive for consumers in

this notion of the one-stop-shop approach where you can get both a natural gas and an electricity contract from a marketer? Where are the savings? No one has explained where the savings are going to be for the consumer in this bill. No one from that side of the Assembly is confident enough in this legislation to stand up and put all their comments on record for their constituents to see. The ultimate vote of confidence that government members can have in this legislation is to stand up, each and every one of you, and put your comments regarding Bill 3 on the record, and then when your constituents have problems, mostly complaints, they can refer them to this side of this House. But, Mr. Speaker, at this time certainly the hon. Member for Grande Prairie-Smoky, that introduced this bill and has had a great deal of time and patience with this member in regard to this bill, has been willing to put his remarks on the record.

Now, I asked this earlier and I did not receive a satisfactory answer: where are we going to be with the Regional Transmission Organization West and the Federal Energy Regulatory Commission? They want a standard market to sign for this area of the world, and it's interesting, as we use closure on this legislation, that the Federal Energy Regulatory Commission in America has come down hard on the electricity profiteers south of the border. This profiteering has been going on for the last couple of years, and they came down on them hard today, as I understand, Mr. Speaker. If those problems do exist in this province in the Power Pool, let's find out about them. Let's show a willingness to investigate this market manipulation. But it's just deny, deny, deny. "Oh, no, it's not happening. It couldn't happen, not with our rules here in this province." But at least we should have a look at that, and that is the form of consumer protection that I would strongly advocate.

Now, the load settlement issues with Bill 3. Is that going to become a smooth process? How many load settlement areas will we finally have, Mr. Speaker? When we look at monitoring the settlement results between different areas and between different providers, we need to get a grasp on this. We need to get a handle on this, and we need to get a handle on it very quickly because it's the consumers that are suffering.

Mr. Speaker, when we go through this and we look at the Balancing Pool and we look at the eventual winding up of the Balancing Pool, when are consumers going to be made aware of the deferral accounts in the Balancing Pool if there are any or if they're going to be larger than the current \$345 million that are on the books? When is this going to be done? The Balancing Pool is not clear in this legislation, and because of closure a person hasn't had a chance to bring that forward. Certainly there are going to be different reporting rules for the Balancing Pool than there are for the market surveillance administrator and also the independent systems operator.

Dr. Taft: Do we have a market surveillance administrator?

Mr. MacDonald: There is a market surveillance administrator in this act.

Dr. Taft: Is there one in the other bill?

Mr. MacDonald: There's not one in Bill 19, the sister legislation to this.

8:10

Ms Blakeman: Brother legislation, please.

Mr. MacDonald: Pardon me. Sister/brother legislation. Yes.

We have these huge deferral accounts that could grow larger in the

Balancing Pool. For a free market system the Balancing Pool is where all the generation that could not be sold or would not be sold in the power purchase arrangements is held. To call this a free market, Mr. Speaker, is a stretch to say the least, and this is not going to improve it. How long are we going to continue to hold these power purchase arrangements? We haven't even had an opportunity to discuss the power purchase arrangements yet in this debate, and here we're making in this legislation a legislative window from which to get rid of them and get rid of them on the basis of their net value, what's left. The people that were lucky enough or smart enough to buy those original power purchase arrangements have certainly made a return on their money.

There's just so much in this legislation, Mr. Speaker, and so little time.

Now, when we talk in division 4 about municipally owned electric utilities – and sometimes we forget in this Assembly, and I've reviewed *Hansard* and I haven't encountered this yet, but I may have missed it – what does this mean for the municipally owned utilities outside the city of Edmonton and the city of Calgary, the city of Lethbridge, the city of Red Deer, and Medicine Hat? There certainly are other jurisdictions that could be affected by this. What does this mean for them, and how do they compete with all these foreign outfits that are supposedly going to come in here as far as hiring lawyers to appear as intervenors in hearings? This can be a very expensive process. How can these locally owned municipal outfits compete, and how do they protect themselves if they just want to be left alone in their part of the province to carry on providing service as they have in the past to their customers? How are they going to be affected by this?

This is a complete, entire new statute. We're going to repeal the current Electric Utilities Act, and here we go with a new piece of legislation. To think that we would invoke closure on this after the last use of closure on an electrical utilities amendment – we've seen nothing but high prices since, and to repeat that pattern to me is very disrespectful of the consumers who have footed the bill here for the last three years.

We cannot forget that the ultimate goal of electricity generation, distribution, and transmission should be to provide electricity at the lowest possible cost for consumers, not the maximum profit for the generators, and this is what this bill is all about. You can stand and disagree with me certainly if you like, and I welcome that.

Everyone in this province – and this includes the mayor of Edmonton and city council. They should not have to go cap in hand to the provincial government if they want to expand the generation capacity, let's say, even further at Genesee. They shouldn't have to do that. This bill is going to put restrictions and limits on them when it doesn't need to, because they've already paid payments in lieu of taxes into the Balancing Pool. Perhaps that money, as I said before, should go into the general revenue of this government. Edmonton and Calgary and other jurisdictions over the course of time will be making these payments in lieu of taxes. Well, they're subsidizing the other operators, and I thought this whole idea was that we would have no subsidies to business.

We have never in this bill discussed what we're going to do with the location-based credits. In my view, how can we say that we want to level the playing field for the investor-owned utilities? The municipally owned utilities have all these advantages whenever everyone is ponying up for the location-based credits, because we have not had adequate long-term planning with our transmission system in this province since someone came up with this notion of energy deregulation. As a result of that, we're trying to incent gas-fired generators, and that gets to the real problem.

I would encourage all hon. members of this Assembly to go on the

EUB web site, not the altaliberals.ab.ca web site for once but the EUB web site, and pull off the Alberta electric industry's annual statistics for 2001.

Thank you.

The Acting Speaker: Hon. members, Standing Order 29 kicks in. Does any member have a question for the hon. Member for Edmonton-Gold Bar?

Ms Blakeman: I understand that the member was going through the list of disappointments that he had where he wasn't able to complete the discussion on it because of closure. Is there anything he left off the list?

Mr. MacDonald: Lots.

Ms Blakeman: Get up and tell me then.

Mr. MacDonald: Well, Mr. Speaker, the first thing is how we will straighten out generation capacity so that we have a system that is not relying on the expensive natural gas fired generation. There are over 4,400 megawatts of natural gas fired generation in this province, but if one were to be in the Premier's office and look out the window at the Rosedale power plant, you wouldn't see it steaming. Certainly you would see consumers steaming from high bills, but you wouldn't see the Rosedale power plant steaming and making electricity, nor would you see the Clover Bar plant anymore. The Clover Bar plant on occasion is like the Premier in question period: gets fired up over electricity deregulation, but not very often.

What we have to do is to ensure that our base load capacity increases because the base load capacity in this province has increased hardly at all since 1992. In 1992 we had 5,299 megawatts capacity, and in 2001 we had increased that by about 400 megawatts, 415 megawatts, and that has come as a result of the prudence of the Edmonton city council in allowing further construction at Genesee. We increased our coal-fired generation, but the gas-fired generation is expensive, and that seems to be where we are going. That is, to say the least, hon. Member for Edmonton-Centre, a major disappointment – a major, major disappointment – and this bill doesn't do anything in my view to correct that.

The Acting Speaker: There being no further questions, the chair recognizes the Member for West Yellowhead.

Mr. Strang: Thank you very much, Mr. Speaker. It's a pleasure tonight to stand here and speak on Bill 3. I'd just like to give the member over there a little history lesson. It was over 11 years ago when I was mayor of the town of Edson. With the mayor of the town of Hinton we were approached by a coal company wanting to develop coal-fired generation within the close proximity of their three mines. So we went to bat for them, tried to get this system set up so that they'd be able to generate electricity for their three mines and also sell the excess power back to the power grid. We tried with all our might to do that, and of course we weren't able to do it.

So with this Bill 3 I would like to tell him the future story now. We have a company just west of Edson that is looking at building a nine-megawatt power station. So what that's going to do for them is make them more competitive for the simple reason that they're going to be able to control their costs. They're going to be able to add a couple more dryers on their system so they can cure the lumber. Also, they're going to be able to burn their waste. The other thing that they're going to be able to do: they're going to be able to get carbon credits. So it's interesting to note that when you

give the people choice and they're able to work it out – with this nine-megawatt they might have extra power; therefore, they're going to sell it back to the grid – it's going to help the area.

8:20

I guess the other thing that I want to say is that this government is looking very strongly at developing the aspect of clean-burning coal technology, and we should always realize that. This province has 300 years of known reserves now, and what they're looking at is partnering with other people in the nation and in the world to look at this clean-burning coal technology. Once they do that, then, with the aspect of our Alberta energy research technology, we'll be able to do that: work with the different companies.

We've changed quite a bit in our whole business about coal. Now we've got one company that looks after all the thermal coal in the province and even in other jurisdictions. So we have a lot of aspects where we've got alternative fuel. We're giving the companies and everything the chance now to move ahead with certainty. Under the regulated system we couldn't do this. They couldn't look at any long-term plans.

So what I'm saying is that with this type of system we're able to get out there, allow the people to build business plans, work with other people, look at trying to make things more economical in their own business. And as I'm talking about this forest company, they're selling their forests around the world, and they're getting premium price for their product, but now they'll be able to be more competitive in some of these tougher markets because they're controlling their own destiny. So, Mr. Speaker, I strongly believe in Bill 3, giving us the aspect of choice.

The member opposite seems to neglect telling us about the aspect of Direct Energy. Direct Energy is already willing to go into this market, but they want to have a level playing field. Sure. With all the municipalities that have different resources in the aspect of electricity, when they're selling in their own domain, which is good, do we want to sit back now and just forget about it and let them? Now they're all across the nation. They're even in the United States. What happens when the city possibly goes broke? Who does that come back to? The next level of government; that is, the government of Alberta. We don't want to burden those type of taxes on all the people in Alberta. So what we're looking at is a level playing field. We've got another company that just bought some strips of electricity energy in the province here, so we could have four or five.

Then I guess the positive thing is that the citizens are getting choice. The other aspect that they're talking about: well, look at how high it is. Well, I guess it's that high. The only thing that could transpire before to get anything on quickly was the aspect of gas-fired generation. Therefore, when the demand goes up on it, it's a commodity; it's a North American commodity. Naturally you're going to have to recover some costs.

All we had before was a very falsified economy when it came to electricity. I could go on and on about the different aspects of EEMA. I mean, that was almost criminal the way that was operated, and then you have to pay for all the stranded costs. I'd love to have a business that with generation I could do whatever I wanted, within certain realms, and then come back and say: well, I need 15 percent to cover all my costs. That would be a great business to have.

That's why I'm saying and urging everybody: we've got to go forward. Sure; everything is not going to be rosy to start with for the simple reason that there are going to be some corrections and everything else. But with competition and the understanding that the people in our ridings want to have choice, they want to be able to go ahead and buy their electricity – some companies have come to us and said that they've had 2.2 services that they sell to customers.

People want to have that choice. They want to have the understanding, and I strongly believe that Bill 3 will do this for us.

Thank you very much, Mr. Speaker.

The Acting Speaker: Hon. members, Standing Order 29 kicks in. The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Highlands.

Mr. MacDonald: Yes. Thank you very much. My first question is to the hon. Member for West Yellowhead. How much was the price of electricity when the hon. member was mayor of Edson, and how much is the price of electricity under energy deregulation for Edson residents now that you are their representative from the district of West Yellowhead in this Assembly?

Mr. Strang: Well, hon. member, that's irrelevant right now. I mean, is everything the same? When you were a young whippersnapper down in eastern Canada, was gasoline only 10 cents at that time? Times change, you know. What I'm say is that people understand that. They want to have consistency. That's why people want to have Bill 3: so they know where they can buy their services, and they can go on a budget and everything and get it. That will help them there.

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

Mr. Mason: Thank you very much, Mr. Speaker. I'd like to ask the hon. Member for West Yellowhead why he believes that it is impossible for other people who want to add generation, whether it's cogeneration or a stand-alone plant, to participate in the electricity grid or the electricity system without deregulation? What is it about a regulated system that . . . [interjection] No, no, it's to him, hon. minister. What is it about a regulated system that prevents other players from contributing generation into the system?

Mr. Strang: Well, first and foremost, I mean, you of anybody shouldn't be asking that question because you knew the business when you were with the city of Edmonton. You take the aspect in the area that I was in. When I was mayor it was under TransAlta. TransAlta could say no, and you couldn't produce power for the excess power. You couldn't even produce power, so therefore it's protectionist. They had the areas, and they couldn't do it. Under the deregulation system now we're able to utilize the power and to sell it into the grid. We've got other aspects in our area where we can do that, and that's what we're looking at.

You take a look at the aspects now in Fort McMurray. What's transpiring there? There's huge cogeneration there. What's happening with TransCanada now? It used to be NOVA. NOVA has cogens too, so they're operating their own. They're allowed to drop their costs to be able to be more competitive in the world.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. Again to the hon. Member for West Yellowhead: how is Bill 3 going to affect the rural electrification associations in a positive way? How is that going to help them?

Mr. Strang: Well, Mr. Speaker, that's a fairly broad question. What I'm saying is that people are going to have choice now. It's unregulated. They're going to be able to have more. I mentioned at least four, maybe five people that are going to be selling contracts on electricity. Then people are going to have a choice to buy them.

They can go for the aspect of longer choices. They'll be able to get their bill, and they'll know what they're paying for, unregulated, whereas as it is now, with some companies you can see what's transpiring. They're giving free electricity. Well, what's happening? They realize that there's competition coming, so they want to be ready so that when they come in, they may have these people signed up, but these people are waiting for choice so that they can compare. I mean, do we have in our country now where you only go to one bank because they just give you the mortgage? No. You have choice. You shop around. The rates fluctuate, the same thing that's going to happen here. If you want to sign a contract for a year, well, maybe you'll get a fairly large number, but if you want to go for a longer term, it'll be shorter. So, I mean, that's the beauty people are going to have when they are able to go and deal with their electricity, so I can't see how it's not going to help.

8:30

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

Mr. Mason: Thank you very much, Mr. Speaker. Well, just a brief statement, then, on the answer previous to my question.

An Hon. Member: This is question time.

Mr. Mason: It's not question period. Perhaps . . .

The Acting Speaker: I regret that the five minutes allocated has run out.

The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. Okay; one last chance here in third reading to talk about the effect of Bill 3. You know, I keep going over the information I have. I've listened carefully to the members from the government side that have contributed to this discussion, and my compliments to the members from Grande Prairie-Smoky and from West Yellowhead for having the courage to get on their feet and defend their views and get themselves on the record. Thank you very much, and it's been very interesting hearing why you support certain things or don't support certain things, so I thank you for participating in the discussion. It's much more interesting in here when we all engage rather than just heckling one another.

One of the questions that I would have asked the Member for West Yellowhead – but I just couldn't get into the fierce competition existing here between Edmonton-Gold Bar and Edmonton-Highlands in trying to ask these questions to him. Yes, it was difficult or prohibitive under the existing regulated market to establish new generation, but that was merely a matter of changing the regulations, which this government likes to hold pretty closely in its hot little hand and behind closed doors. So this was not that difficult to facilitate. It did not require the wholesale deregulation of the electrical industry and all of the problems that have come along with it.

So I appreciate what the Member for West Yellowhead has brought forward as a point of argument, but I would say to him that we did not need – this is now the third bill that we've had for electrical deregulation and the second one that has had closure used to come into existence in this province. Perhaps if we're going to get a discussion from another member, they could discuss with us why the government chose to deregulate the whole system instead of adjusting a few regulations that would have allowed new power generation to come on-line. When I looked through all of the articles I got off-line – did you know that there's a magazine called

Electricity Today with lots of information in it about what's happened? The things you learn. This electrical deregulation hasn't really worked anywhere except for Great Britain, where they have a 10-year run-up to it.

Dr. Taft: It didn't really work. It's debatable.

Ms Blakeman: And my colleague is going to get up and debate back against me here that it wasn't entirely successful there either. But they had a much longer run-up to it, and I think that alleviated some of the problems that we experienced here in Alberta, where we had stability and certainty and low cost in our marketplace, and then when the government started to discuss all of this in the mid-90s and then towards the end of that decade, it caused instability because nobody was quite sure what the heck was going to happen or when or how. As a result, nobody got into building new power plants. So then we had a shortage of supply, which caused the voluntary blackouts that people did, the rolling brownouts that were described as a squirrel by the then minister of energy.

You know, when I looked at some of the other places, California, as we know – my goodness, they're up on charges now for ripping off the public and collusion and setting the prices and all kinds of things that went on there. In Auckland they had a blackout in downtown for five weeks. I can't imagine that, but that's what they had to deal with as a result of deregulation there. In the midwestern U.S., Indiana, they had a number of outages and a great amount of instability there.

I've already talked about what happened here, and you know the government tried really hard at the time to say that, no, no, this wasn't a result of the decisions that the government was making or rather not making, just sort of talking out loud about how all of this was going to be deregulated. But it did cause instability because nobody quite knew what was going to happen, and that went on for a period of about three years, I think. So I'm still looking for the really good, solid examples of where electrical deregulation has worked. I like to learn from other people's successes and hopefully learn by their mistakes as well. I'm still looking for really prime examples of success here, and I'm not finding them.

One of the other issues that was raised a number of times – and I've raised it and was not satisfied with the answer that I got from the minister – was around promotion of conservation. Now, the minister took that to mean: was the government getting involved in promoting green power and purchasing green power and the deals that they've made to purchase green power and all of that sort of thing? But really what I was looking for was around convincing citizens to use less – to conserve, in other words – because as part of Kyoto, as part of our responsibility as individuals on this planet I think it behooves us to try not to use any more nonrenewable resources than we can help. So I was looking for a clear commitment to that as part of this bill. If the government was going to go forward with it, then I was looking for this as a hand-in-glove move. Obviously, based on what I got from the minister, there's not much interest being expressed by the minister in doing things to encourage citizens to conserve and to use less power.

Now, the other issue that I raised with the minister – and I got an answer, but when I went back and looked at the *Hansard*, it wasn't spelled out as clearly as I thought it was, so I'll put it on the record again – was the request that the regulations that are going to come out of this act be published well in advance. Put them on the web site, for example, so that everyone can get access to them, and I mean everyone. I think the citizens of Alberta would be quite interested in this and be able to have a look at it and converse with their MLA and ask them what it means and have a good debate

around those regulations. In fact, the minister didn't clearly state that he would make those available. He just talked about stakeholder consultation, and I think it needs to be more than that, especially considering this government's proclivity to passing enabling legislation and leaving all the detail to be done by regulations, which of course are done behind closed doors, which of course are done without consultation, which of course are done without *Hansard* recordings and no way for the citizens of Alberta to know what their MLA said about it. So I'm really hoping that someday soon I'll be able to stop saying stuff like that and that the government will actually do something to alleviate it. I'm getting good-natured chuckling from the other side, so I guess I'm not anticipating that anytime soon.

The government members talk a lot about choice, but I don't know where this choice is supposed to come from, because we've only got a couple of companies that are delivering electricity. There seems to be this great hope, this steadfast belief, this wish. It's kind of like Santa: if I just believe, then he will come down that chimney. But, you know, when you get past about six, he doesn't come down that chimney anymore. He's stuck in the chimney.

8:40

I made a joke before about the Zen of electricity and if the government deregulates and there's no more competition, did it work? Well, no. It hasn't so far. There's a lot of talk about: "Direct Energy is going to come into the marketplace. That's going to be our new competition. That's going to really add." But we're not remembering here that ATCO is leaving. We're losing one provider and we're getting a provider, so we're exactly where we were before all of this happened. We have no more new people in this marketplace than we did before, except one of them is a multinational, which should be pretty interesting in itself. So this whole question about choice I refute.

It continues to be an issue with me that the risk is being passed on to the consumer here. The last time I talked about this, people went: "Oh, well, sign a long-term contract then. That takes all the risk out of it." Well, no, it doesn't. That puts even more of the risk squarely on the shoulders of the consumer. The consumer gets to take the risk one of two ways. Here's the big choice. You can ride it out on the spot market pricing if you've got a thousand dollars to sit in a bank account to pay your bill. One month it could be \$300 or \$400 and the next month it could be \$700, depending on what price the electricity was bought at and they're going to charge you for that month. So if you can afford to kind of float up and down with that and leave that money in there and constantly refresh it, okay, ride the spot market.

If you can't and you need a steady fixed price, then you're going to have to go with the long-term contract to get that kind of certainty in your life, and – guess what? – it's people with less income, those that don't have an extra thousand bucks to put in a bank account, that are going to have to be in a position of looking at those long-term contracts. They will pay a premium for that certainty because they don't have enough money to ride the spot market. So all of the risk is being taken by the consumer here and transferred to the consumer. None of it is being taken by these large companies anymore.

I had also talked about the Rossdale plant – and others have referred to it – and my concerns about the decommissioning and the reclamation costs and things. I think what's really concerning me is that there are still a number of issues that could be raised and discussed if we were able to not have the closure that was brought in. We did do the closure jig here in this bill.

What I'd like to do is, on behalf of my colleague from Edmonton-

Glengarry, move this amendment. I'll send it over to the table now and give everyone a minute or two to have a look at it, and then I can speak a bit more to it. So I'll just pause briefly.

The Acting Speaker: Okay. You may proceed now.

Ms Blakeman: Thank you. This amendment would be amendment something or another. I'm not sure which one.

The Acting Speaker: Just proceed.

Ms Blakeman: Okay. We'll find that out later. It is moving that the motion for third reading be amended by deleting all the words after "that" and substituting the following:

Bill 3, Electric Utilities Act, be not now read a third time because it is the Assembly's view that the bill will leave consumers vulnerable to spikes in electricity prices.

So just in speaking briefly to this reasoned amendment, I had started by talking about the closure jig which this government is very fond of dancing. I think it's their favourite dance tune these days. This issue about leaving the customer, the consumer, the citizen vulnerable has not been addressed to my satisfaction. My hope is that by introducing this amendment, it will generate some more discussion. We have managed to engage the Member for West Yellowhead, which I was very excited to see. We've had some engagement from the Member for Grande Prairie-Smoky in the past, and I'm looking forward to his contributions. So I'm hoping that we might engage some of the other government members and encourage them to get up and get on the record and talk about why they think this bill will not – or perhaps they agree with me that it does leave consumers vulnerable to these spikes in electricity prices.

Now it's back to what I was saying just before I introduced it, and that is the issue around riding out the short term or signing a longer term contract. Now, I know that I'm coming near to the end of my time and I know that some of my colleagues will want to speak to this, but I think it's important that we look at the risk that's being transferred to the consumer and how we can create stability for the consumer. The discussion of choice that I've heard from the government members has not satisfied me that this is going to end up in lower prices and a better deal for people in Alberta. As a matter of fact, all I've seen in the entire time I've dealt with electrical deregulation, which has been going on since I got elected, is more instability, more uncertainty, and much higher prices, and that is causing, I know, a lot of citizens a great deal of grief.

Thank you very much.

The Acting Speaker: Hon. members, under Standing Order 29 any questions or comments? Hon. Member for Edmonton-Riverview, are you rising to ask a question or make a comment?

Dr. Taft: No. I would like to debate the amendment.

The Acting Speaker: With there being none, the chair recognizes the Member for Edmonton-Highlands. I had indicated that I would be recognizing you next.

Mr. Mason: Thank you. Mr. Speaker, I would like to speak to third reading rather than to this amendment.

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

Dr. Taft: Thanks, Mr. Speaker. I will be speaking in favour of this amendment. I think it's pretty obvious that it makes a valid point; it

raises a very valid concern. I think it's a sign that the government is in real denial when they vote against . . .

Ms Blakeman: That big river, huh?

Dr. Taft: In de Nile, de West Nile virus. No. They're in denial about the effects of Bill 3, and they're dreaming. The Germans have a saying about dreams. They say: a slice of ham is better than a fat pig in a dream. What we're being presented with in Bill 3, I think, is the image of this big, juicy, fat pig, but it's in a dream. All Albertans really want is a slice of ham or a slice of the electricity system that they used to have, stable prices in hand.

Now, in thinking through what the effects of Bill 3 will be without this amendment, I go back to the promises that were made by this government in a brochure printed in 1999. I think it's worth reading here some of the things the government was claiming then. I'm quoting from the brochure.

Albertans will soon have the same opportunities in the province's newly deregulated electric industry. Retailers will begin offering their packages by mid-2000 for services that will be available to you as of January 1, 2001. You will be able to choose the electricity retailer that offers you the best combination of price, service and features suitable for your particular needs.

That promise was made four years ago. It was to have come true nearly three years ago, Mr. Speaker, and it turned out to be a dream. Indeed, it turned out to be a nightmare.

What else was the government claiming the effects of electricity deregulation would be then? Well, they asked, "What about prices?" They go on to say:

No one can say for sure what electricity prices will be in the future with or without competition . . .

You notice that already in 1999 the government was backing off its claims that prices were going to go down. It goes on to say:

. . . just as no one can guarantee what will happen to interest rates or the stock market . . . Over the long-term, prices are forecast to be lower than they would have been under a regulated system.

That was a forecast made four years ago, and the reality is that the prices in fact are far higher than they were at the time, and there are no real signs of them coming down. The dream has turned to a nightmare, and we're not going to be getting out of this nightmare anytime soon.

One of the things that consumers are exposed to as a result of Bill 3 is spikes in electricity prices, and we're seeing that now. I haven't got my computer with me, but we could go on-line to the web site, and we could have looked at the pricing today. I just have in front of me by chance the price from a day a few weeks ago, and actually the prices spiked that day up to \$134.86 a megawatt hour. That's very high. That's five times higher than they were before deregulation. Another day, March 2, 2003, they spiked up as high as \$241.53.

8:50

An Hon. Member: How low did they go?

Dr. Taft: How low did they go? Let's see. One of the members asked: how low did they go? They went to \$49.03, which is still far higher than the peak price was under regulation.

Mr. Knight: One cent yesterday.

Dr. Taft: That's wonderful. One cent for how many hours in the day?

An Hon. Member: I don't know.

Dr. Taft: Yeah, well, you don't know.

What we have brought into the system through electricity deregulation and what we're continuing with Bill 3 is the most volatile product that is publicly traded on any market in the world. It is not uncommon on a daily basis for the price of electricity to fluctuate a thousand percent, and that is absurd. It's an enormous risk to expose consumers to, especially small consumers who don't have a reasonable capacity for dealing with that, and it's a risk that just simply did not exist under the regulated system.

I can tell you that the rest of the country looks at Alberta's electricity deregulation experiment as a failure, a complete and abysmal failure. We could have revised the old regulated system without throwing it completely out. We could have made some of the laudable changes that people here have suggested under the regulated system simply by adjusting the regulations. Instead, we threw the baby out with the bathwater, and we're left with a mess.

What are the risks of economic spikes? Well, there are direct risks that this amendment is intended to alleviate: direct risks of enormous financial costs; direct risk of rotating shutdowns, which we have seen in this province on a voluntary basis. Two winters ago we saw a number of major consumers being asked by the system operator to go off-line because the system was so close to collapsing.

Certainly other jurisdictions who have experimented with deregulation have had major problems as well when the price spikes. My colleague from Edmonton-Centre referred to price spikes in the U.S. Midwest when they deregulated, and the price of power went up as high as \$7,000 U.S. a megawatt hour. Major steel companies, for example, shut down their foundries. They couldn't afford to operate. There were bankruptcies because of the price spikes. We were talking in this caucus recently with the head of a major steel corporation, and his company clearly isn't interested in coming to Alberta because of what he very rightly described as the failed, badly done deregulation of electricity in Alberta. So those are the direct effects of spikes.

The indirect effects should not be lost, though, too. For there have been times – and this is a matter of historical fact in this province – when because of price spikes companies that generate power to produce a particular product have stopped production of that product and simply mothballed their main plant and made more money by selling electricity at the extremely high price than they would have in producing their product. An example of this is fertilizer plants in this province who have at times shut down fertilizer production because they happen to have their own electricity generation, and they make more money by selling that power onto the grid than by producing fertilizer. Well, there's a huge economic cost to that. First of all, the people who work producing fertilizer are out of work. Secondly, the supply of fertilizer shrinks, so that drives up costs for farmers.

So there are indirect costs, Mr. Speaker, to price spikes in electricity, and all of those are intended to be addressed through this amendment, which I can see the government members are very interested in and I expect are probably going to support.

An Hon. Member: He's dreaming.

Dr. Taft: Well, maybe I'm dreaming there. I think I am, but it's too bad. It's too bad because we are digging this hole deeper and deeper and deeper, and I'm quite sincere in believing that the future economic prosperity of this province is being seriously eroded because of the disaster with our electricity deregulation.

With those comments, Mr. Speaker, I welcome follow-up and debate. Thank you.

The Acting Speaker: Standing Order 29. The hon. Member for West Yellowhead.

Mr. Strang: Thank you very much, Mr. Speaker. I'd like to question the Member for Edmonton-Riverview. Could he relate why the energy prices went up so high in 2001? I think he should tell the whole truth. Can he maybe explain what TransAlta was doing at Lake Wabamun at the start of 2000?

Dr. Taft: I will be delighted to, but not right now. I am open to debate in committee. I was here many times in committee.

Mr. Strang: Well, Mr. Speaker, I guess the thing that I have a hard time to understand and realize is that when somebody can talk across the way and tell – well, I can't use that word – no truth at all for the simple reason that what they're saying is that, you know, nobody wants to move to Alberta, well, I'm telling you that there are a lot of people who moved here. There have been three or four times the size of Red Deer move here. What happened in Ontario? They didn't have the strength to stay with the deregulated system, and what happened? Then they had to set a price. So what happened in Ontario? There's going to be no generation there. What's happening now in Nova Scotia? They're looking right now at trying to build a grid system into the United States, but they can't because the United States doesn't want to build it up here.

So, I mean, how can you stand there and say that this type of system that we've got isn't a fair and upright system, because, number one, everything is open. They can invest, they can sell their commodity, and they know that they're going to be able to make a bit of a profit.

Dr. Taft: Okay. Thank you. I'd be happy . . . [interjections] First of all, I take issue with the Member for West Yellowhead putting words in my mouth by saying that I said that people were not moving here. That is simply untrue, and he should retract it.

Secondly, the reason the power prices soared in the year 2000-2001 was primarily because the screwups in deregulation for the five or six preceding years completely – completely – pre-empted all construction of additional power plants. So there was a shortage of supply induced by the incompetence of this government. Any other questions?

9:00

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

Mr. Mason: Thank you very much, Mr. Speaker. My question is to the hon. Member for Edmonton-Riverview. Didn't that feel good?

An Hon. Member: Oh, he probably won't answer that one either.

Mr. Mason: He doesn't need to.

The Acting Speaker: Okay. There being no question, is there anybody else who wishes to speak on the amendment? You want to speak on the amendment?

Mr. MacDonald: Please. On the amendment.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. Certainly, we have to ensure that consumers have no further economic grief from price spikes of electricity in this province. Now, whenever we

look at the bill and the fact that we're going to have a monthly price, the same as we have for natural gas, the whole idea behind this is to drive people into the expensive three- and five-year contracts. We have the monthly price, which is going to be set by the Power Pool. We all know that there are a lot of problems with the Power Pool because of the way the price is set. Now, the lowest offer received for the last unit of generation required to meet demand sets the pool price. This is not a free market, and if coal-fired generation, which is much cheaper, is going to be set into that price, set into the pool at that time, and natural gas at 11 cents or 12 cents sets the price, then all producers are going to pick up that money. How does that benefit consumers? How is this going to benefit consumers in the future? That's why I would encourage all members to support this amendment. We cannot any longer leave consumers vulnerable to spikes in electricity prices in this province.

Has there been price manipulation in this province? Certainly, it has been recognized in the past at the Power Pool. This system is not, to say the least, perfect. Now, when we look at where we are with the supply and the demand of electricity in this province and we look at the Alberta power market as it is, as it's been set up under deregulation, it is highly concentrated and it's short of capacity. Sure, there is this notion going around that, yes, since energy deregulation we've created all this capacity, but it's high-end capacity. It's like building a lot of apartment buildings for housing, but the rents are \$2,000 a month. We're not having sound public policy if we designed all housing at that price, because there are only a few people who can afford it. We have to be very, very careful here.

The hon. member across the way talked about the many citizens moving to this province, but there are also businesses contemplating moving out of this province. The reason why they're contemplating moving out of this province is because of the high cost of energy. [interjection] The high cost of energy, yes. Certainly, some of the oldest established companies in southern Alberta are talking of going to Manitoba. Now, when they look at their power bills, they're going to go and look elsewhere. Electricity is a cost of business. Electricity certainly is a cost of business in this province.

If the hon. members across the way get excited about the failure of their energy deregulation policy and get nervous, I can certainly see why. There have been a lot of spectacular public policy failures in the history of this province, but this is the granddaddy of them all, and to support this amendment would be prudent. It would be like taking a slow, calm breath and realizing the mistake that has been made. One of the things that this government used to do and that the voters were so fond of was admitting a mistake. The government, whenever they saw an error in their policy, were quite willing to admit it, but with this electricity deregulation, Mr. Speaker, it's one thing after another. It's high bills getting higher, and still they will not admit that this has been a spectacular failure.

How is Bill 3 going to reduce the price spikes? We have price spikes every day at the Power Pool: in the morning at peak demand and in the evening at supper hour, at peak demand. Now, Mr. Speaker, I don't have today's actual forecast from the Power Pool, but I believe that another hon. member has. I don't know if it would be as bad as March 2, because certainly there were significant spikes on that day. It went up and down and up and down. Where has it spiked since January? In January at the start of the month we had about 4-cent electricity.

Now, I see in the *Edmonton Journal*, that great newspaper, which is as old as the province – excuse me; it's older than the province. We look in that every day to check the power price. The only idea that this government took from this side of the Assembly in regard to trying to fix this problem is that since this government made

electricity a commodity, they took an idea from this hon. member and said: yes, we're going to publish the price so businesses can see firsthand what the price is the following day, Mr. Speaker. I will give them credit. They did that. So now all businesses, all commercial enterprises, and all residential shoppers for electricity, if they so wish, can open the *Journal* and can see what electricity traded for the previous day or the day before if it's a weekend paper. That gives Alberta consumers a good look at what's going on.

Prices have almost tripled since January, and one of the reasons why they have tripled is because of these links that we have to the Pacific Northwest. Now, I'm sure there are members in here who are going to say: "Oh, no. That's not true." But the Power Pool's own web site indicates whenever there is a disturbance on the Pacific Northwest grid. For instance, California was short 1,700 megawatts. What happened in Alberta? The price went up. There are hon. members in this Assembly that are going to say: "Oh, no. Our price spikes had nothing to do with California." But you bet they did, because whenever we were exporting power from this province, whenever there was a lack of hydro capacity in the Pacific Northwest and other reasons, whenever prices were high there and we were wheeling power out of here, our own domestic prices were high. This bill is not going to prevent those price spikes from ever happening again.

Unless we go back to the low-cost power plan suggested by the Alberta Liberals, unfortunately Alberta consumers are going to have to learn to live with these price spikes, and I'm disappointed in that. Not only seniors trying to live independently in their own homes on fixed incomes but businesses are going to be affected. Big business and small business are going to be affected by that.

9:10

In conclusion, Mr. Speaker, if the hon. members across the way don't think that high prices for electricity are going to scare away businesses, I would remind them of the last quarterly update from the hon. Minister of Finance. In that quarterly update I saw where with the high cost of registration for commercial vehicles, whenever we put the taxes and that up in this province – and those are taxes – commercial operators took their business elsewhere, and small businesses will do the same with electricity. If we are going to force the municipally owned utilities in Bill 3 to call charges on the bill taxes, then I would suggest to this government that when they table their budget on April 8, they also call all the little user fees and levies on this and levies on that taxes. If you're going to force the municipally owned utilities to lay out all their charges and call them taxes, then I would suggest to you that if you really believe what you're preaching in this about having a level playing field, when we introduce the budget, then you call a tax a tax. If it's good enough for the municipally owned utilities, surely it's good enough for this government.

Thank you.

The Acting Speaker: Standing Order 29.

There being no questions, does anybody else wish to speak on the amendment?

[Motion on amendment lost]

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

Mr. Mason: Thank you very much, Mr. Speaker. Well, it's a pleasure to rise at third reading on Bill 3 and my last kick at the cat. The hon. Member for Edmonton-Riverview talked about feeling as if he was in a dream, and you know, I can relate to that, although I

think it's a little bit more like being in a Salvador Dali painting. You know, it's a surreal experience. It's a bit like being trapped in the twilight zone.

Here's the situation. This government, since it introduced deregulation a number of years ago, has been wrong on virtually every prediction about what would happen. As the hon. Member for Edmonton-Riverview has pointed out, they were completely wrong about when eventually we would finally get around to consumer choice. They were wrong about what the prices would be, very wrong, so far wrong that it's incredible. It's scary, Mr. Speaker, how wrong they were. They were wrong about the prices that would be achieved in the auctions that took place of the power that was being produced by depreciated plants. They were wrong about how many people would bid and the total value, and they were wrong about many other things in respect to this thing. It has produced price increases for small power consumers that are almost breathtaking, and it has produced a reaction in this province among traditional Tory supporters and others that I've never seen in this province. Certainly, it has not been just traditional New Democrats or Liberals that have expressed their anger about this government.

You know, you didn't even see this during Bill 11. You didn't even see this. I know the hon. Member for Edmonton-Gold Bar said that to me the other day. He said that even during Bill 11 you didn't see the kind of anger that's out there. What is it, then, about the government having been so wrong for so long on this issue that makes them forge ahead? What is it about this government with the anger and the loss of support from traditional voters that makes this government forge ahead? [interjection] The composition of this House, I'll remind the hon. Deputy Premier, was set over two years ago. A lot can change in six weeks in politics, let alone two years, and there are two more years to go. So don't be too smug and comfortable in your 74 seats, because I'll predict right now that if the government passes this bill, there will be less than 74 Tories in the next Assembly, and I will be willing to bet a coffee on that.

So part of this surreal feeling that I have, Mr. Speaker, is that the government knows that people are angry. We have their own backbenchers getting up and asking very, very pointed questions of the government. Not just on this issue, I might add, but particularly on this issue we have had very strong and pointed questions from private members on the government side directed towards the Minister of Energy. It is clear that the caucus of the government is far from united on this question. Nevertheless, the government can use its power to force government members to vote for this bill even though it is most likely going to cost some of those hon. members their seats at the next election.

So that adds to the feeling of surrealness around this bill, that the government, notwithstanding its failures, notwithstanding the fact that this process is costing them popular support, is hell-bent on going even farther down the road than they've already gone instead of doing the rational thing and turning around and reconsidering the whole matter. I predict that the passage of this bill in third reading and its proclamation after that will mark a turning point in the 30-year-plus history of the Conservative government of this province because I believe this is the number one issue on voters' minds across the province, even people who have been traditional Tory supporters for many, many, many years.

I know that the hon. Deputy Premier is encouraging us to sort of get out from under the dome and meet people. In fact, I've been doing that, Mr. Speaker, on this very question. I've had a number of meetings not in traditional NDP areas, not in antigovernment areas but right in government areas. I've been having meetings and, you know, getting pretty good turnouts. Sometimes you get really good turnouts and sometimes more modest ones, but the people that are

coming forward are farmers primarily and small businesspeople. They're not trade unionists; they're not lawyers. They're farmers, and they're small businesspeople, and they're people that are even involved in the energy industry themselves. That's how they make their living, and they are extremely concerned about the problems that we have had in this province with electricity prices.

They know two things. They know that it comes from deregulation. They don't know why necessarily. They don't understand all the complexities. Although I've met some very smart and very well-informed people, particularly people in REAs, and some businesspeople that know way more about the electrical industry and about electrical deregulation than they ever wanted to know. They've been forced to become experts themselves in order to understand this system. So you've got an electorate, Mr. Speaker, that is well informed in many cases, and if they are not quite that well informed, they know two things, as I said. They know that the high prices come from deregulation, and they know that they're not going to get any assistance from the government unless it's election time. Those are the two things the people of Alberta know very clearly.

9:20

I will leave that with members to think about, perhaps dream about tonight, and go on to the question of whether or not additional retailers are going to add competition that will bring down prices. That's the question.

Now, the hon. Member for Edmonton-Centre has succinctly and I think quite brilliantly put her finger on the source of one of the government's mistakes, and that is that when Direct Energy and other retailers come into the market, they're in fact in some cases replacing existing retailers. You know, three minus one plus one is still three. It's a zero-sum game, Mr. Speaker. This also applies to gas, and what I can't understand is how people think that if you add a bunch of retailers selling the same gas and buying it at the same price, somehow this is going to translate into a whole bunch of competition that's going to bring down prices.

It brings me to the electricity thing, which is a little more complicated than gas. With gas it's simple. You can have as many retailers as you want, but if they buy their gas at a fixed market price, they all are in the same market. You're basically going to be paying the market price for that gas plus the markup and the added inefficiencies of having multiple small retailers of the natural gas.

Now, with electricity, Mr. Speaker, it's a little more complicated because you have the ability to add generation. This is important. The thing that determines the ultimate price has nothing to do with how many retailers you have. It has to do with the balance between the supply of electricity and the demand or the consumption of the electricity. So the only way to bring down prices in electricity is to add additional generation so that there's a greater amount of generation relative to the demand for the electricity. Then the price that the retailers get it at will come down, and they could, if there was indeed true competition, pass on some savings.

So the key to lower electricity prices is not competition, Mr. Speaker. It is additional generation, which brings me to the problems that we have had in this province about generation going back to the 1990s. It's clear that between the time the government signaled its intention to move in the direction of electricity deregulation – I think the Minister of Finance was then the Energy minister, and that goes back to the middle to late '90s – we actually passed through I think three others, so a total of four ministers of Energy, before we come to Bill 3.

There was an extended period of time when everybody in the marketplace, including the investors, knew that deregulation was coming, but the government did not have a final answer, and in fact

many of the preliminary ideas, as we saw from the pamphlet referred to by Edmonton-Riverview, were offbase and were wrong. So what actually happened at that point is that they decided not to invest in new generation.

I might add that when EPCOR, of which I was never a board member, built Genesee 1, which came after 2, because they had a funny way of numbering them, the government agencies had initially said that they could build it and that demand was required. Once they built the thing, then the government wouldn't let them put it into the rate base. So what happened – and this is normal in the electrical industry – is that the city had to continue to borrow money in order to pay itself for the cost of that. When they did finally put it into the rate base over the objections of TransAlta and Calgary politicians, then of course the cost to the rate base included not just the cost of building the thing in the first place but also all the borrowing that had to be done in order to support the plant because the government refused to allow Edmonton Power at that time, later EPCOR, to put it into the rate base.

These actions on the part of the government created an atmosphere, a climate, where people weren't prepared to invest in new generation, so there was a large period of time when new generation didn't come on-line. The government would have you believe that that was because there's something inherently wrong with a regulated system. Nothing could be further from the truth. As long as the government provides a stable environment and a regulated rate of return for investors, they will in fact invest and always have invested in new generation in this province.

So the government created a shortage of electricity, which created a situation where we were having brownouts, the threat of blackouts, and huge price increases even before deregulation was finally implemented. This was entirely the fault of the Tory government, Mr. Speaker, and had nothing whatsoever to do with the regulated system that was in place. The regulated system is in place in most other provinces, in most parts of the United States, and in fact they are building power plants just fine. But a place like California or a place like Alberta that incompetently implements deregulation will run into trouble. You'll have problems with generation, and you'll have problems with supply.

So I want to just say that in terms of politics, if I were somebody who was just a crass politician who didn't really care about the people of this province and all I wanted to do was ensure that I'd have a better shot at winning more seats in the next election – I mean, having two seats in this place isn't that easy – I would say, "Go ahead and pass the bill," because we would like to increase our representation in this Assembly, and if you pass this bill, I guarantee you that we will. But I will say, Mr. Speaker, that I'm not that kind of person, and I really think that we should put the interests of the people first, even though it may result in a rebound of Tory popularity in the province. I don't know. But I think we should be doing the right thing for the people.

Thank you, Mr. Speaker.

The Acting Speaker: Hon. members, Standing Order 29. The Minister of Finance.

Mrs. Nelson: Thank you, Mr. Speaker. He made a comment, and I'm quite surprised that with his link to Edmonton Power and now EPCOR – I'm wondering if he is not aware that as a Calgary MLA and as the Minister of Energy at the time it was I that actually took Genesee 1 into rate base. I can't believe you're not aware of that.

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

Mr. Mason: Thank you very much, Mr. Speaker. In fact, I am well aware of it. I am also aware of the very, very vigorous campaign that had to be mounted by the mayor of the city of Edmonton and the support that she received from the northern mayors in order to achieve that goal.

Mrs. Nelson: Mr. Speaker, I am also surprised that the hon. member was not aware of the fact that we were dealing with the province as a whole, and what was right was right and what was wrong was wrong. There may have been campaigns out there, but the right thing to do was to move Genesee 1 into rate base because, in fact, the facility had been built, and in this government we recognized that the industry already did exist. So we made the right move, and, yes, it was in co-operation with the city of Edmonton, but it was the right move, and that's why we made it, for no other reason.

Mr. Mason: I would like to be generous, Mr. Speaker, and admit that this minister was responsible for resolving the difficulties and the long-standing issue around getting Genesee into rate base. She did do that, and I'll give her credit for it right now.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have a question for the hon. Member for Edmonton-Highlands. I understand that in research preparation for Bill 3 the hon. member attended a public forum in St. Albert, and I was wondering if the hon. member could enlighten the Assembly as to some of the frustrations that were expressed at that meeting and how consumers in St. Albert dealt with the fact that they're looking at, I believe, a 70 percent increase in their electricity bills.

Thank you.

9:30

Mr. Mason: I'd like to clarify that, Mr. Speaker, if I may. On Monday evening I did confuse St. Albert with the ATCO service area where the 70 percent increase is going to take place, so I'd like to correct my remarks. St. Albert is part of EPCOR/Aquila and will not be getting immediately a 70 to 120 percent increase in the April billing period, but when this bill is passed, such increases become inevitable probably within six months to a year.

I would like to correct that for the record. Thank you very much, hon. member, for asking.

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

Mr. MacDonald: Thank you. Again to the hon. Member for Edmonton-Highlands: did the citizens of St. Albert express to you at that public meeting a preference for choice in electricity contracts, or did they express an interest in having low-rate, affordable electricity for their homes?

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

Mr. Mason: Thank you very much, Mr. Speaker. It was unanimous: cheap power.

The Acting Speaker: Anybody else wishing to speak on the bill?
The hon. Member for Grande Prairie-Smoky to close debate.

Mr. Knight: Well, thank you, Mr. Speaker. It certainly is again a pleasure for me to be able to add a few comments and perhaps make some attempt to clarify a few of the issues that were raised with respect to Bill 3. I won't spend a lot of time on it. I think we've spent a lot of time on it. [some applause] Popular; aren't I?

There was some suggestion that we have a distinct problem here in the province of Alberta with base load. The suggestion that I would make there is that the answer to situations like that is never legislation. However, legislation in this province and the legislation contained in Bill 3 are the foundation for a solution to base load problems on an ongoing basis. Certainly, those things will be addressed as we move along in regulations, et cetera.

Bill 3, Mr. Speaker, is certainly a piece of legislation that moves us into the future, and as we listened to the very emotional and passionate address by the Member for West Yellowhead with respect to his riding and his concerns, I think that we all can see that Bill 3 has been well thought out. It's a good piece of legislation, and it will suit Albertans in the future and do a very good job with respect to providing electrical utilities for this province.

With that, Mr. Speaker, I would close debate.

[The voice vote indicated that the motion for third reading carried]

[Several members rose calling for a division. The division bell was rung at 9:34 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[Mr. Shariff in the chair]

For the motion:

Amery	Graydon	Maskell
Broda	Griffiths	McClellan
Calahasen	Hancock	Melchin
Cao	Hutton	Nelson
Cardinal	Jablonski	Oberg
Coutts	Jacobs	Pham
DeLong	Klapstein	Rathgeber
Dunford	Knight	Strang
Evans	Magnus	Tarchuk
Fritz	Mar	Woloshyn
Graham	Marz	Yankowsky

Against the motion:

Blakeman	MacDonald	Mason
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Totals	For – 33	Against – 3
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[Motion carried; Bill 3 read a third time]

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. In light of the hour and the work that's been accomplished this week, I would move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 9:47 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Thursday, March 27, 2003**

1:30 p.m.

Date: 2003/03/27

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon. At the conclusion of the prayer would you please join me in a moment of silence.

Let us pray. O Lord, we humbly give our gratitude for the life of your faithful and trusty servant, Edward Glancefield "Ted" Hole, husband of our beloved Lieutenant Governor, Lois Elsa Hole.

We give thanks for his love of family and his gift of friendship, for his grace, dignity, and courage, for his humour, generosity, and sheer love of life.

We remember his family and all who mourn.

Would you please join me now in a moment of silence. Amen.

Please be seated.

head: **Introduction of Visitors**

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. It is my pleasure to rise on behalf of my constituents, yourself, Mr. Speaker, and the Member for Redwater and introduce through you to all members of this House two of Alberta's elected municipal officials. I had the opportunity to have lunch with these individuals today, where we discussed regional issues of mutual interest. As far as I know, they are not paid lobbyists, but I bought them lunch anyway. I would like to ask that His Worship Mayor Lloyd Bertschi of Morinville and Councillor Don Rigney of Sturgeon county rise in your gallery and receive the traditional warm welcome of this Assembly.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Transportation.

Mr. Stelmach: Thank you, Mr. Speaker. Today it is a great privilege to introduce to you and through you to members of this Assembly constituents from Vegreville-Viking seated in the members' gallery. All the people that I will introduce share a common thread of community-building, unbelievable hours of volunteering, all individually talented and skilled, and one thing that can be said about all of them is that they all put the needs of others ahead of their own.

I will ask the following people to rise and receive the welcome of this Assembly as I call their names, and these are all recipients of the Queen's golden jubilee medal. The first person I'd like to introduce is Mrs. Elsie Kawulich from Vegreville. Next are Mrs. Georgina Hauca from Willingdon, Mr. Jack Roddick from Viking, an unbelievably talented pianist Mr. Christopher Kupchenko from Brosseau, Mrs. Mae Adamyk from St. Michael, Mrs. Yvonne Brown from Tofield, my former bus driver, Mr. George Morie from Andrew, and Mr. Jerrold Lemko, volunteer fire captain of Vegreville volunteer fire brigade. I will ask all of the recipients and their accompanying family members and support members to rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Deputy Speaker.

Mr. Tannas: Thank you, Mr. Speaker. It's my pleasure today to

introduce to you and through you to the members of the Assembly 40 members of the Girl Guides of Canada, Alberta Council, who are participating in the Alberta Girls' Parliament. They are accompanied today by head adviser Edie Jubenville and leaders Sherry Gurjar, Claudette Vague, and Bernadette O'Connor. They're seated in the public gallery this afternoon, and I'd ask them to please rise and receive the warm traditional welcome of the Assembly.

Mr. Ouellette: Mr. Speaker, it gives me great pleasure to stand up on behalf of the hon. Member for Wainwright and introduce to you and through you to all members of the Assembly 19 of the brightest children in Alberta, from Allan Johnstone school in Hardisty. I did get a chance to speak with them before we came into the House, and they're a great grade 6 class. They're accompanied by their teacher, Mr. Dawson; the school secretary, Mrs. MacKinnon; Mrs. Dewald, the teacher's aide; Mrs. Balaban, a parent; and John Bruketa, the bus driver. I would like them all to rise and receive the warm welcome of the House. They're seated in the visitors' gallery.

The Speaker: On this day 47 years ago the hon. Member for Vermilion-Lloydminster arrived in the world, and we will now recognize him for an introduction.

Mr. Snelgrove: It seemed longer, Mr. Speaker.

Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to the members of this Assembly three visitors from the Vermilion-Lloydminster constituency. Mrs. Dawn Garnier and her husband, Stan, run a very successful ranching operation near Dewberry. As well as being great neighbours and terrific community supporters, they've been very actively involved in the rodeo industry. In fact, they've participated in Australia and New Zealand both as participants and timers. Dawn is accompanied by her daughters Danelle and Skye. Danelle works as a teacher's aide in Heinsburg, and Skye will graduate from high school in May. Both of these young women work on the family ranch, are involved in rodeo, 4-H, and community sports. They have risen. I wish you would all join me in congratulating them on their attendance and welcoming them to the Assembly.

The Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Speaker. It's my pleasure to rise today and introduce to you and through you to the members of the Assembly one very special individual, my daughter Cindy Broda. After spending a year in Tokyo and three years in Italy, it's certainly great to have her back home. Accompanying her is her good friend Adi White from Belfast, Ireland. Adi will be leaving next week for Ireland and then to the Caspian Sea, where he's second officer navigating a ship in subsea surveying of oil and gas fields around the world. They're both seated in the members' gallery, and I'd ask them to please rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. I am pleased to introduce to you and through you to members of this Assembly a constituent from Lac La Biche-St. Paul and a good friend of mine. Mr. Johnny Lypowy has the distinction of being the longest serving employee of AFSC, a total of 36 years, and I can attest to the fact that he's still running at full choke. Johnny has been a major rancher in the constituency. Unfortunately, the drought has had quite an impact on his herd, and he has recently had to sell his cattle due to shortage of feed. His contributions to the community and the

province are far reaching and include involvement with the REA, the seed plant. He's also associated with the Saskatchewan/Alberta hockey board, the longest active league in the province, and Johnny has been their president for 20 years. Johnny Lypow is seated in the members' gallery this afternoon, and I would ask him to now rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. It's a pleasure to rise today and introduce 49 very enthusiastic and bright students from the newly modernized Three Hills school. Three Hills school is actually quite famous for producing very bright students. I graduated from there myself a few short years ago. [interjections] I knew I was setting myself up. They're accompanied today by teachers Ms Anderson and Mrs. Riegel, by Heidi Riegel and also Ann Anderson. I'd ask them to rise in the public gallery and receive the warm welcome of the Assembly.

1:40

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

Dr. Pannu: Thank you very much, Mr. Speaker. I rise to introduce two sets of guests today. The first one I'd like to introduce to you and through you to all members of this House is Mrs. Bettianne Hayward, grandmother of 11 children, all of whom are in our public school system now. She's here for the second time this week to watch us debate issues related to education matters. She's very concerned about underfunding of education. She's seated, I guess, in the public gallery. I'd ask her to rise and please receive the warm welcome of the Assembly.

Mr. Speaker, my second set of guests are mother and daughter. Jette Badre is the chair of Parents of Kids with Diabetes, a parent advocacy group for diabetic children. Today is Jette's birthday, so I would ask that she rise and receive the warm congratulations and welcome of the Assembly. Her daughter Ghita Badre is a second-year student at Grant MacEwan College. She's here to observe the workings of the Assembly, so please give her a warm welcome.

head: **Oral Question Period**

Electricity Pricing

Dr. Nicol: Yesterday the top energy regulatory authority in the United States found several energy traders guilty of manipulating electricity prices to increase their profits in 2000-2001. A number of companies investigated by the commission, including Enron, Powerex, Enmax, and TransAlta, were also operating in Alberta at the time. The year 2000-2001 was also a year when this government had to cap skyrocketing prices of electricity here in Alberta. To the Premier: given that this commission found that taxpayers in California were owed \$3.3 billion from the energy firms, how much money are utility payers in Alberta owed?

Mr. Klein: Mr. Speaker, that is an interesting question. It was one that I planned to ask the Energy minister myself, so perhaps he can answer it right now.

The Speaker: The hon. minister.

Mr. Smith: Thank you, Mr. Premier and Mr. Speaker. The hearing was a result of some two years of strong investigation. Primarily, the FERC ruled with respect to the supply of natural gas and primarily coming out of the San Juan basin. That was where the bulk of the

finances are directed to. Throughout that time, those companies that were operating in Alberta were the subject of scrutiny from the Power Pool, the market surveillance administrator, and at the demise of Enron a power purchase arrangement, a PPA, was transferred without incident. There has been no evidence on investigation by either the Power Pool, the transmission administrator, the Balancing Pool, or the market surveillance administrator of any price gouging that took effect in Alberta during that short six-month period where there was a wild swing of prices in the marketplace.

Dr. Nicol: Mr. Speaker, to the Minister of Energy then: are you prepared to make some of the results of those hearings or those investigations public so that Albertans can see the way that you looked into protecting their interests?

Mr. Smith: We'll certainly take that question under advisement, Mr. Speaker, and if there are documents that can be put forward in the public domain, they certainly will be.

Dr. Nicol: Mr. Speaker, will the minister commit that future investigations like that will be done in public so that the public can actually have input and raise questions at those kinds of hearings?

Mr. Smith: Well, that's why I'm thanking the member for his support of Bill 3 then, Mr. Speaker, because that's exactly what Bill 3 is intended to do, to bring scrutiny and transparency to the process: public hearings, transcribed hearings, interventions, and a full and transparent competitive market structure.

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

Dr. Nicol: Back to the Minister of Energy: what facts does this government have to support their claim that Albertans are paying fair electricity prices since these government investigations haven't been conducted in public?

Mr. Smith: Well, Mr. Speaker, if the member would follow the prices of the Power Pool through the period of time, the number of entrants that were in it, the results put forward by the market surveillance administrator, there is ample evidence that the marketplace had reacted. In the early stages when we were very short of generation, we had a fast, fast growing economy, we had a steep rise in natural gas prices, and we had the spectre of Kyoto also putting upward pressure on prices. These effects cumulated in a perfect storm scenario in the first four to six months of the period. The Power Pool price rose to the 16-cent level and then very quickly drifted back down to the 4-cent, 4.9-cent level as new generation came on.

Dr. Nicol: To the Minister of Energy: who is responsible for ensuring that the electricity marketplace is functioning in the consumers' best interests given that the market surveillance administrator has no enforcement powers?

Mr. Smith: The market surveillance administrator, Mr. Speaker, I believe, does have the ability to put forward to the EUB, which has long since operated in the public interest. In fact, if you look at EUB decisions over the past 15 months – let me give you one for example: the sale of the Viking-Kinsella gas fields to Burlington Resources by ATCO. That initial decision was made, filed with the EUB, and then the EUB returned and said that some \$167 million further had to be returned to consumers. TransAlta, I believe, also returned 6 point

some million dollars. Engage Energy and the Rainbow operating units were deemed to be in default by some \$60 million. The decisions are very evident and can be followed through the EUB public process.

Dr. Nicol: Again to the Minister of Energy: how can the minister claim that the Power Pool is doing its job when in 2001 pool officials argued that it's unreasonable for consumers to expect prices to remain at or close to marginal cost at all times?

Mr. Smith: Well, Mr. Speaker, I don't know if the member is asking if the market forces aren't working as they're supposed to or if in fact the structure was inappropriate with respect to the merit order graph. Over and over again the concept of pricing through the merit order graph has been confirmed by the market surveillance administrator and by the Power Pool itself. What that does is ensure that must-run generation is vended in at the very earliest part to the power grid so that must-run generation is not gamed so as to create higher prices.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Centre.

Lobbyist Registry

Ms Blakeman: Thank you, Mr. Speaker. In responding to questions yesterday, the Premier stated, "We don't have paid lobbyists . . . We have numerous consultants who represent various companies and nonprofit organizations." Pure semantics. If someone is paid to influence government policy, they are a paid lobbyist. If they are not paid to lobby the government, then they are not a paid lobbyist. A lobbyist list would be used to register paid lobbyists, not constituents. My questions are to the Premier. Will the Premier tell this Assembly what he sees as being the distinction between paid consultants and paid lobbyists?

Mr. Klein: Well, Mr. Speaker, I don't know if there is any distinction. I think what the hon. member is alluding to is the issue of a lobbyist registry. Now, she talks about paid consultants. What I mentioned in the media scrum yesterday is that, yes, indeed there are consultants who establish themselves to consult for companies and other organizations with government, with community organizations, with the media. In other words, they combine public affairs, public relations, government affairs into their overall practice.

Then there are some organizations, many nonprofit organizations – as matter of fact, going back to the days when I was the public relations director for the United Way and in charge of agency affairs, I was called upon by those agencies to represent them with the media, with various government organizations like city hall or the provincial government. I was on salary. Was I, then, a paid consultant? I don't think so. Many of those organizations, nonprofits, as they do today, had full-time public relations people within their organization who were also responsible for government affairs and other public affairs.

1:50

So, Mr. Speaker, it's hard to define. Is it all right for a person paid by a nonprofit organization in the role of a public relations director or public relations/government affairs to lobby government? It isn't, no, but they have them. So if this hon. member is standing up and saying that all of these organizations should get rid of these people, then let her do it and see what reaction she gets.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Given that in 1997 the MP for Edmonton-Southwest, now the Member for Edmonton-Rutherford, stated that the secret is to make sure that everything is out in the open, will this government follow the advice of their own member and establish a lobbyist list for the sake of openness and transparency?

Mr. Klein: Mr. Speaker, first of all, a lobbyist list or registry was evaluated by the government about a year and a half ago, and we found that the registry is not needed in Alberta. Indeed, if the hon. member wants to find out who our consultants – and I'm sure they use consultants. They hire consultants. I know that in the last election they hired consultants out of Vancouver. It didn't do them a bit of good, but they hired consultants.

Having said that, Mr. Speaker, we found that a registry is not needed in this province. It would cost about \$400,000 to set up and God knows how much to administer. What we're seeking in this government is quite the opposite from what the Liberals are demanding, and that is less bureaucracy rather than more bureaucracy.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Well, given that this government spends in excess of \$600,000 per year on closed-door standing policy committees, will the Premier agree that at a cost of less than, as he puts it, \$400,000 once, that's a small price to pay for democracy, to set up a lobbyist list? Six hundred every year. Four hundred once.

Mr. Klein: If they use the money we give them for research, the hon. members can produce their own list. First of all, they can produce a list of all the consultants in the province who operate privately and independently. They can go to the Internet or have their researcher – and I'm doing their job for them. They can contact all the nonprofit organizations and find out if they have full-time public relations/government affairs people. They can do all that, and they can publish their own list if they want. You know, I mean, that information is readily available. [interjections] Mr. Speaker, is the hon. Member for Edmonton-Ellerslie suggesting, for instance, that her husband lose his livelihood because he is a consultant along with a former member of this Legislature, this government caucus, Jon Havelock, and a former member of I believe the Liberal caucus, Peter Sekulic? With all due respect, he does a marvelous job. We hire him, the private-sector hires him, nonprofit organizations hire him, and he does a wonderful job in representing whatever he has to represent.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-McCall.

Energy Prices

Mr. Mason: Thank you very much, Mr. Speaker. This province has an Energy minister who claims that climate change is caused by people breathing and wants a nuclear reactor to power Fort McMurray as long as it's built in Saskatchewan. Now this minister is lecturing his federal counterpart on the importance of energy ministers acting as lobbyists for the oil and gas industry. My question is to the Minister of Energy. Why is it the policy of this government to represent, support, and lobby for big oil instead of

Alberta consumers, who are suffering from obscenely high power and gas bills?

The Speaker: The hon. Minister of Energy. And there was a point of order arising out of this as well.

Mr. Smith: Mr. Speaker, the oil and gas industry in Alberta, thanks to educational institutions like SAIT and NAIT, thanks to an incorruptible land regime of land tenure by the Department of Energy for some 50 years, and thanks to the EUB, has allowed Albertans from every walk of life, from Drayton Valley, from Grande Prairie, from Manyberries to become successful individuals in an entrepreneurial world. That ability for them to do business on a world-class level has been impaired by the actions of the federal government. I believe that it is the responsibility of elected officials, particularly mine as the Minister of Energy, to be able to say of those individuals who are involved in this business that they are from Alberta, they are world-class, and they're very willing and ready to participate in business activities around the globe.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, can the minister explain, then, if this is the reason why consumers in Alberta have to pay such high prices for natural gas: because the minister sees his role as acting on behalf of the companies rather than on behalf of the consumers?

Mr. Smith: I think, Mr. Speaker, I said every Albertan, and that's exactly the representation of this government: to act continually in the best interests of all Albertans. That includes consumers and that includes those who go out late at night and change wellheads, those who fight oil field fires, those who contribute every day to the great economy of this province. For the member to make representations that this government is less than interested in every Albertan is a remark that should be withdrawn immediately.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, then, can the minister, if he is actually acting on behalf of every Albertan, explain why oil and gas companies can make record profits, but people's gas bills are often more than their mortgage?

Mr. Smith: Well, Mr. Speaker, the member's assertion is as usual incorrect and reaching at straws. Alberta has not been able to control the price of a commodity called natural gas. We are price takers in the international market to the east of Alberta where we export and in the province of Alberta. Since 1985 the price of natural gas has been deregulated. What we are attempting to do with the legislation and with the final deregulation of natural gas is give Albertans a choice, give Albertans the ability to combine electrical and natural gas purchases and for them to accommodate these bills in their own personal budget.

The Speaker: The hon. Member for Calgary-McCall, followed by the hon. Member for Edmonton-Gold Bar.

Student Debt

Mr. Shariff: Thank you, Mr. Speaker. The Canada Millennium Scholarship Foundation recently undertook a yearlong survey of student income and expenditures. Their findings concluded that nine

out of 10 students in the older age category of 26 and up carry an average debt of \$20,500 from government and private sources including high-interest credit cards. They also concluded that students from the prairies, Alberta, and British Columbia, have the greatest financial need and are finding it difficult to make ends meet every month. My questions today are for the Minister of Learning. What kind of financial resources are available to help students with educational costs and monthly living expenses, particularly those students who operate in the red every month?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. In this province we put out approximately \$417 million every year in student loans. We also have a very generous remission plan that allows students to pay back only \$2,500 per semester, or \$5,000 per year, in the majority of the courses.

2:00

In direct answer to the hon. member's question, a single student who lives on his own would receive about \$730 per month in living expenses. On the other end of the spectrum, Mr. Speaker, a married or common-law couple with no children will receive about \$1,455 per month plus expenses on top of that.

So, Mr. Speaker, that's what financial resources are available. We consider our student loan program to be one of the best in Canada. Many students will say that. We fully recognize that student debt certainly is an issue, and we constantly work to ensure that our student loan program is there to ensure that students have enough dollars to go to postsecondary education should they wish.

Mr. Shariff: Given that our students are continuing to operate in the red every month, would the minister agree to review the criteria used to calculate the monthly living expense portion of Alberta student loans?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. That's an excellent question because there is a little bit of a myth out there that we arbitrarily decide what the living expenses are by the amount of dollars that we have. In fact, what actually happens is that the living allowances are measured using Stats Canada's survey of household expenses and the consumer price index. The food allowance is calculated by Alberta Agriculture, Food and Rural Development on some of their statistics that they have. We are one of the few provinces that actually increases on a yearly basis the living allowance and food allowance. Last year was 2 percent; the year before that, 2 percent; the year before that, 4 percent. So it is something that we do continually. We do it every year, and it's something that we feel is extremely important as we see such a wide variation in prices.

Mr. Shariff: My final supplementary is also to the same minister. Student loans can be of great help to students while they are in school, but what is this government doing to minimize student debt after graduation?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much, Mr. Speaker. As I've already mentioned, our remission program is probably the best in Canada, where students who are in a four-year degree can basically

plan on paying back approximately \$5,000 of their student loan per year. The maximum amount of a student loan right now is \$11,000. So, theoretically, if a student were to go four years, got \$11,000 per year, they would receive about \$44,000 and would pay back about \$20,000. We feel that this is extremely important to allow our students to go to university, to allow our students to go into postsecondary education, and to continue on in a career in Alberta. It's certainly an economic development tool as well and is viewed as a very positive thing for the students of Alberta.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Calgary-Mountain View.

Natural Gas Prices

Mr. MacDonald: Thank you, Mr. Speaker. Alberta consumers are taking a real close look at their current and past natural gas bills and have brought to the attention of the Official Opposition the fact that Northwestern Utilities/ATCO has included the costs of depreciation and financing in the charges to their natural gas customers. This is indicated in their publications between 1994 and 1997 in the segmented cost per dollar gas chart, showing these costs to be in the area of 16 to 18 percent of the total gas costs. For some unknown reason these charts were never distributed again to customers. However, a segmented circle showing the cost distribution per dollar, including depreciation and financing at a lower level, was displayed in early 2001 in their regional office. My first question is to the Minister of Energy. How much money was paid to ATCO by natural gas customers in depreciation and financing over the last 10 years?

Mr. Smith: Well, Mr. Speaker, there are motions for returns, and there are ample ways to display that information in the legislative domain. There's also the EUB, which, as I've said earlier, holds public hearings and rules on it, and he is entitled to that information as well.

Mr. MacDonald: Again, Mr. Speaker, to the same minister: when are customers who paid millions of dollars for depreciation and financing going to get at least part of their money back now that ATCO is selling part of their operations to Direct?

Mr. Smith: Mr. Speaker, those decisions are made in the purview of the EUB, and they are done in an open, transparent fashion. That hearing is coming up. I expect that maybe the member can get down to Calgary and spend some time at that as well as reviewing all the other decisions, the decisions when refunds were made, when rate riders went on. I mean, he's entitled to follow the entire natural gas history.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the same minister: given that the federal Income Tax Act allows for depreciation in the cost of financing to be deductible from corporate income provided it has not been collected from another source, could the hon. minister please seek written acknowledgment from the federal department of income tax authorities to ensure that the doubling of these claims has not taken place?

Mr. Smith: I would look forward to the hon. member tabling the information and, again, going back to EUB. If we can shed further light on it, Mr. Speaker, we will.

The Speaker: The hon. Member for Calgary Mountain View, followed by the hon. Member for Edmonton-Riverview.

Securities Regulation

Mr. Hlady: Thank you, Mr. Speaker. Securities reform is the subject of much debate across the country. Many financial experts and regulators suggest that the system needs to be improved to provide better protection for investors. They want change. Recently the federal government intruded into provincial jurisdiction again and appointed a committee to study securities regulation and make suggestions to move towards a national securities regulator. My questions are to the Minister of Revenue. Can you please tell the members of this Assembly why you declined to nominate any Albertans to this committee?

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. Before I go on to answer that question, I would like to first remind you that regardless of any approach to improving securities regulation in Alberta, the prime objective that I want to assure Albertans of is that investor protection as well as market efficiencies are our objectives with respect to securities regulation in Alberta. It's true that the federal government did put together a Wise Persons' Committee recently to study this issue. It's been studied many times before, but we felt the best opportunity for improving a national approach to regulation in the country was to acknowledge that the provinces do have jurisdiction for securities regulation, which the federal government knows, and that we find out what the will is among the various provinces to improving the system.

We started earlier last year with British Columbia and ourselves meeting to find out what common ground there might be. That expanded to a meeting early in February with the provinces of British Columbia, Ontario, and Quebec. The four provinces did then agree that we together wanted to provide an initiative among all provinces in the country to improve this. We had a conference call with all the provinces and territories last Saturday and unanimously agreed that we are going to approach and work towards a tight deadline of September 30 to put a working plan together to improving securities regulation in Canada.

The Speaker: The hon. member.

Mr. Hlady: Thank you, Mr. Speaker. My first supplemental to the same minister: given that you have a committee and the federal government has a committee, will these committees work against each other and create competing interests?

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. I'd like to acknowledge that we felt that the highest opportunity for success in improving it is to ensure that all the provinces are involved in it. That's why Alberta is leading this initiative among the various provinces. We're chairing this as a committee. It is going to be lead by the ministers, and that's going to provide the best opportunity for success.

The committees don't have to be conflicting in nature. We will take the consultation of many: the constituents, those that are involved with regulation of securities, and the public at large. We will involve their input, and we will also accept the Wise Persons' Committee as another source of information, but ultimately it does come back to each of the provinces to have to accept and implement any of these recommendations.

The Speaker: The hon. member.

Mr. Hlady: Thank you, Mr. Speaker. To the same minister: given that the investment industry has been down this road before and many have been asking for a change for a long time, what will make your initiative different?

Mr. Melchin: I think a number of things, Mr. Speaker, have made the timeliness of this initiative important. Our Canadian securities administrators have been working together over the last number of years to improve our securities regulation across the country. Many initiatives have already been adopted, such as the mutual reliance system. There's been an electronic filing for continuous disclosure. These things have laid a framework, but one thing which the Alberta Securities Commission has been leading in is a uniform securities legislation project among the various security regulators in Canada. That's laying a platform so that when we want to improve the efficiency of the markets, it has led to all of the provinces and the ministers for the first time that I can recall unanimously agreeing to steer this and ensure that by September 30 we have a working plan. At a minimum we've agreed to implement among other options a passport approach to this. All of us have agreed already to that as a final outcome. At a minimum we'll get to that, and that will substantially improve the efficiency and investor protection in which Alberta is leading.

2:10 Administration of Psychotropic Drugs

Dr. Taft: Mr. Speaker, every Thursday the Alberta Liberals will ask a question that a member of the public has asked us to pose. Albertans can send us their questions by phoning our office or visiting our web site at altaliberals.ab.ca. Today Edmonton's Stephanie Baziuk would like an explanation for difficulties she encountered when her 89-year-old father was admitted to a long-term care facility. She said that staff tried to invoke the Mental Health Act to have her rights as her dad's legal guardian taken away and that staff gave him psychotropic drugs even though she told them he has bad reactions to medication. To the Minister of Health and Wellness: when conflicts arise between the Mental Health Act and the Dependent Adults Act, which law supersedes the other?

Mr. Mar: I would acknowledge, Mr. Speaker, that you would warn us about the importance of not making a legal opinion on the floor of this Assembly, so I must decline answering this question.

Dr. Massey: I bet that makes citizens happy.

Dr. Taft: Yeah, that'll make people happy.

Is it acceptable under government policy to prescribe or administer psychotropic drugs without the informed written consent of the resident, the resident's guardian, or other authorized representatives?

Mr. Mar: Mr. Speaker, I am reluctant to answer this as well for reasons relating to the fact that we do not discuss individual cases on the floor of this Assembly. If the hon. member wishes to take this matter up with me in a manner that we can deal with in a venue outside of this Assembly, which he has done before to the benefit of both his constituents and the physicians and such who are involved, we can do that, and I make that offer available to him. But to answers questions like this on the floor of the Assembly, asking me about a medical decision by a physician to prescribe a psychotropic drug, is not within the scope of my ability to answer.

Dr. Taft: Mr. Speaker, I'll repeat the question because there must have been a misunderstanding. Is it acceptable under government policy to prescribe or administer psychotropic drugs without the informed written consent of the resident, the resident's guardian, or authorized representatives?

Mr. Mar: Mr. Speaker, it is a physician who would prescribe a psychotropic drug. It is not the minister of health. It is not properly a government policy issue as he tries to frame it. It's simply not. If there is some suggestion that the psychotropic drug was incorrectly prescribed by this physician and there is a complaint that arises from such a prescription, then the hon. member should take that matter up with the College of Physicians and Surgeons. I am not here nor is this government here to establish policy which challenges the appropriate power to prescribe by physicians, but if there has been an error in improperly prescribing something, then the proper place to take such a complaint and an allegation is to the College of Physicians and Surgeons.

Speaker's Ruling Oral Question Period Rules

The Speaker: Hon. members, *Beauchesne* 408 reads, "Such questions should . . . not require an answer involving a legal opinion," and *Beauchesne* 428 says, "A question . . . must not . . . ask solution of a legal proposition, such as interpretation of a Statute, a Minister's own powers, etc." The minister is absolutely correct.

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

Affordable Housing

Mr. Cao: Thank you, Mr. Speaker. In my constituency of Calgary-Fort there have been a number of housing facilities constructed for the homeless under a funding partnership from the government, charities, and corporate organizations. These outstanding facilities, such as the Calgary Drop-In Centre and the Salvation Army Centre of Hope, are aimed at addressing the obvious and urgent need for accommodation. However, hidden are many hardworking Albertans who need low-cost housing that is affordable within their low income. A number of the groups have approached me inquiring about the low-cost housing project. My question today is to the hon. Minister of Seniors, who is also responsible for housing assistance. Can the minister tell us the process for a low-cost housing project to start?

The Speaker: The hon. Minister of Seniors.

Mr. Woloshyn: Thank you very much, Mr. Speaker. We would want an organization, whether it be a private, for-profit organization, a not-for-profit group, a municipality, an outfit such as the Edmonton Housing Trust Fund, to first of all identify a need. When they identify a need, then we would want them also to come up with some sort of equity in order to create a partnership. This could be through land or through money. Along with that would be the establishment of a rental rate that would be truly affordable – and that would have to be agreed upon – and then also to be prepared to enter into a 20-year commitment. If those things would be met, then the Alberta Seniors department as well as the Canada Mortgage and Housing Corporation would be prepared to support it financially and enter into an agreement to go forward with such a project.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. My second supplemental question is to the same minister. What role do the governments – federal, provincial, municipal – play in a project like this?

Mr. Woloshyn: I think it's extremely important that all municipal governments who would want that project in their area would be involved in the sense that they are responsible for what is happening within their area and also that they would be participating partners wherever possible. The federal and provincial governments' role is to facilitate the project through financial support and to approve the project so that it can go forward.

Mr. Cao: My last supplemental question is to the same minister. So what is going on now or expected soon?

Mr. Woloshyn: For the 2002-2003 year there was a supplementary estimate of \$8.5 million approved in this House that is matched by federal moneys through the Canada Mortgage and Housing Corporation. Currently the department and the housing corporation have reviewed numerous projects across the province, and they're going through the final stages to make sure the announcements are appropriate. I must say that these are joint announcements between Canada Mortgage and Housing and the Alberta government. For the upcoming year and the outgoing years of the agreement the budget will be coming down soon, and there will be moneys allocated in the budget for next year.

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

Water Strategy

Ms Carlson: Thank you, Mr. Speaker. We would like to thank the Minister of Environment for incorporating in his water strategy many of the great ideas that the Liberals have been promoting for at least five years. However, his own idea about a water tax is not going to be too popular. Will the Minister of Environment explain how he is going to get a water tax through cabinet and into government policy?

Dr. Taylor: Well, Mr. Speaker, as much as that member is trying to perturb me, I'm going to remain imperturbable. I just want to say that I did not have an idea of a water tax. It's not my idea. We aren't proposing a water tax, and I would suggest that she probably read the document. As I quite clearly pointed out at the press conference that she was at, we heard quite an argument at the forum we held last June on: should there be a price charged for water? About half the forum said that there should be; about half the forum said that there shouldn't be. Right now in Manitoba, Saskatchewan, with an NDP government, and B.C., with a Liberal government, they do charge for water. So because of that, we have a statement in the draft document, very clearly a draft document, that talks about creating the discussion once again around this very hot issue.

2:20

Ms Carlson: Mr. Speaker, will this same minister explain how he plans to get the regulations he talked about today at the conference past the minister of deregulation in this province?

Dr. Taylor: Mr. Speaker, what I said is that when government introduces legislation, there are always regulations to back up the legislation. It doesn't matter which minister brings in legislation, whether it's myself or the Minister of Justice. Then there is regulation to back up his legislation or the Minister of Transporta-

tion's legislation or my good friend here the Minister of Sustainable Resource Development's legislation. Legislation has regulations.

Ms Carlson: Mr. Speaker, if conservation is the Minister of Environment's top priority with this water policy, will he commit to a retrofit fund to help Albertans save water?

Dr. Taylor: Mr. Speaker, as I said, this is a draft strategy right now. We will hear from Albertans about all kinds of conservation methodologies, and certainly as we hear from Albertans on what they think about it, we'll pursue all options, and we'll continue to monitor.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Banff-Cochrane.

Oil Supply

Dr. Pannu: Thank you, Mr. Speaker. The Minister of Energy has recently been ruminating about joining OPEC. Presumably, he wants to see Alberta get the highest possible price for our oil. Industry analysts are predicting as a result of Iraqi oil coming back onto the world market once the conflict there is over – so in light of this a question to the minister: given that oil prices dropped \$1.45 a barrel yesterday, what's the government's view as to how world oil prices will be affected in the post Iraqi war environment?

The Speaker: Very speculative, Minister. Very speculative.

Mr. Smith: Mr. Speaker, when I was first appointed as Minister of Energy, I phoned an individual by the name of Brent Friedenberg, who publishes the Natural Gas Daily Outlook. I said: Brent, I assume that I'll be asked questions about what will happen to the price of oil and what will happen to the price of gas. He said: Minister, natural gas, oil prices will fluctuate.

Dr. Pannu: Mr. Speaker, to the same minister: given that industry analysts are predicting lower long-term prices for oil, has the minister estimated how Alberta's revenues will be affected if this happens?

Mr. Smith: Mr. Speaker, one of the great things about three-year business plans and budget documents is that there is an unparalleled level of transparency in those operations, and that unparalleled level of transparency will be reached yet again in this budget coming April 8.

Dr. Pannu: My final question to the same minister, Mr. Speaker: given the minister's penchant for talking about the invisible hand and the market-think that he is prone to, why doesn't he understand that if supply is increased, the price will go down? Why doesn't he tell Albertans that prices are going to go down?

Mr. Smith: Well, Mr. Speaker, I think I'll give him the invisible answer on this Thursday afternoon.

Ghost-Waiparous Recreation Area

Mrs. Tarchuk: Mr. Speaker, the Ghost-Waiparous area northwest of Calgary has seen increased recreational pressures over the years. Time and time again we've heard serious concerns over the impact on the environment from the use of off-highway vehicles in sensitive areas as well as from parties and random camping. At the same time, Albertans need reasonable access to this area, where they can enjoy

our scenic outdoors and recreate. My question is for the Minister of Sustainable Resource Development. Can the minister tell us today what direction his department is taking to develop a meaningful and effective management plan?

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. It's a very important question, especially for areas around Calgary. This area is covering about 1,500 square kilometres, and it's less than an hour's drive actually from downtown Calgary, so there's a lot of pressure on that particular area. To address the concerns, my department is consulting with an access management group. We will go through this process and listen to Albertans and then develop a plan. My department commissioned a random telephone survey recently in the area. Eighty-five percent of the people contacted said that a system of designated trails and also establishment of recreational users should be put in place, and over 70 percent felt that if nothing is done, there'll be a real danger to the environment.

Mrs. Tarchuk: To the same minister: in that local constituents feel very strongly about the need for change and are pleased about the consultation effort, can the minister assure Albertans that the government will take action on a deliverable plan rather than create a plan that will just sit on a shelf?

The Speaker: The hon. minister.

Mr. Cardinal: Yes. Definitely, Mr. Speaker, you can be assured that the plan will not sit on the shelf and gather dust. At this point we are still of course consulting with Albertans, and you can be assured that once the consultation is done and the plan is in place, we will put in a process that will ensure that as the area is monitored and recommendations are made to make changes and adjustments as we move forward, there is a process in place to do that.

A good example of that is that we just recently announced the Bighorn backcountry access management plan, which is for about 5,000 square kilometres.

Dr. Taylor: How many?

Mr. Cardinal: Five thousand square kilometres. There's an active monitoring, action-oriented plan in place now of various users including local government, including in fact the MLA. Once you develop a plan, the job is not done. It's just the start of the job. The development as of now will be the most challenging and interesting, and you have to monitor and make sure that you have performance measures actually in place, that the job is done instead of gathering dust.

The Speaker: The hon. member.

Mrs. Tarchuk: Thank you, Mr. Speaker. Another concern I hear about repeatedly is education, and I would like to hear from the same minister how he hopes to address the need for educating users in this vast area.

The Speaker: The hon. minister.

Mr. Cardinal: Yes, Mr. Speaker. That is very challenging. Both the Ghost-Waiparous and also the Bighorn backcountry, of course, are the most challenging to provide a proper education program for because it is such a multi-use area. You have skidooers, you have

skiers, you have people that want to enjoy the environment, you have people that want to go fishing, people that want to go camping, and there are quaders and there are trikers. You know, it's a multi-use area, so it is not easy to put in processes that will educate the people as to how the area should be used and developed. But we do have a group of people that are interested. The users actually are the ones that will be handing out brochures and contacting people as to what the area would be used for in the future.

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

Education Funding

Dr. Massey: Thank you, Mr. Speaker. Underfunding of education in the province has forced Calgary public into deficit financing and threatens the same at Edmonton public. Over 20 other boards in zones 2 and 3 say that they, too, are in a most difficult financial position in part due to the government-ordered arbitrated teachers' settlement. My questions are to the Minister of Learning. If, as the minister claims, boards have experienced 40 percent plus increases, why are these boards in financial straits?

Dr. Oberg: Well, Mr. Speaker, first of all, to some of the preamble of his question. The Calgary public board, which he alluded to, the CBE, ran a deficit approximately five or six years ago that they are still paying off at this time. They're making an orderly payment of their deficit, and it is something that they are actually ahead of the game on. They're ahead of their payment scheme.

Mr. Speaker, when it comes to the amount of dollars, the majority of school boards, the average of school boards is around 48 percent since 1995. There are some school boards that have received up to 50 or 60 percent because of increased enrolment, Mr. Speaker. There is a tremendous amount of dollars that has gone into the education system. In saying that, though, there have been challenges. For example, our teachers' salaries are about 8 to 10 percent higher than anywhere else in the country. Our teachers obviously do the best job in the country, because our students do the best job.

Mr. Speaker, this is something that we will manage; we'll manage it together with the school boards. The school boards that he has talked about that are having a tough time: yeah, we all have tough times, and indeed we will find a way to get out of it. I'm confident that the school boards will live up to their reputation as having the best school system in Canada; in fact, the world.

2:30

Dr. Massey: Again to the same minister: how can the minister claim the boards are properly funded when they need over \$400 million just in catch-up funds?

Dr. Oberg: Well, Mr. Speaker, first of all, I don't agree with that number. The Alberta School Boards Association in saying \$411 million basically is saying that the 3 percent and the 3 and a half percent were nonexistent and did not come to them. Those were dollars that were there. Those were dollars that the School Boards have received. We recognize that in many ways the School Boards Association's mandate is to lobby for more money, and I accept that. But we do have fiscal realities, and you will see those fiscal realities on April 8 when the budget is tabled.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister, Mr. Speaker:

will the minister table an account for school boards showing exactly how per pupil grants are supposed to cover school costs?

Dr. Oberg: Well, Mr. Speaker, I don't believe that the hon. member would want us to micromanage school boards to that degree. It would take a considerable amount of time and expense to be able to do that. Quite frankly, I would much sooner take those dollars, give them to the school boards, allow them to educate kids, allow them to put those dollars in the classroom, which is exactly where those dollars should go. I feel it is extremely important to do that. I think that the majority of school boards if not all the school boards do an excellent job in dishing out their money to their schools.

Mr. Speaker, it is something that we will not be doing: we will not be getting in and telling the school boards specifically how to fund, how to use their dollars. As a matter of fact, the Alberta School Boards Association has asked us for more flexibility, demanded more flexibility, and in the new funding formula that is coming out, we have agreed with that, and we will be giving them more flexibility. There are a lot of new things coming out in the funding formula. As of September 1 of this year we will see all of that, and I think it will be extremely positive.

With regard to the actual funding that is going to the school districts, the individual school boards, we are continuously – continuously – monitoring the amount of dollars that they are getting to ensure that it is spent in the best possible fashion, to ensure that it goes to the classroom, to ensure that the education of the students of this province continues to be the absolute best in Canada.

Thank you very much, Mr. Speaker. Thank you to the hon. member for asking that question, and we'll see him after the break.

head: **Members' Statements**

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

Ted Hole

Mrs. O'Neill: Thank you, Mr. Speaker. As the Member of this Legislative Assembly representing the constituency of St. Albert, I rise today to pay tribute to a noble and honourable man, Mr. Edward G. Hole, who passed away last evening. It would not be an exaggeration to say that almost everyone in St. Albert either knew Ted Hole or was aware of this fine gentleman's presence in our community.

For those of us who had the privilege of knowing Ted, we will remember him as a wise and knowledgeable agriculturalist, an accomplished musician and supporter of the arts, an astute business owner, interested sports enthusiast, and most obvious of all, a strong family man. But even if you only knew of Ted or saw him at a distance working in the original red barn or the current greenhouses and gardens, you sensed the authentic warmth of his caring spirit, the sparkle of his delightful wit, and the sincerity of his genuine interest in people and life, in the earth, and in the community.

I know I speak for all St. Albertans in extending our sincere condolences to Her Honour and all members of Ted's family. We will miss Ted's warm smile, his kindly concern, and his regal-like accompaniment of Her Honour. Our neighbour and friend, may you rest in peace, Ted.

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

Canadian Unity

Ms Carlson: Thank you, Mr. Speaker. In its early days Canada was a land full of promise, the promise of freedom, democracy, and

wealth. It was this promise that led hundreds of thousands of people from all over the globe to settle in our cities, our towns, and our countryside. Since that time Canadians have been turning this promise into reality. We boast one of the highest living standards in the world, one of the highest life expectancies in the world, one of the lowest rates of poverty in the world, two of the best health and education systems in the world, and the fastest growing economy in the G-7. Together Canadians have turned this land of promise into one of the most vibrant and successful countries the world has ever seen. This country's achievements are beyond anything that could have been imagined over a hundred years ago. Even before Alberta was a province, Albertans have been leading the way in turning this land of promise into the country it is today. Our pioneering spirit has opened up this land and exposed the great wealth and treasures that it holds.

Albertans have never shied away from doing their part as Canadians. When our country needed us at Vimy or Dieppe, in Korea or Afghanistan, we were there. It is because of all this that I along with so many Albertans am perplexed by this government's disturbing turn towards increasing talk of separatism. From Kyoto to the gun registry to health care this government seems intent on using policy differences to promote a separatist agenda. In fact, many Albertans accuse this government of using separatist talk to avoid the real issues of energy, education, and health care. Without separatism the government would have to tell Albertans the truth about why the government spends so much, yet Albertans are faced with crumbling schools, roads, and hospitals.

Talk of separatism is dangerous. It sends a poor signal to the rest of Canada and only helps to fan the flames of separation in Alberta. Our commitment to Canada should be unwavering. Canada is a family, with each province a member of that family. This government talks about supporting our friends. I wish this government would show a little more support for our family.

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

Small Business Entrepreneurs

Mr. Lord: Thank you, Mr. Speaker. We hear a lot about the unemployed or people with low income, for whom life, in fact, is a very difficult challenge indeed. About the only thing worse than being unemployed and flat broke, however, is actually being employed at the job I am going to describe. Imagine having a job in which you work 60 to 80 hours a week under great stress with heavy responsibilities to many people, forced to put up with abusive and condescending bosses, living in fear of your landlord, your creditors, government people but unable to quit this job, at least not without declaring personal bankruptcy first or suffering major financial loss. For all this you are being paid nothing. Despite the zero income, however, you may still be required to pay a shocking amount of taxes to your government, far more than most will ever pay.

It can even get worse. Even if you are virtually destitute, no money even for groceries, you do not qualify for any government social safety nets at all. If you do become unemployed from this job, you won't qualify for unemployment insurance either, even though you likely paid way more into it than most.

I'm talking about the situation that thousands upon thousands of small business entrepreneurs find themselves in when their big dream of success turns into a nightmare instead. What are the numbers? Well, I can tell you that approximately 4,000 businesses in Calgary alone discontinue their licences each and every single year, and they didn't do that because they were successful. Only

about one in five actually ever succeed at this job, Mr. Speaker, and thank God they do, because the wealth of this entire country depends on that one out of five that succeeded.

I wonder: if we had a project that set out to double the success rate of small businesses from one out of five to two out of five, wouldn't that theoretically double the rate of wealth creation in this country and therefore our national wealth eventually? With double the income think what we could do about poverty for everyone else in this country, Mr. Speaker.

Thank you.

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

2:40 **Automobile Insurance Premiums**

Mr. MacDonald: Thank you, Mr. Speaker. Automobile insurance premiums in this province are becoming increasingly unaffordable. Skyrocketing premium rates, increasing claim costs, and insurance companies handpicking clients create hardship for Albertans. In recent months some insurance companies stopped taking new vehicle insurance clients due to high claim costs. Meanwhile, car insurance rates are rising 10 to 30 percent a year. This is utterly unacceptable.

The government of Alberta has an obligation to help alleviate the burden of outrageous car insurance premiums on its citizens not only for the sake of those citizens but also for the sake of the public purse. If Albertans can't obtain insurance due to skyrocketing prices or are simply being turned down for trivial reasons, then some people may unfortunately choose to drive without insurance. Most folks likely won't do this, but those who can no longer afford to drive to work may have to take a lower paying job closer to home, or they may not be able to work at all. The government of this province cannot stand idly by and do nothing about an insurance industry that's been forced to put its product beyond the reach of Alberta drivers.

I have suggested to the Minister of Government Services and I continue to encourage this government to immediately form an all-party committee to study Alberta's automobile insurance industry and endeavour to find a solution. Alberta is not alone in its struggle to help consumers get fair and equitable deals with insurance companies while still allowing those businesses to make a profit, but I'm sure this province can lead the country in finding a mutually beneficial arrangement.

Let's stop spinning our wheels and start making tracks toward a solution. It's the Alberta and the Liberal way. Thank you.

head: **Presenting Reports by**
Standing and Special Committees

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

Mr. MacDonald: Yes. Thank you very much, Mr. Speaker. As chair of the Standing Committee on Public Accounts I hereby submit five copies of the report of the Standing Committee on Public Accounts for the Second Session of the 25th Legislature covering the committee's activities in 2002.

head: **Notices of Motions**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I rise pursuant to Standing Order 34(2)(a) to give notice that on Monday when next we meet, whatever that Monday is, I will move that written questions appearing on the Order Paper do stand and retain their places.

I'm also giving notice that on that same Monday I will move that motions for returns appearing on the Order Paper do also stand and retain their places.

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Children's Services.

Ms Evans: Thank you, Mr. Speaker. I rise today at the request of Glen Allan school council executive to table a letter that they have forwarded to me relative to education funding and the education that children are receiving.

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much, Mr. Speaker. I rise today to table a report from the Bank of Montreal entitled *In Search of Canada's Small Business Hotbeds* which was released this month. The study points out that among smaller populations Lloydminster and Grande Prairie have two of the fastest growing small business sectors in all of Canada. As well, Calgary and Edmonton were ranked number 1 and number 2 in both the number of small businesses per capita and the growth of small business ventures. This report obviously reflects the Alberta spirit of innovation and that this government has done the right thing to bring in jobs and create a positive environment for businesses to establish themselves, continue working, and grow.

Thank you, Mr. Speaker.

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you, Mr. Speaker. I'm pleased to table with the Assembly the 2002 annual report of the Alberta Association of Architects.

Thank you, Mr. Speaker.

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

Mr. Hancock: Thank you, Mr. Speaker. I'm pleased to table on behalf of three teachers that I've been meeting with over the course of the last year on a regular basis to discuss issues with respect to education a document which shows their concerns relative to class sizes and staffing issues for the Earl Buxton school in my constituency.

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

Ms Carlson: Thank you, Mr. Speaker, I have the appropriate number of copies of a letter from Chad Willms from Lethbridge, who is very concerned about the development in Evan-Thomas within the Kananaskis valley. He would like it stopped.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have two tablings today. The first one is a brief letter addressed to the Right Honourable Premier. It is from Michael Kurjata in Edmonton-Gold Bar, and it concerns the lack of funding for public education.

The second letter I have is also addressed to the hon. Premier, and it is from Dean Rosychuk, a professional engineer from 102A Avenue in the constituency of Edmonton-Gold Bar. This individual is a parent of a grade 8 student in the French immersion program at

Kenilworth school and is very concerned about the lack of proper funding for public schools.

Thank you.

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

Dr. Taft: Thanks, Mr. Speaker. The mail keeps flowing in on education issues. My first tabling today is a copy of a letter signed by Trina Chrzanowski and 22 others urging me to stand up for the Edmonton public school board and demand adequate funding.

The second is a copy of a letter to the Premier, a very interesting letter from a recent immigrant to Edmonton from the United States to work at the university. She's very concerned about the decline of education in Edmonton.

The third is from Donna Provost, urging action on education funding.

The fourth is from Ryan Dunkley, who says "I am becoming more and more saddened by the state of education in our province."

The final one is to both the Premier and the Minister of Learning from Judith Nyrose, expressing concern with the shortfall in funding from the Alberta government.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I rise to table five copies of a letter from Dr. Donald Smith, a professor of history at the University of Calgary. The letter is addressed to the Minister of Community Development, who is in charge of parks in addition to other responsibilities. Professor Smith is asking the minister what's holding him back from consultation with the Alberta Historical Resources Foundation, which is the naming authority in the province for parks. Furthermore, he wonders why the minister doesn't adopt the Parks Canada protocol, which "in order to avoid any suggestion of political favoritism, does not allow the naming of federal parks after individuals."

Thank you, Mr. Speaker.

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

Mr. Mason: Thanks very much, Mr. Speaker. I'm tabling a letter from Mr. William H. Percy of Stettler dated March 10, 2003, addressed to his MLA regarding jumps in natural gas prices. He writes that it is time for the Conservative government to face up to the complaints from consumers and small businesses and deliver on their election promises with rebates.

Thanks.

head: **Projected Government Business**

Ms Carlson: Mr. Speaker, we would ask that the government share with us the business for the week of April 7, when we return to this Assembly.

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you, Mr. Speaker. The projected government business for the week when we next meet, whenever that week might be, would be as follows. On Monday the afternoon would be private members' business, the usual Written Questions and Motions for Returns, followed by Public Bills and Orders other than Government Bills and Orders. The evening would continue with Motions Other than Government Motions for the first part of the evening and

then continue with Government Bills and Orders, perhaps a government motion on Standing Order changes, second reading of bills 23 and 24, Committee of the Whole for Bill 22, and third reading of Bill 22 should that be necessary.

The Tuesday afternoon would be consumed with Government Bills and Orders and Government Motions. Of course, there is a possibility that if that particular Tuesday happens to be April 8, then we would have a budget presentation around 3:30 p.m. Following on with the Tuesday evening, Government Bills and Orders at 8, Government Motions, the Leader of the Official Opposition in response to the budget, perhaps some motion on electoral boundaries, and second reading of bills 33, 34, and 35.

On Wednesday, April 9, the afternoon will be Government Bills and Orders with Committee of Supply, we expect, and the Legislative Assembly estimates following up with opposition designates. I'm not sure what that will be yet, but I suspect Revenue will be one of them. Wednesday evening would be Government Bills and Orders, Committee of Supply. That would be Innovation and Science, I assume, should that happen to be day 2 of 24. We'll have to wait and see.

Thursday afternoon would be Government Bills and Orders. Again, we'll have to wait and confirm, but I expect that would be Committee of Supply, and that would be day 3 of 24. I think the opposition will be designating an appropriate department for that time. It likely may be Gaming.

So that's as much information as I have at the moment, Mr. Speaker.

2:50

The Speaker: The hon. Member for Edmonton-Ellerslie on a point of order.

Point of Order Clarification

Ms Carlson: Yes, Mr. Speaker. I rise under Standing Order 23(h) and perhaps (i). I don't have the Blues in front of me, but it seems to me that in an exchange between the Premier and the Member for Edmonton-Centre the Premier either made an allegation or perhaps imputed a false motive. I would like to put it on the record that my husband and his company are duly registered as lobbyists in those jurisdictions requiring it and will be very pleased to register here once a registry has been established in this province, as it should be.

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you. Mr. Speaker, I don't have the Blues at my disposal either, but I was privy to the answer that the Premier gave, and I don't think any allegation was imputed one way or the other against any member of this House nor, for that matter, against any consultants or lobbyists or whatever they may wish to be called.

I happen to know all three of the individuals that were referenced by the Premier, and I think that if you'll reflect back – and I'm sure *Hansard* will bear this out – the Premier was highly complimentary to those three individuals. They have done outstanding work for a number of organizations I would think. In particular, the hon. Member for Edmonton-Ellerslie's husband is an exceptional consultant and a very good friend to I would think almost the whole Assembly here. He does outstanding work, as does a former Member for Edmonton-Manning and the former Member for Calgary-Shaw. These are outstanding individuals who work hard on behalf of Albertans.

I think that we frequently have positive things said during Recognitions. We have positive things said during Members'

Statements, and occasionally it's okay to say positive things during question period as well. So perhaps this might be viewed more as a point of clarification. I certainly do not personally think that there's any cause for a point of order, but I'll leave it up to your wisdom to decide that in your own good way, Mr. Speaker.

Thank you.

The Speaker: Well, it sounds like a love-in to me, but what the Blues actually say – this affords an opportunity for a lesson; how's that? The hon. Member for Edmonton-Centre says in her lines: "will the Premier agree that at a . . ." Just remember those words: "will the Premier agree that at". Then the Premier coming back at one point in his response:

Mr. Speaker, I would point out: is the hon. Member for Edmonton-Ellerslie suggesting, for instance, that her husband lose his livelihood because he is a consultant along with a former member of this Legislature, this government caucus, Jon Havelock, and a former member of I believe the Liberal caucus, Peter Sekulic. With all due respect he does a marvelous job. We hire him, the private sector hires him, nonprofit organizations hire him, and he does a wonderful job in representing whatever he has to represent.

Well, sounds to me like quite an endorsement. But the interesting thing about this – there is no point of order, by the way, in the one raised, but there could have been two points of order raised out of this. So, hence, the lesson.

Now, the hon. Member for Edmonton-Centre said: "Will the Premier agree that at a . . ." Now, it's quite clear that the rules prohibit the seeking of opinions, and they are certainly not permissible under the rules. *House of Commons Procedure and Practice* at page 427 and *Beauchesne's* 409(3) would prohibit the seeking of an opinion in a question. The question might have been ruled out of order.

Now, the hon. Member for Edmonton-Ellerslie might also have risen on a point of order basically saying that it is totally unacceptable to name a person in this Assembly who is not present and not able to defend themselves, but then that would have ruled out virtually all the tablings today, too, because everybody who made a tabling today mentioned somebody's name.

Dr. Taft: With permission. For information.

The Speaker: No, no, no. There's no such thing as for information.

The preambles and the personal references are very clear in the *House of Commons Procedure and Practice* at page 524 and *Beauchesne's* paragraph 493(4).

So while there was no point of order on the point of order raised, there could very easily have been two points of order raised, and all I'd say is: just give some careful consideration to this swinging sword that's sharp on both sides. It cuts both ways.

head: **Orders of the Day**

head: **Government Motions**

Spring Recess

10. Mr. Zwozdesky moved on behalf of Mr. Hancock:
Be it resolved that when the Assembly adjourns on Thursday, March 27, 2003, at the regular hour of 5:30 p.m., it shall stand adjourned until Monday, April 7, 2003, at 1:30 p.m.

The Speaker: Hon. members, as per Standing Order 18(2) and 18(3) such a motion is not debatable.

[Government Motion 10 carried]

head: **Government Bills and Orders**

head: Second Reading

Bill 22

Child and Family Services Authorities Amendment Act, 2003

[Adjourned debate March 10: Dr. Massey]

The Speaker: The hon. Minister of Children's Services to close the debate.

Ms Evans: Thank you, Mr. Speaker. Just taking leave to speak to second reading and to close debate on Bill 22. This amendment is a very straightforward amendment. It removes the stipulation of the maximum number of members that may sit on a child and family services authority board. With the number of regions going from 18 to 10, this will allow us to ensure adequate community representation on the boards. I feel very confident that when this bill passes, we will be able to ensure the governance and the consistency of representation through the differing needs of each region.

Therefore, I am pleased to move second reading of Bill 22.

[Motion carried; Bill 22 read a second time]

Bill 18

Energy Statutes Amendment Act, 2003

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

Ms DeLong: Thank you very much, Mr. Speaker. Today I'm pleased to rise and move second reading of the Energy Statutes Amendment Act, 2003.

Alberta is known and respected worldwide for its land tenure and royalty collection systems. It is a fact that other jurisdictions from around the world regularly come to Alberta to learn about our tenure and royalty systems. These systems ensure industry competitiveness and provide Albertans with a fair return for the development of their resources. Revenue from the oil and gas industry is critical to this province's economic prosperity. For the 2001-2002 fiscal year the Department of Energy collected \$6.227 billion in bonuses, royalties, and rent on behalf of the people of Alberta.

[The Deputy Speaker in the chair]

Mr. Speaker, these amendments will improve the management and administration of the Crown's mineral rights and will optimize benefits to Albertans. One key element in Alberta's success in this area is certainty. Investors want and need to know what the rules are before they make their investments. Those rules are generally laid out clearly in legislation and regulations; however, there are always areas where those rules have not kept up to date with changes in technology or markets. Some are also found in the common law, which investors may not always find or which may not be as clear as legislation. This bill clarifies some important points that are existing policy or are existing common law in the view of the government and are how this province currently practises. This will provide certainty and reduce any uncertainty as to who is entitled to what or under what regulations they pay their royalties on production.

The bill makes it clear which Crown mineral rights leaseholder has the rights to natural gas in areas with coal or with oil sands. Natural gas found separated from the bitumen in the oil sands at original conditions is part of the natural gas lease, while any additional gas that evolves from the bitumen as it is produced is part of the oil sands lease. In other words, natural gas produced out of sandstone, shale, coal, or other rock is part of the natural gas lease.

3:00

These are the policies of the government today and the practices of government and industry. They will now be there in black and white for any investor to see when they decide on an oil sands, natural gas, or coal project. You may note that the holder of a coal lease today can produce natural gas for safety reasons to remove it from a mining development. That safety precaution is continued.

One of the cornerstones of Alberta's land tenure system is that industry has access to a fair and level playing field. It becomes unfair if someone trespasses on unsold Crown minerals by drilling a well into them deliberately or in error. Doing that can result in that person having more information than other potential bidders or even producing minerals that they have no right to. Current provisions to deal with trespass have not always been an effective deterrent. A significant and effective deterrent is required because these situations are difficult to detect and can result in revenue loss to the Crown both as a direct result of the wrongful recovery of Crown minerals and also as a result of lower bonuses paid to the Crown for mineral agreements. You can imagine the effect of someone's bidding strategy if as a result of trespassing they already know that it's a dry hole. The proposed amendments to the Mines and Minerals Act will improve the Crown's ability to respond when someone explores for or produces Crown minerals without authority.

Mr. Speaker, one of the main objectives is to ensure that our good corporate citizens can continue to do business in Alberta for the economic benefit of all Albertans. In keeping with our desire to provide certainty to investors, these amendments will do just that. As such, another key amendment is an enhancement to the provisions around collection of royalties. This bill will codify joint liability of Crown leases and provide procedural flexibility to remove the administration of collections. It will also allow the minister to redirect funds owed to a person and apply that money to any outstanding debts that person might have to another branch of the government, expand and clarify the application of provisions related to royalty and tax recalculation by the Crown, and also ensure that a company cannot transfer their interests to a lease to absolve themselves of a debt. Any debt will flow through to the transferee.

Another significant change to these acts deals with the Limitations Act. The recent Limitations Act has created some doubt as to how time limits imposed by that act for initiating legal actions in court impact existing time limitations provided under the Mines and Minerals Act and the Freehold Mineral Rights Tax Act. This bill excludes or specifies time limitations for initiating legal actions under the acts from the limitation periods specified in the Limitations Act. The time periods under these acts to complete calculations and assessments of royalty, mineral tax, and related interest or penalties are well understood and accepted by the industry and the Crown and were designed with industry business practices in mind as well as this government's business needs of ensuring complete and accurate payment of royalties, taxes, and penalties. The existing periods, generally four years, are not exceptional, and they have generally worked well through the years. The bill will exempt these practices from the Limitations Act.

Issues of trespass can take years to detect. The bill specifies specific limitations once a trespass has been documented. Issues of mineral ownership, primarily between the federal government and Alberta, can also take years to resolve. The bill exempts these cases from the Limitations Act.

Mr. Speaker, gas storage helps smooth peaks and valleys in production activity and gas prices while enhancing security of supply. The bill will reduce administrative barriers and barriers of uncertainty to entering into storage arrangements. This legislation

allows the use of depleted oil and gas reservoirs for storage but speaks generally in terms of recovery of minerals. This bill amends the act to make it clearer for people interested in developing storage that there is legislation for use of these reservoirs for storage purposes. The bill also clarifies that use of a reservoir for storage continues the leases granting the rights to the reservoir.

Mr. Speaker, in 1949 all coal mines were required to sell coal to Alberta residents for their domestic needs at market prices at their plant gate. At that time, coal was a common domestic fuel. This in theory requires all coal mines to have the equipment and processes to be able to do this today even if no one is asking for it. This bill continues the requirement but provides the ministerial discretion as to which coal mines need to be able to sell coal for domestic needs.

Finally, the Fees and Charges Review Committee has asked the government to comply with an Ontario court ruling to specify where money collected as a penalty is properly identified. In fact, Mr. Speaker, these amendments will do just that.

Thank you very much, Mr. Speaker.

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

Mr. MacDonald: Thank you, Mr. Speaker. It's with interest that I rise this afternoon to participate in the debate on Bill 18, the Energy Statutes Amendment Act, 2003. Certainly, I appreciate the words from the hon. Member for Calgary-Bow in regard to this amendment act.

We're talking about the Mines and Minerals Act and the Freehold Mineral Rights Tax Act, and certainly there is merit in providing clarity in the rules for all investors in this province. When we consider the influence and the amount of money that is being invested by the energy industry from around the world in this province, it's certainly a strong vote of confidence not only now but well into the future for the energy industry in this province. We have to be very careful. I believe I was looking at Economic Development, their department and their annual report from last year, and close to half of the activity in this province was generated from the oil industry and the gas industry, and that's reason enough to provide clarity in the rules for investors.

Whenever you compare this province and this country to other jurisdictions around the world and whenever there are investors that say: oh, well, if we don't get our way, we're going to move on . . . We have a very stable, secure investment climate in this province. You look at the situation around the globe. You look at the current situation in the Middle East, particularly in Iraq and in Kuwait, Saudi Arabia, large oil-producing nations. Then you compare them to us. Certainly we have modest reserves when you count up their reserves, but people want to do business here, and it's our political stability that provides that.

If you look at Venezuela and those arguments made last year, late last fall: oh my gosh, we're going to take our money and invest it in Venezuela. Well, there have been a series of political upheavals in that country that certainly make Alberta even more attractive now than it was in October.

Mr. Speaker, you look at some of the enormous potential that's left in the former republics of the Soviet Union as far as oil and gas development go, but there's considerable economic risk in putting your money there for development because you don't know the politics of the region. It was not long ago that there was a gas field developed in Russia, and no sooner was the last weld X-rayed in the gathering system than a local group of bandits took it over. So we have to heed the words of the hon. member when the Member for Calgary-Bow discusses the fact that we have a regulatory regime that is admired and I believe copied from other parts of the world.

3:10

When we look at some of the ways we can improve that system, we have to look at royalty collection. We have to ensure that recommendations from previous Auditor General's reports are being looked at and are being considered in this bill, and I don't know, Mr. Speaker, if they are or not. You know, whenever we talk about providing legislative clarity for investors to ensure that the rules are clear and effective, if someone drilling a well, taxpayers, and those who have mineral rights have their rights protected, that's fine. But when you consider the investors, you also have to consider those who own the resources, and that's the taxpayers and citizens of this province. As I understand it – and I'm a member of the opposition, and I'm told nothing and taken nowhere – there is a new process in place, and there's a lot of electronic filing. I think it's all electronic filing now as far as gas and oil production and royalty calculation.

Getting back to the Auditor General, the Auditor General has been persistent in pointing out that there have been some problems in the past, and I'm not convinced that those problems are being addressed in this bill. Now, perhaps they are and during the course of the debate I will change my mind, but I'm not convinced that this is going far enough whenever we look at some of the past recommendations from the Auditor General's report.

How much money are we losing as owners of the resource? I have no idea. I know they're not significant, but they're certainly 1 or 2 percent losses noted in certain production records of oil and gas, and I have enough concern about that, Mr. Speaker, that I have put forward a motion to deal precisely with that.

I would like to see – and perhaps it would be at the appropriate time a suitable amendment for Bill 18 – an individual meter placed on each oil or gas well in this province, and the meters would vary in expense of course, Mr. Speaker, because of the location and the service that is provided. It would have a lot to do with the pressure of the well and the size of the gathering system which is being fed by that well, the flow rate. All these factors would affect the cost of the meter, but certainly to put a meter at each wellhead I don't think is out of line. We have a gas meter for every individual user of natural gas in this province, and we seem to be able to live with that. So that is what I would propose to do, and this Bill 18 may give a person a chance to let all Assembly members have a good look at that idea of how we can improve our system in Alberta.

When we consider the pressure that is on the government to deliver public health care and public education and all sorts of programs, we have to ensure that as the oil and the natural gas is depleted, we are getting maximum return on that depleting nonrenewable resource. Perhaps we should consider what this bill is going to do, and perhaps we should consider strengthening it. Certainly, this bill also deals with incorrect tax calculations and defines the limitation period for actions under the Freehold Mineral Rights Tax Act, but at the same time here I see that section 3(3) is being repealed and the following is to be substituted. Perhaps instead of "may" the minister "shall" recalculate the tax, interest, and penalties, as the case may be, and send a new tax statement to the owner. I don't think that this should be just left up to the minister. I think that the minister on behalf of all the citizens of this province should be obligated in this statute to do exactly that, Mr. Speaker.

Now, certainly, I would also like to know why we need this bill. How much money is at stake now? Is it a few dollars, or is it millions? Like, what's going on here? Is it a major problem? Are we having many incorrect tax calculations? It would be wonderful to have before this Assembly just exactly how much money is at stake here. I think that in light of some of the budget restraints and the cutting back and the – what is this called? – stop-and-go spending by this government or roller-coaster budgeting, up and

down, yo-yo budgeting – there are any number of terms for this – if there are significant amounts of money at stake here, I think the public would be very, very interested in knowing that. For that reason, I would be very interested in hearing, perhaps if not from the hon. Member for Calgary-Bow then from another hon. member of this Assembly, exactly what sort of sum we're dealing with here.

Further, as I go through this bill, I have another question, and hopefully it'll be answered. Mr. Speaker, it deals with the substituted section 38, calculations and recalculations. In going through this act, I would like to know at this time who will be authorized by the regulations to make a request in writing for calculation, recalculation, or additional calculation. If that could be answered in due time, I would be very grateful.

Certainly, Mr. Speaker, those are some of the initial questions I have in going through Bill 18 at this time. I can't dispute what the hon. Member for Calgary-Bow had to say earlier about having a system that all parties are comfortable with. When we consider all parties, we have to take special interest in protecting the financial interest of the owners of the resource, because this is a resource that is being depleted. The golden goose is aging. The western Canadian sedimentary basin is now a mature area for oil and gas production, and we have to ensure that we get as much life out of that golden goose as possible and as much return to the citizens of this province as possible. After the oil and gas are gone – and I worked all my adult life in the oil industry all around the world. The oil and gas industry is very mobile, and it will go where the resource is. So whenever this basin matures, good-bye to Alberta and hello to the next jurisdiction. We have to make sure that Bill 18 is suitable at this time for the interests of all citizens.

3:20

Now, you know, the changes proposed in this bill are, as I understand it, based on problems that have arisen around the normal course of business as conducted in the field. I would also question the hon. Member for Calgary-Bow regarding a court case. I believe it was with – and I could be wrong on this and can certainly stand corrected – Gulf oil and gas around Fort McMurray. The legal question was: who owns the gas underneath the tar sands or the bitumen mines? There were some legal questions around that. Does this bill satisfy those legal requirements? Also, the venting off or the bleeding off or the collection of gas from coal fields and the safety issues that surround that are of interest to this member.

Certainly, I was very interested in the statements regarding coal and the obligations of coal companies in I guess you could call it the coal gate. Albertans could go and get coal there. With this energy deregulation policy that this government is persistent in pursuing, coal may become again, because of cost, a major home heating source for citizens. I think it would be a step in the wrong direction, but I also think energy deregulation is a step in the wrong direction.

Now, in regard to the venting for safety issues, how exactly is this going to affect the development of the coal bed methane industry in this province? I know the Minister of Energy is working. He's as busy as a beaver, Mr. Speaker, getting studies done and economic reports conducted on the potential for coal bed methane in this province. It's going to be interesting to see how this develops.

Certainly, we could compare the development of the coal bed methane industry in this province, which is in its infancy, to energy deregulation in America. Coal bed methane has been under production in the Powder River basin in America, south of us, mostly in the state of Wyoming, but that basin goes a little bit farther north than that. There have been significant problems with that, but the results, as the hon. Minister of Energy told me in estimates last year – I think that 8 percent was the quote. Eight percent of the

lower 48's gas production is coming from coal bed methane, but there's the issue surrounding water and surrounding leases. Apparently, you need quite a bit of public land in order to get a coal bed methane system going. You need a lot of wells. You have to have more wells than you do for a gas field. But they're dealing with this in America. They've made some mistakes, and I certainly hope we're going to not make the same mistakes. The Americans made mistakes with energy deregulation, and we followed through blindly and made the same mistakes. I'm hoping that we're not going to do that with coal bed methane.

I see, with the right conditions, a very bright future for coal bed methane. If the hon. Member for Calgary-Bow could explain to me the implications for the development of the coal bed methane industry in this province, I would be very grateful. Certainly, you know, methane is a dedicated source of fuel for electricity generation. Perhaps the Minister of Energy has already got a policy on this, and I would be surprised and delighted to see that policy, because it would reduce, as I understand it, our greenhouse gas emissions, Mr. Speaker. [interjection] Well, we could have this as part of our provincial strategy on Kyoto. It certainly would work into the plan, and maybe that is part of the government's plan. Perhaps this Bill 18 is a quiet part of that plan. I don't know for sure, but I guess, as I said earlier, that only time will tell.

Whenever we think of the potential for coal bed methane and when we think that there are estimated remaining established reserves of natural gas of 43 trillion cubic feet and that the National Energy Board predicts that the unconventional supplies of natural gas will be required by 2008 to meet rising demand – and that's not much beyond the next election; that day is coming very quickly – we could have almost double that amount, if not greater, in potential coal bed methane reserves. So for the hon. member to stand up and tell me that my cautions about this bill are wrong would be delightful in light of how important this energy industry is.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I'll have a few comments on Bill 18. I appreciated the comments, the wise words of wisdom from the Member for Edmonton-Gold Bar.

Mr. Zwozdesky: As always.

Dr. Taft: As always, as the Member for Edmonton-Mill Creek says.

It's an important bill. Anything having to do with the royalties and the management of Alberta's petroleum reserves is an important bill. Anything addressing the way royalties are calculated . . . [interjections]

The Deputy Speaker: Hon. member, you're having some competition from your own side as well as the other side, and I wondered if in the stillness of the afternoon we could abide by the rule of only one person talking at a time.

Dr. Taft: They can't help themselves, Mr. Speaker. They're responding to my comments, I'm sure. Support and applause: I'm sure that's what's intended.

So to get back to my comments, I was saying that this is an important bill. The issues involved are complicated because of the stakes. The stakes are very high. The thing that's at stake here is the very future of society in Alberta, the very future of our economy, the future of our prosperity, the size of the population, the quality of the environment. All those kinds of things are at stake here. So these

kinds of bills are of enormous importance, and it's going to take us some time to sort out all the issues that are involved in this piece of legislation. A few have already come up in the brief comments that have been directed towards this bill, and I would add a few of my own.

Now, to the extent that this perhaps simultaneously streamlines and tightens the management of the royalty system and the Mines and Minerals Act in the province, to the extent that that happens, it will be a good thing. As usual, though, it's a bit hard to tell exactly where this legislation is going to end up, because so much of it is passed over to regulations, passed through the Lieutenant Governor in Council; in other words, through cabinet. I don't believe those regulations have been made public. I'm not sure they've even been established yet. So we are, as unfortunately so often happens in this Legislature, debating something about which we are only given partial knowledge, and I find that difficult and frustrating.

3:30

There has been a lot of debate around the management of the royalties of Alberta's energy resources, petroleum resources. I have had discussions with various people about the royalty regime for the oil sands plants, and I think there are some serious questions that we need to stay on top of with those royalties. Frankly, many critics would say that the current system, which allows these huge corporations to build their plants by financing them through a royalty concession and therefore at public cost, is too generous, that in fact the bottom line of that is that the public is paying for those oil sands plants. People on the other side will argue that what we're doing is putting in place the infrastructure so that down the road the royalties will flow into the provincial treasury and that if we didn't give those enormous royalty concessions, we wouldn't have those plants built. I think there's merit on both sides, but I am concerned that we have put in place a deal with oil sands royalties that needs to be very, very closely watched. I'm concerned that over the years there's room for abuse of that system.

Those kinds of principles come to bear on all of the management questions about royalties on all of Alberta's gas and oil reserves. Are we putting in place mechanisms that can ensure that the legislation and regulations are properly enforced? The hon. Member for Edmonton-Gold Bar, for example, suggested metering on every producing well, and that sounds like a reasonable request. I know that I have had people approach me, people with considerable experience and expertise in the field, expressing a lot of concern that we are not sufficiently enforcing the royalty rates in Alberta, and as a result an important volume of oil and gas is produced and slips through the cracks of the system, and the public never collects the royalty on that oil or gas. That's just a complete write-off to the public treasury and a direct subsidy to producers if that is happening, and certainly questions have been brought to my attention on this issue.

I also would like just to raise a different question here, and I'm going off some comments made by the Member for Calgary-Bow when she spoke about, as I understood it, drilling through layers of resources. Perhaps you're seeking oil at the bottom of those layers – it's the deepest layer – and you might go through gas. Then the question arises: how is that gas managed? How are royalties charged on it? How do we ensure that the public purse gets full value for that gas?

A few weeks ago I heard of a different sort of situation, but in principle it's related, and I think that given the work of the Minister of Environment on water resources, it's very timely. I was told recently of a farmer who has tremendous concern because an oil well has gone through the water aquifer and is disrupting the water flow for the farmer. In fact, it's not just disrupting it.

Mr. Smith: Do you have proof of that?

Dr. Taft: The Minister of Energy is asking me if I have proof of that, and I guess I'll have to wait till committee, but I do. I know the exact case, and I'd be interested in his uptake on the issue. Maybe we can follow that up at a later date.

This farmer's perspective or view of the situation – and the farm is in central Alberta northeast of Red Deer – is that the farmer didn't even know that the oil company had put in a water well. There were several oil wells on this piece of land. They all looked the same. It turned out after the fact that one of them is pumping water that the oil company, as I understand it, is using to increase the flow in the oil wells. So we are losing the water resource, the farmer is losing the water resource, and I throw that issue out here. I don't know if it would ever relate specifically to this amendment, but the principle is the same, where we have an oil well going down through various layers of resources to that pool of oil. What happens to all the resources that that oil well encounters on the way down? It may not just be natural gas. It could be water. It could be something else. So it would be interesting to know how we as a province manage that kind of an issue.

I've read recently of new technologies of metering, photonic metering, and that may allow us to more precisely and easily measure what flows out of Alberta's oil wells and gas wells and coal bed methane production and so on and ensure that we are collecting a fair royalty from that resource. So metering is an important issue that's going to come up: the actual rates themselves, how those will be audited, what happens to collateral resources that are encountered in this work, how royalties will be administered. Ultimately, as the Member for Edmonton-Gold Bar said, it would be fascinating to know the total value of what's at stake here. We're talking about tens of billions of dollars. It's a huge, huge issue for us. I know there are many, many other pieces of legislation that affect that industry, but this is one of those, and it is of direct relevance.

Those are some of the principles that I think we'll be pursuing as we go into committee, questions we'll be asking. Maybe the government members can anticipate some of those issues and help us with the answer.

So with those comments, Mr. Speaker, I would like to move that we adjourn debate on this bill at this time. Thank you.

[Motion to adjourn debate carried]

head: **Government Bills and Orders**

head: Committee of the Whole

[Mr. Tannas in the chair]

The Chair: I'll call the Committee of the Whole to order. For the benefit of those in the gallery this is the informal part of the Assembly. Members are allowed to move around, so they won't necessarily be in the seat that you see if you have a diagram. This is where we are allowed to go through a bill clause by clause and to propose amendments and that kind of thing.

Bill 22

Child and Family Services Authorities Amendment Act, 2003

The Chair: So without further ado, are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Riverview.

Dr. Taft: Yes. I just have a few comments here. I'd like to get on

record my concern that there is a trend developing in the government towards a series of regions in the province, co-ordinated boundaries for regional health authorities, for children's authorities, and down the road I am concerned that we may see the same thing being imposed on municipalities, on school boards, and who knows what else. So I have concerns that this bill is a step in a fundamental restructuring of the way that this province is organized and the way that we govern ourselves and may be part of a larger scheme this government has to create a handful of fiefdoms, they could be called, around the province through which all public services are administered.

3:40

If that is the trend here – there's certainly been speculation on that possibility with school boards and speculation, I think, fed by some government members at some point on that same possibility with municipal governments. So I'm not sure that that's what the citizens of Alberta want. Whether it is what they want or not, they should be openly consulted on this process, and I don't think there was much consultation at all on the rearranging of the boundaries and the board structure for the children's services authorities. So those are some concerns I have there.

I am also of course concerned about the erosion of local representation on these authorities. I know this bill is intended to help those authorities retain some local representation, but we are seeing a consolidation of power in this province and to fewer and fewer democratic structures. We're seeing more and more boards appointed by this government having more and more power, more and more money to spend, more and more information on the intimate details of people's lives, whether it's Children's Services, whether it's health, whether it's perhaps down the road a school or a municipal government. So if this is part of a pattern towards creating a handful of regions in this province, all of which would be governed by handpicked appointees from this government, I think the government should come clear and consult openly and freely and see if that's what the citizens of this province want.

Thank you, Mr. Chairman.

Ms Evans: Just a very brief comment, Mr. Chairman. The intent of this amendment to the Child and Family Services Authority Act is to add representation given the expanded nature of the authorities. In the consultation process for selecting board members, there has been a panel selected from other publicly elected or appointed officials, and the consultant that has been involved, the hon. member opposite will be delighted to know, has in fact been a candidate federally for the party which the hon. member serves as a part and has certainly been involved.

Dr. Taft: Point of order.

Point of Order Clarification

The Chair: A point of order has been called, hon. minister. So Edmonton-Riverview will explain his point of order, and then you'll have a chance to rebut. Then we'll go back to you after a decision is made.

Your citation, hon. member?

Dr. Taft: Just give me a moment here. Is it 23(h), (i), and (j)? Oh, we've heard them all before. I just would like to make clear to the minister two or three things. There is no connection between the federal Liberal Party and the party which I belong to. I am not now nor have I ever been a member of the federal Liberal Party. So I would appreciate her correcting the record on that.

Thank you.

The Chair: Hon. member, that indeed is not really a point of order. At best it could be called a point of clarification, and on that basis we'll not ask for the other side, hon. minister, if that's okay with you. You may proceed with your comments.

Ms Evans: Thank you for the clarification. Clearly, Mr. Chairman, I meant no insult to the hon. member, and I do retract.

Debate Continued

Ms Evans: I would just point out that this establishes no trend. We had consulted with the boards six months into the new year in 2002, endeavouring to elicit from them their attitudes about some consolidation.

One additional point. The boards when struck originally were recognized as having certain constraints to being efficiently structured because of the sparsity that related to some of those boards. So the following through with the same pattern as the health authorities was done to continue to keep administrative efficiencies there but in no way meant any disregard for the communities. In fact, over the last year we've added additional dollars through family and community support services to provide prevention for children having to be served in the child welfare system.

Again, Mr. Speaker, the intent of this amendment is to enable us to provide more adequately and a more expanded membership for those boards so that we can serve the very disparate regions that are available.

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

Ms Blakeman: Thanks very much. I just want to raise a couple of points very briefly while we're in Committee of the Whole. I know that the Official Opposition critic on this bill has already spoken at second and had advised members of this caucus to approve the bill and allow it to move along quickly, which we've been happy to do today. I wanted to make just a couple of points, or perhaps the minister could see them as questions that could be answered in third reading.

When the idea of the children's health authorities was being contemplated, there was a great deal of discussion and organization around a fourth pillar, which was aboriginal. That seems to have been diluted or perhaps even fallen by the wayside. When I look at Bill 22, the Child and Family Services Authorities Amendment Act, 2003, a bill that is looking to increase the number of representatives on any given children's health authority, I wonder what is happening to that fourth pillar, that was to be an aboriginal pillar.

I will also echo the concern – and this leads out of this bill but may not be specific to this bill – that we're seeing a wider move to establishing regions in the province. I agree with the Member for Edmonton-Riverview that if in fact this is what's going on, then I think we should fess up on it. Part of my concern when we went from I think actually 18 children's authorities down to 10 – when I hear of funneling down of administrative authorities, which is what this is, I'm reminded of amalgamations that we have seen, bringing together a larger group into a smaller group, in other parts of the country. I think the lessons that we've learned from some of them are that we really need to make sure that the representation continues, which is in fact what the minister is trying to accomplish with this bill, that even though we've now got 10 authorities instead of 18, the representation from a larger authority continues on the board and that the representation is good.

However, I question whether it will create administrative efficiencies, because when you take a large enough area, you in fact have to

go back and put more people in place so that you are still in touch with the outer regions, and we then create two layers. We've got the new layer that was created, and then we end up with a sublayer in every single little area that needed to be pulled together just so that we can keep up with that representation and the strong connection back to the many little communities that are made up here. In fact, it ends up costing more because you end up having the 10 regional authorities, but then the authorities themselves are each now going to have to go back and set up little sort of satellite ones. That potentially could happen, so I think it's just something to guard against.

Those were the two issues that I'd wanted to raise when I looked at the bill briefly, and of course I wanted to state our intention of assisting the minister with speedy passage of the bill. The Official Opposition is often accused in this House of dragging things out. Therefore, I'm obliged to get up and put it on the record when we do actually facilitate reasonable movement. It's important to do that. In fact, I think it's fair to say that about 80 percent of the bills that pass through here do receive a fair amount of co-operation from the members of the Official Opposition and, indeed, speedy passage.

Thank you for the opportunity to make those points.

[The clauses of Bill 22 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

3:50

Mr. Zwozdesky: Thank you, Mr. Chairman. I would move that the committee now rise and report Bill 22.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration and reports Bill 22.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

head: **Government Bills and Orders**

head: Second Reading

(continued)

Bill 26

Corrections Amendment Act, 2003

The Deputy Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. It's a pleasure to rise today to move second reading of Bill 26, the Corrections Amendment Act, 2003.

It is my hope that the amendments to the Corrections Act that I am

proposing will enhance the safety of our corrections officers and our inmates by focusing on eliminating weapons and gang-related activities in our correctional facilities. In addition, these legislative changes may help inmates address their drug problems while they are serving in our correctional facilities. I fully acknowledge that a high percentage of inmates come into our correctional facilities with drug and alcohol problems. Often these problems are the basis of their criminal activities. For the sake of the inmates, their families, and the society as a whole, we provide programs and we provide counseling to try and address the inmate drug problems.

As well, these legislative changes may help our probation officers with inmates who have left one of our facilities. Inmates who have come to terms with their addiction and who recognize that they need help will be better able to benefit from community supervision.

Mr. Speaker, I know that the legislative amendments will not solve all the problems. However, I believe these changes will be an important additional tool to help inmates recover from their addictions. At present, we do provide drug and alcohol awareness programs for inmates. We also provide treatment for addictions under individual medically supervised addiction-withdrawal programs.

What I'm proposing is an additional method to help inmates, many of whom do not acknowledge that they need to keep clean and they need to keep sober, and that is to significantly reduce their ability to obtain drugs while they are in our facilities. I have called this a zero-tolerance policy for offender use or possession. A large part of the program will involve an introduction of random drug testing. This program will encourage inmates to remain drug free because they have a better chance of being caught.

Typically, penalties for offenders discovered with drugs include a period of time in segregation and loss of visiting privileges. Mr. Speaker, Bill 26 will ensure that in these cases internal disciplinary hearings will be held. The disciplinary board will be compelled to consider reducing earned remission as a punishment. Currently an inmate could potentially earn a third of their sentence off for simply serving their time. The amendments will ensure that an inmate will have to earn their time off with good behaviour. The loss of remission will be in addition to any criminal charges that may be laid. Loss of earned remission will also be another tool to help deal with offenders who demonstrate assaultive or threatening behaviour toward staff and other inmates. The same will go for the offender found with weapons or involved in gang-related activities.

Let me say a few words about gangs in our correctional facilities, Mr. Speaker. Gangs exist in our facilities. Various gangs use our jails to recruit their new members. We are facing a problem, and it is one that Bill 26 will help address.

In summary, Mr. Speaker, I believe that random drug testing will act as a deterrent, it will help in surveillance, and it will help identify those inmates who need help. I believe that zero tolerance for weapons and gang-related violence will create a safer environment for both staff and offenders. Offenders need to fully appreciate that there are rules in place and that they are expected to live by them.

Mr. Speaker, it is a great pleasure for me to bring forward this legislation and to have it debated in this Assembly. The amendments to the Corrections Act that I am proposing in Bill 26 will hold offenders fully accountable for their actions for the time, however short in comparison with federal penitentiaries, that they are incarcerated in Alberta correctional facilities.

Mr. Speaker, thank you for the opportunity to rise today and speak on behalf of this bill. Through you I urge all members of the Assembly to support this initiative.

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

Ms Blakeman: Thanks very much, Mr. Speaker, for the opportunity to rise as the Official Opposition critic for the Solicitor General and speak in second reading to Bill 26, the Corrections Amendment Act, 2003. In speaking to the principle of the bill, I always look at bills to ask three questions. Is there a problem? Does it need legislation to fix it, or would legislation fix the problem? Thirdly, is this the legislation that would fix the problem?

I think the Solicitor General has outlined that there is a problem. I think we all know there's a problem, and if we don't, we haven't been paying much attention to the media. There's certainly a large problem with drugs in our provincial prisons and in the federal prisons. We know that there is gang activity and, even more chilling, that there is recruitment into gangs that happens in the prison system, and we know that there's a problem with violence and use of weapons against the staff and against other inmates. So is there a problem here that we need to be addressing? Absolutely. No question. I have to say that I'm pleased to see the government understanding that there is a problem and trying to do something about it.

My next question is: does it require legislation to fix the problem? If we know we've got drugs in prison and we know we've got gang activity and gang recruitment going on in prison and we have violence and the use of weapons, is legislation the tool to address these problems and to try and alleviate, minimize, or eradicate these problems? I think the answer is yes. We need to be able to empower the people that operate our provincial prisons to be able to put certain programs in place that work toward this, because we are dealing with a number of different constituencies here. We have the constituency of the prisoners, and those are people sentenced to provincial time, two years less a day. We have the constituency of the staff, who for the most part are employees of this government, employees of the Solicitor General's department. Under that, I would include support staff, administrative staff, janitorial, food preparation, et cetera. So that's the second constituency.

4:00

There is the affiliated constituency that comes from the family and friends of the first two, because certainly if the prisoners are affected or a staff member is affected by drug use that leads to disease, for example, or if someone is injured, that certainly affects the third constituency, which is their family and friends and, in fact, the wider public. Therefore, it is an issue that needs, I think, to be dealt with under legislation and to look for ways under legislation to make that possible, and that's not to say that there aren't programs that can be implemented without legislation. I think there are, and with political will and ingenuity there are a number of things that probably can be put in place without needing the legislation to do so.

Now, the final question is: is this the legislation that would accomplish all of that? This is where I start to struggle. In principle I'm certainly supportive of the minister's efforts in this area, but I feel that this legislation doesn't go far enough, and I have been critical of what is not contained in this bill that I feel should be contained in this bill. I'll put that on the record now.

What is in this bill as compared to a lot of things we've heard talked about as being in the bill but in fact are not specifically outlined here? What is in this bill is adding in the definition of illicit drugs, meaning alcohol or a controlled substance or any other substance that could be designated by the regulations. The definition of an illicit-drug test is added in. Then we get added into some of the sections things that people shouldn't do: bringing illicit drugs or causing illicit drugs to be brought into a correctional institution or possessing an illicit drug while in a correctional institutional, so bringing it in or having it on you. So those are the definitions that are added.

Then we have a series in the bill that is looking at implementing

the ability through legislation to conduct random tests and specific tests for illicit drug consumption. It's being able to test people to see if they have drugs in their system, and there are two kinds of tests that are talked about or contemplated by the legislation. One is a random selection, and the second is very specific if someone has a reason to believe that an inmate is under the influence, if I may use those terms. There's a third section which is sort of a regulatory requirement that if we have an inmate going into a situation that requires that people are guaranteed to be clean, let's put it that way, so going into a community program or into, for example, an alcohol abuse reduction program where they're required to be clean, there's another reason to be testing them to make sure that they are.

So what we have so far are definitions, and we have testing for illicit drug use.

Then there's a section in the bill that discusses punishment and opens up some other areas that could be levied as punishment for inmates. The most obvious and specific one that's being opened by this amending bill is to talk about losing earned remission, and the minister had already spoken briefly about that, that there is a format, a program, a structure by which inmates for a particular good behaviour earn time off towards their whole sentence. What's being contemplated by this bill is that should they contravene any of the rules or the legislation or the regulations in fact, the board, the director, or a panel could now take away some of that earned time off for good behaviour, also known as earned remission. So that's really a punishment section.

Then we have a section that allows for the making of regulations around searches and drug testing. Essentially that's the end of the bill.

So I'm curious, and I look to the minister to point out where in the bill – or perhaps she contemplates it coming under regulations somehow – we have things laid out like zero tolerance on violence or zero tolerance on gangs, because the only place those are really spoken of or referred to in this act is around the punishment section, in which it's detailed: here are some considerations where people may have breached it, and if they do breach it, then we can consider looking at loss of remission as a punishment for it. But nowhere in this four-page bill – and actually on the fourth page there's one sentence that talks about proclamation only, so it's really a three-page bill – is it talking about and outlining a program or a legislative authority to do anything with gangs or violence or with drug use. Now, the minister rightly laid out that there are number of programs already available that don't require legislation to be implemented and are available currently in the corrections system.

[Mr. Renner in the chair]

The minister referred to eliminating weapons, but in fact there's nothing in the act that actually does anything to eliminate weapons. As I said, the only place weapons are mentioned is under the punishment section and its listing under section 5(2), an appropriate punishment that the panel can consider doing, including the loss of earned remission, if the regulations or rules of one of the following has been broken, and the possession or use of a weapon falls under that, 5(2)(d). So it's really talking about punishment. It's not talking about any activity to get rid of the use or possession of a weapon. It's assumed here that the inmates would know that they would be punished by losing their remission time and would therefore not bring weapons in or not use weapons, but there's nothing else really said in the bill about weapons.

So to say that there's zero tolerance for gang activity or for use of weapons or violence, it really just doesn't appear in the bill. The minister may well be contemplating that under regulations, but when

I look, knowing how fond I am of regulations, in the bill under what is being additionally authorized by the bill under the regulations section, that's where we're talking about the ability to carry out searches and the illicit drug tests. It's not adding anything else beyond that.

One of my largest concerns about what is not addressed in this bill is harm reduction strategies. Now, I have talked about this a great deal because I think it's important. I look to members of cabinet to understand and uphold that they have a number of people's welfare under their care and that there is a duty of care that is expected from the kinds of programs and activities that the cabinet authorizes. I'd like to refer to some work that was done by the Canadian HIV/AIDS Legal Network, and I'm going to quote from a news release that they put out last November, November 2002, and it's just a little description of what they do.

The Canadian HIV/AIDS Legal Network is a national organization engaged in education, legal and ethical analysis, and policy development, with over 250 organizational and individual members across Canada. In 1996, the Legal Network released HIV/AIDS in Prisons: Final Report, containing 88 recommendations about what Canada needs to do to prevent HIV transmissions and address injection drug use in prisons.

There was an updated report released in November of 2002 which assesses the progress that has been made in implementing these recommendations within the federal and the provincial/territorial prison systems. I'll also note that the legal network is a nongovernment organization in special consultative status with the Economic and Social Council of the United Nations. So no slouch, this bunch.

Their conclusions are worrying. They would be the ultimate authority in my opinion on how well we're doing with harm reduction strategies in either the federal or the provincial prison systems, and in fact Alberta is mentioned as part of their report card, and where they're mentioned is not happy news. But I will come back to that.

4:10

I note that as part of the preparation of this particular updated report card, those that were consulted in Alberta include the director of the temporary absence program from Alberta's Solicitor General correctional services division, the director of division support services from Alberta's Solicitor General correctional services division, and the hon. Minister of Health and Wellness. They were all consulted in the preparation of this, so we have to assume that those are pretty good authorities, and I'm certainly willing to take their authority on this.

Now, when we look at what the problem is – and on this I'm quoting from page 66, Action on HIV/AIDS in Prisons: A Report Card. The conclusion of the report says:

Although the prevalence of HIV among Canadian prisoners is at least 10 times higher than in the general community, far from enough is being done to prevent the spread of HIV infection in prisons and to provide prisoners living with HIV or AIDS with adequate treatment, support and care.

This puts "prisoners, staff, and members of the public at risk of their lives," and remember I talked earlier about those three constituencies of people, and there you have it again: prisoners, staff, and members of the public. Those in fact were the words that started out the 1996 report, and they were not able to improve upon that much when they went back and looked at the 2002 report.

Into this mix you can tell that between '96 and 2002 we've had to add another factor in, and that's hepatitis C. So where we used to be concerned about HIV/AIDS, we now have to be concerned with hep C under the same circumstances, hepatitis C, which I'll shorten to hep C with your permission.

The problem that we have here is that we do not have a consistent, across-the-board implementation of what we call harm reduction

strategies, and these are essentially denied to prisoners. So we've got jurisdictions that have just failed to embrace a harm reduction approach to drug use, and Alberta is one of them. That includes failing to provide adequate education to inmates about HIV and hep C.

I'll quote again from page 67 of the report:

Prison systems have a moral, but also a legal responsibility to act without further delay to prevent the spread of infectious diseases among prisoners, and to prison staff and the public, and to care for prisoners living with HIV and other infections.

There we have the hep C coming in again. So it talks very clearly about the protection of the prisoners and protection of the staff.

Further on in the report it reflects upon the fact that these people live in wider communities – that's the third constituency I was talking about – and points out that the governments that are in charge of these various prison systems have a duty of care, a responsibility to prevent the spread of HIV and, I would add, hep C among communities. Prisoners are a community, and they furthermore go out into a wider community when they are released. I've heard the minister say that the average length of stay in the provincial prison system is 36 days, so we potentially can have someone contract this disease and then send them out into a wider community in which further harm can be done. So, essentially, protection of prisoners is protection of all of our communities, and I think it's important to remember this.

In no way am I saying that drug use is okay or that it should be made legal or, you know, that it's excusable in any way, shape, or form. I'm not. But I am saying that if you cannot eradicate drug use in prison – and we haven't been able to. Nor has any other prison system been able to successfully eradicate their system of drug use, at least none that I'm aware of using legal means. So we have drugs in our system, and I think that to not be implementing harm reduction strategies when we know of shared needle use, for example, and the various ways that these diseases can spread and we let these prisoners back out into a community, potentially to infect further, is a neglect of duty that is not acceptable from a government who has lots of information available to them to tell them that this is the likely outcome of their activities. So I am pressing the minister to include harm reduction strategies into this legislation and into the programs that she's anticipating here.

[The Deputy Speaker in the chair]

One of the issues that we struggle with the most is that the rate of infection of HIV and hep C in prisons is so much higher than in the outside population, and therefore the likelihood of it spreading is much higher because there are just more people infected with it. This is also about protecting our staff, and I think it's important that we remember that. The minister doesn't want to appear to be okaying drug use amongst inmates, but my concern is more about what happens to our staff.

I look forward to continued debate in Committee of the Whole. Thank you.

The Deputy Speaker: The hon. minister to close debate?

Mrs. Forsyth: No. Go ahead.

[Motion carried; Bill 26 read a second time]

Bill 29

Law of Property Amendment Act, 2003

The Deputy Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you very much, Mr. Speaker. This afternoon I am pleased to move second reading of Bill 29, the Law of Property Amendment Act, 2003, which will have the effect of giving all mortgage default insurers operating in the province the ability to sue an individual for a mortgage deficit on a high-ratio residential mortgage after there has been a foreclosure on the subject mortgage property.

By way of background, Mr. Speaker, the Law of Property Act in this province sets out certain legal requirements for real property or land transactions and also contains the statutory authority for lending institutions to foreclose on mortgages. In these foreclosure rules section 40 of the Law of Property Act prevents lending institutions, when foreclosing on a residential mortgage, from taking action against an individual borrower beyond taking the property, even if that property is worth less than the amount owing on the mortgage. The general rule for mortgage enforcement in Alberta is that a lending institution can't sue an individual borrower for any deficit owing on a residential mortgage, and the lending institution can only foreclose on the property. This general rule began in 1939 so that farmers and others didn't lose the basis of their livelihood if they defaulted on a mortgage.

There is, Mr. Speaker, an exception to this general rule in favour of the Canada Mortgage and Housing Corporation, or CMHC, as it is commonly referred to. This comes about for this reason. Under the federal Bank Act a borrower is required to obtain mortgage default insurance if the borrower is borrowing more than 75 percent of the value of the mortgaged property from the lending institution, and these mortgages are referred to as high-ratio mortgages. The required mortgage default insurance, to which I have referred, as required under the Bank Act is available in Canada from the federal Crown corporation Canada Mortgage and Housing Corporation, or CMHC, under the National Housing Act, and it is also available by a private-sector company known as GE Capital Mortgage Insurance Canada.

4:20

Now, section 43 of our Law of Property Act establishes that mortgages insured by CMHC are exempt from that general rule or that restriction that I mentioned before which prevents the lending institution from suing the individual borrower for any balance owing on a residential mortgage. As a result, Mr. Speaker, if an individual defaults on a CMHC-insured residential mortgage, CMHC will pay out the mortgage to the lending institution, it will foreclose on the property, and it has the ability to sue the individual borrower for any balance owing on the mortgage.

This exemption in favour of CMHC was first established in 1945, when there were no other companies providing this insurance, but that situation has now changed, Mr. Speaker. The exemption for CMHC gives CMHC a competitive advantage over its private-sector competitor, the previously mentioned GE Capital Mortgage Insurance Canada, and of course any other private company that may want to enter the mortgage default insurance business in this province. Under the current rules, if a borrower defaults on a GE Capital insured mortgage, GE Capital will have to pay the lending institution for any balance owing on the mortgage after recovery on the land, but it cannot sue the borrower to recover any deficit balance still owing on the mortgage. Thus, there is an imbalance or an unlevel playing field between CMHC and GE Capital.

Mr. Speaker, the proposed amendments in Bill 29 will level the mortgage default insurance playing field by, firstly, allowing all mortgage default insurers the ability to sue borrowers for any balance owing on a high-ratio mortgage and, secondly, preventing all mortgage default insurers from suing borrowers for any balance

owing if the mortgage is not a high-ratio mortgage; in other words, on all conventional mortgages.

Mr. Speaker, defining the term “high-ratio mortgage” for the purposes of our Law of Property Act will be done through regulation to allow further input on how the term should be defined and whether or not it should reflect the definition of high-ratio mortgage in the federal Bank Act, which, as I mentioned, is when the down payment is less than 25 percent of the value of the property.

Mr. Speaker, these amendments are designed to ensure that the two mortgage default insurers, CMHC and GE Capital, will operate under the same rules and that CMHC, as a federal Crown corporation, will not hold a competitive advantage over its private-sector competitor. The ability of mortgage default insurers to sue borrowers for outstanding balances is being limited to high-ratio mortgages under our proposed amendments. The reason for that is that high-ratio mortgages present a unique risk because borrowers only place a small down payment on high-ratio mortgages, and that being the case, in these high-ratio mortgages a small decrease in the value of the mortgaged property can result in the property being worth less than the amount owing on the mortgage.

Mr. Speaker, it is important to note that these amendments will continue to protect individual Albertans who have default-insured mortgages that are not high-ratio mortgages. In addition, the act will continue to offer protection to individual Albertans who have mortgages with lending institutions where the mortgages are not insured with mortgage default insurance. In these instances the lending institution's recourse will be limited to foreclosing on the property. Borrowers cannot be sued by either the mortgage default insurers or the lending institutions for any balance which may be owed on the mortgage.

In closing, Mr. Speaker, these amendments are in keeping with Albertans' belief that public institutions should not have a competitive advantage over their private-sector competitors. Those are my remarks in second reading.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. It was certainly interesting to listen to the comments from the hon. Member for Calgary-Lougheed in regard to Bill 29, the Law of Property Amendment Act, 2003. I would like to express my gratitude on behalf of the Liberal caucus and the research staff for the gracious help that has been provided by the hon. member in regard to this bill.

There are still many outstanding questions at this time, Mr. Speaker. There certainly seem to be two parties to date who have expressed an interest to this side of the Assembly in regard to the matters that are being discussed with Bill 29, and they are, as previously the House heard, the Canada Mortgage and Housing Corporation and GE. Now, one would not think that the General Electric Company has much of an interest in mortgage insurance. One thinks of turbines and electric motors and things like this, but certainly GE Capital Mortgage Insurance Canada is supportive of this bill. They argue and advocate that it creates a level playing field for all mortgage insurance companies in Alberta.

Now, by exempting them from the provisions, as the hon. member said, from sections 40 and 41 of the current Law of Property Act – and it is interesting to know that General Electric has a substantial presence in Alberta. This includes a new manufacturing plant for GE substation automation – that's a global business based in Calgary – and the Canadian head offices of two GE capital businesses. The GE railcar is in Calgary as well, and GE Capital Card Services is in Edmonton and has sales and service operations in this city for other GE-related businesses. In total, General Electric has 900 employees

and \$1.4 billion in assets in Alberta, and that is significant.

This company, in correspondence that's been provided to this side of the House, Mr. Speaker, indicates that the current Law of Property Act creates a double standard, and they go on to state that most lenders who provide high-ratio mortgages to home buyers – that is, with down payments of less than 25 percent of the property value – are certainly required to purchase mortgage insurance from either the CMHC or the GE corporation. Now, GE is CMHC's only current private-sector competitor, and as everyone knows, the CMHC is a federal Crown corporation. Whenever GE Capital Mortgage expresses concern about this perceived double standard, which places the government-owned company and private-sector companies on different footings in terms of their ability to collect on loans in default, it significantly restricts any private-sector company's ability to do business in Alberta because of the additional risk that they are exposed to.

4:30

Certainly, Mr. Speaker, we have to ask: why is mortgage insurance important? Mortgage insurance enables people who are entering the home market or home buyers for the first time who have a good credit rating to purchase a home with a down payment as small as 5 percent of the purchase price and still get the same interest rates as they would have obtained with conventional mortgages. Mortgage insurance does this by protecting lenders from losses that result from a borrower defaulting on a mortgage at any time during its 25-year period.

Now, under the Bank Act all lenders who provide mortgages to home buyers who make down payments of less than 25 percent of the property value are required to purchase mortgage insurance. Our research has indicated that to date there has been contact, but the Canadian Bankers Association is still studying this issue in this bill. So I'll be anxious to hear back from them, Mr. Speaker, in regard to this matter.

The hon. member earlier talked about: why does an unlevel playing field exist in Alberta? It goes back to an amendment to the Law of Property Act in 1945 to provide an exemption for the Canada Mortgage and Housing Corporation at a time when there were no competitors to the Canada Mortgage and Housing Corporation. As a result, the amendment for CMHC did not contemplate private-sector competitors.

Now, it's interesting that all other provinces – and I think the hon. member mentioned this – except Saskatchewan make all borrowers responsible for their actions when their mortgages are insured by either GE or CMHC. In Saskatchewan, as I understand it, CMHC has no special status, Mr. Speaker. We have to wonder, you know: are the delinquency rates that much higher in Alberta than anywhere else, or what's going on? According to GE now Alberta has had Canada's best performing economy over the past five years, and this should mean a low rate of mortgage defaults, but that has not been our experience in Alberta. GE Mortgage's delinquency rate in Alberta is its highest in Canada. All this economic activity, all this supposed high disposable income, yet we find this going on.

Also, it is interesting to note that GE indicates that this has taken place even though GE Mortgage tends to be more conservative in its underwriting practices in Alberta. Our loan provisions here – maybe this is a caution or a warning bell. This goes back to the previous – I think it's 20 years ago now, Mr. Speaker. That would be this practice that went on here, and it was called dollar dealing. Now, certainly, according to GE Bill 29 in its present form encourages responsible borrower behaviour.

GE Mortgage entered the Alberta market – it's only been seven years – as a second provider of mortgage insurance. Up to that

point, most brokers, lenders, and lawyers only dealt with CMHC for their mortgage insurance needs. GE Mortgage's account representatives in Alberta are often asked about the effect the Law of Property Act had on GE when compared to CMHC. In some instances GE Mortgage has been contacted by Alberta lawyers who are trying to understand the difference between their clients and have specifically told them to confirm that unlike a CMHC insured mortgage a borrower cannot be sued with a GE Mortgage insured mortgage. Now, Mr. Speaker, some mortgage brokers are actively promoting GE Mortgage's insurance to borrowers specifically on that ground. This side of the House certainly hasn't heard from any of them, and I think I would welcome their views on this bill.

Certainly, when we talk about the advantages of changing the Law of Property Act – and the hon. member talked about promoting competition by leveling the playing field for all mortgage insurers in this province. I would have to question – and hopefully this will be answered in the course of debate – what new products, if we are to support this legislation and it is to become law, will be introduced to the Alberta market that previously would have been excluded from this province. I also would like an answer to this: what is the need to increase the availability of high-ratio financing across Alberta? Who is demanding this?

Now, I'm told that we can possibly reduce the level of defaults and minimize the negative impact on property prices during economic downturns. I would appreciate more information on this matter before one decides whether to support this legislation. When we consider, as GE does, that one of the advantages of changing the act would be to promote responsible behaviour by borrowers by discouraging people from defaulting on their mortgage when they still have the ability to pay it, how many of these practices are going on in this province now? That's GE's side of the story.

Certainly, the prairie regional general manager of another stakeholder that we consulted, the Canadian Mortgage and Housing Corporation, indicated that the bill does not fulfill its stated objective of leveling the playing field. There was a suggestion that GE Mortgage Insurance doesn't need the right to recourse offered by the bill that CMHC currently enjoys because CMHC is obligated through its mandate to take on riskier mortgages than is the private insurer who can handpick clients. Now, this is quite interesting, Mr. Speaker.

The general manager of the prairie region also advised that the consultation process for the bill left out the Canadian Bankers Association, and I know that we're still waiting for an opinion, as I stated earlier, from the Canadian Bankers Association. Their lawyers are having a look into this bill, and I'm going to be anxiously awaiting the correspondence in regard to that matter, and perhaps this will catch up with the Legislative Assembly next week.

Mr. Speaker, we need to ensure that everyone is satisfied with these changes, and I would caution all members of the Assembly that we hold off on this until we hear back from these stakeholders. Certainly, the hon. Member for Calgary-Lougheed suggested that this Law of Property Amendment Act is consistent with the federal Bank Act, but it would certainly be nice to hear from their own experts.

[The Speaker in the chair]

Mr. Speaker, also at this time – I don't know how many more minutes I have here in the discussion – it would be good to have a definition of a high-ratio mortgage. It would be excellent to have the definition in the act, not in the regulations. We'll see what happens with this suggestion, but perhaps it would make members on this side of the Assembly more comfortable if that definition was in the statute and not in the regulations.

4:40

When we consider the consultation process and we look at both parties involved in this, as I said earlier the Canada Mortgage and Housing Corporation and GE Mortgage, one has to hear both sides, Mr. Speaker, of the issue. The general manager of the CMHC prairie region goes on to state that it would be her preference to see an amendment to Alberta law that currently allows a person to assume a mortgage without qualifications. If the second person defaults on the mortgage, both the original and the second person can be pursued. Only the second person would be pursued if they had to qualify to assume the mortgage.

Now, there are a lot of issues here. In conclusion, we reserve our support for this bill certainly until we hear back from a couple of other stakeholders. It may seem like straightforward legislation, but if there was a significant downturn in the economy and there were a lot of people left with mortgage difficulties, particularly after they had purchased a new home with very modest down payments, I'm not so sure how these changes would affect them.

Again, Mr. Speaker, I will reserve any further comments on this bill until hopefully I get an opportunity to hear back from some other groups that we have contacted in regard to this matter. Thank you.

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

Dr. Taft: Thank you, Mr. Speaker. I won't speak at great length here. I do have a handful of issues to raise and questions to perhaps just begin directing at the Member for Calgary-Lougheed or anybody else who wants to respond to them at some point.

As I read through the material on the bill and the bill itself, I must say that my sympathies don't automatically lie with huge financial institutions, especially when they're in a relationship with an individual borrower, nor am I saying that I'm automatically opposed to them. I have accounts at a major bank, and they're as reasonable as all banks can be, I guess. They don't necessarily give me good service fees unless I'm very sharp with them.

The reason I raise that is that I see this bill as frankly doing a favour for a very large financial organization, and I do wonder if that favour might not be at the expense of individual Albertans who are perhaps through no fault of their own in financial straits. They might enter into a high-ratio mortgage and they get injured; they lose their job. I certainly remember a time in the mid-80s when tens of thousands of Albertans were losing their jobs when the economy tanked. I'm not keen on entering into a law that would give a huge multinational – in fact by some measures I think GE is the largest multinational in the world, certainly in the top three or four. I'm reluctant to enter into a law that would give that multinational power to pursue Albertans who are bankrupted or broke through bad luck, bad circumstances, through no fault of their own.

On the other hand, I do recognize that people need to borrow money, and lenders need some security, or they'll stop lending, and then we're behind on that account too. So really it is a matter of balance. The thing to me is that I don't know what's been wrong with the system to date. I haven't heard anything about this issue in my constituency office. I'm not sure what's behind this bill coming forward at the moment, whether perhaps GE has been lobbying on this particular issue or not.

So this is going to be a matter of weighing things out, weighing what's in favour of the individual Albertan and what's in favour of, frankly, a giant multinational. I do notice one thing here, that the profits and revenues from this business, when we allow GE greater access to the market, are going to flow right out of the province and, indeed, ultimately out of the country. I'm concerned. It's the same pattern, the same principle I've seen followed with bringing Direct

Energy into the electricity market, replacing ATCO. We know that when ATCO is in the business and making a good profit, that money stays with Albertans, just as we know that when Direct Energy takes over and makes its profit, that money is going to flow out, ultimately, to headquarters in Britain. So tough issues here.

One of the things I would ask the Member for Calgary-Lougheed to provide perhaps when we're in committee would be some examples of how this issue has unfolded in real life. Are there times when GE has been left out to dry because we haven't had the proper legislation? What has the impact of that been on GE? It would be interesting to find examples on the other end, where people perhaps have lost their capacity to sustain a high-ratio mortgage, defaulted on the mortgage, and then might at some point find themselves exposed to a lawsuit from a huge multinational. How does that dynamic play out? Has Canada Mortgage and Housing followed that course since it has the right to do so? Has it followed it very often? What have been the outcomes? Those examples, those stories are often very valuable in helping to understand how a piece of legislation like this plays out.

One other issue that comes to my mind: clearly, if this bill passes, we are shifting the financial risks from a multinational to the individual Albertan. We are lightening the risk load, the risk exposure of GE, and we are transferring that burden to the individual Albertan, so it's a shifting of risk. At the very least, if GE is having its risks reduced, its financial exposure reduced, then I would hope that they would commit to lowering their interest rates and perhaps improving the terms under which they loan the money. After all, if they are charging extra, and presumably there is some kind of a premium for insuring these mortgages, then maybe that premium should be reduced if they're facing fewer risks as a result of our perhaps passing Bill 29.

So at this stage, those are some of the principles I'd like to explore here: some of the issues around fairness, money staying in Alberta, money going out of Alberta, risks on the individual versus risks on what is, after all, an enormous, enormous corporation. Gosh, I'm a little reluctant to expose individual Albertans to duking it out one on one with GE. Why should I do that? The Member for Calgary-Lougheed has to convince me why I should support doing that.

With those comments, Mr. Speaker, I would move that we adjourn debate on Bill 29. Thank you.

[Motion to adjourn debate carried]

4:50

Bill 31

Local Authorities Election Amendment Act, 2003

The Speaker: The hon. Member for Grande Prairie-Wapiti.

Mr. Graydon: Thank you, Mr. Speaker. I'm rising to move second reading of Bill 31, the Local Authorities Election Amendment Act, 2003.

It's a very important piece of legislation in Alberta. It sets out the procedures for the conducting of elections of municipalities, school boards, and some other local authorities. The government acknowledges the key role of the Local Authorities Election Act and is firmly committed to ensuring the act's continued viability and relevance. To further improve upon the act, the government has concluded that additional amendments are appropriate. There's been a lot of consultation, and the proposed amendments certainly would clarify the election process for stakeholders and ensure that the process remains current and valid for future elections.

The proposed changes under Bill 31 would accomplish some of the following. It would accommodate those requiring assistance in

the voting process by providing greater access for incapacitated electors and assisting those unable to read or understand English. Examples include authorizing the deputy returning officer to extend the boundaries of the voting station to include the closest point of access that the incapacitated elector can attend. This would provide assistance to those unable to read and provide blind voter templates when requested.

The proposed changes would also ensure integrity in the administration of oaths by, for example, requiring agents to take the official oath in the performance of their duties and prior to entering the voting station. It would clarify the duties and responsibilities of election officials by allowing returning officers to record their objections if they feel the candidate or voter to be ineligible and clarify that the responsibility for filing proper nomination papers rests with the candidate, not the returning officer.

It will create greater consistency between summer village voting and elected authorities by standardizing time lines and voting patterns. Examples include extending the time for receipt of nominations for summer village votes consistent with other local elections and clarifying residence requirements for summer village residents. It would ensure fairness and equity in the nomination process and create flexibility in that process. This is accomplished by providing consistency between school board and municipal elections in the requirement of signatures on nomination forms and ensuring consistency in the retention and inspection of nomination papers and ballot counts.

It would balance electors' privacy rights with a candidate's right to access information by providing greater consistency with the Freedom of Information and Protection of Privacy Act and outline the role of enumerators, campaign workers, and candidates. Proposed amendments include clarifying that the list of electors is prepared in accordance with the bylaw, requiring proper identification for enumerators, candidates, or campaign workers and adding a consent clause on the nomination form to allow at the candidate's discretion the release of relevant information.

It would clarify administrative procedures. There were some redundancies, omissions, and duplication references identified such as the need to add a reference to school division or regional division to complement the reference to school district and clarify that where a municipal council is acclaimed, the organizational meeting can be held any time after the returning officer has declared the candidates elected.

Other suggested amendments include deleting outdated references such as "cash order" and removing the requirement to list incapacitated electors "alphabetically according to wards."

Just a couple more brief points. It would guarantee the security of ballot boxes and provide access to alternate methods of voting by providing for special ballots similar to what exists in the current Election Act. It would ensure the integrity of electronic voting equipment by requiring standards for electronic voting equipment and increase the flexibility in the conduct of advance voting by allowing voters to vote at the advance vote if they are unable to vote on election day. Previously it was only if you were going to be absent from the local jurisdiction. That will be changed.

These amendments need to be in place for the 2004 local authority elections.

In closing, by supporting these amendments, we will provide all Albertans with increased integrity, fairness, privacy, and access in participating in the democratic election process that we enjoy.

With that, Mr. Speaker, I would move that we adjourn debate on Bill 31.

[Motion to adjourn debate carried]

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

Bill 13
Government Organization Amendment Act, 2003

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

Ms DeLong: Thank you, Mr. Speaker. I'm pleased to move third reading of Bill 13, Government Organization Amendment Act, 2003.

Just as a reminder as to what this is about, since it's been a while since we were dealing with this bill, I'll just go over the key information here. Alberta Registries issues identification cards so that Albertans who don't drive are still able to have photo identification.

Thank you very much, Mr. Speaker.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. At this time I would like to stand and get on the record briefly at third reading of Bill 13. Certainly, Bill 13 is going to authorize the continued production of all the voluntary ID cards in the province, and this goes back to, I believe, the youth of the hon. Member for Edmonton-Centre and the old ALCB cards, that were prized possessions of those people who were just turning the age of majority in the 1970s, times like that. You know, the Alberta Liquor Control Board first began issuing these photo identification cards I think in the early '70s. The hon. Member for Edmonton-Centre could certainly correct me, but perhaps it was even at the specific time when the drinking age was lowered to 18. I'm not sure. But this seems to be a continuation of that program.

Certainly, when you look at the cost of this card over five years, which is a little less than \$40, it's half the price of a passport. The expiry date is going to be on the individual's birthday, and it's just going to be a simple ID card with photo and signature and address, birth date, gender, height, weight, hair and eye colour. It's not only going to be useful for younger people, students, but seniors who don't drive and don't hold a licence may find merit in holding this card, citizens who are blind, or anyone who might need photo ID for everyday actions such as cashing a cheque or accessing government programs. So I don't see any problems or much concern about this with the exception that I certainly hope we don't have the same sorts of problems we're having with the drivers' licences in this province.

The hon. Member for Calgary-Bow was kind enough to provide a briefing in regard to this bill, and the hon. member and some of the staff from Government Services gave assurances that a significant amount of thought had gone into the design of this card and it had safety features that would not allow unauthorized reproduction or forgeries or frauds, whatever you want to describe it as, Mr. Speaker.

My only caution again on this is that I consider our registry system to be a bit of a weak link. Some of the registries have been selling drivers' licences and whatnot that are not authentic. In some cases I believe the market was between \$200 and \$500 in Calgary. So there are definitely some problems with that system.

5:00

I certainly hope, in conclusion, that what we're trying to do here with Bill 13, the Government Organization Amendment Act, 2003, as sponsored by the Member for Calgary-Bow, is going to be different from the problems we have with the drivers' licences and the concerns that have been expressed in regard to the registries and the promotion and the reproduction of drivers' licences.

With those comments, I will cede the floor to another hon.

member of this Assembly, Mr. Speaker, and I hope this works out well for all the citizens of Alberta that need it. Thank you.

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

Ms Blakeman: Thanks very much, Mr. Speaker. I just wanted to speak in support of this bill in third reading again because I think that it is important that we continue to have identification cards available beyond the mainstream. There's already been a fair amount of discussion about the old what we call ALCB cards, which is certainly dating us.

Someone else pointed out that the people that really needed those identifications cards – and they're picture ID – were those that didn't have a driver's licence. I know that now they are issued by the registries and in this case the private registries in Alberta, but it's important that we continue to offer those cards and that they are accepted as we expect them to be accepted. You know, even given the increased security and vigilance we need to have around protection of people's personal identity, I think that enough safeguards can be put into place around this kind of non driver's licence photo ID, that we can protect it, and it's important.

I've had constituents who are not in the best time of their lives; they're struggling. One guy I can think of, you know, lost his vehicle, and his driver's licence expired, and that was it. There he was: no ID. At that point, he couldn't get anything. He couldn't get an ATM bank card. He couldn't open a bank account. He couldn't begin to even get any other ID because everything had expired on him. So I was able to vouch for him, and he was able to go to the private registries and get this version of this ID card, and it allowed him to sort of start everything over again and to rebuild his life. But he was in a fairly bad state without any kind of picture ID, because in this world of security and access, boy, you've got to have that.

So I appreciate what's being put forward here and that there is a way of continuing to apply for these cards and that they will be accepted and that there's security around the issuance of them. I think the only thing we need to be really careful about is the regulations section, and again I get concerned when I see that the minister may make regulations respecting "the issuance, renewal, cancellation and expiration of identification cards" or the next section, (d), "the qualifications or conditions required to be met in order to be issued or to hold [one]." I mean, I know that you don't want all of this stuff in legislation, but I continue to be quite grieved by the amount of decision-making that affects all Albertans that goes on behind closed doors and without scrutiny, without information.

I'm glad to see this carrying on, and I thank the member for bringing it forward and Mr. Speaker for allowing me the opportunity to speak in favour of it.

[Motion carried; Bill 13 read a third time]

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker, and thank you to all members of the House for excellent progress this week and today in particular. On that note, I would move that we now call it 5:30, and pursuant to Government Motion 10, agreed to earlier today, I would move that our Assembly do stand adjourned until 1:30 p.m. on Monday, April 7. May I wish everybody a happy conclusion to the month of March.

Thank you, sir.

[Motion carried; pursuant to Government Motion 10 the Assembly adjourned at 5:06 p.m.]

Legislative Assembly of Alberta

Title: **Monday, April 7, 2003**

1:30 p.m.

Date: 2003/04/07

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon and welcome back. At the conclusion of the prayer would you please remain standing for the singing of our national anthem.

Let us pray. At the beginning of this week we ask You, Father, to renew and strengthen in us the awareness of our duty and privilege as members of this Legislature. We ask You also in Your divine providence to bless and protect the Assembly and bless the province we are elected to serve. Amen.

Now, hon. members and ladies and gentlemen, would you please join in the singing of our national anthem. We'll be led today by Mr. Paul Lorieau.

Hon. Members:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

The Speaker: Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. It is indeed an honour and privilege today to introduce to you 12 students and six adults who are attending the School at the Legislature all this week. They are from Hussar, Alberta, and the adults are Linda Moczulski, Frances Williams, Jeanne Treacy, Richard Pratt, Janice Fandry, and Yvonne Comstock, as well as 12 grade 5 and grade 6 students. They're the ones that are brightly attired in their School at the Legislature shirts, and I would ask them all to rise and receive the warm welcome of the Legislative Assembly.

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

Rev. Abbott: Thank you, Mr. Speaker. It is a great honour for me to rise today. I have three school groups visiting from my constituency today from right across, east to west. First of all, we have Lakedell school, and I'll ask the teachers and parents to stand as I announce their names: Mrs. Cline, Ms Sappok, Ms Jackson, and Mrs. Ollenberger. I'll have the students stand in a minute.

The second school I have, Mr. Speaker, is Calmar school, and we have Mr. Kevin Hancock and Mrs. Yvonne Heitzman.

The third school I have here is Alder Flats elementary school with Mrs. Gina Foster and Mrs. Karen Becker.

We have a lot of excellent students from these three schools, and they're learning lots about the Legislature today. I think some of them also went to the Provincial Museum. So I would ask them all to rise in both galleries and please receive the warm welcome of this House.

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

Mr. Snelgrove: Thank you, Mr. Speaker. It's a pleasure for me today to rise and introduce to you and through you to members of the Assembly a young man fresh from the Alberta oil patch; particularly, Akita Drilling rig 3. There is a saying in pool, "It's not what you take; it's what you leave," and I believe that to be the case in our work here as well as in life. If that is the case, then I've played a very good game. It's with a great deal of pride that I ask my oldest son, Craig, to rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you, Mr. Speaker. It's my pleasure today to introduce three firefighters from the regional municipality of Wood Buffalo in Fort McMurray. They're all very active in their community. Joining me today are Brian Makey, Tony Gordon, and Brad Grainger, and I'd ask them to stand in the public gallery and receive the warm welcome of the Assembly.

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

Dr. Pannu: Thank you very much, Mr. Speaker. Over the past few weeks of this session we have been honoured to have parents who are concerned about chronic underfunding of public education to come and sit in the gallery, and today is no exception. I'd like to introduce to you and through you to the Assembly several parents, some educators, some students, all wanting to show the government with their presence today that they expect tomorrow's budget to hold good news for all Alberta's children in our public education system. They are Mona Luth; Melanie Shapiro; David Galbraith; Rosalie Anderson; Erica Bullwinkle; Miriam Weinfeld; Patti Clancy-Novosel, president of Edmonton Catholic teachers; and Karen Beaton, president of Edmonton public teachers' local. I'd ask them all to please rise and receive the warm welcome of the Assembly.

Mr. Speaker, I also have a second introduction. They're two members of CUPE, Canadian Union of Public Employees, local 474, who represent the custodial staff in our schools. These two guests are Doug Luellman and Berend Wilting. I'd ask them to please rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Minister of Children's Services.

Ms Evans: Thank you, Mr. Speaker. What a distinct honour and privilege it is today to introduce two members of my community who are seated in your gallery. Their beautiful daughter, Sarah Monkman, has been well known as a page in our Assembly since 2001, and she is with us this afternoon. Her parents are here. They are soccer directors in Sherwood Park. The mother is a nurse, and the father is working in Yemen. He is very happy to be home on a five-week leave of absence so that he is not right in the midst of the conflict overseas. He will, however, be going back on Monday. I would ask, please, that Cheryl and Randy Monkman rise and that this Assembly show them the warm accolades of this community.

head: **Oral Question Period**

Provincial Fiscal Policies

Dr. Nicol: "Sustainable" is the new buzzword used by this government since they announced the creation of their new fiscal framework, but Albertans have been given no idea what this means for priority programs and services. So that Albertans understand what you mean by sustainable, could the Premier explain what it means as it relates to Albertans' priorities in the areas of health care and education?

Mr. Klein: Mr. Speaker, it means just that: sustainable; programs that we can sustain over a long period of time at a price Albertans can afford without forcing this government ever again to spend more than it earns, to go into deficit. That's what it means: sustainable. The details relative to the sustainability of this year's budget plus the three-year budget plans will all be tabled tomorrow, and indeed the key word is sustainability – reform, also, to achieve sustainability. The hon. leader of the Liberal opposition will see that tomorrow when the budget is tabled.

Dr. Nicol: To the Premier: would a sustainable budget in education include funding to cover teachers' salary increases, technology updates, new classroom supplies, replacement textbooks, cost of service increases, higher utility bills, more funding for special-needs programs, additional costs for infrastructure update and maintenance? Would those all be included in a sustainable budget?

1:40

Mr. Klein: Mr. Speaker, I assume that on a reasonable-case basis all those items will be included; on a sustainable basis all those items will be included. But unlike the Liberals, who think money just falls from the sky, we know our limitations relative to the revenues we collect, and we know our limitations relative to the amount of money we have available to spend on essential programs. Indeed, everything we do we want to do to achieve sustainability.

Dr. Nicol: Again to the Premier: would a sustainable budget in health care include the funding for cost-of-service increases, population increases, cost-of-drug increases, the aging population, technology costs, and any salary increases being negotiated?

Mr. Klein: Well, Mr. Speaker, all these questions are in anticipation of the budget, which will be tabled tomorrow. If the hon. leader of the Liberal Party would wait until tomorrow, I think that he will have an opportunity to judge for himself whether the budget indeed provides sustainability in the areas he mentioned.

Budget Release

Dr. Nicol: Today the Minister of Finance held a press conference to outline the embargo rules for the release of the budget tomorrow. According to these rules, the media will be allowed to see the budget five hours before opposition parties become privy to any of the information. To make matters worse, the media are allowed to file stories before they can speak to any opposition members or other stakeholders. To the Premier: why did the government design a budget release strategy that short-circuits the ability of opposition and stakeholder members of Alberta to comment with the media before they file their stories?

Mr. Klein: Mr. Speaker, nothing is being designed purposely to short circuit – short circuit: a Freudian slip – to short-circuit the opposition's opportunity to comment on the budget. Indeed, the hon. Minister of Finance informs me that she didn't hold a news conference today. I don't know the details relative to how the press are to obtain the budget, the rules of the embargo, but I'll have the hon. minister respond.

Mrs. Nelson: Well, Mr. Speaker, the process has been very clearly worked out. It's not different. There is always an embargo and a briefing process that takes place with any budget that comes forward, but nothing has changed. I certainly didn't have a press conference today. The media came into my office and took a picture prebudget, and that was it. There was no press conference.

Dr. Nicol: Mr. Speaker, I apologize to the minister. I called it a press conference. It was a press release that we got in our office that outlined it. I apologize to her.

To the Premier: are these embargo rules a way to get around the Speaker's ruling that members of this House have to have access to information before the media approaches them?

Mr. Klein: Mr. Speaker, as the hon. Minister of Finance pointed out, the embargo process is the same as it has been in previous years. As far as I know, nothing has changed or is about to change, but again I'll have the hon. minister respond.

Mrs. Nelson: Well, Mr. Speaker, clearly, let's be very honest. We always have a process of embargo before a budget address is made in this Assembly. We follow that process very clearly. We do also make sure that people are briefed properly. We have the most open budget process that you could have in Canada, and we're the one government that prides ourselves on having full disclosure through our budget process. I don't know what the hon. Leader of the Opposition is concerned about. I'm quite rigid on those processes. I don't circumvent the procedures, and I tend to follow them to a T.

The Speaker: The hon. leader.

Dr. Nicol: Thank you. Then to the Minister of Finance: why is the minister holding a news conference that opposition members cannot attend that may contain information the opposition members maybe have to respond to later that day?

Mrs. Nelson: Well, we have a standard embargo process, Mr. Speaker, that we have followed year after year after year, and we haven't changed that process.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Edmonton Public School Board Operational Review

Dr. Massey: Thank you, Mr. Speaker. In the tale of the two city school boards Calgary public gets the money and Edmonton public gets an audit. My question is to the Premier. Now that Calgary public is looking at a \$30 million deficit, will the government be ordering an audit of their books, or will they just be writing another cheque?

Mr. Klein: Mr. Speaker, I'll have the hon. Minister of Learning supplement my answer, but any news report relative to a possible or an anticipated deficit by the Calgary public school board is purely speculation at this particular time. We won't know for sure until we have a chance to review their budget in detail.

Relative to where the budget is, the status quo of the situation as it pertains to Calgary, I'll have the hon. minister respond.

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. As the hon. member well knows, there was \$7 million given to Calgary public that was given because they had extraordinary costs from the arbitration settlement. The \$7 million put all the boards on the same footing. Approximately a week ago the Calgary public board came out that they were anticipating a \$30 million deficit. We have contacted them, we have worked with them, and quite frankly it's very hard for them to nail down an exact figure. They don't know

enrollment. They don't know what is included in our budget. There are a lot of unknowns, and in their own words they said that it was probably a worst case scenario. But we will be working with them over the next three or four months to help them in much the same fashion as we helped Edmonton public.

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. My second question is to the Minister of Finance. Does the minister agree with the Edmonton audit recommendation that capital assets be sold off to meet school board operating costs?

Mrs. Nelson: Well, Mr. Speaker, I think the question is more appropriately put to the Minister of Learning. He'll be bringing a recommendation forward to us.

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. There is no such recommendation in the review that was done of the Edmonton public. The Edmonton public sold an administration building for \$1.9 million. These were their dollars. They were funded completely by the Edmonton public school board. They were not moneys received from us at all. They wanted to put that towards their deficit, and we gave them the approval to do that. Included in the audit are approximately \$1.6 million of capital expenditures that will occur over the next six months. We suggested that about a quarter of those could probably be put off until next year. Those are the only recommendations on capital that are included in this review.

The Speaker: The hon. member.

Dr. Massey: Thank you. My third question is to the Minister of Learning. Given that Edmonton public saved millions of dollars by eliminating a number of associate superintendents, does the minister support the Edmonton audit recommendations that would see this administration returned to oversee principals?

Dr. Oberg: Well, Mr. Speaker, what my people did when they took a very close look at Edmonton public is very quickly come to the realization that the chief financial officer is number 215 on the organizational chain. A chief financial officer is a very important position and does not report directly to the superintendent. As a matter of fact, he reports to an executive director. There are 208 principals that report directly to the superintendent, and what they have recommended are different approaches as to how their administration can handle some of the issues that were raised in the review, but the bottom line on it is that there needs to be more accountability for how the dollars are spent. Those are purely recommendations. Ultimately, if there is a change in management style, it will be at the request of Edmonton public and it'll be of their volition.

The Speaker: The hon. leader of the third party, followed by the hon. Member for Medicine Hat.

Dr. Pannu: Thank you, Mr. Speaker. The government spent two months sending a team of auditors and investigating the books of Edmonton public schools. This audit was largely an exercise in public relations and a waste of resources. While it's easy to be a Monday morning quarterback and second-guess specific budget line items, the bottom line is that Edmonton public has been a responsible steward of public dollars. When all is said and done, the

minister's audit concludes that the government shortchanged Edmonton public by millions of dollars. My questions are to the Minister of Learning. In light of his own audit report, why is the minister refusing to fully fund the Edmonton public budget deficit for this year?

1:50

Dr. Oberg: Well, thank you very much for that question. He's raised about three different issues that I'd be more than happy to comment on. First of all, Mr. Speaker, when it comes to the actual budget, what we did is looked at their figures. There were \$2 million that were questionable as to whether or not it really was a deficit. At another point in time there was \$1.2 million that they had not added in. There was \$1.9 million that was received as a result of the sale of an administration building, which I commented on earlier. There's another \$1.6 million, roughly, that we feel that they can find over the next five months. Obviously, five months is five-twelfths of their budget year, and we feel that they can reasonably do it.

The other issue, I think probably the key issue, that is in this Edmonton public audit is that when Edmonton public put out their per unit teacher costs in April of 2002, the figure that they used was \$62,828. Mr. Speaker, the figure that they had used for 2001 was \$62,953, so they had actually shown a decrease in teachers' salaries despite the fact that this Legislative Assembly voted on a minimum 6 percent increase for teachers, despite the fact that there had been settlements in the 11 to 12 percent range. It would have been a lot easier. Six percent of the roughly \$300 million in teachers' salaries is \$18 million, and that probably would have solved their deficit issue.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Why has the government chosen to waste public dollars on an internal audit if the minister now has decided to ignore it and not fully fund Edmonton public schools' deficit this year?

Dr. Oberg: Well, again, a very interesting question, Mr. Speaker. The review was done by people from my own staff. The review was done with full co-operation of Edmonton public, full co-operation of the administration and the principals, and in reality the Edmonton review cost us nothing.

Dr. Pannu: My second supplementary to the same minister, Mr. Speaker: how does the government expect Edmonton public to find an additional \$1.6 million in savings in the five remaining months of this school budget year, especially when most of the savings involve adding costs to next year's budget?

Dr. Oberg: Well, again, Mr. Speaker, I'm really happy that the hon. member is asking me these things. First of all, we have suggested reducing the discretionary spending and freezing the discretionary funding. The next thing is reviewing the capital projects, and as I said earlier, we suggest that they freeze approximately 25 percent of the projected expenditures on capital projects. Third of all is filling nonessential positions that are vacant. That's how we expect the \$1.6 million to come.

The Speaker: The hon. Member for Medicine Hat, followed by the hon. Member for Edmonton-Glengarry.

Medicine Hat Arts Centre Funding

Mr. Renner: Well, thank you, Mr. Speaker. The city of Medicine

Hat is currently in the final planning stages for construction of a major performing and visual arts centre and museum in downtown Medicine Hat. The total budget for this project is estimated to be approximately \$32 million. While the vast majority of the funding will come from the city of Medicine Hat itself, both the provincial and federal governments have made significant contributions. In addition a fund-raising drive is currently under way to solicit funds from individuals and groups within the area. My questions today are to the Minister of Gaming. Given that the number of community organizations who wish to contribute to this project derive a significant portion of their income from either casinos or bingos, why have your officials told these groups that contributions to this project are not allowed within the regulations governing the spending of gaming dollars?

The Speaker: The hon. minister.

Mr. Stevens: Thank you, Mr. Speaker. This year we anticipate that some thousands of not-for-profit groups will earn about \$200 million as a result of being licensed for casinos, bingos, or raffle tickets. This particular process is the very heart of gaming. It's called the charitable model. The charitable model is based upon the Criminal Code of Canada, which indicates that there must be eligible uses for such proceeds, and those eligible uses are for religious or charitable purposes. It specifically provides that an organization that is a government or part of a government is not eligible, and as such that is the reason that the hon. member's groups have been told what they have. I might add, however, that this government has a number of granting agencies – namely, the community facility enhancement, CIP – which certainly might be able to provide some assistance because the rules are different in that regard, and in 2000 this particular organization received a centennial enhancement grant of some \$3.5 million.

The Speaker: The hon. member.

Mr. Renner: Thank you, Mr. Speaker. My next question to the same minister: given that there'll be a number of significant user groups in this new facility, would it be possible for these user groups to make contributions of their casino or bingo dollars to this project?

Mr. Stevens: Mr. Speaker, there's absolutely no doubt that this project will be of public benefit to the members of the Medicine Hat community and surrounding area, but the project, notwithstanding the nature of its benefit, will continue to be one that is part of government and, as such, will not be eligible for the proceeds of casinos, bingos, or raffles. However, the user groups that raise such funds certainly might be able to provide some support. The AGLC, the Alberta Gaming and Liquor Commission, is working with those groups at this point in time to determine ways in which they might be able to provide some assistance. For example, it may be possible that a theatre group would be able to provide a set or such products through casino proceeds.

The Speaker: The hon. member.

Mr. Renner: Thank you, Mr. Speaker. My final question: how will the minister ensure that these affected groups are made aware of these opportunities that he's outlined today?

Mr. Stevens: Mr. Speaker, one of the things that Gaming is very proud of is the extent of the information on our web sites, and in this particular case all of the information with respect to eligible use of proceeds is contained on the AGLC web site at aglc.gov.ab.ca.

I might also add in this regard that the hon. Member for Calgary-Cross is in the process of finalizing a report with respect to the eligibility and use of proceeds. It will be available sometime over the course of the next month or so, and that will also be on the web site.

Civil Fraud Suit

Mr. Bonner: Mr. Speaker, Raymond Reshke, a former Assistant Deputy Minister of Infrastructure, was charged last summer with fraud for allegedly illegally funneling more than \$100,000 of taxpayers' money to a friend's company. Criminal charges and a civil suit were filed against Mr. Reshke, but three weeks ago the civil suit against Mr. Reshke was dropped. To the Minister of Justice: why did this government drop its civil suit against Mr. Reshke?

The Speaker: Hon. minister, let's just be very cautious of the sub judice provisions with respect to this line of questioning and answering.

Mr. Hancock: Mr. Speaker, I take your admonishment very seriously. The matter is still before the courts with respect to the criminal matters, and I think it would be inappropriate at this time to comment further.

The Speaker: The hon. member.

Mr. Bonner: Yes. Given that the civil suit was dropped, Mr. Speaker, and given that the province is not one of Mr. Reshke's secured creditors, how much of this money will taxpayers get back through this agreement?

Mr. Hancock: I think, Mr. Speaker, that at an appropriate time and in an appropriate place those matters could be and perhaps should be discussed in this House, but I would be very reluctant to discuss any details relative to that matter while it's still before the courts.

Mr. Bonner: To the Minister of Infrastructure: given that taxpayers have already been fleeced because of your department's lack of transparency, when are you going to release all the records relating to sole-source contracts so that Albertans know that they're not going to get fleeced again?

Mr. Lund: Mr. Speaker, I think that we went through this once before where we clearly laid out what the new procedures are within Infrastructure, so I'm sure that if the hon. member is really interested in learning the new procedures, he can easily find those.

The Speaker: The hon. Member for Edmonton-Rutherford, followed by the hon. Member for Edmonton-Gold Bar.

Edmonton Public School Board Operational Review (continued)

Mr. McClelland: Thank you, Mr. Speaker. My question is to the Minister of Learning. In February the Edmonton public school board indicated that it was facing a funding crisis as a result of a projected \$13.5 million deficit in a \$577 million budget. Today, following the operational review by the Department of Learning, the minister has indicated that the deficit will be \$5 million, not \$13.5 as originally projected. My question: what was the most significant issue that the review team found that resulted in the significant reduction in the projected deficit, and what led to the deficit in the first place?

2:00

Dr. Oberg: Again, Mr. Speaker, what I will basically answer that question by is sort of a compilation of my last two answers. First of all, the accumulated deficit at schools was projected to be \$3 million by the Edmonton public school board. The accumulated deficit at central services, which is basically administration, was deemed to be \$3.8 million. They had O and M shortfall of \$3.4 million, and they had grade 10 funding changes of \$0.5 million and unplanned special-needs cost pressure of \$1 million. The total of this was \$11.7 million. So when we went in and actually did the operational review, we could only find \$11.7 million of the original \$13.5 million utilizing their own numbers.

What we then did is we removed \$2 million for Metro College. The reason for that is that all of Metro College's work will be coming in the upcoming summer months. A lot of their expenses are due to an hourly wage paid to teachers, Mr. Speaker, and they do not know how many students they have. We fully expect, in conversations with Edmonton public administration, that Metro College run on a cost-neutral basis. So that \$2 million was taken out. We then looked at the actual cost savings, which would be approximately \$1.6 million. There was \$1.2 million that was a one-time transfer from operations and maintenance and \$1.9 million from the sale of the administration building, which led to the ultimate number of \$5 million, which they will be allowed to carry over three years.

Mr. McClelland: To the same minister: therefore, the 350 teachers that the Edmonton public school board has indicated would be laid off and programs reduced, is that necessary? Will that happen?

Dr. Oberg: Mr. Speaker, I do not feel that they have enough information at this time in order to make a proper budget. They have not put in AISI funds. They do not know what is in the budget tomorrow. They do not know how many teachers are going to retire this year. Those three factors alone can account for some \$15 million to \$20 million in difference. So the bottom line is that they have not received any final numbers, but the key component here is that they have to change their budgeting processes so that the dollar amount used per teacher can be flexible and can change with changing conditions. That was the problem last year.

Mr. McClelland: To the same minister, Mr. Speaker: is it reasonable to assume that following a similar operational review other school jurisdictions could find the same savings?

Dr. Oberg: Well, Mr. Speaker, I don't believe that that is reasonable to assume, and the reason I say that is that Edmonton public has a very different system. I will say at the outset that Edmonton public has a system that gets excellent results for their students, which is what the learning system is all about. They are a very decentralized system. They are probably the most decentralized system in our province, and for that reason it has led to some of these issues. We are working with them to find areas where they can accumulate economies of scale, where potentially they can get some savings. But the key component here is that the decentralized system has served Edmonton public very, very well in the past.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Castle Downs.

Social Assistance Rates

Mr. MacDonald: Thank you, Mr. Speaker. This government's bungled energy deregulation policy has caused inflation to sky-

rocket. Now we learn that the government is contemplating a meagre \$20 a month increase for social assistance benefits only for people with children. That amounts to 66 cents a day per family unit and doesn't begin to address inflation over the 10-year period. In fact, that 66 cents will only buy one pound of potatoes in Edmonton on sale. My first question is to the Premier. Why have social assistance recipients with children been chosen for this meagre raise but not single recipients or people with handicaps?

Mr. Klein: Mr. Speaker, first of all, this is a budget item, and the hon. member will have ample time to comment on the situation following the budget. But speaking generally, first of all, to reiterate: this is nothing but speculation at this point since the budget has not yet been tabled, but I can tell the hon. member that this government is committed to helping those most in need. Our policy is a hand up rather than a handout, and it must do so in a fiscally responsible way that maintains an incentive to work for those who can work and are receiving SFI. In other words, we don't want to let welfare become a way of life, especially for those who can work.

I would point out also, Mr. Speaker, that people on SFI have other sources of assistance that aren't generally cranked into the general payment scheme, nor are they taken under consideration when we talk about SFI payments. These include child benefits, medical coverage, training funds, and special-needs assistance, along with other programs. As well, people on SFI can earn a certain amount of money each month without having their benefits reduced. The program as it exists is a very generous, a very fair program – a fair program – and what we want to achieve is fairness, but relative to what is going to be done in the future with respect to SFI, that remains for the budget to address.

The Speaker: The hon. member.

Mr. MacDonald: Thank you. Again to the Premier: if this benefit program is so generous and so fair, how was the decision made to offer those citizens only a 66-cent a day increase in their benefits? What's so generous and what's so fair about that?

Mr. Klein: Mr. Speaker, I would reiterate: I'm not going to go through what I just went through, but I would tell the hon. member to wait until tomorrow. The budget will be tabled tomorrow, and at that time he'll have ample opportunity to debate the budget.

Mr. MacDonald: Again, Mr. Speaker, to the Premier: why does this government continue to discriminate against the poor and vulnerable citizens of this province? Why do you continue with your discrimination?

Mr. Klein: Mr. Speaker, we don't discriminate. As a matter of fact, we do exactly the opposite. We deliberately go out and seek out those who truly need help in society, to find out, first of all: do they need SFI, or do they need AISH? And for those who are severely handicapped, we have assured income. For those who need SFI, we look after them. For those who can work but need some encouragement to get out, we will provide skills upgrading, job retraining, educational opportunities. Hardly discrimination. A hand up instead of a handout is not discrimination; it is the right way to do things.

The Speaker: The hon. Member for Edmonton-Castle Downs, followed by the hon. Member for Edmonton-Centre.

Edmonton Public School Board Operational Review (continued)

Mr. Lukaszuk: Thank you very much, Mr. Speaker. The opera-

tional review of the Edmonton public school board released today by the Minister of Learning outlines some interesting information and recommendations. The report highlights that Edmonton public has a very decentralized decision-making system as a result of its, quote, unquote, site-based decision-making model and recommends a number of changes to the board that the board can consider to gain systemwide efficiencies. My questions today are to the Minister of Learning. Is the minister suggesting through his report that the board reconsider its decentralized model?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much, Mr. Speaker, and thank you for that excellent question. First of all, we are not asking the board to reconsider their decentralized model. I think their decentralized model has a lot of pluses. What we are suggesting to the board to take into consideration is that they look at things, for example, like janitorial services or operation and maintenance, where the principal does not necessarily have the expertise to make the decision. The principal is the educational leader of the school. It isn't necessary that he knows about when to replace windows or when not to replace windows, things like that. What we are suggesting – and I will say that it is a suggestion – is that some of the cost savings through economies of scale could be seen if they did some of these on a centralized basis, but the decentralized component, as I said previously, has served Edmonton public from an educational point of view extremely well.

2:10

The Speaker: The hon. member.

Mr. Lukaszuk: Thank you, Mr. Speaker. To the same minister: the Edmonton public school board must find \$1.6 million by the end of this school year. Can the minister outline the cost saving measures that can be taken to meet that target?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. We have looked at four specific areas that we feel Edmonton public can reduce by \$1.6 million. First of all, there's a reduced capital-based budget, which is roughly about \$1.2 million, \$1.3 million. We have suggested that they take about \$0.4 million of that and save that for this year. We've also suggested that discretionary spending be frozen. That would save them about \$300,000. The other thing, which is very important, is that the unfilled positions that are out there right now would save them about \$500,000 from this time forward if they did not fill them. Lastly, if they were to defer some of their maintenance that was nonessential maintenance that is done over the summer, they would have a saving of about another \$400,000. The bottom line, through to the hon. member, is \$1.6 million from a budget that is \$578 million. That is what we're asking of them in this review.

Mr. Lukaszuk: Mr. Speaker, to the same minister: are the recommendations outlined in the review report just that, recommendations to the school board, or is the school board required to follow them verbatim?

Dr. Oberg: Mr. Speaker, they are recommendations through to the school board. The school board ultimately has the decision-making capability to follow them or not to follow them. I have said that they're able to have a \$5 million deficit this year that will be carried over three years, but it is extremely important that we continue to

monitor with them to ensure that they are following so that they will stay with the \$5 million deficit.

Condominium Property Act

Ms Blakeman: Mr. Speaker, the concept of one person, one vote is essential to our democratic system, but under the Condominium Property Act the weight of a person's vote is based on geographical space and money. My questions today are to the Minister of Government Services. Given that people pay thousands of dollars per year in condo fees for services, does the minister not believe that these condo residents should have equal voting power with each other?

Mr. Coutts: Well, Mr. Speaker, the legislation, the condominium act, was developed in this House and debated in this House just recently, within the past five years, and the very basis of the condominium act that came forward was the fact that based on consultation with the people in the industry, with developers, with condo owners, the issue of voting rights was directly attributable to the unit factor of the amount of property that they owned in the condominium. So there lies your fairness.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Does the minister see it as democratic, then, for the importance of people's votes to vary depending on their unit factor?

Mr. Coutts: Well, Mr. Speaker, the greater the stake in the condominium that the shareholder has, then the greater the voice the shareholder should have, and that's just a very, very basic rule of the investment that individuals or developers make in a condominium.

Ms Blakeman: Well, given that the act has been amended twice in the last six years, will the minister do the right thing: open the Condominium Property Act and fix the inequity instead of so blithely telling condo owners to go to court and spend thousands of dollars to get their democratic rights?

The Speaker: The hon. minister.

Mr. Coutts: Well, thank you, Mr. Speaker. We do receive a few complaints on this issue in terms of the condominium act, but very few complaints have actually come into our department. I know of various members in this House who have had meetings with condominium owners. People from our department have come out and explained the situation, explained the act in detail, and people have walked away understanding what the condominium act says, so I don't see any reason for opening up this act at this time.

The Speaker: The hon. leader of the third party, followed by the hon. Member for West Yellowhead.

Education Funding

Dr. Pannu: Thank you, Mr. Speaker. Despite the fact that the government singled out the Edmonton public school board by siccing the auditors after them, school boards right across the province are telling the government that its suggested 2 percent funding increase will leave them facing huge budget deficits next year. Edmonton public is facing a \$17 million deficit next year. Grand Prairie public is facing a \$1.7 million shortfall next year. Calgary public is facing a whopping \$30 million shortfall next year.

My first question is to the Minister of Learning. What's it going to take to convince this minister that the 2 percent increase in instructional grants planned for next year will leave massive school board deficits in its wake from one end of the province to the other?

Dr. Oberg: Well, Mr. Speaker, first of all, I will not comment on what is coming in the budget tomorrow. As far as the numbers that the hon. member has thrown out, quite frankly, they're fictitious.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. My next question is to the Premier. Why is the government turning its back on the province's children by refusing to provide adequate funds so that school boards are forced to either run huge deficits or engage in massive cost cutting including staff layoffs, threatening the quality of education that the children of Alberta deserve?

Mr. Klein: Mr. Speaker, I really take exception to the fact or to the statement – not the fact because certainly it's not factual – that we're abandoning Alberta's children. Our commitment to children is as strong if not stronger than it has ever been. I would remind the hon. member that generally there's been a 46 percent increase in education funding I believe over the past six years. Enrollment on average throughout the province has grown by only 6 percent. That to me represents a demonstrable commitment to the children of this province and to the education of those children. I think it's irresponsible of the hon. member to stand up and say that we have abandoned our commitment to children.

Mr. Speaker, our commitment to children is very strong through the Department of Learning, through the Department of Children's Services, through the Department of Aboriginal Affairs and Northern Development, through the Department of Human Resources and Employment, and numerous other departments. As a matter of fact, if this hon. member had been listening carefully to the throne speech, he would have found that the theme of the throne speech is indeed the future, and the future is the children.

Dr. Pannu: My last question to the Premier, Mr. Speaker: given the Premier's apparent commitment to the children of Alberta, why does his government prefer to let at least \$3 billion sit in the bank waiting for debt to mature while refusing to invest a small fraction of it in Alberta's children by providing increases to school boards that will avoid the need for massive deficits or cost cutting in our classrooms?

Mr. Klein: Mr. Speaker, this speaks to an entirely different matter. This speaks to debt pay-down and the money we have put in reserve to accommodate our commitment to pay down debt. Relative to why that money is sitting there, I'll have the hon. Minister of Finance address that particular question.

Mrs. Nelson: Well, Mr. Speaker, as the hon. member opposite knows, on an annual basis we have been putting money aside to pay off debt and we've put it into a debt retirement account and it's been earning interest. As the debt matures, then we have been able to pay it off as it comes due. We can't pay our debt off any faster, or we face a fierce penalty to try and prepay it, so we've been putting money aside to pay it as it comes due. That's why that money is there.

The Speaker: The hon. Member for West Yellowhead, followed by the hon. Member for Edmonton-Ellerslie.

Coal Mining Industry

Mr. Strang: Thank you, Mr. Speaker. West Yellowhead has lost 95 employees at the end of this month with the suspension of Obed Mountain Coal. Also, by the end of this month we'll be losing 190 people at Cardinal River Coal. Can the minister of human resources tell these employees what help we can give to get them back into the workforce?

2:20

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you, Mr. Speaker. Well, part of our mandate, of course, is to help people find work. What we've been doing in cases similar to this in the past is see how our normal operating systems are able to handle a particular situation, and if so, then we proceed with that. But every once in a while we get into a situation where a community is impacted quite severely, and this might be another one of those cases. We're not sure at this point. If so, we have the ability then to move people from other parts of our operation into a community and then start working right at ground level.

Now, the kinds of things that we can do are of course inventory the basic skills that are available then within that group of people and see what it is that we'll have to do in that particular case, and from there we can start to develop employment programs, educational programs, whatever is necessary to get these people and this community back on its feet.

The Speaker: The hon. member.

Mr. Strang: Thanks, Mr. Speaker. My first supplementary question is to the hon. Minister of Energy. Would the minister please explain how the rest of the coal leases at the old Smoky River Coal Limited company will be proceeded with?

Mr. Smith: Well, Mr. Speaker, that's a good question. Firstly, let me say that one of the difficulties about the coal market is of course the volatility of the price and the contingent supply/demand imbalances that occur throughout the world. Make no mistake about it: people in Hinton and Grande Cache in the coal mining industry of Alberta play in a very rugged and a very brutal international marketplace. So when I heard last week of the impending closures and the pause on the Cheviot mine development, it was with regret and some sadness, because this is a skilled workforce. This is a workforce that can deliver good results. They've been trained in the Alberta advantage, and so they deliver.

One of the things that we can do, Mr. Speaker, with respect to other leases up there is to try to find expedient methods in which to develop these or put them out for tender or have the private sector get involved as quickly as possible so that we don't lose this talent pool resident in the member's constituency. I will be speaking with them in detail, and we have been working since the minute we heard of the impending closures and the impending job losses on other avenues of development up in that area that can put good Albertans to work in that area.

The Speaker: The hon. member.

Mr. Strang: Thank you, Mr. Speaker. My second supplementary question is to the same minister. Would the minister explain what we're doing on the coal bed methane fields now?

Mr. Smith: Well, Mr. Speaker, there are opportunities with respect to coal bed methane. There is no change in our regulatory structure now, but we are asking for consultation throughout Alberta from all types and all walks, and it's a public process. We also feel, Mr. Speaker, that there might be added value in these coal beds with respect to coal bed methane. In fact, in the United States some 7 to 8 percent of the total U.S. supply of natural gas was obtained through coal bed methane extraction. These wells are very much different from our traditional natural gas wells in Alberta. They're very small volume; they're about 100,000 cubic feet per day – that kind of pressure you can literally put your hand on and close it down – in comparison with some gas wells that blow 20 million cubic feet a day in production.

So, Mr. Speaker, we are working very closely with industry and with stakeholders with respect to developing coal bed methane in an efficient, environmentally responsible, and safe manner, as we have developed all the other resources in this province.

Mercury Exposure

Ms Carlson: Mr. Speaker, every environmentalist and health official knows that mercury is hazardous to human and environmental health. Long-term exposure to mercury can result in damage to the nervous system, heart, kidneys, and digestive system, and exposure to mercury can cause brain damage in fetuses. Alarming, Alberta has a large number of mercury hot spots, 18, compared to two in B.C. and five in Saskatchewan. My questions today are to the Minister of Environment. What is this government doing to clean up the disproportionate number of mercury hot spots in this province?

Dr. Taylor: Well, Mr. Speaker, as poorly as I feel, I still find that question amusing because the mercury hot spots she's referring to that were identified in that study clearly are mercury that is occurring in natural coal seams that are already in the ground. There's not much the government can do to fix the naturally occurring mercury in natural coal beds, but of course we'll continue to monitor.

Ms Carlson: Mr. Speaker, we don't agree with that assessment at all. What is the minister doing to address the 18 hot spots in Alberta that are occurring primarily in rural areas to ensure that residents of those areas know what they're dealing with in the work environment and in the total living environment that they're exposed to there?

Dr. Taylor: Mr. Speaker, quite clearly, she didn't understand the first answer. The hot spots that she refers to: the samples were taken from coal seams, coal seams in the ground that were placed there how many millions of years ago. That's where the hot spots were from, from naturally occurring mercury in coal beds in coal seams. I encourage her to listen to the answer.

Ms Carlson: Mr. Speaker, if we take a look at those hot spots in this province, they all lie along the coal seams that are now currently being mined. This government has some responsibility. What are you doing?

Dr. Taylor: Well, Mr. Speaker, I would like to be able to say that as Minister of Environment I can, you know, undo millions of years of work, but unfortunately I can't do that.

Of course, as we burn coal, we have very strict standards on the emissions. We have some of the toughest standards in the country. But these mercury hot spots she's talking about have nothing to do with the burning of coal. They are occurring in natural coal bed seams, and as I said, we'll monitor it.

The Speaker: Hon. members, we've arrived at a point where my list is now exhausted. We still have time; the first member up gets a crack.

The hon. Member for Edmonton-Ellerslie.

Environmental Enforcement and Monitoring Policies

Ms Carlson: Thank you, Mr. Speaker. I would like to address more questions to the Minister of Environment today. As we see that tomorrow is budget day and we know that the biggest downfall with this government on the environmental side has been the enforcement and monitoring policies, has this minister aggressively pursued more money for enforcement and monitoring in this province?

Dr. Taylor: Absolutely, Mr. Speaker.

Ms Carlson: Can he tell us how and what kind of dollar figures we see coming in terms of not only money but people?

Dr. Taylor: Mr. Speaker, watch tomorrow.

Ms Carlson: Mr. Speaker, hardly an adequate response.

Can this minister tell us that we're going to see more people in the field starting Wednesday morning?

Dr. Taylor: Well, Mr. Speaker, whether we put more people in the field is really not important. What's going to happen is that we will continue to maintain high standards, the highest standards in the country, on environmental issues.

The Speaker: Hon. members, before we introduce the first hon. member for Recognitions, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: Introduction of Guests

(reversion)

The Speaker: The hon. Member for Clover Bar-Fort Saskatchewan.

Mr. Lougheed: Thank you, Mr. Speaker. I'm pleased to introduce from Elk Island public schools the chair and vice-chair, Maureen Towns and Pat McLauchlan; also, the associate superintendent, Brian Carbol; science and technology director, Edna Dach; Rob McPhee, the superintendent; and Carol Moen from Dow Chemical. I'd ask that they rise in the gallery and be recognized by the Assembly.

head: Recognitions

The Speaker: The hon. Member for Little Bow.

2:30

Call of the Land Radio Program

Mr. McFarland: Thank you. Mr. Speaker, today marks the 50th anniversary of a unique radio program that is dedicated to and a proud sponsor of Alberta's agricultural industry. *Call of the Land* is broadcast weekdays on 20 radio stations in Alberta and two in B.C. First broadcast on April 1, 1953, with announcer Everett McCrimmon, today *Call of the Land* originates from the J.G. O'Donoghue Building in Edmonton. Announcer Jack Howell has been keeping Alberta farm families and the ag community current on the latest technologies, research, market trends, upcoming events, and government programs since 1970.

Other hosts of *Call of the Land* since 1953 include Ken Blackley, Stu Wilton, Scott Flewitt, Ed Hamula, Lynn Malmberg, John Andrew, Warren Wismer, Don Potter, Douglas Pettit, Phil Thomas, and Gerard Vaillancourt.

Mr. Speaker, *Call of the Land* is an Alberta institution, and I'm pleased today to acknowledge and congratulate everyone who's been connected with *Call of the Land* for the past 50 years.

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

**Catriona LeMay Doan
Jeremy Wotherspoon**

Mrs. Ady: Thank you, Mr. Speaker. I'm very pleased to rise today on behalf of the hon. Minister of Finance to recognize two very special constituents who were honoured by the Minister of Community Development as Alberta's male and female athletes of the year at the Alberta Sport, Recreation, Parks & Wildlife Foundation awards banquet last Thursday.

Catriona LeMay Doan has broken the world record in long-track speed skating eight times, including a gold medal performance at the 2002 Olympics, and became the first Canadian ever to defend a gold medal at any Olympic Games.

Jeremy Wotherspoon is a nine-time World Cup championship speed skater who holds 25 world records, the most ever by a speed skater in the history of the sport. He has won 74 World Cup medals, which places him third in World Cup history.

Jeremy and Catriona have both achieved exceptional levels of success and have become incredible ambassadors for our province and role models for many aspiring Albertans. Please join me in congratulating them.

Partners for Science Program

Mr. Lougheed: Mr. Speaker, I'm pleased to rise in this Assembly to recognize a unique and highly successful science education partnership. I'm referring to a hands-on, curriculum-based science program called partners for science, that's offered to students attending Elk Island public and Elk Island Catholic schools.

Every educator knows that science is best learned through hands-on activities. The partners for science program facilitates a teacher's efforts to provide students with the very best learning experience possible.

Partners for science has been very effective. Elk Island public and Catholic students are consistently and significantly outperforming their provincial peers in terms of average achievement and highest achievement in science.

This innovative public/private partnership is supported by major and ongoing funding contributions by Dow Chemical. Ten years ago Dow provided almost half a million dollars in seed money for the elementary school program. In addition to providing ongoing funding, two months ago Dow presented Elk Island school districts with a cheque for \$300,000 to launch a junior high version of the program.

Mr. Speaker, I ask that all members assembled join me in recognizing Dow Chemical and partners for science.

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

Alberta Sports Awards

Mr. Bonner: Thank you, Mr. Speaker. Last Thursday evening the 2002 Alberta sports awards were presented to Alberta athletes and to sport volunteers of the year. In addition to Jeremy Wotherspoon

and Catriona LeMay Doan, there were other awards of recognition that were also passed out. Volunteers Marilyn Barraclough, Leigh Goldie, J.R. Kelly Rich, and Yoshio Senda were recognized for their many hours of hard work, determination, and commitment that helped their organizations succeed. The diversity, dedication, and contributions of these individuals are sincerely appreciated, and their distinguished service merits a sport volunteer recognition award.

Deidra Dionne was named junior female athlete of the year. She competed at the 2002 Winter Olympics in Salt Lake City, where she claimed a bronze medal, and her other achievements include six podium finishes at World Cup events and two third-place finishes at the 2002 world championships.

Kyle Shewfelt was named the 2002 junior male athlete of the year for his accomplishments in the past year at the national and international levels in gymnastics. At the 2002 Canadian national championships Kyle placed third all around.

My congratulations to all award winners.

The Speaker: The hon. Member for West Yellowhead.

Weldwood of Canada Recreation Program

Mr. Strang: Thank you very much, Mr. Speaker. Weldwood of Canada began its recreation program in the early 1970s with the development of hiking trails. Most recently it used its own funds as well as contributions from the Forest Resource Improvement Association of Alberta to greatly increase its involvement in forest recreation to benefit all Albertans. This commitment was recognized with an emerald award from the Alberta Foundation for Environmental Excellence in 2001.

For instance, it now co-operates with Community Development to manage 16 campgrounds including 13 provincial sites in the Hinton area as part of the company's special places in the forest program. In addition, it maintains seven hiking, biking, and cross-country ski trails in the area, over 600 kilometres in length. The company does its part to reduce environmental and fire risks arising from uncontrolled random camping.

At this time I'd like to thank Weldwood of Canada for working with Community Development plus Albertans.

Thank you very much, Mr. Speaker.

The Speaker: The hon. Member for Highwood.

Marilyn Barraclough

Mr. Tannas: Thank you, Mr. Speaker. I rise today to congratulate one of Highwood's constituents, Marilyn Barraclough from Black Diamond, who received an outstanding volunteer recognition award from the Minister of Community Development at last week's Alberta Sport, Recreation, Parks & Wildlife Foundation awards banquet.

Marilyn's dedicated involvement in the Alberta Curling Federation and sport in Alberta stems back to the 1970s. She's been intensely involved with curling on a provincial and national level and was for six years the curling representative for the Calgary Olympic Development Association.

She's also been involved with the Girl Guides of Canada, where she volunteered for many years as the western Canadian representative and is an executive member of the national council.

She was recognized by the Canadian Curling Association and by the Calgary Olympic Development Association for her long-term efforts to promote curling in Alberta and in Canada.

Please join me in saluting Alberta volunteer Marilyn Barraclough.

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

Larry Booi

Dr. Pannu: Thank you, Mr. Speaker. I'm pleased to rise and recognize today the outgoing president of the Alberta Teachers' Association, Mr. Larry Booi. Mr. Booi served as vice-president from 1997 to 1999 and assumed the office of the president on July 1, 1999. He leaves this office on June 30 of this year.

Mr. Booi is an outstanding educator and a strong and passionate supporter of public education. He came to the ATA with over three decades of teaching experience with Edmonton public schools. He saw Alberta teachers through the largest teachers' strike in Alberta history in 2002 with exceptional leadership. He led the fight to protect the quality of education of Alberta's children and Alberta's public education system with tenacity and integrity. While he may be leaving this office in a few months, his leadership during this very difficult time for teachers will be appreciated and remembered by parents and teachers alike.

I wish him well and thank him for his service to the children, teachers, and everyone associated with public education in this province. Thank you, Larry Booi.

Calendar of Special Events

The Speaker: Hon. members, before moving on to the next item of the Routine, might I just advise hon. members that April is the following: Daffodil Month and Cancer Awareness Month, international Prevention of Animal Cruelty Month, Parkinson's Awareness Month, Asthma and Allergies Awareness Month, Earth Month, Oral Health Month, Stay Alert . . . Stay Safe Month. It is also the second month of the Easter Seal mail campaign. April 1 was Unpaid Work Day. April 4 and 5 was the 30-hour Famine Day. April 6 to 12 is National Wildlife Week. April 7 is World Health Day. April 14 to April 18 is Law Week. April 15 is Law Day. April 17 is International Hemophilia Day. April 18 is Good Friday. April 19 to May 19 is National Physiotherapy Month. April 20 is Easter Sunday. April 20 to April 26 is Administrative Professionals Week, as it is also National Soil Conservation Week, as is it also National Battery Check Week, as it also is the National Organ and Tissue Donor Awareness Week, as it is also Canada Book Week. April 22 is Earth Day. April 23 is World Book and Copyright Day. April 23 is Administrative Professional Day. April 23 is also St. George's Day. April 27 to May 3 is International Composting Awareness Week, as it is also National Volunteer Week. April 28 is National Day of Mourning, and April 29 is International Dance Day.

2:40head: Presenting Petitions

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

Dr. Taft: Thank you, Mr. Speaker. I rise today to present a petition signed by about 120 Albertans from all over the province – Calgary, Edmonton, Spruce Grove, Carvel, Sherwood Park, and so on – expressing great concern about education and urging the Legislative Assembly to urge the government to “increase funding for public education.”

Thank you.

head: Introduction of Bills

The Speaker: The hon. Minister of Environment.

Bill 36 Environmental Protection and Enhancement Amendment Act, 2003

Dr. Taylor: Thank you, Mr. Speaker. I request leave to introduce

Bill 36, the Environmental Protection and Enhancement Amendment Act, 2003.

This bill does three things, Mr. Speaker. It strengthens Alberta Environment's ability to develop and enforce consistent, province-wide standards, it gives municipalities and industry the option to report environmental incidents electronically, and it will also improve Alberta's efficiency in the upstream oil and gas remediation and reclamation program.

[Motion carried; Bill 36 read a first time]

The Speaker: The hon. Minister of Environment.

Bill 37 Climate Change and Emissions Management Act

Dr. Taylor: Thank you, Mr. Speaker. I request leave to introduce Bill 37, the Climate Change and Emissions Management Act. This being a money bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of the bill, recommends the same to the Assembly.

It essentially builds on Alberta's framework of environmental regulation and ownership and management of its natural resources. It strengthens and complements Alberta's existing legislation on environmental protection, and it also reaffirms Alberta's commitment to sustainable development and our belief that we can maintain high standards and at the same time enhance economic prosperity.

[Motion carried; Bill 37 read a first time]

head: Tabling Returns and Reports

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

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure today to table pursuant to Standing Order 58(6) a calendar of Committee of Supply appearances for spring 2003 in anticipation of the budget being delivered tomorrow. Standing Order 58(6), as you will know, allows for the Leader of the Opposition to send a letter to the Clerk requesting appearances. I can assure this House that we have had discussions with the opposition and that they have designated the particular ministries for the appropriate afternoons, and the calendar has been reached in agreement with the opposition.

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

Dr. Pannu: Thank you, Mr. Speaker. I've got three tablings today. The first one is an article in the *Daily Herald-Tribune* of Grande Prairie dated March 26. This is the report that I quoted in one of my questions. The report in this paper is about the crisis in education, and it mentions that “faced with its largest-ever budget shortfall next school year, the Grande Prairie Public School District board . . . will likely be forced to cut teaching jobs, axe school programs,” et cetera.

The second tabling, Mr. Speaker, is a report based on visits by Mrs. Melanie Shapiro to seven schools in the Edmonton public school district under the umbrella name of the city centre education project, and she draws attention to how the very valuable programs there could be axed as a result of the funding cutbacks.

The third tabling, Mr. Speaker, is the letter based on this report that Mrs. Shapiro has written to the Premier, the Minister of Learning, the Minister of Finance, and the Minister of Children's Services drawing attention to the same looming crisis in this city centre education project, affecting seven schools that serve very needy children.

Thank you, Mr. Speaker.

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

Mr. Bonner: Thank you, Mr. Speaker. With your permission I would like to table the appropriate number of copies of the program for the 2002 Alberta sports awards banquet, and I know that all athletes and nominees mentioned in here would like to thank the generous support they get from the Alberta Sport, Recreation, Parks & Wildlife Foundation and Alberta Community Development.

Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have three tablings this afternoon. The first one is a summary of the MAP 2 strip auctions at Clover Bar, Sheerness, and Genesee in regard to energy deregulation. This is from the Balancing Pool.

My second tabling is a letter from Patti Skolski from the constituency of Edmonton-Gold Bar, and Patti is concerned about the funding of public education and is urging stable, reliable funding for public education and can't understand why in this province it's underfunded.

My last tabling is also a letter. This one is addressed to the hon. Premier. It is from Andrea Holmstrom of 25th Avenue and 47th Street, and Andrea is also concerned about the funding. She's appalled, actually, at the lack of funding for public education in the province of Alberta.

Thank you.

The Speaker: Others?

Hon. members, I am pleased to table with the Assembly an interim annual report that the chair has received from the now former Ethics Commissioner pursuant to section 46(1) of the Conflicts of Interest Act. It is a report generally on the affairs of the Office of the Ethics Commissioner and covers the period April 1, 2002, until his last day in office, March 31, 2003. A copy of the report will be distributed to all members.

As well, pursuant to Standing Order 109 I am pleased to table with the Assembly the 13th annual report of the Legislative Assembly Office for the calendar year ended December 31, 2001. The report represents the audited financial statements for the 2000-2001 and 2001-2002 fiscal years and the fifth annual report of the Alberta branch of the Commonwealth Parliamentary Association, and a copy of the report will also be distributed to all members.

head: **Orders of the Day**

head: **Written Questions**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Proper notice having been given on Thursday, March 27, I would now move that written questions appearing on today's Order Paper do stand and retain their places.

[Motion carried]

head: **Motions for Returns**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Again proper notice having been served on Thursday, March 27, I would now move that motions for returns appearing on today's Order Paper also stand and retain their places.

[Motion carried]

The Speaker: Hon. members, in calling on the hon. Member for Calgary-North Hill, might we also revert to Introduction of Guests, or does the hon. member want to proceed with it all at the same time?

The hon. member is recognized.

head: **Public Bills and Orders Other than**
Government Bills and Orders

head: Third Reading

Bill 202

Workers' Compensation (Firefighters) Amendment Act, 2003

Mr. Magnus: Thank you, Mr. Speaker. It is a pleasure and indeed with some pride that I rise to my feet today to speak to Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003. Just prior to moving that, though, I would like to introduce a number of people in our galleries. All of them are not in our galleries at this point in time, but they are some of the finest firefighters in the world, and they are, of course, Alberta's firefighters. They are from virtually every major urban fire department in Alberta. I'll mention a few of the towns: Grande Prairie, Fort McMurray, Lethbridge, Calgary, Edmonton, and I know I'm missing a few.

An Hon. Member: Medicine Hat.

Mr. Magnus: And Medicine Hat. My apologies.

I would ask that they now rise and accept the warm, traditional welcome of this Assembly.

The Speaker: The hon. Member for Calgary-North Hill to move the bill.

Mr. Magnus: Thank you, Mr. Speaker. I would indeed move Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003, right now.

Firefighters are the healthiest and fittest people of any profession known to man. In order to become a firefighter, you literally have to put in an application and compete against thousands of other people who have put in applications at the same time as you in order to get, in a major city like Calgary, probably an average over the last 10 years of 20 new firefighters per year. Thousands will apply for each and every one of those positions.

2:50

Firefighters are the healthiest and fittest people out there, but unfortunately they get cancer from their job. Interestingly enough, through the debate on this bill – and we've had a tremendous amount of debate, whether it be in second reading or committee – we've had people talking about the issues and the things that are within the bill. One of the very, very important things that this bill does is it puts presumptive legislation in place, which indeed changes the onus for a firefighter. Now with this bill in place, or when this bill becomes a bill in about an hour's time, I hope, the onus will have been shifted from a firefighter having to prove where indeed he got the cancer to the WCB having to prove that he didn't get the cancer from the job. It is a very, very large shift in this responsibility, Mr. Speaker. Firefighters get it for a couple of very simple reasons. They are special and they are unique in that they are the only profession that we have today that are forced to and indeed go into unsafe working environments and battle their way through that.

Interestingly enough, I was reading something on the weekend about cancer itself and about some of the by-products of fires. One of those by-products is benzene, and benzene comes from plastics. The interesting part about that article is that there are 300 new plastics introduced in North America every year, and virtually everything we have that is out there, whether it be our car, things in our home, whatever is burning, releases benzene, and it is the most highly carcinogenic substance known to man. Regardless of the protection that a firefighter wears or the type of equipment, they are still susceptible to this because it's not just the breathing in of the smoke and the toxic chemicals; it's what gets under their equipment and gets on their skin.

This bill with its presumptive legislation being brought into place is a radical departure from the way it used to be because, frankly, no fireman in Alberta was ever paid for cancer-related illness from the job prior to all the publicity on this bill. I think what we've got at the end of the day is a very, very good bill. In fact, it's superior to bills that are being put forward in other provinces and, in fact, the bill in Winnipeg that we originally modeled our bill on. The reason for that, of course, is we have two extra cancers that have been added to the bill, and I think that because of the fact that our cancers are listed in regulations, it does make it indeed easier for us to add cancers in the future.

Mr. Speaker, we had an awful lot of people debate this, and I'm not going to take too much of the House's time, but I would like to say some thank yous, and hopefully it will be a very short debate on the closure of this third reading on my part by doing this now. I'd like to start off by mentioning Greg McFarlane, my researcher, who did a tremendous amount of work for me and shepherded this right through the Legislature, and he's here now. Greg, you may want to stand. Morten Paulsen – and I'm not sure if he's here – is a communicator extraordinaire, and he has worked for the various fire departments across Canada, indeed a very good friend of mine and, as I say, an excellent, excellent communicator who has shepherded me through the process for quite some time. We've had a bit of a campaign going on in this, as I'm sure all members are aware.

I'd also like to thank members of the Legislature because, frankly, this has not been a political issue. This is an issue, in my mind, about fairness and about doing the right thing. When I took it to the two opposition parties, they came forward immediately and said, "Yeah, this makes sense to us," and they have kept their word all along. So I would like to give them some accolades for that, as well as the members of the government of course, because while this has been at times somewhat contentious for some people, based on a whole variety of reasons – and that's fair – everybody did get up and express their opinion. In fact, we had 22 speakers at Committee of the Whole two weeks ago when this bill came before us.

I would be remiss if I didn't mention four firefighters. I know they're all here, and we've introduced them in the House before: Ken Block, the president of the Edmonton firefighters association, and Alex Forest, who's the president of the Canadian firefighters association. The rest of you will probably agree with them, but I talked to them, and they were essentially on call on their cell phones for the last two months pretty well and were available to provide me with information on this bill and to in fact answer questions. It didn't matter whether it was midnight or 7 in the morning. They were on those cells and available to answer questions, and I thank them very much for that.

The last two members that I absolutely have to thank, Mr. Speaker, are two gentlemen from Calgary: Scott Wilcox, the president of the Calgary Firefighters Association, and Gord Caldwell, who is a Calgary firefighter and who is the president of the Alberta Fire Fighters Association. Interesting to me: these two

gentlemen on this issue and on most issues that they discuss are very, very passionate but in two entirely different ways. One is a little more flamboyant than the other, but they are both passionate about this issue to the nth degree. Both of them have helped me right from the very, very beginning, and all four of these gentlemen that I've mentioned today – if the firefighters are smart, frankly, you'll make these folks presidents for life in their respective jobs because they have gone way above and beyond the call of duty in order to do this.

Mr. Speaker, the last people I would really like to thank – and I'll take my place and open the floor to debate – are firemen as a whole. We have wonderful, wonderful firemen in this province. They are wonderful all over the world. We can talk about September 11 till the cows come home, and maybe we should be talking about that, but we have examples closer to home; in the last two months in Calgary and Edmonton, as an example. We've had two fires in Calgary – one was a church fire, and one was a huge warehouse-type fire – where the firefighters in Calgary went out and showed their mettle. We've had two fires here in the last three weeks. The same crew, interestingly enough, fought both those fires: the fire at the parkade a block east of this building and the Whyte Avenue fires. They were only about a day, a day and a half apart. The same crew actually went from the one fire to the other, and we all remember the scare that we had when that parkade came down. Firefighters get out of bed every single day of their lives not knowing if today is the day that they're going to be called upon to be heroes, but they go willingly every single time.

Mr. Speaker, the time is right for this bill. The fairness, I believe, is there. We've got a good bill. Let's do the right thing. I'd ask members of this Assembly to vote in the positive in third reading of this bill.

Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a pleasure to rise this afternoon and participate in the debate, as well, on Bill 202, and at this time I believe it's opportune to thank the hon. Member for Calgary-North Hill for bringing this legislation forward. Certainly, I was pleased to hear that this was going to be an item for discussion and debate at this time. I was disappointed last June when the initial discussion on this bill had a public forum, and there were certainly reservations at that time, but at this time I am pleased to stand and support this legislation. I think it's a step in the right direction not only for firefighters but hopefully at some time in the future for other workers in this province who through the course of their duties may as a result of their duties come in contact with carcinogenic substances that lead, unfortunately, to cancer.

Now, certainly in debate on this legislation a lot of issues have been covered at this time, and as I understand, there are many members of this Assembly who would like to speak at third reading. This is good legislation. I can't think of a worse thing than coming home and sharing with a loved one the fact that cancer has been discovered or diagnosed, and it would be, to say the least, comforting not only to the individual but also to the family to know that this would be a disease that is going to be recognized and covered by our Workers' Compensation Board legislation. Now, when we think of other workers in this province, certainly as our construction materials change, as the composition of those materials changes, and with the unknown effects that these materials have on workers at the time, hopefully this legislation will be a stepping-stone for others.

3:00

Certainly, there are questions that I have in regard to this legisla-

tion. Specifically, what does this mean for firefighters that are employed in large industrial complexes? I noticed that earlier this afternoon the hon. Member for Clover Bar-Fort Saskatchewan introduced some individuals, I believe, who were employees of Dow Chemical. Dow Chemical is a complex that would have permanent, highly trained fire-fighting teams ready and willing. I hope they never have to respond, but in case they do, what would this legislation mean for them? Now, hopefully through the course of time my questions will be answered regarding that matter.

In conclusion I would like at this time to thank the hon. member again. He thanked a lot of individuals, and I am pleased to have the opportunity to publicly express my gratitude to him for bringing this bill forward.

Certainly, one of the most pleasant observations I have had the chance to notice in the last year in the constituency of Edmonton-Gold Bar is the fact that the firefighters have decided to make their new permanent home there. I believe they've seen the light and moved from Edmonton-Centre.

Certainly, Mr. Speaker, I wish the sponsor of this bill the best, and I would urge all hon. members of this Assembly to support Bill 202 as we know it and as it's presented here, and hopefully this will be a stepping-stone for all workers in this province, because times are changing. Thank you.

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

Ms Kryczka: Thank you very much, Mr. Speaker. I am very pleased to rise today and speak in support of Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003. I have a great deal of respect for the Member for Calgary-North Hill for bringing this important legislation forward.

With little concern for their own safety firefighters, as we all know by now at least, enter buildings which are engulfed in flames and do what they are trained to do: save lives, provide medical attention, protect property while extinguishing fires. The purpose of Bill 202 is to provide fair and just compensation to firefighters by granting presumptive status for the seven – yes, seven – specific cancers outlined in the bill. Benefits would be delivered then based on the presumption that firefighters contracted the cancer due to their work environment.

Mr. Speaker, other provinces across Canada are now recognizing and identifying the importance of this initiative. Currently, Manitoba is the only province with legislation granting presumptive status to firefighters for specific types of cancer. However, Nova Scotia, Quebec, and Saskatchewan are presently considering similar legislation.

Studies and extensive data prove that there is a link between different forms of cancer and the hazards and carcinogens firefighters are exposed to while performing regular duties. Research indicates that firefighters are more than two times more likely than the general population to get brain, bladder, kidney, colon, lymphatic, ureter, and hematopoietic cancer or leukemia. Moreover, firefighters are more likely to contract these cancers than individuals in similar stress-related occupations. Toxins and carcinogens which are released during the combustion of synthetic materials pose both immediate and long-term dangers for firefighters. These toxins combine to form a myriad of dangerous chemicals. These chemical compounds are ingested, inhaled, and even absorbed into the bodies of firefighters despite the protective gear worn and breathing apparatuses used.

I feel that an increasingly smaller part of my own image of the valiant firefighter is of one who has rescued a child, but with the help of this bill that image of mine has certainly changed somewhat.

It's not lost, but it's changed. Firefighters are definitely very valiant, but through personal testimonials I have learned of the health risks and for many of them the risk to their lives. In fact, I guess I would say that I'm left wondering why young men and women recruit themselves as career firefighters.

Mr. Speaker, we have to put into place the necessary legislative amendments to make sure that firefighters are protected from any disease that they encounter due to their work environment. Bill 202, when it is passed, will amend the province's Workers' Compensation Act to establish automatic compensation guidelines when a firefighter suffers from cancer of the brain, bladder, kidney, ureter, colon, non-Hodgkin's lymphoma, or leukemia after a specified number of years on the job. Bill 202 provides a framework for granting these benefits. There will be certain thresholds of time a firefighter must spend on the job in order to receive the benefits for the seven cancers.

I would like also to mention that I am very pleased with the amendment which takes the cancers out of the legislation and places them into regulation. This provision makes it easier to add cancers without opening the act. Furthermore, as more studies are done and more precise findings are brought forward, the act can be altered to reflect the current situation and how certain cancers are linked to fire fighting and the workplace, such as lung and testicular cancers.

The presumption applies even though it is not possible to determine which exact claim is actually caused by the occupation. This presumption is a way of being inclusive in the acceptance of such claims, given that it is not possible to distinguish among them. A presumption is usually based on a demonstration that the relative risk exceeds twice that of the general population because under these conditions the likelihood of the origin being related to the exposure is greater than the likelihood of the origin from other reasons. The bill presumes that the dominant cause of the disease is the individual's employment as a firefighter unless it can be proven otherwise. However, the disease could not have been detected at the initial physical appraisal.

Currently, the burden of proof lies with the individual, and they have to rely on their own resources to pinpoint an actual cause in order to receive benefits. As it stands, firefighters would have to list every incident and fire scene that they have attended and substantiate the different materials that may have been inhaled or absorbed. Furthermore, with the numbers of synthetic materials and increased use of plastics, it would be impossible to document all the different substances that a firefighter may have been in contact with. For example, there are approximately 300 new plastics each year.

Mr. Speaker, firefighters deserve to be supported after so many years of taking care of Albertans across this province. Bill 202 would compensate firefighters for their total commitment to public safety.

Mr. Speaker, I'd just like to shift my focus for a moment and point out that volunteer firefighters, who make up the bulk of firefighters in the province, are not covered under this legislation. In the unfortunate event that one of Alberta's many volunteer firefighters is diagnosed with one of these types of cancer, these volunteer firefighters will still have to prove to the Workers' Compensation Board that the cancer they contracted was caused by their exposure to carcinogens and toxic chemicals through their duties as a firefighter. We should acknowledge and recognize that the dangers and hazards faced by a volunteer firefighter are not any less real than those faced by a full-time firefighter in Alberta's urban centres. However, I am pleased to hear that the government will be collecting research which examines the risks for volunteer firefighters so that these individuals can be assured that their concerns are not forgotten while the ease of receiving benefits could soon be extended to these volunteers.

Mr. Speaker, I think it is very positive that we are moving closer to an understanding of when and where it is appropriate for workers' compensation boards to provide support and benefits to workers whose cancer may have arisen from their work environment. This is an important step in providing better access and a more open and honest process to providing compensation for those who develop cancers from exposures in the workplace, especially when these work environments are uncontrollable and cannot be regulated, such as those of firefighters. At the same time, it clearly begins the approach of clarifying when a cancer can be considered work related and a framework within which employers can become much more involved in addressing factors which cause cancer and in reducing the incidence of cancer which results from the work environment.

After all, we are dealing with diseases that are potentially fatal. Firefighters daily put their lives at risk to preserve and protect the lives and the property of Albertans. Bill 202 would amend the Workers' Compensation Act, grant presumptive status for the seven outlined cancers. This amendment would provide benefits, delivering fair and just compensation to firefighters across the province that contract these diseases due to their workplace.

3:10

Mr. Speaker, I highly commend the MLA for Calgary-North Hill for bringing this legislation forward. I strongly support this initiative and encourage all my colleagues to vote in favour of Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003.

I would like to take this opportunity to sincerely thank the members of fire-fighting forces and their families across the province for their commitment and dedication to community safety and protection. Thank you so very much.

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

Ms Carlson: Thank you, Mr. Speaker. We in the Official Opposition continue to support this bill, as we have through the various readings that we've had so far. For our visitors and for those people who are avidly following the words that are spoken in this House on this bill, I would like to explain some of those processes. In our Legislature it isn't required to have a recorded or standing vote for every piece of legislation. The process for getting a recorded vote is to have at least three members of the Assembly stand after a voice vote is taken. In second reading on this bill that's what we did. Members of the Official Opposition stood and asked for a recorded vote where it could be recorded that those from our side who were available that day stood in support of the bill. All members of the Official Opposition strongly support this bill. That information is available in *Hansard* for people to review.

The process for bills in this Legislature is that they go through three readings: the first reading, just the title and a small preamble; the second reading, where we all have a chance to speak to the bill in principle, and then committee, where there is more give-and-take in debate; and third reading, which is the final stage that we see here today as far as this Assembly is concerned. There still is another stage, and that's royal assent. We have seen in the past where private members' bills that have gone through the first, second, and third stages successfully in this Legislature never actually get royal assent. So my encouragement to all of those people who support this bill is that your job isn't finished after the vote today. We still need to ensure that we get royal assent on this bill so that it's actually passed into legislation in this province.

So I would urge everyone who likes this bill to continue to be diligent to ensure that we get what it is that has been supported by

this Legislature, this bill as amended, which we do continue to support. Thank you.

The Speaker: The hon. Minister of Finance.

Mrs. Nelson: Well, thank you very much, Mr. Speaker. I am really very pleased to be able to speak at third reading to this bill. I think this is a bill that we should all be very proud of in this Legislature. As a politician every so often you get the feeling that you've hit a home run and done something that's absolutely correct, and when you see the support on all sides of the House coming forward, as a politician you know that clearly this should have been the case all the way along.

I also want to once again congratulate the Member for Calgary-North Hill for bringing this forward. When he first told me about this bill, I was surprised that we already didn't have it in place. I couldn't believe that it was something that wasn't there, particularly when I realized how terribly dependent we all are on the firefighters. Through a simple phone call, three numbers, they're there without hesitation, without question, without concern for themselves, and without concern for their families. They come right through the door, no matter whether it's a house or a plant or a field, to deal with the emergency situation.

The amendments that were offered as House amendments by the minister I think are very, very important, and I think it's when I look at the lists of cancers that were involved – Cancer Crusade is one of my pet projects and something I support as we've dealt with it personally. Every one of these cancers is very, very, very difficult to deal with. I had the opportunity, Mr. Speaker, also to have coffee and brownies one Saturday morning with Scott Wilcox to talk about this, and I admired his staying power to make sure that there was a clear position from the firefighters coming forward in support of this bill.

So I won't talk long other than to say that every so often we do something that is absolutely correct, and I believe that that's what this bill is. It's the right thing to do. Again I will congratulate the firefighters for bringing it forward and my colleague from Calgary-North Hill for making sure that he had this entire Assembly onside to support our firefighters, because they always support us.

Thank you.

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

Dr. Taft: Thank you, Mr. Speaker. It is my pleasure to rise today to support this bill. I've not had a chance just because of scheduling arrangements, I guess, to speak to the bill before now, but I have watched its progress through the Assembly carefully, and I'm delighted that it's gone as far as it has. I, like others, congratulate the Member for Calgary-North Hill and all the firefighters and their supporters, who have worked so hard on this bill.

I would like to make a comment that I hope this is the start of something of a trend and that perhaps it will lead to better recognition of many other workplace hazards and safety issues. In particular, I'd like to mention the issue of asbestos today, and I know that this is or at least ought to be a concern to firefighters in the province. Asbestos is far and away the leading cause of workplace-related disease and death, and I was just reading extensively on it again last night. The members here will know I've been digging into this issue for some time. It is undoubtedly significantly underreported. It is responsible for thousands of workplace disease deaths a year on this continent. There are about 30 reported deaths a year in Alberta alone stemming from asbestos-related diseases, and undoubtedly there are many, many more beyond that.

Now, why do I raise it in this context? Because a tremendous number of the buildings that firefighters need to go into when they're fighting fires are loaded with asbestos, and the most dramatic example of that is the World Trade Center, which in fact had hundreds of tonnes of asbestos in it. Those great clouds of dust that went up in the air and coated the firefighters, coated the civilians, coated much of New York City had substantial amounts of asbestos fibres in them, fibres that lead to many different kinds of diseases: lung cancers, stomach cancers, asbestosis, and a particularly dreadful cancer called mesothelioma, which I learned last night took the life of Steve McQueen. I thought he'd died of lung cancer from cigarette smoking, and it turned out, I learned last night, that he died of asbestos-related diseases. He was exposed to asbestos before he was in the acting business when he was working in a shipyard, I believe.

There is no question that firefighters encounter significant risk of asbestos exposure. Asbestos is reasonably safe if it's properly contained. Of course, in a burning building it isn't, and that's a significant risk for them. So I hope that we will see other steps taken to advance the issues of workplace safety, workplace hazards, recognizing that the men and women who are exposed to these hazards through the course of their work need proper treatment. This is a step in the right direction, but it is only a first step, and as big as it is, we need to make more steps. Every journey, as the saying goes, begins with a single step. I hope there are many steps to follow to ensure that our workers are treated fairly.

Thank you, Mr. Speaker.

3:20

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. It is a pleasure to join in debate in third reading of Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003. We've heard a great deal about the importance of firefighters and the value that they are to urban communities. I'm sure that the firefighters appreciate these sentiments and acknowledgments, and I agree and I add my voice to them as well, but they probably care more about improving the settlement process for cancer claims.

Mr. Speaker, both rural and urban firefighters work in my constituency, and I'm satisfied that Bill 202 will address their concerns regarding cancer claims. Presumptive status through regulation will dramatically improve the settlement process for sick firefighters, who should be concentrating on their health. Opening up the Workers' Compensation Act to add or, less likely, to remove cancers is not efficient or fair to firefighters. It isn't efficient because legislation takes time. It isn't fair because sick firefighters need to battle cancer, not the WCB nor this government.

The other aspect of the bill, which hasn't been talked about as much, involves the WCB's report on the status of research already being conducted in other jurisdictions. Other firefighters such as volunteer and part-time firefighters as defined in Bill 202 often contain fires rather than go into them, and there is a perception that containing a fire leads to far less exposure than actually entering a fire. Obviously, these firefighters are not exposed as much as their urban counterparts, but I do believe that they are at risk of developing cancer.

I understand that there is a reluctance to extend presumptive coverage to every firefighter in Alberta. There are 23 states and two provinces that have either addressed this issue or are waiting for more research to be done. Every fire is different, and every firefighter is different. I think it's important that the WCB watch what other jurisdictions are doing and consider the conclusions drawn from

future research. This process will help Alberta's firefighters, specifically those who do not work in urban centres. Although the WCB has not avoided the firefighters' claims, this bill has brought all affected parties together to settle all concerns and improve the process.

Mr. Speaker, I cannot think of a reasonable argument against the intent of Bill 202. The medical research and overwhelming evidence needs to be acknowledged. One concern some may have involves the possible increase in premiums due to more cancer claims. The reality is that if workers get injured, they must be protected. In the case of firefighters, if they develop cancer, they must receive coverage.

My hope is that the instances of cancer among firefighters can be reduced with improvements to their equipment. Continued innovation in their protective gear could limit exposure, which could help reduce the chances of developing cancer.

There is an element of risk in many professions, and this bill may open the door for others to seek presumptive status. If passed, Bill 202 will certainly set a precedent. After all, there is an element of risk in several occupations and industries in Alberta, but I believe that this precedent will not be enough to justify expanding presumptive status. Workers and their employers are legally obligated to wear protective gear to reduce the risk of injury. For example, construction workers must wear a harness if they're working above a certain height, and paramedics must wear rubber gloves when treating patients, but it's hard to develop a similar policy for firefighters because the element of risk remains high every time they fight a blaze. The amended regulations in the Workers' Compensation Act will reflect the unique working environment of firefighters.

The original mechanics of Bill 202 caused concern amongst several members in this House, and I appreciated and agreed with their apprehension for supporting the original bill, but the amendments passed in Committee of the Whole maintain the autonomy of the WCB and ensure that future cancer claims are settled more efficiently.

Mr. Speaker, I support the idea of improving the process for settling claims for any sick or injured worker. Urging the WCB to monitor related research is the right action to take and necessary to improve the compensation process for Alberta's sick firefighters. I'm very happy to support Bill 202 as amended and congratulate the hon. member and the minister and all the stakeholders for working together for a solution that works for all.

Thank you, Mr. Speaker.

The Speaker: The hon. member for Banff-Cochrane.

Mrs. Tarchuk: Thank you, Mr. Speaker. It is an honour and a pleasure to rise today and join the debate on Bill 202, the Workers' Compensation (Firefighters) Amendment Act, 2003, sponsored by the hon. Member for Calgary-North Hill. Bill 202 would amend the Workers' Compensation Act to ensure that primary site brain cancer, primary site bladder and primary site kidney cancer, primary non-Hodgkin's lymphatic cancer, leukemia, and primary site colon cancer have presumptive status for any fireman wishing to receive workers' compensation benefits due to the contraction of these cancers.

Firefighters risk their lives to save the lives of others. They are trained to avoid being trapped in a burning building or crushed under a collapsing roof, but as we have heard, there is evidence that firefighters face another equally serious risk. Cancer is a silent killer. Firefighters seem to not only be battling fires and saving lives but running headlong into prime contraction areas for certain cancers.

A specialist in the causes of cancers recently looked at the death

reports of 6,000 firefighters from Toronto. The results of her research determined the culprit to be toxins created by smoldering plastics. These cancer-causing vapours and smoke come from commonly found glues, wraps, paints, insulation, and other building materials, the synthetics found in almost every article of modern-day life. Any fire can change an ordinary building or vehicle into a chemical whirlwind. If these chemicals and poisons are present in the majority of nonindustrial fires, then imagine the chemicals and poisons that firefighters are exposed to when dealing with a fire on an oil lease or cleaning plant or factory. We need to acknowledge that these risks are real and recognize that firefighters have more than earned our support on this issue.

Additional studies have concluded that firefighters are at increased risk for brain cancer compared to the usual control group, police officers, who are often under comparable stress. Of 14 studies done on the mortality of firefighters, 11 found excessive risk of brain cancer. A story regarding this issue may best illustrate my case. Around 10 years ago a firefighter in Kitchener, Ontario, began to realize that the men in his shift were dying and they were all dying from cancer. After checking the records, one similarity became constant. They had all fought the same fire. It was a huge blaze that occurred in 1987 at a chemical factory.

When a firefighter responds to a call, the fire is only the first risk of many. Once the fire is extinguished, a number of risks still exist. A fire can produce dangerous chemicals both during the working phase of a fire and after the fire is out. One such chemical is PVC, or polyvinyl chloride, which is used in making upholstery, wire, pipes, and wall coverings. Polyethylene and PVC are often more dangerous when smoldering than during the high heat of a working fire. They both give off carbon monoxide, hydrogen cyanide, hydrochloric acid, and other chemicals. Concrete can also pose a postfire risk to firefighters. It can act like a sponge, retaining heat and gases and then releasing toxic fumes as the fire is extinguished and cooling takes place.

With all the medical breakthroughs and all the research we still don't fully understand the links between cancer and firefighting. There will always be skeptics until a defined direct link is made between certain actions and being diagnosed with cancer. I believe we need to provide assistance and protection to those who risk their lives to protect us, and I wish to add my support to this bill and urge all hon. members to do the same.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Little Bow.

Mr. McFarland: Mr. Speaker, I think I may have stood at the wrong time. I've got another bill to speak to.

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

Ms DeLong: Thank you, Mr. Speaker. I did have a chance during Committee of the Whole to stand up and speak in support of this bill, but I just wanted to add that there is someone in our galleries today that I'd like to introduce to everyone. That's someone who actually used to be a neighbour of mine, and I got to know him a little bit when he was a neighbour and showing me his house. I knew he was a fireman; I think he was actually a fire chief at the time. I did read just in the newspaper this weekend that he is now getting his WCB benefits. I'm really happy about that, because it means that he can concentrate on just looking after himself, living his life well. So I would like to please introduce to you and through you to the rest of the House Mr. Hemming and his wife. They're up in the gallery, and if I could ask everyone to show their appreciation.

The Speaker: The hon. Member for Calgary-North Hill to close the debate.

Mr. Magnus: Thank you, Mr. Speaker. You know, it occurs to me that firemen are there every time we need them, and they need us now. I would ask all members of this House to look at this bill in a positive light. I'd call the question.

[Motion carried unanimously; Bill 202 read a third time]

3:30

Bill 203

School (Compulsory Attendance) Amendment Act, 2003

The Speaker: The hon. Member for Little Bow.

Mr. McFarland: Thank you, Mr. Speaker. Firstly, I apologize for getting up here before. I had already spoken to the previous bill, and I appreciate your co-operation. I am also pleased here today to have the opportunity to continue debate on Bill 203, the School (Compulsory Attendance) Amendment Act, 2003, in this third reading.

As we gather here, I could not help but reminisce a little bit about my early days growing up in the rural setting of Carmangay, Alberta, a small village. I, like many of my colleagues here who also grew up in small towns and attended small-town schools, realize that the emphasis was on educating children. This statement is not intended to minimize what schools and teachers do in today's environment, but I want to underscore the fact that in this setting education was the top priority. We were lucky to have any extracurricular activities outside the classroom at all. For most of us leisure time was something we would spend back home doing chores, especially on the farm. As with any group of children there were individuals who simply did not want to be in school. This is true today just as it was true when I was young. Either they had aspirations of moving to the big city for bigger and better things or they figured that they were simply going to end up farming anyway so why bother going to school.

The question has been asked here and it will continue to be asked: why should children be forced to stay in school when they have no ambition to be there? Well, I've used the argument: show me one 16-year-old child – and that's what they are, Mr. Speaker, children – that's mature enough to understand the ramifications of making the decision to quit school. There are very few who are at that level, and if they think they are, maybe their parents would be willing to sign a guarantee that they wouldn't require any public assistance until such time as they've reached that maturity.

Mr. Speaker, we have in this province many teachers who do a tremendous job day in and day out. I'd be willing to bet that many teachers feel a real sense of disappointment, perhaps even failure, when one of their students drops out of school. We as a government are giving up on our youth before the teachers do by allowing them to quit school when they're 16. We're allowing them to leave school before they even have the opportunity to graduate. We assume that any child at 16 years of age who does not want to finish school will not be influenced by the many great counselors and teachers we have here in Alberta who could instill in them the pleasure of high school completion.

While it is true that we are not a successful province because we have forced students to be educated; we are successful because we give our children opportunities. Allowing them to leave school at 16 years of age is not giving our children much for opportunity. Raising the compulsory age of attendance to 17 years does not guarantee that a child will graduate, Mr. Speaker, but it gives him or her a better opportunity to succeed, and that, in essence, is what we're discussing in Bill 203.

In fact, many of you can remember that school was a downright drag when you were a teenager. There are so many other things that a teenager would rather be doing than sitting in a classroom listening to a teacher drone on and on about geography or chemistry or Shakespeare. I realize that it's a struggle for many students to motivate themselves to finish their education when they are this age, but the point is that beyond the conventional methods of classroom teaching there are avenues that a parent can use to help his or her youngster with their education. Institutions such as the Sylvan Learning Centre allow students who are having trouble learning in their school environment to step back and out of the traditional classroom for a time to learn from another young individual or another tutor. This is one of the many examples of resources available. It's a team effort that helps get a child through school. It should not be left to the child alone to learn, and it certainly should not be left to the child alone to leave.

There's been some discussion in this Assembly about 203 skirting around what some perceive as a central issue in this piece of legislation, and that's making graduation mandatory. If this was the case, Mr. Speaker, then Bill 203 would come right out and say so, which it doesn't. Bill 203 does not attempt to disguise itself as a magical answer to a very large problem. It's simply a step in the right direction. After all, how can we be faulted for attempting to solve some of our larger issues step-by-step? Bill 203 moves to do just that: fundamentally address one area of concern that impedes our children from achieving all we as parents hope that they will.

As I have alluded to earlier, keeping our children interested in the learning process is a team effort. It requires the help of qualified and dedicated teachers, mentors, counselors, and most importantly parents. While it is certainly true that it's up to every individual and their family to decide whether or not they should stay in school, shouldn't we at the very least provide the tools necessary for achieving some level of success? I believe Bill 203 is one of those tools that are essential.

As we move into this new age, this new economy, it will be those regions, those countries, and those individuals who have committed themselves to lifelong learning who will succeed in society, business, and life. We should strive to instill this belief in every one of our children, allowing none of them to be left behind, none of them to be discarded before their true potential is realized. By allowing a 16-year-old child to leave school early, are we not just giving up on them, leaving them behind, Mr. Speaker?

When I think back to the small-town school that I grew up in, I remember how it was expected that each one of us would not just graduate but excel in whatever profession we chose afterwards. It was knowing even at a young age that I had the support and the backing of many people to ensure that I fulfilled my potential. That sense of accomplishment even in the face of adversity is what builds character. For the individuals where scholastics was a challenge, with the support and backing of teachers and parents they were able to realize their goals, and that's what set the course for the life of their person.

Not all of us are academically inclined. There's no disputing that. For some school can be the ultimate in challenges, while others breeze through it without much effort. What does matter at the end of the day and what shows up in a person's makeup for the rest of his or her life is: in the event of difficulty how do they react? Some people panic. Some people falter. Others focus and prosper. To the 16 year old who is contemplating dropping out of school, will he not be forever burdened by the thought of backing down in the face of a challenge? This is when they need support and guidance from people who have been there before them and pulled through to succeed.

Mr. Speaker, a lot of debate has occurred on Bill 203, and that's a good thing. Debate brings issues front and centre, where all of us in the Assembly can air our viewpoints and engage in productive discussion. In my time here today it has been my intention to bring into the discussion more of a human element rather than concentrating on statistics and noncompletion rates for my argument. We as legislators, as citizens, and most importantly as parents have a duty to encourage and support our children to fulfill all their potential. As the old adage states: the mind is a terrible thing to waste. Too many of us may in fact waste too much of that too often.

I encourage everyone to continue the debate, and thanks very much.

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

Mr. Vandermeer: Thank you, Mr. Speaker. It is my pleasure to rise today and speak in third reading stage of Bill 203, the School (Compulsory Attendance) Amendment Act, 2003. Bill 203 is a simple piece of legislation which increases the mandatory school age to 17 years of age. I feel that this is not a good idea, and I would like to take this opportunity to speak against the legislation being considered today.

3:40

Mr. Speaker, this bill goes too far, and this government should not be making this change. I don't think it is in the best interests of this government to be increasing the mandatory age of young people in school. We should steer clear of this matter because it is not our business whether or not a young person should go to school. This is the job of parents. If a young person at the age of 17 does not wish to be a part of the school system, it should be up to the family to resolve this issue and not legislation made by the government. We are becoming too involved in the private lives of the citizens of Alberta. There is no need for government to stick its fingers where they don't belong, and I would argue that our fingers do not belong in this matter.

[Mr. Shariff in the chair]

Not all young people are students. There are many young adults in Alberta who are not cut out for school. There are many who have no desire or ability and feel that they have no need to be in school. They feel that life would be better for them if they dropped out and did something worth while like begin working. Now, Mr. Speaker, I'm not advocating that children should be able to drop out whenever they feel like it. In fact, I don't think a young person should drop out, but rather all should try to finish their high school education. However, if they feel that they cannot finish or they don't want to finish, we should not be the ones that tell them otherwise. It is a private matter between the young adult and his or her parents. We should not be forcing our desired outcomes on those who wish to make their own decisions.

Mr. Speaker, I realize that a lot of people feel that high school is a necessary requirement to get ahead in this world, and I agree with those people. Children should do their best to stay in school. Even so, as I said before, it is not the job of this Assembly to pass a law that will force young people to stay where they do not want to be.

What would be the outcome if we passed this bill? I feel that there would be consequences that are harmful to the learning environment of those who do wish to stay in school. For instance, if a 17 year old is in grade 11 and not being productive, he or she may skip relentlessly causing the principal to continually have to discipline the student. This is a distraction not only for the students in the

classroom but also for the administration who have to deal with the same problem day in and day out. Since there is no real desire in the young person to be at school, he or she becomes somewhat of a distraction and a disruption to those who are trying to concentrate on their studies. These disruptions are extremely harmful to the students and should not continue.

As I said before, having a young adult hang around school when they have no desire to be there causes more harm than good to the other students who want to be there. If they decide that there are other opportunities, that school isn't for them, then they have a way out, and I feel that they will make sound decisions with the advice of their parents.

As well, Mr. Speaker, it may have a benefit for kids to drop out early. It may be the only way they learn to appreciate how important being educated is. Life has a funny way of teaching us. I say let a young adult have a taste of life if he or she so desires. Put a young person to work at a young age and it might be a wake-up call for them, and they may decide that getting an education might be a good idea after all. They make the decision to go back to school, not the government.

Mr. Speaker, Alberta children are important. We should and we do a great job of advocating for what is best for our children. However, when it comes to families and their private decisions, this is where the government should not be involved. It is not our responsibility.

I think it would be prudent for us to vote against this bill today. This bill just does not fall in line with the policies of this government. We try to stay out of the private affairs of Albertans as best we can, and passing this bill makes us look like meddling politicians. Every day bills are passed or debated and have serious implications on Albertans, and this is one of those bills, one which I feel is not in the best interest of our electorate. I urge all members to vote against Bill 203.

Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. It's with interest that I rise to participate in the debate this afternoon on Bill 203, the School (Compulsory Attendance) Amendment Act, 2003. Certainly the previous speaker's comments were noteworthy, but I'm afraid that at this time I would have to disagree with the hon. member and urge all members of this Assembly to support this private member's bill as proposed by the hon. Member for Little Bow.

There are questions in regard to this legislation, and one that I have in the research that has been provided that remains unanswered and perhaps can be answered in the course of debate is: what happens with an individual who is interested in taking up a trade in this province, whether it's a compulsory or optional certification process, if that individual is to, say, take that trade up at age 16 on a part-time basis? What effects would this legislation have on that individual and their employer, or if that person is involved in part of the RAP program, exactly how, if this bill became law, would those individuals be affected? Certainly we need to encourage young people to take up the trades in this province.

I am looking forward to the estimates debate on Learning because I think we are making some significant mistakes in some of our public policy issues there, but we will get to that later, Mr. Speaker. Now I'm just curious as to how – and if the hon. Minister of Learning has an answer, I would be very grateful for his time because I think this is an important question. Many people, even while they're finishing off their last year of high school, are

participating part-time in a trade certification. How would this affect them?

I'm going to support this bill, but certainly I feel that there would be less need for this legislation if the public education system in this province were adequately funded. Perhaps if we had more guidance counselors, there would not be nearly the dropout rate that we have. I think we can certainly do better than having 72 percent of Alberta students graduating from high school. It is quite unfortunate that many Alberta students for one reason or another quit high school. The hon. Member for Little Bow makes it quite plain and points out correctly that a study released recently by the Alberta Association of Colleges and Technical Institutes shows that for each year a student attends Lethbridge Community College, his or her annual income increases by \$2,100. The hon. member is quite correct in explaining that this is a positive story to tell students.

Now, to think that this bill would in some way be an invasion of one's family obligation or an invasion by the government of obligations that belong with the family – I think that in light of our society this bill is perhaps prudent, and I would again encourage all members to please consider this proposal to raise the compulsory attendance age to 17. I think this is beneficial, and at this time I will await.

Hopefully I will receive an answer to my question in regard to apprentices and how he or she would be affected by this legislation. It's certainly something that I would be proud to support, and I thank the member for bringing it forward at this time, Mr. Speaker.

Thank you.

3:50

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

Mr. Hutton: Thank you, Mr. Speaker, for giving me the opportunity to rise today and join in the debate with regard to Bill 203, the School (Compulsory Attendance) Amendment Act, 2003. Before I begin, I would like to thank my colleague from Little Bow for bringing forward such an important piece of legislation, which aims to help some of Alberta's most important individuals, our children.

Before I begin dealing with the specific aspects of Bill 203, I would like to offer some of my thoughts on the vital role that education has and continues to play within our society and the world today. In many ways, Mr. Speaker, if it were not for the importance that was placed upon education of our young people, our society would not only stop evolving but we would eventually become stale and unresponsive to the winds of changes that are affecting the global community.

I am sure that all members of this House are keenly aware of the fact that Alberta is a net exporter of such natural resources as oil and natural gas. Our province's economic success and our society's high standard of living can be in many ways attributed to the fact that the rest of the world needs this kind of resource in order to function and survive. Knowledge and technology have helped Albertans harness our natural resources and transport them to other nations that are in need of such necessities. Our economic success is a testament to the fact that no longer can a country isolate itself from the rest of the world and expect to be prosperous. Not only would the people in such a country forfeit their chance for economic prosperity, but they would also be compromising their opportunity to learn about the world in which they live and in turn make it a better place for all humanity.

As a famous Edmontonian by the name of Marshall McLuhan once said: "There are no passengers on the spaceship earth. We are all crew." Never has such a quote been more relevant to the times in which we find ourselves today, Mr. Speaker. Education is a vital

medium which generates the necessary knowledge that humanity utilizes in order to move forward and steer this spaceship earth towards a bright and prosperous future. As a result, education of our youth has not only significant impacts upon our province but the world as well. We should never forget that it is the next generation of individuals which will lead us and the global community into the uncharted waters of the future, and therefore we have an obligation to provide them with the best possible education that our resources can provide.

In Alberta, Mr. Speaker, we have one of the best and most effective education systems in the world. The School Act is presently deficient in certain areas, three of which are addressed in Bill 203. Firstly, section 13(1) of the School Act permits students to discontinue their high school education once they reach the age of 16. This is a problem because the vast majority of Alberta students have not completed secondary education by the age of 16 and therefore are in no position to receive the necessary high school diploma. By not attaining the essential certificate, these students seriously compromise the opportunity to further their education and knowledge. Bill 203 attempts to remedy this problem by amending 13(1) of the School Act, making it mandatory that all students attend school until they reach the age of 17. Giving our youth one more year of school will undoubtedly help increase the graduation rate and would also allow those students who are thinking about dropping out time to reconsider.

Secondly, section 13(5) of the School Act allows parents to take their children completely out of school due to certain family-related religious or social beliefs. On top of that, Mr. Speaker, the act permits parents to not only take their children out of school but permits them to do so even before their children reach the age of 16. The problem here again is that such children are denied the opportunity to gain the necessary knowledge which will enable them to compete and succeed in the modern globalized world. Bill 203 proposes to strike out section 13(5) and instead proposes to apply the mandatory attendance rules outlined in the School Act on a constant and predictable basis. This would in turn ensure that all students have the opportunity to receive the basic education at least up to the age of 17.

Thirdly, Mr. Speaker, section 15(1) of the School Act allows attendance boards to resolve disputes relating to student attendance. The problem with such an arrangement is that it complicates the enforcement of student attendance because the process involves both the attendance boards and the school boards. As a result, issues have arisen with regard to which entity has a particular jurisdiction. Bill 203 would eliminate this problem by eliminating attendance boards altogether and placing all the jurisdictions related to this matter with the school boards. The benefit to this type of arrangement is that the school attendance rules would be administered and enforced in a clear and consistent manner. I believe that by having clear and consistent rules, we will see more students attending their classes and eventually completing their secondary education.

Alberta, Mr. Speaker, needs this kind of legislation to ensure that graduation rates improve not only on the provincial but on the cross-country level. According to Stats Canada 18 percent of high school students in the country do not complete grade 12. This equates to 120,000 students per year, which, in turn, costs Canadians annually about \$2 billion. Also, according to a study conducted by Alberta Learning in 2001 the department identified and tracked the progress of 38,000 grade 10 students in the province. Of the 38,000 students 72 percent completed high school, 25 percent did not graduate, while 3 percent continued on with their studies. According to a study completed by the United States Department of Justice in January 2003, about 41 percent of the inmates in the country's federal, state,

and local prisons and 31 percent of the probationers never completed high school. As a measure of comparison 18 percent of the general population in the United States above the age of 18 never finished grade 12.

With regard to the matter of health study after study has proven that people who have received secondary and postsecondary training are more likely to live longer and healthier than those who decide to drop out. As a result, there is a direct correlation between government spending, the time on health care, and the high school dropout rate.

In the final analysis, Mr. Speaker, it is in the interest of this government to try to minimize the high school dropout rates not only for the sake of our youth but for the sake of the greater community. At the end of the day a well-educated society is more productive, more healthy, less taxing on the government's social and health programs. I believe Bill 203 is one step forward to achieving this goal. Even though some of our young people may not realize it yet, education is a tool and a medium for their future success in life. As I mentioned earlier, they are the future leaders of not only our province and our country but the world as well. In order to be successful in their future endeavours, we need to make sure that they are equipped with the right tools and the necessary knowledge. Graduating from high school is one step in achieving that knowledge.

With this in mind, I urge all of my colleagues to support our youth by voting in favour of Bill 203. Thank you very much, Mr. Speaker.

The Acting Speaker: The hon. Member for Airdrie-Rocky View.

Ms Haley: Thank you very much, Mr. Speaker. I promise not to take very long. I know that my colleague over there is waiting again.

I wanted to just bring up a couple of quick points, Mr. Speaker, and that's with regard to what the intent of the bill is. The intent of the bill is to keep children in school longer. I understand that. I still do not understand why it is necessary to force children through legislation, by the time they're 16 and 17 years old, to stay in a place that they may not wish at that point to be in. What I suggested the other day was that there are young people who drop out of school, and I think it is tragic because I believe in lifelong learning. I've demonstrated that in my own life. My sons are both lifelong learners, and I hope that they will continue to do that as they age. But they didn't do it because somebody in government decided that they had to. They did it because it was the right thing to do.

The speech the Member for Edmonton-Glenora gave fascinated me because he started bringing up the religious aspect of it. That is something that I failed to address in my speech last week, and I wanted to bring it up today. I have several Hutterite colonies in my constituency, Mr. Speaker. I have great respect for them. I have great respect for what they do on the land, the fact that they farm it – they don't sell it for condominiums or for acreages – that they take what they do in their lives seriously. They care about their children. I've been out at the Fairview Colony school. I was just there the other day at a class of grade 1 to grade 8 students of all ages, an absolutely fascinating group of kids that asked phenomenal questions about the processes here, how bills work, what the Mace is, what the Speaker does. These were very well-informed children.

The truth is that when we talk about some parents taking their kids out of school for religious reasons – although I don't believe it's actually been said in here – I believe the people we're actually talking about are the Hutterites. They do, in fact. Many of their children after their 15th birthday finish school, but they don't leave learning, Mr. Speaker. They go out onto the farm. They go into apprenticeship programs throughout the entire farm, which includes

everything from learning how to bake, to grow vegetables, to learning how to work a metal lathe, to carpentry, to animal husbandry, to actually handling huge pieces of equipment, and it is all part of their lifestyle. I support their right to choose their own lifestyle. They worked out deals with the provincial government a very long time ago on the basis that we would have regular teachers go out to a colony as opposed to having their own teachers, who may not be ATA certified.

4:00

Rocky View school division runs many of these schools, and the children do very well, thank you very much. As they weren't consulted as to their opinion on this bill, I can only ask my colleagues here: while all of us want children to learn and we all want everybody to get a university education and we want everybody to be successful, please let us not impose our own judgment on people without consulting with them first. I have had the opportunity to speak to several principals in my riding. They've not been consulted on this bill, and they flag many concerns with doing what we're anticipating doing here.

I guess, Mr. Speaker, the only thing I can ask is that if this bill is this important, it would eventually come back as government legislation and to have the Minister of Learning bring it in after doing a full, provincewide consultation on the pros and the cons of forcing people to do something that they may not wish to do. Many young people that I know that have inadvertently for whatever stupid reason dropped out of school have in fact turned around and gone back a year later, but they go back with a good attitude. They go back wanting to learn. I don't think we can ask for more than that. When you tell somebody that they must stay there, it doesn't mean that they're going to be a good influence in that classroom or that just because they're sitting there, they would be willing to learn anything. I think there are enough hassles in a classroom without trying to force a child who does not wish to be there to in fact be there.

We have many alternatives for young people now. We've got virtual schools. We've got private schools. We've got Catholic schools. We've got public schools. You know, I think that there's an unending list of places where children can go to learn things when they're ready, Mr. Speaker. I encourage that because I think it's important that everybody have options, but I am absolutely, totally, 100 percent opposed to this government forcing people to do something that they've not asked for. Not one person out of 50,000 in my riding has asked me to vote for this bill – not one – and that concerns me. So I'm going to vote against it, and I can only encourage people who have not done a proper and thorough consultation in their ridings: please don't pass this bill today. Let it come back with government legislation. If it's something that we need to do, let's do it the right way.

Thank you.

The Acting Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. I'm pleased to rise again, I think a third time, to speak on this bill. I hadn't planned on doing it, except I think it's one of the most important pieces of legislation brought forward to this Legislature this spring. I've heard some very good arguments in support of this bill, and I've also heard some arguments that were much less convincing in my mind, and I'd like to try to do what I can do to convince those that voted against it the last time to maybe reconsider their viewpoint on this.

Some of the reasons that were brought up in the past were that no

calls were made to an MLA's office to support this bill. Well, Mr. Speaker, if that's the rationale for supporting a bill, then I couldn't in all clear conscience support most of the government bills that are brought to the floor of this Assembly, because I don't get a lot of calls about, especially, amendments and that sort of thing that are brought to the floor of this House and are debated. I just don't get a lot of calls in my constituency telling me that I should support that bill or not support that bill. On very few government bills do I get an opinion, and then I usually get a strong opinion one way or the other. So I don't think that that's a rationale.

Another reason that was brought forward was that just because students have no desire, we shouldn't force them to go to school. I'd like to share something very important with this Assembly. When I was 12 years old, I changed schools, and I went to a town school. It was a hamlet, a small village school. I went into grade 8, and I was one of the smallest kids in that class – I know this Assembly may find that hard to believe – and I didn't want to go to school. I wanted to quit, and I had some good reasons for wanting to quit: I got physically beat up two to three times a day every day for a whole year.

An Hon. Member: Say it ain't so.

Mr. Marz: It was so. I was black and blue from my neck to my waist. I didn't want to go to school, but there was a law in place, and my parents had the wisdom to say that I should continue to go to school.

Now, I don't know what the magic age is or what the perfect age is for allowing children to drop out of school. I can't sit here and say that it's 16, but after we vote some time later today, I'm going to have to go back to my constituents and say: well, I believe that 16, the status quo, is the magic, perfect age. Well, I'm not prepared to say that. I'm not prepared to say that 17 is the perfect age either.

Mr. Rathgeber: How old are you, Richard?

Mr. Marz: I'm 58, and I've got a lot more experience than you do.

I don't know what the perfect age is, Mr. Speaker, but I know that things have changed since I went to school, and we require a lot more education even down on the farm, which was brought up about Hutterite colonies. I'd like to point out that the Hutterite colonies – and I have three of them in my riding, and they're very good friends of mine – have embraced new technology faster in most cases than other farmers have, and their young people are going to be able to be better educated to continue to endorse that new technology if they're going to remain successful in operating their colonies for the future.

No, I haven't got any calls saying that I should support this or I shouldn't support this. I have to decide today based on the arguments I've heard and reading this for myself: is this the right thing to do or not? In my own mind I don't think that 17 is old enough. I think it should be 18. I think that a minimum should be grade 12 to allow students to get the important education they need to continue on and to be able to become successful, contributing members of society.

Yes, it's been mentioned that not all young people are academically inclined, and perhaps, Mr. Speaker, we have to do more in our education system to address that particular situation. Maybe we need to look at more technical, mechanical, trade types of education within the school system itself, because once a student drops out at 16, it doesn't mean to say that they're going to go into the trades. A lot of them don't because they don't have the skills to do that. A lot of them aren't hired because, as the member that brought this forward said, they are still children. And they are still children.

They're not mature enough to handle a lot of responsibility in jobs, and outside of some very, very low-paying jobs, they don't get those skills.

A lot of them don't go back to school because they leave home after they drop out, and that window of opportunity that they've had with their parents in most cases to support them while they're going to school is no longer there, and if they're out for three or four years, some parents aren't willing to have them come in. Pride takes place in a young person that may have dropped out when they were 16. When they're 20, are they going to go back and say to mom and dad: "Well, that was a mistake. I did the wrong thing. I'd like you to support me now, four years later, for another two years to go to high school and perhaps after that some more training"? A lot of times that opportunity disappears, Mr. Speaker, and I think parents would be better positioned and so would students if they were encouraged to continue on at 16.

I don't think there's anyone in this Assembly who could find a reason greater than I could for wanting to drop out at 12. I could have argued very strongly at 12 years old why I should have been able to drop out of school. Survival would have been the number one thing, just to survive. [interjections] I hear some chuckles, but it's not funny. It was a very serious thing. There are a lot of strong reasons why people maybe want to drop out. I don't know of anyone that had a stronger reason than I did to want to drop out of school when I was 12 years old. Lucky for the foresight of my parents, who did only have – my father had a grade 8 education, and my mother had grade 10. Lucky for their foresight. They insisted. They didn't allow me; they forced me, as the member said. It was not my desire to go. Well, my parents stepped in, and I thank God that they did.

So I urge everybody in this Assembly, Mr. Speaker, to think twice before they shoot this down and to support this bill.

4:10

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

Mr. Maskell: Thank you very much, Mr. Speaker. It's my pleasure to rise in the Assembly today to again participate in the discussion and debate of Bill 203, the School (Compulsory Attendance) Amendment Act, 2003. As I said previously in second reading, initially I had some doubts about this bill, but then, you know, after three decades the ghosts of students past – I saw those faces and remembered the youngsters that I wished I would have been able to help and keep in school.

Mr. Speaker, I must stress that we're now living in a global, knowledge-based society where the requirements for skills and knowledge are rapidly evolving as learning and the capacity to learn take on fundamental economic and social importance. Moreover, the attainment of knowledge, skills, and education will soon determine to a greater extent the success of both individuals and democratic societies in economic as well as social terms.

Bill 203 sets out to achieve three objectives: increase the mandatory school attendance age from 16 to 17, apply this age requirement universally and consistently, and thankfully eliminate the use of attendance boards. There has been no more useless, wasteful activity for school principals and counselors and so on than trying to make these school attendance boards work. Anybody who tells me that principals haven't been consulted and that they don't support this idea – I certainly wouldn't mind having a little chat with these people to see what they were really thinking at that moment in time.

As I feel that all three objectives are important, I find the most valuable to be the increase of the mandatory school attendance age. Mr. Speaker, high school graduation is an important goal and

provides many benefits for the individual and for our society. Measures to reduce the number of high school dropouts in Canada have primarily focused on providing more programs, more counseling, and more supports. Most of these measures replicate existing school structures and processes. I acknowledge that these measures are important and have improved our education system, but I also feel that increasing the mandatory attendance age will be an important step, taken along with these other initiatives, to address the number of high school dropouts.

Results of increasing the mandatory school attendance age have proven favourable for New Brunswick. Completion rates have increased for both Anglophone and Francophone systems since it became a requirement for youth to stay in school until they graduate or turn 18.

Mr. Speaker, we are living in a world where standards are high and graduates must be capable of strong performances and productive contributions to societal development. Adolescents who are dropping out of school do not have a grasp of what lies ahead. They believe they know what is best for them, although they cannot fully comprehend how their actions today will affect them in the future. Bill 203 would require youth to stay in school until they are 17 years old, bringing students one year closer to graduation and better prepared for an ever changing society.

Early school leavers often describe their personal and social lives as being difficult. They also express that the adults in their lives did not support or help them to stay in school. I have to tell you – and I've said this before – how many times students have said to me: why didn't you make me, why didn't you help me stay in school? A legal provision increasing the mandatory attendance age would reinforce and bring a heightened awareness of the importance of secondary education. This bill would send a clear message urging students to complete their studies.

It must also be noted that early school leavers often do see the value in education and fully intend to return. However, once individuals leave school, the likelihood of them returning declines. Moreover, the longer these individuals are away from school, the less likely it is that they will ever return. We must help these individuals in school, encouraging and supporting them to obtain their diploma. Students leaving school are not doing so primarily due to poor achievement. Many of those who drop out have good or excellent grades. It is clear that students leaving are not struggling with their marks, necessarily. These students are talented students that should not be exiting our schools, and this bill can help keep them in the classroom.

Bill 203 is one measure that could help to increase the completion rate of secondary students. It keeps students in school for one year longer, bringing them that much closer to graduation. Studies indicate that the closer they are to receiving their diploma, the more likely they are to stay in school. I do not believe that this bill will ultimately solve the problem of high school dropouts in our province, but it's definitely a step in the right direction.

Society has evolved over a number of years into a knowledge-based entity. It is argued that a key feature of this new world society is the increased emphasis on intangibles such as knowledge, ideas, and intelligence rather than the tangible goods that have long been the staple of human interaction. It is essential now more than ever that individuals obtain a basic set of learning skills.

Mr. Speaker, high schools are undergoing increased program flexibility, and I would say that all of the members in here don't even know what that means. I mean, schools are moving away from that old 9 to 3 mentality, that agricultural mentality. We're looking at flexible kinds of scheduling now where we can have trimesters, where students can move through far more quickly than they did in

the past. We've got to get kids out of that failure cycle and courses where if they didn't finish by the end of June, they had to repeat it again, and they might have got stuck with Mrs. Smackhammer for a second or third time. Then they may have been doomed, and poor Mrs. Smackhammer was doomed as well. With the new kind of flexible scheduling that we can provide students, this helps keep them in school.

High schools are altering their programming to accommodate students. We're also seeing a greater choice in courses offered throughout high schools which are not solely based on academics. High schools are offering relevant program options that better meet student needs. Education used to favour academically oriented students. This isn't the case anymore. Program options offered do vary according to the school, but there are many different learning opportunities within Alberta's education system. These alternative courses also provide a chance for students to explore other areas of interest and potential career choices.

Education, skills, and knowledge are fundamental aspects for the growth of individual Albertans and our society as a whole. This bill would help to increase the completion rate of secondary education and thus would help to better prepare Alberta's youth. These individuals are the future of our province.

Mr. Speaker, it's evident that in a competitive economy dominated by technology and advanced skills, high school completion may be the minimum level of education needed in order to have an opportunity to compete in the labour market, obtain an entry-level job, and secure a basic standard of living. Furthermore, much more education and training are required for any positions beyond entry level, basic incomes, and life chances. Anything less than the minimum may restrict youth to long hours, tedious jobs with little opportunity for advancement, and a low quality of life. The economic and social costs to individual Albertans as well as to our communities are too high to become complacent about a 25 percent noncompletion rate of Alberta high school students. A commitment of our province's education system must be to provide each citizen with opportunities to grow personally, professionally, and as a citizen in accordance with his or her abilities, preferences, and interests.

Mr. Speaker, Alberta is dedicated to providing excellent education services to its citizens. The province is devoted to ensuring that the Alberta education system remains one of the best in the world. However, we need to make sure students receive the benefits of our education system by completing their secondary schooling.

The noncompletion rate of students in Alberta is among the highest when compared to other provinces. A completion rate of 72 percent with an additional 3 percent of dropouts returning to school are not numbers to be pleased with. Colleagues, this is not acceptable. We need to ensure that more students stay in school and receive the benefits of graduating from a secondary institution in our province. Alberta needs to render certain that its citizens are equipped with the knowledge, skills, and qualifications they will need to be competitive in the workforce.

4:20

The Acting Speaker: The hon. Member for Clover Bar-Fort Saskatchewan.

Mr. Lougheed: Thank you, Mr. Speaker. I'm sure all of us here would agree that education is very important, and certainly from my perspective of many years in the classroom and in administration I would just like to offer a few observations with respect to this bill before us. I'm sure we're all keen as well to devise some kind of mechanism to improve student achievement. However, I do believe that sometimes a few individuals cannot be convinced of the

importance of education. These students would undermine the best intentions of parents and teachers and even Legislatures and legislators.

How do they do this? Well, they do it by taking courses that lead to no career path because they have some minimal interest in it or are taking the lesser of some subjects that they don't want any of. Sometimes they enroll, but they don't attend, and we allow, unfortunately, intermittent attendance, which is a bad learning experience for the student when society expects production on time and of good quality from anybody that's hired in our workforces today. In fact, some students are suspended, Mr. Speaker, for misbehaviour or even for nonattendance. For not attending school, the only resource left for the boards, the teachers, and the administrators is to expel a reluctant student from the school.

Some would suggest that legislation might help, and perhaps this bill before us might even help, but if a student does not want to go to school, he or she will not attend or, even worse, they will attend and make life miserable for everyone, including the students and the teachers and the administrators in that school. In fact, to further illustrate the futility of legislation to compel students to attend, many students after appearing before a judge on various charges are ordered by the judge to attend school. What's the result of the judge's order? Well, in many cases nonattendance or, even worse again, disruptive attendance. They're there. They disrupt school activities, but by virtue of the judge's order, they have some legitimacy for being present in the school, or in fact they may even engage in further illegal activities.

I'd further submit that for students who feel that school is not for them, there are many alternative programs that have been developed: storefront schools. We've got the RAP program, the registered apprenticeship program. We've got virtual schools. We've got distance learning. We've got home schooling.

We must be careful of scapegoating others for the lack of student success. Often teachers are the targets. Some will say that teachers don't offer them motivation or the challenge and so on. We must also be careful about seeking to compel students to attend school in an effort to ensure their success. Too often we fall into a trap of believing that student success depends primarily on other factors, factors such as school size, funding, programs, homogenous groupings, extracurricular incentives, or even the school-leaving age. Instead, I believe academic success is primarily determined by three factors: first, the commitment of the student; secondly, the support of the family; and third, the skill and dedication of the teachers. These are the factors we must emphasize, and to pass legislation like this bill to increase the school-leaving age only serves to detract from the student, the family, and the professional responsibility.

I urge all members present to oppose passing the revision of the School Act. Thank you.

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

Mr. Pham: Thank you, Mr. Speaker. I originally did not plan to participate in the debate on this bill, but after listening to the speakers from both sides, I feel compelled to join the debate at this time. First, let me say very clearly that education is very important and that every effort should be made to make sure that Alberta children can access the best possible education. I also agree with the previous speaker that we should do everything that we can to reduce the high school dropout rate in our province, but forcing the students to stay in school is not the answer. Staying in school and graduation are two totally different things.

I have a personal story I would like to share with the Legislature. When I was 17, I dropped out of school because I couldn't afford to

stay in school, Mr. Speaker. I had to go out and find a job to support myself to go to school at that time, and thankfully we didn't have Bill 203 in place at that time. My parents were not here with me, and I had to make sure there was money to pay the rent and pay for the food, and the only way that I could do that was to go to work in the daytime and go to school in the evening. I still remember those days very vividly in my mind. I never graduated from high school, but I was able to earn enough credits to go to university later on and graduate from university.

I agree with the previous speaker that the most important factor that contributes to the success of a student is his or her own determination. Passing legislation forcing students to stay in school will not make better students out of those students who do not want to stay there. They will only distract the other students in the classroom, and in some cases it may do more harm than good.

I urge everybody to vote against this bill. Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Little Bow to close debate.

Mr. McFarland: Thank you, Mr. Speaker. I understand that I have five minutes. I would like to try to summarize maybe four of the key points that I've heard today. I'll maybe just bounce around a little bit.

Number one, the whole intent of the bill in upping the legal leaving age to 17 is not to force any student who's in an apprenticeship program or who wants to be there who can't afford to go to school. It's to try to provide through a regulatory framework, which I'd be more than thrilled to work with the Minister of Learning on, the opportunity to provide flexibility and deal with the students on an individual basis rather than giving carte blanche to anyone that feels like they're ready to face the world and leave school when they're 16. If somebody is short of funds, ideally we could manage an educational plan so that they could come back to pick up the courses and go out to work, much like they have in a co-op program at university. I do feel that the apprenticeship program that one of the members brought up is an ideal opportunity for the counselors, the parents, the students, the school to help design their educational plan so that they know how they're going to get to that minimum requirement that they're going to require for many of the apprenticeship trade programs, whether it's 55 percent minimum in 20- and 30-level courses. But help them get there rather than leaving school and then finding out that they have to upgrade for a year and a half and in the meantime have worked for minimum wage.

I am very happy that a couple of my colleagues brought up the no-no, the Hutterite colonies. I'm so thrilled to hear that there are actually a couple of people who've got two or three colonies in their whole constituency. Guess what, people? I've got 23 in a 60-mile radius of our community, and I'm going to tell you something to set the record straight. There is not one child – not one child – that I have been aware of in any of those 23 who has completed school after their 15th year. They have left school on their 15th birthday, in the middle of a school year. Another popular myth: they're taking an apprenticeship program. Could be. They're learning how to be carpenters and mechanics, but I can tell you one thing. The colony is getting free labour, and they're not paying unemployment insurance. They're not paying a lot of the different things that the businessman who has to put a student through a registered apprenticeship program is compelled to do, nor are they being instructed by a qualified journeyman mechanic, carpenter, welder, or anything else. They're learning from their fathers, and I don't have a problem with that, but it is not comparing apples to apples.

I would also like to bring forward that with this bill you don't have to stay in school, as some might think, until you're 17 even if you've completed or graduated. If you are very bright and you complete school when you're 16 or 16 and a half or 16 and three-quarters, at the end of the semester you graduate. You're out of there. You don't have to stick around till 17. Why would you? You want to go to university. You want to go to college.

4:30

Lastly, I want to go back to an individual who approached me, Mr. Speaker, two weeks ago. The individual came from one of these communities that people mentioned having in their constituencies. The fellow left the colony when he was 14 years old, came to Edmonton. He's worked as a mechanic, or tried to. He's been taken advantage of by an employer because he couldn't read or write. He's been evaluated by a career development college here in town with a grade 3 level of education. He's been ripped off by his employer, who told him he would be paid \$14 an hour, and he finds out he's got \$9,000 for the entire year. He was so grateful that somebody was doing this. He said: you know, I may not have left the colony if I could have stayed and had some education. But, in fact, he left because he had a horror story. He was beaten by his German teacher. He spoke no English, could write very little. He's here living on social assistance now, and he said: this should have happened a long, long time ago.

With that, Mr. Speaker, I'm sorry we had to go back to one particular instance, but I will tell you that I have not had anyone particularly jumping up and down saying that we should have this bill, but I was thinking of the betterment of our youth today and our youth tomorrow and how they're going to adapt to the 21st century.

Thank you.

[The voice vote indicated that the motion for third reading lost]

[Several members rose calling for a division. The division bell was rung at 4:31 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[Mr. Shariff in the chair]

For the motion:

Ady	Griffiths	Masyk
Boutilier	Hlady	McClelland
Calahasen	Horner	McFarland
Cao	Lund	O'Neill
Carlson	MacDonald	Taft
Cenaiko	Marz	Tannas
DeLong	Maskell	VanderBurg
Dunford	Massey	Zwozdesky

Against the motion:

Abbott	Hancock	Pham
Broda	Jacobs	Rathgeber
Danyluk	Knight	Stelmach
Doerksen	Lougheed	Stevens
Friedel	Melchin	Strang
Goudreau	Ouellette	Tarchuk
Haley	Pannu	Vandermeer

Totals:	For – 24	Against – 21
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[Motion carried; Bill 203 read a third time]

head: **Public Bills and Orders Other than**
Government Bills and Orders
head: Second Reading

Bill 204
Insurance (Accident Insurance Benefits)
Amendment Act, 2003

[Debate adjourned March 10: Rev. Abbott speaking]

Rev. Abbott: Mr. Speaker, it gives me great pleasure to resume debate on Bill 204, the Insurance (Accident Insurance Benefits) Amendment Act, 2003, in the Assembly this afternoon. As mentioned when I began this speech almost a month ago, recently Alberta has seen quite a bit of debate over the workings of the insurance industry as well as the litigation surrounding insurance claims. It is my hope that this bill can once and for all protect the granting of section B benefits from the often contentious battles that insurance companies and injury lawyers get into over benefits that a client ought to receive. I would like to remind this Assembly that the purpose of Bill 204 is to amend the Insurance Act to increase the limit on section B medical benefits delivered to those who have been in an automobile accident to \$25,000 over four years from the current level of \$10,000 over two years. Bill 204 also includes provisions for a dispute arbitration mechanism between insurance companies and claimants receiving section B medical benefits. That's basically where we left off last time, Mr. Speaker, so this brings me back to my third point regarding independent medical examiners.

It is this section of Bill 204 that I believe really puts consumers back at the heart of insurance concerns. As it stands currently, Mr. Speaker, any insurance company wishing to stop paying medical benefits to claimants can send claimants to a doctor of the company's choice, and if that doctor states that the medical benefits are of no use to the claimant, the claimant can be cut off from further medical benefits. Now, if that person is still injured, they can sometimes fall back on Alberta Health and Wellness' medical services and cost Alberta taxpayers money that should be covered by their insurance companies, or they may even end up at a Human Resources and Employment office seeking AISH benefits.

The assumption among many civil trial and insurance lawyers is that the current system for assessing a section B claimant's health is unfair to the patient. It's also assumed that with a change in the law requiring that doctors be chosen from an impartial list, the process will be made more fair for claimants. If they're being honest, lawyers and insurance reps will both tell you that they hire doctors who will spin medical information to their side or their point of view one way or another.

Now, Bill 204 would alter the current arrangement by setting up an impartial arbitration mechanism to settle disputes between insurance companies and claimants. As well, Bill 204 would establish independent medical examinations by mandating that the examiner be chosen from a list approved jointly by the College of Physicians and Surgeons and either the Minister of Finance or the superintendent of insurance. By asking for an independent medical examination group . . . Is that the end of my time?

The Acting Speaker: Hon. member, you had three minutes left on the time allocated to you.

Rev. Abbott: Thank you.

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

Mr. Cao: Thank you, Mr. Speaker. It is my great pleasure to rise today in support of Bill 204, the Insurance (Accident Insurance Benefits) Amendment Act, 2003. Most of us know someone who has been involved in an automobile accident. In fact, some of us may even have had an unpleasant experience ourselves. Even if it's just your car that gets damaged, it's an experience that we do our utmost to avoid. Dealing with insurance companies and auto mechanics tends to take a lot of time and cause a lot of frustration, and until the process reaches its conclusion, one is likely to feel as if one's life is under the complete control of others.

4:50

As if that weren't enough, Mr. Speaker, you can imagine what it's like when an accident involves personal injury. If you are the party responsible for the accident, you will have the guilt of knowing that someone is hurt as a result of your actions. If you are the injured party, worries about your health, your job, and other matters set in almost immediately. This, of course, says nothing of the accident where lives hang in the balance or, worse, the accident results in death.

At any rate, Mr. Speaker, a car accident can in a matter of seconds turn a perfectly fine day into a living nightmare whether or not you are responsible for the accident. The last thing anyone should have to worry about at such a time is money. Whether one has been injured or caused the injury, one should be able to concentrate on getting well and on returning to normalcy, not getting matters settled.

Now, Mr. Speaker, section B benefits are classified as medical benefits that must be delivered by insurance companies to a person who has been in an automobile accident regardless of whether or not the person is held responsible for the accident. In many cases when claimants are pursuing a larger settlement or award through litigation, section B benefits constitute the money they use to pay for their immediate medical costs.

If I may, I'd like to speak bluntly for a moment. Let us assume for argument's sake that in a situation like this the insurance companies are loath to pay out any more than they absolutely have to. Claimants, in the meantime, want to be awarded as much as possible. I realize that these are generalizations, but they do show how the insurance companies and the claimants take two fundamentally opposing attitudes regarding compensation. No wonder, then, that lawyers get called in and that no one likes dealing with insurance companies. It seems obvious to me that when claimants are awarded large settlements, these awards contribute directly or indirectly to rising insurance premiums. No one likes that either.

Therefore, Mr. Speaker, one of the main benefits I see stemming from the passage of Bill 204 is that if we were to raise the limits on section B medical benefits from the current level of \$10,000 over two years to \$25,000 over four years, we would provide accident victims with a cushion against the costs associated with the aftermath of an accident. Moreover, by increasing the time period in which claimants can access section B benefits as well as the amount available for such claims, Alberta would ensure that accident victims were more likely to get the treatment they required under section B claims.

Mr. Speaker, I am also inclined to think that the passage of Bill 204 could have an additional unintended benefit. It would raise awareness of the importance of having proper insurance coverage. Opting out of certain kinds of coverage can prove disastrous at times when you would need it the most and can make you vulnerable to legal action.

What if you are the victim of an accident? Once you've seen a doctor, had your diagnosis made and your claim approved, aside from the aches and pains you may be experiencing, that's more or

less all. But that's not necessarily so. This is where Bill 204 could offer another benefit to the insured and the insurers as well. You see, Mr. Speaker, at the present time if an insurance company wishes to stop payment of medical benefits to a claimant, it can do so. Of course, on termination of the claim the claimant must see a doctor, but in situations like this the insurer will in all likelihood send the claimant to a doctor of his choice. If that doctor states that the medical benefits are not warranted, well, there goes the payment, and the claimant is cut off.

Mr. Speaker, if this doesn't sound fair to you, you are not alone. I don't approve of such procedures and apparently neither do many civil trial and insurance lawyers. Among them the prevailing view is that the current system for assessing a section B claimant's health is unfair to the patient.

So how can we make this part of an already difficult experience easier and less cumbersome? As I mentioned, one of the other benefits of passing Bill 204 is the establishment of an impartial arbitration mechanism to settle disputes between insurance companies and claimants. Such a mechanism would I think be appealing to all parties. Particularly, it could have the highly desirable outcome of keeping out of court a large number of cases that really can and should be settled out of court.

If that weren't enough, Mr. Speaker, Bill 204 would make mandatory independent medical examinations to limit the instances where either party takes issue with a particular diagnosis. This is a simple solution to what can often be a big problem. The independent medical examination would be accomplished through the compilation of a list of physicians approved jointly by the College of Physicians and Surgeons and either the Minister of Finance or the superintendent of insurance. From this list, then, an independent medical examiner would be chosen in contested cases. His or her diagnosis would be applicable to both the insurer's case and that of the insured.

Mr. Speaker, while the insurance industry in Alberta is not operated by the government, the fact that it is regulated by the government makes it subject to the values and goals that guide us. I include this aspect because I believe that although we no longer run the insurance industry in Alberta, it is subject to provincial regulation. To my way of thinking, these regulations must reflect the values and goals of the government. Establishing a dispute mechanism and mandating independent medical examinations would be consistent with the principles of fairness and openness which have guided us and continue to guide this government.

Lest I be remiss, I think we can assume that with the change in the law requiring that examining physicians be selected from an impartial list, the process will be more fair for claimants. Presumably, this will result in lower costs to the insurance industry, and I feel certain that this will be the case in the longer term.

This is important too but for an entirely different reason. While Alberta is a people-friendly province, we are business friendly too. We know that creating a climate conducive to business will make Alberta a place that companies find desirable in which to do business and in many cases also to be located here. We are sometimes criticized when we lower corporate taxes. While it is important that we always accompany corporate tax reductions with tax breaks for individuals, lowering corporate taxes has benefits that go far beyond leaving companies with more money. Reducing corporate taxes creates a business climate that makes companies want to operate in Alberta, and if they are already here, it makes them want to stay here. When companies want to stay here, it means that they are going to give jobs to Albertans.

A quick look through our wallets and pocketbooks will, I am sure, reveal the variety of insurance costs.

I would like to encourage our members to vote for the bill. Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. It's with interest that I rise to participate in the debate on Bill 204, the Insurance (Accident Insurance Benefits) Amendment Act, 2003. Certainly, I wouldn't be alone in this Assembly talking about the visits that we all have to our constituency offices from individuals who are concerned about the high cost of automobile insurance and other insurance policies in this province. Certainly, it has increased dramatically. We all know the effects on inflation that energy deregulation has had in this province, but at the same time insurance premiums are also mentioned as one of the contributing factors to our inflation rate, which last month was over 7 and a half percent. Now, what should we do to reduce insurance premiums and make insurance policies more affordable for Alberta consumers? Well, the first thing that I would certainly like to see accomplished is an all-party parliamentary committee, a fact-finding committee, to study this industry as it currently exists in this province.

5:00

Mr. Rathgeber: Are you looking for a job?

Mr. MacDonald: Yes. The hon. Member for Edmonton-Calder has asked if I would be interested in a job. I would certainly be pleased to sit on an all-party parliamentary committee to study this issue in the province, and included in that committee would be perhaps a visit to Calgary, perhaps a visit to Cochrane, perhaps a visit to Grande Prairie, Drayton Valley, certainly, and Whitecourt. This committee could hear directly from citizens who were affected by the high cost of insurance. Not only citizens but some business enterprises have contacted this member and have expressed a great deal of dissatisfaction with the current premium increases.

Now, we know that there has been a significant decline in the stock markets across North America and other parts of the world, and this has created financial pressures on the insurance industry. The insurance industry in the past has been able to rely on a double-digit return on their investment pool, and that has been a fact, a way of life for the industry, but we note that the government of Alberta, the Department of Finance in particular, states that the profitability of property and casualty insurance companies, or P and Cs, is sensitive to small changes in investment returns. The profitability of the Canadian P and C industry is cyclical, and profitability fell in the early '90s and recovered strongly between 1994 and 1997. That does not apply today, but if you look at the insurance industry over a long period of time, it has certainly survived and prospered.

Now we are in this period of very, very high premiums. We are at risk in this province of having some insurance companies refusing to take new customers or new clients. What is that going to mean for the market premium rates for everyone? I don't know. Certainly, that would be another reason why we should have an all-party parliamentary committee to study this issue. The insurance industry, Mr. Speaker, I note, after-tax profits declined from \$908 million for the first six months of 2000 to \$269 million for the first six months of 2001. These statistics were last updated in October of 2002, and I believe they came from an Alberta Transportation web site.

When we consider how the markets operate and how investors in the equity markets can expect a return to historical rates of return at some point in the future, hopefully premiums would decline, but if permanent changes to the civil justice system are made that result in improving the profitability, the Department of Finance must be

vigilant in ensuring that when market conditions improve, these changes do not result in completely inappropriate windfall profits down the road. I have not experienced in my lifetime as a driver, as a consumer of automobile insurance, even though I've had no accidents, a decline in my premiums. I thought that as I got older, my premiums would go down, but that certainly has not been the case. I consider myself lucky in this province that the insurer that I do have is willing to continue to offer insurance.

Now, Mr. Speaker, in regard to Bill 204 we look at raising the maximum amount of medical benefits and rehabilitation to \$25,000 from \$10,000. The hon. Member for Drayton Valley-Calmar is anxious to allow for a claimant to call on a dispute resolution panel made up of a doctor picked from an approved list by the insured, one by the insurer, and one jointly if the insurer terminates benefits. I would be very interested to learn from the hon. member just precisely what sort of a cost saving the member envisions here, if any, and how this will speed up the process.

There are two issues to be dealt with here. When we look at this bill, it certainly sounds like it is helping accident victims. However, the IBC, or the Insurance Bureau of Canada, insists that it will drive up the cost of insurance premiums and deliver a result that isn't any better. The Insurance Bureau of Canada, as I understand it, states that victims deserving more than \$10,000 can access a larger reward through a tort claim or by having purchased optional coverage. A general insurance ombudsman service was instituted across Canada last year. After we have a look at that and we look at another piece of legislation that's a government piece of legislation – I believe it's Bill 33 – I'm not sure if one is not contradicting the other here. Perhaps in due time of debate the hon. member can clarify that for the House and for this member.

Certainly, when we look at this bill and when we understand that when an insurer terminates benefits on the basis of a medical report, the insured may request a review by this dispute resolution panel consisting of a physician. Now, if that were to go ahead and this bill was to become law, if accident victims in this case with Bill 204 can choose a physician for accident insurance purposes, why not victims involved, Mr. Speaker, in WCB claims? The WCB is in my view in a world of its own, and if you talked to some of the injured workers across the province, they would agree with me. Last year before closure, whenever we debated Bill 26, there was at least hope that the system would be improved, but unfortunately it has not. In light of what's being proposed here, if it's good enough for the insurance industry, I would have to question why it would not be also valid with WCB.

Now, as I understand it, this panel as proposed "must be provided with all medical reports and relevant information held by the parties," and "the panel may require the insured to undergo a medical examination."

5:10

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

Mr. Masyk: Thank you, Mr. Speaker. It's my pleasure to rise today and speak to Bill 204, the Insurance (Accident Insurance Benefits) Amendment Act, 2003, sponsored by the hon. Member for Drayton Valley-Calmar. It is such a good bill that I think I'll vote with high octave and high decibel when I holler. Bill 204 amends the Insurance Act to increase the limit on section B medical benefits delivered to those who have been in an automobile accident to over \$25,000 over four years from the current levels. As well, Bill 204 includes stipulations for dispute arbitration mechanisms between insurance companies and claimants receiving section B medical benefits. This will hopefully help clear up any contentious issues that arise when claims are being made.

Mr. Speaker, this bill essentially is an attempt to make this section of the Insurance Act into a more no-fault insurance system rather than focusing on the tort system that we have in place right now. The tort system is one which is causing extreme hardships to the insurance industry, and I believe it is part of the cause for rising premiums that so many people are dealing with in this day and age, especially when it comes to premiums that have to do with automobile insurance.

Mr. Speaker, a tort is a legal term for a wrong. The tort law is composed of statutes and court decisions that give you the right to sue someone who causes you harm, whether it's careless driving, a corporation that manufactured a defective product, a credit card company that overcharges you, or someone that slaps you on the sidewalk. This system is the cause for the steep rise in civil lawsuits over the past decade as more and more cases become heard in the court system. Insurance companies have dealt with the court system for many years, especially with respect to the automotive industry. For instance, under the tort system if I was in a car accident and it was not my fault, I could sue the driver of the other vehicle for all he has. This is my right in the province under this system.

The problem with the tort system is that when individuals sue, their automotive insurance companies usually have to pay the money and therefore increase the cost of premiums as the companies need to find ways to get their money back. Mr. Speaker, compensating auto injuries through the tort system imposes a significant cost to all types of businesses and individuals, ranging from small entrepreneurs to corporations with thousands of vehicles to folks like you and me or people you see at the corner store. For many businesses auto insurance is an irrevocable cost of doing business that must be covered by prices they charge customers. Unfortunately, all the factors that make auto insurance extremely expensive are very hard to reverse, and I feel that we are in an upward spiral when it comes to rising premiums in insurance. The incentives of the tort system encourage accident victims to inflate their insurance claims above their actual losses in order to increase their damage awards.

Mr. Speaker, it's noted at some point that when somebody gets in an accident, they open the glove box and there's already an inflatable neck collar. We have to discourage these things. This lawsuit-based system for compensating auto injuries allows claimants to seek payment for uneconomic losses. Of course, absent from this is an objective way to value such uneconomic damages such as pain and suffering. So the rule of thumb is for lawyers and the claimant to calculate these losses at two or three times the claimant's economic losses. Economic losses are things like lost wages and medical expenses. Since pain and suffering awards are measured as a multiple of medical and wage losses, there's a powerful incentive to inflate one's claim of economic damages and pursue legal action. This should give all members a better idea of why insurance premiums have been going through the roof of late.

As more and more people are suing and insurance companies pay for it in the end, that is why in principle Bill 204 is a good idea. Bill 204 takes away some of the problems that have been associated with and caused by the tort system. It makes section B benefits move toward a more no-fault insurance system, and I feel that a no-fault insurance system is a much better way of operating for automobile insurance. No-fault insurance is a general term that is used to describe any auto insurance system that requires drivers to carry insurance for their own protection and places limitations on their ability to sue other drivers for damages. In an accident under no-fault laws your auto insurance company will pay for damages regardless of who was at fault in the accident. Any other drivers involved will be covered by their auto insurance policies.

Now, Mr. Speaker, there are many benefits in the no-fault

insurance system. First, there's a quicker payment of claims by eliminating costly and time-consuming litigation over liability, and it reduces the number of lawsuits. Those costs are part of what drives up insurance premiums in the first place. Another benefit, and one of my personal favorites, is that there is no splitting of fees with lawyers. This is a huge benefit as a lot of times lawyers encourage inflation of costs and get more for their clients than themselves. Isn't that something?

Another benefit is that since the price of insurance is ultimately reduced, the lower rates mean that auto insurance is accessible to people with lesser means. As a tort system drives prices up, no-fault insurance is best to bring prices down. Granted, it's true that no-fault insurance can be a bit more expensive. However, in the long run it'll be far cheaper than would be the tort system, Mr. Speaker.

Again, Bill 204 will bring more no-fault to our insurance system. Our system is a bit of a mix of two systems, tort and no-fault, but it leans more towards the tort system, which in turn is a reason for premiums steadily rising. By increasing the amount of benefits that a person can get under section B and by setting up an impartial arbitration mechanism to settle disputes between the claimant and the insurance companies, we'll make it more fair for the claimant. Fairness means a better system for all. By increasing section B benefits, we would be ensuring that people who are in accidents are able to get money for the treatment right away.

Mr. Speaker, this means that lawsuits' time is cut dramatically, and this saves money for everyone. Saving money is a good outcome of this bill as we as a government do the best we can to save money. This bill is an opportunity for Albertans to save money on their insurance premiums, and in the long run it also gives us an opportunity to move away from litigation that clogs up the process. The tort system in reality causes hardship. I believe that Bill 204 – well, it's a small step in my notes, but I think it's a big step in the right direction to help fix the problem.

Mr. Speaker, I want to thank you very much, and that, they say, is that.

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

Mrs. O'Neill: Thank you very much, Mr. Speaker. It is a great pleasure to rise and join debate on Bill 204, the Insurance (Accident Insurance Benefits) Amendment Act, 2003, sponsored by the hon. Member for Drayton Valley-Calmar. Albertans are becoming increasingly dependent on the automobile as a preferred form of transportation, and statistics show that there has been a dramatic increase in the number of cars on Alberta's roads and highways over the past 10 years. I was somewhat startled to hear on the weekend – our economic development officer in St. Albert told me – that in our community we have 3.2 cars per household, which is quite a number. However, I can also tell you that I've received a number of calls from constituents who find that the rising rates of insurance are indeed preventing them from driving those cars in some instances and certainly from driving them with the coverage that they should properly have.

There is a stretch of highway 2 near Red Deer that was used by close to 15,000 vehicles per day in 1993, and it's interesting to note that that number has increased to close to 25,000 today. That's an increase of a thousand vehicles per day per year for the last 10 years. It's an example of one of the less congested areas of Alberta's main highways. Why do I speak about that? I speak about it because we are in Alberta using cars as the major mode of transportation in increasing numbers, daily in fact. Although these statistics are limited to Alberta's highways, the increase in the number of vehicles on city streets is just as dramatic.

5:20

Now, Mr. Speaker, the issue that concerns me the most as I read these statistics is that the more vehicles that are on the road, the more chance there is of an accident. In 1997 there were 92,365 traffic collisions on Alberta roads and highways. In 2001 there were 104,463, and that's an increase of 12,000 collisions in four years, or a 13 percent collision increase during that time period. Imagine what those numbers are going to be like in another five or 10 years when the number of vehicles on the road doubles, and statistics suggest that they will double.

These numbers concern me for one reason and one reason alone, and that is the insurance premiums. It seems at times that insurance premiums, especially for auto insurance, are always on the rise for any number of reasons, sometimes valid, other times curiously specious. I read in the news a while back that insurance companies were going to raise premiums because the city of Edmonton didn't plow its streets often enough.

In 1995 section B of the insurance policy in the regulation was increased from \$5,000 to its current \$10,000 limit. This increase along with increases for funeral expenses, income replacement, and death benefits resulted in premium increases from about \$25 to \$55 per vehicle. We need to keep this in mind when we look at Bill 204. I think this bill has its heart in the right place, Mr. Speaker. By increasing the limit on section B medical benefits to \$25,000 over four years from the current level of \$10,000 over two years, it is possible to see a decrease in lawsuits against insurance companies as many people in insurance firms will choose to participate in section B payout instead of suing. The average section B payouts have stayed at reasonably the same amount for the past five years. However, I believe that a majority of individuals involved in accidents do not bother to claim section B benefits because \$10,000 over two years may not cover their medical expenses. So instead of accessing their section B benefits, they choose to sue for more adequate amounts of money that cover all their costs. By raising the limit on section B medical benefits, it is possible that more individuals will access those benefits instead of suing the insurance company, and any decrease in the number of lawsuits brought into insurance companies would be extremely helpful in the battle to decrease insurance premiums for consumers.

Now, although I support the aim of Bill 204, I firmly believe that this needs to be looked at as only one step in a whole process of reform. Mr. Speaker, the Assembly's main concern should be the reform of the Insurance Act to address specifically rising insurance premiums. I hear it from my constituents all the time. Over the last two years automobile insurance premiums have increased by 20 to 30 percent annually. The Department of Finance is currently conducting a consultation on minor tort reforms to the automobile insurance system which may assist with stabilizing premium increases. The review of the automobile insurance system is slotted for 2003 and is driven in part by concerns over the ever increasing rise in automobile insurance premiums and lack of available automobile insurance from the regular licensed market. I look forward to proposed changes to protect Alberta automobile drivers from what I will call exorbitant insurance premiums.

I would also like to recognize and commend the Department of Transportation on their continued support of pre-emptive measures such as safe roads. Through the safe roads program Alberta Transportation recognizes that the cost to society resulting from traffic collisions is staggering. In Alberta in 1999 traffic collisions killed 347 people and caused an astounding 25,451 other nonfatal injuries. The sad truth is that the majority of these deaths and injuries could have been prevented.

In 1999 approximately 89 percent of all collisions involved an

error on the part of at least one of the drivers. In 1999 approximately 9.6 percent of all collisions involved at least one driver traveling at a speed too great for the given conditions, and this jumps to 21.6 percent for fatal collisions. Mr. Speaker, Albertans have a greater chance of being in a collision than winning a lottery, and every Albertan – I don't say this happily – can expect to be in a car crash at least once every 10 years.

Mr. Speaker, all of these collisions are adding to the number of claimants that sue insurance companies to help cover the expenses of the accident. It would be my hope that by increasing the limit on section B medical benefits, that number would decrease due to significant coverage through legislation. My fear, however, is that insurance companies will see Bill 204 as yet another reason to raise premiums and the number of lawsuits will not subside with an increase in section B benefits. If this were to happen, premiums would continue to rise.

So while I support the intent of the bill, I feel that government legislation should concentrate on other areas of the Insurance Act if we are to pursue any type of amendments we want to see in the renewal of this act. My main concern is with the cost of insurance premiums and the burdens that they bring to the average Albertan with a clean driving record. It would seem at times that by keeping a clean record, you still have to pay for the misfortunes and the

mistakes of others because of increased premiums. It is my opinion that before any changes can be made, it's necessary for Alberta Finance to examine insurance consumer issues during the automobile insurance review this year. If an increase in section B benefits is what Albertans desire for their auto insurance, it is at that time that this bill could be brought forward, but that would be at a later date.

Thank you, Mr. Speaker.

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

Dr. Taft: Mr. Speaker, I would like to continue this debate, but given the hour, I move that we adjourn debate and carry on at the next opportunity.

[Motion to adjourn debate carried]

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

Mr. Zwozdesky: Thank you, Mr. Speaker. I would move that we now call it 5:30 p.m. and adjourn until 8 this evening.

[Motion carried; the Assembly adjourned at 5:27 p.m.]

Legislative Assembly of Alberta

Title: **Monday, April 7, 2003** **8:00 p.m.**
 Date: 2003/04/07
 [The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

head: **Motions Other than Government Motions**

Water Supply Standards

505. Dr. Nicol moved:

Be it resolved that the Legislative Assembly urge the government to create an organization similar to the Clean Air Strategic Alliance for Alberta's water supply to ensure that Alberta's water supply is maintained at the highest standards possible.

[Debate adjourned March 24: Mrs. O'Neill speaking]

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

Mrs. O'Neill: Thank you, Mr. Speaker. As I had begun last time, I was speaking about Alberta being able to manage its water supply thanks to a relatively abundant supply of clean water that meets Albertans' needs and our desire to maintain a healthy aquatic environment, but Alberta is facing a number of pressures on its water resources. As our population levels have surged in the past decade, this province has seen rapid industrial, agricultural, and municipal growth. This has increased the pressures on existing water supplies, thereby potentially affecting the quality of surface water and certainly of groundwater.

As increased demands are placed on our water resources, the quality of that product becomes more relevant. As we monitor this situation more closely, we are learning more about natural pathogens in surface water that are difficult to treat by municipal water treatment facilities. These pathogens have the ability and the potential to cause waterborne illnesses such as those seen in Walkerton or North Battleford in recent times.

As the human population in Alberta increases, the uses of industrial water also increase. Understanding and monitoring the quality of surface water is very important, and in order to do this effectively, monitoring and testing methods need to focus on three categories of characteristics: chemical, physical, and biological. Surface water quality varies naturally throughout Alberta. Quality is based on differences in local conditions such as climate and geology, and water quality is also affected by human activities.

There are three major factors that affect water quality, all of which are subject to human influence. First of all, of course, the water quality; number two, the point sources; and number three, the nonpoint sources. Each of these factors represents an opportunity for water quality management, and water quality is ultimately the government of Alberta's responsibility. Thus we take this very seriously.

There is a growing demand for water in Alberta and a decreasing supply. There is also increasing uncertainty about the ability to predict water supply and of course its demand. Officials can estimate demand levels to a degree, but with uncertain weather patterns supply is more difficult to predict. Alberta has a significant amount of groundwater, yet there is a lack of knowledge and understanding of its groundwater resources. So certain basins in some areas of the province are nearing the limits of water allocation, particularly during dry periods when less water is flowing into the rivers and streams.

Alberta must continue to honour its commitments to Saskatchewan and Montana with regard to the amount of water that will flow into each jurisdiction. One can certainly appreciate that because of this characteristic water quality and quantity must be carefully tracked and monitored in this province. As many of my southern rural colleagues can attest, some economic opportunities are being lost in this area because of lack of sufficient water. With the water for life initiative that this government has introduced, Mr. Speaker, we strive to meet these demands with feasible solutions.

The point that is being raised here is that the hon. member's motion is a step forward in the process of improving our valuable environment, and this government is already undertaking such an initiative. Mr. Speaker, I am so very, very pleased to see that the hon. member of the Liberal opposition party is finally beginning to realize the merits of a Progressive Conservative way of thinking, and I'm happy to see that a Liberal has begun to articulate these perspectives on a clean air strategy that has already taken flight under the leadership of the Department of Environment, Clean Air Strategic Alliance.

It is for these reasons, Mr. Speaker, that I am in favour of Motion 505. Thank you.

The Deputy Speaker: There are only two minutes remaining. The hon. Member for Lac La Biche-St. Paul in the two minutes that we have left.

Mr. Danyluk: Good evening, Mr. Speaker. I'm glad to have the opportunity to say a couple of brief words about Motion 505. It's not very often that we find ourselves in such agreement with the Official Opposition about how well a government initiative works. For that reason, I'd like to give my support to the hon. Member for Lethbridge-East for the motion. I guess I would like to say that I think that when we do meet as government for an initiative, it is very, very positive, and again I would like to compliment the member opposite for his efforts and for our conjunction.

Thank you.

The Deputy Speaker: In the time remaining, the hon. Leader of Her Majesty's Loyal Opposition.

Dr. Nicol: Thank you, Mr. Speaker. It's a real pleasure for me to rise tonight and to thank all of those who spoke on this motion. It's really important that we bring it forward and make sure that this kind of an approach reflects the kind of spirit that was in the water strategy that the minister made public in the debate period for this motion.

The interesting part of this, Mr. Speaker, is that I began my professional career doing water policy analysis in the United States, and some of the work we did was with some of the major commissions and congressional agencies in the United States from the National Water Commission, the National Science Foundation, the Environmental Protection Agency. This kept me busy down there for about eight or nine years looking at what would happen to water, water quality, the issues of water availability, interbasin transfers, all of these kinds of things with economic models and spatial models of looking at water across the United States. At one time I was running the largest computer simulation model outside of the U.S. military.

So, you know, these are some of the things that reflect on the commitment that water and water management really have played in the focus that I've taken in a lot of my career. I'm not saying that now to indicate that just because this is a motion that I'm bringing forward here, that's going to be the end of my career by any means, but this is kind of the background that I can put to talking about how

important it is that we as a province really make a commitment to water, water quality, and all of the issues that the minister had in that strategy. I've had a chance in the intervening week to go through a lot of it. I can't say that I've read every word of it, but I've gone through a significant amount of it, and this is the kind of thing that we need to start.

We need to make that kind of a commitment to the water resources of this province and make sure that in the end there's strong public input but also a strong monitoring system in place, and this motion would in effect put in place a monitoring system that reflects what the minister has put into the structure of that water strategy. I guess it just kind of shows that in southern Alberta we've lived with water and water management issues for a long time, and when you get to thinking about them, there's one kind of solution that you need, and it comes out when you start trying to put together these kinds of strategies.

So it's the idea that in effect what we're going to have through this process is a strong commitment that water is important to our province and that we need to make sure that water plays a role in the future, helps our province reach into the future. We want to make sure that each one of us when we pick up a glass of water can say: this is quality. It's safe. The government has in place all the appropriate monitoring systems that will allow for Albertans to feel confident about that water system. You know, living just on the edge of Feedlot Alley, the idea of water, the impact on water, the relationship between economic growth in an area and water quality is kind of like everyday coffee shop talk in our area, and this is one of the things that people are always saying, that there is a balance, there is a way to make sure that water is a resource that we value, that we protect, but that it can be used as a major component in growth and the direction of our province.

8:10

You know, Mr. Speaker, I think that I want to just commend the minister on his water strategy initiative that was put onto the web site. I think it fits very well with the intent that I had with this motion, and I think that if we let this work through the process outlined by the minister, we'll have a really great opportunity for water and water protection in our province.

Thank you, Mr. Speaker.

[Motion Other than Government Motion 505 carried unanimously]

Provincial Education Savings Plan

506. Mr. Herard moved on behalf of Ms Graham:

Be it resolved that the Legislative Assembly urge the government to explore new means of helping students finance their postsecondary education including the establishment of a provincial education savings plan to supplement Canada's registered education savings plan.

Mr. Herard: Mr. Speaker, it's my pleasure to rise today to introduce Motion 506 on behalf of the Member for Calgary-Lougheed. I'm quite honoured that the hon. Member for Calgary-Lougheed has asked me to begin debate on this motion, because she knows that I have more than a passing interest in this issue.

Motion 506 urges the government "to explore new means of helping students finance their postsecondary education." Mr. Speaker, one of the reasons that the Member for Calgary-Lougheed has brought this motion forward is because many families around the province are finding it increasingly difficult to provide for their children's postsecondary education. This is happening at a time when postsecondary education is becoming increasingly important

in this day and age if Alberta wants to continue to prosper. I think it's common knowledge that over 70 percent of all jobs in Canada require some form of postsecondary education. Today's economy is fueled by knowledge, and we must find ways to ensure that all Albertans can afford to maximize their potential and to maximize that knowledge.

Over the past 10 years the total cost of postsecondary education, like most other things, has been going up. When I refer to the cost of postsecondary education, I'm not strictly referring to tuition fees. There is far more involved in the cost of education than tuition alone. We often hear statements that refer to Alberta as having some of the most affordable tuition rates in Canada. This may be true, but what about all the other costs? Do we really have affordable postsecondary education when all costs are considered? The total cost of educating students includes other amounts such as university fees, fees like material and services fees, athletics and recreation fees, administration fees, and student union fees, which in and of themselves may also include a number of other fees. Students must buy textbooks, calculators, and other supplies, but of course it does not end there because for many students who do not live where they choose to attend, there's still room and board to disburse plus additional expenses such as transportation, personal allowance, and household expenses. For many families that all adds up to a significant financial burden and is among the reasons why many students throughout the province are having difficulties funding their educational needs or, what is perhaps more serious, are discouraged from attending at all. Now, granted, students can apply for student loans, but they may not receive the amount of support they really need.

We need to find new ways to encourage families to fund their children's postsecondary education, and, Mr. Speaker, that's what Motion 506 is about. It simply asks the government to explore new ways of helping students and their families fund postsecondary studies. Having said that, is it solely government's responsibility to fund postsecondary education, or is there a shared responsibility on the part of families to save for their children's education? Government already funds around 70 percent of the cost of postsecondary education, and in my view that's a significant contribution, but I believe what we must do is find new ways to encourage families to save for part of the postsecondary education costs of their children.

One of the possibilities that I've been working on for some time is ways to encourage a provincewide culture of family savings for their children's postsecondary education. One way may be for the government to institute a savings grant similar to Canada's registered education savings plan grant. The Canada education savings grant was established by the federal government, and it works by having government pay a 20 percent grant on the first \$2,000 of annual contribution made to eligible registered savings plans.

My research shows that fewer than 20 percent of Alberta students have an RESP. Just think what could be done if all of our children had RESPs. Studies show that 80 percent of children who do have RESPs go on to postsecondary training. This is significantly higher than our current experience with the number of grade 12 graduates that go on to postsecondary. As I understand it, we're at about 50 percent eventual participation right now of our grade 12 graduates in postsecondary. So this is something that is worth looking at.

The government of Alberta could institute a program similar to the one at the federal level. We could contribute to RESPs of a prospective student in an amount that would encourage families to match it and start a savings plan very early in the life of their children. This would clearly establish that postsecondary funding is a joint responsibility and would encourage a culture of saving within our families.

Another area that government should explore is revamping the student loan system. Is the current system doing the job? Are the parental income thresholds appropriate in all cases? What about support for part-time students, Mr. Speaker? What about additional costs of rural students or urban students that must move to a different location to pursue their education? These are all questions that must be considered if we want to have the best support for postsecondary education for all students regardless of where they live. Alberta's future economy and quality of life depend on it.

I look forward to the debate, and I urge all hon. members to vote in favour of Motion 506 today. Thank you, Mr. Speaker.

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

Mrs. O'Neill: Thank you very much, Mr. Speaker. It is a pleasure for me to rise in the Assembly this evening and join the discussion and the debate on Motion 506. This motion urges the government, as the previous speaker has indicated, to explore new means of helping students finance their postsecondary education, and I believe it goes without saying that we all believe that postsecondary education in whichever form and shape it takes for each individual is indeed valuable not only to that individual but to the community at large and certainly to the strength of both the workforce and the thought force of all Albertans. So I stand in support of the motion because I feel that this exploration would offer valuable insight, and it is a very important initiative at this time.

I would like to take this opportunity to acknowledge the insight that the Member for Calgary-Lougheed has contained in her work on this motion. It raises some important issues that need to be addressed regarding student financing for postsecondary schooling, training, education.

8:20

This motion, in addition to exploring new measures, would also examine the establishment of a provincial registered education savings plan. Many of us have had the experience and fortunately been given the direction so that when our children were small we did invest in an education savings plan simply because we knew the money could be used, but I think there are other means and other multiple ways in which parents can of course look to the future on behalf of their own children.

So now more than ever education is extremely important. We all know that. It's important if we want to compete in our global knowledge-based society. However, postsecondary students are faced with increasing costs of tuition and educational materials. We know that. We know that the institutions, as we dialogue with both the students and the staff, realize that it costs more to educate more these days. I believe we must revisit our policies surrounding financial assistance programs for those who are pursuing postsecondary education because the benchmark for a basic education has indeed risen and risen in the last 25 years.

Alberta does have a comprehensive portfolio of flexible student finance programs. We know that, and available assistance ranges from bursaries and scholarships to both student loans and grants. But I feel that it is important to continually search for new and better methods and programs to assist those wanting to attend a postsecondary institution. I also believe that it is our responsibility as legislators to create an environment that enables individuals to plan and to provide for their own immediate families and their own futures, for that matter.

One possible measure the government could include in its study is provincial student loans for part-time students. We are in a society where many people learn on a part-time basis. They don't just learn

partly; they learn wholly. But often it takes a longer time, and it's well integrated into their work site, the workforce, and their family lives.

When student loans were first implemented in Alberta, they were done so in an effort to help low-income students deserving of entry into a postsecondary program to pay the associated costs of doing so. But it has become apparent that the costs to attend postsecondary institutions have risen in conjunction with and to reflect an institution's operating cost, and we know that as we see the fluctuation in the percentages that both the government, the private grants and assistance, and individual tuition contribute to the cost of educating students in our postsecondary institutions. So it's not only lower income families that are experiencing difficulties funding the education of their children but many middle-income families as well, and indeed we cannot forget that many individuals themselves need that extra assistance even though they are the main contributors to the financing of their own postsecondary education.

So as the system stands, part-time students cannot apply for provincial student assistance, and therefore the government, I think, should research the provision of extending the student assistance and changing the rules for provincial student loans because citizens of this province deserve at least the opportunity – and I stress that – to pursue the career of their choice and to contribute and benefit from the Alberta advantage.

Another possible provision that is highlighted in the motion is the establishment of a registered education savings plan program, which would allow savings to grow tax free until the student is ready to attend a postsecondary institution full-time. The Alberta government could provide a grant to RESPs to help future students save for postsecondary education, and this savings plan is favourable because the income accumulated on the contributions of the grant, as well as the grant itself, does not become taxable until the student uses the RESP to fund their education. Usually at that time, if attending school full-time, they have little income to claim and therefore would pay little or no tax on the RESP income.

Mr. Speaker, financial assistance for university, college, or a technical school education is a means of contributing to our economy as well as a way to help individual Albertans improve themselves, improve their communities, contribute to the knowledge-based economy that I believe we're moving into more rapidly than we sometimes admit, and this, in turn, improves our province as a whole. This initiative is about assisting young Albertans to get the education they need in order to compete in a global, knowledge-based economy dominated by technology, by advanced skills, and by superior thinking skills. I say superior; I mean in that sense advanced and quite sophisticated.

It is in Alberta's best interest to have an educated populace, a populace that is flexible enough to adapt to the challenges that they face in the workforce and in everyday life, because a strong knowledge base provides individuals with the skills to be innovators and entrepreneurs, and furthermore a well-trained workforce is important to the Alberta economy and significantly contributes to our productivity and capacity while developing innovative products. As a province we should do all we can to develop successful methods to help finance the education of those individuals who are committed to pursuing lifelong learning and who need that hand up and that assistance that will enable them to live a decent life, at the same time pursuing their education formally.

So, Mr. Speaker, I feel that an exploration of new measures and an examination of a possible registered education savings plan grant could alleviate some of the pressures that postsecondary students experience today. So I would like to again lend my support for this motion because the measures that are possible and that I've men-

tioned could increase finance accessibility for students hoping to attend postsecondary education. For this reason, whenever we give hope to someone and whenever we enhance the environment within their realm of possibility, when we can tell young people that there is a possibility that they can achieve what they want in order for them to be better citizens, I truly believe this is a good motion and I support it.

Thank you.

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

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have the opportunity to make a few comments about Motion 506 and to certainly support the mover and the intent of the motion. I think it's something that's long overdue. It's a piece of the problem that we in the opposition have tried to address with a motion. I believe it's a motion that's coming up, and I think it's an important motion.

One of the things that I think has really concerned us has been the perspective that has been taken on postsecondary education by the government, and that notion I think has been expressed by the Minister of Learning in the House a number of times, by other members of the government too, the notion that because only a small percentage of students go on to postsecondary education and that those students are the primary benefactors of that education, they, in fact, should bear the burden of paying for it. He points out, I think on a number of occasions – and I may have the wrong examples – that taxi drivers and people who are less educated, bricklayers and other people, end up paying taxes that support students in these institutions. What he omits in the argument, of course, is that those same taxi drivers and postal workers and all of us in fact are benefactors of having a well-educated citizenry, particularly the kinds of specialists that are developed at our colleges, universities, and technical institutes. The very highways and bridges we drive across, the expectations we have when we go to hospitals, the kind of care that we place our children in when we put them in our public school systems: those are all places where all of us, regardless of your occupation, benefit from having students pursue a postsecondary education and become the specialists that allow those services to be delivered to ourselves and for our families.

8:30

So, as I said, I was alarmed at the perspective, and if nothing else I hope that maybe Motion 506 will cause the government to at least revisit that perspective and their view of students. There are a number of things such a review could look at, in particular the place of grants. I think that most would admit that the Americans have a far, far more generous grant system to encourage students to participate in postsecondary education in that country than we have here. In fact, I recently read an article that indicated that a student south of the border with fairly good grades, average grades could expect to rely on the grant system to pay most of the cost of a four-year program at one of the public institutions there and certainly at the college level. So I hope that part of the review that is undertaken as part of Motion 506 looks very seriously at grants and the grant system.

I think the indications that such a review is needed are all around us, the most recent being the introduction of differential fees, I think a backward step in our province, first at the University of Alberta and then at the University of Calgary, where we're going to see in some faculties astronomical increases in the kinds of tuition that students are going to have to pay. With it, there's going to be the obligation for students to find ways to pay for them and ways to finance them. So this motion, I think, in light of that development is timely.

I think the fact that we're running food banks on our campuses is something that we should be ashamed of. That we have students that have to rely on that kind of a service is an indicator of the kind of financial position that students in this province find themselves in, a position that I think is really unnecessary.

There are a number of ideas that I hope, as I said, would be looked at with the motion should it be successful. One of the things that we've looked at in the opposition and have been promoting is the whole notion of contingency repayment plans so that students could repay their loans based on the kinds of occupations that they are employed in on graduation. So someone who's in an occupation that doesn't pay quite as well would have their loan payments adjusted to reflect that income as compared to someone who may have a higher earning job and be able to pay back a loan more rapidly.

I think there's an opportunity here to review our commitment that was made by Canada in 1976 at the United Nations where we along with a number of other countries agreed that we would move free education up a year at a time as finances permitted. So we would move to the first year of college being tuition free, to the second, third, and fourth until you got to the point where a student in the province could obtain a degree tuition free, much as they now secure their high school programs. I think what it did was cause all of us to reflect on what exactly we do to students. What is the magic between grade 12 and the first year of college or university or technical school? Why all of a sudden in grade 12 are you supported by the public tax system for that education, and when you turn a year older, that support is withdrawn and you're faced with some pretty terrific burdens when you look, as I say, at tuition and particularly at the new differential fees?

So I think that for a number of reasons it's a good motion. It's timely. I look forward to the motion passing and being acted upon. Thanks, Mr. Speaker.

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

Mr. Cao: Thank you very much, Mr. Speaker. I rise this evening to participate in the discussion, debate on Motion 506, exploring new means for helping students finance postsecondary education. I have a conviction in the human resource development of Albertans because I believe that our Alberta economic strength and quality of living depend on higher education. Investment in education brings multiple returns. Also, as the chair of the Committee on Lifelong Learning I have a deep interest in the subject matter, and I want to acknowledge the need to help Albertans to return and continue learning as their career changes. We can see all of this as a sound economic development policy for Alberta, and I have the feeling that the hon. Minister of Economic Development and the Minister of Human Resources and Employment agree with me on this point.

[Mr. Lougheed in the chair]

Motion 506 would allow the government to look at new ways of helping students fund their education. Tuition costs are increasing every year. Students are encountering an overall rise in costs associated with attending postsecondary education, including increases in rent, food, labs, books, other supplies. Both the federal and Alberta governments do provide financial support to those attending postsecondary education on a full-time basis. However, the increase in costs to students calls for new measures to be explored and examined. New provisions for helping students finance their education equate to more students being able to afford postsecondary education. The Alberta government is dedicated to ensuring that postsecondary education remains accessible and

affordable to all Albertans. It is clear that this motion is consistent with the government's commitment.

Mr. Speaker, Alberta Learning, under the leadership of the hon. Minister of Learning, continues to ensure that our excellent education system is sustainable and remains so to meet the current and future needs of students. The government provides financial aid where cost may be a barrier for postsecondary education. The total provincial and federal assistance to Alberta students is forecasted to be approximately \$470 million. The government provides funds to students through a variety of scholarships, grants, bursaries, and loans. Postsecondary students who receive Alberta student loans are also eligible for loan relief in their first year and after their final year of study. These benefits are applied only against Alberta student loan funds.

The mentioned programs show the government's commitment to supporting and assisting students with costs associated with postsecondary education. However, it is always important to continue to search for new measures and provisions which may lead to innovative approaches to student assistance. It is in the public interest for all Alberta residents to have reasonable access to postsecondary education and training. Students should not be denied the opportunity to attend postsecondary institutions due to their lack of financial means. However, we need to find a balance of student assistance programs that are affordable for the government and for the students. Motion 506 allows the government to explore possible new alternatives.

8:40

It is important that we do not underestimate the opportunity we have to better the lives of those Albertans who have strived to better themselves. We have the ability to provide educational opportunity to individuals who might think they do not have the chance to get a specific type of education and training. Mr. Speaker, if there is a way that we can make it easier for Alberta students to access financial assistance and attain the education they desire, we will benefit as a province by equipping these individuals to contribute to our vibrant economy. This motion does not outline any firm measures but rather is flexible to study the entire issue and is not held within a boundary with only one provision. Motion 506 is able to examine a variety of different ways to assist students with funding for their postsecondary education.

Mr. Speaker, Motion 506 hopes to explore new measures to help students finance their postsecondary education. This initiative would allow a possible provincial registered education savings plan, for example, to assist students in financing their education. New funding alternatives could possibly help more Albertans to pursue a specific career and those who may have otherwise abandoned postsecondary schooling and training.

I want to commend the MLA for Calgary-Lougheed for bringing this issue forward. I support this initiative and urge all my colleagues to vote in favour of Motion 506 and the exploration of possible new means to help students finance their advanced studies.

Thank you.

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

Mr. Cernaiko: Thank you very much, Mr. Speaker. I'm pleased to join the debate on Motion 506 and add what I believe are constructive and effective ways to help students afford their postsecondary education. The escalating costs related to going to school are not going to slow down. Tuition will continue to rise, but so will other expenses such as rent, utilities, textbooks, and food. As Alberta continues to grow, the cost of living will continue to rise. There are

ways to protect students and encourage others to pursue postsecondary education. Some people may shy away from pursuing higher learning because they feel that they can't afford the expense. It is true that school isn't cheap, but it's also a fact that postsecondary education leads to bigger and better opportunities for graduates.

Mr. Speaker, many of the options and ideas provided during this debate include modifications to Alberta's student loan system, but I believe that Motion 506 provides an opportunity for this Assembly to look at ways to reduce expenses for students rather than injecting more money into the student loan system. There are many ways to help students afford university besides more funding for student loans.

First of all, Mr. Speaker, I think it would be a good idea for this government to explore the viability of encouraging and sponsoring registered education savings plans. RESPs have become enormously popular for a number of reasons. The federal government's Canada education savings grant matches RESP contributions up to \$2,000 per year.

An Hon. Member: How much?

Mr. Cernaiko: Two thousand dollars per year.

As we all know, postsecondary education has become increasingly expensive. According to Statistics Canada university tuition fees have increased 126 percent in the last 10 years. Mr. Speaker, based on the projected cost of postsecondary education, RESPs may be the best idea to help fund postsecondary education in the long run but do little to help students right now. However, I have a few ideas that will help students who are already in school or who are planning to attend in the future. Some of these options include reducing the amount for student housing, looking at more campus-style housing, and finding ways to slow down the escalating prices of textbooks.

I have learned that there's a need to create opportunities to develop more secondary suites in Alberta. These secondary suites do not have to be derelict housing, as some critics would suggest. I believe that the Alberta government should encourage municipalities to create more R2 zoning, which would allow more secondary suites. These suites could substantially reduce the amount of money needed for housing.

For students not living at home, living expenses can easily exceed \$6,000 over an eight-month school year. I know of several students who take a class and try to sell their textbooks back to the bookstore to cover some of the expenses of future purchases, but a problem arises when a professor chooses to use the most recent version of the same book. This becomes a major expense for students, who are basically forced to pay top dollar for an identical book. I believe that utilizing Supernet would reduce the need for students to buy new versions of the same book, and I, Mr. Speaker, personally went through this same issue some 25 years ago at the University of Saskatchewan in Saskatoon.

Rather than increasing the minimum wage, Mr. Speaker, the government could provide an earned income tax credit. I understand that it is not this government's policy to provide an abundance of tax credits because Albertans already enjoy a low-rate broad-based system, but this tax credit would benefit students who work part-time while attending school. Under this system, used a great deal in the United States, the government would reverse-tax low-income earners attending school. The earned income tax credit is a refundable tax credit for low-income earners. The United States federal government designed this system to help offset the burden of social security taxes and provide an incentive to work. This Assembly should consider a similar program for students working part-time who earn less than \$10,000 a year. This system would reward those students with the

time management skills to work a few hours a week while going to school. Rewarding work may also encourage students to be less dependent on the student loan system.

The American program also allows employees with children to receive an advance on their credits through their paycheques. The employee and employer fill out a form that allows the employer to pay part of the credit throughout the year. Again, Mr. Speaker, this program could be adopted for postsecondary students struggling to make ends meet. Earned tax credits would reward students working part-time and offer incentive for students to gain employment. Most importantly, the program would keep more money in the pockets of students, money that would not have to be paid back to the government. They could earn \$7 an hour but then get topped off on the employer's payroll.

Mr. Speaker, I believe and I realize that the ideas proposed are not the conventional solutions for postsecondary students, but these policies would send a message that students are valued, these policies would also show the students that their concerns are heard and are being addressed by the Alberta government, and finally these alternative methods for alleviating the financial barriers for pursuing higher learning would encourage more Albertans to go to school. These ideas should at least be explored as asked in Motion 506. Lowering expenses is the same as giving more money to students. These strategies may save students and taxpayers in the long run. Motion 506 is a step in the right direction and is a motion that we must all support.

Thank you very much, Mr. Speaker.

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

Ms Carlson: Thank you, Mr. Speaker. I have some concerns with this particular motion as we see it before us. I don't think that it necessarily addresses the real problems. I think it's skirting around at the symptoms once again. [interjection] I know that that's not a view shared by all of my colleagues, but I really have to put my concerns on the record. Just because he's the Learning critic and a professor who writes textbooks, doesn't mean he's always right about everything.

8:50

Here are my concerns. My concerns now are in terms of tuition fees and getting kids into postsecondary education, which really is our goal: to get as many kids in as want to go. First of all, access to student loans is a huge problem. I know that the minister has told us repeatedly that most appeals are won and that the criteria these days is for a combined family income of \$50,000 as a ceiling for people to be able to apply, but it really isn't enough in some families. Because of whatever kinds of circumstances kids can't access the loans. They still want to stay at home, which we should be encouraging if we're family oriented, and they can't get the money. So it doesn't matter how much the tuition is if they can't access money for it right now. Sure we can set up another kind of plan for savings, for contributions, but that is not the circumstance of every family. In many families there isn't the extra \$50, \$100, \$75, \$25 a month to put into plans, and there is a system right now that works quite well.

[The Deputy Speaker in the chair]

I think we have to start addressing the real systemic problems in the system in terms of kids being able to access education, and I'm not convinced that this motion is the right way to go. I think we need to put in a program where everyone who wants a student loan can access it. They may put a limit, then, on what the remission

amounts are based on combined family income, but if the family doesn't feel that they can afford the tuition fee, then let the student access the money in some fashion so that we can get as many kids that want to go into the system. That is, I think, our primary responsibility as parliamentarians, and I'd like to see us do that, not put in another level of plans that kids have to learn about and apply to before they can get there. It isn't about making it harder to get educated. It's about making it easier to get educated, and I haven't heard any convincing arguments so far to say that that will be the case with this particular motion. So I think, Mr. Speaker, that I will not be supporting it.

The Deputy Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. It is my pleasure to rise and join the debate on Motion 506 this evening. The motion is one that must be seriously considered by this government. I think that this motion shows this Assembly that many of us in government have to realize that postsecondary education is an important issue that must be addressed.

It seems that over the past couple of years the majority of focus has been on the kindergarten through grade 12 system and not on the postsecondary system. This has caused much unrest in the postsecondary student population. Students have demonstrated, asking for their fair share of the funding pie. Well, Mr. Speaker, I believe they get their fair share of the funding pie; however, only on paper. I feel that we as a government give the postsecondary education system plenty of money to use, but I don't feel that it is used to its full advantage. That is why Motion 506 should be supported. It gives us an opportunity to sit back and look at where we are spending the taxpayers' money.

As the motion urges the government to explore better ways of helping students finance their postsecondary education, I believe the best way of helping students is to take a look at where we are spending these resources. I am sure that this government could find innovative ways and investigate different ways of allocating its resources to students. I do not want to increase funding, but I do believe that throwing money at problems doesn't solve anything. It would be more prudent for us to review our policies to ensure that we are doing all we can with what we allocate.

We keep hearing of these stories, that they are not as bad as we are told; they are exaggerated. Mr. Speaker, if things were as positive in the postsecondary system, why are we hearing of increasing cases of students not having enough money for food and shelter? Why are there so many students who say that they have to go to the food bank so that they can eat? The counterargument that the stories are exaggerated is absolutely ridiculous. There are students at universities and colleges that are struggling, and I feel that it is time we looked at or explored new ways of helping out because there are challenges.

For example, I heard a story of a young man who attended a university in southern Alberta. This young man prepared for his third year by working in a lumber yard during the four-month break and saved for the upcoming university year. His parents had too high an income for him to get a loan. He didn't have the grades for scholarships and he wasn't poor enough for grants or bursaries, so he had to make sure he saved enough for two semesters.

After the summer he had made what he felt was enough to get him by. His savings totaled a similar amount as the year before, and since that year's income covered expenses, he felt his third year would be tight, but he could get through. However, when he arrived at university he quickly discovered that he might run into some difficulties as there were some significant price increases. First of

all, the price of the textbooks went up dramatically as many of his classes required the newest editions of the texts, and therefore buying used books was not an option as it had been in the past. As well, there were increases in fees that pushed up the amount that he had to pay before he got into his first class. The student was taking five classes per semester, and the amount he paid was quite a bit higher than the year before. He did have a small job with the students' union as an elected member, so that brought in a little bit of money, but he could not work at another job because he was a full-time student and his classes required night dedication. So working was not an option.

As his year started, the young man quickly realized that he was going to run out of money. With about a month left before the end of the school year his early realization became reality, and he was broke with one month to go. This came as a bit of a shock as he had lived no differently than in the previous year except that the costs had increased around him out of control, and subsequently he ran out of money. Now, this young man happened to be from an upper middle-class family, and his parents helped him, and inevitably he got through his university year. However, this problem is not uncommon, and the ending is rarely as positive.

Young people who don't have their parents to fall back on can find themselves in a stressful situation at the same time as they should be studying for their finals. The cost of postsecondary education seems to increase every year, and it is very difficult for students to save enough money to get through an entire year. This is why we need Motion 506. We need to find new and innovative ways to help these kinds of students get through at least four years of education.

I urge all members to vote in favour of Motion 506. [interjection] Just as I was getting to the good part. Thank you, Mr. Speaker.

The Deputy Speaker: The time limit for consideration of this item of business on this day has now concluded.

9:00head: Government Motions

Amendments to Standing Orders

17. Mr. Zwozdesky moved on behalf of Mr. Hancock:
- Be it resolved that the Standing Orders of the Assembly be amended as follows.
- (1) Standing Order 7(1) is amended by adding "Tablings to the Clerk" after "Tabling Returns and Reports."
 - (2) Standing Order 37.1(2) is amended by striking out "Tabling Returns and Reports" and substituting "Tablings to the Clerk."
 - (3) Standing Order 58(5) is amended by striking out "immediately after Orders of the Day are called" and substituting "not later than 3:10 p.m. provided that Orders of the Day have already been called."
 - (4) This motion comes into force April 7, 2003.

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

Mr. Zwozdesky: Thank you, Mr. Speaker. These changes are the result of much consultation with the opposition parties and the government. The main change represents an improvement – some would call it a fix or a repair – to a long-standing procedural matter regarding Committee of Supply when it occurs in the afternoons.

Mr. Speaker, in closing I would ask for the support of all members in the Assembly regarding this motion, and I would like to thank the opposition parties for having helped draft some of the amendments and improvements as enunciated by me just earlier this evening.

With that having been said, I do look forward to the recognition and support for this important motion that does bring in some significant improvements.

Thank you.

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

Ms Carlson: Thank you, Mr. Speaker. Since the change we see there was our excellent idea, we will of course support it.

[Government Motion 17 carried]

head: **Government Bills and Orders**

head: Third Reading

Bill 22

Child and Family Services Authorities Amendment Act, 2003

The Deputy Speaker: The hon. Member for Calgary-Buffalo.

Mr. Cernaiko: Thank you very much, Mr. Speaker. I rise to speak to third reading of Bill 22, the Child and Family Services Authorities Amendment Act, 2003, on behalf of the hon. Minister of Children's Services. As previously mentioned in the House, the proposed amendment to this bill is very straightforward. It removes the stipulation of a maximum number of members that may sit on a child and family services authorities board. This change aids in the amalgamation of the child and family services authorities from 18 to 10 that is being implemented. The amendment is good news because it allows for the flexibility to meet governance needs and ensures adequate community representation on the boards.

I want to comment briefly on some of the points raised during discussion in Committee of the Whole. The child and family services authorities were originally formed based on extensive consultation with Albertans. More than 3,000 Albertans from 65 communities were consulted. A consensus from the consultations was that the system of services for children had to change to include decision-making that addressed issues of local children and families. Such a service delivery system was created and exists today. This foundation will not change through amendments in Bill 22.

Mr. Speaker, local presentation will be enhanced because some of the 10 new regions will represent larger, more diverse geographical regions, and therefore boards will benefit from expanded membership. If a particular region is large in size and needs more board members to sufficiently meet the governance model in that child and family services authority, then that would be permitted.

The hon. Minister of Children's Services traveled the province, Mr. Speaker, consulting with Albertans late in 2002 and early in 2003 about the issues surrounding CFSA amalgamation. Stakeholders were assured that boundary changes are not only a chance to improve the governance structure but will further entrench community involvement in service delivery for children and families. For example, family and community support services will play more of a vital and formal role with the new CFSA boards, and we will build on existing community partnerships for effective local decision-making.

A concern was raised in Committee of the Whole about the aboriginal pillar relating to child and family services authorities. Mr. Speaker, Children's Services remains committed to the aboriginal pillar through its regional governance structure, and in addition to aboriginal board members each of the CFSA boards will have one aboriginal co-chair.

Reference was also made to a question surrounding administrative

efficiencies when dealing with large regions. Mr. Speaker, having 10 regions is not going to be more costly. We will be utilizing the built-in infrastructure already established through the smaller regions. Our vision is for these boards to be boards of influence. They will be more proactive in building community networks. It will be the job of the boards to serve all outlying areas and to create stronger community networks that will provide input into policies, strategic directions, and services for children, youth, and families.

Mr. Speaker, I am pleased to move third reading of Bill 22 because I know that it will allow the flexibility to determine the size of a board based on the specific needs of individual regions.

Thank you.

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

Dr. Massey: Yes. Thanks, Mr. Speaker. Just a comment or two at third reading. I was pleased to hear the member on behalf of the minister talk about the makeup of the boards and the boards including aboriginal representatives. It's something in the information that we haven't had. I go back to the forum First Circle: Uniting for Children that was held in 1999, and one of the recommendations at that forum was that there be at least three youth representatives appointed to each of the then 18 regional child and family authorities and that this also be done to school boards and youth justice committees. It's a question I hadn't asked at Committee of the Whole in terms of the makeup of the boards, and I would be interested if the minister has an outline of the kinds of groups that must be included on each of the boards. I think it would be in the interests of all of us to have that shared with the Assembly. I hope that that might be done at a later date.

With that, I think I'll conclude, and we'll be supporting Bill 22. Thank you.

The Deputy Speaker: The hon. Member for Calgary-Buffalo to close debate.

Mr. Cenaiko: Mr. Speaker, I'd like to close debate on Bill 22.

The Deputy Speaker: The hon. Member for Calgary-Buffalo has moved on behalf of the hon. Minister of Children's Services third reading of Bill 22, Child and Family Services Authorities Amendment Act, 2003. Does the Assembly agree to the motion for third reading?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? The motion is carried.

head: **Government Bills and Orders**

head: Second Reading

Bill 23

Family Support for Children with Disabilities Act

[Adjourned debate March 10: Dr. Massey]

The Deputy Speaker: The hon. Member for Red Deer-North, followed by Edmonton-Ellerslie.

Mrs. Jablonski: Thank you, Mr. Speaker. I'm pleased to speak to second reading of Bill 23, the Family Support for Children with Disabilities Act. I outlined the bill during our debate on second reading on March 10. I'd like to briefly go through some . . .

Speaker's Ruling Closing Debate

The Deputy Speaker: I'll have to check with the table, hon. member. My record shows that Red Deer-North has already spoken once to this bill at second reading, so the second one is not permissible. It was the hon. Member for Edmonton-Mill Woods that adjourned it.

Mrs. Jablonski: I'll close the debate.

The Deputy Speaker: I think so. Yes, that would close debate. The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. Before the next election everyone in here will figure out what the rules are. It's going to be just fine.

Debate Continued

Ms Carlson: I'm happy to have an opportunity to speak in second reading to Bill 23, the Family Support for Children with Disabilities Act. It's a bill that we've had an opportunity to send out to a few stakeholders and get some of their comments back. What this bill does is create a stand-alone act to provide services that were previously delivered under a specific section of the Child Welfare Act. We've raised a few concerns. We've had a few stakeholders who say that there aren't too many issues, and we've had some others who say that there are a lot. But, in essence, what it comes down to is that it seems like, as usual with government bills, the devil's going to be in the details, and the issues that we'll see as it rolls out will be within the regulations themselves.

9:10

We do have some very specific concerns that were brought up with regard to therapeutic services that are outlined in this particular act. The concerns that were raised were that there was no place in the act that actually instructed the director "to seek out either assessments or treatments which rely on evidence-based research." This is a professional in the field who gave us these comments, and I think that they are actually quite interesting and should be taken into consideration by the minister, and we hope that when we get into committee, she will get back to us on her interpretation of this particular concern that's being brought forward. This person talks about an analogy to medicine is that

it is demanded of the medical profession to practice within specific diagnostic and treatment guidelines developed on the basis of evidence-based research. No such demand is placed upon most non-medical therapy services provided to children with disabilities, even when such research is available [in such areas as] the provision of Early Intensive Behavioral Intervention . . . programs for children with autism.

So that's a problem. If we have an ability to go to evidence-based research, then clearly it seems to me that that's where we should go, but it isn't required as it stands right now. So they're not instructed to seek out and use "evidence-based treatments when they exist," and "no such demand is placed on the service providers."

What happens then is you may get less than optimal outcomes, which is not what we want when we're talking about kids, and certainly not what we've heard the minister ever talk about in this House. So what happens is that when they don't have those kinds of guidelines to work with, then the outcome is a lack of instruction. It means that those people who are rolling out the rules, the directors, aren't responsible for even knowing if the treatments exist and

what they would entail. So what this person is saying is that a great deal more structure is required in this particular area.

They go on to talk about:

The reason for pointing out this issue is that a lack of instruction to directors ensures that, at best, developments in the delivery of services to children with disabilities will be fragmented and not always moving in a positive direction.

So these days when we see cutbacks, financial constraints in programs, and we want to essentially get the best bang for the buck, that's not going to happen if you don't have really good plans laid out for how these kids are handled within this system.

He goes on again to give another medical comparison, and he talks about how "health would not be anywhere as good as it currently is if the medical establishment followed such wide open policies as suggested in this legislation." I think that is a very good comparison. There are very structured protocols in medicine, and he's saying that there is no reason why there couldn't be very structured protocols in this particular service to children with disabilities. So if the minister could tell us what the plan is there.

So that is exactly the issue that comes up in terms of the problem being with the regulations. We need to know with some certainty up front that there's a large framework built within the system so that as events unfold, there is a structured format or protocol to follow with decision trees helping to determine what the next stage of therapy can be. It is possible in this particular field because there is enough documented evidence to do this. He is concerned that this doesn't show up anywhere in this particular bill and that there are enough experts in the field to be able to determine treatments and options. Often what will happen is that directors will turn for information to whom they think is an expert, and it may not be as comprehensive or the best possible option. So this is, I think, something that needs to be talked about.

There's also, then, the issue that comes up in terms of regional autonomy and questions of who you go to there and who decides what the next stage of the protocol is. That's a problem when we see what's happened in this particular case, where there's a lot of regionalization happening and there isn't a comprehensive kind of framework from which decisions are being made. Some regions will have better access to resources and expert advice than others. There needs to be more structure within the bill. I don't think it's enough to leave it to the regulations. So if we can get the minister to comment about this when we get into committee, I think it would be very helpful if she can give us some idea. We've seen other bills where the regulations have been posted on the web site for people to take a look at and review, and it would be very helpful, I think, if we could see some of that happen with this particular bill.

There's always a bit of concern and apprehension when we change legislation that deals with children. We want to know that it isn't an experiment, that there are good, substantial reasons for proceeding in the fashion that we are, particularly when we talk about family support for children with disabilities, where there are often other kinds of extenuating circumstances in the family situation which means sometimes that the families themselves don't have access to enough resources to do the research themselves. They have to rely often on the system for guidance, and we need to ensure that that guidance is provided in the most comprehensive fashion; that is, provided by experts, that there are protocols that will be followed which will ensure that the needs of the children come first and foremost, that we're not looking at experimentation, that we're not looking at cost-cutting measures, that we're looking at providing the best possible service for these youngsters.

So with those concerns I'll wait and see in committee what the minister has to say about this particular bill – or perhaps the Member

for Red Deer-North can address some of them in her closing comments today – and make sure that we're moving forward with caution in this particular area. I think those are all of the comments I have at this time, and I'll wait to see what other people have to say on this bill.

Thank you, Mr. Speaker.

The Deputy Speaker: Any comments or questions?

I wonder if we might have unanimous consent to briefly revert to Bill 22.

[Unanimous consent granted]

head: **Government Bills and Orders**

head: Third Reading

Bill 22

Child and Family Services Authorities Amendment Act, 2003

(continued)

The Deputy Speaker: When we were finishing off Bill 22, the vote went in favour of third reading of Bill 22, and we have one more step to go.

The Clerk: Bill 22, Child and Family Services Authorities Amendment Act, 2003, is now read a third time.

head: **Government Bills and Orders**

head: Second Reading

Bill 23

Family Support for Children with Disabilities Act

(continued)

The Deputy Speaker: Okay. Are you ready to close debate, hon. Member for Red Deer-North?

Mrs. Jablonski: Thank you, Mr. Speaker. I'm very happy to be able to close debate this evening on Bill 23, the Family Support for Children with Disabilities Act.

First of all, I'd like to briefly go through some of the issues that were raised during the discussion in second reading. The hon. Member for Edmonton-Mill Woods asked for information about the consultation process with communities. This legislation has been developed through extensive consultation with and participation by parents of children with disabilities, community stakeholders, advocates, health professionals, and service providers. The Children's Services ministry will continue to work closely with parents and community partners in the implementation of this new and innovative program for disabled children and their families.

9:20

There was a concern that the bill medicalizes disabilities and that doctors are in charge of the medical diagnosis on which the determination of a disability is based. The proposed legislation does not adopt a medical model of disability. On the contrary, the provision of therapeutic services for a child will be based on an assessment of the child's ability to function in normal daily living. This approach is very clearly articulated in the bill.

The provision of family support services will be based on an initial determination that the child does indeed have a disability as that term is broadly defined in the legislation. However, there is no requirement that confirmation of the child's disabling condition or impairment be made by a physician. We clearly heard from stakeholders

that confirmation of the child's disabling condition should come from a medical professional qualified to make that particular diagnosis and that there should be flexibility in terms of the nature and level of detail of the diagnosis. The legislation provides for this flexibility.

An issue was also raised regarding the definition of disabilities. The definition of disability in the legislation is broad and is intended simply to identify those children and families the legislation is intended to serve. The definition applies only in the context of this legislation. It does not have the effect of redefining disability as set out in the Charter of Rights and Freedoms.

There has been an assertion that the act makes provision for income testing, which is alleged to be a departure from the original philosophy of the handicapped children's services program. This legislation recognizes and values the ability and responsibility of parents to care for and support their children. Stakeholders indicated to us very clearly that they do not want a financial assistance program. They want and need a program that supports them in fulfilling their responsibility as parents and meeting the extraordinary needs of their disabled children. This legislation will provide that support. The legislation does not provide for income testing. Rather, it will ensure that necessary supports are provided to families based on the particular extraordinary needs of that family and their ability to meet those needs. Expectations regarding parental cost sharing will be reflected in regulations developed in consultation with parents and other stakeholders. These expectations will take into account a parent's financial abilities and will ensure that cost sharing does not result in financial hardship to families or prevent access to necessary services.

In regard to the issue of the separation of family support services and therapeutic services we heard from stakeholders that family support services and therapeutic services are very distinctive kinds of services and that this distinction should be reflected in the provisions of this bill. Family support services are based on the families' needs and will support families in meeting the needs of their disabled children. The intent is to preserve and strengthen the family's capacity to promote their child's healthy growth and development. Therapeutic services are focused on the needs of the disabled child. The nature and level of service will be based on a functional assessment of the child.

Mr. Speaker, as I have said, we have consulted extensively with stakeholders about this legislation. The Alberta Association for Community Living has called this proposed legislation an historic moment in our country and has in fact commended the hon. Minister of Children's Services for her continuing commitment to involve families in the implementation of this legislation.

Thank you, Mr. Speaker, and I'm very pleased to move second reading of Bill 23.

[Motion carried; Bill 23 read a second time]

Bill 24 Child Welfare Amendment Act, 2003

[Adjourned debate March 10: Mr. Cenaiko]

The Deputy Speaker: The hon. Member for Calgary-Buffalo.

Mr. Cenaiko: Thank you, Mr. Speaker. I'm pleased to rise and speak to second reading of Bill 24, the Child Welfare Amendment Act, 2003. During our discussion on March 10 regarding second reading, I outlined the background of the review process for Alberta's Child Welfare Act and some of the changes being recommended in this bill. Recommendations for legislative changes have

placed greater emphasis on and accountability for the safety and well-being of children; permanent placements for children; the involvement of children and families in decision-making; the importance of respecting all cultures, ethnic backgrounds, and religions; and the importance of supporting youth who are in transition to adulthood.

Bill 24 will amend Alberta's child welfare legislation to improve the lives of children, youth, and families, Mr. Speaker. It will also strengthen the ability of the Children's Services ministry to support Alberta's children.

Thank you, Mr. Speaker. I move second reading of Bill 24, the Child Welfare Amendment Act, 2003.

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

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have the opportunity to make some comments at second reading of Bill 24. I appreciated the overview that the Member for Calgary-Buffalo provided the last time the bill was before the Assembly. The speaker at that time made a number of points about the legislation, and it prompted me to go back to the review that that member had been responsible for conducting for the government and the kinds of principles that were outlined in that review. Because we're in second reading and it's our opportunity to examine the principles on which the legislation is based, I think it's appropriate that we look at those principles and then, as we proceed to Committee of the Whole, make some judgments as to whether the principles as enunciated really are carried out in the details of the legislation. So I'd like to just visit some of those principles.

One of the very first recommendations has to do with the primary consideration of any legislation, that if there's going to be legislation amended or redeveloped, the focus had to be primarily on the impact of those changes on children and on their families and that it had to promote the best interests and the well-being of children. I think it's a principle that we can all agree upon, and it's one that I'm not sure is consistently carried out in the legislation. As I said, there'll be an opportunity when we move to committee to look at some specific instances where I believe that that may not be the case, but certainly it is a principle that's found in similar kinds of legislation. It's consistent with the kinds of things that were part of the Children's Forum, and the recommendations of the Children's Forum were very much in the spirit that any changes, any action that the government undertook had to promote the best interests, the protection, and the well-being of children. So it was the first principle that was recommended by the review, and it's a principle that we're going to be very vigilant in making sure the legislation actually reflects.

The second principle is one that I believe, in looking at some of the submissions, there was some disagreement about. The second principle that was recommended from the review was that "parents are responsible and accountable for providing their children with adequate care and supervision and ensuring their safety, protection, and well-being" and are "responsible for seeking support." There is a "but" applied to that principle as it was recommended, and that "but" was that it "should be clear that the best interests and safety of the child must take precedence over parental and community rights when children are in need of protection." So it seems to me that with this principle as it was recommended from the committee, there has been some discussion whether that obligation of those parents should take precedence over the best interests and the safety of children.

9:30

It says in the principle that that is the case, but by including the phrase and trying to put that burden on children, there has been

concern expressed that the children's best interests are going to be forfeited in some cases to trying to hold parents responsible for what we would hope they would take on as their responsibilities for their own youngsters, but we know from experience that that's not the case. So the principle that was enunciated is one that, again, is reflected in the legislation, and it's the whole role of parents and their responsibility that I think we have some questions about in terms of the details of the bill.

The third principle that the legislation is based on is that the legislation should be clear that any decisions that are made about children and family have to take into account their cultural, their spiritual, their religious, and their social heritage. It goes on as a principle to expand upon that, indicating that they have to maintain ties with extended families and community members where possible. And that – I go back to the Children's Forum – was a huge, huge issue in that particular forum in 1999, and that of course is with respect to aboriginal children. We've seen the kinds of difficulties in the province trying to work with those principles and the very sad things that have happened to children as a result of trying to adhere too rigidly to that principle.

We can all agree that that's the way it should be, but I think that at some point it has to be tempered with reality. We have to make sure that children are not sacrificed to a principle that insists that they be kept attached to a particular cultural or religious or social heritage. Again, it's a principle that is I think one we can agree upon, but I think it is also a principle that is being developed and has to be very, very carefully applied in practice. The principle talks specifically about aboriginal children, and as I indicated before, there have been some great difficulties in this area. The department has had to take some radical action when the department was trying to make sure that this principle was being respected with respect to the treatment of some aboriginal children in the province.

The next recommendation that came from the report had to do with increased accountability, and it indicated that "the rights of children, youth and families should be clearly identified in the legislation to increase accountability and ensure children's needs are being met." It says, "As well, children should be clearly informed of their rights." This is something that the Children's Advocate has mentioned time after time in reports and has been, I guess, somewhat disappointed that it hasn't been the case. He had examples, for instance, of children not even knowing that there was a case plan for them and their future, and often children were kept in the dark in terms of their relationship to the government and what was available to them.

It was quite acute when it came to youngsters as they reached the age of 18. I think that one of the good things, one of the changes the department has made is that that abrupt cutoff at 18 that was the practice in the past has been amended, and that is for many youth no longer the case. There's an effort to recognize that just because they reach the chronological age of 18, their needs continue and that many of them still need support as they try to make their way. So I think it's a good principle and it's one that's long overdue, and there are some specifics in the legislation that we'll be looking to amend, I think, in this area.

A further principle, I think the fifth, was that "services to children and families be provided in a manner that is supportive, least disruptive to the child and prevents the need for further interventions under the Act." Again, an important principle, you'd think one that would have been paramount in previous legislation and certainly one that would be acted upon in trying to support youngsters, but we know that that's not been the case. Examples of multiple placements of youngsters, the kind of instability as a result of the way that they have been handled have really resulted in some unfortunate things

happening to children that were in government care. So I think the principle of it being least disruptive to the child is an important one, and again I think it's consistent with the first principle, where that focus is on children and their needs.

The next principle is one that is concerned with permanency, and this again is related to the previous principle, something that's going to be least disruptive. The whole business of permanency is making sure that youngsters are not bounced from home to home and never do end up having the kind of stable life that we would hope for all children. This principle indicates that all children deserve "a safe, stable home" nurtured by a healthy family and that that is best done when they are in a permanent placement and that those placements are supported as a result of legislation. It's an area that I think is going to be difficult for the government; just because we pass the legislation, it's going to take a lot of hard work to make it a reality in the province. It's unfortunate, but the kinds of placements that are needed are not always available. The kind of climate that one would hope is created for youngsters to be placed in permanent situations has still to be created. Once the legislation comes into being, it's going to need a tremendous amount of work, and it's going to be interesting to see the kinds of specific programs and actions that the government will take to make sure that this principle that is behind the legislation is actually honoured in practice.

9:40

The last recommendation that came from the review was that under the current act "Albertans report any instances where there are probable grounds to believe a child may be in need of protection," and this "should be reinforced and strengthened in the new legislation." This is an important principle. There are a number of reasons why a child may be in need of protection – physical and emotional neglect, abuse of one kind or another – and if they don't have a guardian, we have to ensure that they're protected. It's again a most difficult area for the community to deal with, but I think we have to ensure that children are protected in terms of what happens to them emotionally and physically. It's an area that's fraught with all kinds of difficulties, and it's going to be, again, a really difficult area for the government to create the climate where we can assure ourselves that for the most part, as far as humanly possible, if children are in need of protection, that protection actually is there for them and that there's a process in place that will ensure that they'll get the help and be relieved of any kind of duress they may be under.

Those principles, Mr. Speaker, as I indicated, came from the review. I think they're principles that for the most part most of us can agree on with a couple of exceptions. As I said, we have taken those principles as they were laid out in the review, and we have put those principles against the elements of the act, the amendments before us, and tried to measure the changes in the act before us with respect to these principles. We've been looking for consistency, and we think that for the most part they are consistent, but there are some notable exceptions, and we'll take the opportunity to look at them when we move to Committee of the Whole.

I think with those comments, Mr. Speaker, I'll conclude. Thank you.

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

Ms Carlson: Thank you, Mr. Speaker. I'm happy to have an opportunity to speak to Bill 24, the Child Welfare Amendment Act, 2003. This is a pretty extensive bill. It's looking at some fairly extensive changes in legislation, and it's a bill that has certainly generated a lot of interest by a lot of people. I think it requires some very significant debate, and I'll be quite interested in hearing what

government members have to say about this piece of legislation, the recommendations that come forward, their thoughts on it in terms of the overriding principles, which is what I'll primarily speak about today because of course second reading is speaking in principle to the bill.

We've had lots of feedback from people on this in terms of the adoptions and so on, and I'll be tabling the information I've got when we get to committee and talking about some of those issues, but tonight I would like to spend most of my time, I think, referring to a submission that we have from the Alberta Civil Liberties Research Centre. They did a very comprehensive review of this bill and had some strong recommendations that they wanted to bring forward, and they primarily focus around the UN convention on the rights of the child. This is a convention that we have tried for many, many years to get the Alberta government to endorse and support, and what we've seen were some backhanded attempts. "We support it, but . . ." happened over the course of the years but not an outright endorsement.

So I'd like to just review that for a moment, because since the last time the UN convention on the rights of the child was intensively debated in this Legislature, we've had an election, and there are a number of new members that support the government's position who should really know the parameters of the discussion that they are making the decision on. I would hope that by doing that, we would see them change their stance and unilaterally endorse this convention, because it does establish very minimum standards for civil, political, economic, social, and cultural rights of children, not maximum standards but minimum standards. When we have a minister who likes to talk so much about her commitment to children and when we hear that echoed by people in this Legislature, then it seems to me that the very least we could be doing is endorsing minimum standards.

So the convention on the rights of the child requires countries to undertake all appropriate legislative, administrative, and other measures necessary to implement its provisions. Canada became a signatory in 1990 and played a key role in the development of this. The convention on the rights of the child has 41 articles, the majority of which deal with the protection of children. They talk about protecting

children from all forms of abuse and neglect perpetrated by those responsible for their care and to institute prevention and support programs as well as processes for identification, reporting, referral, investigation and treatment of incidences of child maltreatment . . . appropriate measures to promote the physical and psychological recovery and social reintegration . . . [and] children's basic right to survival and development, the right to belong to families and community, and civil and political rights.

So it promotes the concept that the child is an active subject of rights but also the importance of parents and family, which we think is all very good and which is covered in principle in many ways in this particular bill, some of which I agree with in how the bill has gone forward and some of which I don't.

In terms of their particular review of this bill, they have some concerns, and one of those is the office of the Children's Advocate, that it "may be eliminated because of the belief that there is no longer a need for a formal, centralized advocacy office under the new regionalization system of children's services." The Civil Liberties Research Centre strongly disagrees with that, and we strongly disagree with that as well. It really is an ill-founded belief. "The provision of service to children through . . . service delivery authorities could [very] easily result in children falling through the cracks." In fact, we have seen examples of that in the whole 10 years that I've been here, and we want to minimize that as much as possible. Certainly,

children in care need the Office of the Children's Advocate now more than ever. It is important to note that the existing program has been very successful and has served as a model for advocacy programs in other jurisdictions.

So we would very much like to see that continue, as would the Civil Liberties Research Centre. If that could be talked about and discussed in committee, we would appreciate that.

The children's rights charter also talks about children's views being heard.

The Office of the Children's Advocate provides children with an effective complaints procedure regarding the services they receive and access to appropriate advice and independent advocacy, as required by both provisions.

9:50

The recommendation from the Alberta Civil Liberties Research Centre is that

the Office of the Children's Advocate be maintained in the new legislation and that the Office's mandate be extended to include children who have applied for but been denied protective services, children making reports of abuse or neglect to child welfare authorities, as well as those who are particularly vulnerable – such as those children subject to the Protection of Children Involved in Prostitution Act.

So that is a strong recommendation that they come out with.

They also talk about the best interests of the child being strengthened. Another recommendation they have is that section 2 of the act be strengthened. "It should be made clear in the new Act that the best interests of children should be the overarching consideration when making decisions about their welfare and protection," something our caucus also supports.

They have a third recommendation here, and that is entitled Views of the Child. They recommend that "a high priority be given in the new legislation to respecting the views of children." You don't see that actually enacted in this legislation. We may hear that that's the intent. We'd like to see it in writing. We don't want to see it happen in regulations. It needs to be enshrined in legislation in terms of three overriding priorities for this act.

They then go on to talk about specific issues they have, and they provide a discussion of the concerns they have with the current legislation which they believe should be addressed in this new piece that we see before us. One of those is the qualifications of child welfare workers. If you go to the charter – that's the convention on the rights of children – and you go to article 3(3), it

calls on countries to ensure that institutions, services and facilities responsible for the care and protection of children conform with standards established by competent authorities, particularly with respect to health and safety and the number, suitability and supervision of staff.

So this is something signed onto by Canada that should happen.

They talk there specifically in the regulations about persons qualified to be appointed as child welfare workers if they're employed by the department of social services at the time that the act came into force or who are registered social workers and hold appropriate education or are deemed by the minister to be qualified to do the job based on academic qualifications and experience. These workers, as we know very well, are the backbone of the child welfare system, and they perform the vast majority of the duties and responsibilities and really need to be highly qualified to do their job. So when the minister gets broad discretion with respect to appointments, the general regulation provides for the watering down of qualifications and standards. As a caucus we see that as a major concern, and the Civil Liberties Research Centre also does. Their recommendation is that

high minimum standards for qualifications for child welfare

workers be established under the new legislation and that these be applicable across the province. This is particularly important under the current regionalization process, in order to ensure high quality service provision across the province.

In addition, I would like to add that we see this as an increasing concern with the amount of contracting out there is. There have to be very strict guidelines and there has to be strict protocol in terms of qualifications, because otherwise there just aren't enough checks and balances in the system. If you don't have effective monitoring in place, which we have seen time and again does not happen with this particular government, then we're going to run into problems with the kids. One of the ways to circumvent those problems is to ensure that those workers who are the frontline workers have a high minimum standard of qualifications. So we'd like to see the minister's comments on that. That would be very good.

In terms of their discussion on the rights of children in care, the Civil Liberties Research Centre talks about:

Although current legislation recognizes and respects children's rights in a number of different ways, we believe that what is lacking is a clear and distinct statement of the rights children in care are entitled to.

They would like to see this statement provide an interpretive guide for those making decisions under the legislation. The rights statements included in the new act should mirror those provided in the charter under the United Nations convention for the rights of the child, and those would include such things as key rights for children, which are

- Freedom of thought, conscience and religion
- Freedom of expression
- Freedom of association
- Right to privacy
- Right of access to high quality health care services and treatment
- Right to a standard of living adequate for the child's physical, spiritual, mental, moral and social development
- Right to an education
- Right to be protected from all forms of violence
- Right of children who are Aboriginal or who are members of ethnic, religious or linguistic minorities to enjoy their own culture, to profess and practice their own religion or to use their own language in community with other members of their group.

The recommendation that comes forward from the Alberta Civil Liberties Research Centre is that these rights

be incorporated into the new legislation. This could be done by referring to the [United Nations convention on the rights of the child] in the body of the legislation or appending it to the legislation.

So what I hear is that it isn't enough to say that that's the intent. They want to see it written right into the legislation.

Another concern they have is in terms of the recognition of evolving capacities of children. They talk about how

the current legislation enables children to participate in the child welfare process at different ages. Under sections 8 and 9 of the Act . . . child welfare authorities may enter into support and custody agreements with children 16 years of age or older who are in need of protective services and living independently. Throughout Part 3, as well as other parts of the Act, children 12 years of age or older acquire certain rights to participate in proceedings and be consulted with regard to matters which affect them. Section 30(4) . . . specifies that children 12 years of age or older who are the subject of temporary guardianship orders can apply to court for an order prescribing access to the child's guardian or other individuals.

Mr. Speaker, the convention on the rights of the child recognizes and respects the capacity of children who possess sufficient understanding to make decisions and participate in the

child welfare process. The current legislation certainly acknowledges this principle. However, in establishing a rigid age limit, the Act precludes the participation of younger children at risk who possess sufficient understanding of the matters in issue.

So the Alberta Civil Liberties Research Centre recommends that the use of benchmark ages for participation in the new legislation be qualified to allow younger children who possess sufficient understanding of their circumstances to fully participate in decisions affecting their care.

The Deputy Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Mr. Speaker. It is indeed a pleasure to rise this evening and speak to Bill 24, the Child Welfare Amendment Act, 2003. I would also like to thank the hon. Member for Calgary-Buffalo for the tremendous amount of work that obviously went into consultation with many, many people throughout the province and certainly for providing the report *Strengthening Families, Children and Youth: Report and Recommendations from the Child Welfare Act Review, 2002*. It certainly indicates the great concern that all of us in this Assembly have for children in this province, particularly those children, the most vulnerable members of our society, who for whatever reasons have had the need for some type of intervention in their living standards.

As we have seen from the bill, it is a very, very extensive bill, as it should be. It's certainly a bill that we do have to get right the first time because we are dealing with children and in many cases children who are in their formative years, and I think it is essential that we get it right. We certainly don't want a situation that we had here a few years ago where we put forward the notion that 200 hours of kindergarten would be adequate for children per year, and very quickly we learned the errors of those ways.

10:00

In looking at the report *Strengthening Families, Children and Youth*, one of the things that I'd like to focus on tonight in my discussion is the statements under *Our Vision and Values*. These are outlined in that review, and these are the principles that we are looking for in this legislation. We're looking for the details that will support these visions and values. Certainly, one principle and belief that has helped shape these recommendations is that "the best interests and well-being of children come first. Every child in Alberta deserves a safe, stable home where they are nurtured by healthy families." It is something that we want for all children and is certainly something that all children deserve. In a province that is so blessed as we are with the resources that we have, then it is a situation where no child should go without.

I think that, as well, when we are looking at the principles that were in the report and the principles that we see in the legislation, Mr. Speaker, we all realize that children are best served in "loving, stable, nurturing and sustainable relationships" and that these are absolutely paramount in the development of any child, and in order to have that stability, children need some type of permanence in a situation. I look at this particular bill, and certainly many, many of the recommendations and principles that are enshrined in this bill point to permanence in those situations.

In looking over the bill, one area I'd like to focus on with my comments tonight is what is in the way of adoption here in the province and the rules for adoption here in the province. I'm looking in the bill, particularly section 63, which will allow for a private process for adoptions. This here has caused me a great deal of concern, and also it has caused many others in this province a great deal of concern. In reviewing the report that I referred to

previously, I look at recommendation 7.2, which states:

Paramount consideration should be given to the best interests of a child in any adoption. This should be reflected in the legislation and could include:

- the child's views and wishes if they can be expressed;
- the benefits to the child of stability, cultural and family ties;
- the effects of delays in decision-making;
- the mental, emotional and physical needs of the child and stage of development; and
- the importance of a positive relationship with a parent and family.

These are very, very good recommendations. It goes on to say, "In the case of an Aboriginal child, the uniqueness of culture, heritage, spirituality and traditions must be respected." Of course, that is a further addition to recommendation 7.2 which I think is extremely important.

Where the difficulty arises in this particular bill – and I've pointed out section 63 – is that there seems to be a huge problem here in that we have what is stated in recommendation 7.2 and we look at recommendation 7.5, which states:

All private-direct adoptions should be allowed to proceed through the relative/step-parent placement process without involving a licensed agency or requiring a home assessment, unless requested by the birth parent or the courts.

The current legislation requires that a licensed agency process private-direct adoptions, including the provision of a home assessment to the court. This process is costly and intrusive and may delay permanency planning.

Safeguards would be built into private-direct, relative and step-parent adoptions by requiring people seeking to adopt to file information on any previous involvement in child protection or criminal activity with the application to adopt. The courts could request a home study if it was felt that one was warranted by the circumstances.

So in recommendation 7.2, where we are making many, many different rules or recommendations as to how we can best ensure the placement of a child, we flip-flop and go almost to the entire opposite in recommendation 7.5. So where we have had some very, very stringent controls in all other types of adoptions that we allow in this province, we certainly in this particular case don't have these stringent guidelines. So one of the problems that we have with recommendation 7.5 is that it is almost a do-it-yourself process when it comes to adoption.

Now, I had a meeting with a constituent roughly a month ago, and with that meeting this fellow had just celebrated the first anniversary of his adoption of a child, and he had gone to the point of telling me what type of a process it was that he and his wife had to go through in order to adopt this two-year-old boy, and it was extremely stringent and it was thorough. At the point where it was not determined yet whether the person was going to recommend that they be allowed to adopt this child, the process was so intrusive that

he and his wife were almost ready to pull out of their request to adopt. When this was all done, what the worker and what they went through was quite the opposite. When she finally indicated that they could adopt this child, everyone broke down and cried. The worker informed them that this was certainly part of the process and part of what she had to do in order that that child was going to be going into a loving environment, a safe environment, an environment that would nurture this child and help it develop as all of us would hope.

So in that particular case I could fully agree with recommendation 7.2, yet in 7.5 we have a situation where we could have a young parent who puts her child up for adoption – and it can be arranged through the family – and there's absolutely no screening as to what type of a home this child is going to. We don't have any background on the adoptive parents. Usually this would be a friend of the family or perhaps a distant relative or a relative, and we are putting children into an environment where we don't know that they're going to be safe.

Those are some of my major concerns so far that I have seen with Bill 24, and I think that it is something that we certainly have to look much more closely at in Committee of the Whole.

So, Mr. Speaker, at this particular time I would like to take my seat and listen to other members speak on this very important bill. Thank you.

10:10

[Motion carried; Bill 24 read a second time]

Bill 12

Financial Sector Statutes Amendment Act, 2003

[Adjourned debate March 11: Mr. Magnus]

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

Ms Carlson: Thank you, Mr. Speaker. Bill 12, the Financial Sector Statutes Amendment Act, 2003, has not been in our possession for very long. We are waiting for more stakeholder participation to be delivered to us. So with that and given the hour, I would like to adjourn debate at this time.

[Motion carried]

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

Mr. Zwozdesky: Thank you, Mr. Speaker. Some very good progress tonight, as always on Mondays. With that, I would move that we now call it adjournment time until tomorrow at 1:30 p.m.

[Motion carried; at 10:13 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, April 8, 2003**

1:30 p.m.

Date: 2003/04/08

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. Our Father, we thank You for Your abundant blessings to our province and ourselves. We ask You to ensure to us Your guidance and the will to follow it. Amen.

Please be seated.

head: **Introduction of Visitors**

Mr. Mar: Mr. Speaker, it's a great pleasure for me to rise today and introduce to you and to members of the Assembly actually somebody who needs no introduction to you, sir. It is Mr. Sine Chadi, who is sitting in your gallery, an honorary member of the Mah Society. I would want to acknowledge his presence here today with some other guests that I understand are being introduced by others today. As you know, Mr. Chadi served in the 23rd Legislature of this Assembly as the Member of the Legislative Assembly for Edmonton-Roper. I'd ask that hon. members please give their ordinary and customary warm welcome to this member.

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

Mr. Amery: Thank you, Mr. Speaker. It is indeed my pleasure to rise today and introduce to you and through you to members of the Assembly a visitor from the country of Lebanon. His Worship Mayor Nazir Tarabay is seated in your gallery. He is the mayor of the town of Lala in the Biqa region of Lebanon.

An Hon. Member: Moe Town.

Mr. Amery: Moe Town. That's right.

The town of Lala has very strong ties and deep roots in this province. As a matter of fact, some of Lala's sons and daughters have made Canada home since 1895, including my own grandfather, who came to Brandon, Manitoba, in 1898. Lala's community is estimated to be around 5,000 people, strong and committed Albertans located in Edmonton, Calgary, Lac La Biche, and Fort McMurray. I understand that the mayor is making a proposal to twin the town of Lala with the town of Lac La Biche, and I wish him well. The community is really honored to have Mr. Tarabay with us.

Also, along with Mr. Tarabay is Mr. Bill Tarrabain, his uncle. He's a well-known businessman in the city of Edmonton, and he has been living in Edmonton since 1951. Also we have Mr. Moe Assaf, another well-known Edmonton businessman. I'd ask the Assembly to give them the traditional warm welcome.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. It is an honour and privilege today to introduce to you and through you to the Legislative Assembly 22 guests from Rosemary, Alberta. They're led by the principal, Mr. David Blumell, and I will say that this is the 10th year in a row that I have introduced the school from Rosemary led by Mr. Blumell and I believe about the 15th year in a row that they have been here. Parent helpers are Wanda Doerksen, Carol Reid, Lori

Hall, Pam Norton, Rick Baerg, and Fern Nickel. I would ask them all to rise and receive the warm welcome of the Legislative Assembly.

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

Mr. McClelland: Thank you, Mr. Speaker. To you and through you to Members of the Legislative Assembly it's my great pleasure to introduce 75 students and their teachers and parent helpers representing St. Teresa's Catholic elementary school in Edmonton in the constituency of Edmonton-Rutherford. They are led by Mrs. Camille Kauhaahaa-Hamel, Mr. Charles Stuart, and teacher's aide Mrs. Debbie McDougall. The parent helpers are Mrs. Anne Lupushinsky, Mrs. Shannon Van Soest, Mrs. Jackie Wraight, Mrs. Lori Bredo, Mrs. Susan Garbutt, Mrs. Janice Kozicky, Mrs. Annette Fry, and Mrs. Karen Harasymchuk. I apologize for some of those names which may have been mangled, but that doesn't deter from the warm welcome of the Assembly to the students and teachers.

Thank you.

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

Mr. Herard: Thank you, Mr. Speaker. I'm extremely honoured today to introduce to you and through you to the members of the Assembly a fantastic couple from Calgary-Egmont. Earl and Judy Morris have been volunteers extraordinaire in our community for at least the last 25 years that I've known them and have made a tremendous difference in all the communities that they've lived in. Judy is not only currently involved in youth justice initiatives, but she's also the president of the Calgary-Egmont PC Association. I'd like them to rise and receive the warm welcome of the Assembly.

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

Mr. MacDonald: Thank you, Mr. Speaker. It's a pleasure to introduce to you and through you to all hon. Members of this Legislative Assembly 18 students from Hardisty junior high. The students are accompanied today by their teacher, Mrs. Sharon Lougheed, and parent helpers who have been gracious and kind with their time, Mrs. St. John and Mrs. Hauer. Now, Mrs. Sharon Lougheed follows with a great deal of interest and pride the political career of the hon. Member for Clover Bar-Fort Saskatchewan. The delegation is in the members' gallery, and I would now ask them to rise and receive the warm and traditional welcome of this Assembly.

Thank you.

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

Mr. Cenaiko: Thank you very much, Mr. Speaker. It's an honour for me to rise and introduce to you and through you to members of this Assembly a good friend, a constituent of Calgary-Buffalo, and a volunteer during the election. Steve Moran is the manager of government relations for NOVA Chemicals, and I'd ask Steve to rise and receive the warm welcome of this Assembly.

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

Dr. Massey: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to members of the Assembly Ed Butler. Ed Butler is a longtime friend. He's also the principal of Parkdale school in Edmonton and has been losing a lot of sleep recently trying to cope with the demands of an inner-city school in the face of some rather devastating budget cut projections. He's hoping he'll have

some relief later this afternoon. With permission I'd ask Ed to stand and receive the traditional welcome of the House.

The Speaker: The hon. Member for Little Bow.

Mr. McFarland: Thank you, Mr. Speaker. So often members of the Assembly are here and they've left a lot of family members at home. Today I've spotted a couple of people that I would like to introduce to the Legislative Assembly. If it weren't for them where they are, probably a couple of our colleagues wouldn't be here where they are today. I would ask that Angie Goudreau, who is the wife of the Member for Dunvegan, and Jan Marz, who is the wife of the MLA for Olds-Didsbury-Three Hills, to please stand and receive a warm welcome.

The Speaker: The hon. Minister of Revenue.

Mr. Melchin: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and to members of this Assembly two good friends of mine who are in the members' gallery today, Don Severs and Carleen Severs. Don is part of the reason why I'm still here. He was my campaign manager for the last two times. He works with me in my constituency office. I'd ask that they please rise. They're great friends.

Thank you.

1:40 head: Oral Question Period

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

Education Funding

Dr. Nicol: Thanks, Mr. Speaker. When the Edmonton school board spoke out about its financial problems, the Minister of Learning sent in an audit team. The minister is blaming the school board for failing to budget for a teachers' salary increase of over 6 percent when according to his own press release from 2001 the additional funds were not exclusively for salaries but instead "local priorities such as enhanced literacy, class sizes." To the Minister of Learning: why does the minister now say that the money that he promised the classroom should be set aside for salaries?

Dr. Oberg: Mr. Speaker, as the Legislative Assembly I'm sure knows and can remember – and I would suggest to the hon. Leader of the Opposition to read *Hansard* from those times, read the press releases that were put out. What it stated is that 6 percent must go to teachers' salaries; there must be the minimum of 6 percent. The other 3 and a half percent and 3 percent: it would be up to the local school boards and the local teachers' associations to decide where those dollars would go. Take a look back in *Hansard*, and I think you'll find very much a consistency in that theme.

Dr. Nicol: Mr. Speaker, why doesn't the minister admit that he created this crisis by refusing to fund the salary settlement that his own arbitrator established?

Dr. Oberg: Well, Mr. Speaker, there are about three or four questions in that one question. First of all, when you talk about our own arbitrator, there was one arbitrator that was appointed by government, there was one appointed by the ATA, and there was one appointed by the School Boards Association in the binding arbitration that had been asked for by the participants. Included in that settlement was approximately \$260 million that was the cost of the

teachers' settlement. There has been \$298 million provided to the school boards. With direct respect to the Edmonton public school board there was \$38.6 million utilized for teachers' salaries, and they received \$41 million over that time frame.

Dr. Nicol: To the minister. When the arbitration process recommended that salary increase, then he gave the money, saying that there should be money left for classroom size and literacy. Where does that extra dollar come from when it's not there based on the arbitrated settlement?

Dr. Oberg: Well, Mr. Speaker, that is a very good question, because what has happened is that we budgeted for a huge amount of dollars to go to the school boards. There's roughly \$290 million that went in in a period of two years, a large amount of dollars. The arbitration settlement came in and, in essence, took the majority of those dollars to be utilized for teachers' salaries, and that's what arbitration settlements are about. It's sitting down and looking at both sides and coming up with an agreement. That's what happened. I would remind the hon. Leader of the Opposition that there is a budget coming in today and for him to wait until later on this afternoon.

Dr. Nicol: Still to the Minister of Learning: is it the policy of this minister to audit all school boards in financial difficulty or only those boards that speak out about underfunding?

Dr. Oberg: Well, Mr. Speaker, if the hon. member remembers, approximately two months ago Edmonton public came in with a 13 and a half million dollar deficit in a press release. Thirteen and a half million dollars is a very significant amount. I don't think anyone in this Assembly, anyone in the gallery, or anyone in Alberta would expect me to sign a cheque saying: here is 13 and a half million dollars; no questions asked. What we did is we went in and took a look, and as I reported yesterday, we found some very interesting things. Some mistakes were made, some dollars were spent where they probably shouldn't be spent. In direct response to the question, any school board that wants help to take a look at their budget, we certainly will. We are stretched thin in our own department – it was an internal review that was done by my own department staff – but we will certainly help to the best of our ability.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Dr. Nicol: Mr. Speaker, I was just going to bring him down, and you're cutting me off.

Will the minister's audit of the Edmonton public school board provide any comfort to Edmonton students and parents when the school board is still predicting teacher layoffs for next year?

Dr. Oberg: Well, Mr. Speaker, absolutely. What we represented here in this audit is that we found ways to get their deficit down to \$5 million, in essence, without touching their actual budget. They are only expected to come up with \$1.6 million, and \$1.6 million, obviously, is a lot of money, but when you have close to a \$600 million budget, there should be no reason why they can't find \$1.6 million. All the other money has been provided. We have taken a very close look at their books. We have decided that \$5 million can be carried forward over the next three years, so again \$1.67 million that they can make payments on over the next three years. I see absolutely no reason in looking at this audit why Edmonton public can't live within their financial means. I believe that they owe it to the taxpayers of this province and the taxpayers of Edmonton to come in with a balanced budget.

Dr. Nicol: Mr. Speaker, doesn't the fact that he's forcing them to reduce that deficit in the next year in effect mean bigger cuts next year as well?

Dr. Oberg: Mr. Speaker, again I will remind the hon. Leader of the Opposition that we're talking about \$1.6 million. The majority of school boards in this province have an average of 10 days of operating surplus that they set aside for rainy day funds. The Edmonton public school system at \$1.67 million would be I believe — and my math may or may not be correct on this one — a little over a day of operating surplus. That is something that they should be able to do. We certainly will be monitoring them. We will be looking at them, and more importantly we will continue to work with them because it is in no one's best interest to have a school board who is going to be running deficits of taxpayers' — taxpayers' — dollars.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Workplace Safety

Mr. MacDonald: Thank you, Mr. Speaker. In the year 2002, unfortunately, it has been reported that 101 Albertans were killed in work site accidents. To the Minister of Human Resources and Employment: how many of these workplace fatalities were caused by excessive alcohol or drug use at the job site?

Mr. Dunford: It's a very good question, and I don't know the answer to it. He raises an excellent point, and it's the reason that this government has become very, very serious about incidents. He wants to call them accidents, and I don't believe in that. There were preventable incidents that occurred in every one of those 101 cases that he's talking about. Also, accident somehow means, you know, that it wasn't anybody's responsibility; it was just something that happened.

I would ask all members, when we deal with this particular area, that we no longer use that word. I understand that there are reasons that that word gets used, and it's even in our legislation. But as we talk about what goes on in the workplace, we want to talk from now on about an incident because incident will denote responsibility, and that's what we're trying to get to here. We're trying to get people to accept the responsibility to be safe and not sorry on the work site, and that means not just the employers, but that means the employees as well. We have to do a better job of looking out for those that work around us and work with us. It's an interesting situation.

Part of our WorkSafe Alberta, by the way, and I guess to get to the specific question, is to really look at the incidents that were related to substance abuse and try to find some way, Mr. Speaker, that we can do more at the workplace site with due regard to human rights, due regard to freedom of information and protection of privacy. It's part of our initiative that we're going forward on with WorkSafe Alberta, and I think he's on an excellent point here.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the same minister: in the initiative that has just been announced by the hon. Minister of Human Resources and Employment, why do we need a secret committee to study compulsory alcohol and drug testing in the workplace?

Mr. Dunford: Well, I don't think we do. I'm not sure where the

hon. member is coming from in his question. We certainly are putting committees together to look at many of the facets of this WorkSafe Alberta initiative. I guess it's so secret, Mr. Speaker, that I'm not even aware of it.

1:50

Mr. MacDonald: Again to the same minister, Mr. Speaker: if this secret committee becomes public, will the stakeholders of this province be invited to make submissions to the committee or will it continue to gather and work in secret as it is now?

The Speaker: There's a virtual world here, hon. minister.

Mr. Dunford: No. I understand. I don't want to trivialize this matter in any way. I mean, we can see that the hon. member has left himself wide open for, you know, some remarks that might come from me, but I don't want to do that in this particular case because it is just too serious.

What we're trying to do with WorkSafe Alberta, Mr. Speaker, is find a way to get to all aspects of the Alberta economy. I speak at many public forums about WorkSafe Alberta, but I find that time after time after time I'm speaking to the converted. It's the unconverted that we really have to get to, and I'm hopeful that perhaps they're watching question period today, perhaps they read *Hansard*, but I doubt it, and we have to do a better job of getting out to those that either don't know about workplace safety and the responsibilities that they have or don't care. Now, if they don't care, of course we'll find out who they are and we'll be there to be responsible.

The Speaker: The hon. leader of the third party, followed by the hon. Member for Clover Bar-Fort Saskatchewan.

Edmonton Public School Board Operational Review

Dr. Pannu: Thank you, Mr. Speaker. The operational review of Edmonton public schools is a politically motivated attack designed to punish a school board for going public with its concerns about provincial underfunding. The review was done by officials who report to the minister. They do what he tells them to do. The review was also full of mistruths and factual errors and quite frankly should be assigned to the trash can. My questions are to the Minister of Learning. Why should Albertans believe the findings of a review done by a team that's neither impartial nor independent and was written by officials who the minister can fire and hire?

Dr. Oberg: Mr. Speaker, I would quite simply challenge the hon. leader of the third party to find anything that is in this document that is not completely one hundred percent reliable.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: why did the minister smear Edmonton public's elected trustees by claiming that they failed to provide for teacher salary increases in April 2002 school budgets when the board in fact set 6 percent aside in a contingency fund for salary increases?

Dr. Oberg: Because they did not, Mr. Speaker.

Dr. Pannu: To the Minister of Human Resources and Employment this time. Maybe I'll have better luck, Mr. Speaker. Can the minister confirm that had Edmonton public specified a fixed percentage for salary increases in the April 2002 school budget when

negotiations on the ATA collective agreement were still under way, Edmonton public could have been hauled before the Labour Relations Board for bargaining in bad faith?

Mr. Dunford: A straight answer?

The Speaker: First of all, it violates the rules to ask for an interpretation of a statute, so I'm waiting with anticipated anticipation for what the response is going to be.

Mr. Dunford: Well, I was going to say that I thought it was a hypothetical, and I'm not sure as a minister responsible that I'm obligated in this forum to deal with hypotheticals.

The Speaker: The hon. Member for Clover Bar-Fort Saskatchewan, followed by the hon. Member for Edmonton-Riverview.

Electricity Distribution Costs

Mr. Lougheed: Thank you. Mr. Speaker, many residents of my constituency have expressed concern or even anger about the distribution costs that appear on their electricity bills. They feel that under the regulated system they paid for the poles, they paid for the lines, they paid for the entire system. They see no maintenance or replacement, little meter reading, but the distribution costs can approach the generation costs. Can the Minister of Energy explain why those costs are so high?

Mr. Smith: Mr. Speaker, electricity wires are an investment. As a matter of fact, they're a very good investment in Alberta, and a lot hasn't been done in the last 17 years to build new transmission wires. With the existing transmission wires and those companies that operate them – and those are AltaLink and Aquila and ATCO – each year this group comes before the Energy and Utilities Board, and they talk about the period of depreciation of the wires. They talk about the cost of maintenance, the cost of repairs, upgrades, expansions, changes to a growing Alberta population that's increased by some 500,000 over the last six or seven years. These wire charges are tabled in front of the Alberta Energy and Utilities Board on an annual basis subject to very rigorous inspection and subject also to intervenors who are able to challenge and oppose the requested changes. At this time the EUB makes a ruling, and if there's a charge, that charge is then associated with the particular year of operation and is put forward. Today that distribution tariff is now about 20 to 25 percent of your total electricity bill, and they represent an unbundling which occurred in the bill breakdown of the year 2000.

Mr. Lougheed: Again, Mr. Speaker, to the Minister of Energy: since the EUB approves the distribution costs for, in my area, Aquila, do they also approve the distribution costs for the farmer-owned rural electrification associations in the same area, and how do those costs compare?

Mr. Smith: Well, it's a good technical question. It shows evidence that the member knows what he's talking about. Mr. Speaker, the REAs, the rural electrification associations, provide about 54 megawatts of power in an 8,700 megawatt grid. The distribution charges for rural electrification association customers are approved by the REA board of directors. Deferral accounts are approved by the AEUB as part of the rural electrification farm rate in the Aquila tariffs. Again, there were intervenors from the Alberta Federation of Rural Electrification Associations. They participated in the hearings

and supported the methodology for collecting these deferral accounts. Now, the line items on a typical REA bill are similar to those of other wire service providers. The charges include an energy charge, a distribution tariff, and a system access charge.

The Speaker: The hon. member.

Mr. Lougheed: Thank you. Mr. Speaker, could the minister further advise us that if the EUB approved the sale of TransAlta distribution system to UtiliCorp and then on to Aquila and if that regulated system built the distribution system, then would the cost of that system to purchase have been zero?

Mr. Smith: Well, Mr. Speaker, again, clearly showing detailed knowledge of the topic. Both sales were reviewed and approved by the AEUB. Now, the EUB, the Energy and Utilities Board, followed the standard hearing process for the sale of electric distribution and retail assets. Stakeholders that represent a wide spectrum of Alberta's electrical industry and consumer groups also were registered as participants and, in fact, intervenors in the hearing. So the Energy and Utilities Board put conditions in the approval to ensure that customers do not incur any additional costs as a result of the premium paid by Aquila. This would be the amount known as goodwill. This premium, some hundred-plus million dollars, will not be recovered from customers through distribution rates, and that is continuing on in further hearings on a year-by-year basis by the EUB with respect to the Aquila network.

Now, customers, Mr. Speaker, do not own the distribution system. The wire service in Alberta is provided by private companies who own the wire network. This part is still a regulated monopoly. It's a service enjoyed by all Albertans, and this part of the business will continue to be regulated by the same process as it had prior to the year 2000.

The Speaker: The hon. Member for Edmonton-Riverview, followed by the hon. Member for Calgary-Bow.

Personal Health Information

Dr. Taft: Thank you, Mr. Speaker. Physicians are under pressure from drug and health care corporations to prescribe certain drugs or recommend certain procedures. Recently the Information and Privacy Commissioner took a step that should reduce some of this pressure, prohibiting pharmacies from selling information on the prescribing patterns of individual physicians. This information was being sold to drug companies so they could target marketing campaigns at individual doctors. To the Minister of Health and Wellness: does the minister support the Privacy Commissioner's ruling?

2:00

Mr. Mar: In fact yes, Mr. Speaker.

Dr. Taft: What further steps will this minister take to ensure that physicians and other health professionals are protected from relentless marketing pressure from drug companies, private diagnostic companies, and health supply companies?

Mr. Mar: Well, Mr. Speaker, the hon. member referred to the legislation that the Privacy Commissioner works under, and if there are future issues that arise under the legislation that we've already put in place, then I'm sure we'll deal with it accordingly.

Dr. Taft: Well, given that this ruling of the Privacy Commissioner

raises serious concerns about the use of personal health information in the hands of for-profit marketers, why do the confidentiality provisions in the Health Information Act not apply to health information in the private, for-profit sector?

Mr. Mar: Mr. Speaker, this has not risen as an issue, and accordingly it hasn't been dealt with.

The Speaker: The hon. Member for Calgary-Bow, followed by the hon. Member for Edmonton-Glengarry.

Severe Acute Respiratory Syndrome

Ms DeLong: Thank you, Mr. Speaker. Of the more than 3 million people in Alberta, so far zero have died from severe acute respiratory syndrome, or SARS, yet I am getting calls from constituents concerned about whether we are prepared as a government for a possible outbreak. First to the Minister of Health and Wellness: what are we recommending if someone thinks that they do have SARS?

Mr. Mar: Well, Mr. Speaker, we have been placing ads in the newspapers informing individuals that think that they may have SARS, severe acute respiratory syndrome, to phone, first of all, to a health link line or to their own physician so that appropriate measures can be taken with respect to isolation if it's required. We are engaged in a rather large public information campaign. This is something that we have worked on in establishing guidelines nationally with the federal Ministry of Health as well as our counterparts in other parts of the country. Our provincial health officer, Dr. Nicholas Bayliss, has been in contact with his counterparts in Ontario and in other parts of the country, as have I, and certainly letting people know the steps to take in the event that they believe that they have SARS is the first step that we need to take in order to ensure that the risk of SARS to Albertans remains low.

The Speaker: The hon. member.

Ms DeLong: Thank you. My next question is also to the Minister of Health and Wellness. What capability does the government have access to in terms of quarantines if necessary?

Mr. Mar: Mr. Speaker, treatment and isolation of any illness is the responsibility of the regional health authorities, and there are isolation rooms where necessary throughout the province. Of course, we have also been relying on individuals staying at home and being voluntarily isolated at home in order to minimize the spread of the disease. In the event of a widespread health emergency the need for isolation and quarantine facilities would be considered, and that we would do with the assistance of regional health authorities.

We are, Mr. Speaker, fortunate to have the advantage of knowing more information about this particular illness at this point and of measures required to contain its spread, and this has been as a result of being in close contact with our counterparts in other parts of Canada, particularly Ontario, where SARS has been more prevalent than it is here. Public health guidelines for SARS include measures like patient isolation in order to protect the public and health care workers. We do have legislation under the Public Health Act that governs the guidelines and the circumstances under which individuals can be isolated by way of order if they refuse to do so voluntarily.

Ms DeLong: In the event of an outbreak are alternative treatment facilities available for SARS patients?

Mr. Mar: Well, let me say first of all, Mr. Speaker, that in my discussions with our provincial health officer, Dr. Bayliss, he advises me that the risk to Albertans of being infected with SARS is extremely low. Certainly, a travel history to affected areas is one important factor, but even there the risk is small. Close exposure to a known SARS case does carry a higher risk with it. We have six cases of suspected SARS in Alberta at this particular time. Other people who have been previously suspected of having SARS have in fact been found to have either recovered or not to have had SARS in the first place.

Mr. Speaker, with that background I will say that regional health authorities are prepared to deal with a more widespread case. There is a plan in place to deal with this, but of course our first measure is to try and prevent its transmission in the first place.

Vehicle Registration

Mr. Bonner: Mr. Speaker, it has been brought to my attention that a well-known truck rental company has been employing a disproportionate number of vehicles in Alberta that possess Arizona licence plates but carry no obvious indication of being registered in Alberta. While a few vehicles with foreign registration is understandable for a large international operation, the preponderance of vehicles in Alberta lots seem to come from Arizona. To the Minister of Transportation: are vehicles with foreign registrations allowed to operate for extended periods of time in our province without proper registration?

Mr. Smith: Are you sure that it isn't Alberta?

The Speaker: The hon. minister has the floor.

Mr. Stelmach: Mr. Speaker, there is a time limitation in terms of changing registration to the home province, but those rules and the work lies within the Ministry of Government Services.

Mr. Bonner: To the same minister, Mr. Speaker: how can Albertans be certain that foreign vehicles that now operate in the province meet the safety standards of Alberta highways when they do not seem to have been registered in this province?

Mr. Stelmach: Mr. Speaker, with respect to safety and with respect to all of the rules of the road we have a reciprocal licence with the United States of America. They follow the rules when they're here in terms of speed, commercial vehicle registration, the securement of load, and also with respect to the general condition of the vehicles. They are subject to the same rules that any other vehicle on the highway would be subject to.

Mr. Bonner: To the same minister: is it legal for corporations to own vehicles for use in Alberta but register them outside the province?

Mr. Stelmach: If we get the information from the hon. member in terms of what has been brought to his attention in terms of the particular business ownership, we'll check into it. But generally speaking, there is a time period when any new contractors that come to this province with their vehicles and if they're here for an extended period of time will have to change their registration to Alberta registration.

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

Minimum Wage

Mr. Amery: Thank you, Mr. Speaker. At a recent annual general meeting and convention where about 1,200 people attended in Red Deer, a resolution in regard to the minimum wage was debated. The resolution called on the government to initiate a review of the minimum wage in the province. This resolution was carried with a huge majority. I only have one question to the hon. Minister of Human Resources and Employment. When is the government going to respond to the calls from community groups and agencies to start this review and raise the minimum wage and give a hand up to young workers and lower income Albertans in the workforce?

The Speaker: Ordinarily, hon. members, matters dealing with political party subjects are not the matter of question in this House. Now, the question, however, did not relate to the preamble, so in this case there's an ambivalence for a short answer.

Mr. Dunford: Well, I heard, again, Mr. Speaker, a number of things in both the preamble and, of course, in the question. One thing of interest that I did hear: would I review, and would I increase? It looks to me like in the questioner's mind, in any case, a review would lead to an increase, and I'm not prepared to commit to that. What I am prepared to commit to, hon. member, is the review. And I want him to do it.

2:10

Lottery Funds

Ms Blakeman: Mr. Speaker, there have been persistent rumours for many years that there exists a fund based out of the Department of Gaming which has been labeled as unallocated moneys. According to a letter we received, high-level bureaucrats from the department dangled this fund in front of groups who sought money from the government. According to official documents, the ministry admits to the community initiatives program, CIP, and the community facility enhancement program as the funding programs they administer. My questions are to the Minister of Gaming. Does this fund of unallocated moneys exist?

Mr. Stevens: As this hon. member ought to understand, the lottery estimates are part of the budget each year and provide on a line by line basis the expenditures with respect to the money that goes into the Alberta lottery fund. There is no line item which is called unallocated funds. There is a line item called other initiatives, which may be the line that this hon. member is referring to. It is a line item that has been there for a number of years.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Well, given that a well-known member of the minister's department, a community liaison officer, is saying that it does and the minister seems to be saying that it doesn't, can he reconcile the difference here? Who's telling the truth?

Mr. Stevens: The question, as is typical of this member, is without preamble and, therefore, is somewhat difficult to comprehend. If you would like to share the detail of it, I would be able to find out what some member of my department or a member of the AGLC may have said to somebody and respond accordingly.

But to the point: there is a line item in the lottery estimates which is called other initiatives. That line item has been there. I would remind this particular member, who I believe is familiar with the arts community in Calgary, that the Vertigo theatre was a beneficiary of

a grant under that particular category this year and will be, I believe, in the next to come years.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Then can I get the minister on the record confirming that the unallocated funds and the other initiatives program are one and the same?

Mr. Stevens: What I have indicated, Mr. Speaker, is that there is a line item in the lottery estimates called other initiatives. When the budget is brought down today, I suspect that there may be such a line item. When we debate this matter on Thursday afternoon, this member can stand and ask questions, and we can talk about it further.

The Speaker: The hon. leader of the third party, followed by the hon. Member for Red Deer-North.

WCB Claims Review

Dr. Pannu: Thank you. Mr. Speaker, almost two years ago Mr. Justice Friedman recommended a special tribunal to rehear long-standing, contentious WCB claims. The recommendation was made after finding that the WCB appeals process had not been sufficiently independent or impartial and that injured workers did not get a fair hearing. Now, despite the minister's promise to establish the tribunal, the recommendation appears to be gathering dust, and the minister has broken yet another promise to injured workers. My questions are to the Minister of Human Resources and Employment. If the WCB has denied injured workers a fair hearing, why is the minister compounding the injustice by breaking his promise and ignoring Justice Friedman's recommendation?

Mr. Dunford: The report that the hon. member is referring to was one of two reports that we received in looking at the appeals system inside both the WCB and the Appeals Commission. Of the 59 recommendations, Mr. Speaker, I believe that the government has accepted or accepted in principle probably 54 or 55; I could be out one or two numbers on that. In any case, we accepted an overwhelming majority of those particular recommendations.

As the hon. member has pointed out, one of the recommendations was to go back and relook at some old claims. One of the things, of course, that was disturbing about that — I always felt that, you know, good people within a system were trying to make good decisions, but it was decided that as a government we would have a look at this arrangement. If the hon. member has looked at the official government response to those reports, he'll determine that the rehearing of some old cases is still under review.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: what happened to the minister's promise to consider the idea of a temporary surcharge for employers as a means to pay for the tribunal?

Mr. Dunford: Well, one is predicated, I guess, on the other. I'm trying to indicate to the hon. member that we still have that particular recommendation under review. If in fact an independent tribunal is to proceed, well, I think that falls in line, then, with the supplementary question, that we would look then for the financing of the independent tribunal, and we might look to WCB, or we might look

to taxpayers. I mean, it would be dependent, then, on the route that we take.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: why is it that when it comes to firefighters battling the WCB, long-standing claimants looking for a fair hearing, or low-wage earners who want an increase in the minimum wage, this minister always takes the side of employers over hardworking Albertans who happen to be employees?

Mr. Dunford: Well, I don't think it's true, and I don't think it's fair to characterize it in such a way. I might remind the hon. member that when we brought forward what was at the time Bill 26 – it was in a previous sitting of this House – actually, it was hard for me to ascertain whether or not, in putting into the act the provision that the minister “may” provide an independent tribunal, we indeed had the support of the injured workers. As a matter of fact, I heard quite a lot from various injured workers around the province and, of course, those that have identified themselves as a particular advocacy group that weren't very happy with me at all, and it was actually represented here in the Legislature with quite a dramatic walkout during my speech.

So the difference, then, Mr. Speaker, is that in the other examples that he has used today, we have had, if not overwhelming and universal support, a situation where we've had one party, in terms of the firefighters if I could use that, clearly together on what should be done, and then we had another party that was willing to make those kinds of accommodations, so it goes very quickly. Obviously, when you have some disagreement, when there's no consensus as to how you would proceed, then of course it does take more time.

The Speaker: The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Ellerslie.

2:20 Safety of Blackfalds Schoolchildren

Mrs. Jablonski: Thank you. Mr. Speaker, in Blackfalds, just north of Red Deer, there's a class of grade 3 students who are very concerned about the safety of all students in Blackfalds who are forced to illegally cross train tracks at least twice a day when going to school. Last October a younger student was almost hit by a train while crossing these tracks. These eight-year-old students in Mrs. Tisdale's grade 3 class were upset at the close call and decided to do something about it. They wrote to me and suggested that Alberta Transportation put up a fence around the tracks and build a pedestrian overpass. My question is to the Minister of Transportation. Can the minister tell me if the Department of Transportation is planning to build a fence and a pedestrian overpass to help protect the schoolchildren of Blackfalds?

Mr. Stelmach: Mr. Speaker, upon hearing of the incident from the MLA for Red Deer-North and also receiving the letter from the grade 3 class, we immediately dispatched an individual from our dangerous goods and rail safety division of the department to have a look at the area in question. We also immediately got in contact with CP Rail and are working also with Transport Canada and have held some consultations with them. In terms of an overpass, no, we won't be building an overpass simply because that is the responsibility of CP Rail, but we have had people at the scene and also did an in-class safety meeting with the students in terms of telling them some of the issues about illegally crossing a railway.

Mrs. Jablonski: Mr. Speaker, given that this area is not the responsibility of the provincial government but the children at risk are our responsibility, what can the minister do to influence the federal government and CP Rail about this important safety issue?

Mr. Stelmach: Mr. Speaker, in working with the two, CP Rail and Transport Canada, we are looking at different ways of resolving the situation and improving the safety of children that cross that railway on a daily basis.

Mrs. Jablonski: Mr. Speaker, is the Minister of Transportation able to assure the children of this grade 3 class and of this Blackfalds school that we will help to do something to ensure that they will no longer be forced to make the choice of crossing the tracks to get to school?

Mr. Stelmach: Mr. Speaker, I definitely will confirm that we're going to continue to ensure that all students at school are aware of the dangers of crossing a track. We're going to work and keep on working with CP Rail and also with Transport Canada. This is, unfortunately, probably an issue in a number of smaller communities in the province of Alberta, and it's one where through awareness and education we'll make our young people aware of the dangers. We've also sent some educational videos and promotional safety information to the class, and I'm quite sure the teacher there will be talking to other grades in the school.

I think we've approached this in a very responsible way, but I also have to congratulate the school and the teacher and the students for taking the initiative of writing the letter and actually elevating this issue to one that other students in that area are going to be aware of.

West Nile Virus

Ms. Carlson: Mr. Speaker, the problems posed by the West Nile virus can be addressed at two stages, the environmental stage and the health stage. While the opposition would prefer to deal with West Nile at the environmental stage, before it becomes a health problem, this government wants to wait until Albertans actually contract the virus before it helps them. Unfortunately, the experts don't agree with the province. My first question is to the minister of health. Given that the U.S. Centers for Disease Control, the world's leading authority on communicable diseases, says that the best way to prevent transmission of West Nile is mosquito control, will this government reconsider its policy to deal with West Nile primarily as a health issue?

Mr. Mar: Mr. Speaker, we are continuing to monitor the progress of West Nile virus, and we'll take what steps are necessary if and when they become necessary. Now, we can expect that sometime in the spring or summer of this year there will be West Nile virus that will show up first in birds and subsequently in horses in the province of Alberta. Whether or not this will require us to move forward on a spraying program to contain mosquitoes remains to be seen. The best advice that we have right now from our provincial medical officers of health is that spraying itself also has certain health risks associated with doing it, so we have to weigh the risks associated with West Nile virus with the risks associated with spraying programs.

Mr. Speaker, to put West Nile virus into context, our best advice from our medical officers of health is that the risk of contracting West Nile virus is very low, that your chances of being bitten by an infected mosquito are less than one in a thousand, and that even if you are bitten by an infected mosquito, your chances of contracting

it are less than one in a thousand. So the associated risks are very, very low.

It would be more prudent for us to be dealing with something that appears to have more serious risks, earlier questions being asked about severe acute respiratory syndrome. That appears to be a greater risk than West Nile virus is at this time, but I can assure the hon. member and all Albertans that we are using the best information that we have available from our medical officers of health, who work in collaboration with their counterparts across Canada, and we work with the federal government, that has its counterparts with the Centers for Disease Control in Atlanta, Georgia, and the World Health Organization in Geneva. We are using the best advice possible to take the necessary precautions to prevent diseases like SARS and West Nile virus from spreading to Albertans. That is our first concern.

Ms Carlson: Mr. Speaker, my next question is to the Minister of Environment, who knows that spraying is not the only control option. Given that the West Nile virus is a concern of provincial scope and jurisdiction, when is this minister going to take charge of mosquito control in the province and initiate a mosquito abatement program?

Dr. Taylor: Well, let me say, Mr. Speaker, that the minister of health has clearly in some detail outlined how we are continuing to monitor the situation, being very clear that it is a situation that we are watching closely. Now, in terms of spraying for mosquitos, typically most mosquito spraying programs occur at the larvae stages, and to deal with the West Nile virus, you would have to spray adult mosquitos. It's virtually impossible to track adult mosquitos and find out where they are and where they're moving to.

Ms Carlson: Mr. Speaker, to the same minister: should there be a serious outbreak of the West Nile virus in Alberta, what is this government's environmental strategy that is more than just a spraying program?

Dr. Taylor: Well, Mr. Speaker, once again, it's a hypothetical question. It's the old the sky might fall. Well, the sky isn't falling, and we will certainly, as I said earlier, continue to watch the situation and monitor it very closely.

The Speaker: The hon. Member for Edmonton-Calder, followed by the hon. Member for St. Albert.

Youth Criminal Justice Act

Mr. Rathgeber: Thank you, Mr. Speaker. On April 1, 2003, the new federal Youth Criminal Justice Act replaced the much maligned Young Offenders Act. While the new legislation promises tougher treatment of violent serious offenders, its detractors allege that it is soft on serial offenders of nonviolent crime such as property offenders. My questions are for the Attorney General and Minister of Justice. [interjections] As he is responsible for prosecutions under the act, what is he instructing his prosecutors to do to hold repeat and chronic property offenders sufficiently responsible for their actions?

The Speaker: The hon. minister, if he heard the question.

Mr. Hancock: Thank you, Mr. Speaker. I think I caught the gist of it. The question as I understand it is: what am I instructing the prosecutors to do with respect to the new Youth Criminal Justice Act

and repeat offenders? First of all, I think it should be made perfectly clear to members of the Legislature that we set policy, but we do not direct prosecutors with respect to the exercise of their discretion in determining whether charges ought to be laid in a certain circumstance. Police do the investigation; they refer their investigation to prosecutors for charges. The prosecutors then review the files and determine whether there's sufficient evidence which, if proved, would result in a conviction, and that policy is applied consistently with respect to every file the prosecutors have. So that would be our expectation with respect to youth charged with any offence pursuant to the provisions of the Youth Criminal Justice Act, that they would pursue those charges.

2:30

With respect to the context of the question I think it is important to reiterate that Alberta's position with respect to the changes to the Youth Criminal Justice Act, which replaced the Young Offenders Act, as the member said, on April 1, has always been that it is deficient with respect to dealing with recidivists. The new Youth Criminal Justice Act is a step forward with respect to dealing with those youth who come into contact with the law for the first time, and I should reassure Albertans that the vast majority of youth who come into contact with the law for the first time or even the second time are dealt with in a reasonable, appropriate manner and do not reoffend. But we do have concerns with the repeat offences by young offenders, particularly in property areas, and the new Youth Criminal Justice Act does not assist us in dealing with those youth.

The Speaker: The hon. member.

Mr. Rathgeber: Thank you, Mr. Speaker. My first supplemental is for the same minister. As youth as young as age 14 will be eligible under appropriate circumstances for adult sentences, what financial arrangements have been negotiated with the federal government for the housing of young criminals serving long adult sentences?

Mr. Hancock: Well, of course, incarceration comes under the purview of the Solicitor General, but I would respond to the member's question by indicating that funding under the Youth Criminal Justice Act has been a source of contention between the provinces and the federal government. We have received some assistance from the federal government with respect to the improvement of computer systems and getting systems in place, but there is still much work to be done in terms of negotiating with the federal government and getting them to recognize that the new Youth Criminal Justice Act is much more complex and much more costly than the old Young Offenders Act. It's their responsibility to come to the table with some resources to help implement that act.

The Speaker: The hon. member.

Mr. Rathgeber: Thank you. My final supplemental is for the Minister of Children's Services. As the new federal act does not contain a process for dealing with children under the age of 12, what is the Minister of Children's Services going to do to deal with children under 12 who are alleged to have committed a serious criminal offence?

Ms Evans: Mr. Speaker, under the terms of the Child Welfare Act this is addressed. If the officer upon apprehending the child believes there's a serious offence that has been committed, they can report that to the child welfare director. The director then would define a plan based on what the family circumstance was, on his assessment

of the child's need for some early intervention, and then pending the outcome of that plan, monitor the situation very carefully. But it clearly is a matter that is covered under our Child Welfare Act.

The Speaker: Hon. members, before calling on the first hon. member to participate in Members' Statements today, let me just acknowledge that one year ago, on April 8 in the year 2002, the hon. Member for Wainwright earned the right to sit in this Assembly.

Might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. It's a great honour and privilege to introduce to you and through you to the Legislative Assembly a constituent of the Minister of Community Development. Mr. Charlie Koester is here this afternoon, and he is the chairman of the Edmonton Catholic school board. I would ask him to rise and receive the warm welcome of the Legislative Assembly.

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

Mr. Hutton: Thank you very much, Mr. Speaker. I am pleased to rise today and introduce to you and through you to members of the Assembly a guest in the public gallery that is visiting from New York. Mr. Paul Camilleri is a lawyer who is taking full Alberta advantage of spring skiing in our great province and is presently staying and visiting with constituents of mine, the Gordons. I would ask the individual that Maya Gordon calls Uncle Paul to please rise and accept the traditional warm welcome of this Assembly.

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. I'd like to say hello to Charlie Koester as well.

I'd also like to introduce the vice-chair of the Edmonton regional PDD community board, who does incredible work in our area working with persons with developmental disabilities, and that's Jean Wilkinson. If she would stand and receive the warm welcome. Thank you for coming.

Mr. Lougheed: Mr. Speaker, I'm pleased to introduce to you and to the members assembled Gary Burns, a resident of Sherwood Park, adjacent constituency to Clover Bar-Fort Saskatchewan. If he would rise and receive the welcome of the Assembly.

head: **Members' Statements**

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

Immigrants of Distinction Awards

Mr. Cao: Thank you, Mr. Speaker. Today I rise to speak about the immigrants of distinction awards organized by the Calgary Immigrant Aid Society. Since 1997 each year the award has been given out to outstanding Albertan individuals, companies, and organizations. This year I had the honour of attending the full-house awards function at the Westin Hotel in Calgary with our colleagues the members for Calgary-McCall and Calgary-Buffalo and the federal minister of immigration. These awards reflect Alberta's ongoing

commitment to celebrating the success of first-generation Canadian Albertans and their contribution to Alberta and Canada.

The immigrants of distinction awards are in six categories. The organization diversity award is given to Albertan organizations, groups, and companies that have made outstanding achievements in implementing diversity initiatives in the workplace and have made significant contributions in serving ethnically diverse client groups. The youth scholarship awards are given to immigrant youth who have achieved excellence in the areas of academics, art, sports, and community work. The arts and culture award is given to an immigrant who merits recognition in an artistic endeavour, including visual and performing arts. The business award is given to an immigrant who has achieved success in the creation and operation of a business in Alberta. The community service award is given to an immigrant who has provided meritorious service to the community either as a volunteer or human services professional. The sixth one, the distinguished professional award, is given to an immigrant who has achieved outstanding professional success through advanced education and defined career path.

I would like to take this opportunity to commend the outstanding nominees and the recipients of the 2003 awards.

The Speaker: Before calling on the next hon. member, I'm sure I speak on behalf of all hon. members in the Assembly when I say to the hon. Member for Calgary-Fort that we're pleased that he survived an unfortunate traffic incident last week, and we're pleased that he's here in good health.

The hon. Member for Airdrie-Rocky View.

Alberta Motion Picture Industries Association

Ms Haley: Thank you very much, Mr. Speaker. It's a pleasure for me to be able to rise in the House today to offer my congratulations to the Alberta Motion Picture Industries Association. AMPIA successfully hosted its 29th annual awards recognizing various achievements in over 59 categories ranging from best actor and actress to excellence in news, documentaries, series production, and music videos. The winners in each category receive an award called a Rosie, and the Friend of the Industry award was presented this year to Gerri Cook, a lady who has contributed so much to Alberta and to this industry over the years. A new category this year honouring lifetime achievement was presented to Leslie Nielsen.

Mr. Speaker, being a film producer in Alberta hasn't always been an enjoyable experience. Alberta has not offered the tax credits that many other provinces in Canada use to attract motion picture projects. We did however do a consultation with the film industry in 1998 and again in 2001 to determine what the government could do to encourage this industry to grow in Alberta. The government approved the creation of the Alberta film development program in late 1998. The end result is that we've gone from about \$40 million in production in Alberta to over \$200 million this year. I'm hopeful that the fund will in fact be increased in today's budget as this industry holds immense growth potential for us. The film industry is rebuilding, and that was obvious during the awards ceremony Saturday when over 850 guests attended, more than twice as many as ever before.

Last year we opened a new Alberta film office. It's a joint venture where we are trying to bring together the Alberta film development program, managed by Jane Bisbee, and the Alberta Film Commission, managed by Dan Chugg, two excellent people who are truly ambassadors of the Alberta film industry. The office is a one-window approach to film in Alberta, and we believe it will be a model for other provinces to follow once we get all of the bugs worked out.

I am very proud to be affiliated with this dynamic and growing industry, and once again, Mr. Speaker, I would like to offer my most sincere congratulations to AMPIA's Alan Brooks, Nic Wry, Connie Edwards, and so many others for all the wonderful work they did to make this year's awards ceremony the best ever.

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

2:40

Nickelback

Mrs. Ady: Thank you, Mr. Speaker. I am pleased today to recognize Alberta's very own special music sensation Nickelback. Now, my children think I'm too old to know who Nickelback are, but they're wrong. I'm not too old. I know that the band members are Chad Kroeger, Mike Kroeger, Ryan Peake, and Ryan Vikedal and that they captured the Juno award for outstanding songwriter of the year in Ottawa last weekend. It will interest all members of this Assembly to know that Mike and Chad are the grandsons of the late Henry Kroeger, a former minister of the Alberta government who served as the MLA for the Hanna area during the '70s and '80s. At that time Mr. Kroeger also distinguished himself as the bass player in the MLA band, the Tory Blue Notes, which is likely where Mike and Chad get their musical roots from. Nickelback's Juno award represents their hit song *Hero* from the *Spiderman* soundtrack as well as *Too Bad* and *How You Remind Me* from the Nickelback album *Silver Side Up*.

Nickelback started as a cover band in Hanna, Alberta, where they played other people's songs. Soon after, they produced their own original works, that were later recorded in their friend's studio. The rest, as they say, is now making musical history around the world. In '96, with the recording of their own independent songs, they embarked on a series of cross-country tours. After 200 shows on the road Nickelback went from a little-known band in Hanna to playing in front of millions of people alongside international artists. Their popularity and quality of song have sent musical charts soaring around the world.

The significant accomplishment of capturing this Juno award builds on our province's reputation for continually developing outstanding Alberta artists. Please join me and our Deputy Premier from Drumheller-Chinook and our Minister of Community Development in saluting these outstanding Juno award winners, Nickelback.

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

Hastings Lake

Dr. Pannu: Thank you, Mr. Speaker. To many Albertans Hastings Lake in Strathcona county is a home, a recreational area, and the site of businesses. It's a critical habitat to over 200 species of birds, including trumpeter swans who reside in the bay in front of the Thompson home each spring and fall. Hastings Lake Islands have been named one of Alberta's special places.

Sadly, residents of the Hastings Lake area are fearful that their homes, health, and environment will suffer if two well sites proposed by Tempest Energy are allowed to proceed. The minimum setback of 100 metres will put the well sites so close to several homes that it could negatively impact their water quality. Drilling companies are not required to conduct baseline testing on water wells adjacent to drilling sites. All too often water quality deteriorates after drilling, but unless these landowners undertake water testing at their own expense, they cannot prove that drilling was the cause.

The owners of the Berry Inn, a unique bed-and-breakfast place enjoyed by people with disabilities, worry about the lack of a detailed emergency response plan. To date Tempest has not outlined

any details to safely remove guests from the notification area. Can emergency response teams cope with guests with a variety of disabilities?

The McFall ranch is the site of a Ducks Unlimited wetland restoration project. Imagine the effect drilling could have on the fragile system they have worked so hard to restore. Contamination of water and air will affect the wildlife population and negate the work of many.

Residents feel that their concerns are being ignored by Tempest, the EUB, and this government. It is imperative, Mr. Speaker, that Tempest Energy's drilling plans not be allowed to proceed until full and open public hearings are held to address the concerns of residents and a satisfactory resolution to their concerns is achieved.

Thank you, Mr. Speaker.

head: Tabling Returns and Reports

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

Mr. Vandermeer: Thank you, Mr. Speaker. I rise today to table the appropriate number of copies of 125 letters from my constituents regarding funding for education.

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

Mr. Johnson: Thank you, Mr. Speaker. I'd like to table the required number of copies of three letters today from the town of Millet, the county of Wetaskiwin, and the city of Wetaskiwin expressing concern and disagreement with the Electoral Boundaries Commission's final report as it pertains to the town of Millet and the surrounding district.

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

Rev. Abbott: Thank you, Mr. Speaker. I rise today to add yet another 100 signatures to the literally hundreds of thousands of signatures that have been tabled in this Legislature to petition the government of Alberta "to deinsure abortion."

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

Mr. Cernaiko: Thank you, Mr. Speaker. I'd like to table the appropriate number of copies of a letter sent to me by the mayor of Calgary, His Worship Mayor Dave Bronconnier, supporting Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. Mr. Bronconnier along with numerous community groups, police services, day cares, schools, and hundreds of inner-city residents understand that Bill 206 is effective and important legislation. They believe that this bill will help communities battle the devastating effects.

Thank you very much, Mr. Speaker.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I have three tablings today. The first is from R.J. Gray, the general manager of the Edmonton Klondike Days Association, noting that "deregulation may have been a wonderful idea," but it's not working for his organization. They've had a 75 percent increase in their utility bill.

The second tabling is from Wendy Sauve to her MLA. She's noting that she attended a town hall meeting organized by Edmonton-Calder on the topic of lottery fund distribution in which a community liaison officer from Alberta Gaming made a number of comments about unallocated funds.

Finally, tabling five copies of a media release dated February 2002 from Action on Smoking & Health with an attachment that they claim reveals a strategy to undermine the tobacco control program. They claim this is written by Jock Osler, a tobacco industry primary lobbyist in Alberta.

Thank you, Mr. Speaker.

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

Mr. MacDonald: Yes. Thank you very much, Mr. Speaker. I have one tabling this afternoon, and it's a letter addressed to the hon. Premier of Alberta. It's from a constituent of Edmonton-Gold Bar, a B.A. Baer from 72nd Avenue, and this letter is concerning public education and the lack of adequate funding in that public education system.

Thank you.

head: **Tablings to the Clerk**

The Clerk: On behalf of the hon. Mr. Mar, Minister of Health and Wellness, pursuant to the Physical Therapy Profession Act, chapter P-14, section 8(4), the College of Physical Therapists of Alberta 2001-2002 annual report.

The Speaker: Hon. members, the House now stands recessed until 3:30 this afternoon.

[The Assembly adjourned from 2:48 p.m. to 3:30 p.m.]

The Sergeant-at-Arms: Order!

The Speaker: Please be seated.

Transmittal of Estimates

Mrs. Nelson: Mr. Speaker, I have received certain messages from Her Honour the Honourable the Lieutenant Governor, which I now transmit to you.

The Sergeant-at-Arms: Order!

The Speaker: Hon. members, the Lieutenant Governor transmits estimates of certain sums required for the service of the province for the fiscal year ending March 31, 2004, and recommends the same to the Legislative Assembly.

The Lieutenant Governor transmits estimates of certain sums required for the service of the province and of certain sums required from the lottery fund for the fiscal year ending March 31, 2004, and recommends the same to the Legislative Assembly.

Please be seated.

head: **Government Motions**

18. Mrs. Nelson moved:

Be it resolved that the Messages of Her Honour the Honourable the Lieutenant Governor, the 2003-04 Offices of the Legislative Assembly Estimates, the 2003-04 government and lottery fund estimates and business plans, and all matters connected therewith be referred to Committee of Supply.

[Government Motion 18 carried]

Mrs. Nelson: Mr. Speaker, prior to moving Government Motion 19, I now wish to table the 2003-2004 offices of the Legislative

Assembly estimates as well as the 2003-2004 government and lottery fund estimates.

In addition, Mr. Speaker, I am tabling the government's consolidated financial and business plans for Budget 2003 as required under sections 4 and 7 of the Government Accountability Act. Also provided for the information of the Legislative Assembly are the business plans for each ministry, which must be made public under section 13 of the same act.

head: **Budget Address**

19. Mrs. Nelson moved:

Be it resolved that the Assembly approve in general the business plans and fiscal policies of the government.

Mrs. Nelson: Mr. Speaker, Alberta is a place like no other. Thanks to the hard work, strong spirit, and unrelenting determination of Albertans we've built a province that simply is the best, a province whose exceptional track record of the past will only be outmatched by our potential for the future. Just think about these facts. Alberta has the strongest economy in Canada, and we're going to keep it that way. There are more people working in the province than ever before, and our rate of unemployment is among the lowest in the country. Albertans pay the lowest overall taxes, and there's no sales tax, no capital tax, and no payroll tax. Our health and education systems lead the way in innovation and produce excellent results, and our universities, colleges, and technical institutes rank with the best. We have the best educated workforce in the country, and Alberta businesses consistently outpace the competition, producing new ideas, new technologies, and new opportunities. When you put all of that together, it's no wonder why I and every other member of our government can stand here today and say: I am proud to be an Albertan.

Our province's strong record of success is unparalleled, but we're not about to stop now. In fact, the very reason our province has been so successful is that we never sit back, rest on our laurels, and assume that what we have today is good enough. Today our province stands on the brink of a future with unlimited potential. To fulfill that potential, we need to act now. We need to respond to pressures of growth and put a solid foundation in place to prepare Alberta for the future. As our Premier has often said, people who come to this province for jobs and careers don't bring their roads, their hospitals, and their schools with them. As new businesses set up or develop new markets, they need highly skilled people and first-rate transportation systems. As our cities and our towns grow, they need good roads, better access to technology, and excellent infrastructure to meet their communities' needs.

Mr. Speaker, Budget 2003 reflects these challenges, the challenges of growth our province faces today, but more importantly it's a budget for Alberta's future. It sets the province on a new fiscal course, a balanced and determined course that builds on our successes of the past, recognizes the realities of today, and prepares us for tomorrow. It's a course that makes us sure that our province is ready and well prepared to seize every opportunity that comes our way. The bottom line: Budget 2003 is about moving our province from good to great. It's about making Alberta even better.

In approaching this year's budget, we've taken the course so many sensible Albertans have taken all along in making their own budget decisions: we won't spend more money than we take in. Balanced budgets are the law in Alberta, and Alberta's budget will be balanced for the 10th year in a row. We're not counting on winning the lottery every year, so we'll put money aside in savings accounts, and it will be there to protect us when we need it. We'll spend most of our money on the essentials, on priorities like health and education.

Most Albertans who need to buy a new car or make major repairs on their home spread the payments out over a number of years rather than paying strictly cash. We'll take the same approach and introduce new ways to pay for capital projects over the longer term. Like so many Albertans, we'd dearly love to pay off the mortgage entirely, but that goal has to be balanced against important priorities for today. Mr. Speaker, it's a practical, sensible approach, an approach that's right for Albertans and right for our province.

Mr. Speaker, Albertans told us: we want predictability. Instead of trying to pick the price for oil and gas and tie our spending to those guesses, let's get off the roller coaster. We've listened, and we've taken action. With the new Alberta sustainability fund the days of wishing for windfalls or worrying about downturns in prices are over. Every year we'll count on a steady stream of resource revenues. No more annual ups and downs, just steady, stable revenues and budgets we can count on.

Albertans said: spend money on what counts most. Health, education, and infrastructure are consistently at the top of their list, and once again we've listened. Close to 70 percent of the spending in Budget 2003 goes to health, to education, and to infrastructure, making sure our children get a first-rate education and have good schools to go to, making sure Albertans have access to health care when they need it most. We'll support transportation projects in municipalities and improve Alberta's highways. The rest will go to new programs for farmers, to programs for children, to projects that keep Alberta's environment clean, and to increase support for families in need.

3:40

Albertans said: our province's economy is growing, and we need first-rate infrastructure to keep pace. From health authorities and school boards, from municipalities and industry we heard about the problems with stop-and-start funding: projects that are announced one year then can't go ahead if budgets are tight. We've listened. Based on Budget 2003, we'll put a new capital plan in place, double our investment in capital projects, and introduce a capital account so that we end the uncertainty and we get the projects built.

Albertans said, Mr. Speaker: get rid of Alberta's debt but not at the expense of addressing real problems today. Because of the wise choices we made in the past, we've reduced accumulated debt by nearly 80 percent, and we're in the strongest fiscal position in all of Canada. So we'll use the money we've already set aside to make the payments when they come due this year.

Well, that's it in a nutshell, Mr. Speaker. It's a new direction for new times, a balanced direction that provides stable and predictable budgets, gives more resources to health and education, and reaffirms our commitment to essential capital projects. It's a direction that will make Alberta even better.

There's one clear message I want all Albertans to understand: they will get all of the benefits of this new direction without paying a single cent more in income tax or health care premiums. Because of the solid new direction and the positive forecast for Alberta's future, previously announced plans to reduce corporate income taxes will go ahead this year. Corporate tax rates for small business will drop from 4.5 percent to 4 percent this year. The threshold for small businesses will increase to \$400,000. Tax rates for larger businesses will drop from 13 percent to 12 and a half percent this year. These steps, Mr. Speaker, will result in direct tax savings of \$94 million this year. That's money they can use to build their business, build a strong economy, and create more jobs for Albertans. No other province in the country can match this kind of budget package, and I'm proud to be able to deliver the good news to Albertans today.

Now for some details. I'm sure that for the past 30 years almost

every Finance minister before me has stood here on budget day and talked about one single word: volatility. Our abundance of natural resources is a tremendous asset, but it's also a two-edged sword. When prices are up, revenues go up and so do expectations for more and more services. When prices drop, as they can do without warning, we're left high and dry, wondering how we can afford to pay for commitments we've made in the past. That roller coaster puts everyone on edge, and the ride has to end.

Last summer I asked the Financial Management Commission to recommend long-term strategies that would serve Alberta well into the future. The chairman, David Tuer, and some of his commission members are here today, and I want to thank them for their excellent work. Based on the sound advice of the Financial Management Commission, our government is introducing the new Alberta sustainability fund. With this new fund in place the days of unpredictable, uncertain budgets are over. Instead of pegging our budgets and spending plans on best guesses about the price of oil and gas, we'll consistently count on \$3.5 billion in oil and gas revenues. If prices are high, any additional revenue will go to the sustainability fund to cushion us against years when prices may not be as good. If prices are low, we'll be able to use the savings in the sustainability fund to guarantee that no less than \$3.5 billion will be available for the budget.

Mr. Speaker, this is a fundamental change for our province. We've replaced volatility with predictability, but it also means that expectations have to change. Too often as soon as oil and gas prices spike upward, so do expectations for more spending. Those days are over too. If prices go up during the year or we have surpluses at the end of the year, the only place those funds can go is to the sustainability fund. Extra revenues cannot be used for operating purposes. If revenues are much higher than expected and if we have at least \$2.5 billion set aside in the sustainability fund, then we can use the surplus funds to pay off our debt or put more money into our capital account.

With Budget 2003 we are retaining our strong commitment to burning the mortgage and making Alberta the first debt-free province in the country, but it can't be our only objective. Nothing would please our Premier and his Finance minister more than making the final payment on Alberta's debt, but we can't and we won't ignore the realities of today. The province is growing, and there are immediate, pressing needs that simply can't wait until the debt is gone. Our successful fiscal policies of the past mean that Alberta's accumulated debt now stands at just \$4.8 billion, by far the lowest in the country and at least 10 years ahead of our legislated debt repayment plan.

Just like a regular mortgage, Mr. Speaker, Albertans understand that you can only make payments on the mortgage when it comes due. Thanks to our wise decisions of the past we've set money aside in a debt repayment fund to pay off the debt on time and on schedule. In effect, we've prepaid the mortgage down to \$4.8 billion, and with the money that's set aside, all the payments that come due this year and part of next year as well will be paid without having to touch one cent of this year's budget.

Mr. Speaker, I know that some people will be disappointed that we're not putting every spare dollar into paying down the debt as quickly as possible, but they should remember that we are years ahead of the game and can now reap the benefits of prepaying the mortgage. They should think about the combined advantages of the sustainability fund and the capital plan not only for this year but for years to come. They should remember that the benefits will go to children, who now have better classrooms or new schools to go to. They should understand that Alberta needs better transportation routes, better access to health care services, better safety net

programs for farmers. All those benefits are possible because of the balanced approach we're taking. We will pay off Alberta's accumulated debt. We will be the first debt-free province in the country. That's a promise, and that's a promise we will keep.

Let me now move to some of the direct benefits that Budget 2003 provides for Albertans in every corner of this province. Over the past few years the first budget priority has consistently been meeting the pressing needs in programs that are important to Albertans, especially in health and education. Spending on capital projects has often taken a backseat. As a result there's a serious backlog of essential capital projects, a backlog that threatens our ability to provide the necessary infrastructure and to support ongoing growth in the province.

Once again, we're taking action. Our new capital plan will support more than \$5.5 billion in capital projects over the next three years. That money will go to highways and municipal transportation projects. It will go to leading-edge health facilities and new equipment. It will go to build new schools, renovate existing ones, to upgrade and improve access to technology in schools. It will build new facilities at postsecondary institutions. It will improve irrigation, water management, and water treatment. It will make more affordable housing available for Albertans. It will upgrade seniors' lodges and support hundreds of community projects.

3:50

The new capital plan not only significantly expands our investment, but it also fundamentally changes how we fund our capital projects. Funds for new capital projects will come from three sources: the annual budget; the capital account, that allows us to carry funding from one year to the next; and alternative funding arrangements, to be considered on a project-by-project basis. Thanks to our strong fiscal performance in 2002-2003, \$910 million from our year-end surplus went directly into the capital account. That will pay for roughly 16 percent of the projects included in the capital plan. About 59 percent of the funding will come from revenues in the three-year budget, and the remaining 25 percent will come from alternative funding arrangements.

Mr. Speaker, alternative arrangements could include public/private partnerships. They could also involve leasing arrangements or other options that allow us to pay for projects over the longer term rather than in one fiscal year. Each of those alternatives will be reviewed on a project-by-project basis by a new advisory committee on alternative capital financing, and I can assure Albertans that all aspects of any alternative financing approved by our government will be open and fully disclosed. The new capital plan is a major investment in the future of our province, an investment that will benefit Albertans today and for generations to come, an investment that will make Alberta even better.

Mr. Speaker, when it comes to top priorities for Albertans, health and education are consistently at the top of the list. People want to know that they have access to health care when they need it. They want their children and their grandchildren to get an excellent education, and they want every young person to have a chance to get a postsecondary education and build a productive and positive future right here in Alberta. Spending decisions in Budget 2003 reflect those priorities.

In health care overall spending will increase by 7.2 percent this year, including funding received from the federal government as part of the recent arrangement with the Premiers. In total, spending for health care will increase by \$1.26 billion over the next three years. By the time our province celebrates its hundredth birthday in 2005, we will spend over \$8 billion a year on health care in Alberta. That money will go to health authorities and the Cancer Board. It will

support specialized health services like cardiac surgeries and organ transplants. It will support continuing efforts to reform the health care system, and fundamentally it will result in better access and better health services for all Albertans.

In Learning the base operating support for kindergarten to grade 12 will increase by 4.9 percent this year, and over the next three years close to \$390 million more will go to school boards across the province. That will bring the total funding to public and separate school boards to \$3.4 billion by 2005-2006. On top of that investment in Alberta's children, \$450 million is included in the capital plan to build new schools and improve classrooms across the province. Nearly 80 percent of the new funds will go directly to the classroom. It will support the excellent work of Alberta's teachers and help ensure that our students continue to achieve the best results in the world. It will support increases in enrollments, including an 8 percent increase in the number of students with severe disabilities. More funds will be available to buy books and other learning resources. A new funding framework will also be introduced, giving school boards the flexibility they need to make local decisions and meet local needs.

Later this year Alberta's Commission on Learning will issue its report and help set the direction for the future of education in this province. At the postsecondary level first priority must go to making sure students have access to university, college, and technical institute programs. Funding for postsecondary education will increase by \$44 million, or 4.1 percent, this year. This includes \$10 million to increase access in high priority areas and \$12 million to maintain spaces in Alberta's apprenticeship programs. We will also step up our investment in loans and scholarships for students and continue to provide loan relief.

People looking through Budget 2003 will find dozens of initiatives targeted at different segments of Alberta's population, but let me highlight some of the initiatives for Alberta's farmers, for children, for families, and for our environment. All of us watched last summer the heartbreaking scenes of farmers forced to abandon their crops, sell their cattle, and face the ravages of unrelenting drought. Our government didn't hesitate for a minute. We stepped in and provided over a billion dollars in disaster funding and emergency disaster assistance. This year we're keeping our fingers crossed along with every farmer in the province hoping that the winter snow combined with spring rains will put our farmers back on track and the days of drought will be behind us.

With this year's budget farm safety net programs are being completely revamped, giving Alberta producers the most innovative and comprehensive crop insurance program in Canada. Close to \$200 million will be provided this year to implement this new insurance program, a program that gives farmers and producers a solid safety net they can count on.

Mr. Speaker, Alberta farmers and producers have long been the backbone of our province. They've had a rough go over the past few years, but we're determined to work with them to address the issues, to expand their ability to add value and market their products, and find the best ways of building capacity in rural communities. Our commitment to the future of agriculture in Alberta is stronger than ever.

Looking to the future and making Alberta even better means making sure that our children get the best start in life and are able to look forward to a future full of potential and hope. With Budget 2003 funding for Children's Services will increase 5.4 percent. Funding will go to protect vulnerable children, support children with disabilities, and expand early learning and child care programs. A new centre for child, family, and community research will also be established this year. Thanks to our Premier's strong leadership

funds will go to support Alberta's Promise, an initiative designed to mobilize every sector of our society, to bring new resources and new partnerships together and support a whole new range of community initiatives for children. Mr. Speaker, our children are Alberta's Promise, and we'll do our best to make that promise and make sure it is fulfilled.

Actions in Budget 2003 are also directed at supporting families who need it the most. Following up on the low-income review, income and employment support programs will be combined into a single integrated approach that puts people first and matches their unique needs with a range of programs and support. Along with these changes we'll take action this year to increase the income support rates for 12,000 families with children and another 10,000 people in assured support who are not expected to work.

To make Alberta even better we'll also need to protect and preserve our environment for future generations of Albertans. Our government took a strong stand opposing the Kyoto accord not because we disagree with the need to reduce emissions and protect our environment but because of the federal government's failure to understand and acknowledge the potential impact the accord could have on Alberta's future. Our commitment to Alberta's environment is unwavering. We will not be deterred by misguided federal actions. We will act on our own to do what needs to be done for Alberta and by Albertans.

4:00

With Budget 2003 we'll invest an additional \$30 million over the next three years in the climate change action plan to reduce emissions, support energy conservation projects, invest in demonstration projects, and support research on new clean energy technology. In addition, Mr. Speaker, discussions are also under way with Alberta's municipalities about a potential interest-free loan program to support municipal energy efficiency projects.

Those are some of the key highlights, Mr. Speaker. Budget 2003 is about a single goal: making Alberta even better. All signs point to a strong future in our province with a growing economy, more jobs for Albertans, and an almost endless opportunity for success. Budget 2003 positions our province to take advantage of the

tremendous potential that lies ahead. It sets a new fiscal direction, a steady, balanced direction that delivers what Albertans want and expect: stable, predictable budgets, spending on what counts the most, investment in the province's infrastructure to meet the demands of growth, and no tax increases.

It takes courage and determination to set a new direction. Alberta is known as a national and international leader in fiscal policy, and our success over the past 10 years has been unprecedented in Canada. But as Sir Winston Churchill said: success is never final. As times change and needs change, good governments don't cling to their successes from the past. They change and adapt. They set the stage for new successes to come. They keep their eyes firmly focused on the future rather than the rearview mirror, and they never shy away from taking action that will move their province from being good to being great.

Mr. Speaker, I remember that in one of his early speeches in this Assembly Premier Klein said: given a choice between the past and the future, Albertans will choose the future every time. He was absolutely right, and he still is. Once again we are choosing the future, choosing to build new successes, choosing to make Alberta even better for all of our children and for generations of Albertans to come.

Thank you, Mr. Speaker.

The Speaker: The hon. Official Opposition House leader.

Ms Carlson: Thank you, Mr. Speaker. On behalf of the Leader of the Official Opposition I move to adjourn debate.

[Motion to adjourn debate carried]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that the Assembly do adjourn until 8 this evening.

[Motion carried; the Assembly adjourned at 4:06 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, April 8, 2003**

8:00 p.m.

Date: 2003/04/08

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

I wonder if the Assembly would agree to briefly revert to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**

The Deputy Speaker: The hon. Member for Clover Bar-Fort Saskatchewan.

Mr. Lougheed: Thank you, Mr. Speaker. This evening I've had the opportunity to speak with a group of young constituents who have assembled in the room upstairs to discuss some topics of interest to them. I'd like to introduce them. I will read their names off, and then afterwards I'll have them rise and receive the traditional welcome of the Assembly. We have with us this evening Darcy Andrews, Ravi Amarnath, Jeanne-Marie Audy, Matthew Bissett, Leslie-Anne Fendeleit, Garnett Genius, Matthew Mohr, Mark Ruhl, Neil Ruhl, Angela Schubert, Trevor Stokke, Chris Young, Beverly Eastham, Jessica McClay, and Steve Buchta. I'd ask them to please rise and receive the traditional warm welcome of this Assembly.

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

Mr. MacDonald: Yes, please, Mr. Speaker. At this time I would like to introduce to you and through you to all hon. Members of this Legislative Assembly one of the most distinguished citizens in the constituency of Edmonton-Gold Bar and a former Detroit Red Wing, Mr. Terry Cavanagh. Mr. Cavanagh has had a very distinguished career in civic politics and has a very keen interest in the economic prosperity and the future of the city of Edmonton. He's in the Speaker's gallery, and I would now ask him to please rise and receive the warm and traditional welcome of this Assembly.

Thank you.

Mr. Hutton: I was going to acknowledge Mr. Cavanagh as well, Mr. Speaker, because he was a fine mayor and is a dear friend too.

The Deputy Speaker: I guess you could stand up again. A double welcome.

head: **Government Motions**

Provincial Fiscal Policies

19. Mrs. Nelson moved:

Be it resolved that the Assembly approve in general the business plans and fiscal policies of the government.

[Adjourned debate April 8: Ms Carlson]

The Deputy Speaker: The hon. Leader of Her Majesty's Loyal Opposition.

Dr. Nicol: Thank you, Mr. Speaker. It's a pleasure to rise tonight to begin debate on the budget for the 2003-2004 fiscal year. One of the main components of the whole discussion and the theme that kind of permeated through the speech from the Finance minister this

afternoon was the idea that this is a budget that's going to start a new phase in Alberta's financial management, financial planning, and the key word seems to be the focus on stability and sustainability. When you look at the process that was put in place through the legislative agenda earlier in the session, Bill 2, that put in place the ability to deal with the stability fund, or sustainability fund, the infrastructure capital fund, and to make some of those adjustments. That really will help in that context.

When you look at the idea of sustainability and the broad context of that term, I have to go back to the question that I placed to the Premier yesterday in question period when I asked him to define sustainability in the context of the government's debate, and he in effect took that opportunity to tie sustainability to government expenditures that were constrained by revenues. That's simplifying an answer that he gave us, but that was the sense of it. I guess when I think about that definition and that use of the term, I would like to think of sustainability in a lot broader context of what is a true use of that word, and to define it so closely tied to budget balancing, budget sustainability, then what we end up with is the kind of approach to planning that really doesn't facilitate the true concept of stability and sustainability, that I discussed at length for the last number of years and, more specifically, the last two years when I've been trying to promote the idea of sustainability, the stability fund, as I called it, the infrastructure fund, the revenue smoothing, all concepts that the government has now incorporated. But the debate that went around my definition of that sustainability had to deal with the progressive and sustainable growth of our province. If we look at it from the point of view of, in effect, the tools that were put in place, those tools by themselves only facilitate an operation, but what they do is they need to make sure that the tools have the appropriate vision behind them.

What I want to talk about a little bit at the start tonight is the vision that I would like to have seen in the budget today and the vision that, in effect, ended up in the budget today. I guess to use some of the budget line items that show up in it, it's a matter of: how do we look at provincial expenditures as a component in both the economic and social systems of our province? If we look at how the government approached the budget this term, yes, they've created a system that will provide for, if I want to call it, the ability not to have shocks in a year. So it's taken out the uncertainty of the budget rather than the sustainability of the budget. You know, I guess that's how I can classify the difference in what I was talking about when I talked about sustainability and stability of our budgeting processes as opposed to what I see in the government's operational plan that they gave us today. In other words, they've got a budget and they're using tools to smooth their budgeting process, not to make a sustainable budget.

When I talk about a sustainable budget, I look at it from the point of view of: are the public expenditures sufficient and appropriately placed to give us the growth in our economy, the support of the infrastructure in our economy, the balance in our social systems, and the safety nets that are there to really provide for a future, a vision, that says, "this is where we want to be 20 years from now; this is where we want to be 30 years from now; this is where we want our children to be when they become adults, become legislators taking our place"? This is the kind of thing that we have to focus on, and I don't see that in this budget in the context of sustainability that I use when I talk about that term.

Mr. Speaker, I'll just kind of go through a little bit and use some of the examples that I want to use to illustrate that in the sense that what we have is a system that didn't put the money in the priority areas, the areas that Albertans were asking for. You know, we keep line item totals in the budget, and I guess the easy one to talk about

is education because that's the one that most people have asked questions about today. We end up with, depending on how you calculate it, somewhere between a 4 and a half percent, 4.7 percent – and some people have even come up with a number of 4.9 percent – increase in the Learning budget. But when you look at what's really there for the frontline delivery of service, even the budget points out that it's only 2 percent for the per student grant, and if that's all we have in the per student grant, that's in effect a signal being sent by the government that that's the amount of money for classroom activity.

8:10

Now, I recognize that there are additional dollars for technology in another line item, but, you know, that's a signal by the government that those dollars should be in technology. There's another line item for special needs. That means that those dollars should be used for children with special learning conditions, special needs, to help them learn, to help them reach their potential. But when you look at it from the point of view of what's there to handle the classroom need, the per student grant only goes up by 2 percent. How do we deal with that in the context of a system that still is trying to catch up on an arbitrated wage settlement, that is trying to catch up with extremely high utility costs for the past year and the foreseeable couple of years?

When we look at a system that's trying to deal with the added costs of new technology adoption and the evergreening of technology, it doesn't give us a sustainable budget when we look at how it's broken out in Learning. You know, we're dealing here most in my discussion with the K to 12 component, not the advanced education or the adult learning component that they define in the line items of the budget. Even there we're giving basically for the classrooms at the advanced education level a 2.2 percent increase, but what we're doing is in effect downloading on to students more of the cost by allowing tuitions to go up, by allowing differential tuition fees. This basically says that students have to finance more of their own education cost.

When we put that into a development component, Mr. Speaker, you have to appreciate, you know, the focus that I've taken on a lot of the work I did before coming to the Legislature in terms of my work with governments, my work with communities in terms of economic development, and one of the things that we talked about all the time was the need for human resource training, human resource quality, but also the fact that economic development really transcends the idea of just having that. We've got to have an ability for those individuals to participate in both the community system and the economic system, and if we're basically saying to a new graduate that "you're going to have a much greater obligation to the financial community through paying off your loans," they're not going to have the money to participate in what we have as a consumer economy in North America. We don't have with them the same ability to go out and buy a home, to buy new cars, to buy, you know, the entertainment, the consumer goods that I had, as an example, when I graduated.

I was very fortunate to have gone through university at a time when, you know, the public saw the value of a public university and the value of citizens trained to participate in the system. So in effect I came out of university with essentially no financial debt. So I had to deal with that in the context of: where do I go by comparing my grandchildren now or even my children, who are coming out of their university programs with significant financial debts? Does that mean I should step in and help pay off their debt for them? Well, I think that's an issue that we have to look at in terms of what a social expectation is. I hear a number of the members across the road

saying that, yes, I should be paying off my children's university debt, but this is the idea of: where does the benefit truly come from that university education? It comes back to all of us as a community. I think the ideal example that we can give on that is the decision that was made by Ireland about 15 years ago to make sure that every student who wanted to had access to an advanced education system, and that system in effect helped them get established, and they had a lot of support through the public school system: no tuition, minimal tuition at the postsecondary education level.

We need to look at the perspective that they now have one of the fastest growing economies in the world. So in effect they were thinking about the long-term potential and long-term sustainability for their communities. They were dealing with this in the context of how to make sure that their communities were viable by having well-trained, well-educated individuals, and they've got rewards coming now from that. You know, that's the thing we should be looking at when we plan our budgets, when we plan our expenditures at a public level, the idea that we end up pushing this to the limit in terms of making sure that these students have a manageable debt but that they do have an obligation to pay off that debt. All we're doing is making sure that the financial communities of our economy are strong, not the true sense of our community, because individuals then start to make decisions about where they can locate to get the most from their employment so that they can pay back those financial obligations. I don't think this budget passes on a message that we want to strongly support people, young Albertans, getting a quality education in our province.

You know, the whole idea that we look through this and say: where are the priorities, where are the issues that this government sees as important? We look at a 2 percent increase per student or classroom grants for education, yet we look at a much bigger increase in the additional dollars going to support horse racing in this province. They get a 10 or 12 percent increase; students get only a 2 percent increase. What signal of priorities does that send to the young people of this province? You know, it's really in my mind the wrong kind of a signal when we're going to increase the expenditures on horse racing by more than we're going to increase the expenditures on public education, more than health care, more than any of the other people service components. It really sends out a wrong signal and a signal that doesn't reflect a lot of the priorities of Albertans.

The other component that we heard talk about here in terms of the stability of where we're trying to go as a province is, you know, this new idea of capital expenditures, and I guess just to kind of touch on one more point to kind of illustrate, the focus that I see in this budget that doesn't sit right with how I would like to see us serve the public through this Legislature is this idea of how we're going to deal with our capital and our infrastructure. You know, it's great. It's really commendable that the government is making a commitment to catch up on some of the infrastructure deficit that we've had created over the last 10 years. You know, the idea that they're going to commit to \$5.5 billion over the next three years is going to in effect make sure that we do have some degree of catch-up and sustainability in our needs for infrastructure.

8:20

But when you look at what they're doing, it's interesting that they're committing to use some of that public money in support of other financial alternatives, as they call them in here. In the background material they start talking about and they reintroduce the concept of the public/private partnerships, and if we're looking at the long-term best interests of Albertans, we have to make sure that we spend the dollars to get the best return over years, not just this year but over a number of years, for Albertans.

It really raises the questions when we have the best credit rating in North America, we have the options to deal with financing our infrastructure, we have the providers of infrastructure – you know, the businesses in our community who in effect can put that in place . . .

Speaker's Ruling Decorum

The Deputy Speaker: I'm sorry, hon. leader. We have a debate going on, and some people have forgotten their manners this evening and don't realize that we have only one hon. member speaking at a time, and that's you, hon. leader, not this gentleman over here nor the other gentleman over here who seems to be anxious to debate. They will have a chance later on, but right now it's the hon. Leader of Her Majesty's Loyal Opposition.

Debate Continued

Dr. Nicol: Thank you again, Mr. Speaker. The point I was getting at is the fact that if we look at the long-term investment in our capital projects, the very best way for us to do it and give Albertans the best value for their dollar is to do it under the public system because we in effect can borrow the money, we have the technology, we have the expertise, and we have the private-sector construction companies that can actually build those things for us in the most cost-effective way. All of the material we've been able to gather over the last four months while this debate's been going on has indicated that in the other jurisdictions where the public/private partnerships have been tried, they've all raised a lot of concern and a lot of problems, all the way from higher costs to higher management to greater bureaucracies being created to deal with the provision of services, and that's not what we want in Alberta. We want to have seamless, cost-effective infrastructure.

All I'm saying here is that if the government moves ahead on this, if they really feel they have to, make sure that the guidelines that they put for this committee that they talk about creating to vet these investments and these partnerships – that that committee be challenged with a long-run vision of how cost-effectively our public dollars are being used and that they have to do it in a public way so that in effect everyone can be brought into agreement about: this is a cost-effective way. We don't want to be in a position where we see problems arise, we see obligations arise that weren't foreseen, and the other issue is, you know, that we have to make sure that the quality standard is the same. In the examples of the P3s that have been tried in Alberta, there were quality differences between the public construction and the private-sector contract construction, and we have to make sure that if we're going to compare costs under a partnership scenario versus the costs under the public system, the quality standards and the use requirements are compatible. You know, that's one of the things that's really important that we do in the context of being open with Albertans.

Mr. Speaker, I guess there are just a couple of other issues that we talk about in terms of trying to make sure that we deal with the budget in its full focus. If we look at, in a sense, some of the issues that come up with, again, the line item concept of the individual ministries, we are very pleased to see the magnitude of the increase in health care, but when you build in the federal contribution, which in effect is expected to be used for new services in terms of home care and catastrophic drug costs, we have to look at that then. When you take that amount of money out of the health care budget, there's really little or no optimism to be felt in that health care budget because it doesn't really send a signal that there's a lot of room,

especially with the labour negotiations that are coming up this year, how they're going to be handled.

Will there be contingencies built in so that we don't end up with the same kind of requirement for financial transfers from one section to the other to handle the labour costs as opposed to the funding that went into other aspects? It's important, you know, that that kind of issue be dealt with, but, Mr. Speaker, the appropriate place to do that is in Committee of Supply as we deal with those individual budgets. So what I'm trying to do more here is focus on some of the major components of the budget in terms of where we're going.

I guess the other part of it that I want to just address, as well, is the idea that historically we've had some of the disaster services risk management dollars handled at a budgetary level. If I read the budget documents correctly, now almost all of those risk requirements in our budget are being transferred over to the stability fund. So drought, fire, those kinds of components are going to be ending up over there because even in Sustainable Resource Development the line item for forest fires is well below the average amount of money spent in the last three to five years. In effect, we can say that it's not enough to meet what is an average expectation. There is a kind of a signal being sent here that the budget process expects some money to be transferred from the stabilization fund to deal with forest fire fighting.

We look at the agriculture components and look at the drought programs there. I guess I don't share quite the optimism of the Minister of Finance today when she talked about the new Ag programs and how they were going to in effect reduce completely the need for the kinds of ad hoc programs we saw last year. Mr. Speaker, I really hope that that is the case, you know, because the ad hoc programs that we saw last year were really quite open to question about the effectiveness of them. I think I relayed the situation that I was faced with last summer on the acreage payment program where on my farm in southern Alberta I was faced with the highest yields I've had in five years, the best prices I've had in 20 years, the lowest costs because I got rain when I needed it. I didn't have to irrigate. I had all that public infrastructure there to help me risk-manage, yet I got the little form in the mail saying: you can qualify for public money. Now, I didn't apply, but in the end that kind of points out the fact that ad hoc programs don't really direct the money where it needs to go. So I really would like to share the minister's optimism when she spoke this afternoon and said that she hoped that this new program being put in place by the minister of agriculture would eliminate the need for those ad hoc programs, but I also had a chance to chat with the minister of agriculture and pointed out some of the stories that are starting to float around rural Alberta already about ways to abuse the system that are already being found by some of the farmers out there that are signing up for the new programs.

8:30

You know, this is the kind of thing, Mr. Speaker, where any new program has to be tested both for its effectiveness and also for its ability not to be used. Are the fences appropriately defined around it? I hope that the minister works strongly to make sure that as next year comes along, the new programs are built or are modified to close some of the loopholes that appear to be in it right now, but that's something that we can only tell over time in terms of how much of a problem that's going to be. I guess that where I was going on that is that it goes in with this idea that all of the risk management money is now being transferred to the stability fund, and how do we sustain that in the context of long-term planning? It would have been better to have had some kind of an estimate built into the annual budgets, you know, especially in Agriculture. With Ag

Financial Services they have a mechanism to move money across years so that, in effect, you can create a pool that has money in it that is actuarially sound over time based on the expectations of demand for the program. So you end up looking at that and saying: why put so much of the risk onto a fund that was supposed to be there for stability as opposed to that risk management component?

Mr. Speaker, as I kind of come to the end . . . [interjections] Well, maybe I'll use a few more minutes of my time now. Getting all that encouragement, I'll go on a little further. The idea is that, you know, we need to make sure that we go through the explanations of the budget and try and make it so that it's easy for all of us to talk to our constituents about it.

I just wanted to touch on one other aspect before closing, and I guess I throw this out as much to hope that it will precipitate an answer as opposed to throwing it out as any kind of a criticism or anything. It's something that to me seemed just out of context or out of sorts with what's been going on the last year or so, and that is the significant drop in the expenditures for Aboriginal Affairs in the context of how that is going to be brought in line with all of the issues that are coming up right now about the work that we're doing in the First Nations communities and the Métis communities. I noticed that in some of the departments there were new line items where aboriginal initiatives showed up under some of the individual departments, where they were not located in others years.

So I guess the question that I throw out and kind of in closing is: is there kind of a philosophic change in the approach to co-ordinating the affairs that are associated with aboriginal issues under one ministry where they are now being spread out under a number of ministries? This is, I guess, an issue that reflects on co-ordination and making these programs so that they flow together, that they don't overlap, that they don't duplicate, so that they're directed in a way that's needed. That, I think, was one of the strengths of having a lot of the programs co-ordinated under that one ministry, but now they seem to have been dispersed through a number of ministries.

So I guess, as I said at the start, that's a question that I raise. I'm not making it as a criticism. It was more a matter of: is it a philosophic or administrative change in the way the government sees relationships with the First Nations communities? In response it would be nice at some point in time to see an explanation about why that dividing up of those moneys occurred and what the government hoped to achieve from it because it really doesn't seem to lead to the co-ordination and the consistency that we could have if they were all run through one minister, one administrative unit. You know, it affects, I guess, a focus of the government.

Mr. Speaker, in drawing to a close, I just want to say that this is a budget where we have to question whether or not it really reflects the priorities that Albertans have been talking about. When you look at the relative increases in ministries in particular activities, I think Albertans would have liked to have seen a little more money at the classroom level in education. There need to be some ideas put out about: what is the true relationship of the public service?

Just in closing, Mr. Speaker, I was doing one of the interviews on the radio station tonight, and it was a call-in. One of the individuals called in and said that he'd been down in Nebraska, and he was wondering why a state like Nebraska has a budget that's about half the size of the budget of Alberta. He said: you know, if we had a budget that was half the size of our budget right now, as Albertans we'd have a lot more money in our pockets. I raised with him the issue that I had lived in that part of the U.S. for 10 or 12 years and the idea that they don't have health care in their state budgets. The social service system for health care for seniors is all out of the federal budget. They don't have a lot of the other same expenditures at the state level that we do at the provincial level here. Their federal

government provides a lot more money for support for the advanced education institutions whereas here that all funnels through our budget.

You know, it was interesting in the sense of how perspectives of budgets, perspectives of expenditures really create different expectations for people who look at them. That's why I think it's really important that as we go out and talk to Albertans about our budget, we don't put out information like was in one of the news releases where it said, you know, that basically health, education, and infrastructure are 70 percent of our budget. Mr. Speaker, if I've ever heard an irrelevant fact, that has to be one because it doesn't deal with expectations and expenditures. All it deals with is, in effect, something where they want to make it look like something that it isn't, and that's a real concern when we start talking about money.

What we should be talking about is: are the dollars we're putting into education giving us a long-term, sustainable economic and social system? Are the moneys that we're putting into health care giving us timely and accessible service? Are the dollars we're putting into infrastructure enough to give us a sustainable social and economic system? Are the dollars we're putting into human safety nets like SFI and AISH enough? Are they effective? Are they providing people with the support they need? Those are the comparisons we should be making rather than trying to make the comparison I talked about between the Alberta budget and the Nebraska budget or the fact that health, education, and infrastructure make up 70 percent of this year's budget. Infrastructure itself grew in this year's budget, so if you're going to compare it to last year's budget, it's irrelevant. You're comparing apples and oranges. So we shouldn't be putting out that kind of information if we want to be open and truthful with Albertans. We should be talking about the true facts of: are we delivering services in a cost-effective way and at a level that Albertans are asking for?

8:40

Mr. Speaker, that's the kind of criteria that I want to use in judging this budget, that I want to use as we go through each of the departments and look at the line items, the program expenditures, and basically say: are we getting value for the dollar that we're spending on behalf of Albertans? I hope that as we go through that, at the end we can say yes. I know that already on some of the numbers I've looked at, I'll be raising some real questions because I don't think we've got sustainable expenditures that are in the long-run best interests of Albertans, but in other areas I think there is a lot of money being spent where we don't need it. Albertans don't need to have a bigger budget. They just need a budget that's spent in different ways, in ways that meet their priorities and meet their expectations.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. leader of the New Democratic Party.

Dr. Pannu: Thank you, Mr. Speaker. I understand that I have 20 minutes. Fifteen? Okay. All right. With a document as vital, as important as the budget document, it's difficult to do it much justice in 15 minutes, but I'll do my best. With the \$20 billion or more planned to be expended here, I think it comes to about a billion and some for each minute that I have at my disposal.

Mr. Speaker, for a government as well endowed fiscally as this provincial government, Budget 2003 is a huge disappointment. For school boards and parents hoping for some relief from crippling deficits and ballooning class sizes, Budget 2003 is a huge disappointment. For postsecondary students who are facing tuition hikes of 6 to 10 percent year after year, Budget 2003 offers absolutely

nothing. Most of the 7 percent hike in health care spending is simply the Tory government taking advantage of increased federal transfers. There's little in this budget for children and less for seniors.

My first surprise with Budget 2003 is that it didn't contain an update on revenues and expenditures for the 2002-2003 fiscal year. The third-quarter update was released February 26, almost six weeks ago. Surely the government has by now a better handle on what the final surplus is going to be for the next budget year. If past experience is any guide, the surplus for last year is likely to be much larger than the government is currently willing to admit. To be blunt, the revenue numbers as reported in the third-quarter update don't add up. For example, oil royalties are projected to be 40 percent lower than in the year 2000-2001 despite the fact that oil prices have only been about 5 percent lower this year compared to two years ago. This represents a difference of about \$700 million, the first instance of lowballing. Natural gas royalties are projected to be about 40 percent lower than in the year 2000-2001 despite the fact that gas prices are only about 20 percent lower this year compared to two years ago. This represents a difference of about \$1 billion.

Therefore, it's quite conceivable that the final budget surplus could be \$1 billion to \$2 billion higher than forecast as recently as the third-quarter update. This fact is kept well hidden in Budget 2003. The government knows that the budget surplus won't be known until June. If the surplus is higher than what is reported in the third-quarter update, it would be too late to do anything other than apply a hundred percent of these extra dollars to debt repayment. Instead of \$2 billion sitting in the bank waiting for debt to mature, the cash set aside could grow to \$3 billion or \$4 billion. With all government awash in cash, having this money sitting in the bank while school boards are facing huge deficits is a case of misplaced priorities, Mr. Speaker.

Budget 2003 is the first budget that uses the new fiscal framework passed by the Legislature earlier this session. To be fair, the new fiscal framework properly applied does serve to improve budgetary processes in two ways. The first change is a shift from pay-as-you-go cash accounting for capital investment, where costs and expenditures are expended in the year they're incurred, to accrual accounting for capital investment where the costs are written off over the useful life of the capital asset. This change does not impact on the yearly budget bottom line, but it will cause the province's net assets to go up another \$10 billion thereby making the province's remaining accumulated debt look just that much more insignificant.

The second change resulting from the new fiscal framework is the establishment of a sustainability fund into which nonrenewable resource revenues in excess of \$3.5 billion per year will be paid. This sustainability fund will be allowed to grow to \$2.5 billion, money that can be tapped to pay for unexpected expenses like drought and forest fires. Once this sustainability fund reaches \$2.5 billion, any surplus funds can only be used for debt pay-down or transferred to the capital account.

While the concept of a sustainability fund is a good one, the way it's being applied in Budget 2003 is not. I have to seriously question why the government is putting \$2.2 billion into the sustainability fund in the very first year, Mr. Speaker. Paying such a massive amount into the fund in the very first year is a way of hiding some of the budget surplus. It also lends credence to those who charge that the sustainability fund will be used as a slush fund to pay for rebates at election time. Load up the sustainability fund between elections; use it to pay for goodies at election time. Instead of fast-tracking transfer to the sustainability fund, some of the dollars should instead be spent on priorities like keeping a lid on classroom sizes and reducing wait times in the health care system.

Mr. Speaker, the Premier said yesterday that Budget 2003

contained no tax increases, only tax cuts. Reading the fine print today, we find that that isn't exactly the case. There is, in fact, a sneaky 5.8 percent increase in school property taxes paid by homeowners and businesses across the province. That is because the government has not adjusted the education mill rate downward to compensate for increases in the assessment rate base. During the last provincial election the Tory government promised to freeze the education property levy at \$1.2 billion. Well, guess what? Two years later Albertans are paying an additional \$127 million in school property taxes. That's sure not what Albertans were expecting when the province took taxing powers away from local school boards.

While Budget 2003 contains no further increases in health care premiums, this comes on the heels of a 30 percent hike last year. If the government wanted to give meaningful tax relief to average families and seniors, they would have reduced this highly regressive health tax.

While Budget 2003 contains tax hikes for every Albertan, the only tax cuts are for corporations. The half point cut in the general corporate tax rate from 13 percent to 12.5 percent means \$95 million in the pockets of corporations, many of whom are enjoying record profits thanks to high oil and gas prices. This is \$95 million that could have gone to classrooms or to improving health care, Mr. Speaker.

The single biggest disappointment of this budget is its failure to pony up for education. The extra money for K to 12 education is barely enough to feed the class hamster, Mr. Speaker. Per pupil grants to school boards will only go up by the same 2 percent announced in last year's budget. That is causing financial crises for school boards across this province. This 2 percent increase does not pay for the government-imposed arbitrated salary settlement with teachers. It doesn't pay for inflation that's running at about 5 percent per year in this province. It doesn't pay for skyrocketing utility bills. To be blunt, this government has the financial means to address the looming financial crisis of school boards but has done virtually nothing. This government has let down Alberta's children.

Don't take my word for it, Mr. Speaker. I want to briefly quote from a news release from a provincewide parents' group called APPEAL in their response to the budget. This news release is entitled Parents Express Shock and Disappointment. The news release goes on to say:

The Alberta government is paying lip service to Alberta's children in their budget rhetoric but has abandoned them in the funding. There is nothing in the 2003 budget to address classroom conditions. In fact, the 2% general grant increase will result in larger class sizes throughout the province . . . Parents had hoped for at least a status quo budget but we have received a brutal wake-up call that the province is unwilling to put their money where their mouth is. Alberta's children take a backseat in this budget.

8:50

In postsecondary education base operating grants are only increasing by 2 percent in 2003-2004, less than half the rate of rising costs. No wonder most postsecondary institutions are hiking tuition fees from 6 to 10 percent year after year with no end in sight. The universities are also bringing in differential tuition for certain faculties. This government's response? Well, they're generously allowing postsecondary students to slide further into debt by raising the limits on student loans. In my view, allowing students to go further into debt is the wrong solution. Meaningful action to address skyrocketing tuition fees is the better solution, Mr. Speaker. Not a sign of that in Budget 2003-2004.

Thanks to the federal government health has done little better than education in Budget 2003. Over one-half of the increase in health spending in this budget is due to increased federal transfers.

Alberta's health regions are receiving increases that should just about allow them to keep up with rising costs. However, it must be remembered that the health minister allowed most of the health regions to run deficits and deplete financial reserves last year which they'll have to start repaying this year. So will the new federal dollars be enough? Only time will tell, Mr. Speaker. Rural health regions face a much more serious problem in the face of the new budget and the new commitment made by this government, however.

With \$910 million of last year's surplus already set aside and more dollars also flowing in, Infrastructure is clearly the big winner in this year's budget. Having said this, however, the province does have a significant Infrastructure deficit that has built up over the last decade. The problem with Infrastructure is not the amount of money being spent but rather the way the government wants to spend it. Starting next year, the government wants to spend about 30 percent of its Infrastructure money on so-called public/private partnerships. It also wants to force local authorities like school boards, health regions, and municipalities to use P3s whether they make financial sense or not.

This Tory government is refusing to look at the evidence that clearly shows that P3s don't work. Whether we are talking hospitals in the U.K. or schools in Nova Scotia, P3s have cost more and delivered less than publicly financed infrastructure. Worst of all, P3s reduce the accountability Legislatures have for the expenditure of public funds. The New Democrats will work hard over the next year to convince Albertans that P3s are a bad deal for Albertans and that our schools, hospitals, and roads should continue to be publicly owned and operated.

Budget 2003 provides social assistance recipients not deemed employable with a \$20 increase in their monthly benefit on June 1. This is the first increase in the 10 years since the government cut rates and does not even restore them to what they were back in 1993. Meanwhile, inflation has gone up by over 30 percent and rents have gone up by 50 percent. This tiny increase of 66 cents a day won't even buy you a cup of coffee, Mr. Speaker.

Meanwhile, monthly benefits for disabled AISH recipients were last increased four years ago, the only increase in the last 10 years. There are no increases for severely disabled Albertans in this budget, Mr. Speaker. This is a terribly shabby way to treat the province's most vulnerable citizens.

If there's little or nothing in this budget for children, Mr. Speaker, there's even less in this budget for the province's seniors. Despite a rising seniors' population, expenditure for seniors is going up at a rate less than inflation. I guess seniors should be thankful that this budget doesn't hammer them to the same extent as last year's budget. This year the government is only hiking their school property taxes and fails to help them deal with skyrocketing utility bills. Last year the government also hiked seniors' health care premiums and took away their dental and eye care benefits.

On environmental protection spending, \$10 million on climate change initiatives and \$5 million on water conservation is likely to do little more than fatten the pocketbooks of government consultants.

The budget also continues to waste money on pet projects. It has \$4 million more in subsidies for horse racing for a total of \$37 million. There's 26 million more dollars for the money-losing Swan Hills toxic waste plant.

To wrap up, Budget 2003 is a stand pat, do-nothing budget. It fails to address the growing financial crisis in our schools. It doesn't address skyrocketing utility bills. The budget lacks vision and does not address the real priorities of Albertans.

Thank you, Mr. Speaker. I think I've just come under 15 minutes.

The Deputy Speaker: Questions or comments? The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Speaker. On questions and comments. I listened attentively to the comments of my colleague, the leader of the New Democrats, and I was interested when he prefaced his comments by saying that he was spending something like, I think it was, \$1.5 billion a minute. Is that a suggestion then on the part of the leader of the New Democrats that he does not intend to participate in any of the budget debate, the estimates which will be coming forward over the course of the next month? Surely, the leader of the New Democrats is planning on participating in that debate and will have ample opportunity to further discuss the budget and is not limited to this 15-minute interval.

One other comment, and that had to do with the toxic waste and the funds going to the Swan Hills plant. Is it the member's contention that we should not be eliminating or getting rid of toxic wastes?

Thank you, Mr. Speaker.

Dr. Pannu: Mr. Speaker, I thank the hon. member who made these comments. When I said that I have 15 minutes, I meant 15 minutes this evening. So I'm aware of the fact that he and I will have ample opportunity to look at the budget estimates in detail department by department.

On the second part of his observation, how we should deal with waste disposal in this province, the Swan Hills fiasco is not the way to deal with it. That plant has cost Albertans hundreds of millions of dollars over the years, close to half a billion dollars at least, if not more, and it continues to lose money. I think it would be irresponsible for us to continue to close our eyes to that disaster and say that nothing can be done about it. Spending another \$26 million on it this year is not the way to deal with that disaster and say there are better ways of dealing with disposal of those harmful wastes.

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar on questions and answers?

Mr. MacDonald: Thank you, Mr. Speaker. Again to the hon. Member for Edmonton-Strathcona: does the hon. member consider this government mean when he learned today that there was no increase for AISH recipients in this province after energy deregulation has driven up the cost of inflation and their benefit rates certainly are not reflected? [interjections]

Dr. Pannu: Mr. Speaker, the hon. member's question is extremely timely and appropriate. To laugh off the significance of this good question is to trivialize the whole issue of what our obligations are as a community to the most vulnerable members of our community, and Albertans on AISH, Albertans who receive social benefits under SFI and others are the most vulnerable among us. These are people who are unable to find jobs and do employable work. These are Albertans who are either disabled or suffer from chronic illnesses which don't allow them to work. To say that they should not receive increases on a regular basis which are at least commensurate with the rate of inflation so that the real value of what they've been getting over the years can be maintained is to neglect our responsibility in a way which I think is not a responsible act on our part.

9:00

Mr. Lund: Mr. Speaker, having listened very attentively to the member's diatribe, I must respond to some of his comments. The hon. member tried very hard to discredit very worthwhile organizations like Good Sam, like Bethany Care, like the Caritas group.

When he went on and talked about how terrible P3s are . . . [Mr. Lund's speaking time expired]

The Deputy Speaker: The hon. members are reminded that under Standing Order 29(2) we're allowed only five minutes for the question and answer portion. As interesting as it might be, those are the rules.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that we adjourn debate.

[Motion to adjourn debate carried]

Final Report of Electoral Boundaries Commission

13. Mr. Hancock moved:

Be it resolved that pursuant to section 11(1) of the Electoral Boundaries Commission Act the Legislative Assembly concur in the recommendations of the final report of the Alberta Electoral Boundaries Commission, entitled the Proposed Electoral Division Areas, Boundaries and Names for Alberta, tabled in the Assembly on Wednesday, February 19, 2003.

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

Mr. Hancock: Thank you, Mr. Speaker. It's my obligation as Minister of Justice responsible for the Electoral Divisions Act and for the Electoral Boundaries Commission Act to move Government Motion 13.

Mr. Speaker, I say obligation rather than using any other descriptive because like many if not most members of this Assembly I don't particularly like the report. In particular, I'm extremely unhappy with the report in that the commission saw fit to reduce the number of electoral districts in Edmonton to 18 from 19.

As a member of this Assembly I, like most of you, am very much in tune with my community, am very much interested in the outcome of boundary redistribution. In fact, I directly and through my constituency association made direct submissions to the boundaries commission with respect to boundaries to the city of Edmonton. In fact, I'd like to say that by my count more Edmonton Conservative MLAs and constituency associations made submissions to the boundaries commission than Edmonton Liberal MLAs and constituency associations. By my count. There is no group, whether Liberal or Conservative, closer to the subject or more knowledgeable about how our communities interact or better able to draw the lines than the members in the House. However, there is also no group of individuals with a greater personal stake in the outcome, and it is precisely for this reason, Mr. Speaker, that we do not engage ourselves in rewriting the boundaries but, rather, establish a commission to do the job within the parameters set out in the legislation for that purpose.

This House in the Electoral Boundaries Commission Act sets the number of constituencies in this province, and it's set at 83. Then the commission has the job to draw those boundaries within the limits of that number and within the parameters as set out in the act. I have as a member of a political party been involved in a number of redistributions over the years and seen a number of iterations of the Electoral Boundaries Commission Act, and I must say that the act under which we operate in this province is one of the fairest and most reasonable acts in the country in that it sets almost no parameters for the Electoral Boundaries Commission. It says 83 seats, and it leaves it to the commission to then draw those seats based on the

latest census results and taking into account a list of factors that are set out in the act, taking those factors into account, not mandating them.

I've argued before a number of electoral boundaries commissions, at least three, over the years that one of the factors that they should take into account in drawing boundaries is growth since the census. I can report to the Legislature that I'm not very effective in making that representation to the boundaries commissions because it has not once been accepted by a boundaries commission. One of the reasons that it hasn't been accepted by a boundaries commission is that the census provides basic verifiable data with respect to population numbers, and there is not a basis in verifiable data, at least that's been presented to the commission, to show the growth since then. In fact, in talking with the chairman of the commission about boundaries and the redistribution in this circumstance, he made the point to me that while most representatives of communities who appeared before the commission spoke about the growth in their community, none of them provided verifiable data, and all of them indicated that there had been huge growth since the last census and that that should be taken into account. So the commission had a very difficult job to do.

Now, Mr. Speaker, I have no idea why anybody would ever take on the invitation to join an Electoral Boundaries Commission. It has got to be the worst job that anybody could ever accept.

Dr. Taylor: Speak for yourself, Dave. I'd like to be on it.

Mr. Hancock: Well, resign from the House and we'll give it to you.

Mr. Speaker, I really don't know why the hon. member would want it because no one is ever satisfied with an electoral boundaries' report. You could never draw the report the way we as the experts in the business, as the members of this House who know our communities, who know where the lines should go, who know which communities ought to go together – no one could draw those boundaries better than each one of us. The problem is that each one of us would come up with a different map.

So we give the job to an Electoral Boundaries Commission, in this case chaired by the province's Ethics Commissioner. The act sets out that the chairman of an Electoral Boundaries Commission has to be a judge or an Ethics Commissioner or someone in that type of capacity. We had the benefit of an Ethics Commissioner who was also a past member of this House and therefore had a good understanding of the problems and the possibilities with respect to the electoral boundaries and had the benefit of being someone who was respected for his independence, impartiality, and respected in his role as Ethics Commissioner. Then, of course, the act allows for the nomination by the government and by the Official Opposition in consultation with the third party of the other members for that commission.

We give the job to the commission, and then we ask them to meet the public. The act specifically sets out that there should be commission hearings across the province, an interim report, additional hearings across the province, and a final report. The commission is mandated to follow that course and did follow that course so that public across the province could have input at the commission and discuss what their interests were and what their expectations were of a boundaries commission. The commission had those hearings and made its deliberations based on the information which it had.

The interim report surprised many of us when they came to the conclusion that Edmonton, for example, should lose a seat. It was a surprise to us. The previous numbers that I had prior to the census from the Chief Electoral Officer wouldn't have suggested that, but

the census numbers as they came out last spring indicated to the boundaries commission in their judgment that they needed to set numbers which would result in two seats being lost in rural Alberta – one in northern Alberta, one in central Alberta – and one seat being lost in Edmonton, and three seats going into Calgary and region. Those were the numbers based on the census numbers and based on their view of how you balance the interests of representation. Calgary's seats have a number approximately a thousand or more higher than Edmonton seats under the proposed redistribution by the boundaries commission, and rural seats have about a thousand less.

Those of us who have argued for years about the need for a triple E Senate in this country so we could balance the regions against the population find it very difficult to argue with the logic of a boundaries commission when they come up with a result which says that the regions have to be balanced against the population. So when you look at the logic of the commission's report, whether you like the result of the report or not, you find it very hard to challenge the logic of the report. For that reason, Mr. Speaker, I encourage members of this Assembly to accept the report with all of its warts, as each of us perceives it, to thank the commission members for doing a thankless job, and for recognizing that if we rejected the report, if we did not accept the report, what we would be doing is we would be sending it back to a new boundaries commission – this commission has done its job and is finished – to work with the same data and the same problems and probably to come up possibly with lines in different places but with some other variation of the same result.

9:10

Mr. Speaker, I don't think that it's prudent or logical of us or reasonable for us to reject a report unless we could suggest that there's something grievously wrong, that they've made some egregious error, that there is something that they have done wrong based on the mandate that they were given. As much as I don't like the result of the report, I can't say that they did anything wrong. In fact, I have to look at the report and say that the five members of the committee, the two appointed by the Liberals and the two appointed by the government and the one, the Ethics Commissioner, appointed as chairman, did a good job on the mandate that they had. I just don't happen to like the results, and it's not for me to substitute my view of what the results ought to be for the review of a boundaries commission which is charged with drawing boundaries based on all the input that they have and all the evidence before them and coming to the conclusions that they have to. In fact, we separate ourselves logically and realistically from redrawing boundaries and give it to a commission because in the history of parliamentary democracy there have been accusations of gerrymandering when governments or Legislatures or individual members of Legislatures attempted to draw their own boundary lines for themselves.

It's prudent, it's reasonable, it's rational for us not to delve into the job of redrafting the boundaries but to give it to a commission. We've done that. The Electoral Boundaries Commission Act sets out the parameters, sets out the criteria. It's a fair act, it's a fair process, it's a fair mandate, and they did their job fairly, as much as I don't like the results. For those reasons I would ask that this House approve the motion and allow us to get on with the job of bringing forward an electoral boundaries act as needs to be in the second process.

The Deputy Speaker: Before we proceed further in the debate on this motion, I wonder if we might have agreement from the Assembly to briefly revert to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

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

Mr. McClelland: Thank you, Mr. Speaker. It is not every day that a member has the privilege of rising and through you introducing to all members of the House a number of former members of this Legislature and virtually all of the city council of the city of Edmonton. We delayed a bit because we were waiting for the mayor to arrive, and I can't see him. I don't think he's there, but if he does come in, we'll ask if we can introduce him. Obviously, Edmonton city council is here to listen to this debate and I'm sure will be impressed by the oratorical skill that they're about to hear. Terry Cavanagh has already been introduced, but we'll ask each member to stand as they're mentioned: Terry Cavanagh, Stephen Mandel, Ron Hayter, Janice Melnychuk – Karen, are you behind there somewhere? – Karen Leibovici, Michael Phair, and Ed Gibbons.

An Hon. Member: Jane.

Mr. McClelland: Oh, sorry, Jane. Didn't see you. And Jane Batty. Accompanying them is their minder and the person that keeps them together, Dennis Thomson. Welcome.

Dr. Pannu: Mr. Speaker, I too want to welcome the councillors from the city of Edmonton in our midst, but in addition I would like to introduce two of our caucus staff who are sitting in the public gallery: Laura Nichols and Marilyn Hooper. If they would please rise and receive the warm welcome of the Assembly.

head: **Government Motions**

Final Report of Electoral Boundaries Commission

(continued)

The Deputy Speaker: Now Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a pleasure to rise this evening and get an opportunity to speak to Government Motion 13 regarding the Electoral Boundaries Commission, but before that I, too, would like to welcome our distinguished visitors in both the Speaker's gallery and the public gallery this evening.

This is a very important debate not only for the current history of the city, but it has implications for the future history of this city. I cannot support this motion, because it is my view that the report of the Electoral Boundaries Commission should not have reduced the city of Edmonton's representation in this Assembly by one MLA. Next year we will be recognizing the first 100 years of the city of Edmonton, Mr. Speaker, the centennial year of the city. Edmonton is in the middle of another period of solid economic and population growth, and Edmonton should not as a result of this report have lost one constituency before the next provincial election. Now, what a birthday gift from the province to this dynamic capital city. Happy birthday, Edmonton. Good-bye, Edmonton-Norwood. That is wrong. If the city is to continue to have a positive influence in this Legislature, why are we going to water down the voices in this Assembly from 19 to 18? Again, this report has failed to address the chronic, constant issue of underrepresentation of Alberta's cities in this Assembly.

Now, Edmonton-Norwood, to be specific, has had a long, distinguished history. The constituency of Edmonton-Norwood goes back to 1959. It has been represented in this Assembly by represen-

tatives of four different political parties. This is a rich and varied history, and to just take the eraser to the neighbourhoods that are currently represented by Edmonton-Norwood's member and add them to the constituency of Edmonton-Highlands is in my view very disrespectful of the citizens of Edmonton-Norwood.

Edmonton-Norwood as we know it is one of the most disadvantaged ridings in the city. It needs its own voice in this Assembly. There are people there that are very angry about losing their voice, and one of them, certainly, is a resident of Edmonton-Norwood by the name of John Patrick Day, Mr. Speaker. I would like to quote from one of Mr. Day's submissions to this commission.

Edmontonians are slightly less worthy of legislative representation, and will be so forever and ever.

I do not believe that this was intended by anybody. Indeed I am sure it was not. But it is the message given and received.

That reflects on all of us.

Edmonton-Norwood is an inner-city riding with a population of over 28,000. Twenty-four percent of its population is made up of new Canadians. There is a large Italian and a large Asian community. Seventeen percent of the population has less than a grade 9 education. Thirty percent do not have a secondary school certificate. All in all, over 47 percent do not have a full high school education. The unemployment rate for the riding is over 14 percent, more than double the provincial average, and it is interesting to note that more than 56 percent of the households in the riding make under \$30,000 per year. Should those citizens lose a voice in this Assembly? I say no; they certainly should not.

9:20

Now, I view this report as being anti-Edmonton, and it advantages the Progressive Conservative strongholds in rural Alberta and in Calgary. Sure, the first report of the Electoral Boundaries Commission suggested that Edmonton lose a seat and we lose two rural seats, but the loss of population in rural Alberta is a result of this government's economic policies, and the city of Edmonton should not suffer because of that. You have a highway 2 mentality. You're interested in economic development 50 kilometres east of highway 2 and 50 kilometres west of highway 2, but you're forgetting about the rest of the province. [interjections] The city of Edmonton, Mr. Speaker, should not suffer as a result of that.

Speaker's Ruling Decorum

The Deputy Speaker: Hon. members, how quickly you seem to forget. We have a convention in this Legislature that only one member is talking at a time. So, hon. ministers and hon. members on this side of the House, when your turn comes, we'll gladly listen to you, but right now we have the hon. Member for Edmonton-Gold Bar, so let us hear Edmonton-Gold Bar.

Debate Continued

Mr. MacDonald: Thank you, Mr. Speaker. Edmonton's population has grown substantially even since the 2001 census and will continue to do so in the foreseeable future. In eight years, when the next Electoral Boundaries Commission sits, unless we can convince this House to put them back to work and do this all over again, there will need to be radical changes because of the growth in this city. According to Economic Development Edmonton the population grew in 2001 again – and this is exceeding Conference Board of Canada forecasts – by 4 and a half percent, and this is in addition to the 8.7 percent growth reflected by the 2001 census. As a result, large parts of Edmonton may have to be redrawn to reflect a large disparity between the number of voters and seats which represent them.

Now, the minority report that was submitted in the final report of the Proposed Electoral Division Areas, Boundaries and Names for Alberta was submitted by Bauni Mackay, certainly appointed by the Official Opposition and the Official Opposition leader. There were some outstanding arguments presented in that minority report, and we need to consider those. There was certainly the conduct of the commission. There were several problems addressed, but let's look at three of them: the concept of representation by population, the concern over the concept of effective representation, and thirdly, issues of increasing urbanization not being reflected in this report, Mr. Speaker.

Representation by population means one person, one vote. The minority report by Bauni Mackay points out that because of the redistribution of seats between Edmonton, rural Alberta, and Calgary representation by population is compromised. Even if you look only at the 2001 census, it indicates that Edmonton should have 19 seats, and I argued before the commission that we shouldn't have 19; we should have 20 seats. Edmonton should actually, yes, be gaining an additional seat. However, we are losing one, which means that Edmonton's democratic right to representation is unfortunately compromised.

Now, again according to the minority report the definition of effective representation as used by the committee is vague and in some ways obsolete. The measure of effective representation was based on access of the MLA to constituents and vice versa. The commission did not take into account advances in technology such as e-mail, fax, as well as air travel and an extensive highway system when discussing effective representation. They took into account such issues as geographic distance and low population density. They also took into account the distance of a riding to the Legislature.

It's interesting to note that this afternoon when the budget was announced there was a line item in there with a total expenditure for the Supernet, which is going to be handed \$300 million, and that is another way for MLAs to interact with their constituents. It was suggested that perhaps in the public libraries and the public schools in rural Alberta there could be one dedicated line, the same as we have a RITE line so that constituents would have another way of contacting their representative if they were unavailable because of a sitting of the Legislative Assembly and they were present in the capital city Mondays through Thursdays.

Now, Mr. Speaker, such measures are obsolete when discussing effective representation according to the minority report as written by Bauni Mackay. The minority report did argue that what was missing from the measures were distances such as cultural distances and social distances. These distances cannot be closed by technology and are a barrier to effective representation. As a result, the situation arises again that those who are culturally and socially distant, people who are attracted to cities as opposed to rural areas, are being misrepresented.

The minority report also stresses the increasing role of urbanization in that economies in a world of global contact and community are becoming the basis of economies in the modern world, and if I can make one suggestion all over again to the members of the Alberta Electoral Boundaries Commission, it would be this: I would encourage them to read Jane Jacobs before they were to start their report and their study and their analysis. Jane Jacobs would remind each and every one of us of the importance of cities and the importance that cities have in the economic development of the region surrounding them. Whenever you penalize cities, you penalize the entire region. Miss Jacobs is a well-respected, world-known economist and urban planner.

Now, the minority report also points out several scholars' opinions that all Albertans gain from an urban strategy and that rural econo-

mies are losing their position in a global economy. While Calgary may gain from adding two seats, it helps no one – it helps no one – that Edmonton loses a seat. The minority report makes an argument that by removing a constituency from Edmonton, the commission is not taking into account the city's role as a hub of activity for a large part of the province and not only this province but also the territory to the north of us. Economic growth in the city and the importance of that growth to central and northern Alberta were not thought of, and that is why I have to agree with the minority report and I cannot accept the recommendations of this report as it's presented in this Assembly now.

When we consider the city and the fact that we have a centennial year coming up and we are going to face the prospect of losing a voice in this Assembly, I think that is a slap in the face to the citizens of this city. I'm sorry; Edmonton should keep their current representation. They probably should have at least one more seat. We have to look at this. We have to have a good look at this in this Assembly at this time and recognize that a mistake is being made. We have time to correct the mistake. It's just going to take political bravery. This government in the past has changed course, has changed direction, and regardless of the composition of this committee we in this Assembly have the authority to change direction. If we were to have another commission, have another look at this issue, well, so be it. But it's a small price to pay for democracy.

Mr. Rathgeber: What if you don't like the other one any better?

Mr. MacDonald: The hon. Member for Edmonton-Calder said: what if I don't like it any better? That is essentially democracy, and I would encourage the hon. member to participate in the debate in this Assembly on this issue. Certainly, the constituents of Edmonton-Calder I think would have a direct interest in the fact that we are losing representation in this Assembly. Certainly, the constituents of Edmonton-Calder would be most anxious to know how their representative feels about Edmonton losing one of its 19 seats.

Now, certainly, in conclusion, it will take a lot of political thought and courage by this government to recognize that a mistake has been made, but we in this Assembly have an opportunity here with this motion to correct that political mistake and not penalize Edmonton now or in the future by reducing its representation in this Assembly.

Thank you, Mr. Speaker.

9:30

The Deputy Speaker: The hon. Member for Lacombe-Stettler, followed by the hon. Member for Edmonton-Strathcona.

Mrs. Gordon: Thank you very much, Mr. Speaker. Before I begin tonight, I would like to also say hello to some old friends of mine: Ed Gibbons, Karen Leibovici, Michael Phair, Ron Hayter, and my good friend Terry Cavanagh. Hello, buddy. It's good that they're here tonight. I wish my municipalities could be here.

Mr. Speaker, this is probably going to be the toughest speech I've ever had to give. I'm not very proud to stand here tonight and have to condone Motion 13, to say that it's a motion I go along with, to say that it's a motion that my people respect. My people, the people of Lacombe-Stettler, are very, very concerned about the Electoral Boundaries Commission report. They were so concerned that they turned out for the second go-round in force: my municipal councils, my school boards, the people in my community that speak for other people. They said: "Listen; we're not happy with this. We are going to lose an MLA along the highway 2 corridor." The hon. Member for Edmonton-Gold Bar just talked a few minutes ago about how this

doesn't affect rural Alberta. It does affect rural Alberta. It affects rural Alberta in a big way.

Since 1990-91 we've had differences in Pincher Creek, Crowsnest, Cardston, Drumheller, Athabasca, Wabasca, and now we're going to look at Lacombe-Stettler and Ponoka-Rimbey. I'm not a gambling person. I have nothing to do with gaming and I'm not the least bit interested, but I should have been, because I could have made a lot of money. If someone had said to me, "Listen; they're going to disrupt your constituency," I would have said no. We have the numbers. We have the people. We have the location. We have the growth. We're two or three kilometres off highway 2. We had 330 housing starts in Lacombe last year. We're growing. We're going to continue to grow. We will not be affected. What do they do? They take one MLA away from rural Alberta along the highway 2 corridor, one of the highest growth areas in the entire province. Now, I would have lost money if I'd bet on that.

So I'm standing here tonight saying to you: indeed, this will be the toughest speech I've ever given. My councils passed unanimously at all of their meetings, on behalf of all the people they represent, that they didn't want this to happen. They don't understand why it happened. They don't see the need for it happening. The Lacombe side of my constituency, as it now stands, is going to continue to grow and grow and grow because of the location. They're close to Edmonton. They're close to Calgary. They're close to Red Deer. People want to live there. I grew up in Calgary. I lived in Calgary for 21 years. I love Calgary. If I'd lived in Edmonton, I probably would have loved Edmonton, but I grew up in Calgary. I went to high school in Calgary. I figure I've got the best of all worlds. I'm rural with an urban twist. I happened to fall in love with a rural guy, and I'm really glad I did, because for 35 years he and I have lived in, supported, and been part of a community, a rural community of which I am very, very proud.

You, Edmonton-Gold Bar, and some of you are very proud of Edmonton, and I love Edmonton and have a great affiliation since I've spent so much time here. A beautiful city, a beautiful river valley, but I love rural Alberta. Now, should I have to apologize for living, working, breathing, raising children, being part of a community because I'm a rural Albertan? I should not have to, and I will not. I should not have to give up my rightful place as the MLA representing that area. We have the growth. We have the numbers. Farther east they didn't have the growth and they didn't have the numbers, and that's what the commission took a look at. They gerrymandered themselves, hon. Minister of Justice. They took my area and decided to fix it to make sure that the eastern part was looked after. Well, people don't like it, and I don't like it. I'm not happy with it, and I will not accept it. I earned my place in this Assembly. My people sent me here to tell you, to tell Albertans what they want me to say, do, vote on, and be part of. They don't like this report, they don't like this motion, and they will not accept it. We don't have to accept this report. We don't have to like one iota of it.

As far as I'm concerned, these figures were fed into a computer. The computer spit them out and said, "Listen, everybody; this will be constituency A, B, C, D, E, F, and so forth and so on," until we had 83. It didn't take into consideration community. It didn't take into consideration relationships. The people in my constituency on the Lacombe side have a wonderful relationship with each other. They get along with the county. The towns work together. Not only is this to lose an MLA from either Lacombe or Ponoka – and I have a great deal of respect for the hon. Member for Ponoka-Rimbey. I don't want to go up against him in an election, nor does he, I'm sure, want to go up against me. He had his numbers; I had my numbers. I thought we were fine.

But I'll tell you what this has done. This has split my community.

My municipal leaders are shaking their heads. I have one community that now is to be part and parcel of Red Deer-North. I think the world of the MLA for Red Deer-North. She is one of the best MLAs here. She talks about the Red Deer Rebels, the Red Deer Rebels, the Red Deer Rebels, a great hockey team. But, unfortunately, my town of Blackfalds does not want to be part of Red Deer-North, nor should they be. They're a community of 3,800 people. They're rural. They get along well with the town of Lacombe, with the Wolf Creek school division, with Lacombe county. They have rural issues, and they want to remain part of a rural constituency, and as their MLA I have to agree. That is the best fit. The hon. MLA for Red Deer-North and I have talked. She only wants what's best for the people of Blackfalds.

Now, Blackfalds is an interesting community because per capita in Alberta they have the highest growth rate and the most number of babies born in the entire province. Does that sound to you like a community that's not growing? I don't think so. And you know something? The bottom line is that if you asked one of those members of that commission why they did this, they'd say: well, 90 percent of Blackfalds work in Red Deer. Well, I got news for you. Ninety-five percent of the people that live in Lacombe work in Red Deer, my husband included, but we don't want to live in Red Deer. We like to shop in Red Deer. We like to go to hockey games in Red Deer. We like to eat out in Red Deer. But, by gosh, we don't want to live in Red Deer. We don't want to vote in Red Deer. We don't want to elect our town councils from Red Deer. We want to be rural, and the reason why we're rural in Lacombe is because we're close to Edmonton, we're close to Calgary, and we're very close to Red Deer. But we're rural, and we like it, and that's the way we want to be.

I feel very, very badly that this commission didn't hear the first go-round, didn't hear what my people had to say the second go-round, and now I have to stand before you tonight and tell you that as the representative for Lacombe-Stettler I cannot support this motion. I cannot support the work that the commission has done. My political career could well be on the line, but my people, my town of Lacombe council, my town of Blackfalds council, my Lacombe county council, and my Wolf Creek school division, plus all of the people I see in the drugstore, the grocery store, at the coffee shop, and the people that sit on my executive as part of the political process that I must go through want me to say: this is ridiculous. So this is what I'm saying.

9:40

The hon. member that I've know long before I was ever here, the hon. Member for Rocky Mountain House, said it best when he said to the commission: "You didn't have to use these figures. You didn't have to do it this way. You could have reduced it, and everyone in the province would have been looked after and satisfied." But, instead, no. I personally have a great deal of respect for many members that were on that commission, but I will say it publicly because I've said it to each and every one of them: I don't think they did their job. I don't think they did their job properly. I think they fed the information into a computer; the numbers came out.

Part of the rationale behind all of this is to take a look at community, to take a look at what fits, to take a look at natural boundaries. My town of Blackfalds has a natural boundary. It's a river. It's been there since the beginning of time. Lo and behold, Lacombe county made it their county boundary. So we have the river that was the boundary between what was part of Lacombe-Stettler and part of Red Deer-North, and Lacombe county had it as their boundary. Lo and behold, they just forgot about this river. It wasn't part and

parcel of it. They didn't look at community. They didn't look at relationships. They didn't look at needs. What did they look at? Other members of this Assembly, colleagues on my side, colleagues on that side, have said that there are problems here. Well, if there are problems, folks, let's change it. Let's put a new commission in place. Let's put in new guidelines, new criteria. Let's see what fits. Let's make it work.

I would really be remiss tonight if I didn't stand up here and say that what I'm telling you tonight is from me. It's from the heart. I have no notes. But it's also from all those councils, all those people in my community that have said: "No, Judy. Don't let this happen. This can't happen. Why is it happening to us? Why are you and the hon. Member for Ponoka-Rimbey going to have to fight it out?" Folks, I've been through a nomination before. In fact, I've been through two nominations. I've been here 10 years, and in 10 years I've never had a community get off their duff and speak out and speak up and say: no, we are not going to accept this.

Do it if you want, hon. members. Do it if you must, but I'll tell you that our Premier, the hon. Member for Calgary-Elbow, talks always about respect for each other in this Assembly. I respect what the hon. member here has said about Edmonton. I respect the councils here, and I wish my councils could be. I praise you people for spending the amount of money that you have on this issue, because it's a serious issue. My people tell me that democracy is questionable if this happens. The people from Blackfalds tell me that their democratic right is lost. There's no way that they will be able to run and be an MLA being part of Red Deer-North.

I am saying to all of you in this Assembly: if it isn't you this year, it might be you eight years from now or 16 years from now. I'm asking you for consideration for what I'm saying on behalf of the people I represent. I've represented 35,000 people that have been very, very happy with their lot in life, with their representation. They feel that that's threatened, I feel that it's threatened, and I'm asking you to say no to Motion 13. Thirteen has never been my lucky number, and this particular motion was tabled on February 19, which is my birthday, and when you're my age, birthdays aren't a happy thing either.

Thank you.

The Deputy Speaker: Two things before I recognize the next speaker. One is that we now are under Standing Order 29(2), questions and comments.

Before I call on the hon. Member for Edmonton-Strathcona, hon. Member for Edmonton-Norwood, did you have a question or comment that you wished to . . . Okay.

The hon. Member for Edmonton-Glenora, questions and comments.

Mr. Hutton: Yes, Mr. Speaker. I would ask the hon. member if she could tell us what she really thinks.

Mrs. Gordon: If the hon. member has another hour or two. I could take him for coffee later, Deputy Speaker.

The Deputy Speaker: Any further comments or questions?

Okay. Before I recognize the hon. Member for Edmonton-Strathcona – I will eventually. I'm sorry that it's a Solomonic exercise that I have. Instead of having two mothers with one baby, I have a whole bunch of people who want to speak. [interjection] That's Solomon. It's a passage from one of the books. I have so many people who want to speak. I'm sorry; we just have to take one at a time. So it will be a government member and then an opposition member.

This is the hon. Member for Edmonton-Strathcona, followed by the hon. Minister of International and Intergovernmental Relations.

Dr. Pannu: Thank you, Mr. Speaker. After listening to the passionate speech from my hon. colleague from Lacombe-Stettler, I don't think I need any more persuasion that this report needs fixing before we pass it. We can't let this report go through. Our colleagues from the city council are sitting up there watching us tonight debate this motion. I want to congratulate the Edmonton city council for taking a very strong position in trying to convince this House, this Legislature, that this report is flawed and it shouldn't be passed in its present form.

I also want to congratulate the Electoral Boundaries Commission on a job reasonably well done. There's no doubt that the commission had to balance many variables, including the principles of effective representation – I think we have to be respectful of the commission's work to some degree – and representation by population, the requirements of the Electoral Boundaries Commission Act, and the needs of heterogeneous communities, including the major cities and the neighbourhoods within them, smaller cities, urbanized areas, and rural Alberta. It can't be easy to find the balance between these sometimes competing aspects, and they have worked hard to reconcile them.

However, I would be failing my constituents, my fellow Edmontonians, and the voters of Alberta if I didn't also raise some concerns with this report. I'd like to quote Gary Hanson, general manager and chief operating officer of West Edmonton Mall. He says, and I quote, that representation by population is fundamental to democratic society. Voter parity should be one of the first considerations in determining electoral boundaries. Although Edmonton did not have the growth that Calgary did prior to the 2001 census, it did have a substantial growth rate of 8.7 percent and has continued to grow. The commission's recommendations do not take this into consideration nor the major role the city of Edmonton plays in the economic success and social growth of the province. End of quote.

The fundamental principle of our democracy is the notion of one person, one vote. Without this principle we can't guarantee that every Alberta voter has equal say to determine the path that our province will take. At the last election a vote in some parts of rural Alberta was equal to two votes in Edmonton and three in Calgary-Shaw. The final report of the EBC has improved greatly on the situation, but still there is a range from 32 percent below the provincial average to 16 percent above, Mr. Speaker. Allowing variances of close to 25 percent in a significant number of ridings suggests that the problems remain.

In spite of the best efforts of this commission there appears to be built into their report a systematic bias or tilt which shifts voting power towards some citizens at the expense of others. Relative equality of voting power is a principle that has been upheld by the courts in a number of provinces, including our own. It is possible to have significantly lower variations in population and thus better reflect the principles of representation by population. The New Democrat opposition recommended to the commission that constituency populations be kept to within 10 percent of the average, as has been achieved in Saskatchewan and Manitoba. According to the principle of equality of voting power, Edmonton's population in 2001 warranted more than 18.5 ridings, Mr. Speaker.

9:50

To quote the minority report:

Edmonton has grown dramatically since the 2001 Census was completed. According to Economic Development Edmonton, in 2001 the population of Edmonton grew by 4.5%, exceeding the

Conference Board of Canada's forecast that it would be the fastest growing city in Canada with a growth rate of 4.1%. The Conference Board of Canada forecasts Edmonton's growth at 2.4% for 2002 and 4.5% for 2003 [the current year].

According to the Canada Mortgage and Housing Corporation, in the first six months of 2002, single family housing starts in Edmonton increased by 50% compared to the same period last year. In May of 2002 there was a 95% jump in single and multiple housing starts compared to May, 2001, and in June the increase over last year's figures was 91%.

In other words, Edmonton's rapid growth has been occurring since the 2001 Census and is forecast to continue.

Therefore, by reducing the number of seats in Edmonton, the commission would cause Edmonton to be underrepresented until after the census of 2011 and through at least two provincial elections.

Again to quote the minority report of the commission:

The challenge is to find ways to get as close as possible to voter parity without violating anyone's right to effective representation. Inevitably, this requires additional human and financial resources to provide the physical means to ensure effective representation for all Albertans, including more rural constituency offices and staff, increased air travel, more assistance with ground travel, and high quality communications technology. The capacity to do this rests in the will of the Legislative Assembly, not in taking a division [away] from Edmonton.

The definition of effective representation is vague. It would seem that the ease with which the MLA and constituents are able to have access to each other is the measurement of effective representation. However, ensuring adequate access and addressing access issues is the responsibility of Member Services, not of the Electoral Boundaries Commission.

At one time access required face to face contact. Distance, area, and population density were critical factors in determining the effectiveness of representation. However, in the 21st century, access means communicating efficiently and expediently.

The difficulties of representing a rural riding are well known. As a counterpoint, there are additional difficulties internal in some urban constituencies. Many are able to affect the ability of an MLA to represent their constituents, particularly those in inner-city areas. These include many socioeconomic concerns such as high levels of poverty, illiteracy, unemployment, and linguistic diversity. None of these variables were included in the calculations of the matrix despite the fact that Alberta Finance collects detailed demographic data on provincial ridings that include this information.

A final quote from the minority report, Mr. Speaker, with your permission:

Although linear distance, geographic area, and low population density are viewed as potential barriers to effective representation and are therefore measured and compared, cultural distance as defined by linguistic, ethnic, religious, cultural and racial diversity is not. Neither is the social distance that is created by the fact that large cities are magnets for the physically, mentally, emotionally, and spiritually unwell. Similarly, vertical distance and high population density can be daunting because any kind of access to residents of apartment blocks and high rises is often impossible. The anonymity and social isolation of city dwellers provides another invisible distance.

The minority report continues.

These distances, unlike linear distance, cannot be bridged by technology because there must be social learning, which can come only from interpersonal contact. Although these distances make effective representation in some Edmonton constituencies extremely difficult, they were not taken into consideration in the distribution of electoral divisions.

Section 14 of the act specifically says that the commission is allowed to take other considerations into account and is not re-

stricted to only those listed in the act. If sparse population and the distance of some rural constituencies pose challenges for effective representation, so do the high levels of poverty, illiteracy, unemployment, and linguistic diversity of some urban constituencies.

Currently Edmonton's inner city is divided between three ridings: Edmonton-Centre, Edmonton-Norwood, and Edmonton-Highlands. The interim report proposes that Edmonton-Gold Bar cross the river and take in the central communities of Riverdale, Boyle Street, and McCauley. In addition, Edmonton-Centre, Edmonton-Highlands, Edmonton-Norwood, and Edmonton-Calder would represent parts of the inner city. I'd like to quote from a letter from Ewen Nelson, vice-president of the Boyle Street Community League. Mr. Nelson says:

We have grave concerns about the proposed changes. Edmonton's inner city communities are a complex mixture of people of widely varying needs, and the residents of those communities often have great difficulties getting those needs met. One source of assistance has always been the Member of the Legislative Assembly for the area. By reducing the number of Edmonton ridings, the MLAs for those ridings will be less able to assist citizens in need.

We also have great reservations about losing our connection to Edmonton-Highlands. In the Highlands riding, Boyle Street has much in common with other communities. Issues facing Boyle Street are similar to those facing McCauley, Cromdale, and other nearby communities. We have little in common with the communities in Edmonton-Gold Bar, and fear that Boyle Street issues could get lost or overlooked.

Central neighbourhoods share a community of interests. These include ethnically diverse populations and a high percentage of residents who live in rental accommodation. By eliminating one inner city riding and diluting the inner city by further dividing it between more ridings with higher population, the Commission's recommendations will reduce the ability of inner city residents to voice their concerns.

Specifically, residents of Edmonton's inner city would be better represented if the riding of Edmonton-Norwood is retained, Mr. Speaker. Thirty-one percent of Edmonton-Norwood residents do not speak English at home. This presents communication barriers for MLAs, making more difficult effective representation of their constituents. As well, family incomes in that riding are 38 percent below the provincial average. Therefore, residents of Edmonton-Norwood may rely more on government services and thus depend on the assistance and advocacy provided by their MLA.

Therefore, Mr. Speaker, I'd like to move an amendment to the motion on behalf of my colleague for Edmonton-Highlands. It's a motion which is very simple. It adds the following to the motion. Before I formally move it, I'd just like to read it into the minutes. The amendment would be as follows, that it will add to the end of the motion: "with the exception of the report's recommendation to remove one electoral division from the city of Edmonton."

I now would like to have this amendment distributed, and with your instructions I will read it into the record of the House and wait until it is distributed until I conclude my remarks.

The Deputy Speaker: Hon. member, this will be amendment A1, and you may commence. You've moved it.

Dr. Pannu: Yes, Mr. Speaker. I move amendment A1 to Motion 13 on behalf of my colleague, the hon. Member for Edmonton-Highlands.

10:00

Mr. Speaker, if this amendment is voted on by the House and accepted, in effect it will restore the 19th seat to Edmonton. By restoring that seat to Edmonton, we can prevent many of the

problems that have arisen in the commission's final report including the underrepresentation of Edmonton for at least the next two elections, the division of community interests in central Edmonton, and the dilution of inner-city concerns within more and larger ridings.

I will finish my remarks with a final quote, this one from Edmonton city councillor Stephen Mandel. Councillor Mandel states:

Any decision to reduce Edmonton's representation in the Alberta legislature is unreasonable. Edmonton's population is growing at a substantial pace that makes the recent census out of touch with reality. That is by far not the primary reason. One only has to read the arguments put forward by the minority report of the committee to understand that a reduction is shortsighted and extremely punitive. I encourage all of our Legislators to support the rights of Edmontonians to be properly represented with the maintenance of our current 19 seats.

The Deputy Speaker: You have one more minute, hon. member.

Dr. Pannu: Thank you, Mr. Speaker. I'm just about to conclude.

I urge all members, therefore, to support this amendment, and I certainly would like the House to pay attention to what my hon. colleague from Lacombe-Stettler has to say. Thank you.

The Deputy Speaker: The hon. Minister of Gaming.

Point of Order Admissibility of Amendment

Mr. Stevens: Thank you very much, Mr. Speaker. I wish to raise a point of order with respect to this particular notice of amendment. I would refer you to Standing Order 23(1), which deals with introducing "any matter in debate which offends the practices and precedents of the Assembly." Referring to *Beauchesne's Parliamentary Rules & Forms*, page 176, paragraph 578(2) deals with "an amendment which would produce the same result as if the original motion were simply negated is out of order."

The motion put forward basically says that there will be an addition of the words "with the exception of the report's recommendation to remove one electoral division from the city of Edmonton." This particular report provides that there will be 83 specific constituencies, and one of those specific constituencies recommended in the report is not the electoral division that was eliminated, namely Edmonton-Norwood. Therefore, the effect of this particular motion, Mr. Speaker, is that there will be 84 constituencies. That is what it means. The fact is that under the legislation pursuant to which the report was done, there must be 83 constituencies. Therefore, on the face of it, Mr. Speaker, this particular notice of amendment is out of order.

The Deputy Speaker: A comment on the point of order. The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I would like to suggest respectfully that there's no substance to the point of order raised here because the *Beauchesne* quotation that was made here is, "An amendment approving part of a motion and disapproving the remainder is out of order," and my amendment does not in any way disapprove the remainder of the motion before the House. It simply adds on to that which is already before the House. So there is no attempt here to disapprove anything. The intent of the amendment is simply to add on to the existing motion before the House. So, in my judgment, I hope you will rule that the point of order is out of order.

The Deputy Speaker: Further discussion on this?

Mr. Hancock: Well, Mr. Speaker, while I certainly understand the rationale for bringing forward this type of an amendment, I have to support the argument by the Deputy Government House Leader that it's out of order because in fact the Electoral Boundaries Commission Act provides for 83 seats and the effect of this motion would be to create 84 seats because it would approve the report of the Boundaries Commission with the exception of Edmonton. By doing that, it increases the number of seats, and that is contrary to an act of the Legislature, so it offends the Standing Order. As much as I would like to concur in the amendment because of what the member is trying to do, it's not possible under the rules of the House to have a motion of the House violate an act of the House.

Ms Carlson: Mr. Speaker, it's a common practice in this House when amendments are brought forward that they need the approval of Parliamentary Counsel before they can be put in order on the floor of this Assembly, so before we go further in this debate, I believe we should have an explanation from Parliamentary Counsel giving us the basis on which this particular amendment was approved.

The Deputy Speaker: On that particular thought, the Parliamentary Counsel and Clerks at the table are here to advise the Speaker, and the Speaker is the one who can't pass the buck but gets advice from hon. members who are lawyers and Parliamentary Counsel who are lawyers. Having only the background of teaching, it's a challenge. If there is any further assistance – I think we've already had one from you, hon. Member for Edmonton-Strathcona, but if there are no others . . . You have something cogent to add to this dilemma?

Dr. Pannu: Mr. Speaker, with your permission if I may quote from *Beauchesne's Parliamentary Rules & Forms* the purpose of amendments. It's *Beauchesne* 567. It says that

the object of an amendment may be either to modify a question in such a way as to increase its acceptability or to present to the House a different proposition as an alternative to the original question.

I submit to you and to the House, Mr. Speaker, that the intent of the amendment that I've made is simply to increase the acceptability of Motion 13 that is before the House. So I would request you to rule the point of order as being out of order.

The Deputy Speaker: Well, thank you for all your assistance in dealing with this matter. The hon. Minister of Gaming is quite right in referring us to 579. I think that's the reference you had, hon. member. At least that was the page you were talking about, and the reference was there, which is:

An amendment may not raise a new question which can only be considered as a distinct motion after proper notice.

Is that what you were . . .

Mr. Stevens: The reference, Mr. Speaker, so that there's clarity on the point, is at page 176, paragraph 578(2), which reads:

An amendment which would produce the same result as if the original motion were simply negated is out of order.

That's the 6th edition.

10:10

The Deputy Speaker: I don't have the benefit of prolonged years studying the law, but it would seem to me that, first of all, the reference that the hon. Member for Edmonton-Strathcona came up with, that is to say *Beauchesne* 567, would perhaps apply here.

The object of an amendment may be either to modify a question in such a way as to increase its acceptability or to present to the House a different proposition as an alternative to the original . . .

So that would occur to me as being relevant. The amendment would

appear to be in order. It is an acceptable form as was observed by the hon. Member for Edmonton-Ellerslie, and it modifies the main question to increase its acceptability which is, of course, what 567 directs. It's not a direct negative of the main motion. When all else is to be considered, the remedy lies with the House, and that is that they can simply defeat this amendment, and we can move on with hearing others who wish to speak to the motion. So I would rule that the amendment is in order. Now I am standing here, and hon. Government House Leader, you wish to challenge that?

Mr. Hancock: I'd love to, Mr. Speaker, but I respect you too much, so I'll just speak to the amendment.

The Deputy Speaker: Sorry then.

Before we go forward, I have another request to make. I wonder if the Assembly would agree to briefly revert to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

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

Ms Carlson: Thank you, Mr. Speaker. Earlier this evening council was introduced, but our mayor wasn't in attendance at that time. He has since joined us for what will be probably the last 45 minutes of debate this evening, and we certainly appreciate his presence here and his strong support of Edmonton along with all of the council in terms of ensuring that we retain at least the number of seats we had before. I see that he's risen. Please welcome him to this Assembly.

head: **Government Motions**

Final Report of Electoral Boundaries Commission

(continued)

The Deputy Speaker: This is a debatable motion, so the hon. Government House Leader on amendment A1.

Mr. Hancock: Well, thank you, Mr. Speaker. I have to speak against the motion. I do believe that your ruling was incorrect in that, but we will have to deal with it in the House and deal with it in the House by defeating the amendment. As much as I would love to concur with what the member is trying to accomplish by passing the motion, we would be violating an act of the House, that act of the House, the Electoral Boundaries Commission Act, which says that we have 83 seats. The effect of passing this amendment would create 84 seats, and the House cannot pass a resolution, with all due respect, which violates an act of the House. If we wanted to do that, we ought to have amended the act and added an extra seat.

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I'm happy to rise to engage in this debate. I think the spirit of this amendment is the right spirit. I think it's motivated for all the right reasons, reasons that I know that we in the Liberal caucus share strongly, that Edmonton should not be losing a seat. The census data shows Edmonton should not be losing a seat even if there was no accounting made to the growth that's occurred since the census, so clearly what motivates this amendment is to be admired and respected and supported.

I find myself, however, agreeing with the members from the government side that this is, in this case, not a workable amendment.

It's not workable for a couple of reasons. There's no way, as the Government House Leader and I think deputy House Leader pointed out, that we can leave Edmonton where it is and leave the rest of the province where it is. We're going to end up with 84 seats, and as they pointed out, that's clearly against the law, against the act that this is working from. If we are to leave the city of Edmonton with the number of seats that it has, we have to make an adjustment somewhere else. That means we have to open up the rest of the report, which is not allowed under this particular amendment.

I would also join in the spirit of the Member for Lacombe-Stettler that this amendment is not fair to other parts of the province either. So if we are, as I believe we should, going to open things up to respect the needs of Edmonton, then surely as Albertans, as citizens of this entire province we have to respect the needs of every other community as well.

So while I have no doubt of the sincerity and goodwill and rightness of the spirit behind this amendment, I for one find it unworkable and unfair and on that basis cannot support it.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Rutherford, followed by the minister.

Mr. McClelland: Thank you, Mr. Speaker. In my experience when dealing with amendments, one should not try to bring in through the back door that which cannot be brought in through the front door, which this clearly tries to do. Therefore, the amendment in my opinion is clearly out of order. However, since we do have a question on it, may I call the question?

The Deputy Speaker: Thank you, hon. member. I think that if you wish to debate that the ruling was improper or wrong, there's another venue for it.

The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you, Mr. Speaker. To follow some of my learned colleagues on what is being intended here, I guess I would ask the Speaker, based on perhaps new information in front of him, that in fact he take a few moments to consider the ruling that he's made. I understand that there's some new information for the Speaker to consider prior to what I believe to be not even necessary to be had on this particular motion because, as the hon. member across the way has mentioned relative to it, it is not in my view in order. I understand that the Speaker has some new information, and I'd only ask that the Speaker consider the new information prior to considering another ruling based on the new information he has.

The Deputy Speaker: The Speaker has some new information, and that confirms the earlier decision. If you really object further to it, you have the remedy at hand. You just need to vote against the amendment. I think that's enough on these rulings. Thank you, hon. member.

Are you ready for the question?

Dr. Pannu: May I conclude the debate?

The Deputy Speaker: No, that for sure you can't do. When you make an amendment, you don't have a conclusion right.

[Motion on amendment A1 lost]

The Deputy Speaker: The hon. Minister of International and Intergovernmental Relations on the motion itself.

Mr. Jonson: Yes, Mr. Speaker. First I'd like to make a few comments with respect to an issue which seems to be arising and I hope will not dominate this particular debate. I believe it was the Member for Edmonton-Gold Bar that seemed to be referring to there being a viewpoint that rural areas were there to serve the cities, sort of a hinterland. We certainly in the rural areas do not look upon it that way at all. We have our contribution to make to the future and to the health of the province, and we know that the cities do as well, and we can't do without each other. We need to work in a direction of continued co-operation for the betterment of all the people in all areas of the province.

To address the whole matter of the electoral boundaries report, Mr. Speaker, I would first like to recognize that the task assigned to one of these committees is certainly a challenging one, particularly in a province that has a growing population and is changing somewhat in terms of its overall distribution as a population. I'd like to acknowledge that the committee did not have the luxury of being able to solve problems by adding seats. That is something that, as I recall, was a possibility in previous examinations of electoral boundaries. So they did have a set number of seats to deal with, and the addition of three or four seats was not an alternative that would get you out of some of the challenges that the commission faced.

10:20

I would also like to acknowledge that the commission did make its rounds of the province after its interim report, and as the Member for Lacombe-Stettler indicated, they did their job of coming to various parts of the province and hearing submissions, that came in considerable numbers from our area and the Member for Lacombe-Stettler's area. There was representation there from individuals, from local governments, and there was certainly concern expressed at that particular time.

Mr. Speaker, I'd also like to indicate, before commenting further specifically on the report, that I've had the fortune or bad fortune to have been involved in looking at electoral boundaries reports for some 40 years. You might wonder how I get to that number. My job before being in politics was that of being a schoolteacher, a teacher of social studies, and I can remember this being part of the political process that I endeavoured to explain to my students on a number of occasions. I must admit that I was successful, I think, as a school teacher and probably as a politician in being able to rationalize and to explain and to convince my constituents once I became an MLA that when these electoral boundaries reviews came around, yes, there were changes. Some we did not particularly like, but they had a rationale for them, and they were made within certain rules and certain guidelines which Electoral Boundaries Commissions had established over several decades.

Now, this brings up what I think to me are the major concerns that I have with this particular report. The documents that are available for anyone to peruse outline the issues that should concern an Electoral Boundaries Commission. One of them, of course, is the issue of sparsity and density of population, and as these rules have evolved, there has been a latitude allowed in the instructions that have been given to the Electoral Boundaries Commission for a variance of plus or minus 25 percent of the average voting population of constituencies. Now, it would appear, Mr. Speaker, that in the case of Ponoka-Rimbey – and I have to mention, of course, Lacombe-Stettler – that particular latitude was not utilized or considered. Both constituencies are well within the range of the plus or minus 25 percent as far as population is concerned. That does not seem to have been a particular consideration. We are both quite viable in terms of existing numbers and also conform to the current rules or policies that an Electoral Boundaries Commission is to look

at and to consider.

The other thing, Mr. Speaker – and this is another very grave concern, and I'm sure it is for perhaps some other members of the Assembly and certainly would be the case with the Member for Lacombe-Stettler – is that wherever possible boundaries should follow municipal boundaries because there has to be a co-ordination with respect to the services that are provided, the issues that have to be dealt with, and that in the case of Ponoka-Rimbey seems to have been very much ignored.

Also, there is supposed to be recognition of community of interests. Now, certainly Ponoka-Rimbey functions quite well. It is mainly a farming or agricultural area, but it does have its oil and natural gas, it does have its urban businesses, and it is a very, very cohesive group. The local governments get along with each other. There's no particular issue there.

The other issue that I'd like to bring up, too, is that also to be considered is the trend in terms of population growth and the development of the area. Now, Mr. Speaker, as has already been mentioned, the corridor along highway 2 is an area of fairly rapid growth and steady growth, and all projections are that a constituency such as Ponoka-Rimbey will be growing in terms of population. It is not as if it is flat-lining or it is dormant in some way, and it's certainly not declining in terms of its population. So it is not likely, in any way of looking at the future, to be a constituency that is going to drop below that minus 25 percent. So that's another item to be considered as well.

Then the one that really is most glaring, I think, is, as I said, that there should be some respect for community of interests, the cohesiveness of certain areas of the population in the constituency, and there should be some respect shown to the role that local government has to play and the importance and the common sense that's involved in the electoral boundaries coinciding as much as possible with the municipal boundaries in the constituency.

Now, Mr. Speaker, I don't want to be too critical of the drafters of the report, but I recall back in American political history that a term called gerrymandering was developed. I must admit that the gerrymandering concept was developed by politicians, not by electoral boundaries commissions. Nevertheless, the maps that have come out – and I'll speak particularly of my own constituency – start to get that aura of a salamander. That is, they go round and round and round and round with no seeming connection to the boundaries of local government or natural geographic features or particular community interests. While I do very much appreciate the amendment that was made between the interim report and the final report of the commission whereby there was a sliver of land added to Ponoka-Rimbey which went around the town of Rimbey and brought it back into the constituency, the fact of the matter is that the two or three townships on each side of that particular highway, highway 53, are in two different constituencies. So it is a troubling development there as well.

So, Mr. Speaker, I think that despite the fact that I very much appreciate that this is a very difficult task that the Electoral Boundaries Commission had – and in this particular case I have to go as an individual with my overall experience over the years with representing this particular area of the province and the history of boundaries commissions – I do find that we have a rather unique situation here where the various electoral commissions table of contents, chapter E-3 of a document that I have before me, which is the Electoral Boundaries Commission Act, refers very, very distinctly to there having to be consideration of municipal and other important boundaries. There has to be consideration of what I would call service areas, and there should be consideration of the fact, by the very legislation that I have before me and that we have before us in

this Assembly, that there can be a variation of plus or minus 25 percent from an average constituency population number. Really, I do not see the rationale in anything that is happening within the two constituencies in question that should indicate that we need to amalgamate the two constituencies, that we should amalgamate them in such a way that natural corridors as far as transportation and trade and other association will be split in various directions in a very dysfunctional way.

10:30

Further, Mr. Speaker, one of the areas that I have concern over, although I must acknowledge that I do not have the latest documentation on this particular matter, is that in the case of Ponoka-Rimbey as it currently exists, we have a very large First Nations population. Their numbers have been chronically underestimated as far as the voting population is concerned, and that is something that does not seem to have been acknowledged and accounted for with respect to the deliberations of the commission.

So, overall, Mr. Speaker, I believe that we have a situation here where the constituencies in question – but I will speak specifically for Ponoka-Rimbey. Ponoka-Rimbey I think has had effective representation over many, many years, not just since I've been there, but we do our best, and I'm sure that the hon. Member for Lacombe-Stettler does as well. We are a growth area. We currently come within the parameters that are required to have two distinct constituencies in that particular part of the province. We have numerous municipal governments to be served. We have a varied business base.

I do take issue with the contents of the boundaries report. As I've said, it's the first time that I have done so in a number of roles. I've not argued formally against a boundaries report before, but I do think that in this particular case for the reasons that I've outlined, I will not be able to support and to represent to my constituencies that I agree with this report.

The Deputy Speaker: Any comments or questions?

The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. I'm pleased to have the opportunity to join in this discussion, but I have to say immediately and right off the top that I do not concur with the recommendations of the final report of the Alberta Electoral Boundaries Commission, and I do not support Government Motion 13 to accept and concur in these recommendations.

I just have a wee little quote that I found here that sort of sums up how I'm feeling about all of what's gone on here. This is from Donald and Elenore Laird from *The Art of Getting Things Done*:

Next to being right, the best of all things is to be clearly and definitely wrong, because you will come out somewhere. If you go buzzing about between right and wrong, vibrating and fluctuating, you come out nowhere; but if you are absolutely and thoroughly wrong, you have the good fortune of knocking against the facts that set you straight again.

And I think – I hope – that is the situation that we find ourselves in with this report. It is thoroughly wrong. A number of other members have spoken eloquently about what has been missed in the report or the criteria that was set up that doesn't work for them. We must not accept the recommendations of this Electoral Boundaries Commission. It is irrevocably wrong, wrong, wrong, and we should not support it.

I think overwhelmingly it's wrong, from my point of view, for three reasons. One, it is wrong because Edmonton loses a seat. I appreciate very much the passionate words that have been spoken by the members for Lacombe-Stettler and Ponoka-Rimbey, and good on

them for speaking so eloquently on behalf of their constituencies. I am an MLA from Edmonton, and I am concerned about Edmonton losing a seat, and that's how I am approaching this debate. I think that it's important throughout this debate that we not fall to the Conservative ideology that tends to say: if you're going to give something somewhere, then you have to take something away. I don't think that that has to be put into play here, and I'm certainly not approaching it that way, that in order to get what I want for Edmonton, I would therefore turn around and take it away from somebody else. I'm not approaching that debate this way. I just think that what's been put forward by this Electoral Boundaries Commission is wrong, wrong, wrong.

The other two reasons why I will not concur with the recommendations here. Number one was Edmonton is losing a seat. Number two, I find that what's being proposed in one of the changes, particularly to the community of Boyle-McCauley, is cruel and unfair. I'll come back to that later. Thirdly, I find that the process or more specifically the criteria that's used in the matrix is old and tired and is not taking into consideration a number of things that are very important in my community and I think in Edmonton.

I appeared before the Electoral Boundaries Commission three times. I was invited to appear before the commissioners to talk about what it was like representing an inner-city urban community. I appeared along with my colleague for Edmonton-Ellerslie, who talked about representing sort of a suburban riding in a metropolitan area, that being the riding of Edmonton-Ellerslie. I also appeared in person at the very first hearing that was held in June in Edmonton, and I appeared again at the second hearing. So I have taken every opportunity available to me to appear before this commission to plead my case on behalf of Edmonton and on behalf of my constituents in Edmonton-Centre and even, casting the net wider, on behalf of those who live in Boyle-McCauley.

The first time I appeared, I was asking the committee to please make sure that it respected the natural community boundaries, and that's one of the reasons that I am so unhappy with the report that we find in front of us. It did not respect those natural community boundaries, and I thought that that was just happening in the city. Having listened to the Member for Lacombe-Stettler, obviously there's a natural boundary there that's also not being respected, and I think it works very much against the work we're trying to do as legislators when we allow communities to be carved up or broken apart artificially.

So when I first appeared, I was trying to talk about upholding those communities and their natural boundaries. I was also trying to capture three apartment buildings that were ending up being orphaned. They were just outside of my riding but on the very far edge of Edmonton-Highlands, and quite often just being where they were situated, sort of right in the middle of downtown, they tended to get orphaned, and I wanted to make sure that they were going to be captured.

I talked about what it was like representing an urban riding and the different pressures that were on us and made a plea for constituency budgets and the pressures that are on constituency budgets. I don't know what happens in rural areas, but I was speaking about the pressures that were on my constituency budgets, in particular things like the cost of translation. I have multi, multi languages and many different ethnic backgrounds that are represented in my community, and if I really want to speak to those communities, then I'm going to have to translate, and if I'm really going to speak to them, I'd have to translate into between six and 10 languages, which is a cost factor. So by way of example, that's what I was talking about.

10:40

The second time I appeared at the hearing, I was specifically

addressing what had been proposed in the draft report – I actually have my notes with me from that – and I was talking again about the need to maintain 19 seats in Edmonton, recognizing a number of the points that have already been raised here: that Edmonton continues to grow, that the growth rate since the census has been particularly noteworthy, that I did not want to see the kind of imbalance created in Edmonton that we created through the last electoral boundary change which resulted in such pressures in Calgary. I felt that we needed to challenge the commission to work more with technology and innovation that was available. I believed very strongly in one person, one vote, and I did not want to see the votes of the constituents in Edmonton-Centre being worth less, and the commission was not able to give me and I think other Edmontonians the arguments to convince that long-held format of one person, one vote. I think that my constituent's vote is just as valuable and should have equal weight as one from any other riding, even compared to rural ridings, and I felt that that was not happening.

I think that what's important here is that we use the golden rule, that we use respect, and I think we need to reject this motion. We need to use whatever is available to us as legislators – if that means changing the Electoral Boundaries Commission Act, so be it – so that we can create a new Electoral Boundaries Commission that will approach this again. Fine. We have the power to do it. Let's be grown up. Let's do it. I think that with that it's important to set before that Electoral Boundaries Commission, if we do get a new one, that respect is key. This should not be something that's based on my way or the highway or might makes right or if I'm right, you're wrong or if somebody gets something, someone else loses something. It's just not a constructive way to approach all of this, and there are a number of other factors that should be weighed in.

Now, specifically I want to look at what is currently under the matrix that's being used, and I felt that there were a number of biases here and also a number of things that were not taken into consideration. For example, the matrix takes into consideration the number of elected bodies – and their definition of that is pretty narrow – that a member may have to deal with as part of the criteria for the matrix. So those who have to deal with a number of city councils or a number of town councils, for example, are going to weigh higher on the matrix. It does not take into consideration the situation that I think many of us in the urban ridings now find ourselves in where we are also dealing with elected bodies who are not recognized by this matrix structure; for example, business revitalization zones.

I have four, I think, in Edmonton-Centre, and I know that a number of my colleagues in this city also deal with them. These are areas where people are elected to represent the business interests in a given area. They talk about revitalization; they talk about taxation; they talk about streetscapes. They talk about how they are going to work together as a community and how they interact with the other communities and constituencies that are surrounding them. You know, if we're going to be talking about how difficult it is for an MLA to represent, how many nights you work, how many weekends you work, certainly the meetings with those groups, in my mind, are just as vital and just as key to the health of a community as a meeting with a town council. It's another night, if that's how we're breaking it down and judging it. So the matrix is not taking into consideration things like that.

It's not taking into consideration the range of socioeconomic households that one can be dealing with. I don't have proof, but I've been told a number of times by those that do have proof that Edmonton-Centre is one of the widest ranging constituencies, going from the very, very well-to-do – Wayne Gretzky used to live in a very high-end condominium on Victoria Park Road in my riding – right down to the people that are living underneath the bridge behind

my office and everything in between. So we have a much wider range of what kind of resources people have to approach, and that also creates its own set of challenges in representing people. That's not taken into consideration.

Distance, how far people have to travel, is very important when we look at the matrix. The further you have to travel, the more difficult it is in being considered a factor in how you represent people. Yes, I can certainly see how that would be an issue for some, but again I think that there are other issues and factors, like language barriers, like the fact that the cities tend to attract those who are seeking resources, that are not taken into consideration that do play very much for us representing urban ridings.

For example, in Edmonton-Centre I have a number of people with mental health issues. I have a number of group homes. I have a number of apartment buildings actually that cater to people with mental health issues. I have the CNIB. I've got a number of organizations that are catering to people that need help, and thus I get the people who need help. They're going to cluster around those services. In many cases, unfortunately, the services for one or two people who are in need of CNIB are not available in the rural areas, and they're going to move to the city. That's okay. That's where the services are for them. But it also needs to be considered as a factor in how you represent people and how you access your MLA and how difficult that is.

I'm just finding that the matrix that this Electoral Boundaries Commission looked at is old and tired and cranky, and it is not taking into consideration what it's really like in 2003 to try and represent vibrant communities. That's not to say that my community, my constituency is any better than anyone else's. I think it is, but I'm willing to say that all 83 constituencies in Alberta are equally important, and we value them all. It's just different. I don't think that we should be saying that it's terribly easy to represent one, and therefore they don't get the resources.

Overall I think that this Electoral Boundaries Commission did not do a good job. Now, whether it was because what it was charged with hampered them in some way, whether they fed numbers into a computer, and that was the result, and they were willing to abide by it – I don't know what went wrong, and at this point I don't really care except to learn a lesson so that we don't repeat it. What has been proposed under this Electoral Boundaries report is not acceptable. It is particularly not acceptable to me as an Edmonton MLA that we would lose a seat. Obviously, there are other issues that have been brought up in this House, argued equally fervently and perhaps even better than I have been able to make my own case.

So I urge all members to vote against the acceptance of this report. Thank you.

The Deputy Speaker: Question or comments? The hon. Member for Edmonton-Calder.

Mr. Rathgeber: Yes. Thank you, Mr. Speaker. I would like to ask the hon. Member for Edmonton-Centre what she would do. It is all fine and well to bemoan the loss of a seat in Edmonton, and I certainly don't criticize her for taking that position. But would she increase the number of seats from its current number, or would she pull another one out from rural Alberta? How would she justify that after listening to the passionate speech from the Member for Lacombe-Stettler?

Ms Blakeman: I think the point is that no one individual in this Assembly is going to be on the next Electoral Boundaries Commission. The point is that we have the ability to reject the report that's put in front of us as being unacceptable and to send it back. Now,

we know that the Electoral Boundaries Commission was dissolved as soon as it signed off on the report; therefore, we would have to look at adjusting the existing legislation to create another Electoral Boundaries Commission and send it back to them. I don't think I'm going to have the honour or perhaps the travail of being appointed to that commission. Nonetheless, it's our job in this Assembly to set the criteria for them, and I think that as a group we're more than capable of doing that.

10:50

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

Mr. McClelland: Thank you. I wonder if the Member for Edmonton-Centre would, then, advise the House how she would envision the mandate of the Electoral Boundaries Commission to be changed for this hypothetical new commission.

Ms Blakeman: I think that if the member was listening – I spoke at length. In particular, one of my major concerns is the matrix, that I felt needed to be updated and expanded. Certainly, that is I think one of the important components that would need to be changed and set before another Electoral Boundaries Commission.

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

Mr. McClelland: Thank you, Mr. Speaker. Well, would the Member for Edmonton-Centre advocate increasing the number of seats as a method by which the matrix could be expanded?

Ms Blakeman: No, I wouldn't.

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

Mr. McClelland: Thank you, Mr. Speaker. How, then, would the Member for Edmonton-Centre square the circle?

Ms Blakeman: Well, the member is giving me a great deal of credit in that somehow he seems to believe that I'm going to be the new Electoral Boundaries Commission all by myself, and I don't think that's appropriate. I think we have the mechanism before us to create a new Electoral Boundaries Commission and to set forth the criteria we want. I've already said that I think we need to update the matrix. Frankly, it's not my job. As much as the member is trying to put it on me, it is not my job to determine all of these.

An Hon. Member: You're critical of the last job.

Ms Blakeman: Absolutely. It is well within my rights to reject the report that's in front of me. Do I have to personally rewrite the new one? No.

The Deputy Speaker: No further questions or comments?

Mr. Marz: Just one question, Mr. Speaker. I'm just wondering if the member would come up with a suggestion on who she would think would make a good chairman for this new Boundaries Commission since King Solomon is no longer available.

The Deputy Speaker: The hon. Minister of Infrastructure.

Mr. Lund: Thank you, Mr. Speaker. The hon. Member for Edmonton-Centre seemed to be just focusing on the matrix. However, as the hon. Member for Lacombe-Stettler indicated, I

made a presentation to the commission. Quite frankly, we wouldn't have needed to do much of this if we had followed one simple thing, and that is to go to plus or minus 20 percent instead of 15 percent. I wonder if the hon. member would agree with that.

Ms Blakeman: I certainly think that's something that should be included in whatever we look at next because it does address a number of the factors. It seems to me that it particularly addresses some of the factors that are of concern to the people that are representing rural ridings if I'm hearing that correctly.

The Deputy Speaker: The hon. minister, in the 12 seconds remaining.

Mr. Lund: The fact is that if we went to plus or minus 20, Edmonton wouldn't lose a seat, we wouldn't lose a rural seat, and Calgary has enough seats so that they could work within what they've already got.

The Deputy Speaker: We're now out of time.

The hon. Member for Edmonton-Glenora to speak.

Mr. Hutton: Thank you, Mr. Speaker. I'd first like to welcome His Worship the mayor, the councillors, and staff who are choosing to come down and watch this titillating debate. This is a very emotional issue as you heard earlier from my wonderful colleague from Lacombe-Stettler.

As the representative for the citizens of Edmonton-Glenora it is important for me to stand and outline my position regarding Motion 13. Mr. Speaker, I will begin by saying that I am very proud to serve the people of Edmonton-Glenora and will continue to do so the best I can for the remainder of this mandate, even the ones that may not be part of my constituency due to this redistribution.

I've been a member of the Progressive Conservative Party for three decades and served in government for two. This will be the third boundary report I have been party to, no pun intended. The arguments and the displeasure have not changed over the decades. As the hon. Justice minister, our Government House Leader, stated, this was an arm's-length commission that was given parameters and principles and criteria that were very objective and solid. The population has moved, migrated, and increased. I cite my hon. colleague from Calgary-Shaw. When she was elected, she had 73,000 people living in her riding. That was a mere two years ago. Today she has 90,000. That is three times the size of my constituency.

I would like to stand before you this evening and say that I am satisfied with the commission's findings, but I can't. I don't want to lose any of my constituents. I don't want to lose a seat in Edmonton. I would like to keep things the way they were, but that would be selfish, self-serving, and subjective, Mr. Speaker.

So what do we do? Well, Mr. Speaker, we could reject the report and take it upon ourselves in this Legislative Assembly to draw suitable lines for the next general election. With an Assembly with a 74-seat majority I'm certain that it would be a very interesting map indeed. The word "gerrymandering" comes to my forebrain when I think of that majority, and I also think that the courts may have some concern and reject any map that we as Legislature members would put forward.

Our second choice, Mr. Speaker, would be to reject the report and have another one struck, and I have to agree again with the Government House Leader in saying that the outcome would probably be marginally changed or minor at best. The third choice is to say that we accept this report, this objective, arm's-length commission's

report.

In conclusion, Mr. Speaker, I would like to figuratively pull out my sabre for my constituents in Edmonton-Glenora and for the city of Edmonton in this august House that is steeped in British and Canadian history. I then will put it back in again and accept the principles of this objective, arm's-length report rather than my subjective, personal views. I believe that the citizens of this great province will be well served by the boundary change as it will be hopefully approved in the near future.

Thank you, Mr. Speaker.

The Deputy Speaker: Comments, questions?

Seeing none, the hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. It's a sad event that we're engaged in this evening. I, too, would like to speak against Government Motion 13. For my caucus this is the culmination of a great deal of work. We've been at the process of trying to make sure that Edmonton was treated fairly for a great deal of time. It started when two of our members were asked by the boundaries commission to make a presentation to them before they started their hearings around the province, and it continued with consultations with our caucus before the interim report was made, and presentations were given by the Member for Edmonton-Centre and the Member for Edmonton-Riverview.

During the second round of consultations, after the interim report, we had the Member for Edmonton-Centre and the Member for Edmonton-Gold Bar make presentations, and we agreed at that time that we would work through our constituencies so that we could get as wide a number of voices on this subject as we could so that our presentations would truly reflect what Edmontonians considered to be important. So a number of the Edmonton constituencies did make presentations, very good presentations, to the commission. We had a petition urging that one seat not be taken away from the city as this report recommends. We had a Standing Order 30 in the fall of 2002 to try to ward off the recommendation that appears before us now, and we had some discussions with members of Edmonton city council in terms of what we might do as a city to avoid the motion that appears before us this evening. Unfortunately, those efforts have not resulted in what we wanted, and we have Motion 13 before us.

11:00

I think that if there's anything good that came out of the boundaries report, it was that the appointment of Bauni Mackay as one of our representatives was a very, very good thing. I think that if you read through the boundaries report, her minority report makes the case for our city eloquently and succinctly. She has done in three pages what many of us won't be able to do in the 15 minutes we're allotted this evening. She has served the city well, and unfortunately her voice was a minority voice on the commission.

As westerners, Mr. Speaker, and as Albertans we're quick to complain about the unfairness of voting systems, particularly when it comes to federal politics and federal institutions. For instance, with respect to the Senate Prince Edward Island has four Senators, and each of those Senators represents 25,000 voters, while in ridings here a Senator represents 105,000 voters. That disparity, that difference in voting power really bothers western Canadians. We also are upset with the number of voters to MPs: one person, one vote in Alberta, one person, two votes in New Brunswick, and one person, four votes in Prince Edward Island. Those discrepancies, those deviations from the norm of one person, one vote really do upset us as Albertans and as westerners, and as I said, we have

devised a number of schemes over the years to try to alleviate those differences to no avail. However, when it comes to provincial electoral boundaries, we seem to put away those concerns, and we seem to be very willing to embrace and excuse in fact inequalities in the system. I think that that's why we find ourselves in the position we are this evening and why we ended up with the electoral boundaries report that we did.

What we have this evening, of course, is not new. There have been precedents in years past. In England, as society became more industrialized, the landed gentry there tried to hang onto their political power, and they did that by denying the newly industrial areas representation. So you had what have become known as the rotten boroughs, where you would have a borough represented by two Members of Parliament. Thomas Paine wrote about this at the time, and I'm quoting from his *Rights of Man*. In 1791 he said:

The county of Yorkshire, which contains near a million souls, sends two county members; and so does the county of Rutland which contains not a hundredth part of that number. The town of Old Sarum, which contains not three houses, sends two members; and the town of Manchester, which contains upwards of sixty thousand souls, is not admitted to send any. Is there any principle in these things?

So as far back as 1791 the notion of one person, one vote and the inequalities in the system were causing difficulties. As I said, it ended up being historically significant and has introduced the notion of rotten boroughs, because that's what they were. They had constituencies with very few people who had exactly the same representation as constituencies that had thousands. I'm not suggesting that the parallel exists in Alberta at this time – it's not yet quite that bad, Mr. Speaker – but there is a parallel.

The increasing urbanization of this province continues unabated. If you look over the changes in the provincial population over the last number of years, the shift from rural to urban is a fact of life, and that shift puts some major stresses on urban areas, as it does on rural areas. There's a quote from the minority report that I think is pertinent here.

While there is no question that the changing face of the province presents a major concern that must be dealt with, the urban/rural distinction serves no useful purpose in grappling with the economic, political and social changes facing Albertans. The solution lies in public policy and not in removing a division from Edmonton. Diluting Edmonton's voice in the Legislative Assembly is not the solution to maintaining a strong rural population. In fact there is a growing body of evidence to show how regressive and counter productive [that] is.

I think that that's relevant as we consider the motion before us this evening, Mr. Speaker.

It's public policy that has to be addressed if rural Alberta is to be strengthened. It's public policy in the area of health care. It's public policy in the area of education. We know how devastating, for instance, it is when small rural schools are closed. In many cases when that happens, it closes the community. Yet we have public policy that works to make that happen. In terms of education policy, in terms of investment policy, in terms of immigration policy, those are the areas that I believe the minority report was talking about and indicating that they had to be addressed if the concerns of rural Alberta were to be recognized and dealt with.

I think there's a lot that will be said and there's a lot that appeared in the report, but I think that for me the most telling remarks were the ones, again, in the minority report. It said:

Not one presenter at the Commission hearings in Edmonton suggested that Edmonton should lose a division. Even in the rest of the province, there were very few presenters who singled out Edmonton to lose a division. However, what we did hear many

times in rural Alberta is that the electoral boundaries process should be about people and not about numbers.

I think that that's an important conclusion from the report. I guess that the numbers, of course, that we are suffering from are the numbers that were used by the commission and ones that have been challenged and certainly are ones that are going to within a few years make Edmonton at least two seats short if the present population trends continue. So in part for us it is a numbers problem.

When our constituency association prepared our presentation – and we spent a good deal of time considering the whole question – we didn't even consider addressing the notion that the city might lose a seat. It wasn't even on our radar, and we didn't address it in the report that we prepared. We fully believed that given the population and given the projections for the city the 19 seats that we had in the city were a given. Little did we know, Mr. Speaker. We made recommendations about our own constituency and if there were changes, where those changes might be. We made some recommendations about the matrix and how the matrix might be enhanced, but we didn't make representation to the commission, and as the minority report indicates, it was only on the minds of a few Albertans and certainly not on the minds of Edmontonians, who again, I think, were surprised at what has appeared as a recommendation.

I think that one of the things we can blame ourselves for, Mr. Speaker, is that we allowed the commission to go forward with the givens that we did, that we were happy with the 83 seats. In fact, there have been some recommendations before this Assembly that the number of seats in the province be reduced to 65, and I don't agree with those. I think that the number of seats should reflect the interests and the needs of Albertans, and you don't start off with a preset number and then make things fit. So I believe that we were wrong when we set the commission off on its work to make that as a given. I know that it's popular to indicate that you're going to either keep the number of seats the same or you're going to reduce the number of seats. Politically it's the thing to say, but in terms of the wisdom of serving Albertans, I think it was a mistake. I, too, can hope that somehow or other the report, the recommendation before us will be rejected and that we'll put our minds to finding a way that the very, very serious objections that have been raised and will be raised to the report can be accommodated.

Thanks, Mr. Speaker.

11:10

The Deputy Speaker: Comments? Questions? The hon. Member for Edmonton-Calder.

Mr. Rathgeber: Thank you, Mr. Speaker. I'd like to ask the hon. Member for Edmonton-Mill Woods how he reconciles his statement that the boundaries commission should not have any preset notions with respect to numbers; however, he has in his view a preset notion that Edmonton should have 19 seats.

Dr. Massey: Yeah. It's a good question. I think one of the things that we might have done is some preliminary work in trying to determine the appropriate number of seats instead of just accepting the 83 because that's the way they were. Maybe there had to be some preliminary homework done looking at the problems to see if 83 was going to be the number that would actually serve us.

The Deputy Speaker: No further questions?

Would the Assembly be willing to give agreement to the brief reversion to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(*reversion*)

The Deputy Speaker: The hon. Member for Edmonton-Norwood.

Mr. Masyk: Thank you, Mr. Speaker. I'd like to introduce three friends: Werner, Zoria, and David. I'd like them to rise and receive the welcome of the Assembly. David was my campaign chair, Werner is president of the association, and Zoria is a member.

Thank you.

head: **Government Motions**

Final Report of Electoral Boundaries Commission

(*continued*)

The Deputy Speaker: The hon. Member for Edmonton-Norwood is next to speak.

Mr. Masyk: Thank you, Mr. Speaker. I find myself in an interesting position: standing on the front line of a battle field of a constituency that's being eliminated. I took an oath, and that oath meant that I have to do my best, do my due diligence for the constituency. Is this part of it? After 700 days of being broken in, so to speak, to come and face this and exactly explain to the Members of the Assembly that Motion 13 is wrong and to come up with reasons why is interesting.

Lacombe-Stettler had some reasons, passionate reasons. Mine are more geared toward the city of Edmonton and council and His Worship Bill Smith. They took it on themselves to dig deep, Mr. Speaker, and spent \$50,000 of taxpayers' money across the board to involve the city of Edmonton and its residents and the voting population, and by doing that, they represented all of Edmonton. So all of Edmonton wants to have 19 seats, and that's measured against the \$50,000 that they did spend. Otherwise, they wouldn't have spent it. So those two correspond, and if they correspond with reality, then it must be the truth. So I'm not bringing forward speculation or a system of philosophy. What I want to do is bring forward anti theories, and anti theories there again correspond to reality, the truth.

So, Mr. Speaker, the Electoral Boundaries Commission made a mistake. Why they made a mistake is because when I discussed some sentiments in my office with the chairman – and had it not been a Conservative riding, the likelihood of it not being taken away was great. Now, I didn't tape record it. It was said as my word against his. However, if there are transcripts from the Ramada Inn, we could easily get the admission from Mr. Clark where he admitted to saying these things. Now, does that make it right? Or does that lead us into an area of a legal challenge, which so often accompanies mistakes?

Now, Mr. Speaker, I'm trying to be as nice as I can and as fair as I can and at the same time achieve an objective, which is to keep the 19 seats and at the same time save face by the oath I did take to represent Edmonton-Norwood. To me, which is it? We could do one of two things. We can either accept the report, or we make a law that there are more electoral boundaries, or we can reject it. It's quite simple. Anything other than that, for the last three or four hours all we did was spin our wheels.

So what are we going to do? Well, naturally, I'm going to vote against this motion. Had it not been Edmonton-Norwood, had I not been in the front, well, would I be hypocritical to say, well, I would sit back and join in the spinning of the wheels? Well, who knows?

I would probably encourage everybody to say that I wouldn't, but that's hindsight. Anybody can do that. But as long as I went up for it, as long as I knocked on those doors, as long as I told the people that I would represent them continually, I will continue to do so until the last breath that I take. At that point, I will probably lean over and trip the trip wire. What does that mean? Well, we'll see.

But, Mr. Speaker, when you dig deep into the trenches, you have to take the field back. So how do we do that? Simple. Convince all my colleagues to vote against this Electoral Boundaries Commission. Are they going to do that? They spent, you know, half a million dollars doing it. Is the next one coming up going to be any different? There are all various kinds of questions. Who has the answer? I don't think anybody has the real right answer.

Edmonton-Norwood, Mr. Speaker. I've probably got 10S pages of notes listening to debate back and forth. I wore myself fairly thin trying to be direct and blunt and to the point and at the same time be convincing. Now, am I achieving that? There's no table thumping; there's no nodding of heads.

The hon. Member for Edmonton-Glenora figuratively took a sword out. Well, I'd like to literally take one out – now, it's imaginary, but it's there – and I'd like to chop that report. Here's one here, and if I had the strength, I would probably tear it in half and table it. That's how I'd like to fix it. [interjection] It's too thick. That's why it's imaginary.

Where does that leave a person like me? Where does it leave an MLA who's representing a riding that's being eliminated? Through you, Mr. Speaker, to the Assembly it leaves me only one thing: that's to plead to the other members to do the right thing and vote against it. It'd be embarrassing to get on my knees and beg them.

You know, when I grew up, my dad ran a lot of things by me. It's, you know: you don't work; you don't eat. Well, I brought that philosophy, and I still carry it. I think that's probably why I fit into this government. That's what builds the country. You have to get out and do your share of work. If you work for 10 hours, charge for 10 hours. That was drilled into me. Before you complain about your shoes, look at somebody with no feet. That was drilled into me.

I brought that into my constituency. In the parts that were in the inner city, I had to basically educate a lot of constituents when they came to the door. Believe it or not, they didn't leave all that happy, but I honestly didn't know. I come from a northern community, from a farm, with this background, this philosophy: "You don't work; you don't eat. The harder you work; the luckier you'll get." Every day I had that. Then somebody would come in. They would tell me this; they'd tell me that. Well, work; all you have to do is work. "Well, we can't make it." It's not what you make, it's what you save. I was told that. Didn't your parents tell you that? "Well, we had no parents." Oh. Well, what did you learn in school? "We never went to school." Oh.

So I was faced with a whole pile of things, and one thing representing Edmonton-Norwood did do is it educated me to a whole new world, one that didn't exist in the oilfield, where I worked, one that didn't exist on the farm, where my Success by Six was picking roots. These guys didn't know that.

11:20

So little by little as I would go into the community leagues, little by little as I would go to different functions and I would sit down and I would talk to people, I was literally shocked at what an inner city is all about. So I for sure am grateful that I'm a new person out

of it, and for 700 days I'll tell you: I have a lot of education. It's not a social outlook. What I do bring is a good conservative-type outlook and bring those sentiments across to people that are in my constituency to make them a better person. I even went so far as bringing Bill 210, and that's a reflection of what needs to be done in the inner city. That's a reflection of what needs to be done in all of Alberta for people who are less than fortunate.

Now, does that mean anything to our government? Well, that's to be debated yet in second reading. I'm not trying to lobby for that bill right now; however, the occasion does present itself. You know, it would go a long way if people would just look at an inner-city constituency, and if it's being held by a government member, anchor into it and root into it. I think, Mr. Speaker, that if we really considerably looked at 19 seats and rounded it up properly, other than Jethro Clampett's new math, where you round down, I think we would probably have a lot more foresight into seeing how things should be accomplished. Calgary is growing. It's a fact. Where's the place to address it? Right here and right now. Calgary is growing. Count the numbers. What can we do to change it? Amend the act to be 84 seats. Are we going to do that? Well, that's another hill to climb.

The one facing us now? Motion 13. Are we going to pass it? I don't want to, and I'm not going to, and I have my reasons. I explained them, and mayor, council, you know, I probably feel that I lost that riding. I honestly feel that. If it was one of the other parties, they wouldn't have taken it. There are only, you know, nine of you guys, and there are a whole bunch of us. So it wouldn't look good; would it? Well, let's be honest. Would it look good if they

took one of your ridings? What's left for me? You know, I have full confidence that I could have knocked off any one of you guys in an election. Just dig in. So is it about politics? Of course not. I can walk – maybe in Strathcona I couldn't, but the rest is . . . I'm not worried about it. I covered my constituency three times because that's the work ethic that I had.

The point I'm trying to make, Mr. Speaker, and to the city council who came in, is that if this riding loses, I probably will have to assume full responsibility for winning it in the first place. So if that happens, I apologize to you for losing it to Edmonton, but for any consultation while I am here, maybe we can shorten up some distance on Anthony Henday Drive. Maybe I can lobby harder in the remaining time that I do have here, and hopefully that'll go somewhere, and hopefully we can justify that \$50,000 of taxpayer money that was spent. But it's not over till it's over.

Mr. Speaker, with that, I'd like to encourage the members to reject this Electoral Boundaries Commission report on the basis that I brought forward, and on that note I'd like to adjourn debate.

[Motion to adjourn debate carried]

The Deputy Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 11:25 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, April 9, 2003**

1:30 p.m.

Date: 2003/04/09

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

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

Please be seated.

head: **Introduction of Visitors**

Mr. Jonson: Mr. Speaker, I'm pleased to introduce to you and through you to members of the Assembly His Excellency Aydemir Erman, ambassador of the Republic of Turkey. He is joined today by his wife, Gulen, and Mr. Turgay Ogut, consul general responsible for Alberta. Mr. Erman only recently presented his credentials as Turkey's ambassador to Canada; in fact, it was just in February of this year. He is making his first visit to our beautiful province, and I would ask that our honoured guests please rise and receive the traditional warm, warm welcome of this Assembly.

head: **Introduction of Guests**

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. It is indeed my pleasure to introduce to you and through you to all members of the House today 121 visitors from Spruce Grove and the St. Marguerite Catholic school. They are a bright and enthusiastic group accompanied by teachers Miss Nicole Harrington, Mrs. Livia Tambllyn, Mr. Denis MacNeil, Mrs. Deloyce Hanna, and Mr. Sean Daly and parent helpers Penny Scheibelhofer, Marilyn Wensley, Heather MacDonald, Candis Mathieson, and Ken Knuff. They are seated in both galleries, and I would ask that they rise and receive the traditional warm welcome of this House.

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

Mr. Maskell: Thank you, Mr. Speaker. It gives me great pleasure to rise today and introduce to you and through you to members of this Legislature two guests today who are seated in the members' gallery. My first guest is Jean Grand-Maitre. He's the artistic director of Alberta Ballet. Jean assumed the artistic leadership of Alberta Ballet in July 2002. For the past 12 years he has worked internationally as an independent choreographer, creating works for the most important ballet companies in Canada and Europe. Born in Hull, Quebec, Mr. Grand-Maitre began his dance training at York University in Toronto and continued at Montreal's École Supérieure de Danse du Québec, where he presented his earliest ballets and school performances. He performed at the Theatre Ballet of Canada, Les Ballets de Montréal Eddy Toussaint, and Ballet British Columbia, developing his choreographic talents by participating in creative workshops.

My other guest, Mr. Speaker, is Ann Lewis, executive director of Alberta Ballet. Ann assumed the administrative leadership of Alberta Ballet in January 2002 after serving and organizing for six years as a fund-raising board member and board chair.

Would my two guests please rise and accept the warm and generous welcome of this Legislature. Thank you, Mr. Speaker.

head: **Oral Question Period**

Provincial Fiscal Policies

Dr. Nicol: Mr. Speaker, yesterday's budget was one of misplaced priorities, with plenty of money but very little of it for all Albertans. Even though high energy revenues mean government coffers are flush with cash, classrooms and health care programs will continue to suffer. What's fair about this budget? To the Minister of Finance: what's fair about a budget that does include a 12 percent increase in funding for the horse racing industry and only a 2 percent increase in classroom funding for Alberta students?

Mrs. Nelson: Well, Mr. Speaker, the budget we delivered yesterday, I believe and our government believes, is a budget that places Alberta again in the lead in this country. It deals with the priorities that Albertans have expressed to every member of the government caucus throughout this year. It deals with the issues in health care, it deals with the issues in Learning, it deals with the issues in transportation requirements, it deals with the issues in Infrastructure, and it does all that in addition to dealing with issues in Children's Services and in agriculture without raising any taxes and no increases in health care premiums.

Dr. Nicol: To the minister of education: what's fair about postsecondary students having to pay 6 percent more for their education next year through higher tuition when this minister has only increased his contribution to advanced education by 2 percent?

Dr. Oberg: Mr. Speaker, I would really appreciate it if the hon. member would read the budget. What you have seen in our budget is a 4.1 percent increase for postsecondary education. In his previous question he stated that it was a 2 percent increase for the classroom. It's very plain to see in the budget that there's about a 4.9 percent increase in my total budget directly to the classroom, directly to the school boards. The Edmonton school board will receive 3.7 percent. School boards such as Christ the Redeemer will receive over 11 percent in this budget.

Dr. Nicol: To the Minister of Energy: did this minister double his department's communication budget this year because his department has failed to keep angry and confused Albertans with their skyrocketing utility bills?

Mr. Smith: Mr. Speaker, as we go through the budget debate, we'll be able to talk on the line items of each budget, but I think it's very easy to say that we're responding to their very own requests, put forward by the opposition party, and those are to communicate the changes that are being made: the passage of Bill 3, the passage of Bill 19, the move to a fully deregulated competitive market structure in electricity in light of natural gas changes. We are just carrying on business as usual and reflecting that in the budget documents of the day.

Infrastructure Projects

Dr. Nicol: Yesterday the government promised that \$5.5 billion will begin to flow through to communities to address the backlog of infrastructure project needs, but what is missing from the budget is a plan of which projects will get the green light. To the Minister of Infrastructure: will the minister release the list of capital projects with the priorities so that Albertans can see the priorities that their communities put on those capital requests?

The Speaker: The hon. minister.

Mr. Lund: Thank you, Mr. Speaker. We are currently working our way through the number of projects that we had before us. Just as an example, in the capital plan that was submitted to us by the school districts, the school boards last year, there were somewhere around 450 projects totaling about \$1.4 billion. So we are currently working through the process of which projects we can start, and those will be public as soon as we are finished this process of putting the whole package together.

Dr. Nicol: To the Minister of Infrastructure: did you say that you would release the entire \$1.4 billion with the community project priorities on them when you're finished making your choices?

Mr. Lund: Well, Mr. Speaker, I wish we had \$1.4 billion to spend just on schools. The fact is that there isn't that much money, so we do have to prioritize. The projects that are approved to go ahead will be public, but certainly I can tell the hon. member that we go very, very close to what the school boards recommend, and they have to prioritize them. They prioritize them, then we fit those prioritizations on the provincial scale to determine which projects need to go ahead.

Dr. Nicol: To the Minister of Infrastructure: will the minister release projects in total that are approved so that Albertans can judge all the projects together, rather than having them dribbled out and having to look at them one at a time when it's expedient for you?

1:40

Mr. Lund: Well, Mr. Speaker, certainly we will not be in a position to say that every project that will be done in the year 2003-04 will be issued at one time. Last year, for example, within the department we had some 1,200 projects. Certainly we don't put them all out at once, but we will have a number, particularly the health and the school projects, that will be starting immediately. Yes, those will be out.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Education Funding

Dr. Massey: Thank you, Mr. Speaker. The real story in the Learning budget this year is yet to come. Two percent more in instructional budgets will result in larger classes, fewer teachers, and fewer classroom resources in Edmonton public classrooms and others across this province. My first question is to the Minister of Learning. Given that salary grid creep alone amounts to almost 2 percent, where is the money for other instructional costs to be found?

Dr. Oberg: Mr. Speaker, the Edmonton public school district is going to see approximately a \$17 million increase in their budget this year. Percentage-wise this is 3.69 percent.

The Speaker: The hon. member.

Dr. Massey: Thank you. To the same minister: why is there no relationship between the 2 percent instructional budget and the actual costs that schools have to pay? There's no relationship, Mr. Minister.

Dr. Oberg: Well, Mr. Speaker, this hon. member knows full well

that there is a thing called a funding formula, which is an allocation model on how the dollars are given out. Included in this year's funding is a 2 percent basic instructional grant increase; there's a 3 percent transportation grant increase; there's an 8 percent increase for special-needs education; there's \$20 million that is utilized for textbooks; plus, plus, plus. All of these things are rolled into the amount of dollars that the school boards receive. Edmonton public, which seems to be the hot topic of the day, will receive about 16 and a half million dollars more this year than they received last year.

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. Again to the same minister: given that the minister's budget flexibility is akin to inviting 10 guests to a sit-down dinner when you've only got five chairs, when can the parents expect budgets based on actual school costs?

Dr. Oberg: Mr. Speaker, when we did the flexibility component of the funding formula, we sat down with the School Boards Association, the school business officials, as well as numerous other representatives from the school partners. They determined – they determined – in conjunction with me that approximately 90 percent of the funds that they received would be flexible.

What is not flexible is the administration component. I will not change the cap on the administration so that the dollars can be increased to the administration. The two other elements that are included in the nonflexible portion of the funding formula are, one, student health, which is very, very important to our students; two, the Alberta Initiative for School Improvement. Everything else that is included in the funding formula is in the form of flexible funding. So they are allocated out according to models, but the schools and the school boards have the ability to use those dollars as they see fit.

The Speaker: The hon. leader of the third party, followed by the hon. Member for St. Albert.

Dr. Pannu: Thank you. Mr. Speaker, for months school boards, teachers, and parents have been urging this government to do the right thing and avert a financial crisis in our schools. Sadly, yesterday's budget did no such thing. The Public School Boards' Association is saying: "Tuesday's budget will doom other boards across the province to Edmonton Public's fate of deep cuts to teachers and programming." My questions are to the Minister of Learning. Why doesn't the minister come clean and admit that school boards are headed for crippling budget deficits and program cuts as a result of yesterday's budget?

Dr. Oberg: Charlie Koester, chair of the Edmonton Catholic school board, said that this is a very good budget, Mr. Speaker.

Dr. Pannu: To the same minister, Mr. Speaker. Given the severe financial pressure the minister knows that school boards are facing, why was the minister unable to deliver anything more than the already planned 2 percent increase in per pupil grants?

Dr. Oberg: Well, Mr. Speaker, I was going to say that the coalition troops are really in Baghdad.

The increase, Mr. Speaker, to the Edmonton public school board is 3.7 percent. When – when – will this opposition party learn how to read the budget?

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Given that the minister's predictions have a worse track record than a TV psychic, why should Albertans accept the minister's bland assurances rather than the serious concerns being raised by people on the front lines of education?

Dr. Oberg: Mr. Speaker, I feel that the hon. member may just have come from an information session that was over in Iraq.

Mr. Speaker, there is a lot of money. There's \$231 million that has been added to my budget. There's \$191 million that has been added to the budget of the K to 12 system. There's been around 5 percent added to the K to 12 budget. There has been a huge amount of dollars added to my budget this budget.

The Speaker: The hon. Member for St. Albert, followed by the hon. Member for Edmonton-Gold Bar.

West Boundary Road

Mrs. O'Neill: Thank you very much, Mr. Speaker. The city of St. Albert is moving ahead with its plans to construct a bypass on the west side of the city or, as we call it, the West Boundary Road now. The proposed roadway will cross the Sturgeon River downstream from the Big Lake natural area, which is protected under the special places program. I understand that the project is moving forward while determining what impact this project will have on the surrounding environment, so my question is to the Minister of Environment. Will the minister please explain why the province is not conducting its own environmental impact assessment for this project?

The Speaker: The hon. minister.

Dr. Taylor: Thank you, Mr. Speaker. The construction of the St. Albert bypass falls under the Water Act code of practice, so a provincial EIA is not necessary. However, under the Alberta/Canada agreement for environmental assessment and co-operation the federal government through the Department of Fisheries and Oceans is doing an EIA.

Mrs. O'Neill: My first supplemental then: is Alberta Environment involved in the federal government's environmental impact assessment?

Dr. Taylor: Yes, Mr. Speaker, we are involved fully in the environmental assessment that the federal government is doing along with Community Development and Sustainable Resource Development. All three departments are making sure that Alberta's concerns are addressed, and our concerns, quite rightly, with the project centre around the potential effects on the Big Lake natural area the member has quite clearly identified. We want to know what those effects might be as part of this assessment and what the city of St. Albert will do to mitigate any effects.

Mrs. O'Neill: My second supplemental, then, would be with respect to the circumstances under which a provincial EIA would be required.

Dr. Taylor: Mr. Speaker, certainly provincial EIAs are required in a number of cases. They are required largely where major projects are going forward: mines, oil sands plants, big electrical projects, and so on. In other cases where one of our directors of the Department of Environment feels that there's not enough information on a

certain development, he can call for an EIA, and as he monitors that situation and determines whether an EIA is necessary or not, he can call for an EIA.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Drayton Valley-Calmar.

Support for Low-income Albertans

Mr. MacDonald: Thank you, Mr. Speaker. The shameful place that Alberta's poor and marginalized have in the priority list of this government is just wrong. It is poor public policy. This government places the same dollar value on the horse racing industry as it does on Alberta's poor. The racing industry renewal and the supports for independence program each received \$4 million more in yesterday's budget, but the horse racing industry actually received a 12 percent increase over last year's budget, which had doubled, while Alberta's poor only received 1 and one-half percent. Alberta's racehorses get more oats while some Alberta children do without winter coats. [interjections] Groan if you want. My questions today are to the Minister of Human Resources and Employment. Why did the horse racing industry get a 12 percent hike while Alberta families on supports for independence have to subsist on a 60-cent a day increase in their benefits? That's shameful.

1:50

Mr. Dunford: Well, math is always an interesting situation. We all hear about statistics and how they can be manipulated. One of the reasons that the percentages are as dramatic as what he's talking about is the fact that, of course, we're working from different-sized budgets. We provide somewhere in excess of \$800 million to needy people here in the province, and we have a number of programs that we're trying to deal with in the sense of moving people from support into independence.

Of course, what he's not relating to the people here are the other support systems that we have in place that don't relate in terms of actual income but are the kinds of things, Mr. Speaker, that you need to provide for your family, that all of the members here in the House have to provide for their families. We do this, then, for families that are part of our jurisdiction and part of our responsibility.

Mr. MacDonald: Again to the same minister: given that a \$20 a month raise won't make much difference to supports for independence recipients, why were racehorses and horse races chosen for a 12 percent raise again when the severely handicapped got nothing? The severely handicapped are still waiting while racehorses get a bigger feedback. Explain that.

Mr. Dunford: Well, it's nice and dramatic and it might play well where he goes, but for somebody to try to draw a relationship between a horse and a person that we're trying to look after I think goes beyond . . . One of the things that I think we made clear some time ago certainly in public and I believe maybe even on the floor of the House here – but if it wasn't here on this floor, I'll make it clear now. We are very concerned, Mr. Speaker, about the sustainability of the assured income for the severely handicapped program. I have been invited to a number of meetings. I've had stakeholders that are involved with this particular group. I've met them here at the Legislature. I've met them elsewhere here within the city of Edmonton, and I'm asking them and we're going to work closely with them to see what we can do about the AISH program as far as making it more sustainable.

Now, as far as this past budget was concerned and in terms of

policy, one of the things that every MLA here in this House has had a concern about is the relationship between the income support program for AISH as it relates to the Canada pension plan. Because CPP is indexed by the consumer price index, we actually have had situations where people could get as small as perhaps a \$2 a month increase, that actually removes them from the AISH files. While that might not seem significant at the time, Mr. Speaker, it is incredibly significant, because when they go off the AISH files, they lose the medical card. So what we've done as a matter of policy – and I hope that the hon. member would share his support for this move – is the fact that we're now going to carry on that medical card much longer into CPP earnings.

Mr. MacDonald: Again to the same minister. Government policy is more interested in sustaining the horse racing industry than they are in looking after the poor, and the minister knows it. Now, since this government has chosen not to increase spending substantially, wouldn't it make more sense to give more to the programs that affect the well-being of people instead of entertainment for the elite?

Mr. Dunford: My mandate, Mr. Speaker, is to cover Human Resources and Employment, and of course we provide, then, a major part of the social safety net that we have here in the province for Albertans. I would ask my hon. colleague from Gaming to supplement, you know, so he can show the concerns that perhaps they have there.

Again, what we have in this situation, what he's not talking about, is the full extent of what we did yesterday. He knows full well that there's an increase in the income for people that are under our supports for independence program if they have children and that it is coming in two phases. We have the cash increase that he's talking about now, but he knows full well that in August we will flow through the federal program and not draw back on it as we have in the past.

The Speaker: Hon. ministers, we've spent six and a half minutes now on this series of questions, and I know that on the Order Paper the estimates for Gaming are designated for April 10 and the estimates for Human Resources and Employment are designated for April 15. They'll be ample opportunity.

The hon. Member for Drayton Valley-Calmar, followed by the hon. Member for Edmonton-Glengarry.

Elective Surgery Wait Lists

Rev. Abbott: Thank you, Mr. Speaker. With wait times already long Albertans scheduled to have elective surgery find it very frustrating to learn, often at the last minute, that they've been bumped from having the procedure. This very thing has happened recently in my own constituency. My questions today are for the Minister of Health and Wellness. What are the criteria for bumping someone from scheduled elective surgery, and will the new increase in Health help offset this?

Mr. Mar: Mr. Speaker, let me say, first of all, that I understand the frustration whenever a surgery is bumped from its scheduled time, and the decision to change someone's scheduled surgery is not one which is taken lightly, but it does occur from time to time when another patient requires an emergency surgical intervention and has to be treated immediately. These are often circumstances in the life-or-death category.

Mr. Speaker, resources within the medical facility where the surgery would be done have to be redeployed to accommodate the

emergency. Those resources, of course, include the surgeon performing the operation, the nurses assisting the surgeon, and a bed for the patient's postsurgery recovery. When an individual patient is bumped to accommodate an emergency, then it is rescheduled as soon as possible.

Whether or not the additional moneys that have been allocated in the budget to regional health authorities will help alleviate some of this remains to be seen. We'll see what regional health authorities in fact do with the increase that they receive.

The Speaker: The hon. member.

Rev. Abbott: Thank you, Mr. Speaker. My only supplemental is to the same minister. Hon. minister, who makes the decision to bump one patient in favour of another, and how far are they bumped?

Mr. Mar: Well, Mr. Speaker, the decision is made by the surgeon performing the procedure in consultation with the physician who's in charge of the emergency room, and it's as simple as that.

As far as how long it will take before they can be rescheduled, that depends on a facility-by-facility basis, as I said, on the basis of the resources that are available to that particular place, but they are scheduled as quickly as possible.

Infrastructure Capital Plan

Mr. Bonner: Mr. Speaker, the capital plan for 2003-2006 shows nearly \$1.4 billion allotted to alternative financing. Alternative financing is just another way of saying public/private partnerships, or P3s. Why don't they say P3s? It's because Albertans know that P3s are nothing but a government plan to sell out taxpayer interest to the private sector. To the Minister of Infrastructure: what is fair about a program where infrastructure is built not where it is most needed but where it is most profitable?

Mr. Lund: Mr. Speaker, that preamble is just unbelievable. I just can't get over it. I mean, it's hardly worthy of even a response, that kind of drivel and that kind of nonsense coming from that member. The fact is that while the budget says that \$1.4 billion may be required by alternate financing, it does not say that that is all going to come through P3s. P3s are only one tool in the toolbox. There are a number of other ways that we possibly can move forward with projects. Just to deal a bit with P3s, there will be scrutiny on all P3s that will indicate that it's a good deal for the government, it's a good deal for the taxpayer, and of course there's going to be something in it for the developer, the person that puts it together, but that doesn't mean to say that we're not going to be the greatest benefactor. Certainly, when you look at some situations where we may have a facility that can be used sooner by going through a P3 project than by doing it ourselves, I would think that the hon. member would be happy with that.

2:00

Mr. Bonner: To the same minister, Mr. Speaker: the figure in your budget, Mr. Minister, was not \$1.3 million; it was \$1.3 billion. Just a little correction there.

What is fair about a program that makes Alberta taxpayers pay more for their infrastructure to subsidize corporate profits?

Mr. Lund: That is so ridiculous. I don't know where the member has been.

If he's right about the first little part of his preamble that I said \$1.3 million, I'm sorry. It is \$1.4 billion, and I think that's what I said, but if that's not what I said, that's okay.

This is so ridiculous that you would think that we were going to just be going out and providing a profit for the private sector when in fact one of the things that the project will have to go through is a complete life cycle cost, and then we bring that back to current-day value, and we compare that with what it would cost us to do it. There are a whole host of advantages to a P3, and if he ever wants to really understand this thing, I would be only too happy to sit down and slowly, slowly go through it so that he can understand it.

Mr. Bonner: I think it's the minister that requires a refresher course.

To the same minister: will this minister admit that his alternative financing plans are nothing more than a cover way for this government to go into debt to pay for infrastructure?

Mr. Lund: Mr. Speaker, there are so many projects in this province that we are investing in that are returns for the province. If the hon. member thinks that building a school is simply an expenditure, then I totally disagree with him. That is an investment in the future.

I hope that the folks over at the university are listening to him because we just last night met with the deans of medicine from both Calgary and Edmonton, and they talked about what a tremendous investment these centres of innovation are going to be. They're going to be an industry. An industry can be built on it. We're going to have leading scientists come from all over the world to be in these facilities. And then that hon. member criticizes that we're going to do it? I can't believe it.

Mr. Speaker, these projects as far as he says are going in debt? You tell me one major private-sector company that doesn't borrow so that they can have return in the future. They do that. They constantly do that. Furthermore, if you want to look at what is a debt and what isn't, if you have a capital asset on the books and you have something that's a liability over here, they cancel. That is not a debt.

The Speaker: The hon. Member for Whitecourt-St. Anne, followed by the hon. Member for Edmonton-Riverview.

Pork Industry

Mr. VanderBurg: Thank you, Mr. Speaker. Many hog producers in Alberta could be out of business over the next few months due to high input costs and uncertain market pricing. The producers in Whitecourt-St. Anne have been calling me to advise me of this difficult situation, and it's very serious. My question is to the Minister of Agriculture, Food and Rural Development. Have you been made aware of this serious situation that Alberta pork producers are facing today?

Mrs. McClellan: Mr. Speaker, I have been made aware, first of all, by a number of rural members from the government caucus who have brought the concerns of their producers to my attention. Secondly, I met with the Western Hog Exchange and the Alberta pork producers some weeks ago and met with them again as recently as March 18. So we've been made aware of the situation and have been given some indication of what those groups feel could help.

Mr. VanderBurg: Well, since you've met with them, what are you prepared to do to help them?

Mrs. McClellan: Mr. Speaker, there are a number of options for the hog industry which are available not only to them but to all of the commodity groups. The first is the farm income disaster program. That, of course, has been in place for some time. Our indications are that it will respond fairly significantly to that industry this year as

well as perhaps to some other areas. The second is, of course, our farm disaster loan program, which, again, has been in place for some time, and I must say that during this downturn it appears that many of the hog producers in the province are taking advantage of that.

Mr. VanderBurg: My final question to the same minister: given that this help is on the way, is this going to be soon enough to help this industry?

Mrs. McClellan: Mr. Speaker, there are certainly immediate and urgent concerns from the industry, and we feel that we've made some changes to our loan program that will assist in the short term. We've increased the lending limit to \$200,000 from \$100,000, and of course then the maximum available to an entity that has more than one owner rises to \$600,000. We've also increased the quick cash injection loan, which was at \$20,000, to \$50,000, and that's available to producers on a promissory note, so that can be handled very quickly.

But I think even more importantly, Mr. Speaker, is that in the discussions with the industry are some areas that we could respond to that would deal with this on the long term. The hog industry does often experience an upswing in prices and can take a very sudden downturn, and input costs, of course, can vary and cause them problems. So we've been talking with them about some long-term strategies, whether it be in a stabilization account, an insurance program that could deal with their problems, but right now we're trying to respond to the very urgent problems they're facing as well as looking at the long-term situation.

Postsecondary Education Funding

Dr. Taft: Mr. Speaker, this government seems determined to continue its policies of saddling postsecondary students with ever increasing tuition fees and bigger and bigger debts. At the same time many postsecondary institutions are facing major cutbacks. The government is off-loading its debt onto the backs of overburdened students and overstretched universities. To the Minister of Finance: how does she justify increasing grants to universities only 2.3 percent while subsidies to prop up the horse racing industry soared 12 percent this year and over 100 percent the last two years to \$37 million? Is it all just good lobbying?

Mrs. Nelson: Mr. Speaker, I think that it's important to get the facts on the table. I'd ask the Minister of Gaming to respond to the question that's been raised a couple of times in this House today that hasn't been thoroughly answered.

Insofar as the funding for postsecondary education I believe that the Minister of Learning has already answered that question, so I'd ask that the Minister of Gaming supplement the other part of it.

The Speaker: The hon. minister.

Mr. Stevens: Thank you, Mr. Speaker. The line item relative to horse racing is a commitment that this government made to Horse Racing Alberta in 2001, so it's a fulfillment of an obligation that we have to that particular industry. The hon. members opposite, if they had been paying attention, might remember that the commitment that we made was to assist the industry through racing entertainment centres that were connected with racetracks throughout the province.

This particular increase in this particular budget relates specifically to Northlands park, located here in the city of Edmonton, and should be familiar to the members opposite. Last year – that is, during the fiscal year ended March 31, 2003 – the number of slot machines that were at the REC at Northlands was increased. So this

particular year the \$4 million will reflect the fact that those increased slot machines will be at Northlands park, Spinners, for a full year as opposed to a portion of a year.

2:10

Dr. Taft: I'll bet Edmontonians would rather have their money in schools than at the horse track.

Is it fair . . .

The Speaker: Please. Please. Let's get to the question without preambles. I'm going to repeat again: designated tomorrow, April 10, are the estimates for Gaming. We'll have a full two hours.

Please proceed.

Dr. Taft: Thank you, Mr. Speaker. To the Minister of Learning: is it fair that this government's solution to soaring tuition fees is to change the rules to allow students to go ever deeper into debt?

Dr. Oberg: Mr. Speaker, I'd like to thank the hon. member for that question because what is included in this budget is, yes, a 2 percent basic increase to the postsecondaries, but there's also a \$10 million performance fund that will go to the postsecondaries, or roughly 1 percent. There's also another \$10 million access fund that will bring the total to very close to 4 percent. There's also another \$12 million that is being put into apprenticeship.

The hon. member made reference to students. Included in this budget is an increase in student loan limits to \$11,300, Mr. Speaker, as well as a \$2,100 moving allowance for rural students. A rural student, for example, for those of us who are from rural Alberta, can receive \$13,400 for their first year coming into Edmonton or Calgary. Interestingly enough – they're talking about debt – also included in this budget is a \$32 million provision for paying off student debt as soon as they receive it.

The Speaker: The hon. member.

Dr. Taft: Thank you. To the same minister: can the minister explain the rationale for the 2 percent increase in the operating grant to universities and table the analysis that was used in setting it?

Dr. Oberg: Well, first of all, Mr. Speaker, it was not a 2 percent; it was a 4.1 percent increase going to postsecondary education. I really wish that these people would learn how to read the budget. The performance fund is there, the access fund is there, the apprenticeship fund is there – 4.1 percent increase – and there's also been huge increases to student finance.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Edmonton-Norwood.

Education Property Tax

Mr. Mason: Thank you very much, Mr. Speaker. In September of 2000 the Tory government promised to cap school property taxes at \$1.2 billion a year, a promise repeated during the 2001 election campaign. Now for the second year running the government has broken this promise. Yesterday's budget hikes the school property tax revenues while cutting corporate taxes. The Tories are robbing Martha and Henry to pay Syncrude and Shell. My question is to the Minister of Finance. How can the government claim that there are no tax increases in the budget when the average homeowner and small business will see a hike of 5.8 percent in their school property taxes this year?

Mrs. Nelson: Mr. Speaker, we made a decision to freeze the mill rate for school property taxes. That is reflected in the budget that we presented yesterday. What we have done is we've recognized that there's been growth within this province, and we're capturing the growth to put it into the classroom with the kids where the money is needed. Now, this hon. member objects to funds flowing to the classroom, where it belongs, to reflect the growth. You've heard us talk about people coming to our province and they don't bring their roads or their schools or their hospitals with them. You have to realistically capture growth. That's what's happened. We froze the mill rate. We kept our commitment to freeze the mill rate. That's all that's happened. Please read the document.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, given that a government news release from the year 2000 says that education property taxes will be reduced by \$135 million and frozen at \$1.2 billion, can the minister explain why this change of policy and why it means a significant increase to what people actually have to pay in their property taxes, 5.8 percent?

Mrs. Nelson: Mr. Speaker, when we put that 2000 press release out, we took a position of reducing the mill rate. You know, the collection of school property tax used to be 50-50. We reduced it so that there was a lower tax collection from the property owner that would be picked up by the province. We then said that we'd freeze the mill rate, and we have done that. In fact, last year we actually lowered the mill rate. But the reality, as I said in my first answer, is that we've had growth within this province, and you have to somehow capture that growth and put the dollars into the education system. That's exactly what we have done.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Why is the government using a \$64 million hike in school property tax revenues to help offset the \$94 million cut in taxes paid by corporations, many of whom are enjoying record profits thanks to high energy prices?

Mrs. Nelson: Well, Mr. Speaker, you know, it's really hard to continually go by the analogies that are drawn by members opposite. They don't like something that's good for the province. They don't like the fact that we're capturing growth and 80 percent of the revenue we're capturing for education is going into the classroom. They don't like the fact that we're dealing with small business pressures by reducing the tax load on small businesses. They don't like any of those things because they're positive, and they can't deal with things that are positive. One of my colleagues said yesterday: there's the difference between a cup being half empty or half full. He's working on three-quarters full and looking for the opportunity to fill it the rest of the way. That's the difference between their side and our side.

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

Untreated Storm Water

Mr. Masyk: Thank you, Mr. Speaker. After a long winter with a lot of snow Edmontonians are finally experiencing pleasant, warm weather that comes with spring, and as the snow melts and the water drains through our storm water system, there is a very real perception

that months of dirt and grime and salt and oil collected in the streets are making their way into the waterway systems including the North Saskatchewan River without being treated. To the Minister of Environment: please tell us what your ministry is doing to mitigate the environmental damage that occurs when untreated storm water is discharged into the waterways?

The Speaker: The hon. minister.

Dr. Taylor: Thank you, Mr. Speaker. We at Alberta Environment are very concerned about untreated storm water entering our rivers. It is a significant issue because, you know, as we all water and fertilize our lawn, when you get a rain and that runs off, those residues certainly go into our rivers. The way it works right now is that Alberta Environment does have regulations around the storm water systems. We regulate the construction of storm water systems as they move into our rivers.

The Speaker: The hon. member.

Mr. Masyk: Thanks, Mr. Speaker. Again to the same minister: are you aware of any low-cost or any cost-effective, environmentally positive ways to deal with storm water?

Dr. Taylor: Well, as I said, Mr. Speaker, we are very concerned about the issue. In Calgary and Edmonton they're actually causing storm water catchment ponds to be constructed in the new development catchment areas. In Calgary, for instance, any new development since I believe 1998 has to have a storm water catchment area. So what happens is that the storm water runs into the catchment, they plant the appropriate grasses and weeds, it takes about a week for the water to move through the catchment pond, and when it comes out the other end, it's clean and can go directly into the river. Certainly, this is one example of a good program. Edmonton is conducting similar programs. It's still in the experimental stages, but it appears to be working.

The Speaker: The hon. member.

Mr. Masyk: Thank you. My final question to the Minister of Environment: does the province's draft water strategy propose methods to deal with the treatment of storm water before it is discharged into local waterways?

Dr. Taylor: Pollution prevention has always been and must always be the prime foundation in any water quality program. That's why Alberta Environment monitors all the watersheds, and we will continue to monitor the watersheds. Mr. Speaker, as I say, pollution prevention – that is, preventing the pollution from getting into the water – is certainly a prime focus of the draft water strategy.

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

Police Services

Ms Blakeman: Thank you, Mr. Speaker. Yesterday the government was touting their budget as fair and balanced, but the Solicitor General admits that there is little increase for policing aside from salary and minor adjustments. Urban and rural Alberta have requested help to prepare for antiterrorism initiatives, training, and basic police funding. My questions are all to the Solicitor General. How is this budget fair and balanced to Edmonton and Calgary when

the province hasn't paid anything for any policing services in these cities since the mid-90s?

2:20

Mrs. Forsyth: Well, Mr. Speaker, under our government unconditional grants the municipalities that the hon. member is referring to, Edmonton and Calgary, get \$16 million, and then the budget is determined by the cities on where the dollars should be spent.

Ms Blakeman: It's not for policing.

Given that the Solicitor General has stated that municipalities now have access to a \$60 million unconditional fund which can be used for any number of municipal services, does this now pit smaller communities against larger ones for their share of the fund?

Mrs. Forsyth: No, Mr. Speaker, it doesn't. And it wasn't \$60 million; it's \$16 million under the unconditional grants.

We're also working with municipalities across this province. As the Solicitor General I fully understand that communities in this province are facing problems with policing. We had a policing committee that went out in this province, who were very competent and very hard working, and brought forward recommendations, and we are working through those recommendations to try and ease the policing burdens in this province.

The Speaker: The hon. member.

Ms Blakeman: Thank you, Mr. Speaker. How is it fair and balanced that rural communities with 2,499 people get their policing costs completely paid for by the province, but communities with over 2,500 people have to pay the lion's share of their policing services themselves?

Mrs. Forsyth: Well, Mr. Speaker, what the hon. member is referring to is clearly spelled out under the Police Act. Municipalities under 2,500 people get their policing paid for. Again, this is one of the things that the policing committee that went around and provided me with a supplement is addressing. They've worked hard, and we're working through the process right now.

The Speaker: The hon. Member for Edmonton-Rutherford, followed by the hon. Member for Red Deer-North.

Calgary Diversion Project

Mr. McClelland: Thank you, Mr. Speaker. My question is to the minister of health. In November 2001 a pilot project was launched to provide treatment for mentally ill Albertans who might otherwise be jailed for minor offences. By many accounts the Calgary diversion project has been successful, yet media reports indicate that the program may not be expanded. My question: is that true?

Mr. Mar: Well, Mr. Speaker, I want to say first of all that like the hon. member I have read initial reports from the diversion project in the city of Calgary, and it has been, from initial results, successful. It appears that it does not make any sense to have people placed in jails when they should instead be receiving proper treatment for their mental illness. So far, of the 50 referrals that the Calgary diversion project has had, where people who have had mental illness have gone on to treatment instead of going through the judicial system, the rate of recidivism has been zero. None of them have been repeat offenders. Many people deserve credit for the success of this program: everyone from the police to social services agencies and

the judicial system. Everyone has worked very co-operatively, but I wish to make note of one individual, His Honour Judge William Pepler, in particular, who initiated this project.

With respect to whether or not this program will be expanded, we haven't made a decision to do that yet. There is a commitment to continue the funding for the Calgary project in the amount of \$1.4 million to the end of March of 2004. We've recently announced that a similar project, based on the interim results from Calgary, will take place in Edmonton, and the details of that will be coming shortly.

The Speaker: The hon. member.

Mr. McClelland: Thank you. My supplementary, then, is to the Solicitor General. From a law enforcement perspective, has the project been successful?

The Speaker: The hon. minister.

Mrs. Forsyth: Yes. Thank you, Mr. Speaker. I'd like to add my support and recognize the people in Calgary on this particular project. The police play a very important role in ensuring that the people that they are dealing with get appropriate treatment as opposed to being circulated through the justice system. The police are often the first contact with mentally ill people, and therefore they're in the best position to decide where these mentally ill people should be placed. The project that has been referred to by the minister of health has been hugely successful. He's indicated that he's going to be expanding it to Edmonton. I support that, and I also support expanding it through the entire province.

head: **Recognitions**

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Spruce Grove Junior B Regals

Mr. Horner: Thank you, Mr. Speaker. Today it is with great pleasure that I rise in the House to bring recognition and congratulations to the Spruce Grove Junior B Regals hockey team. On the weekend of March 29 the Spruce Grove Junior B Regals won the provincial title for a second consecutive year. The tournament was hosted in Okotoks this year, and our team played the final game against Fort St. John, British Columbia, for the win.

As I've said in the past, I'm a parent of a young hockey player with whom I share a love for the game, and I can truly imagine how proud the parents of these young folks are. I would like to congratulate their coach, Cam Aplin, and all the volunteers who have worked hard to ensure that this team has the opportunity to play to their ability and represent us so proudly. The pride does not only come from the win, Mr. Speaker. This group of young men are considered great young gentlemen on and off the ice.

As we speak, the Junior B Regals are traveling to Portage La Prairie, Manitoba, where they will represent Alberta in the Westerns and defend their 2002 silver win, hopefully with a gold. Whether they receive the gold at this competition or not, our community shall always consider them winners.

I want to extend my constituency's pride and also the province's as they have represented Alberta well as great Alberta ambassadors in the sport of hockey. Thank you, Mr. Speaker.

Dr. Yoshio Senda

Mr. McFarland: Mr. Speaker, I'm pleased to rise today to congratulate

late Dr. Yoshio Senda from Lethbridge, who received a volunteer recognition award from the Minister of Community Development at the Alberta Sport, Recreation, Parks and Wildlife Foundation awards banquet last week. Dr. Senda has dedicated his life to building the sport of judo in Lethbridge and all across Canada, including work with Judo Alberta as secretary, as president, and as provincial coach. He served Judo Canada as the first vice-president and national coach, and he founded the University of Lethbridge Judo Club in 1967 and the Lethbridge Judo Club in 1952. Because of his leadership and success Dr. Senda has received numerous awards, including induction to the University of Lethbridge Athletic Hall of Fame, the Alberta Amateur Sports Hall of Fame, election to the Canadian Amateur Athlete Hall of Fame. He's also received the Alberta coach of the year award.

On behalf of the hon. Member for Lethbridge-West and the hundreds of individuals who have benefited from his mentoring, please extend our warm wishes. Thank you.

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

Michael Kostek

Dr. Massey: Thank you, Mr. Speaker. Today I recognize the work of Michael Kostek. Mike celebrates his 50th year of service with the Edmonton public school board this year. Mike is the public school board's Mr. History. Besides writing two books on the board's past, the restoration and relocation of the Edmonton 1881 schoolhouse and the restored McKay Avenue school and archives owe much to his work. Mike is a past member of the city of Edmonton Historical Board and the Historic Sites Board and the Names Advisory Board. He received a heritage preservation award from the city of Edmonton and the Alberta achievement award for excellence.

Mike has taught, served as principal, consultant, director, and finally as the executive director to the superintendent of schools before his retirement to McKay Avenue school, where he is now paid the generous stipend of \$1 a day for his services. In 1994 the school board honoured Mike's work by naming a school after him. The Mike Kostek school holds a birthday party for him each year. This year the party will be very special.

Congratulations, Mike, on 50 years of outstanding service to public education.

The Speaker: The hon. Member for Cardston-Taber-Warner.

Stirling High School Lakers Basketball Team

Mr. Jacobs: Thank you, Mr. Speaker. It is a pleasure for me to rise in the Assembly today to recognize another outstanding boys basketball team from Stirling high school, the Stirling Lakers. This team is comprised of Courtney Clawson, Shawn Nelson, Chris Hotton, Rocky Big Smoke, Wes Walk, Kris Clark, Jorden Clark, Scott Erickson, Darcy Steele, Cam Toth, Cory Edwards, Josh Day Chief, Ray Walk, and coach Darren Mazutinec.

This team had an outstanding season and displayed remarkable talent and skill. They played in two leagues during the year: the River Ridge League, where they captured first place, and the Deep South League, where they shared the first place title with Picture Butte. The Stirling Lakers, Mr. Speaker, then went on to win gold at the provincial finals of the 1A boys provincial tournament.

Mr. Speaker, I know this team and their coaches and the members of the community, and they worked really hard to make this achievement. As you know, it takes a lot of work from a community like this to achieve at this level. Therefore, I congratulate all the members of this team and their community and parents for their

achievement in this year's provincial finals and an exceptional season of basketball.

Thank you.

The Speaker: The hon. Member for Redwater.

2:30 Radway and District Friends of STARS

Mr. Broda: Thank you, Mr. Speaker. Today I would like to recognize Maurice Kruk and Chris Dowhan, co-chairs of the Radway and District Friends of STARS fund-raiser 2003, for a job well done. Thank you to all volunteers, donators, participants, and surrounding communities. Thank you to emcee Kerry Smith from CFCW and auctioneer Joe Dobyanski.

All catering, food, hall rentals, and proceeds were donated to this worthwhile cause. The community may be small, but it's big in heart, raising \$40,000, and in the last two fund-raisers they raised \$66,000, Mr. Speaker. I ask all members to congratulate Radway and surrounding communities.

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

Alberta Seniors' Week

Ms Kryczka: Thank you, Mr. Speaker. Seniors' Week is a wonderful time for all of us to celebrate Alberta's seniors, 320,000 of them and growing, to recognize their accomplishments, and to highlight the positive contributions they make in their communities, and it is also a time for us to have fun with them. Since 1986 the Seniors Advisory Council for Alberta has annually spearheaded this special week by encouraging volunteer organizations, service clubs, businesses, communities, schools, and all levels of government to plan celebration events. The theme for Seniors' Week 2003, Vital, Active, Involved, recognizes the energy and enthusiasm of our seniors population and also the 65-plus seniors, who log more hours than any other age group.

Over 3,000 Seniors' Week packages have been mailed to Alberta communities and MLA constituency offices to assist in organizing special events. In 2002 there were 227 Seniors' Week events registered with the council, and I suspect that hundreds more occurred. As MLA for Calgary-West and chair of the Seniors Advisory Council I challenge all of my colleagues in this Legislature to promote and also attend Seniors' Week 2003 events from June 1 to 7. Your time recognizing seniors will be well spent.

Thank you.

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

Calgary Humane Society

Mr. MacDonald: Thank you, Mr. Speaker. Today I would like to recognize the Calgary Humane Society not only for its efforts to protect vulnerable animals but also for its strides to educate Albertans about the link between violence against animals and violence against people. As Mohandas Gandhi astutely observed: the greatness of a nation and its moral progress can be judged by the treatment of its animals.

The society is developing a program to train staff, veterinarians, teachers, and child care workers to recognize the link between animal cruelty and domestic violence. The program is partly based on American studies that firmly established a connection between animal cruelty and family abuse. A similar study surveying women staying at Calgary's women's shelters in 2001 found that one in four women delayed leaving an abusive situation out of concern for the

animals that would be left behind. Many murderers also have a history of animal abuse.

Thank you to the Calgary Humane Society for its unwavering commitment to all living beings.

Thank you.

Speaker's Ruling Exhibits

The Speaker: Hon. members, it's never been my purpose in life to interfere or interrupt an hon. member when they're participating in either Recognitions or Members' Statements, but the hon. Member for Calgary-West clearly knows the rule with respect to exhibits and props in the Assembly. Her smiling companion from Drayton Valley-Calmar should by now have noted this because I do recall on a previous occasion having drawn it to his attention. So one might suggest that one shouldn't have to do this more than one time, two times unless there's something that would require further investigation by the chair.

head: Tabling Returns and Reports

Ms Calahasen: Mr. Speaker, I have five copies of the Métis Settlements Appeal Tribunal annual report. They've taken a different tactic in terms of being innovative, hopefully to clarify activities to the public, and I now present them for tabling.

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

Mr. Johnson: Thank you, Mr. Speaker. The Alberta Alcohol and Drug Abuse Commission, as an agency of the government of Alberta and reporting to the Minister of Health and Wellness, contributes in a major way to the health of individuals, families, and communities in this province. Today it's my pleasure to table the 2003 to 2006 business plan of the commission. This business plan outlines the goals and strategies of the commission in providing alcohol and other drug and gambling information, prevention, and treatment services to the people of Alberta over the next three years.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. I have 26 letters to table, all addressed to the minister of health, asking that the Calgary regional health boundaries be adjusted so that the Didsbury health service region is within the Calgary health authority.

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

Mr. Cao: Thank you, Mr. Speaker. I would like to table a report with the title Generation Debt: An Investment in Education is an Investment in Alberta's Future. The report was given to me yesterday at a meeting with the representatives of the Council of Alberta University Students. It contains solution proposals for issues that students are facing.

The Speaker: Hon. Member for Calgary-West, did you want to table your sign?

Ms Kryczka: I'd love to.

The Speaker: You need five copies.

The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I have four tablings today. They

are all expressing concern about the state of education in Alberta. The first is from an Elizabeth Miller of Edmonton giving the government an F in listening.

The second is tabled with permission from a Margaret Ritchie expressing her concerns about the overcrowding of classrooms.

The third is with permission from Sherry Norris expressing concern about the current situation regarding funding of public schools.

The final one today with permission is from Mr. and Mrs. Hoffpauir. They are expressing their desire for properly funded public education.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I've got two tablings today. Both relate to the crisis that the school boards and the schools face with respect to funding. The first one is a letter from a parent by the name of Sharman Armfield, who has a child enrolled in the Edmonton public school system, and he registers his worries about the possible loss of reading recovery programs and other early childhood educational experiences that he finds so valuable for children's learning success.

The second one, Mr. Speaker, is copies of a news release by the Public School Boards' Association of Alberta called FASTreport. Under a heading of "Provincial budget dashes expectations, raises flags for public school education" what's noted here is that the educational shortfall for K to 12 education base funding continues to hover at \$250 million after the presentation of this budget.

Thank you, Mr. Speaker.

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

Mr. Mason: Thanks very much, Mr. Speaker. I have two tablings today. The first tabling is a letter from Lynda Wignall and Colleen Huston, and they are asking the Provincial Treasurer: "What happened to immediate rate increases to Alberta's poor?"

The second is a government of Alberta news release dated September 13, 2000, the former Provincial Treasurer Dr. West promising that education property taxes will not only be reduced by \$135 million in 2001 but also frozen at \$1.2 billion. This Provincial Treasurer obviously knew the meaning of the term tax freeze, Mr. Speaker.

2:40head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: We'll call the Committee of Supply to order.

head: **Main Estimates 2003-04**

Offices of the Legislative Assembly

The Chair: Standing Order 58(8) indicates to us that the estimates of the Legislative Assembly, as approved by the Special Standing Committee on Members' Services, and the estimates of the Officers of the Legislature shall be the first item called in the Committee of Supply's consideration of the main estimates and the Chairman shall put the question to approve the estimates forthwith which shall be decided without debate or amendment.

Agreed to:

Offices of the Legislative Assembly

\$61,233,000

Revenue

The Chair: Are there any comments or questions to be offered with respect to this? The hon. Minister of Revenue.

Mr. Melchin: Thank you, Mr. Chairman. It's an honour to be able to be here today and present, I guess, the third annual estimates of the Department of Revenue for the years 2003-2004.

Before I start, I'd like to make some introductions of a number of individuals that are in the members' gallery. I would compliment them for being some of the best and most outstanding employees of the government. They do exceptional work. We're fortunate to have such professionals with the provincial government. I'll start by introducing Bonnie Lovelace. She's the corporate secretary for Alberta Revenue. Beside her is Juliette Blair, manager of strategic and business planning for Alberta Revenue. Beside her is John Osborne, who is the director for portfolio analysis and research for the investment management division of Alberta Revenue. Beside him is Christine Oness, manager of budgets and business planning for Alberta Revenue. Beside Christine we've got Barry Meilleur. He's the analyst in budget and business planning for Alberta Finance. Behind them is Lukas Huisman, our assistant deputy minister of tax and revenue administration, Alberta Revenue. Beside him is Glenn Shepherd, my executive assistant. So very appreciative of having them here today and thank them for so much of the work that really goes behind the preparation of the estimates that are before the Legislature today.

With respect to our Department of Revenue Premier Klein over two years ago in the creation of the Department of Revenue mentioned that as a result of the growing complexity and size of the revenues of the provincial government, this department was created so that we could direct our attentions and as a ministry focus much more on the strategic policy and operational issues that affect the revenues of the province not just today but well into the future so that we might have a long-term focus in ensuring that the revenues and investments of the province are in good stead and that they're organized and that they anticipate those needs of the future to serve Albertans in the best way possible.

Last year the tax revenues for this province were over \$9 billion, a very substantial amount of money that was collected through this Department of Revenue out of a total revenue of \$22 billion for the government. The Revenue department also manages an investment portfolio of \$35 billion, investments of the province. Those would include the endowment funds, the heritage fund and all the other endowment funds, some of the short-term cash flows of the province as well as many of the public-sector pension funds that are administered and invested on behalf of the pensioners.

Alberta Revenue's vision is

a province where government revenue policy and administration reflect the values of Albertans, balance present and future needs, and contribute to a stable environment for the generation of wealth for all Albertans.

We've heard many recommendations in public consultations, that could be things such as the Future Summit, including recommendations of the Financial Management Commission that emphasis ought to be placed upon long-term strategic planning. As a result of that, four of the strategic priorities that we have in our department have to do with the long term, not just a three-year but a long-term plan.

The first of our strategic priorities has to do with the revenue management framework. In that framework our priority is to continue to focus on revenue to enable this government to make

decisions that will benefit Albertans over a long time. We do this in consultation with all the departments. We as a department only specifically direct the policy of taxation with respect to personal, corporate, and fuel tax, tobacco tax, hotel room tax, but we co-ordinate and work with all of the other departments, be it Energy or Gaming, health care premiums, to ensure that there's a correlated approach to what revenue streams we ought to count on in the future. How can we ensure that there is that predictability, that we have the right amount of revenues for the needs of the government, and also that we ensure that we have a bearing upon that the government does have upper limits, that they ought to be cautious about how much revenue they collect to ensure that we do preserve the Alberta advantage that we have in this province?

Dr. Taylor: Why didn't you reduce taxes then?

Mr. Melchin: With respect to that comment it's an excellent suggestion. Part of this budget does actually contemplate – and we'll talk about that – the corporate income tax rates being reduced from the general rate of 13 percent to 12 and a half percent and the small business rates being reduced to 3 and a half percent and the small business threshold being increased to \$400,000. So we are continuing on those promises that we have made to Albertans that we would continue to lower those corporate business tax rates, following up after already reducing taxes with respect to personal income tax, that was incorporated a couple years ago.

Another strategic priority of ours is with respect to the endowment funds. That's not just the Alberta heritage fund, but that would include the investment of the Alberta Heritage Foundation for Medical Research, the Alberta heritage scholarship fund, the Alberta heritage science and engineering research endowment fund. One of the things that we did conduct last year, that everybody's fully aware of, was the survey Looking Forward, a survey of Albertans, asking for feedback on the direction of the Alberta heritage savings trust fund. We felt it really important that we clarify the reasons why we should be saving for the future, that our investments be properly structured so that we can ensure that they're there for the reasons anticipated for those future times necessitated by the purposes of savings.

From that, we have known and we hear it reaffirmed again that Albertans do value that we should save, and it is a strong commitment of this government to continue to save. One of the strategic focuses of this upcoming year will be to assess and address: how do we strengthen the mandate of the Alberta heritage savings trust fund? How can it operate, the preference as responded by Albertans, as a long-term endowment, that its value can be protected over time? So we'll bring forward in our initiatives further recommendations on that fund through this year.

2:50

We will also want to see that we've got the right governance in place for those funds with respect to not just the governance of the heritage fund and its policy directions but also with respect to the investment policy and direction of the other endowment funds: the medical fund, the science and engineering and scholarship funds.

A third key initiative, which I somewhat touched on already, has to do with our investment organization. We have many challenges facing the current market environment. As we know, this past year we've had a marketplace where we've seen one of the deepest recessions or declines in the market since the crash in the '20s, and it's been the deepest since 1937 and '38. We continue to see uncertainties in the world with respect to the investment climate, partially maybe due to the wars, some of it with respect to investor

confidence, some of it with respect to economic slowdown in many of the countries of the world.

Investment organization structure is a key priority of this department to ensure that we have the best governance to maximize the returns for those pensioners, for all Albertans with respect to their savings. We have the fifth largest organization in Canada, with over \$35 billion of assets being managed. Our costs continue to climb with respect to the administration of those funds, but they remained the lowest cost provider in the industry. In fact, we save over 10 basis points inside by managing our funds internally versus outsourcing any of those funds. We continue to provide a very strong investment community here in Alberta with respect to the administration of this fund.

A fourth key initiative that we have is with respect to securities regulation. We are strongly committed to the efforts to increase efficiencies in securities regulation and promote the Alberta capital market and to ensure that we have markets which are efficient and which protect and promote investor confidence and safety and that also attract the accumulation and investment of capital in Alberta. The Alberta Securities Commission has separate legislation and governance and falls under the Department of Revenue, and its regulation is through the Securities Act.

A number of significant issues are being led by our own Securities Commission. One of the uniform securities legislation projects that's been working with the other security regulators is being led by our own Alberta Securities Commission, and they will continue that work with those other provinces. Part of the legislation before us today in the House has been with respect to starting to harmonize those rules.

A very significant initiative which started last fall when we met with our counterparts in the province of British Columbia was to find what common grounds there could be to improving national regulation of securities. From there, we met with the provincial ministers of Quebec, Ontario, and British Columbia to assess if there was likewise common ground to find resolution in improving the efficiencies of national regulation of securities given that it's still a provincial constitutional authority. We have created an initiative from those four provinces where there'll be a steering committee now of five, Manitoba joining with us as part of the steering committee, and all of the provinces and territories joining the initiative. So we have unanimous consent of all the provinces and territories to proceed with a project that will provide a working plan, to conclude by this September 30, of an outline of what we can implement to improve the regulation of securities in this country.

One of the ideas which we are studying – we've chosen that we'll study two issues – which has the greatest degree of acceptance at this stage, would be a passport approach, where those companies, for example, that would be registered or operational here in Alberta would work with the Alberta Securities Commission, obtain all the clearances for regulatory approval, which would grant them the authority and the ability to raise that capital throughout the country without having to go through further vetting by other security regulators in other provinces. All of the provinces are unanimously in agreement to studying this issue, working to promote that that would be at a minimum adopted as a working plan by this September 30.

Furthermore, we will study what we've called a national/provincial/territorial regulator model to assess if there's methodology other than just a passport approach that would still preserve the jurisdiction of the provinces to retain responsibility for regulation of securities in the country yet improve that regulation throughout the country.

So we're pretty excited about this. This is the first time an

initiative of this magnitude has happened among all the provinces. The marketplaces are becoming more and more intertwined not just nationally but internationally, and it is important that we improve that access to capital and interface with other provinces and other countries of the world to both assure and protect investors, ensure that there is confidence in the markets while also improving access to capital.

Our business plan outlines a number of programs. Managing tax and revenue programs is one of the key programs of the department. Our goal is to continue to focus on fair and competitive and efficient tax programs. The overall operating increase in our budget is close to \$1.9 million, and those increases would include manpower in the audit area due to a reduced vacancy factor. The vacancy discount in 2002 was high due to difficulties in recruiting qualified staff, and we are and have been successful in recruiting a number of staff to add to our audit area. The Canada Customs and Revenue Agency tax collection agreement for tobacco products and an increase in vouchers to the Alberta Indian tax exemption retailers, technology improvements, salary adjustments, and employer contribution costs form part a bill that's before the House already as to improving the efficiency of our tax collection.

Another of our main programs is to manage and invest our financial assets. In that area of our business our overall operating increase is approximately \$2.2 million for the investment management division. That will add an additional eight full-time equivalents, and this is to strengthen the governance, the management, and the resourcing of our investment operation. Contract services for the introduction of new investment products, risk management software, and endowment assets in management consulting are part of the inclusion of that increase in the budget.

It's important to note that a hundred percent of the investment management division's budget expense is recovered from the investment funds it manages. In fact, over three-quarters of that is recovered from outside clients such as the other pension funds which we administer.

A third area of business focus in our department has to do with managing risk associated with the loss of public assets, our risk management and insurance division. It administers a program to protect, secure, and preserve public assets against risk of significant accidental loss. In today's climate with, you know, increasing premiums for insurance coverage, this aspect of our risk management has proven very successful, very cost-effective and efficient at managing the risk and ensuring that we have the right insurance coverage and in some cases ensuring that our limits are at the right thresholds. That we can self-insure the lower amounts of deductibilities and reduce the cost of premiums has been a cost benefit for our government.

The fourth area, which I touched on already, was to regulate and foster the capital market. I just thought I would mention that the revenues are budgeted for \$2.7 million from the 2002-03 year. Part of that fee increase is for prospectus and financial statement filing fees and exemption applications, a proposed fee increase that's gone to stakeholders for consultation that would be effective July 1, and an overall operating expenditure decrease of \$645,000, and that's due to some nonrecurring expenses for the closure of the Edmonton office that happened last year.

This is just a quick overview of our department's responsibility with respect to its various core businesses, and I'd be delighted to answer questions this afternoon as they come forward. Thank you.

3:00

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

Ms Carlson: Thank you, Mr. Chairman. Happy to be able to participate in the debate this afternoon on Revenue as a part of the

overall budget presentations made by the government. I'd like to thank and welcome all of the staff that are here to support the minister in this afternoon's debates. We know that you make him look good. We don't necessarily appreciate that, but I'm sure that he does. It's been my experience with this particular minister that he's very good at answering questions that we ask of him or getting back to us in the near future on those that he doesn't have the detail for, and we certainly appreciate that.

My understanding of this process this afternoon is that we have two hours for debate. The first hour is for the exclusive use of opposition asking questions of the minister back and forth. The second hour is then opened up to the entire Assembly, if any backbenchers want to ask questions at that time. [interjections] We would appreciate the Minister of Environment not participating in debate in the first hour because he's cutting into our time.

My process this afternoon will be to ask a question and ask the minister at that time to respond. I expect to take about the first half hour of time, if that's okay with other members here. Then I'll do some cleanup afterwards, after everyone else has had an opportunity. So now I need to ask some questions.

Mr. Minister, I'm just going to ask you some introductory comments to get some definitions of some of the terms in your business plans first, and then I'll get into some of the detail of the other things I want to talk to. When we take a look at your business plans – I'm on page 328 – under the first of the key strategies goal 1.1 is: "A revenue structure that meets Alberta's needs and is consistent with Albertans' values." You talk under Key Strategies about developing and maintaining a long-term revenue management framework. We want some detail on what that framework is. Do you have something written down that's available for public consumption, or can you just give us some more detail on that right now? [interjections]

Mr. Chairman, if the noise level is really high, I'm not going to be able to hear him.

Mr. Melchin: I don't have a document at this stage that's publishable for public consumption, but I can tell you that the realm of that discussion gets into looking at identifying all of our revenue sources today, the long-term projections and scenarios for each of those revenue sources over the years, not just the tax policies but even looking at working with, say, Energy on what would be the long-term revenue scenarios from oil and gas revenues so that we can be clear about how much you can rely upon each of those. It would be looking at growth factors that are implicit in how they're structured. Take personal income tax, for example. Because it's a rate of tax, 10 percent, it does capture all the growth in the economy, employment, so they have various factors of growth rate or not. A fixed flat fee doesn't capture any increase in inflationary growth, so we have to look at those types of factors. Are they revenue sources that grow or not? We will examine alternative sources of revenues that are used by other jurisdictions so that we're understanding the nature of opportunities for revenues and the right structures and to then assess whether they should apply to the province or not.

One area has to do with the size, answering the question of size. How much revenue is needed not just to service the programs, but what might even be an optimal size of revenue so that we can both fulfill the needs of the various programs to provide funding for health and education and all the programs of the government but also ensure that you're not taking too much revenue out of the economy so that it becomes a deterrent? So there become thresholds where if you take too much out, it chases away capital investment, creation of new jobs and opportunities.

I would say, for example, anecdotally that one of the things that

does happen in Canada – when you look at our other provinces, we have only two provinces presently who are net contributors to all Canadians. All the other provinces are net recipients of the economies of Alberta and Ontario in transfer payments in taxation that the federal government takes versus what is brought back to our province. So I would hope that we could continue ensuring how we grow and create the right climate so that more opportunities can grow in revenue for everybody. When persons succeed, when businesses succeed . . .

Mr. Doerksen: Especially for innovation and science.

Mr. Melchin: Including all the innovation and science opportunities of the future. Correct. When they succeed, we all have more for our needs personally, for business, for family, and for the government.

There's only one taxpayer. It only comes from one source, so part of that is to ensure that we get the right balance in assessing the size. That'll be looking at even a competitiveness question. How do we rank with respect to other provinces? How do we rank with respect to other countries? Specifically and probably most importantly, how do we rank in our overall tax burdens with respect to the United States, being our largest trading partner, but clearly also to the world? So that'll address that one aspect: size and overall need and optimal size of government. Second is to look at the sources, the mix, the types of revenue sources we ought to rely upon, identifying and being really clear about what policies are in place on our existing revenue structure, to see how that will roll out in long-term scenarios and then to look at what might be the optimal sources of revenue for the longer term planning. That's the basic structure of a revenue framework.

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

Ms Carlson: Thank you. When you have something that is available, we would certainly appreciate a copy of it.

Given what you've said now about growth factors and how much is too much revenue to take out of the communities – and I'm thinking more in terms of consumer spending than commercial types of revenue when you talk about thresholds – I want to talk for a moment about gambling revenue and the amount of revenue this province receives now from gambling. It seems to me that the numbers look like what we get from various lotteries is now greater than what we're receiving from oil and gas revenues. If that's incorrect, if you could correct that for me. Do you factor that in? What is the growth anticipation? What are the growth factors you're looking at for gambling revenue? Have you determined that there is a threshold where the amount that consumers spend on gambling on an individual basis is actually too much to be taking out of the economy in that capacity and not leaving them enough for general day-to-day expenses? If you could give me your views on that and how they fit in with the government's overall strategy.

The Chair: The hon. minister.

Mr. Melchin: Thank you. One of the things I did mention up front: we will work with the other departments. The Revenue department doesn't have specific responsibility for policy in some of these areas. You mentioned two of them, gaming versus energy. Just in the budget I might comment for your purposes. I know it's been mentioned that gaming is higher than the crude oil royalty. In that one line item that may be true, but our oil and gas revenues clearly far outweigh in magnitude and amount that we continue to collect, even now and into the foreseeable future, versus gaming.

As to what are the growth factors, we will work with the Department of Gaming with respect to those questions. They will develop the policy. We will work with them on the kinds of questions you posed. How much should we rely upon any of these sources for our long-term planning? You have very good questions. How much do we want to see come from gaming? As you would say, to what extent are there thresholds that are beneficial or not beneficial for our province? I think they are very good questions with respect to gaming, including when you look at energy or any of the other sources of revenue. They will all have inherent similar types of questions.

3:10

Rate structures. You know, what are royalty rate structures? With the expansion of, for example, the oil sands up in the Fort McMurray area, how much will come from those vast amounts of reserves in our royalty rates and structures for that in the long term? Those will be policy decisions of the Energy department, that will work with it and build in the scenarios that they'll provide to us as to the right mix. But it will be part of ours to make sure that we've questioned and put back some of those specific questions that you've just said. I don't have the specific growth factors we have for those two here. That will be developed in conjunction with those departments.

Ms Carlson: Mr. Chairman, to the minister: will those factors ever become public?

Mr. Melchin: I can't commit to what extent or how much of the revenue framework will be a public document or not. I haven't contemplated that specific question but would be happy to respond. I do view that with this document and the work that we've been doing actually for quite awhile now, much of that, if not coming out as a document, i.e. a revenue framework, will certainly start coming out through policy directions in a lot of revenue sources over time.

As to the publishing of a revenue framework, it wasn't intended to be a public document, though we may find part of that tool very useful to put out for public feedback and thought and process on it. I don't have a specific answer as to what would be public at this stage though.

Ms Carlson: Mr. Chairman, to move on to the next page. The minister talked about performance measures, and one of them is that Alberta's provincial tax load for a family of four is indicated as being the lowest in Canada, and that's the projection for the next few years as a target, but it seems to me that this clearly doesn't include user fees. Can you explain to me the philosophy where you would make these projections? It seems somewhat misleading to me. If we're talking about tax burden or tax load on a family, then that includes user fees. There have been many definitions by many different organizations within this province that would indicate that a user fee is a tax by any other name. Can you explain to me the philosophy whereby you would not include user fees here, and do you do that anywhere internally to see what exactly the average kind of load between pure taxes, as you call them, and user fees would be for the average family in this province?

Mr. Melchin: Well, I would first like to mention that we are pleased to continue to have our performance measure as the lowest in Canada. Whether or not that specific formula includes every fee or fine or penalty that could ever be included, we are still substantially ahead of all of the other provinces, and even the inclusion of those, I would suspect, would still keep us the lowest in Canada.

But there is still a difference in the sense that many of these

revenue sources are compulsory by nature; taxes are. We set out a rate, and all those that earn income will be compelled, required to comply with the Income Tax Act and pay their tax. So when we look at things such as personal income tax and all the taxes that we have in place and even health care premiums in that bundle of tax load, it's because of the compulsory nature of all those taxes that that's our performance measure that we're specifically comparing to the other provinces.

Ms Carlson: Mr. Chairman, I'd now like to talk a little bit about the heritage savings trust fund. That's a fund, as this minister knows, that was started at the same time the Alaska fund was started. However, the Alaska fund has significantly grown over years. I understand that it's perhaps close to \$30 billion now. It has paid out over time, the time being the same length of time that the Alberta heritage savings trust fund has been operational, over a billion dollars to its residents. We haven't seen those same kinds of dividends here in this province. As part of the review that you've undergone and some of the initial comments that you have made, Mr. Minister, do you anticipate seeing not only inflation-proofing that fund in the future but taking a look at significantly growing it for whatever long-term benefits you determine there to be?

Mr. Melchin: I've been informed that there are others listening for this answer, equally waiting to understand what that might be.

I want to first mention something about the heritage fund versus the Alaska fund. We have examined, actually, as part of our review this past year a number of funds throughout the world. Many of them are oil and gas kinds of funds like the Norwegian fund, the Alaska fund, and the heritage fund. The heritage fund in its creation actually had a different mandate from day one than the Alaska fund. It was actually created in 1976 to do a multiple of things. It had a source of revenue from oil and gas that would be put into it annually, which would then partially be saved for the future. It would then also be for social and economic benefits. It would be for capital projects. It would be for economic diversification. So this fund actually served a variety of purposes. It was never in its inception intended to be just a growth fund that paid out a dividend, whereas the Alaska fund was created for a different purpose and structure.

However, saying that, the heritage fund has benefited Albertans substantially over that time, over \$25 billion of income that has helped a variety of things: our programs, tax structures being lower, and the repayment of debt. So it has benefited Albertans but maybe in a different way than how Alaskans chose to use their own fund.

With respect to our survey that we put out last year, it once again reaffirmed that the high priority of Albertans out of all the options of saving would be to save it for the future: keep it and let it grow as an endowment. So inflation-proofing, I think, when you look at an endowment fund, that's a very significant question we need to bring forward, and we intend to address that question, as I said, over this next year with respect to: how do we get a proper structure of an endowment fund so that you can preserve its value over the long term? And that does mean inflation-proofing in some factor.

As to allowing it to grow, those would be policies of a budget, priority decisions of a budget as you go forward, because there are many options for increasing assets. One way of increasing the net assets of the government is to pay down debt. Another is to increase the heritage fund. Through the 1980s and the early 1990s the governments throughout Canada – and Alberta was also one – accumulated significant amounts of debt, unlike, potentially, the Alaska one. The differences, without going through their budget – we accumulated up to \$23 billion of operating debt, and therefore our priority and Albertans' priority continues to say: get rid of the

debt. We're almost there. We've made substantial progress, coming from \$23 billion down to just about \$4.8 billion of our debt remaining. So we've come a long way.

That's why we also started in timing: let's start planning now for what is the heritage savings trust fund's purpose in the future. We are clarifying that it is an endowment structure, that it should be held for the long term, that it should be allowed as an endowment, I would say, to retain its real value. Then as you have surpluses in the future, you will have the opportunity to allow those to either grow or go to other priorities, but that's something that will have to be decided among future budget considerations.

Ms Carlson: In terms of the long-term endowment, then, you must have some initial steps that you're putting in place right now to help determine the direction that it'll go in the future, because to just say that, yes, the fund will continue to be a long-term endowment and that we're going to put the right governance framework in place means nothing if we don't see some of those details. What have you got as a starting point in that regard?

3:20

Mr. Melchin: Well, actually as a starting point it has been and will be retained. Clearly, the principal of that fund will be retained and going for its structuring so that just under \$12 billion has an opportunity to grow with real value. That'll be a budget consideration, but it's also a policy discussion that we haven't completed. Therefore, I can't tell you specifically what that means. There are various options that we are considering in light of the survey results. Yes, we've done much work on that. We're close to bringing that back for some proposals for caucus, cabinet, and our standing policy committees' approval, and we'll bring that forward in this next year for approval and then presentation back to the Standing Policy Committee on the Heritage Savings Trust Fund.

Ms Carlson: Fair enough, Mr. Minister. Your projections for this year with that fund are to see more than \$400 million coming back in revenue either to the GRF or retained. I'm not sure that that's determined. Given the uncertainty you have in terms of where you're going, where do you expect that revenue to come from? Is it all going to be generated from the mutual fund investments and so on that are currently existing?

Mr. Melchin: I'm not certain if I fully understand. You're talking about the \$426 million in the estimate of income and where that's coming from. Our investment policy asset mix is still the same as the business plan of the heritage fund, so it will come from equities, real estate, fixed income. So it's going to come from a diversified portfolio. This year even that number we expect is truly not the optimal level that it will get to. We expect there's still a lot of volatility left in the marketplace, and as such our forecast for this year is actually still quite low. It might be high given the economic climate, but we expect long-term returns to be actually higher than that just even with the diversified portfolio. But this year out we expect returns to be lower than what would be normal.

Anything that we would contemplate in terms of the growth of the fund, be it inflation-proofing or otherwise, has to come for policy approval and then also budget discussion and deliberation. Therefore, this budget doesn't incorporate any such projected changes since that policy is not before the Legislature.

Ms Carlson: Mr. Chairman, staying with the heritage savings trust fund for just a moment longer, I'd like to talk about the investment strategies themselves. I would like to see the portfolio mix change

slightly in terms of ethical investing and green investing. If we take a look at where the market is going globally in these areas, many investors and large investors are taking a look at avoiding unethical investments and taking a filter that talks about investments that have not only adequate financial returns and that are secure, which of course would be a basic minimum for anyone, but also that are ethical in terms of avoiding causing illness or disease and death, those kinds of investments such as tobacco companies, avoiding destroying or damaging the environment, and avoiding treating honest people with disrespect or disrespecting people's basic civil rights. We've had some of these discussions with regard to some of the investments like Talisman that the heritage savings trust fund has had.

I would like to add to that: taking a look at companies that are green. Companies that outperform on the environment traditionally, if you take a look at them individually, also outperform financially, and we are seeing globally progressive investors draw on world-class sustainable investments, that have become very positive. That ties into other requirements we have on the environment side. When you talk about the changes that are happening in terms of energy sources, we're seeing some of these new companies and solar and wind growing at phenomenal rates, and we will see those financial returns. I'm wondering what it's going to take for the government to take a look at this as a philosophy change, instead of giving no direction to the capital managers, to lead the stage in terms of provincial dollars being invested, to have a heavy focus in these areas. So if you could comment on that.

Mr. Melchin: I'd be happy to bring back to the all-party Committee on the Alberta Heritage Savings Trust Fund discussions that might be very helpful, I think, on those and other investment policies. We have examined specific ethical or green, as we used to call them, investing policies. I would say, too, that in the investment community, though there are some small targeted funds and amounts that are being put towards those specific categories of investment, truly when you look at an ethical investment policy, I would counter that we do have an ethical investment policy, that we do invest in companies even by our natural selection of – take the Standard & Poor's 500, for example. These are companies that have gained a reputation not just for success but because they meet and abide by the laws of the land, they are successful in employment practices, investing practices, business practices, and they gain the support of the communities.

Standards of ethics are really the purview of Legislatures such as ours to pass those things which are acceptable in our societies, those being all the laws that we pass. The business communities are very ethical by nature. They need to attract clients and customers and serve them well, and by their nature they're driven, even though there are some bad apples in anything, to having an attitude of serving their customers well and having a high ethical standard of behaviour and performance. So the standard of the securities regulation ensures that there's a compliance factor to that, and one of the best things we can do is enforce the violations. That would be a very high ethical standard so that if there is an abuse, such as the Enrons of the world – and the marketplace is quick to pass judgment on those things – prior to those even getting that far, we have the right standards for companies if they want to have people invest in their companies.

So the securities regulation, ensuring that we've got the right laws in place for securities monitoring and investor confidence, the right accounting principles in place so that disclosure requirements are there: all these things will provide a common standard to say that they comply with the laws of the land, that they do meet a very high

test of success. Then you and I are free to judge and all our investment funds are free to judge the likelihood of their success given their business plan scenarios, which are subject to a very high standard of investment judgment.

So I would counter that it is ethical to invest in public companies because they meet a high standard already. They have gone through very rigorous scrutiny to ensure that they're qualified, that they abide by the laws, and that they're very prudent in their business practices. I would be pleased to bring that back for further discussion specifically related to the pros and cons of that green or ethical investment strategy.

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

Ms Carlson: Thank you, Mr. Chairman. Mr. Minister, I certainly look forward to that debate in the committee because I think we need to raise the bar a little higher than what it is right now.

My last question at this time is on the 3.6 percent growth you project. We'd like to know what you're using for prediction models for the oil and gas prices, where you get them from, and what those are based on. If you have any actual documentation that we could review, we'd appreciate that.

Mr. Melchin: With respect to the 3.6 percent growth, is that with respect to the overall, total, revenues? Is that with respect to some tax revenues? Is that with respect to energy?

Ms Carlson: I think just oil and gas.

Mr. Melchin: I'll have to defer that. Even though we do work closely with the other departments, those specific criteria they're forecasting would come from the expertise in that specific section of the Energy department. They would be the ones that even we would go to as a Revenue department to find out those same answers. It will be more applicable when their estimates come forward to address that specific question to Energy.

3:30

Ms Carlson: Okay. Thank you.

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

Ms Blakeman: Thanks very much, Mr. Chairman. Many of my questions regarding the budget for Revenue are pulled from comments made by the Auditor General, so I'm looking for in a lot of cases status and updates on status. In some cases I'm continuing themes of questions that I've had with the minister previously. In particular, I'd like to talk a little bit about forgone revenues, which has been a theme of my questions to you in the past.

Now, you were looking at doing some improvements around valuation, value for money, from forgone revenues, and during your appearance almost exactly a year ago before the Public Accounts Committee you and I had a couple of exchanges about forgone revenue. My question is: have you been successful in updating or achieving the level of information that you wish to have? You used the example of the TEFU, the tax exempt fuel use program, a couple of times, and I'm wondering if you were successful in achieving a better indication of what you were getting. What kind of value were you getting for that forgone revenue outside of that one program that you talked to me about before? I'm looking for that discussion around those improvements.

There was also a discussion around uniform practices for fuel and tobacco tax, so I'm looking for an update on that status: consistency

of looking at the treatment, control of uniformity of standards, and consistency with regard to smuggling and to the use of those taxes as well.

I have some questions around the royalties and the amount of not royalty holidays but royalty reductions and how that's figuring into, again, forgone revenue. How are we getting value for money? What is the scrutiny of that essentially lost revenue? I may not be perfect on my examples here, and feel free to correct me. My understanding is that in Syncrude right now we are either taking zero or 1 percent royalty off of everything that's produced there while they are involved in their expansion plans. So that's a lot of money not to be bringing in. What's the judgment? How are you able to satisfy the questions of myself and other Albertans that this is a good use of that forgone revenue? What are we achieving from that, and how are you measuring that? Are you able to measure it? Perhaps you can't. Perhaps you're hoping to be able to do this in the future. If so, fine, but let's hear it.

Moving off of forgone revenues, but just a question. There was a lot of talk about the hotel room tax, and I don't see that it . . .

An Hon. Member: The hotel?

Ms Blakeman: The hotel room tax. Yeah. That, in fact, was under this minister – I'm assuming it's still under this minister – and I'm wondering what happened there, because there was some chatter in the newspapers, and I'm pretty sure I heard certainly the Minister of Economic Development personally talk about that, yet I didn't see it. So did I miss this? Did I have two pages glued together, and I've missed this? I guess if there was a decision not to raise it, then what's the reasoning behind that decision not to raise it? Of course, this is of interest to me with Edmonton-Centre as my constituency and the number of hotels that are in it, but certainly the hotel industry was lobbying to have the government back away from collecting that tax, leave it essentially in place, and then they could use the money for tourism and other improvements that they needed. So did I miss it, and if I didn't miss it, what was behind the decision not to put it in place? I apologize for speculating here, but I didn't open the door to this speculation; colleagues to the minister did, so I feel free in asking that question.

We have not had the pleasure of having the Minister of Revenue back before the Public Accounts Committee on the '01-02 budget. The last time we talked to him we were examining the public accounts for the 2000-2001 budget, so I'm looking for some updates based on the recommendations coming from the Auditor General from essentially the previous fiscal year.

There continues to be a reservation of opinion for capital assets, so once again I'm asking for the minister to defend that choice of not capitalizing and amortizing those expense acquisitions under \$15,000. That's a fairly standard comment from the Auditor General, and every year I'm going to hold the minister to account for his choice in not implementing that.

They repeat their recommendation that

the trustees of the Alberta Heritage Foundation for Science and Engineering Research . . . request clarification over the meaning of "real value of the Endowment Fund over the long term" in its legislation.

This is pretty detailed. I'm expecting to receive the answers in writing from the minister, but for his department staff's use I'm looking at the Auditor General's report, page 233. Actually, the minister has done quite well, and those are pretty short Auditor General's comments, much shorter than what I'm used to seeing. Mind you, you don't have that many expenses in your department. So those are the two questions that arise out of the Auditor General's report.

Perhaps I'll sit down and I can get what answers I can from the minister, and then I can add a few others that I've got to ask as well. Thanks, Minister.

The Chair: The hon. minister.

Mr. Melchin: Thank you, Mr. Chairman. I don't actually have with me today all the responses to the Auditor General, and some of this I will provide to you with follow-ups, with some answers. I'll comment on a few of them generally that I have the knowledge of in front of me.

Most of our debate today really is on the estimates, and therefore the Auditor General's report hasn't brought that material as far as a debate on estimates. I would say this on forgone revenues: I do actually concur with the Auditor General's recommendations on the cost-benefit analysis of forgone revenues. Therefore, we have been working on both quantifying and identifying specifically in our own department – not all of the forgone revenues are within the Department of Revenue – and we are focusing in on programs like TEFU, that you'd mentioned, and we can quantify how much tax is forgone. We know that amount. It varies. Around \$130 million annually is actually the amount of forgone revenue on TEFU in specific, \$130 million, \$135 million, in that range.

This past year with respect to TEFU we have undertaken actually quite a consultation with industry itself about what options we could take; i.e., maybe eliminate the program altogether under some cost neutral basis if there's another way that we could provide it to them. We weren't looking for more ways to bring in more revenue, but there are some ways: is this program really needed? So in that discussion we haven't finished that. We're actually still in the middle of that, trying to find out to what extent this program is really benefiting the industries to which it's targeted. We're accumulating some of that material right now so that we can be more clear as to the benefit of such a program.

3:40

Also, at a minimum one of the outcomes we're attempting to then do is to ensure that it's simplified and easy to understand and enforce, not just from the company's perspective as to their applications and getting refunds but also from the department's and the company's perspective as to making it simple and understandable so that there's a way to ensure a higher level of compliance. We are looking to simplify that program at a minimum. We're in the middle of that, and we will bring forward some conclusions about what we view as easier to quantify: the costs forgone, the revenue forgone. A little harder to make sure you substantiate what are the benefits that are realized.

That one has been our main one. That's been the largest one that we've looked at. There are others, actually, some of them outside of the purview of our department, that are large in scope that we are working on with other departments, and you'd need to specifically speak to those departments at that time, though we will continue to address the ones inside of ours. I don't have any specific numbers for you as to the cost benefit of the TEFU program right with me.

I wasn't quite clear what she'd asked on the uniform practices of fuel and tobacco taxes, so I might ask for a further clarification. You mentioned also something about smuggling, and I'm not certain if that related to your comment on uniform practices or on another area.

Royalty deductions was a question you raised. That one you'll have to address to the Department of Energy since royalty policy and revenues flow through the Department of Energy. For example, you mentioned Syncrude. We do have a royalty policy of 1 percent until

they get a payout, until they've recovered their costs, at which time it increases to upwards of 25 percent of royalty rates for the oil sands projects up north. But as to what it's achieving, that'll have to be specifically addressed to the Department of Energy.

There have not been any changes in the hotel tax that you mentioned. There has been, as you mentioned, much discussion on the topic as to a number of things. Do you leave the tax in place and then flow through the money for tourism? You can ask the Minister of Economic Development when his budget comes up for estimates review. There were also discussions about a levy, maybe eliminating the hotel tax altogether and letting industry raise a levy. There are a variety of options that have been considered. Nothing has been finalized. There are no changes in the tax structure of the hotel tax in this budget. It's still as it has been in the past and is still being collected as it has been in the past, though that topic with respect to that policy of funding for tourism and whether or not that ought to be dedicated from hotel tax would have to go back to the Department of Economic Development in their estimates.

Our present policy has been that we don't take our taxes as dedicated revenues. We want to preserve a broad base of taxes and sources of revenues to finance the highest priorities of government such as health and education and those areas so that you don't get into dedicating every tax into other specific areas and don't have the flexibility to offset. When one revenue source is high and another is low you need the balancing of the two in an overall revenue structure, and that's why there hasn't been a specific dedication of a hotel tax for any specific purpose. If there was a desire to increase the funding for tourism, that would have to be a question separate from the revenue taxation policy. If there were any changes in that policy in the future, it likewise could be addressed then. But you didn't miss anything. There have been no changes in this budget. It is pretty well the same status quo with respect to hotel tax.

Updates with respect to Auditor General comments. We will provide you with an update on any of the comments. There have not been many, actually, with respect to the Department of Revenue as you appropriately suggested. That's because our group is doing such an outstanding job. They're complying and meeting the Auditor General's expectations and seeing that all of those things are met. In fact, our department does work very closely with them by the nature of the work they do.

Not capitalizing expenses under \$15,000. In any of these things there are policies which are not clearly in accounting policy black and white; i.e., it has to be one way or the other. When you look at a policy of what it is that you capitalize, you usually pick a threshold of expenditure that makes it simple so that you're not trying to capitalize everything because it stays on a balance sheet to be amortized over a lengthy period of time and makes it difficult both for an administrative practice and even for the public to understand accounting rules and principles and amortization. So you usually take a threshold of saying a certain dollar amount below which it isn't material enough to capitalize everything given that our budget is a certain amount. The dollar amount you pick is kind of the arbitrary rule because it is an arbitrary number that you're picking given how large your budget is, the size of the government.

So \$15,000 on budgets of hundreds of millions is part of that question of materiality. Is it really worth the extra effort to capitalize and amortize? Does it add any real new information or value to the public? Is it material enough to do that? That's part of the judgment you use in applying accounting principles. As such, that's why in the past it has not been the practice of the government to capitalize items under \$15,000, and there's been that discussion going back and forth: is that the right number?

I don't have a latest update if there is a latest update. Other than that, we'll provide you that one as well.

You've mentioned also the science and engineering fund, and my good colleague the Minister of Innovation and Science is going to have an opportunity to likewise respond to that in his estimates.

Mr. Doerksen: Tonight.

Mr. Melchin: Tonight. Oh, yes. He's ready to go, and he'll remember this and can supplement with . . .

Mr. Doerksen: What are you talking about?

Mr. Melchin: We're talking about the science and engineering fund, the ingenuity fund, which it's now called, that one of the requirements is to maintain the real value, and given that unfortunately the \$500 million that was put into the fund – timing for investment purposes couldn't have been worse really. In the last two years the markets have dropped substantially, so the real value of that fund has dropped below \$500 million. So the question to the Auditor General is: with our legislation do they have the spending authority?

It was anticipated that that fund would earn a certain amount of income every year, of which most of it could be spent for science and engineering research and then retain an inflation-proofing so the real value of the fund was kept. But from day one the markets went down and the investments lost money; therefore, that needed to be clarified. There was, actually, in this budget a top-up of \$22 million coming in this year for the science and engineering fund to put that book value – in the estimates of Science and Innovation tonight that should probably be more fully explored – back to the \$500 million, which doesn't necessarily fully answer that question, but it does address one of the problems that we have heard from the Auditor General.

Some of the specific questions we'll provide also back to you in writing. Thanks.

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

Ms Blakeman: Thanks. The minister started out by sort of saying: well, we're looking at the estimates here and not at the Auditor General. In defence there I think it's important that we do always look at those two hand in hand because if we're not going through into a new budget with some of those recommendations from the Auditor General about the budgeting process and the accounting process and the performance measurement process of government, if we're not including that and moving forward with it, we're in trouble. So I'm always going to bring this up and query everybody on it.

3:50

I'm wondering if the minister is able to give us a list of the number of forgone revenue programs that he is currently overseeing in his department. He keeps mentioning the one, and I keep probing to see how many are being overseen here. I understand that he's only willing to talk about the ones in his department. That's fine, but I'd like to get the list.

I find it interesting that the minister is not keen on assigning sort of dedicated taxes, and I find myself agreeing with him because I think it takes away the flexibility of government to assign that money. I'll give you a specific example. You work yourself into a position where you're having to raise a tax to satisfy the demands of the group that is receiving the tax. I know that in the States, for example, the snowmobile clubs down there do very well because they are assigned a certain percentage of the gasoline tax. But as they expand their operations and want to do more, they're looking

for more and more of that money, so they want more and more of that tax collected so that they, in fact, get more for themselves. To my mind, the purpose of levying that kind of tax is not to become a revenue stream for very specific groups. So I'm agreeing with the minister there.

I have to argue a bit with the minister – this is an ongoing battle between the Auditor General and almost every ministry – about capitalizing and amortizing these costs of \$15,000. I don't want to let the minister's comments go by in *Hansard* without challenging them. I mean, yes, it's one thing to say that \$15,000 for one item is not worth going to all this effort for, but when you've got departments that spend that \$15,000 on a hundred items, you've now spent far more than \$15,000. You've spent \$15,000 for every one of those hundred items. That now becomes a significant amount of money. The fact that you're saying that we just dropped \$14,500 on a whatever – car, computer, whatever – and its value is used up inside of one year is simply not accurate. It retains a value beyond that year, and we're losing the sense of the value of those assets. So I'm just arguing back with him there.

[Ms Graham in the chair]

Now, he was asking about: what was this uniform practice? I'm, in fact, looking for a status update because I'm reading through the questions and comments from the minister's appearance on April 17, 2002, before the Public Accounts Committee. There was a question asked by the Member for Calgary-Bow, and I will just quote it for you. She's referring to the Treasury annual report. That would be for 2000-2001, page 41.

It's reported that "Alberta Treasury commenced working with industry and other governments across Canada to set standards and to seek uniform practices" with respect to the taxation of tobacco and fuel. What are the benefits to Alberta from participating in the fuel tax and tobacco tax uniformity projects, and does Alberta retain its sovereignty over fuel and tobacco taxes?

And in the minister's response, he talks about addressing the smuggling. That's where that's coming from.

So if his staff wants to go back and look at those comments from that Public Accounts meeting, which is Hansarded, I'm looking for the status update on where you're at with that. The minister does say that the uniformity project is helping; if it's harmonized; tobacco smuggling is important; looking at methodologies, et cetera, et cetera. My point is: where are you with this? You were asked a question. You sort of said: we're getting to it. Where are you? We're now actually two years past what we're talking about here. So there's the reference for him or for the staff to go back and look.

The issue around the 1 percent royalties for Syncrude. I think what bothers me about that and what bothers me about whether we're looking at examining the value, the cost-benefit analysis on that forgone revenue is that that's 1 percent of everything that Syncrude produces. We're not talking 1 percent from that section or 1 percent from, you know, that process. We're talking 1 percent of absolutely everything that they are processing up there. That's a lot of forgone revenue in support of a new section being built. The minister minimizes that, and I think he's wrong to do so, and I think we need to look at whether we really are going to be getting that out. [interjection] Right.

I don't really need responses at this point to the points that I've raised. I've given you the reference documents for the staff to go and send me the responses in writing, and the rest, I think, was really just comments back and forth.

Thank you very much, Madam Chair.

The Acting Chair: Thank you.

The Member for Calgary-Currie.

Mr. Lord: Thank you, Madam Chair. I would also like to rise to ask a few questions of the minister on his report. I am very pleased, in fact, to hear some of the comments that the minister has made, particularly in regard to the interprovincial initiative to start a committee to start looking at national harmonization of our security regulations. In my view, this is one of the largest and most important issues in our country and not just from an economic development perspective but also from a national unity perspective. I have for years felt that the lack of harmonization between our security regulations across this country has been a significant deterrent to creating venture capital, to creating new companies and just a host of other issues and problems that it has created.

Now, there have in the past been attempts made to do this. There have been other committees that have looked at it. It has not been successful to this point and thus the questions that I have for the minister. I'm wondering if the minister could elaborate for the Assembly here on how this committee would be sort of structured. Who would be sitting on this committee? How would they be selected? Are they appointed? Is there any opportunity for public input, scrutiny? Is it an open process? How would the committee membership be chosen, I guess, is sort of the first question.

The second question: considering the importance of this initiative to economic development, is the minister's department working closely with the Economic Development department to ensure that there is a full breadth of input into this process and that this time hopefully it will succeed where in the past it has not? So I'd appreciate if the minister could comment on that.

Mr. Melchin: I'm glad you raised this. Too often I would say it maybe doesn't catch the highlight because it isn't health or education, but it's critical, if we want to improve the capital markets both for investor confidence and safety and the willingness to invest, to improve our regulation of securities in Canada and throughout the world. It can be a foundation for us. You mentioned national unity, which is another great by-product of this, but it can be a foundation for us in ensuring that the Canadian markets grow, that we have more access to capital over time versus other countries, especially like the United States, who has such a large share of the world markets.

With respect to this committee's structure, its structure, we thought, is important enough that we were going to leave it as a ministerial committee. So rather than appointing and delegating it like the federal committee which is also out – the federal minister put out a wise persons' committee and nominated some people from various provinces. But, ultimately, it still has to come back to us as legislators in each of the provinces to assess what we are going to do. Given that it's a provincial jurisdiction, we're going to have to address these questions provincially, and therefore we felt that as provincial ministers we would steer this committee. In fact, I chair the committee of ministers from across the country and the territories, and all of us have unanimously concurred that we want to provide by September 30 a working plan for regulation of securities nationally.

4:00

That said, we are going to work towards providing a document for public input. You talked about public input. We will meet as provincial ministers over conference calls each month, but by the end of June we're going to meet together after more work has been done by our departments, by the securities that we are asking as resource groups to this. We are inviting a variety of people that have expertise in this industry to be resources to us. Our departments, from deputy ministers on, will be providing resources. All the

securities commissions will be providing resources. Our own Alberta Securities Commission will be a resource to us as well as industry individuals. We have written to and asked for the input of all stakeholders in the industry, in the investment community, so they have been informed of this initiative, and we will be providing a document to them by July for their public feedback.

Our working plan will not solve all the details of implementation by September 30, but we're going to get a commitment from all of the provinces and territories for an outcome. One really is to streamline a national approach to regulation of securities so that a company has a one-window approach to approval, not having to deal with 13 regulators to get something done, where rules are different in each province, where the regulators have different sophistication and interest in each of the provinces. So it's going to put some requirements on all of us to come together and work in a national interest on solving these problems.

We're thrilled with this initiative. We'll be reporting back periodically as to the progress. September 30 is a tight deadline. We do not want to give it a lot of time. We want some action. We want to start driving a commitment by all of the provinces to resolve this issue. It will help resolve some of the uniform securities legislation across all the provinces. It will help resolve issues of access to markets. It's a one-window approach rather than a 13-regulator approach. It will address questions and even access when dealing with other countries. What is our international presence and a way we can promote ourselves internationally and represent ourselves internationally as a country even though it's provincially regulated?

Thank you.

The Acting Chair: Thank you.

It's the Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Madam Chairman. I have just a few questions for the minister today, and the first one deals with some Auditor General recommendations in some of his previous reports in which he asks the government to determine the objectives that are supposed to be met by tax decreases for the corporate income tax. Now, I know that many people believe that cuts to corporate income tax are beneficial, but it always seems to be the corporations that say so. Similarly, cuts to the personal income tax of high-income earners have their partisans too, but they're mostly to be found among those who have high personal incomes and not amongst those who have low personal incomes. So the question really is: what is the objective of the four-year reduction in the corporate income tax rate? Has that been defined? Will it be defined for the Auditor General in a way that will be satisfactory to him, and if it has been defined, what is the objective? Since we are now partway through that program, what has been accomplished with it so far?

Secondly, the reduction in the last couple of years has been less than initially indicated in the year 2000. I think it's another half percent instead of a 1 percent reduction this year, and I think it was much the same last year. So what is the reason for the reduction in the reduction, if you will, from the original four-year plan?

My next question has to do with the school property taxes, and this is expected to grow by \$64 million this year because of growth in the assessment base. The mill rate is not being changed, but as anyone who's been involved in municipal government can tell you, the best way to get a tax increase without anybody really knowing it is just to leave the mill rate the same and have the property values increase either through new properties being added to the base or through an increase in the relative value of the properties themselves.

This is similar to bracket creep on the income tax side, and the government has taken some credit in the past for eliminating bracket creep, so the question is: why not eliminate it here? When did the decision to go away from capping the total revenue from the property tax to simply capping the rate take place? When did that policy decision get changed and why?

The other question has to do with the heritage savings trust fund, and I'd like the minister to comment on the decision to change the balance in the fund to a more aggressive one, increase the proportion of equities, and why that was done at a time when the market was at or near its peak and had been long overdue for a correction and what the justification of that is in light of the losses of the fund subsequent to that and whether or not the minister plans to revisit the mix between equities and bonds in the fund.

Those would be my questions for now, Madam Chairman. Thank you.

The Acting Chair: Thank you.

The hon. Minister of Revenue.

Mr. Melchin: Thank you, Madam Chair. The first one was the objectives to be met when you cut taxes. The objective is that we want to ensure that we retain a climate where people will want to come and live, where opportunity for jobs can be created, and where it can attract capital. If we're at the higher rates of tax burden, then you become a significant deterrence for people wanting to live here. Look at the many people that choose to move to Alberta, even for reasons such as taxation. Look at the many companies that choose to come here for reasons of the Alberta advantage, of low cost. If you want to formulate capital and grow and create jobs, you need to retain money, dollars.

[Mr. Tannas in the chair]

I'll give you just another. It's anecdotal. Last year we were in New York visiting with a number of large fund managers, and it's their opinion, but I said: here you are sitting in New York; tell me what your view of Canada is. I asked a similar question to a number of the different fund managers. This is where really 50 percent of the capital markets are coming out of the world, and they're looking at placing funds and investing money in the world. "So tell us about your view of why you would invest in Canada." They do say a lot of great things about Canada because we have much to be pleased with in our opportunities in Canada in relation to the world, so there are many great, complimentary things to say. Yet when you look at cost, they said: your tax rates and the amount of the tax you take in Canada is too high versus what happens in the United States; we actually get a better return by investing our money in the United States than what we get for a return on our money if we invest it in Canada, in the companies in Canada. It's that type of an approach that I find unacceptable. If you want to increase the wealth so that we would have more even for government and its services, how do you grow the economy? How do you grow the opportunities? How do you encourage that to flourish? So it is important that we set thresholds of being competitive vis-à-vis the other provinces and especially with our largest trading partner, the United States. So that tax business component is a very important component of that mix.

4:10

When you look at our heritage fund investment objectives, our own investments – and these are scaled down given the marketplace – our assumptions in our heritage fund business plan for return on our own investments in companies in Canada in the equities is 7

percent versus companies in the United States, where it's 8 percent. When the markets were more at their peak, it was 9 percent in Canada and 11 percent in the United States, you know, a spread of 10 to 15 percent difference in return in investing your money in companies on our own fronts. So why is it that individuals like you and I that invest for our future in our savings, in our RRSPs and our pensions and so forth are asking for greater foreign content in our RRSPs? We're asking to invest more of our money as Canadians outside of Canada. Why we ask that is because we actually get better returns on our money if we don't be so punitive to us in formulating capital and clearly for all the diversification of risk factors. So it is important for us in Alberta – we're a small population of 3 million people in a vast world, with a neighbour to the south of 300 million people and 30 million people in Canada – that we make this an attractive place for people, that they can save their money, that they can take care of their own individual needs, that they can plan for their future, that they would be prepared to invest their money here, that they're prepared to attract more money from the world here. It's that that creates more opportunity for all of us. It is precisely for those reasons that you do not also get punitive to the high income.

Our cuts, for example, to personal income tax that happened before – you didn't hear the complaints when the temporary surcharges on the high-income earners were placed in place to deal with the deficits. Those were temporary surcharges, and when you try and remove it, all of sudden you're favouring the rich, whereas it was temporarily punitive to them. Our tax policy even there will facilitate not being punitive and penalizing those that want to work – and it doesn't matter how much income they're making – and save that bonus for their personal needs rather than it always having to come to the government. It is an essential component, I would say, to our framework in the Alberta advantage.

When you look at the revenue structures of high taxation, look at what's happened in Canada as examples. Of our neighbours to the west and east of us there are only two provinces now, Ontario and Alberta, that are actually contributing in excess of what they give back. We are helping all Canadians because of what this policy has done for us. We don't make any apologies for it. It has worked well. It has created an opportunity where people want to move to Alberta. They're moving here in great numbers. Our corporation base of taxation is improving. Even with lower numbers, lower rates of tax it's increasing. More companies are moving to Alberta. More opportunities continue to expand, and it's been evident just by what we've done.

I'll have to defer the school property taxes. My hon. colleague the Minister of Municipal Affairs actually has education property taxes in his budget. The education property tax, the school property tax, is actually in Municipal Affairs and therefore not in my estimates. I could certainly give some comments, but I'd ask you to maybe defer the comments for when he is here to talk specifically on his estimates.

The Alberta heritage savings trust fund decision. When did we change the diversification? The only other survey done of the heritage fund was back in 1995 or early '96, and it asked some questions of Albertans about the purpose of the fund. Should we make a long-term decision now or wait until budgets were balanced and so forth? Albertans said at that stage: retain the heritage fund; wait until you've balanced your budget and started to pay down the debt before you actually make the more longer term decisions about the heritage fund. But they did also give the feedback to keep it structured as an endowment fund. Within that survey the context of public policy and legislative changes were brought forth and introduced, to start with the 1997 year, that changed the structure of that fund, when it was divided into a transition portfolio and an

endowment portfolio, where the funds were being taken out of the transition, which was all a fixed-income portfolio, and gradually being moved over into an endowment. So it actually goes back six years in direction and policy, and we've benefited through a lot of those years, too, in the markets. As they continued to improve in the early years, so did our income stream do very well during those years in our investments.

Are we going to revisit the mix? We're constantly revisiting our asset mix and policy investment decisions. In the heritage fund business plan we've actually changed a component to put more into absolute return strategies, to increase that to 5 percent of the mix, and to increase private equities to 5 percent of the mix, both to help diversify the risk but also to maximize the long-term yield.

It's impossible, I would still say, to choose the peaks and the valleys of any investment. Take a bond today. We have a policy of 35 percent of our portfolio in bonds. Our portfolio is actually potentially exposed to some capital losses, so there's no such thing as no risk in bonds. If interest rates go up, the value of your bond will go down. If you can get today a bond for, say, 4 percent and tomorrow you can get a bond for 6 percent, you're not going to pay the same money for that bond at 4 percent that you would pay for a bond at 6 percent. So with the value of your bond that you hold at the lower rates and with interest rates at historical lows, in the bond markets it's very questionable as to the risk with those even. Our portfolio could suffer substantial losses if we only choose bonds when interest rates are coming maybe back and start escalating. It's been the last 20 years that bond markets have rallied because we've had historical high interest rates, and it made maybe more prudent sense then to take that strategy. High interest rates, that were double digit at the stage, have been gradually declining to the point now where bond interest rates are once again at historical lows.

So the long-term strategy is what we're looking for with the heritage fund. Albertans said: a long-term strategy. They want the fund here for a long term. That was reiterated again in our survey this past fall. What I would say is that if you're looking long term, just a couple of statistics for you. We looked at this. In 67 of the last seventy-seven 10-year rolling year periods equities outperformed bonds. In 10 of those years bonds outperformed equities. If you look at a 20-year rolling period, equities have always outperformed bonds. Always. So the longer your time horizon the less risk you have. If you're prepared to say that your investment strategy is a long-term horizon, then your risk is diversified by a portfolio balance and also by a time horizon.

Our heritage fund is not a short-term fund. This is a long-term endowment, and if you want to maximize returns and still diversify and manage the risk component, you will diversify, and therefore I would say to you: you're still going to want an equity component in a long-term strategy. If you need to exit for retirement reasons or for some reason in the next one to five years, then don't go into equities: too much volatility, especially in today's market. But if you're prepared to be patient in the long term, you will outperform bonds. And to not put all your eggs in one basket: that's why we diversify. That's why you do say that bonds have an important component of it. So does real estate. That's why we have actually diversified our portfolio into up to 10 percent of real estate over the past couple of years so that we're getting a better blended mix of risk and return strategy in our portfolio. Our managers of the fund are doing an exceptional job. We've got some tremendous professionals that know the industry well, and we're very pleased with the oversight of that fund despite the difficulty in the world markets today.

4:20

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

Mr. Lord: Well, thank you, Mr. Chairman. I did have a few more questions on the national harmonization of security regulation initiative, and I certainly appreciated the minister's answers on the previous questions.

Of course, the minister did allude to the difficulties here of getting into this issue, and of course it's a little bit too technical, I think, to attract general interest. In fact, it seems to only attract the interest of former stockbrokers, like myself, and people who have been around this issue for some years. But I was not kidding when I said that I felt that this is one of the largest issues holding back the Canadian economy in the world and holding back provinces within Canada. That's why I mentioned that it's very important, I think, for not just economic development but in fact even national unity. So I'm very concerned and very interested in this review going forward.

The minister has answered how the committee will be struck. I guess sort of the first question I'd like to know about is whether or not there are going to be web pages, some publicity, some press releases, et cetera, outlining this as it goes forward so that stakeholders that might be affected will be aware and will be invited to have public input.

This has been a long, difficult, and contentious issue for many, many years. It's been ongoing for many years. People who have been involved in the industry have been complaining about this problem for many years. Of course, it's very difficult to address parochial viewpoints and interprovincial trade barriers and so on. What I would like to hear the minister discuss is: how would this review be different from anything that has occurred in the past? How will this be different this time in terms of committee makeup, for example, the types of expertise and the type of experience and, I guess, the types of industry interest that will be represented on this committee that would be different from previous efforts to address this issue? For example, will there be small business entrepreneurs on this committee or allowed to be involved in the votes on this? Obviously, that's a critical stakeholder in the entire issue, and in trying to raise venture capital, they are in fact the people that are most affected.

I guess that if the minister could address those two issues, I would certainly appreciate it, Mr. Chairman.

The Chair: The hon. minister.

Mr. Melchin: Thank you, Mr. Chairman. We're glad we have someone, the hon. member, with his background in the stock market industry. I'd agree that this is a critical issue for unity. In fact, it's really been interesting thus far as we've talked. You might say what provinces might be really against this, and you could certainly take Ontario, where the largest capital market of Canada still is. They might have a different interest in saying: yes, let's nationalize and put it all in Ontario. They might come from that perspective. Or you might say Quebec. You know, have they looked at this differently as wanting to participate with the rest of the country? Do they even want to be tied in with the rest of the country?

But without exception even those two provinces as well as when we talked with the Maritimes or the territories and clearly our prairie provinces, all of the ministers have acknowledged that maybe it's timing, that it's a critical question for us nationally, that we do expect and take seriously our provincial responsibilities, that we can find practical solutions to still live within our constitutional jurisdictions yet solve the 13-jurisdiction regulatory difficulty that the small businesses in particular, when you're raising small amounts of capital, find extremely burdensome and almost preventative in accessing capital markets. Absolutely correct. The formulation of that capital and venture capital under a small amount of money

becomes prohibitive. So in the simplification of that approach to regulation and accepting of the standards, the interprovincial trade barriers need to be removed.

What's different this time? You're absolutely right. You would know better than maybe many that this has been studied by many other committees before. It's been attempted and failed time and time again. This is the only time that I'm aware of that all of the provincial ministers have agreed at the onset that there is at least one objective that we can get to, and that's the passport approach, and we want to accomplish that. We've already assessed: is there something that, if this is not the best model, at least practically can attain most of the objectives that we'd like? So we've come to agreement on that.

It's going to be difficult in the details maybe, but we're committed to drive this through legislatively and in support of the provincial legislative processes in all the provinces, which has never happened before. In the past they put out, like the federal government did today, a wise persons' committee, and they put out a committee of experts in the industry. Then all of a sudden they come back at the end of the day and they put it back on the provincial regulators, expecting to somehow come onside with answers that may not be politically acceptable; i.e., a national, federally regulated model that is not acceptable to any of the provinces. That's what happened in the past: they kept coming back to turning it over to federal jurisdiction. We're not going to wait for how many decades or lifetimes to open up constitutional questions. We can solve these practically and efficiently and still be very responsive to our provincial questions. So the commitment of all the provinces, of the ministers to specifically stand by and lead this process and ensure by the tight deadline of September 30 that it doesn't get studied forever – that doesn't mean that all the details will be sorted out, but it will mean that an action plan can be put in place to get us there.

You've made some great comments about: how do more people get involved? Web sites, press releases raise the profile. We're early into this process, and I will take those recommendations as solid ideas that we will need to do. We've done a number of press releases, but you've got to continue to keep that awareness more and more. We have written a fairly lengthy stakeholder list already, and we'll continue to broaden that. We're asking all the provinces for a good stakeholder list that we can advise and update. We're developing a background paper on this that we'll put out for public discussion for the first part of July so that through the summer months and through the beginning of September we can get that public and stakeholder feedback and conclude at least the outline of the plan for an action plan by September 30.

Involving small business entrepreneurs: I like your idea on that. We will ensure that that's a stakeholder group that is represented and ensure that their ideas are on the table and facilitated.

Thank you so very much for your comments.

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. One last question to the minister. A number of commentators in the United States and elsewhere have predicted that we in fact may be entering a period of deflation in the economy. I'd like to know if the minister has considered that possibility, how seriously he thinks it may affect us, and what steps he has taken to insulate the heritage savings trust fund from a threat of deflation, what strategies the government has in place to protect the fund if in fact that comes to pass.

Mr. Melchin: Very good questions. You know, the challenge with economists – and it's heard many times. The economists have

predicted 10 out of the last three recessions, and that's the problem. I don't know how many times every economist you choose is going to have the crystal ball of the future. None of them really know. They can take the models and project. There is a case to be made: are we going into a period of deflation? We've heard that. I would say that there's always a risk of some of those factors. We've seen a softening in the economy certainly to the south of us, in the United States, but even many of the economists in the United States are saying quite the opposite, that the United States will yet pull out of this and improve.

Your question is very good, but in not knowing if it is one of those times or not—I clearly can't guarantee those future events; you don't know what impacts of world events could combine to create a deflationary period—how do you insulate any investments? You know, I guess it gets back to, in a long-term view, that you have to have a diversified portfolio, then, because how do you pick any one scenario as being the only scenario or the best scenario given that you can't guarantee the future? So if you picked any one investment strategy, you might win big or just totally lose everything if you invested everything in one portfolio, and it wouldn't matter which one you picked, including bonds. You can lose a lot of money if interest rates all of a sudden escalate like they did in the '80s, and you've got bonds at 5 percent interest and all of a sudden there are double-digit interest rates.

4:30

So there's no such thing as investing with no risk. That's not the case. But you do make a prudent investment rule that you would invest as a prudent investor would invest. If it's a long-term strategy, you'd be prepared to invest through cycles, not just trying to pick the highs and lows. If it's long term, which the heritage fund is, you'd be prepared to invest with long-term thinking and be patient with your strategy because the diversified portfolios of equities and bonds, real estate, and so forth are just that, to diversify and hedge against a variety of these problems, be it deflation or any other investment challenges that arise in the market.

Thank you.

The Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. It is a pleasure to rise this afternoon and participate in discussions on estimates for Revenue. Just a few comments before we start. A number of people have been talking about our heritage savings trust fund, and it is one of those funds that are under the Ministry of Revenue. I had the opportunity to read a book called *Simple Wealth, Inevitable Wealth*, and it's just a beautiful little book. Certainly, it focused on equities. It traced the record of equities back to 1926. One of the encouraging things that all members should know is that since 1926 equities have averaged 9 percent per year. So I think it is a prudent choice that we have in the heritage savings trust fund, particularly when we're looking at long-term investments, that we have invested in equities. So I have great faith that they will come back. Now, I don't know if it will be in my time. It's a crazy world out there right now. One of the stats that was brought out in the book was that even after the Great Depression, five years after the big crash came, 95 percent of all those equities had regained their initial value at the time of the crash. So I do have a tremendous amount of faith in our endowment portfolio in the heritage savings trust fund.

One of the other examples that was cited in this particular book was about Warren Buffett. Warren Buffett is also big into equities, and he had a paper loss of \$6.5 billion which he recovered in three months. Now, we're not doing that right now, but in the long run I know that we will.

I was also very interested in the comments by the minister regarding why people will come to Alberta. Certainly, right now we are doing a lot of good things in this province to pick up our economy and whatever.

Another interesting book that I was reading was *Road to Growth*. Tax structure to turn economies around is a very, very important issue, but one of the other factors in turning around economies is the downsize in governments. Now, I know that we have some work to do here. We went from 18 ministries to 24, and perhaps the minister in his wisdom and if he follows the examples of economies that he had cited, whether it be the United States, whether it be Ireland, whether it be the Dutch miracle, whatever—in all of these the other component to reducing taxes was to downsize government. So I think we do have some work to do there in Alberta.

Now, then, as well as the heritage fund being part of the responsibility of the ministry, we also have the Alberta Heritage Foundation for Medical Research endowment fund, the Alberta heritage scholarship fund, the Alberta heritage science and research endowment fund, the Alberta risk management fund, and the Alberta Securities Commission, so a very, very important ministry and a very complex ministry with all these various funds to oversee.

[Ms Graham in the chair]

Now, then, as well, one of the major roles of the ministry is to manage our investments in the province, to develop tax and revenue policy within the province, and to administer tax programs and minimize the risk of loss of public assets. In looking at this year's budget, the government is requesting \$45.3 million to operate four core programs, and these are broken down by the ministry's support services at \$3.962 million, revenue collection and rebates at \$21.439 million, investment at \$15.408 million, and risk management and insurance at \$1.039 million. I have a few questions for the minister. What kinds of rebates does his department issue? How do they vary from year to year? Is the government planning on following the same investment strategy for the various funds that they did this year? So if the minister could answer those for me, please.

The Acting Chair: The hon. Minister of Revenue.

Mr. Melchin: Okay. Well, first off, I appreciate actually the comments you made back on heritage fund investing in equities long term. Thank you for your comments on it. It's nice to hear that there is support for some equities, and I know that's been true, too, from the participation of the members opposite on the all-party Alberta Heritage Savings Trust Fund Committee when we analyze policy and investment decisions. It's hard and it's always difficult to have to stand up and be a year that's comparable to the crashes in the 1920s and the other significant downturn in the 1970s and have to be the third worst in that last 100-year period. It's never easy to want to be patient and prudent through that time, but I would concur with your analysis that patience through this will prove very beneficial for all Albertans and that we still continue a diversified portfolio to include equities as well as bonds and real estate.

The *Road to Growth* and downsize government, cut taxes. Well, glad to hear you commenting on those and advocating those. We take those in context. We'll remember to quote you, though, on those two comments quite often. Thank you.

Let's see. The rebates. I've got to get the line item. Maybe I'll have you comment again where you got that. I missed your comment on the rebates. If you could just let me know what that is, I'll get back to it.

Mr. Bonner: I will get those back to the minister.

On page 328 of the Department of Revenue's business plan for 2003-2006 the department indicates that it will "develop and maintain a long term revenue management framework." This is the same performance measure that was used last year, so my question is in regard to this. What kept the department from meeting this goal when they first established it last year? My second question in regard to this is: when does the department plan to have this framework in place? If the minister does have a target date, could he share that with us?

Mr. Melchin: I'm sorry. I've got to ask for your reference again. You said page 328?

Mr. Bonner: Yes. Of the business plan.

Madam Chair, for the minister that would be goal 1.1, the first bullet under Key Strategies.

4:40

Mr. Melchin: Okay. Goal 1.1, key strategy, development of "long term revenue management framework." You were asking – and I've got to clarify this again – which of the performance measures we did or did not meet. Is that what your question was?

Mr. Bonner: It was the same goal you had last year. Was the goal met last year, and if not, why not?

Mr. Melchin: Okay. With respect to this one I do see that this "develop and maintain a long term revenue management framework" isn't so much of a project that's completed and finished in one year. We have always thought of it being an ongoing part of the work of our department, that we will continue the research I would say continuously on options, on long-term scenarios, on alternatives for long-term planning of revenue sources. So in that respect we have met many of our objectives.

One of our first things was to make sure we do a proper inventory of what is, working with all the other departments to establish and understand better what their revenue sources are, what their policies behind that are, and how that will affect the long-term streams of revenue. So on that part much homework has been done, not necessarily complete but great progress on that front. Our development now of long-term strategies is becoming more of the focus for our next year coming up. I would say in that respect that this is one of the key works that's ongoing. It's not so much a project having been completed and finished, but it will be ongoing work with which we've made great progress, and we'll continue to do so going forward.

The Acting Chair: The Member for Calgary-Egmont.

Mr. Herard: Thank you, Madam Chairman. I wasn't going to get up and raise this, but I was looking at your goal 1.1, "a revenue structure that meets Alberta's needs and is consistent with Albertans' values," and goal 1.2, "fair and competitive provincial tax and revenue systems."

I just want to share a little story with you. A good friend of mine loves a great cigar, and recently he confessed to me that he hasn't bought a cigar in Alberta for months and months and months. In fact, he can get cigars sent to him out of Manitoba, pay the freight, and they're still less than half of what he has to pay for them here. So I thought I'd better look into this because I didn't realize that that's really what took place with respect to the change in the tobacco tax.

It turns out that I have a tobacco store in my constituency, so I went over and had a chat with the owner. I didn't even know that this store was there, but the first thing that impressed me was the significant investment that this businessperson had put into controlling the humidity and the temperature and all of that for the product.

An Hon. Member: A humidior.

Mr. Herard: Humidors? Thank you, hon. member.

But this is not a small investment, so I asked him what the impact of this tax had done for him, and the bottom line is that he is finding it extremely difficult to stay in business.

So when I look at goal 1.1, I don't think that it would be within Alberta's values to have a tax system that would force somebody out of business. That would not be an Albertan value, I'm sure, but it would certainly be consistent with goal 1.2 to have "fair and competitive provincial tax and revenue systems." It looks to me like this is really not a policy issue, because I'm sure we didn't go out there and create this policy that would in fact be detrimental to one particular sector of the economy, so it must be an administrative error. So if it's an administrative error, then would the minister consider fixing that administrative error so that we don't in fact discriminate against certain vendors?

Mr. Melchin: Thank you for raising such an enjoyable topic. You piqued the interest of a few people. You have a friend who loves a cigar. Well, I appreciate that you do.

Now, last year in our budget, as you know, we raised tobacco taxes not just a nominal amount but a 125 percent increase in the rates, and that 125 percent increase was on the cigarettes, loose tobacco, cigars, and everything. One of the first things you talk about is: what value structures are we incorporating by raising taxes so much? I would say that it's a great lesson on taxation. What does taxation do to economic activity, especially when you go to certain thresholds? What values are we supporting by raising taxes so high that we do cause a problem to a business segment? Myself not being a smoker, I'm not certain why it is that the public has chosen a value set lately, which I support, of antitobacco. You know, the health risk factors have become a factor such that we said that our policy was to reduce consumption of tobacco.

[Mr. Tannas in the chair]

So think of all the business vendors out there that are now selling tobacco products, cigars also included. Our policy is going to have an impact of reducing their sales, and what has happened, for example, just to give you some information, is that cigarette consumption has been down close to 20 percent in this past year, volume reductions. Cigar taxes actually have only been down about 5 percent. I've been surprised, given that actually there is a difference in the calculation of tax on cigars versus cigarettes. Cigars are on a percentage of the manufacturer's suggested sales price versus cigarettes, a flat amount per carton. With the tax on cigars versus cigarettes the question is: is it an administrative oversight? You might recall that we actually had a discussion on this. We brought it back and had some discussion on the differences, and this has been our policy. Now, what is different about the two of them is this. [interjections] I appreciate the support. You know, it's nice to have the support of your caucus with you on your new policy. Thank you, team. It's nice to have you right there behind me when I really need it. They're all quite aware of a discussion we've had in cabinet, caucus, and so forth on this topic.

Ms Haley: Amazingly enough, it wasn't in the newspapers.

Mr. Melchin: It wasn't reported before we even had the discussion. I appreciate that support when the time counts, you know, that when we stand up to defend it here as the minister, everybody is solidly behind you. So I thank you again as a caucus.

But here's the issue again. There is a difference and always has been a difference, so it's not necessarily new, though when we raise taxes, it now shows the magnitude sometimes of the problem. When you apply a tax, a flat rate on cigarettes is one thing, but on cigars being a percentage of a sales price, the tax component is quite heavy on a low-end cigar. That's a true case. On the higher end cigars it's actually less because we have a cap of \$8 on any one cigar.

An Hon. Member: What?

Mr. Melchin: Yeah. It's only \$8 for one cigar on the high end. Doesn't that make you feel good about tax content?

Anyway, what I would like to say is: it has been the policy that because the products are sold differently, different methodologies of taxation have been applied to cigars and cigarettes over the past. That methodology has been the policy of our government. It does create a reduction in sales. Cigarettes are actually down more than cigars. So if you're looking at what it's done to the marketplace, our policy has been to see that we work towards tobacco cessation, reduction in consumption. That's been our policy.

[Two members rose]

The Chair: Okay. The hon. Member for Edmonton-Centre.

4:50

Ms Blakeman: I think we're probably up on the same thing, and I'll repeat the question.

An Hon. Member: You're a reformed smoker.

Ms Blakeman: Well, yeah. Okay. I am a reformed smoker. I don't care about people smoking cigars. What's striking me about this is that there is such a differential on the increase of the tax for cigars. I listened very carefully to what the minister said, and I appreciate that he's feeling that wind whistling behind him where nobody is standing anymore, but what I'm questioning is: why aren't you fixing this? Obviously, it sounds like you didn't intend that there be such a differential in the increase. Okay. We wanted to increase or the government wanted to increase the tax on cigarettes by 125 percent, but what if the increase on cigars is like a thousand percent. I mean, the difference is just staggering. So why aren't you fixing it, or are you happy to leave it at that kind of, frankly, discrimination? How are you justifying this, or do I hear the argument that it's a health thing and that if you smoke a cigar, well, you're just discriminated against even more? I'm wondering why the minister isn't fixing the discrimination when they are so far apart.

Mr. Melchin: Let's first off say that this isn't an issue of discrimination. A tax policy has been designed for a long time about how you price tax on different products. Last year we chose and we uniformly increased taxes by 125 percent, approximately that number on all tobacco products across the board. Our tax content went up a substantial rate by policy, and it was designed to reduce consumption of tobacco so that we would have less health problems resulting from tobacco consumption. So that's been a uniform policy applied uniformly across all of the products.

Mr. Herard: I take it, then, that the minister will get back to us on the fairness issue.

The Chair: Okay. The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Mr. Chairman. Some excellent questions by the Member for Calgary-Egmont, but I'm sure the minister realizes now what Churchill had said in the Commons one day when he said: my opponents are opposite me; my enemies are behind me.

The minister had asked for a reference earlier when I asked the question: what kinds of rebates does the department issue? This is found on page 304 of the government and lottery fund estimates for Revenue under equipment/inventory purchases where we have Revenue Collection and Rebates. That is where that is found. If the minister wishes to answer that a little later, that's fine.

I did have other questions. On page 328 of the Department of Revenue's business plan 2003-2006, goal 1.3, Key Strategies, bullet 1 indicates that the government is planning on implementing the ministry's e-strategy "to improve client service, including the electronic filing of corporate income tax returns." A few questions on this particular initiative. When will this e-strategy be operational for Albertans? If the minister could please indicate how much it will cost to implement this strategy. Has this amount been budgeted for this year? What is the plan for Albertans who do not have Internet access, and have there been improvements considered for them?

Now, as well, on page 328 of Revenue's business plans for 2003-2006 it indicates that the department is planning on addressing issues "related to the underground economy." I found this under goal 1.3, Key Strategies, the second bullet, and I have a number of concerns and questions regarding this particular bullet. If the minister could please explain what these issues are, what plans he has on addressing these issues, what costs will be associated with addressing these issues, what indicators the minister does have that there is a vibrant underground economy if we are putting this into our business plans. How large does he think that underground economy is, or what are projections on how large it is? Finally, is the minister going to work with the Solicitor General to solve this problem as it could involve law enforcement as well?

Thank you.

The Chair: The hon. Minister of Revenue.

Mr. Melchin: Thank you. With respect to the first question we'll get you a written response because I still, once again, missed your reference by the time I got there.

Your second one was with respect to the e-strategy to improve client service. Great progress has been made with this, and it's primarily due to corporate income tax. Most corporations actually are pretty well tied into the web, and in that respect they're driving, wanting the service more than the paper filing. You can still file in the traditional method. It's not to prevent that, though in our transition it'll make it a lot simpler and more efficient for the filers and for us – for compliance purposes, for review of it, for refunds and the like – to process them on a more timely basis. It hasn't yet been finalized, though much of that's already at work now. Much of it's actually being implemented, and much of it's actually functioning for Alberta filers today.

We've got some more work left to complete that, so I'll get you a more detailed plan of the stages of where we're at in response to that question. Our budget does accommodate that as ongoing work. It isn't a new budget item for us, so it's not going to be additional costs other than in the sense that it's part of our ongoing work of continu-

ally trying to upgrade our systems. So that will help improve our efficiencies over time.

The underground economy. I guess that if we really knew how large it was, you would have probably been able to identify it and prevent it long ago. The cost of it no one really knows. We do know this, and that's part of the reason for us having hired even in our last year's budget and through this year to see that we had additional full-time equivalents added to the department so that they could do the compliance work. Your real work is to ensure that it's level and there's a means to make sure that those that are offenders are caught, that there's a fairness approach put to them. They should comply with paying taxes. That's why there are penalties for not having filed.

Our tax systems in Canada are very much voluntary. You know, you might not think of it that way, but our filing is a voluntary compliance methodology. If people all of a sudden come into the province and you're not aware of them and they don't take measures to declare themselves one way or another, it may take you some time before you're aware of both their residence and maybe if they have started a company. But there are many ways that we work with the various departments. You know, we would clearly work with the Solicitor General if there were criminal kinds of activities and charges. When it gets into smuggling types of activities, you work quite a bit with Gaming, with the Alberta Liquor Control Board. A lot of their enforcement in the gaming industry also facilitates their investigation with respect to the tobacco taxes and collection. So it's a constant challenge. Any time you implement a tax, you drive some activity underground, and with the voluntary compliance of filing, that's why you want to improve the efficiencies and the ease of filing and also why you want to ensure that your tax policy is simple, that the rates aren't too high, because the higher the rates, the higher the compliance problems you'll have, the more underground economy you'll create. I can't really give you any great numbers on the size of it. They're all estimates, and they're anybody's guess really.

5:00

The Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Yes. On page 330 of the business plan, core business 2, Manage and Invest Financial Assets, I'm looking at goal 2.2, "An effective management organization," the first bullet under Key Strategies: "Develop and implement a new governance structure for government endowment funds." If the minister could please inform us: which endowment funds will this plan encompass? Will the new governance structure improve the performance of these funds? When will this new governance structure be in place? As well, how will this new governance structure affect the costs of operating government endowment funds?

The Chair: The hon. minister.

Mr. Melchin: Thank you. With respect to our investment management organization one of the challenges we've had and we've identified with that organization is that we have a variety of different clients with different objectives and purposes, pension funds for example. Upwards of about \$17 billion of the \$35 billion are various pension clients, and they have separate board governance that will define and give policy oversight, investment policy direction to our investment management division. So there's a segregation of that responsibility, clearly, for those.

When we talk about government endowment funds, we are specifically speaking of the Alberta heritage savings trust fund, the medical fund, the science and engineering and scholarship funds, the

ones that are clearly under the purview of the government of Alberta and of this department for investing. What we are looking at doing is ensuring that we've got the right investment policy boards in place for them. In fact, we are creating a committee to strengthen both outside participation and advice to the department to be chaired still by the Minister of Revenue but would include a number of outside professionals in the industry to help provide direction and advice on investment policy decisions so that we separate policy decisions from investment management. So part of that governance, when we then have the investment management division, would be charged with investing according to our investment policy directions, and we separate the two. So that's part of the structure we're talking about, and that will be in place as we implement that over this next year.

We've had good oversight. We're just trying to make sure that we've got the right structures to both empower the separation of policy and investment advice to the management of the funds itself. Then from the management of the funds you need to give sufficient autonomy to that group to be able to react, like any investment organization would, to the latest products that are out there, the sophistication of the research tools they would use, to everything from the systems that they employ, so those budgeting constraints so that they could operate in some respects with a little bit of autonomy but professionally managed with a governance oversight with it.

We have that governance oversight with the Investment Operations Committee already, but we want to improve that so that we've got the appropriate oversight of people, that the appropriate autonomy is given them, the flexibility to respond quickly. Because investment products are changing all the time, and the cost structures might be more or less for some, but if all of a sudden some great investment products come along and they're going to cost a little bit more, you want to be able to have the right governance that allows that flexibility, because the returns that you can yield would be substantially better. You might be prepared to spend a dollar to make multiples of dollars, and that's part of the issue with the governance. We're trying to ensure that we've got the right flexibility, the right professional judgment, and the right board governance with respect to the investment organization.

The Chair: The hon. Member for Edmonton-Glengarry in the three minutes remaining.

Mr. Bonner: Okay. How much time do I have, Mr. Chairman?

The Chair: At 5:10 we'll have to go through the vote and that kind of thing. According to the Standing Orders we must have the report done by 5:15.

Mr. Bonner: Okay. Just a few more questions. Still on page 330 of the business plan, under goal 2.3, "Superior investment returns subject to client-defined objectives and policies," and the second bullet under Key Strategies, "Enhance management of the investment portfolios by implementing new monitoring and analytical tools including improved risk management tools." Just a few questions here for the minister, and then we will put the rest in writing to the minister. Are external managers to be included in this strategy? What types of risk management tools are being considered? My final question on this particular vote is: what monitoring tools are currently used, and what holes exist that need to be improved upon?

If the minister would take further written questions, we would appreciate that.

Mr. Melchin: I'd be happy to supply a written response to this one

to give you an idea of the various tools. It's a continually changing marketplace, very sophisticated investment tools. Some of them are very software oriented. So they're looking at products that are being developed around the world that we will buy and/or tailor to our own investment decisions. It also gets into having the right research component personnel. We've put the portfolio at an increased absolute return strategy, and we don't necessarily have all that expertise inside, so you start finding that with outside fund managers that can bring those risk management tools to you. So it may not all be internally, but you do look where the sources of expertise are for your own people, your own systems, your own research, and your use of other external expertise through other fund managers. We'll provide you with some specifics on that as well.

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

Ms Carlson: If we still have some time, I'd like to put one more question on the record that you could respond to in writing, and that is: how many local capital managers do we have? How many in total? What is your perspective on venture capital in this province? We see that nationally we provide 13 percent of the GDP, that we're 10 percent of the population but only 2 percent of the venture capital available in the country. There are a number of people who think that that focus should change and that we spend some portion of our investment dollars or at least that a direction should be promoted to the small business end of the market. So if you could respond in writing, that would be appreciated.

Mr. Melchin: We'll be happy to get you specific answers. I think one of your questions was on the number of people that we have involved in the department. In our investment management division we have 57.6 full-time equivalents. I don't know who that .6 person is. The securities administration systems division, which is the back office part of it, has 37.5, so 95.1 full-time equivalents involved in our investment management division here.

The other one we'll respond to in writing.

5:10

The Chair: After considering the business plan and proposed estimates for the Department of Revenue for the fiscal year ending March 31, 2004, are you ready for the vote?

Agreed to:

Operating Expense and

Equipment/Inventory Purchases

\$45,373,000

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

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Deputy Government House Leader, who is more alert than the chair.

Mr. Stevens: I think the next step in this process, Mr. Chair, is that I move that we rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

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

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following departments.

Main estimates for the fiscal year ending March 31, 2004.

Support to the Legislative Assembly, operating expense, \$36,296,000; office of the Auditor General, operating expense and equipment/inventory purchases, \$17,305,000; office of the Ombudsman, operating expense, \$1,958,000; office of the Chief Electoral Officer, operating expense, \$1,994,000; office of the Ethics Commissioner, operating expense, \$387,000; office of the Information and Privacy Commissioner, operating expense, \$3,293,000.

Revenue: operating expense and equipment/inventory purchases, \$45,373,000.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Mr. Stevens: Yes. Mr. Speaker, I move that we call it 5:30 and that we adjourn until 8 o'clock this evening, at which time we reconvene in Committee of Supply.

[Motion carried; the Assembly adjourned at 5:15 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, April 9, 2003**

8:00 p.m.

Date: 2003/04/09

head: **Committee of Supply**

[Mr. Shariff in the chair]

The Deputy Chair: I call the committee to order.

head: **Main Estimates 2003-04**

Innovation and Science

The Deputy Chair: The hon. Minister of Innovation and Science.

Mr. Doerksen: Shall I begin, Mr. Chairman?

The Deputy Chair: You've been recognized, minister.

Mr. Doerksen: Well, thank you. The first thing I'm going to do is introduce some people from the Department of Innovation and Science, but even before then I'm going to alert one of them. If they would ask my assistant to bring down my binder from my office, it would be helpful.

An Hon. Member: I think that they're watching that hockey game.

Mr. Doerksen: They were watching the hockey game. Yes, it is a great night, Mr. Chairman, because Edmonton has just won its first game of the series, and then we get to talk about the Ministry of Innovation and Science, which is all about the future. So it's a good night.

People attending from Innovation and Science this evening are Glenn Guenther, who's from the communications department; Linda Moisey, who is on the human resource side; Brian Fischer, who does the money side; Blake Bartlett, who helps him; Mike McCullough; and then there is Grant Chaney – I should have just read my list instead of looking up there – Mel Wong; Ron Dick is there somewhere as is Peter Crerar as is Byron Nagazina. Let's see; who else did I miss? Robb Stoddard, is that you? Great. Okay. Colleagues and members of the Assembly, this is the great team that's assembled to put together the future of Alberta, and I appreciate all the work that they do on our behalf.

I'm just going to actually take you through the business plan. If you go to the book of the Alberta 2003 business plans, the plan for Innovation and Science starts on page 251. Taking you through the business plan, you see that we essentially have two main business areas, the first one being research and development and the second one being corporate information and communications technology.

Again, bearing in mind some of the comments that were made last year when we made our presentation, there was some complaint that the business plan from the previous year was not as consistent as the business plan for the next. You'll see more consistency this year from last year's business plan to this one. There are, of course, some changes to our measures, some changes to our performance indicators, but essentially we've tried to maintain the same format, provide a little more clarity around some of the objectives that we are trying to achieve. I think that will help, and I do look forward to members' questions later on.

I also want to introduce now – there are some more people that have arrived – Dwight Dibben, who is my executive assistant, and Stan Hayter. I'm not sure I introduced Stan before, but I see him there. Also, my son Courtney Doerksen, who doesn't work for the

department but's visiting tonight just to see what we blather on about in the evenings in this great place.

We're going back to just talk a little bit about our first core business, research and development. Again, in all of the areas what we're keenly interested in trying to do in this province is invest in people, invest in research infrastructure, make sure that we focus some of our research activities into areas that are our strengths, work at trying to create innovative solutions and policies for Alberta business.

I just got this little letter yesterday from ICORE, which of course is one of our program areas, and they sent out a list that shows the effect we've had on the people side, particularly when it comes to information, communication, and technology research. If you look at the highlights of the letter that he sent me, he said:

Alberta attracted 23% of Canada's top NSERC postgraduate scholarship awards in Computer Science, and Electrical and Computer Engineering in 2002 . . . [We] increased from 18 in 1999 to 50 in 2002 . . . while the number in [the province to the west of us] fell from 28 to 21,

and Ontario increased 22 percent, but our increase was 178 percent. In electrical and computer engineering at the University of Alberta and the University of Calgary we ranked number 2 and number 3 in Canada. In computing science the University of Alberta now ranks number 1 in both masters and doctoral NSERC award recipients.

An Hon. Member: What number?

Mr. Doerksen: Number 1. "Alberta, as a province, now ranks #2 after Ontario in Electrical and Computer Engineering" and number 2 in computing science masters awards. So it's a clear indication that the objectives that were set out when ICORE was established in that program have actually borne out in terms of the quality of people that we now have in the province.

I want to point out the one significant change that we've made on the research side has been an increased emphasis on the Alberta Energy Research Institute. Part of that is directed to the climate change initiatives that we are taking and that are aligned with our five main target areas in energy, those being CO₂ and water management, oil sands upgrading and value-added, clean coal technology, recovery technologies, alternative energies. Actually, I think on page 256 you'll see a very clear breakdown as to where we will be committing those resources over the next number of years.

Now, of course those won't necessarily be exactly precise, but we've tried to give an indication of some of the priority areas that we're going to be focusing on. Of course, fundamental to the investment here will be to find an equal partnership with the federal government to make sure that their money also comes to match the investment we make, as well as industry, because, Mr. Chairman, we are not going to do this by ourselves. It has to be a team effort, and my colleague the Member for Bonnyville-Cold Lake as the co-chair of the Alberta Energy Research Institute is doing a fine job. We just held a challenge dialogue that AERI put on bringing in people from Energy right across Canada to lead in a dialogue that says: what can we do in a combined effort to solve some of these issues? So we're very excited about that particular area.

Just to explain, you'll note under the Alberta science and research investment program that our numbers have gone down from \$39 million to \$37 million because what we did is re-profiled some of that investment, again, to focus more on the energy side, but I want to be quite clear here. One of the challenges that we're going to have in this budget is going to be the ability to match the granting agency awards that will come to Alberta with respect to our budgets. I want to make it quite clear that in any of these research areas we

expect that money out of those particular budgets can be used as part of our matching component as those awards are announced and as they go further. So while it looks like the investment in what we call the ASRA program is declining somewhat, we actually have more money available to help us match the awards that are going to be coming. But to also be quite clear, we expect and we have said that the areas of energy, ICT, life sciences are going to be our priority areas. Those are going to be the ones that we pay the most attention to. So there's a little bit of explanation on the energy side.

8:10

Then when you go to goal 3, you'll see – and I referred to this already earlier with ICORE – again a focus on information and communication technology research. I'm not going to spend a lot more time there.

Goal 4, "To foster excellence in life sciences." Mr. Chairman, we've begun to explore this area. Even though we currently invest great sums of money through the Alberta Heritage Foundation for Medical Research, through some of our agricultural research programs, we also think this is an area for the future, and with the release of our life sciences strategy we've begun to build the framework around how this is going to look. We're working very closely with the minister of agriculture because there is commonality, actually, that runs through a lot of these programs because if you look at agriculture in the biofuels, that pertains to energy; that pertains to agriculture. If you look in the field of genomics, you're covering the areas of bioinformatics, which is ICT; you're covering biology. There's a lot of crossover between disciplines. So in the life sciences we've begun the work there to create some specific direction.

We'll talk a little bit about a particular goal that's very important to me this coming year, and that relates to goal 5, where we talk about "foster the growth of knowledge-based industries and establish Alberta as a preferred location for the commercialization of technologies." Together with the Minister of Economic Development we'll have an umbrella value-added strategy which really talks to commercialization of technology, talks to trying to find the right policy areas that can actually allow us in Alberta to take the good ideas that are produced here and move them into the next phase and actually be able to generate the results of those good ideas through investment and through commercialization and, ultimately, production and jobs in Alberta. So that's going to be a particular emphasis for the ministry this year in terms of coming up with the right policies that can help to move that forward.

Then moving on, our second main area in the Ministry of Innovation and Science is corporate information and communications technology. Again, before I get to the Alberta Supernet, I think you'll see that we've tried to get quite specific about what we're trying to achieve with respect to corporate standards across government. You'll see, for instance, moving to an Office 2000/Windows 2000 common standard. We should be at 100 percent compatibility or consistency there in '03-04.

You'll see some objectives we have around enterprise architecture and authentication, which of course is a very important issue when it comes to security and more importantly as we move to web-based applications and as we allow customers to access the information from the government right from their own homes or offices or wherever they have access. Then, again, you can see in some areas we actually want to do consolidation. So you'll see that we have an objective to reduce the number of e-mail systems, the number of directories, the number of services. One of the reasons we're doing that in particular is so that we can reduce the amount of effort we have when it comes to help desks or resources that you have to

commit to managing all kinds of different systems. We really think we want to drive that down to have some common platforms right across government.

Then, just moving back to the Supernet, quite clearly you'll see in the business plan there on page 261 that we did not achieve our targets for the number of schools, hospitals, libraries, and buildings that we had expected to be at this year by this time, but it's been no secret to the Assembly that we've had some commercial disputes between Bell and Axia. It has been raised through questions in the Assembly and also reported that several weeks ago we were able to reach a conclusion to some of those commercial difficulties that has put the issues at dispute to the side to be resolved through an arbitration process. Bell West will take over the build of the network for the entire province, and then, of course, Axia as another part of the contract will continue to be the access manager to manage the network as it's built.

More importantly, I think, what I start to talk about now when I'm out promoting Supernet is that I'm beyond the place where the build actually gets completed, because the Supernet is going to get built. We're going to have an infrastructure. It's going to be unique in the world. It's going to give us opportunities. But for us to take advantage of that infrastructure, we're going to have to find the applications that go along the network, to find the technologies, the delivery services that are going to fill the pipe and prove it out. Every day I'm encouraged by different things that I hear. Today, for instance, we met somebody from a remote area who wants to establish in their municipality a GIS system, and they can't completely implement the GIS system until they have the proper bandwidth. They can implement parts of it, but they can't implement the whole package until they actually have access to the bandwidth. I was also reading today about the fact that we actually are already sending ultrasound images to radiologists who are not located in the same place, but it's done on a static basis. With enough broadband access we'll be able to do that live time. So there are, I think, some exciting applications that are going to come, and that's where the payoff for the Alberta Supernet will come.

Lastly – well, it won't be last – I insist that in our business plan we also have performance indicators with respect to our human resources in our department and how they feel about their contribution to their work and the satisfaction levels that they have working in the department. That's very important to me. It's very important to me that people that are working in Innovation and Science know how they're contributing to the objectives that we're trying to reach in Alberta. So I do insist that we do have some reporting there. We're not at the levels that I like to be at, but I'm very confident. I have a lot of confidence in the staff in the department for doing these great things for Alberta, and I'm delighted with the people that we have.

Again, just moving to the financial page just to kind of provide some clarity with what you have there, you can see how we've broken down the expenditures into our priority areas. So you'll see Energy, which has some numbers there related to, for instance, Alberta Research Council. Alberta Research Council also has a line item in life sciences; they have a line item in information and communications technology. All we're trying to do there is to show you where the investments are going in all of the things that we're doing that actually go to our areas of priority. So that's kind of how we've laid that out for the business plan.

Now I'm going to check my notes and see if I missed anything.

8:20

The Deputy Chair: Hon. member, the time allocated to you has run out.

Just for clarification purposes at this stage for the first hour it's a back-and-forth between the minister and the opposition party. So, Mr. Minister, you'll be able to come back to the points that you may want to cover.

The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thanks, Mr. Chairman, and thanks again to the minister for the information he provides with respect to his department and the very professional way that things are conducted. It's a pleasure to have the department as an area to scrutinize, and that's in large part because of the work of the minister.

I have a number of questions, but before I go back to my list, I wondered if I could just ask about one of the last things that the minister talked about, and that was tracking employee satisfaction and understanding of their contributions, their place in the scheme of things. I was quite surprised to see that there were really some fairly substantial drops in employee satisfaction. It's a great measure to have here, and I certainly applaud the minister for having it. As he has indicated, it's an important measure for him and for those who are working in the department to have. For instance, the last one is the "percentage of employees indicating that their organization helps them know and understand how well they are performing." From 2001 to 2002-2003 it's gone from 69 percent to 58 percent, which is quite a drop, as is the

percentage of employees who agree that Innovation and Science provides the support they need to acquire or develop knowledge and skills in their current job.

It would seem to me sort of ironic that of all departments this department would have a drop in that area. I'm sure the minister is concerned about those numbers and we'll have some hypothesis in terms of what has caused those changes because most of the time when you take those measures, unless something dramatic happens, they remain fairly constant and usually fairly high. So I'm glad the measures are there, but I think that there must be some explanation for the rather dramatic drops that we see there.

If I could start back, then, at the beginning of the budget items. Starting with program 1, the ministry support, maybe I could go through and ask some questions about ministry support and then stop and get some answers. Under the ministry support what is included in the line items for communications and strategic management information services? I haven't got my other budget book here, but I believe these are new budget items. It amounts to about \$3 million of new spending in the ministry this year, and I wonder if I could have a bit of an explanation in terms of what that includes.

There's also, in program 2, corporate information and communications technology. What will be the responsibility of the chief information officer? It leads me to a question that I had not just about this department's budget but about the communications people that are hired in all of the departments. It seems to me that over the years there's been a growing number of people that have been put in positions of communicating, or PR positions, for the department. My question, I guess, is: are they all really needed? Is there some way that some of them might be shared? Is there a better organization? Does each department, as it seems to appear, need to have the communications capabilities and the number of people involved that they seem to in the budget? That may just be from having read quickly through the budget and not fully understanding what each of the departments are doing, but it does, I think, raise the possibility of an awful lot of money and resources being put into communicating and trying to explain things from a particular perspective. I think it's worthy of some explanation. So the responsibilities of the chief information officer – I'll leave it at that.

In program 3, research and development, what is included in the

line item operations and policy implementation? If we could have a bit of an explanation of what's involved there. I think that just sort of as a first swipe that does it.

I have some other questions. The Ministry of Health and Wellness is in the process of establishing an electronic health record system for health providers. Is the Ministry of Innovation and Science involved in any way with this project, and if so, what is the nature of that involvement? Are there funds in this budget, in Innovation and Science, that could be included here or rightly included in the health department in terms of the electronic health records system? Has the department provided assistance to Health and Wellness with the physician office system program, the program that's designed to help physicians in the province automate their offices?

I've already talked about the performance measures. The minister has touched on Supemet, and I think, as the minister's indicated, we're aware of the problems that we've had, but I wonder if we could have an explanation about how we're going to stay on track with the time line that's still in the business plan, given the problems there have been with progress this far. What's being done to speed things up, and is it going to cost more money to make the kind of progress that's outlined in the budget? I wonder if I could, maybe with that first set of questions, have the minister respond, Mr. Chairman.

The Deputy Chair: The hon. minister.

Mr. Doerksen: Thank you, Mr. Chairman. Let me just say from the outset that there are some questions that I will not be able to answer tonight, and we'll certainly provide the information to you, to members of this Assembly after we've had some time to dig into the details, but I will try to answer some of the points that have been raised.

The first one that you highlighted was the employee satisfaction ratings. To be clear, I noticed those trends too, and for me that's important to put in here because we want to be accountable and we don't want to fabricate numbers just for the sake of fabricating them. If there are some issues with the staff, we have to identify them and come to terms with them, but we have certainly taken a number of initiatives already with the employees. We introduced a program called PRAISE, which really is an employee recognition program to try to again provide some ongoing positive feedback to our staff. We've tried to put in place some principles that involve input from all of our staff members in terms of decision-making and communications about plans. So your points are made, I am certainly aware of them, and we are working to improve.

8:30

The most important thing is that people, staff in Innovation and Science and frankly anywhere in government, need to know that the work that they are doing is contributing to the betterment of all of Alberta. That's the kind of thing that we try to foster in our department, that in fact the work you do is meaningful and it is important to the people of Alberta. So we're going to continue to work on that.

On the communications question I didn't know exactly where you were to start with, but then I found it. I think particularly in Innovation and Science this is such a critical element because the hardest thing that I have particularly when it comes to research and development is telling Martha and Henry about the results that research and development accomplish for them. To translate it from the lab to the average person sitting around a kitchen table or in a coffee shop is a difficult job, to try and communicate that message. The things that we do at Innovation and Science aren't the things

that the media glom onto. So in our department in particular I would venture to say that we probably could stand to put some more resources into the communications side.

One of the very effective tools that we have used over the years has been in conjunction with our ASTech awards, which really recognize significant accomplishments of Alberta companies and individuals in research and development. We also run a documentary about Alberta innovators, which has been very well received. It has run a couple of times over TV stations. We've had good feedback from that. Again, what we're trying to do is profile and let Albertans know of the excellent quality work that goes on in this province. So on the communications side we have to keep that effort up and, if nothing else, do more.

You talked, I think, about the chief information officer. I was looking for some other information, so I didn't quite follow the question through, but we'll get you that information in writing.

The electronic health records. That again is a very important objective that health has. You'll hear more about it, I think, when they present their business plans about what activities they're doing. With respect to our role on the standard setting, our role in helping to make sure that we maintain proper privacy records, we'll provide those details as well.

The one thing I didn't get a chance to talk about in my opening remarks which was a really important event from yesterday's budget was of course the approval of the health research innovation centres at both the University of Alberta and University of Calgary. It was their top priority from a university standpoint, and we've been working with them along with Infrastructure on trying to make those a reality because there are a number of CFI, Canadian Foundation for Innovation, awards which are actually contingent upon those projects proceeding. So that was good news for our department frankly, too, that we were able to have some influence to make those happen, and that's just going to help build our life sciences ability in this province from where it currently is.

On Supernet and how we make sure it's going to stay on track and will there be any overruns, the answer that I'll provide there is that shortly we expect that Bell is going to deliver us a recovery plan to bring the build of the network back on schedule so that we can finish it within the time frame of the contract, which of course is to be substantially completed by the end of 2004. There will be some final things that will have to happen in the following year, but substantially we expect that it will be complete in that time frame. The contract also provides that if there are any cost overruns, they are at the cost of Bell. The amount of money that we have committed to it is a finite amount, and if there are any cost overruns on the bill, they're not our responsibility.

I am confident that we are going to see a great deal of progress this year. This is a critical build year for us, and as the weather warms up now, it becomes even more critical. This is a big year for Innovation and Science for the build of that contract.

I'll just sit down now and get some more questions.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thanks, Mr. Chairman, and thanks for that information. Just one more on the satisfaction of the staff. When I first read it, I thought maybe the numbers were wrong, and I wondered if they had been checked to make sure that those drops are real or whether somebody has not transcribed the information correctly.

Martha and Henry. I think that's a growing concern in the government, and there's a provision in here to put more and more government information and government interaction with citizens on-line, and I wonder if the department has looked into who uses

government services that way. What causes me to ask the question is that I was on the phone recently trying to make some air reservations, and of all the telephone choices I was given, the only one I could access was on-line, an e-mail address, and I thought that that was fine for someone who uses a computer all the time, but what about those people who don't do that? I found it quite frustrating because I did really want to talk to someone. I didn't want to just e-mail.

The concern I have is particularly with seniors. We have, as I'm sure the minister does in his constituency office, a lot of seniors come in to have government programs explained to them, to fill out applications for government programs. I know that when we talk to them, they are not users of computers, so it's a whole area of information that's not available to them. I guess if I have a concern it's that for a while at least I think there will have to be parallel systems, and you'll have to make sure that we don't go too fast so that these people are left out and excluded. I wonder what kind of thought has gone into that in terms of providing government information and government services on-line. As much as we want everyone to be hooked in electronically, we know it's not going to be possible. What assurance are we going to give those citizens who aren't that somehow or other they aren't going to be excluded?

The recovery plan from Bell I think is going to be interesting to see in terms of how they plan to make up for lost time. There is still from schools – and I'm sure the minister has heard – the concern that they are not going to have the technology to take advantage of Supernet when it is available. I haven't heard it as much, but it still was raised just last week by a principal who indicated that it was not going to be something that they were going to be able to take advantage of right away because of the state of their equipment. Has there been co-ordination with the Department of Learning in terms of the provision of money for technology that will ensure that the optimum use will be made of Supernet once it does arrive at the door?

8:40

Maybe just one last concern on this round, Mr. Chairman. Is there any concern not only with this department but with the Learning department with respect to postsecondary institutions, that the pressure or the drive to commercialize research is going to distort research at universities and research institutions? I still think that there's a place for a public research agenda, for research that doesn't have immediate commercial payoff, that is sort of nongizmo research. We've benefited greatly in the past from that kind of research, and my concern is that with an overconcern on commercialization the tendency to design and to foster and encourage short-term research with immediate payoff is going to be done at the expense of longer term projects and projects, as I said, that may not have an immediate commercial payoff.

Thanks, Mr. Chairman.

Mr. Doerksen: Again, thank you for those questions, and I'll try to work through them one at a time. The question "Who uses the services?" is an important question. Again, access to on-line services: we are moving to deliver more and more of our services on-line. So, yeah, there's always the issue of what's commonly known as the digital divide, those who actually have access to not only computers but then also access to a proper network to hook into. That's one of the reasons why even with the Supernet project it's my opinion that the library connections particularly in the remote communities become a critical component of the Supernet access because that will provide not only ability for anybody, any citizen, to get access to a computer but also access to web services. It certainly is an issue.

The concern with seniors is in a line like that, but on the other

hand some of the most ardent disciples of computers and ardent disciples of the Internet in particular are the seniors who have found that they can use this facility, and I'll use my own mother for an example. She uses her computer enough to keep in contact with all 30-some of her grandkids. In some of the schools where her grandkids go that run web pages and keep track of class activities in the different provinces, she can go and log on and look and find pictures of her grandchildren in their activities in the various schools.

I'll never forget the one time – and this was actually quite a number of years ago – when I was doing an opening at one of the lodges in Red Deer where this elderly lady introduced me before I cut the ribbon and gave this whole long detail about the person I was. I had no idea where she would have got this information from, but she had spent some time on the Internet getting all this information, and I was absolutely blown away. And this would have been almost seven or eight years ago, which is far back in the history of IT.

But the concern is there, and I think those are valid. Obviously, within the various departments, with the Department of Seniors, these are some of the issues that I think they need to grapple with as well, but those are not necessarily new issues because any kind of paperwork and forms to fill have always driven those kinds of questions. So we'll take the point.

In terms of the schools probably one of the bigger proponents of Supernet actually has been Alberta Learning and has really been behind the push to bring the technological advantages into our schools to make sure that we do have the connections. Again, some of these questions will have to be answered by Learning in terms of the resources they're committing to it, but I will say that we have been in constant contact with Learning in terms of the development of Supernet and when it's going to get to their schools and even as we start to move toward applications.

We are doing a pilot project with actually the Red Deer Catholic school division in collaboration with Notre Dame school in Red Deer and a school in Rocky Mountain House where one segment of Supernet is up and running, where they're doing interactive classrooms, interactive Smart board classrooms as we speak. There are some pilot projects that are happening. There are some other ones that are ready to go in different parts of the province. So they're working on that.

On your comment about the drive to commercialize, I have to tell you that over and over and over again for the last two years that I've been in this portfolio – Alberta has all the advantages when it comes to capability for research, has all the advantages when it comes to a fiscal climate, has all the advantages when it comes to developing a knowledge-based economy, but we continue to lack a proper private-sector receptor capacity for those good ideas. If I can refer to a recent report on the Alberta Science and Research Authority – it was an international review – they made the two fundamental points, one being that Alberta is head and shoulders above most places but that we lack the sense of urgency to develop the private-sector capacity research. I've got about five or six reports that I can show you that keep coming to the same conclusion. So it's an area that we cannot ignore. I hear the concern, but it's an area that we have to address without compromising, again, the part you're talking about, the benefits of the long-term sustained research that don't immediately show commercial return. I hope that helps a little bit.

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

Dr. Taft: Thank you, Mr. Chairman. I have just been out double-checking some of my facts, and my questions may overlap with some

that have already occurred, but I feel very strongly about this. My constituency includes undoubtedly the largest single research institution in the province, the University of Alberta, and I am often talking to researchers and scientists and people from that facility who have lots of success stories and lots of concerns. A concern that I have heard frequently voiced over the last year from several independent sources – the sources aren't related – from scientists working in different areas of research, is that there's a great deal of frustration in getting matching provincial funds to correspond with federal grant money.

I'm looking here in your business plan, page 254, under Investing in People.

1. Provide support for the recruitment and retention of key scientific personnel at Alberta universities . . .
5. Work to leverage research funding from industry and federal sources.
6. Develop a mechanism to encourage greater investment in Alberta . . . from industry and federal government sources . . .
8. Work with Alberta Learning and public institutions to co-ordinate research-related policies and programs.

What I would look for from the minister and his officials – and this is a serious problem but one that I have a feeling can be cleared up without spending huge amounts of money, maybe just cutting red tape. The concern is this. Scientists apply to one or another federal source for funding. They win approval for that funding, but it depends on matching provincial amounts. For reasons either of delays with provincial funding – and that funding may not come from your department; it may come from I'm not sure which sources but you would undoubtedly have some influence over how the process works – or insufficient funding, the federal government then holds back on its share because there's a contingency here. Or as one scientist described it, you can end up in a downward ratchet because the federal government approves a certain amount contingent on the province matching it. The province comes in under that, so then the federal government drops its level, which causes the province to drop its level, and they go down and down and down.

8:50

Two or three consequences of this are of direct concern, I'm sure, to the minister. One is delays and frustrations: delays in projects getting launched, with one scientist I was just talking to, a year-long delay. Second, a huge distraction of energy in which scientists are then, in trying to make up the shortfall in provincial funding, having to haggle with all kinds of private suppliers for equipment and for computers and so on to find the money to make up the difference, causing a great delay. It's frustrating to scientists, and if they can go to Toronto or UBC or Cambridge or North Carolina or wherever and those problems are taken care of because the red tape is cut or sufficient matching funding is available, we're not going to get them here or we're not going to keep them here even if we attract them. So that's part of the issue here.

I want to bring it to your attention as the minister and to the attention of the officials. Let's see if we can work more effectively with the federal funding agencies so that the scientists, who are trained in science, don't have to spend years haggling over funding issues that delay their research. So I guess that's the main point on that.

The second point is that I have heard a rumour recently that the province is actually backing out of ongoing funding for research. They will set up a research project at a university for three years. They'll equip the lab, they'll get it up and running, and then in three years the money is gone, the funding is stopped, and we're suddenly left with a researcher who is out of work or is left scrambling, spending his time scrounging for money instead of doing the work

that he or she has aimed for. In fact, the rumour is going around right now that the province has actually said that it will not accept any more applications for operating dollars for projects which were started, say, three years ago with provincial money. We need to have a long-term, reliable basis to develop the people and the labs and the facilities and the brain power for a critical mass of innovation and science work in this province.

So, you know, it's budget debate, and this is absolutely related to money. I'm not raising this issue with the minister so much looking for documents or background as to say: we're going to lose some of the best and brightest we have if we can't sort out these funding issues. If you possibly can, as a government work more smoothly with the federal government. Please consider ongoing operating funding for labs and innovation.

Thank you.

Mr. Doerksen: Mr. Chairman, I do want to provide a few remarks about that particular concern that has been raised, and it's one that I've heard too. There's no secret about that. I'm not the expert in this field, so we have set up, without apology, a strict due diligence process within the department by using peers and experts to help us examine the applications that are made for research dollars in Alberta. Quite clearly, we also set a high bar around the areas of research that we want to focus on. So there is that due diligence that does go on.

Again, the nature of granting being the way that it is, they're quite often in the three- or five-year kind of envelopes. I imagine that there has to be some kind of review at the end of each of the periods to say: well, looking at the proposal that was presented when you got the money to start with, in fact have you achieved some of the results, and is it worth while, then, to keep that money going? So there is that kind of due diligence, and I think that's very important because it's not just a matter of just throwing money out without some accountability. There has to be an accountability process.

Without a doubt, we have not guaranteed an automatic match for every award that is won by researchers, because, again, we do have our own due diligence process and procedures that we go through. The federal budget this year has presented us with an interesting challenge because they have put more money into the federal granting agencies. Just projecting ahead, if we continue to have the kind of success rate that we've had in the past, it's going to put a strain on the budget, but in many ways that's a good problem to have when we have that kind of success. We're working just as best we can with the institutions, with the federal government, because they have a role to play to help us out as well. For instance, I refer to the HRICs. The going ahead of those two projects at both universities was critical to being able to advance the money. Those were one of the conditions, actually, that were given by the federal granting agencies before they could advance the money. We've been working together with them, but without question it is a challenge.

I know that there are frustrations with researchers, but while there is frustration, if you look at page 255 of our business plan, you will see that in terms of the sponsored-research growth in Alberta at our universities, it has been quite remarkable. Going back to 1998, you will see an increased investment of \$65 million from the province, and if you go up, this year's target is \$135 million. So there's been growth. You can see the same kind of growth in the federal money in industry resources. So the growth has been there, but there is a challenge.

The other thing that you didn't mention – and I'll just alert you to this because it's another issue – comes through the foundations. The Alberta Heritage Foundation for Medical Research, because of the equity markets and the lack of investment, has not been able to make

as many awards this year, and there's a lot of research work and people that have been relying on the funding that's come out of the foundations, which is also presenting another challenge for us because we've built up that critical mass of researchers and capability and want to maintain that. You didn't mention it, but I will. So there are several issues that kind of compound the current situation.

You will note, though, that there's one thing we did add in my budget that I didn't mention in my comments. With the Alberta ingenuity fund we've put another \$21 million or whatever the figure is – I can't find it right now – into that fund to try to bring it back up to the level of the original \$500 million that was established to begin with. Again, our objective is to hopefully at some point continue to build that endowment fund up to a billion dollars and bring it to the same level that we are with the Heritage Foundation for Medical Research, but that's all contingent on fiscal plans and objectives. I appreciate your raising the issue. It's one that I'm very well aware of, and we are trying to manage it as best we can.

9:00

The Deputy Chair: Hon. members, the first hour that was allocated between the minister and members of the opposition has now elapsed. Any other member wishing to participate will be able to do so.

The chair recognizes the Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Chairman. It's my pleasure to rise and respond to the minister's comments, and I did have a few questions for the minister just in regard to the presentation. I might say that I was very pleased to hear from the minister that he has performance indicators incorporated into the business plan. Of course, that's a subject that I've paid a lot of attention to over the years. I'm very pleased to see it. Let's face it: what gets measured gets done. And performance measures instill accountability and in fact help inspire people to focus on going forward and to get the job done. Of course, it's rather difficult to do and to envision how one would put performance measures in place in some areas such as Innovation and Science, especially when you're trying to, you know, discover new inventions or foster innovation, foster research. It's hard to envision how you would actually put performance indicators into that. Eureka science is just hard to measure, and benchmarking geniuses is hard to measure. However, there are many areas where it can be done and, frankly, should be done.

In particular, I'm wondering if the minister has looked at some of the different performance measurements out there and some of the new ways of doing that, measuring and accountability and so on. In particular, I'm referring to the ISO series and whether or not the minister has looked at perhaps some of the ISO series certification as a means of introducing efficiency, effectiveness, and measuring it and measuring the business processes within the department. ISO, for those who may not be familiar with it, basically is the International Standards Organization, and it is the primary, number one benchmarking sort of system in the world now. It was actually developed by the Europeans but based on a Canadian invention, which the Canadians failed to capitalize on.

Going back some 50 years, Canadians came up with the CSA standards, Canadian Standards Association, which of course is well known in the electrical field, and it standardized quality in the electrical field so that people did not have to wonder about the quality of electrical products they were buying. That saved a great deal of money for purchasers, suppliers, et cetera, because it set a standard that if you had CSA approval, everyone knew that this product would work as advertised, as it was supposed to, and you didn't need to take it all apart and examine it, et cetera.

Well, the Europeans have taken that considerably further in developing this ISO series. It's now becoming basically a prerequisite for doing business globally around the world. People ask: are you ISO certified? If you are not, they don't want to do business with you. Where it applies in government, however, is in standardizing processes, the business process, so that people know what to expect and get the same answer every time regardless of which government bureaucrat they're dealing with or administrator they're dealing with.

In Canada a small village in Quebec was the first municipality in the world to actually become ISO 9000 certified. It found that customer complaints dropped by some 90 percent. The entire process recovered its full investment in less than two years, and approval ratings by the citizens absolutely soared, so it was very, very successful in being introduced into a smaller city. Now the city of Calgary has adopted ISO series. In fact, it's trying ISO 14000 certification, which makes it one of only three cities of its size in the entire world to attempt to do this. In the pilot project they recovered their full investment of a half million dollars within three months, finding efficiencies and effectiveness in the city waterworks department, and that inspired the administration to undertake to put this right across the city.

ISO 14000 is basically the world's most efficient, effective environmental management system as well as the business standardization system. I am wondering if the minister has looked at perhaps implementing within his department an ISO series of business reprocessing to see whether or not that might help with efficiency and effectiveness. In effect, the ISO 21000 series incorporates ethics and all sorts of other processes as well, and I would think this would be something that would be particularly innovative in government and therefore would be particularly apropos for the minister to look at in the Department of Innovation and Science.

Mr. Doerksen: Well, Mr. Chairman, performance measures are very important, and the challenge that we always have I think in any ministry is to find those performance measures that actually tell you whether you're getting to what your goals are. No question that we wrestle with this every year, and we say: do we have the right performance measures that actually show the kinds of things that we're trying to achieve? So all I can say about the suggestion made by the hon. member is that I am not overly familiar with the suggestion that he's made, although because he's made his comments, they've obviously been noted not only by myself but by the members of my department. Whether it is one of those measures that would give us a better indicator of what we're trying to achieve – I mean, I'm always open to good ideas.

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

Dr. Taft: Thank you. I'd like to make a suggestion stemming from our earlier discussion for the business plan and for the budget, a suggestion for the minister to consider that probably not only wouldn't cost anything but might save some funding. I am wondering if there is a way to cut the red tape that researchers have to face when they apply for federal and provincial funding by having a combined application process so that if the researchers apply, they apply to one jury or one decision-making body, and a decision from one body automatically triggers approval from the other. It's a way of streamlining things. I know this government is very keen on streamlining procedures, as it should be, and I'm sure in many cases has done an excellent job. This would require, I assume – I'm not an expert on these sorts of things – some kind of formal agreement with the federal councils that make these decisions, but on first blush

I'm wondering why that wouldn't work, why you couldn't have a single jury make a decision, review the application. If they approve it, both the provincial and federal funding automatically follow, so you don't have these poor researchers having to apply, go through two related but different processes, waiting for different deadlines, and on and on and on. Just a suggestion, but maybe it would be worth looking at.

Mr. Doerksen: Mr. Chairman, I'd be delighted if the federal government would approve the projects that we approve, that meet our objectives in the processes that we go through, but I say that a little bit tongue in cheek because you're right: there are dual processes. We're not there yet. I think we've made progress. I recognize exactly what you're saying. It would be preferable from my way of thinking that the more time the researchers actually spent researching instead of writing grant applications would be better for all of us. Although – again, I'm not a grant writer – I've never written a grant proposal, I've seen some of them. I suspect that part of the process, the writing of the proposal, helps to refine the research objective as well. It's kind of also sorting out their thinking pattern. But, you know, it's a valid suggestion, and we always have interesting relationships and negotiations with our federal counterparts.

9:10

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

Mr. Lord: Thank you, Mr. Chairman. I'm pleased to rise to ask another question of the minister with what I hope might be an idea that he would take under consideration and perhaps answer a question or two about. Now, this particular idea was suggested to me by a friend of mine, a German engineer, Dieter Remppel, a friend from Canmore, in fact. Dieter is quite an inventive fellow and has in fact several patents and inventions to his credit. He was explaining to me that while he would like to have his most recent one patented in Canada, there's a great deal of red tape, it costs a fair bit of money, and there are a number of other issues involved, whereas in Germany, being that he has immigrated here from Germany, he says that they have a government program with many, many volunteers and many business people involved. It's quite a massive program apparently, he says, and they invite people to submit their suggestions to them. They will do the patenting. They will pay for the cost of the patenting. They will do the studies to commercialize the product. They will commercialize the product. They will in fact take the entire product through from invention until full commercialization, and if there's any money made, they will then deduct their expenses and forward the royalty cheques to the inventor. In fact, that leaves the inventor having to do little more than just invent, which is what inventors like to do. They don't necessarily have the training, the skills, or even the desire to start corporations and look for venture capital and do all the things necessary to actually commercialize their inventions. They tend to like to tinker in the garage and then solve problems and just come up with some brilliant solutions.

He says: although I've been in Canada now for many, many years and it would have been nice to see it as a Canadian invention, my patents are in fact German patents, and they will be commercialized and sold as German inventions. I'm wondering if the minister has any initiatives or ideas or has been looking at ways to perhaps follow the model that they're using in Germany these days, which apparently has been very, very successful, to help people who are inventors and just want to invent, to maybe create these as Canadian patents instead of German patents and perhaps get the benefits here in Alberta accordingly.

Mr. Doerksen: I actually think that the member has hit on one of the important subjects that relates back to my opening comments about what one of my primary objectives this year is: to find the right policies to put into place that actually address the issues of intellectual property protection, patents, and so forth, particularly for SMEs, who don't have necessarily a whole battery of lawyers to help them through the process. They could be at a disadvantage from the bigger companies.

I think you've raised an important issue, and again, like I said, this is a policy development area that I think is critical. To my knowledge I don't think that any province in Canada or I don't even think the federal government actually has an intellectual property policy. It's probably high time that one was developed and to find out: what are the roadblocks, what are the barriers, and how can we help our businesses better? Actually, probably through the Alberta Research Council, which of course is chaired by the hon. Member for Calgary-Lougheed, because they're also involved in the commercialization side probably even more so than at the university in particular. So that might be a challenge I would throw to her as well to help us out, and I know she always rises to a good challenge.

This is a very important area. I'm not the expert in it, but I know enough or I've read enough to realize that it can be discouraging in terms of getting your product or your idea out into the market. So I appreciate the comments.

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

Mr. MacDonald: Thank you, Mr. Chairman. Certainly the Innovation and Science department, if things work out, will make a significant contribution to the future of this province. I wish the minister and the department, including the researchers that are in various laboratories, the very best and good luck and good success in their research.

We are at a crossroad in this province's economic history, and it's certainly outlined in these budget documents. We're on a downward slope as far as conventional oil production and natural gas production, and to diversify the economy, prudent research and development I believe would be a priority. I certainly hope that this department is successful.

Now, there are some projects, and the hon. minister mentioned them before. Before I get to that, I would like to briefly comment on the hon. minister's visit recently to the constituency of Edmonton-Gold Bar. I was pleased to see that the province is a very active partner with industry and the federal government in research at the local King's University College. The projects there are certainly much smaller than what goes on at the universities or at the Alberta Research Council, but they're just as important. I think that if we can have some diversity with our research projects, it will add to even more success.

The hon. minister spoke earlier about the hon. Member for Calgary-Lougheed in the capacity that she currently holds with the Alberta Research Council. I did not attend, but I certainly appreciated the invitation to the Alberta Research Council. I couldn't make it, but if a tour was to be arranged for some of the Alberta Energy Research Institute's facilities, I would be most anxious to see how our money is being spent here.

On page 256 of the business plan, we're going to spend some money on CO₂ and water management. We were going to have 20 projects; that's going back to 2001-2002. We had 20 projects. We reduced the number of projects to 14 and then to seven, so that's basically one-third of the activity. I would certainly like to know more about these projects in light of the Kyoto protocol and the fact that we thought in the fall of last year that the sky was going to fall

in, the province was going to come to a stop, Mr. Chairman, but certainly that has not happened. I think the communication spin was extravagant and embellished.

We just see that Suncor has had a significant vote of confidence with another major expansion, but if we are going to manage CO₂ in this province, how are these projects working? Now, is this CO₂ sequestration? Are these projects involved with CO₂ sequestration? Or are they involved with capturing water that is drawn off a coal bed and in some experiment with coal bed methane production? Is this water being injected into one of our mature oil-producing formations to enhance oil recovery? What precisely is going on here?

9:20

Certainly oil sands upgrading and value-added would be self-explanatory, but with CO₂ and water management, if I could have the details on those projects from the minister, I would be very grateful. If at some time in the future a tour could be arranged for this side of the House, I would like to check that out. Certainly we are talking here about CO₂ and water management, we are talking about clean coal, but are there any research projects going on with the hon. minister's department to capture and compress the emission stream out of the coal-fired plants? Are we looking in any way, shape, or form through research at perhaps having some sort of horizontal flue stream for a while so it would facilitate capture and compression? Then that gas, once it's captured and compressed, could be used for enhanced oil recovery. I know there are other outfits in this province that have got their eye on that, and I would like to know if we're spending any money on that, how much, and if there are any partners involved in that, who they are.

Now, we're looking also at some research into alternative energy here, and the number of projects – again I'm surprised – is not growing the way I thought it would with the ratification of the Kyoto protocol. What alternative energy projects are we looking at? Are they just wind power in southern Alberta? There has been some mention of solar power research, and I believe I saw something to do with fuel cells. Is this just renewable energy electricity sources or what? A further explanation of that would be gratefully appreciated by this member.

On another matter, going back from the business plan to the lottery fund estimates on page 246, there is a significant amount of revenue from commercial sources. That's a good thing to see. In two years it has increased from roughly \$34 million to \$46 million, and I would like to know how we're getting this revenue. Is this from the commercialization of past research and development? What exactly is the source of this commercial revenue? I guess I could say, Mr. Chairman: who, why, and how much? Certainly I think Albertans would be interested to know if they're getting a return on previous research and development budgets.

Further on the same page I see that the Alberta Research Council Inc. is going to have an expense of \$5.6 million, and we see that the Alberta Research Council Inc. contract research is at \$53.4 million. My, that's gone up a significant amount: \$14 million or so in the last couple of years. Who are we contracting to? Is it to the University of Alberta, the University of Calgary? Is it to private labs? Is it to pharmaceutical companies? Where is this money going? Are we paying for research outside this province, outside this country, or is all this research being conducted by graduate students from this part of the world? If we don't have the information available here, if the minister could provide it in writing at some date in the future – not too far in the future; certainly I would have a target of the Victoria Day weekend – I would be very grateful for that information.

I have some further questions and comments for later on this

evening in regard to the ministry audits and recommendations from the annual report of the Auditor General. At this time I will cede the floor to another hon. member of this Assembly.

Thank you, Mr. Chairman.

Mr. Doerksen: Mr. Chairman, I'm going to talk to a couple of the points that were just made by the hon. member. The first thing he said was: if things work out, this will be good for the province. Well, I'm much more optimistic than that. I believe these things will work out because we have the talent, we have the ability, we have the infrastructure in this province. So I'll take a more positive approach to that.

The member raised a very important point that I'd like to re-emphasize. He referred to the research work that was done at The King's University College. Quite often when we're talking, we refer primarily to the University of Alberta and the University of Calgary, which of course do the bulk of the basic research in the province, but we do have other institutions like King's University College, like Olds College, like Athabasca University who are involved in research projects. We also have our technical institutes and community colleges which are engaged in some areas of applied research. So we have people and the Alberta Research Council, which I mentioned before, working on research on a variety of fronts to advance our advantage here in Alberta.

The member raised some questions going to the energy research part. In particular, he asked some questions about the CO₂, and let me just comment briefly that, yes, we are doing projects in a number of areas with CO₂. One would be CO₂ sequestration, but probably more important would be coal bed methane projects where the injection of the CO₂ into the coal bed can actually release the methane and have some use. There may be potential application. I've seen at Alberta Research Council a number of years ago where they actually had a scale-up model kind of thing where the CO₂ being emitted from the coal plants would actually then be re-embedded and the gas came up. It was just kind of a little model to illustrate the point that there was the capture and then the embedding. The member might also be aware of the Weyburn project, which uses CO₂ to enhance oil recovery as another method of using CO₂.

Again, I'm not the expert in these areas, but there are a number of I think exciting initiatives that are taking place that will not only fulfill our objectives toward looking after the situation with greenhouse gases but actually turning these into an economic advantage. But, clearly, we've got a lot of work to do in that area. Again, with the great leadership of the Member for Bonnyville-Cold Lake, I'm convinced it's going to happen. It's just a matter of time.

The alternative energy. All I can say is: stay tuned. There are some projects under way that I can't talk about yet, but I know they're in the works, and they look like some excellent projects coming there. I think in the whole area – we talked a bit about bioenergy – I hear some excitement around the development of energy from the leftovers that hogs leave behind. So, I mean, these sound like some pretty innovative ideas. Again, we're moving into these areas. They will take some time, but there is some excitement there.

I would encourage the member, because I know that he has access to the worldwide web as he has alerted us to many times in this House on a certain web site that will go unmentioned tonight, at least from me – if you look at www.innovation.gov.ab.ca, there is a wealth of information there. We do have the energy research strategy, the links to that strategy, which will describe in much more detail than I can some of these things that we're talking about with respect to our objectives in that strategy. So please expand your horizons and

move beyond your single-focus web site to another great web site at www.innovation.gov.ab.ca.

9:30

With respect to your comments on revenue the commercial revenue question that you asked is primarily commercial revenue from the Alberta Research Council. The Alberta Research Council is engaged really in several areas. They're engaged in public-good research, which is the main amount of money that is granted to them by the Alberta Science and Research Authority, which is in the neighbourhood of \$27 million to \$29 million, the kinds of things that improve the lives of all Albertans that a commercial venture wouldn't necessarily enter into because the returns aren't there. But then they also do a lot of work with private companies, and some of it is, in fact, contract research. Because Alberta Research Council has the facilities, has the people, has the talent, they can hire the Alberta Research Council to do their research, to help them commercialize their products, and in some cases actually get into the production phase themselves. They've had one very successful product. The name escapes me, but it was in the pressboard industry. They have a machine that they actually market worldwide that's been very, very successful. I think it's called PressMan, actually, if my memory is right.

So they work in that area, and then they also on some occasions will actually enter into partnerships where in exchange for their expertise and know-how they might take either an equity position or an interest in the licensing or future revenues that might come out of the results of this joint work. So for the last number of years, probably the last five, six years they have actually put – because basically from a government point of view we've flatlined the investment in Alberta Research Council. If you look at their annual statements, you'll see that they've been trending upwards on their growth. That growth is all coming from commercial revenue. It's not coming from more investment by the province. So they've been successful.

Then you referred to contract research on the expense side. Essentially, the numbers don't quite add up, but because they are owned by the Alberta Science and Research Authority, in the consolidation any revenue that they earn from commercial contracts, even though it's not government money, gets recorded on our books as does the expense. So if their commercial revenue goes up, so does their expense line. It's just kind of a flip-off. It's a way we account for it because they become fully consolidated in the government books. So that, I hope, provides a little bit of explanation around that line.

Now, I know I haven't got all of your questions. Again, like you said, you don't have anything to do on the May long weekend, so we'll try to have some reading for you when you have nothing to do during that weekend, and then you can follow it up.

The Deputy Chair: The hon. Member for Bonnyville-Cold Lake.

Mr. Ducharme: Thank you, Mr. Chairman. I would just like to begin by thanking the Minister of Innovation and Science for having given me the opportunity of having a great growth experience as the co-chair of the Alberta Energy Research Institute. I'd also like to thank the ministry and the minister responsible for the sizable increase that we have seen in our budget.

The Alberta Energy Research Institute, as the minister mentioned in his opening remarks, has developed an energy strategy not only for Alberta but an energy strategy for all of Canada for the reduction of greenhouse gases. With the extra dollars that have been allocated in our budget we will be able to do great work in terms of cleaning

up the environment and the climate across our province and also being able to assist other provinces, possibly other countries with the knowledge that we will gain in terms of making the world a better place for all of us.

As the minister also mentioned, AERI is presently going through a challenge dialogue. Through this dialogue we have participation from other research people across Canada. We have participation from many industry leaders that are here in terms of assisting, in terms of working together and agreeing as to what strategy should be the focus. We understand and we know that there are people that are doing research all over the world, so it's not necessary that the Alberta Energy Research Institute become the lead organization in all these different research projects that are taking place, but it is very important that AERI stay plugged in with all the other research projects that are taking place.

At our last challenge dialogue meeting that we held in Calgary a couple of weeks ago with a little over 50 participants, it became very evident that AERI was leading the way and that AERI was not only a provincial leader across this nation but was also becoming a national leader with international assistance coming in from other research authorities. So the future certainly does look bright.

The funding, as it's been indicated, in the budget increases by additional millions of dollars to build us up to about \$10 million over the next three years in extra dollars, which will certainly go a long way in terms of combating the Kyoto challenge and making this a better place to live.

Thank you, Mr. Chairman.

Mr. Doerksen: Mr. Chairman, I am flattered by the kind remarks from the Member for Bonnyville-Cold Lake, but I have to point out that the direction in terms of allocating our resources to research areas actually comes from the Alberta Science and Research Authority, which is an independent body of people that provides advice to the government in the areas that we should invest in, and quite clearly their direction for us this year was to direct as many resources as possible into the energy research strategy. That's a challenge that we have to take on. Again, there are a lot better people than I to provide that kind of strategic advice, not only the Alberta Science and Research Authority but the people in Innovation and Science that work with this on a daily basis. That's where the thanks, if you want to call it that, should really go.

I do want to make one comment because there's something else that needs to be said here when it comes to the energy research strategy. This is not just a function of Innovation and Science. We work very closely with the Department of Energy and the Department of Environment because the three of us have a vested interest in this whole area. There's been a lot of support that's come from the Minister of Environment and the Minister of Energy to start looking for the growth drivers in energy in the future, so we have to recognize that.

Also, I have been remiss because there are two other institutes that are important that I haven't talked about, and I want to just briefly comment on them so that everybody knows. It's the Alberta Forestry Research Institute, and the co-chair, the hon. Member for West Yellowhead, does good work there. The budget amounts in that area are modest, but that does not underestimate the importance of strategic advice that they provide on another important industry in our province. The other one, of course, is the Alberta Agricultural Research Institute, that has done an enormous amount of work this year, particularly when it comes to co-ordinating research in that whole area and bringing the different groups together to make sure that we are moving forward in a . . . What's the word?

An Hon. Member: Collaborative.

Mr. Doerksen: A collaborative approach.

Again, the minister of agriculture has been instrumental in making sure that she's provided her support from her own department to say: yeah, we've got to work together on this kind of stuff. It's going to fit very well within our life sciences strategy, within the agricultural research strategy, because the more we look at it, the more these things all are coming together. They're cross-overs, they're combinations, and to use an agricultural term, frankly, we have to get out of our silos and work together.

9:40

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

Mr. MacDonald: Thank you, Mr. Chairman. I have a few additional questions for the hon. minister at this time. Certainly, one is on the issue of coal bed methane production, which the hon. minister was discussing in his response to the earlier series of questions. If there is no research being done, I would strongly encourage this ministry to see that it is done. When you have a coal bed producing methane and, of course, you're drawing off a bit of the water with that process, how does that methane production change, if at all, the level of the water table? There is some concern in rural Alberta that there are significant drops in the water table. If there's any research being done on this, I would appreciate an update on it, and if not, I would think that there should be a partnership developed, in this case with EnCana, on adjoining land just to see how their test site is working, if it is affecting the surrounding water table or not, because I think it would alleviate some of the fears that people have. Certainly, we could separate ourselves from the Americans and not make some of the mistakes they have made with the development of their coal bed fields for methane production.

The next question I have is regarding clean coal technology. I see where there are a number of projects, and I can only assume that these are going on in Alberta. I was told last year, I believe, and I can't recall, Mr. Chairman, by whom – I understand that we are in partnership with the huge laboratories in Los Alamos, New Mexico. We are a partner with that organization in clean coal technologies, particularly with the combustion of coal and the efficiencies that are involved in that. There are some extensive studies going on as to how to burn coal more efficiently, whether the coal is changing how the firing is occurring. If I could possibly get a breakdown as to how much money we are spending on that laboratory from this department, I would be very grateful. If this research is going to continue, I think it's very important.

I hear a lot from the Americans, and it's on their web sites. I do find the American web sites fascinating. I find the American government web sites, as a matter of fact, much more open and transparent than the web sites of this government. It astounds me. I know that this is not this minister's department, but the investigations surrounding Enron by the regulatory authorities in America are open and they're transparent, and I can say that we are not. But that's not to be discussed in the amount of time we have to do the estimates this evening.

How much are we spending at the Los Alamos research facility? What sort of interim results is the government getting in regard to improving our coal burning technology? I'm quite concerned about the base load for our electricity system in this province, which is coal fired. It's decreasing. In the budget for another department is detailed information on that decrease. That is reliable, affordable electricity. Sure we can build the natural gas fired and combined-cycle power plants, but it's an expensive fuel source. I would really

appreciate it if the minister would continue with clean coal technology research and, again, an update on how we're doing with the folks in Los Alamos.

In conclusion, for the amount that it would cost—you know, we're putting a lot of money into these research projects—I think there should be more detailed reports provided to each and every member of this Assembly as these reports become available. They are funded by the taxpayers, and the taxpayers have a right to know about this research, particularly with the Alberta Energy Research Institute. Also, if we're giving any money to the Canadian Energy Research Institute, which I believe we are, as their documents, their research initiatives and reports, become public, I think they should be made available. What I'm saying is that for the cost of it every member of this Assembly should be on the mailing lists of those various research institutes so that we can pass this information on to our constituents. I'm sure it would be a very modest sum, and they could find it in this budget to ensure that all members of this Assembly are informed regarding the research that's going on.

Thank you.

Mr. Doerksen: Well, I very much appreciate the member's interest in this matter. I try to get off mailing lists because I get way too much stuff that I can't possibly read. But it's a good suggestion.

The other thing I do appreciate is your support for the clean coal technology. I agree that it's a resource that we do not want to strand in Alberta. It's something that we have accessible to us. I think that if we can develop it in a responsible and efficient manner, it can continue to pay dividends well into the future. So I appreciate that.

As far as the change in the water table and that question, the hon. member obviously knows a lot more about that subject than I do, so I'm not even going to try to answer that one. I don't know the answer. Maybe somebody else can find out the response to that question.

As far as the investment in Los Alamos, yeah, we are partners there. One of the reasons is that we have to work with other jurisdictions on a number of initiatives, and if they have a demonstration plant that can help to prove out some of our technologies, by all means we should make use of that rather than having to reinvest in a complete infrastructure system in Alberta to do the same thing. As I mentioned before, with the Weyburn project we work with other partners and provinces, so admittedly and quite properly we work with other bodies to advance research. In nanotechnology, with the National Institute for Nanotechnology there will be a great amount of collaboration among researchers in Canada and globally, because again there are some global questions that we're involved in.

As far as openness, Mr. Chairman, I think that if the member goes to the Innovation web site, he'll find a huge amount of openness and information there. I encourage him to go in there and browse and, again, take his Victoria Day long weekend to search the site and see if he can get to the depths and the ends and the breadths of all the good information.

9:50

Mr. McFarland: Minister, I've been reading some of the numbers here under your expenses for the various programs. I have to start by saying that I'm very happy that in the area of research you've been able to grow the amount of investment in research by it appears to be about 40 percent from 2001-2002 to the target date, '05-06.

I know that there are three of us who have at one time or another chaired the Alberta Agricultural Research Institute, and I know that they did a lot of leading-edge technology research, and much of it was precommercialization. I have to admit, though, that I am a little bit disappointed to see that AARI, Alberta Agricultural Research

Institute, and the Alberta Forestry Research Institute appear to be about the only two who have either been flatlined or taken a little bit of a reduction. What I was wondering with respect to AARI was if you've had a lot of success or if the research institute has had a lot of success in terms of attracting commercial investment from other corporate sources and if, in fact, some of the other institutes, like the Alberta Energy Research Institute, have been able to attract an increased amount of corporate research dollars and if, in fact, the change has been from leading-edge technology to some other form of research. I do think that was one of the strong selling points of the Alberta Agricultural Research Institute. They, in the past anyways, have exhibited a good deal of co-operation not only with producers, academics, and researchers but also with other provinces, and of course they had involvement from the federal level.

So I would look forward to some of your comments. If you can't give me any of the direct answers tonight, Minister, I'd be happy to hear them later on. Thank you.

Mr. Doerksen: Mr. Chairman, just for my own clarification we go till 10 o'clock?

The Deputy Chair: Yes.

Mr. Doerksen: I just want to make the point, Mr. Chairman, that all the research money and activities that we do in the province are not necessarily housed within my budgets. I for one am not one that really is all that concerned whether the numbers show up in my budget lines or somebody else's budget lines. What's important to me and one of the primary objectives of Innovation and Science and through ASRA is to encourage research on a number of fronts and to monitor the research that actually, in fact, goes on in other departments. Just off the top of my head I know, for instance, that in the department of health there is money that goes into cancer research through the Cancer Board, so there are more research dollars committed on that front. We know now that through Children's Services they are going to be doing a research project. I forget the name of it now, but there's some research around fetal alcohol syndrome issues.

With the department of agriculture you were concerned about the low budget figures for AARI. What I really look to from a group like Alberta Agricultural Research Institute is to provide the strategic direction, not necessarily just to be a group that says: give me more money; give me more money. So if they can actually tell me how we can use the money that currently resides in different pockets and how to best expend that money, that's really the advice that I want and the energies that I want them engaging in. The agricultural research framework, that was introduced by the minister of agriculture just about a week or a week and a half ago, talks about some of the investment that they're making in research that doesn't necessarily show up in the numbers.

In going back to the performance measures, I would point you to page 254 of our business plan, where you can actually see how we measure the total government of Alberta research. As best as we can, we identify the research activities that are taking place across government and have some targets there in terms of what percent of our expense budget we want to put into research. We're moving from a low in '01-02 of .95 percent, moving upwards to 1.3 percent by '05-06, so showing a larger emphasis as the government as a whole toward research projects. So that's really what's important to me. It's not necessarily: does it show up in my line or not? It doesn't matter. It's the end that's important for me.

If you look at one of the conditions that we negotiated hard for with the National Institute for Nanotechnology, particularly with the

federal government, we started at a five-year agreement, and we basically said, "No, we won't sign a five-year agreement because we want to have the operating commitment beyond the five years, so we're not going to enter into this deal unless we have a commitment to ongoing operating expenses from the federal government after that five-year commitment is complete," and they provided that. It was a \$12 million annual commitment toward the operations. That's just one way that we use our influence, if you want to call it that, to promote research. So everything you see isn't necessarily in the numbers. We're really in the strategic modes, making sure that we've got the right policies and procedures in place, and we will deliver the future.

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

Mr. MacDonald: Thank you, Mr. Chairman. I have a couple more questions for the hon. minister. Certainly, this one is centred on the Alberta Research Council. I've had a good look through the business plan and the budget, and I have not found any contingency that has been taken in case the citizens of Alberta are successful in their lawsuit in regard to the pine shakes. [interjection] Yes, pine shakes. There was a considerable amount of interest in research done on this product by the Alberta Research Council in years past, and I'm wondering at this time what, if any, contingencies are being made by the Alberta Research Council just in case the citizens are successful in their court action on this matter. I received countless documents through freedom of information in regard to that research that was conducted, and this goes back to I believe initially 1989. I would be just curious. I don't see it in here, and if it's not in here, which department would it be under? I think this is going to have considerable interest from the public, not only in Edmonton but also in Calgary as well and maybe even in places like Wetaskiwin and Camrose too. I certainly am surprised, whenever I drive around Alberta, at just the number of houses that have that pine shake on the roof as material, and it startles me. We seem to have forgotten about that, but it's an issue that's going to make its way through the courts, and I just wonder how the Alberta Research Council has prepared, if at all, for that hearing.

Thank you.

Mr. Doerksen: Mr. Chairman, I'm not intimately familiar with all aspects of the Alberta Research Council, but if I have a decent grasp on my knowledge of accounting and auditing, contingent liabilities are recorded from the knowledge of the Auditor General and the auditors—I presume the Auditor General in this case—looking at the books, examining potential liabilities. They are required to record it if in fact it is a contingent liability. So if it is not showing up on the books, I would assume that through examination the Auditor has assured himself that it's not an issue.

The Deputy Chair: I hesitate to interrupt the hon. minister, but pursuant to Standing Order 58(4), which provides for not less than two hours of consideration for a department's proposed estimates unless there are no members who wish to speak prior to the conclusion of the two hours, I must now put the following questions after consideration of the business plan and proposed estimates for the Department of Innovation and Science for the fiscal year ending March 31, 2004.

Agreed to:

Operating Expense and Equipment/Inventory Purchases	\$167,833,000
Nonbudgetary Disbursements	\$21,430,000
Capital Investment	\$58,700,000

The Deputy Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that the Committee of Supply rise and report.

[Motion carried]

[Mr. Shariff in the chair]

10:00

Mr. Johnson: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Main estimates for the fiscal year ending March 31, 2004.

Innovation and Science: operating expense and equipment/inventory purchases, \$167,833,000; capital investment, \$58,700,000; nonbudgetary disbursements, \$21,430,000.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

head: **Government Motions**

Final Report of Electoral Boundaries Commission

13. Mr. Hancock moved:

Be it resolved that pursuant to section 11(1) of the Electoral Boundaries Commission Act the Legislative Assembly concur in the recommendations of the final report of the Alberta Electoral Boundaries Commission, entitled the Proposed Electoral Division Areas, Boundaries and Names for Alberta, tabled in the Assembly on Wednesday, February 19, 2003.

[Adjourned debate April 8: Mr. Masyk]

The Acting Speaker: The hon. Member for Wetaskiwin-Camrose.

Mr. Johnson: Thank you very much, Mr. Speaker, for the opportunity to speak to Motion 13. The debate so far has been very interesting and informative for me, particularly as we looked at the boundary revisions and listened to the speeches particularly from the members from Ponoka-Rimbey and Lacombe-Stettler. It's obvious to me that the difficulties there have had a domino effect and have also affected my constituency. I can only imagine, however, the difficult task for the Electoral Boundaries Commission to come up with a report that would effectively combine all electoral division considerations including representation by population, sparsity or density of population, type of area served, municipal agreements, and so on.

My constituents valued their opportunity to have input into this process at least in the early stages of the consultation. Before the first interim report the commission held consultations in my constituency, and many groups and individuals made presentations. After the interim report was released, my constituents were generally

satisfied with the commission's report as the changes were considered to be of a relatively minor nature. However, when the final report was released, the constituents of Wetaskiwin-Camrose were faced with major alterations to boundaries for which there was no provision or opportunity for response or input. It was anticipated that if changes were to occur in the final report, they would be of a minor nature.

Mr. Speaker, yesterday I tabled three letters – from the town of Millet, the county of Wetaskiwin, and the city of Wetaskiwin — here in this Legislature. All three municipalities expressed concern over the significant change in the final report that separated Millet and Wetaskiwin into different constituencies in spite of the fact that they along with the county of Wetaskiwin are in the same economic development partnership. To clarify the point, I'd like to quote from the county of Wetaskiwin's letter.

The City of Wetaskiwin, County of Wetaskiwin and the Town of Millet have embarked on a regional economic development partnership funded by the Regional Partnership Initiative Grant from Alberta Municipal Affairs, in which three municipalities investigated the feasibility of establishing a tri-municipal partnership for Economic Development and Tourism cooperation. The three Municipal Councils have agreed, and are currently establishing the legal framework to form a Regional body such as a Commission for the coordinated promotion and development of industrial growth. The revision of the Wetaskiwin-Camrose constituency boundary would inhibit the MLAs ability to effectively represent the unified municipalities within this region. This change is likely to have negative impact on the economic growth of the region.

As well, to quote from the letter that I tabled from the town of Millet:

The council of the Town of Millet has unanimously passed a resolution that it adamantly objects to the Town of Millet and surrounding area being removed from the Wetaskiwin-Camrose Electoral Division . . . Historically, the Town of Millet has had economic and social ties to the City and County of Wetaskiwin. Council finds it ludicrous for the Commission to . . . transfer political boundaries without having the slightest knowledge of how it may affect our municipality.

Mr. Speaker, I wanted to pass on the concern of the municipalities in my constituency who are affected by what is viewed as a major change in the final report without any prior consultation or opportunity for input on that revision. Again, I do appreciate the many hours of work by the commission in producing the electoral boundaries report.

In conclusion, I would like to say that I am supportive of Motion 13 with the hope that there might be opportunity, when the electoral boundaries bill is debated, to consider a minor boundary adjustment that would address the concerns that my municipalities have raised.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Edmonton-Manning.

Mr. Vandermeer: Thank you, Mr. Speaker. As some of my colleagues have already done, I would like to acknowledge the work of the Electoral Boundaries Commission. Their task was extremely difficult, and it must have been hard to come up with solutions that would benefit everybody.

As an MLA for the city of Edmonton I am not happy with the final report of the commission. I do not like the fact that Edmonton will be losing a seat. I don't feel that it is fair to the city or to the province. I feel the numbers show that Edmonton should have at least kept all of its 19 seats and that the changes should have been made elsewhere in the province. We cannot, however, advocate for an additional seat in the province because that would not be fair to the taxpayers, who are, of course, the most important to us and would have to bear the costs of an additional MLA.

With all that being said and even though I am extremely disappointed in the final product, I do support the work of the commission. The process that we have in place to decide what boundaries go where is one which is far superior to many other systems around North America. We must support this system because we do not want it to end up like our federal system, a system where changes are based on political decisions and favoritism, where one constituency is eliminated because the electorate does not elect a member who is sympathetic to the governing party. That is not the kind of system that we want here in Alberta. I do not want to belong to a government – and I am proud to say that I don't – that makes decisions of this nature by playing favourites.

The commission has done its part, and now it is time for us to do ours. We knew that there were going to be changes to the electoral boundaries, and we now have to accept those changes that are made by an arm's-length commission that works independently of elected officials. Again, I am not happy with the outcomes of the Electoral Boundaries Commission, but I will support the results because it is the only way we can assure Albertans that this is indeed the best system.

Thank you, Mr. Speaker.

10:10

The Acting Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. Well, many of us are left in dilemmas by Motion 13. I listened last night to the opening comments on the debate offered by the Minister of Justice, who had said something to the effect that the commission "did a good job . . . I just don't happen to like the results." I listened to the very passionate speech given by the Member for Lacombe-Stettler, who expressed her opposition to Motion 13 in no uncertain terms.

I also find myself in a dilemma with this motion. The simple fact of the matter is that when it comes to my particular constituency, Edmonton-Riverview, I believe the commission got it right. Edmonton-Riverview holds together and has three or four neighbourhoods added to it under the report of the commission, and all of those neighbourhoods were developed in a similar time in Edmonton, in the 1950s and the early 1960s. They are overwhelmingly single-family homes, similar levels of education and income, similar ethnic makeup, and as a result it will continue to remain, if this report is accepted, a coherent and cohesive constituency. So I feel very strongly that in the particular case of Edmonton-Riverview the commission got the answer right, but I also feel that in the case of Edmonton as a city the commission has made a very serious mistake. Edmonton should not be losing a seat in this Assembly.

This is an issue that cuts to the heart of democracy. The comments of many members have spoken to the importance of fairness, and I couldn't agree with those comments more. Ultimately our democratic system is based on the idea that every citizen is equal, at least when it comes to voting. One vote per person. There is no more fundamental principle to democracy than that one. We all recognize that the realities of a modern democratic society mean that those voters have to be formed into constituencies and not every constituency is going to have exactly the same number of voters.

It's a long way from the origins of democracy in ancient Athens, where every citizen had a vote and every citizen participated directly in government decisions. Now, there were huge shortfalls in that system. For example, to become a citizen, you had to meet very limited criteria. You had to be male, and you had to be born of previous citizens. You couldn't be a slave, and on and on. So we've come a long way from there, but the principle of one person, one vote remains at the heart of democracy.

I'm reminded a bit of George Orwell's great work – remarkable work – *Animal Farm* when I read this and the powerful line from *Animal Farm* that says that all animals are equal, but some are more equal than others. In some cases sometimes I read this report and I think that to some extent applies here. All voters are equal, but it seems that in Alberta some are more equal than others, and it seems that some are less equal. That's especially true if they're from Edmonton and particularly if they're from the poorer neighbourhoods of Edmonton.

The constituency that is being eliminated from the map of Alberta is I believe the poorest constituency, the most needy constituency in the province, the constituency of Edmonton-Norwood. I spent some time studying the demographics of Edmonton-Norwood, and I believe I'm correct in saying that it is the lowest income constituency in this province. Its levels of education are virtually the lowest in the province. It has perhaps the highest or one of the highest immigrant populations. It has a very high percentage of people who do not speak English as a first language. It has one of the highest unemployment rates. If such things were collected on the basis of constituencies, I would think we would find that it has one of the highest crime rates, one of the highest disease rates, and one of the highest poverty rates in this province. In other words, it's a very, very needy constituency. These are people who need a voice in this Chamber, and we are taking it away.

Beyond that, we're taking a voice away from the city of Edmonton, a city that, even going by the 2001 census, deserves 19 seats, not 18 seats. I think the minority report written by Bauni Mackay and attached as an appendix to the Electoral Boundaries Commission report is an eloquent and, to my mind, convincing argument about why Edmonton should not be losing a seat. She says that among many things "the residents of Edmonton will have their right to democratic representation compromised." As I have gone to some lengths to point out, the very residents who are compromised the most here are the ones who are in the greatest need. I think there's something nearly tragic about that, a betrayal of democracy.

I also found a couple of paragraphs of Bauni Mackay's report worth quoting for she takes the issue beyond the numbers, she takes it beyond the mathematics to the spirit of democracy. I'm just going to read two paragraphs from her report into my comments.

The recommendations of the Electoral Boundaries Commission are based on a precise interpretation of the legislation and pertinent court decisions, with little visionary latitude. Exchanging three electoral divisions north of Red Deer for three electoral divisions in and around Calgary recognizes neither the geographic size nor the economic explosion of the top two-thirds of the province. Similarly, focusing on the numbers disregards the fact that Edmonton is the economic and social hub of the northern two-thirds of the province, extending from Red Deer to the Northwest Territories border and beyond.

Edmonton is the capital city, the seat of government, the gateway to the North, and the magnet site for health care, education, employment, recreation, and commerce for the major part of the province. Residents from Red Deer north to the Territories and beyond depend on Edmonton for all of these services, some within a 100 km. radius on a daily basis, others intermittently as the need arises. Government decisions affecting the central and northern part of Alberta have an impact on Edmonton, and Edmonton's voice in the Legislature must be strong enough to influence these decisions.

To me that summarizes, especially when it's combined with the census material, the argument that Edmonton should not be losing a seat.

Mr. Speaker, as torn as I am on this issue, for I do recognize that the constituency of Edmonton-Riverview is served well by this report, I must ultimately put my city's interests above my own and those of my constituents and oppose Motion 13.

Thank you.

The Acting Speaker: The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Thank you, Mr. Speaker. I guess I have a concern that we're kind of dealing with this from the wrong end. We set aside a commission, we give them the parameters to deal with an issue, then they go and do it, and then we start picking apart the work they did. Now, I don't agree with every line they've drawn on that map. As a matter of fact, lots of it looks illogical. But that's not the point here. If as a group we don't like the parameters that are set out or some of the guidelines that were in there previous, if that has to be changed, then we ought to have this discussion before we send them out on the road show to live under the rules that apparently many of us don't like.

10:20

I think that we have taken to an extreme the idea about one person, one vote being one of the end-alls. Quite frankly, in the situation we are in in this House, where it's a democracy run by party politics, if I win my riding by one vote more than the poor guy who didn't win, I come in here with every bit as much right to vote as the person who won by 55,000 votes. So the one man, one vote works at the constituency level and in this province. Every party has the ability to challenge at the constituency level for that seat in the House. Whether you're representing 20,000 or 30,000 or 40,000, that's where the race is run. That's how our system is based: on the party that gets the most seats. But the Liberals or the NDs have every bit as much chance of winning that seat with 20,000 or 50,000 as anyone else.

Keeping that in mind, we should have to wonder why it is so critical to keep boundaries we've had before. If government is a policy creature and we're treating schools and roads and our infrastructure from a position of fairness, and if it's dealt with on a constituency basis only because that's where the project is required, it shouldn't be a big leap to move over to the neighbouring community and serve them as an elected person. It shouldn't be a big problem for the opposition or the other parties that run at the election to also take in boundaries and challenge an election on what you as a party provide. Character is a big part of politics, but ultimately the policies of your party are what the people should vote on, and they have as much right in that size, their constituency, whether it be in Wabasca or Calgary, to win that seat and take their place in this House by one vote at that level.

I think we've done ourselves a disservice by leaving the guidelines there, as outdated as they might be. We use rivers, and I mean when was it all decided that it was that tough to get across a river? If you're quite friendly with the minister from Vegreville-Viking, maybe you get a bridge quicker now. Things that make your constituency different: in my area, for example, Lloydminster has become quite a regional hub. It's taken people from Vermilion many years to get over the fact that that's where the Wal-Mart store is, but now it's there, and the people from Tulabi Lake are using Lloydminster as their centre. It would be great to see them stay there, much to the discomfort of the hon. Member for Bonnyville-Cold Lake who I'm sure would love to have them, but in fairness, if an arbitrated . . .

I'm saying that things change. People travel maybe a little bit further. I think that if we ever get into the discussion of how hard it is to represent a rural constituency with 22 communities and three counties and several school boards and regional health authorities – it's much more difficult than a city. That's just the way it is.

Mr. Smith: How do you do that?

Mr. Snelgrove: Well, we just work hard.

The simple fact is: we've set this commission up to fail if we're going to second-guess what they've done. We might not like it. Let's make sure that the next time we send them out to do it, we set the guidelines so they do it right, or we better do it and at least offer them guidelines that we can live with. But once it's done, it's a little bit late to start picking apart the pieces of it. So whether we like it or not, we hired them to do it, probably paid them a good dollar. Live with it, and let's get on with life.

The Acting Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. I'm pleased to add my comments tonight on Motion 13. Much has been said about the report that the commission brought in, and I'd just like to comment a bit on the commission members and remind everyone in here that we chose these members, and we chose the guidelines under which they were to operate. These commission members are highly respected in all our communities, from where they come. They're respected throughout the province, and they are very highly respected by members in this Assembly, or we wouldn't have picked them.

I'd also like to remind everybody again that we picked the guidelines, and now it seems that we have this great expectation that we should all be pleased with the report. When you look at the task that they had to do of changing all these pieces of the puzzle to accommodate the changing population in the last eight years, when you change one, it's not easy to change everything else to fit the way you want.

Now, my constituency of Olds-Didsbury-Three Hills this time was changed very, very little, but that hasn't been the norm over past boundary review commissions. This is probably the first time I can remember in my life that it's undergone such a small change. Just this morning the hon. Member for Airdrie-Rocky View reminded me that in '97 she lost a great deal of her area to me and all those good people in Trochu, Three Hills, Acme, Linden, and the Kneehill county. I can tell you that she worked very hard while she was the MLA for that area in developing relationships with the people and the boards and the county members and the town councils, and it was a tough thing for her to lose that.

The Deputy Premier also likes to remind me that she's losing another good part of her constituency this year, but back in '97 she lost her whole constituency. It was amalgamated into Drumheller-Chinook, and at the time she was I think minister of health or something. I know I was arguing about health issues with her at the time, so I think that it was minister of health. The other member was the Speaker of this Assembly. So two very well-respected members and both well known to me, as it's a neighbouring constituency, and I can remember that that was a very tough situation for both of those members to deal with, but they did. They found a way to deal with it.

This situation has created some tough things for some of our members. I can sympathize with that, and I can sympathize with the situation they find themselves in today. But what's the solution? What do we do? Do we reject this motion? Do we strike another committee of other well-respected Albertans? Do we change the criteria and hope that it won't be challenged in the courts, as it was in 1991? And we lost. Who would we pick for this new commission? Last night the members of the Edmonton city council were here. They're very well-respected members in their community. I have a lot of respect for them myself. I think that they're very fair-minded people. Would they be able to come up with a recommenda-

tion that would please any more of this Assembly than the current commission? I don't think so. I don't even know that if they were given the task with the same criteria, they would actually give Edmonton that extra seat.

There's a lot said about Edmonton losing a seat, but, you know, every time there's a boundary review it seems that rural Alberta loses a seat.

Mr. Herard: Because they're all moving to urban Alberta.

Mr. Marz: Well, exactly. So we adapt to that criteria.

Edmonton didn't increase at the same rate that Calgary did, unfortunately, and I think that the commission did what was expected of them under the guidelines. I believe that whoever we would reappoint for a commission probably wouldn't come up with any better solution. They'd just perhaps make a different group of people upset and angry with their conclusions.

10:30

I know, Mr. Speaker, that it's easier to criticize something than to come up with a solution yourself. Like I said before, I'm not sure that even if another group were given the task, it would be any more acceptable to us than in the past. I criticized myself I think every boundary review commission that I can think of because it seemed that every one of them resulted in a loss of rural members, and that is a concern to all rural representatives in here. Every time there's a boundary review, there are fewer rural representatives. I guess we can argue about cities being the hub of economic activity, but rural Alberta is where the wealth is generated to begin with. It may be managed from the cities, but it's generated from the rural, and there's a huge impact on rural Alberta where that economic activity takes place.

When we look at some of the changes that happen in rural ridings, you know, I could argue that when a rural riding changes, they always become bigger. I don't get more staff. I get the same amount of staff to help with the extra town or two or three, an extra rural municipality, maybe an extra health board, maybe an extra school board, and quite a few different people. That creates quite a different workload. I guess it depends on how you look at it. It's also an opportunity to meet more people, make more relationships, and that's one of the bonuses of this job. I was discussing this with my wife the other day. When I leave this job, the one thing I'll take with me is the relationships I was able to make and all the people I was able to meet over the course of my time spent here. It's something I'll take with me forever.

Mr. Amery: That's very nice for you.

Mr. Marz: Yeah. I think it is too.

I'm concerned, Mr. Speaker, with some of the comments that were aimed at the boundary review commission in the task that we gave them to do, and I think we owe a vote of thanks to this commission for doing a very difficult job under some very stringent guidelines. I wouldn't want them to think by reading *Hansard* that we weren't appreciative of the task they're doing, and I wouldn't want this commission to be something that no Albertan wants to sit on for fear of never being able to come up with something that is going to be pleasing to everybody and end up in a no-win situation. I think they did the best that they could do with the guidelines we gave them.

I believe we should accept this motion, and I would urge all the members in this Assembly to do so.

The Acting Speaker: The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you very much, Mr. Speaker. I'm honoured and pleased to join today's debate in the Assembly regarding the new electoral boundaries. First of all, I would like to make it clear that I am not happy with the fact that Edmonton will be losing one of its ridings. However, I must consider three important points about the final proposal put forward by the Electoral Boundaries Commission.

Rev. Abbott: How many points?

Mr. Lukaszuk: Three. The commission followed the law, used an objective statistical model, and balanced the needs of rural and urban communities.

Mr. Speaker, I believe that the balanced representation is compromised the moment politicians from any level of government take charge in constituency border drafting. We must respect the fact that the electoral boundaries process was as objective and unpolitical as possible. The Electoral Boundaries Commission remains an independent body whose members are appointed by the independently selected chairman of the Assembly. Names are provided from the government leader and the leaders of the opposition and are subsequently appointed.

The Electoral Boundaries Commission Act compels the commission to divide the province into 83 electoral divisions with a population within 25 percent of the provincial average in a way that will ensure effective representation for Albertans. Mr. Speaker, the commission must also consider factors that ensure effective representation as guaranteed by the Canadian Charter of Rights and Freedoms. The scarcity and density of Alberta's population is important because Alberta's rural communities must be treated with the same relevance as the province's growing urban centres. Common community interest and community organizations including those of Indian reserves and Métis settlements are important factors to ensure that the new boundaries cause as little friction among neighbouring communities as possible. The existing community boundaries within the cities of Edmonton and Calgary must also be preserved as well as the existing municipal boundaries, the number of municipalities, and the other local authorities. Geographic features such as road systems and understandable and clear boundaries should be maintained wherever possible as well, Mr. Speaker.

The report of the Electoral Boundaries Commission designed three guiding principles of effective representation. The first was to reiterate the tradition of Canada as a nation of "effective representation, not absolute parity as in the U.S." Second, "the process of achieving effective representation may involve diluting the political force of some votes but not unduly and not without reason." The third principle, Mr. Speaker, states that "the balancing of these interests is a delicate one, which involves an examination . . . of the social history, geography and demography of communities in every sense of the word."

The commission has been guided by the principles set out by the Supreme Court of Canada and the Court of Appeal of Alberta. In being guided by these principles, it has been mindful of the principles of effective representation as opposed to absolute parity. Mr. Speaker, it is very difficult to cry foul after considering the legal framework and guiding principles used to redraw Alberta's electoral boundaries. We must also remember that there is a relationship between the number of members in this Assembly and the population of Alberta.

Section 12(1) of the Electoral Boundaries Commission Act requires that the commission is to use the most recent census data as well as the population on Indian reserves provided by the Department of Indian and Northern Affairs. The most recent census

available in the 2001 Canada census counted 2,974,807 Albertans. Indian and Northern Affairs Canada indicated that 9,113 persons who were not included in the census count live on Indian reserves. The commission concluded that the total population used to calculate the boundaries would be 2,983,920 persons. The members took the number, divided it by 83, and came up with 35,951. This was to be the provincial quotient, or the average population per electoral division. This number, of course, was only a guide as the act also legislated a certain degree of flexibility. The allowable range for standard electoral divisions under the act is 44,939 to 26,963 plus or minus 25 percent. The commission had the flexibility to allow special consideration for an electoral division to have a population as low as 17,976, or 50 percent below the average population.

I am disappointed with the final results of the Electoral Boundaries Commission in Edmonton. In an ideal world no jurisdiction would lose their representation, but there are other emerging issues as Alberta's population changes. Travel time will continue to have a major impact on effective representation in rural ridings because the area will continue to expand, causing constituencies to be more spread throughout the land mass. The combined effect of the projected population growth in Alberta's urban centres and the reduced number of rural electoral divisions is that there will be fewer geographically larger rural areas within the new division.

10:40

The report has a rational explanation for the definition of a major city as a sound argument for increasing the number of ridings in Calgary and reducing the number in the capital city. Mr. Speaker, the commission defined a major city group, which included Edmonton and Calgary, as arising from the population density. The geographic area of the electoral divisions in the two cities is relatively small. There is one municipality, one regional health authority, and one of each type of school authority. Both cities are major regional service centres for a large area of the province in which most provincial services are delivered including specialized services. Both major cities also tend to be the initial entry point both to Canadians from other parts of the country and for immigrants from other countries to Alberta. I would note that in both cities there are more MLAs than there are members of the city councils.

Mr. Speaker, I spoke earlier of a rational approach to the use of the commission to redraw Alberta's boundaries. The 1995-1996 Electoral Boundaries Commission developed a matrix which is used to apply a variety of factors reflecting effective representation. The matrix took into account several variables including geographic area, population, number of households, and distance to the Legislature and scored each on a scale from one to 10. The 2002-2003 commission decided to build on and refine the matrix to assist in developing its recommendations. Other variables in the matrix included the area of the division in square kilometres and the density of the population, or the number of people per square kilometre. The dependent population proportion is the number of children and seniors compared to the total population, with a higher ratio indicating a larger number of persons eligible to be dependent on various provincial programs.

The way the matrix is structured, a higher score indicates greater difficulty in providing effective representation. A lower score indicates less difficulty. Edmonton's population in 2001, Mr. Speaker, according to Canada's census, was 666,104, but after including St. Albert, Sherwood Park, and surrounding area, Edmonton's total population was 776,830. The metro Edmonton area is still far less than Calgary's 2001 population of 878,866. In addition to the 2001 Canada census numbers the report from the Electoral Boundaries Commission revealed a major population growth

difference between the two cities over the previous decade. Between 1991 and 2001 Calgary experienced a 24 percent population growth increase compared to 8 percent in Edmonton. Edmonton is enjoying an incredible period of economic growth, but this growth pales in comparison to the boom experienced in Calgary since the mid-90s.

Mr. Speaker, I may not like the fact that Edmonton stands to lose a riding, but the fact is that between 1991 and 2001 Calgary grew much faster than Edmonton. Several prominent leaders in Edmonton worry that the city will be underrepresented in this Assembly. After studying the report, it becomes clear that this potential problem of underrepresentation currently exists in Calgary.

The Electoral Boundaries Commission adopted a scientific approach to ensure effective representation for Albertans. I am not happy that Edmonton loses a riding in the proposed changes. However, I cannot ignore the significance of the statistical data or the validity of the commission's objective approach. The process to redraw Alberta's boundaries depends on statistics to ensure an impartial ruling. This ensures a rational, scientific approach to an emotional issue. As I said before, I'm not happy with the results, but the results seem to balance the needs of urban and rural Alberta.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Well, thank you, Mr. Speaker. It's my pleasure to rise this evening to make a few comments as well on the divisive and difficult issue before us, and I will try to be quite brief, considering the late hour.

Change, of course, is always tough, Mr. Speaker, and this is no surprise at all to we who have been involved in politics for some time. This issue has always been divisive. In this province there are issues between rural and urban. There are issues between ridings, you know, larger or smaller populations and distances. Frankly, this is an issue I've been interested in for some time because of sitting on city council in Calgary. This was a subject of much discussion.

So during that discussion I decided to do some research and to look at the larger issues and see what we could perhaps learn from other jurisdictions because, frankly, we're not the first to go through this. In fact, all democracies go through this throughout the world wherever there is growth or decline in the populations.

It's not a surprise to find out that in many jurisdictions, in fact, ultimately decisions had to be made through judicial processes as opposed to political processes, and court decisions ultimately had to rule to force change because change was not desired. For example, in the United States you look at the 1963 Baker versus Carr decision in which this subject was brought all the way to the Supreme Court resulting finally in a Supreme Court decision. One man, one vote. I believe the 14th amendment specified that after that decision, and frankly it did change politics right across the United States. That one Supreme Court decision changed the dynamics and the nature of politics. In fact, I credit that with much of the success of the civil rights movement in the United States.

Some people would say that it resulted in a worse situation, but it depends on which side of the fence you're on, rural or urban. As one who grew up in rural Alberta and who now lives in urban Alberta and having been on both sides of that issue, you can certainly see the complications and why we're having the division before us. It's not an easy issue.

Having said all of that, I've looked at the situation and my first question was – well, in 1979 we had 79 MLAs. We had approximately 2 million in population. It's now 20 years later. We have 3 million in population, yet we've only seen a very small number increase, 79 to 83. In that same time, the cost per capita of MLAs to

taxpaying Albertans has actually declined dramatically, and the workload on MLAs with 50 percent more population has gone up considerably. So I guess I had the question of why couldn't we add a few more MLAs, which would have resolved much of the division that we see before us. The decision, I guess, was made not to do that.

We often hear arguments that, for example, in Calgary there were only 14 aldermen and a mayor and we have many more MLAs than that. I actually see the two issues as completely unrelated. I don't believe that's a valid comparison at all. In fact, I think it's very important that in an area that's growing as fast as Calgary is, people continue to have solid representation and fairly equal representation and that the urban vote not be diluted as much as it is compared to other areas of the province because there are important issues there.

So I guess the comment I would make is that I felt it would not have hurt to add a few more MLAs, and I think that would have resolved the issue. However, those arguments did not carry the day when this commission was set up. The commission did their work. They did their work as requested. I believe that we now have to support the work the commission has done.

The way this relates to me personally in the constituency that I have the privilege of representing now, Calgary-Currie – yes, there have been substantial changes made. Quite frankly, I am saddened and disappointed to see that some of the areas that I've been privileged to serve as their representative will now no longer be in Calgary-Currie moving forward, so for the folks in those districts I would only, I guess, say that I thank them for supporting me. New districts have been added, and I'm looking forward to making new friends and meeting new people in those districts and hopefully earning their support. So I am looking forward to that, and I guess the changes that are before us we will try and get ahead of them and make them positive, make them work for everyone.

With that, I thank you for being able to make those comments, Mr. Speaker.

The Acting Speaker: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you very much, Mr. Speaker. I'm just going to take a moment here tonight to explain why it is my intention to support Motion 13. Only from my perspective. I do not understand the demographics nor the distribution as it relates to a number of other areas of the province, but I want to speak specifically with respect to the constituency of St. Albert as it relates to and also shares the municipality of St. Albert with Spruce Grove-Sturgeon-St. Albert constituency, and I also want to speak about the capital region. I believe both demonstrate the fact that we in this particular House can address the needs, the wants, the desires, and respond to the queries, if you will, and the needs of good provincial government to the community of interest of the capital region.

It dismays me to think that there is, of course, a seat being lost within the city of Edmonton, but I would hasten to add that that does not mean that the people in Edmonton, any section of Edmonton, have lost a voice in this Legislature. It is just being redistributed. There are many things in the capital region that are of common interest, and those of us who represent areas that are in what we would call and have come to call the doughnut – that is, around the capital city – share those interests, and we advocate for and respond to the people and their projects, if you will, and their policies that they want to see implemented and their legislation that they want to work under as it relates to this particular community, and I'm very happy to be part of it.

10:50

However, if the formula that was used by the electoral boundaries review committee was to be applied, then there would be probably

an interest in having some of the Edmonton constituencies reach into some of the other communities that are in the outlying areas. That would have been an encroachment, in my estimation, on the integrity of that municipality's boundaries. I do recall several years ago when the city of St. Albert was divided in a very, very awkward fashion, in such an awkward fashion that my residence, where I live, was 12 houses from the constituency and was joined to another one and allocated to it. It still is an awkward allocation. However, I can say that from my office in St. Albert it doesn't matter where the individual lives. It just matters that we are there to respond to them. So for that reason I would like to say that I think the boundaries commission served my area as best it could, recognizing the formula that it decided to work under, acknowledging the community of interest that is integral to the municipality, and also recognizing the fact that the capital region does have a voice that extends beyond the boundaries of the city of Edmonton.

With that I just wanted to indicate that I think the people can be well served from my perspective in the area that I'm familiar with. Thank you very much, Mr. Speaker.

The Acting Speaker: The hon. Member for Calgary-Egmont.

Mr. Herard: Thank you very much, Mr. Speaker. I'm responding to the urges of all my colleagues at five minutes to 11 to say something on this issue. Actually, the hon. Member for Vermilion-Lloydminster I think said some of the things that I was going to say, so I won't say them again, but I think he was right in saying that sometimes we do things and we may be setting them up for failure. Essentially, it's my belief, my personal belief, that until such time as we look at what is effective representation in the 21st century and until we ask Albertans what it is that they feel is effective representation, then we will continue to have the same kinds of difficulties that we've had with this commission and with many others because essentially no one can win working on one of these commissions. They all work very hard, but everybody in the end has problems with what they've done.

We live in a different world, and I think that the hon. member also

talked about things like horses and buggies and rivers and bridges and things like that. Well, in today's electronic age I think things are a whole lot different, and even though it is probably more difficult to represent a rural constituency when you've got so many boards and so many towns and villages and councils and municipalities and all those people, I would venture a guess that most rural MLAs will tell you that they deal with a whole lot more people today than they ever did because of the way that we are wired today with respect to communication. I mean, most MLAs, I think, probably have a cell phone, and most MLAs today also have a blackberry where they receive their e-mails wherever they go. So you can get the raspberry from your constituents pretty much from anywhere.

Anyway, the bottom line, though, is that technology, I think, is also at the root of some of the problems we've seen with this report. Many hon. members have said, you know, that it's relationships, and politics is about relationships. When you tell a computer to divide a province into 83 constituencies with as close numerical comparisons as you can, it'll do that, but it won't care about the relationships. It won't care about the fact that it's splitting up communities here and there and everywhere. So I think that's really where the root of the problem is, and I think we've had an opportunity and we've been told that there will be an opportunity as we debate this bill to perhaps right a few of those wrongs. In other words, where communities have been split, perhaps we have an opportunity to redress those kinds of problems.

So, all in all, I think that I'm going to be supporting the motion, and I would adjourn debate.

[Motion to adjourn debate carried]

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 10:56 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Thursday, April 10, 2003**

1:30 p.m.

Date: 2003/04/10

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. Our divine Father, as we conclude for this week our work in this Assembly, we renew our thanks and ask that we may continue our work under Your guidance. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Children's Services.

Ms Evans: Thank you very much, Mr. Speaker. Today I have a special privilege of introducing some excellent students and the teaching staff and parents that accompany them from Jean Vanier elementary school. The teachers include Mrs. Marjorie Mather, the principal; Vicki Whalley, the teacher with them; Treena Raboud; Mr. James Gueffroy, the student teacher; and Mrs. Marie Petryshen, a teacher assistant; as well as a parent helper, Mrs. Taylor. Now, there are 33 marvelous students in this group from Jean Vanier, and I would ask, if they'd rise, that we give them the warm welcome that they so richly deserve.

The Speaker: The hon. Deputy Speaker.

Mr. Tannas: Thank you. I'm pleased today to introduce to you and through you to all hon. members 37 students who are here today as participants in the second session of Mr. Speaker's MLA-for-a-Day program. They have spent time at their member's office and with you, Mr. Speaker, in the Chamber, and they will receive a tour and briefings on the constituent elements of this House later this afternoon. The ultimate aims of the day's activities are, first, to show how MLAs carry out their responsibilities as both representatives and legislators and, secondly, to further develop the interest and understanding of our parliamentary system among our student guests. Our student shadow colleagues are seated in both galleries, and I'd now ask them to rise and receive the traditional warm welcome of the House.

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you, Mr. Speaker. Today I would like to introduce you to a Lethbridge businessman. His name is Mark Switzer, and he's in the members' gallery. Mark is a past president of the Lethbridge Chamber of Commerce, past member of the regional health authority, and current chairman of the Community Futures board of directors. I would like all the members of the Assembly to extend him the traditional warm welcome. Thank you, Mark.

The Speaker: The hon. Member for Little Bow.

Mr. McFarland: Thank you, Mr. Speaker. Today we have with us in the members' gallery the dynamic duo of Blake Robert and William McBeath. Blake was recently acclaimed as the president and William as the vice-president of finance of the PC Youth

Association of Alberta. I would ask that they rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Minister of Revenue.

Mr. Melchin: Thank you, Mr. Speaker. It's a pleasure to stand today and introduce to you and to members of the Assembly five employees of risk management and insurance of Alberta Revenue who are on a public service tour to have their first opportunity to visit the Legislature and become more acquainted with it. I'd ask them to stand as I read their names: Jacquie Rocheleau, Brian Proctor, Betty Wong, Francis Sandul, and Brenda Poltorak. If they'd stand and receive the warm welcome of the Assembly.

The Speaker: The hon. Minister of Energy.

Mr. Smith: Thank you, Mr. Speaker. A shocking introduction this afternoon: I'd like Thompson MacDonald and Bob Nicolay from Enmax Corporation to stand and receive the warm welcome of the Legislature. They're just around seeing "watts" up in the Legislature.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I would like to introduce to you and through you to members of the Assembly a friend of mine who came to this country a number of years ago from the country of the Netherlands to marry a good friend of mine. He's since become a very active member of his community and an outstanding new Canadian. I'd like to introduce my friend Marten Boonstra. If he'd rise and receive the warm welcome of the Assembly.

head: **Oral Question Period**

Education Funding

Dr. Nicol: Mr. Speaker, everywhere in Alberta the number one priority of parents is having good schools in their communities. My questions are to the Minister of Finance. Given that schools are a priority for parents, why was there \$37 million more in the budget for government buildings than for school buildings?

Mrs. Nelson: Well, Mr. Speaker, I think that clearly Albertans appreciate that we've put forward a new structure in this province that deals with not only the operations of our core programs of health and education and transportation and infrastructure but also focuses our attention on a capital plan, a capital plan that is going to actually deliver products and buildings and structures that are going to get built. One of those components clearly is to deal with the issue of schools for our children, whether that be new schools or renovations. I think that quite clearly this plan of \$5.5 billion of capital infrastructure over the next three years is a very, very, very active plan that Albertans can appreciate involves over \$450 million going to schools for new schools and upgrades and renovations. So I think they appreciate that we are on the right track, that this is a budget that deals with the needs of their children and their community, and they're very pleased with the budget.

Dr. Nicol: To the Minister of Infrastructure: if this is such an active plan, will this government provide the complete list of schools to be built in the next three years, or will the announcements continue to be made on a piecemeal basis?

Mr. Lund: Mr. Speaker, as I indicated to the Leader of the Opposi-

tion yesterday, we will be putting forward a list of the major projects that will occur in the coming year. However, as far as going out the total, full, three years: no, because we simply don't know what other projects there might be later on. I would really think that the hon. member would want us to be able to address situations that come up over the three years as opposed to trying to now say and anticipate everything that's going to happen over the next three years. Circumstances change.

Dr. Nicol: To the Minister of Infrastructure: can the minister assure Albertans that they will get the schools they need without the construction freezes, as we've seen in the past?

Mr. Lund: Mr. Speaker, I'm very pleased that the Leader of the Opposition would raise that question because that is one of the great things about this particular budget. Any projects that we start we are going to be able to complete, and we talked briefly yesterday about the fact that there is a statement in the budget that says that \$1.4 billion may be required from alternate forms of financing. So that tells me and it should tell the hon. member that projects will be funded as they progress.

Provincial Fiscal Policies

Dr. Nicol: Mr. Speaker, this government is using the budget to disguise its agenda by claiming to fully fund education and health but then failing to cover labour costs. This is putting school boards and health authorities in a tough position, driving more and more Alberta workers to strike. This government rigged the bargaining process against the teachers, and now they're rigging the bargaining process against nurses. My questions are to the Minister of Human Resources and Employment. Why are you provoking teachers, nurses, and public-sector employees into strike situations?

Mr. Dunford: Man, a 14 percent increase. Some rigging.

I think we need to make it clear that in the preamble and in the question we have some identifiable groups that have the legal right to strike and others that of course have to use compulsory interest arbitration. So I think that's the first thing that needs clarification.

As far as provoking, I think the hon. member knows well enough that I'm probably the last person in this House that would provoke anybody.

An Hon. Member: He's a lamb.

Mr. Dunford: That's right. We're here to . . . [interjections] Well, I hear a lot of my nicknames being bandied about, and I'm not sure I want to make them public.

In any sense what we've been doing both with teachers last year and now with health care workers this year is looking at a specific situation and then dealing with it as best we can in a manner that will be successful.

1:40

The Speaker: The hon. leader.

Dr. Nicol: Thank you, Mr. Speaker. Is it government policy to force unions into strike positions to turn public opinion against them?

Mr. Dunford: One of the great attributes about Albertans which I think is clearly identifiable is their ability to get along with each other and to resolve disputes. One of the things that I'm most proud of with the mandate that we have, Mr. Speaker, is that within Alberta

and with the number of collective agreements that had to be negotiated on a year-in, year-out basis, we actually have, if not the lowest, among the lowest lost time due to strikes in Canada.

Dr. Nicol: Again to the same minister: when your government claims that there's enough money in the budget for labour settlements, are you not then interfering in the bargaining process by imposing restrictions?

Mr. Dunford: Well, again, I'm not sure exactly where the hon. leader is coming from when he terms restrictions, but we do have legal rights and legal obligations and legal responsibilities. While some people might see them as constraints or restrictions, what we see is a very effective means of handling labour relations situations here within Alberta.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Education Funding (continued)

Dr. Massey: Thank you, Mr. Speaker. A parent council chair from Grande Prairie writes that as a result of underfunding her school has already cut one full-time teacher, increased class sizes, and reduced programs. This week's news offers only more of the same with the projected cut of 23 teachers districtwide. My questions are to the Minister of Learning. Can the minister explain to this parent council chair why schools in Grande Prairie and other districts across this province are cutting teachers?

Dr. Oberg: Well, Mr. Speaker, first of all, as I've said in this Assembly many times, it is too early to tell whether teachers should be cut or not. With specific respect to the Grande Prairie school district, one of their issues is something that I've raised in this Assembly before, and that is that they have a declining enrollment of 1 and a half percent. That puts a lot of our rural boards in a very difficult issue, because the number of students are going down. As good financial managers they have to respond to that drop in the number of students. We're predicting that they are going to be receiving about \$800,000 more than they did last year even with that decline in enrollment.

Grande Prairie is a school district that does have some financial issues. As a matter of fact, I'm scheduled to go up to Grande Prairie to talk to them and hear what they have to say. So hopefully we'll be doing that very soon.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister, Mr. Speaker: what does the minister suggest these parents do to avoid further program cuts? Fund-raise?

Dr. Oberg: Well, Mr. Speaker, obviously the hon. member wasn't listening to what I said. Their biggest issue is that there's a 1 and a half percent enrollment decline in the Grande Prairie school district. When there is an enrollment decline, there are changes that are going to have to be made. In some of our school districts around the province we're seeing as high as a 5 percent decline. This is a very serious issue, but I will say that when it comes to this issue across Canada, we are very fortunate because our enrollment is at least holding even. In places like Newfoundland they're down 15 or 20 percent over the past three or four years.

Dr. Massey: I'm sure that makes that parent feel better.

How will the projected loss of 800 teachers provincewide improve classroom conditions for teachers?

Dr. Oberg: Mr. Speaker, the hon. member asked a very good question. It is not about improving classroom conditions for teachers; it is about improving classroom conditions for students.

Dr. Massey: It's the same thing, and you know it.

Dr. Oberg: It's the same thing? Is that what the hon. member just said? It's the same thing? This education system is there for students.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Highwood.

School Property Taxes

Mr. Mason: Thank you very much, Mr. Speaker. Yesterday the Provincial Treasurer told the House that the government had decided to freeze the mill rate for school property taxes, yet in the fiscal plan for the 2001 budget the minister said, "In future years, Albertans should get automatic . . . property tax rate reductions as the \$1.2 billion revenue requirement is held constant but spread over a growing assessment base." Because of this broken promise Albertans will be hit with a 5.8 percent increase in their school property taxes next year in a budget which falsely promises no tax increases. To the Minister of Finance: why is this government again picking the pockets of middle-class Albertans with this hidden tax increase?

Mrs. Nelson: Mr. Speaker, when I responded to the question earlier, I indicated to the hon. member that in the budget we have frozen the mill rate. We have not increased the mill rate for the school tax on properties. We have not increased that. What we have allowed for is to recognize the growth that has occurred in this province. If the hon. member would listen, he'd realize that we have had a huge migration of people to the province of Alberta, so with that comes the cost of educating the children that come with them. The reality is that you have to capture the growth within the province. So if we freeze the mill rate and recognize that the population is growing, then there will be more dollars collected on that assessment, and those dollars will go into supporting education within the province. This is not rocket science. This is clearly accepting the fact that the province is growing, which is a reality, freezing the mill rate, and putting those dollars into an education system which is needed to effectively provide for a system for all of the children that are here and coming to this province.

Mr. Mason: Well, Mr. Speaker, given that the minister has completely flip-flopped from 2001, when she said that "automatic school property tax rate reductions as the \$1.2 billion revenue requirement is held constant but spread over a growing assessment base," can she explain to the House when she changed her policy and why she changed her policy?

Mrs. Nelson: Mr. Speaker, naturally, the increase in the revenue raised will be spread over the population, but the rate base for the mill rate has stayed the same. So there's a larger population that will be paying into the school property tax assessment, but the mill rate is frozen. It has not moved.

Mr. Mason: Mr. Speaker, the minister is not listening to her own

words. Will the minister explain to Albertans why she told them that this budget doesn't contain any tax increases when it clearly does?

Mrs. Nelson: Once again, Mr. Speaker, freezing the mill rate means it's not moving. Because there are more people paying, because we've had a migration to the province, there's been no increase in the mill rate. I don't know how much clearer I can make that.

The Speaker: The hon. Member for Highwood, followed by the hon. Member for Edmonton-Glengarry.

Hell's Half Acre Remediation

Mr. Tannas: Thank you, Mr. Speaker. My constituents in the Turner Valley area of Highwood are concerned that an environmentally dangerous situation has been uncovered at the historic oil refinery site known as Hell's Half Acre with reported site contaminants like heavy metals and hydrocarbons leaching into the Sheep River and into the nearby aquifer. To the Minister of Community Development: why, as the report suggests, has your department done nothing about it?

1:50

Mr. Zwozdesky: Well, Mr. Speaker, contrary to what the report may or may not indicate, we've done quite a lot at this very unique site. It is a national treasure, and it's a provincial treasure. There are about 22 acres there, as the member would know, and not all of it contains contaminants.

However, we have been working over the past several years with the Department of Infrastructure as well as the Department of Environment on site reclamation and environmental concerns there. We've sealed off those areas, hon. member, where we know there are contaminants. We've also hired accredited companies who come out and do test drillings. They insert their instruments, of course, into those test holes, and they give us readings back. I just want to assure this hon. member and others that there are no measurable levels of contaminants that are entering the aquifer or the river system in that area.

In conclusion, I would say, Mr. Speaker, that we have health and safety protocols in place there for staff, visitors, and local residents, and we also have spent over \$1 million so far, and in the budget provided here a couple of days ago, we will be adding a further \$1.5 million to complete the excellent work that is ongoing in this regard.

Mr. Tannas: To the Minister of Infrastructure: given that Hell's Half Acre site is your responsibility, Mr. Minister, why hasn't your department taken any steps to clean up the contamination before this time?

Mr. Lund: Well, Mr. Speaker, it is true that we are responsible for that site and the cleanup. It is not true, though, to say that we haven't spent anything because, in fact, we have spent some \$772,800 on that particular site. In the upcoming budgets we do have about another \$1.5 million budgeted to continue and complete that cleanup.

The Speaker: The hon. member.

Mr. Tannas: Thank you, Mr. Speaker. To the Minister of Environment: will the minister commit to having his department check for contamination in the Sheep River and nearby homes that have wells to determine the levels of pollution and, if found, issue orders for the cleanup and remediation?

Dr. Taylor: Well, Mr. Speaker, Alberta Environment acts in this situation as it would with any other contaminated site. Whether it's Community Development's or Infrastructure's contaminated site or a private-sector contaminated site, we and our legislation clearly indicate that we act the same. With this particular issue we have told Community Development and Infrastructure that they need to develop a remediation plan. They need to expand their monitoring of the situation. As we've heard the two ministers quite correctly say, there's new money in this budget to both work on the reclamation and expand the monitoring of that site. So as we go forward, we will act as a regulator and make sure that those departments are doing the appropriate job. We'll make sure they're remediating. We will make sure they're monitoring, and we will certainly provide technical advice and any technical assistance they need in regard to remediation and monitoring.

Private/Public Partnerships

Mr. Bonner: Mr. Speaker, this government has said time and time again that it makes decisions only when it has studied an issue and found concrete evidence that supports its plan of action. To the Minister of Infrastructure: what studies and evidence does the minister have to show that P3s are a good idea for Albertans?

Mr. Lund: Mr. Speaker, I'm sure that you wouldn't want me to take a whole lot of time, because I could go through a very long list of very, very successful P3 projects that have already occurred in the province. In fact, there are a number, of course, outside the province, and we have a number of experts within the province that are very familiar with how these can be constructed to be advantageous.

Yesterday the hon. member made some comments about how terrible P3s were and how it was a way of rewarding the corporate sector. I think that that is a very, very shameful statement, particularly when you look at groups like Bethany Care, like the Good Samaritan Society, like Caritas and other groups that have produced P3 projects in this province that are operating very, very well and providing an extremely good service. I find it very offensive when he goes after those kinds of people and projects.

The Speaker: The hon. member.

Mr. Bonner: Yes, Mr. Speaker. To the same minister: given the fact that we are talking not about nonprofits but the private sector, given that P3s have failed in every other jurisdiction in which they've been tried, will the minister table on Monday all of those reports that indicate to him that P3s will work in Alberta?

Mr. Lund: Mr. Speaker, I guess that when you look at the numbers over there and you hear these kinds of questions, you understand why those numbers are there. People are burying their heads in the sand. There are different ways of doing things out there, and we are prepared to look at different ways of doing them. When he talks about not for profit, I would like to know, then, what he has to say about the situation at Olds College where, in fact, John Deere Limited has spent a very large, considerable amount of money on a P3 project for the benefit of students that are attending Olds College. How do you answer that one?

The Speaker: The hon. member.

Mr. Bonner: Thank you, Mr. Speaker. To the same minister: given that Albertans would rather see answers and hear answers to a \$1.4

billion line item in the budget than hear insults, why won't the minister table all of these reports?

Mr. Lund: I'll try to go through it more slowly this time for the benefit of the member, but the fact is that yesterday – yesterday – we talked about the \$1.4 billion, and he said that it was all P3s. I clearly demonstrated to him that it's not all P3s. P3s are only one of the tools in the toolbox that we are using to look at how we can do things more efficiently and in a more timely manner.

The Speaker: The hon. Member for Edmonton-Rutherford, followed by the hon. Member for Edmonton-Ellerslie.

Police Services

Mr. McClelland: Thank you, Mr. Speaker. My question is to the Solicitor General. The Edmonton police department has made representation to the effect that their budget is negatively affected to the tune of \$13 million because they provide services that are the responsibility of the province, services such as documents service, witness management, bail hearings, Check Stops, and commercial vehicle inspections. My question: is this true?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. There are many aspects of police work that support the judicial process. These roles are considered an important part of work that the police provide. Under the Police Act in municipalities with their own police force police budgets and plans are clearly the responsibility of the police commission in consultation with the police chief. Municipal councils are responsible for establishing the total budget for the purpose of the police service, and the police commission is responsible for allocating those budgets. The government provides \$16 million through an unconditional grant, and it's up to the municipalities to determine how they spend that money.

Mr. Speaker, the city of Edmonton also receives fines generated by this province, and they received \$23 million in 2001-2002, and it's up to the municipality to determine how to spend that funding. If the municipality determines that they want to fix potholes, then they determine the priority.

The Speaker: The hon. member.

Mr. McClelland: Thank you, Mr. Speaker. My supplementary is to the Minister of Justice and Attorney General. How are citizens to feel secure if the enforcement of laws by which we conduct ourselves is subject to economic brinksmanship by various orders of government?

Mr. Hancock: Well, the answer, Mr. Speaker, clearly is that they ought not to be put in the picture of economic brinksmanship. In fact, we work very closely with all of the stakeholders in the justice system across the province – with the Solicitor General, with the police forces, with the courts, and with all of the stakeholders in the community – to make sure that the justice system is run appropriately and that people have safe communities in which to live.

The reality is that there are always limited resources. I mean, one of the real difficulties of government is the allocation of scarce resources. No matter how much money you have, there will always be more things that you could do, and every year in budgeting we find that very circumstance. I'm sure that the Edmonton city police force and every other police force finds that, that Edmonton city

council and every other city council finds that, but the reality is, as the Solicitor General has said, that a number of years ago municipalities asked for all of their emergency grants to be rolled into one grant, unconditional, and that was done so that they have that money to spend and allocated on their priorities. The reality is that fine revenue generated under the motor vehicle act goes to the municipality in which it's generated, with the exception of the small portion that we keep in Justice in order to manage the process and run the courts. In fact, that revenue is destined to go up this spring when the new Traffic Safety Act is proclaimed and fine revenue amounts go up and some of the other fines come under that act. So revenue is going up. The city gets to set the priority with respect to those revenues.

2:00

I might also mention, Mr. Speaker, that we have, as an example of co-operation, our early case resolution process, where we have by hiring more prosecutors provincially and investing resources at that level and working with the courts been able to resolve matters before going to court, saving, for example, the city of Edmonton 5,700 fewer witness appearances from their police over the course of 2002 than in 2001 as a result of that process. That's a lot of police officers who can be on the street doing police work as opposed to being in court doing police work.

Government Regulations

Ms Carlson: Mr. Speaker, every Thursday the Alberta Liberals will ask a question that members of the public have asked us to pose. Members of the public can send us their questions by phoning our office or visiting our web site at www.altaliberals.ab.ca. Today's question is from the Canadian Federation of Independent Business. The CFIB is concerned that the burden of small businesses in Alberta will be increased because of the lack of scrutiny regulations set by this government undergo. My first question is to the Minister of Government Services. How many regulations has the Alberta government introduced since the year 2000?

Mr. Coutts: Mr. Speaker, the answer to that question if you were to ask a businessperson of this province over the last 10 years is probably: too many regulations. The province of Alberta put into place in 1994 a secretariat to look at regulations, to analyze them, and take a look at them along with an advisory board which the Chambers of Commerce, the Alberta Economic Development Authority, and the CFIB were on. They looked at a number of regulations—I believe it was over a thousand in total over the last six or seven years—and I can report today that every single one of those regulations with the exception of about 30 of them have been completed with expiry dates, sunset clauses, and actual regulations that have been repealed in this province.

In terms of those that have been added, yes, this government does put in enabling legislation that allows for regulations to be made. So there are always regulations coming onstream from every department of this government. Those regulations, Mr. Speaker, will also come under the scrutiny of the secretariat in the future.

Ms Carlson: Mr. Speaker, my next question is to the Minister of Economic Development. Given that the new food permit fee, established behind closed doors, affects the bottom line of many businesses in the hospitality industry, why didn't this minister ensure that the government's regulatory review committee examined the impacts of this new regulation?

Mr. Norris: Well, you know, Mr. Speaker, I'd like to thank the hon. member for the question. Clearly it relates to health, but I will address it and maybe ask the minister to supplement.

The general idea behind that tax was that anybody who was involved in the food and service industry in any way, shape, or form, be it a bed and breakfast, a small restaurant, a convenience store, should be accountable for what they sell. I mean, I think that's what the opposition members would like us to do in a responsible fashion, but in certain instances that did go too far. You're correct. We have worked very hard with the minister of health to understand where that regulation should fit in in the context of small business and large business as opposed to where it's a health issue. I have not only received many letters on it; I've responded. My colleague and I have worked together in dealing with this so that the small bed and breakfast operator who's maybe serving eggs and bacon for breakfast isn't included in that.

At the end of the day it's all about the safety to Alberta visitors and people who are going to these places because heaven forbid, as you were attacking the other day on SARS and other things, that we're not vigilant. It's a real balancing act, and I think we're trying very hard to make sure that those regulations don't affect small business.

Ms Carlson: Mr. Speaker, to the Minister of Government Services: can you tell us how you determine which regulations you go forward with in terms of the benefit to the province as compared to the benefit to businesses or the cost to businesses?

Mr. Coutts: Mr. Speaker, the secretariat has a process to look at all regulations when their expiry dates come up and, as I said earlier, when regulations go forward, they're also given scrutiny by the secretariat. In terms of whether it's to the businesses' or to government's benefit, that doesn't matter. The regulations that are put forward are the ones that get scrutiny.

The Speaker: The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Riverview.

Water Use by Oil and Gas Industry

Mrs. Jablonski: Thank you. Mr. Speaker, there is still much debate and discussion around the use of water by oil drilling companies to inject into underground wells to increase crude oil production. This has sparked much controversy around the province and especially in southern Alberta, where drought is a major concern. The city of Red Deer is now in the midst of a struggle with an oil company that wants to use water from the Red Deer River to inject into underground wells for oil recovery. My question is for the Minister of Energy. Why is it necessary to use freshwater supplies, and is there an alternative practice that can be used?

The Speaker: The hon. minister.

Mr. Smith: Well, thanks, Mr. Speaker. This issue has been one that has been in front of the House before, has been part of discussions. It certainly will, I'm sure, be addressed as part of the water strategy.

Mr. Speaker, a water flood is a process that the oil and gas industry uses to increase or increment production from existing wells. In this particular instance there have been wells there since 1981. They have applied for water access to the Red Deer River, about eight days out of a year's supply, to use to drive the oil up to the surface, where it would be produced and, of course, royalties in the neighbourhood of 25 to 35 percent paid on that to the Crown. In

the water flood they use fresh water when it's accessible; they've also used brackish water; they use saline water. In fact, the industry has reduced its consumption of fresh water by some 40 percent over the last few years. Clearly, they're working responsibly, but they're also very much concerned with increasing their production, which of course means incremental royalties to the Crown and subsequently all Albertans.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you, Mr. Speaker. My only supplemental question is again to the Minister of Energy. Given that water is fast becoming a diminishing resource that needs protection, will your department encourage oil companies that need to repressurize their wells to investigate their use and the use of alternate methods?

Mr. Smith: Well, Mr. Speaker, in a number of cases we encourage companies to do a number of things. For example, we're experimenting with using CO₂, which is carbon dioxide, which is a part of this government's commitment to reducing greenhouse gas emissions, as a way of injecting into depleted reservoirs to see if, one, we can sequester or store carbon dioxide in those formations and, secondly, to find different uses other than fresh water.

Mr. Speaker, as we move forward in Alberta and see this continued rapid escalation of economic growth, the oil and gas industry and the growing population have a tendency to get closer together. If we take a look, for example, at the city of Red Deer, which, of course, boasts on its web site, and rightly so, that it has an unemployment rate that's the second lowest in Canada, 26 percent of the GDP of Red Deer – 26 percent – is from the oil and gas industry. In fact, \$6 billion of that GDP comes from the oil and gas industry, and there's a petrochemical industry that contributes \$7 billion to the economy.

So as much as the opposition member does not want to hear good news from Alberta and growth in particular areas, it's important to remember that the EUB operates in the broad public interest of all Albertans, even the seven Liberals.

2:10

Lobbyist Registry

Dr. Taft: Mr. Speaker, the outgoing Ethics Commissioner has once again called for a lobbyist registry, something the opposition has also been requesting for years. The government refuses to accept this policy. In the interest of helping the public understand who is lobbying the government and on what issues, I have some questions for the Government House Leader. Given that we have no lobbyist registry in Alberta, can the Government House Leader enlighten us on who was lobbying the government last night at the regular Wednesday evening lobby night attended by government MLAs? Who was filling the feed bag?

Mr. Hancock: Well, actually, Mr. Speaker, it's not an area that's within my responsibility, and the truth is that, no, I can't enlighten them because I don't know. I wasn't at either of the events. I'm sure both of them, if there were two, were very good. In any event, I don't have the answer to that. It's not within my area of competence or jurisdiction.

But I can tell the hon. member that members of this House meet with constituents, meet with the Alberta public, meet with interest groups, meet with business and industry on an ongoing basis in many venues, in many areas of the province, and sometimes it's very helpful to get many of us together in the same room so that the same message can be imparted to all of them at the same time. There's

nothing inherently wrong with that. In fact, it's the way that the business of government and the business of politics is done, and the fact that one might eat or have some refreshment at the same time as one is talking about politics, governance, and issues of interest to Albertans is certainly a good thing.

The Speaker: The hon. member.

Dr. Taft: Thank you, Mr. Speaker. Well, we'll try again. Will the Government House Leader admit that the government's refusal to create a lobbyist registry is to avoid revealing that the chair of the Premier's Advisory Council on Health is directly tied to a major lobbying firm for drug insurance and health corporations?

Mr. Hancock: Not my area of jurisdiction, Mr. Speaker, and, no, I can't confirm that, because I don't know that.

Dr. Taft: It is true, and if we had a lobbyist registry, we'd know it.

To the Minister of Infrastructure: who has been lobbying the government in support of P3s?

Mr. Lund: Mr. Speaker, I've met with the Bethany Care, with the Good Samaritan Society, with Caritas, with a number of school boards, the University of Alberta, the colleges. There are a whole host of people that are very interested in looking at other ways that we can accomplish and keep making Alberta an even better place, not putting our heads in the sand.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Grande Prairie-Wapiti.

Private School Funding

Dr. Pannu: Thank you, Mr. Speaker. Tuesday's provincial budget contains a huge 14 percent increase in the dollars going to private schools, several times larger than the corresponding increase for public schools. There appears to be an agenda at work here to expand private education by letting class sizes grow and learning conditions deteriorate in the public system, inevitably leading to a two-tiered system: one for the rich and one for the rest of us. My question to the Minister of Learning: why is the government putting more and more dollars into private schools while allowing learning conditions in the public system to deteriorate through a lack of proper funding?

Dr. Oberg: Mr. Speaker, the hon. member full well knows that 60 percent of the basic per student grant goes to private schools. The reason for the increase quite simply is because enrollment has gone up.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Has the minister or his department studied the trend and the causes of the increased enrollment in private schools and any resulting negative impact on public education, and if he has those studies, will he please table that information in this House?

Dr. Oberg: Mr. Speaker, the key component to our private school system in Alberta is that they follow the Alberta curriculum, and there is a requisite that the Alberta curriculum is followed in private schools. Beyond that, it is the choice of the parents as to where they send their kids.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Given that the minister has not done any such studies, why are he and his government pursuing a two-tiered education system in which only students from privileged backgrounds receive a high-quality private education while the rest of the children and their parents are expected to accept growing class sizes and declining resources in the public system?

Dr. Oberg: Mr. Speaker, first of all, I would recommend to every MLA in this room who has private schools that they give those last comments to their private schools, because by far the majority of the private schools that are in Alberta are religious private schools who choose private schooling because of their religious beliefs and their religious morals. The arrangement for giving money to the private schools is 60 percent of the basic grant with nothing for capital expenditures. So to the hon. MLAs in this House I would advise that you send the comments to your private schools and allow them to address the hon. member's question.

The Speaker: The hon. Member for Grande Prairie-Wapiti, followed by the hon. Member for Edmonton-Gold Bar.

Special Constables

Mr. Graydon: Thank you, Mr. Speaker. My question is for the Solicitor General. In light of an incident in the county of Grande Prairie a couple of weeks ago where a special constable had to take refuge behind his car because he was getting shot at, I'm wondering if the minister is reconsidering the current policy which prohibits special constables from carrying sidearms.

Mrs. Forsyth: Mr. Speaker, the question that the hon. member refers to had been a very serious incident which is currently under review. It's an incident which I am deeply concerned about, and it's an example of why special constables should not be armed. It's an example of why special constables have to have special training and be within their authority and their training. Prior to 1988, I believe it was, special constables did carry firearms, but that matter has been reviewed over and over and over again, and each time it was agreed that sidearms would not be issued. I will continue to work with the special constables association on standards, training, and their clarification and classification of duties. It's important to keep in mind that special constables are special constables, and they're not police officers.

The Speaker: The hon. member.

Mr. Graydon: Only one shot today, Mr. Speaker. No supplements.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Meadowlark.

Insurance Industry

Mr. MacDonald: Thank you, Mr. Speaker. Three of the primary causes of the dramatic increase in the consumer price index in this province have been in this order: high electricity prices, skyrocketing high natural gas prices for heating, and, of course, insurance rates, which are also going through the roof. My first question today is to the Minister of Finance. How many insurance companies have stopped writing automobile insurance policies in Alberta in the last year?

Mrs. Nelson: Well, to the best of my knowledge I'm not aware of any that have stopped writing insurance policies, Mr. Speaker.

Mr. MacDonald: Again, Mr. Speaker, to the same minister: if a company such as The Co-operators were to withdraw from the Alberta marketplace, what would that do to automobile insurance rates in this province?

Mrs. Nelson: Mr. Speaker, the hon. member is speculating, but let's be very clear. The Co-operators have not withdrawn from Alberta and, in fact, are very active in this province, and we're very glad to have them here.

Mr. MacDonald: Again, Mr. Speaker, to the same minister: how many insurance companies is the superintendent of insurance watching in this province because he's concerned about that enterprise's financial liquidity?

Mrs. Nelson: Well, the superintendent of insurance is the overseer of all the operations of all the insurance companies, Mr. Speaker. That's his job.

The Speaker: The hon. Member for Edmonton-Meadowlark, followed by the hon. Member for Olds-Didsbury-Three Hills.

High-speed Rail Link

Mr. Maskell: Thank you, Mr. Speaker. My question is to the Minister of Economic Development. As a former railroader and somebody who's hooked on trains it has been exciting for me to hear about the possibility of a high-speed passenger rail link between Edmonton and Calgary. Is Economic Development currently involved in a study of high-speed rail, and can the minister advise what the findings of this study are?

2:20

The Speaker: The hon. minister.

Mr. Norris: Well, thank you very much, Mr. Speaker. Having had many interesting activities on trains, I can certainly agree with the hon. member that there is a lot of excitement in railroading. We have looked at this a number of different times over the years.

As you can understand, when highway 2 between Edmonton and Calgary was built, the Alberta population was some 900,000 people and that roadway system was seen to be a little extravagant at the time, but as it's proved out, this province has grown and swelled and it's now teeming at the seams. If you've driven it, as many of my colleagues do on a regular basis, you see that we need to look at some expansion, and rail is a possible link that we've been talking about.

I've been working very closely with the Minister of Transportation on this, and we have jointly done a study with the Van Horne Institute in Calgary to look at the reality of putting a high-speed link either on existing tracks or maybe setting up a new system. The price tags range anywhere from \$800 million to \$4 billion, so there is a reality of economics that's going to have to drive this. If we look at a vision of Alberta 20, 50, and a hundred years down the road, is it a cheaper way to go than paving two new lanes on highway 2 to Calgary? Maybe. Is there an option to run a spur up to Fort McMurray to deal with that incredibly hot economy? Maybe that's the route to go.

The study is looking at all those aspects, Mr. Speaker. We'll come back with some recommendations, and the Minister of Transporta-

tion and I will continue to monitor the situation and come forward with a plan in the near future.

Mr. Maskell: I just have one supplementary, Mr. Speaker, and it's been partially answered I think. When will the results of this study be available?

Mr. Norris: Well, at the outset, Mr. Speaker, the study was taken on about four months ago, but recently there have been changes to technology. You may have seen the Bombardier JetTrain that came to Edmonton from Calgary the other day. I was actually traveling on the highway with my kids when it went past and stopped to look at it because it's quite fascinating to somebody as simple as myself.

Having said that, the technology is bringing us to a point now, Mr. Speaker, where our study is going to have to be extended to incorporate some of the cost savings that this new technology brings forward. So we're anticipating – and the Minister of Transportation may wish to supplement – that about the mid-July, August area we're going to have the preliminary study brought forward. I don't know what it's going to say or what the realities are.

Let me just conclude by saying that if we want to keep fueling the incredible growth this province has had, transportation links are obviously vital, and this may be a very good piece.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Health Region Boundaries

Mr. Marz: Well, thank you, Mr. Speaker. I've recently tabled in this Assembly the names of over 1,600 constituents who've expressed a desire to have the boundaries of the Calgary health region adjusted to include the Didsbury regional health services as well as letters of support from the county of Mountain View, town of Didsbury, town of Carstairs, and I understand that the village of Cremona also supports such an adjustment. The April 1 deadline for the new regions has past, and I have still not received any indication from the Minister of Health and Wellness as to the status of the Didsbury hospital. My question to the Minister of Health and Wellness is: can he advise me when he will make a decision as the current situation is causing much uncertainty with the staff, the residents, and the health authority members themselves?

Mr. Mar: Mr. Speaker, my department and I have both reviewed this matter, and the town of Didsbury will be remaining within regional health authority No. 4, which was formerly known as the David Thompson region. This decision was made after discussions with the chair and the CEO of health region No. 4 as well as the CEO of health region No. 3, formerly known as the Calgary health region. The relevant considerations were made with respect to factors like patient flows; in other words, where do patients actually go to get their services?

I have notified verbally the chair of health region No. 4 of this decision. I have signed letters and sent off correspondence of notification of this decision to the chairs of the relevant regional health authorities as well as the mayors in the surrounding areas.

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. Can the minister tell me why he has not taken into consideration the views of the councils and the residents of the Didsbury health services region?

Mr. Mar: Well, I want to say, Mr. Speaker, that I do understand the

concern expressed by area residents, but the review of health region No. 4's existing boundaries demonstrates that it clearly does reflect the current patient flow patterns. So the decision to have Didsbury and the Mountain View county remain within No. 4 was based on discussions with regional officials and the facts about where patients actually go for health services.

Mr. Speaker, with respect to Didsbury hospital in particular, I've been advised that health region No. 4 is currently undertaking a review of its facilities and services and needs throughout the region. Certainly, the Didsbury hospital will be included in that review, and we'll work to ensure that regions No. 3 and No. 4 work together to ensure that the hospital is properly utilized.

Mr. Marz: My final supplement to the same minister: has he ruled out any future boundary adjustments if it can be shown to benefit a particular area?

Mr. Mar: Mr. Speaker, if there is departure from the current patient flow patterns in the health region, then the answer would be that we would review such boundaries if such a change in utilization occurs.

The Speaker: Hon. members, before I call on the first four for Members' Statements, why don't we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

The Speaker: The hon. Member for Bonnyville-Cold Lake.

Mr. Ducharme: Thank you, Mr. Speaker. It is with great pleasure that I rise today to introduce to you and through you to all members of the Legislature 28 special guests from Ardmore school in the Bonnyville-Cold Lake constituency. They are accompanied by their teacher, Mrs. Jackie Wakaruk, parent helpers Mrs. Becky Charlton, Miss Charlene Swerhun, Mrs. Marlene Strzepek, Mr. Dean Thompson, Mr. Don Paige, Mr. Norbert Loiselle, and bus driver Mr. Maurice Roux. They are seated in the public gallery, and I would ask them to please rise and receive the traditional warm welcome of the Assembly.

The Speaker: To the hon. Member for Bonnyville-Cold Lake: I had a chance to say hello to the young people, and they were surprised that I knew where Ardmore was.

head: **Members' Statements**

The Speaker: The hon. Member for Banff-Cochrane.

Cochrane Chamber Community Awards

Mrs. Tarchuk: Thank you, Mr. Speaker. Last Saturday I had the great pleasure of attending the Cochrane Chamber community awards banquet. Cochrane, as you know, is the fastest growing municipality in Canada. Luckily, the growth in population has been accompanied by a corresponding growth in the number of people who are contributing their time, efforts, and ideas to help make Cochrane a great place to live.

The award for youth of the year went to Samantha Catley and Karly Wilson for their work and support of the local victim services and the Humane Society.

The ambassador of the year award went to both Alanna Blinn and

the MC Dancers. Alanna, a local grade 12 student, is well known for her competency in the sport of fast draw and has become a respected role model and spokesperson. The MC Dancers, meanwhile, is a nonprofit dance troupe dedicated to encouraging and fostering the talent of local dancers.

The award for citizen of the year went to Jack Tennant, who owns and operates the *Cochrane Eagle*. Jack has served as a volunteer for many organizations and in recognition of his work with charities recently received the Queen's Jubilee Medal.

This year's recipient of the community builder of the year award is Patrick Coyle for his many years coaching teenagers. Through his skillful and caring mentorship many of Cochrane's youths have become not only better athletes but also, more importantly, better people.

Cochrane's employer of the year is Larry Giles, publisher of the *Cochrane Times*. Larry is known as a generous and kindhearted man who gives a great deal to his community.

The FCSS award for volunteer of the year went to the Cochrane Activettes, who have helped hundreds of families over the years, organizing food hampers, operating a clothing thrift store, and coordinating the meals-to-go program.

The Rotary integrity award went to Chester Mjolsness, the original driving force behind Spray Lake Sawmills, Cochrane's largest employer and a major contributor to the community. Chester's name is synonymous with hard work, integrity, generosity, and decent family values.

Lastly, there was a tie for the *Cochrane Times* newsmaker of the year award. Alex Baum of Cochrane Dodge gained national recognition in 2002 for his lead role in Ranch Aid, a highly successful relief effort that raised money to assist drought-stricken ranchers. Meanwhile, at the tender ages of seven and nine Ali and Emily Conaway undertook their own fund-raising efforts in support of Ranch Aid, and Cochrane can be proud of these young citizens.

Please join me in congratulating the award recipients.

The Speaker: The hon. Member for Calgary-Lougheed.

Tartan Day

Ms Graham: Thank you, Mr. Speaker. Being of Scottish descent and a member of clan Graham, it's with pride that I rise today to recognize Tartan Day, which was celebrated on April 6 in Alberta, Canada, and across different parts of the world.

Tartan Day is celebrated for two reasons. It is significant to Scots and non-Scots alike for it commemorates the signing of the declaration of Arbroath, also known as the Scottish declaration of independence, which has been recognized around the world as one of the earliest expressions of the right of humanity to a peaceful and productive life free from oppression. It was on April 6, 1320, at Arbroath, Scotland, that Scottish nobles including four Grahams gathered and pledged to defend Scotland from persecution and foreign domination. They even agreed to cast aside their own king, the legendary Robert the Bruce, should he falter from the path of self-determination and freedom. Mr. Speaker, I've circulated to members in the Assembly a copy of the declaration, which is written in the form of a letter to the Pope in very poetic and passionate language.

2:30

Tartan Day also gives us the opportunity, Mr. Speaker, to recognize the tartan as a symbol of Scottish culture and Scottish clans, but the tartan is not exclusive to Scots alone, and in fact new tartans are continuously being created by groups and regions to

identify themselves and are worn by people all over the world. Today, again, I am wearing a kilt in the official Alberta regional dress tartan, which was adopted by this Legislature three years ago and is one of my favourites. I've also used on the declaration another of my favourite tartans called the Flower of Scotland. It was designed to commemorate the deceased author of a very beautiful Scottish song by the same name.

Mr. Speaker, in view of the significant contributions of Scots to the province of Alberta from the earliest days to the present, I ask members to join with me in celebrating Tartan Day.

Elder Abuse

Ms Blakeman: Thank you to the hon. member. As a Scot I appreciate that.

Mr. Speaker, I'd like to take the opportunity today to talk about the University of Alberta's legal studies program and its commitment to the safety and well-being of our senior citizens. The program under the direction of San San Sy officially launched a web site today called the older adult knowledge network, or Oak-Net for short. The site is devoted to describing different types of elder abuse in noninstitutional settings and what protection is offered by the law. The information relates to financial, physical, and psychological abuse of seniors as well as neglect and over- or undermedication. The web site offers options for abused seniors and friends of abused seniors to get information on how to stop abuse and, if warranted, seek compensation or legal remedy.

Elder abuse is a serious crime that cannot be allowed to continue in our society. It's up to everyone to do their part to help vulnerable people from being taken advantage of or hurt. I would recommend that everyone take a look at the older adult knowledge network web site at www.oak-net.org, because knowledge truly is power. And thank you to the University of Alberta legal studies program for providing another tool to help stamp out elder abuse.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Provincial Fiscal Policies

Mr. MacDonald: Thank you, Mr. Speaker. Last year's flip-flop budget has been followed by this year's clip-clop budget. The horse racing industry gets an even larger feedbag while children of Alberta's poor make do on Kool-Aid and crackers. The long shot came from behind and crossed the finish line with an extra \$4 million in Tuesday's provincial budget. The odds of the horse racing industry tying with the supports for independence with \$4 million increases were slim to nil anywhere but in the province of Alberta. Where else would a government give poor people struggling to pay sky-high utility bills the same raise as the horse racing industry? Only in Alberta would a mode of gambling receive a 12 percent hike while the vulnerable poor get a 1 and a half percent raise, that translates into an extra \$20 a month, or 66 cents a day. The government members who gorge themselves weekly on free food and drink courtesy of lobby groups should be ashamed. Alberta and its advantage have been shamed.

The prosperity of any province can only be truly judged by how well its poorest member is faring. In Alberta the poor aren't doing very well, while horse racing is considered of greater importance. Perhaps this government would like to see supports for independence recipients bet at the track the extra \$20 that some of them will receive. Is that the welfare program this government has in mind?

The extra \$4 million in this budget for racing industry renewal took horse racing from receiving \$33 million last year to \$37 million this year. In last year's budget they even had a double increase in

their budget, from \$17 million to \$33 million. I think this is obscene. This government has even managed to separate classes among the province's poor. They could call them the will-gets and the won't-gets. An extra 66 cents a day, the equivalent of one pound of potatoes on sale at the market, will only be received by supports for independence recipients with children or the singles and couples who are not expected to work.

Thank you, Mr. Speaker, for your patience.

head: **Presenting Petitions**

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. I'm pleased to rise today to present a petition on behalf of the parent community of Bertha Kennedy Catholic community school, who obtained 218 signatures regarding funding for public education.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Mr. Speaker, at this time I would like to present a signed petition:

We, the undersigned residents of Alberta, petition the Legislative Assembly to reject the recommendation of the Electoral Boundaries Commission that Edmonton lose a seat in the Legislative Assembly.
Thank you.

head: **Notices of Motions**

The Speaker: The hon. Deputy Government House Leader.

Mr. Stevens: Thank you, Mr. Speaker. I rise pursuant to Standing Order 34(2)(a) to give notice that on Monday we will move that written questions appearing on the Order Paper do stand and retain their places with the exception of written questions 11 and 12.

I'm also giving notice that on Monday we will move that motions for returns appearing on the Order Paper do stand and retain their places with the exception of motions for returns 12 and 13.

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much, Mr. Speaker. I rise today with the appropriate number of copies of the Alberta Economic Development Authority report for 2001-2002 entitled Strong Performance in Uncertain Times. I think that's a very appropriate name. As you know, we've come through some tremendous challenges in Alberta and survived them, and the Alberta Economic Development Authority has helped us guide our policies and our taxation performance. I would like to thank them for their excellent effort and offer them all my continued support.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. With permission I table the appropriate number of copies of a letter from Brenda Kaplan, Montrose junior high school council chair, detailing her concerns about the cuts at her school and the deficit position faced by the school board there.

Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I have one tabling, myself, and with your permission I would like to table another one on behalf of my colleague from Edmonton-Highlands. My tabling is a document which debunks the private/public partnership model for hospitals in Ontario, the P3 model. The title of the document is Brampton Health Coalition Debunking the Myths about Brampton's New Hospital. That's the first one.

The second document, Mr. Speaker, is simply a whole series of quotes from *Hansard*, starting in '97, attributable to former finance ministers, the treasurers of the province. One of the quotes says that "government has quietly reached around with a hand into the back pockets of people and slipped those extra dollars out and made as if they took nothing," and second, that "this erodes buying power and hits low-income citizens hardest."

Thank you, Mr. Speaker.

The Speaker: Hon. members and to the hon. Member for Edmonton-Strathcona, did the chair hear that the hon. member tabled documents of *Hansard*?

Dr. Pannu: Quotes from *Hansard*, Mr. Speaker.

The Speaker: Well, *Hansard* is the official record of the Assembly. It's printed. There's no need to table it again, hon. member.

Dr. Pannu: These are selected quotes.

The Speaker: It's all part of the history and the record of the Assembly.

2:40head: **Projected Government Business**

The Speaker: The hon. acting Official Opposition House Leader.

Ms Blakeman: Thank you very much, Mr. Speaker. Under Standing Order 7(5) I would ask the Government House Leader the projected government business for the week of April 14 to 17 inclusive.

Thank you.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. On Monday, April 14, under Government Bills and Orders at 9 p.m. we anticipate completion of the debate on Government Motion 13; time pending, second reading on bills 35, 33, 34, 28, 32 and as per the Order Paper.

On Tuesday, April 15, under Government Bills and Orders in the afternoon, of course, day 4 of Committee of Supply with the Human Resources and Employment department, as designated by the Official Opposition, and as per the Order Paper. On Tuesday, April 15, at 8 p.m. under Government Bills and Orders day 5 of Committee of Supply, Executive Council and thereafter second reading of bills 35, 33, 34, 28, 32, Committee of the Whole for Bill 16, and as per the Order Paper.

Wednesday, April 16, in the afternoon under Government Bills and Orders Committee of Supply day 6, as designated by the Official Opposition the Department of Learning. At 8 p.m. that day under Government Bills and Orders Committee of Supply day 7, the Department of the Solicitor General and then second reading of bills 35, 33, 34, 28, and 32 and as per the Order Paper.

Thursday, April 17, in the afternoon under Government Bills and Orders, as designated by the Official Opposition for day 8 of Committee of Supply, the Department of Environment.

Point of Order**Allegations against a Member**

The Speaker: The hon. Member for Edmonton-Gold Bar on a point of order.

Mr. MacDonald: Yes, please. Thank you, Mr. Speaker. I rise on a point of order this afternoon, and I quote 23(h) of our Standing Orders, which states, “makes allegations against another member.” While I was asking the Minister of Finance a question this afternoon in regard to automobile insurance rates, the hon. Member for Cypress-Medicine Hat, the Minister of Environment, stated that I had a drunk driving record and have difficulty getting auto insurance. I find this to be extremely distasteful. It’s not only disrespectful to me but to all members of this Assembly, and I would now ask the hon. member to withdraw that statement and apologize.

Thank you.

The Speaker: The hon. minister on this point of order.

Dr. Taylor: Well, Mr. Speaker, I made no such statement. I asked him a question, and the question had to do with whether or not he’d had a conviction – I can’t remember the exact words; we’d have to check *Hansard* – whether or not he’d lost his licence for drunk driving. It was in question form. But if he found that question offensive or in any way harmful to him, then I’d certainly withdraw the question.

The Speaker: Government House Leader, do you want to get involved in this?

Mr. Hancock: Well, not really, Mr. Speaker, but it was raised as a point of order, and the point of order is relative to something which was not the official proceedings of the House or presumably on the record of the House, as the person who raised the point of order mentioned he was asking a question to another minister, and anything else that was happening in the House at the time – no other member was recognized to speak.

The Speaker: That’s absolutely correct, Government House Leader. No other member was recognized to speak, and in this case we’re looking at the Minister of Environment, who surely was not recognized to speak. Now, the chair did not hear any of this. If it occurred at that end of the House, the chair, again, did not hear it.

Now, the rules are very, very clear, and the hon. members might just want to refer to 526 of the *House of Commons Procedure and Practice*. If the chair is not able to hear and does not hear, the chair is not in a position to make a comment or a ruling, a ruling in particular. He’s certainly in a position in this case to make a comment.

We have no record of *Hansard* having heard anything other than blurred comments, but I’m going to pursue this matter further, and I’m going to check it to make sure that such a statement was not made in the House, because clearly the Minister of Environment had no business being involved, none whatsoever. But the Minister of Environment has dealt with that, I hope to the satisfaction of the hon. Member for Edmonton-Gold Bar. The Minister of Environment said that he would withdraw the comment.

Now, the chair not having heard it, if one member says one thing and the other member says another thing, it’s very difficult to deal with it. But I don’t believe that this is at the moment, pending a further review – and we’ll check whatever we can in *Hansard* and anything else to see if there’s anything further than that, and we’ll

report back on Monday. At the moment we’ll leave the Assembly today satisfied that the matter was raised, that the matter was responded to, and if there’s anything further, we’ll report back to the House on Monday.

You want to say something further, hon. member?

Mr. MacDonald: Please. I certainly appreciate your wisdom and your advice, and I do accept the withdrawal of the comments from the hon. member, but I also think that an apology is in order as well.

Thank you.

Dr. Taylor: Well, if he is certainly offended, I have no problem apologizing, Mr. Speaker.

The Speaker: Thank you very much. By looking at body language and nods, then this matter is now ended, and the chair will not pursue this matter any further. It’s over and done with.

On that fine note, to celebrate and commemorate Tartan Day in the spirit outlined by the hon. Member for Calgary-Lougheed, there will now be great harmony as we declare Orders of the Day.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: I’d call the Committee of Supply to order.

head: **Main Estimates 2003-04**

Gaming

The Chair: Are there any comments or questions to be offered with respect to this? The hon. Minister of Gaming.

Mr. Stevens: Thank you very much, Mr. Chairman. I’m glad to be able to provide this afternoon some information on Gaming’s estimates, because I know from all the questions raised about Gaming’s interim supply that certain of the hon. members opposite have been very, very curious about them. I hope that what they hear this afternoon will satisfy that curiosity so that they can go back to a full night of sleep.

As has been my pleasure for the last two years as Minister of Gaming, I’ve had the opportunity to review in detail with you the Department of Gaming’s estimates, which for 2003-04 total just over \$150 million, and to outline the lottery fund estimates, which for that time period are almost \$1.1 billion.

I’d like to begin by highlighting some of the key areas in Gaming’s estimates for 2003-04. The first important item is a \$13.5 million increase to the community facility enhancement program, or CFEP, which brings the program’s total budget to \$38.5 million. As most hon. members are aware, CFEP is funded through the Alberta lottery fund, and these funds are directed to community-based facilities such as playgrounds and community halls as administered through the capable assistance of the department staff. The increased funding will allow CFEP to continue this important work in communities throughout Alberta and address some of the demand created for this type of funding by this dynamic and growing province. Surely, everyone will agree that this is \$38.5 million of very necessary spending.

2:50

Next I’d like to highlight the community initiative program and its \$30 million in funding from the Alberta lottery fund. As you will

recall, Mr. Chairman, this program was announced in June 2002 after a review of criteria for CFEP and five lottery-funded foundations in the Ministry of Community Development; namely, the Alberta Foundation for the Arts, the Alberta Sport, Recreation, Parks & Wildlife Foundation, the Wild Rose Foundation, the Alberta Historical Resources Foundation, and the human rights, citizenship, and multiculturalism education fund.

The community initiatives program was designed to focus on smaller community projects and those that fall outside the parameters of the other lottery-funded programs. The program has completed its first year, and I can tell you, Mr. Chairman, that it's been a resounding success. We've handed out somewhere in the neighbourhood of a thousand grants to eligible groups for everything from replacing the table settings at the Macleod Pioneer Lodge in Fort Macleod to group home construction for the Winnifred Stewart Association for the Mentally Handicapped here in Edmonton. We need to be able to continue funding projects of this nature and many others, and in order to do that, we require \$30 million in funding.

Funding from the Alberta lottery fund of about \$46 million is requested to allow the Department of Gaming to continue the flow-through arrangements we have with three different groups. One such arrangement is with Horse Racing Alberta. A portion of the net proceeds generated by slot machines at racetracks is provided to Horse Racing Alberta to help strengthen and expand the horse racing and breeding industry in this province and create the many spin-off benefits that are important to rural Alberta.

Another arrangement is with the Edmonton Oilers and Calgary Flames, which receive the net proceeds from the sale of special NHL lottery tickets. Albertans who want to support their favourite Alberta NHL team can buy these tickets and know that the funding flows through the Alberta lottery fund to the teams. Although we are somewhat disappointed with the results of the last Breakaway to Win event, sales of the new 3 Star Selection have been strong to date.

The final flow-through arrangement is with the province's bingo associations and the charities that work bingo gaming events for fund-raising. Net proceeds from electronic bingo and keno will flow through the Alberta lottery fund and out to the associations for distribution to the charities. Installation of electronic bingo and keno has taken a little longer than anticipated at this time last year, but Albertans can look forward to playing these games before too much longer.

I think my hon. colleagues will agree, Mr. Chairman, that these arrangements give Albertans flexibility to direct their entertainment dollars to some very deserving groups and that our funding requests merely allow us to act on the directions we receive from Albertans.

The department is also requesting \$17 million in funding from the Alberta lottery fund to continue to assist Edmonton Northlands and the Calgary Exhibition and Stampede and the additional seven major fairs and exhibitions throughout the province to carry on their important work. This funding is consistent with funding requirements from previous years.

Gaming has also continued its relationship with the Alberta Gaming Research Institute and the Gaming Research Council into 2005 and is requesting \$1.6 million from the Alberta lottery fund for those groups so that they can continue to sponsor world-recognized research into various aspects of gaming.

The final \$17 million requested, Mr. Chairman, is made up of \$13 million in lottery funding for the other initiatives program and \$4 million for the administration of the department and its grant programs.

That concludes a quick tour of the department's funding requests, but before I move to the lottery fund estimates, there are two more pieces of information that I would like to share. The first, Mr.

Chairman, is really a reminder. One of the changes made to the Gaming and Liquor Act last summer was to allow the Alberta Gaming and Liquor Commission to net its operating costs against revenues. That means that the AGLC gaming operation costs are netted against gaming revenues, and liquor operation costs are netted against liquor revenues. As I explained last year, this method of accounting is consistent with other commercial enterprises within the government of Alberta. With this change the AGLC no longer receives an operating grant from the department that some hon. members may recall as program 4 in the department estimates from prior years. The details of the gaming and liquor revenues and gaming and liquor operating costs are still presented to the Legislature on page 179 of the estimates, so there is no loss of information to Albertans. In fact, I think the funding arrangements between the entities within Gaming are now much clearer and easier for Albertans to understand.

The second item is the AGLC's planned VLT replacement. The replacement itself is old news, Mr. Chairman, as it's been part of the AGLC's business plan for a number of years now, but before the hon. members opposite get eye strain from scouring the estimates for the much-publicized \$104 million replacement cost, I'll save them the trouble. Since the central system and the VLTs themselves are used to generate revenue in a commercial enterprise, they're considered to be capital, and since the Alberta Gaming and Liquor Commission follows generally accepted accounting principles, the cost of these capital assets will be reflected in its operating costs over the number of years that the assets are expected to generate revenue. That means that the gaming operating costs of the commission presented on page 179 include a 2003-04 portion of the replacement cost, and a similar amount will be included in the operating costs for the next six years.

I know that some members here are not in favour of this VLT replacement project, but the reality of the situation is that VLTs are a major source of revenue for the Alberta lottery fund. With VLTs generating approximately \$600 million per year for the lottery fund, I would be remiss as minister not to ensure that the network is up to date in terms of equipment and operating system. If we don't protect the VLT system, Mr. Chairman, we risk losing all or part of the revenue it brings in year after year for the Alberta lottery fund. More importantly, we will lose the opportunity to direct those lottery dollars to the thousands of volunteers and nonprofit groups, and millions of Albertans will lose the benefits from the projects undertaken by those lottery-funded groups. To be even clearer on the relationship, over the seven-year expected life of the new VLT system it is likely to generate more than \$4 billion. I'd say that that is an excellent business investment. Looking at this from that perspective, the amount needed for the replacement is a minor cost to uphold a major revenue stream, a revenue stream which is one of the cornerstones enabling us to assist Alberta's flourishing volunteer sector.

That brings me to the lottery fund estimates. As I mentioned previously, the total lottery fund estimates are just under \$1.1 billion for 2003-04. As has happened for the past few years, lottery funds are directed to programs in several ministries. This year there are 12 ministries including Gaming. Programs that are fully or partially lottery funded tend to be community-focused programs, ensuring that the benefits of the Alberta lottery fund are shared throughout the province.

Changes recommended by the Financial Review Commission and accepted by the government relating to debt repayment mean that lottery funds can no longer be allocated directly to debt repayment. Instead, about \$96 million of the Alberta lottery fund has been earmarked for transfer to the sustainability fund. Given the fiscal

management benefits that the sustainability fund will provide to Albertans, I think my hon. colleagues will approve of this change. Since the Alberta lottery fund does its good work through a number of ministries, each minister will be able to address detailed questions about their lottery-funded programs and initiatives when the minister meets with the Committee of Supply.

As you've heard, Mr. Chairman, there's nothing unusual in our funding request. We're simply trying to continue to operate in a straightforward, transparent fashion so that the department can provide Albertans with the well-managed lottery-funded programs that they deserve and the AGLC can continue to provide Albertans well-managed and well-regulated gaming and liquor industries. It's a simple request, and I would encourage all hon. members to support us.

I have from the department certain members that I would like to recognize this afternoon, and perhaps I should describe them in terms of FTEs because that seems to be the nature of the discussion. I have, specifically, three full-time FTEs located in the members' gallery. Norm Peterson is the Deputy Minister of Gaming and also the CEO of the AGLC and the chair of the board of the AGLC. But I think that for technical purposes he is a Gaming FTE as opposed to an AGLC FTE. Just a little hint there. Ann Hammond is our assistant deputy minister, and Jeremy Chorney of course is my executive assistant.

3:00

I believe that the way we will be dealing with the first hour this afternoon, which is devoted to the benefit of the opposition, is that they will ask questions and I will respond. To the extent that I do not respond to questions that are asked, I will provide written responses both for the next hour and until this particular segment of Committee of Supply is concluded.

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. Yes, indeed, as the minister has just pointed out, we did have a moment to speak and agree that over the next hour, the first hour being dedicated to opposition questions, he and I will go back and forth with a short series of questions and answers, and of course as always I appreciate him responding to any unanswered questions in writing.

I would like as well to acknowledge and thank the staff that work with the minister. I'm pleased that they're able to be out to witness the debate today.

As the minister has hinted and likes to respond to this critic in question period that we're missing information somehow or not knowing information, after today and all of the thorough and detailed answers he'll be giving me, if there is any lack of knowledge in the future, then we can lay it at his door because he will have answered the questions so fully.

I would like to start by acknowledging a couple of the programs that the minister mentioned. An increase to the CFEP grant, the community facility enhancement program, which is a program that is of great value to the nonprofit and NGO, nongovernment organization, sectors. With matching equity or sometimes sweat equity put into it, they can achieve up to \$75,000 in grant money, and this is a very valuable program to the community. I notice a slight increase in this, and that is following with what was in the business plan from the ministry last year.

The CIP, the community initiatives program. I think we need to note that the credit for the very existence of that program should go to the community who lobbied persistently and gathered a great deal of community effort fueled by the power of outrage to have the

government put in a replacement program for the loss of the community lottery boards, and in fact the CIP came about as a result of that, I believe. Although a number of people have expressed disappointment that the program is not the same – it's not local decision-making; there is a cap on the amount of money; it does require in most cases matching funds, none of which existed in the previous community lottery board program – nonetheless groups are certainly looking for assistance, and they're happy to have the program that's there.

There are seven areas that I'd like to discuss with the minister. Problem gambling. My second category of questions is around: how much is enough? The third category is the reviews that are going on; that is, the eligibility for licences and the use of proceeds. The second review is the bingo terms and conditions. The fourth category is the unallocated funds. The fifth category, Internet gambling. The sixth category, the new VLTs. And the seventh one for me is a number of financial questions.

I do have to state my bias up front in this discussion. The minister likes to talk about how much this money benefits the volunteer- and community-based sector in Alberta, and I fundamentally disagree with the VLTs in Alberta. I actually feel quite strongly that the government is addicted to gaming and gambling revenues and has made all Albertans addicted to gambling revenues. But we're addicted now, and there's more money brought in through the gambling sector than the government is now receiving through all kinds of oil royalties. I have a bias in that I fundamentally disagree with the use of gambling as a revenue source, but I'm not on the government side – I'm on the opposition side – and I don't get to set this. But I thought it was important that I put that concern up front.

Now, starting with problem gambling. There was recently a gambling conference that was held in Calgary, and some of the issues that were raised were around youth gambling and the fact that the video screens on the new slot machines and the VLTs are very similar to the kind of eye movement and presentation that's available through video games. There is a concern that children can move very quickly from those sort of innocent video games into gambling, and that's been raised by a number of experts that are working and are concerned with youth gambling. I'm wondering what specifically this government is doing to address the issues around youth gambling and what programs there are in place. If we look at an overall heading of problem gambling, then youth gambling and youth addiction is one of the areas that falls underneath that.

I did take some time to contact people in the gambling addiction area and ask if they had any concerns that they wanted us to bring forward. Gary McCaskill from G-Mac Consulting raises the issue that "each year more and more Albertans present for gambling related problems, yet these numbers are disproportionate with the number of problem gamblers that research tells us there are in Alberta." So we have a reality gap there, if you'd like. Going hand in hand with that is the services that are currently provided by AADAC or AADAC-funded agencies. How can these be effective when there's an uncertainty about the number of problem gamblers that are actually presenting? He wonders also about the exclusivity that AADAC has in this area and wondering if that is impacting the effectiveness of the programs and Albertans' choices on access to services. For example, he notes that many Albertans view AADAC as a drug and alcohol agency, but in fact that's the only source or window to access gambling addiction, and people don't want to be painted with the drug and alcohol brush when they're looking for assistance with problem gambling.

Ralph McNabb notes that the biggest problem is the lack of treatment centres and prevention programs, a lack of treatment centres for problem gamblers. There are a handful of treatment

centres in the province, but most of them very limited, two weeks in length, and he feels that it's just not long enough to be effective. What work has the ministry done on what is the appropriate amount of time? That's a problem that I see repeat itself in a number of government departments, where a program is offered but not for long enough. So in the end really how effective was it to give somebody two weeks of addiction counseling when it can be shown somewhere else that it takes six months, for example? Now, I'm pulling that out of thin air, but that's the kind of information that I'm looking for. Do you have something that clearly says that two weeks of treatment on gambling addiction is enough to kick it? Or is that enough to kick it for 10 percent of the people or 50 percent of the people or 70 percent of the people? What's the information that you're working from that would make you make the choice of a two-week treatment program? Mr. McNabb notes that there are no treatment centres in Edmonton. There are some workshops held here, but there is no intensive treatment available. He feels also that there's completely inadequate funding. His group, which is the Problem Gambling Resource Network, is now doing 450 workshops a year, and there's been no increase in funding for four years.

That is part of my larger question about the link between the increased revenues through gambling and how much of that revenue is dedicated or attached to problem gambling treatment and research, and there is no connection. There is no percentage connection. It's not attached in any way. I think that if you actually run the numbers, the amount of money you come up with put into gambling addiction is a fraction of 1 percent of the money that's brought in from gambling in the province. I'm wondering if the government is prepared to tag or attach a certain amount of money for problem gambling. I know that in Ontario they look at I think it's 1 percent. Oh, yeah. The budget in Ontario is that 2 percent of the VLT revenue goes to problem gambling. That was an amount of \$29 million last year and \$36 million this year. So it's very specifically tied together. That only makes sense to me. If you've got more gambling revenue, you've probably got more gamblers, and therefore your percentage of problem gamblers is also going up with it.

3:10

I'd also like to repeat my question of earlier years around: is the government or any research institute any further ahead in understanding the link or being able to prove the link between white-collar crime or any kind of crime and gambling addiction? We know that drug addicts, for example, commit crimes to fuel their habit. They go out and they steal things and they sell them and they take the money and they buy drugs with it and they ingest the drugs. It's believed strongly by a number of people that the same thing is happening in gambling, that people need money to fuel their gambling addiction: they go out; they commit a crime. But there has been no tracking up to now in the same way that there has been with the petty crime, where we're able to actually track how much money this is costing us and how much crime is being generated. So I'm looking for an update on that one.

I think those are the issues that I wanted to raise under that first section of problem gambling, so I'll turn it over to the minister, and then I'll come back for the next one on: how much is enough?

Thank you.

The Chair: The hon. minister.

Mr. Stevens: Thank you very much, Mr. Chairman. Just a quick comment with respect to the hon. member's statements regarding the community facility enhancement program. The existing upper limit

is in fact \$125,000, not \$75,000. Seventy-five thousand dollars is CIP, so that is the monetary distinction between the two.

Dealing firstly with the youth gambling comments. I believe the recent conference dealing with this matter was in Lethbridge, and I did not attend it. I attended it for the purpose of making some remarks at lunch, because I did have to get fed that day, but apart from that I was unable to attend the conference. Members of the department were there, and as such a brief is being prepared for me so that I know what went on.

I do know that there were some topics regarding youth gambling. The first and most obvious statement I would make is that in order to gamble in Alberta, one must be 18 years of age or over, so youth, if you define them as persons under the age of 18, in fact are not allowed to gamble here. We have introduced as of last year rules to ensure that there are adequate fines for establishments that would breach that rule. In fact, there are now fines that can be levied on a youth who would breach it. The information that we have is that that is not an issue. It is not an issue of youth entering the authorized licensed establishments that are casinos or racing entertainment centres or lounges that have VLTs to participate in gambling or that they in fact approach some 2,000-plus retailers who vend lotteries. That is not something that we have information indicating that there is a problem with. We do monitor that. We do have over history some examples of it happening, but there's no indication in this province that that is an issue.

According to the most recent information I have, AADAC is currently in the process of finalizing a report regarding I believe a study of junior high and senior high school students in the province regarding their habits as they relate to drugs, alcohol, and gambling. So I think that in short order we will have what I would call perhaps some form of prevalent study regarding that issue, which will give us a snapshot of what is happening in that area and what the attitude of youth is in this province. I don't know anything more about that. I do anticipate that in the next few months we should have access to that information, but once again that's an AADAC study. That's not something that is under my ministry per se.

With respect to the comment on a problem gambling survey creating a certain impression regarding the number of problem gamblers and anecdotal evidence indicating a different number, I can say that as a result of establishing the Alberta Gaming Research Institute, a new method of measuring problem gambling in Canada was created, and I believe it's the Canadian problem gambling index. In fact, it was created by two researchers here in the province, and at this point in time it's my understanding that they have used that particular survey or methodology to do surveys of all of the provinces in Canada. In the province of Alberta the information is that some 1.3 percent of those that gamble are problem gamblers and that another 3.9 percent would benefit from treatment assistance. So in round figures 5 percent is the number that is reflected in that survey, which would have been conducted some time over the course of the past year or 15 months. I believe the information came to me about a year ago or thereabouts.

So that is the most recent information here in the province, and on the basis of the review that I have done, comparing ourselves to other provinces, it seems similar. In other words, whether you go to Ontario or Saskatchewan or other provinces, it would appear that about 5 percent of the population that gamble fall into the category of people who would benefit from some form of treatment, with about 1.3 percent being problem gamblers who have a lot of impact on their lives as a result of that addiction.

With respect to the experts in this area in the province the experts are without a doubt AADAC. AADAC is celebrating their 50th anniversary as an addiction treatment organization, and I know my

ministry and I believe all Albertans look to AADAC to determine what there is to know in the province – at least that's the starting point – regarding addiction to alcohol, gambling, or drugs and what kind of treatment is available. I can tell this hon. member that as a result of a very recent survey that we did, 95 percent of Albertans are aware that AADAC offers the services that they do for alcohol and gambling, so I'm satisfied that Albertans fully understand that AADAC is out there and available for them.

As it relates to what we do within Gaming, there are a number of things that we do. All of the machines that we have have AADAC's 1-866 number on them for help. The new VLT machines are going to have that information in electronic form. There are posters that are out. The information that we have is that the collective effort to communicate the fact that there is help available is well known to all Albertans, and I think that that is a good thing.

Regarding the issue of funding, once again, AADAC is part of Health and Wellness. It's one of its line items. We have for some time through the Alberta lottery fund funded in its entirety the budget of AADAC, and once again this year we are doing that, and once again it has gone up. I believe it's gone up something in the order of \$1.7 million. My understanding is that generally speaking the money that AADAC receives with respect to problem gambling and which they devote to that particular issue is the money that they feel is appropriate to that particular issue at that point in time.

3:20

In other words, if you compare it to alcohol, alcohol is an issue that this society has lived with for a longer period of time. I think that people in the business of addiction recognize that it is better understood than gambling addiction, that the experts understand alcohol addiction better than gambling addiction, that society understands alcohol addiction better than gambling addiction, and that there is a reflection of that in part in the people who seek out treatment. So the resources that are necessary for that are less than on the alcohol side. I think that on the basis of people that I've talked to and what I've read, that seems to be a fairly consistent message that's coming through. But the key point here is that it's my understanding that the amount of money that we are devoting to this through the AADAC budget is in fact an amount that is appropriate to the situation in accordance with the people we look to as being experts in the matter.

I mentioned that we will be introducing responsible gaming features on the new VLTs – we can talk about that later when you get to that in one of your later topics – but we also have been funding now for four years the Alberta Gaming Research Institute for problem gambling research, and we have just finished the first year of a three-year program. They've now received four years of funding totaling \$1.5 million per year. I believe they have something in the order of 30 projects that they have already awarded and which are in progress in various stages, and I believe that some time this spring they're going to have another awarding of research. So that is being done, but my understanding is also that when it comes to research, research with respect to problem gambling matters is relatively new, and we can be very proud of the people here in Alberta who in a relatively short period of time, four years, have developed an international reputation. But there's much to learn in the area, and we continue to be part of that through funding.

The member is quite correct that we do not have any percentage allocated towards what I would call the issue of responsible gaming. We have certain initiatives that we think are addressing the issue, and we have no intention at this point in time of arbitrarily identifying an amount by percentage or otherwise that is going to go to that because, as I indicated in an earlier comment, AADAC is the expert

in the matter, and when it comes to actual treatment, it's their budget through which that is done.

With respect to crime and addiction and what links there are, from time to time you hear a comment on the news or read a comment in the paper from someone who says that there is such a link. My understanding is that there is no such link established by any research to date. In other words, while there are crimes that are connected, there is no indication that there's an increase in crime as a result of gambling being available. I can tell you that there was research recently. I don't know at what stage it is in the publication process, but two of the researchers who are funded through AGRI worked with the Edmonton police force to review their files in certain crimes with a view to finding out if they could make a connection between those crimes and gambling. I don't know that that particular research has been published. I know that it has been done, and my understanding, once again on the basis of very cursory information – it was probably secondhand – was that the files of the Edmonton police force are such that it doesn't disclose much in the way of a connection between crime and gambling.

Once again, methodology of recording information and the questions that are asked often have something to do with the information that you get. I think we can look forward to that study coming down and making comment, but it wouldn't surprise me if one of the issues is whether or not that type of information is asked for and recorded. That could be part of the issue, whether there's a standard approach. When we had this issue earlier in the year regarding the link between gambling addiction and suicide, one of the issues was the relativity of information from one jurisdiction to another, and it was determined that the medical examiners who are responsible for that information from jurisdiction to jurisdiction don't use the same methodology. Therefore, it's not reliable to make comparisons from one jurisdiction to another, and indeed I think there are even some issues with respect to the value of the information that is recorded for those groups who in fact do record some information.

You know, if you want to have good information with respect to these kinds of links, hon. member, I think more work is going to have to be done on getting the good information in so that people who understand this kind of thing can do the research.

The Chair: Before I recognize the hon. member, I wonder if we might get agreement from the committee for the brief reversion to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**
(reversion)

The Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. It's my pleasure to introduce to you and through you to members of the Assembly Jimmy Ragsdale. Jimmy is in the public gallery. He's from Edmonton-Glengarry, and he's an adviser to the Member for Edmonton-Glengarry. With your permission I'd have Jimmy rise and receive the traditional warm welcome of the Assembly.

head: **Main Estimates 2003-04**

Gaming (continued)

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much. Continuing on then. The second series that I was interested in asking questions on and having

the minister respond I've entitled: how much is enough? Really what I'm looking for here is: does the minister have any data to show how much gambling is enough for a given market? Alberta is not a destination hot spot for gambling. I believe the minister would be hard-pressed to prove that people are signing up for bus tours to truck them into Alberta as a destination tourist market for gambling activities. Therefore, we have a finite number of gamblers here, and my question is: how much gambling is enough? How much will the market bear, so to speak? Given so many square feet of casino space and so many gamblers, where do we reach our saturation point?

The minister has been quoted widely recently – actually, I'm assuming he did his own press conference yesterday – saying that there were nine new casinos coming into the province and that we have an additional I think it's 16 applications that are pending or a number of additional ones that are pending, particularly aboriginal casinos. So that is my question. What is the minister basing these granting of licences on? How much more can we take? Can we take 25 more casinos in Alberta? At what point does it start becoming diminishing returns? I'm looking for specific information on how many people play casino games, how much they gamble on average, and where they're coming from. As I say, I'm pretty sure I'll be proven right in that they come from here, that they're not acting as a tourist in Alberta to reach gambling destinations.

3:30

Another part of that is that there is a connection between illegal and legal gambling; for example, the poker rooms. If you have poker rooms that are going on in casinos – in other words, legal poker – that does in fact create a certain amount of after-hours or illegal poker because people start playing, they want to keep playing, and the casino is now closed. We even have late poker rooms here, but even then they do shut down eventually. People want to keep playing, so then they start to look for the illegal gambling and the connection that's happening there. So what kind of work has the ministry done on that connection between legal gambling creating illegal gambling? Or perhaps he doesn't even consider this to be an issue or a problem, but I'd like his thoughts on that.

Further to that is the issue around VLTs creating illegal gambling. I know that back when the Member for Barrhead-Westlock, now the Speaker, was the Economic Development minister – I've heard him speak a number of times that back 10 years ago the advice given was that if the Alberta government didn't get into the VLT business themselves, we would be overrun with illegal VLTs. Well, the truth is that I think the statistics show that Alberta does in fact have fewer illegal VLTs, but I don't know how that stacks up when you start looking at places like B.C. and Ontario, B.C. in particular, which has no VLTs. Obviously, the minister knows what I'm talking about there.

Now, part of this “how much is enough” is around the aboriginal/First Nations casinos. There are a couple of issues there that have been raised repeatedly. One is around what some people are perceiving as an unfair distribution or allocation of the proceeds, some concerns from certain business sectors that there will be unfair competition, that money is able to be used by First Nations gambling to enhance other parts of the facilities on the First Nations properties. As well, there's the issue of the court cases that are currently going on in Ontario.

I know that there is a backlog, and the case that I was waiting to be decided is fairly far back in the line, but I'm sure the minister is familiar with it. That is the case where the one First Nations had an agreement with the Ontario government that a certain amount of money would be turned over as part of their agreement, not unlike the agreement that the Alberta government has worked out whereby

30 percent I think was to come back to Alberta Lotteries as compared to the usual 70 percent that's coming back to Alberta Lotteries. So there was a deal worked out between this particular First Nations and the Ontario government, but First Nations operated the casino, and in fact they never turned over any money at all. When the Ontario government said, “Excuse me, but you owe us the money; that was the deal,” they said, “You have no jurisdiction on First Nations land. You're a province. Go away. You annoy us.” That is now in court obviously, and I'm assuming that the casino continues to operate and they continue to make the money. The Alberta government was proactive in negotiating the agreements with the aboriginal casinos, but what plans are in place or what expectations does the government have in case things don't play out the way that they want? Are there any kinds of other plans that are being put in place here, as much as the minister would be able to talk about? I'm happy to receive things in writing on that one.

Now, we do have a difference in the formula, and I have had a number of groups approach me and say: what's going on here? It's particularly around the First Nations development fund. Correct me if I'm wrong, but that fund is available for any First Nations to apply for it for grants or for moneys from the fund. My question is: does that include urban aboriginal groups applying, even provincial aboriginal groups? In other words, not specifically off of another reservation or another identifiable First Nation or tribe. Would the Métis be able to apply to this fund? Would nonaboriginal groups who are offering programming to aboriginals be able to apply to this? In other words, the Brothers and Sisters group in Edmonton is very active. They're offering a number of programs. If they wanted to offer a program that specifically targeted aboriginal youth in the inner city of Edmonton, would they be able to apply to that native development fund for moneys to support that program, or would they be cut out because they're not an aboriginal group?

The perception there is that the normal amount or percentage of money that would be coming back into the lottery fund to which all groups could apply will not have the same percentage flowing through. A separate fund is being set up. Only certain groups can apply to that, and the other groups are not going to be able to access that money, and there's a question of fairness that's being brought forward there.

I think that what I'm going to do is add the other section in that I was going to do, and that's around the reviews. We've got the eligibility and use of proceeds review that was going on, and my question about that is: why was that not completed or not made public prior to this budget coming out? From where I'm sitting, it only makes sense that we would know what the end result of that review was and how it was going to impact upon this budget. We don't have it, or at least it hasn't been released publicly, and I'm wondering: does the minister have any expectation that this will affect the budget, the dollars that are being brought forward in his budget, from the results of that review being done? Certainly, I think it's going to affect some of the groups that had been receiving money or had been trying to access licences for casinos and bingos.

There are a couple of very specific issues around that. One of the issues is around adult sports. I think I even asked a question in question period once that there seems to have been a prohibition against athletic groups getting licences to do casinos, and then seniors' recreational athletic groups were allowed to do it and youth recreational athletic groups were allowed to do it, and at this point the only group that's not allowed to do it is the adults. So now we really do have an inequity. I can't see the government turning around and punting the seniors and the children and the disabled people, but there seems to be an insistence that they are not going to include and allow the adult sports groups. We have money being

spent by one department that is trying to promote healthy, active lifestyles, and then we have the minister's department, which is considering refusing or continuing the prohibition against adult athletic groups from trying to make this available. Now, this may well be an ideological difference where the government says: "You're adults. You're not disabled. User pays." But I'm having trouble reconciling these two things where we have another government department spending money to tell people to get out and get active, and groups that are trying to provide that outing and that outlet are being prohibited from helping to fund their activities through a different department.

I'm assuming that the problem with groups like the Edmonton Sport Council is being addressed by the ministry. I had raised this a year or two ago where they were trying to run casinos, because they're an umbrella organization, essentially on behalf of a number of groups and were being prohibited, and they had gone to the ministry. I'd like an update on that, please, to know what's happening there.

3:40

The bingo terms and conditions. Just a couple of issues I want to put on the record for the minister to know, and I'm sure he's gotten the same letters. I hope he got the same letters as I got. A couple of issues being raised there were particularly around the use of staff, paying staff. My concern with that is that I can see a point in the future where the ministry turns around and says: "Gambling in Alberta is based on a charitable model. We no longer have the charities doing the work," i.e., supplying the volunteers, because they're now paid staff, "and therefore we can withdraw" – I would say further, but the minister I'm sure would say withdraw – "funding from those groups or access to gambling revenues from those groups." I have a real concern that that's what's being put in place for down the road, and I'd like to get the minister very clearly on the record with a philosophy, a policy, an ideology, future plans, or however he wants to couch it. I'd like to get that on the record, please.

[Mr. Lougheed in the chair]

Secondly, I know that there is still some time for groups to respond to the draft bingo terms and proposals, but a number of groups were very concerned that they were not given enough time. Not-for-profit groups need better than three months' turnaround time, and I think that after the extension they got exactly three months' turnaround time. Also, a number of them did not receive the full report. They didn't even know they didn't have the full report, so that in itself was a problem, whether there's any possibility of a further extension on that.

I myself have a real problem with choices being made that are extremely unpalatable for these groups, and the one that I am most concerned about is the bingo and booze proposal. That is that electronic bingo aside from handheld electronic bingo will only be allowed in facilities that are also providing liquor, and I really have a problem with that. It is putting a number of groups in an untenable situation, and I am very concerned about what is behind the ministry's thinking in putting that forward, and I'd like an explanation on that, please.

I think, actually, I'll just sort of add the one more little bit in, and that was on the unallocated funds. Now, when I asked the minister a question in question period the other day about the persistent rumours and stories that we hear about unallocated funds, I certainly got some interesting facial expressions from the minister. Nonetheless, the rumours persist. Now, the minister seemed to be telling me

in his response to my question that in fact these so-called unallocated funds are appearing as the new initiatives line, and if that's the case, then I would like to have the criteria for applying for funding under the new initiatives line. If it's not a grant program, then what is it? There's an increase in it this year. It went from \$10 million to 13 million dollars and change this year, so what exactly is that new initiatives program? Is it a grant program? If it is, what's the criteria? I'd like a list of who has received the grants through that program. The minister mentioned Vertigo theatre in Calgary, and I think he indicated that the money for Vertigo came from new initiatives, which is leading me to believe that it is a grant program and that people have applied and received funds through it. So I'd like a list of the groups who have received that funding.

I'm also wondering – I'm looking throughout the budget, and I'll ask this in every department – is there any money in this fund under the minister's control, under any of the grant programs that is earmarked or set aside or believed to be in support of a centennial or legacy program or projects or grants anywhere in his department? There was a significant amount of money in the budget two years ago. It was cut, and I cannot find any single line item that is coming back that's looking the same. So I have to believe that the government has split up the money and it's now tucked away in a number of different departments. I'd like to know if any of it is tucked into this minister's department.

I just combined three different sections for the minister, but I appreciate that they were pretty small. I'm sure he can handle it.

The Acting Chair: The hon. Minister of Gaming.

Mr. Stevens: Thanks, Mr. Chairman. The first area dealt with: how much is enough? I think the focus essentially was with respect to new casinos, but I think it's important to just have an overview of exactly what authorized gaming is in Alberta.

Basically, authorized gaming involves the provincial lottery, which is the lottery tickets, the VLTs, and the slot machines, and then you have bingo, and then you have the raffle tickets. Essentially, lottery tickets are sold through some 2,000-plus retailers. It's a relatively mature market, and it changes from time to time, because that's necessary to continue to market the product, but it's a relatively stable and mature market. VLTs have been capped at 6,000 VLTs since 1995. We reiterated that they would continue to be capped as part of the licensing policy review that we released in 2001, and that continues to be our plan. So that's a static number, if you will. Bingos are very much a charitable model, and the government, in fact, does not earn revenue from bingos with the exception of some modest licensing. So really you're down to casinos as being the potential growth area in gaming in the province and racing entertainment centres, which is part of the racing industry renewal initiative. Those are the two areas where you can concentrate the discussion and really not miss anything at all.

In December of 1999 the government froze expansion of gaming so that the licensing policy review could be done, and in the fall of 2001 the policy review and the government's response to it was released, which was to accept the recommendations. In March of 2002, after further consultation of stakeholders, the final rules with respect to expansion of casinos and racing entertainment centres were released. The moratorium was lifted.

What I'm going to deal with is just simply the expansion of casinos, because that's really principally what we're talking about. What that process did was establish an eight-stage process. It incorporated into that the fact that it wasn't government that was initiating this – it would be members of the community, a private enterprise if you will, that would have to come forward with an

initiative – that communities had an opportunity to say no, and that there was going to be the need for viability if the process was to be pursued successfully. So essentially it was going to be up to the private enterprise to come forward with a proposal. Communities could say: we don't want a new casino in our community. In any event, it would have to be a viable operation. In other words, it would have to make sense within the charitable model, which is, in fact, what casinos are all about.

[Mr. Tannas in the chair]

The hon. member is undoubtedly aware of some communities which have been pre-emptive with respect to this issue. Lloydminster recently had a plebiscite where they voted not to have a casino in their community. Edson had a vote last municipal election which was in favour by a small majority, and I think it was at the same time that Strathcona county had a vote, and they voted not to have casinos.

Now, Lloydminster and Strathcona, from my perspective, are two communities who have established the facts to say: our people do not want casinos here. And whether they're viable or not, any application that went forward would have little likelihood of success.

3:50

The article that appeared in the paper recently – I think it was this morning as a matter of fact – indicated that there would be nine new casinos, and in fact what I was indicating to the reporter was that there are nine areas in the province in which notices of expressed interest have been received, and that doesn't mean that there will be nine new casinos, because what's necessary is that there is going to be no negative response from the community in which those casinos are proposed. It will be necessary for the applicant to pursue the matter, and this is a timely and costly exercise, so there are people who can start the process and not proceed, and they have to be in areas which are viable. If all of those things come to pass – that is, the community either supports it or is neutral about it, the applicant pursues it, it's a good plan and in an area that's viable – and if all other conditions that are required by the municipality are met, then I would suspect that there's a pretty good likelihood a new casino licence would be granted, and if they have the money, they'll end up building it.

Because it's driven by those things, we in Gaming do not have a vision of how many casinos there will be, but I agree with your perspective that when you have 3 million plus people in a market which is largely going to be domestic as opposed to destination – I think there is some destination in the sense that people from Saskatchewan, people from B.C. do come, but it's no Vegas; there is no illusion in that regard, so it's essentially a domestic market – there is going to be a maximum amount of gaming that makes sense, but that is going to be measured from time to time based on the applications that come forward in the communities where they are brought forward. Some communities may make sense; other communities may not. As I said, some communities that make sense might say no. It's going to be measured by the AGLC on an application-by-application basis.

Now, I believe at this point in time there are nine different streams of applications. I must just indicate that all of the information with respect to the rules regarding new casinos, the eight-stage process, and the status of the applications can be found on the AGLC web site. We try and keep it completely up to date, so if you want to know what's happening and who the applicants are, to the extent that that information is available, it's all on the AGLC web site.

Four of those nine streams are First Nation; five are traditional.

So there are four First Nation potential casinos and five traditional casinos. I think the total number of applicants in those nine streams might be something in the order of 25 to 30. It'll be up in that number, say 25. There are a number in Edmonton, a number in Calgary. There are a number in the central region. In three of the First Nation areas I believe there's only one applicant. In one of the First Nation streams, in the last one, there are six. So it just depends on which one you're looking at.

You asked about a connection between legal and illegal. Alberta Gaming and the AGLC have jurisdiction with respect to authorized gaming, and that means gaming within our environment: at casinos, at lounges where VLTs are, at bingo. Outside of that environment it's a police matter. We work very, very closely with the police with respect to these things, and in fact there is a committee involving AGLC, city police in Edmonton, Calgary I believe, Lethbridge who work together regarding matters of common interest. From a jurisdictional point of view the illegal gaming, as you put it, is a police matter and not an AGLC matter. But we understand full well that there is an overlap, and we work together in order that we have common information, and to the extent that we can assist one another, we do.

With respect to VLTs and illegal gambling that is not to my knowledge an issue in this jurisdiction, and I certainly agree with the comment that was made earlier, that one of the reasons for government to be in the gaming business is to ensure that there isn't an illegal, criminal element that is successful in dealing with illegal gaming, because that can be very, very lucrative. I believe that in B.C. not long ago – as you rightly pointed out, there are no VLTs – there was something in the order of 3,500 gray machines; in other words, illegal VLTs. That just creates a whole host of different issues for us to deal with. At least with the way that we're dealing with it, we have an income stream and we know where they are, and I think that when it comes to illegal machines, we've effectively, because of the way we've dealt it, eliminated that.

Poker rooms do go all night. I'm sure that there are some illegal poker games out there some place, but the fact of the matter is that casinos will stay open 24 hours a day for poker players. That's the way it's set up. They have their own door, and they can play as long as they want provided there are people to play. So I also don't believe that that's much of an issue, although I'm sure that it does occur from time to time.

The First Nations gaming matter. You're right. The First Nations gaming policy, which was announced in January of 2001, was as a result of negotiations between the government and the First Nations of Alberta, some 46 First Nations. The detail of that was ultimately put together late in 2000 and was voted on and approved by all chiefs, if I recall correctly, early in December 2000, and as I said, government approved the final terms of that in January of 2001.

It sets out the parameters of that particular program. Essentially, the way I look at it is that the gaming rules with respect to traditional casinos are 98 percent applicable to First Nation gaming. The differences are that First Nation casinos must be built on reserves that were in existence as of January 2001 or which come into existence and which are contiguous to an existing reserve after that date and with the approval of the government. You have the 15 percent that goes to the operator in both cases. You have the 15 percent that goes to charity in both cases, except in the case of the First Nations it will be a First Nation charity in all likelihood; in other words, one charity which will operate it 365 days a year rather than 180 charities that operate 365 days a year. The money that the First Nation charity receives must be used for charitable purposes just as the money received by the traditional charity with the exception that – and this is an employment economic incentive – the

First Nation can pay its volunteers so as to create some employment for people on the host reserve. So that's the difference on that particular line.

The hon. member correctly outlined that 40 percent of the slot revenue goes to the First Nation development fund, and 30 percent goes to the Alberta lottery fund. That is a difference because traditionally it's 70 percent. The hon. Minister of Community Development is responsible for the First Nation development fund. The First Nations gaming policy agreement that was reached in January of 2001 sets out the parameters, and those parameters indicate that the money, the 40 percent, can be used for economic, social, cultural, educational purposes, but it cannot be used to build or operate the casino. It's my understanding that 30 percent goes to the host First Nation, and 10 percent is available to other First Nations. So if you think of it in these terms, if you have 46 First Nations and one casino is built, that one First Nation will receive 30 percent of the fund, and the other 10 percent will be available to the other 45. Where did those numbers come from? Those numbers came from the First Nations. Among themselves they said, "This is the way we would like to deal with this matter," so we accepted that as part of the First Nations' development. People can have their own point of view with respect to it, but the fact is that the First Nations people themselves are the ones that chose those numbers.

4:00

With respect to who can apply and can it go off reserve and so on and so forth, one is going to have to wait until the terms of the First Nations' development fund agreement are finalized. Those are still under discussion. As the Minister of Gaming and knowing the process that has gone on to date, my perspective is that if it is for the economic, social, cultural, or health/welfare of aboriginal people, I don't know that this government is going to care where the money is spent, whether it's on reserve or off reserve.

At this point in time I believe that the tenor of the agreement with the First Nation peoples is that it will be with First Nation people as opposed to Métis people, that it will be reserve based as opposed to off reserve based. But if someone came to me and asked me, "Do you have an objection if money goes from that particular fund into an addictions treatment centre located in the city of Edmonton or Calgary?" I would say: of course not. So I think it's going to be in large measure driven once again by the First Nation people rather than by the government. If they want to have a broader group that can access that money, so be it, but that's a discussion I haven't been privy to, and I don't think we know exactly at this point in time where it will go or whether it will happen.

With respect to the arrangement we believe that the First Nations have accepted that the province of Alberta has jurisdiction with respect to the matter of gaming, and that's why we have a policy. With respect to the operation we have the AGLC approving the licensing of the operator and the charity and all of that just as they do in the traditional, so that is identical. We control the process. The machines that will be located on the reserve are going to be owned or leased by the government through the AGLC, as they are in the traditional, and they will be controlled in the sense of on or off and the servicing, just as they are in the traditional.

So from my perspective we have all of the same kinds of control features with respect to First Nation gaming that we do with respect to traditional; in other words, if there's a problem, we have the ability to move in and deal with a serious problem. We aren't looking for that. We are looking to have success with respect to these matters. I don't spend my time thinking about that, but I can tell you that when we went through the amendments to the Gaming and Liquor Act last year, we included things like receivership. We

thought through the "what if we have a problem" scenario to build in the remedies that we thought were reasonable, so at this point in time I feel that we have all the control we need relative to any casino in the province should there be an issue.

The Chair: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Well, thank you very much, Mr. Chairman. May I start by recognizing the minister and the minister's command of that ministry and his co-operativeness with other members throughout the year. In my opinion, the Minister of Gaming certainly has his hand on the tiller, and he knows what he's doing, and I think that should be recognized.

Having said that, I would like to, if I may, take this part of the debate on the estimates in a slightly different direction. Following up on the direction the Member for Edmonton-Centre has taken us in on gambling, I wonder if we might go to the notion of fetal alcohol syndrome and what the department is doing in that regard.

In the core businesses, goals, strategies, and performance measures of the department on page 175 item 3 says: "Support leading-edge research on gaming and liquor issues in Alberta and partner to build awareness of the social aspects of gaming and liquor." The report of AADAC, which of course reports through Health and Wellness, indicates that the percentage of women who consumed alcohol during pregnancy is suggested to be 4 percent, and the target for the end of next year is 3.8 percent, which would be a significant reduction.

There is no question that alcohol and the consumption of alcohol by women who are pregnant have very significant societal effects, none of which are good. The societal cost is huge in the loss of potential to the children that are involved, in the dysfunction within the family unit that's caused by this dysfunction, later in the school system, and, then, unfortunately, in the criminal justice system. I am aware that the majority of people incarcerated do suffer from either fetal alcohol syndrome or fetal alcohol effect. So I don't think that we need to make the case that as a societal problem that can be cured, it should be, if not the number one priority, very close to the number one priority. Since it's identified as a core business of the Department of Gaming, I'm wondering what is being done with regard to research, as has been outlined, within the department.

Secondarily, I'm wondering if there has been any consideration to covering the cost or at least starting to cover some of the cost of fetal alcohol syndrome and fetal alcohol effect by the manufacturers of alcohol, who profit from the sale of the alcohol? Perhaps those resources could be directed to prevention of fetal alcohol syndrome and trying to help the individuals concerned both in the family setting and as individuals in intense therapy, because the benefit to our society would be tremendous.

[Mr. Renner in the chair]

In the opinion of many, shared by myself as an individual, we're putting far too much emphasis on the end-of-life issues and far too little on the beginning-of-life issues. We're spending a fortune in health care for people who are in the twilight of their years when we could have as a society a much better bang for the buck and do far more good in society by putting far more resources in the front end.

Thank you.

Mr. Stevens: Well, thank you, member, for the kind comments on the good work that the Gaming and AGLC staff do. I'm very, very proud of my department. We have people with a long history in government, a long history in this area, and I would think that when

it comes to corporate knowledge, the Department of Gaming and the AGLC stack up well against anybody else in government. It's one of those areas where people seem to like working, and when they come, they stay.

In that regard what I'd like to do is also just introduce one other person who has joined us, and that is Marilyn Carlyle-Helms. She is our director of communications, and she's been doing an excellent job with us over the course of the last 18 months or so.

4:10

You raise a very important issue; that is, responsibility and alcohol, particularly as it relates to FASD. The nature of government, as the hon. member knows, is such that some of these issues tend to get broken into different categories, so when I hear that, I think in terms of Health and Wellness, I think in terms of Justice, I think in terms of Children's Services, I think in terms of Gaming, and I imagine probably Human Resources and others. Our ability to do matters in this area from a jurisdictional point of view is relatively small. We are interested in it. For example, we work with the liquor industry in assisting them, encouraging them in being responsible. There's a group here in Alberta called ALIRT, which stands for the Alberta Liquor Industry Roundtable. It is made up of various representatives from the liquor industry, so you will have liquor retailers; you will have manufacturers, both spirits, beer, wine, and others.

Last year I went to a conference in Red Deer where the principal issue was fetal alcohol syndrome and what could be done here in the province to deal with that issue. I can tell you that in June that particular group – I think it's the Alberta Liquor Store Association – is having another conference in Red Deer, and that is going to be the topic once again. The Minister of Children's Services will be speaking at that on that very issue. Last fall ALSA, Alberta Liquor Store Association, members worked with Children's Services in putting up posters in all of their stores making the connection between FASD and alcohol and the improper use of alcohol.

I think it's largely an education matter. What we do within the ministry is encourage that, work with that. We don't have a research program as such. I believe there is some research that's done by AADAC. I know there are other things that arise that are tangentially connected. For example, the University of Lethbridge has recently submitted a proposal for an addictions chair in I think the therapeutic area. So that's bringing an all-star here to the province. We should be very proud of this in Alberta. They are the only university in Canada that offers a baccalaureate in addictions counseling, and that's here in Alberta. So is that fetal alcohol? Well, no, it isn't, but on the other hand I think that everything about fetal alcohol is education. So to the extent that we build capacity in that particular area of addictions knowledge, we'll be further ahead.

That is my response. We are concerned about it. We work with the industry. I can tell you that we're working with the industry right now on developing an industrywide responsible intervention program with respect to liquor. That will include the Alberta Liquor Store Association, the retailers if you will. It will include the hotel and lodging association, and it includes the Restaurant and Food-services Association. What we're trying to do is encourage them to come forward with one program that all of their servers will have that will teach them the responsible use of liquor and their ability to intervene in the appropriate circumstances. While I haven't seen the detail of the program, I expect that some portion of it deals with the service of alcohol to people who are apparently pregnant. We've had this issue in here before, and this is a difficult problem. I mean, I understand that, but the fact is that I think it's one of those areas where you make baby steps. That is one of those areas where I think

a baby step may be made. So that, hon. member, is the response to your question.

I'd just like to, if I might, continue with a couple more comments to Edmonton-Centre, because when I heard a buzzer, I sat down. Being Canadian and being trained to do the right thing at the right time, I just assumed my time was up.

Ms Blakeman: It was.

Mr. Stevens: It was? Oh, okay. I did do the right thing.

The eligibility of groups in the use of proceeds. That particular report deals exclusively with the use of charitable gaming; that is, the licensing of groups to run casinos, bingos, and raffles. The use of those proceeds is tied to the Criminal Code and common law interpretation with respect to what "charitable" means in that context and the use of proceeds. So if it's religious, if it's charitable, if it's for seniors, if it's for youth, that kind of thing, that's all a given. These other areas are more problematic.

On the issue of adult sports, when I became minister, the department had at that point in time and had relied on an interpretation from Alberta Justice which said that adult sport groups, based on the law in Canada and the Criminal Code, did not qualify for a licence. So that is why we are where we are today: because the legal advice that this ministry received from this government's lawyers was that way. Now, that is an issue that has been raised by the Edmonton Sport Council and others. That is one of the issues that's being addressed, and when the report comes forward, you will find that it is in fact addressed in there.

From my perspective there are absolutely no budget considerations. There might be a couple of items where there's a minor expenditure by the department on something; in other words, maybe a couple more dollars will be spent administering something. That's a possibility, but from a budget perspective this is budget neutral. The timing of this particular report has everything to do with its being ready. All I'm saying is that it has nothing to do with the numbers. The numbers that we're looking at today will not change, because this is for charity. These are numbers that charities get, not numbers that will impact the government's revenue.

With respect to bingo the licensing policy review that came forward and was accepted in 2001 had 13 recommendations that were accepted, so what we're dealing with today, at least in this review that's out there, is in part some of those recommendations. What you have with the introduction of handheld bingo and keno into the bingo association setting is in part acceptance of and following through on the promises from the fall of 2001.

Private operators. The private operator model is the model that is used in casinos. It is a charitable model that we use in casinos. It is a charitable model that we use in the bingo associations. It is the intention of this minister, this ministry, this government to maintain the charitable model for casinos and bingos, which is what you wanted to hear me say, and I'm happy to say that before you because that has always been our position. We feel that the option of private operators, which works very well in the casino model, can work well in the bingo model. So that's one of the issues that's out there for discussion.

Ms Blakeman: Timing?

4:20

Mr. Stevens: The matter went out for review in January. The AGLC has worked extensively with all the bingo associations. Every one of them had been met with, I think, by the end of last month. Bingo associations, as the hon. member will know, are made up of the charities that work the bingos at that particular location, so those

folks become very familiar as a result of working through that stream. In addition to that letters were sent out which provided some of the material in writing but referenced the web site where all the material can be found. I'm told that the information and the feedback that we've been receiving through the work of the AGLC has been going very, very well, and at this particular point in time I have no reason to believe that we need an extension beyond the end of April. That is what I have been telling people, and actually I haven't been receiving much in the way of requests in the last two or three weeks indicating that that's a problem.

Once again, I'm told that an understanding of the issues that are reflected in the document, the fact that it's draft, the fact that people can put forward alternatives has provided some comfort to them and that there's a much higher sense of understanding today than there was, say, in January or February when people were saying: I'm concerned that you're going to do something that will materially and negatively impact us. That is not our intention. Our intention is to make bingo better. So at this point in time the AGLC will continue to do its work and receive information for the balance of this month, and they will provide a report following that.

The concept of unallocated funds is still very much a new matter to me. When the hon. member asked a question the other day and, following that, tabled a letter, I took the opportunity to get a copy from the table, and my department is currently looking at it. For the interest of those who follow these matters keenly – and I'm sure there might be one or two somewhere – the letter in question was dated the fall of last year, and it was written to an hon. member in the Liberal opposition. I think actually the date of the letter was maybe late in the year but relating to a meeting that had been attended in the fall. So there was a meeting, which gave rise to the questions. A couple of months later an hon. member received the letter requesting information. It's now reached my desk, and what I intend to do is see if we can provide some clarification with respect to that. That's how I intend to deal with the unallocated funds issue, because I understand that that term is used in there. I looked at the letter long enough to know that that was the case, and I said: figure out what the issue is.

Other Initiatives. Other initiatives have been with us for some time. It's been part of the line items since I've been minister. Basically, what it reflects is an amount of money that is available to address community initiatives which otherwise would not be dealt with as you go throughout the province over the course of the year. There are things that happen in our communities that don't neatly fall within a particular program, or if they do, the program may not have any funds or the program may not have the level of funding that's available to address the issue.

If I may use Vertigo Mystery Theatre as an example of that because I know that the hon. member is familiar with it, they approached members in Calgary last year saying: "We have a dire situation on our hands. We currently are located at a place and our lease is going to be up shortly and if we don't find space in which to move, we're going to be homeless, which means that the work we do and the work that other people who are connected with us do will be lost. Can you help us?" They were looking for a lot of money. If I recall correctly, they were looking for something in the order – I'm going to say \$6 million or \$7 million.

Ms Blakeman: Seven point six.

Mr. Stevens: Seven point six million dollars to take on what I consider to be a wonderful project, which was to move into what had been cinema space in the bottom of the Calgary Tower. It's located

in what is the cultural area, the theatre area, of Calgary. There's a connect there. They said: we need some help there.

Well, at that particular point in time we had CFEP, which was good for \$125,000, and we might have had CIP – I can't remember – but it's only good for \$75,000, and they were looking for a lot of money. What we were able to do in that particular case after reviewing the matter with them, after understanding what their needs were and understanding that the federal government had been approached, that there were members of the private sector in the Calgary area who were prepared to come to the table with significant funds – we were able to make a commitment to them of \$2 million.

That \$2 million will be funded from other initiatives, but the reason that we were able to do that is because we had this fund available, once again, to deal with unexpected situations that arise from time to time. Do you apply for it? No, you don't. This fund is what I would call sort of an emergency type of fund. Yes, we do provide the full particulars of this. It's part of this ministry's annual report. You can take a look at last year's when you go back to your office. I can tell you that you will find the Edmonton Odyssey as the recipient of \$1 million last year. You'll find a lot of different projects, many of which received amounts of money beyond the \$125,000 that's available through CFEP. So that's really what it amounts to.

The way I look at it, actually, is as follows: does it meet all of the demands that are in our society? Obviously not. I get to see the kinds of projects that are out there because people come and talk to me on a regular basis saying: we have a wonderful project in our community. And there are wonderful projects throughout Alberta. The hon. Minister of Community Development, as a result of being responsible for the centennial initiative, probably knows better than anybody the breadth and depth of those kinds of multithousand, multimillion dollar projects. We aren't going to be able to address all of those projects. That's just a fact of life.

I look at this as a situation where with this particular fund we can provide some stopgap measure from time to time for some groups, which will make a difference in those communities when you leverage it with the municipal, with the federal, and with the private sector. That's the nature of it. It's not something new; it's something that's been around since before my time in this particular ministry.

[Mr. Tannas in the chair]

There was a question as to whether I have any centennial dollars squirreled away in my ministry. The answer is no, I don't. I don't have any such money. The money that we can grant in Gaming is CFEP, CIP, and other initiatives. Otherwise, what you see is what you get. For example, the Alberta Gaming Research Institute gets \$1.5 million. I mean, those are moneys that go to the people that are indicated. Those are the only three programs in which funds can be found that are not allocated at the beginning of the year and will be allocated in full by the end of the year, because if you don't spend it, you lose it. You don't get to keep it in a new fiscal year, so typically there is a real effort made by the Ministry of Gaming to make sure that all those community initiative-type dollars are in fact expended. But we don't have any centennial dollars in our budget.

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much for those answers from the minister. I appreciate that.

I'm noticing that under my category of reviews and, in particular, the bingo terms and conditions I neglected to raise one point that had

been brought to my attention by some groups, so I will add that now. That is the concern that the AGLC regulates bingos, but it also can act in competition to the very groups that would be going to AGLC for decisions to be made or for regulations, and groups are questioning that.

So you have the AGLC approving or regulating a bingo association or a group that's holding bingos, and they have to appeal to the AGLC if there's some ruling that goes against them, but it is the AGLC itself who is their own competition because they also are bringing in funds or regulating or allowing other gaming activities to go on. Some of these groups are trying to make money through their bingos. They're trying to do what they're doing. The AGLC says no, but then the group ends up competing against the AGLC trying to get charitable dollars, and the AGLC is able to regulate and provide things like VLTs and slots. There doesn't seem to be any appeal process outside of the AGLC, and I'm wondering if the ministry has ever contemplated some sort of third-party group or not AGLC to allow appeals when groups are unhappy.

4:30

Just going back briefly, the minister is saying that the communities can decide about how much gambling is enough. This is a pretty astute minister, and there are some very good people working in this department. I'm struggling to believe that the minister isn't looking to the horizon on the possibilities for gambling expansion. I'm having a hard time choking that one down. You know, gambling revenue is a huge part of the economic diversification for this government. It's now bringing in more money than oil royalties, including synthetic oil royalties. I guess I don't accept what the minister said – I'm having a hard time choking that one down – that the ministry hasn't looked at exactly how much gambling they think the province can hold and that they are leaving it up to the communities to decide. So I'll just put that one on the record.

At the same time I'm also struggling to accept that the ministry and the AGLC haven't sussed out their competition; that is, their after-hours competition or illegal competition. I mean, this government was particularly alive to potential competition from illegal VLTs, which is why they went into the business themselves in the first place. So I'm kind of amused to hear that the minister doesn't look at this or that the AGLC doesn't seem to be keeping a finger on it, that he's suggesting that illegal gambling is solely under the auspices of the Solicitor General and that he doesn't think that it's a problem.

The adult sports definition not being included as charitable: we have an issue there, I think. In Canada our definition of charity at this point is coming solely from Revenue Canada. What Revenue Canada wants or needs or finds acceptable as a definition of a charitable activity is no longer fitting the amount of activity in the NGO sector and the volunteer sector in Canada. There's a recognition that having that sole definition flowing from Revenue Canada really is not addressing what is the reality today. Perhaps there is some room there for the provinces to start to put their own definitions in place or to be able to add on to the list that the federal government certainly has now. I'm looking to the future on that one, because the Revenue Canada charitable status is really about forgone revenue, and it's just not pertaining to what's happening today.

Finally, the minister says that he doesn't have any centennial legacy money squirreled away, but in fact if I'm hearing him correctly, under the other initiatives program he could end up dispensing money to what is a centennial program. There's nothing stopping a group that wants to do a centennial legacy project from coming to him and convincing him of the need for it and that they have buy-in from other levels of government and the private sector

and doesn't he want to come on board with that. In other words, there is no provision against any of the money from the other initiatives group being used for centennial legacy funding.

Okay. The last three categories that I had were Internet gambling, new VLTs, and some financial questions.

Internet gambling. Again, what policy and consumer protection is in place now, and what policy is the AGLC and the ministry looking to develop around consumer protection for Internet gambling? This is a very difficult one. As the minister well knows, he and I have been at the same conferences. I hope that this is an area that the ministry and the AGLC are looking at to develop policy for consumer protection. So I guess I should ask the question: is the government considering using the same strategy that they used around VLTs? In other words, get into the business yourself in order to have some control over the amount of activity that's happening in the province, which would make the province of Alberta get involved as an Internet gambling provider. So let me just ask that question, and we'll see what kind of a response we get from the minister on that.

The new VLTs. In January of this year we had the Supreme Court ruling that it is not unconstitutional to remove the VLTs from areas in Manitoba that voted against them, so I think we can safely assume that's how they're going to come down for similar challenges in other provinces. A couple of questions here. I don't see VLTs being taken out of communities. I have asked this before, and I've always been told that the government was going to wait for the outcome of the Alberta challenge. I'm just checking that that's still the status, that they are not going to remove any VLTs from communities that voted them out pending the decision on Alberta.

My question there is: what's the plan after that? Will the VLTs fall under the casino plan of whether communities wish to have them or not? I have in front of me the plan that the minister described with the seven steps for a community to approve casinos, but I haven't seen or I don't remember that that can also be used to say no raffles, for example, or no VLTs. Is there a plan to expand that? Perhaps it's already in there, and it's just not publicized. What is the plan B after we get that court decision? I'm not a gambling person, obviously, but I think it's fair to anticipate that we will get the same ruling for Alberta as we got in Manitoba. That's very consistent with the rulings that have happened in other kinds of court cases. So what's the province going to do with those areas, and what are the ministry and the AGLC going to do about future areas that decide they want the VLTs out or they don't want them in in the first place?

Okay. I'm on the new VLT section. The minister did anticipate my question about where's the \$105 million we've heard about, and I hear him saying that it in fact is being expensed out over an appropriate period of time. Could I ask him to give me the exact line vote where I could find the money and how much money is in there for this year, next year, and the third year out for these machines? Just prior to him telling me that, he talked about netting out of the gambling revenues. No, no, no. Sorry. That doesn't work because he did say that it was capital. Forget that.

I had asked a question in question period about the – I'm not going to remember the words that are used on that – antiaddiction functions that are on the new VLTs and that they're fairly unproven. Is the government planning on using the same system that's in place in Nova Scotia, or are they looking at a newer version of that? What information do we have that is within the last six months on how effective these problem gambling alleviators or reducers are? I'm especially interested, as the minister knows, in how that offsets, how it nets out, if you like, against the enhanced entertainment value of the machines. You know, they're snazzier. They look nicer. The graphics are more interesting. What kind of work has been done on

having this new entertainment value, and how does it net out against the problem gambling functions that are put on?

4:40

I'd like to go now to some financial questions that are fairly specific out of the budget book. There's been some discussion about the horse racing subsidy through the racing initiative, and the minister has said, maybe in response to questions, that this was all part of the plan. My question is: when does this subsidy run out? When does it end? I've looked for the documentation of what was in the initial documents from Racing Alberta or whatever its predecessor was, and in fact they were asking for I think it was \$87.1 million over a period of three years. The government has now given them \$87.9 million over that same period of time, so a question about why they got more money than in fact they asked for and than in fact did appear in documents that were forecasting this money out. This horse racing subsidy was to help this struggling industry get back on its feet, but how long does it help them get back on their feet? At what point is this subsidy over?

Okay. These are under sort of the financial questions. We've got a communications budget for the ministry. It appears to be going up by \$28,000, from \$197,000 to \$225,000. Is that a cost of doing business, an inflation increase, or is it representative of additional things, and if so, what?

When I looked, I in fact did not find the increase in the racing industry renewal. In last year's business plan it was not mentioned that there would be a \$4 million increase, or 12 percent of its budget, going from \$33 million to \$37 million in this year. When I looked back in the business plans, that increase did not appear. Perhaps I'm looking in the wrong place, but was this increase planned? I'd be interested in knowing more about that.

Now, the net gaming lottery is down by the \$14 million. Is that the effect of netting out that's appearing in this budget?

Mr. Stevens: Could we get page references?

Ms Blakeman: I've just got a bunch of scribbles on a pad here. I think it just appears where we were looking at the netting out. There's a difference there. On page 175 of the numbers book, the actual budget, government and lottery fund estimates. There's a slight difference there.

Now, the minister hinted that the change in the FTEs had something to do with the AGLC, so I'll just put the question on the record and he can answer it flat out. It looks to me like the FTEs in the department have gone from 32 to 39. Again, what is this, or is this AGLC FTEs, and what are these additional positions doing? What are their official titles? Are they administrative 5 or communications 3? What are they?

I notice the contingency allowance – I think it had a different name last year – that is appearing in the Alberta lottery pages. Last year I think that was debt pay-down, and this time it's appearing as a contingency allowance for the Alberta stability fund. If the minister could explain that or expand on that a bit more. Is it an expected expenditure, or is it in there as a cushion? If it's in there as an expected expenditure, when does he expect the money to be transferred across or used?

The business plan talks about reducing the number of VLT sites by 10 to 15 percent. I know that in something the minister said that I've read – maybe it was last year's debate – the explanation given was that essentially the VLTs were going to be taken out of sites that were not as high performing and put into sites that were better performing. What's the criteria around that? [A cell phone rang] I'll allow the Minister of Revenue to answer his cell phone, but

perhaps I could ask him to leave the Assembly before he actually carries on the conversation.

Is the determination of the choice of the VLT sites strictly by which ones generate the most money, or is there other criteria that's coming into play on that, and could I get some explanation around that?

Also, in the business plan it talks about working with nonprofits to implement new gaming activities. I'm assuming that this is around the bingo terms and conditions, but I've learned not to assume here, so could I ask for an explanation of exactly what's being contemplated here? Is it new bingo? Is it new bingo games? Is it new casinos, new kinds of raffles? What is this?

When I look at the business plans, I have some questions around the performance measurements, and I know that I'm running out of time again here. When I look at performance measurements like we find under Core Business One, I'm really frustrated with the government. They had a good system with these performance measurements, and they put the first ones in place and then never reviewed them and made them really work. As a result, these performance measurements have less and less relevancy as a management tool in my opinion. So when you get things like the "percentage of Albertans surveyed who are satisfied with the conduct of the liquor business in Alberta," that's really not giving us much. I don't think it's giving very good information. It's a popularity poll, but it's not giving us information on: should there be more low-cost items or more high-cost items? [Ms Blakeman's speaking time expired] Hopefully I'll get another chance to continue.

Thanks.

The Chair: Hon. Minister of Agriculture, Food and Rural Development, you wanted to get a few questions in before the minister answers?

Mrs. McClellan: I did, if he had time.

The Chair: Whitecourt-St. Anne is also indicating that he'd like to get a couple of questions in.

Mrs. McClellan: I'll try and be quick and brief.

Thank you very much, Mr. Chairman. I wanted to first just commend the Gaming ministry for the way they manage the industry in our province. The fact is we do have a gaming industry, and the very fact that it is operated so well I think should be appreciated by everyone. Other provinces have gaming industries, and their performance is in no way matched by this ministry, and I think that point should be made.

4:50

Over the last couple of days a lot of talk has occurred in this Legislature over the horse racing industry, and I heard the question again on the increase to the industry. I know that the minister is going to answer this, so I'm not going to get too deeply into that, but I did want to talk a little bit about the industry. I'm sad that the people that speak against this don't understand the value of the horse industry, first of all, to Alberta and the horse racing industry, which is a part of that. I think it's important that members understand that of the 880,000 horses in Canada almost 400,000 of those are in Alberta. It is an important part of our culture, of our heritage, of our economy, and of our way of life.

It is a diverse industry, and that is the strength of the industry. If it were a single-sector industry, it would not have that strength and it would not have that growth and opportunity. The sport and recreation side of the horse industry has a value of about \$500

million to this province a year, and the agricultural side is about \$88 million. That's almost \$600 million. Most of the horses in this province are used for sport and recreation. They're used at spectator events like rodeos, 4-H events, gymkhanas, community shows, many things like that, and over 50 percent of the ranches or farms in this province that have cattle have horses, so they're still used in a very working way.

You can't talk about the horse industry in this province without talking about Spruce Meadows and the value that it brings to this province as well, whether it's the three major events, one of them being the Masters, that brings over 1 and a half million dollars in prize money and brings people from 22 countries to our province, or Equifair, that's held in conjunction with the Masters. It's the largest and most significant trade fair for horses and horse-related products in North America. It has over 250 exhibitors from North America and Europe.

Then the agricultural side of it, whether it's the PMU farms, that have, of course, a product that's used to make Premarin, which is a substitute for estrogen and is sold throughout the world – there's about a billion dollars of it sold throughout the world. Well, we have a pretty good chunk of that industry as well. Of course, the one that nobody ever wants to talk about really is horsemeat, but there is a need to dispose of some horses. There are about 50,000 horses in western Canada that are processed in Alberta, and all of that meat is shipped to Japan and Europe. None of it is consumed here, at least not legally.

So then we come to the other element of the industry which is the horse racing industry, which is the one that pertains to the minister's discussion today. Again, that industry has a very long and valued history in our province. The strength of that industry has a rippling effect through our economy and I would say particularly in the city of Edmonton, which is where we are today. It benefits everyone in the agricultural community and, certainly, many in the urban community. There was some research done in about the year 2000 that indicated that the salaries and the wages of Albertans working in the horse racing and breeding industry totaled more than \$83 million. That is a huge contribution to jobs. There are about 3,100 Albertans that have permanent jobs in that industry, and the value of that racing and breeding industry in our province is about \$134 million. So it provides thousands of jobs, millions of dollars of economic benefits not only to the urban communities, where most of the racing activities occur, but also to the rural communities, where a number of other activities occur.

Let me just give you an indication of the people who work in the industry outside of the racetrack. There are veterinarians. There are blacksmiths. There are hay and grain suppliers. There are transportation workers. There are harness and saddlemakers and many others that provide this service. So that is how we have this rippling effect.

The horse racing industry made a commitment to manage their industry themselves, and an agreement was struck last year on that. As I say, the minister will explain the increase, I'm sure. I'll touch on it briefly, but for some time Northlands Park or the Spectrum have had gaming machines, and they receive a percentage of that. What was agreed to last year was that the horse racing industry would indeed manage their own industry. They would do the marketing, the promotion, be the licensors, do all of that work, but with a board that is made up of people from all of the different breeds in horse racing.

It's interesting that the complaint that's coming in this Legislature is on an increase that's based on performance. The expected increase in this budget is based on performance, not on a gift, not on giving more money. It's based on performance. I should not be surprised that the members opposite have a difficulty understanding

that you actually could work harder, perform better, and get more money. But that is really what it's based on. It is based on performance. I would like that clearly understood once and for all. It is not a gift. If the industry does not perform with their racing entertainment centres, there will not be an increase in this year.

So, Mr. Chairman, this is a valuable industry. It has a long and valued history in this province. It is managed extraordinarily well by Gaming, and I just am one who really hopes for further success in this industry and that it'll continue to grow and continue to add to the economy and jobs in our province.

Thank you.

The Chair: The hon. Member for Whitecourt-St. Anne before the minister.

Mr. VanderBurg: Thank you, Mr. Chairman. I want to expand on the comments made by the Deputy Premier regarding the horse racing industry and the relationship that the Minister of Gaming and his staff have with this industry. When I hear comments opposite belittling this industry, they belittle my constituents, they belittle my family, they belittle my friends, and I take exception to that.

You know, there are thousands of tonnes of feed delivered and purchased by horse owners, millions of dollars in tack, vet supplies, food services, equipment, and of course employment comes from one of the finest horse racing centres and casino centres in this province at Northlands Park. Northlands Park right here in Edmonton does a fantastic job with this industry. You know, good, hardworking rural Albertans and I guess probably hundreds of Edmontonians deserve praise, and I congratulate them for their efforts and their investments to keep racing in Alberta and at Northlands Park viable and strong.

I've listened to members across, and I think the only part of horse racing they've got is maybe a little hoof-and-mouth disease because of the way they spew false statements, and I take exception to that.

The Chair: We have a point of order. Hon. Member for Edmonton-Centre, the point of order and the citation, please.

Point of Order Allegations against Members

Ms Blakeman: The citation would be 23(h), (i), and (j). The member is indicating that he believes that members of the opposition have somehow contracted hoof-and-mouth disease, which is certainly making an allegation, definitely imputing a false or unavowed motive, and most definitely using abusive or insulting language that was really unnecessary for this debate. So with that point of order I'd like a ruling from the Chairman, please.

5:00

The Chair: Hon. Member for Whitecourt-St. Anne, would you like to speak to the point of order?

Mr. VanderBurg: Well, I guess that since they haven't been tested to be positive, it's probably out of order, and I would withdraw that.

The Chair: Withdraw and . . .

Mr. VanderBurg: Withdraw and apologize for that comment.

Debate Continued

Mr. VanderBurg: But I would ask the minister in light of the great things that are done by this industry and by this department – we'll just take one of the facilities at Northlands Park – could the minister

share with us some of the good news stories, some of the statistics about Northlands Park, some of the employment opportunities that are there, some of the housing opportunities that are there? There are many people that live right at Northlands Park, right at the track. Grooms and other employees do lots of great things right there at Northlands Park. You know, this industry really adds to the Alberta economy, and I'd like to hear the minister talk about some of the good news stories and how this industry contributes to Albertans.

The Chair: The hon. Minister of Gaming.

Mr. Stevens: Thanks, Mr. Chairman. I'd like to start by dealing with some of the questions that were asked by Edmonton-Centre, and I'll conclude with comments regarding the value of the horse racing industry.

The issue of how much is not a science. It's not something where we have a formula and we go out and predetermine that. What I indicated to the member is that we spent two years talking to Albertans about how to go forward. We developed a process. The public and the commentators with respect to that process were very, very supportive. I recall the *Edmonton Journal* writing headlines to the effect of wise new gaming rules and things of that nature. So I'm satisfied that people said: you've done a good job addressing where the future is going to go. That particular exercise, the licensing policy review, was to determine the future of gaming in this province with a view that we would review it again in five years. So what we do is recognize that the landscape changes. It is not unrealistic, it is not improbable, it is not inappropriate for me to indicate that the measure of the market, the measure of community interest in expansion of casinos in any particular community is going to be driven with the issue arising. We're not going to go out and start determining these matters if there is no interest whatsoever. So that is how it's going forward.

What I've indicated when asked is that in my view we've had a situation where the expansion of gaming was put on hold for in excess of two years. We've now had a full year since that expansion was lifted, so we now have, reasonably enough, a number of people who have indicated that they are interested in seeing if they can get an application accepted by the AGLC based on the rules, which are clear and apparent. There will be some people who receive applications as a result of that. I don't know how many, but I believe that in the next two to three years you will find that most of the interest and most of the market demand for new casinos will be met by whatever exists at that point in time. The areas of the province which from my perspective most reasonably might have the ability to house more casinos from a market perspective have applications. So I think, without having science to back me up, that in two or three years what you see is likely what you're going to see for some time unless there's some kind of material change in the number of people in our society.

I didn't say that I was not concerned about illegal gambling. What I indicated was that our responsibility with respect to gaming and gambling is authorized gambling, which is within the confines of those premises which we regulate and that in fact our inspectors meet with the police forces in the province to deal with matters of gambling generally because there is interest in knowing what happens outside of casinos. In fact, there is a sharing of information. So that's the accurate description of the approach of this ministry with respect to that matter.

On the issue of what a charity is, Revenue Canada has a definition, but I want it to be made clear that the definition of Revenue Canada has never been the definition of the AGLC. That is a definition that's out there. The federal law that drives this particular issue is

the Criminal Code and case law with respect to what the Criminal Code of Canada says, not Revenue Canada. Revenue Canada has a definition. Groups that qualify for licensing in this province fall within the Revenue Canada definition, and some fall without it. So that definition is there, yes, but it is not the one that is used in this province.

Internet gambling is illegal in Canada unless a province offers it solely within the boundaries of its province, and there was a recent case. P.E.I. offered Internet gaming. The Supreme Court of Canada said, "What you're offering is illegal" because they offered it outside of their province. So we know that, and it's illegal for people to participate. The real issue is the fact that the Internet seems to be without boundaries, and we're not unmindful of that, and we address this issue. During the licensing policy review, we asked Albertans about that, and the large majority of them said: we're not interested in Internet gaming. Having said that, we continue to monitor it to find out what other jurisdictions are doing because we understand that it is a potential issue for us at some point in time. During the licensing policy review Albertans indicated that very, very few of them participated in Internet gaming, and we don't know anything different at this point in time. So we don't think it's a major issue as it relates to our revenue, and there is no plan by this ministry at this time to get into the Internet gaming business. We continue to monitor it, and I am very much interested in developments as they arise.

With respect to VLTs April 28 is the court date. I, like the hon. member, believe that we have a very good chance of being successful. You may recall that following the plebiscites, the AGLC made a move under the then existing legislation in the fall of '98 to remove certain VLTs, and a court determined that there was no jurisdiction in the then legislation to do that. That gave rise to an amendment in the spring of 1999 that specifically listed seven communities that had had votes which were in favour of removing VLTs. Those particular communities were put into the legislation specifically, and that particular legislation has now been under challenge since that point in time. The very next day they got an injunction, and that's where we are today. So the answer to the question is: on April 28, if that injunction is lifted, the VLTs in those communities as listed in the legislation and in accordance with the direction – the law, if you will – in that legislation will be removed from those seven communities. That is where we're going with that particular matter.

With respect to the plan regarding VLTs, that is addressed in the licensing policy review. The plan is that we are going to have 6,000 and we are going to reduce the number of locations. That is the plan, and in five years we'll review the overall gaming, as was our promise.

I'd like to make a few comments regarding the horse racing industry. Once again, this particular initiative that we have is based on slot machines and racing entertainment centres. The racing entertainment centre is attached to the track. These tracks have long-term licences. We have one in Edmonton and one in Lethbridge that are in existence at this point in time. The fact of the matter is that if you did not have the initiative, you wouldn't have the racing entertainment centres. If you didn't have the racing entertainment centres, you wouldn't have the slot machines and you wouldn't have the revenue that is generated from those slot machines, some of which goes to the operator, 15 percent, and 51 and two-thirds percent going to Horse Racing Alberta, the balance going to the Alberta lottery fund. So this is very much Gaming revenue which has been generated as a result of this initiative. It is not a matter of anything other than that. As the hon. Minister of Agriculture, Food and Rural Development indicated, it's as a result of performance that there are additional dollars coming forward, particularly an expan

sion of Northlands this past year when they went from 250 to 500 slots. This upcoming year reflects the fact that there will be an entire year of slot revenue available.

5:10

The Chair: I hesitate to interrupt the hon. Minister of Gaming, but pursuant to Standing Order 58(5), which provides for the Committee of Supply to rise and report no later than 5:15 on a Tuesday, Wednesday, or Thursday afternoon, I must now put the following questions.

Agreed to:	
Operating Expense	\$150,319,000
Lottery Fund Payments	\$1,099,229,000

The Chair: Shall the vote be reported?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Mr. Stevens: Mr. Chairman, I move that we rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Gaming: operating expense, \$150,319,000; lottery fund payments, \$1,099,229,000.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? The motion is carried.

Mr. Stevens: Mr. Speaker, I move that we call it 5:30 and reconvene Monday next at 1:30 p.m.

[Motion carried; at 5:14 p.m. the Assembly adjourned to Monday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Monday, April 14, 2003**

1:30 p.m.

Date: 2003/04/14

[The Speaker in the chair]

head: **Prayers**

The Speaker: Hon. members, welcome back. Would you please remain standing after the prayer for the singing of our national anthem, and then would you remain standing for a memorial.

Let us pray. Though we as legislators of this great province and its people are taken from among the population and selected by You to be architects for our history, give us wisdom and understanding to do Your will in all that we do. Amen.

Now would you please join in in the singing of our national anthem. We'll be led today by Mr. Paul Lorieau, and please participate in the language of your choice.

Hon. Members:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

Mr. William Ernest "Ernie" Jamison
February 27, 1924, to April 11, 2003

The Speaker: Hon. members, it is with sadness that I inform you today of the passing of former member William Ernest "Ernie" Jamison on Friday, April 11, 2003, at the age of 79 years. Mr. Jamison was first elected to the Alberta Legislature in the general election of August 30, 1971, and served until February 14, 1979. During his years of service he represented the constituency of St. Albert for the Progressive Conservative Party. During his years in the Legislature Mr. Jamison served as the chair of the Special Committee on Censorship and served on the select standing committees on Law and Regulations, Private Bills, Public Accounts, Public Affairs, and Workers' Compensation.

With our admiration and respect there is gratitude to members of his family who shared the burdens of public office. Our prayers are with them.

In a moment of silent prayer I ask you to remember Ernie Jamison as you have known him. Rest eternal grant unto him, O Lord, and let light perpetual shine upon him. Amen.

Please be seated.

head: **Introduction of Visitors**

Mr. Jonson: Mr. Speaker, I am pleased to introduce to you and through you to members of the Assembly Her Excellency Shashi Uban Tripathi, high commissioner for the Republic of India. Alberta and India have had a long and close relationship. Alberta has a strong and active Indo-Canadian community with more than 61,000 people of Indian descent now calling Alberta home. Bilateral trade between Alberta and India amounts to more than \$150 million per year, and with its population expected to exceed China's by the middle of this century, India represents a huge potential market for Alberta goods. I would ask that our honoured guest please rise and receive the traditional warm welcome of this Assembly.

Mr. Speaker, I'm also privileged today to introduce to you and through you to members of the Assembly Marie Bernard-Meunier, Canadian ambassador to the Federal Republic of Germany. Germany is one of Alberta's most important economic partners in Europe. Just last year Alberta opened a trade office that is colocated in the Canadian office in Munich. We appreciate the co-operation of the Canadian government in making this possible. Also, last year Alberta signed a co-operation agreement with the German state of Saxony in the former East Germany. The ambassador and her staff play a vital role by assisting in our province's relationship with Germany, and we appreciate their efforts as Alberta actively seeks further German investment, trade, and tourism. Besides Alberta's close business ties we share close cultural ties with Germany as well. One in six Albertans is of German ancestry. I would ask that our honoured guest please rise and receive the traditional warm welcome of the Assembly.

head: **Introduction of Guests**

Mrs. McClellan: Mr. Speaker, on behalf of the hon. Premier I'm pleased to introduce to you and through you to members of the Assembly six members of the Public Affairs Bureau who are in the building today on their public service orientation tour. I'll ask them to stand as I call their names so that you can all recognize these very valuable employees. With us today are Sarah Burghardt, Kevin Donnan, Robin Fielding, John Lear, Kathy Reinhardt, and Jane Trotter. I'll ask them to rise again, and we will accord them our usual very warm welcome.

Mr. Lougheed: Mr. Speaker, seated in the members' gallery is a young man, a resident of Clover Bar-Fort Saskatchewan, who needs no introduction. He was our head page last year, recently retired and attending university. I'd ask Brent Shewchuk to rise and receive the welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'm very pleased to introduce to you and through you to all members of the Assembly a constituent of Edmonton-Centre. This gentleman is a member of the Central Lions Seniors organization and was a very active volunteer with Meals on Wheels until about 16 months ago when a pinched nerve in his back sidelined him. Don Perdue is here today to see his letter tabled, and I would ask him to now please rise and accept the warm welcome of the Assembly.

The Speaker: The hon. Member for Wetaskiwin-Camrose.

Mr. Johnson: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you 25 energetic students who are visiting the Legislature today from the village of Gwynne. They are accompanied by their teachers Char Fraser and Janice Nemec and by parents Marilyn Zielke, Shelley Ohman, and Carol Senz. I'd like to ask them to rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Minister of Community Development.

Mr. Zwodzesky: Thank you, Mr. Speaker. It's indeed a pleasure for me to rise today and introduce to you and through you four very special community leaders who work within Community Development developing and delivering community programs. They are Lloyd Bentz, general manager of the Alberta Sport, Recreation, Parks & Wildlife Foundation; Pat Blakney, acting executive director

of the Wild Rose Foundation; Clive Padfield, executive director of the Alberta Foundation for the Arts; and Les Hurt, director of the Alberta Historical Resources Foundation. These four foundations are all managed by volunteers in our community, and these are the professional staff who work with them, and we're very pleased to distribute approximately \$76 million annually through their good graces and thanks to Alberta's Department of Gaming for important projects throughout our communities. Would you four all please rise together so we can salute you and thank you.

The Speaker: The hon. Minister of Gaming.

Mr. Stevens: Thank you very much, Mr. Speaker. It's my pleasure to introduce to you and through you to other members of the Assembly this afternoon a very special member of Alberta Gaming, Mr. Carl Royan. Carl is the director of lottery funded programs, and he and his staff manage the community facility enhancement program, some 38.5 million dollars, and the community initiative program, \$30 million. This past year Carl and his staff were responsible for in excess of 1,700 successful grant applications. Carl, please rise and receive the warm welcome of the Assembly.

1:40head: Oral Question Period

The Speaker: First Official Opposition main question. The hon. Leader of the Official Opposition.

School Construction

Dr. Nicol: Thank you, Mr. Speaker. Last Wednesday four new schools were announced for Calgary-Shaw by the local MLA. The next day when the Infrastructure list was released, it showed only three new schools for Calgary-Shaw. Then the list was revised with four new schools for Calgary-Shaw, but the Minister of Infrastructure said that his department would not fund the fourth school. Then the Premier's office said that the fourth school would get funding. To Albertans it looks like an extra \$6 million that was not originally part of the government's capital plan will be spent as a result of a Tory MLA's initiative. To the Premier: who issued the order to put the Chaparral school back on the list, and where will the money come from to fund it?

Mr. Klein: Well, Mr. Speaker, the hon. leader of the Liberal opposition is absolutely right. There was a flip; then there was a flop. Then there was a flop and then the flip. But the good news is that Chaparral is getting a school. I don't know how it all came about, but I'm trying to get to the bottom of it. The \$6 million, I guess, will have to be found somewhere, but we can't have an MLA announce a school, then take it off the list, so we decided to do the right thing. [interjections] I'm so happy that the Liberals would be pleased that we did the right thing and put the school back on the list.

Dr. Nicol: Mr. Speaker, all Albertans are happy when we get a new school.

To the Minister of Infrastructure: why will you now pay for a project you said you wouldn't fund?

Mr. Lund: Mr. Speaker, I think it's extremely important that we understand what was going on. The fact is we were very busy working with the Calgary board of education and somehow there was some information that got out that was only partially accurate. You've got to recognize that the last time that there were a number of announcements, it was about a month that we worked with the

boards to get things right. The problem we have with this short time frame – we were working on old information within the department. It was a year old, and of course with the growth and the things that are happening in Calgary, there were changes and there are changes. We are continuing to work with the board, and I believe that everything will turn out okay in the end.

Dr. Nicol: To the Minister of Finance: is this the kind of long-term stability you envisioned for your new capital plan, where your plans change in a heartbeat, or is this the first use of the new stabilization fund?

Mrs. Nelson: Mr. Speaker, the capital plan that we filed last week in the budget was to put \$5.5 billion of investment in this province. In that \$5.5 billion there was \$450 million allocated for new schools and renovated schools. That's a lot of money to meet the needs of Albertans. I don't think one Albertan is arguing about the priorities of this government.

Government Capital Assets

Dr. Nicol: Mr. Speaker, before the government's new capital plan was even a week old, a bungled decision-making process forced the government to deviate from the plan. Ad hoc-ery describes the government's infrastructure plan, and the plot thickens as the government considers selling off its capital assets. Each and every time this government sells off assets, the taxpayers of Alberta lose money. To the Premier: why are you even considering selling needed capital assets when it can't be proven to be cost-effective?

Mr. Klein: First of all, Mr. Speaker, relative to the preamble this is really what interests the Liberals. You're talking about an item that is one-twelfth of 1 percent of the total capital budget, and they get all excited about it. That shows you where their priorities lie.

Mr. Speaker, relative to the issue of selling capital assets, this is nothing new. This is nothing new. During the early to mid-90s we sold millions of dollars' worth of liquor stores, government facilities. What the Minister of Finance is saying is that if there is a building that becomes surplus to our needs – and I don't know what kind of a building that might be – then it stands to reason that rather than hold onto it and pay the maintenance on that building, we would sell it. That's all she's saying.

Dr. Nicol: Mr. Speaker, I'll look after every penny of Albertans' dollars.

To the Premier: given that Alberta taxpayers are on the hook for billions of dollars because this government sold off their power plants at fire sale prices during energy deregulation, why has the government announced that more taxpayer-owned assets are for sale?

Mr. Klein: Mr. Speaker, it's too bad that all of Alberta isn't listening, because we never owned any power plants, so we had none to sell.

Dr. Nicol: To the Premier: will the Premier use the Holy Cross hospital in Calgary, which was sold for a quarter of its value and then leased back to the government at a great loss to taxpayers, as a model to follow when selling other facilities?

Mr. Klein: Mr. Speaker, all of these items will be considered on their merits. The minister is not talking about willy-nilly going out there and selling off government assets. The minister – and I'm sure she will expand on the answer – is talking about possibly selling

assets that are surplus to the needs of the government, and I'll have the minister respond.

Mrs. Nelson: Mr. Speaker, when the question was asked of me last week, after the release of the budget, during an editorial board about the capital plan and some of the alternative funding options that could be available, I made the comment that, you know, we have to accept that the government really isn't in the business of real estate, that in fact other people could own real estate and we could be an anchor tenant in that piece of real estate, that we didn't actually have to own the building. So the question came: would you sell off a piece of real estate? Well, the answer is yes, if it made sense. But I did say very clearly that any proposal that came forward would have to have a full business case analysis attached to it, and it would have to be beneficial to Albertans for us to dispose of that asset. A recommendation from the outside review panel would come to government, and we would assess it. If in fact it made sense, we would proceed. If it did not, we would not. That's all that conversation involved, and the hon. leader opposite is building this into a case that is not, quite frankly, there.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Education Property Taxes

Dr. Massey: Thank you, Mr. Speaker. Edmonton schools find themselves in the worst of all worlds. Increases in the market value of property find the city contributing more and more to the provincial education pool while at the same time Edmonton public schools are being forced to cut staff and to increase class sizes. My first question is to the Premier. Why, when students need funding stability, does the province predicate the education budget on volatile property values that do not change equally across the province?

Mr. Klein: Mr. Speaker, we try to be as equitable as we possibly can. Market rates for property, the assessed value of property is predicated on the evaluation set by city assessors. We have absolutely nothing to do with assessing the value of property. We do have something to do with the distribution at least of the education portion of property tax, and it was decided that we should collect an amount in accordance with the growth in this province. The simple fact is that unless an individual's property value goes up as the result of reassessment, their education portion of the property tax should remain the same.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the Premier, Mr. Speaker: when will the government follow the recommendations of ASBA and end its reliance on education property taxes?

1:50

Mr. Klein: Mr. Speaker, everyone has an opinion on what should be done, what possibly can be done, but these are matters of major policy decisions, and that situation will have to be discussed thoroughly by caucus. It would have to go through the SPC process, perhaps a public consultation. You know, unlike the Liberals we don't think that money just falls from the sky. If you eliminate the education portion of the property tax, that money will have to be replaced. The Liberals are saying, "Spend, spend, spend, spend more," but they're saying: collect, collect, collect less. So I don't know, unless they are magicians over there, how you balance what they say and what we try to put into practice.

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. Again to the Premier: how can communities like Edmonton fund their own municipal priorities when the government has downloaded so much onto their shoulders for education funding?

Mr. Klein: Mr. Speaker, the mayor of Edmonton is somewhat happy. He was happy last night. I was with him at the hockey game; he was very happy. He didn't mention anything to me about any downloading whatsoever. As a matter of fact, he indicated to me that everything was sort of tickety-boo.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Redwater.

ATCO Electricity Rates

Mr. Mason: Thank you, Mr. Speaker. ATCO Electric's 110,000 residential and farm customers are going to be hit with a double whammy of rate hikes in their electricity bills this month. For the first 10 days of April the new flow-through electricity rate ATCO customers are being forced to pay is about 60 percent higher than the rate they paid last month. In addition, ATCO customers will soon have new rate riders added to their bills. My question is to the Minister of Energy. Can the minister confirm that the rates for ATCO Electric's residential and farm customers have increased about 60 percent since flow-through pricing kicked in on April 1, exactly as predicted last month by the New Democrat opposition?

Mr. Smith: Mr. Speaker, just as ATCO has had the lowest prices since the new market structure has been implemented, I assume that they're responsible under EUB rulings for their own charges. They file, and they follow the regulations as set out by the regulated rate option.

Mr. Mason: Mr. Speaker, I've never seen a minister wash his hands of a problem like that before.

Can he confirm that ATCO Electric will soon make an application to the EUB to add rate riders to residential and farm power bills due to a financial shortfall ATCO incurred on their electricity purchases in the first quarter of 2003?

Mr. Smith: Mr. Speaker, no, I can't. There would be no reason for an electric utility company to be informing me of this or not informing me of this. In fact, we have a regulated market structure for the regulated rates, and then we're moving towards contract rates, and we're moving towards a fully competitive market structure.

Mr. Mason: Mr. Speaker, given that the minister seems to believe that it's now just a question of the market setting the rates, what is his responsibility to protect consumers from high electricity bills, or is he just going to completely wash his hands of the whole issue?

Mr. Smith: Well, Mr. Speaker, the preamble is so erroneous that it makes the question hypothetical and therefore unanswerable.

Bingo Industry

Mr. Broda: Mr. Speaker, the Alberta Gaming and Liquor Commission is in the process of updating the terms and conditions of the operation of bingo. Some of the charities in my constituency are worried that these changes will have a negative impact on bingo revenues. My first question is to the Minister of Gaming. Will charities suffer as a result of these policy changes?

Mr. Stevens: Mr. Speaker, the proposed changes to the terms and conditions are in fact meant to revitalize the bingo industry and to enhance the returns to charities. Over the past several years across North America and certainly here in Alberta attendance at bingos has been going down, and as such the returns to charities have been declining. The terms and conditions that are proposed add flexibility to the bingo industry and, as such, an opportunity to take advantage of the flexibility and enhance the returns to charities. I have no doubt that these proposals will in fact enhance the returns to our charities.

The Speaker: The hon. member.

Mr. Broda: Thank you, Mr. Speaker. Again to the Minister of Gaming. A number of bingo associations think that they cannot meet the proposed guaranteed rate of return for their charities. If bingo associations think that the charitable return criteria is unattainable, why is it that this is in the draft terms and conditions?

Mr. Stevens: Well, Mr. Speaker, bingo is very much about the charities. It's not just simply about the prizes. What's important at the end of the day is that the charities do receive a reasonable rate of return. The licensing policy review that was looked at by this government in 2001 and approved by the government had a provision that there would be guaranteed returns to the charities. The average returns last year were 17 percent. The proposal is for a range, depending on performance of the individual association, of between 15 and 24 percent and, as such, would appear to be a reasonable range.

Mr. Broda: The second supplementary question, Mr. Speaker, is to the same minister. Why has the AGLC proposed that registered bingo workers cannot play in the bingo halls where they work?

Mr. Stevens: Mr. Speaker, integrity is a key to Alberta Gaming. It's important to be honest, but it's also important to appear to be honest. On a number of occasions there have been issues raised with Alberta Gaming regarding bingo workers actually playing bingo in the facility in which they work. This policy is consistent with the policy we have with respect to casino workers. In other words, casino workers cannot play in the casino in which they work. There are a number of bingo associations which in fact have already voluntarily prohibited their employees from playing bingo in the facility in which they work, and this particular policy has been in place in Saskatchewan for the last 10 years and is also in Ontario and appears to be working well.

Health Care Labour Relations

Dr. Taft: Mr. Speaker, the message from this government to regional health authorities is loud and clear: we don't fund labour settlements. If a labour settlement costs RHAs more than the government budget covers, the RHAs will have to cut services and compromise care even if that settlement is forced on RHAs by binding arbitration. As a result, RHAs could soon be in the same bind school boards are in today. To the Premier: how can the Premier assure Albertans that the government's refusal to cover future labour settlements won't force RHAs to lay off staff and reduce beds and services?

Mr. Klein: Well, Mr. Speaker, that question is highly speculative. The hon. member makes some assumptions. We don't know what those settlements are going to be. We hope that they will be

reasonable, and certainly we have indicated – and we have to budget – what we're willing to accommodate relative to overall operating for regional health authorities, and included in that overall operating, of course, are salaries, which consume, I would suspect, the majority of the operating costs. We set down in the budget what we think is an appropriate amount to accommodate the regional health authorities to offset their operating costs, which include salaries, and they take it from there.

Dr. Taft: To the Minister of Health and Wellness: is it government policy to allow regional health authorities to sell off hospitals and health care facilities to finance settlements for nurses and technicians?

The Speaker: The hon. minister.

2:00

Mr. Mar: Well, Mr. Speaker, thank you, sir. I just want to go back to Monday, April 7, to a CBC newscast when the hon. Leader of the Opposition, the hon. Member for Lethbridge-East, was asked to comment on what he expected out of the health care budget on the following day, which was budget day, being the 8th of April. His comment was that in health care we need to look for something in the neighbourhood of 6 and a half to 7 percent. The budget that was actually tabled is 7.2 percent. So, clearly, on the issue of the sufficiency of funding in health care what we provided as a government in our budget is even surpassing what the expectation of the Leader of the Opposition was.

Out of that 7.2 percent, a global amount of something that will be in the range of \$7.35 billion or nearly \$20 million a day, we think it's perfectly reasonable that the allocation given to regional health authorities will be appropriate for them to come up with a good, solid arrangement with nurses.

We have had good experiences in the past. We know that both nurses and their employers, the regional health authorities, struck an agreement that was in the range of 22 percent the last time around. There was some catch-up, and I think that the public well knows about how large this agreement was. In this round of negotiations I don't think that there's the same expectation on the part of the Alberta public that we would be able to fund an agreement of that magnitude. Expectations are much more reasonable this time around.

We do value our nurses. We think that the regional health authorities are doing a good job. Nurses are well paid in this province, and there are many issues that we need to deal with in terms of their contract. The regional health authorities are moving forward on that, and that is what we should expect to see in this province.

The Speaker: The hon. member.

Dr. Taft: Thank you, Mr. Speaker. He completely dodged the question, so let's try somebody else.

To the Minister of Innovation and Science, who chairs the cabinet committee on labour relations: will he and his committee agree to meet with representatives of the United Nurses, the Health Sciences Association, and other health care unions?

Mr. Doerksen: Well, Mr. Speaker, I would ask your direction on this matter. The legislation to do with labour and health is not under my purview, so I would request your advice in respect to answering this question.

The Speaker: The protocol is very simple, hon. minister. With questions directed to the government, anyone in the government may choose to answer.

The hon. Minister of Human Resources and Employment.

Mr. Dunford: Yes. We've already met, Mr. Speaker.

The Speaker: The hon. Member for Calgary-Currie, followed by the hon. Member for Edmonton-Glengarry.

Automobile Repair Industry

Mr. Lord: Thank you, Mr. Speaker. Over the past weekend a national consumer protection agency reported on their findings regarding their cross-country investigation into the integrity and competency of the automobile repair business. The results nationally were mixed, with some excellent and some not so excellent results. Of disappointment to Calgarians was the finding that the two most expensive incorrect auto repairs in the country were both in Calgary shops. This small investigation seems, however, to have touched on some issues that are very big issues with my constituents in Calgary-Currie, at least the ones that I discussed this with over the weekend. My questions are to the Minister of Government Services. Does the government of Alberta send out undercover investigators with car problems to test automobile repair shops in a similar manner to what this consumer protection group did?

The Speaker: The hon. minister.

Mr. Coutts: Well, thank you very much, Mr. Speaker. First of all, the automotive repair business, particularly in Calgary, has not just 10 automotive repair shops in it. There are literally thousands in that city. To pick out 10 and accuse those 10 and make the assumption that 60 percent of the shops in Calgary are doing bad things is wrong because there are thousands of shops that are doing a really, really good job, and they have employees that do a very, very good job.

But it is unfortunate that there are individuals and there are corporations and there are companies out there that do unethical things. So to mitigate that, we have in Alberta the Fair Trading Act, which has an automotive business regulation component to it. That is administered by the Alberta Motor Vehicle Industry Council, known as AMVIC. AMVIC is an agency that reports to Albertans through my department, and it's designed to protect consumers against illegal and unethical business practices. AMVIC also has a consumer alert program where they can designate and notify consumers about the businesses and the individuals who are doing unscrupulous things. I would encourage the hon. member to ask any of his constituents who may believe that they have been treated badly or less than fairly in the automotive repair business in Calgary to phone our Government Services call centre at 1-877-427-4088 for the AMVIC phone number.

The Speaker: The hon. member.

Mr. Lord: Thank you, Mr. Speaker. My second question to the same minister: what trends has the government identified in terms of numbers and types of complaints emanating from consumers in regard to automobile repairs?

Mr. Coutts: Mr. Speaker, the Alberta Motor Vehicle Industry Council takes very seriously every single complaint that comes into its offices. The council is currently working on a trend analysis and is compiling statistics based on science rather than hearsay. I want

to share with the hon. member, since he asked the question, that last year, from the statistics available, AMVIC fielded 6,600 complaints. A hundred and forty-two of those cases were resolved by mediation. Another 244 led to formal investigations. One business was closed as a result of AMVIC action, three businesses had their licences revoked, and 97 had criminal charges that were laid against them. So considering the number of businesses and the number of employees that we have, this legislation works for Albertans through the AMVIC investigations.

The Speaker: The hon. member.

Mr. Lord: Thank you, Mr. Speaker. Could the minister explain what else the government does proactively to ensure honesty, integrity, and accountability in the automobile repair industry?

The Speaker: The hon. minister.

Mr. Coutts: Thank you very much, Mr. Speaker. After more than two years of consultation with the industry and with consumers the Alberta Motor Vehicle Industry Council has assumed responsibility for administering and enforcing the portions of the Fair Trading Act that apply to consumer protection for the automotive field. Businesses involved in all aspects of the automotive sector, including repairs and maintenance of automobiles, trucks – and recreational vehicles are even included in this – as well as the people that sell them and the people that work on the automobiles involved must be licensed by AMVIC. AMVIC provides a level playing field not only for the business but for consumers, and they strive to make a fair marketplace. They are also involved with education, training, and consumer satisfaction supports to make sure that the automotive business and the salespeople are legitimate in the province of Alberta.

The Speaker: The hon. Member for Edmonton-Glengarry, followed by the hon. Member for Olds-Didsbury-Three Hills.

Private/Public Partnerships

Mr. Bonner: Mr. Speaker, last Thursday I asked the Minister of Infrastructure to explain what made him think that using P3s for financing infrastructure was a good idea. The minister responded that groups like Bethany Care, Caritas, and the Good Samaritan Society have made P3s work in this province, but the minister knows full well that these nonprofit organizations are not the ones who would be financing provincial capital projects. To the Minister of Infrastructure: why did the minister cite the examples of Caritas and Bethany Care when asked about the wisdom of financing infrastructure with private dollars? Did these companies become for-profit financial institutions without telling anyone?

Mr. Lund: Mr. Speaker, it's very interesting that the member would ask that question today, because just this morning I met with two of the mentioned groups talking about their financing, not us financing but their financing. So they, in fact, do finance facilities.

2:10

The Speaker: The hon. member.

Mr. Bonner: Thank you, Mr. Speaker. To the same minister: given that P3 financing has failed in every other jurisdiction in which it has been tried, what evidence does this minister have that it will work in Alberta?

Mr. Lund: Mr. Speaker, we've just finished demonstrating to the member how it worked so well in these other cases. If the hon. member wants to go have another look, maybe you could go down to Olds College and watch down there what P3s can do.

Mr. Bonner: The private sector, Ty.

Mr. Lund: The hon. member says: well, that was the private sector. Well, what do you think we're talking about? The private sector getting in with the public and in fact it having facilities built that are very effective in the delivery of a service: that's what this is all about.

Mr. Bonner: Mr. Speaker, to the Premier: given that the Minister of Infrastructure has repeatedly failed to table any of the myriad of evidence he claims to have showing the effectiveness of P3s, will the Premier table these documents for him?

Mr. Klein: Mr. Speaker, I have no intention of tabling any documents for the hon. minister. We have a system set up to evaluate whether in fact P3s should be used. That system involves a private sector, people a lot more knowledgeable than the Liberals in financing, in real estate, to evaluate the worthiness of a project and whether or not that project should be submitted to a P3 process. It's a fair and unbiased evaluation, and while there have been some failures relative to P3s, there have been some tremendous successes. We want to make sure that whatever we undertake relative to P3s is indeed successful, that it works. That's why there will be this independent, unbiased evaluation by experts, not Liberals, in the private sector.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Edmonton-Gold Bar.

Livestock Industry Review

Mr. Marz: Thank you, Mr. Speaker. Many of my constituents are involved in the cattle industry, so they've got a great deal of interest in all the ongoing activities related to that industry. My questions today are for the Minister of Agriculture, Food and Rural Development. Why are the livestock marketing and brand inspection processes being reviewed at this time?

Mrs. McClellan: Mr. Speaker, I think that a number of members would recall that prior to this change in brand inspections the brand inspections were actually managed by government. A wise decision, I believe, was made in 1998 to turn it over to the industry, and they've been managing that process since. Some parts of it have gone very well, and some have had some bumps along the way, but when we made that decision, we agreed that there would be a legislative review, and the time is coming to do that. This involves four acts and 14 regulations that are administered by LIS on behalf of our government, and it's important, I think, that we take the time now, prior to the fifth anniversary of this relatively new entity, to ensure that it is really meeting all of the expectations of the industry stakeholders. It'll give our industry stakeholders an opportunity to have input into the future of livestock marketing and brand inspection and related legislation.

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. To the same minister again. I'm sure many of my constituents will welcome this review. Could

she tell me what the status of the ongoing review is and how my constituents and other industry stakeholders can participate?

Mrs. McClellan: Mr. Speaker, early in 2002 there was a legislative review working group convened and a legislative review steering committee. We have representatives on that from our department, as does Livestock Identification Services. The first round of industry consultation is under way. About 300 packages have been distributed. They contain some discussion papers and questionnaires, and to give an indication of the importance and the size of this industry, they have been distributed to about 225 industry organizations. I might also say that for people who are not a part of that who are interested in accessing this information and making comments on it, it is on the LIS web site as well as Alberta Agriculture, Food and Rural Development's Ropin' the Web web site.

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. My final supplementary to the same minister: how will this review process be of any benefit to the livestock industry?

Mrs. McClellan: Well, Mr. Speaker, I think that certainly we have great expectations of the review process, and the industry also has responded in kind. In fact, as of April 7 we've had about 200 questionnaires returned to us, so it is an item of a great deal of interest.

Mr. Speaker, livestock transitions need to flow efficiently, and this will, I think, improve that where it's required. It'll, I think, increase confidence in the integrity of the industry, create standard rules that allow all industry stakeholders to structure future business plans.

As we have noted over the past years, the issue of food safety is of great importance to people, and it's interesting that we are one of the few jurisdictions that really do have a livestock identification service that can provide trace backs and identification in a very prompt and secure manner.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Strathcona.

Energy Deregulation

Mr. MacDonald: Thank you, Mr. Speaker. Sparks flew at an all-Tory standing policy committee meeting on energy last Monday night after Aquila made a presentation much to the interest of a reporter from the *St. Albert Gazette*. Confusion and frustration about energy deregulation have now spilled over from Alberta consumers into the divided Tory caucus. A high-ranking Tory cabinet minister present stated, and I quote: I consider myself fortunate that only 25 percent of my constituency is served by Aquila; for some of my colleagues with almost 100 percent of their constituencies covered by Aquila, this must be just killing them. End of quote. My first question is to the Premier. Given that Aquila claims that its billing system is 99 percent accurate, is energy deregulation to blame for the endless number of complaints that are coming to the constituency offices?

Mr. Klein: Mr. Speaker, is energy deregulation to blame? My answer to that is no. Of course, you can't go back and you can't reregulate energy to know what the rates would be today. You know, that is the problem. So it's so easy for the Liberals, because it's a good 15-second sound bite, to say that it's all due to deregulation and to this government. That's a good 15-second sound bite,

and they don't have to justify it. They don't have to do any comparisons to a regulated environment. They can't because we don't have a regulated environment. So my answer would be no, and if they want to say something to the contrary, then I guess it's up to them to prove it.

You know, I can recall 2000, I guess, when deregulation came in, January 1, and the price of power shot way up. Of course, the opposition at that time said: well, it's all because of deregulation. They purposely failed to mention to the Alberta public that a number of power plants were down at that particular time, that the price of gas shot to an all-time high, that the economy of the province was growing at an unprecedented rate. They forgot to point out all of those things, Mr. Speaker, because the simple thing, at least for a Liberal, was to come up with a 15-second sound bite saying: oh, this is all due to deregulation. That is the simple thing. That is the way they find solutions. That's the way they present solutions to problems: through a 15-second sound bite.

2:20

Mr. MacDonald: Again, Mr. Speaker, to the Premier: given that energy deregulation is the cause of high energy bills, not Liberal policy, the Liberal policy that he is free to take, what constituencies besides Cypress-Medicine Hat are continuing to hear about problems of billing accuracy and poor consumer relations from Aquila?

Mr. Klein: Mr. Speaker, without doubt – and I'll concede this to the hon. member – there have been some billing problems. The Minister of Energy and the Minister of Government Services have been dealing with this particular situation, the situation as it specifically relates to Aquila, and I will have the two ministers respond as to what they are doing relative to this situation.

Mr. Smith: Mr. Speaker, the companies that are involved with respect to the billing inaccuracies – namely, Aquila and an electricity provider by the name of EPCOR – were on the consultation team prior to the introduction of the new market model. They were involved from 1997, 1998, 1999, 2000, so they were supposed to have been prepared to deliver commercial solutions to commercial problems. In effect, these are commercial problems. In order to hasten that improvement, we put an order in, a deficiency regulation, such that the EUB will upon review of a customer's file and finding out that there's an inaccurate meter reading refund the customer \$75. Now, to this point it's my understanding that out of 350,000 customers billed about four times, the EUB has in fact delivered in between 250 and 400 refunds.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the Premier: will the Premier consider a suggestion from a frustrated rural Tory backbencher, this time from the Drayton Valley-Calmar constituency, and implement a \$75 fine for Aquila, similar to the one that was legislated for EPCOR, or are you going to continue to pick winners and losers?

Mr. Klein: Mr. Speaker, relative to the situation as it pertains to protection of the consumer, I'll ask the minister responsible to respond.

Mr. Coutts: Mr. Speaker, we had all five companies, including rural electrification units, sitting at the task force table, and every single solitary one of those people agreed with the outcomes of the task force in terms of simplifying bills, making them easier to read,

making them more understanding of what was being charged. When we came around to the issue of billing accuracies in terms of what is on the bill and whether it is actually accurate according to what the meter may have put forward, they all agreed that customer service organizations within each of their companies, not just one company but within each of their companies, would do two things. The first thing was to work better together between the wire service provider and the billing agent. Secondly, as an individual company they would make sure that those billing accuracies would be looked after by their customer service people.

The Speaker: The hon. leader of the third party, followed by the hon. Member for Calgary-Buffalo.

Education Property Taxes (continued)

Dr. Pannu: Thank you. Mr. Speaker, two years ago this government promised to cap the amount they collected in property taxes at \$1.2 billion. It's not the first time this government has broken its "the only way taxes are going is down" promise. This is the same government that raised health care premiums and added over 70 new fees last year. Now, according to the city of Edmonton the government's latest tax grab will add close to 9 percent to the provincial tax bill in the form of school levy for Edmonton homeowners. My questions are to the Minister of Finance. Will Edmonton homeowners be paying more in provincial property taxes because of her budget? Yes or no?

Mrs. Nelson: Well, Mr. Speaker, last week in our budget we announced that we were freezing the mill rate for the property assessment for school taxes, a move that we had done the previous year. What we said, though, was that with the number of people that have come to the province and settled here and built or bought homes, we would capture the growth within the province. The market value assessment on their homes will be based on the current market value assessment that their city has put out to them. If there has been no increase in the market value assessment of their homes, there'll be no change in their property tax insofar as school tax goes. So it's on an individual basis. Some communities have seen their assessments flat, others have seen them go up, and some communities' within the larger cities have actually gone down.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Given that this minister has broken her promise, why should Edmonton homeowners care about the mill rate if the end result of this broken promise is an 8.9 percent increase in their taxes?

Mrs. Nelson: Mr. Speaker, the only part of the equation that the province actually sets is the mill rate assessment for education on the property assessment. Now, we don't do the market value assessment; we don't do the city side of the equation. We only set the mill rate for the education component. That's all we do, and that has been frozen.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. I ask the minister again: why did she break her promise to cap – to cap – the total amount of revenue collected from the provincial property tax? That's the question she hasn't answered.

Mrs. Nelson: Well, Mr. Speaker, only someone who doesn't realize that this province has an economic climate that is making it grow would ask such a silly question. We've frozen the mill rate. With more people coming here, there are more people contributing to tax. You just have look at our financial statements and realize that we have kept our personal income taxes low. We've in fact indexed the increase on it to make sure it's the lowest, but we receive more. Why? Because there are more people in this province paying into the pot, so there are more dollars coming forward. I don't know why this is so hard for him to understand. We froze the mill rate. [interjections]

The Speaker: Hon. members, actually, you know, if somebody asks a question and somebody agrees to answer the question, we really shouldn't heckle either the questioner or the responder to the question.

Let's try now the hon. Member for Calgary-Buffalo.

Low-income Support Programs

Mr. Cenaiko: Thank you very much, Mr. Speaker. As part of Budget 2003 government announced an increase for some people receiving supports for independence, or SFI. Families with children will receive an additional \$20 per month increase effective June 1 and keep the projected \$15 per month increase per child from the national child benefit starting in August. For the people on SFI who are not expected to work, they also get a \$20 per month raise starting June 1. My question is for the Minister of Alberta Human Resources and Employment. People receiving AISH are also not expected to work, but many do and in some cases have children to support. Why didn't the AISH, or the assured income for the severely handicapped, recipients also get an increase?

Mr. Dunford: We were looking at two situations, Mr. Speaker: first of all, of course, our supports for independence program and also AISH. In terms of AISH this is a program that is recognized as probably the most generous across Canada; if not, certainly at the top of the list. So it was felt that we would concentrate more on the supports for independence side as we move forward.

Now, we didn't forget about AISH altogether. Many members here in the House have for a long time had concerns with constituents of theirs that are on AISH that are also receiving income from the Canada pension plan, and of course, Mr. Speaker, as we are all aware, the CPP is indexed to a cost-of-living measure. Sometimes it does happen where a minor increase in the consumer price index can actually move them above the \$850 and then take them off of AISH. In recognizing that, then, Budget 2003, of course is now extending health benefits to those AISH clients that run into that experience.

2:30

The Speaker: The hon. member.

Mr. Cenaiko: Thank you, Mr. Speaker. My supplemental question is to the same minister. What can AISH recipients expect down the road and into the future?

Mr. Dunford: I've made the commitment, Mr. Speaker, to AISH stakeholders here in the province to be having a look at how we can make sure that this program can continue and can continue on a sustainable basis. We've increased the budget within Budget 2003, but frankly that is to take the anticipated growth in the program.

The Speaker: Hon. members, before I recognize the first of several members, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(reversion)

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. It's a pleasure to introduce to you and through you to members of this Assembly a longtime friend and constituent and probably most important of all a trail-riding partner, Mr. Pat James. He's seated in the public gallery. I'd like to note also that Pat in addition to his duties as a county of Mountain View councillor also is a director with the AAMD and C. I would ask Pat to rise and receive the warm welcome of this Assembly.

head: **Recognitions**

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

90th Anniversary of Olds College

Mr. Marz: Thank you, Mr. Speaker. Last Friday a number of colleagues joined me in Olds to celebrate and recognize the 90th anniversary of Olds College at a very gala event.

Olds College is a vibrant educational centre in the heart of my constituency. The primary focus of the college is promoting a strong agriculture sector in Alberta by educating students in all aspects of agriculture, whether it be the business side, the research side, or practical applications of new technologies. One of the greatest things about Olds College is that it takes all these innovations, some of which are made at their very own Centre for Innovation, and shows Alberta farmers how to apply them on the farm. Albertans appreciate the practical skills and know-how, and Olds College excels at getting that know-how to rural Alberta.

Mr. Speaker, it's no secret that Alberta is moving towards an increasingly diversified ag sector, and the search for new ways to make money on the family farm knows no bounds. It's largely because of the skills that students learn at Olds College that agriculture is growing so quickly.

I want to commend Olds College and ask this Assembly to join me in wishing them the very best of luck and success in the future.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Grande Prairie-Smoky.

Leigh Goldie

Mr. Knight: Thank you, Mr. Speaker. Recently the Hon. Gene Zwozdesky, Minister of Community Development, announced Alberta's first annual athletes and volunteers of the year. One of this year's volunteer recipients is longtime Grande Prairie resident Leigh Goldie of the Alberta Volleyball Association. Leigh has been avidly involved in the volleyball community for 25 years. In 1984 he formed the Wolves Volleyball Club in Grande Prairie, and since then he has remained as a director of the club and has helped it to grow and flourish to become one of the largest clubs in Canada.

At the provincial level Leigh has been a longtime executive member of the Alberta Volleyball Association and was also chair of volleyball for the 2000 Alberta Summer Games in Grande Prairie. Currently Leigh is the vice-president in charge of finance and administration for the Alberta Volleyball Association.

Mr. Speaker, he has received numerous awards including the 1998

builder of the year for the Grande Prairie Multi-Sport Development Centre, coach of the year for ACAC men's volleyball in 1989, and the Routledge award in 1997 from the Health and Physical Education Council. I would ask my colleagues to join me in recognizing Mr. Leigh Goldie.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Excellence in Teaching Awards

Mr. MacDonald: Thank you, Mr. Speaker. Today I rise to recognize six finalists for the 2003 excellence in teaching awards whose schools are in the Edmonton-Gold Bar constituency. These teachers are six of the many great educators in this province and have been chosen with 122 other fine educators by a selection committee of representatives of stakeholder groups and education partners in early childhood services to grade 12 learning community as finalists for the 15th annual excellence in teaching awards. These finalists for the excellence in teaching awards have demonstrated creativity, innovation, and effectiveness in teaching.

I would like to recognize Jennifer Prestash and Randy George Radmanovich from l'école Kenilworth school; Errol Valentine Johnson, Mary Kelsey, and Diane Gayle Smarsh from McNally high school, Sharon Goulet from the Suzuki charter school.

Transmitting the collective knowledge of our community from one generation to the next is the most important job in our society, and our teachers do it very well.

Thank you.

The Speaker: The hon. Member for Lac La Biche-St. Paul.

Canadian Men's Curling Team

Mr. Danyluk: Thank you very much, Mr. Speaker. It is my pleasure to rise today in the Assembly to recognize an outstanding sporting event and a remarkable group of athletes, the Canadian men's curling team. On Sunday, April 13, the Canadian skip, Randy Ferbey, and his teammates defeated Switzerland 10-6 in nine ends of curling to win the gold medal at the world curling championship in Winnipeg.

The Canadian team consists of lead Marcel Rocque, the pride and joy of St. Paul, who threw 96 percent for the final match; second Scott Pfeifer; third Dave Nedohin; skip Randy Ferbey; fifth Dan Holowaychuk; and coach Brian Moore. All are residents of Edmonton and Sherwood Park playing at the Avonair Curling Club in Edmonton, the city of champions.

Curling combines strategy with skill, and Canada has dominated, winning eight curling world championships since 1992 including 2003 and a record 29 since the Scotch Cup started in 1959. Canadians may not have invented curling, but we sure have made it our own.

I would ask that the Members of the Legislative Assembly join me in congratulating all members of the Canadian curling team for their extraordinary talent and their gold medal win at the world championships.

The Speaker: The hon. Member for Calgary-Buffalo.

Calgary G-8 Organizing Committee

Mr. Cenaiko: Thank you, Mr. Speaker. It's my pleasure and honour to rise today to recognize the Calgary G-8 Organizing Committee for winning the White Hat of the Year award in Calgary last Tuesday. All eyes were on them and Calgary and area to successfully execute

this event, the most significant international occurrence here since 1988. The event's success not only helped secure our reputation as a safe world-class destination and host for major diplomatic events, but it generated 1,500 full-time jobs and an estimated economic impact of \$193.1 million for Calgary and area businesses.

Mr. Speaker, Calgary and area enjoyed extensive regional, national, and international media coverage before and during the event. Our city's promotion as a world-class destination for both business and leisure travel was unmatched by this opportunity. The organizing team's contribution has helped to establish a legacy for Calgary as an international host, and political leaders and international media responded with praise and suggestions that future events be modeled and measured based on this team's successes.

Congratulations to Mayor Dave Bronconnier, Police Chief Jack Beaton, Fire Chief Wayne Morris, Calgary emergency medical service's chief Rick Stanger, city of Calgary G-8 project manager John Chapput, and city of Calgary CEO Dale Stanway for representing Calgary and the province of Alberta.

The Speaker: The hon. Member for Edmonton Highlands.

Action for Healthy Communities

Mr. Mason: Thank you very much, Mr. Speaker. I rise to recognize a program of the Edmonton Healthcare Citizenship Society that was established in 1993. The Action for Healthy Communities is committed to building stronger and healthier communities through a community-building process that fosters citizen participation and advocacy for public policy that improves the health of the community. Example projects include collective kitchens, tai chi lessons, and development of a mental health awareness video.

Under the direction of co-ordinator Debbie Chaba they are currently working on an energy retrofit project partnered with Michael Kalmanovitch and the Ecology Systems Information Society, assisting homeowners in central Edmonton on limited budgets who are interested in reducing energy consumption and saving money.

Action for Healthy Communities exists to improve the well-being of their community, and I applaud their work.

2:40

The Speaker: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. I rise to beg your forgiveness, sir, for my breach of protocol in my just-passed recognition. I inadvertently mentioned the member's name in the House.

Speaker's Ruling

Referring to Members by Name

The Speaker: Hon. members, perhaps just a bit of explanation why this is rather important. It's not one of those rules that just sort of kicked in out of the blue. Two things can happen, and hon. members can see the use of names in this Assembly where some hon. members, unfortunately, have a difficult time dealing with a certain name from a certain culture, and sometimes there's a slurring, which is an embarrassment to the member and an embarrassment to the person whose name is mentioned. So in the Assembly itself there may be names which, depending how you pronounce them, may lead to some considerable degree of embarrassment for everybody.

Now, we have no current member called Paquette. Now, you can play some unfortunate games with that name. We have no member called Foquette. The rule is very clear. We mention the member's constituency and not the name.

head: **Tabling Returns and Reports**

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. I rise to present five copies of 18 letters addressed to the Minister of Health and Wellness and myself requesting that the Didsbury health services be located in the Calgary regional health authority.

The Speaker: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. I rise today to table a letter from St. Rita's parish in the community of Valleyview urging the provincial government to deinsure the practice of abortion.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'm very pleased to rise today and table five copies of a letter from constituent Don Perdue, who's asking if it's true that "medicare is being slow in delivery to seniors in the hope that they will pass away and thus the governments will save money" since they no longer have to pay pensions. This constituent notes that money being spent that's paid into the medical system "does not appear to be used to relieve the patients who pay for it in taxes and premiums."

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you, Mr. Speaker. With your permission I have two tablings today. The first is a letter on behalf of the Liberal caucus signed by our leader congratulating the team of Randy Ferbey, Marcel Rocque, Scott Pfeifer, and Dave Nedohin on winning their second world curling championship in a row.

The next letter is again signed by the Leader of the Official Opposition on behalf of the Alberta Liberal caucus to Mike Weir on being the first Canadian to win the Masters championship.

Thank you.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. With your concurrence I have three tablings this afternoon. First are five copies of a study entitled Teachers' Instructional Practices in Small Classes by Haughey, Snart, and da Costa, soon to be published in the *Alberta Journal of Educational Research*, volume 49, issue 2, in the summer of 2003. The study details how small classes facilitate a variety of instructional strategies, effectively moving children to the literacy goals of the grade 1 curriculum.

The second study – and I have five copies of it, Mr. Speaker – is entitled Enhancing Literacy Achievement in Small Grade 1 Classes in High Poverty Environments, soon to be published in the *Canadian Journal of Education*, June 2003, by Haughey, da Costa, and Snart, concluding that smaller classes, a focus on literacy, and continued professional development was successful in helping grade 1 students in high poverty, high transiency environments make solid gains in their academic and social abilities.

The third tabling, Mr. Speaker, is a letter from Melanie Shapiro indicating how the 2003 budget cuts will mean larger classes in Edmonton schools and that the impact of that on children will result in behaviour problems and less individual attention.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. I have two tablings this afternoon. The first one is the market surveillance administrator's annual report for the year 2002. This is dated the 10th of February of this year, and it's the market surveillance administrator, again, from the Power Pool of Alberta. I would urge all hon. members who are nervous about energy deregulation to please read this.

My second tabling is copies of a petition, and it states, "We, the undersigned residents of Alberta, petition the Legislative Assembly to demand the government fund education adequately and equally across the province."

Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you very much, Mr. Speaker. I rise to table a document. It's an editorial in the *Alberta Doctors' Digest* March-April 2003 issue. This document is called Lies, Damned Lies and Politicians' Promises and mentions how the Alberta government's ideology of privatization is harming consumers and how Albertans have felt scorned from remarks in this House that they can afford to pay greatly increased costs of natural gas and electricity.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm tabling a document today from ATCO Electric showing the steep rate hikes being incurred by its residential and farm customers as a result of the Tory government's flow-through electric pricing scheme. This is consistent with New Democrat opposition predictions made last month.

head: **Orders of the Day**

head: **Written Questions**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Proper notice having been given on Thursday, April 10, it is my pleasure to move that written questions appearing on today's Order Paper do stand and retain their places with the exception of written questions 11 and 12.

[Motion carried]

Transportation Achievement Bonuses

Q11. Ms Carlson moved on behalf of Mr. Bonner that the following question be accepted.

What is the amount of each bonus and aggregate amount of all bonuses awarded to senior officials within the Ministry and Department of Transportation over the 2001-2002 fiscal year broken down by the identity of and amount paid to each official?

The Speaker: The hon. Minister of Transportation.

Mr. Stelmach: Thank you, Mr. Speaker. I wish to accept Written Question 11 with amendments, and the amendments have been distributed to all members, shared with the opposition before 11 this morning. I'd like to move that Written Question 11 be amended by (a) striking out "amount of each bonus and," (b) striking out "senior officials" and substituting "employees, and the number of employees who received a bonus," and (c) striking out "identity of and amount paid to each official" and substituting "range of bonus dollar

amounts and the number of employees who received a bonus within that range.”

Mr. Speaker, the amended written question would then read as follows:

What is the aggregate amount of all bonuses awarded to employees and the number of employees who received a bonus within the Ministry and Department of Transportation over the 2001-2002 fiscal year broken down by the range of bonus dollar amounts and the number of employees who received a bonus with that range?

The rationale for this amendment, of course, is to be consistent with the spirit and intent of the Freedom of Information and Protection of Privacy Act. Therefore, Mr. Speaker, I move that Written Question 11 be accepted as amended.

2:50

The Speaker: On the amendment, the hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I would like to speak against this amendment. This is part of a manner of operating that I see this government increasingly using that I have to object to. The changes as outlined by the minister in this amendment to the original motion are so thorough as to make the original question meaningless. When you change almost every word and every clause in here to take out all of the information that is pertinent, it makes the original request meaningless. For a government that claims to be open and accountable, open and transparent – we’ll give you any information you want – it’s making a mockery of this process.

We’re not getting the information that we’re requesting, and this is information that’s widely available inside the government. The government knows exactly how much percentage of bonus it’s going to offer to each level. There are supposed to be targets set and achieved by these senior officials in order to receive the bonus. Why is this information not available to the public? The public’s tax dollars are paying for these bonuses. Why do they not get to hear? The Official Opposition and the hon. Member for Edmonton-Glengarry didn’t ask for people’s names. It just said various senior officials that were in the particular positions, and that’s now been watered down so much that it’s meaningless.

I will note that this government makes the school boards and the regional health authorities publish the amounts of bonuses that the superintendents of the school boards and the CEOs of the regional health authorities get – makes them, requires them, or publishes for them – but what’s good for the goose doesn’t seem to be good for the gander here. So I question what the big secret is. If you’re proud enough of these employees and their work is exemplary enough that they stand to have earned an achievement bonus, then fine: let’s see what the positions are; let’s see what the targets were that they were to achieve and how well they achieved them. But this level of disguise and obfuscation and smoke and mirrors that’s now going on with this government is utterly unacceptable to me. If you’re so open and transparent and accountable, then let’s see it. These kinds of shenanigans are totally unacceptable to me.

Thanks, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Ellerslie on the amendment.

Ms Carlson: Yes, Mr. Speaker. I, too, am speaking against the amendment. This amendment effectively neuters the original question as put on the Order Paper and doesn’t give us any kind of comparative . . . [interjection] No. I’m speaking about government members, hon. minister. It doesn’t give us the kind of information that we require to make good comparisons.

We have a government who continually talks about how they like to parrot the practice of industry. Well, industry does report bonuses and information of that kind to their shareholders and often makes that public in public documents. So for this government to continually hide behind legislation when it doesn’t need to is irresponsible and certainly does not meet any of the parts of its mandate that it continually talks about having in terms of openness and accountability. So I definitely will be voting against the amendment.

[Motion on amendment carried]

The Speaker: Now on the main motion as amended, the hon. Member for Edmonton-Ellerslie to close the debate.

Ms Carlson: Thank you, Mr. Speaker. We asked for this information about bonuses and aggregate amounts of bonuses to the department so that we could start to do what this government should be doing in its business plans, which is monitoring comparative figures and taking a look at relating actual performance . . .

Dr. Taylor: Monitoring?

Ms Carlson: Yes, monitoring. And you talk about it, Minister of Environment, but in fact, Mr. Speaker, he doesn’t do it. So this is a way of putting into place one of those kinds of reporting practices so that we can actually see if performance ties in to dollars paid. We believe it doesn’t. We believe that if it did, this government would have no problem disclosing that amount, so that’s why we asked for this particular question in the first place.

[Written Question 11 as amended carried]

Municipal Affairs Achievement Bonuses

Q12. Ms Carlson moved on behalf of Mr. Bonner that the following question be accepted.

What is the amount of each bonus and aggregate amount of all bonuses awarded to senior officials within the Ministry and Department of Municipal Affairs over the 2001-2002 fiscal year broken down by the identity of and amount paid to each official?

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you very much, Mr. Speaker. I certainly am prepared to accept Written Question 12 with amendments, and the information has been shared with the hon. Member for Edmonton-Glengarry in accordance with the procedures.

I would like to also move at this time that Written Question 12 be accepted as amended. I would like to add, though, that, you know, in keeping with the spirit and the intent of freedom of information and protection of privacy and the points that were made earlier in terms of accountability and transparency, the bottom line is that what taxpayers should know is simply how much their tax dollars are going towards. Certainly, with the new amendment that I’m putting forward, it would read as such:

What is the aggregate amount of all bonuses awarded to employees and the number of employees who received a bonus within the Ministry and Department of Municipal Affairs over the 2001-2002 fiscal year broken down by the range of bonus dollar amounts and the number of employees who received a bonus within that range?

This certainly keeps to the spirit and the intent of accountability and transparency.

So moved.

The Speaker: But, hon. minister, you're not moving anything. Now, we're on an amendment.

The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. He'll learn the rules eventually, I'm sure.

On the amendment, once again this one does the same thing as the other amendment does, which does not give us the information which makes people accountable for the dollars that they are receiving, so we don't like this amendment either. In fact, once again I'm surprised that this minister wants to hide behind that legislation, because there are many cases and many other circumstances where bonuses and dollars paid out to individuals in high-ranking decision-making positions are completely transparent and are available for public scrutiny, and we would expect that same kind of behaviour from this government.

The Speaker: Okay. So the hon. Minister of Municipal Affairs has moved an amendment. This is now what's before the Assembly.

[Written Question 12 as amended carried]

head: **Motions for Returns**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Again, proper notice having been given on Thursday, April 10, it is my pleasure to move that motions for returns appearing on today's Order Paper do stand and retain their places with the exception of motions for returns 12 and 13.

[Motion carried]

3:00 Sustainable Resource Development Liability Claims

M12. Ms Carlson moved that an order of the Assembly do issue for a return showing copies of the 62 contingent liability claims against the Department of Sustainable Resource Development in the 2001-02 fiscal year as mentioned in responses to supplementary questions from the Committee of Supply, April 16, 2002, and attached to correspondence code DM02-KC-0671 from the Hon. Mike Cardinal, Minister of Sustainable Resource Development.

The Speaker: Now, Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Speaker. I move that Motion for a Return 12 be rejected, and the reason for this is because the information requested is protected by sections 25 and 27 of the Freedom of Information and Protection of Privacy Act, or FOIP. In fact, as stated in the legislation, disclosure of this information could possibly, one, harm the economic interests of the government of Alberta; two, result in financial loss to the government of Alberta; three, compromise or interfere with negotiations with the government of Alberta; four, prejudice the government's legal position on matters in question; and five, result in the loss of legal privileges attached to some of the information in question. For these reasons we will not be accepting this motion.

The Speaker: The hon. Member for Edmonton-Ellerslie to close the debate.

Ms Carlson: Yes, Mr. Speaker. We have a real problem with the

rejection of this motion. At least we could have expected some amendment to give more general information about this.

If you take a look at responsible financial reporting and any kinds of accounting principles used by any governments worldwide or any corporations worldwide, you will see that they have rules in place for disclosing contingent liabilities on financial statements. Even if we don't get who the contingent liabilities are with or the individual amounts that could be outstanding, at least we need to get a best estimation of what this government expects to pay out over time, because that does impact the financial viability of the province and is an outstanding liability that does need to be recorded. So we find these to be quite irresponsible accounting practices, never mind governing practices or revenue projection practices.

We would urge the minister to consider releasing some sort of information in and around these contingent liabilities so that good decisions can be made by all those reviewing the statements, because we need that information to be reflecting accurate liabilities in all cases.

The Speaker: The Assembly will only be voting on the motion put forward by the hon. Member for Edmonton-Ellerslie, not the motion put forward by the hon. Minister of Sustainable Resource Development.

[Motion for a Return 12 lost]

Kyoto Accord

M13. Ms Carlson moved that an order of the Assembly do issue for a return showing all correspondence between the Minister of Environment, the Premier, Public Affairs Bureau, and the Minister of Energy regarding the Kyoto accord and Alberta's anti-Kyoto campaign.

The Speaker: The hon. Minister of Environment.

Dr. Taylor: Yes. Mr. Speaker, I must say that it is my privilege and pleasure to respond to this motion. Simply put, this motion cannot be accepted. Not only does the motion ask for information that is privileged under FOIP – and the member and her caucus so strongly support FOIP, so they should know that – but it certainly makes assumptions about last year's climate change discussions. It talks about an anti-Kyoto campaign, and I just want to make very clear to this member that our campaign was a pro climate change campaign on a national basis. It was not about anti-Kyoto; it was about pro climate change and a national plan. As well, if our plan was anti anything, it was anti federal intrusion into areas of provincial jurisdiction, and certainly I would say strongly still that we must stand up and protect Alberta's interests from the anti federal intrusion into our jurisdiction, which is something that the members opposite don't seem to understand with their close connections to the government in Ottawa.

So I clearly – clearly – urge all members not to accept this motion.

The Speaker: The hon. Member for Edmonton-Ellerslie to close the debate.

Ms Carlson: Thank you, Mr. Speaker. What this government truly is is anti openness and accountability, as certainly shown by the amendments and rejections of motions today. [interjection] That is certainly true. The Member for Edmonton-Centre's comments are very accurate.

How this member can stand here with a straight face and say that they had a pro climate change agenda – well, I see he's not so

straight faced now that he's sitting down in his seat. A pro climate change agenda: what was that about? I must have been out of the province during that debate, because I certainly didn't hear it. What I saw was a lot of money being spent on a stance which they have subsequently had to soften, I'm happy to see, in the new bill that we see coming out on climate change and the commitment of some dollars to moving forward on this particular item in the budget. So it's nice to see that perhaps he's moving from his before Christmas anti-Kyoto stand to this stand now which is going to be working in some co-operation. So it isn't all bad, bad feds. It's also uninformed provincial government on the issues and on where in fact their liabilities do lie and what they do have control over in terms of the province.

It's important for people in this province to know what this government is doing, and I would remind this minister, who aspires to being well read, that other jurisdictions do make available these kinds of documents. I would refer the minister to Australia, where they do have certain rules that impose a degree of openness and accountability on governments. I have seen this minister in the past cherry-pick those ideas from Australia that he likes. So I would encourage him to take more ideas than just those that he likes, and some of them include making public these kinds of pieces of correspondence which help the voters know where their money is being spent and the kinds of filters their government is using for decision-making, particularly when they're making poor decisions.

So we would urge all members in this Assembly to vote for the acceptance of this motion.

[Motion for a Return 13 lost]

head: **Public Bills and Orders Other than**
Government Bills and Orders
head: Second Reading

Bill 204
Insurance (Accident Insurance Benefits)
Amendment Act, 2003

[Adjourned debate April 7: Dr. Taft]

The Speaker: Hon. members, there are 72 minutes left under the Standing Order agenda.

The hon. Member for Calgary-Buffalo.

Mr. Cernaiko: Thank you, Mr. Speaker. It gives me great pleasure to stand in the Assembly today to debate Bill 204, the Insurance (Accident Insurance Benefits) Amendment Act, 2003. I'd like to take this opportunity to commend the MLA for Drayton Valley-Calmar for bringing this legislation forward.

It raises some important issues that need to be addressed regarding section B benefits. Bill 204 would amend the Insurance Act to accomplish two primary goals: alter section B benefits and include a dispute arbitration mechanism. First, Bill 204 would increase the limit of section B medical benefits to \$25,000 over four years from the current level of \$10,000 over two years to individuals who have been involved in an automobile accident. Second, this bill would include initiatives for a dispute arbitration forum between the insurance companies and claimants receiving section B medical benefits. In conjunction with this dispute mechanism the amendment would introduce the use of independent medical examiners. Mr. Speaker, with the passage of Bill 204 our province would be on the same payout level of section B medical benefits as Nova Scotia, New Brunswick, Newfoundland, Nunavut, and the Northwest Territories. Currently Alberta ranks as the lowest jurisdiction in Canada with regard to payout limits on section B benefits.

Mr. Speaker, having mentioned Alberta's low limit on those benefits, I feel it's also important to highlight that the average section B payout is well below the set limits. Over 2001 the Insurance Bureau of Canada reported that Alberta's average payout for section B benefits was \$3,320, whereas the average all-inclusive payout was \$5,967 for the same year. It must also be recognized that Alberta's low payout of section B benefits is not a true indicator of benefits available. If a claimant is involved in an accident that is not their fault, they are not entitled to additional benefits. Accident victims can recover medical costs through third-party liability insurance of the driver at fault. Additional benefits include a minimum of \$200,000 in third-party liability, \$2,000 in funeral expense benefits, and maximum disability benefits of \$300 per week, or 80 percent of gross wages over a 104-week period.

3:10

Mr. Speaker, difficulties arise when comparing Alberta insurance benefits to other provinces. We are basically comparing apples and oranges. These are two separate and distinct types of processes. The essential difference is between no-fault and tort systems. In Alberta we have a tort system, whereas provinces like Quebec have a no-fault system. Section B benefits limits are high in no-fault systems because claimants do not have the choice to sue for pain and suffering. In Alberta's tort system those at fault pay. Section B benefits allow for insurance benefits on a no-fault basis to those injured in an accident, while those not responsible for the accident are eligible for third-party liability benefits.

Mr. Speaker, I would like to shift my focus and address the remainder of my remarks to the dispute arbitration mechanism. This is the portion of the bill I find most important and highly valuable. By providing the provisions for dispute arbitration, greater clarity, honesty, and impartiality would be brought to the process of resolving insurance claims. I acknowledge that by including an impartial arbitration panel, the government would have a more extensive role in regulating the insurance industry. Some may argue that this role is an example of government overregulation in the insurance sector, but I feel that the benefits of an impartial arbitration panel and the inception of independent medical examiners far outweigh the costs of this additional regulation.

With the passage of Bill 204 an impartial arbitration mechanism would be established to settle disputes that arise between insurance companies and claimants. This legislation would introduce independent medical examiners. The College of Physicians and Surgeons and either the Finance minister or the superintendent of insurance would supply a list of approved doctors to be selected as independent medical examiners. Both civil trial and insurance lawyers feel that the current system is unfair to individuals involved in automobile accidents, in particular with regard to their health assessment. As the system stands currently, an insurance company wanting to stop paying medical benefits to a claimant can send this individual to a medical professional of the company's choice. If this doctor deems that the claimant no longer needs medical benefits, the injured individual can be cut off from their medical benefits. By providing a mechanism for dispute resolution along with the introduction of medical examiners, enhanced clarity and fairness would be brought to insurance claims. Mediation and arbitration involve an essential, impartial, objective third party in settling disputes.

Mr. Speaker, I feel that in regard to the impartiality and dispute settlement and independent medical assessments it is important to highlight recent provisions that were made to the Workers' Compensation Board. Recommendations outlined from reports on WCB service delivery and the appeal system were instituted with the

passage of Bill 26 in May of last year. These provisions were brought forth to ultimately improve the clarity, fairness, confidence, and accountability of the system. Within these recommendations there was a call for the use of independent medical examiners. I feel it is important to look at the merits of this recommendation and how independent medical examiners and a similar process relate to Bill 204.

The seventh recommendation in the WCB review report called for a medical resolution committee to be established under the auspices of the Appeals Commission to review all cases where a difference of medical opinion between the medical examiner and the treating physician arises. It outlined that the committee's decision would be final and binding on all parties as it relates to the medical facts of the case. This recommendation states that

the members of the Committee are to be chosen from a continually updated list of [medical professionals] selected by a medical body that is independent of the WCB and Appeals Commission, such as the College of Physicians and Surgeons or the Alberta Medical Association.

The WCB has introduced independent medical panels to resolve medical disputes. These panels have specific guidelines for defining medical positions and differences in medical opinions. The provisions adopted for the WCB were brought forth to improve the structure of dispute resolution and the system as a whole. The dispute mechanism proposed in this amendment is along the same lines as changes made to the WCB to improve its operations.

This bill hopes to achieve the resolution of benefits disputes due to automobile accidents in a timely fashion. An impartial arbitration panel would ensure quality and establish uniform standards of competency for physicians performing independent medical assessments and appraisals of those involved in a motor vehicle accident. This impartiality allows for fairness and neutrality in a conflict. Parties involved are not working towards a specific outcome to benefit one side of the dispute; instead, they work to solve the conflict as quickly as possible.

Independent medical examiners are an important component of workers' compensation systems and are also used to clarify other liability cases. Impartial appraisals are often used to provide a more objective understanding of the impact of an injury or illness. Whenever an individual or his or her physical condition is under scrutiny in any case in which compensation is sought, an impartial medical appraisal must be given. Mr. Speaker, the establishment of independent medical examiners benefits the public good. They provide objectiveness and reduce bias. The College of Physicians and Surgeons and either the Finance minister or the superintendent of insurance would choose credentialed physicians competent in their specific fields of expertise which they feel have demonstrated the knowledge, skills, experience, and abilities required to perform independent medical evaluations according to the outlined medical performance standards.

An amendment to the Insurance Act allowing for the establishment of impartiality in medical assessments will prove to be more just to those who have been involved in an automobile accident. Mr. Speaker, I feel that a dispute arbitration mechanism and the inclusion of independent medical examiners are important features that would improve the current system. These measures would increase impartiality and fairness for claimants involved in automobile accidents, and for this reason I support and encourage all of my colleagues to vote in favour of Bill 204, the insurance amendment, auto insurance section B benefits act, 2003.

Thank you.

The Speaker: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Speaker. I rise today to join in the debate on Bill 204, sponsored by the hon. Member for Drayton Valley-Calmar. Bill 204, as everyone knows, is a subject with which each of us is all too familiar, some more happily than others, that being insurance and the insurance industry in Alberta. We're familiar with it because it's not something that we have a choice in. If we drive, we must carry insurance, and therein lies the problem.

Because it's necessary to carry insurance, we are pretty much obligated to pay whatever we have to pay in order to get it, and many individuals sometimes feel that they're being taken advantage of one way or another. If you buy insurance and if you have to use it, God help you the next time you have to have your insurance renewed, because your premium reflects what might have been a once in a lifetime accident. If you do have that accident and you have been paying insurance premiums for a long period of time, the next time you come to the bar, you'll find that your insurance premiums will reflect that accident.

I think many Albertans and many Canadians wonder why it is that our insurance premiums never seem to go down. No matter how good we may be, they always seem to go up, and if you happen to be younger, they happen to go up exponentially, which results in the unhappy circumstance of an increasing number of Albertans driving without insurance, which is against the law, which is absolutely wrong, but then that puts those who find themselves in a collision with someone that doesn't have insurance under double jeopardy because it's even more difficult for the person who is one hundred percent blameless in any particular accident to find their interest being served. I think that this, Mr. Speaker, is perhaps the most frustrating aspect of individuals when they deal with insurance companies. When they have found themselves in an accident and they need the protection and the assistance of the insurance company that has their policy, they find themselves almost in an adversarial position not only with the other insurance company but with their insurance company as well.

The net result is that Albertans have had an increasingly difficult relationship with their insurance carriers over recent years. This is in part because the insurance companies, as everyone knows, have taken a tremendous hit in the equity markets, as most of us have as individuals and certainly anyone, including the province, who has an equity position. The insurance companies, as you know, Mr. Speaker, have informed us that they have for years been offsetting the cost of their premiums through funds generated through their equity investments and their other investments, and their premiums have not kept pace with the cost of claims.

3:20

It's really interesting when we look at statistics of claims. In general terms over the past 10 years we all know, Mr. Speaker, that cars are more expensive than they've ever been. Thus, intuitively one would expect that the cost of fixing cars would be more than it has ever been. There are more cars on the road, and the cost of fixing those cars, one would expect, would have increased. Well, the reality is that the cost of repairing damage to automobiles has remained relatively constant over the last 10 years. At the same time that cars have been becoming more expensive and the number of accidents has increased and the cost of these repairs has remained constant, the cost of bodily injury has gone up 3,000 percent.

An Hon. Member: How much?

Mr. McClelland: Three thousand percent.

You don't have to be Dick Tracy or a detective to be able to figure out that there must be some relationship between the costs incurred

by the insurance companies for bodily injuries and the increased cost. This is what has led many people to question the insurance industry and the associated lawsuits by the legal industry. I think it's also fair to say that if you look in the phone book of any major city in Alberta today, there are quite a number of advertisements for injury lawyers. This is something which was not part of our culture until fairly recently. So there may or may not be a connection between these two. As has been made evident in many conversations that I've had with both the legal industry and the insurance industry, we have a responsibility to hold harmless from the cost of the accident those injured in accidents, and that certainly could account for a large part or a proportion of the very large increase.

The question also, then, has to be addressed: does it make sense for a person who may have been injured in an automobile accident to benefit from that automobile accident? That brings into question that even if you pay premiums on an insurance policy to protect one from the effects of an accident, if you had three insurance policies all covering the same thing, should one be eligible to collect on all three policies because in fact you're paying for it? [interjection]

Now, the Member for Edmonton-Centre is remarking on the fact that she's trying to find the relevance of this to this particular bill. Well, the relevance is the part B medical and whether or not this should be increased. The relevance, Mr. Speaker, is that we should not – we could, but we probably should not – look at one particular aspect of the insurance industry in isolation because the insurance industry is far broader. There are more intricate and far more complex and complicated issues, and the more one delves into it, the more one notices or understands that there are two sides to every story.

So insurance companies have had an increasingly difficult time meeting the premium demands as the situation exists now. The Insurance Act, as members know, is being carefully considered by the government now. So the question then before us, Mr. Speaker, is: is it appropriate for this Legislature at this time to consider Bill 204, or is there a better way to consider the elements of Bill 204? I submit that there is a better way.

According to Statistics Canada as of December of last year automobile insurance premiums in Alberta rose 57 percent in a one-year period, so it's very obvious that the need to address this has been established. It's been further suggested by the insurance community that if section B benefits were to be increased, they would immediately apply pressure to limit the amount of money that a claimant could sue for due to pain and suffering, and that seems to defeat the entire reason for offering section B benefits. Insurance companies offer section B benefits in order that they work in conjunction with a whole range of benefits that are available to those who are involved in an automobile accident.

Mr. Speaker, this government is taking action on addressing rising insurance premiums. It has been acknowledged that Alberta Finance will be reviewing and examining insurance consumer issues during the automobile insurance review this calendar year, 2003. In light of this and the Alberta Finance review I move that the motion for second . . .

The Speaker: I think, hon. member, we've passed the time.

The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you very much, Mr. Speaker. Having reviewed the bill and its contents, I definitely will be urging all members of this Assembly to vote in support of hoisting this particular bill now before the House, and I would like to move the amendment to hoist Bill 204, that it not now be read a second time.

The Speaker: We'll await the circulation of such document so that all members will have an opportunity to review this.

Then do I take it the hon. Member for Edmonton-Castle Downs is proceeding?

Mr. Lukaszuk: That is correct. Thank you, Mr. Speaker.

I'm sure many of us have heard stories from constituents who had a tough time filing claims and accessing fair benefits for injuries due to automobile accidents. The process often involves lawyers squaring off against insurance companies, and one has to wonder if all sides have the best interest of the victim in mind. Bill 204 attempts to alleviate some of the factors that tend to heat up contentious claims by modifying the Insurance Act to include an independent medical examiner.

Mr. Speaker, the proposal for creating an independent medical examiner is a very intriguing aspect of this bill. Obviously, one of the most important aspects when settling automobile insurance claims is the role of the medical adviser. Usually there is more than one doctor involved in an insurance claim. The lawyer representing the injured party has some doctors, and the insurance company has a different set of doctors. Both sides argue that their medical examiner is right and that the other one has failed to properly evaluate the injured party.

Mr. Speaker, setting up a list of independent medical examiners that each must choose from will bring more openness, fairness, and accountability to contentious disputes over automobile insurance claims. I believe this bill, Bill 204, will benefit the injured party the most. I see no problem with a list of independent medical examiners that each side must choose from, and I hope this idea is taken under consideration in the future. I also suggest that these medical examiners be certified and proficient in their use of approved guidelines of assessment for clinical impairment.

3:30

However, there are parts of Bill 204 that really trouble me. These parts involve the changes to section B benefits. Increasing the limit and the amount from \$10,000 to \$25,000 over four years may actually result in a less flexible system that is less responsive to change. Moving forward on this part of Bill 204 would also get in the way of the work already being done by this government. The Department of Finance is already addressing this issue through a discussion guide released some time last year.

Mr. Speaker, in December 2002 the Department of Finance released a document entitled *Automobile Insurance: We Want Your Feedback*. This guide covered two broad areas. The first area deals with situations where expenses exceed the injured person's income. The second area discusses the fair level of benefits available for catastrophic injuries. This second area covers a great deal of what is discussed right now in Bill 204. This discussion guide asks the government and stakeholders to review limits established in other provinces, seek stakeholder feedback, and consider the possibility of setting higher benefit limits for catastrophic injuries.

Mr. Speaker, the goal of this discussion guide was to take the first step to develop new regulations under the Insurance Act. The document welcomed feedback to the proposed amendments and also asked if any change is needed. This is an important point to remember. In our zeal to pass legislation, we need to make sure that changes are necessary in the first place.

More importantly, legislative changes must be consistent with the policy direction of the act. This discussion guide is only one part of the process to review the Insurance Act. Obviously, car insurance is important to every driver on Alberta's roads and highways. If this Assembly is to debate any changes, we must be sure that the

proposed amendments will benefit drivers and those who actually get injured. A comprehensive review which encourages all affected parties to provide input is a more logical solution than a private member's bill. Because the Department of Finance is looking at this issue, Bill 204 may confuse the impending review process.

Mr. Speaker, we must also be very careful when making amendments to the act when a huge impact on the day-to-day lives of Albertans could be caused by such legislation. Members of this Assembly are compelled to be part of the discussion-making process and therefore part of the solution. Bill 204 seems to be based on very little feedback from the insurance industry or stakeholder input. Based on these considerations, I believe that Bill 204 would be against the best wishes of Albertans. The funding for increasing the level of section B benefits would increase the actual cost of insurance policies.

Mr. Speaker, Alberta ranks lowest amongst provinces in the maximum limits it has set on section B medical benefits, and if claims set for section B benefits hardly ever exceed the limit we have right now, why would we consider increasing the limit to begin with? I don't seem to understand the upside of raising the benefits if many of the stakeholders in the insurance industry haven't raised the issue. Lower rates for section B benefits may prevent insurance fraud in this area as well. Lower rates may also serve insurance companies or premium money. We don't know if this is the case, because the result of the Department of Finance consultation is not yet available to us.

The members in this Assembly are charged with the job of representing their constituents to the best of their ability. This representation is accomplished in part through careful study and critical analysis of legislation. I don't believe we have had an opportunity to critically analyze this legislation by way of generating feedback from the industry and the stakeholders, being Albertans. The Department of Finance regulates the insurance industry in Alberta and monitors availability, affordability, and fairness of insurance to Albertans. There is no doubt that the automobile aspect of the Insurance Act needs to be reviewed.

The policy promoted in Bill 204 would encourage more lawsuits, making litigation more attractive for people injured in car accidents. We should be working towards curbing the amount of litigation rather than creating an environment that increases section B insurance claims. If people see lucrative awards for injury claims, they may be easily persuaded to seek legal action. An increase in section B benefits would only help out the driver who was at fault in the accident. The person who was not at fault can recover up to \$200,000, which is the minimum for third-party liability. One has to wonder if there is a real need for concern for the at-fault driver.

The average paid for section B benefits between 1997 and 2001, Mr. Speaker, was \$3,094, far less than the current \$10,000 limit. Also, a national auto owners survey in 2001 revealed Edmonton as the second least expensive place in Canada to own and operate a vehicle. Increasing the threshold may cause a ripple effect that will have a dramatic impact on Alberta drivers. Although the number of automobile accidents has declined, the number of injury claims, which are more costly by far, has gone up dramatically. This combined with an increase in medical claim costs plays a large part in the overall increase of the claim. Increasing section B benefits will only make this problem worse by encouraging more accident fraud.

The number of injury claims continues to increase, bringing us closer to the situation of our neighbours down south of the border. In 2001 Alberta drivers spent \$877 on premiums on average, but drivers in New Jersey, Washington, D.C., and New York pay over \$1,100 per year for premiums, and that's U.S. dollars.

Mr. Speaker, vehicle premiums continue to rise, which has concerned many Alberta drivers, especially those on fixed incomes. The early stage of the review process has already started. The risk in making these changes is too high at this point in the process. Therefore, increasing the amount and time period for section B benefits would also encourage people to not return to work following an accident.

I'm not satisfied that the proper consultation has been done to proceed with the changes to the Insurance Act at this time. Mr. Speaker, although I strongly support the idea of an independent medical examiner, I cannot support the other elements of this bill.

Thank you, Mr. Speaker.

Speaker's Ruling Relevance

The Speaker: Hon. members, we're on an amendment. The last discussion seemed to focus on the bill, not the amendment. The amendment is very clear: "be not now read a second time but that it be read a second time this day six months hence." That is the subject of the debate.

The hon. Member for Edmonton-Ellerslie.

Debate Continued

Ms Carlson: Thank you, Mr. Speaker. I am speaking directly to the hoist, which is one of those nice little legislative tricks that can be slid into a Monday afternoon when they hope that everybody is sleeping, interestingly brought in by one member when it was actually written by another. [interjections] Well, I certainly am paying attention. Don't worry.

I would encourage the member who brought in the hoist to also pay attention and to read the information that was provided to him by one of the stakeholder groups, being the Alberta Civil Trial Lawyers Association, who specifically addressed one of the points that he finds particularly abhorrent in this particular bill, subsequently making it necessary to hoist. I would refer that member to page 5 of that stakeholder feedback information, which was given to all MLAs in this Assembly, where they talk about changing "the criteria for medical examinations to allow the medical examiner to be agreed upon jointly by the insurer and the injured."

The original problem, Mr. Speaker, is that

the standard Alberta automobile policy allows for an auto insurer to appoint their medical examiner to determine if the insured person requires further treatment. Often the accident victim's own doctor's advice is not properly considered. In the best light it is perceived by Albertans to be unfair. Often it is very unfair.

This association states that the solution to that is:

Change the criteria for the insurer's medical exam to allow the medical examiner to be agreed upon jointly by the insurer and insured. This proposed amendment is the subject of Bill 204

sponsored by the Member for Drayton Valley-Calmar.

3:40

This is a very real issue that we have heard discussed often that is left out of the legislation in Bill 33, as one of the other members was speaking about earlier. It's a good reason to have the vote on this bill and a debate and a discussion now, not six months hence, Mr. Speaker. I think that the member who introduced this amendment needs to go back to the information that was provided to him and read it, and then he would not have been so hasty in bringing in a hoist to this particular bill.

We will be interested to see what other members have to say about this. Thank you, Mr. Speaker.

The Speaker: The hon. Member for Clover Bar-Fort Saskatchewan on the amendment.

Mr. Lougheed: Thank you, Mr. Speaker. Keeping in mind your admonishment somewhat earlier, I certainly intend to speak to the hoist and offer some comments about Bill 204 as it exists and provide some good reasons why it should be hoisted.

Mr. Speaker, as Albertans we live in a province that's a vast territory, broad landscapes. It's a province where the cities and towns and communities are all separated by long stretches of road and highway, and unlike other countries or perhaps even other places in Canada here in Alberta we definitely have to have some sort of motorized transportation in order to go about our daily lives. We don't have to look too far in order to see this. The geographic and the economic trends are shaping the city of Edmonton in such a way that most people who work in the downtown area live in the outskirts of the city or perhaps even in the community that I represent, the constituency of Clover Bar-Fort Saskatchewan. So many Albertans are dependent on their vehicles – their cars, their personal vehicles – to get back and forth, to and from work. Other citizens who live within Edmonton still rely on those cars and their other vehicles for work, other activities that they find essential for daily living, and the rest of the province isn't much different.

We're a nation, we're a province of commuters, and our vehicles are not a luxury but a necessity. Since so many of us spend so much time of our life out on the road, we invest many dollars in auto insurance in order to ensure compensation in case we get into an accident. Taking into consideration that there are so many vehicles on the road and the fact that there are so many potentially deadly or disabling accidents waiting to occur – and I recognize, Mr. Speaker, that one member of my constituency claims that we should not call them accidents. I agree with him, because so many of these are preventable, and there are concerns in the research area that we should prevent and avoid these incidents as much as we can. These crashes are potentially there to occur at any time, and the law stipulates that for liability reasons all Albertans must keep them insured.

However, Mr. Speaker, Albertans have paid and continue to pay a hefty premium on automobile insurance in this province. Over the past several years we've seen our insurance rates rapidly increase. Last year the rates rose by 57 percent. We wonder what can justify this unprecedented rise. Well, if we listen to the insurance companies, they say that the jump is a result of the rising number of false or fraudulent claims that are being put forward by certain members of the community. They say that it's not them who are responsible for the astronomical increases in the premiums but rather those that are taking advantage of the system. If we listen to the insurance claim lawyers, they in turn tell us that the insurance companies are purposefully milking more money out of Albertans in order to either fatten their pockets or perhaps pay for some poor investment decisions.

Whom do we trust then, Mr. Speaker? I would argue that the truth is, as always, somewhere in the middle.

Ms Blakeman: Point of order, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Centre on a point of order.

Point of Order Relevance

Ms Blakeman: Thank you very much, Mr. Speaker. I'm citing Standing Order 23(b) and *Beauchesne* 459.

I've listened to the member for some five minutes now, and I'm seeking desperately to see how his comments are specific to the hoist that is before us, which is that the bill be “not now read a second

time but that it be read a second time this day six months hence.” What I hear is him speaking off his speaking notes to the bill but not to the hoist.

The Speaker: The hon. Member for Clover Bar-Fort Saskatchewan on this point of order.

Mr. Lougheed: Thank you, Mr. Speaker. Well, I wasn't so sure she was listening attentively for the full five minutes because when I glanced over there, I was not sure. I sort of thought she was looking for some reference in *Beauchesne* to rise on a point of order and disrupt my flow of thought here and the argument that I was trying to put forward.

In fact, I would encourage the hon. member to listen for a few more minutes, and as the argument is fully developed, she will see what the reason is that's being presented and, in fact, why I'm advocating – well, she's presuming, I suppose, that I'm speaking in favour of the hoist, but she will see the argument being fully developed, and I'm sure that she'll agree at the end of that time that the argument is complete and comprehensive and convincing, and she'll vote along with me on that hoist.

The Speaker: Well, relevance is a very important criteria in this Assembly. The chair would have some empathy for the argument put forward by the hon. Member for Edmonton-Centre because the chair too has been listening very attentively for well beyond five minutes. So presumably now with the five minutes plus the time spent on the point of order, probably within the next minute or two the hon. member will bring this argument to a conclusion, that will become very clear with respect to how the hoist amendment fits into this.

Mr. Lougheed: Well, thank you, Mr. Speaker. I don't know if I can accomplish it in just a minute or two because there are quite a few points to be made here, but I will do my best, as you have admonished further, and I feel chagrined.

Debate Continued

Mr. Lougheed: Anyway, Mr. Speaker, as was mentioned previously, it's really important that we have our vehicles to drive and go about our daily lives. We have no choice. We will continue to pay these high premiums even though the vast majority of us are responsible drivers. Many Albertans are tired of spending more of their hard-earned money on auto insurance premiums, which seem to increase every year. Certain aspects of Bill 204 could be useful to Albertans in future reference.

The bill at the present time appears to be a wrong policy for this province to follow. The reasons are twofold, Mr. Speaker. Firstly, the parameters of Bill 204, particularly the proposal to limit section B medical benefits from \$10,000 over two years to \$25,000 over four years, would be potentially useful to some Albertans, but the end result of such a policy would be a further increase in rates. In its very nature Alberta's insurance industry is profit-oriented. Therefore, if this government forces the industry to provide an increased service or compensation limit such as the proposed increase in section B medical benefits, the industry could very well not enjoy the same profit margin that it has previously enjoyed. The insurance agencies will undoubtedly compensate for the loss of profit by further increasing the insurance premiums, and this will result in Albertans paying even more for auto premiums. In the future, perhaps six months hence, it may be prudent to increase the limit on section B medical benefits. It would not be wise to do so at this

present time, especially considering the fact that the rates are at an all-time high.

The second reason, Mr. Speaker, why I cannot support the proposed increase in section B benefits from \$10,000 over two years to \$25,000 over four years is because currently the vast majority of Albertans are not coming even close to the \$10,000 limit. According to the Insurance Bureau, over the past five years, as was previously stated, as the other hon. member speaking in favour of the hoist amendment commented, claimants' average amount paid out was \$3,094. The same statistics indicate that in 2001 the average payment was about \$3,385 per claimant, two-thirds less than that maximum. These figures indicate that there's currently no reason to increase the section B medical benefits coverage. If in future time withdrawals by a . . .

3:50

The Speaker: The hon. Member for Edmonton-Ellerslie.

Point of Order Relevance

Ms. Carlson: On a point of order, Mr. Speaker. It's *Beauchesne* 459, on relevance. We still haven't heard anything pertaining to the hoist, and it's another three minutes into his argument.

Mr. Lougheed: Well, Mr. Speaker, I really feel poorly about this assault by the opposition, complaining perhaps that they don't like to listen to some speeches from this side. Over and over again they comment on how they want more involvement from the government members on speeches on different bills, and we could contribute at great length, of course, because that's what we could do. It's our opportunity to speak, just like theirs, but we don't.

The Speaker: Hon. member, I expect that the speaking time allocated to the hon. member is coming to an end pretty quickly.

Let's just wrap it up.

Debate Continued

Mr. Lougheed: Thank you, Mr. Speaker. There have been occurrences where there have been outright refusals for these payments.

The amendment that I'm speaking to, to delay the passage of this bill or the discussion for another six months, is appropriate for several of the reasons that I've put forward: the concerns that the industry has, the concerns that the people that are paying those premiums have. Sometimes we've found that insurance companies have kept their clients on these benefits for only short periods of time. The reason why this happened is because the current rules regarding section B outline that the insurance companies can discontinue paying the benefits.

Mr. Speaker, everyone in this House can see the flaw in the arrangement. Under such favourable arrangements it's no wonder that some insurance companies will shortchange their customers for profit. It's true that within the current automotive system we don't have a general insurance ombudsman service which is designed to provide mediation. However, the rulings would not be binding, and the vast majority of claimants would not even be aware of its existence.

Therefore, Mr. Speaker, it's clear that when it comes to conflict resolution between insurance companies and the claimants with regard to the payout of section B benefits, the companies hold the advantage. Many use this advantage . . . [Mr. Lougheed's speaking time expired]

Some Hon. Members: Question.

[The voice vote indicated that the amendment to the motion for second reading carried]

[Several members rose calling for a division. The division bell was rung at 3:54 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Abbott	Hutton	Melchin
Ady	Jablonski	Nelson
Amery	Jacobs	Oberg
Boutilier	Johnson	Renner
Broda	Klapstein	Shariff
Calahasen	Knight	Stelmach
Cenaiko	Lord	Stevens
Danyluk	Lougheed	Strang
Doerksen	Lukaszuk	Taylor
Dunford	Lund	VanderBurg
Haley	Magnus	Yankowsky
Hlady	McClelland	Zwozdesky
Horner		

Against the motion:

Blakeman	Massey	Nicol
Carlson		

Totals:	For – 37	Against – 4
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[Motion on amendment to second reading of Bill 204 carried]

Bill 205 Citizens' Empowerment Act

The Speaker: The hon. Leader of the Official Opposition.

Dr. Nicol: Thank you, Mr. Speaker. It's a real pleasure this afternoon to rise and move second reading of Bill 205, the Citizens' Empowerment Act.

I guess the purpose behind this bill is to in effect provide a tool or a mechanism for Albertans to become involved in their democratic process a little more than what is available to them at this point. The purpose behind it, I guess, again, is to make sure that democracy has different mechanisms for messages to be sent to the Legislature about, in effect, the wishes of Albertans, whether they are wishes for change or wishes against change.

If we do that, we have to provide the tools. We're always hearing that Albertans want to do something a little bit differently, a little more direct with their MLAs. If we do it this way, we should make sure that the messages that get sent at an election time are not built around only one concept or one issue because that vote at an election time shouldn't be issue based. It should be government-philosophy, government-approach, government-competence based instead of: are we all going to vote for a bill that will do one thing or another?

[Mr. Shariff in the chair]

We've seen a number of cases where one-issue elections have really changed the direction of government because once that one issue is addressed, governments don't have other agendas. This is the kind of thing that happens in democracies on a fairly regular basis. What this bill is going to do is in effect it's going to give citizens just another mechanism to send a message to their elected officials so that they can respond to the wishes of their constituents.

4:10

The thing that we have to do is make sure that as we look at how citizens should be allowed to voice that input or be part of that input to the legislative process, it's important that we look at, in effect, the four basic parts of the development of legislation and whether or not citizens should be involved in it. The first one is when you initiate legislation. That, in effect, right now occurs either by the elected government, the government in power, or groups coming together with the government saying: we think this needs to happen. Then what you do is you go into a discussion on how those ideas actually get put into legislation, and that's in effect a formative stage. Then you end up with the idea of how you get involved in debate, and there's a lot of that that goes on in terms of contacting MLAs about this perspective on a bill, that perspective on a bill, and that's what we see a lot of in terms of the approach.

It's a matter of: how do you weigh the seriousness of how individuals in a community feel about an initiative? How active do they want to become in either supporting a piece of legislation or bringing a piece of legislation to an end? I guess that takes us right into the fourth part of it in the sense of what happens if legislation gets derailed and you want to stop it.

Well, Mr. Speaker, Bill 205 in effect will provide citizens with a mechanism to address both the front end part of that four-step process and the back end part of it, that I just described. In other words, it will give citizens two chances to broaden their participation where they don't have it right now. The first one is on the initiation of legislation, and this is basically where a group of citizens can put together a prototype bill, you know, a bill that basically outlines what they would like to see in that legislation, petition the Chief Electoral Officer, get a petition in place, bring that to the Legislature and say: this petition would ask the Legislature to enact a bill similar to or consistent with the prototype that they've brought forward.

If during that sitting the government doesn't enact that bill that reflects the wishes of that constituent group that did the petition, then what would happen is during the next break in the Legislature a referendum would be held, and if the referendum passes, then the government must introduce that legislation. Now, they can vote it down, but they have to bring it to debate in the House, the idea there being that if they do vote it down, the consequences are at the next election, when individuals say: "Look. You didn't follow our direction. You weren't representing us." So, you know, in effect you need to make sure that you get more in tune with your constituents. That briefly provides them with input that comes at the initiative part of taking an idea and bringing it forward into legislation.

Now, Mr. Speaker, it's critical at this point that we look at the limitations that we impose on that initiative in the sense that we do not allow that to be a financial bill; in other words, suggest taxes or suggest anything to do with the budget. We also don't allow the bill to suggest legislation which would in any way contravene the Charter or the human rights acts of Alberta or Canada. So, in effect, it does limit suggestions of where initiatives can be brought in. What it does is makes sure that any legislation is consistent with the wishes of Albertans but doesn't become a majority imposition on a minority. So that's where the human rights protection comes in. The other part of it, too, is that by doing this, the act cannot infringe on the government's need to do business. In other words, the budgets, the taxing patterns of the province can't be influenced by this kind of initiative.

The other half of the participation is in a sense to say: "Hold it. No. You've made a mistake. Let's stop that piece of legislation." What it would do is in effect create a 90-day window between the

third reading of a bill and royal proclamation of a bill. So during that 90-day period if citizens get together a petition of 5 percent of the registered voters, then they can precipitate a referendum that would say: yes, we support this bill, or, no, we don't. If the referendum defeats the bill, then it cannot move on to royal proclamation. Again, we put conditions on that in that if it is a bill that the government designates as necessary for a crisis, then that window is not open. Citizens can't stop a bill that the government designates for a crisis. Obviously, if there's a crisis, there's a need to act quickly, and to go through the process of first the petition and then the referendum would delay a solution to a crisis too long to make sure that we do what's appropriate to manage the affairs of the province.

So from that perspective, you know, we have to make sure that as we move through this process citizens feel that they truly have input to the piece of legislation, that they have input to the way their democracy works in our province, and that we end up making sure that all of the aspects of good government and responsible government, responsive government are actually put in place. I truly think that if we pass this bill and put it in place, what we'll end up with is a real opportunity to move away from one-issue type elections to: let's talk about the philosophy of government; let's talk about the approach to government during elections. Then we don't have to have that one-issue debate that could swing votes during an election, because that can be done through this kind of a process or a citizens' initiative.

In wrapping up, Mr. Speaker, the main thing is we have to recognize that the bill in no way limits or prevents democratic action by the Legislature. What it does on the initiative side, on the input side, is goes through a two-step process. In the end the Legislature is the final say with consequences at an election. So, in effect, it doesn't get into the kind of "let's have a referendum and make laws" that we see in some of the U.S. states where this kind of legislation is in place. This would always make sure that the final decision-makers are here in this House so that we end up making sure that we don't have, you know, the hype that comes with issue-based votes so that you end up with conflicting referendums, bringing forward legislation under a referendum proposal. The House in itself would have to sit and debate how these pieces of legislation fit in with all of the others, and if they can't see it fitting, then the Legislature has the right to not move ahead with it.

That, I think, is critical in the context of making sure that citizens have a voice, that they have an option to say: consider this. There has to be that interlink between the suggestion and other legislation that's on the books, and that's the role of the Legislature. That's why, you know, we didn't make this legislation so that the absolute power resides in the referendum. We didn't want to have a situation where through lack of ability to really analyze and investigate the interrelationships and the interlocking of legislation—that's the role that the Legislature can carry out. Citizens out there just voting on an idea with a prototype bill would not in effect have that ability and have that expertise to deal with all that interlink, the way that they really need to look at the impact on other pieces of legislation. That would be the responsibility of this House, the final responsibility of the legislative process when it gets here to deal with it in the context of: does it fit with current legislation, or are there other bills that would have to be amended if this legislation passed, and what would be the repercussions of that change? You know, that's kind of the important part of making this legislation work, the idea that it's not an absolute on behalf of a referendum. It's a strong suggestion through a petition. It's a stronger suggestion through a referendum, but the House in the end still has control.

4:20

The same on the other end. The perspective is there that if citizens decide they want to have a bill stopped, there's a very small window they have to be able to rally Albertans to get the petition in. Otherwise, they can drag it out too long, and we don't want to in effect delay unintentionally, you know, without purpose, legislation. So the 90-day window to get your petition in is effective. It's enough time if Albertans feel strongly enough about it to get that petition in that then calls for a referendum within six months.

So I think this is a good addition to the tools that we've got to make our democracy work, and I hope that we can count on the members of the House to support it. Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Well, I thank you very much, Mr. Speaker, for the opportunity to join in this debate on this very interesting piece of legislation, and I congratulate the Member for Lethbridge-East, the hon. the leader of the Liberal opposition, for bringing this thought-provoking notion before the House. When the opportunity arose to speak to it, I asked if I'd be able to speak to this and get on the list because I've had considerable personal experience in this. As a matter of fact, this very issue is what caused me to get involved in provincial politics rather than remain in federal politics with the party that I used to represent. As members will know, the party that I represented in the House of Commons to start with was the Reform Party, which was wedded to this notion that opinion at a constituency level would in fact trump judgment at a political level. This is all well and good until, actually, the rubber meets the road, and in my particular experience the rubber met the road under Bill C-68, which was the infamous gun control legislation.

The more I learned about that legislation and the more research that I did, the more I realized that the notion that was driving it at a constituency level, at an individual level was to achieve something that we already had as far as gun control is concerned in Canada, but they were measuring our situation against a situation they saw on television in Detroit or Chicago, primarily in the United States. So the opinion of the people being measured by a public opinion poll in order to determine opinion was not necessarily informed decision.

I found myself in the very, very difficult position of voting against the bill at second reading even though I knew that the constituent opinion in the constituency I represented was in favour of the legislation by a majority of over 60 percent. In three separate, independent, carefully crafted by an outside third party polls, it was clear that the majority of the constituents that I represented were in favour of the bill despite the fact that they had no idea what was in it in relative terms. I shouldn't say on broad terms. I think that it was fair to say that the majority of people felt that they were making their judgment based on the emotion of what they hoped that this bill could achieve for the country, noble intentions. So I ended up voting against it despite that. Then at third reading I voted in favour of the bill, as presented by the Liberals, against my better judgment, against the party position but upholding the opinion as represented by opinion polls in the constituency. The net result was that I found myself in a position where judgment gave way to opinion, and that caused me to rethink the foundation upon which I was elected initially and upon which we collectively administer the affairs of our province on behalf of the citizens of the province.

Was Edmund Burke right, or was Preston Manning right? That's really the question. In my opinion, as a result of my test I think that Edmund Burke was right. If I was troubled and if I was torn between this notion based upon gun control, what would happen were I faced with the same decision based on a moral, ethical issue, and is that not what the Nuremberg trials were all about?

So then we get into majority versus minority rights, and where does the majority get the imprimatur to govern? Who vests with the majority the right to govern? How do we as a majority government have the right to govern? Well, I suggest, Mr. Speaker, that that right comes . . . [interjections] If you don't mind, you guys, let me finish here first. I suggest that the right to govern is vested with the majority by the minority because the minority feels secure and safe that the majority will not trample their rights. It is, in fact, the minority that vests its confidence with the majority in a continuum that makes a complete circle.

Now, how does one arrive at a majority? Well, in our democracy as we have evolved, a majority comes to be because minorities have been given the unfettered opportunity, the unfettered right to bring others to their point of view, and if they are not successful in bringing others to their point of view, they then have the obligation to join with the majority so as not to have ever diminishing narrow and separate issues.

Ms Blakeman: What?

Mr. McClelland: I see the Member for Edmonton-Centre becoming apoplectic on that, but I wonder if the member would be interested in knowing the source of that particular quote. None other than Pierre Trudeau, who said: in a democracy the minority has the right to bring others to their point of view; if they are not successful, they have the responsibility of joining with the majority, and we move on from there. That's how democracy works, and that's how we keep from going into ever diminishing circles of narrow self-interests.

That, then, Mr. Speaker, brings us to the point of what political leadership is and how political leadership should be defined. Is political leadership measuring the wants and needs and desires or the opinions of the constituents and then representing that, or is it aggregating interests in the common good and being able to hold a principled opinion even if that principled opinion goes against majority opinion but is the right thing to do? That is the essence of political leadership. Political leadership is not defining or finding a narrow, separate special interest, catering to that special interest at the expense of all others. It is about listening carefully to what we hear, then aggregating those interests and articulating a vision based on what we have heard, what our experiences are, who we are, and then articulating a vision that inspires us to be more together than we are as individuals. Political leadership is not finding a special interest and catering to that. It is doing what's right for the common good, and that cannot be done if we rely on opinion polls to form our judgment. Judgment is a sum total of who we are and how we got here. Judgment is defined as our life experiences, good and bad, that our electors expect us to use and to exercise on their behalf.

4:30

Therefore, Mr. Speaker, with deep respect for the principles underlying this notion of populism and underlying the principles that brought this to this House through the hon. Member for Lethbridge-East, I must say, using my experience and my judgment, that this is not worthy of support in a democratic House.

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I appreciate the opportunity to speak in support of Bill 205, the Citizens' Empowerment Act, this afternoon, and I'll resist the siren call to respond to the previous speaker's comments. I think the distinction that's made between opinion and, as I think the member indicated, aggregated interests is

a fine distinction, and I think that there are some issues in this province that clearly would have been acted upon by citizens had they had the opportunity. One of those issues that immediately comes to mind is that the government's decision to cut the funding for kindergarten was not something that was dominated by opinion. There was some pretty solid research that indicated that that was a bad thing to do. So I reject the notion that the former member puts forward.

In speaking for the bill, I think that really the essence of the bill is that it allows two things. It allows citizens to bring a bill before this Assembly, and it allows a citizen to cause this Assembly to take a sober second look at legislation, much in the same manner that the Senate does for federal legislation. I think you aren't in the Legislature long before you're approached by one citizen or another asking: what can I do? They're interested in a particular issue. They're interested in a particularly public policy and feel strongly about it and come to us often asking for advice: how can I get involved? What this bill does is give them one more tool.

The kind of standard things I think we all suggest to them is that they can obviously meet with MLAs, and I think of some good examples when meeting with MLAs was effective. I go back again to the kindergarten issue. On that particular issue I know that the former president of the University of Alberta made a point of meeting with every member of the Legislature individually and arguing the need for the restoration of full funding for kindergartens, and I think that the president's arguments were effective.

We also suggest that they get involved and organize some like-minded groups. I think that we saw an example of that not the last session, the session before that, where the Save Our Schools parents organized a provincewide petition, and we were able to each day in the Legislature table those petitions with parents' signatures asking that the underfunding of education be addressed. I think it was a very effective tool in citizens' hands to draw attention to a public policy that they thought needed changing. Those are the kinds of things that we often suggest to citizens.

We suggest, for instance, that they write letters, that they become involved with other citizens. We give them suggestions about letter writing: if you're going to write a letter, make sure you do sit down and pen it or craft it yourself, that you don't spend the time signing duplicated letters, that you make some effort to personalize it, that you ask for a response. There's a whole set of instructions that we give citizens who are asking for ways that they can affect public policy to use letter writing as a tool.

We also encourage them to bring forward suggestions for private members' bills, and I think we've seen that time and time again in the House, where there have been suggestions that were from citizens for legislation that they thought was important. Some of the ones that drew a great deal of public attention were the private members' bills that were concerned with cell phones. There were private members' bills that were concerned with using radar for catching speeders. A great number of private members' bills, and we spend a great deal of our time in the Legislature debating those bills. Again, it's another tool where citizens can have their ideas brought before this Legislative Assembly for debate and in many cases for adoption at some point.

I think of the class size bill that we've brought forward in various forms over the years, and it's one that citizens are continually coming forward and saying: how can we get something in the Legislature to be debated? Unfortunately most of those bills were far enough down on the Order Paper that they didn't get debated, but citizens who wanted those kinds of things could look at those bills and see that the interests that they wanted pursued were being taken seriously by this Legislature.

We've suggested that they hold town halls. I think of the parents of children with special needs and their joint concern that there was something that needed to be done for children with special needs because of the things that were happening to them in the classroom. Again, we encouraged them as citizens to organize town halls, and I went to some of those town halls and in fact helped organize a couple where parents were able to talk about their concerns and where special-needs parents were able to meet other special-needs parents and bring together their thoughts and suggested actions in terms of things that could be done to help the situation for special-needs children in our schools.

We suggest that they write letters to the editor, and we see those every day, Mr. Speaker, addressing one or more public policy issues that are being debated in this Legislature.

As an opposition – and I'm sure that government members do likewise – we suggest that if they're concerned, they may want to ask the opposition to ask questions in question period to again have public policy debated, to have a particular viewpoint on an issue brought forward.

4:40

These are all things that we suggest to citizens who are interested in becoming involved and who want to feel that they have some power over what's happening in their lives. We suggest that they do these things.

What we have before us in Bill 205 is just one more tool. I think it's a tool that we should look at very seriously, Mr. Speaker, before we reject the notion. If you really read the bill seriously and look at the provisions, it's not going to be the kind of action that special-interest groups will undertake frivolously. There's a lot of hard work involved in what is included in Bill 205 if a piece of legislation is to be brought before this Legislature or if one of the bills that the government has brought forward is to be challenged. It's not easy. There's, as I said, a lot of hard work that must be completed, and the bill I think would actually in practice see limited use. They would have to be really issues where there was large public outcry or large public support, and again I think on those issues it's not just a matter of opinion.

The Member for Edmonton-Rutherford talked about the gun legislation and said: well, it was just a matter of opinion. But I remember that that opinion at the time came from some rather respected groups, including the chiefs of police across the country who had supported that gun legislation, and I don't think that they can be dismissed as just a sample taken in some offhanded survey. I think there were groups that command a fair amount of respect who were in favour of that.

I urge members to support Bill 205. Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. It is a pleasure to rise and address Bill 205, the Citizens' Empowerment Act, proposed by the Member for Lethbridge-East. Supporters of Bill 205 argue that the bill will provide Alberta with much-needed direct democracy. However, I cannot support this bill for three reasons. [interjections] I know that it's a surprise to many. First, I feel that special-interest groups will gain control of the policy-making agenda and in the process not serving the best interests of all Albertans. Second, the hands of government will be tied, and our roles as legislators in a representative Assembly would be diminished. Finally, the costs involved could be much more wisely used for immediate needs facing the province.

Bill 205 would legislate that a petition of 5 percent of the electorate could stop any piece of government legislation provided it does not deal with emergency situations from coming into force. Five percent is not a large amount, and this is my first problem with the bill. With respect to this small threshold, Mr. Speaker, the special-interest groups would play a formalized role in our legislative process. These well-organized groups would have the opportunity to collect the signatures of only 5 percent of the eligible voting population, which is about 95,000 people, a small number in my opinion, and dictate the policy thereafter.

This raises three main concerns. The first concern pertains to the control of information surrounding the petition in question. This problem is directly related to the second issue of special-interest financing. The final problem lies with the potential of regional confrontation over issues.

When an issue has been successfully petitioned and scheduled to be voted on in a provincial or municipal election, the voting public will seek information pertaining to the issue. Special-interest groups will present one-sided information to further their goals. These newly formed propaganda machines will bombard the public with slanted information. The government will be forced to defend its position with a balanced message. This will only increase the level of distrust in the public psyche and cost taxpayers in the process.

The amount of money spent on winning public support in both the petition signing and referendum would be ridiculous. The government would be forced to spend money on television, newspapers, which could be money well spent on much-needed infrastructure, education, and health care.

In the United States, where 24 states have citizen initiatives, it can now be seen that the process has been corrupted with big money. Like their candidate campaigns a referendum's chances of winning are now handicapped according to its bankroll. Paid signature gatherers are now needed to qualify an issue for the ballot. An example of powerful special-interest groups can be seen in California. Of the 1.1 million signatures gathered in support of California's initiative against affirmative action, only 147,000 were obtained by volunteers; 800,000 were secured by people who were paid \$1 per signature.

I would like to read to you, Mr. Speaker, two quotes from two local state officials. The first is from 1996 and Washington Secretary of State Ralph Munro: "It used to be the most important thing was the issue. Now the most important thing is the money." The second is from 1996 and Oregon's Secretary of State Phil Keisling, who dubs the new version of citizen initiatives a "cash and carry democracy." If we pass Bill 205, we will see the same problem arising in Alberta. Big money will seek to bypass the legislative process and impose their own agenda on the public.

Mr. Speaker, special interests located in different regions also pose a potential problem. Urban Albertans would have a much easier opportunity to gather signatures than their rural counterparts. I can see how this bill could bring about an issue between urban and rural areas to the detriment of the province as a whole, considering that special-interest groups in the city could force an environmental action that may conflict with farming practices.

This thought leads to the second major problem with Bill 205 in that it ties the hands of legislators. Developing legislation is a thoughtful, conciliatory effort. Through our current system of private members' bills it's not difficult for a group of concerned constituents to petition their MLA and have their concern drafted into legislation. An example is the good firemen's legislation that was just recently passed in this House, Mr. Speaker.

There have been a large number of private members' bills and motions generated from constituents' concerns. In fact, government

bills are also generated from constituents' concerns. There are many ways for Albertans to participate in the guidance of legislation and formation of policy, as has been mentioned by the previous speaker. Just to name a few, this government has held a justice summit, an Ag Summit 2000, and a Future Summit. These consultation processes are some of the best ways for Albertans to get their views heard. We have some of the best legislation in the country coming from these processes. Bill 205 would make these consultations seem unnecessary and useless.

Mr. Speaker, Bill 205 polarizes Albertans as it forces them to vote either yes or no when the best solution requires getting both sides together around a table so that they can hammer out a compromise. That is a major role of the politicians: to be problem solvers and arbitrators between opposing forces. It's our job to make the hard decisions; that's what we were elected for. We listen to the people who elect us, and we act on their behalf. Bill 205 would strip us of that elected responsibility, a responsibility we hold and deliver very well, and we take it very seriously. Giving such a small minority the ability to block and introduce legislation over the will of the majority simply does not make sense when the people have already spoken by electing their officials.

Mr. Speaker, I've already mentioned the related costs of holding a referendum, and I specifically only mentioned the cost to the government for presenting their side of an issue, which could venture into the millions. However, I did not mention the direct costs related to holding a referendum. According to the office of the Chief Electoral Officer, a referendum would cost just as much as a normal election, which in 2001 cost \$5.4 million. Adding citizens' initiatives to an existing ballot in an already pending election would increase the cost of that election by 25 to 30 percent, according to the office of the Chief Electoral Officer.

Bill 205 states that a referendum must be held within six months of when the 95,000 signatures are delivered to the government. This means that we could be having a referendum on a variety of issues every six months, costing taxpayers \$5.4 million every half a year. In a time of fiscal restraint and the public demanding the government to be frugal with spending, such expenditures are not something the average Joe Albertan would be supportive of.

With ever escalating health care, education, and infrastructure costs the government should not be wasting money on referendums when legislators are paid and elected to make those decisions. We are elected to represent the people, and we do that to the best of our ability. If Albertans feel that we fail at doing that, they will let us know in the next election. That is where we are brought to task; that is where we are held responsible.

So let me repeat, Mr. Speaker, why I cannot support Bill 205. First, it allows special-interest groups to become agenda-controlling parties. Special-interest groups polarize the public and feed society with one-sided messages. They normally have deep pockets and will have the opportunity to get their issue brought forward. In a time when the public is already skeptical about the amount of money in politics, this bill will only fuel that sentiment. Special-interest groups in urban areas may be disadvantageous to special-interest groups in rural areas. Secondly, Bill 205 nullifies the whole reason why we sit here today. We are the elected officials, elected to make those hard decisions for the best interests of the entire province for all Albertans. Finally, the costs involved in holding referendums cannot be justified when much more pressing issues face the public.

For those reasons, Mr. Speaker, I will not support Bill 205, and I urge all my colleagues not to support it as well. Thank you.

4:50

The Acting Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I'm happy to speak in support of Bill 205, the Citizens' Empowerment Act. This is an excellent bill, and this is a concept that I have seen supported in this Legislature by a variety of people over time, so it's surprising to hear what we're hearing from some of the members who support the government position in terms of opposing this.

The object of this bill is to be another part of our democratic process package that we are putting together to bring some strong representation to the people of Alberta and have them able to participate in that kind of democratic renewal. This one talks specifically about the elements of direct democracy and brings it into law in this province.

We have two distinct parts to the bill. One is the referendum on the legislation passed by the Alberta Legislature, and the second is an initiative process where Albertans can petition the Legislature to introduce a piece of legislation. It's similar to B.C. legislation. The difference, though, is that our legislation does not allow an initiative petition to deal with money at all, and that has been a standard practice in this particular Legislature, that money bills are handled a little differently. I happen to agree with that particular process, and we would see that supported in future endeavours.

The referendum on legislation is a piece that has been intensely popular with Albertans over time, and this particular section of the bill attaches the condition that once again, as we see now, no act can come into force until 90 days have passed from the date of Royal Assent, enabling people to bring forward the petition for a referendum. What this does is make members more accountable for their actions, and it eliminates some of that strong party discipline that we see develop in parties who have been in power for a long time as we see examples of in this particular province. It means that backbenchers have an opportunity to break rank for good reason: because they are being petitioned by their constituents, who are really the people who elected them and not their party, although in this province that's sometimes debatable. What it does, for sure, is make sure, then, that those representing their constituents are more accountable, and that's certainly what we need to see happen here.

So if people want to bring the petition forward, what they do is: within the 90-day window they have a number of signatures. We're suggesting equal to 5 percent of the total number of electors eligible to vote in the most recent general election, and that's about 95,000 signatures. So it's a significant number and organizers have to be committed and people have to be convinced that it's a good idea to go forward. It's a significant amount of the people in the province who would do this.

What would happen then, if the petition was in order, is that the Lieutenant Governor would set a date for a democratic guarantee election, and the date must be no later than six months from the date of the Chief Electoral Officer. So what would happen then, too, is that we would have legislation that is a little more accountable when it comes to the floor of the Assembly.

I've seen quite often in the 10 years that I've been here legislation come forward that is flawed or poorly written, and it's either withdrawn from the floor or it comes back for amendments at some later date or we encounter some significant problems with it as it's ruled out. I believe that this would add another level of scrutiny to the legislation on the government's side, so what we would see would be better drafted in the first place. That would be good. That would be good for everybody, I think. There's enough staff in government to ensure that that happens. There just needs to be the will on the part of the politicians to bring it to force. What is the best piece of pressure that you can put on a politician? That's the pressure of their constituents' wishes, and this would see that happen. With this legislation an Albertan could apply to the Chief

Electoral Officer to start a petition proposing that a piece of legislation be introduced, when we talk about initiation legislation. We heard some members talk about their now lobbying their members for a private members' bill, which does happen, but we all know the number of pieces of legislation we get to bring in every year. In my experience that's one piece of legislation. I'll get two pieces on the Order Paper, but I'm lucky if one of them gets debated. As an opposition MLA none of it ever gets passed. When it gets passed is when the government takes up the idea a couple of years down the road and brings it in as their own legislation. So for someone . . .

Dr. Massey: Like the stability fund.

Ms Carlson: That's right. Like the stability fund. Well, there are lots of really good examples. Freedom of information: not the way we would have rolled it out, but it was our idea. There are lots of good ideas like that in this province.

What we need is something that's a little closer to the people, where they can bring in their own good ideas and have a forum for them to be debated within the Legislature in a nonbiased kind of way. I'm sure that if a constituent of Edmonton-Ellerslie brought forward a piece of legislation, this government would be fair and reasonable and give it the same due process. I see that the Minister of Infrastructure is shaking his head positively, and that's exactly what I would expect from him, that we would see it have the same kind of positive due process as a constituent bringing forward legislation from his riding.

So that would be a good thing, not like what happens now. When I bring legislation forward, you guys dump all over it. [interjection] Well, that's certainly been the experience in ten years; yes.

Rev. Abbott: Boohoo.

Ms Carlson: No, it's not a situation of boohooing, Member for Drayton Valley-Calmar. It's a situation of reality, yes, and respect and taking a look at what the performance has been for the members who support the government and the government itself in supporting Official Opposition legislation. It's been few and far between that we've seen the odd nod come our way. So a fairer process would be to have . . .

Mr. Rathgeber: When you move adjourning, the House would always vote in favour.

Ms Carlson: Well, some members like from Edmonton-Calder don't actually like to show up to work all that often or participate in a general venue where they actually stand up and get their names on the record. So we would like to see that process changed from the only thing that I bring forward that he votes for being the adjournment of the House to actually voting for legislation, which would be actually what he's paid to do, not to vote for adjournment of the House.

I would like to comment for a moment if I could, Mr. Speaker, on his former comment congratulating me on being a grandmother. I'm very proud of being a grandmother, and he can make that comment any time he wants to.

So back to the legislation where we talk about members of the community being able to initiate legislation on their own. What it would mean is that we'd see more new fresh ideas in the Legislature, because I am sure that we would have a part of the daily Routine set aside for those initiative processes to take place. That would be good, because certainly this government can use good ideas, and we could see them act on some of those. So that would be positive.

Once again, we talk here about not having to deal with money. So money bills talk about imposing taxes; they talk about cutting funds for public projects. We also would not like to see any legislation come forward that's contrary to the Charter of Rights legislation. I think it is the government's role to decide how the money is spent. Unfortunately, it's not spent as wisely as we think it could be, but it is their role to decide how that is done. They have more information available to them than people in the province or opposition members have, so we don't have the opportunity to really make those kinds of interrelated and connected decisions that the government does. But all other legislation could be brought forward to this House so that we could really see some representative democracy happening here. We think that that's a very good idea and that the time frame on bringing this kind of legislation in would be within 90 days.

With that, I'm urging all members to support this piece of legislation because it is good.

5:00

The Acting Speaker: The hon. Member for Airdrie-Rocky View.

Ms Haley: Thanks, Mr. Speaker. Thanks for this opportunity today to rise and speak to Bill 205, the Citizens' Empowerment Act, sponsored by the hon. Member for Lethbridge-East. The hon. member holds the position of Leader of the Opposition, that is steeped in the history of parliament and the traditions of our democracy. It is a position that has developed over time through the successive sessions of Legislatures and parliaments around the world. This history, this tradition helps to define not only the hon. member's role but all of our roles as well. Each day we are reminded of the legacy of our forefathers and the standards and conventions that they helped to establish. All of us today are playing a role in the continued development of the Westminster parliamentary tradition, which future parliamentarians of both this province and the Commonwealth as a whole will one day follow.

We all know that each and every one of us will be doing our constituents and others a great disservice if we ignore the core principles of this Assembly and the democracy that it helps to facilitate. I remind hon. members of this history because I believe it is essential to understanding the dramatic shifts that are represented by Bill 205, and while I commend the member for trying to facilitate an increased role for Albertans in the legislative process, I believe that this bill represents a flawed move away from good governance. It is an affront to Alberta's democratic traditions and values and has logistical errors within it that distort its intent.

Good governance to me means the best interests of the people and not public opinion, for I truly believe that the best interests of the people represent something broader than public opinion or just chasing the polls. Public opinion can be influenced by the temperament of the times, by the issues and circumstances that can dissipate and ebb as quickly as they gather and build. Legislation and the future direction of the province require more consideration than whether an act is popular or not. Public opinion and input into the legislative agenda is vital to a government and to the common discussion that we continually have on where we as Albertans are headed, but public opinion, while an important factor to consider in setting our province in a new direction, is not a direction in and of itself. Bill 205 and its democratic guarantee elections would quite simply compromise the ability of any government to exercise its proper legislative prerogative.

Citizen participation is clearly important to the legislative process, but as an hon. member has pointed out, "there also has to be the legislative prerogative to make sure that it balances with all the other aspects that go on in the context of how we deal with policy." The

hon. Member for Lethbridge-East was correct when he made that statement back in 1998, and he would be well served to consider that comment again today. This government was re-elected to office twice after making tough and necessary decisions to guide Alberta into the 21st century, and I firmly believe that this government already has the successful means and ability to listen to and consider the input into the public and legislative process, that people themselves have the successful means and ability to properly judge the entirety of a mandate and consider whether a government should continue to guide Alberta.

Good governance is something that Albertans are accustomed to. By its very definition good governance requires governments and legislators to always consider the best interests of the people, and when they don't, Albertans are not shy about expressing their sentiments at not only the polls but also through the regular channels of our democracy, be it through letters, phone calls, faxes, e-mails, or public displays. To suggest that these sentiments are casually ignored is at best false and at worst a dangerous comment. I have never, Mr. Speaker, ever ignored my constituents.

I would like to stress that subjecting the majority of legislation to the constant threat of override by unions or special-interest groups calls into question the history of this Assembly. A government stands on the confidence of the House, and when a bill passes with a majority of support, regardless of which member votes for it, it is a fundamental tenet and belief of our democracy that the government enjoys the support of the people. They receive this support through the members the people elect to represent them, and it is constantly tested and reaffirmed each time a vote in this Assembly occurs. Allowing legislation to be dismissed at the whim of only 5 percent of the population is an insult to the democratic will expressed at a provincial election and the clear direction provided by the people to the government.

A provincial election is not only an affirmation of support or protest, but it also represents a direction for government to carry out a set of initiatives. These initiatives as endorsed by the democratic will of the people should not be subjected to the override of a dissatisfied few. Elections also represent a coming together of the people. Coalitions of interests and people come together in our process to work towards the betterment of all Albertans. These coalitions usually entail that legislation is subject to the give-and-take of the political process, but at the end of the day the legislation appeals to a broad grouping of individuals.

By subjecting legislation to this sort of warped legislative veto as proposed in this bill, we would be subjecting our system and these coalitions to a fractionalization effect that would threaten to segregate interests rather than bringing them together. Supporters of these sorts of initiatives would argue that people deserve to be consulted on a regular basis and that somehow a provincial election presents a limited opportunity for the public to engage in the political process and that the government can run wild and abandoned in the meantime. This view breeds the sort of political cynicism that all of us face. However, it shows a clear misunderstanding of how government works. You create fear and look for someone to blame, which is a typical opposition tactic and nothing but sheer rhetoric.

Governments who ignore the people do so at their own peril. Making tough decisions in the best interests of the province does not mean that the people are not being listened to or being properly served. This government not only listens to the people but actively engages Albertans on a regular basis. The result, Mr. Speaker, is better legislation, a mandate that has propelled Alberta to the forefront of Canadian life, and a citizenry whose interests are constantly looked after.

I would like to take a moment to describe some of the logistical errors that I see in this bill. Specifically, I am concerned with the requirements that Bill 205 sets out for the initiation of provincial legislation by the people. An hon. member has previously indicated:

I guess if there's a concern, it has to do with the requirement that the petition be less than 25 words. How do you get out an idea that's complex enough to become a law in 25 words so that it can be understood and fully appreciated by all of the citizens who are going to be voting on this piece of legislation?

What an excellent point, and I again applaud the hon. Member for Lethbridge-East for making it so sensibly back in 1998.

Members of this Assembly are tasked with the responsibility of the operation of this House. That means taking the time to understand legislation, discuss its merits, and contemplate its impact on Alberta. Albertans appoint us to this task, and I fail to understand how the hon. member expects Albertans to be better served by a process that dilutes ideas down to 25 words or less. I mean, really, how realistic is that? The hon. member himself usually can't get his own question in question period down to less than 25 words. How can he expect Albertans to do the same to an idea that has the potential to become the law of this land?

Engaging Albertans is something that all governments must do. In fact, it is something that Albertans have become accustomed to through our parliamentary system, through our history, and something that they have come to expect from their present provincial legislators. That is the point of the consultations done by government through summits, roundtables, and workbooks. While some would argue that this bill is a step in the evolutionary process of our democracy and traditions, I would respectfully disagree. This bill represents a radical departure from our history and a misunderstanding of the basic role of MLAs and the public that we serve. Citizen participation is key to all that we do here in this Chamber, and no one would argue to the contrary. In fact, it is a reflection in part of the reasons why we are all here. Each of us as private citizens took the time to become involved in the process. Each of us took the time to learn the issues. Each of us offered our services to fellow Albertans, and we were all honoured to be elected. I know of no member of this Assembly who does not respect or honour public participation in the legislative process. All of us can also appreciate and acknowledge other Albertans who participate in our process in countless other ways.

Bill 205 does not properly serve either the interests of the people or the good governance that they have come to expect. Thus, a vote in opposition to this bill is not a vote against legitimate citizen participation. It is a vote in opposition to poor legislation. I would urge all hon. members to exercise the duties the people have entrusted us with and vote no to this legislative veto by unions and special-interest groups and vote no to initiative petitions that seek to water down important legislative ideas and issues.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Well, thanks, Mr. Speaker. This has been very interesting. Very interesting. I remember that vote in '98. Well, this has been fun.

We know that we have citizens that feel that they're disconnected from what goes on in here and increasingly disconnected from what goes on in this House. About 50 percent of our voting population is not voting. They feel that they aren't connected to what's going on in this Assembly, that they don't particularly have influence. We've had a number of interesting statements and suggestions made.

5:10

Mr. McClelland: Especially that Trudeau fellow.

Ms Blakeman: Yeah, especially that Trudeau fellow.

A certain amount of fuzzy thinking, I think, from the Member for Edmonton-Rutherford with that one quote that he clings to so tenaciously. I think the whole point of why we needed a Charter of Rights and Freedoms and in fact why we have most laws passed is exactly to protect the minority from the tyranny of the majority, so I'm going to have to disagree with the Member for Edmonton-Rutherford on that one.

Dr. Massey: We actually had this kind of legislation before.

Ms Blakeman: Yeah, we did actually have this kind of legislation before in Alberta, and it was repealed, which is very interesting.

Currently we have a system in Alberta where it's first-past-the-post, majority wins, and I think a number of us are recognizing that that system is not finding as much favour as it used to, because we're not bringing into the fold those members whose votes are not reflected in that, are not reflected in the popular vote.

Why do we have so many citizens in Alberta that are dissatisfied with, I think, whether or not they're able to get their voice into this Assembly? I look at the changes that have been brought into place by this government just in the time that I've been here that make it harder for their voices to be heard. We have things like the petitions. Now, we had the Standing Orders renegotiated, and of course the government with its majority for the most part I think actually almost exclusively got its way in the changes to Standing Orders. So the petitions are now so narrow and so restrictive that we have very few petitions coming forward to the House. That was a tool that I think a number of citizens wanted to be able to use, but it's so restrictive now that very few of them can meet the requirements.

Tablings. We still have tablings in the Assembly, but they've been moved to the end of the Routine, when a large number of members of the Assembly have already left, so the impact of being able to table and say a few words about what the citizen has said in their letter or their document that they've brought forward is much minimized. With the change in the Routine, as a matter of fact, many members start leaving immediately after question period and miss both Presenting Petitions and Tabling Returns and Reports.

We've had the government develop essentially a parallel system which is an internal and partisan system, which I believe subsumes the importance of the Legislative Assembly. Often I see the irritation of the government members at the processes that we have before us in this Assembly, and I think that a lot of that is due to: they think they've done it. You know, they had their internal partisan committees. Somebody has told them that it's a good bill and they should vote for it, and here's the little four-paragraph or four-sentence blurb on it, and there you go. That's the bill. Be happy. So when the bill actually comes up for debate here, nobody wants to get up and debate it because they think they've done it.

The Member for Spruce Grove-Sturgeon-St. Albert said: well, I mean, we can have citizens bring a private member's bill before the Assembly. Interesting idea, but certainly with the size of the majority we've got now, there are some 58 private members. There's a lottery, a draw your name out of the hat system that's used to establish what are going to be the private members' bills that make it before the Assembly, and that lottery starts over every year. So you can have private members' bills that could have a whole number of constituency issues they'd like to bring forward, and they never get chosen in the draw. So they're not serving their constituents very well there. They can't. They're precluded from it by the very system that's in place here. Those citizens don't get to get their voices heard here.

I heard the Member for Airdrie-Rocky View talk about a veto.

There's nothing in this bill that vetoes. This is pretty simple, basic stuff. This is about a mechanism, a tool so that the citizens of Alberta can have an opportunity to have the Assembly have a second look at legislation that the petitioners believe deserves a second look and should not be proclaimed quickly and also allows citizens to bring forward and petition to have an idea looked at. Nothing requires the Assembly to give up its good judgment, which is how the Member for Edmonton-Rutherford was somehow misconstruing what's in this bill.

It's been very interesting to see the many different interpretations that the government members have had of a fairly straightforward idea. Even if you look at the preamble, it talks about people having "a more direct role in influencing the laws" and that "Alberta has a long tradition of grassroots democracy" – and indeed it does; as I said, we've already had a citizens' empowerment act in place in Alberta, and it was repealed – and also that "legislators be receptive to initiatives for direct democracy." Indeed.

So I'm very interested in the vigour, the energy, the outrage that was brought forward by the members of government in their concern that somehow citizens would be able to bring something and have it put before the members in this Assembly. What I see are members of a government who don't want to listen to what their citizens are saying. They keep bringing forward pieces of legislation, bill after bill, statute after statute, into this Assembly that are what they call enabling legislation, and what's that? It's a shell bill. It's a blank cheque bill. It says: you just approve this, and the minister has the power to do everything else. Well, that's not about involving citizens. Indeed, it's very much about saying to the citizens: "No, no, no. All of this will happen behind closed doors." I don't know how the government thinks or what's in their brain. You're not important enough or you're not smart enough – I don't know; maybe you don't have enough money – to have an active involvement in that. "No, no, no. We're just going to pass all of this legislation, then we'll go behind closed doors and make up the regulations, and you don't get to see us make up those regulations." You don't get to hold your MLA accountable for how they participate or do not participate in the debates behind those closed doors. You don't get to have any influence over what happens with those regulations, and out they're going to come if you can find them when they do.

So it's been a very interesting exercise to watch how vehemently the members of the government oppose this pretty simple bill that's really just trying to say: we need a couple of opportunities for people to have influence on what's happening in this House. The fallback is always every four years, the ultimate influence that the voters have. But you know what? The world is moving too fast, and people are not willing to accept that every four years bit anymore. I think, which now brings me around to where I started, that's in large part accountable for why we have 50 percent of our eligible voters not participating in that process in this province. They don't see how they can possibly break through what this government has put in place, that wall, that castle with a moat, that specialized up on the hill, don't you dare come in here and tell us what to do or even suggest nicely what to do.

So thanks very much for the opportunity to bring a few of these points forward, Mr. Speaker. Boy, this has been fun. Thanks.

The Acting Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Speaker, for allowing me the opportunity to rise today and join debate on Bill 205, the Citizens' Empowerment Act, 2003. While I always support and encourage the public's involvement and participation within our provincial political affairs, I believe that introducing a bill which, if approved,

could potentially block future government legislation via referendum would be a foolish and counterproductive measure. In my view, Bill 205 is an unnecessary and unhelpful piece of legislation because it creates rather than solves problems. Before I get into the reasons why I believe that Bill 205 is unhelpful to Albertans, I would like to reiterate the provisions of this bill.

The purpose of Bill 205 is to create an environment which would permit petitions signed by only 5 percent of Alberta's electorate to carry the same weight as government bills. Furthermore, not only would such petitions carry the same weight as bills. They could also serve to block potential government legislation. Bill 205 mandates that if particular government legislation gets blocked, a referendum would be held in order to determine whether the legislation would be passed.

5:20

The problem with this arrangement, Mr. Speaker, is threefold. First, here in Alberta we currently not only have a good, responsive government, but we also have a system which allows the citizens of this province to interact and work with their elected representatives in order to ensure that they are acting in a manner that is responsible to all Albertans. Albertans have given us a mandate to work with them and create policies which are designed to best address the needs of the entire province. Therefore, by permitting petitions signed by only 5 percent of Alberta's populace which could block government legislation, we would not only make our system of governance ineffective, but we would also be catering to the aspirations of only a small segment of Albertans while ignoring the rest and most likely the majority. Apart from creating some extremely damaging problems relating to our system of governance, Bill 205 could also potentially cost this province millions of dollars of public revenue.

Mr. Speaker, I do not have to remind you that referendums are in many ways similar to elections. They take time to administer, and they cost a large amount of money. Spending millions of dollars on referendums every time a small percentage of Albertans are in disagreement with a particular act would zap this government's ability to put appropriate funds in programs and services that matter to Albertans.

Lastly, Mr. Speaker, I for one have not heard of any of my constituents calling me for the introduction of any provisions even similar to those outlined in Bill 205, and therefore I cannot see any reason to support it.

We as Albertans have always valued the importance of our free and democratic system of government and the leading role our electorate plays in the political affairs of this province. Unlike many other people in this world who live in less fortunate political environments, we are extremely fortunate to live in a province which values and promotes the political involvement of its citizens. Our democratic system of government is embodied with society's values, and in turn our society is the cornerstone of our democratic system. Without the continuous input and involvement of Albertans of all political orientations, our democratic institutions would not only become ineffective and unproductive, but they would eventually cease to exist. To put it in other terms, Mr. Speaker, the political involvement of the masses is the fuel which runs the engine of our democracy.

Under our democratic political system all Albertans enjoy the same basic rights and freedoms, which include the right of political involvement, association, and expression. A very important point to make, Mr. Speaker, is that not only are Albertans entitled to publicly voice their opinions and concerns, but they have and continue to actively utilize the various means and tools that are available to them

in order to work with this government and help us create sound policies and initiatives.

As a result of this vital co-operation, Mr. Speaker, this government has brought forward a number of policies, legislation, and initiatives which have proven to be extremely beneficial to all Albertans. Therefore, I think that provisions outlined in Bill 205 would not only be damaging to the effectiveness of our democratic parliamentary system, but they would also have some extremely detrimental effects upon the people of this province.

As I previously mentioned, Mr. Speaker, from the very onset this government has stayed true to the policies of listening and communicating with Albertans and crafting policies and legislation which reflect the issues and concerns voiced by all citizens of Alberta. As an example of this policy, in 2000 the Department of Agriculture, Food and Rural Development launched a public consultation process regarding the issues facing Alberta's agricultural industry. This review process, which is referred to as the Ag Summit, gave Albertans, especially farmers, the opportunity to give voice to concerns relating to the challenges facing the industry in a modern and globalized market system. The consultation process is still under way, but once it's been completed, the recommendations of the issues that Albertans have raised will undoubtedly be addressed in future government policies and legislation.

Another example is this government's commitment to consulting with Albertans with regard to pressing issues facing our province. Alberta Learning undertook to review Alberta's special education system. The review process focused on public consultation with education partners, stakeholders, and service providers. The purpose of the review process was to determine whether the current resources allocated to our special education system were sufficient and whether they were being utilized to their full potential. Once the special education review was completed, a report was released to the public outlining 66 specific recommendations, all of which were designed to improve the delivery of administration of special education programs in Alberta. So far, Mr. Speaker, 43 of the 66 recommendations have been implemented. The work is under way to incorporate a further 17, and the six remaining recommendations are already part of Alberta Learning's ongoing services.

Mr. Speaker, the Ag Summit and the review of special education

are only a few in an endless list of examples where this government has asked Albertans to bring forward their concerns, ideas, and recommendations and looked into incorporating them into policy. Therefore, I believe that Bill 205's underlying argument which maintains that Albertans currently do not enjoy enough input into the government's policy and legislation is false. Albertans do enjoy a very high degree of input in this government's policies and legislation, and they will continue to have this input because all of us in this House are Albertans and we are committed to paving the way for Alberta's future success.

Apart from having false presumptions, Mr. Speaker, Bill 205 also assumes that Albertans would be content to see their government spend millions and millions of dollars on ongoing referendums. Elections Alberta estimates that the cost of a referendum in Alberta could be very similar to the cost of a provincial election. Our last provincial election cost the taxpayers \$5.4 million. You can clearly see that if we have to administer a \$5.4 million referendum every time a special-interest group collects signatures from only a small percentage of Albertans, we could have a cost which would run into tens of millions of dollars.

We don't have to look far beyond our borders, Mr. Speaker, to see how ineffective and costly the legislation would be. Similar to Bill 205, in our neighbouring province of British Columbia they have what is referred to as the Recall and Initiative Act, which allows constituents to recall their Members of the Legislative Assembly provided that they come up with 40 percent of eligible votes within a 60-day period. The process may sound good on paper, but when you put it into practice, it proved to be ineffective and very costly. Since 1995, the year when the Recall and Initiative Act was introduced, there have been 11 recall petitions. Incidentally, not one of them has succeeded in recalling even a single B.C. MLA, because the petitions either failed to get the necessary number of voters or were withdrawn by their proponents.

I now move that we adjourn debate.

[Motion to adjourn debate carried]

[The Assembly adjourned at 5:30 p.m.]

Legislative Assembly of Alberta

Title: **Monday, April 14, 2003**

8:00 p.m.

Date: 2003/04/14

[The Deputy Speaker in the chair]

The Deputy Speaker: Good evening. Please be seated.

Would the Assembly agree to briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

The Deputy Speaker: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you very much, Mr. Speaker. I am pleased to introduce on behalf of the Member for Spruce Grove-Sturgeon-St. Albert and myself 37 air cadets who are in the members' gallery. They are here this evening accompanied by Major German, Captain Barr, Officer Cadet Novakowski, and Warrant Officer First Class Breen. I am pleased to introduce them to you and through you to members of this Assembly, and I would ask everyone to please give them the traditional warm welcome of this Assembly.

head: **Motions Other than Government Motions**

Provincial Education Savings Plan

506. Ms Graham moved:

Be it resolved that the Legislative Assembly urge the government to explore new means of helping students finance their postsecondary education including the establishment of a provincial education savings plan to supplement Canada's registered education savings plan.

[Debate adjourned April 7]

The Deputy Speaker: The hon. Member for Calgary-Shaw.

Mrs. Ady: Thank you, Mr. Speaker. It's my privilege to be able to rise today and speak to Motion 506, exploring new means to help students finance their postsecondary education. I'd like to begin by thanking the hon. Member for Calgary-Lougheed for bringing forward this motion. I think it's timely, and I think it's the right thing we should be discussing today, and I was quite excited when I saw it.

As I looked at this, I kind of cast my mind back really quickly on the last three generations of my own family. I looked at my father, who was technically brilliant but came out of high school during the Depression. He didn't have a father and food was really important, so he never got a postsecondary education. In fact, he didn't go to get a postsecondary education until he turned 65, and then he got his first degree and his master's degree after he retired.

He raised six children. He taught us that education was very, very important and that we should all have one. It was one thing he was very good at doing. He had six children, and unfortunately it never even occurred to us that we would have any help getting that postsecondary degree. It was really up to us. In fact, I remember the day that he dropped me off at university. He turned to me and he said: do you have any money? And I said: no. And I remember he gave me \$20.

I cast that with my own son, whom I took to university five years ago. I mean, I never asked him if he had any money and gave him \$20. I registered him in school, I bought his books, I got his housing

taken care of, and I saw it really as a primary responsibility of our family.

So as I look at the generations of time as they've progressed, as people have tried to get their postsecondary, we have kind of progressed quite a ways. But also in that time period I've often heard that they say that we've learned more in the last 10 years than we have in the history of this earth. I think we do live in a knowledge economy, and the day has come when kids have to have postsecondary degrees today just like they used to have to have a high school diploma. It's important for them to go into almost any line of work, and because work has become so technical, it's become even more important.

So as I look at this motion and I look at how we can help students, I think back to the way that I got through school. I worked 20 hours a week on campus. I worked full-time in the summer. I competed on a speech team because it paid tuition. I mean, I did a myriad of things in order to get through, and I didn't always just look to government or to a student loan. I think that I learned some of the most important things in school by working my way through school. So I first of all think it's important for kids to participate.

But the hon. member brings up an important point. She talks about the provincial educational savings plan or an RESP to complement the federal one. Now, we wouldn't see the results of that for 20 years, but it's a beginning. It does help parents prepare to help their children when that day does come, and it does come. I have three children in postsecondary today, and it is a big responsibility for our family as we look at that.

The other thing that I thought of when I saw the member's motion was also this idea that kids can participate, and I think they should. I had a student in my office last week, and she was complaining that she had five roommates, and I thought: well, I had nine roommates, you know, and we ate macaroni and cheese for three years. I thought you could die of that, but I lived on.

I think that sometimes my own children think that life should be exactly the same as it was when they were home. I always say that going to school is a rite of passage, and you should suffer, and economically it squeezes you, but that's not all bad at that time in life. But that being said, kids need a way to get through school financially. I'm encouraged by our student loan program which asks kids to participate.

Speaker's Ruling Decorum

The Deputy Speaker: Hon. member, I'm having a difficult time. There seems to be a number of people on the front bench who are bent on discussing the affairs of the day, and I would invite them to go outside and carry on their important debate or discussion. Meanwhile, let us have one person at one time speaking in the House. For those hon. members the invitation is clear.

Sorry, hon. Member for Calgary-Shaw.

Debate Continued

Mrs. Ady: Thank you. I was saying that students need a way to manage this. One of the things that concerns me is sometimes our student loans are based on parental participation. Now, in my constituency sometimes parents help a lot. I help my kids a lot. Parents don't always help, though, and these kids do encounter difficulties if their parents' incomes are too high. They might have to go out and work for a few years before they go to school, so I'd like us to seek other ways as well to open the doors for learning so that kids have access to education.

It says in the Council of Alberta University Students' book that 85

percent of Alberta parents expect their students will attend postsecondary education, but only 25 percent of them actually save for it. That tells me there's a big gap going on there and that if we want to encourage parents to help their kids prepare for the day when they are in postsecondary, this would be a good start. We could actually see parents begin to contribute when their kids are little and have the means to help their children when that day does come.

Again, Mr. Speaker, I'd like to thank the hon. member for bringing forward this motion. I think it's very timely, and I will be supporting it.

The Deputy Speaker: The hon. Member for Calgary-Lougheed to close debate then.

Ms Graham: Thank you, Mr. Speaker. As the sponsor of this motion, which urges government to explore other means of helping students finance their postsecondary education, I am pleased to make some concluding remarks to close debate on the motion this evening, but before doing so, I would like to thank the Member for Calgary-Egmont, who graciously agreed to move the motion on my behalf last Monday. I know that the hon. member has done some considerable work of his own on the subject matter of the motion and was certainly supportive of the general intent of the motion. In addition, I'd like to thank other members of the Assembly both from the government side and the opposition side who have spoken in general support of the motion, all of whom I know share my belief in the importance of higher education and the need to help students achieve postsecondary education by removing barriers of cost and institutional capacity.

Simply, Mr. Speaker, my reason for bringing forward the motion was that I wanted to ensure that Alberta students faced with unmanageable financial burdens will not pass on a postsecondary education. Why is higher education so important right now? Well, more than at any other time in the past education is fundamental to our ability in Alberta to compete in the global marketplace. As was mentioned by the Member for Calgary-Egmont, 70 percent of all jobs in Canada nowadays require postsecondary education. The economy of the new order is such that it is fueled by knowledge, and this requires a highly educated workforce. Accordingly, we cannot allow the high costs of postsecondary education to be a barrier to entry.

I would also like it to be noted that while I believe that the benefits of higher education are important to economic considerations, I certainly believe they go much beyond that and provide other societal benefits including social, cultural, and health benefits as well as personal benefits to the individual.

I think it is readily acknowledged, Mr. Speaker, that the cost of postsecondary education has been trending up for a number of years, and I am aware of a report by the Canadian Association of University Teachers which shows that the average costs of an arts program in 2002 in Canada at about \$3,561 is 67 percent higher than a decade ago when you take inflation into account. This is due to a number of reasons, among them, changes to tuition fee policy, which has caused tuition rates to increase steadily as operating budgets of institutions have increased steadily. When you combine rising tuition costs with rising costs of living, the cost of textbooks and supplies, then the total cost of postsecondary education has become increasingly difficult to manage for many students.

8:10

In my own city of Calgary, just to give you an example, Mr. Speaker, operating costs for the upcoming year are viewed at being an increase of at least 7 percent while funding under the current

budget is only going to rise by 2 percent. To deal with these higher operating costs, the board of governors at the U of C recently passed a 6.3 percent increase in tuition across the board in all programs. They have also adopted a differential tuition fee model for medicine, law, and MBA programs, which will see fees more than double over the next two years, and this is happening in institutions all across Alberta.

Mr. Speaker, Motion 506 gives government the opportunity to explore new ways of funding postsecondary institutions as well as finding new ways of helping students finance their education, which could entail a review of student loans, scholarships and grants, tax credits, and tuition policy in general to make sure that these programs are serving students' needs, as we would like to see them served. One of my preferred options, which has been mentioned by other members in their comments, would be to establish a provincial RESP coupled with a matching grant much like the federal one.

Mr. Speaker, Alberta's future depends on good access to postsecondary education for our students. I urge all members to support Motion 506. Thank you.

[Motion Other than Government Motion 506 carried]

Disposal of Public Lands

507. Mr. Broda moved:

Be it resolved that the Legislative Assembly urge the government to sell or dispose of public lands that do not possess any economic potential for the province.

The Deputy Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you very much, Mr. Speaker. It is a great pleasure for me to rise today and introduce Motion 507, which calls for the disposal of Alberta's surplus public lands. The purpose of Motion 507 is to urge this government to sell off or dispose of any public lands which the hon. Minister of Sustainable Resource Development deems could be better utilized by the private sector. The reason I brought this motion forward is because even though this government has gone to great lengths to sell or dispose of surplus public lands, I believe that we should commit ourselves to furthering our efforts in this area. There are still thousands of acres of publicly owned land that would be put to far better use if they were in the hands of private entrepreneurs.

Before I begin to discuss the reasons why we should be actively pursuing this policy, I would like to make it clear what I mean by surplus public lands. Surplus public lands are parcels of grazing lands under lease, vacant lands, and lands that are currently not being utilized to their full economic potential. Therefore, when I'm talking about disposal of such lands, Mr. Speaker, I'm not referring to valuable forest lands, areas with historic natural grasslands where they're situated, or lands which have been reserved for conservation.

With regards to the status of public lands, Mr. Speaker, this government's policy has been to lease lands rather than sell them to private operators, which in some cases has created certain problems related to effective land utilization, lack of land development incentives, and overextended government ownership of lands. However, the Department of Sustainable Resource Development has pursued the policy of public land sales in certain cases in order to promote agricultural expansion and particular types of commercial, industrial, and recreational uses; provide the necessary land for various essential services, including public works projects, which would benefit Alberta's communities; and free the government of commitments associated with upkeep and management of surplus Crown lands. This policy, Mr. Speaker, has resulted in consolida-

tion of various privately run farms, increased industrial development of land, and increased tax revenue associated with private ownership of previously publicly owned land.

Presently the Department of SRD uses two types of sales methods in order to dispose of Crown lands. One is that public land sales are administered by a public auction which takes place when a particular parcel of public land is considered vacant or has been released from a lease-holding agreement. In other words, this means that the leaseholder has agreed to end the lease-holding agreement. The other one is the public land sales process allowing individuals and companies to place their bids on any piece of public land that has been up for auction. As a result of this process, land is sold to the highest bidder. The other type of sales method that the Department of SRD uses in order to dispose of Crown lands is the private and priority land sale method which is administered through public competition. This type of sale, Mr. Speaker, allows the leaseholders the option to purchase the land that they lease at a fair market price.

The public lands that are generally sold to leaseholders and other private buyers and industrial operators are found in what is referred to as the white area, or the settled portions of the province. More specifically, the white area is made up of populated central, southern, and Peace River regions. The lands in the white area are mainly used for agricultural purposes. As a result, of the 10 million acres of public lands found within the white area, almost 6 million acres are used for agriculture. In turn, Mr. Speaker, these 6 million acres of agricultural land are divided into 7,769 agricultural leases, licences, and permits of various types. Of these 7,000 or so leases, 5,400 consist of grazing leases and 547 consist of grazing permits.

When all the grazing leases and grazing permits are added together, they correspond to almost 5.1 million acres of agricultural public land. This figure represents about 85 percent of all white area land that is used for agricultural purposes. This is a huge land area, and there is no reason why the province needs to hold onto so much of it. The costs associated with administration and management of such a large area of land are undoubtedly very high. If some of this land were sold to private operators, the money that is being spent to administer all this land could be directed towards more important areas of concern such as health and education.

I think that all of us in this House are aware of the fact that privately owned lands have always been more productive than publicly owned lands. Farmers who own their own land have a vested interest in making it as productive as possible and as a result are willing to invest more time, more effort, and more money than a farmer who is only leasing the land. The private or priority land sales method, which I mentioned earlier, is an ideal way of facilitating land sales to those leaseholders who are in a position to purchase the land that they are leasing. In other cases where leaseholders are not maintaining the bare minimum standard of land development or where parcels of land have become vacant, the public land sale method can be used to sell the land to the highest bidder, be it to an individual farmer or to a larger industry operator. In both cases, Mr. Speaker, the end result is that the land will be better utilized and the government will have less land mass to administer.

Motion 507, Mr. Speaker, will help facilitate this process by urging the Minister of Sustainable Resource Development to utilize the tools that are available to him in order to dispose of a large number of publicly owned grazing lands, vacant lands, and lands that are currently not being used to their fullest economic potential. Disposal of some of this surplus land will undoubtedly boost land productivity, help stimulate the Alberta advantage, increase the government's tax revenue, and free up some of the government's valuable resources which could be used for other more important

purposes. With this in mind, I urge all my colleagues here today to vote in favour of Motion 507.

Thank you very much.

8:20

The Deputy Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. It's a pleasure to rise and join in the debate on Motion 507 regarding the disposal of Alberta's surplus public lands, sponsored by the hon. Member for Redwater. Listening to the hon. member with regard to this motion thus far, I would like to put forward an amendment to the wording of the motion which would help clarify the intended purpose and the rationale behind this piece of legislation. I have with me 85 copies of the amendment, and I would like the opportunity to share it with all my colleagues. Would you like me to just continue, Mr. Speaker?

The Deputy Speaker: You might read it out. That would be helpful.

Mr. Horner: If I may, Motion 507 is amended by striking out "public lands that do not possess any economic potential for the province" and substituting "lands that are declared surplus to the needs of the province." With your permission, Mr. Speaker, proceed?

The Deputy Speaker: Yes.

Mr. Horner: Presently, Mr. Speaker, Motion 507 urges this government "to sell or dispose of public lands that do not possess any economic potential." The amended wording of the motion would in turn urge the government to go to a declared surplus to the needs of the province. It's my belief that this amendment would serve to clarify the purpose and the principles behind the motion. The amended wording would make it clear that any surplus public land would be sold or disposed of only after the Minister of Sustainable Resource Development has approved its sale or disposal. Currently the motion is open to more than one interpretation, which makes it very awkward to understand. I believe that the proposed amendment would make it clear that the motion is not calling on the government to sell or dispose of any public lands that are not economically viable to the province but only those lands that the Minister of SRD deems could be better utilized by the private sector. As my colleague from Redwater already mentioned, such lands include grazing lands under lease, vacant lands, or lands that are currently not being utilized to their full economic potential.

Mr. Speaker, I would like to commend our government on their commitment to the goal of ensuring good stewardship of public lands, a valuable resource to Albertans. Over the years farmers and ranchers with lease agreements on these lands have provided excellent stewardship, taking care to ensure that these lands are kept in good condition. There are 32 provincial grazing reserves located throughout Alberta. Some of the reserves are community pastures or natural grassland while others have been partially cleared and seeded to forage. They range in size from 6,602 acres to 76,681 acres, and the overall average is close to 22,500 acres. The main purpose of these reserves is to provide summer pasture for Alberta's farmers and ranchers on public land, enabling them to use their own land for crop and hay production.

In keeping with the government's multiple-use policy for public lands, the reserves also offer a variety of recreational opportunities including hunting, hiking, trail riding, cross-country skiing, snow-

mobiling, camping, and sightseeing. Others who use grazing land are oil and gas well operators, pipeline companies, gravel haulers, seismic crews, and firewood cutters. Large portions of the reserves also provide excellent habitat for wildlife.

Through the grazing reserve program the province has pioneered the development of tame pasture from tree-covered areas on a large scale. The reserves are on generally poor-quality soils that are not suitable for annual cropping. If these areas are developed properly, they can yield high-quality pasture. Part of the pioneering process has included establishing ways and means to retain good-quality, developed pastures even though nature continues to try its best to re-establish the tree growth that originally existed on these lands.

The multi-use nature of our public lands has raised some concerns between members of the public and leaseholders. Mr. Speaker, there have been many disputes over the years on public land access. Many of the disputes have left many unsure of their rights and responsibilities when it comes to public land that is leased for grazing. The main groups of concerned individuals are recreational users such as hunters and snowmobilers. Bill 16, the Agricultural Dispositions Statutes Amendment Act, 2003, deals with clarifying any uncertainty surrounding the issue of the rights and responsibilities of Albertans on public lands. I think Bill 16 ties in nicely with Motion 507 in that all the issues in Bill 16 could be solved if government were to adopt legislation such as is urged in Motion 507. There would no longer need to be clarification of any uncertainty surrounding this issue. The landowner would have control over access to his or her land. If there is public land that is used for grazing and a recreational user would like to access that land, he or she must be granted permission by the leaseholder and the leaseholder must provide reasonable recreation access to the public leased land.

Not all leaseholders feel that they should have to grant permission to anyone who asks to use the public land or even provide reasonable access. They have cattle or other livestock that use that land for grazing and are not always able to supervise the recreational users to ensure that the actions they take are not harming the land or the livestock. If the leaseholder were able to purchase the public land, these issues would be solved. The only recreational users that could use the private land would be those that the landowner approved of. There would no longer be any recreational users that would be uncertain of their rights. It would be as simple as: if you want access to the land, the landowner has the final say, not the government. After all, it's the leaseholder that knows the land. It should be his or her decision on who gets access to the land, not the government. Selling the land and legally making it the property of the land user will accomplish this task and remove any uncertainty when it comes to access.

Another group that may require access to public lands are oil and gas well operators, pipeline companies, and seismic crews. Farmers and ranchers could benefit from these actions through agreements and contracts between the landowner and company seeking to use the land. Again, Mr. Speaker, there is uncertainty concerning access rights, and again these uncertainties could be resolved by clearly distinguishing a landowner through the sale of public lands to private owners. It would seem to me that with all of the uncertainty and disputes surrounding access to public lands, there is a lot of time spent on the issue, time that could be saved, as well as money, by clearly distinguishing who has the rights to the final say on access to the grazing lands. Motion 507 urges the government to do just that by giving a leaseholder the opportunity to purchase grazing land. It will then be the landowner's decision on land access, thus saving time and money trying to solve disputes caused through the vague access regulations that are presently in place.

Ranchers use their grazing land for the purpose of providing feed

for the livestock that they have spent their life and quite often generations acquiring and expanding. This is their investment, their livelihood. I think it's the rancher's right to know who goes on his or her land, and it would be prudent for them to have the final say on those actions. After all, I don't think many members would look highly upon subjecting their lifelong investments to uncertainties when those uncertainties could easily be dissolved.

Motion 507 urges the sale or disposal of public lands that are declared surplus to the needs of the province. I have to agree with that statement, Mr. Speaker, as I had mentioned earlier. If this government is able to sell public lands that are currently causing uncertainty and are tying up valuable government resources, they should be sold if only for the reason to solve disputes and release public lands that are not of any economic benefit but are also surplus.

Mr. Speaker, I urge all members to support the amendment and Motion 507 as amended. Thank you.

The Deputy Speaker: The hon. Member for Redwater on amendment A1.

Mr. Broda: Thank you, Mr. Speaker. I'd like to thank the hon. Member for Spruce Grove-Sturgeon-St. Albert for the amendment. I would agree with it. Basically, when the first words came out, economic potential to the province – I think there's a lot of economic potential in agriculture. So declaring it as being surplus lands for the needs of the province makes for more clarity to the motion, and with that I would encourage people to accept the amendment.

The Deputy Speaker: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: On the amendment, Mr. Speaker?

The Deputy Speaker: Yes.

Mr. Knight: I've got a couple of comments, Mr. Speaker, with respect to the amendment and substituting for "public lands that do not possess any economic potential for the province" to "lands that are declared surplus to the needs of the province." My question would be with respect to that. I'm not exactly sure who it is that does the declaring, and at what point in time that is going to happen. What's the time frame that we'd be talking about? If we would suggest that any given piece of real estate in the province of Alberta today isn't something that is necessary for the province of Alberta and could be considered to be surplus, we might be a little short-sighted. When we're looking at future situations like the possibility of requiring carbon sinks – the Kyoto accord comes to mind – to meet our international requirements with respect to that sort of thing, it's difficult to tell what piece of real estate it is that would be surplus to our needs. Certainly, in light of that, if we're talking about larger tracts of rural real estate, the possible future value of real estate may be much higher than anything that we could garner for the province of Alberta in the near term.

8:30

I had another comment with respect to leases and the fact that leaseholders now have a bit of difficulty controlling their land or being sure that there isn't any detrimental action that takes place on the land with respect to their livestock or that type of thing. With the new legislation that will come forward, I believe there wouldn't be any difference in an agricultural person using his own titled land or a piece of public leased land with respect to his livestock for grazing purposes, because one of the exemptions that allows the leaseholder

to withhold access is the fact that if he has livestock on the real estate, he can reasonably withhold access. So I don't really see that there's, you know, a difference with respect to whether the land is leased or owned in that particular case.

I guess, Mr. Speaker, with respect to the amendment that would be my problem with it. I have some trouble trying to decide who determines when the declaration is made that this real estate is surplus to the province. If we were talking about commercial buildings and that sort of thing, then I think that's a little bit easier to define, but when we start moving away to larger tracts of public land that are held by the province for other purposes, I guess I have some reservations with the idea.

I'll leave my comments at that. Thank you very much.

The Deputy Speaker: The hon. Member for Whitecourt-St. Anne on the amendment.

Mr. VanderBurg: Thank you, Mr. Speaker. I'm delighted today to have the opportunity to join in the debate on Motion 507, sponsored by the hon. Member from Redwater. Motion 507 deals with a subject that is also of considerable importance.

The Deputy Speaker: Hon. member, we're going to run into this problem. Perhaps you might move that we vote on the amendment, and then you can get on with your speech.

Mr. VanderBurg: I move that we vote on the amendment.

[Motion on amendment carried]

The Deputy Speaker: Whitecourt-St. Anne, thank you.

Mr. VanderBurg: No problem.

I'll speak on Motion 507 as amended. Motion 507 deals with a subject that's also of importance to many of my rural constituents in Whitecourt-St. Anne, and the motion has been brought forward to urge the government "to sell or dispose of public lands" which might be better utilized by private landowners. These lands for potential sale include grazing lands under lease, vacant lands, or lands that are currently not being utilized, and I would guess that maybe even recreation leases may come into it. I know that for one of my counties that is an issue.

Mr. Speaker, it's widely accepted in the business world that private ownership maximizes economic potential, and giving a person the right to use the land but not to improve it only results in the minimum amount of production for that land. So give that same person the option of purchasing the land for their own to improve upon or to add value to, then that land begins to realize its full economic potential. This is one of the basic prefaces behind capitalism. There are some that are opposed to such a motion and are under the belief that in the hands of private landowners the land will suffer. Well, this rationale is unfounded and false. It's been shown throughout history, especially the history of capitalism, that when individuals have a vested interest in a piece of property, whether it be land or any other tangible asset, it is to the benefit of that individual to improve and to add value to that asset. On the other side of this argument, when individuals are given access and use of the land or any other tangible asset, there is no incentive for that individual to add value to that asset. So it's kind of the basic language in the business world.

Mr. Speaker, Motion 507 will also face critics who believe that all public land should be treated equally. Well, this is not entirely a reasonable argument. While it's true that we need to hold our land

very dear and near to our hearts, we need to differentiate between land that could be used in a more productive fashion and public land that should be held in conservation for us. As has been mentioned earlier by my fellow colleagues, there are currently public lands situated in the middle of land that is being cultivated for agricultural purposes. Well, for situations such as this, there is no reason to keep its status as public land.

For example, some Albertans would oppose the sale of natural grasslands in regions in southern Alberta, you know, because they're considered to be part of Alberta's western heritage. I'm sure that when immigrants came to this region of western Canada, they came with dreams and aspirations of improving their lives in the process, improving the land. Maintaining our western heritage would be truly exemplified if we acknowledged the hard work that our forefathers put into the land to build a life for themselves. This tradition carries on today in our agricultural community, a community that we all look to as a reminder of where we started from as a province and as people here in Alberta. If we truly wanted to maintain that sense of heritage, we would move to sell this public land to people who continue to have the goals of building the economy and, of course, this province.

Mr. Speaker, the selling of public lands that are deemed to be of more beneficial use in private hands makes sense not only from an economic perspective but also from the standpoint of protecting the integrity of this historical piece of property. The sale or disposal of Alberta's surplus public lands would lead to an amalgamation of existing private farming operations, increase the development of public land for the benefit of all Albertans, and increase tax value.

I guess if there's any weakness in this motion, it's that it only deals with land. Albertans own white elephants like the federal building right beside us, you know, just one block from here. I'm hoping that the Minister of Infrastructure is listening.

An Hon. Member: Turn it into a school and give it to Calgary.

Mr. VanderBurg: Yeah. Exactly. Let's move to get rid of that white elephant. It costs us lots everyday to heat. This is something else that could be included in this motion.

Back on the subject, it's worth while to note that the idea raised in this motion coincides with the viewpoint of the Department of Sustainable Resource Development. The department's mission statement is to "ensure the sustained contribution of benefits to Albertans from Alberta's public land and wildlife resources."

For the reasons I've outlined above, I urge my colleagues to back Motion 507 and support the disposal of Alberta's surplus public lands. Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. This motion as amended is very important as it touches on the issues of land usage and private property rights here in Alberta. I believe in private property rights. From gun ownership to land ownership, private property rights are important. The principle I would like to advocate today is that both a democracy and an economy work better when they are underscored by a strong private property system. I believe that this assertion withstands both the weight of philosophical reasoning as well as the weight of evidence, and I'd like to discuss some of the reasons that I make this assertion, and at the same time I'd also like to discuss cases from other parts of the world where, once public lands were transferred to private owners, the economy of the country took off.

8:40

Mr. Speaker, as has been stated already, the underlying principle of private property is that when a person owns something, he is more likely to take care of it because in taking care of his property, he is taking care of his interests and contributing to his own success and prosperity. I'm sure that every member in this Assembly can think of an example from their own lives where this has been the case. Remember your first car? Well, I see a lot of young guys around my constituency, and when they get their first car, they are so proud. They polish it, they keep it clean, they maintain it, and they paint it. Essentially, they do all the things that their mother always tried to get them to do around the house, things that they wouldn't do or would only do once their mom or dad got on their case. Now, a quick observation becomes very clear: they care about their car because they own it. It is in many respects an extension of them. They care about it because they put work into it; they invested their time. And they care about it because when somebody owns something, it is a symbol of their own self-reliance, which raises their self-esteem.

I'm sure that everyone here has heard the problem of the free rider, or the freeloader, as some call them. A free rider is someone who obtains the benefits of something held in common but does not put in his share of the work needed to maintain it. There are historical situations which highlight this problem. For example, in the 1800s and 1900s a lot of bigger cities in Europe and North America went out of their way to create free public spaces for citizens to congregate, either to go for a walk or to play a pickup game of basketball, baseball, or soccer, whatever, or just to sit out on a bench or on the grass. Now, initially it sounded like a great idea. As cities became more congested, it seemed appropriate to make space for citizens.

But then something happened. Everyone was using the commons for their own interest. Everyone took, but no one gave back. No one took the time to clean up the litter and the waste, or if in a game of soccer a divot of grass was taken out, the players didn't stop to replace it. People just bucked their responsibilities to the land they used. The inevitable end was that the common free spaces turned ugly and unimpressive as people did not take the time to manage them properly. In the end people stopped using these free spaces, and the only way the cities brought people back to the free spaces was to refurbish them and to hire city maintenance workers to constantly provide upkeep. Now, Mr. Speaker, guess who had to pay the expense? That's right; it came at the taxpayers' expense, even those who had never even used the free spaces and had no intention of ever using them.

Now, if I could bring this back to the example of a car, could you imagine if four guys bought a car instead of the one guy in my constituency? The car would probably be run into the ground because each of them would assume that the other would take it to the car wash or change its oil or fill it with gas or maintain it. As well, each would likely assume that the others were not putting in their fair share, so they would either attempt to force the others to put in more or, more likely, they would minimize the amount of money and work that he had put into the car thereby caring for it less, and in the end the car would be less well off due to its common ownership.

Now, it's one thing, however, to own something and be proud of it and another to own something for the purposes of reaping an economic benefit. If you own land that you want to sell for a profit, then you'll consider different ideas of how to improve the land thereby increasing your profit margin. You'll also consider what sorts of groups may be able to make the best use of the land and

market it to those groups, hoping that they'll see its potential and offer you more money for the land. Finally, you will consider ways that you may be able to use the land for your own business or personal interests, and in doing so, you will be able to find a way to make good use of the land.

The basic point is this. When you put land in the hands of private interests, you put land in the hands of people who have a greater stake in its ability to be used successfully and for a profit. If you leave land in the hands of government, the thought of it making a profit is put to the back burner.

Now, I would guess that for some members across the way it's better that we leave this land to government. I respectfully disagree. Study after study shows that the more land is held by private interests, the more successful an economy is. This is because the land is taken away from the reach of political concerns and is open to the ingenuity and creativity of a person trying to either care for the land or to make it economically viable.

A few cases in point ought to be mentioned here. In his study of the history of economic growth in the U.S. economist Hernando de Soto noted that it was not until squatters were given title to the land they were squatting on and it was not until other lands were put up for auction that their economy began to take off. As well, de Soto has argued that if private property laws were instituted in countries such as the Philippines, Peru, Haiti, and Egypt, their economies would be poised to grow as well. Now, this is not to suggest that selling land is the only step involved in economic growth. Of course, it's only one step. But the point that de Soto makes is that when this land is owned by the government, it is effectively dead capital. There is no profit to be made by it. In fact, in the four countries I just mentioned, de Soto has charged that there is more than \$450 billion in dead capital, most of it being land operated under antiquated property laws.

Now, Alberta doesn't need to follow those countries. Our government has made the commitment to get out of the business of business. Part and parcel of that is getting out of the business of owning land. Let's pass this motion, and let's get our government working on selling this land to private interests, and then let's let Albertans turn that land into economic and personal success.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Well, thank you, Mr. Speaker. I guess I would take a slightly different approach than the previous speaker. I don't think that there is any great economic boom in this. I don't think it's going to drive the economy of Alberta a lot, but what it's going to do is it's going to use a little bit of common sense in the money that we spend on administering many parcels of land that simply doesn't need to be done. The old school properties, for example, in many, many cases have been broken up and added into farmland. In lots of cases all that's left are the trees that surrounded it. It's basically nonproductive land that grows weeds. It's a pretty handy place for the local farm kids to party, so maybe we should leave some of it.

I think we have to look at it as: what would be the best for the land, for its neighbours? Simply adding in some cases three or four acres or 10 acres into a farmland is not an economic boom. It's just something that we only have to do once, and then we don't need to keep a couple of hundred people busy writing up these leases. It makes it difficult if you have some of the leased land and you want to improve it. If you want to do dugouts or you want to do fences or however you want to work it, then you need to get into the SRD department, and the parade of people that have to come and

investigate this stuff is really astounding. Quite honestly, what they should send out is a real estate agent and determine a fair market value and sell it to you.

Some of the people say: well, the public will lose access to lands. We're not talking about a great deal of land here. I don't think anyone is suggesting we sell the eastern slopes, but there are many, many quarters of land within even 10 miles of the community I live in that are part of a farming operation now where no one could tell the difference between titled land or the government land. It just simply doesn't make sense to keep leasing it year after year after year. The idea that this land might not be used appropriately or that they may be overgrazing just doesn't reflect what the farm community does with its land. They're probably better stewards of land than all the well-meaning do-gooders that we have hired.

I think we can go about it in a very orderly manner too. We don't have to rush out and look for these parcels of land. In the term of their lease, if it's a 10-year term, if we're eight years into it or if we're one year into it, when the lease comes due, give the owner adequate notice that you intend to sell the land and provide the options to him so that it doesn't come as a big surprise to anybody in the chain of command, so to speak, so that they know what's going to happen. They also know, then, if they have the intention to buy it, that they can do improvements, and we can address that. If they've fenced it and cross-fenced it or put in water improvements, dugouts or wells of any kind, they can be treated fairly, and part of the sale would recognize that they have done improvements to it.

I think that in summing up, Mr. Speaker, it's simply time now to move these parcels off our plate, to take the money that we would gain from it and use it to the greater advantage of the rest of Alberta. There's really no cost to the province in getting rid of it. The cost savings come in administrative savings. Certainly, the economic boon to the people buying it is that the stability is there in knowing they have ownership. I think that the hon. Member for Whitecourt-St. Anne's example of the federal building down the road would be a perfect example of where we may include things besides farmland in getting rid of things that are virtually useless. I just wanted to make sure that we got the point across that there are some things that should be sold quicker than others.

So, Mr. Speaker, with that, I would just encourage everyone to support this motion and support the minister in his efforts to get rid of the land that's not environmentally sensitive or doesn't fit into the long-term needs or requirements of the government of Alberta. Thank you.

8:50

Mr. Klapstein: Mr. Speaker, I'm delighted this evening to have the opportunity to join in the debate on Motion 507 as amended and sponsored by the hon. Member for Redwater. Motion 507 as amended deals with a subject that is of great importance to many constituents in the province. Public land that is held under control of the Crown accounts for a large percentage of the land used for agriculture within our province.

To reiterate, Motion 507 is designed to urge the government to sell off or dispose of lands that are declared surplus to the needs of the province. Some of these lands that are deemed for potential sale include grazing lands under lease, vacant lands, lands that are currently not being utilized to their full economic potential, and perhaps the federal building, that's been mentioned a couple of times already. It has been shown time and again in many examples across the province that leaseholders often do not hold the long-term interests of the land in their decision-making. Why would an individual who does not know if he or she will be farming or ranching this parcel of land the following year do anything beyond

the minimum to ensure that it was taken care of or improve it in any way, shape, or form for future use.

It is reasonable to believe that if a piece of land is suitable for lease purposes, then it is suitable for sale for private means. The government of Alberta need not hold such land under the authority of the Crown just because it has the power to do so. It has been the mandate of this government to remove bureaucracy from where it has proved inefficient. Controlling land held under lease by the government that is of suitable quality for private purposes is an inefficient use of that land. At the present time over 60 percent of Alberta's land falls under the category of public land. This land is divided into two categories or zones: the green area, consisting of the forested portions of the foothills of the province, and the white area, which is made up mostly of agricultural land in the populated central and southern parts of the province as well as the Peace River region.

Currently the following criteria are used in order to determine whether a parcel of public land is deemed suitable for sale. First, does the sale impact important resource values such as conservation or recreation? Second, does the proposed use of the land conform to provincial and municipal land use policies? Third, what is the availability of private land for uses of economic or social importance?

Public land sales are held in two different fashions: through a public auction or via a private or priority land sale. Public land sales are administered by a public auction that takes place when the particular parcel of public land is vacant or has been released from a disposition by a disposition holder. Individuals and companies are permitted to place their bids on any piece of public land that has been put up for auction. When land is sold via a tender or auction, an appraisal process is used to determine the price. Private or priority land sales take place without public competition and are administered when the leaseholders hold a recreational lease for the purpose of a commercial or recreational development or when the land under lease has already been developed by the leaseholder. When land is sold by a private land sale, the price is based on its actual market value.

Mr. Speaker, it should be noted for any of my colleagues here who are not familiar with leases and their structure that the makeup of one lease is not necessarily the same as the next. In Peace River, for example, lease parcels are generally smaller than leases in the southern portions of the province. It is not unusual to have 160-acre parcels of lease land or less in any given northern county or municipal district. This is compared to lease parcels in southern Alberta, where these tracts of land can be the size of a township or, to put it in equal terms, approximately 20,000 acres. Parcels of lease land in northern Alberta are dotted throughout a county map or a municipal district. An individual landowner may hold rights to a parcel of lease land that is situated in the middle of his privately held land. This individual may be interested in bidding for this public land and not necessarily be keen on having another party gain control through a public auction. A first right of refusal option should be given to existing lease owners on the basis of providing them with an avenue to keep adjoining parcels of land intact. This, in essence, would qualify as a priority land sale.

Farmers and ranchers are constantly moving machinery, livestock, or vehicles from one piece of land to another. If at all possible, farmers and ranchers generally prefer to have all of their land as close together as possible for these reasons. It simplifies things. Any of my rural colleagues with an agricultural background can surely relate to this concern. Anyone who has had the responsibility of moving machinery across the countryside or moving cattle from one pasture to another pasture appreciates the work involved in this process. Accordingly, allowing these individuals the ability to

purchase that lease land that adjoins their own not only allows for easier access but also speaks to increasing safety within the community as both machinery and/or livestock are not being moved as often on shared roads and pathways.

For these reasons which I have outlined, I urge my colleagues to back Motion 507 and support the disposal of Alberta surplus public lands. Thank you.

The Deputy Speaker: The hon. Member for West Yellowhead.

Mr. Strang: Thank you, Mr. Speaker. It's with great pleasure that I stand tonight to speak on Motion 507. With the amendment that the Member for Spruce Grove-Sturgeon-St. Albert made, I think it makes it really thought provoking on this for the real reason, as you realize, that a number of years ago there was a grazing lease review done. When you go around the province and you see the small leases that are embedded in owned land and the confusion that it causes, especially in the white zone, for people that want to get access — they don't know who to get a hold of. I think that if we work with a system where there is land that's embedded in deeded land and remove it, it's like one of my colleagues, Vermilion-Lloydminster, said: then you're cutting back on the aspects of the handling of this land and everything else.

It also gives the owner of the existing land around a chance to look at his crop in a different way. If he wants to do more improvements, at least he can. Then it gives a better understanding if there are people that want to go out hiking or may want to look at the aspect of bird watching and that. At least they know where they can go rather than looking at one of the county maps and seeing all the different land descriptions, and then you don't know who you have to speak to to get on this land.

I think it'll make it a lot easier for the different counties or municipalities that have the land, where they garner taxes on this land. They can just send it to one rather than having to send a whole bunch of different bills out to the landowner all individually because they'll be under all individual titles. In this way, you can do amalgamation and move it along so that it works a lot better. I think that with the understanding like that, it works a lot better within the whole community. I know that in northern Alberta it's quite a bit different because with a lot of leased land that we have in that area, they're able to . . .

9:00

The Deputy Speaker: I hesitate to interrupt the hon. Member for West Yellowhead, but the time limit for consideration of this item of business on this day has concluded.

head: **Government Motions**

Final Report of Electoral Boundaries Commission

13. Mr. Hancock moved:

Be it resolved that pursuant to section 11(1) of the Electoral Boundaries Commission Act the Legislative Assembly concur in the recommendations of the final report of the Alberta Electoral Boundaries Commission, entitled the Proposed Electoral Division Areas, Boundaries and Names for Alberta, tabled in the Assembly on Wednesday, February 19, 2003.

[Adjourned debate April 9: Mr. Herard]

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. This evening we are charged with the final discussions regarding Motion 13, where we choose as

an Assembly to accept or reject the Electoral Boundaries Commission proposed report, which determines the boundaries for the next election. After having heard the debate in this Assembly, which has been, for reasons known mostly to the government, not allowed to occur until after 9 o'clock at night on several evenings, it becomes quite apparent that we did not give very good direction to this particular boundaries commission in terms of setting out their mandate and having some rules with regard to how we could establish boundaries that best serve the needs of all Albertans.

I'll start my remarks off this evening with a quote that states: "There is no issue that is more sensitive to politicians of all colors and ideological persuasions than [redistributing]. It will determine who wins and loses for eight years." That quote was made by Ted Harrington, the political science chair of the UNC, Charlotte. This was quoted during the Shaw versus Hunt trial in March 1994 in the States, Mr. Speaker. It's very well said in terms of what the ramifications are for all of us in boundary redistribution, and we see those exact consequences occurring here: Edmonton-Norwood is gone, we see one riding gone from the main growth corridor of Alberta between Calgary and Edmonton, and we see the riding gone from Athabasca, the area where we have more than a third of the land mass, but a small amount of population. We've seen accusations in this Assembly of gerrymandering. We've seen heartfelt comments by members on what happened during redistribution and how little pieces were plucked out of their constituency and dumped into another one without any apparent rhyme or reason.

So what should this commission have done and what could they have done if they had had some good direction from us and if we had had some debate to begin with about what the rules could have been around what happens with redistribution? We were negligent, I believe, in this Assembly by not giving the commission more decision-making power. We have the ability here to say to them that you can choose more or less than 83 constituencies. You're not bound by that.

We could have made a stronger point to them about going with natural boundaries. I take a look at what happens with Morinville. They are now cherry-picked out of the area where they have been and put into Barrhead-Westlock as a riding, an area that they have got absolutely no natural kinds of boundaries with. We could have asked the committee to go whenever possible with municipal boundaries so that in rural areas there was an alignment between what happens provincially and municipally, vastly simplifying the municipal politicians' roles and increasing the understanding of the electorate and making the MLAs' job easier. We certainly could have used different cutoff figures for population bases and percentages, but we didn't do that, and that was very shortsighted, I believe.

What the commission did do was decide their mandates based on some ideas that I think very few people in this Assembly agree with. As outlined in their report on page 3, they used pragmatism as a key filter for making their decisions rather than scribing for any kind of philosophical ideal, whether it was one we could agree with or not. Using this filter, the committee decided to eliminate a Conservative Edmonton riding. Why? It stated in the record: because it was a Conservative riding. Just looking at the very shortsightedness and, I think, very shallow reasoning. That to me, when you choose something because it is of any political stripe regardless of whose it is, is not only erroneous, but it is gerrymandering, Mr. Speaker, so I have a real problem with that.

They could have had lots of choices on how to make that decision, but stating openly that the two ridings that are gone are because they don't expect the members to run in the next election in the rural areas and the one in Edmonton to be gone because it's a Conservative riding should nullify this report. We shouldn't even have to

vote on it. And yet, what happens? [some applause] Yes, I see some support for that, and I think that that's the debate that we should have. It's our job and our responsibility to make some of these tough comments and decisions, and we have a choice tonight to not accept this report and to reconstruct a new committee, to have some serious debate in here about how the decisions should be made, and to have them go out and do it. There's enough time to do it before the next election, Mr. Speaker.

Sure, it is going to cost more money, and I know you guys say, "All you Liberals want to do is spend," but there are some times when a dollar spent now is a saved dollar down the road. If it means that people have better representation and we have fairer boundaries, then I think we should spend that dollar.

But what do we see happen here? We see a government now managing this process, and we've seen that unfold as the debate occurs. What happened with the introductions in this Assembly were that the Minister of Justice and Attorney General, who is also the Government House Leader, was the very first person to speak. So when he stands up to open debate on an issue, it's a signal to all the members of his caucus on how to vote and how to frame their decisions. He talked at that time about him having an obligation to vote as he particularly didn't like the report. And then, in his comments, he initiates a drive-by smear of Liberal MLAs by saying who was there and who wasn't there, erroneously, as it happens, because he missed a lot of people who actually did make presentations. Then he talked about his concern about Edmonton losing a seat, and the commission's lack of recognition of growth in the area.

But then, Mr. Speaker – this is the part that pulls it all together – he encourages members of the Assembly to accept the report with all of its warts. So the typical example of what people hate about politicians: when you talk out of both sides of your mouth, and then you vote in the most expedient way possible. I find that quite reprehensible, and it's what happened here.

What we have is really an alarming decay in civic and political involvement: the lack of people who go to vote, the apathy we see, the uninformedness of citizens and their uninterestedness on current issues and all of the adults who don't participate regularly in electoral policies. My question to the Assembly here is not why they don't come, but why would they when they see these kinds of decisions being made by their politicians? When we as a Legislative Assembly don't have the courage to help define boundaries in a fair and representative way, let alone talk about a representative voting system, then how can we expect voters to engage?

We've seen exactly that happen with this particular situation. We see MLAs from the Official Opposition and from the other opposition bring up the concerns and talk about not voting. From the government's side, we've seen so far four government MLAs come out in strong opposition to this motion. But we also see the Conservative machine move into place showing MLAs how to keep the party discipline: by complaining if you want to, but hold your nose in voting. Whips are on. As the Premier admitted this afternoon, he would expect this particular motion to be defeated if the whips were not on in their caucus.

So once we get the overview and the direction from the Government House Leader and how all of his caucus members are to vote here, what happens? The very outraged MLAs who support the government position speak and speak well, Mr. Speaker. We hear first from the Member for Lacombe-Stettler, who takes a very courageous stand against her caucus and for her constituents, and that's exactly the leadership that Albertans expect in this province and the kind of leadership that people respect. So I thank her for making those comments even though I know for her that there was some cost to that.

9:10

We then heard from the leader of the New Democrats, who was against and made a very good argument about that. Then the Minister of International and Intergovernmental Relations, who loses his seat, made some very telling comments. It started out as a rather low-key speech, but then he was the first person to name gerrymandering in the appearance of how things happen and how, in the elimination of his particular constituency, it violated all of the rules that this particular committee had said it was making its decisions by.

Then we heard from the Member for Rocky Mountain House, the Minister of Infrastructure. He got up and said that he, too, was against this motion, and he had actually given the committee a solution to solving the problems, which was a very reasonable solution, but then the party machine rolls in. It starts out with the Member for Edmonton-Glenora. He rolls out the party line, and "we don't want to lose a seat, but we really don't have the political will to rock the boat in this particular case," and that was our conclusion of the Tuesday night comments.

Wednesday night. Now the government line's strongly in place. Wetaskiwin-Camrose expresses his constituents' concerns and introduces the concept that minor boundary adjustments will be possible, so he's going to vote for the motion. So what does "minor boundary adjustments" mean? When I talk about, for example, Morinville with about 5,000 votes being involved, that didn't seem minor, but maybe a street here or a street there. So members have got a way out to their constituents: "Oh, minor involvements. Don't get too upset about this motion because the bill's coming."

Then we see Edmonton-Riverview. He is against the motion based on principles of fairness and democracy, but he's going to vote for it. The Member for Vermilion-Lloydminster agrees that lots of the boundaries look illogical but will vote for it. The Member for Olds-Didsbury-Three Hills accepts the guidelines, doesn't want to spend time to look at recommendations, and supports the motion. The Member for Edmonton-Castle Downs states that the "process was . . . objective and unpolitical" and supports the motion in spite of what his own colleagues have stated. The Member for Calgary-Currie sadly disappointed but supports the motion. The Member for St. Albert dismayed but supports the motion. The Member for Calgary-Egmont describes the need to define . . .

Mrs. O'Neill: I did not say "dismayed."

Ms Carlson: Well, in fact, hon. member, you did, and I challenge you to read *Hansard* and see what exactly you did say.

The Deputy Speaker: Hon. members, there isn't a back and forth. There's only one person speaking at a time.

Ms Carlson: Thank you, Mr. Speaker.

The Deputy Speaker: And that would be the hon. Member for Edmonton-Ellerslie.

Ms Carlson: The Member for Calgary-Egmont describes the need to define "what is effective representation in the 21st century" and supports the motion. That would have been a good kind of discussion for us to have prior to going into this particular debate and one I wish we would have.

I, Mr. Speaker, will be opposing this motion. I strongly support the minority report. I think that some very, very good decisions and comments were made there, and I would leave this particular debate

with one more quote, and that's from John Adams. His thoughts on government dated 1776 which still appear to be very, very appropriate to today's discussion and decision-making. He states that:

The principal difficulty lies, and the greatest care should be employed, in constituting this representative assembly. It should be in miniature an exact portrait of the people at large. It should think, feel, reason, and act like them. That it may be the interest of this assembly to do strict justice at all times, it should be an equal representation, or, in other words, equal interests among the people should have equal interests in it. Great care should be taken to effect this, and to prevent unfair, partial, and corrupt elections.

We had a chance to do that at the beginning of this process, and we lost that chance. We didn't take it. We have a chance now to do it again by rejecting this motion, and I urge every member in this Assembly to stand up and vote against this motion when it comes up for a vote at the end of this evening.

The Deputy Speaker: I wonder if we might have the Assembly's permission to briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(*reversion*)

The Deputy Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. It's my great pleasure to introduce to you and through you to the House several guests seated in the public gallery. Eight of them represent eight different Edmonton constituencies. They're New Democratic activists in those constituencies, and one is from Calgary-Fort, very active in the constituency there. They are John Kolkman, Edmonton-Highlands; David Eggen, Edmonton-Calder; Lorne Dach, Edmonton-McClung; Erica Bullwinkle, Edmonton-Riverview; Dave Malka, Edmonton-Beverly-Clareview; Alex McEachem, Edmonton-Glenora; Chantelle Hughes, Calgary-Fort; Larry Zima, Edmonton-Rutherford; Jette Badre, Edmonton-Whitemud. They're all here to observe the debate taking place on Motion 13. They're concerned that as the motion is passed, Edmonton is likely to lose one of its 19 seats, and they were unhappy about it. I'd ask them to all rise and please receive the warm welcome of the Assembly.

head: **Government Motions**

Final Report of Electoral Boundaries Commission
(*continued*)

An Hon. Member: Question.

The Deputy Speaker: No. We have a number of people that have yet to speak.

The hon. Member for Edmonton-Beverly-Clareview.

Mr. Yankowsky: Thank you, Mr. Speaker. Regarding the proposed provincial boundaries motion, Motion 13, I rise to speak against the acceptance of the electoral boundaries motion. I'm speaking against the motion because of concerns with the boundaries of Edmonton-Beverly-Clareview, and also because I support the city of Edmonton, its bid to retain 19 seats in the Alberta Legislature. Today when the population growth in this province is unprecedented, it is folly to rely solely on 2000-2001 census data. To do so will result in Edmonton being underrepresented in the Legislature after the next election.

If we want to talk about 2000-2001 census figures, I understand

that the average of any current Edmonton constituency is 35,058, or only 2.4 percent less than the provincial average of 35,951. However, in the commission report it is indicated that commission members never inquired with the city of Edmonton planning department to determine the community growth and population projections for the 48 developing Edmonton communities. A glaring example which I know personally is occurring in the constituency that I am honoured to represent, the constituency of Edmonton-Beverly-Clareview, and the neighbouring constituency of Edmonton-Manning. The constituency that I represent was turned on its side to take in the communities of Delwood, Balwin, and Belvedere, that were hived off from the disappearing constituency of Edmonton-Norwood. The situation that the commission created here is that all growth areas are being given to Edmonton-Manning, and Edmonton-Beverly-Clareview is being locked in so that it will never experience any significant growth.

On the other hand, Edmonton-Manning has grown by approximately 4,000 or 5,000, maybe even more residents in the Miller subdivision since the 2000-2001 census. Another huge subdivision area to the north of the Miller subdivision, where construction is in progress as we speak, will bring approximately another 5,000 or 6,000 residents by the next election and probably 12,000 to 15,000 more by the next boundaries review. Given the amount of good farmland that is being stripped, these are probably conservative estimates. To top it off, the commission in its wisdom or lack thereof is also splitting the community of Clareview, now in my constituency, and giving north Clareview to Edmonton-Manning. This is another huge development area, which will see probably 4,000 residents by the next election and 6,000 or 7,000 by the next boundaries review in 2013 or so. In total, given the present growth patterns, Edmonton-Manning will grow by about 14,000 or 15,000 residents by the next election and by 25,000 or more by the next boundaries review.

Something is very wrong with this picture. Edmonton-Manning was given three large growth areas, yet the commission seems to have gone out of its way to split a community in Edmonton-Beverly-Clareview constituency, which contains a large growth area, and gave it to Edmonton-Manning, which is already growing out of control. Now Edmonton-Manning will have three growth areas, which will very quickly make it an underrepresented constituency because of the number of residents over the mean average that will be living there. If common sense had prevailed, Beverly-Clareview should have at least been left with the growth area of north Clareview, which would have allowed more or less even growth in the three northeast Edmonton constituencies. This was brought forward to the commission appeal hearings, but they chose to ignore common sense, even though they seemed to be hearing and agreeing with the arguments that were presented by the constituency association at the appeal hearing.

9:20

Should Edmonton lose a seat in the Legislature, there is no assurance that in 10 years, when the next boundaries review occurs, Edmonton would regain the lost seat. Edmonton is and has been Canada's fastest growing city for some years now, yet the commission seems to be totally ignoring this fact in the way that they have drawn the boundaries.

In drawing up the new boundaries, the commission broke or ignored many of the legislated guidelines as outlined in section 14 of the Electoral Boundaries Commission Act. This section states that certain parameters "shall" be taken into consideration by the commission when drafting new boundaries. Section 14(c) says that common community interests and organizations shall be taken into

account. Section 14(d) states that “wherever possible, the existing [municipal] boundaries within the cities of Edmonton and Calgary shall be considered.” Section 14(g) says that “geographical features, including existing road systems” shall be considered, and section 14(h) states that “the desirability of understandable and clear boundaries” shall be considered.

Clearly, when the commission split the community of Clareview or attached the communities of Delwood, Belvedere, and Balwin to Edmonton-Beverly-Clareview, they did not follow guideline 14(c), which says that communities should be kept intact, along with section 14(g), which talks about natural boundary lines. The communities of Belvedere, Delwood, and Balwin have no commonality whatsoever with Clareview. In fact, they are separated by about two kilometres of the Kennedale stockyard, light industrial area, and a railroad. These communities border Edmonton-Glengarry and Edmonton-Manning and should have been parceled out to those constituencies.

These communities split off from the disappearing constituency of Edmonton-Norwood in fact took up a petition with some 395 names saying that they have no commonality with Clareview and don’t want to be included in the Edmonton-Beverly-Clareview constituency. This was presented to the boundaries commission, which chose to ignore the request. In fact, 600 residents had signed the petition, but only 395 names were accepted; the rest were rejected because of some technicalities. How many other constituencies have been redrawn in this manner yet are not speaking out?

In closing, Mr. Speaker, I want to say that Edmonton as Canada’s fastest growing city deserves a review of the loss of a seat and the configuration of specific constituency boundaries. If it means striking a new boundaries commission and going through the exercise again, so be it. The commission that drew the boundaries we have before us did not listen to reason not only in Edmonton-Beverly-Clareview’s and Edmonton-Manning’s cases but, I’m sure, many other constituencies. One member of the commission seemed to be saying just that, and you can read her arguments in appendix B of the boundaries commission final report.

If the commission ended their job on a divided note, then there is something wrong, which I think calls for a review of at least some of the recommendations of the boundaries commission. To totally ignore calls coming not only from individual MLAs but complete city councils, as in the case of the city of Edmonton, or counties and town councils, as we heard from other speakers, is wrong. It’s not about trying to gerrymander something; it’s about achieving the best representation for constituents and common sense.

Some Hon. Members: Question.

The Deputy Speaker: We’re a long way from being ready for the question, thank you. I have a long, long list.

Hon. members, I wonder if we might again revert briefly to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**
(*reversion*)

The Deputy Speaker: The hon. Member for St. Albert.

Mrs. O’Neill: Yes. Mr. Speaker, I’d like to introduce to you and to the members of the Assembly an individual who was seated in the visitors’ gallery earlier this evening, Mr. David Despins, who is from Edmonton-Norwood. I would ask him to please rise and receive the warm welcome of the Assembly.

head: **Government Motions**

Final Report of Electoral Boundaries Commission (*continued*)

The Deputy Speaker: The hon. Member for Edmonton-Highlands is recognized next.

Point of Order
Question and Comment Period

Mr. Mason: On a point of order, Mr. Speaker. Are we not able to ask questions of the speaker on this motion?

The Deputy Speaker: Yes. If you wish to ask questions, you may do so.

An Hon. Member: On a motion?

The Deputy Speaker: Yes. This is not a private member’s motion, hon. member. This is a public motion. So, yes, you are. Comments and questions, yes.

Mr. Mason: Thank you very much.

Debate Continued

Mr. Mason: Just a comment and then a question. I appreciate the courageous position that the hon. Member for Edmonton-Beverly-Clareview has taken on this report, and I would like to ask him: specifically, what process does he believe we should now follow in order to deal with this deeply flawed report?

The Deputy Speaker: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Yankowsky: Yes. Thank you for that comment and question, Edmonton-Highlands. As for the process to follow, well, I guess we’ll know what the vote will be tonight. If the motion passes, well, I guess there’s not much process that we can follow after that except to move on. If it should fail, then I guess it would go back to the boundaries commission for a review. But there is also a process in place where we can ask for small changes to our constituencies by applying to the Justice minister. So I guess at least we can do that: apply for small changes.

The Deputy Speaker: Further comments or questions?
The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. I guess what I’d like to say is a couple things about where we’re at. The most important thing, I think, is that we’ve gone through a whole process here that has taken a long time. Our constituents have gone through a process where they have gathered information. I can talk about my own particular constituency where we brought people in to inform them about how the commission works, what the commission guidelines were, and informed the people about what was going to happen. They also had an opportunity to go in front of this commission not once but twice.

From that perspective I really believe that what we need to do is go ahead with the recommendations from the commission at this time. We can talk a lot about some of the inadequacies that the commission has brought forward. All of us have those inadequacies. All of us have probably seen some of those inadequacies, each one of us. But, overall, if we vote against this motion, inevitably what is

going to happen is that we will have to bring forward another commission and really go through this process again for another year. I really don't believe that our people are ready for this. I don't believe that it is necessary, and I think it's very important that we go ahead with the present recommendations maybe with some alterations that individuals may have. I don't know if that'll take place or not, but presently I think it's very important to go ahead with the report from the commission.

Thank you very much, Mr. Speaker.

9:30

The Deputy Speaker: I wonder if we might briefly revert to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

The Deputy Speaker: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Speaker. It is indeed a pleasure to rise this evening and introduce to the members a constituent of Edmonton-Glengarry, Kina Schoendorfer. Kina is a student at a St. Joe's high school, and it's my understanding that she's here this evening to view the proceedings of the House and also to observe one of our pages as he goes about his business. So I'll now ask Kina to rise and receive the traditional warm welcome of the House. Thank you, Kina.

head: **Government Motions**

Final Report of Electoral Boundaries Commission

(continued)

The Deputy Speaker: The hon. Member for Edmonton-Highlands is next, hon. Minister of Community Development, and then you're following that.

Mr. Mason: Thanks very much, Mr. Speaker. I'm pleased to rise to speak to Government Motion 13. I want to say at the outset that I recognize the hard work that the Electoral Boundaries Commission undertook, their travels around the province, and the many, many hearings that they had, and I certainly acknowledge the difficult job that they had. I had the pleasure of appearing before them on two occasions, and the first time they held their hearings in Edmonton prior to the presentation of their preliminary report, I warned, I think probably for the first time, that according to the matrix that the commission was using, Edmonton stood to lose at least one seat and potentially even two seats. I argued at that time that the matrix was unjustified, that it, in fact, discriminated against urban ridings in a significant way. Now, since that time more and more people have expressed their concern about the recommendations that the commission has made. Following their preliminary report I again attended their public hearing in Edmonton and argued again that the recommendation of eliminating a seat from Edmonton was both unfair and significantly unnecessary.

Now, in our democracy, Mr. Speaker, representation by population is a fundamental principle. In provinces like Saskatchewan and Manitoba the variance in population from one riding to another cannot exceed 10 percent, so once they establish an average, a provincial constituency can be either 10 percent larger or 10 percent less but no more. However, within the recommendations contained by the commission, there's a range of 32 percent below the average in the case of Dunvegan and 19 percent above in the case of Wood

Buffalo. The argument has been made, of course, that since these are primarily rural ridings and northern ridings that have significant differences in their population, these rural ridings are more difficult to represent, but I would contend and I did contend at the time that there are many challenges faced by urban MLAs, including linguistic and cultural diversity, poverty, and unemployment. There's difficulty with high-rise apartments. Sometimes they're very difficult to get access to, particularly during elections. There's illiteracy, and there are significant numbers of constituents with physical and mental disabilities. None of these challenges should override the principle of representation by population.

The matrix used by the commission overstates the difficulty of representing a rural riding by including variables of area, population density, rural/urban ratios, and the number of elected bodies within the riding. As the area increases, density will fall, the rural/urban ratio will rise, and there will be more elected bodies. The correlation is demonstrated in appendix E of the report. Twelve of the proposed recommendations have three or all four of these variables. Twenty-seven have less than three of all four of these variables. At the same time, the demographic variables were not included even though the data is collected by Alberta Finance.

Now, if we take Edmonton, according to the 2001 census if we divided it equally, Edmonton should have 18.53 seats. That, obviously, Mr. Speaker, is impossible. I was taught in arithmetic class in grade 3 – and I remember it well – that when you round a number up or down, if it's higher than .5, you round up. If it's .5, you round up. Otherwise, you round it down. So that means that if they had rounded the number of seats for Edmonton up to 19, where it is now, we would have been closer to the provincial average than we are with 18. So the question then is: why did they round down and eliminate a seat for Edmonton? According to the simple rules of arithmetic Edmonton should have 19 seats, but obviously there are other factors that override that.

Rev. Abbott: A point of order.

The Deputy Speaker: The hon. Member for Drayton Valley-Calmar is rising on a point of order. Can you cite a citation for us?

Point of Order

Exhibits

Rev. Abbott: Yes. *Beauchesne's* 501 to 504 talks about exhibits, and I notice that while the Member for Edmonton-Highlands was talking about Edmonton keeping a seat, he's wearing a political button, quite a large one. I see that his colleague is also wearing one. I notice that 504 says that political buttons are not included as exhibits. However, those ones are quite large, and I'd just like your ruling, Mr. Speaker, if those are acceptable or not.

The Deputy Speaker: The hon. Member for Edmonton-Highlands on the point of order.

Mr. Mason: Mr. Speaker, the hon. Member for Drayton Valley-Calmar never ceases to annoy. This is clearly just an attempt to disrupt my speech, and obviously he's even given you the quotation in *Beauchesne* that says that buttons are allowed.

The Deputy Speaker: The hon. Member for Drayton Valley-Calmar has raised a point of order on whether or not a political button might be worn in the Chamber. The chair would view that if you have a very small pin that can hardly be seen, then we get into measuring it as to how big and then how big the letters might be. I think that for the moment, not to take any further time away from this important

debate, the chair will defer that and see if we can come up with something that's a little more discernible as a rule than he thinks or he doesn't think it is offensive to the House rules.

The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker, and I assume that my time will not be docked for that frivolous point of order.

Debate Continued

Mr. Mason: Mr. Speaker, you know, I want to talk about some of the concerns that have been expressed. The very day that I first appeared before the Electoral Boundaries Commission to argue that their matrix would result in the loss of one or more seats from Edmonton, I also took a copy of our submission to Edmonton city council and handed it personally to the mayor. The mayor was shocked, quite frankly, to learn that Edmonton could potentially lose a seat. In fact, the city council has taken a very strong position that Edmonton is a growing urban area that has been discriminated against in the criteria used by the commission and that, in fact, by the time the boundaries are again drawn, Edmonton will be seriously deficient and another correction will need to be taken.

9:40

We have also seen, Mr. Speaker, the school board make representations. They expressed a great deal of concern. Mr. Fleming of Edmonton public schools says that

Edmonton is enjoying unprecedented growth and a reduction in the number of MLAs representing our city strikes us as a step in the wrong direction . . . This proposed reduction will diminish Edmonton MLAs' ability to adequately and effectively represent the needs of the people they serve.

Similarly, a number of people, including prominent businesspeople in the community and community representatives, have all expressed a great deal of concern.

The next point I'd like to make is that the riding that was chosen for elimination is perhaps one of the poorest inner-city communities in the entire province. So why was this constituency selected as the seat that needs to be eliminated, which of course it doesn't need to be, from Edmonton? But once you proceed on that assumption, then where do you go to eliminate a riding? Well, the commission has taken the poorest constituency with perhaps more dependence on some provincial programs than others, and it is a constituency that, as much as any other, deserves a voice in this Assembly. So it is a shame, I think, that the weakest communities are selected or targeted for the elimination of their riding.

Now, if I am to be re-elected in the new riding if this motion passes, then I will certainly seek to represent those people from Norwood that fall within the expanded Highlands-Norwood riding that's proposed to the best of my ability and to give them a voice, but it is in my view wrong to take the most vulnerable communities and divide them among a variety of ridings. It disenfranchises those people, it takes away their voice, and I think that it's a completely wrong direction for the commission to go.

Here's what Ewen Nelson of the Boyle Street Community League has to say:

We have grave concerns about the proposed changes. Edmonton's inner city communities are a complex mixture of people of widely varying needs, and the residents of those communities often have great difficulties getting those needs met. One source of assistance has always been the Member of the Legislative Assembly for the area. By reducing the number of Edmonton ridings, the MLAs for those ridings will be less able to assist citizens in need.

Now, the next thing that happened, Mr. Speaker, is that because they eliminated an inner-city Edmonton riding, it meant that there

was a vacuum created. All of the other ridings had to be compressed into that area, and the boundary redistribution was predicated on a vacuum where Edmonton-Norwood used to be. Edmonton-Highlands is drawn into it, but it also then brings Edmonton-Gold Bar across the river. You have Edmonton-Gold Bar, which is an older, ex-suburban area including Capilano, Forest Heights, Ottewell, and so on, now being brought across the river into Boyle Street and McCauley and Riverdale, inner-city communities that have long been a part of Edmonton-Highlands. So we now have not just one transriver constituency in Edmonton; we have two. I think, quite frankly, that the new boundaries of Edmonton-Gold Bar don't make any sense at all. You have people that have no community of interest at all. You have this major geographic boundary that bisects that riding, and I think it's entirely an artificial creation. It doesn't really make any natural sense. So I think there are many reasons why we should reject this.

I think that the motion made by the hon. Member for Edmonton-Strathcona, that would have corrected this problem, was an excellent one. A most wise member, the leader of the third party, I think put forward a way out. It's unfortunate that so many members voted against it, Mr. Speaker, because I think it would have provided us with a solution. You know, you have members of the Edmonton caucus of the government, like the hon. Member for Edmonton-Glenora, saying things like this: "I don't want to lose a seat in Edmonton. I would like to keep things the way they were, but that would be selfish, self-serving, and subjective, Mr. Speaker."

Ms Blakeman: To whom?

Mr. Mason: To whom is exactly the question that needs to be asked. To whom is that selfish, self-serving, and subjective? To the people that that hon. member represents? To the people that we represent? I can't fathom this kind of reasoning, Mr. Speaker, at all. It really seems to me that a number of members of the government side who represent constituencies in Edmonton need to stand up like some of their colleagues have done and fight for Edmonton. That is in fact what I'm calling on them to do tonight: stand up for Edmonton. It's not hard, it's good politics even, and I highly recommend it. What a concept to actually stand in this place and represent the people who sent you here. It's an amazing concept, and I think some hon. members ought to give it a try.

So, Mr. Speaker, in conclusion, I would ask all members, particularly those of all parties who represent the city of Edmonton as well as those who also feel that there are problems with the commission's report in other parts of the province, to stand tonight with us and vote against this report. There is time for the commission to re-examine the question and deliver another report. I want to make it clear just for the record that we in the New Democrat opposition believe that can be done. We do not support the addition of more seats to this Assembly. That fallacious argument that it really meant that we wanted to have a bigger Assembly was made when the hon. Member for Edmonton-Strathcona moved the motion. Well, that's the easy way out. We're not proposing that. We believe that Alberta has more than enough politicians as it is, and we don't support an expansion of this Assembly, but we do believe that this report is seriously flawed. The questions need to be re-examined, and the commission or a new commission needs to be struck. There is time. The issues at stake are so great that it is a step that we should take, and I hope that the Assembly will take it and vote down this motion.

Thank you very much, Mr. Speaker.

The Deputy Speaker: Comments? Questions? The hon. Member for Edmonton-Calder.

Mr. Rathgeber: Thank you, Mr. Speaker. I'd like to ask the hon. Member for Edmonton-Highlands – he quoted a couple of municipal politicians that indicated that if Edmonton were to go to 18 seats and if the seats became correspondingly larger, the members would have trouble representing a larger number of constituents. My question is: how many constituents did the member have when he was a councillor for ward 3 in the city of Edmonton, and did he have a difficult time representing over 100,000 constituents?

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Well, thank you very much, Mr. Speaker. That is a very good question. The wards in the city of Edmonton are, in fact, very large and considerably larger than provincial constituencies, and I was always an advocate of increasing the number of wards in the city of Edmonton because from time to time it is difficult. There's an additional problem in the system used in the city of Edmonton, and that is that although there are six large wards, there are two councillors elected from each one, and this creates a lot of difficulty, a lot of duplication and overlap. It does tend to share the load to a considerable degree, but it creates its own set of problems. So while I was there, I certainly advocated that we should increase the number of municipal wards, and I still think that that's a good direction to go.

The Deputy Speaker: Hon. Member for Lacombe-Stettler, you indicated that you wished to comment.

9:50

Mrs. Gordon: Yes. Thank you, Mr. Speaker. I would just like to ask the Member for Edmonton-Highlands – I'm seeking clarification. I'm sorry, hon. member. I don't have the Blues in front of me, but you were talking about the difference between urban and rural constituencies. You talked about that you have language differences, a difficulty with accessing high-rise apartments, dealing with unemployment and poverty. Do you not think those things exist in rural Alberta as well?

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. Well, yes, I do, but I am trying to portray some of the specific issues that I know that I have in representing my constituency in a fairly high-density inner-city riding. I believe that those problems are perhaps a little bit more concentrated in inner-city constituencies. I certainly would not ever argue that rural ridings don't have some of the same problems, and I thank the hon. member for the opportunity to correct that.

The Deputy Speaker: Further questions? The hon. Minister of Community Development, followed by Edmonton-Glengarry when that's finished.

Mr. Zwodsky: Thank you, Mr. Speaker. I rise with a lot of mixed emotion tonight to speak to Government Motion 13, as it's called, even though this is not a government report. Nonetheless, I use the term "mixed emotion" because I do understand the dilemma that faced the commission as it was preparing its recommendations for this Assembly. On the one hand, I'm well aware that they must redraw the provincial electoral boundaries, but in doing so they must not exceed the population formula specifications of plus or minus a certain target figure, nor can the commission exceed the current number of 83 constituencies, and so on. On the other hand, they are dealing with the very difficult issue of having to increase the number

of seats in some parts of the province as a consequence. In order to do that, they know and we've now learned that they will have to reduce the number of seats somewhere either outrightly by demising some constituencies or by collapsing two into one or whatever. The choices, I'm sure, as we've been hearing for the past several days of debate on this motion, were very difficult, and I also believe that drawing and discussing these new boundaries must have been at times an absolute nightmare for this commission, albeit an independent commission.

[Mr. Lougheed in the chair]

I know they had to consider a lot of factors such as physical size of a constituency, the population density, Indian reserves and Métis settlements, rural/urban ratios, municipal boundaries, and the list goes on and on. Still, the fact is that we were required to have this done, so we now have before us their committee recommendations.

I should add, Mr. Speaker, that I am not pleased at all to see Edmonton losing a seat in the process, nor am I happy to see rural Alberta, where I grew up, losing a couple of seats either. However, in fairness to the commission's impossible task of its assignment, I know they probably feel that they did their best, and I know that they did consult Albertans quite thoroughly by hosting provincewide forums or perhaps through correspondence or in personal conversation or whatever.

In the end, having been through this boundary redesign process at least twice personally now, I believe we only have two choices. One would be to accept their recommendations, albeit with some minor amendments at the bill discussion stage perhaps, and proceed onward. The other would be to kill the motion at this stage and start the process all over again. Going with the latter of these two difficult options would of course delay the inevitable. It would likely result in a highly similar set of recommendations. It would frustrate even more Albertans than already are frustrated. It would cost thousands, perhaps hundreds of thousands of dollars all over again. It would lengthen the process for another year or more, and in the end – you know what? – it would bring us right back here to this very moment in this very Legislature to experience what we are experiencing right now. Do I like the recommendations of the commission, Mr. Speaker? No, quite frankly, I do not, nor do I know many others in this Assembly who do. But it is the process that all Members of this Assembly agreed to establish, that being in part to have an all-party, independent commission established to handle this issue.

I know that when the president of my constituency and I discussed this very early on in the process, we had many concerns. Some of them were specific to Edmonton-Mill Creek, which is the riding I'm privileged to represent, some of them were specific to Edmonton's total number of seats, and others pertained to Alberta in general. In fact, my president attended the commission's hearings in Edmonton and expressed these concerns on my behalf and on his own behalf last year. I do not believe that Albertans want more than 83 seats in the Legislature at this time, but I do believe that Alberta's phenomenal population increase, particularly in Calgary and Edmonton – and I know that there are other centres throughout the province – should be addressed from the perspective of having as effective a representation as possible. Perhaps it is the number 83 that should be addressed at some point.

Nonetheless, having said that, Mr. Speaker, several of my constituents continually ask me why it is that in the city of Edmonton we have 19 elected officials to represent us provincially, 12 plus 1 elected officials to represent us municipally, and only six elected officials to represent us federally. It's a good question, and it's a

very difficult one that's not easy to answer. Each level of government has different responsibilities, slightly different issues, and some in fact are vastly different issues. However, at some point it must also be understood that the quantity of representatives is not the sole deciding factor in getting important work done for a particular area. Surely the quality of representation is an equally important factor, and every member of this Assembly has amply demonstrated his or her quality of representation capabilities in one positive way or another.

Another important aspect of all of this is the teamwork that happens in the so-called party system, which we have at the federal and provincial levels, and working with all of your colleagues at all levels to get things done for the benefit of your community and for the broader community of the province or the country you represent. Things like the proximity to the Legislature in Edmonton, for example, were referenced in one of the commission's statements. I'm reminded of the work motto of triple S, that being sweat plus sacrifice equals success. I know we all strive to do that for the constituents that we serve regardless of how many of them we have, and there's really no substitute for that triple S motto when it comes to effective representation. We all know and understand sweat and sacrifice, and we all know what success is about.

In the end, Mr. Speaker, when it comes right down to it, redrawing electoral boundaries is a very messy business, and it never pleases everyone. Sometimes it does displease everyone, but we have to face the realities that I outlined earlier. I've heard from a few constituents on this matter and I've heard from some other Edmontonians on this matter, as well, who are very concerned about the commission's recommendations, just like we were when the boundaries were redrawn for the 1997 election and just like we were when we saw the boundaries redrawn for the 1993 election and just like we will be, sure as I'm standing here, concerned about what happens in five or six years in lead-up to the election of that time frame. But that's the democratic process that has been established, and that's what we have to keep foremost in mind. It is what it is. I don't like having one seat removed from Edmonton, just like some objected to having one seat added to Edmonton in 1993, but it is all part of the ebb and flow of the democratic process.

So having expressed my concerns and frustrations about that, Mr. Speaker, but also being very aware of the rather difficult options before us, I find myself having to support the advancement of this process or, alternatively, watching it start all over again only to wind up right back where we are tonight, having the very same debate, probably with the same concerns almost word for word being expressed. There is no win/win option in this matter, and many of us here regret that.

In conclusion, I just want to emphasize that the recommendations of the commission are not government recommendations, but the legislative process does require us as a government to carry them forward. I was struck by several of the comments which the report made and how they made them, and I did note that they were not unanimous in their particular presentation either. I would hope that the next time we go through this process, we could perhaps require a commission to be unanimous in their redrawings before they bring this kind of recommendation forward and put us through this kind of frustration.

Thank you.

10:00

The Acting Speaker: Thank you, hon. minister.

Questions? The hon. Member for Spruce Grove-Sturgeon-St. Albert, please.

Mr. Horner: Thank you, Mr. Speaker. I was interested in the comments of the hon. minister with regard to teamwork and the various levels of government. I know that in this debate there's been some discussion of the differences between Calgary and Edmonton, and being a member representing two communities who are very, very close in proximity to the city of Edmonton, I know that I am involved in a number of issues that involve close ties with Edmonton because our infrastructure is integrated, our community development issues are integrated in large part. I was wondering if the minister might comment a little bit about the workings of the capital region as compared with the Calgary region and how the teamwork works there.

Mr. Zwozdesky: Well, I'd be happy to, hon. member. Thank you for that question. I have always tried to market, if you will, and promote the capital city region as such, and I'm very grateful that we have the close proximity to communities like Leduc and Fort Saskatchewan and Redwater and St. Albert and Spruce Grove and Stony Plain, and when we make a pitch, we're talking about teamwork that comes from good representation from all of those members regardless of the parties that they're with. There are many things which the public probably doesn't realize that we as members representing this area agree on, but those things seldom make it into the press.

Equally important is the relationship of teamwork that we have with our federal counterparts. I think that we have some representatives there today on both sides of the political fence so to speak who work very hard with us and with our municipal leaders to ensure that we do things like attract international sporting events. I just happened to be at an event tonight welcoming over 30 sports organizations that aren't all just from Edmonton. They're from the surrounding area, and they reflect maybe 60 different sports that we are all proud to share in as we do with our facilities. So those are some of the examples, Mr. Speaker, of the kind of teamwork that I'm talking about.

The Acting Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thanks very much, Mr. Speaker. I have a question for the hon. minister, who indicated in his comments that the commission was independent and of an all-party nature. I would remind the hon. minister that it was not an all-party committee. The structure calls for an independent chair – in this case, Mr. Clark, an excellent choice and someone we think is very independent – but then two members nominated by the government and two members by the Official Opposition. So we had a situation where we had an independent chair, but two Conservatives, two Liberals sitting on the commission. My question to the minister is this: does he believe that in the future we could find a better way to indeed make the commission more independent and less partisan – for example, by making use of retired judges or community representatives from business, labour, farm communities and so on – and get away from the partisan balance between the two parties but not the third party that's built into the current system?

Mr. Zwozdesky: Well, I think that's a pretty interesting question. I personally wouldn't see any reason why we wouldn't be able to have that discussion. When it comes to something that is not a government recommendation nor is it an Official Opposition recommendation nor is it a third party recommendation such as this boundary review, I'd certainly be willing to support looking into whether that's possible to do.

The bottom line here is that we're trying to get as good and as

thorough a report on probably the messiest part of the whole electoral process, and that is this boundary issue. I think that as part of that, too, we should get the independent commission to take a look at more closely aligning municipal boundaries with electoral provincial boundaries because they've made a bit of a – well, I hate to say hodgepodge, but that's certainly what it looks like to me. So it's causing a lot of frustration in and amongst municipal level councillors as well. Some of those as retired individuals could probably serve very well and provide some very good advice to an independent commission down the line.

The Acting Speaker: Thank you.

No further questions?

The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Speaker. It is pleasure to rise this evening and speak to Government Motion 13 regarding the Electoral Boundaries Commission. At the outset I must say that it was a very difficult task that they had trying to satisfy 83 constituencies and that they certainly did do their very best to complete this task. They did it through a lot of travel, a lot of consultations and certainly submissions, either in person or written.

I had the opportunity to make a written submission on behalf of the constituents of Edmonton-Glengarry in the first round, and I had hand delivered it to the designated authority that we were suppose to. Somehow this did not get passed on to the commission, but they did retrieve this and certainly included it in the second round of written submissions.

Now, the first recommendation that Edmonton-Glengarry had in their report was that Edmonton retain the 19 seats that it currently holds. The second main thrust of the report from Edmonton-Glengarry recommended that Edmonton-Glengarry retain its present boundaries and that if our numbers were to increase, one of the communities to the west of Edmonton-Glengarry be added to our constituency. Now, unfortunately, Mr. Speaker, neither of these recommendations was accepted, and in fact the boundaries of Edmonton-Glengarry will change.

Edmonton-Glengarry is one of those constituencies that represent what Alberta is all about. We have a wide range of people that are separated by age, education, income, and ethnic background. Unfortunately, in the redistribution Edmonton-Glengarry will lose the older communities of Rosslyn and Lauderdale and the area that houses the military at Griesbach, all on the west side of the constituency. On the other hand, we will gain an area to the east of the constituency known as Cherry Grove. In looking at the recommendations of the commission, these changes will not significantly alter the makeup of Edmonton-Glengarry. The new areas will fit in very well with the northern portion of the constituency, which tends to be a newer portion of the constituency, as is Cherry Grove.

Now, then, another change that was recommended by the commission and a change that I certainly commend them for was to change the name of Edmonton-Glengarry to Edmonton-Decore, and this recommendation, Mr. Speaker, will honour an outstanding Albertan, Laurence Decore, who gave so much to this province and city while serving in public office for many years. So I feel very strongly that in terms of Edmonton-Glengarry, the recommendations of the commission will work.

But in terms of the city of Edmonton losing a seat, this is a serious mistake. It is also interesting to note that for federal ridings if you get a situation like Edmonton with a number such as 18.5 seats, then by the Constitution you must round up. Now, I'd also like to quote Bauni Mackay in her minority position: "The concept of representation by population (one person, one vote) is fundamental to a

democratic society. Voter parity should be the first consideration" I certainly think that when we look at the situation in Edmonton, we have to pay particular attention to this comment.

Mr. Speaker, the Electoral Boundaries Commission has a huge mandate. In my estimation the final report fulfills that mandate with one exception. The work of the commission must not only appear to be fair, it must be fair. An article in the *Edmonton Sun* on December 18, 2002, indicates that the report was not fair, that the chairman of the Electoral Boundaries Commission compromised the fairness of the report when he indicated to the Member for Edmonton-Norwood that his seat was picked for elimination partly because it was a Tory seat. How can we consider this report to be fair and unbiased after these comments? If we pass this legislation, are we just looking for a court challenge?

10:10

We also have to consider, Mr. Speaker, what price we put on the protection of democracy. How can we accept a report that compromises Edmontonians' right to democratic representation? This report does not reflect the tremendous growth experienced by Edmonton since the 2001 census was completed. Statistics show that single-family and multiple housing starts continue at a staggering rate. Considering the next commission will not be appointed for approximately eight years, Edmonton's representation would be less than the figures in the report indicate it should be.

Edmonton-Norwood is certainly one of the poorest constituencies in the city. This constituency would have a disproportionate number of low-income wage earners, high poverty rates, greater unemployment, a greater number of new Canadians, and many other social issues. These are the very constituents that require a consistent voice in the Assembly, and they should not be separated between other constituencies.

Mr. Speaker, I do not agree with other MLAs that the commission has done its work and we must now accept their report. There is plenty of time to appoint a new commission, and we have the power to do so. We had the example last week of how quickly this government can respond and change plans in Infrastructure announcements. The price of a new commission is far less than adding one extra school. The cost of a new commission would be much cheaper than a court challenge to correct a bias. The cost of a new commission is small compared to my city's interest in fair representation.

It is for these reasons that I will be opposing Motion 13, and I urge all members to defeat this motion. Thank you.

The Acting Speaker: Questions, at all, of the member?

Then I would call for debate the hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Speaker. I, too, would like to speak to Motion 13. I would like to speak on behalf of the town of Turner Valley and the town of Black Diamond, and I wish to raise their objections to the final report of the Electoral Boundaries Commission.

Both of these Highwood communities objected to the interim report of the commission and wrote directly to the commission to request that their respective communities be allowed to remain in the Highwood constituency. I'll just read from a copy they sent to me of that letter, a number of paragraphs, but

in conclusion it is with great humility and respect that we request that the Town of Turner Valley be excluded from the proposed Electoral Division of Rocky View and that we remain with the Electoral Division of Highwood.

This is signed by the mayor and all six councillors.

Now, the mayor and council's worst fears did materialize in the

final report, so again I would refer to the two town councils and their letters directly to me requesting that I raise this objection. The first one, from the town of Turner Valley:

Please take this issue to the Legislative Assembly of Alberta. The Council of the Town of Turner Valley is deeply concerned with the new Electoral Division Boundaries as suggested which would put us in the Rockyview Constituency.

And from the town of Black Diamond, also signed by the mayor, as the first letter was:

Re: Electoral Boundaries

The Black Diamond Town Council is requesting that the Town of Black Diamond be retained within the boundaries of the Highwood riding.

And speaking to me:

We are hopeful that you will be successful in helping us with this matter.

Mr. Speaker, before you ask me to table them, I did table five copies of each of those two letters several weeks ago in preparation for raising their issues here. I've also acted in response to their wishes and have formally requested on their behalf that the hon. Minister of Justice consider an appropriate amendment to have Turner Valley and Black Diamond remain in Highwood.

You know, Mr. Speaker, there's an old, medieval form of public execution called being drawn and quartered, and in the case of Highwood it's had its boundaries redrawn and in quarters. Just to kind of explain that, Highwood is being divided into four parts. The first part would be about 25 percent of the land area in the south, not 25 percent of the population but 25 percent of the land area in the south, including the MD of Ranchland, the MD of Willow Creek, the towns of Nanton and Stavely. These will all go into the Livingstone-MacLeod riding.

The far west portion of Highwood, approximately 10 percent, give or take, the southeast end of Kananaskis Country, and the northern part of the Bow-Crow forest or the Rocky Mountain forest will go to Banff-Cochrane. That's an interesting move, Mr. Speaker, because to my knowledge no one lives there on a year-round basis. Not even the forest rangers live there anymore. They are only temporary residents. Anyway, that land is now part of Banff-Cochrane.

About 15 percent, give or take, in the northwest area, particularly the north and the northwest of Highwood, will go into the new constituency of Foothills-Rockyview, and that includes the towns of Turner Valley and Black Diamond, who objected to being placed there. Approximately 50 percent of Highwood, two-quarters, will be the MD of Foothills or part of it remaining and the towns of Okotoks and High River, the village of Longview, and Eden Valley reserve. A few hamlets are also in there as well.

Mr. Speaker, the Electoral Boundaries Commission had a difficult task, and they conducted themselves without undue favour to any one of the 83 constituencies. Inasmuch as Highwood's population is the 10th highest of the 83 constituencies, about 46,000 according to the 2001 census, changes had to be made that would allow it to come close to the provincial average. The task of the Electoral Boundaries Commission, then, required tough decisions. This is an arm's-length commission. They did their best to be fair to all, but they could not please all, so one understands the decisions they made. You don't have to agree with them, but you understand them.

Thank you, Mr. Speaker.

The Acting Speaker: Questions of the speaker?

The hon. Member for Edmonton-Rutherford in debate.

Mr. McClelland: Thank you, Mr. Speaker. Well, here it is some many hours since this debate began, and many of the areas that I wanted to touch on have already been covered, but I feel that it's

important for the record, representing a seat in Edmonton and having had some discussion in the media concerning this, to put my interests, my consideration on the public record as regards the redistribution.

[The Deputy Speaker in the chair]

I'd like to start with a consideration of just who I happen to represent here in the Legislature of Alberta. I represent Edmonton-Rutherford and the constituents of Edmonton-Rutherford, as each of us do our own constituencies, and I represent all of the people, whether they voted for me or not. I represent all of the people of Edmonton-Rutherford, and I'm privileged to do so. I represent those constituents in the Legislature of Alberta. I don't represent people in the Legislature of Edmonton. I don't represent people in the Legislature of the capital region or even in the Legislature of Rutherford. I represent the constituency of Edmonton-Rutherford in the Legislature of Alberta. As such, I have a responsibility to consider the overall interests of Alberta in context of my responsibility of representing Edmonton-Rutherford, so I can't legitimately speak only of the self-interest of myself as a representative of Edmonton-Rutherford.

10:20

So, then, let's look at redistribution and its checkered history since last summer. I think it's fair to say that most of us really didn't pay a whole lot of attention to the redistribution until midsummer. I know that certainly I didn't. I understood redistribution to be something that happens every once in a while and that we would find out in due course what was to happen. I learned later that not everyone had such a detached attitude.

Our constituency determined that we would make representation to the boundaries commission via the area president, with whom we worked. Three or four constituencies came together. Representation was made. I've since learned – I learned later – that some of the other constituencies, particularly the rural constituencies, made direct personal representation to the commission, as was their right and perhaps even their responsibility. The net result was that we had some members representing their constituencies' interests directly and some indirectly, and I think that was the case pretty much with all of the parties represented here.

They made representations to an electoral commission that was appointed by the Speaker. Two of the representatives were appointed on the recommendation of the government, two by the Official Opposition. The commission was headed by the Ethics Commissioner. At the conclusion of their work there was a minority report, which then indicates that the two government and one of the Liberal appointees concurred in the report and one did not. When the dissonance started with regard to this report, the very first indications that I was aware of in the media were that somehow Edmonton had been hard done by because Calgary was picking up these extra seats at the expense of Edmonton. Initially even the editorial writers of the *Journal* here in Edmonton didn't seem to twig on to the fact that we were not increasing the number of seats, that the number of seats was going to remain constant, and that by its very nature indicated that someone's ox was going to be gored. That was the nature of the redistribution, that it wasn't going to be painless.

Subsequently the debate began to take on a different tack. When people started to understand that even after redistribution Calgary was going to be in strict number terms underrepresented, then the debate became: well, rural is overrepresented, and urban is underrepresented. That's where the debate went. So then we're faced with the situation under redistribution: what's equitable

representation? It's been clearly indicated by the Supreme Court that representation is to be equitable. It doesn't have to be one person, one vote. That's the optimum, but that's not the way it is. At least in Canada that's not the way it is.

So we have a situation where sparsity and density of population is one of the major defining characteristics of redistribution. If we were to, then, consider sparsity and density of representation, we would find that after redistribution Calgary will be represented by one MLA per 38,211 persons, Edmonton at 37,005 persons, urbanized – those are places like Grande Prairie with the urban/rural mix – at 35,622, rural at 33,213, and one special rural, Dunvegan, at 24,202. So by any standard the test of fairness has been met except in the case of Calgary.

Now, the case has been made that Edmonton is the fastest growing city in Alberta.

An Hon. Member: Is that true?

Mr. McClelland: Well, it may be, and it may not be, but 10 years hence will it be? We don't know. The mandate of the commission is to make a decision based on the information at hand, not what might be in some future years. Why would we assume that Calgary was going to stop growing? What we're really talking about here is the urbanization of Alberta and how we as legislators are going to come to grips with the fact that the rural areas of our province feel quite rightly that their way of life is gone or that their voice is less resonant within the urbanized population. That's why the Supreme Court has said that fair representation need not be exact, one person, one vote.

In any event this all led up to the publication of the interim report. The city of Edmonton then became quite exercised over this, and the city council and the mayor decided that they were going to budget \$50,000 to raise awareness within the city, and this ground swell of umbrage and outrage was going to cause the Legislature to revisit this question. The advertisements came and went. At one stage, after a full month of advertising, 500 and some-odd people had called to complain. I understand that at two months plus, something like 2,000 people had called with comment after all of this publicity. And to what end? I understand that when the cat bylaw was being changed, 500 people called in one day, just to put this into perspective. So this umbrage is really the mouse that roared.

I think that there is quite a bit of, if you'll forgive me, Mr. Speaker, political gamesmanship going on here, particularly with the Liberal and the New Democrat opposition. I have no doubt that at the next election I'll be reading these very words published by my political opponents and being asked to defend them, and I will. I will do it with great ease because the average severely ordinary Albertan understands intuitively that fairness is fairness. If after the next redistribution Edmonton needs another seat, Edmonton will get another seat.

So, Mr. Speaker, because it's late in the evening, because most everyone has heard these words before, I am about to accept the invitation to take my seat, and I do so urging all members to vote in the interest of all of Alberta, to accept some of the arrows that we must accept in this legislative, in this political life and get on with it.

Thank you very much, Mr. Speaker.

The Deputy Speaker: Comments and questions? The first one is by Edmonton-Highlands, followed by Edmonton-Gold Bar.

Mr. Mason: Thank you very much, Mr. Speaker. Well, I appreciate the comments of the hon. Member for Edmonton-Rutherford, but I would ask him why at the outset he said that he represents everybody

in his constituency and that that's his primary duty and he closes by saying that we have to swallow our misfortunes and do what's best in the interest of Alberta as a whole. Surely there are many, many representatives of other parts of the province, including the city of Calgary, that can do that. I guess I would say that he's accused us of being the mouse that roared. Perhaps the Tory caucus is the lion that squeaked.

Mr. McClelland: Mr. Speaker, if in some way I have conveyed the image that I felt that we were hard done by, I certainly didn't mean that. There are others here who have made that case and felt that we've been hard done by. I have not taken that tack. I do not think that we have been hard done by. I happen to think that the Electoral Boundaries Commission has done the best job that they could possibly do with a very difficult situation. I think that the opposition has been very cagey in putting the cat among the pigeons, metaphorically speaking, so to speak, just to try to make life a little uncomfortable for some of us on this side of the aisle, and I think that the opposition will once again be disappointed in the effect.

Thank you.

10:30

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. As we all know in this Assembly, Edmonton will be celebrating its centennial next year, and unfortunately we will be losing a seat. I think that for this Legislative Assembly to wish Edmonton well next year after this year removing one of the seats from the Edmonton electoral map will to say the least not make for a very happy birthday.

My question for the hon. member: as chair of the Edmonton government caucus, as I understand it, what is the role of the chair if it is not to represent the political interests of this city, and how as the chair of the Edmonton government caucus can you stand by and see this city lose one seat from this Assembly when it was only in the last redistribution, in 1997, that we did go up to 19 seats?

The Deputy Speaker: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Well, thank you, Mr. Speaker, and I thank the hon. member for that question. I guess the test of character is to do what's right even if it hurts. In the case of Edmonton losing a seat, well, Edmonton-Rutherford is not my seat. None of the seats in this Legislature belong to the individual that happens to be representing that particular seat. The seat belongs to the people. The 83 seats in this Legislature belong to the people of Alberta. We hold them in trust for the future and future generations, and they will ebb and flow and change as Alberta ebbs and flows and changes. We are not being hard done by. We are merely accepting the fact of life, doing the best we can, putting it behind us, and moving on because that's how democracy works.

The Deputy Speaker: The hon. Government House Leader has an opportunity to close debate.

[The voice vote indicated that Government Motion 13 carried]

[Several members rose calling for a division. The division bell was rung at 10:32 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:			Bonner	Mason	Pannu
Abbott	Hlady	Melchin	Carlson	Massey	Taft
Ady	Horner	Oberg	Gordon		
Amery	Jacobs	O'Neill			
Boutilier	Johnson	Rathgeber	Totals:	For – 33	Against – 10
Broda	Klapstein	Snelgrove			
Calahasen	Knight	Stelmach	[Government Motion 13 carried]		
Cenaiko	Kryczka	Stevens			
Danyluk	Lougheed	Strang	The Deputy Speaker: The hon. Deputy Government House Leader.		
Doerksen	Lund	Taylor			
Ducharme	Magnus	Vanderburg	Mr. Zwozdesky: Thank you, Mr. Speaker. I would move that the		
Dunford	McClelland	Zwozdesky	House now stand adjourned until 1:30 tomorrow afternoon.		
Against the motion:			[Motion carried; at 10:46 p.m. the Assembly adjourned to Tuesday		
Blakeman	MacDonald	Masyk	at 1:30 p.m.]		

Legislative Assembly of Alberta

Title: **Tuesday, April 15, 2003**

1:30 p.m.

Date: 2003/04/15

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. Our Father, we confidently ask for Your strength and encouragement in our service of You through our service of others. We ask for Your gift of wisdom to guide us in making good laws and good decisions for the present and the future of Alberta. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. It's indeed a great pleasure to rise today and introduce to you and through you some very special guests. I often refer to them as Alberta's most precious resource. These are our students. Our group today comes from Blessed Kateri elementary school. There are 24 of them, and they are accompanied by their teacher, Brigitte Berube, and by parent helpers Jackie Playford and Louise Molenkamp. I would ask all of them to now please rise and receive the warm welcome of this Assembly. Thank you for coming.

The Speaker: The hon. Member for Airdrie-Rocky View.

Ms Haley: Thank you very much, Mr. Speaker. This is really special for me to be able to introduce to you and through you some people from my constituency. A lot of rural MLAs don't have as many visitors as some of our urban counterparts here, so it's a really special day when we do. I have 12 guests in the members' gallery: 10 grade 10 students from the Airdrie Koinonia Christian school accompanied by Mr. Paul Holmes and Mrs. Shannon Rast. I would ask them if they would please rise and receive the warm welcome of our Assembly.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. It's a pleasure to rise this afternoon and introduce to you and through you to all hon. members of this Assembly a couple from the Forest Heights district of Edmonton-Gold Bar. I am pleased to introduce Emilian Groch and Dianna Groch. They are the proud parents of Paul Groch, one of the pages here in the Legislative Assembly. Certainly, Paul and the other pages are a very good example of the young people of this province. They are all polite, hardworking, and intelligent. I certainly hope my children mature like Paul and the other pages in this Assembly. I would now ask the couple to please rise in the Speaker's gallery and receive the warm traditional welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and through you 77 bright and enthusiastic students from Bishop Greschuk school in Edmonton-Glengarry. They are accompanied by teachers Mrs. Aleksandra Nikolic, Mrs. Tina Madron, Mr. James Harris, and Mr. Hugh Esch and parent helper Mrs. Diane Spruyt. They are seated in

the public gallery, and with your permission I would ask that they all now rise and receive the traditional warm welcome of the House.

Thank you.

The Speaker: The hon. Minister of Government Services.

Mr. Coutts: Thank you, Mr. Speaker. It gives me great pleasure today to introduce to you and through you to members of the Assembly Harold and Jean Healy, both proud members of the Kainai First Nation within the constituency of Livingstone-Macleod. Harold shares the distinction, along with our Premier, of being a member of the Kainai chieftainship. Harold is also recognized in his community for being a leader in youth justice issues. He is a 12-year member of the advisory board on the RCMP for K Division. As well, in his spare time he is the president of the Buffalo Nations Luxton museum in the beautiful constituency of Banff-Cochrane. They're in the members' gallery. I see that they're already standing, and I'd ask them to receive the traditional warm welcome of the Assembly.

head: **Oral Question Period**

Emergency Services in Calgary Health Region

Dr. Taft: Mr. Speaker, from the beginning the Calgary health region has been plagued by mistakes, dubious business deals, and a culture of denial. When Calgary was the country's fastest growing city, the CHR blew up a major hospital and sold two others to well-connected investors. Questionable deals have been made involving senior officials of the CHR, and the Auditor General has raised serious concerns about conflicts of interest. Now the report of the fatality inquiry into Vince Motta's death accuses the region of failing its responsibilities in the strongest terms. To the Minister of Health and Wellness: can the minister explain why Vince Motta died only six months after a previous inquiry into the death of a young girl made recommendations to prevent another such death from occurring? Why aren't these taken seriously?

Mr. Mar: Mr. Speaker, first and foremost, I want to express condolences to the Motta family. There were tragic circumstances resulting in the death of Vincenzo Dominic Motta. A public inquiry has been called into that. The results are found in a report that has been forwarded to me through His Honour Judge Delong. We will take the time necessary to review this report in its entirety. There are some 25 recommendations contained within it. We do take these things seriously. One ought not be in a position of trying to score political points upon the death of an individual, but it is important that we focus on how we can do better, how we can improve our services in emergency care.

There are thousands and thousands and thousands of people that go to emergency rooms every week in this province. In the city of Calgary, Mr. Speaker, there are some 250,000 emergency room visits. We're happy to report that in the overwhelming majority of cases people enter the system, they get treated, they get better, and they're released. We don't have an infallible system. We have a system that is very good. Occasionally it is excellent.

Perhaps, Mr. Speaker, we can say simply that at this time we need time to review Judge Delong's comments. I have spoken with the chair of the regional health authority in Calgary. He identified to me their desire to improve their service and that they have already taken steps similar to those recommended by Judge Delong in terms of improving their service. They've already done that. He also did explain to me that there was a concern that he had with respect to the conduct of regional health authority staff members in dealing with

the Motta family and that he himself was personally committed to looking into that, but we will move forward on improving patient safety in this province.

Dr. Taft: We'll go to the Premier then. Will this government follow the recommendations of the Motta inquiry and call a full public inquiry into the state of emergency services in Calgary?

Mr. Klein: Mr. Speaker, first of all, I would like to address the preamble to the first question. I listened very intently to the hon. minister's reply. It was polite, it was professional, it was courteous, unlike the preamble to the question, which was vicious and vindictive and uncalled for. I commend the minister for keeping his cool and providing an answer in such a polite and professional way.

Relative to the question, Mr. Speaker, the hon. minister has indicated that an assessment, I would assume in conjunction with the Department of Justice, is being done of the Delong findings and the recommendations contained therein, especially recommendation 1, which calls for a public inquiry into emergency services within the Calgary regional health authority, and once that assessment is done, then appropriate action will be taken.

Dr. Taft: To the Premier again then: given the years – the years – of controversy and problems in the Calgary health region, will the Premier have the guts to suspend this board and appoint an independent CEO, or is he content to let it remain a Tory patronage playground?

1:40

Mr. Klein: Mr. Speaker, first of all, I would say that the Calgary regional health authority is among the best of all health administrations in the country. As the hon. minister indicated, there are literally hundreds of thousands of people, 250,000 people approximately, who attend emergency wards in the Calgary regional health district over the period of a year. Most of those people, a large percentage, I would suggest well in the 90s, attend, get treated, and are released or are hospitalized for further treatment and have no problems whatsoever with the system. When there are problems, we act on those problems. We address those problems in conjunction with the regional health authority as, indeed, we are reacting and assessing the situation relative to the Delong decision.

The Speaker: Second Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Education Funding

Dr. Massey: Thank you, Mr. Speaker. Calgary Catholic, \$14 million; Red Deer public, \$1 million; Elk Island public, \$6.9 million; Holy Spirit Catholic school district No. 4, \$2.1 million; Chinook's Edge school division No. 73, \$2.2 million; Calgary public, \$30 million; and Edmonton public, \$13.5 million: just some of the current and projected school board deficits across this province. My questions are to the Premier. Does the Premier support the layoff of hundreds of teachers and the increases in class sizes that are going to be forced on boards to wipe out these deficits?

Mr. Klein: Mr. Speaker, the hon. member makes all kinds of assumptions and contemplates layoffs that may or may not occur. The budget has been handed down, and we allocated to the various school districts an amount that we deemed sufficient to operate their various school districts. I think it's entirely premature and, I would suggest, irresponsible to suggest at this time that there are layoffs.

They may be talking about layoffs, but nothing will happen until there's been a full assessment as to the impact of the increased dollars and how far those dollars will go to accommodate the ongoing operations in the individual school districts.

Dr. Massey: Again to the Premier: what is the reason, Mr. Premier, for pursuing a government policy that will see such massive cuts to school classrooms across this province?

Mr. Klein: Mr. Speaker, I don't know where this educated person comes up with his ridiculous math. How can a 4.7 percent increase be construed as a cut? You know, this guy is a university professor, and an increase to him is a cut. No wonder some of our students suffer. [interjections]

The Speaker: The hon. member does have the floor.

Dr. Massey: The rhetoric just doesn't cut it, Mr. Premier.

When are you going to address the fast approaching funding crisis in this province, or are you just going to stand by as you did with the teachers' strike and let it happen?

Mr. Klein: Mr. Speaker, I completely disagree with the assertion that there is a funding crisis. I'll have the hon. Minister of Learning respond in further detail, but this is the difference between a cut and an increase. When you increase, you give more. When you cut, you give less. I mean, that is basic. That is economics kindergarten, never mind 101. Basically, we have increased funding for education by 46 percent over the past six or seven years – well, it's more than that now; it's probably in the 50s now – while enrollment has grown by something like 6, perhaps 7 or 8 percent by this particular time. Nevertheless, I'll have the hon. minister respond.

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. Included in this budget this year was a \$191 million increase for the basic K to 12 system. The boards that the hon. member was talking about were boards that were putting out preliminary data for next year. There are no budget deficits this year. We have dealt with Edmonton public, and we feel that we have given them a solution so they will not be in deficit this year.

Mr. Speaker, the other really key issue here and the key point that people in Alberta need to realize is that enrollment in our schools is flat. Last year it increased by .25 percent, so two and a half new students for every thousand students in the public education system. This year we're predicting it to be absolutely zero. Some of the jurisdictions that he was talking about here are seeing a significant decline in the enrollment, which does lead to decreased funding because there are fewer students there.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Education Property Taxes

Dr. Massey: Thank you, Mr. Speaker. Education property tax bills in Edmonton are going up an average of \$57 a household, yielding the province a \$17 million windfall. While the government basks in riches, the fund-starved Edmonton public school board crunches the numbers to determine not if, Mr. Premier, but how many teachers they will lay off next September. My questions are to the Premier. Why are Edmonton public ratepayers experiencing an 8 percent increase in taxes and fewer teachers in their schools?

Mr. Klein: Mr. Speaker, I would like to make it clear once again . . .

Mr. MacDonald: Your policies don't work.

Mr. Klein: Mr. Speaker, our policies do work. I'm responding to a shout across the aisle by the hon. Member for Edmonton-Gold Bar, who said that our policies don't work. Well, I'm going to tell this fellow something. Our policies must be working, because we have 74 members and they have seven, so something must be working.

Mr. Speaker, to address the question, the education portion of the property tax remains the same. There is no tax increase. I repeat: there is no tax increase. Now, if the value of the property, an individual householder's property, goes up through a reassessment, then there will be an increase in taxes according to the assessment base set down by the municipal council, but relative to the education portion, which accrues to the province of Alberta and is redistributed to the school boards, there is no tax increase. No tax increase.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the Premier: if, as you say, the tax grab is due to inflated property values and population growth, why aren't the same factors reflected in school board funding?

Mr. Klein: Mr. Speaker, while we froze the mill rate, we did give an increase in this year's budget to the various school districts averaging I believe 4.7 percent for learning. But I repeat – and this alludes to the preamble; he talks about inflated property rates – that we do not have anything to do with setting the mill rates for municipal properties or any property for that matter. That is entirely up to municipalities under the municipal taxation act, or it used to be. I don't know if it's under the MGA or the municipal taxation act. Basically, it's up to the municipal council as to whether they want to conduct a reassessment or increase the value of individual properties.

1:50

Dr. Massey: My question again is to the Premier. Given that Edmonton will contribute \$17 million more to education, why are they seeing no relief for their public school board?

Mr. Klein: Mr. Speaker, they are. They're sharing on a needs basis. They're sharing in what I think is a reasonable increase to accommodate population growth and a very, very minimal growth in class size. I would add also that \$51 million, I believe, is being allocated to Edmonton for capital, whether school renovations or new schools, where it's deemed to be a priority.

As the Minister of Learning will probably point out – and I'll have him supplement my answer – the budget is predicated on the priorities set down by the school boards. Perhaps the hon. minister can expand on the priorities of Edmonton public and Edmonton Catholic.

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. To start off, I will say that Edmonton will be increasing by \$17 million, but the actual dollar increase that Edmonton public and Edmonton Catholic will be receiving is around \$25 million. Interestingly enough, the Alberta school foundation funds now approximately 34 and a half percent of education. The general revenue funds approximately 65 and a half percent of education. The hon. Premier has given the reasons why the mill rate was frozen, but again a lot of it, on the capital expenditure for example, is the priorities of the school board. Really, to reiterate: a \$25 million increase for a \$17 million cost.

The Speaker: The hon. leader of the third party, followed by the hon. Member for Lacombe-Stettler.

Emergency Services in Calgary Health Region (continued)

Dr. Pannu: Thank you, Mr. Speaker. The Calgary health region has been a cesspool of mismanagement, incompetence, conflicts of interest, and Tory patronage. All of this has led to the avoidable death of a 23-year-old Albertan. The fatality inquiry into the tragic death of Vince Motta has brought the CHR's failings into sharp focus. My first question is to the Premier. Given that Judge Delong cites the closing of three Calgary hospitals in the mid-90s as a contributing factor in Vince Motta's death, will the Premier now apologize on behalf of this government to Mr. Motta's family for the reckless decision to blow up the Calgary General and sell Calgary Holy Cross and Grace to private, for-profit interests?

Mr. Klein: Mr. Speaker, Mr. Motta's very unfortunate death had nothing to do with the old Calgary General hospital or the Holy Cross or the Grace hospital for women. Nothing whatsoever. It had something to do, according to Judge Delong, with the administration and the operation of emergency rooms and emergency procedures within the Calgary regional health authority.

I take great offence to the hon. member's reference to the Calgary regional health authority being a cesspool. You know, NDs get sick in Calgary and they get injured in Calgary and they have to attend hospital. When they attend hospital, they get treated. They get treated well, and they get released. For this person to stand up and call the Calgary regional health authority a cesspool is absolutely shameful, Mr. Speaker. You know, the Calgary regional health authority is big and they're honest and they're professionals and they're courteous. If this person ever gets sick or injured in or around the city of Calgary, you know what? They'll forget what he said completely. They'll close their ears to it, and they'll treat him like any other human being, and he will come out a better person hopefully.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. My next question is to the Minister of Health and Wellness. By continuing to put his faith in the Calgary health region, why is the minister ignoring Judge Delong's finding that a system under siege or in crisis requires dramatic change, not incremental change?

Mr. Mar: Mr. Speaker, we are making dramatic changes in our health care system. It's better than it's ever been. We have a system that we can be proud of. We can look at objective evidence, if that's what the hon. member is looking for. We can look at the Canadian Institute for Health Information, which shows that the best place to have a heart attack, where you're most likely to survive an acute myocardial infarction – the top five places in all of Canada are all in Alberta. That includes the Calgary health region, and he ought to know that.

It is not mere puffery. It is not being a braggart to say that the Calgary health region when it comes to the treatment of strokes and heart attacks in their emergency rooms, in facilities in Calgary, will benchmark against the top 5 percent of places in the world, Mr. Speaker. We'll continue to express support for the regional health authority and the hardworking people who are on the board, who are physicians, who are health care providers, who are nurses, who continue to do an outstanding job in the city of Calgary for the benefit of all Albertans.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. My last question is to the Minister of Justice and Attorney General. Given that the Minister of Health and Wellness has failed to act responsibly, will this minister heed the recommendation of Judge Delong and call a public inquiry under the Public Inquiries Act of Alberta?

Mr. Hancock: Well, Mr. Speaker, the minister of health has eloquently outlined for opposition members raising questions today the need to carefully look at a 68-page decision that was delivered yesterday, to carefully consider the impact of that decision and what the recommendations were, to work with the Calgary health authority to determine whether progress has been made in some of the areas. He's got a lot more work to do in that area, and we have to look at the recommendations thoroughly and deeply. When you have a fatality review inquiry, it behooves you to be very careful and prudent in reviewing the results, the decision of that inquiry, and not to engage in the very knee-jerk type of reaction that we're seeing today.

Education Property Taxes

(continued)

Mrs. Gordon: Mr. Speaker, my constituents are seeking clarity. Having served for several years as Lacombe's mayor, I understand the need for and the use of municipal property taxes. Today I need to ask some questions related to the school side of things. Property taxes often go up as a direct result of a municipality experiencing overwhelming population growth. Property values are an integral part of this equation. With an increase in property value, up go the taxes. With a decrease in value – and this does happen – down they will go. The two appear very similar. To the provincial Finance minister: are they? What part of the school property tax does the province actually have control over?

The Speaker: The hon. minister.

Mrs. Nelson: Well, thank you very much, Mr. Speaker. The Premier has answered some of this question in a previous question, but I'll say it once again. The role that we play in the school property tax, that goes out on an annual basis, is that we actually set the mill rate, and this year in our budget we chose to freeze the mill rate based on the previous year. So there was no increase in the mill rate for property tax assessment this year.

Mrs. Gordon: To the Minister of Municipal Affairs: who approves the value and/or formula used when determining market value assessment? How does it work, and who does it?

2:00

The Speaker: The hon. minister.

Mr. Boutilier: Well, thank you. I share with the hon. member having sat on city council for 12 years, like many of my colleagues in the Assembly here. I want to say this. The value that is determined is ultimately market forces on each individual municipality, either urban or rural. What I would like to be able to say, though, is this. If the value of your asset in assessment goes up, then there will be an adjustment towards that on your tax bill, but if the value of your asset in fact stays the same based on the fact that the Minister of Finance has frozen the mill rate, there will be no change in your education property tax. Finally, Mr. Speaker, if in fact the value of

your assessed property goes down, in actual fact you will pay less in education property tax this year.

Mrs. Gordon: To the Learning minister: what is the Alberta school foundation fund, ASFF, and how does its application relate to school property tax and your overall budget with the many new and exciting initiatives including several new school construction starts as announced recently in the Learning budget 2003?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. Well, first of all, the education property tax goes into the Alberta school foundation fund. To the hon. member, as well, this is a fund that must be spent on education. It cannot be taken and spent on anything else. It is a designated fund. So when the municipalities increase the amount of dollars that go into that, it goes directly into education.

Mr. Speaker, the other very important point must be made that approximately 34 and a half percent of education, of my budget, of the basic K to 12 budget, is actually paid for by property taxes. The other 64 and a half percent is paid for out of general tax revenue.

The final part of her question, Mr. Speaker, was: how much of the excellent construction program that Infrastructure has done is paid for by property taxes? The answer to that is zero. There is none from that that goes into the construction. That all comes out of Infrastructure's budget, which is general revenue fund.

Vote on Electoral Boundaries Commission Report

Ms Carlson: Mr. Speaker, MLAs are elected to represent the views of their constituents in what is traditionally called a free vote. However, it seems that not only are the Conservative MLAs willing to abdicate their responsibility to their constituents but that the Premier is willing to hand down autocratic dictates to those members on how to vote. The Premier calls this a controlled free vote. The opposition calls it undemocratic. To the Premier: if the Premier is confident in the quality of the Electoral Boundaries Commission report, why didn't he let Conservative members vote freely on the motion to accept the report?

Mr. Klein: Well, far from being autocratic or dictatorial, Mr. Speaker, caucus makes the decision. I don't know how it works in their caucus, nor do I have any desire to find out, but the way it works in our caucus is that the whip rules. She really tries to achieve consensus relative to the direction we're going to go, and the direction that we decided to go as a caucus and as a government relative to the electoral boundaries report, the legislation of which will be debated in this Assembly very soon, is to basically allow those who have really strong feelings about the changes to express their feelings in the way they vote. If that means voting no, then they will vote no.

Ms Carlson: Mr. Speaker, given that by his own admission if a free vote on this motion was allowed, it wouldn't have passed, how can the Premier claim that this government is representative or democratic or open or accountable when he hands down orders to MLAs instead of letting them vote the opinions of their constituents?

Mr. Klein: Mr. Speaker, I never ordered our caucus to vote any way or another. This is a caucus decision. These are 74 good-thinking men and women who decide for themselves how they are going to address a particular issue, and that can hardly be construed as being autocratic or dictatorial. To me this is the democratic way. Those

expressions of concern have already been demonstrated by some members and will be further demonstrated when the bill comes forward to bring about the boundary changes.

Ms Carlson: Mr. Speaker, to the Premier again: given that by their own statements in this House the majority of members obviously don't have confidence in the report, how are Albertans supposed to have any confidence in the report?

Mr. Klein: Mr. Speaker, you can not like a piece of legislation, but you can understand, as the Liberals might someday understand, the reality of the situation. The reality of the situation is that when you go through this exercise of changing boundaries, there are bound to be numerous, I would suggest, MLAs who are upset with the boundary changes. Nobody is happy with change, especially if the change is substantial and the particular MLA has become comfortable with the constituency that he or she represents, whether it's an opposition constituency or a government constituency.

But as the Justice minister so aptly pointed out – and I know that I ought not to be debating legislation that will be coming before this House – will we get anything better if we reject the recommendations of the commission and convene another commission? You know, that is the question. The answer, according to the consensus of our caucus anyway, was that, no, we don't like all of the recommendations, most of the recommendations, many of the recommendations, but are we going to get anything better? Do we want to go through the exercise again? The caucus decided: no, we don't want to.

The Speaker: The hon. Member for Calgary-West, followed by the hon. Member for Edmonton-Glengarry.

Centennial Projects

Ms Kryczka: Thank you, Mr. Speaker. At the recent Premier's dinner in Calgary I was asked by some younger private-sector professionals whether the province has planned or is planning any special events to celebrate our centennial such as – and this was their idea – a festive promenade north on 108th Street from the Legislature to Jasper Avenue, and being a true Albertan who was born in Alberta, raised in Edmonton, and a resident of Calgary for 40 years, I took that sincere question seriously. The year 2005 gives us only one and a half years to plan, and a hundred years, I believe, is a very special event. My first question is to the Minister of Community Development. What plan is there for celebration activities in Edmonton and elsewhere in 2005?

The Speaker: The hon. minister.

Mr. Zwozdesky: Well, thank you. Mr. Speaker, there are a number of projects happening at the municipal level and certainly at the community level right across the province because everybody is so proud of our 100 years in Confederation. As a provincial government we, too, are planning a lot of projects on our own and many of those also in partnership with those communities and municipalities. Some of the projects on the drawing board at the moment include a re-enactment of the original inauguration day of September 1 – that could very well include a parade through the heart of our capital city, Edmonton; we'll see – a commemorative coin, a commemorative stamp, a commemorative medallion; events to honour Alberta's pioneers, the people who built this province; events to honour industry, business, community, and so on; as well as possibly an RCMP showcase – that might even happen in conjunction with a

royal family visit at some point; we'll see – official opening of a 50th anniversary time capsule; other special projects sprinkled throughout, possibly even a centennial day holiday. Everything is up on the board.

The Speaker: The hon. member.

Ms Kryczka: Thank you. My first supplemental is to the same minister. Which October 2001 community-based deferred projects in Calgary have been reactivated due to last week's budget announcement regarding the centennial legacies grants program, phase 2?

2:10

Mr. Zwozdesky: Mr. Speaker, I want to be very clear that last Friday I announced the undeferring of projects under the centennial legacies program that were scheduled to have been announced in September of 2001. Unfortunately, tragic events of September 11 pre-empted us by about two weeks. We've been in a frozen mode since, but on Friday I did announce the go-ahead of about 31 community-based projects so far, which is in addition to several that were announced in September of 2000. Specific to the Calgary region, that includes \$3 million to help support the Heritage Park project.

The Speaker: Hon. minister, if I understand correctly, the minister announced this last Friday, so the information is freely available. Urgency is one of the parameters of question period.

Hon. member, please proceed.

Ms Kryczka: My second supplemental is to the same minister. What is the status of Calgary's Jubilee Auditorium renovations, also originally announced in October 2001?

Mr. Zwozdesky: Mr. Speaker, I didn't get into the specifics of that announcement, so there is some urgency to this, and I'm happy to answer it. In fact, we are going to be announcing the details of the specific plan for the auditorium renovations in both Edmonton and Calgary, and we will commit \$32 million to improve specifics such as sight lines, seat replacements, ventilation replacements, air conditioning replacements, all of those good things that the patrons of Calgary and Edmonton expect to see in the pride and joy of two of our provincial treasures insofar as arts and cultural facilities are concerned.

Provincial/Municipal Agreement

Mr. Bonner: Mr. Speaker, the Municipal Affairs 2003-2006 business plan says that the ministry plans to invest in relationships with stakeholders through initiatives such as the Minister's Provincial/Municipal Council on Roles, Responsibilities and Resources in the 21st Century. Recently the province refused to sign a fair and equitable working relationship agreement for this council. To the minister: why did the province refuse to sign the working relationship agreement?

The Speaker: The hon. minister.

Mr. Boutilier: Well, thank you very much. I want to thank the hon. member for recognizing the only type of committee of its kind in all of Canada, and the province of Alberta in fact is doing it. In fact, Mr. Speaker, in two weeks' time I'm going to be speaking to a delegation in Quebec because they're very interested in terms of what Alberta has been doing in this regard.

Relative to the issue of signing, it came to caucus, it came to cabinet, and we're moving forward with an agreement that we have with all of the municipalities that sit on that committee. So, contrary to what the member has said, we are in agreement as we move forward.

The Speaker: The hon. member.

Mr. Bonner: Yes. The minister's own council developed and approved the working relationship agreement. Given that the minister has representation on the council and the council approved it, why is it taking so long to get this signed?

Mr. Boutilier: You know, Mr. Speaker, I want to say this. In my 16 years in public office I've never, ever been accused of moving slowly. I remain with that theory today, and I will continue to move in that direction at what I believe is lightning speed.

Mr. Bonner: His defencemen on his hockey team always said that he was slow at back-checking, Mr. Speaker.

Given that, does the province's refusal to sign the agreement indicate that it does not believe in these admirable goals?

Mr. Boutilier: Getting back to the original point though, I always remember Tommy Lasorda when he said: that guy is so slow that if he got in a race with a pregnant woman, he'd come up in third.

If you really think about that today, Mr. Speaker, I want to say this: we're moving forward. It's the first of its kind in Canada, and I'm very proud of the committee. The Member for Whitecourt-St. Anne and the Member for Edmonton-Rutherford sit on the committee. The Member for Calgary-Mountain View sits on the committee, as do the mayors of Calgary and Edmonton, the AUMA president, AAMDC, Alberta Economic Development Authority. The bottom line is that we're making good progress.

The Speaker: The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Gold Bar.

Interpretation Services in Courts

Mr. Cao: Thank you, Mr. Speaker. Given that courts are not only the place to administer justice but also a place to educate people about the law of our land and given that languages are needed to have messages understood by those involved against the law, the service of language interpreters and translators in Alberta's courts is very important, again not just as a provision for equal access to fair trials but more importantly as deterrence and prevention factors through understanding. A group of court interpreters came to me last November and explained their concern. Their concern is their low rate of pay for their important and special qualifications, particularly compared with other jurisdictions in Canada. I have communicated with the Minister of Justice and Attorney General about this matter. My question today is to the same minister. Can the minister advise the members of the Assembly what the current fee structure is for Alberta's court interpreters?

The Speaker: The hon. minister.

Mr. Hancock: Well, thank you, Mr. Speaker. I agree that the role of court interpreters is very important, particularly in ensuring that all Albertans have access to justice and that language barriers do not impair the ability of the court or the ability of the participants in court to understand what is happening, to understand the relevant

testimony and the evidence that's being put in place in the courts. So the role of the interpreter for those people who are more comfortable in a language other than English is extremely important.

Under section 4, specifically to answer the question, the fees and expenses for witnesses and interpreters regulation, an interpreter is paid \$15 for each hour or part of an hour in which they're in attendance with court proceedings. They're entitled to expenses set out in that regulation for travel by public transportation or private automobile as well as meal expenses if they're required to work over a mealtime.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. My first supplemental question is to the same minister. Given that our Alberta court interpreters are advising me that the current fee rates have not been changed for 18 years, can the minister advise if there are any plans to revisit the current fee structure?

The Speaker: The hon. minister.

Mr. Hancock: Yes, Mr. Speaker. We are reviewing the current fee structure. We are cognizant of the fact that there hasn't been an increase in the fee structure for a considerable period of time. We are very prudent with our resources in the Department of Justice, but we recognize that there needs to be an opportunity to review the fee structure in that case to see whether it's still representative and still affords us the opportunity to ensure that we have qualified interpreters in the courts.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. To the same minister: given that the needs are increasing and the quality of work tends to go with the dollar paid, is there anything the hon. minister can do now to address these concerns?

Mr. Hancock: Well, Mr. Speaker, the issue of fees not just for interpreters but fees paid to witnesses, expenses, and indeed salaries has been a concern in the Department of Justice over a number of years. We've been able to address a number of those concerns, and as resources are available, we'll be able to address additional numbers of those concerns. We will be dealing with the Department of Justice estimates on I believe the 1st or 2nd of May in Committee of Supply, and we can get into some detail with respect to what we're able to do with this year's allocation of funds under the budget that just came down. It's not easy, because in every aspect of justice there are more demands than there is supply in terms of the resources available. So we have to make the most effective use of the resources we have available, but we're very cognizant of the important role that interpreters play in our court system, and we're having a very close look at what we can do in that situation.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Highlands.

Aquila Networks Canada

Mr. MacDonald: Thank you, Mr. Speaker. In regard to Aquila the Member for Cypress-Medicine Hat stated at a standing policy committee meeting last week, quote: frankly, I don't see how it could get any worse. End of quote. Well, Aquila's parent company in Kansas City, Missouri, announced today a net loss for the last

quarter of over 1.2 billion Canadian dollars. Aquila's financial difficulties mean more trouble for Alberta's confused and frustrated electricity consumers. My first question is to the Premier. Who is going to be left paying the power bill in the Aquila service area if it is forced to abandon the deregulated, scandal-plagued Alberta energy scene?

2:20

Mr. Klein: Mr. Speaker, the Alberta energy scene is not scandal plagued by any stretch of the imagination. The hon. member poses a hypothetical question. There were a lot of ifs in that question. That's the way they seem to operate: on the basis of speculation and innuendo. I don't purport to answer if questions. I tell the media all the time that you've put the wrong preamble on the question if it starts with if.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. To the Minister of Energy: what credit and prudential requirements does the government of Alberta require Aquila to have in place to ensure that there is no interruption of service for customers in case of a withdrawal from this deregulated, scandal-plagued Alberta energy scene?

Mr. Smith: Well, Mr. Speaker, there are so many errors in his preamble that it makes the question again hypothetical. Let me say that the EUB has in place measures which will ensure that no matter what happens, similar to what happened when Enron changed hands – not one gas shipment was missed. Not one kilowatt-hour of electricity delivery was missed. In fact, for example, one would ask the question: if one company with this much debt can still deliver power, how can one political party with so much debt still continue to function? [interjections]

The Speaker: The hon. member has the floor.

Mr. MacDonald: To the same minister: should not the credit and the prudential requirements for energy firms operating in Alberta be increased to provide Albertans more consumer protection – and this is all about consumer protection, not about raw politics – from energy firms with liquidity problems?

Mr. Smith: Mr. Speaker, the EUB has in place, as well as the Electric Utilities Act, ample measures in which to ensure that Albertans are neither defrauded nor short of power deliveries. If it hadn't been for this competitive market model, there would be shortages of electricity, and in fact parts of the province would have been subject to brownouts and/or blackouts. What we have seen with this competitive market structure is a new era of transparency, an era of transparency that has forced utility companies and electricity providers to provide accurate, correct service, and by doing that, they are serving the customer better. Is it a rocky road? You bet it's a rocky road. But are the customers being better served, are they getting more truthful information, and are they being well regulated? The answer to that is yes.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Medicine Hat.

Electricity Deregulation

Mr. Mason: Thank you very much, Mr. Speaker. Municipal districts and county councils are telling the New Democrat opposi-

tion that their power bills have gone through the roof since this government went down the disastrous and, admittedly, rocky road of electricity deregulation. Between 2000 and 2002 rural municipalities who contacted us saw their power bills rise by an average of 44 percent. Some even saw bills increase by as much as 75 percent. Now, we all know that there are only two ways that these local governments can absorb this hit, and that is to raise property taxes or to cut municipal services. I'd like to ask the Minister of Municipal Affairs a question. Does the minister know how much property taxes will rise in rural municipalities as a result of this government's deregulation mess?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. Having once been someone who taught mathematics, I understand the value of statistics. Sometimes it's not what is being told. The hon. member indicated that he's been in contact with numerous municipal districts and counties. What he failed to say is that 96 percent of them did not respond to his survey, so what is very important with this is that he's not being entirely accurate with those statistics.

Mr. Mason: Is the minister honestly trying to suggest that the ones that gave us their power bills have substantially different power prices than the ones that did not? Is he trying to just pass off this issue? Is he trying to just slough this off on all the municipalities of this province? [interjections]

The Speaker: The hon. minister has the floor.

Mr. Boutilier: The hon. member wants to talk about the 4 percent, which is fair. We want to deal with all municipalities. I can say this, Mr. Speaker. The hon. member did not make details relative to the fact of this. In a year-to-year comparison he actually fails to account for the fact that the 2002 bills include charges and rate riders for power consumed in 2000 and 2001. So let us be clear. With 96 percent of those municipal districts and counties that are going forward, we're making progress. As the Minister of Energy has indicated, it has been a rough road, but the bottom line is one of determination of our municipalities. They have worked with our government. They're continuing to work with our government because they have the attitude that we can find the solutions that are required in serving the citizens of Alberta.

Mr. Mason: Mr. Speaker, when will this minister stop playing with numbers, confusing people, and stand up for the municipalities of this province and tell the Minister of Energy that it's time to scrap this made-in-Alberta disaster they call electricity deregulation?

Mr. Boutilier: Mr. Speaker, one thing for certain is that this government doesn't play with numbers, and to reinforce that, I'm going to ask the Minister of Energy to supplement on this important issue where he has the facts and figures.

Mr. Smith: Well, Mr. Speaker, the survey had some 4 percent respond. There are 83 seats in this Legislature, two of which are held by his party. That equates to about 3 percent.

head: **Members' Statements**

The Speaker: The hon. Member for Little Bow.

No-Bull Marketing Ltd.

Mr. McFarland: Thank you, Mr. Speaker. I rise to recognize an innovative group of individuals from the constituency of Little Bow. In the early 1990s six farmers from the Carmangay-Nobleford area formed a marketing club. The club was a grassroots support group for farmers who wanted to share ideas about how to make their operations more profitable. Those farmers, agribusinessmen are Dennis Benci, Dan Greene, Eldon Hubka, Terry Ross, and Ron Svanes from Carmangay as well as Doug Wright from Nobleford.

The club's earliest conversations focused on higher value crops. By 1996 their company, No-Bull Marketing, was in place. Over the next seven years these six farmers built and expanded a \$4 million investment in Carmangay, along the CP's main rail line. Their company now contracts, cleans, bags, and ships Alberta-grown chickpeas around the world. Agronomically chickpeas are a drought-tolerant dryland crop that boosts soil levels of nitrogen, thereby reducing the need to apply nitrogen-rich fertilizers for the next year's crop.

Mr. Speaker, due to the hard work and ingenuity of these six individuals and their families, the spirit of entrepreneurialism in the industry of agriculture is alive and well. I am honoured to take this moment to acknowledge and thank these individuals. They are examples of what this province was built upon: the dream that anything is possible given an equal and fair opportunity.

Thank you.

Alberta Ballet

Mr. Maskell: Mr. Speaker, I'm proud to rise today and share with the Members of this Legislative Assembly one of Alberta's great success stories, the Alberta Ballet and School of Alberta Ballet. Alberta Ballet is Canada's fourth largest dance company. Now completing its 36th season, Alberta Ballet has developed a distinctive repertoire and performance quality, winning critical acclaim at home and internationally. Its dancers have earned a reputation for their exceptional versatility and artistic excellence.

Founded in Edmonton, Alberta Ballet completed a successful merger with Calgary City Ballet in 1990. The organization, serving the entire province, relocated its core operations to Calgary. It maintains an administrative office in the heart of Edmonton's arts district.

The seed of Alberta Ballet was planted in the early 1950s by Dr. Ruth Carse. Today under the artistic direction of Jean Grand-Maitre the company has 23 professional dancers and two apprentice dancers. The company performs from October through April in Calgary and Edmonton's Jubilee auditoria and is accompanied in Calgary by the Calgary Philharmonic Orchestra and in Edmonton by the Edmonton Symphony Orchestra. Alberta Ballet tours extensively throughout Alberta, across Canada, and internationally, always to rave reviews from audience members and critics.

2:30

On July 1, 1991, Alberta Ballet established the School of Alberta Ballet in Calgary. The school's training is rooted in the classical ballet tradition. In 1998-99 a partnership was formed between the School of Alberta Ballet and the Calgary board of education to provide high school credits for dance courses, and the same year a bachelor of arts dance (ballet) degree was created at the University of Alberta, the first of its kind in Canada. Most recently Alberta Ballet established a hundred thousand dollar education fund which provides monetary assistance to successful applicants registered in the professional division.

I encourage members to attend an Alberta Ballet performance. For

the first timers I'd suggest attending the Christmas production of *Nutcracker* with family or friends. You will become a subscriber.

The Speaker: The hon. Member for Edmonton-Centre.

Protection for Persons in Care

Ms Blakeman: Thank you, Mr. Speaker. Some of this province's pioneers are unable to live in peace because of the horrific accounts of elder abuse within the system and this government's refusal to put adequate standards of care in place to prevent and detect neglect and abuse against some of our most vulnerable citizens. In the four years since the Protection for Persons in Care Act was enacted, there were over a thousand complaints of neglect and abuse in institutional long-term care homes, but the definition of abuse and neglect needs to be clearly defined and monitored.

Conditions are ripe for abuse since this government forced the closure of some acute care hospitals and changed others, resulting in the net loss of 8,300 active treatment beds since 1988. The number of long-term care beds has grown by only 1,400 in the last 10 years, while the number of seniors in this province grew by a third in the same period. Waiting periods can now reach six weeks.

Intolerable conditions have been created for our elderly. One Alberta seniors' organization says that it has 174 documented cases of alleged elder abuse in Alberta institutions including 14 resulting in premature deaths. How is it dignified to be diapered because staff are too busy to help residents to the bathroom? Who decided that a limit of one bath a week was adequate and acceptable?

In addition to adequately funding the eldercare system, this government must take steps to show that it takes elder abuse and neglect seriously. Special investigator positions should be created within the Alberta Seniors department to do random inspections and pursue complaints of neglect and abuse. Citizens must also be legally required to report all cases of suspected abuse and neglect.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Calgary-West.

Providence Children's Centre

Ms Kryczka: Thank you, Mr. Speaker. Last Thursday, April 10, I was honoured to represent the Premier and my colleagues at the facility tour and ribbon-cutting ceremony for new gym equipment at Providence Children's Centre, which is located in the Premier's constituency of Calgary-Elbow.

Providence Children's Centre is a developmental centre for young children with special needs and since 1943 has provided critical early prevention through unique and therapeutic services. Daily, 240 children ages one to six benefit from their mission, which is to enhance the health and development of children and their families.

The Rotary Club of Calgary Sarcee, of which I am proud to be an honorary member, through its fund-raising efforts provided the funds for the new gym equipment, and most members were at the centre for the happy event.

Community support enables the board and staff of the Providence centre to continue to meet their mandate, and the new gym equipment will improve the opportunities their therapists have to enhance the health and education of these children with disabilities. Ongoing funding and support for the centre is provided by Alberta Learning, Alberta Children's Services, and Alberta Health and Wellness through the Calgary health region.

There were many significant impressions for me that morning, three of them being, first of all, the high level of happy activity

involving so many little groups of little people; second, the dedication of qualified staff and volunteers; and third, the sensory room, only one of the amazing, very creative approaches designed by staff for these high-needs children.

My learning experience at the Providence Children's Centre was truly one of a kind and very memorable and would not have happened without these key people: Ian Playfair, president, Rotary Club of Calgary Sarcee; Rotary members; Special Olympian Stacey Kann and her sister/coach Cora Kann; and Providence staff and volunteers Lary Mosley, president; Patti Dragland, volunteer board member; Terence Creighton, executive director; Ann O'Donnell, manager of fund development; and Christine Keogh, fund development.

Thank you.

head: **Tabling Returns and Reports**

Mr. Jonson: Mr. Speaker, on behalf of the Premier I would like to make two tablings. First of all, a letter from the Premier to Premier-elect Jean Charest of the Liberal Party of Quebec congratulating him on his recent election victory and expressing our desire as a government to work co-operatively with the new government of Quebec.

Secondly, Mr. Speaker, I wish to table a letter from the Premier to Premier Landry expressing to him the appreciation that we have across Canada for the degree to which he has worked very, very hard and worked, as he saw it, in the best interests of Quebec over the past number of years.

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. I have two quick tablings. One of them is an official letter that I'm sending on behalf of the government of Alberta congratulating the world curling championship team of Randy Ferbey.

Secondly, a letter of congratulations to the Masters tournament winner, the wearer and bearer of the coveted green jacket, the greatest Canadian golfer we have, Mr. Mike Weir, offering our government's congratulations to him as well.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I have two reports today. Firstly, I rise to table the requisite number of copies of an extensive list of successful, indeed award-winning case studies of very successful and notable public/private partnerships. It lists everything from utilities to infrastructure to public services to schools and libraries. This list was developed by the National Council for Public-Private Partnerships, which is an excellent resource centre and has an excellent web site on the subject.

The second set of reports that I rise to table is the requisite number of copies of the speaking notes from a speech by our federal Liberal government's Minister of Transport in which he talks about the exciting and innovative developments and successes in the transportation field as a result of the introduction of P3s. He specifically praises the many advantages, including cost advantages and greater accountability that public/private partnerships have brought across Canada since being introduced into the federal government practices.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you, Mr. Speaker. Three tablings today. The first is a letter to this member from the hon. Minister of Human

Resources Development on the federal level in answer to my query on eligibility for cultural workers for the EI program.

The second is a media release with information from the Cultural Human Resources Council announcing the release of their Face of the Future, A Study of Human Resource Issues in Canada's Cultural Sector, and it contains their recommendations.

Finally, a copy of an e-mail from a constituent, Ian Crichton, who expresses his dismay at the government's decision to divest Edmonton public schools of adult learners over the age of 20 at Metro Community College, asking that the decision be reversed or at the very least the government allow a transition period for these important classes.

Thank you.

The Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Mr. Speaker. With your permission I would like to table the appropriate number of copies of a decision rendered in the Court of Appeal of Alberta between Wolfert and Shuchuk.

Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I've got two tablings today. The first one is a summary of recommendations in Judge Delong's report to the Minister of Justice and Attorney General in the matter of public input into the death of Vince Motta, dated April 14, 2003. In the first two or three recommendations the judge calls for a nonpartisan commission of inquiry under the Public Inquiries Act.

The second tabling, Mr. Speaker, is a letter that I received from Mrs. Sharon Tucker of Medicine Hat, who is a recipient of AISH benefits. She expresses her extreme frustration and helplessness to live on those \$850 and has asked me to lobby on behalf of AISH and low-income people so that the government will "give us a break, and a cost of living, or something so that we could have at least a comfortable life."

Thank you, Mr. Speaker.

2:40

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thanks very much, Mr. Speaker. I am tabling the appropriate number of copies of municipal government electric bills from the period 2000 to 2002 showing an increase between 29.2 percent and 74.7 percent, with an average increase over that period of 44 percent. I'm presenting reports from municipal governments including Barrhead, Bighorn, Clear Hills, Lesser Slave Lake, Lethbridge county, Mackenzie, Northern Lights, Peace, Pincher Creek, Provost, Red Deer county, Spirit River, Taber, Two Hills, and Westlock.

The Speaker: The hon. Government House Leader on a point of order.

Point of Order

Oral Question Period Practices

Mr. Hancock: Thank you, Mr. Speaker. I wish to raise a point of order today with respect specifically to the questions raised by the Member for Edmonton-Ellerslie in question period relative to votes on Government Motion 13, which took place last night. In citation I would offer a number of citations. First of all, Standing Orders 23(f), "debates any previous vote of the Assembly unless it is that

member's intention to move that it be rescinded;" 23(h), "makes allegations against another member;" and *Beauchesne's* 409, 410, and 412.

There are a number of reasons that I wish to raise this issue today. We've had a number of circumstances and questions in the House over the last two weeks relative to questions not about government policy or government position or what the government is doing and not about the responsibility that a minister may have for the government, for their department, or that the Premier may have for government but rather questions with respect to, if I may say it, the actions of members of the Legislature in their capacity as members, specifically today the capacity of a member to vote in the Legislature. On previous occasions a question was asked of me as Government House Leader, and I commented at the time that I didn't have a responsibility to answer as Government House Leader but then answered the question anyway – because there's no secret to the activities that are engaged in by members of caucus – about members of caucus going to a reception outside the House.

Specifically today the question to the Premier was a question about votes in the House, and, Mr. Speaker, first of all it was a question which alluded to a vote last night where members attended and voted on Government Motion 13. Therefore, in my submission it's not in the hands of the hon. member to question the activities of members of the House in that vote or the result of that vote. That vote was done.

Secondly, under 23(h) she in essence was making an allegation against each and every member of the House who participated in that vote, that they did not participate freely in that vote, make their decision as a member of this House in attending on that vote.

Thirdly, under 409, Mr. Speaker, questions ought to be within the administrative responsibility of the government. Well, questions about a determination that's made by caucus, agreement made by caucus members as to a course of action, and votes made by members in the House are not the administrative responsibility of the House, but when they come to the House level, they are in the hands of each member of the House.

Under 410(17), "Ministers may not be questioned with respect to party responsibilities." With all due respect to the hon. member, the activities of caucus are party responsibilities and not government responsibilities. With respect to 410(10) the subject matter of questions again must be within the collective responsibility of the minister and of the government. Caucus activities are not government activities by their very nature.

And under 412 of *Beauchesne*, "A question may not be asked of a Minister in another capacity, such as being responsible for a province, or part of a province, or as spokesman for a racial or religious group." I would suggest that caucus is, again, another group.

The purpose of question period is to hold the government to account, to ask about government policy and direction, to ask about the administration of government, to hold the members of Executive Council to account for those actions. On two occasions, the latest being today, the first being the other day when the Member for Edmonton-Riverview asked the Government House Leader about attendance at social functions – but today specifically the question from Edmonton-Ellerslie to the Premier was relative to caucus discussion and caucus decisions on how to deal with a matter which was coming before the House. It should be clear to all members of the House, and I'm sure it is to all members of the House, that caucus discussions about how to deal with a matter are entered into voluntarily by members of a caucus who adhere to the terms of being members of caucus, and they make determinations as to how to proceed.

When we come into this House, each and every member of this House may vote in any way they please. That is their right as a member of this House. That right is not fettered by anything that happens outside of the House. However, members of a government caucus, as, I presume, members of an opposition caucus, make a determination to be a member of a caucus, to discuss within that caucus a direction, and then, whether they were supportive or not supportive, agree to go the direction that the caucus has determined.

That agreement doesn't fetter their discretion as a member of this House. They come into this House and vote as a member of this House. If they determine not to vote with the caucus in the direction that they've agreed on, they may or may not be able to participate in the same way in further discussions of the caucus or be effective in those discussions, but that's a personal decision of a member of the House. That's not a government decision, that's not a direction of government, that's not a responsibility of government, and it should be clear to members opposite that government cannot fetter the discretion.

I thought it was important, Mr. Speaker, to raise, however, this as a point of order today because we've seen on a number of occasions, specifically today, the opposition, and particularly this member today, asking questions of the Premier, asking questions of Executive Council not with respect to the administration of their departments, not with respect to the policy of government, but with respect to how a caucus, which is a political organization, carries out its business, whether that is with respect to who it meets or with respect to how members might proceed to vote or agree to work together in terms of the process.

So, Mr. Speaker, I raise that as a point of order today because I think there ought to be direction made in the future that questions should adhere to the rules, should be with respect to urgent matters of public policy, the direction that government is taking, the responsibility of government, and those things within the administrative competence of the members of government or Executive Council.

The Speaker: The hon. Opposition House Leader.

Ms Carlson: Thank you, Mr. Speaker. I think the Government House Leader comes very close to trying to breach one of my fundamental rights in this Assembly, and that's freedom of speech, and I would refer him to *Beauchesne* 75 and 76. It is, I believe, well within our rights as an opposition in this Assembly to question the Premier on his actions. As the head of the government he reflects the policies of the government in everything he says and does, and when in open discussions and in answering questions outside of this House he puts forward certain positions and decisions into the public domain, then it is well within our right to ask those questions in terms of how they determine the mandate of this government and its policies. Perhaps I could have worded my questions more directly back to determining policies, but I believe I was well within my rights in asking them.

The Government House Leader made a big deal about the separation between the Conservative caucus and the government, but in fact this very Government House Leader and his entire front bench have made a very big deal about blurring the lines between these two groups. I would use as an example the number of government bills the Conservative members have introduced not just this session but in many sessions. So those lines are very blurred.

We saw in the speeches that we heard over the last three evenings on the motion under question today many of the members making references to toeing the line on this particular motion. So I would say that if he doesn't want us to ask questions in those regards and

to have a clear separation between their caucus and their government, then they need to make that clear in all their actions.

I don't believe there is a point of order, Mr. Speaker.

2:50

The Speaker: Additional participants?

Hon. members, the chair does have the Blues in terms of what the specific questions were. To just sum up, the gist of the first question is – and I'll just extrapolate some words out of it to quote – “Why didn't he,” meaning the Premier, “let Conservative members vote freely on the motion to accept the report?” The second question, again I paraphrase:

How can the Premier claim that this government is representative or democratic or open or accountable when he hands down orders to MLAs instead of letting them vote the opinions of their constituents?

The third one, of less significance, I guess, to the debate in question: “How are Albertans supposed to have any confidence in the report?”

The chair has listened very carefully to submissions made by the Government House Leader and the response made by the Opposition House Leader. We'll spend several days pondering one conclusion, anyway, reached today, that the caucus is a political entity, not a government entity. That's quite a statement and quite a revelation, and I would suggest that perhaps all members might want to reconsider what this really means in terms of parliamentary democracy, the impact in this House, because of far-reaching consequences and implications in another venue that I'm not sure that one would really want to go into.

The gist of the matter is that the fundamental rule basically would report to be *Beauchesne* 411, and 411 would strike me to be the most important segment that one would want to raise with respect to this, and 411 says:

Some further limitations seem to be generally understood. A question may not . . .

(4) criticize decisions of the House.

The chair listened very attentively to the questions that were raised this afternoon and tried to find where the Member for Edmonton-Ellerslie was actually questioning a decision of the House. One might argue that there was an implication in there that it was a decision of the House that was being questioned and was being criticized and was being raised. If that would have been very, very clear, there would have been an intervention by the chair, as he has done on previous occasions, to basically say that that would be inappropriate and one is not in a position to criticize decisions of the House.

The Government House Leader has made it very, very clear, and a correct statement as well, that members in this Assembly – and no member has risen on a point of privilege to suggest that he or she had been intimidated or pressured by anyone to vote in a certain way, so it's pure speculation after that to suggest that everybody would vote in a particular way. Every hon. member in this Assembly comes here – and I use my own words but also to paraphrase others as well – very, very freely in this Assembly. There's no intimidation unless the member wants to rise and then say that there's an intimidation and raise such a question, but no member has. When that does happen, then quite clearly there will be intimidation. That would be a complete violation of every democratic principle that we want.

So it's pure speculation, I guess, to suggest, despite all the outside controversy that seems to be surrounding this particular subject, that in fact that kind of intimidation would exist or to imply that such intimidation did exist, and it's very difficult for the chair to find where this was a criticism of a decision taken in the House last night. There were some very skillfully used words by the opposition

member who raised the questions today and some degree of reflection on government policy, far-reaching but still a bit of a connection there, and there was no intervention by the chair with respect to these questions.

There will be no further statements made with respect to this particular point of order other than to say that it's very clear that decisions of the House are not to be criticized in the Assembly by any member. If any member chooses to rise on a point of privilege to suggest that their rights as a member in this Assembly have been conflicted with or intimidated by, breached by anyone else, they have that right to do this on any given day. It will be dealt with then accordingly.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order.

head: **Main Estimates 2003-04**

Human Resources and Employment

The Deputy Chair: The hon. Minister for Human Resources and Employment.

Mr. Dunford: Thank you very much, Mr. Chairman. I'm here to present the 2003-2004 estimates for Alberta Human Resources and Employment. Sometimes I'll refer to the full name; other times I'm sure I'll just use HR and E.

We have staff in the gallery today. We have Dan Thompson, who is director of budgets and forecasts. We have Duncan Campbell, the senior financial officer, and Mark Asbell, the chair of the Alberta Labour Relations Board.

As members will know, the ministry of HR and E has five components. We have the department, we have the Alberta Labour Relations Board, the personnel administration office, the Appeals Commission for workers' compensation, and the Workers' Compensation Board. Now, members, I'm asking for \$1.072 billion to support the work of our first four entities. WCB is entirely financed by employer premiums so is not part of these budget estimates.

First to the Department of Alberta Human Resources and Employment. The line items in these estimates reflect our three core businesses: investing in people, investing in skills, and investing in workplaces. Our first range of programs is people investments, and we provide monthly financial benefits to people in need. Expenditures this year will be about \$740 million. This is about 2 percent more than last year and calculates out to be about 70 percent of the department's overall spending.

The largest program in this ministry is assured income for severely handicapped, or the so-called AISH program. Now, AISH is the most generous program of its type in the country. Three hundred and fifty-seven million dollars in financial and medical benefits are provided to about 30,000 Albertans, and this is projected for '03-04. This is an increase of \$7.5 million over last year's actual expenditures. This program budget is increasing to cover the rising costs of prescriptive and health care and the costs of providing benefits to more clients.

We are making important changes to AISH for people who leave AISH because of indexed Canada pension plan disability benefits. Historically clients lost their medical benefits when their CPP disability benefits rose above \$851. We have now removed that

hardship. People who have left AISH after January 2002 because of higher disability benefits from CPP are now eligible for the health coverage. But, members, you must be aware of this: they need to apply to our department for that coverage. We already have been providing extended health coverage for AISH clients that move to the world of work. I encourage each hon. member to share this news with their constituents and let them know about this new initiative.

3:00

Now, supports for independence, commonly referred to as SFI, provide financial benefits to people who are in emergency situations. This is a situation of either transition or inability to meet their basic needs, and it provides a monthly benefit based on circumstance. Let me tell you about some of the people who must rely on the government.

Last July a married couple with a six-year-old child came into an Edmonton office. The dad had been working, but his hours were cut back several weeks earlier. The mother had just got a new job but would not be starting for two weeks, and they were unable to pay their utility bills and had just been cut off. Frankly, they were embarrassed to see our staff. They'd never been on SFI before, but they had reached a point where they could not cope. They explained the situation and received help to pay their utility arrears. A few months later our staff received a note. The family was back on track, and both parents were working. They just needed that hand up and required no further assistance from us.

A highlight of Budget 2003 is a \$20 increase for SFI clients who are not able to work and for families with children. Families with children will also see an increase of a further \$15 per month per child when the province allows a flow-through of the 2003 federal government's increase in the national child benefit supplement. The rate increase and flow-through decision will mean that about 72 percent of Alberta's SFI clients will have higher monthly incomes. Now, this marks a shift in approach. In previous years Alberta has offset the federal increase and reinvested the funds in programs that help parents stay working. This year we are letting parents keep the monthly increase versus a reinvestment strategy like the Alberta child health benefit.

A monthly increase in benefits is good for families, but more government spending isn't a long-term answer to poverty. Employment is the best answer, and we help people gain employment. We help clients look for a job, get the skills to be employable, and get the experience to get their foot in the door. Welfare reform in the early 1990s was focused on turning SFI from just a cheque into an active program. New employment supports, skills training, and the opportunity to gain hands-on experience were introduced.

An example of that is Alberta community employment, the ACE program. This is for employment of SFI or AISH clients who have been unable to find work in the competitive labour market. Developed in 1993, the six-month program provides Albertans with the opportunity to improve their job skills and gain valuable work experience and work for nonprofit societies such as municipalities, hospitals, and schools. Members, we have an example of this. In 2001 HRE staff in Red Deer helped find a young SFI client an ACE position with the city of Red Deer. That person made contacts during her employment term and showed a great deal of dedication to the work that she was doing, and now two years later she is working full-time. The contacts she made during employment with the city as well as her excellent references and dedication to her work all enabled her to qualify for this new position. The provincial government helped her reach her employment goals. About 80 percent of the people in our employment programs find steady work.

The Alberta approach has worked. We have about as many

households on SFI this year as we actually did in the 1970s, when the Alberta population was 1.6 million. The population is now 3 million, and that is about a 90 percent increase. So an increase in population of about 90 percent whereas we've been able to hold the number of households about level over that period of time.

Now, the question before us today is whether or not this is good enough. Moving 80 percent of the clients into employment is fine, but what is the right balance? Currently we support 30,000 households on SFI, which is the lowest ratio in the country, but can we get that number even lower, and can we help more people find jobs? We believe that, yes, we can, and we believe that that is an honourable mandate and an honourable objective because we need to make the most of every person's potential.

Each month that an employable person is on SFI is 30 days of lost opportunity. This is loss for employers who need workers – and many of them need skilled workers – loss for the person because they are missing the satisfaction and the cumulative self-respect that comes with working, and loss for the government because it means that we have let that person's skills set or that human capital go unutilized or actually slip away on us.

This province leads the nation in productivity. We have the highest workforce participation rates in the country, with 73 percent of our adults in the workforce. We have the highest worker productivity. We are aiming to have the safest workplaces, and I'll talk more about that later. We're saying that the best way for us to lead the country in social policy is to lead the country in labour market policy.

This session we are discussing Bill 32. This legislation is to integrate income support and skills training programs. We're saying that each person has potential, and we're saying that the government will support that potential to find employment. This year the department's second business, skills investments, will devote over a quarter of a billion dollars to ensure that people are trained for jobs and training for people who want upgrading. Now, these investments include four program streams: career information, which includes career workshops and skills planning; work foundations, which includes basic skills and academic upgrading; training for work, which includes work experience placements; and workforce partnerships which help develop human resource strategies. Also, this year the disability-related employment supports, DRES, will invest \$8.3 million in helping people with disabilities who want to work and to learn and employers who see ability first and disability second.

One of our staff in Edmonton tells the story of a teenager that we'll call for our purposes today Brenda. Three years ago she was working the streets. She was never able to follow through on anything and had no direction. Her mother described her as a nightmare teenager. Our staff helped Brenda get an assessment. She has attention deficit disorder, which means she is bright but learns differently. She is now doing high school upgrading at NorQuest and getting honours marks, and Brenda will be at school full-time this fall. Without funding for assessments and DRES support for three hours of tutoring every week, Brenda could still be on the street. Instead, Brenda is now a responsible person on the right path. We're giving this young lady a second chance.

Now, for some people it's a question of getting a first chance, a first job or a summer job that opens up a whole new career path. Across the province we help people who visit our labour market information centres, our career development centres, and of course the Canada/Alberta service centres. Staff in these offices help people be successful in job hunting and work with seminars on how to find a job or information on why one career path suits you better than another. Other people need information, and we provide, of course,

opportunities to them as well. Alberta Human Resources and Employment provides programs and services to help Albertans get skills and move into work.

We are also part of Alberta workplaces. In employment standards and other enforcement areas of the department our approach is to educate first and then regulate. We'll be devoting \$5.1 million to employment standards initiatives this year so that we can continue to help people and workplaces be fair. We also want Alberta workplaces to be safe, and our major initiative in that area is WorkSafe Alberta. Our objective is to reduce the injury rate by 40 percent, and this would keep 15,000 people per year from being seriously injured or, God bless them and their families, experiencing a fatality. We'll be conducting more inspections, we've changed the act, and we're looking forward to working with all of our partners, which include employers and employees, to achieve this goal.

3:10

The final component of our workplace is labour relations, and again we're responsible for mediation service, and you might have seen some of that in the news lately. Also, of course, we have a second component in our ministry that is tied in with mediation, and that's the Alberta Labour Relations Board. The recent passage of the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, has set out a number of temporary tasks for the board in the coming year, so they're going to be busy. They include runoff votes between unions, determination and votes on collective agreements, and the settlement of issues arising from these votes. In the last fiscal year, for the purposes of an example, more than 57 percent of applications were resolved without formal adjudication, and this gets back to the fact that they have a disputes resolution mechanism in place that deals with matters before full hearings.

The third component is the personnel administration office, with a budget of \$8.3 million. As probably the largest employer in the province we face the same crucial challenges as other organizations. We're competing in tight labour markets, and we need to find, of course, the people that we're looking for. So we're out trying to find a new generation of civil servants that will come and replace those of us that are moving on in years. We do this through an intern program. We have an ambassador program that we're very pleased with, and of course we provide learning and development opportunities inside these particular areas. We're proud that the PAO has an excellent working relationship with the civil service and their main representative, which is the Alberta Union of Provincial Employees. Later this year we'll be involved in wage opener negotiations with AUPE.

The fourth and final component is the Appeals Commission for Alberta workers' compensation. They have a budget of \$6.4 million. This commission joined the ministry on September 1 of last year, so now we're talking about its first full year. The Appeals Commission, established under the Workers' Compensation Act, is a separate government entity independent from the WCB, and the Appeals Commission, or AC as we refer to it, hears appeals from a decision of the review bodies of the WCB that is being questioned either by the employer or the employee. The operating costs of the AC are paid from general revenue, which is reimbursed from the WCB accident fund. The accident fund is made up of the assessment contribution of employers. The Appeals Commission continues to bring about changes to make the appeals system open, transparent, and accountable. Now, recent changes that address recommendations of the Friedman and Doerksen reports include such things as an enhanced prehearing process and the publications of these decisions. By the way, they're currently available on the web.

So the Ministry of Human Resources and Employment has been an active part of thousands of Albertans' lives over the year and will continue to be over the year ahead. As stated earlier, we'll invest \$1.072 billion for Alberta people, skills, and workplaces. Of course, these dollars come with personal stories that make a difference to people every day in communities right across the province.

Now, because of the pressure of time I've skipped over some of those particular areas. I would have liked to have expanded on them further. Bill 32 will likely be up for debate either today or certainly later this week. We're very anxious to see that move forward. It is a meaningful attempt, a sincere attempt to move to a more integrated system as to how we deliver services to the most needy people that we have here in our province. I have for a long time been frustrated by our system of labeling and thus providing entitlements and what you do if the menu of entitlement that's there for a particular person isn't basically what they really need. So we are looking for a much more personal approach, an approach that would be considered more of a case management approach rather than just simply, I guess, a program that would allot some benefits to certain types of people. I think the basic theme that I would want to leave everyone in the House with is the fact that we are making a significant change in this particular area, because rather than trying to fit people into a program, we are trying to find programs, then, that will work for the people.

So I look forward to the comments and questions that all and any hon. members would have about these estimates. I certainly will answer questions as best I can, and thank goodness for *Hansard*, because if I don't get to them this afternoon, we will provide written answers.

With that, Mr. Chair, I think my time is close enough to being up. Thank you.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. I'd like to express my appreciation to my colleague who is actually the Official Opposition critic for the Department of Human Resources and Employment, the Member for Edmonton-Gold Bar, because he's allowing me to go first and get some of my issues on the table here, and I appreciate his being generous enough to do that for me.

There are three things that I would like to have a discussion about if the minister will be so accommodating. One is to continue the discussion we started last year around cultural workers. I think we have a part B that we can now talk a bit about. I'd also like to talk about an issue that I raised with the minister in question period and that I'm still trying to pursue, and that is the question of discrimination in being eligible to receive AISH benefits or AISH medical benefits based on source of income. Second to last, I'd like to talk a bit about the ACE program, that the minister mentioned.

But I'd like to start out by thanking the minister for his assistance in looking into a matter with the recreation groups. The department was a partial sponsor of a survey that the recreation groups were looking at doing in Alberta, and there was some question about including the definition of culture. The cultural groups have worked long and hard over the last 10 years to establish a very clear definition of culture, and this was causing some stress between the two groups. The last I heard of it, someone contacted me Friday and said that the parks and recreation group had in fact decided not to pursue including culture and the definition of culture and cultural groups and activities in their definition of recreation. So that came to a happy end. Thank you for that one.

Okay. I just want to work my way backwards then. The first thing on that list I gave you, as I work from back to front, is the ACE

program. I remember that quite clearly from when I was at the Advisory Council on Women's Issues, because I endeavoured to bring in a number of people from that program. Now, the minister says that that program started in 1993, and I left the advisory council in that year, so there must have been a predecessor program that was almost identical in that it took people who were currently on supports for independence. The employer received the wage subsidy for them, or I think it was in fact the entire wage plus an additional percentage to compensate the employer for the minor administrative costs of having an additional person in the office; for example, an extra telephone, an extra desk, perhaps a bit more paper used in the photocopier, a couple of more pencils used, that kind of thing. The question I am posing to the minister is: what sort of evaluation process is in place for the success of this program, and has it in fact been altered or updated? What has come out of monitoring an evaluation process? Have there been any changes in it?

3:20

The minister here is talking about a 10-year program, and I know that there was a version of it, perhaps a pilot project, that existed prior to that, because my experience around this program – and I think I've probably hired about four people on an ACE program – was that candidates who were in fact overqualified for ACE were the ones who were most likely to be successful. So out of the four that I hired, only one was able to successfully move on as the program had envisioned. In fact, on paper and in person in an interview she appeared overqualified for what was being considered here. As I say, she's the only one that was able to move on successfully. An awful lot was expected of the employer, and of course many in the nonprofit sector took advantage of this because they saw it as: hey, free help, free workers. I very quickly learned that that was not the case at all. There was a great deal that was expected from the employer in working with this employee.

The one woman that I had that was successful and went on into, I'm presuming, a long employment history with the civil service couldn't answer the phone. Now, this was part of her cultural background that she was struggling to overcome. She could not cope with picking up the phone and having people ask her things and, as she perceived, yell at her. Even though in fact I think I would have considered it a request or a firm request or a straightforward request, she very much saw that as being yelled at. So it was a great deal of work and effort from everyone in the office to help her move on, and she was in fact successful.

The point of all that is to say: what has the department looked at? What is the monitoring and evaluation process for the program overall? We're 10 years into it now. Is the program run the same today as it was 10 years ago, and if so, why? I would have thought that it would have needed to be updated. So what sort of changes have been made in the way the program is offered and operated?

Backing up, I guess the next thing I'll go to then is the discussion around cultural workers that the minister and I started some time ago, a year ago actually, in this same budget debate. What we were talking about a year ago was that the ministry in fact had done a great deal of work with cultural workers and the cultural industry sector, realizing that there's great potential for development in that sector, and there had in fact been a document that was produced. I had given the minister a series of questions: where was he expecting to go, and what was the department going to pursue with what was coming out of that document? I tabled in question period – and I did send over a personal copy for the minister – a media release from the Cultural Human Resources Council, that has now done a sort of part B to what in fact Alberta was looking at, and this was released on the 20th of January 2003 and includes a number of recommendations

that they are looking at. So I'd like to take about 10 minutes and just talk about what I'm still seeing as issues for cultural workers and where I'm looking to the minister and his department to be providing either leadership or providing direct programming.

Let me say before I start into this that we know and can prove a number of times over that the creation of a job in the cultural sector is around \$40,000. The creation of a full-time job in the manufacturing sector is about \$20,000. So investment in the cultural sector to create jobs for cultural workers is a great investment and a great payback for the province.

Secondly, we have a fairly rich cultural industry here in Alberta, but we are struggling with things like succession planning. We're struggling with getting into managerial positions people with some years of service and experience and training or even book learning under their belts, and then the low pay, the hours, the lack of appreciation comes down on them, and they leave. So we manage to get people to a certain point, and then they're gone. We can't seem to offer them that additional professional development, that additional lifelong learning track, the mentorship that is going to help keep people in that sector.

Let me be clear here. I'm not expecting or looking to this minister to be providing funding for the arts. That's not what we're talking about. It is about recognizing that there's a particular group of people working in a sector here that really contribute to Alberta, but they have some unique needs. Frankly, it's not unlike the unique needs of, say, the agricultural sector. A lot of the same sort of prohibitions exist there but also, one would say, opportunities. So I'm not asking for handouts here, but I am asking for the minister to recognize and to help lay out some programming that is going to attract people to a sector and keep people in a sector that has tremendous payback to the community that it exists in.

So I found a couple of things going through the document *Face of the Future: A Study of Human Resource Issues in Canada's Cultural Sector*, the findings and recommendations document. This was prepared by Mercadex International Inc. on behalf of or presented for the Cultural Human Resources Council. In it they talk about the significant strengths that are exhibited by the cultural sector, and they note things like the diversity in people and the activities of the sector, the motivation and tenacity and competence and the passion of the workers in the sector. That's important because that motivation and passion carry people through a lot of stuff where I think in other sectors they'd just say: "That's it; I've had enough. I'm out of here. If there's no paycheque, I'm not going to come back in on Monday." That motivation and passion bring people back the next Monday in the cultural sector.

Part of what I'm interested in is the economic impact of the sector, and particularly here we're talking about the leverage effect for other sectors. I've always been very clear that the cultural sector itself is not an economic driver, but when you put the cultural sector into a given geographic location, they will create an enthusiasm, a vitality, a buzz, an energy that attracts people to that area. Then business is able to take advantage of that, and those businesses become the economic drivers of that area. So the cultural sector has a lot of leverage possibility to it, but I want to be clear that I never consider that they in themselves are an economic driver, because they don't generate that much money. But the money they do generate stays in the community. It doesn't leave. It's not sent to the parent company in the States or things that happen in other sectors.

This document also notes the cultural sector's links with other industrial sectors and the ability of the sector to stick, to maintain and even increase its activities under pretty adverse conditions. I'm just going to read a section out of here.

Creators, performers and cultural workers across all sub-sectors and

disciplines are experiencing insecurity and instability in their employment and independent/contract work. The problem manifests [itself] in a variety of ways: the decline in available full-time and permanent jobs, the transitoriness of employment/engagement, the need to secure and balance multiple jobs to make a reasonable living, systemic barriers for the self-employed, the absence of a social safety net, and wholly inadequate remuneration.

So what the minister and I had been talking about last year were things like training programs and access to training programs. What we're looking at here is some of the difficulty of the working conditions like poor pay, heavy workloads, the lack of full-time work, overwork, high performance expectations despite insufficient training and support – so another area where this minister comes into play is that training section – and the human resource development, which this sector has never been involved in because they could never afford it and just didn't see themselves being able to take advantage of human resource theory and practice.

3:30

One of the other things I note is:

The cultural sector is a well-worn training ground that produces talented workers who, upon reaching a threshold skill level or a ceiling on their professional [development], leave the sector for opportunities elsewhere. The requirement to continually recruit and retrain workers is a huge drag on the already stretched financial and human resources

of the cultural sector.

Later on it talks about "the natural successors [having] been eliminated over the last decade of sustained funding cuts," so we don't have any succession planning happening here. The last time I talked to someone and they said, "Oh, I'm retiring," I said, "Oh, okay. Good. Then what are you going to do about succession planning? Who have you got coming along?" And they just looked at me and said, "It's over. We're closing." So there went that succession planning. I mean, they were going to shut down, and there went all possibilities for the future. But it is one of the areas that we're not taking advantage of.

Upon his request I had sent a letter to the federal Minister of Human Resources Development pleading the case that a number of the labour market programs that were offered as part of the dual agreement between the feds and the province required eligibility for employment insurance in order to be able to qualify for participation in the program. It didn't mean that you had to be on unemployment insurance, but you had to qualify for it. Of course, cultural workers almost to every being do not because we don't fall into all of the criteria like choosing work hours, choosing a place to work. All the artists are considered self-employed, and in fact we are specifically precluded from either paying into or drawing from unemployment insurance as artists. Now, if you're also working as a waiter somewhere or if you're a telephone operator or whatever and paying in, well, fine, you may be able to draw down for that. Whatever the many different ways that artists choose to supplement their income, they may be able to draw that way, but they're not able to draw through their training and experience as artists. So I had written to the minister pointing out this problem.

Now, the minister wrote back to me finally, February 17, 2003, and I did send a copy on to the minister's office. In the last paragraph the minister notes:

Your points with regard to the training and professional development programs available to cultural workers are well taken. However, it must be stressed that the authority to refer persons to a course of study has been devolved to Alberta since the signing of our Labour Market Development Agreement in 1996. Under the terms of this Agreement, all moneys for employment programs are in fact turned over to the province, which sets its own conditions as to eligibility and participation.

So the very thing the minister sent me to lobby his federal counterpart for was in his hands.

So I come back to him now and say: where can we start to work with this? If in fact it is in the hands of the minister and his department staff, where can we start to go to offer some of the human resource planning and management that is needed, the capacity building in the sector to be able to retain our senior members and senior administrators, and also to get access to some of the other skill development programs that people in the cultural sector need? Now, in a lot of cases we're talking administrators, but in many cases we are talking other kinds of support staff and artists themselves.

I'm noting that I'm coming down to the end of my time here, so I'm going to move on to the last issue that I had raised with the minister, and that was the issue around discrimination on source of income. The question, if I can refresh the minister's memory, that I asked in this House a couple weeks ago, a month ago, before the break, was that there was discrimination based on source of income to determine the eligibility of using other income and examining it. For example, if people were receiving CPP disability, that was looked at differently by the department, and the eligibility requirements were different than if someone had in fact a private disability from, let's say, Great-West, even from the disability insurance that is available to members in this House or to other staff in the government.

If you had a private plan, I think the first \$200 was knocked off, and the remaining \$700 was dealt with at 25 percent. Well, that brought the person's eligibility down under the mark, and they were able to then be eligible to receive and did receive the AISH medical benefits, which is what the individuals need. But if they have CPP as their source of income, it's not deducted. The first \$200 isn't lopped off, and the rest of it isn't discounted at 25 percent – I'm sorry; I can't remember what the exact method was that the department staff were using, but it's something like that – and as a result they don't come down. It doesn't bring them down below the line, and therefore they're not eligible for the AISH medical benefits, which is what they really need.

So we continue to have a discrimination here based on source of income, where their money is coming from: CPP disability versus a private plan. And it's all laid out on the minister's web site. You can go there. It says: if your income comes from the following seven places, bye, and if it comes from these other places, this is how we treat it. I think there's an issue here that could well be a Charter challenge, if someone chose to take it forward, because it is discrimination based on source of income, particularly where we have individuals in Alberta that are sent by the department to draw down CPP disability, and then when they return to the province and go, "Okay. I did that. All I need now is access to the AISH medical benefits," they're told: "Sorry. Out of luck. Bye." What can we do to address the particular problem, especially when their source of income is CPP disability? I don't think that we want to be discriminating against these people, but we are.

So those are the three issues I wanted to put before the minister, and thank you very much for his willingness to answer back to me. Thank you.

The Deputy Chair: The hon. minister.

Mr. Dunford: Yes. Thank you, Mr. Chairman. In addressing the three items, I want to defer my answer on the AISH program evaluation. I want to deal more thoroughly with that and do it in writing.

On the area of cultural workers I think the hon. member is on to

something here. I'm not sure what the actual numbers are, but I believe that even a tight definition of cultural activity probably would lead to well in excess of a hundred thousand workers here in the province of Alberta. I think that this is something, then, that we need to pay attention to. I know that she has raised it on a number of occasions, and perhaps we haven't responded to meet the satisfaction of some of the members here in the House or indeed perhaps some of the people that are involved or could be involved in the so-called cultural industry.

There have been a couple of things that have happened since a year ago when we were discussing the estimates. One of them was, admittedly, a social event, but there was a discussion regarding the economic drivers here in Alberta and thus the differences between Calgary and Edmonton. There was, surprisingly to me, a general agreement within this informal group that I was involved with but who were made up of recognizable industry people that the future of Edmonton from an economic development standpoint was in fact around the arts, that there is a huge infrastructure here in this city and there is a huge amount of interest on its festivals and all of the cultural activities not just within this province but actually throughout this nation, this continent, and indeed around the world.

3:40

So the articulation that was coming out that particular evening was that the business community in Edmonton needed to start paying better attention to what was happening within the cultural industry right here at their own doorstep and that in fact this was perhaps the economic and cultural future of this particular area. Now, whether or not this was perhaps an elaboration to some extent of what is actually taking place and could take place, nevertheless the interest was that here we had responsible people acknowledging and forecasting what could happen within this particular industry and within this particular region. That was the signal to me, then, and of course now to our department of some things that we need to be cognizant of and start to plan for.

I want to deal delicately with the suggestion by the hon. member that I may have tried to get her involved in a lobbying activity and that it went there and then came back to me. I have a lot of time and a lot of respect for the federal Minister of Human Resources Development Canada. She has a tremendous mandate, a range of responsibilities that far outstrip anything that I would certainly be involved in. To her credit I think she is a minister of the federal Crown that has understood and continues to understand where the provinces are coming from when we try to deal with our federal counterparts and we try to get involved in all of these sort of jurisdictional issues. She seems to be a minister that understands the term flexible federalism. Now, part of that flexible federalism has been that this minister has been very active in signing labour market development agreements. Of course, for those that might not be as up to date as others, basically it is the recognition by the federal authority that it is a provincial jurisdiction in terms of the education of workers. Therefore, because they want to participate in that particular area, we use the technique of labour market development agreements, and I believe that in large part these have worked very well, but we find that they are too restrictive.

I think that the hon. member in her comments hit on one of the points that is a particular sore point at the present time between provinces and the federal minister but particularly this provincial minister and the federal authority, and that is that it is very tightly wound to being employment insurance eligible. I agree with what the hon. member has talked about, that many people in this particular area just cannot meet that criteria. So what has happened is that there have been virtually millions of dollars across this country that

were out there under planned labour market development agreements, but because in all jurisdictions we couldn't meet the employment insurance eligibility requirement, there have been many of those millions of dollars that have actually gone unused and have flowed back to the federal coffers.

Now, I don't want to be too sad about those kinds of things, because I'm first and foremost a fiscal conservative and there is only one taxpayer in this country and that taxpayer is trying to feed three levels of government. But once that tax has gone to Ottawa and is in the hands of the federal government, then I'm not too shy about trying to get those dollars back into Alberta and to do something with them. I think that maybe with the combined efforts of the members of this House we might be able to find an area where some of these previously lapsed . . . [interjections] Was it as good for you as it was for me? [interjections] Oh, is that going into *Hansard*?

We really have a situation here where all members might be able through letters and through discussions with various contacts that we all have with our federal partners to find a way, then, to loosen up these constraints, and it would seem in cultural activities that there's likely a compelling case that could be and should be made.

In any event, we are here discussing cultural workers in more detail than I think we ever have previously. Again, *Hansard* is picking up our discussions in this area plus we have department staff in the gallery who are hearing, then, the interest that the minister is displaying in this particular issue.

The third one, in terms of AISH benefits, I want to deal with in a more global fashion than just focusing on the source of income. The estimates, of course, indicate an increase in spending, and if one isn't careful, one might think that somehow there was an increase in benefits at this particular time, and, no, that is not the case.

When we were putting Bill 32 together in terms of the income and employment supports, even though the low-income review committee had recommended that we look at just one program that would include of course our supports for independence, would include our widows' pension, would include the skills development program, they also asked us to consider including the AISH program in that area, and through our internal processes that we go through as a government and as a government caucus, we have chosen not to do that at the particular time. So Bill 32 only covers the first three that I mentioned, and AISH will continue for the time being and maybe for time immemorial as a stand-alone program.

But as a stand-alone program it is not sustainable, and this is a prime concern that many people have certainly within this government and this caucus. It's a concern that I know opposition members have because of the nature of the questions that I've received on it, and also, of course, it is a concern for the general public as to whether or not people that need government assistance are truly getting the kind of service that they need. In particular, it is a real concern for someone that has been diagnosed, has been found to fit the criteria of severely handicapped so that they qualify for this assured income. I have to tell you that the dollars that you see in that area are there to pay for existing services, existing benefits because of the tremendous upward pressure we always see on costs within our health system, particularly as it relates to prescription drugs and of course, then, just the general growth that has occurred within the AISH program in terms of numbers.

3:50

Now, people are aware that I have been in contact and meeting on a regular basis with the stakeholders groups that are all involved, then, in and around the AISH program, and at some point in time, if not within this particular quarter certainly within the next quarter, sometime before the end of September, in my view we will have to

have an in-the-room, sit-down meeting, all-cards-on-the-table kind of situation where they must help me determine how we are going to, one, achieve sustainability on this particular program. Secondly, of course, how can we ensure that the truly needy within that particular program are getting the income and getting the health and the other supports that they need?

I always worry when I get into anecdotal situations because there is the tyranny of the anecdote. We're all aware of it. One particular situation might not be, I guess, symbolic, then, of the whole situation. I do know that it's a favourite technique of critics of this government, in particular this department, you know, to broaden the mandate and come up with anecdotes, then, that would see that good work that we do day in and day out almost seem unreasonable and perhaps ridiculous. So we have to be very, very careful, hon. members, when any of us use anecdotes. I know I did in my opening remarks, but it was again trying to provide examples of actual situations that we do run into.

So, in that regard, we find even within the AISH program concerns that families have about their, if I can use this term, "grown children." They want to ensure that these grown children that need assistance – they are severely handicapped – are being looked after by someone, and of course they look to the government, then, in order to do that. We know – and again this is the anecdote – that they don't need the income, but they feel that they're obligated to accept that income because that ensures that their loved one is on that AISH program.

One of the early recommendations that's come back from some of the people that I've been able to talk to says, "You know, Clint" – that's what they say; can I say that? – "we don't really need the income, but we want the assurance that this government is going to be looking after them, and we want the assurance that they have that medical card." So you saw one of the things that we've done is to try to move forward on keeping people eligible for the medical card.

It hasn't reached the formality yet of a recommendation, but one of the suggestions is: why don't you look at splitting income and splitting the health benefit so that you can look at one or the other and don't have to automatically do both and when one stops, then the other automatically is lost? So I think there's something there. Like many suggestions, of course, we have to look at it, massage it, work it around a bit to see how we can deal with it, but it sounds like the makings at least of an attempt on this group's part to acknowledge some of the concerns that we as a government have over this program and again share our sincere interest in finding a way to provide the sustainability of AISH.

So with that, Mr. Chairman, again, thank you for the time you've allotted me.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks. Just a few quick clarifications to close off the exchange between myself and the minister. Again, I'm conscious that I'm taking time from my colleagues, and I appreciate their patience.

The minister has referred a number of times to what he finds in Bill 32, and I'm not questioning him on that because there will be time scheduled for debate on Bill 32 and I didn't want to take debate time away from the estimates and from the policy that goes along with the estimates. So that's why I haven't responded to or referred to Bill 32 at all thus far.

I'm interested to hear that even in a social setting the minister heard others talking about the importance of the cultural sector. I just want to tell him a little story, a true one. I participated as an observer in a cluster group sponsored by the EDE, Economic

Development Edmonton. It was very interesting because in the beginning everybody talked about how important the cultural sector was and, oh, yes, we had to have that, and, yes, it was a driver, and blah-blah-blah, and, oh, yeah, it was going to be right up there. But as the group met over a series of times, over six months or more, by the time we got to the end, culture was gone. And when I said: excuse me; where did it go? "Oh, it's so important, but you know, we needed those roads for the truck routes, and we needed the technology and the telecommunications sector, and we needed the sales sector." It was really, really important, yeah, yeah, but it was off the table.

My point to the minister specifically for what his department offers: when we talk about capacity building for this sector, I'm glad to hear that he's now recognizing how important it is and in fact that it is part of an underpinning for other economic drivers in Alberta. The point I keep trying to make – and I'm obviously not making it very clearly – is that the infrastructure in the cultural sector is intellectual property. It is in the heads of the people. The physical infrastructure is sporadic and in varying degrees of usability. So we have facilities like the Citadel Theatre. Great, wonderful, terrific; wonderful to have it. We now will have a reno at the 50-year mark of the Jubilee auditorium, another facility that's part of the cultural infrastructure. Great, wonderful; glad to have it. But beyond that, you're dealing with people that are working out of, you know, unheated warehouses and garages and all kinds of other physical space which is pretty crappy frankly. So when we talk about trying to keep this sector alive, it's about nurturing and looking after the people because it's all in their heads, and when we lose people out of this sector, a lot of our infrastructure walks away.

I talk about institutional memory a lot and the loss of institutional memory, and it's priceless because this stuff is not written down. You know, who do you call if you are trying to figure out how to fly Peter Pan? That is not stuff that's written down. It's in somebody's head. You happen to call the Foy brothers; that's who does it in North America. That's the point I'm trying to make to this minister: when I talk about capacity building, I'm talking about support, training, mentoring programs, labour market development programs available for the individuals in the cultural sector. I hope that I've been clear this time.

Just as a final closing note and I guess a bit of a gentle prod: why are the minister's anecdotes excellent examples but my anecdotes are hyperbole? You know, I think I have a valid issue here, and I will continue to press the minister to address it. There are the two examples that I have brought before you. I'm not going to bring you one example; that's not fair. But when I start to see two examples, that's indicative to me in a fairly small market – I'm talking my own constituents – that there are more there. Now, I can try and find it as proof, but, I mean, how much time do you want me to spend in order to prove that there are enough people there to make it worth your while to work on it? I think the issue is: we have a discrimination factor here, probably inadvertent, that we need to deal with, and that's why I keep bringing this back before the minister.

Thanks for listening to me wrap up on a number of those points, and I'm now going to let my colleagues get on with it. Thank you.

4:00

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. It is indeed a pleasure to get to speak today on estimates. As well, I would like to start out by thanking the minister's department for being here today and certainly assisting with any questions that might require more research and more time than what can be answered here and as well

to certainly let him know that we appreciate the demands that are put on the department by a booming economy and particularly in two of the three areas such as skills and workplaces.

Certainly, when we're talking of a budget that is in the neighbourhood of 5 percent of the entire budget, then we are talking about a considerable amount of money. In looking at estimates and particularly at skills and workplaces, we do have a situation in Alberta where there is a tremendous demand for skilled workers. Of course, because of this demand we also get a young and inexperienced workforce. There is a huge demand and a stress to meet deadlines, and certainly with a young, inexperienced workforce this does lead to safety issues.

Now, then, currently in the province I believe it's somewhere in the neighbourhood of 27,000 injured workers who could possibly get new hearings, and these of course are the long-term and contentious claims. Given that many of these have had to resort to AISH, welfare, CPP, EI and that in some cases their medical costs have not been borne by the Workers' Compensation Board but by Alberta health care, then when we look at the settlement of these claims, if it is indeed found that their claims were justified, that for whatever reason WCB should have been responsible for all these costs – and these were costs that in some cases, such as AISH or Alberta health care or supports for independence or welfare, have been the burden of the taxpayer – I'm wondering if the minister could let us know how these issues will be rectified as to who pays for costs that should have been borne by WCB but were paid by the taxpayer. Would this money be coming from present employers in the province, or would these benefits be paid out of some of the investments that WCB has?

Now, then, as well, earlier today I tabled a memorandum of judgment in the Court of Appeal of Alberta, and this was between Randy Wolfert, the Workers' Compensation Board, and Gene Mudry as the appellants and Thomas Shuchuk, the respondent. I think that it is a very timely memorandum in that certainly when we look at the possibility of 27,000 injured workers getting new hearings and that in this particular case – and I'll just quote from the paper from Mr. Justice Ritter.

(1) The appellants appeal a chambers decision in which the chambers judge held that the respondent was entitled to advance a claim against the appellants based on the tort of abuse of public office. They argue that the statement of claim should have been struck in its entirety or, in the alternative, that they have established a case for dismissal pursuant to the summary judgment rule.

Now, I'm certainly no lawyer and don't pretend to be, but point 12 in this particular memorandum indicated that the appeal which was put forward by Randy Wolfert, the Workers' Compensation Board, and Gene Mudry was dismissed. This certainly has absolutely huge implications when we look at the 27,000 new hearings that potentially could be overturned. If in fact it is found that there was an abuse of public office in the case of case managers or employees of the WCB, then who would be responsible for the costs of such claims? Would this be WCB, or would this in fact be the Alberta taxpayer? Part of my concern is from the fact that the Appeals Commission and the members of the board of directors aren't government appointed. So does the responsibility rest on WCB, or does it rest on the government of Alberta?

So those are a few questions I have for the minister at this particular stage. Thank you.

The Deputy Chair: The hon. minister.

Mr. Dunford: Sure. Well, just to talk briefly about an item that's currently on our work list, the long-term contentious claims, when we released a status report some time ago on the recommendations

of both the Doerksen and the Friedman reports, of course we had to deal with, then, the recommendation that had called for an independent tribunal to look at some old claims. If my memory serves me correctly, I believe that we indicated that this was under review. Now, it's been under review for quite a long time, and what we've been trying to do is find a way in which we could get the various stakeholders to come to some kind of an agreement – we knew it would never be unanimous, but some kind of an agreement – to deal with this particular area. It's very, very controversial – extremely controversial – because every MLA has cases within their files in their offices, and they've tried to bring these forward on behalf of constituents. Even myself; I'm no different. You know, we have a couple of situations where what actually occurred just doesn't sound right. So there's been a desire on the part of many people to see if somehow that couldn't be resolved in some manner.

On the other hand, you have people with experience that have the attitude, and I think justifiably so, that have said: look; there were good people making decisions that they thought were the right decisions under, of course, the rules that then existed at that particular time. Yes, we have come along, and we've changed some of those areas, but that's what progress is all about, that's what change is all about, and then you keep moving forward. You don't continually get into retroactivity or get into revisionist history. So that probably in a matter of a couple of minutes has shown the huge chasm that we as a department have been trying to build a bridge over.

4:10

Now, I had put together a task force. I asked them: if we were going to find a way to review some of these longtime claims, what would the things be that we should look for and what would the criteria be? Men and women with sincere hearts have tried their best and submitted a report. We made the report public as to what they thought, you know, a criteria might be. We've had discussions of: if this were to be set up, who would pay? I think there was a general agreement that of course in the administration of any kind of process to relook at these things, that would fall, then, on the department, on this ministry, and thus on the taxpayers of Alberta. But if there was a decision that was overturned – and I guess it's a one-way street when I think about; I'll get into that in a minute – to the benefit, then, of an injured worker, this would be the responsibility of the workers' compensation system and its accident fund to actually look after those particular costs.

What we have not dealt with to any great extent – and I can tell you that I do have some although not many employers that are wondering why we're not going ahead with this situation as well, because they feel that they have an appealable situation where a worker was deemed to have had an incident in the workplace leading to injury and to long-term benefits that was not correct, did not happen in the workplace, did not prevent the employee from ever working again either for themselves as an employer or for other employers. They, too, are waiting for an opportunity to have this case looked at once again. There's been very little if any discussion or suggestion as to: if that case was overturned, how does that wrong get righted, then, in terms of costs that were experienced in the past by way of assessments on a single employer or on an employer group? So there's a tangled little situation here that we can get into very quickly.

But, you know, one of the things that we have discovered throughout the analysis of this whole situation is that to some extent we've had the development of an urban myth in this area, and that is that all workers who have not been successful in their appeals in terms of WCB somehow have ended up on AISH or SFI. As a

matter of fact, we looked at that. I don't think there's any question that the relations between certainly our ministry and this government generally and the WCB have improved over the last two to three years. We had actually received a level of co-operation where we felt confident to ask for a study with our officials and with WCB to see whether or not the allegation of AISH and SFI was in fact true.

Now, there were some limitations, of course, certainly in the passage of time, other limitations as well in terms of protection of privacy and freedom of information, but they were able to study a number of cases where they thought: well, there might be something here. And I don't have the numbers in front of me, so it might lead to a question in QP sometime – I mean, who knows? – but I believe that it was .04 percent of the investigated files or situations where there might have been some kind of a direct relationship. But, hon. members, at that kind of a percentage, I mean, this is not the kind of incident rate, then, where you're going to invest a huge number of dollars.

The thing that all of us have to understand is that workers' compensation, first of all, is not a government department. It's not a government program. Certainly, there is an act where this government is charged with the responsibility of overseeing the activities of workers' comp, but the understanding, then, amongst the general population has to be that workers' compensation is not a government department. These are not taxpayers' dollars that we are talking about. Workers' compensation, while a monopoly, is a beneficial monopoly that provides insurance, actually wage loss insurance to be more particular, but also, then, some rehabilitation and some other benefits as well to cover a worker should an incident happen at the workplace that creates a disruption and a separation from the workplace.

Now, as an insurance company surely all of us would know and understand that there isn't an insurance company in the world that would accept a hundred percent of the claims. So if you've had someone who applied for WCB and was not successful and ended up on SFI or on AISH, you can't necessarily just draw a line between the two dots. The fact that an overwhelming percentage of WCB claims are in fact accepted every year – and it's something in the order of 98 percent or something, you know. I guess the actual number from last year would be available, but they accept a tremendous number of their claims, and employers complain to me about that. They think that there's an inherent bias on the part of workers' compensation on behalf of the injured worker. Now, doesn't that sound surprising to MLAs in this House that have to of course deal with the injured worker whose claim wasn't accepted? We don't see the tens of thousands of WCB claimants that are successful each and every year.

So we have a number each year that are not accepted. They start to accumulate. The people try to go through the appeal system as best they can. We've tried – and I believe that we've been successful – helping with the appeals for the benefit of injured workers not only inside the WCB but, of course, as mentioned now, through one of the components of our ministry, which is the Appeals Commission.

4:20

In any event, hon. member, the use of the number of 27,000 injured workers who might have a justifiable grievance under the old system I think is far too high. Again, good people try to make good decisions. I can't for the life of me understand why it would be anywhere near, anywhere close to that kind of number. As a matter of fact, knowing the hon. member's sincere efforts on behalf of not only his constituents but on behalf of injured workers across the province, I am frankly surprised that he would use that kind of

number because those numbers are so scary that in all likelihood it is meant to scare off anybody from actually taking a look at this area. In fact, the 27,000, if I'm not mistaken, is a number that's been used by employer groups to try to get me, the minister, not to venture, not to tread into this kind of territory, because they're saying: Mr. Minister, you simply have no understanding of what it is that you're trying to do. I don't believe that for a minute. I don't believe 27,000 for a minute. I don't believe 7,000 for a minute. I do believe that every MLA in this province has a sum that they would like to look at. Again, I think the exaggeration in terms of those numbers has been used by parties and by advocates without any kind of discrimination on what they were doing and what kind of game they were playing, and it has really been to the detriment of injured workers in this province.

Certainly, Bill 27 was an attempt to change some of the appeal systems that we are currently involved in inside of Alberta. Of course, we did provide within a section of that act that the minister may provide some kind of mechanism to look at those areas. You folks were in the House at the same time I was to hear the reaction of the injured workers in the gallery. I have to tell you that that was a very low moment in my political career because I've never had the employers on my side on this situation from day one, but I did think that to a large measure I had support from the injured workers. Well, they made it pretty clear that particular day that they weren't there either. So you want to talk about a lose/lose situation, then I think that's exactly what we're looking at here.

We have it under review. We still have time to move forward on this in some way in which to do something, but I'll tell you that the way this whole thing has unfolded, it's really shown the kind of acrimony that can get involved in systems when there's a lack of good evidence and a lack of, in some cases, sincerity. This thing has been used by people that have been carrying around WC baggage all their lives as a way to kick the hell out of the WCB system. I say again that those that have participated in that have not done a favour to the injured workers of this province, and they have not done a favour to the employers of this province, and they have not done a favour to the WCB system of Alberta, which is a beneficial monopoly and one of the best WCB systems that you're going to find operating in North America.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to participate, as usual, in the budget estimates for the Human Resources and Employment department. I listened with a great deal of interest to the minister talk about Bill 27, but I believe it was Bill 26, the WCB legislation, that had closure, and Bill 27 had to do with labour relations.

I don't share the hon. minister's view in regard to the WCB. I think, unfortunately, the passage of time is proving that Bill 26 was not an improvement of the adjudication process. I thought I would give it a chance, but with the calls that I'm getting to the constituency office and the length of time that it's taking for decisions to be made at the WCB, it's just not working out. But I will at this time tip my hat to the minister for going where others have refused to go, and that's at least trying.

Certainly, with the WCB, Mr. Chairman, we look at the compensation board premiums and we see that Alberta's are the second lowest in the country after Manitoba, and I understand that Manitoba has a rebate system for good employers. When you consider that our WCB premiums are the second lowest among the provinces and on average are slightly less – they're about \$1.87, I believe; they're less than \$2 on a hundred dollars of gross payroll – we are doing well.

But with a little bit of bad luck, I suppose you could say – and we have a high number of accidents – we would surpass Quebec, B.C., and Saskatchewan and maybe even New Brunswick or Ontario.

So we have to be diligent to keep accident rates down and, as we saw, keep premiums down. The hon. minister I think is on to some good ideas there. At the same time one cannot argue poverty and refuse to pay out the long-standing contentious claims. As the hon. Member for Edmonton-Glenarry has so often reminded me, these are debts that we owe, not future costs. There are just too many people falling through the cracks.

Now, I would be curious if the minister could provide an answer before I go any further, Mr. Chairman, in regard to age discrimination for older workers; that is, those workers who are over 65 and still active in the workforce. As the population ages and more and more people are still active in the workforce after 65, are there any programs in the WCB to ensure that they are not discriminated against because of their age when they're injured on the work site?

In our constituency office I have a file where a gentleman is still injured, and WCB insists that this man can work at something. He can hardly get from the sofa to the fridge. He's crippled, and everyone but the WCB seems to recognize that, including his doctors. This gentleman is over 65, and I'm concerned that there's age discrimination going on here. I would prefer that the minister could have a look at not only workers under 65 but those over 65 because certainly there's going to come a time in this province where we're going to have incentives to keep workers active. I'll be one of them.

Now, we dealt with the cost of settlement for long-standing contentious claims a little earlier. I would like to move away from the WCB for a minute. Before I go, I would like to talk a little bit about my concerns – and they're not addressed in this budget – about the skyrocketing health care costs and the use of for-profit health providers. Are they responsible for those increases? I will give WCB this: they are quite straightforward with FOIP requests. There's room for improvement, as far as I'm concerned, with openness and transparency, but they're a lot better off than a lot of respective departments in this government as far as being straightforward with FOIP. Some documents we have received show that the WCB's total health costs have ballooned 78 percent while its use of for-profit health care providers has been steadily increasing as well. Now, in 1997 the WCB's public health care expenditures comprised 26 percent of total health spending. In 2001 these expenditures comprised only 19.3 percent of total health spending. The WCB's total health spending grew, which is interesting to note, from \$77 million in 1997 to \$148 million in 2001.

4:30

Now, it seems that the WCB's increasing use of for-profit health care providers is driving up total costs. When we look and see the businesses in this province, how premium rates jumped an average of 27.3 percent in the past year due to rising health costs, and we are now looking at higher costs that may be related to the use of these expensive for-profit facilities, I would like to know where we're going to go with this in the future. It seems to me that premiums are going up, but where these workers are being treated is going up as well. I have a document – and I would certainly share it with the hon. minister – where an injured worker from Edmonton was sent to Calgary for a week to one of these private, for-profit outfits, and it was a \$5,000 invoice for a week, and I don't think that included his accommodation. I could be wrong. But I was astonished at the cost of this. I think it merits checking out.

Certainly, there is another issue that I would like to commend the minister on because the minister has gone, Mr. Chairman, where

others have failed to go – others have failed, and I'm disappointed in their failure – and that was to enforce and show a willingness to enforce the workplace health and safety laws and regulations in this province. This minister in the time that the hon. minister has been in this department has in my view on this matter made a significant positive improvement in workplace safety, and I think the improvements will continue to happen.

The minister admitted in question period the other day that there were 101 workers, either through auto accidents or occupational diseases or fatalities in the workplace, for the year 2002. The previous year I believe there were in the range of 118, maybe 120, but that is a significant drop, and I attribute that drop to this minister's willingness to enforce the laws that are under his command. Other ministers have failed to do that, but this minister did that, and we see the immediate results.

Now, Mr. Chairman, there are other initiatives that have been implemented by this minister, and we will see how they work out. Certainly, his call centre. I would like an update on that call centre. I would also like to know how the minister is planning on advertising that call centre because I believe it was last year I reminded the minister that I was on a work site and I was astonished to find out that particularly the younger workers, which he is targeting – and that's a good idea – were completely unaware of his call centre. I don't know how we advertise that in some of the higher risk towards injury job categories, but surely something can be worked out so that they know that they can comfortably call that call centre up the hill here and get answers to their questions. I think that can be accomplished. There are a number of ways of doing it, and I'm not going to repeat them this afternoon, because I have suggested that earlier to the minister and his department. But this call centre is also a good idea, and perhaps it could be part of supervisors' training program. I'm sure this is already part of the apprenticeship programs in the province, to take a half an hour out of the curriculum and explain how the call centre works and explain how workplace safety regulations and laws work, who is responsible for what, and as workers leave SAIT or NAIT or wherever they are being trained, they will take that with them to the site.

We often talk in this province and it's been pointed out to me that we believe in a market economy, and I certainly do, but this government doesn't believe in the market forces as far as supply and demand of labour goes and workers and wages. When you have poor planning, as is obvious to this member, by this government, particularly in the health care professions and in a lot of the construction trades, where we have recognized that there is a shortage of workers but we have done very little to train the appropriate numbers, now because market forces are indicating that there is a shortage and as a shortage more employers are willing to pay top dollar to attract those workers, the government's answer to market forces is Bill 27, to restrict and limit what the market will bear for labour costs. Now, that is a philosophical contradiction of this government.

I know the minister is looking a little bit puzzled at that last statement, but I'm sorry. If market forces are going to apply, then they're going to apply to everyone. Why restrict and limit what people can get? Instead of doing that, I would have thought that the hon. minister and the other members of the government would have worked co-operatively with other provinces in Canada and resolved our labour shortages together. Perhaps it's time for this minister to get on a plane. I shouldn't say that too loudly, but someone from the department could get on a plane and get together with other department officials from across Canada and decide that we're going to train one group of RNs here in this province, and this province is going to become a centre of excellence in training, let's say, nurses to deal with neurology, and the universities in Saskatoon or Regina

are going to train nurses to look after ICU patients or open-heart surgery patients. We could work at this together instead of graduates from the University of Alberta, the University of Saskatchewan, the University of New Brunswick or wherever going to the job fairs, driving the price up by competing with one another for that pool of labour instead of working together to resolve the issue on a national basis. Instead of pointing fingers at other jurisdictions, perhaps we should look at working together with them a little bit more. The same would apply for teachers, as well, and petroleum engineers.

Now, we look at Bill 27, and again another reason why not only this hon. member but many Albertans have difficulty with restricting and limiting what we can do with collective bargaining is that we look at the labour productivity from page 110 of the so-called Alberta Advantage. It states in here the annual average between 1998 and 2002, the dollars of real GDP per hour worked. "Albertans are the most productive workers in Canada, as measured by real GDP dollars." We are followed closely by our cousins in Saskatchewan, and after that Ontario ranks third. We're above the national average certainly in this province, so why would we accuse Alberta workers – and I've heard this not from that member, to be fair, Mr. Chairman, not from that member, certainly, but from other members in this Assembly that union workers are lazy and unproductive. When we look at that statistic, that just doesn't bear it out, that bar chart there.

4:40

On the same page we look at the labour record between 1998 and 2002, the person days lost due to disputes, and that is 10,000 person days worked, and with this bar chart Alberta is again the lowest in the entire country. The Canadian average is around eight days per 10,000, and in Alberta it's slightly above two. Now, I know there are those that will say: well, none of the workforce is unionized, and the majority of the public-sector workforce that is unionized doesn't have the right to strike, so that doesn't mean anything. But when you have a record like that, why do we need legislation such as Bill 27? That's puzzling, and many people have pointed that out to this member, Mr. Chairman.

Getting on to certainly other issues, Mr. Chairman, I'm very disappointed in this government and in this department and in this minister in the fact that only \$20 has been made available to certain groups that receive SFI benefits. When you look at inflation as a result of energy deregulation and what that has done to the disposable income of that group of Albertans, 20 bucks a month is not enough. I heard before the budget from undetermined voices in this section of the House: "Wait. Be patient. Wait for the budget, and you will see a significant increase to AISH benefits and to SFI benefits." That has not happened, and those individuals deserve a wage increase or a benefit increase too. All of them. I'm sorry; many of those individuals through no fault of their own cannot find and keep gainful employment. We in this province can help them out.

Whenever I think of the cuts to those programs and the fact that there's been very, very, very little money put back into those programs – you look at the caseloads, and you see the reduction in caseloads – this is shameful. This is just shameful, Mr. Chairman, that a government would turn around. Now, in the last couple of years whenever we compare the horse racing industry to these individuals that need these benefits to live very modestly, sure, the horse racing industry this year got a \$4 million increase, the same ironically as what these SFI people got, but the year before the horse racing industry went from roughly about \$17 million to \$33 million, and this is just shameful. Our priorities are wrong. [Mr. MacDonald's speaking time expired]

Mr. Dunford: Talk about a nose at the wire, I guess.

There were quite a number of things here, but is the Member for Edmonton-Strathcona going to speak? Later?

Dr. Pannu: Perhaps. Please go ahead.

Mr. Dunford: All right. Well, I'll try and keep this to about 10 minutes then.

The Member for Edmonton-Gold Bar, of course, has a long experience in the workforce, and he's quite right. We're probably going to need to put him back to work after he's 65 not here in the House but as a plumber and a pipe fitter. You know, we're still going to need . . . [interjection] No? Was it boilermaker? Yeah, okay. So he's right. As I stand here, I don't know of concerns about age discrimination, but, again, now that it's on the record, certainly we'll investigate and respond in writing as to our findings.

The member is absolutely right, though, about health costs. This is a huge issue for the WCB and then of course for employers that have to pay the assessment. The numbers that I saw about a year ago when they were discussing what the rates were going to have to be for the 2003 year: I remember seeing something of the order of a 90 percent increase in health care costs in, you know, the last – I don't know – three or four years, so it's a huge issue for them. The member also talked about the average assessment being \$1.87, and he's right. What is very interesting is that even though we've had all kinds of angst and animosity about huge increases in WCB assessments, the actual rate in 2003 is less than it was in 1997. So what's the beef here?

Now, one thing that WCB has decided to do, which I support fully, is that from here on in – 2003 is the first year – the assessed rate is going to reflect the actual costs, then, of dealing with the incidents that have led to injury and fatality and the dislocation from the workplace and the costs of getting these folks back into the workplace. That's how it should be. This is an insurance system, and the rates ought to reflect what is actually happening. I think this is what makes WorkSafe Alberta such an important initiative. With an objective of a 40 percent reduction of incidents in the workplace that lead to injury or fatality, this has huge benefits not only just from the humanitarian side of it in the sense that 15,000 fewer Albertans are injured in a particular year, but let's just move ahead for a moment and talk about: if there's already a shortage of skilled labour, just think of taking another 15,000 out of the Alberta economy for short or long periods of time through injury. Just think what kind of an impact that has.

Let's go to the attainment, then, by the end of 2004 when we achieve that particular goal. What is this going to mean in terms of WCB assessment? It means a reduction of \$200 million – \$200 million – in assessment. To translate this into what would be the general assessed rate on a hundred-dollar payroll basis, well, it's pretty simple. Four million dollars of cost to WCB is one penny on the assessment, so we're looking at a 50-cent reduction in the general assessment across this province. Now, that's not only going to put us below Manitoba; it'll probably put us below Singapore, you know, where, I'm constantly being reminded, they have better safety records than we do. [interjection] Well, the whole concept of WorkSafe Alberta came about from a discussion I had with the Construction Owners Association of Alberta. They asked to see me. We knew from our annual report what our incident rate was, and we felt actually pretty good about it because we were meeting our objective. We were in the bottom third of the jurisdictions in Canada, and that's how we were willing to be measured. Well, they came in, and they looked me right in the eye and said: Mr. Minister, we want you to know that Alberta is a dangerous jurisdiction in which to operate.

4:50

After some flurry and some negativism and defensiveness on my part we finally decided: "Well, all right. Let's have a look at this." They assured me that they have operations in Alberta, they have operations in the Gulfcoast, they have operations in the Middle East, they have operations in Singapore, and they do the statistics the same way around the world in all their operations, and Alberta then was a difficult place. Well, that was all we needed to take off our cloak of complacency that had been existing.

Mr. Smith: The cloak of complacency?

Mr. Dunford: The cloak of complacency. We took off the cloak of complacency in this province.

Mr. Smith: That's like the mantle of mediocrity.

Mr. Dunford: Absolutely.

Mr. Smith: The pants of pulchritude.

Mr. Dunford: Mr. Chairman, will you straighten this guy out? No. I know you can't, so we'll let it go.

Mr. Smith: The socks of sobriety.

Mr. Dunford: No. I like "cloak of complacency," hon. member, and I'm going with that.

In any event, that was the genesis of WorkSafe Alberta. That was the reason for setting the 40 percent reduction, because we wanted to forget about all the comparisons that we'd been making previously as far as Canada was concerned, and Alberta was going to lead the way in these reductions. We're calling upon the employees of this province. We're calling on the employers of the province, the private providers that educate and have safety programs. The WCB itself is funding a large part of it that we're involved in here with WorkSafe Alberta, and we're going forward with it.

Of course, part of that, then, has been a clearer definition of what the principles are that we act under here. Hon. members, we have five principles. The first one is education and the second one is education and the third one is education and the fourth one is education and the fifth one is enforcement. We want to send a clear message to all the employers and employees throughout this province that we will educate first but that we're no longer shy about enforcement.

We made the changes in Bill 26 last session to increase fines. Now we're providing on-the-spot fines as a pilot project within construction. You know, we've allowed judges now to go to alternative sentencing. We're doing what we can, and of course we did raise the maximum fine from \$150,000 to \$500,000 on a first offence. The courts of course have recognized this. They're taking this into account. We now have our own dedicated prosecutor that we fund through the Department of Justice, and we're moving forward in this area. So the call needs to go out that there's a new paradigm, that there's a new objective and motivation on the part of the government of Alberta, and that is that there will be fewer incidents in the workplace.

Now, hon. members might have noticed that I've yet to use the word "accident." I don't believe in it. Every one of us, especially the boys here in the Legislature – we all know how we dealt with our moms when we got into trouble.

An Hon. Member: Oh, not the towel.

Mr. Dunford: No, no, not the towel. You know: "It's not my fault. It was an accident." Is there a male in this House that hasn't used that? "It's not my fault. It's an accident."

Mr. Rathgeber: Still do.

Mr. Dunford: Yeah, still do. So you know what I mean.

There are no accidents anymore. There are incidents, and incident leads to responsibility. We all have our part to play in that area.

I'll need to get more information for the member on the call centre. I don't have up-to-date stats on the actual number of Albertans that are using that call centre. It is huge, but more importantly what it's done is relieved our inspectors of a huge amount of administrative work in the sense of trying to provide just general information, because now there are people that are operating those telephones. There's information on the Internet now that can provide all that, and it frees up our people to educate, educate, educate, educate, and of course enforce.

Moving from that area – and I'll wrap up so others can speak – I can't resist a comment about Bill 27 and what we're trying to do there. I want to repeat again in the estimates here, as I have in question period and as I have in public, that it has a very unique name for a bill: labour relations, bracket, health care restructuring, whatever it is, another bracket. I mean, it's a very unwieldy title for a bill, but the whole idea was to send a message to everyone and especially to the labour movement in Alberta that what we are talking about here is a specific situation. We're talking about a restructuring that is going on in terms of the regions and the realignment of the employer component, then, in employer/employee relationships. Bill 27 is simply a bridge to get from where we are now to where we're going to be, we believe, by September of 2004. Now, that date is important. The chairman of the Labour Relations Board is here in the gallery today, and he needs to hear what the time frame is that we're placing him under and that this will be one of the measurements, of course, that we'll be using in terms of our movement toward the goal.

Twenty dollars on the SFI on June 1, \$15 a child in August: that is an amount that was deemed we could do with the particular estimates that we had to work with, but it transcends the dollars in terms of the significance because this is the first increase that we've had in this area now in 10 years. I hope that all folks noticed that these were for people not expected to work and for parents because they have children. If you are expected to work and you don't have a child, there is no \$20 and there is of course by definition no \$15 in August because you don't have children. But if you're expected to work, then we mean that: you're expected to work. The member talked about the shortage of skilled labour. There are jobs available, so we need to send a clear message to all Albertans that if you have the ability to work, then get out there and work and don't expect to rely on the government. I made the commitment at question period the other day. I'll review the minimum wage if that'll help. I don't think it's particularly relevant right now with the economy that we have because even the member talked about supply and demand, so probably the real starting rate in Alberta these days is well north of \$6. I'm not sure just what the review would find, but in any event we will do that and always, always keep our philosophy clearly in front of us that we want to provide people with hand-ups rather than handouts and that you'll always, always be better off working that relying on a government.

5:00

Mr. Pham: Mr. Chairman, it is my pleasure today to join the debate on the budget of the Ministry of Human Resources and Employment.

First of all, let me put it on the record that I think that the minister who looks after this ministry is an excellent minister. He has tried very hard to improve the service provided not only to workers but also to low-income Albertans. For many of the critics maybe what he has done is not enough, but to me as a member of government I know that he has tried his best, and it's a lot easier to talk about things than to get things done.

Having said that, today I would like to focus my comments on two areas. The first one is the Workers' Compensation Board, and the other one is the program for severely handicapped people in Alberta. As many members of the House know, I have been a critic of the WCB for many years now. I believe that the Workers' Compensation Board has done an adequate job with many injured workers, but also at the same time the WCB has neglected a fairly large number of long-term injured workers. I have always hoped that the WCB will improve the service for the long-term injured workers. I have waited for many years, and I have seen some small improvement here and there, but overall the service WCB provides for this group of workers is still not very good.

A common practice, then, by the case manager is that after an injured worker has spent a year or a year and a half on the benefit roll, WCB will try to kick that person out of the benefits, and then the workers will have to try to climb back in again. That process is not easy. The fence is set very high, and for many of the injured workers the stress of the injury, the stress of the loss of income, and the stress of the family all compound together and make it almost impossible for them to prove their case. The WCB case managers most of the time are very articulate. They can formulate really well-written decisions, and they can always pick and choose the most beneficial medical decisions to defend their position. It is quite difficult for an average injured worker to fight against the system. I grant that there are also some people who try to abuse the WCB benefits, but by and large, you know, people who have spent a year or more on WCB benefits usually have significant injury, and for the WCB to have a pattern of kicking them off the benefit roll really disturbs me.

I have many cases in my office, but I had a really interesting case that I brought to the minister's attention. When the worker got out of the rehabilitation program from Columbia Rehab centre, on the medical discharge information it was stated that this injured worker cannot sit for more than six minutes, cannot stand for more than one minute, cannot walk for more than one minute. Throughout the 14 months that I worked with the WCB on this case, from the case manager level to the supervisor to the CEO of WCB, all of whom are very reasonable people, intellectual people, and extremely capable, all of them seemed to be of the same mind-set that somehow if they reverse this decision, if they admitted a commonsense thing, that a person who cannot stand for more than one minute cannot return to work, the world will cease to exist, everybody will climb on the WCB benefit roll, and it will cost the WCB a huge amount of money.

The cost argument and the fear that it will cost the WCB a significant amount of money is being used again and again and again, not only in this case but also when it comes to dealing with all of the long-term contentious claims. This really intrigues me because on one hand the WCB claims that they want to do the right thing. On the other hand, they say that they can't do these things because it will cost them so much money. If it is true that what we want them to do for the long-term contentious claims will cost them a lot of money, that means that there are many, many cases out there where the long-term injured worker was treated improperly in the first place. If that is the case, then is it important to do the right thing? Is it important to do what is just, or is it important for the

WCB to worry about the bottom line and just ignore these people?

I, like the minister, do not think the cost is very high. I think that the number of long-term contentious claims that need to be reviewed and dealt with is relatively low. But this guy has a funny situation because in this case you have both the advocate for injured workers and the WCB seeming to sing from the same song sheet. The WCB used the argument that there are many people in this category, and therefore they reject doing it because of the cost.

Of course, the WCB is a very, very powerful organization. Every time that they talk about the cost, it excites the employers who have to pay the bill. The employers get on the phone and start a letter-writing campaign, and many of us as elected officials listen, and we begin to second-guess whether it is the right thing to do or not.

I still remember that last year during the introduction of Bill 26, about the WCB, I had the pleasure of exchanging e-mail with some of the business leaders in Calgary. In fact, I got some very nasty e-mail. Some of them went as far as threatening me that they would do everything they could in their power to make sure that I don't get re-elected again. Mr. Chairman, I have heard that threat many times before, and it's kind of interesting that it came from the people that I didn't expect to hear it from. But life goes on, because as elected officials we try to do what we think is right and what we think is best for Albertans.

Coming back to the case that I mentioned earlier, after 14 months WCB came up with a new medical report saying that my constituent's condition was not as bad as they first said it was. In fact, he has a limitation of 10 minutes walking, 10 minutes standing, and 60 minutes sitting. The irony is not in the new condition. The irony is that given their belief that the limitation was one minute standing, one minute walking, and six minutes sitting, they still reached that conclusion that he was able and fit to return to work. That was the irony of it. You know, under that restriction the case manager, the Claims Services Review Committee, the CEO of WCB say that that poor man was able to return to work, and, Mr. Chairman, if that logic applied to every case, then I wonder: is there anybody that the WCB thinks is not capable of returning to work?

A case like that really makes people like me feel that there has to be a better accountability framework in the system, because today I really feel sorry for the minister every time when I . . .

5:10

The Deputy Chair: I hesitate to interrupt the hon. Member for Calgary-Montrose, but pursuant to Standing Order 58(5), which provides for the Committee of Supply to rise and report no later than 5:15 p.m. on Tuesday, Wednesday, or Thursday afternoons, I must now put the question on the proposed estimates for the Department of Human Resources and Employment for the fiscal year ending March 31, 2004.

Agreed to:

Operating Expense and	
Equipment/Inventory Purchases	\$1,072,188,000

The Deputy Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report and beg leave to sit again.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Human Resources and Employment: operating expense and equipment/inventory purchases, \$1,072,188,000.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I would move that we adjourn till 8 this evening, at which time we return in Committee of Supply.

[Motion carried; the Assembly adjourned at 5:14 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, April 15, 2003**

8:00 p.m.

Date: 2003/04/15

head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: I'd like to call the Committee of Supply to order.

head: **Main Estimates 2003-04**

Executive Council

The Chair: Are there any comments or questions to be offered with respect to this? The hon. Premier.

Mr. Klein: Thank you. Mr. Chairman and hon. members, I'm pleased to appear before this committee to discuss the Executive Council 2003-2006 business plan. Programs under the Ministry of the Executive Council include the office of the Premier, Executive Council, and the Public Affairs Bureau.

I'd like to begin my remarks this evening with a brief overview of the programs covered under Executive Council as well as its goals and plans for the coming year. Executive Council provides support to cabinet and its committees such as the standing policy committees. It also includes my office here in Edmonton and the southern Alberta office in Calgary as well as my deputy minister's office. Another program under Executive Council is support for policy co-ordination, business, and strategic long-term planning for the government as a whole. Staff in this area will continue working to ensure that ministers across government are working together effectively following a variety of cabinet processes and that the needs and priorities of Albertans are reflected in the government's long-term strategic plans.

Another area that falls under Executive Council is the protocol office, which looks after provincial government ceremonial events and visits from senior international dignitaries. Yesterday, for instance, we had the high commissioner for India and the Canadian ambassador to Germany visiting the Legislature. In addition to performing those duties, the office also continues to provide protocol advice to government offices, community groups, the private sector, and individual Albertans who may have questions about protocol requirements for their special events.

Finally, Mr. Chairman, the Executive Council provides administrative support to the office of the Lieutenant Governor and the Alberta Order of Excellence Council, for which the Lieutenant Governor serves as chancellor. Those administrative support services will continue to be provided. I'd like to also add that we're all looking forward to having Her Honour the Lieutenant Governor healthy and back on the job as soon as possible, and I'm sure that all members of this committee join us in wishing her a full and speedy recovery.

Mr. Chairman, I'd now like to turn to an overview of the projected spending for Executive Council for 2003-2004. Spending for Executive Council is forecast to be \$18 million, up roughly \$1 million or 6 percent from 2002-2003 levels. I should also add that the budget for Executive Council and the Public Affairs Bureau has been virtually unchanged for the past 10 years. During these past 10 years Alberta's population has grown 18 percent, and we've seen the development of a whole new area of on-line communications thanks to the Internet. So this year's modest 6 percent increase will be divided between a number of initiatives to improve information access for Albertans, and I'll detail those programs for committee members shortly.

Another part of the increase will go to salary increases for bureau and Executive Council staff. These increases are being seen in all ministry budgets and are in line with increases generally given to all public service employees. Members may note that the total full-time employees for the Public Affairs Bureau is forecast to increase by four, for a total of 131 full-time equivalents in 2003-2004. These additional staff members will ensure that key information access points such as Alberta Connects and the Service Alberta call centre, formerly known as the RITE centre, are adequately staffed to meet the growing demands of public users.

Before I turn to the Public Affairs Bureau's business and their business plan goals, I'd like to also draw members' attention to a change in forecast revenue for the bureau through the Queen's Printer bookstore. Revenues are expected to decrease to \$1.2 million this fiscal year. That's down from \$2 million last year, and one of the main reasons for the drop is that we're now past the bulk of sales for the *Revised Statutes of Alberta*. This was a major project that I think went on about seven years for the Alberta legal community that generated increased revenues. Now with the project completed, revenues are returning to normal levels.

Members should also note that forecast revenues for future years are lower due to an increased availability of free legislation through the Queen's Printer's Internet site. Again, the Internet has its advantages, but it has its disadvantages relative to our ability to generate revenue. The Queen's Printer is also noting a trend among legal offices to simply order individual pieces of legislation through the web site as needed rather than ordering those large volumes of print copies. The Queen's Printer staff will continue to adapt products and formats to ensure that the legal community receives the legislative resources it needs in the most convenient and most cost-effective format possible.

Mr. Chairman, I'd now like to talk about some of the goals and strategies listed in the 2003-2006 business plan for the Alberta Public Affairs Bureau. Sometimes people who work in the Public Affairs Bureau are simplistically dismissed as spin doctors. That's partially because many people are either politically inclined and want to characterize them that way or because many people simply aren't aware of the many different kinds of jobs that PAB staff do. These are jobs that indeed are important to all Albertans. I'll give you one example. Some of our communications people deal with as many as 35 media calls per day. Those media calls don't come from the so-called legislative press gallery. They come from media throughout the province, from rural media to inquiries from national media, and they want to get correct, up-to-date responses to those inquiries. That's essential so that media are reporting the facts accurately on government initiatives and programs.

But there's much more to the work of communications staff than media inquiries. Working hand in hand with ministers and ministry staff, communications staff in all departments are substantially involved in helping Albertans get important and helpful information that they need to conduct their day-to-day business. Communications staff in Seniors, for example, work hard to keep seniors informed about programs to help them. That's an entirely exclusive constituency, Seniors and information for seniors, a huge job in itself.

In Agriculture, Food and Rural Development, Mr. Chairman, communications staff provided essential support in publicizing farm aid programs, last year, for instance, during the drought, and indeed there's a tremendous amount to communicate in agriculture. I can tell you that when I attempt to learn about the various agricultural programs, my eyes start to glaze over. There's just a tremendous amount of information to be communicated about agricultural programs.

In Children's Services I'll give you another very good example. Communications staff were directly involved in organizing and hosting the annual Great Kids awards. This is a program, Mr. Chairman, that honours young people who make outstanding contributions to their communities.

In Transportation we hear the ads and read the results of the press releases on a daily basis. Communications staff work hard to promote highway safety. It's a day-to-day issue. In Sustainable Resource Development communications staff are at the front lines when Albertans need to know about forest fire activity. Indeed, they're right there with the forest firefighters.

8:10

In Learning communications staff assist with the promotion of available scholarship programs and other financial aid, to name just a few of the things that are dealt with under Learning. In Government Services communications staff help out to promote and raise awareness of consumer protection laws and rights. In Environment communications staff are a vital part of the work Environment does to promote energy conservation in Alberta and to tell Albertans about all of the programs that are carried out under the Department of Environment. So these are just a few examples of the value and expertise that the people of the Public Affairs Bureau bring to the job of communicating with Albertans.

The three core businesses for the bureau include helping government ministries communicate with Albertans, providing Albertans with two-way access to government, and publishing and selling Alberta's laws and other materials. Under core business one, an initiative that will receive new funding is the creation of a corporate communication strategy for the government. This strategy will ensure that public information programs are co-ordinated across government and that Albertans are getting the information they need about the programs and services that affect them. The initiative includes efforts to ensure that government communications reach diverse Alberta audiences such as youth, new immigrants, multicultural communities, persons with disabilities, and rural Albertans.

The initiative also involves a cost-effective and co-ordinated advertising plan to ensure that Albertans know how to access information about important government initiatives, programs, and services. In conjunction with this initiative bureau staff will also begin work to revise the corporate visual identity for the government, and this will be the first update for the visual signature in over 30 years. Don't ask me what that signature is going to look like at this particular time, because they're still working on it, and God forbid that I should be involved. Thirty years. It's maybe time for a change. The current plan, of course, is to have the updated signature ready to coincide with the 2005 centennial year.

So when you look at the very wide range of communications programs that take place across government every year, it's easy to understand the need for ongoing improvements to communications co-ordination.

Mr. Chairman, the allotted time for my portion of this debate doesn't allow me to list all of the areas covered by government communications activities, but I can tell you that they cover virtually every Alberta government program and service offered to the public including health care; Alberta's learning system; support programs for farmers; services for children and families; economic and fiscal updates; infrastructure, roads, and capital spending; crime and safe communities; seniors programs; workplace safety; parks and sustainable resources; and security issues and emergency preparedness. While the content of programs and services being communicated may vary, the goal of the communications is always the same, and that goal is to ensure that Albertans can quickly and easily

access the information they need about those government programs and services that matter most to them, whatever they may be.

That's why another portion of this year's funding increase will go to ensure that key information access points are able to keep pace with growing public usage. For example, dollars will go to help improve services offered to Albertans through the toll-free Service Alberta centre, as I mentioned earlier, formerly known as the RITE centre, and the toll-free phone and e-mail services through Alberta Connects. While members of the committee may be familiar with Alberta Connects, Service Alberta, formerly the RITE service, will be a new term. In fact, the RITE telephone centre has been renamed since this committee last met, and members may know that Service Alberta is a combination now of telephone and on-line information resources designed to answer Albertans' questions about the government programs they use most often. The former RITE telephone centre is offering Albertans the same high-quality service under its new name. We know that the service is popular because the Service Alberta operators handle approximately 1.1 million calls each year. Another 5.4 million callers use the direct-dial option to complete their calls. So this gives you some indication as to the number of inquiries and the number of people who are phoning in to find out about government programs and services.

The Alberta Connects service is also growing. Last year it received over 20,000 calls and 17,000 e-mail requests for information on a number of initiatives including farm drought assistance, the heritage fund survey, climate change public consultation, and the new Traffic Safety Act. Work will begin this year to increase the speed and efficiency of both the Service Alberta call centre and Alberta Connects so that Albertans can find the information they need even faster. Efforts will also begin to increase public awareness of these valuable information resources.

Increased funding will also be used to improve the Alberta government home page. This time last year I remarked to this committee that Internet usage in Alberta was growing rapidly, and I think it's safe to say that the trend shows no sign of slowing down. The Internet has become an integral part of any public communications initiative. Members might be further interested to know that hits to the Alberta government home page have almost doubled from a year ago to more than 12 million in 2002-2003. The government web site is an important source of news and information for Albertans and allows them to respond and ask questions of their government. The site has played a central role in addressing the government's implementation of health reform, recommendations and communications around the G-8 summit in Kananaskis last summer, and of course our position on the Kyoto protocol last fall. So all of these statistics underscore the importance of continued efforts to make sure that the government home page provides the information resources Albertans increasingly expect to find.

Work will continue to make sure that the home page meets public needs. Initiatives this year will include looking at ways to make it easier for the visually impaired to access the page. A facility will also be added to the government home page that provides consolidated listings of public consultations taking place across the province so that Albertans can learn about and participate in the various consultation opportunities.

The Internet is also playing a role in communications planning for the Queen's Printer bookstore, which is the third and final bureau core business I'd like to discuss today. As I mentioned earlier, Albertans are making increased use of free legislation materials through the Queen's Printer web site. Queen's Printer staff will continue their efforts to improve service available through the Queen's Printer web site. This includes the initial steps to publish the *Alberta Gazette* free and on-line. This will not only increase free

public access to information; it will also reduce administrative and print expenses for the government.

So, Mr. Chairman, that concludes my introductory remarks on Executive Council's business plans for 2003 through 2006. Thank you.

The Chair: Before recognizing the hon. Member for Edmonton-Ellerslie, I'd ask the committee if we could have your consent to briefly revert to Introduction of Guests.

[Unanimous consent granted]

8:20head: Introduction of Guests

The Chair: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Yankowsky: Thank you, Mr. Chairman. I rise to introduce to you and through you to this Assembly the 9th Hermitage Scout group. They're from my constituency of Edmonton-Beverly-Clareview, and they are here to tour the building and to observe the sitting this evening. They lucked out because the Premier is here with us this evening, so it is quite an honour for them to be here. The group consists of eight group leaders, and they are James van Lieshout, Teresa Black, Brett Symington, Lori Symington, Brent Galipeau, James Toupin, Lisa Wickman, and Steffi Ault. There are also some helpers, Stacie Reinhart and James Galipeau, as well as 14 Scouts and Cubs. They are seated in the visitors' gallery, and I'd like them to rise at this time and receive the very warm welcome of this Assembly.

The Chair: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Chairman. It gives me great pleasure to rise this evening and introduce to you two constituents of mine Mr. Brock Comartin and C. J. Stav. Brock is one of those great Albertans who is very generous with his time as a volunteer. At this time he's volunteering as a Big Brother, and his little brother is C. J. Stav. Would Brock and C. J. please rise and receive the warm welcome of this Legislature.

head: **Main Estimates 2003-04**

Executive Council *(continued)*

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I'm happy to have an opportunity to participate once again this year in the budget debate on Executive Council. I'd like to thank the Premier for his opening speech and would like to add the Official Opposition's wishes for a speedy recovery for the Lieutenant Governor, as the Premier stated earlier in his comments.

Interestingly enough, in his opening comments the Premier talked about people sometimes viewing the Public Affairs Bureau in simplistic terms, and I would like to reassure the Premier, the chairman, and all of the staff from the Public Affairs Bureau that we never underestimate them. There is nothing simple about being a spin doctor for this government; I'll tell you that. Like I said last year, if we could just have the amount of people and these exact people who are here tonight for one month, Mr. Premier, you'd be in trouble. I'll tell you that much. Just for one month is all we need them, never mind all of the rest of the people in that staff.

Mr. Klein: I'm going to hold you to that.

Ms Carlson: Absolutely. Loan them to me for just 30 days. That's all it would take, and we'd see some significant changes. They're good. They're going to make us look really good; I'll tell you that much. Look at what a great job they've done over here. Look what they had to work with. I know who to trust in this government, and it's the public servants. As often as the Premier says, "Trust me," it's them I trust. That's where my money goes. They do a great job.

The Provincial Treasurer doesn't like those comments, but it's very true. They do an amazing job. Just take a look at what they did with this latest advertising campaign about the budget, Mr. Chairman. We see ads about something that isn't really talked about in the budget at all, and that's the paying down of the debt. We see fancy charts, no graphs. Graphs were pretty good because they represented all the spending, and now we see charts in there that take some poetic licence with scale. They're interesting to look at and a very good example of what this Public Affairs Bureau can do. But I don't want to talk about the Public Affairs Bureau too long, Mr. Chairman, because I know that my colleague for Edmonton-Riverview is chomping at the bit to get into that particular topic.

What I would like to do for about approximately the first half hour this evening or at least 20 minutes of it is focus on the Premier's talk about Executive Council's role in policy co-ordination and strategic planning. I would like to ask him some questions about parliamentary reform and fiscal management systems that we don't see this government going in the direction of. We certainly would like to see what his comments are in terms of why this government doesn't put them into their strategic planning process. We think that one of the biggest problems with the system is the system itself and that with a little democratic renewal we could see some way better legislation and perhaps some better planning processes put in in the long run on a strategic basis and start to build more trust in the electorate for politicians, for politics, and for the system.

The first one I'd like to talk about is free votes. We had a little taste of that last night and today in question period, and we saw a little bit of the Government House Leader trying to throw his weight around, but I would like to have the Premier's opinion on free votes in general, about initiating them to a greater degree. Not on money bills, because I understand that the government needs to have some solidarity around budget issues, but most of the other legislation that hits this Assembly, particularly with this big of a majority of government members, would I think face some healthy tests and healthy review if we had a freer process in the Assembly. I know that the Premier talked today in his media availability about five minutes from each member in this Assembly on most subjects being too much time, but it is important, I think, for members of the public and members of the opposition to have some understanding of how the decisions were made for bills being brought in and not only what cabinet thinks of them but also what members who support the government's position who are not in cabinet think about it, in five minutes if that's what you want to allow.

So a random selection, maybe two or three people, five minutes each, explaining how the government got to their decisions and their position in an open and accountable manner and then allowing for more free votes within the system. It doesn't matter now when you've got such a big majority, but it could be helpful to your members in the long run. You could never face the challenge on the doors from us or any other opposition to talk about caucus whips and party solidarity and party discipline. To be able to say that we have lots of free votes in this Assembly on key, critical issues I think wouldn't be a bad idea. So if the Premier for a few moments could tell us what he thinks about that.

Mr. Klein: Well, the question, Mr. Chairman, was relative to free

votes, which has absolutely nothing to do with my budget, but I guess it has something to do with politics and the way government conducts itself. I would remind the hon. member that there was a free vote not so long ago.

An Hon. Member: Two years ago.

Mr. Klein: Two years ago? Only a few days ago, and that free vote was a vote on the firefighters' bill, a private member's bill which was passed by this Legislature and a good example of a free vote on a bill that turned out to be a productive and worthwhile bill and an exercise that was a good exercise. I'm glad that the opposition members voted freely along with government members in support of that particular bill.

Mr. Chairman, if the hon. member is talking about the resolution relative to the Electoral Boundaries Commission, I will explain what I explained in question period today, that contrary to the statement that was made by that hon. member, the Member for Edmonton-Ellerslie, I do not run an autocratic or dictatorial caucus. That's not my style. Basically, when we sit down as a government to discuss an issue, a difficult issue, we say: okay; what is the consensus of caucus? On this particular issue not everyone was pleased, but we were given advice, good advice, that we would likely not get anything better by convening another commission to conduct another electoral boundaries review. Some members, however, are adamant in their opposition to this, and that's fair enough, and we said: feel free, then, to vote according to your conscience and according to the wishes of your constituents. That indeed is going to be done and was done relative to the resolution and I suspect will be done relative to the legislation when it's introduced and finally debated.

8:30

So, Mr. Chairman, free votes are something that we condone and we encourage if the situation is right and if there's a caucus consensus that there ought to be a free vote. I don't tell caucus. I don't tell these members, "Well, we're going to have a free vote on this" or "Damn it, we're going to ram this through. This is a government bill, and you're going to vote for this or else." That's not the way we operate. We operate freely. I don't know how, as I said before, the Liberal caucus operates, nor do I want to know. I don't want to be a fly on the wall relative to the Liberal caucus, but I can tell you that I have known of some leaders of the Liberal Party who have said: you vote this way or you're out of here. Right. I get that from former members of the Liberal party, and that's: it's either my way or the highway, and you vote my way or you get out of here. Well, that's not the way I operate. Maybe it's the way they do, but it's not the way I operate.

Ms Carlson: Mr. Chairman, I'd like to thank the Premier for his comments. Of course, we expect all private members' bills to be free votes. My comments were more general in relation to government bills, but we certainly got his political answer for this evening. I would like to remind the Premier that he's the one who told me – and it's listed in his documents – that this department deals with policy co-ordination, business, and strategic long-term planning. So democratic renewal and long-term planning and strategic directions are the context within which I'm asking these questions. I'm not asking them specific to any one particular instance in the near future or the near past but in general in terms of looking at where this government is headed for a strategic direction in the future.

My next question is on MLA working committees. We've talked for a long time in this Assembly about improving the system by having all-party committees, and I know that there is at least a little

support for this concept on the other side of the House here. We think that all-party . . . [interjection] Well, perhaps it is only one or two people who occasionally have a fleeting thought that it might work, but I think that there is some evidence to indicate that all-party committees have not been unsuccessful in this House in the past. I know that over the past 10 years I've sat on a few of them. I don't think Public Accounts works very well at all, but I think the Heritage Savings Trust Fund Committee has worked very well, and I think that that's a committee where you can see that on occasion opposition members bring something to the table in terms of new ideas, in terms of different perspectives on looking at things, in terms of ways to work co-operatively.

Now, I don't think any minister or committee chair in that committee has ever been sandbagged by an Official Opposition member while I've been here. We have tried to work co-operatively. We know out front that we're not going to win any votes, but we also know that if we work in a co-operative fashion, we can have some say in what happens, that we can have some opinions brought to the table that might not otherwise be heard by government, and that is a healthy way to run a government. It just makes you guys better. It makes you stronger in the long run and gives the people a better government.

So we are strongly in support of MLA working committees that would be all-party committees because we think that they would help with accuracy and efficiency of government programs. It would also speed up some of the discussions that we have in the Assembly. If you share the information with all members, members agree on what the contentious issues are and set those aside for dealing with in the House, work through some of the smaller issues, you get a better piece of legislation and you get better ideas, and there's nothing wrong with doing that, we think.

A lot of people think that Official Opposition members have access to detailed background on bills and legislation coming forward in this House. That isn't the case. If we work with a co-operative minister, we get briefings on bills. On private members' bills often the members will give us briefings, but otherwise we hardly get any information at all. In fact, members of the general public often have greater access to information than we do. If we're informed about the issues, it makes the debate more relevant, more important, and certainly more interesting. So we think that that would be a very good idea. We think that this strengthens the role of MLAs in general and certainly think that it would be a good idea.

Perhaps, Mr. Premier, you would think about looking at it in terms of one standing policy committee. Add one or two opposition members, and see what happens. Try it for one session. What would be the harm in that? If we see better legislation, if we see more streamlining, if we see more co-operation, if we see up front the setting aside of the contentious issues for debate in here, I think we're going to see a better working government. So if we could have your comments on that.

Mr. Klein: Well, Mr. Chairman, the hon. member brings up a very interesting comment. Again, this has absolutely nothing to do with my budget, nor does it have anything to do with the business plan of Executive Council or the Public Affairs Bureau. Again, it has something to do with the traditions of the Legislature, of parliamentary tradition.

I'm not trying to inflate the importance of government, but the simple fact is that under the system we have, people elect individuals who belong to a particular party. If those individuals have more than the individuals who belong to another party, then they form the government and they in turn are charged with developing policy and delivering programs and services. That is the parliamentary

tradition. You have the government, and you have the opposition. The government is charged with developing policy, and part of that policy development includes the standing policy committees, committees that go through in detail issues surrounding a particular proposal or a particular piece of legislation or regulation or program that might be proposed by an MLA or a special interest group or indeed just an individual to really vet in a responsible way the pros and the cons of a particular program, service, policy, or regulation and bring recommendations to cabinet. That is the role of government. That's why they were elected to government and not to the opposition, so that they could develop policy, and that is consistent with the traditions of parliament.

Now, if the opposition wants to amend and reshape the way the parliamentary system works not only in this province but in Canada, then I would suggest that they go about it another way. There are various parliamentary conferences, I understand, to which members of the opposition are invited. Perhaps they can stand up and say: we need a change in the parliamentary system in Canada. Tell that to the Prime Minister. Start right there at the top, you know, and change the parliamentary system in Ottawa. You can start by promoting an elected Senate. You know, that would be a good step. If you want to change the parliamentary system here, then I would suggest that you use the proper and appropriate forum to do that and not this Legislature, particularly not the business plan of Executive Council.

The Chair: The hon. Member for Edmonton-Riverview.

8:40

Dr. Taft: Thank you, Mr. Chairman. My questions are relating to the budget specifically and the increase in the budget numbers. I'm looking here at last year's set of business plans, Budget 2002 business plans, and on page 155 it actually lists expenditures for the last few years and targets for the next couple of years. The target for ministry expense for the combination of the Executive Council and the Public Affairs Bureau in 2002 for the 2003-04 year was just a hair under \$15 million, \$14,994,000. What we're seeing here in a budget proposal – and the Premier can correct me if I've made a mistake here – is that rather than coming anywhere close to that target, say \$15 million, we're just a hair over \$18 million, which is, well, a substantial overshooting of the target. I'd say about a 20 percent overshooting of the target in one year if I'm doing the math correctly in my head. I'm wondering if the Premier has any comments on why the target for this year that was set out last year is being overshot by such a large amount of money.

Mr. Klein: Mr. Chairman, I'm on page 155. We see the office of the Premier and Executive Council. Maybe we're reading from different documents, but I don't see those target dates. I see targets for 2004-2005 of \$18,035,000, '05-06 for \$18,035,000.

Dr. Taft: I'll stand up and review it again.

Mr. Klein: I'll sit down.

Dr. Taft: Okay. The whole point, I assume, of a multiyear business plan is to look ahead the next couple of years and make some workable targets. The target set last year – and I could send this over by page if it would help – for 2003-04 was \$14.994 million. We'll say \$15 million. So last year we were saying: okay; looking ahead to 2003-04, we would spend combined \$15 million. Instead, what we're having here is a proposal to spend 20 percent more than that, which is \$18 million. In other words, we really overshot the

business plan as laid out last year, and I'm wondering – maybe if he can't explain it now, I'll refer that to his staff.

Mr. Klein: Mr. Chairman, the problem is that I have before me the business plan going from 2003 to 2006 and this year's budget. You know, I don't have last year's budget in front of me.

I don't have the information in front of me, but my officials have sent down some information, Mr. Chairman, with the explanation that there is a \$2 million comparable transfer from Health and Wellness for the Alberta Connects program. This is not new money or an increase. It is simply funds transferred from another department.

When the Alberta Connects program started three years ago, the funding was in Health because the focus of the program was on health communications. Since then, the focus has expanded to incorporate cross-government communication initiatives and issues, so it makes sense to transfer those dollars to the Public Affairs Bureau. Now, not having the breakdown – that is, the numbered information – before me, I would have to accept that as a logical explanation for the \$2 million difference.

Dr. Taft: Thank you. There's still a million dollars missing in that explanation, but perhaps they can account for it in subsequent notes. [interjection] Sure. Thank you.

I do need to note that the actual expenditures of the Executive Council and Public Affairs Bureau in 2000-2001 were \$13.75 million. We're now up to \$18 million. So it is a pretty rapid growth over three years. Any explanation of that would be helpful.

Now a handful of other specific questions. At some point in follow-up to this debate here this evening could the Premier please provide some details on the classifications and job categories of the 130 or 135 FTEs of the Public Affairs Bureau? I don't know how many people that would total, maybe 175, 200, whatever. It would be interesting to know how many are directors and how many are this and how many are that.

The cost of a new visual signature is going to undoubtedly come up for some debate. I'm sure that the Public Affairs people have already anticipated that. These kinds of procedures, if they're done the way a major corporation would do them – and I suspect they will be here – are multimillion dollar undertakings. There's the whole business of developing and testing a new visual signature and then the very substantial expense of implementing a new visual signature. So I'm wondering if there is a budget allocated for developing and implementing the new visual signature.

Mr. Klein: Interesting. I don't know, Mr. Chairman, if there is a specific budget allocated for the development of the visual signature or whether this is work being done collectively or by a few assigned within the department to do this. I will attempt to get that information as to whether there is a budget specifically assigned to this.

Relative to the other question, Mr. Chairman, I'd be very happy to provide the breakdown relative to both the Public Affairs Bureau and the Executive Council. The full-time equivalents for Executive Council in 2003-04 total 181. The office of the Premier's full-time equivalent staffing for 2003-04 totals 47, and I'd be glad to list those staff if the hon. member so wishes. The office of the Lieutenant Governor includes three administrative support staff. With respect to the PAB and the specific question, the Public Affairs Bureau's full-time equivalent staffing for 2003-04 totals, as I mentioned, 131. Four additional staff have been added.

So 78 full-time employees help government ministries to communicate with Albertans. They supply professionals to government departments to develop and implement communications programs.

They provide communications planning and consulting to support government programs. They co-ordinate government communications to and from Albertans on priority areas for government initiatives and during public emergencies. They provide specialized writing and editing services to government. They create and implement a corporate communications strategy to ensure that public information programs are co-ordinated across government and Albertans are getting the information they need in the most cost-effective way possible. That involves 78 FTEs.

8:50

Thirty-four FTEs provide Albertans with two-way access to government. This involves managing Service Alberta, formerly the RITE call centre, to give Albertans toll-free access to government. It provides Alberta Connects call centre support for major government initiatives. It involves managing the two-way flow of information through the Alberta government home page. It involves providing technical support for major government news conferences and announcements. It involves providing research and implementation support for new communications technologies and Internet-related consultative programs to departments. It involves managing the provincewide distribution of news releases. That involves 34 FTEs.

Eleven FTEs are responsible for publishing and selling Alberta's laws and other government materials. Specifically, they are charged with publishing and selling Alberta's laws and other government materials and operating the Queen's Printer bookstores in Edmonton and Calgary.

There are three FTEs in the managing director's office. Now, I don't know if these are referred to as directors or executives. I'm getting a signal that they are not. I know that there is an executive director or a director of the department who has deputy minister status, but the director's office staff looks after overall management of the Public Affairs Bureau.

There are five FTEs on the human resources and administration side of the Public Affairs Bureau charged with managing the human resources and finance needs of the Public Affairs Bureau and also charged with developing business plans and budget preparations, performance measurement co-ordination, annual report development, FOIP administration, central bureau reception, and central bureau reception services.

That's about all I've got on the Public Affairs Bureau.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. A number of other questions here. There certainly appears generally to be a marked increase in the amount of advertising undertaken by this government: the campaign around the Mazankowski report, the Kyoto campaign, the Healthy U advertising, and so on and so on. I am wondering if somewhere or other there's a total figure allocated for all the advertising undertaken by this government. I'm wondering if the Premier might be able to indicate to us how that's organized. Is all of that advertising managed through the Public Affairs Bureau whether it's for the Department of Health and Wellness or Environment or whatever, or is that handled individually by departments? How are the advertising buys managed, and how much in total is paid by this government to the buyers for their services? I assume that the government has an advertising buyer who handles that. I'd be curious to know how much that is worth. Who manages the advertising campaigns? In other words – and the Premier would know this exceedingly well, I'm sure – the whole process of developing and implementing an advertising campaign.

So there's a series of questions there about the millions of dollars, maybe even a few tens of millions of dollars now spent by this government on advertising. The Premier is welcome to comment now, or again I'd be happy to take his responses later.

Mr. Klein: Mr. Chairman, I can answer some of those questions. Certainly, major advertising and the agents who handle advertising, the advertising agencies, are selected by tender, I would think, for most of the projects. I'm receiving a nod in the affirmative. I don't know what these agencies charge. I used to know what they charge, but that was many, many years ago when I used to buy advertising. I don't know what they charge today – and I'll attempt to get that information for the hon. member – nor do I have a total amount that we spend on advertising in a given year or what it's anticipated we will spend in 2003-2004, and again I'll attempt to get that information.

I can advise the hon. member that all advertising endeavours by the various departments are co-ordinated through the Public Affairs Bureau, but certainly it's up to the department. If it's Sustainable Resource Development or Learning or Government Services or Finance or any of the other ministries, if they feel the need for an advertising campaign and they know that there's a message that needs to get out, then that is co-ordinated with the Public Affairs Bureau.

Dr. Taft: All right. I look forward to some more detail in writing subsequent to these questions.

My next questions actually follow up on the Premier's comments about the Public Affairs Bureau staff working with staff in various departments. Indeed, my understanding is that many Public Affairs Bureau staff are assigned to departments throughout the government, but at the same time as the Public Affairs Bureau staff is assigned to a department handling communications, some of the departments have their own communications staff. So, for example, Government Services has a few communications staff it pays for, and the Public Affairs Bureau has some of its staff assigned to Government Services. At least that's how I understand it. If I'm wrong, I can be corrected on that.

I'd be interested to hear from the Premier, also serving as minister responsible for the Public Affairs Bureau, some comment on who controls the communications staff of the various departments. So does the communications staff of Learning report to the Deputy Minister of Learning, or do they report to the Public Affairs Bureau director assigned to Learning? Also – and I don't expect the Premier to have this figure at his fingertips – how many communications staff work for the government outside the Public Affairs Bureau? They're scattered throughout the government. That would be an interesting figure to learn perhaps in a written response.

Mr. Klein: Perhaps in a written response, but I would be very surprised if the Public Affairs Bureau didn't retain the services of outside public relations and advertising experts from time to time and for specific projects. How much we spend I don't really know.

Relative to communications directors, they are charged to the Public Affairs Bureau but I think report directly to the ministers if they're assigned to a department, but any public relations campaign or advertising campaign that is planned is co-ordinated through the communications director with the Public Affairs Bureau.

Relative to the other information, I'll attempt to get that information for the hon. member.

The Chair: The hon. Member for Lacombe-Stettler.

9:00

Mrs. Gordon: Thank you very much, Mr. Chairman. Premier, it's always a delight to have you with us when you present your budget for Executive Council and the Public Affairs Bureau. I just have a couple of questions, but first I would like to give you and your people some kudos. I really believe the RITE line, the RITE centre, what will now be called I think you said Service Alberta, does an outstanding job for Albertans. It certainly connects constituents and parts of our constituency to each other, and though we all over a period of time hear from constituents, I only hear good things about the RITE line.

If you would just reiterate for me, did you say that there had been 1.1 million calls last year? With going to the concept of now Service Alberta, basically what will change, and will it require a larger budgeted amount? Also, I think we can be very impressed. In Alberta we've come a long way, I think, in a short time, and I'm sure we will move farther ahead yet on the whole computerization and technology, and I was just wondering if your people would have any idea how many hits on the government home page we have from outside of Alberta. We always talk about putting dollars into tourism and this type of thing, but I do believe people now are often using the Net to seek a lot of things they used to find elsewhere, and I do want to compliment you on your home page.

One thing – and I will sway a little bit here. The hon. Member for Edmonton-Ellerslie got more out of the budget and into other things. I feel very honoured and privileged to be a standing policy chair. I think the concept and this approach is very good for all members. I am wondering, now that it is some years old and stood the test of time, if you know of other jurisdictions that have implemented this over a period of time.

One other thing before I sit down. I just was wondering: for yourself, your office, the Lieutenant Government, do the security provisions come out of your budget, or in fact is that out of the Solicitor General's?

Thank you.

Mr. Klein: Okay. Security for the LG and security for Executive Council I believe comes out of the Solicitor General's budget because this is handled by the security detail in the Legislature. It's the same detail that oversees the operations of CAPS, which is the court and prisoner services, I guess it is, and that all comes under the Solicitor General.

Relative to how many hits we receive from outside the province, I really don't know, but certainly the government's home page is available for all to see who have access to a computer, and I wouldn't be surprised if there are many hits on the Internet, especially from people who want to or are planning to travel here, to have a holiday here, maybe set up a business here. There's a wealth of information on the Internet. As a matter of fact, you could spend all day, all week, weeks, months on the Internet finding out about various government services, programs, and opportunities here in Alberta.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: I have some stuff on staffing, but I . . .

The Chair: Okay; the hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thanks, Mr. Chairman. I wondered if I might ask the Premier a couple of questions about the performance measures in the business plan. I look at performance measure 1, "public satisfaction with government communications in priority areas", and it's 63

percent. That's really not very good. I look back at the Premier's annual report, where there's a bit more detail about the performance measure, and it indicates how they arrived at this 63 percent. They indicate that they do it by "telephone interviews with 1,003 adult Albertans conducted" – and they tell you when they conduct it – "randomly selected from across the province." I guess my question is: is that the best strategy to get at this particular measure? Will you ever reach the 75 percent goal, given that you randomly select from the population? There must be differences in people who have specific issues that they're dealing on with the government.

I know that the theory is that that should be randomly distributed through the population, but I still have some questions about: is that the best way to find out if the public is satisfied with the communications in the priority areas? I wondered if there had been other ways of trying to secure that knowledge. I think it's a useful performance measure, but I guess I'm not convinced that that's a true measure of what's happening out there in terms of public satisfaction. Again, as I said, I wonder if it'll ever get up past that, given that kind of methodology.

The other one with the same kind of concern is number 2, and that's the public satisfaction with access to information. Again, if I go back to the Premier's annual report, that measure is taken exactly the same way. I wondered if there shouldn't be some way of actually tracking some people who are using government information and then taking that kind of a measure.

Fundamentally, my questions are about the performance measures and how useful they are to the government in trying to really get at what's happening.

Mr. Klein: Mr. Chairman, those are good questions indeed, and, you know, statistical information is only as good as the question that is asked and the truthfulness and how the question is posed. In order to get a true response, the question has to be framed in such a way as to elicit a true response, so respondents were asked to rate their overall satisfaction with communications in the areas they see as a priority for the province. In this particular case, they were free to define their own priorities rather than being limited to a set of predetermined areas. This change ensures that the question is inclusive and relevant to all respondents, so the lower result of 63 percent satisfaction is the result of the question format being changed. With that change in the question format comes a change in the results. The question is a much more significant question, it's a much broader question, and it brings about a different result than the previous question. Certainly we would strive to achieve 75 percent, and that's why the target is 75 percent.

Now, you might want to ask: why 75 percent? Why not 80 percent, or why not 90 percent? Well, Mr. Chairman, it doesn't matter how good you are; 75 percent is deemed to be about, you know, where you're going to be, which is not bad. So, in other words, one has to assume that 25 percent of the people are going to be antigovernment. That's not to say that they're going to be pro-Liberal, but they're going to be antigovernment, and we found that out. You know, no government in the world, I think, gets consistently above 75 percent. There are always people who have a bone to pick with the government, so 75 percent is a good target figure.

9:10

The Chair: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Chairman. Mr. Premier, first of all, I'd very much like to compliment two aspects of your staff, and one is also the Public Affairs Bureau. I think they make sometimes the questionable and the opaque very understandable and

clear to many of our residents of Alberta. I'd also like to make a couple of comments about the Service Alberta call centre. A lot of the comments that I hear coming out of rural Alberta are on what a useful service that is and the ability of some of the staff that you do have in their quick response time.

I do have a couple of questions that I would like to present to you. The first question, Mr. Premier, is on page 136 of the Executive Council's estimates on line 2.0.5. The Service Alberta call centre shows a budget of \$815,000 in 2002-2003 and \$1,043,000 requested for 2003-2004. Can the Premier please tell the committee why there's an increase in the Service Alberta call centre budget of more than \$200,000?

The second question I have, Mr. Premier. You had mentioned that the hits had doubled on the web page, and I guess this may be crystal balling a little bit, but do you feel that, with the advent of technology and of course the usage of technology, that may take some pressure off communications staff and the Service Alberta call centre?

Thank you very much.

Mr. Klein: I'm sorry; I'm being inundated with paper here. The last question had to do with my thoughts relative to an anticipated use of the Internet? Is that correct?

Mr. Danyluk: Mr. Premier, I guess what I'm asking is: when we talk about the doubling of hits on the web page so that we have more people using the web sites and using the home page, in the future do you think that that's going to decrease the need and the use for communications staff and maybe the need and the use for the Service Alberta call centre?

Mr. Klein: I don't know if it's going to reduce the need for the Service Alberta call centre. Perhaps it will because as you know, technology tends to replace a lot of functions that were done by a human hand and human mind. That seems to be the way of the future. More and more is being done on the computer, especially as people acquire personal computers. I look right here or there or over there and I see all these laptop computers, and I see the PalmPilots here and the BlackBerry there. Most of this work is now being done on computer, and MLAs are accessing most of their information by computer. Before, they used to pick up the telephone or write a memo and ask for that information to be retrieved for them. Now they're retrieving all that information by themselves and for themselves, and I'm doing the same thing because it's convenient and it's quick. So perhaps down the road it will, but that is the way of technology.

Relative to the specific question – that is, the increase in the budget of the Service Alberta call centre – as you know and as I explained in my initial remarks, the Alberta call centre is operated under the Public Affairs Bureau and was formerly known as the RITE service. I forget what the acronym is.

Mrs. Gordon: R-I-T-E.

Mr. Klein: Yeah, I know that it's R-I-T-E, but it stood for something. I know it was brought in during the Lougheed years. It was a tremendous service at the time and has been a tremendous service ever since. That service provides toll-free access to government by simply calling 310-0000. Once connected, of course, Albertans can access information on government programs, services, and initiatives.

Now, callers have the option of directly dialing the number they wish to reach or having an operator assist them with their questions or their inquiries. As I mentioned, the total number of calls received

by the Service Alberta call centre averages 6.5 million calls per year. That's a phenomenal number of calls. Of that number, the direct-dial portion of the call centre handles approximately 5.4 million calls a year, while the operator-assisted portion handles an average of 1.1 million calls a year, still a phenomenal number of calls. Those call centres, as I mentioned, are located in both Calgary and Edmonton.

As for the increased budget allotment to Service Alberta, much of the money will be used for the four additional full-time equivalents I spoke about earlier and to increase the efficiency of the services offered. Mr. Chairman, this is a service that will continue to see an increased demand, so it is imperative that we develop effective practices to increase the quality and the speed of the service that we provide.

I think it's also important to note that Service Alberta agents are also utilized during special announcements and government initiatives to answer inquiries via the 310-4455 comment line, which is also a fairly new service. These include communication projects such as the Kyoto protocol, which generated a tremendous amount of phone activity. All you have to do in government is make a comment, and you will get lots of reaction and people will phone; believe me: the war in Iraq, the Alberta government's position vis-à-vis the United States. I can tell you that the one situation that caused no end of work for the RITE staff, all the communications people in the Public Affairs Bureau, and the staff in my office was the Vriend decision. As a matter of fact, we had to replenish our fax machine about every half hour during that particular debate. So, you know, you name it and an issue can be created, and when an issue is created, the phone lines start to buzz. Believe me.

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. It's a pleasure to speak to the estimates of the office of the Premier and Executive Council, and it's a pleasure to have the Premier in the Assembly tonight. I think it would be a lot more fun in here if we had the Premier on a regular basis, but I know he's got the province to run.

I did want to focus a little bit on the Public Affairs Bureau estimates, Mr. Chairman. I noticed that the budget for the Public Affairs Bureau is being increased from \$17 million to \$18 million, so that's a significant increase. I think that many of us read the hon. member from Edmonton's book which focuses a great deal on the Public Affairs Bureau, and I think it enhanced public awareness of how that organization operates. It's clearly a centralized organization which reports to the Premier's office, and it has the advantage for the government of ensuring a more consistent message getting out to the public.

9:20

Now, it's interesting, Mr. Chairman. I had a look at the number of spin doctors employed by the Public Affairs Bureau, and there is in fact a significant increase. You know, everybody has spin doctors, but this leaves us feeling rather outgunned. The total number of directors in the Public Affairs Bureau in 2001 was 48 and in this budget is increased to 56, so that's across two years of course. The number of public affairs officers has increased from 85 to 98. The total increase for spin doctors in Public Affairs Bureau over the last two years is from 133 to 154, which is a net increase of 21.

It's interesting that a couple of the departments have seen the biggest increases in spin doctors. Particularly, the Department of Energy has had an increase of four public affairs professionals, from 14 to 18, and I think that would certainly be accounted for by some of the problems that the department has had to deal with. Health and Wellness has stayed pretty much the same. Learning has gone up by

a couple. Innovation and Science has gone up by a couple, and I find that interesting because there's not a lot being announced from that department. Human Resources and Employment is up four.

So across the board, Mr. Chairman, there is a significant inflation in the number of communications professionals in the government, and I think it outstrips the growth in the government itself. It's the one area where the government is loath to cut and reduce and impose quotas and, I think, for very good reason. The department itself is a cornerstone, in fact, of the political strategy of the government.

I'm interested in the Premier's remarks about the comment line, and I know that government does generate a lot of calls. I would be interested in knowing if the comment line information is collated and collected and whether or not it's publicly available or whether or not it's just available to the government. I appreciate that some comments often generate lots of calls from citizens, but I think the Premier should take some comfort in knowing that he no longer has responsibility for regulating cats, because that in my experience is the number one issue at the municipal level for generating comments. You can get thousands and thousands of calls about cats. You can raise taxes, and you'll get a couple of hundred calls. If you bring in a cat bylaw, you'll get thousands. So it's funny what sets the public off.

I wonder if the Premier can comment on a communication strategy for the future. One of the concerns that we in the New Democrat opposition have had is an increasing tendency of the government to focus on the federal government as the bad guy. I don't know what is exactly behind that, but I just suspect that it's more fun to talk about the foibles of the federal government than to talk about the foibles of this provincial government. I note on the issue of Kyoto that Public Affairs and the government actually whipped up quite a firestorm of concern about Kyoto, but when Kyoto was passed, it suddenly subsided. In fact, we had members of the government privately saying that they knew all along that the federal government, true to form, would pass the Kyoto resolution in the House of Commons but weren't really expected to do anything serious about implementing it. I was concerned that that particular campaign – and I'd like to know the costs of that campaign to date – whipped up a lot of anger and resentment against Ottawa in this province and, I think, needlessly so, because once it was passed, the government acknowledged that Kyoto was not in fact the mortal threat to the Alberta economy that they had let on.

Similarly, the Wheat Board has been an issue that the government has focused on. It's interesting, Mr. Chairman, after all of the debate and hand-wringing and attendance at demonstrations and people going to jail and so on, that of the districts for the Wheat Board falling entirely within the province of Alberta, they all elected pro Wheat Board, pro one-desk selling representatives on the Wheat Board. That is a clear message, I think, that the government has been offside, with wheat farmers at least, on this issue, because when they had the democratic right to elect their own directors, they picked people who were in favour of one-desk selling and supporters of the Wheat Board.

Similarly, Mr. Chairman, the government has been making a big deal about the gun registry, and I would just make a couple of points. I think that it's fair to say that Canadians and Albertans are disgusted with the \$1 billion cost associated with that gun registry. It's a massive overrun, and I think everybody has concern about it. But I would note that provinces like Alberta have contributed to those costs by refusing to co-operate with the federal government. Notwithstanding, when I was still in the municipal level, I remember that one of the solicitors general took a poll of Albertans' opinions on the gun registry and found that in fact a majority of Albertans at that time – and this was a number of years ago, I admit – supported

the gun registry. Again, I think the government is offside with many Albertans and particularly urban Albertans, who now comprise the majority of the population in the province.

I'd be interested in whether or not there are independent budgets that have been established for communications plans or PR blitzes with respect to any of these issues. We know that this was the case on Kyoto – and I'd like to know the total amount to date – the Wheat Board, the gun registry, and in fact even Senate reform, another issue, I think, that these days puts more Albertans to sleep than Sominex, Mr. Chairman. I'd like to know as well what the government's plans are for communications on these four issues, which I call the fed-bashing four, and I'd like to know if the government has allocated money within the existing budgets that we're considering to deal with those issues.

That concludes my comments, Mr. Chairman, and I would thank all members for their rapt attention.

Mr. Klein: Mr. Chairman, I'm more than pleased to respond. Some of the questions, of course, again have absolutely nothing to do with my budget or the budget of Executive Council or any of the departments.

Certainly, there was an advertising campaign conducted – and those dollars will be available in public accounts – relative to the Kyoto protocol. This protocol had and still has the potential of costing the Alberta economy literally billions and billions of dollars. It's an unfair, thoughtless protocol. By the way, it is just that. It is not the law of this land by any stretch of the imagination. It is a protocol which by the way – and the hon. member knows this – is not even a protocol yet because one of the major signatories has not signed on. If Russia does not sign on to the protocol, there is no protocol at all. It's dead.

9:30

So, Mr. Chairman, when he tries to imply that it is the law of the land, he is misleading people. It is not right. It is not the law of the land. It is a protocol. It's not even an international accord. It is a protocol; simple as that. It is not the law of the land. You know, a protocol or a thought can be changed with a new Liberal leader, and soon enough there's going to be one, and perhaps he'll have a different approach to this ill-conceived and thoughtless idea as to how to address global warming and to reduce greenhouse gases.

I find it interesting that the hon. member alludes to the Wheat Board and the gun registry. You know, again he's not entirely correct when he talks about the gun registry. The majority of people are saying that they want gun control. They want control of firearms in order to keep firearms out of the hands of bad people. But when you poll people relative to the intrusion of the government into the rights of people to protect and own their property, then you will find a different attitude, and that's what gun registration is all about. It's about private property and the right to private property. Big difference between gun control and gun registration and the way it's being administered and the boondoggle the federal government has created, the 1 billion dollar plus boondoggle the federal government has created. So, yes, you know, if the hon. member has given me a platform to bash the federal government, they deserve to be bashed on these issues. And you know what? This isn't costing anything other than the time of the Legislature. Nothing.

The Wheat Board. Well, I can understand where this hon. member is coming from because he loves to have the state control everything. That is the philosophy, and that's . . . [interjection] Controlled by farmers? In a pig's patoot. You know, it's not controlled by farmers at all. It's controlled by the government, and it discriminates against Alberta and Saskatchewan and Manitoba.

All it does is create a socialistic monopoly, which he loves. No. It's inherently unfair. It's a bad law. It's an outdated law, an archaic law that was brought in under the War Measures Act to make sure the Canadians didn't starve prior to the Second World War.

Mrs. Nelson: Just after the Depression.

Mr. Klein: Just after the Depression. Things have changed. Well, they've changed for us. They haven't changed for the socialists.

And the Senate. Well, you know, at least the NDs say that there ought not to be a Senate. We're saying: if there's going to be a Senate, at least it should be a fair Senate and it should be effective and elected and really representative of the people. Right now it's nothing but a reward program for the person who happens to be the Prime Minister of the day. That's all it is, a tool to foster patronage. That's all it is. But the socialists like that. They like it.

You know, I don't know where the hon. member was – perhaps he was listening on the box – when I said that sometimes people who work in the Public Affairs Bureau are dismissed simplistically, by simpleminded people I should have added, as spin doctors. [interjections] Not by the Liberals, no. Not by the hon. Member for Edmonton-Ellerslie. She stood up for the public service employees of this government. But this hon. member insists on referring to them as spin doctors because he isn't aware – he isn't aware – of the many, many different kinds of jobs that PAB staff do. He started out by being wrong. He started out by saying that total full-time equivalents are 181. Well, that was a 2003-2004 estimate. Actually, there are 177.

Mr. Mason: I said 154.

Mr. Klein: You said 181.

Mr. Mason: No, I didn't.

Mr. Klein: You did too.

I would like to go through – and I think this is very important because he made some very disparaging comments about members of the Public Affairs Bureau. He implied that they are nothing more than spin doctors, government lackeys. First of all, they help government ministries to communicate with Albertans.

Mrs. Nelson: Absolutely.

Mr. Klein: Right. They do this by supplying professionals to government departments to develop and implement communications programs. They do this by providing communications planning and consulting support to government. They do this by co-ordinating government communications to and from Albertans on priority areas for government initiatives and during public emergencies. It's very important. They do this by providing specialized writing and editing services to government. They do this by helping ministries purchase advertising services. They do this by creating and implementing a corporate communications strategy to ensure public information programs are co-ordinated across government and Albertans are getting the information they need in the most cost-effective way.

Yes, the hon. member pointed to a budget increase of \$977,000 for this particular activity. There is a reason for that budget change. The budget increase of nearly a million dollars is to develop and implement a corporate communications strategy that increases public awareness of the Alberta Connects telephone and e-mail service. This is a program that goes to the heart of what ordinary Albertans, to use a favourite ND phrase, expect in terms of gaining access to their government.

Ms. Carlson: Settle down, Ralph. You're going to have a heart attack.

Mr. Klein: No, I'm not. I go on the treadmill every day.

Indeed, there has been an increased workload in updating the Alberta logo, adding an on-line public consultation facility to the Alberta government home page, and looking for ways to make it easier for the visually impaired. I think this is very important: for the visually impaired. He would deny the visually impaired access to government services; that's what he's implying. And, of course, salary increases that apply to staff across government: the NDs certainly don't have any problems with applying salary increases to public service employees. I know that for sure.

Now, there was an additional \$348,000 increase in the budget, and this is to provide Albertans with two-way access to government services. This involves managing the Service Alberta call centre to give Albertans toll-free access to government, providing Alberta Connects call centre services for major government initiatives, managing the two-way flow of information through the Alberta government home page, providing technical support for major government news conferences and announcements, managing the provincewide distribution of news releases – and believe me; those news releases come from all over, including some of the ND rags that, you know, are prevalent in some of the urban centres – providing communications technology support to Executive Council and Internet consultation to departments.

So it goes on and on, Mr. Chairman, and to bring it down to those simplistic terms that are so easy because they elicit the five-second sound bite, because I don't think they're capable of 15 seconds, to something that is as simplistic as "spin doctor" – it's much more complex than that. It's much more involved than that. Indeed, these are dedicated, committed public service employees, talented, professional employees, and they're a lot more than spin doctors. I'll tell you that for sure.

9:40

The Chair: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Chairman. Alberta is renowned around the world for many areas of excellence including our Premier, and, Premier, it is really good to have you here with us tonight. Another area where Albertans excel is in athletics and in particular the game of hockey. Tonight as we discuss Committee of Supply main estimates for the Executive Council, the Edmonton Oilers are discussing their superior skills with the Dallas Stars. More notably, however, the Red Deer Rebels are in the seventh game of an exciting WHL playoff series with the Medicine Hat Tigers, and in an equally exciting playoff series in the Alberta Junior Hockey League, the Camrose Kodiaks and the St. Albert Saints are battling each other for the provincial championship in the seventh game. Tonight Albertans will celebrate and salute the talent and dedication of coaches, players, and organizations who work together as a team, use discipline to achieve their goals, and represent all Albertans nationally and internationally.

Mr. Chairman, not unlike our hockey teams the government of Alberta must work together as a team, use discipline to achieve our goals, and represent all Albertans in all that we do. Whether it's Great Kids awards, that recognize and honour our kids who make outstanding contributions to our communities, or the Public Affairs Bureau, that strives to be a centre of communications excellence, the Executive Council works diligently to provide open communications with Albertans. As our population increases and the levels of interest increase, open communications are even more important for

Albertans, and as a result of open communications I am pleased to be able to ask my question this evening.

Premier, on page 137 of the estimates under the Statement of Operations by Program, the ministry revenue for the 2003-2004 estimate of \$1,200,000 on the revenue side is considerably lower than the 2002-2003 comparable forecast of \$2 million. Could you please let us know why this estimate is significantly lower than the previous year? That's page 137 under Revenue.

Dr. Taft: You already answered that.

Mr. Klein: Yes, I did answer. The hon. member is absolutely right. The discrepancy is due to the Queen's Printer revenue being down, and as I explained earlier, there's been a budget reduction of \$406,000, or a 21.3 percent decrease, in revenues due to completion of the *Revised Statutes of Alberta*. If you'll recall, there was about a seven-year program to revise all the provincial statutes. That program has now been completed, and most of the revised statutes were obtained by the legal profession last year, so there's less of a demand. It's due also to a lot of the legislation, regulations associated with the legislation being available on the Internet. Indeed, as I was coming into the Legislature this evening, the hon. Minister of Justice was accessing some regulations associated with a piece of Alberta legislation on the Internet. I would suspect that many lawyers are now accessing those regulations on the Internet, which has resulted in a decline in revenue to the Queen's Printer.

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thanks very much, Mr. Chairman. Once again I want to congratulate the Premier because I think his comments are clear evidence of my point that we do not need this increase in the number of staff positions in the Public Affairs Bureau. It's obvious this Premier doesn't need a spin doctor. When the opposition stands up and asks legitimate questions about an increase in communications staff in his office, he can actually turn it around into the opposition wanting to take services away from the blind. Now, this man does not need a spin doctor, and I think we could cut one right here, and the Premier would be fine.

I do want to indicate that I recognize that these are skilled professionals and that all parties use so-called spin doctors or communications professionals. The concern I have is twofold. One is the expansion of the number, and the justification for that hasn't been given.

The second aspect that I have a concern about is what they're actually focusing on. It's clear that communication of legitimate information that Albertans should know about their government and its policies is important, and I'm not attempting to challenge that in any way, but I did mention a number of issues where I think these professionals are being utilized for clear partisan political benefit of the government that leads to a sense of disunity in the country and in this province and that the government is doing that to divert attention from its own problems, which are multiplying, Mr. Chairman. Particularly in the areas of electricity deregulation, gas prices, education funding, and so on the government is increasingly finding itself under fire from individual Albertans.

One question I asked that the Premier did not respond to is whether or not the aggregated information from the comment line is going to be available to anyone besides the government. Is it going to be public information? Will opposition parties in the Assembly have access to this information, or is it strictly going to be used as strategic information to benefit the government alone?

Thank you, Mr. Chairman.

Mr. Klein: Mr. Chairman, the question is an interesting one, and I wish I could provide the answer, but I can't because I don't know. I know that in my own office we have never used that information. I know that when there is a hot issue and phone calls come directly to my office or to Alberta Connects, we get an indication of how many people are calling. We sort of get a general breakdown of whether people are for the issue or against the issue, but I don't recall ever seeing a compilation of all the comments, and I don't know how that is made available. I don't know how it ties in or relates to the protection of privacy legislation, but I will endeavour to find an answer as to how that information is treated and whether or not it's publicly disseminated.

9:50

The other question again goes back to the Public Affairs Bureau. I guess, Mr. Chairman, I could sum up the Public Affairs Bureau by reading the mission statement because I want to put to rest this notion that the Public Affairs Bureau contains nothing but a bunch of spin doctors. Certainly, the people who manage the RITE lines and the Alberta Connects operation are not spin doctors in any way, shape, or form – they are simply there to assist Albertans in getting the information they require – nor are the people who work as communications officers in the Public Affairs Bureau. They are there to do a job, and as I mentioned in my initial remarks, they deal with a multitude of issues for a multitude of departments.

I outlined, for example, that the Public Affairs Bureau itself, just the communications people, probably receives at least 35 calls per day from media of all sorts, including national, international media, rural newspapers, you know, radio stations, and that's just generally. Then you break it down by department. I'm sure that those interested in children's services or agricultural services or justice or finance or you name it – there are individual calls to those communications officers directly involved in the departments, and that probably adds up to hundreds more calls each and every day, and you have to have talented, professional people who are knowledgeable so that they can answer intelligently the questions that are put to them.

You look at the vision overall for the Public Affairs Bureau: the bureau "strives to be a centre of communications excellence and one of Albertans' preferred choices for news and information about their government's policies, programs and services." That is it in a nutshell. You look at the mission of the PAB: "The mission of the Public Affairs Bureau is to help the government" – and that's what makes the hon. member mad; that's what makes him mad because it is to help the government, the duly elected government – "in its ongoing dialogue with Albertans by providing quality, coordinated and cost-effective communications services." Again, I underline "the government" because it says in the mission statement "to help the government," not the NDs but the government. It doesn't say to help the New Democratic Party or the New Democrat opposition or the Conservative Party or the Liberal Party. It says, "To help the government," and it just so happens, as I explained earlier, that under the democratic process and the British parliamentary system this party happens to be the government.

In the business plan the PAB outlines strategic priorities.

The strategic priorities identified in this plan will increase the coordination and efficiency of communications from the government as a whole and ensure Albertans enjoy quick and convenient access to the information they need. A key priority is the development of a corporate communications approach to ensure Albertans receive timely and coordinated information from their government. From their government.

The Bureau will also begin to revise the corporate visual identity for government, updating a visual signature that is over 30 years old. I mentioned that in my opening remarks.

Other initiatives include ensuring Albertans have access to information in all priority areas, improving electronic access to government information and further developing available e-communications resources such as Alberta Connects and the Alberta Government Home Page. [The PAB] will also review Queen's Printer Bookstore operations to ensure full public access to legislation while maintaining efficiency and cost-effectiveness.

That in a nutshell identifies the priorities, the mission, and the vision of the Public Affairs Bureau.

The Chair: The hon. Member for Edmonton-Glenora.

Mr. Hutton: Thank you very much, Mr. Chairman. Before I get to my question, I do have a brief story I'd like to pass on to the Assembly that occurred Sunday, and I know it relates directly to Executive Council. I was at the Edmonton Oilers' hockey play-off game on Sunday night, and the Premier and his deputy chief of staff were sitting behind me. Midway through the third period a number of visitors from Toronto approached us and asked us if they could take our Premier back to Ontario with them for the people of Ontario so that he could lead that province as he has led our province so well in the last 10 years. We informed the well-intentioned individuals that an autograph will have to suffice as we do not want our Premier to go anywhere for quite some time, thank you very much.

My question is from page 139 of the estimates of Executive Council. It indicates that the office of the Premier has 50 full-time equivalent staff for 2002-2003 and 127 in the Public Affairs Bureau, for a total of 177. Executive Council staffing has remained the same for 2003-2004, but the bureau's full-time equivalents have increased by four, bringing it to 131. What are those additional four FTEs to be employed to do? I know that the Premier has elaborated quite a bit with regard to the 181 FTEs allocated in Executive Council, but if he has missed any, I would certainly be interested to hear.

Thank you very much, Mr. Chairman. [interjections]

Mr. Klein: Well, I hear a lot of chirping from over there about the question being asked, but I'm glad the question was asked, because the hon. Member for Edmonton-Highlands has all his information skewed. It's not the right information. He must have got it from the phone book or someplace. I don't know where he got it. The NDs do not have the correct data on the number of PAB staff. They're using discredited data compiled, as I said, from the phone book or someplace. Maybe it's the government phone book; I don't know. For the record, the PAB is adding four FTEs – you alluded to that – four full-time employees, all of whom will work the Service Alberta phone lines. That is a wonderful service, formerly the RITE service. That is a wonderful service to simply provide information or to steer the caller to the appropriate department to gain the right information.

Ms Kryczka: I didn't think I would have time to speak this evening before time was up. First of all, I just want to say that I'm pleased to be able to say anything at all. My first question or comment was actually answered, Mr. Premier: what does Public Affairs provide in supports to communications branches of various departments?

I was just proofing a document a little while ago. We are immensely enlarging the profile and the involvement of Senior Citizens' Week activities this year. I know that the Seniors department has excellent staff in their department. Well, you would have seen in the House a week or so ago the best ever poster for Senior Citizens' Week, and the activities are certainly exciting. I have a question. Does the Seniors 1-800 line receive support and advice from Public Affairs? It's a very valuable service to Alberta's seniors.

10:00

The Chair: I hesitate to interrupt the hon. Member for Calgary-West, but pursuant to Standing Order 58(4), which provides for not less than two hours of consideration for a department's proposed estimates unless there are no members who wish to speak prior to the conclusion of the two hours, I must now put the question on the proposed estimates for the Department of Executive Council for the fiscal year ending March 31, 2004.

Agreed to:

Operating Expense

\$18,035,000

The Chair: Shall this vote be reported? Are you agreed?

Some Hon. Members: Agreed.

The Chair: Opposed?

Some Hon. Members: No.

The Chair: Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the Committee of Supply rise and report and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the main estimates for the fiscal year ending March 31, 2004, for the following department.

Executive Council: operating expense, \$18,035,000.

The Deputy Speaker: Does the Assembly concur in this report?

Some Hon. Members: Concur.

The Deputy Speaker: Opposed?

Some Hon. Members: No.

The Deputy Speaker: So ordered.

head: **Government Bills and Orders**

head: Second Reading

Bill 28

Freedom of Information and Protection of Privacy Amendment Act, 2003

The Deputy Speaker: The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Speaker. I'm pleased to move second reading of Bill 28, the Freedom of Information and Protection of Privacy Amendment Act, 2003.

It is seldom that FOIP legislation would arouse such excitement, but at this time anything could happen. The proposed amendments

flow from the final report of the Select Special Freedom of Information and Protection of Privacy Act Review Committee. The report was tabled before this Legislature in late 2002.

An amendment is being made to protect personal banking and credit card information. The amendment will state that it is presumed to be an unreasonable invasion of a third party's personal privacy to disclose their personal banking and credit card information. Mr. Speaker, another amendment to the act will give the Information and Privacy Commissioner the discretion to refuse to conduct an inquiry after considering all the relevant circumstances. This will reduce the time and resources that are currently spent on inquiries that are simply unnecessary.

Criteria are currently set out for excluding public bodies from the application of the FOIP Act. For consistency the proposed amendments will make the criteria for excluding public bodies from the act the same as the criteria for including them. Consequential amendments will be made to the Traffic Safety Act to allow for regulations that will establish criteria for releasing motor vehicle registry information. The remainder of the amendments to the FOIP Act are housekeeping in nature.

At this time, Mr. Speaker, I also would like to move to adjourn the debate on Bill 28. Thank you.

[Motion to adjourn debate carried]

Bill 35

Tobacco Tax Amendment Act, 2003

The Deputy Speaker: The hon. Member for Calgary-Fort.

Mr. Cao: Thank you, Mr. Speaker. It's a great pleasure for me to stand today and move second reading of Bill 35, the Tobacco Tax Amendment Act, 2003.

This bill will make several changes in the legislation governing the collection of tobacco taxes in the province. The proposed amendments will provide a level playing field for tobacco consumers and retailers in Alberta. Mr. Speaker, since the introduction of higher tobacco taxes last year, the purchase of tax-paid tobacco has dropped dramatically. While many Albertans have in fact chosen a healthier life, a small part of the reduction is due to increased sales of tax-free tobacco at the duty-free stores and through the Alberta Indian tax exemption program. As a result, the Alberta government is losing millions of dollars in potential tax revenues. The amendments will set appropriate limits on the amount of tax-free tobacco that can be brought into Alberta and further improve our ability to ensure that any tobacco purchased tax free is for personal consumption only and not for resale to others.

[Mr. Klapstein in the chair]

Mr. Speaker, the intent of raising tobacco taxes was to create a healthier province in which we all enjoy living, and it's working. The intent of this amendment is to close the loopholes, that are now being abused by some, in order to further discourage smoking and thus ensure that we continue down the road to a healthier Alberta.

I urge all members of this Legislature to give Bill 35 their full support. Thank you.

The Acting Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I'm happy to have an opportunity to speak to Bill 35, the Tobacco Tax Amendment Act, 2003, in second reading. As we understand the object of this bill,

it's twofold. First, we see the legislation closing some loopholes that currently are allowing tobacco products to enter the province tax free. The changes in Bill 35 would see Albertans pay taxes on cigarettes that are imported into the province. Secondly, the changes proposed in this legislation would further discourage smoking amongst Albertans, we hope, because a cheap source of cigarettes is eliminated and thereby increasing the financial incentives not to smoke, so we think that those things are all good.

When we take a look at the background for this bill, we see that in the 2002 budget the Alberta government decided to substantially increase tobacco taxes to discourage Albertans from smoking, and we saw cigarette taxes rise from about \$1.75 to about \$4 per pack, and the taxes on loose-cut tobacco were equalized at this rate. Also, taxes on cigars rose by the same percentage as taxes on cigarettes. We had that debate here in the Legislature the other day when one of the members from Calgary talked about his friend – or perhaps it was himself – who's importing cigars from Manitoba now cheaper after paying the freight than he can purchase them here. So that is specifically what this particular bill addresses in terms of closing that particular loophole.

So what happened back in 2002 is that over the short-to-medium term the government believed that the increase in tobacco tax would result in increased government revenue. The revenue goes straight to the general revenue fund, therefore enabling the government to have access to more money to spend on anything they wanted. When the government proposed this significant increase, some Albertans raised concerns about it, particularly with regard to black-market cigarette activities that this tax might create. Amongst those people were the Official Opposition, and of course what we thought would happen did in fact happen. People talked about the black market for tobacco products in Alberta growing significantly because smokers who did not want to quit would begin to look for bargains, and we saw examples of that in this House. Since the high tobacco taxes have been implemented, the numbers of Albertans purchasing tobacco products have decreased, and the number of Albertans who import illegal cigarettes and tobacco products, that you do not have to pay taxes on, is on the rise.

10:10

[The Deputy Speaker in the chair]

According to a study conducted by the government's own department, the Finance department, cigarette sales declined 18 percent in the first three months after the tax hike. As of October 31, 2002, cigarette sales had declined by over 21 percent. In comparison, Stats Canada has reported that cigarette smoking in Canada over the same period is only down 8 percent. So the statistics confirm that encouraging the price of cigarettes to go up discourages smoking amongst Albertans, and this bill is a move forward in terms of trying to further decrease the number of Albertans using products by providing a level playing field and making them uniformly expensive for everybody. So it hopes to provide a further disincentive for smoking cigarettes, as we see it.

The government predicted that the \$18 per carton increase in the price of cigarettes would boost illegal sales and bootlegging, and they had budgeted an extra \$1.5 million for enforcement. As we understand it, part of the money was used to increase the number of tobacco tax inspectors to 20 from five. Tax-free sales are only permitted to natives with an Alberta Indian tax exemption card, but inspectors have uncovered a number of illegal sales since the taxes came into effect. As of the end of November 2002 tobacco tax inspectors had seized many cartons of cigarettes, well over 200. Twenty-seven people were charged and 13 were convicted, paying a total of \$7,500 in fines.

Recently, Albertans have found that they can dodge the tobacco

tax by purchasing their cigarettes from the United States and over the Internet. On-line sales have seen big increases since the government increase in tobacco taxes, so this legislation looks at closing that loophole by requiring all cigarettes that arrive through the mail to have taxes paid on them before they can be removed from the post office. This is only possible as a result of a deal made with the federal government to allow postal agents to collect this tax. Additionally, many Albertans have started to travel over the border to the States in order to bring cigarettes back to the province tax free, and the claim is being made that some Albertans are making several trips every day, Mr. Speaker, and bringing back their personal limit of tax-free cigarettes each and every time. So, once again, this bill attempts to stop this by allowing customs officers to charge a fee equivalent to the tobacco tax before the products can be brought over the border.

There were several sections of the Tobacco Tax Amendment Act debated in this House last year but for some strange reason never proclaimed into law. So as we see this bill, we've got some questions that we hope will be cleared up for us when we get to committee, and subject to the answers that we get, it looks like we're going to be able to support this bill. Firstly, of course, we believe that any initiative that will reduce tobacco consumption is a good thing, reducing tobacco consumption, regardless of what they're smoking and how they're smoking it. Definitely there is lots of scientific proof to determine that smoking is harmful to health, and of course by reducing the number of smokers, we reduce health costs, and reducing health care costs is in everybody's interests, and that's definitely a very good thing.

We want to eliminate tobacco products that are available on the black market and ensure that there is fairness for both users and retailers of tobacco products. So the issues that we need to have answered are: why were there sections of the Tobacco Tax Act that had been passed by this House not proclaimed into law? What was the delay in making these pieces of legislation into law? How do the changes proposed in Bill 35 affect the unproclaimed changes that are currently on the record? What guarantees do Albertans have that the changes proposed in the bill will eventually become law?

The amount of tobacco products that are not marked for tax-paid sales that a person in Alberta is allowed to hold has decreased from 1,000 grams to 200 grams. So if you could give us the reason for the decrease and why 200 grams was chosen and how they expect the changes to affect the current practices.

When the government put the tobacco tax in place in 2002, they allocated 1.5 million more dollars for increased enforcement. Why didn't the government just put the changes proposed to Bill 35 in place instead? Do you expect the changes proposed in this bill to save money with respect to enforcement costs? If so, how much? If not, why not? Now that the changes are in place, will the tobacco tax enforcement costs return to the previous levels? If not, again, could you tell us why you're making the changes then in the first place?

We want to know why section 7 doesn't come into force with the rest of the act. If you can tell us why there's a delay in that. We'll get into that in committee in more detail, but generally if you can give us a reason before we talk about it in debate, that would be good.

So these changes require some significant co-operation with the federal government. We hear this is a government that doesn't like to co-operate with them too much, so if you can tell us how that little plan is going to unfold, we'd appreciate it.

My last question has to do with how taxes will affect companies like FedEx and Purolator who are now making deliveries. What's going to happen with the recovery of the charges on those packages?

Does, in fact, Alberta have jurisdiction in those areas, or does that require some other kind of issue? Do you see any problems with NAFTA with regard to the changes being made here?

So, Mr. Speaker, if we could get the answers to those questions when we get into committee, we'll be quite happy. With those comments, I'll take my seat.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I am pleased to rise to speak to Bill 35. I just have a brief comment. Members may know that I did not support the legislation that was introduced a year ago to jack up taxes on tobacco, and that is notwithstanding a long personal history of promoting antismoking measures at the municipal level of government, where I'd always been a strong advocate of things which would reduce tobacco consumption. I believe that tobacco consumption is a major driver of our health care costs, and I think that effective means to deal with smoking and to reduce it are very important.

The problem with the legislation that was passed at the time and which this legislation amends is that it was essentially a tax grab. It wanted to increase the government's take from tobacco without allocating those additional revenues to programs to help people to quit smoking altogether. In other words, the government is only doing half the job and, in fact, has an ongoing benefit from the continued sale of tobacco products. So what I would like to see – and it's not here in this amending bill – is some provision that this money should be earmarked for smoking cessation programs and various other programs that would reduce the amount of tobacco consumed by Albertans.

The other point I'll make is that low-income people disproportionately are smokers relative to the population as a whole. Particularly in parts of my constituency there are a lot of low-income people and a lot of people who smoke, and a strictly financial approach to smoking reduction in my view is unfair and discriminates against the low-income people, who have a harder and harder time being able to afford the tobacco products. That burden does not fall equally and fairly. So it's a very one-sided approach. It's an approach that is ultimately designed to increase government revenues, and I have a difficulty with it.

10:20

I have some questions relative to the bill. I find it interesting that the government of Alberta will now effectively impose duties on tobacco products coming across its border. Since we don't have customs locations on the Saskatchewan border or B.C. border, then I'm interested in how the government would intend to enforce this. I notice that there are exceptions in the act dealing with the importation of tobacco through the mail and the use of postal agents and customs officials and so on of the government of Canada to enforce that, and I am again curious how the government would see this being enforced through the mails in a practical way. It's great to say that, you know, legally you owe this money if you import it, but is it in fact going to be an effective piece of legislation?

I guess it gives rise to the last point I'd like to make, which is that surely we need to have some sort of national approach to this question. Rather than just Alberta jacking up its tobacco taxes, it might be an idea to have a national approach to tobacco, a national tobacco reduction strategy, and perhaps the government could take that up once they've finished resolving issues around gun control, the Wheat Board, and so on. Perhaps they might engage in some actual constructive federalism with other provinces. You know, for

that matter, you don't even have to deal with the federal government in the first instance. You could talk to other provinces. Let's move towards harmonizing tobacco taxes in this country and develop a co-operative approach that not only imposes taxes on tobacco but puts the revenue from those taxes to work in helping people with tobacco cessation programs and so on instead of just punching people who may be addicted to tobacco but don't have the financial means to afford the high taxes. That's a rather crude and unfair approach, Mr. Speaker.

So with those questions in mind, I'll take my seat. Thank you.

The Deputy Speaker: The hon. Member for Calgary-Fort to close debate.

Mr. Cao: I call for the question.

[Motion carried; Bill 35 read a second time]

Bill 32

Income and Employment Supports Act

The Deputy Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you very much, Mr. Speaker. I'm pleased to

move second reading of Bill 32, the Income and Employment Supports Act.

First, I'd like to thank the MLAs for Edmonton-Castle Downs, Calgary-Bow, Calgary-East, Cardston-Taber-Warner, and Edmonton-Norwood. This new legislation is a direct result of the outstanding work that they did on the low-income review.

Too often people are skeptical about consultations and reports and wonder if any action will come out of it. Bill 32 is proof that the process works. We have listened to the voices of hundreds of people who participated in the review process. We have listened to stakeholders and people who work on the front lines and, of course, with the clients, and now we're taking action.

But by way of action tonight, Mr. Speaker, I would like to adjourn debate.

[Motion to adjourn debate carried]

The Deputy Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 10:26 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, April 16, 2003**

1:30 p.m.

Date: 2003/04/16

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. As we begin our deliberations in the Legislature today, we ask You, O God, to surround us with the insight we need to do Your will to the benefit of our province and its people and to the benefit of our country. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Transportation.

Mr. Stelmach: Thank you, Mr. Speaker. It's indeed a pleasure today to introduce to you and through you to members of the Assembly 47 visitors from Tofield school. They are seated in both galleries. They're here with teachers Mr. Fred Yachimec, Mrs. Lynn Hryhchuk, Mr. James Rae, teacher assistant Mrs. Sandra Norton, and parent helpers Mr. Doug Herrick and Mr. Wayne Lysons. I would ask all of our visitors to rise and please receive the traditional welcome of our Assembly.

The Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to all members of this Assembly 23 visitors from Winfield school in Winfield, Alberta. Winfield is the school that I graduated from way back in 1984. These students are accompanied by teacher Terri Cocke and parent helpers Greg Patton, Michelle Malbeuf, Marilyn James, and Samantha Heeney. They're seated in the members' gallery, and I would ask them all to stand and receive the warm welcome of the House.

Mr. Vandermeer: Mr. Speaker, it's my honour this afternoon to introduce to you and through you to members of this Assembly 23 wonderful students from St. Dominic Catholic school. How do I know they're wonderful? Their teacher described them as such a wonderful class. Mrs. Jones is their teacher. They are also accompanied by Mrs. Laura Marrelli, Mr. Geoff Turtle, and Mrs. Cheryl Smyth. I'd ask that the Assembly give them their traditional warm welcome.

Thank you.

The Speaker: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you. Mr. Speaker, it's my pleasure to introduce to you and through you to members of this Assembly eight people who are here today because they were the guests of the Premier. Brian Sehn, the owner of Alberta Asphalt Enterprises, had purchased a luncheon with the Premier at a Rotary auction, and he invited seven of his business associates. They're here today seated in the members' gallery, and they are Brian Sehn, as I said, the owner of Alberta Asphalt Enterprises, accompanied by Pat Bancarz, Dale Klein, Michael Keating, Basil Koziak, Neil Koziak, Dan Peskett, and Dean Paprotka. I'd ask them to please rise and receive the traditional warm welcome of this Assembly.

head: **Oral Question Period**

Education Property Taxes

Dr. Nicol: Mr. Speaker, yesterday when asked about education property tax, the Premier stated: "There is no tax increase. I repeat: there is no tax increase." I can't say that the Premier is telling lies – it's unparliamentary – but I can't say that he's telling the truth either. To the Premier: will you admit that the bottom line is that Albertans are going to pay more property taxes this year to fund education than last year?

Mr. Klein: Mr. Speaker, there will be more money collected because, fortunately, there's been tremendous growth in this province due to the prosperity.

Relative to the education portion of property taxes, that will remain frozen unless, of course, an individual's property is reassessed and is assessed at a higher value. Then not only will they pay more in property tax, but they will pay more in education tax. It only stands to reason. That's how it works in this system.

Dr. Nicol: To the Premier: will the Premier tell his ministers to not continue saying that there's no tax increase for education?

Mr. Klein: No, Mr. Speaker. We are not going to say that because fundamentally the education portion of the property tax has been frozen unless there is an increase in the value of property, and that is a determination that has to be made by the municipal council.

Dr. Nicol: To the Premier: so you're willing to allow your ministers to confuse Albertans by telling them one thing when in fact something else is happening?

Mr. Klein: Mr. Speaker, perhaps I can explain it this way so the Liberals might be able to understand it. Might. I emphasize and underline "might." Under the Canadian system of taxation – the Canadian system, because I'm using an analogy here now – when you earn more money, you pay more in income tax. That doesn't necessarily mean that the fundamental rate or the base goes up, that the taxation rate goes up. It just means that you make more money. As it stands with property tax, the more the value of your property increases, the more taxes you pay. It's simple.

Dr. Nicol: The bottom line is that Albertans will be paying more in education property taxes this year when compared to last year.

Albertans' education property taxes increased more than government spending on schools. To the Premier: when will this government stop using education property taxes to fund education given that education property taxes aren't based on Albertans' ability to pay?

Mr. Klein: Mr. Speaker, I'll have the hon. Minister of Learning supplement, but not all education costs are supported through the education portion of property tax. About 32 percent comes from the education portion of the property tax. The rest is funded out of general revenues. I know that it's a matter for Committee of Supply; nonetheless, I'll have the hon. minister respond.

Dr. Oberg: Thank you very much, Mr. Speaker. Very quickly, there has been an increase in the amount of the taxation that has been collected due to the growth in the province. The amount has been around \$60 million, I believe, in that area. Our budget for the K to 12 component of Learning went up \$191 million this year.

Dr. Nicol: Again deception, Mr. Speaker.

To the Premier: when will the government fund education based on the cost of education instead of on the value of someone's home?

The Speaker: We're right on the edge here. We've got a designated estimate this afternoon with respect to Learning, and we have ample opportunity this afternoon to debate the budget of the Department of Learning. If we're on property taxes . . . If we get on the other one, we're right on the edge.

Mr. Klein: Well, Mr. Speaker, as I've mentioned in this Assembly previously, the education portion of property tax is one source of revenue to partially fund, I think to the tune of 32 percent, education in this province. If we were to suspend that and not count on that money, we would have to find it from other sources. That could involve raising provincial income taxes. I don't know if we want to do that. I don't know if the Liberals want us to do that. But if they have any bright ideas for a change that could result in changing the way we obtain that revenue, send them over.

The Speaker: The hon. leader.

Dr. Nicol: Thank you, Mr. Speaker. To the Premier: will the Premier change government policy and restore local democracy to the individuals in the communities and allow local taxpayers to determine how local taxes are spent?

1:40

Mr. Klein: Mr. Speaker, I'm not quite sure what the hon. leader of the Liberal opposition is driving at. Basically, property tax is set by the municipal council, and there are processes in place through the courts of revision in the various municipalities to appeal taxes if they think that those assessments are unfair, and that to me is all part of the democratic process.

Emergency Services in Calgary Health Region

Dr. Taft: Mr. Speaker, the report of the fatality inquiry into Vince Motta speaks forcefully about concerns with the Calgary health region. It says, "The public is being misinformed," and "The adult emergency services area has . . . worsened . . . and continues to worsen." It calls for dramatic change and says, "There is no place for pollyanna reports that speak of 'strengths and areas in need of improvement,'" and then says, "By most accounts, serious weaknesses and problems exist in the emergency departments in Calgary." To the Premier: given that yesterday the Premier said, "When there are problems, we act on those problems," how does the Premier explain why there was no action on an earlier fatality inquiry which might have prevented Vince Motta's death?

Mr. Klein: Mr. Speaker, I'll have the hon. Minister of Health and Wellness respond in more detail. [interjection] I'm sorry; he's not here. [interjections] Oh, he's just come in. I don't know if he caught the question, but I can tell you generally what we plan to do relative to the Motta situation. As the hon. minister pointed out, this is a very tragic situation, and I know that the heartfelt condolences of everyone in this Assembly go out to the Motta family on their loss.

The Calgary regional health authority is taking this fatality inquiry very seriously and has already, as I understand it, taken steps to address some of the concerns raised and, I would assume, also steps to address the specific situation the hon. member alludes to. Actions have been taken to improve co-ordination among emergency room

staff and to free up hospital beds, and as a result, as I understand it, waiting times in Calgary emergency rooms have dropped 28 percent since 2000-2001.

The judge called, as the hon. member knows, for an independent inquiry into Calgary's health system but only – but only – if steps have not been taken to improve the system. Steps have been taken, and we'll need to evaluate whether those steps have been sufficient to justify the findings of Judge Delong.

Calgary emergency rooms serve, as the hon. minister pointed out, about 250,000 people a year. Sometimes, unfortunately, mistakes are made, and improvements are needed to ensure that they don't happen again. In that regard Alberta Health and Wellness is working with the Calgary regional health authority to review the recommendations, and any other further steps that need to be taken will be taken.

Relative to the specific question I'll have the hon. minister respond.

The Speaker: We'll move on.

Dr. Taft: To the Premier again: given that senior positions in the Calgary health region have been occupied by the Premier's former chief of staff, by the Premier's former deputy minister, by the Premier's former Treasurer, and by a host of other Tory supporters, will the Premier admit that the top of the Calgary health region is rife with patronage appointees instead of seasoned health care executives?

Mr. Klein: Mr. Speaker, these are competent individuals. I'll tell you and I'll tell the hon. member and I'll tell this Assembly a little story about the selection of my former deputy minister, the Deputy Minister of Executive Council. I was driving along one day when I received a call from the then chair of the Calgary regional health authority, who advised me that they were conducting a search for a chief executive officer. He said: the three candidates we have in mind are all from Ontario, and they want salaries in the area of \$500,000 to \$700,000 a year. I said: God forbid; surely you can find someone in Alberta who can fulfill that job. I said, "Take a person like Jack Davis," for instance, who was earning far less than that, about \$150,000 a year as head of Executive Council. The chair says: are you serious? Well, at that moment I knew that I'd been hoisted on my own petard because they hired Jack Davis, a perfectly capable, very, very competent public service employee.

Dr. Taft: I guess that if you're the right person, a job is only a phone call away.

To the Premier: given that the need for a new hospital in south Calgary was identified as urgent six years ago and was to open this year, can the Premier explain why the Calgary health region hasn't even formally asked for the money to build one?

Mr. Klein: Mr. Speaker, I understand that the priority in Calgary was the children's hospital, and we have fulfilled our commitment to the capital costs of that particular hospital.

Going back to the previous question, you know, it strikes me that this is what the Liberals want, to hire someone from out of province at an inflated salary, because it fits in with the traditional patterns of unreasonable, unaccountable, Liberal spending.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Medicine Hat.

Dr. Pannu: Thank you, Mr. Speaker. Yesterday in question period

the Premier stated that the death of Vince Motta had nothing to do with the closing of three hospitals in Calgary. Unfortunately, for all his public relations efforts, Justice Delong disagrees. In his fatality inquiry an entire section is titled Delay Due to the Lack of Beds. Justice Delong points to the lack of beds and notes the closure of three Calgary hospitals. Judge Delong writes, "To suggest the solution does not include more beds is to ignore the obvious." He later writes, "This must be seen as an urgent matter." My questions are to the Premier. Now that you have had a day to actually read the report, is Justice Delong incorrect, Mr. Premier, or does this government in fact owe an apology to the Motta family for closing hospitals and causing an avoidable death?

Mr. Klein: Mr. Speaker, I'll have again the hon. Minister of Health and Wellness respond, but when those hospitals were closed in Calgary – and indeed one was imploded . . .

Dr. Pannu: One of them was blown up.

Mr. Klein: Imploded. Blown down, not up.

Mr. Speaker, that was done precisely to allow more hospital beds in facilities like the Peter Lougheed hospital and the Foothills hospital, the Rockyview hospital to open up. So the beds that were lost through the closure were more than gained through the opening up of new beds in state-of-the-art, good facilities. I think that we need to do a thorough evaluation of Justice Delong's findings before we jump to any conclusions relative to this issue.

Relative to the bed situation in Calgary I'll have the hon. minister respond.

The Speaker: The hon. minister.

Mr. Mar: Thank you, Mr. Speaker. The province of Alberta is one of the only jurisdictions – it may in fact be the only jurisdiction – that in fact records information about wait times in emergency rooms. We track this for the purposes of determining how it is that we are improving in the area of improved service in emergency medicine. Obviously, it's difficult to compare Alberta with other provinces when other provinces don't record this kind of information, but demonstrably we are reducing the number of unnecessary visits to emergency rooms throughout this province.

1:50

I think it's well known by members of this Assembly as well as members of the public that the Health Link line has dramatically reduced the number of unnecessary visits to emergency rooms and physician offices throughout this province. It will be up and running throughout the entire province by this summer. In the example of the Capital health region before the Health Link line was put in, the number of emergency room visits was growing steadily at 6 to 7 percent a year. It's dropped now to a much more sustainable 1 percent a year. This can be directly attributed to Health Link. It's the reason why primary health care reform is very important here.

That's not to say that we have an emergency room system in this province that is ideal, Mr. Speaker. Of course, there continue to be things that we can try to improve. We are committed to doing that, and we are committed to carefully considering and working with the regional health authority on His Honour Judge Delong's recommendations, the 25 recommendations set out in his report.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Will the Premier make a

commitment to the people of Calgary today to accept and implement Justice Delong's recommendation to find additional hospital beds, and will he do it setting a time line that reflects the urgency noted in his inquiry?

Mr. Klein: Mr. Speaker, I'll have the hon. minister respond.

Mr. Mar: Mr. Speaker, we have already embarked on increasing the number of beds in acute care facilities in the city of Calgary. To the best of my recollection there are some 1,400 beds planned for facilities in Calgary. They've already opened up 700 of the 1,400.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. How can this government and this Premier continue to defend the board and senior management of a health region that Judge Delong says takes an adversarial approach to a fatality inquiry and views it as a public relations challenge rather than a fact-finding exercise?

Mr. Klein: Mr. Speaker, they do not view this as a public relations challenge. That is an irresponsible statement, to say the least.

As I said in my reply to a question from the hon. Member for Edmonton-Riverview, this was a very tragic situation, and our condolences really do go out to the Motta family. I said that actions have been taken to improve the co-ordination among emergency room staff and to free up hospital beds. The hon. minister addressed the situation vis-à-vis hospital beds in Calgary and mentioned the plans for 1,400 new beds, 700 of which have already been brought onstream. That's more than two full hospitals.

The judge called for an independent inquiry into Calgary's health system but only if steps have not been taken to improve the system. As we understand it, steps have been taken, and we'll need to evaluate whether those steps have been sufficient to justify Justice Delong's concerns. That reasonable, intelligent evaluation is now being undertaken, and we will continue to work with the Calgary health authority to review the recommendations and to take any further steps that need to be taken. We will take those steps because we're concerned, as indeed are officials of the Calgary health authority, as indeed are citizens at large, as indeed are the members of the Motta family that this kind of tragedy does not occur again. We're interested, Mr. Speaker, in addressing the problem, in fixing the problem. We aren't interested, as the NDs are, in using this as a political football.

The Speaker: The hon. Member for Medicine Hat, followed by the hon. Member for Edmonton-Gold Bar.

Debt Reduction

Mr. Renner: Thank you very much, Mr. Speaker. Since this government eliminated deficit budgets in Alberta, it has been a priority to make annual payments reducing Alberta's debt. A number of my constituents have expressed concern that the new fiscal policy implemented in budget '03-04 does not appear to maintain that same commitment to debt reductions. My questions today are to the Minister of Finance. I would like to ask the minister why there are no identifiable lines in this budget dedicated to debt reduction.

The Speaker: The hon. minister.

Mrs. Nelson: Well, thank you very much, Mr. Speaker. Let's be

very clear. In the budget document there is a section called Accumulated Debt, in the fiscal plan, that clearly lays out how our debt will continue to go down. This will occur because we have had banner years in the past where we've put money away in what we've almost labeled a prepaid mortgage account, and in this particular fiscal year the scheduled debt that comes due will be paid by those dollars that were put in that account for this year and for next year. So at the end of this fiscal year our debt will be down to \$4.8 billion. That's nearly 80 percent. Nearly 80 percent of the accumulated debt of the province will have been cleared by the end of this fiscal year, so we're way ahead of target, and we're keeping our eyes focused on getting rid of that debt.

The Speaker: The hon. member.

Mr. Renner: Thank you, Mr. Speaker. My second question to the same minister: can the minister assure all Albertans that this government remains committed to eliminating Alberta's debt?

The Speaker: The hon. minister.

Mrs. Nelson: Yes, Mr. Speaker. In fact, we can. In fact, we are so committed to this that I can tell you as a promise – and I've said this in two budget speeches – that we will be the first province in all of Canada that will in fact be debt free.

I can also tell Albertans, Mr. Speaker, that we're so committed to getting rid of this debt that the benefits we have today are as a result of staying with our feet to the fire to clear the debt. We've cleared over \$1.3 billion on interest expense from our books forever. I call those lost costs because they don't do anything other than pay interest. Today those dollars are employed in priority programs that Albertans want, such as health and education. So our commitment is there. It's sound, it's true, and we will continue on that path.

The Speaker: The hon. member.

Mr. Renner: Thank you. My final question to the same minister: can the minister advise what the expected time frame is before the sustainability fund is fully funded and debt payments will be resumed?

Mrs. Nelson: Well, Mr. Speaker, we would hope, based on our analysis within this budget, that in the next couple of years we will have roughly \$2.2 billion to \$2.5 billion in our sustainability fund. After that fund reaches \$2.5 billion, we will have choices if there are additional revenues that do come through from operating surpluses or from our resource revenues. We'll be able to make choices such as continue to put money into debt retirement or put money into capital and a variety of other things that would enhance the asset base of the province. We're hopeful that the fund will build quicker as opposed to later so that we do have some additional choices to make. But let's be very clear: we're very focused on clearing the last of the accumulated debt.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Rutherford.

Income Tax Deduction for Purchase of Tools

Mr. MacDonald: Thank you, Mr. Speaker. During debate on a private member's bill to allow for an income tax deduction by Alberta workers for the purchase of tools necessary to do their job, a vote in this Assembly was held. When a standing vote was

conducted, of the members present 42 stood in favour of more tax breaks for workers; seven stood against. My first question is to the Premier. Given that the Premier promised that the only way taxes in this province were going was down, why, 18 months after the Alberta Personal Income Tax (Tools Deduction) Amendment Act, 2001, was voted in this Assembly, has it not been proclaimed?

Mr. Klein: Mr. Speaker, private member's Bill 207, I believe it was, the income tax amendment act, which would have provided tax credits for the purchase of tools by tradespeople, has received royal assent but, as the hon. member has pointed out, will not be in force until it receives proclamation.

There was a recent newspaper article that reported the Liberal labour critic, the hon. Member for Edmonton-Gold Bar, as saying that the government is showing contempt for journeymen and democracy by not proclaiming Bill 207 even though it was passed in November 2001. Well, Mr. Speaker, there are good reasons, reasons that even the hon. member should be able to understand. One, in December 2001, one month after Bill 207 was passed, the federal budget included a new tax deduction for the extraordinary cost of apprentice vehicle mechanics' tools. It was thought that proclaiming Bill 207 could result in double credit for vehicle mechanic apprentices because of the interrelationship of the federal deduction and the provincial tax credits.

2:00

An Hon. Member: The federal Liberals beat you to it.

Mr. Klein: No, they didn't beat us to it. I think that they were watching us and said to themselves, as Liberals often do: "Hey, that's a good Conservative idea. What we'll do is we'll snatch it."

Mr. Speaker, the federal deduction in fact has addressed the largest part of the concerns that led to the passage of Bill 207 by allowing the tool deduction to apprentice vehicle mechanics, who incur the highest tool expense or cost and have the least ability to pay. If a decision is made to proceed with an Alberta credit, the Alberta legislation should be amended to eliminate duplication or double-dipping before it is proclaimed. The Minister of Revenue, I understand, has discussed this with the sponsor of the bill, Bill 207, the hon. Member for Clover Bar-Fort Saskatchewan, and has agreed to meet with a number of key industry people to discuss the matter further.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the Premier: given that corporations have received tax breaks recently from this government, why have not workers at the will of this Legislative Assembly received a tax break as well?

Mr. Klein: Mr. Speaker, you know, you provide the answer as clearly and as succinctly as possible, and they don't understand it. Well, they do understand it, but what they haven't been able to come to grips with is that from time to time they have to get away from their script.

In answer to the question, Mr. Speaker, I'll have the hon. Minister of Revenue respond.

Mr. Melchin: Mr. Speaker, I'd first like to say that it's nice to see that some of the members of the Liberal opposition are now asking for proclamation of this bill when only two voted for it in the first instance, and two actually voted against it. So it's interesting that that would be brought forward at this time in the Legislature.

Furthermore, this bill was actually targeted so that the apprentices, the largest group, would actually be benefited. The workers of which you spoke, the mechanic apprentices, actually are the ones who have benefited substantially by it. So we have addressed it already by the Liberal government introducing legislation that accomplishes much of this purpose.

The Speaker: Hon. Member for Edmonton-Gold Bar, you also rose on a point of order; right?

Mr. MacDonald: Yes. Certainly, Mr. Speaker.

To the Minister of Revenue: given that the hon. minister has stated that the Department of Revenue has evaluated the act, how much money did the government save by not providing this tax break to workers in this tax year that has just concluded?

Mr. Melchin: Mr. Speaker, actually, the best option that the federal government did take – and I know that the sponsor of the bill, the Member for Clover Bar-Fort Saskatchewan, would say the same thing – was to get the deduction both for federal taxes and provincial taxes. Our provincial tax rates are already at a 10 percent threshold, very low amounts. So what the federal government did by incorporating some of these suggestions is what the apprentice mechanics now get in both the deduction for federal taxes and provincial taxes. They do receive the benefit of a reduction in provincial taxes already as a result of the new legislation.

The Speaker: The hon. Member for Edmonton-Rutherford, followed by the hon. Member for Edmonton-Glengarry.

Alberta/Quebec Relations

Mr. McClelland: Thank you, Mr. Speaker. My question is for the Minister of International and Intergovernmental Relations. On Monday Quebecers elected a new government. Many of the intergovernmental priorities Jean Charest advocates are similar to those our Premier has been talking about for some time, like addressing the fiscal imbalance and scheduling regular first ministers' meetings. My question: will the government of Alberta enlist the support of the new Quebec government to advance our mutual interests?

Mr. Jonson: Mr. Speaker, as the hon. member has noted, we do have a number of areas of mutual interest as provinces, and of course one of the priority items is that of the fiscal imbalance within Canada. Quebec and Alberta have a long history of working together on intergovernmental issues, and we look forward to reinvigorating this co-operation with the election of a new government in Quebec. Premier Klein has written Jean Charest congratulating him.

The Speaker: Please, Minister, please, please. We know the rules about identification of names in this House. Let's get on with the answer.

Mr. Jonson: I apologize, Mr. Speaker. The Premier has written to the Premier-elect of Quebec and expressed his desire to enter into dialogue and discussions with the Premier-elect. The intergovernmental agenda will be a busy one in the year ahead, and I look forward to meeting with and discussing mutual issues with the minister of intergovernmental affairs when my counterpart is announced in the province of Quebec. We will be examining and exploring every opportunity to work on matters of mutual interest. We all, of course, have the goal in mind of strengthening Canada.

The Speaker: The hon. member.

Mr. McClelland: Thank you. My final question to the same minister: has the government of Alberta identified a single priority issue that will be pursued with the government of Quebec to get one recognizable achievement?

Mr. Jonson: Well, first of all, Mr. Speaker, both governments, I believe, have a concern with respect to the lack of respect and co-operation that seems to exist in Canada at the moment with respect to the place of provinces and the importance of provinces within Confederation. With the election now of what we understand to be a federalist government in Quebec, the government of Alberta is certainly interested in working with the province of Quebec to pursue our mutual interests and to develop a stronger and more united Canada where provinces are fully respected.

Provincial/Municipal Agreement

Mr. Bonner: Mr. Speaker, yesterday I asked the Minister of Municipal Affairs why the province refused to sign the fair and equitable working relationship agreement for the minister's council on roles, responsibilities, and resources. The minister refused to answer my question. Instead, he talked about how wonderful the council is. To the Minister of Municipal Affairs: will you sign the working relationship agreement? Yes or no?

Mr. Boutilier: Mr. Speaker, let me repeat my answer from yesterday to the hon. member. In keeping with the spirit of the slowness that was mentioned yesterday, let me just say this. I have spoken with the council, as have some members of this Legislature: the hon. Member for Calgary-Mountain View, the hon. Member for Edmonton-Rutherford, the hon. Member for Whitecourt-Ste. Anne. We have communicated with the mayors of both Calgary and Edmonton and the presidents of the Alberta Urban Municipalities Association and the Association of Municipal Districts and Counties, and we have communicated.

Thank you.

Mr. Bonner: Given that the minister said yesterday that the agreement has been through caucus and cabinet, what is the holdup with signing it?

Mr. Boutilier: Mr. Speaker, to the hon. member for that excellent question: this is the fourth time I'm answering it. We are moving forward with a committee, the first of its kind in Canada. We are working very closely, and in fact I want to reiterate how pleased I was with both the mayor of Edmonton and the mayor of Calgary, who commented on the positive nature of our most recent budget we announced in this Assembly.

2:10

Mr. Bonner: Mr. Speaker, given that members of this council have stated that the council has no mandate, would the minister please tell us what the mandate is, where it is written, and what tangible results municipalities can expect from this council?

The Speaker: The hon. minister.

Mr. Boutilier: Well, thank you very much, Mr. Speaker. Perhaps I could relay that one of the products of this committee is that of: how do we grow the pride? Specifically, cities like Calgary and Edmonton are growing, and we're trying to work with them on

issues such as infrastructure. The importance of infrastructure with municipalities was clearly reflected in the most recent budget. We're moving continuously along that line in this very, very important partnership, that I'm very proud to be associated with.

The Speaker: The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Mill Woods.

Midwifery Services

Mrs. Jablonski: Thank you. Mr. Speaker, many women in Alberta choose to use the services of a midwife, who is a specially trained professional in pregnancy and childbirth. With numerous hours of teaching, coaching, and physical, nutritional, and emotional support midwives provide a very valuable service. This holistic service is, however, only available to families in Alberta who can afford it. My question is to the Minister of Health and Wellness. British Columbia, Manitoba, Ontario, and Quebec cover the cost of midwifery services. Can the minister advise the House if this government is considering paying for the cost of midwifery services?

Mr. Mar: Mr. Speaker, parents and families continue to tell me that the choice of a midwife-assisted birth is important to them. Right now in the province of Alberta there are some 23 midwives, perhaps a few fewer now. A couple, I understand, have left the profession. They were responsible last year for 248 hospital births and 396 home births in the year 2001-2002.

I have requested a review of funding of midwifery services in the province of Alberta. I'm advised that the working group has concluded its work, although I have not yet seen the final report, and I do look forward to reading the recommendations that they set out.

We do of course, Mr. Speaker, continue to subsidize the profession by covering the cost of professional liability insurance for midwives, a step that was taken last year.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you. Mr. Speaker, the cost of malpractice insurance is a challenge for midwives in maintaining a practice. What is this government's commitment to supporting the cost of midwives' malpractice insurance?

Mr. Mar: In 2001 a rather large spike occurred in professional liability insurance faced by midwives across Canada. They did come to this provincial government to look for assistance in covering their professional liability insurance in order to sustain their profession. We did that in 2001. We continue to do it now, Mr. Speaker, and this year we will cover 70 percent of the cost of the insurance. That amounts to \$11,270 per midwife for a total cost in insurance of \$16,100.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you, Mr. Speaker. No more questions.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Edmonton-Highlands.

Premier's Council on Alberta's Promise

Dr. Massey: Thank you, Mr. Speaker. The legitimate line between private firms and government services is becoming more and more blurred. How companies become involved in government programs and reap publicity is of increasing concern as Alberta's Promise is

developed. My questions are to the Minister of Children's Services. How many companies besides Sleep Country made a bid for the minister's appearance in their community service advertising campaigns with respect to children?

Ms Evans: I suppose I ought to be flattered, but I'm flabbergasted. Alberta's Promise, which was given royal assent, was actually a bill that the opposition appeared to like, and today in this House I just await more, Mr. Speaker, breathlessly.

The Speaker: The hon. member.

Dr. Massey: Thank you. At least it wasn't "stunned"; it was "flabbergasted."

How will the minister ensure that private involvement in Alberta's Promise programs will not be seen as government endorsement of commercial enterprises?

Ms Evans: Mr. Speaker, Alberta's Promise is actually arm's length from this government. It is a council of entrepreneurs and corporations that has been selected to be a part of an overall group that will promote and, I would say, provide huge support through their communities, as they've always done, for the kinds of activities that people like to do to better the communities for children and families. Yes, I am there in my capacity as Minister of Children's Services to be a part of liaison back to this government, but overall those are people that have been selected not as a part of any party but because they are leaders in their own right in our communities. The United Way is there.

I'm not sure if they're trying to challenge the integrity of those CEOs, but perhaps the Premier would like to add his observation.

Dr. Massey: To the same minister, Mr. Speaker: how will the minister ensure fairness to all companies who may want to become partners in Alberta's Promise?

Ms Evans: Mr. Speaker, we are not making selections of corporations to be involved. Every corporation in Alberta should be involved. Every company in Alberta, every corner store, every person that earns a dime anywhere should be quite willing to stand up for Alberta's children and families.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for St. Albert.

Municipal Financing Corporation

Mr. Mason: Thank you very much, Mr. Speaker. In last year's budget the government took \$100 million from the Alberta Municipal Financing Corporation's retained earnings and transferred it into government general revenues. The Provincial Treasurer claims that the Alberta government needed the money despite posting a \$1.8 billion surplus this past year. Alberta Urban Municipalities met with the Minister of Finance to protest this action and to urge the government to turn the administration of AMFC over to Alberta municipalities. My question is to the Minister of Municipal Affairs. Why is the government adding the \$100 million transfer from the Municipal Financing Corporation to its multibillion dollar budget surplus instead of returning it to municipalities to support needed infrastructure projects, including green infrastructure projects, which the AUMA says can help Alberta reach its greenhouse gas targets?

The Speaker: Hon. minister, about seven questions there. Just deal with one. Okay?

Mr. Boutilier: I'll try to move slowly with the response to the question. The hon. member does raise an important point regarding the \$100 million with the Alberta Financing Corporation. I will ask the Minister of Finance, who's ultimately responsible for that corporation, to also supplement, but I want to say this. We had the pleasure of meeting with the AUMA on this very important initiative in dealing with greenhouse gases. In fact, the Premier attended our meeting. They had some very good ideas, and in the budget the Minister of Finance indicated that we are pursuing very actively this initiative in partnership with the AUMA.

I'd ask the Minister of Finance, responsible for the corporation, to also supplement.

Mrs. Nelson: Mr. Speaker, the hon. member opposite tried to indicate that we had a negative meeting with AUMA. In fact, we had an extremely positive meeting with AUMA. We chatted about the future, and we did talk about the \$100 million that was moved into general revenue from AMFC in the previous year, but we focused our attentions on the future.

One of the things that was very important was a proposal that they had come forward with to our government just a matter of a couple of weeks before our budget was presented in this very Legislature, and it's an excellent project that would actually see municipalities have the ability to retrofit a number of municipal buildings to help in the climate change and energy efficiency projects that we have throughout Alberta.

In the budget speech itself I did mention that additional work would be done to flesh out this program and that the Minister of Municipal Affairs would be bringing a scenario forward after working with the AUMA for our caucus to consider a policy direction. Personally I think it's an excellent proposal that did come forward, and I'm anxious to see it occur.

So to indicate that the meeting was negative was absolutely incorrect. The Premier and the Minister of Municipal Affairs and myself all came out of that meeting feeling extremely good.

Mr. Smith: I was there too. I felt good too.

Mrs. Nelson: Yes, the Minister of Energy was also there, and he felt good.

2:20

Mr. Mason: I'm glad they're all feeling fine over there, Mr. Speaker.

Given that the AUMA's own report to its members said that "AUMA's executive recently met with Finance Minister . . ." – I'll leave out the name – "to protest this action and to urge the government to look at the feasibility of turning over control of the AMFC to municipalities under a system similar to the one in effect in British Columbia" and that "the minister rejected this idea," I will ask . . .

The Speaker: Hon. member, later on this afternoon come and visit, and we'll go over the scripting of how to write a question. Come to the question, please.

Mr. Mason: Mr. Speaker, given those comments from the AUMA, I would like to ask the Minister of Municipal Affairs why he didn't stand up for municipalities in this province when the Provincial Treasurer took away a hundred million dollars.

Mr. Boutilier: Mr. Speaker, quite the contrary. We had a very positive – it's proactive. Alberta is leading this country in dealing with environmental initiatives. I want to say that the Minister of

Environment participated in the meeting. We have an infrastructure in place called Climate Change Central, which was the first of its kind in Canada. The Premier implemented this plan over four years ago, and we're going to embark on this partnership with the AUMA and other important stakeholders in terms of energy efficiency.

I would like the Premier to supplement.

Mr. Klein: Mr. Speaker, I don't know where the hon. member is getting his information.

Mr. Mason: From AUMA.

Mr. Klein: Well, maybe a member of the AUMA who obviously was not at the meeting. This was not a meeting to protest anything.

As the hon. Minister of Finance pointed out, the president of the AUMA led off by asking that the \$100 million be returned. We said: well, let's put our minds together and see if we can come up with a better way if you want to use this money to address the problem of greenhouse gas reductions. We suggested a few ways in which this may be accomplished involving all municipalities. They were very receptive to the ideas.

I can tell you that the Minister of Finance was there, the Minister of Municipal Affairs, the Minister of Energy, the Minister of Environment. I was there. Representatives of the AUMA were there. Everyone left. We all shook hands. It was a very enjoyable, a very cordial meeting. This scenario that the hon. member is trying to create through what I would suggest is serious misinformation is absolutely wrong, because the tone of that meeting was a very, very good tone. Indeed, it was a very cordial meeting, and we went away with an understanding that the AUMA and the government of Alberta worked together.

The Speaker: Hon. member, we have now spent seven minutes on two rather lengthy questions, which have raised answers of great length.

We're going to move on to the hon. Member for St. Albert, followed by the hon. Member for Edmonton-Ellerslie.

Infrastructure Canada/Alberta Project

Mrs. O'Neill: Thank you very much, Mr. Speaker. This morning I attended an official announcement of the ICAP program, the infrastructure Canada/Alberta project. The announcement was for 43 community infrastructure projects worth about \$43.2 million. My question is to the Minister of Transportation, and it is around what role Alberta has played in the establishment of this project, in the funding formula for it, and the unique situation that Alberta finds itself in with this program as it unfolds, as I understand, across Canada. There were 43 projects announced, and I might add that six of them were in St. Albert.

The Speaker: The hon. minister.

Mr. Stelmach: Thank you, Mr. Speaker. Upon receiving notification that there were some funds available from the federal government in terms of a three-way partnership, we immediately wanted to ensure that the \$171 million that Alberta committed to the program would be spent in such a manner as to get the best value for the taxpayer and also improve significantly a lot of the hard infrastructure in the province of Alberta.

What we did, to my knowledge the only jurisdiction in Canada, at least the first to do that, was involve our municipal partners in a committee not only to build the criteria as to how the program would

proceed but also involve them in a management committee that looked at all of the project evaluations and made the decisions on the projects coming forward. This committee decided that as much money as possible should be invested into green infrastructure. This is water, sewer, improving roads. Some of it went into co-nominated money between the feds and the province in terms of buildings.

The hon. member is correct. We announced a number of projects today, and I'm happy to say that all of it went into hard infrastructure, into the ground where we really don't see it, but it certainly improves the quality of life for Albertans.

The Speaker: The hon. member?

Mrs. O'Neill: No, sir.

head: **Recognitions**

The Speaker: Hon. members, I'll introduce the first, who comes well decorated, the hon. Member for Medicine Hat.

Medicine Hat Tigers Red Deer Rebels

Mr. Renner: Mr. Speaker, the reason I stand before you today dressed in red and black is because I lost a bet. I had hoped that the Member for Red Deer-North would be standing in her place today dressed in orange and black making a similar statement to the one I'm about to deliver.

Last night the Medicine Hat Tigers met the Red Deer Rebels in game 7 of a hard-fought second-round play-off series. As you might have surmised from my dress, the Rebels won. Congratulations, Rebels. The people of Medicine Hat wish you all the best in your drive to the Memorial Cup.

More importantly, Mr. Speaker, I want to thank the Medicine Hat Tigers. To owners Darrell and Brent Maser, general manager Rick Carriere, head coach Willie Desjardins, assistant coaches Bryan Ellerman and Doug Lidster, and most importantly to every player who to a man played his heart out, congratulations on an outstanding season. Hockey fans in Medicine Hat haven't had this much fun in years. To the returning players, we look forward to an even more successful season next year, and to the players who will be moving on, may the years to come be as memorable and meaningful as the one just completed.

Mr. Speaker, go, Tigers, go.

The Speaker: Standing Order 2 actually provides the Speaker some leeway in terms of contingencies unprovided for, and I'll now call on the hon. Member for Red Deer-North to extend congratulations.

Mrs. Jablonski: Thank you, Mr. Speaker. I know that it was an exciting series and that Medicine Hat outdid themselves and made Red Deer work to their best potential. I am very proud of the Medicine Hat Tigers, but I'm also very proud of the Red Deer Rebels, who will go on to fight in another series against either Regina or Brandon. We'll cheer them on as they end up fighting Kelowna and going to the Memorial Cup. I just want to say thank you very much to the people of Medicine Hat for making it very exciting for the people of Red Deer during the series.

The Speaker: The hon. Member for Calgary-Fort.

Musical Montage 2003

Mr. Cao: Thank you, Mr. Speaker. I am so proud of our students from many schools in southeast Calgary for the effort they have put

together in their performance at the Musical Montage last Monday at the Calgary Jubilee Auditorium. I want to recognize the excellent and dedicated work of teachers and parents to develop our youngsters through musical and performing arts.

Mr. Speaker, with your permission I want to take this opportunity to name the people who made this outstanding event possible for thousands in the audience and hundreds of performers: Bob Edwards school led by David Siemens, Chris Akkerman school led by Heather Nail, David Oughton school led by Corry Moriarty, Dr. Gladys Egbert school led by June Pearson, Erin Woods school led by Liz Pewtress, Ernest Morrow school band led by Erin Brinkman, Forest Lawn high school dance led by Sylvia Hayward, G.W. Skene school led by Anne Hodgson and Dian Goods, Langevin junior high school led by Harriet Siemens, Milton Williams school led by Barb Schantz, Mountain View school led by Carrie Stoesz-Johnston and Gail Langman, Penbrooke Meadows school led by Susanne Lee and Paul Toews. All of this is possible under the co-ordination of director Liz Gouthro, principal Stephanie Davis, and musical director Joan Sampson.

Thank you.

2:30

Education Funding

Mr. Bonner: Mr. Speaker, over the next few weeks many school boards across this province will be faced with difficult decisions as they enter their budget process for the next school year. They must face this task with revenues that were much less than expected, a change of funding for grade 10s resulting in lower financial support, and decreased funding for plant operations from Infrastructure. In addition to these shortfalls, they must also factor in an increase in salaries and benefits for teachers as a result of an arbitrated settlement.

School boards facing budget shortfalls will require staff reductions to balance their books. In one school board for every \$7 million shortfall they will have to cut 100 staff. What makes this decision so difficult for school boards is that some of their brightest, enthusiastic, and least experienced teachers will be let go from jobs they love and will probably never return to the teaching profession. For example, a high school with 3,000 students could lose 10 staff.

To all school boards in the province: we thank you for your continued commitment and dedication to excellence in education for our students. Best wishes on your forthcoming deliberations as you try to maintain these high standards on severely restrictive budgets.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Henry Heuver

Mr. Marz: Thank you, Mr. Speaker. I'd like to recognize an outstanding Albertan, Henry Heuver, who was the first annual recipient of the Olds College partner of the year award. Mr. Heuver has dedicated countless hours to the college by chairing the Olds botanic garden committee and sitting as a director on the Olds College Foundation. Mr. Heuver was instrumental in the development of the beautiful Olds Botanic Gardens, which were officially opened in July of last year.

Mr. Heuver's passion has transformed the Olds College. As a man of vision he does whatever is needed to help turn the college into a living laboratory and increase the learning capacity for the students. Mr. Heuver plans to continue to play a major role in the next phase of the Olds College campus development, which will see a 16-hectare teaching and research wetlands project completed by 2005.

I'd like to take this opportunity to join with the staff and the students of the Olds College in thanking Mr. Heuver for his

dedication to the Olds College and congratulate him on this well-deserved award.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Cardston-Taber-Wamer.

Erle Rivers High School Boys' Curling Team

Mr. Jacobs: Thank you, Mr. Speaker. It is again my pleasure today to rise to recognize excellence in high school athletics, in particular to recognize an extraordinary team of athletes from the Erle Rivers high school boys' curling team. Recently the Erle Rivers team won gold in the provincial curling championships, which were hosted by J.C. Charyk high school in Hanna.

The Erle Rivers team consists of lead Chris Lindeman, second Craig Pittman, third Adam Thompson, skip Owen Conway, spare Jason Wehlage, coach Boyd Conway, and school representative Ken Brown. These young curlers continued the long tradition of the sport in its finest and most honourable form at this year's provincials. Curling demands sound tactics, solid teamwork, a deft touch, and nerves of steel. The Erle Rivers team displayed exceptional skill and excellence and strategy to capture the gold medal.

I would ask the Members of the Legislative Assembly to join me in congratulating all members of the Erle Rivers boys' curling team for their remarkable talent and their provincial championship win.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Mill Woods Newsletter

Dr. Massey: Thank you, Mr. Speaker. Every month but July 27,000 copies of the *Mill Woods Newsletter* are delivered to residents of Mill Woods. This unique publication is the work of the Mill Woods Presidents' Council. Each of our 10 community leagues detail their programs, activities, and special events in the publication.

Though named a newsletter, this tabloid-sized publication often comes in two sections the size of a daily newspaper. Mill Woods wide events and the results of communitywide deliberations like the suggestions from our town hall on reducing crime are published. Volunteer sports organizations and Mill Woods groups like MCAR-FA keep residents informed of projects. Columns and advertisements from local, provincial, and federal political representatives serving Mill Woods are included. The newsletter is a unique source of information about community events and opportunities.

Congratulations to the Mill Woods Presidents' Council and those who work to bring the *Mill Woods Newsletter* to life each month. You make a huge contribution to better living in Mill Woods.

The Speaker: The hon. Member for Wetaskiwin-Camrose is pretty proud, too, today. The hon. member.

Camrose Kodiaks St. Albert Saints

Mr. Johnson: Thank you, Mr. Speaker. There was another important hockey game last night, and today the Camrose Kodiaks and their many fans and supporters are celebrating. Last night the Kodiaks emerged as the Alberta Junior Hockey League champions with a 1-nothing win against a formidable opponent, the St. Albert Saints. It was a fitting end to a thrilling seven-game series.

It was an extremely tight series, and both organizations should be commended on their great play. The coaching staff of both St. Albert and Camrose did amazing work with their respective teams.

Congratulations are especially given to the coaching staff of the Kodiaks, head coach/general manager Boris Rybalka and assistant coaches Doug Fleck and Miles Walsh.

The Camrose Kodiaks are owned and operated by the Camrose Sport Development Society, who are to be commended for their success with the team since entering the league just six years ago. This is the second Alberta Junior Hockey League championship for the Kodiaks in the past three years. Two years ago they went on to win the Royal Bank Cup Canadian championship. Now for the Kodiaks it's onward in representing Alberta in their quest for another Canadian championship.

Congratulations to the players, coaches, and all those within the Kodiak organization on their Alberta Junior Hockey League championship.

The Speaker: In terms of fairness might I again exercise the privilege accorded to the Speaker under 13(1) and call on the hon. Member for St. Albert.

Mrs. O'Neill: Thank you very much, Mr. Speaker, for this opportunity to first of all congratulate the Camrose Kodiaks, who played very, very well in the seven-game series, but I'd like also to congratulate our St. Albert Saints, who with the Kodiaks spent many an hour on the ice during this series in overtime. While it was a 1-nothing game, indeed I think both teams played very well, and I'd like to congratulate the coaching staff, the owners, which is a community-owned team in St. Albert, and all of the players for their terrific sportsmanship and their wonderful play on the ice. Congratulations also to the St. Albert's Saints.

Thank you.

head: **Presenting Petitions**

The Speaker: The hon. Member for Cardston-Taber-Wamer.

Mr. Jacobs: Thank you, Mr. Speaker. I rise today to table copies of petitions containing the names of 190 Albertans who as residents of Alberta petition the Legislative Assembly to deinsure abortion through Alberta health.

Thank you.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I rise with two different petitions today. One is signed by about 55 people from around the Edmonton region, and it says:

We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government of Alberta to consider a funding increase for public education to provide relief from the financial situation arising from the arbitrated settlement of the teacher's labour dispute.

The second is also signed by 50 or 60 residents of the capital city region, and it says:

We, the undersigned residents of Alberta, petition the Legislative Assembly . . . to reject legislation that allows for the sale of municipal reserves and the privatization of the construction and ownership of publicly funded schools.

head: **Tabling Returns and Reports**

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I rise today to table the requisite number of copies of three different studies done regarding

the earned income tax credit, otherwise known as the incentive to work program, which is an alternative idea to raising minimum wages and which is credited with lifting 4.8 million people out of poverty in the United States.

I also rise to table the requisite number of copies of a report called Improving Effectiveness and Efficiency in Government.

Thank you.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. I rise to table the appropriate number of copies of 31 letters to the Minister of Health and Wellness requesting that Didsbury district health services be within the Calgary health authority.

The Speaker: The hon. Member for Cardston-Taber-Wamer.

2:40

Mr. Jacobs: Thank you. I rise again, Mr. Speaker, to table the appropriate number of copies of letters from 34 Albertans asking the Members of the Legislative Assembly of Alberta to deinsure abortion.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I have one tabling this afternoon, and it is a series of documents that were released yesterday in regard to Aquila corporation in America indicating that there was a net loss of \$977.9 million U.S. for the quarter ended.

Thank you.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Speaker. I have four tablings today, all with permission. The first is copies of a letter to the Minister of Learning from a constituent, the mother of four sons, who says among many things: "it has been very discouraging to me to witness continuing cutbacks in funding to our public education system."

The second is also from a constituent, Carleen Ellis, with permission. It's also expressing concern about the funding to public schools following the teachers' arbitration settlement last year.

The third one is also from constituents with permission, Catharine Compston and Dr. Paul Bird, writing to the Minister of Learning to express concern over increasing erosion to the public school system.

Finally, with permission copies of a letter sent to me, although it's addressed also to the Premier, from Rod McConnell expressing great concern over water policy and the possibility of a new tax on water, which the government is "preparing to impose on the citizens of Alberta."

Thank you.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. With permission I table five copies of a notice entitled Solutions for Schools, a notice of a public forum to be held on April 24 at the Provincial Museum which will focus on presenting funding solutions for Alberta schools. The forum will highlight a policy expert from Colorado, Dean Neu from the University of Calgary, parents, and two teachers, who will examine the way in which Alberta schools are financed and present some proposals which will see that system bettered.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I've got two tablings today. The first one is a letter that I received just a couple of days ago from Mrs. Cindy Jefferies, chair of the board of trustees of Red Deer public school district no. 104, in which she seeks our support for the trustees' request to the Minister of Learning to make some amendments to the School Act so that certain absences of insurance coverage for perils arising from terrorism, toxic mold, and cyber risk can be covered. Certainly, we'll be extending our support to that change.

The second tabling is appropriate sections of Judge Delong's report referring to the issues that I raised in my questions; namely, closing of hospitals and the resulting shortage of beds in Calgary, overcrowding in emergency rooms there, and the failure of the CHR to provide information in a timely and useful manner.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I'm tabling the appropriate number of copies of page 133 of the financial report of the Alberta Municipal Financing Corporation and an AUMA article called Budget Watch. The finance report indicates that on March 19, 2002, the government of Alberta transferred \$100 million of AMFC's retained earnings to the provincial revenues. The AUMA article mentions that the government used the \$100 million to offset the budget's shortfall and that the AUMA met with the Minister of Finance to protest this.

The Speaker: The hon. Member for Edmonton-Gold Bar on a point of order.

Point of Order

Allegations against a Member

Imputing Motives

Mr. MacDonald: Yes. Thank you, Mr. Speaker. I rise on a point of order, please, and I quote Standing Order 23(h) "makes allegations against another member," and (i) "imputes false or unavowed motives to another member." This is in regard to an exchange in question period this afternoon between myself and the hon. Minister of Revenue.

The Minister of Revenue stated earlier – and I don't have the convenience of the Blues – that only two members from the opposition voted in support of Bill 207. Now, on November 21, 2001, in *Hansard* there certainly was a standing vote in regard to the matter of Bill 207, the Personal Income Tax (Tools Deduction) Amendment Act, and certainly there were more than two members of the Official Opposition that voted in support of the motion. They were, for the record, the hon. Member for Edmonton-Centre, the hon. Member for Edmonton-Mill Woods, and the hon. Member for Edmonton-Riverview. Against the motion there certainly were seven individuals from this Assembly. There were 42, as I said in my question, for the motion, but for the record, two that were against the motion were the hon. Minister of Revenue and the hon. Minister of Finance.

With that, I would now ask that there be a retraction and an apology not only to this member of the opposition but to the entire opposition benches because this was certainly a misrepresentation. Thank you.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I think the hon. member has clarified from his perspective and perhaps from his caucus's perspective. I don't know what the position of various members of the Liberal caucus was on Bill 207. *Hansard* says what *Hansard* says, and it's available for the perusal of all members, but my understanding – I don't have the formal *Hansard* document in front of me – is that there was a recorded vote on November 21, 2001, and I think that that was the vote to report the bill from committee. There were two Liberals voting in favour and two Liberals voting against. That, of course, does not deal with all of the other votes that might have happened on second reading or third reading or in terms of other votes that might have happened in committee, and therefore we have to take the hon. member's representation that some members of their caucus may have been in support of the bill and some may have been against the bill.

I think that's clarified the situation. I don't think there's a particular point of order on this situation, but I think it is clear that on the one vote that we have a record of – and I certainly don't want to be encouraging recorded votes just so that we have a record of how everybody votes. Heaven forbid that we need to go through the process that we've gone through earlier on that. We cannot take a recorded vote on one vote on a bill as being the be-all and the end-all of how everybody voted on the bill.

So I think that on behalf of the government I'm prepared to accept the hon. member's submission that some members of the Liberal caucus were in favour of the bill and some members of the Liberal caucus were against the bill, and the exact numbers haven't been recorded for posterity nor is that necessary to do because in fact the bill was passed by this Legislature and awaits proclamation.

The Speaker: Hon. members, this is one of those interesting situations where perhaps it's best not to walk down the road that one wants to get involved in.

The hon. Member for Edmonton-Gold Bar raised a point of order. I'm going to read from chapter 13, the Rules of Order and Decorum, Marleau and Montpetit, with respect to the rules that govern certain activities.

Members may not speak against or reflect upon any decision of the House. This stems from the well-established rule which holds that a question, once put and carried in the affirmative or negative, cannot be questioned again. Such reflections are not in order because the Member is bound by a vote agreed to by a majority.

The chair has been quick to call attention to reflections on votes.

Now, this chair gives a lot of leeway in this Assembly and I guess would be standing up virtually 25 times during the question period if one were to enforce all the rules. So it's very clear that one is not supposed to reflect on votes, yet the hon. Member for Edmonton-Gold Bar in his first question said the following: "42 stood in favour of more tax breaks for workers, seven stood against," which would sort of violate what we're supposed to be doing. So then when the point of order comes up and another member responds and basically makes the comment that certain people voted against something, that would have been a violation too, but it followed the first violation. So that sort of negates it all.

2:50

Now, I really don't want to go down this road, but we do have all the recordings published in the *Journals*. They're part of the historical record, and on page 132 of the First Session of the Twenty-fifth Legislature dealing with a vote held on May 23, 2001, on second reading with respect to the bill in question 46 members voted in favour of the motion, 11 against. I can read into the record who voted for and who voted against if you wish, which is part of the record already, but it's really not required.

Secondly, on November 21, 2001, there were actually two votes that occurred. The first vote occurred on an amendment. Forty-two voted in favour of the amendment. Seven voted against the amendment. Again, of the seven it's very clear to me which political organization the various members belong to. Then you turn over to the next page and then the question on the bill itself to be reported. Thirty-six voted in favour of the motion, nine against.

Now, in just this very little brief overview there were a number of numbers quoted, a number of statistics quoted, and it basically points out the reason why we're not supposed to reflect on votes in the House.

So if the hon. Member for Edmonton-Gold Bar wants me to rule that there was a point of order because the hon. Minister of Revenue violated something, I must also rule that the hon. Member for Edmonton-Gold Bar violated the rule by reflecting on the vote in his preamble. So we'll call that one a draw, and maybe we won't reflect on the votes in the future.

The hon. Member for Edmonton-Highlands.

Point of Order

Explanation of Speaker's Ruling

Mr. Mason: Thank you very much, Mr. Speaker. Today during question period on my second question I was called to order for including a somewhat lengthy quotation in my second question, something which I accept as quite correct. However, when I rose to ask my third question, I was not permitted to ask that question, to put it to the minister, and my understanding is that too much time had transpired. Given that we often have very, very lengthy answers from particularly the Premier but also other ministers without intervention from the chair, I would ask under 13(2) for you to explain your decision in that matter.

The Speaker: The chair would be absolutely delighted to explain the decision. Let's see. First of all, the chair will begin by quoting to the hon. member Standing Order 2 of our Standing Orders.

In all contingencies unprovided for, the question shall be decided by the Speaker and, in making a ruling, the Speaker shall base any decision on the usages and precedents of the Assembly and on parliamentary tradition.

The chair would then refer the hon. member to Standing Order 13(1): "The Speaker shall preserve order and decorum and shall decide questions of order."

Further, the chair would draw to the attention of all hon. members, starting at page 420 and continuing in Marleau and Montpetit, a section called Role of the Speaker During Question Period, and the chair would like to in essence quote the following.

The Speaker has often expressed concern that shorter questions and answers would allow more Members to participate. Since the Speaker retains sole discretion in determining the time that individual questions and answers may take, the Chair may interrupt any Member consuming more than a reasonable share of time in posing or responding to a question. While it is not the Chair's responsibility to determine the length of answers given during Question Period, the Speaker has pointed out to the House that, in the interests of fairness, questions should be as concise as possible in order to encourage answers of similar brevity and thereby allow the Chair to recognize as many Members as possible.

Today the chair has attempted to provide as many hon. members with an opportunity to participate in question period as possible, and today 15 hon. members did advise. Now, our rules – no, not our rules. Not our rules. A ruling by the chair determined a number of years ago that the order of the questions in question period would be the following: the first three questions would go to the Official Opposition, the fourth question would go to the leader of the second

party, the fifth question would go to a government member, the sixth to an Official Opposition member, the seventh to a government member, the eighth to an Official Opposition member, the ninth to a government member, the 10th to an Official Opposition member, and the 11th would go to a member of the second party. So, in essence, what you would have in the first 11 questions is: the Official Opposition, which in this case has seven seats, would have six questions; the government, in this case with some 50 private members in the House, would have three; and the third party, with two members, would have two questions.

Now, today this is what happened in terms of length and brevity: the first set of questions took two and a half minutes, the second took four, the third took 6.5, and then we came to the fourth question. The leader of the third party consumed seven minutes in questions and answers. The fifth question took four; the sixth took six; the seventh took not very many; the eighth took three; the ninth took three; the 10th took three; and the 11th, the hon. Member for Edmonton-Highlands, two questions in seven minutes. At this point in time we got one more question in, and if I count out this time, our question period is 50 minutes, and between the leader of the third party and the hon. Member for Edmonton-Highlands their questions and answers, albeit that the hon. Member for Edmonton-Highlands only got two in, consumed 14 minutes of the 50, or 28 percent of the question period time, which, if anything, is disproportionate in terms of the opportunity for other hon. members to participate.

I repeat again, and I quote from Marleau and Montpetit:

While it is not the Chair's responsibility to determine the length of answers given during Question Period, the Speaker has pointed out to the House that, in the interests of fairness, questions should be as concise as possible in order to encourage answers of similar brevity and thereby allow the Chair to recognize as many Members as possible.

All the chair was trying to do was to be fair to all hon. members. I suspect that that's probably more of an explanation than the hon. Member for Edmonton-Highlands was seeking, but the chair would encourage him to review the statement just made by the chair in its totality prior to the next situation that may develop with respect to this.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: Good afternoon. I'd like to call the Committee of Supply to order. I wonder if for our first consideration we would give consent in committee for a brief introduction of guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(*reversion*)

The Chair: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Chairman. I rise to introduce a very special guest who is in our members' gallery this afternoon. She has a keen interest in education issues and is here to listen to the discussion at the Committee of Supply stage for Learning. She is an active parent volunteer in the Hazeldean community, and I would invite Dawn Banner to please rise and receive the warm welcome of all members of the Assembly.

The Chair: Any others? No?

3:00head: **Main Estimates 2003-04**

Learning

The Chair: I would ask if there are any comments or questions to be offered with respect to these estimates and business plans. We'll call on the hon. Minister of Learning.

Dr. Oberg: Well, thank you very much, Mr. Chairman. It's certainly an honour to be able to stand before you today and explain the budget estimates of the Department of Learning. Before I go any further, I would like to thank the House for supporting my ministry's budget in the past years. We've made education a priority, and the world is taking notice as countries seek our advice in improving their own education systems. They are striving for similar achievement test results as obtained by our students. So thank you very much to all Members of the Legislative Assembly for making that happen.

The estimates of Learning begin on page 275 of the '03-04 government and lottery fund estimates. Learning's business plan starts on page 295 of the Alberta 2003 budget document Making Alberta Even Better. These estimates further the excellence in our learning system and will continue to ensure that Alberta has one of the best learning systems in the world if not the best.

Again for the '03-04 year my ministry received the second largest dollar allocation of all departments. This demonstrates continuous government commitment to making education and lifelong learning a top priority for all Albertans. In this coming fiscal year total investment in our learning system will top \$5 billion for the first time. This also includes \$162 million of support to our opted-out separate school boards. This planned spending represents an increase to base program spending of \$231 million, or a 4.8 percent increase. In addition, school boards will receive \$20 million for textbooks and other classroom resources, and postsecondary institutions will receive \$10 million in performance awards.

On page 285 of your estimates book operating support to public and separate schools has increased by \$147 million, or 4.9 percent, to just over \$3.1 billion. This budget provides school jurisdictions increased funding to operate their schools and provide a quality education to their students. The increase provides for, first of all, \$77 million, or a 2 percent increase, in general grant rate adjustments. There's also \$17 million, or 8 percent, for enrollment increases for students with severe special needs. There's another \$20 million for technology upgrading and a \$10 million increase in the SuperNet funding. Also included are \$6 million for general enrollment growth and \$17 million for annualized teachers' salary enhancement. Mr. Chairman, the \$6 million for general enrollment growth is predicting an enrollment increase of .25 percent over the upcoming year. The \$17 million for annualized teachers' salary enhancement is the continuation of the 4 percent and 2 percent that was announced two years ago.

We're also revising the funding framework to provide school boards the maximum flexibility to address student needs and local priorities. Mr. Chairman, this was a huge priority for the school boards, that they wanted and needed the flexibility in how they spend their money, and indeed in the new funding framework approximately 90 percent of the funding will be available in flexible terms for the school boards. In addition, we have renewed our commitment to the Alberta initiative for school improvement at \$68 million a year.

There's also \$44 million in other increases, including \$5.7 million for curriculum supports through our Learning Resources Centre, about \$1 million, or a 2 percent increase, in student health services, an increase of \$29 million for teachers' pensions. Mr. Chairman, this is a very important number. Of the government's contribution

of \$268.3 million that goes directly to the teachers' pension plan, approximately 40 percent is for the unfunded liability and approximately 60 percent is for the ongoing increase.

Private schools will receive about \$110 million in '03-04, an increase of \$8.9 million. Mr. Chairman, this reflects the 60 percent funding component of the basic instruction grant and a projected 5 percent increase of students with mild and moderate special needs as well as an overall projected enrollment increase.

Mr. Chairman, in postsecondary education funding will increase to a total of approximately \$1.3 billion in '03-04. This includes \$1.1 billion for postsecondary institutions, an increase of \$44 million, or 4.1 percent. Page 281 of the budget details how the \$1.1 billion is allocated. The increase provides \$22 million for a 2 percent operating grant rate increase, \$12 million to maintain student spaces for apprentices, and \$10 million to enhance accessibility and high-priority needs of study. In addition, there is \$10 million in onetime performance funding to be awarded to institutions meeting key performance indicators including accessibility, quality, learner outcomes, and research.

Alberta's postsecondary system plays a critical role in the preparation of a highly skilled workforce as well as in the creation and application of new knowledge and technology. Our government is committed to ensuring that the system can continue to fulfill its role. In anticipation of questions, Mr. Chairman, the guidelines for the \$10 million onetime access fund have not been put out yet. As well, the guidelines for the performance grants have not been put out yet. We are looking at modifying the KPIs, or key performance indicators, to ensure that they fully are responsive to what is needed within Alberta's postsecondary institutions.

Within the \$1.1 billion as well, we will spend \$113.1 million on the access fund to maintain expansion seats created within the postsecondary system. This includes about \$12 million to maintain 5,000 training spaces created for apprentices, Mr. Chairman. The access fund is one of the best ways that we have to increase the size and enrollment of our postsecondary systems. In total 11,000 new postsecondary spaces will be created through the access fund in '03-04.

In addition to the direct funding to our postsecondary institutions, \$18.9 million will be invested in community-based lifelong learning including inmate education, special English language training, family literacy opportunities, and another \$5.5 million in interjurisdiction programs. Again to anticipate a question, the interjurisdiction programs are veterinary medicine at the University of Saskatchewan, optometry at the University of Waterloo, and orthotics and prosthetics at British Columbia Institute of Technology. These are incredibly important interjurisdictional relationships that we have, and it is something that we have to continue. As you know, there is no veterinary nor optometry school in Alberta, and it is through relationships such as these that we enable our students to complete veterinary medicine or optometry or orthotics and prosthetics.

I would now like to direct your attention to page 282, which is titled Assistance for Learners. In our continuous drive to create and maintain a well-educated workforce in Alberta, we strive to ensure that financial need is not a barrier to further education. While we recognize that the cost of postsecondary education is a shared responsibility between students, their families, and government, government does its share to maximize opportunities for students and keep debt levels down. In '03-04 the Alberta government will spend \$55.3 million on needs-based bursaries and grants to students, \$34.1 million on scholarships to about 20,000 students, \$35 million to cover future costs of student loans issued, and \$108 million to be disbursed as student loans. Loan limits are being increased to reflect

the rising costs for all students. As well, the amount of additional loan assistance available to rural students who must move to attend a postsecondary institution will be increasing to \$2,100.

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When a first-time, first-year student's combined loans reach \$5,000 per academic year, or \$2,500 per semester, any further Alberta student loans assistance is provided as a nonrepayable loan relief benefit. Mr. Chairman, what we have attempted to do is keep that \$5,000 level. That has been the level for the last three years, and as you have seen the loan limits go up, that \$5,000 limit has stayed. In effect, what is happening is that any increase that has gone to the student loan program has indeed gone directly into the students' pockets in the form of nonrepayable student loans. It's commonly known and it's commonly understood among students in Alberta and among students in Canada that Alberta has the best student loan program in the nation, and that's something that we're extremely proud of and that we continue to move on.

Mr. Chairman, I will, if I may, anticipate one question that I'm sure is coming on the estimates, and that is in relation to what I have just been talking about, support to postsecondary learners. Indeed, what you see is the dollar amount going down from \$134 million to \$133 million. What we have been able to do in agreement with the Auditor General is decrease the amount of the future cost of student loans issued from \$41 million to \$35 million. In actual fact, it is freeing up an extra \$6 million to put out to students through this because we do not have to hold back the future cost of student loans. This has been an agreement that the Auditor General and I have arrived at.

There are a lot of things that are included in this budget, Mr. Chairman. Our department continues to be one of the top departments in the world when it comes to learning. In the things that we do in Learning, whether it's curriculum revisioning, whether it's postsecondary education, again we continue to lead the world. Our postsecondary institutions are something to be extremely proud of. Campus Alberta is alive and well and is moving towards even bigger and better fruition. As I have told the Assembly in the past, there will be a new postsecondary act that will be coming this session, which will combine the four existing postsecondary acts into one act. Also included in this will be the ability for institutions to provide baccalaureate degrees where the quality is there. This could be such things as a bachelor of technology at NAIT or SAIT. It could be a bachelor of arts at Grande Prairie or a bachelor of nursing at Medicine Hat.

Mr. Chairman, for those hon. members who did not see the news on Monday, something happened that does not create much news in the city of Edmonton, but it's probably one of the most significant events for northern Alberta that has occurred in quite a while, and that is that NAIT has taken over Fairview College. This will enable the resources at NAIT, the programs of NAIT to be delivered onsite in Fairview, which will be a huge, huge benefit to the students of Grande Prairie, the students of Fairview, the students of Peace River, and the students in between.

Mr. Chairman, we continue to move along. This morning, for example, I okayed the new curriculum that will be coming forward. For your information, when I okayed the curriculum today as to what is going out, we will be looking at a new curriculum being in place in the years 2008, 2009, 2010 for different subjects. Again, what we have to realize in curriculum revisioning is that it does take us that long to move it along because we study, we field test, we ensure – we absolutely ensure – that our curriculum is the best in the world as it goes forward, and my curriculum department is certainly to be credited with that.

Mr. Chairman, I have a couple of people in the audience today who for some reason or another are undergoing some penance to be here, and I hope they enjoy what they're going to be seeing this afternoon.

I would invite the hon. opposition members to ask any questions, and I would give to them the undertaking that if there are questions that are not answered, we will be following up in *Hansard* and will be supplying the hon. members with written answers to those questions. So I understand it is back and forth between the opposition members and myself for the first hour.

Mr. Chairman, thank you very much for allowing me this opportunity to open the debate.

The Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I'm pleased to have an opportunity to review the estimates of the Department of Learning for this coming year. There's a great deal of financial information in the documents, and in anticipation of today's review I've been talking to a number of parents and a number of parent groups. I'd like to focus, if I could, for the first part of the questioning on the money that would be included in program 2. The minister can correct me if I'm wrong, but I believe that it's the money in program 2, page 278, the support for basic learning, once that money is approved, that forms pretty much the basis for the funding for school authorities, that from that we get a per pupil grant for grades 1 to 9 and we get a CEU for grades 10 to 12.

I have to admit, Mr. Minister, that the last funding manual I have is the one that appears on the Learning ministry's site. I just ran it off earlier today. It's dated September 2001, so the numbers I use may not be right. That funding manual indicates that for 2003-2004 the basic instruction grant will be \$4,454 per funded student and that the CEU for grades 10, 11, and 12 will be \$127.26 per CEU. So those are the figures that I've been roughly using, and they may be incorrect. I'm not sure that it matters that much. What I'd like to do, if I could, for those parents is to try to unpack that student funding and what the assumptions are that are built into that per student grant. How did the department decide that \$4,454, if that's the figure, was the correct grant to pass on to school boards so that they could fund instruction or that \$127.26 is the correct funding for each CEU? So I have a series of questions about the assumptions built into that number.

The first one is: what are the assumptions about teachers' salaries that are built into that number? Is it an average teacher's salary from across the province? What is the assumption that's built into the teacher's salary for a classroom teacher? In terms of principals' salaries what assumption is built into that? I've looked at the assumptions from some other jurisdictions, and they have used average costs across their jurisdiction, so I wondered what ours was and how it was arrived at. I'd like to know what the certified employee hourly wage rate is that is built into this grant.

I'd like to know the core instructional staff that is assumed by the number. For instance, in kindergarten what is the assumption in terms of how many youngsters there'll be in a kindergarten, and with respect to grades 1 to 9 again what are the assumptions in terms of class sizes? I know that from elsewhere there's a wide range of assumptions. I think that for the last jurisdiction I looked at, they assumed a class size of 24 or 25 for grades 4 through 9, and that was built into their per pupil grant. So I'd like to know the number of students that it's assumed will be in classrooms across the province so that this rate could be determined.

3:20

I'd like to also know what the assumptions are about specialized staff: music, physical education, art, second language, reading

specialists, those kinds of individuals. Are there specialist assumptions based on this number, and if those assumptions are there, how do you determine that, yes, we will be funding music specialists or we'll be funding art specialists or phys ed specialists, that we expect there'll be this number in the province and then that gets reflected in the instructional grant?

One area where the information is readily available is for students with severe disabilities: the severe mental, multiple, physical/medical, deaf, or blind disability. According to the funding manual I have, they're funded at \$13,382 per student, and I'd like to know: what percentage of the student population does the government assume will draw upon that grant? That is, what is the student population that will be eligible for that \$13,000 grant, the percentage of the students in the student population with severe disabilities? And, if I might, the percentage of students that the Learning department expects will be eligible for the severe emotional/behavioral disability grants, which are part of the students with severe disabilities, and that grant is \$12,180 per eligible student. Again, some indication of the percentages of those students that the Learning department assumes will have to be funded across the province when they're drawing up the budget.

Similarly, if I might, Mr. Chairman, the funding for English as a Second Language, the ESL funding, according to this grants manual is \$759 per funded student, and may I ask: what percentage of students, again in the student population, does the Learning department expect to serve or draw upon that grant?

In terms of substitute teachers is there assumption built into this in terms of how many substitute teachers will be required across the system so that it can be reflected accurately in the per funded student grant?

The assumptions that are built in for professional development. This funding, as I understand it, would have to include funds for professional development. What assumptions did the government have when they determined the formula this year, what assumptions about professional development, and what is the basis? How do they make those assumptions? Do they assume so many professional development days for a school? I look at some of the funding formulas from elsewhere. For instance, in a thousand-student high school it's assumed that it'll take a full-time equivalent each year to provide the professional development for teachers. Again, what is the assumption built into it?

The supplies, books, and materials. What is going to be the number that's used so that the \$4,454 per student would be deemed adequate? I wonder if we can get the numbers with respect to classroom materials and equipment. Is that included in here, or would that be somewhere else? There's a whole section on supplies, books, and materials. How much out of this \$4,454 was dedicated to supplies, books, and materials?

I have a number of other questions. The funding manual on the government's web site indicates that SuperNet access funding is to be announced, and I wonder if that has now been determined. There was a second one that I had. I've lost my place. Sorry. I'll have to come back to it later. There were a couple of other funds.

The question is: are supplies, books, and materials included, I guess, under the learning resources, the \$10.75 credit per student? Would that account for all of that: copying, texts, classroom materials, and equipment? Is that what the \$10.75 covers, and if that's true, how is it determined that \$10.75 would adequately cover the needs of a school if that's the allocation there?

The technology integration allocation of \$45 per funded student. Again the question is: how did the department determine that \$45 was going to be adequate for schools to meet the requirements for technology integration? Similarly, with the early literacy initiative

of \$231 per student how did the government decide that \$231 was an appropriate amount?

The questions I have asked, Mr. Chairman, are really very detailed, and I don't expect it's the kind of information that the minister carries around in his back pocket, but I think it's really very important information for parents who, understandably, look at the budget, and many of them read the numbers, the \$2,277,286,000 that are going to be spent on support for basic learning, and their eyes sort of glaze over. I think it's at the level of that per pupil grant that it starts to become more meaningful to them, and I think it can shed a great deal of light in terms of the way that the budget is constructed. I think it provides a strong rationale for the government in terms of how the budget has been built.

3:30

The Chair: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Chairman. We'll certainly endeavour to talk in some general terms about the questions that were asked, and for any specifics that have been asked that I do not answer, again, I have people who will review *Hansard* and make sure that the answers are given to the hon. member.

The first set of questions that the hon. member has asked is: what rationale have we got for the numbers? In essence, what dollar amount have we placed for teachers' salaries, have we placed for principals' salaries? Mr. Chairman, one of the important things that we do in budgeting is we allow flexibility for the school boards. It is a well-known fact that teachers' salaries are different all over the province. In some areas, like Edmonton public, they're up to around \$72,000 as the average salary and benefits. In other areas they're down around \$65,000. What we do is provide the basic package of dollars for the school boards in which they can then use those dollars as they see fit. I believe that that's very important in the local decision-making process. If we were to completely itemize, for example, how much a teacher costs, to me, you know, there is a question as to how that relates to bargaining, how that relates to a lot of things.

So what we in essence do, Mr. Chairman, is provide a onetime grant, and the actual numbers that the hon. member used were pretty close. There were a few discrepancies to what are actually located in the budget, but I will go over some of these because I do feel that they are important. First of all, in grades 1 to 9 the first number that is utilized is \$4,454, which is the amount that each and every student receives. To put that in perspective, for a class of 25, say, just for comparison, we're up to \$111,350. You then add in those students that have severe special needs. You can add in early literacy. You can add in sparsity and distance. All of these different issues are then added on top. To give you an example, a severely disabled student, a cognitively disabled student, would receive – and I apologize for my taking time here, but I will get the exact number – \$17,836 from the basic grant as well as the severely disabled grant. That is what they would be receiving through the jurisdiction. Again, what the school boards have asked us for is flexibility on how these dollars are used.

Another question that the hon. member asked was: what percentage of the school population is severely disabled? Again, Mr. Chairman, this is something that we have changed quite significantly in the past few years. When I first became minister, there was a cap on the number of students who would qualify for severely disabled. One of the first things I did as minister was take off that cap because it didn't make a lot of sense to me to not pay when the students were there to need it. What that moved into was the whole idea of assessing each and every student around the province, and what soon

became very evident is that we were spending thousands and thousands and indeed hundreds of thousands of dollars to have students assessed. That was purely there to get funding. So what it was in essence was an assessment for funding, and to me that wasn't a very good utilization of the school dollars.

So what we have now evolved into is a system where we look at the profiles of every jurisdiction in the province and then extrapolate that number forward in anticipation of the number of students. So, for example, Mr. Chairman, to put it quite simply, if a school jurisdiction three years ago had 100, the next year had 110, the next year had 120, the next year 130, well, what we would anticipate this year is 140. It has worked very well. We instituted it two years ago, and there have been some complaints. Whenever there is a complaint, we go in and audit and take a look at what the actual number of students is and fund accordingly. What we found is that this greatly diminishes the amount of administration that is needed for the severely disabled students. A good example would be a blind student. Quite frankly, what we had to do in the old system was we had to have the child assessed every three years to see if they were still blind. [interjection] Yeah, I agree. That was something that was kind of silly and realistically was a waste of money, so we have moved away from that.

Another point that the hon. member raised – and this is very important – is the technology integration. The member is right; it's around, I believe, \$44 per student. That doesn't sound like an awful lot, Mr. Chairman, but let me put it in a slightly different perspective, and that is that it's \$20 million on a per year basis. If you went out today and bought \$20 million of computers, if you used it specifically for technology, specifically for hardware – and I fully recognize that there are other needs such as software, other divisional needs – you would probably get over 20,000 computers put into the school system each year. That's for a school population of roughly 580,000 students. So that's a tremendous amount. The important thing about the technology grant is that it is an add-on to the per student grant. It was not anticipated to be exclusively the only money that could be used or would be used for technology. Again, this is included in the flexibility that is given to each individual school board.

The other point that I wanted to talk about – and there are lots of them – is that ESL students now receive \$736 per ESL student. Again, that is an actual amount. It is an extrapolated amount. To put it into perspective, if you have 10 ESL students, you're receiving about 7 and a half thousand dollars.

Another point I want to make that was raised is the CEUs. We're now up to \$127.27 per CEU. For grade 10 students that are on 31 or more credits, they would receive \$5,097. The partial program, which is less than 31 credits, would receive \$2,548.50. So, Mr. Chairman, if you had a student that was doing 15 credits or 20 credits under this plan that we instituted, you would receive 2 and a half thousand dollars as opposed to slightly under \$2,000. So it is not ideal. The CEU credit program is a much better program.

I will say, however, that we have had some large issues with the CE programs. I've said in this Assembly numerous times that there were some students that were taking in excess of 80 credits, much of it due to CTS credits, and I will for the benefit of the Legislative Assembly just give one example, Mr. Chairman. I believe this illustrates the issue that we have with the CEUs, and that is – and I want all members to listen to this. We had one particular high school that played music over the intercom at lunch hour. For that music over the intercom at lunch hour \$129,000 was claimed. Each student was given one credit to listen to the music over the intercom at lunch hour. That is not the intent of CTS courses. CTS courses are a very valuable add-on to the education system, and this is

obviously playing with the system in order to receive funding. Albeit the CEUs have a huge advantage – and that huge advantage quite literally is to ensure that there are different learning opportunities for our students – what we have seen over a period of time is that there have been some severe issues with this.

3:40

What we are doing this year is we are retaining the full-time funding in grade 10 of \$5,097 per student, \$2,548.50 per part-time student, and what we are doing is asking the school jurisdictions to monitor the CEUs through a new accountability mechanism that will ensure that things such as what I have talked about do not continue to happen. I will say, just for the record, that this school was not in Edmonton. There are numerous schools around the province that have done this, and we really do have to be very, very careful as to what we are funding because it is taking money away from the other school boards. It is a closed pot, so the more money that one school jurisdiction claims for those dollars, the less another one has the ability to claim.

I believe in the CEU program. I believe in the learning opportunities that that program gives to students, but we do have to get the accountability back. I cannot justify as Minister of Learning to spend \$129,000 to have a high school listen to music over their intercoms at lunch hour. I don't believe that any taxpayer in Alberta would justify that expenditure. Indeed, Mr. Chairman, in keeping with that, the Auditor General raised this as an issue itself. So it is something that we have acted upon, and we will be implementing the accountability component. We are hoping that if the accountability component follows through like we think it will, the full funding for the CEU credits will be back in September of 2004 provided that the accountability is there.

Mr. Chairman, I believe the opposition would like to ask some more questions. Thank you.

Dr. Massey: I want to make it very, very clear to the minister that I wasn't asking for a rigid set of constraints to be placed on school boards. What I was asking for were the assumptions, and surely there had to be some assumptions about salaries for the Learning department to come up with this. If you look at how those templates are applied, they're applied globally, so you come up with a number. The money that goes out to a school district, as the minister appropriately says, should be flexible. If they want to spend the money on more teachers' aides and fewer teachers, then that's up to them, but at least there's the assurance from the province that there is a teacher for each classroom, that there's a basic amount of money there for textbooks, that no school should want for the technology they need. It's a way of arriving at the figure. How the money is actually spent is up to the school boards, and in terms of the school boards sending their money out to the schools, the same thing happens. They say: "This is what we're allowing you for teachers. This is what we're allowing you for maintenance. How you use it is up to your individual circumstances." It's really critical. It's at the base of school-based budgeting. There were times when schools were being painted out of central office and didn't have science textbooks, and that really upset teachers and principals.

Please don't misunderstand me. I'm not asking for rigidity; I'm asking for the assumptions. There have to be some reasons for these numbers to be here, and that's really what was at the base of my questions.

Thanks, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I want to thank the Minister

of Learning for introducing his budget and for making some preliminary and helpful observations on the budget and how he sees it holding a promise for improving the education system that we have. Certainly, the business plan talks about commitment to "continuous improvement of the learning system," and I am willing to assume that when making decisions on the budget, the minister certainly had that goal as an important goal in front of him.

In the budget, Mr. Chairman, as the minister has outlined, although there's an overall increase which would suggest that the total money being spent will be going up by some 4 percent or a little more, the fiscal plan clearly outlines how this increase will be distributed across different functions of the system. A 2 percent increase in basic instructional grants is built into the system. A 3 percent increase in student transportation grants funding and funding for estimated increases of one-quarter of a percent in the overall enrollment increase. An 8 percent increase in students with severe disabilities. Twenty million dollars for technology upgrading is part of a three-year \$61 million commitment. So I just want to make sure they accurately refer to the numbers here. It's those numbers that I will be using in making my observations and asking questions.

Now, the increase in basic instructional grants will be 2 percent, and the inflation rate, I guess, over this year, 2002-2003, according to the government's own numbers will equal 3.7 percent. If you look at some other sources, actually Stats Canada's consumer price index for Alberta between February 2002 and February 2003, this twelve-month period, will be 6.9 percent according to them. But even if we take the lower figure of 3.7 percent in the 2003 calendar year as the rate of inflation, then I would ask the minister to address the discrepancy between the 2 percent increase in basic instructional grants when the inflation rate, as the government's own official sources indicate, during this calendar year will be 3.7 percent. How is that discrepancy to be addressed? The minister would I hope make some comments on that.

The issue of class sizes is an important one for Albertans. I had the pleasure of appearing before Alberta's Commission on Learning, that the minister established last year, among the hundreds and hundreds of other Albertans, and that commission's work is in progress at the moment. It will be coming back to I guess the minister and to this House with a final report sometime in the fall, but what the commission has heard so far are very serious concerns, almost the universal concerns across this province, expressed by everybody who has appeared before the commission on class size and the increasing diversity of our student population. So this increasing complexity and diversity of the learning population combined with the growing class sizes is a challenge that I was hoping and certainly parents and school boards were hoping that this budget would address, and I would like the minister to comment on it given the fact that we already have the highest student/teacher ratio in the country.

I'm referring to the student/teacher ratio in the country. The government's only poll, released January 19, 2002, found that average class size in grades 1 to 3 was 23 students per class; average class size in grades 4 to 6, 25 students per class; average class size of grades 1 to 6 is 24 students; and average class size of kindergarten, 20 students per class. Seventy-five percent of the classes have an average of four students with special needs. The average of these classes is 23.3 students per class. Forty-one percent of the classes have 25 or more students. These are numbers, I guess, that are the minister's own.

3:50

Using those numbers, my information is that that puts Alberta at the top in terms of average class size in the country, so the question

is: given the budgetary allocations, the minister's commitment to seeking "continuous improvement of the learning system," and it being, I think, generally agreed that class size and classroom conditions are a key to seeking this continuous improvement of the learning system, how will the budget numbers that we've just referred to contribute to this and support that very noble objective that the minister sets in the business plan for the children and the families of Alberta?

The other concern, Mr. Chairman, that emerges from this budget allocation, the budget that we are debating, the estimates that we are looking at, is now coming forth with much more clarity. The minister was asking the House and certainly members on this side of the House to wait until the budget was presented before we begin raising concerns about teacher layoffs and the possibility of growth in class sizes. I just looked at the *Calgary Herald* report this morning, and the Calgary board of education is now saying that having looked at the budget numbers, it is predicting at least a \$35 million shortfall for this year and the next year. It's a very dramatic number. The minister can no longer deny that the boards haven't looked at the provincial budget yet; therefore, they can't make these comments.

Similarly, Mr. Chairman, the situation with Edmonton public is just as bad. According to the board the budget of the school board will be burdened with a minimum of a \$10 million deficit as they move into the current year, and by next year their problems are only going to get worse. They are contemplating having as many as 350 fewer teachers. Whether it comes through layoffs or whether it happens through natural attrition, it doesn't really matter from the point of view of parents who have children in school. What they want to see is the relation between the number of students that are being served and the number of teachers available to serve them. The loss of at least 350 teachers is predicted.

I want the minister to now comment on the numbers. He has undertaken what he at one time called an audit of the Edmonton public school board expenditures. He later, I think, used a more precise and more accurate term to call it an operational review. There are certainly clear differences between what the minister's opinion is with respect to the shortfall for the year just ended for the Edmonton public school board. The Edmonton public school board insists that it's short by \$10 million at a minimum while the minister continues to insist it's \$5 million.

Whatever the amount, it's an amount that will have to be paid back. With the increases in class sizes, with the loss of teachers, and with other expenditures that are growing and the big gap between the increase in the per pupil grant rate of 2 percent and the inflation rate, which will be at least 3.7 percent and could be much higher if we were to refer to the cost of living increases in Alberta over the last year, how are the school boards supposed to be coping with it? Can the minister assure the House and through it the parents who have very grave concerns about the continued underfunding of our schools that the minister's budget will not lead to teacher layoffs or loss in the total number of teachers by our school boards?

I just mention, too, Mr. Chairman, that there are other school boards which are in a similarly precarious position. Edmonton Catholic has already expressed very, very serious concerns about losing teachers and not being able to maintain the quality of education because of their fear that class size will grow and learning conditions in general will deteriorate in light of what they know about what this budget and these estimates are promising. Elk Island school board is another one, Grande Prairie school board is yet another one, and I could continue to name more school boards. There are many, many school boards which do not see this budget as helping them to address in a satisfactory and adequate way the

educational needs of the students that they are responsible for. The minister will, I'm sure, be in a position to comment on this.

I want to briefly and quickly turn to the postsecondary situation. There is a table here that I want to draw the minister's attention to in the business plan, page 302, and the table is related to outcome 2.2, "Learners complete programs." I find that I have some very serious concerns about the numbers that the minister's department quotes there with respect to "Educational Attainment of Albertans aged 25 to 34." This is the only number here that has a comparative basis. Alberta, being the richest province, having an economy which is expanding we are told at the fastest rate, has an educational attainment rate which is lower at the postsecondary level than the national average. We have jurisdictions in this country, other provinces here, who are far poorer, far less endowed with revenues and resources than this province. This national average of 62 percent includes all of those provinces from Saskatchewan to Newfoundland to Manitoba, Nova Scotia, New Brunswick, and P.E.I., and we have an attainment rate which is 4 percent lower than the national average.

Now, this is the province where I hear a great deal of talk about growing shortages and continuing shortages of skilled workers and their availability and the commitment of this ministry and this minister along with the Minister of Human Resources and Employment to create conditions and make commitments and investments on behalf of this government to make sure that these skill shortages don't remain a problem. Now, given these numbers here that I've just quoted, I'd like the minister to perhaps reflect on what the ramifications are of this gap between the national average of people with postsecondary qualifications in Alberta and the national numbers there. What are the ramifications of it, and how do the current budget estimates address this gap between the provincial and the national numbers on the one hand and the well-acknowledged problem of continuing and perhaps growing shortages in certain occupational areas? I think the minister of human resources referred to about 35 different occupational groups where we have shortages.* Maybe the Minister of Learning has knowledge of those occupations too, so maybe he can refer to some and draw the attention of the House to how this budget is so designed as to at least address the shortages in some of those occupational areas. These are the people with skills whose availability is crucial to the continuing growth in the economy and the ability of our industries and institutions to have available to them the people with those skills that they need.

4:00

A couple of other questions here, Mr. Chairman, to the minister. Here I refer to the document that I'm sure the minister also has received. We have received it from the Council of Alberta University Students, CAUS. It's a February 2002 document, a year-old document. The title of the document is Alberta's Tuition Policy: Ensuring Affordability, Accountability, Accessibility, Predictability and Quality. The students are very concerned about the tuition fee burden. The minister is aware of it as much as I am. He has in his introductory remarks tried to address this issue.

Here are some of the facts before us, and then I'll have a few questions on this. Every student debt, I guess, is \$18,000. This includes students in two-year programs as well as in four-year programs. So that's an average. University students have a much higher debt load, I would think. I'd like you to address that.

The business plan addresses affordability and the accessibility issue. The strategies it lists in my view will not have a direct impact on the growing student debt load. In 2001-2002, at least, we know that in terms of the public's satisfaction only 65 percent of the public were satisfied that the learning system is within the means of most Albertans. The question is of affordability and not just the number

*See page 1062, left col., para. 3, line 2

of spaces available but for students and families to purchase those spaces, if you want to use that term. Only 65 percent, and that's a very low percentage, in my view. About one-third of Albertans deem the system to be unaffordable. Is there any commitment on the part of the minister to increase this level of satisfaction, and what are the segments of the budget which will help raise this level of satisfaction to a higher one? In my view it should be closer to perhaps 80 percent, not 65 percent.

The Chair: Hon. member, your 20 minutes are up.

Dr. Pannu: I have one more question, Mr. Chairman. Then I'll sit down.

The Chair: You can go unlimited time.

Dr. Pannu: Okay. Thank you.

The Chair: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Chairman. I'll just comment to the hon. member that the chairman was so engrossed with what you were saying that he didn't realize that 20 minutes were up. [interjection] No. That's what I mean. He was.

Mr. Chairman, what I'll attempt to do is answer as many questions as I can here, and again the same offer applies to the opposition in that I will get back to him with any answers that I am unable to answer here today.

First of all – and I'll go from the last question backwards, if I may – the increased level of satisfaction. Obviously, that is something that is extremely important to us, and indeed that's one of our measures in our business plan, as well. The interesting point when you actually look at that document – and I apologize because I don't have that document in front of me, and I haven't seen it for probably three or four months – is 65 percent of the adults and the parents and the people feel that education is affordable; 35 percent believe it's unaffordable. One of the interesting points in that study as well is that they actually feel that tuition fees are in the \$6,000 to \$7,000 range and are considerably higher than what tuition fees are. What my department and I have realized – and I think that this was a very good study from that point of view – is that the information is not out there for the students about what the actual tuition costs are, what the actual costs of the system are, what the actual costs of an education are. This was a very good study that these guys did, and consequently we have embarked upon a campaign to update what high school students know about tuition, to update our web site, to make our web site more user friendly, to make information about student loans more available to students, and again I feel that that's something that's extremely important.

[Mr. Klapstein in the chair]

The hon. member also talked about the affordability of education, and the way I will answer that is that our tuition policies are such that it can go up at most around \$275 per year, Mr. Chairman, and I'll give an anecdote, if I may. I attended the hockey game on Sunday night, which was an excellent hockey game, by the way – and I've been an Edmonton Oilers fan for years – but as I walked in, there were some students who started chanting and making some remarks at me. But the interesting component was that each one of these students had on an Oilers jersey, which is probably around \$100. I'm assuming that their seat to the hockey game was probably around \$120 or \$100, so there's \$200 right there. I would bet money

that they probably had a beer a two, which was about \$5 to \$10 there. So in that one evening these students who were chiding me about the cost of education spent more than their tuition fees would increase for their total year in education. I'm not trying to make assumptions on that, but I think it's an interesting analogy as to the priorities of how people spend money.

I'll correct the hon. member on one thing; that's debt. The university undergraduate debt level is \$18,871, for colleges it's \$10,679, and for technical institutes it's \$10,118. That's the average net indebtedness in '01-'02 by institution and program. For graduate or professional degrees the average is \$28,800, and I believe that puts us at about the second or third lowest in the country when it comes to net indebtedness of students that go forward. Again, a lot of this has to do with our tuition fee policy, which is included in here, and our student loan policy, which allows for students who qualify for the full amount of student loan to have no more than \$5,000 debt per dual semester, per year.

Again, quite astutely the hon. member picked up a very interesting issue with Alberta society, and I'll use Alberta society as the starting point in this discussion. On page 302 of the business plan what it shows is that the educational attainment of Albertans aged 25 to 34 is at 58 percent for postsecondary and 89 percent for high school. I'll preface this by saying that the number of people in Alberta who have a postgraduate degree is the highest in Canada, at about 54 or 55 percent. So what is the difference? What has happened here?

Well, there are a lot of theories on this. My personal theory is that because we have so many jobs in construction, because we have so many jobs in the apprentice industry, because our economy is going so full tilt, a lot of students instead of postsecondary education have opted for the trades, have opted to go into jobs directly. Mr. Chairman, as the hon. member knows full well, when a student, for example, says that they're going to take one year or two years off to go and work for a little while, often they continue to work and do not come back. So that may be the cause of that.

Is that something that I'm happy with? No. Quite frankly, I'm not, and it's something that we need to increase. We need to increase the number of postsecondary education students that we have in this province – and that is certainly a goal – and that's why our goal is continuing to increase the number of Albertans 25 to 34 with postsecondary education. It's very important.

4:10

Mr. Chair, as you can see, on measure D it says that the universities were up to 66 percent of a completion rate, 59 percent for colleges and technical schools. So there are a lot of different issues that are at work here. Again, though, I feel that it's my job as Learning minister to attempt to get as many qualified students as possible into the postsecondary system and ensure that they do in fact finish postsecondary education to go on and get jobs in Alberta.

I just will add one plug, if I may, and please take it as such, and that is something that's very important. As everyone here knows, one of the largest issues in governments around the country is the cost of health care. Indeed, in this budget we see approximately a 7.2 percent increase in health care. I will put in a plug and say that the number one health determinant is level of education.

So take with that what you may, but again it is this department's goal to increase the number of students in our postsecondary system and indeed to increase the number of students who have access to postsecondary institutions, whether it be through on-line learning, whether it be through campuses around Alberta. The ones I talked about earlier were NAIT and Fairview College, and I will add that there are at least two other jurisdictions that are looking at some very considerable changes that will help students in rural Alberta.

Another interesting point – and if I can hit over to the basic side – the hon. member raised some issues about class size, and first of all I don't know what information the hon. member has about class size, but I would caution him on comparing actual class size to student/teacher ratio. I believe the numbers that the hon. member read out were class size, which was done on a polling of the various schools around the province. Indeed, in this year we received something like a 95 percent success rate in getting that information back. I would caution the hon. member in comparing it to pupil/teacher ratio because for our own benefit as well I could stand up here and say that our pupil/teacher ratio was 17 or 16 or 18. It doesn't really mean anything because a lot of the teachers employed in administration are not employed in the classroom. So what we chose to do was get an accurate assessment, an accurate picture of what is happening in the classroom when it came to classroom size and actually poll the students, find out what the numbers were.

The other point that I will add is that we're in the process of tabulating our data now, but the class size for this year, for '02-03, is very similar and, indeed, just a bit lower than last year. So from a statistical point of view it has remained unchanged.

Another interesting dilemma when it comes to class size – and I apologize for going on to this, but the hon. member has raised this. One of the great things about Stats Canada is that they analyze data that we have, and they bring back a lot of issues that are very statistically significant but issues that we don't have the capacity to analyze. The last one that came back from Stats Canada showed a huge difference between rural and urban education and rural and urban educational achievement right across Canada.

Mr. Chair, the interesting point on this is that the rural students did worse than the urban students. As we know, for those of us who are in rural Alberta, as a general rule – there are some exceptions – class size is significantly smaller in rural Alberta than it is in urban Alberta. I think the answer is very obvious, but the question is: what role does class size play in this? The answer is: probably a very limited role because the class size in urban centres tends to be larger than the class size in rural. If it were a strict 1 to 1 or 1 to 2 ratio, we would see that in these results, but we're not.

Therefore, there are other factors at play here, some other very important factors which lead to the decision-making that we have done. That is that the school boards need the flexibility and the grassroot teachers, the grassroot principals need the flexibility to design their classrooms with the needs of the students in mind, and indeed numbers of students play into that also. It's a very interesting dilemma on the urban versus rural, but it is something that we are attempting to get to the bottom of. The difference is statistically significant, so we have to find out. The onus is on us as the Department of Learning to find out why.

Another thing that the hon. member raised was the inflation rate, and he will be pleased to know that the cost of living is actually a component of the new funding formula, and what it is based on is 20 percent versus 80 percent. The 80 percent is salaries, which the cost of living does not play into, but for the 20 percent of supplies, of other needs cost of living does play into that, and that is what is reflected in the new funding formula. To put it in perspective, Mr. Chairman, for those of us who are in southeastern Alberta, Medicine Hat for example, on a scale of 100 Medicine Hat would be at roughly 98 and Calgary would be at 110. So there's probably a 10 to 12 percent difference in cost of living, cost of supplies between Medicine Hat and Calgary, and that level becomes exaggerated even more when we move to communities like Fort McMurray or Grande Prairie. So for that reason it is included in the new funding formula as a variable that will be instituted.

Another issue that the hon. member raised was the actual grants,

and he is right that there is 2 percent, or \$77 million, for the per student grant, but there's also an 8 percent increase for the special-needs students. There's also a 3 percent increase for transportation.

Probably one of the most significant numbers, though, is something that is not in this budget that is seen for school boards around the province, and that is their enrollment. Obviously, we fund on a per student basis. A very, very significant issue to the school system in Alberta is declining enrollment. We have some jurisdictions that are seeing a decline of 3 to 4 percent per year, and that is very, very serious when you have to have staffing. You have to adjust the staffing to reflect that decrease in enrollment. Indeed, even in places like Calgary, where we're seeing a huge number of people, a huge expansion in Calgary, the actual predicted enrollment at Calgary public is down .79 percent. To put that in perspective, that's probably about 600 or 700 fewer students next year than what they have this year. That is significant, Mr. Chairman. It's very significant. So it is an issue that they have to deal with. It's an issue that they have to look at: 600 fewer students. I will say that 600 fewer students is good news for them because they were actually increasing their amount of students back to levels that they were five to 10 years ago. Calgary Catholic is also showing a decrease of .22 percent, which is not nearly as bad, but it is significant.

So I believe I've answered most of the questions, and any that I have missed we will get to you in writing if I can. Thank you.

The Acting Chair: The hon. Member for Edmonton-Strathcona.

4:20

Dr. Pannu: Thank you, Mr. Chairman. Obviously, we have lots of questions. We have limited time. So I'll focus on a few.

The minister's comments on there being no one-to-one relationship between class size and educational achievement of students is an interesting one. Class size is a critical factor but not the only factor in student achievement, and I'm sure the minister recognizes this.

I'm comparing rural/urban areas. I think one major set of differences between urban and rural areas is that because, as he says, of the sparsity of population in rural areas, schools normally don't have as good a specialized staff. I taught in them many years ago – that was 40 years ago – and taught seven subjects, you know, from high school to grade 8, so I know the challenges there. It's not just the class size. My classes were smaller. My burden of teaching was much higher and challenges were much higher because I had a huge number of different subjects to attend to, and students don't get as good a quality of instruction under those conditions.

Small class size does not in itself determine the educational outcome. There are a number of other factors that play into it. There is the question of psychological services, library services, and other things that vary between urban and rural areas. Concentration of the population allows schools to offer those services that may not be available to every student who goes to a rural school. Those factors have to be taken into account, so he's not off the hook easily simply by drawing attention to the fact that out in the rural areas class sizes are small. The student achievement may be not as good as in the urban areas. I just wanted to draw his attention to it.

His own class size study that his department commissioned here in Edmonton demonstrated beyond a doubt that smaller class size, particularly in early grades, makes a huge difference. Then to ignore this, you know, in making decisions in the budget, I think is something – and I have a kind of worry that the minister doesn't seem to be fully seized of the importance of class size and educational outcomes and student achievement, particularly in the lower grades, especially in those neighbourhoods in urban areas with a

great deal of diversity. There are students with special needs, including English not being their first language. So class size is hugely important, and it's something that I think is not adequately addressed.

My other question to the minister has to do with a question that we've been dealing with in the House since the presentation of the budget: the school property tax issue. Since last week we have been debating whether or not the government has in fact decided to collect more revenues from this particular source of revenue than it had made a commitment to do two years ago in the budget, in writing. That is indeed the case, and that's never been acknowledged. However, the Minister of Finance, in answering my questions here in the House and questions of other members, has implied that the extra school property taxes will flow into the education budget, into schools. [interjection] No. There are two items there, two lines there. In the 2003-04 Government and Lottery Fund Estimates, page 279, there are two items there. There's the opted-out item, but that's not what I'm talking about. I'm talking about the other one, Alberta school foundation fund. More than \$1 billion is taken out of the operating support to public and separate schools. It's not added to. I want the minister to comment on it. I think the Minister of Finance was incorrect in saying that the money goes into. You can see your own numbers here. The government's own budget estimates give a very different picture. They challenge the explanation that the Minister of Finance gave. That's the one that I'd like the minister to comment on in particular.

I want to correct myself, Mr. Chairman. I think I mentioned 32 or 35 occupations where there would be shortages.* I think there are 22 rather than 32. The minister, if he chooses to, can certainly comment on those numbers and say which occupational groups are the ones where we have shortages and then address the question of how those shortages are being addressed in his budget and in the budget of some other sister departments, I think, with whom he may have been discussing this matter.

So I will stop here so that some other hon. members can have a chance, and then if there's time I'll ask more questions.

The Acting Chair: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Chairman, and again I'll move from back to front. The shortages in specific areas again are something that we address through our apprenticeship program. When it comes to the construction trades, the trades where the general overall shortage seems to be, included in this budget is I believe 12 and a half million dollars extra to ensure that the student spots are there. In the apprenticeship program we're up around 40,000 apprentices right now. Our apprenticeship program tends to grow – and it varies throughout the year – by a net of approximately 100 per week. So we do address it that way. We address it with our institutions to determine where the needs are, and then we act accordingly.

The other point that I will make as well is about the access fund, where we determine what seats are needed because of trends that are occurring in business, trends that are occurring in the availability of jobs, trends that are occurring in our society. We do not determine, for example, the number of bachelor of arts students or the number of bachelor of science students.

The school property tax. What the hon. member has is on page 279 of the budget material. We have the operating support to public and separate schools at \$3,144,731,000, \$3.144 billion. Whew, it's hard to bring it out, Mr. Chair. It says "less property tax support." The only reason we have put "less property tax support" there is so that we can highlight the amount that is general revenue fund

support. The actual \$1.161 billion and \$162 million from the opted-out boards equals roughly \$1.132 billion. Those dollars have to go by law to the school jurisdictions. You have to add \$1.161 billion, \$162 million, plus \$1.821 billion, and you receive the final amount of \$3,144,731,000. Do you understand that? [interjection] You add the bottom three numbers of that column, and they equal the top number. All we're attempting to show here is that the property tax support is X number of dollars, that the support from general revenue is X number of dollars, and that's what was attempted to be shown there.

The key component, Mr. Chair, on the education property tax is that the mill rate did not go up. So as the hon. Minister of Finance and the hon. Minister of Municipal Affairs have more than adequately shown in question period, if your house value goes up, if it goes up from \$150,000 to \$160,000, you'll pay more.

Mrs. Nelson: And you have higher equity.

Dr. Oberg: And you have higher equity.

If there are more houses in a particular jurisdiction, Mr. Chairman, that particular jurisdiction will have to put in more money because there are more people. There are more houses.

Mr. Chair, we have used this year exactly the same rules – exactly the same rules – as we used last year on the capping rate, which was 8 percent on both business and residential taxes. We have frozen the mill rate. Last year we decreased the mill rate slightly. This year we froze it. So that's what the school property tax is.

[Mr. Tannas in the chair]

The other point – and I'll just comment on this very briefly – is the issue about class size. Hon. member, I believe that we're saying the same thing when it comes to the rural/urban issue, and that is that there are a lot of other factors that are involved in the education of students than just class size. The hon. member is absolutely right. There are split grades. There are specialty teachers. There are resources that are available. There are a lot of different issues that are at play here. It is not just an issue of class size. You cannot say: well, my class in rural Alberta has 15 students; therefore, I am going to do better than the same class in urban Alberta that has 25 or 30 students. You cannot say that. You cannot make that qualification. You cannot make that assessment because there are a lot of different issues that are at work.

4:30

Mr. Chairman, on the class size study. What it showed on the study that we did is that indeed numerous students did better, probably a quarter of the students did about the same, and about a quarter of the students did worse. This study has been utilized by the school boards when they address issues such as class size, when they address what they want, which is a flexibility by the grassroots teachers, the grassroots principals to determine what is the best class arrangement. Again the hon. member has raised an excellent point when he says that there are on average two to three to four kids with special needs in each individual class. Well, the hon. member is fully aware that a class with 10 special-needs students is significantly different than an IB program of 30 students.

So again it goes back to my original argument, which is that a class is not a class is not a class. Every class is different, every individual student is different, and the best people to determine what goes into that class are actually the grassroots teacher, the principal, and the superintendent. That's why we have not legislated class size. That's why we have not gotten into that issue of class size: because

*See page 1059, right col., para. 3, line 16

we feel strongly that it is up to the school boards and the administration to make the best decisions possible within their range of funds.

Mr. Chair, I believe that anything else, again, we will give to them, and I'll now allow the other opposition to continue.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. I appreciate the approach that the minister is taking here in responding in person and then following up with written responses. He can't possibly know everything we're going to throw at him.

I've ended up dividing my questions into a number of categories. The first ones have to do with postsecondary education. The University of Alberta is in my constituency and, as a result, so are many, many students and many faculty and other employees. I hear often from student groups and student organizations and individual students about their concerns over funding trends at the postsecondary level, and I hear the same from parents, and having kids who I think someday will go to university, I can be sensitive to those as well.

One of the documents I've got is from the Council of Alberta University Students, and it makes a couple of statements. I suspect the minister might have this document. It says:

The per-student operating grant to the U of A has dropped by 29% [since '92-93]. At the U of C, the per-student operating grant has dropped by 21% [since 1992-93]. Universities are educating more students with fewer resources.

I will be honest; I don't have the figures right now to confirm or refute those claims. But I would be interested – and I don't expect the minister to have that right now; maybe he will – what the government's story is on the longer term trends, the trends, say, over the last 10 years, which is what this group is referring to. Certainly, I have an impression that the universities are under more funding stress now than they were a decade ago. I'm not sure if that's right or wrong. I can find out, but I'd be interested, so my question is a very general one. In light of this budget we're debating today, what's the government's story on the 10-year trends on per student operating grants to the two major universities in Alberta?

Staying with postsecondary education, I know there are debates within the universities about the role and costs of learning versus the role and costs of research. Researchers will say: well, we bring in huge grants. Of course, professors who tend to emphasize teaching will say: well, we bring in money through tuition fees. There's a struggle between those two priorities that I think causes some strain at the heart of the universities' very function and identity.

I'm also aware that there are concerns that actually research grants can lead to deficits, can cost the university more than they bring in, because the research grant actually doesn't cover nearly all the costs that they lead to. It's like they leverage costs instead of leveraging revenues. I'm not sure again, first of all, if the minister or his department would like to comment on that and if there are any considerations of those factors in the business plans and budgets that we're discussing here. Is there any time when tuition fees actually end up subsidizing research so that students who are paying primarily to be taught are actually seeing some of their tuition fees going to research? I know that it's a complicated debate – believe me – but there is a sense that tuition fees should go to teaching.

Moving on in the postsecondary arena, the whole Campus Alberta initiative is, I guess, unfolding. I haven't been able to stay on top of it, but I'm wondering how the business plans here and the budget relate to that. Also, I would be interested in any comments from the minister on the impact of the proposed universities act, which we will see in a few weeks I think, on the business plans in the future.

I don't expect that act to have a lot of impact on this year's budget, but the business plans do go over the next three years.

I want to give a bouquet, a compliment, to the department and to the minister. I've been going back through the business plans that were presented a year ago, which made projections for where we would be today, and then I've looked at actually where we are today, and my impression is that this department is doing better than many others in terms of actually being reasonably close today to where they said they would be when they said that a year ago. Well done. In most lines we're on the plan, and that's good, because it doesn't always hold true across the government. So my compliments to the minister on that, although I might disagree with the plan from time to time.

The next series of questions has to do with basic learning, K to 12. I think this has already been raised maybe by some members here today. I know that the minister hears it, and it's been really driven home to me in the last few months as I've focused my work so much on the school system: the high school completion rates are not what they should be. I will be blunt. I didn't realize until just a couple of months ago that they were as low as they are, and I know that it's not limited to any one school board.

I'm thinking back to when I was a junior high school student in the Edmonton public school system. So this is going back a few decades; let's say about 35 years maybe. At that time it was driven home to us how important it was to complete grade 12. I remember posters up in the guidance counselor's office and everywhere emphasizing: finish grade 12. There were figures on the impact that finishing grade 12 would have on your income and job opportunities. That was hammered home to us.

An Hon. Member: See what happened?

Dr. Taft: Yeah. See where it got me? That's right. I listened maybe too carefully.

I don't know what the completion rates were, say, 35 years ago, but the fact that they're only about 70 percent today makes me think that we haven't moved that high enough, and I suspect the minister agrees. My question then is: how does the budget that we're debating today specifically relate to improving the high school completion rate? We have a resource; we have an objective. How do the two relate?

4:40

Moving on from there to an issue that I've been mulling over for a long time, and this afternoon I've been struggling with how to approach the issue because we've frankly hammered away at each other in this Assembly on these issues, locked horns, and gone nowhere on them, yet I know that these are real issues from talking to the parents in the schools in Riverview and talking to teachers and parents from many, many other communities. Those are issues that the minister has heard so often, and I'm struggling with how to bring fresh perspective to these issues, issues around fund-raising and issues around staffing levels and the very real concern over layoffs as a result of this budget.

In Edmonton-Riverview I am told now through a group of parents that over \$500,000 a year is raised by parents to put towards education, and they don't believe for a minute that that is just going to extras. They believe that they are fund-raising and having to fund-raise for things that contribute to the basic necessities of their children's education like computers and supplies and textbooks. So I know that the parents in my constituency will feel that the budget that we are debating today is inadequate for covering some of the basic requirements of supplies and equipment, for meeting the needs

of the curriculum. Beyond that, I know they will also believe that the budget we're debating today is inadequate for providing adequate staff at schools. That's teachers, of course; it's also support and clerical staff. There's a school I know of in my constituency – it's a large school, about 800 students – and they are down, as I understand it, to one secretary. For example, they're looking at probably losing teachers in the fall.

Of course I understand the debate: well, the budget figures aren't final and this and that and the other thing. Frankly, the parents are going to be demanding from me to demand of this government enough money at least to cover the arbitrated settlement. That's not in this budget. I don't know if the minister has anything more to add to that debate. We've banged away on this one, but I'll tell you, I have a sense of a storm gathering, and I wish we could prevent that from happening. So I'm struggling there to bridge the gap between us, and I'm not sure how to do it.

My last set of comments have to do with something that I know is near and dear to the minister's heart but has an odd twist to it, and that's AISI funding. I repeat the concerns that I'm sure the minister is aware of. Some of these programs have been wonderfully, remarkably successful – reading recovery and many early intervention programs – but there's a tragic sense that they're cut short because of the three-year limit on the funding. So if there is anything in the budget here that will help some of the most successful of those programs to become permanent features of the school system, I would be thrilled. So the minister has a chance to thrill me, and I ask him to please do so.

Thank you, Mr. Chairman.

The Chair: The hon. Minister of Learning.

Dr. Oberg: Well, thank you, Mr. Chairman. I'm not entirely sure I'm going to thrill the hon. member, but I will attempt to explain some of the issues that he's brought forward. Just in saying that, I'll make one comment about the questions that have been asked today as potentially this could be the last kick at the cat that I have. I would just like to thank the hon. members for the tenor of their questions today. They've been excellent questions, and I do like the way that they were approached.

Some Hon. Members: Aah.

Dr. Oberg: Sorry, guys. Well, they were.

The issue on the AISI funding is quite simple. There is included in this budget \$68 million for AISI projects. When AISI was initiated three years ago, it was initiated as a three-year plan, and we have now continued that for another three years at \$68 million per year. Very important to the AISI projects, though, is that we continue to get new ideas. What we have said is that places where the projects have finished, where they have run three years, if they're doing well, then we feel it's important for the school board to keep those types of projects going, but we also feel that equally as important is that there are new projects brought in.

I believe that if I just put this \$68 million in and keep running the same projects, then I might as well just put the \$68 million into the general fund. We have to keep moving forward on our research projects. We have to keep moving forward on finding new projects. I have given the school boards the permission that if there is a particular program that is doing well, if they want to move it to a different school population, a different age group, a different geographic population, they certainly can. So we do have a fair amount of leniency with them.

In Edmonton public I understand that what happened is that they

did not allocate out the AISI dollars until just recently. It's a very interesting point for myself on communication on AISI. Mr. Chairman, as you may know, at the breakfast back in November I announced that AISI was going to be continued for another three years. I then went to an AISI conference, and the main question I got was: well, AISI is finished; what are you going to do? In actual fact, I had announced it three months before, yet that message did not filter down. So I'm not sure if I've thrilled the hon. member in what I've said, but the \$68 million is still there. There will continue to be projects.

The other question that was raised – and it was very politely raised – was the issue about fund-raising, staffing levels, and curriculum projects. I will say that since we have done the operational review on Edmonton public, I have a much better sense as to what has been happening in Edmonton public. Quite frankly, from a distance, at a macro level – and I must say that we only looked specifically at eight schools – they put the wrong dollar amount in on a teacher basis. It's \$62,000, which is the amount that they've put forward to fund their teachers. The principals went out and spent money and hired using the \$62,000 figure. Obviously, if they were wanting to run 85 percent of their budget on staffing, at \$62,000 it probably would be okay. But then in September of 2002 the school board came to them and told them: well, the actual cost is \$70,000. So what happened is that they had all these teachers hired over the summer when the actual costs were \$70,000 instead of \$62,000, and the school board basically said to them: suck it up; take it out of your school funds. When I take a look at some of these schools, some of these schools have as high as 92, 93 percent in staffing costs, and what I believe happened is they hired using the wrong numbers. They were supplied with the wrong numbers for teachers' salaries. They subsequently went out and hired.

We had the unusual circumstance of having 300 new students in the Edmonton public system yet 82 new teachers, and again I will reiterate that I believe it was due to the fact of the dollars that they were using to base their budgets on. This directly affected fund-raising in that in many places when you're at 92, 93 percent of your budget for staffing, it does affect fund-raising, and that is what I believe is the evolution as to what happened. Again, it's a very cursory look at Edmonton public. We only looked at eight schools. To give an example, one of these schools read in the newspaper about the teacher increase and saw that it was going to be about 11 percent. He set his money aside, and consequently that particular school had a \$500,000 surplus. So a lot of it had to do with the numbers that were being used, and I'm not faulting the principals or the schools on what they used, because they were only using the figures that they were provided with.

4:50

High school completion rates. I'm glad you asked that. That is a huge push in my department now. We have done studies on how to increase high school completion rates. I'm going to say this because it is an actual fact, and I make apologies to anyone I say it to, but the aboriginal population in this province is not finishing high school. We have a significant issue here, and consequently what is included in this budget is aboriginal initiatives. Its sole attempt is to increase the number of aboriginal students that are graduating. I am not happy at 73 percent when you take a look at some of the figures in our business plan. I want it to be 100 percent, and that's the goal that we are aiming for: 100 percent of students to be graduating from high school.

When you look across the country, what you find is that essentially all the jurisdictions are very similar. It may vary from 67, 68 percent in one jurisdiction to 74, 75 percent, but they're very similar right across the country, excluding places like P.E.I. that really don't

have the population to make them statistically significant. This is a very important issue for every minister of learning, minister of education across the country, and it's something that we are concentrating on very much.

The proposed university act. Again, I will not talk about the specifics of it apart from what I've already said in that part of this act will enable institutions to grant degrees when the quality is there. This will have an effect on our upcoming budgets, and it will be built into our upcoming budgets because as more and more students get more and more degrees, there is more of a cost, but that is a cost that this government will more than willingly bear because we are aiming to have more students graduate with postsecondary degrees/diplomas. I see this legislation as being incredibly important because now, for those of us in rural Alberta, they will be able to get their degree in rural Alberta. They will be able to get a degree in Grande Prairie, in Medicine Hat.

The other very important issue that must be stated any time we talk about degree-granting is that the quality has to be there. We cannot just allow these institutions to provide degrees if the quality is not there, and included in the legislation that is coming forward is a mechanism to ensure that the degrees are peer-reviewed, that the quality is there. I know the hon. member is as concerned about quality as I am, and that is the direction that we're going.

The tuition fees subsidizing research. That's a good question. To be a hundred percent honest, I cannot give you the exact answer, as I'm sure the hon. member knows after being involved in the postsecondary system. What I will say, though, is that in reviewing our tuition fee policy, we exclude all research components as expenses. So to the best of our ability we take anything to do with research and take it out of the expense column when it comes to the tuition fee policy, and the tuition fees are judged according to that. It cannot at this moment in time go beyond the 30 percent cap, or roughly \$275 per year.

The hon. member also gave me a good opening on the research side of things when he talked about research grants not keeping up with the actual costs. Again, the hon. member is absolutely right, and I will point my finger at where the blame really lies, which is the federal government. I know everyone here would be shocked to hear this, but when the federal government gives a grant, they do not give the indirect costs. For the edification of the people in the Assembly . . .

Dr. Massey: Didn't that change?

Dr. Oberg: No. I was just going to comment on that.

For the information of the people in the Assembly, the average indirect cost is 40 percent. The federal government has made some movement in the indirect costs of education, but it is still not complete where they fund all of it, and it is my understanding that it is a time-limited commitment and that it is not a full commitment on their research grants. From my point of view and from Alberta's point of view it is absolutely essential that we get research grants that are fully funded. If you're going to give us a research grant, which is extremely important, make sure they have the money. We do our budgeting process, and if we have to expect our universities to suck up another 40 percent for these research dollars, it does lead to significant issues and significant problems. We want to get the research grants, we want to get the research chairs, but there has to be a recognition of the actual costs of these research grants and research chairs.

The last question that the hon. member raised was about the University of Alberta and the University of Calgary, and I will give you my figures. From '99-2000 to 2002-2003 at the University of Alberta the general grant went from \$239,035,808 to \$296,091,384,

for an increase of slightly over \$57 million, or 23 percent. Those are not in static dollars. They're in year-to-year dollars. At the University of Calgary the grant went from \$157,593,000 to \$201,929,000, an increase of roughly \$44 million, or 28.1 percent. In that time frame the University of Alberta increased their student enrollment by 12 percent and the University of Calgary increased their student enrollment by 11.4 percent. Just for your information, as well, the University of Alberta enrollment in '02-03 was 29,115; at the University of Calgary it was 23,492.

I would welcome any other questions from the Legislative Assembly.

Mr. Maskell: Minister, I have a couple of issues, concerns, interests, passions that I would like to ask you about today. One of the things that you talked about a lot is that all students should be able to read by grade 3, and you have a renewed vision for the K to 12 learning system. I wonder if you could update us on how this is proceeding and how that is supported within this budget.

The Chair: The hon. minister.

Dr. Oberg: Thank you, Mr. Chairman, for that excellent question. One of the areas that I'm a firm believer in is that although we are the best system in Canada – we probably are the best system in the world – there is a danger of becoming number two, and that danger is accepting the status quo and not improving. We have to continue to improve, and I feel that the revision of our curriculum is a direction that we have to move in in order to improve. This started off as actually a fairly simple exercise, but it's something that blossomed quite large. We sat down and took a look at some of the issues that were involved in education and some of the outcomes that we wanted, and it soon became readily apparent that the earlier you get involved with kids, the earlier you work with kids, the earlier you teach kids, the earlier kids learn, the better they do. That is becoming very evident, and I don't think anyone in this Assembly can argue with that fact.

Another fact is that when you take a look at those students that have attention deficits, those students that have learning disorders, it may be that many of these go back to the idea that they can't read and that they never did learn to read properly. So you put all of that together and you come up with a new direction, and that direction quite simply and quite succinctly is that in the K to 3 age group what we are attempting to do, first of all and foremost, is literacy and numeracy. On the literacy side we want to ensure that 100 percent of the students by the time they hit grade 3 know how to read at a grade level. We also want to do that for the numeracy. There are a couple of things that are included and imperative when I say that. First of all, you have to be able to assess if they can't, and second of all, you have to be able to do something about it if they can't. So we're looking at the remedial reading, remedial literacy programs that can condense kids into bringing up their grade levels very quickly, and there are a lot of programs that are out there that have shown that with concentrated learning they can bring up the grade level two, three, four grades in a space of six weeks. We're looking at how that can be done. The same thing occurs with numeracy. We have to identify those kids who do not have numeracy skills at grade level, and then we have to remediate those that do not, and we have to ensure that they catch up to the other students. So that can be done.

5:00

Also, in kindergarten to grade 3 there are some other interesting issues. One of them is physical education. I don't think there's anyone here in this Assembly or anyone in Alberta that can deny that

we need to be fit. We need to be fit when it comes to health care, we need to be fit when it comes to lifestyle, and we have to instill a need for physical fitness in the daily routine of every student starting at a young level. We have to get that instilled into them, and, Mr. Chairman, that will be our third focus on the K to 3 side.

The fourth focus is something a little different, and it's something that I will say that I did not believe in. The hon. member, I know, is completely opposite from me on this fact, but it has to do with fine arts. Fine arts has never been my forte, and I will readily admit that. But it has been shown that the patterning that is involved in music is essential to the development of the brain, that it is essential to how kids learn, and that when there is music involved in studies, involved in their daily routine, kids learn better. I think the evidence is irrefutable, and I think we have to move in that direction.

So those are basically the four issues that we're dealing with on the K to 3 side. As we hit grade 4, we're going to be putting in, starting in 2006-2007, another curriculum revisioning which has met with international acclaim. As a matter of fact, John Ralston Saul in his speech last week, on budget day actually, in London, Ontario, praised Alberta, which is rare for him to do, for initiatives on second languages. He also praised the University of Calgary and the University of Alberta for their pushes in second languages.

We are going to be making second languages mandatory starting in grade 4. The second language does not have to be French. It can be any second language. I'm a firm believer – and I believe that the studies will back me up – that when you learn a second language, the third, fourth, and fifth second languages come that much easier. So we'll start that in grade 4. For those people out there who are listening, of which I'm sure there are multitudes, the point that I will make is that it will start in grade 4 and move through the system with that grade. So for those parents who have students in grade 12, they are not expected to learn a second language in one year. It will move through the system so it will be implemented over a period of eight years.

The last component of the curriculum revisioning has to do with some of our students that are graduating. One of the issues – and I believe that this is reflected in a question the hon. member asked me just a little while ago about high school graduation and issues such as that – is that a lot of students when they come out are disillusioned. They don't know what to do; they don't know what to do for a career. I believe that one of the issues is that we do not do a good enough job on basic guidance counseling, basic career counseling for these students. I have daughters and a son that are going through that time frame right now. And, Mr. Chairman, for your information I will not my call my son a goofball today. Even though he is one, I will not call him that.

What has happened is that these kids are being expected to make decisions in grade 9 which are probably beyond what they are capable of doing. They're expected to determine what career path they want to take, whether they take the old so-called matriculation component, whether they want to go to university, whether they want to take the easier grades, the easier classes, and if they make that decision, it is very difficult for them to undo that decision. So, in essence, what you have is that at the end of grade 9 a child – and I will say: a child – has to make a very important decision that will affect him for the rest of his life. I believe that that should be changed. I think we need to move until the end of grade 10 to do that. I think we need to put in elements of career counseling.

I also feel that we need to have tracks in grades 11 and 12 that the students can go on so that they know what it leads to. For example – and this is just in theory; we're working on this – there would be a university track; there would be a college track; there'd be a technical school track; there would be an apprenticeship track. The idea behind that is that these students would then focus on what

they're going to be doing, the direction that they're going to be taking when they're in grades 11 and 12, and I hope that it will allow the students to become more focused.

Imperative in this plan is that there are crossovers. It's very evident that very few students who are in the apprenticeship programs are at the bottom of the class. It just does not occur. Thirty of the 50 apprenticeship scholarships that were given out last year actually went to Rutherford scholarship winners. So there needs to be that crossover. If you want to be an apprentice and then two years later you want to change to go into university, that ability has to occur. That crossover bridging has to occur. It does not have to occur in high school. It could occur in colleges, it could occur in universities, but it has to occur, and it has to be there.

Mr. Chairman, I've used kind of a fair amount of time to talk about something that I feel is extremely important and is going to set the future for education in this province, is going to move Alberta in a direction that other provinces have not gone, where other provinces will certainly want to follow us. The concepts that I talked about I will say are concepts. We're reviewing each one. Each component of what I've talked about today is going to have to be field-tested. It's going to have to be studied extensively, and then we are going to move in and make those changes. It will be co-ordinated between the schools. It'll be co-ordinated with the Department of Learning, and we'll ensure that it will occur. The key goals, though, I believe, are very good goals, very laudable goals and something that I think is going to lead to even better performance of our students as they come out of the high school system.

I would ask the indulgence of the Assembly to watch this, to give input on this because it is important. It's all of our kids. It is not just government kids; it's actually opposition kids as well that are going through the school system.

Dr. Pannu: Alberta's children.

Dr. Oberg: Alberta's children. Absolutely. It is important that we look at this objectively, and it's important that we get a better system. Not that we have a bad system, but we have to continue to change. We have to keep adapting to the time frame.

Mr. Chairman, I'm almost out of breath and out of speech, so I'll sit down.

The Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I would like to ask the minister about page 301 of the business plans, where the government says that they are going to support the recommendations from Alberta's Commission on Learning, and then they are also developing a renewed vision for the K to 12 curriculum, and then down at the bottom of that section: "continue the work of the Review Committee on Outcomes." Now, I've seen some of the work of the committee on outcomes, and it seems to me that they are proceeding on exactly the kinds of items that we expected the commission to be dealing with. So my question to the minister then is: how seriously are the commission results going to be taken by the department, or are they going to magically coincide with the work of the committee on outcomes?

The Chair: The hon. minister.

Dr. Oberg: I'll answer that very quickly if I can, Mr. Chair. Very quickly, a lot of these jobs that we have been undertaking – the committee on outcomes, for example, has been in process for three years. Just because the Commission on Learning is there, we did not stop. We feel that we are going in the right direction. If the

Commission on Learning tells us something significantly different, then certainly we will move in that direction, but we could not stop. We could not hold the Department of Learning back for a full year while the Commission on Learning did its job. We have to continue moving. If we lost a year in the progression of education in this province, it would be detrimental to us.

We hope, we anticipate that there will be some synergy between the Commission on Learning's recommendations and what we're doing, and if there isn't, then we'll have to change.

5:10

The Chair: In the one minute or so that remains, the hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I know that we have perhaps a little less than five minutes there. I have three questions for the minister. He doesn't have to answer them today, but I want to put them on the record.

I drew the minister's attention in my first round of questions to this lag between the educational attainment at the postsecondary level between Alberta's average and the national average, about 4 percentage points difference: 58 here, 62 nationwide. The minister speculated as to why that might be the case, and I'm asking him: will he go beyond speculation and try to find answers? I urge him to do some studies on it and come back to us with some information on this. I could speculate one way, he could speculate the other way, and we could go on doing that without reaching any firm conclusions.

My second question is whether of not this gap has grown, developed in fact, between the provincial average and the national average over the time that the government introduced increases in tuition fees. Is there any correlation? I want you to have that question addressed in the research.

My third question arises from the observations that I have heard and read about the Calgary Catholic school board. They are confronted with losing about 140 teachers, they say. This Edmonton public . . .

The Chair: Hon. member, I hesitate to interrupt you, but pursuant to Standing Order 58(5), which provides for the Committee of Supply to rise and report no later than 5:15 on Tuesday, Wednesday, or Thursday afternoons, I must put the following questions in order for us to get through and make the report in the time specified. After considering the business plans and proposed estimates for the Department of Learning for the fiscal year ending March 31, on operating and equipment/inventory purchases, \$3,574,859,000, are you agreed?

Some Hon. Members: Agreed.

The Chair: Opposed?

Some Hon. Members: No.

The Chair: Carried.

[Several members rose calling for a division. The division bell was rung at 5:13 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Abbott	Hancock	Masyk
Ady	Herard	McClellan
Cao	Horner	McFarland
Coutts	Hutton	Nelson
Dunford	Jablonski	Oberg
Evans	Jonson	Ouellette
Forsyth	Klapstein	Pham
Friedel	Kryczka	Renner
Fritz	Lord	Smith
Gordon	Lukaszuk	Snelgrove
Graham	Mar	Strang
Graydon	Marz	Tarchuk
Haley	Maskell	VanderBurg

Against the motion:

Bonner	Massey	Pannu
MacDonald	Nicol	Taft

Totals:	For – 39	Against – 6
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Agreed to:

Operating Expense and	
Equipment/Inventory Purchases	\$3,574,859,000
Nonbudgetary Disbursements	\$141,300,000

The Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that the committee rise and report and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Learning: operating expense and equipment/inventory purchases, \$3,574,859,000; nonbudgetary disbursements, \$141,300,000.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Those opposed? The motion is carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 8 o'clock tonight, at which time we return in Committee of Supply.

[Motion carried; the Assembly adjourned at 5:28 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, April 16, 2003**

8:00 p.m.

Date: 2003/04/16

head: **Committee of Supply**

[Mr. Shariff in the chair]

The Deputy Chair: We'll call the committee to order.

head: **Main Estimates 2003-04**

Solicitor General

The Deputy Chair: The hon. Solicitor General.

Mrs. Forsyth: Thank you, Mr. Chairman. I'm pleased to present the Alberta Solicitor General business plan for 2003 to 2006. Before I begin, I would like to introduce some of my great staff that are seated in the gallery. With me today I have Jim Nichols, Deputy Solicitor General; Bob Dunster, ADM for public security; Arnold Galet, ADM for corrections services, better known as Big Guy; Dan Mercer, ADM for strategic services; Shawkat Sabur, executive director, financial services; Bronwyn Shoush, director of aboriginal initiatives; Jean Olynyk, my communications director; Maureen Geres, who everybody knows, my executive assistant; and Debbie Malloy, who's a special adviser to the minister. [some applause] See, Mr. Chairman, I told you I had good staff.

The 2003-2006 business plan makes changes to the ministry's vision and mission statements. These have been rewritten to more clearly recognize the minister's role in ensuring safe and secure communities for Albertans "to live, work and raise their families." Our new mission statement also highlights the ministry's role in policing, security, and correctional services and in assisting victims of crime. These changes are also reflected in an expanded list of core businesses.

Our past business plan outlined three core businesses: policing and crime prevention, victims services, and corrections. In this year's business plan we have separated policing and crime prevention so that each is a stand-alone core business. Over the past year we have taken on a larger role in provincial security and now include security operations as a core business. In fact, in the past year security and information management, or SIM, as it is known, was created to ensure that the appropriate mechanisms are in place to identify and mitigate potential terrorist threats. The core goal related to corrections has also been expanded to better reflect our role in providing custody, supervision, and rehabilitation programs for offenders.

The financial content of our business plan reflects Treasury Board's approval over the past year as well as federally funded programs and funds for continuing core programs and services. The Alberta Solicitor General's budget for 2003-2004 is 277 and a half million dollars. This is an increase of \$10.1 million over last year's comparable forecast and \$11.1 million over last year's comparable budget. This is still a hold-the-line budget, reflecting increases for ongoing program costs and improved security operations. Most of the increase is dedicated to salary adjustments for our full-time and contract employees in corrections and policing.

Overall spending on policing and crime prevention will increase by \$4 million over the 2002-03 budget. Despite this increase we continue to be pressed by communities right across this province to address the issue of policing costs that are outreaching local budgets.

Funding for custody, supervision, and rehabilitation of offenders has increased by \$5 million and continues to account for just under

50 percent of the total budget. There is also increased funding of \$1.2 million for protection services and counterterrorism operations.

This year I hope to conclude the reviews of Alberta's policing, corrections, and victim programs that were begun last year and previous. I will be taking our recommendations through the government approval process. I believe it is imperative that the challenges facing policing and our corrections and victim programs be dealt with and brought to resolution.

In closing, I would like to highlight some key accomplishments of the past fiscal year, accomplishments we will be building on this year and into the future. Last year my ministry and Alberta Municipal Affairs introduced Alberta's counterterrorism crisis management process. As a result of the intelligence-led process, we are well positioned to identify and respond to any changes in Alberta's security.

We've continued our partnership in Criminal Intelligence Service Alberta, or CISA. Funding to CISA is in the form of an annual \$2.4 million grant. This funds joint police operations into organized crime across Alberta. Some of the funding is provided by CISA directly to police services to help them target local organized crime, and earlier this year CISA established a new web site where Albertans can go for more information about organized crime in Alberta and its impact on the communities. We believe that this type of public awareness is critical to fighting organized crime in Alberta.

Last year Alberta became the first jurisdiction in Canada to introduce the Amber Alert. In the United States the Amber Alert program has helped police successfully find about 30 children and teens that were abducted. While I hope that the Amber Alert is never needed, having the Amber Alert in place offers the police a new tool that we hope will help them find kidnap victims and return them safely to their families.

Lastly, over the past three years we have prepared for the new federal Youth Criminal Justice Act, that came into force on the 1st of April, by providing training and briefing opportunities to the police, the courts, and our corrections staff and by creating the new programs that the act requires. But I'm very concerned about the new federal act. Not only does it not provide stiff penalties for young offenders who commit serious and violent crimes, but the federal government has not acknowledged its previous commitment to fund 50 percent of the ongoing costs of administering the youth justice legislation. Once again the federal government has introduced a new program and left us holding the bag. The lack of commitment means that once federal transition funding ends in 2005, the Alberta government will have to find a way to sustain funding for these new programs.

Mr. Chairman, that concludes my comments on the 2003-2006 Solicitor General business plan. I'd be pleased to address any questions regarding the plan and will provide a written answer to any questions not fully covered today.

The Deputy Chair: Hon. members, before I recognize the Member for Edmonton-Centre, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

The Deputy Chair: The hon. Member for Edmonton-Norwood.

head: **Introduction of Guests**

Mr. Masyk: Thank you very much, Mr. Chairman. I'd like to introduce a friend of mine from up north, my home town of High Prairie, Mr. Kevin Cox. He's here on some business, and I invited

him to the Legislature to observe for a few minutes. I would ask Kevin to rise and receive the traditional warm welcome of the Assembly.

head: **Main Estimates 2003-04**

Solicitor General (*continued*)

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman, and thanks to the Solicitor General for her opening remarks. My memory is that she's pretty good about answering the questions here during the debate, and those she doesn't I'm sure will be answered by her and her staff following this debate. I would just ask to get, if possible, the responses prior to having to vote on the appropriation bill. That way I have all the information in front of me before I have to vote on that bill, and I appreciate that.

The first hour tonight is dedicated to opposition questions, and I've already spoken to the minister about doing some back and forth. So what I'd like to do is just run over the areas that I have here, and maybe we'll take a couple of them at a time and then go back and forth with questions and answers.

I did want to comment a bit on the information that's in the report and the change in the vision and mission. I'd like to talk about the reports on victim services, on policing, and on corrections. I have some general sort of stakeholder questions, sort of a grab bag of different issues that have come up. I'd like to also spend some time on the issue of police funding, which is overall as an issue certainly rising to the top and starting to bubble over a bit, and maybe an update on the diversification project, something I know we're both interested in.

From the beginning I noticed right off that the government is no longer offering a highlights section, and I think this a general observation. This is the second ministry that I'm critic for that's been debated thus far, and that highlights section seems to have been pulled overall. That's too bad because I found it a useful section. It doesn't seem to have been replaced in any particular area, but if you put together both the introduction and the planning environment, sometimes you can glean what's going on. So I'm going to go through some of the issues that have been raised there. The MLA reviews of the victims' fund, policing, and corrections are mentioned here in the introduction. As I said, I'll come back to that.

Then there's, "We will continue to inform Albertans about serious and violent offenders, . . . participate in the development of a National Sex Offender Registry" – that's the federal one – the Amber Alert, which the minister just mentioned, the changes to the federal Youth Criminal Justice Act. Now, it also talks about "developing a proposal to address gang activity in Alberta," so I'm interested in what the minister is anticipating there.

8:10

The Solicitor General is also working with others on a provincial impaired driving enforcement strategy. If I could get some detail, please, on who all is involved. What are the other ministries and stakeholders who are involved in this, a list of those, plus what actions are being anticipated that are different from what's being offered now? Is this an enhancement? Are you changing some things? Are you looking at bringing in legislation? Are you going to have another MLA review? What's being anticipated under that?

It talks about "rehabilitation of offenders" and a continuation of "work service to Alberta communities." Now, I'm assuming that that's the old pick up the garbage along the highway and cut

firewood for the provincial campgrounds and prune trees and cut grass and that sort of thing. It's also being mentioned here along with the youth justice committees again: "rehabilitation of first and second-time young offenders." So I'm curious, first of all, with the adult offenders where the rest of the rehabilitation is. Or is that what the minister accepts as rehabilitation, these work camps? Have we totally abandoned the idea of training for occupations other than crime obviously? Have we abandoned all of that programming, and the rehabilitation part of it is picking up litter in the ditch? What happened to the rehabilitation part of our programming? There certainly seems to be an emphasis here: "work service" is how it's phrased.

Also, therefore, that trickles down to the rehabilitation for the first- and second-time youth offenders. Is their rehabilitation really about this community service? Do they do some sort of junior version of litter picking and pruning and wood chopping? What's being anticipated there?

One sentence about supporting initiatives for domestic violence. I'd like to know what's anticipated there. It seems to indicate that it's supporting existing programming but doesn't seem to be considering any expansion of this, and since we're looking at a three-year period here – the minister has introduced her budget as 2003 to 2006 – do I take it, then, that we're not anticipating any new initiatives around domestic violence? It looks like we're just keeping the status quo.

There's some information here about the victims financial benefits program, making it "more responsive to the needs of victims of crime." Perhaps that's connected to the victims of crime MLA review and report that's still outstanding. I see a little nod from the minister, so I'll leave that and come back to it when I talk about the reports.

The minister also spoke a little about the counterterrorism efforts. This is kind of a difficult one, because it's not as though the minister can stand up and say, "Here are all the initiatives we're taking for counterterrorism," and sort of let the cat out of bag. On the other hand, the minister is spending taxpayer dollars here to follow some kind of plan on counterterrorism. So how are we supposed to know what the minister is doing? We're in a bit of a catch-22 here, and it's not acceptable to just say: "Trust us. We can't tell you this is counterterrorism, but give us a bunch of money to do it." You have to give some kind of indication as to what's being anticipated here or what's being followed. It's not enough to just say: trust us on this one.

The new section called Planning Environment is very interesting. It says that the following environmental factors have been considered when you're looking at the plans that you're going to set forward over this three-year period. It talks about things like demographics, aboriginal justice, victims, implications of new legislation, policing . . . [interjections]

The Deputy Chair: I'm sorry to interject, hon. Member for Edmonton-Centre, but the noise level is getting pretty high. The hon. Member for Edmonton-Centre has some very interesting and important points to make, so can you please respect her recognition to speak and allow her to continue.

The hon. Member for Edmonton-Centre.

Ms Blakeman: Well, thanks, Mr. Chairman. I don't care if they listen or not, but it would be helpful if the minister could hear me.

In some context these environmental factors seem to be delivered as though these are things that are sort of holding us back or reasons why we can't accomplish what we'd like to accomplish. Overall, since this is a new area, if she can talk about the choices that she has

made in setting these particular areas down. Is she seeing these as barriers or some sort of restriction to what she's trying to accomplish? I think the answer will probably be: some areas are and some areas aren't. If that's the case, which are and which aren't? A little expansion on that, please.

In particular, I notice that the aboriginal justice section is listed under the environmental factors. I'm interested in this because I don't see the aboriginal factors being discussed at length in any other section except for this one. So could I ask her to expand, please, on what's being anticipated here? It does note that

the Aboriginal population is young and the fastest growing segment of the Alberta population. A large proportion of the Aboriginal population in Canada experiences socioeconomic disadvantages in comparison to non-Aboriginal Canadians.

Okay. So what's the minister trying to tell us here? Does that mean that she's going to have lots of programs, no programs, or that this is a difficulty she's trying to overcome in some way? It's one of the few places where I actually see aboriginals mentioned in the whole context of the programs and services that the Solicitor General is offering.

The minister has already talked about the new legislation that's coming through federally that will be affecting what she is attempting to offer provincially, and that includes the Young Offenders Act, the Sex Offender Information Registration Act, and the Criminal Code changes.

Then she talks about provincial policing programs, which I'll come back to, and I've already talked about terrorism.

Organized crime I'd like to come back to in the context of gambling, because during the debate with the minister of gambling the Solicitor General was referred to, so I've made a notation to come back and ask her some of the questions under that.

Under goals and strategies, goal 1, to "ensure safe communities in Alberta," a couple of questions have arisen out of that. I'm referring to 1.5 on page 351: "Enhance the partnership with the RCMP in monitoring the Provincial Police Service Agreement." Now, the Member for Wainwright had a private member's motion before the House that was talking about – well, actually I gave him a bit of a hard time. [interjection] Well, I'm sure that if the Member for Edmonton-Castle Downs is so interested in the debate, he's going to get up when he has his opportunity to do it rather than just constantly commenting and heckling from the back row there.

The Member for Wainwright was commenting on a need to develop or get in place plans for a regional policing service. He was also talking about a regional police commission. But mostly he seemed to be frustrated and all those that spoke on his motion seemed to be frustrated about somehow being prepared and ready, as the minister goes into negotiations with the RCMP in 2007 to 2012, to break away and go into it saying: we can do this on our own, so better negotiate with us the way we want, or we'll just strike out on our own. So I'm wondering what the minister is anticipating when she puts down as a strategy: enhance the partnership with the RCMP.

8:20

I also note in the next one, 1.6: "Reinstate Restorative Justice Grant funding." Could the minister talk about that, please? How much money is going to be put into these grants? How is the program going to be administered? What's the criteria for application? Is this done in conjunction with the Minister of Justice, or is she running the program herself? What's the level of grants that is anticipated? How often is the granting cycle? Once a year? Twice a year?

The other thing that the minister mentioned. She's made some very definitive choices, and I'm wondering if she can talk about her

philosophy in moving forward on this. The previous vision was "a democratic and prosperous Alberta based on respect for the law, where all Albertans are safe in their homes and communities." The new version is: "Ensure Albertans have safe and secure communities in which to live, work and raise their families." So some quite deliberate choices have been made there, and can she please talk about what her philosophy is that allowed her or had her make those choices?

The mission. The previous mission: "Our mission is to serve Albertans by promoting safe communities and by communicating with Albertans about the administration of justice." Now, that's likely heavily tainted by the previous position where both the Solicitor General and the Justice minister were the same ministry. The new mission:

Our mission is to serve Albertans by ensuring safe and secure communities through effective policing, security and correctional services and when crime is committed to assist victims of crime.

So that one's a bit more obvious, but I'll get her to talk about her personal ideology in leading this department forward and the choices she's made to establish that mission.

I note that the department's budget is up by a little over 4 percent but not by a lot, and I'm questioning the minister's confidence, backed up by some detail, about the sustainability of service delivery. We know that with the simple cost of living, with increased volume for delivery of service to more Albertans – I've heard a number of times the comment that with the in-migration into the province they didn't bring their police service and their roads and their schools with them, so that's affecting the minister's ability to deliver these services. There are a number of factors to be considered here, and I'm questioning how she's confident that a 4.2 percent increase is enough to maintain or sustain service delivery. We've got likely increased labour costs. The number I heard tossed around a lot until about a month ago was 4 percent. We've got inflation, the normal cost-of-living increase, and we've got this volume increase from the in-migration. Now, in the studies that I've read, they were talking between 7 and 10 percent to sustain program delivery. This minister is putting in 4.2, so I'd like to hear some of her detail in her confidence in that number.

Now just some general and stakeholder questions that have arisen, if I may. The Solicitor General had introduced a Victims of Crime Amendment Act, and this changed guidelines with respect to the financial benefits program for those people who were victims of crime. But when I looked at the victims of crime funding, it's bounced around a bit recently, and I'm questioning if the minister could expand on why that has varied so much. For example, the victims of crime funding is \$10 million in this budget, up a small amount from \$9.8 million last year, but that in fact was a decrease of almost \$3 million from the year before. So we've gone down by \$3 million and up by \$200,000. What's the sense in this? What's the minister anticipating here?

In the business plan it's also mentioning that there are going to be the regulatory and legislative changes to the victims' financial benefits program. Could the minister expand on that? Is she talking about bringing in legislation? Is she talking about doing that in the spring session or in the fall session? Is this going to be done by regulation? What is she anticipating precisely?

The next short segment I want to talk about is illegal gambling. During the Gaming estimates the Gaming minister referred this particular item over to the Solicitor General. When I was asking about his department's monitoring of illegal activities or anticipation or planning for or investigation of, he didn't want to touch that one and punted it. It was punted to this particular minister. So what sorts of activity has the Solicitor General taken to anticipate amounts

of illegal gambling, to measure it or count it, to look into the future on it? This is a three-year plan. What's the minister anticipating by way of increases in illegal gambling?

There's also some concern over the increase in illegal VLTs or what are called gray machines. Now, Alberta had attempted to counteract that by putting in their own machines. Where is the Solicitor General on monitoring this activity?

I think that's close to the end of my first 20 minutes, Mr. Chairperson, so I will take my seat and allow the minister some opportunity to answer the questions I've put before her. Thank you.

The Deputy Chair: The hon. minister.

Mrs. Forsyth: Well, thank you, Mr. Chair. The hon. member in 20 minutes has asked a whack of questions, so hopefully I've got a few of them.

One of the questions that she started off with was about the highlight section, that it was gone, and she was wondering why we think that our business plan is put together well. The highlight section, if that's a concern, is something certainly that we can look at next year. It has not been one of the things that we've been told has been a problem quite frankly.

Then she went on to talk about the serious and violent offenders, and I would assume she's referring to our high-risk offender web site. I can tell the member that the Alberta high-risk offender web site has been extremely successful and extremely popular. At the beginning we were getting about 3,400 hits a week. We started to do a bit of research and found that a lot of it was parents accessing the high-risk offender web site and saying to their children when they saw this: if you see this particular individual, he's not a very nice man. So we've been very, very pleased. In fact, from what I understand, Manitoba has launched a high-risk offender web site very similar to ours, and Ontario has already got one.

In regard to the national sex offender registry Alberta along with Ontario has been key in pushing the national sex offender registry. In fact, we buddied up at the federal/provincial/territorial meeting in bringing that to the attention of the federal government and finally managed to get them to move on that. One of the things that we aren't in agreement with and are pushing the federal government on is retroactivity, and they've been a little obstinate and stubborn about that particular issue. We think it's important that some of the offenders – for example, Paul Bernardo, Karl Toft – should be part and parcel of the national sex offender registry because they have committed horrific crimes in this country and done a lot of damage to a lot of people.

She talked about the gang proposal. Several weeks ago I went to Ottawa and made a proposal to the federal Solicitor General, who was quite key in regard to our gang proposal, which would be on a provincial level. Similar to how we set up G-8, which was very, very successful, we will have the federal Solicitor General, the provincial Solicitor General, and then all of the players across, whether it's the RCMP, the municipal police, aboriginal policing, and people involved in the gang proposal. We're currently just sort of finishing that up, and then we'll be sending the proposal to the federal Solicitor General. Again, I'd like to emphasize that he was quite key on that, and I think that's something that's very important. I think Albertans have to realize that we have a serious gang problem in this province and an organized gang problem in this particular province. One just needs to look at what's happening in your own city of Edmonton and some of the incidents that have happened in Mill Woods, et cetera. The police have done a wonderful job in trying to attack it. We've had two very, very successful takedowns in regard to the gang strategies that were co-ordinated with the city police and

the RCMP, one being operation Kachou, and the second one is – the name's escaped me, but it was out of Calgary.

8:30

The Amber Alert, as you're well aware, hon. member, is the first in Canada. I got that idea when I was doing some research over a year ago now. I found it very interesting and pursued that to see how it worked, and when I was invited to the President's conference in Washington, I talked to a lot more people. So we were very, very pleased to be able to announce the Amber Alert in Alberta. We now have several provinces that are particularly interested in the Amber Alert, and my staff are diligently helping the other provinces that have shown keen interest in the Amber Alert.

She touched briefly on the provincial strategy, and I believe the one you're referring to is when we're partnering with Transportation on I think you mentioned drinking and driving. I, too, like you, found it was a little bit noisy trying to hear what you were saying to me. It's something that we're looking at, working on some strategies with Alberta Transportation on how to address the high percentage of accidents that are occurring in rural Alberta mainly from a couple of things: running stop signs, speed, and things like that. I want to emphasize the fact that it doesn't necessarily mean it's rural Albertans that are causing these accidents. It could be city pumpkins like me going down a dirt road, not familiar with the roads, speeding through a stop sign, and then wham. So we're working with Transportation on a couple of issues: the drinking and driving strategy of course, which is my department, which includes obviously working with them and the police on trying to curtail the drinking and driving, and then on some other transportation issues on accidents that are occurring on rural roads.

You asked about the rehabilitation of offenders. Key thing. I really believe it's important that offenders are rehabilitated and how we can work on rehabilitation with the offenders. It's an interesting question you asked. I did a tour yesterday at some of our probation offices because I wanted to talk to some of the probation officers, and I was talking to one of the probation officers on the huge success they're having partnering with AADAC. AADAC is coming into the office and working with offenders because a lot of our offenders obviously have drinking and drug problems. So I found that is extremely beneficial. The probation officers in this province do a wonderful job once our people get out of our correctional facilities, trying to match them up with appropriate rehabilitation, whether it's anger management, alcohol and drug counseling, a number of different things that they're working on then. We try and do the same thing when they're in our facilities, but you have to keep in mind that the majority of our offenders are there for such a short period of time when they go into our correctional facilities, but we try and address their issues while they're there and then work through on probation.

You asked about the work service for our offenders, and, yes, we like to keep our offenders busy. We have some very, very successful programs within our facilities that have been hugely successful, and I would invite the member to come to my office and see some of the woodworking toys. I think you did see them when you were in to see my office in regard to some of the woodworking that our offenders are doing particularly in Fort Saskatchewan. All of those toys that those offenders are making are being utilized by Santas Anonymous, and they do a really good job.

Another good example of what our offenders are doing is the eyeglasses program in the Fort Saskatchewan jail. All of the glasses are dropped off at LensCrafters. They're taken to our Fort Saskatchewan correctional facility. The offenders have been trained by optometrists to clean them, so they can tell the strength of the

eyeglasses. Then they're all shipped overseas, and it's extremely beneficial. The number of times I've actually visited the correctional facilities, the offenders that are working on the eyeglasses and have the ability are so proud of what they're doing, and quite frankly they're bragging about where the glasses are going. It's nice to see because they feel that they're contributing back to the community. We just celebrated in December our one millionth pair of eyeglasses that have been shipped overseas. So it's very exciting.

Our youth justice committee is hugely successful. Hugely successful. In fact, we were honoured to receive a gold award down east in recognition of our youth justice committees and then be watched right across the country on our youth justice committees. We have even had interest over in – I hate to name some place because I may be wrong, but I believe it was Africa or Australia, somewhere over there. I'm sorry; it's gone.

You spoke about domestic violence, and we're partnering with Children's Services and the Minister of Children's Services and have been very proud to be part and parcel of that, working with our police on how to deal with situations when they're called to the home. It's been proving very successful. We have some more work that we have to obviously get done.

You talked about the victims of crime fund and the surplus: why hasn't the money been spent? [interjection] Yes? No? I can't remember. Anyway, the victims of crime fund does have a surplus. The surplus has been set aside to allow the implementation of the recommendations that are from the victims of crime consultation. As the victims of crime is a regulatory fund, any surplus at fiscal year-end remains in the fund for future use and spending of the money to benefit victims, and I think that's the intent of it.

You talked about the counterterrorism plan, and you're right. There's so very, very little information that I can give you because of all of the very high-security information that we're receiving about terrorism. We have been very, very fortunate in the fact that we've got a very good working relationship with CSIS, which is out of Ottawa, with CISA, and with some of our partners, that we're gathering intelligence information all the time. It's been extremely beneficial, and we're extremely proud of what we've been able to achieve on counterterrorism. Not only that; the SIM unit – we had a conference. I believe it was in October or November. We were fortunate enough to have the federal Solicitor General come and bring us greetings on that. He was very, very impressed with our counterterrorism plan, our security management SIM unit. In fact, he wanted information from all of the speakers that were presenting and said: Minister, why would I reinvent the wheel when you guys have gone way past? So Alberta is leading the country in counterterrorism and our SIM unit.

You talked about aboriginal initiatives. We have a wonderful person, that I introduced earlier, in my department by the name of Bronwyn Shoush, who even just recently got back from speaking in Thailand because she's so good at what she does. We're working on a lot of aboriginal issues, and we're well aware of the aboriginal population in our correctional facilities and how we deal with those particular aboriginals in our correctional facilities. Should they be there, or where should they be? It's an open door, and a high percentage of aboriginal people are in our correctional facilities.

We have been doing a lot with First Nation policing, trying to deal with the issue of First Nation police taking care of aboriginal people within the community. It's something we need to work on, we're going to continue to work on. I have a soft spot for the aboriginal people in this province. I don't know if it'll be my term or whose term it'll ever be if you can ever try and address all of the aboriginal issues, but we'll continue to plug away. We're currently working on another proposal on drugs on the reserve, which surprised me when

I was doing tours. I knew that drinking was a problem with the First Nation people, but what surprised me more than anything and something I've been working on diligently is the drugs that are coming onto the reserve now. It's becoming absolutely uncontrollable, and they're something that we have to deal with.

8:40

You briefly asked me a question about my philosophy in the business plan. I think my philosophy is to make sure that Albertans are safe and they're secure and they're well taken care of and they feel safe in their homes and they feel safe in their communities and they feel safe in their jobs.

You asked me about the budget. I briefly talked about the budget and the increase we got and the challenges that we have within the budget, and I acknowledged the challenges we have in the budget when I spoke. We have communities across this province that are feeling the challenges of policing, and they're feeling those challenges of policing for several reasons. What used to be urban crime is now moving into rural, and crime is different. We're seeing a lot of challenges. Again, I go back to the crop-up of meth labs that are appearing in our province and in our rural areas, the green operations that are growing. I thought B.C. had a problem, but we're starting to see a problem with the marijuana growth in our province.

That is what I wrote down, as much as I could write down, so I'm prepared to sit down and listen, and we can tackle it again.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much. Where we were not able to hear each other because of the ambience in the Chamber, I can clarify a couple of those. I was asking about the provincial impaired driving enforcement strategy, which appears on page 348 of your report under Introduction. I think you did pick up on it and said that you were working with Transportation, particularly around rural areas is what I heard you say. It's stated here that the "Alberta Solicitor General will . . . work with other government ministries and stakeholders to develop a Provincial Impaired Driving Enforcement Strategy," and I was asking: please give us details on what you're anticipating here. Who are the stakeholders? What are you looking to do? It's a three-year plan, et cetera, et cetera. I'm looking for the details and to roll that one out a bit.

There was one in there around the victims of crime fund. I'm sorry; we just didn't hear each other. So we'll have to wait for *Hansard* for clarification on that.

She did pick up on the questions about the programs for aboriginal populations, and if she can give me some details and flesh that out a bit. She said that she had a particular staff person working on it. Maybe I could get a list of the projects and initiatives that are there and perhaps what the vision for the future is or the vision for the three years is anticipated to be.

Now, there are some issues around First Nations policing. I may come back to that one because I'm trying to remember something I've been told very specifically about First Nations police officers and it's not coming forward in my brain. So I'll come back to that at the end, and maybe my memory will have come forward.

I was asking quite specifically about the changes and why the changes in the vision and the mission, and I was talking about what the Solicitor General's philosophy is around this because she is the leader of this department. She is setting the pace here; she's setting the philosophy. So it's either her philosophy personally or her philosophy for the department developed in conjunction with staff and stakeholders, et cetera, et cetera. But I wanted to have some detail, fleshing out, some explanation on why the changes and what

was being anticipated, what's going to fall under that. You don't just make changes because you thought you would or because it's a new three-year plan. I expect that the minister will have made these with some deliberation, so I'm looking for the background on what was behind the deliberations in making the changes. Those are the sort of catch-up comments.

Now, on we go. Okay. The last thing we talked about, then, was gambling. I'd like to talk a bit about the three reports. The victims of crime review that was done was actually completed, as far as I know, more than a year ago. It's still never been released. So out of the three reports – the review of the victims legislation and programs, the MLA review of the Police Act, and the MLA review of corrections – only one of them has been released, actually in two forms, and that was the MLA review of the Police Act. The other two seem to be on the shelf. So I'm not sure if the minister is looking to age them like a fine wine or a cheese, or what's the deal.

It is more than a year past when she received one of them. The other one, the Corrections Act – I'm trying to remember now. It's six months, I think, since she received it. So when do we anticipate the public release of these two reports? The taxpayers put money forward for these believing that they're going to lead to something. They like to see what they got. They like to get it in their hands and to know what actually came out of it, something concrete, if you will. So when specifically is the minister anticipating releasing the review that was done on the victim services, and when will we be seeing the public release of the corrections review?

We've had, as I've said, two versions of the MLA review of the Police Act, one that was released last mid-July, and the second one was a sort of update that was in response to a further feedback loop in the community. In fact, a number of recommendations that were made in the first version were pulled back or withdrawn or stopped in the second version. So I'd like an update on what the minister is seeing there, where she anticipates that to go. Is that the end of it now? Is there another feedback loop? Will there be a final final version of that, or have we had it? When will this be rolled out?

Now, with the corrections review the review set out to look at sentencing, staff and funding resources, offender security and staff safety, capacity requirements in the facilities, and offender rehabilitation programs. So, as I said, we haven't seen the report. We do have proposed legislation in front of us which seems to come out of the corrections review, but we don't have the corrections review. So we don't know from what sprang the legislation that's in front of us.

Also, can I get an update on the cost of the committee? I did write to the minister about three or four months ago and was given a figure of \$40,000 that had been spent on the review of the Corrections Act. Has there been any additional resource expended on this? The minister is shaking her head no. Okay.

One of the areas that was much anticipated but in fact not addressed or that we haven't seen anything further of was the private prisons.

An Hon. Member: Prisons for profits.

Ms Blakeman: Prisons for profits, yeah.

Can I get the Solicitor General on the record, please, to tell us if she is expecting in this three-year period between 2003 and 2006 to look into private prisons? Is she expecting to implement them? How is she expecting to do that? Are we only going to hear about that when we get a report from the review of the Corrections Act MLA committee? If so, then we need to see the report from the government MLA committee. This starts to become a never-ending circle from which the public gets no information. So I'm probing the minister to please get us some information about that and to put

on the record whether she is planning to implement private prisons or any version of privatization of our prison system or our corrections system in the next three years.

8:50

She's responded a little bit to my questions about rehabilitation. I think the average stay in provincial prisons that I've heard before is 32 days. I agree: not a lot of time to get a university degree underneath an inmate's belt. Certainly, that's not a possibility. She has to my memory only ever talked about rehabilitation and programs by talking about drug and alcohol addiction counseling. Is there any other kind of program, rehabilitation in the sense of literacy assistance or numeracy assistance or any kind of skill upgrading, anything else at all that the minister is currently offering or is anticipating offering over the span of the three-year plan that we have in front of us? With that, of course, is: will there be the funding that supports that?

Now, the second MLA review was of the Police Act, and again when I contacted the minister several months ago, the cost of that committee was a little above \$10,000. Could I get an update on the cost of that committee as well?

Mrs. Forsyth: Hasn't changed.

Ms Blakeman: Hasn't changed at all. Still \$10,000. Okay.

Again, the goals of that review were to engage the stakeholders with their thoughts on changes to the Police Act, looking at strategic policing issues, legislative issues governing police, accountability, special constables, alternative measures on policing. Some of the more controversial issues that were brought forward around that were photoradar, implementing the deputy constables, the use of private security guards and private policing services, the unmanned aerial surveillance, and the provincial police force. So we have had the original release in June and a supplement. I'd already asked if we were getting a final report on this.

Further to that, are we anticipating changes to the Police Act? I don't see any indication of expected legislation in the spring session. Are we expecting to see something later that would then be debated in the fall, or are we now looking at next year? What is her time line: (a) is she expecting to change the Police Act, and (b) what's the time line on it?

I'm also interested in, especially in light of the episode that has been raised a couple of times in the Assembly actually around the special constable who . . . [A cell phone rang] A phone is ringing again, and perhaps the person could answer it outside. Perhaps if they could go outside to have their discussion, that would be helpful.

The special constable got caught in that very unfortunate circumstance with someone that had a gun in their vehicle, and the special constable approached them. After that, there was a call to allow special constables to arm. So I'm going back and looking again at the recommendations for deputy constables compared to special constables. Could I get some from the minister what her thoughts are, what the department's thoughts are, what they anticipate actions are on allowing those deputy constables to have firearms, side arms, or any kind of weapon that they would be using and also a clarification of what's being anticipated for them.

There's a certain sector of jobs that are set aside for the special constables to be doing. How does the minister anticipate the deputy constables would be different from them? What different list of job activities would they have? So if we can get the list of job activities for the special constables and then the list of activities that the minister anticipates the deputy constables would be involved in and the discussion of the carrying of the side arms. I'm interested to see whether the Solicitor General is pursuing that.

Also, could I hear the minister's thoughts and any plans, expenditures of money on a provincial police force and whether she is pursuing this through planning or through additional research or whether she's not interested in pursuing this at all. Where is the minister on this one? I know that we've got some private members that are very keen, but I don't know where the minister is standing on this particular issue.

Now, flowing from the MLA review of the Police Act, we have the issues around police funding, and that's been in the paper a great deal. I've got a mittful of various articles that have turned up recently: Mayor Presses for Police Funding in the *Edmonton Journal* in January; Action Plan in the Works for World Cop Funding from the *Calgary Herald*; Cash-strapped Police Balk at Providing Free Services for the Province, again in the *Edmonton Journal*; Gibbons Feeling Robbed over \$200,000 Policing Fee; and it goes on. So there is increasing agitation around the funding of police services.

The minister and I have an ongoing disagreement about who funds how much of this, and I'd like to get some clarification, please, from the minister, then, with facts and figures. According to AUMA the province pays 14 percent of policing costs, the municipalities pay 49, and the feds pay 37. When I use those figures, the minister jumps up and says: no, no, that's not including the grants from the municipalities. But when you look at the grants from the municipalities, in a lot of cases, particularly in the case of Edmonton and Calgary, that doesn't include any money for policing services. So there's a great deal of disagreement about who's paying how much.

Now, we do have under the Police Act communities with a population under 2,500 receiving their policing services free of cost, but communities with 2,500 to 15,000 people must pay 70 percent of the cost, and communities of over 15,000 pay 90 percent of the costs. So is there anticipation of changes in the funding formula for policing services? Specific to Edmonton and Calgary, will the province now start paying for policing services again? That money was completely cut out of their budgets in 1995. If the minister wants to explain how she thinks that money wasn't cut out of it, I'm sure the chief would be interested in hearing it.

I'm also interested in what concrete plans the minister has in place to sit down with the chief of police for the Edmonton Police Service around the payment of services that the police service is offering: jurisdictional, operational, regulatory, and regional. It's performing these services on behalf of the province and not recouping its cost outlay on this. What discussions, what plans? You know, concrete dates when the Solicitor General is sitting down with the chief of police for the Edmonton Police Service to start to work this out.

I have a great deal of concern that this is only going to escalate. Looking across the province a number of groups seem to be unhappy with the amount of money that they're receiving from the province or the amount of money that they're having to pay out or specifically about what a number of smaller communities feel is an inequity. If they have 2,501 people, then all of a sudden they're paying 70 percent of the cost; if they have 2,499, they're not paying anything. So this is causing increasing stress in the community, and where is the minister going to go with this? I'm looking for a plan complete with time lines on how she's anticipating meeting with different groups over this.

9:00

Again, just clarification on whether she's anticipating a regional police force, which may well work in Alberta given some clusterings in particular areas. I'm thinking of southern Alberta, for example, where you've got Lethbridge and Coaldale and some of those areas that cluster very closely together. That may well work, but is there money being set aside to study this? Is there money being set aside

to enhance this or to assist the groups to go in that direction if they so choose? What's the plan here?

Could I also probe a bit more on the antiterrorism equipment and training, on the status of the negotiations with the feds for money to cover this? That had been a response that the minister had given to me some time ago in response to my questions. What is the status of negotiations on this? I know that there had been particular concerns expressed by the larger police services saying, "We need money for," and then there was a long shopping list of things that they felt they needed: the biochemical suits and certain other protective equipment. Where are we with that shopping list? Is there going to be money coming from the feds for it? Has the minister been negotiating? I mean, I know she's met recently with her federal counterpart.

I appear to have reached the second of my opportunities to raise questions, and I look forward to another opportunity. Thank you.

The Deputy Chair: Hon. members, the first hour that's allocated between the minister and members of the opposition has now elapsed. Any other member who wishes to participate will be able to do so.

The hon. minister.

Mrs. Forsyth: Well, thank you, Mr. Chairman. The member has indicated that we both had a bit of a difficult time hearing earlier.

The development of a provincial impaired driving enforcement strategy is in conjunction with Justice, Transportation, and other police services. There is presently a steering committee composed of Alberta Justice, Alberta Transportation, a senior representative from police services, as well as the Solicitor General who have been developing a three-year strategy. As well, there's a 10-year business plan to combat impaired driving in Alberta. The committee is focused on Check Stop initiatives, utilizing multi-agencies in regional settings to specifically enforce the impaired laws in both urban and rural settings, and the Provincial Impaired Driving Committee has recommended a tripartite initiative between Justice and Alberta Transportation and my department. So we're working with various agencies on this issue. We believe that it's vitally important to the safety of Albertans. We believe that we need to bring a higher level of awareness to the high societal costs that result from impaired drivers, and we continue to work on it.

You asked about First Nation policing. You said that you'd heard something recently, but it had escaped you, and you'd come back to it.

You again asked me about my changes to the visions and missions. Quite frankly, hon. member, I like the vision, and I like the mission. We worked very hard putting together the vision, and we worked very hard on the mission. My background is advertising and marketing, and I spent many, many years in the advertising and marketing field. One of the things that they say that's important is the KISS philosophy and keeping it simple. You know, the vision is clear. It's articulate. "Ensure Albertans have safe and secure communities in which to live, work and raise their families." That's a vision. It's a vision Albertans understand. It's clear. It's concise. There's just no question about what our vision is for Albertans, and people are comfortable with that. They want to be safe. They want a secure community where they work, where they live, and where they raise their families.

The mission statement:

Our mission is to serve Albertans by ensuring safe and secure communities through effective policing, security and correctional services and when crime is committed to assist victims of crime.

Well, we're including the victims in regard to the mission. We're talking about our police. We're making sure that people are secure.

The department and the minister responsible spent an awful lot of time coming up with this vision. We have great people in our communications department, and we wanted to make sure that the message was a message that was done well and sent out to Albertans and things that they would understand.

You asked a lot about the reviews that we have going on. One of the things that I thought was important when I took over the ministry was to look over the reviews. You made some criticism on some of the time and the length of time, and I fully will accept criticism and responsibility for that. I think that when you're dealing with a sector of people, for example, the victims, which I think is a portion of society where crime has been suffered, that has lost out tremendously, the pendulum has swung so far to the side of the criminal that I think we've had to take the opportunity and bring the pendulum back to include how the victim feels. The hon. Member for Calgary-Shaw went out and did a review for me, and she did a very good review. We're studying that review. We're studying it very intently and looking at the financial implications of that review to make sure that we do it well and that we do it on behalf of the victims of this province who have suffered crime. We will be releasing that very shortly. So it's important.

You talked about the policing review. I know I let you know, because you wrote me and asked me, that the cost was \$10,000. It hasn't changed. As you're well aware, the committee went out, tabled their review of policing in July of 2002, and there was quite a bit of controversy in regard to some of the recommendations that the committee made, and you alluded to it. You talked about the photoradar, and you talked about the deputy constables and several other things. So the committee asked me for the opportunity to go out and clarify their recommendations to the stakeholders, which they did. They worked very hard to do that and came back with their report. It's called Listening to Stakeholders, and it was a supplemental to the policing report. It was released probably about three or four weeks ago – I'm not exactly sure – to give the stakeholders the opportunity to look at the supplemental, and we're working on it right now. We're working in the department, and we're assessing the original report from July, the supplemental, the 200-plus responses we've heard from stakeholders on top of that, and putting together a minister's report, to take it through the process of government, which we do. It will be released once it's gone through the government process. I know that's probably not the answer that the member wants to hear, but unfortunately on the government side we have a process that has to be followed.

I have met with stakeholders. The stakeholders are well aware of it. I have talked to the mayors. I had a meeting yesterday with the AAMD and C. I'm meeting with the AUMA next week. So the stakeholders are aware of the process. They understand that policing in this province is a very, very complicated, complex issue, and we need to make sure that we're doing it right. You indicated and I've indicated – and I'm not embarrassed – that policing funding is a problem and how we address the needs of the community. Currently, right now, 2,500 don't pay, and we've heard many, many complaints about that in particular: why only 2,500? It goes on to the fact that the counties around it are not paying, but the counties are getting the revenues from fines. Then you say that all policing pays, and we heard that in the original report, and then you hear from the communities that say that they can't afford to pay. So it's a very, very complicated issue.

You then alluded to the provincial police force. Obviously, you're well aware of the motion that was brought to the floor by one of my colleagues, and you asked if we were moving in that direction. No, we're not moving in that direction at this particular time. The RCMP contract is done in I think it's 2012, and we will be doing

some consulting. I can tell you, though, that I had a three-hour meeting with the RCMP. They're not afraid of a review. They're not opposed to a review. They would like Albertans to understand what they bring to the community, their cost and the benefits of RCMP in this province. Quite frankly, we have a survey, and I think the RCMP in this province are at 85 percent, which is huge support for the RCMP in this province.

9:10

The member asked about the regionalized police model. Well, the Police Act allows for the agreements between municipalities to amalgamate their police services, to develop a regional model. We are not opposed to it, are watching very carefully and are in several discussions with Chief Middleton-Hope in Lethbridge in regard to their regionalized police model in Coaldale. It's not for the minister to dictate down to the communities if they want to go ahead with the regional police model. It is up to the minister, though, to provide them support if they need it. We indicated to both the chief in Lethbridge and the chief in Coaldale that we would provide a facilitator, if so needed, to help them with a regional model. I spoke to the chief I guess it was a week ago Wednesday, and he indicated to me that things are moving along, and he hopes to keep us posted and would let us know by mid-May how he felt that model would be going.

The correctional review. Where is it in the proposed legislation? You alluded to a correctional review at a cost of \$40,000, which I think is really relatively inexpensive to review how we are dealing with corrections in this province. Quite frankly, I encourage you as a member to call your federal Liberal government and encourage them to do the same thing as we've done with our correctional facilities.

Mr. Lukaszuk: They could hire our committee.

Mrs. Forsyth: Edmonton-Castle Downs has offered his ability to be hired.

The committee traveled right across this province and visited the correctional facilities, all of the work camps, probation offices, even made a trip to Ontario to look at the privatized model of prisons and wanted to see how that was working, whether it was successful or not. I am in receipt of the report and looking at it very carefully. Again, we have a process that we have to go through in regard to government, how we're going to deal with it.

The other thing you referred to was about the Corrections Amendment Act. Why are we bringing forward the Corrections Amendment Act when the corrections committee hasn't reported yet? Well, I had actually been working on the piece of legislation probably for three years prior to being the minister and had been working in consultation with some of the correction officers, et cetera, let it sit on my desk, and a year ago we as minister and department decided to look at the act again to see if it was still worth while to bring it forward. I actually asked the committee if they would comment on the act and if they felt that I should hold off or I shouldn't hold off or if I was interfering in their process. They felt that, no, it wasn't interfering in their process whatsoever. So that is what you see in front of us.

You talked about the rehabilitation of offenders in the correctional facilities. You know, all of our offenders in our adult facilities either have to be working, in upgrading, or they are ill. I really would like to get back to you, because you mentioned two and I only caught one. You mentioned literacy and one other.

Ms Blakeman: Numeracy.

Mrs. Forsyth: Okay. I'm not sure, and I'm sorry, but we will get back to you on that particular question. I can tell you that we do spend a lot of time with our offenders, and I alluded to that before.

You asked about the special constables, a huge issue obviously. One only has to read in the paper an incident, a very tragic and sad and very unfortunate incident, that happened recently to a special constable in Grande Prairie. We have since written to that special constable. We feel that he was way out of his authority in what he was particularly doing and have suspended him with pay until we review all the things and questions that we've asked him in regard to acting outside his authority. I have no problem telling the hon. member the number of complaints we get about special constables. That doesn't take away from the special constables that are doing good jobs in this province, because we have over 3,000 special constables and about 140-some with more authorization than the majority of them. Their capacity is bylaw enforcement and a bunch of things.

So we sat down with the new president and the old president of the Alberta Special Constables' Association a few weeks ago and talked to them. They're keen on allowing a whole bunch of new things for their special constables: carrying side arms, carrying Taser guns. I've indicated to them: no, I'm not prepared to do that. I think the first thing that we have to do is start looking at standards, getting their association up and running, somewhere where we can deal with roles and responsibilities. I have assigned one of my staff members who's a former RCMP fellow working very closely with them, and we will try and help them as much as we can on this special constables issue.

You asked me about the chief of police of Edmonton. I'm continually meeting with Chief Wasylyshen quite frankly. I was trying to flip back in my Day-Timer, but probably within the last month I sat down with the chief, and prior to that it was regularly. Chief Wasylyshen knows that I have an open-door policy. He also has my private home number, and he has my cell number if he would like to talk. I am not going to get into a spitting match with the chief, and I am not going to get into a spitting match with the mayor in regard to policing issues. I encourage them to come to my office.

The functions that they are currently doing that they were alluding to in that article – and the chief has not spoken to me personally; just what is involved in that particular article – are all part and parcel of the Police Act and their responsibilities. If they feel that they shouldn't be doing that or they want to withhold their services, well, I guess we have to sit down and frankly talk about it. But as I explained to the hon. member, we provide \$16 million in an unconditional grant, and the city of Edmonton received approximately \$23 to \$25 million in fines, but we must keep in mind that it's very clear in the Police Act that the funding for the police, for the municipality, is done in conjunction with the police commission, the chief of police, and council, and they determine their budgets. If Chief Wasylyshen has a problem with funding, he should be talking to the commissioner and he should be talking to the mayor in regard to funding. The municipal funding, the unconditional grant, comes under Municipal Affairs, but I have and will continue to advocate on behalf of all police in this province and try and get more money.

The last question you asked was again on antiterrorism. We have given the city of Calgary – and I don't have the funding in front of me – X amount of dollars after the G-8. The number has escaped me. I have indicated in a letter to Chief Beaton on the 17th of January, I believe, that if the city feels that they need more funding for terrorism, then by all means they should present before the task force that the Premier established, and I reiterated it again when I met with Chief Beaton and David Mitchell, who is the commis-

sioner, and have not heard from them since then. So they know, again, that the door is open. I explained to Chief Beaton that if you got X amount of dollars before and you feel you need more, I'd be pleased to have them present in front of the ministerial task force that the Premier set up.

So I think I covered most of the questions. I may have missed a few, but if so, we've got people in the gallery taking notes and said that we would certainly get back to you on those.

9:20

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. Just a last couple of categories to cover and a few clarifications. According to what the Solicitor General just said, then, services such as serving documents, providing witness management and protection, conducting bail hearings, check stops, and commercial vehicle inspections are all duties that are to be assumed and paid for by the civic police force. Those are not provincial duties. They're not performing that on behalf of the province. Did I hear the minister correctly say that under the legislation they're supposed to be doing it, that it's not the province's duty or obligation to pay for it in any way, shape, or form, that this is under the legislation? So just clarification there.

One other thing. With the offenders I was talking about numeracy and literacy programs. The other one that's obvious is English as a Second Language. Even in 32 days on an average stay there's some work that could be offered there that would be of great benefit for offenders who are trying to rehabilitate and move into a constructive community life.

Now, just a few other areas to cover. Again, this is coming out of a lack of information with no corrections review forthcoming. There had been some discussion a year ago about closing correctional facilities. I'm wondering if we are expecting or if it's reflected in this budget. Is the minister anticipating any correctional facilities closing in the next year or in the following two years, to make the full three-year period this budget is anticipating, and which ones are being anticipated? If they're closing, then is there a consolidation that's expected, and would people be transferred? Where? Could I get some information on that?

I'm just going back over the questions that I asked last year and looking for answers. Just a few of them were questions that I couldn't find an answer for. Around the G-8 summit there was some outstanding money that was owed back to the province. Did we receive the full amount of funding that the province provided services for and was anticipating being reimbursed for? Did we get all of that money from the feds, or is there still money outstanding there?

Also, last year I asked about sharing information and enforcement with the aboriginal casinos, and I didn't get a clear response on that from last year's debate, so I'm reasking the question. This also came up in my debate with the Gaming minister this year where there was a question about enforcement and working around possible white-collar crime fraud issues around gambling, that the Minister of Gaming referred to the Solicitor General, saying: that kind of enforcement is not my problem; it goes to the Solicitor General. So I'm putting it to the Solicitor General.

The issue of caseload for probation officers. Could the minister please supply me with the numbers that tell us what is the previous year's average caseload and what is this year's average caseload for probation officers? What is anticipated for next year's average caseload for probation officers? I don't see increased funding to support or to lessen that workload. I'm wondering what the minister is anticipating for the future. Is there a sort of breakpoint that the

minister will start to take action as we approach that? Is it 500 cases per or 700 cases per? What plan does the minister have? Perhaps it's not written down, but surely the staff have anticipated, as the workload continues to increase, that at a certain point it's going to be approaching a crisis. At what point does the plan kick in, and what's the plan?

The minister's office shows an increase of 7 percent. Now, that may not add up to actually very many dollars, but it is 7 percent. What is that 7 percent covering? Is that additional staff, or is it renovations of the minister's office or a lot more photocopying that's being anticipated? What's that 7 percent covering?

Now, I did remember what the native policing issue was. A couple of issues there. It's been pointed out to me that officers are often seconded from the RCMP to work in Justice or in the Solicitor General's area, but they believe that no First Nations police officers were ever seconded to the department. Could the minister check and see if that information can be backed up, and in fact if no First Nations officer has ever been seconded to the department, why? Would there be something that could be put in place in the future?

Secondly, the minister was talking about a Special Constables' Association. At first she talked about it like it existed, and then she talked about helping them set one up. I'm wondering if there is a First Nations police officers' association, and if not, why not? Would the minister consider assisting them to set one up, or is there a reason why they don't belong to the other regular one? That's probably obvious: it will be a geographical restriction there. But if I could get some answers around that. Also, has the minister consulted with any of the First Nations or aboriginal police forces around the discussions for either a provincial police force or a regional police force? Have they been brought into a discussion, or have they been consulted at all on either of those two issues?

The fine revenues. Aren't these fine revenues collected by First Nations police? Are they allowed to keep it, or could they be allowed to keep this fine revenue? That was something that was being discussed as part of that police review and different possibilities of collecting fine revenue: putting it into a special fund, not putting it into a special fund. Where are we at with the fine revenue? What's actually being considered here now? If I can get a specific section answered, then, on the First Nations.

The last of my questions is around the diversion project. The minister and I have spoken about that I think for two years now. Certainly, I'm supportive of it. I know the minister is supportive of it. Can we get an update, please, on what's happening with this project? When I met with the minister last summer, she indicated that this was really a multiministry committee and that it was being chaired by her deputy minister, I think, but there were a number of others that were involved. Most recently I think in the news we've heard a bit of a difference of opinion, shall I say, between the Solicitor General and I think it was the health minister over this very diversion project. We know that there was the pilot project in Calgary. I believe there was also a smaller one that happened in Edmonton. Can we get an update on what's happening with that and whether the minister thinks she can move forward with this project, or whether it needs more buy-in or more time? What's needed in order to expand this program and make it available to more centres and to make it a permanent program?

Those are the questions I have so far, and I will allow others to get on the record with their issues for the Solicitor General. Thank you.

The Deputy Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I would like to ask a few questions of the Solicitor General on the departmental estimates

today. I'm pleased to have this opportunity to do so. I was looking at the business plan, and I find that under Core Performance Measures the first set of measures deals with victim financial benefits, victim services, and victim service initiatives. I heard the Solicitor General speak about how the pendulum had swung over the last several years away from the protection of victims and services they needed provided to them and that she had made a determination to correct that imbalance and bring the pendulum back to where the situation would be more friendly towards victims.

9:30

Now, when I look at page 353 of the business plan and look at the number of victims' services initiatives, I notice that the minister is planning to increase these initiatives from where they were in the years 2001-2002 from 213 to 220. I wonder if she could shed some light on what these additional initiatives would look like. What are they? On the same page "access to victim service units" is planned to go up by a few percentage points. These are ambitious new targets, and I find nothing wrong with those as such except that I need more information on the nature of the initiatives that'll be added to the existing ones from the year that's just passed.

When I look at the budget line items under expenses, the victims of crime fund will decline by about 7 percent. So I find it difficult to square the circle. That is, on the one hand the Solicitor General is planning and making commitments to increase services and initiatives in favour of the victims of crime, and at the same time the only item under expenses where this money will go down from \$10,813,000 to \$10,045,000 is in the area of the victims of crime fund. So there's a reduction of about \$768,000. I'm sure the Solicitor General will try to address this apparent anomaly between the amount of dollars that she is allocating to that category and her plan to increase the services to the victims in addition to, of course, telling me what these new initiatives will be.

My second question has to do again with listening very carefully when the minister was responding to some questions from the Member for Edmonton-Centre with respect to some ongoing exchanges that have been going on between the minister on the one hand and Edmonton police services, both the chief of police and the police association. In addition, I understand that the police association may not have been in direct exchange with the minister, but certainly the chief has been. I notice that at least according to the recent *Edmonton Sun* story of April 10, which is just a few days ago, the mayor seems to be sharing the serious concerns of the chief of police of Edmonton when the chief says that his police service is and has been providing unfunded provincial services that are not really within the funded mandate of the Edmonton city police. He puts about a \$13 million price on the services that the province receives and seems to continue to expect to receive from the Edmonton Police Service.

So I want a quite specific and clear answer from the minister as to what she thinks of the claims, which are outlined in detail on the piece of paper that I have here by the Edmonton Police Service. The amount is \$13,020,000, and they've outlined in quite a bit of detail, item by item, why they think that the province owes the Edmonton Police Service at least \$13 million for the services that the province is receiving directly and which are over and above the work that the Edmonton Police Service does under the authority of the Police Commission for the city of Edmonton. So if the minister would address that question.

My one other question. I heard the Solicitor General commenting on the radio perhaps a few days ago on her support for the Edmonton city police's consideration of installing some cameras on Whyte Avenue. The Solicitor General said quite categorically as I heard her

on the radio that privacy concerns as expressed by some people may be there, but security comes first. Public safety comes first. Okay. Now, I happen to represent that area of the city. With the exception of one major breakdown in public order two years ago on Canada Day I think the issue of public safety is not that critical. If it is there, it's related to there being too many bars and some people getting too drunk after midnight. The communities around Whyte Avenue have not been asking for surveillance cameras but for a reduction of the number of places where people go and drink, and they think that would be the appropriate answer rather than breaching the privacy of tens of thousands of Albertans, including Edmontonians and people who live in and around Edmonton-Strathcona, who want to spend time on that avenue.

I think their privacy is an issue, and to simply say that public safety comes first I think fails to address the question of where the threats to public safety come from. They don't come from people just being on Whyte Avenue. The sources of those potential threats may reside not in lack of surveillance but in the overabundance of bars and the licences that are issued, and part of the responsibility for that happening must be accepted by the Alberta liquor board, which is the responsibility of the government and not of either the business owners or the city police or the city of Edmonton. So that's my third question. Would the Solicitor General clarify as to why she thinks that privacy considerations must give way to public safety considerations? Why does she think that public safety will be better served by installing surveillance cameras rather than by taking serious action to reduce the incidence of heavy drinking which results from the excess capacity and the excess existence of watering holes around the area?

9:40

So these are three questions that I would raise at the moment. To conclude, I just want to make a general statement about the complaints that I hear from city of Edmonton representatives, including council members, about the withdrawal in the mid-90s, I guess, of grants that the city used to receive for policing. Those grants in today's dollars are estimated to come close to \$30 million. The province at that time removed those grants in order to respond to the pressing concern with deficit reduction and debt repayment. Those concerns now, according to the Minister of Finance, are not pressing. Why is it that cities like Edmonton are still waiting to hear from this government, including this minister, that those grants will now be restored?

I'll stop there so you can answer those questions for me. I'd really appreciate it, Minister.

The Deputy Chair: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Chair. I'm going to go third to first if I may. I find of interest the video camera comments that the hon. member has alluded to. Yes, I was on CBC, and yes – I mean, you heard me. I was very, very clear. I think public safety is paramount. You referred to the fact that, well, we only had one major incident. You know, I don't know if this is a fair analogy or not, but sometimes major incidents make you wake up and realize some of the things you have to do. I don't think, hon. member, that anybody ever, ever in a million years would have forecast the incident that happened on September 11 and what we face with the terrorists' act and what has happened since that terrorist attack of September 11 in North America as far as preparing for security and what's going on.

You know, I've talked to some young people about video cameras. In fact, I've talked to some young people – and we face a similar situation in Calgary. I forget what it is; it used to be Electric

Avenue, and now I think it's 1st Street where they've decided to do their drinking. The kids that are on those streets or the people that are visiting those bars that are purely innocent – they're going there to drink, and they're going there to have a good time – don't have a problem with the cameras. But I have to tell you that I was on a ride-along program last May for crime prevention, and every third call that we were getting on that police scanner was for fights, was for brawls, stuff coming from the bars, and it tied up the police incredibly. Of course, you get a bunch of drunk kids or drunk adults – I don't want to just pinpoint this on kids, obviously, but you get drunk, inebriated adults and trouble breaks out.

So, I mean, I honestly – and I can tell you this quite frankly – think that the number one priority that is paramount is the safety of Edmontonians, Calgarians, Albertans. You know, I don't think we're invading anybody's privacy. Why would you invade anybody's privacy if they're just quietly walking down the street and they're not doing anything? We have video cameras around this Legislature for the protection of the people that work in this Legislature and for people like yourself to make sure that you're safe and secure. You may or may not agree with that particular incident, but as the Solicitor General it clearly says in my mission statement: safety and security of Albertans and a safe place for people to raise their families.

Hon. member, you have to appreciate the fact that we are in a new time, and as much as we don't want to or we don't like it, we have problems in the cities with gangs – and I know you're well aware of that – and we have difficult crime situations that our police have to deal with on a daily basis. I honestly thank God every day for the police in this province, the cops that take care of us every day, our CAPS officers that do a good job, my correction officers, and my probation officers for the stuff that they have to put up with on a daily basis and how well they deal with it in protecting the people of this province.

You talked about the chief and the mayor again, and I answered that question to the Member for Edmonton-Centre. I'm not going to get in a spitting match with the mayor, and I'm not going to get in a spitting match with the chief of police. But let me tell you, it clearly spells out under the Police Act that in consultation with the chief of police and the commissioner and council they decide on the budget and the priorities and how that budget is aligned, and if they say this million of dollars goes to the police, that's exactly what goes to them.

When I hear you allude to the fact that the police threaten that they're not going to provide their duties within the courts, let's work on a bit of a scenario here. A police officer is in a high-speed chase. You can say a B and E, you can say whatever you want. He catches the guy, he cuffs the guy, and he takes him and he charges him. If the police in this province for a minute think that they are going to stop that particular duty at that particular time, then you can say bye-bye to the offender because those police have to be used and they are needed at court when they go before a judge. That is part and parcel of their particular duty.

You referred to the victims. First of all, there are several things, you know, in regard to the pendulum. I think we have to really, really talk about the victims in this province. As the result of amendments to the Criminal Code of Canada in December '99 the victims of a crime are given an opportunity to read their victim impact statements aloud in court for consideration prior to sentencing so that the judge could hear it. As well, the judges are now all obliged to inquire whether the victim has been advised about the opportunity for a victim statement, so I think that's one of the positive things that we're moving forward.

I mentioned earlier, when I was speaking to the Member for

Edmonton-Centre, about the victims' review, apologized for the length of time that it's taken for this victims' review to get to this point, where it still hasn't been released, and I'll take full criticism for that. I think that what we have to do on this particular thing is make sure that we're doing it right, make sure that we can follow through with some of the recommendations. We also have to consider the financial implications that are involved in that particular victims' review. There's no sense getting anybody's hopes up, especially when it's the victims', if I cannot provide them the funding under that review.

Dr. Pannu: Funding is reduced. That's what my question was, why funding is down.

Mrs. Forsyth: You're not supposed to be talking now. It's my turn. You're supposed to be sitting listening. But I'll sit down and let you ask again.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. I've listened with interest for quite some time to the exchange between the hon. minister and various members of this Assembly. I look at the Alberta Solicitor General annual report and I look at the Minister of Justice, and certainly the first thing that comes to my mind is that perhaps all this is unnecessary. We look at the expansion of the cabinet after the last election, and maybe we would be better off speaking to the hon. Minister of Justice. We could do all this under one department and save a few dollars in the process, save a few administrative dollars. They could be better spent fighting crime, educating the public about crime and the effects of criminal activity. I just think that the former member of this Assembly, I believe from Ponoka, a member of the Progressive Conservative Party, was absolutely right when that individual talked in an open letter to the province about the expansion of the cabinet from 16 to 24 hon. members of this Assembly and how that money could be better spent, and this is a case of it.

9:50

Now, I'm looking at page 344 of the budget document, the government and lottery fund estimates, and I see victims programs and the expense item estimates for this year of \$2.3 million. Previously there was \$1.8 million spent. If one is to look back and go back on this, the actual expense, true enough, is \$1.8 million, but the actual budget that was allocated for that was – and we'd have to go back to an annual report from a previous year to confirm this. We would see that there was a budget of \$3.5 million, and this is for victims programs again. This year we are going to budget, as I said, \$2.3 million. What programs is this money being spent on? Why do we have the actual expense in the previous fiscal year of roughly half of what the actual budget was, and is that going to reoccur in this budget when we're talking about victims programs here?

Also, in financial benefits the actual expense is indicated at – and this is on the line above, again for the hon. minister, on page 344 – \$10.6 million in the fiscal year 2001-02. In this year's estimates it's \$7 million. But financial benefits – and this is in the victims of crime fund – was overexpended by \$3 million, yet we're going to spend in this year \$3 million less. Now, how is all this going to work out? If the minister could explain these discrepancies, I would be very grateful. Certainly as I understand it, the victims of crime fund in these documents has an administrative staff of nine, which doesn't seem out of the ordinary when you have a total full-time equivalent employment in the ministry of over 2,000 souls. What

exactly is going on to cause these discrepancies in the victims of crime fund? If the minister could explain all that to me, I would be grateful.

With the victims of crime fund itself, on page 341, I believe it was overexpended – and I'm just calculating this – by 10 percent. If the minister could explain to me why, I would be grateful for that explanation too.

Now, getting further on here, Mr. Chairman, to the crime statistics. Whether it was in the Department of Justice or in the department as we know it now – you know that we reinvented the Alberta Solicitor General, that department. Interesting. People would not believe this. The crime rates are actually decreasing if you look from 1991 onwards and particularly per thousand population. That's a noble effort, and that's a good goal. Regardless of whether I feel it should be in Justice or independent, it's a good goal to strive to reduce our crime rate when you compare us with the rest of Canada.

I notice in the performance measures that we just talk about the western Canadian provinces, and I don't know why that would be. Is there sort of an equal amount of population that resides in urban areas, that resides in rural areas, in small towns? I don't know why in the annual report from last year we're talking about Canada, yet here I see that we're comparing ourselves to the four western provinces. When we look at the public perception of safety in the home, in the last five years there has been significant progress made, and those responsible – well, if I had a hat, I would tip it. Public perception of safety in the neighbourhood: certainly there has been significant work done there. Also, with the victimization rate there has been a slight improvement. We look at the crime rate, violent crime and property crime, and to have the lowest violent and property crime rates of the four western provinces is the target.

Now, when we compare ourselves to the rest of Canada, we seem to be going down parallel with the country in total, and that is progress. Certainly there is more progress to be made. There are certain people who almost make the publicizing of crime a cottage industry. They put a lot of fear into individuals. We live in a big city. We live in a city where there is violent crime, unfortunately, occurring on a daily basis, and these crimes are being committed against innocent victims in all age groups, all genders; it doesn't matter. When you talk to some of the victims of those crimes, they would not believe that crime rates in this province and in this country are dropping, but the statistics are here.

I would like the hon. minister's view of this. Are we changing how we're reporting crime? Do we have less police? Are they overworked? Well, we all know they're overworked. The population of Edmonton has grown in the last 10 years. The number of police officers to police it certainly has not grown at the same rate. It's starting to grow a bit now.

10:00

The Deputy Chair: I hesitate to interrupt the hon. Member for Edmonton-Gold Bar, but pursuant to Standing Order 58(4), which provides for not less than two hours of consideration for a department's proposed estimates unless there are no members who wish to speak prior to the conclusion of the two hours, I must now put the question on the proposed estimates for the Department of Solicitor General for the fiscal year ending March 31, 2004.

Agreed to:

Operating Expense and Equipment/Inventory Purchases	\$267,357,000
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The Deputy Chair: Shall the vote be reported? Are you agreed?

Some Hon. Members: Agreed.

The Deputy Chair: Opposed?

Some Hon. Members: No.

The Deputy Chair: Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that the Committee of Supply rise and report and beg leave to sit again.

[Motion carried]

[Mr. Shariff in the chair]

The Acting Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Solicitor General: operating expense and equipment/inventory purchases, \$267,357,000.

The Acting Speaker: Does the Assembly concur with the report?

Some Hon. Members: Agreed.

The Acting Speaker: Opposed?

Some Hon. Members: No.

The Acting Speaker: So ordered.

head: **Government Bills and Orders**

head: Second Reading

Bill 25 Class Proceedings Act

[Adjourned debate March 12: Mr. Rathgeber]

The Acting Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. I'm pleased to take this opportunity to respond as critic to Bill 25, the Class Proceedings Act. I think this is an act that has been long sought in Alberta. Class action legislation allows two or more people with an identifiable similar case to sue over a common issue to go forward to the courts as one, and this allows for a consolidated process instead of having several individual cases or in some cases hundreds of individual cases come forward on the same issue. Examples that could have been used in Alberta would be around things like the sterilization issue, pine shakes, and we've already seen issues like the breast implants. Albertans had to go to other provinces to be involved in class action suits. The other one would be WCB widows. They went to B.C. to get involved in the B.C. class action. So I think a number of people applaud this proposal to bring the legislation forward.

I'd like to recognize my colleague, the former Member for

Calgary-Buffalo, who raised this issue I don't know how many times, dozens, hundreds, during his tenure here in the Legislative Assembly, and I have certainly been asking the government to bring it up since I've been the critic for this area. I would really like to support this legislation seeing as I was so keen on having seen it brought forward.

My one hesitation with it is the decision to put into the bill the clause around costs, and that is that costs are awarded under the rules of court, so strictly speaking, costs could be recovered only in a meritorious outcome. That can be seen as frightening off some groups who are not educated legal participants or not used to working inside the legal system. I had real concerns about this. This was enough to make me say: ah, darn, the process got tainted here and I can't support the legislation anymore. But I've spent some time consulting with a number of different lawyers that are coming from different backgrounds, and while they all say that it's wise to note it and to express a concern about it and that we need to be alive to people not being turned away from or discouraged from launching class action suits, the advice I'm getting from the lawyers is it is not enough to not support the legislation. In fact, a number of lawyers had said that they felt it just wasn't an issue, that in fact the courts can decide how the costs are awarded themselves. So even if a class action suit didn't win, the courts could still say: well, you didn't win because of a rule of law, but certainly, you know, your case had merit, and therefore we're going to split the costs. They can make a number of other decisions, and that's entirely up to the judge. So it wouldn't necessarily mean that the costs would all come back on the members who brought forward the class action suit.

It's particularly scary because out of all the individuals who gather together to form that class, one person's name usually appears at the head of this and is listed as the plaintiff. So it's kind of scary for that individual person to contemplate being held responsible for the costs of the entire trial. That's enough to scare a number of people. I think that we need to be encouraging people to use the legislation the way it was intended, not to be scared off by the costs prohibition, and to trust that the courts will deal with this in a fair and equitable manner.

There have certainly been some lawyers that did come forward to me and to the media saying that without a fund to assist the costs of class action, it would preclude people coming forward. They certainly argued vehemently and vigorously, but according to the Uniform Law Conference of Canada:

Normal costs rules pose barriers to bringing a class action.

Although the whole class may benefit from the action, the representative plaintiff shoulders the burden of paying lawyers' fees and disbursements and will receive only a portion of the total costs back if he or she is successful. The representative plaintiff is also liable for any costs ordered by the court if the action is unsuccessful.

So it does sound like a hard line, and it can be enough to scare people off, but I have been reassured enough that people need to stand by their action and believe in it and, of course, not bring forward frivolous actions, which I don't think many people do in the court system. We're happily in Canada still not a litigious society. We don't go forward to court unless we really believe there's a genuine case there, and we certainly don't have a culture that encourages people to go to court at the drop of a hat, and that I think is a good thing.

I do note that in B.C., who has a no-cost scheme, they're actually looking at moving away from that and looking more at what Alberta is proposing here.

10:10

Boy, I hope I'm not wrong on this, but I've been reassured enough by a number of people I respect in the legal community that this

clause should not preclude people from getting involved in this and it should not be enough to stop me from supporting the legislation. I mean, we're in second reading with this. This is a debate about supporting the bill or not in principle at this stage, and I've certainly put the concern about the costs and the lack of a fund on the record. I'm satisfied enough with that that I can support the bill in principle.

The bill goes through a number of other sections that are needed. It talks about the class of plaintiffs, that they're all bound by the outcome. There can be subclasses. If there are certain people that share even closer issues than some of the others, then they can form themselves into a subclass. So they share a common cause, but there are some elements that are different from the other group. People that fall under a class can opt out of the process if they choose to do so, and that prevents people from being trapped that don't want to be covered by a class action. It does allow the class to solicit funds from organizations and people who are not part of the class action.

So without going into a sectional analysis, I'm satisfied enough by the long lobby to get this legislation in place and by putting the concerns on record around the costs section. I'm looking forward to hearing the sponsor of the bill or perhaps the Minister of Justice give justification for why that choice was made in Alberta. Was it because they'd looked at B.C. and felt that it wasn't successful there, or is this just following through on the government's philosophy of a user-pay system? Obviously, they considered it, and they deliberately included it in this legislation. So my question back to the proposer of the legislation and to the Minister of Justice is: why? Tell us what your reasoning is for having included that particular section which puts the costs back onto the plaintiffs. I think we'd all like to hear that. I'd be very interested as to whether or not the government has a reassurance that they'd like to offer to people. It would be particularly interesting if they were silent on that issue.

It's always interesting how much talk there is from the government side about opposition dragging out bills, but I don't believe in doing that if we're willing to support legislation, so I don't even need to take up my entire amount of allotted time tonight. I've said what I need to do, and I appreciate the opportunity to speak to the bill. I'm willing to go on record as being in favour in principle of Bill 25, the Class Proceedings Act, with the reservations that I've noted.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I'd like to speak on Bill 25, Class Proceedings Act, in its second reading. Looking at the title of the bill, I like most others who look at just the title would be tempted to speak in favour of and to support this bill because it would fill a big hole that's been present in the justice system for a long time. Many other provinces, six of them in fact, have already enacted legislation which would permit citizens to collectively launch class proceedings against a company or a government or another party. So if the bill were straightforward and an attempt to catch up with the other six provinces which had already learned from each other's experience and developed legislation, I think I would be supporting it.

I was looking at the news release from the government of Alberta that was released in March of this year. The intention as stated there is that this bill "will help ensure that class action lawsuits in Alberta proceed in a fair and efficient manner." Now, the efficiency side of it perhaps is something that we can say that this claim has some substance to because the certification process that sets out criteria to define the type of case that may be pursued as a class proceeding would be a help, I think, for potential plaintiffs to determine whether or not they should proceed with such an action in the first place. So

the outlining of criteria is useful. I think that will be helpful and will I suppose contribute to increasing the efficiency in the dispensation of justice.

The issue of fairness is the one where I think this bill is most seriously flawed. Again, the news release from the government claims that the bill is "based on the Uniform Law Conference of Canada's model class proceedings act" and further says that therefore "it will ensure that Alberta courts are operating under similar guidelines currently operating in other provinces." Well, I am afraid that this claim that it follows the model that's in place in other provinces I think is questionable, to put it mildly. In the other provinces to my knowledge the representative plaintiff isn't left legally holding the bag in case the plaintiffs lose the case.

Ordinary citizens don't have the time and don't engage as a matter of course in playing legal games and launching class lawsuits in the hope of seeking awards which may be \$2,000, \$5,000, maybe \$10,000. They undertake legal action because they feel that they have been seriously wronged. The typical defenders in class action cases are powerful parties, usually, who are not willing to sit down and negotiate a settlement, so they have to be taken to court. They happen to be either governments, who don't have to and don't normally worry too much about how much it is going to cost for them to take a matter all the way to the Supreme Court of Canada if necessary as we all know, or big corporations, who have the capacity to outspend ordinary citizens as plaintiffs.

So this bill doesn't make the processes and the system of justice fair in a way that would ensure that in case ordinary citizens lose a case, they won't face bankruptcy; they won't face financial ruin. All the costs associated with the suit in such a case would have to be then borne by the representative plaintiff.

10:20

So I guess the concern that I have is this. If the province of Quebec can protect a representative plaintiff from this financial jeopardy in the case that the plaintiffs lose the case, if British Columbia, Manitoba, Saskatchewan, and I think even Ontario don't have this particular provision in their legislation, which imposes such heavy costs on a representative plaintiff, why is it that in this province there is no evidence in this act that we have learned from the experience of other provinces? Why this excessive caution, if it is a caution, by the Minister of Justice and Attorney General, who I guess is the sponsor of this bill? It just doesn't make sense.

The Alberta Law Reform Institute makes clear recommendations that for this bill to work, for Albertans to feel secure when they consider and in fact undertake to launch a class action suit, they have to be assured by provincial law that they will not face financial ruin in case the court determines that they have no case except in cases where there is clear evidence that can be provided that the suit was either an act of sort of frivolous conduct or that unnecessary applications were made deliberately to delay the proceedings or other such exceptional circumstances. So the Alberta Law Reform Institute must be disappointed, must feel that the work that they have done over the years has come to naught.

This bill will not make matters more fair. If anything, it will act as a deterrent for aggrieved Albertans who think that they have justification for getting together to launch a class action suit but won't do so because of the financial costs that are potentially built into this act that will be imposed on them in case they lose the case. The concern that to enact in Alberta legislation that is similar to the other six provinces would engender a society where we encourage more lawsuits I think is simply not a persuasive argument to make in defence of this very serious flaw that this bill suffers from.

I have known some people in the Alberta Law Reform Institute,

and they are very, very serious scholars of law and practitioners of law. When they say that they're disappointed, they feel let down by these provisions of this proposed bill, and that the purpose of the reforms that they were seeking will be defeated if this bill proceeds and becomes a law I think is a warning that needs to be taken seriously, that needs to be heeded. So I would hope that the hon. Minister of Justice and Attorney General of the province would reconsider the flaws in the bill and, if necessary, not proceed with it. Having heard from Albertans, having heard from representatives of the legal community, having heard from Alberta Law Reform Institute spokespersons, and having heard from the members of this Legislature with respect to the serious concerns that they have with this bill, I would hope he would take it back to the drawing board and bring back a more improved bill.

I think there's no need to rush this bill through the legislation this session. If we have waited this long that we are the seventh province to make a move in this direction, I think a few months' delay, if the delay is to be used to improve this bill in bringing it back to the House in the fall, would be a worthwhile delay, and Albertans won't be disappointed if the Minister of Justice does in fact take that kind of action. So I would strongly urge him to consider this suggestion that I'm making, and I hope that he will respond positively to it.

With this, Mr. Speaker, I conclude my second reading comments on the bill. Thank you.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. I'm wondering if the hon. Member for Edmonton-Strathcona would entertain a question in regards to his remarks on Bill 25.

The Acting Speaker: Okay.

Mr. MacDonald: Thank you very much, Mr. Speaker. Now, the hon. Member for Edmonton-Strathcona felt very similarly to what the Alberta Law Reform Institute feels in regard to having a no-cost process: because it would operate more fairly. You described this bill, hon. member, as having "heavy costs." Do you think this bill will deny access to the natural flow of justice for Albertans, and how do you feel this would work in regards to protecting and enhancing our public health care system?

The Acting Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I think that it's an important question, a significant question. I just want to draw the attention of the hon. Member for Edmonton-Gold Bar and my colleagues in the House to the recommendation that the Alberta Law Reform Institute made with respect to the design of such a bill. The institute was of the view that such a bill must be designed so it makes the process a no-cost process. Quebec and some other provinces have a fund which they use to take care of the costs the plaintiffs may have to bear in case they lose the case so that the money doesn't come from their own pockets. But if they have followed the advice and the norms and procedures set out in legislation in their determination of whether or not they need to proceed and if they have followed those procedures seriously, then the costs are to be deferred in some other way. I think that's a good way of dealing with it.

Now, it's clear that this government or any government could be subjected to a class lawsuit if it fails to provide health care services, for example. The patients could as a class take action against the government. I wonder if the government feels so sensitive about such possibilities that it wants to prevent such patients who may feel

that they have received injuries while they're under treatment in the public health care system from proceeding that this deterrence is built into the act. If that's the case, then I think that's not the way to go. That's the wrong thing to do. That's why this bill, I think, needs to be changed, and I urge again the minister to think about the suggestion seriously.

10:30

The Acting Speaker: Hon. Member for Edmonton-Mill Woods, are you rising to question?

Dr. Massey: No. To speak on the bill.

The Acting Speaker: Does any other member have a question?
The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thanks, Mr. Speaker. Just a few comments about Bill 25 and the class action lawsuits that it will bring to the province. I think that when we're in second reading, we're considering the principles of the bill. There are three principles in this bill that I think are very important, two of them very positive and the third controversial, as already has been mentioned.

I think that one of the principles that the bill is built on is that it increases access to justice for citizens in the province, and I think that's a principle that we can all support, Mr. Speaker. Any bill that widens the powers of citizens to take action on their own or on behalf of others I think is one that deserves close scrutiny and in most cases should deserve our support. So the principle of increasing justice for citizens that this bill embodies is an important principle that I really support.

I think that another important principle the bill is built on is that it does allow citizens who may not have the individual resources to take action. It allows those citizens to join with others to sue a defendant, and often those defendants have enormous legal resources. If you think of some of the class action suits south of the border that have become quite famous – the class action suits against tobacco companies, the class action suits against manufacturers of breast implants – there have been some very high-profile class action suits south of the border. I think that this is an important principle in that it allows people to come together who may not individually have the resources but who collectively then can take on some giants who would escape prosecution just by the mere fact that they have such huge resources to draw upon. In many cases the complainant would be someone with limited resources and wouldn't be able to take action. So a second sound principle that the bill is built on, Mr. Speaker.

The third principle that the bill embodies, that citizens should be personally liable for costs of actions that they initiate, is one that I think is going to cause the most controversy. We've heard arguments on both sides of that principle, from those who say that this is going to be a deterrent and that people won't undertake class action suits because of the potential liability that it opens them to, while others say that that really isn't a problem, that the courts are able to award costs. If citizens really do believe that they have been wronged, then they should have the courage of their convictions and be willing to stand behind them, and that means standing behind them financially. I worry about this principle, Mr. Speaker, and I guess that when we get into looking at the details of the bill, I'd like to hear of more cases and the implications of class actions for those who filed them, and I'll look forward to that debate at that time.

I'm pleased that the class action bill is here, Mr. Speaker. There are certainly a number of circumstances in this province where class action would have been a very, very useful tool for citizens to have

at their disposal, and Bill 25 does just that. I think it's progress in terms of citizens being able to defend and to right wrongs.

Thanks very much, Mr. Speaker.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Thank you very much, Mr. Speaker. I have been looking at this bill rather closely, the Class Proceedings Act. Certainly, if we were to make this bill into a law, I wonder who would be the first to be in court by the citizens. When one looks at the newspapers and follows political commentary in this province, it would probably be the provincial government class action lawsuit.

Certainly, we need this legislation. There is no doubt that we need this legislation. We have the whole issue of faulty fixtures being sold in this province. Some consumers that have been at a disadvantage regarding that matter have had to travel to B.C. and hook up with a group of citizens there who were making class action proceedings in regard to this.

The pine shakes issue is another one. I believe it was rule 42 of *Alberta Rules of Court*, which are mentioned in here, Mr. Speaker. Yes, it is Alberta rule of court 42, and that has to do with representative action. Now, if we were to have Bill 25, the Class Proceedings Act, as law, rule 42 in that case would not be applicable. Unfortunately, when this whole sordid affair of the promotion and authorization of the pine shake as a suitable roofing material – and this was before electricity deregulation. I actually had a call this week, as a matter of fact, from a consumer in Claresholm, Alberta, who was so frustrated about the high cost of electricity that he wanted to know if he could get together with his neighbours and file a class action lawsuit against the provincial government. I told him that, unfortunately, he would have to go the representative action route but that if he had patience and waited – and I could say that with confidence because I knew that his electricity bill wasn't going to go down anytime soon – Bill 25 would be law, and away we would go. He would have the choice of having the opportunity or the option of pursuing the government, who he blamed. He didn't blame Aquila. He didn't blame Enmax. He didn't blame me. He didn't blame EPCOR. He blamed the government for the high electricity costs. This gentleman is frustrated, he's confused, and I think he's going to follow the proceedings in regard to Bill 25 with a great deal of interest.

Now, when we get back to the pine shakes case – and that is slowly proceeding through the courts. That's why I would urge hon. members of this Assembly to have a very close look at this bill and what the hon. Member for Edmonton-Calder is trying to achieve with this legislation. There certainly are some flaws in this bill, as was outlined in the Assembly by the hon. Member for Edmonton-Strathcona, but I would classify the bill as a good start after the experience that I've had with frustrated homeowners in the pine shake fiasco. Now, there's another word I would like to use, but it's unparliamentary, and I will not use it at this time. But the pine shake case is a classic example of why we should have legislation of this nature in this province at this time.

10:40

I have some reservations about this legislation. Certainly, they were outlined earlier by the hon. Member for Edmonton-Strathcona in regard to the recommendations that were made by the Alberta Law Reform Institute, and we need to ensure that we have the right law in place at the right time for the right reasons. When we debate this, and we think of the public meetings that the citizens of this province with the rotting pine shakes on their roofs had to conduct in Edmonton and in Calgary, in Camrose, in Wetaskiwin, in Cochrane . . .

An Hon. Member: How many seats did you have there?

Mr. MacDonald: Now, the hon. member opposite is talking about how many seats we do have now. Well, we're going to have a great deal more seats after people discover that it's the government that caused the rotting pine shakes.

I've been in the neighbourhoods that the hon. Minister of Finance proudly represents in this Legislative Assembly, and there are a lot of pine shakes, untreated pine shakes, in that constituency. I was in awe. I would say that there are more pine shakes in the constituency that the hon. Minister of Finance represents than there are even in Edmonton-Whitemud, that the hon. Minister of Justice represents. I thought Edmonton-Whitemud was the capital of rotting roofs in this province, but I say give Calgary-Foothills a chance to catch up. A couple of wet springs there and there are going to be an awful lot of little dark spots appearing on the roofs of the homes. Some of the pine shake homeowners call them jack-o'-lantern roofs because of the gaps.

But when we think of how those homeowners would have benefited from legislation such as this in the flawed form that it is and the lack of interest in all the recommendations from the Alberta Law Reform Institute, I would have to say that I would give serious consideration to supporting this legislation, Mr. Speaker. I think of the citizens of St. Albert, and I would feel very guilty because the citizens of St. Albert are also a victim of this pine shake fiasco and how it was promoted and authorized by this current government, and look what we have. It's taken so long to get through the courts. We used to talk at meetings about how all this would work and what effect it would have, and I thought the court system would proceed and we would be finished working it through the court system by 2001.

Mr. Smith: We are.

Mr. MacDonald: No. I can assure the hon. Member for Calgary-Varsity that it will be next year at the earliest before it is heard in the courts.

Now, what's going to happen? It'll be before the courts and the courts will determine who was at fault and who was to blame, but this could have been settled so much faster if we had legislation such as this.

Now, I have experienced conversations, I've had correspondence with various consumers across this province who are, as I said earlier, getting involved with citizens of British Columbia to proceed with their actions there. Has class action legislation worked in other places? It certainly has. Du Pont I believe is the name of the company who had some building materials that were faulty, and there was class action legislation. I believe it was initiated in the state of Louisiana. I don't know why they would pick Louisiana, but it was Louisiana or Mississippi, somewhere down in that neighbourhood of the United States. This company – and I could stand corrected; it might not be Du Pont, Mr. Speaker – was found guilty, and there were millions and millions of dollars at stake here because these fixtures broke loose inside the walls of people's homes and sprayed water everywhere. It was a mess, and it was very similar to the pine shakes because adequate research had not been conducted before the product was put on the market. Now, in the case of the pine shakes I don't know what got into this government to authorize and promote it, but something got into them. I don't know whether it was dollar signs or what, but certainly homeowners in this province are paying the price.

In conclusion, Mr. Speaker, I would like to remind all hon. members of this Assembly to please think of the pine shake home

owners when you are considering whether or not to support this legislation, because if we can learn one lesson from their experience, it is this: we need some form of class action legislation in this province. If this is not perfect, perhaps at the committee stage, with the advice of the critic and the sponsor of the bill perhaps even, we could work diligently to improve it.

Thank you, Mr. Speaker.

[Motion carried; Bill 25 read a second time]

Bill 18
Energy Statutes Amendment Act, 2003

[Adjourned debate March 27: Dr. Taft]

An Hon. Member: Just adjourn.

Ms Blakeman: You'd like me to adjourn? I'm happy to adjourn debate on Bill 18, the Energy Statutes Amendment Act, 2003.

[Motion to adjourn debate carried]

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 1:30 tomorrow afternoon.

[Motion carried; at 10:49 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Thursday, April 17, 2003**

1:30 p.m.

Date: 2003/04/17

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. In our mind's eye let us see the awesome grandeur of our Rockies, the denseness of our forests, the fertility of our farmland, the splendor of our rivers, the richness of our resources, the energy of our people. Then, O God, let us rededicate ourselves as wise stewards of such bounty on behalf of all Albertans. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Well, thank you very much, Mr. Speaker. It's a real honour today to introduce to you and through you Mr. Fred Drury. Fred is an excellent example of how care for employees on the jobsite can have remarkable impact and remarkable effects. He is the owner of Flexxaire Manufacturing Incorporated. They employ about 40 machinists, welders, electrical assembly people, and they are currently celebrating 3,308 days without a chargeable incident. Now, depending on how you want to count the number of workdays in a particular year, by any calculation that's going to be somewhere between 12 and 13 years without an incident leading to an injury or a fatality, so there's no wonder that we went to Fred's manufacturing operation to help kick off WorkSafe Alberta. He's here in the members' gallery today. It's the first time, I understand, that he's been able to visit the Legislature when it's in session. I would ask Fred to rise, and we'll give him a very warm welcome and reception.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. It's my pleasure to rise and introduce to you and through you to members of the House 103 visitors from Spruce Grove. These students attend Brookwood elementary, and they are a great group of kids. The staff and parents are to be commended on the great job they do at Brookwood. The students are accompanied by teachers Mrs. Debbie McFarlane, Mrs. Ev Nixey, Mrs. Nancy St. Amand, by teacher aides Mr. Don Antkow and Mrs. Heather Poff, and by parents Mrs. Cathy Seifrit, Mrs. Cheryl Pitruniak, Mr. Brad Wilson, Mrs. Cherine Campbell, Mrs. Laurie Moeller, Mrs. Betty Lou Lesoway, Mr. Doug Gallacher, Mr. Darrell Hancock, Mr. Bob Shepherd, Mrs. Brenda Maginnis. They are seated in both galleries, and I would ask that they rise and be granted the traditional warm welcome of this House.

The Speaker: The hon. Member for Wainwright.

Mr. Griffiths: Thank you, Mr. Speaker. It's my pleasure to rise today to introduce to you and through you to members of the Assembly 40 visitors from Killam. They include nine parents and teachers and 31 of the best and brightest students from my constituency that this province has, and judging by this group, the future of this province is bright. The teachers are Karin Brussé and Denis Boutin. The group leader is Colleen Helgeton, and parent helpers include Ginette Dammann, Bill Felgate, Meredith Neilsen, Diana

Kelndorfer, Jim Slavik, Barb Holmstrom. I apologize for butchering any names. I also would like to point out that one young lady is turning 12 years old today and is sitting up in the gallery. Her name is Kaylene Bieleny. I'd ask them all to rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Speaker. Through you to members of the Assembly it gives me great pleasure to introduce my evil twin, the other half. This is, to my knowledge, the first time he's visited this Legislature. I'd ask my brother Brian to please rise and accept the warm welcome of the Assembly.

head: **Ministerial Statements**

The Speaker: The hon. Minister of Economic Development.

Edmonton Oilers and Calgary Flames

Mr. Norris: Thank you very much, Mr. Speaker. I rise on this glorious Alberta day to talk about something near and dear to all of our hearts. As a lifelong Albertan I'm very proud today to recognize our incredibly hardworking Edmonton Oilers and Calgary Flames. These teams' efforts have simply been outstanding during the year and during the play-offs. The Oilers have played extremely well, giving their best and, in doing so, providing us with some outstanding hockey. Edmontonians have been overwhelmingly supportive of their team. Sold-out crowds have rocked the Skyreach Centre, and sound barrier breaking cheers and applause are there every night, and in true Alberta style they just as enthusiastically cheered the anthem of our U.S. visitors.

It's great to say, Mr. Speaker, that in Alberta we have two world-class hockey teams, the Edmonton Oilers and the Calgary Flames. As well as providing Albertans with superb entertainment, the Oilers and the Flames are ambassadors for Alberta and the world, promoting our province throughout North America and indeed the world, and both teams have value-added impacts upon our economy. The benefits include taxation dollars to all levels of government as well as numerous spin-off jobs in food, merchandising, retailing, and of course the sale of beer. This coupled with the crowds attending the games circulates money throughout the cities and keeps our healthy economy vibrant. From all perspectives it's a winning arrangement for Edmonton, Calgary, and the province of Alberta.

On behalf of all Albertans I would like the Edmonton Oilers to know that we'll be cheering for them, and even though we're not in Dallas, I know that because we are so fervent, you'll hear us all the way from Edmonton.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms. Carlson: Thank you, Mr. Speaker. We in the Official Opposition are proud to stand and recognize the Edmonton Oilers Hockey Club and the numerous benefits this club brings to Alberta. The play-off series between the Oilers and the Dallas Stars has been fierce. With the series tied at two games each, tonight the game in Dallas will be playing in most Alberta homes, restaurants, and sports bars.

Each time the Oilers score a goal on the ice, the Alberta economy heats up a notch. A world-class hockey club coupled with world-class hockey fans means numerous opportunities for economic growth and diversification in the province. From producing and selling souvenirs to drawing people into Edmonton hotels, the Oilers keep our economy moving.

Alberta is especially blessed, though, because we have two great hockey teams. That means twice the impact on our economy and twice the chance of a home team making it into the play-offs. The Calgary Flames and their fans also do their part to keep Alberta's economy pumping and vibrant.

The hockey tradition in Alberta will continue long into the future. The battle of Alberta followed by the first-round play-off battle between the Oilers and the Stars will keep Albertans watching for many years to come.

Good luck to the Oilers tonight. We are sure they will bring home a win to Albertans.

head: **Oral Question Period**

Northlands Ad Campaign

Dr. Nicol: Mr. Speaker, the budget introduced last week saw the horse racing industry get a 12 percent increase in funding, and the government continues to give Northlands over \$7 million. This money is being spent on expensive half-page ads promoting the horse racing industry in the context of belittling the conflict in the Middle East through the horse Free Drop. The ad contains quotes such as "the jackals of revenge smell nothing but the sweet bouquet of Free Drop's Jihad" and "the infidel mercenary driver is all about lies." To the Premier: how can the Premier justify allowing taxpayer dollars to be spent on such deeply offensive ads?

1:40

Mr. Klein: First of all, Mr. Speaker, they are not taxpayers' dollars.

In answer to the question, this ad was placed by Northlands and not Horse Racing Alberta, as we understand, because we've done an investigation into this. I agree with the leader of the Liberal opposition that it is a pretty tasteless advertisement, and I encourage those who want to complain to contact Northlands.

I don't think that the Liberals would want this government to begin censoring advertisements by nonprofit organizations, whether or not they receive public dollars, and I would remind the hon. leader of the Liberal Party that virtually all nonprofit organizations receive one form of government dollars or another. I know that through the community facilities enhancement program many of those nonprofits are agencies of the United Way but also receive government dollars, so I don't think that the Liberals would want to impose censorship.

Having said that, the Alberta Gaming and Liquor Commission has advertising guidelines for racing entertainment centres, and this is a racing entertainment centre. I understand that the Minister of Gaming is going to have the commission's regulatory division take a look at this ad to see if it is within those guidelines.

Mr. Speaker, just so the record is clear, this government respects all Albertans of Iraqi and Middle East descent, and we deeply sympathize with innocent Iraqis who were killed or injured in the recent war, and I will certainly ask the Minister of Gaming to look into this advertisement.

The Speaker: The hon. leader.

Dr. Nicol: Thank you, Mr. Speaker, and I thank the Premier for that.

Will you table the results of the inquiry in the House so we can know what the Minister of Gaming found out?

Mr. Klein: Mr. Speaker, I have no problem doing that. I think that this is a very public issue in that the ad is public, in that the hon. leader of the Liberal opposition raised this matter in a public forum, i.e. the Legislature. Therefore, I see no reason why the results of this investigation ought not to be tabled in this Legislature.

The Speaker: The hon. leader.

Dr. Nicol: Thank you, Mr. Speaker. I'd like to go to my second question, if I might.

The Speaker: Please proceed.

Democracy in the Provincial Government

Dr. Nicol: The Premier has been musing about creating a fire wall around Alberta. All the while this government is creating a fire wall between itself and Albertans. The events of the past few weeks have proven that Alberta is experiencing a democratic deficit. It's been shown that government members are taking advantage of all-expense-paid lobbying functions. Democratically elected local boards have been scrapped, and political concepts such as controlled free votes are being vented out of thin air. To the Premier: given that these lobbying events affect government policy, will the Premier ask the government whip to table a list of those groups which have and will be hosting these functions?

Mr. Klein: Mr. Speaker, the preamble sort of caught me off guard because it relates in no way, shape, or form to the question, but I don't have a problem with the list being provided. As a matter of fact, I don't have a problem either with the Liberals being invited to these receptions, and I understand that they are indeed invited to some of the receptions, either in conjunction with government MLAs or separately. They have no problem whatsoever. I attend the odd reception or two, and I see lots of Liberals at those receptions, and you know, they have a drink in one hand and hors d'oeuvres in the other hand just like everyone else.

Dr. Nicol: Will the Premier commit to democracy today and reinstate the process of electing regional health authorities?

Mr. Klein: Mr. Speaker, no. No.

Dr. Nicol: Given that the term "controlled free vote" actually means toe the line, how can this Premier ask other jurisdictions to become more democratic when his government doesn't follow that advice themselves?

Mr. Klein: Well, Mr. Speaker, how we conduct our caucus, I would venture to say, is none of their business. We do not get involved in their caucus matters, nor do we get involved in any way, shape, or form in how they conduct their meetings, nor are we interested. But I will share with the hon. leader of the Liberal opposition how the government caucus deals with issues. We deal with issues as a caucus and in a democratic manner. In other words, caucus reaches consensus as to how we should approach a particular issue, and on this particular issue it was decided as a caucus, not in an autocratic or dictatorial sense, that we would vote in favour of the motion except for those who were vehement in their opposition to the electoral boundary guidelines. That was the decision of the caucus, not my decision but of the caucus.

Calgary Regional Health Authority

Dr. Taft: Mr. Speaker, yesterday the Premier confirmed the obvious: the executive positions of the Calgary health region are little more than a patronage playground for Tory favourites. In fact, the Premier enjoyed regaling this Assembly with a story of political patronage, boasting how he helped his former deputy minister become the Calgary health region's CEO and claiming that Calgarians got a

bargain because this man did not make half a million dollars or more a year. To the Premier: given that the Premier found it astounding that a CEO of a health region would earn \$500,000, how does he justify that his former deputy minister earns \$500,000 as CEO of the Calgary health region?

Mr. Klein: I don't know what he earns right now, but he certainly didn't start out at that wage. I think his salary was something in the range of \$300,000 a year, which isn't a bad salary.

An Hon. Member: It's a really good salary.

Mr. Klein: No. It's a reasonable salary. It's quite reasonable in terms of what the Liberals would like to see, and that is to spend from \$500,000 to \$700,000 for a person from outside the province who doesn't know the system to come in and run the regional health authority. That is their idea. But that is typical Parkland Institute thinking, you know: no expert is good enough from Alberta; go and hire someone from someplace else. Even though this hon. member is a university professor and academic himself, he doesn't even believe in his own findings. They have to get a professional opinion from someplace else. That is typical Liberal, socialist thinking, Mr. Speaker, that contributes to the rising cost of government, but they could care less.

Ms Carlson: Point of order, Mr. Speaker.

The Speaker: Point of order.
The hon. member.

Dr. Taft: Thank you. Well, again to the Premier. The Premier is right. There have been some good raises in this man's package.

Given the sharp criticisms of the Calgary health region from the Motta inquiry, how does the Premier justify the CEO of the Calgary health region, his former deputy minister, receiving a whopping \$50,000 raise last year alone?

Mr. Klein: That is entirely up to the Calgary regional health authority. I'm sure that had that CEO been working for the Liberals and had they been the government, that increase would probably be \$150,000 a year.

Dr. Taft: Again to the Premier: will the Premier disclose to this House how much is being paid by the Calgary health region to his former chief of staff, and can he confirm that his former chief of staff advised the Calgary health region on communications and public relations?

Mr. Klein: He probably does, Mr. Speaker. I don't know if that information is under FOIP or is FOIPable under the rules, but I don't think that there's any secret. I'll tell you what: I would rather have my former chief of staff giving me information and good advice than any Liberal. As a matter of fact, that's why they're at seven members, because they took advice from ill-informed consultants.

The Speaker: The hon. leader of the third party, followed by the hon. Member for Wetaskiwin-Camrose.

Federal/Provincial Relations

Dr. Pannu: Thank you, Mr. Speaker. Whenever this government gets into any trouble, it looks to find an outside enemy to blame all of its problems on. A favourite target often is the federal govern-

ment. When energy bills get too high, the Premier talks about separation. When the government gets caught raising taxes or receives a scathing report into the Calgary health authority, they speak about putting up a fire wall. To the Premier: given that this government has already studied and rejected the major planks of the so-called fire wall letter, why is the Premier wasting any time on it other than in the hopes of providing yet another distraction from the business of governing this province?

1:50

Mr. Klein: Mr. Speaker, again, this is a caucus matter and ostensibly a party matter, but I guess it relates to government in some way or another and, quite frankly, is none of their business. We don't get involved in the NDs' business. We don't get involved in their, well, little caucus at all, and we don't care how they strategize and how they go out and stir up the unions and militant activity and so on. We know that they do it, but we don't care how they do it.

This again was a situation that was brought up at the party conference, and obviously they were not invited, nor did they bother even to find out what went on at the party annual general meeting. This was a discussion at the party annual general meeting. None of your business what goes on unless you want to make it your business. Then that will be a decision of caucus as to whether we want to invite you in, and I don't think we would.

Mr. Speaker, we will take all the information gleaned from the party convention and the discussion on Alberta's role in Confederation to a meeting of our caucus to decide as a party and perhaps as a government what we want to do vis-à-vis Alberta's role in Confederation. It's as simple as that.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. Again to the somewhat incensed Premier: why is the government more interested in talking about the \$1 billion wasted on the federal gun registry than it is in talking about \$4 billion to \$5 billion wasted on electricity deregulation?

Mr. Klein: No money has been wasted on electrical deregulation. There have been no taxpayers' dollars allocated to electricity deregulation, Mr. Speaker, but if the ND opposition thinks that it's right to waste \$1 billion – waste, down the drain – on the gun registry, I would challenge them to stand up and say so.

Dr. Pannu: To the Premier again, Mr. Speaker: given that the Calgary public board of education is facing a \$32 billion shortfall, when a judge calls the Calgary health authority under siege and in crisis, shouldn't the Premier be looking after his own backyard rather than picking fights with the neighbours?

Mr. Klein: Mr. Speaker, I'm not picking a fight with anyone. What our message to the federal government is that we want to be a strong and meaningful member of the Canadian family. We want the federal government to understand and recognize the contribution that this province makes to Confederation, but we also want the federal government to understand some of the frustrations amongst the majority of Albertans, not the minority, not the very small minority that support the socialists, but the majority of Albertans, who have major concerns over the absolutely sinful waste of money, the billion dollars on the gun registry, who have concerns over the fact that we have in this province elected two Senators through a duly democratic process, over the Canadian Wheat Board, which is highly discriminatory, over the Kyoto protocol that was implemented. The

resolution passed in the House of Commons without any consultation with the province. And the list goes on. Albertans who contribute so much through equalization payments, so much more than they get back, are saying to Mr. Dion and Mr. Chrétien: listen to us. These are the concerns of the majority, not the Liberal minority, not the ND minority but the Conservative majority in this province. Listen to us. That's all we're saying.

The Speaker: The hon. Member for Wetaskiwin-Camrose, followed by the hon. Member for Edmonton-Glengarry.

Telemarketing Fraud

Mr. Johnson: Thank you, Mr. Speaker. Telemarketing fraud in Canada has risen steadily over the past five years. According to a recent *W5* program, Canada is considered to be a haven for telemarketing con artists, who use this activity to take tens of thousands of dollars from unsuspecting citizens. It's been reported that organized crime is becoming involved in this fraud to a great extent because of the easy money and lenient laws and punishments. My first question is to the Minister of Seniors. What advice can be given to my constituents, especially seniors, when they receive a telemarketing call?

The Speaker: The hon. minister.

Mr. Woloshyn: Thank you, Mr. Speaker. Back in 2001 the Ministry of Seniors along with Children's Services, Alberta Government Services, Solicitor General, and 11 community groups developed a fraud awareness package directed at seniors and seniors' caregivers. The package is called *If in Doubt, Check It Out*, and it's targeting all sorts of fraud, one of which is the telemarketing aspect of it. What I would suggest in short to the hon. member is for anybody, not only a senior, who receives telemarketing solicitations: unless they know 100 percent what it's about, say no. Don't give out your credit card number, don't give out personal information, and then phone the police or, if you still have concerns, consumer affairs.

The Speaker: The hon. member.

Mr. Johnson: Thank you. My second question is to the Minister of Government Services. What protection from telemarketers does the Alberta government give?

The Speaker: The hon. minister.

Mr. Coutts: Thank you, Mr. Speaker. If an Albertan is sold something by a telemarketer, like a product or a service, and they are dissatisfied with that product or service or feel that they have been misled by a telemarketer, the Fair Trading Act in Alberta protects those consumers. Should they be dissatisfied, then they can call our consumer protection branch, and we will investigate. If through the investigation we find that an offence has been made to the Fair Trading Act, we will go through the process of convicting. Telemarketers that would do that type of thing would be subject to a \$100,000 fine and/or two years in jail.

If consumers out there would like to see their name come off a telemarketer's list – the telemarketers in Canada are licensed under the CRTC – the consumers can phone or write the CRTC and ask to be taken off that telemarketer's list. As well, the Direct Marketing Council of Canada will also assist consumers in getting their names off a list. Albertans can call our 1-877-427-4088 line and get the numbers for Alberta consumer protection, for the CRTC, and for the Canadian Direct Marketing Association.

The Speaker: The hon. member.

Mr. Johnson: Thank you. My third question is to the Solicitor General. What is the Alberta Solicitor General's department doing in response to telemarketing fraud?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. It's a good question that the member has brought up, and it's an important one. It's an unfortunate truth about telemarketing fraud: it is a crime that affects seniors mostly. As part of our focus on crime prevention my department supports the Heads Up Fraud Prevention Association, and in 2001 we gave Heads Up a \$10,000 crime prevention grant to develop awareness programs and to expand to 20 new Wise Owl programs across Alberta.

Mr. Speaker, Wise Owl works directly with seniors to increase awareness about fraud and decrease victimization. Telemarketing fraud is an important focus of both the Heads Up and Wise Owl programs, and my department, as the Minister of Seniors has mentioned, is working together with 11 other members in regard to the Seniors Fraud Awareness Committee, and the goal of the committee is to prevent seniors from becoming victims of fraud by increasing their awareness about types of crime. This is a huge concern to this government, and we will continue to work together with our partners.

Calgary Regional Health Authority (continued)

Mr. Bonner: Mr. Speaker, yesterday the Premier stated that the priority for Calgary was the construction of a new children's hospital. However, in 1998 the Premier said, and I quote: clearly, southeast Calgary has been identified as one of the fastest growing areas, and that's where the next hospital should be built. To the Premier: since the Premier himself identified a hospital in southeast Calgary as a priority five years ago, how does the Premier respond to Vince Motta's father, who said, and I quote: if we had a hospital in the south, I bet Vince would be with us.

2:00

Mr. Klein: Mr. Speaker, I'm still of the opinion – this is my personal opinion – that, yes, the southern part of Calgary is growing at a very, very fast pace. Indeed, the Calgary regional health authority has identified the southeast sector as the next area for a hospital, but in the interim they also identified the children's hospital as a priority. We agreed with them and have committed funds to the children's hospital. Now, if the hon. member is suggesting that we should abandon the children's hospital and direct the health authority to divert the funds to the southeast hospital and infringe on their decision-making abilities, then stand up and say so.

Mr. Bonner: Mr. Speaker, can the Premier explain why Calgarians were forced to choose between a new children's hospital and a badly needed full-service hospital in the southeast?

Mr. Klein: Well, Calgarians are not being forced to choose. Since 1998 the only public comment – and I don't get a lot of cards and letters on this particular issue – has arisen since the Motta situation. We will investigate, certainly, the judge's findings, do a complete analysis of the ruling, and respond to the recommendations as fast as we possibly can.

The Speaker: The hon. member.

Mr. Bonner: Thank you, Mr. Speaker. To the Premier: if it is all right to blow up or close three hospitals at the same time in Calgary, what's wrong with building two new hospitals at the same time in Calgary?

Mr. Klein: Mr. Speaker, I don't have the list at my fingertips, but first of all we didn't blow up a hospital. We blew down a hospital. It was imploded. It wasn't blown up. That was done after careful consultation and consideration by both the medical profession and the administration of the Calgary regional health authority at that particular time, and it was done for a specific reason. That hospital was imploded, the Holy Cross was closed, and the Grace hospital was relocated, not closed down but relocated to the Foothills hospital site. The two hospitals that were actually closed were closed to allow the Calgary regional hospital authority to open new, modern beds, many of which had never been used before, 700 beds, the equivalent of two hospitals, in existing facilities; i.e., the Loughheed hospital, the Foothills hospital, and the Rockyview. So, in fact, what the hon. member is suggesting has occurred: we opened up the equivalent of two new hospitals in terms of new beds.

The Speaker: The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Mill Woods.

Lynnview Ridge

Mr. Cao: Thank you, Mr. Speaker. I have the great honour of serving the residents of the Ogden-Lynnwood community. This area stretches along the beautiful Bow River and has a history dating back to the very early days of Calgary and even long before that. A number of the residents have requested the provincial government to investigate whether the Lynnview Ridge area was a possible buffalo jump and aboriginal campsite at one time. My question is to the Minister of Community Development. Could the minister clarify for us his department's plan to evaluate Lynnview Ridge as a possible historic resource?

Mr. Zwozdesky: Well, Mr. Speaker, I'm happy to tell the member that staff from my heritage resources management branch did in fact do a preliminary visit and examination of the site in mid-March, just a month or so ago. We know from that visit that that particular location has had some significant impact from a previous commercial development there, an oil storage facility, plus some redevelopment for real estate purposes that has been done. So there's been significant disturbance, if you will, to the site.

But I should also tell the member that down in the valley below there is Beaverdam Flats Park. There are some oral histories that abound that suggest there might have been some evidence of some kinds of campsites by aboriginal groups in the past, likely thousands of years ago, but none of it is conclusive. In any event, that area is under the jurisdiction of the city of Calgary, and they have indicated to us that they will work with us should they plan any further disturbances to that area in the future.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. My first supplemental question is to the same minister. Can the minister tell us if this is the only evidence of possible buffalo hunt activity in the area?

Mr. Zwozdesky: Well, briefly, Mr. Speaker, there are varying kinds of evidence all around and throughout Calgary. There are probably over a thousand different locations that at one point or another

according to oral history might have had some significant buffalo traffic, if you will. This may well have been one of the sites. Some of the areas go back 8,000 to 9,000 years ago, and it's difficult after all of that time to really finitely determine which other sites might be of historical significance. But we do have a process in place to have that investigated.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. My final supplemental question is to the same minister. How can local residents pursue their interest in having the history of this site commemorated?

Mr. Zwozdesky: Well, Mr. Speaker, we do have the Alberta Historical Resources Foundation. They have a very capable staff. There are grants available. They'd certainly be welcome to contact staff at that branch, and I'd be happy to give the member the phone number later to do that.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Lac La Biche-St. Paul.

Child Care Workers' Safety

Dr. Massey: Thank you, Mr. Speaker. Today's fifth question was provided for us by Karen Collier, the mother of Sharla Collier, a child care worker who was killed last November in Lethbridge. Karen Collier still has many policy questions that she needs answered. My first question is to the Minister of Human Resources and Employment. What is the minister doing to protect child care workers that are supposed to accept violence in the workplace?

Mr. Dunford: Well, Mr. Speaker, one of the areas that we became concerned about a number of years ago – actually, it happened to another young woman that had grown up in Lethbridge but was actually murdered on a work site in Calgary – of course was to look into the whole situation about working alone. Now, what we did through that investigation – and it was quite an extensive investigation – was that we determined that the fact of working alone, while somewhat hazardous, wasn't necessarily the full danger. So we put into place some regulations then that if an employer had an employee working alone, there were some things that had to be done. For an example, it required a hazard assessment, it required to make sure that the employee was aware of the hazards that were in existence, and then thirdly provided for a means of communication should that employee get into some difficulty.

So when the situation then happened in Lethbridge with the child care worker, we were of course involved in the investigation. Our policy has not changed. We have actually posted an order requiring the employer to ensure that given these kinds of situations the working-alone regulations would be adhered to, and as a matter of fact we have an ongoing investigation.

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. My second question is to the Minister of Children's Services. What is the minister doing to make sure another child doesn't fall through the cracks and present a risk to himself and others?

The Speaker: The hon. minister.

Ms Evans: Well, thank you, Mr. Speaker. I'd like to, in the follow-

through with the answer given by the Minister of Human Resources and Employment, just make an observation to this Assembly. At the time we completed our special case review relative to the findings of the Collier case, a most regrettable and a most tragic case, we were well aware that this case was before the courts. To be case specific, point specific relative to this case would be totally inappropriate for me as minister, but I would like to just make this observation. Every day, 24/7, 365 days a year the contracts we define for agencies and the work that we do with our social workers and the training that they receive is geared to make sure of worker safety and the best interests of the child.

2:10

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the Minister of Human Resources and Employment: how is Workplace Health and Safety monitoring agencies like the one Sharla worked for to ensure that health and safety guidelines are followed?

Mr. Dunford: We have a protocol that we use, Mr. Speaker, in terms of inspections. I want to indicate, though, to the hon. member but also to the House and to the Alberta public generally that because of this case we haven't targeted any of the personal care situations that are here in the province. We have an ongoing investigation, as I mentioned in my first response this afternoon, but it is certainly a part of our obligation in making sure that the working-alone regulation is followed by employers in this province to do periodic checks on a random basis.

I must say to all employers and employees that might be listening today to make sure that they take this situation seriously because if an unfortunate incident like what happened to Miss Collier was to happen again, one of the first questions we're going to be asking is: okay; where are the rules governing working alone? Where is the hazard assessment? Where is the written material that ensures that you've made your employees aware, then, of the particular hazard, and what is the specific device that you're using for employees to be able to communicate with the employer?

The Speaker: The hon. Member for Lac La Biche-St. Paul, followed by the hon. Member for Edmonton-Ellerslie.

Cormorant Control Project

Mr. Danyluk: Thank you very much, Mr. Speaker. My first question is to the Minister of Sustainable Resource Development. In 2002 this House passed the fisheries amendment act which I introduced to address the problems with the decreasing fish populations. It is my understanding that the minister's department has plans to carry out a project to decrease cormorant populations in Alberta, which, by the way, would be a most welcome initiative in the Lac La Biche area. Can the minister please provide us with details of this plan?

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. That's a very good question. I'd be happy to provide some detail on our cormorant control project in the Lac La Biche area. The project is a comprehensive plan that's part of our overall plan in sports and commercial fisheries management in Alberta.

In relation to cormorants, Mr. Speaker, there are over 15,000 cormorant nests and about 62 nesting areas across the province, but

about 50 percent of those cormorant nests are in the Lac La Biche area itself. My department, of course, heard from many people as to their continued concern about the negative impact cormorants may have in both the sports and commercial fisheries. We are launching a five-year pilot project to study their impact on the fisheries, and we also intend to control the population by oiling cormorant eggs in some areas to restrict the hatching of eggs. Of course, as we do this, we'll monitor closely and gather data as we move forward working closely with our biologists.

The Speaker: The hon. member.

Mr. Danyluk: Thank you very much, Mr. Speaker. My first supplemental and my next question to the same minister: how will this control pilot project be monitored during the next five-year period, and what information are you hoping to acquire?

Mr. Cardinal: Of course, Mr. Speaker, this is a very important project. The member mentioned monitoring. It is very important as we move forward with the pilot project that we monitor closely so we do the right things for Albertans. The issue has been boiling for a number of years and surfacing as a problem across the province. The biologists in my department have been doing studies, have been monitoring the process as we move forward and will continue doing that.

Mr. Danyluk: My final question, Mr. Speaker. In fact, there needs to be a conclusive study on the amount and the species of fish that cormorants do eat in the northeast area. What research was conducted before this decision was made for the pilot project?

Mr. Cardinal: Mr. Speaker, one of the areas we research, of course, is the population, which has increased drastically in Alberta. In fact, fish research conducted both in Ontario and New York gave us some understanding as to what negative impacts the cormorant population has in certain jurisdictions. We will also be working closely with the University of Alberta, of course, and our biologists in designing the project as we move forward. Again I'd like to stress that we will monitor it very closely.

The Speaker: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Edmonton-Highlands.

Bow River Fish Ladder

Ms Carlson: Thank you, Mr. Speaker. The fish ladder at Carseland on the Bow River is used every spring by rainbow trout and many other fish. They use the ladder to swim upstream to the small creeks and ponds where they spawn. In fact, the rainbow trout run is currently near its yearly peak. Unfortunately, the province has chosen this time to replace the fish ladder, an operation that will keep the ladder closed for at least another week. This will be damaging not only to the fish population but also to all those Albertans who fish on the Bow. My questions are to the Minister of Sustainable Resource Development. Why has your department allowed this ladder replacement to proceed at precisely the time when the trout need this ladder the most?

Mr. Cardinal: Mr. Speaker, in fact, that concern has just been brought to my attention by a number of MLAs, and I've agreed either to go visit the project immediately or deal with the issue immediately.

The Speaker: The hon. member.

Ms Carlson: Thank you, Mr. Speaker. Thank you to the minister for that answer.

To him as well: what scientific evidence did the minister consult so as to disrupt the spawning of these trout at exactly the time when they're most vulnerable?

Mr. Cardinal: Mr. Speaker, I'll be honest. The issue was brought to my attention just recently, and I've agreed to deal with it immediately.

Ms Carlson: Mr. Speaker, he has only one week to rectify the problem. Does he think he can do that within the next week, while the fish are spawning?

Mr. Cardinal: Not like the Liberals, Mr. Speaker, who would take a year to do it, we'll do it immediately.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Edmonton-Calder.

Municipal Financing Corporation

Mr. Mason: Thank you very much, Mr. Speaker. The president of the Alberta Urban Municipalities Association recently wrote the Premier with concerns that proposed changes to the Municipal Financing Corporation will allow private business to borrow from the same pool of money at the same rate as municipalities and other local authorities. The AUMA expressed disappointment with the lack of consultation with municipalities on the proposed changes and urged the government to reverse them. My question is to the Minister of Finance. Is it the government's intention to allow P3 entities that may own approved hospitals or other public infrastructure to borrow from the new Alberta capital finance authority, in competition with the municipalities and other local authorities?

Mrs. Nelson: Mr. Speaker, the AMFC is an entity that was created through legislation, and clearly if the hon. member will go to the act, he will see that there is a list of shareholders that are involved in the AMFC, and those are the people who are able through regulation to make financial arrangements with the lending institution itself. There would not be the opportunity for those that were not members of the shareholder list to participate in AMFC. It is there for a specific purpose, and it has been very, very successful. I do believe that the Minister of Municipal Affairs has had a subsequent meeting with the group and dialogued on this, so I'd ask him to supplement the answer.

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. As the Minister of Finance has indicated, I spoke to the president of the Alberta Urban Municipalities Association yesterday. I would like to clarify, based on what was said yesterday by the hon. member, number one, that when we met, the meeting was positive, and they are extremely pleased. Contrary to the document that the hon. member held up, that does not in any way, shape, or form reflect anything that the AUMA said, and that was reaffirmed yesterday by the president of the AUMA.

2:20

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker, and that had nothing to do with the question.

Just to be clear, is the Minister of Finance then categorically ruling out the possibility of a policy change of the government that might lead to P3 entities being able to borrow from the new capital finance authority?

Mrs. Nelson: Well, Mr. Speaker, I want to make it again abundantly clear that AMFC is an entity that's created through legislation, and it clearly lists the shareholders who are involved in the corporation, and there are rules attached to it. It is very rigidly governed, and there's no anticipation of making changes to that. We did make a change last year when we did allow the three airport authorities to participate in the organization, but we do not have any further changes that are moving forward.

The Speaker: The hon. member.

Mr. Mason: Thank you, Mr. Speaker. While this is indeed welcome news, why did the government fail to consult with AUMA on the proposed changes to the Municipal Financing Corporation?

Mrs. Nelson: Well, Mr. Speaker, I don't have any proposed changes other than an administrative change, that is before the House now.

Provincial Fiscal Policies

Mr. Rathgeber: Mr. Speaker, Budget 2003 contains welcome tax cuts to corporations in the amount of \$94 million. However, government spending is up to \$20.8 billion, and at \$6,420 per capita some groups argue that we have the highest spending in the country. My questions are to the Minister of Finance. Is the minister not concerned that these spending habits are going to compromise the Alberta advantage?

Mrs. Nelson: Mr. Speaker, the Alberta advantage has been applauded from coast to coast, from east to west to north to south, and it's an advantage that we are very fortunate to have in this province. Yes, we do have a large resource revenue side of the equation that we count on. Yes, we do have large revenues. Yes, we do have expenditures. But in this year's budget we were able to maintain a 4.9 percent increase in spending on the operating of programs in the province.

Let's look at the Alberta advantage that is actually here, Mr. Speaker. We enjoy the lowest overall tax regime in all of Canada. We have the best competition rate in all of Canada. We have a government that has had 10 consecutive balanced budgets, 10 years. We have reduced our accumulated debt in this province by 80 percent. No other province could do that. We will be the first province to be debt free. We have the highest spending per capita in Canada for learning in this province. All of these are advantages to Albertans. Then this year, in addition to that, we have recognized the need to have our advantage enhanced by putting \$5.5 billion into infrastructure and transportation programs to further enhance the Alberta advantage within this province. I don't think Albertans are complaining. In fact, I think they're very proud to be part of that Alberta advantage.

The Speaker: The hon. member.

Mr. Rathgeber: Thank you, Mr. Speaker. To the same minister: when are Alberta families going to enjoy tax cuts comparable to those recently announced to Alberta corporations?

Mrs. Nelson: Well, clearly, Mr. Speaker, when we started to be able to move into a different fiscal structure, we were able to announce the reductions in personal income taxes and a new tax regime. We have a single rate of taxation within this province, which makes us the envy of all other provinces. We also have the highest personal exemption in the country in the province of Alberta. Last year and this year we were able to make sure that we inflation-proofed that personal exemption so that we maintained that tax advantage. That was at a cost of \$130 million. Albertans are enjoying lower taxes on the personal side.

Now, at the same time, we did announce that we were going to be reducing corporate taxes, and we could only do that when it was affordable. We had to go at a slower pace than we did with the personal tax reductions, but this year we were able to proceed and continue with some of our corporate tax reductions to the tune of \$94 million.

The Speaker: The hon. member.

Mr. Rathgeber: Thank you, Mr. Speaker. Finally, also to the Minister of Finance: with debt servicing costs of \$465 million per year, when is this government going to make debt repayment a higher priority so that further tax relief can be offered to individual Albertans?

Mrs. Nelson: Well, Mr. Speaker, striking the right balance by dealing with all of the pressures that come to a government is sometimes difficult. This year we were able to report that we were over 10 years ahead of the scheduled debt retirement legislative package that had been put forward by our government. In fact, over 80 percent of our debt had already been retired. In the last few years we have been putting dollars from additional operating surpluses into an account to pay off our debt as it comes due. I've said in this House many times: I cannot pay our debt off faster than we are today. So it makes sense for us to recognize the fact that we'll use dollars that we've put away in the debt retirement account to retire debt this year and partway through next year. In the meantime, we will invest in very much needed infrastructure and transportation, and getting that balance is critical. Albertans have asked us to do that, and we have listened, and we are responding.

Seniors' Lodges

Ms Blakeman: A number of seniors' lodges are struggling to maintain the same level of service. Costs are rising, provincial grants remain the same as 1995, and the province no longer provides sustained capital funding for new units. My questions today are to the Minister of Seniors. Why has the minister chosen to continue the government funding freeze for seniors' lodges for almost a decade while their costs have continued to rise?

Mr. Woloshyn: Mr. Speaker, that's a relatively good question, but we have to keep in mind that the lodges are operated by lodge authorities, and a good number of them are owned by the province. Yes, some authorities are entering into financial difficulty, and we are working with those people to see how we can best address the problem.

The preamble to the question was totally wrong. Seniors are not in jeopardy. Seniors are receiving good service in the lodges. We have been working with the lodge authorities to ensure that the rents being paid are fair and equitable and that there is in fact a proper cash flow. I might add that under the current system some lodge authorities have surpluses, some have shortfalls, some requisition

municipalities, and some do not. We are currently working with two or three major lodge authorities to see how we can best address the problems.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Why does the minister continue to fund an unequal and lesser rate to larger management bodies given that they have higher expenditures, especially in the cities?

Mr. Woloshyn: Again a thorough lack of research. A few years ago the lodges in Lethbridge, Edmonton, and Calgary because of their size came forward saying that their costs were much lower due to their economies of scale and that the rural lodges were smaller and had higher costs. That was agreed upon. That system of differential funding, in my mind, is fair, it's equitable, and it recognizes the different needs of different areas. All lodges have increased costs, urban and rural.

With respect to construction, Mr. Speaker, the lodge improvement program as administered by Infrastructure has been putting millions of dollars into lodge renovations on an annual basis for the past number of years in this province.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Given that some municipalities are expressing extreme concern that they have had to take on more debt to build new lodges and to finance soaring operation costs, why is the minister putting municipalities in a position that the province would never accept for itself?

Mr. Woloshyn: That is true. Some lodge authorities who choose to expand have gone forward and borrowed money. I must say that these borrowings have to be approved by the ministry. They have to be endorsed by the supporting municipalities who are part of the overall operation. We do give them the flexibility of making the decisions and try to ensure that the decisions are the right ones. We certainly don't want a community who wants, needs the lodges and whose municipalities support that to be stopped by the minister because he feels differently. The soaring costs of operations are a concern, and we are trying to address those.

2:30head: Members' Statements

The Budget Race

Mr. Mason: It's a field of five racing at the Legislature track for the Government Priorities Cup. It's the Budget Race.

They're at the post, and they're off. Taking an early lead is Better Health Care. Gonna get away second is the favourite, Public Schools. Racing in third is the 1 to 5 choice, Cheap Power, and on the outside are long shots Corporate Tax Cuts and Horse Racing Subsidy.

Into the first turn Better Health Care is dropping behind. Public Schools is setting the pace with Corporate Tax Cuts and Horse Racing Subsidy coming on strong on the outside. Cheap Power is falling behind.

Coming out of the turn it's Public Schools with Corporate Tax Cuts and Horse Racing Subsidy close on his heels. Next, Better Health Care and Cheap Power dropping further behind. Corporate Tax Cuts on the outside moving up on Public Schools. Corporate Tax Cuts taking the lead. Horse Racing Subsidy overtaking Public Schools, who is faltering badly. Better Health Care is next with Cheap Power falling almost completely out of sight. Pacing with the

lead now is Corporate Tax Cuts. Holding the lead to five is Horse Racing Subsidy. Public Schools, who looked good at the start, is falling back. Next, the 500 to 1 shot, Better Health Care. Cheap Power is not even on the horizon.

Into the final turn it's Corporate Tax Cuts and Horse Racing Subsidy neck and neck. Further back, Public Schools with Better Health Care, and Cheap Power may not even place. Corporate Tax Cuts, Horse Racing Subsidy. No, it's Corporate Tax Cuts, Horse Racing Subsidy.

It's down to the wire, and the winner is Corporate Tax Cuts, taking in a purse of \$94 million. Horse Racing Subsidy gets a consolation prize of \$37 million. Public Schools, Better Health Care, and Cheap Power finish out of the money.

Better luck next year.

Public/Private Partnerships

Dr. Taft: Mr. Speaker, I rise on behalf of the Member for Edmonton-Glenarry. This House has been warned repeatedly about the dangers of financing public infrastructure through public/private partnerships. Not only is this method of financing more expensive to the taxpayer, but it takes local control of these buildings from communities and places it in the hands of profit-driven corporations.

Some members of this House undoubtedly think that my opposition to P3 financing is simply an ideological and rash reaction. This couldn't be further from the truth. There's been a considerable amount of research into the practical application of P3s, and there is a large amount of supporting evidence that P3 financing has cost taxpayers more and has decreased the value and service citizens receive for their money. Examples such as the Confederation Bridge in the Maritimes, Evergreen Park school in New Brunswick, P3-financed schools in Nova Scotia, the Hamptons project in Calgary, and many projects in Britain, Australia, and U.S. have shown that P3 financing just doesn't work. In fact, it can't work.

We all know that Alberta has a credit rating that makes corporations green with envy. We can borrow money at a rate far lower than any corporation ever could. Thus, when a corporation borrows money to finance a P3, it borrows at a higher rate than the provincial government. The corporation then passes the added cost on to Alberta taxpayers. Moreover, P3s mean that Albertans have to pay for the profit margin of the financing corporation and the added costs of a new middleman. The bottom line is this: if we need new infrastructure, it's cheaper to borrow the money ourselves rather than let a corporation do it for us.

Mr. Speaker, Albertans are best served by publicly financed infrastructure. The schools, hospitals, and the very House we use today stand as proud testaments to the fact that there is no substituting for public money and control over public infrastructure, testaments we might not now have if they were built using P3 financing.

I urge all of my colleagues in this House to remember that public buildings are meant for the people and not for profit.

Thank you.

The Speaker: The hon. Member for Calgary-Lougheed.

Alberta Research Council

Ms Graham: Thank you, Mr. Speaker. Increasingly in various circles in the province, particularly in government, there is a growing realization that we must extract much more value from our financial investment in research and development in the province. Innovation is the key to this situation: converting ideas into products and services and shortening the time to commercialization. A strong

innovation system ideally consists of more applied research, stronger ties between the private sector, institutions, and all levels of government, and higher rates of technology commercialization, and this is, in fact, our government's vision for a stronger and healthier value-added economy.

The Alberta Research Council, with which I am proudly associated as chair of the board, is a key player in Alberta's innovation system. ARC as the major performer of applied research in the province is in the unique position to bridge the gap between knowledge and technology and the marketplace. ARC has been progressive in its approach to technology commercialization, seeking out opportunities to work with others to forge profitable and mutually beneficial ventures.

One of ARC's new initiatives involves strengthening ties with colleges and technical institutes in the province. Together the Alberta Association of Colleges and Technical Institutes and ARC are collaborating to investigate ways to enhance the role of colleges and institutes in innovation in Canada, and as part of this effort I will be visiting colleges across the province to help promote the need to build Alberta's innovation capacity through strengthened ties with our colleges. My first visit will be to Olds College on April 29.

In expanding the innovation system in Alberta we are only limited by our imagination. ARC is working hard to help achieve a stronger, brighter future for all Albertans through efforts such as I have just described.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Wetaskiwin-Camrose.

Stan Reynolds

Mr. Johnson: Thank you, Mr. Speaker. Today I rise to honour a great Albertan: Stan Reynolds. Mr. Reynolds is the man behind many of the fascinating pieces at the Reynolds-Alberta Museum in Wetaskiwin.

Early in his life Stan Reynolds began buying and collecting cars. He subsequently donated his collection of cars to the museum so that everybody could partake in their rarity and beauty. Mr. Reynolds has contributed over \$11 million in donations to the museum that bears his name, and the community of Wetaskiwin is grateful for his involvement in both the museum and the community.

Yesterday it was my honour to be present when the Friends of Reynolds-Alberta Museum presented a video called *Stan Reynolds - The Great Collector*. The video is a biography of Mr. Reynolds' life, and it shows the spirit of collecting he so wonderfully embodies. Mr. Reynolds was a guest of honour at yesterday's screening, which took place at the museum, and many people from the Wetaskiwin-Camrose constituency were there to pay tribute to the classic car collector.

In the video Mr. Reynolds stated, and I quote: when I started collecting, I had no idea there would be an increase in value. This is my life work; rather than see it destroyed, I wanted to preserve it. End quote. This attitude is the reason why the Reynolds-Alberta Museum exists and continues to remain extremely popular. I encourage all hon. members to go out to the museum to take in the wide assortment of classic cars, airplanes, and machinery.

I would like to extend warm congratulations to Stan Reynolds on his life's work and thank him for his vision, dedication, and valuable collections on display at Reynolds-Alberta Museum.

Thank you.

Speaker's Ruling Decorum

The Speaker: Hon. members, the majority of members in the House

today were not in the Assembly when the Assembly did not have part of its Routine, Members' Statements and Recognitions, and when these changes were made, they were made in such a way as to afford an opportunity for hon. members to wax eloquent on a subject matter that they wanted. The last two members were recognized, were met with great decorum in the House, the hon. Member for Calgary-Lougheed and the hon. Member for Wetaskiwin-Camrose. There was no interference, no heckling, no statements. That could not be said the same way for the first two hon. members who were recognized this afternoon. It's a forum of decorum, and I would really encourage you to remember again why we have this and what is expected of us when we do have it.

head: **Presenting Reports by**

Standing and Special Committees

The Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Speaker. The Standing Committee on Private Bills has had certain bills under consideration and wishes to report as follows. The committee recommends that the following private bill proceed: Bill Pr. 1, Sisters of St. Joseph of the Province of Alberta Statutes Repeal Act.

The committee also recommends that the following private bill proceed with an amendment: Bill Pr. 2, Forest Lawn Bible College Act. As part of this report I will be tabling five copies of the amendment proposed for this bill.

Mr. Speaker, I request the concurrence of the Assembly in this report.

The Speaker: Do the hon. members agree?

Hon. Members: Agreed.

The Speaker: Opposed? It's concurred.

2:40head: **Presenting Petitions**

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I rise to table a document in which 212 Calgarians petition this Assembly to urge the government of Alberta to do the following three things:

1. To immediately withdraw the draft management plan for the Evan-Thomas Provincial Recreation Area and revise it so as to disallow any further commercial or residential development of the Kananaskis Valley;
2. To redesignate the Evan-Thomas Provincial Recreation Area and adjacent unprotected public lands as a Provincial Park, with those parts currently undeveloped designated as Wildland Provincial Park;
3. To maintain Kananaskis Country in a natural state that provides high quality wildlife habitat and nature-based recreational opportunities.

Thank you, Mr. Speaker.

head: **Notices of Motions**

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. I rise pursuant to Standing Order 34(2)(a) to give notice to the Assembly that since Monday next is a holiday, there will be no notice of written questions or motions for returns until a week from today.

head: **Tabling Returns and Reports**

The Speaker: The hon. Member for Airdrie-Rocky View.

Ms Haley: Thank you very much, Mr. Speaker. I am very pleased to be able to table with the House today five copies of the 25th Legislature MLA receptions list that has been co-ordinated – and I emphasize the word “co-ordinated” – through my office by a number of groups around the province that have asked to meet with MLAs on issues that are near and dear to their hearts. The list includes things like the Chambers of Commerce, Grant MacEwan College, Telus, the University of Alberta, and the Long Term Care Association. These are the ones that we attend if we choose during session on Wednesday nights. I'm pleased to do this. I gave it to the press last week. I gave it to the press last year. There's nothing that I'm ashamed of here, and if everybody would prefer we not co-ordinate these, that's just fine. They will continue to happen whether I co-ordinate them or not.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I rise to table five copies of a letter from Ms Shirley Reid, issues co-chair, Canadian Federation of University Women Alberta Council, addressed to the Premier. I received a copy of it. Ms Reid is urging all levels of government to work collaboratively in a nonconfrontational manner to adopt and implement the Romanow report recommendations as soon as possible.

Thank you, Mr. Speaker.

Mr. Mason: Mr. Speaker, I'm tabling the appropriate number of copies of a letter from Mayor George Rogers, the president of the Alberta Urban Municipalities Association, dated March 31, 2003, addressed to the Premier. The AUMA is urging the provincial government to stop the passage of Bill 20, the Alberta Municipal Financing Corporation Amendment Act, 2003.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Speaker. I rise with a handful of tablings today. The first is the appropriate number of copies of a letter sent today to the Minister of Health and Wellness concerning issues of toxic mold at the Foothills hospital in Calgary.

The second is copies of a postcard calling for “fully funded high quality public education now” from a Mark Glover of Edmonton.

The next is copies of letters to the Minister of Learning and to the Premier expressing concern over cutbacks in public school education in the province.

The next is a letter written by the Windsor Park School Council to the Premier and the Minister of Learning and to me expressing concern over elementary school class sizes and funding.

Finally, copies of postcards calling for fully funded public education. Barbara Krahn says, “Fund the arbitrated settlement fully,” and the other says, “Show you have a vision for this province by making the future of its youth a priority.”

Thank you.

head: **Projected Government Business**

The Speaker: The Official Opposition House Leader.

Ms Carlson: Thank you. Mr. Speaker, at this time I would ask that the Deputy Government House Leader share next week's projected government business with us.

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. As we all know, Easter Monday will be a holiday, so there will be no sitting.

Tuesday afternoon will be designated Committee of Supply for Seniors. Tuesday evening will be designated Committee of Supply for Economic Development and, if time permits, second reading of bills 18, 12, 28, 29, 31, and 32, and as per the Order Paper.

On Wednesday under Government Bills and Orders, Committee of Supply, the opposition has designated the Department of Finance, and we'll do that plus anything else that time might permit as per the Order Paper. Wednesday evening Committee of Supply will be Municipal Affairs and, if time permits, second reading on bills 18, 12, 28, 29, 31, 32, depending again on progress made the day before, and possibly Committee of the Whole for bills 6, 10, 14, and 16, and otherwise as per the Order Paper.

On Thursday afternoon under Government Bills and Orders Committee of Supply will consider the Department of Infrastructure. That's it for now.

The Speaker: The hon. Member for Edmonton-Ellerslie on a point of order.

Point of Order Allegations against Members Imputing Motives

Ms Carlson: Yes, Mr. Speaker. I stand on Standing Order 23(h) and (i) with regard to an exchange between the Member for Edmonton-Riverview and the Premier during question period today. In answer to the question from the Member for Edmonton-Riverview the Premier once again today made numerous allegations and talked about hypothetical situations. I don't have the Blues in front of me, but the essence of the comments that the Premier made was that he believed the Liberals would want to pay outrageous amounts of money to CEOs from somewhere outside of the province. This both indicates a hypothetical situation and makes an allegation and then imputes false motives to us by indicating that we would do this when in fact the only people actually paying outrageous salaries in this province are the Premier and his government.

Mr. Zwozdesky: Well, Mr. Speaker, we've been in this Assembly for a long time, and I've heard all kinds of different things that get said from time to time both officially and/or across the bow. We only need to look at some of the preambles, for example, which are highly inflammatory and far more damaging attempts at cutting than anything I heard the Premier say today for certain. I think the Premier made some reference to the fact that the Liberal opposition had some ill-informed consultants going into the previous election. I think election results might or might not bear that out. So I would suggest that consideration be given to the tempo and gusto of the debate that took place this afternoon and hope that others might agree and that you might rule in your wisdom, of course, that this is merely a question of interpretation more than it is a point of order.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. The fact of the matter is that this is the second consecutive day the Premier has made completely unfounded allegations about our intentions. I refer you to *Hansard* yesterday in which, among other things, he said, "What the Liberals want [is] to hire someone from out of province at an inflated salary, because it fits in with the traditional patterns of unreasonable, unaccountable, Liberal spending."

Now, we have in no way, shape, or form advocated or considered what the Premier alleged yesterday. Because of our good graces we let that one pass, but today he repeated the allegation, and I think there needs to be an end brought to this line of false accusation and impugning of motives by the Premier against us.

Thank you.

The Speaker: Hon. members, 23(h) says, "makes allegations against another member." Standing Order 23(i) says, "imputes false or unavowed motives to another member." The operative rules and the operative words in these two Standing Orders are "another member."

What was said was the following: "It's quite reasonable in terms of what the Liberals would like to see," and then it goes on to say, "and that is to spend." That is not against another member. Interesting use of words.

Actually, I anticipated an entirely different point of order. That was not a point of order. There could have been two. First of all, the Premier could have raised one against the hon. Member for Edmonton-Riverview when the member was asking someone to justify something. The purpose of question period is to deal with government policy. The other one could have gone the other way: would impute motives in terms of the hon. Member for Edmonton-Riverview might have taken a point of order with the Premier when the hon. Premier said, "He doesn't even believe in his own findings." That certainly would have been imputing motives. But neither one was right, so we move on.

I hope the Easter bunny will be good to everybody this weekend.

2:50head: Orders of the Day

head: Committee of Supply

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, I'll call the committee to order.

head: Main Estimates 2003-04

Environment

The Deputy Chair: The hon. Minister of Environment.

Dr. Taylor: Thanks, Mr. Chairman. I'm pleased to be able to talk about my estimates today. I'm going to keep my comments brief. It is Thursday afternoon and it is a long weekend, so I'm going to keep my comments brief.

So maybe there is some hope that we can take some questions, and definitely we will provide written responses to anything I don't answer. That's been my history. The opposition has got full answers to all their questions if I don't respond to all of them here. I guarantee you that you will get full answers on both sides. Both opposition parties will get full answers to all their questions if I don't respond here, so I just want to assure the members of that, because I have in the past found the time very valuable. I've tried to be honest with the members of the opposition and will continue to do that today.

So it is a pleasure, Mr. Chairman, for me to be able to address the issues around environment and the Department of Environment. This is my third set of estimates. For the first one, perhaps, I was just made minister, so it could be rightly laid at the feet of somebody else. But certainly the last one and this one are mine, and the department is moving in the direction that we need them to move. I want to say that being Minister of Environment has been a tremendous learning experience for me. I mean, it's just incredible how much I've learned around environmental issues, environmental law and so on, and that's because I have excellent staff.

I've got a really fantastic staff, and I've really received many, many compliments from my colleagues in the House. Even some opposition members have complimented my staff as to how co-operative my staff has been in answering questions and dealing with their issues, other than, of course, one member. All the other members in the House are very complimentary towards my staff. So as we move forward, I look forward to that kind of working relationship the staff has with the MLAs of all parties out in the field.

Now, as it happens, many of the issues happen in rural Alberta, so we tend to run into, on the whole, more Conservative MLAs in rural Alberta, but we have dealt with an issue in the Leader of the Opposition's riding in terms of a cattle and truck wash. He approached me on those issues, and I believe we answered his questions. It's in Little Bow's riding.

Mr. McFarland: I'm his MLA.

Dr. Taylor: Oh. Well, there you go. The hon. Member for Little Bow is the MLA for the Leader of the Opposition. That's good to know because the next time when the Leader of the Opposition asks me a question, I should tell him to refer it to his MLA and then the MLA can ask me the question. Certainly that might be a better process, and I'd be pleased to work in that fashion if the Leader of the Opposition would like to.

We are moving in the direction that we need to move, Mr. Chair. We have had some shift in how we manage our environmental and enforcement programs. The philosophy that we're trying to drive is one of education, one of leadership. As I've said many times in the past, if we have to fine somebody, if we have to charge somebody, then the mess has already been made. From my perspective and many persons' perspectives it's much better to actually prevent the mess. Now, if we have to charge, we will continue to charge, but, as I say, at that stage there's already been environmental damage, and we prefer not to get to that stage. So we will continue trying to educate Albertans, educate Alberta companies, so that they don't do the environmental damage.

I did release to the House some time ago our enforcement actions of the previous year, and I don't have it with me, unfortunately, but I can remember that there were millions – millions – of dollars in fines. So we do enforce when we have to and it's necessary, and that is certainly something that we have to do. When we enforce, we'll do it heavy and we'll do it hard. I'd, as I say, prefer to educate before so you don't have to enforce, but some cases we have to enforce, and we'll continue to do that.

We are dealing with a number of major issues, Mr. Chair. We're certainly dealing with climate change issues, and that has been a major emphasis of the department. We're also dealing next year with water issues, and as we move forward, some of our budget is going to be devoted to water strategy and how we deal with significant issues around water.

Those are two major issues we're dealing with. Water for Life I've talked about in this House and had some excellent questions from the member opposite, the Lady in Red I guess I could say. That's not impolite, I don't think, in the House because I'm not using her name. [interjection] Excellent song I might say about *Lady in Red* as well. As we move forward, we will continue to address these important issues.

We have got an increase in budget this year, Mr. Chair. Some of the increase in budget will be going forward with the Water for Life strategy. Other areas are certainly going to be increased in the budget as well, so as we move forward we will continue to deal with important environmental issues that affect Albertans and affect Alberta's environments. All Albertans, including myself, want to leave the smallest footprint possible on the environment.

An Hon. Member: You know what they say about small feet.

Dr. Taylor: No, I don't know what they say about small feet, Mr. Minister. Perhaps you'd like to get up and tell me what they say about small feet.

Certainly, as we move forward, Mr. Chair, we intend to continue to enforce environmental regulation and at the same time educate the population and deal with these significant issues that we're dealing with as the Department of Environment.

I'll stop there. As I said, Mr. Chair, I intend to keep my comments brief, and hopefully we can answer briefly some of the questions from the member opposite, as I said, the lovely Lady in Red, and we'll go forward from there.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. Compliments aren't going to help this, Minister; sorry. But I would really like to compliment the minister's staff. They have been very co-operative, and we do get good information from them when we ask for it, and they have been very helpful in a number of areas. I would set a challenge for the minister, though. We actually get more information from the Minister of Sustainable Resource Development's department, so perhaps he could take that as a challenge for the next year in terms of keeping us informed on the issues. But your staff is excellent. They're very friendly to deal with. They answer our questions in a very reasonable time frame. We often get briefings on information that is helpful to us as we move forward.

3:00

The format for today. Now, I'm torn between the minister who's asking for an early release day and other ministers who are asking me to be particularly tough on this minister. It's tough to do both, but I expect that we can probably wrap this up by 5 o'clock. I'm going to start by asking for the minister to develop some issues that we have talked about in question period that we don't really get an opportunity to, I don't think, get full information on, given the format of question period. Then my other colleagues will go through a list of questions that are more specific on the dollar amounts in the budget. If we don't get through those this afternoon, then we will of course pass them on to the minister in writing, and we have always gotten good responses and timely responses to those written questions.

The first two issues that I would like you to spend some time talking about for us, if you can, are your current policy on interbasin water transfers and your position on a retrofit fund from an environmental perspective on energy.

Dr. Taylor: Well, let me talk first about the interbasin transfers, Mr. Chairman. We have legislation in the province that prevents interbasin transfers, and as a result even a small interbasin transfer is prevented by legislation. So if we want to do it, then we must bring forward a special act to the Legislature.

Last year you saw us bring – I can't remember the number or the name of the act. I'm going to call it the Red Deer water act or something like that. What it was, Mr. Chairman, was a special act to the Legislature to allow interbasin transfer in the Red Deer area. Essentially what it was, briefly, was to allow Red Deer to provide drinking water to a number of other communities out of the Red Deer River, which is in the South Saskatchewan River basin, and some of the communities discharge their wastewater into the Battle River, which is the North Saskatchewan. Although it's treated water in both cases, that still remained an interbasin transfer, so as a result we brought through special legislation to do it.

I don't see any effort and I have no desire to change that legislation. We will leave that legislation where it is because I think that if interbasin transfer is going to occur, then it needs to be very up front and there needs to be a very good discussion of it in this House. That's why if it would occur, then we'd need legislation to do that. I don't have right today any other plans to do any interbasin transfers. I do those only on the request from the communities. This one act that we did do was based on the request from a whole series of communities in central Alberta that are involved with the water supply system there. As I said, as of today I don't have any other requests to do any more interbasin transfers. I don't think it's acceptable. I don't think it's economically viable to even talk about large interbasin transfers from the north to the south. I mean, you'd need a special act here. I've got to be careful what I say because I don't want to give the impression that I'm going to do it or have any ideas of doing it. If at some stage it would happen in the future, it would have to be discussed here, but I have no plans to do that. I think that it's just uneconomical at the present time to do it, and there's not enough known about it, a whole series of issues around it. So I don't see that happening, at least as long as my tenure as the Environment minister.

The second issue was around energy and energy efficiencies. I'm working at the present time with Climate Change Central, and we fund Climate Change Central. We fund their operational costs to the tune of about \$2 million a year. In this budget I have some new money that could be made available to Climate Change Central; it's about 2 and a half million dollars.

I think that the member raises a good issue around encouragement of energy efficiency. I don't believe that it's the government's job to do that. We might disagree, and that's a philosophical and ideological position. I understand that, and that's just my philosophical and ideological position. I don't think the government should be in the business of giving loans, loan guarantees, or grants to individuals. However, Climate Change Central – and I've talked to Climate Change Central and talked as recently as last night about it in a speech in Calgary – may be a body that might be able to do that, and I asked them to give me a proposal. We've started this office, and we're funding this office – I think it's called Energy Solutions – and I've suggested to them that one of the opportunities that they have is to develop an energy efficiency fund of some sort that would be no-interest or low-interest loans. Moreover, I've suggested that if we got a proposal from them, we could look at putting some of this extra money into a fund like that at Climate Change Central that would then do it.

Now, I further suggested to them that there should be private-sector money that would be interested in matching our money. If a company sells energy-efficient furnaces, why wouldn't you contribute some money to a fund like that, promote your product, matching dollars? Why wouldn't insulators contribute to a fund like that? Why wouldn't people that have more energy-efficient windows contribute to a fund like that? You could develop quite a large fund for either zero-interest or low-interest loans that then would be a revolving fund.

I have suggested that to Climate Change Central. They do have their own board, and we'll have to wait and see what kind of response we get. I think that would be an appropriate place to do it with matching dollars in a fund from the private sector. Climate Change Central has been very efficient in getting matching dollars. For every dollar we gave them last year, they got between \$4 and \$10 from the private sector. So if we put a million dollars into a fund like this, if they'd get the same kind of match, then they'd have between \$4 million and \$10 million. That's the way I would look at it, and I understand, you know, that the member may disagree with

me on my ideological viewpoints, but I guess at the present time I'm the minister.

Thank you.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms. Carlson: Thank you, Mr. Chairman. I think that on that particular issue the minister and I aren't that far away in thinking, but maybe that's an interpretation. I think Climate Change Central is primarily an arm of the government, so if you give them the money, it's still the government paying out.

A hint for Climate Change Central and this minister is that if you take a look at the retrofit programs that have been established in the States, they have been almost 100 percent funded by energy companies. I think that if you're looking for matching moneys, that's also an area to take a look at.

Could the minister now talk for a little while about what we have heard from a number of people and organizations as to what seems to be a building area of concern, and that's the Ministry of Environment moving to codes of practice? We see some of that happening in I believe it's Bill 36, and there are some concerns around that. So if he could talk about why they're going there and how he thinks that's a better system for us to have rather than the more traditional methods, I'd appreciate it.

The Deputy Chair: The hon. minister.

Dr. Taylor: Thank you. I might make just one comment about my last response. One of the things that you could do on an energy fund or, you know, a retrofit fund is you could actually structure it so the people could pay back the fund out of their energy savings, and I suggested that to the director of Climate Change Central just last night. As I say, I don't control what they do.

In terms of codes of practice I'll use a specific example, Mr. Chairman, because I think you can generalize from that specific example to the larger case. Let me use the example of well site reclamation. We have today in this province 28,000 abandoned well sites that need reclamation certificates done on them. We have in the neighbourhood of 14,000 abandoned pipelines that need reclamation certificates and I think 8,000 or so abandoned batteries. I'm just going by memory. So that's over 40,000 units of those three sorts that need reclamation certificates done on them. As well as that, at present we have 155,000 active wells that are going to need rec certificates done.

Now, since either '63 or '67, I believe, the Department of Environment has issued 40,000 rec certificates. So essentially in almost 40 years we've issued 40,000 rec certificates. Well, we've already got a backlog of over 40,000, so we couldn't possibly hire enough staff to actually catch up. We have a significant issue. We can do about 1,700 a year. That's what we can actually do. If you look at 1,700, over 40,000 to do, you can see that there is a very significant backlog and significant time frame involved plus the 155,000 active wells that are going to need to be reclaimed as well.

3:10

So what we're working on with the industry is a code of practice. We've contracted the Alberta Research Council to come up with very clear standards, not subjective standards but objective standards as to what a well site reclamation should look like. The Alberta Research Council is doing that for us. They've got a fellow that's doing it I believe from the University of Alberta that has worked 30 years in the reclamation business and very clearly understands that. I can't think of his name offhand, but I could get that for the member

if she wanted it. I know that if she would check on his background, he is a very credible person.

So now what we're talking to the industry about – we get these objective standards, and then we're looking at a methodology of allowing the industry to hire a reclamation specialist. That might be an agrologist with experience in this area. That might be an engineer with experience in this area. It could be any number of specialists. We have rec specialists that come out of the colleges in this province, so it could be any number of specialists. The oil company or a gas company would contract them. They would do the reclamation, certify it.

Now what we would ask is that when they submit the certification to the government of Alberta, they would also submit a copy of all those papers to the landowner or whoever is in control of the land. Right now an oil company or a gas company can submit a rec certificate and the owner of the land doesn't know it's even submitted. So at the same time as they submit it to the Department of Environment with some kind of professional stamp on it, I'd compare it. One of the things we do is construction in our private sector. So when I get a blueprint done, we get it stamped by an engineer. The engineer puts a stamp on it and says: yes, this blueprint is acceptable. We take it to city council, and city council looks at Pat McNally's stamp on the blueprint and says: "Yes, McNally Engineering and Associates has stamped this. Go ahead. Your blueprint is okay." That's the kind of thing we're looking at, a professional designation, a professional organization in the background so that if there is a problem on the blueprint or on the rec certificate, there's an organization there that has penalties, and as well we would have the ability as the Department of Environment to withdraw your right to any more of these reclamation certificates.

So then what would happen is the papers go to us, they go to the landowner, land lessee, whoever it is, and with the documents that the landowner gets, there's going to be some document of some sort – we don't have the wording yet – that indicates that the landowner has to sign. If they don't like what has been done, then they would send that into the Department of Environment on this document, and then we would automatically go out and inspect.

As well, we will audit many different sites. I mean, if I ask my guys in the field, they'll tell me, you know, who the good companies are and who the bad companies are. They know that. Certainly, some companies won't get audited as much as other companies, and we will audit the companies that perhaps haven't been as good in the past. But if they're not doing it properly, remember that you've got a rec specialist that could lose his professional designation. So there's a certain incentive for them if that's the way they're going to make a living.

So what that will allow us to do under a code of practice is really get through a number of rec certificates and reclamations much quicker – it's still going to take a number of years to catch up – because you're going to have different people doing it in the Department of Environment. We will still continue to do the 1,700 to 2,000 inspections every year out in the field, but they're going to be auditing inspections as opposed to, you know, writing rec certificate inspections. We're still in some negotiations with the industry and the various groups on this. We're looking at some things. Right now you only have a five-year liability as a company. We're looking at quite a long extension of that liability, which the companies are prepared to give. We're looking at 20- to 25-year liability.

The other thing that can happen with this new methodology is that a director of the Department of Environment can pull the rec certificate at any time. He can't do that now. Once you're given a rec certificate, it's there. The Department of Environment will be

able to pull that rec certificate at any time, so it's a real incentive again for the companies to do a good job and for the rec specialists to do a good job up front, because if it gets pulled, there are going to be substantial costs, almost a penalty that the company will have to pay to the Department of Environment to go through the process again. So there are lots of incentives to do it through the code of practice the first time and do it right the first time. So that's what we're looking at. That's a very specific example of a code of practice, but we're looking at, you know, things like that for different areas.

Hopefully that gives you some idea of where we're going.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman, and thank you to the minister for those answers. When you talked about the ARC, it reminded me of a question that I had for you. I think the ARC does an excellent job, and they're working on some great projects. The last time I was there, they were talking about coal bed methane recovery, so if you could give me an update from your perspective on how close they are to actually figuring out a way to recover it and what impact you believe that will have in the near future.

The Deputy Chair: The hon. minister.

Dr. Taylor: Thank you. ARC does an excellent job. I actually used to be chair of that organization, and then I was the minister in charge of the organization. I can speak very highly of the Alberta Research Council, and I will say that they have an excellent chair right now, probably a much better chair than I was. He keeps pushing the ARC and getting it moving forward.

Dr. Oberg: No doubt about that.

Dr. Taylor: "No doubt about that," says the Minister of Learning. He's certainly better looking than I am, anyway, Mr. Learning Minister.

The ARC and coal bed methane. Actually, we have about 24 or 25 wells that are presently getting methane from coal in the experimental process, many of them in my constituency. They're actually right now working on some experimental wells to do that, so I think it's pretty close. It's interesting to note that we have more reserves of natural gas in the coal bed methane today than we do of what I would call traditional natural gas. There are huge amounts of natural gas or methane in coal beds. So it's going to be an interesting experience to try and get it out. As I say, there are some experimental projects going on right now. I can't remember if it's 24 or 43 wells, but a few experimental wells are drilled and are working. So as we go forward, I would expect to see more.

One of the issues around coal bed methane is water though. In some of the coal there's potable water. So it becomes a significant issue as to how you handle that potable water. In my constituency some of these wells are into potable water. So it's an issue they're trying to figure out: can they get the water out without damaging it and then put it back down, or exactly how are they going to deal with it? I mean, the Minister of Innovation and Science or the Minister of Energy would perhaps be a better one to answer this, but I think that from my perspective one of the big issues is figuring out how to deal with the water. Not all water in coal bed methane is potable – there's lots of brackish water too – but we have to figure out an appropriate way to deal with potable water.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I think we need to learn how to deal with the brackish water as well in order to keep it contained and then put back wherever it's going to be put back.

So my next questions are really around water. That was a great wish list that you brought out for the water for life strategy. I would like to see everything in there implemented. How soon do you think you'll be able to give us some preliminary findings of what there is? Aside from that, are you making some progress on a water audit for Alberta? I think that's a very important thing to do. Also with regard to water is there any more discussion about preventing water from becoming a commodity under NAFTA? Are any of those discussions happening with your department?

3:20

The Deputy Chair: Hon. minister, do you want to respond?

Dr. Taylor: Yes, I do. I'm just making a note. My memory isn't as good as it used to be, and if I don't make some notes as to her questions, I'll forget them. Water audit was a question.

The first question was: interesting wish list. No, I don't think it's a wish list, Mr. Chairman. As the members will see in the fall, I think it's actually going to be a water strategy. What you will see coming back in the fall will be time lines and budgets associated with those time lines. Now, obviously, this is a long-term, 15- to 20-year process, I think, so you're going to see long time lines, but you will see budgets, and as we go forward into the next business-planning cycle, for the issues that we have to deal with in 2003-2004 under the water strategy, you will see budget requests. Because we do three-year budget cycles, you'll see the time lines. For anything within that three-year time line you're going to see budget requests. This is not a wish list that's going to end up on a shelf; this is going to have numbers and time lines.

Now, does that mean I'm going to get everything I want from our good Minister of Finance and Treasury Board? The Minister of Learning, who sits on Treasury Board, is nodding his head in the affirmative, so hopefully we will find that to be true. I will do absolutely the best I can to convince my colleagues. I think everybody in the House, all my colleagues and everybody in the opposition, recognizes the importance of a water strategy. I think most Albertans do as well, and I'll be doing the best I can to try and get money in the budget to meet the time lines in the three-year business plan cycle. But as I say, there will be time lines and there will be budget numbers. I guess we will see how successful I am in the future at getting that money. I mean, certainly, if I have my way, I'll get it, but as I say, as you know, member, there are many demands on money in government, so you don't always get everything you want.

A water audit is a significant and interesting issue. We have a pretty good idea of the surface water, where it is and the amount. We can monitor that pretty closely. What we don't have a good idea of generally around the province is the underground water, or groundwater. We don't know, really, in most places in the province where it is, how much there is, or what quality it is. In the Edson area we've got a pretty good idea. I think we've just released a scientific study, that has just been put out or is just coming out, on groundwater and surface water in the Canmore area, and in the Milk River basin we've got a pretty good idea. So in some really small, small portions of the province we have a good water audit on groundwater, but we need to do more of that. It's going to be part of our water strategy. It costs money.

As well, there's a lot of information out there that we're not collecting. Anytime somebody licenses a well, they have to provide us with information on flows. We have hundreds of wells licensed

every year. Every time an oil company drills and uses water, they have to have a licence for a well and they have to provide information on flows. So the oil industry has a lot of good information on water, and we've got to figure out how to make their information on their computers compatible with the way we can collect information on our computers. As much of a technology guru as I am, you're going to need better people than I am to figure that out, but we have people working on it, talking to the oil industry right now on how to get the information from the well licensing into a system to better understand groundwater.

Mr. Lukaszuk: Are you monitoring it?

Dr. Taylor: No. Actually, we're doing more than just monitoring. We're taking action in this case, Mr. Chair. It's moving forward. So that's where the water audit is.

Water commodity under NAFTA. My understanding, not being a lawyer, is that as long as we don't bulk export water to the U.S., then it's not an issue, and we have no intention as a government. We have legislation against bulk exports of water to the United States. If we were to start that – I have no plans to start that – I mean, can you imagine the legitimate screams of Albertans, when we really have significant water supply issues in the province, if we tried to export water to the United States? We only have one river. The Milk River, as you know, runs in from Montana and back into the U.S. No, there are no plans to do bulk water exports to the U.S., and I can't see it happening for the foreseeable future – ever, really.

Dr. Oberg: As long as we stay in Canada.

Dr. Taylor: Well, the Minister of Learning suggests "as long as we stay in Canada." Hopefully, we will always stay in Canada, so I can't see it happening.

The Deputy Chair: Hon. members, before I recognize the Member for Edmonton-Ellerslie, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(*reversion*)

The Deputy Chair: The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Chairman. Earlier today the hon. Member for Edmonton-Rutherford had the pleasure of introducing his twin brother. Well, I am very pleased to announce that my mini me has indeed arrived in the members' gallery, and I would like to introduce to you and through you my younger brother, Mr. Adam Lukaszuk.

head: **Main Estimates 2003-04**

Environment (*continued*)

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. Now would seem to be an appropriate time to talk about the Milk River Ridge dam. I've read through the material. It seems to me that nothing has changed in terms of the last time they talked about this being an internationally significant grassland that serves as habitat for several rare or threatened species. The Member for Cardston-Taber-Warner has

offered to take me on a tour of that site this summer perhaps in the hopes of changing my mind. I'll be very happy to go out and take a look at it. I do think that dams are always an expensive choice and that we generally have other options, and I would like the minister to comment on it from his department's perspective but also perhaps from the other implications it has in that region of the province: who it's going to serve, the economic benefit. Try and convince me that it's a good idea.

Dr. Taylor: Well, I won't try and convince you that it's a good idea, because I don't think it's possible to convince you that it's a good idea, but I'll try and give you some rationale for why we're doing it.

As you know, we're doing a study. I can't remember the exact cost: \$240,000 or \$250,000. I should say that our chief financial officer, Stew Churlish, is in the House. He could probably tell us the exact dollars. My communications director is in the House as well, Val Mellesmoen. My executive assistant, Ken Faulkner, is in the House. I'd say that the toughest job of all of them would be my communications director. She has a tough job trying to control what I say on occasion. So I give them all credit; they all do good work for us.

Back to the point in question. We were asked again by a group from that area, the Milk River water users association, whatever their appropriate name is, to take another look at it. I said I would only take another look at it if they contributed, you know, some of the money for the study, because if there's no community buy-in, then why should we put the money out? Sure enough, they went back, and they came up with a substantial amount of money for small communities and contributed to the study. So that's one issue, just to let you know that they have committed dollars to it.

The other thing that makes this different is that the Americans are interested. We have in Montana a siphon system from the St. Mary River to the Milk River, and that siphon system is about I think 23 miles long. It's long, anyway. It needs about a hundred million dollars worth of repair. As I said, the Milk River comes in and flows back into Montana. In the Havre, Montana, area they're irrigating about 85,000 acres from the Milk River, but because the siphon system is old – and that's actually an interbasin transfer, because the St. Mary River ends up in Hudson Bay; the Milk River ends up in the Gulf of Mexico. So if you want a big interbasin transfer, that's one. You know, nobody's died from it yet, but we won't get into that argument. So there are these massive siphons. They haven't had much work done to them, and they've been there since 1908, I believe, so they need some massive work done in the neighbourhood of a hundred million dollars.

So the Americans are now interested because they have to stop the irrigation in Havre usually by June 1 because the Milk River goes dry. The Milk River would not flow all year if it weren't for the siphons from the St. Mary River. It actually dries up. Two years ago, in 2001, when we had the severest drought in the south of Alberta and there wasn't enough water in the St. Mary River to keep the siphons running, then the Milk River did dry up and you could walk across the Milk River on solid ground. You didn't have to walk on water to get across. So the siphons keep it running. So that's another difference. The Americans are now interested.

The study is more than just about a dam. The study is also looking at off-stream storage. Unfortunately, I have to agree with you that it appears at least that big dams aren't economically or environmentally – you can't do them right now. It doesn't make sense.

3:30

Mr. Mason: Who are you, and where's the real Minister of Environment?

Dr. Taylor: I'm the real Minister of Environment, hon. Member for Edmonton-Highlands. Okay.

As I say, I tend to agree with you. The Meridian dam isn't going to work. At least in my life span I don't think it's going to work either economically or environmentally.

Now, the one difference in this is that if there ever were to be a dam built, it's a very small dam and not a very expensive dam according to the Milk River water users. So we're looking at that. Will small dams be both economically and environmentally affordable? I don't know. But we're also looking at off-stream storage because in discussions with the environmental movement they're more in favour of off-stream storage than onstream dams. So how the study is going to come out I don't know. They are looking at not just dams but off-stream storage as well.

I really believe that as we move forward, we're going to have to look at more off-stream storage and how we deal with water because the Milk River like the South Saskatchewan and North Saskatchewan – we have to provide 50 percent of the natural flow to either Saskatchewan or the U.S. When the Milk River is running, we're still providing about 85 percent of the natural flow into the U.S. So the Americans would certainly be concerned if we were to build a dam and just provide them 50 percent because that would shrink their irrigation possibilities even further.

We did have an interesting meeting in Milk River. The Americans were there. The federal Bureau of Land Management was there, very senior people, I think out of Cheyenne, Wyoming. The equivalent Montana people were there as well. They want to be involved in the study, so we are involving them and keeping the Americans informed. So that may make a difference. They've indicated that they may be willing to fund some of any project if it suits their needs as well, so that might make a difference as to the economics at least. We don't know the environmental effects, but this study is looking at the environmental effects as well. So that's where that project is. We hope to have results probably by either the end of June or the middle of July.

The Deputy Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Well, thank you very much, Mr. Chairman. I'm pleased to rise to engage the Minister of Environment in some discussion about his budget. I would like to, I guess, begin by talking about the budgetary increase of 11 and a half percent. I would note that the department has still not caught up to 2001-02, particularly in the area of environmental leadership, and I'd like to know what programs have been cut or reduced since 2001-02.

In terms of water I'm curious about what action the department is taking to improve water treatment in towns like Gleichen. I know that water is a serious concern across the province, but good, safe drinking water should be an essential part of the life of every Alberta community. There have been a number of issues brought to our attention with respect to the quality of drinking water in certain areas of the province and often on reserves. This has been brought to our attention by a number of native organizations, that there are serious deficiencies in certain parts of the province.

I'd like to know as well what the status is of the proposed water tax and also would like to know about the metering of domestic water use. I know that comparing the cities of Edmonton and Calgary over the years when Edmonton had water metering and Calgary didn't have mandatory water meters – I'm not sure if they do now or not; I suspect they do – it was clear that water usage per capita in Edmonton was consistently lower. So I guess, in my view, a water meter is the number one water conservation device that you can have, and I certainly feel that the government should move to

ensure that water meters are mandatory in Alberta municipalities. I think that would go a long way toward reducing consumption. So if the minister can report on the status of that issue, I'd be very interested. [interjection] Do you want me to stop now?

Dr. Taylor: Yeah. I'll get too far behind you.

Let me respond quickly to a couple of the points the member has made. The metering issue is a significant issue, and he's correct. Metering is one of the most important things we can do for conservation, and I'll use the city of Calgary, where half the city is metered; half the city is not metered. The half of the city that is not metered uses double the water. Calgary has brought in a 15-year plan to do everything with water meters, but I'm saying that that's not quick enough. Part of our water strategy, that you can look at on our web site, I believe has to have a major emphasis on conservation, and part of the emphasis on conservation has to be, you know, getting meters in Calgary quicker than a 15-year process. If we end up with the final strategy looking like the draft strategy, then it's something we need to take action on and work on.

In terms of a water tax we've never proposed a water tax as a government. We did have a water forum, and we did hear from thousands of Albertans, and one of the issues that Albertans raised was: should there be a price on water? It appears from the information that we've got that it's about a 50-50 split. You've got about 50 percent of the folks saying, "Yeah, you should have a charge for water other than your conveyance charges that you pay now" and about 50 percent saying no because they don't want another tax grab, and I agree to some extent with the ones that don't want another tax grab. If there were to be any charge for water, I would not support it unless it went into a designated fund for water infrastructure, and I say: if.

So if you look at our draft water strategy, one of the statements we've asked people to respond to – it might even be on page 34 if I remember correctly – is: develop and implement a water pricing process or something like that. We're going to get feedback on that, and hopefully it'll be interesting. But as I've said repeatedly in the public and in the press, everybody agrees on the need for a strategy. You go out and talk to any Albertan, talk to all of you folks in the opposition, even all of my colleagues, and they all agree on a need for a strategy, but once we bring a strategy forward, it's going to be very interesting to try and get general agreement on a strategy. That's not just from the opposition but from some of my own colleagues as well.

So it's going to be interesting on some of these issues, but I believe it's necessary to do. I believe it's necessary to have the discussion. I can tell you that we're the only jurisdiction in North America that's trying to do a broad water strategy like this that includes both drinking water, you know, maintaining healthy aquatic systems. California is probably as far advanced as anybody in water thinking, and they haven't had a broad strategy. They've dealt basically with irrigation: irrigation water and irrigation supplies. So it's going to be an interesting discussion as we go forward. But as I said earlier, the final draft will be out September-ish, and we will have time lines and budgets on that final draft, so you can look forward to that.

3:40

In terms of water treatment and quality of water on native reserves, that's very clearly a federal issue, and we would encourage the federal government to be more responsible in terms of how they do water treatment on reserves. We would work with them. We volunteered and will continue to volunteer to work with them on that, to improve the quality of drinking water.

Now, drinking water in a more general area in rural Alberta is also a very interesting and important issue. The best example I can use is Walsh, which is in my constituency. There's been a four-year boil order in Walsh. There are about 15 houses at last count when I was there that have about 63 people in them. We spent over a million dollars on a water treatment facility, and it's not working. The first engineering firm has said that they've done all they can do, and they've vacated the space, so to speak, and there's another engineering firm in there. But it is a very significant issue. As I said, a four-year boil water order, probably the longest in the province, in my constituency, so I'm very familiar with water issues in rural Alberta.

One of the real hopes I see for that is to actually go to regional water systems. You see us doing that in the Red Deer area. I met with people from Grande Prairie yesterday that want to go to a regional system there, and I think that in rural Alberta to try and work through regional water systems is probably the way to go. So if you look once again at my constituency, Medicine Hat, a city of 55,000 people, has a big plant and they can put out high-quality drinking water. Well, Bow Island has a treatment facility, Seven Persons has a treatment facility, Etzikom has a treatment facility, Foremost has a treatment facility, and Walsh has a treatment facility. So I've got approximately five small treatment facilities. It doesn't matter what we do there; those folks cannot afford to pay for the quality of water that you're going to get out of the Medicine Hat system. So it makes more sense, instead of us putting millions and millions and millions of dollars into those small treatment facilities, to put a pipeline from Medicine Hat.

To give you an example, this is the number that was quoted to me from Grande Prairie yesterday. Now, I haven't checked them out. I met with the Grande Prairie councillors and from Sexsmith, the county around Grande Prairie, and the city of Grande Prairie. For Sexsmith I think the cost is \$30 million to upgrade their water system. Well, they're telling me that for \$30 million or \$40 million – and I can't remember what the exact figure is – you can have a pipeline from Grande Prairie to do this. That includes the county; it includes Sexsmith; it would include other small communities out there.

I know that the Minister of Transportation, whose budget would be going to this area, is strongly supportive of regional water systems, and he's assured me that he's going to have a lot of money in his budget next year to do regional water systems. Of course, he has to convince Treasury Board as well, and sometimes that's not as easily done as said.

That's what I see as a response to drinking water in rural areas, I think: regional systems.

Now I'll stop there.

The Deputy Chair: The hon. Member for Edmonton-Highlands.

An Hon. Member: Riverview.

Mr. Mason: He just cut me off, and I was . . .

The Deputy Chair: Hon. member, I just want to make sure that there's a clear understanding. The hon. Member for Edmonton-Highlands had the floor. The minister interjected and said that he wanted to respond because he had not finished taking full notes. So I'm not sure if the Member for Edmonton-Highlands has completed his remarks. Have you?

Mr. Mason: No, not yet.

The Deputy Chair: Okay. Then let's let him finish his remarks, and then we'll recognize you.

Mr. Mason: Thank you very much, Mr. Chairman. [interjection] I can stand up and look the Minister of Economic Development straight in the forehead.

I appreciate the minister's comments on regional water because we're certainly familiar with that in the Edmonton area. Since Edmonton kind of screws up the North Saskatchewan for people downstream, it only makes sense that Edmonton should locate its water treatment plants upstream of the wastewater and then pump the water downstream.

I want to ask the minister about the export of water. I know that the strategy isn't finished and so on, but I wonder if he can give us any idea as to whether or not the government is considering interbasin transfers that might facilitate the export of water. I would note that Alberta is relatively short of water compared to other provinces and would certainly be very concerned if our American neighbours were able to persuade the government to export water.

I'd like to know about the plans for the oil and gas industry. The oil and gas industry was licensed by Alberta Environment to use 438 billion cubic metres of water in 2002. Only 58 billion cubic metres were actually injected, or this was at least according to a newspaper article recently. I know that the government has talked about alternatives to freshwater injection, but I'd like to know if those are practical now and what action the government is taking to speed up the alternatives if not to limit the use of water for partially depleted wells. I forget the technical term, but it's injected to squeeze out more of the oil in a depleted field.

Just to finish on water, I'd also like to ask about the impact of some of the intensive livestock operations on the incidence of E coli in groundwater and whether or not the government is monitoring that and if they're monitoring it, what they've actually found.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. minister.

Dr. Taylor: Thanks. Just on the export of water. I was asked by a Liberal member, and I'll reply briefly. There's a law against the export of water. We have no plans, zero plans, as a government to do interbasin transfer to export water. We have a water supply issue, and I've said repeatedly that unless we have a major water strategy within 10 to 15 years, we're not going to have enough water for Alberta. It would make absolutely no sense, zero sense, to try and export water. So there are no plans to do that, period, ever.

Oil and gas are licensed for about 3.5 percent of the water in the province. Municipalities, irrigation are licensed for much more. But that doesn't mean that the oil and gas industry can't do things better. One of the issues is that what you're licensed for and what you use are two different things.

At present, today, as we speak, we're working with the oil and gas industry. We've hired a consultant to determine exactly how much water they're actually using. So that's your first step: determine how much water they're using, what kind of water it is. Is it potable? Is it brackish? That's the first step. The next step that we foresee happening once we have that information – we should have their information by the end of June – is actually setting up a protocol and a group of people, including the various industries, to look at how and what technology is available to reduce the use particularly of potable water. So that's where we're going. We do have a plan to go forward with it.

The oil and gas industry is being very co-operative, and as we move forward, one area we will be looking at specifically with this group of individuals is their utilization of water. We'll put a number of people on that group to work with them, and as I say, they are co-operating. They understand the necessity of developing new

technologies to reduce their utilization of potable water both in injection and in the oil sands, because the oil sands use huge amounts of water as well. So in the oil sands they're experimenting with different kinds of flood. Instead of steam or water flood they're experimenting with propane flood, they're experimenting with some solvent flood, and the one I found most interesting was fire flood. I saw a model. There's a company in Calgary. I can't remember the name. Ken is mouthing the name to me.

3:50

An Hon. Member: Fire Floods Are Us.

Dr. Taylor: Fire Floods Are Us. No, it's not Fire Floods Are Us. CMG or something. They're actually doing modeling on fire floods. One of the kind of fascinating issues is that they do three-dimensional computer models, and you actually see the fire flood going through the existing oil sands. They go out and drill wells and then tell you where the sands are. One of the problems with the fire flood, of course, is that sometimes they have trouble putting the fire out once they've got it started underground. So they've got some issues to figure out around that, but they realize the need to work on other methodologies. That's moving forward, I think, as a direct result of our water strategy and drawing attention to it.

The intensive livestock industry and water. Essentially, all we do with the intensive livestock industry is license a well; okay? The NRCB licenses the operation, so we go in and license the well and require the intensive livestock operator to monitor wells. I can think of one that was just done in my constituency. It's an intensive hog operation, and what Alberta Environment required was the hog operation to monitor all neighbours' wells in a significant area around to see the drawdown or see if there was any pollution coming, as well to have a number of monitoring wells around the hog operation that are monitored or audited . . .

An Hon. Member: In this case it's legitimate.

Dr. Taylor: Yes, in this case it's legitimate. They're monitored on a regular basis, and the water is sent for testing. So, yes, we are doing that as necessary and where necessary.

The Deputy Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. A handful of questions. I appreciate the minister's back-and-forth responses here. It makes it more interesting for all of us, I'm sure. This is, I hope we would all agree, a very important department and requires strong leadership and a tremendously farsighted vision, I think, for the leader. So I look forward to many good things from the minister and look forward to his comments here.

I will cluster my questions into some specific areas here. The business plans are useful, and the budget is – well, it is what it is. One of the frustrations with government budgets is that they tend to be at such a general level that it's hard to know the details, and that's why the minister's responses are so helpful.

Of pressing concern – and I worry that this is going to become potentially a huge issue; we've raised the issue a few times in question period – is West Nile virus. Maybe I'm more sensitized to it because of the SARS outbreak right now and watching the impacts of that, but I think that West Nile virus could within months be a huge story in this province. I think of its impact on recreational activities, people going out camping or golfing or whatever, its impact on economics, tourism, forestry. You think of the workers who are sent out into the bush and how many mosquito bites they

get, so there are real risks there. We have raised from time to time issues of mosquito control, and it's a dilemma. I think we all recognize that this is not an easy issue at all.

I guess that what I'm going to ask the minister is this. Is there any place in his budget and business plan or elsewhere in the government for an interdepartmental centre, a task force or some equivalent to that that could be ramped up more or less instantly if we find that two or three months from now there's a real crisis around the West Nile virus? I have read recently that the form that's turning up in Canada is the most virulent form of the disease. Is there any provision in his business plans or his budget for some ability to suddenly rise to action on this issue?

Dr. Taylor: Well, let me start by saying: this is a significant issue. I don't understand all the science around it, but I do understand, unfortunately, that apparently if there is West Nile, the most likely place it's going to occur is in southern Alberta, and that's because of the heavy irrigation and the water and the high temperatures. Apparently, that's what those kinds of mosquitoes like. There are a number of different varieties of mosquitoes. Only certain varieties carry West Nile, so that's why you can only kill it in the adult population. That's why spraying programs don't make sense.

But there are a number of other things, and this is really a partnership between the department of health and Alberta Environment and some others. The department of health minister could probably give you more information. There are a number of things that you can do as an individual. One, you should make sure you don't have standing water in your backyard or in your neighbourhood, you know, if you can get rid of any standing water or possible breeding places for mosquitoes. It's going to have to be, quite frankly, a lot of self-protection. I know that there are some plans to go forward with education programs that we can put out there: you know, mosquito spray with deet in it, wearing long sleeves, just being aware of all the different self-protective measures, staying in screened houses if possible, and so on. So there's a lot of self-protection education that we have to do.

In terms of funds I don't have a specific fund. I can't comment on what the ministry of health has, but I do have in my budget disaster funds that aren't specified, obviously, because we don't know. Hopefully, there are no disasters, but we do have hazard and risk management funds, and certainly if something major was happening, some of these funds could be very quickly diverted because this would be hazard and it would be risk management. In partnership with the department of health these funds could be diverted. As I say, they're there to do exactly that. So that's where we could immediately get dollars for it.

The Deputy Chair: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Chair. I just have one quick question for the minister. Before the question, an observation. I realize that this is merely an observation, but if municipalities had to get their input water downstream and their effluent went in upstream, it might seriously change the amount of interest that went into treating the effluent. It's just an observation. I know it's impractical, but it is an observation.

My question, though, has to do with storm water and the drought that we've experienced and the concern that people have that we may be entering a period of prolonged drought, and this has been the case as made by some. Are we giving consideration to trapping storm water, or has there been any additional interest in saving storm and runoff water because of our experience in the drought?

The Deputy Chair: The hon. minister.

Dr. Taylor: Thank you. Let me comment on your first observation. Actually, the water that goes back into the rivers from tertiary plants – I mean, people say that you can drink it. I wouldn't necessarily want to try and drink it. I've never seen anybody drink it, but some of the technology people say that you can actually drink it. So far out of a tertiary treatment system like you have in Edmonton, it's a very good system. I see the Sergeant-at-Arms looking at me with amazement on his face. He might want to try and drink it. I don't know if he would or not, but it's supposed to be that clean. I think that as we move to tertiary treatment plants, that issue is eliminated to a large extent.

Now, in terms of collecting storm water, storm water all ends up eventually back in our rivers and streams, so it's a matter of getting and storing more water. As I said, on all our river basins we have a 50 percent issue to Saskatchewan or the U.S. North Saskatchewan: I would suspect we're flowing 90 percent to 95 percent into Saskatchewan at most times. Even in 2001 when we had the severe drought in the south, we flowed 57 percent of the South Saskatchewan into Saskatchewan, so there was still 7 percent we could have captured. But the question is: how do you capture that in environmentally and economically sustainable ways? That's what we're trying to work on. We've got these watershed management committees. The North Saskatchewan has one. Certainly, it's a huge issue, and we just need to figure out how to do it, and I don't have an answer on how to do it.

4:00

Dr. Taft: The minister just mentioned the North Saskatchewan River valley water basin management system, and my next three questions all relate to those activities. The first one could also relate to other areas, but it has to do with the very clearly observed diminishing of the glaciers in the mountains, which are one of the sources of the North Saskatchewan and of a number of other rivers. One only needs to hike into the glaciers in some of the national parks to see how much they have receded, and, well, there's very clear evidence that they're continuing to recede.

My first question has to do with any work that's being undertaken through this budget to look at the long-term implications of the shrinking of the glaciers on the eastern slopes, the glaciers that serve as sources for some of our major rivers.

The second question has to do with Lake Wabamun, which is in the North Saskatchewan River drainage basin, and is I think probably the most heavily studied lake in the province, or certainly one of them, because of the heavy concentration of power plants and coal mines right around the lake as well as CNR's transcontinental line and a lot of recreational use. There are concerns. I hear them in my constituency because a number of my constituents are cottage owners there. There are very serious concerns about the quality of the water, the presence of heavy metals such as copper and mercury, which have entered the lake through the emissions from the nearby power plants. So any comments the minister has on his awareness of quality of water issues at the lake and the monitoring or auditing programs they may have around that lake and, frankly, any other lakes in that vicinity. There are, actually, a number of lakes around there.

Finally, any comments relating to Lake Wabamun about the attempts to restore the water levels to the historic levels. TransAlta has been trying for years to successfully transfer water from the North Saskatchewan River into the lake. They spent \$15 million or \$20 million, I think, on a water transfer plant that didn't initially succeed because it couldn't clean the water sufficiently. The trend

of that lake in the last several years has been calamitously down. Any comments or initiatives the minister has on the level of the lake.

Finally, the North Saskatchewan River valley itself, which runs right through the middle of my constituency. There are questions around the ongoing quality of the water, issues around the construction of the new bridge that's part of Anthony Henday Drive. There are concerns that the last bridge that was constructed across the North Saskatchewan River, which was the LRT bridge, quite badly and permanently disrupted the river bottom, which was potentially one of the areas where sturgeon used to breed in that river.

My understanding is that the sturgeon population of the North Saskatchewan River is in real distress, that when they do samples of the sturgeon population, you can find adults – and these fish tend to live very long – but there are no juvenile or new sturgeon in the river. So any comments about ongoing activities of the department to restore the quality of the North Saskatchewan River.

That completes my set of questions on the North Saskatchewan River basin. Thank you.

Dr. Taylor: With the sturgeon really you'd want to ask the Minister of Sustainable Resource Development, unless the cormorants are getting them or something. I'm not sure. But, you know, he's got a treatment for cormorants.

The fish and bridges issue is largely a federal issue because if you have a waterway that has fish in it, that's under the Department of Fisheries and Oceans, so any bridge that would have to be built is going to have to satisfy the needs of the Department of Fisheries and Oceans on habitat concerns. I can't comment on how they are going to respond to that. But certainly in terms of the overall water quality, if you look at our water strategy, we're proposing several levels of water management authorities, and in the south they've been more active and are further developed.

I might use the Bow River Basin Council as an example. In the last number of years the quality of water in the Bow River has improved dramatically, and that's because there's a Bow River Basin Council that's made up of stakeholders. It's got the municipalities on it. It's got environmental groups on it. It's got the industry groups that are around the Bow River on it and so on. We fund that group. We're prepared to fund other basin management groups as well.

There's been perceived to be more of a need in the south, not necessarily more of an actual need but more of a perceived need. It's the same thing on the South Saskatchewan. There's a very active South Saskatchewan River basin group. I think that will happen on the North Saskatchewan as well as people become more aware, and I think the water strategy is going to drive that. So we see a very valuable role for groups like, I think they call themselves, the North Saskatchewan River valley authority or something. We see a valuable role for that. I'm not sure if you're familiar with CASA. What we're proposing is an overall water body like CASA for the province in our draft strategy. But we really do see that these groups perform a valuable service.

I think that as the issues become more visible, then you're going to have more interest in the North Saskatchewan basin. My interpretation of what happens right now is that when people see the rivers going down and a much lower supply of water, then they get concerned, but in the North Saskatchewan you always have, for a southerner anyway, this huge volume of water rushing down there, so you haven't raised the same level of concern. But people are becoming more aware of the issues, and I think you'll see that kind of thing improving with the development of the basin council around the North Saskatchewan.

Lake Wabamun is an interesting issue. As you say, it's the most

studied lake in Alberta in terms of the lake levels. In five years they'll be back to normal. The EAB has actually ruled and said that under the present regime and the fact that the transfer plant is now working, they will be able to put 10 percent more of the average level back into the lake within a five-year period. So I guess time will tell on that, but it appears to be working. Lake levels will be going up and are going up.

In terms of the heavy metals and so on – you're an ex-academic, so you'll appreciate this – there's another study ongoing as we speak. This is being conducted by TransAlta and scientists actually at the University of Alberta to just try and figure out what's going on. We really don't know at the present time, so I don't know what else you do but another study. So that's where that one is.

In terms of receding glaciers, it's an interesting issue because some glaciers are increasing in size and some glaciers are receding, and it raises a whole series of issues around adaptation to climate change. Whether you accept climate change or don't accept that there are human causes to climate change, you can see the receding of the glaciers. As much as I'd like to make more snow, I can't make more snow.

Mr. Mason: But you can snow us.

Dr. Taylor: Well, I can try and snow you, the Member from Edmonton-Highlands has suggested, but actually I'm not trying to do that right now, no.

There are some glaciers growing back in the mountains of B.C., and there are some glaciers growing in Greenland. That doesn't help us, but there's a mixed message on glaciers. The member is quite correct that the ones that feed our rivers are receding. What's causing the receding glaciers? Perhaps it's some warming, although we have a study that we're just doing right now on weather patterns across Canada and in Alberta and looking at historical data.

4:10

This is just initial yet, so I don't want to make it a final thing, but it appears that the hottest decade from the time records have been kept in the last hundred years was the '30s. As I say, those are the initial results as I understand them, but I wouldn't like to be quoted because that's just the initial, not the final. So we actually have that happening in trying to understand weather patterns.

Once again, it's a professor at the University of Alberta that's doing that for us, and hopefully we'll have those results available to release that study looking at weather patterns and severe weather patterns, you know, severe weather occurrences. As I say, this gentleman at the U of A is looking at that, and hopefully by the summertime – it depends how long the academic community takes. I can be as hopeful as I want, but both of us are familiar with academic communities. Sometimes you don't want to overdo your hopes.

An Hon. Member: He's trying to bore you to death.

Dr. Taylor: I'm trying to give them accurate information, Minister, not trying to bore them to death.

We do need to have a serious look at adaptation around climate change, because all our research and all the efforts being put into, you know, trying to stop climate change – okay; we're going to reduce emissions – well, you're not. Climate goes through natural cycles and occurring cycles, and we need to do as much as we can as individuals to reduce our contribution to it. I absolutely agree. But they're still cycles, and you can look at the geological history of the world, and it's there. So the question is: how do we adapt? We need

to spend more time talking about adaptation to some of these issues, in my mind.

The Deputy Chair: The hon. Member for Lacombe-Stettler.

Mrs. Gordon: Thank you very much, Mr. Chairman. To the Minister of Environment: I would firstly like to congratulate you. I think the ministry that you're involved in is a tough one. I think that there are a lot of issues, and I do congratulate you for the way that you embrace your ministry. I find you very easy to talk to, straightforward. You will give the answers. You enthusiastically, as demonstrated this afternoon, are presenting the picture of your department, so congratulations.

You talked about interbasin transfers, that will be something that we'll be dealing with more and more in the future, and I couldn't agree with you more. I don't want to put you on the spot, hon. minister, but the communities that I represent have recently gone through an interbasin transfer with the Red Deer River, which you certainly understood and very, very quickly made sure would happen through legislation that was passed last session. However, it becomes more and more difficult to deal with this from the municipal perspective with the cost of doing some of this. These communities will be piping water from the Red Deer River. In the Lacombe area this is a necessity. The aquifer is not there. There is a severe need for water. However, regardless of what you do in this type of thing, it's very, very costly.

Do you see in the future, with direction coming possibly from your department along with the Minister of Transportation, who does look after a lot of the dollar amounts that go to municipalities for wastewater and these types of projects, where we will have to look at how we are going to help these communities to ensure that they do have water? In this particular consortium the cost will be upwards of \$14 million, which is a great deal of money to come up with all of a sudden right now, when it's needed, to ensure that the residents have water, and it is something we're going to have to wrestle with as more of the province deals with this.

I have a great appreciation for the high benchmark we put on many of the environmental issues. It's very important, particularly with drinking water and a lot of other areas, that we do have a high benchmark. However, it's becoming harder and harder for municipalities to reach this benchmark. Also, with the advanced technology and more education to do with environmental issues, this benchmark often changes very, very quickly, and what was a known technology that cost dollars to put in just a couple or three years ago, all of a sudden now changes and the requirements change, and of course that will cost the municipalities and their taxpayers more money. This is something that I think a lot of municipalities are wrestling with. How are we as a government going to correlate and work with this between your department as regulators and other departments that are on the end that finance part of these projects?

Thank you, hon. minister.

Dr. Taylor: Some excellent points have been raised here, and I'll try and respond to them. The first one in regard to the specific instance in the Red Deer water project, I absolutely am convinced that we have to go to regional water systems. I believe we need to make it a priority of this government, and I will be doing my best to convince the government of that. Obviously, it's the government or members of this caucus, that we both sit on, that decide how much money Transportation has to do these things. So it's going to be a significant job for both the Minister of Transportation and myself to convince this caucus that regional water systems are the only way to go as we move forward.

Ms Carlson: What does that mean? Explain that.

Dr. Taylor: What?

Ms Carlson: A regional water system.

Dr. Taylor: Oh, a regional water system. I'll give you an example of one around Red Deer, where you have a major urban area that has a very high-level treatment system. Instead of spending a lot of money on little treatment systems in Lacombe or Blackfalds – I'm not sure of all the communities there – you actually upgrade the Red Deer system and pipe the high-quality drinking water out to the system.

Yesterday I met with folks from Grande Prairie. They want to upgrade Grande Prairie's system and pipe it out to Sexsmith. Does anybody here know if county of Grande Prairie is the right name?

Mrs. Gordon: It's the county of Grande Prairie.

Dr. Taylor: The county of Grande Prairie and the little communities around there. So you have one high-level treatment facility. It doesn't matter. You're never going to be able to have the same level of treatment in Sexsmith that you have in Grande Prairie simply because of the volume of water and the costs involved. So that's what I mean by regional systems.

So as we go forward in the next year, hon. member, we must convince our caucus, our cabinet, and our Treasury Board of the necessity of spending money on regional water systems. There's no doubt in my mind.

We actually have a good example of that as well – I haven't mentioned it – in southern Alberta, the South East Alberta Water Co-op, and that's a pipeline. The regional system is going to go from Chin Lakes – and Chin Lakes is just south of Lethbridge – right across to Manyberries. That's basically across the extreme south. It's going through places like Foremost, Etzikom, so the extreme south of the province, crossing the whole bottom of the province. It's raw water, mind you, not treated water, and the cost is being split one-third, one-third, one-third. It's being split one-third by the people who benefit from it, one-third by the federal government, one-third by the provincial government. The total cost of that project is going to be someplace between \$25 million and \$35 million. We hope to have pipe in the ground this fall. That was one scheme driven by the local community, just as the Red Deer one was and just as the Grande Prairie one is. I think we have to move into those systems. It'll only make sense, and although it might cost you more up front, it saves money in the long term. So we've got to think in a little longer term perspective on these issues and particularly in the Red Deer one. It's going to save huge amounts of money in the long term.

High benchmarks is an interesting question. I'm going to give you a very practical example of this. Right now our regulation says that you can have particulate matter – turbidity I guess is the right word, which is particulate matter – up to .5 parts per million, and the technology is now available to go to .3 and to .1. Now, interesting question. I've asked the AMD and C to come back to me on this. It's not hard for Edmonton, Calgary, and Medicine Hat to go there. Okay? They're probably there already. It's just the nature of their plants. They're big plants. They're more efficient and so on. But for the Bow Islands and the Foremosts and the Seven Persons, I mean, it's impossible. Bow Island, for instance, has already borrowed to the max. For them to go to .3 is going to be a significant cost.

I've asked the AAMD and C to come back to me with an approach

or a position. Should we say, "You're not getting sick at .5 today"? I mean, we don't have people across this province getting sick from water. We've got strong standards, the strongest in Canada actually. So if you don't get sick at .5 and the technology is there to go .3 and .1, shouldn't we let that be a community decision? If it's not a community decision, should the provincial government pay for it? So I've asked the AAMD and C to come back to me – they're going to discuss some of these issues – and just talk about this issue, because it is a significant cost to upgrade technology.

4:20

The other thing we're going to do – we've got some money in our budget to do it – is a risk assessment of all our water treatment facilities across the province. There may be some in rural Alberta that can meet these tighter standards, but it's in the way they're being operated. One of the problems, of course, is to get qualified operators to go to Duchess or qualified operators to go to Etzikom. So we're looking at creative ways. One of the ways is to use SuperNet to help us in our monitoring of water treatment plants across the province. So we're trying to be creative. We're looking at a number of different options as we move forward.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. This has been an interesting exchange between the hon. Minister of Environment and various members of this Assembly, but I, too, have questions in regard to this year's budget. Going through the budget line by line, I am puzzled, certainly, by where I would find the information in regard to how much money is being collected, if any, by the Department of Environment. I've been led to believe that there is money being collected in water rights or royalties, so to speak, from hydraulic pressure behind the dams that generate electricity at the Brazeau and Ram River dams. How much money is the Department of Environment collecting, if any? Where would I find it in the revenue category, and is it true, if there is money being collected, that it is being used to offset the cost of irrigation in southern Alberta?

Dr. Taylor: Interesting question.

Mr. MacDonald: Interesting question indeed.

Dr. Taylor: Conspiracy theory.

Mr. MacDonald: No. The hon. minister may say that it's a conspiracy theory, and I certainly don't have the correspondence with me, but I've been led to believe from previous correspondence with this government that that is indeed the case. I need to have this clarified, and I need to know how much money is involved in this.

Also, I'm curious to know: where in the budget is the pool of money for land reclamation for old and abandoned coal mines? There are many old and abandoned coal mines in this province, some of which are located perhaps within a two- or three-kilometre ride from this Assembly along both the north and south banks of the North Saskatchewan River. Does this fund still exist that people can access for land reclamation projects? If a landowner was to find a sinkhole on their property that would be there as a result of an abandoned coal mine or coal mine shaft, is there a fund where they can access money to fill in and make sure this sinkhole does not grow even larger? Certainly, for instance, in the constituency of Edmonton-Highlands there are old abandoned coal mines.

Mr. Mason: Lots.

Mr. MacDonald: Lots, I'm told.

Mr. Mason: And in Drumheller.

Mr. MacDonald: Certainly in Drumheller there are. Yes.

If I could have an answer to those questions, I would be grateful.

Also, while we're on the issue of coal, how much is the Department of Environment spending to help out with the costs of the clean coal technology research that is currently going on in Los Alamos, New Mexico, at the huge American laboratory there? How much are we paying for that? Where, also, would I find that in the hon. minister's budget?

Also in regard to clean coal technology, how much research is going on in this province, and if the department is co-operating with other government departments or private agencies, what is going on in regard to studies to reduce the cost of capture and compression of CO₂ gases, for instance, at coal-fired generating stations? Is the department actively involved in that with the private sector, and if we are actively involved in that, how much money are we spending, and what is the target to reduce costs, say, per tonne of captured emissions? Certainly, it would be wonderful if we could reduce that to the point where we could capture this CO₂ economically and use it for enhanced oil recovery. If that would be the policy goal of this government, would this government consider at some time incenting, through perhaps the royalty regime, enhanced oil recovery through the use of CO₂ sequestration from coal-fired power plants?

There are some other items at this time, Mr. Chairman, that I would like to get on the record in regard to the business plan. Now, the business plan of the Department of Environment on page 140 contains the vision, mission, and preamble to the three-year business plan of the ministry, and maintaining economic prosperity figures prominently in these statements. This exposes the ministry's predisposition towards responsible environmental stewardship until that stewardship interferes with economic prosperity. In this budget the government recognizes that the natural resource revenue will be declining because of declining production numbers. The next big industry, I think, in this province will be the tourism industry, and the Environment minister has a duty to ensure that we have pristine areas left to enhance our future tourism industry. However, to what extent does the ministry take into account the economic ramifications of these policies? Would it be fair to say that the ministry is often more interested in financial impacts than environmental impacts?

On page 142 in the business plan it is interesting to note that it states that the ministry would like to "influence inter-provincial, national and international water initiatives and agreements to protect Alberta's water resources." What specific plans does the ministry have to influence these initiatives?

Now, also on page 142 of the business plan it states that the ministry would like to "influence national and international climate change strategies and agreements." What is the ministry planning to influence Canada's ratification of the Kyoto accord? What precisely do you have in mind in regard to the Kyoto accord? We all recognize in this Assembly that an air shed respects no provincial boundary and no international boundary, and we're all in this together, and we can't stick our head in the sand and pretend there's nothing going on. There is something going on: global warming. The evidence is conclusive. It is a reality. When you look at other departments and the amount of money that was spent on drought relief for farmers and you look at the extra money used to fight forest fires, we've got to look at the big picture here. If we were to do that on annual basis, as climate change affected this province from south to north, it would be advisable to consider the long-term implications of climate change.

4:30

Now, members across the way can make light of global warming if they wish, but it's the limited tax dollars of this province that are being used to provide emergency relief to affected areas of this province. And what's going to be next? Water. Water is the big issue. One only has to go into the Rockies, our own Canadian Rockies, our own Alberta Rockies, and look at where the glaciers were when we were teenagers and where they are now. In some American states where the Rockies go down, like through Montana, there are no glaciers in some places where there were snow-capped peaks 20 years ago. This is the reality, and we can't have blinders or blinkers on. You know, perhaps we're hanging out with the horsey set too often and we have blinkers on, political blinkers.

Dr. Taylor: Better than hanging out with a horse's ass.

Mr. MacDonald: The hon. minister talked about the back end of a horse, and I'm certain that he would be quite familiar with that end of a horse. I can be assured of that, Mr. Chairman.

Now, when we look at Kyoto, we have to recognize that the world hasn't stopped and we are going to continue to be a prosperous partner in Canada and we're going to continue to be a player in the international community. With our wealth comes duty and responsibility, and that duty and responsibility mean showing leadership to curtail global warming. Much to my surprise not a couple of weeks past I saw – and I didn't even have to open the paper – on the front page that Suncor is expressing another vote of confidence in this province and the Kyoto accord by announcing I believe it was a \$3 billion project to expand so that they can recover more synthetic crude from, as George Bush calls them, the tar pits. When you think of George Bush and you think of the American economy and you think of just how stable Alberta is when you compare it to Venezuela, which has a lot of economic interest in the Gulf states as far as providing petroleum products – crude exports from Venezuela to the Gulf coast are significant – and you look at the economic chaos in Nigeria and you look at the internal governments of some of the Soviet republics, Alberta is a good place to invest. Hopefully, it's going to continue to be a good place to invest.

Now, with the Kyoto accord that investment will continue, and I think we should look at ways – and this is where the minister's department can play a significant role in the development in this province of technologies that will allow for the economic capture and compression of flue gas streams. That flue gas stream from a coal-fired plant can be utilized for enhanced oil recovery. CO₂ is a commodity in America. It is being imported from America to Saskatchewan by none other than EnCana. I would encourage all hon. members of this Assembly to get from the library and read the oil and gas journals. Some states in America don't have enough compressed, captured CO₂ for enhanced oil recovery. The minister could really show leadership, and we could have a technological revolution in this province that would allow for the export of this technology and another way for us to increase our prosperity and our base.

With those comments I'll take my seat. Thank you.

Ms Carlson: Mr. Chairman, I expect somebody to answer the questions. Could we have a ruling on what's going to happen in this case? [interjections] Well, he's asked his questions. I'll ask the next set of questions. Mr. Chairman, my next question is on the Tire Recycling Management Association of Alberta, which is a DAO, a delegated administrative organization. The reason I think this question is well answered by the Minister of Learning is because this is a DAO that has buckets of money. I see that the Minister of

Infrastructure has raised his head. I know that he, too, likes this particular organization, and if you can't answer the question, I know he can.

This is where our \$4 tire fee goes. They've been collecting that money for a long time. The province in co-operation with this organization, this DAO, has done a very good job of getting rid of all the old tires in the province, and we no longer have a surplus. In fact, some companies are importing used tires from other jurisdictions in order to meet the kinds of quotas they have for providing different kinds of products on the market.

My question with regard to this is: now that we no longer have a surplus and now that we see that they've got buckets of money, don't you think that we should turn your auditors loose on them, Minister of Learning, and just make sure we're getting the best bang for the buck?

The Deputy Chair: Hon. members, the estimates are for the Department of Environment.

Dr. Oberg: Mr. Chairman, I was just going to add that anytime the hon. minister would like my team of very good operational reviewers to work with him, I'd be more than happy to supply them to him.

Dr. Taylor: Well, I'd like to thank the Minister of Learning for that fine offer. I'd have to ask him: am I going to have to pay him for his fine people? If he will guarantee me that I don't have to provide money for his budget, I've got lots of work for them to do. So we'll talk about that later.

In terms of the TRMA it's an interesting issue because they do have a surplus, as you correctly identified, but they have come back with a program of research largely. I can tell you that I put some pressure on them. I told them that a surplus the size they were running was unacceptable. You need basically nine months to a year's surplus so that if you ever had to close the board down, you'd have that long to close it down, which would be in the neighbourhood, I think, of \$6 million to \$8 million, going by memory.

So they've come back with a research program. For instance, they're researching adding ground tires to asphalt because in Arizona they apparently get an extra 10 years before they have to resurface the asphalt if the ground tires are in the asphalt. Now, we know that it works in Arizona, but our climate is substantially different. So we have a situation where we've done some in Edmonton; I'm not exactly sure where. I think it was out on the road toward Sherwood Park. I don't know my streets very well because I just don't drive much in Edmonton. Also, in Calgary we're doing some projects. So that's one of the things they're trying to do.

4:40

The other thing we're looking at or having some interesting initial discussions on is broadening the mandate of TRMA because we've got problems around electrical recycling. We don't have anybody actually recycling computers, in particular computer screens. I can't remember how much lead, but there's a significant amount of lead, two or three pounds, in every computer monitor, and those are mostly ending up in the landfills right now. There is a possibility to recycle those, but we need to create a recycling program for electrical waste, largely computers. So we're having, as I say, very initial discussions talking about: can we broaden that mandate and have that board develop a broader mandate in terms of waste management, in terms of other recycling issues? That's where we're going with it. Certainly, it's interesting right now for them.

We are recognized, quite frankly, as leaders in recycling with the TRMA, the AUOMA, the Used Oil Management Association, and the recycling of bottles. People actually come in from other

jurisdictions to look at how we're doing that, and the TRMA people from around the world have come in to monitor how we do the TRMA, why it works and how it works. Just because things are working doesn't mean that it can't be made better, and we are working particularly with the TRMA to make it better.

Ms Carlson: Mr. Chairman, I have two questions. The first: is the Minister of Environment going to answer the Member for Edmonton-Gold Bar's questions?

Secondly, I haven't had a chance to look at the Tire Recycling Management Association's statements recently, but the last time I did, they spent an extraordinary amount of money on fees for lawyers. Can you comment on that? Do you do efficiency audits in any of these DAOs?

Dr. Taylor: I can't comment on the budget line items because their delegated administrative authorities are not included in my estimates. So I really can't. I mean, I can find out, but I'm not that familiar with their actual line items.

In terms of answering the other member's questions, I mean, how do you answer irrational questions and irrational statements? Some of the things weren't even to do with my ministry. He's talking about research that he should properly address to the Minister of Innovation and Science. Talk about Los Alamos should properly be addressed to the Ministry of Innovation and Science. Particular questions on revenues: page 129 of the budget will answer his revenue questions. Page 127 will answer his reclamation questions.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. My next question has to do with Swan Hills. The ticker is still ticking on that in terms of how much money has been spent, more than \$500 million. The Minister of Environment, I believe, still funds the provision for the site remediation there, while the rest of the dollars that may or may not be allocated go to SRD. Can you tell us whether there's been any change in the provision that you've got and what your expectations are from that plant from an environmental perspective? Are they operating more efficiently and cleaner than in the past?

Dr. Taylor: We have a special waste management program as part of our budget. My understanding is that if Swan Hills were to close down, it would be cleaned up.

You're going to hear my personal opinion on this now. I think we have to look at Swan Hills very much as a public utility. You know, we pay for our garbage in Edmonton or Medicine Hat. I pay a levy in Medicine Hat, and I'm sure you do pay in Edmonton a levy on your municipal bill. It's all in one in Medicine Hat. The utilities, gas and water and electricity, are all on one bill, but we pay a levy for garbage. I think we need to look at Swan Hills like that. It is a public utility. We need it to get rid of this very toxic material. There's not a lot of it, but we need it to get rid of that very toxic material that we produce in this province. The Minister of Infrastructure could comment further, but it's my understanding that there will be no future operational costs to taxpayers as we go forward on the Swan Hills issue. If that is in fact correct, the Minister of Infrastructure can identify that. I don't know if his estimates have been up yet or not, but when they come up, you could ask him that. It's my understanding that we shouldn't have to put government money into it, but if we do, I would not object because I look at it as a public utility, just as I pay for my waste collection in Medicine Hat or you pay for it in Edmonton.

The Deputy Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Chairman. Three more questions to throw at the minister. The first has to do with the environmental impact assessments for freeway design or for transportation corridors, and I'm reflecting back on comments and a discussion I had with the Minister of Transportation at Public Accounts the other day. The specific issue was this: the Canamex corridor from Grande Prairie down to the U.S. border hits various choke points in Edmonton and Calgary and so on. I know, for example, that design for the Anthony Henday road is changing, but there still are provisions in there for a number of stops along that major arterial. So all the trucks and cars come to a stop and then they proceed, and then they stop and proceed. This is not a facetious question. There are genuine environmental impacts from a massive amount of traffic, a big road like that, well over a hundred thousand vehicles a day starting and stopping, starting and stopping. I'm just wondering if the minister is aware of any efforts under his department to do what amounts to an environmental impact assessment, particularly of the Anthony Henday Drive and the rest of the Canamex corridor.

The second point. This one also is of concern to some of my constituents, the Inland Cement plant in Edmonton. This is an issue that's come up from time to time. If the minister could update our information on the monitoring activities or the policing activities, whatever we want to call them, of emissions from that plant. It's a sensitive spot for many people.

Finally, I've heard some concern raised by farmers in central Alberta about the potential – and it may be no more than a rumour; I don't know – of draining wetlands in central Alberta west of highway 2, probably in the Battle River basin. I'm not sure for what purpose, for access to more water or whatever. If the minister knows anything about that or if there are any provisions for that in the plans here, I'd appreciate that information.

Thank you.

Dr. Taylor: Interesting question on highways, and the best way I can answer that is with an actual development that's happening right now in St. Albert. There's a big highway going by or a ring road – and I don't know the name of it – but it's actually going near a protected area. We've asked the city of St. Albert to provide us with information on how they're going to handle the information on possible or potential damage to the protected area, and we will continue to do this.

I'm going by recollection here, so if I'm wrong, we'll get you a better written answer. Highways don't come under EIAs, but there are engineering regulations, and there are regulations as to appropriate ways to build highways so that they do as little damage as possible to the environment. [interjection] Well, to a large extent vehicle emissions are controlled by the federal government, but one of the things I'm speculating on and have speculated on is that there is technology available that you can put on the side of the road and measure the emissions of vehicles that go by. We've checked with the technology manufacturers in California. Because of the Canadian position on Kyoto we need to measure greenhouse gases as well. The technology won't measure greenhouse gases yet, but they're working towards that. What I would like to do, once the technology gets there, is put that on roadsides, measure your vehicle as you go by, and if you're not meeting standards – and if you don't keep your vehicle in tune, you won't meet certain emission standards – then send you a letter and say, "You know, you should get your vehicle tuned up" – it's not a penalty phase; it's not like photoradar, but it is information and education – and explain to you that you're probably using this much gasoline now and that if you get your vehicle tuned, you'll use this much. So there's an economic incentive to do that.

So in terms of highways that's what we're looking at.

4:50

Mr. Stelmach: More interchanges.

Dr. Taylor: Pardon me?

Mr. Stelmach: Free flow.

Dr. Taylor: Free flow, more interchanges, the Minister of Transportation says, and that certainly would help as well rather than, as you say, stopping and starting. Obviously, when you accelerate from a stop, you're producing more emissions. So the Minister of Transportation is quite correct. I was pleased to see that the Minister of Transportation granted us some money for another interchange in Medicine Hat so we can actually have the free flow and much cleaner air in Medicine Hat.

In terms of Inland certainly Inland has to put on a baghouse, and the baghouse will be put on. They have a time frame to put that on. If they have – I'm going by memory here – more than six or 10 trips in one year, they have to put the baghouse on immediately. Otherwise, they've got 18 months to do it. So the baghouse will go on Inland and will collect the nasty stuff, and there will be fewer emissions coming out of Inland Cement once that baghouse is up and running than there is presently utilizing natural gas. So it will actually be cleaner. There's no doubt about it.

Draining wetlands. If anybody were to drain an existing wetland, they'd have to receive permission from Alberta Environment, and quite frankly communities have zoning regulations around this as well. But if they want to, they'd have to receive permission from Alberta Environment, and we would have to evaluate every situation on its own.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. We continually have concerns raised with us from people in the community about, generally speaking, environmental assurance. People say that there aren't enough investigators. They say that there aren't enough inspectors. So if the minister could comment on that. Obviously, there's no more money allocated for that this year again. So you must feel that you have enough people out there in the field, and I know that you've identified that your people in the field know who the good operators are and who the bad operators are and that they focus on the bad operators, but that doesn't seem to satisfy a lot of people out in the community. So could you comment on why you think you have enough?

Dr. Taylor: Well, I believe we have enough inspectors out there. Obviously, you can look at the document I mentioned earlier and look at the fines that have been placed on various people and various companies as we move forward. As I said earlier, you know, fining people, enforcement, is not the preferred way because you already have some kind of nasty effect on the environment. So, once again, you'll see us moving more and more money to environmental assurance, which is education and being proactive, and certainly that's what we want to do. As I said earlier, we will enforce where necessary and we will fine where necessary. One of the high-profile ones we've got going right now is the city of Edmonton.

Ms Carlson: Mr. Chairman, we haven't talked about air quality or air monitoring yet. You talk in your business plan about how you'd like to expand and enhance that. What do you expect to do?

Dr. Taylor: Well, right now we're working with the private sector.

We're going to do a southern Alberta air shed. That is just starting as we speak, and we see moving to other air sheds. This is the first one we're doing as an experiment with the private sector to see how it works, because their technology is better than some of the technology that is currently owned by Alberta Environment.

What we've done in the south is we've got all of the communities involved, we've got the private sector involved, and we've got Alberta Environment involved in a partnership. As I say, it's going to be basically from Lethbridge east, a southern air shed plan that's in process right now. If that works, we'll be doing more.

As you know, we have the Fort air shed. We've got one around Edmonton. As well, we've increased our number of monitoring vehicles. We've got one more in Calgary. We're working on one more in Edmonton. So that will give us two more monitoring vehicles in the province.

Ms Carlson: The next question I have is with regard to rapid responses to emergencies and especially with concern about airborne contaminants. Particularly I'm interested in sour gas leaks. We had that one incident this year where a lot of people said that they could smell sour gas, that they weren't notified until after they'd notified the department. That incident was by Caroline. It seemed like there was some kind of a problem. If it was a communication problem or if the emergency response plan wasn't properly conducted or wasn't well enough in place, could you talk about that?

Dr. Taylor: Well, the experience in Caroline is an interesting experience. One of the problems in Caroline is that it was such a small leak. The company couldn't readily identify where it was occurring, but I will say that a follow-up investigation did show that all the emergency procedures went in and the communications did follow the protocol that we have for a sour gas leak. As I say, the follow-up investigation showed that everything was done appropriately in the appropriate time frame. Now, would we have liked to see the leak closed down quicker? Of course we would, but they've got their people and technology there and identified the leak. It was an extremely small leak and difficult to find.

Ms Carlson: Mr. Chairman, the one area in this budget that does look like it's getting more money this year is the communications budget within the ministry. Could you tell us what you plan to spend that money on?

Dr. Taylor: Actually, the new dollars for communications reflect the actual cost of the communications department. In the past the costs weren't adequately reflected in the budget, so we moved some money around in the department. What we're trying to do is be more transparent and actually reflect the actual costs of the communications. So overall they won't be spending any more money than last year; we're just showing it under communications.

Dr. Oberg: Because he needs it.

Ms Carlson: Because he needs it. I agree with you, Minister of Learning. Sometimes he does need it. You could talk more rather than less, and it's helpful, like you have this afternoon. Given that the Minister of Environment did lobby me to get home to his Easter chocolate and turkey dinner sooner rather than later and he has been very open with his debate this afternoon and answered the questions with the exception of one of my colleagues, I think that I will now submit the rest of the questions we have in writing and call for the vote.

The Deputy Chair: After considering the business plan and proposed estimates for the Department of Environment for the fiscal year ending March 31, 2004, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:
Operating Expense and
Equipment/Inventory Purchases \$115,646,000

The Deputy Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Mr. Zwozdesky: Mr. Chair, I would move that we rise and report.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Johnson: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to her

Majesty for the fiscal year ending March 31, 2004, for the following departments.

Main estimates for the fiscal year ending March 31, 2004.

Environment: operating expense and equipment/inventory purchases, \$115,646,000.

The Acting Speaker: Does the Assembly concur in the report?

5:00

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. It's been a great week with lots of good progress, particularly in the Department of Environment today. I just want to take a moment to extend very best wishes to those people who are celebrating Easter this weekend as I will be, and to all others who are celebrating something else, may they enjoy a very nice long weekend as well.

That having been said, I would move that we now call it 5:30 and that pursuant to Standing Order 3(4)(a) regarding Easter Monday the Assembly do stand adjourned until 1:30 p.m. on Tuesday, April 22.

[Motion carried; at 5:01 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, April 22, 2003**

1:30 p.m.

Date: 2003/04/22

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon. Welcome back.

Let us pray. Dear God, author of all wisdom, knowledge, and understanding, we ask Thy guidance in order that truth and justice may prevail in all of our judgments. Amen.

Hon. members, would you please remain standing now for the singing of our national anthem, and we'll be led today by Mr. Paul Lorieau. Would you please join in in the language of your choice.

Hon. Members:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

The Speaker: Please be seated. I guess, hon. members, it goes without saying that even with the thunderous voice of Mr. Paul Lorieau, that wasn't enough to allow the local boys to overcome their destiny on Saturday past.

head: **Introduction of Visitors**

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. In my capacity as co-chair of the Advisory Council on Alberta-Ukraine Relations it is indeed a great pleasure to introduce to you once again a very special guest in our Assembly, His Excellency Dr. Yuri Scherbak, ambassador of Ukraine to Canada. The ambassador is now completing the end of his mandate, and in fact this will be his last official visit to our province. But I would say that as a result of his tremendous efforts over the years that he has served, our government as well as businesses, academic institutions, and numerous individuals in our province have benefited economically, socially, and culturally. Our hon. Premier's historic mission to Ukraine in May 2002, the first ever by an Alberta Premier to Ukraine, was a great success, and that is just one of the many ways in which Yuri Scherbak has assisted us. Alberta is home to nearly 300,000 Canadians of Ukrainian descent, and we all appreciate and applaud the ambassador's many achievements.

[Remarks in Ukrainian] Your Excellency Ambassador Scherbak, we are all deeply grateful for your efforts on behalf of the citizens of Alberta and Ukraine alike. We sincerely thank you and wish you the very best in the future. [as submitted]

Having said that, Mr. Speaker, may I just say on behalf of our Premier and on behalf of our Minister of International and Intergovernmental Relations and all members of this Assembly and indeed all Albertans that I express our sincere and profound thanks to Ambassador Scherbak for his incredible role. I see him standing, and now may we all wish him well with our thanks for his services.

head: **Introduction of Guests**

The Speaker: The hon. Member for Calgary-Mountain View.

Mr. Hlady: Thank you, Mr. Speaker. It gives me great honour to be able to stand and introduce to you and through you to members of the Assembly three people that are the most important people in my life and that are here today. First is my wife, Elaine, my eldest son, Harrison, and my youngest son, Graeme, who are attending the Legislature to see where daddy works. It's great, and if they could have the warm welcome of the Assembly, please.

My second introduction, Mr. Speaker, is my assistant, who is attending with them today, and I'd ask Evelyn Oberg to please stand and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Calgary-Egmont.

Mr. Herard: Thank you, Mr. Speaker. I'm very proud to introduce to you and through you to all the members of the Assembly my youngest son, Christopher. Chris is a music teacher at St. Mary's high school in Calgary. He's a founding member of the acclaimed a cappella group the Heebie-Jeebies, who have won four CARA awards and are, I understand, the only Canadian a cappella group to ever make it to the finals in the United States. In his spare time he also directs a large choir and two marching show bands. I'd like him to rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. It is indeed a pleasure for me to rise today and introduce some special guests. We have nine people from the community of Crooked Creek in my riding, and the students attend Rosedale Christian school there. They are accompanied today by Mr. Trevor Penner, Mrs. Kathryn Penner, Mr. Arvid Thiessen, and Mrs. Linda Thiessen. They're in the gallery, and I would ask them to please rise and receive the warm welcome of our Assembly.

The Speaker: The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Thank you, Mr. Speaker. It also gives me great pleasure today to rise and introduce to you and through you to members of this Assembly a group of very well-mannered, energetic young men and women from the Lakeland Country school in Dewberry. They are accompanied today by their teacher Miss Chandelle Isaac and by their helpers the Baergs, the Thiessens, and the Loewens. I would ask them to rise and please accept the warm welcome of this Assembly.

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Well, thank you very much, Mr. Speaker. In the members' gallery today I have a longtime supporter and his wife. I want to say that not very many people in this Assembly have driven 400-tonne trucks, but in fact this gentleman is part of securing Canada's energy future by working and driving trucks for Suncor. Bliss Watling has been a longtime resident of Fort McMurray. I'd like to ask him to rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to members of the Assembly 38 students from J. Percy Page high school in Mill Woods. Percy Page is the high school that proves that multiculturalism does work. They're a leader in technology, and it's also the home of the Panthers. They're

accompanied by teachers Mr. Garth Hamilton, Mr. Brian Ross, and Mr. James Kosowan. They're in the public gallery, and with your permission I'd have them rise and receive the traditional welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. It's my pleasure to introduce to you and through you to the members of the Assembly 13 students from Metro College accompanied by their teacher Mrs. Phyllis Townsend. I'd ask them to rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to all members of the Assembly two constituents of mine who are active on a daily basis helping the elderly and on issues of elder abuse in our province. Lou and Ruth Adria are in the members' gallery, and I'd like them to rise and receive the traditional warm welcome of the House.

1:40head: Oral Question Period

Postsecondary Education

Dr. Nicol: Mr. Speaker, a well-educated workforce is essential to economic prosperity in Alberta. A study released today by TD Economics entitled *The Calgary-Edmonton Corridor* states that this government needs to, and I quote: make investments in education a "high priority." To the Premier: given the importance of postsecondary education to Alberta's success why is Alberta's completion rate for postsecondary education in 2000-2001 only 59 percent, a rate below the national average?

Mr. Klein: Mr. Speaker, these comments on postsecondary enrollment come from a paper by the TD Bank that also said in regard to the Calgary/Edmonton corridor that this corridor is the "only Canadian urban centre to amass [a] U.S. level of wealth while preserving [a] Canadian-style quality of life." You know, I anticipated this question, and I guess one can only trust the opposition to jump on the negative in what is otherwise an overwhelmingly positive report.

Dr. Nicol: Mr. Speaker, the statistics were out of the advanced education Learning department's budget, not out of that report.

Why has this government let overall per student funding for postsecondary education in real terms fall to a point that only 43 percent of high school students decide to move on to postsecondary education?

Mr. Klein: Mr. Speaker, I don't agree with those figures. Again going back to the TD report, an economist in the report is claiming that postsecondary enrollments in Alberta are lagging behind those in other provinces because of tuition fees. I don't know if tuition is a formidable barrier to postsecondary enrollment, but I do know that in recent years Alberta's postsecondary institutions have seen some of the greatest enrollment increases in the country, and that is statistically correct. Between 1994 and 1999 enrollments increased by 5 percent, while the national average increase for enrollment was only 1 percent.

Dr. Nicol: Again to the Premier: how can this government claim that

education is a priority when Alberta's high school dropout rate is 13 percent, again a rate above the national average?

Mr. Klein: Mr. Speaker, I don't know that to be true, and the hon. Minister of Learning isn't here. But, you know, for every statistic that the opposition throws out, there is an equally responsive and positive answer. All I know is that according to our statistics we have one of the most highly educated workforces in the country and we have a postsecondary completion rate, maybe not all university, that is second to none in any jurisdiction in the country.

Just over 55 percent, as I understand it, of Albertans have a postsecondary education, making this one of the most educated provinces in Canada. The national average, as I understand it, is 53 percent. Fifty-nine percent of 18- to 20-year-old Alberta high school graduates have taken courses leading to a degree, a diploma, or a certificate. This is especially important: a degree, a diploma, or a certificate. Postsecondary education alludes not only to university but to NAIT and SAIT and Grant MacEwan College and Mount Royal and all of the other junior colleges and technical institutes. Mr. Speaker, by the time they reach 22 to 24 years of age, the proportion is even higher. It reaches 75 percent. Those are not bad statistics.

Dr. Nicol: Mr. Speaker, again, I was quoting the government's own statistics.

Education Funding

Dr. Nicol: The basic instructional grant given to schools increased by 2 percent in the last budget. This gives an instructional grant for schools of \$4,454 per student for next year. To the Premier: how did the government decide that an increase in the basic instruction grant of only 2 percent was enough?

Mr. Klein: Mr. Speaker, it was based on anticipated enrollment, but I will take the question under advisement and have the hon. Minister of Learning provide a more complete answer when he returns.

Dr. Nicol: Has the government ever costed out what a school can buy with \$4,454 per student and whether that is enough to truly give them a quality education in the classroom?

Mr. Klein: Mr. Speaker, again, I guess that depends on how large the class size is, but again I'll take the question under advisement and have the minister provide an appropriate response.

Dr. Nicol: Again to the Premier: when will the government fund education based on a school's actual costed needs?

Mr. Klein: Mr. Speaker, we do that today, and the budget process anticipates what we must reasonably spend to ensure a good education for our K to 12 students.

Private/Public Partnerships

Mr. Bonner: Mr. Speaker, this government has made P3 financing a top priority in its three-year business plan. Unfortunately, this method of financing public infrastructure means nothing more than empty promises and added costs for Alberta's taxpaying public. Despite the fact that P3 financing is more expensive than public financing, this government claims that P3 financing will result in cost benefits. My questions are to the Minister of Infrastructure. How can P3 financing be cheaper for Albertans when private corporations borrow money at a higher rate than the province and include profit margins in the costs that they pass on to the public?

Mr. Lund: Mr. Speaker, to say that this is our cornerstone of financing new construction is just totally wrong. The fact is that it is one tool in the toolbox that we're looking at, and I would think that Albertans would be only too happy that we're looking at alternate ways of financing and operating infrastructure, the buildings in this province. The hon. member will see the process that they have to go through when any proposals come forward. The fact is that we will be looking at the lifetime costs, relating that back to present-day value and what it would cost for government to do it, and it will have to show a favourable result or we just simply would not proceed with the P3 project.

Mr. Bonner: Mr. Speaker, the minister didn't answer my question. How can P3 financing be cheaper for Albertans when private corporations borrow money at a higher rate than the province and include profit margins in the costs that they pass on to the public?

Mr. Lund: Obviously, the member wasn't listening, Mr. Speaker, because I clearly pointed out to him that a P3 is not just about financing. If that was the only reason we were looking at it, as a means of financing, then he probably would have a point, but that's not what this is all about.

Mr. Bonner: Mr. Speaker, to the same minister: can the minister tell this House why such a highly skilled and motivated group of people as the minister's staff are unable to find the same efficiencies as the public sector?

The Speaker: The hon. minister.

Mr. Lund: Thank you, Mr. Speaker. The more questions the member asks about this, the more I'm totally convinced that he doesn't understand it at all. We have never said nor have we ever pretended that if you were just going to use it as a means of financing, it was going to be cheaper, but there are a whole host of other issues that need to be taken into account. For example, when one off-loads all the risk, what is that worth to government? When one looks at the operation over time, what is that worth to government? What is it worth to government to have a facility constructed and in use earlier than if we were going to do it ourselves? All of those things are very, very important variables that will figure into whether a P3 project would proceed.

We're certainly finding extremely interesting results as we move forward on a proposed P3 for the courthouse in Calgary. That's going to be a very exciting project as we move forward. We'll be interested to see how all of these variables play out and how this will work for the benefit of the province and the taxpayers in the province.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Whitecourt-St. Anne.

1:50

Softwood Lumber Policy

Mr. Mason: Thank you very much, Mr. Speaker. Closed-door negotiations to resolve the softwood lumber dispute are taking place between the U.S. and Canadian governments in which the federal government regularly consults with lumber-producing provinces. Alberta's forest-dependent communities are very concerned that their jobs and livelihoods may be betrayed in exchange for getting softwood lumber tariffs lifted. The town of Hinton recently approved a resolution opposing any change in Alberta's forestry policies without thorough public debate. My question is to the

Minister of International and Intergovernmental Relations. Can the minister inform this House as to what changes Alberta has agreed to make in Alberta's forestry policies in order to resolve the softwood lumber dispute with the United States?

Mr. Jonson: Mr. Speaker, while there have been regular meetings with industry and with the MLAs involved in constituencies with softwood lumber industry and we have followed very carefully the developments that are taking place regarding negotiations with the United States, to this point in time there has been no commitment to any particular change in our forest management policies. Those policies have served us well to this point in time. We realize that in order to keep access to the American market, we will have to make some changes, but that matter is being approached very, very carefully, and to this point in time there's been no commitment to any specific change.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Will the minister admit that the government is prepared to consider trading away provincial forestry policies which require companies to build sawmills and other processing facilities in nearby communities in exchange for the right to cut timber on Crown forest lands?

Mr. Jonson: Mr. Speaker, I would not confirm that. That is not the case. There are a whole host of options that we have been discussing in the meetings that I've referenced. We want to get through this difficulty to gain better access to the American market but not at any cost.

I would ask the Minister of Sustainable Resource Development, if that's acceptable, to supplement.

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. Yes, as the member questioning mentioned, forestry continues to be a very important industry in Alberta. Close to 50 communities in Alberta depend on forestry as their major source of income and also job creation. Over 54,000 people work in that industry, so it is very important. We are working very closely with the Alberta Forest Products Association, who represents most of the forest producers in Alberta, and also the industry to try and determine how we are going to make sure that our industry continues to be stable. One of the questions, of course, is the issue of forest management agreements. The tenure of our agreements is a security for our industry out there, and we want to make sure that it remains intact as much as possible.

The Speaker: The hon. member.

Mr. Mason: Thank you, Mr. Speaker. Will the minister reassure Alberta communities such as the town of Hinton that no changes to forestry policies affecting forest-based communities and workers will be made unless there has been thorough public debate and consultation first?

Mr. Jonson: Well, Mr. Speaker, once again the Minister of Sustainable Resource Development may wish to supplement, but as I indicated earlier – and I'll put it a different way – we have been meeting regularly as a group with the MLAs that represent the softwood-producing areas of the province. I'm sure that they have been communicating with their constituents on a regular basis with

respect to this matter. The Forest Products Association is not somehow disconnected from the communities that they serve either. They are certainly in touch with their workforce and keeping them abreast of developments that are taking place. So there has certainly not been any secrecy or desire to keep the fact that we do have a major challenge facing us that we hope to work through to the betterment of the industry.

The Speaker: The hon. Member for Whitecourt-St. Anne, followed by the hon. Member for Edmonton-Gold Bar.

EPCOR/Aquila Billing Practices

Mr. VanderBurg: Thank you, Mr. Speaker. Over 1,500 Albertans in the Aquila service network have made complaints to the Alberta Energy and Utilities Board about their EPCOR bills. Complaints continue to roll in to my office from Whitecourt-St. Anne constituents. My question is to the Minister of Energy. How effective has it been for those that have made complaints to the EUB, and have they received credits for their overcharges?

The Speaker: The hon. minister.

Mr. Smith: Thank you, Mr. Speaker. The total number of complaints through two billing cycles, or 700,000 incidents, has been 1,491. That's roughly 213 thousandths of a percent. The number of customers who received an adjustment as well as a \$75 credit was, in fact, about 838 customers. Now, that represents 119 thousandths of a percent.

Mr. Speaker, relative to the policy, which included the deficiency regulation, interestingly enough, of the 838 accounts 486 bills were adjusted downwards. Not only did the customer receive a \$75 credit, but there was also a downward adjustment. Interestingly enough, there were 352, or about 42 percent, of the bills where, once they were examined, not only did they get a \$75 credit, but the bills were in fact adjusted upwards. So throughout this process we have seen about 1,500 files, of which about half precipitated some sort of billing action.

Mr. VanderBurg: Again to the same minister. Still the concerns come to my office about the inaccuracy of the bills. How long will it be before the RRO customers in this network can be sure their bills will be accurate?

Mr. Smith: Well, Mr. Speaker, I think that the companies, EPCOR and Aquila, have maintained their work. They've worked with the hon. member and his constituents. In fact, when you take 700,000 bills and they receive .2 percent complaints, that's a 99.8 percent correction rating. So, you know, those aren't bad marks.

Mr. VanderBurg: My last question to the same minister: what's been the cost of these deficiencies even though they're very small?

Mr. Smith: Well, on the deficiencies, Mr. Speaker, it has actually cost the company a substantial amount of money to put this operation in the EUB. The company pays completely for the operation, and none of that money is billed back into the rate base. I don't have an accurate account of the total amount, but given that 58 percent were adjusted upwards and 42 percent adjusted down, it looks like it's pretty close to a breakeven.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Drayton Valley-Calmar.

Electricity Prices

Mr. MacDonald: Thank you, Mr. Speaker. Each and every year since this government foolishly deregulated the electricity industry, the government has promised Albertans that next year we'll see the start of lower electricity prices. But each time a new year rolls around, Albertans have to figure out how to pay an even higher power bill, including the expensive add-ons called deferrals. My first question is to the Minister of Energy. How could the Minister of Energy state on April 3, 2003, "I also think the introduction of Direct Energy into the marketplace is going to make a difference" when the Alberta Energy and Utilities Board has not yet approved Direct Energy's entrance into the Alberta marketplace?

2:00

Mr. Smith: Mr. Speaker, in the preamble that the member has started with, he talked about foolish deregulation, and then he talked about promising year after year that the rates would go down. I don't recall the move being foolish, nor do I recall promises of the prices going down year after year. Therefore, the preamble is so erroneous that it makes the question hypothetical, and regrettably I couldn't answer a hypothetical question.

The Speaker: The hon. member.

Mr. MacDonald: Thank you. Again to the Minister of Energy: if the minister is so confident that Direct Energy will enter the Alberta marketplace, what criteria are being used by the EUB to determine whether or not Direct Energy can enter the marketplace?

Mr. Smith: Well, Mr. Speaker, the member knows full well that the decision over the sale is in front of the EUB. The EUB is a quasi-judicial board; therefore, it would be inappropriate for me to comment on that outcome at this juncture.

The Speaker: The hon. member.

Mr. MacDonald: Thank you. Again to the Minister of Energy: given that electricity consumers who purchased a home in Alberta after electricity deregulation occurred are now being charged on their monthly bills the 2000 deferral rider and the 2001 regulated rate option shortfall, why are these consumers charged for someone else's electricity consumption?

Mr. Smith: Well, you know, Mr. Speaker, if he would have just got to the nub of the question earlier, we could have saved the House a great deal of time, but I'm more than pleased to provide detailed information on this final question. In fact, that was realized and brought to the attention of the Minister of Energy and I think it was the Member for Whitecourt-St. Anne, who through due diligence in his constituency came up with the issue that homeowners, when purchasing, were also picking up deferral accounts and meters.

Subsequent to that, Mr. Speaker, that is the policy that's been associated with the meter, but it's also an item that can then be put into negotiation with the house purchase. In fact, what this government did was it responded to the inquiry from the Member for Whitecourt-St. Anne and issued a notice to the real estate boards of Alberta, to Calgary and Edmonton, to rural Alberta, to ensure that when this part is identified in closing and adjustments or is identified in part of the negotiation, the transaction of a real estate property in Alberta, that part, that deferral account, for the time that it lasts – and it's important for me to add at this juncture that those deferral accounts with the exception of Enmax will have disappeared off the bill by the end of this year – that information will enter into the

appropriate commercial transaction of the buying and selling of real estate in Alberta.

The Speaker: The hon. Member for Drayton Valley-Calmar, followed by the hon. Member for Edmonton-Riverview.

Federal Tax Deferral on Livestock Sales

Rev. Abbott: Thank you, Mr. Speaker. They say that there are two things in life that we simply can't avoid: death and taxes. However, I understand that we can defer the taxes for a while. My constituents have been asking questions about the federal tax deferral on livestock sales due to drought. Well, as you know, last summer many livestock producers in Alberta were forced to sell breeding cattle to keep their operations stable. These producers were eligible for the tax deferral offered by the federal government. My question today is for the Minister of Agriculture, Food and Rural Development. Can the minister explain if and how the federal tax deferral on breeding livestock sales applies to Alberta's livestock producers?

The Speaker: The hon. Deputy Premier.

Mrs. McClellan: Thank you, Mr. Speaker. The federal tax deferral on livestock sales is really intended to be used as a management tool for producers when they experience severe drought. I should just mention to the hon. member and to others that actually in 2001 and in 2002 our entire province was granted the right to use the tax deferral. While we had a major drought last year, we also had a very extensive drought the year before, so all of our province was eligible for the two years. The way it works is that producers in affected areas, in this case in Alberta, can defer their taxes to the first year that their area is no longer prescribed under the tax deferral notice.

The Speaker: The hon. member.

Rev. Abbott: Thank you. Mr. Speaker, my second question is for the same minister. Given that many of these producers are still suffering the effects of the drought, will the government be pursuing another year of tax deferral so as not to put further stress on already stretched producers?

Mrs. McClellan: Mr. Speaker, as I indicated, the tax deferral is really a federal government responsibility. It is their program, and it's contingent on the federal Minister of Finance granting a tax deferral status. They base their decisions on recommendations that come from PFRA, Prairie Farm Rehabilitation Administration, and the indications this year are certainly much better than we've had. We've had some winter moisture, we've had some limited spring moisture, and while we still have some areas of concern, the indications are much improved. So my first hope is that drought is not a concern. However, we do know that in parts of the province in particular pasture recovery can take more than one year, and it would take maybe above-average conditions to allow some of those pastures to carry cattle this year.

The Speaker: The hon. member.

Rev. Abbott: Thank you, Mr. Speaker. My final question is for the same minister. So, then, what is the process for designating certain areas of Alberta as eligible for tax deferral?

Mrs. McClellan: Mr. Speaker, we use a number of reference points, because certainly we work very closely with the PFRA to base a

recommendation to the federal Minister of Finance. We have a Drought Management Committee in this province. There are a number of municipal people that sit on that as well as producers. We have extensive weather satellite stations around the province. We monitor those. We look at our forage reports that come from Ag Financial Services as well as our research associations, which are widespread across the province. We look at information from our own field staff, from the agriculture field men that are there, and certainly they give us advice, as do municipal governments. Members would recall in the last two years of drought where our municipal governments in many cases declared their municipalities a drought area.

We take all of that information, Mr. Speaker, and we pass it on to the PFRA. I should say that it is uncommon for the federal government to make a decision on this before fall. Last year the decision was made in July because of the severity of the drought, but I would not anticipate hearing an answer on that till fall.

The Speaker: The hon. Member for Edmonton-Riverview, followed by the hon. Member for Olds-Didsbury-Three Hills.

Toxic Mold in Foothills Medical Centre

Dr. Taft: Thank you, Mr. Speaker. According to the Centers for Disease Control and Prevention in the U.S. one in 10 hospital-acquired infections is the result of toxic molds. Despite these alarming statistics the Alberta government does not seem to treat mold found in hospitals with the same concern or care as they do mold found in courthouses or schools. My questions are to the Minister of Infrastructure. Given that a school in Sundre was shut down for cleanup for an entire week this winter when toxic mold was found, why has the renal dialysis unit at the Foothills hospital in Calgary continued to operate uninterrupted despite the discovery of toxic mold on two separate occasions?

Mr. Lund: Mr. Speaker, it is true that the school in Sundre was shut down for a period of time while there was a complete cleaning of the school. It's not just for the situation with the mold, however. There were found to be some air quality issues that had to be addressed as well as the mold, and those were incorporated at the same time as the cleanup of the mold. Now, you have to realize that in order to get at the mold, they did have to tear apart a great deal of the school, move lockers out, and it would have been extremely disruptive had they tried to do it while the students were in the building.

Dr. Taft: To the same minister: given that an independent evaluator was allowed to conduct air quality tests for toxic mold at the Calgary Court of Appeal, why are the same tests by the same evaluator not being allowed at the Foothills hospital?

Mr. Lund: Mr. Speaker, the hon. member seems to be indicating that it's a function of Infrastructure to decide on who does what in those cases. In the case of the Court of Appeal in Calgary, that is a building that we own and operate. The regional health authority operates the Foothills hospital; we don't. The same situation was in Sundre. We do not operate the school. We provided some assistance, but the board of education that operates the school were the people who were in charge of the cleanup. In fact, they presented the results to the public, and they invited the regional health authority to come in and assess the results before the students were permitted back into the school.

2:10

Dr. Taft: Well, perhaps the Minister of Health and Wellness would

like this one then. Given that individuals with weakened immune systems are at greater risk of suffering negative health effects from toxic molds, what steps is the government taking to ensure that toxic molds in health facilities across this province are not endangering the health of patients and staff?

Mr. Mar: Well, Mr. Speaker, I'm not a microbiologist, but I am advised that there are many different types of molds that may appear in a building. The first thing that I would want to say is that I'd caution the hon. member about using the word "toxic" mold. There's no evidence at this point that the renal dialysis unit, unit 27, at the Foothills hospital has any kind of toxic mold. There is the presence of mold, but the regional health authority is taking all required steps to ensure that patients and staff are not at risk. We are working with the hon. minister responsible for occupational health and safety on this issue. I have spoken with the regional health authority about this. I'm assured that they are taking the appropriate steps to determine what kind of mold this is that appears in this facility. But, again, there are many different types of molds, and very few of them would in fact be dangerous to one's health unless you directly inhaled them or stuck them in your mouth.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Edmonton-Centre.

Net Income Stabilization Account

Mr. Marz: Thank you, Mr. Speaker. Many of the farmers in my constituency are concerned with the new net income stabilization program that's at the heart of the risk management chapter of the agriculture policy framework. Previously Alberta has opted out of NISA because it didn't meet the needs of agricultural producers. My first question is to the Minister of Agriculture, Food and Rural Development. Why are we now participating in the new NISA program when we didn't participate in the previous one?

Mrs. McClellan: Well, Mr. Speaker, first of all, I should say that we aren't participating in the new NISA program, because of course the program hasn't been signed off for implementation. However, we are very actively participating in the negotiations on a new NISA program.

Alberta opted out of the NISA program as a contributor from our provincial revenue in 1996 because the program simply was not doing what it was intended to do, and that was to provide a net income stabilization. We found some very severe lacks in it. One, it didn't deal with beginning farmers and/or developing farmers, who are maybe unable to put up cash in a particular year and couldn't build an account, and secondly, we found it very difficult to support a program where there were hundreds of millions of dollars in it in Alberta, in fact billions across Canada, yet producers were still telling us that they needed assistance. So, frankly, the triggering mechanisms were not working in the old NISA program. Today we believe that at least some of those shortfalls in the program are being addressed, and that's what we're aggressively negotiating now.

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. To the same minister: what will the new NISA program look like, and what are the advantages over the old one?

Mrs. McClellan: Mr. Speaker, any person in the agriculture industry and many of the MLAs in this room will know that you cannot

describe the new NISA program in a one-minute answer. However, there are some key points, I believe. The new NISA program is designed to integrate stabilization and disaster coverage into one program. The other key change is that producers would be covered based on a production margin rather than a gross margin, which was the old program. Another significant change, somewhat unpopular, I might say, with some producers, is that government funds would only be accessed when the account was triggered. One of the key elements in it is that government would pick up a higher share of the risk in a disaster situation, but in the lesser risks the producers are expected to cover more of their margin.

The Speaker: The hon. member.

Mr. Marz: Thank you. My final supplemental to the same minister: what kind of support is the agriculture industry showing for this new program?

Mrs. McClellan: Mr. Speaker, we've been consulting with the industry in our province over the course of the development of this program, and certainly I know that my colleagues in the government caucus have been asking to be kept apprised of any changes. We had about 60 people from the industry, both producers and commodity groups, in a meeting in Calgary about 10 days ago. I would suggest that they're cautious. I would suggest that they are concerned about the affordability and the effectiveness of the new program. However, many of them are acknowledging that we have to change the way we're doing things and that conceptually they like this program better, but the jury is out until they see the final triggers and some of the costs.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Edmonton-Strathcona.

Women's Shelters

Ms. Blakeman: Thanks, Mr. Speaker. A survey by the Alberta Council of Women's Shelters shows that over 45 percent of abused women cite a lack of affordable housing and welfare support as the main reasons for returning to an abusive relationship. The council's most recent figures show that 8,400 women and over 9,000 children were turned away from shelters last year. My first question is to the Minister of Children's Services. When more women and children are turned away than granted shelter, why is this government not stepping up to the plate and properly funding shelter space?

Ms. Evans: Over the last four years this government has consecutively added a million dollars a year. When I took this ministry over, we had about \$11.67 million. We are over \$15 million per year to support shelters, and it is not the only source of funding, Mr. Speaker, that this government actually provides. Some shelters receive funding through the Wild Rose Foundation. Some receive capital support through Community Development.

Mr. Speaker, in Children's Services we have provided additional supports this year for salaries so that they would be equivalent to others in the sector. We have provided in co-operation with the Council of Women's Shelters some support for the new RCMP protocol, which is helping with the abused women and domestic violence issues at the local level. Through the child and family services authorities we have co-ordinated with their supports and their services additional supports for children who are victims of family violence, the emotional victims as well.

So, Mr. Speaker, certainly, clearly, we're not all the way there yet,

but we've made huge strides in the last four years, and I believe that the hon. member actually knows that.

The Speaker: The hon. member.

Ms Blakeman: Thank you. You're going backwards.

To the same minister: given that the statistics also point to a lack of second-stage housing available for abused women, has there been any concrete collaboration with the minister of seniors and housing to implement an aggressive plan to address this?

Ms Evans: Mr. Speaker, there are a number of partners that are on the front bench here that work with the Council of Women's Shelters: clearly, the Minister of Seniors, who is responsible for social housing, can speak for himself; the Minister of Human Resources and Employment; the Minister of Community Development. I have engaged all of the ministers in dialogue with the Council of Women's Shelters to explore some of the ways that we can actually do that.

Mr. Speaker, there are a number of initiatives that have begun. We are looking carefully at their identified plan for a commission so that we can understand better how to serve them through all of the various government departments, but in terms of actual housing supports there have been plans that have been put in place just recently for the women that are entering the Kerby shelter. We've provided \$75,000, prompted by the Member for Calgary-Buffalo, who came forward with the Kerby Centre issues on a very recent basis.

So, Mr. Speaker, we are regularly addressing this issue as well as we can, but we are only one partner. The community is a partner. The federal government is a partner. It takes a whole society. Let's never forget that the one that perpetrates violence is not this government. It is somebody out there somewhere that's putting these women in shelters, and it's abhorrent, and we should all object to that.

The Speaker: The hon. member.

2:20

Ms Blakeman: Thank you, Mr. Speaker. My final question is to the Minister of Human Resources and Employment. Did the department consider the effect upon abused women and their children when the decision was made to raise the SFI rates by only \$20 a month?

Mr. Dunford: I think that in the previous answer the Minister of Children's Services was really onto something here. I think that we really have to look to the communities to see if there's not some way that we can bring into play what we've actually tried to do here through legislation.

One of the biggest issues that I have in this whole area is that when we have a husband or a father or a common-law male, whatever the case is, who beats up on the woman in the home, perhaps even beats on the children, why is it that the woman and the children have to leave their homes? I mean, this is asinine the way we do it. Now, I understand from the police services that they can't provide the protection and keep the abuser, the assaulter away from them, but there's got to be a way within communities that we can start to look at this and keep the women and the children in their homes, where we can then look at reasonable levels of support. This has to stop, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Calgary-Bow.

Infectious Diseases in Corrections Facilities

Dr. Pannu: Thank you. Mr. Speaker, a recent survey by the federal corrections service found that federal inmates had rates of HIV and hepatitis C infection 10 times those of the general population. If similar rates existed in provincial corrections facilities, this would pose a serious risk to public health, especially when these inmates were released back in the community, unless they were free of these infections upon release. My questions are to the Minister of Health and Wellness. Does the government monitor rates of infectious diseases like HIV and hepatitis C in provincial correctional facilities, and if so, are they higher or lower than those of inmates in federal prisons?

Mr. Mar: Mr. Speaker, I think this is a good question, but I'll have to take the hon. member's question under advice.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Again to the same minister: what safeguards does the government have in place to ensure that infectious diseases do not spread into the general population when inmates are released back into the community from provincial correctional facilities?

Mr. Mar: Again, Mr. Speaker, a good question, but I will take that under advice.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. I may as well put the third question on record. The minister may take time to answer these. What policies or steps does the government have in place to ensure that when inmates are released from provincial correctional facilities, those who may have been exposed to infectious disease while incarcerated do not pose a risk to themselves or to others?

Mr. Mar: Again, Mr. Speaker, the same response, although I will simply add that I will undertake to obtain some information for the hon. member from the Solicitor General as well.

The Speaker: The hon. Member for Calgary-Bow, followed by the hon. Member for Edmonton Ellerslie.

Toxic Mold in Foothills Medical Centre

(continued)

Ms DeLong: Thank you, Mr. Speaker. As has been raised in a previous question, there is concern about a possible toxic mold in unit 27 of the Foothills medical centre in Calgary. My question is actually to the Minister of Human Resources and Employment. Could the minister tell us what action his ministry is taking to deal with mold at unit 27?

Mr. Dunford: Well, first of all, Mr. Speaker, we have to take this situation seriously, and of course we are. [interjections]

The Speaker: Hon. members, the hon. minister does have the floor. As he's indicated, this is a serious matter.

Mr. Dunford: The complaints that we received have been coming from the Alberta Union of Provincial Employees and the United Nurses of Alberta. Now, thus far in the investigations, hon. member, we still haven't reached any conclusions about air quality. Until we

reach that, we really don't have a definition at this point in time of whether unit 27 is hazardous or even as a matter of fact about the influence of the mold that was discovered. Again, like my hon. colleague the Minister of Health and Wellness, I think it's very important that we be careful about using the word "toxic" at the current time. Right now there's simply no evidence that would support this, and as you might know and I'm learning, there are various types of molds, of course, that appear in buildings, and really only a few of them are harmful and then only if they're inhaled or ingested.

The Speaker: The hon. member.

Ms DeLong: Thank you very much, Mr. Speaker. To the same minister: what actual actions is your ministry taking in dealing with the mold in unit 27?

Mr. Dunford: There have been a number of investigations, but also we've really been working with AUPE, with the Calgary health region, and of course our officials, and we've agreed to set up a committee of experts to investigate the air quality concerns that are within unit 27. So that's ongoing. Each of the parties that I've mentioned will of course provide a representative. Our ministry has engaged Dr. Kenneth Yu, we believe a recognized expert from the University of Alberta, to assist us in this work.

Now, one of the organizations that I didn't mention was the United Nurses. They've been invited to participate, of course, in this situation. I think that to date they've just requested a written proposal, which we've prepared and sent to all of the parties. So we're currently awaiting a response from UNA, but in any case we're not holding up the investigation waiting for them. We'll continue to move forward.

The Speaker: The hon. member.

Ms DeLong: No further questions. Thank you.

Ecological Footprint of the Provincial Government

Ms Carlson: Mr. Speaker, April 22, today, is Earth Day. It's a chance for all of us to consider what impact our actions have on the natural world and to find out what we can do to become more environmentally friendly, but before we can do that, we must first know the nature and extent of our environmental impact today. My question is to the Minister of Environment. Has the minister measured the ecological footprint of the operations of this government?

Dr. Taylor: Well, certainly, Mr. Speaker, we can talk just about emissions from this government as one of the major ecological footprints that we have, and as you know, our greenhouse gas emissions have declined in the neighbourhood of 22 to 24 percent at the end of 2001. Under the Kyoto targets they were supposed to have declined by 6 percent. So once again this government is a leader across the country in reducing its ecological footprint.

Ms Carlson: Mr. Speaker, given that this minister knows that that is only a very small part of an ecological footprint study, how does he intend to manage if not reduce Alberta's footprint?

Dr. Taylor: Well, again, Mr. Speaker, we continue to reduce, as I've said. I can give you another example of how, a very good example thanks to the Minister of Infrastructure. We have said: we will

purchase 90 percent of our power from green power by the year 2005. If that's not reducing, if that's not a good step – I even think the member opposite would agree, and I thank you for these positive questions.

Ms Carlson: Mr. Speaker, he has a responsibility to undertake a footprint study, and my question to him is: does he ever intend to do so?

Dr. Taylor: Well, I'm not sure what she wants me to study, Mr. Speaker. As I've said, I've given her examples. I can give you many more examples of where the government has reduced its ecological footprint across this province. Certainly, we will continue to do that. We'll continue to put in regulations.

Let me give the member another good example. We've asked the Clean Air Strategic Alliance to come back to this government and suggest what our new levels of reductions in emissions should be for nitrous oxide, sulphur oxides, and greenhouse gases from electrical generation, so we will monitor that as we go forward, Mr. Speaker.

Once again, you know, I think these are positive-direction questions from the member so that we as a government can get out the good news.

2:30

The Speaker: The hon. Minister of Energy to supplement.

Mr. Smith: Thank you very much, Mr. Speaker. I think this is an appropriate time to reflect on the fact that industry without government regulation is doing its job to reduce the industrial footprint on land, to use global positioning techniques for zero impact seismic for reducing the industrial disturbance, for reducing the industrial footprint on environmental lands, and in fact that has paid off with dividends, with even more wells being drilled carefully with good corporate stewardship in environmentally sensitive areas.

head: **Members' Statements**

The Speaker: The hon. Member for Calgary-Currie.

University of Calgary Energy Efficiency Program

Mr. Lord: Thank you, Mr. Speaker. I'm very pleased with the announcement over the weekend by our Minister of Municipal Affairs that he is considering a major energy savings initiative across the province. This is because I'd also planned to make a few statements myself regarding the important benefits of energy retrofit programs and highlight some of the success stories that forward-thinking institutions in our province have already achieved and are achieving as we speak in regard to energy saving initiatives.

One such institution is our own University of Calgary, who began working on their energy efficiency program in June of 1996 through a performance contract with Siemens Building Technologies. A performance contract is a form of P3, a public/private partnership, in which a company specializing in energy retrofits and finding energy savings in buildings offers to install and finance energy-efficient technologies in a building at little or no cost to the building owner. Then the company is paid back, including their profit, entirely through a percentage of the energy savings they achieve. If they don't achieve any savings, they don't get paid anything, which is why it is called performance contracting. Building owners benefit by not having to come up with any capital investment. They take no risk, and they can even end up with positive cash flows from energy savings that they might never have achieved otherwise.

At the University of Calgary seven buildings have undergone

energy retrofits ranging from lighting retrofits to a roof replacement. Annual savings are now about \$1 million. Beyond that, building ventilation rates have improved, laboratory odours have been minimized, and there is improved quality of lighting, temperature control, and reduced numbers of lamps and ballasts to maintain in the future. Also of great significance is the reduction of 25,000 tonnes of CO₂ into the atmosphere that would have been emitted otherwise.

The U of C is also leading the way in building design with their new ICT Building, which has already qualified for the commercial building incentive program from Natural Resources Canada, and the Canadian centre for innovation technology, which is in the application stages, is their latest building. To qualify for this, buildings must demonstrate at least a 25 percent reduction in energy use as compared to the standard Model National Energy Code for Buildings reference case.

Congratulations to the U of C for their major accomplishments in leading the way in energy saving initiatives in Alberta.

Calgary Health Region

Dr. Taft: Mr. Speaker, the fatality inquiry into the death of Vince Motta sheds light on the troubled and troubling executive culture of the Calgary health region. The judge in the Motta case blasted the health region for providing minimal effort to assist the inquiry, for treating the inquiry as a public relations challenge, and for providing confusing and possibly misleading information. In fact, the judge went so far as to recommend that the Calgary health region review its commitment to the community of Calgary.

How did the CHR come to this? It has developed an executive culture that struggles with political favouritism, conflicts of interest, and management mistakes. For example, many members of the CHR board and management seem better qualified for their political connections than their health care expertise. Individuals who hold or have held powerful positions in the CHR include the vice-president of communications for the Tory party, a former Provincial Treasurer, a former president of the Premier's constituency association, the Premier's former deputy minister, and the Premier's former chief of staff.

The CHR has also engaged in awkward or dubious business deals; for example, the sale of the Holy Cross hospital for a quarter of its value to a well-connected senior medical official, companies that have contracts with the CHR which are partly owned by CHR officials, a former chairman owning a company holding private contracts with the health region while in office.

There are plenty of other issues with the management of the CHR. In all but one of the last five years the region has run a deficit. Then there was the astonishing decision in the mid-1990s in the midst of a population boom to demolish the Calgary General and sell the Holy Cross and Grace facilities to well-connected investors.

It's time for action at the Calgary health region, and no less than sweeping changes will do. When the culture of a major organization becomes chronically dysfunctional, internal reviews don't solve anything. The province should dismiss the Calgary health region board, appoint an independent administrator, and conduct a fully independent review.

The Speaker: The hon. Member for Calgary-Fort.

Safe Calgary Initiative

Mr. Cao: Thank you, Mr. Speaker. Nestled in the foothills of the Rocky Mountains, Calgary is one of the fastest growing cities in Canada with close to 1 million hardworking and enterprising people

with their clear global perspectives. At a ceremony in early April Calgary was the first municipality in Canada to receive two safe community designations simultaneously. The Safe Communities Foundation of Canada presented to Calgary its membership in the Canadian safe community network. The United Nations' World Health Organization presented to Calgary its prestigious designation of the WHO safe community of the world. To date three Canadian communities have received this designation with Calgary being the fourth and the largest municipality in Canada.

The success of the safe community model has been instrumental in mobilizing communities across the country to develop programs to keep residents safe. According to the World Health Organization for every \$1 spent on safe communities, society saves \$40. The Safe Calgary initiative is comprised of two major players: the Calgary Injury Prevention Coalition and the Action Committee against Violence, whose work spans more than 10 years. The group is also made up of various local partners, businesses, and government organizations that are committed to addressing Calgary's safety issues.

As a Calgarian I am delighted to see Calgary become part of the national safe community network. As an Albertan I am proud to have our biggest city receive the United Nations WHO's designation of safe city of the world.

Mr. Speaker, I would like to ask our Assembly to join me in congratulating the city of Calgary council, administration and staff, and many safety-oriented organizations for their great efforts and outstanding achievements for our fellow Calgarians.

Thank you.

The Speaker: The hon. Member for Red Deer-North.

Brain Injury Awareness Conference

Mrs. Jablonski: Thank you, Mr. Speaker. I rise to congratulate the organizers and participants of the first annual Brain Injury Awareness Conference that was held in Calgary and attended by the Minister of Community Development on April 11 and 12, 2003. This was the first time in Alberta's history that brain injury survivors, family members, and service providers met at a provincial conference, and it was a great success. Over 100 of the 285 participants were survivors and family members.

Alberta Community Development was the principal sponsor of this event, which was organized by the Brain Injury Coalition of Calgary and included individuals from Alberta, Saskatchewan, British Columbia, and the Northwest Territories. It showcased the great strides that have been made in brain injury research and rehabilitation and gave survivors the chance to share their experiences through personal presentations.

Over the past year Community Development's brain injury initiative has been successful in contracting with community agencies to provide 16 co-ordinators across Alberta, in developing a brain injury survivor guide with a distribution of 2,500 copies around the province, in launching the brain injury provincial training framework, in contracting with community agencies to provide supports for community living to brain injury survivors and their families, and in consulting with communities throughout the province through a community action coalition process that will help build on existing networks of support for brain injury survivors and their families.

Mr. Speaker, I have met with members from the Central Alberta Brain Injury Society who have worked long and hard with their provincial colleagues to help make these initiatives happen, and I know that they are grateful for advances that are being made in

helping survivors and their families. It's estimated that about 10,000 – 10,000 – new cases of brain injury occur every year in Alberta with 5,000 of them resulting from an accident and 5,000 from a stroke or other medical condition.

To the participants in this conference we hope you were able to learn something about brain injury research and meet new friends, and to the organizers of this conference congratulations on a job well done.

2:40head: **Tabling Returns and Reports**

Ms Evans: Thank you, Mr. Speaker. Today I rise to table two reports from Children's Services. The first is the required number of copies of the Children's Advocate annual report from 2001 to the conclusion of March 31, 2002. This report is inclusive of a follow-up relative to the cases of maltreatment that were acknowledged in the previous year's report.

I provide that, Mr. Speaker, as well as the Social Care Facilities Review Committee report, which has been provided through the auspices of that committee and its chair, Cindy Ady, for the period October 1, 2001, to September 30, 2002. Some outstanding . . . [interjection] Oops. Calgary-Shaw. I do apologize to the House. This is an outstanding example of work done by community members in terms of their analysis of community facilities serving children and families.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I have three tablings today. The first is from a little boy named Joseph Landy. It's a letter in which he says:

I am in Grade 2 . . . the library aide, is retiring. Who's going to run the library? And I like our teachers a lot. And I don't want any of them to leave the school. Who's going to teach the classes whose teacher has left? Schools need more money.

The second is copies of a letter to the Premier and the Minister of Learning tabled with permission. It's written by Paul and Lorie Grundy, and they say among other things that "the Government is being disingenuous when it ordered binding arbitration but refused to step up to the plate and fund the result."

The final is a copy of a letter to the Premier and the Minister of Learning expressing great concern about "the current situation regarding the funding of public schools in Edmonton, particularly in relation to the teachers' arbitration settlement."

Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I've got two tablings today, one for myself and one for my colleague from Edmonton-Highlands. I'm tabling a letter that was addressed to me by the president of the national organization Mothers Against Drunk Driving, known as MADD. Louise Knox writes in her letter that her organization is opposed to the changes being made in the Insurance Act in the form of the new Bill 33. She says that this organization opposes those changes because they are simply not in the best interests of the victims. So that's the first one.

The second tabling, Mr. Speaker, is five copies of a letter written to all Members of Parliament by Brian Payne, president of the Communications, Energy & Paperworkers Union of Canada in which Mr. Payne expresses profound concern about the backdoor negotiations related to the softwood lumber dispute with the U.S. and calls for open and transparent public hearings before the governments decide to move forward in any case.

Thank you, Mr. Speaker.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order.

head: **Main Estimates 2003-04**

Seniors

The Deputy Chair: The hon. Minister of Seniors.

Mr. Woloshyn: Thank you very much, Mr. Chairman. I'm pleased to present an overview of the ministry's budget and business plan. Generally speaking, we'll see our business plan show that we're going to continue to provide the programs and services and information that contribute to the well-being and independence of seniors and also to the housing needs of Albertans. It also reflects the additional responsibility of the administration of funding for homeless shelters and the office of the Public Guardian. I'll go into more detail on these programs a little later.

For 2003-04 the Ministry of Seniors will continue to target funding to those most in need with over 92 percent of our department budget being used to provide grants and services to low-income seniors and to Albertans in need of basic shelter. For 2003-04 the program expenses are projected to be \$354 million, up \$30 million from 2002-03. The increase reflects funding for the transfer of the two additional programs I mentioned just a moment ago and for the implementation of the Canada/Alberta affordable housing program. Funding for our traditional programs and services remains constant.

The ministry's business plan supports the government's goal that Albertans will be self-reliant and those unable to provide for their basic needs will receive help. This will be accomplished through our three core businesses: number one, providing financial support and information services to seniors; number two, supporting the management of and enabling the provision of family, special purpose, and seniors' housing; and number three, providing planning and policy development for housing for seniors and Alberta's aging population. Under each core business we have outlined a number of goals to ensure effective program delivery. Our 2003-04 budget identifies the resources to deliver these programs.

With respect to seniors' services under our first core business, to "provide financial support and information services to seniors," we have two goals. Seniors' financial assistance, the first goal, is to ensure that "seniors in need have access to financial supports that enable them to live in a secure and dignified way." The ministry has two major grant programs that support this goal: the Alberta seniors' benefit and special-needs assistance for seniors.

The Alberta seniors' benefit is an income-tested program that provides financial assistance to lower income seniors through a monthly cash benefit for basic needs such as shelter and food. Approximately 184,000 seniors, or 57 percent, receive benefits from the Alberta seniors' benefit program of which approximately 125,000 receive cash benefits and full health premium exemptions with an additional 59,000 seniors receiving partial health premium exemptions. The average cash benefit through the Alberta seniors' benefit is \$101 per month per senior or \$122 per month per couple.

Funding for the Alberta seniors' benefit program will increase by \$1.5 million this year to some 156 million dollars. These changes are to the benefit levels which are going to be focused on the low-income seniors residing in lodges. Over the years the average age of

lodge residents has been increasing and is now 85 years of age. This has resulted in increased demand on the kind and level of services needed by these aging residents. Lodge operators are having financial difficulty meeting this increased demand for services and are looking at increasing the lodge fees. The increase in the Alberta seniors' benefit to eligible low-income lodge residents will help these residents pay for the fee increases so that the additional services they will require will continue to be available.

2:50

The special-needs assistance for seniors' program is an income-tested program that provides lump sum cash payments to help low-income seniors who do not have the financial resources to fund onetime or extraordinary expenses. The program helps seniors meet allowable special needs such as medical, optical, dental, and the cost of essential minor home repairs. In March the special-needs program was temporarily changed to consider the rising utility costs as an allowable expense under the program. Funding for the special-needs assistance for seniors' program has been maintained at the current level of \$27 million. In 2002-03 the program helped over 15,000 seniors.

The second goal, information services, is there to ensure that seniors and their families have access to information and educational material about programs, services, and initiatives that are designed to enhance the well-being of Alberta seniors. To achieve this goal, the ministry will continue to provide information to seniors and caregivers on the programs and services available to them through the provincial, federal, and municipal governments and through nonprofit community organizations. This includes our information line, the Programs and Services for Seniors booklet, seniors information offices, and our web site. The level of satisfaction with our information services continues to remain high, and we'll be striving to maintain this satisfaction level over the next three years.

As I mentioned earlier, the office of the Public Guardian has been transferred from Alberta Human Resources and Employment to the Ministry of Seniors. This transfer enhances the co-ordination of services for dependent adults, approximately 50 percent of whom are seniors. The office of the Public Guardian assists private individuals to obtain guardianship orders for adults who are unable to make independent decisions. It also serves as a guardian for those dependent adults who do not have family members or other interested parties who might apply to become a guardian. In addition, it helps people plan for their future through personal directives. The transfer will see almost \$5 million in funding transferred from Human Resources and Employment to Alberta Seniors. The transfer of the office of the Public Guardian will be seamless to the clients receiving the services.

Under housing services our second core business is to "support the management of and enable the provision of family, special purpose and seniors housing." We also have two goals. Housing programs and services, the first goal, is to ensure that

provincially owned and supported housing for low-income families and individuals, seniors, and persons with special needs is efficiently and effectively managed, and appropriately and fully utilized.

Currently the ministry supports approximately 40,000 housing units that house approximately 67,000 Albertans who need financial assistance in accessing safe and affordable housing. As noted earlier, responsibility for management of the homeless shelter contracts and the Gunn Centre has been transferred to our ministry as of April 1, 2003. The transfer of resources, which involves over \$16 million in funding for 15 shelter organizations, the Gunn Centre, and four client support programs will be seamless to agencies providing the services.

Through the homeless shelter program the government provides financial assistance to community organizations throughout the province to cover operating expenses as they relate to homeless shelters and support service programs. The government also operates the Gunn Centre, a provincially owned and operated facility for homeless men with substance abuse or mental health disorders. The integration of the homeless shelters with other shelter programs supported by Alberta Seniors will provide a more comprehensive approach to addressing the needs of the homeless and near-homeless people in Alberta. The ministry is also continuing to review programs such as rent supplements to ensure resources are directed to those most in need.

Goal 2, housing supply. The second goal of this core business is to ensure that

seniors, low-income families and individuals, and persons with special needs have access to a range of housing appropriate to their needs at reasonable cost.

To assist in meeting this goal, funding for the lodge assistance program has been increased by half a million dollars this year to just over \$14 million. These funds will be used to assist with the operating costs of new units that were constructed.

Fifteen million dollars in new provincial funding will be provided annually over the next three years and will be matched with federal funds under the Canada/Alberta affordable housing program. Funds will be used to increase the supply of affordable housing in high-need, high-growth areas of the province through the affordable housing partnership initiative and the sustainable remote housing initiative. The \$15 million in new funding will be used to leverage additional funding from municipalities, community organizations, and the private and nonprofit sectors to build housing units with affordable rents. The new funding is in addition to the \$8.5 million announced in 2002-03 and will further accelerate the development of affordable housing in the province for lower income families and individuals or in areas of the province where housing is in short supply and market rents are high.

The \$8.5 million with matching funds from the federal government and private nonprofit sectors has resulted in eight affordable housing projects being funded. The projects will result in 420 new units being constructed in Calgary, Edmonton, Fort McMurray, Red Deer, and Grande Prairie, as well as northern remote communities, including the regional municipality of Wood Buffalo. I might add that under that program a project in Grande Prairie will soon be occupied, and the same applies to Red Deer. Construction of new housing through the affordable housing agreements will assist the ministry in managing within the current budget level for existing programs such as the rent supplement program and to support community-based organizations. Overall funding for our housing programs has generally been maintained at the current levels to ensure housing operators continue to provide quality accommodations and services to residents.

The ministry's third core business is to "provide planning and policy development for housing, seniors and Alberta's aging population." The ministry will "continue to partner with Alberta Health and Wellness and Alberta Finance to achieve the objectives and targets of the cross ministry Health Sustainability Initiative." We'll also continue "planning for an aging population, promoting healthy aging and seniors wellness, and examining issues around the care and safety of seniors in their homes." Staff will also examine emerging housing trends, best practices, taxation policies as they pertain to housing, and ways of providing additional rural and remote housing.

In carrying out its mandate, our ministry works collaboratively with ministries across government as well as community and private-

sector organizations, to support initiatives that contribute to the government's vision.

We are also working to anticipate future needs in terms of housing and the aging population. As part of effectively planning for the future we need to maintain consistent funding levels for our core businesses. If demands for services increase as expected, increased funding may be required to maintain ministry programs.

That, Mr. Chairman, is a somewhat brief overview of what these estimates are pertaining to, and I would welcome any questions from any hon. members who wish to pose them.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much Mr. Chairman. I'm pleased to be able to participate in the budget debate for the Ministry of Seniors, which now also includes responsibility for housing, for homeless shelters, and the Public Guardian.

I'll start out by just asking a very straightforward question, and that is: why was the choice made to move the Public Guardian from Human Resources and Employment to the Ministry of Seniors? I'd just like to hear the thought process that went on behind that as to why it got moved into this particular ministry.

Now, as the minister pointed out, there is about a \$30 million increase in the budget, but as I said, we also have those two new areas coming in as well. I was straining to listen to the minister, but I think I did hear him say that the cost of the Public Guardian program was \$16 million and had come with the program. If I could just get him to please clarify that and put it very clearly on the record. So we have a \$30 million increase from last year's budget for this department to this year's budget for this department, and please explain exactly how much was the additional cost for the homeless program and the additional cost for the Public Guardian. That should leave us with, then, the amount that is an actual increase for the programs that the ministry administered and provided last year and is still providing this year, just so that it's very clear. This minister is fond of accusing me of not getting the numbers straight, and at this point and from here on in any mistakes I make will be entirely up to him. This is his opportunity to put everything on the record and be very clear about exactly where this money is coming from and where it's going to, and I will be reading *Hansard* carefully to understand exactly what the minister has put forward here. There are a couple of instances where that does get a little confusing, and I will come back to that. I've got notes later on.

3:00

So I'm just going to start with some general questions for the minister, and of course I understand that he will endeavour to answer my questions while we're here together in the Assembly. I would ask that he please provide in writing any questions that aren't answered, and I'm sure that with the excellent staff that he has in the department, that will not be an issue. But I will ask if I could please have those answers before we have to debate the final appropriation bill, because that does give me the information that allows me to vote in favour of the motion.

Now, last year's homeless count that was done by the Edmonton Joint Planning Committee on Housing found that there were 755 more people homeless in Edmonton than the last time the count was done, two years earlier, and that included 267 children under 15, which actually, when you think about it, is enough to fill a school. I'm wondering what specific steps the ministry is considering implementing under this year's budget to relieve this homeless situation, particularly when we're looking at the children.

A further general question. By 2026 one in five Albertans is

expected to be over 65, and the figure that I've heard is that approximately 4 percent of the senior population can expect to spend time in what we would call a long-term care facility or institutionalized care. We are aware that at this point there are waiting lists. According to the government's own numbers in the first quarter of 2002 884 people were waiting urgently – and that's the government's wording – in acute care or in the community for long-term care services. So given that we're going from a 10 percent population of seniors in the overall population to 20 percent seniors in the overall population, how is the ministry concretely preparing for this doubling in the seniors population over the next 23 some odd years? That's a 4 percent increase over the same quarter from the previous year and 21 percent more people than at the end of the previous quarter.

The third general question. There has been some discussion in the media this year, and I remember it was about a year ago, I think, that the abused seniors' housing shelter that is administered by the Society for the Retired and Semi-Retired here in Edmonton was having to look for additional funding from the minister, which, I believe, he was able to provide to them to keep the shelter running. I'm looking to see whether we can expect consistent funding for abused seniors' residences or abused seniors' shelters. Will that be coming out of this minister's budget? What line item could I expect to find that under? Will this then become an ongoing funded program? Is the minister contemplating moving the funding of that to some other ministry, or will there indeed be any continued funding? I'm really looking for a very clear outline of how this government through the minister of seniors and housing expects to fund the abused seniors' shelters.

I have spoken repeatedly about the need for standards of care and concerns about how to deal with the cases of vulnerable seniors in situations that are not covered by the Protection for Persons in Care Act, specifically in care centres, boarding situations, and private homes. Once again, what is the minister contemplating? What is the philosophy of the department around detecting and stopping, monitoring, evaluating, enforcing elder abuse in these noninstitutional care situations? I'm expecting that as we get an increase in the seniors population, we will have more seniors that are living outside of institutionalized care in these sorts of boarding situations or two or three seniors being cared for in a private home. They are at this point not under any kind of government legislation or monitoring. What is the government's attitude towards this situation? Will it remain hands-off? Will the government be looking to get involved? Is legislation considered? Is any of that anticipated in this current year?

The next general question. We had extended health care benefits that were reduced back in 1994 and then completely eliminated in last year's budget, the 2002-03 budget, and that took away the partial coverage of dentists and denturists and optometrists and opticians as a universal program accessible by any senior in Alberta. There's still access: money to cover some of those services was transferred under the special-needs program. I'm wondering if the ministry has done a follow-up evaluation to see whether this move to only fund low-income seniors is adequate. Are all those seniors that require this able to access the funds under the special-needs program? How much of the money that was transferred from the extended health care benefits program to the special-needs program is in fact being drawn down or drawn out by seniors requiring this money? I'll come back later to another issue that's developed around reimbursement and denturists. It's coming under a different heading for me.

Last year I was inquiring as to whether there was in existence an age-related benefits committee or any committee of the government that was looking at age-related benefits. At the time, the minister

responded to me in writing that that was not the case. There was no committee of the government, of any backbenchers, any MLA review committee that was looking at age-related benefits. I would like to put that on the record again this year and see whether any committee is examining that in this fiscal year.

One of the other issues that arose directly out of the announcement of last year's budget was an obvious lack of communication between the minister of health and the Minister of Seniors. I'm wondering: what communication methods or agreements have been put in place between those two ministers in the intervening time? I'm referring, of course, to the Minister of Seniors speaking to several different groups of seniors and saying that there would be no reduction in seniors' programs, and then of course very shortly the budget came out and the extended health benefits program was completely eliminated. It appeared that the Minister of Seniors was unaware of this. Now, perhaps he was aware of it. Well, that's a different matter then, but if he was unaware of it, then in fact there was a serious communication gap between the minister of health and the Minister of Seniors. This continues to raise some eyebrows and cause some concern in the seniors community, so I'm asking the question: what concrete communication methods and criteria or methodology, however you wish to phrase it, have been put in place to deal with that?

I have in many years past commented on the need for funding of seniors' centres, which provide a number of services for seniors. The minister did in fact have an MLA report, *Current and Future Roles of Seniors' Centres in Alberta*. This report was assembled. I'm wondering whether the minister is acting on the recommendations of this report. I think it was released last May. Will there be sustainable and ongoing funding for seniors' centres? What line item would I find that under? Is it being done? Is it anticipated? If not this year, is it anticipated for next year?

3:10

I'd like to again check to make sure that the Blue Cross benefits for seniors are not expected to undergo any change in this budget. I listened carefully and did not hear the minister say that any dramatic changes to the programs and services for income and benefits were being altered in this budget, but I'll put it on the record just to make sure that I don't neglect to ask a question and then be unaware of something that's happened.

The recreation, leisure, quality of life issues. These would appear to come under a number of the goals that are being put forward by the ministry. I'm wondering if there's anything specific that the ministry is contemplating there. There are some other cross-government initiatives like the one coming under health for a healthy lifestyle. Is the minister working with the minister of health on anything like this? Is there funding specific to it in the budget, or is there assistance being offered in any other way, and exactly what way is that?

Now, it appears that the budget for special-needs assistance decreased by a hundred thousand, and I'm wondering how that's possible when there should have been an increased demand upon that from the extended health care benefits program, which is why I asked about whether in fact there was any kind of drawdown or significant drawdown or what kind of monitoring the minister had done on that. Why would it appear that we're seeing a decrease in special-needs assistance? Can the minister tell us how many seniors have applied for help under this program, how many received help under this program, and exactly how much money has been disbursed under this program?

I notice that the budget for the homeless initiative has remained at \$3 million. What is anticipated as program delivery under this budget item?

I'm going to just talk about some of the stakeholders that have

been in touch with me. I've heard from a couple of seniors' centres, some advocacy organizations, and a couple of individuals who serve as advocates and serve on a number of seniors' associations. The points that they are making and that I would like to put on the record for the minister are concerns again about understaffing in long-term care facilities. With my mother now in a long-term care facility I'm getting to see this on a much more frequent basis. I think that in most cases the staff are very dedicated and are doing what they can, but I do see a shortage. I continue to be concerned about: who makes the rules here? Who is that wonderful someone that has decided that one bath a week is going to uphold a senior's dignity? If they want more than one, they don't seem to be able to get it. They're told: that's it, one bath a week. That's supposed to be all that is sufficient for seniors' hygiene and dignity.

Mr. Bonner: Especially when they spill more and drool.

Ms Blakeman: Yeah, they do, because when they're in institutional care, they're more likely to not have complete control. They might have trouble controlling saliva. Certainly, one time I found my mother with a nosebleed, and she bled all over everything she was wearing and the wheelchair and all else. So there is certainly a higher incidence rate of spills and problems with things like saliva and blood. It is harder to keep everyone cleaned up, and it does seem to be understaffing that is a holdup. I mean, no one was cleaning up my mother and hadn't for hours, and I had to try and search out whatever I could in that facility to get her cleaned up, which really shocked me. If I hadn't come that day, how long was she going to sit there like that? I have no idea.

There's real concern about the Dependent Adults Act. There doesn't seem to be an onus on the guardian to ensure proper nursing care. Again, this is around standards of care. I continue to press this minister, working collegially with his colleague the minister of health and any other minister that needs to be involved here, with, I suppose, the Minister of Community Development, who oversees the Protection for Persons in Care Act, to develop and implement clear standards of care for those that are in not only institutional care but any kind of care. Now, whether that's another act or whether the Protection for Persons in Care Act has expanded to cover all seniors, I don't have a bias one way or another, but I think that there is a group of seniors here that is not being cared for. What is the minister's attitude towards this? Are the numbers too small for the ministry to pick up? Are they expecting it to be done by someone else? If so, who? Why is this particular group of people that are not in institutional care but who are still in care not being covered?

There have been concerns raised about the effect of the electricity rates and the natural gas rates for seniors, and I noticed that under the environmental factors the ministry does pick up on this quite clearly, that seniors do not have other ways to make money particularly. Therefore, increasing housing rates and utility rates has a tremendous effect on them. The ministry is unquestionably aware of this, but what else is the minister doing or working with his colleagues on to try and work out something?

Canada's Association for the Fifty-Plus also wanted it on the record to rebuild the public health system, to eliminate health care premiums for seniors. Now, I know that the minister had been supportive of that. The government had even talked about it coming in the last election, and then nothing since then. So I'm wondering where that promise was.

The Liberal caucus has been campaigning for some time to have the Alberta seniors' benefits indexed to the consumer price index. I'm wondering what's happened to that.

I'd like to hear a discussion of home care initiatives from the

minister. Now, he's not funding home care, but that's certainly a big part of the aging in place scenario that is promoted by the department. If home care is not available, then we're not able to keep people in their homes, and they do move into the institutionalized care settings.

Has the minister or the government considered financing capital upgrades for some seniors' housing by issuing provincial bonds? This is from the SALT organization. They, again, feel that there's more money needed for medicare. They're asking about the P3 partnerships. There's some concern that this could come out the same way as the deregulation of the electricity and gas systems; that is, the prices just end up going up and up and the consumer, the senior, doesn't see the benefit of it. The other comments from SALT are actually not specific to seniors, and I'll come back to that at the end.

There are some comments that the cutoff level for the Alberta seniors' benefits is too low. Seniors who are a few thousand dollars above the cutoff are still having trouble getting by on their income, and in fact because they pay the whole freight, if they're above the cutoff level, they can end up with less income than those that are in fact covered by the system. Is the minister considering raising the level?

I see that my time is over, and I'll look forward to response from the minister.

The Deputy Chair: The hon. minister.

Mr. Woloshyn: Thank you, Mr. Chairman. I'll try to answer at least some of the questions.

I believe that in my comments I did indicate that the cost of moving the office of the Public Guardian, the funding for that, was approximately \$5 million. I do believe that in my comments I also indicated that the transfer of the homeless shelters and the Gunn Centre and some other programs was accompanied by approximately a \$16 million transfer. I did that in my opening comments; I guess the hon. member missed them.

There are a couple of clarifications that I would like to make. You said quite a few things with respect to extended care, and although I have a deep and strong interest in it, extended care is provided and monitored through the health authorities and Alberta Health. One of the things that you made reference to was some very poor care in a particular institution. I would like to know the name of that institution, not publicly here necessarily as it pertains to your mother, or anywhere else. Along with the extended care, if you will, there are some formulas and guidelines for staffing that are expected to be followed. If they are followed, the amount of staffing increases with the acuity of the patients. I certainly don't have all those formulas, so please don't tie me down to that, but I do know that there is an expectation that there is sufficient care for the people.

3:20

Now, I've heard comments on that one bath per week scenario, and I found that one hard to nail down, quite frankly, but that's something we might want to look at. I might add that more and more of our lodge facilities, especially in the rural areas, are going for those what we generically refer to as Century tubs to assist in the bathing of the residents. Certainly, the operators that I've talked to don't have a formula of so much per week; it's more as to what is in keeping with the comfort and dignity of the individual. Well, if you have individual situations in lodges specifically where that is not the case, I do want to hear about it, because I've heard this back and forth, and it's very difficult to cut down.

With respect to health care premiums I was on record as being

opposed to health care premiums specifically for seniors. I'm still opposed to it. However, I get outvoted periodically, and that's the life that we're in, so obviously I haven't won that go-round.

You were correct, although I wasn't comfortable with it, in your comments with respect to extended health benefits and things being caught slightly off guard last year. You're correct in that assertion, and the minister of health and I have committed to be in a little bit closer liaison so that we don't see these things happening again. I still am committed to maintaining the programs that we have in place for the seniors, so nothing has changed there.

You had a comment or question with respect to special-needs assistance. I do believe that I did say in my opening comments that there are some – I thought I had the number of seniors that received the benefits in the last year in my comments, but I may have missed that. We can get that to you in writing, the amount of money expended, because I don't have those in my head. I do know that there were sufficient dollars in the budget, that we had a good balance there, and we didn't run into trouble with it. The program has been extremely successful, and it's one of the ones that I certainly would say that we should continue.

You asked about changing our programs. I did indicate in my opening comments that we were flatlining our program expenditures. I also said that the increase in costs of needs may drive us to go up in that.

With respect to thresholds you do have a good point, where the people that are just over, in between are the ones that are of considerable concern to us, and we're trying to get a handle on that and see what we can or cannot do with these particular thresholds to see if we can capture more people in it. My feelings, for example, with respect to the health premiums are that that would be, in my mind, a good way of addressing a part of that in any event, but again we have a process where not everybody gets what they want.

You had various references to abused seniors' housing. That's an interesting area, the whole area of seniors' abuse and what and where it is. In Edmonton there is a group that we've met with, spearheaded by the police and various other agencies, that try to address that. I might point out that we have provided all the shelter spaces that they've required through the Greater Edmonton Foundation. We have put some money into it. We don't have an exact formalized program of funding on an ongoing basis because, quite frankly, I have to have a good look and see what it is, where we're going, and how it's going to get there. A lot of problems are associated with this whole area of seniors' abuse, and we, as you well know, have entered into a variety of educational programs pertaining to it, because I'm more interested in people cutting off the abuse before it starts.

You have indicated quite a bit of desire to have more legislation, more monitoring, and I think, quite frankly, that the best monitors are the close friends and relatives of the people, whether they be in individual homes or whether they be in care. It would be virtually impossible for the government: put in all the legislation you want, but if you don't have the tools to go there and see that it works, it becomes extremely, extremely difficult, if you will.

The whole business, however, with respect to abuse: that's a criminal offence, pure and simple. People who are aware of it should report it, whether it be to the ministry or to the authorities. Quite frankly, there are sufficient laws in place now that pertain to all people, not just to seniors, if they are subjected to improper treatment, whether it be emotional, financial, or physical. There is a mechanism to address it. One of the things that the police have indicated to me, one of the problems that they do have, especially when it comes to things like financial abuse, is that the senior is quite often a victim of a relative, and they're very reluctant to do a

follow-up, which makes the whole process impossible. We've tried to direct some of our efforts in consultation with the various programs to go against, for example, one that I believe was mentioned by a member in question period last week, with respect to telemarketing as it pertains to seniors. That is a very serious one, and I think that more has to be done there. Just quite how and what I'm not too sure, but that is one that comes at them quite regularly.

The other aspect. In question period today there was reference made to one of the questions that you posed, that I had difficulty in moving a senior out of their residence because of some criminal activity, if you will. The shelter is on an interim basis, yes, but resolving the problem is more where I'm at. Hopefully we'll be looking somehow at that situation not only as it pertains to seniors but as it pertains to any member in society, whether it be the mom with the kids or the senior, whomever is being unfairly victimized.

You also indicated the rationale behind the office of the Public Guardian. Quite frankly, I think the move was a very good one simply because close to half the clientele are within the senior category, and that process has to be parked somewhere. It seemed to us that the logical place to have that was within Seniors, and I'm sure that that will work out well because there are not going to be any great, dramatic changes. However, as with anything else we'll be looking at it, and if it seems necessary to somehow change it or go back to it, we'll be going back to my colleagues through a regular process to see just what can and should be done with respect to that.

You indicated some references to what we're planning for seniors in the future, and I would like to once again state that Alberta is in the forefront of the planning for our anticipated blip in the demographic bubble of the aging to come through. We had the Broda report a few years ago, which had some very good recommendations. We also had the impact on aging study, which again had a series of good recommendations. We also had two housing programs that have sunsetted and may at some point be resurrected – we'll see what happens there – one being the supportive housing initiative program, SSHIP, and the healthy aging partnership initiative, HAPI, through health, which was later transferred to Seniors. Those two programs, I might say, really delivered well. We had 1,650 some odd units put onstream. Although we do have some waiting lists, it's variable depending upon where you are in the province. We have some facilities that do have actual vacancies, and we have some with longer lists. Just trying to get a balance going there.

So we're not hiding our heads on it, and we totally have got the whole business of anticipating and planning for the aging population well in hand, far better than, unfortunately, some of the other provinces around, I might add. We're also in a situation percentage-wise where Alberta's population as a percentage, although numerically rising, is not increasing that significantly simply because of the economic climate in the province. We're attracting in-migration of all kinds, so the balance is there, which again gives you a good look towards the future, because the taxpaying people or the working folks are also coming in. In going to housing conferences and whatnot, that's something that does not seem to be a luxury that all provinces enjoy. The level of housing for our seniors, the kinds of things that we're doing, the rates that they're charged – you might say that our housing rates across the country seem to be quite low although it's variable. It's very hard to put in where you fit in. But the fact that we have the lodge program and the self-contained apartment program for seniors – those are good things, and they work very well.

3:30

I think that in my opening comments I referenced some 40,000 units that we oversee in some way, shape, or form that house some

67,000 people in some way that we get involved with. To put that in perspective – I may be a little bit off on this, but to put it into one pot, if we had all the people that we were in some way responsible for through the ministry in housing alone, we'd almost fill up if not fill up the city of Red Deer, and that's quite significant. I'm not saying that we don't have a lot of work to do. We are looking at it. There has been some significant restructuring, I think, in this province. Housing is profiled much higher than it is in many other provinces. Seniors specifically are profiled very highly, and I think there's a lot good to be said to that.

I'm not too sure what you're getting after, the age-related benefits group, but I don't think that there's anything happening there.

We did have a study on seniors' centres through the Seniors Advisory Council, which was a very interesting study, and we've put forward some of the recommendations and found it interesting that the recommendations were asking for logistic support and more communication than anything else. Do I currently plan a program for funding seniors' centres specifically? No. Currently some seniors' centres receive various levels of assistance, as do other organizations, depending upon where they are and what's happening, but to say that we're going to offer a blanket program of funding for all seniors' centres I don't think is reasonable, and quite frankly if we had the money, there are other places where I would have higher priorities for that.

You made some reference to homeless counts, and I find that very intriguing, and it's very much of a challenge. It's something that I guess every major community in the country has to deal with, but it's an interesting observation. The numbers, depending upon how you count and what you count, can go here, there, and elsewhere. All I will say on this is that in the last couple or three years we've increased the number of homeless or transitional housing spots, and that's been by some 1,100 with another couple of hundred to come on stream. The end result of that has been an increase in the number of people requiring them. So I don't quite know what's going on.

I do know that just going out and funding shelter space for the sake of doing it is not the answer. We have to find other mechanisms. Depending upon the calibre of the clientele that are in some of these shelters, perhaps our affordable housing program will have a positive effect there. I'm hopeful of that. But there are other outfits that are involved, as you well know, groups such as AADAC and what not. The imprint on it is very broad. I really don't know what we can be doing there, but I do know that we have to come up with something more than just additional spots here and additional spots there. You have to keep people in out of the cold – there's no question about that – but we are going to be working on and hopefully will be able to develop in collaboration with community groups in the business and other agencies within government and ministries that are involved in it a long-term strategy to decrease the number of people that we would classify as homeless very significantly so that we have only those that truly need to be homeless that you would call such.

Maybe one of the first steps is getting back to the old rooming house concept where you have very affordable, very clean, very good rooms. As you well know, over the past few years, in the rental market at any rate, we've gotten away from that kind of approach to where you have the more expensive, bigger suites that may well not be necessary, because individuals who do have a rather limited income and who are paying rent in some homeless facilities perhaps would be happier and better off with a little bit more privacy in an affordable situation that would give that. We're looking hopefully to get into some partnering with people. On that one, we haven't had too many steps forward yet, but we're looking at that.

I think that in some way I've covered most of your points, and at

this point I'll let somebody else in. Oh, one more thing. You asked if \$3 million to homelessness is a flat charge. That basically goes out to Edmonton, Calgary, and the other five centres: a million to Edmonton, a million to Calgary, and then \$200,000 to each other one. That's seed money put into their various groups; for example, I do believe that Calgary is through the Calgary Homeless Foundation. That's seed money that's done a very, very good job of leveraging. For example, some have carryovers because of projects they're doing. It's not intended as an operational fund. It's more to get others involved in it. I don't intend on increasing that at this point in time in any event. As you know, we've had some excellent support and participation in the provision of shelters through the federal government.

Thank you, Mr. Chairman, and with that I'll take my seat.

The Deputy Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I rise to make a few comments, observations on the budget for the Department of Seniors. The minister has already addressed many questions that were asked of him by the Member for Edmonton-Centre. As a starter I think I, too, want to on the one hand commend the minister for taking a position in support of eliminating seniors' health care premiums, but on the other hand I express disappointment at his failure, the second year in a row, to be able to move at all on this. So if he is disappointed, he should know that there are lots of seniors across Alberta and in my constituency who were looking forward to relief at least on this front and basically would be very, very disappointed.

Similarly, the sort of supplementary health care benefits which provided some assistance in the area of vision care and dental services is another area on which I've been hearing a great deal from seniors. They find that elimination of that benefit was a serious blow to them, and they were hoping to see those benefits restored, and that certainly has not happened here.

In light of the fact that two new programs have been moved into the Seniors department, the net increase in the budget is really very, very small, and that shows up, then, in how the moneys are allocated within the minister's budget. It's clear that in housing, homeless initiatives, homeless Albertans really can't expect any improvement in the government's financial commitment to their problems compared with last year. I'm looking at this government estimate for 2003-2004, and on page 327 under other housing services grants I notice that the amounts are not changing from 2002-2003 to the current fiscal year, 2003-2004. For example, the item I'm referring to is 3.5.2, homeless initiatives. The money available was \$3 million in 2002-2003 and remains frozen at that amount. Similarly, the special -needs housing is frozen at \$4.73 million, the same as last year, and other grants have been cut back from \$410,000 to \$150,000. I don't know what those grants are about. Maybe the minister can comment on those too.

3:40

But the point that really I'm making is that in areas of absolute critical need – you know, we're talking about the homeless and the shelter organizations – groups that provide shelter for the homeless are finding it a real disappointment. I have here some information on the Mustard Seed Church in Calgary, that has been running this Sunalta Shelter for the homeless. This is a shelter that provides about 150 spaces for the homeless night after night in the city of Calgary. They were certainly counting on \$650,000 from the new budget in order for them to continue to run that shelter on a year-round basis. They're disappointed that that's not going to be the

case, and as a result that shelter is going to be shut down as of the 1st of May.

That's really a serious blow, I think, to the capacity of the city of Calgary's communities to be able to provide emergency shelter beds to the most needy. Many of these people who use this shelter are people who are the working poor. These are not people who are out of jobs. They are in fact doing jobs, but they're unable to find an affordable place where they have a bed that they can use at night. So this group, the Mustard Seed Church organization, is very disappointed with the problem that this freezing of the amounts in the budget under other housing services grants from last year to this year has created for them.

I'm looking at item 3.3.2, rent supplement. That amount hasn't changed, again, in the new budget from the previous year's budget. It stays at \$15 million, exactly the same amount as last year. The rent supplement is clearly needed under conditions where the rents are going up. The number of people needing a rent supplement is most likely going up, yet the amount available is frozen at last year's level, so something has to give. Clearly, there'll be people who will be eligible for a rent supplement but won't be able to get it because of the two reasons that I've given: the increase in rents in general resulting from if nothing else the inflationary pressures and the special increases in rents that are reflecting now the spike in the prices of heating and electricity. So there's a problem that I see in this area as well.

The city of Edmonton has seniors living on fixed incomes and still being able to live in their own homes faced with among other things not only heating and electricity costs that have been moving up very, very dramatically but also a property tax increase, thanks to the government's breach of its own promise to freeze the school portion of the property tax at \$1.2 billion as the government had undertaken to do in its budget two years ago. So now moving from there to talking about freezing the mill rate in effect means that seniors will be faced with yet another increase, in this case in property tax, for those at least who are fortunate enough to have their own homes.

I wonder if there is any provision in the budget to deal with the desperate condition that these increases will put some homeowners, seniors into where they may not be able to pay their bills. I just was reading a news story this morning, Mr. Chairman, where a senior from Gibbons is faced with a huge unpaid electricity and heating bill, and now she's faced with legal action against her for not being able to pay those increased heating costs and electricity costs. So I'm asking the minister if there's any provision here that will help seniors who find themselves in this kind of desperate financial situation, none of it of their own making.

Some other questions for the minister. The income-based benefits for seniors will increase. The amount that's available will increase by \$1.5 million in the minister's budget, but I want to hear the minister to see what his estimate is about the need out there for this and if, in order to meet that need with a budget increase in this category, which is only 1 percent, not even reflecting the rate of inflation here, it will mean that the minister and his department will have to increase the income eligibility levels in order to respond to this increased pressure in the face of scarce dollars that are budgeted for income-based benefits for seniors. That's my question. Will there be a change, in other words, upwards in the income levels for seniors to be able to qualify, making it harder for seniors living at the edge to be able to qualify for those benefits?

Another question for the minister, the question of affordable housing. The minister's business plan talks about the "satisfaction of housing residents with the quality of accommodation and . . . services" as a performance measure, and that's good that those who are fortunate enough to be able to have these accommodations – their

satisfaction level I think is a legitimate measure of performance. But this begs the much larger question of how many Albertans are currently without access to such affordable housing, and do we ever pay attention to how desperate they feel, the level of desperation as a measure of the effectiveness of this ministry's performance?

So these are a few of the questions. I'm trying not to repeat the questions that have already been asked to allow for other members to be able to ask some questions.

Seniors special project grants. I wonder what that – there's a very small amount there – is about. It's certainly \$100,000 less than last year. Is this a program that's on its way out? Is it being phased out, or what? It's a category there, 2.2.2 in the budget, and I would like the minister to please address that for me. I'm just curious. It's a small amount; nevertheless, I need to know whether this particular program is on its way out.

3:50

The last item there, 2.2.3, special needs assistance grants. The amount again is frozen at last year, and I want the minister's explanation for it. Other than saying that there's not money available, does it reflect his assessment or estimate of the real need out there, and if the amount from last year to this year hasn't changed, has the need also not changed? Will this amount be enough, or will in fact the minister find himself making hard decisions? Hard for him but also creating further hardship for people who need special assistance grants. That certainly is a concern that I have there, Mr. Chairman.

The general issue of the shortage of affordable housing in the province is a chronic problem, and I wonder if the minister foresees at all a day in the next few years when we as a province will have addressed this problem more or less in a satisfactory way or if it is something that remains a sort of bleeding ulcer in our economy and in our communities which we should throw our hands up and simply say: we're helpless; we can't do much about it. I don't think that housing is a luxury. Housing is a basic human need, and as a province, as a provincial community, I think we have to have the political will to say that it's not something that can be left unattended. At least if there is a clear multiyear plan that the minister has in mind, I would like to hear about it. I'm sure Albertans would be very, very interested in hearing the minister's answer to what his multiyear plan is with respect to dealing with the need for affordable housing and dealing with the problem of the homeless in the province.

With those comments, Mr. Chairman, I will close. Thank you.

The Deputy Chair: The hon. minister.

Mr. Woloshyn: Thank you very much, Mr. Chairman. I do appreciate the questions and comments from the hon. Member for Edmonton-Strathcona.

Start off with some comments on housing. Last week I had a housing conference in Winnipeg, and I would like to say for the record that Alberta is well ahead of every other province with perhaps the exception of Quebec, which may be a close second to us. Having said that, I don't want to indicate or minimize in any way that there is an affordable housing shortage in this province. Also keep in mind, though, that we are in some way, shape, or form involved with some 67,000 Albertans in helping them get roofs over their heads. That's not taking into account the number of homeless shelters that we are currently doing. We are funding through the ministry as of April 1 some 14 different shelters. As you indicated with respect – and I'll get back to that in a moment – to Sunalta, with those shelters there are 1,785 spots, either matched or other things

that we're funding. I guess the question then becomes: how much is the right amount? I don't know the answer to that.

Getting back to the affordable housing. We are the only province – although we signed on in June, others signed on before us; two provinces haven't signed on yet – that has units being occupied, as I speak, from that program where the money was put in two or three months ago. That is because the officials in my department went ahead and worked with the municipalities, worked with the people who are interested in providing the housing. Some of them front-ended it. I'll be very frank with you.

The criteria is based on need, based on, if you will, the vacancy rates, the size of the rents. Well, affordable housing in Fort McMurray is much, much, much higher than it is in Lethbridge or Medicine Hat or, in fact, in Edmonton. So even to use the term "affordable housing" has its own little problem. An average price of a house in Edmonton, I believe – I heard the numbers the other day – is well over \$100,000. In Fort McMurray you could likely pay 50 percent or 60 percent more than that for the same unit. So, then, that says: who can get into them? People in the professions, like policemen, for example, may qualify for an affordable house in Wood Buffalo, but they certainly wouldn't be in that area here. So it's a very difficult target to nail down.

Have we beat the problem? No. When will we do it? I really don't know, but I'd much sooner have the situation that we have where we're trying to play catch-up and the demands are going because of a booming economy than what they have in some of our other places where they are struggling to get moneys not for additional units, just for repairs, where the populations are declining and where their housing stock has deteriorated and they're in dire straights with nowhere to look for any kind of support.

What is our plan? I think that if you take what this province has done in the past two or three years with respect to housing, we started off doing supportive housing and lodges, added 1,650 units there, entered into the Alberta/Canada affordable housing agreement and made sure that it was an agreement that didn't get tied up in red tape. It is the senior officials in Canada Mortgage and Housing and Alberta Seniors that make it run. We don't have to go to Ottawa; we don't have to go here, there, and elsewhere. That was largely due to the efforts of this minister and my officials to ensure that we wouldn't sign an agreement that wasn't workable for us.

Yes, we have to put up matching dollars, and, yes, that means that I have to go to Treasury and wherever else to get those, but I don't mind doing that, because we've now got a commitment. Is it as much as I wanted? No. I want as much as I can get, and I've got a commitment for some 15 million dollars for the next three years. If you double that up, that amounts to \$90 million, and we'll be looking at if we can increase that. But currently do I need any more money tomorrow for that affordable project? No, because we're going project by project to ensure that we get the biggest bang for the buck and that those projects are going where they are needed so we don't have the problem that was created before with the cookie-cutter approach where the housing was put in where it really wasn't of the biggest need.

The rent supplement program is a concern, and that's something that, as long as I have any say in it, we will never go into again, because we are left at the mercy of the marketplace. If we go into rent subs, we're going to stay in it. We're not going to back out; I will grant you that. But if we go into rent subs, they're going to have to be capped so that when there's a sudden change in a community of the availability of things, we're not put at the mercy of putting somebody out on the street or upping the rents unrealistically. You know, every dollar that we have has to be targeted to the right place.

What are we doing with it now? Priority is the people who are the

highest need or the emergent ones in each community. Those needs are being met. Is it meeting the demand? No. Will it meet the demand? No. Will we have to put more money into it? I don't know. Probably, but it's not something I'm very comfortable with, because of where it's going. I'd much sooner have stability in the marketplace wherever we deal with it. You can imagine the beating that we would take in a community. We had some there with the rent supps that we had going in Fort McMurray. You know what happened to the rents there.

Well, what has happened, again through consultation with Canada Mortgage and Housing, with Wood Buffalo housing corporation, is we got involved in a partnership with them in something called Edgewater Court, where it's generated some 180 affordable units that are already open, and that was not a part of any program. It wasn't announced; it didn't have it all over. It was announced locally. We got together – my ministry, the city of Fort McMurray, the Wood Buffalo housing corporation, and Canada Mortgage and Housing – because in order to support the new units that were being built in Edgewater Court, Canada Mortgage and Housing allowed us to move some of our rent sup money that were elsewhere. So we got to reconfigure some of it and help a lot more people. We're doing all sorts of activities in housing across this province of that nature that you never hear about. Sunalta Shelter and the Mustard Seed group that you referred to came to the Minister of Human Resources and Employment and the Minister of Seniors via the Calgary Homeless Foundation and asked for some funding for an emergency to cover their operation from December through April 30. We did that. Now, suddenly there's this: make that a full ongoing program. Will that happen? I don't know. Before we go down that path, I have to be personally and the ministry has to be totally assured that it's needed and that it's appropriate and that there is some sort of significant outcome in dealing with the problems, because we have all sorts of places where we can spend these moneys.

4:00

I'm very concerned with respect to Calgary specifically, where 600 and some odd units were added to the homeless inventory in the past two years. That's significant. And what happened? We doubled the waiting list as a result. So I'm not too sure where this is heading, but I want to make sure that we get good accountability, we get a good bang for the buck, and we meet the needs of the people that really need it. That's sort of in the context of where we're heading on that particular aspect.

The utilities and the taxes are of concern. We have been able to give some degree of relief for the utilities to seniors on the lower end through our special-needs benefit program, and I was very pleased to be able to do that. As you know, that happened on very short notice, but it was very, very effective. We got a considerable amount of money out to a good number of seniors. I think well over 5,000 have received cheques already, and I think those who criticize the ministry's efforts of getting it out, saying, "Well, they won't have the cheques until July and August," should give me a written apology so I can read it in the House because those were unfair, underhanded, cheap shots that were unwarranted at the time.

I'm not going to go too much into property taxes, but don't forget that when you freeze a mill rate, you freeze a mill rate. When you have the kind of growth in the province that's going on, the increased need for facilities and everything else, to say that we shouldn't have a mill rate and have an increased amount come in – yes, the province capped it for a while, and I believe the cap is off, but the mill rates, which are the important part, are down. We have to ensure that the municipalities in their assessments and whatnot are acting responsibly.

As it pertains directly to seniors, we've been looking at a variety

of approaches that would have to be a collaborative thing between individuals and the municipalities. I've been having discussions with the head of the Urban Municipalities Association, exchanging ideas – it's only in the idea stage, I might add; it's not going to happen yet – about ways taxes can be forgiven or whatnot and applied to the property when the property is resold or something of that nature so the tax doesn't become a burden, either a portion or a part of it, and we'll see where that leads. Like I say, it's just ideas being exchanged, but there are people a lot brighter than I both within the ministry and outside who have seniors as residents looking at this.

The whole area of thresholds and people dropping through the cracks has been an ongoing and constant concern, and quite frankly I don't have an answer. The one thing I would like is to have the rates indexed, if you will, in some way, but you have to be careful with the indexing also. If you have a 3 percent index and it's every dollar, I believe, that we add to a senior's monthly payout – you can do your mathematics – it's well over a million dollars over the year. So if you're just going to index and give everybody two or three dollars, you drive your budget quite hard but you don't really benefit necessarily the people who need it. So we're looking more at targeting, and this time around we're going to be targeting, as I indicated in my opening comments, as much as we can residents who are of lower income who are living in lodges, because as we know, the lodge rents but the resident pays. The resident's portion must increase, and if you're going to increase rents, the people at the lower end of it, who the lodges are directed at, have to have the wherewithal to be able to pay that increase, and we're trying to target some funds into that area. Nobody loses any.

There's one comment that I think you made an error on. I'm not sure whether it was the seniors' benefit program or special needs. You're saying that qualifying for the benefits is harder. That's not true. To qualify for the seniors' benefit program, it's strictly line 150, I believe, in the income tax thing, and we give it there. As a matter of fact, to ensure that people get on it – we use the previous year's income tax statement, and obviously if you turn 65, you don't know – we'll actually accept an estimate. If that estimate shafts us, we sort of look the other way and then go with the real McCoy the next time around and might reduce the benefits, obviously within reason because we're dealing with people on low income. So you're not going to leave much room for much error, if you will, but we try to do that. We don't let them estimate every year because you know what would happen there, so we go back on the line thing. We don't ask for a return of the moneys if we happen to overpay them. We made the mistake; you keep the money. I don't know how you can make it much easier to qualify in a situation like that.

As it pertains to special needs, we've looked at this this way, that way, and the other way to try and see how it works. There are specific items that they qualify for – some I haven't even heard of – even appliances. I don't think there's another province in this country that will buy you a washing machine. If it breaks down and your income is low enough where you can't afford to replace it, we will. We won't buy you three in one year, but we've had requests for a lot of strange things.

With respect to the extended health benefit program, as you know, that was only partial coverage as it pertained to the dental and optical. Was I happy it was discontinued? Of course not. The money going into helping the lower end seniors I think was appropriate, and I would point out that before we took over the lower end seniors, before the money was transferred under Health last year, even at that time we were giving a considerable amount of money – and don't ask me the number, because I don't remember it, but I know it was considerable – to help seniors with the program, to help

what they're doing. So we do bend over, and I would say that overall for our needy end we have pretty good programs. Would I like to see them better? Obviously I would, but we have to make sure that it's affordable and that if we do something, it becomes sustainable. The worst thing we can do is start doing programs like that, and I think the people in the ministry have been doing a very good job of monitoring, of keeping track of it, of bringing forward the needs that are there. Again, you know, we'll have to look at the thresholds to see where we're at on that one.

In the last couple of years there have been significant increases, especially on the utility side of it, but so have groceries and other things gone up. So we have to look at that whole thing, and what we want to do is get the biggest return on the dollar, whether it be in the housing end of it or in the seniors' support programs, and make sure that people don't fall through the cracks. I think that on that basis, we've done pretty good. I think people in the province have a pretty good understanding of it. I do believe from discussions with staff earlier on that fully 90 percent of the people who applied for utility support in this temporary program were eligible, which tells me – and the ones that were rejected were not eligible either; they're outside the program or whatever – that the information with respect to the programs out there is pretty good. I think you'd have to agree with that.

I think I've covered most of your stuff. If you have some others, I'll try and get back on it. Thank you very much, Mr. Chairman.

The Deputy Chair: The hon. Member for Calgary-West.

Ms Kryczka: Thank you, Mr. Chairman. I had a number of questions. In listening to the other members and their questions and the minister's responses, many of them have been answered, but I still do have some on my list.

First of all, knowing that there's data and information kept in the department, I'm just wondering if you've seen a shift upward or in any direction – but, hopefully, it would be upward – in personal income for Alberta seniors, say income from pensions, RRSPs, other investments; in other words, less reliance on the Alberta seniors' benefit by seniors. Also, with respect to an aging population I'm always pleased to hear demographics being referred to even though it was clarified that perhaps with our younger incoming population in Alberta, that's maybe being slowed down somewhat presently.

4:10

Regarding housing for the lower income seniors especially, for the aging senior have you looked at the cost of personal supports and whether the individual pays for those, or would they be covered by Alberta seniors' benefits? Those are not health related; those are personal supports. Possibly would there be an adjustment considered to the ASB for lower income seniors? Also, I hear about the gap in housing between, say, assisted living, or the lodge living, and, say, long-term care. Basically, seniors don't really want to go to long-term care. Is that something that would be the jurisdiction of the Seniors department, or would that be the department of health?

My comment on cancellation of the extended health benefit program. I understand the background of it, but I'm just wondering whether enough lower income seniors really understand that this new restructured plan through the SNA program is there and it's available for them to access and the benefits are much better than what they had under the extended health benefit program. It certainly fits better with the overall philosophy of the government with lower income seniors. I have to say one thing that I've heard from talking to seniors: it's not all complaints; that's for sure. A lot of it is very positive. The new form works better for them. They can fill it out

much easier and quicker, and there is definitely faster turnaround in the payment through the special-needs program.

I couldn't resist making a comment, being a member of the review committee to review the Protection for Persons in Care Act. I think the Member for Edmonton-Centre well knows that the act is being reviewed, has been reviewed, and the report has gone in to the Minister of Community Development, although I certainly appreciated her concerns about vulnerable people, vulnerable seniors in particular.

I just wondered if the Minister of Seniors has considered or would consider the market-basket measure approach to ASB given that there is such a variance in basic living costs throughout Alberta. I know that the other members have referred to the high costs of living, and Fort McMurray has been one of the most common examples.

The hard to house seniors: it's all been said. I just wanted to compliment the minister and the department because I drive by it almost every day when I'm in Calgary at home. On Glenmore Trail they are quickly constructing the Bob Ward Residence for seniors and others with mental health problems. I was there actually for the sod-turning even though it's in Calgary-Elbow. It's close enough to my constituency. They thought it was in Calgary-West, so they invited me to do the sod-turning. I know there was representation from the Seniors department, and that is an excellent collaborative initiative and especially safe for seniors with these needs. I'm just wondering if the minister is looking at any more similar collaborations in other centres.

Also, I think there are many other seniors' issues that are impacted by other departments where it's within that department's responsibility, such as older drivers, the aging workforce. Are we training the older worker? Staffing levels in long-term care were raised, even the importance to many seniors of the grooming of cross-country ski trails. I mean, that's in a department other than the Seniors department. My question to the minister is: is the Seniors department actively involved with other departments in communication, addressing and resolving some of these seniors' issues?

My last one is basically – this is definitely more a personal interest of mine – what about the senior who has sizable assets? That could be a home in the inner city. For instance, in Calgary the value of the asset has increased substantially, but that person is short of income to pay for, for instance, the taxes. I was pleased to hear the minister refer that it's even being looked at as to how we can help that senior stay in his home even though they say they have the asset, but they don't have the income flow. Another approach might be to educate them to use their assets to provide a better quality of life for them and whether we can help out seniors that basically are in need and need some assistance in that way, but it isn't direct government dollars.

Those are all of the questions that I wanted to ask right now. Thank you.

The Deputy Chair: The hon. minister.

Mr. Woloshyn: Yes. I did promise the Member for Edmonton-Strathcona. The name that is used is the Mustard Seed Street Ministry. That's the proper term, and I keep slipping on that one also.

Mr. Bonner: Could you repeat that, please?

Mr. Woloshyn: Mustard Seed Street Ministry. Close to church; not quite.

Thank you to the member who brought out the other comments.

With respect to sizable assets and taxes, if we could work out some method where they can stay in there and the taxes get tacked against the assets some way, I'd like that. I am vehemently opposed to do something – and I might as well state it now – like asset testing for seniors before they receive benefits and wouldn't even consider it. Your comment of using an asset to keep them in there in a way with a tax deferral or something I think is excellent, and those are the kinds of things that we are looking at.

With respect to your comments on seniors' issues with other departments: yes, for most departments. For example, Transportation is very good at letting us know. They're looking at driving things and handicap stickers and whatnot. We do have quite a bit of consultation that goes along that isn't, if you will, in the public eye. It's usually at the staff level, but for the most part I'm very pleased with how most of the government departments do interact with us as it pertains to it, and I think the awareness that we have as Seniors ministry has contributed a lot to the consultation, that it is a stand-alone ministry.

I appreciate your comments on the new facility in Calgary for hard-to-house seniors, and, yes, we do have the odd one going on. Yes, we are collaborating on one I believe with Salvation Army. I went to an opening not too long ago under the SSHIP program. I believe it's called Grace Manor. They have some hard-to-house seniors as well as other residents there.

The whole area of the market-basket approach, the basic thought behind it, I agree with the philosophy of it. It's a matter of how we implement it and whether we should or can or not, and the collaboration will be with the Ministry of Human Resources and Employment, who has been bringing that one forward all along, and again that is, I think, a good idea. It's just a matter of how we can get it going.

With respect to your comments on accessing optical and dental emergency care, I don't think there's a lack of awareness of the availability of it, but remember: our program isn't all of a sudden broader benefits, if you will. We deal towards the emergent nature of it, so if you want any kind of esthetics stuff, you won't get it. Well, we focus it on need. Obviously, good oral health is good health, and we certainly take that to heart, but we're not into that line of business, the esthetics of it, and the same with glasses. Obviously, the old program had a lot of faults. I do believe you got a pair of glasses repaired once a year or replaced every three years, and it always begged the question of: what would happen if shortly after you got your glasses you lost or broke them or something of that nature? Well, some people who were able to afford it went into their own pocket. Others would come back to us through the special needs. So that has been there, and I still would like to see some sort of comprehensive health program for seniors, but again you're certainly aware of the problems that we're having.

4:20

With respect to the whole area of housing and where people should stay, I personally have a mixed mind on this. I do believe people should stay in their own homes so long as they're comfortable, they feel secure, and they have interaction with people who can monitor them, whether it be a neighbour, a relative, a friend, or whatnot. To just blindly say that they should stay in their own home because it's their own home and send whatever kinds of supports to them, I'm not too keen on it, because one of the things you'll find is that social interaction for people of all ages is very valuable, and if you are housebound for whatever reasons, whether it be fear or lack of mobility, that in itself can become a mental health problem.

I really appreciate your reference – and this is what we are working on with limited success – on the continuum of care as it goes from lodge through to long-term care. This is through the

supportive housing initiative and HAPI and through some supportive assisted living, and we have to define the terminology because apparently people are interchanging terms with different meanings to them. The long-term care is totally out of our jurisdiction. Whether or not the housing portion of long-term care should stay in that continuum is something that I think is worthy of a discussion at some point down the road. We do have a considerable amount of work to do with whether you call it assisted or supportive living, of that interim measure of the person and the help they get so they can remain essentially in a lodge even though their needs are a little bit or considerably greater than other lodge residents. Some authorities have done a very, very fine job of filling in that gap. Others rely too heavily on the long-term care component. We are trying to encourage our lodge operators across the board, including Edmonton and Calgary, to get more into that field of providing more services to their residents.

The question of who pays is a good one, and I think that we can work that one out quite good. If health-related additional costs are defined, then obviously Health or the government should pay. If it's strictly a personal thing, then perhaps there should be a higher level of rent for more requirements, again keeping in mind your ability to pay. But I certainly don't have any difficulty with a staggered rent on a lot of things, if your requirements are higher than others. You know, this one size fits all doesn't necessarily work, but considerable work has to be done on that.

The aging population. We're getting more seniors per se, but the proportion isn't going up, so we can't hide behind the percentage, because the problem is coming in, except where we have I think what I would say a better resource base to deal with it. We do feel, although it's not significant yet, that there is a slight creep of more personal income into seniors; that is, as times goes on, we'll, I think, get much better. If you turn the clock back, we're coming pretty close to the time when pensions, when looking after planning for your future, not relying on the government was just starting to be a thing going. So hopefully the ratio of seniors who will require help will decrease. Although even if the ratio decreases, the number is still likely to increase.

I think I've covered most of your comments. If not, we'll try and catch them in *Hansard*.

The Deputy Chair: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Mr. Chairman. It is a pleasure to get up this afternoon and make some comments in regard to the estimates for Seniors. I have a few general comments here at the beginning, and certainly those begin with the profile of Alberta seniors. There are currently in the neighbourhood of 318,000 seniors living in the province. This represents about 10 percent of Alberta's population. I look into the business plans for the ministry, particularly on page 338, seniors income, the first bullet under Seniors Income:

As a group, seniors have lower average incomes than most other age groups. Approximately 39 per cent of seniors have incomes low enough to receive cash benefits from the Alberta Seniors Benefit program.

So when we look at this particular bullet and we see the figure of 39 percent of the seniors in the province presently requiring some assistance from the Alberta seniors' benefit program, this amounts to 126,000 seniors. In that number, we have single seniors with an annual income of \$18,745 or less and a couple with a combined annual income of \$28,530 or less, so we are looking at quite a significant number in the province who do fall into this category.

I can see this also becoming a bigger problem as we move forward

because certainly right now only 21 percent of Albertans who retire have an employer-sponsored pension plan. I think as we see the situation which is arising in Alberta right now where there tends to be fewer and fewer union members and fewer and fewer workers that have the opportunity to participate in a pension plan, we will see this number grow even more. I mean, we'll certainly see a greater burden being put on governments at all levels for assistance with seniors.

As well, when looking at the profile and demographic factors – I'm looking on page 339 of the business plan, Demographic Factors – we see that currently on a percentage basis the over-80 age group is the fastest growing segment of this particular society. Again, that in itself presents quite a problem in that certainly as people get older and into their 80s and 90s they do require assistance from someone. So I will be asking the minister some questions in this regard as well.

A big part of our discussion this afternoon has focused on shelter. It's estimated that approximately 75 percent of seniors in Alberta live in homes they own, 15 percent rent their homes, and 4 percent live in continuing care centres. Now, then, in looking at this, we certainly realize that the longer seniors can live in their own homes the more beneficial it is for them as well as for the facilities that we do provide. But we do have a situation in this province right now where we have somewhere in the neighbourhood of 400 acute care beds that are being occupied by people that really require long-term care. The reason they're in those acute care beds is because there is no other place to place them. So, clearly, we do have a shortage of long-term care beds in this province. For the minister. It would seem to me that as our population continues to age we will be requiring more and more long-term care beds. What is the ministry's strategy for providing those long-term care beds, and how many, with our aging population, are they planning to put forward in the next few years?

Now, as well, moving on to housing. Certainly, when we look at housing, there is a shortage of low-cost housing and home supports for seniors, and we have felt a tremendous amount of pressure and seniors especially have felt a tremendous amount of pressure, those that are renting at this particular time, because rental rates reflect the local economic health of the communities. Calgary and Edmonton have had booming economies over the last few years. We've had a great influx of workers, and we've also had, because there is a short supply, a greater demand for low-cost housing. Also, because of the demand certainly the rents continue to increase putting more and more low-cost housing out of the reach of seniors.

4:30

As well, for seniors living in their homes or those living in facilities where they're required to pay their own utility rates or taxes, then of course there is greater and greater financial stress on these people. This is a situation that isn't going to go away. As long as our energy rates remain high, as long as our economy remains strong, these are pressures that are going to be put on all levels of government to provide housing. So I certainly would want to see more of a commitment by this government to address those particular needs.

Referring to page 339 of the business plan:

An injection of capital funding is necessary to enable local community organizations to build and manage needed housing. For this business planning cycle, provincial funding will enable the ministry to access up to \$67 million in federal funds to develop affordable housing, especially in high-growth, high-need areas and northern, remote communities.

My question regarding this \$67 million would be: is this new money that the province is going to put in, or are we using some type of project that possibly could be there? I see the minister is nodding

yes, this will be new money. So certainly the influx of \$134 million will be quite an added boost to capital funding.

Now, then, as well, the minister and I had the opportunity to attend the opening ceremonies of Rosslyn Place, a gorgeous seniors' facility, one that I visit on occasion. I can tell the minister that all of the comments and hopes that we had about a place for seniors that was comfortable, that was safe, that would address many of their needs – this continues to happen in that facility. The residents are extremely happy to be there. Yet this year for reasons that I've already mentioned many of the residents are getting huge increases in their rent to stay in that facility, again partly because of utility rates, partly because of the requirements of the municipal government that they have in order to fund that facility.

In speaking with some of the people in the capital region housing authority, they were telling me that even though they get a lot of help in building these facilities, they actually are having to spend an additional ballpark \$1 million just to help fund those facilities. So if the minister could indicate if there are going to be additional moneys put forward to municipalities to help them in the operation of these facilities so that the rates do not escalate to the point where seniors would possibly have to leave those facilities.

The next area that I would like to look at is goals, key strategies, and performance measures. I'm looking at performance measure 2 on page 341, "Support the management of and enable the provision of family, special purpose and seniors housing." Under your key strategies I see, "Create effective governance structures for the community-based provision of seniors, family and special purpose housing in urban, rural and remote communities," and the second bullet, 2.1.2, "Create effective linkages with community-based housing organizations for the purpose of transferring ownership and management of provincial housing." Again, this is an area where municipalities require more than just the transferring of ownership. If they are in fact subsidizing that type of housing, then their resources are being stretched further and further. They are so stretched right now that they are having a great deal of difficulty, so they do require some type of assistance in this regard.

As well, I was looking at a little paper put out called Alberta Population Projections. These projections are based on the unadjusted 1991 census counts. Projections will be updated after Statistics Canada adjusts census population figures for undercoverage. Now, then, in looking at this, their projections for the year 2003 were 331,000 seniors in Canada, so roughly I guess about 13,000 fewer seniors than what had been projected. I know that these projections have been looked at quite significantly, and certainly we are looking at the projections of the baby boomers that will be coming through the system and will certainly require a tremendous number of facilities. Yet once they move through the system, the potential for vacancies in those facilities is also great, so I can certainly appreciate what the minister has said when he asked the question: how much is enough?

Certainly, we have to look at this very seriously because we don't want an abundance, but at the same time when we have 400 acute care beds that are being used right now for people that require long-term care, when we have the waiting lists for capital region housing at two years, then certainly we have a problem. It's a very serious problem and one that has to be addressed.

Now, another issue I would like to address while I have some time is that according to a 2000 Stats Canada poll 1 in 4 adult Canadians provide some form of care to someone living at home, someone with a long-term physical or mental illness or one who is frail and disabled. Again, many, many caregivers are providing unpaid support for a family member or friend, and certainly as the age of our seniors continues to increase, I can see that there will be a greater dependency on this type of care for our seniors.

As the minister mentioned earlier, we certainly do need some type of monitoring of these people, and right now that monitoring is being done by friends and family. But what happens to those people that don't have either? They are certainly the ones that slip through the cracks. We do see a continued shift in health care from hospitals to community-based care, and I think this is a much more efficient system than people having to be in hospitals if they can be in community-based care, and my question to the minister would be: how is the ministry in their business plans looking forward to this shift more away from hospitals to community-based care?

4:40

Another area that we experienced as a family – and I know many people in the province have – is having an elderly parent or friend that incurs a sudden illness and requires hospice or respite care. I know that this was a situation that we encountered last year. The waiting period was nine months, nine months for an emergency situation like this. So the only alternative we had was to put this person in a hospital. Long-term care facilities were not available, so a person that really wasn't sick had to be in a hospital bed for over six weeks. This is extremely expensive. Now, then, I know that there are private facilities out there that will provide respite care to seniors, but this amounts to between \$400 and \$500 a day. It is extremely expensive. They charge \$18 an hour. You multiply that by 24, and that is what it costs if you wish that type of care.

So, Mr. Minister, I would like to see us have an increase in the amount of respite care, and I would certainly like to see a greater number of long-term care beds so that we aren't tying up a very expensive acute care bed. Presently in the province we have about 400 seniors that are in acute care beds because there is no long-term care facility available. This amounts to us taking a hospital the size of the Misericordia out of action for health care. So it is a serious problem, it's an expensive problem, and it's certainly one that has to be addressed and addressed quickly.

Funding in long-term care facilities. There have just been some excellent articles in the paper on people who have loved ones in those facilities, and certainly the care that they get when people have time to get around to those people is very good. Very few times have you ever heard of any derogatory comments towards the staff. Yet we have people who are incontinent, who have to have assistance to get to the bathroom. They ring the bell for assistance, and they are met with either no response or somebody saying to them: "I'm sorry; I'm too busy. I can't assist you right now. Go in your diaper." We talk about protecting the dignity of seniors. There is nothing more degrading than knowing that you have to go to the bathroom and that you can't get to the toilet, so you either have to soil the clothes you are in or have a diaper put on you.

So those are issues that I think, Mr. Minister, we do have to address. Thank you very much for this opportunity to make those comments.

The Deputy Chair: The hon. minister.

Mr. Woloshyn: Thank you, Mr. Chairman. I think I want to make it very, very clear that although I have extensive discussions with the minister of health, long-term care is a health thing. I'm not trying to shirk it, nor do I minimize it. The problem that I have with a lot of that is that some people in long-term care should not be there. They should be in a lower level called assisted living, if you will. If we could get the system working right whereby we had enough spots in assisted living, I think there would be enough spots in long-term care. Now, obviously, if we get more people, we're going to need more spots no matter what, but it's a matter of setting it up.

The other thing that I have – and this is very personal – is difficulty with a bed suddenly being occupied by a person who theoretically requires less attention, as in somebody who would be better in a long-term care setting as opposed to a hospital. Suddenly these beds cost astronomical amounts of money. I wonder: if those beds were empty, would the system save any money? That's just a side issue. When you say that it's costing more to put them there – those beds are paid for empty or occupied. Are they appropriately occupied? No.

I also have the thought that if there are situations in the bigger centres, maybe the inappropriate beds should be consolidated into a particular locale as opposed to being sprinkled throughout the hospitals and treated as a long-term care centre within the acute care centre. I haven't seen those things happening. Those are just personal observations that I'm giving to you. Unfortunately, they're going on the record.

I'm glad you raised your reference to the funding of affordable housing. Alberta and, I think, Quebec are the only ones that haven't tried to play the game of: we did this yesterday, so give us credit today. We're fully aware that we do need units onstream. What we have worked out is that there's a \$50,000 maximum per door, although we won't be going to a maximum very much, half-and-half between ourselves and the Canada Mortgage and Housing Corporation, but it is all new dollars that you go into.

Now, the situation is such that if we get the players involved, as they have been in some instances, that triggers a lot of good activity. For example, in Calgary there's a project, which escapes me – it's about 200 units, with some hard to house and whatnot – that we funded under this in the program in the previous year's dollars, and the city of Calgary came up very, very well to fund it. I believe there'll be very little if any mortgage.

The key to the affordable housing – and I'm surprised that this hasn't happened in the past – in my mind is to have encumbrance-free units so that the income from that can go into the maintenance or go into a reserve to build additional units. What we've had up to this point largely is a small amount and a large amount leveraged, and then you have the mortgage payments on an ongoing basis no matter who the operator is. For example, in our lodge program if some of the facilities didn't have mortgages, they would have a lot easier time managing their cash flows.

So what we're trying to do in working and leveraging, whether it be a municipality or private sector, whomever it is: money is out of this. We're trying to keep the mortgage, through value of equity, low. That translates into a lower rent, and it also translates into something that I feel very strongly about: that these units will in fact be able to become, if you will, self-sustaining as you go, and I think that's the whole key to it.

I believe that some of the other comments were answered in other places. The whole business of respite care is a good one. The thing is, you know, that it's a matter of finding what's appropriate, what balances. Remember that one size doesn't fit all. We are focusing on largely the middle and lower income seniors where we're doing the housing thing. In Edmonton and Calgary, as you well know, there have been a lot of good choices for people who want to expend the dollars on it where they've gone into this whole area of buying personal services and whatnot. It's worked very well, and that's their own choice, and my own hope would be that we would have a higher proportion of seniors in a position to do so.

I appreciate you going through my business plan quite like you did. You see the stats that are in there, and you've sent some of them back to me. They're as accurate a reflection of the reality as we have. Those are the kinds of things that we're trying to work around, again within a limited dollar, and as I indicated in some of my

answers previously, we do want to focus on what we're doing in such a way as to get the biggest return and to get continuity.

For example, on the SSHIP and AHPI, that we were able to do earlier for getting those additional supportive housing units on-stream, that was a very well-thought-out program. We've applied a lot of the principles in that program to our affordable housing. On the initial look at the affordable housing, it's very, very well received, but an interesting thing that has happened here is that we broke with the tradition of per capita. It's per project, which means that if you've got the need and if you've got the jam to go about it, you put your projects forward, and you'll be at the head of it. This is good on the one hand, but on the other hand – and I won't go into naming communities – this creates some problems for us in a way, too, where communities that should be coming forward for whatever reasons may not be, and we have to be conscious of that aspect also.

4:50

Again, you made references to downloading on the municipalities. I am very conscious of that, and it's a concern that I have. It's a concern in the lodge programs, where we're having a good, close look at it. As you know, the lodge authorities have requisitioning power to a degree, although the municipalities don't have to go with it. We have a situation where there's a municipality that's actually reducing their allocation, which is not very good.

The potential of the people not being able to pay their rent and live in there is really not a concern because one of the rules that we have in the game is that you have to retain I believe \$265 of expendable income. Having said that, however, I don't want to be shutting my eyes and saying: well, that's fine; everything is wonderful. That's why we're looking at factoring some more money into the seniors' benefits program to lodge residents, so those that are low there will be able to pick up the increases. Basically, those increases will be flowing to the lodge operators. You hear about the rents. It's about \$1,200, I think, that is the average on rent, but it's only about some 700-plus dollars to the resident, which is relatively low. That difference has been picked up by the lodge assistance grants and municipal requisitions. I may be low on it. It may be \$1,300, whatever the average is.

So we're trying to get the picture to be clearer. People in lodges are getting good bargains, especially when their lodges, the vast majority of them, are very well operated. They're getting a good return for their dollar, and what we want to ensure is that the requisitioning doesn't fall too heavily on the sponsoring municipalities. At the same time, we have this whole business of them coming forward continually and wanting approvals to build this and build that, and they will put up the money, but again when you're putting it up, it's for a long-term basis. So it's a little bit of balancing and trying to be careful in what we do.

The other one – and you alluded to this. I believe that 2016 is when the bump is expected. If you stop and think for a minute, that's only 13 years away. If we get into an extensive building program now – we have to get the right one – and you start it off and you work towards 2016 and then after that it starts to go like this, what do you do then? We've looked at this too. There may be a dual purpose and maybe a manner of the lodges, whatever, switching over to become some kind of different kind of housing thing. It's not a matter that they're going to be gone.

The other area that is of some concern, although it's not highlighted too much, is that we try to promote people staying in their homes, whether it be a lodge or a home, and in their home communities as much as possible. There's reference made to the Edmonton/Calgary corridor, and a lot of the people are being drawn from small rural places. So we have to be extremely careful there that we

don't have a bunch of empty lodges when the current users aren't in there.

So there are a lot of variables in it. On the surface it's whether it is the affordable or the homeless or the seniors. It seems quite simplistic to say: put more money in there. Well, I'll tell you that when we signed the housing agreement in June and we didn't get the moneys going until February, it didn't slow us down for one minute. If we had had the money allocated, we wouldn't have had anywhere to spend it because we wouldn't have had anything to spend it on. What transpired in that period of time: not only do we have some very, very good projects out the gate now, but I'm looking forward to when we have the next cut, that we'll have some more good ones. That isn't by accident; that's by good planning. Like I had indicated a couple of times before, when I was down in Winnipeg last week, I didn't see examples of that good planning across the province. I was quite surprised as a matter of fact. We're doing pretty well there.

I hope I've touched on your comments. If I haven't, we'll try and get back to you some other way on the issues you've raised. Thank you.

The Deputy Chair: The hon. Member for West Yellowhead.

Mr. Strang: Thank you, Mr. Chairman. It's with great pleasure that I ask our Minister of Seniors a few questions today. First of all, I'd like to thank him very much for the aspects that transpired over the last couple of years, especially in West Yellowhead by getting us more long-term care facilities in Hinton and also looking at the aspect of supportive housing, because I think that, like he stated earlier, is the answer.

Looking through his budget, I was just wondering if he has any funds that he can help us with in West Yellowhead in looking at the aspect of doing feasibility studies on supportive housing in the possibility of the Edson and district area and then the possibilities of doing a needs assessment in the municipality of Jasper so that we can sort of look at that as the aging population is growing.

Looking throughout his budget, if he would go to page 339 under Housing and the second-last bullet on Housing. I'm just wondering: are there any funds available? When you look at his line budget, when you go to his main budget, it's fairly categorized on that one line item. So I'm just wondering: do you have any funds for emergency housing? Then again the other aspect with my colleague from Peace River and my other colleague from Athabasca-Wabasca and my other colleague from Lesser Slave Lake as well as myself: hon. minister, we're certainly looking for some help on the aspect of remote housing.

As you realize, in these areas we have quite a few reserves, and some of the housing needs to be upgraded. I know that a number of years ago we did have a job fair set up and were able to bring some of these up to standard. We're really needing a number of them more in the other areas that I explained as well as in my area. We have a housing authority that is working in the greater Grande Cache area that would be willing to work on a program where we could get a hand up rather than a handout to possibly look at some remote housing on some of these enterprises or co-ops. I'm just wondering if you can shed any light on that for me.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. minister.

Mr. Woloshyn: Thank you very much, Mr. Chairman. I do appreciate your comments, West Yellowhead. Do we have something specific for emergency housing as a line item? No, but most

housing, quite frankly, at the moment where we're short is an emergency. I'm not saying that facetiously. I really mean that. About the only place where we will go in emergency is where we have the supplement programs like, for example, rent supplements. We'll look at it if it is an emergent situation to try to get in there.

I appreciate your comments on the northern and remote housing. Just so you know, I believe that about \$17 million of this total package that we'll have for affordable housing has been designated for northern and remote housing. There's also word that we received of another bunch of money coming out of Ottawa, and they're going to inform us of where that's going. Some of that may well be directed towards aboriginal housing, but it won't be in the remote areas. It's for urban aboriginals.

You referenced your having the reserves. Although we have a little bit, we don't do housing on reserves, nor will we, because what we've noticed in northeast Alberta is that where there's a reserve, there's generally pretty good housing, and next door where you have the nonreserve native person, the housing is not the greatest.

As I understand it, if your Grande Cache co-ops come up and meet the criteria, they would be eligible for the remote housing. There again the criteria is different from the overall affordable program, but what we are going to insist on, no matter where it happens, is that there is an accountability back for that housing. You're going to have to pay something, whatever you can afford, if you will. It's not going to be in the same manner as it was created about 30 years ago, where it was just given then. There was a lot of conflict and confusion over it. It's not smooth sailing for us. In some areas we have disputes over land ownership. So what do we put in there? It's not, in your case, with respect to the Grande Cache thing, but I do believe that in one area in northeast Alberta Wood Buffalo Housing Corporation, who's responsible for the housing in the whole region and municipality, will be taking on and have taken on a project in one of the remote communities that are within their bailiwick. Whether they will be doing all of them up there or not I don't know, but we'll be working very closely with them on those. Again, I must emphasize that there must be an accountability in it, and there has to be a fair way of allocating, because we're desperately short of homes up there.

5:00

The funds for feasibility studies generally are a onetime shot, and I can't give you a definitive answer right now on whether the one that you asked for would or would not qualify. As you know, I believe the Evergreen Foundation received housing from us for a feasibility study on Grande Cache, I think it is. So those are one time only – and I'd best leave those up to department staff – if they can afford them, whether it should be done or whatnot. So I can't give you a definitive statement there.

You mentioned Hinton, and Hinton is a very good example of what can and should be done between partnering, and that was, I believe, the town of Hinton got involved with us in that when the former WestView health authority was in there, Alberta Seniors was in there. That's a supportive housing complex that I believe goes into long-term care also, and it's all under one roof. In the same area, in Evansburg, in the Whitecourt-St. Anne constituency, that place is now occupied. The official opening is coming. Under one roof we've got the continuum of lodge to assisted, supportive assisted, all the way through to long-term care. So we're making, you know, in some places good progress.

With respect to Jasper, given all of the anomalies around Jasper, we would have to have a very, very good look at what is there, what we can predict, and whether we would ask a foundation to in fact go in there and start in that particular business. You know the details of Jasper better than I do, but I know enough about it where I would have to be somewhat cautious to ensure that what we were building

there became or remained in fact affordable for occupants, given their particular circumstances. There is, as I understand it, a very close association between Hinton and Jasper. Seniors very often like to be close to good health facilities. Hinton has got the health facility. Hinton has got the airport. Maybe the folks in Jasper should be looking towards something. I don't know, but that's something that if you had a good look at the situation, it could be answered by people more learned than I with respect to what's happening in the area.

With that, I would like to thank all members for their comments, Mr. Chairman, and I'll take my place.

The Deputy Chair: Hon. members, before I recognize the Member for Edmonton-Centre, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

Introduction of Guests (reversion)

Mr. Snelgrove: Colleagues, it's a great pleasure to introduce to you today the chief of the Onion Lake band. Chief Wallace Fox has just joined us in the gallery. Chief Fox is here with some people from Los Angeles from the Global Energy Solutions company, that's hopefully going to be bringing some pretty exciting stuff to Alberta in the future. That's Moshi and his wife, Shiomi Kreenenburg.* They're also accompanied by two other members from the Onion Lake band, Mr. Glen Soloy and Mr. George Dill.* I would ask them to please rise and accept the warm welcome of our Assembly.

head: **Main Estimates 2003-04**

Seniors (continued)

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. I'd like to get just a few last questions on the record, and knowing the time, I'll have to beg the minister's indulgence to answer these in writing. Just a couple of things. One is around the Canada/Alberta agreement on affordable housing, and if I could just get some clarification around figures, please. The minister wrote to the *Edmonton Journal* this morning, and in it he said that there was \$23.5 million in new provincial funding for the development of more affordable housing in Alberta. Later he says that this provincial contribution is being matched by the federal government, bringing the total funding to \$52.5 million for the 2002-03, '03-04 years. I'm wondering how he's arrived at the \$23.5 million. If he could give me an exact breakdown of how that figure . . . [interjection] Well, he wrote the letter. His name is on it. It was printed in the *Journal*.

Mr. Woloshyn: Fifteen this year, 8 last year. The total is 23 and a half.

Ms Blakeman: Sir, it's signed the Minister of Seniors with the responsibility for housing and the member's name. It appears in the *Edmonton Journal* today. It says \$23.5 million, and I'm wondering how he arrived at that figure, because when I look at the press release that came out from the government under the section for Seniors it says that the increase includes provincial funding of an additional \$6.5 million being added to last year's \$8.5 million budget increase for affordable housing, bringing provincial funding for the Canada/Alberta affordable housing program to \$15 million for the '03-04 year. In fact, that's not the '03-04 year. The '03-04 year, if I'm reading this right, is \$6.5 million. So somehow you're

*These spellings could not be verified at the time of publication.

taking last year's money and adding it to this year's money and putting it in as a total. To carry on there, it says that an additional \$20.5 million contribution by the Canadian Mortgage and Housing brings the total funding for affordable housing to \$35 million for the '03-04 fiscal year. So he seems to be taking money from somewhere else. [interjection] Okay. Extends something over. Eight point five million dollars from last year and \$15 million from this year gives us \$23.5 million. Well, then, what gives with the press release that came out with the budget? Maybe the minister could break that one down.

Just a couple of last questions and comments, then, from one of the seniors' advocates who's noting the funding formula for the lodge assistance grants to foundations. Now, the minister has talked about money going directly to seniors in the lodge program. I'm still questioning about the differential grant program that exists and pushing the minister to make that more equal, because I find that it's the urban lodges that suffer the most there. He's shaking his head. Nonetheless, I'll continue to press.

The one question from last year I asked is around the SSHIP program. There was a million dollars of money left from the SSHIP program which the minister said was targeted to one or more specific projects. I'm wondering what projects benefited from that money and what stage of development they are in specifically.

Also, leftover from last year and appearing again this year is the performance measurement with a "percentage of seniors provided with the opportunity to apply for the Alberta Seniors Benefit." There's no target. It says, "to be established" and a new measurement. That's the second year that's been applied. I'm wondering what the problem is with that.

I'll just note that there are a number of elder abuse support systems that have sprung up in the community: the elder abuse peer support program at the YWCA, the elder abuse intervention team, which the minister noted, that comes through the city of Edmonton, and the Oak-Net, that I did a recognition on last week.

Also from another seniors' advocate. Making note of the cost of utilities again, the accessibility of health care services in rural regions, and the availability of reasonably priced seniors' housing are noted among their most important items. Again, the lack of standards for the smaller seniors' homes with three to four seniors in them, a lack of standards for seniors' training, and complaints about care received in such institutions.

Finally, from one of the seniors' centres the point is made passionately by the manager that the government have an understanding that volunteers are not free. They provide a very high quality of service, but they're not free. It does cost money to run the volunteer management programs and to provide the incentives, to have the monitoring, to have the appreciation programs in place for them. To quote:

There is a need to reaffirm the value of community voluntary organizations and to properly support and encourage the volunteers and the paid staff who actualize such significant and beneficial community services.

He notes that the "organizations need increased financial support from government with significantly reduced bureaucratic efforts to obtain such funds in order to do their task." I'm wondering if that isn't a reference to something like Wild Rose, where the manager has to go to great lengths to make a grant application to get money to support their volunteer efforts.

5:10

I've just heard of something that seems a little odd, but I'll bring it before the minister, and that's an issue that seems to be coming from the denturists, that some seniors in trying to find extra money are getting an estimate for dentures done, submitting the receipts, getting the reimbursement, and then never ordering the dentures or,

worse still, never picking them up. If this has come to the minister's attention in the past, this has just come to mine. I don't believe that most seniors would resort to that, but knowing some of the seniors that I've spoken to, I can understand them feeling that they needed to do that, especially around the increased utility costs and the housing costs. So maybe if I can get something back from the minister about that.

Finally, in the seconds that I have left, you know, the minister is the Minister of Seniors, which, in my opinion, goes from 65 to death. I understand that he's not responsible for long-term care; nonetheless, for everybody else that looks at the minister, they see that he is. We need a stronger line of communication and influence happening there. I appreciate when the minister says: well, you know, in these extended care situations there are so many minutes or hours a day of care that are supposed to be given to people. Yes, there is, and it's something like an hour and 45 minutes . . . [Ms Blakeman's speaking time expired]

The Deputy Chair: I hesitate to interrupt the hon. Member for Edmonton-Centre, but pursuant to our Standing Order 58(5), which provides for the Committee of Supply to rise and report no later than 5:15 p.m. on Tuesday, Wednesday, or Thursday afternoons, I must now put the question on the proposed estimates for the Department of Seniors for the fiscal year ending March 31, 2004.

Agreed to:

Operating Expense and

Equipment/Inventory Purchases

\$334,566,000

The Deputy Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that the committee rise and report and beg leave to sit again.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Seniors: operating expense and equipment and inventory purchases, \$334,566,000.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 8 p.m., at which time we reconvene in Committee of Supply.

[Motion carried; the Assembly adjourned at 5:15 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, April 22, 2003**

8:00 p.m.

Date: 2003/04/22

head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: I would like to call the Committee of Supply to order.

head: **Main Estimates 2003-04**

Economic Development

The Chair: I would ask if there are any questions, comments to be offered with respect to these estimates and budget.

The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Mr. Chairman, I expect the minister to get up and give us an overview.

Mr. Norris: Well, Mr. Chairman, far be it for me to disappoint the hon. member opposite. I would love to make some comments about what I feel is probably one of the most remarkable departments in our government, and I will open my comments by giving an introduction and a big thank you to some people who have joined us here tonight. In the members' gallery we have with us from our department Duane Pye and Assistant Deputy Minister Rick Sloan, if you want to stand up. Mark Erdman, don't stand up; you'll hit the roof. You can stand up. There he is. Deputy Minister Barry Mehr, and next to him is Anthony Lemphers, our finance; Lou Normand, who's involved in our value-added strategy; and of course Colin Jeffares. This is part of the team of Economic Development, which is why we're clearly doomed.

Anyway, I would like to give a brief overview of what our department does and then answer any questions that come forward. I guess that in a nutshell, Mr. Chairman, what we look for in Economic Development are ways to continue the program that was put in place by Premier Klein, which is diversifying our economy, and in order to do that, we've come with a few strategies. Why do we want to diversify obviously is a simple question. We're looking for continued prosperity for this generation and every other generation that follows to continue making Alberta the best place in Canada and certainly the world to live. In order for us to do that, we've taken the resources and energy of this department and come up with a few strategies that I would like to outline tonight and then answer any questions members might have.

The first strategy that I wanted to touch on very simply, Mr. Chairman, is our value-added strategy. That was addressed in the throne speech by Premier Klein, and it looks at ways of getting our commodity-based economy to the highest level of export goods. It's a way that the government can assist not in picking winners and losers so much as understanding what industry's needs are, relaying them back to the government, and making sure that we're doing the best job we can on behalf of Alberta industries.

Of course, we know the key industry in Alberta is oil and gas. That doesn't change, and it's not likely to change in our lifetime, but we're looking down the road past that, Mr. Chairman. Of course, agriculture is a very, very big producer; forestry, tourism, and industrial construction. So when we talk to industry about ways to make this the best business platform to deal with, those are what we're looking at. We're looking at listening to them and working on it.

The second strategy that we're looking at, Mr. Chairman, is a rural

development strategy. We're working in conjunction with the hon. Member for Wainwright and the hon. Member for Innisfail-Sylvan Lake, and we're trying to identify ways to keep rural Alberta healthy. It's for a number of different reasons, but most obviously is that most if not all of our resources are extracted from rural Alberta, whether it's oil and gas, coal, forestry, agriculture, et cetera. We want to find out what makes rural Alberta strong and keep it healthy so that the incredible growth that's going on in the Edmonton/Calgary corridor can be sustained as well as building on that with rural Alberta. We're working very hard with, as I said, the hon. Minister of Agriculture, Food and Rural Development. We will have a joint policy hopefully in the next short while to articulate that a bit better.

The third strategy we're working on is an aboriginal framework. For a number of different reasons, Mr. Chairman, this has taken on a great interest and importance to Albertans. As you know, we are dealing with the hon. minister of aboriginal and northern affairs as well as the chairman of the Northern Alberta Development Council as well as the hon. minister of sustainable resources to try and identify how we extract the resources at the least cost to the First Nations aboriginals and how to get them more involved in the extraction of these resources and the development for their own communities and the good of all Alberta.

One strategy that I'm particularly proud to say that we've worked on, Mr. Chairman, is our tourism strategy. As you'll know, we recently announced some additional funding, recognition of our government's understanding that there is some work we can do to help promote this glorious province of Alberta not only to other Canadians, North Americans but to the world. As a result, we want to see our gross receipts from tourism grow dramatically, and hopefully we're on the right track with that. We have identified markets around the world that choose Alberta as a destination over and over again, those being the United Kingdom, Germany, and Japan. So we've set up offices or are increasing our presence there to let the message be known, and we're working with the industry itself, Mr. Chairman, to try and understand how we can get to the next level with them and make that particular industry grow and flourish.

The final strategy that we're working on, Mr. Chairman, is international markets, and for obvious reasons Albertans are some of the best exporters of goods and commodities in the world. We do most of our trade with the United States. We'd like to get away from that dependency a small amount. Of our \$150 billion gross domestic product about 87 percent of that is exports to the United States, and we want to identify other markets so that in the event that the United States slows down or that there are some challenges in their economy, we're not held to it the way some other provinces are and find ourselves in the position that they find themselves in. Of course, when we do that, we help expose Alberta businesses to the rest of the world, and we do that internally. As I said, all of this is driven by diversifying our economy, continuing to make it strong, and continuing to make it the envy of the rest of Canada.

One of the things that we've been working on quite vigilantly, Mr. Chairman, is ways in which we can get the Alberta advantage message out and keep the Alberta advantage strong. We define that Alberta advantage as an outstanding place to do business, hopefully low government regulations, broad-based low taxes, identifying why people want to choose Alberta to make that their home. As you know, under Premier Klein and the class of '93 some 500,000 people have chosen since '93 to make Alberta their home, and that has taken our population base from 2.6 million to the current 3.1 million. That comes with some challenges, and we want to make sure that we can sustain that kind of growth.

So those are kind of the main programs we're working on, Mr. Chairman. We want to make sure that we listen to industry, all of them. We want to identify emerging industries and markets that are becoming available to Alberta companies and the Alberta government, and we want to continue to grow what we believe is the best economy in Canada and certainly the world.

So I want to close by saying that I'm very, very proud of what I've learned in this department, very proud of how we've worked with industry and let them know that we will continue to do so.

I'll be happy to answer any questions now, Mr. Chairman, and thank you for your time.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I'm hoping that we can follow the same format this evening in estimates as we have in other instances, and that's where we ask a couple of questions, the minister answers them, and then we can carry on from there with the first hour for opposition and the next hour for everyone who wants to engage in the Assembly.

First of all, I'd like to thank all of the staff that's here. They work hard to make you look good, Mr. Minister.

An Hon. Member: Well fed.

Ms Carlson: And well fed. Yes. A lot of overtime goes into that I'm sure. But I also know that your staff really likes you for some reason, and everyone I've talked to seriously appreciates working for you, so we'll have to work a little harder to find out why that is, but we'll keep at it.

This is a ministry that used to be known as the cookies and pork ministry, and those were in the '93 days that you talked about earlier. It got pared down quite significantly. Now it looks like it might be bloating up a little bit more, so we'll be keeping our eye on the ball here to make sure that we're getting good value for our money.

It's interesting to note that during the cookies and pork time, the Member for Edmonton-Glenora was a part of that team, survived the cuts, and that makes him perhaps craftier than we had anticipated as well, so we'll have to keep an eye over in that corner of the Legislature too.

An Hon. Member: That makes him the cookie.

Ms Carlson: Makes him the cookie. Doesn't look like the pork, but he could be the cookie. That's true.

So we'll watch what's happening here as the money gets added. Where we see the most money being added this year is in tourism areas, and I don't necessarily disagree with that strategy. Certainly we have a huge draw in this province when we take a look at Jasper, Banff, and Calgary, but it seems that we don't get much of a tourism draw over and above that. Now, I know that for a decade, at least, people in Alberta have been concerned about the amount of money that has been drawn into those three target areas and the little amount of spillover there is for the rest of the province both in terms of money spent from economic development and tourism and people who actually visit.

8:10

So I'm wondering what the minister has in mind in terms of focusing a little more on northern development and also focusing on something that I've noticed in our travels. When we go to an area that's new – and I'm usually the one arranging for the touring around the area – what happens is that I look for tourist highlights, and then

I look for ways to get to those places. It doesn't matter if it takes one hour or two days; if it's interesting and transportation is readily accessible, then that's what we do.

It seems like when I look at the tour books that are offered or any of the tour guides that you can buy in a bookstore, for instance, what someone from out-of-country would be buying about Alberta, you don't see these kinds of connections obviously. When I take a look here in the advertising that we do, be it through Travel Alberta or any other kind of venue, the roadside stops for tourist information, I don't see those hookups readily. I don't see a bus tour that can take me from Jasper to Lake Louise to Banff to Calgary to Drumheller to Edmonton and then back to Jasper so that I can continue on with whatever my connections are. I'm wondering what kind of a focus the minister is putting on that in addition.

So northern development. I know the mayors in the northern cities are quite happy with the relationship they have with you, but let the Assembly know how much money you're spending, how much focus you're putting on that, and if you're taking a look at making any of those connections at this time.

Mr. Norris: Well, I'd like to thank the hon. member for her comments. I wasn't around in '93 when the pork and cookies were being handed out, but by bloating I presume that you mean the department and not me personally, so I won't take any offence to that comment.

I guess, in answer to your question, that when we're looking at development of any region, it's not sectorized into northern, southern, central, Edmonton, Calgary, et cetera, but we do spend a lot of time on regional economic alliances. The reason we do that is that we've found that when you're marketing a region, it's far more marketable than if you're marketing specific cities or towns in that particular region. So we do have a number of alliances throughout the province of Alberta that receive support from our department: CAEP in central Alberta, Grizzly in northern Alberta, Growth, Hub, Palliser I think is in southern Alberta. They're regional alliances where MDs and towns get together and say: we want your assistance in marketing this region to the world and to other businesses who might be setting up here.

What I've found very fascinating is that there is a large industry of site selectors. Companies no longer take the time to go out and do the work where they go and visit the mayors and the reeves, et cetera, to see what's available. They get online, or they'll go to a conference, and you have to be represented as a region for those site selectors to take interest in your area. We've had a number of good successes, particularly with the international region, which is Leduc/Nisku/Millet, et cetera, where people say: "What's in the area? Are there good transportation links? Are there good resources? Is there good education, good infrastructure? Are there recreational opportunities? Are there arts?" Things of that nature.

When we put all those packages together, that's where we spend most of our time and energy trying to promote the province. So as far as northern development, what we look for in conjunction with my colleague from sustainable resources is to identify what the key industries are there now and how we can help them succeed but also what the region has to offer. We found that to be a good solution.

With regard to the tourism question that you had raised, what we are trying to do overall – and this is fundamental to our tourism industry – is to be competitive with our biggest competitor to the west, British Columbia, and our biggest competitor to the east, Ontario. Fundamentally, what we see is that the role of the Alberta government is to market the province, and that's it. We don't market hotels. We don't market malls. We don't market Calgary Stampedes and Edmonton Klondike Days. We go out to the international

marketplace and say, "Here's what you will find if you come to Alberta: pristine lakes, beautiful rivers, mountain vistas, et cetera." Once we get them here, then it's the job of the Calgary Stampedes and the Edmonton Klondike Days to draw them in, and they do that through various ways like you talked about: airports, points of entry, border crossings.

Where Travel Alberta does get involved is that we do produce three or four different guides, which I'll be happy to supply to you. They're all for different regions – mountain, central, south, north, et cetera – and they do outline what is available for tourism opportunities in those particular regions. What we've tried to do is to say that if you're coming to Calgary or Edmonton, which are the two gateways to Alberta, please don't go on through Kamloops and into Vancouver or through the Okanagan Valley to Vancouver, which is really what all the evidence says is happening. Stay and go east, and you'll find remarkable opportunities here in Alberta: Cold Lake, the Lakeland district, Fort McMurray, et cetera.

So we're developing trails, and we're doing this in conjunction with the Minister of Transportation for the signage of those trails. We have the Grande Alberta Trail. We have the Poundmaker Trail, the Dinosaur Trail. What we're saying is: "Yes, if you come to Calgary, please stay and enjoy the Stampede, but don't leave. Go east and see what's in the Badlands area, what's in Drumheller. Go to Rosebud; check out the world-renowned passion play." Where we see our role in our guides is talking about those things. We do it in conjunction with industry, who buy into this and tell us: this is what we really need to be talking about in this particular region. Your comment is a very valid one. There is no simple way to get people out of the main cities and the mountain regions heading east in Alberta, but we are making a stab at it, and we are trying to promote those trails quite a bit more.

The final comment I'd like to make about northern development – and this ties in with the hon. minister of aboriginal affairs – is that we are looking at some kind of tourism destination that would be done in conjunction with First Nations Albertans where it's an historical camp, for want of a better term, where you would go live a day in the life of 1860. It's modeled after the Polynesian theme camp in Hawaii. Unfortunately, we haven't been able to go over and tour it, but at some point we'd like to. As I understand it, the central hub is the Polynesian people, and then you go to the Maori camp, et cetera, et cetera. What's really exciting is that the First Nations elders have now allowed us an insight into a day in their life, so it could take form. We get overwhelming response from German and Japanese visitors that this is something that they'd like to see, and that would clearly be located in northern Alberta. So we're looking at that as kind of a package where you would come into Edmonton or Calgary and then tour around and have reasons to go visit and then tie them into the marketing materials.

I hope that answers your question.

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much. [interjection] A little friendly competition here.

Mr. Norris: Don't fight, girls. There's plenty to go around.

Ms Blakeman: Oh, dear. That was a mistake, Mr. Minister. This night could be longer than you thought.

There are two issues that I wanted to raise with the minister, both of them around tourism marketing. I listened carefully to what he said about marketing the province – in other words, the natural resources of the province, one presumes – and that once people get

here, then it's up to the various sectors to reach out and try and snag that tourist dollar. There are two things here. When the minister appeared before Public Accounts, I pointed out to him that I felt that in the way some of his programs were set up, the access points and the very criteria and eligibility might be precluding the arts community from gaining access to tourism points. As I was discussing this later when I dropped by the Alberta Craft Council, their manager perked up his ears and went: "Well, actually, Laurie, that's exactly what is happening. Maybe you could ask the minister this." So here I am, asking the minister.

The Alberta Craft Council at www.albertacraft.ab.ca has been trying to link with the Travel Alberta site at www.travelalberta.com because they have two things on their web site that are of great interest to people. I don't know what the minister is interested in when he travels, but I know that a lot of people when they travel are interested in local crafts, and we have some very fine craftspeople here in the province. What the Craft Council had put together was a map of Alberta showing where you could find fine crafts. These have been juried in some cases and have a stamp of approval to them, if you like, but it's saying: this is good stuff. They have a map on their web site that shows where you can access these different craftspeople across Alberta, and they also have a calendar of events where there might be craft fairs, for example, or certain days or that kind of thing. So it only makes sense that they could be able to link with the www.travelalberta.com site, and they are getting a big zero. They cannot connect there, and nobody is returning their calls. Nobody will help them. Nobody will interact with them at all. I'm thinking: this doesn't make sense to me.

Maybe the minister knows why Travel Alberta is not willing to work with the Alberta Craft Council in promoting these fine craftspeople across the province. Certainly, shopping is one of the things that tourists like to do, and here is an opportunity where it's being provided for them in colour and on a web site if Travel Alberta would just link with them. So I'm going to put that to the minister. I'll wait for his response, and I can send that back to the Alberta Craft Council. I'm hoping we can make this happen because it's a win/win. It helps our craftspeople, our artists and artisans here, and that money stays in the community. That's new money that's brought into the communities from the tourism dollar and that stays there. So it doesn't make sense to me why this is going off the rails.

8:20

To mix my metaphors, not going off the rails but going on the snowmobile tracks, I know that the minister attended the Alberta Snowmobile Association jamboree in I think it was Bonnyville-Cold Lake two years ago and waxed enthusiastic at the banquet and dinner about what a great idea these trails were and the possibilities for tourism. I guess the minister hasn't heard my speech about tourism dollars in snowmobiling, but that's big money. There really aren't enough places to keep me in Alberta. I find myself reluctantly – nonetheless, I do it – crossing the border into either B.C. or into Montana, Wyoming with my tourism dollars and my snowmobile on the trailer on the truck, which of course needs to be gassed up. The snowmobiles need gas and sometimes they need parts, and I'm going to stay in a hotel, and I'm going to buy restaurant meals. There are a lot of tourism dollars that are driving either south or west.

There have been a number of different schemes that different governments have come up with over time, sometimes allotting I think in the States and maybe B.C. as well a certain percentage of the gas tax. I'll tell you that I'm not in favour of that, because I think that as soon as you start designating certain parts of taxes, then everybody wants another little piece of it. When they want more, then the taxes start to go up, and that is not a good way to control

that kind of thing. So I'm personally not in favour of it, but there are a number of different schemes.

I'm looking to see whether the minister is either looking inside his own department for development of a snowmobile trail system or multi-use trail system or whether he's been working with his colleague the Minister of Community Development on the multi-use trail system, Alberta Trailnet, which is part of the Trans Canada Trail, or whether he's looking at funding some of these trail developments, whether he's looking at promoting it, whether we can get cross-linkage on web sites, what possibilities. I notice the Minister of Government Services sitting beside the Minister of Economic Development, and he has in his backyard phenomenal snowmobiling in the Crowsnest Pass as a tourism destination, which I've been to, and also Pincher Creek. So we have some pretty wonderful places to snowmobile in Alberta, but we have never really come to terms with it and taken it seriously as a destination even to keep our own Albertans inside of Alberta traveling with their tourism dollars.

Those are my two pet peeves with what's happening with linkages with tourism in Alberta and the structured tourism that's under the minister's department's steadfast refusal to be flexible enough and to – here I go with that hated cliché – think outside the box, to work with both the arts and snowmobiling. So I'll leave those for the minister to comment on.

Thank you.

Mr. Norris: Well, I would like to thank the hon. member for her questions. I think she knows that I have a specific fondness for the arts. In fact, I was a performer in a musical. I was Bud, the singing cowboy, in a Grant MacEwan musical, and they were some of the best times of my life.

This may come as a big surprise, but I do not disagree at all as to what the arts offer for tourism. It makes me disheartened to hear that Travel Alberta has not been responding to such an obvious opportunity, and we will rectify that immediately. In fact, the ADM is here, and we'll discuss it right after this. But you do make a very good point. In certain instances people think you're coming to Alberta for the Calgary Stampede or West Edmonton Mall or the Rockies, but you know we have the Fringe in Edmonton, that brings in some 800,000 people in a 10-day period. It's a remarkable experience. The Big Valley Jamboree, which started in Big Valley and has since moved to Camrose, is a remarkable opportunity, not only an economic driver but bringing people from Saskatchewan, Montana, Idaho, British Columbia. These are cultural events; these are not tourism destinations. You're right: we must recognize what they can offer and look to Edinburgh, Scotland, as the grandfather of all Fringes. The biggest annual tourism draw they have in the country of Scotland is that particular event, and it's a cultural one.

So you'll get no argument from me that we need to look at that. I'm not really sure why there wouldn't be a link or why we wouldn't have access to a link. I have not designed the program myself, so I can't comment on the technology of it, but in principle it's a very good idea, and we will do it. That's a simple commitment I can make to you.

The other comment I would make on culture is that we find in an awful lot of instances that we're crossing with Community Development, so the Minister of Community Development may be working on something that I'm unaware of. We focus on how to make the experience in Alberta that much better for visitors. If it regards shopping or if it's touring around and seeing different cultural events – I mentioned the Rosebud Theatre. You know, we've got the beautiful Fort Macleod down in the Crowsnest Pass area. These are remarkable tourism opportunities. In Lac La Biche there's the

original mission, that is attempting to be restored to its original grandeur. You get the sense that when they came down the rivers and they stopped and they found this site and they built it, they were very courageous people, and we should embrace that. So we are looking at ways of funding that, and part of the new dollars that we received for tourism are going into product redevelopment and new product development. If it's a feasibility study that helps that community get it off the ground, so be it. If it's something that they've already got – in the case of the Lac La Biche Mission they have the ability to have banquets, but their kitchen is in the basement. They have no way to get the food up, and they need an elevator. These are simple fixes. That's not a lot of money, and that's somewhere we can help in product development so that the experience is that much better.

So I do take your comment, and I know that my department is noting it as well. I wouldn't be surprised if we don't have that link done, well, clearly before this tourism season. I think it needs to be done. Recognizing other areas that do such a good job of it: people will flock to the New England states in the fall to look at the trees, one of their biggest tourism seasons, to see the turning of the leaves. They have some term for it. Well, they recognize that that's an opportunity, and they hammer on it, and that's something we're going to try and do more through tourism. So I support what you're saying, and you won't get an argument from me on that.

With regard to the snowmobile program, you are talking about one of my favourite opportunities because I'm a sledder as well and grew up in the Pigeon Lake area doing that and love it. I now live in the west Edmonton part of the city, and nothing makes me sadder on a Saturday when I'm out with my kids than to see sleds loaded up heading to McBride and Valemount and Kamloops and taking dollars. They all have Alberta licence plates; they don't say British Columbia. They're all leaving here, and they're leaving here for a number of different reasons. Now, in some cases we have to be quite factual. The snow there is better at certain times. Last year we had a bit of a light snow season, so that's part of it, but another part of it is access to trails and the ability to get on those trails.

In answer to your question, I know that right now I'm working on a joint ministry initiative with the hon. Minister of Sustainable Resource Development and the hon. Minister of Community Development to say: listen; we have these remarkable opportunities in the Crowsnest Pass, Kananaskis Country on through Lac La Biche, Cold Lake, those areas. They're virtually tied together now through volunteer work. Volunteers man them. They clean them. They put up huts. They do it all voluntarily. They even produce their own maps. So this year for the coming season I know that Travel Alberta is looking at integrating all the good work that they've done and making sure that that's not overlooked.

One comment that I think has to be made is that there are steps being taken to get there. The Iron Horse Trail, as you probably know, announced just recently that they've now tied up 300 kilometres of old CN rail track, and that is going to be for sledding. That means that you can start at 10 o'clock in the morning and finish at 6 o'clock in the afternoon and not go down the same route twice. It's glorious. We did it last year with the hon. Member for Bonnyville-Cold Lake and the hon. Member for Lac La Biche-St. Paul. It's a remarkable experience. What they have done is all volunteer, so now we're working with them to get to the next level. Again, I said: maybe it's a feasibility study; maybe it's saying how many dollars are needed for signage. That's a big part of it. Where do you stage? What do you have for staging? Then the town starts to see the economic benefits that are remarkable. They really are. But it's Albertans spending money in Alberta.

Where we have to take the next step, quite frankly, is into

Wyoming, Idaho, Montana, where it's a hugely popular pastime. They're going to other places, and we're trying to say: you don't have to. I know that I met with the hon. Member for Livingstone-Macleod's group down there. I believe they're called the Crow Snow Riders, a great volunteer group, and they're doing exactly the same thing as the Iron Horse does. In theory you could start in the Crowsnest Pass, through K Country, and all the way up into Cold Lake uninterrupted on a sled, which would take three or four days at a minimum, and think of the economic spin-offs of that. So it's just a matter of tying all the pieces together, and we are committed to it. Fortunately or unfortunately, the money for that kind of project doesn't fall under my department. As the hon. member noted, it had a significant budget before. We target more investment and trade. Tourism is one major part of it. With the additional funding we're hoping to get to that level and start building what we see as great opportunities in Alberta.

8:30

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I just want to follow up on some comments the minister made. He's talked now about two cross-ministry initiatives, one being the aboriginal theme park and now the snowmobiling. So could you outline for us what other cross-ministry initiatives you're involved in and the indicators that you're using to measure the results of those initiatives?

Then just to go back to the aboriginal theme park for a moment, you've talked about this before, and we expected by this budget year to see it really up and running. Given the amount of unemployment, another disadvantage that this particular community has, we would like to see some inroads made here through a number of ministries, including your own. So if you could talk about a time line for that and any other initiatives you might have on the aboriginal side.

Mr. Norris: I can answer the first question. I'm sorry; I didn't quite catch the second. With regard to cross-government initiatives that we're working on right now, I outlined that one of the major ones is a value-added strategy. There are nine other departments that are involved in that. Our ministry takes the lead. I can list them for you: Energy, Sustainable Resources, Environment, Innovation and Science, Finance, Revenue, Agriculture, and Aboriginal Affairs. As I said in my opening comments, that's one where we're looking at not shipping out commodities in the raw form anymore, and how do we do that in any industry? It's not specific to any specific industry but all industries in Alberta.

Another cross-ministry initiative we're working on is a rural development strategy with the hon. Minister of Agriculture, Food and Rural Development. I alluded to that earlier. The hon. Member for Wainwright and the hon. Member for Innisfail-Sylvan Lake are heading up that committee, and we hope to have a strategy within the next six months, as I outlined, looking at rural development and ways that this government can make sure it ensures its livelihood.

Another cross-ministry initiative we're working on is with the hon. Minister of Innovation and Science. He heads up a body called ASRA, which is the Alberta Science and Research Authority. I head up a body called AEDA, which is the Alberta Economic Development Authority. We have got to a point in Alberta where we have some of the best research and development in all of Canada. There's no surprise about that. I think the University of Alberta was number one in receiving research dollars both publicly and privately, and the University of Calgary came in second. We are developing a number of new technologies every day. There's great news coming out of those research institutions. How do we commercialize on it? I know

the hon. member is working on our cross-ministry initiative to come forward with a strategy that says: here's how we think we can do it with government playing a role.

So those are the three major ones we're working on. If there are others, I'll take it under advisement and get you the information on them. The second question I didn't hear.

Ms Carlson: The second question was how you're measuring your performance there. If we take a look at what you've talked about in terms of diversifying value added, it's a great goal, but it's the same goal Peter Lougheed won the election with 33 years ago. So, you know, we need some results. [interjection] Well, I hear some desk thumping, and, yes, it was a great idea. I believe his campaign at that time was: we're going to do it now. Yet we're still sending raw logs out of the country, we're still sending wheat that hasn't been refined into value-added products, and we're still sending crude oil. So we need some performance measures, and I think we need some reporting back on how successful you are. So if you could just tell us what it is that you're using to measure the results of your initiatives.

The Chair: The hon. minister.

Mr. Norris: Yes. Thank you, Mr. Chairman. Well, obviously, like any small-, medium-, or large-sized business we do have methods of measuring our results. Clearly, they're open to various forms of scrutiny, and we do produce documents on a regular basis. We have a monthly document that goes out about Alberta exports, and we have a yearly document on our international offices called AIMS, the Alberta international marketing strategy, that outlines what we are trying to do and trying to accomplish.

One of the methods that we use is the volume of exports. Have they increased or decreased? I'm very proud to say that because of some brilliant policies put in place in 1993, they have increased every year since then. Our GDP volume has virtually doubled since 1993. It was some \$85 billion. It's now \$150 billion. So that's clearly an indication of some success. The number of jobs that have been created in Alberta since 1993 are in excess of 350,000. That's people coming from out of province looking for an opportunity in Alberta. So that's clearly a measure of success. The average income for Albertans is the highest in all of Canada.

There are a number of indicators that we look at to say, "Are we successful?" the same way a business would. Do I have more customers or less? Is my volume of sales greater or less? Is my bottom line better? We translate that to the same methodology for the government.

I heeded your comment about our former Premier Lougheed, who embarked on a program of diversification, and would respectfully disagree that it hasn't happened. It's happened in spades. There was a time here in Alberta not so long ago when we would ship carcasses down to Toronto and have them dressed and sent back to Alberta because it was just more convenient to do so. Well, now we have three or four of the best packing plants in all of Canada operating here in Alberta. That was a specific initiative to say: "Why are we doing it? Why are we sending the raw goods out?" A lot of it is market driven. We recognize that it's always going to be that way. It's the industry that's going to tell us what they want to do, but we have made a huge amount of headway.

Our petrochemical industry, for sake of example, is now some \$9 billion. Joffre and Fort Saskatchewan are, of course, there for a reason. They didn't just happen. It dovetailed on to the fact that Alberta is blessed with natural gas and oil, and we said: "Well, what's the next step? What's the next logical step?" We're not

going to send it down to the Gulf coast, where it'll be transformed into goods. We're not going to ship it over to Taiwan, where it can be transformed into goods.

So there have been successes, but they're measured against what I believe is a market economy, and under the market economy we allow businesses in Alberta to determine where they want to go. I think our job, then, quite simply is to say: well, we would like you to look at this because where value added is is where the dollars are, and it's where the jobs are, and it's the long-term sustainability. Once the raw goods are shipped out, you get a certain dollar value for it. Once you start upgrading it, you get significantly more.

So I'd say the program – you're probably correct. Has it worked a hundred percent? I don't know. I wouldn't say yes or no, but I would say that it gave us a great platform. You mentioned earlier about some of the trips that we take to promote the province. One recent one was to Minnesota to talk to Cargill, and Cargill's next step will be to get the store-ready. They're not at that point right now, so they're producing in-bulk boxed goods. We're saying get to the next stage of value added, which is store-ready. So we aren't there yet, but I don't know when that cycle will ever end, because there are always new technologies coming onstream.

So I guess in answer to your question, what Premier Lougheed started was a brilliant plan. Was it as successful as he might have liked? I'd have to ask him. I don't have that answer, but do we see where we can continue on growing it? Oh, absolutely, and that's what we're really looking at. So it's not that it's stalled or it's not happening. It's just that government isn't going to intervene because that's not the way this government operates. Other governments might do that. If you look to our neighbours to the east, you'll see intervention in every single industry, and you'll see it propped up by huge taxation dollars, and you'll see a bloated debt that they can't support. Well, if you look at Alberta, you don't see that, because we're letting business drive the economy.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. When I take a look at the business plan, there's a big focus this year on the film industry, and it isn't one of the things you talked about in terms of a cross-ministry initiative, yet I know the Minister of Community Development likes to take a lot of credit for what happens in that particular field. We know that your department operates the Alberta film office and that it was created in August of this past year. So can you tell us how the opening of the new office has helped the film industry and what kinds of returns Albertans can expect on their investments in the film industry now and any other details you may have, like how many films were made last year or what the projection is for this year and how that differs from other years?

Mr. Norris: At the outset, Mr. Chairman, I'd like to thank the hon. member for such excellent questions. I believe that at the heart of it we're talking about economic development and diversification. The film industry is a real jewel in Alberta's industries, and you're right. There is a cross-ministry – it's not an initiative. It's an ongoing arrangement with the hon. Minister of Community Development. Under his department sits the Alberta film development fund and under our department sits the commission, two very distinct operations. The film fund is obviously the granting body. The commission is the marketing arm of Alberta film in conjunction with the Alberta producers.

8:40

What we saw happening was that in other jurisdictions, regarding the film industry, there were a number of different government

interventions: tax credits, flow-through shares, labour credits, et cetera. Well, the government of Alberta doesn't do that, so we established a different kind of fund that is a leveraged fund with industry. That fund started in 1998, I believe – I could stand to be corrected, but I believe it's 1998 – and at that time film in Alberta had hit an all-time low in revenues. I think it was some \$75 million.

The industry calls what we have in Alberta God's backlot, and I agree. There's every single form of setting imaginable that you could find, from the badlands to the Rockies to the Cold Lake area to the lakeland country. We have everything that's required for film shooting. We also have a remarkable industry through places such as NAIT and SAIT, where they get their training and then, of course, through the local TV stations, where they earn their wings.

So what we determined that we would try and do is work with them in conjunction with the hon. Minister of Community Development and our department to not direct the industry but to help it grow. Since that fund's inception I'm proud to say that the gross sales have risen from about \$75 million to I think just under \$400 million this year. It employs a staggering amount of high-tech jobs, which is very, very good for Alberta, and we are getting more and more productions. I think that at this point there are some seven major motion pictures either being filmed here or under way. The most recent, of course, was *White Coats*, that was shot in the old Charles Camshell hospital. I understand that Kevin Costner is now going to be signing on to do his sequel to *Dances with Wolves* in the Canmore-Cochrane area. So we're very excited about what's happening in that regard, and we see it as assistance to an industry that is putting it on a level playing field with the other jurisdictions in Canada. That's the most recognizable way to describe building this industry.

Where do we see it going? We'd like to see it as a billion dollar industry. We'd like to see that the people who are employed here don't have to go seasonally to Vancouver when work wraps up on series and short television shows here. We'd like year-round work, taking advantage of everything that we have in Alberta, to keep the people employed here and continuing to live here in Alberta.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Chairman. We could go on and on on this. It's, as the minister I'm sure agrees, a fascinating topic for discussion and one that the Member for Edmonton-Ellerslie has said has been at the core of political debate in Alberta for more than 30 years.

My first question is a structural one about the operations of the government. Just sitting here, I made a note about the number of different departments and related organizations involved in what I would consider economic development. Of course, there's the Minister of Economic Development, the Minister of Innovation and Science. We have Aboriginal Affairs and Northern Development, the Northern Alberta Development Council, under the chairmanship of the Member for Peace River. There's Sustainable Resource Development, Community Development, which is responsible for the museums, which are some of the most important tourist draws, Agriculture, Food and Rural Development. Then there's a department like Learning, which is responsible for the universities, which are drivers of the high-tech industry in Alberta.

It strikes me that there are too many players here, that it's a very fragmented structure, and frankly there are a lot of government departments. There are more now than there have been in several years. Of course, the risk in that – I think, for example, of people in my constituency doing high-tech work at the University of Alberta, and they end up dealing with many different organizations. They might have the heritage medical foundation. They have the univer-

sity itself, the Department of Learning, and on and on it goes. I would be interested in hearing the minister's thoughts and his awareness of issues and solutions to the situation in which there are probably just under provincial jurisdiction 10 or a dozen significant players in economic development.

The Chair: The hon. Minister of Economic Development.

Mr. Norris: Thank you, Mr. Speaker. Before I address your question, I do want to touch on one thing you said that I agree wholeheartedly with: education bodies being huge economic drivers and the amount of economic activity that takes place at the University of Calgary, Mount Royal College, SAIT, which just got a new \$12 million aviation facility, the University of Alberta. Certainly all of these things are very, very important to the local economies, and it is something that we have to look more strongly at because as a knowledge-based economy grows, you're going to need those institutions to thrive. It's one of the cornerstones of any good economy, so I appreciate you identifying education. It's something that I think we both agree on.

I guess I'd take you back to 1993 and answer your question. At that point, we found ourselves with deficits on an annual basis and a debt of about some 22 billion dollars. Decisions were made at that point to say: we're going to get these departments focused, and we're going to get them focused in a way that they're going to drive their industries specific to their departments. Economic Development at that point had some 1,200 employees, a \$200 million budget, as I recall, and was pared down to focus on marketing: marketing Alberta industries, marketing the province, marketing tourism, and as you note, the tourism department was also wrapped up into Economic Development.

So the powers that be at that time identified that economic development is not a role of a government to intervene, it's not picking winners and losers, it's not giving loan guarantees, but it is a job to help industry market itself to the world. If you think about it, when you have a company, you're identifying your markets and you're looking to grow your business. When you want to step out and you get bigger, you look to where you can grow and you look to maybe where the government can assist you in that program. So I think that was the decision that was made at that point. Where we end up now is we have the departments that you referenced working solely on developing those industries. For instance, Sustainable Resource Development works hard with the forestry industry on their FMAs, how to make them better, what's good about them, what we can change.

Mr. Cardinal: About seven days a week.

Mr. Norris: And sometimes eight.

That's the role of the ministry. The Economic Development ministry then takes whatever information, strategic and other, that these departments feed in and works through our department to go and market that word, and we determine that that's the best way to do it. So if you will, compare it to a large company, say Ford for sake of example. You're going to have a department that's responsible for research and development, you're going to have a department of human resources, and you're going to have a marketing branch. We are deemed to be the marketing branch of the Alberta government in that sense of the word. So we work very closely with the Energy department for obvious reasons, Agriculture, and we go out and talk about what's going on there and what the advantages are of being in Alberta.

I don't see it as duplication in any way, shape, or form. I'm very

proud to say that the relationships we do have with the economic driving departments such as Energy, Sustainable Resources, Agriculture are very good ones, and we feed off each other rather than duplicate work, and that allows us to be a smaller department, use less resources, but get the message out in what we feel is a more effective way. So I guess in the old Tom Peters book, you know, we're sticking to our knitting. We do what we know, and we let them do what they know, and hopefully when we work together, the message gets out loud and clear.

I think that's really the response to your question that I would give. We are not trying to duplicate. As a matter of fact, we're trying to eliminate layers to continue to grow the economy.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I want to spend a little bit of time talking about the hotel tax now, Mr. Minister. In the early part of this month we saw a couple of interesting articles in the newspapers where you talked about in one case that was reported an additional levy on the hotel tax, but it seems like the main theme running through these articles was just dedicating the 5 percent provincial tax on hotel rooms now to marketing industry. I know that's something that the industry has been asking for for many years and certainly as long as I've been in this Legislature. So I would like to ask you how that's going. We didn't see it in the budget, so obviously you didn't get the green light this year. Do you think you're going to in the future? Can you talk about that tax relative to other jurisdictions in terms of how much they charge, what others do, and what you may be projecting as the impact of reduced travel with things like SARS happening and other kinds of risks in terms of distance travel these days. If you could comment on those items.

8:50

The Chair: Hon. minister.

Mr. Norris: Thank you, Mr. Chairman. Well, the first thing I would like to clarify: the additional tax that you were talking about came out of a comment that was made in Red Deer. That was never part of our program, nor is it my personal desire to do that. There is a hotel tax in Alberta. It's 5 percent, and it generates anywhere from \$45 million to \$55 million depending on the kind of year we have. That money goes into general revenues, which is then used for other programs.

We had the hon. Member from Edmonton-Glenora strike a committee, and he worked exceptionally hard. The hon. Member from West Yellowhead was on it. I'm looking around for others.

An Hon. Member: Did he work hard?

Mr. Norris: Very.

Anyway, the end result of the committee is that they came back from industry with recommendations, and one of the recommendations was to convert the hotel tax to a marketing levy. That 5 percent would then mean a sustainable amount of money that would go into tourism marketing, in around the \$45 million to \$50 million range. Now, why did we want to do that?

We have examined very carefully our two biggest competitors, British Columbia and Ontario. They have methodologies of doing this. British Columbia's method is part general revenue, part hotel tax. Ontario's is part general revenue, specific destination taxes – the city of Toronto, for sake of example. We wanted to have a very cohesive plan. What we found they've had happen in British Columbia – and I talk to my counterpart, the hon. minister of

competitiveness, industry, and tourism, on a regular basis. They have four tourism regions now. They have Whistler/Blackcomb, the city of Victoria, the city of Vancouver, and now the Okanagan Valley, and they are finding that they're getting an extremely fragmented tourism message. The message coming out of the Okanagan Valley is clearly different than that of Victoria, Vancouver very different from Whistler. So we eliminated that as an option.

What we came back with through the process of our government was to say that we would like to take the 5 percent hotel tax and phase it out and phase in a marketing levy, which the industry supported a hundred percent, and turn that over to them to market. What that would do is put them on par with British Columbia, which spends about \$50 million, and Ontario, which spends about \$60 million. Currently our spending was \$18 million a year, and with the additional funding that we are very grateful to have got, it's now \$25 million. I don't think the answer to problems is throwing money at it in any way, shape, or form, but in this particular instance, we're talking about marketing the province of Alberta in competition with British Columbia, Ontario, and to a lesser degree Saskatchewan and Manitoba.

So where we ended up was with an approved program all the way through our process – standing policy, cabinet, and caucus – subject to Treasury Board approval. Treasury Board came back and said – and I think rightly so this year – that our demand for infrastructure, our demand for schools, the ever, ever increasing demands on health care and education, which we hear about daily in this House, take precedence over this particular industry, but the \$7 million is a way of showing support for that industry, and we'll continue to try and make that program work. As I said, it's subject to Treasury Board approval.

Will we bring it forward again? I can't say at this time. We're going to consult with industry. I know the hon. Member for Edmonton-Glenora is going to strike his committee again at some point after session and go talk to industry and find out. It's not our way to go back to industry and say: this is what we're going to do; what do you think? So we're going to ask them, and we'll find out what they'd like us to do, and we'll take it from there.

With regard to the comment you made about some of the crises facing tourism, I don't know if you noticed today, but Toronto is now taking even more of a hit because of SARS. It's not so bad that people aren't coming into Toronto; now they're not allowed to book tourism opportunities on cruise ships and the like. A very, very strange situation.

So part of our campaign right now is going to be aimed at the Pacific Northwest. We're using some of the additional tourism dollars that we got to talk to our American cousins and say: "It's safe; it's secure. You can drive here. It's very simple. The Premier was unequivocal on his support during the conflict, and we are your friends, so come visit us this summer." You'll see those ads coming out very soon, and we hope to have a good effect from that.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. Two questions for the minister. One just comes out of his immediately preceding response and one from his response two questions ago. On your response just now, I just missed it. You referred to a committee being chaired by the Member for Edmonton-Glenora, who is the very capable chairman of several committees, and I didn't catch which committee it was, and if you could tell us the name of the committee and who's on it, that would be great. I just missed the detail.

My other question goes back to your reaction to my comments on the number of different departments and bodies involved in eco-

nomics development in Alberta and my concern that there could be unnecessary fragmentation or complexity there. You had indicated that you regarded Economic Development as the marketing branch for the Alberta economy or words to that effect, which is fine, which is good. But it leaves me with a question like this. And I see that the Minister of Energy is here. I don't know if he wants to jump in or not, but fundamentally and over and over – and there was another study released today which drives this home – Alberta is heavily, heavily reliant on the oil and gas industry. If we are to, as this study says, ensure that the tiger's roar doesn't fade, we need to continue to diversify beyond the oil and gas sector. Now, my question is: who is the lead manager, who is the lead minister, for that kind of process? Is it you in Economic Development? Is it the Minister of Energy? Who is it? I need to get some clarity here on that sort of issue. I want to know the point man.

Thanks.

Mr. Norris: Well, that's a pretty broad question, so I'll answer your first question. The committee I was referring to, chaired by the hon. Member for Edmonton-Glenora, is a tourism marketing committee and it was struck in September of 2001 specifically to review all aspects of this industry, our fourth largest, employing over 120,000 people and generating some \$5 billion in gross revenues, about \$650 million worth of taxation to the province of Alberta. That committee had – and I'm going by memory, but I'll get the exact committee structure for you – the hon. Member for Calgary-Bow, the hon. Member for Spruce Grove-Sturgeon-St. Albert, the hon. Member for Vermilion-Lloydminster, the hon. Member for St. Paul-Cold Lake, the hon. Member for Whitecourt-St. Anne, and last and certainly not least the hon. Member for West Yellowhead.

That committee toured for the summer, as I recall, and into the fall looking at all aspects of how we market tourism, how we respond to the demand for tourism, what we are doing to develop new tourism product, all aspects it was charged with doing, and came back with those recommendations. I believe that the committee wrapped up its work in December of 2001, so that puts us where we are now. We then took that information, put it into a ministerial report, worked it through the system, and put it in for the budget cycle of 2003-2004 and were successful in getting some additional funding, and we're very grateful for that.

So the committee now I understand – we've already talked about it – is going to be struck again to go back to industry and say: "This is what came out of our work. What do you think? What would you like to see us try? Where would you like us to take this? Should we go back to square one? If that's your desire, then that's what we'll do." That's where we're at on that one.

With regard to who's running the show, ultimately the Premier, who most Albertans seem to think does a remarkable job and keeps getting elected with bigger and bigger majorities. So if you're looking for a structural plan, what I referenced at the beginning of the night was our value-added program, and this was referenced in the throne speech. The value-added program is our department's responsibility. We're the umbrella, and under the umbrella feeds those eight or nine ministries. With regard to the development of particular industries, that clearly falls under the Minister of Energy or the hon. minister of sustainable development to work with those industries on a day-to-day basis with the experts in their department. But, again, I get back to the same role that we have: taking that strategic information and then marketing the various industries to the rest of the world. So I think it should be very clear. If it's not, I can give you a written answer.

9:00

The Chair: The hon. Member for Edmonton-Glenora.

Mr. Hutton: Thank you, Mr. Chairman. I have a couple of comments. Then I have a question for the minister.

First of all, a point of clarification to the hon. Member for Edmonton-Ellerslie: I did not make the cut; I was whacked. I believe that in the early days – I guess it would be '95-96 – the former hon. Member for Edmonton-Glenora submitted in this House a list of patronage appointments in the Department of Economic Development. I was on that list, and I was whacked. But he is no longer the hon. Member for Edmonton-Glenora; I am. So that is just a little point of clarification.

I spent many enjoyable years at the department of economic development and tourism, as it was when I was there. We did a lot of good things, I believe, but the lean, mean fighting machine that they have now and under great leadership – it's great to see some of my former colleagues up there. I think you're doing a fabulous job, Minister, out there promoting this province far and wide. The boss obviously knew what he was doing when he selected you.

I want to move to international offices.

An Hon. Member: Which one do you want to move to?

Mr. Hutton: Let me rephrase that. My question is related to the international offices, and I also want to add a comment to that. I think it's great that the minister has looked at locally engaged people, rather than setting up large, cumbersome offices, and actually finding people that we can inform about Alberta that know the marketplace.

When I was in tourism back in the '80s, we had an office in New York, and we had a tourism representative. I mean, in those days at the Statue of Liberty they'd say: "Don't be a baby, lady. Just be a lady, baby." Those were wild times in tourism. Is there any opportunity for the ministry to go back into that marketplace from an investment standpoint or look to use it as a listening post for Economic Development? That's my question.

Mr. Norris: I would like to thank the hon. member for his comments and inform him that his cheque is clearly in the mail. Thank you for that. It is an honour to work in this department. I appreciate your comments, hon. member.

I would reference the international offices this way. They play a very significant part in our diversification strategy. It's not good enough to produce some of the best goods in the world if nobody knows about it. What we have found through those international offices is the ability of the Alberta government to open doors, no more and no less. I think you hit the nail right on the head: they're very lean operations. Our Premier has directed that they be collocated with the Canadian embassies, which we found to be a remarkably good opportunity not only for savings in rent but to share strategic information with that level of government, and it works out extremely well. Where we see these offices going is identifying market opportunities and relaying back to those markets the opportunities coming from Alberta.

[Mr. Lougheed in the chair]

Obviously, trade and investment is a big part of how we grow our economy. We do need foreign dollars to come into Alberta and help develop some of our great resources, and they are coming at a remarkable pace. Most recently we were in Japan visiting with a Japanese petroleum company who has invested some 300 million dollars in Hangingstone in SAGD technology to get oil sands out. They were very proud to tell us that their program has worked. They're going to now invest some 300 million more dollars to go

from I think 5,000 barrels a day to 20,000 barrels a day on their program of economic self-sufficiency. That's a great thing that took place through the Department of Energy and through the international office in Tokyo. So they do play a very significant role.

What we do to keep them as strategic and lean as possible is we have a government of Alberta employee who has to have a minimum of five years of trade and investment experience and must speak the language if it's a country that is foreign to us. Then they go and employ one or two locally engaged people to work with them in that office. We found it's a very successful model. It's the one we use in Germany, in Mexico City, in Japan, et cetera. Some of the offices are a little bigger than the other offices for obvious reasons. Japan is one of our biggest markets, so we felt that we would need a bit more support staff. We're hoping that Germany and Mexico City will grow to that, but we didn't start them at that level.

I thank you for the question, because the international offices do play a very significant role in our continued efforts to get the Alberta advantage message out and promote this great province of ours. Thanks.

The Acting Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. It's my pleasure to stand to address the estimates of the Department of Economic Development, and I have a few comments and a few questions to direct to the minister.

One of the concerns that I've raised before – and I'm not the only one who raises the concern – has to do with the export of natural gas in its raw form and essentially the impact that that has on the petrochemical industry. I'm thinking particularly of the Celanese plant, which is just across the river from my constituency of Edmonton-Highlands. Many of my constituents are employed there. A number more had been employed there in previous years. Now, the policy has been changed with respect to the Alliance pipeline. Where previously the liquids, I believe, had to be extracted from the natural gas before it was exported – so what was exported was more or less pure ethane for heating purposes, and the chemicals useful for plants such as Celanese had to be extracted – that policy changed with the Alliance pipeline.

The other aspect of the Alliance pipeline that's troubling is that it exports natural gas at a very high rate from the province, so a number of years of proven reserves of natural gas in this province have declined precipitously. The last figures I saw were that we have in the order of nine years of proven natural gas reserves left in the province. Now, of course, that's offset by the rate of new discovery and so on. Maybe the minister can enlighten me on that. But particularly the concern is: what about industries for which natural gas is a key feedstock? What is the prospect for those industries? I would assume that those industries in particular have a tremendous value-added potential, and the decline of those industries ought to be of great concern not only to me, Mr. Chairman, but obviously to you and to others who have those industries located in or near their constituencies as well. That's really the concern. What's the future for the petrochemical industries in Alberta that are based on natural gas?

A second question that I'd like to have the minister address is the impact of rising electricity prices on small and medium-sized businesses. I know that when we do ask questions in question period, the minister is quick, when he gets a chance, to jump to his feet and enumerate all of the other advantages that exist in Alberta for business. I will acknowledge at the outset that there are some, in the hopes that the minister will concentrate on the aspect that I'd like to address, which is the price of energy and particularly electrical energy for small and medium-sized businesses.

I have here, Mr. Chairman, a report from the Canadian Federation of Independent Business, and it's called *Still in the Dark*. It's a look at the impact of electricity deregulation and pricing on Alberta's small and medium-sized businesses. Now, it's interesting. This report indicates that a majority of the companies who responded to the survey, slightly more than half, used less than 250,000 kilowatts per year. Only a small fraction, 2 percent, consumed more than a million kilowatt-hours. Interestingly, most of them used a regulated rate option, and the second greatest number used the fixed price contracts. Now, the dissatisfaction was very high in rural areas among firms responding: 28 percent were very dissatisfied, and 31 percent were somewhat dissatisfied. In urban areas it was a little better: 17 percent were very dissatisfied; 24 percent were somewhat dissatisfied. It found, for example, that the dissatisfaction was highest in central and southern Alberta, that it was lowest in Calgary. Dissatisfaction was persistent in all sectors, the highest being manufacturing, then wholesale, then agriculture, then construction, retail, and down to educational and social services.

9:10

According to the study rate increases were higher in at least 65 percent of the businesses. On the magnitude of cost increases, a majority, just about 50 percent, were 24 to 49 percent higher, 27 percent were 25 to 49 percent higher, 17 percent were 15 to 99 percent higher, and in 7 percent of the cases electricity costs were 100 percent more than they had been. So the small businesses, at least those responding to this survey, indicated a fairly high level of dissatisfaction with electricity prices and felt that it was a significant impact on their costs.

Has the minister identified the extent to which electricity prices are hampering the competitiveness of small business in this province relative to other jurisdictions that have retained a regulated model? I know that this minister is not responsible for electricity, but I am interested to know whether or not his department receives complaints, concerns, whether it monitors that situation, whether it's done any analysis of the impact on small business, and whether it has any programs to offset the impact of those increases.

With that, Mr. Chairman, I'll take my seat and await the minister's response.

The Acting Chair: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much, Mr. Chairman. I would have expected shorter questions from the hon. member, but I'll try and muddle through that dissertation and give some answers. It really did tend to ramble, so I found myself engaged in other thought processes. I'll try and do as well as I can.

I think his first topic of discussion was natural gas and the export of natural gas, if I'm not mistaken. I guess I'd have to say at the outset, Mr. Chairman, that like everything this government does, it's market driven. We're not going to intervene. We're not going to set up regulations. We're not going to make rules for producers in order to either hamper or grow that industry. That is exactly the same for the natural gas industry. What I think the hon. member is alluding to is that he believes the Alliance pipeline was put in with the blessing of the Alberta government to export natural gas with valuable liquids through to the Midwest of the United States. What the hon. member is not realizing is that a lot of that natural gas comes from British Columbia, where it's not our jurisdiction to do anything anyway, and travels through Alberta in the Alliance pipeline into the Midwest.

But having said that, this government would never, ever mandate to the producers where they have to sell their goods, whether it's

natural gas, whether it's agriculture, whether it's forestry. It makes no difference what the industry is. That's not a principle we operate on. What we do operate on is setting up the best business environment for those operators, and they're some of the best in the world. The hon. member has alluded to the riding of Clover Bar-Fort Saskatchewan. You're right: they are some of the best in the world. They are working in that area because of some foresight. The Hardisty hub comes to mind, where a lot of the natural gas and oil that's extracted from this province ends up, and then it's a market-driven cost. Now, is it cheaper in the Louisiana gulf? Yes, it is. They don't have the transportation costs. It's a spot price commodity. It goes cheaper. But in Alberta we've taken away the provincial sales tax. We have a low, broad-based corporate tax. We have low income taxes, a highly skilled workforce so that they choose to operate in Fort Saskatchewan and Joffre and the various places around the province on a market-driven model, and that's what we're going to support.

Now, how are we going to ensure that those industries keep growing? That ties into the hon. Member for Edmonton-Glenora's question: our international markets. Currently we are producing by-products from natural gas that are shipped by the trainload to Taiwan to be processed into the final commodity, which is clothing, and then shipped back in many cases right to Alberta. So our value-added strategy is saying: why are you doing that? Why would we not convert those polymers and chemicals into the products that we can make here? Plastic bottles come to mind. We want to identify why that's happening. It's not for the government of Alberta to go to the producer of the commodity or the end user and say: this is how you will do it. That's not what we're talking about. We're saying: why aren't you doing it? We feel that that's a better model.

The natural gas liquids that you are talking about are sitting in huge abundance in Alaska, and our understanding is that that will be developed when it's economically feasible. Now, that means that the \$10 billion or \$12 billion that it costs to build that pipeline, which will come right into the Hardisty hub, northeast of Alberta here, will happen, and it'll happen in our lifetime, and that is where we believe the sustainability of that industry will come from. Also from the tar sands. There is a massive amount of by-product from that mining extraction process, and there's a good possibility to use the liquids that are produced there in the production that you're talking about. So there are a number of opportunities, but not one of them will be mandated by the provincial government as a way you must operate. That's the simple answer to your question.

I think your second question went on to electricity deregulation, and I want to take you back to a preregulated model to answer this question. The overwhelming evidence was that with a regulated model and a fixed profit, et cetera, there was no new generation coming onstream. There was some expansion to existing plants, but the real need for Alberta, which ranged from about 7,500 kilowatts to 9,000 at that time, was not being met. As a matter of fact, like you're seeing in Ontario and other provinces, there were chances of brownouts and, indeed, blackouts. So the government recognized that to get new power generation, there have to be incentives, and since the deregulation has taken place, we've seen some 2,200 megawatts come onstream.

The really exciting part of this – and I'm sure the hon. Member for Edmonton-Highlands will appreciate this, given his philosophical bent – is that a lot of it is green. A lot of it is not done from extracting carbon-based resources. It's done through wind. It's done through biomass. It's done through the use of wood chips. People are starting to say that if there's an economic incentive for us to get involved in this business, which there is because they can now plug into the grid, which they couldn't do on a regulated model, they

can produce enough energy to support what they're doing and sell power into the grid. The absolute best example of this – and I know the hon. member will want to go out and tour this with me because of his love for agriculture – is a pig farm in the Viking area. That farmer has gone with worldwide technologies and is now trapping all his pig manure and putting it into a vat, heating it up. Methane rises out of that. It's trapped in a bubble. He fires a generator, powers up all his needs for his farm, and puts enough back into the grid to get \$300,000 into his jeans. So he's gone from a net user to a net contributor, and he's paying for the thing in four years. That all happened because of deregulation.

So has it been as wonderful as it could've been? Probably not. When you say statistics in business like 28 to 31 percent dissatisfied, to me, when I had my own business, that's standard. You're going to have five guys that really like what you're doing, you're going to have two or three that are okay with it, and you're going to have two that don't. That's just standard. What we have to do is get to the next level. When the deferral accounts come off in December – and I know you know all about this because you talk about them routinely – we hope that natural gas, which is a world commodity price which is used to drive a lot of our power generation, comes down, and it will. Those things combined will see power bills get lower.

But what we cannot forget that's happened in the meantime is that the new generation – and I know the Minister of Energy will know more about this than I'll ever forget – has allowed Alberta to consider when all our needs are met and the costs come down maybe being a net exporter like British Columbia, Manitoba, and Quebec, who make several billions of dollars a year exporting their power because they've gotten to that point. It's clean power. It's hydropower. Alberta is not as blessed with the hydropower that we'd like, but we are dealing with it. We're looking at new ways to do it.

[Mr. Tannas in the chair]

9:20

The final comment I'd like to make to the hon. member – and I know he'll love this – is that the Alberta government just signed an agreement that now, I believe, and I could stand to be corrected, 90 percent of the power that the Alberta government uses – and we are a huge power consumer, as you can imagine, with all the buildings around the province – is now produced by green. That's something that I don't think would have happened under a regulated model.

The Chair: The hon. Member for West Yellowhead.

Mr. Strang: Thank you, Mr. Chairman. I'd like to pose a few questions to the hon. Minister of Economic Development. First of all, I must compliment him on his passion for the way he carries out his business in Economic Development.

I guess the one thing I'm wondering about is your goal 3. Then if you look at the different impact measures that you're having, in light of what's transpiring now with the SARS episode and the increase in our tourism dollars of the \$7 million, how do you profess that we're going to uphold some of these numbers? I guess the one that I look at is on page 116, 3.2, where we have the aspect of Europe, Asia-Pacific, United States. I think we would more or less concentrate on that because what's transpiring now with a lot of wonderment, especially in one of my areas – namely, the municipality of Jasper – is they're really concerned with the aspect of what's going to transpire this summer. Of course, you know, they've really worked hard on the British market to bring them over because they've proved to the British that they can ski in Jasper cheaper than

they can go to the Alps, and the experience is just as great. So I'm just wondering how he's going to change those factors or how those factors in his performance measures are going to work out in light of what's transpired in the world today.

I guess the other thing that I wanted to talk about was the added value, especially in the lumber business and what we're doing now with the softwood lumber embargo that we have with our neighbours to the south. I'm just wondering what aspects he's looking at within his department to make sure that we're looking at some niche markets that we can review and try to help some of these other companies now that are trying to get into new products to ship down to the United States or to other markets. I guess what I really look at is: how are you working with the secondary manufacturers? As you realize, for anything that they buy, they have to pay the full price from the primary manufacturers to make any commodities that they are looking at to enhance or value-add to move into other places within Canada or within the United States or abroad.

So if you could answer those few questions, I'd certainly appreciate it. Thank you.

The Chair: The hon. minister.

Mr. Norris: Well, thank you. I would like to thank the Member for West Yellowhead for his questions and also his endless and enduring passion for not only tourism but for coal. Recognizing that his riding is in the heart of both the major parts of the coal industry and tourism in Alberta, he has his hands full and does a remarkable job.

What we are trying to do with the added dollars that were granted to us in the last budget go-round is to identify the markets that we have been building on. You rightly determined that the United Kingdom is one of them. We also know Germany is a huge destination for overseas visitors, as is Japan. Our message quite simply is that Alberta hasn't changed. The experience you'll get is a friendly one, a hospitable one, a very, very value-conscious one, and experiences that you will not find in any other part of the world.

When we talk about what's happening in the world right now, I want to make one thing abundantly clear: Alberta is not in a vacuum as to what's happening with tourism. SARS is a worldwide epidemic. The campaign on terrorism is worldwide. So it's not limited to Alberta. While I sympathize greatly with the tourism operators in Alberta – and we are doing everything we can to mitigate these situations – it needs to be said that it's not Alberta alone that will suffer.

So have we in response to that taken our numbers down, taken our goals down? No, we haven't, and we haven't done it for a couple of reasons. I know that the hon. Member for West Yellowhead is a big fan of the Olympics, like me, and I know that he probably gets as frustrated as I do when athletes say: well, we'd like to finish in the top 15. Well, that's to me not the way to do it. Either you're going to get a medal or don't show up. So we acknowledge that in Alberta our targets are very high – they're remarkably high – but we know that we have the best tourism operators in Canada, and we know that we've got a program that we believe will work. So we're not going to adjust down. We're going to keep the goal high, recognizing that there are many forces in the world right now that may affect that.

So our overall program quite simply will be to keep going straight ahead. We've now taken some money out of the budget that was not allocated previously for our Pacific northwest campaign. We're hoping to leverage that with the Canadian tourism council and industry to get a significant amount of money to target that to help offset some of the cancellation of the tours that are happening but recognizing that that's not a problem specific to Alberta.

The other part of the equation, too, is that we continue to diversify

our market to where we're going. We have campaigns going now in Illinois, in the Houston area, and in Los Angeles. We found that while they might not have direct flights into Alberta – in most cases they do – those are really good markets. Minnesota is another one, and that was part of our trip recently, to talk to some of the airlines and say: do you know that if you have a direct flight from Minnesota to Edmonton, for sake of example, it will more than likely be sold out on a regular basis, three times a week? We're hoping that they'll take heed of that and bring in new tourists so that while one market, who are international travelers, might be decreasing, hopefully the rubber traffic and the direct flight markets will increase.

Do I have the answer as to whether that's going to mitigate the loss? No, I don't. My gut feeling tells me that we're going to have to work very hard, and I know our department is sitting here listening with much anticipation because we are going to do it as a team. With the industry in Alberta I think we're going to get over the hump, but we are in for tough sledding. There's no doubt about it.

With the response to your value-added question regarding lumber, the hon. minister of intergovernmental affairs is obviously the lead on that file. I know that's a more Canadian issue because of all the lumber that is produced. I believe 67 percent of it comes from Quebec and British Columbia, and Alberta accounts for some 12 percent of the national total. So as go Ontario, Quebec, and British Columbia, so goes Alberta. That's the common wisdom.

Could we have a made-in-Alberta strategy? That doesn't work in industry-specific areas such as forestry, so we're hopeful that the issue will be resolved by the federal government, who is dealing with this file. It's gone on longer than anybody would want. There has been a lot of pain in the Alberta industry. We know that, and part of the reason we're going down to Washington at the end of this week is to address those issues with the people there. We're trying to get meetings with, I believe, the secretary of industry to talk about this from an Alberta perspective and maybe let them know that these tariffs are not only not right, but they're hurting an industry when their belief system is incorrect. They believe they have to do this because they think the Alberta government and others are unduly subsidizing that industry. Well, I think the hon. Member for West Yellowhead and others who are involved in the forestry industry know that's not true. It's a very fair commodity price, but they have targeted that, and I think that in some responses to antiquated mills in the North Carolina/South Carolina region they don't want to upgrade. As a result, they're trying to protect that industry, which is wrong, but it goes through a process with the World Trade Organization, and it's very lengthy.

What we are doing, however – and I'm very proud of this – through Forintek, which is a federal/provincial and industry-driven body that operates out of Vancouver, with an office here in Edmonton, is looking at new ways of taking wood products and taking them to the next level of value-added so that products that used to be maybe waste would now be good for particle board or any number of things, oriented strand board. We're doing that through a granting mechanism through our department, through the department of western diversification through the federal government, and industry. They're doing some remarkable things, and they're becoming industry leaders in saying: you don't need to do this with wood specifically; you can treat it this way or that way. And it's working very well.

The other thing that I'd like to point out – and, again, it ties back to our international offices – is that we are trying to identify new marketplaces, like China, for sake of example, and Japan, who typically do not use stick-built homes but are now looking more to that. As the market economy of their country explodes, they're

looking for housing. The traditional cement and cinder block won't do, so they're looking at other ways, and they're now saying: well, maybe wood is one way to go. If we can target that market and get out there first, which I think we're doing a fairly good job of through our offices, and there does become that demand, then you diversify away from the United States and you get those new markets and you start growing that business. So that's really how we're dealing with that situation, hon. member.

9:30

Ms. Carlson: I would like to remind the Minister of Economic Development that it's been a Liberal policy for at least a decade that the hotel tax should be dedicated marketing dollars for the industry, and we've always supported that. So we would be very supportive of that coming forward in some future budget, and we're looking forward to having seen that happen this time.

I just want to go back to the regional development strategy for a moment of two. You have generally talked about it and talked around it a little bit, but we see that in your business plan you talk about that as a focus. I would like to know how the value-added program fits into this. Do you actually have a copy of the regional development strategy, or is it just something within the department? Are there regional goals and priorities, and is there an action plan? So if you could just expand on that a bit.

Mr. Norris: Well, at the outset, Mr. Chairman, I would like to thank the hon. member in advance for her, no doubt, positive comments when we are successful with the hotel tax. It's now on record, so I can only assume that it'll be a joyous day for all Albertans when that takes place, and thank you for that.

With regard to the regional development strategy, yes, that is part of our business plan, and what we look at is growing the regions with the particular areas. I referred to some of the groups that are ongoing. At this point there are some seven that have now gone through the process, which is forming a corporation, defining what their parameters will be, submitting to us a business plan, and then signing on with us in the form of a grant that is used to implement their business plan. In the case of the international region, which is Leduc, Nisku, Millet, et cetera, their business plan called for getting a world-class web site that accesses every particular piece of property and opportunity there. We were in Nisku last week to launch it. It's a brilliant opportunity, and it works very well.

So each region has different opportunities and goals, but they set them out in their business plans in conjunction with our department. We don't go to CAEP, the central Alberta partnership, for sake of example, and say: this is what you must do in the Red Deer and central Alberta area. They come to us with a business plan and say, "Does this fit in with the overall strategy?" and we say yea or nay. As I said, to date there are a number of them. There's Grizzly in northeast Alberta. There's GROWTH in north-central Alberta, PREDA in the Peace River area. There's a new one forming in the far northwest part of Alberta called REDI. Palliser in southern Alberta. On and on it goes.

There is a strategy to get the province sectorized into marketable regions, and once we accomplish that, then the marketing of those regions becomes very simple. We say: "What are you looking for? What is it? Lots of sunshine for growing? Is it access to water? Is it rail links? Is it close to the Canamex corridor? What are your needs? What are your parameters? What kind of property are you looking for? Is it large, small, et cetera?" And that's the whole process, but it's not so much government driven as it is government assisted with the regions.

Working with the municipalities has been remarkable. At the

outset of this program there was a lot of fierce rivalry, as there is, for sake of example, between Edmonton-Calgary over sports, et cetera, and what we've seen happen over the period of time is that these towns and villages are putting away those rivalries and saying: "Yeah, we agree. It's better to market this region, so that's what we're doing." Our eventual goal is to have the whole province sectorized into regions that they determine, not us.

The most unique one that we signed on recently was Wetaskiwin-Millet, and it's unique because the riding is Wetaskiwin-Camrose. As you would imagine then, you would think the economic region would be Wetaskiwin-Camrose, but it was determined by those people, not my department, that Wetaskiwin had more in common with Millet, and that's the region. We let them determine it. We let them sign it on. It's an ongoing thing. It's a business plan that's reviewed, and it's working.

The Chair: The hon. Member for West Yellowhead.

Mr. Strang: Thank you, Mr. Chairman. I'd like to just question the minister on the aspect of coal. As he realizes, the coal industry in Alberta has changed dramatically, and as we realize now, we only have a couple of players. Basically, in the thermal coal we have Luscar Ltd. and Sherritt International, and of course the Ontario teachers' pension plan is looking at the aspect of thermal coal. What transpired in my region just recently is in the neighbourhood of 495 people being laid off before the first week of May, and I'm just wondering what his department is doing about looking at markets in the area. I realize that we have strong competition from China now.

Then on the metallurgical side, of course, we've got new players there too, and the big thing we're looking at now is with Cominco Teck as the operating company, and then we have the aspect of Fording Coal/Canada Trust holding the rights. I'm just wondering what we're doing with these corporations to sort of overall look at trying to merchandise their products with the different international offices we have now in the different areas. As you realize, it's certainly helped, especially in West Yellowhead, but I know that my colleague from Livingstone-Macleod has people in the Crowsnest Pass area that have been hit quite hard. So I'm just wondering how we're working that type of a mechanism so that we can sort of give an upper hand to them to try and look at helping these companies merchandise and possibly open some doors so that we're able to merchandise these two types of coal.

The other thing, too, is that we're working with Grande Cache Coal Company in Grande Cache to reopen the old Smoky River Coal mine there, and I'm just wondering if we've done any preliminary work there on the aspect of working with them in looking at metallurgical coal. Then that would be the only one now in Alberta that would be able to be in operation. As you realize, the other consortium of Fording Coal/Canada Trust decided to shelve the Cheviot project for now, and basically they've stated that it's not if Cheviot is going to go; it's when. So basically what we're looking at is only one metallurgical coal operation that can operate in our province. So if you could give me some insight on what we're doing in that line, I'd greatly appreciate it.

Thank you, sir.

Mr. Norris: Well, I guess I would at the outset say to the hon. member that his premise that the coal market has changed is indeed correct, and it comes with a lot of challenges and a lot of heartache. Quite frankly, there's a changing industry, and there are people that are not working in the industry where they used to work, and that's of grave concern not only to this department but this government as whole. As you know, the target of full employment is really what

we're looking for in any industry, and the sad reality is that in some industries you can't find labour and in other industries it's changing dramatically, and this happens to be one of them.

At the outset a lot of our market was driven by requirements overseas. Certainly, Japan was a huge user. Two things have happened to that. Obviously, Japan's economy has suffered immeasurably over the last few years – whether they're going to get it back or not is anyone's guess – and we were undercut by Australian markets, who developed their markets and went and targeted our clients, and because of the cost of shipping and the closeness and all those things, we lost out in that marketplace. We do hang in there because we still have some of the best meth coal going, but it is a challenge; there's no doubt about it.

I guess what I'd like to direct your attention to, in our efforts to deal with this, would be under our value-added strategy to look at clean coal. I think the market has changed remarkably. If we're not supplying the mills and the coking and the producers with the coal, what are we going to do with it? Well, as the hon. Member for West Yellowhead knows better than I ever will, the supply of coal in Alberta is some 700 years based on current market demand, and we are fortunate to power a lot of our electricity through coal. So that demand is going to stay strong, but that's for a specific kind of coal. I think what we have to look at as the Alberta government – I know the hon. Minister of Innovation and Science has put some money into this, as has ASRA and AERI – is to get to a stage where we do have clean coal, where we get to a technology where it is acceptable to talk about coal as a source of efficient, Kyoto-friendly power. Our department now, under our value-added strategy, is working with the Minister of Innovation and Science to get that process sped up. I believe that is going to be one solution. It's not going to go away. That resource is still under our feet. It's still going to be required for the generations out at Wabamun and Sheerness and Keephills, et cetera, but you're talking about a more global situation, and it has to be dealt with with the reality that the global marketplace for coal is not that great right now, and what do we do about it?

9:40

As I said, I think clean coal is one solution, and I know that our department, through a man you've worked with an awful lot, is looking at other markets and trying to increase our penetration back into those markets. But as I said, if it's competing with Australia or China, which is coming on great gangs and the cost of transportation and the distance of transportation is that much less, we have a problem. One bright spot in that, though, of course is the port at Prince Rupert. We are now doing some work with the government of British Columbia and the federal government to say, "Listen; that's one of the last deepwater ports on the west coast, and it's totally underutilized." It's completely underutilized, and the Alberta government has a good stake in seeing that utilized more so that we can cut shipping time and costs down, and maybe that's part of the solution as well.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Chairman. I need to first of all respond to some of the minister's comments on electricity deregulation. It's fundamental to the economic well-being of this province, to our economic development. Alberta's low electricity prices used to be trumpeted, in fact until 1999, I think, or even 2000, by the Department of Economic Development as a reason for businesses to locate in this province. We have lost that advantage. The minister has cited some examples of benefits from electricity deregulation, but I just need to challenge his history before I move on to my question.

Alberta developed a fabulous supply of power generation under a regulated system through the '70s, when annual demand for electricity was rising at 10 percent a year, double what we've seen in the last few years. A regulated system responded very effectively, ensured adequate supply and competitive price. We had an entire power generation and distribution system that worked extraordinarily well, was profitable for the utility companies, low cost, high reliability under the regulated system. There were problems with deregulation. There are problems with deregulation. I would argue vigorously and I'm sure that the minister would argue back vigorously that the costs of deregulation have far outstripped the benefits. Our own calculations suggest that at least \$5 billion has been lost to Alberta consumers through far higher power costs because of deregulation. Check your history. There were very good things happening under regulation. My strong suspicion is that improving the regulated system would have been far preferable than what has happened.

My question to the minister is not on electricity however, but it is on related sorts of things. It's on the theme that I started at the beginning, which is responsibility and the lead players, the lead ministers for different areas. I am referring again to a report that I think should be mandatory reading for every MLA, the one released today by TD Economics. Lots of good news in it, absolutely. But there are warning signs in it. One warning sign here, page 19: "Shortages of natural gas and ethane pose a major challenge to the Corridor's recently-burgeoning petrochemical and refining industries, as well as related-services businesses." My first question to the minister is: among all the different ministers in this government, including the Premier, who is the minister responsible for the Public Affairs Bureau – but let's not pass the buck to the Premier – who in the government is responsible for watching in the long term on behalf of the welfare of all Albertans the supply of feedstock for the petrochemical industry? Is it an Economic Development issue, is it an Energy minister's issue, or somebody else's?

My second question is on the same theme. I refer to the same report, this time page 24, and I'm going to quote a couple of paragraphs.

The province's high productivity performance has been a major driver of living standards in recent years. But, a closer look reveals that it rests on a shaky foundation. Specifically, if the highly-efficient oil and gas sector is stripped away, average productivity in Alberta is only slightly higher than in other Canadian jurisdictions and below levels recorded in the United States.

The same kind of question again, and all I'm trying to do from an organizational perspective is make sure that the tail is pinned on the right donkey here. You like metaphors, Mr. Minister. So who in the government is, if not leading the charge, at least minding the issue of productivity? Is it Economic Development? Is it somebody else? I want to know that somebody over there goes to bed at night thinking: I'm the lead person with that problem, and I better focus on it.

Mr. Norris: Well, you know, when you talk about pinning the tail on the donkey and you talk about bloating and all these kinds of things, I'm going to get hurt feelings here. I'm not sure where you're going with this, but, you know, where's the love? What's the deal here? You had, like the hon. Member for Edmonton-Highlands, a rambling bunch of comments, so I'll try and pick through what I thought I heard you say and answer the questions as best I can.

Electricity. Your comment was that you would disagree with my premise, and your premise was that under a regulated model we would be better off. Well, we're not going to have that discussion because we're not under a regulated model anymore, and we're not

going back to it. As Minister of Economic Development one of the joys that I have on a daily basis is seeing the untold success stories of Alberta, and I always ask the question when people say that, and I did when I had my own business: if it wasn't here, where would you be? Why have 500,000 Canadians since 1993 chosen to make Alberta their home? Why has our small business rate and our big business rate risen faster than anywhere else in Canada? I'm not going to go on because you've heard me do this before, but you have to ask yourself: fundamentally, why are people choosing this jurisdiction?

Now, is electricity one part of that? Sure it is. Nobody would deny it. But does it put Albertans and Alberta companies at an unfair disadvantage the way it is now? No, it doesn't, because you're not factoring in having no provincial sales tax. You never factor in the fact that we have the lowest capital gains tax, lowest corporate taxes, and lowest payroll taxes. So you add those things up. I talk to industry on a daily basis. I travel around and I ask them, and they say: boy, are you guys in Alberta getting it right. Are we getting everything right? No. Who does? I go home every night and I'm told how much I get wrong. That's just the way it is, but that's my wife, and that's a different story.

Anyway, the bottom line is when you analyze things in this context, when you pick out one piece of it and say: what about this? Yeah, you're right. Has it changed? Sure it's changed. Has the Alberta advantage been diminished by it? I would say no. I would argue that it hasn't, and I will undertake to give you statistical data that backs up what I'm saying because I see it on a daily basis.

But I'd also ask you, hon. Member for Edmonton-Riverview, who I presume owns a house there, and Edmonton-Ellerslie and Edmonton-Centre, have you seen your property value go up? Have you seen your wages go up? Well, we've all changed jobs recently so that might not . . . All the indicators that we look at that nobody ever talks about. You're building a life for yourself here in Alberta that's better than anywhere else in Canada. Are there concerns? Yes. We've never denied it. Has the Minister of Energy ever said that it's been a smooth road? No. I think his term is that there are midcourse corrections. But at the end of the day I keep asking myself when I hear these things: why are people coming here if it's so bad? So I'll leave you with that comment.

With regard to the lead player on who's watching the store, I think you said, or watching the future, I don't think you understand the process of this government, so I'm going to try and share that with you. The process of this government is team, and I'm not going to be aggressive or abusive and say there's 74 of us and seven over there. We don't operate with me saying: "I'm in charge of this, so nobody else look at it. I'm in charge of signage, so, Minister of Transportation, don't come looking at it." We don't do it that way. That's why I was trying to explain that under our overall structure in Economic Development we touch all departments because, really, they all have something to do with it.

9:50

Who's the lead on looking after feedstock? Great question. If you want me to say that I am, I will, but I know that our department works on a daily, if not hourly, basis with the Minister of Energy's department to ascertain where things are going. I know that the Minister of Energy works with the Minister of Finance to predict where the prices are going. I know that Sustainable Resources works with Environment to find out our policy. It's a question, hon. member, where I could make up an answer and say, "Well, he's Minister of Transportation responsible for roads; the Minister of Sustainable Resources is responsible for forests," but that's not accurate. But it's also not accurate to say that we don't work

together. If you're worried about feedstock, I can tell you that there are at least three departments that work on it. If you wanted to point to a lead department, you couldn't, but that's not a bad thing. That just says that our departments are talking to each other.

On the other comment that you made, about the TD Waterhouse report that came out today, I would respectfully disagree. You said that it was good news. I read the report. I thought it was absolutely great news on so many different levels. What it did do was reaffirm that the class of '93, which deserves our respect, and Premier Klein went on the right course and created a business environment that's second to none in Canada, and the growth of that corridor that they were referring to is mirrored all over all Alberta. There's no denying it.

Now, what it did point out is that if you were a business owner and you had a consultant come in and say, "Where are you going 10, 20, 30, and 50 years down the road?" these are some things you would look at. Your labour force is getting old. Well, fine; I'll look at ways to address that. And we have. We've increased spaces in SAIT and NAIT. We're looking at increasing spaces in Grant MacEwan. I know the hon. Minister of Learning is working on programs with apprenticeships. We're dealing with that, but you have to identify the concern before you can find the solution. Otherwise, it doesn't work.

So what I think I would comment to you is that the TD report confirmed what we thought was right and pointed out where we might get better. That's not a bad thing. What we have to do with that report, if we take it under advisement – there are a number of reports. The Pembina Institute comes out with a report every other week lately, so we could factor those ones in. What do we do with them? Do we listen to everybody, or do we stay the course? I think as a government we're going to stay the course because we're on the right track.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. This question is one that I would like answered in writing. Then I'm hoping that the minister will agree to accept the rest of the questions we didn't get to in writing, and after putting this on the record, we'll call for the question.

This one has to do with the business plan again where the department talks about supporting

Alberta companies pursuing capital projects financed by International Financial Institutions (IFIs) by promoting an awareness of Alberta within [these] IFIs, providing market intelligence on IFI opportunities, and building . . . awareness of IFIs' role in investment and trade.

We'd like to know those IFIs you're dealing with – there must be a list that you're targeting specifically – and the strategies you're using to promote them to Albertans and also any support that you're supplying to the companies in terms of coaching them on proposals or whatever you might be doing. If you could give us that information and why you chose that route instead of taking a look at developing a local venture capital market. If we could get that. Then I've got some other questions we didn't get to, to be answered in writing.

I would call for the question.

The Chair: The question has been called. After considering the business plan and proposed estimates for the Department of Economic Development for the fiscal year ending March 31, 2004, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:

Operating Expense

\$54,934,000

The Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Chairman. I would move that the committee now rise and report the estimates of Economic Development and beg leave to sit again at a later date.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Economic Development: operating expense, \$54,934,000.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? Carried.

head: **Government Bills and Orders**

head: Second Reading

Bill 18

Energy Statutes Amendment Act, 2003

[Adjourned debate April 16: Ms Blakeman]

The Deputy Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much. I'm glad I was able to be here to continue debate on second reading of Bill 18, the Energy Statutes Amendment Act, 2003. I have a number of hesitations with this act, and I'm unsure if I can support this in second reading, in which we're looking at the principle of the bill, because there seems to be a number of things that are being ventured here without clarity. So I'm looking forward to the debate in Committee of the Whole because I am hoping that there would be some additional explanation that can be provided. I have gone back and read the introductory remarks from the sponsoring member and am looking forward to additional background.

Essentially what I see here is additional power being given to the minister, and I'm a little cautious about that because it's around energy statutes and, based on experience with Bill 19 and Bill 3, that hasn't been a particularly happy experience, I think, for people in Alberta. So I'm cautious about more power and more regulatory power being placed in the hands of the minister.

Part of what I'm sensing from this, but it isn't so much spelled out in it – and I didn't hear it from the introductory comments from the sponsoring member – is that this is about some uncertainty or trying

to create some uncertainty without actually doing it around coal bed methane. There's too much being left behind the usual closed doors. "Trust us, and we'll do everything behind closed doors, and it'll all work out." I don't have a lot of reason to trust the government.

So I've got a couple of questions. How exactly is it anticipated that this act will improve how mines and minerals royalties are collected? I'm interested in how the government views that.

We also see a number of amendments, particularly sections 38 and 39 of the Mines and Minerals Act, that provide for changes to the calculation of royalty rates, but it's not clear how these changes will improve the royalty regime, and of course that's really the royalty regime that benefits all Albertans.

10:00

Now, as everyone here knows, I am an avid reader of the Auditor General's report and in fact keep a second copy underneath my desk for handy reference. The Auditor General has made a number of recommendations with respect to the royalty reduction programs that are offered by the Department of Energy. In particular, he is claiming that the Department of Energy does not disclose the costs of these programs. So another of my questions to be answered is: how will Albertans be able to determine if the royalty calculation section proposed in this act is fair? How do we know it's fair before we support the bill? I want to know that it's Albertans that are really going to be gaining from the changes that are being proposed here. I'll come back to the coal bed methane later.

Why do I see the minister being given the power to determine the application of payments? Under the current Mines and Minerals Act the order in which the money is received from the Crown will be applied. The current system provides clarity and fairness for all of the stakeholders, but that same clarity and fairness are not carried forward into the proposed section 11, so it is making it difficult for stakeholders to plan and to budget accordingly if the order of payments is left to the minister's discretion.

Now the coal bed methane. Why is coal bed methane being included in the Mines and Minerals Act when the department, as far as I've seen – I've seen no press releases; I've seen no reports; I've seen no traveling MLA reviews – has not completed a plan for coal bed methane? Now, this is new. This is not something that we have a long history with. We have some examples that we can look to in the States. We know that there are a number of problems around coal bed methane. We know that there are issues around the high density that's required, the number of wells that are required in a small land mass to draw this up. There are questions about water use: how much water is used, what's done with the water that comes out, how much water is going to come out and whether it's saline water or fresh water, how to make sure that the two kinds of water are not mixing in the aquifers. There is a whole issue around water and coal bed methane and long periods of flaring that can precede the commercial capture of the methane gas. So there are a number of issues here around coal bed methane that are new issues, if I can call them that.

I haven't seen a plan from the government on how they anticipate dealing with any of this. Therefore, why is it being included in this act when we don't have a plan anywhere else? This doesn't make sense to me. I think we need to see what's being anticipated here or what the plan is before we put it into legislation like this. I would like to see an action plan from the government around this new technology before it's incorporated into legislation in basically a piecemeal fashion, essentially ad hoc, a little bit here, a little bit there. I'm not seeing an overall approach to this, and it needs an overall approach.

I guess that having said all of that, the answer is that I'm not

willing to support this act in principle because there are too many questions outstanding. Now, obviously, with the overwhelming majority the government is going to pass this through second reading, so I'll just be sensible and say that I want to hear the answers to these questions when in fact we come back to revisit this bill in Committee of the Whole, when there's more of an opportunity for a give-and-take and some longer explanations or repeated explanations from the mover of the bill.

So those are my concerns on the record around this bill. I am not willing to support it, and I look forward to further answers being supplied by members of the government. Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. Happy to have an opportunity to add my comments on Bill 18, the Energy Statutes Amendment Act, 2003, at second reading. I, too, read what the sponsor of this bill had to say and read the bill, took a look at it, and decided that this is exactly the kind of bill that I most detest seeing in this Legislature and one that tends to have me hold this government in less than high regard. It's another one of these bills that slides in as kind of a package deal where the government is positioning themselves to take a power grab, where we're going to see a lot more regulations made behind closed doors, where the sponsor of the bill can say: "Oh, you know, it's just minor. There are just a few little things, legislative clarity, effective rules, and enhancing collection practices." That sounds very nice, but in fact that isn't what's going to happen here when you scratch below the surface. So far we haven't seen any of our questions answered, so there's absolutely no way that I can support this in principle, particularly around the coal bed methane process that's now being included in here.

I will absolutely support any coal bed methane recovery process that is environmentally friendly, that uses state-of-the-art techniques, and that is subject to a reasonable taxation process.

Ms Blakeman: How would you know that based on this bill?

Ms Carlson: We would never know that based on this bill. That's very true, Mr. Speaker. Those are the kinds of questions that we need answered.

This bill is premature when it comes to coal bed methane. We know that there are a couple of test cases happening now in the Minister of Environment's riding, but that has just started to happen. It's not six months old in terms of a process. There's a great rush to the bottom now in terms of coal bed methane because we need the gas. Prices are spiking. It's a wonderful cash cow opportunity for both business and for governments, but where it has been practised so far in other jurisdictions in North America, there have been huge environmental issues around it. It's been poorly handled, and if it isn't properly planned out in this particular instance, the same thing can happen here. In fact, we could have some worse problems than they have in other jurisdictions because we don't have the same kind of base for the coal bed methane to come up through. There is no pool of sand for the methane to settle in and be nicely recovered from. They haven't figured out yet how to fracture the coal beds and capture the methane from the venting, so the potential for environmental risk at this stage is high.

We've heard the Minister of Environment talk about water recovery processes that they're thinking about and talking about and going to be planning and studying and looking at in the future, but there is no process in place right now. If that saline water gets mixed into the aquifers, we're going to have some serious problems in this province, a province that already has less potable water than any

other province in this country. When we take a look at even what they technically call the clean water or the fresh water that comes up from these sites, it isn't really fresh. It's contaminated with a number of minerals and other kinds of items like arsenic and mercury. How are they going to clean that up? Where are they going to put it? Where are they going to store it? What are all the management practices around that? There's a lot of information to be had before we're at the stage in this province where the government should be taking a look at bringing in this kind of a bill.

So we'll see if the sponsor answers some questions, and I'm hoping that when we get to committee, the Minister of Energy will also stand up and put his remarks on the record about why he thinks this particular bill is a good idea. As it stands so far, it doesn't look too promising. It doesn't answer the basic questions we have to ask of legislation when it hits this Assembly. Is it going to make the province a better place for people, for the environment, and for the economy? No, it isn't. If you mess this up and have environmental spills or have venting of methane, it's going to be horrible for everybody involved, for the communities, both the environmental communities in terms of the land and water and air base and for the people.

So those are the kinds of issues that need to be properly addressed up front rather than after the fact when the government goes once again: "Oh, well, there are some minor corrections happening here, but, you know, it's all going to be fine in the future. Don't worry; we'll fix it up by regulation behind closed doors." It isn't good enough, Mr. Speaker. It's certainly not good enough for me to support the bill at this stage.

10:10

Mr. Mason: I have a question, Mr. Speaker, for the hon. Member for Edmonton-Ellerslie. I'd like to ask the hon. Member for Edmonton-Ellerslie how much freedom she believes this bill may give to the minister and the government to proceed in a unsustainable fashion with coal bed methane extraction.

Ms Carlson: Well, Mr. Speaker, that's a very good question. As it stands and as it reads here, this bill gives the Lieutenant Governor in Council additional regulatory power and additional power to make regulations regarding taxation. We haven't talked about coal bed methane taxation yet and everything they can do behind closed doors. We don't have to see more legislation in here. We'll just hear announcements and press releases saying: oh, this is what we're doing with coal bed methane now, and this is why it's such a great idea. But, really, they won't provide us any scientific data or any background or any studies that they've done to prove that the way they're moving forward is good. We know that some of the research being done is being done well, and there are really good, positive options open, but we have absolutely no guarantee that this government will proceed in that kind of a fashion. If their huge mess and bungling of deregulation is any indication of what happens when this government races to the bottom, we could be in big trouble.

The Deputy Speaker: Further comments? Questions?

Mr. Mason: So, Mr. Speaker, does the hon. member actually believe that this could be as bad as deregulation?

Ms Carlson: It won't be a \$9 billion boondoggle, Mr. Speaker, but it could be an environmental disaster. If that methane escapes into the air or we see spills on the land base or unrecoverable water cleanup processes, we can see contaminated land for a long time, and the cleanup in those kinds of situations is significant. Some of it you

never properly recover from. So I'm also wondering in terms of that kind of cleanup about the kind of liability that landowners will be facing when they allow this government to go forward with those kinds of processes on their land if we don't have the proper framework put in place to begin with. I'm wondering if this class action legislation that we're seeing in this Legislature may be just in the nick of time for some landowners in this province.

The Deputy Speaker: No further questions?

The hon. Member for Calgary-Bow to close debate.

Ms DeLong: I just wanted to say a few words to some of the questions that have been posed over the several days that this bill has been in second reading. I just wanted to let you know that most of it will be addressed during Committee of the Whole.

I did want to just give a little bit of comfort. There's some uncertainty here, I guess. There are concerns about coal bed methane. All we're doing at this point is looking at the difference between exactly who owns the methane that's in the coal, whether it belongs to the person who's mining coal or whether it belongs to a different formation down below. It has nothing to do with the royalty regimes, as you were talking about. This is not dealing at all with royalty regime changes. Essentially, what we're dealing with is collection methods, but we'll get into all those details during Committee of the Whole.

Thank you.

[Motion carried; Bill 18 read a second time]

Bill 12

Financial Sector Statutes Amendment Act, 2003

[Adjourned debate April 7: Ms Carlson]

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. If I recall, I had just barely gotten started on Bill 12 last time mostly because we hadn't had a chance to get the feedback from stakeholders at the time that it was introduced. We've had a whole whack of legislation introduced in a short period of time without in many cases good briefings from the sponsors of the bills, and this would have been one of those. [interjection] It is so. So we can't get any information out of this government. We know that they like to do everything by regulation behind closed doors and what legislation they do bring in is quite closely held in terms of sharing information.

So what we see as one of the interesting questions on this bill, Mr. Speaker, is that it amends the Alberta Treasury Branches Act, and then it talks about other regulatory guidelines for ATB, and it amends some of the stuff in the credit unions system. Then plunked into the middle of this bill we have also a proposal to exempt employee benefit plans covering medical, dental, prescription drugs, and disability benefits from the Insurance Act. So our question is: why have you lumped a benefit program in a bill that's dealing with financial institutions – it doesn't seem to be very logical – or the consequential amendments to the Cemeteries Act and the Funeral Services Act? There must be some rationale for why these things are all in this bill. I can't see it here, and we hope that somebody will explain that to us when we get into committee.

We do have a few questions with regard to this bill that haven't been answered in the opening comments that we heard, so we would like those because subject to how the answers to the questions are given, this may be a bill that we will support because some parts of it sound like it's a good idea. We do need the financial institutions

in Alberta to be strengthened, and we do need them to be able to compete on an international scale if we want to retain any kind of Canadian ownership, I believe. With globalization there are some things that are better on a larger scale and some things that are not, and I prefer to keep my money here in Canada with a Canadian company if possible, and I know that that sentiment is shared by many people.

There are definitely a number of issues that have to be more closely examined before it's passed. So I'll put some of these questions on the record now, then hope that they are answered at the beginning of the committee debate.

Generally, we believe that these changes are significant because they affect the operations of the financial institutes. The concerns with the ATB and the credit unions we think are somewhat different and would be more properly addressed in separate legislation in small bills. It's never been my experience that a credit union wants to be compared in the same breath to the ATB or vice versa. So we're wondering what the rationale is for including them both in this particular bill.

It's almost like an omnibus bill that we see sometimes in miscellaneous statutes which we would not agree to when it has these kinds of significant changes. Someone needs to explain to us why we should agree to it here. We've known for a long time that omnibus legislation creates more problems generally than it solves, and we've seen that time after time here in the Legislature. So we need to figure out why the government is doing that, and it really helps if they just tell us. [interjection] Yeah, well, it's likely that we have to guess, but, you know, omnibus legislation, particularly dealing with financial institutes, can never be a good idea, seems to me.

So what other options did the department consider to bring this legislation up to date? Why didn't they go to little separate bills that would be very easy for us to pass in a speedy fashion? Who did the department consult about using this kind of omnibus legislation? Tell me that the credit unions are happy; tell me that the ATB is happy. I doubt it very much.

In terms of the ATB we see that now the ATB Financial will be able to serve as a financial leasing corporation and own insurance brokerage subsidies. Has the department done any analysis to determine how the bottom line of ATB Financial will be affected by this act? Clearly, it's going to increase. By how much? Have they done any surveys on how this is going to impact existing providers? This has been a hugely controversial issue. You walk in the door of these institutes and often you're a captive market. If investors are not sophisticated or have the time to shop around, ATBs will, I believe, perhaps have an unfair advantage. So how does the department address this?

10:20

We hear every two or three years rumours floated that the ATB is up for sale again. How's that going? Will these amendments make it more attractive to outside markets? If they could answer those questions. How do you see the ATB financial services improved for customers with this legislation?

To some extent the same questions apply to the credit unions. We like the credit unions to have the insurance brokerages within them. They've been asking for these changes for a long time so that they can stay competitive, and it's nice to see them here. But still a few questions, and one of those is that in one part of this bill credit unions are going to be allowed to use any means to contact the owners of unclaimed accounts. What exactly does that mean? Are there any limitations? What processes do they expect to be used? Why was it worded like this in the bill? It sounds somewhat negative in the manner that it's presented here. What are the rules

and regulations under FOIP in terms of personal information? Does it have to be an employee of the credit union? Can they farm this out to somebody else? All those kinds of questions we'd like to have answered.

Now, it also talks about in this bill the credit unions being allowed to operate as any prescribed business, and there's no definition in the bill that I could see of prescribed business. Can they tell us what that is? Does that then meet with the original purpose of credit unions in this province, or is it starting to broaden their mandate to a point that takes them outside the original intent of having credit union services?

I think those are the two key issues, the credit unions and the ATB, that I wanted to talk about. I have some questions around the Insurance Act and public-sector pension plans, but perhaps we'll see what kind of an overview the sponsor of the bill gives us in committee, and perhaps those questions won't need to be asked.

So those are my comments at this time, Mr. Speaker.

[Motion carried; Bill 12 read a second time]

Bill 28

Freedom of Information and Protection of Privacy Amendment Act, 2003

[Adjourned debate April 15: Mr. Lukaszuk]

The Deputy Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you. Thanks for an opportunity to speak in principle on – I'm not sure if it's for or against – Bill 28, Freedom of Information and Protection of Privacy Amendment Act, 2003. Now, I know that this is partly the memorial bill for the Member for Edmonton-Castle Downs.

An Hon. Member: What?

Ms Blakeman: Yeah, well, this was the one where he was very keen on getting into the newspaper for going up against one of the parking companies who was able to access home addresses and send their bills out through it, and this got him a lot of press in the summer a couple of years ago. So that's why it's a memorial bill for him or commemorative or however you wish to put it, but I don't think that's enough to be approving of this bill.

There was an entire freedom of information and protection of privacy road show that happened. I'm sorry. It was actually called a special select FOIP review committee, not a road show, and I was expecting much more of the work that was done by that committee to show up in this bill, which is part of the problem that I'm having with it, that there are a number of areas that should be in here and aren't. So why aren't they? What was the hesitation? The work was done by the committee. It was brought forward in their report, tabled in the House. Where is it? It's not in the bill. Why not? So the member should be able to tell us that.

Once again I'm assuming this will get passed into Committee of the Whole, and then we should be able to get some pretty clear answers about what happens there. I mean, I had looked for there to be some improvements with FOIP, particularly around people's access. This was supposed to be enabling access, and some of the common means that are used, mandatory and discretionary sections that are used to get out of providing people with information I expected to be reduced, and I'm not seeing that particularly here.

There were a couple of things that I was pleased to see. One is right in the beginning where we're talking about including biometric information under the definition of personal information. I think

that's excellent, and I was looking for that, and I'm really glad to see it here. Essentially, what that's doing is specifically saying that things like fingerprints and blood type, genetic information, those kinds of distinctly identifiable sort of DNA kind of information bits about somebody are going to be covered under this and included as personal information, which is a good step, but some of the other things are a little confusing, so I'll look for some clarification on that.

The registry is being clarified by what is meant as a registry, but then it goes on and talks about "authorized or recognized by an enactment." So I'd ask the sponsoring member to please table in the Assembly as part of the debate on this bill a list of exactly all the registries that would be captured by this amendment, because to just say a registry is "authorized or recognized by an enactment" – how or what? Somebody is supposed to plow through every single amendment that exists under the province to find out whether or not the registry is captured or not? It's not clear enough, and it needs clarification. So table the list or amend this so it's clear exactly what's being contemplated.

Also a little confusing is the section where it talks about the elections. Now, I don't know if this was anticipating the minister of health's decision not to hold further elections of the regional health authorities or understood that at that time the minister was going to disband the elected bodies and just go with appointed ones. It's just not clear what's meant in this section. I'm asking for an explanation on it because it's talking about an election. But if a board of an agency elects an executive, does that count under this definition? It's probably that they meant to be talking about citizens in a community electing it, or maybe they meant under the Local Authorities Board. It's just not clear, and under FOIP that's not good enough. This has got to be clearer, so let's have that nailed down.

We also have this odd phrase about "in the prescribed manner" which is appearing. It's talking about: the third party has in the prescribed manner consented to or requested disclosure. What exactly is the prescribed manner? What's being contemplated here? Is this going to be made clear in regulation? I hope not. I hope that it's spelled out clearly in the legislation, because otherwise this gets pretty darn confusing. So I need the sponsor of the bill to commit to share with the Assembly exactly what he understands this to mean, or maybe the chairperson of the special select FOIP committee could expand on that.

10:30

There also needs to be some clarification around: providing the notices must be given to. Does that mean the third party has to have received the notice? Will that impede giving notice in compelling circumstances where, for example, time is of the essence? In a different section there is a definition of what's meant by given to a person, but it's not clear if that's what's being intended in this particular bill. There seem to be four different ways that notice can be given, but you start cross-referencing with some of the others and then it gets confusing. So I'm asking for clarification around that as well.

This should be a very useful bill to many people, and without having to work very hard, I've already come up with half a dozen areas that need pretty clear clarifications. I'm going to ask that we get that kind of clarification from the sponsoring member and that some of these new definitions, particularly in the beginning sections, are spelled out and we get the examples that I've asked for, that we get the tablings brought forward and tabled in the House so that this is clear to everyone. This is a piece of legislation that we all use. It's now going to be expanded to the business sector. There's

certainly been a plea that we please get on with it because the business sector is waiting for this, but it has to be clear. We cannot do this to people when there's that kind of uncertainty around the definitions in this bill. So I'm going to ask that some additional work be done on this and that the explanations be provided.

At this point I want to support this, and I can't. It's just not good enough. So with that, I'll see if I can get some responses that are enough to make me change my mind. Thanks, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. Happy to participate on Bill 28, the Freedom of Information and Protection of Privacy Amendment Act, 2003. I sat on this committee with my colleague from Edmonton-Gold Bar as Official Opposition members, and this committee actually tops the list of worst experiences on committees in this Legislature. It used to be that Public Accounts was at the top of that list, and now this committee is there.

When I take a look and reflect back on why they were horrible experiences, they're process issues. In this particular case it was because of the chair of the committee. I seriously considered sending him *Robert's Rules of Order* for Christmas, but I didn't think he'd read it, so it would just be a waste of everybody's time and effort. We had some really horrible experiences on that committee in terms of interpretations.

An Hon. Member: And just making stuff up.

Ms Carlson: Yeah. Well, that's true. Exactly right. That's what happened sometimes. Information was just made up. [interjection] It was absolutely that kind of committee, I'll tell you.

I try to get along in all-party committees, and for the most part that really works well. Some of the committees, like sitting on the Heritage Savings Trust Fund Committee, which I have done for a long time, maybe eight years now, have been very interesting experiences and enjoyable experiences, and some good work has been achieved as a result of that. But when you have a committee where the chair for some reason has his own agenda . . . [interjection] Well, there you go. The Member for Edmonton-Highlands was also on that committee, and I'll tell you it was an experience to remember, and his comments are accurate. It was an unbelievable experience. Things that should have gone smoothly just totally blew up, and he had even his own members very upset with him at a variety of times, and we could have only wished that the deputy chair would have taken over any number of times so that we could have processed . . .

Mrs. Jablonski: Well, thank you.

Ms Carlson: Yes. Well, it's a compliment well deserved.

It was an experience, and I hope that in this Legislature I never see that particular member chair another committee, certainly not an all-party committee, because it was painful for everybody involved, including support staff. You know, I expect that when we're in these all-party committees that we talk in the committee, go away, the department works on some stuff, and it may or may not come back looking exactly like what you talked about in the meeting, and that's fine. That's the process, and the information at the end of the day looks relatively like what we had talked about in the meeting with some exceptions, and all that's fine. But the day-to-day workings of committees have to go smoother than that, and we certainly expect that in this Legislature and particularly in committees where there is a high participation by department staff and by the general public.

Ms Blakeman: And now the business community.

Ms Carlson: Now the business community. Exactly right.

I particularly hope that that experience is not repeated here again. I've sat on lots of all-party committees over the years with very excellent chairs who were government members and who follow procedures and processes well and are open to discussion and debate, and the outcomes are excellent. This committee took way longer than it had to. We could have been done this work a lot sooner even allowing for the Member for Edmonton-Castle Downs to do grandstanding whenever he felt like it. That could have all been accommodated, but I have to tell you that this was an experience.

So for that reason, Mr. Speaker, I'm going to save my debate on the content of the changes for later. I am going to oppose this bill in principle at this time, and I'm going to oppose it because of the conduct of the chair, and I want that to be on the record.

[Motion carried; Bill 28 read a second time]

Bill 29

Law of Property Amendment Act, 2003

[Adjourned debate March 27: Dr. Taft]

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I am happy to speak in second reading on Bill 29, Law of Property Amendment Act, 2003. What it looks like here is that the highlights of this bill are that it ensures that providers of mortgage default insurance have the ability to sue borrowers for any balances owing when they default on a high-ratio mortgage. I don't actually understand why this is required, because I thought that this was already something that was available. Maybe I misunderstood. It looks like this is looking for leveling the playing field for mortgage default insurance providers by ensuring that they have the ability to sue borrowers.

We all know in this province about CMHC, the Canadian Mortgage and Housing Corporation, who provide high-ratio mortgages. You pay a premium on your mortgage for the insurance that they provide if you default on a mortgage, so I guess now what they're looking for here is for other people to move into the market. So I'm wondering why this government would be doing this at this time. The CHMC does not fulfill its stated objective of leveling the playing field, they state, when you talk to the company that wants to come in, which is GE Mortgage Insurance Canada. I don't see in this bill particular reasons why we should support this, and we haven't even got an opinion from the Canadian Bankers Association on this. So why does the government have to get in the middle of this?

10:40

It's been a system that's worked quite well, and there is now a process in place where you can't assume mortgages without qualifications, and what's also being asked for here is an amendment to this bill that allows people to do that. So what would happen, then, is that if that second person defaults on the mortgage, the original mortgage-holder is still on the hook. Well, who's going to agree to do that, Mr. Speaker? I don't want the liability for some other fool who can't make his mortgage payment. They need to assume that liability on their own, so I certainly won't be supporting that kind of amendment, and I haven't heard any good reasons for us to be taking a look at, in what is actually a very small market in Alberta, making this change at this time. I want the sponsor of the

bill to tell us what the Canadian Bankers Association says and to tell us what CMHC says about this as well.

So waiting for those comments, I'm going to withhold my support on this bill.

[Motion carried; Bill 29 read a second time]

Bill 31

Local Authorities Election Amendment Act, 2003

[Adjourned debate March 27: Mr. Graydon]

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I will be following the debate on this particular bill with some interest because it cuts to the very heart of the functioning of democracy in our society. There are portions of this bill which deal, for example, with ballots and particularly special ballots. It deals with the work of returning officers. It deals with the nitty-gritty mechanics of how elections are held, and as mundane as some of those details may seem to most people, ultimately they can determine the outcome of an election. We've seen no more dramatic example of that than the American election of two or three years ago, which was plagued with all kinds of problems. So we can take our balloting and our voting and our democracy for granted, but we do so at our peril. This particular act will influence exactly how that process works. As a result, I hope it's an act that all members in the Assembly study and consider and debate. While the principles at stake here appear mundane, as I said, they are ultimately profound.

Those are really the only comments I'm going to make until we move into committee, where we can actually talk about the mechanics: what's going to happen in regulations, what's specifically provided here. At that time, we will be bringing in, undoubtedly, some examples of where questions have needed to be raised over balloting in Alberta elections and in other elections. Who knows? We may even bring in amendments, but for now I'll let this go through second reading and look forward to debate in committee.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I really have to get on the record on this particular bill, Bill 31, the Local Authorities Election Amendment Act, 2003.

It's a good idea, I think, that after the elections the Minister of Municipal Affairs gets feedback about the process and how it can be improved. Some of the recommendations we see in here are good, but I have to talk a little bit about the special ballots process. That's really, really a problem as it's laid out in this particular bill. The problem is that in the last election the process for special ballots was too loose as it was. [interjection] Too loose and inconsistent. That's true. There were lots of allegations and concerns and discussions with returning officers about what was happening.

What would happen is that candidates and candidate teams could take the special ballots and get them signed by a constituent and then turn them in. The complaints that came to a number of offices were that people thought that they had voted because they'd been told that they'd voted and they'd signed a piece of paper, but they hadn't actually written in anybody's name or marked an X or a check mark or whatever process they wanted to use. Then when ballots were counted, many of them looked like they were filled out by the same hand at the same time. So that's a serious problem. We had a number of returning officers very concerned, mostly in urban

centres, to be quite frank, Mr. Speaker, and to my way of thinking that's a process that needs tightening up, not loosening up.

I really agree with special ballots. There are circumstances where people are not able to get to the polls on election day: they're out of town; they just got out of the hospital; they're not very mobile; they don't speak the language. There are lots of really good reasons to have a special ballot process. What I would like to see happen is that when campaigns encounter someone who is a candidate for a special ballot, they contact the returning officer, give him or her the name, and have the returning officer go to the constituent to have the ballot filled out. So it maintains a level of impartiality in the process and doesn't call into question the count at the end of the day or perhaps have a smear against the name of any particular camp or any particular candidate.

This is an issue of particular importance. What this bill looks at doing is giving more ability to campaigns to use special ballots, and I think that that's a flawed process. I know that it increases the cost marginally of running the offices and puts a little bit more work on the returning officers during the writ period, but those officers, I think, are certainly up to the task. I had this discussion with the returning officer in my riding, who has been the same returning officer for all three elections and who, by the way, does an absolutely outstanding job there, I think. I have to tell you that at the first election I had some concerns because he is the cousin of the person who ran against me for the Conservative Party in the first election, but from that very first day of the writ dropping, he was very impartial, very fair, very reasonable, and continues to be that way in all elections. So I have to say that any fears I had were misplaced. He has done an excellent job, and I have heard the same said of many returning officers in this province. I truly believe that they operate with a very high degree of integrity, and I would have absolutely no qualms about them handling this special ballot process from beginning to end.

I have no end of qualms when that process is handed to campaign teams. Candidates and teams have the best of intentions, but things happen in elections, and it's easy for them to get out of control. We really need to make sure that the fences around this process are fair and reasonable. In my riding we always have contentious issues. In fact, in the last election one person at a street number and a particular avenue voted in my riding and then voted in the riding he actually lived in, which had the same street number and avenue, which happened to be in the Member for Edmonton-Mill Creek's riding. These things happen. He was given the benefit of the doubt. [interjection] Well, they're not supposed to, and I brought it to the attention of the returning officer for the province.

The returning officer in my riding bumped it right out of his jurisdiction immediately. Apparently this person was talked to and apparently said that he made a legitimate mistake. Once he voted at the early voting station and then once on election day. I know the Member for Edmonton-Mill Creek's riding and my riding. You know, we have 20 or 30 people voting from one house. I don't know how that happens, but it happens. They're not always big houses, I have to tell you. So you can imagine the kind of difficulties that happen in some of these ridings. [interjection] Some of them aren't three storeys. Some of them are little tiny houses. He's laughing because he knows this is true. This happens.

10:50

The special balloting process is something that is much more controllable with the right kinds of fences built around it. I definitely do not want to see campaigns or other individuals have access to the management of those particular ballots. I definitely want to be able to call the returning officer and say, "Here's a candidate; please

look at this," and have some process for having those people being able to exercise their franchise. But I sure don't want to put it in the hands of any practices that maybe come into question, and we had several of those in the last election, and that was several too many for me, Mr. Speaker.

So I'll vote against this in principle, and I'll look forward to seeing an amendment come in in committee.

The Deputy Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks. I just briefly want to talk a little bit on the same issue, and that's around the section in Bill 31, the Local Authorities Election Amendment Act, 2003, around the special ballots. Special ballots are really important in Edmonton-Centre. We have a large number of frail seniors or shut-in seniors or, depending on the weather, just people that would have difficulty with mobility problems. We also have a number of citizens who have a physical disability. So the potential for the use of a large number of special ballots is certainly there. I have not experienced, at least to my knowledge, the same number of questionable circumstances around special ballots, but I'm certainly aware of the capacity for that, and I am concerned that we make sure that we deal with this issue while it's possible to do so, while we have a bill like this in front of us. So although this is local authorities and wouldn't necessarily affect us for a provincial election, nonetheless what we're setting out here is likely to be used in other places, and I think it's important that we get it right.

What's possible now, as my colleague from Edmonton-Ellerslie mentioned, is to have campaign workers filling out or assisting constituents to fill out the special ballots. I agree with her that I think this needs to be done by a staff member under the direct control and supervision of the returning officer for that particular area. Now, that may well require some additional staff because in some areas I think you would end up with a number of special ballots. Nonetheless, I think we need to look to that, because we cannot have the results of elections fall under the same sort of disarray as we saw in the States. I mean, it made those elections a laughing matter, and I think it's really important that that not happen to us. So there's a potential to follow through here. We have the ability to deal with this with this bill that's in front of us, and we need to do that. I won't belabour the point. I just want to make sure that it will be dealt with here and with the assumption that those same sections could be carried on to other acts that are affecting elections in Alberta.

So until this can be dealt with and tightened up, I have hesitations about supporting the bill, but let's see what the sponsor of the bill has to say about it. Thanks very much.

The Deputy Speaker: The hon. Member for Grande Prairie-Wapiti to close debate?

[Motion carried; Bill 31 read a second time]

Bill 32

Income and Employment Supports Act

[Adjourned debate April 15: Mr. Dunford]

The Deputy Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you, Mr. Speaker. Bill 32 consolidates and updates existing legislation, integrates income and employment training programs, increases accountability for training service

providers, and builds on Alberta's success in helping people prepare for, find, and keep jobs. The Income and Employment Supports Act brings three income-supported programs – supports for independence, widow's pension, and skills development program living allowances – together into a single integrated income support program.

Mr. Speaker, Bill 32 is a bold step forward for Alberta and takes us even further away from old approaches to welfare that simply did not work. They trapped people into ongoing dependence on government handouts instead of giving them the hand up they need to live independent and productive lives. Bill 32 shifts the focus from programs to people. It will make sure that programs work for people instead of trying to fit people into programs that often do not match their needs. The new approach will put the right building blocks in place and tailor supports directly to what people need to become as independent as possible.

With that, I would move second reading of Bill 32.

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I'll be candid: I need to give substantially more thought before I can get into a detailed debate on this issue. I do know, as the minister undoubtedly knows as well, that these are sensitive programs. Fundamentally, people's lives hang on these programs in a way that people's lives don't hang on very many government programs. I'm sure that all of us as MLAs have heard from constituents and family members and so on the concerns about the supports for independence programs and the training programs and the whole package that comes along with them.

There has also been a prolonged and vigorous lobby for improved benefits under these programs. Frankly, I'm sympathetic to some of those lobby efforts because there's a point at which being economical and being tight with money crosses over into being mean, and I do feel at times that as a government that has happened. We've somehow from time to time lost the sense of the humanity of truly poor people in this province. I think we all would like to regard income support programs as simply temporary measures while people perhaps for whatever number of reasons are caught without work and without income and need a bit of support until they get back into the workforce. The great majority of people who use these programs, I believe, use them on that basis. It's a pretty short-term support that keeps a bit of food on the table and keeps them from becoming homeless until they get their feet under them again. So that kind of mechanism is important, and obviously in principle it's one we agree with. This bill rearranges the administration of these programs, the mechanics of these programs, yet I'm not convinced from the information I've got that they will improve some of the fundamental issues of human dignity that are brought up by questions of absolutely bare minimum payments, supports under programs like supports for independence.

11:00

So, again, as with previous bills, when it comes to committee we'll have had time to look at these more closely. I'm sure there are good things. I'm sure there are issues where we will disagree with the government. We will be looking forward to an informed debate with the minister as typically we do have with this minister.

With those comments, Mr. Speaker, I'm done.

Ms Blakeman: I'm not. I'd like to address a number of different areas around what's being proposed in this bill. I'd like to talk about the effect of the bill or the result of it around abused women and

their children, I'd like to talk about what happened with the widows' pension program, I'd like to talk about the training concerns, I'd like to talk about AISH, and I'd like to talk about the hand up.

I asked a question in question period today, and part of that question was directed to the minister. I do have real concerns. Where we have women with children that are trying to escape abusive situations, they are often women who do not have any financial resources. If they did, they wouldn't be in such dire circumstances. They could pack up, get into their SUV, and drive to a hotel. It's less of an issue then. But for women who don't have resources, perhaps they don't have control of the family finances, perhaps they don't have a bank card or don't have access to the cheque book or don't have the ability to easily get their hands on cash, then being able to access SFI becomes their lifeline. I have real concerns that we are not doing everything that we can to help these women and their children get away from the circumstances that they find themselves trapped in. Part of this is connected to the last category that I was talking about, the hand up. I understand what the government is trying to do when they say that we're trying to give people a hand up, not a handout.

My point in all of this is that you have to be pretty low in life circumstances to be below that hand so that it is giving you a hand up. With the criteria and eligibility around this program you've got to be really destitute to be eligible for it; therefore, when we have abused women and their children that are on this program, they're in pretty dire straights.

I could hear the frustration in the minister's voice during question period this afternoon about: why are these women even needing to be on his program? We're obviously not dealing with the issue where we need to be, which is where the violence is starting in the homes. We're not dealing with the issues around the women and children having to flee. There was, in fact, legislation that was originally proposed by the then member for Edmonton-Highlands which turned into the bill that was sponsored by the then member for Currie, which was the family violence protection act, which does in fact allow for women and children to stay in the home and for the police to remove the aggressor from the home if it was felt that violence was imminent. But it's not doing enough. We still have women and children fleeing in the middle of the night in their pyjamas and then trying to access some of the programs that are available here.

The minister did put together and had an MLA committee to review low-income programs last year. I know that they brought forward a number of recommendations. Primary among them was that there be more money, and that's part of my concern. I know that the SFI program already makes some extra allowances for women who are fleeing abusive situations; for example, being able to apply for and under special circumstances get damage deposits, which is something that is not available to most people on the program. So I understand that there are already some things that are being done, but that amount of money is not enough for a mother and her children to stay out of an abusive relationship, generally speaking, and we need to work to that. I'm not going to let the opportunity go by to make that point.

Secondly, we've got the issue around the widows' pension program, and honestly I can't even remember when it was put together, but a long time ago.

An Hon. Member: Eighty-four.

Ms Blakeman: Nineteen eighty-four. Okay. Oh, that's interesting.

What we had was a challenge where a group of individuals who were divorced or never married went to the Human Rights Commis-

sion and said: this is discrimination based on marital status. People who are widowed are able to access this special amount of money, and frankly the money was more attractive. A single person on supports for independence now is around \$402 a month for a single male, I think. We're looking at a couple getting \$772 on SFI, a child and an adult getting around \$819, and then medical benefits would be above and beyond that, I think. On AISH we've got recipients getting about \$850 a month, and the widows' pension recipients were receiving up to \$880 a month plus medical benefits. It did look better than SFI, frankly, and that's why it was attractive to a number of people.

We also know that we've got a demographic out there, and specifically that was women between 55 and 64 who chronically have been unable to be successful in re-entering the labour market. I think that we will see that demographic slowly disappear. I expect that with the women from my generation, for example, it just won't be an issue. We've worked since we came out of school, whether that was high school or an institute training program or university. We expected to work our whole lives, and we have. So I don't think we will find ourselves in the same situation.

But several generations of women in advance of me did not have the advantage and the access to postsecondary training for those kinds of career opportunities that would pay them a better living wage, and when they found themselves widowed, the likelihood was they hadn't been in the labour force ever or possibly not since before they were married with some sort of minor administrative or retail or service experience that did not translate well for them 20 or 30 years down the road. So they were in need of this assistance, and in fact they got it when the program was instituted in '84. That program has now been challenged because there were women who were divorced or who were never married who were also suffering the same problem between 55 and 64. That's a demographic where it was very difficult for those women, just given their life experience, to get back into the labour force.

The programs that we, in fact, had like Options for Women did not translate well coming from underneath the funding from the federal programs. When we had the labour market programs come together with the provincial government, it didn't translate well. Options for Women did not get further funding, and they closed. So even organizations that were there to help women that were in that particular age bracket did not make the transition into the provincial government funding. I think it's a great loss because that was a particularly excellent organization, but it's gone.

We had the widows' pension program challenged by other women – and their only difference was based on marital status – and, not surprisingly, they won. I knew they would, and I also knew that the government was not likely – in fact, it probably couldn't, if we're realistic about things – to open the program up. Instead, they're going to end up shutting the program down. They have given more time than I expected for transition on the program, but it will be phased out. No question.

11:10

I'm hoping that as we work to improve the status of women in Alberta, aching slowly based on comments I've already heard in this House tonight, as we continue to work on the status of women, in fact, as I said, we wouldn't need this program in the future. But I know that there will be a number of women for whom this is a really frightening experience, to be told that this program is closing down and that they will have to transfer into the SFI program. I've already mentioned the numbers here. Some of them could be looking at a drop in their income by 50 percent, down to sort of \$400 a month. Now, try to imagine being a single woman under 65 trying

to live on \$400 a month in this world. How safe do you think you're going to feel? What kind of accommodations do you think you're going to find to live in? Pretty scary stuff because those kinds of accommodations that you're going to find for the \$400 mark are not going to be in great areas of town. So just think of yourself as being a fairly proper widow, who's perhaps just into her early 60s, who could be looking at that kind of drop in income. It's going to be pretty frightening, and I look to the minister to help make that transition. I don't see how it could possibly be positive but at least less frightening than without some of the transition. That's possible for the minister to do.

I continue to be concerned that we did not see an increase in the AISH program, which I think really needs to be addressed, and we did not see it coming along with this low-income program review that we expected to see. It becomes a question about: what kind of a society are we? There is a long-standing argument for – what's it called? – a pension for everybody. Everybody gets a certain amount of money no matter what.

An Hon. Member: A guaranteed minimum income.

Ms Blakeman: Guaranteed income. Thank you very much.

And there are a lot of very positive, good arguments for that. I don't see that happening in Alberta, and I'm realistic enough to see that it's not going to happen, so I'm not even going to argue for it – I'm wasting my breath here – but I think that there are some of the existing programs, though, that we need to look to. Of course, one that affects an awful lot of my constituents is AISH, and I'm really concerned about the levels. We've got a serious housing problem, access to housing. The private landlord program is frozen at the same level. Rents are finally going up, so for the last couple of years private landlords have been able to increase their rents and recoup the money that they claim they weren't making in previous years. Housing and adequate housing, especially for people on AISH, has really become a problem.

A lot of the people in my constituency who are on AISH are not necessary physically disabled. A lot of them are mentally disabled: brain injury and mental health problems. So specialized housing becomes really important for them, and 850 bucks a month is not a lot of money, especially when you're looking at other things to ease the pain in your life. Over-the-counter and alternative treatment, for example, that are not covered by the medical benefits, again, become really important. So I cannot say enough how disappointed I am that there was not an increase in AISH and that the increase that I see for SFI is painful.

Finally, the concept of the hand up. As I said, you have to be pretty low down to be below that hand that's going to be up. You know, just given the assets, the expectation that you really have nothing before you're qualifying for these programs, I struggle with. I know that this government isn't going to be any more generous than they are, and I think a number of government members probably feel they're being very generous with these programs. I disagree, and I would do more, but I'm not in government right now.

I think the other area I want to talk about here is training – it's just the one that I've skipped over that I listed – and again I look to the Auditor General for advice here. In the time that I have sat on the Public Accounts Committee, and I'm now in my seventh year, the training programs are a real problem. Just looking very quickly at my notes, going back to the '96-97 annual report, the Auditor General was identifying problems with the training programs, with the monitoring of it, with ensuring that what was being paid for was in fact being delivered. I don't see that that is being sufficiently dealt with in what's being brought forward in this bill. There's a lot

of money that's paid out to try and get people on these training programs. I think there are real questions about whether the training programs are successful, and I think that there's still a huge issue in the department about the monitoring of these programs to make sure that we are getting value for money.

There has been work done by the department – I'm not saying there hasn't – but there is much more that needs to be done, so I'm struggling to support this bill in the shape that it's in.

Thank you, Mr. Speaker.

[Motion carried; Bill 32 read a second time]

The Deputy Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. It's been a very productive evening, and I would move that we now stand adjourned until 1:30 p.m. tomorrow.

[Motion carried; at 11:17 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, April 23, 2003**

1:30 p.m.

Date: 2003/04/23

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. O God, grant that we the members of our province's Legislature may fulfill our office with honesty and integrity. May our first concern be for the good of all our people. Guide our deliberations this day. Amen.

Please be seated.

head: **Introduction of Visitors**

Mr. Jonson: Mr. Speaker, I am pleased to introduce to you and through you to members of the Assembly His Excellency Dénes Tomaj, ambassador of the Republic of Hungary. He is accompanied today by his wife, Ildikó Tomaj, and Mr. Bela Balaz, the hon. consul general for Hungary in Alberta. Mr. Balaz's wife is accompanying him as well.

Hungary is a close friend of Canada and a NATO ally. Hungary is at the forefront of the reforming economies of central and eastern Europe, and its location at the crossroads of Europe makes it a gateway to a huge market area.

The ambassador was only recently appointed to be his country's representative to Canada, and this is his first visit to Alberta. I would like our honoured guests to please rise and receive the traditional warm welcome of this Assembly.

head: **Introduction of Guests**

Mr. Klein: Mr. Speaker, I'm pleased to introduce to you and through you to Members of the Legislative Assembly a group of gentlemen who participated in a fund-raising auction held in the constituency of the hon. Member for Spruce Grove-Sturgeon-St. Albert. The auction item purchased by our guests was lunch with me and a visit to question period. Visiting the Assembly from the Alberta Society of Engineering Technologists are president Randy Doherty, past presidents Glen Horne and Ron Paulson, and executive director Tim Schultz. They're seated in the members' gallery. I would ask that they all rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Minister of Transportation.

Mr. Stelmach: Well, thank you, Mr. Speaker. I'm pleased this afternoon to introduce to you and through you to members of the Assembly 23 visitors from Chipman school seated in the members' gallery. They are led today by teacher Mr. Allen Dubyk, assisted by Mrs. Brenda Lesoway, parent helper Mrs. Shelly Christoffersen, and of course conveyed here by Mr. John Stribling, a bus driver and longtime serving councillor in the village of Chipman. I would ask all of the students and helpers to please rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Norwood.

Mr. Masyk: Thank you, Mr. Speaker. Like every parent it's an honour and a privilege for me today to introduce to you and through you my two sons, Gavin and Travis Masyk, in the public gallery. They worked very hard on my campaign, going door-to-door, folding

folders, at a young age. I would ask them to rise and receive the warm traditional welcome of this Assembly.

The Speaker: The hon. Member for Calgary-Mountain View.

Mr. Hlady: Thank you, Mr. Speaker. On behalf of the MLA for Little Bow I would like to introduce to you and through you two of the member's constituents. Elaine Hall has driven from Vulcan, Alberta, to Edmonton just to bring her granddaughter Lindsay on a tour of the Alberta Legislature Building. They live on a farm just outside of Vulcan, and Elaine wanted to be sure her granddaughter had the opportunity to see firsthand a little of what goes on in the Alberta Legislature and to tour the Legislature Building to see her government in action by taking the afternoon to see the legislative proceedings. I'd ask them to please stand and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Speaker. I have two introductions today. I'm pleased to introduce to you and through you to members of this Assembly two very special guests. The first is Lloyd Cenaiko, who just happens to be the brother of our colleague from Calgary-Buffalo. He doesn't want that held against him either, although the Member for Calgary-Buffalo told him that he might be older, but he's better looking. Lloyd is the president of the Humanitarian Aid Response Team, also known as HART. This group serves disadvantaged individuals in eastern Europe, countries like Ukraine, Russia, Siberia, and Romania, by providing critically needed aid such as food, clothing, and medical care for orphanages, street children, invalids, hospitals, the elderly, those in prisons, and the desperately poor. Our Premier and I had the privilege of meeting Lloyd last May during the Premier's historic mission to Ukraine, where the HART group assisted a school for special-needs children in Lvov, which is in western Ukraine, with a new play system for their playground. Lloyd is accompanied by his lovely wife, Ulyana. The newlyweds are seated in the members' gallery. I would ask them to please both rise and receive the traditional warm welcome of this Assembly.

For my second introduction, Mr. Speaker, I'd like to introduce to you and through you to members of the Assembly a very special individual, my one and only sister, Mary Tachynski. Accompanying her is my nephew Michael Tachynski. They're seated in the members' gallery, and they're here to observe the proceedings of this House. I would ask everyone here to join with me in warm applause.

Thank you.

The Speaker: The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Thank you, Mr. Speaker. A couple of weeks ago I had the privilege of introducing to you my oldest son. Today I have the honour of introducing the rest of my family to you and through you to the members of the Assembly. Today my wife, Bev, has traveled in from Vermilion. She's accompanied by our second oldest son, Jamie, Kyle, my 13 year old – no more needs to be said – and last but certainly not least my youngest son, Blake. I would ask my family to please rise and accept the warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to rise today and introduce to you and through you three guests. The first, Ms Hana Razga, is a constituent of mine who has been working

down east for some time and is back home for a bit of a spring break. She is hosting my other two guests for the next week. They're visiting from Igloolik, a very small northern island with a population of 1,200 and the site of the production of the film *The Fast Runner*, which won six Genie awards including best director. Ms Katarina Soukup is the communications director for Igloolik Isuma Productions, the production company involved in the making of this film. Jason Kunnuk is the nephew of *The Fast Runner's* director, Mr. Zacharias Kunuk. Ms Razga, Mr. Kunnuk, and Ms Soukup are here to observe proceedings, and I would ask that they all rise and receive the warm welcome of the Assembly.

head: **Oral Question Period**

The Speaker: First Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Education Funding

Dr. Massey: Thank you, Mr. Speaker. As uncomfortable as it makes the Premier, the 2 percent increase in the basic instructional budget will result in school cuts: programs will be cut, teachers will be cut, and class sizes will grow larger. My first question is to the Premier. Does the Premier support the larger class sizes that will be a result of the 2 percent basic instructional budget increase?

Mr. Klein: Mr. Speaker, the suggestion that I'm uncomfortable is false. I'm not uncomfortable at all. I'm very comfortable with the budget that was presented by our Minister of Finance.

The increased amount for schools under Learning was deemed to be acceptable in terms of our overall budget priorities. Relative to the specific question, I will take it under advisement and have the minister provide a more detailed response.

1:40

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. Again to the Premier: does the Premier support the cutting of programs that will be a result of the 2 percent basic instructional budget increase?

Mr. Klein: Mr. Speaker, in the absence of the hon. Minister of Learning I'll have the hon. Minister of Finance respond, but before I do, I would like to point out that there is under way right now a Commission on Learning to examine all aspects of learning in the province including classroom size and pupil/teacher ratios and all of the factors involved with education. I would invite the hon. member to wait and see the results of that commission's findings and how the government responds to it before jumping to conclusions.

Now, relative to the amount allocated to Learning through this year's budget, I'll have the hon. Minister of Finance respond.

The Speaker: The hon. minister.

Mrs. Nelson: Thank you very much, Mr. Speaker. I'm pleased to say that Alberta has accepted the responsibility of Learning to the tune that we actually fund Learning to the highest per capita of anyplace in Canada. This year we increased our funding to Learning by 4.7 percent, or \$219 million, bringing us up to \$4.9 billion in education funding for this year. In the year 2005 we will be spending over \$5 billion a year in the Learning budget.

Mr. Speaker, what's also very important in this fiscal year is that the Minister of Learning has introduced a new fiscal framework so that funding allocations can be made at the local level to meet local

needs. This is a very important element within the business plan of the Learning department.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the Premier: given that budgets are being set now for next September, not after the commission reports, does the Premier support the hundreds of layoffs of teachers that are going to be a result of the 2 percent basic instructional increase?

Mr. Klein: Mr. Speaker, that question is purely speculative and is hypothetical at its absolute worst. You know, if there are no layoffs whatsoever, will this hon. minister – this hon. member; God forbid he ever becomes a minister. Will this hon. member stand up in this House and apologize? Of course not. It's just terrible that they would stand up and through insinuations, speculation, and innuendo and fear mongering make these kinds of statements. It's purely speculative and does not deserve an answer.

The Speaker: Second Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you. Nothing would make me happier, Mr. Premier.

Hinton Schools

Dr. Massey: The government's solution to crowded classrooms in Hinton is for the Catholic and public school districts to swap schools thereby creating even more crowded classrooms in the public system. The problem is not solved, and the result is spreading frustration and anger among parents. My question is to the Premier. Why does the government continue to pursue a policy that puts the needs of infrastructure before the learning and the social needs of children?

Mr. Klein: Mr. Speaker, again, the preamble to that question is so erroneous, so wrong, so false. We don't put the needs of infrastructure before the needs of students. The two go hand in glove. You know, students need to have a good environment in which to learn, and that involves infrastructure, good, solid infrastructure, and we try to balance the instructional opportunities and processes that take place in the classroom with the up-to-date and needed infrastructure to accommodate a good environment for instruction. This hon. member should be able to understand that. Everyone else does.

Dr. Massey: Again to the Premier: why does the government continue to pursue a policy that pits neighbour against neighbour in the provision of school space? These parents from Hinton want to know, Mr. Premier.

Mr. Klein: Mr. Speaker, we don't pit neighbour against neighbour. We do not pit neighbour against neighbour. As a matter of fact, we leave it up to school boards to decide on a day-to-day basis how their schools shall operate. In my neighbourhood I don't have any problems whatsoever with my neighbours over schools, nor do I get a lot of cards and letters and phone calls from neighbours who allegedly are pitted against neighbours over the issue of education. There are occasions from time to time when situations arise where there are disputes over school closures and decisions of various school boards relative to the delivery of education, but overall and generically throughout this province I can tell the hon. member, because he doesn't seem to travel the province as much as govern-

ment members do, that there is no pitting of neighbours against neighbours relative to education.

Dr. Massey: My third question is to the Minister of Infrastructure. When will the government provide the funds already promised to build a new school in the Catholic school district in Hinton?

Mr. Lund: There never have been funds allocated to build a new Catholic school in Hinton. The fact is that in Hinton the school population is declining. There is excess space in Hinton if you take the total area that's available for schools. Simply, in Hinton what we did is we allowed the Catholic separate board to take over one of the schools that was underutilized in the public system. In the case of Edson the boards that run the Catholic and the public systems in Hinton also run the schools in Edson. In Edson the public board was shutting down a school, so we simply moved the overcrowded Catholic situation and solved that by having them go into the school in Hinton that was being shut down by the public board. It's just something that I'm sure the taxpayers of Alberta will be very, very happy about, that we are able to look at the broader picture.

As far as pitting neighbour against neighbour, there are always situations where one person doesn't like it because their neighbourhood school is now going to be governed by a different board. That happens, and it's certainly not something that we relish, but to do nothing also created a problem.

Private/Public Partnership

Mr. Bonner: Mr. Speaker, I hope all members were listening yesterday when the Minister of Infrastructure told this House that P3 financing is more expensive than conventional finance alternatives, something the Official Opposition has been saying for months. The minister has instead decided to justify the government's use of P3s by saying that they download risk to the private sector, could operate the facilities more cheaply over time, and will get facilities up and running faster than the government could. To the Minister of Infrastructure: how can private corporations manage risk more efficiently than government?

Mr. Lund: Well, Mr. Speaker, I'm sure that all the members on the government side were listening yesterday, and they clearly heard me say that financing was not the main reason for going down the P3 road. I made that very clear. The fact is that off-loading the risk is one of the things that happens. It is a certain amount, and the fact that we get a building up and operating earlier is another issue. The opposition continually focuses on a corporation that might be involved in a P3 and that somehow that's a terrible thing to have happen, but the fact is that we have a number where it is even municipalities being part of this solution.

1:50

A very good example – and I won't identify which area it's in. Currently we have two municipalities working together. They're looking at building a recreation centre that would be used by the schools, be part of it. They'd use a single mechanical. They'd use a single parking lot. Win/win for everyone. As a matter of fact, if they would just go and take one look at what's happening in Grande Prairie, thanks to the former mayor of Grande Prairie that started this, and have a look at what's going on up there. An \$85 million to \$90 million project is going to save the taxpayers of Alberta a considerable amount of money because there are two high schools connected with it, and they're using the common mechanical and other services and other buildings. Just a perfect P3.

Mr. Bonner: To the same minister, Mr. Speaker: given that one of the Ps in P3 is "private," what benefit is there to having private firms – and hopefully the minister is listening – operate public infrastructure when the public will have to pay for all of the costs of operation through the company plus – plus – an added fee for the firm's profit margin?

Mr. Lund: I'm sure the next thing the hon. member is going to be telling us is that another of the Ps is "profit." Unbelievable. Mr. Speaker, of course, now I've got a bit of an indication of where the member is coming from, because P3 may be two public entities working together: public/public partnership. That works too.

Mr. Bonner: To the same minister, Mr. Speaker: why should private firms be able to get public infrastructure up and running any faster than this province's highly skilled and motivated public service? Why should private firms be able to do that?

Mr. Lund: Mr. Speaker, we are extremely proud of the people that work in Alberta Infrastructure. They're highly skilled, they're very well motivated, and they do an excellent job. One of the things, though, would answer the member's question. I know that the Liberal way is just to go out and spend, spend, spend even if it makes absolutely no sense – they love to tax, tax, tax and spend, spend, spend – but we in the government don't believe in doing things that way. We would much sooner manage the affairs of the province in a most efficient manner. The fact is that at times we don't have enough funding to move forward immediately, and the private sector could assist in some situations like that. But the important thing to look at is the lifetime cost and how that's going to relate back to the cost of us doing the structure, and as I indicated, there are some other very important factors that have to be taken into account.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-Cross.

Calgary Health Region Review

Mr. Mason: Thanks very much, Mr. Speaker. Yesterday the Calgary health region appointed a corporate lawyer to do an internal review into the failure to co-operate with the fatality inquiry into the tragic death of Vince Motta. This appointment is a continuation of the CHR's familiar pattern of stonewalling and whitewashing instead of taking meaningful action to address serious, systemic problems. My question is to the Minister of Justice. Why should the Motta family and Calgarians put any faith in the findings of a person handpicked by the appointed chair of the Calgary health region when what's really required is a full and open public inquiry?

Mr. Mar: Mr. Speaker, I've had a number of conversations with Mr. David Tuer, the chair of the regional health authority in Calgary. I want to assure members of this House and members of the Alberta public, particularly those individuals in the city of Calgary, that the regional health authority is very concerned about dealing with the learnings that come from His Honour Judge Delong's report. They will be going through some 25 recommendations line by line. Mr. Tavender, who has been asked to conduct an independent review of each of these recommendations, is a litigator of the very highest calibre and the very highest integrity. I'm assured by the regional health authority that he will have complete, unlimited access to whatever records are required in order to review the recommendations put forward by His Honour Judge Delong, that they will come

back with his report by the 24th of June of this year, in time for a public meeting of the regional health authority with respect to their response to His Honour's work.

Now, I should also say, Mr. Speaker, that it's not the job of the Department of Health and Wellness or the provincial government to micromanage what is going on in Calgary, but what we do also want to do through the learnings from this important report is see how it will apply to emergency rooms across this province. We are committed as a government and as a department to continuous quality improvement in the delivery of health care to Albertans. We're interested in issues relating to patient safety. Now, we have a good health care system. That is not to say that it is perfect, but we do want to continuously improve the system. Judge Delong's report is an important step to going in that direction.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, I'm sure Mr. Tavender is a reputable solicitor. I would like to ask the minister who exactly he is going to be independent of, given that he is appointed by the Calgary health authority and will be reporting to them. What independence is he actually talking about?

Mr. Mar: I think that anybody who is familiar with Mr. Tavender's record in his practice would recognize the integrity of the individual who has been asked to do this job. As I said, it's not just Mr. Tavender who will be working to prepare a report for the regional health authority, and it's not just that he has unlimited, unfettered access to whatever it is that he feels he needs from the regional health authority.

It's also the fact that the Department of Health and Wellness is also looking at each of these recommendations for the purposes of determining how we can improve our overall system. I should say that the regional health authority has already taken steps to try and improve its processes within the region on how it deals with patients who are waiting in emergency. One example is that as it is now, since Mr. Motta's death, there has been a change in the manner in which triage nurses actually call back patients who are waiting in the waiting room to update them on their condition while they are waiting in the emergency room. So that's one improvement. Another improvement, Mr. Speaker, is that the regional health authority in Calgary has reduced its wait times in emergencies by some 28 percent.

Finally, Mr. Speaker, as a government we are working on the 44 recommendations set out in the Mazankowski report, which included recommendations related to improving primary health care so that unnecessary visits to emergency rooms would be diminished, and we now do have a 24-hour Health Link line in Calgary, and that Health Link line will be available throughout the entire province by the summer of 2003.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Does the Justice Minister, who has the legislative authority to appoint public inquiries, agree that an internal CHR review is not an acceptable substitute for a public inquiry into the financing and delivery of health care in Calgary as called for by Justice Delong?

The Speaker: Opinions are not a matter of question period.

The hon. Member for Calgary-Cross, followed by the hon. Member for Edmonton-Gold Bar.

Sunalta Shelter

Mrs. Fritz: Thank you, Mr. Speaker. Like many of my Calgary colleagues I've recently received over 600 e-mails from volunteers, staff, workers, people that are very concerned that the Sunalta Shelter, which was established as a temporary winter emergency shelter, will be closing its doors next week due to a lack of funding. Now, the Sunalta Shelter is operated through the Mustard Seed Street Ministry, and the Seed provides sleeping arrangements as well as hygiene services for up to 150 men, and half of these men, I understand, are working. So that's raised questions amongst the staff, and the questions are: why should the shelter be closed, and where will these people go? My question today is for the Minister of Seniors. The question is: are there enough spaces available on an immediate basis for 150 men to be accommodated with these same services next week?

2:00

The Speaker: The hon. minister.

Mr. Woloshyn: Thank you, Mr. Speaker. In the last two years some 660 additional spaces were opened for the homeless in Calgary. In spite of these efforts last winter in November a request came forward for interim emergency shelter spaces from three different organizations, one of which was Sunalta. As a result of that, funding was provided very clearly for the period December through April 30. That time line is obviously quickly approaching.

I had hoped that the request in itself would have been the end of the issue and we wouldn't have the requirement at this point. However, that appears not to be the case, and there has been very, very recently the desire to continue with the spaces in Sunalta. Currently the ministry is reviewing the homeless situation in Calgary. Before I can give an answer as to how much space is or is not available in Calgary, I must have the results of that particular review to ensure that I know what spaces may or may not be there.

The Speaker: The hon. member.

Mrs. Fritz: Thank you, Mr. Speaker. Given that there's a review, that the minister has mentioned, that is being undertaken, what criteria will you use, then, that would close this centre while supporting other centres?

Mr. Woloshyn: Mr. Speaker, we have some 16 different shelters that we fund: some for single men, for single women, for hard-to-house seniors, for single men with addictions and health issues, for single men and women, including those who may or may not be intoxicated. As I mentioned, single men, single women, women with children, women without children, so we have all sorts of categories in there. Nowhere did we have any reference to working homeless, which are also in the system. So the criteria that we have to use is to determine if in fact the spaces for this particular clientele that are housed in this particular shelter are in fact required.

The Speaker: The hon. member.

Mrs. Fritz: Thank you, Mr. Speaker. Back to the same minister: given the urgency, Mr. Minister, of this situation, will you consider short-term funding for the Sunalta Shelter while you're making your decision following this review?

Mr. Woloshyn: Mr. Speaker, yes, with the time line limit that I'm prepared to fund it on a short-term, temporary basis, May 1 through

May 31, until the review of the situation in Calgary is completed and we can react properly.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Meadowlark.

H.R. Milner Power Plant

Mr. MacDonald: Thank you, Mr. Speaker. In 2001 the Balancing Pool on behalf of consumers assumed management of the H.R. Milner power purchase arrangement, and a negotiated settlement agreement was reached between ATCO and the Balancing Pool. My first question is to the Minister of Energy. After the termination of the H.R. Milner power purchase arrangement, how much money was paid in compensation to ATCO?

Mr. Smith: Mr. Speaker, that's a detail which I do not have, and we can take it under advisement. I know the Balancing Pool has published that in public reports, but we'd certainly be pleased to provide it to this House.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the same minister: in the event that a sale of the H.R. Milner power plant is not completed, what will happen to that very same power plant?

Mr. Smith: I'll take the question under advisement, Mr. Speaker.

Mr. MacDonald: Again, Mr. Speaker, to the same minister: given that under the terms of the negotiated settlement agreement the cost of decommissioning, including site restoration and environmental cleanup, will be paid by the Balancing Pool, what will the total cost to Alberta electricity consumers be?

Mr. Smith: Well, either total cost or total benefit, Mr. Speaker, will be a matter of public record.

The Speaker: The hon. Member for Edmonton-Meadowlark, followed by the hon. Member for Edmonton-Ellerslie.

Gambling-related Crime Prevention

Mr. Maskell: Thank you, Mr. Speaker. Last week the Alberta Gaming Research Institute released a study that analyzed gambling-related crime in Edmonton. My constituency neighbours, the Enoch First Nation, have applied for a casino licence. As their application is now in step 5 of the Alberta Gaming and Liquor Commission's eight-step licensing process, this report renewed fears that a casino will bring crime to their streets. My first question is to the Minister of Gaming. Can the minister please tell me what the government is doing to ensure that crime in casinos does not become a problem?

The Speaker: The hon. minister.

Mr. Stevens: Thank you very much, Mr. Speaker, and thank you for that question. The question calls into account the integrity of gaming in Alberta and also ensuring safe communities within Alberta, both of which are primary goals of this government. With respect to this particular report I can advise the hon. member that we're currently reviewing it to ensure that what we can learn from it will be taken into account, and we'll get some information on that in the next little while.

As it relates to the issue of the Enoch application, one of the

primary aspects of the review is to ensure that there is integrity with respect to those who are putting forward the proposal, that there is due diligence with respect to the proposed operators, the proposed financiers, and that the issues of safety not only within the casino but also within the community are taken into account by the AGLC and the board, who are responsible for reviewing the application.

On a broader issue I can tell you that the AGLC has an investigation unit that is comprised almost entirely of former police officers. They work very closely with police forces in the major centres – Edmonton, Calgary, Lethbridge – the RCMP, Alberta Justice to ensure that there is a continuity of crime fighting, if you will, not only within the casino but also in the community. It might be of note to your constituents, hon. member, that that report you referred to referred to the gaming investigation team that I have just outlined and called it an innovative crime prevention initiative.

So we are very much concerned with respect to this matter. We have been dealing with it, and we intend to continue dealing with it going forward.

Mr. Maskell: My final question is to the Solicitor General. Constituents are very concerned about that casino proposed for the Enoch Cree Nation land bordering the communities of Lewis Estates and the Grange, and particularly they're concerned about the crime that will undoubtedly occur should this proposed casino open for business. Can the Solicitor General tell me how she is dealing with this?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker, and I thank my colleague for raising this issue. I, too, am concerned about the potential impact of casino-related crime on our police services and in regard to keeping our communities safe. Our government has taken the threat of organized crime very seriously, and we've been working with our police partners to combat the threat. We will continue to do so, and our police will be as vigilant as ever.

As my colleague mentioned earlier, we have put together the gaming investigation team, and they're working together with the police and the Alberta Gaming officials. My department is working with police services, the federal government, and Alberta Gaming to address the policing issues related to gaming and organized crime. Under the provincial organized and serious crime strategy my department provides \$2.4 million annually to CSIS, and we will continue to monitor the situation very closely.

The Speaker: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Edmonton-Norwood.

Ghost-Waiparous Recreation Area Access Plan

Ms Carlson: Thank you, Mr. Speaker. The Ghost-Waiparous area is a wild and beautiful region west of Calgary that has become a popular destination for nature lovers and vacationing Albertans. Unfortunately, this area has become infamous for drug dealing, alcohol abuse, littering, all-night partying, and other irresponsible recreational use. The Official Opposition is happy to see that an access management plan is being developed but worries that until that plan is ready, the abuse will continue. To the Minister of Sustainable Resource Development: given that it's graduation season for students, what is the minister doing to ensure that parties are controlled in the area?

2:10

Mr. Cardinal: Mr. Speaker, that's a very good question, and the timing is right for a question like that because we always have

concerns this time of the year when there are graduations and parties. It's a challenging area. It's not easy to manage and develop, but you can be assured – and I've given assurances to the public and to our government – that we will have an access management plan along with the monitoring tools, along with time lines for performance measures to ensure that as we move forward in the development of the plan, we deal with issues like this.

In the meantime all we can do is work very closely with other departments, work with the RCMP, work with the municipality, work with the MLA, and other people that are interested to ensure that we minimize conflict in the community like that. It is very hard also for the enforcement officers to go into an area when you have 500 people at one party. You can see the challenges we are faced with, but, you know, in the long run once we develop that access management plan, those issues will be dealt with.

Ms Carlson: Mr. Speaker, when is the access management plan going to be ready?

Mr. Cardinal: Mr. Speaker, I have given assurance like with the Bighorn backcountry access management, which was just recently completed and adopted by this government and where we do have an ongoing monitoring process and recommendations to develop, because once you've developed a management plan, it's not finished. It's just the start of the plan, and this is exactly what's happening. We're using the same process with the Ghost-Waiparous. Some of the same members, in fact, will sit on the committee to develop a plan, so they do have experience already. We're targeting fall of this year to complete that plan.

Ms Carlson: Mr. Speaker, between now and when the plan is ready, what is the minister doing to ensure that the extensive ecological damage caused by off-road vehicles doesn't continue over the summer? It could be a huge problem.

Mr. Cardinal: Mr. Speaker, you know, this issue has been around for a long, long time, and we just started working on it in relation to developing an access management plan in fact just in the last couple of weeks, and we will complete it early this fall. But in the meantime we'll work very closely with Community Development, with the municipality, the MLA, and the committee we have in place, of course with Environment also and other departments to ensure that we minimize damage to the area and minimize the number of casualties that may happen in the area.

The Speaker: The hon. Member for Edmonton-Norwood, followed by the hon. Member for Edmonton-Centre.

Licensee Liability Rating Program

Mr. Masyk: Thank you, Mr. Speaker. Over the past few weeks I've received a number of concerns and phone calls plus a meeting from small oil companies regarding the Alberta Energy and Utilities Board's licence liability rating, hereinafter the LLR program. My questions are all to the Minister of Energy. I'm concerned that this program is unfairly penalizing small oil and gas producers. My first question is: could the minister please explain why the EUB implemented this program?

The Speaker: The hon. minister.

Mr. Smith: Thank you, Mr. Speaker. Thank you for the question. Since Turner Valley, oil and gas has been produced in this fair

province and has just in the last three years delivered some \$23 billion in royalty revenue to the province.

Following the discovery of Leduc No. 1 in 1947, over 14 billion barrels of oil have been produced by this province. As that happens, you have an infrastructure that starts to age, and you have some 80,000, 90,000 wells out there that get old. The facilities age. Pipelines have to be abandoned. There has to be reclamation, and this leads to the potential of these facilities being orphaned, Mr. Speaker, or left without someone to pay. It is not the responsibility nor is it intended to be the responsibility of the Crown to in fact reclaim these sites, so we wanted to ensure that a program was in place to protect the taxpayers from paying for abandonment, decontamination, and reclamation of orphaned facilities. This program does increase public safety, does provide the important stewardship for ongoing environmental protection as its aim is to reduce the number of orphaned energy facilities.

The Speaker: The hon. member.

Mr. Masyk: Thank you, Mr. Speaker. Some of the energy companies I've spoken with are complaining that they do not have the financial ability to meet the standards of the LLR program. Could the minister please explain how this program works and how it would affect the stripper well program?

Thank you.

Mr. Smith: Well, you know, Mr. Speaker, this is important because one of the great things about the Alberta oil and gas industry is that we've been able to have Albertans participate in this industry for a great number of years, and in fact small participants with limited amounts of money can participate in the development of this asset.

In detail, the licensee liability rating program is an approximate assessment of a company's ability to address petroleum facility abandonment and environmental reclamation liabilities; in other words, the total cost that would occur after revenues have ceased to accrue from the production of either oil or gas from these particular wells. When deemed liabilities exceed deemed assets, at that time the program collects security deposits from companies. Now, the deposits in today's world of electronic funds transfer and lines of credit and letters of credit are not necessarily cashed but in fact can be letters of credit. These deposits, Mr. Speaker, are then returned to companies when their assets again exceed their liabilities or when they have addressed the abandonment of environmental liabilities in an appropriate and acceptable manner.

Mr. Masyk: My final question, Mr. Speaker: can the minister tell the Assembly if the EUB carried out any consultation with the industry before the LLR program was implemented, and is there any possibility for future amendments if they're needed or required?

The Speaker: The hon. minister.

Mr. Smith: Well, thank you. I did hear from an hon. member from the government side that it is a good question, and in fact, Mr. Speaker, this program was a manifestation of extensive consultation. Consultation is a key word in the orderly development of the oil and gas industry in Alberta, and this consultation period started some time in October of 2000.

The principles of the program were put together in conjunction with the EUB; CAPP, the Canadian Association of Petroleum Producers; the Small Explorers and Producers Association of Canada; and Alberta Environment and Alberta Sustainable Resource Development. Mr. Speaker, the vast majority of those players in the

industry not only agreed to the program but are also in compliance with it.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Edmonton-Strathcona.

Photoradar

Ms Blakeman: Thanks, Mr. Speaker. An inconsistent practice of not including a copy of a photo with a photoradar ticket exists in Alberta. We have a situation where a photoradar ticket was sent to an owner whose trailer was the subject of a speeding violation. However, the trailer was stolen from him and reported stolen before the violation occurred. To add insult to injury, the victim of the theft has been told that he must pay the speeding ticket. My first question is to the Minister of Transportation. Given that people are being photographed speeding, why is it that some communities are not supplying a copy of the picture along with the photoradar ticket and others are?

Mr. Stelmach: Mr. Speaker, I'm not aware of this particular issue, but there are fairly stringent rules as to how photoradar is deployed in the province, so we would of course take this question in consideration and check it according to the rules that we have implemented for photoradar.

Ms Blakeman: My next question is to the Solicitor General. Why is there no policy to deal with situations where stolen vehicles are caught on photoradar speeding and the photoradar ticket is sent to the owner to pay? Why are the victims of crime paying for thieves' infractions?

Mrs. Forsyth: Again, Mr. Speaker, I'm not sure of the exact situation that the hon. member is mentioning, and certainly we'll look into the situation. Like the Minister of Transportation said, we have strict guidelines and policies in place for photoradar, and I'd be pleased to look at it for her.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Back to the Minister of Transportation: will the minister institute a universal format for photoradar tickets always including a copy of the photo taken at the time of the infraction when the ticket is sent out?

2:20

Mr. Stelmach: Mr. Speaker, there are rules that the enforcement agencies have to follow in terms of deployment of photoradar. We made substantial changes a few years ago to make sure that photoradar is accepted as an enforcement tool in the province. I believe the enforcement agencies have come a long way in following those particular rules, and in this particular situation if I can just get the facts, the situation, we can investigate it and ensure that those rules are followed. Without having the privilege of knowing the facts, the location, nor even the enforcement agency – it's pretty difficult to give an opinion on something without all the necessary information.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Calgary-West.

Education Funding (continued)

Dr. Pannu: Thank you. Mr. Speaker, a report that was released

yesterday by TD Bank concluded that if Alberta is to maintain strong, dynamic economic growth, it must invest more in education at all levels. That is what makes the government's failure to properly fund education in this year's provincial budget so inexcusable. To illustrate this point, Alberta's largest school board, the Calgary board of education, has crunched their numbers and are facing a \$32 million deficit in their budget next year. My questions are to the Premier. Will the government at least follow the advice of corporate Canada that is urging this government to immediately increase investment in education at all levels in order to maintain our province's prosperity and growth momentum?

Mr. Klein: Mr. Speaker, certainly our commitment to education is strong, perhaps stronger than any other jurisdiction in the country. A nearly 51 percent increase in funding for education in the past seven years while enrollment has grown by only 6 percent I think is significant, but I said yesterday – and this was directed at the Liberals – that be it for the Liberals to pick out anything negative in a report. I should have added the NDs as well, and I will today.

First of all, the report says that we must take action now to ensure that the tiger's roar doesn't fade. In other words, the report says that this is the most incredible piece of economic real estate that exists anywhere in North America, that corridor between Calgary and Edmonton, and we have to do what we can to protect it and make sure that we sustain its economic viability. It also says that

businesses and individuals have flocked to the region to take advantage of the considerable market opportunities, [to take advantage of the] low taxes, [to take advantage of the] low business costs, vast wealth of natural resources, low crime and poverty rates, a high-quality education system, and a clean environment. Add to this the long list of recreational and cultural options, and there is little wonder why the Calgary-Edmonton Corridor has been able to create the "buzz" that [any] other urban areas can only aspire to.

That's what it says.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. I wonder if this Premier will explain to Calgarians why this government has provided only a 3.4 percent overall increase to the Calgary board of education next year when the CBE says that this is only about half the minimum 7.6 percent increase required for them just to maintain current service levels.

Mr. Klein: Mr. Speaker, I'll have the hon. Minister of Finance supplement because it was she who presented the budget. Learning budgets are predicated on anticipated need and anticipated expenditures for the coming year, and after due consideration and weeks and months of consultation it's deemed to be an appropriate amount, but I'll have the hon. minister respond.

Mrs. Nelson: Thank you, Mr. Speaker. Once again I'd like to say that our commitment to learning in this province is not matched anywhere else within Canada. We are the number one lead per capita of financing for learning within Canada, and once again I will say that this year the Minister of Learning has embarked on a new funding framework that will deal with issues at the local level, and when the budgets from the local school boards arrive in the Ministry of Learning sometime in June, then he will work with those school boards to deal with the funding pressures.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. The Premier is passing the buck here, so let me ask him the last question. Why is the Premier

prepared to place Alberta's future well-being at risk by leaving Calgary's board of education and many other school boards like it no choice but to either incur a huge deficit or make deep service cuts next year?

Mr. Klein: Mr. Speaker, neither assertion is true: entirely speculative. If any school board finds itself in difficulty in this province, we have a very competent and very capable Department of Learning, that would be more than happy to work with school boards to see them through their difficulties. But I would remind the hon. leader of the ND opposition that our priority in this government is education and to make sure that we have an educated workforce in the future to sustain the marvelous economy alluded to in the TD report.

The Speaker: The hon. Member for Calgary-West, followed by the hon. Member for Edmonton-Riverview.

Calgary Health Region Review (continued)

Ms Kryczka: Thank you, Mr. Speaker. Twenty-one Calgary MLAs in particular are very well aware of the tragic death of Vince Motta two years ago and of the fatality inquiry report into his death, which was released last week with harsh criticism given to the conduct of the Calgary health region during the inquiry. Part of Calgary region's response has been the hiring, as announced yesterday, of a lawyer to investigate the region's actions during the inquiry process. My first question is to the Minister of Health and Wellness. Instead of focusing on its conduct during the inquiry, why is the Calgary health region not investigating its conduct while Mr. Motta was waiting in emergency?

Mr. Mar: I think that if one reviews His Honour Judge Delong's report — there are some 25 recommendations contained in that report — you'll find that His Honour spent a good deal of time looking at the specific issue of what happened while Mr. Motta was in the emergency room. So to spend additional time and resources on trying to determine what happened on that particular day in the emergency room would not be a particularly productive use of time. It would simply be repeating the relatively extensive work already done by Judge Delong. Mr. Speaker, the value of this report should not be lost, and I am satisfied that the regional health authority in its response to this report will be interested in looking at each of those recommendations, some of which they've already acted upon in order to try and improve their emergency system in the city of Calgary.

The Speaker: The hon. member.

Ms Kryczka: Thank you, Mr. Speaker. My first supplemental is also to the same minister. The judge's comments singled out access to emergency services as a concern in Calgary. Is the minister concerned that changes in access to emergency services today due to an increase in population will impact the results of the CHR response?

Mr. Mar: Mr. Speaker, of course, the increased number of people in the city of Calgary is a legitimate challenge that the regional health authority has to face. As it is now, Mr. Speaker, there are some 250,000 people who use emergency rooms in the Calgary health region, and of course one of the things that they'll need to do is try and reduce the number of unnecessary visits to emergency rooms. That's why the Health Link line, which has been spoken of

in glowing terms by many members of this Assembly in many different venues, continues to be an important priority for the regional health authority and for this provincial government, to ensure that that goes up throughout the entire province by the summer of this year.

2:30

Mr. Speaker, I will say again and I will repeat in any venue that we have a good health system, and what we want to do is we want to continuously improve it. We want to ensure that matters of patient safety continue to be paramount. So the value of this report will not only be to the regional health authority but to all of Alberta.

The Speaker: Hon. members, before we go on to the next order of the Routine, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(reversion)

The Speaker: The hon. Member for Bonnyville-Cold Lake.

Mr. Ducharme: Thank you, Mr. Speaker. It is indeed a great pleasure today to introduce to you and through you to all the members of this Assembly 94 guests from l'école Dr. Brosseau school in Bonnyville. Accompanying these bright and enthusiastic students are the following teachers and parents which I'd like to recognize: Mrs. Michelle Drapaka, Mrs. Camille Cory, Ms Liz Felix, Mrs. Janice Watson, Mrs. Lorraine Gaugler, Mrs. Frances MacDonald, Mrs. Monique Wagner, Mrs. Sara Wanner, Mrs. Lynda Rodger, Mrs. Thérèse Richard, and Mrs. Gisèle Gagne. They are seated in the members' gallery, and I'd ask them please to rise and receive the traditional warm welcome of this Assembly.

head: **Recognitions**

The Speaker: The hon. Member for Edmonton-Meadowlark.

Ann Lewis

Mr. Maskell: Thank you, Mr. Speaker. It gives me great pleasure to rise today to recognize Ann Lewis, executive director, Alberta Ballet. Ann Lewis assumed the administrative leadership of Alberta Ballet in January 2002 after serving the organization for six years as a fund-raiser, board member, and board chair. The company was in a challenging financial position, carrying a deficit for the first time in nine years. With the support of the staff and board, Ms Lewis took action immediately to meet this challenge. By restructuring to maximize efficiencies and by introducing best business practices within the not-for-profit setting, she succeeded in retiring the deficit within six months.

A passionate dance lover and a strategic businesswoman, Ms Lewis is dedicated to running a sustainable, fiscally responsible company without compromising artistic integrity or excellence. Community outreach is central to her vision. She believes in building strong networks, alliances, and partnerships between the ballet and its stakeholders, including audiences, public funders, foundations, sponsors, donors, fellow arts organizations, and other nonprofits.

Thank you, Ann Lewis, for your contribution to the Alberta Ballet and Alberta.

The Speaker: The hon. Member for St. Albert.

Canada Book Week

Mrs. O'Neill: Thank you, Mr. Speaker. I am pleased to recognize today Canada Book Week, April 21 to 27. This weeklong celebration reaffirms for all Canadians the importance of ensuring the continued vitality of Canadian literature and, in doing so, celebrates Alberta's authors, publishers, booksellers, and I'd like to say most specifically libraries because Alberta libraries are to be congratulated for their support of Canada Book Week by providing activities that reflect community priorities and proudly define the spirit of our province and the strength of our communities. Alberta's authors, booksellers, and book publishers are also to be applauded for the important role they play in bringing Albertans and books together not only during Canada Book Week but every week of the year.

We all know that books transport us to the past, connect us to the present, and help us to embrace the future through imagination and knowledge. I'd like to commend everyone who enjoys reading a book.

The Speaker: The hon. Member for Edmonton-Norwood.

Ernest Hokanson

Mr. Masyk: Thank you, Mr. Speaker. I rise today to acknowledge a very generous donation that was recently made to the Northern Alberta Institute of Technology, NAIT. This acknowledgment is on behalf of Edmonton-Norwood, Edmonton-Calder, and on behalf of all Edmonton MLAs.

This very kind donation came from a family who has long been associated with dining in the city of Edmonton. Mr. Ernest Hokanson spent his life in food service. His wife, Irene, recently said that food was always his passion and feeding people was a very big part of his life.

Ernest Hokanson got his first job at the age of 15 in the kitchen of the Hotel Macdonald. He served as an army cook in World War II, and his last venture was with H.G. Catering.

Ernest Hokanson passed away two years ago. Now Ernest's son John Hokanson has donated \$1 million to the renovation of NAIT's food service building. Construction of the new kitchens and labs will begin next spring, and the proposed new centre will appropriately be named Hokanson Centre for Culinary Arts. In addition, NAIT's dining room will be named Ernest's in honour of Ernest Hokanson.

The generous gift from Mr. John Hokanson is only the second donation of its size in NAIT's history, and the new centre will create a legacy for the chefs of tomorrow.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Way of the Cross Easter Walk

Mr. MacDonald: Thank you, Mr. Speaker. I would like to rise today to recognize more than 1,000 people who made the commitment in Edmonton on Good Friday to pray and walk the outdoor Way of the Cross in an effort to draw attention to issues like peace and poverty. This year's Easter walk, symbolizing Jesus Christ's path to crucifixion, was designed around the theme of Creating Home in a World of Fear. The theme was inspired by the release of a local homeless count in October that showed that 1,915 are homeless in the city of Edmonton. Included in that are 267 children under the age of 15. Since September 2000 755 more people don't have a place to call home.

Fortunately, there are compassionate people like the organizers

and marchers who helped bring much attention to these issues through the 24th Way of the Cross, which is affiliated with the Edmonton and District Council of Churches.

Thank you.

National Poetry Month

Mr. Mason: Mr. Speaker, April is National Poetry Month.

I could think of things worse
Than to honour the verse
And to pay homage to a sonnet
With lots of rhyme on it

So sit down with some paper,
Grab a bottle of ink
Compose yourself an epic that
Makes them all think.

It might be a ballad that tells a long tale
Or a limerick that makes the Nantucket one pale.
It could be a couplet or a sonnet that rhymes
It really doesn't matter – any poem is fine.

No need to rehearse
If you're writing free verse
But line up all your P's and all your Q's
If alliteration is what you choose.

No matter the form
No matter the pentameters
April is National Poetry Month
And that's all that matters.

Now my time is Done
So wake up from your napping
Next week at this time
I'm going to try rapping.

The Speaker: The hon. Member for Calgary-West.

VoicePrint

Ms Kryczka: Thank you, Mr. Speaker. Today I'm very pleased to recognize VoicePrint, which is operated by the National Broadcast Reading Service. It is a not-for-profit registered charity established in 1989 to enhance access to news and information for blind, low vision, and print restricted Canadians.

Licensed by the Canadian Radio-television and Telecommunications Commission, or CRTC, VoicePrint is available across Canada by cable and satellite in 8.4 million homes. Alberta's target market is 250,000. Almost 300 Calgarians are volunteer readers for VoicePrint, filling in for families and friends 24 hours a day for those who can't find the time to read aloud to loved ones. In fact, our Premier was the first Canadian Premier to read for VoicePrint.

Currently VoicePrint has a licence renewal application before the CRTC, and public support is needed to show the CRTC the importance of VoicePrint and their renewal initiatives. I would encourage everyone in this Assembly before May 1 to go to www.voiceprint.ca to send an e-mail of support.

Thank you.

The Speaker: The hon. Member for Edmonton-Glenora.

Edmonton Oilers Hockey Club

Mr. Hutton: Thank you very much, Mr. Speaker. I am a huge Oilers fan, and the season cannot be over for me until I recognize the Edmonton Oilers Hockey Club. The Edmonton Oilers organization is a small market Canadian team competing in the NHL, yet every year they provide exciting competitive hockey to the fans of Edmonton. Their success is in large part due to the great leadership of their community-based owners, the management team led by president Patrick LaForge and general manager Kevin Lowe and his coaching staffed by Craig MacTavish, and of course I cannot forget the seventh player, Joey Moss.

The contribution that the team, the owners, the management, the alumni, the Copper Jackets, and the Oilers foundation make to this region on behalf of charities and community organizations is extraordinary and with little fanfare. I recognize the Edmonton Oilers today, and I will be loud and proud next year. Go, Oilers, go.

Thank you, Mr. Speaker.

2:40head: Presenting Petitions

The Speaker: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. I rise today to present a petition duly vetted and signed by about 600 residents of northwestern Alberta that urges the Alberta government to “consider continuing the funding for the Applied Forest Resource Management program at Grande Prairie Regional College.”

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I rise to table a document signed by 156 Calgarians petitioning this House to urge this government to do the following three things:

1. To immediately withdraw the draft management plan for the Evan-Thomas Provincial Recreation Area and revise it so as to disallow any further commercial or residential development of the Kananaskis Valley;
2. To redesignate the Evan-Thomas Provincial Recreation Area and adjacent unprotected public lands and expand as a Provincial Park;
3. To maintain Kananaskis Country in natural state that provides high quality wildlife habitat and nature-based recreational activities.

Thank you, Mr. Speaker.

head: Tabling Returns and Reports

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I’ve got one tabling today. It’s a news release by the Calgary board of education dated April 16, 2003, regarding the provincial budget. So that’s the document.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. I have three tablings this afternoon. The first is a letter dated April 16, 2003, from the United Nurses of Alberta to myself, and it’s signed by the president of the United Nurses of Alberta, Heather Smith. It is indicating that “UNA is dedicated to reaching a new agreement through negotiations” with the health regions. They’re working hard at it.

The second letter that I have that is a tabling this afternoon is dated April 7 of this year, and it is to the hon. Minister of Learning, and it is from Sheila Boucher from Fulton Road in Edmonton-Gold

Bar. Mrs. Boucher is indicating that “schools need more funding to provide a quality education.”

The third tabling is also concerning funding for public education, and it is organized by the grade 5/6 students of room 21 in Strathearn school. They have signed this letter indicating that they believe there is a “dire need” of more adequate funding for public education.

Thank you.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I wish to table five copies of petitions and letters from residents of Hinton who are frustrated and upset over the government’s school utilization formula and its effect on their community schools. Citizens are watching their education system being ripped apart by a utilization formula that doesn’t take into consideration the educational, emotional, and social needs of their students.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Speaker. I have two tablings today, both relating to education concerns. The first is a copy of a submission from the Aldergrove school council outlining a sad situation of staff reductions both last year and this year and expressing a request that these issues be raised by government MLAs in the Legislature.

The second is a copy of a letter that I table with permission. It’s to the Minister of Learning, again expressing grave concern.

Recently my husband, an oncologist, with excellent clinical and research credentials, came to the University of Alberta Hospital.

When we moved to Alberta our children left an excellent [school system].

It goes on to express concerns about what’s happening to the school system in Edmonton.

Thank you.

head: Orders of the Day

head: Committee of Supply

[Mr. Tannas in the chair]

The Chair: Good afternoon. I’d like to call the Committee of Supply to order.

head: Main Estimates 2003-04

Finance

The Chair: Are there any comments or questions to be offered with respect to this budget estimate? The hon. Minister of Finance.

Mrs. Nelson: Thank you, Mr. Chairman. I’m very pleased to be here to present the Ministry of Finance estimates for 2003-2004. I’d like to begin by introducing some of my staff who have been involved in putting together our budget and business plan. With us today in the members’ gallery are the Deputy Minister of Finance, Peter Kruselnicki; the senior financial officer, Bonnie Lovelace; our senior manager of budgets, who puts Finance’s budget actually together, Richard Shelast; our manager of business planning, Juliette Blair; and my executive assistant, Tim Wade.

Mr. Chairman, as the Minister of Finance I’m very proud to say that our province still has the lowest overall tax load in Canada. There’s no general sales tax, no capital tax, and no payroll tax. A typical one-income family with two children earning \$30,000 a year pays approximately 85 percent less in taxes and health care premi-

ums in Alberta than the average in any other province. To put this into another perspective, Albertans and Alberta businesses would pay almost \$5 billion more if they had to pay the taxes under the system in British Columbia, over \$5 billion more if we had to pay the taxes in Ontario, and over \$9.5 billion more if we had to pay Quebec's taxes.

We continue to reward Albertans' exceptional spirit by reducing corporate taxes and by enhancing Alberta's reputation as the ultimate destination to do business. This year's tax cuts will save Alberta businesses roughly \$94 million in this fiscal year of 2003-2004. On the personal side since the introduction of the single-rate tax, Albertans are paying over \$1.5 billion less per year in personal income taxes. In addition, Albertans will pay about \$130 million less as a result of the inflation-proofing introduced in 2001.

I'm also very proud of the fact that our province's accumulated debt has been reduced by nearly 80 percent since 1994-95. The accumulated debt less cash set aside for future debt reduction is forecast at \$4.8 billion by the end of this fiscal year. Lower debt means lower debt-servicing costs, and as a result of our debt reduction efforts \$1.3 billion in annual debt-servicing costs have been freed up for Albertans' program priorities and lower taxes. Alberta's debt-servicing costs for 2003-2004 are \$458 million. Alberta has by far the lowest debt load per person of any province in Canada.

Before we start the highlights of our budget and business plan, I would like to give a quick review of the key roles of the ministry. The department itself has four main areas, including the office of budget and management; pensions, insurance, and financial institutions; Treasury management; and corporate support. The Ministry of Finance also includes the Alberta Capital Finance Authority, formerly known as the Alberta Municipal Financing Corporation; the Alberta Pensions Administration Corporation; ATB Financial and its subsidiaries; the Alberta Insurance Council; and the Credit Union Deposit Guarantee Corporation.

2:50

Alberta Finance's vision is "a province that is innovative and globally competitive with a fiscally sustainable and accountable government." Our mission is to "develop and implement the government's fiscal framework and financial policies."

One of the recommendations the government accepted from the Financial Management Commission's report said: ministry business plans were too long, too detailed, and too operational. They were right, so we made some changes. We have included a "what it means" section in our goals because it is important for people to understand what we are trying to do.

We are focused on only the high-level strategies to meet our goals, and these strategies include "re-engineering Alberta's fiscal framework"; working with other ministries to assess the economic impacts of the Kyoto protocol; developing enterprise risk management "to identify the sources of risk to all major components of the province's revenues and expenses"; assessing the issues facing the automobile insurance industry "including a review of compensation for automobile injury claims and related premium increases." Pension plan governance and regulation: "Finance will continue to monitor the financial health of pension plans." The governance of the LAPP and other public-sector pension plans will be reviewed. That doesn't mean we'll stop doing our day-to-day job of managing the province's finances. All we are doing is highlighting the key initiatives of the new business plan.

Finance has six goals to accomplish the mission for 2003 to 2006. Goal 1, "A financially strong, sustainable and accountable government." Our key strategy is to "oversee cross-government implemen-

tation of accepted recommendations" from the Financial Management Commission. Some of the recommendations include the new fiscal framework and capital plan. By 2005-2006 virtually all the FMC recommendations will be implemented.

Goal 2, "A fair and competitive provincial tax system." Albertans currently enjoy the lowest provincial tax load for a family of four in Canada. We have the highest personal exemption levels in Canada; that is, the amount of money a working individual can earn without paying provincial personal income tax. Our targets in this area are to have the lowest tax load in Canada for both personal and corporate taxes. We currently have the lowest personal tax, and we are the second lowest for the corporate tax.

Goal 3, "Effective management of financial assets, liabilities and risks." Finance will manage the Alberta sustainability fund and capital fund. It is important that we manage any potential risk that might arise due to the complexity and size of this government's financial assets and liabilities. Our target is to have a government decision by the end of 2003-04 on whether to proceed with an enterprise risk management strategy.

Goal 4, to ensure "confidence in provincially regulated financial institutions and insurance companies." "Alberta's regulatory environment for financial services must be fair and efficient to encourage the availability of comprehensive, reliable and competitive products and services." To do this, we are carrying out a policy review of compensation for automobile injury claims and related costs of premium increases. We are also working with industry and consumer groups to complete phase 2 of revising the Insurance Act. A year ago phase 1 of the new Insurance Act updated the previous one and modernized many of the provisions. Phase 2 will deal with more of the contractual provisions of the act, and we anticipate it will be ready for implementation in 2005. We will work with stakeholders to harmonize financial sector legislation while keeping unnecessary regulations off the books.

Goal 5, "Pensions that deliver on promises."

Pension Plan members need to be assured that their benefits are secure. Employers and other plan sponsors need to know that pension regulation is fair and even-handed. The Superintendent of Pensions focuses on assessing private sector plan compliance with legislative standards and ensuring the 'at risk' plans take action to comply with regulations.

As a trustee of most of Alberta's public-sector pension plan assets I want to ensure that they are sound and secure for members of the various plans. We also need to make sure that those plans deliver on promises. Our measures and targets both reflect making progress on issues like LAPP independence and reaching specific satisfaction targets with stakeholders. In addition, we continue to reach for having our private-sector plans meeting minimum funding requirements.

Goal 6 focuses on making sure financial services are available to Albertans and Alberta municipalities. "Alberta's dynamic economy and entrepreneurial spirit requires readily accessible and technologically advanced financial services and products." ATB Financial and Alberta Capital Finance, formerly AMFC, are "key components of the financial servicing sector." ATB Financial will continue to develop their commercial banking capacity and wealth management services. Our targets include specific measures to reflect our position as owner of ATB Financial. We have targets for the Alberta Capital Finance Authority to maintain the lowest borrowing costs for Alberta municipalities and local authority satisfaction with ACFA policies and efficiencies.

That was a quick look at where we are going in 2003-2004, Mr. Chairman. Now I want to give you a few highlights of our budget and our estimates.

Ministry revenues. Our ministry revenue is projected at just over \$816 million, a decrease from the \$1.2 billion forecast in 2002-2003. Our investment income for 2003-04 is \$26.5 million lower than the 2002-2003 forecast primarily due to reductions in the Capital Finance Authority investment income due to lower interest rates on new loans. We'll also see a decrease of more than \$238 million for internal government transfers that represent contributions from the lottery funds to my department for the contingency allowance or sustainability fund. The net income from our commercial operations is projected to be \$47.5 million lower than the 2002-2003 forecast. This is because Alberta Treasury Branches' net income is expected to be below last year's forecast, mostly related to the West Edmonton Mall settlement. The \$96.5 million decrease from the 2002-2003 forecast in other revenue is attributed to the transfer of \$100 million from the Alberta Capital Finance Authority's retained earnings in 2002-2003.

On the program expense side in terms of program expenses we're estimating it to be almost \$435 million. This is a decrease from just over \$451 million from 2002-2003 forecasts. The decline is due to a drop in interest costs on the money borrowed by the Capital Finance Authority to lend to local authorities. As I mentioned earlier, our debt servicing costs for 2003-04 are \$458 million.

I'd like to take a couple of minutes, Mr. Chairman, to highlight a few of the areas within our estimates that I think you will find interesting. Capital investment. Our total capital investment for 2003-04 is estimated at \$4.6 million. This includes \$80,000 for the department to support the debt management system and for network service. Capital investments for the Alberta Pensions Administration Corporation are budgeted at \$4.4 million this fiscal year for its new system to manage pension plan payments.

Another area that we're always interested in looking at is the full-time equivalents. Overall the ministry has increased its staffing by 27 full-time equivalents to 379. The increases are in the department, Alberta Pensions Administration, and the Alberta Insurance Council. The department's staffing levels will be 175, two more than last year. In Alberta Pensions Administration there are an additional 25 full-time equivalents, primarily for the additional IT resources formerly outsourced and to handle the growing volume of retirees. The Alberta Insurance Council staffing levels will be 20 full-time equivalents, no overall change, again, from this year.

3:00

Mr. Chairman, this is really a quick overview of Alberta Finance's business plan and our estimates for 2003-04. I look forward to hearing the questions and comments from the members, and I will undertake that if I haven't answered all of the questions during today's deliberations, we will get back to them. But I would ask that when members are asking questions, if they could reference the page from the business plan and the budget so I could determine where they're getting their numbers from.

Thank you very much. I look forward to the questions.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I'd like to thank the minister for her opening comments as we undertake the review of the Finance estimates. Also, I'd like to thank all of the staff members who are here. They do a good job of making the minister look good and I know work very hard and do a pretty good job, I think, although we do have a few questions on how the priorities and so on are set.

My habit in the budget debate is to ask a question or two, get the minister to answer, and back and forth like that so that it isn't a lot

of rhetoric but we get some good information. Hopefully, that's the process we can follow this afternoon for at least the first hour until all members of the Assembly are involved.

First of all, from an overview perspective I'd like to talk about: if the responsibility of the Finance department is to be the gatekeeper of the expense side of the government, then could you explain to us how you set the priorities for spending? We don't actually know the process and neither do Albertans in general. I'm assuming that ministers come to you looking for money, the pie is only so big, and there's a process that you have for determining what those priorities are: who gets more money, who gets less money, how you establish how much money you think you're going to have for the year. So if you could go through that process for us, we would appreciate it.

The Chair: The hon. minister.

Mrs. Nelson: Well, thank you very much. I really appreciate the question because it's a very lengthy process that we do go through on an annual basis. It starts really the day after the budget has been filed: we start on the next year's business-planning process. Like most corporate entities we set up a schedule and we follow through on it. We hear from the people. We listen to what Albertans talk to us about. I think that clearly this budget that we filed this year is reflective of what people said. We needed to have a balanced approach to come forward. We heard what they said and we listened and we delivered that product.

The difficulty comes, then, when you get into specific ministries. The process starts with our standing policy committees, who sit down and hear representations and presentations on different issues from members or ministers, chairs of this group or that group. We have public presentations and then start cataloguing that into what will become the business-planning process.

We establish some priorities through our caucus deliberations and debate, which is lengthy and is reflected at the standing policy committee meetings. They can be cumbersome and long, and our chairs of the standing policy committees have a job to move issues forward and to deal with a number of ministries and set priorities. The feed-in through presentations from people outside as well as our own members is lengthy, and it starts to evolve into some priority areas. Then we have a caucus retreat. We debate again those issues and the priorities that have come up throughout the year, and there are several presentations, and our caucus debates issues, comes forward with some priority-setting. We have a cabinet retreat, and we take the views from the caucus retreat and feed that into, again, priority-setting for ministers to focus on, and then they actually present a business plan in draft form to the standing policy committees. They debate those back and forth. They try to capture the priorities they've heard, and if they haven't, I can tell you that the caucus members certainly help them with the restructuring of the priorities very readily and straightforwardly.

They often are back three or four times to debate issues, and finally some draft business plans are put together at the standing policy committee process. In the meantime, the Treasury Board looks at the projections of what the finances will look like, and we determine the forecast for revenues based on a lot of information, again gathered from outside and from our own economists inside, and we ask outside advisors to come in and give us some long-term trends.

I know that last year when there was so much volatility in the process, when I went to New York on the first trip, I asked them what a reasonable price would be for crude oil for the year, and they said, "Well, Pat, anywhere between \$15 and \$30 a barrel," and I thought, "Holy crow. And I'm trying to put something around

money into a health budget or an education budget.” You know, a full range from \$15 to \$30 was huge. When I went back later in the year as there was the threat of war looming, I asked them again, and they said, “Well, the price we’d have is a range from \$6 to \$60,” and I thought, “Perfect. This is how you can build a budget with a lot of certainty.” So the volatility was very, very difficult. That was one of the things that was beneficial, particularly this last year, when we implemented the recommendations from the Financial Management Commission.

So all of that fed into the Treasury Board at the same time the business plans were being developed at the SPC level of looking at the targets for the budget. Preliminary targets do go out to the various ministries, and based on those dollars and allocations and the priorities that have been set by our caucus, we allocate spending targets and they try to fit as much of the priority into those targets that are allocated. Then they come to Treasury Board and they’re reviewed, each ministry with their targets and their plan, and the SPC chairs attend with the ministries to make sure the reflection of the meeting is there at the presentation. Then they go back, and of course everybody has wishes that are beyond the targets, which is understandable, and the Treasury Board has some difficult choices to make. Then we go back to our standing policy chairs again and ask them to set priorities, and they do that. Then we come to a final determination of putting the budget together, which, again, is always a tough balance.

From what Albertans have told us, we believe that this year we’ve met the priorities. We’ve heard from groups throughout the province, and we did some focus testing to make sure our priorities were in line, and they in fact were. We came forward with a budget that I think is well balanced and one that is the result of a lot of work from this caucus and our standing policy committees and our Treasury Board members that are just committed, along with our ministry staff, to put a document together to run an over \$20 billion operation.

It’s a huge process that takes a lot of work. I don’t think a lot of people realize the extent of what’s involved with it, Mr. Chairman. Every caucus member has been involved in this in one element or another and some of them in several. Some of our caucus members have attended every standing policy committee meeting that we’ve had on budget preparation, and that’s a lot of commitment and a lot of time, so I commend them for their effort. They certainly have spoken up on the priorities that they have heard from constituents and throughout the province.

So it’s a very long process, but at the end of the day it does come together and it comes into one document that I have the privilege of presenting in this House. It involves all 74 members from the government side in many, many forms.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms. Carlson: Thank you, Mr. Chairman. I’d like to thank the minister for the detail in that answer. It helps us to understand the process of developing the operational side of the budget, but there’s another level that we need to understand, and that’s the long-term planning and the long-term strategic goals. We see and we understand very well on this side, too, the competing interest for dollars in any given year, and \$20 billion sounds like a lot of money until you start dishing it out to the various ministries. Who decides what the long-term strategic plan of the government is – so I’m talking five, 15, 25, 50 years out – and how do you tie the operational side into those goals?

3:10

Mrs. Nelson: That’s a really, I think, critical question, and I appreciate the question coming forward, because one of the recom-

mendations – I think it was recommendation 12 – from the Financial Management Commission was that we had to develop a longer term strategic plan, that focusing on one or two or three years wasn’t going to be sufficient as we went into this new century. We had to go beyond that, and we had to start thinking strategically. They had said that our business planning had got too far down in and should be a little less operational and more high-level and more strategic in the process, and we agreed.

As a result, we set up a strategic planning group, and again this came as a result of our caucus and cabinet retreats of how we would put this together and the idea of: based on the best futuristic economic view, what do we believe the province of Alberta will look like 10 years out or 20 years out? If you start to visualize what that structure could be like, then you have to determine: how do we get from year 1 to year 20 and have the same success level that we experience today in Canada and North America 20 years out? Look at things such as the changes in the demographics. What will Alberta look like at that point? If we can come to some conclusions based on, again, some good expertise that is helpful for us, then we can craft a strategic plan.

That plan has to be a living plan because factors change, so you have to have the flexibility to be able to continually add on more information as data becomes available to you. If you take the very basics of that strategic planning process, then you can create somewhat of a critical path to get from today to 10 years out and 20 years out, but you have to be able to do like you do with the budget. I think that sometimes we get a negative for doing quarterly updates, but quarterly updates just tell the people of Alberta that we’re dealing with the reality of the situation. We’re not sitting there with a fabricated plan that doesn’t deal with the reality that’s occurred within the world, and that’s the benefit of strategic planning: you’re able to look longer term, deal with the knowns today, but adjust for the uncertainties that do occur along the way.

So, again, we have put in place a strategic planning process that goes through and has formed part of this budget process this year to look beyond the three-year business plan to try and visualize where we’re going to be. Part of the key of the recommendations from the Financial Management Commission was to look at some sustainability. Someone asked me: why don’t you call it stabilization? I didn’t want to call it stabilization because I didn’t want to take away from what it really is: sustainability. Sustainability is the long-term strategic environment where you put in place core programs and you put in a mechanism that will sustain those programs throughout those years. It’s not a mechanism to cover up poor estimates on revenues and operating costs in a given year or drop on a fund; it’s to sustain the core essence of what the government is responsible for, like health and education, into the longer term, and strategically you’ll be able to think into those out years.

That’s what it’s for, and nothing more than that: so you don’t have peaks and valleys and volatility within those very key systems. You can’t run a health system without some predictability built into it and therefore some sustainability so they can maintain core programs particularly in areas – health and education – which are core.

The long-term strategic planning is very, very important. We’ve embraced that, and we’ve changed the way we do things and the way we’ve put our planning, I think, forward. Is there a way we can improve on it? Yes. But when you really think, Mr. Chairman, how fast we moved to put in place a group to give us an alternative to the way we were doing things, that showed us the peaks and valleys, volatility, into something that provided sustainability and some predictability, it was May 27 last year that we put together the group for the Financial Management Commission and asked them to bring forward some recommendations to us. They brought that forward.

In the summer we went through it. We had some problems with a couple of the recommendations, but we took it through our whole caucus planning process, our whole caucus approval process, standing policy committees, put our budgets together and implemented it and put it in this budget.

That's got to be probably a record turnaround for the government to stay so focused on the timetable. We laid out a timetable, and we never wavered from that timetable. We said: this is the date; we're going to do it even if it takes hours. This is the next date, this is the next date, and we moved it along – bang, bang, bang, bang – to put in place a plan that will take us out into those 10- and 20-year futures. That's critically important.

It's an excellent question, and I thank you for it.

Ms Carlson: Mr. Chairman, to do that long-term planning, the minister must have made some key assumptions, things like an aging population, the bulge in health care costs, what the inputs to revenue would be, what happens on the education side, what happens in long-term infrastructure funding. Could you share with us any of those assumptions that you made?

Mrs. Nelson: Well, Mr. Chairman, I can get far more detail for the hon. member, but one of the things I often look at is our aging population. Right now we have just over 300,000 seniors in the province. In a very short time we'll have over 700,000 seniors in the province, doubling with our population base not increasing. It becomes critically important for us to be able to put in place programs that our children can afford to sustain because there won't be as many of them working to support the programs that we will require, and placing a burden on them would not be wise because that would defeat what we've worked so hard to avoid. So the key on the programs is to make sure that they are sustainable and they're at a level that our kids can afford to have. I think that's an important element to look at.

One of the things that we did do – and we accepted the recommendation from the Financial Management Commission – was get away from the volatility with the resource revenue, to look at the numbers that we've had over the last 20 years and determine what would be a normal level of resource revenue to come into the province that would be supportive of our regular operations. As you know, we chose \$3.5 billion as a normal stream of revenue from resource revenue. We picked that number because we felt that that was the norm.

Now, we've said time and time again that over this first three years we'll monitor that. Now, if that number should be \$3.4 billion or \$3.3 billion we'll come in here and say that we were a little high. If it should have been \$3.6 billion or \$3.7 billion we'll do the same thing, but we believe that \$3.5 billion is the sustainable number year after year after year, and that will provide predictability for our regional health authorities, our school boards, our municipal governments so they can do some long-term planning alongside of us. There's no point in having us do long-term planning if our partners can't do long-term planning. They have to deliver the frontline service, so they have to be part of the equation. We have to provide the predictability for them so they can do their job effectively alongside us.

There are a number of factors. Growth patterns. How is the province going to grow? What's the industry base going to look like? Are we moving into knowledge-based industries? Are we able to get into that? Working with our postsecondary institutions becomes critically important as to: what does the next generation look like? The feedback from them has been phenomenal. They've been very, very co-operative. Having these partnerships with

volunteer groups from the private sector and from our postsecondaries to come in and give us advice and help us has been critically important in this long-term planning, and it will have to continue on. It's not something you do just for one budget. This has to continue year after year after year and say: we don't have all the answers. We have to go to the people with the knowledge and pull them together, and they've been exceptional in coming forward, so we'll keep on with it.

The aging population, the dynamic of the industry base, the resource revenue have been some of the elements that were key on the trends within the country. The growth patterns. There's an expectation that our growth will continue to be there, that it will be sustainable well above 3 and half percent. That's the number that's there today – the economists tell us that – so we're quite pleased with that.

3:20

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. One of the criticisms of this government in the past has been the stovepiping of the ministries, and I know that over the last couple of years there's been an attempt to flatten out the process and have more cross initiatives between ministries. We heard last night how the Minister of Economic Development is working with a variety of ministries, and what it sounded like to me was that there was some issue with who was actually in charge and whether or not there was some overlap and duplication. So if the minister could comment, first of all, on how far you think you've gotten away from the stovepiping, how the cross initiatives are working, and your interpretation of who would be in charge to lead a particular project, how that decision is made.

Mrs. Nelson: Well, normally the only people who think there's a problem with cross-ministry initiatives are the opposition. We work as a team on this side of the House, and we work as a team not only as ministries, but we have joint standing policy committee meetings that make determinations on a number of issues if they tend to cross over the ministries that those SPCs deal with. So the crossing over of boundaries occurs right through our entire caucus and our cabinet. How we determine who is the lead – there has to be a lead somewhere – and who's going to report back is usually a determination where the ministries and the Premier will say, "Well, why don't you lead that off," and the rest of us work as a team, because we are a team over here.

[Mr. Klapstein in the chair]

You know, I've often been able to pinch-hit and help out with a project in Economic Development, but I'm not the lead. The Minister of Economic Development is the lead on that because it makes sense to do that. So it's usually whoever makes sense to be the lead that is chosen. It's a process – I don't know – that just falls into place. There's never been a debate over here.

The Acting Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I would like to thank the minister for her comments and for her report to the Assembly, and I have a number of comments and questions as well.

I'd like to start with the estimation of resource revenue over a period of time. According to my math, in the last eight years revenue as a whole has been underestimated by \$21.2 billion in total. I know that when we've asked the minister about this before, she's

talked about the importance of being conservative and not being caught by surprise, but I wonder if she could comment on the magnitude of that and also on the consequence. The consequence, Mr. Chairman, is, of course, that the unanticipated surpluses up until quite recently were put 75 percent against the debt, so it has meant that more money was put against the debt than would have been the case had the estimates of revenue, particularly resource revenue, been more accurate.

Now, there was a recent article in the *Edmonton Journal* with Mel McMillan, who is a University of Alberta economist, and he indicated that the recent increase in payments by homeowners for the provincial property tax is due primarily to the flat income tax rate, which was introduced by the previous – or was it two previous? – Provincial Treasurer, who went on to be the Leader of the federal Official Opposition for a short time. So Dr. McMillan is arguing that, in fact, we've had to change the policy with respect to provincial property tax.

On that point I'd like to ask the minister when the change was made and how the change was made and if that change was publicly announced when they moved away from the brief policy two years ago of freezing the take from provincial property taxes as opposed to freezing the rate. We've brought to the minister's attention the statement in the provincial budget two years ago and one of the supporting documents that indicates that they would let the rate of property tax fall by freezing the amount so that when the property values increased and when the number of properties increased, the amount that people actually had to pay individually would fall, and the rate would fall because they would freeze the take. Now they've switched the policy and are now claiming that they are freezing the rate on provincial property tax. So I'd like to know when that occurred and why because I think that's something that's quite interesting.

According to the city of Edmonton, a typical Edmonton home assessed at \$159,500 would translate into an 8.9 percent hike in the education portion of the property tax. I think that's properly termed as the provincial portion of the property taxes. My understanding is that it goes into general revenues rather than being specifically earmarked for education. I know that the previous Provincial Treasurer, not the one that went to Ottawa, had made a commitment to reduce the provincial government's take on property tax in order to leave more room for municipalities because there's an ongoing issue with, of course, Alberta municipalities wanting to have greater access to their own revenues. So I'd ask the minister if in fact that is still the long-term policy of this government, to gradually vacate the property tax field and leave it to the municipalities and increase the funding of education based on the general income tax and the general revenues of the province. That's something that I think municipal governments are quite interested in.

Now, I want to talk about corporate taxes for a minute. Revenue from corporate taxation has decreased significantly. Since 2001 there's been \$435 million in corporate income tax reductions, and that, of course, results in a shift, relatively speaking, from corporate income taxes to personal income taxes and health care premiums, oil royalties, lotteries, and provincial property taxes. Corporate income taxes fell from 13 to 12.5 percent and from 4.5 to 4 percent for small businesses. At the same time, the eligibility cutoff for small business was increased to \$400,000, which is not a bad thing. Now, has the government looked carefully at the advantages of cutting taxes on the corporate side as opposed to the personal side? I know there have been reductions in both, but of late the reductions have been primarily on the corporate side, and there are, I understand, a couple of years of reductions on corporate income taxes that are still to come.

With those questions and comments to the minister, Mr. Chairman, I'll take my seat and await a reply.

The Acting Chair: The hon. Minister of Finance.

Mrs. Nelson: Thank you very much, Mr. Chairman. The hon. member made a comment about the negative impact of being conservative on the estimates for the resource revenue over a number of years, and as a result we did the unthinkable thing and paid off debt. I can tell you that the result of reducing the accumulated debt of this province by 80 percent by accelerating the debt retirement has brought our debt-servicing costs down to just over \$400 million a year. It saved us \$1.3 billion of debt costs on an annual basis that could go clearly into core program delivery such as health, such as education on an annual basis, year after year after year. Were the estimates conservative? Probably they were, but far better . . . [interjection] Are you debating somewhere else?

3:30

Far better that they were conservative than to have to go in and pull programs back out of those core deliveries. That would have been tragic. With the volatility that's been there in the marketplace, I remember – for five years I had to do the estimate on energy – how difficult it was to go up and down like a roller-coaster ride and give someone an exact number to deliver core programs in health, in social services, in education, and in transportation, all of those areas, and say: "That's the number. That's the number."

Well, it was difficult, so you had to be relatively conservative to make sure that you didn't all of a sudden have to pull the money back from those core areas. That would have been tragic. We had a law that said that you could not run an operating deficit any longer in this province. We were running over a \$20 billion debt in financing it. Financing costs were very expensive. We had deficits in this province of well over 3 and a half billion dollars on an annual basis. We were bankrupting the province. We were bankrupting our children's future. Were we guilty of accelerating the debt retirement? Yes, but thank goodness we were. We've given our children a future, one that is not burdened with debt that they did not create. So we assumed the responsibility of parents and adults that we needed to, so the young people aren't burdened with that.

Do I feel guilty about it? Not in the least. I did my job as a parent and a responsible citizen and a ticked-off taxpayer, who was paying exorbitant taxes and seeing the debt increasing. So what did we do? We paid off the debt. We lowered taxes. We did things that were right, and as a result we are the envy of every place in Canada, the result of having the best fiscal framework in all of Canada in this province. So if we were guilty about something, it was dealing with trying to make budget estimates on a volatile marketplace.

How do we correct that? Well, this year, because of recommendations and the help again from the private sector, the Financial Management Commission gave us some help to put in place something that was predictable, so the volatility is out of the mix now. We've replaced volatility with predictability so that we're through with those roller-coaster rides.

I can remember looking at the forecasts that were coming in from 15 to 18 different groups outside to help us pin the number for energy. Every one of them was different; none of them were the same. We used to take an average of it and say: "That's the number. We'll take the average. We'll be on the low side to be safe because the market could be a lot more volatile than what we know."

[Mr. Tannas in the chair]

In my opening comments, that unfortunately you didn't hear, I said that last year when I went to New York on the first trip, I asked, "What's the number for oil?" Well, \$15 to \$30 a barrel. That's a big swing to forecast a budget on. When I went later in the year when there was concern about the war, it was \$6 to \$60. So you have to have something that you can pin a budget on. That's why having a predictable number – and taking the number of \$3.5 billion became critically important so that there can be some predictability for the people out in the community and the municipalities and the school boards and the health authorities, so that they have an opportunity to do that.

Property tax. Last year we said that we would take the mill rate and we would reduce it by one point and maintain it at that level, but we would have to recognize somewhere that there was growth occurring within this province. You could no longer hide your head in the sand and say that the 50,000 or 55,000 people a year that were moving to this province didn't exist. That was silly, particularly when there were pressures on education. So we had to say: look; here's the new reality. The hon. Member for Edmonton-Ellerslie asked me about a strategic plan. You can't hide behind that. If you have to recognize the realities, you recognize it in your business plan, and we've said so many times, hundreds of times, that when people come to the province – and we want them here – they don't bring their hospitals and their schools and their roads with them. So capturing growth is only smart. People come here because they see opportunity, and if you freeze the mill rate and you capture the growth of people coming in, then that's your objective.

Are some households going to have additional costs? Yes. If the market value of their home has gone up, then they will pay more. If it has stayed the same, they will pay the exact same. If it has gone down, they will pay less. Now, if someone's house is re-evaluated and it has gone up in value, then their equity position within that house can be deemed to have gone up as well. That's a positive. If it's stayed the same, then they aren't going to physically pay more. If it's gone down, they're going to be disappointed because their equity in the house has likely gone down as well. So while they may not pay more tax, they may not be happy with their equity going down. So, again, it's a balance that occurs.

When someone says to me, "Oh, you raised the tax," no, I didn't. I maintained a mill rate that was absolutely flat. Yes, we captured growth. Yes, we're going to take in more dollars. When more people move here and pay more taxes, you're going to see that we captured growth. The same with personal income tax. Well, we've lowered personal income tax. There are more people paying personal income tax – it's because they've moved here to the province – plus salaries have gone up. But the rate has stayed the same. We have not raised taxes, but we get more revenue volumetrically. So that has occurred. That's not a negative.

When people move to a location, they expect to participate in the cost of the community. They're not complaining that they're participating in the cost of the community, and they're also not complaining, Mr. Chairman, about the contributions to education. I can tell you that from the Minister of Learning's budget 80 percent of the increases in education is going to the classroom. That's a huge benefit for our kids. That's supporting our kids in the classroom, and that to me is very important.

You also made a comment about the dollars collected on the school property tax assessment, that those dollars weren't dedicated to the Learning budget. I can tell you that they only make up a very small portion of the dollars that go towards Learning, but every dollar that Learning receives is from the taxpayers in one form or another. We don't have dedicated revenues per se, but I can tell you that that is just the bare minimum to start on the funding of Learning.

For \$1 from the school property assessment, another \$3 are from other revenue bases to support Learning in this province, something we're delighted to see happen because quite frankly with Alberta's choice we clearly have identified that the kids are Alberta's choice. They are our future, and as a result we're focusing in on Learning with a 4.7 percent increase. So we have moved on it.

Corporate taxes are something that we would dearly like to make sure – we don't have the number one position in Canada right today. One of the things on the long-term strategic plan that Edmonton-Ellerslie asked about is: how do we compete not only across Canada, where we lead the way, but how do we compete in the international market with our trading partner, the United States? It's one thing to be competitive with the neighbours on either side, but if you're going to have the marketplace with such a small population, you have to have a competitive tax model that carries you throughout North America. That's the strategic planning that you have to be thinking of all the time.

3:40

Our move of lowering our corporate tax rate is to make sure that we have a framework that is conducive to continued investment and development, a place where people want to move their businesses, establish it, create employment opportunities, create a future for our kids. That's the whole goal, and you do that by having a government that recognizes that their structure has to be competitive and in the number one position. That's our goal. Quite frankly, the reports that have come from every financial institution – I know that the members opposite thought they were negative – say that Alberta is the place to be. You guys are the only ones that don't recognize that. Everybody else is coming here. They're coming here in droves because they want to raise their kids here. They want to build a business here; they want to have a future here. This is the place to be. Look around you. Where else would you want to embark on a business? In Alberta. No other place or jurisdiction has what Alberta has to offer.

We will remain competitive. We will make sure that we have a competitive advantage from our fiscal structure within this province, and we'll do it on a continual basis to make sure that Alberta stays number one. We owe that to our kids.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. A handful of questions. I won't throw too many at once at the minister, but we will go through some of these issues for sure.

The first one. I'm looking at page 163 of the collection here of ministry business plans. This particular paragraph refers to automobile insurance, which links to goal 4: "Confidence in provincially regulated financial institutions and insurance companies." The particular paragraph says, "The costs of automobile (commercial and personal) insurance are rising steeply throughout Canada and this trend is making its way to Alberta." I would say that it's arrived in Alberta.

I agree completely with the issue, as would every Albertan who drives a car, I'm sure. My concern is that the connotation or the implication of this paragraph suggests that the review of insurance may be a bit one-sided. The last sentence of the paragraph says, "The department will seek input from the insurance community and Albertans." Conspicuously absent there is the legal community, which typically represents claimants against insurance companies.

So my first point here is: in this review, which indirectly at least affects every Albertan, how can we be sure that the consultation process is going to be a balanced one? Will it be very actively

consulting with the legal community? How public is the process going to be, and how public will the results be? There are certainly compelling arguments to be made that it's the insurance companies' own fault that premiums are rising so steeply, that they have lost enormously on stock portfolios in the last two years, and that to compensate for that, they are jacking up premiums. Headlines seem to paint settlements with claimants as exorbitantly high. Often once you get into the details of those settlements, they're actually quite sensible and justified. I'd hate to have claimants penalized through this process when it's really the insurance companies' fault. What reassurance can you give me that this is not just going to be an issue of defending the interests of the insurance companies?

Mrs. Nelson: Insurance costs have been on a rise. There's no question. In fact, we have a bill before the House right now, Bill 33, that is under debate. I believe it's at second reading right now. In fact, it is at second reading, Mr. Chairman. That is the start of not trying to move prices down but to try and stop the continual increase until a longer review can take place.

The cost of insurance, not just automobile insurance but business insurance, home insurance, has gone up for a number of factors, and I think it's really wrong to try and say: this is that person's fault or that person's fault. The fact is that the consumer at the end of the day is experiencing high costs in insurance, and each group tends to point the finger at the other guy. My way of dealing with this is: everybody stop, park the scud missiles at the door, and sit down and figure out a solution. I don't like pointing fingers back and forth because that accomplishes absolutely nothing.

A number of years ago I had the privilege of touring the province and doing a report on premium stabilization within the industry that actually didn't go very far. Sometimes these reports come back to haunt you or come back to reality, and a lot of the things in that are prevalent again today as they were back 11 years ago. We're moving forward on some of them. One of the recommendations was a graduated licence program – it comes into effect on May 20 – that I believe is a help for all new drivers. Not just young drivers but all new drivers would experience a graduated program. So there are some things that are moving forward that have been agreements reached by the industry and the government. Our role, with the superintendent of insurance reporting through this ministry, is to make sure that the industry is operating well, that the legal requirements are put out there, and to look at what can be done.

The second stage of what I said we would do in a review would of course involve everyone. There's no point in leaving people out, or you end up with a flawed system. They may not agree, and that's okay, but the onus will be on the groups, as I say, to come forward with solutions. I've often said: you are the people with the expertise, so come forward with something that works, or you're putting me into a position where I'll have to come forward with recommendations for policy. It's much better when the stakeholder groups become part of the solution in my view. Now, they may not like everything that comes forward – usually people don't – but a solution has to be reached for the increases in insurance costs. There's no question on that. So that will be a task that is going to proceed on, and I'm sure it will be a tough one.

I really do think it's wrong for people to point fingers at the other guy. You accomplish nothing by that, so I don't buy that. I quite often think that's escape from having to deal with the issue in the first place, so we don't put up with that.

Dr. Taft: My point on that particular goal is that I think it is crucial that not just the insurance industry but the legal industry and the claimants be listened to carefully.

Moving on through the business plans a couple of pages to page 166, there's a goal here, goal 3, which relates to risk management. "Effective management of financial assets, liabilities and risks" is what goal 3 reads. Over the last year I have become substantially better informed of a very significant risk that is underestimated in Canada, and that's the risk of asbestos litigation. A number of the largest corporations in the U.S. are now bankrupt because of asbestos litigation. Johns Manville Corporation, W.R. Grace, Kaiser Aluminum: they're gone. They're gone because they didn't properly manage the risks relating to asbestos.

3:50

I am asking the minister now if under Key Strategies, number 3, "develop an enterprise-wide risk management program for government consideration," consideration is given anywhere in that to asbestos as a significant risk to the stability and the financial solvency of the government of Alberta. Behind that question is the awareness that directly or indirectly this government is responsible for a very large number of buildings and that many, many of those buildings do have asbestos in them. I suspect that we are on the brink in this country in the next five years or so of asbestos litigation rising to the level at which it is in the U.S., in Britain, which places it in the U.S., for example, just behind tobacco as the number one litigation issue. So is any consideration being given to the asbestos issue in this risk management profile, and if not, would you consider doing that?

The Chair: The hon. minister.

Mrs. Nelson: Thank you. I appreciate the question. Risk identification, risk aversion, and risk management are all key in a long-term strategic planning process. In fact, under some of the Securities Commission's requirements on environmental issues – I forgot the number now – there's a percentage that if there's an exposure that has potential there beyond 15 percent I think was the number – it used to be, and I'm not familiar with the current one – then there had to be an identification of the exposure within the prospectus being presented on the marketplace.

What we have done through our strategic planning is try to identify some of those risks that could be facing our government. I know the hon. member has a specific question as it pertains to asbestos, and I know he's been asking various ministers questions during question period, so I'll leave that particular element to question period.

But I will say that on the strategic planning process, risk identification is absolutely key because you have to provide for or be aware of potential downward trends, or provisions have to be built or put in place to deal with those kinds of risks that may evolve down the road, or there has to be a plan of action to deal with them. That's all part of the long-term strategic planning that has to take place. Each ministry is responsible for that long-term planning in their own development of their management of their portfolio and to bring that together. It's a good identifier, and we clearly have that in our sights on our long-term strategic planning. Each individual element: we would ask the various ministries when their plans come forward what they're doing on those.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I'm happy to continue on with my questions. I just wanted to put on the record for the minister that there are many of us in the opposition who don't think that stovepiping is a very good idea either. We are much happier to

see the departments working together. Of course, we always have to be vigilant to ensure that we're getting the best bang for the buck, and I think that this is still an ongoing process and will always be an ongoing process.

With those comments I'll move on to my next question, which is with regard to some of the comments that you made to begin with. You talked about the ATB again. Periodically we hear talk of a sale of the ATB. I hear that rural Alberta isn't very thrilled with that idea. We see some new legislation in here that looks to outside people who judge these kinds of things that you may be getting ready to sell the ATB. Could you give me your comments on that particular issue?

Mrs. Nelson: Well, I think that what I can say quite clearly is that the management team and the board of ATB have done an exceptional job of reshaping, redesigning, expanding the horizons in servicing Albertans. They are a very effective group that reaches every outlet within the province. There's legislation allowing for those expansions of services to take place, and they're quite successful.

What we did say last year when I extended the regulation – it was a motion to carry forward another I think it was five years for ATB. I'm looking it up because I can't remember if it was five or 10 years. The motion, when we debated it in this House, was that if there was a change to occur, naturally we would have to have a policy debate. It would be extensive not only within ourselves but in this House. With the performance that is there, we haven't had that debate. We haven't felt that the need was there. The satisfaction level of the customers and the people of the province has been very high on ATB, so it is business as normal. That's the position we have on it.

Ms Carlson: Thank you for that answer.

Now, on regulations you talked about eliminating regulations whenever possible. How many have you taken off the books in the past year, and how many do you expect to have reduced in the coming year?

Mrs. Nelson: I don't have the exact number on that, Mr. Chairman. I will ascertain to get it, but I can tell you that the one I'm quite pleased that we got rid of, which I thought was one of the dumbest ones we ever had, was the one that said that on March 31 at midnight everything had to stop in government and everything went to zero, and then at one second into April 1 you started all over again. The March madness – somebody labeled it the March madness – of people spending the money before it was gone is over because now you can carry forward money on the capital side from one year to the next. I couldn't find where that regulation came from. Somebody invented it. I have no idea why. It didn't make any sense whatsoever. It was totally out of sync with reality, so that to me was a big one to just get rid of.

I think it will be very helpful for, again, our partners in the municipalities, in the school districts, and the health authorities so that they aren't pushed to make decisions on capital expenditures when it's not the right timing. They can do it when it makes sense. So they can do some strategic planning on their capital themselves, and it made sense.

But on the other one, the number, I would have to get the staff to get back to you on that because I don't have that with me. I'm sorry.

Ms Carlson: That's good. Thank you for that.

You talked about some of the IT in your department previously being outsourced. Do you have figures on what the cost savings are now of doing it in-house, and were cost savings the only rationale for doing that? What were the other reasons for making that move?

Mrs. Nelson: I'll have to get back to you on that.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Chairman. Two or three further questions. More specifically, one relates to an issue that's come up several times at the Public Accounts Committee, and it came up again this morning. It has to do with the accounting principles of the government in which assets under \$15,000 are expensed rather than capitalized, so they don't count as assets. They're paid for in the one year, and there's no amortization. The effect of that, as I expect the minister knows, is to exaggerate the expenses and reduce the appearance of assets. Does the minister know the issue I'm talking about?

Mrs. Nelson: Yes.

Dr. Taft: Yeah. So in discussions of the Public Accounts Committee the Auditor General has said that he's hoping that that will be resolved in this fiscal year so that the government's accounting practices are brought more in line with generally accepted accounting practices. I guess my first question is: are you as the Minister of Finance the lead person for this process, or is your department the lead department for standardizing this process, and if so, can you give reassurance that by the end of this fiscal year we will have that practice fall in line with generally accepted accounting principles?

4:00

Mrs. Nelson: Well, the recommendation has come forward. Again, there's probably an issue of materiality as to what level you do capitalize and what level you do expense, and I guess that's the debate. What we clearly have said is that we will follow the generally accepted public-sector accounting principles, and we'll undertake to take that transition as a part, again, of the transition under the Financial Management Commission.

Dr. Taft: Okay. Well, that will be nice when that's sorted out and we don't have to keep going back at it in Public Accounts.

My next question is based on page 143 of the estimates this time, not of the business plan. The question relates to line 1.0.4 under Operating Expense, which is communications, and the minister's communications budget looks to rise from \$286,000 last year to \$385,000 this year. So it's a hundred thousand dollars in a large budget. I understand that perspective, but it is also a 30 percent increase in communications. So my question to the minister is twofold. One is just explaining the increase of that expenditure and, secondly, explaining why it is that your department, Finance, has a communications line and the Public Affairs Bureau also, I assume, has a communications line for your department. Do you have communications staff of your own and Public Affairs working together?

Mrs. Nelson: Yes. In fact, we do work together very closely with the Public Affairs Bureau on the communication link, but we do have staff as well, and the \$99,000 increase over last year is represented by an additional communications officer, who started part-time partway through the year, but also salary increases for four full-time equivalents that are in that sector. There's also the cost of the production of the two budgets that went through and promotional items such as budget communications that go out to people.

There's an element of responsibility this year that I took particularly – someone asked me: why are you putting out information on the budget? Well, you know, we're spending \$20 billion of taxpayer

ers' money. They have the right to know where that money is going. I couldn't believe the question. Someone asked me about this communication budget to put information out. I thought: well, let's not keep people in the dark ages; let's tell them where their money is going. So we did. We sent out information, and people were able to pick it up off the web site. There were a couple of newspaper ads. We actually did a lot better than most places across Canada at putting the financial information out, but we are one government that does update Albertans on their money on a regular basis, and we said we would do that. We'd be open and transparent, and we would communicate with them, and that's exactly what we've done.

So it's an additional person plus the normal salary increases that go through plus the extra communication link that causes it to go up.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. My next questions are around managed spending and management styles within the government. I would like the minister's comments on efficiency audits, putting in a process in the government where you would have efficiency audits. Now, the Auditor General audits the budgets of the various ministries and the overall government in accordance with the approval that they get from the Legislature, but efficiency audits would take a look at analyzing the detailed operations of the department to see that you get value for your money, that they're well spent. They look for things like top-heavy management structures . . . [interjections]

The Chair: If you want to laugh loudly, please do so outside.

Ms Carlson: Thank you, Mr. Chairman.

They look for things like top-heavy management structures, extra employees. They examine contracts for everything from consultants to computers to ensure that there's efficient spending with public dollars, and they determine unit costs for every kind of service being delivered and then are able to compare those to other departments. So then we would see an AG report that would have more comprehensive recommendations as to how the department's operations could be more efficient and then giving the minister time to respond and take action if they choose to do so.

I'm not saying that from a strictly opposition perspective. I'm saying this from a perspective of improving the operations of government. We all know that \$20 billion is a lot of money, and we all know that even in very small operations there are always efficiencies to be had. So far no one in government is tasked with this particular responsibility, and it seems like this is a very good idea whose time has probably passed having been needed, and we should take a look at that happening from a purely positive perspective in improving the management style of government. Could the minister comment on that?

Mrs. Nelson: Instead of an efficiency audit I think the key is to make sure that the performance measures of each ministry are in fact real measurements of the efficiency and the effectiveness of delivering core programs and they fit in the overall business plan of the government. The business plan document clearly has an identification of the overall corporate plan plus, then, all of the individual ministries attached to it. That is reviewed on a regular basis at the standing policy committee and at the Treasury Board process. This year, though, if members would notice, we did streamline and update our performance measures to bring them in line with, I think, a more current process, particularly with the advent of the cross-ministry initiatives. Those become very, very telling in that you have to

always be diligent to make sure that you don't have two ministries performing the same task or duplication or an overlap or a redundancy of a functional responsibility. Having good performance measures that actually test the performance of the ministry – I call them the internal performance measures as opposed to the external ones that the global economy is accomplishing – becomes critically important. So that kind of evaluation on the performance measure we took very seriously this year and reshaped those performance measurements to be reflective of, I believe, a more current business planning process that brings us into today's time frame.

So I wouldn't go for the concept of what was called efficiency audit. I think that's kind of out of date, to be quite honest with you. I think performance measurement is probably key provided it deals with the reality and the expectations of the department and not just what's happening outside, something that you can actually measure to see if, in fact, the effectiveness of the department is really being felt not only in the government but by the shareholder who is paying for it. So it becomes a little more rigid than what we maybe had before. It's not the high-level blue sky stuff. It's down into the hard details. You see some tougher performance measures in these business plans than what we would have had before, and I think where you get your best audit is: did you meet the expectations? If you did not, then the standing policy committees are going to say: why not? So you have to explain why you didn't meet those performance measures not only to your own colleagues but then also to the outside community, and I think that's very important.

4:10

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman and Madam Minister. I agree with the minister that we need stronger performance measures and that they have to be actually measuring tangible results within the government and the department. That's the strategic planning side. But efficiency audits are still very effective on the operations side of any department. In a corporation you would be streamlining your operations to build a widget. In government you're streamlining your operations to provide a service at the lowest possible and most effective cost. Generally speaking, it's services that you're providing, but it's the same process. So, yes, you have the performance measures actually measuring the long-term strategic goals and whether or not each department was able to effectively achieve those, but you're only doing half the job if you don't look at the cost of providing the service.

That is something that is an integral part of business planning for corporations and an integral part of the management style. If you don't have an internal operations audit system within your own structure, then traditionally it would be outside auditors who would be contracted to come in and do that. So either the minister could develop that process within her own department or she could get the Auditor General to do it, but I still think it's something that the government really needs to take a look at to get the best bang for their buck.

We know that every time we build a bureaucracy, we build inefficiencies over time, at least, if not initially. People want to protect their jobs. They empire build, particularly in a government where we don't have specified sunset clauses for programs, which I would also like to see initiated. Sometimes people are doing redundant kinds of work or providing services that aren't streamlined. So that's where I'm going with this. It doesn't have to be an outside entity that does it. It could be an internal one, but you're probably wasting lots of money. I won't assume any kinds of numbers, but the smallest business will find at least a 5 percent

efficiency by doing that. A 5 percent efficiency on \$20 billion is a lot of money. Would the minister consider moving to something like that?

Mrs. Nelson: I think this is an excellent question that's come again from Edmonton-Ellerslie. An inefficient allocation of human resource allocations to any kind of a structure will cause absolute chaos within the system. So I agree that having an efficient allocation of human resources and nonhuman resources becomes effectively important for the government.

One of the ways that we are dealing with that to try and address those issues so that we don't have that built-in redundancy and inefficiency within our system and the inherent growth within the bureaucracy is the cross-ministry initiative. You have ministries working together, IT projects coming together to make sure that the systems can actually talk to one another so you're not buying systems that are incompatible, to have a co-ordinator who is working, the Public Affairs Bureau, who co-ordinates the communication links throughout. While you have an allocation out to your department, you still have a co-ordinated approach, so you don't overlap and duplicate positions within the government.

These are throughout. That's how the Ministry of Innovation and Science evolved, a coming together, bringing together the research and technology enhancements under one umbrella that still deals with the elements within the forestry research, within agriculture research, with energy research, with biological research. All of those types of research that were done before in individual departments are now co-ordinated and brought together.

Do you have to audit the effectiveness of that? Yes. That becomes very important, and that's a tangible measure of the effectiveness of the cross-ministry initiative. That's where our deputies meet and have to go back to look at the performance measures to make sure that they are effectively co-ordinating their efforts so there isn't a duplication. They're challenged on that, and they have to come forward with a report on how they have done.

You know, the shared services concept, again, is another. Every department doesn't have to have its own accounts payable clerk. That should be able to be done through a shared entity. It doesn't have to be in every department. Reinventing government every 35 years is probably not a bad plan. We have done that through this whole process. [interjection] No, no, no. We've done that through this process. Now, it didn't happen in one year. It's been dubbed the Klein revolution, and I believe that the success of it has brought us into a position where we're holding our operating costs to 4.9 percent. Is that the ultimate goal? No. I would like those to be lower than that, again through efficiencies, to be almost tied to our growth patterns. So we're striving for that end result.

I think we've come a long way to keep our costs in line. We're not there yet, but again through the strategic planning process we're identifying areas where we can in fact reshape that to bring some reality into it. An ineffective allocation of human resources is just a dreadful situation for a corporate entity like the government. We have to be really, really vigilant to make sure that we don't get into that, so our performance measures coupled with our cross-ministry initiatives are the key elements to watch on that.

One of the things that I will tell you a little funny on is that I learned very quickly in the Treasury Board processes to ask: how many warm, breathing bodies come through the door on a daily basis? I didn't rely upon the acronyms that were there and found out that I had to check that at the Treasury Board table. So when someone tells me they have X number of people, I want to know: is that the warm body coming through the door? I don't care how long they're there; they're on a salary of some sort. So you learn in a big

hurry. I came from a different sector that didn't have that kind of concept, so you learn. You learn what to watch for, and I have to admit that the bureaucracy in this government is very, very effective. They're very conscious. They're very cost-conscious, and they recognize that if they keep doing what they do well, they'll be applauded throughout the country, and that's what they're getting right now. They have done a tremendous job in streamlining this process and delivering core programs, so we're very pleased with them.

Ms Carlson: Mr. Chairman, I want to spend a moment talking about natural gas rebates. The trigger point for rebates to kick in was \$5.50 in the last year. Is that going to stay the same this year? And if you could talk about the parameters of anything you're putting in place to help promote conservation on the natural gas side.

Mrs. Nelson: Well, the hon. member is correct that we have a piece of legislation in place that has been debated in this House a number of times this session, and the trigger is \$5.50 a gigajoule before it triggers a rebate. I believe that they're going to review that later on, but it is in place, so it's there.

Ms Carlson: Sorry, Mr. Chairman. Are you saying that \$5.50 is the price again for this year?

Mrs. Nelson: Yeah.

The Chair: The hon. Member for Edmonton-Riverview.

4:20

Dr. Taft: Thanks, Mr. Chairman. A series of questions. I'll ask them one at a time. On page 149 of the estimates the very first line under Revenue is internal government transfers. I'm not sure if this has come up yet. If it hasn't, it needs to be brought up. There's a very significant change. The forecast amount for 2002-03 was \$334 million, and the estimate for '03-04 is \$95 million. It's a drastic drop in internal government transfers. I'm wondering if the minister could please explain that. [interjection] Okay. Well, if you did it in your speech, could you do it again in two sentences for my sake, please?

Mrs. Nelson: Yeah. I will. Just give me another question, and I'll get the exact numbers.

Dr. Taft: Okay. In a related kind of question, on the following page of the estimates, page 150, the revenue from Alberta Treasury Branches drops considerably – I would guess about 20 percent – from the forecast amount for the last fiscal year to the amount for this fiscal year. So that's on page 150 under Revenue, the line that says Alberta Treasury Branches. The estimate for this year is \$152 million. The forecast amount for last year is \$199 million. Can the minister fill us in on that one, please?

Mrs. Nelson: Well, Mr. Chairman, instead of the hon. member going line by line, I could just go over the overall decline in the revenue that's shown on that page, from the \$1.2 billion to the \$816 million. Instead of you going line by line, would that be alright?

Dr. Taft: Well, the details are of some interest. There are two or three lines that are particularly significant.

Mrs. Nelson: Well, I think they're all significant.

Dr. Taft: Well, then, sure. You could do each line. I don't have to stand up each time.

Mrs. Nelson: The overall projected revenue is \$816 million, which is a decrease from last year's revenue of \$1.2 billion. Our investment income for '03-04 is \$26.5 million lower than in '02-03. This is primarily due to the reductions in the Capital Finance Authority investment income due to lower interest rates on new loans. That used to be called the AMFC. The interest rates are down, so we'll see a decline in the revenue base. There will also be a decrease of \$238 million for internal government transfers that represent the contributions from the lottery fund to my department, and the net income from our commercial operations is projected to be \$47.5 million lower than was forecast in the previous year. Then there's the Alberta Treasury Branches net income, and it's expected to be below last year's forecast mainly due to the onetime gain last year related to the West Edmonton Mall settlement, so that comes down. The \$96.5 million decrease in other revenue from the 2002-2003 forecast is attributed to the transfer of a hundred million dollars from the Alberta Capital Finance Authority's retained earnings in 2002-03. If you remember, that was called AMFC. It's now the Alberta Capital Finance Authority. So that accounts for the difference between the \$1.2 billion and the \$816 million in revenue.

Dr. Taft: Okay. Thank you.

The Chair: Hon. Member for Edmonton-Riverview?

Dr. Taft: Sure. On page 169 of the business plans, not of the estimates but of the business plans, goal 6, under Risk Analysis there's a sentence that reads, "The continued decline of high royalty rate conventional oil revenues will need to be replaced in the long term." Now, the minister and I have discussed this issue in Public Accounts and probably in estimates last year or the year before, and I know that the reassurance that's given me about this issue is that the long-term revenues from heavy oil development will fill in the decline in conventional oil royalties. However, I remain concerned about the rigorousness of a policy that will lead to a long-term rise in royalties from the heavy oil plants. I have elsewhere seen projections of heavy oil royalty income into 2006, and it remains in the hundred million dollar range, which is not going to compensate for anything. I'm trying to think of the best way to put the question to the minister. It is essentially: what guarantees – and I know you'll say that there are no guarantees – or what reassurance will the minister give that heavy oil sands production and the royalties resulting from that will in fact replace the decline in the high-royalty conventional oil production?

Mrs. Nelson: Well, Mr. Chairman, what I can say is that companies like Suncor don't make a recent announcement, just a couple of weeks ago, of an additional \$3 billion capital investment in oil sands if they're not anticipating wealth generation from that investment. Up in the oil sands alone I believe there's roughly about \$80 billion of capital investment being invested today and committed that's on the books to develop the oil sands. Companies haven't made that long-term commitment, which is really a commitment of 20 to 40 years, if, in fact, they don't believe there's wealth generation available there. The same applies with the heavy oil development that is going on up in the northeastern part of the province and the northwestern part of the province. They are not making those types of large investments, which they are, if they're not anticipating a return on the investment, which also returns a royalty to the Crown. Based on the best information we have from the Ministry of Energy

on the longer term, we believe the forecast of \$3.5 billion that we have for sustaining our core programs that we've selected is a reasonable number to have in our budget process.

Now, we have put in place and I've said from the beginning that over the next three years we will review that number to make sure that it holds. You know, I don't know whether the number is too high for our requirements or too low. It may be up a hundred million or down a hundred million from what has to happen. But we're confident – and we've had it reviewed – that that's the number we should choose. So the comfort level for me comes as more companies make announcements about investments. They're doing it because there will be a return on that investment, which means we also will receive a return as the owner of the resource through the royalty payment. So that's where you get the confidence level.

Now, in the longer term we also said that we have to be more strategic in our budget planning process and think beyond the three-year business plan out to the 10- and the 20-year time frame and try and visualize what this province will look like and the shape that it will be in 10 or 20 years out. Are we going to see a shift in the dynamics of our industry? Are we going to be more knowledge-based? Those kinds of dialogues and definitions come from strategic planning, and what we've embraced this year is the longer term visionary concept of: where are we going to be down the road? What will it look like? How do we make sure that we stay in the economic position we hold today of being number one in Canada? How do we get from here to 20 years out and remain at the top within the country? That's the challenge that's before us, and that's why the planning process had to shift and become more strategic as opposed to being simply operational on a year-to-year basis.

4:30

The key plan in the business planning process is the last year of the plan. A lot of people think it's the first year, but it's really the last year of the plan, to make sure you meet your goal in that time frame when you're adding a year out. That's really your key year, that last year of your plan. Your current one is one you can manage, but your out-year is the one that you're striving towards. So that always becomes the key in a longer term business planning process.

We're in a scenario now with our strategic planning group to move us into that new arena, and that's where we believe, from what we have, our resource revenues will hold in the longer term. There are a number of analyses that go on to indicate that that would be the case. On the conventional side maybe not so, but on the uptake, on the nonconventional, yes.

Dr. Taft: Okay. Following up, let me be more specific. The generic royalty arrangement on the heavy oil sands development calls for a rise from the 1 percent royalty rate to a 25 percent royalty rate when the investors have fully recovered the cost of the capital that they've invested. So my specific question really, then, to the minister is: approximately when does Alberta Finance expect the royalty rates to rise, to take the jump from the 1 percent to the 25 percent?

Mrs. Nelson: Well, you've got a little bit of that wrong. I'm rather intimately knowledgeable of that framework since I was one of the crafters of it. The 1 percent royalty replaced a number of agreements that had no royalty involved if in fact there was capital that we recovered. The 1 percent royalty is of gross, not net. It flips into the 25 percent after the recovery of capital. So you've always got a minimum of a 1 percent gross royalty to come forward, which is a huge change and commitment for dollars to flow through to the coffers of the Crown to see that development come forward. It was designed to readily admit that there had to be a royalty payment

made, and it had to be sufficient to warrant what I call patient capital being allowed to develop over a time frame for development within the oil sands, which required huge amounts of investment to go into those facilities to expand them. In fact, the long-term projections are that there will be 1.2 million barrels of crude coming out of there. I think we're well on our way to seeing that occur.

So you've got to look at the royalty structure as is. It's 1 percent of gross that then moves to 25 percent. You're going to see that occur in different stages as the various projects evolve.

Dr. Taft: I need to continue this because we agree that this is of fundamental importance to the long-term fiscal health of this province. When will we begin to see that flip, as you called it, from 1 percent to the 25 percent occur? I realize that projects are coming on at different stages, but I've looked through the business plans here, and going up to '06 there's no sign that that flip occurs. By '06 we're going to need this. When is this going to happen if it's not by then? When will we start to see the royalties really flow from the oil sands?

Mrs. Nelson: Well, Mr. Chairman, there are a number of factors that get involved with royalty revenues. One of them is the price in the marketplace. You may see a volume increase. Remember that price is always a factor in the royalty calculation, so it depends on where the market goes. The key to looking at the long-term sustainability of our resource base is the continual investment that is occurring in those sands. As I said, with the turmoil that the market has been in, I was really very encouraged with Suncor's announcement of \$3 billion just a couple of weeks ago. Right, Murray?

Mr. Smith: Right.

Mrs. Nelson: And that to me is an indication that there's absolute commitment to the long-term planning of the development of the oil sands, which is a long-term benefit for the province. I can tell you that with the billions of dollars of investment we're already reaping huge benefits from that investment in the province that you can tangibly put your hands on right today. You can do that, and you should be able to see that.

Now, I can't give you that long-term forecast because I don't have that. What I can tell you is that based on the investment and the economics that we believe are there, we have a secure position on our resource base of 3.5.

Dr. Taft: I understand that price affects all this. My concern is that the key is not just continual investment, as the minister said – that's obviously important – but that at some point the continual investment should lead to the higher flow of royalties. We're down, although production has increased substantially through heavy oil – I forget the exact figure – but the royalties are in the \$120 million a year range. In the long term the key to our prosperity is not just continual investment; it's getting the royalty up to that 25 percent level. Frankly, the royalty is what's due to the citizens of this province. It's the economic rent on that resource, as the minister knows. My concern is that if we get into a program of continual investment, we will never get out of the 1 percent royalty. I feel like we're struggling here.

Mr. Smith: And maybe you'll want to bring it up when we do my estimates.

Dr. Taft: Well, maybe we do. That may help it. Sure. Okay. That's fine.

Mrs. Nelson: I don't want you to leave today feeling . . .

Mr. Smith: Left out.

Mrs. Nelson: No. Insecure.

Under the old setup the agreements were all one-off agreements, and a lot of them had no provision for minimum royalties at all, so there were a vast number of years where there was no royalty paid. When we renegotiated the agreements, we said that there has to be a minimum paid, so 1 percent of gross was the number. You could measure the effectiveness of the capital investment in the project. You'd take that project, capital is invested, it's allowed to recover, and it's project by project. It doesn't extend to the next one. When the Mildred Lake expansion is done, you can visibly see that the capital investment for the Mildred Lake area is a project that then ramps up. So you'll be able to trace that and determine that that 1 percent gross then ramps up on a stand-alone so that each one has its own structure. Just because you're starting to make revenues that are beyond the capital cost, you can't put in another project to avoid paying royalties. You can't do that. You have to follow the program through.

4:40

[Mr. Klapstein in the chair]

So it's specific, and it's boxed in. It's a good project because Albertans do receive what you call the rent; I call it the huge benefit of the capital investment. I can tell you that this program has been so successful at drawing investment to this province that not only is the direct investment in the sands critically important, but all the spin-off it has brought with it has been phenomenal and can't be matched anywhere else. We're pretty lucky to have it.

Anything else specific you'll maybe wait until Energy is up.

Dr. Taft: Fair enough.

Let's see. On page 152 of the estimates there is a reference to premiums, fees, and licences, various. I've got to make sure I'm lining the lines up correctly here. It's estimated this year at almost \$25 million, up from about 19 and a half million dollars last year, a 20 or 25 percent increase. I would like some details from the minister or a breakdown of how much money is collected from which fees. "Various" is a wonderfully vague term, and I'd like a little detail to fill in that vagueness. That may be something that needs to follow in written response.

Mrs. Nelson: No. The \$24,825,000, is that the one you're talking about?

Dr. Taft: That's right. Yes.

Mrs. Nelson: That's up about \$5.2 million from the previous year, and it's due to the growth in the deposit guarantee fee assessed on Alberta Treasury Branches. They were estimated at \$23.4 million.

The Acting Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. In the strategic priorities for your ministry you talked about the recommendations that you adopted from the Financial Management Commission, 22 of 25. What were the three that you did not adopt, and why did you reject them?

Mrs. Nelson: I'm trying to think of the numbers of them. One of the

recommendations – and I can't remember the number; I don't know if that's important or not – was to have the heritage trust fund serve as the sustainability fund, and our caucus did not agree with that approach. Our feeling was neither did Albertans, so we did not accept that recommendation.

Another was to use a benchmark to allocate dollars for capital on an annual basis. The benchmark was that the allocation should be tied to the GDP of the province on an annual basis, which resulted in \$1.2 billion or \$1.3 billion of allocation, somewhere in there, depending on the annual base into the capital account. We weren't happy with the benchmark of GDP being used, but the dollar amount was the acceptable side.

I'm trying to think of what the third one was, and I can't think of what it was off the top of my head. I'm sorry. I'll think about it in a minute. But basically it was that using the trust fund was not accepted. [interjection] Oh, the collective bargaining process. That was the other one that wasn't accepted either, so we didn't deal with that in the recommendations.

Ms Carlson: Mr. Chairman and Madam Minister, we see a new focus in this budget on stability, which is a good thing, yet what we saw two days after the budget process was a new \$64 million allocated for schools. So I would expect that between now and then you put something in place, the \$64 million for an additional school that wasn't in the budget process. So if you're looking at providing stability in the budgeting process and then we see a change like that happen so soon after, we would expect there to be some checks and balances that you put in place now so that something like that can't happen. Could you comment on that for us?

Mrs. Nelson: First of all, there was no reallocation or no dollars added to this budget. The budget plan is very clear. In the budget there's \$450 million for new schools and school modernizations and upgrades. That number has not changed at all. That's the number. Now, how it's allocated within that is something I don't get involved with, but that's the number. There's nothing more.

Ms Carlson: Okay. So am I reading that what you're saying there is that the Minister of Infrastructure would have to figure that out within the confines of the dollars he was allocated?

Mrs. Nelson: Exactly.

Ms Carlson: Okay.

My next question then is on maintaining the value of the sustainability fund at \$2.5 billion being as we see it as dependent on oil and gas. Can you tell us what you're expecting to see for projected natural resource revenues that you use to predict that? You talked about that a little bit in the beginning, but if you could comment on that for us.

Mrs. Nelson: I think the forecast for oil and gas revenues we'll let the Minister of Energy deal with in his estimates, but what I can tell you is that the \$2.5 billion for the sustainability fund is a number we believe will take us through a turbulent time in the event that we have a huge decline in our resource revenues. We're not anticipating that, and we expect to build the fund to \$2.5 billion fairly quickly over the next few years. This fund is clearly different from what other funds have been from the standpoint that it can only be used for certain things. So it's not a matter of beefing up operating costs or expenses by borrowing from this fund. It's a matter of dealing with a situation where if in fact in a given year resource revenues go below the \$3.5 billion that we forecast, we're able to make up the

difference from the fund, but it has to be replaced. So the fund must sit at \$2.5 billion as a safeguard, and I think that's the right number. I'm going to be honest with you. We'll be assessing that over the next couple of years to give a better comfort level to all of us that we've picked the right number that has to be in that fund.

Beyond the \$2.5 billion if there are additional dollars that come over from surpluses or additional resource revenues, et cetera, those dollars can only again be used for certain things, mainly on the balance sheet side of the equation; in other words, to further pay off our debt, to enhance our capital plan, or to enhance other assets of the government such as endowment funds, foundations, et cetera. It cannot be transferred over to operations, and that's the big distinguishing factor between it and other funds that don't put the discipline on the spending level into their governments. I think that's the key for the long-term sustainability of the core programs, that we don't ramp them up and pull them back so we have a level, predictable, process that moves forward, and that's fundamental I think.

[Mr. Tannas in the chair]

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I'll ask a few questions now with regard to taxes and tax cuts. You talked in your opening comments about this province having the lowest tax rate for families, and I'm wondering when you make those estimates why you don't factor user fees into that equation because by most recognized definitions a user fee is a tax, and it does add to the cost of average family expenses. So if you could comment on that.

Then, also, what is your projected tax cut for the upcoming year and for the years after that? Do you have a plan to reduce the taxes to 8 percent and 3 percent respectively by 2006? That's what we heard about before in the business plans. [interjection] Corporate taxes. So the projected tax cut for both individual and corporate taxes, and then are we going to see the small business reduction?

4:50

The Chair: The hon. Minister of Finance.

Mrs. Nelson: Thank you, Mr. Chairman. We have already lowered personal taxes in this province by \$1.5 billion that Albertans are paying less year after year after year. It's a huge advantage for Albertans. The key is to maintain the attractive level of that – i.e. inflation-proofing the program – but making sure that the personal exemption gives Albertans the best advantage and maintaining that position.

The other side of the equation is that when we announced originally the business or corporate tax reductions, we said that we would move on a path to lower those to 8 and 3 as affordable. As you know, we did experience some difficulty a year ago in the fall that didn't allow us to proceed in that particular year with the reduction. We did proceed with some of it on the small business side. This year we were able to continue on that path, and it would be our goal to get there as quickly as we can, but again it's as affordable. Our goal would be to move as quickly as we could because we think that that is a huge economic advantage in the overall structural framework of the province that again attracts people to Alberta.

The other thing that's key – and we quite often are hard on ourselves in Alberta – is that Alberta's tax advantage is huge when you consider that we don't have a payroll tax, we don't have a capital tax, we don't have a sales tax. Those all factor in.

Dr. Taft: Health care premiums.

Mrs. Nelson: The hon. member over there is talking about health care premiums. It doesn't matter how you shake the cat. When you take fees and services and taxes, we still have the best advantage in all of Canada. While there are only two provinces that physically go out and send a bill to people for health care premiums, the rest of them build it into their system. It doesn't matter how you shake it. The taxpayer is paying for it either directly – I much prefer for government to be up front and say: this is what the cost is. I would like people to know exactly what the cost is.

We're going to be spending over \$8 billion in 2005 on health care, and as a taxpayer I'd like to have a fair idea as to what that cost is and why. I could hide it. That would probably get me off the hook from a lot of questions from the opposition. I could hide it, but who are you kidding? You're not kidding the neighbours that they're not paying for their health care, because then you'd have to put it in somewhere else, and you could put it in as an extra fee here or one over there. So you can do that, and that's easy. They still have to pay for it because health care is not free. It costs a whole lot of money. I think at least Alberta is up front enough to send out a bill to make people realize that it in fact does cost money. The costs have gone up, so the bills have gone up. So I don't have any qualms about that.

Our competitive tax advantage is huge in this province. In my opening comments I talked about the comparison if we lived in other provinces, and I was amazed when my department sent me a note that said that if you took the tax structure in British Columbia, everything, and you transplanted it across the mountains and plunked it on Albertans, with the demographics we have, we as Albertans would be paying \$5 billion a year more in taxes. I thought: somebody's made a mistake; it can't possibly be that much. Then I found out that I think it was \$3.2 billion was in provincial sales tax alone. That's usury. Then they did the same thing; they went to Ontario and plunked their system on top of Alberta with all of their types of payroll taxes, et cetera. Again, we would be paying just over \$5 billion if we adopted their system. Quebec was even worse. I thought that these numbers had to be wrong. I couldn't believe there would be that much of a difference in what it would cost Albertans if we had these other systems.

So I think we need to be grateful for what we have in this system. We all would like our taxes to go down. I mean, if you asked a hundred people, "Would you like your taxes to go down?" a hundred would say yes. If you asked them if they'd like to go without those services, a hundred of them would say, "Probably not," and 75 would say, "Definitely not" because they're critical services that they require.

So I think that by and large Albertans are comfortable with the tax structure we have. They're not complaining. They realize the advantage they have. They realize the benefit they have. They definitely don't want their taxes to go up; that much we do know. So I think that as long as we maintain that taxable advantage, then we're doing the right thing and we're striking that right balance.

We will continue with the corporate reductions as affordable, but I will not put core programs in jeopardy to do it. That's the balancing, and that's a tough balance to do, but that's the one we're committed to.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you. My first comment to the minister is that basically what we have in Alberta is revenue from oil and gas that allows us to not have a sales tax.

My second comment to the minister is that that was the closest I've heard anyone from the government come to admitting that health care premiums really are a tax. She didn't quite say that, but she was very close.

Mr. Vandermeer: I said that all the time.

Dr. Taft: Okay, and you will be a minister someday.

I'm on page 165 of the business plans: "A fair and competitive provincial tax system," goal 2. It says, "The tax system must be fair," and I agree. We all agree. There are, however, different definitions of fairness. When I read that, the first thing that occurred to me in fact was the fundamental unfairness that I see with health care premiums. When you combine health care premiums with the 10 percent flat tax, what occurs is that the most heavily taxed citizens in Alberta are basically the working poor, those people who are just above the low-income exemption for paying health care premiums, because they have to pay the 10 percent of their income in tax, and they have to pay the same full amount in health care premiums that a millionaire pays. So to me this is fundamentally unfair. In fact, by percentage of income the heaviest tax load in Alberta falls on the working poor and the lower middle class.

So really that's more a comment, indeed I would go so far as to say a statement of fact, than it is a question, but the minister might want to comment on that. There has been talk both in the government and in the Tory Party, the PC Party, that someday health care premiums would be phased out. Is the minister aware of any progress on that issue, or are we looking at continuing them at the level at which they stand now?

Mrs. Nelson: Mr. Chairman, I guess I would say to the hon. member in response that insofar as health care premiums the key thing is that when you need the system, it's there. The system is expensive, and I would say that you can have a bill or you can have some sort of – you have to pay for it somewhere. So it doesn't matter how you shake the cat. As a Canadian citizen you're going to pay for health care in one form or another.

5:00

At this point I prefer as an Albertan to see something come in the mail that tells me that I am participating in protecting a system that I think is very important and fundamentally key. I can tell you that if you've ever used the system, which a number of us have had to use, it has responded, and it's far more than what we would pay on an annual basis in a premium of any sort when that system responds. When you consider what's there in the system and available to us in this country, we are the envy of the world to have the health system that we do have. Maintaining it is going to be very costly. Is it sustainable? Yes. But trying to play the idea of getting rid of the premium – for what? Do you want me to bury it somewhere? I'd rather be up front with people and say: this is what the system costs. If we have hardship cases, we deal with those. That's a different issue. But to try and get rid of it and say that we're not going to charge for health care: who are you kidding?

This is an \$8 billion a year system. It has to be paid for in one form or another, so you have to deal with that reality. You can't get away with it. You can't hide your head in the sand and say: somebody else is going to do it, the other guy. There isn't any other guy; it's you. You have to pay for it. You have to pay for the privilege of having the system. Hopefully you don't have to access it, but if you do, it better be there and respond when you need it. That's the key, and this system does do that, and it responds a heck of a lot more than what we pay on an annual premium; I can tell you that right now. It's a very, very good system.

So we can play the game of hide-and-seek, but I'm not really much for hide-and-seek on these costs. I'd rather be up front with people and tell them what it is. So I wouldn't be pushing that analysis. I like it to be front and centre.

Dr. Taft: Okay. I agree with a number of the comments from the minister, that the system is good, that it needs to be there, that it isn't free, but I'm going to say two things. One, it would be more fair, in my view, to abolish health care premiums and fold it into the tax rate so that people earning \$30,000 a year aren't paying a higher tax rate than people earning \$300,000 a year, which is patently unfair, in my view, right now. So my preference would be to abolish the health care premiums and fold it into the tax rate.

My second point on that. It's a suggestion here, and I couldn't find the figure right at my fingertips, but the government could save tens of millions of dollars a year, because that's what it's costing to collect the health care premiums. So you could save tens of millions of dollars a year by doing away with those and folding them into the general tax structure.

I can tell from the expressions of the minister that she doesn't agree with me.

Mrs. Nelson: Well, I'll take your words of wisdom under advisement and remember them. Thank you.

Ms Carlson: Mr. Chairman, we have a number of questions left. We haven't even started to talk about Kyoto and some of the other important decisions that were made within this department. But the minister has been very co-operative this afternoon in answering our questions, not always with the kinds of answers we like to hear but has given us a great deal of information. So with that, we will submit the rest of our questions in writing to the minister and would now call for the vote.

The Chair: After considering the business plan and proposed estimates for the Department of Finance for the fiscal year ending March 31, 2004, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:

Operating Expense and	
Equipment/Inventory Purchases	\$83,677,000
Nonbudgetary Disbursements	\$82,529,000

The Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Mr. Hancock: You know, it occurs to me that we don't have to rise and report now. We could rise and report at 10 o'clock tonight, but I move that we rise and report and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Finance: operating expense and equipment/inventory purchases, \$83,677,000; nonbudgetary disbursements, \$82,529,000.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I would move that we adjourn until 8 p.m., at which time we'll return in Committee of Supply.

[Motion carried; the Assembly adjourned at 5:09 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, April 23, 2003**

8:00 p.m.

Date: 03/04/23

head: **Committee of Supply**

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, I'll call the committee to order. Before I recognize the Minister of Municipal Affairs, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

The Deputy Chair: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Chairman. It is indeed a pleasure to introduce an individual from my constituency. In the members' gallery we have Lawrence Ference, who is the second vice-chairman of United Farmers of Alberta.

Just to tell you a couple of things about United Farmers of Alberta, the organization, they are presently closing in on a billion dollars in sales for each year. Also, in 2009 they're looking forward to their hundredth year anniversary of existence. Presently they run 115 petroleum centres and have 34 farm outlets. I would also like to say that they are the eighth largest co-operative in Canada. In Alberta they have 120 active members. If I could ask Lawrence Ference to please stand and get the traditional warm welcome of this Assembly.

The Deputy Chair: Does anybody else have any introductions?

head: **Main Estimates 2003-04**

Municipal Affairs

The Deputy Chair: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you. Mr. Speaker, it is indeed my pleasure this evening to present the estimates for Alberta Municipal Affairs. I might also add that clearly our ministry is committed to working with a variety of stakeholders to ensure that Albertans live in safe, sustainable, and enhanced communities and are served by an open, effective, and accountable government.

In the coming year we will pursue six additional goals, building on our successes, taking a continuous improvement approach in dealing with municipalities but also enhancing an already effective, responsive, co-operative, and well-managed local government sector, continuing to build on the successes over this next year but also enhancing the financial sustainability and accountability of municipalities.

It's also equally important to talk about a well-managed and effective assessment and property tax system in which stakeholders have confidence, which, I'm very pleased to say, is taking place; also a comprehensive safety system that provides an appropriate level of public safety, and I'm very pleased to add some more detail about that later on tonight; also an emergency management program that enables effective preparation for, response to, and recovery from major emergencies and disasters in the province at the local level and working in partnership with first responders; and also an independent appeal system that issues timely and impartial decisions of high quality.

I mentioned earlier that our Municipal Affairs budget this year, in

case you may not be aware, is a grand sum of \$133.7 million. Now, that supports the operation of four key, main areas within our ministry: local government services as well as our public safety division as well as the Municipal Government Board and, of course, our ministry support services.

Now, when we look at the revenues within our budget for 2003-04, the ministry's statement of operations by program indicates that our revenues will be approximately \$42.3 million. I think it's important to recognize this, and you may not be aware. Did you know that we have in the province of Alberta 357 municipalities? I know a question you're going to ask me is this: how many cities? Fifteen cities. How many towns? One hundred and ten towns. How many villages? I'll tell you how many villages: 103 villages. How many rural municipalities? Sixty-four counties and municipal districts. In addition, we have two specialized municipalities. Of course, as well as not only Fort McMurray and Strathcona and those specialized areas, we have special areas. I know the Deputy Premier is very aware of the specialized areas that fall into her area as well as the Attorney General's area.

So we have a total of 357 municipalities. Do you know how many mayors and reeves that makes? Three hundred and fifty-seven. Do you know how many elected councillors and aldermen that makes? One thousand, nine hundred and forty-four elected officials. I would like to say, Mr. Chairman, that many of the people in this very Assembly started their political careers at the local government level. In fact, how many in here? Raise your hand if you in fact in some way, shape, or form were in there. I can see that the number that have put up their hands here is almost unanimous, which really tells me and convinces me that this government has a good understanding of local government, municipalities.

Now, with that, just to give you some insight into what makes up our \$133,703,000, from an expenditures perspective let's talk about the minister's expenditures: first of all, local government services, which is an important division of our ministry, as well as our public safety, as I mentioned earlier, and the Municipal Government Board. As we look at the revenues, we're going to generate about \$42.3 million. We'll receive about \$40 million from lottery revenues. To the hon. minister of lotteries, who is here tonight, I'd like to specifically say how much we appreciate the \$12 million to support financial assistance provided under our municipal sponsorship program. I would like to comment as well on the \$28 million that we use to support unconditional municipal grant programs. Unconditional means that we don't believe the province knows best where the money can be spent. We have trust in our elected municipal officials to determine how they best can serve that same taxpayer that we all serve here. As well, the remaining \$2.3 million, of course, also comes from lotteries, which is very important.

I would like to say, though, which I think is very important, that in our local government services program a number of key initiatives are made up, and in actual fact if you look in our local government services budget for the upcoming year, it's important to recognize that we have a budget of about \$106.7 million. I don't know if you're aware that that makes up over 82 and a half percent of the total grants that go directly to municipalities. I think it's important to recognize that in many ways we take that money that we get from within this Legislature and distribute it to municipalities in delivering local services, which I believe are so important. What I would like to do, though, is say that the six goals that I mentioned earlier are built around these four main areas: local government services, public sector and public safety, Municipal Government Board, and ministry support.

I would like to talk about some of the key initiatives in this upcoming year. We've worked very closely on roles, responsibili-

ties, and resources, which is the minister's council. The hon. Member for Calgary-Mountain View, the hon. Member for Edmonton-Rutherford, and the hon. Member for Whitecourt-St. Anne sit on the committee as well as the presidents of the AUMA and the AAMD and C as well as the mayors of Edmonton and Calgary and Economic Development.

I just want to talk about our municipal program and initiatives to improve the knowledge of elected officials and administrators by working in partnership with the University of Alberta. As you often have heard, it's said that in politics we don't have to be smart; we just have to be popular every three or four years. But we know differently, and that's why we have this excellence program with the University of Alberta. Often I've heard from many local officials that it's the city managers and the administrators that are supposed to be the smart people, that we just have to be popular, and that's simply not true. We have elected officials, mayors and reeves and councillors, that are running multimillion-dollar organizations, serving the public very well. Ultimately this partnership at the university with administration and the elected officials has been truly one of the key successes over the past year, and I'm very proud to say that. In fact, a former member of this Assembly, the dean of business today, Dr. Mike Percy, heads up this program and does a very good job relative to the municipal excellence program, and I want to say that it's indeed a pleasure working in partnership with the University of Alberta.

I want to also say that we have conducted some assessment audits of 89 municipalities this past year to help ensure that the properties are being assessed fairly and consistently and continue along that principle of fairness, updating the regulated rates of industrial properties to ensure that they reflect an appropriate relationship to the assessment of properties and market value. As you know, the province of Alberta utilizes market value, and that is very important relative to the growth that we're seeing take place in this province of Alberta, what we refer to as the Alberta advantage.

8:10

I want to say that under grants to municipalities, just to go back for a moment, of the \$87.5 million that is in our estimates, the major grant programs are the unconditional, the municipal debenture interest rebates program, the grants in place of taxes program, and also the municipal sponsorship program. I know that many of the members in this Assembly, in fact all members, have received notice of the sponsorship program, that helps well. I see that the hon. Member for Lac La Biche-St. Paul is here. In speaking with both him and the reeve and the affected municipalities, he recognized just recently in fact one of those sponsorship grants that has helped his municipality and how pleased they are.

I want to also say that financial support to local authorities has been reallocated this year. About a \$900,000 increase, just under a million dollars, will assist municipalities to continue to facilitate dispute resolutions and improve their assessment systems. Now, to the hon. Member for Sherwood Park, who at one point, of course, held this ministry, I want to say that the dispute resolution that comes out today is such an important mediation process, that works so well in helping municipalities work with their neighbours. I want to also say that the hon. Member for Leduc, who was a key architect of that program, as a former reeve indeed played a key role in working with our ministry.

I would also like to say that you can see up in the Speaker's gallery tonight all of my staff from Municipal Affairs, all the chairs that are up there. They are working so closely in partnership with our municipalities. I know the Deputy Premier is looking. In the Speaker's gallery are all my Municipal Affairs staff tonight, and I just want to thank them so very, very much.

The hon. Member for Leduc is very familiar with dispute resolution. He played a key role in terms of what we are doing and helped play a mediation role with municipalities. I want to say how important that is and continues to be as one of the highlights of our ministry in terms of dispute resolution that takes place.

Moving on just ever so briefly before I conclude, I want to say that the Municipal Government Board, as you know, accounts for about \$2.6 million of our ministry estimates. With these services that are rendered through the Municipal Government Board, I want you to know that the board has jurisdiction to decide property, linear, and equalized assessment appeals. Now, I know that many people get excited when they hear about linear, equalized, and property assessments.

Mrs. Nelson: Oh, yeah.

Mr. Boutilier: I hear the Minister of Finance just trying to control her enthusiasm tonight because of what that means. We've seen that reflected in the budget that was announced recently.

I want to also say that we deal with subdivision appeals. We deal with annexations and intermunicipal disputes, that I mentioned earlier. It continues to provide an independent appeal system that issues high-quality, impartial, and timely decisions.

Let me just conclude relative to our ministry support services. The last area of the ministry that I want to touch on briefly is the ministry support. This deals with and provides the local government services and public safety divisions with legal, financial, and information technology, communications, human resources, business, and administration support. This area accounts for about \$10.7 million including these types of areas that are very invaluable within the ministry. Now, this increase, again, this year in terms of some of the areas I mentioned makes up a total of \$133,700,000.

In our whole scheme of dealing with, as I mentioned, just under 2,000 elected officials, I believe that Municipal Affairs has a very good game plan. We work closely in partnership with our municipal partners, and at the end of the day we want to build on the successes of our past year. I am certainly prepared at this time to answer any questions that may arise from our discussions tonight.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. I'd like to thank the minister for his opening remarks as well as the department here tonight who are certainly here to answer questions or provide further detail to our questions and queries. We all realize, particularly after the introductory comments by the minister, how very important this ministry is because it is the ministry that provides a direct link to municipal government. In the order of government municipal government is the level of government that has a direct influence on the day-to-day operations of our towns, villages, and cities as well as the level of government that influences people on a daily basis. I was also very impressed with the comments by the minister in commending these people for a job well done, and they certainly do a great job. It's easy to see why they do have the confidence of the minister.

When we look at the mandate for the Ministry of Municipal Affairs, two very important bullets are under the mandate, and that is "to ensure Albertans live in safe and sustainable communities," and the second bullet is to ensure Albertans "are served by open, effective, accountable and well-managed local governments." Having attended various conventions of the AAMD and C and the AUMA, I can certainly say that at that level these people work very,

very hard to fulfill this particular bullet.

Under the core business plans of the ministry from 2001 to 2004 there are three core businesses that are described: the local government services, providing support services, policies, and legislation to assist the local government sector; safety services, including fire protection, which is administering a safety system that provides uniform application of safety standards throughout the province; and, finally, disaster services, managing provincial disaster planning and recovery programs and supporting municipalities to ensure their preparedness to deal with major emergencies and disasters. This is one of the areas that was identified by the Auditor General and I think one of those areas, Mr. Chairman, that was taken very seriously. From all I've heard and seen of these plans, they are second to none in North America. So it was a challenge that was put forth. There was a shortfall and, in my estimation, one that has been met and met well.

In looking at the strategic priorities of the ministry, we certainly look at roles, responsibilities, and resources, and of course that's been referred to as the three Rs and fits in very well with the minister's provincial/municipal council on the three Rs in the 21st century. Emergency management; partnerships; codes and standards; growth, smart growth and growth pressures. Of course, this last strategic priority is a challenge for Alberta particularly in this period of strong economic growth, and while we do have many people moving into the province to seek employment, we certainly don't have the infrastructure to fulfill all of their needs, so it does place a tremendous pressure on municipalities to provide for these people.

In looking at the highlights of the budget, I see that there is a reduction of \$28.8 million over last year. One of the things that does draw some concern when we have a reduction of this amount in the budget I think is outlined in a letter that I received from Mayor Bill Smith of the city of Edmonton dated March 20, 2003, and he is referring, of course, to the document on the working relationship agreement between the minister's provincial/municipal council. In it he refers to:

This document represented a milestone in provincial/municipal relations and clearly establishing Alberta as leaders nationally in acknowledging the critical need to address the financial crisis facing Canadian municipalities.

Certainly, I don't think there's any other region in the country, Mr. Chairman, that is facing these great challenges. So one of the questions I'd like the minister to expound upon when he gets a chance to reply is: exactly how are you addressing this shortfall in funding for municipalities?

8:20

As well, along the same lines it was said recently by the chief of police, Bob Wasylyshen, that the city of Edmonton is currently providing somewhere in the neighbourhood of \$13 million to \$14 million worth of police work that really is for the province and not the city of Edmonton. He certainly wanted to look at the possibility of the province paying their fair share of the policing responsibilities that they are doing on behalf of the province. If Edmonton has this need, then I think that Calgary would probably also have a very similar need.

Now, as well, looking at other issues that do involve our AUMA, I also received a letter from Mayor George Rogers, the president of AUMA. In the letter he goes on to say that the AUMA "is concerned with the principle of allowing private business to borrow out of the same pool of money earmarked for public municipal institutions." If the minister could please just enlighten us as to whether this is an issue that has been rectified or if he could let us know if in

fact private business is going to be able to borrow out of the same pool of money that is earmarked for public municipal institutions.

As well, I notice in the budget under highlights that we have an increase in full-time equivalent employees, rising from 311 to 319. Does the minister have an explanation for this increase, particularly when we are looking at a decrease of \$28.8 million? I also notice under highlights that the amount of money in different municipal granting programs is changing but in total remains approximately the same, and particularly with the growth that we've experienced in the province, I would have expected this amount to increase.

As I mentioned earlier, the economic growth in the province has been immense, and where in some respects it certainly is a great advantage to the province, it does put a tremendous strain on municipalities and particularly, I think, in fitting in with the bullet under the mandate that ensures that "Albertans live in safe and sustainable communities."

I was quite interested to see in the news today that two of the people that were involved with running the water plant in Walkerton were charged because of the events that took place there. It was brought to my attention that a community in southern Alberta, Bragg Creek, has had a tremendous increase in population. They've gone from about 200 to a thousand families, and they find themselves in a similar situation to what Cochrane was a few years ago in that they don't have any type of water treatment or sewage plant, and they rely on their wells for their water. Some of the figures that have been mentioned to me are that at least 60 percent of the wells in this area are contaminated. So it is a huge issue because Bragg Creek does have a very close proximity to the Elbow River, which, of course, is upstream from Calgary. Their concern is that they desperately require a water treatment and sewage plant to rectify the problem that they're experiencing where a number of their wells are being contaminated.

Another area that brings a lot of concern is the great increase in costs of utilities that are faced by our municipalities. I was reading through a handout today, and it was quite explicit as to what the requirements are. As part of the AUMA they designed a program called MEET, which is the municipal energy efficiency trust. Certainly, it's a great program that's going to address the problem of the high cost of utilities to our municipalities. As well, one of the great outcomes of this program is a reduction in the amount of greenhouse gases that are escaping into the atmosphere. So, actually, just an excellent program. In reading through their information, approximately 50 percent of the costs for municipalities is for water and sewage collection, treatment, and distribution. That's extremely high.

As well, recreation centres use approximately 15 percent of the electrical load. In speaking with the mayor of Leduc, he was indicating how their curling club, which built a beautiful facility – and their mortgage was backed by the city of Leduc – was looking at either paying their utility bills or their mortgage. That's the sort of situation they were put in. So I know they will certainly be looking at this program, but whether it is enough to keep that facility afloat, I don't know. I know that if they're facing this in Leduc, they're facing it all over. I know, for example, that the increase in running our twin arena over the course of the year was somewhere in the neighbourhood of \$61,000. So it is huge.

Another high usage of the electrical load is streetlights, again required to keep our communities safe, and 20 percent of the electrical load is going to the lighting of our streets and communities. I know they've instituted a number of programs in trying to deal with this particular situation. It is huge for municipalities.

One of the questions in their handout was, "Where does the money come from?" They talk about the Alberta Municipal

Financing Corporation, and they indicate that it does have a surplus, and it was developed through interest payments that municipalities have made on debt repayment. So what they were looking at was to use the surplus of this, but as well what they were looking at was what sort of assistance they can expect from the department to also assist them in these costs because they are huge. So when looking at ways that we can make these facilities much more cost efficient, of course, there are many; for example, low E ceilings for ice rinks, dehumidification of ice rinks, and the list goes on. Some of the more expensive ones are lighting refits and chiller controls, and when you're looking at the cost of a chiller, for example, for a twin ice arena - and we happen to be installing one right now - you're looking at \$81,000.

8:30

The Deputy Chair: I regret to interject, hon. Member for Edmonton-Glengarry; however, the noise level is fairly high. Hon. members, the Member for Edmonton-Glengarry has the floor. I'd hope that you'd respect his privilege to speak at this time.

Hon. Member for Edmonton-Glengarry, you may proceed.

Mr. Bonner: Thank you, Mr. Chairman. What I'd like to do now in the remaining time I have in this particular session is to start to deal with the business plan of the ministry. On page 312 of the business plan it indicates that the ministry will be facing a number of new challenges. What I would like the minister to do is certainly to outline to the members here what those new challenges are. If he could also indicate what is dedicated to meeting these new challenges in the budget.

Also on page 312 of the business plans the plans say that it is important "to clarify the roles, responsibilities and resource commitments of all orders of government," but it seems that the province has stopped this exact initiative in its tracks by refusing to sign the working agreement on roles, responsibilities, and resources. I know we've had an extensive discussion about this in question period. As well, there is a fiscal framework here, and I know that the cities, which we all I think agree are cash strapped, would like this agreement signed. I think they are looking for more dollars because their opportunities to fund their needs are much more limited than what we have here.

As well, I'd like to ask the minister: what is the ministry doing to help municipalities that face immense growth pressures and need dollars for new infrastructure and the repair and replacement of existing infrastructure? I know that he will have firsthand information on this because for the past decade Fort McMurray has been growing in leaps and bounds, and certainly I look forward to hearing his comments on how we are going to address these needs not only for that region of the province but all regions, the Bragg Creeks and the Grande Prairies and even the cities of Edmonton and Calgary and all the others.

Now, again, looking at the mandate where certainly a goal was strong and safe communities, there have been a number of complaints, especially from the Calgary chief of police - also, I mentioned earlier the chief of police from Edmonton - that municipal police forces don't have the resources to cope with biological, chemical, or nuclear attack. I know that as part of the disaster plan certainly these issues would have been raised. If the minister could please let us know what he's doing to increase the resources municipal police forces have to deal with chemical, biological, and nuclear threats.

Now, as well, on page 314 of the business plan it indicates that there was consultation between jurisdictions and that this is very important to the ministry. So if the minister could explain why extensive consultations were not done with municipalities on the

change to the Municipal Financing Corporation that came before this House in a bill this spring - and, again, I've mentioned that earlier - particularly from the standpoint of the president of the AUMA.

As well, I know that when the minister was back in municipal politics, he certainly did a great job in getting municipalities to co-operate. If you could indicate what strategies are being used now and what will be in the future in order to get our municipalities to co-operate and stretch that dwindling tax dollar even more and more.

My final question will be: what development and co-ordination of education and information services is the ministry planning for this year, what initiatives has the ministry taken in this area in the past, and how successful were these initiatives?

So with those questions and comments, Mr. Chairman, I'll take my chair and certainly listen to the questions of others. Thank you.

The Deputy Chair: Hon. members, before I recognize the minister, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(reversion)

The Deputy Chair: The Minister of Justice.

Mr. Hancock: Thank you, Mr. Speaker. It gives me great pleasure to rise in the House tonight to introduce to you and through you to members of the Assembly the 101st Scout troop from south Edmonton. There are nine Scouts here to learn about citizenship, and they're accompanied by their Scout leaders Gerald Kastendik, Nolan Steed, and Andy Muñoz. I might mention that Nolan Steed works in the Department of Justice and does a very fine job for the citizens of Alberta and is very qualified to teach citizenship to Scouts. I'd like you to rise and receive the traditional warm welcome of the Assembly.

head: **Main Estimates 2003-04**

Municipal Affairs (continued)

The Deputy Chair: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you very much, Mr. Chairman. I thank the hon. member for some very good questions, which I would like to address in reverse order.

First of all, he was asking about some of the initiatives, and I appreciate him asking that. I want to just ever so quickly talk about our muni university, which I covered, dealing with administrators and elected officials, also our municipal excellence program, which we deal with at both the AUMA as well as the AAMD and C. I want to say that the municipal excellence program has been something that we're so very pleased with. At the conventions, which I know the hon. member as well as other members attend, what we do is talk about best practices, and we demonstrate to other municipalities the best practices that are taking place. I want to say that it certainly has been a very positive initiative. As well, I would like to say that we're investing considerable money this year in subdivision as well as development appeal and assessment review panels, which I also think are very important initiatives. So I want to say that I'm very pleased with the work that we're doing in partnership with the AUMA as well as the AAMD and C.

Now, what I would like to do, though, in terms of talking about key strategies is to talk just every so briefly about what some of our key strategies are relative to an effective, responsive, and co-operative well-managed local government sector. I want to say that

we are in our key strategies this year continuing to encourage municipalities to cooperate with their neighbours to develop, finance and implement improved growth management and more [effective and] efficient service delivery systems.

I also want to say that we're going to be continuing to promote the self-evaluation of excellence to assist municipalities and citizens in developing innovative strategies for more effective governance, administration, financial management, and service delivery [systems],

also of course maintaining a program to recognize this municipal excellence that the hon. member had asked about.

We want to continue to

work with municipalities to establish effective and efficient regional partnerships that create an atmosphere to attract and retain investment, compete globally, and contribute to a high quality of life.

Also, developing and co-ordinating "education and information services that include training programs, job exchanges, on-line information, and workshops for local elected officials," that I mentioned, with one example being the muni university. I also want to say that we continue to provide management and administrative services, as I mentioned earlier, to our special areas but also in the national park improvement district areas, which I think is very important.

As well, we're going to continue to pursue the resolution of local and intermunicipal governance and management issues through strategies this upcoming year. Relative to a co-ordinated provincial government approach in dealing with municipalities, I mentioned earlier our roles, responsibilities, and resources and also a legislative framework that's going to enable municipalities to operate successfully and meet the local needs of Albertans.

8:40

In some of the other I think very good questions that the hon. Member for Edmonton-Glengarry has asked, he talked about the issue of safety. This past year I'm very pleased to say that we have been able to put just under a half a million dollars to deal with some of the radiological, biological, and nuclear issues, and they're going to be going to what we call seven regional hubs, where that money is going to specifically the bigger centres like Edmonton and Calgary but also dealing with Medicine Hat, Lethbridge, Grande Prairie, Red Deer, as well as the greater Edmonton area, the capital region, as well as the Wood Buffalo area. These are the seven regional hubs that we have, and I'm pleased to say that this new initiative this year has been received very positively by the municipalities.

Now, if I could just for a moment go back to the issue that the hon. Member for Edmonton-Glengarry mentioned relative to MEET, I want to say that it really speaks well of the initiatives of the AUMA, the AAMD and C, and our ministry. They have come forward with a program, and you've read about it just recently. I want to say that I take my hat off to their initiative. We're working with them, but we're just starting this program on how we can build on energy efficiency, and what I have always said is that it makes good sense and good cents. That's something that we are pursuing, and I want to say to the hon. member that it's a very positive initiative.

I know that we've got the attention of the Minister of Finance in our meeting that we've had, and we'll be pursuing that actively, and over the months to come I think that you're going to be hearing more of that. It has to go through the process within our internal workings of government, and I want to say that we're going to continue to pursue this actively, and I want to say that as minister I certainly intend to do that as well.

Three of the last questions that the hon. member brought up were

on the issue of wastewater. The member may not be aware, but the wastewater program we're pursuing under private sewage systems is a high priority. The hon. member mentioned Walkerton this past year and the situation in Ontario. He mentioned the issue of Bragg Creek, and that is something that we're working very closely with. He may not be aware that we have provided almost a half a million dollars this year to the wastewater association in dealing with the issue of private sewage systems, which I believe are very important.

Dealing with the Alberta finance corporation board, which is under the purview of the Minister of Finance, I mentioned earlier that as we go forward – the shareholders of the Alberta finance corporation board, you may not be aware, are made up of school board shareholders as well as municipalities representing AUMA. I want to also say that my deputy minister also sits on that important Alberta Municipal Financing Corporation board, which I think is very important in helping municipalities. They borrow money at low interest and ultimately benefit substantially, be it municipalities or school boards, and I want to say that that board is certainly one of a kind. It's certainly a model that other provinces are trying to model.

Let me conclude to the hon. member. In his final questions he asked about the fact that there's about a \$30 million difference from last year, and I'm glad he recognized that. I would like to say that the \$30 million difference essentially is made up of about \$20 million, which were onetime, be it fire or floods, which were dealt with in the supplemental estimates, and as well \$10 million, which is dealing with the underground petroleum program. You may not be aware, but the underground petroleum tank program – I see the Minister of Energy. At the time, I know that he was the Minister of Labour when in fact he came forward to the standing policy committee, which is, again, a committee . . .

Mr. Smith: August body.

Mr. Boutilier: It is certainly a one-of-a-kind program in Canada.

I want to say to the hon. member that in the difference of about \$30 million, \$10 million is for the underground petroleum and almost \$20 million is dealing with the flooding and forest fires that we dealt with. So that really hopefully provides some insight into the difference of the 160-some million dollars versus the \$133 million. It was those onetime events that we dealt with last year that we dealt with during supplemental estimates.

With that, I'll take my seat, and I thank the hon. member for some very good questions.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to participate in the estimates debate this evening for the Department of Municipal Affairs. Certainly I, too, am disappointed that there doesn't seem to be much apparent new help for some of the cash-strapped municipalities in this province. There is a lot of information certainly within the documents that have been presented in the budget for the Department of Municipal Affairs, but there seems to be a lot of contradictions in this department from one year to the next.

When we see that there has been a reduction of \$28.8 million in spending, one would only wonder if all that money, that reduction, comes from the fact that the department is no longer going to have to organize the election of regional health authority members. Certainly, we go back one year, and incredibly this department, with a legislative framework that "enables municipalities to operate successfully and meet the local needs of Albertans" – and in this

case we're talking about bringing democracy – was responsible for bringing democracy to the election of regional health authority members from across the province. Now, incredibly, through their efforts it was seen fit that this initiative would win a silver Premier's award of excellence for 2002, and then we canceled the results of the election. This is not, in my view, very democratic. I'm sorry. This is incredible.

There were 118 regional health authority members elected and only eight seats were acclaimed, for a total of 126 seats. The department stated – and they seemed to be quite proud of this – that there were no court challenges to the results or to the process, and I suppose that's a significant achievement, but they didn't wait long for the results to be analyzed before the election was canceled. I find this incredible. You know, we all talk about the democratic deficiencies in this province. Certainly, one of the leading newspapers in the province recognized that in an editorial this weekend, and to think that one department last year, Municipal Affairs, got the Premier's award of excellence, the silver award – I can't imagine what the gold one would be for. That would be like wiping out the entire appointments I suppose. The silver Premier's award of excellence for 2002 went to this department, and then all that work went for nothing, because the democratic wishes of the citizens were ignored by, unbelievable to this member, a democratically elected government.

Now, how much of this money was wasted? It's obviously wasted if we canceled the election. How much did this election cost, and what percentage of that \$28 million is it? That would certainly be my first question.

I'm going to jump from democratic elections to sand and gravel. I find it incredible that the year before the election there seems to have been a significant price spike not only in electricity and not only in natural gas but in sand and gravel. If the hon. minister could please direct me to where I could find the information on the revenue that's raised for the special areas trust accounts in this budget – I have an idea where they are, but I'm not sure – I would be quite interested. Why is there such a variation in revenue between one year and the next? In fact, I'm going to be very anxious to receive that information.

8:50

On page 293, Mr. Chairman, of the government and lottery fund estimates I think I'll start with the deputy minister's office, reference element 1.0.2. Now, how confident is the minister in that estimate of close to half a million dollars to run the deputy minister's office when the year before there was an overexpenditure of \$122,000? What is being done to ensure that we're not going to run over budget this year, as there was according to my research last year? You know, there have been problems certainly in other ministers' departments, and I want to know what this hon. minister is doing to ensure that those problems are isolated.

Now, in support services, the next operating expense, could I please have a breakdown of operating expenses and capital investment for that \$9.9 million estimate?

At this time I have some questions in regard to the Auditor General's report. I had a briefing from the hon. minister at Public Accounts recently. Certainly, the Auditor General in the last report, the annual report for 2002, noted that there were three main problems in the ministry. "Significant deficiencies in the capabilities of the Government Emergency Operation Centre": there was quite a discussion on that at Public Accounts. Another area of concern that was identified was that provincial departments had not prepared adequate emergency plans. There seemed to be some inconsistencies with cross-departmental co-ordination. If the

minister could for the record just briefly explain to the House the progress that's been made. Also, the Auditor General identified that "controls to ensure consistency in review and testing of municipal plans by the Disaster Services Branch are lacking." What steps are being made to improve this? When can we expect to have these deficiencies corrected?

Now, the minister has a council. There are a lot of committees and councils. You almost need a military style map to keep the councils and committees of this government on track. The Minister's Council on Roles, Responsibilities and Resources in the 21st Century was struck in 2001.

An Hon. Member: An excellent council. Excellent.

Mr. MacDonald: I understand that it's an excellent council. I can only imagine that the hon. Member for Edmonton-Rutherford would be the chair of that. I'm just taking a guess. But what has the council done so far? When can we expect the results? What will these results include? What is the council's mandate, and where could an individual taxpayer in this province find out more if they were interested? When will the new rule changes allow the Alberta Capital Finance Authority to lend to private institutions, and why were some large municipality stakeholders not consulted on the changes to the Alberta Capital Finance Authority?

Now, another question I have for the minister at this time is: what is the ministry doing to represent municipalities' interests better to other departments within the provincial government, and are there any specific programs in place, and when will there be these programs? Finally, in regard to these issues, what guarantees are there that grants get disbursed to municipalities on a fair and equitable basis? Is there any statement of principle or intent that ensures that all municipalities are treated equally?

Mr. Chairman, I also have some questions from the business plans, and I don't want to get into any detail on the pine shake disaster or fiasco. We talked about that in this Assembly last week, I believe. The delegated administrative organization process that was devised, the dangerous arm's-length organizations that they are – and certainly when we consider the administration of the Safety Codes Act, we need an update from the department on just exactly how the administration of the Safety Codes Act is working out.

We are building homes at a record pace in this province, and some consumers are complaining. Inspections are inadequate. The building code, they feel, is being ignored, and some of these homes are in the \$200,000 to \$300,000 range. We have condos springing up here in this city, and I talked to the hon. Member for Medicine Hat earlier before question period, and one of the problems in Medicine Hat is that they can't get enough serviced lots. Across this province we need to ensure that when people either put their money down or apply for a mortgage to buy a home, whether it's a single-family dwelling or a condo or whatever they're buying, it is built to standard. Is the Safety Codes Act working in the minister's opinion to ensure that those home buyers are getting everything that they are promised? There are a couple of specific issues that perhaps may come up later on in debate, but I get complaints to my constituency office all the time particularly in regard to condos. Consumers now feel ripped off because they feel the inspection process is failing. How is this working?

Who is looking after – I believe it's Municipal Affairs, but I'm not sure these days – the records in regard to the asbestos abatement programs that used to be a part of the Safety Codes Act? Now, I don't know where they are these days, and if I don't know, that means a lot of consumers and a lot of people who work in public buildings also probably don't know either. I would be very grateful for that information if the minister could provide it at this time.

With those questions, I will cede the floor to the hon. minister.

Thanks.

9:00

The Deputy Chair: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Yeah. Thank you very much, and I thank the hon. member for the good questions. Relative to the asbestos you may not be aware – but I'll refresh that – that actually it does fall under HR and E in dealing with the issue of asbestos. I'm going to try to go backwards again.

Thank you for recognizing the Safety Codes Act and the major review we did back in '95. The hon. member may not be aware; we just actually completed a safety review. It's been now over seven years, and we thought it was very important to review what it is we're doing well, and in actual fact over the last year the members would have had a copy of the safety review, of what it was that the stakeholders have said. We consulted with over 1,500 Albertans and municipal associations as well as building codes and people that are involved, the Home Builders' Association. They were all part of the safety review, and I'm very pleased to be able to report back to this Assembly the positive comments that have come back on what we are doing right. I want to say that we have always taken the approach, certainly in how I run my life, both my family and I, that we have an attitude that we can always do better. That's why we're doing the review, and I'm very pleased to say that the important initiative that the safety review has done in consultation with the 1,500 stakeholders has been confirmed.

Now, I would like to also go back to the issue of EOC. The hon. member mentioned that the Auditor General talked about some improvements and, yes, absolutely so. We all are aware that since September 11 the world has changed, but I'm very pleased, and I want to invite the hon. member and other members of this Assembly to the official opening of our new Emergency Operations Centre that will be taking place this summer, and that was on the recommendation of the Auditor General. It's going to be taking place in an existing structure with the Minister of Infrastructure. We have a new building. In fact, we're going to be relocating 36 members of the Municipal Affairs staff from Commerce Place in downtown Edmonton to the new operations centre, where they're going to be all the time. I think it's an important initiative. It's going to be actually located in the west end of Edmonton. Sorry to the hon. member, the Attorney General, but it's not located in his constituency. In fact, it may actually be in the constituency of the hon. member across the way, but maybe not as well. Certainly, the point is that the Emergency Operations Centre as a forum of Emergency Management Alberta I think is an important new initiative, and I'm going to invite all members of this Assembly to tour the new facility when it is complete. In fact, right now the Ministry of Infrastructure is dealing with the renovations to relocate the 36 members from the old existing Commerce Place to the new operations centre, which used to be called GEOC, which will now be referred to as Emergency Operations Centre.

I would also like to indicate on the topic of Emergency Management Alberta. As you know, we were once called disaster services, and as you may not be aware, I didn't like my wife when she used to say that I was the minister of disasters. So in working closely with our stakeholders, we have decided that the new name, the appropriate name, is Emergency Management Alberta, referred to as EMA. In fact, EMA really talks about planning for, responding to, and recovering from any potential emergency. You may not be aware, but in fact in my own constituency today we had just learned relative to the river about the flooding that potentially can take place.

I'm pleased to say that the operations centre called me today, that up in both the Peace River area and the Athabasca River area things are in fact beginning to take the course that nature provides, but we certainly have been prepared. We are prepared to respond to and recover from any type of disaster that may happen.

Just for the hon. member's information we actually have an increase this year in the Emergency Operations Centre. The EMA branch management program is going up essentially by about \$476,000. I'm pleased to say that this program will ensure that Albertans' communities are prepared to respond to and recover from any potential disasters but also to deal with major emergencies and disasters.

Dealing with terrorist threats. We work very closely with the Solicitor General's office. As you know, the Premier was the only Premier in Canada who implemented a security team just less than 24 hours after September 11 took place. Certainly, the EMA, as I refer to it now, Emergency Management Alberta, is working very closely with that. I'm very proud to say that I invite members of the Assembly to attend the opening when it takes place later on this summer.

The hon. member, as I see he looks my way, asked the question about the mandate of roles, responsibilities, and resources, and I want to share with him what his leader actually shared with me. This is publicly quoted. In fact, it came up in the House the other day. This is from the hon. Leader of the Official Opposition, and I quote: the mandate this council will do will be in trying to redefine the roles and responsibilities of two orders of government and working on a mechanism for resolving disagreements that may arise; this is a good mandate. Please pass on to the hon. Leader of the Official Opposition that I'm so pleased that he shared in our enthusiasm of our mandate, and I'm so pleased that I was able to read that from the hon. member when, in fact, he stated that. That was back actually about six months ago that he made that comment, and I'm very appreciative of that, and I appreciate the question in recognizing that.

Relative to special places you may not be aware, but that is not reflected in the department budget. That is actually an own-source revenue because the property tax that they generate in special areas actually cover the budget. That's why it's not reflected in our department budget, so I want you also to be aware of that.

Regarding the elections, I can say that the elections in the province of Alberta run smoothly, efficiently, and effectively. Obviously, they do. I see from all the members in this House today how effectively the elections do run. To the hon. member: I know how pleased he is of the fact he's sitting there because obviously it's demonstrating the effectiveness of elections in Alberta.

Dealing with what is fair and equitable, well, obviously that is somewhat of a subjective evaluation, but let me best describe Municipal Affairs in this way: in the unconditional and conditional grant programs we have never received complaints about the fairness in equity. Okay? I think that's a very good guide. Over the last eight years it hasn't risen, but clearly the fact of how we administer an evaluation of our grant mechanism is something that I think is fair to every one of the 1,944 elected officials that we do deal with in delivering good, local, effective government services.

Just looking at other questions. I mentioned the safety review. Actually, I've answered all the questions that were posed to me. So with that, I'll take my seat.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I appreciate the opportunity to ask a few questions as we look at the estimates for the

Municipal Affairs budget. If I might, I'd like to start on page 292 I guess it is. I'm sorry that I missed part of the minister's introductory remarks, but I'm going to pose the questions anyhow. Will the minister explain exactly what the onetime costs of the 2002-2003 disaster recovery program were which will not be incurred this year? I think that, according to a press release that we had, this accounts for the spending decrease of this year from last. I wonder if we might have a bit of an explanation in terms of what's not going to be recovered or incurred this year.

Can the minister table the document explaining each of the lines in the budget, including which programs exactly fall under each line with respect to the costs? I'm referring to the line items on page 292. I guess all we're asking for is a better explanation of what those line items entail.

On the ministry's support services on page 293 the operation expense of support services is going up from \$9,453,000 to \$9,992,000. What is that extra money going to be used for? Could we have, again, an explanation?

9:10

There's an item for \$287,000 in the minister's budget. Again, might we have an explanation as to the salaries for the positions that are included there and the bonuses? Could we have some information about the traveling and hosting expenses and advertising that would be included in that item? I may be remiss because I haven't checked to see if the ministry's annual report actually includes that full-time equivalent information. I know that I've checked some of the other annual reports, and they're very detailed. They save that kind of detail for their annual report and don't include it in the budget. I apologize if that information is already available in the minister's annual report.

Can you indicate what is the breakdown of the \$487,000 deputy minister's budget, again, by the kind of detail that we find in some of the other annual reports? The salaries for each position, the bonuses, the travel and hosting expenses, and advertising.

Under local government services why is the division receiving \$600,000 more this year than last? Do we have a list of the new programs that are being put in place as a result of these funds or that these funds are dedicated to?

Why is municipal services receiving \$700,000 more? What does that \$700,000 include? What programs will this be used to support? I guess the other question is: are there actually new programs, or is this just further support for continuing programs?

Why is assessment services receiving \$387,000, 6 and a half percent more than it received last year? I guess the basic question is: why does assessment require more money than a simple inflation-level increase?

On page 294 of the estimates it shows that there's going to be \$1.1 million less for unconditional municipal grants this year. Can the minister explain that? Why is the government increasing the financial pressure on municipalities when many of them are in financial difficulties? This seems to be a reduction in the amount of grants there to receive. Or is there a balancing off in the budget that goes against that item?

If I can ask: what safeguards are in place to ensure that all municipalities receive a fair share of the grant money? Does this money from this fund constitute a blank cheque to municipalities to do as they please? You know, if that's the case, are there any accountability measures in place to make sure that the money is best spent in the interests of Albertans?

Another question: why will municipal debenture interest rebates be receiving \$2 million less this year than last? I think I know the answer to that, but I'd be interested in hearing from the minister.

Under financial support for local authorities it's receiving \$900,000 more than last year. Again, where's the money going? What's it going to be used for? What distinguishes this program from unconditional municipal grants and municipal sponsorship? Again, municipal sponsorship is receiving a million dollars more than last year. Where is the extra million going?

The equipment/inventory purchases division support is receiving close to half a million dollars more than it did last year. It seems like quite a bit, and there must be a reason. I wonder if the minister could explain that increase.

Under safety services and fire protection it shows that program management will receive \$200,000 less than it used last year, almost a 40 percent reduction. What accounts for such a large proportional decrease? I guess that the ultimate question is: is this going to have an effect on the service level of safety and fire protection services in the province? Under safety services and fire protection it shows that technical services will receive nearly half a million dollars more than it used last year, a 25 percent increase. Again, can we have some information on why technical services require so much more than the previous year's allocation? Why did technical services use so much less money, \$383,000, than it was budgeted last year? What's the explanation for that?

Another question: why are underground petroleum storage tanks receiving no funding this year when they received more than \$10 million last year? We have some information on that. Again I think I know the explanation, but I'd be interested in hearing from the minister. Is that program over? Has the job been completed? Nothing was budgeted for the underground petroleum storage tanks program last year, but more than \$10 million ended up being spent. Is there going to be an unexpected expenditure later this year, as was the case last year? Again, going back to the previous question, how many tanks are still out there waiting for the next round to come so they can be cleaned up? Just what is the state of the cleanup?

Under Emergency Management Alberta, branch management and programs will receive \$700,000 less, almost a 20 percent decrease. Why is this line item getting less than it needed last year? Why did branch management programs go over budget last year by, if I'm reading the figures right, \$1.3 million? Disaster recovery is receiving \$19 million less, 98 percent less than it used last year. Will this line item really need \$19 million less this year? What are the specific cost breakdowns of these extra projects or programs? Why is disaster recovery budgeted for \$500,000 less than it was budgeted for last year? What is the reason for that decrease?

Under the Municipal Government Board what is the current backlog of cases for the Municipal Government Board? Why are transfers from the federal government for 2003-2004 being reduced by nearly \$8.3 million to next to nothing?

A couple of last questions, I guess, Mr. Chairman. What is the reason that the refunds of expense are anticipated to go up \$240,000 in 2003-2004? The last question. The full-time equivalents are going up from 311 to 319, certainly not a large increase. What is the reason for the staffing increase?

So I think that with those questions, Mr. Chairman, I'll conclude. Thank you.

The Deputy Chair: The hon. Minister of Municipal Affairs.

9:20

Mr. Boutilier: Thank you, Mr. Chairman. First of all, I'd like to go in descending order back to the questions that the hon. member asked, and they were very good questions. I want to again compliment him.

First of all, I would like to say that, as you know, I talked in my

opening comments about the Municipal Government Board. You may not be aware that last year the board completed all the backlog of property appeals for the years prior to 2002 with the exception of a few cases that are primarily delayed due to pending court decisions. The total number of appeals was down in 2002-03 from a high in 1999, but the numbers have remained level with the previous two years. The total number of hearings, to the hon. member – he may not be aware – have leveled off at about 700 a year, and the total hearings are higher than that peak of 1999. I would also like to say that the number of complex appeals is on the increase as well. Currently between 20 and 25 percent of our appeal hearings require significant financial and staff resources in preparing and conducting hearings and of course delivering decisions.

I would also like to say that the Municipal Government Board agreed to a \$100,000 reduction in each of the next three fiscal years. In the 2003 budget the MGB has included all of the staff salary increases and additional costs that are projected as a result of the order in council that was put through for board member honoraria. I would like to say that they are truly hardworking Albertans that are without question contributing to the Municipal Government Board. So I hope that addresses the questions on the MGB.

If I could just for a moment go back to the next question that the hon. member was asking relative to this issue of public safety, let me reiterate. At the very outset of his questions I know that the hon. Member for Edmonton-Glengarry did ask the original question, but just so you are aware, let me repeat that the onetime difference of almost \$28.8 million was one time, that specifically went towards forest fire and flooding relative to our situation over the past year. Also, about \$10 million was in fact for underground petroleum tanks that was included in our supplemental estimate, which makes up the \$28 million. So from the forest fires or flooding about \$18 million, and \$10 million was for the underground petroleum tanks. I wanted to share that with the hon. member as well.

In dealing with emergency disaster recovery, there is a decrease of about \$505,000 in this particular area, but the 2003-2004 estimates decrease is really due to the new accounting treatment of cost recovery revenue that's associated with federally funded programs. I also want you to be aware that during the west-central Alberta flood program last year it made up about \$19.1 million. Of course, God willing, this year we will not have to experience that type of natural phenomena that took place during the past year.

Also, if I could, the hon. member asked some very good questions relative to the increase in the estimates that are taking place in the EMA branch management programs. I think it's a very good question, but it's important to recognize that the increase in the estimates reflects the cost of the projected salary settlement increases and the addition of new employees for the crisis management program of course and branch support. As you know, the crisis management program did not receive budgetary funding from the time it was formed, and we have done some internal transfers and are providing this increase within our budget, I'm pleased to say, in light of the fact, as I mentioned, that the world has changed.

As well, dealing with the issue of underground petroleum tanks, I think I covered off the hon. member's question. Essentially, the \$10.7 million decrease is a result of the program being completed. I want to say to the hon. member: you may not be aware that the \$60 million that we originally provided covered just under a thousand sites, actually 931 sites, that were accepted into the program. The program, of course, now is being monitored and being administered under the Safety Codes Council. I want to say that clearly it continues to be a program one of a kind in Canada in the fact that we've dealt with the most serious sites in Alberta with just under a thousand, some 930, that in fact were remediated, I'm proud to say.

Also, dealing with a question that was asked, actually, on an increase in technical services, it's about 21 percent. Just so you are aware, the increase in the estimates on the forecast is primarily related to the litigation costs for the pine shakes that are being delayed into 2003-2004. So I wanted to have the hon. member be aware of that.

Again, on other questions dealing with a decrease of almost \$200,000 in program management. It makes up about 56.8 percent as a result of onetime expenditures for implementation of enhancements to the electronic permitting system. In addition to making the system more user friendly, these enhancements have increased the functionality of the system for municipalities in many areas such as preparation of automated on-site inspections. I want to say that, clearly, within the municipality and the quality management planning performance, that was requested by the Auditor General. I'm very pleased to say that this work is coming forward, and the Auditor General recognized it. We have acted on his recommendations and have moved forward, but I want to say that this was a onetime expenditure that took place in the 2002-2003 year.

Dealing with interest rebates just for a moment, the interest rebate program, as the hon. member I'm quite certain is very aware, deals with the municipal debenture interest. The reduction in the estimates is due to the high interest rate debentures being repaid at their term's end, and ultimately so few high-interest debentures that require this subsidy remained. I see the hon. member nodding. Despite this budget reduction, the municipalities are receiving everything they are entitled to under the program, and the reduction is solely the result of certain debentures expiring or at least being paid off. So I wanted the hon. member to be aware, and I appreciate the question, because it's a very good question as well.

Dealing with the issue of the unconditional municipal grants, I want to say that the almost \$2.4 million is ultimately – it may not be clear, and I would like to elaborate on it – restructuring of the grant. These grants are for actual restructuring costs, grants that may be provided to address critical infrastructure deficiencies in these communities. This component also included funding for the regional partnerships initiative, which contributes to establishing, expanding intermunicipal partnerships that involve shared services. So I would like to say that the ministry has decreased the estimates for the restructuring component to \$4.5 million from \$7 million, of which \$1 million has been redirected to the municipal sponsorship program and just under a million, about \$900,000, has been allocated to the financial support to the local authorities. About a hundred thousand has been actually allocated to the grants in place of taxes. So the ministry estimate is lower because fewer restructuring activities are expected in the 2003-2004 out-years. I appreciate the hon. member asking the question to provide some clear and articulate clarity to what you're asking.

There is an increase in municipal services, and that increase is essentially allowing for increased workforce in response to the subsidiary two union agreements and potential salary increases and also to provide for expenditures in support of the ministry's roles and responsibilities, that the hon. Member for Edmonton-Glengarry had mentioned earlier. I'm very pleased with the mandate, but essentially we're also going to continue forward to provide expenditures related to the extended support as well as what's called ESP, which is the extended support program, under the municipal infrastructure management, which is called the MIMS program, and also continue to provide for ongoing expenditures related to our municipal excellence program and the muni university. So that falls under municipal services.

Just continuing to go backward, I'm trying to get every question the hon. member has asked. Relative to the increase in municipal services dealing by comparison, in the 2003-2004 estimates we show an increase to allow a response to these types of initiatives. I want to say that this branch provides grants to municipalities that facilitate municipal restructuring, but it also monitors and recommends changes to municipal legislation. The branch also provided information and advisory services and continues to do a very good job in dealing with our municipal councillors, reeves, mayors, and administrators and staff in order to strengthen Alberta's local governments in accordance with our ministry's mandate.

The hon. member, if I caught the question, talked about FTEs earlier, and I would like to just briefly for a moment give him a quick overview. In the estimates '03 and '04 under the comparison of the '02-03 budget and the '03-04 budget we're going to an increase of two FTEs in local government services, from 141.5 to 143.5. Under public safety we're moving from 103.4 to 109.4. I did mention earlier to the hon. member that we're opening a new operations centre. [interjections]

The Deputy Chair: Hon. members, if you want to laugh, you can take that noise outside the Chamber, please.

Mr. Boutilier: And we will continue to relocate 35 members from Commerce Place, that are now going to be in the new op centre on the west side of Edmonton in an existing Infrastructure building that actually used to belong to registries that we're now going to tap into to be our op center, which we refer to as operations centre. So we go from 103.4 to 109.4, an increase of six members in public safety.

As well, we are increasing the ministry support from 48.8 to 49, so .2 of our workforce. On the Municipal Government Board we're offering half a position. As we mentioned earlier, with the number of cases we have, we're going from 16.5 to 17. A total of 310 in the '02-03 year, which will go to 318.9, an increase of just under nine full-time equivalents in my ministry. So I would hopefully say that this answers the hon. member's questions relative to that.

Dealing with some of the other support services, the ministry support: if I wrote the question down correctly, you were asking about that. I would like to just talk about the minister's budget, an increase of about \$6,000, about 2.1 percent. Basically it is made up, of course, of components no different than what made up the previous year, so no significant increase there, and ultimately it makes up 2.1 percent. That hopefully will answer the hon. member's question relative to that.

I would also indicate if I could, which again I think is very important, in terms of the breakdown in the deputy minister's office – in fact let me go back just for a moment to the deputy minister's office. In terms of salary the total for the budget again is negligible. The breakdown of the \$487,000: \$142,000 is in wage and salary and also payment to contract employees, telephone and communications is \$16,000, \$6,400 in travel, \$6,500 in hosting – we deal with the AUMA convention and things like that as you are aware – and other, which makes up the total amount that is, of course, not much different than last year.

I'm just, again, trying to gather every question. On computer services a question was asked as well, again another good question. You were asking about what is happening with the computer services area. I would like to say that we have an increase of about 3.2 percent. It's about \$308,000. I can say that the majority of that \$308,000 is broken down, if I could, as follows. Under financial information and technology services, computer services is about \$185,000, which makes up the bulk. Business services makes up the difference, which is \$67,000. Human resources is about \$40,000.

And, actually, legal and communications are \$8,000 each. That makes up the \$308,000. The increase is due to some of our higher workforce costs as a result of potential salary settlements and increases related to information technology. That ultimately makes up essentially a large portion of that change. So hopefully that answers the member's question there.

Just three other points that were mentioned that I would like to address before I take my seat. One was on underground petroleum, but actually I think I've already answered the hon. member's question on underground petroleum.

At this time what I'll do is take my seat.

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Yes. I just have one brief question at this time for the minister that I omitted when I was going through the business plans and recommendations from the Auditor General's report, and that concerns disaster services. I know that particularly after 9-11 we were rapped quite hard because of our disaster plans, and it seems that particularly in terms of this building here we went from perhaps maybe a little too lax security to a code red position. I know, Mr. Minister, that in the United States we've been hearing over the last couple of months how they have different levels of security, and I certainly would like the minister to clarify whether in fact our levels of security in this building are going to be reduced now that it seems that the threat of any terrorism is certainly greatly diminished from what it was over the past two years.

Thank you.

The Deputy Chair: The hon. minister.

Mr. Boutilier: Yes. Thank you very much. I know that to the many members that are participating in our budget estimates tonight, the security of this building is very important. As you know, it's under the purview of the Solicitor General, but I want to say that without question – and I understand from speaking with the Solicitor General that she had indicated that she is reviewing with the intelligence people and the police service and Alberta Justice – as you know, in Alberta we are not at any significant threat level. I indicate that one of the things we do enjoy in Alberta is our access to the Alberta Legislature. That's something that all Albertans are privileged with and without question enjoy that access. It's my understanding that the Solicitor General continues to monitor the situation, and that as the world continues to evolve, it's something that is never carved in stone. The Solicitor General, I do know, has made a commitment to this House as well that that is being reviewed, and at some point it is hoped that we'll be able to get back to what we all enjoyed many, many years ago in terms of what we know the world to be. So I thank the hon. member, and I do know that it's something that is of keen interest to the Solicitor General as well.

The Deputy Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I want to say at the outset that I missed the minister's introductory remarks. Had I been in attendance at the time, I'm sure it would have spared me asking the minister some questions, but he will forgive me if I therefore ask some questions that he may have already addressed either in his initial introduction or in some of the questions that were posed to him by some other members on this side of the House in the last hour or so.

Let me first of all thank the minister for giving detailed answers. I was watching and listening to him as he was trying to address some

questions in the last little while and was pleased to see a minister pay attention to some detail with respect to the questions asked and then answer them.

9:40

I just want to start with making a reference to the business plans of the ministry. On pages 312 and 313 in the business plan I noticed that the ministry outlines its business plan, features its business plan setting, and then outlines some risks and challenges. One of those challenges that caught my attention in particular that's outlined here is the limits to growth. The statement related to limits to growth says that

the capacity of all orders of government and partners to deliver services to Albertans could be strained by increasing growth and bottlenecks to growth. Municipalities continue to face financial pressures for repair or replacement of existing infrastructure. Some municipal assessment bases are declining while others face rapid growth pressures. Municipalities continue to express concern that current funding levels and revenue sources may not be adequate to meet service or infrastructure demands.

So that's the first one. I think it's a fair statement, acknowledgment of some of the bottlenecks and challenges that the ministry faces. Obviously, once it's acknowledged that there are these challenges, then one looks for some attempts either in the budget or in other budget documents to see if any solutions are proposed or outlined in a plan, which could be a multiyear plan, in which to address that.

Now, those limits to growth parallel in an interesting way some of the observations that are made in the TD Economics Special Report of April 22, 2003.

The Deputy Chair: Hon. Member for Edmonton-Strathcona, I regret to interject here, but once again the noise level in this Assembly is very, very high. The hon. Member for Edmonton-Strathcona has the floor. Can you please kindly accord him the due courtesy to be able to speak.

The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I appreciate that. I was finding it hard to in fact communicate with the minister through both eye contact and through voice in watching other members engage in, I'm sure, interesting conversation, but it certainly was distracting. Thank you.

The Calgary-Edmonton Corridor report is the one that I'm referring to here for the minister's attention. On page 25 I read in the report challenge 4, that's mentioned there, urban sprawl. I think I don't need to go into what urban sprawl means. We have seen both the cities of Edmonton and Calgary grow outwards very rapidly, moving into former rural areas and taking over agricultural land and creating the need for new roads, new sewers, thereby creating tremendous new pressures on the cities to provide services associated with suburban growth.

The adverse impacts of the sprawl are outlined in this report quite clearly, and I want to just draw attention to some of them by reading from the report. It says that

the adverse impact of sprawl on a society is considerable. Because public transit is relatively expensive in low-density suburban areas, sprawl contributes to increased reliance on roads, worsening overall transit problems, and increased congestion and pollution.

Then it goes on to talk about how the urban density in Calgary and Edmonton compared to some other cities is quite low, including Ottawa, and how it puts new and very expensive pressures on the cities for providing the infrastructure needed for this kind of sprawl.

I want to ask the minister what his response is to this. He acknowledges himself in the business plan the challenges to growth

that cities face, and what he says is certainly supported strongly by the TD report. So the question is: where is the action plan that the minister can draw our attention to in his business plan or in the budget? In both documents there has to be some relationship with respect to how to address these challenges.

In the next section in the TD report on page 26 challenge 5 is "infrastructure bursting at the seams." Again, the report draws attention to the deteriorating condition of roads and crumbling sidewalks, and I can certainly speak to that with respect to my experience in my own neighbourhood in the city of Edmonton. Some of those are quite visible. The observation made by the author of this report is: "the need to build extends to virtually all types of infrastructure, including transit, water, waste water, bridges and buildings" et cetera. The author continues to say, "Unfortunately, there are few studies that estimate the overall investment required to rehabilitate the aging infrastructure and to support its growth." Mention is made there of Edmonton's investment of \$3.2 billion. Calgary's numbers are not available to the writer, so they're not mentioned.

I wonder if the ministry has such an estimate with respect to the infrastructure deficit that our municipalities are faced with given the investment in infrastructure over the last 10 years both in terms of its maintenance and additions to it and given both the growth in population and the urban sprawl around our cities and municipalities, what his department's estimate is and how the minister proposes to address that challenge. I'm trying to find some numbers here that would speak to that particular problem and challenge, but unfortunately I'm unsuccessful in finding any real commitment in terms of dollars and cents to that.

The author concludes that section on infrastructure bursting at the seams by drawing attention to the fact that

while the strains on the infrastructure foundation in the Corridor may be tolerable at the moment, the economic and social cost of not replacing the infrastructure will begin to mount quickly, weighing on the quality of life of the residents. An eroding transportation system and congestion could soon lead to costs in the hundreds of millions of dollars in lost time and impeded trade flows, not to mention an increasing toll on the health of the residents.

So there are several very important observations here that I wanted to draw the minister's attention to, observations that are made by the TD report with respect to what needs to be done, among other things, in the area of municipal development.

Without going through the several line items here in the budget document under programs, I would request the minister to perhaps address those, and then once I've heard the minister address those questions, I'll have a few others. Thank you.

9:50

The Deputy Chair: The hon. minister.

Mr. Boutillier: Yeah. Thank you very much, and I thank the hon. member for some very good questions as well relative to the Municipal Affairs budget estimates. I would like to first and foremost acknowledge that I certainly appreciate his advice and help on many of the things we've dealt with, I might also say, as a former professor at the University of Alberta. The municipal excellence program that we're working on with the dean of the School of Business and local government services is something that's working very well.

What I would like to say ever so briefly is that, as you know, the Minister of Finance released and tabled in this Assembly the budget, and clearly that budget is without question dealing with some of the municipal infrastructure pressures that we're having. I want to say to the hon. member that the feedback I'm receiving from the

municipal leaders – the 1,944 councillors, mayors, and reeves that make up the municipal bodies within Alberta have expressed, certainly without question, to the Minister of Finance and to the government how pleased they are with how we're dealing with some of the infrastructure programs.

What I would like to do, though, is specifically deal with MIMS, which is an acronym that we use for the municipal infrastructure management system. We're increasing this program by just under a million dollars, and the reason why is because we're inventorying, we're working with municipalities. It's about a 9.4 percent increase in our budget this year, a line item. This ultimately is dealing with the issue of our extended support program and our municipal infrastructure management system program.

The hon. member I know is aware that in the Ministry of Transportation our \$60 per capita has been announced again dealing with transportation infrastructure, and also the 5 cents a litre to both the cities of Edmonton and Calgary, making up two-thirds of our population, continues to go forward. It's interesting to note that the mayor of Toronto, the mayor of Montreal, the mayor of Quebec City, and the mayor of Vancouver are all extremely envious of what Alberta offers to our cities, something that they could only dream of. I want to say that this all is part and parcel, hand in glove of dealing with the issue of municipal infrastructure. So I would like to take the opportunity to recognize how important those initiatives are in the budget estimates for this year.

The hon. member also talked about limits to growth. I would say that these are examples of how we're dealing with limits to growth, but also I would like to make reference to the issue about smart growth. The member may be aware – and I'm quite certain he probably is – but I would like to reiterate what I mentioned earlier tonight. In dealing with the issue of smart growth the ministry is and will continue to increase its focus on the development of policies which enable municipalities to better manage continued growth, update land use policies which will incorporate smart growth strategies and principles that will continue to allow municipalities to better deal with increasing growth pressures and bottlenecks.

If I could, just for a moment, the hon. Member for Edmonton-Rutherford also sits on our Roles, Responsibilities and Resources, and one of the products that you're going to be seeing coming to this Assembly in the weeks and months ahead is enabling legislation to deal with the exact question that the hon. member has asked dealing with growth.

You may not be aware, but in the Municipal Government Act today it says that municipalities have the authority to deal with issues of water, storm, and sewer. There has been a municipal practice over the last 50 years where they also are able to capture dollars working in partnership with developers to deal with roadways. What we are proposing to do based on stakeholder support is to look at: how do we grow the pie and grow the pie smartly, and how are we going to be able to do that? We don't want to see developments being put on hold because municipalities do not have the infrastructure wherewithal to be able to deal with it. So what I'm very pleased to say is that developers, homebuilders are working closely with municipalities.

The ultimate role and responsibility of the Ministry of Municipal Affairs is to deal with the authority, but what I'm pleased to say is that one of the products of roles and responsibilities will be this enabling legislation in terms of how to allow municipalities to better meet the growth, to deal with roadways, and at the same time provide that opportunity of their continuing to negotiate and to partner with developers. Many of the former reeves, mayors, and councillors that sit in this Assembly are very much aware of the negotiation that goes on between developers who want to come to a

community and how they negotiate with the particular developers and homebuilders who want to invest in their community. That takes place not at the ministry level. We provide the overall umbrella of authority, but we're looking at enhancing it through this enabling legislation. I want to say that that is certainly without question a very important product of the roles, responsibilities, and resources committee that the hon. Member for Edmonton-Rutherford participates in as well as the hon. Member for Whitecourt-St. Anne as well as the hon. Member for Calgary-Mountain View.

I would like to say that as we go forward with the smart growth pressures, I think it's going to be very, very important to continue to grow the pie but to grow the pie by working together. Rather than forcing anything on anyone, it is really about working hand in hand with your neighbours. It's interesting; the mayor of Calgary had made comment relative to the fact that they have developments now in Calgary - Symons Valley is one of them - where in fact they're on hold, where no one benefits. The developer has land that's tied up; the city cannot issue a development permit because of the fact that there's not enough wherewithal. So this enabling legislation would be able to accommodate that, and really what it would be doing is validating a code of practice that has been going on for years and years and years. But it really is about meeting, as the hon. member has mentioned, the incredible infrastructure pressures in growing communities that are taking place across Alberta.

You know, one of the surprises that I think we all see today is that the Alberta economy hasn't slowed down in the last 10 years. Eventually, we always think we can catch our breath, but the fact is that we continue to meet the demands based on the many people that come to Alberta who don't bring their highways or their roads or their schools or their hospitals as has been mentioned by many members in this Assembly. But at the same time we're meeting the growing demands working in partnership with municipalities.

I hope I have addressed the questions that the hon. member has asked. With that, I will take my seat. If I've missed anything, I apologize, and at this time if I have missed any questions, please feel free to reiterate. I was trying to write as quickly as possible, but I don't take shorthand as well as I should. I'll endeavour to answer any other questions the hon. member may have or anyone else may have, even from my side.

The Deputy Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I thank the minister for addressing some of the questions. The question is: am I satisfied? I think there's a big question mark there, but certainly I appreciate the minister attempting to address some of the questions.

A couple of other questions that I have for the minister I again draw from the TD Economics report, although the observations made there are not new. We have raised questions on those issues in the House before. Let me go back to that Calgary-Edmonton Corridor report, where again the report says:

Above all, there were no new revenue sources or tools added to municipalities' arsenal. Instead, the provincial government's decision to raise the education portion of property taxes in its 2003 budget will put pressure on local governments to significantly restrain increases in municipal property taxes over the near term.

This is on page 34. We have been saying that over and over again over the last week, with no satisfactory explanation either from the minister or from other members of the government as to why the government has all of a sudden chosen to change that policy so dramatically.

The *Edmonton Journal* draws attention to the same thing, that last year the government in fact did decide to lower by one percentage

point the school levy tax rate to offset the increase in real estate values. This year the government makes the exact opposite argument, that because the property values have gone up, it's going to freeze the mill rate, and if that means drawing more revenues out of the municipalities into the government coffers, so be it. It makes no sense, and certainly the TD report supports the position that we have taken in the House that the government ought not to have done it. There's still time for the government to reverse itself on it and put that \$100 million back in the hands of municipalities for them to be able to use to either develop new infrastructure or invest that money into green energy alternatives or conservation measures. So what's the minister's response to that one?

The report also suggests that allowing municipalities new powers to tax is important. To avoid an increase in the overall tax burden, the province would need to free up fiscal room by lowering taxes. Suggested revenue sources of municipalities include, of course, gasoline tax, hotel tax, restaurant tax, and car rental tax. I want the position of the minister on that.

10:00

The Deputy Chair: The hon. minister.

Mr. Boutilier: Well, thank you. I apologize on the Toronto-Dominion report. Actually, I had the pleasure of meeting Derek Burlington on Bay Street just a few months ago. In fact, when he had called me, he was very interested in a role or responsibility because as he indicated to us, it was the first of its kind in Canada, recognizing that Alberta is not only out in front of every other province, but we're around the corner in terms of what the permissiveness of the Municipal Government Act is. I actually give credit to my predecessor . . .

The Deputy Chair: I hesitate to interrupt the hon. Minister of Municipal Affairs, but pursuant to Standing Order 58(4), which provides for not less than two hours of consideration for a department's proposed estimates unless there are no members who wish to speak prior to the conclusion of the two hours, I must now put the question on the proposed estimates for the Department of Municipal Affairs for the fiscal year ending March 31, 2004.

Agreed to:	
Operating Expense and	
Equipment/Inventory Purchases	\$133,703,000

The Deputy Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.
The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report and beg leave to sit again.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following

department.

Municipal Affairs: operating expense and equipment/inventory purchases, \$133,703,000.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

head: **Government Bills and Orders
Committee of the Whole**

[Mr. Shariff in the chair]

The Deputy Chair: We'll call the committee to order.

Bill 14 Securities Amendment Act, 2003

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill?

The hon. Member for Calgary-Mountain View.

Mr. Hlady: Well, thank you, Chair. I appreciate that. It's great for me to be back here in Committee of the Whole to have this discussion. I did have some questions from the members for Edmonton-Ellerslie and Edmonton-Centre that I would like to quickly answer that they asked in second reading, and hopefully that will move this through the process quickly tonight.

One of the questions that the Member for Edmonton-Ellerslie had asked during second reading was in regard to the fact that the federal government has put together a committee and why we were not part of that process. Mr. Chairman, we chose not to be involved in that process because securities regulation is a provincial jurisdiction. With the Minister of Revenue for the province here what we have done is we have actually created another group across the country through the ministers of finance or revenue that are responsible for securities law, and what they're doing is going through the process to make sure that there is a harmonization going on. So that process is going on. I think that what they will do is they will take the information from the federal committee and use that if there are some good things that come out of that. So we look forward to hearing what comes out of the federal committee and working it in with what the Revenue minister is putting together as well.

The second main question that the Edmonton-Ellerslie member had asked was in regard to corporate boards and for the Alberta Securities Commission to have more power over corporate boards. With some of the major scandals that have gone on in the last couple of years, especially in the U.S., we're seeing a lot of changes in governance through the SEC in the United States, which is their main securities commission, and we are looking to see how we align our decision-making to be similar to that and making sure that we have a better control or better understanding from the Securities Commission level on publicly-traded companies. So that is being taken care of. We will see that happening in the changes here, and I think that's a very positive thing that the Securities Commission will be able to make happen.

The hon. Member for Edmonton-Centre had also asked a few questions, again, around the harmonization. I think what we will see, as I mentioned before somewhere in my first answer to Edmonton-Ellerslie, is that the harmonization will happen through the process that the Minister of Revenue is working on, and we will take the information into consideration in regard to what comes out

of the federal committee.

I had one more question from the Member for Edmonton-Centre as well, and this was dealing with how the funds collected from the administrative penalties were spent. Currently moneys received from administrative penalties cannot be used for normal operating expenses, Mr. Chairman, but rather must be used for the enhancement of the Alberta capital markets. They've been used in the form of education for investors and for market participants, along that line. So that's the main focus of where it's been, and by putting the money back into those areas we believe that we will have a public better educated to understand how to use the markets. That is a good piece of it.

There was one more question, and it was in regard to the registration section. It's also being amended, and it's eliminating the clause that lists the criteria that have to be met before the registration of a person or a company can take effect, so she was wondering about what would happen now. This provision is being amended to facilitate the move to electronic filing, Mr. Chairman, of applications for registration, renewal reinstatement, or amendments to registration with the establishment of the national registration database, the NRD, later this spring. So what this will do is really speed it up and make the securities much more effective. We're looking forward to seeing that happen.

One of the complaints from companies that have been registering and trying to become new companies out there today is the length of time that it's taking to look at the directors, to check them out, and that's all part of a process that happens through the Ontario Securities Commission as well as the Alberta Securities Commission, the B.C. Securities Commission, and so on. So this process of being on-line is going to hopefully speed that up, and we will see the ability to get companies up and running in a much more timely manner.

Mr. Chairman, with those comments I will sit down and see what we can do in moving toward the questions.

10:10

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. Certainly it was with interest that I listened to the answers to the questions that were earlier put before this House by the hon. Member for Edmonton-Ellerslie and the hon. Member for Edmonton-Centre, and I appreciate the hon. Member for Calgary-Mountain View's response. Certainly when – and the hon. member touched on that earlier – we consider some of the difficulties that have occurred, unfortunately, and as a result the lack of confidence investors can have in corporate governance in North America, perhaps this bill is of considerable merit and should be endorsed or supported by as many members of this Assembly as possible.

Now, does this bill provide the greatest amount of protection for investors as possible? This certainly remains to be seen. Does this bill as it's drafted allow Albertans improved access to capital markets? I would like further explanation from the hon. member as to precisely how this bill is going to improve access to capital markets. Certainly, when we consider that this bill is part of the ongoing project between securities commissions across the country to harmonize Canada's securities regulatory system, if this bill represents the initial phase of these changes, then why are we going in this direction? Is there not an interest in working with the federal government more?

I know other people have asked if this bill or these legislative changes may not be premature and if we should wait until the federal Minister of Finance reports. But when you look at what has gone on and why investors would be cautious, the hon. member may be

doing more than was initially attempted here, and that is to improve investor confidence by providing greater protection for investors and also allowing Alberta businesses improved access. Now, how this is going to work I will wait and hear the explanation myself. Certainly to streamline or to make regulatory environments more efficient is noteworthy, but it cannot be at the expense of investor confidence, and investors are sick and tired of the word "reinstatement" on financial annual reports. It doesn't bode well. It didn't work for Enron. It didn't work for WorldCom and several others.

Now, if you look at the collapse of Enron, investor confidence has been shattered across the world. It doesn't matter whether it's a Japanese investor, a European investor, or an American investor. And it's so important for the Americans because their economic prosperity is based on foreign investment in their country. Up to this time there has been a fairly good return for that investment, but now that is not the case. When we're debating this provincial legislation, that confidence affects us because the Americans were our largest trading partner, and they are growing even larger because of their thirst for our energy products.

Now, Mr. Chairman, the collapse of Enron, as an example, illustrates the various loopholes that existed under securities legislation and tax evasion schemes that not only Enron but other companies and certainly Arthur Anderson could and did use, unfortunately, to deceive shareholders. If you can't look at a company's annual report before you invest and have confidence in the numbers there, then our entire system is jeopardized. If there's a silver lining behind the dark cloud in the collapse of Enron, it would be this. It raised awareness among investors and stakeholders that something had to be done and that there had to be changes made.

Securities commissions. The hon. member mentioned them earlier in his remarks. Securities commissions, the SEC and others but mostly in the United States, began to make small changes that would hopefully prevent another Enron from occurring, but last summer WorldCom collapsed. Others may have touched on this subject in this Assembly, but this cannot repeat itself, Mr. Chairman. The collapse of WorldCom was even more spectacular and shed light on even larger loopholes that existed in the electricity market. We look at others in the electricity and the energy markets and at some of the shenanigans that were going on. I think this episode or episodes was a reminder to us all that regulations are important, and not only are they important, but we must adhere to them.

Now, once a sham is discovered, the stock plummets to next to nothing, and you can have, as an example, some good stocks that are caught up with the bad. I'm told that Calpine is one of those stocks that is undervalued just because of the lack of confidence people can have or investors can have in the energy sector. By the energy sector I mean the electricity-generating sector and some of the natural gas marketers, not every one but some. Everyone, unfortunately, is being tarred with the brush here, Mr. Chairman. The Americans have gone to great lengths to try to restore confidence. You can have all the legislation in the world, but the passage of time is going to be needed to restore investor confidence.

You know, we have new investment vehicles all the time, and I'm curious at this time in committee, Mr. Chairman, how they're going to be affected, if at all, by Bill 14. We look at income trusts, and they certainly have surged in popularity in Canada and are being offered even on the New York Stock Exchange as antidotes to shrinking stock portfolios and tiny fixed-income returns. Hon. members of this Assembly, those who have laptop computers, could certainly look at the Canadian Oil Sands trust and their annual report or their quarterly report that's on there if you'd like to have a look at an income trust in this province. The income trusts generally provide rich income streams, as high-yield bonds do, but the trusts

are actually equity investments, and their value, as I understand it, can change. Some of these changes can be dramatic, and the payouts – I don't know how this will work here for Bill 14 – are not in any way, shape, or form guaranteed.

10:20

Now, despite these shifts a number of investors in Canada have been drawn to these income trusts because of the prospect of high yields that are consistent over a period of time. When we consider that a large number of baby boom investors are nearing retirement, they're looking for stability of income. Some investment advisers have stated that baby boomers may be more attracted to this sort of structure because if they are to invest in stocks, they may not be able to wait the long period of time to acquire or to attain capital gains.

What role is this Securities Amendment Act going to play in these income trusts in Alberta? You know, we mentioned energy income trusts, real estate income trusts. There are many forms of this investment vehicle. How many people in this Assembly would know that the Fording Canadian Coal Trust controls North America's biggest exporter of coal for making steel? This trust, as I understand, replaced Fording common stock as part of a merger with two other Canadian coal producers. Fording's shares closed last week, I believe, at a little over \$19, roughly the level at which they were listed.

Now, there are three other Canadian trusts – the Enerplus Resources Fund, the Pengrowth Energy Trust, and the PrimeWest Energy Trust – that have a listing in New York City. There were more than a hundred trusts set up in Canada in the last two years. They account for 57 percent of the value of new listings on the Toronto Stock Exchange, and I understand that the trusts account for about 7 percent of the market value of the Standard & Poor's Toronto Stock Exchange composite index. Canadian income trusts were initially confined, as I understand it, largely to the oil and gas and the real estate sectors but are being set up now in industries such as food processing, cheque printing, telecommunications, and horticulture. Some of the most suitable candidates, naturally, would be well-established businesses with stable cash flow that is not required for new capital investment.

Now, there are those that warn, and these are some individuals from BMO Nesbitt Burns in Calgary that say, and I quote: beware of businesses with significant reinvestment needs. Again I have to question Bill 14, the Securities Amendment Act. How much, if any, enhanced protection do we have for Alberta investors in these trusts?

These trusts, as I understand it, are sort of unique to Canada. They receive very little time or attention from other investors. There are various reasons for this: the small size of most of the offerings. Research indicates that typically these offerings are around 250 million Canadian dollars each. Because of uncertainties of investing in foreign securities, other nationals, in this case Americans, may be reluctant to invest in them. Is Bill 14 going to encourage American investment in these trusts? Will this bill ensure that as we proceed along with income trusts, there will be a greater number of foreign investors participating in this investment vehicle? What will we do here with Bill 14 to see that that happens? It's going to be interesting to see. As I understand it, American companies have not formed income trusts because they would be regulated as mutual funds with strict reporting requirements and limits on the fees that are paid.

When we look at changing business conditions and the fact that some investors may not be as aware or as sophisticated as others, how will Bill 14, we have to question in committee, protect those investors that may not be as interested in checking out income trusts as others? What are we going to do to ensure, not only for energy income trusts but for real estate and for various other industries that

are being set up in this form, that Bill 14 can protect? I think it is important, Mr. Chairman, if this is going to be an investment vehicle that's going to grow for whatever reason, whether it be tax law or tax savings as a result of tax law, that these trusts are fully valued and that they are mechanisms for Albertans and Canadians to invest their money. When we look at the provincial jurisdiction here, we want to ensure that regardless of what kind of investment it is, there is public confidence.

In conclusion, I would remind all members of this House that since the federal Minister of Finance struck a committee and there is talk of harmonizing and reforming securities commissions across Canada, perhaps we should table this legislation until the federal Parliament has an opportunity to make their suggestions after their consultation process.

Now, before I conclude, I do have one question in regard to the hon. Member for Calgary-Mountain View's remarks, and I'll perhaps have to get it on the record later.

Thank you.

[The clauses of Bill 14 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

10:30

Bill 16 Agricultural Dispositions Statutes Amendment Act, 2003

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Yes, Mr. Chair. It is indeed a pleasure to speak this evening to Bill 16, the Agricultural Dispositions Statutes Amendment Act, 2003. At this time I would like to propose an amendment, and I will give all members an opportunity to get a copy of the bill and to read it.

The Deputy Chair: Hon. member, just hold for a minute until the amendment is at least brought to the table.

Mr. Bonner: Yes. I will. Thank you, Mr. Chair.

The Deputy Chair: The amendment is being circulated. We shall refer to this amendment as amendment A1.

Hon. Member for Edmonton-Glengarry, you may proceed.

Mr. Bonner: Okay. Thank you, Mr. Chairman. I am proposing amendment A1 to the Agricultural Dispositions Statutes Amendment Act, and in moving this amendment, I would like it to be amended as follows: in section 2(3) in the proposed section 1.1 by striking out "within the meaning of the regulations under section 62.1 of the Public Lands Act" and substituting "within the meaning of section 62.1 of the Public Lands Act and the regulations under that section."

As well, in section 3(23) in the proposed section 62.1 by adding the following after (1). Section 1.1 would read: "Access to an agricultural disposition by foot for recreational purposes shall not be restricted in the regulations under this section."

Now, then, in proposing these amendments to the bill, the purpose of the amendment is to ensure that hikers and the like are not restricted from an agricultural disposition. The idea here is not to allow hunting per se on these dispositions. Rather, the goal of the amendment here is to allow Martha and Henry to go for a walk on these lands. This would be done at their own risk and also at their own liability. This whole amendment is designed to take hiking and walking out of regulations and put it in the legislation. The reason for this is the fact that it is certainly not open to interpretation, and as well it will be clearly defined so that all members in the Assembly will know what they are voting on, and this will not be left up to the whims of those making the regulations.

Now, then, part A of the amendment changes the wording around to reflect that this is part of the act and not the regulations. Again, for the reasons I stated, we would like the legislation to indicate our proposed purpose.

Part B basically lays out that people entering an agricultural disposition for the purpose of hiking, et cetera, would be considered recreational users. Again, these are excellent amendments because it will allow those people who are simply out for a walk and are not intending to hunt on that land to certainly have the freedom to use that land for those purposes at their own risk.

I would urge all members to support this amendment. It's a very good amendment, and it is an amendment that will strengthen this bill. With that, I will cede the floor to see what other members have to say in regard to these amendments.

Thank you, Mr. Chairman.

[Motion on amendment A1 lost]

[The clauses of Bill 16 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 10

Health Information Amendment Act, 2003

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill?

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Thank you very much, Mr. Chairman. Bill 10, the Health Information Amendment Act, 2003, is certainly legislation that comes to mind as not being without controversy. When we look even as recently as February of this year, the Alberta Information and Privacy Commissioner issued a report on the investigation into a complaint regarding disclosure and collection of health information. So the whole issue of health information, its collection and disclosure, is certainly very important to Albertans.

We look at this bill and this idea of removing the need for health professionals to proactively gain consent from patients prior to disclosing their health records via electronic means. Also, when we consider that we are going to provide authority for custodians to provide access to and disclosure of health records and information of deceased individuals, we have to approach all of this with a great deal of caution, to say the least. To explain this bill, we have to divide it or look at the issues and the purposes of these issues.

10:40

What exactly are we proposing here in removing the need for health professionals to gain consent to disclose electronic health information? Now, Mr. Chairman, patients are not the only ones that are potentially harmed by a confidentiality or a security breach. Health care providers who have been shown to be responsible for such breaches through the actions of their employees have on occasion been successfully sued and subject to administrative penalties or sanctions. Now, health care providers must recognize that maintaining their patients' confidentiality is a matter of trust and an important factor in maintaining good public relations and a good public reputation.

Now, what are the implications of a confidentiality breach? Just why should we be so concerned in this province about confidentiality? Should patients expect to give away some of their privacy whenever they seek, you know, consultation from a doctor or treatment at a hospital? I don't think so. But to the extent that information is shared so that the government in this case can pay the bill, it is important. I have to remind the Assembly that patients can be harmed by careless or inappropriate disclosures of health information. When the government is proposing to withdraw section 59, which removes the requirement of health professionals to get patients' consent before information can be shared through electronic means, I get concerned.

Maybe all this, Mr. Chairman, is hypothetical; maybe it's not. Could a banker, for instance, cross-reference a list of sick patients or cancer patients against a list of outstanding loans at his or her bank and then call in the loans? This is just one example of something that could go wrong. That's only one example. I'm looking forward to continuing not only as freedom of information and protection of privacy critic, and this is, I believe, a companion piece of legislation to that act. I'm going to look forward to participating in debate later on.

At this time, Mr. Chairman, I would, please, like to adjourn debate on Bill 10, the Health Information Amendment Act, 2003.

[Motion to adjourn debate carried]

The Deputy Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report Bill 14 and Bill 16.

The Deputy Chair: Hon. Government House Leader, I presume that you also meant to report progress on Bill 10.

Mr. Hancock: And progress on Bill 10.

[Motion carried]

[Mr. Shariff in the chair]

The Acting Speaker: The hon. Member for Leduc.

Mr. Klapstein: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following: Bill 14 and Bill 16. The committee reports progress on Bill 10. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

Mr. Hancock: Mr. Speaker, I move that we adjourn until 1:30 tomorrow afternoon.

[Motion carried; at 10:46 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Thursday, April 24, 2003**

1:30 p.m.

Date: 2003/04/24

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. O Lord, we give thanks for the bounty of our province: our land, our resources, and our people. We pledge ourselves to act as good stewards on behalf of all Albertans. Amen. Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Children's Services.

Ms Evans: Well, thank you very much, Mr. Speaker. What a distinct pleasure and honour it is for me today to rise and announce the presence of students from Bev Facey high school. It is a very solid academic high school with other specialty programs for the children of Sherwood Park and the region of Strathcona county. I'd like to welcome their teachers Mr. Barclay Spady and Mr. Allan Milne. Would they please rise and this Assembly give them the warm welcome they deserve.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'm very pleased today to introduce to you and through you to all members of the Assembly 11 students who are joining us in the public gallery. They are from NorQuest College, and they're accompanied today by their instructor Mr. Bruce Huebener. I would ask them all to please rise and accept the warm welcome of the Assembly.

The Speaker: The hon. Leader of the Official Opposition.

Dr. Nicol: Thank you, Mr. Speaker. It's a real privilege today to stand and introduce to you and through you to the members of the Legislature Gordon and Lorrane Tocher. They're from Hinton, and they've been very concerned this spring about the cost of their energy bills out there. They came in today to watch the petition that they circulated be tabled later on in the day. I would like to ask them to stand today and have the House give them a warm welcome.

Mr. Mar: Mr. Speaker, it's my pleasure to introduce today to you and through you to members of the Assembly three visitors from Janssen-Ortho Incorporated: Mr. Jim Mitchell, president of Janssen-Ortho, a member of the Johnson & Johnson group of Canadian companies; Judy Keyser, who's the regional director from Bragg Creek, Alberta; and Michael Lohner, well known to members of this Assembly, a regional manager who is from the city of Edmonton. I'd ask that they rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you and through you to members of this Assembly a very important person in my life. She's a single parent, an education student with the U of A program, and a part-time receptionist with Summit Strategies in Red Deer. She's my daughter, and she's a great mom and a great daughter. I would ask Krystin to stand and receive the warm welcome of the Assembly.

head: **Oral Question Period**

Natural Gas Rebates

Dr. Nicol: Mr. Speaker, temperatures have warmed up, but the discontent Albertans feel over high energy costs has not cooled off. At the appropriate time we will table another 2,343 signatures to a petition demanding natural gas rebates, bringing the total number of Albertans that have signed this petition to over 7,500. One thousand, five hundred and fifty-six of today's signatures came from the Hinton-Jasper-Edson area. All this winter we've listened to the Premier dismiss our calls for natural gas rebates as Liberal negativity. My question is to the Premier. Does the Premier plan to dismiss the 1,556 voters in Hinton, Edson, and Jasper as being negative when they demand these rebates that this Premier promised during the 2001 election and express their discontent with the government's current energy policy?

Mr. Klein: Mr. Speaker, it's reasonable to assume that people are discontent when they have to pay high prices. People are discontent with the premiums they pay for insurance, especially car insurance, and that's going to be a big issue. People are discontent when they have to pay high mortgage rates, high interest rates, and indeed that was the case back in the '80s when interest rates reached 19, 20, 21, 22 percent. People are upset when natural gas prices go up. That's why we put in place a reasonably thought out, intelligently thought out rebate program that averages the price of natural gas over a one-year period and sets a price of \$5.50 a gigajoule. If that \$5.50 average price is reached, then the trigger is pulled and the rebates kick in.

Dr. Nicol: My question to the Premier: does the Premier not recognize the difference between discontent over market-driven prices and prices that are because of a broken promise that he made to Albertans that he would protect them from natural gas increases?

Mr. Klein: Mr. Speaker, this was not a broken promise. They were not on the campaign trail with me. Mind you, they had some of their functionaries follow me around to try and bug me but to no avail obviously, because we have 74 and they have seven. But they have no idea. They weren't at my campaign rallies. Maybe they were. If they wanted to see how it's really done, maybe they were.

What I said that we would do during that time – and that was a time of extremely high gas prices – is we would bring in a program to shield Albertans. It wouldn't be on an ad hoc basis; it would be on a sustainable basis. That's exactly what we did. You know, Mr. Speaker, these people are misleading the Alberta public because the regulations pursuant to the rebate program were made in August, publicly announced, put on the Internet, the government web page, not the Liberal web page obviously, for all people to see and to learn about. But to say that people didn't know is absolutely wrong. We went to great lengths to inform people of the regulations relative to the terms and conditions of the rebate program.

Dr. Nicol: To the Premier: will the Premier not admit that the regulations put on that web site were way different than the trigger point that was based on your analogy of a thermostat when you passed that legislation?

Mr. Klein: Mr. Speaker, I challenge the hon. member to go back first of all to the election and quote me on any trigger price or any specific program other than to say that we would develop a program. The legislation was thoroughly debated on the floor of this Legislative Assembly. They supported the bill. The Liberals supported the

bill. The Liberals supported the legislation. Now, in a way that – I know it's unparliamentary – could be construed as hypocritical, they stand up and say, "Oh, the legislation was all wrong," when they supported it at the time. They have to stand up and admit that. They supported the legislation, and the regulations associated with that legislation were well publicized so that people would know the terms and the conditions of this very sustainable rebate program.

Dr. Nicol: Mr. Speaker, we supported the legislation based on his analogy of a thermostat, not the regulations that were passed.

Education Funding

Dr. Nicol: My second question. In Alberta expectations of our education system are high, which is why we're disappointed when not as many students as we'd hoped finish high school or go on to postsecondary studies. These are warning signs to the government that if they want one of North America's best education systems, they'd better find out how much funding is enough to deliver that. To the Premier: is your education funding enough to ensure that 90 percent of 18 year olds graduate from high school?

1:40

Mr. Klein: Mr. Speaker, I can't answer the question right now because our budgets are predicated on what we reasonably expect in terms of K to 12 education and postsecondary education, but I'm sure that these are questions that will be put to the learning commission. One of the questions to be posed to the learning commission, I presume, is that of funding and the adequacy of funding and the whole issue of dropout rates and how people proceed to postsecondary institutions, not just universities but NAIT, SAIT, Grant MacEwan College, Mount Royal, Lakeland, Grande Prairie College, Medicine Hat, Lethbridge College, and so on. I can tell the hon. member that it goes without saying that we do have the best educated workforce in Canada. We have all the opportunities available for people to proceed to postsecondary education. As I understand it, there is such pressure on the part of the labour market to get people into the workforce that a lot of people leave high school, go into the workforce, then at a later age go to university.

Now, Mr. Speaker, in my own case, you know – this is many, many years ago – I dropped out of high school, went back, tried to get as much of my education as I possibly could, and I'm going to university right now, as we speak. I'm 60 years old, so am I classed as one of those people? Well, I feel good about going to university. I wish I could have gone when the hon. leader of the Liberal opposition was a young man and went to university. I wish I could have gone then, but I had to wait until I was 60 years old. But, you know, in all that time I learned a lot that I could apply.

Dr. Nicol: Mr. Speaker, the Premier just spoke about dropouts. Is your education funding enough to ensure that our high school dropout rate falls from the current 13 percent to the target of 5 percent?

Mr. Klein: Mr. Speaker, this is a matter of concern. As I said, the learning commission will look at this because this indeed is one of the major issues related to education. Certainly, we have identified lifelong learning as a priority of this government, and lifelong learning starts with learning not only at my age but the ability to continue from high school through postsecondary education. If it is a problem, we will address that problem as a government as best we possibly can.

Dr. Nicol: To the Premier: is your education funding enough to ensure that over 60 percent of our high school students get a chance to go on to some kind of postsecondary education?

Mr. Klein: Mr. Speaker, we believe it is. Yes.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. As a result of local boards losing their ability to tax, school funding adequacy has become a problem. Boards may no longer make up provincial government shortfalls in support by turning to local ratepayers, and as a result school boards across the province, including three of the four largest urban boards in the province, are facing deficits. My questions are to the Premier. Why, if a 2 percent instructional-based budget increase was deemed sufficient, are boards across the province projecting such deficits?

Mr. Klein: Well, Mr. Speaker, as I indicated yesterday in this Legislative Assembly, that is purely speculative. The budgets of the school boards have not been confirmed. The budget we presented as a government was predicated on the best estimates available to us relative to sustaining the education system. I would remind the hon. member that subject to a plebiscite school boards still have the potential to raise an additional 3 percent through property tax through a local requisition, but that of course depends on the mood and the will of the ratepayers.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the Premier: what does the Premier suggest that schools who are setting school budgets as we meet in this Legislature – they're setting them right now, Mr. Premier – are to do to avoid teacher layoffs and increased class sizes?

Mr. Klein: Mr. Speaker, basically, most of those school board budgets I think are set in May. They may need to find out who's going to retire, what their staff requirements are going to be, what their student growth is going to be. There are a number of factors that need to be considered, including what we have set in our own budget to accommodate education, so it's too early to speculate and to make statements or assertions relative to what might or might not happen with respect to the various school districts.

Dr. Massey: Again to the Premier, Mr. Speaker: given that boards have no funds to replace retiring teachers, leading to further increases in class size, how is this seen as a solution to the inadequate funding?

Mr. Klein: Well, Mr. Speaker, I don't know. I don't get involved in the day-to-day operations of the 61 or 62 or 63 school boards, but certainly when people retire from the system at maximum salary, it stands to reason that they will hire young, bright, educated teachers coming out of university at starting salaries. I mean, that is simple math, and that's the way it should be done unless the school board has a policy – and I would hope that they don't have a policy – of hiring nothing but top-of-the-scale teachers. I would think that the hon. leader of the Liberal opposition, especially coming from Lethbridge, where they have one of the finest faculties of education, would support wholeheartedly the hiring of young graduates coming out of the University of Lethbridge and into the system.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Edmonton-Manning.

Severe Acute Respiratory Syndrome and West Nile Virus

Dr. Pannu: Thank you, Mr. Speaker. Alberta's public health system is facing the twin challenges of the ongoing SARS outbreak and the likely arrival of the West Nile virus. Years of funding restraint and an ongoing shortage of health care professionals have left Alberta's public health system stretched and hard-pressed to respond to these twin emergencies. My questions are to the Minister of Health and Wellness. Why has the government this year increased by only 1 percent its spending on health protection, promotion, and prevention when these programs are key to dealing with SARS and West Nile virus outbreaks?

Mr. Mar: Mr. Speaker, I want to say first of all that our public health officials have an outstanding track record in this province. For some number of years we have been anticipating a pandemic influenza coming. We don't know when and we don't know exactly where, but it's coming. As a consequence, some number of years ago we started to work on a plan to ensure that we can deal with issues of communicable diseases including things like SARS.

Now, if anybody wants to test how well that's worked, look at our experience with meningitis, Mr. Speaker. We were the first province in Canada to react appropriately to provide a vaccine that protected our young people against meningitis. So we don't have anything to be ashamed about, and in fact we should be very proud of the public health system, that has been so responsive to things like meningitis and will be to SARS.

With respect to SARS, Mr. Speaker, there were five suspected cases of SARS in the province of Alberta. I am happy to report to this Assembly, to Albertans that all five people have recovered completely. We never did have a probable case of SARS, nor did we ever have a confirmed case of SARS, and as of today there has not been a new SARS case reported for the last 21 days. So we've dealt with SARS appropriately, although we remain vigilant in all circumstances with respect to SARS.

1:50

With respect to West Nile virus we have not had a single case of West Nile virus here in the province of Alberta. There have been two Albertans that contracted West Nile virus from another place and then came back to Alberta, and I can say that those two people have also recovered from their virus. So we are vigilant, Mr. Speaker. We do have a plan in place. We do take the health of the people of Alberta very, very seriously, and we do an excellent job.

Dr. Pannu: To the same minister, whose answer is very, very worrisome because it's very complacent: why is the government allowing the provincial health authorities to spend up to a million dollars on newspaper, radio, and TV ads putting their spin on the nurses' negotiations when that money could well have been used far better in strengthening the capacity of Alberta's public health system to respond to the twin challenges of SARS and West Nile virus?

Mr. Mar: Mr. Speaker, we have taken appropriate measures with respect to SARS, with respect to West Nile virus. Today – and perhaps the hon. member is not aware of this – we did announce a program with respect to West Nile virus, our response to it, some \$2.5 million, working in collaboration with the department of environmental protection and the Department of Agriculture, Food and Rural Development. We do have a response program where we

are co-ordinated in a very serious way with all of our regional health authorities, who have also devoted resources to this, for monitoring and surveillance of the presence of West Nile virus. When West Nile virus does come to Alberta – and we expect that it will sometime this summer – we're ready just like we were ready with meningitis.

Dr. Pannu: A final question to the minister, Mr. Speaker: why is the government attacking our frontline health care workers by passing punitive legislation like Bill 27 at the very time – at the very time – that we most need these health professionals to deal with these challenges of SARS and West Nile virus?

Mr. Mar: Mr. Speaker, we place a great deal of value on our health care professionals in the province of Alberta. We have an outstanding system in this province. Again, don't take my word for it. Look at the results from the Canadian Institute for Health Information. Look at the results from *Maclean's* magazine. Look at what has been said about our health care system by Senator Kirby or by former Premier Romanow about how outstanding a system we have in this province. It is in large measure because of the frontline people who dedicate themselves to the benefit of Albertans for the purposes of delivering a health care system that provides Albertans what they need when they need it at an appropriate place and time.

The Speaker: The hon. Member for Edmonton-Manning, followed by the hon. Member for Edmonton-Gold Bar.

Health Safety of Police and Emergency Workers

Mr. Vandermeer: Thank you, Mr. Speaker. I recently had the opportunity to attend a meeting of the Alberta Federation of Police Associations where I heard concerns about the safety of its members when in contact with individuals with transmittable diseases. I heard that in many situations after the police make an arrest, there is concern that the officer may have been exposed to a transmittable disease such as AIDS. They have no way of knowing whether or not they should seek medical attention. Ontario recently passed legislation requiring blood samples to be taken whenever emergency response personnel believe they may have been contaminated with a transmittable disease. Alberta police would like to see similar legislation passed in Alberta. My question is to the Solicitor General. What is your department doing to address this issue?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. As the Solicitor General I believe that this is a logical request and one that I support. I believe that the health and safety of the men and women who put their lives at risk for us should be our collective priority. Ontario legislation comes into effect on May 1, and it allows the local medical officer of health to order blood samples from someone who accidentally or deliberately exposes a frontline emergency worker, victim of crime, or Good Samaritan to his or her bodily fluids. We'll be keeping a close eye on how this issue unfolds in Ontario. I'll be discussing the matter with my Ontario counterpart, and I'll be working with the minister of health on this particular issue. However, this is a complex issue. It requires that we balance privacy issues with public health and personal protection. While the confidentiality of patient records is important, so too are the lives and health of our emergency workers.

Mr. Vandermeer: Mr. Speaker, my first supplemental is also to the

Solicitor General. What steps can police, corrections officers, and emergency workers take to protect themselves now?

The Speaker: The hon. minister.

Mrs. Forsyth: Mr. Speaker, thank you. It's a good policy for our police and our emergency workers and our corrections officers to assume that anyone that they come in contact with could potentially be carrying an infectious disease and for them to take the appropriate precautions. We have clear policies in place in our correctional centres. Alberta's police services also utilize procedures to help police officers protect themselves from communicable diseases.

In our corrections centres screening is conducted on all offenders by qualified health care staff to identify potential communicable diseases. Reportable diseases such as HIV, AIDS, and hepatitis A, B, and C are reported in accordance with the Public Health Act to the local public authorities. Mr. Speaker, inmates who are suspected of having an infectious disease are tested, and appropriate measures are taken to treat the disease and to prevent transmission. Our corrections officers are provided with stab-proof Kevlar gloves and other protective equipment to use when they are handling potentially infected inmates.

If there are any other measures that can be taken to protect our frontline workers, I'm open to any suggestions.

Mr. Vandermeer: Mr. Speaker, my second supplemental is to the Minister of Health and Wellness. What is Alberta Health doing to address this issue?

Mr. Mar: Well, Mr. Speaker, let me say first of all that it's very important that we do everything that is reasonably possible to help protect our emergency workers from bad health effects as a result of communicable diseases. What we do right now is we provide them with information on how they can best protect themselves against getting communicable diseases during the course of their work. In the event of an accidental exposure, of course, a notification is put in place immediately so that the worker can be quickly assessed and appropriate measures taken to mitigate or to treat their particular condition. We do conduct ongoing monitoring of diseases and infectious conditions in communities throughout the province. This is part of our government department's role in ensuring public health.

Mr. Speaker, I want to say that we will commit whatever resources are required to working with the Solicitor General on this particular issue, and we certainly will be watching the experience in Ontario with a great deal of interest.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Calgary-Lougheed.

Natural Gas Rebates

(continued)

Mr. MacDonald: Thank you, Mr. Speaker. On the eve of the last provincial election the Alberta government announced a natural gas rebate program for natural gas commercial operations that lasted roughly from the time of enumeration until the time the last vote was counted. The provincial government took this step to hide the expensive failures of energy deregulation and delay the true costs of energy deregulation until after Albertans voted. My first question is to the Premier. If a \$5 gigajoule credit on natural gas was good enough during an election year, why is it not good enough now?

Mr. Klein: Mr. Speaker, the very, extremely, extraordinary spike in the price of natural gas was coincidental with the election. We had no control. We didn't tell gas to go up just because it was an election. We had to do something. These people, you know, complained loud and long about giving rebates and helping Albertans. They screamed: "Oh, my gosh. This is just political."

Mr. Smith: You didn't send yours back.

Mr. Klein: Yeah. That's right. They gladly took the rebates; right? They gladly took the rebates.

Mr. Speaker, I take exception to this program lasting only as long as the time it took to cast the last vote. This was a three-month program.

An Hon. Member: A four-month program.

Mr. Klein: I'm sorry. Maybe it was a four-month program. Okay. It was a three- or four-month program – I'm not quite sure – that really went a great distance to alleviate hardships on a lot of Albertans. It was during that election that we said: lookit; we understand that the price of natural gas is extremely high. I believe it had reached something like \$10, \$11 a gigajoule. It was extremely high at that particular time, and we said that we would introduce a program. If I recall, I said that we would introduce a program that would be akin or similar to the interest rebate program. [interjection] Will you please instruct the hon. member for wherever to keep his yippity yap shut.

2:00

Mr. Speaker, we said that we would bring in – and this is a quote. As I said, they weren't on the campaign trail with me. They were on their own campaign trail, you know, telling people a bunch of baloney. So they weren't on the campaign trail with me where we had to deal with the real issues and the realities. Along the campaign trail I was asked: well, what do you plan to do on a more permanent basis? I said: we will consider a program similar to the interest rebate program introduced by then Premier Lougheed where interest was shielded down to 12 percent from about 19 to 20 percent. I instructed the Minister of Energy to get to work on a program. He brought through legislation to bring about the program. The regulations relative to the legislation were announced, and now the Liberals are complaining. So what's new?

Mr. MacDonald: Again to the Premier, Mr. Speaker: given that the election promise from 2001 was broken by this government, did this government refuse to give Albertans rebates earlier this winter when there was a huge price spike because they knew it would interfere with the high-pressure sales tactics used by energy marketers like Direct Energy selling three- and five-year contracts to Albertans?

Mr. Klein: Mr. Speaker, I just went through the process. As I said, unless the hon. member tells me otherwise, I would assume that he was not on my campaign trail.

Mr. MacDonald: You bet I wasn't.

Mr. Klein: Right. I would assume that he was not on the campaign trail. I would assume that he did not visit the numerous constituencies, practically every constituency in the province, where I gave the same speech over and over and over again. [interjection] If he was there, then stand up and say that he was there and that he heard all this; in other words, that he heard the malarkey that he just spouted

off, because he didn't. What he would have heard is exactly what I explained: that, yes, there is an emergency problem right now; the price of gas is extremely high; that, yes, we will bring in a sustainable program; that, yes, it will be a program, and the best I can think of at this particular time is a program similar to the mortgage interest rebate program brought in by Premier Lougheed; and that I will instruct the Minister of Energy to get to work on it. And I did all of those things. That is not breaking a promise. That is fulfilling a promise.

Mr. MacDonald: To the Premier: given that an election promise from the last election, in 2001, was broken by this government, why is it government policy that consumers come first only during election years?

Mr. Klein: Mr. Speaker, I just pointed out the difference between keeping a promise and breaking a promise. The statement that I broke a promise is entirely misleading. It is wrong. It is wrong for them to say that I broke a promise when in fact I kept a promise. I will explain it one more time. Here's what I said.

Dr. Massey: It doesn't matter how many times you say it.

Mr. Klein: Well, it doesn't matter how many times they say it. They say that I broke a promise. I say that I kept a promise, and I kept the promise. I kept the promise, and here's how I kept the promise.

Mrs. Nelson: People know they can trust you.

Mr. Klein: Right.

Again, I would ask him, because he doesn't have an opportunity to stand up and ask another question: will he go outside the House and tell the press that either he was a fly on the wall or he wasn't? All you need to do is get your researchers, which the government pays for, go into the morgues of the newspapers and find out exactly what I said.

The Speaker: The hon. Member for Calgary-Lougheed, followed by the hon. Member for Edmonton-Ellerslie.

Clean Coal Technology

Ms Graham: Thank you, Mr. Speaker. In this province coal is still the number one fuel used to generate electricity. We all know that the burning of coal does create carbon dioxide, which creates global warming. One of the strategies of the government plan to address this issue was supposed to be speeding up the development of clean coal technology. My first question is to the Minister of Environment, whose department is responsible for Alberta's climate change plan. Mr. Minister, it would appear that you haven't taken active steps to accelerate the development of clean coal technology. What is the holdup?

Dr. Taylor: Well, Mr. Speaker, I'm a little surprised by that question, but let me say that we have taken action. We've taken action long before Kyoto. As I pointed out to another member in the House this week, you know, Alberta is first and foremost in the country in taking action on many areas around climate change, and certainly clean coal technology is one that is important to Alberta. As you know, we've got 70 percent of the coal resources in the country in this province, and if we can learn to develop it cleanly and burn it cleanly, there's a huge opportunity for energy in this province.

We're doing a number of things, Mr. Speaker. In the first place, I've asked the Clean Air Strategic Alliance to look at our electricity generation and the emissions that come out of those plants, and about 60 to 70 percent of that is from coal. So I'm expecting a report from them, hopefully in June or perhaps September, once they get their group together again. That's one thing that we're doing.

Then as a government we announced a \$30 million investment in research, and certainly much of that will go to the Alberta Energy Research Institute, which is under the purview of the Minister of Innovation and Science, and it's my understanding that he might want to supplement, Mr. Speaker. A lot of that money will be spent on clean coal. I'd ask the minister to supplement on exactly where that money is going.

The Speaker: No. We'll go on to the member.

Ms Graham: Well, thank you, Mr. Speaker. I'm happy to ask the Minister of Innovation and Science just what in fact his ministry is doing to accelerate clean coal technology.

Mr. Doerksen: Well, Mr. Speaker, with the assistance of the Minister of Energy and the Minister of Environment we have implemented an Alberta energy research strategy. In fact, through the good work of the Alberta Energy Research Institute, if you look at it on the web site at www.innovation.gov.ab.ca, you can read the whole energy research strategy. One of the key elements of that strategy is the development of technology that will enable us to develop our huge resources of coal so that it will be effective and we won't strand it, and we'll be able to use it to further our economy.

The Speaker: The hon. member.

Ms Graham: Thank you, Mr. Speaker. My final question will be to the Minister of Environment. In that you, Mr. Minister, have the lead in developing our climate change plan, when are we going to start doing something other than talk about all the things that we can do? When are we actually going to do it?

Dr. Taylor: Well, Mr. Speaker, certainly we are doing. As I've indicated in the past, we're about 24 percent below our 1990 target. It's supposed to be 6 percent. Other things that we're doing, actual concrete actions that we're taking, are things like 90 percent of our power is going to be generated by green power. Half of that 90 percent will come from biomass; half will come from wind.

2:10

Of the 140 new wind turbines that are being put up in Fort Macleod, roughly 70 of those will produce power for the government. So by doing a purchase of green power like that, the Minister of Infrastructure has created a huge new market for green power, Mr. Speaker, and I would say that that is the largest purchase of green power in North America.

So we are taking action. We will continue to take action. As we move forward, Mr. Speaker, I would encourage all the members to take a look at the climate change plan, which is also on the government of Alberta web site.

Health Authorities' Advertising Campaign

Ms Carlson: Mr. Speaker, the United Nurses of Alberta are currently in negotiations with the provincial health authorities. During these negotiations the health authorities have invested a significant amount of money and resources into launching a glitzy ad

campaign to sway public opinion. My first question is to the Minister of Health and Wellness. Why are the health authorities spending valuable tax dollars on ad campaigns rather than investing that money into hiring badly needed frontline staff?

Mr. Mar: Mr. Speaker, we have had a dramatic increase in the number of health professionals in this province over the last three years. There has been a significant investment in health care made by this government, and it has been passed on by way of grants to regional health authorities. They have benefited from the hiring of hundreds of new nurses over the last three years. In fact, with respect to physicians it's gone up by about 600 new physicians over the last three years. So we have invested, as have regional health authorities invested, in dramatically increasing our frontline staff in nurses, physicians, and other health care professionals.

Now, with respect to an ad campaign being paid for by the regional health authorities, they are in negotiations with nurses. The nurses have taken steps to indicate their position in this matter. I think it's entirely appropriate that what's sauce for the goose is sauce for the gander, and if the employees during the course of their negotiations choose to make public their position on their bargaining, then it's an entirely appropriate measure for employers to do the same thing, Mr. Speaker.

Ms Carlson: Mr. Speaker, to the same minister: given that the estimates range as high as \$1 million for the cost of this campaign, will the minister commit to informing the public of just how much this PR campaign has cost Albertans?

Mr. Mar: Mr. Speaker, it will all come out in the matter of public accounts when it's all accounted for at the end of the year.

Ms Carlson: The minister knows that that isn't true.

How about this question: given that this PR campaign has had no effect upon continuing negotiations, does the minister know if this fruitless campaign will continue and how much more it will cost? A figure?

Mr. Mar: Well, Mr. Speaker, we entrust our health care system to regional health authorities, who make important decisions about what's appropriate for them. That includes the matter of negotiations with their nurses. It's not my intention to interfere in this particular area. I wouldn't consider myself to be a micromanager. Perhaps the hon. member would.

The Speaker: The hon. Member for Edmonton-Rutherford, followed by the hon. Member for Edmonton-Riverview.

Municipal Taxation

Mr. McClelland: Thank you, Mr. Speaker. My questions are to the Minister of Municipal Affairs. Tuesday in Edmonton the Toronto-Dominion Bank released its third report on Canada's cities. This report dealt specifically with the Edmonton/Calgary trade corridor and is full of good news, including the fact that the gross domestic product of the corridor is by far the highest in Canada and is in fact higher than the United States' average. There are, however, challenges, challenges identified in the report to do with municipal financing. My question: will the minister advocate vacating tax room to allow municipalities direct taxation powers as recommended in the report?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you very much, Mr. Speaker. I want to say at the outset that I think that perhaps the title of the report, which I have here, should be more than just simply The Calgary-Edmonton Corridor. As we know, with the resource that's taking place in northern Alberta, \$87 billion is being spent there. That is very important to this corridor as well, and I'm proud to say that the mayors of Edmonton and Calgary and Red Deer recognize that as well.

Relative to the issue of what we do in the future, our roles and responsibilities are investigating that with the mayors and the presidents of the AUMA and AAMDC. But I would like to say – and I add this word of caution though – that at the end of the day, as we all know, there is only one taxpayer. One of the things that was highlighted in the report was that the province of Alberta has the lowest tax regime of any other Canadian province, and that's certainly a strength we want to build on.

The Speaker: The hon. member.

Mr. McClelland: Thank you. My first supplementary: will the provincial government pressure the federal government to remove GST entirely from municipal purchases as one order of government does not tax another?

Mr. Boutilier: Where do I sign up? Let me just simply say this. This province was the only province in Canada that took the federal government to court over the issue of the GST, and I'm very proud to say that we launched a very aggressive campaign. We all know that the best example would be on the issue that affects municipalities. To those who may not be aware in the Assembly, relative to transportation did you know that over the past 10 years when we filled up at the pumps in the province of Alberta, we contributed to the federal government \$7 billion? Do you know how much we got back?

An Hon. Member: How much?

Mr. Boutilier: You asked how much we got back. About \$70 million. You know, the province of Alberta collects over \$700 million a year – and the Minister of Transportation wanted to supplement. We spend over \$2 billion a year relative to transportation. That's another good example of some of the inequities that take place across this Confederation.

The Speaker: The hon. member.

Mr. McClelland: Thank you, Mr. Speaker. My final question. The report indicated that the regions must seek efficiencies. Has the minister's 3R committee a set of priorities for the municipalities to reach these efficiencies?

Mr. Boutilier: A good question. Absolutely, yes. In fact, in our ministry goals, that we talked about in estimates last night, we talked about the strategies of regional partnerships, how we can take a dollar and stretch it into \$3 by sharing. I want to compliment the capital region, just one good example of 22 municipalities. They're coming together, they're working together, and they're serving their taxpayers as a whole, but what they're doing is they want to get the best value out of that one dollar to ensure that we perhaps can get even greater value. One thing that I've heard – and the hon. member may be aware – is that the last thing we want to do in this province, though, is create a tax jungle.

Toxic Mold in Foothills Medical Centre

Dr. Taft: Mr. Speaker, on Tuesday the Minister of Health and Wellness implied that there was no evidence that mold found in the Foothills hospital was toxic. However, tests done on mold found in the fall did indeed indicate toxic mold near the renal dialysis unit of the Foothills hospital. My questions are to the Minister of Health and Wellness. Where did the minister get his information that the mold in the Foothills hospital was not toxic?

Mr. Mar: Mr. Speaker, the hon. member was good enough to send me a letter last week indicating that he would be asking these questions about toxic mold, and the best advice that I had available from the regional health authority was that there is the presence of molds in some facilities. You'll find them in schools. You'll find them in office towers. You'll find them quite likely in this building. But I did express the caution in answering his question last week to refer to the issue of the word "toxic." There are many kinds of molds that may appear in buildings as a result of different types of HVAC systems, heating and ventilation systems, but there has to be caution expressed when he uses the word "toxic." There has been, to the best of my knowledge, no evidence of any toxic molds, and those things which are toxic molds, that sometimes do appear in buildings, are only harmful to individuals if breathed in or if ingested through the mouth.

So, again, the best advice that I have available from the regional health authority is that there is no evidence of a toxic mold in that facility.

The Speaker: The hon. minister to supplement?

Mr. Dunford: Yes, Mr. Speaker. Unless something has happened in the last 24 hours, I would like to indicate to the House that from a workplace health and safety standpoint as well we are not aware that there's been a definition of a toxic mold at this point in time.

2:20

The Speaker: The hon. member.

Dr. Taft: Thank you, Mr. Speaker. Our information is that last fall it indeed was found to be toxic mold, and I'll send that material to them.

If the two ministers are so sure that the environment is that clean at the Foothills hospital and that there's no toxic mold, can either one of them or the Premier explain why an independent evaluator is being blocked from entering the hospital and conducting air quality tests?

Mr. Klein: Mr. Speaker, first of all, I can say that if an independent investigator has been blocked and thrown out and bodily prevented from going into the hospital, I'll find out why. I'm sure the hon. Minister of Health and Wellness will find out why. Unless, of course, the so-called investigator was sent in, hired by the Liberal Party, to do a job or a number. Then I can understand it. I can understand it. But I would accept any day the evidence and the word of people who work in the Department of Health and Wellness and occupational health and safety, who are professionals charged with the responsibility of investigating very serious situations such as this and make their findings in an unbiased fashion, that there is no evidence of toxic mold in the facility; that is, the Foothills hospital in Calgary. I put my faith in these professionals. I put much more faith in these professionals than I would in someone hired by the Liberals.

The Speaker: The hon. member.

Dr. Taft: Thank you, Mr. Speaker. If it turns out, then, that the Premier and the minister have been misinformed by the Calgary health region and there really is toxic mold, will they not finally admit that this is just another example of the CHR treating a serious health concern as nothing more than public relations?

Mr. Mar: Mr. Speaker, the regional health authority in Calgary has an exemplary record of patients who come in, get diagnosed and treated, and are released. They don't have anything to be ashamed about with respect to their track record in treating patients with the treatment that they require so they get better. That's not to say that any such large organization can be perfect, and there are efforts that are being made by the regional health authority to deal with issues in a better way that may relate to matters of, for lack of a better expression, public relations.

If there is a genuine situation with toxic mold in such a facility, I'm not aware of it. But if there is, then certainly the regional health authority takes the safety of its staff and the patients in the facility at the Foothills hospital very seriously, and I am certain that they will do everything that is necessary in order to remedy the situation. But again, Mr. Speaker, there is no evidence of toxic mold in that facility that I'm aware of.

The Speaker: The hon. minister to supplement?

Mr. Dunford: Yes. I think it deserves a comment here. Occupational health and safety is the impartial third party in this investigation. We as an operation have been working with employers right across this province for many years on many issues, but we stand independent of any employer group or any employee group. We have a job to do. We have a legislated, mandated job to do, and at the Foothills hospital we are doing that job and performing that function. If there is toxic mold at some point in time, we'll be reporting it. I think that this line of questioning has really made some inferences that need not be made at this time.

head: Members' Statements

The Speaker: Hon. members, before calling on the first of several members to participate today, might I extend on behalf of all members of the House congratulations and best wishes to two members who have celebrated milestones this week. First of all, to the Member for Little Bow, who has arrived at a certain age, and to the hon. Member for Highwood on reaching a real milestone in his life this week.

The hon. Member for Cardston-Taber-Wamer.

Apex Youth Awards

Mr. Jacobs: Thank you, Mr. Speaker. It is my pleasure to rise in this Assembly today to recognize four exceptional individuals from southern Alberta. On Thursday, April 10, Stacy Smith, Denica Farough, Jordan Williams, and Jordan Litchfield were honoured as winners at the second annual Apex youth awards. These awards were developed by the Taber Rotary Club and the *Taber Times*, which now sponsor the award every year. The Apex awards are a unique honour in Alberta that go beyond recognizing sports and academics. These awards are presented to youth that exemplify dedication and commitment to serving their community and their families. They are granted to students who represent the best qualities in youth, youth that unselfishly give themselves in the service of others.

Stacy Smith, a grade 11 student from Vauxhall, has shown the skills needed to be a lifelong learner with a strong desire to pursue a university education. Denica Farough, a grade 12 student from St. Mary's high school, surrounds her life with her family, school, and church. Her volunteerism illustrates her kind and caring nature. Jordan Williams, a grade 11 student from St. Mary's, puts others and their needs as well as the greater needs of the community before himself. Jordan Litchfield, a grade 11 student from W.R. Myers, has always expressed love and devotion to his parents. Jordan has grown from assisting his father, who suffers from a serious chronic illness.

I must stress, however, Mr. Speaker, that there is a common thread among all four winners and the 22 nominees: they are all outstanding individuals. Growing up as a kid today is not an easy task, but there are individuals who strive and stand out above the rest to make life more enjoyable and gratifying for themselves and those around them. The Apex youth awards were created to recognize these remarkable people.

I feel that it is important to acknowledge those that devote themselves to the betterment of our communities. I would ask that members of this Assembly join me in congratulating the four winners of the Apex youth awards and the 22 nominees for their accomplishments and dedication to their communities and their families.

Thank you.

Ecological Footprint

Ms Carlson: Mr. Speaker, John McConnell, who is the 86-year-old founder of Earth Day, stated the following:

From its beginning the purpose of the authentic Earth Day was to provide an annual date on which the whole world (people of every creed and culture) would rededicate themselves to the care of Earth. The March Equinox (nature's special day of equilibrium) provided an appropriate time to celebrate the wonder of life on our planet. This could be a special day for the human family to focus on a common cause that would appeal to all – stewardship of Earth.

Mr. Speaker, we traditionally celebrate Earth Day on April 22. One way we can participate is to calculate our ecological footprint. The ecological footprint is an accounting tool for ecological resources. Categories of human consumption are translated into areas of productive land required to provide resources and assimilate waste products. This footprint is a measure of how sustainable our lifestyles are.

The footprint of the average Canadian adds up to 4.8 hectares. This is the total amount of land required for food, housing, transport, consumer goods and services. If everyone on Earth lived like us, it would require at least three Earths to provide all the material and energy she or he currently uses. Preliminary estimates show that the ecological footprint of today's consumption in food, forestry products, and fossil fuels alone might already exceed global carrying capacity by roughly 30 percent.

So what can we do? We can recognize that all of our actions have consequences for the natural world. We can focus on becoming responsible consumers. Take an ecological footprint quiz and determine your family's impact on our Earth. Then think about what actions you can take to become a more responsible consumer.

The Speaker: The hon. Member for Lac La Biche-St. Paul.

National Soil Conservation Week

Mr. Danyluk: Thank you very much, Mr. Speaker. I rise today to recognize and bring attention to National Soil Conservation Week, which is currently under way. National Soil Conservation Week

helps promote soil conservation among farmers across Canada.

I don't think there is a rural member in this House that doesn't understand the need to conserve Alberta's fertile topsoil, a vital part of agriculture production. Without the topsoil layer, a scant five to 20 centimetres deep, agriculture production in Alberta would be an impossibility.

That's why National Soil Conservation Week is so important. All week promotional events are taking place across Canada to highlight the importance of conserving vital topsoil. Fortunately for the future of agriculture in our province our producers are listening. In the past decade the reduced tillage and direct seeding acres have grown dramatically as more and more producers realize the benefits of conserving topsoil. In fact, there has been significantly less wind erosion after the past drought than there has been since the recording of wind erosion began. This can be directly linked to the prudent soil management practices employed by Alberta's producers as they continually increase the practice of reduced tillage.

2:30

There are many benefits to soil conservation. Not only is the topsoil saved, but reduced tillage and direct seeding mean that more moisture is retained in the soil, helping producers grow their crops. As well, reduced tillage means that less carbon, mostly from dead plant matter, enters the air, reducing overall greenhouse gas emissions in the province. In short, it's better for the earth and better for the air.

I applaud the efforts of Alberta's producers, the best in the world, and I'm happy to recognize National Soil Conservation Week. Thank you very much, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Centre.

Living in Harmony with the Natural World

Ms Blakeman: Thank you very much, Mr. Speaker. Nearly 200 years ago William Wordsworth expressed his frustration with humanity and human nature when he wrote:

The World is too much with us;
late and soon,
Getting and spending, we lay waste
our powers:
Little we see in Nature that is ours;
We have given our hearts away, a
sordid boon!

Wordsworth saw in the world around him that greed, materialism, and acquisitiveness had supplanted many of the more virtuous characteristics of mankind. Indeed, Wordsworth observed that people had effectively divorced themselves from the surrounding world, instead choosing to focus on their own interests and problems.

Although Wordsworth's message was delivered nearly two centuries ago, it retains its power today because, if anything, humanity has only furthered its separation from the natural world. Rather than viewing ourselves as important and influential actors in a complex system, we prefer to downplay our importance and ignore our influence.

My point today is this: we, humankind, can no longer afford to view ourselves as being distinct or separate from the natural world. All of our actions have consequences for it just as its actions have consequences for us. I urge all members of this House to remember the words of Wordsworth and act with consideration for the greater world around us. Let us no longer "lay waste our powers" but rather see in nature what is truly ours.

Thank you.

head: **Notices of Motions**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you. Mr. Speaker, I rise pursuant to Standing Order 34(2)(a) to give notice that on Monday I will move that written questions 13 and 14 be dealt with on that day.

I'm also giving notice that on Monday I will move that Motion for a Return 14 be dealt with on that day.

There being no further written questions or motions for returns at this time, there are none left to stand and retain their places.

head: **Tabling Returns and Reports**

The Speaker: The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Speaker. I would like to table the appropriate number of copies of a letter penned to me by Mr. Don Fleming, chairman of the board of trustees, thanking all members of the capital region caucus for being strong advocates of public education and particularly for being instrumental in obtaining the \$51 million infrastructure grant recently released by the Minister of Infrastructure to the Edmonton public school board.

The Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Speaker. I'm tabling five copies of a presentation given by Aldergrove elementary school at a March 13 ward C and E school council meeting attended by five west Edmonton MLAs.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. I have three tablings today. The first is a letter from Mr. Gordon Tocher of Hinton, Alberta. He is upset with high utility costs and is tired of hearing the hon. Premier "stand in the House and constantly deflect the Opposition's questions by discussing other jurisdictions."

The second tabling is 1,556 more signatures on the Alberta Liberal petition calling for natural gas rebates from the Hinton area, and these were kindly collected by many citizens, but it was spearheaded, again, by Mr. and Mrs. Tocher.

The third tabling I have this afternoon is an additional 787 signatures from all over the province on the Alberta Liberal petition calling for the reinstatement of natural gas rebates. That brings the total number of signatures on this Alberta Liberal petition to over 7,300.

Thank you.

head: **Projected Government Business**

The Speaker: The Official Opposition House Leader.

Ms Carlson: Thank you, Mr. Speaker. I would ask at this time that the Deputy Government House Leader share next week's projected government business with us.

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you, Mr. Speaker. I'll be very happy to do that. On Monday, April 28, we will begin the afternoon with private members' business, Written Questions, and Motions for Returns, followed by Public Bills and Orders Other than Government Bills

and Orders. From 8 p.m. until 9 p.m. we'll be dealing with Motions Other than Government Motions, and at 9 p.m. we'll deal with Private Bills, second reading likely and if possible Committee of the Whole – we'll see – on Bill Pr. 1, Bill Pr. 2. Thereafter, we hope to move to Government Bills and Orders in second reading, including bills 33, 34, 36, 37, and possibly even get to Committee of the Whole on Bill 10 and otherwise as per the Order Paper.

Tuesday will be Committee of Supply day 14 of 24, and I believe the opposition has designated Health and Wellness, so we will discuss those estimates. On Tuesday evening, Government Bills and Orders under Committee of Supply, which will be day 15 of 24, the designated committee will look at Government Services. Committee of the Whole should follow thereafter if time permits on bills 23, 24, 25, 35, 6, 26, and 10 and otherwise as per the Order Paper.

On Wednesday afternoon Committee of Supply will consider Children's Services and otherwise as per the Order Paper, and on Wednesday evening Committee of Supply will consider Transportation. Time permitting, Committee of the Whole may also wish to look at bills 6, 20, 26, 12, and 10 and otherwise as per the Order Paper.

Finally, Mr. Speaker, on Thursday, which will be the 1st of May, that afternoon the Committee of Supply will be considering the estimates of the Department of Justice.

Thank you.

head: **Orders of the Day**

head: Committee of Supply

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order.

head: **Main Estimates 2003-04**

Infrastructure

The Deputy Chair: The hon. Minister of Infrastructure.

Mr. Lund: Thank you, Mr. Chairman. Before I start, I'd like to introduce some of my staff in the gallery. First, Eric McGhan, the deputy minister; Jim Bauer, the chief financial officer; and David Bray, the communications director.

Mr. Chairman, this year's Infrastructure three-year business plan and the 2003-04 estimates indicate how we plan to contribute to Alberta's economic prosperity by ensuring efficient planning, design, construction, rehabilitation, operation, maintenance, and land management of government-owned facilities; developing innovative partnerships to ensure supported infrastructure meets the overall needs of Albertans, including health care, learning, and community service facilities and seniors' lodges; and managing central services to all departments, including accommodation requirements, property acquisition and disposal, air transportation on government fleet operations.

Before going over our budget targets, I would like to outline the new capital initiatives in our business plan. New funding was provided to reinstate projects deferred in October of 2001 as a result of the global economic slowdown. A total of 22 capital projects were reinstated. This includes nine health care facility projects, the Victoria school of performing and visual arts project, the Edmonton and Calgary health research innovation centres, along with various centennial projects such as the Northern and Southern Alberta Jubilee Auditorium refurbishments. When the deferrals were first announced, the government made a commitment that when the fiscal

situation of the province improved, these projects would proceed. The government has kept that promise, and I'm anxious to see these projects begin.

2:40

Alberta Infrastructure's total budget increased by some 49 percent from \$838 million to over \$1.2 billion. These are much-needed funds to help us address Alberta's aging infrastructure. Now, I'd like to discuss how we prioritized and allocated our dollars. We prioritized spending based on what's needed to cover the day-to-day operations of government infrastructure. As well, we prioritized our capital commitments for schools and postsecondary institutions, health facilities, and seniors' lodges. Some projects are under construction, and others are just being completed. Then we looked at allocating dollars needed to undertake priority maintenance projects to protect the integrity of existing infrastructure and taxpayer investment.

From the \$1.2 billion operating budget funding was allocated to the four main functions of Infrastructure: operations, preservation, expansion, and ongoing commitments. Infrastructure operations received \$581 million for lights-on costs, and that includes caretaking, grounds maintenance, utilities, and routine repairs. Of the \$581 million, \$331 million will support the day-to-day facility operations of the 1,466 schools in the province; \$123.8 million will keep more than 2,000 government-owned buildings open; lease funding of \$99.9 million for more than 500 leases will accommodate government programs.

The operating budget for infrastructure preservation is \$232 million, of which \$122.7 million is for preserving our health care facilities, \$48 million for school facilities, \$24.8 million for postsecondary facilities, \$31.6 million for government facilities, with the balance of \$4.8 million going to seniors' lodges and site environmental services.

We have allocated some 285 million dollars to expand or replace existing infrastructure, including \$97.7 million for health care facilities expansion, \$67.6 million for school facilities, \$100 million for postsecondary facilities, and \$12.5 million going towards centennial projects, legacy grants that are administered in conjunction with Alberta Community Development. The legacy grants program will provide funding for municipalities and not-for-profit groups who wish to undertake major publicly accessible capital projects commemorating Alberta's centennial.

The last part of our operating budget is to address ongoing commitments which total some \$107.4 million, ongoing commitments including the day-to-day administration costs, program support costs, and noncash items such as amortization and consumption of inventories. Sixty million dollars, or 55 percent, of ongoing commitments is allocated towards noncash items such as amortization and consumption of inventories with the balance designated for support service and air and vehicle transportation services.

I believe that the budget estimates for this year will allow us to meet our business plan goals and help maintain the government's commitment to fiscal responsibility.

So with those brief comments, Mr. Chairman, I would be only too happy get into the discussions of our estimates. Thank you.

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. It is a pleasure to rise this afternoon and speak to the estimates for the Infrastructure ministry and also to thank the minister for his opening comments and also his staff who are here today to listen to questions that we have for the minister. They've certainly been very good in the past at

providing answers when either the minister didn't have the information with him in the Assembly at that time or more work was required. So I thank them for being here today.

Infrastructure, quickly glancing through the budget this year, I believe is the third largest ministry according to dollars, a very large responsibility, falling right behind education, which is second, and, first, health, and certainly a department that has a direct influence on the lives of Albertans. So we cannot mitigate in anyway the tremendous influence that Infrastructure has on the lives of Albertans.

Now then, in looking over the budget for Infrastructure for this year, the budget calls for nearly \$400 million more in spending than last year, and I think that's great. I think it helps in so . . .

An Hon. Member: Those free-spending Liberals again.

Mr. Bonner: Oh, this is not free spending. This is wise spending. Well, most of it is wise spending. But we will look at other issues here as well.

This certainly will provide those structures that'll help Albertans in their day-to-day living. It will certainly keep our business sector strong and vibrant, and of course that is one of the things that's happening in this province right now. While we love the great economic success, it certainly puts a tremendous amount of pressure on infrastructure. It's something that cannot be addressed overnight. We certainly realize that. So it does take a long-term commitment and long-term plans in order to satisfy those needs.

I was looking in a little publication that was sent to me here, *Review of Infrastructure*, and it certainly – there was a particular phrase in there that struck me – indicated the magnitude of infrastructure not only in the province but in the country. Just to quote from that particular bulletin, it goes on to say, "The Canadian Society of Civil Engineering, through their Technology Road Map project, estimates municipal infrastructure in Canada is a \$1.6 trillion asset." So it is absolutely enormous in this country as well as in this province, and I look to that last word in that particular little quote, which is "asset."

In the constituency of Edmonton-Glengarry in 1959 we had Queen Elizabeth high school completed at a cost of \$1.8 million. Now, getting close to 45 years later, the replacement costs on that school would probably be in the neighbourhood of \$15 million – it is a huge composite high school – certainly an investment that the province made in that school 45 years ago. We still have a structure there today that is worth in the neighbourhood of \$15 million. It was a well-constructed school. I think it could easily be used for another 30, 40 years. So, certainly, infrastructure can provide a huge investment for Albertans. One of the great advantages is that we own it, that we are getting top value for our dollar.

2:50

Traditionally when we look at infrastructure in the province, infrastructure projects in Alberta have been built by a series of public tenders, private construction, and public ownership and operation, and this has proven to be over a great span in Alberta a very, very efficient, very, very wise use of taxpayer dollars. When we look at Edmonton, where we are rapidly approaching the point where half of our schools are going to be 50 years or older, it certainly indicates that by spending wisely with a long-term plan, the needs of Albertans are met, and they continue to have great value for their dollar. So in the opposition we certainly endorse this type of spending in Infrastructure.

Now, then, I also noticed that the minister had indicated that municipalities are going to have moneys to share in order to

participate. I think the recreational facility that was built between the towns of Spruce Grove and Stony Plain, just a magnificent facility and certainly a facility that I believe follows along this same design – it is one of those, I think, that more municipalities in the province would like to see and to work with the provincial government to provide these types of services and facilities.

In looking at the highlights of the budget, there is a three-year capital plan, which calls for \$5.5 billion to be spent. That is again a much needed stability in the construction sector of this province. I was also very happy to hear the minister announce that construction was going ahead on a number of projects that had been deferred from previous budgets. So there are a lot of good things happening in Infrastructure. Of course, some we will be questioning as we move through the debate this afternoon regarding estimates.

Where I would like to start today with my questions is in regard to the business plan. Again, as I indicated, Mr. Minister, if you require some time to get back to us with answers if you don't have the information here, that would be fine. We'd certainly appreciate hearing any responses that you're able to provide us today as well.

I'm looking at page 238 of the business plan, where it says in relation to the province's infrastructure debt that "the backlog of unfunded work is in the order of \$2.4 billion." Earlier this year in a response to the Minister of Finance, the Minister of Infrastructure was quoted as saying that the infrastructure debt of the province could be as high as \$7 billion. This is quite an enormous difference, \$4.5 billion.

Now, then, as well, along these same lines, I think we have to look at not only the infrastructure debt but the Alberta debt. What we have done in focusing on paying off the debt over the last few years is that there have been other programs that haven't been funded adequately, so we do have what I like to call the Alberta debt. But we will stick this afternoon to discussing the infrastructure debt, so my first question to the minister would be: could he give us an actual figure of what the infrastructure debt is? Could he clear up this difference of the \$2.4 billion that was announced and the \$7 billion he announced earlier? If the minister would please table all documents that he has relating to Alberta's infrastructure debt and any documents relating to the methodology of calculating this number.

Moving forward in the business plan to page 239, it says that "the ratification of the Kyoto Protocol by the federal government will have a significant impact on Alberta's economy." The passage continues: there will be "higher energy and operating costs." In spite of this, Suncor has gone ahead with a \$3 billion project and estimates that Kyoto will only add a few cents to the extraction price of each barrel of oil.

Again, this is certainly another situation where we look at private enterprise and we give them a challenge, and they certainly respond to that challenge. They do it much quicker, much more efficiently, and certainly much better than we can in government. So my question to the minister in regard to this would be: can the minister reconcile the statements in his business plan to reality? How can the Ministry of Infrastructure see an extra few pennies per barrel of oil as making energy prices significantly higher? Considering that these statements appear to be in conflict, how will the Minister of Infrastructure's budgeting have to be changed to compensate for these statements?

Moving along to page 240 of the business plan, it says that the ministry plans on implementing "infrastructure management systems." If the minister could please indicate what systems he proposes to implement. How much will these systems cost, and what will be the tangible return on their implementation? As well, when will the policy framework for alternative service delivery and financing be available?

On page 240 of the business plan it says that the ministry wants to "ensure the facilities are kept in good or fair condition," but on pages 244 and 245 it shows that between 5 and 10 percent of all facilities are anticipated to continue to be in poor condition. Can the minister resolve this conflict between these two differing statements? Does the ministry plan on ensuring that no facilities are in poor condition or plan on having between 5 and 10 percent of facilities in poor condition?

On page 241 of the business plan it says that the ministry plans on continuing "to sell or divest surplus and underutilized properties." Is the ministry planning long enough into the future so that it does not divest itself of land that may be needed in five to 10 years, and what decision-making process does the ministry use to decide which lands it should sell off?

As well, what will be the components of the program the ministry plans to implement to address environmental concerns at highway maintenance yards?

To continue on page 240 of the business plan, what decision-making process does the ministry use to decide which lands it should sell? If the minister could please indicate to us when this program will be implemented.

The ministry has indicated that it is taking steps to improve the efficiency and cost-effectiveness of the government's transportation provisions and if he could please indicate what those plans will include.

As well, what plans does the ministry have for streamlining and improving procedures and processes in the ministry?

3:00

Now, then, on pages 244 and 245 of the business plan it shows the evaluated conditions of provincial infrastructure, and it goes on to say that anywhere between 3 and 10 percent of provincial facilities rank as being in poor condition. According to the business plan poor condition indicates that a facility does not comply with the minimum codes or standards. If this is in fact the case, then this would be quite alarming. Could the minister explain why buildings that don't meet minimal codes or standards are not being immediately upgraded, and as well why does the ministry accept such a large number of buildings that do not meet code or standards? Do any of these buildings violate safety codes and standards?

Now, again, when we look at the manner in which utilization rates are calculated in this province, we certainly realize that this is controversial and depends on which side of the fence you're looking at this particular issue. How does the ministry compensate for older and irregular school buildings in its calculation of utilization in schools, and are there any plans to change the method of calculating utilization in schools? This is a case, I think, that you'll find particularly in the larger cities in the province. We do have schools that are very, very old that are in the inner city that no longer have the populations attending them that they were built for. It certainly is a situation where in Edmonton last night at St. Patrick school there was quite a large gathering of parents and concerned citizens. That is one of the schools that could possibly be shut down, and it is extremely difficult for these people in the inner city as they see school after school close and new schools being built out in the suburbs. It's a huge issue, so if the minister could please comment on the utilization rates and particularly those in older or irregular schools.

The table showing the average operating cost per square metre of the ministry's facilities indicates that the ministry currently operates its facilities at a rate well below the industry average. My question to the minister would be: why is the ministry content as long as its

operating cost does not exceed the industry average when it has shown that it can beat those values?

The business plan also indicates that the ministry is happy maintaining the average energy consumption in its buildings, and my question would be: why isn't the ministry planning to engage in further energy efficiency initiatives to reduce their energy consumption? Shouldn't new facilities reduce the average energy consumption with time? Why is this not shown in the targets?

As well, respecting the client satisfaction survey who does the ministry consider to be its clients, what complaints are most often heard about the ministry's services, and what is the ministry doing to address the concerns of clients?

With those questions I will take my seat and give the minister an opportunity to respond to those questions that he's prepared to at this time and look forward to his comments. Thank you.

The Deputy Chair: The hon. minister.

Mr. Lund: Thank you, Mr. Chairman. Thanks for the comments relative to the overall budget and what we are trying to accomplish and what we are doing. Unfortunately, it would help me a lot when you were asking those questions if you would be more specific. For example, I missed what you were talking about on Kyoto because, quite frankly, it was just the one bullet, and I couldn't follow exactly your question. But we'll be visiting *Hansard* and get you the answers where I wasn't able to follow completely what you were mentioning.

This isn't the first time that I've heard the hon. member mention that somehow we had talked about a \$7 billion debt in infrastructure. We never, ever said a \$7 billion debt. What we did say is that there were requests for infrastructure. When we took all of the health regions, the school boards, the postsecondaries and we asked them for their capital plans, the requests amounted to \$7 billion. There's a difference between a request and debt.

We have said all the time that the debt is about \$2.4 billion, and as a matter of fact I can give you a very detailed breakdown of how we arrived at that. Looking at some 10,858 projects, it totals some \$2.4 billion, and the breakdown is: in mechanical, \$885,997; the interior, \$455,110; electrical, \$339,688; building envelope, \$232,292; functional upgrading, \$183,203; site, \$147,046; roofs, \$107,293; and structural, \$23,708. As a matter of fact, we've got it broken down into school facilities, health facilities, postsecondary facilities, and government facilities, so we've got the complete breakdown. I think it's a result of a lot of very detailed work that we got these, so we'd be only too happy to share that with you.

Facility conditions, the comments that you made there. Part of the reason that you see the number of facilities that are in poor condition relates right back to this debt. As we try to pick up the modernization in schools and the preservation of the other structures, we will see the numbers increase, and of course that's what we're reflecting in some of our school and health facilities. We want to see the number that are in good condition, excellent condition coming up and, of course, a decrease in the number that are in poor or fair.

The issue about divesting of land and building. This process started very vigorously about three years ago. As a matter of fact, if you go back and look at the three-year business plans going back three years, you'll see that it was an objective to sell 100 million dollars' worth over those three years. We exceeded that. The way the process works, if a department has land and/or buildings and they declare them surplus to their needs, they are turned over to us. The first thing we do then is canvass all of the government departments and see if they have any use for those lands and/or buildings. If they don't, then we go to the host municipality. We see if they are

interested in purchasing those at the market value. If they say they're not interested in it, then we put it on the market. That's how the process works.

A lot of the barren land that you may have seen often relates to the corridors that are around both Calgary and Edmonton. When Transportation does their more detailed analysis and design, we find that there are parcels scattered around that are not necessary that we purchased some time back, so those will go up for sale, and that's why you maybe have seen some of those lands. Certainly, it's our objective to make sure that we aren't disposing of land that we're going to need in the future. We're trying to prevent that, but at the same time it makes absolutely no sense that we would continue to have a lot of land that we're never going to use on the books, and for buildings the same thing applies. So that's the way we look after that.

3:10

You commented on the environmental concerns on the Transportation yards. As you see in the budget – and I mentioned it in my opening comments – we do have some money set aside to look after the environmental situations that we find. What we are also finding is that depending on the use of the site – for example, say we have a site that has some creosote contamination – if the proponent or someone that's going to buy it is going to pave it over, that stuff is going nowhere. So we are able to move the property with the understanding that they will be only allowed to use it as, like, a parking lot.

With the situation with salt and contamination from their salt piles we do the perimeter testing, then do some testing internally. Sometimes we will sell the land as is with the notation that there is that contamination there. Sometimes we'll go in and clean it up, but it depends on the groundwater level, the danger of it migrating off site, if there is a danger. In some cases, of course, when we go in and test, we find that, in fact, it has migrated off site, and we then become responsible for some property outside of the old Transportation site.

I lost track of where you were on something, so we'll have to go to *Hansard* and find that.

Then you talked about the procedures within the ministry, and I assume that what you're getting at there was back on the questions that you asked in question period relative to the procedures for hiring contractors and consultants. We, as I said before, are in the process of fulfilling what the Auditor General asked us to do in developing a new procedure. We are very anxious and up front that the procedure be such that someone that has just graduated and maybe isn't a member of a big firm or is operating out of a basement even has an opportunity within Infrastructure to get their foot in the door and to at least have an opportunity to present their credentials to us.

Then we move forward to the tender process on any contracts that are of any size. As I mentioned to you in answers before on this issue, there are times when it simply is not practical for us to put out a tender: on a very small consulting project. In another case where you may have hired a consultant to do certain work and they get into the project and find that there's a bit more to do, it would make no sense, then, to send out another proposal. So we are working with the whole process and hope to have it refined so that the Auditor General is pleased with it.

You asked why buildings that don't meet codes and this sort of thing aren't updated immediately. It's a case of money. It goes back to this debt that we have, and how much money we can spend on the preservation and upgrading. The fact is that about 50,000 people came to the province over the last five years. They don't bring their schools or their hospitals or any of their infrastructure with them, so

in our balance, in our prioritization we do have to address that issue and do have to build some new. We can't spend it all on preservation.

If you look at our business plan, you will see that we are moving a lot over to the preservation side to try to make sure that we do bring the buildings up to a standard, but it does cost a lot of money, and it does take a bit of time. So we will continue to have some buildings that could be called substandard because of not meeting the codes entirely, but I can assure you that we are aware of them and we're working on them. Actually, the good work that the staff did in getting this full analysis of where our debt and where our problems are is of great assistance to us as we target money.

Now utilization. Let me tell you right up front that we have a committee working on this because it does cause some heartburn as we find cases where it just simply is not working properly. I find that a little bit frustrating because this was done in consultation with superintendents, with school boards. The formula wasn't just dreamt up in our department. I am a little disappointed that it doesn't work better than it does, but I acknowledge that we are having some problems. We're having problems particularly in the older schools, the way they're designed. You know, you just simply can't chop off a little bit out of each room to make it fit.

Another area where we're finding problems – we've moved in many situations to building what we call a core school. The reason for building a core school is that you know that as the community grows, there are going to be students coming there. You can put portables on it to get you past when the population starts going down. The problem is that when you build a core school, you oversize in a number of areas for the number of students that are going to be there. Of course, you could have all the classrooms full and still have a utilization rate of maybe 70 percent, but that's because you have to get the portables on before you can get it up to 100 percent. So we're addressing those issues because those are two areas that are causing some difficulty.

I want to also tell you that we're aware of these things. When we look at a school that may have the score on utilization, we do take into consideration some of these other factors. While a lot of people think that we make major decisions strictly on that utilization number, it's not so. It's a number. It's a valuable number, but the decision isn't totally made on utilization. The operating and maintenance formula, for example, does include a utilization factor, but it's only one of a number of factors. So it does have an impact but not quite to the extent that some feel.

I think you had one or two that I missed, but we'll pick those up out of *Hansard*.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Chairman. It's a pleasure to participate in the estimates debate this afternoon for the Department of Infrastructure. Certainly, when one considers the constituency of Edmonton-Gold Bar and some of the infrastructure needs of that community, particularly the schools and the streets, it is vital that this government through long-term planning initiate policies that are going to bring the entire infrastructure of this province up to standard.

If we were to leave this Assembly and drive directly to Edmonton-Gold Bar, of course we would go over the McDonald bridge. You could either look to the left or to the right and see where the concrete is eroded, worn away. Describe it as you wish, but you can see the rebar. I believe that is the infrastructure deficit that has been referred to by so many people. The traffic is going slower and slower and slower every morning and every evening on that bridge, and it gives

the citizens so much more time to look at the rebar poking out from the concrete. It is symbolic of the lack of attention that has been paid certainly not only in Edmonton but in Calgary as well. The minister and his staff are to be commended for recognizing that this is a problem, and if I had a hat, Mr. Chairman, I would have to tip it for acknowledging that we have significant infrastructure deficits in this province and at least attempting to try to solve those issues.

3:20

Now, I see in the business plans on page 248 and then again on page 249 a mention of money that we are setting aside for centennial projects. We are looking at roughly \$9 million and then next year we're going to \$29 million for centennial projects, and if the minister could share, please, with all members of the House exactly how these projects are going to be allocated. Are they going to be sort of orchestrated ribbon-cutting ceremonies, hopefully not, leading up to the next election? I suspect the next election will be long over by that time.

Why not consider this? I will use two schools that are long overdue in the community of Edmonton-Gold Bar for retrofits. For instance, Kenilworth school has been on and off the list, stop and go, for a number of years now, and the price for the retrofit because of this stop-and-go practice has increased by at least 25 percent to a handy \$4 million or a little bit better than \$4 million. Kenilworth needs a lot of work, but so does McNally. McNally high school needs a lot of work. Instead of some elaborate projects designed to bring attention to our centennial year, which is important, why not have a bricks-and-mortar campaign to fix the public schools that we have, the public hospitals, the roads that we have? Let's bring everything up to snuff as a centennial project, and if the minister wanted to come over to the constituency of Edmonton-Gold Bar and have a ribbon-cutting ceremony after the gymnasium in McNally is fixed, I hope I would get invited, and if there was a little plaque up on the wall that said, "Gym fixed . . ."

Mr. McClelland: A big plaque on the wall.

Mr. MacDonald: A big plaque up on the wall. As long as it didn't cost any more than 300 bucks, I don't care what size it is but a plaque indicating that the hon. Minister of Infrastructure was by and rededicated the gym as part of our centennial year projects and that \$50,000 or \$70,000 was used to retrofit an existing public school. I think that's one of the ways we should celebrate our centennial.

I have some other ideas, but that would be certainly one of them. No grand schemes. Let's just fix up what we have and be proud of it so it will last well into the next century of our prosperity and participation in the Canadian dominion.

I'm not at all fond of this notion of P3s that is being discussed. You know, I hear the argument between the hon. Member for Edmonton-Glenarry and the hon. minister, and I don't have a great deal of confidence that this P3 idea will work and will save money and make things better for us. In fact, I think the government should devote its attention to public health care, public education, and enhancing the public service, that works for all Albertans. I see this P3 as just private political pork. Yes, that's what I'm afraid this is going to wind up as: private political pork, P3.

Now, this is quite an interesting department, Mr. Chairman, the Department of Infrastructure. If we were to downsize the cabinet to what it used to be, say 16 portfolios instead of 24 and Executive Council, Infrastructure would be one of the ones that would remain, definitely. It is vital to the long-term prosperity, the well-being of all Albertans.

Getting directly to the government and lottery fund estimates, it is

interesting to note, before I start there, that we indicate in the budget that the total request for the budget is up \$414 million from last year. That's sort of in the same range as the amount of money that was lapsed in the natural gas rebate program. I'm just going to look that up, Mr. Chairman. I thought it was \$396 million that was lapsed. Yes, on page 57 of last year's annual report, at the very bottom of the financial analysis: "Due to favorable energy prices experienced last year" – and this is in regard to the natural gas shielding program – "\$396 million was lapsed." So was this \$396 million squirreled away somewhere and brought out this year? Now, I would like to know and so would other Albertans, because certainly there was a need for another natural gas shielding program this winter, and of course there didn't appear to be any political will nor any government money for this. It's odd that we would have \$396 million lapsed, that was budgeted last year, and the increase in this department's budget for this year is a little bit better than that by roughly 20 some odd million dollars. I would like to know at this time if that's where the money came from for the budget increase this year.

Will the minister table a document that describes each budget line item, including all the specific plans and projects that fall under each line? Program 1 – and I've got a lot of interest in that – the ministry support services. The budget for the minister's office is staying the same, but the budget for the deputy minister's office is increasing by \$25,000. Why? If one was to go back and look at previous years, I would think we'd see that that deputy minister's office budget increased quite a bit. If anyone in the Assembly is interested, I have last year's annual report, and when I conclude my questioning, I will look it up.

Again, what is the breakdown of the minister's and deputy minister's office budgets by salaries, including salaries for the top officials, travel expenses, and hosting? Also, what is the average salary of employees in the ministry as well as the highest and lowest salaries in the ministry? How much was spent on bonuses last year? What is anticipated to be spent on bonuses this year? What was the amount of the largest bonus given out, and to whom was it given? I see that last year's annual report, the end of 2002, includes achievement bonuses of I believe it's \$459,000. I don't know whether that amount is for the entire department. When you look at last year, if that is the amount from last year, that's about 2 percent of the total salary budget, or maybe it's a little bit better than that. An explanation on that would be appreciated by this side of the House.

3:30

Now, on page 227, also of the estimates, it states that strategic services is budgeting for \$3.1 million, up from \$2.5 million spent last year. What's the reason for this increase?

Information management is getting \$2.2 million more than it spent last year. Why is this increase necessary at this time? Now, again, the estimates show that information management went over budget by nearly \$5 million. They spent – I'm just figuring this out – it looks like close to 500 percent more than last year, than they were budgeted for. What is the reason for this colossal budget overrun, if my calculations are correct? Information management is budgeted to receive more than \$1 million more than they received last year for capital investment. What is the extra million dollars being spent on?

Program 2: infrastructure operations, preservation, and expansion. School facilities operations are receiving an extra \$8 million. What is the \$8 million for, and will this cover the added expenses of higher utility costs, unlike this year?

Now, leases are receiving an extra \$9 million. Why is the government paying out 10 percent more for leasing next year? Would it not be more cost-effective to build or buy new infrastructure rather than to lease space?

The Swan Hills waste treatment plant. Over the years I've had

various questions and various exchanges with the hon. minister, and for a government that pledged to get out of the business of being in business, this waste treatment plant certainly contradicts that pledge. We know where the minister stands on this. There has to be a place for waste in this province, but where's the private sector in all of this? You're talking about having P3s. You're talking about having the private sector play an increased role in the delivery of health care and in education. Why do we not pursue the private sector more as far as waste management goes?

Again in regard to Swan Hills, why doesn't this government let ordinary market forces run and sell the plant or simply close it? What makes Swan Hills, again, an exception to this government's free market policies? You know, in this case the invisible hand is dipping into the pockets of the taxpayers. Why are Albertans subsidizing other jurisdictions' waste processing? What is the total amount of money in which Alberta taxpayers have subsidized the treatment of other jurisdictions' waste? Why will Infrastructure not get a \$13 million credit or recovery next year for Swan Hills, like it received this year?

Now, health care facilities, as I understand it, are receiving more than \$90 million more for infrastructure preservation than they spent last year. Again this is noteworthy, and the only thing I can say on behalf of Albertans is: thank you; it's about time. But what projects does this money go to? Is this money meant to catch up on previous work that was never done? Will this be only a onetime cash infusion, or will subsequent budgets allocate similar amounts?

We know that it's going to be very tempting for this government in the run-up to the next election to announce a lot of projects and have some ribbon-cutting ceremonies and hope that the citizens forget that energy rebates only seem to occur during election years. There's going to have to be something done, and I'm wondering if there's not going to be a whole series of projects announced like the stop/go measures that the hon. Premier talks about in the business plan. But precisely how much long-term planning is going to go into this, or are we just going to have long-term planning replaced by a re-election strategy?

Now, school facilities are only receiving an extra \$5 million for infrastructure preservation. Again, what projects will this go towards? What is the reason that health care facilities are receiving a much larger absolute and proportional increase in funds for infrastructure preservation? Postsecondary facilities are receiving nearly \$23 million in new funding for infrastructure preservation. Again, what projects is this money going to? Is this money to make up for projects not completed in the past? Once this money is spent, how much work will remain to be done on infrastructure preservation for postsecondary facilities?

The money for infrastructure preservation for seniors' lodges is being slashed by approximately 70 percent. I don't know how many times in question period I've heard the hon. Premier stand up and say: "We have an aging population in Alberta. It's a crisis. It's driving up the costs of health care." If that were true, then why are we not going out of our way to not only look after the seniors' lodges now but, say, in 20 years, when the hon. minister is getting ready to retire and might want a place in one of those seniors' lodges? You know, we've got to start calculating and planning for when the baby boomers retire. If we are to slash budgets, I would urge the government to perhaps have another look at this. Why is this line item being reduced so drastically? I think and the hon. minister would agree that seniors' lodges require maintenance almost monthly, whether they're new or whether they're 30 years old. What is this slash of infrastructure preservation for seniors' lodges? What is the anticipated effect of these cuts on the quality of all seniors' lodges? Would it not be cheaper to maintain stable funding for

lodge preservation rather than have that large yearly fluctuation?

I hope I get an opportunity later, Mr. Chairman, to continue. Thank you.

The Deputy Chair: The hon. minister.

Mr. Lund: Thank you, Mr. Chairman. I'm very pleased to hear that the opposition agrees with us on how important the infrastructure is in this province because in fact there are about 1 million people daily who either work in and/or use facilities that are under our jurisdiction. That's a pretty impressive number, and it certainly does indicate the need to keep these projects going.

The hon. member certainly didn't disappoint me in some of his comments. Of course, they're way off base, but I would have expected that.

3:40

The comments about centennial projects. You know, if you would look at, like, the press release, you would see that we talked about all of these school projects, the hospitals projects, all of those great projects being centennial projects, so I was very pleased to hear you suggest that because in fact that's what we've already done. So I'm very, very pleased to hear that. I'm sure that when it comes time to actually do these, you'll then be right behind us and totally agree with what we're doing.

I should maybe get back to the smaller centennial projects that you talked about. There are a number of them, things like the Jubilee Auditorium. There are things like Lougheed House in Calgary. There are things like completing the move of the archives, looking at what we might do at the museum, and the list goes on. There are a number of those kinds of projects that we're talking about for centennial.

Your comments about the P3s. You know, I really find it interesting. One of your kissing cousins, David Collette, made some interesting comments about P3s. I don't very often quote a Liberal, but seeing as how I seem to be having some difficulty across the floor and there is one Liberal in Ottawa that does seem to get it, I want to read a couple things to you. Of course, he is Minister of Transport, but it applies well to our infrastructure. "Governments everywhere realize that the massive investment required in transportation infrastructure and services can only be made by infusions of private-sector money."

An Hon. Member: A Liberal said that?

Mr. Lund: A Liberal cabinet minister said that. It's interesting.

I think you'll find this rather interesting because I think it's probably part of the problem we're having here.

For some, any type of change is unnerving. Many people are more comfortable doing things the way they've always been done, especially with regard to the provision of services and infrastructure offered traditionally by the public sector.

So we'll leave it rest. I know I could say a lot more about your P3s, but I do have to mention what a great success P3s have been, particularly in the health care field so far. As we move forward, you will see more of these coming forward that will be of a great deal of assistance.

Maybe I need to give you a little bit of a lesson in how budgets work because this isn't the first time you've talked about that \$396 million lapse in 2001.

Mr. MacDonald: No, I haven't.

Mr. Lund: Well, one of you over there did. I don't remember which one. Well, it could be you.

Nevertheless, what happened in 2001. Yes, there was money in the budget, but the fact is that when September 11 hit, when the economy was going sour, when all our income was dropping, we had to in this department find over \$700 million. Well, part of it is the \$396 million. That's part of it. We had to find a lot more money as it relates to the cancellation of capital projects. But that money, while it was in the budget, wasn't set aside and kept; it was used for other programs. So it's got nothing to do with the capital increase that you see here today. That's got nothing to do with it.

We'll get into some of your comments about things like the increase in the deputy's office. I just have to find where we're at there. As you can probably recognize, the budget of some 385,000 dollars, where it was at in the previous year – the increase in demand in the deputy's office does require some increase in staff. So this is a manpower pressure issue, and we found it necessary to increase that number by that \$25,000, a 6.5 percent increase.

You wanted to know about strategic services. Once again, that increase is to address strategic initiatives and the manpower pressures. As you can appreciate, as we go forward with the aggressive program that we're operating this year, we do have those kinds of increases.

I think you asked about information management. The increase of \$4.8 million was as a result of information technology enhancements to support corporate governmentwide initiatives, corporate technology releases, and operational requirements such as software licensing and network and technology support. That's the reason for those increases.

I think you skipped the shared services increase, although that one is a small one. It's \$1.4 million and is primarily due to establishing an appropriate budget to reflect the costs incurred.

Then you went on to the increased costs of leases, some \$15,576,000. Of course, those increases are the increase in lease rates. As you can appreciate, Edmonton was where we had the largest number of leases, and if you check with any of the real estate people or anyone else, you'll find that lease rates have gone up in Edmonton. So of course we've got no choice but to pay those. We have to have the space. Also, in some of our leases we have to pay for the utilities, so of course those have increased. That does affect our budget.

Then I think you jumped over to the increase in the preservation of health facilities, and there we see a very large increase. The additional funding to the health care facilities for this budget are for such things as the health sustainability initiative; the Royal Alexandra here in Edmonton, a very large project; the Bow River forensic centre; the Red Deer regional hospital development, a big project that we're doing down there; the long-term care facilities in Wetaskiwin and Vegreville. So that's where some of those increases are coming from.

I think you mentioned something about the school increases as well. No, you didn't touch those, so we won't respond to anything there.

Now Swan Hills. I must remind you again how important it is that we have that facility. Being a former Environment minister, I'm sure the current Environment minister would agree that the Swan Hills facility is an absolutely necessary plant to be operated in the province to protect the environment, to enhance and protect. So we believe that it's similar to a utility. If you look at any of the cities, they subsidize things like garbage collection. They subsidize it. They also subsidize wastewater management, wastewater treatment. They subsidize it out of tax dollars. So if you look at the Swan Hills plant and how it is an absolutely necessary component of the infrastructure in the province to handle those kinds of wastes that can only be handled in a facility like that, it's going to cost some

money. We are using the private sector. As a matter of fact, we just signed a contract with Earth Tech (Canada) to operate that plant. So the private sector is in there.

One of the things that I knew you would ask sometime is to be able to show that we are not subsidizing out-of-province waste for treatment. We will be able to show you that because that is one of the things that we're going to make sure doesn't happen. It's not as easy as it sounds. A good manager of a plant takes advantage of the heat units that are available in various types of waste, so they've got to feed their incinerator a specific diet, and that may be a combination of out-of-province versus in-province waste, depending on things like the heat value. That was one of the things that we were going to make sure doesn't happen, that Alberta tax dollars are not subsidizing out-of-province waste.

I think that that pretty well covers the questions that I got, so we'll continue.

3:50

The Deputy Chair: The hon. Member for West Yellowhead.

Mr. Strang: Thank you very much, Mr. Chairman. I guess what I'd like to do is just go over a few things with the Minister of Infrastructure. As you realize, the audit that we had on schools was our school century audit, and of course then in 2001 we had the slump in our dollars and cents when the market crashed on us. We had a couple projects in the town of Edson that were looked at for the aspects of two schools. One was an addition on Pine Grove so that we could finally close the A.H. Dakin school and bring them in there. Then of course we had the high school, which was Parkland high school, and we're looking at modernizing that because it's a very old school but a very solid and good one.

So then on April 11 this year the hon. Minister of Learning and the hon. Minister of Infrastructure made a press release in Edson to try and alleviate aspects of the space in the town of Edson. My understanding when the announcement was made was that we were going to look at Pine Grove elementary school, that we were going to look at \$4 million to go to upgrade that school so that we could have the other students from A.H. Dakin come in there. Then there was a transfer of a school; Jubilee junior high school was going to the Living Waters division No. 35 because of their high utilization in the Vanier school in the town of Edson.

Since then, there's been quite a bit of change and upset people in the town of Edson. When you made that announcement with the other hon. minister, there was the mention on the aspect of the \$5 million for Parkland high school to get its renovation and upgrading, and it was not in that press release. As I look at your budget, on page 248 you have school facilities, and then of course for '03-04 you've got \$67.6 million. With your budget three years out, with '04-05, where you've got \$86.8 million, I'm just wondering if we're looking at the aspect of modernizing Parkland high school in that year. I don't really want to put that to you, but I'm just wondering, being that it was on the audit as a high priority, if there's some way we can lean towards that. I know that what's transpiring has got the community quite upset for the simple reason that we're looking at September 1 as the rollout for the transfer of schools and the public is saying that it's not really practical.

Then there have been some other aspects of moving portables and that down from Grande Cache and putting them on Pine Grove school and on Parkland school. I realize that when we made the announcement, Parkland high school was going to have a high utilization but that that hopefully was only going to be for a short while. That's I guess my big concern: whether we're going to look at it for the next fiscal budget.

I have another question. We had done an audit on the aspect of the Edson and District Health Care Centre. We did a complete study on that building, and it was turned over to Infrastructure, and what had transpired at that time was that we were looking at the aspect of building a new one. I've looked at different publications coming out of Economic Development where they're showing a new health facility in the town of Edson, and there was a quote, if my memory serves me right, for \$4 million for the year 2004.

I guess the other aspect of that, too, is that with the present facility we have 50 long-term care beds in the town of Edson, and of course, as you know, they're hooked up with the hospital, but the hospital was built in very many stages. With the aspect of the long-term care needs in that community there was also a functional plan looking at that in the aspects that maybe we could do some conversion and have extended long-term care beds in that hospital. As you realize, in the fall of last year and then this year we had extra beds built in West Yellowhead in the town of Hinton, and of course we transferred some people from Edson's long-term care there, and then also the other aspect was the one in Evansburg that looked after the area. So there was some shuffling there, but the need still shows that we have a need for more long-term care beds.

So I'm just wondering if you can sort of give me any kind of update on where we're at with these projects on the school side and the hospital side in the town of Edson. Thank you.

The Deputy Chair: The hon. minister.

Mr. Lund: Thank you, Mr. Chairman. I don't have before me the announcement that we made in Edson. It was a very complicated situation, as the hon. member knows. Both the separate and the public boards operate schools in Edson and in Hinton, and we had to do things in Hinton with both boards and things in Edson with both boards, and some funds would flow from one town to the other. In Edson as far as Pine Grove elementary school, though, we did in the last announcement under the capital centennial program announce \$4 million for that particular school.

As we move out into this fiscal year, on the school side we have very, very little room. The money is pretty well all allocated, so we'll have to see what we can work out. As I said at the meeting in Edson, we want to move it ahead as fast as we can, but the fact is that we may not have the dollars to do some of the work that needs to be done. We will do it as quickly as we can.

4:00

As far as the long-term care situation in Edson, as you all know, we get the recommendations from the regional health authority, and I simply don't have that one right offhand, so I can't answer where we're at on the long-term care. If the new regional health authority still deems that it's necessary, I would really encourage them to be looking at a P3 because that seems to be working very well.

I now have how this is all going to work in Hinton and Edson, so maybe I'll just quickly run through it. In the Edson project for the Grande Yellowhead division, which is public: the transfer of Jubilee junior high school for the depreciated value of \$2.698 million, and that would happen immediately; Pine Grove elementary addition and modernization to increase capacity to 625 as a result of the closure of the A.H. Dakin elementary school, and that was the \$4 million that I mentioned earlier; the Parkland composite high school modernization rightsizing from 695 to a capacity of 500, and that one was for a little over \$5 million, but that could not happen until the budget became available. Now, one of the things that I have received since this announcement is that folks are concerned that Parkland would be crowded even if we left it at the 695, so I'm not sure just how that will all work out.

With the Living Waters, the Catholic division in Edson, as many

know, there was a contract already let to build a new junior/senior high in Edson for the separate board. We canceled that contract – so there will not be a new junior/senior high Catholic school in Edson – but then we'll transfer the Jubilee junior high school. The board may use the \$6.4 million that was allocated to the contract and funding approved for the junior/senior high school and \$400,000 in interest, the \$466,971 for the costs associated with abandoning the project, and the balance of the funding in the amount of \$3.644 million for any necessary modernization to accommodate the transfer of Jubilee junior high school students. Of the funding \$2.698 million will be allocated to Grande Yellowhead school division for the transfer of Jubilee junior high.

In Hinton the public board will transfer the Roche Miette school for the depreciated value of \$3.16 million, and that would happen immediately. The public board will have to upgrade the Mountain View school to accommodate the transfer of students from the Roche Miette school. The funding for the transfer could be used to accommodate the transfer of students to the Mountain View school. This was to happen immediately as well.

The Living Waters Catholic regional division, the transfer of the Roche Miette school, \$5.5 million has been set aside for the Hinton multicampus project. The majority of the \$5.5 million will be used to address the conversion of the Gerard Redmond school to a junior/senior high school and remove six freestanding portables. Some of the funding may be required to address limited needs at Roche Miette, and that \$5.5 million was held and we have that money from last year, so that could be used in this whole thing.

So we have \$9.8 million to Grande Yellowhead and \$9.1 million to Living Waters.

The Deputy Chair: Hon. minister, I regret to interject. The level of noise in that corner is getting very, very high. Kindly respect the opportunity that the minister has to speak.

Hon. minister, you may proceed.

Mr. Lund: I've answered the questions. Thank you.

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. I have a few more comments here, and I see that there are other members that would like to participate in the debate, so we hope that we will get the opportunity to hear all of these in this important ministry.

Quickly to get back to Swan Hills and the huge amount of public moneys that have been put into that particular facility. I don't think there's a member in the House that wouldn't say that we do have to have some way of disposing of hazardous waste. Certainly, there was a time when Swan Hills was an excellent alternative or maybe even the only alternative we had, but since that time new technologies have been developed. They are much more efficient, they're a great alternative, and it certainly would allow us in this province to get out of the business of being in business by supplying or helping to fund a facility such as Swan Hills.

I look at one in particular called Eco Logic. Now, Eco Logic is a Canadian company, and one of its strengths is that it is portable, so the great advantage of this is that it would be able to travel to the various sites instead of us having to transport waste across this country and North America. It would certainly allow us to avoid the possibility of hazardous waste spills. As well, one of the great advantages to their particular process is that it is an alternative to incineration. It involves the gas phase chemical reduction of organic compounds using hydrogen at temperatures of approximately 850 degrees Celsius and ambient pressure. What this certainly does is it

allows a breakdown of hazardous waste in a much more efficient way. One of the problems, of course, when we do use the technology that is at Swan Hills is that we do use much cooler temperatures, and the possibility of those wastes not being broken down completely is much greater.

Now, as well, in getting back to the general overview of the ministry, I look under Core Businesses, and one of the bullets there is, "Working with partners to provide cost-effective, innovative and sustainable building infrastructure to support the delivery of government services." Under operating divisions, one of the bullets, property development: works with partners to provide, preserve, and upgrade owned and supported capital infrastructure. Under Strategic Priorities:

- preserving taxpayer investment in infrastructure;
- balancing preservation and growth needs;
- ensuring health and safety in government facilities;

Under major goals in that department: work with partners to provide quality building infrastructure.

Now, then, when this whole concept of using P3s came about, we had looked at this issue and had certainly done research to see if in fact these were an acceptable alternative to the present system that I had mentioned earlier involving tenders to provide these, and we saw problems with the P3 infrastructure solution from a number of different perspectives, certainly financing rates, corporate profits – and when we're looking at corporate profits, we're not only looking at the profits that these companies would make from building the structure, and certainly we have to have those, but the profits down the road that we would have to pay, and I will mention a few examples as we go – certainly higher procurement costs, forgone ownership interest, failure to transfer risk, project quality considerations, the myth of private-sector efficiencies. So there are a whole number of issues that certainly would have to be satisfied to indicate that P3s are in fact a wise use of taxpayer dollars and that they will be getting the greatest return for their tax dollars that they can.

4:10

We do have, for example, one situation in Calgary where the Hampton school was built using the P3 model. Certainly, in the building of this school it was determined later that construction materials and details were of residential grade and are already starting to show signs of age and deterioration. Now, this is a school that was built I believe in 1999, and here are some of the problems that are occurring in that new school: cracking tiles in the gymnasium, drywall cracks in the main corridor, roof leaks in the portable, low-quality, high-maintenance mechanical systems, low-quality light fixtures that are expected to fail in a few years, and steep slopes near the school's entrance, where there are no guardrails. So that is one of the examples that we have.

Now, as well, we had in the city of Edmonton a proposal by Carma Developments to build a \$5.3 million school. Under the lease agreement the province would pay \$390,000 for the first five years of the agreement and then \$490,000 for each of the next 15 years. This would mean that taxpayers were on the hook for \$9.3 million for a \$5.3 million school, and at the end of the lease agreement the school is still the property of the private developer. When I compare that type of scenario to what we paid for Queen Elizabeth school, in the example I quoted earlier, there isn't any comparison. There certainly isn't a savings and a wise use of taxpayer dollars.

I would like to put on the record, particularly in estimates here, some issues that we have tried to address in question period and are certainly still looking for satisfactory answers. When we look at the P3 financing, how can this be cheaper when private firms borrow at a higher rate and include a profit margin in their price? My next question would be: what evidence is there that P3 financing is

superior to conventional financing? What I would like to know is: what studies has the government done on P3s to evaluate their viability in Alberta?

Certainly, in looking at where P3s have been tried in other jurisdictions, we have some examples of where P3s did not work: in the United Kingdom, particularly private finance and value for money in NHS hospitals. "A policy in search of a rationale?" a very good paper that indicates that in that particular case these did not work. As well, I believe it is in New Brunswick where P3s were used to try to alleviate the stress of the shortage of schools, certainly a problem in that situation. Again, we are looking for studies that the government has done which would show the opposite of studies that I have mentioned here.

As well, I would like to see the minister table the government's cost-benefit analysis that it generated before proceeding with the Calgary courthouse project, one that he has used as an example of P3s and their effectiveness. So we certainly would be most interested if you could provide us with that information.

Along the line of P3s how can the minister guarantee that P3-financed projects are not going to turn out like the Hampton school in Calgary? Obviously, having had the opportunity to look at that situation and the shortfalls in the construction of that school, the minister will be able to show us how plans along those lines have been altered to ensure that the construction standards that we have enjoyed in our old system are going to be protected in new ones and that cost-cutting measures are not going to be there just to provide profit.

Why is it not possible for the public sector to use private-sector efficiencies to develop infrastructure without charging the public for corporate profit margins? Again, I think that we have in the history of this province been very fortunate to have staff in the Infrastructure department that have served the people of Alberta extremely well. I think that they have certainly demonstrated that and the record stands. For example, even if we want to look at the school system, if we wish to look at the medical system, if we want to look at the excellent highway system that we have in this province, those are a testament to the work that these people have done and continue to do, and to drop a system like that would certainly be wrong. As well, I think the minister would not want the public to lose control of its buildings to the private sector or profit-motivated corporations.

Again, to use the example of Queen Elizabeth high school, if, for example, after the first 20 years that we had that school – if it had been built with P3s, could you imagine how much more we would have paid to use that same facility over the past 25 years? So it would have been an enormous cost over the \$1.8 million that it originally cost. That certainly was an investment and a wise investment, particularly when we look at the rate of inflation, which continues to average about 3 percent and has averaged about 3 percent for many years. Certainly, the value of any of those buildings appreciates, and it is a wise investment for Albertans.

Will the minister admit that when the government borrows money to develop infrastructure, as it proposes in the business plan, it will be adding to the provincial debt load rather than reducing it?

Finally, one area I would like some more clarification on – and I know that we've tried to get this in other times during question period. The minister has never given us records of the sole source contracts mentioned in the AG's report. Why won't the minister release those records of the sole source contracts? The estimate was that it would cost only \$5,000, and when they are talking about a budget that is the size of Infrastructure's, certainly \$5,000 is not much to inform Albertans of where the money for these contracts is going.

Just a couple more questions here. How can Albertans be

confident that their money is being spent wisely if some contracts don't go through a tendering process and aren't made public? Again, I can see the minister's point that not all contracts are large enough to be tendered, but certainly there should be some public record that is available so that they can be perused by the public. Will the minister commit to public documentation and justification of all new sole source contracts?

I know that there are other members that would like to participate in our discussions today on the ministry, so at this time I'll take my seat, and if there's time later, I'll add some more.

4:20

The Deputy Chair: The hon. minister.

Mr. Lund: Thanks, Mr. Chairman. You know, the member talked about Swan Hills to start with. I don't know how many times we've got to go over this. Maybe the hon. member could tell me: if there are all these new technologies and there are all these portables and there are all these cheap ways of doing this, why is it that Ontario hasn't moved in? Ontario has a stockpile of PCBs. Why did they spend some \$160 million trying to find a site, just to try to find a site, to build a plant? Why are they doing those things?

We had a call for a proposal some time back relative to Swan Hills, and an international company was very interested in it. I had the opportunity to meet with them a couple of times. This is a company that has plants all over the world, hazardous waste plants for the destruction of hazardous material. They told me that there is no plant that they know of that's state of the art like Swan Hills and that can do a complete destruction of hazardous materials. So if the hon. member has a technology that is proven, bring it forward. I'm sure that we and the Minister of Environment would be very anxious to look at it. But I've still got to go back to the question: if this is out there and it is so good, why aren't other provinces in Canada using it?

The comment about going portable and it being safer because there's a danger of spills, how many spills have there been of material being transported to Swan Hills? Even before you attempt to answer that one, how many accidents have there been by vehicles going there? You can count them on one hand. In all of the years that that plant has been operating, not once was there product spilled. Not once. It's never happened. The accidents actually were very minor, but there was no product that was spilled. I don't buy the argument that we should be looking at portables because of the hazard of moving the material around.

Of course, once again I wasn't disappointed when the hon. member brought up P3s. I expected that that would happen, and he didn't disappoint me. I'm not going to stand here and try to defend the Hampton school. I don't know the details about that particular project, I mean, as far as how it happened. I will acknowledge that there were mistakes made, like using residential standard versus commercial standard, and that comes back to haunt you. You know, we know that. We know some of the things that were wrong there. We're not talking about going down that road. That's not what we're talking about. As a matter of fact, if a proposal came forward similar to that, we wouldn't accept it.

If anybody thinks that P3s are the answer to all infrastructure, no, we've never said that. As a matter of fact, we've always said that the application would be very specific and will not suit every situation. We acknowledge that, but we think there are areas where it can work and it will work. As far as your comment about some proposed project that Carma Developments brought forward, I'm not aware of it. I don't know where it was. Obviously, it was not accepted if there was such a thing. I'm not at all aware of it, so I don't know where that came from.

The contracts. Well, be specific. What is it that you want? Just a quick estimate of the time and the dollars that it would cost to go through – when you say contracts, we have hundreds of contracts, thousands of contracts. We don't know what you're talking about, but if you'd be specific, we maybe – maybe – could help you. But I refuse to spend good taxpayers' dollars going through the thousands of contracts that we have to satisfy your fishing trip. I'm just not going to go there. So unless you get specific, and you ask us exactly what it is you're looking for, then . . . [A buzzer sounded] Oh, the hon. Member for Edmonton-Gold Bar wants to get in on the fishing trip? [interjection] Well, we're not going to provide one for either one of you, so forget it.

An Hon. Member: They're obviously not interested in what you're saying.

Mr. Lund: No. Well, that's fine.

Chair's Ruling

Use of Electronic Devices in the Assembly

The Deputy Chair: Hon. members, I regret interjecting once again, but lately I've noticed that quite often we have people using electronic devices in this Assembly, and you know that that is not permissible. I caution all members to please respect the rules under which we operate. It's happened one too many times, and it's happened to a number of different people, so please be aware of that.

The hon. Member for Calgary-Currie.

Debate Continued

Mr. Lord: Thank you, Mr. Chairman. During the last little debate I heard the word "P3" being used again in vain. I know that some people are perplexed at the process to the point of going apoplectic in opposing the province's participation, but the problem is that we have to have the background and intellectual capacity to be able to understand complex issues like P3s. If you had a pragmatic, progressive perspective, if you could recognize and analyze partnerships with performance potential, performance that people perceive, if you had that, then at election time you would be the most popular political party because P3s can work. Pity the poor people who don't have that. Some have it; some don't.

I will observe, however, that in some jurisdictions P3s in fact did not work, but I did notice that that jurisdiction had a Liberal government in power at the time. Coincidence? I think not. One could observe the major successes of P3s worldwide, particularly in free enterprise, capitalist jurisdictions where they know how to do them and understand them. They also succeeded even in jurisdictions that didn't have that and were much less supportive of the private sector and leaned more towards government interventionist monopolies. So it does seem that P3s have a bit of a mixed record, very much dependent on the competence of the government administration and leadership. I think we have an excellent government and leadership and competence in this province.

Speaking of P3s that can work, one in particular, which I'm quite fond of, is performance contracting, in which you have to perform or you don't get paid. That has no risk to the public, to the taxpayers, and frankly what better model could you imagine than a performance contract, especially in the area of energy conservation?

Now, we know that the city of Calgary some years ago embarked on a program which is saving some hundred million dollars at \$10 million a year in energy savings and retrofits. We know that the province is also leading the way in this through the Department of Infrastructure. I believe we're now doing energy retrofits some-

where in the order of 190 buildings, saving millions and millions of dollars in doing so.

I'm wondering if the minister could discuss schools across the province and school boards across the province. This is technology that's been available for at least 10 years, if not longer. I'm wondering how the school boards and schools across the province are doing in terms of having already done energy retrofits, whether or not they've managed to save a bunch of money, whether we've calculated those savings into school funding in this province. When we talk about how much money we put into school funding, well, a penny saved is a penny earned. So school boards could have been saving millions of dollars. I'm wondering if they have done so, where we're at with that, and if those dollars have been included in the amount of money that we are sending to education in the province. That's the first question I would have of the minister, Mr. Chairman.

The Deputy Chair: The hon. minister.

Mr. Lund: Thank you, hon. member. That is a very good point. As a matter of fact, I have been talking to some of the boards about what we in government did as far as our energy retrofit program and how that operated and how effective it was and how it reduced our consumption of energy and therefore helped immensely on the emission side of the equation. Of course, for the benefit of those that don't know the way the energy retrofit program worked, we identified areas where the payback would be in about three years. We simply signed a contract with the private sector to come in, do the work. We paid for the work, and then over the period of three years by us paying him what we would have paid had we not done the retrofit, they got their money back and made some profit, which is not, in my opinion, a bad word. Then we moved forward to the five-year, and as a matter of fact a year ago now you probably saw people in here changing the light fixtures and light bulbs and the lighting situation. I've had some complaints that it's not as bright as it used to be, but I'm not sure that that has anything to do with the electricity.

4:30

The fact is that that was a five-year estimated payback. I've encouraged school boards, hospital boards, and others to look at that and see what they could do, because I firmly believe they could in fact be helping themselves a lot. As far as when we're constructing new buildings, we are ensuring that incorporated into the design are the most cost-efficient systems that we can put in so that we reduce our consumption and make them efficient, and the payback is great over time. So we're trying to encourage people to do it. So far I haven't heard of any of them actually taking it up. It's interesting that the AUMA now are asking for a fund, money that would be lent to them at low interest or interest free over a period of time to retrofit, and I would throw the challenge out to them: do what we did first and see how it works, because you may very well find that the payback is as great and as rapid.

The Deputy Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Just be patient.

Thank you, Mr. Chairman.

An Hon. Member: I hear that every night.

Dr. Taft: No comment.

Mr. Chairman, I have a series of question for the minister. I

appreciate his responses here. I'll be as clear as possible, and he can answer as much as he can here and perhaps follow up with some written responses.

Some of mine focus on health facilities, given that I'm the critic for that area, although not all of my questions do. It would be helpful to me if the minister could explain the working relationship between his department and the regional health authorities when it comes to building new facilities. I'll be honest with you; I don't understand the details of how these projects are managed, who designs, how that process works. That would be useful information for me. There's a particular example that's of real concern to tens of thousands of Albertans or even maybe hundreds of thousands, and that's the need for a new hospital in southeast Calgary. We understand that although that has been identified as a priority in some circles for five or six years, it's still not even on your department's books in terms of: you haven't received a request for it. That makes me wonder what's going on in the process generally between the RHAs and the department. So some enlightenment on that would be very helpful.

Also, I'm not sure if this is even appropriate for this particular minister, but the issue of energy contracts between RHAs, say for electricity and natural gas and so on. Does that have anything to do with Infrastructure? No? Well, if there are comments there from this minister on that, I'd appreciate that. What contracts have been signed regarding electricity and natural gas supplies to the health facilities?

I have raised the next one in this Assembly before, and I am going to persist because I think it's a very, very important issue, and that's the issue of asbestos in buildings. I was saying in this Assembly yesterday that the number of major multinational corporations that have gone bankrupt because of asbestos litigation is very significant. Companies like Johns-Manville, gone. Kaiser Aluminum, gone. W.R. Grace, gone. These are huge, huge companies that were put under because they came under such financial stress from litigation about asbestos. I am going to persist in encouraging this government to manage this risk as effectively as possible, and it seems to me that one of the ways to do that would be to develop a list of all the public buildings which currently contain asbestos and a list including details of the nature of the asbestos, where it is, and how it will need to be managed in the future. I think that at some point – and I was making this point to the Minister of Finance yesterday – we need to probably record some kind of liability for that risk on our government books somewhere because I'm concerned that in the future it's going to become a real liability if it's not properly managed. So there's that concern about asbestos.

Another issue that's come up even today and will come up, I expect, again and has come up before is the concern over the toxic molds in public buildings. We discussed the school in Sundre in the last couple of days, and my impression is that the department did the right thing there and acted very decisively. We are going to need to watch this issue as well.

So I'd love to hear about any initiatives the department is taking to stay on top of that problem, and if there's something here in these business plans like a risk management office for asbestos and molds or something – I'm sure there isn't, but some idea like that – I'd be interested in that.

Now, shifting to the estimates themselves, one of the things that I like to do with departments is to lean heavily on the business plans and compare this year's estimates to what were predicted to be this year's estimates when the business plans were put out last year. In other words, we had a target last year of where we would be this year. Now that we're in this year, how are we doing compared to that target? It raises a number of questions. Right now I'm looking

at page 248 of the business plans document. I'm looking for the title for the ministry business plans for this year, page 248, which has Ministry Statement of Operations on it. Then I'm looking at the equivalent document from last year on page 247, so almost exactly the same page even, and I notice that in some categories we're very close to where we expected to be last year, and that's good. In some categories we're very significantly off, and that needs some explanation. It's not necessarily bad, but it does suggest to us that the plan over a 12-month period got pretty drastically changed.

My first comment to the minister would be just one of noting a bit of difficulty in comparing last year and this year because they're somewhat different formats in terms of the presentation of the statement of operations. But I notice, for example, that the school facilities target put forward in the 2002 document for this year is, as I read it, \$140,000,000. Then for school operations and maintenance, \$331,000,000. It's pretty difficult to compare directly because of a bit different format. But the school facilities operations figure looks to be right on the money. School facilities: there may be some significant differences.

4:40

Let me just put my question in general. You aren't going to be able to answer this now. For the sake of this Legislature's ability to hold your department accountable to its business plans, I would appreciate it if your officials could do a comparison between where you were planning to be this year and where we actually are this year by the couple of dozen major categories that are presented in the ministry's statement of operations. So I'm looking for something that would say: "Okay. We planned to be at this figure in health care facilities, and we're actually at a different figure, and here's why." To me that's a fundamental exercise in making the business plans work, you know, the old adage: you plan your work and then you work your plan. This is a process where I'm asking the minister to work his plan. Show me how the business plan is on target, as it clearly is, and where it's different. If it's a significant difference, some explanation for that would be helpful. I would hope the minister and his staff could take the time to do that. I think it would be a useful exercise for all of us.

I know that there are a number of other MLAs who would like to comment or ask questions of the minister, but if he has something he can tell me right now, that would be helpful.

Thank you.

Mr. Lund: Thanks to the hon. member for the questions. The first one dealt with the health facilities and the relationship and how the expanded facilities are dealt with. We asked for the regional health authorities to give us a capital plan similar to the school boards, where we asked them to give us their capital plan, the three- and five-year plan of what their needs are. Then once we've got those, we internally prioritize those using very extensive criteria. The primary one, of course, though, is health and safety. That is on the school side, and of course the functionality of the building, the need for the building to fill the government's programs are some of the factors that all go into prioritization as we go through.

Once we've got the prioritization and we have our target numbers as far what we have to spend, we come down the list, and that's how they're determined. Even though they send in their targets, there's a lot of consultation that goes back and forth between staff in Infrastructure and the regional health authorities to determine the need. If in fact the facility is what you really do need, the area that's being asked for – is it excessive or is it sufficient or just where does that all fit in? So it's a long process between the regional health authorities. We try to work very closely with them because there's

no point in us going out and building something that doesn't meet their needs. Plus we bring in Health and Wellness because once again there's no point in us building something if in fact they're not going to have the money to turn the lights on.

You also asked something about energy contracts. We are working closely with the school boards on this because it has more of a direct impact through our operating and maintenance grant. That's how they pay for the utilities. It's not the same in the operation of a hospital or an extended care facility or at the university or any of the postsecondary institutions. Incidentally, I shouldn't have just talked about health and schools. We also do the same process for the postsecondary institutions to determine their needs.

The energy contracts. I know that a lot of the school boards signed up for five-year contracts as far as the electricity side. They are wrestling with the gas side, though, because they didn't have those kinds of contracts. I'm not familiar with what the regional health authorities have done relative to their structures and their energy costs because we're not closely related to those, but it would be interesting to find out what they've done.

The asbestos issue. I'm not sure. With the very detailed work that has been done to assess the condition of our buildings, we may very well have a pretty good idea – I don't know if we've got, you know, a list of the detail that you suggested – but we'll get back to you on that one. I think that is a worthwhile suggestion, though, because I agree with you. That could be a problem for us down the way with the asbestos in these buildings. Now, when we're doing renovations and/or demolishing a building that has asbestos, we have a very defined process that the contractors have to use in order that it's handled properly at that stage, but of course the asbestos can probably cause other problems.

With the toxic mold situation on the health side and on the school side as well the operating authorities are the ones that are responsible to handle the issue. Now, we do assist in air monitoring, for example. We do have experts on staff so that we can do some of this work, so we do assist them. However, the process is driven by the authority. There are some interesting things about the air quality as we get into some of these issues; for example, the school in Sundre that you asked about the other day. We discovered that probably an even bigger issue than the mold was the air quality in the carbon monoxide reading, for example. Those older schools simply were not built to – the air conditioning was opening the windows, and that was the air circulation. Well, Sundre is a good example. I've been in that school, and when they did some renovation on it a number of years ago, they boarded up most of the windows so you can't get air circulation, so we are looking at those kinds of things.

Your comments about last year's business plan and projections versus what is in this year's plan. This year with the infusion of all that money through the centennial program, the \$5.5 billion – and out of that we end up with around \$2 billion – that makes a big difference on the numbers that we have got for this year. I'm not sure when we're comparing last year versus this year whether that was the status of the structures and where we're at as far as filling the need or if it was just the dollars that you were looking at.

Dr. Taft: Actually, mostly on the dollars.

Mr. Lund: Yeah. Okay. We will make it a more thorough answer, but that's basically why the difference.

Mr. VanderBurg: Just two short issues, and one deals with the Northern Gateway school division. They had two priorities. One was a school in Whitecourt that had 109 percent occupancy. That was addressed in last year's budget, and I thank the minister and his

department for taking such quick action on that. Also their second request, and that's dealing with a school in Oneway that has just under 90 percent occupancy but rates very high because the original part of the school built in 1921 is in need of some major work. You know, I'd like to know the status of that project, but knowing that every issue relates to financing, I have a suggestion for the minister of maybe a possible way to help finance this needy project in Oneway, and that is similar to what the Member for Redwater was talking about on surplus land.

4:50

I do believe that there are surplus buildings that fall under your ministry, and surely white elephants like the federal building have high utility costs, security costs, grants in lieu of taxes, and I'm sure that those things are major line items on your budget. I think those major line items could be easily removed by putting up the for-sale sign, and I think that we should be a little more aggressive when it comes to these surplus buildings that we have that we have no intention of using. Surely your department and all the great staff that they have can come up with a way to find some additional dollars in your budget from these surplus buildings to put into projects that are much needed.

So just those comments I'd ask the minister to address.

Mr. Lund: Thank you, hon. member, for those questions. I'll have to get back to you on the school situation. I just simply don't have the details of all the projects we have out there.

As far as the federal building is concerned, we'll certainly take your comments forward. Currently the way the process works, of course, is the proceeds go into general revenues, so they don't flow right back into our department, but I think you had two very good suggestions in your comments there, and we'll be taking those forward.

Thank you.

[Several members rose]

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: It's good to see that everybody wants to participate in this ministry. It is a very interesting ministry, and certainly we are appreciating the comments made by the minister today.

Earlier on in debate the minister had asked me to provide some examples of what other alternatives would be to Swan Hills, and of course one is Eco Logic, a Canadian company, and they have a robust technology for the treatment of chlorinated hydrocarbons in various matrices, and this is extremely important. This is the part of the breakdown of PCBs that we have to be very, very careful about. It's the new compounds that are formed, and certainly if it isn't done at a high enough temperature or under the correct conditions, we end up with more problems than we had with the PCBs. So they do a marvelous job with this particular technology. Now, Eco Logic has operated large-scale systems at sites worldwide, so they are internationally known.

One of the other questions that the minister had asked me was: what type of hazardous waste can they handle? They can handle chemical weapons that have been stockpiled in the United States. They've had experience with that. They've also done military waste, energetic materials and munitions, pollution prevention, waste minimization, industrial hazardous wastes including PCBs. They have done site remediation, and I know that's a huge issue here in the province, and last night in estimates with Municipal Affairs we were discussing this particular issue when it comes to the under-

ground storage tanks. So those are a few of the answers that I can provide for the minister in regard to alternatives to Swan Hills and a huge cost that Albertans continue to face to keep that particular plant functional.

Now, then, as well, other questions I had today. I would certainly like the minister to update us on the status of our fleet of airplanes here in the province. It's my understanding that some of those have had extensive use – they have served us very well – and there are plans to perhaps purchase new planes, and if he could please indicate to us if in fact there are plans to purchase a new corporate jet or new planes and what the procedure will be for selling off the old ones.

As well, the hon. Member for Whitecourt-St. Anne was talking about the federal building, and one of my questions to the minister would be: is there a problem with the federal building in that it is an older building? It was one that was probably constructed when the use of asbestos would have been quite prevalent. Is there an asbestos problem with that building? Could we sell it even if we wanted to? Also, if we can't, has the ministry ever looked at what the cost would be for the demolition of that building? Of course, before we could demolish it, we would have to remove the asbestos products.

I would like to refer to a news item, and this was written by Lewis Auerbach. The title is Building for Profit Costs a Bundle: Objective Analysis Needed to See Whether Proposed P3 Hospitals Save or Lose Money for the Public. He goes on in this, and I'll quote part of the first paragraph.

The Ontario government has given cabinet approval to proceed with two public-private partnerships (P3s), to build and provide all non-medical services at a new Royal Ottawa Hospital (an estimated capital cost of \$95 million), and at the Osler Hospital in Brampton. All indications are that the P3s will cost more, not less, than the same project publicly owned. My estimate is at least \$14 million more for the [Royal Ottawa Hospital].

Now, then, in looking at this \$14 million more on \$95 million is an increase in price of somewhere between 14 and 15 percent. Certainly, with these additional costs by using a P3 model this is not cost-effective. And this isn't a contract that was given out by a Liberal government. It was given out by your Conservative cousins in Ottawa, and perhaps this is the reason why they are currently trailing the Liberals in that particular province in the polls. They have not made wise use of their taxpayer dollars, and if it's costing an extra 14 to 15 percent on projects, we can certainly see why.

So those are just a few comments and clarifications I wanted to make. Thank you.

The Deputy Chair: The hon. Minister.

Mr. Lund: Thanks, Mr. Chairman. Thank you, hon. member, for your questions. Relative to the airplanes. We, of course, have three King Airs – one 350 and two 200s – and the Dash 8. There's currently no plan to expand the fleet or replace any portions of it, but we know that particularly the 200s are getting up in age, so the maintenance costs start going up. If the members have had an opportunity to use them lately, they will have seen that we did do major interior work to both of those aircraft. So we just simply are not looking for and/or planning to do anything with them.

5:00

The federal building. Yes, it does have asbestos. We don't believe that it's insurmountable for someone to do something with that building. As a matter of fact, there have been some tire kickers, but we haven't really gone out with a call for proposal or hung up the for-sale sign, as the hon. Member for Whitecourt-St. Anne suggested, but I will be pursuing that.

Back to our favourite topic of P3s. It might be interesting for the member to know that the last time I looked, the Liberals were still in government in British Columbia. And guess what? They're in the process currently of a major P3 project where they are going to build a facility that is going to be a health facility.

An Hon. Member: No.

Mr. Lund: Yeah, a health facility. The concept is that the regional health authority will rent about 40 percent of the space in the building, and the rest of the building will be used by doctors, by an MRI, by diagnostics, and all of those good things, a true P3.

I think I walked through once in question period how we are going to be dealing with proposals that come forward. Internally we have set up a committee, that's chaired by one of the assistant deputy ministers, that will look at these and assess them and work with people as they're going through, because we don't want people to spend a bunch of money only to bring something to us that is unacceptable.

Then under Treasury they are setting up an independent group of people that will assess these and come back with recommendations to us whether in fact it's an acceptable alternate way of doing things. As I have said before, one of the things that has to happen: you have to be able to take the lifetime cost, bring it back to present-day value, and compare that with what we are doing. There are things like off-loading risk. There are things like getting the building done early, things like if you get someone to own, operate, finance, and build over the period of the contract, they possibly can operate even more efficiently.

I can't resist the temptation to give you a little bit more of what Collette said. He's talking about defining our role. That would be the role of government.

It's true that there are many functions best left in the hands of government, but these tend to lie in the field of policy and regulation. . . . private-sector organizations that have taken over the operation of parts of the transportation system have much more freedom to be innovative in how they run the business. I am sure most of you will agree that day-to-day operations are best left to the private sector, which has the freedom and the expertise to respond quickly to market forces.

An Hon. Member: Who said that?

Mr. Lund: Minister Collette, the Minister of Transport for the federal Liberal government.

An Hon. Member: How low can you get, quoting from a Liberal in here.

Mr. Lund: One hon. member asked me why I would quote a Liberal federal minister. The reason I'm doing it is because – and I don't know just why it's happening – somehow our Liberal opposition doesn't seem to want to get the blinders off and look at what it is we're trying to do here.

He went on to say:

At the same time, the new market-driven approach brings to the private sector greater accountability. Costs that were once hidden – paid for by government – are coming out in the open. Of course, the costs have always been there, but they were paid by the taxpayers. Now they are paid by those that benefit from the service. Going on, here he talks about the new approach.

We're not alone in this trend. Many European countries are restructuring services using the vehicle of public-private partnerships. During a recent trip to Europe, I was impressed by the role

public-private partnerships are playing in servicing infrastructure and other transportation needs.

This is from Minister Collenette as he talked about P3s and how they can work. I guess that one of the best examples right now is the Confederation Bridge and what a tremendous P3 that is and how it can work. They can work, and we are going to continue to pursue them.

The Deputy Chair: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Chairman. I would like to follow up briefly on the thread of the federal building here in Edmonton. As the minister and members are aware, that building has been empty for many, many, many years. I understand that the annual cost to heat it, to maintain it, to keep it from falling into disrepair is very substantial. Because it occupies such a privileged and great location and because of the development that's taking place in that part of the city and because of the potential of the site, I'm wondering if we would not be better disposing of it in some fashion for a dollar and have it turned into something positive. We would have to be very, very careful how we did it and make sure that whatever party was involved carried out their end of the bargain, but would we not be better getting positive revenue from it in one fashion or other rather than paying and having it carried on the books as an expense?

Mr. Lund: Thanks to the hon. member for the suggestion, and as I commented earlier, we will certainly take these comments forward and see what we can do with them. I assure you that we'll pursue it.

Dr. Taft: I know the hour is drawing late. It's a shame it's going to end so soon, but I have some very specific questions for the minister which he'll need to follow up on in writing.

In the statement of operations there's a specific line around air transportation services. My questions are the following: could the minister provide us the estimated number of miles planned to be flown by the aircraft, the amount of fuel that's estimated to be consumed, and could the minister provide us the price per litre of that fuel that's paid under the contracts that the government has with the fuel suppliers? That's for aviation fuel.

You don't have to have it right now, but if you have it, that's great. Thank you.

Mr. Lund: No. I don't have it. But having been a former owner of an aircraft myself, I want to tell you that the distance flown isn't that important. Probably what you'd find more useful would be the cost for the operation of each aircraft. Distance flown isn't a big measure of anything. We can get you the issues about the fuel and the cost of the fuel.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

5:10

Mr. MacDonald: Thank you very much, Mr. Chairman. I have some additional questions at this time that I certainly did not get on the record, and certainly it applies to all hon. members of this Assembly, whether they're from Edmonton-Glenora or Spruce Grove-Sturgeon-St. Albert, who are present in the Assembly at this time.

All across the province, regardless of whether it's a school, a hospital, or a lodge, there is an important, significant deficit in the infrastructure. We discussed that earlier. On page 239 of the business plan – and I don't know if in the course of this afternoon's events there was any discussion on the ratification of the Kyoto protocol. There have been claims that the ratification of this by the

federal government will certainly "have a significant impact on Alberta's economy." When we consider that the passage of this legislation is for the future, not so much for today or yesterday but for the future, we have to ask: can the minister reconcile the statements in the business plan to the reality of the situation of Kyoto? With Kyoto, according to this government, the world as we know it was going to end, yet we find out that in spite of this Suncor has gone ahead with a \$3 million project, and there are estimates that Kyoto will only add a few cents to the extraction price of each barrel of oil. How can the Minister of Infrastructure see a few extra pennies per barrel of oil as making energy prices significantly higher?

The Deputy Chair: I hesitate to interrupt the hon. Member for Edmonton-Gold Bar, but pursuant to Standing Order 58(5), which provides for the Committee of Supply to rise and report no later than 5:15 on Tuesday, Wednesday, or Thursday afternoons, I must now put the question on the proposed estimates for the Department of Infrastructure for the fiscal year ending March 31, 2004.

Agreed to:

Operating Expense and	
Equipment/Inventory Purchases	1,209,415,000
Capital Investment	42,416,000

The Deputy Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Chairman. I would move that the committee now rise and report the estimates of the Department of Infrastructure and beg leave to sit again at a later date.

[Motion carried]

[Mr. Shariff in the chair]

The Acting Speaker: The hon. Member for Wetaskiwin-Camrose.

Mr. Johnson: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Infrastructure: operating expense and equipment/inventory purchases, \$1,209,415,000; capital investment, \$42,416,000.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I think that in view of the hour I would move that we now call it 5:30 and adjourn until 1:30 on Monday next.

[Motion carried; at 5:15 p.m. the Assembly adjourned to Monday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Monday, April 28, 2003**

1:30 p.m.

Date: 2003/04/28

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon and welcome. Hon. members, today's prayer contains a moment of silence, and at the conclusion of the prayer would we all remain standing for the singing of our national anthem.

Let us pray. On this day let each of us pray in our own way for all who have been killed or injured in the workplace. Life is precious. When it is lost, all of us are impacted. In a moment of silent contemplation may we now allow our thoughts to remember those taken before their time, those who have suffered through tragedies, and reach out to the families, friends, neighbours, and communities most immediately impacted. May God provide them eternal peace. Amen.

Now would you please participate in the language of your choice in the singing of our national anthem. We'll be led today by Mr. Paul Lorieau.

Hon. Members:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

The Speaker: Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Aboriginal Affairs and Northern Development.

Ms Calahasen: Mr. Speaker, thank you very much. It is my pleasure today to introduce to you and to Members of the Legislative Assembly a special group of people walking from Nanaimo to Ottawa. I hosted this group of elders and youth for lunch today. Their walk is a result of a vision that one of the members, Gina Meldrum, dreamt to raise awareness about the tragic problem of aboriginal youth suicide, which is five times higher than among nonaboriginal youth. They left Nanaimo on Vancouver Island on April 1, and they will arrive in Ottawa on June 21.

Mr. Speaker, they're seated in the members' gallery, and I ask that they stand as I call their names: Mr. Paul Laliberte of Nanaimo, B.C., the leader; Reno Trimble from Prince Rupert, B.C.; Thomas Watts from Vancouver Island; Gina Meldrum, Williams Lake, B.C.; David Elliott, Cowichan Tribe, Duncan, B.C.; Candice Faith Clappis, Vancouver Island, B.C.; Vincent Watts, Vancouver Island, B.C.; Greg Brown, Denman Island; Moves Far Women, Northern Ireland; Mary Whitehorse, Hinton; Mary Ann Whitehorse, Hinton; Channelle Plante, Hinton; Damien Plante, Hinton; Jonas Whitehorse, Hinton; John Bremner, Hinton; Steve Rush, Kildonan, B.C. I ask the members to give a warm welcome to this group of wonderful people.

The Speaker: The hon. Member for Clover Bar-Fort Saskatchewan.

Mr. Lougheed: Thank you, Mr. Speaker. I'm pleased to introduce to you and to the members of the Assembly two classes of grade 6 students from Win Ferguson school in Fort Saskatchewan. They're accompanied by their teachers Mrs. Joanne Simpson and Mr. Jeff Spady and also by parent helpers Mrs. Candace Kereliuk, Mrs. Gloria Govenlock, Mrs. Barb Hansen, Mrs. Allison Tucker-Lamour-eux, and Mrs. Cindee Robertson. They're in the members' gallery. I'd ask that they rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. It's my pleasure to rise today to introduce to you and through you to all members of the Assembly two people who are very near and dear to me. We have with us today one of my three sisters, Judith Ada Brown, who is one of the hardest working and most energetic people that I know, along with my nephew Lonny Nathaniel Brown, who's a student here at the University of Alberta and one heck of a guitar player, I might add. I would ask them to stand and receive the warm traditional welcome of the Assembly.

The Speaker: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you, Mr. Speaker. It's my honour today to introduce to you and through you to members of this Assembly 20 students who are here from Keenooshayo elementary school in St. Albert. They are accompanied by their teacher, Mrs. Barb Hubbard, and by an assistant, Mrs. Sylvie Martinson. They are seated in the public gallery. I'd like also to recognize the fact that if not all of them certainly most of them are graduates of the DARE program most recently. I would like them all to please stand and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Minister of Transportation.

Mr. Stelmach: Well, thank you, Mr. Speaker. I'm pleased to introduce to you and through you to members of this Assembly a young constituent from Edmonton now, formerly from Vegreville. His name is Mr. Curtis Litun, and he is seated in the members' gallery. This young lad is multiskilled and multitalented, not only completing his degree at the University of Alberta in agribusiness, but he was the 4-H member who served on the judging committee in Saskatoon at Agribition and is also an ambassador for the Alberta food products council. I would ask Curtis to please rise in our gallery and receive the traditional warm welcome of this Assembly.

head: **Ministerial Statements**

The Speaker: The hon. Minister of Human Resources and Employment.

National Day of Mourning

Mr. Dunford: Well, thank you, Mr. Speaker. The 28th day of April is our National Day of Mourning for workers who have been killed or injured on the job. Over 100 people die from job-related injuries or illness each year in this province. Someone is injured on the job every three and a half minutes. This is simply too many deaths and injuries and too many devastated families and friends. We owe it to ourselves, to our families, and to our communities to make sure all Albertans are safe at work. Nobody in this province should ever have to say that they feel that their workplace is unsafe.

If government could legislate away workplace injuries, Mr.

Speaker, you can be sure we would have done it long ago. We all need to make workplace safety part of our culture. This year we launched the WorkSafe Alberta initiative in conjunction with labour, employers, and safety associations to make substantial improvement in workplace safety. We need kids to question their parents before they leave for work. We need parents to question their kids when they get their first job. We need unions to put safety first, and we need employers to realize that the investment they make in a safety program will pay dividends many times over.

We in this Assembly have the privilege and responsibility of leading our society. When it comes to societal change, we all have to accept that it is up to us to lead that change. If we will not do it, then we cannot expect anyone else to. The change that we have to make is to eliminate the idea of an accident. Even the use of that word is unacceptable because it implies that there was no way of anticipating or preventing tragedy, and that just is not true. With all the investigations that we have conducted, we know that safety comes down to making the right choice every time.

We honour our fallen workers by remembering them at ceremonies that are being held in communities across this province and by renewing our commitment to safer workplaces.

Thank you, Mr. Speaker.

1:40

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. Seventeen fewer families were devastated by the loss of a loved one to a senseless work-related death last year compared to 2001, but we can only truly celebrate when no one dies on the job in this province. People working to make a living for themselves and their families should not be robbed of the natural expectation that they will go home to a family and a future. Every three and a half minutes an Albertan is injured or killed in the workplace. Hopefully, industry, safety associations, labour, and government will be able to meet the challenge from Alberta's Human Resources and Employment minister to work together and reduce workplace incidents by 40 percent by the year 2004, and at this time on behalf of the Official Opposition I would like to thank the hon. minister and his staff for their commitment to improve workplace safety in this province.

Setting a good example to be followed is Syncrude. Syncrude and its contractors achieved excellent safety performance in 2002 while achieving a record production level, which is also reflected in lower operating costs. The combined lost-time injury rate was less than one injury for every 2 million hours worked. This compares very favourably to the Alberta mining and petroleum sector average of 14 injuries for every 2 million hours worked. Syncrude and all its contractors, union and non-union, are setting an example for the rest of the workplace in this province. I would be honoured and pleased to stand here next year and congratulate the minister on successfully sending far more Alberta workers home to their families for another year.

The National Day of Mourning was officially recognized by the federal government in 1991, eight years after the day of remembrance was launched by the Canadian Labour Congress. On this day we must take a moment to remember workers who have been killed, disabled, or become ill as a result of their work, but on every day of the year we must remain vigilant to prevent tragedy. This is how we must honour those who have had their lives taken or forever changed as the result of a workplace trauma. Mr. Speaker, hug your family a little longer tonight when you get home and remember those who were not so fortunate.

Thank you.

Mr. Mason: Mr. Speaker, I would request unanimous consent of the House to read a statement in response to the minister's statement.

[Unanimous consent granted]

Mr. Mason: Thank you very much, Mr. Speaker. Today marks the eighth annual International Day of Mourning for workers killed and injured on the job. Last year 101 Albertans were killed at work. This was the sixth year in a row that a hundred or more Alberta workers were killed. No one goes to work expecting not to come home. They expect and their families expect that they're going to go to work, that they're going to work safely, and that when their shift is over, they're going to come home and have dinner with their family. That has not been the case for too many people. Our hearts go out to their families and friends. They will not be forgotten.

Last year 155,000 Alberta workers were also injured on the job. It is essential that we ensure that people injured while working to support their families receive reliable workers' compensation services. We again urge the government to establish a long-standing claims tribunal so that injured workers do not face the additional burden of losing their homes and their independence. We should not sacrifice justice and leave workers and their families to carry the costs of their workplace injury.

In the last session of this Legislature we passed the Occupational Health and Safety Amendment Act to prevent workplace injuries. This Legislature will have to remain vigilant to determine what additional steps must be taken. Government, employers, and workers must work together to eliminate sources of workplace injuries and strive for injury-free work sites.

Thank you.

head: **Oral Question Period**

The Speaker: First Official Opposition main question. The hon. Leader of the Official Opposition.

Education Funding

Dr. Nicol: Thank you, Mr. Speaker. The basic instructional grant given to schools increased by only 2 percent in the last budget. This gives an instructional grant for schools of \$4,454 per student for the next year. To the Minister of Learning: how did the government decide that an increase in the basic instruction grant of only 2 percent was enough?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. I would say at the outset that school boards received much more than 2 percent. As the hon. Leader of the Opposition fully knows, there was an 8 percent increase in special needs, there was a 3 percent increase in transportation, and the increase to my department on the basic learning side averaged out at a 4.9 percent increase. So, first of all, to say that the school boards only received 2 percent is absolutely wrong.

Second of all, Mr. Speaker, what we pride ourselves on when giving out the dollars to the school boards is allowing the school boards to have the flexibility in how they spend those dollars. Indeed, it is up to the school boards how they spend those dollars. When it comes to the actual amount, as to why it was 2 percent, there are economic issues that are concerned. We full well know that there are special-needs children which are built into the formula. There are sparsity and distance components in the formula, and that all determines what a school board receives when it comes to the actual funding.

Dr. Nicol: Again to the minister: has your department ever costed out what a school can buy with the \$4,454 and whether or not that's enough to give them a quality education?

Dr. Oberg: Well, Mr. Speaker, again, I'll use the example. That \$4,454 is only the basic amount per student. But even if it was only \$4,454, which it isn't, but if it were that, each particular classroom of roughly 25 students would have around \$120,000 to work with. The realistic amount is closer to \$7,000 that a school has actually to deal with. Seven thousand times 25 is very close to \$200,000 per classroom.

Dr. Nicol: Again to the minister: when will your department fund education based on the school's actual costs rather than this mix that you're talking about?

Dr. Oberg: Well, Mr. Speaker, if a student were just a student were just a student, it would be relatively easy to fund education. We have students in parts of this province where the cost of living is extremely high. We have students in parts of this province where there are only 10 or 15 students, and we have to educate them. That is our job, to educate those students, and that's something we take extremely, extremely seriously. So to say that it is a simple process, simply to say, "Well, this student costs \$1,000, this one \$5,000," is an absolute fallacy.

Municipal Funding

Dr. Nicol: Mr. Speaker, rural recreation centres may be forced to close their doors because increasing energy costs have made it impossible to make ends meet. Without energy rebates rural municipalities will have to find ways to further subsidize recreation centres just to keep them open. To the Premier: is it the policy of this government to force ice arenas to close and children to go out on the streets to play hockey?

Mr. Klein: No, Mr. Speaker.

Dr. Nicol: Why did the Premier stand up in this House and claim that the natural gas rebate program is reasonable and intelligently thought out when recreation centres and all other facilities working on fixed budgets throughout the province face closure?

Mr. Klein: Mr. Speaker, I'll have the hon. Minister of Energy supplement, but the rebate program as it now stands has been reasonably and intelligently thought out. Back in 2001, of course, we had to deal with the situation on an ad hoc basis, and we gave an undertaking to the Alberta public that we would come up with a program to deal with the issue in future years on a sustainable basis, and that's why the rebate program was brought in, to arrive at a yearly average of \$5.50 a gigajoule. So I don't know what to say to those communities other than that they do have opportunities to enter into budget programs, and on that point I'll have the hon. minister respond.

Mr. Smith: Well, Mr. Speaker, it is a well-thought-out and responsible program. In fact, if we can go back to the Leader of the Opposition's comments on the bill in 2001, it says:

If we go ahead and estimate the price of natural gas for our budgeting process at \$7 . . . and . . . start protecting the price at \$5, what we've got is a \$2 margin there that we . . . either have to put into our budget [or] debate the dollars that are necessary to cover that difference between what we're expecting out of revenues . . . Otherwise we'll end up running a deficit budget, and in Alberta we don't want to do that.

So I thank the member of the opposition for his comments. In fact, if he would again go through the Natural Gas Price Protection Act, he would find that the regulations embed his comments.

1:50

The Speaker: The hon. leader.

Dr. Nicol: Thank you, Mr. Speaker. To give that quote that I gave in 2001 really shows how little the minister understood about the question I asked.

To the Premier: why does the government insist on downloading its funding responsibilities to rural municipalities?

Mr. Klein: Mr. Speaker, we don't. We provide a reasonable amount of money to municipalities through various grant program, including the municipal grants and transportation grants, and there are numerous programs, I would remind the hon. leader of the Liberal opposition, that go to support community organizations. There's the community facilities enhancement program, the community initiatives program, so there are many programs available for municipalities. We do more than our part to assist and partner with municipalities. One of the more recent initiatives is one that was alluded to by the hon. Minister of Municipal Affairs. It hasn't been finalized yet, but this is a program to joint venture with municipalities to achieve conservation measures. So there is yet one more example of how this government participates and co-operates with municipalities to achieve things that are for the common good of Albertans.

Toxic Mold in Foothills Medical Centre

Dr. Taft: Mr. Speaker, last Thursday in this House the Minister of Health and Wellness said, "The best advice that I have . . . from the [Calgary] regional health authority is that there is no evidence of a toxic mold in [the Foothills]." The minister of human resources said, "We are not aware that there's been a definition of a toxic mold at this point." The Premier said, "There is no evidence of toxic mold in . . . the Foothills hospital." To the Premier: given that I have in my hand lab tests, which I will table this afternoon, showing that three kinds of toxic mold were found in the Foothills and that these were fully known by the Calgary health region, will the Premier withdraw his statements from Thursday and admit that this Assembly was misinformed?

Mr. Klein: Well, Mr. Speaker, I would like to see the documentation. I'd like to see who prepared the documentation. The hon. member did not answer a question that I posed nor is he required to answer a question, but I asked him: would he stand up in the House and name the person who identified the toxic mold and whether or not that person was acting for the Liberal Party and in the interests of the Liberal Party?

Dr. Taft: They were legitimate tests conducted for the Calgary health region.

The medical officer from the Foothills said earlier this month that the molds recently found in the renal dialysis unit were probably the same toxic varieties shown in these tests, which the Calgary health region has. To the Premier: is the Calgary health region not telling you this information, or is your government just not listening?

Mr. Klein: Mr. Speaker, the hon. Minister of Health and Wellness and the Minister of Human Resources and Employment are much closer to this situation, and I'll have either one or both of them respond.

Mr. Mar: Mr. Speaker, there has been some concern expressed by employees with the regional health authority, and today Alberta workplace health and safety and the Calgary health region and unions representing the hospital employees are meeting to discuss this particular issue.

Again, Mr. Speaker, I can only repeat what I said last Thursday, which is that the best advice that we have at this time is that there is no evidence of toxic mold in the Foothills hospital. However, I of course will undertake to the member and to all members of the Assembly a review of the material that he wishes to table later on this afternoon. I can only say, Mr. Speaker, that the people who work with the regional health authority do take the safety of their patients and their employees seriously. There has been comprehensiveness in the review of this issue undertaken by the regional health authority, but again if the hon. member has material that is meritorious of further consideration, then we'll certainly take that into account and raise that with the regional health authority.

Dr. Taft: Well, to the Minister of Health and Wellness I repeat the obvious request. If this government is so confident that there is nothing to hide, will he order an independent test for toxic mold at the Foothills immediately?

Mr. Mar: Mr. Speaker, I want to say that I do have confidence in the regional health authority, but I don't know anything about this report that the hon. member wishes to table later on today. He has the advantage of all of the information and speaking about it as if it were gospel. I can't say that. Neither myself nor the hon. member is a microbiologist. We are not experts in this area. We do rely upon solid individuals with the proper credentials to determine whether or not this is, in fact, a dangerous situation. All I can say, again, is that I have confidence in the regional health authority taking the issue of the safety of their patients and their staff seriously.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Calgary-McCall.

Severe Acute Respiratory Syndrome

Dr. Pannu: Thank you. Mr. Speaker, last Thursday the Premier gave universities and school boards 24 hours to come up with a plan to prevent SARS from entering the province through student exchanges. This from a government that has yet to come up with its own detailed action plan to deal with the threat of the SARS virus. My questions are to the Minister of Health and Wellness. With the confirmation of another case of suspect SARS in the Capital health region, why has the government failed to come up with its own detailed action plan to address the threat posed by the SARS virus in this province?

Mr. Mar: Mr. Speaker, I would refer the hon. member to *Hansard* of Thursday of last week, I believe, where we talked about how the province has been working for some number of years and continues to improve a program as it relates to infectious diseases. Now, you won't find a line item in our budget relating to SARS. You won't find a line item in our budget referring to West Nile virus, but they all fall within an appropriate category of infectious diseases that we have to be prepared for, and we are prepared for it. I indicated to the House last week that if one needs to see how successful this is, one need only look at how quick our response was to meningitis. So we do have a plan in place.

I should comment on this to the hon. member. We do as of today

have six suspect cases of SARS in this province. Now, suspect cases by definition are those cases where individuals are showing SARS-like symptoms, but there is no diagnostic test for SARS. Of those six cases, five of them have fully recovered. They're at home now, and they've fully recovered. The sixth one, the most recent one, which was brought to our attention earlier this week, is an individual who is now at home and has not shown any worsening of the symptoms. You move from a suspect case to being a probable case when your symptoms continue to worsen and there's no other medical explanation available. We have not had a probable case of SARS in this province, nor have we had a confirmed case of SARS in this province, Mr. Speaker.

So we do have an appropriate plan in place. We ask individuals to take appropriate precautions. When individuals do think that they have SARS-like symptoms, there is a process by which they can be appropriately looked after by the right kind of health professionals. In this way we can minimize the danger of SARS to Albertans, and we can protect their health as best we can.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: given that what the minister released last Thursday was a list of symptoms that Albertans should look for to see whether or not they're infected by SARS, when is this minister going to stop being complacent and instead impose a 24-hour deadline on himself by tabling a government SARS action plan in the Legislature no later than tomorrow afternoon?

2:00

Mr. Mar: Mr. Speaker, we of course have taken this matter of SARS very seriously. Ministers of health from across Canada have been talking about the appropriate measures that we can all take, and we have learned much from the experience of the province of Ontario. We have been in regular contact, myself with my counterpart, the Hon. Tony Clement, minister of health from Ontario, and our provincial medical officers and public health officials have been in contact with their counterparts in other parts of Canada. We do have a plan in place, and it is solid.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. My second supplementary to the same minister: given that in this year's budget funding for provincial health laboratories was frozen and funding for vaccines cut by 20 percent, how can the minister assure Albertans that Alberta's public health care system won't be overwhelmed by SARS or the West Nile virus?

Mr. Mar: Well, Mr. Speaker, on the subject of the Provincial Laboratory I can say, for example, in response to the issue of West Nile virus, that we will by this summer be able to test for that in our own provincial laboratory for microbiology. Our public health laboratory will be able to do that this summer instead of relying on the federal laboratory that's located in the province of Manitoba. That laboratory in Manitoba has done very, very good work for us in the past, but the speed of return on this will be quite a bit improved by being able to do this within the province of Alberta. So our laboratory is appropriately resourced, and we will take the necessary measures to ensure that we can maximize the protection of Albertans through surveillance and through education. Again, we do have a solid plan in place.

The Speaker: The hon. Member for Calgary-McCall, followed by the hon. Member for Edmonton-Glengarry.

Alberta's Relationship with the U.S.

Mr. Shariff: Thank you, Mr. Speaker. Last week the hon. Minister of Economic Development announced that he was traveling to Washington, D.C., in an attempt to strengthen ties with our good friends and neighbours to the south, the United States of America. My question is to the hon. Minister of Economic Development. Can the minister tell us whom he met with and what they spoke about?

Mr. Norris: Well, I'd like to thank the hon. member for the question and say at the outset, Mr. Speaker, that it was an absolute honour to go and represent Alberta. Contrary to reports these meetings were not secretive, and they weren't ultra right-wing groups at all. They were members of the Bush administration that we met with to talk about Alberta. Things that were discussed, obviously, were: now that the conflict in Iraq is coming to a close, where does Alberta fit in that rebuilding process? I would like to make it very, very clear to the members of the House that the leadership that our Premier showed was not only courageous and at the right time, but the message got through loud and clear, and our American friends and trading partners are more than willing to continue doing business with Alberta. To that end, we talked about the role Alberta will have in the continental energy program that President Bush and Vice-President Cheney have talked about. I'm very, very pleased to respond that, most significantly, Alberta is front and foremost in that process, and we will continue to be a good friend and ally. That was the message we gave, and they heard it loud and clear.

Mr. Shariff: Can the minister tell us if those meetings were successful in strengthening Alberta's relationship with the U.S., and how does he measure it? [interjections]

Mr. Norris: Well, you know, I hear the members opposite talking about puffball questions. Quite frankly, I find it offensive that they don't even want to hear the answer, because guess who's driving the economy, Mr. Speaker? It's the businesses of Alberta. It's not these people right here. I can tell you that for darn sure. If you want to actually find out what's going on in the world, open your eyes and go take a trade mission with our biggest trading partner, who is extremely offended by comments of a personal nature, which you guys seem to do on a regular basis, attacking people rather than policies. I don't understand that. I still don't understand that. It's nonsense, absolute nonsense.

The bottom line, Mr. Speaker, is that there were personal attacks made by people in Canada on our biggest and best trading partner, the United States. So if you think it's a puffball when people are losing their jobs in Alberta, that's probably what you should go out and campaign on. We don't think that; we don't feel that way. Businesses are driving this economy. That was the message we wanted to get out, and they got it loud and clear. [interjections] You still rattle on. You still don't get it; do you?

The bottom line is that jobs are very vitally important to Albertans. The oil sands represent untold fortune, and we are going to get the Senate house committee on oil and energy supply as well as, hopefully, the Secretary of Energy to come tour the oil sands in the fall and see what's going on in Alberta, because it's sure not getting out from those guys.

The Speaker: The hon. Member for Edmonton-Glengarry, followed by the hon. Member for Lacombe-Stettler.

Private/Public Partnerships

Mr. Bonner: Thank you, Mr. Speaker. On page 17 of the 2003-2006 fiscal plan it says that alternative financing, P3s and privately borrowed money, will cost Albertans \$76 million in interest costs alone. It would be immensely foolish to spend all this money on interest payments when this province has endless surpluses and there will likely be a multibillion dollar sustainability fund. It would be cheaper just to spend the money we already have or borrow the money ourselves rather than pay the private corporation premium. To the Minister of Infrastructure: why is this government willing to spend \$76 million in interest costs for alternative financing when this province has plenty of money to finance these projects itself?

Mr. Lund: Mr. Speaker, I thought on Thursday, when our budget was before the House, that we went through this very thoroughly, but obviously the hon. member is very slow at picking up what exactly P3s are all about and what alternate financing might be about. I have explained to him on numerous occasions that the P3 concept is not just about the financing or getting capital to build a project. There are a whole host of other areas where we see an advantage, and so does the private sector see an advantage in doing partnerships and making sure that our projects are built in a timely fashion.

Mr. Bonner: To the same minister, Mr. Speaker: what proportion of the \$76 million in interest costs will be a premium paid to private corporations above what Albertans would have to pay if they borrowed the money themselves?

Mr. Lund: On and on it goes, Mr. Speaker. I'm not sure what angle to approach it from because, obviously, he hasn't picked up what we're talking about. There's not even a P3 coming forward. At this point we don't want to have one before us if we can demonstrate once again that, in fact, we're not paying a premium for the dollars. I've given the member many times in the House examples where we have the likes of Good Sam and Caritas and Bethany Care and others in P3 partnerships with us, or go down to Olds College and look at what Greenleaf has done. Look at what the John Deere corporation has done at Olds College, and the list goes on and on and on. We could cite so many examples. This is not about paying a premium for the dollars that are invested.

Mr. Bonner: Why is this minister willing to unnecessarily spend \$76 million in interest payments when that money could be used to purchase more than 14 new schools?

Mr. Lund: Mr. Speaker, I guess he must be figuring that if he says it often enough or reads it often enough, he's actually going to believe it. [interjection] Well, there is one good thing about having him in here: at least he's not telling students these kinds of economics, because it doesn't make any sense.

The Speaker: The hon. Member for Lacombe-Stettler, followed by the hon. Member for Edmonton-Mill Woods.

2:10

Video Lottery Terminals

Mrs. Gordon: Thank you, Mr. Speaker. My questions today are to the Minister of Gaming. I would like to talk about the constitutional challenge initiated by VLT retailers in 1997-98 in those municipalities that voted by plebiscite in favour of VLT removal. Seven municipalities – namely, the county of Lethbridge No. 26, the MD of Opportunity No. 17, the regional municipality of Wood Buffalo, the towns of Lacombe, Canmore, Coaldale, and Stony Plain – will

be affected by the outcome of today's court decision to dismiss the constitutional challenge of Bill 36, the Gaming and Liquor Amendment Act, and the lifting of the lengthy injunction. Mr. Minister, why has it taken four years for this government to take action and finally remove the VLTs from these municipalities?

The Speaker: The hon. minister.

Mr. Stevens: Thank you, Mr. Speaker. As the hon. member has rightly indicated, in '97-98 there were a number of votes throughout the province of Alberta where communities determined whether or not they wanted VLTs to continue within their communities. At that time, the government indicated that we would honour those votes. In '97 a number of the communities had votes that led to removal. In '98 there was a challenge of the legislation under which we were operating, which led to a court decision indicating that we would have to amend it. Amendment to the legislation was done in the spring of 1999, and the following day an application was made to the courts for an injunction pending a determination of the constitutionality of that legislation.

We have been pursuing this matter. In the intervening period there was a Supreme Court decision, which originated in the province of Manitoba, called the Siemens case, which was very similar to ours. Alberta Justice lawyers intervened in that. The Supreme Court ruled last fall verbally and gave written reasons this past January. The decision, therefore, was adjourned until the end of April in order that the court that would hear this matter would have the benefit of the Supreme Court decision. Because of the Supreme Court decision, Mr. Speaker, I'm reasonably satisfied that this matter was resolved quickly and finally today.

The Speaker: The hon. member.

Mrs. Gordon: Thank you, Mr. Speaker. Just for the sake of the retailers could the minister please answer: are there any further appeals possible, and when will the machines be removed from these municipalities?

Mr. Stevens: The decision today, Mr. Speaker, was based on a consent judgment. Specifically, it indicated that the actions against the government would be discontinued and the injunction that has prohibited the government from relying on its legislation to remove the VLTs from the seven communities would be lifted. Because it is a consent judgment, that brings the matter to a final conclusion as of today, and therefore within 48 hours from today the VLTs will be removed from all the locations in the seven communities which are affected.

Mrs. Gordon: Will the community groups, associations, and organizations that live and volunteer their time in these municipalities still be able to access lottery funds?

Mr. Stevens: The short answer to this question, Mr. Speaker, is yes. We have in the province a number of communities where there has never been gambling, where there has never been VLTs. In '97 we removed VLTs from a number of communities. In all those situations community groups in those affected areas have been able to make application for and receive grants if they wish, and we intend to maintain that policy going forward.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Peace River.

Legal Representation for Children in Care

Dr. Massey: Thank you, Mr. Speaker. Recently a judge in Calgary ruled that 439 children who were allegedly abused while in government care are entitled to legal representation. My question is to the Minister of Children's Services. Why did government lawyers argue that these children should not have legal representation?

Ms Evans: Well, Mr. Speaker, it would be very difficult to abbreviate some 32 pages of court findings and all the testimony and all the interaction in the court and give sufficient response here. Suffice it to say that we made representation, and we have considered the representation that was made and the judge's comments relative to jurisdiction, his instructions further to the parties. I'd be very pleased to sit with the hon. member and arrange for a thorough debriefing on it, but I will not fetter the judgment with a very quick response to it. You would be aware that in this House previously I have responded to the hon. member's question on the John Doe cases and indicated that where children need legal representation, we do provide it.

Dr. Massey: To the same minister, Mr. Speaker: why hasn't the minister provided the files of these children to their legal representatives so that a fair assessment of their plight can be made?

Ms Evans: Well, Mr. Speaker, clearly, the Crown has reviewed the files, and it would be less than responsible for us simply on the applicant's request to provide files that are confidential, files that belong to the children and families and guardians in question.

Mr. Speaker, perhaps the Minister of Justice would care to comment on the appropriate disposition of files in Children's Services when anybody makes an application and tries to render a judgment in opposition to the Crown.

The Speaker: Hon. Minister of Justice and Attorney General, from a sub judice point of view is this okay? Only you know if there is an ongoing court case here or not.

Mr. Hancock: Well, thank you, Mr. Speaker. I think we're talking about the policy of when it's appropriate to release information by the Minister of Children's Services. I think that if the situation were reversed and the Minister of Children's Services took it upon herself to release files of individual children to somebody who came along and purported to be an advocate on behalf of those children, the opposition would be screaming foul under the Freedom of Information and Protection of Privacy Act. I think it behooves the Minister of Children's Services to be completely circumspect with respect to how she handles children's information, information in files of the government, and to do so until such time as a court may determine whether there is somebody who is appropriate to be placed as a next friend or in any other way act on behalf of those children.

Dr. Massey: Well, if that's the case and given that neither the Public Trustee nor the Children's Advocate will legally represent children abused in government care, who will protect these children?

Ms Evans: Well, Mr. Speaker, currently we are protecting these children. The Crown is protecting these children, and the blanket statement that these children may not be protected is false. We clearly provide that protection. We provide legal representation. We provide review by the Children's Advocate, and we receive advice from the Children's Advocate if further consideration is needed. Earlier this year we indicated that we had a much faster

turnaround on abuse cases, immediate turnaround where those occur, and should the Children's Advocate determine that there was a necessity for representation, that would be brought forward, and from time to time that, in fact, has happened.

The Speaker: The hon. Member for Peace River, followed by the hon. Member for Edmonton-Gold Bar.

Health Regions' Funding Formula

Mr. Friedel: Thank you, Mr. Speaker. My questions are to the Minister of Health and Wellness. Members of the health region boards in my area have expressed some concern about the funding levels they're receiving for providing services in this coming year. While the overall provincial funding for health care seems adequate, it looks like there's a disproportionate amount of the funding going to metro regions and the rural regions are having to struggle for the funds for providing a proper level of service. Also, there's concern that the amalgamation of the rural boards doesn't seem to have helped the situation all that much. I wonder if the minister could tell us what the overall financial picture is regarding the delivery of health services in all the rural regions compared to the metro regions.

The Speaker: I'm going to accept that question, but I also caution the members as well. We have to be very brief on this, and tomorrow we have designated estimates of Health and Wellness.

2:20

Mr. Mar: Thank you, Mr. Speaker. I'll say right off the top that, in fact, the largest increase to a health authority was to a rural region, and that was region 9, centred around Fort McMurray, receiving an increase of 9.9 percent.

Mr. Speaker, a year ago in Budget 2002 we anticipated keeping overall health spending at a 4 percent increase, in line with projected increases in provincial revenues. In Budget 2003 we were pleased to announce an increase in health funding of 7.2 percent. That included \$248 million in federal transfers. The nine health regions received an average of a 6.1 percent increase, for a total base operating budget of \$3.868 billion. It is true that the regional health authority in Calgary received a slightly larger increase than the average, at 7 percent. The new Capital health region is at about the average, at 6 percent. No health region throughout the province received less than 4.2 percent.

There is recognition in our funding formula, Mr. Speaker, for population growth, so the faster your population is growing, obviously the larger the increase you'll get. Funding also recognizes the demographics of aboriginal Albertans, seniors, and women of childbearing age, who tend to use more health services. There is a funding adjustment for doing that. Finally, there's a funding adjustment for doing business in more remote areas. For example, again, the region surrounding Fort McMurray received the highest increase in the province, at 9.9 percent.

Mr. Friedel: To the same minister, Mr. Speaker: I wonder if he could tell us where we're at relative to the definition of a minimum level of ensured health services no matter where you live in the province.

Mr. Mar: Well, Mr. Speaker, on the legal side of it I can say that there is a standard that is established through regulations and legislation that would include the Hospitals Act, the Public Health Act, the Health Professions Act, and the Nursing Homes Act. Of course, the standard of quality for professional standards is established by the various health professional colleges.

With respect to the delivery of services, Mr. Speaker, it would be correct to say that there is not equal access but that there is equitable access to services throughout the province. An example of that would be that nobody would expect pediatric cardiac surgery to be done in a facility in Fort Macleod, but a mother who has a child who is in need of such surgery would certainly have equitable access to that service that is performed in the city of Edmonton.

Mr. Speaker, we are embarking on further refining our definition of what are the reasonable expectations of services regardless of where people live in the province. Primary health care initiatives are an important part of that, and as people know, the Health Link line will be up and running throughout the entire province by the summer of this year. We are also engaged in a process of a Rural Health Strategy Committee, that will have its work completed by May of this year, and we certainly look forward to the results of that in terms of better defining what are the reasonable expectations for health care regardless of where people live in Alberta.

The Speaker: The hon. member.

Mr. Friedel: Thank you, Mr. Speaker. Again to the same minister: when these changes are implemented, will the funding formula be adjusted to adequately cover any of the necessary changes?

Mr. Mar: Mr. Speaker, our population-based funding formula has been the subject matter of a number of different independent evaluations and most recently in 2001 by Ernst & Young. This review and the previous reviews have confirmed the integrity of our funding formula. The answer in short to the hon. member's question is no. The answer is not more health funding or reallocating what we have, but each region should allocate wisely to implement new models of delivery for delivering services in better ways.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Highlands.

Natural Gas Prices

Mr. MacDonald: Thank you, Mr. Speaker. Natural gas storage levels have dipped to historic lows, which means historic high natural gas prices for Albertans. Although ATCO Gas's proposed May rate is about \$5 a gigajoule – and that's more than double the seasonal average price of \$2 a gigajoule – the true shock of rising prices will hit consumers again when they receive their home heating bills next winter. Thanks to this government's flawed Natural Gas Price Protection Act Albertans will have to struggle through another winter of high heating bills before any help is perhaps available. My first question is to the Premier. Is it government policy that Albertans have to start saving now so they can afford to heat their homes next winter given that there is very little likelihood that there will be an election next year and that home heating bills will remain high as a result of that?

The Speaker: There's a lot of speculation here.

Mr. Klein: All speculation. Mr. Speaker, I heard the word "perhaps" even from the hon. member: perhaps next year; perhaps this might happen; perhaps that might happen. Perhaps that might happen: I mean, that is good political doublespeak, but it doesn't mean anything.

Mr. Speaker, I would remind the hon. member that there is to be a review of the regulations associated with the legislation at the end of June this year to determine whether the assessment period for

setting the rate is the right rate, whether the floor price is the right price, and all of that will be reviewed. I don't know when the hon. minister is planning on bringing in the recommendations, and I'll have him supplement my answer relative to that particular situation.

The Speaker: The hon. minister.

Mr. Smith: Well, thank you, Mr. Speaker. Indeed, the regulation will be under review in accordance with this government's timely and orderly regulation review process. It will be a vigorous review. It will be one that outlines previous experience. It will also be one that's mindful that it takes some two months from the time a royalty is assessed on a producing gas well to the time that the government actually collects that royalty on behalf of the province. It will also reflect the fact that royalties per gigajoule average in the 23 to 33 percent range. In fact, you know, if you had a \$12 per gigajoule price, the maximum amount of revenue the Crown would receive out of that would be as low as \$4. So it's one where the review is planned. It's orderly. The hon. member should also remember that last August the price of gas was \$1.84 per gigajoule.

Mr. MacDonald: Again, Mr. Speaker, to the Premier: why is this government waiting until June to conduct its review of this flawed trigger in the Natural Gas Price Protection Act given that Alberta consumers need protection now?

Mr. Klein: Mr. Speaker, I take very strong exception to the word "flawed." It was well thought out, and for this hon. member to use the word "flawed," what he is doing is he is insulting literally hundreds of professional public service employees who spent hours and hours within the Department of Energy, professional people — economists, lawyers, petroleum engineers — people whose profession depends on their knowledge of the situation. He has insulted them by saying that they have come up with a flawed formula for a process to provide rebates, and I'd ask him to stand up and apologize to those people for suggesting that they came up with a flawed process. It is not flawed, but those same professionals, not Liberals but professionals, will be reviewing the regulations to see if we can fine-tune it and make it more acceptable to the Alberta public.

Mr. MacDonald: I'm glad the Premier doesn't consider me a professional Liberal.

Now, again to the Premier: what plans has this government made to ensure that energy rebates will be available for Albertans next winter given that industry analysts expect the price of natural gas to average over \$6 a gigajoule for the 2003-2004 winter heating season?

Mr. Klein: Mr. Speaker, I'll defer to the hon. Minister of Energy.

Mr. Smith: Mr. Speaker, I don't know where the member has been the last two months, but let's take him back to Bill 19, that delivers clear choice to the marketplace, that allows Albertans ways of determining how they want to purchase their natural gas, how they want to combine that with the purchase of their electricity. Let's take the hon. member back to when ATCO announced, when the prices started to move in January, that they would put an equalization payment together so that Albertans could pay on a 12-month basis. The budget program had been around long before this member decided to find the green pastures of Alberta from his previous home province of Prince Edward Island.

2:30

Mr. Speaker, it's very clear. Albertans will look at a commodity. They know that this commodity provides tremendous benefits on a

North American basis, it provides tremendous benefits to Albertans, and in fact they are well served by the processes that are in place, and we have a protection act that is under review for this summer.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-Currie.

Calgary Health Region Review

Mr. Mason: Thank you very much, Mr. Speaker. Justice Manfred Delong's inquiry into the death of Vince Motta included a recommendation that the province should hold a judicial inquiry into the state of the Calgary health authority and into Mr. Motta's death. Last week I asked the Minister of Justice if he would use his prerogative to accept that recommendation and hold a judicial inquiry. My question is to the Minister of Justice. Will the Minister of Justice use his prerogative under the legislation that empowers him to call a judicial inquiry and accept the recommendation of the justice in this case and call a judicial inquiry into Vince Motta's death?

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Well, thank you, Mr. Speaker. Judge Delong in his recommendation in the report on the fatality inquiry actually indicated that a judicial inquiry could be called if it was found that steps had not been taken to improve the situation — I don't have the exact language in front of me right now — but it wasn't a definitive recommendation that there be a judicial inquiry held. It was a recommendation that an inquiry be held if certain things hadn't happened. That's what the hon. minister of health over the last week and a half has been explaining in great detail in this House in answers in question period about what actually has happened, what is happening, and what's going to be happening. So I think it would be premature to take any steps with respect to a judicial inquiry.

I would however want to indicate to the member that it's not the prerogative of the Minister of Justice to call an inquiry under the Public Inquiries Act but rather the prerogative of Executive Council on the recommendation of any minister or the Crown. The act happens to fall within the purview of the Ministry of Justice, but it would be imprudent of the Minister of Justice just to step forward and call public inquiries at any time. The response that the minister of health has given in this House time after time after time in answer to questions on this matter is that we're thoroughly and carefully looking at everything that's happened with respect to emergency services in Calgary relative to that matter and, I think, fulfilling entirely the recommendation that was given by Judge Delong in this case.

The Speaker: The hon. member.

Mr. Mason: Thank you, Mr. Speaker. Why has the Minister of Justice decided that a corporate lawyer hired by the same Calgary health region that was so severely criticized by Judge Delong will be able to provide findings that address the deep-seated public mistrust of this problem-plagued organization?

Mr. Hancock: Well, the fact of the matter is that the Minister of Justice didn't decide that. It's not in his purview to decide that. I don't think anybody decided that, but the minister of health last week gave a perfectly good and lengthy response to what the Calgary health authority is doing and how they're reviewing their situation.

Mr. Mason: Mr. Speaker, why is the Minister of Justice failing to act to protect Calgarians and find answers for the Motta family when

he knows that asking the CHR to investigate itself is akin to asking the fox to investigate what happened to all the chickens?

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Well, thank you, Mr. Speaker. I think that question itself is insulting to the people of Calgary and the people who are operating the Calgary regional health authority as well as to all the individuals involved. The fatality review process is a very substantive process, a very carefully thought out process. It starts with the role of the medical examiner in this province, who looks at any death situation to determine whether further investigation is warranted. If further investigation is warranted, it goes to the Fatality Review Board. The Fatality Review Board then turns and makes a recommendation to the minister as to whether an inquiry should be called. In this case an inquiry was called. The inquiry has gone through all the evidence, has called the witnesses, has dealt with all the issues, and a report has come out. Now, within five days of the report coming out, these people want us to call a public inquiry and redo that whole process. The minister of health has answered at length and completely.

head: **Recognitions**

Order of the Sisters of St. Louis

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I rise today with some good news and some very sad news. The good news is that next month the Order of the Sisters of St. Louis will be celebrating their 200th anniversary. The order was founded those many years ago in the wake of the French revolution in order to provide charity and assistance to the vulnerable and the needy, particularly young single mothers.

Since then the order has grown around the world where the good nuns these past 200 years have provided their humble, selfless but immeasurably helpful, and badly needed services to tens of thousands of the world's people.

The loss in Calgary a week ago of Sister Norma Basso, Sister Theresa Tetrault, Sister Joan Flaherty, and Sister Rita Proulx has been a very hard experience for all in the order, the diocese, and the larger community across southern Alberta, particularly for those who have been helped over the past many decades by the sisters in their good work at Elizabeth House in Calgary. Our deepest condolences to the order, to their many, many friends and loved ones and our prayers for a speedy recovery to Sister Helen Hengel.

The Speaker: The hon. Member for St. Albert.

World Irish Dance Championships

Mrs. O'Neill: Thank you, Mr. Speaker. I rise today to recognize the Irish dancers from Alberta who returned recently from Killarney after competing in the world's Irish dancing championships. Rebecca Bell, a 12 year old who dances with Mattierin School of Irish Dancing in Edmonton, won a world medal.

To demonstrate the high quality of the performers and the calibre of the international competition, I would note that there were only two other world medals won in Canada, and they went to Toronto. The Mattierin School of Irish Dancing won a recall medal in the 13 to 16 years age group in the ceilidh competition. These dancers were the only Canadians to achieve this honour, and I would say congratulations to all of the competitors.

The Speaker: The hon. Member for Grande Prairie-Wapiti.

National Volunteer Week

Mr. Graydon: Thank you, Mr. Speaker. The volunteer sector is extremely important to our society. This week we pay tribute to that sector through National Volunteer Week, and we salute the valuable and significant contribution of our volunteers. On behalf of my colleague the Minister of Community Development, who is responsible for the Wild Rose Foundation and for Alberta's volunteer sector, I ask all Albertans to support April 27 to May 3 as volunteer week in Alberta.

Across our province events and activities will recognize and thank our volunteers. The Wild Rose Foundation in collaboration with Volunteer Alberta helps facilitate volunteer week. This week a record number 148 Alberta communities representing more than 2 million Albertans is participating. Volunteers contribute over \$1 billion annually to Alberta's economy and over \$14 billion nationally. Through the Wild Rose Foundation, which receives support from the Alberta lottery fund, our government proudly assists many volunteer-driven activities.

Please join me in thanking our Alberta volunteers. Thank you.

The Speaker: The hon. Member for Edmonton-Rutherford.

Alberta's High Schools

Mr. McClelland: Thank you, Mr. Speaker. I rise today to recognize the Fraser Institute's recent report on Alberta's high schools. To no one's surprise Edmonton's Old Scona academic high came out on top again. Congratulations to students, teachers, and the Edmonton public school board, who had the foresight to create the learning opportunity that exists there at Old Strathcona. That that particular school came out on top of a survey of academic achievement is not news. Had it not come out on top, now, that would have been news.

Alberta and Edmonton particularly have many excellent schools and teachers who help create excellent citizens. Today I want to especially recognize those teachers and their schools that achieve excellence who did not start out with the cream of the academic crop, schools and teachers that start out with those of us in the middle of the pack and inspire us to be more than we thought we could be or would be. Is that also not a demonstration of excellence? High schools serve a diverse cultural and academic mainstream as well as small tributaries of special interest and need. Yes, we recognize the excellence of Old Scona and also of Strathcona, of Harry Ainlay, Louis St. Laurent, and Victoria.

The Speaker: The hon. Member for Edmonton-Mill Woods.

2:40

School Parent Volunteers

Dr. Massey: Thank you, Mr. Speaker. This National Volunteer Week I wish to recognize the work of a special group of helpers, school parent volunteers. Where do you find them? You'll find them in classrooms listening to children, in hallways helping students put up displays, in workrooms copying materials, and in lunchrooms keeping order. You'll find them sitting on school councils struggling with school budgets, organizing school events from read-ins to spring concerts, and tracking down guest speakers. You'll find the more courageous among them setting up Internet networks to advocate for our public schools, at public forums appealing for more resources, and in all kinds of community meetings advancing the needs of students and youth in our schools. You'll find them at bake sales, bingos, and casinos raising dollars for

library books, computers, and, yes, even for textbooks and copying paper.

These parents deserve our heartfelt thanks and our protection. They must be protected from being pushed into doing tasks for which they are ill prepared, and they must be protected so that we no longer hear them describe themselves as burnt out, volunteer dropouts, or fund-raising fatigued.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Rosemary Brown

Mr. MacDonald: Thank you, Mr. Speaker. Today I rise to celebrate the life of Rosemary Brown, the first woman from Jamaica to be elected to political office in Canada. Miss Brown passed away in Vancouver of an apparent heart attack at the age of 72.

As a British Columbia MLA from 1972 till 1986 Rosemary Brown fought for human rights and equality as well as social justice. She created a committee to eliminate sexism in textbooks and educational curriculums as well as helping to introduce legislation prohibiting discrimination based on sex or marital status. The mother of three's efforts led to an increase in the number of women represented on boards, commissions, and directorates. Her determination and hard work has inspired many Canadians, and this country is better for having been served by Rosemary Brown.

Thank you.

The Speaker: The hon. Member for Wetaskiwin-Camrose.

Camrose Kodiaks

Mr. Johnson: Thank you, Mr. Speaker. It's my pleasure to rise today to recognize the Camrose junior A hockey Kodiaks, who won the Alberta/B.C. Doyle Cup on Saturday after a 5 to 4 overtime win over the B.C. champions, the Vernon Vipers. This is the second time in three years that the Kodiaks have won the Doyle Cup, and it will also be the second time in three years that the Kodiaks will be fighting for the Royal Bank Cup, the national championship.

From May 3 to May 11 the Kodiaks will travel to Charlottetown to represent Alberta and B.C., and if the Doyle Cup playoffs are any indication, the Kodiaks should be extremely tough to beat. They won the Canadian championship in their last attempt, in 2001.

I'd like to take this opportunity to congratulate all the players, coaches, managers, and everyone involved in the organization on the success of the Kodiaks. As well, I wish the Kodiaks continued success in their upcoming national championship bid, and I know that all of Alberta will be cheering them on.

Thank you.

head: **Presenting Petitions**

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I'm pleased to rise and present a petition signed by 299 Calgarians requesting that the government "withdraw the draft management plan for the Evan-Thomas Provincial Recreation Area and . . . disallow any further commercial or residential development of the Kananaskis Valley."

Thank you, Mr. Speaker.

head: **Notices of Motions**

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes, Mr. Speaker. Earlier today I corresponded with your office by letter, and this is in regard to a question of privilege I would like to raise later this afternoon.

Thank you.

head: **Introduction of Bills**

The Speaker: The hon. Member for Clover Bar-Fort Saskatchewan.

Bill 38

Workers' Compensation Amendment Act, 2003

Mr. Lougheed: Thank you, Mr. Speaker. I request leave to introduce Bill 38, the Workers' Compensation Amendment Act, 2003.

Mr. Speaker, this bill seeks to ensure that dependent children of deceased workers will receive WCB pension benefits. Bill 38 applies specifically to cases where a deceased worker's dependent children do not live with the worker's surviving spouse or adult interdependent partner.

Thank you.

[Motion carried; Bill 38 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd like to move that Bill 38 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you, Mr. Speaker. I rise to table the appropriate number of copies of the TD Bank Financial Group report, Calgary-Edmonton Corridor: Take Action. It's certainly a great news story about Alberta. According to the information, the Calgary/Edmonton corridor has become Canada's western tiger. The report says, and I quote . . .

The Speaker: Just table it. It's not a government document. It's somebody else's paper.

The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I rise to table the requisite number of copies of a report about a new technology called thermal depolymerization, which is proving capable of turning the 600 million tonnes of turkey guts and other waste produced each year into 4 billion barrels of Texas light crude oil at a cost of \$8 to \$12 a barrel. It's called Anything into Oil.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Calgary-Buffer.

Mr. Cenaiko: Thank you, Mr. Speaker. I'd like to table the required number of copies of letters sent from 51 Edmontonians supporting Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003.

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. I'd like to table the appropriate number of copies of a news release which I'm releasing today congratulating our many parks volunteers who were honoured at the annual volunteer conference held in William A. Switzer provincial park. There are numerous outstanding individuals and organizations including the Wagner Natural Area Society from Spruce Grove, district conservation officer Glenn Naylor of Kananaskis Country, Riverlot 56 Natural Area Society, the J.J. Collett Foundation of Ponoka/Lacombe, Margot Hervieux of Grande Prairie, Gladys Pennock of Elnora, Casey Bizon of Boyle, Mike and Jean Kliparchuk of Edmonton, and Roy and Edith Middleton of Plamondon along with Scotty and Murri Spence of Innisfail.

Thank you very much to our volunteers.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm tabling the appropriate number of copies of a brochure, The Edmonton May Week Festival. This multidisciplinary festival brings together labour movement and arts communities to celebrate and affirm their contributions to society. The brochure highlights various . . .

The Speaker: Hon. member, again, it's not a government document, so table it.

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. I would like to table correspondence dated between April 16 and April 25 from this hon. member to the office of the Speaker of the Legislative Assembly in regard to the question of privilege that will be dealt with later on this afternoon.

Thank you.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I'm tabling the appropriate number of copies of tests at the Foothills medical centre for toxic molds.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar on a Standing Order 15 petition?

Mr. MacDonald: I have no petition.

The Speaker: You do under Standing Order 15(2). You sent me a letter and basically said that you wanted to make a petition with respect to a point of privilege; correct?

Mr. MacDonald: Yes.

Speaker's Ruling Imputing Motives Allegations against Members

The Speaker: The chair is going to make just one brief comment before he recognizes the hon. member. Before the hon. member commences with his purported question of privilege, the chair wants to caution the member and all members who wish to participate in this debate about imputing false or unavowed motives to another member or making allegations against another member. This is prohibited under Standing Orders 23(h) and (i), and in short the chair will not tolerate any allegations impugning the reputation or motives of a member. On this subject the chair would refer members

to the section in chapter 3 of Marleau and Montpetit's *House of Commons Procedure and Practice* found on pages 83 to 95 of that work.

2:50

Hon. members, it is important to remember that only the Assembly itself can place limits on what is said in here. One of the great freedoms we enjoy as legislators in the British parliamentary system is to be free from lawsuits for what is said in this Assembly. This means that it is the traditional and accepted role of the chair to enforce the rules and practices concerning allegations against other members as there is no other recourse.

The hon. Member for Edmonton-Gold Bar.

Privilege Contempt of the Assembly

Mr. MacDonald: Thank you, Mr. Speaker. It is with great disappointment that I rise today at the earliest possible opportunity and after providing you the appropriate written notice in accordance with Standing Order 15 on a question of privilege regarding certain repugnant materials that have been circulating in the parliamentary precincts and which have been in the possession of a certain member of the government caucus while that member was present in the House. I am raising this point of privilege and hope that you will find that there is a *prima facie* case of privilege.

I will first briefly outline the events that gave rise to this question of privilege. I will then turn to relevant legislation passed by this Assembly. Finally, I will refer to the definition of contempt, followed by recent precedents established by the House of Commons, and conclude with a reference to the Criminal Code of Canada. Members who wish to review the material I'm referring to can review the correspondence between Mr. Speaker and me which I tabled earlier today. I felt shame tabling this document, photocopied at the taxpayers' expense, knowing that it would be circulated further. It was, however, I decided, the right thing to do.

Mr. Speaker, you will recall that I wrote to you on April 16, 2003. In that letter I informed you that I found a photocopied document by the photocopy machine by the west corridor leading to this Chamber. I consider the document, *How True Canadians Really Feel*, to be hate literature. Hate literature has no place in this Legislative Assembly let alone the province.

In a letter dated the same day you informed me that "this is indeed a very disturbing matter and this document is certainly inappropriate material to be in the Legislature Building, grounds or Annex." You also informed me that the Sergeant-at-Arms was currently conducting an investigation into the matter. I met with the Sergeant-at-Arms on April 17, 2003, to discuss the matter. I looked forward to receiving and I have received the Sergeant-at-Arms' findings.

Mr. Speaker, please let me remind all hon. members that in 1980 this Assembly spoke out forcefully against hate in moving words contained in the Human Rights, Citizenship and Multiculturalism Act, words that still stand true today. The preamble to the act reads as follows:

Whereas recognition of the inherent dignity and the equal and inalienable rights of all persons is the foundation of freedom, justice and peace in the world;

Whereas it is recognized in Alberta as a fundamental principle and as a matter of public policy that all persons are equal in: dignity, rights and responsibilities without regard to race, religious beliefs, colour, gender, physical disability, mental disability, age, ancestry, place of origin, marital status, source of income or family status;

Whereas multiculturalism describes the diverse racial and cultural composition of Alberta society and its importance is

recognized in Alberta as a fundamental principle and a matter of public policy;

Whereas it is recognized in Alberta as a fundamental principle and as a matter of public policy that all Albertans should share in an awareness and appreciation of the diverse racial and cultural composition of society and that the richness of life in Alberta is enhanced by sharing that diversity; and

Whereas it is fitting that these principles be affirmed by the Legislature of Alberta in an enactment whereby those equality rights and that diversity may be protected.

Furthermore, Mr. Speaker, we in this Assembly have not been afraid to speak against tyranny. In the preamble to the Holocaust Memorial Day and Genocide Remembrance Act, passed in 2002, this Assembly spoke out against those who persecuted and murdered millions of people "because of their race, religion, level of physical or mental ability or sexual orientation."

Mr. Speaker, the question of privilege that I rise on today is regarding the aforementioned article, *How True Canadians Really Feel*, being in the possession of a member in this Chamber. As I informed you in the letter dated April 25, 2003, I regret that two of my colleagues, the members for Edmonton-Riverview and Edmonton-Glengarry, and I witnessed this inappropriate material in the possession of the Member for Edmonton-Glenora while in the Chamber at 5:08 p.m. on Thursday, April 24, 2003. In accordance with a request from the Sergeant-at-Arms that I continue to keep him informed about related incidents, I wrote to you about this very incident in a letter dated April 25, 2003.

Mr. Speaker, I believe that this material amounts to a contempt of parliament, which, as you know, is

any action which, though not a breach of a specific privilege, tends to obstruct or impede the House in the performance of its functions; obstructs or impedes any Member or Officer of the House in the discharge of their duties; or is an offence against the authority or dignity of the House, such as disobedience of its legitimate commands or libels upon itself, its Members, or its Officers.

Furthermore, *Erskine May* defines contempt as being any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his [or her] duty, or which has a tendency, directly or indirectly, to produce such results.

Mr. Speaker, I also note that the House of Commons unequivocally denounced hate propaganda on November 25, 2002, after a question of privilege was raised. Speaker Peter Milliken of the House of Commons placed serious sanctions on Jim Pankiw, the Member for Saskatoon-Humboldt, who had uttered hateful statements. I would also add that the Criminal Code of Canada in sections 318, 319, and 320 clearly outlaws hate propaganda be it spoken or written.

The most fundamental parliamentary privilege we have as Members of the Legislative Assembly is the right of free expression and free speech. However, I think that we must also recognize that even the most fundamental privilege is confined by the limits imposed upon us by reasonableness and decency. It is most inappropriate for hate propaganda to be floating around in this Assembly and in the parliamentary precincts, and it is most inappropriate for a member of this Assembly to have possession of the same. Freedom of expression and speech does not give members the right to be hateful. Mr. Speaker, my point is this: if we abuse our freedom of expression and speech, we risk the erosion of our parliamentary privileges because Albertans will view members of this Assembly with suspicion, and rightly so.

Mr. Speaker, I have spent considerable time this weekend contemplating this question of privilege. After much reflection and

deliberation I cannot imagine any valid justification for the presence of such an extremely racist, sexist, vile document within the guarded confines of this Assembly. I could not legitimately stand here today and call myself a member of this Assembly if I did not raise this question of privilege to deal with the possession of this document by a member of this Assembly in this very Chamber. It is the most difficult thing I have done in the years that I've been here.

I would expect, Mr. Speaker, that you will allow the member that I have named an opportunity to provide justification for his possession of the document. The member has always been, inside and outside this House, a compliment to this Assembly and this province. He has been gracious and has dealt with this member with dignity on occasions that I have had to meet with him. However, at the same time, on the eve of Yom ha-Shoah, the day of the Holocaust, I am certain that you will agree with me that this is a matter of the utmost serious nature and that steps will be taken by the Assembly and each individual member to prevent such hate literature from gaining a foothold in this Assembly ever again.

At this time, the earliest opportunity afforded to me, I have briefly set out the facts as well as the relevant quotes from parliamentary authorities that show that there is a *prima facie* case with respect to this most serious matter. Page 227 of *Maingot* states that the Speaker asks simply, "Has the Member an arguable point?" If the Speaker feels any doubt on the question, he should leave it to the House by finding that there is indeed such a case.

Mr. Speaker, I am prepared to move the appropriate motion if you find this to be a *prima facie* question of privilege. Thank you and all hon. members of this Assembly.

3:00

The Speaker: Hon. Member for Edmonton-Gold Bar, just on a point of clarification: the member that you named in your statement was the Member for Edmonton-Glenora?

Mr. MacDonald: That is correct.

The Speaker: To assist the chair should this matter have to be reviewed further, was any discussion held with the Member for Edmonton-Glenora prior to your statement in the House today?

Mr. MacDonald: No. There was no discussion with the hon. Member for Edmonton-Glenora.

The Speaker: Okay. So, then, hon. Member for Edmonton-Glenora, this is the first you've heard of this?

Mr. Hutton: Yes.

Mr. MacDonald: However, Mr. Speaker, to clarify, please, I did send the hon. member a note in regard to this matter at 25 after 2 today.

Mr. Hutton: Mr. Speaker, I did receive a note from the hon. member saying that he had provided you with a written submission. I asked the hon. member what it was about, and he would not provide me with that information. So until he stood up and spoke right now, I did not know what the matter was about.

The Speaker: The hon. Minister of Justice and Attorney General on the matter.

Mr. Hancock: Well, Mr. Speaker, precisely on the matter you've raised, this member raising the purported point of privilege this

afternoon has obviously given a considerable amount of thought to it, including preparing a written text, but hasn't had the courtesy of following rule 15(2), which suggests: "written notice containing a brief statement of the question to the Speaker and, if practicable, to any person whose conduct may be called into question." This is a most grievous assault on the character of a member of the House without any notice.

The purported notice that I see says: I've given written notice for a question of privilege after question period today; this concerns the conduct of the Assembly around 5 p.m. on Thursday, April 24; you are involved in this matter. Absolutely no notice of the allegation that was to be made. It's totally inappropriate to handle the matter in this fashion and to expect any member of this House to be able to respond to that type of an allegation without having any advance notice that the allegation was being brought up, what the content of it was, or what the purported question of privilege was.

The hon. member has tabled now a copy of the very document that he complains about, so it's now on the official record of the Assembly. He had actually provided to me a copy of a letter some time ago raising a concern about finding the document in the photocopy machine, I believe. It is a terrible document, not a document that I would want to have around, but I can say to the hon. member and members of this House that in my mail almost daily I get vile documents. They get sent to us. I bring mail into the House to read. So there can be any one of a number of explanations that a person might give, but one cannot even be expected to appropriately respond to those types of allegations without having had the courtesy of being given advance notice of what was going to be raised and what was going to be complained about.

This note is not advance notice. It does nothing to allow the member to know what action is being complained about. It would be in my view inappropriate to call upon the member to defend himself in these circumstances. In fact, Mr. Speaker, there has been really no allegation at all against the member other than the fact that he had in his possession a piece of paper which has got vile content.

I can assure members of this House that I have had in my possession – and in fact I do now courtesy of the hon. member having tabled it today – a piece of paper with vile material on it. I bring my mail folders into the House without any knowledge of what's in them before I read them, so there's vile stuff sometimes in that. The type of mail that the Minister of Justice gets and, I assume, some other ministers in this House get can have all types of content, so one should not be raising into question the conduct of a member just because they've seen him or her having possession of a document, and if they're going to, they should give the courtesy of advance notice.

The Speaker: Hon. Minister of Justice and Attorney General, to interrupt you for just a moment, there's one point here that has to be made very clear on this, and that is that under section 15(2) it says:

A member wishing to raise a question of privilege shall give written notice containing a brief statement of the question to the Speaker . . .

That was done. That was done by 11 o'clock this morning.

. . . and, if practicable, to any person whose conduct may be called into question.

What is not contained in the statement, however, is who the individual might be. So when the chair received this letter just a few minutes after 11 o'clock this morning, the chair, the Speaker, had no knowledge of which member might be being talked about. Until the hon. Member for Edmonton-Gold Bar rose a few minutes ago, I was unclear as to who it would be. So in fairness, absolutely and totally in fairness, I would not expect the Member for Edmonton-Glenora to be in a position to be able to respond today.

So the interruption, hon. minister, is that should this matter now be held over till tomorrow, the argument in terms of a response need not be given today, if that's where the Minister of Justice and Attorney General was going. On the other hand, if the hon. Member for Edmonton-Glenora would like to make some comments, that's a choice in consultation between the hon. member and the Government House Leader, if the hon. member chooses to do that. It's the hon. member's choice.

Mr. Hutton: Mr. Speaker, with regard to this matter I was in possession of a document, and I, too, found it repugnant and offensive. The fact, as the hon. Government House Leader stated, is that we receive many pieces of material, articles, and papers within this House. What I did with that document was throw it in the trash. A point of privilege against my good name I take very, very seriously, as anyone should in this House, and I would ask that the hon. member retract that. The fact that I'm in possession of a document does not mean that I am doing anything or that my assessment of that document has anything to do with my character in this House. I would ask that the member kindly retract his statement.

Thank you, Mr. Speaker.

The Speaker: Hon. members, it probably would be most prudent if one dealt with one of these matters first and, depending on the resolution of the first matter, see if in fact there is a second matter.

The chair again will refer to Standing Order 23: "makes allegations against another member; . . . imputes false or unavowed motives to another member." It may be most prudent to just wait until tomorrow to give the hon. Member for Edmonton-Glenora an opportunity to reflect and the hon. Member for Edmonton-Gold Bar to think as well.

The hon. Member for Airdrie-Rocky View on this point.

Ms Haley: On this narrow point, Mr. Speaker.

The Speaker: What's the narrow point, member?

Ms Haley: Well, you are suggesting that they wait until tomorrow, and I wanted to raise my concern about leaving this out overnight for the media to take exception to and accuse my colleague of having some kind of reprehensible document in his possession. I think this is awful. I'm horrified by what I'm hearing in here. To not conclude this today I think is a miscarriage of justice against my colleague, and I want his name cleared.

The Speaker: Hon. member, we're not having a debate with the chair. The chair gave the hon. member the option to do what he wants to do. It is up to the hon. member to make that choice of what he wants to do. Now, if the hon. Member for Edmonton-Glenora would like to proceed today, the chair will hear it. This Assembly will hear it. That is the choice of the hon. member, but we'll deal with the point raised by the hon. Member for Edmonton-Gold Bar.

Mr. Hutton: Well, again, Mr. Speaker, I want my name cleared. I did have in my possession said document. I looked at it, and I put it in the trash. I don't see how that is a point of privilege. We receive many, many things in our mail and that are handed to us on a regular basis that we find offensive. In particular, I come from a home where three-quarters of my family are Jewish, and to raise it the day before the Holocaust memorial is totally offensive to me, and that is why I would like my name cleared today.

Thank you, Mr. Speaker.

3:10

The Speaker: I take it, then, hon. Member for Edmonton-Glenora, that it's now we're going to deal with this matter.

Mr. Hutton: Yes.

The Speaker: Okay. The chair will recognize other participants. The hon. Member for Calgary-McCall.

Mr. Shariff: Thank you, Mr. Speaker. I rarely rise to speak on such matters in the Assembly, but I feel very compelled to stand and speak to this point of privilege. On Thursday at 5:08 the Assembly was in committee, and this member was sitting as the chair of the committee. Therefore, I feel very compelled to rise and speak to this matter.

As you know, Mr. Speaker, in *Beauchesne* 27 it states that "a genuine question of privilege is a most serious matter and should be taken seriously by the House." This is a very serious matter. While I was seated in this Assembly, there was no commotion that I noticed at that point in time. There was no observance reported to me of any inappropriate behaviour or action in that quadrant of this Assembly.

Mr. Speaker, anybody can have in their possession a piece of paper that is offensive. But let me quote once again, from *Beauchesne* 69. This is a ruling made by the Speaker.

The Speaker has reminded the House, "It is very important . . . to indicate that something can be inflammatory, can be disagreeable, can even be offensive, but it may not be a question of privilege unless the comment actually impinges upon the ability of Members of Parliament to do their job properly."

That, in my opinion, didn't happen.

This colleague of mine is an honourable man, and today his reputation is being tarnished by innuendos. I as a member of this Assembly will not tolerate this, and I will join him in saying that the Member for Edmonton-Gold Bar had better withdraw those remarks and deal with this issue today.

The Speaker: We are on a point of privilege as raised by the Member for Edmonton-Gold Bar. We will deal with that matter.

Who else wants to participate on this matter with quotations from citations? The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. Yes, I'm also quoting from our *Standing Orders of the Legislative Assembly of Alberta*, 23(h), (i), and (j). They talk about:

- (h) makes allegations against another member;
- (i) imputes false or unavowed motives to another member; [and]
- (j) uses abusive or insulting language of a nature likely to create disorder.

Mr. Speaker, the hon. Member for Edmonton-Glenora and I happen to be what we call Legislature buddies. We share the same legislative assistant, and I have been working side by side with this hon. member for two years and have never heard a single derogatory comment. I've never seen any ill literature.

The Speaker: Hon. member, character testimonials are not required here at this point.

Rev. Abbott: This is an attack on his character.

The Speaker: No. Character testimonials are not required on this point. Do you have something to add?

The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Speaker. In reference to Standing Order 23(h), "makes allegations against another member," I'm having a bit of a difficulty with the allegation, which basically states that the member has offended either this Chamber or members of this Chamber and has rendered their work impossible or difficult in this Chamber with some of the materials in question. The matter that I would like to bring to you – and I think it's the principal question of this matter – is: has the Member for Edmonton-Glenora been the originator of this particular document in question, or has he been a recipient of this document?

Mr. Speaker, you have given us the privilege in this Chamber of having laptop computers, which we can use in this Chamber at certain times during the proceedings, and I must advise you that because of this technology, which indeed was a positive move – they are very helpful to us as MLAs in serving our constituents – there is an aspect which the Speaker perhaps may not have anticipated and that I'm certain no member of this Assembly wants to partake in, and that pertains to spam e-mail.

Mr. Speaker, I must advise you that daily I receive on my Legislature-issued computer through my Legislature-issued e-mail address materials which I find to be offensive and that probably all members of this House would find offensive. Now, does having those materials in this Chamber before me displayed on a screen put me in a position of being in possession of materials which are discriminatory or perhaps offensive, or does it not? I would suggest to you that by being in receipt of those materials and having no active role in producing or generating those materials, I would not be considered to be a guilty party in any way. One cannot predict what one will receive until one opens it and one then is in possession. So there is the issue of, I would suggest, *mens rea*. Was there any intent for this individual to produce those materials and pass them on? I have not received any of those materials from this member, and as far as I know, he hasn't circulated those materials throughout the House. Therefore, if he was only a recipient of those materials, no allegations can be made against him in this House.

Thank you.

The Speaker: Hon. Member for Edmonton-Glengarry, a citation, please.

Mr. Bonner: Thank you, Mr. Speaker. By way of clarification, in the Assembly on Thursday afternoon the hon. Member for Edmonton-Gold Bar had returned to the Assembly, and at that point, when passing by the seat of the Member for Calgary-Bow, where the Member for Edmonton-Glenora at that particular point in committee was sitting, he did notice that the member was in possession of the article *How True Canadians Really Feel*. Upon returning to his seat here, the Member for Edmonton-Gold Bar had asked me if I would check to make certain that he did see the correct title on this piece of information, particularly as he had brought this point to the attention of yourself at a previous time. At that time I did go. I did notice that indeed that was what was in possession of the Member for Edmonton-Glenora.

When the Member for Edmonton-Gold Bar was done in his part of the debate, he also had asked the Member for Edmonton-Riverview to check to see if in fact the Member for Edmonton-Glenora did have *How True Canadians Really Feel* in his possession. The Member for Edmonton-Riverview did go and did confirm that, yes, that was in fact what he was reading. So by way of clarification, that is what the three members from the Official Opposition saw at that particular time.

Thank you.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. The question before you right now is whether there's been a prima facie case of privilege made out, and with respect there has been no such thing. All that has been suggested by both the members of the opposition and certainly by the member that raised the point of privilege is that a particular document was seen in the possession of the member against whom he's made the allegation. I would suggest that there is no information or evidence before the House as to how the document got in the member's possession, what he was doing with the document, whether he was circulating the document, whether he was doing anything with it, or if in fact simple possession of the document or doing any of those other things abridges the privileges of members of the House.

What does abridge the privileges of the members of the House is in section 64 of *Beauchesne*; that is, Reflections on Members. "The House has occasionally taken notice of attacks on individual Members." I won't go through the detail of it because it's an old citation, but reflection on the character of a member – now, that is a breach of the privileges of this House. The allegation that's been made by the Member for Edmonton-Gold Bar against the Member for Edmonton-Glenora violates all the rules of this House, as far as I'm concerned, but brings absolutely no prima facie case of privilege because it does not deal with the question of how the document came into the House, what was being done with it, what the motives or intentions were. Every member, as the Member for Edmonton-Castle Downs mentioned – and I have to agree with him – received vile and offensive things on their computer virtually every day until at the end of March legislative services put a screen on which cuts down most of it but not all of it. We bring in file folders with mail from constituents and mail from people who want to send us things, sometimes anonymously, and you read it, and you have it in your possession.

3:20

To make out a prima facie case of breach of privilege, one has to go far beyond what the hon. Member for Edmonton-Gold Bar has done in terms of alleging that somebody brought an offensive piece of paper into the House or had an offensive piece of paper in their hands in the House. All of us can agree that the paper itself is obnoxious, vile, and no right-thinking person would agree with its contents. That is something far different than impugning the character of a member in the manner which has been raised this afternoon without even the courtesy of a notice to the member. Mr. Speaker, I would ask you to rule that there's no prima facie case of privilege such as brought by the Member for Edmonton-Gold Bar and ask us to move on with a question of privilege against the Member for Edmonton-Gold Bar.

The Speaker: The hon. Member for Edmonton-Riverview with citation.

Dr. Taft: It's a clarification of the facts.

The Speaker: No. You're participating now on a very important point of privilege. Do you wish to participate?

Dr. Taft: I wish to participate.

The Speaker: You have a citation to participate on this point of privilege?

Dr. Taft: *Beauchesne* 67. It's a question of: "It is always the responsibility of the House to decide if reflections on Members are

sufficiently serious to justify action." So the point becomes then: what action did the member take? I rise with real angst because there are huge issues of all kinds here ranging from freedom of speech to the vileness of the document to the honour of the member. But for point of clarification what the three of us clearly saw was the Member for Edmonton-Glenora sharing this document with the Member for Spruce Grove-Sturgeon-St. Albert, and at that point – and goodness knows, as much as anybody here I hope that there's an innocent explanation – it appeared to us that there was in fact the circulation of this document among the members of the Assembly, and as a result of that there was a breach of privilege.

Thank you. [interjection]

The Speaker: Hon. Member for Edmonton-Rutherford, please.

Now, look; this thing is getting a permutation here. We've heard the hon. Member for Calgary-Bow mentioned, and now we've just heard the hon. Member for Spruce Grove-Sturgeon-St. Albert mentioned. Would either of the two members like to participate on this point?

Mr. Horner: Thank you, Mr. Speaker. I'm going to cite 23(h) and (i) because I feel that both the hon. Member for Edmonton-Glenora and now myself have been accused of motives or accused of thoughts or accused of agreement with a document which may or may not have been on our desks as the members walked by and evidently wanted to read the documents that we leave on our desks. It is true that the hon. Member for Edmonton-Glenora and I were involved in a conversation here at the desk, and he was sitting in the Member for Calgary-Bow's chair because it's adjacent to mine. There don't appear to be any listening devices here for the hon. members opposite to understand what we were talking about, which had nothing to do with the document that is at hand in the citation today. I just find it absolutely repugnant that I'm being accused of agreement with a document which I also find abhorrent and that I know the Member for Edmonton-Glenora finds abhorrent. I'm flabbergasted that this is even being brought to this House, and I agree with the House leader in that I believe that a case of privilege should be brought against the Member for Edmonton-Gold Bar.

The Speaker: Hon. Member for Calgary-Bow, are you interested?

Ms DeLong: I wasn't here.

The Speaker: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Speaker. I cite *Beauchesne* 25, and to paraphrase that particular reference, it has to do with the prima facie case of privilege brought by a member. That means that the member who has brought the particular notice of privilege is somehow saying that his or her capacity as a member has been in some way abridged and seeks remedy for that. Therefore, whether this document is offensive or not offensive is not the question. The question is: has a document in the possession of someone else caused the Member for Edmonton-Gold Bar to question his privilege of carrying out his duties as a legislator? It does not. Therefore, under the definitions placed in *Beauchesne* 25, sixth edition, the Member for Edmonton-Gold Bar does not in my opinion have a prima facie case of privilege.

Thank you.

[Two members rose]

The Speaker: Well, hon. Member for Edmonton-Gold Bar, I've

already recognized you. Hon. Member for Edmonton-Glengarry, I thought I already recognized you too. That having been said, I think we're going to come to a conclusion with respect to this matter.

Two separate strains seem to have come through here. First of all, there was a tabling in the Assembly of correspondence between the Speaker and a member. That's highly irregular, very irregular. Members convey thoughts to the chair or the Speaker. As the impartial, nonpartisan chair of the Assembly the chair recognizes the privileged information he is receiving, and it is very irregular for members to make public, then, correspondence that the Speaker would give to that particular hon. member. But having done that, we now have these documents to play with, so let's just deal with the involvement of the chair in this matter first.

The Member for Edmonton-Gold Bar sent the chair a memo – and I believe it was April 15 – and basically took exception to finding a photocopied document in the Legislative Assembly that afternoon. The Member for Edmonton-Gold Bar has his own opinions with respect to the piece of paper. I responded back to the hon. member the following day saying the following:

Thank you for your letter of April 16, 2003, and the attached document, regarding the photocopied document which you found in the west corridor leading into the Chamber on April 15, 2003.

This is indeed a very disturbing matter and this document is certainly inappropriate material to be in the Legislature Building, grounds or Annex.

I appreciate you bringing this matter to my attention.

I have put a handwritten note: "I will have the Sergeant-at-Arms investigate." Copies were sent to the Government House Leader, the Official Opposition House Leader, and the third party House leader. The matter was investigated, and a report was provided to the chair.

On April 25, 2003, in a memo from myself to the hon. Member for Edmonton-Gold Bar I write the following:

Further to your letter of April 16, 2003 I can advise that an extensive investigation was conducted by the Sergeant-at-Arms.

While it is not our practise to discuss the operational details of the Sergeant's inquiries, please be assured that the exercise was complete, thorough and consistent with the seriousness of the matter.

Regrettably, we were unable to determine who may have placed the documents within the precincts on April 15th, 2003.

Again, I appreciate you bringing your concerns to my attention.

Copies went to the Government House Leader, the Official Opposition House Leader, the third party House leader, the Clerk, and the Sergeant-at-Arms.

Now, hand-delivered to my office at approximately 11 o'clock this morning was a letter that the hon. Member for Edmonton-Gold Bar alluded to earlier. Then we heard what happened at 2:35, when the hon. Member for Edmonton-Gold Bar got up and identified the member and some aspersions, suspect, that were taking place. Let me make it very, very clear that my involvement in this matter had simply to do with the administrative duties of the chair with respect to the utilization of photocopy machines in and about the precincts. There seems to be general agreement, at least with the chair and for other people who've spoken, on words such as "vile," "inappropriate," "offensive" material and no ascribing to anyone about belief with respect to the validity of the document itself. Most of us appear to have simply discarded it. It's just another piece of paper among the hundreds and thousands that Members of the Legislative Assembly will receive at any given time.

3:30

Now, what's really important in here is the statement. I think that if there was an allegation made by the hon. Member for Edmonton-Gold Bar and ascribing motives, when identifying the hon. Member

for Edmonton-Glenora and in hearing from the hon. Member for Edmonton-Glenora, at least what the chair heard was that the Member for Edmonton-Glenora had basically found no merit in the document whatsoever, discarded it. The chair has heard nothing and knows nothing further beyond that in terms of what anybody would think about it, would feel about, would want to think about it. As far as the chair understands, the Member for Edmonton-Glenora discarded the paper, and even if he had not discarded the paper, what would the point have been? All members receive countless numbers of documents. There's nothing in the document with respect to a certain group that's identified in there, and the Member for Edmonton-Gold Bar raised it, and then the hon. Member for Edmonton-Glenora raised it. It was this Assembly who basically passed very important legislation with the Holocaust memorial day, and this is a very important part of our history that we want to commemorate. That disturbs the chair. That very, very much disturbs the chair with respect to this.

I'm reminded as well that one has to be very, very careful about imputing motives to anyone. That is a very serious matter. I would also like to remind hon. members that there's an old saying – and I forget who it was who said it – that gentlemen do not read other gentlemen's mail. It always strikes me as funny how what an hon. member may have on his or her desk should become the purview of other hon. members. It strikes me that one of the great safeguards we have as legislators is the responsibility, coupled with the need to have availability of whatever documentation or paper we want, to arrive at the best conclusions that we have. I'd hate to think that certain documents, certain books would be burned. We've certainly gone far beyond the McCarthyism times of the early 1950s. I don't like the document, but that's not the point. Simply because it is someplace, how can one ascribe a motive to anyone who may be near it? Heaven knows that in the 23 years that I've been a privileged member of this Assembly, I have received papers from people that I'm 180 degrees away from and 12,500 miles away from. If the circumference of the Earth is 25,000, that puts me at the exact opposite side of the equator, yet we get them.

I heard what the hon. Member for Edmonton-Glenora said. I think he is truly shocked by what has transpired here today. I think he's truly embarrassed by what has transpired here today. This is not a point of privilege, and the chair regrets that he even entertained opening this subject matter as a point of privilege.

head: **Orders of the Day**

head: **Written Questions**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Proper notice having been given on Thursday, April 24, it is my pleasure to move that written questions appearing on today's Order Paper be dealt with today.

[Motion carried]

Sports Lottery Sales

Q13. Dr. Massey moved on behalf of Ms Blakeman that the following question be accepted.

What were the total sales numbers broken down by individual game for the sports lottery products Pro-Line, Over/Under, and Point Spread for the calendar years 2000 through 2002 inclusive?

The Speaker: The hon. Minister of Environment.

Dr. Taylor: Yes. Mr. Speaker, on behalf of the hon. Minister of Gaming I'm pleased to respond to this. This ministry is characterized by and the hallmark of his ministry is openness and clarity, so he's very pleased to respond and indicate that the government is prepared to accept the question.

The Speaker: The hon. Member for Edmonton-Mill Woods to conclude the debate.

Dr. Massey: Yes. Thank you, Mr. Speaker, and thank you to the minister for providing the information that was requested.

[Written Question 13 carried]

Sports Lottery Payouts

Q14. Dr. Massey moved on behalf of Ms Blakeman that the following question be accepted.
What was the total payout to customers in the form of winnings from tickets purchased, broken down individually by game, from the sports lottery products Pro-Line, Over/Under, and Point Spread for the fiscal years 1999-2000 to 2001-2002 inclusive?

The Speaker: The hon. Minister of Environment.

Dr. Taylor: Thank you. Once again, Mr. Speaker, a characteristic of the front bench is openness and clarity.

An Hon. Member: And monitoring.

Dr. Taylor: And monitoring of course. Once again, on behalf of this minister we're pleased to indicate that we will respond to the question.

The Speaker: The hon. Member for Edmonton-Mill Woods to conclude the debate.

Dr. Massey: Yes. Again we thank the minister for allowing us to do our job of monitoring. Thank you.

[Written Question 14 carried]

head: Motions for Returns

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Proper notice having been given on Thursday, April 24, it is my pleasure to move that motions for returns appearing on today's Order Paper also be dealt with today.

[Motion carried]

Alberta Career Computer Center Inc. Audit

M14. Dr. Pannu moved that an order of the Assembly do issue for a return showing a copy of the financial audit of the Alberta Career Computer Center Inc. prepared in late 2002 or early 2003 for the Ministry of Human Resources and Employment by Doug Courts, chartered accountant.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. With your permission if I may

provide a bit of background to the motion. This morning my office received a fax from the Minister of Human Resources and Employment with a proposed amendment to this motion. I wish to thank the minister for his courtesy in providing me with a copy of his proposed amendment in advance. With your indulgence, Mr. Speaker, I'd like to take a few moments to give some background to the motion, and if it's also appropriate, I'll seek your advice to make a few comments on the amendment now or later.

The Speaker: Hon. member, the chair does not know if an amendment is going to be moved, so speak to the question, just to your question. That's all we're doing here right now.

Dr. Pannu: Thank you, Mr. Speaker. I'll speak to the motion then, yes.

Since last fall our office has received numerous complaints from former and current students attending the Alberta Career Computer Center, a provincially licensed private vocational school located in Edmonton. Our involvement with these students has been a real eye-opener, Mr. Speaker. Through our involvement we have discovered that students attending private vocational schools have no rights and few protections compared to, for example, students attending public postsecondary institutions. For example, many private vocational schools either make no provision for or, in the case of Alberta Career Computer Center Inc., outright prohibit the formation of student organizations on their campuses. Students are subject to disciplinary action and even expulsion if they even discuss problems with the school with their fellow students.

3:40

Quite frankly, Mr. Speaker, the students have provided us with documentation which, were it to be a public institution, would likely be found to violate the Charter rights of freedom of speech and association. Because schools like ACCC are considered to be private, they are not required to meet standards of transparency and accountability that apply to public institutions. Not only are private vocational schools not audited by Alberta's Auditor General, but many schools don't even make their audited financial statements public. Students cannot take their complaints to the Ombudsman for investigation. Conflicts of interest and ethics rules do not apply to private vocational schools. Neither do freedom of information and protection of personal privacy rules.

Yet private vocational schools indirectly receive most of their funding from the provincial government. Students attending these schools are eligible for Students Finance Board grants and loans. In many cases Students Finance Board funding is forwarded directly to the school by Alberta Learning to cover tuition and book costs. Under a federal/provincial agreement these schools also receive employment insurance training dollars for those students who are EI eligible. Tuition at these schools is often a hundred percent paid for by government, and we are talking about 15,000 or more dollars for a six-month course, so the public dollars involved are very substantial.

Very few, if any, private vocational schools would survive in the absence of government funding, Mr. Speaker. In order to be eligible for government funding, private vocational schools require a licence from the private institutions branch of Alberta Learning, yet from documentation that has been provided to my office, little accountability is demanded by the private institutions branch of private vocational schools in general and ACCC in particular. Students have been making formal complaints to the private institutions branch about ACCC for at least five years. There's no evidence that these complaints were ever acted on. More recently a former ACCC

student filed a formal written complaint over six months ago. He has yet to receive anything other than a brief acknowledgment letter. To be frank, it appears, at least in this case, that the private institutions branch of Alberta Learning exists to protect the interests of private vocational schools rather than the interests of students attending those schools.

The Ministry of Human Resources and Employment has been more responsive than Alberta Learning to student complaints about ACCC. One of the actions that the HRE ministry took was to ask Doug Courts, an Edmonton chartered accountant, to conduct a financial audit of the school. I'm informed that as a result of the findings of this audit the Minister of Human Resources and Employment has suspended funding to the ACCC from the skills development and labour market development programs. I'm pleased about that. A number of former ACCC students co-operated with Mr. Courts' investigation. However, HRE, the Human Resources and Employment department, has refused to provide a copy of the financial audit report to these students. That is why I'm requesting a copy of the audit report both on behalf of the students and on behalf of all Albertans, who have a right to know whether they received value for money in terms of the public dollars that have flowed to ACCC.

So I conclude my comments here, Mr. Speaker, and the minister may want to speak about his amendment at this moment.

Mr. Dunford: Mr. Speaker, I know that our attention this afternoon has been somewhat diverted because of a previous issue, but I just can't believe that after sending over this morning an indication, for which the hon. member has already thanked me, in terms of the amendments that I was bringing up, the hon. member would go ahead and make the comments that he has just done. I could see that if in some way a member of our government was trying to stonewall him on this particular issue or some matter, but we had clearly indicated to him that we would be able to comply with his request by making some amendments. There was no need, in my view, for all of the comments that now form part of the record. I might as well have shown absolutely no co-operation towards you. I might as well have kept this thing entirely to myself, because what is the use? What is the use of trying to co-operate and collaborate with the hon. member when he pulls these kinds of stunts?

I'm in a position now, Mr. Speaker, of moving ahead with something that I thought was warranted, was generous. He's made comments about what HR and E has done. Those issues are currently under dispute with the party that's been mentioned. There might be legal cases that will come out of this – I have no idea – but we still have these comments now on the record by this hon. member. I want to say, then, with the greatest hesitation possible, which a half an hour ago would have been within the greatest feeling of wanting to collaborate and co-operate with people within this House, that I hesitate with the greatest hesitation possible to even move these amendments. I can't tell you how frustrated and angry I am at this particular moment in time.

But I move that MR 14 be amended in two ways: first of all, by substituting "a copy of those portions" for "a copy"; and secondly, by adding "that may be disclosed under [FOIP]." So the amended motion for a return will read:

A copy of those portions of the financial audit of the Alberta Career Computer Center Inc. prepared in late 2002 or early 2003 for the Ministry of Human Resources and Employment by Doug Courts, chartered accountant, that may be disclosed under the Freedom of Information and Protection of Privacy Act.

Now, these amendments, Mr. Speaker, are proposed in the spirit of being open and transparent about our contracting processes while

recognizing that we have a commitment to protecting students' privacy through FOIP, and I hope that all members will support these amendments.

The Speaker: On the amendment, the hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I will limit my comments to the substance of the amendment. I want to thank the minister for offering his co-operation in the fullest, and I had absolutely no reason to believe that what I was saying in any way was to be treated by the minister as offensive.

As to the amendment I understand that the purpose of the amendment is to remove personal information that would identify former or current students at ACCC. Assuming that that's indeed what the intent of part of the motion is, I certainly support this, Mr. Speaker. The possible difficulty with the amendment might be that because the commercial interests of the school are also involved here, some of the information concerning the audit may be held back. That needs to be made public to make sure that we get the ends that we seek to achieve by way of my request in the form of my motion and the minister's amendment to that motion.

In conclusion, Mr. Speaker, I look forward to receiving a copy of the audit report as soon as possible. I hope that the audit report will have as little information deleted from it as possible to make sure that the privacy rights of students are fully protected. So it's with some delight and a feeling of thanks that I accept the minister's amendment and look forward to receiving the information that his department will be offering.

Thank you.

[Motion on amendment carried]

The Speaker: On the motion?

The hon. Member for Edmonton-Strathcona to conclude the debate.

Dr. Pannu: Mr. Speaker, I have nothing more to add. Thank you for the opportunity.

[Motion for a Return 14 as amended carried]

3:50head: Public Bills and Orders Other than
Government Bills and Orders
head: Second Reading

Bill 205 **Citizens' Empowerment Act**

[Adjourned debate April 14: Mr. Broda]

The Speaker: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you very much, Mr. Speaker. This afternoon I am pleased to have the opportunity to speak to the merits of Bill 205, the Citizens' Empowerment Act. To begin with, I would like to extend my gratitude to the Leader of the Official Opposition for introducing the bill. It is, as ever, important to remember that as members of the Alberta Legislature we were elected to represent our constituents and to give their concerns a voice in a forum where they can be heard. This is all part and parcel of a democracy: letting the public's view and concerns be heard, thereby giving everyone in society a stake in our common progress as a society. For this reason more than any other, I am very grateful that the hon. Member for

Lethbridge-East has sponsored Bill 205. What he is doing by introducing this measure is democracy in action.

[Mr. Shariff in the chair]

Having said that, Mr. Speaker, I am unable to support Bill 205. While I can appreciate the spirit with which the bill is imbued, Bill 205 is just not practical. If we look at the etymological origins of the word "democracy," we see that it comes from two Greek words: on the one hand, the word "demos," meaning people, so that would account for the first half; and "kratos," on the other hand, meaning strength or authority. Combining the two, then, we see that democracy means strength of the people or rule of the people, the very essence of our society.

Not to trivialize anything, but we probably would not think of what was practised in the old city-states of ancient Greece as democracy. For instance, as a woman I would never have been able to stand here and speak to you let alone be able to represent anyone in the ancient Greek state. The Greeks, however, were clearly onto something when they chose to let society be governed by the people rather than by a dictator, an emperor, or some other supreme rule.

Now, Mr. Speaker, I don't want this to seem like a history lesson; however, it is instructive to take a look back to see how far we've come as well as to see how the concept of democracy has evolved. For starters let's recall that it wasn't really until sometime during the latter half of the 20th century that we could say that democracy had gained widespread recognition as the most efficient, fair, and egalitarian way of running a society. To this very day we all know that around the world there are many people, far too many people, for whom the concept of democracy and the rights we normally associate with democracy remain elusive.

So, Mr. Speaker, the fact that we can sit in this House today and discuss how or whether to engage in a particular activity that may or may not further the ends of democracy is really quite remarkable and shows us and, I might add, others too how fortunate we are. As our societies have grown larger and increasingly complex, adjustments have been made to the manner in which we practise democracy. Some of these are, shall we say, convenience oriented. For instance, whenever an election rolls around, we allow people to vote in advance of election day if they prefer or by absentee ballot if they will be unable to vote in their respective precinct on the day the election is held.

As time has passed, democratic rights have also been extended to encompass more and more citizens, and this is clearly the case here in Canada. For instance, in 1916 Alberta was the third province to enfranchise women. On the other hand, it wasn't until 1960 that aboriginal people were allowed to vote in federal elections. Of course, casting ballots in support of nominees isn't the only way we can express our wishes. To be sure, this was not necessary the way things were done in the past. Quite the contrary.

In its early stages common expressions of the democratic process were Quaker meetings and the legendary town hall meetings. Suffice it to say that at these gatherings all those assembled had the opportunity to express their views and opinions, particularly so at the Quaker's meetings, as no restrictions were placed on who could express his or her views regardless of race, gender, or status in society. Once everyone had a chance to speak, and only then, a vote was taken and a decision made. In a sense, Mr. Speaker, this was perhaps a truer or purer form of democracy than what we have now in that it afforded anyone who cared to do so an opportunity to express an opinion.

However, that it worked as well as it did had, I believe, a lot to do with the number of participants. There is or was a limit to the

number of people who could be reasonably squeezed into a meeting hall. Cities, to the extent that they existed, were smaller, and the landscape tended to be dotted with towns, villages, and hamlets. As societies have grown, therefore, the form of democracy practised these days is representative democracy. Ours is obviously one.

As I said at the outset of these remarks, all of us in this House were elected to represent the residents of our districts. They chose us to speak for them and give voice to their concerns in the Legislature. Ideally, it would be of course preferable if everyone's concerns could be heard on every issue, but it is easy to see that today such a system would collapse on the basis of its unwieldiness and its lack of manageability.

A representative form of democracy, therefore, seems to offer the best opportunity for citizens to freely vote for those whom they want to represent them. Furthermore, if those who are elected do not live up to the expectations, the public can be assured that they will have the opportunity to vote them out of office within a finite period of time. By selecting representatives, Mr. Speaker, those who are elected are given the mandate to act on behalf of their constituents. The assumption that all of us make is that those who are elected will act in the best interests of their constituents.

The ability of elected officials vis-à-vis Bill 205 to fulfill their mandate may be undermined by citizen initiatives, and this could in turn make politicians reluctant to make difficult and controversial decisions. Moreover, I believe that those who run for office, certainly those whom I have met in our provincial jurisdiction, tend to be driven by a deeply held belief in the importance of public service and have a wish to be of assistance to others.

This, Mr. Speaker, leads me to another point. Not all members of society are interested in participating in the democratic process, and while this is very disturbing, it is only realistic to acknowledge this. Voter participation rates have dropped considerably and for the most part consistently in the last 25 years. In the most recent federal election in 2000 only 60.2 percent of Albertans chose to participate, whereas in the provincial election two years ago fewer than 53 percent of Albertans voted at all. While these numbers may not be low enough to speak of, quote, voter apathy, unquote, it is nonetheless unfortunate that less than two-thirds of Albertans consider it important enough to participate in elections. If, however, the term voter apathy is too severe, it might still be appropriate to speak of voter fatigue. In the last three years there has been a federal election, a provincial election, and civic elections. It may not seem like much of a commitment to go and cast a ballot three times in the course of a three-year period, and the casting of the ballot doesn't take much time or a whole lot of effort. On the other side of that, though, there is the consideration that we want voters to be able to make informed choices. Indeed, it is desirable that all of us always make informed decisions regardless of the situation.

Having said that, we all know that staying informed takes time and effort, and aside from the fact that not everyone considers it a worthwhile endeavor to make such an investment, if we are unable to secure more than a 60 percent participation level with one election a year, how can we expect any higher levels of participation for what will most likely be special-interest issues?

So I would say, Mr. Speaker, that I urge everybody here not to vote in favour of Bill 205 as it is an intrusion in what we are about here in the Legislature.

4:00

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a pleasure to rise and speak this afternoon to Bill 205, the Citizens'

Empowerment Act. Certainly, the hon. Member for Lethbridge-East is to be congratulated for bringing this legislation forward. It's thoughtful and timely in this province, and I believe it would further reduce what has been known as the democratic deficit. Regardless of what area of the province they live in, people are concerned about democracy and how they can play a role in it, and I think it is a step in the right direction for people to have a more direct role in influencing the laws that govern their lives. Alberta has always had a long tradition of grassroots democracy, and in fact at one time the recall of Assembly members was part of the political process here. When we look at legislators and ourselves and that we should be more receptive to initiatives for direct democracy, well, I would encourage all hon. members of this Assembly to consider Bill 205 and pass it because I think we would certainly have a better province as a result.

If we look at Bill 205, it's divided into two parts: the democratic guarantee petitions and initiative petitions. The first is the establishment of the provision where Albertans can start a petition to trigger a referendum to allow the citizens to improve or express their disapproval of the legislation that has been passed by the Legislature.

Well, some would say that the current petition that's going around on the lack of natural gas rebates by this government could be an example of this, Mr. Speaker. Thousands and thousands of Albertans have certainly accessed www.altaliberals.ab.ca to download a copy of a petition and have signed it and organized various campaigns throughout the province to express in this case their disapproval of legislation that has been passed by this Assembly, and that's the Natural Gas Price Protection Act.

So in one way or another perhaps if we had Bill 205, citizens would have a direct voice or a say in what's going to go on. When we're talking about petitions, certainly they are an expression in any democratic society, but whenever you have a set number of names on a petition or a size of a petition, then that is a mark, or a bar so to speak, for democracy.

The second part of this bill is the establishment of a provision where Albertans can start a petition to have a piece of legislation introduced in the Alberta Legislature. There's probably not a member here that doesn't at one time or another get the idea that it's perhaps suitable that some research be done on a specific topic and that there be thought put into the idea of bringing forward a bill. Time permitting, every hon. member can have a voice in the merits or the negative aspects of a certain legislative idea. To incorporate this so that citizens can start a petition to have a piece of legislation introduced into the Alberta Legislature would certainly strengthen the democratic process in this province.

Now, the hon. member is to be again congratulated when you think that this could be the first part of a whole series of initiatives to enhance democratic renewal in this province. The main focus of initiative processes and the whole idea of referendums – the first place people think of is B.C., and this legislation is different from the B.C. legislation in several ways. The legislation as proposed here, Bill 205, does not allow an initiative petition to deal with money at all whereas in the province of B.C. there are provisions and remedies so that they can do that. In British Columbia any citizen initiative must go to a standing committee of MLAs and then either to an election process or to the House, and certainly the bill here, Bill 205, cuts out that middle person, Mr. Speaker.

B.C.'s legislation has a unique formula for determining if a petition passes a referendum. It states that more than 50 percent of the votes and two-thirds of the electoral districts must be in the affirmative for the legislation to pass. Here ours is going to be simply, Mr. Speaker, 50 percent plus one vote of those who voted in the affirmative means that the entire initiative is successful. In the

B.C. legislation if the initiative is successful, then the bill is introduced in the Legislature. That's it. Whether it's passed or defeated is unimportant. That is the end of the process. In our legislation as proposed by the hon. Member for Lethbridge-East, the bill is introduced, and if the bill isn't passed by the Legislature, then it goes to a referendum. If the referendum is successful, then the bill is reintroduced in the Legislature, and the cycle goes on and on.

Mr. Speaker, when we're talking about the referendum and legislation, this portion of the bill essentially attaches the condition onto every bill that comes to the Legislature. It establishes that no act can come into force until 90 days have passed from the date of royal assent. The exceptions to this provision are, again, money bills, bills which impose a tax, private acts, or acts which are meant to deal with an emergency situation. Within the 90-day period a citizen can apply to the Chief Electoral Officer to start a petition, the purpose of which is to call a referendum with the question being whether or not the bill in question should come into law. As part of the conditions the petition must be completed within 90 days after royal assent is given. Further, the petition must have a number of signatures equal to 5 percent of the total number of electors eligible to vote in the most recent general election. This would amount to approximately 95,000 signatures. I understand that South Dakota, as one example, uses this 5 percent formula.

4:10

Now, if the petition is in order, the process states that "the Lieutenant Governor in Council must set a date for a democratic guarantee election," or, as we all know, a referendum. The date must be no later than 6 months from the date the Chief Electoral Officer reports that the petition is in order. This part is similar to the South Dakota example where legislation except that which is urgently needed by the state can be the subject of a referendum when a proper petition is presented.

An Albertan can apply to the Chief Electoral Officer to start a petition, and these are the initiative petitions under part 2, Mr. Speaker. If one has an interest in proposing that a piece of legislation be introduced in the Legislature, they can go ahead and do this. Now, again, no proposed petition for legislation to deal with money can ask for the cutting of public funds, impose a tax, or be contrary to the Charter of human rights legislation.

Thank you.

The Acting Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. It is with great pleasure that I rise today to join debate in second reading on Bill 205, the Citizens' Empowerment Act, sponsored by the hon. Member for Lethbridge-East.

Mr. Speaker, I strongly support the spirit behind the Citizens' Empowerment Act. If passed, Bill 205 would certainly enhance our government's commitment to openness and accountability, and it would back our promise to listen to Albertans by giving them an avenue to affect legislation in a much more direct manner. I believe in grassroots democracy. I've seen it work in the past, and it's surely one of the cornerstones of this government's philosophy. I believe that citizens have good ideas and that they want an opportunity from time to time to have a more active voice in government.

The citizens' initiative aspect of Bill 205 will enhance our present system of democracy by allowing citizens a different level of participation and a more direct role in our democratic system. It is a measure that allows citizens to bring forward and vote on a legislative proposal in a very grassroots, bottom-to-top way. In fact, Mr. Speaker, it looks an awful lot like my Bill 211 from the First

Session of the 25th Legislature, the Citizens' Initiative Act, 2001, which I admittedly borrowed from the hon. Member for Bonnyville-Cold Lake. So here we go again.

Mr. Speaker, Bill 205 gives Albertans a new avenue by which issues of great importance can be brought to this Legislature. Currently citizens have the right to vote in favour of the political party or candidate whom they feel has the most policies, ideas, and philosophies that are closest to their own, but we all know that not every Albertan likes every party's entire platform come election time. Thus, Bill 205 will allow citizens the opportunity to add to or possibly even omit an item or two on the government agenda.

Citizens' initiatives are not a new or radical idea. Some of our friends in the U.S.A. have enjoyed citizens' initiative opportunities for over 100 years. We can learn lessons both good and not so good from our neighbours to the south. Since 1898 Americans in 24 different states have voted on issues including giving women the right to vote, reducing property taxes, physician-assisted suicide, defining marriage, racial preference in hiring, Sunday shopping, legalizing the medicinal use of marijuana, outlawing steel traps in hunting, campaign finance reform, the minimum wage, the eight-hour workday, limiting government spending increases to inflation and population growth, controlling pollution, funding for private schools, banning cockfighting, and raising tobacco taxes.

On average only 40 percent of citizens' initiatives in the United States are approved by the voters. In fact, since 1904 citizens in those 24 states that have the initiative process have been able to get approximately 1,900 statewide referendum questions on the ballot. Of those 1,900 questions put to the voters, about 850 were actually adopted by the citizens. So in about 100 years' time citizens have enacted about 850 laws. The high water mark came in 1996 when there were 102 referendum questions on the ballot spread over 24 different states, and of course of those 102 questions citizens adopted only 42. Now, to put this into perspective, Mr. Speaker, during that same year the state legislators in those same 24 states enacted approximately 17,000 laws. That's 17,000 compared to 42. So you can see that the fear of representative democracy being stifled or undermined is just not true.

Now, Albertans also enjoy an interesting history on citizens-initiated referendums. In 1913 our province enacted the Direct Legislation Act, which provided the means for submitting legislation to electors for their approval as well as initiation of legislation by electors. An initiative under this act could come about by a petition of voters but could not expend public funds or go beyond the legislative jurisdiction of the province. Albertans never used the Direct Legislation Act, and Premier Manning repealed it in 1958 due to a court challenge in another province upon similar legislation that may – not would but may – have implicated Alberta's bill if so challenged.

Mr. Speaker, I believe that the core theme of Bill 205 will help enhance democracy in Alberta and complement the work we do as elected members of the provincial Legislature. The citizens' initiative in theory will not threaten the powers of the Legislature or impinge upon the authority of the Lieutenant Governor. In no way does it seek to replace or interfere with the fine work done by this Legislative Assembly and especially the hon. Member for Airdrie-Rocky View. However, it has been said that the very presence of the citizens' initiative process in a given jurisdiction helps to prevent the misuse of power. It helps with public opinion and encourages public involvement in legislative issues. With the citizens' initiative Alberta voters will have a voice all the time, not just one day every four years. Citizens will no longer have to beg politicians to address concerns because voters will be able to initiate legislation themselves if their concerns are ignored.

As with any piece of government-initiated legislation, the input of average Albertans has an influence. Public consultation has become a very important part of developing legislation here in Alberta under this government. Most of our bills have been through extensive consultation with either the general public or the stakeholder groups. This is, Mr. Speaker, due to our government's commitment to openness and accountability as well as recognition of the valuable input that Albertans can provide on important issues. Bill 205 carries the philosophy behind public consultation one step further. It is a bottom-to-top process which gives Albertans the power to initiate legislation.

Mr. Speaker, the citizens' initiative will make politicians more responsive to voters' concerns rather than to special-interest groups. By empowering voters, the citizens' initiative will reduce the power of lobby groups to make specific demands on government. The electorate will have an avenue to voice their displeasure to legislation more quickly and efficiently. At the same time, the citizens' initiative will give voters more choice by allowing them to accept or reject laws in a referendum in addition to voting for candidates for the Legislature.

Average Albertans will have a tool for directly promoting good policies. Voters will be able to force debate on issues that some politicians may want to avoid, like changes to our health care system or issues on the economy or the environment. Voters will also have a real say on new issues that were not discussed in the election. In a participant democracy all citizens are involved in deciding important issues. I believe that this bill will restore faith in democracy and get people more involved with what's going on under the dome. It is also likely to increase the ever declining voter turnout ratios during election time, as we've heard from the member opposite.

Some people say that we don't need citizens-initiated referendums because we already have government-initiated referendums through our plebiscite provisions in the Election Act, but this is not addressing the real grassroots movement of the people. Alberta was founded and built by ordinary, grassroots people. We must not ever let that slip away. It was the grass roots that made us what we are, and this bill will help us stay close to the people as a province and as a government.

Others may criticize that referendums stop government from doing its job or that it's an all-out assault on representative government. The truth is that referendums enhance democracy by enabling voters to have a real and direct say on issues that affect them. Referendums are not a substitute for the day-to-day running of our province, which is left to the hon. Premier, the hon. cabinet ministers and their departments, as well as private members. With the citizens' initiative MLAs will continue to vote for or against different laws in the Legislature. Albertans would not run the ministries of Health and Wellness, no, Learning, or Infrastructure, nor would they manage the details of putting together the province's annual budget. I believe that Albertans appreciate elected government officials setting policy and budgets and proposing and voting on legislation. They simply see the initiative process as a check and a balance if the government does not respond to voters' concerns.

Now, another criticism may be that referendums oversimplify issues. In fact, referendums enable real debate on specific issues. This debate involves all citizens, not just politicians and media elites. In contrast, elections themselves may oversimplify issues by forcing voters to consider a myriad of candidates, parties, personalities, policies, and issues and limiting the voter to place one X beside one candidate. By voting for that one candidate, the voter cannot express any disagreement with particular policies of that candidate or their party.

Some people say that referendums will erode the social fabric. That's another charge, but the truth is that referendums will actually strengthen the social fabric by getting citizens to communicate with each other rather than just lobbying their politicians.

4:20

The final criticism that I will address, Mr. Speaker, talks about the money spent. Well, the truth is that in Canada's 1992 referendum on the Charlottetown accord, the yes side outspent the no side by a large margin and still lost.

In conclusion, Mr. Speaker, I do support the spirit of Bill 205. I see nothing wrong with more political participation. However, I have concerns with the level of participation proposed in Bill 205. To me 5 percent seems to be too low a figure, and I wonder if the hon. member would consider increasing the participation rate to 10 percent of eligible voters. I also believe that the hon. member may want to reconsider the provision that allows a citizens' initiative to block legislation. If these changes were made, then I could support Bill 205 because then it would encourage more political participation.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Thank you, Mr. Speaker. This Bill 205 – or we probably lovingly refer to it as the came-in-second-again bill – is the process that people that can't relate to voters on the voting stage have to relate to the things they can: confusion, bureaucracy, things that can stifle the legislative process or stop it. So this happens quite often with parties that haven't had success with the voters.

There is a process to bring private bills into the system, and we've dealt this year with two private bills that were introduced. One only has to watch what a referendum process that doesn't include money would accomplish. It would become a never-ending process or, as this should probably be referred to, the dum-dum process. Having 95 percent of 5 percent be able to turn over 50 percent plus one of 100 percent only makes sense to the opposition. That you could stop bills by a democratically elected House is astounding. If you're going to create legislation that isn't connected to money, you have to really think what you're doing here. Morality isn't the issue in this House; it's how we spend people's tax dollars, and that's where it should end. It's when we get off that rail that we start to get ourselves in trouble.

The idea that we couldn't do an expenditure of public funds – I'm wondering: what would you accomplish? We can't stop at taxes, what most people would want to do, and it's all contrary to the Canadian Bill of Rights. Probably most people would take issue with some of those, and they would like to have the discussion about it, which they can't do under this act.

This bill isn't what it's being left to the voters to be, somehow empowering democracy. This is an attempt to attract support for something that is unworkable, irresponsible, very costly, and probably unmanageable, and I think this good House will in due course give it its appropriate position in the garbage, where it belongs.

Thanks, Mr. Speaker.

The Acting Speaker: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Speaker. It is indeed a pleasure to speak this afternoon on Bill 205, the Citizens' Empowerment Act. Certainly, I would like to thank the hon. Member for Lethbridge-East for bringing this particular bill forward.

We did hear a little bit earlier about the history of this type of legislation, and this piece of legislation is certainly a modernized version of the Direct Legislation Act. This piece of legislation, by way of history, was brought in under the Liberal government of Art Sifton in 1913. This act remained on the *Statutes of Alberta* for over four decades and was repealed by the Social Credit government in 1958. Now, the Direct Legislation Act was never used to the fullest extent. So certainly the fears that people will have about this type of legislation slowing down the process of this House or being overused or whatever are fears that are unfounded. The original process was started, Mr. Speaker, when the debates over liquor came up in the 1920s. However, the government did capitulate by bringing in the Liquor Act.

Now, then, as well, when we look at legislation that we pass in this House, we had an example earlier this year, particularly . . . [Mr. Bonner's speaking time expired]

The Acting Speaker: The hon. Member for Lethbridge-East to close debate.

[Motion lost]

Bill 206

Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003

The Acting Speaker: The hon. Member for Calgary-Buffalo.

Mr. Cernaiko: Thank you very much, Mr. Speaker. I'd like to as well recognize individuals that are here in the gallery this afternoon to take part in listening to our debate on Bill 206. In the gallery today, Mr. Speaker, we have three detectives from Calgary and Edmonton. Detective Len Dafoe is from the Calgary Police Service in the vice unit. Detective Jim Morrissey and Detective Randy Wikens are both here as well from the Edmonton Police Service. Last but not least, Ed Campbell is here, and Ed is with the Prostitution Awareness and Action Foundation of Edmonton. So I want to welcome and ask the members of the Assembly to provide them with the warm welcome of this Assembly.

Thank you very much, Mr. Speaker. I'm honoured to begin debate in second reading of Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. I would like to talk about the importance of this bill to Alberta's inner-city neighbourhoods and how Bill 206 could make living and raising families easier for these people living in Alberta's major urban centres. Bill 206 would allow police officers the discretion to seize vehicles from sex trade offenders when prostitution charges are laid. If they were found guilty, their vehicle would be sold.

The question most people ask is if I really think that taking away vehicles from johns will have an impact on eliminating prostitution. Based on my 25 years of experience as a police officer, I can say that on its own Bill 206 will not end prostitution. The goal of this bill isn't to provide a surefire solution to the problems associated with street prostitution. The intent of this bill is to target sex trade offenders as the main contributors of street prostitution and provide police services with another tool to fight street prostitution.

After living and working in downtown Calgary for nearly 20 years, I have watched communities literally crumble due to the criminal activity that follows street prostitution. I know that children who play in inner-city neighbourhoods and communities are vulnerable to the debris of this trade, including dirty needles and used condoms, as well as sexual predators lurking in the playgrounds

and streets. I also know of the dramatic increase in drug activity in communities with street prostitution problems.

There are two objectives I hope to achieve by moving ahead with Bill 206. First of all, by singling out the sex trade offender, I hope to convince people that prostitutes are not the problem. Sex trade offenders are. There has always been some form of prostitution, be it in a bawdy house, from an escort agency, or on the street. The daunting task of eliminating street prostitution would be made easier by removing the main tool from offenders.

The second objective I hope to achieve is to take the issue of street prostitution from the municipal to the provincial level. Municipal governments should be congratulated for the creation of successful programs that have reduced the number of prostitutes walking the streets, but the reduced number of prostitutes has not necessarily reduced the number of johns cruising inner-city neighbourhoods.

4:30

I also believe that we must get away from this notion that prostitutes are part of a sex trade. Based on my experience and the experience of hundreds of citizens, 99.9 percent of prostitutes are addicted to some form of substance. What other trade has those sorts of statistics? Whether it's liquor, drugs, or other narcotics, these men, women, and children are selling their bodies on the street to feed their addictions. They are not part of a trade. They are tragic victims of violence. There's only one loose similarity between trades and street prostitution: once you remove the customer, the business will fail.

Mr. Speaker, Bill 206 has two major highlights for law enforcement: removing the main tool for prostitution from offenders and giving offenders strong incentive to rehabilitate. There is a growing demand for a stronger deterrence for people involved in prostitution-related activities, especially in inner-city communities. Here's how Bill 206 works. Vehicles would be seized when prostitution-related charges are laid and the offender refuses to participate in an alternative measures program. The vehicle is stored in a municipal hold lot and would become the property of the Crown after a guilty plea or a conviction. However, vehicles would be returned if a first-time offender participates in an alternative measures program or a diversion program. This is an extremely important part of Bill 206.

An alternative measures program developed by the community and the Police Service and the Crown prosecutor's office has proven its effectiveness both as a deterrent and as a rehabilitation tool here in Edmonton. John school is one example of an alternative measures program. According to statistics between 1996 and 2000 1,026 men have attended john school here in Edmonton, and only nine have reoffended. Nine have reoffended out of 1,026 men who entered the program willingly.

There are three additional highlights to Bill 206 based on comments from members in this caucus, government departments, police services, and community groups. First, police officers will have the ability to seize and release the vehicle. The intent of this bill is to reduce the instances of street prostitution and ensure that offenders are punished for the criminal activity, not entire families. It is not my intention to infringe on the jurisdiction and effectiveness of police services in Alberta. Police officers are in a much better position to decide if a vehicle should be seized or if a family has been harmed by the actions of the offender.

The second change states that a peace officer may release the vehicle to the registered owner or someone authorized by the registered owner if the officer is satisfied that seizure of the vehicle is causing or will cause undue financial hardship. Again, Mr. Speaker, the intent of this bill is not to penalize the mom or the wife, the son or the daughter. The intent is to build safer and healthier

communities for families and children, Mr. Speaker, by providing community service work, possibly in the same community the offence has occurred in. I firmly believe as well that education is required to provide sex trade offenders with the reality of the criminal act they were or are going to be involved in.

Bill 206 would be an effective tool against street prostitution only when added to the existing infrastructure of law enforcement and prostitution control programs. A lot of work has been done to reduce the number of prostitutes walking the streets. This bill, combined with other programs that the policing community in Alberta has been working with, will make further progress to remove sex trade offenders and allow communities to rebuild into safe places for children and families.

I'm confident that seizing vehicles as proposed in Bill 206 would be a very effective deterrent for first, second, and repeat offenders. In fact, combining vehicle seizure with an alternative measures program has been successfully implemented before. Bill 206 is based on legislation passed in Manitoba in 1998. The government of Manitoba went through extensive debate and consultation to ensure the bill's effectiveness. The idea of seizing vehicles related to prostitution-related offences was one of the government's campaign promises. The bill, now an act, continues to be a strong deterrent for prostitution offenders. Recently Saskatchewan passed similar legislation. I realize that street prostitution problems in Manitoba and Saskatchewan differ in comparison to Alberta's; however, a precedent has been set, and people opposed to this bill cannot say that this sort of legislation is too strong and infringes on the rights of citizens.

It's also important to note that very few vehicles that have been seized are actually sold. Saskatchewan and Manitoba governments have learned that taking someone's vehicle away encourages them to rehabilitate. Therefore, the worst case scenario is that second offenders or repeat offenders will have their vehicle seized if they don't learn the first time. Police services in Alberta may use this as they wish. Some vice units may want to use this tool as an alternative measure to deter johns, while others may want to use the tool to its fullest intent, subjecting johns to media embarrassment and penalty.

Mr. Speaker, I think it's important to remind Albertans that street prostitution is illegal and destructive. I think we need to introduce a strong deterrent to reduce street prostitution in Alberta's major centres. I have found that prostitution evokes strong and wide-ranging reactions and opinions. Some people strongly oppose the exploitation and violence associated with prostitution while others resent the damage inflicted on their neighbourhoods. A number of these people want stronger laws enacted and fewer leniencies shown by the courts. Prostitution is openly carried out in residential neighbourhoods near schools, playgrounds, and in my riding of Calgary-Buffalo. For families living in these neighbourhoods, raising children gets that much tougher when the world of prostitution meets school-age children who see prostitution near their homes, outside their schools. Dealing with these concerns requires special initiatives, particularly when it comes to their effect on children.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a pleasure to speak to Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. Now, I listened with interest to the hon. Member for Calgary-Buffalo, who has brought forward this bill, and his background before he entered

this Assembly would certainly give him considerable authority and background on this issue. When one considers the merits of this bill, certainly they are noteworthy and worth while, but in the course of debate – and I certainly hope this will proceed through the Legislative Assembly – perhaps the hon. member could explain the fact – and their concerns are valid – that Bill 206 undermines one of the main principles of our Canadian judicial system, and that is that one is innocent until proven guilty. The fact that these cars are going to be taken right away certainly flies in the face of that.

This bill has received wide support. I myself certainly saw the hon. member consulting with the local neighbourhoods, with community groups, with residents in regard to this, and I appreciate that effort. It is legislation that certainly has its merits, but it also has its drawbacks. I think the best thing to do, Mr. Speaker, would be to proceed with this legislation and see if we can improve not only the neighbourhoods but see if there are any ideas that could be brought forward that would satisfy the ideas of one of the tenets of our justice system, which is that one is innocent until proven guilty.

Now, I understand that if someone is caught soliciting for prostitution, there are many conditions, which the hon. member indicated, that would prohibit the vehicle from being seized: certainly, if the owner can demonstrate that they didn't know that they were involved in solicitation – I at this time, as well as others, would be interested, hon. Member for Calgary-Buffalo, if there is an example in regard to this that we could have – if the vehicle being used was stolen, or if it's a person's first time being charged with prostitution or related offences.

4:40

I'm of the impression that this seizure is going to be instantaneous – and in the course of debate I'm sure we will find out – but the vehicle, as I understand it, may be released by a police officer if the offender might be eligible for or consents to being punished by alternate measures. The hon. member I think discussed this earlier, but I think the whole idea, including taking a course for johns, is a step in the right direction. Certainly, there are considerations being attempted here if the seizure of the vehicle is going to put undue financial hardship on the person that got caught. The vehicle may be released. But how quick are these decisions going to be made? Is there a hearing process involved in this? How does all this work? I would appreciate an explanation of this from the hon. member for the benefit of myself and other members.

When you consider that targeting johns is basically the whole idea behind this bill, I would have to say that it is about time. It amazes me. I think Manitoba and Saskatchewan have already tried similar ideas, and they have been met with a little bit of success at least, if not considerable success, but at some point I think that the name of anyone caught with solicitation offences should be published. They should be printed in a newspaper, or I don't know where you'd print this, but I think that would also be a significant deterrent to this sort of behaviour.

Certainly, with those questions, I at this time will cede the floor to another colleague, Mr. Speaker. In conclusion, I think all hon. members of this Assembly should have a good look at Bill 206 in considering making this bill law. Thank you.

The Acting Speaker: The hon. Member for Edmonton-Manning.

Mr. Vandermeer: Thank you, Mr. Speaker. It is my pleasure today to rise and join debate on Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. I believe that this bill must be passed. It is imperative that all members realize the importance and the implications of this bill. After all our debate I hope that all of us vote favourably for it.

Mr. Speaker, when I first started studying this bill, I did not support it. In fact, I did not think it was a proper area for this government to be delving into. I thought that it might infringe on too many rights and was too vulnerable to constitutional challenges because it seemed to step into federal jurisdiction, but then I learned a little bit more about some of the issues that this bill is trying to solve, and I realized how important Bill 206 could be in this province.

The goal of this bill is to amend the Traffic Safety Act so that police officers will be able to seize the vehicle of a person who attempts to become involved in a prostitute-related offence. At first glance that seems heavy handed. When I first learned of this bill, I was not in favour until I learned of the startling statistic which was that the average age of a street prostitute is 15 years old.

An Hon. Member: How old?

Mr. Vandermeer: Fifteen years old.

Mr. Speaker, when the standing policy committee met with a number of detectives from Edmonton and Calgary and I questioned them on some of the issues, I asked: what is your main purpose behind pushing ahead this kind of legislation? They explained to me that their main purpose is to get kids off the street, and that was when I changed my mind and decided I would support this bill.

I don't know if members of this Legislature realize what that means. I will repeat it: the average age of a streetwalking prostitute is 15 years of age. A 15 year old is a child, a child who has no business being on the street for any reason, but the worst bit is that if 15 is the average age, that means there are children on the street selling themselves who are younger than 15. That is why I support this bill. It is a good way of going after the men who pursue children for sex. I have heard disturbing reports of men prowling the streets for young girls for sex. To me that is child abuse of the worst kind. There is no excuse for a person who pays a child to have sex with him.

I agree wholeheartedly with this bill, and I agree that this is another great step in trying to curb prostitution on Alberta streets. We must continue to battle the problem. It is not going away on its own, so we must come up with solutions such as this one, which goes after not the prostitute but those seeking the prostitute.

Mr. Speaker, there are many programs in Alberta which are designed to help prostitutes leave the curbside, to help the young streetwalkers leave a dangerous life and return to a safe environment. These programs target the prostitute. What this bill does is target the john, the reason for street prostitution, because without the john it is tough for pimps and prostitutes to make any money. The impact of johns harassing innocent women and children in neighbourhoods is an ongoing problem here in the city of Edmonton itself. What happens is that johns go through communities, propositioning anybody they find. The reason for it is because they have had success obtaining sex for cash in those communities. After we pass the bill, if a john happens to proposition an undercover police officer, the police will be able to take their car away.

This government has championed many programs to curb prostitution. We have especially tried our very best to get the young streetwalking children off the corner with the creation of the Protection of Children Involved in Prostitution Act. All the efforts we have made to curb prostitution have been small but important steps in fighting a large problem. Bill 206 is another step in fighting a significant problem, a step which could have a significant impact on the problem. By forcing johns away from the prostitutes, many will have to find new areas to work. They will clean up many of our streets and make many communities safer. As well, it may keep

johns from searching out sexual activity in our cities and towns.

Our Protection of Children Involved in Prostitution Act is a great example of a working program this government has championed to help children. Since the act has been brought in, over 894 referrals have been made and over 426 children from across Alberta have been given protection under the act. Mr. Speaker, that number is phenomenal: 426 children have been taken off the streets for selling their bodies. That is an extremely sad situation in this province. Children should not be on the street and being subjected to that kind of abuse. Under the act the youngest child that was taken off the street was 12 years of age, which is so terribly sad. I can't imagine the pain it must cause the family of a child involved in the sex trade, because with prostitution comes other dangers including drug use, physical abuse, and the likelihood that death is not too far away.

The Protection of Children Involved in Prostitution Act has had a remarkable impact on street prostitution in urban communities. In the first year of implementation of the act police and social workers utilized the apprehension authority under the act 273 times in Alberta. In this past year it was reduced to 81. This shows that our effects are working, but more still needs to be done. There are still children out on the street selling themselves to make money for their pimps. One of the biggest impacts of the act was a shift in understanding that the legislation created in the public. This was a large success as it became clear to all Albertans that children involved in prostitution are victims of sexual abuse, which is completely unacceptable. No child deserves that.

4:50

We have programs to help prostitutes, and now it's time for us to begin a program that will stop prostitution at the root of the problem: the buyer. Without the buyer there will be no seller, and if we have no seller, that means we will have less children in a very distasteful and dangerous environment.

Albertans know that there is a problem in our province with child prostitution, and they have asked and expect us to do something about it. We have done plenty in the past, and we will continue to do more, and I applaud the Member for Calgary-*Buffalo* for his dedication to this issue. I know that he has seen many of the horrors of the business of prostitution by being a former police officer. I believe that we as legislators in this House should recognize that this bill is an attempt to deal with the problem of getting rid of the buyers, and this is a problem that we should be confronting in our positions. I implore all members to vote in favour of Bill 206.

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I appreciate an opportunity to make some comments about Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. We've already heard some of the issues that the bill raises. I think the two main principles that come into conflict with the proposed legislation are the fact that the bill denies the assumption of innocence by denying due process and allowing any police officer to act as judge, jury, and bailiff. That very important principle that we all honour and protect in our country is put up against the principle that the communities and neighbours in communities must be safe and secure and live in as healthy an environment as possible in which to raise their families. So we have two really conflicting principles, and it's trying to mediate our way between those and come up with a solution to a problem that others I think have characterized in many ways as being a horrendous problem for those that are involved in the trade and that those such as the communities where the trade is plied must put up with. So it's a bit of a balancing act.

We've been down this road before in the Legislature. A few years ago there was a bill that allowed the police to take action against intoxicated drivers, that has given them powers similar to the ones that we see in Bill 206, and again the same issues were raised. In the case of the intoxicated drivers I think the decision that came down on the side of allowing the officer the latitude to make decisions that are usually reserved for juries and courts was that there was a human safety issue, that to allow an intoxicated driver to continue would endanger the lives of others and, in fact, could endanger the very life of the driver himself or herself. So, in that case, I think the danger was rather clear.

I think that on this bill you might get – and I think we've already heard that – some similar arguments, that by allowing johns into the neighbourhood, by allowing them to cruise the streets, we are in fact endangering the lives of the people that are involved in the trade and in many cases I think, as already has been pointed out, of children who by force of circumstance find themselves forced to do some rather reprehensible things. So it's a difficult problem, and I think, again, the community would argue that there is a safety issue just for them as some of the characters that are involved in this trade are, to say the least, unsavoury and do present a real physical menace to innocent citizens who are trying to go about their normal daily business. So I guess that if you're going to come down on any side, you have to come down on the side of trying to make communities safer for individuals and to take our risks in terms of the freedoms that we enjoy.

I think we've been provided with some data from other provinces that have gone down a similar road and have enacted similar laws, and to this point there hasn't been a challenge to the legislation based on an individual's rights being abrogated. So the fact that it hasn't been challenged maybe speaks to the care with which it has been applied and that officers are careful not to abuse the right that the legislation gives them. So I think that that is some assurance that the legislation won't be abused. I guess the question is it becomes more widespread and is no longer under the microscope – this law will be certainly here initially and I'm sure was in other provinces – is that after that initial period it won't be looked at as carefully, and are there opportunities for it to be abused.

There are provisions here that allow the owner of the vehicle to make his or her case if the vehicle was being used without their permission or was being used to take part in the prostitution without their knowledge. It allows them some ways out via attending john school, and I think that if nothing else it can be looked at as a measure that can be taken in the interim while we try to seek some other solutions to a really, really difficult problem. It is a piece of legislation that can be revisited should we end up finding that there are difficulties with it. It's not written in stone. We are constantly amending laws in this Legislature.

So I think that on balance, although it makes me uneasy in some areas, Mr. Speaker, I'm going to support the bill and hope that the kinds of reservations that others have raised – I think there was a rather strong editorial in one of the local newspapers that raised some serious reservations about the bill. Even with those reservations in place, some immediate solution to the problem is needed, and until we can think of other measures and put those in place, then I think this bill deserves support.

Thanks, Mr. Speaker.

The Acting Speaker: The hon. Member for Olds-Didsbury-Three Hills.

5:00

Mr. Marz: Thank you, Mr. Speaker. I'm pleased to join in the

debate today on Bill 206, sponsored by the hon. Member for Calgary-Buffalo.

Mr. Speaker, our communities are the backbone that holds this province intact. Without the support and backing of the various community groups and police services across this province Albertans would not enjoy the current standard of living that they do. An example of community support is occurring in the city of Calgary. The Calgary Police Service vice unit in conjunction with an organization called Communities for Awareness & Action on Prostitution Issues have joined forces to educate the public in the areas of crime and street prostitution. This committee, CAAPI, was formed in September of 1997 under the direction of the Calgary Police Service, community volunteers, representatives from various social agencies in the city of Calgary, the city of Calgary Department of Community and Neighbourhood Services, as well as city council members.

CAAPI's main goal is to educate the public on how street prostitution affects all citizens of Calgary, and it's their goal to work towards a safer city. The organization is working toward protecting the rights of women, children, and families, not just the rights of sex-trade offenders such as sexual exploiters and pimps. I think it's essential that communities are aware of the harmful effects prostitution has on Alberta's cities. Community groups such as CAAPI desperately want to work together with governments and police services to make their inner-city communities safer places to live, work, and play.

Mr. Speaker, there are many angles that a community can implement to prevent and eliminate street prostitution. The effective multilevel approach is one in which the police work closely with the local residents in the community and the local authorities to develop a response that involves new styles of intense policing and a combined traffic management scheme that is designed to remove or at least significantly reduce the incidence of cruising and soliciting in a particular area. Low-level strategies of intervention may be enough to deter clients, but intensive strategies on the part of both law enforcement and affected residents may be necessary to deter the committed street prostitute.

To produce maximum benefits, the interventions have to be implemented in a particular sequence with a great deal of thought, care, and commitment. If the police's effectiveness is to be noticeably improved, relationships with the community organizations and with a range of relevant agencies need to be developed. This is paramount to a successful campaign. A multilevel approach involves two things. First of all, there must be a shift from the position of reactive to proactive, and the second element for successfully reducing street prostitution is the sharing of responsibility for crime prevention and control with other agencies and communities.

It's important that the community as a whole address a couple of different points as it pertains to defining a successful strategy, the first being an improved flow of information between the police and the public. The level of commitment on both sides must be underterred in order to mount a proper defence.

The second involves a traffic management plan. Mr. Speaker, Bill 206 speaks to this very notion. The purpose of Bill 206 is exactly what might be considered a traffic plan. By allowing peace officers to seize vehicles involved in prostitution-related offences, this will give communities an increased sense of security, a reduction in the volume of prostitution-related traffic, and a reduction in the level of crimes reported as well as ultimately an improved relationship amongst the public, the police, and local authorities.

Many communities across this country and across North America have taken these initiatives on themselves to improve their area of

living. Having a regular neighbourhood meeting is an excellent method to accomplish many things, the most important of which is keeping a community safe. By individuals getting involved in creative strategies with other members of the community, it creates an atmosphere of proactivity, not reactivity, in the community. It's been suggested by members of the Calgary police vice unit to use incident reports by community individuals in order to keep notes on any action or actions that they may have witnessed in their area. These reports can then be turned in to your community liaison officer for their review. This is an excellent way to promote involvement in the community and have written hard copy proof of any witnessed improprieties in the neighbourhood.

Another creative strategy is to identify sex-trade offenders via a web site. One particular group of individuals in the Victoria Park area of Calgary did just this. They identified individuals who were causing problems in the neighbourhood and publicly raised their profiles by publishing their names and photographs for everyone to see. This type of program focuses the attention on the real offenders behind a community's concerns.

CAAPI has made it abundantly clear that these are some of the primary means to rid the streets in their community of these problems. The organization also strongly suggests that members of the community compose letters to municipal, provincial, and federal politicians to support changes to current legislation that will help police to curtail prostitution in the area.

Mr. Speaker, Bill 206 should be commended for this initiative. Many inner-city communities in Edmonton and in Calgary as well as both Edmonton's mayor and city council as well as the mayor of Calgary have expressed strong support for the idea of seizing and selling vehicles involved in this type of prostitution-related crime. The vehicle seizure proposed in this bill would be a very effective deterrent for first, second, and longer repeat offenders.

The Calgary Police Service for one has gone to great lengths to be proactive in this fight against prostitution-related offences. In October of 1998 they launched a strategic plan to develop short- and long-term solutions to the issue of prostitution and its collateral safety issues. Additionally, the Calgary Police Service continues to focus on a holistic strategy that combines efforts with committed agencies to assist in mobilizing citizens from the community to address the issue and to make the city of Calgary a safe place to live. As mentioned earlier, with the involvement of the community this problem can be overcome.

As a longtime rural constituent I understand the meaning of community. The meaning of the word is somewhat exemplified in its definition: "a unified body of individuals." It's knowing that your neighbour is looking out for you and your well-being as much as you're looking out for them and theirs. It's about trust, friendship, and common values and goals. Many rural Albertans know exactly what I'm referring to as this has been the hallmark of the rural setting for many generations. Urban constituents, thanks to programs like these offered through the Calgary Police Service, are also finding true value in the word "community," looking out for neighbours and their children, knowing that the favour will be returned one day.

Mr. Speaker, Bill 206 is a move in the right direction of reducing prostitution-related offences, reducing the crime that always follows, and in the same token strengthening the communities that so many of us here in Alberta pride ourselves on. In closing, I'd urge this Assembly to support this bill. Thank you.

The Acting Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Mr. Speaker. It is indeed a pleasure to rise this afternoon to speak to Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment

Act, 2003. I want to first of all thank the Member for Calgary-Buffalo for his extensive work in bringing forth this piece of legislation to the Assembly. This bill is designed to seize vehicles of johns caught soliciting someone for the purposes of prostitution.

Particularly when you're looking at prostitution, as the Member for Edmonton-Manning had indicated, the majority of our prostitutes on the street are minors, average age of 15 years. So this type of behaviour of prostitution certainly does have a huge impact not only on our communities but on families that are involved. In looking at the piece of legislation that we are debating here this afternoon, I think we also have to consider all families and the impact that they do have on communities.

5:10

Early in my first term, after being elected in 1997, the Department of Justice had put together a trip where we got to tour numerous facilities under their jurisdiction. We started at the Edmonton Police Service jail. We went to the Law Courts, back to the Remand Centre, and finally we went out to the youth detention centre. As events unfolded that day, we followed a 14-year-old girl who had been picked up soliciting officers for prostitution. She was soliciting two undercover officers, and this occurred at 4 a.m. Now, we saw her in the police holding cells awaiting her time in court, and at that particular time she was certainly not very concerned about the charges in front of her.

When we went to court, we were quite surprised to see that this same individual was appearing in front of the judge as we were there. Again, her attitude was certainly not one that you would think was a good attitude at that particular point. When the judge had put what he thought would be a good sentence on her, he asked the mother to reply. The mother did, and she said: really, even with these conditions you've placed upon her, I have a great fear that she'll be back on the streets again tonight. So, at that time, what the judge did was recommend that she spend three weeks in the youth detention centre until they could move forward with this particular thing.

As we left the courts and went over to the Remand Centre, we saw this same girl, and she was distraught, quite upset. Obviously, an impact had finally been made upon her. Later in the day when we were touring the youth detention centre, we saw her again, and I think that the impact on her was extremely strong.

This particular bill is a bill that would focus on the crime, and the crime is certainly against this youth, and the crime is certainly being committed by the johns who take advantage of this young person and put her in a position where it has a huge impact on her family.

Now, Bill 206 certainly does target the johns, but I do have some problems with the discretionary power that this particular bill does give to police officers. I certainly have absolutely no trouble if the cars of johns are seized under this particular bill. I do have some questions, though, if the car belongs to the mother of a family and she has no indication that the car is being used for the purpose it is.

I think that, as well, we have to look at the situation as to whether the same vehicle is being used in both situations – when the offence is committed, is it the same car that is used in both occasions? – and whether in fact the owner did have an understanding that the car was going to be used for these purposes or that the owner of the car certainly gave the individual permission to use this vehicle for whatever reasons. I think that if we are truly looking at a law that is going to cut down on the impact of prostitution on our communities and on families, we also have to look at the huge impact that this will have on families whose car was used, particularly if the car was registered to the mother or, in the case of common-law relationships, where the car of the mother of the family is being used by her common-law.

So those are my major concerns with this bill. I think that overall it is a very good bill. I also think that even if this issue cannot be cleared up, I will be supporting this bill because I think that for too long we have allowed johns to travel freely in our communities, and there is no doubt about the serious nature of prostitution and how it does affect our communities.

With those comments, Mr. Speaker, I will take my seat and certainly listen to the arguments of others on this bill and once again thank the hon. Member for Calgary-Buffalo for bringing this piece of legislation forward. Thank you.

The Acting Speaker: The hon. Member for Whitecourt-St. Anne.

Mr. VanderBurg: Thank you. I wish to speak in support of Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. When my devoted colleague for Calgary-Buffalo first introduced this bill, I thought of how lucky my constituents in Whitecourt-St. Anne are that we don't have to deal with these types of issues as do my colleagues from the urban ridings. In fact, I thought I'd just sit and listen to the debate and just keep out of the proceedings because it really didn't impact Whitecourt-St. Anne.

I changed my mind when I read an article in the *Calgary Herald* on March 7. The article really caught my attention, and I want to share the story that was in the article. The heading of the article that caught my attention was: "Daddy, can you blow up this balloon?" In the article it states that a young girl was playing in the backyard last fall when she picked up what she thought was a balloon. Her dad was inside the house when his four-year-old daughter walked in. She said: Daddy, can you blow up this balloon? Well, she had a condom in her mouth that was filled with sperm. The rest is history from there. I don't have to get into the details. It's believed that the used condom was thrown over the high backyard fence in a neighbourhood in southwest Calgary, and this area was working to get rid of the prostitution problem in Calgary. Well, six months later this little girl is still getting needles to test for HIV, hepatitis B, and other diseases. This little girl has gone through five sets of testing, but it may take up to six or nine months before anything shows up. You can only imagine what this family is dealing with and feels like.

Colleagues, this could be your child or, for some of you, your grandchild. Bill 206 is another tool in the toolbox needed to assist our larger communities get rid of street prostitution and discourage johns from soliciting prostitutes in any neighbourhood.

I encourage all of you to support Bill 206. Thank you.

The Acting Speaker: The hon. Member for Airdrie-Rocky View.

Ms Haley: Thank you very much, Mr. Speaker. I appreciate very much the opportunity to rise in the House today and speak to Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. I'd like to thank my colleague the Member for Calgary-Buffalo for bringing this initiative forward as it is clear that his intentions are very genuine. However, I have to respectfully register my disagreement with the proposed legislation as I see a number of problems with the bill if it is passed.

We always try to provide police officers with any additional tools that can help them deal with criminal activity. In particular, the ability to seize vehicles used in prostitution-related offences would seem to give law enforcement officers yet another option when dealing with such cases. What I find difficult to support about Bill 206 is not the idea behind it but rather the fact that the bill encroaches into the jurisdiction of the Criminal Code of Canada, which falls under the judicial umbrella of the federal government.

Bill 206 calls for an expansion of provincial powers under the Traffic Safety Act. Presently the act limits provincial powers to prescribing things like the maximum allowable speed of vehicles, traffic control devices, or signs at railway crossings. It remains to be seen whether there would be a constitutional challenge if this bill should be passed.

5:20

Secondly, Mr. Speaker, the seizure of vehicles as punishment for a crime presents a number of problems as well; namely, that the punishment can be unequal for an identical offence. To illustrate my point a little better, imagine that two vehicles are seized from individuals that are found guilty of the exact same offence. Each vehicle is valued at \$15,000. For the first individual the vehicle is the only means of transportation for an entire family and cannot easily be replaced due to financial constraints. In the case of the second individual the second car is used sparingly. The impact on the two families involved is extremely different. Similarly, if we were to seize a \$110,000 Mercedes Benz, is that a reasonable penalty for picking up a street prostitute? This becomes especially questionable since we are doing it on the presumption of guilt rather than on the premise of innocent until proven guilty.

As many of us already know, Manitoba and Saskatchewan have passed similar legislation in the recent past, and although this would seem to support Bill 206, I must disagree. As I already mentioned, 206 is vulnerable to constitutional challenges, and should such a challenge be successful in either Manitoba or Saskatchewan, it would likely mean that our Alberta law would also be subject to the outcomes of that court decision. But here's where I am most concerned. If these constitutional concerns are not addressed and such a challenge comes at some point in time, would the government then be responsible for reimbursing all of those who had their vehicles auctioned off? Would we also be liable for punitive damages?

Mr. Speaker, as I mentioned at the outset of my speech, I understand and sympathize with this bill, which is why I supported the Solicitor General on the child prostitution act. It is why I support the john school and why I support the youth project ranch in my constituency. However, I am unable to support a piece of legislation that presents real concerns with the equality of punishment and is so open to constitutional challenge. These questions must be addressed before we can proceed with legislation in this area.

Further, this particular piece of legislation seems to have considerably weakened as it has progressed through our process. While I oppose this bill, I also oppose prostitution, but I don't believe that this bill addresses that emotional issue. Despite my opposition to the proposed legislation, I'd still like to thank my colleague for Calgary-Buffalo for bringing it forward, generating more awareness about the seriousness of an issue relating to street prostitution.

I would also like to say that every time we do something like this, we drive prostitution to a different level, and this bill does nothing to address real issues like diseases, drug use, the blatant use of the term "escort services" that everybody gets to hide behind now. They're so commonplace that they get freely advertised in every mainstream newspaper in this province.

Creating legislation that only raises questions about jurisdiction and equality of punishment is not an effective way of dealing with the problem. We sit in here and we talk about children; I totally concur. You know, people that abuse children this way should be dealt with harshly, but I don't believe that taking somebody's car addresses that issue.

Once again, Mr. Speaker, I'm sorry that I can't support this bill. I know that it was brought forward with nothing but the best

intentions, but I think it's flawed legislation. I hope everyone will carefully consider not just hyperbole, not just emotional gut reaction to a child being abused – nobody appreciates that; nobody in here condones that – but don't pass laws that aren't going to hold up or achieve what it was that you were trying to accomplish in the first place.

Thank you.

The Acting Speaker: The hon. Member for Calgary-Montrose.

Mr. Pham: Thank you, Mr. Speaker. I know that Bill 206 enjoys a fair degree of support among members, and I know that its aims are laudable. However, with respect to the sponsor of Bill 206 I must vote against the bill and encourage other members to do so as well.

Nobody denies that prostitution is harmful to society, johns, and prostitutes as well as to the communities in which it takes place. It is even more true when we look at cases of child prostitution. There's nothing more sickening than forcing or inducing a child to become a prostitute. No kids should have to go through that, and anyone that forces a child to go through that should be punished to the full extent of the law. I don't want this john to go into john school; I want him to go to jail.

Also, we all agree that it would be a good thing if we were able to clean up neighbourhoods where prostitution takes place, especially if young children live in that neighbourhood. However, we need to consider whether or not Bill 206 is the best way to handle this problem. In Canada we are rightly blessed with the presumption of innocence until being proved of guilt. Bill 206 rearranges this presumption. Under Bill 206 a driver is considered guilty until he can prove his innocence. This is unfair to the driver, who has a right to a fair trial. It is also an affront to our legal system, which works only if the presumption of innocence is granted.

The sponsor of the bill and many of those members who have supported it today suggest that it will simply be another tool in the box of law enforcement officials which can be used to rid our street of prostitution, and they might be right. However, I'm going to argue that the method by which this bill is used, when truly considered, should prevent us from passing Bill 206 into law.

In short, I believe that the method is an infringement on the sanctity of due process. We have heard the member talk about the likely method through which a vehicle would be seized. Many members may argue that if someone gets caught red-handed, it would be okay to take away his vehicle. I disagree. The suspect – and until he's proven guilty, he is still a suspect – hasn't spent one second with his lawyer. He has not spent one second learning about how this may proceed through the legal system. It is why this bill makes me afraid. We have courts to determine guilt, not police officers.

A police officer's job is to ensure peace and safety and to charge offenders with a crime. At that point, it is a judge or jury's role to determine guilt and assign a penalty. If we alter this arrangement and allow police officers to take the role of judge and jury, then we seriously jeopardize the integrity of our legal system. It could be compared to asking what other powers we're prepared to hand over to police officers and in what other ways we are willing to compromise the impartiality of the law. That is what we would be doing by passing this law. We would be making the assumption that the police officer's description of events is the definitive description of events and that this description would be good enough to seize a vehicle. However, I would argue that a simple hearing of the police officer's description does not provide enough evidence to seize a vehicle from a suspected john. What about the story provided by the suspect? Is this to be given any weight?

We know from past experience that more than one police officer

has made mistakes. There's enough reason to suspect that it will happen again, and as long as that suspicion exists, we should be very wary of giving more power to police officers. Because these things happen, we need to ensure that a full hearing in a court of law takes place. If the evidence from a hearing shows that the suspect was in fact guilty of soliciting for the purpose of prostitution, then the suspect should be fully punished.

Now, I know that a lot of members may suggest that this bill doesn't extend the powers of police officers to such a great extent. After all, a police officer can seize the vehicles of people who they suspect of drinking and driving or driving recklessly. In those cases, police officers can take away vehicles, so why not in prostitution-related cases? This argument does not hold water, Mr. Speaker. First, the police officer's job is to ensure the safety of others in the face of a direct threat. If a driver is drunk or reckless, he's directly endangering others. The officer's duty as an upholder of peace and safety is to take that car away for a brief period until a court makes a judgment. In these cases, citizens feel comfortable with a certain degree of police power. However, they should feel uncomfortable with the cop being the final arbitrator.

Mr. Speaker, I understand that the intentions of the Member for Calgary-Buffalo are good. I, like him, want to see prostitution eradicated, and I want to see those neighbourhoods where prostitution is rampant cleaned up. However, I'm not willing to bypass the law or jurisprudence to see it happen. In a society which promotes the supremacy of liberty and individualism, we need to be able to sort out if the individual has in fact broken the law before we limit his or her freedom. This gives rights to the suspect, and inheriting that right provides some really scummy people with their rights within the legal system. Sometimes we do not want to do this, but we do it to ensure that a fair trial is had, and we do it to ensure that these people who are innocent and are charged with a crime are afforded every possibility to prove their innocence.

The Acting Speaker: Hon. member, I hesitate to interrupt, but it's 5:30. The House stands adjourned until 8 p.m.

[The Assembly adjourned at 5:30 p.m.]

Legislative Assembly of Alberta

Title: **Monday, April 28, 2003**

8:00 p.m.

Date: 2003/04/28

[The Speaker in the chair]

The Speaker: Please be seated.

The hon. Member for Edmonton-Glenora.

Mr. Hutton: Mr. Speaker, thank you. I rise at the earliest moment as a courtesy. Pursuant to Standing Order 15 I am giving notice that I wish to raise a point of privilege tomorrow on the hon. Member for Edmonton-Gold Bar.

Thank you, Mr. Speaker.

head: **Motions Other than Government Motions**

Disposal of Public Lands

507. Mr. Broda moved:

Be it resolved that the Legislative Assembly urge the government to sell or dispose of lands that are declared surplus to the needs of the province.

[Debate adjourned April 14: Mr. Strang speaking]

The Speaker: The hon. Member for Dunvegan.

Mr. Goudreau: Thank you, Mr. Speaker. It is a pleasure to rise and join the debate on Motion 507 regarding the disposal of Alberta's surplus public lands sponsored by the hon. Member for Redwater. Motion 507 is designed to urge the government of Alberta to sell or dispose of any public lands which the Minister of Sustainable Resource Development deems could be better utilized by the private sector, especially those public lands situated in the white areas.

Lands for potential sale include grazing lands under lease, vacant lands, or lands that are currently not being utilized to their full economic potential. By encouraging the sale of such lands, Motion 507 aims to encourage the consolidation of farmlands, increase land development, and increase the generation of tax revenue by the province and municipalities. In my constituency of Dunvegan I have many parcels of land that are public lands, yet the majority of the neighbours are unaware that these are public lands. Most feel that these quarters or sections are in fact already private lands.

On March 26, 1997, the government appointed the Agricultural Lease Review Committee to conduct a review of public land policies in the agricultural land and multiple use areas, which are also known as the white areas. The main attempt of the review was to examine the public's viewpoint on current land management policies and to develop actions to resolve several long-standing issues regarding public land management. When the committee's report was released in 1998, Mr. Speaker, it outlined that Albertans were generally in favour of continued use and conservation of public lands under provincial ownership. However, the report did note that Albertans were generally in agreement with disposing of agricultural lands situated in the white areas if the lands are being cultivated, if no conservation reasons exist to preclude the sale, if the existing disposition holder agrees to the sale, and if fragmented or fractional pieces of public land are too small to provide a conservation value and are inefficient to manage. If the land was under lease, the general consensus was that the existing disposition holder must agree to the cancellation of the disposition before the land was to be sold.

On April 1, 1999, the government of Alberta introduced Bill 31, the Agricultural Disposition Statutes Amendment Act, to the Alberta Legislature. The bill was designed to implement the provisions of

the Agricultural Lease Review Committee report by striking a balance between the interests of leaseholders, industry, recreational users, and the people of Alberta, who own the land. The bill was passed in the House on May 18, 1999. [interjections]

The Speaker: There's a group of hon. members along with the deputy whip that I would ask the deputy whip to encourage some degree of decorum in the House among his colleagues.

Please continue, hon. member.

Mr. Goudreau: Thank you, Mr. Speaker. However, it was never proclaimed and thus never became law. As a result, the provisions outlined in the agricultural lease review were never implemented.

The current policy of the Department of Sustainable Resource Development regarding public land sales is to balance the need related to economic growth with the Alberta public's long-term interests. However, the department does sell public lands situated in the white areas in order to facilitate agricultural expansion and certain types of commercial, industrial, and recreational uses, thereby supporting the growth of the provincial economy, to provide land for essential services like public works projects or community and institutional needs that benefit Albertans, and they do that if they are not needed to meet the government's resource management commitments or for other government programs.

Mr. Speaker, public lands are sold by two different methods, public land sales and private land sales. Public land sales are administered by a public auction that takes place when a particular parcel of public land is vacant or has been released from a disposition by the disposition holder. When land is sold via auction, the appraisal process is used in order to determine the set price. Private land sales take place without public competition and are administered when leaseholders have the option to purchase the land, leaseholders hold a miscellaneous or recreational lease for the purpose of a commercial recreational development, and land under lease has been already developed by the leaseholder. When land is sold via private land sales, the land price is based on its actual market value.

Overall sales of public lands in Alberta have been at a steady decrease. For example, in 1997-1998 there were 126 sales involving 13,800 acres of public lands, while in 2001-2002 there were only 48 sales involving 6,000 acres. Sale or disposal of Alberta's surplus public lands would lead to increased land productivity, consolidation of existing private farming operations, increased development of the land, and increased tax revenue. By selling or disposing of surplus public lands, the government of Alberta would also free up valuable resources, which could be used for other more important priorities such as health and education.

Mr. Speaker, there is a risk that the sale of public lands, specifically the agricultural grazing lands, would encourage overgrazing. This could happen due to the fact that the government would no longer have the jurisdiction over public land that it has sold. There is a chance that Motion 507 could face strong opposition from current leaseholders as many of them would not be able to come up with the necessary funds to purchase the land. Motion 507 may also face close scrutiny from the general public as the public is commonly opposed to the widespread sale of public lands. Many Albertans feel that when public lands are sold to a private operator, those lands lose their value to the province as a whole. However, I still contend that when public lands are created as private lands, if they look like private lands and are managed like private lands would be, then that land should be disposed of and the resources used elsewhere to benefit all Albertans.

I would encourage everyone to support the hon. Member for Redwater on his Motion 507. Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker, for giving me the opportunity to speak to Motion 507, which in its amended form I believe now reads: "Be it resolved that the Legislative Assembly urge the government to sell or dispose of public lands that do not possess any economic potential for the province." This is one of those interesting proposals that you see brought forward in this Assembly from to time and which you think: well, on the face of it I suppose it doesn't sound that awful; perhaps it's harmless. But the more you look at it, the more you think: hmm, this is opening what could be a great big Pandora's box. And who knows? The truth probably lies somewhere in between those two.

Just in looking at what's being proposed and listening to the member who spoke previous to me and considering this a little bit as I went about my business today, a couple of things occur to me, and it's one of those where I pose three questions to myself. Is there a problem right now? Is there an immediate, glaring, urgent problem right now in the province of Alberta with public lands that "do not possess any economic potential for the province"? I'd have to say: not that I've noticed. I haven't seen any front-page headlines. No protests; no marches. I'm not getting a lot of e-mails or letters on the urgency of the public lands and a great need to do something about them, so I don't know that there's any crying need. Well, if there was a need – and I think we can agree that there wasn't – would a motion fix it, and more specifically would this motion or the resulting action coming out of it fix whatever is the problem before us today? I don't know that it would fix the problem for us today, if the problem is essentially that there are little bits and tags around, funny little pieces of land, which is how the sponsoring member first explained it to me, you know, just a little kind of inconvenience, a little bit of a right-of-way or a little tag of land that gets cut off when roads get put into place, and it would just be easier if we could sell that little bit to the closest neighbour.

8:10

Who would be benefiting from that? Well, one presumes the closest neighbour who gets to buy that little bit of land. But this motion doesn't actually spell out that we're talking about those sorts of little funny tag ends and oddly positioned bits of land. It doesn't say that. It talks about public land, and when we're talking about public land – well, this will tell you something about my age – I think of it as Crown land that's administered under the Public Lands Act of Alberta. We have the white areas, the green areas. Then, of course, there are the protected areas, which are the national parks or the areas that are already set aside in things like the eastern slopes policy. So the motion hasn't said specifically that it's talking about these little odds and ends. It just says public lands.

Well, that opens the door for all kinds of things like the selling of general Crown land, either the white land or in the green area, and as the member prior to me said, the public does not like that idea. They like the idea of Crown land that's there and kept for future generations, so I think there would be some resistance to selling that off. I think there's also the potential here for selling off parks because it could be argued probably by someone – I'm sure there's a silver-tongued speaker out there – that could put up a good argument that there's no economic potential for parkland or perhaps no economic potential for recreational land. I mean, people just go there and ride their snowmobiles or their horses or walk or whatever, so there's no economic potential for that land unless there was some sort of trail permit system developed, and that's still not going to generate enormous sums of money.

Grazing leases, though – and this is where we start to wander into

the, hmm, isn't-that-interesting place. Well, now, this motion is too large. Having gone from talking about little tiny odds and ends, we're now talking about potentially large tracts of land, particularly when you wander in and start talking about grazing leases, and none of this is clearly defined. I often have problems with motions because they are too loose. They're just not specific as to what we're talking about.

So when I'm asked to speak either for myself or on behalf of my constituents in Edmonton-Centre, it's very difficult to do so. Would constituents in Edmonton-Centre mind selling off funny little odds and ends, you know, a couple hundred square metres, the result of various roads going through, right-of-ways and things? No, probably not. But would they object to land being sold that's potentially recreational land or parkland or Crown land in Alberta? Yes, very much they would object to that. They want that land held, and they don't want it sliced up and sold to private users where the rest of the citizens of the province can't get access to it.

A perfect example of that is the struggles that we've had in Alberta trying to put in place the Alberta Trailnet system, which is the Alberta extension of the Trans Canada Trail. Because we didn't start off here by taking the unused or no longer used railway lines for our trail system, we're having a much harder time pegging together that trail and linking it, and a number of times we're having to cross over or make agreements to cross over and make use of private land. Potentially, this motion going through makes that kind of a scheme or a future trail even more difficult if we're having to patchwork through a number of other private owners of little bits of land or larger bits of land. It's very interesting that if you're selling a land that doesn't possess any economic potential, in the very act of selling it you've now given it economic potential. So there's an odd little sort of marketing economic glitch that you get into there.

The Speaker: Excuse me, hon. member. I think your time now has evaporated.

I will now call on the hon. Member for Redwater to conclude debate on this motion.

Mr. Broda: Thank you, Mr. Speaker. I've had several calls after introducing this motion, Motion 507. I want to make it clear that this is only a motion. It's not a bill, as it has been referred to by some of the people that have phoned. It's urging the government to look at disposal of some of our public lands which the hon. Minister of Sustainable Resource Development deems could be utilized better by the private sector. Let's make it clear that this does not mean large tracts of grazing leases. An example may be where somebody may have deeded land that's surrounding some public land that might be right in the middle of deeded land, and we have to administer it. Once or twice or three times a year somebody has to go out there and review it, and we have to look at it. If there is economic potential, well, then we don't dispose of it, but it gives the minister the right to go out there and have a look. As the Member for Dunvegan in his speaking as well indicated, surplus public lands could be parcels or grazing lands under lease, vacant lands, and lands that are currently not being utilized to their fullest economic potential.

Therefore, Mr. Speaker, I'm not referring to valuable forest lands, areas with historic natural grasslands, lands which have reserves for conservation, or even, as mentioned by the Member for Edmonton-Centre, the potential of parklands being sold. I don't think that's what we're referring to. We're just saying: let's review our policies; let's look at the administrative costs of smaller parcels. I've got some in my own constituency where my constituents have asked: why can't I buy it? Going back and checking out: well, we can't

because it's set out in regulation that you can't dispose of it. It might be a 28-acre parcel like in this one situation where a road crosscuts it through, but it's also a fence line where there are trees already in there. So the fellow is saying: I'm leasing that little 28-acre chunk of land, but I have to take my equipment to go around the road to farm it. The rest of the land, of course, is reserve; leave it be so. But we have to look and see how we can address some of those issues.

With that, Mr. Speaker, I'd like to just say that this is what the motion is there for: to have the minister of sustainable resources review some of our policies. Certainly, I personally wouldn't want to see large tracts of land sold off either, but I think we have to look at: what are the administrative costs? Does it make economic sense to let the landowner that's leasing it have it or buy it? I'm not saying: let's give it a fire sale. Let's put it on fair market value. It doesn't mean even that that individual farmer might be the one buying it. That's open to the public, whether it be by public auction or by market value through real estate. I think we've sold other lands here which maybe the highways department had already some buildings on site. We've disposed of it because there was no need for it, or in this case maybe the municipality could utilize it more efficiently.

So this is what Motion 507 is all about, Mr. Speaker, and I urge everybody of the Assembly to vote for Motion 507. Thank you.

[The voice vote indicated that Motion Other than Government Motion 507 carried]

[Several members rose calling for a division. The division bell was rung at 8:19 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Abbott	Griffiths	O'Neill
Boutilier	Hlady	Pham
Broda	Horner	Snelgrove
Calahasen	Hutton	Stelmach
Cenaiko	Johnson	Strang
DeLong	Kryczka	Tarchuk
Doerksen	Magnus	Taylor
Ducharme	Marz	VanderBurg
Dunford	McClelland	Woloshyn
Evans	Melchin	Yankowsky
Goudreau	Oberg	Zwozdesky

8:30

Against the motion:

Blakeman	Carlson	Taft
Totals:	For – 33	Against – 3

[Motion Other than Government Motion 507 carried]

Organized Crime and Terrorism

508. Mr. Cenaiko moved:

Be it resolved that the Legislative Assembly urge the government to work with Criminal Intelligence Service Alberta to enhance collaborative partnerships and co-ordinated programs with various levels of government, policing agencies, and the public to effectively combat organized crime and terrorism.

The Speaker: The hon. Member for Calgary-Buffalo.

Mr. Cenaiko: Thank you very much, Mr. Speaker. It's an honour and pleasure to begin debate on Motion 508. The purpose of Motion 508 is to encourage this government to continue working with Criminal Intelligence Service Alberta. I believe that it is important to continue existing projects and develop new ways to battle organized gangs and serious crime in Alberta. It's been said that crime used to be based only on brutal, solitary, and personal impulses, but more criminals are forming ranks. They are disciplined. They have given themselves a code and a morality, and they work in gangs with well-devised schemes.

Before I explain the need for CISA, I would like to highlight several important tasks that Criminal Intelligence Service Alberta provides for police services. First of all, training sessions are planned and provided to teach police officers about new technology and crime trends. With the emergence of serious crime the expectations on law enforcement have increased dramatically. Criminal Intelligence Service researches new techniques for battling terrorism and organized crime. Alberta's police services can learn a great deal about crime-fighting techniques and strategies from other jurisdictions. Criminals have become more mobile, which has increased the need to share information about organized crime.

Second, there are joint force operations targeted at the numerous organized crime operations throughout Alberta. These joint force operations have resulted in the arrest and conviction of dozens of dangerous criminals. Obviously, the benefit from these operations is the removal of dangerous people from Alberta's communities. However, they also help break up large and powerful criminal networks.

Finally, Mr. Speaker, CISA helps police officers track down suspects involved in major criminal activities.

No single government agency or police service can keep up with the growing size and threat of organized crime. All three levels of government work together to reduce the chances of serious crime and make communities safer for all Albertans. In total, Mr. Speaker, there are 27 organizations with membership in CISA, including law enforcement agencies and other federal and provincial government departments that have an intelligence or enforcement component. On their own these member organizations successfully carry out their own day-to-day activities. However, combining all of their unique knowledge, wisdom, and experience into one body creates an awesome tool to help police services battle and defeat organized crime. Governance of this association is provided by an executive committee consisting of chiefs of police from the Calgary, Edmonton, Lethbridge, and Medicine Hat police services as well as the commanding officer of the RCMP K Division.

I would like to stress that CISA is part of a national intelligence infrastructure and does not provide law enforcement. CISA is part of a national system of provincial bureaus that operates under the umbrella of Criminal Intelligence Service Canada, which also provides access to Interpol and other international enforcement and intelligence agencies.

Mr. Speaker, there are two other government agencies that include counterterrorism and national security as part of their mandate similar to CISA. For example, the Canadian Security Intelligence Service is responsible for protecting the national security interests of Canada and safeguarding its citizens. The national security investigation section of the RCMP has the primary jurisdiction for investigating offences related to national security. It is not the intention of this motion or CISA to infringe on the existing mandates of those two organizations. One of the goals of CISA is to build on the work already being done by these agencies along with the other 27 members to provide a clear picture of what criminals are planning in Alberta. It only makes sense to use the intelligence-sharing

contacts that are already in place. Better sharing of this broader body of crime-related intelligence should significantly improve the capacity of police officers to protect the public.

All of the partners in CISA understand the need to provide and maintain safe communities, but they also appreciate that this is something that cannot be accomplished in isolation. One of the greatest weapons in the battle against organized crime is an informed public. Albertans need to know that CISA exists and that there is a great deal of work being done to preserve the safety of Albertans. Informing the public about CISA will at the very least offer peace of mind for those concerned about the threat of serious crime and terrorism in Alberta.

Mr. Speaker, as we all know, Alberta is a growing province. As our economy expands and diversifies, so too does Alberta's population. The upside to growth is an influx of more people from different backgrounds, experience, and skills. However, one of the major downsides to growth is the increased prevalence of crime. There are more homes to break into, more people to terrorize, and more children to exploit. These are the growing pains of an expanding economy, and they must be addressed. The question for law enforcement is: how do we solve these problems effectively? How do we know which businesses are owned and operated by organized gangs? What technology are criminals using to outmanoeuvre the average police officer? Where are organized gangs operating? Are they higher in number in Edmonton or in Calgary? Are they in smaller urban centres such as Red Deer, Fort McMurray, or Lethbridge? There are hundreds of dangerous people in this province who have and will break the law. The problem for law enforcement is that criminals are getting smarter, methodical, and more sophisticated.

Although traditional crime rates in Alberta remain fairly consistent, criminals remain active in other ways. Criminals, especially organized crime members, carefully plot their moves and plan their attacks. There are several very large and very dangerous organized crime gangs operating throughout Alberta. Results from CISA investigations have revealed aboriginal, Asian, and outlaw motorcycle gangs as the three main criminal organizations in Alberta. Realistically, police officers on their own cannot compete with the size and sophistication of these organized gangs. There is a great deal that remains unknown about the scope and influence of organized crime in Alberta's communities. However, information sharing with different levels of government, police services, and the RCMP helps preserve peace and thwart criminal activity.

Mr. Speaker, since September 11, 2001, concern for potential terrorist activities throughout North America and specifically Alberta has been on the minds of all of us. However, there is work being done to ensure that we are not attacked by terrorists or organized crime. One of the most critical factors to prevent serious criminal activity is sharing information and intelligence. Information is scattered bits of raw data. Intelligence, on the other hand, is information that has been put through the process of collection, evaluation, analysis, dissemination, and re-evaluation. Relevant, credible information plus quality analysis equals useful intelligence. CISA assists the exchange of criminal intelligence.

Currently Alberta and Ontario are the only two provinces that provide provincial funding to their respective criminal intelligence agencies. I believe it's important to recognize the success of their work and pursue more projects with Criminal Intelligence Service Alberta, the RCMP, and with the Calgary and Edmonton police services. This agency has had success establishing profile, gaining exposure, and creating legitimacy among other law enforcement bodies. However, few Albertans know about CISA, and I believe that there is a need to create a much higher public profile for this organization.

8:40

Mr. Speaker, several barriers including time, finances, and human resources prevent CISA from getting a clear understanding of the known criminal networks operating in Alberta. There is more work to be done, and it's vital that the government of Alberta build on the partnership with CISA. I was fortunate to have spent nearly five years of my life working with dedicated and committed individuals who are sincere and passionate about the work they do. Working hand in hand with members of the Canadian Security Intelligence Service and Criminal Intelligence Service Alberta was an incredible honour for me and a part of my life I will never forget. They have sacrificed their lives and extended periods of time from their families to help preserve our safe and democratic and free society. The potential threat to the people and critical infrastructure of Alberta represents a public risk that is shared by all Albertans. I encourage all members of this Assembly to urge the Alberta government to work harder and commit more time and funding for criminal intelligence efforts.

Thank you very much, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you, Mr. Speaker. I listened carefully to what the Member for Calgary-Buffalo was saying. I was trying to figure out why he brought this motion forward. In the last few sentences that became a little clearer to me. He's in fact worked with the organization that is the centre theme of the motion here. I can't speak to the work that the member did before he was elected here, but certainly he's made every effort while he has been in this Assembly to remain true to his roots, but once again I'm looking at a motion that does not seem to reflect what the proposing member actually has in mind. The motion that is on the books urges the government to

work with Criminal Intelligence Service Alberta to enhance collaborative partnerships and co-ordinated programs with various levels of government, policing agencies, and the public to effectively combat organized crime and terrorism.

As I listened to the member, I heard him talk about committing more time and funding to fight organized crime, creating a higher public profile for CISA, and a number of other activities that the member seemed to be contemplating would be fulfilled through this motion but in fact are not reflected in the motion. So the lack of specificity continues to be a problem with the motions that I see private members of the government bring forward.

I was looking to see what is the point of this. Why are we talking about it? From what I can see and indeed from the opening introductory sentences of the sponsoring member, this seems to be, "We want to keep on doing what we're doing," and that seems to be the motion that was brought before us, which strikes me as a bit odd. So once again I have to default to my question. Is there a problem here? Yes. I think it can be argued that we do have a problem with increasing levels of activity in organized crime, and now we have this overlaid with concerns about national or international terrorism activities. I didn't hear it argued, but I think that it could be argued that there is a problem right now. Okay. Then is government activity that is contemplated in a motion going to address that need? Well, I guess it could if it was laid out, but I didn't hear it laid out in what the member wanted this particular organization to do by way of activity that would be addressing whatever is the problem and, specific to this motion, laying out what he wished to have addressed.

We have a motion that says: same old, same old; let's keep doing the same thing. I don't understand what the urgency is in that motion or what the member was looking to accomplish in bringing

that motion before this House. Just keep doing what you're doing: I think that could be put towards a number of departments, but that's not making us any safer here or making Alberta more prosperous or any number of other activities.

Let me take a different tack on this. If we're really looking to address the issues particularly around youth recruitment into organized crime, into gangs in other words, then I think there's a fair amount of stock, of proof that's out there, studies that have been done, statistics that show for younger people particularly that the threat of more punishment does not work. It does not stop youth organized crime, youth gang activity. They are young. They are immortal. It's not going to happen to them. So threats of additional sanctions of some kind, which perhaps might be contemplated by the wording of this motion, don't help these kids in organized crime. It doesn't reduce it. If you really want to reduce youth activity in organized crime, get them involved doing something else.

You know, we can look to our neighbours to the south, where they have had terrible problems with youth gangs, and look to dedicate resources. That's where they have found they can be effective. They provide enough activities for young people to get involved in, and they get involved in it, and that does keep them out of those organized gangs. That is the best solution that they've found, and it's by no means perfect either. If what's being contemplated here is less youth involvement in crime, then this motion is not addressing where that needs to go.

My second issue around counterintelligence and policing and organized crime and terrorism is the ability to measure this. Recently I've been in the position to question the Solicitor General in Public Accounts and then again two weeks ago in the budget debates, and every time we come around to this issue of counterintelligence, of gangs, of organized crime, and of terrorism, the Solicitor General is regrettably unable to give me any information because, well, it's secret. They are specialized units. She can't tell us what's being planned. She can't tell us what's being measured. She can't tell us if it's successful or unsuccessful because that would be giving it all away. But at a certain point on behalf of Albertans you've got to say: how are you measuring this? Otherwise, what are you spending money for? How do you know what you're actually getting if you have no way of measuring it because it's all secret and behind closed doors? How do we assure Albertans that they are in fact getting value for the money that they're spending on whatever these activities are?

I'll take my place and listen to other members who hopefully will be able to support the proposing member and elucidate on what exactly is being contemplated aside from "Let's keep doing the same thing we've been doing," which is what this motion says. I know that my colleague for Edmonton-Ellerslie has some additional information that she would like to bring up, and as well she's got more experience with youth crime in her area, that I'm sure she wants to talk about in connection with this particular motion.

Thank you for the opportunity, Mr. Speaker.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. I'm pleased to rise and speak on Motion 508 this evening. I'd like to begin by thanking the hon. Member for Calgary-Buffalo for bringing forward this motion and for his continued efforts to see increased support for Criminal Intelligence Service Alberta, which works to make Alberta a safer and more secure place to live.

For members who do not know, Criminal Intelligence Service Alberta, or CISA, is an organization that exists to facilitate the exchange of criminal intelligence between intelligence units and

enforcement units. Motion 508 serves to highlight the important work that they do and encourage the government to continue to provide support. CISA exists as a centre of excellence to support the efforts of law enforcement and government in the battle against organized crime. CISA is also responsible for implementing the Alberta government's provincial strategy for organized crime and serious crime. To accomplish this, CISA has identified four main areas of focus: intelligence sharing, strategic analysis, operational support, and training. This motion proposes that the Alberta government increase its support of CISA so it can continue to be an aggressive force in the fight against organized crime.

Mr. Speaker, based on what we know right now, there's a lot of work to be done in the fight against criminal networks. The main organized crime groups that CISA focuses its resources on are outlaw motorcycle gangs, Asian-based gangs, aboriginal gangs, and eastern European based gangs.

Outlaw motorcycle gangs are involved in money laundering, prostitution, assaults, murder, fraud, thefts, counterfeiting, and extortion. They continue to be involved in the importing and trafficking of cocaine as well as the growing and selling of high-grade marijuana. There are three chapters of motorcycle gangs in the province, stationed in Edmonton, Calgary, and Red Deer. While these groups primarily operate within these three municipalities, their criminal activities extend throughout Alberta, from Medicine Hat in the southeast and Lethbridge in the south to Grande Prairie in the northwest and Fort McMurray in the north.

8:50

Asian-based organized crime groups are based in the urban centres of Vancouver, Calgary, Edmonton, Toronto, Montreal, but smaller cities in rural areas are increasingly being used to conduct their criminal activities. Asian gangs continue to be extensively involved in drug trafficking, extortion, prostitution, home invasions, illegal migrant smuggling, kidnapping, illegal gambling, and money laundering. Asian organized crime groups associate with youth and street gangs from mixed ethnic backgrounds and use these groups as sources of labour and recruits and as an insulation to shield their senior members from the attention of rival gangs and law enforcement agencies.

Enforcement agencies have identified nine aboriginal-based gangs or criminal organizations. While some of the recruitment of gangs has occurred in various areas of Alberta, considerable recruitment of gang members has occurred within provincial and federal corrections facilities. Once these individuals are released back into society, they continue to recruit in their local communities. The primary illegal activities of aboriginal gangs have been drug trafficking, prostitution, and the sale of black-market cigarettes.

The fourth group, Mr. Speaker, is eastern European gangs. Since the breakup of the former Soviet Union eastern European organized crime groups have increasingly moved into North American cities. Calgary and Edmonton are no exception, and they are home to some of these groups, who use very sophisticated technologies. Eastern European organized crime groups specialize in diamond smuggling, drug trafficking, fraud, extortion, prostitution, and money laundering. It's clear to see that organized crime is not just a big-city problem. It's a problem that faces small- and medium-sized communities as well, and without continued support for institutions like CISA, the grasp of organized crime will only increase and tighten.

Between April of 1999 and March of 2002 the CISA executive committee approved a total of 15 joint forces operations targeting a variety of organized crime groups. Nine of the 15 have been completed. These multiagency investigations have all utilized a

diverse approach with the ultimate goal of dismantling the groups that were targeted. Two of the most successful operations are Project Kachou and Operation Pitbull. Operation Pitbull in late '99 resulted in 19 suspected gang members charged with 58 criminal offences. As a result, an aboriginal gang in the southern part of the province no longer appears to be structured or criminally active.

Project Kachou was a yearlong investigation conducted by the RCMP and the Edmonton police into alleged illegal activities of an Asian-based organized crime group operating right here out of Edmonton. In excess of 60 accused were subsequently arrested and charged for a variety of drug trafficking and criminal offences. Approximately \$1.7 million in alleged illegal proceeds of crime have been restrained, of which \$225,000 has been forfeited to the Crown. Significant quantities of illegal drugs have also been seized. To date 18 accused have pled guilty to a variety of offences, receiving sentences ranging from fines to five years in jail. Three of these accused have since been deported from Canada. Two different groups of accused, eight in one group and 18 in the second group, are proceeding through the court process right now.

Overall, the nine completed operations have produced impressive enforcement results which include criminal charges against 203 key figures operating within criminal organizations. Of those charged, 37 have already been convicted, receiving sentences ranging from fines to seven years in prison. Approximately \$4 million in street value of illegal drugs have been seized during the course of these operations. Numerous handguns, rifles, and automatic weapons have also been seized and forfeited. Also, approximately \$3,600,000 in alleged illegal proceeds of crime have been restrained, with over \$500,000 already being forfeited to the Crown.

Organized crime is a problem that continues to plague societies around the world. There's no solution to defeating organized crime other than well-trained, well-funded, and well-informed enforcement agencies. Criminal Intelligence Service Alberta is vital in the fight against organized crime, and I strongly urge the government to continue to work with and support CISA and increase funding to this impressive institution so Alberta's communities can remain safe and secure.

Thank you.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you. I have read this motion intently and listened to the two speakers and can't understand why we have a motion. It isn't actually the proper use of this legislative time. What I heard members say was that they want to see more or at least continuing support for Criminal Intelligence Service Alberta, and everybody in this Assembly would agree with that, Mr. Speaker, but motions are more properly used to urge the government to take some kind of action. I don't see any action here being urged by this particular motion.

If the member wants to congratulate all the integrated intelligence units working together co-operatively in Alberta, then a couple of things could be done. The minister could do a ministerial statement. Each and every time they have a successful crime completion rate or something outstanding happens, the members that have spoken so far could get up and give private members' statements outlining their support for this organization. Recognitions could be done at appropriate times. Those would be the proper uses of this Legislative Assembly, not a motion urging them to keep up the good work and: yes, pat, pat, pat on the back, you've done an excellent job, and we're going to continue to support you. That is not a proper use of this time.

It is true that the integrated intelligence units work hard and do a

very good job. I know this for a fact because my ex-husband worked in this particular unit for a long time with the RCMP, and I know that the integrated intelligence unit with the RCMP and the Edmonton police force has been at work for more than 30 years. My ex-husband worked there as an undercover operator, covering an undercover operator, doing strategic development, focusing particularly on biker gangs, on stolen property rings, on Asian organized crime units. Yes, all of these things are happening in this province. Yes, they are flourishing in this province. Yes, all of these police services could use way more resources to combat this. But there is existing wonderful co-operation. They send in undercover operators from different jurisdictions all the time. They have joint meetings and studies and training sessions and shared information all the time. Unless this member is seriously urging the government to give them more resources, then this motion is a waste of time from this perspective.

Also, knowing what I know about these organizations and how they work, they don't want specifics of their cases broadcast everywhere. Do they want people to know that we have a very effective organized crime unit here in this province? Yes. And we do, and you've said that, and say it again as many times as you want to in a recognition or a private member's statement, but save motions to do what they were meant to do, and that is to urge the government to action in some course and not waste the Assembly's time in this particular fashion.

The Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Good evening, Mr. Speaker, and thank you. I'm very pleased to be here tonight to speak in favour of Motion 508. I'd like to begin my remarks by commending my friend the hon. Member for Calgary-Buffalo for introducing this motion. We live in a time of increasing uncertainty, where organized crime and terrorism pose real threats to safety, security, and our collective well-being as a society.

The Speaker: I hesitate to interrupt the hon. Member for Drayton Valley-Calmar, but the time limit for consideration of this matter of business is now concluded.

9:00head: Private Bills

head: Second Reading

Bill Pr. 1

Sisters of St. Joseph of the Province of Alberta Statutes Repeal Act

Mr. Griffiths: Mr. Speaker, I move second reading of Bill Pr. 1, Sisters of St. Joseph of the Province of Alberta Statutes Repeal Act.

The Speaker: The hon. Member for Wainwright to close debate, or should we call the question?

[Motion carried; Bill Pr. 1 read a second time]

Bill Pr. 2

Forest Lawn Bible College Act

The Speaker: The hon. Member for Calgary-Montrose.

Mr. Pham: Thank you, Mr. Speaker. I now move second reading of Bill Pr. 2, Forest Lawn Bible College Act.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I rise to express some concerns about this particular bill. I've been looking through the bill and reading the minutes of the Private Bills Committee, and as I say, I have some uneasiness about what we would be doing under this bill.

There are, it seems to me, a number of open aspects to this legislation which make me concerned that we really have no grip on where this particular organization, the Forest Lawn Bible College, may go and what it may metamorphose into. I start with the very first line of the bill, which is the preamble and reads:

Whereas Forest Lawn Bible College proposes to carry on its endeavours together with other organizations who may from time to time agree to associate and co-operate with them under the name Forest Lawn Bible College . . .

That certainly gives me the impression that we're creating an umbrella organization here that may bring all kinds of other organizations under that umbrella. We just have no idea what they'll be as far as I understand this legislation.

I'm also concerned about a trend in which we create more and more institutions which grant degrees. Admittedly in this case there's only one kind of degree that will be granted, and that's a degree in divinity, but the organization that we would be creating under this act would have the capacity to provide certificates and diploma programs in education, arts, science, and other fields as the board may from time to time determine. That's enormous. That's without limit. I am very uneasy about creating an organization like this over which we would have very, very little public control, which would have the capacity to provide diplomas in education or diplomas in science. It says here:

the College has all the powers, privileges and immunities vested by law in a corporation . . . and more particularly, but without limiting the generality of the foregoing, the College may

provide these diplomas. So in my interpretation it is up to the college to determine the standards that would be required for these diplomas. I think we need to be very careful as a society to protect the integrity of the notion of a diploma and even more so of a degree and that we have taken some steps and continue to take steps in Alberta to ensure that happens. So I am also concerned about that sort of principle of this bill.

I also note that the bill, if it is passed, will allow Forest Lawn Bible College to "draw, make, accept, endorse, execute or issue promissory notes, bills of exchange and other negotiable instruments." Again, an enormous privilege that we would be granting this organization, a privilege potentially to issue any kind of negotiable instrument, which means a negotiable financial instrument. I am uneasy about that sort of legislation as well for an organization of this type. This feels like a sweeping and general and extraordinarily generous response to a very specific lobbying effort by a handful of people, some of whom are actually I believe named in the act.

I just feel that as a Legislature and as legislators we have a responsibility to be exceedingly careful in who we grant these kinds of powers to and what organizations we grant these kinds of powers to to protect the integrity of the entire education system and indeed also to protect the integrity and protect the welfare of the people who may be attending this sort of a college. There is no particular provision in here to ensure that people who might apply to this college – and they might come from anywhere in the world. It certainly has an international flavour to it. There's no provision in here to protect their interests, no sort of consumer orientation here, and I do think that at times we have a responsibility.

Canadian educational institutions have a fine reputation around the world, and we need to ensure that there aren't any opportunities for people, either through mismanagement or through other problematic initiatives, other activities, to take advantage of people who put

their trust in a Canadian organization because it's Canadian and then land here and realize: gosh; my diploma in science or my diploma in arts or my diploma in whatever field it may be really isn't going to be worth very much.

So I am uneasy to the point of personally having to oppose this bill, Mr. Speaker, for those reasons. Thank you.

The Speaker: The hon. Member for Calgary-West.

Ms Kryczka: Yes. I'm very pleased to stand and make a few comments in response to the hon. member from the other side and certainly in support of the private bill submitted by the Forest Lawn Bible College. As a member of the committee I was there and participated in the discussions, and certainly in the last meeting of the committee there was a fairly full discussion that did occur on this topic, and the recommendation of the committee was to approve the passing of this bill for second reading.

I think that the hon. member makes much ado about nothing, basically, in his comments, and I have to say that I would ascribe that to some of the comments that were made during the discussion. Of course, that's only my opinion, but I felt that the members that are setting up this Bible college – it's a very multicultural group of people – appear to be very honourable and well-intentioned. As far as I could see and understand from what they presented, their intent of establishing the Bible college is to educate and train students in spiritual matters in order that they may build a church and provide preachers or pastors – I understand that the word would be "pastor" – in the local setting, especially for older members of the multicultural community who cannot speak or understand English.

I think that to me that is a very basic need for immigrants. We welcome them to our society, and most of them have fled their motherland, where religion is suppressed, the religion that they have traditionally practised. I understand also that possibly some of these people who have been trained or educated here may return to the motherland and again try, where possible, to provide the religious teachings to people, as I say, whose religion for many years has been suppressed. As far as I'm concerned, in the area of divinity this was a really good learning experience for me. I was raised in the United Church, and in fact at one point in time I considered going into theology myself, but other aspirations beckoned.

I did not realize that with Alberta Learning you can grant degrees in divinity, and Alberta Learning does not have to approve that. Certainly also with certificates and diplomas the same applies, and we had a representative from Alberta Learning at our first meeting who certainly stressed that point. So I guess what I'm saying is: divinity is in a different category.

9:10

There was some discussion around members of the Bible college who would teach, and again they were from many varied multicultural backgrounds and countries but people who have degrees, certainly postsecondary education and degrees from their country. So personally I didn't really take issue with any of their presentation. I think that the committee also decided that seeing as this same Private Bills Committee had approved a similar application in 1996, there had been a precedent set.

So basically those are all my comments that I would like to make in support of approval of this bill. Thank you.

The Speaker: Hon. member, Standing Order 29(2)(a) is now available. Is this what you're pursuing, hon. member?

Ms Blakeman: No, thank you.

The Speaker: No questions?

Then the hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'm prompted to rise and put my concerns or hesitations on the record. Having listened to the speakers speaking in favour of this, I'm wondering if we're not confusing the issue of the practice of one's choice of religion with setting up a teaching postsecondary institution in Alberta. What's being contemplated by this private member's bill is outside of the accreditation process, which is what is making it necessary to approach it through the private members' private bills format that is available through this Assembly. If in fact this was an accredited institution and met the criteria set out by Alberta Learning, this bill would not be before us, but they are not able to meet that accreditation, and therefore they are going a different route and approaching through the private members' private bills to have this learning institution, teaching institution, set up.

Now, the only degree that they are able to grant is a divinity degree. I'm looking at the *Hansard* from the meeting of the Private Bills Committee on Tuesday, April 8, and it is explained in these minutes by the staff person.

By and large, these programs over the years have been programs that have been designed by specific religious groups to train people to teach in that particular faith, so the department has not interfered with the content, the feeling being that members of that faith are the individuals who would be best prepared to design a program of that nature.

That's the rationale for why the department doesn't require program approval for these divinity programs from these colleges.

I agree with my colleague from Edmonton-Riverview. I, too, have concerns, and I'm even more concerned when I hear that part of the rationale for supporting this is that we supported a similar bill in 1996, and I think that simply can become just self-perpetuating. There may well have been a problem with the institution that was accredited in 1996. I don't know if the Member for Calgary-West went back and investigated that. Perhaps she did, but she didn't mention that in her remarks, and therefore we're now potentially perpetuating that problem by referring back and going: well, we did it before, so now we'll have to do it again. I don't think that's a good reason for coming before this Assembly and creating an academic institution through an act of legislation. I think there are too many problems that were brought up, too many questions that were not answered where members of the committee went back and repeatedly asked the questions again and were not satisfied with the answers themselves.

You know, I have a lot of respect for the committee deciding in the end to bring forward the bill to this Assembly, but that doesn't mean that this Assembly then rubber-stamps it. If that were the case, I would not have the freedom to get up and debate it. So there is another process that these bills pass through in allowing them to be debated in this House, and I'm taking this opportunity, then, with that parliamentary process that is in fact granted to me to express my concerns about this Legislature through an act of legislation setting up a Bible college which would be granting this divinity degree plus unspecified other diploma and certificate programs. Those questions were not satisfactorily answered during the debate with them. I don't think that we need an act of legislation to practise religion freely. We don't. What's being anticipated in this is the ability to teach that.

Now, because it's not accredited, there should not be any taxpayer money involved with this institution nor should students be able to apply for a government-sponsored loan program to help subsidize any tuition that would be involved here. So any liability or risk for

the Alberta taxpayer would not be involved in this particular endeavour. Nonetheless, I think it raises some troubling questions, and I'm not at this point willing to support the creation of what's being contemplated here.

Thank you.

The Speaker: Standing Order 29(2)(a) is available.

The hon. Member for Calgary-Montrose to close the debate.

Mr. Pham: Thank you, Mr. Speaker. I have listened very carefully to the three speakers. The Member for Edmonton-Riverview and the Member for Edmonton-Centre have raised some concerns about the bill. I also would like to thank the Member for Calgary-West for her comments, and I believe that some of her comments have addressed some of the questions raised by the Member for Edmonton-Riverview. However, there are still some questions I would like to address at this time. The first one is that there is a concern raised about foreign students and the fear that this Bible college somehow will attract foreign students and will give them a bad deal for their money. I would like to let those members know that for a foreign student to obtain a student visa to come to Canada to study, they have to register in an accredited program in an accredited institution. Because this is not an accredited institution, students, for instance, who want to go to this Bible college will not be able to obtain a student visa. That's number one.

Secondly, as a long tradition of the House we have the Private Bills Committee where members with concerns can bring their concerns. I remind the members that is an all-party committee. This committee has reviewed this bill extensively, and I urge the members opposite to go back and review the *Hansard* of those meetings.

Another question that was raised by the member opposite. I sponsored a similar bill in 1996, the Evangel Bible College Act, and there was some reference made to it as to there may be some problems with that college. That college is right inside my riding. It's still functioning very well today, and there have been no problems at all. The content of this bill is almost exactly like the other bill, word for word. So all I can say is that up to now the college that had the bill passed in 1996 has functioned very well.

9:20

There will be an amendment proposed at the Committee of the Whole stage that may address some of the concerns brought forward by the members opposite. Basically, that amendment will narrow the scope of the field that the Bible college may be able to grant degrees in.

With that, Mr. Speaker, I close debate on Bill Pr. 2 and ask for the question to be called.

[Motion carried; Bill Pr. 2 read a second time]

head: **Public Bills and Orders Other than**
Government Bills and Orders

head: Committee of the Whole

[Mr. Tannas in the chair]

The Chair: Committee of the Whole is called to order.

Bill Pr. 1
Sisters of St. Joseph of the Province of Alberta
Statutes Repeal Act

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Wainwright.

Mr. Griffiths: I move that the question be put.

The Chair: That's okay. If there are no people wishing, then to the question.

[Title and preamble agreed to]

[The clauses of Bill Pr. 1 agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Bill Pr. 2 Forest Lawn Bible College Act

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Calgary-Montrose.

Mr. Pham: Thank you, Mr. Chairman. I move that Bill Pr. 2 be amended as follows: section 3(a) is amended by striking out "in such fields as the Board may from time to time determine" and substituting "in the fields outlined in section 5(1)(a)" and would ask the pages to now circulate the amendment.

The Chair: We'll call this amendment A1. Hon. member, if you'd just pause for a moment, we will hopefully get these distributed throughout the Chamber.

Okay. Hon. Member for Calgary-Montrose, having moved, would you like to explain further anything on amendment A1?

Mr. Pham: This is a very simple amendment, Mr. Chairman. All it does is try to narrow down the field that the college may be able to grant degrees in, and this amendment is recommended by staff from Alberta Learning.

The Chair: Any comments with regard to amendment A1?

[Motion on amendment A1 carried]

The Chair: Further comments or questions with respect to the contents of the bill?

[Title and preamble agreed to]

[The clauses of Bill Pr. 2 as amended agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Chairman. I would now move that the committee rise and report bills Pr. 1 and Pr. 2.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Johnson: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following: Bill Pr. 1. The committee reports the following with some amendments: Bill Pr. 2. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: All those who concur in this report, please say aye.

Some Hon. Members: Aye.

The Deputy Speaker: Those opposed, please say no.

Some Hon. Members: No.

The Deputy Speaker: The motion is carried.

head: **Government Bills and Orders**

head: Second Reading

Bill 33 Insurance Amendment Act, 2003

The Deputy Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. It's a pleasure to rise this evening and move second reading of Bill 33, the Insurance Amendment Act, 2003.

The proposed bill contains two amendments to the Insurance Act that will ensure that awards resulting from an automobile accident return an individual to the same financial position they existed in before the accident occurred. These amendments are, one, to eliminate the potential for double-dipping, or recovering compensation for the same expenses from more than one insurer and, two, to ensure that income replacement awards are based on an individual's net versus gross pay.

Mr. Speaker, these amendments are the result of the government hearing the concerns that have been expressed by the public regarding the current state of our automobile insurance system. We've all had letters and calls from shocked constituents when they open their latest insurance bills. In the past year premiums have increased significantly. Many Albertans have had difficulties finding insurance that fits within their budgets, and because automobile insurance is mandatory, they have voiced their dissatisfaction to the government. In many cases premium rates have increased on average by almost 15 percent since 2001. During 2002 figures from the Alberta Automobile Insurance Board show that five insurance companies obtained approval for premium increases that range from 15 percent to just over 31 percent. That's five out of approximately 70 companies, Mr. Speaker. Indications are that these increases will continue in the coming year.

9:30

In responding to this public issue, Alberta Finance identified a review of our automobile insurance system in its 2003-2006 business plan. The amendments in Bill 33 constitute the completion of the first step of this review. The amendments are not a panacea intended to address all the issues that exist in Alberta with automobile insurance. However, they are an attempt to respond with some immediacy with solutions to two pressing issues, which could assist in helping to stabilize premiums. Later this year Alberta Finance will conduct a more comprehensive review of the automobile

insurance system to identify long-term solutions. Our plan is completion of the review this calendar year and government consideration next spring.

Mr. Speaker, a point that needs to be made is that the issues that Alberta motorists are facing with rising automobile insurance premiums are not unique to our province. Provinces across this country are experiencing the same public pressures that result from rising premiums. We are talking to these provinces and sharing information. We have learned from their experiences as well. The two amendments that are contained in this bill have already been adopted and implemented in New Brunswick and Ontario. Recently New Brunswick announced further amendments to its Insurance Act that go far beyond what is being proposed by Bill 33. For example, New Brunswick is proposing to define soft-tissue injury, to cap pain and suffering awards for soft-tissue injuries and minor personal injuries, to require insurers to obtain government approval for rate increases in excess of 3 percent, and, finally, to prohibit insurers from refusing to insure due to age, age of the vehicle, past no-fault accident history, lapse in coverage, or past cancellation or nonrenewal of a policy. Now Alberta insurers are already required to file rate increases for approval with the Automobile Insurance Board. This has been the practice since 1972, when insurance became compulsory in Alberta.

Mr. Speaker, I'd like to take some time to talk in a little more detail about the proposed amendments in this bill. First, I would like to talk about the amendment that bases financial compensation on an individual's net versus gross income. As it presently stands today, the loss-of-income claim is based on a person's gross pay, and the end result is that that individual takes home more money than they did prior to the accident. For example, an individual earning \$5,800 a month takes home about \$4,113 after deductions of almost \$1,600 for income tax, CPP, and EI premiums. Under the current system if an individual were injured in an automobile accident, the court would award gross pay, which in this case would be \$5,800. No deductions would be taken off.

Mr. Speaker, the principle that is being applied to the amendments in this bill is that an individual that is injured in an automobile accident should be returned to the same financial position as before the collision occurred, nothing more and nothing less. Bill 33 proposes that income replacement awards be reduced by the same amounts that would have been taken off an individual's gross pay before they were injured, making them eligible now for the \$4,113 instead of \$5,800, as is the case in our current awards practice.

As I mentioned earlier, the second amendment deals with eliminating the potential for double-dipping for the same expenses from more than one insurer. Currently a person injured in an auto accident may receive double payment for medical rehabilitation and income replacement benefits. A person may receive these benefits from their employee benefit plan or private insurance, and they can collect the same amount of these benefits from the auto insurer of the person who caused the accident. In these instances claimants find themselves in a more favourable financial position in comparison to the position they were in before the accident occurred. For example again, an individual injured in an automobile accident may have a claim for, let's say, \$5,000 in lost wages. If this person has private disability insurance, they can apply to that disability plan for income replacement. Typically, this is equivalent to 66 percent of their lost wages. The claimant, for the purposes of this example, would receive, then, \$3,300 from their private insurer. Now, when they settle their injury claim, they would also then receive an additional \$5,000 in compensation for lost wages from the automobile insurer. In total, the individual would recover \$8,300; in other words, a full \$3,300 more than the amount of their real wage loss. Bill 33

addresses this situation of overcompensation by requiring the automobile insurer to only pay the injured party \$2,000 or, in other words, the amount that remains uncompensated from the \$5,000 in their real lost wages.

Mr. Speaker, I would also like to state that nothing in these amendments affects the right of subrogation. Currently insurance companies have subrogation rights for the payments made to their clients. If a wrongdoer caused the accident, the insurer providing the benefit has the right to collect from the wrongdoer. Those rights remain under this bill. The amendments relating to collateral benefits also ensure that where a collateral benefit is payable net of tax, the award will not be taxed a second time. Again, the principle that is being applied here is simple and straightforward, and at the risk of repeating myself, that principle is that an individual that is injured in an automobile accident should be returned to the same financial position as before the collision occurred; nothing more, nothing less.

During the consultation process done by Alberta Finance with industry stakeholders last December, concerns were raised that these proposed amendments will result in unfair treatment or will disadvantage individuals whose income fluctuates on a year-to-year basis, such as for self-employed individuals, farmers, or business owners. Mr. Speaker, this is simply not the case. The bill does not affect how loss-of-income claims are settled. Income compensation will be evaluated in the same manner after this bill as it is currently evaluated today. Whether an individual is self-employed, a farmer, or an employee of an organization, the determination of the appropriate compensation will not change. However, once the compensation has been determined, it will be adjusted so that it is paid on a net income basis rather than a gross income basis. The only difference that this bill will make to this process will be that income replacement awards will now be awarded on net versus gross pay. Also, if that individual has received income replacement or payments for medical and rehabilitation expenses prior to the resolution of their claim against an automobile insurer, these payments will be deducted from their settlement.

While I acknowledge that the two amendments proposed in this bill do not solve all the issues in the automobile insurance system, they are an important first step. If adopted, they will bring Alberta in line with other jurisdictions that are facing similar problems and have moved forward with similar amendments. These amendments also allow the government the opportunity to move to engage insurance industry stakeholders in a more comprehensive discussion on long-term solutions that will help bring long-term stability to insurance premiums for all Albertans.

Thank you, Mr. Speaker.

Ms Blakeman: Yeah, those poor insurance companies standing on those cold street corners, clutching about them their tattered rags, their little noses running from the cold, and their cheeks gaunt from the lack of nutrition that they'd had. My goodness, I feel so bad about those insurance companies.

Mr. McClelland: Those poor injury lawyers.

Ms Blakeman: Those poor injury lawyers. Yeah, this is going to be a fun debate; I can tell.

I am struggling to work up a great amount of sympathy for those undernourished Prudentials and Sun Lifes and Great-Wests and Manulifes, as I say, shivering in the cold on the corner from the lack of profits because their stock market holdings have not been great. So now they don't want to pay out insurance premiums to people. My question is: who benefits from this bill? Not Albertans, that's

for sure. Who benefits? These huge insurance companies. I'm supposed to feel sorry for Prudential and Great-West and Sun Life and Manulife and Peace Hills and whoever heck else? These are monumentally large companies that make stupendous profits and don't want to pay them out.

That's what insurance is. You're betting against an insurance company on who will be right and that if you're wrong, somehow you will get compensation, and they're betting that they'll be right. That's what the actuarial tables are about. Who usually wins here? The insurance companies. That's why they're so big. That's why they're so rich. So try as I might, I can't ring out even one tiny little tear of sadness for these poor, downtrodden, starving, tattered, multinational insurance companies. Give me a break.

9:40

Who benefits here? This is the third suggested motion or parliamentary process I've seen brought forward here tonight in which Albertans are not the primary beneficiary of what's being proposed. I think we should all look at what kind of work we're doing in this Assembly on behalf of regular Albertans, because this is about making the insurance companies happy. I'm wondering: were the insurance companies one of the Wednesday night sponsors within the last couple of months? That sure is what it looks like to me.

Now, I will say that I don't have that much trouble with the section that says: income tax will be reduced; Canada pension plan will be reduced. And if in fact employment insurance would honour a premium that was paid under such a scheme and would allow someone to collect further down the line when this was money that was not actually income from work but revenue from another source – and I think there's an argument to be made there that EI would not allow the person to later collect EI benefits, even though the payment was made. Nonetheless, I can accept the argument that that's reasonable, that if someone is given an award, those deductions should be taken off.

Where I cannot and will not accept what is being proposed by members of government is the idea that if someone has paid one, two, three, or four insurance premiums – I don't care how many they had, frankly – if they have paid the insurance premiums on all of them, they should be able to collect on all of them. They've paid it. They should be able to collect. The government is now in the business, this government who doesn't want to be in the business of interfering with people's lives – well, the only lives they seem to be willing to interfere with is plain old Albertans', those that want to have more than one premium for whatever reason, and the government now wants to say: no, you can't have that.

Well, there are darn good reasons why people have more than one set of premiums, and I'll give you a couple of examples. Those people that work in the arts, for example, need to carry their own disability and life insurance. It's hard to get as an artist, and if you can manage to get it when you're young, which is the time to get it, and you're locked into your standard payments every five years – you pay the same amount for five years; then they're going to up it a little bit – you don't want to drop that premium. If for some reason you did get employed by someone else who said, "All our employees are covered by so-and-so insurance plan and you all must pay this and we'll pay half the premium, but you must take it, no choice," well, that artist would not be a wise person if they dropped the initial insurance that they'd been carrying, because after they leave this job that's insisting they take a second insurance, they won't be able to get the premium back at the first rate that they were paying. So they're better off to keep paying that. Now, there's a situation where you've got someone with not a lot of resources that's now having to

pay those two insurances to make sure that the one is there for them at the end and the employer saying, "You must pay this insurance premium," whether they like it or not.

This government would now say: "You don't get to collect on those. Even though you're in a position where you must pay for both of them, we're going to determine that you can't collect on both of them." Well, why not? What kind of consumer protection is this?

Dr. Taft: It's corporate protection.

Ms Blakeman: Well, yeah. It's not consumer protection; it's corporate protection.

I remember there was a very well chosen phrase called corporate welfare. We now have a different version of corporate welfare here, and it's coming through the insurance industry. We won't protect the individuals who wish to have a benefit plan to protect themselves. No, no, no. We're going to protect – can you believe this? – multinational insurance companies. Oh, those poor starving insurance companies. They invested in the stock market and have lost some money in it, so now they're going to hike up their insurance premiums. Quick, everybody rush around and try to help the insurance companies. This is outrageous. It does not benefit average Albertans. It doesn't. It only benefits those insurance companies. So who is the government really concerned about here?

We have not only self-employed people like actors, for example. Farmers would be another one. I suppose there could be fisher people in Alberta, seasonal workers, part-time workers, contractors, self-employed. All of those people may well be in the same position that I just described to you. Consultants is another one. This government has been very keen on letting go a lot of their employees over the years and then hiring them back as a consultant, for which they're paid a flat rate. Well, that consultant would be in the position where they'd have to be carrying their own insurance now and may well be told: sorry, you're not going to be able to collect on it because we the government are more concerned about an insurance company than we are about you, an Albertan.

Now, I listened, and I hope that the member is going to clarify this. I thought that he said in the beginning that insurance rates were rising and that five out of 70 companies had raised their rates, so, oh, my gosh, we'd better bring this bill in. I cannot believe that. I'm going to ask that member to come back and answer me now or through another one of his colleagues as to whether he's basing this whole bill on five out of 70 insurance companies raising their rates by whatever he said, between 15 and 30 percent.

Mr. Zwodzesky: Mr. Speaker, I'd like to rise on a point of order, if I may.

Point of Order Relevance

Mr. Zwodzesky: *Beauchesne* 459 on relevance. My recollection of the bill before us is that it deals with car and motor vehicle insurance, and while I'm sure that there are some compelling arguments that the hon. member speaking has about life insurance and other related insurance mechanisms, perhaps we could zero in on specifically what this bill is about.

The Deputy Speaker: The hon. member on the point of order.

Ms Blakeman: Yeah. It's exactly about that because in subsection (4) it talks about out of province no-fault insurers and other insurers, CPP disability pensions, WCB, et cetera. So all of those issues that I was talking about are encapsulated in those phrases, which I took

in fact directly out of the legislation. So if anything I'm even more on point than I thought I was.

Mr. McClelland: Even more?

Ms Blakeman: Even more on point than I thought I was.

Would the Speaker like to rule on the point of order?

The Deputy Speaker: Well, it occurs to the Speaker in trying to read it – and the chair cannot be intimately knowledgeable on each and every bill that comes before it – that the bill deals with accident claims and awards under them, and presumably in life insurance the only accident is death itself, so one would wonder about that.

In terms of relevance, that would be something for in part the hon. proposer of the bill to determine, whether or not all of the comments are relevant given that you think they are not. It would seem to me that it is about car insurance, motor vehicle insurance, and not about life insurance.

Debate Continued

Ms Blakeman: Mr. Speaker, sorry. If I've said life insurance, then I agree that I should be chastised for misleading people. I was really talking about disability insurance, which certainly would come into play if we were talking about car accidents and someone being injured, being off work, the kind of insurance that people carry, which is income replacement, that kind of insurance. So I'm sorry.

In the particular policy that I have, the life insurance and the disability are part of the same policy, so that's how I approach it. I've just done the same thing that I've accused the members opposite of doing, which is putting their own circumstances onto everyone else. So I'll certainly agree to be guilty on that point. Nonetheless, I will not take back one word that I have said. Well, the life insurance stuff I'll take back. But this thing about these poor insurance companies – I mean, please, Mr. Speaker.

9:50

My underlying concern about what's being proposed here is: who does this bill benefit? Not citizens, not the people that we're elected to be here to look after. I'm not elected to look after the interests of the insurance companies. I'm elected to look after the interests of the people that live in Edmonton-Centre, and those are my concerns. If they have this kind of – now, be careful here, Laurie – work replacement insurance and disability insurance and are in a car accident or something where this particular bill would come into play, I want to make sure that my constituents and the people of Alberta are going to come out ahead here. If it's going to be a race between insurance companies and the people of Alberta, it's the people of Alberta that I'm more concerned about. So there's a question about who benefits, and I think it's not Albertans.

There's a question about consumer protection. If you pay for more than one policy, then you should be able to collect on more than one policy. If the government is going to start determining what policies people can buy and what they can't buy, then we're into a whole other ball game here, and this is a whole other discussion with a much larger bill that needs to be brought in in which the government is going to start telling people exactly what kind of insurance they may or may not buy, which seems to be what's happening.

Mr. Mason: Like in Albania.

Ms Blakeman: I'll let you go there.

I reiterate that I think it's important that people who draw a salary

that goes into their bank account by direct deposit every two weeks should be very careful when they start passing legislation that is going to affect Albertans who work under very different circumstances – those who are self-employed, who are contractors, who are part-time workers, who are seasonal workers – who for a number of reasons may have to have other policies that they keep up in order to have at least one policy that they can fall back on and may be required at other times to be paying for all or part of another policy given an employer's wishes. So there's good reason why people may have more than one policy at a time that they would be drawing on in the event of a car accident or something else that's anticipated by this legislation.

I've gone at this debate with as much levity as I can muster given my absolute sense of outrage at what this government is attempting to perpetrate upon the citizens of Alberta. I think it is unforgivable what is being contemplated here and demonstrates an attitude of this government against regular Albertans that is unconscionable.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to rise and speak to Bill 33, the Insurance Amendment Act, 2003. You know, I think that the bill is very timely – it speaks volumes about the government's priorities – because there is a serious problem with auto insurance in this province. There is a serious problem. We have a situation now where many young people, in fact many people who aren't so young, have an awful time affording car insurance. We have a situation where rates have been skyrocketing in this province for some time, and the number of complaints that I'm getting, I'm sure that even members opposite are getting, are multiplying.

We have a real problem with auto insurance in this province right now, Mr. Speaker. We have people having their policies arbitrarily canceled after one or two claims. We have all sorts of difficulties: people with reasonably good driving records finding it very difficult to get automobile insurance. We have gross discrimination on the basis of age and of sex in the provision of coverage for insurance.

Mrs. O'Neill: Gender.

Mr. Mason: Gender. Thank you, hon. member.

All in all, we have a real difficulty because the insurance industry is no longer meeting the needs of the people of this province when it comes to car insurance, but on this problem, Mr. Speaker, the government is silent. It doesn't propose any bills to fix that problem because it believes in the marketplace even when the marketplace has demonstrably failed to meet the needs of Albertans.

On the other hand, the insurance industry itself has coasted for some time by taking the money that we pay to them in premiums and investing it in the stock market and earning substantial amounts of money from dividends. Well, we all know that in the last couple of years the free enterprise economy of the United States and Canada in particular and Asia and Latin America and most other places has gone to hell in a handbasket. People have lost a lot of money on their investments because they thought, as countless generations before them have thought, that the market will continue to grow and increase in value and it'll never come down. This has happened to the insurance industry of this country, and the excess profits that they have been able to generate by taking our money and investing it has dried up or shrunk or diminished, and now they're hurting a little bit. They claim that they're paying more out in claims than they receive in premiums. Of course, they completely ignore the fact

that for many, many years they made far more money on premiums than they paid out in claims. So they've got a market adjustment, a cycle they're going through, and instead of just sucking it up and admitting that this is just part of a business cycle that benefits them on average over the long run, they're asking the government to come and help them.

So you have on the one hand the people that depend on car insurance companies for insurance that are being gouged, that are being thrown off of their coverage, that can't get the coverage, and the government ignores those people. Then you get these poor insurance companies that are having a bit of a market correction, and they come to the government, and the government introduces a piece of legislation to limit claims. So now not only do we get gouged on premiums, not only do people lose their coverage, but now when they actually have a claim, the government is intervening to limit the amount that they can receive. Whose side is the government on, Mr. Speaker? Certainly not on the side of the people of Alberta. Certainly not on the side of the young drivers. Certainly not on the side of the motoring public, which comprises most people 16 years of age and older in this province. No, they're not on their side. They're on the side of the insurance companies because they're not making as much money as they're used to making. Well, nothing shows the priorities of this government better than this bill. This bill speaks volumes about who this government represents, who the government speaks for, and who they act for when they make laws.

Mr. Speaker, I would urge the government to withdraw this bill, let the insurance companies go through this part of the cycle where they've lost some money on their investments, and bring forward another bill, a bill that sets out rights for people who have car insurance, a bill that guarantees insurance at a reasonable rate, that oversees the insurance industry, that regulates the insurance industry and makes sure that they provide value for money to the people of Alberta for their car insurance and that people are not denied coverage on an unreasonable basis just because the insurance company doesn't want to take the risk with them. Why doesn't the government do that? Withdraw this bill and bring in another one that actually protects people from the insurance companies rather than protecting the insurance companies from the stock market. This bill is repulsive. It should be withdrawn. This bill is absolutely a condemnation of what the government claims to be doing in this province, which is looking out for Martha and Henry, which is looking out for ordinary Albertans.

10:00

I see the hon. Member for Drayton Valley-Calmar with his hands over his ears, saying: we're not listening. Well, I hope that some people are listening in this House tonight, Mr. Speaker, because this bill is not representative, and nothing could be more symbolic than the sponsor of the bill calling out during debate: we're not listening. We know they're not listening; that's the problem. You know, I wish the government would listen to Albertans and not listen to big insurance companies who are crying wolf and crying crocodile tears.

So, Mr. Speaker, that is all I have to say on this matter tonight. I would encourage all members to vote down this piece of legislation, which should rightly be called the insurance industry crutch act. With that, I will take my seat.

Thank you.

The Deputy Speaker: Are you asking a question under Standing Order 29?

Dr. Taft: I don't see anybody rising to ask a question, but I'm sure they would be welcome.

The Deputy Speaker: If there are no questions or comments, then we will move on to the next speaker. The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Yeah, I do have a question. It's a very important one. I'm wondering why the hon. Member for Edmonton-Highlands did not listen to my speech, because I made it very clear that I was talking to Albertans and that I was listening to Albertans and that we consulted with Albertans and that the whole prompting of this bill was because of letters and calls from Albertans. I'm wondering why he would accuse me of having my hands over my ears when that absolutely was not true, Mr. Speaker. That's my question.

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thanks very much, Mr. Speaker. Well, the hon. member claims to have consulted with Albertans, and I'm sure that there was some sort of consultation, but we certainly haven't heard on our side from people demanding that the payments to people who are legitimate claimants be reduced. The insurance industry is trying to make the claim that if you can reduce the amount of payouts on claims, you will actually be able to reduce insurance rates. If someone believes that if insurance companies get more money, they're going to be more generous in terms of reductions for claims, then I certainly have a deal for them on a bridge.

Thank you.

The Deputy Speaker: Edmonton-Riverview then.

Dr. Taft: Thank you, Mr. Speaker. This bill obviously is drawing sharp debate, and I look forward to a good deal more of it. I think there are a number of serious problems with the bill as it stands now. Fundamentally it protects big business from people, and we should be protecting people from these big insurance companies. The cause of the problem of skyrocketing insurance rates seems generally accepted to be that insurance companies have lost massively in their investments in the stock market, and we see this from research from Statistics Canada, research from industry observers, even in anecdotal evidence. I was just speaking this weekend to somebody who wanted to make a minor claim on their policy, and the insurance agent urged them: don't do it. Because the insurance companies have lost so much money on the stock market, the agent explained, if you make any kind of claim at all, they're going to jack your premium through the roof. The poor fellow ignored that advice, made the small claim, and is now considered a high risk for insurance. The agents themselves are saying that this is a problem stemming from losses in the stock market.

Now, the sponsoring member, the Member for Drayton Valley-Calmar, has used the term "double-dipping," which in this case I think is a seriously misleading term, a misrepresentation of what's going on. If people happen to purchase two insurance policies or have disability coverage independently and then have disability coverage under their auto insurance, that's no different than buying two television sets or two hamburgers at McDonald's or anything else. It's not double-dipping; it's simply buying two independent products. I think the choice of the term "double-dipping" is deliberate, and it's taken very much from the insurance industry, which is trying to create a particular image of consumers taking advantage of the companies, when in fact what we have is companies trying to take advantage of this government's complacency to put the squeeze on consumers.

It should be understood by this member that this is in some ways an issue of personal freedom and consumer choice. If people want

to buy more than one policy, why don't we let them? What's to prevent them from doing that? If they have disability coverage in one form and disability coverage under their auto policy, what's your problem with that? It's a free world. They're paying for the products. In fact, I would say to you that the insurance companies will be guaranteeing that those products are actuarially sound, and if they aren't guaranteeing that, they're failing their mandate as insurance companies. So insurance companies should be insuring that their second policy is solid.

In fact, I'd like to propose something here. If this bill goes forward, Mr. Speaker, in this form, I think that we should propose an amendment to prevent insurance companies from double-selling. We should make it illegal for insurance companies to sell to anybody who already has an insurance policy covering that purpose. After all, wouldn't that only be fair? Wouldn't that be saying to consumers, "Yes, we're really out looking after you; we're going to prevent insurance companies from selling you products that you'll never be able to use"? I completely believe that insurance companies will go on day after day, month after month, year after year selling all the policies they can without informing consumers that there may be opportunities or chances when those policies will be invalid. So let's prevent insurance companies from double-selling.

Let's also look at the reality of this problem. How big is this problem really? I understand from information from the Insurance Bureau of Canada that claims costs in Alberta over the last 15 years have risen from \$160 million to \$800 million. Now, that sounds like a lot over 15 years, but if we adjust for inflation, if we adjust for a larger population, number of cars on the road, number of policies and so on, is this really such a bad problem after all? Let's be honest about the figures here and over time look at the trend and adjust that trend for things like inflation, population growth, the quality of the roads. How much of this might be due to deteriorating maintenance of the roads because road maintenance has been privatized? How about we look into that issue?

10:10

I'd also like to raise an issue for fundamental moral debate with the government members on this. Time and time again the government, and particularly the sponsoring member from Drayton Valley-Calmar, has said that people should be no better off financially after an accident than they were before. Let's take apart that principle and look at it. I can tell you right now that there are all kinds of people in all corners of this province who would gladly trade all the benefits they've ever received from all the insurance policies they've ever owned if only they could walk again or if only they could speak again or if only their child's brain injury were reversed. There isn't a person in this province, in this country, I'm sure, who wouldn't plead to have those kinds of injuries taken back and gladly return all the payouts from all the insurance companies here. Maybe there's in fact a point of natural justice here that somebody whose life has been utterly and permanently devastated by a car accident actually deserves more than they had before to at least symbolically compensate for the tragic loss.

I think, for example, of family friends of ours. The wife was a schoolteacher, and she was traveling with a class. She was chaperoning a class of students on a ski trip to Lake Louise. The bus left the road. She was sitting in the front passenger seat. She went through the front windshield. She has for years and years now been a complete quadriplegic, and certainly the insurance company paid ultimately for a new house and has provided all kinds of benefits. But you know what? I can't imagine that there was a moment in her life — and she is still alive today after all these years — that she wouldn't have given up all the payouts from all the insurance

companies to be able to walk again, to be able to feel her fingers and her toes, to be able to feel her breath coming in and going out. She has lost all of that, and to me there's a moral and human principle here that we should be considering: those people deserve more than just what they had before financially. So I challenge the Member for Drayton Valley-Calmar and all the other members of this Assembly to consider the moral issues here and to engage us in some meaningful debate on this issue.

Finally, because this is going to come up again, I would ask the government to consider undertaking a systematic comparison of auto insurance in the four western provinces. How are they functioning, one compared to the other, in terms of premiums and in terms of efficiency and in terms of payouts? Let's see. In B.C. it's publicly operated, but there's a fault system, I believe, in B.C. Saskatchewan and Manitoba have significantly different public systems, and in Alberta we have an entirely private system. Why don't we strike a truly independent group to review which system is working better? It would be a great comparison. I don't know; maybe it's working as well as possible in Alberta, but I'm not convinced. Let's seek the facts.

So, Mr. Speaker, with that handful of points, the challenge to this government — this notion of double-dipping is phony and misleading, and if we're serious about that, then let's be serious about preventing companies from double-selling. Let's really look at the real cost of this problem. Let's question the moral principle that this government seems to stick to that no matter how devastating the consequence, a person should be no better off financially afterwards than they were before. Let's engage in this debate. Let's be open. Let's consider amending this act or perhaps even withdrawing it.

Mr. Speaker, with those comments, I would like to move to adjourn debate.

[Motion to adjourn debate carried]

Bill 34

Livestock Industry Diversification Amendment Act, 2003

The Deputy Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. I have the pleasure of rising tonight to move second reading of Bill 34, the Livestock Industry Diversification Amendment Act.

This is an important bill that will help Alberta's diversified livestock industry become more stable by simplifying the rules for handling and slaughter of diversified livestock while maintaining the division between wild and domesticated cervids. Just to clarify for some of our urban members, a cervid is essentially deer or elk.

Alberta has an extensive diversified livestock industry, one that we can be proud of. This bill will help Alberta's diversified livestock industry to become more successful domestically and internationally. This bill has undergone extensive consultations with the industry to make it responsive to their needs while ensuring the separation between domesticated and wild cervid populations. I want all members of this Assembly to understand the extent to which we have consulted with industry on this bill. Countless hours have been spent going over the ins and outs of this piece of legislation so that it meets the needs of our diversified livestock industry.

Mr. Speaker, this bill is only one small step to making this industry more viable by eliminating some of the restrictions and clarifying some of the rules around diversified livestock, or cervids. It will also reduce the risk of crossbreeding between wild and domesticated cervids, reducing the risks of disease migration in both directions.

There are many parts to this bill, and I'll go over some of the highlights for you tonight. One of the more important changes is to amend the definition of cervid and cervid farms. The Livestock Industry Diversification Act, or LIDA as we will call it, will amend the definition to domestic cervid animals and the facilities they are held on as domestic cervid farms. There will be consequential amendments to the Wildlife Act to ensure that current government policy is maintained.

Speaker's Ruling Decorum

The Deputy Speaker: Sorry to interrupt, but we seem to have a lively either conversation or debate which is not to the benefit of the other members because it becomes difficult to hear the hon. member who has been recognized. So would the hon. minister and the hon. member over here cease and desist or, better yet, go and carry on your debate in the outside rooms. That's perfectly fine, but not in here, hon. members.

The hon. Member for Drayton Valley-Calmar.

Debate Continued

Rev. Abbott: Thank you very much, Mr. Speaker. There will also be changes to how and where a domesticated cervid can be held.

The Deputy Speaker: Once again I'll just ask the hon. Minister of Environment and the hon. Member for Edmonton-Highlands to go outside and carry on your debate now, not behind your back.

The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. These changes will make it easier for producers to move their animals while ensuring that there is no contact between domesticated and wild cervid populations. To further ensure that there is little to no contact between domesticated and wild cervid populations, the act will be clear that no person shall release a domestic cervid into the wild. Where an animal escapes from a licensed facility, the operator or operators must report the incident and have an opportunity to recapture their animals within a reasonable time frame. If the animal is not recaptured, the elk or deer becomes wildlife as defined by the Wildlife Act.

The amendment to the LIDA with the consequential amendment to the Wildlife Act will maintain current government policy, so it will not be necessary to undertake a major stakeholder review of the Wildlife Act. Animals from other jurisdictions in Canada or elsewhere do not become domestic cervid animals until they are registered and identified on a domestic cervid farm. These animals are subject to the importation legislation provided by the Wildlife Act.

10:20

Mr. Speaker, there are significant changes to where domesticated cervid can be slaughtered and who can do the slaughtering. Previously they could only be slaughtered at licensed abattoirs in accordance with the Meat Inspection Act. This was to ensure that all animals were slaughtered in accordance with the rules governing slaughtering and processing of carcasses that were going to be sold. The changed legislation will now allow the person who is the licensed operator of the cervid farm to slaughter the animals on his or her own farm for personal use, which is to say a use that falls outside the Meat Inspection Act.

Closely related to the on-farm slaughter changes is the ribbon branding of the carcass. Carcass ribbon branding isn't the hot branding of a live animal for identification purposes. The carcass is ribbon branded with ink to identify it and ensure that the provincial

and federal approval stamps are evident. Current levels of inspection and food safety standards provide adequate levels of protections to ensure that meat from wild big game does not enter the domestic meat market unlawfully.

Mr. Speaker, there also have been other minor changes to the act. These include allowing cervid farm operators to submit their records and reports to Alberta Agriculture, Food and Rural Development either electronically or through hard copy. This amendment fits in with the Alberta government one-window approach. It makes it easier for producers to keep their paperwork in order. There have also been changes to the eligibility for a licence to operate a cervid farm.

In conclusion, Mr. Speaker, as you can see, these amendments are small but important steps in helping our diversified livestock industry move forward. There is still much work to be done, and I know that our producers, who are the best in the world, will continue to meet any challenges they face and succeed. In order to ensure that Alberta's diversified livestock industry remains sustainable over the long term, I encourage all members of this Assembly to support this bill.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. Happy to have an opportunity to speak to Bill 34, the Livestock Industry Diversification Amendment Act, 2003. I'm surprised that the Member for Drayton Valley-Calmar is delighted to introduce this bill because it looks like he got the short end of the straw on the last two bills, both being bills that pay homage to industry and don't really do what we need them . . . [interjection] Would you like to put that on the record there, hon. minister? Both of these bills are patchwork solutions to industry lobby, not the requirements of Albertans or other consumers who are looking to use these products or are speaking against these products for some reason.

The Member for Drayton Valley-Calmar talked about the extensive consultation they did with the industry, but what about the consultation you should have done with all the other groups who are also directly affected by the decisions you make with this particular industry? I didn't hear you say anything about them. When I take a look at the consultation that we did, I can see that some people are very, very concerned about what's happened here, not the least of which is the Canadian Wildlife Federation, who we wouldn't normally say is a really extremely green group, so you wouldn't normally think that they'd be speaking out against government actions, but they certainly have a strong perspective on game farming and on where this particular bill takes us.

So if we take a look at the bill, it looks to me like it's a hodge-podge of combining more responsibility for livestock owners and, at the same time, less in some cases. We see that the bill loosens up the way an operator can get rid of his cervid while laying out more explicitly how that happens, and it looks like it puts together a framework where people can be operating hunt farms without actually being registered as hunt farm owners, so we need some of that information discussed in this particular House.

This is a bill that deals with both the slaughtering of the animals and the consumption of the animals and the transportation of the cervids. We've heard for years in this Assembly how game farm operators are not taking wildlife from the wild to integrate into their own stock and boosting their stock or increasing the base that they can raise them from. Yet the member who introduced this bill said that that's exactly what they were doing, and now this bill brings in changes so that that can't happen anymore. So which was it? It

didn't happen before or it happened frequently before? It's hard to trust what this government is saying with regard to this.

This is an industry, this hunt farm industry, where we've seen millions drop out of the industry in the past couple of years. A couple of reasons. There's a lack of interest in buying the meat. There are the costs and perceptions of dangers to humans from infested cervids with a variety of different kinds of diseases. There's been a huge increase in the number of operators in the province, and we've seen over the last few years millions of dollars being paid out to game farmers in compensation for necessary eradication procedures when these animals get diseases. It didn't go into taxpayers' hands. It went to these operators who were set up by the government in the first place to put these farms in place, and now we're seeing another level of legislation to assist them further. So it's interesting to see what's happening here.

What has happened in the most recent history is that we see that with the drought many of the game farm operators have found it difficult to keep their animals, and we've seen some threats of them being let into the wild. Apparently, this legislation is supposed to try to deal with that issue instead of just severely fining the people when you find out who they're registered to, which is possible with the kind of branding that's done. Then there's the other side of the concern, where we see the operators apparently slaughtering animals on a larger than average basis to cull their herds. So what's happening here, then, is we're seeing more of the animals being sent in for testing for CWD, chronic wasting disease, even when the game farm operators are saying that they don't believe they have it on their land, but they're slaughtering the animals and sending them in for testing. That is a cheap way to cull their herds. What we see are more expenses put on the operators' side, who have to pay for the testing, and no logical reason for having done that.

What we see really is an industry that is at the end of its rope who is trying to salvage what they can out of something that was artificially built up by this government in the first place, and now the government is once again bailing them out in a number of areas. So I have a lot of questions about this particular piece of legislation.

I think this is two in a row. He's batting zero both times, on bills 33 and 34, Mr. Speaker, and perhaps in the next session Drayton Valley-Calmar can get a little better legislation to introduce, because these two are crummy pieces of legislation and neither of them deserve the support of anyone in this House.

Some Hon. Members: Question.

The Deputy Speaker: Ready for the question? Well, I have two members wishing to speak. Inasmuch as the hon. member wants to ask questions or make comments, it's only been the second person that's spoken. So you'd have to be the third. Then Edmonton-Highlands on Bill 34.

Mr. Mason: I am pleased to speak to Bill 34, the Livestock Industry Diversification Amendment Act, 2003. This bill makes an attempt to prevent the mixing of domesticated and wild cervid animals such as elk and deer by strictly prohibiting their release into the wild and regulating the conditions under which they're slaughtered. Cervid harvest preserves, as shooting galleries for domesticated animals are called, will continue to be illegal as only the game farm producer will be allowed to slaughter the animals and then only for personal use. Furthermore, such animals will no longer be kept "captive"; they will be "in a domesticated condition," which I am sure they will appreciate, Mr. Speaker.

The government has, I think, made a real mess of this industry, Mr. Speaker, and it's finally come crashing down with the slaughter of these animals. The government attempts to bill the act as

reducing the regulatory burden for the diversified livestock industry, but according to the Alberta Wilderness Association the government is desperate to prop up an untenable industry which should actually be dismantled immediately. It was only when we got cases of chronic wasting disease that the government finally decided that something had to be done. Then at that point people wanted to promote the use of penned hunts.

10:30

Last year's drought, Mr. Speaker, raised the spectre of ranchers releasing domesticated cervid animals into the wild. This, of course, raised the risk of adding to the spread of foot-and-mouth disease and other illnesses. So it's important that domestic-in-the-wild cervids should be strictly prohibited. However, while the government is attempting to close the pen door, many of the animals have already escaped. I think that the government has made a real mess and is now trying to fix it. I made that comment, hon. members, not to be taken literally; it was in speaking more rhetorically. The government has created a very, very bad situation in their misguided attempts to diversify agriculture in this province.

I think that the Livestock Industry Diversification Act can be supported as long as we bear in mind that it is almost a deathbed confession of the industry and a confession of the government's failure in respect to cervids in the agricultural policy that they've set out.

So with those comments, Mr. Speaker, I will take my place.

The Deputy Speaker: Questions or comments under 29(2)?

[Motion carried; Bill 34 read a second time]

Bill 36

Environmental Protection and Enhancement Amendment Act, 2003

Dr. Taylor: Due to the lateness of the hour, Mr. Speaker, I'm going to be relatively brief in my comments. That's to reassure everybody.

Essentially, the bill does several things. It allows Alberta Environment to adopt and enforce consistent provincewide standards through codes of practice. I had a discussion and had some concern raised about reporting, and there was some concern that the results might just be reported verbally. That was a concern that was raised at an earlier meeting. In that earlier meeting we assured the people we were talking with at the time that we didn't know exactly what the comment was in the bill, but we clarified that issue.

I need to move second reading, which I've done. Thank you.

What this bill does as well is allow the companies to report electronically. As well as traditional methodologies, it allows electronic reporting, which is quicker.

If I might give a quick example of why codes of practice are important, Mr. Speaker, we might take an application for a gravel pit that comes into Alberta Environment. I want to assure all members that every application will continue to be reviewed individually, as will every reclamation certificate. So a gravel pit operator makes an application for a gravel pit. What we want to do in the permit of approval is we want to put in the codes of practice that regard the operation and the reclamation of that site. This will very clearly indicate to the operators up front and beforehand what they must do, so they cannot come back to Alberta Environment after and say: well, you didn't say this, and you didn't say that, and we didn't expect this, and we didn't expect that. It'll be very clear up front to the public what the code of practice is, to the gravel pit operator what the code of practice is, and to the people in the affected area what the reclamation must be.

As well, Mr. Speaker, this bill allows for any violation of the code of practice to be enforced with an EPO, environmental protection order. So it strengthens the hand of Alberta Environment in getting these reclamations completed at the end when the pit has to be reclaimed. We can say: "Well, look back at your approval. Your approval says that you must do such and such. Now you must do it, and if you don't do it, we can immediately go to an EPO, which will shorten drastically the reclamation time."

Mr. Speaker, there's going to be plenty of time to debate this bill during second reading and as we go forward in the House, and I will have the opportunity to comment further. With that, I'll conclude my comments this evening.

Mr. Broda: Mr. Speaker, this is indeed an interesting bill that does require further study and discussion. However, at this point I would like to adjourn debate on Bill 36.

[Motion to adjourn debate carried]

Bill 37

Climate Change and Emissions Management Act

Dr. Taylor: I'm pleased to move Bill 37, Mr. Speaker.

Like with Bill 36, again because of the hour I'll be relatively brief in my comments. As I said earlier, as we move forward, there'll be plenty of time for all members including myself to debate, so just a few comments.

As you know, this government is firmly committed to taking action on climate change. Bill 37, the Climate Change and Emissions Management Act, will enable the province to set regulations to

allow us to put many of the key areas of our plan into law. It allows us to set targets, negotiate sectoral agreements; provides a flexible tool kit on how to meet these targets; and facilitates private-sector investment in technology and deployment in energy efficiency. Bill 37 also clearly reinforces our position that the government of Alberta on behalf of all Albertans owns and is responsible for the exploration, development, and production of natural resources in the province.

With that brief summary, Mr. Speaker, I'll conclude my remarks this evening and look forward to making further remarks at an earlier hour.

The Deputy Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Speaker. This bill, just as the previous bill, is a very interesting bill and requires further study and debate. At this time I would like to adjourn debate on Bill 37.

Thank you.

[Motion to adjourn debate carried]

The Deputy Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. It's been a very interesting evening of great progress, and therefore I would move that the House now stand adjourned until 1:30 p.m. tomorrow.

[Motion carried; at 10:40 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, April 29, 2003**

1:30 p.m.

Date: 2003/04/29

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

On the Holocaust remembrance monument located on the grounds of the Alberta Legislature are found the following words: "I swore never to be silent whenever and wherever human beings endure suffering and humiliation. We must always take sides. Neutrality helps the oppressor, never the tormented." Those are the words of Elie Wiesel, a survivor, poet, and Nobel Peace Prize recipient.

May God provide all innocent victims of racism and genocide eternal peace. Amen.

Please be seated.

head: **Introduction of Visitors**

The Speaker: The hon. Minister of Health and Wellness.

Mr. Mar: Thank you, Mr. Speaker. It's my pleasure to rise today and introduce to you and through you to members of the Assembly a delegation that includes visitors from our Russian sister province, Tyumen, in Siberia. With them are representatives from Grant MacEwan College. This delegation is involved in the internationally recognized health education link project based on Grant MacEwan's programs. Originally designed to facilitate health reform in Tyumen province, the project has set a standard for nursing education across Russia and earned accolades from international organizations. The delegation is here to see our nursing education system firsthand and look at how nurses are working in our health system.

In your gallery, Mr. Speaker, are Valentina Sarkisova, president of the Russian Nurses' Association; Ludmila Supltova, vice-president, Tyumen State Medical Academy; Sharon Bookhalter, associate dean, health and community studies at Grant MacEwan Community College; and Yuri Konkin, manager of the health education link project. There are also in the members' gallery some 23 nurses and physicians from Tyumen and two of their colleagues and counterparts from the province of Alberta. I would ask all of this delegation to please rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Grande Prairie-Wapiti.

Mr. Graydon: Thank you, Mr. Speaker. Wayne Jacques served this House for two terms as the MLA for Grande Prairie-Wapiti. He continues to do a lot of volunteer work in the community and in the region, and he's a valuable mentor to myself on the weekends, when he gives me good advice from time to time. He's seated in the Speaker's gallery, and I would ask all members to give him the welcome he deserves.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much, Mr. Speaker. It is indeed a delight to rise on this glorious Alberta day and introduce to you and through you to the House 69 of the best and brightest Edmonton-McClung has to offer. With us today are parents and visitors and

students from Michael Kostek school. I would like to take a moment to introduce the teachers: Mrs. Carol Anne Konkin, Mr. Bret Johnson, Mrs. Andrea Brodeur. The parent helpers are Mrs. Karen Holub, Ms. Susan Dobinson, Mrs. Zohreh Sabbaghi, Mrs. Judy Silver, Mrs. Kim Wilson, Mrs. Mike Olson, Mrs. Brenda Chokka, Mrs. Michelle Davis, and Mrs. Laurel McMurdo. Obviously, education is a vital concern to the constituents of Edmonton-McClung as well as all the province, and I would ask that they rise and receive the extreme warm welcome of this House today.

Mr. Dunford: Mr. Speaker, members of this House have been becoming aware of the rising concern about skills deficit here in the province. I'd like to introduce to you and through you to members of the Assembly a couple of women that are trying to do something about this. Today we have with us JudyLynn Archer, the executive director, and Ms Shelley Wegner, job development professional, of Women Building Futures. These two ladies are committed to improving the recruitment, the training, and the retention of women entering the workplace but specifically entering the workplace within the construction trades industry. They're in the public gallery. I would ask them to rise and receive the warm welcome from the members of the Assembly.

The Speaker: The hon. Member for Peace River.

Mr. Friedel: Thank you, Mr. Speaker. It's a great pleasure for me to introduce to yourself and to the members of the Assembly two very good friends of mine from Peace River, Mr. Norm Boucher and Mr. Berry Heinen. I found out this morning that they've been in this building many, many times but have never been in question period, so I thought we would fix that. They're seated in the members' gallery, and I would ask them to rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. It's a pleasure for me to rise today to introduce to you and through you to all members of the Assembly a number of guests that we have here today who were instrumental in one of the province's most successful energy savings initiatives, which I'll be speaking about later today. They're all from the University of Alberta. They're in the public gallery. I would ask Len Sereda, director of facilities management; Geoff Hurly, associate director; Dennis Gibeau, senior systems engineer; Karen Wichuk, director of government relations; and Sheree Drummond, government relations associate, to please rise and receive the warm traditional welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I rise to introduce to you and through you three gentlemen from my constituency of Edmonton-Highlands. They are Mr. Robin Carm, Mr. William Hughson, Mr. Gary Goudreau. They are particularly interested in the government's agenda with respect to children, are here to observe the proceedings of the House, and I would ask that they rise and that the members of the Assembly give them a warm welcome.

Thank you.

The Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you, Mr. Speaker. It gives me a great deal of

pleasure today to introduce to you and through you to all members of the Assembly a former page in the Chamber, Cheryl Pereira. Cheryl is returning for the second year as my STEP student. She has just completed her second year of political science at the University of Alberta. I'd ask now that Cheryl please rise and receive the traditional warm welcome of the Assembly.

Thank you.

head: **Oral Question Period**

Energy Deregulation

Dr. Nicol: Mr. Speaker, this winter Albertans have been writing to the Minister of Energy about the hardship that deregulation has brought them. This includes seniors, individuals, students, families having to beg for relief from high utility bills. It includes municipalities having difficulty keeping service and recreation facilities available for the community, and it includes small businesses being forced to close when utility bills become excessive. They're asking for help. To the Minister of Energy: what's your response to these Albertans?

Mr. Smith: Well, Mr. Speaker, I would say that the response remains consistent today, as it was last week, last month, and last year. These individuals, who we communicate with on a regular basis, form the part of Alberta society that sees changes in their commodity prices, whether they're engaged in the agriculture industry and they watch the price of canola, wheat, oats, barley move up and down. They watch the price of oil move up and down. It was at a high of \$36 a barrel two weeks ago. It's trading at \$25 a barrel today. Natural gas has been at \$12 a gigajoule. It's at just over \$6 today. What we are seeing is that Alberta is dependent on and very knowledgeable about a commodity-based economy. So these individuals and these collective groups are often caught at a time when prices increase and they pay more just as at the time when they're also in a position where they sell their product for a higher price and they receive more.

1:40

Dr. Nicol: Again to the Minister of Energy: why do you continue to throw away good money to fix deregulation when Albertans have said that it is not in their best interest due to lack of competition in the marketplace?

Mr. Smith: Well, Mr. Speaker, I guess that as the Liberal plan points out, they would spend \$3 billion to save \$1 billion. We don't see it quite as the same format. The move to a competitive market structure has resulted in some 3,000 more megawatts of generation that's been put into this grid. That grid has resulted in electricity prices that have been in some areas the same as or lower than they were prior to the change in the regulation. In the Aquila/EPCOR marketplace they have been the highest in Alberta. These also have deferral accounts that will expire at the end of this year, and the price of power should be cheaper in that area. So we do know that as that new megawatt generation comes on, the coal-fired generation will be very important as it comes on in the Genesee area but that gas generation without a reasonable transmission policy that brings on cheap natural gas cogeneration will in fact influence electrical prices.

Dr. Nicol: To the Minister of Energy: when will you do the right thing for Alberta consumers and unplug deregulation?

Mr. Smith: Well, Mr. Speaker, we've been doing the right thing

since June 15, 1993, and that right thing has resulted in unprecedented prosperity for this province and unprecedented decimation for the Liberal Party in this House.

Energy Efficiency Initiatives

Dr. Nicol: Yesterday the National Report Card on Energy Efficiency was released. After being graded across 10 different criteria, the government of Alberta received a grade of C plus, not exactly stellar, Mr. Speaker. In fact, of 13 Canadian jurisdictions that were graded, Alberta ranked ninth. To the Minister of Environment: what new initiatives is this government going to undertake so that Alberta leads this country in energy efficiency rather than just follows the pack?

Dr. Taylor: Mr. Speaker, we certainly aren't just following the pack. I would like to point out that we have received a number of voluntary challenge awards for being one of the most energy-efficient governments in the country. Secondly, we are the only jurisdiction, the only government to receive those awards in the country. Thirdly, I would point out that we have as a government made the largest green power purchase in the history of North America, over \$200 million of green power.

Mr. Cardinal: How much?

Dr. Taylor: Over \$200 million. This is the largest, as I said, purchase of green power in history in the private or public sector in North America. We are a leader.

Dr. Nicol: Ninth out of 13 is not leadership, Mr. Speaker.

Why has this government let down Albertans by leaving them behind in energy efficiency programs?

Dr. Taylor: Mr. Speaker, we haven't let down Albertans. I've just pointed out how we're the leader and setting a model for Albertans. I might also point out that the green power purchase that we have made is allowing 140 new windmills to be built in Crowsnest Pass. Without that green power purchase those 140-some windmills would not be built. We will be consuming the power from approximately 50 percent of those.

I can give you another example, Mr. Speaker. In Grande Prairie with the green power purchase that we've made, there's a new I believe it's a \$40 million or \$50 million plant being built that is going to produce power from biomass, no emissions, and part of that power is going to be going to the city of Grande Prairie. Without the government doing that green power purchase, there would not be that green power plant being built in Grande Prairie. We continue to be leaders.

Dr. Nicol: Mr. Speaker, he's talking about energy supply. My questions were on energy efficiency.

When are the people in this province going to see programs that are standard in other jurisdictions like energy efficiency, retrofit programs, and tough new standards for efficient products and buildings?

Dr. Taylor: Well, Mr. Speaker, he mentioned tough new standards. Right now we have the Clean Air Strategic Alliance, a nongovernmental body, looking at tough new standards for emissions from electrical generation plants. We will have the toughest new standards. I'm expecting a report from them sometime this summer as to what our new standards should look like.

The other thing I would say, Mr. Speaker, is it is not the provincial government's role to give loans to people to make energy efficiency improvements in their housing. There are other agencies that will do that. The MEET program that we're looking at is one, and the Minister of Finance might like to comment further on that program.

Mrs. Nelson: Mr. Speaker, I'm really pleased to talk about the MEET program. This is an initiative that came to us via the Alberta Urban Municipalities Association, and it's an excellent idea of having municipalities have the ability with the support of our government to retrofit some of the municipal buildings that will not only bring efficiency into it but will lower their cost of operation and bring down the cost for the communities to support the municipal governments. We're working on this. The Minister of Municipal Affairs is working now and will bring forward a plan soon this year, and we're quite keen on it. This again will lead the way in Canada. This was something we announced in the budget, and we're well ahead of other provinces in this country, so it's a successful program.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

School Utilization Rates

Dr. Massey: Thank you, Mr. Speaker. The government's concern with efficiency over learning leads to the space utilization rate being used as the prime factor in closing small schools. Last evening Edmonton Catholic voted to close St. Patrick school and like boards elsewhere is looking at others. My first question is to the Minister of Learning. Given the research evidence that indicates that students perform better in small schools, why is student success not used as the major criterion?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. There was a recent Stats Canada document that came out that analyzed rural versus urban students and rural versus urban student outcomes. It was very interesting that right across Canada what we saw is that rural students did not do as well as urban students. One of the issues, obviously, is that in rural Alberta these students are typically – typically – in smaller schools. This is something we have a very difficult time explaining as to exactly why this happens, but it does raise some really interesting questions such as, for example, the small school issue. There are some small schools that do extremely well, but there are some that certainly do not do as well. Can I say that all small schools do poorly? No. Do all small schools do extremely well? The answer is no.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister: will the minister consider reintroducing funding for community schools which would allow at least some of these small schools to continue in operation?

Dr. Oberg: Mr. Speaker, one of the components of our funding formula that is coming out this September is a thing called small schools by necessity, and this recognizes the whole issue of what the hon. member was just talking about. There are some areas in geographic parts of this province where quite literally you cannot put a student on the bus for an hour or two hours. There are some schools that purely by geography are going to be in the range of 30

to 50 students. What we have used in the formula is the criterion of a 30-kilometre radius of the school. If there is no corresponding school with the same grades within a 30-kilometre radius, then they will qualify for a small school subsidy. I'll certainly send the information over to the hon. member because it is a very good grant. I believe it really isolates the situation of some of these small geographic community schools that are present in rural Alberta that everyone here knows simply cannot close but must continue on.

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. My third question is to the Minister of Infrastructure. Given that using the utilization rate pits neighbour against neighbour and neighbourhood against neighbourhood in providing education, what other solutions have been offered to Albertans?

Mr. Lund: Mr. Speaker, I'm not sure where the member gets that we're so-called pitting neighbour against neighbour because that just simply is not true. What is happening in some locations is we look at the geographic area. We look at the number of students going to school. We look at the total capacity within the community, and I'm sure that all of the taxpayers in Alberta would be very anxious that we utilize the facilities we have to the maximum. Not only is it good to have more students in a particular school so that you can offer more programs and more opportunity for them, but it also, when you look at the operation and maintenance of schools, is important that you utilize that space. So in some communities where we have the two separate boards, the public and the separate boards, we have had to realign some of the schools so that we maximize the capacity in the community and, in fact, increase the utilization. That's simply what we are doing in more than one location.

Mr. Speaker, I know that when a parent's children have to move to another school that does cause some disturbance, but we know that in the long run that is the best thing for the community.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Wetaskiwin-Camrose.

1:50

Softwood Lumber Policy

Mr. Mason: Thank you very much, Mr. Speaker. According to an internal government document, which I will table later today, the Alberta government is prepared or at least was prepared to trade away the job livelihoods of Albertans living in forest-dependent communities like Hinton, Whitecourt, and Slave Lake in order to settle the softwood lumber dispute with the U.S. According to this document and contrary to what the minister told the House last week, the government seems to be prepared to trade away provincial forestry policies that require companies to build sawmills and other processing facilities in nearby communities in exchange for the right to cut timber on Crown land. My question is to the minister of international and intergovernmental affairs. Why did the minister tell the House last week that these types of changes to forestry tenure were not being considered when, according to this internal document, they have formed the basis of the government's negotiating position?

Mr. Jonson: Mr. Speaker, I would like to thank the hon. member across the way for a document that made its way over here a few minutes ago, and I notice that it is dated December 2001.

I can certainly speak in terms of what is occurring today in terms of our ongoing negotiations with the United States relative to the

softwood lumber issue. We have been working very closely, as I've indicated before in this Assembly, with the industry and the MLAs. The Members of the Legislative Assembly representing that area of the province have been very much in touch with their constituents, I'm sure. We have clearly stated in these negotiations that there are two things that are very, very definite, things that we want to make sure are still part of our overall forestry industry, and those are long-term tenure being provided for and also – and this seems to be an item on which there is agreement with the United States – that there is protection for the viability for our small lumber producers.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Is the minister then saying that the concepts and proposals put forward in the December 2001 policy paper no longer form the basis for a resolution of the softwood lumber dispute as Alberta's position, and if so, what specific changes now do form the basis of the government's negotiating position?

Mr. Jonson: Mr. Speaker, there are a number of items being discussed as possible solutions to this overall debate; for instance, the whole area of being able to set aside a particular area in northern Alberta in which the timber rights are not yet committed. We were looking for areas of that type that could be put up for public auction which would set a benchmark whereby we could set the stumpage price for the industry across northern Alberta. Those are some of the things that we've got under consideration.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Given that the document says, "Alberta's policy initiatives to address these concerns would eliminate all references to mills, communities, lumber production, and processing facilities as requirements in long-term tenure," can the minister tell the House whether or not this still represents the government's position?

Mr. Jonson: Well, Mr. Speaker, perhaps I should make sure I indicate that I'm not aware of this particular document or what its origin was. There is no indication that it was ever approved in any shape or fashion. It looks like kind of a shopping list of possibilities that someone has developed, and therefore I would not be able to reflect upon its validity.

The Speaker: The hon. Member for Wetaskiwin-Camrose, followed by the hon. Member for Edmonton-Riverview.

Special Constable Program

Mr. Johnson: Thank you, Mr. Speaker. The county of Wetaskiwin has concerns with unclear roles of special constables in the county. They're worried that undefined roles and confusion between the RCMP and special constables will create policing problems in the Wetaskiwin-Camrose constituency. My questions are to the Solicitor General. What is the exact role of special constables in Wetaskiwin county?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. The special constable program was created to allow municipalities and municipal districts to supplement the enforcement of provincial statutes. The role in the

county of Wetaskiwin is to enforce provincial statutes such as the Highway Traffic Act, the Motor Vehicle Administration Act, and the Environmental Protection and Enhancement Act. They do not have the authority to respond to police calls and should not be involved in criminal matters. That is the role of the RCMP. Special constables provide a valuable service to the communities that they serve, but they must keep in mind that they are not police officers.

Mr. Johnson: Can the Solicitor General give myself and my constituents a time line for when a new memorandum of understanding between the RCMP and the Wetaskiwin county special constables will be completed?

The Speaker: The hon. minister.

Mrs. Forsyth: Thanks, Mr. Speaker. Yes, I'm aware of the need for a new memorandum of understanding between the RCMP and the special constables in Wetaskiwin county. However, this is a matter between the county and the RCMP. I will close by saying that my door is always open, and if they need to discuss something, I'll be happy to help them.

Mr. Johnson: My final question to the same minister: can the Solicitor General clarify what authority the special constables in the Wetaskiwin county have when dealing with impaired drivers?

Mrs. Forsyth: Mr. Speaker, the authority to investigate and charge impaired drivers rests with the police and it's not with the special constables. When a special constable encounters a suspected impaired driver, they are to contact the RCMP and request their attendance at the scene. If Wetaskiwin county has experienced problems with their impaired drivers, I encourage them to talk to county officials and the RCMP on that matter.

Toxic Mold in Foothills Medical Centre

Dr. Taft: Mr. Speaker, last September construction damage on the third floor of the Foothills hospital led to significant flooding of the hemodialysis unit on the floor below. A few weeks later the ceiling tiles on this unit began to collapse exposing extensive amounts of foul, black, toxic mold. People in the vicinity immediately became ill with respiratory problems, and three required emergency room attention. Since that time other cases of toxic mold contamination have occurred at the Foothills, and there's actually evidence that this problem goes back several years. To the Minister of Health and Wellness: why didn't the government know that a serious problem of toxic mold existed at the Foothills hospital? Was the CHR withholding information?

Mr. Mar: Well, the simple answer, Mr. Speaker, is because there was no serious problem associated with mold, and I'm pleased to have the opportunity today to clarify the record for the benefit of the hon. member and for members of this Assembly.

Now, the hon. member did table a document yesterday at the end of question period outlining some results from a review that was done of molds. Had he, of course, done that earlier, then I would have had the opportunity to have raised this reply yesterday. So instead of playing holdout politics, I would have preferred to have answered this question yesterday.

I undertook as at question period yesterday afternoon that I would look into this matter. I've had 24 hours now to look into this, and here's what I can inform you and the Assembly, Mr. Speaker. First of all, the Calgary health region has confirmed that there has been

mold in the facility that we call the Foothills hospital. If the hon. member were being fully candid and frank, he would know from the report that he waved in the Assembly that although mold was present, based on Health Canada standards, it was below their level for concern. To the credit of the health region they took the sort of action that was beyond that which was required. So even though the mold that was present did not present a health risk, they removed the sources of the mold, and this is the incomplete part of the allegations made by the hon. member.

2:00

The fact is, Mr. Speaker, that the medical director of infection prevention and control assessed the risk to patients and to staff, and remedial action was taken immediately. Drywall was removed; cabinetry was removed; sinks were removed. Subsequent testing of this particular area has shown that in all but one case the mold levels continued to be below the Health Canada standard. In the one case where it is above the standard, the mold is contained in a ceiling area that's subject to negative air pressure, which means that the mold is contained and is not spreading to other parts of the buildings. So the decision was made . . .

The Speaker: Hon. minister, please. Let us continue. We have two things going on in here. We have estimates this afternoon. This matter can be raised then.

The hon. member.

Dr. Taft: Thank you, Mr. Speaker. I thought we were making progress, but we're going backwards.

To the same minister: given that 65 registered nurses and a large number of support staff are currently reporting illnesses consistent with toxic mold, why is the Calgary health region and apparently the minister still denying that the concentrations of toxic mold are high enough to be a hazard?

Mr. Mar: Mr. Speaker, I can advise you and advise this Assembly and advise the hon. member that, in fact, all of this information has been very transparent. Dr. Tom Louie is the medical director of infection prevention and control, a physician of the very highest calibre, who assessed the risk to these individuals. The report has been well known to the unions representing staff of AUPE and UNA. This has been a completely transparent process, and there is a process in place with the regional health authority on the reporting of serious incidents.

Now, I've had the opportunity to speak with the chief executive officer of the regional health authority. I've been advised as to what that process is, as to how information moves up the chain, but if something can be appropriately and competently dealt with and if in the opinion of the medical officer responsible for infection control and prevention this matter can be dealt with safely, then it stays at that level. We do have competent individuals who make these important decisions.

With respect to matters relating to the employees in the regional health authority, as of yesterday afternoon there has been an ongoing and continuing dialogue between the regional health authority and the unions representing AUPE and UNA workers. Mr. Speaker, I can advise you that there's now a committee from occupational health and safety from the department of HR and E, also occupational health and safety from the Calgary health region, and also a representative from AUPE and the United Nurses of Alberta. They are continuing to work together in a collaborative way to ensure that the safety of both staff and patients at this facility is maintained at the highest calibre.

Dr. Taft: To the minister of occupational health and safety: given that his department is involved in these investigations, will he assure this Assembly that they will be following Health Canada guidelines that say that investigations and remediation must continue until symptoms are no longer appearing among occupants?

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Well, thank you very much. You know, once again I think we've seen from this hon. member a strategic . . .

Dr. Massey: Answer the question.

Mr. Dunford: Well, I'll answer however I want, hon. member, and I'll take as much time as I want. You worry about yourself. Don't you worry about me.

The Speaker: Okay. Okay. Please.

The hon. Member for Calgary-Currie, followed by the hon. Member for Edmonton-Glenarry.

Monitoring Medical Errors

Mr. Lord: Thank you, Mr. Speaker. There is a question in my mind as to whether or not we expect too much of our health care system. Our health care professionals are certainly among the brightest, most capable, and best anywhere, yet mistakes happen and unforeseen events continue to arise. It is reported in an article in the *Journal of the American Medical Association* that iatrogenic causes – in other words, errors, complications, and infections precipitated by medical treatments – may be the third leading cause of death, a quarter million people a year in the U.S., and that is in one of the very best health systems the world has ever known. Clearly, in spite of the astonishing number of medical successes nothing is perfect yet. My questions are to the minister of health. Do we track iatrogenic complications in Alberta? What kind of statistics do we keep?

Speaker's Ruling Anticipation

The Speaker: Okay. Hon. members, in a few minutes from now this afternoon are the estimates of the Department of Health and Wellness. One of the typical rules that we have in here is that we delay these questions on the day the estimates are there. Now, unless this is a broad-range policy question, I'm going to avoid this because I've got a whole list of other members who want to participate and we're going to have at least two uninterrupted hours this afternoon with Health and Wellness.

The hon. minister.

Monitoring Medical Errors (continued)

Mr. Mar: Mr. Speaker, it is a broad-based policy decision and issue; however, I can keep it short.

The majority of regional health authorities in the province of Alberta do track and monitor the kind of information and statistics that the member has referred to. It is the responsibility of individual health authorities to follow up on incidents. Now, these incidents can range from a medication error or it may be an incident like a patient who is falling. Regions must properly review the incident and implement the necessary actions required to ensure patient safety.

The Speaker: The hon. member.

Mr. Lord: Thank you, Mr. Speaker. To the same minister: how do Alberta statistics compare to other jurisdictions across Canada and the world?

Mr. Mar: It is difficult to say, Mr. Speaker, because not all jurisdictions across Canada record this type of information, but clearly the idea of trying to formalize a process to collect and share this information across Canada would be a good idea.

Mr. Lord: To the same minister: what formal procedures are in place to ensure accountability, improvement, and peer review whenever iatrogenic complications might be involved?

Mr. Mar: Mr. Speaker, we do have a number of procedures in place to help ensure patients' safety. The Department of Health and Wellness has developed a quality framework, and one of the components of that framework is safety, which, of course, includes iatrogenic complications. Quality assurance committees are set up in facilities and in health regions throughout the province. The Canadian Council on Health Services Accreditation accredits all publicly funded facilities to help ensure quality throughout the country.

Private/Public Partnerships

Mr. Bonner: Mr. Speaker, NovAtel, Swan Hills, Gainers, Millar Western, West Edmonton Mall, Vencap: these are only a few examples of P3s that this government has been involved with and that have cost Alberta taxpayers over \$2.5 billion. To the Minister of Infrastructure: why doesn't the minister cite these examples when he talks about P3s?

Mr. Lund: Well, we're back on the P3 thing, and I think that possibly we need to consider them as a P3, a pathetic puffball party. Quite frankly, Mr. Speaker, I don't know how many times we've got to go over this, but the member just doesn't seem to get it. There are so many different ways that the private sector can assist in delivering services, and I've given many examples, so I'm not going to go over them again. Quite frankly, it is getting very pathetic that the hon. member just can't seem to get it.

Mr. Bonner: Can the Minister of Infrastructure tell us why, after all the P3 problems I've mentioned, Alberta should trust this government with P3 financing? And that's private political pork.

The Speaker: I have no idea how that question meets the test in this Assembly. Go to your third one, hon. member.

2:10

Mr. Bonner: Mr. Speaker, when will this minister release a document that fully describes, justifies, and defends this government's plan for P3 financing?

Mr. Lund: Mr. Speaker, as we have indicated in this Assembly before, we are setting up internally within the department a mechanism that will assess and see that, in fact, these proposed P3s, when they come forward, do make sense. Beyond that, for any of the alternate financing through the Treasury department there's an independent group who is going to also assess any proposal that comes in, and they will be looking at the lifetime costs and how that relates to if we built it and did it ourselves.

I know that there are a number of issues that the member is going to have difficulty with like: what is the value of off-loading the risk? What is the value of having a facility built now and the ability of the citizens of Alberta to use that facility? What is the value of being able to use the income tax system to write off some parts that could possibly be written off by the private sector but can't be written off by government? There are so many of those kinds of issues. I know that it will be well over his head, but we are going to be trying to move forward anyway.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert, followed by the hon. Member for Edmonton-Ellerslie.

Bicycle Safety

Mr. Horner: Thank you, Mr. Speaker. During a recent trade show which was held in the city of Spruce Grove at the TransAlta leisure centre, which, I might add, is a wonderful example of a public/public partnership with three communities and the province involved, I had a number of constituents come to me and ask me questions about the use of bicycle helmets for children in trailers that are pulled behind a bike, particularly kids who are under a year of age. My first question is to the Minister of Transportation. Does a child in a trailer pulled by a bike or riding on the bike in a child carrier seat require a helmet?

The Speaker: The hon. minister. The reason the chair hesitates is that one of the rules is that no question should ask for interpretation of statutes.

Mr. Stelmach: Thank you. Alberta law prohibits any person without a helmet from riding on a bike or being in a trailer pulled by a bike, basically meaning that everyone less than 18 years of age that is on a bike requires a helmet. That is the law.

The Speaker: The hon. member.

Mr. Horner: Thank you, Mr. Speaker. My second and final question, then, would be to the same minister. Did the Transportation department do any studies on the safety of children under one year of age and whether a helmet would in fact be safe for them?

Mr. Stelmach: Mr. Speaker, this bill came forward as a result of a private member's bill. Before the bill came to this Legislature, there was quite extensive consultation by the private member with a number of safety groups and, of course, enforcement agencies.

Now, with respect to the safety groups one of them recommends that parents do not put a helmet on a child that's less than one year of age because they insist that the muscle structure will not be able to support the helmet and will lead to greater danger. So, as a result, I would say that if you're going to take your child of less than one year of age for a ride on a bike, the best is to give serious consideration to the safety of that child and maybe not do that. Period.

Forest Management Practices

Ms. Carlson: Mr. Speaker, four reputable scientists have released a damning study about this government's forest management practices. The study concludes that at current rates Alberta's boreal forest won't be able to sustain the forestry industry and that wildlife habitat will be devastated. This problem stems from the fact that the oil patch cuts as many trees as the forestry industry but doesn't have the same obligation to reforest. My questions are to the Minister of Sustainable Resource Development. Why has this government

insisted on using archaic forest management practices when industry has been asking for changes for more than a decade?

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. I think that's a very unfair statement to the industry because we have one of the best managed forests in North America right here in Alberta. Over 60 percent of our province, in fact, is forested area.

An Hon. Member: How much?

Mr. Cardinal: Over 60 percent. We manage over a hundred million acres of public land, and we do very well. We're working very closely, of course, with the scientists, with their recommendations. We're also working very closely with industry. In fact, we have some leaders. For an example, in my riding Alberta-Pacific Forest Industries, with their large FMA in northeastern Alberta, work very closely with the oil and gas industry. We work very closely with the municipalities, the First Nations, the trappers, the outfitters, et cetera, to develop a plan where we will minimize the imprint we leave as we move forward.

In fact, the area of seismic lines is one good example. Just a number of years ago most seismic lines were 10 metres. Today, Mr. Speaker, they are 25 percent of that on average. In fact, 75 percent of the seismic lines out there – and maybe the Minister of Energy will want to expand on that – are low-impact seismic lines, where they do a very little amount of damage.

Mr. Speaker, I believe we're in good hands. We're doing the right thing. Forestry is a thriving industry in Alberta. It continues to employ over 50,000 people. In fact, some of the member's constituents no doubt work in the forest industry. We do very well.

Ms Carlson: Mr. Speaker, the minister missed the whole point of the question. The forest companies are doing a good job and are asking for changes.

Why don't oil companies have to reforest to the same standard as forestry companies?

Mr. Cardinal: Mr. Speaker, this member does not understand what she's talking about. When it comes to seismic lines, for an example, some of the seismic lines that are developed, which are a lot narrower now, may be there for 20 or 30 years. They're there. They're used by the companies on an ongoing basis. Not only the forest companies but the trappers use those. The outfitters use those, and other people that want to travel in some of those jurisdictions use those seismic lines also. So they're there for a long period of time. They're under licence of occupation, so we manage them very closely.

I would invite the hon. member to come up north and travel. The next time I go flying in northern Alberta, come fly over and see how much forest we have in Alberta and how well it is managed.

Ms Carlson: Mr. Speaker, given that it's clear that I need to send this study to the minister to read, when are we going to see a regulatory framework that requires the oil and forestry industries to work in concert to manage Alberta's forests?

The Speaker: The hon. minister.

Mr. Cardinal: Yes, Mr. Speaker. There are a number of integrated resource plans that are being worked on by a number of departments and industry, and they do look after those areas the member is

concerned about. Again I stress the fact that I don't believe this member knows maybe what a tree looks like in northern Alberta. I would invite her to come and travel and tour next time I tour northern Alberta to see how much forest is there and how well it is managed, how little impact the oil and forest industries have up there. The area is forested.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Calgary-Cross.

Long-standing WCB Claims Review

Dr. Pannu: Thank you, Mr. Speaker. Injured workers and other stakeholders are being told by Human Resources and Employment ministry staff that the tribunal on long-standing contentious WCB claims will not proceed without agreement by employer groups. Later today I will table a letter from the Canadian Association of Petroleum Producers and three other oil and gas industry employer groups attacking the tribunal and expressing their opposition to the recommendation for the establishment of the tribunal. This opposition by CAPP and other groups is puzzling in light of the fact that the CAPP representative co-chaired the very task force that made the recommendation to establish the tribunal in the first place. A question to the Minister of Human Resources and Employment: why are employer groups being allowed to dictate a government decision at the expense of injured workers who were promised a tribunal to re-examine their claims?

Mr. Dunford: I think that if the hon. member would have recalled the release of the Doerksen report and the Friedman report and the government response to that report, he would have noticed that on the recommendation for an independent tribunal that recommendation is still under review.

2:20

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: given that the minister received the letter from CAPP and three other organizations dated April 11, has the minister told CAPP that he is now prepared to reject the recommendations of the tribunal task force and will deliver the tribunal as promised to injured workers?

Mr. Dunford: Well, I haven't made any official response to the letter that I can think of off the top of my head, Mr. Speaker. I've been quite public, though, in this matter since the issue first came up, that if we were going to look into long-term contentious claims, I was looking for a way in which some sort of consensus could be achieved in order to do this. I think there are a number of ways in which old claims, you know, could be looked at. But, clearly, from the letter that the hon. member is talking about, I think we have to consider it a bit of a setback. As a matter of fact, the signatures to that letter had indicated at one time a potential way in which the review could be done. I wanted to reject that, however, because with the recommendation I thought that we'd end up in the courts of this province. I don't think injured workers want that, and of course neither do I.

Dr. Pannu: My second supplementary to the minister: given that the minister has indicated recently to stakeholders that a decision on the tribunal would be announced soon, how much longer will injured workers have to wait to learn what actions this government will be taking?

Mr. Dunford: Well, as I recall, when we were discussing Bill 26 I think it was in this particular House, when we brought forward the bill and it provided, then, a number of changes that were to be made to the workers' compensation system, including what we might provide for in terms of a tribunal, I didn't have the support of injured workers. As a matter of fact, they were here in this House and were displaying their displeasure with the minister's position, and it became quite clear to me, of course, that they did not support it. So I find it interesting now, today, that we would have a presentation of something that they were rejecting as now to be considered something that they entirely need, and now I'm being criticized because it's taking this long to try to reach a consensus.

The Speaker: The hon. Member for Calgary-Cross, followed by the hon. Member for Edmonton-Centre.

Patient Safety and Medical Error Reduction Centre

Mrs. Fritz: Thank you, Mr. Speaker. Recent estimates show there's an extremely high death rate of Albertans each year due to medical errors that are preventable. I have two questions for the hon. minister of health this afternoon. The first: will you establish a patient safety and medical error reduction centre in Alberta that would provide a health care quality improvement annual report to this Legislature?

Speaker's Ruling Anticipation

The Speaker: Hon. members, for the second time or third time today. In a few minutes from now we're going to go into the estimates of the Department of Health and Wellness for two hours uninterrupted. I think we'll move on. You'll have an opportunity, hon. member, in a few minutes.

The hon. Member for Edmonton-Centre, followed by the hon. Member for Edmonton-Calder.

Court Transcripts

Ms Blakeman: Thank you, Mr. Speaker. The Minister of Justice has suggested that he is concerned about increasing fairness, timeliness, and streamlining the justice process. Part of the process that people find prohibitive is the cost of legal transcripts. My questions are all to the Minister of Justice today. Mr. Minister, what criteria are used to determine if a case is of sufficient public interest to merit a fee waiver for the cost of court transcripts?

Mr. Hancock: Well, Mr. Speaker, those aren't decisions that I routinely make, so I have to suggest that I don't honestly know the answer to that. As to what criteria would be used by the people who do make those decisions, I presume that it's something I could look into and get back to the member with a response.

The Speaker: The hon. member.

Ms Blakeman: Thank you. To the same minister: if court proceedings have been transcribed, will the minister commit to posting them on the Internet for a lower fee?

Mr. Hancock: No, Mr. Speaker. There's a real issue that we have to deal with with respect to the question of not even transcripts of court proceedings but decisions of the courts. Sometimes court proceedings are intensely personal to the parties, and while they are done in public, in the current genre people would have to go down and attend at court to see what's going on and to hear what's

happening, so there is a bit of privacy afforded the participants even though it's done in a public context. Posting on the Net takes those proceedings out of the context of the courtroom and makes them available entirely to the public to peruse at their will.

We have found, for example, with the publication of decisions, not transcripts but decisions, of the court in family law matters that people can pull up those decisions and find details in the decisions which can be embarrassing to other people who are related; in other words, children, for example, who are related to participants in a court. It's not found to be prudent to publish in that manner by putting those decisions directly on the Net for full availability of the public even though those decisions may be published in written form and be in law reports. So that's an issue that we have been struggling with with respect to decisions. I certainly think it would be much more problematic if you took it all the way down to transcripts.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Finally, will the minister look into lowering the fees for the hard copy transcripts?

Mr. Hancock: I think the short answer to that, Mr. Speaker, would be no. I will respond to that in more detail when my estimates come up on Thursday if the hon. member wants to ask the question or raise the question in that context. The fact of the matter is that we have a number of resource issues that we need to deal with in the Department of Justice, and if I had resources, it wouldn't be applied so much to lowering the cost of obtaining transcripts. It would probably be applied more to areas like improving the fees that we pay to interpreters and those sorts of people, because I think we would get a better improvement of the access to justice for Albertans by applying resources in that manner.

Transcripts and obtaining transcripts are a cost of doing business. We are moving, I might say, Mr. Speaker, to more electronic formats so that people can get transcripts on CD-ROM, and hopefully within the next two to three years we will be seeing a move to electronic filing processes and using a lot of documents in electronic format, which should deal with that issue.

The Speaker: The hon. Member for Edmonton-Calder, followed by the hon. Member for Calgary-Fort.

Single Trial Court

Mr. Rathgeber: Thank you, Mr. Speaker. For some time now the Minister of Justice has been promoting the idea of a single trial court as a catalyst for judicial reform. However, this model has many detractors, including the Criminal Trial Lawyers Association and the Chief Justice of the Alberta Court of Queen's Bench. My questions are for the Attorney General. Why is the minister pandering to special-interest groups by offering a host of specialized courts within the single trial court model?

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. Well, I wouldn't agree with that preamble with respect to what is actually being proposed. What we are talking about in the context of a single trial court is creating a horizontally organized court rather than a vertically organized court. Instead of the Provincial Court and proceeding up to Court of Queen's Bench, we would have a court with section 96 powers and organized, as I say, horizontally, so you would have a criminal division, a commercial division, a family division, and you would be

able to deal within those divisions with the specialized needs of groups. We have, for example, the domestic violence court in Calgary. Now, if that is pandering to a specialized interest group, that kind of description boggles the mind. What we're actually doing there is dealing with an issue in our society which is extremely important: reducing the recidivism rate, getting treatment for people so that they don't continue to abuse their spouses. That's the type of thing you can do when you focus the resources in an appropriate way.

Going to a single trial court model, which we're looking at – we haven't made the decision to do it but are looking at it – will allow us to re-enter our resources so we can have specific types of courts to deal with domestic violence, for example, with offences involving weapons, drugs, perhaps even issues relative to youth using drugs or skipping school, as they do in some places in the States, dealing with youth issues. So what we're looking at is a single trial court which would give one area of jurisdiction and that would allow the court, then, to specialize in particular areas to achieve better results for Albertans.

2:30

The Speaker: The hon. member.

Mr. Rathgeber: Thank you, Mr. Speaker. I apologize for boggling the minister's mind.

Given that section 92(14) of the Constitution gives the provinces exclusive jurisdiction over the organization of the provincial courts, why is the minister abrogating this right to the federal government?

Mr. Hancock: Again, we're not abrogating any rights to the federal government. In fact, I would suggest that we're doing exactly the opposite. What happens right now is that the federal government under that section of the Constitution has the right to appoint section 96 judges, as they're called. These are the judges in Alberta of the Court of Queen's Bench and the Court of Appeal. But the Court of Queen's Bench judges, which deal with a lot of the constitutional issues that we deal with, as I say, right now are appointed by the federal government. We appoint Provincial Court judges as a statutory court rather than a constitutional court.

What we are proposing is that there be one court. So, yes, we would no longer appoint judges to the Provincial Court, but we would as part of the proposal have to engage in a protocol with the federal government so that we would have even greater involvement in the appointment of all of the judges. The net effect would be that we would have an impact on the appointment of judges to the section 96 courts even though they would have the right to make the appointment. That is an improvement of our process and an improvement in our ability, in my view, to have an effect on who is appointed to the bench.

The Speaker: The hon. member.

Mr. Rathgeber: Thank you, Mr. Speaker. Given the obvious noncollaboration between Alberta and Ottawa over Senate appointments, why is the Minister of Justice hopeful that he can collaborate with Ottawa with respect to judicial appointments?

Mr. Hancock: Well, Mr. Speaker, nobody said that it was going to be easy, but we have to always, I think, strive to do the right thing with taxpayers' resources and the right thing with respect to getting the best access to justice for Albertans on the most cost-effective basis. So even though it's going to require some work to develop a protocol with the federal government, I think that in the area of

justice there has actually been considerable co-operation historically. We do have dual areas of jurisdiction where they appoint and pay for the Federal Court judges and they pass the Criminal Code, for example, and we have to do the administration of justice at all levels of court.

So we have had some considerable success in that in the past. There are obviously areas where we haven't had success. It's not going to be easy, but it is part and parcel of trying to make the court system better so that we have a 21st century dispute resolution process for Albertans.

The Speaker: Hon. members, before moving to the first of four statements, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(*reversion*)

The Speaker: The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Speaker. I will ask for some latitude as I may want to preambule my introduction.

The Speaker: Hon. member, the House gave the hon. member permission to proceed. Do it with dignity and courtesy to the House.

Mr. Lukaszuk: As intended, Mr. Speaker.

The communications and electronics branch of the Canadian forces is organizing events to celebrate the centennial anniversary of military communications in Canada. The Mercury Trek consists of a team of 21 riders and eight support staff who will cycle through each province carrying a heraldic proclamation outlining the significant contributions of military communications to Canada. The trek members, consisting of active military members and Colonel Lackonick, retired, have entered Edmonton today, and I had the pleasure of cohosting a ceremony with the Lieutenant Governor and inviting them to our distinguished Chamber here at the Legislative Assembly of Alberta.

Mr. Speaker, I suggest to you that they are probably carrying one of the most important messages they ever could, and that is one of pride in Canada and unity, and I would ask them to rise and receive the warm welcome of our Assembly.

Thank you.

head: **Members' Statements**

The Speaker: The hon. Member for Calgary-Currie.

University of Alberta Energy Management Program

Mr. Lord: Thank you, Mr. Speaker. I rise today to highlight an excellent example of what can be done by Albertans and Alberta institutions to save energy and reduce costs of utility bills. Since 1975 the University of Alberta has had an active energy management program that currently saves the U of A over \$12 million a year. Amazingly, over the course of the program the accumulated savings total over \$139 million – that's \$139 million of taxpayers' money saved – and that's not all. The program has also eliminated 1.65 million metric tonnes of carbon dioxide, 2,000 tonnes of nitrogen oxide, and 1,500 tonnes of sulphur dioxide.

This energy management program is a significant contributor to sustainability on the U of A campus. Not only is it helping to significantly reduce utility bills. It reduces the consumption of

nonrenewable resources as well and also reduces the associated amount of pollution and greenhouse gas emissions. Some of the main elements of how they accomplish this include lighting retrofits, heating recovery systems, variable-speed drives, optimizing operating schedules, downsizing equipment, and piping and ductwork insulation. These types of initiatives have helped to reduce electrical consumption per square metre by 26 percent, steam consumption per square metre by 49 percent, and water consumption per square metre by 62 percent since 1975. At the same time their building area has increased by 27 percent.

For almost three decades now the U of A has been a leader and has made a concerted effort to introduce changes and implement practices that enable it to operate in an energy-efficient and environmentally responsible manner. A seven-year program has just been developed which will guide the university's further energy conservation activities until the year 2010. The University of Alberta serves as an excellent model of how a large institution can make a significant difference in the quest for sustainability and energy conservation, and I would encourage other institutions in the province to look to the University of Alberta and others for concrete examples of how energy conservation measures can have a significant impact on environmental and economic sustainability.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Calgary-West.

Volunteer Calgary Leadership Awards

Ms Kryczka: Thank you, Mr. Speaker. Last Thursday, April 24, I had the honour of bringing greetings from the province on behalf of the Premier and my Legislature colleagues at Volunteer Calgary's seventh annual leadership awards, presented by Suncor Energy Inc., held at the Hyatt Regency. Over 400 people attended the celebration to honour excellence in community volunteerism and its valuable contribution to improve the quality of life for many, many Calgarians. The leaders of tomorrow awards, which salute the outstanding efforts of youth in the community and are sponsored by EnCana Corporation, were awarded to Mahrukh Tahir, elementary school; Lauren Mendis, junior high school; and to brothers Shaqil Peermohamed and Nabeel Peermohamed, senior high school.

The leaders in business awards, which recognize excellence in workplace volunteerism and are sponsored by Chevron Canada Resources, presented the gold award to Imperial Oil Limited and Exxon Mobil Canada for their work with Hull family services. The silver award went to Fluor Canada Ltd. and the bronze award to BP Canada Energy volunteers, Calgary retirees.

The leader in the community award, recognizing local nonprofit organizations and sponsored by the *Calgary Herald*, was awarded to the Fort Calgary community garden out of 25 nominations. The community garden engages homeless people to help grow vegetables for the Salvation Army Centre of Hope.

But the absolute highlight of the celebration was recognizing Simon Adamson with the VIP, or volunteer in profile, award by CFCN/CTV for his outstanding work with the Schizophrenia Society of Alberta over the past six years. Simon was diagnosed with schizophrenia at 17 and at 26 daily helps people who are newly diagnosed with schizophrenia reintegrate into the community. He also educates the public about its effects. Last year Simon volunteered over 1,700 hours. During his emotional acceptance speech Simon expressed his pride in being able to make a difference.

Mr. Speaker, it was truly a privilege to be part of Volunteer Calgary's seventh annual leadership awards celebration this year. Thank you.

The Speaker: The hon. Member for Calgary-Montrose.

Holocaust Remembrance Day

Mr. Pham: Thank you, Mr. Speaker. I invite members of this Legislature and all Albertans to join me and the Minister of Community Development in a day of reflection and remembrance for Yom ha-Shoah, the Holocaust Remembrance Day. This day is recognized worldwide as a time to remember the crimes against humanity committed between 1933 and 1945 and to ensure that victims of this tragedy and other victims of genocide, hatred, and ethnic cleansing are never forgotten. We are thankful that Canada has not experienced such atrocities. However, none of us should ignore them. Many Albertans have friends or relatives who lived through disturbing times or who lived in oppressive countries. We know that, unfortunately, hatred and discrimination exist. Therefore, these feelings, which are commonly based on a lack of understanding, do find their way into our communities and affect all of us.

2:40

In 2000 the Alberta Legislature unanimously passed the Holocaust Memorial Day and Genocide Remembrance Act to formally recognize this day each year and to remind us of the need to uphold the human rights of everyone and to value the diversity and multicultural richness of Alberta society. Each one of us can do our part by raising an awareness of these issues, by educating those around us, by speaking up, and by doing whatever we can to eliminate hatred, criticism, and discrimination. Today I ask everyone to reflect on the meaning of Yom ha-Shoah, the Holocaust Remembrance Day.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Strathcona.

Holocaust Remembrance Day

Dr. Pannu: Thank you, Mr. Speaker. This morning I attended along with many members of this House, including yourself and the Premier, a memorial and candle-lighting ceremony on the official day of Holocaust remembrance in the province of Alberta. A special monument was unveiled on the grounds of the provincial Legislature. This monument will remain forever as a reminder of the Holocaust, a most tragic and horrifying episode of the 20th century. This monument will raise awareness and understanding of the events of the Holocaust, when during the Second World War a wave of mass murder swept across Europe. By the end the death toll had risen to approximately 6 million people, including among them 1.5 million children.

The theme of Holocaust memorial day 2003 is Children and the Holocaust. Only an estimated 11 percent of the Jewish children alive in 1933 in Germany were still alive by 1945. Disabled children, Roma children, and children of occupied territories were also victims of this senseless and criminal slaughter. To survivors and indeed to all of us the Holocaust remains a real and ever-present historical moment.

When the people of Alberta view this memorial, it will remind them of how real and ever-present the experience remains to these survivors and us. It will speak those stories about people who were killed by the Nazis and help all of us to understand what can happen if we do not stand up to oppression, if we do not confront those who would act in this manner. Each of us has a responsibility to take whatever action we can to ensure that the horrendous crimes, racism, and victimization committed during the Holocaust are never forgotten nor repeated anywhere in the world. Ceremonies such as the one we attended this morning are about both past and present and

about commemorating and continuing to learn from the events of the Holocaust and about relating those lessons to the ever changing world around us.

Thank you, Mr. Speaker.

The Speaker: Hon. members, we have some additional visitors with us. Might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(reversion)

The Speaker: The hon. Member for Calgary-Bow.

Ms DeLong: First, thank you very much, Mr. Speaker. It is my great honour and privilege to introduce to you and through you to all the members of the House 85 bright and energetic students from Queen Elizabeth high school, which is located in the snowbound constituency of Calgary-Bow. The students, who are seated in the public gallery, are accompanied this afternoon by Ms Janice Lowe, Ms Ann Walker, Mr. Stephen Ditchburn, and Ms Tanya Snow, who are teachers at the school and parents. I would ask them all now to rise and receive the warm welcome of the Assembly.

Thank you, Mr. Speaker.

head: **Notices of Motions**

The Speaker: Hon. Member for Edmonton-Glenora, at this moment you're just giving notice to the House. That's all you're doing at this point in time.

Mr. Hutton: Yes, I am. I'm giving notice of my intention to raise a question of privilege.

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Transportation.

Mr. Stelmach: Thank you, Mr. Speaker. It's my pleasure to table with the Assembly today the required number of copies of Alberta Transportation's three-year highway construction project list.

As well, as per the recommendation from the Financial Management Commission I'm also pleased to table the list of major construction projects deferred beyond 2005.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I rise today with three brief tablings. The requisite number of copies of a report from *American Scientist* on reward deficiency syndrome, which is the best explanation of drug and alcohol addictions that I'm familiar with.

The second report is an article on 18-MC, or 18-methoxycoronaridine, a potential new miracle drug that seems to stop all drug addictions cold perhaps in as little as one dose.

The third is the article in the *Journal of the American Medical Association* that I referred to in question period regarding iatrogenic complications as perhaps being the third leading cause of death.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I rise to table five copies of a letter that I received from four different oil and gas and petroleum

industry associations. The signatories to this letter are the Canadian Association of Oilwell Drilling Contractors, the Petroleum Services Association of Canada, the Canadian Association of Petroleum Producers, and the Canadian Association of Geophysical Contractors. All of these associations, of course, are opposed to the establishment of the tribunal to look at the long-standing cases of the WCB clients.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. I would like to table this afternoon five copies of the Day of Mourning Candlelight Ceremony program from yesterday evening at city hall. This was put on by the Alberta Federation of Labour, the Alberta Workers' Health Centre, and the Alberta Building Trades Council, again in recognition of the International Day of Mourning for workers killed and injured on the job.

Thank you.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. My tabling today is from Alice Williamson, who is objecting to the Capstone Energy application to divert fresh water for oil well injections. We share her concerns.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. Three tablings today that continue the correspondence on education. The first is a postcard saying that "we need government leadership committed to the future of our children" from Lisa McDermott, the second is calling for more funding for education from Alyssa Stryker – these are tabled with permission – and the third is talking about the need to spend more funding on education from A. Espinaco-Virseda.

Thank you.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. Today I'm tabling a document entitled Canada-United States Softwood Lumber Trade: Alberta Summary of Forest Policy Discussions dated December 2001. This sets out policy options for the government of Alberta with respect to Canada/United States softwood lumber negotiations.

head: **Tablings to the Clerk**

The Clerk: I wish to advise the House that the following document was deposited with the office of the Clerk on behalf of the Minister of Government Services: erratum to the Government Services 2003-2006 business plan.

The Speaker: The hon. Member for Edmonton-Glenora.

Privilege
Allegations against a Member

Mr. Hutton: Thank you, Mr. Speaker. I've thought of little else but this matter for the last 24 hours. I provided verbal notice to this House and written notice to your office before 11:30 this morning of my intention to raise a question of privilege, a courtesy the hon. Member for Edmonton-Gold Bar did not afford me yesterday.

2:50

I would like to quote the hon. Member for Edmonton Gold-Bar

from *Hansard* yesterday, page 1252: "... one of the tenets of our justice system, which is that one is innocent until proven guilty." Mr. Speaker, yesterday, Monday, April 28, 2003, the hon. Member for Edmonton-Gold Bar rose on a purported point of privilege and accused me of contempt of this Assembly because he says that he saw me with a piece of paper he found offensive. Yes, I had that piece of paper in my hand, and I clearly indicated to this Assembly yesterday that once I saw what it was, I threw it away without another thought as to where it came from. Yesterday, once the Member for Edmonton-Gold Bar knew this to be the truth and once the Speaker had ruled that there was not a point of privilege regarding contempt, the hon. Member for Edmonton-Gold Bar refused the opportunity to apologize to me and this Assembly and refused to do the honourable thing and withdraw unconditionally his accusation that I am a hateful bigot because I held that material briefly in my hand.

Mr. Speaker, in a parliamentary sense I feel intimidated and harassed. The hon. member made comments that were offensive, intimidating, prejudicial, and hateful and somehow connected them to me. I have never been so maligned and misrepresented in my life. Both *Beauchesne's Parliamentary Rules & Forms*, sixth edition, at 24 and 25 and *Erskine May*, 21st edition, page 69, clearly confirm that a member should never feel intimidated or harassed in the performance of their duties. My ability to perform my duties as a duly elected member of a parliamentary democracy has been compromised because the hon. Member for Edmonton-Gold Bar has left on the record this intimidating and harassing accusation that I distribute hate literature. This is totally and completely unacceptable.

What the Member for Edmonton-Gold Bar did on Monday afternoon was try to dismantle my reputation, which I have worked so hard to build in the past 20 years. I have spent my career assisting the disabled, working with wonderfully diverse multicultural communities and for the disadvantaged across this province. Mr. Speaker, I sat yesterday in total disbelief as to why and how this member could do this and what this will mean to me moving forward as an MLA and representing the great constituents of Edmonton-Glenora.

Mr. Speaker, I respect every member in this House no matter where they sit in this Assembly. We all have a job to do, and that is to do the best we can for the people we represent, and I am shaken by the premeditated surprise attack by this member. He clearly brought into suspect my character, values, and beliefs, and I feel that is totally unacceptable.

When I got up this morning, my daughter had read the *Edmonton Journal* before I had, and she came to me and she said: what did you do, Daddy? This is from my Jewish daughter. In my home we do not speak of hate because of my wife's and children's ancestry, having endured centuries of persecution. In my home we live by the golden rule: do unto others as you would have them do unto you. In my home if my children have a conflict, I ask them to consider why the person or persons would be in conflict with them and to try to walk a mile in their shoes and to have a little empathy for others before you judge.

My point here, Mr. Speaker, is that had the hon. member across the way stopped for one moment Thursday last and asked me what the document was in my hand, I would have responded: "I don't know. I haven't looked at it yet." I would probably after that have realized, as I did coming back to this seat, what it was and threw it in the garbage.

I ask that a prima facie case of privilege be declared so that the hon. Member for Edmonton-Gold Bar can have an additional opportunity to do the gentlemanly thing and withdraw his remark

and apologize. I also ask that should a prima facie case be declared and the hon. Member for Edmonton-Gold Bar continues to leave this cowardly accusation on the floor, I be afforded the opportunity to move a motion today in this Assembly that would begin the process of clearing my name, a motion that this be referred to the Committee on Privileges and Elections or a motion of censure that compels the hon. Member for Edmonton-Gold Bar to appear before the bar of this Assembly and face the consequences of a breach of privilege that he was so eager yesterday to stab me with.

Thank you, Mr. Speaker.

The Speaker: The issue to be considered is whether certain comments by the Member for Edmonton-Gold Bar have obstructed or interfered with the Member for Edmonton-Glenora's ability to perform his duties or alternately whether the dignity and authority of the Assembly has been offended. The chair would refer members to chapter 3 of *Marleau and Montpetit*.

After hearing now from the Member for Edmonton-Glenora and prior to hearing submissions on the purported point of privilege from other speakers, the chair wishes to caution members that the issue for discussion today pertains to the question of privilege raised by the Member for Edmonton-Glenora. The chair will not – I repeat: not – allow a reiteration of the discussion that transpired yesterday afternoon. The chair ruled that that purported question of privilege did not meet the test for a prima facie case of privilege. That concluded that matter.

As this is primarily an issue between the two members and as the chair does not intend to revisit yesterday's debate, the chair under the provisions of Standing Order 15(6) will allow the Member for Edmonton-Gold Bar to participate, will allow the Government House Leader to participate, will allow the Opposition House Leader to participate, and will judge later, at the conclusion of their remarks, whether other speakers will be recognized as well.

The hon. Member for Edmonton-Gold Bar, if you wish.

Mr. MacDonald: Thank you, Mr. Speaker. In regards to Standing Orders 15(3) and (4) I would like to request if it's possible, with your permission, to defer this matter until tomorrow. I would like an opportunity to review the Blues as to what the hon. Member for Edmonton-Glenora has stated.

The Speaker: Hon. members, I think the chair would like to receive some advice perhaps from the two House leaders, the Government House Leader and the Opposition House Leader, in this matter.

Mr. Hancock: Well, Mr. Speaker, it's interesting that the hon. member opposite brought his motion yesterday with no notice, without even previously discussing the matter with the member, and we dealt with it at that time because the hon. Member for Edmonton-Glenora couldn't live with the issue hanging over his head for another day. So I think it would be inappropriate to leave this matter over for another day.

Now, the member in question knows exactly what went on yesterday. He knows exactly what he's being accused of. There's no surprise for him here, and he ought to be in a position to respond today.

Ms Carlson: Mr. Speaker, we have always taken cases of privilege very seriously in this Assembly.

An Hon. Member: Until yesterday.

Ms Carlson: I don't think that those are appropriate remarks,

Member for Calgary-Mountain View, at this time. I think that what's appropriate here is to ensure that as we move forward with what have been serious allegations, members have enough opportunity to reflect on them, to reflect on what their course of action will be in the future, so I would support the Member for Edmonton-Gold Bar's request to postpone any further discussion on this until tomorrow.

The Speaker: The chair would like to hear from the hon. Member for Edmonton-Gold Bar. Last evening at 8 o'clock notice was given, and notice was given this morning again. Will the Member for Edmonton-Gold Bar come back to the House tomorrow and say that he wants another deferral? Hon. Member for Edmonton-Gold Bar, can you assist the chair in this?

3:00

Mr. MacDonald: No. Certainly not, Mr. Speaker. I would be quite willing to present this issue tomorrow. There have been previous precedents set. Yesterday the hon. member was certainly given an opportunity to delay the procedures until today if he so chose. Also, going back to November 19, 2002, on page 1387 on a matter that I brought before this Assembly in regard to advertisements with the crest of the House on it, there was also at that time opportunity given so that people could get their thoughts organized. Those are two precedents from the recent history of this Assembly.

The Speaker: Hon. members, we'll return to this matter tomorrow afternoon.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: I'd like to call the Committee of Supply to order.

head: **Main Estimates 2003-04**

Health and Wellness

The Chair: I would invite any comments or questions that might be brought forward on these estimates. The hon. Minister of Health and Wellness.

Mr. Mar: Thanks, Mr. Chairman. It's my pleasure to present the Alberta Health and Wellness budget for 2003-2004. Last year at this time I said that we were entering into a year of transition for health care, and this past year was all of that and more. We implemented a simpler, more effective regional structure, moving from 17 to 9 health regions and moving mental health services to regional responsibility for better integration with health care. We piloted electronic health records through the pharmaceutical information network in Westlock and Leduc. We launched the Healthy U campaign and web site to encourage healthy food choices and promote active living. I'm pleased to say that to date that web site has had over 300,000 hits.

Now we continue the work with a public commitment to partnership. My ministry's business plan gives our mission as: "To maintain and improve the health and wellness of Albertans by leading and working collaboratively with citizens and stakeholders." We do that, Mr. Chairman, by directing our work in two core businesses. The first core business is to "lead and support a system for the delivery of quality health services." Mostly this is about providing treatment, and it takes the majority of our health budget.

We allocate \$6.5 billion alone just to health authorities, physician services, provincewide services, and nongroup health benefits, primarily drugs.

The second core business is to "encourage and support healthy living." This, Mr. Chairman, is aimed at reducing the need for treatment by helping Albertans enjoy a high quality of health well into their senior years. Health authorities allocate some of their funding to wellness programs, but the majority comes from our protection, promotion, and prevention budget, \$169.8 million. You also will see \$23 million under equipment/inventory purchases for vaccines. Vaccines are an essential aspect of our illness prevention program. Our commitment to health reform also continues to focus on wellness as the first strategy to manage demand for services in the future.

Now, before I get into the budget itself, Mr. Chairman, I want to comment on two emerging issues of health protection and illness prevention: SARS and West Nile virus. Endemic and emergency response plans are in place regionally and provincially and are being applied to both SARS and West Nile virus. We are in daily contact with Health Canada and are co-ordinating our provincial and regional efforts with the latest international and national information. We encourage the members of this Assembly and all Albertans to check our web site for the most up-to-date information and links on both conditions, including how they can protect themselves and what their government is doing.

Our current protection, promotion, and prevention budget anticipates unplanned threats to public health. An example was the recent provincial vaccination program to control a meningococcal outbreak. If either SARS or West Nile virus develops into situations that require actions beyond our budget capacity, we will not hesitate to ask for a special dispensation for additional funds. This House and all Albertans can be assured that budget considerations will not limit our response if either condition becomes a public health emergency.

Now returning, Mr. Chairman, to my budget presentation, in total we are dedicating \$7.35 billion to Health and Wellness this fiscal year. That is an increase of 7.2 percent over last year's third-quarter forecast. With the addition of \$492 million this year health funding has doubled in just the past eight years, up from \$3.7 billion in 1995-1996. This reflects a growth in demand due to a growing and aging population, in the use of technologies like MRIs, in the rising costs of drugs, and in compensation to attract and retain the best health professionals in a highly competitive environment and in numbers that will meet the need.

This is the second year of single-digit increases. Last year we increased health funding by 8.5 percent, but this year there are no increases in health premiums and no further increase in tobacco taxes. Current tobacco taxes are doing the job they're intended to do; tobacco sales are down 21 percent. A year ago in Budget 2002 we anticipated keeping overall health increases in line with projected increases in provincial revenues. It is basic economic management that expenses cannot continue to grow beyond the growth in income, which is one reason health reform is so urgent. That commitment to smaller increases remains. In year 2 of this business plan the plan increases 4.3 percent. In year 3 it is 5.8 percent, when health funding will exceed \$8.1 billion.

This year, Mr. Chairman, we achieved a 7.2 percent increase because our Premier and Premiers across the country negotiated a new health arrangement with the federal government. At February's first ministers' meeting the Premiers were united in their concern over the shrinking federal share of health funding, and they were backed by the federally sponsored Romanow report, which recommended that the federal government honour a greater share of its

obligations to health care. Under the health arrangement the federal commitment increases from 14 percent to 16 percent of health funding over the next three years. That of course, Mr. Chairman, is still far short of the 50 percent promise made when medicare was born, but it certainly is moving in the right direction. To Alberta the outcome of that first ministers' meeting is \$248 million this fiscal year.

Over half of all health funding is allocated to our health authorities, the nine regions, plus the cancer and mental health boards. It makes sense, therefore, that health authorities also receive half the increase in health funding. The Alberta Cancer Board's additional \$19.5 million includes \$11 million for cancer drugs. The Alberta Mental Health Board receives an added \$1.5 million for the four provincial services and programs that it retained: forensic psychiatry, suicide prevention, aboriginal mental health, and telemental health. All other mental health services are being transferred to the nine health regions with their 2003-2004 funding levels.

3:10

Now, before I go into health authority funding, Mr. Chairman, I want to clarify that for the purposes of comparison we recalculated last year's allocation along the boundaries for the new regions and included each region's share of mental health service into the base. In all, the nine regions received an average of a 6.1 percent increase for a total allocation of \$3.916 billion, including \$48.7 million to buy new medical equipment. No region in the province received less than a 3 percent increase of its base budget or less than 4.2 percent including the equipment funding. I expect that the nine expanded regions are better able to be effective and efficient with the use of their funds.

Most of the new regional boundaries are based on patient flow patterns. Reducing the flow of patients and money out of rural regions will help them retain more resources. Larger regions have the population and resources to meet a wider range of health care needs, attract and retain health professionals, and achieve cost efficiencies. An MLA strategy committee is developing a rural health strategy to ensure that needs in rural regions are met appropriately.

I also want to comment, Mr. Chairman, on region 7, which stretches from the Saskatchewan border to Jasper and encompasses most of what used to be the WestView, Aspen, Lakeland, and Keeweenaw Lakes regions. We made this one of the largest regions to compensate for its lack of a large regional hospital. However, it does have 16 hospitals, more than any other regional health authority. With 16 hospitals region 7 can more easily develop local centres of expertise and capitalize on greater collaboration with other regions, just as recommended by the Premier's Advisory Council on Health.

While the number of regions has changed, the formula we use to allocate regional funds has not. Allocations are based on the region's population and population growth. A region with faster population growth receives a larger increase. Funding is adjusted for the needs of demographic groups. So, for example, aboriginal Albertans, seniors, and women of childbearing age tend to use more services and are funded accordingly.

Funding also is adjusted for the higher cost of doing business in remote areas of the province. That explains the fact that the largest regional increase does not go to either of the two major urban regions. In fact, the 6 percent increase for the new Capital region is slightly below the provincial average of 6.1 percent. The expanded Calgary region receives a larger increase than Capital and at 7 percent is a slightly larger increase than the average. Its population growth is still almost 1 percent higher than the Capital region's.

Region 8, centred on Grande Prairie, also received a larger increase than Edmonton, 6.3 percent, in large part because of the more remote population it serves.

Region 9, centred on Fort McMurray, received the largest increase at 9.9 percent. Region 9 is one of the largest and most remote health regions. It has limited road connections, and the fast-growing community of Fort McMurray is within that region. The almost 10 percent increase to its budget allocation this year reflects those conditions in the Northern Lights region. I also want to note that we reviewed the issue of the so-called shadow population with the former regional health authority. This referred to temporary workers to whom the region supplied care but who were not calculated as part of the population in the funding formula. We concluded that funding transfers from the workers' home regions and provinces provided adequate compensation to region 9.

In central and southern Alberta, with smaller regions and more concentrated populations, the increases are less dramatic. In regions 1 and 2 Chinook and Palliser each received over 5 percent. In region 4 the enlarged David Thompson region received 4.6 percent. Region 7, while covering a large geographic area, also has a large network of community hospitals to serve its residents and lower population growth. That region receives an increase of 4.9 percent.

Mr. Chairman, I also want to note that about 80 percent of regional budgets are devoted to human resources, including contracted services. It is reasonable to expect that a portion of their additional funding this year also will be devoted to human resources. However, health regions have obligations to provide resources and programs outside of staffing. The increased allocation to health regions should not be interpreted as a mandate for the regions' current negotiations with their nurses.

Funding for medical equipment is substantial in this budget. This \$49.6 million for the regions and the Cancer Board can be used for any equipment need that directly supports patient care. This includes everything from patient lifts to intravenous poles to diagnostic equipment to the upgrade training so that staff can operate it.

Another budget item also provides direct support to health regions. Some highly specialized services are largely located centrally, but they serve all Albertans. Examples are cardiovascular surgery, neurosurgery, major organ transplants, and renal dialysis. In this budget funding for these provincewide services increases by \$23 million, or 6 percent, bringing the total to \$415 million this fiscal year. In the past provincewide services funding went solely to the Capital and Calgary regions because these had the capacity and infrastructure to provide these highly specialized services. Now we've expanded provincewide services to include the Rosehaven psychogeriatric facility in Camrose in region 5.

Other increases that address access to health services include \$52 million to meet the increased costs for human tissue and blood products, ambulance services, out-of-province health care, and allied health services like chiropractic, optometry, podiatry, and oral surgery. An increase of \$87 million is budgeted for physician services. As with the nurses this should not be taken as a mandate for current negotiations. We continue, Mr. Chairman, to negotiate in good faith with the Alberta Medical Association.

Despite an average increase in drug costs of 17 percent, this budget increases nongroup health benefits, mostly drugs, by less than 1 percent. I do not expect the cost of drugs to dramatically decrease. We cover over 3,500 drugs and just added Remicade and Enbrel to the drug benefit list at an estimated cost of \$14 million to \$18 million a year. However, if spending on drugs continues to increase, our drug benefit plan this year will cost more than last year. Clearly, this rate of increase is not sustainable. My department has made a commitment to finding ways to contain these costs. The limited

increase to our drug budget reflects that commitment. We continue to investigate options that will contain the rate of increase in drug costs while ensuring Albertans have the therapeutic drugs that they require.

A growing component in this year's Health and Wellness budget is support for health reform. The \$122 million allocated this fiscal year does not seem much compared to the billions and hundreds of millions allocated elsewhere. However, the \$85 million increase this year triples last year's allocation. The increase in funding for health reform is in line with the increased urgency to implement change.

Every year our population grows by more than the combined total of Airdrie, Camrose, and Grande Prairie together. Five years ago, in 1998, just under 10 percent of our population was over the age of 65. By the year 2016 it will be almost 15 percent, and by 2021 it will be one in four Albertans who will be seniors, over the age of 65. Based on our own Alberta health care insurance plan data, by 2024 the number of seniors will equal the number of children in this province under the age of 15. We are seeing an increase in age-related care like heart surgery, joint replacement, and cancer treatment. More than 300,000 Albertans have diagnosed heart disease. Another 110,000 are diagnosed with diabetes. Of those, 99,000, about 90 percent, are type 2 diabetics, the kind that can be prevented.

Another cost driver is technology. In 1999 we covered 35,000 MRIs. In 2002-2003 we doubled that to 75,000 MRIs. In the 1960s, when medicare was designed, MRIs did not exist yet. Neither did regular organ transplants, major joint replacements, or a host of other treatments that we now expect from our health care system.

3:20

Health reviews from across the country from Fyke to Claire, from Kirby to Romanow agree with our own Premier's Advisory Council on Health that health care must change. The status quo is not an option. Since January of last year we have been working in Alberta to implement the Premier's advisory council recommendations.

The Health and Wellness business plan shows what changes we will introduce over the next three years. Those reforms include new delivery for primary health care. Before year-end we will have a provincewide health telephone service. By this summer wait times for most surgeries in major health facilities will be posted on-line, and we will continue to promote healthy lifestyle choices and wise use of the health system.

In conclusion, Mr. Chairman, these reform initiatives will help achieve our vision for health care in Alberta. That vision is reworded in my ministry's three-year business plan: "Citizens of a healthy Alberta achieve optimal health and wellness." This vision is greater than my department. It is a cross-government commitment that includes Learning, Children's Services, Aboriginal Affairs, Human Resources and Employment, and Infrastructure. My business plan calls for an aboriginal diabetes strategy to address the higher incidence of that disease in the aboriginal community. The Department of Infrastructure is allocating over three-quarters of a billion dollars over three years to health infrastructure. Work is going ahead on a new children's hospital in Calgary, completion of the Red Deer regional hospital, upgrades to the Royal Alex hospital in Edmonton, two new provincial centres of excellence for cardiac care, and a bone and joint institute. Students from kindergarten to grade 9 are learning about health and life skills in a new curriculum launched in September of 2002. Our postsecondary institutions are preparing more students to take on challenging roles as health professionals.

Health care remains Albertans' number one priority. We have daunting challenges still to overcome. Health reform continues to

move forward to redefine our health system for the future. This budget, Mr. Chairman, allows us to move forward, and I ask the members of this committee for their approval.

Thank you very much, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Chairman. I appreciate the opportunity to respond to the minister's quite extensive comments, comments that have touched on many highlights and addressed some of the issues I was considering raising, but of course in a budget of this size there's no shortage of questions to raise. I'm assuming that we can do a sort of back-and-forth discussion with the minister, if that's okay with the minister.

This department is responsible for the issue that is most consistently the number one concern of the citizens of this province. Health care in fact has been the top issue in this province and in this country for many years, and as a result it's always a sensitive one for discussion. Everybody has an opinion on every issue, it seems, including me.

I'll begin by asking about one of the changes that occurred – well, it's being implemented – in this particular budget year, which is the switch to the new regional health authorities and the reconfiguration from, well, at one point 17, now down to nine. I will start with a fundamental kind of question on the process through which the regional health authorities' business plans and specific budgets are prepared. As the minister undoubtedly knows, I find it out of sync or at least frustrating that we have a situation in which the regional health authorities, which account for over half of the department's expenditure, often don't have their budgets and business plans approved until, say, the second quarter of the fiscal year. So I suppose my question off the bat to the minister with the regional health authorities is a very specific one: when will the regional health authorities' new business plans be ready?

The second is a more general one: if he could describe the process through which the regional health authorities' business plans and budgets are sorted out and finally settled with his department, because I know that there is a lot of uncertainty in the regional health authorities over exactly what the details of the business plans will be. I'd love it if we can minimize that. That's my first round of questions.

Mr. Mar: Mr. Chairman, we are embarking, consistent with recommendations made from some of our committees including the Premier's Advisory Council on Health, to put in place service contracts and arrangements between the Department of Health and Wellness and various regional health authorities. We're moving well on that, making good progress. It's my expectation that the contracts and business plans that will flow out of those contracts should be done some time in the short months to come. We're trying to target May or June. I recognize the concern expressed by the hon. member with respect to having business plans that come out too late in the fiscal year.

Dr. Taft: Okay. Well, I'll read into that, then.

My questions weren't just about timing but about the process. It sounds like it's essentially one of the RHAs negotiating a contract with the minister based on a business plan. I take it that that's the general process?

Mr. Mar: Correct.

Dr. Taft: Okay. Part of those negotiations presumably will have to

address wage settlements or make some provision for wage settlements in the current round of negotiations. I'm sure none of us want the regional health authorities to end up in the position that the school boards find themselves in, where they are caught with a responsibility for a wage settlement that is tough for them to meet. I'm wondering if the minister could provide any detail or any projection for – I should rephrase that because I don't want to ask the minister to violate collective bargaining processes here. How does the minister expect the regional health authorities to cope with the unknown factor of the wage settlements given that about 80 percent of their budgets are tied up in wages?

Mr. Mar: Mr. Chairman, as I indicated in my opening comments, the average increase to the nine health regions is 6.1 percent. Of course, a portion of that has to go to salaries, but as I indicated, there is much more that regional health authorities are responsible for, so I wouldn't want anybody to think that the 6.1 percent average increase to regional health authorities is somehow a bargaining mandate. Our best advice from the employers, that being the regional health authorities, is that negotiations are ongoing with their nurses and other health care professionals, and we continue to encourage that process to go on between employer and employee in a proper collective bargaining process.

With respect to the Alberta Medical Association, Mr. Chairman, negotiations continue to go on well with that with some progress, I should say, it seems being made in the area of different ways of being able to remunerate physicians and making progress on matters as they relate to primary health care reform.

The Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I'm pleased to have this opportunity to ask a few questions of the minister on departmental estimates. I was listening intently to his introductory remarks.

I will begin, I guess, by making a reference to a news story today. I'm sure the minister has seen the story about the number of hours in emergency rooms that it takes for a patient to get to be seen by medical professionals in Edmonton and Calgary. I guess they've got in the story that Edmonton is about seven hours on the average, and Calgary, I understand, is longer.

3:30

Mr. Mar: Shorter.

Dr. Pannu: Okay. In light of Vince Motta's death in the Calgary region and in light of the recommendations of Judge Delong about how these waiting times can jeopardize the life of patients who need quicker care, in the department's performance indicators and the minister's business plan, unless I'm missing it, I don't see any target for reducing the waiting time in emergency rooms in our major hospitals, so maybe a simple question. The minister can perhaps address this.

Mr. Mar: Mr. Chairman, that appears, as characterized by the hon. Member for Edmonton-Strathcona, to be a simple question, but perhaps there is not a simple answer.

Mr. Chairman, wait times for emergency care change from time to time, and the most recent data that we have, to the best of my recollection, is for the second quarter of the year. The regional health authority in Edmonton has experienced some changes in their wait times partly because of changes of season. There does appear to be some seasonality to this. I can say that the number of emergency room visits for the Capital health region would be in the range

of 330,000 visits a year. By comparison, in Calgary the number of emergency room visits would be in the range of 250,000 visits a year.

Some efforts are being made to reduce wait times in emergency rooms. There's no, I should say, silver bullet to solving this problem. The Health Link line, though, has been one important aspect in helping reduce the number of unnecessary visits to emergency rooms, and I want to again restate my commitment to ensuring that Health Link is available throughout this entire province this year.

Mr. Chairman, other efforts are being made to look at processes. For example, to the best of my recollection the average wait time in Calgary emergency rooms is about half of that which it is in Edmonton. It's partly a reflection of the fewer number of visits that they get, but I think that they have also made some good efforts at reducing the number of hours of waiting. In both cases, though, and in emergency rooms throughout the province I should say that the most urgent cases are dealt with immediately. Obviously, if you've got a sprained ankle and you come into an emergency room in any hospital, really, in the province of Alberta, it would be a reasonable expectation that you would wait longer than somebody who had an acute myocardial infarction, as an example.

So the whole idea that we need to look at better ways of dealing with emergency systems particularly in rural Alberta I can say is a subject matter of the Rural Health Strategy Committee. They're looking at the role of, for example, ambulances and what they can do and what they can appropriately do to provide treatment to individuals so that unnecessary visits to an emergency room are not required.

Mr. Chairman, I know that the hon. member asked this as a simple question, but there is, regrettably, not a simple reply to it.

The Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. Along the same lines, looking at the key performance measures in the business plan, I notice that for some diagnostic procedures there are no targets other than a commitment to decrease wait lists if not wait times. MRI is one of them that I notice here. The minister did in his introductory remarks make comments to the Mazankowski report recommendations as well as to the Romanow commission report recommendations and drew the attention of the House to the new federal money that the budget of the department this year reflects I think to the tune of – what? – \$428 million.

Mr. Mar: To \$248 million.

Dr. Pannu: Yeah, \$248 million this year.

Now, one of the important recommendations, I guess, for immediate action by the provincial government in co-operation with the federal government had to do with the diagnostics and with putting money at the diagnostic end so that waiting times for treatment can be reduced. I wonder whether the minister has agreed with this recommendation of the Romanow commission that the diagnostic times need to be reduced. The reference to MRI waiting lists here in the business plan would seem to suggest to me that perhaps at this stage the minister has decided not to seriously address this issue, although he may have agreed with the overall general thrust of the Romanow commission report that in order to reduce waiting times for treatment, the governments need to commit resources to providing quicker diagnostic services. Is that somewhere in the business plans, or is the minister attempting to address it in some other ways in this budget?

Mr. Mar: Mr. Chairman, there was some requirement for some detail that I may not have the complete reply to, and as with all questions, including the hon. Member for Edmonton-Strathcona's questions, if I fail to address them in the fullness that they require and they deserve, I will certainly undertake to review the record in *Hansard* to reply appropriately to all hon. members with respect to their questions.

Specifically on the subject matter of MRIs, Mr. Chairman, we do have a provincial imaging committee that is made up of experts who are trying to determine an appropriate number of scans. We do have the highest scan rate right now in the country, at least in the most recent of my information, so we do perform more MRI scans on a per capita basis than any other place in the country.

Now, money has been set aside in the arrangement between the federal government and the provinces with respect to putting money into this important area of diagnostics. That I would agree with this particular part of it, though, should not be taken by the hon. member as a wholehearted endorsement to the Romanow report because, as he well knows, there are many areas in the Romanow report that I have been very critical of, but this is one area where I think that Mr. Romanow did hit one of the nails on the head.

The federal government has recognized the importance of diagnostics, and in our arrangements with the federal government now falling upon the responsibility of the federal Minister of Health and ministers of health across Canada, money has been set aside for diagnostics. I should say that in its original iteration my understanding was that the federal money was to be applied only to the purchase of capital equipment for diagnostics. It is now also available to train people to use this equipment. Now, we have quite a number of MRIs in this province. It's quite likely that we don't need to purchase more capital equipment, but perhaps we do need some operating money in order to run those machines more fully than they are currently being operated at. So, Mr. Chairman, we are making every reasonable effort toward increasing the number of diagnostic tests performed in order to reduce wait times.

I should say that there is some work that's being done to suggest that some of the MRIs that are currently being performed don't seem to provide much in the way of being medically beneficial. People seem to assume that if it is requested, it is going to actually be a diagnostic test that will provide additional information that may change the nature of treatment that is given by a physician. In fact, it appears that in some cases diagnostic tests are being performed but do not provide any additional information other than that which could be provided by another alternative and less expensive diagnostic or even an examination in person by a qualified individual. So this is one area that we also need to look at, Mr. Chairman, to ensure that those individuals who will actually benefit from additional information that would be disclosed through a diagnostic test, be it an MRI or another type of test, would get the highest priority.

3:40

Dr. Taft: Well, following up on this discussion, the minister in his opening remarks talked about the importance of managing demand for services as well as ensuring a good supply and in the long term controlling health spending by spending it more wisely, and I think we would all share concerns that the demand for MRIs seems right now to be more or less limitless.

I have concerns about the application of clinical guidelines for MRIs, and I have had physicians call me raising these concerns. There are clinical guidelines for when an MRI is useful and when it's not, which the minister alluded to a minute ago. The concern that has been brought to my attention by some physicians is that the

people applying the clinical guidelines may not be entirely free of interest in whether the test is approved or not. The request was put to me to encourage a process through which clinical guidelines are applied by entirely disinterested individuals; in other words, expert radiologists, or whatever, who have no vested interest in whether the test is approved or not.

This isn't simply an issue I'm raising. It's an issue being brought to me by physicians who are feeling pressured or marketed to by radiologists who encourage them to use MRIs more and more. These are physicians who are saying: sure, it's nice to have an MRI, but it doesn't tell me anything I wouldn't have known anyway, so it doesn't have any impact on my treatment regime. So it's a nice-to-have but not a need-to-have, and let me say that there's a momentum in the radiology business to make the nice-to-have MRIs seem like they're need-to-have MRIs.

So my question, after that rather convoluted commentary, to the minister would be: in terms of managing demand for MRIs and ensuring that public taxpayer money goes only to those that are reasonably necessary, what steps or plans is he or his department considering?

Mr. Mar: Mr. Chairman, it strikes me that there are perhaps two different panels that could be looking at this particular issue, one of which has already taken some effort to discuss when something is necessary and when it is not, and that would be the expert panel chaired by Dr. Bob Westbury. I think that the people who are on that panel could be described as being quite objective in terms of their analysis of separating the useful from the not so useful. Secondly, we could put that question to the committee chaired by a former member of this Assembly, Bonnie Laing, who is the current chair of the Health Services Utilization and Outcomes Commission. But in both cases the object of the exercise would clearly be, as described by the hon. Member for Edmonton-Riverview, to try and separate that which is useful and provides something of benefit to the diagnosis or to the treatment of an individual from things that are either not useful or not advancing the diagnostic information available to the treatment of a patient.

Dr. Taft: Just a brief follow-up to that, Mr. Chairman. I would encourage the minister to consider getting the application of the clinical guidelines pushed further down the system towards the front line so it's not just committee members but it's actually right at the point where the decision is made: yes, this test is necessary or, no, this test is not necessary.

I know the Member for Edmonton-Strathcona is under some time constraints, so I'm allowing him to jump in as he needs to.

The Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I want to thank the hon. Member for Edmonton-Riverview for allowing me this opportunity. I do have some time constraints. I need to meet with these bright and wonderful high school students. Today is my turn this afternoon around 4 o'clock, so I really appreciate this accommodation.

Three questions. One quick one is sort of a residual question from the MRI observations that the minister made. The minister I think indicated that perhaps we have enough MRI machines around the province. The question is: can we operate them 24 hours if we need to? If we want to do that, then we'll need people who can operate those machines. In his judgment is the availability of trained, skilled people who operate these machines a bottleneck? Is that a problem? I wonder if he would comment on that. He has indicated that the funds that the province has received from the federal side would

allow the flexibility to use those funds for the training of a larger number of the needed additional people who can work on these MRI machines. So I wonder if he sees the bottleneck at the level of training of these people to increase their supply, not at the level of availability of funds. I just wonder if he agrees with it and if he'll make a commitment to address that issue as we go through this year.

One other question. I was prompted by the minister's observations on the drug benefit plan and how the costs of that plan are moving at such a pace upwards. The sustainability is an issue that he raised. I wonder if – and it may already be the case, but I'm going to find out from the minister who can confirm this or add some information to it – there is a provincial-level drug formulary that's presently used to reduce costs of drugs that are available to patients at least when they are entitled to receive them free; that is, when they are in the hospitals. If not, would moving in that direction be a partial answer to the problem related to the increasing costs of the drug benefit plan that he is referring to?

The second question related to drug costs. Drug costs are increasing, as you said, by 17 percent, which is a very, very rapid increase, if not the fastest item with this kind of increase in drug costs. The Romanow commission – and I think the minister made it very clear he doesn't agree with many parts of it – I think talks about the catastrophic drug coverage and makes recommendations about broader consideration of prescription drug coverage perhaps in the medium to long run. Certainly, we have taken the position both in our appearance before the Romanow commission and in other places that the prescription drug coverage is something that we should seriously consider in conjunction with establishing national drug formulary or at least pursuing it seriously at the provincial level to reduce costs of drugs, which will allow us to give priority to include prescription drugs in the coverage. While we are doing this, the first priority should be given, of course, to those Albertans who are not covered, are not insured through employer health plans. I wonder: what's the position of the minister and the government on this?

3:50

My last question before I perhaps have to leave the House has to do with home care. Any plans to move in the direction of coverage of home care in order to relieve pressure which families now have to face, given that early releases from hospital have become possible, both in terms of providing care and also in terms of the costs of prescription drugs, which in some cases are very, very high during the period of home care when patients are convalescing?

So I'd ask the minister to address these questions, and if there's time remaining, I may ask another one.

Mr. Mar: Mr. Chairman, one of the challenges of dealing with the Romanow report is that it made blanket recommendations across the country. While there are some common issues ranging from home care to drugs to primary care, we're all as provinces at different starting points, and this is one of the difficulties in trying to say that we wholeheartedly agree with all of the comments and recommendations made in Mr. Romanow's report. I would say that Mr. Romanow was very thoughtful in his report, but there are a number of other reports of equal value: Senator Kirby's report, our own Mazankowski report, the Claire report in the province of Quebec, the Fyke commission report in the province of Saskatchewan, all of which are meritorious of consideration.

With respect to drugs, Mr. Chairman, you know, one of the examples that I raised in the House earlier this afternoon was the coverage of drugs that we've added to the provincial formulary, drugs called Remecade and Enbrel. These are anti-inflammatory drugs that can help benefit individuals and have been demonstra-

tively shown now to help individuals suffering from rheumatoid arthritis and fistulizing Crohn's disease. Now, the costs of these drugs can be quite dramatic. They can be up to \$50,000 per patient per year, and that's not for the next year. That's for the rest of an individual's life. So the costs of these drugs can be quite high, and one of the ways that we try and help reduce the costs is that both of these drugs, while on the provincial formulary, are not going to be listed generally. They're going to be under a special authorization. So individuals who suffer from rheumatoid arthritis or fistulizing Crohn's disease may find relief in another less expensive drug, but if their physician is able to provide evidence that the other drugs don't work, that only Enbrel or Remecade can provide the individual with relief, then we won't hesitate to approve that in the appropriate circumstances.

On the subject of: is there a bottleneck for the training of individuals? Clearly, Mr. Chairman, with our current system of health care as it is presently iterated, we don't have enough health professionals. We don't have enough physicians, nurses, MRI technicians, technologists, and so on. But the good news is that this is one of the areas that was addressed in both the Mazankowski report and to some degree in Senator Kirby's report dealing with health workforce issues, and we have not been slow off the mark in this. In fact, I would suggest that we have been among the fastest off the mark, some three years ago, when we increased the number of people training in health care professions dramatically. We increased enrollments in medical schools and in nursing schools, and we have produced more technologists, technicians, and other health care professionals. So we do have a commitment to increasing the number of people that we train. Specifically are there enough MRI techs? I don't know what the answer is, and I have not formulated an opinion as to whether or not that is, in fact, a bottleneck as characterized by the hon. member.

With respect to home care, Mr. Chairman, I think that while home care differs from regional health authority to regional health authority in this province, by and large it works pretty good the way it is now. So, again, one of the criticisms of the Romanow report that I think is legitimate is that if you look at our home care and compare it to other jurisdictions, we're doing pretty good. Is that to say that it's perfect? By no means is it perfect, but it would not be highest on the list of priorities for us to deal with. Our highest things on the priority list are those things that deal with other issues within the broad rubric of primary health care reform.

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Go ahead.

The Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: I want to thank the hon. Member for Edmonton-Centre for giving me the last chance before I leave.

The minister I think made some reference to moving ahead in the direction of establishing primary health care centres in the province. How high is this item in terms of priorities? He already made some moves in that direction, which are welcome, but I just want to get some more detail from the minister on this. And to what degree do private, for-profit operators come into the picture as the primary health care provision is expanded in the province? Do they have a role, and what's the scope of that role if they have a role in the development of the primary health care system?

Mr. Mar: Actually, in reviewing my notes, Mr. Chairman, I realized that I failed to address a question raised by the hon. member about

a national drug approval process. I can report to him that in the fall of 2001 first ministers agreed that there should be a process put in place whereby we could avoid having our own approval processes and individual formularies set up province by province. There are some examples already where regionally there's been some co-operation; for example, in Atlantic Canada. My advice is that they don't have their own provincial formularies but they in fact co-ordinate with each other, and there have been some efforts made to make sure this happens nationally. That would of course have to be done carefully, but I think the consensus appears to be that the benefits of doing so would outweigh the drawbacks of having a national system.

On primary health care, Mr. Chairman, I want to express a vision for what primary health care is all about. What we want is a publicly paid for, publicly administered, high-quality, accessible health care system that provides Albertans with the services that they need when they need them in the most accountable, efficient manner possible. I note that the hon. member is concerned about whether or not there would be a role for the private sector to provide services within such a vision, and the answer is yes. There is a role. But the difference is that what we're talking about as a government is the ability to have publicly paid for services delivered under contract by private health entities, as it were. If you go into, say, a private surgical facility which would have a contract with a regional health authority to provide services to the public, such a facility is not going to be providing services to individuals because they produce a credit card at the door. Now, within such a facility, Mr. Chairman, the operative question that ought to be asked is: does this place have the people and the skills and the equipment to diagnose me and treat me so I get better? People are not going to be asking: I wonder what the rate of return on this place is; I wonder who owns it. Really, from the perspective of a patient using the services in such a facility, in my strong opinion that is a nonissue.

4:00

Dr. Pannu: Just to follow up on the last part of the answer of the minister. Thank you, Minister, for being quick and candid about this. Any plans on the part of the department to have a firm handle on the relative costs of such delivery by private providers – I understand fully when you say that the vision that you articulated includes public administration and public funding for these services delivered by whoever delivers them, and you used the word “efficiently” of course of the services to be delivered. But the issue of the cost-effectiveness of different modes by which those services are delivered is one that you have not addressed, and I hear it less and less in the comments that I hear from you and others. Is there a process in place which will tell Albertans that we get the best value for our dollar if we go the private delivery route versus the public delivery route?

Mr. Mar: Mr. Chairman, the issue of cost-effectiveness, while an important element in a decision to contract out a service, while relevant and important, is by no means the only criterion that we would use in granting an approval for a private surgical facility to provide services to a regional health authority. An example would be the services that can be safely and appropriately provided in a private surgical facility. Let us take, for example, cataract surgery. If that surgery can be done in a private surgical facility at roughly the same cost as within a public hospital but provides the benefit of being able to free up the public hospital operating suite for a more serious type of procedure, then there's surely a benefit to the individual who is waiting in line, in the queue, for the more serious surgery.

So we first of all have to say that paramount in all this is ensuring that patients are safe in having their surgeries done in facilities outside hospitals. That goes without saying. Are we experts in this? The answer is no, but surely to goodness we can place some faith in the College of Physicians and Surgeons to determine those procedures which can safely be performed outside hospitals and in private surgical facilities.

The Chair: The hon. Member for Calgary-Cross.

Mrs. Fritz: Thanks, Mr. Chairman. Earlier today in question period I had my questions referred by the Speaker to estimates, and I would like to address what that issue was about with the minister. The National Academy for State Health Policy in February of 2002 released a report titled *State Responses to the Problem of Medical Errors*. It was an analysis of recent state legislative proposals, and I'd like to just read a bit of the introduction of that report and how it relates to the questions I was going to ask earlier. It says:

It has been more than two years since the Institute of Medicine . . . released its ground breaking report *To Err is Human: Building a Safer Healthcare System*. The report's most conservative estimate placed the annual death toll from medical errors at 44,000 Americans per year. Even more shocking was the report's finding that the medical error epidemic claims more lives each year than do other, more recognized, leading causes of death such as motor vehicle accidents, breast cancer, or AIDS.

Also, collectively, out of this report were proposed a variety of creative strategies that were to reduce medical errors. I know I've discussed this with the minister on occasion, but among them are proposals to require mandatory reporting of pharmaceutical errors, establish patient safety centres to study the problem and proposed solutions, and to protect individuals who report errors to authorities from employer retaliation. Also, it felt that if a proposal such as this – and I know you just discussed earlier in your previous answer, Mr. Minister, off-site surgical procedures – if all of these kinds of proposals were enacted, it would be actually quite instructive. They'd provide insight, I feel, into how these problems of medical errors in the future could be addressed.

Having said that, Mr. Minister, I know that recently we've had questions as well in the Legislature about the Motta inquiry, and I think it was recommendation 4 that I read in the inquiry that reflected that annual reports were no longer being written to medical advisory boards.

[Mr. Klapstein in the chair]

So having taken just the whole picture in the context of what seems to be coming forward regarding medical error and regarding patient safety and if we extrapolate data from the United States even to Alberta, what that would mean, you know, for us as to how we would estimate what our annual death rate would be in Alberta of people that are dying each year through medical errors that are said to be preventable – I know, Mr. Minister, just from talking with you that you have a real understanding of this issue and also a passion about how we really should take the initiative to protect Albertans from avoidable harm, and that is during their encounters with the health care system.

So the questions that I was going to ask you earlier today that were referred to estimates were actually three. I had reduced it to two, but there are three, so I'd like to just put them on the record. Will you mandate and create a medical error and patient safety reporting and prevention system for Alberta? The reason I put that in the context of an Alberta-wide system is because I know that in many of our acute care facilities or long-term care facilities and whatnot there are

policies and procedures in place that do address the system overall but really contained on-site. Each system can be different for medical errors and patient safety.

Also, another question I had wanted to ask you was if you would establish standards for informing patients. Well, actually, I'm not going to ask that question. I'm going to ask this other question.

An Hon. Member: Oh, ask it. Come on.

Mrs. Fritz: No. I think I'm just going to ask this other question. That had more to do with physician qualifications, but I think I'll save that one.

The other question I did want to ask you, though, was if you'd establish a regional health authority medical errors and patient safety task force, and that was to conduct a systemwide analysis of this issue and to develop interventions that would reduce medical errors. I think that overall, as we've heard from regional health authorities, they too are very interested in how this situation can be addressed. Also, I wanted to ask you if you would consider establishing in Alberta a centre that would deal with patient safety and medical errors, and in that way it could look at research, data collection, educational information, that kind of thing for Albertans, but more importantly if you would then take that as a health care quality initiative overall and report back on that to the Legislature in an annual report.

So those are just some of my questions in regard to this issue. Thank you, Mr. Chairman.

Mr. Mar: Mr. Chairman, I could speak at some length on the subject of patient safety because it is something that I have a passion for. Let me give you an example of a patient safety issue. Eric Martinez is a six-month-old child who has a congenital heart problem. The individual, Eric, is prescribed 0.10 units of a drug called digoxin. Now, keep in mind that I'm not a physician and I don't purport to be, but the facts of this case haunt me when I think about patient safety. The writing on the prescription pad by the physician was difficult to read, and instead of getting .1 unit of digoxin, the prescription pad actually read one unit. So young Eric got 10 times the amount of digoxin that he was supposed to get for his particular condition, and Eric died.

4:10

A young girl in Medicine Hat was supposed to get surgery, and she was supposed to get oxygen hooked up to her mask. Instead of oxygen being hooked up to her mask, formaldehyde was hooked up, and the result was permanent brain damage to this little girl. In both cases, Mr. Chairman, they were medical errors that could have been prevented.

In the case of Eric Martinez what ended up happening was that the facility that allowed this error to occur started a new protocol with respect to how you write out a prescription pad. So all prescriptions must now be printed out; they cannot be handwritten. There is a protocol that if it is a point of a unit, the point has to be preceded by a zero, so it would be 0.10. So individuals would know that there's a decimal point even if it doesn't show up particularly well on the prescription pad. In this facility any pharmacist filling that prescription has the ability to call back the prescribing physician and ask whether this was the appropriate drug in the appropriate units.

In the case of hooking up an oxygen line to a formaldehyde tank, the kind of patient safety recommendation that would be made in such a case is that you have to change the couplings on your oxygen tank so that an oxygen line can only hook up to an oxygen tank and can never hook up to a formaldehyde tank. So no matter how tired

or how exhausted a health care professional might be, systematically you take away the ability to make that error.

Mr. Chairman, one of the people who has been very influential in this province on the subject of patient safety is Dr. Larry Ohlhauser, who is an individual of the very highest calibre, who while registrar of the College of Physicians and Surgeons for the province of Alberta really has spearheaded initiatives with the college to improve patient safety. One of the results of that was that the royal college in Ottawa had put together a gathering of individuals to which I was invited to speak on the subject of patient safety initiatives. Also, Dr. Peter Norton, a member of the Faculty of Medicine at the University of Calgary, has written a cover paper in a periodical known as *Health Care Papers* on the subject of patient error, and he has been influential in this province in dealing with the issue of patient safety.

The issue of patient safety also was put on the agenda by me in my capacity as chair of the ministers of health from across Canada in our last meeting, in the fall of last year, where we brought in the heads of the patient safety foundations from Australia and the United Kingdom to speak to ministers of health on the subject of patient safety and the work done by the foundations in those two jurisdictions. I've also, Mr. Chairman, gone to the city of Chicago with Dr. Dennis Furlong, who at that time was the minister of health for the province of New Brunswick, where we took the opportunity to meet with the Patient Safety Foundation in the United States.

As a consequence, Mr. Chairman, this is a very important issue to ministers of health across Canada, and it is reflected in the recent federal budget wherein some \$10 million has been set aside for the creation of a national patient safety foundation here in Canada. So I'm pleased to report that there has been some recognition of this issue by the federal government.

In answering the specific questions of the hon. Member for Calgary-Cross, I'll try to answer them all together because they are somewhat related.

Mr. Chairman, I am a strong advocate of a national patient safety foundation, but even if there is not a national patient safety foundation formed, it would be my intention to do that type of work within the province of Alberta, and work done within this province should be co-ordinated with jurisdictions across Canada including, if it does come about, a national patient safety foundation. All of the elements that a patient safety foundation would have, from what we've learned from the U.K. and Australia and the United States, are that there have to be reporting procedures put in place. The hon. member asked: would we put in reporting procedures of incidents? The answer is yes. One of the important learnings from all of these foundations is that we have to take away the culture of blame as it is framed by these experts in patient safety. We need to be able to report these things without a culture of blame, that instead it be for the purposes of greater learnings to prevent such incidents from happening again in the future.

[Mr. Tannas in the chair]

On the specific question: would we want a patient safety foundation centre – I think that was the word used by the hon. member – located here in Alberta? I think the answer is yes. Would we put together a task force to help create the types of interventions that would prevent bad medical errors from occurring? The short answer is yes, and I think that would be part and parcel with the work that would be done by a patient safety foundation.

I thank the hon. member for raising these important questions.

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. There are about four areas that I would like to cover with the minister: maintaining costs of service, midwifery, active lifestyles, and then a series of questions around seniors' health care and long-term care, questions which were asked of the Minister of Seniors. It was rightly pointed out that the questions actually belong to the Minister of Health and Wellness. So that's what I'm going to try to do in the next 20 minutes or less.

I listened to the beginning of the minister's presentation in which he was talking about the increases that he had planned for his department. I'm sorry. I didn't catch the first one, but I think it was around 3 percent and then 4 percent and then around 5 percent. My concern here is: will those increases be enough to cover the increases necessary to maintain the cost of service, maintain the level of service that is currently being given? When one considers inflation, increased population, and even increased labour costs, that amounts to a certain increase every year just to keep delivering the same level of service when you look at those additional costs. So when I look at a 3 percent, a 4 percent, and a 5 percent, again give or take, is the minister confident that there is enough increase in there to maintain the level of service that we have currently, or do we have to start anticipating that there would be a budget cutback creep or a creep cutback? I don't know how you wish to phrase it, but essentially that's what would be happening if you're not putting in enough of an increase to cover those increased costs that are coming, including increased population or increased demand upon the service. Sorry; let me take that back. I don't mean the increased demand. I mean the increased population draw on the service. Then, in fact, we have less money in the whole program, and there would have to be cutbacks one way or another. So that's my first issue.

4:20

My second issue is around midwifery. Let's see; I'm now in my 14th year of lobbying this government for midwifery services. Of course, I started this when I was with the Advisory Council on Women's Issues as the executive director for that council in 1989. The council made a series of recommendations to this government, and there were in fact three specific to midwifery. This was to recognize midwifery as a profession – at that time it was in fact illegal – and that had to go through what was then professions and occupations, I think, and in fact happened. The second part of that was that there would be self-regulation, that there would be a licensing and criteria that would be set up – and that happened as well – that there was a procedure that was recognized. You have to go through certain things or take certain courses in order to be recognized as a professional in this province. We set up our own criteria for it. The third recommendation under that cluster was to cover the services of midwives under health care, and we have not achieved that yet.

I notice that on the questions that were asked of the minister on April 16, it was noted that British Columbia, Manitoba, Ontario, and Quebec are all now covering midwifery services for women under their health care programs. I have a few other questions under that and, of course, my usual advocacy.

I continue to be frustrated because I don't understand what the holdup is with this minister and with the previous minister. We have studies. We have literally centuries of statistics and backup material from other countries, even other parts of Canada as to the success of midwifery services and incorporating that into a health care system. The minister now has the benefit of a long-running pilot project in Calgary. I believe that there was also a pilot project that was run in Edmonton. Now I note in the minister's response to the question of

April 16 that he has asked for another review of funding of this and is awaiting a report or the outcome of that one way or another. What does this minister require before he will fund midwifery services? How many more studies, how many more pilot projects will be required before women in this province have access to services that have been enjoyed by women in other countries for centuries? What is the holdup here?

The third topic, Mr. Minister: active lifestyle. I have raised this same issue with the Minister of Gaming, and I will be raising it with the Minister of Community Development, but I've also raised it in this House through a series of questions, and that is the issue around granting of licences to adult athletic organizations to run casinos or bingos and thereby raise money to subsidize their activity. On the one hand, I have the Minister of Health and Wellness promoting healthy, active lifestyles not only for youth and under 18 but also for adults, and it appears at odds with the restrictions and protocol that are appearing in other departments like the Department of Gaming, where adult athletic events cannot get access to licences in order to be able to fund their activities, which are healthy lifestyle activities. So my question is to the minister. What is the dialogue? Or is there a dialogue? Are there discussions between himself, the Minister of Gaming, and the Minister of Community Development to resolve these issues around funding and promotion of healthy lifestyle activities?

Now, moving specifically into questions around seniors, I think the minister was using horizon numbers that are slightly closer in than what I have here, because I'm looking at that by 2026 one in five Albertans, 20 percent, will be 65 or older. So at this point that is a doubling of the senior population. We currently sit at around 10 percent, although we do have some pockets in Alberta where that is higher. We have waiting lists for eldercare facilities, and I'm wondering: what is the minister doing in concrete terms to plan for this increase in the senior population and the increase in the number of seniors who will be requiring long-term care? I believe the figure is that 4 percent of the senior population at any time is in a long-term care facility or in a care facility, so those numbers start to add up for us. We don't appear to have enough space now. Every day that goes on we have more seniors who are in need of those care facilities. What concrete plans does the minister have to provide the funding, particularly around staffing?

I'd like to know what the health component is that the ministry has in place to detect, handle, and stop elder abuse in care centres. I'm also interested in what action the minister is contemplating to expand that to include boarding situations and private homes. We know that most seniors who experience some kind of abuse experience it from people who are very close to them. As repugnant as it is to us to contemplate having to interfere in someone's life in that intimate a way, that's where they're abused. It's not enough to just be covering and monitoring and to have legislation available for people that are in institutional care. We have to look at the group homes, the boarding house situations, and seniors being cared for in private homes.

Last year the extended health care benefits were completely eliminated under the seniors' health care program. I'm wondering if the ministry has done any kind of follow-up evaluation to determine the effect of the cuts of that program. I mean, I know the kind of response I'm getting into my office. I'm wondering if the ministry has heard from denturists, for example, who are saying that fewer seniors are coming because the subsidy program isn't available to them in a universal program. It's only available to the most destitute seniors, who would have to apply through the special-needs program and successfully get the money to go forward. Has the

ministry been tracking whether there have been problems around seniors getting dental health, dentures, eye care, et cetera? I'm interested and I would like an answer, please, on whether the minister's department is investigating any reduction or anything specific to age-related benefits that are currently available through the minister's department.

I'm wondering if there is any formal process that has been instituted so that the minister of health is working more closely with the Minister of Seniors on seniors' health issues. In the past we've had communication breakdown. The most recent and glaring example was around the elimination of the extended health care benefits program in last year's budget in which the Minister of Seniors did not appear to be aware of the eradication of that program. So I'm wondering: in the last year and, of course, now where are we with a very strong communications plan between the Minister of Health and Wellness and the Minister of Seniors?

I'm interested in what plans are contemplated, if any, around seniors and the Alberta Blue Cross program.

I'm interested in the specifics around staffing and long-term care. Is there anticipation of increasing the staffing levels or staffing ratios? At the same time I'm interested in whether the number of hours that are allocated for each resident are going to be increased. That can sound really good to someone that's not familiar with this program. Generally, I think you're told that it's something like an hour and a quarter . . . [A note was handed to the member] I can't stop now or I will lose my time. I'm sorry. You'll have to wait until I'm done, whoever this is coming from.

You're told that you've got about an hour and a quarter a day of staff time that's attending to residents, but when you consider the time to get someone up and dressed and get them down the hall for breakfast and then again for lunch and again for dinner and then bed, that's it. You've probably exceeded your time, your hour and a quarter, right there. So there's no additional care that's being offered to people. I now have way more stories than I ever wanted to know about seniors who are left in hallways of senior care facilities. Believe me; I have my own anecdotal experiences around that now because my mother is in a care facility and way more experiences than I ever wanted to have around that. So is the minister looking at increasing that time allotment?

4:30

I also ask the same question to this minister that I put to the Minister of Seniors: where is it written, where is the policy that allows senior care facilities to dictate that one bath a week is upholding the dignity and personal respect of a senior? I'd also like to know: where is the policy, where is the support documentation for seniors' care facilities who will say that it is okay or common policy to diaper seniors who are not incontinent? They're doing it because it's convenient or they are understaffed or their staff ratio is not high enough or they don't have enough time allocation. I've heard all of these. I do not understand how the ministry can claim that this is upholding a senior's dignity and personal respect to diaper a senior who does not require it for medical purposes, yet that is happening. I'd like to hear from this minister what in his department upholds that, and if he doesn't uphold it, then why is it going on?

I'd like to talk to the minister about establishment of standards of care. We don't have standards of care. We don't have standards of care legislation. As a matter of fact, when the Member for Calgary-West brought forward a motion to establish a committee to even look at standards of care, it was defeated by this Assembly. It was certainly supported by members of the opposition, so given the overwhelming numbers, I have to assume that the people that voted

against it were on the government side. Why do we have no standards of care for those seniors' facilities? Is the minister contemplating standards of care anytime in the near future, within this next year, or within this three-year rolling business plan? If the minister is not contemplating legislation to bring in standards of care, why not? I think we need it.

Can the minister describe what's being anticipated in the Alberta Blue Cross review? It looks like there's an attempt to level the playing field, that Alberta Blue Cross would no longer enjoy an exemption from the 2 percent premium on private insurance programs. Can he explain that, please, and could I also have an explanation as to why the minister is not in favour or not accepting the recommendations that some board members be government nominees? Currently there are appointments of between five and nine members to the board of directors for the Alberta Blue Cross Benefits Corporation, and none of these positions is nominated by the provincial government. I'm assuming that this is an ideology of the minister not to appoint people to these positions, and I'm interested as to why.

I'm interested in what discussions have taken place between the Minister of Health and Wellness and the Minister of Seniors around provision of new accommodations, new places or new beds, for seniors particularly in the rural areas, but I'm also interested in the programs that exist in the urban areas and whether the minister has any influence on the amount of money that's being given differentially to the larger and smaller lodge management programs.

Now, I'm also noting that in the Seniors Advisory Council for Alberta's second semiannual report for 2001-2002 there were some questions to the Minister of Seniors around health and wellness. There are four recommendations. Did the minister formally respond to these recommendations, and if so, could he please table a copy of his response in the House so that it can be shared with other people?

I'm aware that there is someone who's waiting to do an introduction, so I will at this point cut my remarks short to allow him to do that. I will await the response from the minister either now or, of course, in writing if he chooses to do so with the support of his staff.

Thank you.

The Chair: Before I recognize the hon. minister, I wonder if we might have the committee's agreement to briefly revert to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**
(reversion)

The Chair: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Chairman, and I'd also like to thank my MLA when I'm in Edmonton, Edmonton-Centre, for allowing me the opportunity to introduce some very important guests, some friends of mine from the town of Three Hills, Alberta. In the public gallery we have the mayor of the town of Three Hills, Mrs. Myrna Bauman, and the chief administrative officer, Jack Ramsden. I would ask that they rise and receive the very warm welcome of this Assembly.

head: **Main Estimates 2003-04**

Health and Wellness (continued)

Mr. Mar: Mr. Chairman, Edmonton-Centre asked quite a number of questions, and I'm not trained in the art of stenography, so I

wasn't able to keep up with her particularly well. So it is my commitment to her that I will review *Hansard* and reply in writing accordingly.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. I appreciate the opportunity here. The subject I was talking about before so many other topics came up was the regional health authorities and the boundaries of the regional health authorities and a particular concern with regional health authority No. 7, which the minister actually addressed in his opening comments. He mentioned that there were, I think, 16 different hospitals and that that would allow some development of local centres of expertise.

Nonetheless, I noticed on page 201 of the estimates that region 7's budget increase is 4.9 percent, if I've got that correct here. In principle that may be workable except that region 7 absorbs two of the most fiscally challenged of the former regional health authorities: Lakeland and WestView. I know that there is a concern that by having to absorb the problems that Lakeland and WestView faced and by virtue of not having a clear centre of operations and, in addition, by virtue of being spread literally across the province, region 7 perhaps faces – I wouldn't be surprised – the most difficult fiscal challenges of all the regions. So I'm just wondering if the minister might be able to provide some rationale for the boundaries of region 7 and any comments on its fiscal health. Do you want to do that now? Sure. Thank you.

Mr. Mar: Mr. Chairman, in looking at regional health authority boundaries, it's difficult to come up with a solution or a map that satisfies all individuals, all stakeholders, and so on, but we tried our very, very best to look at boundaries that were based upon patient flow patterns to try and minimize the difficulties associated with, for example, inflow and outflow or patient exports. There was some desire on the part of the individuals who were within the previous regions known as Aspen, Lakeland, and WestView to move things together.

It would be premature, Mr. Chairman, for us to say that there will be a financial challenge there. We don't know yet, because until such time as the regional health authority starts to work on its business plan and presents it, it will be difficult to say whether or not they will have a financial challenge. But certainly we have always expressed that we want regional health authorities to succeed, and we'll take whatever steps are necessary to ensure that the plans that they put in place are appropriate ones and that they are ones which are sustainable and affordable.

4:40

Dr. Taft: All right. Well, I guess this illustrates the problem with establishing a budget for the regional health authority without the business plan in place, but we have visited that issue several times.

Another big change in the health care system this year is the integration of the Mental Health Board with the regional health authorities, and that raises questions around the two large mental health hospitals: Alberta Hospital Edmonton and Alberta Hospital Ponoka. I'll be honest with you. I'm not on top of the status of those two particular facilities, but I am very interested in particular about the future of Alberta Hospital Ponoka. Will it continue with the sort of range of services it has now? Are there significant changes being considered for its use and its organization or administration? I would value the minister's response to that in particular.

Mr. Mar: Mr. Chairman, I indicated in my opening comments the

four areas where there would be a continuing role for a provincewide Mental Health Board, things like, for example, aboriginal mental health, and another example would be forensic psychiatry. All the other services are being devolved into the regional health authorities, and here's the reason why. What we want to make sure is that mental health issues are integrated into the so-called physical health system so that hopefully someday we'll never consider looking at the treatment of a broken mind any differently than we would treat a broken arm, and it's for that reason that we want to integrate mental health services into the regional health authorities.

With respect to the operations of Alberta Hospital Edmonton and Alberta Hospital Ponoka they will be under the purview of the regional health authorities that are covered in those areas, but they will continue to provide services to Albertans throughout the province. That would also be the case with our facilities in places like Claresholm and Raymond, Mr. Chairman.

So, yes, there will be an ongoing, continuing role for the important services being done at Alberta Hospital Ponoka and Alberta Hospital Edmonton. They will come under the purview of the regional health authorities, but we want to assure the hon. member and Albertans that money which we presently spend on mental health will continue to be spent on mental health and that with this integration of mental health services into regional health authorities by no means should people draw the conclusion that we're going to allow resources devoted to the treatment of mental health issues to be simply diverted to the balance of the system. That is not the intention.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Chairman. To specifically follow up with Alberta Hospital Ponoka, there have been some reports to me that some aspects of this facility may be being considered for some aspects of privatization of one way or another. I assume that that would be a decision under the regional health authority and that would have to come forward in the business plan. Does this budget take that issue into consideration? Are there moves afoot to contract out Alberta Hospital Ponoka or otherwise privatize some of that facility?

Mr. Mar: Not that I'm aware of, Mr. Chairman.

Dr. Taft: Looking over my notes and over the estimates, there's some particular reference to Alberta Wellnet. I'm on page 199 of the estimates. Alberta Wellnet has consumed millions and millions of dollars of public money. I understand that there was an audit being done of Wellnet – that's my understanding at least – and there are some curious shifts in the numbers for Alberta Wellnet which, frankly, at least on page 199, make it a bit hard to follow from year to year. It looks like there's a significant increase in the investment in Alberta Wellnet this year. Could the minister elaborate somewhat on how we are to interpret the details behind these numbers on page 199 with Wellnet? What's happening there? If there is an audit under way, how is the audit proceeding?

Thank you.

Mr. Mar: Mr. Chairman, I am not able to provide details for the presentation of the numbers before you as asked for by the Member for Edmonton-Riverview, but I can say that we are increasing our commitment to electronic health records, which, of course, are part of Wellnet, and that we hope to have an electronic health record that will be up and running by March of 2004. We are devoting necessary resources to make sure that happens.

Now, many people would ask: why is an electronic health record important? I think that when people see the applications of how it

would work, they would understand why it's important to do. We want to be able to ensure that if an individual gets injured in a car accident in Pincher Creek, Alberta, but they're a resident of Red Deer, the emergency team that sees them in Pincher Creek is able to call up a portion of their health record, see what their blood type is, see what kinds of medications they're on, find out that they are an epileptic and so on, and that would have a profound influence on the type of treatment that is being given to them.

We want to make sure that we try to reduce the number of unnecessary diagnostic tests. Whenever we hear the expression "Mrs. Smith, we need a new X-ray," that's often an euphuism for "We can't find the old one, so let's take another one." An electronic health record would make that diagnostic test available immediately.

In the area of the pharmacy information network if you get a prescription prescribed by another physician who is not familiar with your file, a pharmacist should be able to access that portion of your health record that would show that you are already on an existing medication that conflicts with what you've been prescribed. That conflict can result in a serious conflict where you can have a bad medical error. As a result, the ability to use an electronic health record to flag those types of errors would be very important.

I can try to provide the information that the hon. member is looking for. I know that it was much more specific than the outline that I've given, but I'll be happy to do that.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. I appreciate the offer from the minister. Just on Wellnet, which is one of many health initiatives that the minister is leading, to his credit, from page 199 it does look like about \$6.3 million is being spent on equipment this year for Wellnet, so I would ask the minister to provide I guess in writing subsequent to today a list with some detail of what equipment is being purchased for Alberta Wellnet and from whom and for what purpose.

4:50

Among other health initiatives and innovations the minister is pursuing is the Alberta wait list registry, which I think you mentioned in your opening remarks earlier today in question period or sometime very recently. I'm wondering if the minister or his department has evidence from other jurisdictions or models from elsewhere that it's following for this service that would indicate that this kind of a registry (a) is workable and (b) is going to presumably shorten wait lists or improve efficiencies. Or let me put it the other way around: are we so far out ahead of the rest of the world on this one that we're blazing the trail alone? But if there are precedents or models that we're following, I'd be quite interested in those. How will we know if the wait list is actually working? Are there some performance measures that we will be able to judge it against when we come to this point next year? Those kinds of things would be helpful. Of course, how much is it going to cost? I don't believe that it's specifically itemized in here.

Last year the minister set a very bold goal for himself which was to have 50 percent of physicians on alternate payment programs within I think it was three years. Some progress on how that's going would be much appreciated. What kinds of alternate payment programs are we looking at? Are we looking at models through which clinics are set up which are not just run by physicians but are actually run on a community health model where perhaps the key decisions are made by a team of people or by nurse practitioners? What's the range of models or alternate programs that we're

following? How's progress coming on that? I felt at the time that it was a very ambitious goal for the minister to set, and I'm sure he's pursued it vigorously. I'd be interested in any reports on that.

Mr. Mar: Mr. Chairman, on the subject of a wait list registry I can't claim that we've blazed a trail, in the words of the hon. member, in every single area. We do our very best to try to find good ideas whether they are also within Canada or in other jurisdictions, and we ask ourselves whether they are adaptable to our own situation in this province. Some effort was made to look closely at the wait list registry that has been set up in the province of British Columbia. People would ask: well, why does that provide assistance in terms of shortening wait lists, or why would the information being available on the Internet be of importance? Perhaps I can best illustrate it by an example.

One of our colleagues in the Legislature was in need of a particular type of surgery. The wait list in the city of Edmonton at a facility was something in the range of nine months, but this individual, who had some knowledge of services that were provided in other parts of the province, found out that the very same service could be provided in Camrose, and instead of waiting nine months it could've been done in two weeks. So the individual was perfectly happy driving out to Camrose, getting the service done, reported 100 percent satisfaction with the particular service. Without the benefit of a wait list it would be difficult for Albertans to know where they might go if they chose. We are of course not compelling people or telling you: you must go to a particular place. But if you have the information in front of you, you may want to choose to do that.

People sometimes – and this was the experience in British Columbia – would say: look; I'm waiting 12 months to see a specialist. In fact, they weren't waiting to see a specialist. They were waiting 12 months to see a particular specialist. An individual may choose to wait for Dr. Brown for 12 months, or they might want to see another physician. Now, if they think that Dr. Brown is the only physician that can provide them the kind of special services that they require, then perhaps at least they would understand that Dr. Brown cannot be duplicated and cannot do more services than are available in the schedule of Dr. Brown the physician. So that's the reason why the wait list registry is an important point in terms of giving Albertans information about who it is they're waiting for, and if they choose, they can go to a shorter wait list being provided by another physician or specialist.

With respect to APPs, yes, it is an aggressive goal to have 50 percent of our doctors on an APP, and I should say that the goal of having that many physicians on an alternative payment plan is not in and of itself a goal. It is a tool for getting to a more important goal of helping facilitate multidisciplinary practices of health care providers, including physicians working in teams and remunerating physicians appropriately for working within that team.

An example that I often use, Mr. Chairman, is my two doctors named Wong, doctors Wong and Wong. My dentist in Calgary is Leo. My physician here in Edmonton is Paul. When I see Leo in Calgary, nobody ever questions the fact that we pay Leo's office for services provided by someone other than Leo. His dental hygienist is very competent and capable of cleaning the teeth in my mouth – and perhaps she even does it better than Leo – and nobody ever questions the fact that we remunerate his office for services provided by someone other than Leo. Of course, those things which Leo needs to see he works on in my mouth. When I see Paul, on the other hand, the only time that we remunerate Paul's office, my physician, is when Paul actually sees me, even though there may be certain types of things that I could use that could be perfectly and

competently dealt with by a physiotherapist or by a pharmacist or by an occupational therapist, or it might be a licensed practical nurse giving me my annual flu shot.

So that's the reason why we want to be aggressive in our targets with APPs. It's not because we want doctors on an APP. It's because it provides a way of remunerating physicians that encourages them to work within multidisciplinary teams.

I don't have statistics actually at my fingertips on the number of doctors who have expressed an interest in moving in this direction. Of course, it is part of our negotiations with the Alberta Medical Association. I can share, though, with the hon. member a survey that was done I believe about a year ago that was found in the *Canadian Medical Association Journal* about physicians looking for different ways to be remunerated. In the survey of the CMA's membership it was found that some 30 percent, roughly a third of doctors, liked fee for service, which meant that some two-thirds were looking for some other way of being remunerated for their services, either by salary or by some combination of salary and fee for service. So, again, for some types of practice fee for service should continue, and it would be appropriate. In other types of practice physicians themselves may choose to have some other form of payment. If the CMA survey results appear to be accurate, then the 50 percent mark of getting doctors in APPs perhaps should be looked at in context and is perhaps not out of the range of possibilities.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. Just to confirm our process this afternoon – I genuinely appreciate the minister's comments – when you haven't responded for obvious reasons to specific questions, can I assume that your staff will have a look at *Hansard* and respond?

Mr. Mar: Yes, sir.

Dr. Taft: That's great. Thank you very much.

Moving on to the sensitive topic of public/private partnerships, I understand that this has come up a few times with other ministers, the Minister of Infrastructure in particular. There are literally volumes of experience with public/private partnerships in health facilities in other jurisdictions. Britain and Australia come to mind, for example. I am hoping that issues around considerations of public/private partnerships in health care aren't simply left to the Department of Infrastructure but also would involve the Department of Health and Wellness and, I suppose, the regional health authorities as well. So I'm wondering if the minister could tell us what work his department has done on examining public/private partnerships as feasible or not, as wise or unwise, what circumstances they have failed in, what circumstances perhaps they have succeeded in, a sort of cost-benefit assessment of public/private partnerships that we would hope will be done throughout the government. If there is work done by his department on that, some summary or file or something on that would be quite interesting to see.

5:00

I will move on to other subjects related directly to the estimates, given that we're starting to run down on time. On page 198 there's a whole series of questions that come out of the estimates. One that jumps out is ambulance services. There is a marked increase in funding for ambulance services from, well, basically \$43 million last year to almost \$57 million this year, an increase of \$14 million, or about a third. I'm wondering how this dramatic increase is to be

explained and if the minister could provide any more detail subsequently to explain why the increase in ambulance services.

Continuing on the same page, some interesting shifts in the funding for the human tissue and blood services, line 2.2.3. It looks like there's been a complete shift in the funding of that service from general revenues now to lotteries, and my fundamental concern there is: how reliable is that? That seems to take what is a core health service out of the stable funding that's provided by general revenue and put it under the kind of year-to-year allocation of lottery funding. So we lose some security there. I do recall a commitment made some years ago by this government that lottery funds would not be used for core services, so I find I'm getting a bit nervous around that particular trend.

The health innovation fund, which is 2.2.10, has run its three-year cycle; it's finished. There are no more funds this year, so we're down this year to zero from almost \$6 million last year. It seems to be somewhat similar to – well, I won't draw on any other parallels, but it makes me wonder what's happened to those projects that were funded through the health innovation fund. Have they found funding homes somewhere else in the department or in the regional authorities, or are we simply leaving them behind? Are they being entirely scrapped? Some explanation of how that innovation fund is playing out would be particularly valuable.

Would you like to respond now, Mr. Minister?

The Chair: The hon. minister.

Mr. Mar: I'll be quick. Mr. Chairman, I'll be happy to again commit on the record to the hon. member that any details that I don't have at my fingertips with respect to presentations of numbers I'll be happy to have my department review and reply to the hon. member in writing.

On the subject of private/public partnerships I can say that the hon. member is correct that there are some experiences in other jurisdictions that have not been particularly good, but there have been others that have been good. In this regard, Mr. Chairman, you know, I have met personally with the minister of health from Sweden. He indicated to me that one of the great difficulties that they had in one of their privatization initiatives was with respect to one of their hospitals, which he described as the crown jewel of their health care system. He was quite impressed with our own legislation here in Alberta that prohibited the privatization of hospitals, but he did indicate that in other areas there were some successes with respect to using private capital facilities, or what we would call private surgical facilities, in terms of being able to have the private sector provide services under contract to the public sector.

More recently, Mr. Chairman, the Hon. John Hutton, the Secretary of Health for the United Kingdom, was passing through Alberta, and I took the opportunity to meet with him to discuss some of their initiatives in the U.K. Again, there have been some things that have been done in the NHS in the last 40 years, some of which have been successful and some of which have not. We have taken the benefit of their experience in formulating our own policy.

Dr. Taft: In view of the time that satisfies my questions for the day. I appreciate the responses from the minister and look forward to his written answers.

Thank you.

The Chair: After considering the business plan and proposed estimates for the Department of Health and Wellness for the fiscal year ending March 31, 2004, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:
Operating Expense and
Equipment/Inventory Purchases \$7,343,791,000

The Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.
The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that the committee rise and report and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her

Majesty for the fiscal year ending March 31, 2004, for the following department.

Health and Wellness: operating expense and equipment/inventory purchases, \$7,343,791,000.

The Deputy Speaker: Those members who would concur with this report, please say aye.

Some Hon. Members: Aye.

The Deputy Speaker: Those who are opposed, please say no.

Some Hon. Members: No.

The Deputy Speaker: The motion is carried.
The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that we adjourn until 8 this evening, at which time we'll return in Committee of Supply.

[Motion carried; the Assembly adjourned at 5:10 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, April 29, 2003**

8:00 p.m.

Date: 2003/04/29

head: **Committee of Supply**

[Mr. Shariff in the chair]

The Deputy Chair: Before I recognize the hon. minister, is anybody here wanting to introduce anyone in the gallery today?

Hon. members, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

The Deputy Chair: The hon. Minister of Children's Services.

Ms Evans: Well, thank you very much. I think we'd be remiss if we didn't introduce an absolutely wonderful crowd of young Albertans from all over Alberta that are here with us and that we were very capably entertained and hosted with this evening with the Speaker. They're seated up in the members' gallery and in the public gallery, I understand. I think we should say thank you for just a wonderful time with some of the greatest, brightest, best, and our future leaders.

head: **Main Estimates 2003-04**

Government Services

The Deputy Chair: The hon. Minister of Government Services.

Mr. Coutts: Thank you very much, Mr. Chairman. I am certainly pleased to see that the Minister of Children's Services did introduce all those folks because I take a little bit of pride in knowing all the people that are in my department by name, and I was searching for names as I was looking at the faces up there. They were awfully young to be in some of the areas of our department, but we certainly welcome them to the Legislature here tonight.

There are some folks sitting in front of the youth that were just introduced that are part of my staff, and I'd like to take the opportunity to introduce them this evening. My deputy minister, of course, Roger Jackson, who I have introduced in this Assembly many times. Along with him tonight is Mike Reynolds, who is the executive director of our private agents registry and support division of the department. We have also Wilma Haas, as the managing director of Service Alberta, and Sue Bohachuk, who is our senior financial officer. As well, we have Tom Thackeray with us, who is the executive director of information management, access and privacy, a very important part of our department. As well, we have Dave Rehill, who is the CEO of the Alberta Corporate Service Centre, and for her first time in the Legislature – this is really something – Megan Parker, my director of communications. Megan, why don't you just stand up so that we all know who you are. Her first time in the Legislature, and she was looking rather forward to seeing the activities that are going on here this evening. As well, at the very opposite end my executive assistant, David Keto, is up there too.

Mr. Chairman, thank you for the opportunity, and tonight I'll be providing, first of all, a brief overview of our business plan and our financial plan and how it reflects on the two major core businesses that we have in Government Services. I look forward to the next two hours of questions and answers. I will provide as many answers as I possibly can through the dialogue back and forth. If the opposition and members of the government side after the first hour want to ask a few questions or series of questions, I'll certainly try my best to

answer those. Any that we're not successful in answering this evening, we'll make sure that we review *Hansard*, and we also have our staff up there taking notes, and we will get as many answers as we can back to the individuals who ask questions on behalf of their constituents.

I'd like to, first of all, as I said, take a look at the two major core businesses in Government Services. First, we provide Albertans with a full range of licensing, registry, and consumer protection services. Our second mandate is to lead service improvement initiatives on behalf of the government of Alberta, so we'll have an external service to Albertans and we'll have an internal service to government and government agencies and government departments.

Our ministry is focused on providing top quality customer service, and in keeping with that philosophy, we have clarified our vision to read, "Albertans served with excellence through innovative leadership." Our mission remains to serve Albertans by providing effective access to government information and services, protecting their privacy, and promoting a fair marketplace. To achieve this mission, we have carefully prioritized our programs and our services to focus our resources in the most critical goals.

Licensing and registration services is our first goal, and it is the very basic foundation of our business. It is accessible and secure and accurate and competitively placed licensing and registry services to the people of Alberta. While some of these services are delivered directly by the ministry, most are delivered through neighbourhood registry agents or the very strength of our service to Albertans on Main Street Alberta or through the Internet. One of the ways in which we measure success is by ensuring that clients are satisfied with the quality of these services. For the past year I'm happy to report that client satisfaction with these services remains very high, and it ranges anywhere from 80 percent to 94 percent.

A key upcoming initiative is the new Alberta driver's licence that employs advanced technology to protect against counterfeit and fraud. I am proud to say that as a result of this initiative, Albertans will soon be carrying the most secure drivers' licences in North America. Additional funding for this project has been provided in our 2003-2004 budget, and we look forward to rolling out the first new licences in the coming months. This will not – let me repeat that, Mr. Chairman – this will not result in any fee increase nor will other registry fees be increased through this budget. In fact, we actually strive to keep these fees affordable, and all of our services remain competitively priced in comparison to other jurisdictions.

Another key initiative is the continuing renewal of the personal property, land titles, and motor vehicle registries, which process approximately 35 million transactions a year, Mr. Chairman. The size and complexity of these systems means several implementation phases spanning a number of years as we update obsolete technology and strive to keep pace with the growing demands that are placed upon us. Our registry and licensing program is expected to generate over \$317 million in revenue in the year 2003-2004 and consume 82 percent, or \$58.6 million, of our resources.

When it comes to consumer protection, Mr. Chairman, informed consumers and businesses and a high standard of marketplace conduct is our second goal. Marketplace issues range from charitable fund-raising to home renovation to loan and collection practices. A key initiative this particular year is a review of the Residential Tenancies Act and Mobile Home Sites Tenancies Act. Nearly one-third of all Albertans rent their accommodation, and if you figure that out, it's just under a million people in this province who rent their accommodation. We need to ensure that tenancy legislation remains relevant to today's challenges in the marketplace. To this end we have entered into significant consultation with Albertans and will continue to solicit feedback on whatever options or mechanisms for an appropriate . . . [interjections]

The Deputy Chair: Hon. members, hon. members. I'm sorry, hon. minister, to interject on you, but the noise level in the room is getting fairly high. Members who want to listen to the debate are unable to hear the minister speak, so kindly afford him the courtesy to continue speaking with silence.

The hon. minister.

8:10

Mr. Coutts: Thank you very much, Mr. Chairman. I could speak louder if that was necessary.

We will continue look for options such as a mechanism for appropriate dispute resolution outside the court system.

Investigative services will continue to focus on the most serious violations such as deceptive marketing practices that may be practised by unscrupulous dealers. These violations often cause considerable losses to vulnerable consumers, and probably the biggest example we have of that is our seniors. Some of those losses are recovered as a result of our ministry's investigation efforts. For an example, in 2002-2003 there were over 2,300 investigations that were completed. Those investigations that were completed resulted in more than \$2.8 million being recovered and turned back to Albertans.

Our call centre will continue to respond to approximately 90,000 consumer-related calls from Albertans in all areas of the province, and our measures of success are based on client satisfaction with investigative services and our call centres as well as consumer tip sheets. Those successes range from 76 to 86 percent. The consumer programs account for 12 percent, or \$8.8 million, of our resources.

The Service Alberta initiative is our third goal, and this provides a service environment that enables Albertans to access government information and services using the methods that they are most comfortable with. When fully implemented, Albertans will be able to conveniently and easily access all government of Alberta services either through the Internet, telephone, mail, fax, and even over the counter, all the while ensuring that their privacy is protected. Service Alberta's primary measure of success is client satisfaction with services. As we move forward, we will also track the increase in the number of transactions of services that are available on-line. Overall, resources dedicated to the Service Alberta initiative account for just under 2 percent, or \$1.3 million, of our expenses.

Under government support services our fourth goal is effective access to information, protection of privacy, and management of government information. Key initiatives include the new privacy legislation for the private sector and amendments to the Freedom of Information and Protection of Privacy Act, that are presently before this House. Specifically, we need to ensure that these acts are understood and administered appropriately. We will also continue to promote effective ways of managing the government's records by providing advice on standards and best practices. We will offer training and encourage cross-government co-ordination and co-operation in these efforts. This program uses nearly 4 percent, or \$2.6 million, of our resources.

The Alberta Corporate Service Centre reflects this government's commitment to a shared services model for internal administrative services. A detailed business plan has been prepared, which you will find on page 197, and the vision of ACSC, as it's known, is to become a globally recognized leader in the delivery of shared services while delivering cost savings for ministries and obtaining a high level of client satisfaction. The bulk of ACSC's direct service delivery costs, or \$144.3 million, is billed back to the ministries that we do the service for on a cost recovery, user-pay basis. The remaining expenditures of \$11.3 million are for central services such as supply management, telecommunications, and records manage-

ment. We will continue to implement best practices and streamline the way services are delivered so that they will be essential to ACSC's success in achieving those cost savings.

Mr. Chairman, in closing, our ministry has a major impact on the lives of Albertans, and we are proud of our service levels. This business plan and budget represents our best effort to maintain the services that Albertans have come to expect. I want to thank the Assembly for this opportunity to present our priorities, and I look forward to addressing those questions and the series of questions that may come from the members in the House. As I said, I will do my best to answer as many as I can this evening, and for any that we do not answer, we'll review *Hansard* and get the written answers back to those people that are representing their constituents here this evening.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I'm happy to have an opportunity to participate in these estimates this evening on Government Services, and I'd like to thank all of the minister's staff who are here this evening and congratulate them on a job well done over the year. I've had an opportunity to work with some of them on the FOIP committee, and that was a distinct pleasure. They were very professional. They were very good at providing information and were really just generally a pleasure to work with.

An Hon. Member: They're outstanding.

Ms Carlson: Yeah, they were outstanding; they were very good.

So that was a great experience, as was the experience of working with this particular minister. While I don't work with him as often now that he's a minister in this department, when he was the chair of PNWER, Pacific Northwest Economic Region, we had an excellent working relationship, and that was a good example of how all parties in the Legislature can achieve objectives that are good for the province of Alberta, so I thank him for that in the past.

My first comments are on the performance measures as I see them here in the budget. For the 10 years since this government has started to introduce performance measures and tried to introduce performance measures, I finally see some that actually measure something concrete that we can compare year-to-year performance and other jurisdictional performance. So I would really congratulate the minister and his staff on the way they have laid out these performance measures and what they're actually measuring, which is something tangible, which is not what happens in many other departments. So I would urge other ministries to take a look at this particular presentation and consider using it in the future because it actually gives us usable information and I have something here that I can compare year-to-year work done in the ministry. So I think that's a very good thing and a positive move forward.

I'll ask questions for about 15 or 20 minutes, questions the minister can answer, and then my colleague will ask some questions at that time. My first one is on the comments you made on tenancy registration. Mr. Minister, are you expecting to include at some time some kind of protection for people who are involved in lifelong leases, which really are a form of rental agreement which are for the most part entered into by seniors? In some cases we have already seen with this new tenancy kind of agreement problems in the marketplace, so if you could comment on that.

The Deputy Chair: Hon. minister, did you want to comment?

Mr. Coutts: Well, first of all, Mr. Chairman, thank you very much. I want to thank the hon. Member for Edmonton-Ellerslie for the compliments to our staff. I have a great staff; I really do. I appreciate your comments because everything that you say is stuff that they do every day not just for me as minister, but they do it for Albertans. As I said in my comments, I think we do about 35 million transactions a year both for Albertans and within government. They have developed systems; they have developed processes to handle all the calls that come in. It's encouraging to see people with that kind of dedication. I know that our ladies in the call centre sometimes stay over just to make sure that they handle all the calls, and of course those are the kinds of things that help our performance measures.

I also want to say how much I appreciate your comment regarding the performance measures that have been developed by the staff. It's kind of easy for us in Government Services because we have some fairly hard data that we can call upon from year to year to compare to, to make the comparisons that we need to decide whether or not we're actually doing the job. Our staff up there also go ahead, go out and do telephone calls and forums and focus groups as well as making sure that they follow up on some of the call centre's inquiries to see if people are really, really satisfied with our performance. That's what helps us in developing these performance measures, and that's what helps us in getting some of the satisfaction that you see up to 96 percent, between the high 80s and the low 90s percentage of satisfaction with our services. So I want to thank you very, very much for that. Again, the performance measures that we've developed are based on pretty sound hard data.

8:20

In terms of your question on life leases this is a new area of accommodation. Yes, we've had a few calls to the office, to our call centres, and to our department. I believe we've tracked about 24 of them to this date. The majority of those calls ask things like, "Is there legislation in place, and what type of legislation would cover this?" making general inquiries as to the life leases. Basically, because it's so new, we're continuing to monitor the whole process of how life leases are developing. If it becomes a problem and there's a need for legislation, we'll certainly take a look at what legislation we have that could fit life leases. As a matter of fact, we're doing that now. If there's no legislation that will fit that, then we will look down the road – if there's a need for life lease legislation, we'll put together a stakeholder group and we'll go out there and do some consultation, like we've always done on these matters, and we'll put together and develop the appropriate legislation, but only if it's needed.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. My next set of questions is around registries. The first is with regard to the concern of a constituent who came into my office. An elderly fellow, a fellow in his early 90s, came in and brought copies of a new registration certificate he had for a vehicle that he had purchased, and he was very upset. What had happened was that about 10 years ago his wife had died and he had remarried and the car had been in his former wife's name and his name. He never thought to go and change the registration after she died. They drove that car for about 10 years, sold it, bought a new one, and went in to get the new one registered. He goes in with his wife of now just over 10 years, gives the owner of the registry shop both of their licences and all of their particulars, and the fellow gives them the new registration and new licence plate. They go home and then take a good look at it. What happened? It's in the deceased wife's name.

Now, this is an elderly couple. The new wife was very upset, and the elderly gentleman was also very upset. He took a couple of days to calm himself down, went back to the registry, talked to the owner, who got mad at him and said: you had an obligation to take a look at these papers before you signed them and now it's a big problem for us to fix this and this is what you have to do. Well, once again, he got so upset he couldn't talk to the fellow. He went home and settled down for a couple of days and then thought he'd just come and tell me what happened. He didn't want me to call the owner of the registry service or anything of that nature, but he really wanted his representative to know and understand the problem that had occurred and the service that he had gotten. Having been a lifelong resident of Alberta, he was very used to the old system, which really wasn't very efficient in terms of lineups and so on and so forth, but he said that at least there he knew who to complain to where he could get some sort of tangible results. What advice would you give to this gentleman in the future and to anybody whom I have to advise in terms of when they have an issue with registry companies and they're dealing with the owner in the first instance? Who do they go to with concerns and complaints?

Mr. Coutts: Well, the hon. Member for Edmonton-Ellerslie knows me well enough that I would hope she would have given me a call in this kind of a situation. The competent staff that we have – Laurie Beveridge, the assistant deputy minister in charge of registries, and Mike Reynolds, who is here tonight, in charge of registry agents' support – would have handled a situation like that very, very quickly.

As a matter of fact, I'm going to say at the outset that we provide manuals to every one of our registry agents. I've sat in front of some registry agents' offices, and they have shown me the manuals that they have to comply with. The manuals – there are about four or five of them, about this high stacked one on top of the other – have all the rules and all the regulations and all the things that registry agents should be doing in terms of making sure that that customer that is coming to their door will be looked after in a proper manner and that the processes are put in place for that. If that doesn't happen, then of course our office would take the phone call, and we would turn it over to our staff to handle the situation. We do that on a daily basis.

In addition to that mechanism that's in place, we also have a call centre for registry agents with a staff of around 20 people across this province. If they have a particular problem or any of their staff have a particular problem, they can phone that call centre. It's an actual registry agents' support. They will go through the manuals and help a registry agent or their staff through any kind of difficulty. Whether it be through land titles, for personal property, for corporate registries, for a driver's licence, for automobile registration, they would help them through that. So the mechanisms are in place. It's just a matter of our making sure that the registry agents' offices follow those procedures, and if they don't, well then certainly come back to us.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you. I will share this information with this gentleman, and I'm sure he'll be quite satisfied with that.

Now, the second question on registries is that we've had some incidents in the past year where the security of office premises and the conduct of the employees have come into question. So could you expand for us this evening on what you have done to address those particular issues?

If you could give us some more information on the new secure driver's licence that you talked about. Why did you do it now? What did you see as the need to do it? When are other jurisdictions going to also follow suit? Those kinds of things.

Mr. Coutts: Actually a very, very good question, your first question, on some of the activities that we found in registry agents' offices and also some of the things that were happening outside registry agents' offices and people with break-ins and that type of thing. If I can just take a moment to outline what we do when we set up a registry agent, some of the things that we do on the security side. To become an agent, the applicants must provide a criminal record check and business references, and they must go through financial disclosures, because we want to make sure that the owner and the people that we're under contract with are the most reputable people and have the dollars behind them to make that a successful business. When it comes to staff, staff hired by agents must undergo a criminal record check. That's one of the things that we've implemented. Registry agents also must sign a code of conduct and ethics, and there are penalties for noncompliance. Those penalties include dismissal, and we've had some instances of late where those penalties have been put in place.

8:30

What we've also undertaken in the last six months is an enhanced training and accreditation program. Those particular programs are now going to be enhanced, and we're progressing on them as we speak. We want to make sure that the registry agents' employees are the very, very best in the province because they're handling some very, very sensitive information.

We've also advised all registry agents in terms of security of their premises of a mandatory alarm requirement policy, and that came into effect in October of 2002. That's going to require all agents to have a monitored security alarm system to improve protection against the theft of their equipment, which is specialized equipment although it be old. At this point in time definitely the materials that are being used to produce drivers' licences are about 20 years old, and we can't get any more parts when this equipment breaks down. That's why we're getting into a new driver's licence, which I'll talk about in just a moment.

We continue to monitor also an agent's performance through compliance audits. We do monthly samplings of their transactions, and we do assessments against our performance standards and our best practices. We've set up a new investigative unit. It's going to be headed by a senior law enforcement official, and we're putting that in place early this year, in 2003, so that we can investigate and respond to fraud vulnerability. We think that this investigative unit will help us when it comes to dealing with security within our registry agents' offices.

When we had a number of break-ins, we acted immediately with random security patrols, particularly in our major centres in our downtown cores, and that continues to be implemented. The other thing that I thought was important is that – and I determined this when I was in my own business – sometimes the front-end staff don't always identify or are not aware of unscrupulous individuals. So we're doing some staff training. Our investigative unit is looking at staff training to help people identify unscrupulous people that may be coming into a registry agent's office. We will be continuing to conduct these workshops for staff well into September of this year.

Now, when it comes to the driver's licence, with this old equipment that we had, we knew that we needed to strengthen our existing security on drivers' licences. We wanted to protect the integrity of our driver's licence. You say: why now? Well, it's because the equipment that we have is very, very old, and we had to upgrade and replace it. As a result, we put a request for proposals out there based on a very, very secure card. We've done some investigations, and we know that a laser-imprinted card on polycarbonate stock is the most secure card that we can get, and that's what we went out with

the request for proposal on. When will it happen? As I said in my opening comments, we have the RFP process out there, and it hasn't been completed yet, so I'm not at liberty to give details on that. However, we're hoping to roll that out in mid to late summer so that Albertans can get the most secure card in North America.

Ms Carlson: A follow-up question on that. Will people be expected to get a new driver's licence immediately, or will it follow the traditional renewal process?

My last question in this set would be on lobbyist registration. If we had a lobbyist registration program in this province, I would expect it to be run out of this ministry. Could you give us your comments on why you think one isn't necessary?

Mr. Coutts: Your first question was on the driver's licence?

Ms Carlson: Do people have to renew immediately or over the regular period of time?

Mr. Coutts: When we roll out with the new driver's licence, if everyone in the province was to get one immediately, we couldn't handle the volume. So what we're suggesting is that when your licence comes up for renewal, that would be the time when you could go ahead, just during the normal time of renewal. When your licence expires, you can go ahead and get a new one because that will keep the flow going and keep things going well for us and keep the service up, those performance measures that we're used to.

A lobbyist registry would not affect our department if you're thinking of our department being involved in registering and having the equipment to have a lobbyist registry. Our department was asked to do a review of lobbyist registries, and we found a couple of things. The expense to set up a lobbyist registry in comparison to the results of that lobbyist registry would not be warranted, and therefore the recommendation was made that we do not do a lobbyist registry. It would not come under my department to do that anyway, but we did the research on it and determined that.

Ms Carlson: Mr. Chairman, just one small follow-up. Is that information on the study you did public, or are parts of it available to be shared with the Legislature?

Mr. Coutts: Mr. Chairman, I do believe that we tabled that right in this House. I believe it was in the spring of 2002. But I'll tell you what I will do. I will make sure that the hon. Member for Edmonton-Ellerslie gets a copy of that directly from our office over to her office. The staff are nodding, and they say: it will be done.

Thank you very much.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. Just a few questions on Government Services. There's been a lot of concern about the registries, and I wonder just exactly how many main street registries we now have in the province. What is the number?

The minister talked about some actions that have been taken to try to ensure that the registries are operating openly and honestly and dealing appropriately with information. He mentioned a number of things. But with respect to the accreditation is that going to be a prerequisite for working in a registry, that you be accredited by the department? I think the public confidence in registries has been somewhat shaken with the events with respect to break-ins and subsequent events.

What other kinds of things is the government doing to ensure that

down the road they're warding off any potential problems? It seems that we've had to react to things as they've happened. The minister did mention a couple of things, but there are some other worries about registries and the integrity of those people operating registries. I don't think I'm assured by knowing that they're people with big bank accounts, that that is a prerequisite. My concern is that they are reputable individuals. Is there any bonding, or is there any penalty if their registry somehow or other falls into disrepute or fails to carry out the mandate? I know that it may be difficult. We talked about the alarm system that's now in place for the registries, the mandatory alarm system I think I heard him say, but what other security arrangements are there in terms of the backup information that's available for the operations of those registry offices? A few questions there about the registries and my concerns. I think the public does need reassurance that things are as they should be.

8:40

Moving on, if I might, a huge area of concern is marketplace conduct. There have been some real problems the last little while and for us in our constituency a continuing problem with condominiums and their builders and the people that are involved in constructing them and in selling them. I can give you the example – and it's been around for a long time now – of the builder that came into the constituency and built a condominium that subsequently rotted and started to fall apart. Despite the best efforts of the owners they were left with huge bills to replace and repair a building that was less than 10 years old, and the places that they looked to for assurance, where they thought they had some security and would bail them out if they ran into this kind of trouble, the new home warranty, failed them. They find themselves now in court suing everyone: the engineers on the project, the architect, the owner. But what really has rubbed salt into the wound is that they find that the builder is now off in another city in the province building condominiums under another name.

So there's that whole issue of consumer protection, and it's an area where I don't think "buyer beware" is good enough. A number of these individuals were people on fixed incomes who had sold their homes and moved into what they thought was going to be a brand-new facility that would carry them for the rest of their days only to find themselves facing huge, huge outlays of money and no one that really would come in and take charge of the situation and help them out. So I wonder what's being done in this area and if there's any kind of hope that groups that may find themselves in similar situations in the future can look forward to.

The second one, of course, is electricity. I was looking through the material. Where in the department's performance objectives would we see reflected – or would we? – the public dissatisfaction with the handling of electricity bills and the marketing that's gone on and the general confusion that prevails? Again, it seems that consumers have been left out there with just having to take some really strong and outrageous actions to get the attention of the government, and it would seem to me that consumer protection in the province would not force that kind of action on citizens.

I have some questions about the privacy legislation and the consistent application of that legislation. I note that the government requires school boards and I believe health authorities to publish the salaries of superintendents and CEOs. I know they do of superintendents. Yet when we had some, I believe, written questions in this House, similar questions about deputy ministers and assistant deputy ministers in government departments, the government retreated behind the FOIP Act and said that that information isn't available. Interestingly enough, it appears in some of the government departments' annual reports. So in terms of consistency what is the rule that's followed in terms of making that information public? Again,

we're going to be looking at Children's Services this evening and their provisions in the Children's Services Bill 24 that would say: notwithstanding the FOIP Act this act prevails. So where in the hierarchy does the FOIP Act stand? Can it be set aside by departments and by other legislation in the Assembly?

I think that's a number of questions that I wouldn't mind having some response to, where it's possible, from the minister. Thank you, Mr. Chairman.

The Deputy Chair: The hon. minister.

Mr. Coutts: Thank you very much, Mr. Chairman. The Member for Edmonton-Mill Woods brings a number of questions relating to our department, some which don't, and I hope that over the next few minutes I can relate to some of those.

His first comments were about the registry agents. How many registry agents do we have in the province? Well, right now we have 227. There are over a thousand employees. These are private sector doing the work on Main Street Alberta. We've got a thousand employees being employed by the 227 registry agents across the province, and these people do an awful lot of transactions. As I said, just on the registry agents' side alone it's over 24 million transactions, so they handle a lot of work for Albertans.

We talked about the accreditation and some of the things that we're doing on the security side in my answers to Edmonton-Ellerslie, and those answers still apply. We work very, very hard and very, very close on a regular basis with our registry agents to make sure that they know that they're doing the business in the right way, and to be accredited by the department is certainly a lot better process and a lot better procedure than us just willy-nilly allowing a registry agent to set up on any corner.

Now, there's a tremendous investment being made by government in some of the equipment that we need to do our business for the information that we're collecting and the service that we're providing, so it's very, very important that we are dealing with people who do have not only the desire to provide a good service but also the credibility behind them as well as the financial means behind them to maintain a business. The last thing we need in this province is to have registry agents opening and closing and us having to go in and pull out our equipment and place it in some other registry agent's office. That does get expensive to do. The assurance that he's looking for – we will continue to monitor registry agents, we will continue to do monthly audits where applicable, and we will make sure that our registry agents system is the best in Canada if not North America.

He asked a question about whether our agents or their staff are bonded. We've looked at that whole situation of having staff bonded, and that's work that's going on with our various committees and with the Alberta Registry Agents Association, and we're looking at those kinds of things.

8:50

In terms of security, where are we going for the future? Well, security is one of those things – if you give too much information about security, then the bad guys know exactly what's happening, so I'm going to be very careful with some of my response. You know, we make sure that all the appropriate documentation that needs high security is put in safes, in special rooms and has special monitoring on it and that type of thing, and that's something that we've added. As well, we will take a look at technology in the future and how it applies to making a more secure registry agent's office. Our investigative unit, that's going to enter into training this year, will make sure that those kinds of things and the products that we need

in the future will be incorporated because we do want to make sure that the integrity of this system is kept up in Alberta.

I think that pretty well covers most of the things that we were talking about with the registry agents.

In terms of your marketplace conduct I know what you're talking about in terms of builders coming in and maybe not completing a job properly, et cetera, et cetera. You mentioned that it's not enough just to say, "Buyer beware," but it is something that buyers do have to do. They have to do their due diligence in choosing a building that they may want to live in or purchase. They have to do their due diligence in making sure that they're dealing with a contractor that is reputable. If they contact us and ask those kinds of questions, we can give them the best information that we possibly have in terms of whether or not a builder is a member of the Alberta new home warranty program.

The new home warranty program should look after a number of those situations where a purchaser feels that they have not been given the building or the product that they had originally thought that they were buying or if there are structural problems or even if there are problems that a builder should come back to and take a look at repairing. The Alberta new home warranty program should look after that. Our staff works very, very closely with them. If a builder is not a member of the Alberta new home warranty program, then the national home warranty program takes over, and we've also referred people to that national home warranty program. But people do have to do their due diligence when picking and choosing their builder, and if they do contact us, we can help them as best we can.

You were mentioning real estate transactions in the marketplace. We have in the province set up a delegated authority called the Real Estate Council of Alberta. They are the licensing and the regulatory and disciplinary body on the consumer protection side. They work very, very closely with us to keep up with the trends in real estate, and they also work very, very closely with the real estate industry on the licensing side and the disciplinary side. If there is someone out there that is not doing the job, then that particular body takes over.

One other thing that I should have mentioned is also under the Fair Trading Act. I apologize for being a little disjointed on this, but I go back to the builders. We also have the Fair Trading Act, that could apply to anyone who didn't get the product that they really thought that they should be getting.

Also, when it comes to consumers, if the hon. member would call our office, we have tip sheets that we can give out to constituents. They can put them in their constituency offices, and we would gladly provide those tip sheets on the consumer side. They cover a number of areas, and I would gladly share those with you so that you can let your constituents know that, yes, there is legislation in place; yes, there are regulations in place. But at the end of the day there is some responsibility on behalf of the purchaser to make sure that they're dealing with a reputable company.

You mentioned electricity. I wasn't quite sure where the hon. member was coming from on that side of things. However, in terms of electricity I'm sure it meant on the consumer protection side. Our department along with the Department of Energy co-chaired a task force on the billing inaccuracies that were out there this last summer. It took our staff almost a full summer along with Energy staff to work with the five companies and the rural electrification associations – and the EUB was at the table – to talk about billing inaccuracies and standardizing bills and making sure that bills were properly presented and properly prepared, and we dealt with disconnect policies amongst the companies. We talked to the companies about making sure that their consumer service departments in each company were acting responsibly to their customers. We actually made them more accountable, and I think that a number of those particular problems have been solved.

In terms of the pricing of electricity, that was different. That's under the regulator. That's under the EUB and the Department of Energy, so that does not affect our department.

It's interesting. The hon. member talked about some of the inquiries that were coming into our call centre. I don't mind sharing with the hon. member that this last year the consumer calls that came into our office – we had a total of 33,539 calls – were up about a thousand calls over the previous year. The hon. Member for Edmonton-Ellerslie was asking earlier in terms of how we reach our performance measures, and I just want to throw this stat out. This is how technical we're getting: the average speed of an answer is one minute and 52 seconds, and the average length of a call is about three minutes and 20 seconds. So we have that down to a pretty fair science.

Let's just look here at some of the things that we deal with in those calls. Out of those 33,000 calls, we only had 207 calls on energy prices. We had 231 calls on natural gas direct marketers. However, on electricity marketing – there are marketers out there which we regulate under Government Services – we did have 3,302 calls on marketers but not on electricity pricing. It's rather interesting with some of the calls that did come through. So those are the kinds of calls that we're getting.

Now, regarding the privacy legislation, some of the details on FOIP, I'm going to be really honest with you, Edmonton-Mill Woods, that I'm not familiar with the details on that, but we will definitely provide you that in writing. The FOIP Act, as you know, is there to get access to information but at the same time to protect privacy. That's been the premise of the act, and that's what we live by. Each department has its own freedom of information and protection of privacy co-ordinator, that we help train. Tom Thackeray and his staff up there help train all of the FOIP co-ordinators in all of the departments so that they are compliant with the act, and we try to make sure that it's standardized. I understand that there are different interpretations of the act. However, we try to make sure that each FOIP co-ordinator gets the same information through our department. We'll respond to you in writing on some of the details of your inquiries.

Thank you.

9:00

The Deputy Chair: Hon. members, before I recognize the Member for Edmonton-Mill Woods, I just want to caution members once again that the noise level is starting to get high.

The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, and thank you to the minister. I look forward to the FOIP information.

If I might just go back to the condo act. That was a huge builder that was building in both major cities. This wasn't just a small, fly-by-night operator. This was a huge, huge builder building, I would think, thousands of units in the city, and it still seems to me unsatisfactory that these people didn't have any recourse except to the courts to get satisfaction. I went to a meeting with the owners and with the representative from the new home warranty program, and the arguments ended up basically about whether they were covered or whether they weren't covered. It didn't seem to be the kind of problem solving that I'd hoped it might be when I asked the owners to get together with a representative of the warranty program.

So I still think it's very unsatisfactory, and it's really a hardship on people who are seniors or are going to soon be seniors with respect to the investing of their, in many cases, life savings into something that starts off promising to be a really bright and great retirement in a brand-new facility and fast turns into a nightmare. Somehow or

other I think that we have a responsibility to try to help them through that. I believe that everyone is being sued at this point, and it's tied up in the courts in such knots that it's going to be years and years and years before it's ever resolved, if it ever is. That just doesn't seem to me to be a healthy marketplace.

I have a couple of other questions, if I might, about licensing and registration. I've noticed that I can go on-line – and maybe you can't here. The last time I needed some vital statistics work done, where I had to get a couple of death certificates, I went into a registry and was able to get them that way. Can you obtain that kind of information now on-line, like births and deaths? Is that available on-line?

Just one other small and very minor point: what about the licence plates? I think we've asked this before. Many license plates in the province look like they're as old as they really are, and they're falling apart. Is there an intention that there will be new plates for the province's centennial?

Ms Carlson: And how about putting them on both sides?

Dr. Massey: My colleague asks: are they going to be on both the front and the back? But they really are a mess. I'm embarrassed that my own licence plates look just ugly, to say the least.

So I guess with those final two questions – I'm not sure if one was a comment more than a question. I think the condo owners have tried to address some of the problems, but it really is a huge, huge problem. It's gone on for a long time, and it seems to me that someone has to take hold and do something about it.

Thanks, Mr. Chairman.

The Deputy Chair: The hon. minister.

Mr. Coutts: Thank you very much, Mr. Chairman. Thanks for the caution on the condos and, as you say, a major builder of a major number of units. You know, the condo act was debated in this House, it had extensive consultation, and we'll continue to monitor the condo act in terms of how it applies to condominiums, how they're managed, and that type of thing. As well, we'll take heed of your words in terms of the building side of things too.

You talked about death and birth certificates: are they available in registry agents' offices? I looked up, and I got no. The answer is no. We will get you the details as to why that is so. Probably it's very sensitive information that is required and quite technical, but we'll get you that information, Edmonton-Mill Woods.

Your question about licence plates. One of my hobbies driving up and down the road between Edmonton and my constituency in southwest Alberta is to look at licence plates. [interjections] Yeah, it's really exciting. It kind of breaks the monotony of the five and a half hour drive.

I noticed that there are a few licence plates out there that are in awfully bad shape. When you take a look at the series number, you find that these licence plates are very old. There was a series of licence plates where we had a reflector image in it so that it would show up at night, and that particular reflector image or process didn't really work that well. It provided us with a lot of cracks and gave us a lot of problems in terms of the length or the lifetime of the licence plate. You can go into registry agents' offices and you can apply for a new licence plate. I believe that we can even get you the old number. I believe we can, but I'll confirm that for you.

From a police enforcement standpoint it's important that you be able to read your licence plate, and it is our responsibility as owners of that vehicle, owners of that licence plate to replace it if it is not identifiable. We get a few inquiries about that every year. Some-

times some people get fines for not having a licence plate that the RCMP or any city police or any bylaw enforcement officer can read. It's a particular problem, but the onus is on us as the owner of that car and the owner of that plate to replace it.

I've got an answer to your comment about the FOIP Act. For salaries of school boards and RHAs, et cetera, the FOIP Act allows for the disclosure of that, and they are released under the Financial Administration Act. I just got that note sent down from my staff, so that answers that particular portion of that question.

Thank you, Mr. Chairman.

Dr. Massey: Just if I may follow up. I knew that the superintendents' and the CEOs' information could be made public. My question was: is the same information about government employees to be made public? As I indicated, when we asked under Motions for Returns or Written Questions – I'm not sure which it was – there was a response given that in terms of the privacy act that information was not to be shared.

The Deputy Chair: The hon. minister.

Mr. Coutts: Thank you very much, Mr. Chairman. I will take that question under advisement, and we will get back to you in writing.

Thank you.

9:10

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. I'd like to rise this evening and speak to the estimates of Government Services. I have a few questions. I do apologize for being a little late, so if the minister has answered these questions, he could just pass them on by and I can read them in *Hansard*.

I'm looking at page 184 of the government and lottery fund estimates. Under operating expense, item 2, we see that licensing, registry, and consumer services this year are budgeted at \$44.8 million, 36 percent more than the \$32.9 million budgeted in 2002-2003, and the forecast for 2002-2003 was \$39.8 million. Again, that is quite a significant increase in the moneys that were budgeted in 2002-2003.

As well, on page 186 I'm looking under operating expense, 2.0.7, registries information systems. When we look at the gross comparable 2002-2003 budget, the amount is \$6,504,000, and when we look at the gross for registries information systems for 2003-2004, we see that it is \$9,502,000. Again, quite a significant difference. It's roughly a 46 percent difference in those two.

Further down on the same page under equipment/inventory purchases we see 2.0.2, private agent services/general registry, and we see that the budget is \$19.4 million – this is 65 percent more than the \$11.7 million in last year's budget – and the forecasted actual for 2002-2003 is \$14.3 million. Of course, when we are talking about licensing and registries and registries information systems and private agent services/general registry, we are looking at a field that is I think influenced quite heavily by technology. If the minister could please inform us which company holds the contract with the government for the information technology in this particular case. Are these quite significant increased costs due to costs that we pay the contractor of those information services? Has the contract somehow adjusted for differences to account for these increased costs?

As well, I'm flipping back to page 184 under operating expense and equipment/inventory purchases. Under the program in 5, Alberta Corporate Service Centre, I see that our credit or recovery

for the 2003-2004 estimates is \$144,327,000. Quite a significant amount here, so if the minister could please expound on that amount. If he would like an opportunity to respond to that now, I do have a few more questions later.

The Deputy Chair: The hon. minister.

Mr. Coutts: Thank you very much. The hon. Member for Edmonton-Glengarry has given a number of statistics and percentages, and some of the details on that I will provide in writing. What the member is referring to in terms of contracts that are given out – we're looking at an upgrading of our legacy system for our registry services, and our first priority has been to upgrade our personal property and, of course, our land titles because we're dealing with equipment that's 20 years old and high volumes that that equipment was never ever, ever intended to handle. As a result, last year we were able to get a \$13 million allocation of funds to upgrade that legacy system, and this year we will also receive a \$12.9 million allocation to upgrade those systems. There's going to be an ongoing process in upgrading this renewal to actually make sure that these systems are completed and up to date to handle the volumes of transactions that we're going to have to handle in the future. We're looking at making sure that we have continuing funds to upgrade our systems, to make it service Albertans' needs. Those are in the forecasts for the future, and we're looking at probably about a \$16 million infusion of dollars in the future to make sure that those happen.

What we've done is that with the vendors that we use in upgrading this system for our registry renewal projects, known as legacy, we have prequalified vendors such as Accenture, Inc.; Fujitsu Consulting; Sierra Systems; and CGI. Each of these prime vendors have a number of local and/or subcontractors, you might say, to help them deliver on these systems. These vendors work very, very closely with our existing systems maintenance outsourcers – that's EDS Canada – and we want to take, you know, the best advantage of their knowledge and their expertise to make sure that these systems satisfy Albertans and look after their plans in the future. So we will continue to improve our access, and some of those dollars that you were talking about are included in this renewal.

The additional information on the percentages and the differences: I'll definitely provide that to you in writing.

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. Thank you, Minister, for those responses. You were discussing vendors and that of course some of these vendors do outsource some of their contract work to other companies. In those contracts is it specified that any of the outsourcing has to be done with Alberta companies, or is the vendor allowed to outsource to anyone in the United States or Canada or around the world? When these contracts are outsourced, is there any way that the department knows whether in fact Albertans are getting the best bang for their taxpayer dollar in the outsourcing of these contracts?

9:20

Mr. Coutts: Mr. Chairman, we may not be dealing with Alberta-based companies, but we will be dealing with companies that would give us the best product for the best price. We want to make sure that we're accountable for the dollars to Albertans and not just spend for the sake of having a Cadillac system that we don't necessarily need.

In terms of not necessarily being an Alberta-based company, we

do like to deal with companies that do have at least an Alberta presence or an Alberta office. We make sure that that's the type of business that we do in our department because there's nothing better than to have the company that we're dealing with right here on the ground to help us. When we have problems with a system that is down, we need their expertise and we need to have their knowledge to make sure that the system can get up and running as quickly as possible and make sure that we continue the business of doing business for Albertans and for the government.

Mr. Bonner: Again, I'd like to thank the minister for those responses. Just some general questions. In Public Accounts last fall the minister conceded that the government could save money by having the government's 7,000 cell phones under one contract instead of under several different ones. My question to the minister in this particular instance would be: have the government's 7,000 cellular phones since been put under one contract to save money, as he had indicated in Public Accounts?

Again, just the number of cell phones. It would appear that apparently one in three government employees has a cell phone. Is there really a need for one in three employees to have a cell phone?

I would have another question in regard to this. To the minister: are any controls in place, similar to the recent procurement card policy, to ensure that government cell phones are used for work purposes only?

Thank you.

Mr. Coutts: The item that the hon. Member for Edmonton-Glengarry is referring to is an initiative that ACSC took over on shared services, trying to take a look at all the contracts across government – and particularly the cell phone analogy is probably one of the best ones – and go back to the suppliers to see if we can't get a better deal for volumes, not only volumes of phones that are out there and the contracts to get those phones but also volumes in terms of the use of those phones. That's what shared service is all about, getting a better deal. Saving those kinds of dollars is something that we all should be aware of.

In terms of controls on what people do with a cell phone that may be under that contract, that's very, very hard to monitor, and it's up to the discretion of not only everyone on the floor of this Assembly but also within the civil service to make sure that they're using those phones for business purposes.

Now, I remember when I first became an MLA. The hon. Member for Edmonton-Ellerslie mentioned a PNWER trip that we used to go on. I would phone my wife and put it on my own credit card, and I remember that one of the people from the department of at that time intergovernmental affairs – FIGA I believe it was called – said something about: you know, letting your wife know every night that you're safe and that everything's fine and what day you'll be home, et cetera, et cetera, et cetera and just touching base was part of the job. So sometimes there's a gray area there. I never did do that when I was on the PNWER thing; I always paid for it myself. But it's one of those things that is left up to the individual, I'm sure. Those are my comments on that particular thing.

ACSC will continue to explore opportunities through the shared services concept of how we can save money and how we can make our dollars more accountable to Albertans.

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much. Just a few more questions for the minister. In the last year to 18 months we've had situations where registry offices have been broken into, and one of the items

that was stolen was driver's licence blanks so that people could manufacture counterfeit drivers' licences for people. Certainly, events in the last year and a half have indicated that we do have to control not only drivers' licences to make certain that the person who has one of these is the person who it says it is, particularly since events such as 9-11, where we had talk back and forth across the Canadian/American border of people being able to move back and forth with relative ease.

So certainly I think it indicated that we have a great need to change to a new, more secure driver's licence system in response to events of 9-11 as well as the stealing of blanks. I would like to know if the minister could please tell us how the ministry is moving forward on its plans to change to a more secure driver's licence system, how much it will cost, and what all it will entail. If he could also indicate at what point he thinks he will be able to institute these changes.

Thank you.

The Deputy Chair: The hon. minister.

Mr. Coutts: Well, thank you very much. The hon. member's comment about the driver's licence and making sure that it is secure and safe – not only secure and safe, but it must be reliable as well – is a very, very good point as a result of two factors.

You mentioned 9-11. You mentioned the need for more security, a securer card. The other factor is that we've got 20-year-old equipment doing our drivers' licences right now, and although it is a good driver's licence, the needs of today require a more secure card and thus the technology behind that. Particularly, the laser-imprinted card that we're looking at doing requires new technology. This is the right time to do it. We'll be rolling that new driver's licence out some time this mid to late summer. The dollars that are required for that are in this budget. We've got an \$8 million expenditure allocated for the new driver's licence program. We're in the middle of the request for proposals at this particular time, Mr. Chairman, and the details of that proposal and the contracts that will eventually be signed around that proposal I don't think would serve us well at this particular time to divulge, because we are completing the request for proposal process out there.

The hon. Member for Edmonton-Glengarry asked about other details regarding financing. In the third quarter of this year we also received a \$4.7 million allocation from the third quarter that was debated on the floor of this House, and that was for new camera equipment that would go along with providing the licensing as well as the investigative unit. I don't believe the member was in the House when I talked about a new investigation unit that we're looking at to help train security within our registry agents' offices and to help with fraud and that type of thing. So those are the kinds of things that the dollars will be going for: new equipment to handle the new driver's licence at the registry agents' offices for photo-taking and signature procurement and that type of thing. That's where the dollars are coming from, and that's where the dollars will be going.

9:30

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you, Mr. Chairman. If the minister could please provide some information on another area of concern. When it comes to the cost of service contracts, these had plummeted to \$39,294,000 in the ministry's 2001-2002 annual report compared to \$57,531,000 the previous year. Are these actual savings, or is the cost being shouldered somewhere else?

Mr. Coutts: Mr. Chairman, I apologize. Can he repeat the question? I'm sorry; I was reading.

Mr. Bonner: I was referring to service contracts, and I was asking specifically what caused the cost of service contracts to plummet to \$39,294,000 in the ministry's 2001-2002 annual report compared to \$57,531,000 the previous year. My other question associated with this: are these actual savings, or is the cost being shouldered somewhere else?

The Deputy Chair: The hon. minister.

Mr. Coutts: Well, thank you very much. The details of that I'll provide in writing, if that's all right, hon. Member for Edmonton-Glengarry.

If I could go back and just talk a little bit about cell phones. I just got some information that the new policy on cell phone acquisition recently approved by deputies and by ministries – they're accountable for the implementation of that – includes eligibility criteria to ensure that there is valid need. We actually had a saving of \$1.1 million in the service plan contracts and the changes regarding canceling some phone services that were not necessarily needed, so it's really good to see that there are some things that we can actually have benchmarked and actually can show that we've made those kinds of savings on.

In terms of ACSC's costs in our budget of \$155 million, the cost of administration, finance, human resources, and information technology support services are across government. Manpower is 40 percent of that, and supplies and services are 60 percent of that. That's an actual of what we have been able to show as a decrease of almost 3.6 percent in administration of ACSC from the last year. So that answers that question for you.

In terms of your last question, I'll make sure that we respond in writing.

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Yes. One final area that I would like the minister to provide some explanation on if he could, please. The ministry had announced last October that it was looking for input on any rules or policies that would benefit from a review. If the minister could please tell us what rules and policies were identified, which will be reviewed, and what is the time frame for the results, and if he could also provide us with the cost of the MLA Government Rules Review Committee.

Thank you.

Mr. Coutts: I will provide that in writing as well at that time, Mr. Chairman.

The Deputy Chair: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you very much, Mr. Chairman. I just wanted to rise at this moment to commend the minister and his department for two areas that I consider very valuable in consumer protection in response to consumers, particularly those within my community. I think it is appropriate at this time, first of all, to express appreciation for your department's response to the consumer billing disputes that arose with respect to some power companies, not only the billings coming from one company but with respect to the readings and the reconciling of those and resolving those disputes. So I'd like to, as I say, take this opportunity to thank you for the ability to refer constituents to your department, who did address this in what I think

was a very objective way. It wasn't always to their satisfaction with respect to being able to reduce the bottom line of the bills, but it was indeed in most cases a clarification at least of the process, which indeed is not a simple process. So thank you very much for that.

The other one is an area that we have not dwelled on a great deal lately but something that I think again is highlighted by the emphasis, if you will, or the concern for consumer protection. That has to do with the condominium act, and it's the surveillance of it to make sure that it is properly attended to by those who are members of condominium associations. It does not play well to many people because they don't like to have their lives, their personal finances, and their assets organized collectively. On the other hand, I think the condominium act and certainly the assistance that your department has provided to those volunteer boards who are working to make sure that the governance and the allocation of resources within their condominium complex are fairly and clearly looked after—your department has been exceptional in responding to the concerns that my constituents have had.

Again, it's onerous for individuals to serve on their respective condominium property boards. They volunteer to do that on behalf of the greater collective good. I think that the condominium amendment act in its most recent version looked to the future in making sure that everybody's investment was looked after.

I return, Mr. Chairman, to address the department and to again say thank you for your clarification, for your direction, for your assistance in making sure that these volunteer boards have the resources, have the clarity, and have the ability to act within the act for the greater good of their community. So I just wanted to take that opportunity to say that to you.

The Deputy Chair: The hon. minister.

Mr. Coutts: Mr. Chairman, thank you very much. I wanted to thank the Member for St. Albert for those remarks, and I'll certainly make sure, either through *Hansard* or when I personally attend functions in the department or make my tours in the department, that I pass those words along.

Regarding the condominium act, it's a complicated act. There are different types of condominiums out there, and sometimes there's not a total understanding, when going into a condominium, of what your rights are or even what you're buying. We always look forward to the opportunity — and I believe it's Joanne Burns from our department who goes out and will talk to condominium boards at any particular time. We've even had situations where a number of condominiums have come together almost like a public forum type of thing. It also happened in your constituency; I remember that. It's also happened in Calgary-West constituency. She's gone out and explained the situation, explained how the boards are set up and what the responsibilities of the boards are in order to manage the condominium on a day-to-day basis but also make sure that that condominium and that investment is protected and continues to get upgraded for the future so that their investment is protected and when they want to pass it on or move or sell, they get full value out of that particular condominium. As we go through, I'm glad to see that in our assessment the condominium act is working in a number of ways. So I'll pass that on. We want to make sure that all Albertans who get into condominiums have the proper information, and we'll continue to work on that with your help.

9:40

In terms of the reconciliation of some of the power systems that were out there and the different types of bills that were coming from all over, yes, we worked hard with the companies. I have to

congratulate all the companies that were involved — EPCOR and Aquila and ATCO and Enmax and the EUB and the rural electrification associations — for coming to the table and being very, very open and understanding that they needed to give a better understanding bill, a simpler bill, a bill that people could understand when it was explained in simple terms and also the fact that there was a confusion between the wire service provider and the actual biller, the one who provided the energy and the one that actually made the bill out to the particular residents. That association between those two was made a lot clearer and a lot simpler for people. It was a difficult process, and it still is continuing to evolve. We spent a lot of resources on that particular task force to make sure that that part of consumer protection was put in place.

So I want to thank you very much for those comments, and I'll certainly pass those along to our staff. I appreciate that.

The Deputy Chair: Are you ready for the question? After considering the business plan and proposed estimates for the Department of Government Services for the fiscal year ending March 31, 2004, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:	
Operating Expense and	
Equipment/Inventory Purchases	\$231,158,000

The Deputy Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that the committee rise and report and beg leave to sit again.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Government Services: operating expense and equipment/inventory purchases, \$231,158,000.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

head: **Government Bills and Orders**

head: Committee of the Whole

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, I'll call the committee to order.

Bill 23**Family Support for Children with Disabilities Act**

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Chairman. I'm pleased to stand and speak in support of Bill 23, the Family Support for Children with Disabilities Act, and address some of the issues that were raised during second reading on April 7.

The hon. Member for Edmonton-Ellerslie expressed concern about therapeutic services and whether the director of child welfare is able to seek out either assessments or treatments which rely on evidence-based research. Mr. Chairman, the nature and level of therapeutic services that will be available to children under this legislation will be set out in regulations. We will be working closely with medical professionals, parents, experts in the field of disabilities, and other stakeholders to determine what therapeutic interventions are in fact appropriate and effective for inclusion in the regulated listing. Therapeutic interventions available to families under this legislation will be based on research and best practice evidence. Inclusion of therapeutic services in regulations rather than in the act will enable us to respond appropriately as new research and new treatments become available. The proposed legislation very clearly articulates a role for medical professionals and other experts to work with the director and the parents of a disabled child in the development of a therapeutic services plan that best meets the needs of the child. The involvement of these professionals will provide additional assurance that interventions are appropriate and effective.

There was also a concern that because of regionalization there is no comprehensive framework within which program decisions are made. Mr. Chairman, regionalization allows flexibility to meet the needs of children and families and to build community capacity. The proposed legislation will assist in ensuring that families have consistent and equitable access to the supports and services they require. Consistency of decision-making across the province will be enhanced through the appointment of a program director and through the development of regulations that clearly articulate the nature and levels of services available to children and families.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I think what the member has indicated is part of the concern with the bill, and that's that the devil is in the detail and the regulations aren't here for us to see. The government has set a precedent in other areas by posting those regulations on the Internet well in advance of the bill being passed in the Legislature, and I suggest that that would've been a wise thing to do with Bill 23.

You get two diametrically opposed views about the bill. One viewpoint is that the bill is a backwards step, that it medicalizes disabilities and that it's a poor service to children, and you get the other view that says that it's a framework that they can work with, but the anxiety rests around the regulations and what they're going to be. So that's the basic problem, I think, with Bill 23, and, as I see it, a way out, if there could even be a draft of the regulations made available, people might feel much easier.

I think that there are just a couple of things I'd like to mention before I conclude, Mr. Chairman. One is on page 3, section 3(1), under Family Support Services: "If a medical diagnosis, in a format satisfactory to the director, of a child's condition or impairment

indicates that the child has a disability, the director may . . ." The troubling part is "in a format satisfactory to the director." This is vague and it's arbitrary and it leads to the exclusive direction of the director without appeal. For example, a specific chronic diagnosis will not be considered for support intervention. I think that these have to be defined so that there's a standard that can be objectively identified and applied and appealed.

9:50

The same problem plagues the bill on further sections of that page, 4(1)(a) and (b). The same phrase is repeated: "in a format satisfactory to the director," and then in (b), "in a manner satisfactory to the director." It's the same problem as there is in 3(1). It leaves the discretion entirely to the director. For people who are having difficulties, this isn't a satisfactory state of affairs.

On page 5 under section 7(4), the time lines for commencing an appeal under those circumstances, I think it would be helpful if they were more clearly defined. It says, "the time for commencing an appeal is suspended until the conclusion or abandonment of the mediation." It seems to me that there's need for more definition there.

Again on that page, 8(1), "The Minister may establish one or more appeal committees each consisting of not fewer than 3 nor more than 7 persons appointed by the Minister." It seems again that there are few checks on the minister's authority, and the bill would be better served if there was a process set out where the minister's decisions could be questioned.

I guess the last comment would be on page 6, section 10(c): "The minister may make regulations respecting the nature and amount of family support services and therapeutic services that may be provided by a director under the terms of an agreement." It seems that there's a need for more accountability of the department, some review by an external body, but this just leaves it wide open, and individuals are at the mercy of the minister or the minister's staff. Given the nature of the individuals that this bill is dealing with, I don't think that that's good enough.

So with those comments, Mr. Chairman, I would call the question.

[The clauses of Bill 23 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 24**Child Welfare Amendment Act, 2003**

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Calgary-Buffalo.

Mr. Cenaiko: Thank you, Mr. Chairman. I'm pleased to rise and speak during committee considerations of Bill 24. Prior to discussing some of the issues that were raised during second reading, I would like to introduce and move an amendment to the bill, which I would ask to table and distribute at this time.

The Deputy Chair: Hon. members, we shall refer to this amendment as amendment A1.

The hon. Member for Calgary-Buffalo.

Mr. Cernaiko: Thank you, Mr. Chairman. The amendments, which I wish to be treated as one amendment and voted on as a package, are minor and will close the loop on a number of issues to further protect abused children in family violence situations and also put safeguards in place regarding disclosure of information to adult adoptees.

There are two parts to the amendment, in the areas of adoption and family violence. In the Matters to be Considered section we are proposing an addition that where a child has been exposed to domestic violence within his or her family, intervention services should be provided to the family in a way that supports the abused family members and prevents the need to remove the child from the custody of an abused family member. This proposed addition highlights the special circumstances of a family where family violence is an issue. A decision-maker under the act is encouraged to consider the provision of support services to the abused parent, which would prevent the removal of the child from the custody of the parent.

In the area of adoption, Mr. Chairman, a proposed House amendment will allow for the minister to deem a veto having been filed by an adult adoptee if the minister is satisfied of two things: (1) the adult adoptee is not aware of the adoption and (2) the release of identifying information about the adult adoptee would be extremely detrimental to the adult adoptee. This provision would apply only to adoptions granted prior to January 2005, including adoptions granted prior to passage of Bill 24. The open process for post-January 1, 2005, adoptions would not be affected. There is a provision in the amendment that if an adult adoptee subsequently becomes aware that they are adopted, the minister may reverse the veto at the request of the adult adoptee.

Mr. Chairman, this amendment is being included because concern has been expressed that in situations where adoptive parents have chosen not to inform their adopted child of his or her adoption, when the adoptee reaches adulthood, he or she will not be in a position to exercise their right to register a veto. This approach has been criticized as failing to respect the interests of adoptive parents and failing to consider the effect disclosure to a birth parent may have on an adult adoptee who does not know he or she was adopted.

A proposed House amendment attempts to address this concern through a deeming provision that would allow the minister to deem the filing of a veto by an adult adoptee where the adoptive parents have satisfied the minister that the adoptee does not know about the adoption and that the disclosure of information to the birth parents would be extremely detrimental to the adult adoptee. Policy guidelines would be developed to assist in identifying situations where release of information may be extremely detrimental; for example, in situations involving incest or rape. This House amendment would be accompanied by a public communications strategy to advise adoptive parents that they may provide information to the minister for the purpose of invoking the deeming provision.

Mr. Chairman, following consideration and passage of this amendment, I would like to briefly address issues that were raised during second reading debate on April 7.

Thank you.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I want to thank the minister for circulating the amendment a couple of days ago so that I've had a chance to look at it and to concur with it. But I would, if I might, put forth a reservation about the amendment and the bill itself. The legislation is directed to parents and to children, to adoptees, and to adopting families. This amendment along with a number of the

clauses of the bill are really difficult sledding in terms of reading. I think they represent some really very obscure writing, and I think they violate every rule of plain language legislation that you could possibly violate. I think it's unfortunate because this is an important act. It's one that should be readily accessible to all who are interested. The people who access the act are often under duress and having difficulties in life, and to be put up against a piece of legislation such as this and to try to work your way through it really, really is a task that is most challenging and I think really unnecessary.

10:00

It's too late at this point, but the speaker said that there is going to be a public relations effort to notify interested individuals in terms of the amendment and its implications. I certainly hope that that communication is written in language that people can understand because this is really, really very obscure. When we come to the bill, there have to be some sections that are classic in terms of how to obscure what you really mean to say.

So I guess with that caution about the amendment, that I hope that it's delivered in language that ordinary Albertans can understand, I'll be supporting the amendment. Thanks, Mr. Chairman.

[Motion on amendment A1 carried]

The Deputy Chair: Any further speakers on the bill? The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I would like to make some comments. Again – and the minister has said as much – the detail in the legislation rests in the regulations. I think to quote the minister: what the large print giveth, the small taketh away. This is another bill where having the regulations or a draft of the regulations would have been such a great service to Albertans and to those people who are interested in the Child Welfare Act and the amendments that are before us.

The references to regulations are found throughout the act. In many cases they make the subject matter of the act inaccessible for an independent review beyond child welfare, and they limit the accountability of child welfare. I think that if there's a general comment, again it's with respect to the child and youth advocate's office. The very independence of this office, I think, is compromised by the act. It's an area where the suggestions that we've made over the years that the advocate be an officer of the Legislature and report to the Legislature have been ignored, I think at a disservice to children and youth in the province. The control of the advocate and the advocate's work by the ministry is, I think, completely inappropriate, and this act does nothing to alleviate that.

I think that there has to be put in place some process for reviewing the regulations to have them scrutinized by broader interests when they are available. There has to be some way in which those regulations and the matters that they deal with are subject to appeal. So those are some general comments about the bill, Mr. Speaker.

But, again, I'd like to preface it with my concern about plain language. Let me give you an example of what I mean. On page 83 of the bill there's a section that talks about decisions of the director, and this is what it says.

If a copy of the decision is not received under subsection (4)(b) within 15 days of the making of the request under subsection (1), the person who requested the review is deemed to have received a copy of the decision stating that the director has confirmed the decision that was reviewed.

Well, what that really means is that if you don't get a letter, the

answer is no. Why can't the bill simply say that? I mean, this is a terrible, terrible example, and it's not the only example in this piece of legislation.

Having said that, because we are in committee I'd like to go through and make some comments about specific sections of the bill. On page 3, the implications of changing the terms "protective" and "intervention," it appears that by limiting protection to court orders, it allows child welfare resources and supportive involvement in support to children and families on early intervention. They previously had to demonstrate the safety and development of children to justify and obligate protective involvement. I'm not sure that that was the intention, but that seems to be the implication of that change.

On page 4, subsection (2.1)(b), this is the section where for the purposes of subsection (2)(c), a child is neglected if the guardian

- (b) is unable or unwilling to obtain for the child, or to permit the child to receive, essential medical, surgical or other remedial treatment that is necessary for the health or well-being of the child.

It seems to me that there needs to be more added to that clause, and that is: as recommended by a medical professional with legitimate knowledge and authority specific to that identified health issue. I think the reasons for that kind of addition are self-evident, Mr. Chairman, and the recent case in Calgary serves as an example where that kind of wording would have been useful.

I look at page 4 and the repeal of section (2)(i). Again, in the bill – and it's not the only place – there seems to be the creation of a gap in intervention especially to older youths and in this case unable to live at home and being refused care by a guardian, and that condition ends up with the likelihood of those kids being on the street and being forced into prostitution and drugs and all the other unsavory things that happen when they are forced onto the street because they still are not eligible for adult financial resources, and the same is true in section 8.

On page 8, section 2.1: "A director, when it is appropriate, must inform a child of the child's procedural rights under this Act." It seems to me, again, that "when it is appropriate" is subject to self-interest issues by the ministry and detracts from "must inform," that it is a basic right to be informed. So I question the appropriateness of having the phrase "when it is appropriate." Youngsters have to be informed, and the "must" is the important part of that. Again, we've heard in the report of the Children's Advocate of youngsters not being informed of decisions that were being made about their lives.

10:10

On page 9, amending clause 3(5)(c) by deleting "investigate" and limiting disclosure of information to the Children's Advocate and the child's ability to consent to disclosure of his own information, the ministry is effectively immobilizing the only body in the system speaking and acting on behalf of the child. The Children's Advocate office is a critical part of ensuring the rights of the child and that the child is heard and respected, and this is unfortunate. If you look at page 8, (d.1) – I'm sorry that this is so detailed, Mr. Chairman, but it's the nature of a 94-page bill. I think there's need for explicitly specified required accountability of child welfare to respond and implement findings as based on the findings of the Children's Advocate as indicated in their report. So it's the accountability of the department to the recommendations of the Children's Advocate that is missing, and it goes back to the control that Children's Services has over the Children's Advocate that is the bone of contention.

If you look at pages 14 and 15, the amendments to section 10 deleting "child," section 8(2) repealed, and amendments to section

9(2)(3)(4) and (5), these serve to speed the processing of the child through the system and limit child welfare's financial support commitment to a child and family of origin. That's really what happens as a result of those changes. They also limit the ability of a child to enter an agreement with the department to provide support services or even be consulted about decisions affecting them. Again, I think there's a likelihood of older youths falling between the cracks with respect to resources and support provision.

Also, an amendment to section 18(2) on page 16, with children being provided with adequate resources when the parents are not able to manage. Again, this is open to arbitrary decisions by the department regarding support and involvement, and there are similar citations throughout the bill.

If you look at page 18, the amendments to section 20(3) provide one more barrier to protecting people from the absence of their rights by not requiring the ministry to directly advise them. With the ministry's power to intervene so intrusively should also come an obligation to inform people who are subject to their intrusions of their rights. So it's the counterobligation. If the ministry is going to be intruding into affairs, then they have an obligation to tell the individuals involved what their rights are.

I'm skipping quickly over the bill, Mr. Chairman. If you look at the amendments on page 25, the amendments on page 90, and the amendments on page 88, these amendments permit disclosure to the broader public of personal information concerning kids beyond the scope of what should be legitimately permitted as it pertains to kids' rights to privacy. I guess you could say that they're really preying on vulnerable children. This is, of course, with respect to the web site. I know there have been some changes to the web site, but why can't the web site be restricted to individuals who have previously been screened and approved as potential adoptive applicants? We've been through this before, and I'm not sure of all the changes that have been made, but it did seem that there was need to somehow or other make sure that the site wasn't being abused and used inappropriately.

If I look on pages 28 and 29 at the amendments to 33(1), (2), (3), and (7), they represent significant changes with impact on children and family. It's less due process and early intervention from supportive involvement with the child and family and processes younger children into adoption streams sooner, and it ultimately depletes or lessens the department's financial commitment. Is that the intention? Is that the reason for those changes? In some cases, of course, this would be good, with long-term stability provided for children earlier, but it may be at the expense of early intervention support to families. There's conflicting motivation of debt, financial divestment through truncating the process. Rather, the arbitrary time lines should be dictated by continuity of care in the best interests of the child. It seems that flexibility is really the most important aspect of dealing with youngsters.

On page 30, the amendment to 34(2), removing child welfare from their responsibility for involvement under condition of child, is a gap in state responsibility for meeting older youths' basic needs who may not yet have or may have limited eligibility for SFI resources. It goes back to the theme that seems to run through the bill, and that's a concern for older children and what's going to happen to them, that they seem to be under the bill receiving less service or at least not the appropriate service given the conditions they may find themselves in.

On page 31 the amendment to section 35(2). It is repealed. Does that mean that there's no post 18 year old follow-up support? This is critically needed for particular groups of children: FAS and related to a prenatal substance abuse diagnosis in which independent living is often delayed and occurring past 18 so that there are some developmental issues and some learning issues. On page 50 the

amendment to section 57.3 permits it at the discretion of the department, and again it seems arbitrary. Who's accountable? Again, it's something that's going to be found in regulations.

10:20

On page 37 the amendments to 44(7), (8), and (9). Removing the department responsibility for providing treatment resources required to alleviate or resolve a problem and the substitution of intervention services is, I think, questionable. Is that really what we want, and does that fully respond to the needs of youngsters? Why would we make that change?

On page 44 section 52(1) – and this is under Private Guardianship – says, “Any adult who for a period of at least one month has had the continuous care of a child who is in the custody of a director.” Is this really permitting the downloading of youngsters onto extended families without providing sufficient support and services and a way of getting children out of the care of child welfare by placing them with an external family for a sufficient period and then being able to proceed with a provincial guardian application and the department required to provide placement? It's a questionable provision.

Again, below there in section (1.1): “An application under subsection (1) must include a report in the prescribed form prepared by a qualified person respecting,” and then it lists . . . [Dr. Massey's speaking time expired]

Thanks.

The Deputy Chair: The hon. Member for Calgary-Buffalo.

Mr. Cenaiko: Thank you, Mr. Chairman. I would like to thank the hon. Member for Edmonton-Mill Woods and to just advise him that we've made note of some of the issues that he's mentioned tonight. I'd also briefly like to address some issues that were raised during second reading debate on April 7.

Mr. Chairman, the hon. Member for Edmonton-Mill Woods expressed concern that several of the principles outlined in the Child Welfare Act review report *Strengthening Families, Children and Youth* have not been fully incorporated into the legislation. In making decisions impacting children and families, the matters to be considered must be adhered to. The matters to be considered incorporate the principles identified in the *Strengthening Families, Children and Youth* report.

The following principles are specifically identified in the legislation. In making any decisions during the investigative stage and subsequent to a determination that the child is in need of intervention, the best interests of the child must be considered in section 2. In addition, the best interests of the child as well as additional matters to be considered are identified and must be adhered to in decisions concerning the adoption of a child in section 58.1.

[Mr. Klapstein in the chair]

Parental responsibility and accountability are also addressed in section 2(e). Division 7, *Guardian's Financial Responsibility*, highlights the importance of parental responsibility through financial contribution when their child is placed in government care. This is based on the parents' ability to contribute. As well, the director is required to inform a child of the child's procedural rights under the act, section 2.1. Policy will be further developed to ensure that children are informed of their rights and families of their responsibilities. This policy will be developed in conjunction with the Children's Advocate.

Mr. Chairman, the hon. Member for Edmonton-Ellerslie raised a concern that the office of the Children's Advocate may be eliminated

because of the belief that there is no longer a need for a formal, centralized advocacy office under the new regionalization system of children's services. The office of the Children's Advocate is certainly not being eliminated. The proposed amendments not only retain the role of the Children's Advocate but also enhance that role by authorizing the advocate to facilitate the involvement of natural advocates within the child's family or community. The utilization of natural advocates allows for the development of a sustained relationship between the child and the advocate even after the child leaves the child welfare system. This approach will clearly be of significant benefit to children. Natural advocates will not replace the role of the Children's Advocate. Rather, they will supplement that role for the benefit of children.

The member indicated that the mandate of the Children's Advocate should be expanded to include children who have applied for but have been denied protective services. Mr. Chairman, the role of the Children's Advocate is to assist children who have been brought into the child protection system. These children often need assistance in understanding how the system works and what their rights are within that system. The determination of whether or not a child is in need of child welfare intervention will continue to be a determination by the director and ultimately by the courts. The role of the Children's Advocate will continue to focus on the needs of children who are in care.

It was mentioned that section 2 of the act should be strengthened to reflect that the best interests of children should be the overarching consideration when making decisions under the act. Mr. Chairman, section 2 has in fact been strengthened to clarify that the best interest of the child is the overarching consideration when making decisions concerning a child in need of intervention. The other matters set out in section 2 must be taken into account when making decisions affecting a child. These matters include such fundamental considerations as the child's familial, cultural, social, and religious heritage and the importance of stability and continuity of care and relationships in the child's life. While these fundamental considerations may inform the determination of best interests, they do not override that determination.

In regard to the views of children being enshrined in legislation, the proposed amendments very clearly enshrine in legislation respect for the views and opinions of children. A fundamental matter which must be considered when making a decision affecting a child is the opinion of the child. This is clearly articulated in the section on matters to be considered. Mr. Chairman, a child's views and wishes must also be considered when making decisions relating to the adoption of the child. This requirement is clearly set out in the new adoption provisions.

Throughout the act procedural rights are provided to children in terms of requesting alternative dispute resolution, consenting to terms of agreements and court orders, receiving notices of court applications, having legal representation in court, and appealing matters to the Child Welfare Appeal Panel. A new provision requires the director to inform children of their procedural rights under the act. As well, new provisions dealing specifically with youth in care acknowledge the emerging independence of youth and provide youth with an enhanced role in determining the services that they require.

The issue of having a minimum standard of qualifications for frontline child welfare workers was raised, and, Mr. Chairman, there currently is a high minimum standard for frontline child welfare workers. In addition to having either a diploma or a degree in social work, frontline workers are required to take a comprehensive child protection training course. The proposed amendments provide the ability to regulate the qualifications required of the director of child

welfare. These new qualification requirements will reinforce the importance of high minimum standards for individuals working in this field.

The Member for Edmonton-Ellerslie suggested that the legislation should contain a clear and distinct statement of the rights of children in care. The child welfare legislation provides children with a number of procedural rights. These procedural rights will continue under the proposed amendments. A new provision will require the director to inform children of these procedural rights in order that children have an opportunity to exercise those rights. Rights such as freedom of thought, expression, and association are rights that all children in care currently have under the Canadian Charter of Rights and Freedoms.

A concern was raised that establishing a rigid age limit for children to participate in child welfare processes precludes the participation of younger children who have sufficient understanding of the matters at issue. The fact that children 12 years of age and over have specific procedural rights does not preclude the involvement of younger children in the decision-making process. There is a clearly articulated requirement in the act that the opinions of a child should be considered if the child is capable of forming an opinion. This requirement applies to all children, not just children 12 years of age and over. As well, children under the age of 12 may be represented in child welfare proceedings by their own lawyer and may appeal decisions of the director to the Child Welfare Appeal Panel, with the assistance of an advocate if necessary.

10:30

Mr. Chairman, the hon. Member for Edmonton-Glengarry raised a concern that there are not enough safeguards in place to ensure that children who are adopted through the new direct adoption process will be provided with adequate care. The changes are consistent with the principles of parental responsibility and accountability. The potential adoptive parent will still be required to complete a criminal record check and child welfare information check. As well, the birth parent or the courts can request the completion of a home assessment report. The direct adoption process is a nonintrusive and cost-effective option for birth parents and potential adoptive parents. The process respects the individual rights of the birth parent to place her child with someone with whom she has a close relationship or with a relative. The process is culturally sensitive to aboriginal families.

Eliminating the requirement for agency involvement will eliminate processing costs and encourage finalization of the adoption, thus securing permanency for children. Birth parents who are not comfortable with the direct adoption placement also have the option of placing their child through the ministry or through a private licensed adoption agency. Similarly, Mr. Chairman, adoptive parents who are not comfortable with the direct adoption placement also have the option of adopting through the ministry or through a private licensed adoption agency.

Thank you, Mr. Chairman. At this time I'd like to call for the question.

The Acting Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. If I might, I would like to finish my comments about Bill 24. I apologize if they have been a little disjointed, but following through the act and then trying to read your notes that you haven't looked at for several weeks is a bit of a challenge.

[Mr. Shariff in the chair]

I'd like to look, if I could, on page 46 and the amendment to section 55(2), and that is:

Notwithstanding subsection (1), the Court may make an order dispensing with the consent of

- (a) a guardian of the child other than a director, or
- (b) the child,

if the Court is satisfied that it is in the best interests of the child to do so.

That has been amended

- (i) by repealing clause (a) and substituting the following:

- (a) the guardian of the child,

- (ii) by adding "or" at the end of clause (b) and adding the following after clause (b):

- (c) a director, unless a director is the guardian of the child.

I guess that what all of that is about is it raises some questions. If the court is able to dispense with the consent of the guardian and child, just what are the implications of that, and is this a good provision? You have raised the possibility of the court being in a position of making a judgment without the presentation of sufficient information or possibly with misleading information by way of evidence, resulting in the end in a poor decision and certainly no recording of dissent. So it's a section that I think is risky, to permit court judgments or hearings in the absence of those individuals that are so intimately involved in the case.

On page 59, looking at section 64(5),

if no notice of objection is filed within 10 days after service on all the persons required to be served under subsection (1), the Court may consider the petition in the absence of the applicant and all the persons referred to in subsection (1).

Again, it seems risky to permit the court judgment or hearing after an absence or even the applicant not being there. It just doesn't seem to be a satisfactory way to proceed.

Pages 65 and 66, 74.2(4), "in a form satisfactory to the Minister." Again, that seems to be arbitrary, and it's one that should be consistently defined. I think the circumstances under which it'll be satisfactory to the minister need to be made explicit, and again I suspect that we'll be told that that's going to appear in regulations, and the problem of course is that we don't have the regulations.

Page 83, the amendment to 117.1(5). This is, again, the example I used at the opening, Mr. Chairman. It just doesn't make sense to say it this way, and it could have been said so much more plainly to be more easily understood by the readers.

Page 84, section 120. This has to do with 2(d), "the provision of or refusal to provide any support services to a child 16 years of age or older by entering into a support agreement or custody agreement." It's repealed, and it again removes older youths' ability to appeal the arbitrary denial of services by the ministry and again feeds into our concern of what's happening to older children under the revisions in the act.

Page 86, the amendment to 124.1(2), "pursuant to a permanent guardianship order." The suggestion is that orders should be amended to indicate agreement. As no court order is in place, the department is simply agreeing to assume guardianship.

Those are some of the detailed comments and questions we had about the bill, Mr. Chairman. I have to say that given the length of the bill and the topics that were covered and the changes that we find here, there was surprisingly little contact with our office about it. The contact we had was from a number of individuals who were concerned about one or more particular sections of the bill, but we really actually received very few comments, and I attribute that in part to the department and to the manner in which the review of the act was carried out across the province. I think people have had an opportunity to have their say and to check to see if their concerns are reflected in the legislation, and I think that is a tribute to the hard work of the department.

But having said that, that in no way dismisses the kinds of

concerns we've had about the regulations and what's going to happen when those regulations are available. We feel that it would be appropriate for draft regulations to be made available on-line as quickly as possible so people can look at them and make some comments. The overall feeling is that there is a centralization of decision-making into the department, and that's done at some risk to children, and it's done without the assurance that there is going to be an openness and that the appeal process is in place that will allow decisions to be challenged.

Just one other question, Mr. Chairman. One other concern is in terms of reference to the Freedom of Information and Protection of Privacy Act. There are references in the bill. I asked the question in estimates earlier this evening, and I expect that when I get that response, it may answer the question, but I do have some concerns about the primacy of legislation. When an act conflicts with the Freedom of Information and Protection of Privacy Act, which act prevails? I think that that has implications for what we have before us this evening.

Thanks, Mr. Chairman.

10:40

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I have a few comments on this particular bill that I would like to share with the Assembly, and they are e-mails I got from persons who were interested in the part of the bill that talks about opening up adoption records. I think it is important to share with the House what was said, because this is the first time in my experience that a bill in this Legislature has drawn so much attention from out of province.

I won't name the names because I didn't get permission, but I will name the provinces. The first one is from Quebec, who writes to "support the concept of open adoption records" but is "disappointed that an information veto is permitted for past adoptions." This person states, "There are no valid reasons to prevent adopted adults and their natural families access to each other's identifying information." This person goes on to state:

A recent study by Dr. Charlene Miall, an associate professor of sociology at McMaster University, and Dr. Karen March, a sociologist at Carleton University, proves that a majority of Canadians, 77%, support open adoption records.

The usual argument against open records is that natural mothers were promised confidentiality. As a mother who lost her child to adoption, I can assure you that I have never requested nor was I promised confidentiality. To the contrary, it was my understanding that I would be able to contact my daughter when she came of age.

Many other jurisdictions worldwide function satisfactorily with a policy of open adoption records with no untoward effects. This person urges you "to treat all persons equally and fairly by allowing open records for past, present and future adoptions."

The next one is from Ontario. This person urges all of us to vote no on Bill 24. Open records are certainly needed, however there should be no disclosure veto as described in Section 74.2(4), "prohibiting the release of personal information in the orders, certificates and documents."

This person states:

It is a civil and human right for everyone to be able to access their birth records. Adults should not need their parents' permission to do so. Unrestricted open records is the norm in most of the rest of the free world, and no problems have arisen.

The next person talks about the disclosure veto again.

Section 74.2(4) of the above titled bill purports to open records to adoptees that prohibits the release of personal information in the orders, certificates and documents. This provision in Bill 24 treats

adult adoptees as if they are perpetual children who must have their birth parents' permission to access their own birth certificates. This provision is demeaning and prevents all citizens of Canada an equal right to their own birth information. I urge you to vote NO to Bill 24 as long as this provision exists within the bill.

Finally, this person is in full support of open past adoption records in Alberta, stating that they are

an Adult Adoptee who has been waiting a long time for changes to the Adoptions records. It's long overdue . . . I have watched other provinces move ahead and I'm hoping Alberta will do the same and follow through. It's been a long 10 years of waiting patiently. Please, Please listen to our voices and grant us our Records.

So, Mr. Chairman, those are my comments on this particular bill. I hope some comment will be made on these in third reading, and I believe we're calling for the question now.

[The clauses of Bill 24 as amended agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 25 Class Proceedings Act

The Deputy Chair: Are there any questions, comments, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Calder.

Mr. Rathgeber: Thank you, Mr. Chairman. It is a pleasure to rise and speak at committee with respect to Bill 25, the Class Proceedings Act. During second reading certain members of the opposition expressed concerns and asked questions about the issue of costs, specifically why Bill 25 does not create a no-cost provision in the event that a representative plaintiff is unsuccessful in carrying out a lawsuit. As a result, I will limit my comments at committee to the issue of costs generally and as to why Bill 25 does what it does or doesn't do what it doesn't do with respect to costs.

Mr. Chairman, in Alberta costs can be awarded generally, and it is the purview of the court, depending on the outcome of the litigation. The general rule in Alberta is that costs are in the cause, and what that means is that if the cause of action is successful, the successful litigant is entitled to taxable court costs from the unsuccessful party. As a necessary corollary of the principle that costs are in the cause, the unsuccessful litigant is liable to pay court costs to the successful party. There is no deviation from this general principle in Bill 25. Costs may be awarded under Bill 25 as they are in any other civil matter currently before the Alberta courts. Bill 25 does not change the current law on costs. The rules that will apply to actions under Bill 25 are the same rules that apply today to those types of actions and all other civil actions.

Currently rule 42 of the *Alberta Rules of Court* provides for limited representative actions, and that too, Mr. Chairman, allows for costs to be awarded. Costs can be awarded in class actions that are currently before a court under rule 42 of the *Alberta Rules of Court*. The decision to award costs or not award costs rests with the court. The rules do not restrict the power of the courts to decide who pays costs, who gets costs, and how much those costs will be. The courts, depending on the circumstances, including depending on the litigant's ability to pay or not pay, may decide not to award costs.

This is common in matrimonial cases, even though the usual cost rules do apply. What I'm trying to say is that the court can deviate from the rules if the circumstances mandate that the costs are not to be awarded in any particular case.

When no order for costs is made, costs can generally be claimed by the successful party. Most cost issues depend on the specific circumstances of the claim and the details surrounding those applications. If costs are awarded to a party, these costs are not based on the total amount of what that party actually paid to bring or defend the action. The actual costs awarded typically are provided in the schedule to the *Alberta Rules of Court*.

Mr. Chair, while there may be a perception that the plaintiffs are weaker and of modest means and the defendants are all-powerful and well-funded corporations, this is not an actual reality. Justice Nordheimer of the Ontario Superior Court of Justice recently commented on the reality of the position of parties in awarding costs. The case that I'm quoting from is *Garipey versus Shell Oil Company* in August 2002, where Justice Nordheimer stated:

It is easy in theory to portray the representative plaintiff as the weak party of modest or little means taking the battle to the powerful and well-funded corporate defendant but the reality is frequently not so simple and straightforward. As the experience in the United States shows, and which the Canadian experience has begun to emulate, plaintiff's counsel is very often as capable, as well-funded and with equal access to resources, both financial and evidentiary, as does defendant's counsel . . . Put simply, the David against Goliath scenario does not necessarily represent an accurate portrayal of the real conflict.

10:50

Following the ordinary cost rules allows the court to consider the specific circumstances of each case and make a decision based on those circumstances. This is consistent with the discretion given to the court to make decisions throughout Bill 25.

Now, as members opposite in second reading correctly pointed out, other provinces do in their class action legislation provide for a no-cost regime, but not every province has followed this model. Ontario and Quebec allow for the awarding of costs. Ontario has a fund for class proceedings; however, the ability of a plaintiff to seek financial assistance for disbursements or for the defendants to obtain payment of costs awarded to them is extremely limited. In addition, Mr. Chair, the fund is entitled to a levy which includes repayment of any funding provided and 10 percent of the total award or settlement when a class proceeding has received any funding.

Quebec has a novel concept called the Fonds. The Fonds is entitled to a percentage of all awards or settlements in all class proceedings in the province regardless of whether they received any assistance from the Fonds.

So these so-called no-cost regimes actually only limit but do not entirely prohibit cost awards. The courts retain the discretion to make cost awards where frivolous or abusive conduct has occurred or improper or unnecessary steps were taken or if there have been any other exceptional circumstances.

While British Columbia does have a no-cost regime, the province of British Columbia is currently reviewing the issue of the no-cost regime as part of its civil liability review.

The Alberta Law Reform Institute did a large amount of work on weighing the pros and cons of a cost/no-cost regime in report 85, titled *Class Actions*. The institute reported that the topic raised "difficult and important issues" and that it is difficult to choose between the two regimes. While the institute did prefer the no-cost option, it also reported that access to justice is taking place in Canada under both regimes.

So, specifically, Mr. Chairman, with respect to Bill 25 this

legislation allows for agreements to be entered into between the representative plaintiff and the class members to share responsibility for costs associated with the claim. Bill 25 specifically does not include a provision found in other provinces that states that a class member is not liable for costs except in determining their own individual claim. Further, in giving notice to class members of the action, a representative plaintiff with the leave of the court may ask for "contributions from class members to assist in paying lawyers' fees and disbursements." This is found in section 20(8).

As well, one of the significant costs to a plaintiff will be the cost of giving the notice to all class members of a claim. In this area, Mr. Chairman, the legislation specifically allows the court to apportion the cost of notice between the parties. This is contained in section 25. This does not depend upon who is successful in the action.

Finally, Mr. Chairman . . . [some applause] Thank you for that smattering of applause.

Bill 25 allows the court to appoint "a nonprofit organization that is incorporated" to act as a representative plaintiff. This allows class members to participate in the corporation and to share responsibility for costs. This is found in section 2(6). Generally, Mr. Chairman, in a cost regime both parties have motivation to try to settle their dispute outside the courtroom. If costs cannot be awarded, there is the perception that there is nothing for either party to lose if the case has to go to court for a final ruling. So it's the prospect of facing court costs that forces many litigants to settle. The cost regime encourages parties to litigation in Alberta to have direct input into resolving their disputes. This is consistent with a variety of dispute resolution programs such as judicial dispute resolution and mediation.

So Bill 25 is consistent with the general cost regime in Alberta. The costs follow the cause. It is fair, and the courts have the discretion in the appropriate circumstances to waive the payment of costs if the litigants can show that the awarding of costs would be unfair to them.

I encourage all members of this House to support Bill 25 as it is currently written.

Ms Carlson: Well, Mr. Chairman, we support Bill 25, but we certainly don't support the explanation for legitimizing the costs that we just heard from that particular member.

Mr. Rathgeber: You didn't understand it.

Ms Carlson: Well, I did understand it, maybe not so honourable member. In fact, what I saw was a justification for a government that has very deep pockets to be able to push anybody in a class action suit against them into a corner where they're forced to settle rather than go to court. That's what I saw was the justification for your getting your own way.

What would be wrong with the province of Alberta coming up with a novel idea? Oh, excuse me; they would have to be able to think of a novel idea, of a way to be able to explain this, as other provinces and other jurisdictions have, like Quebec and Ontario. So we don't think that your explanation for the justification of having to have a cost structure like we see here is reasonable. There's been lots of work done on class action proceedings acts by other jurisdictions, as you pointed out, that have very good points about them and very good options. If you can't come up with a bright idea on your own, you could cherry-pick from other places and put one together. We could help you with that if you needed the help. You could take an idea that we could come up with like we have in other areas, and we'd be happy to do that because it would improve the legislation. Given this particular sponsor's record in this House, that's not likely

to happen. So we'll hold our nose and vote for this bill because most of it . . . [interjection] I haven't even got started yet. We don't have that much time. It's late. I'll save it for another bill, I think, perhaps the FOIP bill.

So we will hold our nose and vote for this one because overall the legislation is good, although certainly it's going to be potentially expensive, which will definitely put a damper on some proceedings going forward.

[The clauses of Bill 25 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 35 Tobacco Tax Amendment Act, 2003

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? Hon. Member for Calgary-Fort, are you rising to speak?

Mr. Cao: Yes. Mr. Chairman, it is my pleasure to speak this evening on Bill 35, the Tobacco Tax Amendment Act, 2003. I would also like to offer my sincere thanks to all the hon. members who offered comments during second reading of this bill.

At this time, Mr. Chairman, I would like to table and move the following amendment to the bill.

The Deputy Chair: Hon. member, just hold on for a minute, please. Hon. members, we shall refer to this amendment as amendment A1. Hon. Member for Calgary-Fort, you may proceed.

Mr. Cao: Thank you, Mr. Chairman. I believe my colleagues in the opposition were consulted in regard to this amendment earlier today. I would like to ask that the table please distribute it now.

Mr. Chairman, this amendment is simple, a minor technical change in order to update our legislation to the Canada Excise Tax Act. This amendment will provide continuity for the Alberta Tobacco Tax Act and the Canada Excise Tax Act, and for that I thank you.

11:00

Ms Carlson: Well, Mr. Chairman, on the amendment I guess we're going to have to take the hon. member's word for it that people were consulted because no information was shared on this side of the House. So what can we say about this amendment? It looks simple enough, and if you're stating that it's just putting it in line with other regulations, then I guess we're going to support it.

The Deputy Chair: Are you ready for the vote on this amendment?

Mr. Cao: I want to call the question on this amendment.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie on the amendment?

Ms Carlson: On the bill.

The Deputy Chair: Well, we haven't had a vote on the amendment as yet.

[Motion on amendment A1 carried]

The Deputy Chair: On the bill now, hon. Member for Edmonton-Ellerslie.

Ms Carlson: I'm hoping the sponsor will answer some of the questions that were raised by members in second reading.

The Deputy Chair: The hon. Member for Calgary-Fort.

Mr. Cao: Thank you. Well, as we look at the time, it's late, but I will continue on. I'm proud to have the opportunity to bring forth an act that will further discourage smoking and make Alberta a healthier province in which to live. All indications are that my colleagues in the Legislature regardless of their political affiliation are also keen to see Bill 35 proclaimed. For that, I thank you, but there are a few questions that the hon. member of the opposition raised during second reading and wants me to address today, so I am pleased to respond to each of them.

The Member for Edmonton-Ellerslie asked why a section of the Tobacco Tax Act had not yet been proclaimed into law and what the delay might be. The section of the Tobacco Tax Act that has not been proclaimed related to a limitation on possession of any tobacco, however much. It will be proclaimed in force when the regulations are passed that provide for possession of larger amounts for legitimate reasons. The decision was made to hold those regulation amendments and put them in place at the same time as the amendments relating to Bill 35 are done.

The hon. Member for Edmonton-Ellerslie also wanted to know how the changes proposed in Bill 35 affect unproclaimed changes that are currently on the record and what guarantees Albertans have that the changes proposed in the bill will eventually become law. I'm very pleased to report that there will be no impact on the unproclaimed changes and that all of the amendments will be proclaimed later this year.

There was also a question about how 200 grams was chosen as a new limit and how current practices might change. The new legislation mirrors the exemption from payment of taxes upon importation found in the federal legislation. It was necessary for us to put the same 200-gram limit in place in order to obtain agreement from the federal government to collect the taxes at the border. The impact of the change is that the tax will be collected at the border.

The hon. Member for Edmonton-Ellerslie also discussed the tobacco tax that was put in place in 2002 and mentioned that 1.5 million more dollars had been allocated at the time for increased enforcement. The member wanted to know why today's amendments weren't just put into place at that time instead. Bill 35 closes a loophole by which tax can be legally avoided at the duty-free stores. It also assists the enforcement effort by providing a better paper trail for tax-free purchases. It does not eliminate the need for enforcement to protect against tobacco smuggling and importation of counterfeit tobacco.

On a similar note, the member also wanted to know whether the changes proposed to this bill would save money with respect to enforcement costs. There is not expected to be any savings in the enforcement costs. The benefit of Bill 35 is to close the loopholes that allowed for tax to be avoided. We expect the changes to improve enforcement capability but not eliminate the need for it. The cost of cigarettes is still substantially higher than it was prior to Budget 2002. The cost is not going to be reduced. As a result, there

will be some trying to beat the system. Enforcement includes recognizing and responding to changing patterns of abuse on an ongoing basis, a key component to ensuring the tax collection system is effective.

There was also the question of why section 7 doesn't come into force with the rest of the act, why we would prefer an earlier date and suddenly the earlier the better. The federal government requires significant lead time in order to implement the collection of Alberta tobacco tax at the border, so September 1 is the earliest possible time for the Canada Customs and Revenue Agency to begin the new collection method. As for co-operation with the federal government I am pleased to tell you that a proposed agreement with CCRA has already been reached and that we look forward to working with CCRA.

The last question from the hon. Member for Edmonton-Ellerslie had to do with the collection of taxes and how that will affect companies like FedEx and Purolator, who are now making deliveries. There was also a question about NAFTA and whether there were any problems in that regard. The tax will be collected from the couriers at the Canadian border, and this is part of the proposed agreement with the CCRA. There is nothing in Bill 35 that violates any provision of NAFTA.

I would also like to respond to a few questions from the Member for Edmonton-Highlands, who was interested in knowing how government would enforce the collection of taxes on tobacco coming into Alberta from Saskatchewan and B.C. since there are no customs locations at the border. In the interest of fairness we included provisions for a levy of tax on tobacco coming across provincial borders as well as tobacco coming across the border from the U.S. Tobacco coming from the other provinces is marked differently, and this helps enforcement to identify cases where it is coming into Alberta from other provinces. Of course, enforcement cannot track down all tobacco coming from other provinces, but consumers are by law required to remit Alberta tobacco taxes on any amount of tobacco above the maximum allowable quantities that are purchased in the other provinces.

The hon. member also noted the importation of tobacco through mail and the use of postal agents. The member was curious about how government could enforce this in a practical way. Canada Post is a subagent of CCRA and will collect tax on any tobacco being brought into Canada from the U.S. through the mail. Meanwhile, the movement of tobacco within Canada through the mail is illegal under federal legislation, and Canada Post will reject packages that contain tobacco.

Finally, the hon. Member for Edmonton-Highlands also talked at some length about harmonizing tobacco taxes in this country and developing a co-operative approach. Alberta does co-operate with other provinces and with the federal government on a host of tobacco issues such as tobacco marketing, regulation, and enforcement. Of course, we look forward to continue working in this area just as we look forward to moving Bill 35 forward.

With that, thank you, and I ask for the question.

11:10

Ms Carlson: Well, Mr. Chairman, the hon. member did such a good job of answering all our questions, what can I do but ask for the question.

[The clauses of Bill 35 as amended agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 26

Corrections Amendment Act, 2003

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. It is a pleasure to rise at this early hour and speak to Bill 26, the Corrections Amendment Act, 2003, in Committee of the Whole. This is one of those bills that, although it isn't long, will have a huge impact on what is happening in our prisons, and in some respects I have to agree with the bill. One of the purposes of this bill is certainly to provide better protection for inmates and for guards and as well to protect these people against intimidations, assault, and blood-borne diseases like HIV in prisons. So from that respect and that point of view I certainly like the bill, but at the same time I think that from what I see in the bill, it is unlikely to happen.

This bill does fail to address some areas. Certainly, when we're looking at these recommendations – and we do want to provide a much safer environment for inmates and guards in prison – then we have to consider this whole idea that when we do have drug addicts in prison, they are going to get their drugs in prison. If we wish to stop the spread of HIV and other diseases that are associated with blood exchange between people, then certainly there must be a needle exchange, and I don't see anywhere in Bill 26 where this provision is made. Certainly, it is one of those where although we don't agree with the use of drugs, we have to be realistic in realizing that people with drug dependency that do go to prison are not going to stop immediately. So this would be one way that we can make prisons safer.

Another, certainly, is to provide bleach kits for inmates that continue to have a drug problem, and once again this is a proactive step. It is a step that will certainly stop the spread of those diseases that are transmitted back and forth with the use of shared needles, and that is definitely one of the things that we have to do, particularly when we have inmates in this situation. We also in the bill don't address the issue of programs that are going to assist inmates in curing drug addiction. So in those respects I think the bill falls short.

Now, as well, in looking at the sections of the bill and particularly section 2(i), it indicates that alcohol in this situation is going to be an illicit drug. Certainly, again, there is an inconsistency when we sell alcohol outside prisons, yet inside prisons we are going to make it an illicit drug. So I do have some concerns with this particular provision.

Now, as well, section 4 brings in the conditions for drug testing programs, and certainly under section 14.1 the wording of this particular section does give me quite a bit of concern. I think that with the present wording we have under section 14.1, the illicit-drug testing programs could lead to a potential Charter challenge by the way we seem to have this awkward reading that tries to go around the fact that even inmates have rights in prison.

The second part, 14.2(1), is a good idea because the idea of a random drug test isn't a bad idea, and I think that in this particular situation it is good. I still have the concern that while this is a much more reasonable section of this particular bill compared to 14.1, I think that we have to do some work on 14.1 to tighten up that particular section.

Section 5 deals with punishment, and the larger part of this provision states that when a disciplinary board is considering punishment, they must consider “imposing the loss of earned remission.” This provision, Mr. Chairman, also says that regardless of whether they are alleged to have committed an offence or not or whether they’ve been charged or not, inmates are still subject to internal disciplinary action. I certainly have some questions in regard to this. It would seem to me that this sets up a separate judicial system within the prison. If inmates can be charged and punished, why is it that we are still proceeding with this provision? So I do have some concerns there.

Section 6 allows the Lieutenant Governor in Council to make regulations regarding the inmates to submit to “searches, illicit-drug tests and illicit-drug testing programs.” This section also gives the Lieutenant Governor the power to list illicit substances and to set out regulations regarding illicit drug tests and testing programs.

I have a few questions in regard to this particular section. Why can’t we have the testing program provisions in the act out in the open and move them away from the regulations? How far can the government go in listing illicit substances? Again, we had the example earlier of how alcohol in this particular bill is listed as an illicit substance, yet at the same time as a province and as a government we are involved in the sale of liquor. There’s an inconsistency here.

11:20

So with those few concerns, Mr. Chairman, I will take my seat and certainly listen to any comments other members may have on this particular bill. Thank you.

[The clauses of Bill 26 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I’d move that the committee rise and report bills 23, 24, 25, 35, and 26.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following: Bill 23, Bill 25, and Bill 26. The committee reports the following with some amendments: Bill 24 and Bill 35. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Acting Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. There are some members calling for us to go on to third reading, but I think I’ll move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 11:24 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, April 30, 2003**

1:30 p.m.

Date: 2003/04/30

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon and welcome.

Let us pray. O Lord, guide us in all of our deliberations and debate that we may determine courses of action which will be to the enduring benefit of our province of Alberta. Amen.

Please be seated.

head: **Introduction of Visitors**

Mr. Jonson: Mr. Speaker, I'm pleased to introduce to you and through you to members of the Assembly Mrs. Binarti Sumirat, consul general of the Republic of Indonesia. She is accompanied today by Bebeb Djundjungan, vice-consul of the Republic of Indonesia.

The consul general represents the world's most populous Islamic nation and the fourth most populous country in the world. Indonesia is also a large export market for Alberta. Our province has strong links to Indonesia's oil and gas sector. Those links go far beyond trade as well. In 2001, for example, Indonesian culture was on display at Klondike Days here in Edmonton. Through the Wild Rose Foundation Alberta helped establish a blood bank in Indonesia and helped small business operators through microloans.

I would ask that our honoured guests please rise and receive the traditional warm welcome of this Assembly.

head: **Introduction of Guests**

The Speaker: The hon. the Premier.

Mr. Klein: Thank you, Mr. Speaker. I'm pleased to introduce today to you and through you to members of the Assembly 53 participants in the Forum for Young Albertans. These are students from a number of high schools across the province who are spending the week learning about the Legislature and the inner workings of government. They have met with several members of the Assembly, and earlier this week they visited the Court of Queen's Bench to see the judicial system firsthand. On Friday they'll be holding a model parliament here in this Chamber.

Mr. Speaker, for more than 20 years the Forum for Young Albertans has been bringing young people from across the province together for these kinds of educational experiences. It provides an excellent opportunity for Alberta's future leaders to get up close and personal with their government and to learn more about the traditions and procedures of this Assembly. Who knows? Amongst these students may be some of Alberta's future MLAs.

Now, I would ask that our honoured guests – and I believe they're in the public gallery – rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Minister of Aboriginal Affairs and Northern Development.

Ms Calahasen: Thank you, Mr. Speaker. Today it's a great pleasure for me to introduce to you and to the Members of the Legislative Assembly a very special person who I haven't seen for a while but who is very active in the community of High Prairie. She's here today passing through, and I just happened to see that she's sitting

in the members' gallery. Her name is Irene Salisbury. She sits on a number of boards, the citizens appeal board and the Students Finance Board, and she's always one of those individuals who likes to listen to all sides and is very fair in whatever she does. So I'd like her to stand and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Speaker. Today I'm very pleased to introduce to you and through you to members of the Assembly two classes of grade 6 students from St. Patrick community school in Red Deer. These students are enthusiastic, very bright, and are in awe of the beauty of the architecture of this beautiful building. They are accompanied by their teachers, Irene Pickle, Gayle Currie, Rachel Letts-Trentham, Teresa Ruffle, and parent helpers Charleen Pfeil, Glenda Malsbury, and Yolanda Richards. They are seated in the members' gallery, and I would ask them all to rise to receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Calgary-East.

Mr. Amery: Thank you, Mr. Speaker. It's indeed a pleasure to rise today and introduce to you and through you to members of the Assembly 32 visitors from Bob Edwards junior high school in the community of Marlborough in the constituency of Calgary-East. We have 27 bright and intelligent students and five adults. The adults are their teacher, Mr. David Siemens, and the assistant principal, Ms Michelle Wills, and parent helpers Margaret Moen, Lori Stark, and Leonard Sieben. They're seated in the public gallery. I would ask them to rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you. Mr. Speaker, I don't know if my guests have arrived or not, but I understand that Orest Porayko is here with a visitor as well, and if they're present, I'd sure like to welcome them to the Assembly and ask them to stand and receive the warm welcome of all members here.

head: **Oral Question Period**

The Speaker: First Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Energy Deregulation

Mr. MacDonald: Thank you, Mr. Speaker. Letters, faxes, phone calls, e-mails, and the first of many town hall meetings, last night in Camrose organized by the Official Opposition, have shown that this government's botched deregulation scheme has left Albertans broke, confused, frustrated, and angry. Larry Grenier, an Albertan whose utility bills have more than doubled, stated, quote: I'm really disappointed living in Alberta. To me it's no longer anything great. It's not an advantage at all. End of quote. My first question is to the Premier. Why is it government policy to wait until an election to provide Albertans relief from high utility costs?

Mr. Klein: Mr. Speaker, I don't believe that Albertans feel that they are broke and frustrated and angry. As a matter of fact, when I go out and about in this province, I find that people are reasonably pleased. Yesterday I had the opportunity of being in Crowsnest Pass to celebrate the 100th anniversary of the Frank tragedy, the Frank slide, and there wasn't one complaint.

Now, I can understand that people will complain at a Liberal-organized forum. They go out and they advertise and they say: anyone with a complaint, please come out to the forum. Naturally, you know, there are about 30 percent of the people in this province who are unhappy, and they won't vote for us, the Conservatives. They'll vote for either the NDs or the Liberals, and that's a known fact, but we have to as a government pay attention to the majority and do what is in the best interests of the majority.

Relative to electricity and utility costs we do the best we can to make sure that laws are in place through corporate and consumer affairs, through the Department of Energy, through the Energy and Utilities Board to make sure that the citizens of this province are being treated fairly. In addition to that and relative to natural gas, Mr. Speaker, we put in a program where based on a yearly average, a rebate will kick in when the price on average reaches \$5.50 a gigajoule.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the Premier: given that most Albertans can no longer afford to wait for the low energy prices that this government promised, when will energy deregulation kick in for the benefit of all consumers in this province?

Mr. Klein: Mr. Speaker, it has in some regions already. I can tell the hon. member that more power production has come onstream. We see more competition at the retail level, and over time as competition and more power come onstream – and hopefully we aren't hampered by the Kyoto protocol relative to our ability to generate more power through the use of coal – the price, naturally, will come down.

1:40

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the Premier: can the Premier please explain why this government still blindly pursues energy deregulation when it has destroyed the economic advantage Albertans used to enjoy?

Mr. Klein: Mr. Speaker, I'm going to have the Minister of Economic Development supplement my answer. We have not in any way, shape, or form destroyed the Alberta advantage. As a matter of fact, people are coming to this province in droves. We still have one of the lowest, if not the lowest, unemployment rates in the country. We're the only province without a multitude of taxes such as sales tax, payroll tax, capital tax. We have the lowest corporate and business tax rate in the country. We have the lowest personal tax rate in the country. People – that is, the majority of people – say to me: am I ever happy that I moved to Alberta. These are people from all across the country.

The Speaker: Second Official Opposition main question. The hon. Member for Edmonton-Riverview.

Holy Cross Hospital

Dr. Taft: Thank you, Mr. Speaker. My questions are to the Minister of Human Resources and Employment. Since charges were laid against the owners of the Holy Cross hospital in December, have any further violations been reported by occupational health and safety officers at the Holy Cross site?

Mr. Dunford: I don't have any information in front of me, and if the hon. member does, certainly if he wishes to send it over, I'd be glad to look into it.

Dr. Taft: Is the minister aware of public health or workplace hazards other than asbestos at the former Holy Cross hospital?

Mr. Dunford: Same answer.

Dr. Taft: Okay. We'll try a different approach. To the same minister: given that occupational health and safety officers have been at the Holy Cross for two years, can the minister assure Calgarians and all Albertans that the Holy Cross is a safe environment?

Mr. Dunford: Well, it puts me in a difficult situation, of course, to try to answer that when the hon. member knows very well that an investigation is ongoing, and of course who knows the outcome of that investigation? So it's very clever of him, but I'm not in a position to respond.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Postsecondary Education Funding

Dr. Massey: Thank you, Mr. Speaker. The TD Bank report identified weaknesses in Alberta's education system, and a recent study by the students' union at the University of Alberta may help explain why that weakness exists. My first question is to the Minister of Learning. Why in constant dollars has there been an average \$2,000 drop in per student operating grants at our two biggest research universities over this last decade?

Dr. Oberg: Mr. Speaker, back in 1993-94 there was approximately a 19 to 20 percent decrease in the amount of dollars that were given to the postsecondary institutions. For those of us who were in the Legislative Assembly and for those of us who lived in Alberta at that time, obviously we had a problem with the deficit. There were numerous departments that showed a significant decrease in the amount of dollars that they received. Since 1995 the dollar amounts that have gone to postsecondary education from, first of all, the minister of advanced education and, secondly, from myself as the Minister of Learning have increased quite dramatically. As a matter of fact, at the University of Alberta over the last three years the increase has been in the range of 12 to 15 percent.

So we fully recognize that there was the decrease at that time, in the '93-94 era. We are continuing to put dollars back into the postsecondary system, Mr. Speaker. This year alone there was around 4.2, 4.3 percent that went back into the postsecondary system. This is money, from my point of view, that is extremely, extremely well spent.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister: given the TD report, what is the government doing to avoid the cuts in staff and in service that are being proposed at these two major universities?

Dr. Oberg: Well, it's interesting, Mr. Speaker. Today in a couple of the papers there was an article about the arts department at the University of Calgary, I believe it was, that was going to have to decrease \$5 million. What in actual fact happened is they were given instructions to decrease 2 and a half million dollars from their wish

list. This was not a \$5 million decrease in their department.

We continue to fund the universities. We continue to put as much money as possible into the universities because, as I say again, I do believe that money in the postsecondary system is money that is extremely well spent.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister: does the minister see any relationship between the Learning department budget and the \$10.5 million cuts being proposed at the University of Alberta?

Dr. Oberg: Well, Mr. Speaker, again I'll reiterate. There has been approximately a 12 to 15 percent increase in the University of Alberta over the past three to four years. One of the other things that you must remember is that included in my budget is a 2 percent increase that is yet to be allocated. There is \$10 million for the performance fund, and there's another \$10 million for the access fund. Those are dollars that have yet to be allocated to the system. The University of Alberta from time to time goes through looking in their particular organization for efficiencies, and that's one of the situations that has happened here now. Again, I feel that it's important enough that I will reiterate for the third time that money in postsecondary education is money that is extremely well spent.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Edmonton-Manning.

Toxic Mold in Foothills Medical Centre

Dr. Pannu: Thank you, Mr. Speaker. The first documented complaint of mold contamination in the renal dialysis unit at Calgary's Foothills hospital was made over six months ago. Since then, 62 out of about 100 staff who work in this unit have been exhibiting symptoms consistent with toxic mold contamination. After months of foot-dragging the first independent testing for mold contamination is finally taking place this week. Contrast that to the swift action taken by the Minister of Children's Services. She moved staff out of the Hunterhorn facility in Calgary shortly after the possibility of mold contamination was first suspected. To the Minister of Health and Wellness: why has the Calgary health region been allowed to stonewall for months on repeated requests for an investigation into mold contamination at the Foothills when Children's Services took immediate action to protect its staff and clients in similar circumstances?

Mr. Mar: Mr. Speaker, the reality is that mold exists. It is naturally occurring, and in fact the levels outside, the natural environment, tested higher for the presence of mold than within the Foothills medical centre.

Mr. Speaker, I'm here today to say that Albertans should have confidence in their health care system, and furthermore when a problem arises, Albertans should have confidence that the right steps are being taken in order to correct it. I've stood in this House; I've answered questions from the hon. Member for Edmonton-Riverview, from the hon. Member for Edmonton-Strathcona. I did that yesterday. I spent two hours yesterday afternoon answering questions in estimates. I'm happy to stand here to answer questions today, tomorrow, and for every single day of this session if necessary in order to make sure that Albertans know what the score is and what's happening with the Calgary health region and the Foothills hospital.

Now, Mr. Speaker, the Calgary region responded to an incident and took remedial action. The amount of mold that was present was below the levels prescribed as being dangerous by Health Canada, not our standards but by Health Canada. In the expert medical opinion of Dr. Thomas Louie, who is the medical director of infection control and prevention for the regional health authority, the facility is safe. The hon. member may be a doctor, but he is not a physician who is qualified to replace and displace the expert medical opinion of Dr. Louie with respect to the safety of the Foothills facility. I can assure the hon. member and all Albertans that Dr. Louie and members of the regional health authority are concerned about ensuring the safety of patients and staff.

When the mold was discovered, remedial action was taken. The mold occurred because of construction that was taking place and some leaking of water. Now, the mold was found in the drywall, in cabinetry and sinks in one of the units at the facility. Those things were removed forthwith. They did more than they were required to do, and it ought not be within the needs of this member to make a political issue out of what really amounted to the right steps being taken by the regional health authority to ensure the safety of staff and patients at that facility.

1:50

Dr. Pannu: Will this minister explain why he failed to act with the same promptness as the Children's Services minister, who took decisive action to relocate staff and clients from a children's facility that was suspected of mold contamination? The question is of promptness. Would you explain that, Mr. Minister?

Mr. Mar: Mr. Speaker, it is not the responsibility of the minister of health to review incident reports on every issue that turn out to be a nonthreat to the health of patients and staff at the Foothills hospital. I reiterate that the regional health authority has a process in place to respond to incidents appropriately. It would be untenable for the operation of any organization the size of the Department of Health and Wellness and regional health authorities for every incident of a nonthreatening nature to be reviewed by me. That's simply not an appropriate role for the minister of health.

Again I repeat: it is not appropriate for the hon. Member for Edmonton-Strathcona to try and displace the expert opinion of an expert on matters of infection control and prevention. It ought not be his responsibility to try and displace an expert opinion in that regard.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. A final question to the same minister: why did it take the threat of legal action from the United Nurses of Alberta's solicitors to finally get the Calgary health region and this minister to take more contamination problems at the Foothills seriously?

Mr. Mar: Mr. Speaker, at all steps the regional health authority has been completely transparent with the United Nurses of Alberta and AUPE members who expressed concerns about this. When this first arose in October of last year, remedial steps were taken, new tests were taken. It was again found that with the exception of one case, all of the mold levels were below the standards established by Health Canada. In the one case where the mold was above that standard, it was found in an area that was in a ceiling area that was subject to negative air pressure, meaning that the mold was contained in that particular area. In the best advice of Dr. Louie it was best to leave that mold there rather than disturb it and allow it to migrate into the balance of the unit.

So the regional health authority has worked with its staff members. It has been completely candid and open about the remedial actions that have been taken. It has been completely open and transparent about the risk which resulted as a result of this, and they assessed the risk to be very low. All the right steps have been taken, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Manning, followed by the hon. Member for Edmonton-Riverview.

Education Property Taxes

Mr. Vandermeer: Thank you, Mr. Speaker. It was my understanding that the portion of education property taxes collected by municipalities, then sent on to the provincial government was at one time capped at \$1.2 billion with the intent to eventually eliminate the provincial portion of property taxes altogether, giving municipalities more flexibility on how much taxes they may collect. For the last two years that cap has been removed, and provincial revenues have increased because of this. My first question is to the Minister of Finance. Is it still the intent of this government to eventually eliminate the provincial portion of the property taxes dedicated to education?

Mrs. Nelson: Well, Mr. Speaker, we made a decision in 1994 in this government to collect school property taxes across the province so that every child no matter where they lived in Alberta would have the same benefit of dollars to go into education to provide an equal education from north to south to east to west. I think that was a very good decision for the children and for the school districts that were having difficulty. The use of the property assessment has been a good stable basis for providing a vehicle to collect a property school tax formula.

In putting that framework together, there has been an ongoing debate as to how much of the school tax should be levied at the property level. With the cap on the mill rate that we've put in place at 8 percent, we've seen that portion move from being almost a 50-50 split to something less than that so that the school property assessment makes up roughly 35, 36 percent today. In fact, it means in the city of Edmonton, as an example, Mr. Speaker, that it is estimated that the Edmonton school boards will receive about \$638 million in education funding. From the school property assessment they will receive \$235 million, so they'll receive 2 to 1 on their education. So \$235 million would come from the school property assessment side of the equation, and the balance would come from the general revenue fund.

To make a move, Mr. Speaker – and this is important – to move away from that type of program, you would have to replace that revenue in some other form of taxation. It's not a matter of getting rid of it; it's a matter of: where does it fit best in our assessment? At this point we have found that the property is the most stable vehicle for collecting that tax.

Mr. Vandermeer: My first supplemental is to the Minister of Municipal Affairs. Given that it has been said that the only way taxes are going is down in Alberta, why have you allowed for a tax increase for property owners?

The Speaker: The hon. minister.

Mr. Boutilier: Well, thank you very much. Let me reiterate this to put it in perspective. In the city of Edmonton, a city that was recognized as the most growing city in Canada, this year in education property taxes we will collect \$235 million for the province.

The city of Edmonton will receive over \$638 million because we believe in this province that we need the necessary funds to educate our children to make it the great province that it is, and in doing so, we want to continue to do that.

What I'm also proud to say, though, is that we do have a formula in place to mitigate any jolts in the system, and I truly do believe that people in this province believe that we need to fund our education system in a very, very important way. You may not be aware, but, members of the Assembly, what we collect in education property taxes in municipalities makes up about one-third of the total fund of education funding.

Mr. Vandermeer: My second supplemental question is to the Minister of Seniors. What are you doing for seniors on low fixed incomes who are negatively affected by increases in their property taxes?

The Speaker: The hon. minister.

Mr. Woloshyn: Thank you, Mr. Speaker. People on fixed incomes, including seniors, have unfortunately been facing increasing costs in rent and property tax and utilities and food and health care products and transportation and the list goes on and on. We have a very good program for the lower end seniors. My concerns are with people in the mid area.

With respect to property taxes specifically I hope to be entering into discussions with the AUMA and the AAMD and C and others to see if we can devise some sort of program that will at least stabilize or make the property taxes predictable when the seniors enter into that time of life that's marked by the age of 65.

Persons with Developmental Disabilities Program

Dr. Taft: Mr. Speaker, according to financial statements from the Persons with Developmental Disabilities Provincial Board, PDD achieved a marginal surplus last year thanks to "managing uptake of new individuals," "implementing across-the-board reductions to all programs," and "instituting other discretionary cuts." These phrases are government-speak for limiting access and cutting programs and services. My questions are to the Minister of Community Development. Given that this year's increase in PDD funding is comparable to last year's, how can the minister assure disabled Albertans and their families that they won't be faced with another year of cuts and program cancellations?

2:00

Mr. Zwozdesky: Well, Mr. Speaker, any reference to cuts or program cancellations is rather false, and I take some exception to that. If there are some specific cases where some of the agencies providing these services have decided to move on or reduce their load or whatever, that's a separate matter. I can tell you that during the three budgets that I've been privileged to work with for PDD, we've seen increases of 8 percent, 8 percent, and this year it's about 8 or 9 percent again. It provides for ample dollars through our community agencies who hire their own people to provide outstanding services for over 8,000 individuals whom we refer to as persons with developmental disabilities. We're very proud of that record because this is a needs-based, demand-driven program. For those individuals who cannot do for themselves, we're very proud to help them out, and we will continue doing that to the very best of our abilities.

Dr. Taft: Well, if funding for PDD is adequate and, indeed, in the

minister's words "ample" and if management is appropriate, how does the minister explain that there are individuals in Edmonton and Calgary waiting anywhere from five months to over a year for PDD services?

Mr. Zwozdesky: Mr. Speaker, the answer is that there is an intake assessment process, which is extremely thorough and geared to each individual's particular case and each individual's circumstances. I want to make it very clear that those individuals who are the highest priority, who might be at risk for health, safety, or other concerns, are dealt with first and, generally speaking, immediately, and I'm talking within days. There might be others who are not in as dire a circumstance who might be waiting a short period of time, but in fairness to that question those individuals are also being taken in faster, and the additional moneys, \$30 million to \$40 million more that we've added this year, will help speed up that process as well.

Dr. Taft: Can the minister explain why spending last year on PDD administration and governance grew faster than funding for programs in direct operations?

Mr. Zwozdesky: Well, Mr. Speaker, let's be clear that when we're talking about administration, we're talking, by and large, about administration that is carried out mostly by volunteer, not-for-profit organizations, organizations like Goodwill and Robin Hood, Winnifred Stewart, and other organizations like that. So administration costs are really at the local level.

The member has raised an interesting question, because I myself have looked into some of the admin costs. Quite frankly, I can tell the House that there are some agencies that operate with about a 15 percent administration overhead, and there are some that are up over 30 and 40 percent. Now, it's not that simple or that clear cut, because we have to remember that we're dealing with human beings who have very specific needs, and they will vary, Mr. Speaker, from person to person. So it does take some additional administration for those who are in the higher level needs area than those who are at the lower end of the needs equation.

The short answer to the whole issue is that there has been much more money provided again this year to specifically address the needs of those individuals who are in those circumstances and need the help the most, and we're very proud of what we're doing there.

The Speaker: The hon. Member for Airdrie-Rocky View, followed by the hon. Member for Edmonton-Glengarry.

Alberta Film and Television Industry

Ms Haley: Thank you very much, Mr. Speaker. Recently the Alberta film community heard very disturbing news regarding the Canadian television fund and that cuts of \$25 million to the funding level will mean the end of many Canadian and Alberta television shows and series. I was wondering if the Minister of Community Development could possibly tell us what the anticipated impact on the Alberta film and television industry may be from these cuts.

Mr. Zwozdesky: Well, Mr. Speaker, the film and television industry in this province is alive and well and has just enjoyed an increase in its budget as well. However, the federal government's recent move to reduce the Canadian television fund income by about \$25 million courtesy of the federal government will have a devastating impact on our television programs that are created here in the province. In fact, from conversations with the Alberta Motion Picture Industries Association as well as with individual film producers I can tell you

that six out of seven films for television which were to have been created in this province will likely not go ahead; in fact, it's almost certain that they won't. That will further translate into a huge loss to the industry while we as a province are trying so hard to bolster it. So, in short, it will have a devastating effect on films for television such as *100 Days in the Jungle*, which people will remember as the story of Edmonton oil workers who were abducted down south, and other excellent documentary films similar to that.

Ms Haley: In light of your answer, Minister, what are you doing to ensure that the Alberta film industry is not unfairly impacted by these cuts?

Mr. Zwozdesky: Well, Mr. Speaker, I have written to the minister at the federal level, the Minister of Canadian Heritage, and asked for a review of this decision, possibly a rescindment of the decision, reinstatement of the funds so that this important industry not only in our province but throughout the great Dominion of Canada can be bolstered to the levels that it's been enjoying. I know that in the province of Alberta through grants that we provide for film development, we've seen activity directly connected to that investment in excess of \$70 million. This withdrawal of federal funds for television programs will likely have an impact of a loss of about \$20 million in terms of jobs and wages and creative services. That includes about a \$10 million impact to the hotel industry and the food industry and related industries. So I have already written to that minister, and I hope to speak with her about this very shortly, try to get her to change that decision so that our film industry in this province can continue with the great support that it needs and as a bolstering of our national identity in the process.

Ms Haley: My last question, Mr. Speaker, is to the Minister of Economic Development. Given that the Film Commission is under his department's responsibility, I'm wondering if he has any idea what our film commissioner or the Film Commission in total would be doing to help market our product better so that the impact of the federal cut is less severe on Alberta film producers.

Mr. Norris: Well, I'd like to thank the hon. member for that great question. We are doing a number of things, Mr. Speaker. At the outset this industry has had some challenges, to be sure, and this federal government decision is yet another challenge. To that end, we've written the Minister of Finance, the Hon. John Manley, asking him to reconsider that decision immediately.

Our Film Commission is now focused on getting out the message about Alberta producers and Alberta backlots. The industry calls it God's backlot because of the remarkable opportunities throughout Alberta, from Drumheller to Crowsnest Pass to the mountains to the beautiful Cold Lake area. So our commission is now traveling around the world to various shows, certainly the one coming up in Banff that we're hosting, and there's another one in Paris that's going to be attended. This is where the industry gets together and says: "What are the opportunities? What can we do?" We have to be there as Alberta, first and foremost, to let them know what the opportunities are, and under our department and our commission we are doing that.

We can obviously do a lot more, but it's a very easy thing to sell because, clearly, Alberta is a remarkable backlot. We have great producers and great directors, and the number of projects that have been done here is second to none, so we're going to keep working on it, understanding the challenges.

Thanks.

Lethbridge County Airport

Mr. Bonner: Mr. Speaker, since September 2001 Lethbridge airport's port of entry status has been suspended. This has resulted in a devastating economic impact on the community. Regional, national, and international corporations are feeling the pinch as a result of the cost to the community of Lethbridge, and this easily reaches into the millions of dollars every year. To the Minister of Transportation: what is the minister doing to resolve this transportation crisis?

Mr. Stelmach: Mr. Speaker, we have made numerous, numerous contacts with the federal minister, actually with a number of federal ministers, not only the minister responsible for treasury but transportation as well, security. We've looked at all kinds of ways of creating some resolution to the problem over a period of time, but the most important thing is that even with the council of western transportation ministers, all four western provinces, getting together and having a joint submission, the federal government still hasn't come forward with at least a reasonable response and at least telling us where the \$24 that originally was taken – every person that got on a plane to fly even from Vancouver to Alberta paid \$24 as a security fee, creating a billion dollar fund, and nobody knows where this money is going. When we get that answer, I'll be glad to transfer and communicate that response to the hon. member.

2:10

The Speaker: The hon. Minister of Learning to supplement.

Dr. Oberg: Thank you very much, Mr. Speaker. In my capacity as minister responsible for immigration I have also taken this task forward to the minister responsible for customs and immigration. As a matter of fact, I hand delivered a note from the county of Lethbridge to Minister Denis Coderre, who is responsible for customs and immigration. I gave him that letter from the county back in October of last year. The federal government has certainly been made aware of the issue, and to date we have not received any answer back on this.

Mr. Bonner: Mr. Speaker, to the minister of intergovernmental affairs: what has the minister done to get Lethbridge airport's port of entry status reinstated?

Mr. Jonson: Mr. Speaker, as indicated, we have certainly added our voice through our department to the whole matter of getting the status for the Lethbridge airport changed. The ministers involved have been contacted. There have been meetings with them. It's my understanding that recently one of the ministers, in fact, was in the area of southern Alberta and had some discussions. However, I have to admit that to this point in time we've only had very general responses, which would indicate that they are reviewing the situation. Certainly, this decision is one that is long overdue, and we should have that airport situation resolved.

Mr. Bonner: To the Minister of Economic Development: what is this minister doing to alleviate the effects of this crisis on the corporations who are affected in southern Alberta?

Mr. Norris: Well, obviously, air access is crucial to any economy. We have been working with the Minister of Transportation. We have also written to the federal minister responsible for the security tax that the minister referred to. I guess what we're looking at in general is air access throughout the province as an economic

development initiative to understand and have an inventory, if you will, of where those points of entry are. The city of Red Deer is now attempting to get that same status, so we work together with the Minister of Transportation and our federal counterparts under the Transportation department, who have the key influence in that.

I have to say that the good people of Lethbridge and the MLA for that particular riding have been tireless about bringing this matter to our attention, and we're going to continue on it until the federal government relents and gets it back to where it should be.

The Speaker: The hon. Member for Lac La Biche-St. Paul, followed by the hon. Member for Edmonton-Centre.

Centennial Celebrations

Mr. Danyluk: Thank you very much, Mr. Speaker. Alberta's 100th year anniversary is about two years away, and I have been receiving calls from my constituents and school classes who want to know how they can participate in the celebration aspect of Alberta's centennial, not just the centennial legacy projects but specifically the celebratory events. My questions are to the Minister of Community Development. Can the minister tell us more specifically what celebration components are being planned for 2005, how Albertans and in particular how Alberta schoolchildren are going to be involved?

Mr. Zwozdesky: Well, Mr. Speaker, there are a number of programs being planned right now for Alberta's schoolchildren. I think it's important at the outset to delineate between so-called legacy projects versus celebrations projects. Legacy projects were started almost three years ago because we did recognize at the time that it'll take longer for that infrastructure to be built, be it community halls or swimming pools or ice arenas or whatever it is that the community wanted.

The other side of that, of course, is the celebrations side, and specific to Alberta schoolchildren, along with projects that specifically focus and rivet their attention on the proud history of this province during our 100th year, we will certainly have essay contests and poetry contests and research contests and displays and all those kinds of things. In fact, we also hope to include at least 100 young Alberta schoolchildren in a special audience with a royal family member, should we be fortunate enough to receive a visit from a royal family member, as well as medallions for all the schoolchildren. Of course, the official song will be out, and it will be scored and orchestrated and arranged for children's choirs and for high school bands and so on.

In addition to that, of course, we invite a lot of local initiatives to occur, homecomings and reunions and the like, where municipalities will be actively involved, as will all of our extremely very, very capable volunteer, community-driven projects.

The Speaker: The hon. member.

Mr. Danyluk: Thank you very much, Mr. Speaker. To the same minister: which other ministries are involved in the centennial celebrations, and what kind of cross-ministry initiatives are you planning?

Mr. Zwozdesky: Well, Mr. Speaker, almost every government department is going to be involved in the centennial one way or another. Some of the obvious examples would be Alberta Learning, Economic Development, Aboriginal Affairs and Northern Development, certainly the Seniors department with special recognitions for the pioneers and some who might even be turning 100 in Alberta's

100th year. There will be special initiatives along those lines, but we'll also have projects that include Environment, obviously Children's Services. There's just a whole potpourri of cross-ministry government initiatives that will be rolled out, again, as we get closer to about two years out, which will be later this fall.

The Speaker: The hon. member.

Mr. Danyluk: Thank you very much, Mr. Speaker. My final question to the same minister: what kind of lasting legacy can Albertans expect from these centennial celebrations, and how much will they cost?

Mr. Zwodsky: Well, Mr. Speaker, the legacies will be many and varied. Obviously, we will have some vertical infrastructure projects, places where they can visit, wonderful projects such as the swimming pool in Olds, such as the Tri Leisure Centre in Spruce Grove, such as the updated bus barns here in Edmonton or the incredible project to revamp Calgary Heritage Park, and the list goes on and on. In total there will be at least 50 or so of those types of projects. When we roll into that other centennial projects such as the Alberta Heart Institute or the bone and joint centre of excellence down in Calgary, there will be some hospital-type facilities. I'm sure there will be some schools and so on. All of those that will be inaugurated or completed in 2005 will be viewed as centennial projects.

So in total, Mr. Speaker, we've spent \$58 million on centennial legacy projects that are community based so far. We added another \$19 million for 31 projects here a couple of weeks ago, and we still have a little ways to go. But you'd have to add up all of those figures to get an exact answer to the last part of the hon. member's question.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Edmonton-Highlands.

Homeless Initiatives

Ms Blakeman: Thank you, Mr. Speaker. Last fall's count of homeless people in the city of Edmonton found over 1,900 individuals living on the street including 267 children under 15, enough kids to fill an elementary school and meet a full utilization rate. The count showed that 65 percent more people lived on Edmonton streets now than just two years ago. My questions today are to the Minister of Seniors, responsible for housing. Given that the city of Edmonton had to open an LRT station for the homeless this winter, does the minister still believe that the province is doing enough?

Mr. Woloshyn: Mr. Speaker, first of all, 1,900 homeless are not living on the streets and were not living on the streets in Edmonton last fall or now or at any other time.

Secondly, with respect to what the province is doing, I do believe we have some 16 shelters that cover a whole myriad of different people with different needs whose needs we are trying to meet in conjunction with a lot of other authorities such as the Salvation Army and the Mustard Seed and whomever else. We have in the last three years invested millions of dollars in addressing this problem. Further, we have entered into housing agreements with the federal government where we will hopefully have some transition housing to further alleviate the situation.

With respect to the LRT being open for some emergency shelter space, I do thank the city of Edmonton for doing that. It was an appropriate action. There was a temporary need, and that need is no

longer there. Furthermore, Mr. Speaker, if you relate the event of a particular rooming house being closed for health reasons just prior to this need, you would see the relationship of the sudden need.

In short answer to her question "Are we doing enough?" I would say that we're doing what is humanly possible, and we will continue to address the problem and hopefully at some point resolve it on a long-term basis.

2:20

The Speaker: The hon. member.

Ms Blakeman: Thank you. Again to the Minister of Seniors, responsible for housing: why is the province continuing to download responsibilities onto municipalities?

Mr. Woloshyn: There again, you know, I find it rather interesting, a question coming out of the sky. This ministry is not downloading onto municipalities. We are working with municipalities. With respect to the homeless two years ago we had the municipalities draw up their needs for the homeless, and that policy became a basis under which we've been working. Edmonton has got a group which they go under, Calgary has, and so have the other five cities. I would like to relate that very recently, Mr. Speaker, we opened up a significant facility for the Canadian Mental Health Association in Grande Prairie. This was under a new affordable housing program that will help the homeless in Grande Prairie.

We work with the municipalities. They contribute. We appreciate the contribution. We also work with the federal government, whose contribution I also appreciate. It's on 50-cent dollars. This province has taken the lead, and quite frankly at the conference lately in Winnipeg we were touted as being leaders in the field. We are the province that has the first – the first – facilities being occupied in Canada under a new Canada affordable housing program. We only signed the agreement last June. If that isn't doing everything we can, Mr. Speaker, I don't know what more we can do.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Given that in December 2001 the Premier promised to report on homelessness but neither the offices of the Minister of Seniors and housing nor the Minister of Community Development can give me an answer about what happened to it, will the minister commit to finding out the status of this report and to sharing it with the Assembly?

Mr. Woloshyn: The report alluded to was a report to cabinet, which has been done, and it's there. No, I will not commit to sharing it.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-Fort.

Municipal Policing Grants

Mr. Mason: Thank you very much, Mr. Speaker. According to a document I will table later this afternoon, the city of Edmonton subsidizes the province of Alberta for \$13 million in policing costs by providing services that are provincial responsibilities. Downloading of senior government responsibilities such as serving documents, conducting bail hearings, and inspecting commercial vehicles is creating major expenses for municipal police services. The government, of course, canceled municipal policing grants in 1995, to top it all off. My question is to the Solicitor General. Given that the province gets \$1 billion from gambling and over \$500

million from liquor, why has the province failed municipalities by not contributing to the policing costs related to these activities?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. I would like to say, first of all, that we provide \$109 million in policing. We provide \$16 million in an unconditional grant. The city of Edmonton, I believe, receives approximately \$21 million, \$22 million in fine revenues. That does not exclude all of the other grants that they have applied for and received from this province.

I'm aware of some of their concerns in regard to policing, Mr. Speaker. We're working on that. We provide also \$2.4 million to CISA in regard to working on gang activities. Our door is open. We're willing to work with the police and will continue to do so.

Mr. Mason: Mr. Speaker, given the frustration of the police service personnel as evidenced by the threat that they will stop providing services in provincial jurisdiction to get more constables on the street, will the minister commit to immediate action to resolve this matter?

Mrs. Forsyth: Well, first of all, Mr. Speaker, let's be very clear here. Under the Police Act it is the responsibility of the police commissioner along with city council to determine the police budget. We can see in the paper today that the mayor of the city of Edmonton has asked for a \$2 million cut within the police budget. It is up to the council and the mayor and the police commission to determine the police budget.

Mr. Mason: Mr. Speaker, the question to the minister is this. Will the government stop downloading its responsibilities for matters in provincial jurisdiction onto municipal police forces, or will it alternatively supply them with the funds necessary to carry out those activities?

Mrs. Forsyth: Again, Mr. Speaker, the government is not downloading. What the hon. member is referring to is part and parcel of a policeman's job, and the police in this province do a very, very good job. Again I want to say one thing. It is the police commissioner for the particular city along with the city council who determines the police budget.

The Speaker: The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Ellerslie.

Electricity Supply

Mr. Cao: Thank you, Mr. Speaker. My constituency of Calgary-Fort includes a large business and industrial park. The ensured and low-cost supply of energy, electricity particularly, is vital to the growth of my business constituents and also vital to Alberta's economic diversification activity. A good supply of electricity depends on both the generation capacity and the transmission network capacity. First, I want to ask the Minister of Energy about the generation capacity. Could the minister update the House on the generation capacity of electricity in Alberta?

Mr. Smith: Well, Mr. Speaker, yes, I can. It is an important piece to recognize that in the Member for Calgary-Fort's constituency there is a thriving industrial industry, and in fact it's an industrial industry, an industrial sector, and an industrial neighbourhood that's grown as a result of the Alberta advantage. In Calgary-Fort there's

absolutely proof positive that debunks and makes artifice of the continued comments from the opposition that electricity deregulation is inhibiting Alberta's growth. So I would invite those members who are concerned to simply visit Calgary-Fort, a good constituency in the city of Calgary, and look at that industrial area and see the benefits that accrue to all Albertans.

Mr. Speaker, it's very important in the component of low pricing for electricity that we have ample supply. Ample supply means good signals for generation, generation that will be delivered in a timely fashion, in a timely manner to the place where it's needed in this province. Subsequent to 1998 when the EUB no longer made decisions on market need, some 3,000 megawatts, or about 35 percent of the Alberta grid, have been added to the Alberta grid without an additional capital cost to the Alberta rate base.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. My first supplemental question is to the same minister, and it's about transmission. I learned that the Fort McMurray area has high industrial activity, but there seems to be a lack of transmission capacity to and from the area. So my question is again to the minister about what he's doing in this area.

Mr. Smith: Well, Mr. Speaker, it is important, and it's another fundamental question. You can't have generation without transmission and you can't have transmission without generation in order to meet the growing needs of a growing Alberta and the growing demands from consumers. In fact, this has been an object of some considerable debate, consideration, and challenge not only to the government but to members in the marketplace. What actually has transpired in the province of Alberta is that we are a small market in comparative terms to world markets. We need to find ways to promote generation in an orderly, timely fashion in the marketplace, and that means that we don't want to put up speed bumps or artificial barriers to investment in generation. Generation is about five times more expensive than transmission, and in fact just as there's only one taxpayer, there's really only one ratepayer group.

We are examining the fact that we have a transmission system that has had no substantial investment over the past 15 years and that one area of generation, albeit far from the growing consumer demands, is the Fort McMurray oil sands area. Now, Mr. Speaker, in order to rightsize this generation, we have to send a signal that it would be in Albertans' public interest to metaphorically burn this gas twice; in other words, to use this gas not only to generate steam to extract bitumen from the oil sands but also to generate electricity for the benefit of all Albertans.

Mr. Cao: Thank you, Minister. My second supplemental question is: looking at the province as a whole and in terms of transmission development, could the minister tell us about the progress?

2:30

Mr. Smith: I'll just give a brief update on progress, Mr. Speaker, given the confines of time in question period. I can say that the Department of Energy is working on a transmission policy that takes into account delivering maximum generation benefit and maximum consumer benefit in the public interest of all Albertans. To that end we're directing the system operator, the independent system operator, the Alberta electrical system operator to hold a policy roundtable with involved parties. We will also convene the Premier's advisory council on electrical issues, and we're going to develop a transmission policy that maximizes Albertans' benefits.

The Speaker: Hon. members, before I introduce and recognize the

first of seven recognitions today, I guess, might I convey congratulations on behalf of all members to the hon. Member for Olds-Didsbury-Three Hills, who is celebrating a rather significant anniversary today. [interjection] Forty-nine would be rather erroneous, hon. member.

Might we revert briefly as well to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

The Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. As I look up into the members' gallery this afternoon it behooves me to introduce a special guest, one who is no stranger to this Assembly. In fact, he is the president of PC Youth of Alberta, and I understand that he's in the area to kick start a youth recruitment in a certain Edmonton riding, and I know that any riding he has recruited in in the past has been successful in the provincial elections, so we do wish him well. Could we please ask Blake Robert to stand and receive the warm welcome.

Thank you.

head: **Recognitions**

The Speaker: The hon. Member for Edmonton-Glenora.

Isadore Burstyn

Mr. Hutton: Thank you, Mr. Speaker. I stand today to recognize a great Albertan, a great Jewish Canadian, and a Holocaust survivor, Isadore Burstyn, who spearheaded the construction of the Holocaust memorial just outside this Legislature.

As you all know, yesterday was Holocaust Memorial Day. Izzy was unable to attend the ceremony yesterday because he is over in Poland to commemorate the 60th anniversary of the Warsaw uprising. His daughter Nora Lyman attended the Holocaust memorial on her father's behalf.

I want to pay tribute to this man for his perseverance on having this memorial built. It is important that members and people everywhere remember the atrocities a madman's regime inflicted on the Jewish people. To my friend Izzy Burstyn, l'chaim.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Wetaskiwin-Camrose.

Leaders of Tomorrow Awards

Mr. Johnson: Thank you, Mr. Speaker. I rise to acknowledge the recipients and nominees of the leaders of tomorrow awards in my constituency. These awards are given to young volunteers in four age categories between six and 21 years of age who have demonstrated outstanding dedication and excellence in their community service work.

In the Wetaskiwin area 19 outstanding young people were nominated and given a certificate and an invitation to a reception in their honour. At the reception held in Wetaskiwin on Monday, Megan Krause, Justin McKay, Dylan Weir, and Kristin York were named as the recipients of the 2003 awards.

In the Camrose area out of 14 nominees Carlee Dobos, Brad Field, Renee Burkard, Christina Belsheim, and Breanna Dashney were named as the recipients of the award.

These recipients were given an engraved plaque to recognize their efforts and a \$100 cheque that they contributed to a nonprofit organization of their choice.

Congratulations to all the nominees and award winners for the contributions they have made to our communities and for the important work they do as volunteers. Their leadership today will assure them to be leaders of tomorrow.

The Speaker: The hon. Member for Edmonton-Centre.

Hepatitis C Awareness

Ms Blakeman: Thank you, Mr. Speaker. I'd like to recognize the efforts of the Canadian Hepatitis C Activist Network to convince the Premier of Alberta along with the Minister of Health and Wellness to proclaim the following: whereas hepatitis C is a treatable illness infecting thousands of Albertans and it is a preventable illness that can be effectively beaten through awareness and early detection; whereas the financial cost in terms of family budgets, public health care, and social services along with the intangible costs of mental anguish and unfulfilled potential are costs that are borne by all citizens; and whereas it is in the interests of all citizens to heighten awareness and understanding of problems and programs connected with hep C to reduce stigma and to support research, delivery of treatments, and a cure. Given all of the above, I support the designation of May 2003 as hepatitis awareness month and May 1, 2003, as hepatitis C awareness day, and I urge the Premier and the Minister of Health and Wellness to do the same.

Thank you.

The Speaker: The hon. Member for Red Deer North.

Frank Slide Centennial

Mrs. Jablonski: Thank you, Mr. Speaker. Turtle Mountain, east of the Crowsnest Pass, was known as the Mountain That Walked by the First Nations people who lived in the area. At 4:10 a.m. on April 29, 1903, the mountain walked as 90 million tonnes of rock fell from Turtle Mountain. In 100 seconds people's lives were shattered by an event that changed the Crowsnest Pass and the history of our province forever. At least 70 people in the town of Frank perished in what became known as Canada's deadliest rockslide.

Yesterday our Premier and the ministers of Community Development, Government Services, and Municipal Affairs attended a commemoration ceremony in the town of Frank to honour those who lost their lives and to recognize the courage of the survivors and those involved in rescue operations. In demonstrating the courage, determination, and will to survive that Albertans have become known for, the community of Frank endured the tragedy, rebuilt the schools, homes, and businesses, and restored the town of Frank to its present day.

On behalf of the hon. Member for Livingstone-MacLeod I ask all Albertans to join us in remembering this historic, albeit tragic, event as we all prepare and plan for a great future for the brave community of Frank.

The Speaker: The hon. Member for St. Albert.

Octagon Club

Mrs. O'Neill: Thank you, Mr. Speaker. Today I rise in our Legislative Assembly to publicly recognize the Octagon Club of Paul Kane high school and teacher Dale Smith, who in conjunction with the Optimist Club honoured 12 remarkable high school students

from the four high schools in St. Albert. At the 2003 Youth Appreciation Night last Wednesday the following very accomplished young volunteers were honoured by their school administrators, their families, and friends: Brooke Menegozzo, Gabrielle Riches, and Evelyn Ding from Paul Kane high school; Saleena Haworth, Candice Thorpe, and Brent Francis from l'école secondaire Sainte Marguerite d'Youville; Brittney White, Chantel Kinahan, and Catherine Chee from St. Albert Catholic high school; and Nikki Gordey, David Roper, and Jackie Hallet from Bellerose composite high school.

I know the Member for Spruce Grove-Sturgeon-St. Albert would join me in congratulating all of them but especially those three from Bellerose composite high school. It is within his constituency.

Thank you.

The Speaker: The hon. Member for Lac La Biche-St Paul.

Portage College Sports and Education Dinners

Mr. Danyluk: Thank you very much, Mr. Speaker. It is an honour for me to recognize Portage College sports and education dinners, which were held in St. Paul and Lac La Biche on April 25 and 26. Lac La Biche sold out within five days with a waiting list, and both events raised over \$65,000 for scholarship trust funds for students in need at Portage College.

We were honoured by having two guest speakers: George Chuvalo, who was the Canadian heavyweight champion for 20 years and who also fought six world champions, and the other guest speaker was Beckie Scott, the pride of Vermilion, who holds both the bronze and silver medals and hopefully the gold in cross-country skiing.

I would like to congratulate all those involved in this third annual event. The successful efforts and commitment shown by these constituents of Lac La Biche-St. Paul who attended will be appreciated by many future students.

Thank you very much.

The Speaker: The hon. Member for Edmonton-Highlands

May Day Movement

Mr. Mason: Thank you very much, Mr. Speaker. By May 1, 1886, over 250,000 workers had joined the May Day movement in the United States and were ever more vocal demanding recognition of workers' rights. Their demand for an eight-hour workday, safer working conditions, and the right to collective bargaining could not be silenced. On May 3, 1886, Chicago police fired into a crowd of striking workers. Four were killed.

Since that time the labour movement in Canada, the United States, and other countries has continuously fought for things like medicare, women's rights, health and safety legislation, free public education, peace, and the protection of children. Here in Edmonton a committee forms yearly to plan a multidisciplinary festival that brings together labour and the arts communities to celebrate and affirm workers' contributions to society.

It is an honour for my colleague for Edmonton-Strathcona and myself on behalf of the New Democrat opposition to take part in the ongoing struggle for justice and democracy in Alberta. It is truly an honour for me to recognize the tireless efforts of the May week organizing community, the labour movement, and all working Albertans.

The Speaker: Hon. members, might we revert briefly once again to Introduction of Guests?

[Unanimous consent granted]

2:40head: Introduction of Guests (reversion)

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'm very pleased to introduce to you and through you to all members of the Assembly Reverend Dr. Bruce Miller, who is the minister for Robertson-Wesley United Church. The reverend is a great advocate for human rights and for the vulnerable here in Edmonton and in Alberta, and he was recently the recipient of the Queen's jubilee medal upon my nomination. I see that he's joined us in the public gallery. I'd ask him to please rise and receive the warm support of the Assembly.

Thank you.

head: Presenting Petitions

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I have the pleasure of presenting a petition signed by 126 grandparents from Calgary who are petitioning this Assembly to "urge the Government of Alberta to make the necessary changes to legislation and enable the grandparents to maintain ongoing contact with their grand-children."

Thank you, Mr. Speaker.

head: Notices of Motions

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. Earlier today I provided written notice to your office of my intention to raise a question of privilege in this Assembly later this afternoon involving the decision of the Minister of Human Resources and Employment to boycott a meeting of the Public Accounts Committee this morning as well as the decision of all government members of that committee to not attend.

Thank you.

head: Tabling Returns and Reports

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. I rise today to table the appropriate number of copies of a letter of congratulations to Mr. Fred Bradley, president of the Crowsnest Historical Society, who was so integrally involved in the commemoration ceremonies yesterday which the Premier and myself and the members for Livingstone-Macleod and Fort McMurray attended. So congratulations to the Frank community.

The Speaker: The hon. Minister of Transportation.

Mr. Stelmach: Thank you, Mr. Speaker. I am pleased to rise and table the required number of copies of the response to Motion for a Return 11 regarding the Department of Transportation's policy on its contract management process.

Also, I wish to table the Department of Transportation's contracting and tendering process for both construction and maintenance, also available on our Transportation web site, and the following manuals: Project Administration Manual; Engineering Consultant Guidelines for Highway and Bridge Projects, volume 1: Design and

Tender; and Engineering Consultant Guidelines for Highway and Bridge Projects, volume 2: Construction Contract Administration.
Thank you, Mr. Speaker.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I rise to table the requisite number of copies of three reports on public/private partnerships. The first is a white paper on the subject exploding myths and addressing concerns about P3s; it's called For the Good of the People. The second is a brief on articles available explaining how partnerships work, and the third is a presentation on P3s entitled Why Don't They Understand?

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I have two tablings today. The first is a letter addressed to the hon. Premier and the Minister of Health and Wellness from Bill Buckels, the secretariat with the Canadian Hepatitis C Activist Network, asking those two individuals to proclaim May as hepatitis C awareness month.

My second tabling is from the same individual, Bill Buckels, in his position as vice-president of HepCURE, Hepatitis C United Resources Exchange, addressed to all Members of the Legislative Assembly asking for us to support the Premier and the minister of health in proclaiming May 2003 hepatitis C awareness month.

Thank you.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Speaker. I have more tablings on education funding, all with permission. A postcard from Antje Espinaco-Virseda opposing having to be desperate and fund-raising through casinos for public education.

The second, with permission, from Pat Stryker, saying, "The Alberta advantage depends on high quality fully funded public education."

The third from Ian Mercer expressing concerns over the Minister of Learning's positions on learning.

Thank you.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. My tabling today is from the Sundre Fish and Game Association and talks about promoting fishing, hunting, and proper management of the resource and its habitat for today and tomorrow.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I would like to table five copies of the document I referred to in my question earlier this afternoon in question period, prepared by the Students' Union at the University of Alberta, indicating a 28 percent loss in constant dollars in terms of per student funding for the university and a 20 percent loss at the University of Calgary.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm tabling a document entitled Edmonton Police Service Perspective on Equitable Relationship outlining various provincially mandated services that are costing the municipal service over \$13 million annually.

Privilege

Allegations against a Member

The Speaker: Hon. members, yesterday at the conclusion of this section of the Routine we were dealing with a purported point of privilege raised by the hon. Member for Edmonton-Glenora. We had arrived at a certain point in the proceedings whereby a request was made by the hon. Member for Edmonton-Gold Bar to have this matter delayed one day. I will recognize the hon. Member for Edmonton-Gold Bar in a moment, but as there was a delay for a day, I would first of all ask the hon. Member for Edmonton-Glenora if he has anything further to advise the Assembly with respect to this matter.

Mr. Hutton: Mr. Speaker, all I am asking through you to this member is that he categorically and unconditionally apologize to me for the remarks he made on Monday.

Thank you, Mr. Speaker.

The Speaker: I indicated yesterday that I would recognize a prescribed number of parliamentarians who might want to participate in this point of privilege this afternoon. I did indicate that I would certainly call on the hon. Member for Edmonton-Gold Bar and afford an opportunity to the Government House Leader and the Opposition House Leader and did also ask if there were any additional members that might feel that they are party to this particular proceeding. I did receive the written confirmation of the hon. Member for Spruce Grove-Sturgeon-St. Albert, who felt a participant or named in what was transpiring. At this point in time that's exactly the procedure that I will follow unless motivated a little later with respect to additional members.

Hon. Member for Edmonton-Gold Bar, do you wish to participate?

Mr. MacDonald: Thank you, Mr. Speaker. The issue that must be addressed here is whether certain documents by the Member for Edmonton-Gold Bar had obstructed or interfered with the Member for Edmonton-Glenora's ability to perform his duties or, alternatively, whether the dignity and the authority of the Assembly has been offended. This implies an issue of contempt for the House and/or, in the alternative, an issue of privilege against the member. Given the Speaker's parameters, my arguments will focus on the comments made on Monday regarding the Member for Edmonton-Glenora.

Marleau and Montpetit on page 52 define contempt.

Any conduct which offends the authority or dignity of the House, even though no breach of any specific privilege may have been committed, is referred to as a contempt of the House. Contempt may be an act or an omission; it does not have to actually obstruct or impede the House or a Member, it merely has to have the tendency to produce such results.

Maingot on page 234 states, when referring to an issue of contempt:

It must be shown that the Member was obstructed in his work relating to a proceeding in Parliament and not simply while he was performing his representative duties in his constituency or in other . . . areas . . . nor simply in his private capacity.

It is important to note that my comments were not a question of privilege against the Member for Edmonton-Glenora. This is the reason why I did not notify the Member for Edmonton-Glenora, as some have argued under Standing Order 15(2). This was a question of privilege dealing with a situation of the material being in the precincts of this Assembly. Mr. Speaker, my comments, which are at the heart of this matter, were not about placing blame on or

maligning any individual member of this Assembly, nor was there any intention on my part to obstruct this member in his parliamentary duties. Neither was there any intention to offend the authority or dignity of this House. The objective of my comments were quite to the contrary.

2:50

The hon. member in his statement yesterday said that I accused him of being a hateful bigot. I believe that if you look at what I actually did say, you will find no such reference or no such allegation. The Government House Leader in his comments stated on page 1241 of *Hansard*:

In fact, Mr. Speaker, there has been really no allegation at all against the member other than the fact that he had in his possession a piece of paper which has got vile content.

This shows that my comments were perceived by the Government House Leader as not attaching any individual judgments or allegations to any member of this House. However, this whole issue has developed into something much different than I ever wanted it to and no doubt anything the Member for Edmonton-Glenora ever wanted.

Mr. Speaker, at no time did I allude to the member producing, reproducing, or circulating the material in question. Neither did I attach any judgment statement to the member holding the document. What I said was that I saw him in possession of it. *Hansard* will confirm these facts. I even went as far as to state on page 1240 of *Hansard*: "The member has always been, inside and outside this House, a compliment to this Assembly and this province." These words are far from impugning. I believe that my comments were taken to be something they were not by certain members of this House. I would certainly argue that words which I never uttered are being used against me. For this I am tremendously offended.

I urge you to carefully review what I said during debate on Monday. In *Hansard* you will find that I did not at any time make allegations against another member, impute false or unavowed motives to another member, or use abusive or insulting language of a nature likely to create disorder. What I did state in the House on Monday was the fact that I had witnessed the repugnant material in the possession of the member. I said on page 1239 of *Hansard* that I am raising "a question of privilege regarding certain repugnant materials that have been circulating in the parliamentary precincts." While it is true that I made mention that a member of the government caucus had the material, the statement clearly indicates that I was raising a question of privilege regarding certain repugnant materials that I had witnessed in the parliamentary precincts, not about an individual member.

As Mr. Speaker will certainly know, privilege and contempt do not have to be against another member. They are about the infringements of rights of the House as a whole. One example where a case of privilege was not against a member was on November 19, 2002, when I raised a question of privilege about the use of the term "Legislative Assembly" on government advertisements.

Additionally, I stated on page 1240 of *Hansard* that "I would expect, Mr. Speaker, that you will allow the member that I have named an opportunity to provide justification for his possession of the document." I merely asked that you afford an opportunity to the member to add his comments about my question of privilege and how he came to be in possession of it, so he could simply identify the source. As I have stated both inside and outside this House, I know the Member for Edmonton-Glenora to be an honourable man who would never produce such material.

During my statement on Monday I indicated that the question of privilege I raised was the most difficult thing I had ever done during my years as a member. I raised the question of privilege with great reflection and contemplation. Anyone reading *Hansard* will clearly

see that my comments were focused on the main point and not to bring any case of malice against the Member for Edmonton-Glenora. I urge you, Mr. Speaker, to look at the facts of this issue, to understand my words for what they say, and to not read in allegations that simply aren't there.

In closing, Mr. Speaker, I will make two final points. First, I would like to work with the hon. Member for Edmonton-Glenora and the Government House Leader to combat hate literature. I want to put a stop to this. To that end I will be bringing forward a motion at the appropriate time to establish a committee, co-chaired, hopefully, by myself and the hon. Member for Edmonton-Glenora, to identify and to fight the spread of hate literature not only in this Assembly but across the entire province. Secondly, I am sorry if the Member for Edmonton-Glenora was implicated in this issue, and I truly apologize to him for that, but at the same time I would like to see that I could work together with him in the future to combat hate literature across this province.

In conclusion, Mr. Speaker, this matter is not about the integrity of the Member for Edmonton-Glenora. He is a fine individual and a very good representative in this Assembly. This is about hate literature in this Assembly. I would make every effort to work with this hon. member and the Government House Leader in the future to combat and halt this abhorrent practice.

Thank you.

Mr. Hancock: Mr. Speaker, with the greatest of regret, I was hoping that we would hear this afternoon a full and complete apology for the damage that has been done to the reputation and the name of the Member for Edmonton-Glenora. While I appreciate the words of Edmonton-Gold Bar – and I think all members of the House do appreciate those portions of his participation today which attempted to somewhat mitigate the damage that's been done by referring to the fine character of the Member for Edmonton-Glenora, which we all agree with – what was necessary to purge what I believe is a contempt of this House, not just of the hon. Member for Edmonton-Glenora but all members of this House, was a full and complete apology, and we didn't hear that.

With your permission I'll proceed, then, to argue that there is a *prima facie* case. If you'll bear with me, I was preparing not to argue it, so I will ask for a little bit of latitude in reorganizing myself. Under *Marleau and Montpetit*, page 86:

The unjust damaging of a Member's good name might also be seen as constituting an obstruction. In ruling on a question of privilege, Speaker Fraser stated: "The privileges of a Member are violated by any action which might impede him or her in the fulfillment of his or her duties and functions. It is obvious that the unjust damaging of a reputation could constitute such an impediment."

Mr. Speaker, it's also apparent from *Erskine May Parliamentary Practice* at page 117.

Indignities offered to the House by words spoken or writings published reflecting on its character or proceedings have been punished by both the Lords and the Commons upon the principle that such acts tend to obstruct the Houses in the performance of their functions by diminishing the respect due to them.

Reflections upon Members, the particular individuals not being named or otherwise indicated, are equivalent to reflections on the House.

It is also indicated that

other acts besides words spoken or writings published . . . though they do not tend directly to obstruct or impede either House in the performance of its functions, yet have a tendency to produce this result indirectly by bringing such House into odium, contempt or ridicule or by lowering its authority may constitute contempts.

Beauchesne's Parliamentary Rules & Forms, citation 64, and I

quoted this on Monday: "The House has occasionally taken notice of attacks on individual Members."

3:00

Mr. Speaker, I refer you also to Standing Orders 23(h), "makes allegations against another member," and (i), "imputes false or unavowed motives to another member."

Then, Mr. Speaker, I would go to *Hansard*. On page 1239, issue 35, Monday afternoon, April 28, the Speaker, yourself, prior to hearing the presentation from Edmonton-Gold Bar on the purported question of privilege that he had raised, admonished members of the House, admonished the Member for Edmonton-Gold Bar.

Before the hon. member commences with his purported question of privilege, the chair wants to caution the member and all members who wish to participate in this debate about imputing false or unavowed motives to another member or making allegations against another member. This is prohibited under Standing Orders 23(h) and (i), and in short the chair will not tolerate any allegations impugning the reputation or motives of a member.

Then you referred members to chapter 3 of *Marleau and Montpetit*. Immediately thereafter the Member for Edmonton-Gold Bar rose in his place and precisely did what you had just admonished him not to do.

Now, in bringing forward his statement today – and he may well have been trying to correct that error, and if he was doing so, I appreciate that, but I don't think he completed it – he tried to suggest that he did not say anything about the Member for Edmonton-Glenora, that his true purpose was to raise the issue in the House, and I wish he had done just that. I wish that in his statement today he had made it clear, but he did not.

He indicated in his remarks on Monday, "I witnessed this inappropriate material in the possession of the Member for Edmonton-Glenora while in the Chamber at 5:08 p.m. on Thursday, April 24." By making that statement, he has now connected imputed motive to the Member for Edmonton-Glenora. He didn't need to do that to raise the issue of offensive material in the House. He did not need to make that statement. He did not need to mention any member of this House.

I quote from page 1240 of *Hansard* where he also indicated:

It is most inappropriate for hate propaganda to be floating around in this Assembly and in the parliamentary precincts, and it is most inappropriate for a member of this Assembly

And I stop the quote there, Mr. Speaker, to remind you that he had previously named the member of the Assembly.

to have possession of the same.

He then goes on to say:

Freedom of expression and speech does not give members the right to be hateful.

There can be no other interpretation than he was imputing motives and making allegations against a member. So to say today that he in no way impugned the integrity of the member is nonsense. He may not have specifically called the member a hateful bigot, but that was the clear interpretation that any reasonable person would take from the words that he made.

Now, he indicated today: I did not raise this question of privilege to deal with the possession of this document by a member in the Assembly. That was clear on the face of it, and then he went on to quote myself and my comments to say that no allegation was made. I was indicating that at the time he had not specifically made an allegation that the Member for Edmonton-Glenora had circulated the documents, but certainly in the context of his remarks he was imputing motives to the member because he in his remarks named the member and then went on to indicate that the document that the member had in his possession should not be circulated in the House, and there's no other clear interpretation of this.

Now, Mr. Speaker, I think it's clear. I think it's unequivocal. Whether the language directly makes a comment about an individual member or not, the language clearly brought the Member for Edmonton-Glenora into the context of the hate literature and into the context that the hate literature, as described by the Member for Edmonton-Gold Bar, ought not to be circulated in this House or floating around. There can be no separation or disassociation of those comments at a later date other than by a complete, unequivocal apology to Edmonton-Glenora, which he could have done and still maintained the point that I believe he was actually trying to make, which was that none of us ought to agree with documents of a vile nature. But that's not the issue now. The issue now is if there was contempt and whether he's purged that, and I do not believe that he has by that statement.

Mr. Speaker, this question goes even further than that, in fact, because as a result of the point of privilege being raised and as a result of the statements being made, there was discussion in this House. In the debate in this House with the presentations of various members, interventions by various members on the point of privilege it became apparent to the House, I believe, that the contempt was even further than the actual statements against Edmonton-Glenora. The contempt was that people were not respecting the privileges of members by reading documents that they had in their possession, and that's inappropriate. We are all entitled to have documents in our possession and on our desks, and we're entitled to do our work. People have the ability to move around this House freely when we're in committee and sit at each other's desks. Even sitting at someone's desk does not give me the right to read what they have on their desk. That's their information.

I take it one step further, Mr. Speaker. The hon. Member for Edmonton-Gold Bar today suggests that there ought to be a committee to review I don't know what. Again, I respect the member for what I believe he was trying to do, which was to deal with what he felt was an inappropriate document, but I would repeat again what I said earlier in this House, that all of us receive materials, submissions – call them what you will – from constituents, from Albertans and, in fact, from other parts of the country. Some of the stuff that we receive is not very nice. We are elected here to be representatives of Alberta, and I presume that our constituents imbue us with the confidence that we will know the difference between appropriate submissions to legislators to encourage the debate on public policy and those things which should be treated as the garbage that they are. But we as legislators, we as citizens have the right to look at what our constituents send us and to make that determination, not some committee, not somebody else.

It is the essence of our privileges in this House to have the freedom of speech to be able to receive material, discuss it if we wish with someone else. Who knows what the contents of that discussion might be. One is not entitled to ask what I was discussing with one of my colleagues, on what point, whether I was discussing because I was in agreement, whether I was discussing because I was in disagreement, whether I was discussing because I couldn't believe the foul nature of what somebody had sent me. All of that is within my purview as a member and in my purview as a citizen to discuss with other people.

I understand why the member brought the point of privilege, but there was a clear admonition from you, Mr. Speaker, at the beginning not to impugn motives, not to violate 23(h) and (i). Clearly, it couldn't have been clearer that if a person wanted to raise a question of privilege about a document, that's within their right to raise, but they ought not to do it in a manner which so clearly draws into question the character of another member, if not directly stating, clearly suggesting that a member of this House and a member who was

named was not just holding a document but was holding it with intent to do something with it. I think that's clear on the face of it.

I think that there's a *prima facie* case of privilege. I don't think the member has helped his case by participating in a discussion rather than doing the right thing and standing and simply apologizing. All that was required was that he simply stand, clarify that his intent was to deal with the document, and then apologize. That was not what I heard. I would ask you to find a *prima facie* case and allow us to move a motion to refer it to committee.

3:10

The Speaker: Hon. Opposition House Leader, do you choose to participate?

Ms Carlson: Yes. Thank you, Mr. Speaker. I don't know how much more complete and unequivocal an apology can be than what we heard from this member when he says that he's sorry if the member under discussion was implicated in this matter, when he says that he is sorry for any of the ramifications that might have occurred here, when he says once again, not for the first time and not just inside this House, that he has the greatest respect for this member and his abilities and his ability to represent his constituency.

The topic under discussion here is a very serious topic. It is a topic of hate literature. It is a topic that had been in discussion with yourself and the Member for Edmonton-Gold Bar for 10 days prior to the Member for Edmonton-Glenora having it in his possession. In that letter that you sent to the Member for Edmonton-Gold Bar you not only talked about the seriousness of the piece of material that's under discussion, but you CCed that letter to House leaders of all parties and to the Sergeant-at-Arms and to the Clerk. The expectation then is that House leaders have a responsibility to share that information with their caucuses so that people know what is construed and what is an example of, if they don't understand it when they first see it, hate literature.

When we know that we have hate literature floating around this Legislative Assembly not for one day or for two days but for at this point in time 10 days, then we also have some responsibility to speak to why we have it in our possession. That is in fact what the Member for Edmonton-Gold Bar asked for when he talked about it. He stated that it was in the possession of the Member for Edmonton-Glenora, which the Member for Edmonton-Glenora agreed was the case. The Member for Edmonton-Gold Bar then asked for an explanation for that, and at that time the Government House Leader said that that in itself doesn't constitute a privilege. That is as far as the Member for Edmonton-Gold Bar went. He asked for an explanation. That other interpretations were made of that outside of this House in media reports or anywhere else is taking and really creating an allegation.

For this Member for Edmonton-Gold Bar to not have an apology accepted and to not be able to bring forward an issue about hate literature and how it is managed and handled within the precincts of this Assembly is a very grave concern. I think that it really impinges on our ability for freedom of speech in this Legislature. If we look at *Marleau and Montpetit*, which is who we usually go to for referencing in this particular Assembly, it speaks very strongly that the freedom to make allegations which the member genuinely believes at the time to be true or at least worthy of investigation is fundamental.

So what do we have here? We have a situation where the Member for Edmonton-Gold Bar genuinely believes that there is a problem that the Member for Edmonton-Glenora has had access to the same information that House leaders have had, that the Speaker has had, that the Sergeant-at-Arms has had, that the Clerk has had, and that

what he asked for, then, is not an investigation but a report, just a report from the Member for Edmonton-Glenora in terms of why he has the material. That was the beginning and the end of it in terms of Edmonton-Glenora.

Throughout that process when I read what the Member for Edmonton-Gold Bar had said, I felt that made it clear that he spoke highly of this particular member, and he wanted to know why he had it in possession and, more widely based, why it was still circulating in this Legislative Assembly while there had been an investigation ongoing about the origin of this paper. Everybody should have been made aware in this Assembly that this was a piece of information that, in your own words, Mr. Speaker, should not be in the precincts of the Assembly, the grounds, or the Annex, that it was "certainly inappropriate material." So this is where this went.

That it took on a life of its own is very regrettable on all sides; there is absolutely no doubt about that. The Member for Edmonton-Gold Bar cannot be held responsible for interpretations made by peoples or groups or companies or media outside of this Assembly. In this Assembly today he has asked members for their acceptance of his statement that he was sorry that the Member for Edmonton-Glenora was implicated and that he apologized. Now, what else can you ask for from a person when you're talking about such a serious issue?

If this Assembly wishes to stifle anybody's ability to participate in freedom of speech, then to find a contempt in this particular matter would be the process to follow. I do not believe that there is a contempt. I believe that this apology should be accepted and that we should deal with hate literature in the manner in which people of this province expect us to conduct ourselves.

The Speaker: The chair had indicated earlier that he was prepared to recognize the hon. Member for Spruce Grove-Sturgeon-St. Albert. Does the hon. member wish to proceed?

Mr. Horner: Yes, I do. Thank you, Mr. Speaker. I may have to check the Blues, but I did not hear the member apologize for dragging our colleague the Member for Edmonton-Glenora into this in the first place.

I would like to rise to speak to the hon. Member for Edmonton-Glenora's question of privilege arising from the debate in this House concerning an allegation made by the Member for Edmonton-Gold Bar. I rise, Mr. Speaker, because I was also indicated in this allegation by the Member for Edmonton-Riverview. It is necessary to give a brief description of the situation which gave rise to the serious allegations and to show the reasons why I believe a *prima facie* case of privilege exists.

It was during a time when the Member for Edmonton-Glenora had come to sit beside me in this House during Committee of the Whole, which is an accepted practice under our rules. The intent of the member when he came to sit beside me was to discuss a subject of mutual interest to both of us, that of troubled youth and ways we might be able to help them: community conferencing, Clean Scene, AADAC, and a number of other issues.

Mr. Speaker, the piece of paper which the Member for Edmonton-Gold Bar has cited in previous debate was on the desks in front of us. We did not discuss it. If memory serves, it ended up in the trash before the hon. member returned to his seat in this House. It's important for me to relay this to the House for several reasons; they relate to the current issue at hand. It relates for two important reasons. One, has what has been brought forward by the Member for Edmonton-Gold Bar impinged upon the ability of the hon. Member for Edmonton-Glenora to do his job properly?

As to section 69 of *Beauchesne's*, Mr. Speaker, we are representa-

tives of a broad spectrum of peoples in this great province. We in this Assembly must be above reproach in all that we do inasmuch as is humanly possible. We have led our lives and try to lead our lives in an honourable fashion, and we have strived to be fair to all members of our constituency. The perception of this is as important as the reality. If it is perceived that this is not the case, that we are not fair and equitable to all members of our constituency, then we are indeed at a point where our abilities to represent those constituents are impaired and obstructed.

The Member for Edmonton-Gold Bar presented a document to this House, a document that was described by him as hate literature. Then this same member gave the impression through innuendo to this House in *Hansard*, Mr. Speaker, for all to see and hear, that the hon. Member for Edmonton-Glenora somehow agreed with the sentiments of this document, possibly even distributed it. I refer to *Hansard* page 1239, the hon. Member for Edmonton-Gold Bar.

... on a question of privilege regarding certain repugnant materials that have been circulating in the parliamentary precincts and which have been in the possession of a certain member...

He goes on to name the Member for Edmonton-Glenora.

... of the government caucus while that member was present in the House.

On page 1240 of *Hansard*: he raises this question of privilege to deal with the possession of this document by a member of this Assembly in this very Chamber... I would expect, Mr. Speaker, that you will allow the member that I have named an opportunity to provide justification for his possession of the document.

On page 1243 of *Hansard* of the same day, April 28, 2003, the hon. Member for Edmonton-Riverview is speaking, and he points out:

But for point of clarification what the three of us clearly saw was the Member for Edmonton-Glenora sharing this document with the Member for Spruce Grove-Sturgeon-St. Albert, and at that point – and goodness knows, as much as anybody here I hope that there's an innocent explanation – it appeared to us that there was in fact the circulation of this document among the members of the Assembly, and as a result of that there was a breach of privilege.

3:20

Mr. Speaker, by your own comments you stated that the Member for Edmonton-Gold Bar had brought this issue of a document forward for investigation. It was investigated and it was dealt with by your good offices. This started on the 16th of April, a number of days ago, yet the member continued to bring forward an accusation in the form of a question of privilege against the hon. Member for Edmonton-Glenora.

I would like to expand a little bit further on what our Government House Leader said through the *House of Commons Procedure and Practice*. It's very clear as to the serious nature of a question of privilege, and it is a grave insult to the practice to bring spurious intervention to this House. Chapter 3, page 86, the second paragraph of the book states:

The unjust damaging of a Member's good name might also be seen as constituting an obstruction. In ruling on a question of privilege, Speaker Fraser stated: "The privileges of a member are violated by any action which might impede him or her in the fulfillment of his or her duties and functions. It is obvious that the unjust damaging of a reputation could constitute such an impediment. The normal course of a Member who felt himself or herself to be defamed would be the same as that available to any other citizen, recourse to the courts under the laws of defamation with the possibility of damages to substitute for the harm that might be done. However, should the alleged defamation take place on the floor of the House, this recourse is not available."

Mr. Speaker, you have stated many times in this House that imputing motives to another member is a very, very serious matter.

The second reason my story relates, Mr. Speaker, is that obstruction can happen in other ways. It can also be through surveillance of the member, which could impede the ability of the member to perform his duties in this House. The Member for Edmonton-Gold Bar made it very clear in his statements Monday that not only did he covertly look at documents in the Member for Edmonton-Glenora's possession, but he also convinced his colleagues to make a determined effort to review the contents of my desk and documents in the possession of the hon. Member for Edmonton-Glenora.

Mr. Speaker, again from the *House of Commons Procedure and Practice*, chapter 3, in a ruling by Speaker Francis on February 20, '84:

an action which amounts to a form of intimidation does not need to be directed at the Member in person in order to constitute an offence... of privilege.

Beauchesne's 96 states:

The privacy which surrounds Members' office files also extends to computer-based data in the equipment used by Members. That confidentiality must be respected.

That's from *Debates*, February 9, 1988.

Mr. Speaker, while we are in the House, it could be said that these desks are our offices. We do a good deal of work in this House, and the privacy of our documents should be respected regardless of their content. The Member for Edmonton-Gold Bar has made it very difficult for all members of this House to continue to perform our duties in the House because we will be under the threat of documents on our desk being discussed in *Hansard* by this member wandering by in the Committee of the Whole, truly an intimidating prospect.

In summary, Mr. Speaker, I believe strongly that a *prima facie* case of privilege has occurred for not one but three reasons. First, the Member for Edmonton-Gold Bar has wasted the time of this House by bringing forward an obviously spurious point of privilege against a member of this House with what I would argue is malicious intent. And I said "malicious intent." Second, the Member for Edmonton-Gold Bar, I argue, has intentionally defamed a member of this House and, by association, several others including myself.

I said "intent" because in order to determine this, we should look at what was the intent the member had in mind. Did the member investigate this accusation before making it? Did he really believe that the hon. Member for Edmonton-Glenora was agreeable to the literature involved? No. Did he stop on his way by our desks to ask what we thought of the contents of the piece of paper? No, Mr. Speaker, he did not. Did the Member for Edmonton-Gold Bar look into the character of the member he was about to defame to see if that member might fit that type of characterization? No, Mr. Speaker, he did not.

The Member for Edmonton-Glenora has worked hard to be respected for his support of our multicultural heritage in this province. The hon. Member for Edmonton-Glenora has worked hard to be known in this province for his fight against FAS, fetal alcohol syndrome. The Member for Edmonton-Glenora has worked hard to be known in this province for his wide support and fund-raising for a wide number of charities through his athletic ability.

Mr. Speaker, 20 years of hard work to build trust, respect, and service are all wiped away in one afternoon for the political interests and malicious innuendo of another member of this House. Did the Member for Edmonton-Gold Bar look into the character and the integrity of the member he was about to accuse? I think not. The fact that the Member for Edmonton-Gold Bar did none of this investigation proves, in my opinion, that the intent was malicious, and it was an attack on a member of this House. All of these terrible charges against the Member for Edmonton-Glenora have seriously

damaged his ability to face the multicultural constituents he represents. Obstruction? Intimidation? Definitely, in my view.

Thirdly and lastly, Mr. Speaker, the Member for Edmonton-Gold Bar has broken the respect we all hold for this House. He has broken the respect of privacy when we are in this House by clandestine snooping, for lack of a better word, on the privacy of our desks. The intimidating factor of this is very serious to all members on their ability to function in this House. This wasn't a case of: oh, I just happened to be walking by and noticed. No. This was a deliberate attempt to discover the contents of a document on another member's desk without his permission, in and of itself a strong argument for a prima facie case of privilege. Had he asked, we would have shown him the document. We would have told him exactly what we thought of it. He chose not to. He didn't want the truth. He chose instead to elicit the help of his colleagues to do exactly the same thing he did, a shameful thing in its own right.

Mr. Speaker, I cite a serious breach of our Standing Order 23(h) and (i) and *Beauchesne* 69 and 96 with not one but three reasons why this member is being called on a point of privilege. In my opinion there is a prima facie case of privilege.

Thank you, Mr. Speaker.

The Speaker: Would there be additional members who might wish to participate? The hon. Member for Edmonton-Gold Bar has already participated. Additional members? No further ones then?

The chair is prepared to rule on the purported question of privilege raised by the Member for Edmonton-Glenora yesterday concerning the comments made by the Member for Edmonton-Gold Bar.

First, notice of the purported question of privilege was given by the Member for Edmonton-Glenora on the evening of Monday, April 28, found at page 1259 of *Hansard*. The member also provided written notice to the Speaker's office yesterday morning of his intention to raise a question of privilege. Accordingly, the notice requirements of Standing Order 15(2) and (5) have been met. The chair finds that this matter was raised in a timely fashion.

The subject of the purported question of privilege arises from the Member for Edmonton-Gold Bar's comments made on Monday at pages 1239 and 1240 of *Hansard*. In essence the Member for Edmonton-Gold Bar's purported question of privilege was that the presence of a document in the possession of the Member for Edmonton-Glenora constituted a contempt of the Assembly. The chair does not intend to discuss the contents of the document, which is generally agreed to be objectionable. At pages 1243 and 1244 of *Hansard* for that day the chair held that there was no prima facie case of privilege.

The chair wants to note that the hon. Member for Edmonton-Glenora had no advance notice of the nature of the purported question of privilege. Nevertheless, he chose to have the matter decided on Monday. At page 1241 of *Hansard* he indicated that he found the document "repugnant and offensive." He said that "what I did with that document was throw it in the trash." Despite the hon. member's uncontroverted statement there was no apology or retraction from the Member for Edmonton-Gold Bar.

In raising his question of privilege yesterday, the Member for Edmonton-Glenora argued that he felt "intimidated and harassed" by the Member for Edmonton-Gold Bar's comments. By extension he was arguing that the words constituted an improper obstruction to him performing his parliamentary work, which is part of the classic test for a breach of privilege found at page 14 of Joseph Maingot's *Parliamentary Privilege in Canada*, second edition.

Members may recall that on Monday afternoon prior to hearing the question of privilege from the Member for Edmonton-Gold Bar,

the chair specifically warned members from making "any allegations impugning the reputation or motives of a member," yet here we are.

3:30

Members may recall recent incidents involving unparliamentary language of such a nature that have given rise to a purported question of privilege. The chair refers to rulings on May 28, 2001, at page 806 of *Hansard* and April 17, 2002, at pages 762 and 763 of *Hansard*. In both those rulings the chair quoted *Maingot* where he says the following at page 254:

Language spoken during a parliamentary proceeding that impugns the integrity of Members would be unparliamentary and a breach of order contrary to the Standing Orders, but not a breach of privilege.

On April 17, 2002, although there was not a prima facie case of privilege, the Leader of the Official Opposition apologized, and the Deputy Premier accepted the apology.

It is true that *Marleau and Montpetit* state at page 86 that "the unjust damaging of a Member's good name might also be seen as constituting an obstruction." The example they give is from a May 5, 1987, ruling by Speaker Fraser of the Canadian House of Commons where he ruled that the hon. Otto Jelinek's ability to function as a member had not been impaired by certain allegations involving conflict of interest.

The difficulty in this case is that if one dissects the comments from the Member for Edmonton-Gold Bar, there is not a specific phrase that is particularly unparliamentary. He accuses the Member for Edmonton-Glenora by association with the document. He states at page 1240 of *Hansard* for April 28, 2003:

It is most inappropriate for hate propaganda to be floating around in this Assembly and in the parliamentary precincts, and it is most inappropriate for a member of this Assembly to have possession of the same. Freedom of expression and speech does not give members the right to be hateful.

It appears to the chair that the Member for Edmonton-Glenora's case really relates to the Member for Edmonton-Gold Bar's entire purported question of privilege, which the chair found not to be a prima facie question of privilege and expressed regret about it even being brought up. Frankly, the chair found the innuendo odious.

Although the Member for Edmonton-Gold Bar did not directly say so, the conclusion one could draw from his purported question of privilege is that the Member for Edmonton-Glenora was in some fashion promoting discrimination. Despite the fact that any such notions were put to rest by the Member for Edmonton-Glenora, there was no apology forthcoming. Although the Member for Edmonton-Glenora has unmistakably clarified the record, the fact that he had to even address the issue is a matter of grave concern.

There are few allegations that could be made against a member that could be more damaging than that he or she was promoting or condoning discrimination. As the chair has said over and over again, freedom of speech carries with it great responsibility. The events on Monday bring no honour to this Assembly, which is extremely regrettable not just for the chair but for each and every member of this Assembly.

The chair will give the hon. Member for Edmonton-Gold Bar one more chance to do the honourable thing and do a thorough apology.

Mr. MacDonald: Mr. Speaker, earlier in my remarks I apologized to the hon. Member for Edmonton-Glenora. I thought that was clear, and I'm very sorry that he was implicated in this matter, and that was also very clear. Okay? [interjections] I withdraw any remarks that I made that in any way, shape, or form impugned the character of the Member for Edmonton-Glenora, and I apologize.

The Speaker: Hon. members, as the chair did on April 17, 2002, at

page 763 of *Hansard*, the chair will quote from Speaker Schumacher's September 23, 1993, ruling where he talked about what constitutes an apology.

If a member intends to apologize for and withdraw any remark, whether as a result of a point of order or a question of privilege, the apology should be sincere and the withdrawal unequivocal.

In light of this, is the apology offered by the Member for Edmonton-Gold Bar acceptable to the Member for Edmonton-Glenora?

Mr. Hutton: Mr. Speaker, I truly want to accept the apology of this hon. member today, but what I heard was reference to earlier statements and a form of a retraction. That is not an unconditional apology, and that is what I require.

Thank you, Mr. Speaker.

The Speaker: All right. Then we shall proceed.

The chair finds that this is a very unusual situation where the incident that gave rise to this question of privilege was one member complaining about documents in another member's possession. While the chair is not implying in the least any agreement to the document that was the subject of Monday's question of privilege, the chair does not condone censorship in terms of what members read. It is beyond dispute, in the chair's mind, that the mere possession of a document hardly constitutes agreement or approval, yet this is precisely the impression left by the Member for Edmonton-Gold Bar's comments on April 28, 2003.

As the chair has commented, there are few allegations that can be more detrimental to a member's reputation than one of promoting or condoning discrimination. Furthermore, these allegations against the Member for Edmonton-Glenora have done nothing to raise the esteem of this Assembly in the eyes of the public. The distinguishing feature of this question is that it's difficult to find a precise unparliamentary expression. It is the innuendo left by the entire speech. The chair finds it appropriate to quote from *Maingot* at page 227, where the following reference is made to the report of the United Kingdom Select Committee on Parliamentary Privileges.

In the final analysis, in areas of doubt, the Speaker asks simply:

Does the act complained of appear at first sight to be a breach of privilege . . . or to put it shortly, has the Member an arguable point? If the Speaker feels any doubt on the question, he should . . . leave it to the House.

This is the situation the chair finds itself in.

Accordingly, the chair finds that there is a prima facie question of privilege. It is up to the members of the Assembly to determine whether a case of privilege is ultimately made out. Under Standing Order 15(6) any member may give notice of a motion not later than at the conclusion of the next sitting day. The chair would strongly encourage members to examine the traditions surrounding these motions.

Furthermore, the chair would ask all members to respect the process for addressing these matters in the House. It would be in keeping with parliamentary traditions and the respect owed this institution for comments to be made in this Assembly and its committees rather than outside it.

Mr. Hancock: Mr. Speaker, in light of your ruling I believe it would be in order to give notice to the House of intention to move a motion to refer this matter to the Committee on Privileges and Elections, Standing Orders and Printing to determine whether there was a breach of privilege and what appropriate action ought to be taken.

The Speaker: Notice has been given.

The hon. Member for Edmonton-Highlands.

Privilege

Contempt of the Assembly

Mr. Mason: Thank you very much, Mr. Speaker. I'm rising on this second question of privilege today pursuant to section 15 of our Standing Orders. In doing so, I'm asking you to rule that the actions taken this morning by the Minister of Human Resources and Employment as well as government members of the Public Accounts Committee constituted a prima facie breach of privilege of the Assembly and of my rights as an individual member.

This morning at the Public Accounts Committee of the Legislature all 13 members of the government caucus were absent from the committee. Also absent was the witness that was scheduled to appear before the committee this morning, the Minister of Human Resources and Employment. Section 53(4) of our Standing Orders states that a quorum for a standing or special committee is one-third of the members. With only four of the 17 members present, by definition the Public Accounts Committee lacked a quorum and could not proceed with this morning's meeting.

3:40

The Public Accounts Committee is established according to section 49(1)(b) of our Standing Orders, and section 50 states that "public accounts, when tabled, stand referred to the Public Accounts Committee." Public Accounts is a critical committee of this Legislature responsible for oversight of the financial affairs of the government. It is the only standing committee of this Legislature chaired by a member of the opposition. It is charged with the responsibility of providing oversight of the expenditure of public funds, and it is the only forum that we as members of the Assembly have to ask ministers and senior officials detailed questions about their annual reports as well as the audited financial statements of their ministries. As such, Mr. Speaker, it is a key, fundamental committee of this Assembly and of the legislative branch with oversight over the use of public funds by the executive branch.

The scheduling of government ministers as witnesses to appear before the Public Accounts Committee is done months in advance. Ministers appear before the Public Accounts Committee at most once per year. I am aware that committees of this Legislature are responsible for governing their own affairs. I would have raised the matter of the nonattendance of the Minister of Human Resources and Employment at the committee except that with no government members present, it was not possible for the committee to meet or take any decisions. Moreover, in making my decision to raise this matter in the whole House, I was also guided by our Standing Orders, section 62(3), which states that any question of privilege or disorder should be reported to the Assembly if it is sitting. So that is why I believe I have acted appropriately by bringing this matter to your attention and the Assembly's attention at the earliest opportunity.

Mr. Speaker, I point to *Maingot's Parliamentary Privilege in Canada*, second edition, where it says on page 14 that the House of Commons and its members have certain enumerated rights and immunities. In the event that a situation arises that attacks or disregards these rights and immunities, the House may treat this as a breach of its privileges. *Maingot* continues:

The Senate and House of Commons have the power or right to punish actions that, while not appearing to be breaches of any specific privilege, are offences against their authority or dignity . . . Such actions, though often called "breaches of privilege," should more properly be considered "contempts."

Maingot states on page 193:

Nor is it necessary that there should have been a breach of one of the privileges enjoyed, collectively or individually, by either House:

anything done or omitted that may fall within the definition of contempt . . . even if there is no precedent, may be punished.

I next wish to address whether the minister's nonattendance could be considered a contempt of the Assembly. Chapter 4 of the House of Commons *Précis of Procedure* states:

Thus, for example, the refusal of a witness to appear or to testify when summoned before a committee of the House could be regarded as a contempt.

Clearly, the Minister of Human Resources and Employment was scheduled well in advance to appear as a witness before the Public Accounts Committee. The minister's decision to not attend was therefore, in my view, a contempt of the Assembly.

Mr. Speaker, while I must be careful not to attribute motives to either the minister, who failed to attend, or all government members, who simultaneously failed to attend, I cannot say directly whether or not this action was related to the privilege question involving the chair of the Public Accounts Committee, who is the Member for Edmonton-Gold Bar. However, the Premier has indicated today publicly that the government members boycotted the Public Accounts meeting because they were mad at its chair for accusing one of their colleagues of being a bigot. He said, and I quote: when you get mad, you sometimes throw a few water buckets.

Mr. Speaker, clearly, if the government members do not attend this committee, this committee cannot meet, and therefore this has in my view very long, far-reaching potential to cause problems. As the committee that is established to oversee government accounts and to deal with the Auditor General's reports, this committee is fundamental to the oversight by this Assembly of the operations of government and particularly its expenditure of public funds. That means that the government caucus if it chooses to boycott the committee can effectively prevent it from ever meeting at all or can prevent it from meeting in any given particular circumstance when a particular ministry is under scrutiny. So it has significant importance, and we take this matter to be a very serious one. Similarly, if ministers are allowed to absent themselves on some pretext, they can then be permitted to escape the scrutiny of this Assembly as delegated to the Public Accounts Committee. In both cases this is a fundamental issue relative to the power of this Assembly to have oversight on the expenditure of public dollars by the government, so we believe that it's a grave and most serious issue.

I would say that the question of privilege had not been decided this morning. It's not finally decided yet, but you, Mr. Speaker, had not even ruled on the matter at the time that this boycott of the Public Accounts Committee took place. I was prepared to question the minister on his ministry's activities. This ministry spends I believe in excess of a billion dollars of public funds and is responsible for programs of vital interest to my constituents. I have many people in the constituency of Edmonton-Highlands who are in one way or another dependent on programs offered through this ministry, and I'm sure other members are in the same position.

Mr. Speaker, the nonattendance of the minister and the nonmeeting of the Public Accounts Committee I believe has interfered not just with individual members' rights and my individual member's rights but with the rights of the Assembly as a whole. Apparently, in conversation with the chairman and the clerk notice was received just a very few minutes before the beginning of the meeting that the minister would not be in attendance, and it took a call from the clerk to the deputy chair of the committee some minutes after the meeting was supposed to have been called to order, who indicated to her that no government members would be in attendance. *Hansard* staff were called in for this meeting. The Auditor General's staff were there. The committee staff were there and all prepared to do work and will have to be paid for their attendance at the meeting. So there

are costs and inconveniences to people beyond individual members.

I would say in conclusion that the actions of the minister and his government colleagues who sit on the Public Accounts Committee have interfered with my ability to do my job as a member and that of the Assembly as a whole. Mr. Speaker, the political games that are being played in this Assembly have now begun to seriously affect the work of this Assembly. It's time, in our view, that they stop. If you are prepared to rule that a *prima facie* breach of privilege both to myself and to members of the Assembly as a whole has occurred, then I am prepared to move a motion that will offer a remedy to the matter.

Thank you, Mr. Speaker.

3:50

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. While the circumstances that hon. member has outlined are clearly an important issue for members and for the House, they do not constitute a point of privilege or a breach of the member's privileges. I do thank the member for having provided notice of his intention to bring this forward earlier so that one might prepare for it.

I think that it ought to be clear from, again, *Marleau and Montpetit*, on page 128.

Since the House has not given its committees the power to punish any misconduct, breach of privilege, or contempt directly, committees cannot decide such matters; they can only report them to the House. Only the House can decide if an offence has been committed. Speakers have consistently ruled that, except in the most extreme situations, they will only hear questions of privilege arising from committee proceedings upon presentation of a report from the committee which directly deals with the matter and not as a question of privilege raised by an individual Member.

So, clearly, what we have here is an individual member raising a question of privilege. The appropriate procedure, in my humble submission, would be for the member to take his concern to the committee when next it meets or when it's called specifically to deal with that, and if the committee doesn't meet, for the chairman of the committee to then report back to the House that he is having trouble getting the committee to meet and ask the House to deal with that matter. That would be the appropriate way to deal with this matter.

Beauchesne's 107, "Breaches of privilege in committee may be dealt with only by the House itself on report from the committee." So it's clear that an individual member of a committee cannot bring a question of a breach of privilege in the committee to the House on his own motion. It must be through the committee, and as I say, one would assume that if the committee cannot do it, then it would be at the behest of the chair to bring it to the House to indicate that he can't call the committee together.

However, I would take it a little bit further. The committee itself did not meet today. It didn't have quorum. It wasn't called to order. So if there was any question about the minister who had been designated to appear not appearing before the committee, I would submit that there was no committee for him to appear before and therefore he cannot be held in contempt.

An Hon. Member: That's a circular argument.

Mr. Hancock: No. It's not a circular argument. It's a very important argument. The committee ought to have been called to order, and if it can't meet for some reason . . . [interjection] So there's no breach of privilege re the minister not attending, regardless of why he didn't attend, because there was no committee to attend. As to government members attending, each member is responsible for his

or her own actions, but failing or refusing to attend a meeting is not a breach of privilege.

I would indicate to you, Mr. Speaker, that if it's a breach of privilege not to attend a committee meeting, it is certainly a breach of privilege not to attend the House, and I recall on a certain occasion when a whole group of members left the House in protest for a certain action. Whether or not you agreed with their action, nobody suggests that they breached the privilege of members of the House by not attending the House. There are rules with respect to that, but if a member or a number of members don't attend the committee, that's not a breach of privilege.

In any event, the committee is in complete charge of its own affairs as per *Beauchesne's* 760, page 222.

(1) Committees are . . . creatures of the House. The Standing Orders of the House of Commons apply to committees, so far as they may be applicable, with certain exceptions. . .

(3) The Speaker has ruled on many occasions that it is not competent for the Speaker to exercise procedural control over the committees. Committees are and must remain masters of their own procedure. . .

(4) On one occasion, after a grievance was raised in the House concerning procedure in a committee, the Speaker undertook to write to all committee chairmen pointing out that when a grievance is not resolved satisfactorily in committee it often results in time of the House being taken when the grievance is raised in the guise of a question of privilege.

I do take this very seriously. Obviously, the Standing Committee on Public Accounts must meet and must do its job, and there's no suggestion that it won't continue to meet. But if it does not continue to meet for some reason, then the appropriate procedure is for the chairman of the committee to come to the House, advise the House that the committee can't meet, because it doesn't get quorum, and ask the House to provide a solution. That's one thing to do. The chair of the committee can at any time call a meeting of the committee in the appropriate manner, and if people do attend, then the committee is functioning, and it then will have the option or the obligation to deal with any of the issues which might be before it as to why members may or may not be there, as to why witnesses may or may not attend. Those are issues for the committee when called to deal with, and I think the rules are clear both in *Marleau and Montpetit* and in *Beauchesne's* that if the committee cannot deal with its event, then its option is to report to the House, at which time the House can deal with it.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I've listened with close attention to the argument brought forward by the Member for Edmonton-Highlands – and thank you for doing that – and to the response from the Government House Leader. I think that what I can do is offer my observations as a member who was at the meeting in the morning and I believe the longest sitting member of the current committee.

As I try and work my way through the arguments that are offered, I note the argument offered by the House leader that the committee should bring its concerns forward to the larger Assembly, but a majority of the committee's members are members of the government caucus, and when the government caucus makes a choice not to appear, the committee cannot assemble itself, because it does not have quorum. Therefore, I think the only avenue open to it is to bring the question before the House. So I'm speaking, I believe, in favour of the motion from the Member for Edmonton-Highlands.

As I said, I've been on the Public Accounts Committee since my election in 1997. I am the longest sitting member of this current

incarceration or incarnation of the committee. [interjection] Yes. Well, it's not a popular committee. I believe that in seven years I have only missed one meeting, so I feel confident that I can speak about what has been the habit of this committee. With this committee I have never experienced both a scheduled minister and every single government MLA being absent from the meeting at the same time on the same occasion. Memory does call up one other occasion when a minister canceled their appearance with such short notice that the committee was not able to reschedule another minister and, in fact, did not meet. That was the occasion in May of 2001 when the House sat throughout a night and throughout the following day. The minister at that point canceled his appearance, and we were not able to reschedule another, and the committee didn't meet. That is the only other example in my memory in my seventh year of sitting on this committee now.

My point is that this morning was a unique event. I don't tend to believe in coincidences, so I would tend to take it that this unique event was meant to have intended meaning to those of us who were in attendance at the meeting this morning. I note that the minister did in fact send a messenger, although the government caucus representative did not, and we had to contact them by phone. Neither the minister nor the government caucus representative gave a reason for this shunning of this all-party legislative committee, and neither, I also note, did either party send out that it was not a deliberate act, that it was not intended to have significant meaning. I wonder whether it wasn't to have significant meaning for the chair of the committee, who is the Member for Edmonton-Gold Bar and at the time the subject of a point of privilege that was held over.

4:00

So I wonder, Mr. Speaker – and your advice, of course, is always paramount – if this was the case and the nonappearance was intended to have meaning, was intended to show disapproval for the actions and statements of the Member for Edmonton-Gold Bar, then I think it could be taken that there was an attempt to prejudice Edmonton-Gold Bar's ability to have a fair hearing and a fair process around the events of the last couple of days.

If I apply a reasonable-person test to determine why both the minister and every member of the government chose to absent themselves from this all-party legislative committee, I look at possible reasons why they could not have been there this morning, such as a terrible illness or a situation of disaster or a situation of civil insurrection or war, even having sat very late or into the wee hours of the morning, that would cause everyone to be absent, and none of these excuses seem to come into play. I did check the media for announcements of various kinds of illnesses and disasters, and none of those come into play, and the House in fact adjourned last night at 11:24, which is a late hour but not an unreasonably late hour. So I think that a reasonable person could come to believe that this was a deliberate act by both parties, the minister and all of the government MLAs appointed to this committee, and that they were in fact acting in collusion. In that I think it is inappropriate and was showing contempt for the process, and as these all-party legislative committees are creatures of this Assembly, it was showing contempt for this Assembly. I think it was using that parliamentary process, that of a legislative committee, to attempt to control and punish the behaviour of another member of this House.

There are legitimate processes both in and out of this Assembly that were available. They could certainly have called upon the Speaker's advice if they wanted information about what other legitimate avenues were open for them, if they wished to somehow express their disapproval in some way, but what I saw was collusion between a minister and every member of the government caucus that

was appointed to this. To use the occasion of a regularly scheduled all-party legislative committee to send a message, to shun a member of this Assembly and, as has been pointed out, to waste the time of the other members who did appear – the Auditor General and his staff, the committee clerk, and the *Hansard* staff – I think is unacceptable to me.

Missing a meeting becomes very important to this particular committee, because as I've noted, the majority of the members on the committee are members of the government and they have consistently voted in the past to not allow the committee to meet outside the Assembly. So missing one meeting out of the nine or 10 meetings that we get a year to scrutinize the public accounts of the government – the government now has 24 some odd ministries – we're not even making half of them. To miss one day and not be able to replace that day is significant, I think, in terms of our ability to examine a particular ministry and overall to examine the public accounts of the government. In this case the programs and services that are offered by the minister who was to appear before us cover programs for vulnerable Albertans and I think would have been of great interest to my constituents and to others.

I think that what happened this morning was an attempt at intimidation. It was a contempt of what should be happening in this Assembly and those committees which are creatures of this Assembly and should not be tolerated by the Assembly.

Thank you, Mr. Speaker, for the opportunity to speak.

The Speaker: Hon. Minister of Human Resources and Employment, did you want to participate in this point of privilege? It's your choice.

Mr. Dunford: I think, Mr. Speaker, but not having access to the Blues, that there might be a Standing Order 23(h) in the sense that I heard the word "collusion" in reference to me as minister.

The Speaker: I think the hon. member was wondering out loud if there was collusion. The chair was listening very intently, and I think she was musing out loud that she was wondering if there was collusion. I moved in my chair when I heard that word too, but I think that clarifies it.

The hon. Member for Calgary-McCall.

Mr. Shariff: Thank you very much, Mr. Speaker. I just want to begin by first saying that I concur with the comments that have been made by the Government House Leader. I won't take much time of the Assembly, but I'd like to cite at least three references here that you should take into consideration.

Beauchesne 760(3) clearly indicates that "committees are and must remain masters of their own procedure." We establish procedure in this parliamentary system to follow, and the correct procedure is to take this issue up at the next meeting where it can be debated and issues can be raised and answers can be sought. The second reference was already made by the Government House Leader, so I'm not going to repeat it, and that's 760(4). Finally, Mr. Speaker, I want to make one other reference, and I'm extending this analogy a little further. *Beauchesne* 31(4) says, "Many matters, such as the absence of a Minister from a committee studying Estimates, may constitute grievances but not a question of privilege."

Mr. Speaker, I feel that this debate that's going on is a slippery slope where people may start imputing false motives on others, and I hope that we don't go through that path. I do not see this as a point of privilege. I see this as a procedural matter that has to be dealt with in the Public Accounts Committee, and that's where it belongs.

Thank you very much.

The Speaker: The chair wants to deal with this matter now. For the record, the hon. member provided notice to the Speaker's office this morning of his intention to raise his purported question of privilege relating to events that transpired this morning in relation to the Standing Committee on Public Accounts, so the requirements of Standing Order 15(2) have been met. I think I received notification around 10 o'clock, 10:30, or something to that effect.

It has been cited now by several members, but as all members may be aware, there are a host of authorities on the procedure for raising as a question of privilege matters that arise in or from standing committees. It's very, very clear. This is a case of black or white. The chair would like to refer the members to *Beauchesne's* 6th edition at paragraph 107, where it clearly states that the business of committees must be dealt with in committees, *Marleau and Montpetit House of Commons Procedure and Practice* at pages 128 and 129, and of course our own Standing Order 62(3). The bottom line is that there first must be a report by the committee before the House will address the question of privilege arising in the committee. Now, having said that, this morning there was no meeting of the committee, which makes the purported question of privilege akin to the situation of a tree falling in the forest and there being no one there to hear it.

Recently the chair was in fact anticipating such things happening so has spent some time reviewing such rulings, so I had this available when it did arise this morning. On November 27, 2002, at page 1950 of the *Commons Debates* for that day the Speaker of the House of Commons said this about a purported question of privilege about what went on in a committee:

In the present case the Speaker has been asked to reach into the proceedings of the committee to overturn something that was done there. Such requests have occurred on many occasions in the past and previous Speakers have, without exception, resisted the temptation to intervene.

On numerous occasions in the past there have been issues that have arisen out of committee, the Committee of Supply, or some other committee. Either the Deputy Chairman of Committees or others have said: well, we think it should come back into the Assembly and you should deal with it. I have consistently looked at them and said: "No. That remains the business of the committee, and that's where it should be dealt with."

4:10

So there is no prima facie case of privilege. However, the Speaker wants to encourage all members to work to ensure that the Public Accounts Committee continues its important work and sincerely hopes that a meeting will be scheduled according to the routine schedule, which presumably would be next Wednesday morning at 8:30.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Shariff in the chair]

head: **Main Estimates 2003-04**

Children's Services

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. We have a practice in this Assembly where we have at least two hours to speak on budget debates. Given the events of the day and the hour it is now, we are proposing that we still call the question for budget debates at 5:15. The minister has agreed to take all questions under advisement, and

while we treat this time as very important to us and have a great number of questions to ask, we will submit the rest of them in writing and propose that this one time only in this Assembly we limit debate until 5:15 today.

Mr. Hancock: Mr. Chairman, with the agreement of the House we would certainly concur and appreciate the co-operation of the hon. Opposition House Leader in that.

The Deputy Chair: I believe we don't need a resolution for that, so we'll proceed.

The hon. Minister of Children's Services.

Ms Evans: Thank you very much, Mr. Chairman, and thank you to the members opposite. To my colleagues today who may also wish to submit written questions: have those available and we'll so entertain.

I'd like to introduce here today to listen to the questions and assist me, no doubt, in responses to those that I may not be able to answer our assistant deputy minister of support services, Keray Henke; my executive assistant, Kim Endres; and the communication director, Mark Kastner. Mr. Chairman, these are wonderful people that will always be pleased to help respond to the questions of all members on all sides of the House in this Assembly.

Now, Mr. Chairman, I am not going to go entirely through every remark I had because of the time, but I want to just mention this. The chance of a lifetime is not something to be taken lightly, and to be a Minister of Children's Services in this government is something that has been a privilege. So today I'll just briefly highlight some of the goals of the budget for 2003-04, the goals for the coming year.

Children are a priority of this government. From the throne speech on February 18 we heard that "this government's highest priority must be to secure a bright future for children and youth." The Speech from the Throne pledged that

the government will demonstrate its commitment to that priority by undertaking a range of initiatives to ensure that Alberta's most precious resource, its children, is protected and enabled to develop to its fullest potential.

As we heard in the budget announcement by the Finance minister on April 8, the Children's Services budget for this fiscal will increase by \$36 million to \$701.8 million, a 5.4 percent increase from the 2002-03 budget. With the additional \$36 million this fiscal year Children's Services will be making further investment in Alberta's children and families. The funding will go towards direct services to children and families in areas such as child welfare, early intervention, and particularly services for children with disabilities. We demonstrate through this budget our commitment not only to the children but to the local communities who will help and assist in the delivery of services and the expanded role of the Alberta response model.

Mr. Chairman, Children's Services envisions an Alberta of strong children, families, and communities with a regional system respectful and responsive to service delivery required. Our goal is to do more than protect vulnerable children from neglect and abuse. Our goals in fact put children first and put families first through prevention, preservation, protection, and permanency planning for children in care and through community partnerships.

Some of the areas are as follows. The Alberta response model, commonly known as ARM, is a key initiative that has been developed to build on successful child protective services and improve community-based supports for families at risk. This model is the tool our ministry is using to transform child welfare in this province. The child welfare budget for 2003-04 is \$373 million. The increased

funding of \$8 million will support the Alberta response model and implementation of amendments to the Child Welfare Act that will work hand in hand with the new model for child welfare service delivery. Legislative amendments are aimed at preserving families and protecting the children in need, providing also children and youth residence in permanent, nurturing homes.

A hypothetical case about how the Alberta response model will work in everyday life. A single mother calls the local office, her local CFSA authority, to ask for help for her teenaged daughter. The teen has been a handful all her life but in the past two years has become what she describes as a nightmare. She has been skipping school, becoming very involved with drugs, and starting to steal. After screening to rule out any possible child protection concerns, a family assessment is done, and the mother is referred to an appropriate agency to deal with parent/teen conflict. The mother along with a parent resource co-ordinator and the teen school counselor work together to develop an action plan. They agree that substance abuse is the first critical issue needing to be addressed, and they work together with the teenager to involve a local treatment program and help her to continue her education, working with the family, with the teen, and with the agency. Mr. Chairman, through this model, through this very tailored response to children and families in need, families feel better supported and better connected in a nonadversarial process.

I'd like to just briefly comment on the adoption web site since it has attracted the attention of members – actually, probably worldwide, with over a million hits. We have 43 children that have been adopted since the onset of that web site. Some 11 would not have been placed on the web site, but the expanded interest has also attracted an additional 400 new adoptive families, who've registered and are taking training courses to become prepared for parenting. We've had 248 inquiries – serious inquiries – from adoptive parents residing in other provinces who want to become a part of adopting. In Canada, Mr. Chairman, this has been recognized as one of the most successful endeavours.

Our resources in this budget, Mr. Chairman, for the children with disabilities are \$72 million, an increase of \$8 million from the 2003 forecast. You've heard me talk about the potential for a hundred new cases of autism this year. The other areas, of course, are those extraordinary needs, some of them multiple needs, that affect children with disabilities. I've spoken many times about the various ways that children are now kept alive and become healthy yet disabled children that require family supports within this ministry and will also through the new Family Support for Children with Disabilities Act. Through this new legislation we hope to work on family-centred supports and serve to empower families of children with disabilities so that they will be able to access services and target those services that are most in need for their complex high-needs children.

Clearly, the average cost per case of accessing ministry resources for the children with disabilities program went up approximately 3 percent over the previous year, costs being due, as I've said, to new treatments and therapies, so the average annual cost of the RCD caseload is approximately \$7,148. In contrast, caseloads for those with autism who receive intensive behavioural intervention is approximately \$39,000 per year. Mr. Chairman, we have complex caseloads that are indeed high-cost. It is estimated that this year, in 2003, 420 children will receive IBI services, a 27 percent increase from 2002, predominantly because of work that's being done identifying and assessing those cases with health and also with Learning.

4:20

Our early intervention budget this year is \$62 million, an increase of \$4 million over the 2003 forecast. Approximately \$2.2 million is

the result of funding under the new federal/provincial/territorial early learning and child care initiative. Alberta's child care initiative was announced in December and is designed to build quality child care. Three components of this initiative include child care accreditation, respite options for families in need, and a child care nutritional program. This year's increase to the funding will be used to implement the child care initiative through all three phases: pre-accreditation, pilot review of an accreditation process, and full implementation of the model by March 31, 2004.

We also anticipate improving outcomes for children at risk in supporting parents and providing quality care for their children. Programs like roots of empathy, that were launched in southern Alberta and in Calgary, add to the bench strength we're trying to build for Alberta's children. Our early intervention budget this year is \$50 million, an increase of \$4 million from the 2002-03 forecast. In addition, municipalities will receive \$61 million for family and community support services, an increase of \$3.3 million, Mr. Chairman: \$1.3 million accounting for a population increase as per the funding formula, \$2 million for new initiatives for children and families to improve the response to potential risks.

Mr. Chairman, the regions have allocated \$11 million for early child development initiatives – and I think this is extremely positive – with an additional \$1.75 million that's being added for fetal alcohol spectrum disorder, bringing that total to approximately \$5 million. Regional child and family services authorities will be allotted \$2.4 million for regional programs, a 100 percent funding increase from last year, again trying to improve the community capacity, and \$1.8 million will fund 10 demonstration projects for an additional 200,000 towards a provincewide FASD program. We're really going to target and almost double up the work we're doing for children and trying to prevent fetal alcohol spectrum disorder.

Our aboriginal services are extremely important. Co-championing the aboriginal policy initiative, we're working to partner to improve prevention and early intervention services, again, Mr. Chairman, trying to get federal supports to those aboriginal families, something that we're still struggling to make sure are in place simply because those have not been forthcoming yet from the federal government: dollars promised but yet to be delivered. We've established agreements to support First Nations and child protection and permanency with Métis Nation and Métis settlements.

Our family violence protection has grown to \$15.4 million. Mr. Chairman, the additional \$4 million over the last three years has really gone a long way to improving the service delivery and the advocacy for prevention of family violence.

Alberta's promise and the new \$2 million to be available to go towards the research centre have added approximately \$3 million to the corporate administration of our department, but I do note that the \$2 million for the research is to be provided through a nonprofit agency that is being developed. A launch is expected later this year.

Mr. Chairman, in conclusion, as rapidly as I can speak so that I can get as much of this out for the hon. members opposite, I would just like to say that our budget this year reflects an overall commitment to the children so that they will in fact reach their greatest potential. With that, I'll await the questions from the member opposite, and perhaps just to expedite it, the member opposite would like to give me them in clusters. I'll stand up and give a very brief response, and then we can fulfill the obligation of giving more detailed responses later.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. Thank you to the minister for agreeing to expedite the examination of the estimates the way we

have this afternoon. I think that if we're doing this another year, the minister will have to make sure that there isn't a hundred-page amendment to the act that precedes the discussion of the budget. It's timing that I think is leaving all of us a little exhausted.

I wanted to start with the ARM and the minister's comment about ARM and to ask: is there an ongoing evaluation of the Alberta response model, and what is the nature of that evaluation? It would seem to me to be a necessary component, and it would be unfortunate if we got down the road a number of years and there wasn't in place a plan, at least, for determining how effective the model is in responding to the needs of Alberta families. So that's my first question.

The second question is an accountability one. I wonder if the minister can tell us . . . Mr. Chairman, I'm finding it a little difficult to hear myself think.

The Deputy Chair: Hon. members, the Member for Edmonton-Mill Woods has the floor. He is experiencing difficulty with the noise level in the Assembly. I urge all members to give him the due courtesy that he deserves to be able to speak.

The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you. I wonder if the minister could give us an update on the co-management of the Kasohkowew children's services on the Samson reserve. Where in the budget do we see the finances dedicated to that particular project?

The minister mentioned intensive behavioural intervention, and I think we discussed this last year. There's been some controversy raised about the method, and it seems to me from the remarks of the minister that the department has made some decisions about using intensive behavioural intervention programs. I wondered if she might spend a few minutes talking about the background to that and how the department has met the criticisms from some quarters. I know that I had a professional visit my office and lay out some reasons why IBI shouldn't be used with autistic children, and I wondered how the government was responding to those criticisms, because there still is a great deal of enthusiasm for IBI on the part of a significant number of parents.

Just another question with respect to the student health initiative. Again, there are some comments in the annual report about the student health initiative. Could we get some information about the administrative costs of that initiative and where they are located? I imagine that they're in more than one budget, but that may not be true, and I wonder about the success of the initiative. I continue to hear, for instance, from parents in this city that the initiative is not providing the kind of service, especially to children with disabilities, that the parents thought was going to be there when the initiative was undertaken. So, again, if we might have some comments on the success of the initiative.

If I might, some questions about early childhood care and education. Again, with this great emphasis in the ministry and cross-ministry objectives and trying to bring everyone to bear, what is the interface with Learning with respect to the provision of early childhood care and education? Are there plans that are being developed? Is there consideration to extending kindergarten to make it available in some cases for younger children? Are there plans for further expansion of early childhood programs? I noticed in the annual report that the department reports on the project in Rocky View where they were looking at the readiness to learn of 2,800 kindergarten children and the kind of activity there. I look at jurisdictions elsewhere. I look at states that now have moved to full-day kindergarten for five year olds and an optional kindergarten for four year olds and selective programs for younger children, and I

would like some information, if I might, from the minister with respect to whether there are any initiatives in this area, particularly ones that would affect the co-operation with Alberta Learning.

4:30

Maybe a last question in this first group, Mr. Chairman. In the annual report the department indicates that over the past year 2,015 people were trained in the Protection against Family Violence Act, and it indicates that 285 of those people were child welfare workers. My question is: is this kind of training compulsory for all child welfare workers? Is the intent that every worker will be trained in this area? A related question: how is the safety of workers who are working with families in violent situations assured? We had some comment from the minister of human resources in question period last week or the week previous about the provisions they have in place, but I have a concern about safety and how it might be addressed.

Thanks.

The Deputy Chair: The hon. minister.

Ms Evans: Thank you, Mr. Chairman. In the first instance, the ARM evaluation is being conducted through two vehicles. The University of Calgary's is through Dr. Gayla Rogers and her department. They have put together a framework and a protocol for evaluating that, and we've already had some results, some dialogue with them. Dr. Nico Trocme from the University of Toronto and the Child Welfare League of Canada have participated as well in looking at the indicators, not only the federal indicators but some of the indicators that they have felt would most clearly direct themselves to neglect and abuse. So at this stage, in the very preliminary stages, we are very satisfied that we've got some outside sources to come forward and provide us an unbiased look at how those programs are being affected, and we'll look forward to tabling in this House some of the results of some of those early evaluations. I'm glad that that was asked about.

In terms of, particularly, the Kasohkowew situation and the comanagement, which we're still undertaking with the child welfare authority, the delegated First Nations authority of Kasohkowew, and Samson Hobbema, we are providing resources. Clearly, those are human resources that have been seconded from elsewhere, but essentially that funding for that authority still comes federally. Kasohkowew through the Samson Hobbema tribe has provided additional supports I believe in the amount of some 300,000 dollars to support additional community supports in trying to build a strategy, Mr. Chairman, to improve the circumstances there. Predominantly those dollars come from our First Nations liaison unit budgets and would be the secondment of at least one codirector and from time to time other consultants. We can provide you more exact figures, but they would be not found so much in the budget for the dominant work that's done there, because the dominant work that's done there is still federally funded.

With the tabling of our new resources for children with disabilities legislation, that we've just had the Committee of the Whole discussion on last night, I think that questions that have arisen in the past about IBI reports or performance for various children will be clarified because it will be very clear what the director's role will be in allocating service delivery for children who require these very specialized services and for families in receiving services. To the hon. member opposite, we are looking at a model where the parents can actually choose to have more hands-on involvement in receiving the dollars and providing those dollars for service themselves, if that be their preference, or in fact having us provide those services in

consultation with themselves. Some very strong proponents for children have felt that they could broker those services on their own, and we're looking at that model as we speak: something that gives a little more parental choice in the delivery of those services once the assessment is done.

My vision is that ultimately everybody with a special-needs child will receive a proper assessment at the outset no matter where they live in Alberta, that they will get an absolutely thorough assessment. Their needs will be understood. The families will have what understanding they need to have for supports. Then if there are physicians or care workers in other communities who will actually deliver that service, they will have that kind of template from a centre of excellence in this distribution, which could be the new Children's hospital, the Glenrose centre here, or the centre in Grande Prairie, and we will avoid what currently seems to happen. I recognized when my own son was sick as a newborn that you're tempted to go to every doctor until they give you the answer that you want to hear and that you feel confident in. We want to make sure that parents don't fight to find out about the diagnosis, that they get that diagnosis. We work with our partners in Health and then get working on a better plan for the child in the service delivery plan right from square one. I think you'll see that the new legislation will clearly do that, but we are trying to practise very strongly to improve so that you don't receive letters from people who wonder if they've been denied program supports.

I think also that the circumstances we find ourselves in with a better diagnosis of autism, for example, mean that we have to bridge where families may be coming from, that road of discovery, what is wrong in this situation, and try to find out what they can get, what best treatments are provided. I believe in our performance measures. Although we may not achieve that objective this year, there will certainly be some support.

If I may, SHIP in here really predominantly appears from the fact that the people that are in number administering the SHIP initiative across Alberta are counted in our budget but are funded elsewhere, sometimes from the Learning budget and sometimes from other areas. So we may be showing the FTEs in our budget, but those FTEs that are delivering that service are accountable, through the funds that we receive, sometimes to entirely different authorities; for example, the schools. Some schools, of course, have had hugely satisfactory performance issues. Some may have had issues as well with that actual service delivery. As you know, we are a partner in this, and it would behoove me to defer to the Minister of Learning and the minister of health about the actual success. Many parents have expressed extreme satisfaction. Many expressed to me the desire to have more funding in particular schools on particular issues dealing with their own specific children. So that's something that I think we can always look at.

Early child care and the articulation with Learning. Very recently through the Alberta children and youth initiative we have been looking at a partnership in the protocols of assessing children. In that assessment I think that both Health and Learning are very much partners. We've been looking at how we can look at indicators that show effective approaches, public reporting of that, and that's something that even on a national basis we've looked at. Our early child care accreditation model will also help illustrate some of the successes.

Mr. Chairman, the roots of empathy, that I referenced in my opening remarks, are beginning to show better parent/child liaison, better nurturing of children. In terms of how we articulate in prekindergarten and something that precipitates it, the hon. member and I, albeit years ago, discussed the merits of PUF funding for those that are younger than five to make sure we had a proper school

readiness model, and I think that's as valid today as it was then. So we are very anxious to see that through the additional supports through FCSS, for example, in the Taber-Warner constituency and through other models through various child and family services authorities we start to make some headway on improving the outcomes for children, and hopefully that will show up.

4:40

The annual report referencing the family violence act is a reference to our training of not only child welfare workers but police, particularly in outlying areas, for that legislative framework for protecting families where violence is involved by removing the perpetrator from the home, and we have been expanding our training capacity there throughout.

You've asked about satisfaction with the safety of child care workers. Mr. Chairman, there are protocols in every single authority identifying their need, where necessary or where perceived risk is there, to address various responses on emergency teams with both police and social worker in tow. Social workers are strongly counseled not to put themselves in any compromising situation, and we can provide you more detail on that program if you wish.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much. Well, I'm sure that the minister in seeing me rise will know that the questions that follow are going to be on funding and on women's shelters. I'd really like not to have to do this every year. I wish that I could see some concrete changes. I'm sure that the minister will be able to detail for me some smaller changes that she feels have been implemented – and I look forward to hearing those from her – that are in support of the work that is being done in the shelter movement, but there are a couple of questions that I would specifically like to discuss with her.

The statistics we get continue to rise, and we're now in a position where more people, more women and their children, are turned away from women's shelters than are able to be served in the women's shelters. I know that the minister will say, "Oh, but we don't totally abandon them; we do look after them," but it's not the same thing. They are put in a hotel if the person wants. A lot of the people return home; let's be frank. They just go back home and back into a situation of abuse. The ministry will put them in a hotel, but that's not the same as being in the shelter. That's not the same as having other women in like circumstances around for group support. It's not the same as having the social worker right there in the house. Being in a hotel room with a flimsy door and a lock in between you and whatever is out there is not the same as being in the safety and the security and the anonymous location of a women's shelter. It is not the same. So we're now in a position where we have more women and their children being turned away from women's shelters than being served by women's shelters. Is this the benchmark? Is this the mark, the line that we're going to work from now? Is this our baseline where the government says: "Okay. This is the way the world is, and we will fund from here?"

My frustration is that every year I stand up and I look and the numbers are worse. There are more people not being served here. I don't see a co-ordinated government effort going on. I don't even see things that used to happen, like the television ads or the posters or the radio ads or the sponsorship of the plays, theatrical productions and other sorts of performance art that used to get out into the communities that would help people be aware of the situation. I see us going backwards in this whole thing. There have been some improvements that have come forward with a sort of co-ordination between police and social workers and shelters and that sort of thing

that I think have been an improvement around the whole issue of violence against women and their children, but overall I come back to the same statistic: there are more women and children being turned away than are finding service in these shelters.

So is this the benchmark, the baseline that we work from now? I don't see the government putting huge effort or thought or energy or money – and you notice that money was last here. It wasn't first. It was last in the list of how to approach this. So I want to hear the minister on the record. Just tell the truth. If this is where it is, this is the baseline, this is where we're going to work from, okay, fine. Then I think that myself and other people would have a different approach and could adjust our strategies to what the government is doing. But if we keep thinking, "Well, the government is going to come through; they're going to pitch strikes; something is going to happen here; it's going to get better somehow," then we adjust our strategies to that, and we're all failing as a result of it in my opinion. So I just want to know what the real truth is. What's the real strategy here?

The second issue is around second-stage housing. I don't know if people in the Assembly are aware that generally a stay in a women's shelter is three weeks or less. Twenty-one days and you're out. So if you've left in the middle of the night in your pyjamas if you're lucky with a kid under either arm, you've left your wallet, you've left your credit cards, you've left your slippers, you've left your toothbrush, you've left the kids' teddy bears, you've left their clothing, their lunch box, their toys, their bicycle, everything. You're out there with a kid under either arm in your pj's, no toothbrush, no money, no car keys, no passport, and you've arrived at a women's shelter. You've got three weeks. Boy, they zip by in a blink of an eye, and now you have to find second-stage housing.

Well, I notice in a recent newspaper article that the director of the Alberta Council of Women's Shelters is saying: you know, we try to work to a point where there should be three second-stage beds for every emergency place. Well, we've got a hundred emergency places, so we should have a heck of a lot of second-stage beds, and at this point when we have the new building opened in Edmonton, we'll have 20.

So we are so far out of line and out of whack with second-stage housing that again, you know, is this the benchmark, is this the baseline, is this where we work from? There doesn't seem to be any great movement here, any coalitions building, any great meetings of the minds with the Minister of Children's Services. I just loath vulnerable women, women in a dire situation, battered women, being under Children's Services. I will loath that till the day I die. But I don't see the Minister of Children's services putting her head together and coming up with concrete plans with the minister of housing. Maybe it's happening. She's going to have an opportunity to get up and tell me what's going on, but I just don't see it, and I'm looking.

There's also an issue around the staff that work in the women's shelters, and there's a larger issue for the Minister of Human Resources and Employment as well. But, you know, every time the government workers get a raise – and all power to them, and that's a negotiated settlement through a proper collective bargaining process, we hope, still – their equivalents in the nonprofit sector, like those working in the women's shelters, do not get an automatic raise. I'm wondering why the minister isn't looking at putting in place a policy that says that there's an automatic review every year or there's an automatic increase that goes: if there's a raise to the government workers, it happens to the workers in the shelters as well.

I mean, let's face it; that's what the members of this Assembly enjoy. On the 1st of April, according to a process that was put in place by the Members' Services Committee, the average weekly

wage is looked at, averaged out across the previous year, and if there has been an increase in that, bingo, there is an equivalent increase for the MLA's salary. So if we can enjoy that here, why are we not extending that to the groups that we work with and that we oversee in the communities?

I urge the minister – I actually challenge her – to put that in place because I keep hearing back from the shelter workers, and I'm sure the minister does, too, because they just barely get caught up and they'll be caught up for, you know, two weeks, three months, six months, and all of a sudden there's another settlement, everything has changed, and they're falling behind again. If we're really serious about the support here, then we need to be supporting these workers.

So those are the three issues that I want to raise. You know, what seriously is going to be done? If there's going to be no increase in trying to alleviate the number of women and children turned away from shelter spaces versus those that are able to find accommodation, (a) if you're going to improve the money there, good. Let's hear it. If you're not, then that becomes the benchmark. What's the government's long-term look at this? You've got a three-year rolling business plan in front of you. What exactly is going to happen to allow the community to adjust their strategy in how we support those shelters, the women that work in them, and the women and children that come to them? The second issue about the second-stage beds and the third issue about linking the salaries.

Thanks.

4:50

The Deputy Chair: The hon. minister.

Ms Evans: Thank you, Mr. Chairman. Just a couple of days ago I looked at a November report about turn-aways in shelters. One of the things that we've discovered is that sometimes turn-aways – if a woman, for example, in this city visited two shelters the same evening, they would be counted as a turn-away in both shelters. We have to try and manage more clearly what our turn-aways are.

I'm not saying that I don't agree with the member opposite. We're always concerned when we turn people away, but we have not only the capacity through the Minister of Human Resources and Employment to provide emergency shelter; we have found that unlicensed beds within the facility often provide some reprieve for those people so that they are not put out in the cold. I think that the point I'd like to make is that we are concerned when children and families come to shelters and don't have appropriate accommodation. We're looking at a number of those issues with both the women's shelter association, the society, CWS, as well as some of our ministerial partners.

We had a most excellent presentation from the Council of Women's Shelters talking about second-stage housing and a number of other things. At that time, six of the ministers, including Community Development, housing, Human Resources and Employment, the Solicitor General, the Justice minister, all came together at Government House and had a very extensive meeting with shelter directors across this province and talked about the issue of second-stage housing, which my colleague the Minister of Seniors has discussed at some length in this House.

I can only assure the member opposite that in terms of evaluating the needs for second-stage housing, we are doing that both in southern Alberta in the Taber area and in various places in Alberta. There are some plans, which are perhaps fragile at best because they're in their beginning stages but which I hold some optimism will yield some better benefit. I am going to surprise the member opposite: I do agree that there is a strong need for second-stage housing in Alberta.

The question really remains, Mr. Chairman, about who shall answer that call. Who is responsible? We know we've got shelters on reserves that are funded by the federal government. We have federal dollars in housing and affordable housing supports, and I think it's all partners, including the local jurisdiction, that have to be involved.

So to my third point, relative to the salaries. The hon. member opposite would be aware that we did provide some supports to salary adjustments, which I agree needed to be made throughout Alberta on the women's shelters, but I was also given some caution that these shelters have traditionally operated under societies and under auspices which are self-directed and that I can't simply go in and supplant without having to consider what they've already got in place, increases they may have made.

Should we have some type of formula, perhaps, that could be in place for all places? I look at the various partners that government does have. We have numerous partners, and some would argue with us just making arbitrary allocations, but what we are attempting to do to overcome some of the problems we've had in the past where shelters have not received adequate compensation is consolidate the supports for shelters within the department so that they will not be at the whim of the child and family services authority directors so that centrally we will be able to make sure – and I hope that the hon. member is listening – that we will see those inflationary increases go on the basic salary amounts that should be available to those people in the shelters. It is important to have that support.

We are working further, and you'll see in the shelter budget not the amounts that are supporting the child delivery at the local level, but you'll see in these budgets dollars that will go directly to shelters, and additional dollars in support of children and youth that come to shelters will be provided through the protocols of agreement between the shelters and the various children's authorities. So there's significant work in the last four years both financially and in dollar support.

Finally, I think the biggest issue that I'm supporting in the shelters and the area of domestic violence with the women's shelter groups is inviting them to the table to talk to those members of the judiciary and other people that can help us with what I perceive as current needs for families who have been victims of domestic violence and where children are held vulnerable.

Furthermore, I will provide that turn-away report from November so that the minister's reports on that can be distributed to the members opposite.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you. There was one other issue that I wanted to raise with the minister, and that is the issue of the aboriginal pillar. When I first went to some of the meetings that were held around designing a new approach to delivering children's services, there were four pillars. What was really, really innovative about that new approach, which was instituted by this government – I mean, this was not something that was brought forward and plunked down by the community; this in fact was driven by the government – was this insistence on a fourth pillar that was the aboriginal pillar.

Now, I've seen the establishment of the children's authorities. We've now seen a redrawing of those boundaries to bring them – what's the word I'm looking for? – as a corollary, adjacent to, along the same lines of the health authorities, and as I read the literature and I hear people talking and I listen to the minister's responses to questions directed at her from members of the Assembly, the aboriginal pillar seems to have disappeared like smoke. What happened there? Was it too difficult to implement?

There is an undercurrent of annoyance to my voice here because I'm aware that there were a number of agencies in the community providing children's services, the many different children's services that are provided there, that had to absorb the cost of training people in cultural sensitivity with aboriginal issues. So there was sensitivity training and training on how to deal with all this. Those agencies had to bear the cost of that themselves. They covered the cost of that. There was no reimbursement through any contract that was available or through any granting program through the government. They covered that. They've now gone through all of that, and this aboriginal pillar seems to have disappeared. So what the heck happened there? Why isn't this being upheld? Why has it disappeared from all of the literature?

Thank you.

Ms Evans: Well, Mr. Chairman, far from disappearing. Co-chairs, one nonaboriginal and one aboriginal, in every authority. At least, the Métis authority is still intact to provide services to Métis settlements. The aboriginal issue, where the fourth pillar is, is as alive and well as it was at the very beginning. What the aboriginal pillar implies is how we do something, not what we do. How we look after people through the aboriginal pillar and not necessarily what we do. What we do is provide culturally appropriate supports. Whether you're a Vietnamese immigrant family in the downtown part of Calgary, it's as important as if you're an immigrant family in Fort McMurray from another province. The aboriginal pillar is still alive and well. Our native liaison units are still in place. They have expanded. We have a full complement of staff there, and we have been working to expand the training for aboriginal people and those that are serving aboriginal people.

Now, agencies that have covered the cost for some of the training issues. Very specifically I'd like to indicate that when we retain agencies to deliver child welfare service, there is an expectation that part of that will be as the contract itself decrees, and training may become a part of that if there are new practices, new things like the ARM model. Obviously, we provide a lot of that training within the ministry. Clearly, agencies have an expectation, depending upon their contract, that they will have to cover the cost of some of those because that is exactly how the contract has been structured: different for a variety of different people.

5:00

If the hon. member opposite has any specific area that she'd like me to profile or come back to on costs of support for staff development – I'd also, in conclusion, draw the hon. member's attention to page 76 of the business plan, which identifies "improving services for Aboriginal children [and] youth," acknowledging the presence of aboriginal children and youth in the child care cadre as well as the disability rates, which are significant, and noting that throughout Alberta, throughout the authorities themselves we're working hard with the aboriginal communities to make sure that we have appropriate responses to their issues.

The Deputy Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I'm pleased to ask a few questions of the minister given that we have very limited time, but I want to thank the minister for her introductory remarks. Given the fact that we have 10 or so minutes left at our disposal, I will focus on two issues.

The one that I'd like the minister to address a bit, that caught my attention as I was looking through her business plans, is a rather significant statistic here that 40 percent of the child welfare caseload

is from the aboriginal children communities. I wonder: when it's translated into numbers, what's the total number, then, of children of which 40 percent would be? Then I can get a sense of the numbers involved here. That's one.

More important, however, is that since this observation, this particular attempt to draw attention to the fact that the aboriginal children in particular are in need of services that the ministry provides, and when you relate it to goal 3 in the business plan, which talks about "the well-being and self-reliance of Aboriginal children, families and communities will be promoted, supported and comparable to that of other [children]," there's an emphasis on capacity-building in aboriginal communities. That raises the question of how these aboriginal children in care are distributed between the urban population of aboriginals in Alberta and the non-urban, or reserve-based perhaps, communities. I suspect that the whole question of capacity-building will be of a different nature when dealing with, say, communities which are self-contained, are independent, and aboriginal populations that are scattered in an urban setting such as Edmonton or Calgary. So how is the issue of community capacity-building addressed in these two distinct and different settings? That's why the numbers are important. I want to know what percentage of the aboriginal children in care are urban based as distinct from those who may be based in aboriginal communities themselves outside of the urban areas.

The other question related to it – and this may be simply a matter of juggling numbers from one line to the other. Under the budget program 2, line 2.2.2, early childhood intervention on reserve, the amount I guess in the last year was close to \$1.85 million. There's none indicated in the budget for this year. Where does that amount appear? I'm sure there's an allocation of budgeted resources to early intervention on reserves. What's the amount, and under what line? Would the minister draw my attention so that I can find it to make an assessment of whether or not it's comparable to last year or if it's increased or decreased?

One other question and then I'll sit down so that we can give the minister a few minutes to address this. In the introductory remarks the minister, Mr. Chairman, referred to the extended role of the Alberta response model. Obviously, that's in the works. When I look at the budgetary allocation again under program 2, line 2.1.2, Alberta response model implementation, the dollars provided are the same this year as they were last year. So I'm wondering what form the extension of the role of the Alberta response model will take. Is it independent of the number of dollars available? If that is the case, how so?

So I'll just stop at these two or three questions for the moment.

The Deputy Chair: The hon. minister.

Ms Evans: Thank you. Just briefly. I will get the complete breakdown of the urban aboriginal versus the rural aboriginal. You know our specific challenges, that intake on a delegated First Nations authority is paid while a child stays on the First Nations authority, but if they move to an urban area, we don't get those dollars from the Canadian government in support of that intake, on the other hand, in urban Alberta. Then when the child moves back to the reserve, we still for the province retain that funding responsibility. So it's a real source of frustration for us. In the aboriginal funding framework they, like ourselves, have sought our support, and I visited the minister of Indian and northern affairs talking about just that fact.

In this budget we do not see any dollars for the early intervention on reserves simply because those dollars have been promised by the federal government, first of all, to be available by March 31, 2003.

They did not arrive. The chiefs have contacted our office. We are working with them to the end of this month, that is today, continuing to support the programs but telling them that we will continue to push very hard. I've made contact with my colleagues in intergovernmental and interdepartmental affairs in government. As well, the deputy has made contact with the federal deputy saying: get those dollars out here; they were promised before the end of last year. That's why in the development of this budget it was not a line item. It was taken out of that budget because of our belief that it would compel the federal government to come forward and provide those dollars.

Now, Mr. Chairman, I fully intend to not see those programs lapse, but we must put pressure on the government. We've been waiting two years now for those early intervention dollars for those programs on reserve along with the fetal alcohol, FASD, funding, and hopefully by the end of this coming week we'll have some good news there. We are not going to let the children fall through the cracks, but we're going to play a little hardball right now. We were told, actually, when I went down to the most recent federal/provincial/territorial meeting that we would be getting those dollars.

Quickly, the last question that you had was . . .

Dr. Pannu: On the Alberta response model and the extended role and the budget relation.

Ms Evans: There's an additional \$8 million for the implementation of the Alberta response model also with the Child Welfare Act, and I'll make sure that we send you a briefing note just on exactly where that is at this time. It would take me a minute to look back through and find it, but it's part of the tutorial that we're going to have to do over the next year and a half to make sure that we're fully ready for proclamation, to make sure that the staff are trained so that everybody throughout has additional supports to understand the intake. There is approximately \$8 million for the overall implementation of the new Child Welfare Act, and through that allocation there will be additional supports for training on the Alberta response model. I'm sorry; just at the moment it would take me a minute to look for it. Perhaps by the time the next question comes, I'll be able to give you that answer. I think I might have it here.

5:10

The Deputy Chair: Hon. members, before I recognize the next person, I just want to clarify my understanding as the chair of this committee. Earlier both House leaders got up and had an agreement that we would finish today before 5:15. Normally, when we do that, we go until about 5:12 and then have the vote and report. Looking at the clock, we only have about a minute, a minute and a half, so I'm just wondering: is anybody else wanting to speak on this matter, or are you going to be submitting questions in writing to which the minister has agreed to respond in writing?

Dr. Massey: Yes, that's the agreement. I understood we would go till 5:15, Mr. Chairman.

The Deputy Chair: We have to report before 5:15, so we need the vote by 5:12.

Mr. Hancock: My understanding, Mr. Chair, was that we had agreed to waive that standard rule and take the vote at 5:15, so I would concur with the understanding.

The Deputy Chair: Okay. That helps clarify the matter.
The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. Just, if I might, to the minister. The annual report has a section on page 28 entitled Report of the Auditor General. It's a fairly curious selection in terms of inclusion in the annual report, because at the end of it he says, "I express no opinion on the performance measures included in the 2001-2002 Annual Report of the Ministry." I guess my question is: given the number of questions that the Auditor General raised about the department, is there not a place in the annual report where those concerns might be addressed? It would seem to me a place that that might happen, and I don't quite understand why it would be this rather than some of the concerns that the Auditor General raised.

If I might, maybe one last question. That's again the performance measures with respect to child care centres meeting critical standards. In 2001-2002 there were 93.4 percent. It seems to me that if we don't have a hundred percent of those child care centres meeting critical standards, it must be of concern. I wonder if the minister might comment upon it. It's really a very, very important measure with respect to young children, and I wonder if we could have some information with respect to those centres that don't meet care.

The Deputy Chair: Hon. Member for Edmonton-Strathcona, did you want to put a question on record? The minister will respond in writing to you.

Dr. Pannu: Just quickly I want to draw the minister's attention to the notion of capacity-building and if there's any allocation in the budget to undertake these measures and what those measures are to build community capacities on aboriginal sites. That was a question that didn't get addressed.

The Deputy Chair: Hon. minister, do you want to respond or respond in writing?

Ms Evans: Mr. Chairman, in part I'll respond and then a fuller response in writing. Clearly, the FCSS model in our full funding last year moved a great deal of the way towards an additional community capacity-building, and that was recognized just yesterday in Calgary.

If I may, the hon. Member for Edmonton-Mill Woods raised the point about standards for children in child care situations. It's a huge concern of mine. That's why this accreditation program hopefully will help us weed out those where we would agree that children who are receiving operational subsidies from government would actually be able to gain those subsidies, and we're working very hard. People that don't qualify for that, in my view, probably don't qualify to be delivering child care services to anybody, and that's a part of the standards development that is implicit with this model.

Further to the capacity-building and to the improvement of those areas which have been cited, we will . . .

The Deputy Chair: Hon. minister, thank you very much.

As per the agreement arrived at earlier today, after considering the business plans and proposed estimates for the Department of Children's Services for the fiscal year ending March 31, 2004, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:	
Operating Expense and	
Equipment/Inventory Purchases	\$701,824,000

The Deputy Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I move that the Committee of Supply rise and report.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of Supply has had under consideration resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her

Majesty for the fiscal year ending March 31, 2004, for the following department.

Children's Services: operating expense and equipment/inventory purchases, \$701,824,000.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that we adjourn until 8 this evening, at which time we will reconvene in Committee of Supply.

[Motion carried; the Assembly adjourned at 5:17 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, April 30, 2003**

8:00 p.m.

Date: 2003/04/30

head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: I would like to call the Committee of Supply to order.

head: **Main Estimates 2003-04**

Transportation

The Chair: Are there any comments or questions to be offered with respect to this fine set of estimates? The hon. Minister of Transportation.

Mr. Stelmach: Well, thank you, Mr. Chairman, and good evening, everyone. It is a real pleasure to present the estimates this evening for the upcoming fiscal year. I can certainly tell you with great sincerity that it's also a real pleasure and an honour to serve as this great province's Transportation minister.

I'd like to provide some details and information on the ministry's programs and activities, but before we begin, I'd like to introduce the ministry's senior staff who are with me tonight. The reason being is that in our department many of our senior officials interface directly with the elected officials in this Assembly, answering questions directly as they may come up on certain projects throughout the province or some of the other regulatory functions that we have in the department. It speeds up the process and gets the information back to the constituent as quickly as possible.

So to begin with, I'd like to introduce my deputy minister, Jay Ramotar. Sitting in the gallery next to Jay is Rob Penny, our ADM of transportation and civil engineering. We have Brian Marcotte, who is the assistant deputy minister of policy and planning; Jeanette Espie-Lefebvre, acting assistant deputy minister of transportation safety services; Gary Boddez, chair of the Transportation Safety Board. We have Winnie Yiu-Yeung, who is the executive director of the finance and business management branch. Just back from a bit of a maternity leave is Leanne Stangeland, director of communications, and sitting next to Leanne is of course Ron Glen, my executive assistant. I wish to publicly thank these people and all the Transportation staff for their outstanding work. I do get a lot of kudos from colleagues here in the House and constituents across the province, and really it's because of the excellent service and work we receive from our staff in Transportation. They're a great group to work with and hard working.

Mr. Chairman, the 2003-04 fiscal year marks a significant departure from past budgeting and planning practices, and I must say that it's a welcome departure for Alberta Transportation. Previously the department saw radical swings in funding from year to year and even within the same year. The past two fiscal years are a prime example. With the events of 9-11 and a sudden downturn in revenues the department trimmed roughly 20 percent of its budget midyear in 2001-02. This was achieved mainly by deferring capital projects in future years. Quite frankly, that was done when we were through most of the construction season, so it was quite difficult to achieve the 20 percent saving. It was more like 40 percent.

In the next fiscal year the department's budget and business plan were significantly adjusted mere days after being tabled in the Legislature, and you can see how the former financial management system created problems for the budgeting and planning processes. It wasn't only hard on the department staff. It was certainly difficult

on municipal construction engineering partners, who felt the same effects in this province. As a former county reeve I appreciate the challenges of municipal budgeting and know firsthand that there's not much room to manoeuvre in a municipal budget. When you're not sure what grant levels may be from year to year, it makes the budgeting process even more challenging. Our construction and engineering partners geared up for certain amounts of anticipated work only to be told scant months later that a lot of the work wasn't going to materialize. However, they still had equipment to pay for and other costs to absorb. The boom and bust cycle of capital spending caused a lot of instability in the industry.

As you know, the Financial Statutes Amendment Act was passed recently. I'm confident that the new budgeting and planning process will be much better, especially for capital-intensive ministries like Transportation. Department staff and our construction, consulting, engineering, and municipal partners can now make plans based on stable and predictable assumptions. This stability is important to the ministry because transportation is vital to Alberta's economy and Albertans' quality of life. Safe, efficient, and effective transportation systems are the lifeblood of a prosperous province.

Now, Mr. Chairman, I mentioned changes to the financial system a few minutes ago. The changes will directly affect this committee. This year you will have two votes: one for the ministry's operating expense and equipment or inventory purchases and a second vote for capital investment. Overall, the ministry's operating expense and equipment or inventory purchases will be \$924 million with a capital investment of \$372 million. So the ministry's overall budget is just under \$1.3 billion for 2003-04. Now, this is an increase of \$403 million from last year's budget, primarily to continue the Premier's task force commitments to municipalities and to allow construction of the north/south trade corridor and the ring roads in both Edmonton and Calgary.

Mr. Chairman, safety is the ministry's number one priority. The new Traffic Safety Act comes into effect May 20, and it amalgamates four existing acts into one, and I think we condense about 35 regulations into 18 as well. This new act also introduces new initiatives such as graduated driver licensing for new drivers and measures aimed at reducing impaired driving.

Graduated driver licensing – or I'll refer to it as GDL for short – will apply to all new drivers regardless of age. It is geared to giving new drivers more experience behind the wheel in less demanding situations before unrestricted licences are granted. New drivers will earn licences through a stage process over at least three years. The most important thing is that collision rates for new drivers have fallen in other provinces with graduated licence programs, in some cases as much as 30 percent. I'm confident that such reductions are certainly possible in Alberta once GDL takes effect.

The new act also updates fines and penalties, and certainly a lot of people have commented that the revised fines are another form of taxation. Well, the truth is that Alberta had not done a comprehensive review of fines and penalties in over a decade. The latest review for the new act revealed that Alberta's fines and penalties were either the lowest in Canada or among the lowest. In fact, fines were as low as \$5 for some offences, which didn't even cover the cost of writing or even processing the ticket. Alberta's fines and penalties are now in line with other Canadian provinces, and unless you break the law, you don't have to worry about the cost of the ticket.

A final note about the new act: it combines the Driver Control Board and Motor Transport Board into the Transportation Safety Board. The new board will have responsibilities related to both drivers and commercial vehicles.

Now is a good time to talk more about capital construction and maintenance because they go hand in hand with safety. On average

highway infrastructure improvements lead to reductions of 40 to 50 percent in collision rates depending on the particular improvement. So building up and maintaining transportation infrastructure is about more than just getting somewhere easier or faster. The ministry's construction priority remains completing the north/south trade corridor. When completed, the corridor will be a continuous four-lane highway link from the Alberta/Montana border, at Coutts, to the Alberta/B.C. border west of Grande Prairie. The corridor is a priority because it corresponds to significant increases in Alberta trade with both the United States and Mexico. I believe the trade to the United States has increased something like 300 percent in the last 10 years and Mexico about 400 percent. The department will invest \$205 million in corridor related projects in 2003-04. The projects include twinning rural sections, continuing work on Anthony Henday, and completing the Deerfoot Trail extension.

8:10

Speaking of Edmonton and Calgary, work continues on ring roads in both cities. The estimated cost on these two projects is around \$2 billion. Alberta Transportation has been working closely with the federal government to secure more funding for the roads – that's the ring roads – and to that end Ottawa has tentatively agreed to provide \$150 million for the two ring road projects over the next five years through the \$2 billion Canada strategic infrastructure fund.

In this fiscal year Transportation will also invest \$131 million in infrastructure on other parts of Alberta's highway network. This includes grade widening, base paving, intersection improvements. While these capital investments are important, it's equally vital that the department continues to protect that investment and enhance safety through regular maintenance. To this end we'll spend \$187 million to maintain provincial highways including work of snow removal, ice control, line painting, dust and weed control, and filling holes and pavement cracks.

We're also responsible for capital construction and maintenance of provincially owned water management infrastructures such as dams, canals, and spillways. We budgeted \$34 million for these activities for this fiscal year. The Little Bow project is almost complete, as the new dam and spillway were finished earlier this year, and rehabilitation of the canal through High River will be finished soon. As well, work will continue on the Carseland/Bow River headworks system in southern Alberta.

Alberta Transportation also administers a number of dam programs to assist municipalities with transportation and water/wastewater infrastructure, and one of these is the cities transportation partnership. Under this program the cities of Edmonton and Calgary receive funding equivalent to 5 cents per litre of road fuel delivered to outlets within the city limits. That's approximately \$75 million to Edmonton, \$90 million to Calgary, and that's to be used for transportation and transit system infrastructure and capital purchases. Cities other than Edmonton and Calgary continue to receive \$60 per capita under the basic grants.

Under the street improvement program, sometimes referred to as SIP, towns, villages, summer villages, and eligible hamlets also receive \$60 per capita. Rural municipalities continue to receive grants for local roads and bridges, and we've also introduced two new grant programs: one to help cities other than Edmonton and Calgary to address growth, and one to help municipalities deal with increased resource and industrial traffic on local roads. Approximately \$10 million and \$17 million respectively are allocated to these two programs this year, and both are project-specific programs.

The Alberta municipal water/wastewater partnership helps municipalities with population under 45,000 to secure safe, reliable sources of drinking water and wastewater treatment. This program

is also project specific, and funding for approved projects is delivered on a sliding scale, depending on the size of the municipality involved. In total we'll allocate \$265 million to provincial/municipal grant programs.

We also administer ICAP, the infrastructure Canada/Alberta program, in partnership with the federal/municipal governments. Municipalities may receive up to two-thirds of eligible costs for municipal infrastructure from the federal and provincial governments. We're in the third year, and we have committed \$171 million to ICAP. To date 453 projects worth \$371 million have been approved. ICAP provincial funding for this year is \$18 million.

So, as you can see, this will be a busy year for Transportation related activities which will greatly enhance the movement of goods and people in this province. This now concludes my comments, and I'm looking forward to answering whatever questions might come forward tonight.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman, and it is indeed a pleasure to rise this evening and speak to estimates for the Department of Transportation. I'd like to thank the minister for his opening comments and as well thank his staff who are present here this evening to assist in any questions that we may have in the opposition or members of the government. Certainly, Albertans have for many decades enjoyed excellent highways. The demand and the increased traffic on our highways puts a strain on any budget, and it does certainly cause us to improve various sections for safety. It also increases the amount of maintenance, and we do require that to keep this province on the move and to keep our economy going strong.

In looking at the estimates for this particular year, I see that in the core business plans the ministry for 2003-2006 has four core businesses, and these are to manage transportation and safety problems, to manage the provincial highway network, to support economic development, and to represent Alberta's interest in transportation policy. Along those lines, I will have some questions for the minister as we proceed through the estimates. As well, we have strategic priorities that the ministry has identified, and these are included and identified in five priorities. One is to enhance "driver, road, and vehicle safety by managing high-risk drivers and carriers, and implementing the new Traffic Safety Act." A second priority is "protecting the integrity of highway and water management infrastructure." A third is to support "economic development and growth." A fourth is "leading the Capital Planning Initiative to enhance capital planning and management of infrastructure" across the country. And the fifth is "managing the environmental impact of our actions."

Now, as well, last week a number of us had the opportunity to hear economists speak about the great economic success which is centred around highway 2, the Edmonton/Calgary corridor, and certainly a lot of that success has to do with the ability of us to move products to export in the United States and to import products. We all know that Alberta more than any other province certainly does have a trade surplus with the United States, and Canada as a whole has a trade surplus somewhere in the neighbourhood of \$90 billion. We certainly could not do that without a very good transportation system. So my questions tonight are going to cover a number of the strategic priorities and the core businesses and certainly look at how we fit in and how harmonized our regulations are with those across Canada and as well with those of other countries.

I do have a number of issues that I would like to certainly bring to the minister's attention and see if he could handle those first of all.

A while back in the Assembly I asked the minister about a situation here where U-Haul trailers certainly have a predominance of Arizona licence plates. I know that at that time, he was going to check into it to see why this particular company would have so many Arizona plates and if in fact there was any type of agreement whereby they could have their Arizona plates and as well, Mr. Chairman, to see if in fact these vehicles were properly registered in the province, if there was any system involved whereby we could check as to how long those vehicles have been in the province if they're displaying Arizona plates. Addressing the safety issue, when those vehicles enter this province and remain here for any period of time, is there any type of inspection required on those trucks to make certain they are roadworthy?

Those concerns were brought to my attention by a letter I received, and unfortunately there wasn't an address on that letter so that we could contact Mr. Peterson, but he was extremely interested at that time to have answers to those problems and those issues that he had raised. This was certainly a concern of his after renting a U-Haul truck in Calgary to assist his daughter in moving, so he was quite concerned about the licence plates. He was also very concerned about that particular vehicle that he had rented and to know that it was roadworthy because he certainly didn't seem to think so.

8:20

This afternoon in the Legislature we asked the minister questions about Lethbridge airport's port of entry status. If he did have any more information on that or if the department does have the opportunity to look into this issue more, it would certainly be welcome because, again, the status of this airport, particularly its port of entry, has a huge impact on that region.

Another question that was brought to my attention by a constituent was the fact that in Alberta it is legal to equip cars with nitrous oxide. Of course, when you equip cars with nitrous oxide, it simply gives them a boost in horsepower of anywhere between 30 and 50 percent. It's very short-lived, but the only purpose that cars would require that type of a boost in horsepower certainly is in street racing or if in fact those cars were being pursued and they were trying to get away. One of the core business plans is to manage transportation safety programs. When we have these types of additions to cars, which certainly do not lead to safety but lead to a situation that drastically increases for a short period of time the horsepower of those cars, then I would like to hear the minister's comments on this particular subject.

Now, as well, another issue that has come to my attention in regard to traffic safety is the maximum driving shifts that drivers can work per shift in Canada, and when compared to the United States, these are 17 percent higher, and they are 56 percent higher than those in Europe. I'm looking at the maximum driving shift in Canada, which is proposed for 14 hours per day compared to the U.S., which is 12, and Europe, which is nine. So if the minister could provide some comment as to why this discrepancy and, particularly when we are putting so much attention on the north/south trade corridor and we are going to be having a lot of exports and imports that travel along this particular route, why we would not want to harmonize those hours with the United States.

As well, I am extremely concerned about the maximum number of hours per week that drivers can be at the wheel. Certainly in Canada – I don't know if this has been passed, and perhaps the minister could enlighten us on that – the maximum number of hours proposed is 95 hours, it is my understanding, compared to 60 hours in the United States and 55 hours in Europe. I think that's a situation that really in Alberta if one of our core business plans is to manage transportation and safety programs, I guess that this adds a greater

concern to me when we think of the number of branch lines of the railroad that have shut down over the last few years. Certainly they had to do that because they were no longer efficient, yet so many of the dangerous goods that were once hauled by the railroads are now being transported by truck. I think of the situation where the fuel at Cold Lake for the military facility at that point would all be trucked up there now, and certainly for a driver that's approaching his 95-hour maximum per week or a driver that's had a number of 14-hour shifts in a row, this is just nothing more than a missile heading down the highway. I think that when we do look at the safety issue, this is one that we should certainly look at very, very closely.

In looking at this issue of safety and highway maintenance, we have a situation where over the past number of years perhaps we did not have the type of maintenance on our roads that we would've liked to. In speaking with the minister some time ago, he was indicating that when we have road deterioration, as the time increases between when that road should be maintained or seek a level of maintenance, as that time increases that the road does not get the proper maintenance, then certainly the cost in the end of repairing that road is not a linear cost but it also increases very rapidly. So if the minister could give us some idea as to if in recent years the backlog of roads that should've been maintained has been caught up, and if it hasn't been caught up, if the minister could please indicate in his business plans how we are progressing with catching up on that particular backlog.

As well, if the minister could indicate how costs are for maintenance on the roads. I know that back in 2001, I believe, the average cost at that time for maintenance was \$5,300 per kilometre. If the minister could also indicate how much of the budget this year is going to be dedicated to resurfacing and repaving.

In looking at this year's budget, we have certainly a great amount of stress on transportation as far as moving products to market. If the minister could please indicate how much of our exports are moved to market on our roadways, on our highways. I know that he had a breakdown of that compared to rail, compared to marine, compared to air, and certainly compared to pipeline. I also noted that the transportation costs for moving products to market average somewhere in the neighbourhood of 16 percent of the final selling price, and if the minister could indicate if that has remained constant or if in fact it has increased or decreased.

8:30

As well, there are a number of strategic economic corridors that we have identified in the province, and these economic corridors certainly are, I think, switching more and more from an east/west flow to a north/south flow, and if the minister could please indicate if there has been a significant shift in the amount of goods that we are moving east to west as compared to north to south.

I would like to ask the minister some other questions in regard to water grants. Municipalities think that the water grants they receive from the ministry are good, but they are worried about how the Ministry of Environment makes the regulations but it's the Transportation ministry who pays out the money. My question for the minister this evening is: what is the ministry going to do to ensure that stricter regulations from Environment are matched with more money for municipalities from Transportation?

As well, another main concern for municipalities is that they are unable to keep up with the maintenance on their transportation infrastructure. In fact, most cities are building up a transportation infrastructure debt, and this is certainly compounded by the fact that we have had in some areas of the province some very strong economic growth, and people that come to Alberta to work don't bring their infrastructure with them. So, in regard to this, if the

minister could please outline what his department is doing to help and encourage these cities to eliminate their yearly infrastructure deficits and aggregate infrastructure debt.

Another concern. When we do have this growth that we have experienced in Alberta and new housing subdivisions are built, cities are not allowed to charge a levy for commuter roads that become necessary because of new population. Unfortunately, the cities cannot afford to build these roads themselves either. This is exactly the case in Calgary. So if the minister could please inform us what his department is doing to alleviate this crisis. Will the ministry introduce legislation that would allow cities to raise a development levy for the building of commuter roads?

As well, have there been any further considerations about requiring the use of electronic onboard recorders for commercial vehicles? Of course, this would be an added expense to truckers, but it would certainly eliminate the dual log books that we hear some drivers do employ so that they can drive more hours than they should throughout the week or per day. Of course, this is one of those factors that we touched upon earlier in the core business plan in regard to the issue of safety, and we certainly wish to encourage the safe conduct of commercial carriers and drivers. When we think back just a short time ago to the horrific accident in Calgary involving a truck and a car which had a number of nuns in it, it is a tragic reminder that passenger cars are certainly no match when they get into a collision with vehicles of that size.

Now, as well, something that seems to keep cropping up every year and just doesn't seem to go away is this whole notion of toll roads in the province, and I know it's something that the ministry from time to time does look at.

With those comments, I will take my seat. Thank you, Mr. Chairman.

The Chair: The hon. minister.

Mr. Stelmach: Thank you, Mr. Chairman. I'll try and answer as many of the questions that were raised by the hon. member. He covered quite a variety of goals and measurements and actually referred to the budget before us as well. With respect to trade I'll try and capture in terms of the trucks and trade and some of the other issues.

There's about a billion and half dollars worth of trade between Canada and the United States every year. In the province of Alberta 21 percent of the exports and greater than 50 percent of the imports coming into Canada, meaning what we would receive from the United States, would be by truck. When we measure exports in terms of the total economy – of course, some would be marine and a considerable amount by rail – we're finding that it's an interesting statistic, that we do bring in more goods by truck than we export. But that's a percentage, Mr. Chairman, of the total output of the economy.

With respect to investment in trade corridors and trucking the Americans are investing \$218 billion, and it's all dedicated to their transportation system. It's going to put additional pressure on us, there's no doubt, and that is why the western ministers of transportation have jointly submitted a number of options to the federal minister asking for a substantial return of the 10 cents a litre of fuel excise tax which is sent to Ottawa. The other proposal is that if you're going to tax fuel but not spend it on roads, just reduce the tax federally and allow us to pick up that tax. We will promise that it will be spent on road infrastructure. So whatever they pay in fuel tax will go directly into roads. It won't be siphoned off to other departments.

With respect to the question raised by the hon. member and also

the letter that he received some time ago with respect to U-Haul, car rental agencies and trucking companies must register under the international registration plan. What they do is retain their licence plates, but we would prorate the cost for the registration fee based on kilometres traveled. In the case of U-Haul, rather than changing plates every time they come in and then leave the province and go to another jurisdiction, they would pay us an equivalency prorated on the number of kilometres traveled in the province. However, they all must go through a commercial vehicle inspection program. That's a policy that we apply similar to our commercial vehicles. So even though they're registered out of province or to an out-of-country state, we would still ensure that they do obtain the safety certificate and also have the proper insurance while they operate in Alberta.

8:40

Inspection on commercial vehicles. Mr. Chairman, the hon. member has rightfully mentioned that we've seen a phenomenal increase in the number of trucks in the province. From 1991 to 2001 – that's not including the last two years of growth – we have seen a 270 percent increase in the number of large trucks, commercial vehicles. This is just in the 41,000-kilogram range and up, so that's the five-axle trucks. Just in that one category, from 9,000 to 25,000 some odd trucks. So that in itself tells us that there's been a huge increase.

When we measure the number of incidents – and I don't call them accidents, because most of them are preventable I think – we're actually holding our own. It's not increasing relative to the huge increase in the number of vehicles. But there are a few statistics that have shown that we have had more single vehicle trucks coming off the road, you know, no other vehicles involved, just the one vehicle coming off the road. We've also had a slight increase where people have been walking on the side of the highway late at night and have been unfortunately struck by a truck.

We probably have, I believe, a commendable safety record, that we could compare to any jurisdiction. Whether it be the same number of trucks or rules or however we'd want to measure, we have a very commendable safety record because we have the only motor transport officer program in North America, not only in Canada but in North America, where our officers are all accredited. In fact, it's a bit of a problem because they have substantial training before they're hired in the province of Alberta. We do lose a number of them on a regular basis to police forces because they have much of the training already before they start with us. So it is something that Albertans are very proud of certainly, and I think it relates to a very respectable level of incidents in the trucking industry. However, there is room for improvement. We know that. Even one accident is unacceptable.

I do want to say that further down when we talked about the trucking safety record, yes, there is a possibility of drivers being tired. We've had one unfortunate incident in Lethbridge where the driver was arrested, was allegedly impaired. But another issue and what the western transportation ministers are working on is some sort of open communication, an exchange of information, of driver records between the provinces. That is paramount. In this particular case in this one incident when an RCMP officer was killed while sitting in his car with the flashing lights on, the driver was from British Columbia and had a record attached to him, one that wasn't very complimentary. Of course, we wouldn't know about it because we had no means of accessing that information.

With respect to the Lethbridge point of entry, unfortunately after September 11 the federal government had changed some of its policies under the veil of safety and removed all customs services from Lethbridge. So now if a person wants to do business in

Lethbridge and they're flying from the United States, they have to fly to Calgary and then go through customs in Calgary and then come back to Lethbridge. We have had a number of submissions, and I will provide to the hon. member and table with the House some of the letters that we have sent.

I think there's even a little larger area of concern here. It's not only the point of entry. Without wanting to point fingers and lay blame with anyone, I just want to state the facts. At the last two meetings transportation ministers from across Canada had, airports were quite a significant discussion item. They were of significant concern, especially the smaller airports and the viability of those airports. The position taken by the federal minister was that one should consider a drive to an airport in excess of three hours something that is unacceptable. Many people in this country drive more than three hours to an airport. Those were kind of the opening remarks that were delivered at the meeting. Well, in some provinces, of course, in three hours you would reach an important airport, I guess, and in some cases you can't. As a result, we're trying to work with the federal government to find some balance.

We are working on this issue in Lethbridge and trying to restore the point of entry services because I do believe – and I support what the hon. member has said – it is a vital entry point, a huge value-added component, especially in agriculture. We have had quite a significant investment in the two potato plants. We sell mustard out of there, a whole bunch of things. I forget a lot of it because I haven't been in agriculture for a while, but there is a significant investment in that area by American companies. We travel back and forth, and it would be great if we could fly to the place of business as efficiently and as effectively as we can.

The hours of service regulations. This is one area that's had huge debates for at least three years. I've attended the federal meetings, and it took a fair amount of discussion, co-operation, and collaboration amongst all the provinces and the federal government to agree on the hours of service for truckers. I firmly believe it's an improvement from what it was before, but to try and standardize it with the States – eastern Canada had separate issues than what we had here in the province of Alberta. There were some issues particular to certain industries, like oil, forestry, and I believe we've got the balance. A fair amount of discussion is necessary with our stakeholders in Alberta, but generally speaking, it is a reduction in . . .

The Chair: Unfortunately, hon. member, one of the hon. members' voices down there is coming through on the Department of Transportation microphone rather clearly, so it gets hard to follow. It may be the nature of the microphone or the nature of the other voice. Were you finished, hon. Minister of Transportation? I was trying to signal those other voices.

Mr. Stelmach: Well, no. There were a lot of questions raised.

Now, the hours of service would limit the hours of work for a commercial vehicle driver to 13 hours of driving but a 14-hour work shift and 10 hours off duty in one day. It's a very complex regulation to explain, and I can assure you, Mr. Chairman, that even if I were to walk out to the street and explain it to somebody very quickly – what's the difference, what are the reductions, et cetera, and how do you apply it? – I wouldn't be able to explain it in a 15-second sound bite, I can tell you that, but generally speaking, it will improve safety. We're still looking at those areas of exemptions that we had before, but we will work those out. We have consulted. We waited for the federal government to do its own consultations. Those have not happened in this province, but we do have the information that we had before, and we're going to carry forward.

8:50

Maintenance of roads. The issue was raised: what are the cost differences? Maintenance of a regular highway, one lane, done most appropriately according to engineering tests would cost roughly a hundred thousand dollars per kilometre, and if we were to not do it and proceed with the maintenance after the road has failed, well, certainly, that will increase to even in excess of \$500,000 a kilometre. So we don't want to do that on our provincial highways, because, as you know, Mr. Chairman, it's quite difficult to rebuild a road once we have a road in place. It's even more costly than starting with a new grade.

The cost of maintenance in the budget. We're going to be investing in this province in excess of \$265 million, a rough increase of about 15 percent from last year. We're trying to catch up with a backlog, but we still do have a fair amount, and the reason is that in the very late '70s, early '80s a considerable amount of highways in this province were paved. In 2003 and on from now some of those highways' life cycles will be coming to an end, and as a result we'll have to get back to them to maintain and repave. So there will be those additional pressures coming forward.

As well, we are putting in an increase in bridge repair and bridge maintenance this year. There are about 3,800 structures that we are responsible for directly in Transportation, but about 8,800 structures, rural and urban, are municipally owned, but we grant resources for maintenance. As you know, some of those were built back in the mid-40s, many of them in the '50s into the '60s, so we will have to maintain a very aggressive program ensuring that those bridges don't fail. The other is that you could build and upgrade a road to a higher standard, to a higher load limit, but if your bridge does not allow you to convey that load across, what's the sense of putting in that particular investment?

Approximately 16 percent of the cost of goods in this province is related to transportation. It's holding firm, although we would have to revisit that really to see if that has increased. What I'm hearing from industry is that it's more difficult to be competitive all the way into the Maritimes with their manufactured goods, and it's not only more expensive to get them there, but it's more expensive to get the product to a manufacturer's plant by truck. So it's a bit of a double whammy, and as a result we want to ensure that we move quickly on the corridors so that manufacturers can get their products out more in a free-flow, nonstop way.

There are a number of other questions, but I'll work on them in the next period because I think my time is running out. [interjection] I have one minute?

Okay. With respect to housing subdivisions and whether we're prepared to pass legislation, that is within Municipal Affairs. However, part of the 5 cents a litre, the increase in the grant, which used to be about \$60 per capita and now the 5 cents gives the cities about \$100 per capita – that's to be expended on their own city streets.

Economic corridors. Yes, north/south is important, but we also have to be mindful of the fact that we want to connect the east and west to the north and south so that we don't have all the growth along the north/south trade corridor and forget about the rest of this province. The rest of this province is important, and if we can tie to the north/south trade corridor, we will ensure competitiveness in the future.

The Chair: Okay. The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman.

An Hon. Member: Question.

Dr. Massey: The dead fish minister wants the question called.

I'm pleased to have the opportunity to raise some questions with respect to the Transportation estimates. I listened with interest to the minister's explanations. I start off with an apology. I'm not that familiar with the ministry and its operations, so if some of the questions I ask are very obvious, I apologize for that. I would like to stick, if I might, to the programs in the budget and to ask a series of specific questions about those program items.

I wonder if we could have a breakdown of the minister's and the deputy minister's office budgets by salary, including the salaries for all employees. Mr. Chairman, we get varying responses, it seems, almost dependent upon the department. I've gone through some of the annual reports and found very specific information there, and in other departments we get it in the budget, and I'm not quite sure. When we submitted a series of written questions about this item, not about the Transportation department, I don't believe, but about some other departments, we were told that the Freedom of Information and Protection of Privacy Act prevented this kind of information from being made public, yet I know that the FOIP Act allows the government to make public the salaries of superintendents and CEOs of the health authorities. So I guess we're looking for the same kind of specific information that is available about those organizations with respect to the Transportation department. Again, in the same line how much was spent on bonuses last year and is anticipated to be spent on bonuses this year, and can we have an indication of the size of those bonuses?

The operating expenses for the ministry are going up by nearly a million dollars this year. What will the new money be used to purchase? Could we have a breakdown of the \$25.716 million operating estimate for support services in 2003-04 by the business planning and corporate support, communications, financial services, human resource services, information and technology, and legal services? How do the numbers for the above categories compare to previous years? When there are large differences, could we have some accounting for that difference?

Why is the equipment and inventory purchase budget for ministry support services \$1.3 million less than it was last year? Does this indicate that last year's budget was an anomaly? There must have been some reason for this kind of a difference, and any information that will shed light on that difference would be appreciated.

In program 2, construction, upgrading, and operation of transportation infrastructure, the transportation safety services line item is increasing by approximately \$2.5 million from last year's budget and approximately \$2.3 million from last year's spending. Could we have an indication of why this is so? What programs are going to get this money, and how will the spending of this added money benefit Albertans?

The Transportation Safety Board's budget is increasing from \$859,000 to a million dollars. What is the reason for the increase? Is it because of an increased caseload? Just what is the reason behind this? What is the Transportation Safety Board's caseload? Does it differ from past years, and are there trends here that we can be made aware of?

9:00

Provincial highways will be receiving an operating expense. The expense is about \$20 million more than they received last year. We had some indication just in the previous comments from the minister, but can we have some detail in terms of where this money is going, and is it really \$20 million more expensive to operate Alberta highways this year than it was last?

Other road infrastructure will receive in operating expenses about \$2 million more than was spent last year. Can we have an indication of where the money is going, and why is it going to be \$2 million more expensive to operate Alberta highways this year than it was last? The operating expense for other road infrastructure was a million dollars more than was budgeted. Can we have some indication of what caused this increase?

The rural transportation partnership money is increasing by about \$19 million. What partnerships does the minister plan for the use of the money? How do you decide which partnerships are going to be entered upon? Who retains responsibility for these projects, the rural jurisdiction or the province? How does the ministry ensure that all rural jurisdictions will be given fair and equitable access to these funds?

Can the minister explain what operating expenses resource roads and new industry receive and why? Why is this line item receiving \$2 million more than it spent last year? That's quite a difference, and there must be a reason behind it.

Alberta cities transportation partnerships is receiving approximately \$115 million more than it spent last year. What projects is the ministry looking at funding with these dollars? How are the partnerships, again, decided upon? The same questions as with the rural. Who retains responsibilities for these projects; is it the city or the province? How does the ministry ensure that all cities are given fair and equitable access to these funds? So, again, the same questions but with the concern about fairness and the distribution of them across the province.

The streets improvement program budget is being nearly doubled. Where is this money going to specifically? How is it portioned? What was the impetus for giving the program \$14 million more?

The budget amount for municipal water and wastewater grants is staying the same as last year despite some communities in Alberta needing more help in purifying and treating their sewage, Mr. Chairman. I guess the question is: how did the ministry decide not to increase the amount of grants when there seems to be a significant need for this crucial service? There's a growing public sensitivity to this kind of service. Again, how will the \$25 million be apportioned? What type of projects will the money go to fund?

The infrastructure Canada/Alberta program is losing about \$14 million in this budget. Was this a decision of the ministry? What is the relationship with the federal government with respect to this budget item? Is there actually going to be a loss of funding? Just what are the particulars surrounding this item?

Sections 2.5 and 2.5.1 on page 368 of the estimates show program services. Could we have an indication of exactly what this line item includes and why there is a \$900,000 increase over last year's allocations?

The amortization of capital assets is budgeted for \$19 million more than was spent last year. Again, can the minister explain why this item requires \$19 million more this year than the past year? Why was the amortization of capital assets \$32 million over last year's budget? What happened to account for that difference?

[Mr. Lougheed in the chair]

Under equipment/inventory purchases highway systems is receiving 4 and a half million dollars more this year than last. Could we have an indication of where this line item is going and why there is an extra \$4.5 million included in the budget this year over last year?

The capital investment for provincial highways is going down by approximately \$9 million from what was spent last year. Could we have an explanation of why the ministry is spending less on this item

when spending as a whole has increased? Why was the line item more than \$50 million over budget last year? Is there really an overrun, or is it something to do with the budgeting process that explains that difference?

Again, it just appears that there's some instability in capital investment on highway systems over time and between budgeted and forecasted values. Can the minister give us some indication of what he is doing to eliminate this and how he's trying to mitigate the effect of roller-coaster budgets on construction companies? I know that the minister made some comments in his opening remarks with respect to this item.

The strategic economic investment corridor initiative is receiving \$98 million more than it received last year. Could we have some explanation in terms of the detail and the information about this item? The increase is large. It's a great increase over last year. Can we have some indication of why this is so? Can the minister give a specific cost breakdown of where all the money allocated to this line item goes?

Water management infrastructure will not see any more capital investment dollars. Again, how did the ministry decide not to give any more money to this line item when there are communities in the province that are having an exceedingly difficult time bringing fresh water to their residents; for example, Camrose, Ponoka, Blackfalds, Okotoks, Wabamun, and Barrhead?

The transfers from the government of Canada are budgeted to rise from \$2 million to \$9.4 million. What is the agreement under which this is happening?

The revenue from premiums, fees, and licences is budgeted to drop from 14 and a half million dollars to 11 and a half million dollars. Can we have an explanation of why this decrease is occurring?

The number of full-time equivalent employees of the ministry is being increased from 862 last year to 877. Could we have a brief explanation of why there are these differences?

So I think that with that long series of questions, Mr. Chairman, which require a lot of detail – and I can appreciate that the minister may not have it with him this evening – I'll conclude.

Thank you.

The Acting Chair: The hon. Minister of Transportation.

Mr. Stelmach: Well, thank you, Mr. Chairman. I'm going to try to catch up with where I left off with the original questions raised by my critic and then proceed to the next list of questions. I know that I won't be able to answer them all, because we won't have the time, but I'll try to do some of them, and then others we'll definitely respond to in writing in much greater detail.

9:10

With respect to water grants – and it was raised twice – we do have certainly more people in the province of Alberta which puts pressure on existing infrastructure, but as well we have infrastructure that's been in place for some time and does require renewal, and coupled with that, of course, is the fact that we're always raising the bar, raising the standards in the province. It does require more funding for water and wastewater for those particular reasons, and the reason that there hasn't been a change in water and wastewater grants and a change in the size of our budget is that it is one area that is untouchable. We did not lower any of those grants or reduce those grants when we had to find the 20 percent because of the September 11 event.

I'm proud to say that we are the only jurisdiction, the only province in Canada, that partnered with the municipalities and with

the federal government in a very unique way where we asked municipalities to sit on two committees: the first one is to establish the criteria on how the Canada/Alberta infrastructure money will be spent and, secondly, sit on the approval committee. So no decisions were made independently by Transportation. They were made by the committee, which included the AUMA, AAMD and C, Transportation, Municipal Affairs, and the federal government. Thanks to the input from municipalities we're the only jurisdiction that said: we want the majority of this money to go into hard infrastructure, green infrastructure, either into a waterline, sewer, or a road. Some of that went to creating better efficiencies in the buildings: better insulating, better air movement in the buildings, et cetera. Again, a worthwhile project.

A component of the \$171 million – if I recall, it's about \$23 million – went to an area where both the federal government and the province could nominate projects. Some of that went to, like, the hall D at the Convention Centre, and some of that went to similar projects where it was invested in buildings or improvements to current structures. Fort Edmonton Park and others I believe were nominated.

That is why in water and wastewater we not only expended all of the grants in the previous years of \$25 million and the same grant this year, but we've also caught up with all of the smaller projects because we've had the opportunity to partner with the federal government and actually invest some of their infrastructure money in hard infrastructure. So I think it was a win/win situation.

With respect to some of the other questions. There was a question – and I had a hard time remembering – with respect to, I think, a line item on deputy minister salaries and some other salaries, and my response is simply that I did respond to a written question, I believe, in the House, and that form will be tabled at some date. I'm not quite sure when, but it'll be coming across.

Transportation Safety Board. We've collapsed two boards into one. The expenses are more because we're doing more. We collapsed four different acts into one, the Traffic Safety Act. Coupled with that is a lower commercial vehicle threshold where the Transportation Safety Board will be involved. There's more activity. They sit as an appeal board to the Alberta administrative licence suspension program. This is when a driver blows .08 and we suspend their driver's licence for 90 days. They're in light of and notwithstanding the tough rules that were passed by this House. There hasn't been a significant drop in the number of incidents. In fact, I hate to say that it's actually trending slightly up overall, at least in the appeals that are coming forward to board. As well, there will be greater costs in the area of – again, that's all the vehicle inspection. There will be more done. We also opened up an office in Fort McMurray just to improve the service, so we'll have a couple of people on the board assigned to look after those Albertans that come before the board rather than always driving from Fort McMurray to Edmonton for the hearing. We'll be able to dispatch members there and conduct a hearing there, and it's all an improvement of service to Albertans.

Other road infrastructure. I think it was 2.2.2. It is a \$3 million increase, about a 30 percent increase, there's no doubt, but it covers maintenance of approximately 300 kilometres of public roads and bridges on Indian reserves; the maintenance and operation of rest areas, vehicle inspection stations, and ferries; maintenance of roads, parking areas, and bridges in provincial parks; maintenance of minor capital improvements of water management infrastructure; and there's also the provision of grants to various municipalities for runway maintenance, runway rehabilitation for smaller airports. So that's been captured in that line as other road infrastructure. After the election of 2001 and the restructuring the Department of

Transportation was responsible for the maintenance of roads and bridges in provincial parks, so we're like the contractors for those departments.

Rural transportation partnerships. It's a word that actually is better put just as "grants." They're grants to counties and MDs. They're based on relationship, the number of kilometres, assessment in that particular municipality, and it does vary from one municipality to another, but it does reflect the number of kilometres of road that they have to maintain, really the infrastructure they have to maintain, and also assessment. It may – I don't think that in the formula there's population, but we'll double-check on that. In fact, no, it isn't the population. It's just roads and assessment.

On the resource roads there is an increase really because that is one area we had reduced going into the aftermath of September 11. This program allows municipalities to apply to the Department of Transportation for a resource road grant, the criteria established again by partnership with the department and AUMA and AAMD and C, members of which will also be sitting on the committee that will be approving the applications under this particular program. Basically the criteria is to partner with municipalities and the private sector to build roads to assist with resource extraction. They won't be roads in the inventory of the province; they will be roads in the inventory of the municipality.

We've adjusted the formula a bit. It was 75/25 before, and now it's going to be 50/25/25: 50 percent from the department, 25 from the private sector, and 25 from the municipality, knowing that at the end of the day the value of that road will still be with the municipality. The reason we did it is that the 25 percent that we saved will still be spent in rural Alberta, but it will go to maintenance of bridges, and some of it was also redirected to secondaries. It is a program that has been extremely positive. It's allowed us to build roads into areas to help extend the window of opportunity for resource extraction well beyond a narrow window perhaps because of weather, like, you know, before spring thaw, before you can pull out your rig or access oil and gas.

[Mr. Tannas in the chair]

9:20

The cities transportation partnership. There is an increase in that. What's happened is that it's the 5 cents a litre, and as you know, in the last budget and business plan that was reduced. It will require further explanation because we have also prepaid the two cities before. You know, if we knew that we couldn't expend the money – let's say that we, for instance, had a difficult construction season – then we could prepay in one year the 5 cents a litre so that the cities had the use of that money, and then we would pay them less in the following year. So there are those other reasons for the differences. In fact, the year before we prepaid the two cities \$45 million in the last fiscal year, and as a result it does create some differences in terms of what is increased or decreased in terms of the way we report the estimates.

Street improvement. That has increased. It's \$60 per capita, and we want to ensure that smaller communities have a reasonable amount of funding, again for their infrastructure. It's also now extended to hamlets. So if a rural municipality, a rural municipal district, an improvement district, a county, or a municipal district is taken over – let's say that village A decided to become a hamlet. The hamlet would qualify for the \$60 per capita grant as well.

ICAP. There is a little bit of difference there simply because we are really paying similar to what the federal government is doing: pay as you go. So as the projects are completed by a municipality, we would pay them together with the federal government. Again,

because it's a three-way partnership, you rely on the municipality to manage the project, and some were not ready to go with some projects. It could have been because they didn't have the necessary permits in place, especially environmental permits, or they didn't have their money allocated in that year's budget and they had to roll the project over to another year. So we forecast, look ahead, see what projects are going to go forward, and then pretty well that's what we will put into the budget to offset our one-third expense.

Program services. There is an increase primarily because of manpower increases, the costs of the various contracts. Most of that money – and I believe it's \$34 million – goes to information technology, both tier 1 and 2. Tier 1 is really the cost of maintenance – you know, troubleshooting – and tier 2 is the design of information technology that relates to transportation. Some of it we actually share with municipalities: TIMS, TRAVIS, and I believe there's another one. To give you an example, if we're going to be tendering on a stretch of highway, let's say from Fort Saskatchewan to Lamont, every contractor would have to go and see where the line is painted, how many stop signs, where all the gas lines and telephone lines are, et cetera. Well, this would all now be captured on an information system database so that when we go to contract, to tender, respective contractors have that information handy, and it does lead to greater efficiencies. That's just one small component off of it, but it is something that other jurisdictions are looking at as well.

There was one with respect to amortization, 2.6.1 and 2.6.2, which is the consumption of inventories. I'm not an accountant, but I will make an attempt to explain. Basically, it is the amortization of the assets. A number of years ago we assumed responsibility for all of the secondary highways, and there is a 30 percent increase in that as a result of redoing the value of those highways for amortization. The increase is \$50 million. It's really assuming the additional responsibility of former secondary highways. We took them over from municipalities, and the exact value wasn't known until this particular year, so we've made some adjustments.

Consumption of the inventory. It just pertains to salt, sand, and gravel inventories that are used on our infrastructure and our highways, and we are going to be doing a little more. We also need more salt and gravel because we will be using it on the 15,000 kilometres of secondary highway that we assumed responsibility for from municipalities.

With respect to licence fees and permits that is down. That simply reflects a forecast on activity. Whenever there's a large rig being moved or a large vessel moved from let's say Edmonton to Fort McMurray, the trucking company would buy a permit for that move, and all of that is not really dedicated to Transportation, but certainly it's taken in as revenue into the department. With a lot of the construction complete in Fort McMurray there will be less of a movement there. That's not to say that there won't be a fair amount of movement with large vessels across Alberta, but it won't be the same as it was a few years ago. If it does increase, if there is more activity, we'll just reflect that in the final report of our revenue.

The Chair: The hon. Deputy Premier.

Mrs. McClellan: Thank you, Mr. Chairman. I just want to make some very brief comments on the Transportation estimates. First of all, I want to compliment the minister and his staff for their ability to manage under rather tight resources to continue to improve our transportation infrastructure over the last years. Certainly a strong supporter of having funding that is assured so that we can move forward in a very orderly fashion. I say that because the matter of moving goods and services in this province is absolutely integral to

us being successful in continuing to grow our value-added industry in a number of sectors whether it's forestry, agriculture, energy, and the many other things we do. The loss of rail services in this province has impacted our industries in a very significant way, so the need for the transportation system to move those goods and services from where they are produced or value is added to market is incredibly important.

9:30

In agriculture we have a strategy to grow our value-added industry to \$20 billion from \$9.9 billion over the next 10 years. Obviously, that strategy cannot be successful if we can't move those goods and services to the market. I'm certainly encouraged to see the work on Canamex, the trade corridor that's critical to us, and a commitment to the minister that we'll continue support through PNWER, through our Montana/Alberta Agricultural Opportunities Conference that we hold each year to work with you wherever it's appropriate to try and achieve regulations that are comparable on both sides of the border so that our trucks can move.

I am encouraged that the resource road program is still in the ministry. I will add my support for increased support for that for the very reasons I've just outlined.

I will also encourage the minister to continue to work with the federal government to pass some of the tax collected – just some – back to Infrastructure. I read with interest some information the minister provided to me on how the U.S. government works with the tax that they collect on energy and putting it back into roads. A fraction of that commitment from the federal government would mean a huge amount to this province. I cannot understand how a government can collect the type of tax that they do on a transportation fuel and put so little of it back into transportation. I think we have to continue to support you in encouraging them to do the right thing and pass more of that back to our provinces, but certainly here.

I said that I would be brief. I intend to be that way. I am going to close with this comment: minister, you have a great staff. Not only are they dedicated to ensuring that we have a well-managed transportation system, that safety is of prime importance, and that good planning is there, but I do want to put on the record to members in this House that these people who work in that department do more than that. They're great community members, and they're great community supporters.

I want to acknowledge that for the first time Alberta Agriculture, Food and Rural Development, Alberta Infrastructure, and Alberta Transportation came together to do the Take It All Off for Cancer head shave. It was a great event. Members, they raised \$41,205 for cancer research. I think this is commendable. I do believe, Mr. Chairman, that we could probably raise quite a bit to see the deputy minister and the ADM in particular in the front row next year with much less hair after that event, and I will personally make the commitment to lobby for that.

So with that, Mr. Chairman, I'll take my seat.

The Chair: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Yes. One quick issue that I didn't touch on, Mr. Minister, that I wish I had. I also want to thank the Member for Edmonton-Highlands for allowing me to ask this. On the strategic economic corridors we have highway 63 north, which has had the unfortunate situation on more than one occasion of having to be closed because of forest fires, and the community becomes isolated. We also have 881 that goes to Fort McMurray. Particularly with the increased economic activity in Fort McMurray, what are the plans of

the department to get an alternate route to Fort McMurray so that they don't experience this situation?

Thank you.

The Chair: The hon. Minister of Transportation.

Mr. Stelmach: Thank you. If the hon. member would permit me, I neglected to make some comments on toll roads, so I'd like to do that. I'm going to leave the one on nitrous oxide for more information.

With respect to the electronic onboard recorders, many of the trucking companies monitor speed and time that drivers rest with electronic surveillance equipment. These are large carriers, and I believe that with most of these when the drivers are hired on, they are aware of the kind of restrictions or the surveillance they'll be under. But a lot of the trucking industry is one or two large trucks owned by, maybe, an owner who then hires a driver as well. I'm not quite sure who would be monitoring the smaller trucking firms in the end, but we'll get some response on that and take it further. Technology is one area that's increasing all the time, and I believe that sooner or later we're going to have to have a good debate on how much of the technology is acceptable in our society and how much of it isn't. That's with respect to traffic safety as well.

With respect to toll roads, after doing a number of studies before on this particular subject, the maximum return on a percentage of the total capital cost going in is about 25 percent. It's really a reflection of the population that we have. Other than looking at some projects, mostly in northern Alberta, that may fall into this category where the toll itself would be paid by one or two single users, mostly resource extraction companies – their policy is that if we are to put in a toll road, we would have to have an alternate route. If you look at your busiest roads that are traveled today – take Edmonton and Calgary – what portion would you toll? People would say: well, you know, you built three-quarters of this road, and then for the last quarter you want us to pay a toll on it. You bleed the traffic off someplace and move the problem someplace else.

It will require further study in this regard. However, there may be in some applications a shadow toll, where the province would pay a fixed rate per vehicle traveled to offset the costs to a company that might have built the road. That's still in the discussion stages, and sometime we'll come back to that whole topic. But for now about 25 percent is the maximum return on the capital based on a toll that would be acceptable to the traveling public.

9:40

Highways 63 and secondary 881. I tabled the three-year capital plan for Transportation yesterday just to give members an opportunity to review where we will be expending a lot of our money on our provincial highway system. With respect to highway 63 we will have – one, two, three, four, five, six, seven, eight, nine – 10 projects. Those projects not only include preservation and overlay but also four-lane and two-stage paving contracts. It also includes interchanges and some erosion control and four-lane grading; that would be the Suncor access to north of Mildred Lake. So there's a fair amount of work being done there.

Then on secondary 881 there will be a 24-kilometre stretch of base-stage paving south of Wiau Lake to north of Wiau Lake, 68 kilometres of grading from north of Conklin to north of Cottonwood Creek, a further 23 kilometres south of Kettle River to north of Cottonwood Creek – that's base-stage paving – and then 13 kilometres of second-stage paving, which is north of Cheecham to south of Anzac, 23 kilometres of second-stage paving north from Cottonwood Creek to Cheecham, another 23 of side slope improve-

ment. So there's a considerable amount of work being done on those important roads, highways leading to Fort McMurray.

Just an additional item of information on secondary 881. When highway 63 was closed, there were over a thousand cars an hour passing through Lac La Biche using 881 as the only exit. Our information is that the first service station in the row through Lac La Biche ran out of gas within the hour. That's how many cars were passing through, so obviously there's a considerable amount of traffic. There are a number of buses on that road every day moving people to work, and it's one that does have an important priority in terms of the whole strategic economic borders in the province of Alberta.

The Chair: It was a government member the last time, now it's an opposition member, and then the hon. Minister of Municipal Affairs. The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I'd like to thank the minister for his comments and information. This evening I have a number of questions for the minister, and I guess I'll start with P3s, which are referenced in the core business plan on page 377. I'd like to know if there is some objective criteria, a decision-making matrix or something like that that will determine objectively whether or not a P3 approach to a given project is the most beneficial as opposed to other more traditional alternatives of the government doing that.

My concern is, of course, that there could be a lot of subjective or even ideological factors taken into account. My experience tells me that generally and not universally the public sector has high-quality individuals, a great deal of built-in expertise, great resources, and access to fairly inexpensive capital. So in some particular cases there may be advantages to be gleaned, but very often P3s are not the best. So the question really is: is there some way that an objective assessment can be made that could be reported so that anyone, even an opposition member, could read it and figure it out and get a good, clear understanding of where the advantages and disadvantages lie with a given project?

I want to ask also about municipal issues, and I see that in goals and strategies, the core goals of the department, there is a section, goal 7, to "continue to support municipalities in addressing local transportation and water/wastewater needs." The first point deals with the cities of Edmonton and Calgary and the annual transportation funding based on 5 cents per litre of fuel delivered for road use. I'm wondering if this has been an extension to the contractual arrangement that was made a few years ago with those cities, what the format of that agreement is, and whether or not the government has a long-term commitment to that. There was a lot of concern a couple of years ago when the government in the provincial budget took that back. The municipalities were very concerned about that. The minister acted quite promptly to address that little fire that was burning, and the municipalities got their funding back. So I'd like to know the basis of that funding and how long a term that agreement is for.

Then under that I have a concern about, really, the lack of mention of public transportation in the goals of the department and in the numbers that we have. The numbers are quite large numbers and may include many things. Under Operating Expense, Municipal Partnerships, on page 368 of the estimates, there is \$264 million for that subprogram. What's the government's plan especially with respect to funding for Edmonton and Calgary LRT systems? The Edmonton system has just passed its 25-year anniversary, and I'm assuming that the Calgary system is more or less the same age. Of course we know that there are differences between the two systems, and Edmonton's decision to go underground in the downtown

portion has meant that its system has lagged behind. But what role does public transportation and especially rapid transit play in the government's plans?

There's mention here of green infrastructure. In my view, there's nothing more green as far as an infrastructure thing as that kind of system. I think the payoff in reducing CO₂ emissions and other emissions of supporting a modern and fairly extensive public transportation system can't be matched by other things, and there are, of course, other dramatic benefits including improvements in quality of life for the community. I also think – and I know that the Minister of Economic Development would probably agree with me – that a good, well-balanced municipal transportation system within a large metropolitan area has big economic payoffs as well. So I would like to know if the government has a long-term commitment to fund capital costs for LRT expansion.

I know that Calgary's plan places the extension of their system of LRT at the core of their strategies to reduce congestion and provide transportation within the city, but when I look at the government's numbers and their goals, I see pretty much reliance on roads and vehicles as a transportation solution. So I'd like the minister's comments on that as well.

With those questions, Mr. Chairman, I'll take my seat. Thank you.

The Chair: Hon. minister, do you wish to speak? There are a couple of other members here that have been bouncing up and down.

The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you, Mr. Chairman. I want to say how pleased I am that the Minister of Transportation has committed to come to visit highway 881 and highway 63, which he often refers to as corridors of wealth. I think that is very apropos. Obviously, one of the dilemmas we have faced, specifically the hon. Member for Athabasca-Wabasca, is the issue of highway 881 in terms of access. We have only one access in and out of a city of 60,000 people. I do recall when we had a major fire that ultimately posed a risk to the continued production of Suncor and Shell because they were unable to move and transport chemicals, and the plants were going to shut down because we didn't have any access. I always remember the executives of the companies indicating that we really need an alternate way in and out.

9:50

Now, with 881 we're making good progress. Needless to say, the question would be how we can escalate that priority, and I see many people in the Assembly shaking their heads in an affirmative action relative to that priority and meeting that priority because we never want to have that risk. We want to be able to mitigate it. I know the hon. minister is mitigating the risk, but we have the attitude in northeastern Alberta that we can always do better. I'd be interested in the minister's words on how we can do better to expedite that. In fact, the Minister of Finance met with some of the aboriginal chiefs with me just not that long ago where they indicated what the risk posed to, again, that corridor of wealth transporting people to jobs. One way in and one way out for a city of 60,000 is very difficult, and I know that the minister agrees that we need an alternative route. How can we get that moved up on the priority list to deal with such pressures?

The Chair: Actually, hon. Minister of Sustainable Resource Development, there was another minister, but apparently he's changed his mind.

The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much. I, too, would like to thank the Minister of Transportation for his foresight and planning in the development of northern roads because they are critical to our economy in Alberta. I'd like to also put the hon. Minister of Municipal Affairs at ease in relation to a connector road from Fort McMurray. He would be pleased to know that we are working on not only 881 and 63; we're also working on 813, which takes off from Athabasca to Wabasca, and eventually that road will connect to Fort McMurray. So, Mr. Minister, you'll be pleased that the Minister of Transportation met with the MD of Opportunity. We're looking at the possibility of paving more this summer, and eventually that road will connect to Fort McMurray and, no doubt, will be paved, so we will have a third connector to Fort McMurray, and I'd like to thank the minister for that.

The Chair: The Minister of Finance is wanting to speak.

Mrs. Nelson: Thank you very much, Mr. Chairman. Just very briefly.

The Chair: Another minister was called a few moments ago, but he was busily engaged.

The Minister of Finance, very briefly. Yes.

Mrs. Nelson: Yes, Mr. Chairman. What I wanted to say was that this is one of the most important portfolios in the government because, quite frankly, for the generation of wealth and the continued growth and economic prosperity within the province, there is no point in encouraging people to go out and produce new product lines if you don't have the ability to get the product to market, and with the lack of transportation, particularly from the rail that we've experienced lately and now with the air, we clearly need to have a road system that is very much enhanced and expanded. The Minister of Municipal Affairs and I did meet with the aboriginal people in regard to 881. It is an area of growth and pressure, and having only one exit in and out of that community is just not sufficient.

I also wanted to make mention of another area, which is in a different sector of the province, that has been very important, I believe, actually for our tourism industry, and I know our Minister of Economic Development would want me to mention this. One of the tourist attractions in this province is, of course, the Tyrrell museum, and the access into that area is highway 9, which has, from what I understand, the greatest amount of traffic by visitors of almost any road within the province, and highway 9 is in desperate need of expansion and shoulders so that it remains safe and doesn't become detrimental to enhancing the tourism travel into that sector of the province.

I would ask the hon. Minister of Transportation to be sure and give consideration to those areas that are a part of the economic growth and sustainability of this province and be sure that we don't have ourselves in a position where we're developing economic entities and adding value to our natural resources and then not being able to get to market. That doesn't make any sense at all. So transporting goods and services through air and rail and road and pipeline is critically important. So I would encourage the hon. minister to make sure he beats us up at Treasury Board for lots of money to put transportation networks in there, particularly 881 and highway 9.

The Chair: The hon. Member for Edmonton-Riverview, followed by the hon. Minister of Economic Development, and then the Minister of Transportation in the few moments we have left.

Dr. Taft: Thank you, Mr. Chairman. I'm referring to the business plans, a couple of different pages where I have questions. Page 383 has the ministry's statement of operations. There's a line here for amortization. It's quite a significant figure, \$160 million up to \$200 million, \$220 million, \$240 million. I'd just like you to explain that if you could.

Page 377. There are some questions raised for me by goal 5 that would be great for the minister to explain. The first bullet under goal 5 talks about:

Lead the cross-ministry Capital Planning Initiative in partnership with . . . Infrastructure and . . . Finance to ensure long-term capital plans and effective infrastructure management systems are in place . . .

And then the key point for me.

. . . alternative financing options such as public-private (P3) opportunities are considered, and performance is measured.

Now, I'm wondering what is being considered here. They actually mixed the symbols here. It says P3 and calls them "public-private opportunities" instead of public/private partnerships. What options are we looking at here? Are we looking at toll roads? Are we looking at maybe entirely private roadways? What's being considered? If the minister would be so kind as to provide us with the analyses, pro and con, on that. I know that in the last several years highway maintenance was privatized. That's not really a P3. That's a contracted service. What is counting here as a public/private opportunity, and what are the costs and benefits that have been found in this? I'm sure the Minister of Infrastructure will be interested in that too, but I'm asking you in particular.

Further down that goal it says, "Continue to undertake research focused on safety, engineering, and intelligent transportation systems." How much money is tied to that research? Where is the research done? Is this research done in the department? Is the research done with, say, engineering faculties at universities? Is it research done with who? So some details on that would be great. How much are you spending on research? I'm not objecting to this. In fact, I think research is great. Is the Department of Transportation becoming a bit of a research centre for the government? I don't know. I have no idea.

The next two points are connected together. The first one, "Ensure environmental practices are integrated into short and long-term planning," and then the final point under goal 5, "Support provincial and cross-ministry initiatives related to transportation and its role in climate change." Those are admirable goals, but I'm wondering what resources relate to this. We have the goals on the paper. What resources is the minister committing to achieve those goals, and how do the two link together? I'm getting a lot of sneezing and coughing over there. I hope it's not a reaction to my questions. I'd like to know how these goals are going to be implemented, basically, the connection between the resources, the actions, and the goal. How much money is involved?

I'm also very interested to know of any support from the department for alternatives to roads. Might we be looking at support for railway, support for LRT within the cities? I know there was even consideration of a maglev, magnetic levitation, rail system between Edmonton and Calgary. Is that what we're talking about when we're looking at alternatives to roads, that kind of green infrastructure, as it would be called? Related to that also with the development of fuel cell technology . . .

10:00

The Chair: I hesitate to interrupt the hon. Member for Edmonton-Riverview, but pursuant to Standing Order 58(4), which provides for not less than two hours of consideration for a department's proposed estimates unless there are no members who wish to speak prior to the

conclusion of the two hours – and that hasn't occurred – I must now put the question on the proposed estimates for the Department of Transportation for the fiscal year ending March 31, 2004.

Agreed to:

Operating Expense and	
Equipment/Inventory Purchases	\$924,118,000
Capital Investment	\$372,080,000

The Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Hon. Government House Leader, would you say the magic words?

Mr. Hancock: Thank you, Mr. Chairman. I'd move that we rise and report and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Transportation: operating expense and equipment/inventory purchases, \$924,118,000; capital investment, \$372,080,000.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

head: **Government Bills and Orders**

head: Committee of the Whole

[Mr. Tannas in the chair]

The Chair: The Committee of the Whole is called to order.

Bill 20 Alberta Municipal Financing Corporation Amendment Act, 2003

The Chair: Are there any comments or questions to be offered with respect to this bill? The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. Yes, I wanted to make sure I got an opportunity to speak here. I know that the Minister of Finance would certainly appreciate that we have open and frank discussions in the Assembly, particularly in dealing with the Ministry of Municipal Affairs.

In speaking to Bill 20, the Alberta Municipal Financing Corporation Amendment Act, 2003, we have to look at this particular bill and see that it certainly as a highlight gives greater flexibility to the Alberta Municipal Financing Corporation to distribute loans. It also changes the name of the corporation. It does a significant amount of housekeeping, and it does put term limits on directors of the corporation.

Now, in looking at the bill and particularly by way of a sectional analysis, I'm looking at section 3. This section reorganizes the definitions of the act. Most of these definitions are only a slight modification of those of the original act, and new definitions are introduced for improvement district, minister, and special area. Other new definitions are simple modifications of the old act. In looking at this particular issue, most of these changes, Mr. Chairman, are innocuous as they are amalgamations or reorganizations of items.

A question I do have is: why is the board of the Northland school division No. 61 under the Northland School Division Act specifically cited as an educational authority? If the minister could provide an explanation for this particular question, it would be deeply appreciated.

The definition of health authority is "a person, other than a regional health authority, that owns an approved hospital under the Hospitals Act." Is this possibly a reference to privately owned hospitals?

The term "resolution" in section 3 is also introduced, and this term will replace "bylaws" in many portions of the bill. According to the ministry this is to reflect that these are approved by the board and not by the shareholders, and this is understandable.

In looking at section 4, the name of the corporation is changed to Alberta Capital Finance Authority. This also gives the corporation the capacity and powers of a natural person but allows cabinet to make restrictions on these powers, rights, and privileges. The section also states that the corporation is not to engage in activity outside the business of the corporation.

Section 7 repeals section 5 of the original act. One of the questions I would have is: why would this section be edited out entirely and not replaced? This is dealing with common shares. Some of these original sections here are not intuitive and should be in the amended act. For example, improvement districts' rights are exercised on their behalf by the minister responsible for the Municipal Government Act. Under the amendment how do we know who is supposed to exercise the rights for the shareholders? This section should have been amended to conform with the new sections of the act, not deleted.

Again, in section 8 I see that this is just housekeeping. There are also some housekeeping provisions in section 9. Section 10: I don't see any concerns with this particular section.

Under section 11 sections 10 to 13 of the original act are repealed, and several new sections replace them. One of the things that I do note here: there is no longer the provision that establishes how a person may establish the right to vote.

Section 12 simply repeals sections 15 to 17 of the old act.

In going through this, Mr. Chairman, I do believe that the majority of the other changes that I have noted are more of a housekeeping nature and certainly clean up the act. In looking at this particular bill, I do have those few questions that I did bring up.

At this point in time I will take my seat and allow others to participate in debate in Committee of the Whole. Thank you.

10:10

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you. I just rise on one particular issue to ensure for the record that our understanding is clear on this. There have been issues raised by members of the AUMA and others that there are some alarm bells rung by this legislation, and the sponsor may be able to address these. I'm counting on that in any case. I'll be as prompt as I can.

Section 21 of Bill 20 describes the business of the corporation, the

corporation in question being the Municipal Financing Corporation.

- (a) to provide local authorities that are its shareholders . . .

And I hope that's a key clause here.

. . . with financing for capital projects;

- (b) to act as financial agent or otherwise for a local authority that is its shareholder in negotiating loans or refinancing securities of the local authority or in any other capacity authorized by the regulations.

And so on it goes. Now, the key point I want to draw attention to here is the term "local authorities." The definition of local authority under section 3(g) is "a city, an educational authority, a health authority, a municipal authority, a regional authority or a town."

Then if we follow this further through the legalistic trail, section 3(e) defines health authority. This is where the alarm bell goes off for many people.

- (c) "health authority" means
 - (i) a person, other than a regional health authority, that owns an approved hospital under the Hospitals Act;
 - (ii) a person, other than a regional health authority, that owns a mental health hospital under the Hospitals Act.

Those two subclauses are of great concern because they potentially open the door for this new corporation to provide financing to, say, businesses that may be in the health or the hospital industry.

So with all of that as background I am wondering what assurances the sponsor of the bill or other members may be able to provide to Albertans that in fact that is not a loophole or is not a provision that will allow businesses in the health industry to obtain this favourable financing. In fact, I don't know why those clauses are there, so maybe that could be explained to me if it's not for that reason.

Thank you.

The Chair: The hon. Member for Calgary-Mountain View.

Mr. Hlady: Thank you, Mr. Chairman. I do appreciate the question from Edmonton-Riverview, and I will clarify it for him right away. On the questions that were asked by the previous member, I will look at those in *Hansard*, and at the beginning of third reading I will have those answers for you and take care of that for you.

On this last point I do understand the question that has been raised by Edmonton-Riverview. The AUMA had raised the fear themselves and were very concerned about this and put it in writing to a number of people in questioning. This is going to be taken care of, Mr. Chairman, under the regulation in regard to the fact that the concern under these particular sections is that if there was ever a private hospital, they would be able to go to the corporation and borrow money, and that was really the sense of the concern.

This is being taken care of, and that will never happen, because under regulations you have to be a shareholder of the corporation to be able to borrow from the corporation. A private hospital would never get the ability to become a shareholder of the corporation and therefore would never have the right or the ability to borrow from the AMFC. So if that helps you to clarify. That will never happen simply for that reason, and that really answers the question for you.

Dr. Taft: Do you know why those clauses are in there?

Mr. Hlady: Because this is speaking in the general terms of staying in the public sector. It doesn't refer to private. I think what people have done is they've taken read of this to say: oh, this could mean private. But it does not state and nowhere in the areas referenced by yourself did it state that we actually had private in this area, if you read it. Now, people chose to write that in themselves, that it could mean private. It does not mean private. It is protected from being

private by maintaining under the regulations that they will never be shareholders. Okay?

Thank you, Mr. Chairman.

[The clauses of Bill 20 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Bill 12

Financial Sector Statutes Amendment Act, 2003

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill?

[The clauses of Bill 12 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Bill 10

Health Information Amendment Act, 2003

The Chair: Are there any further comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you. Yes, I have several comments on this, Mr. Chairman. This is a small bill, a short bill but one that I think is important. It raises some important issues, and I find that I'm divided completely on this bill because one component of it I'm strongly supporting, and our caucus, the opposition, in fact raised this issue last fall. The other component of the bill I'm very uneasy with.

So I guess we can deal with the good news first, which is section 2 of this bill, which is to amend section 35(1) of the Health Information Act to sort out a problem which is really an inadvertent effect of the legislation as it stands right now. It led to some heart-wrenching moments in people's lives. The effect of the legislation as it is now is that if an underage child dies, the parents of that child are unable legally to have access to the medical records of that child. You can understand easily where that could be the cause of great grief and confusion to parents, parents who are wanting to bring some closure, at least some understanding to what's happened to their child. They want to have information on the diagnosis or the procedures or the injuries or whatever the cause of death was. Through an accident of legislation the act as it stands right now prohibited that. This particular amendment, as it's proposed here in Bill 10, will correct that problem; clearly, I'm sure we'll all agree, a simple gesture of humanity and one to be supported. So that's the good news.

10:20

The concerns arise with us with paragraph 3 of Bill 10, which addresses section 59 of the Health Information Act. This raises

much broader issues, issues that I have real concerns about. Speaking, first of all, broadly from the trends in our society, I am concerned about issues of individual liberty and individual privacy. Through the development of electronic technology we have moved into an age where all of us suddenly find enormous amounts of personal information circulating through dozens and dozens and probably now hundreds of databases of one kind or another. So everyone of us would probably be a bit startled if we knew how much private information was collected in so many different databases. All kinds of financial information, any legal or criminal information about us, educational information, what we borrow from the library, what books we buy, absolutely enormous amounts of consumer information, down to the tiniest detail of what kinds of toilet paper we might use or what kinds or colours of paint we use in our house: all of that is collected on every one of us and compiled into electronic databases and shared and sold back and forth. The amount of that information and the extent to which it flows back and forth increases year after year relentlessly, and indeed the fineness of the net through which this information is collected grows or intensifies every year. So that's the general picture.

Specifically here we're dealing with health information, and health information, as we all are aware, is among the most sensitive information in our lives for many of us. It could be information on anything. It could be something we're embarrassed about or something that people would hold as a liability against us in seeking employment or something that might disqualify us from insurance. All that kind of information and much, much more is held in health records, and to the extent that those health records are turned into electronic vehicles or electronic documents, that information suddenly can be shared. We can readily, readily lose control of that information.

All of us, I'm sure, can appreciate the difference between having information on a piece of paper, that can only really be shared either by passing around or photocopying, versus information that's stored electronically, which with the push of a button can be sent out to endless numbers of people, who can in turn through another push of a button distribute it to endless further numbers of people. So we're into a whole different quality of information. It's not just quantity; it's the quality, the very nature of the information we're discussing here.

Specifically to clause 3 of Bill 10, the effect of clause 3 is to remove one of the fundamental safeguards that have been put in place by legislation to give people some – some – modicum of control over their health information. That safeguard is to require health professionals to specifically ask a patient if their medical records can be shared electronically. So the way it is right now, a health professional needs to ask a patient: will you give me consent to record and potentially share your personal health records in electronic form?

Now, there's an interesting twist here. If the patient says no, even then the health professional doesn't necessarily have to respect that request. There are circumstances, some of them very understandable, in which a medical professional can actually overrule that request from a patient, but by and large there is at the very least a moral obligation on the health professional to respect the request of the patient.

The effect of this bill is to remove the requirement on the health professional to ask permission and instead flip the responsibility around so that the patient has to through their own volition and initiative say: I do not want this information shared electronically. If they fail to do so, the assumption is made that they have given permission. A very big and significant step here.

I have received a number of concerns around this which I want to

get on the record and which I would like the government to consider in this. I understand some of the reasons for this. One reason that's put forward is that it was time consuming for health professionals to go through the consent-seeking process. Well, I'm not convinced by that argument. I think that too often we are prepared to sacrifice personal privacy and personal freedom for the sake of efficiency. Efficiency on its own is not a terribly compelling reason for me to see personal privacy sacrificed, yet that is in many cases the biggest reason that's put forward for this activity.

Really in many ways I'm concerned that Bill 10 is an issue of big state powers being created even while we have a party that likes to talk about small government. We can have small government but a big state and a state that collects far more information than we would have ever allowed a state to collect 10 or 15 or 20 years ago. So this is a bill in which big state becomes an issue. I know that I'll get more than one chance if I run up the time here. I think it's worth contemplating this.

Every day busy and well-intentioned health professionals collect and document the intimate details of lives of patients in their care to help with diagnosis and to help co-ordinate treatment, and these professionals reassure those patients. Any of them who might be reluctant to expose sensitive information are reassured: don't worry; this is confidential. But we have to ask ourselves: what does that really mean, especially when that is recorded electronically? One of the key points here is that once people lose confidence that the information they provide will be respected confidentially, then in some cases they're going to become reluctant to share crucial information about their health that not only may affect their own health but may affect the health of others.

We must be particularly sensitive to this sort of thing in the wake of the recent SARS epidemic. By sharing information on where they travel or what their temperature might have been or what some symptoms might have been, they might not just be threatening themselves. By disclosing that information, a patient might threaten the ability of family members or colleagues to earn their living because they could all find themselves in quarantine.

So these are complicated issues. We want people to feel confident that they can come forward and share information without fear of being embarrassed or without fear of losing control of that information. Albertans, Mr. Chairman, are very sensitive about this. There was a public opinion survey conducted by the Alberta Medical Association in the late 1980s, and it found that 62 percent of Albertans, 62 percent, say that Alberta Health and Wellness should not have access to their medical records. Beyond that, 84 percent say that regional health authorities should not have access to patients' private information without consent, yet we are putting forward a bill here that will not require consent from patients. So I think we need to be careful that we respect public opinion on this.

10:30

This also ties into other issues. One of the concerns that this links to is: who owns health information? One of the concerns I have in this province is that the Alberta government has not at all taken steps to ensure that the patient owns this information. In fact, it looks very much like the government has gone to great lengths to avoid any suggestion that people actually own their own personal health information, and the reason for that is that once people are given ownership of their personal health information, then they will get control. I concede that if that were to happen, then some of the health information systems and, indeed, perhaps some crucial information would be made more difficult, but the point here is that people ultimately need control over what information is collected on them. At least we need to be very, very reluctant to ignore that

principle of people having control over information that's collected on them.

Now, there is one other point that is between the lines here of this particular clause, clause 3, and that is this: under this legislation even if I am active in asking that my information be kept confidential, not be shared, not be turned into electronic information or, if it is made electronic, not be distributed, there's no requirement for that to be respected. Information can be shared electronically by health professionals despite requests from patients for that not to happen, and we all know, as I mentioned earlier, that that could lead to the loss of control of that information.

So, Mr. Chairman, I am very ambivalent about Bill 10. On the one hand, clause 2 is a good clause, sorts out a problem. On the other hand, clause 3 reduces people's control over some of the most sensitive information they are ever asked to share with others. While I understand that this may move Alberta and help move Canada towards a better health information system, from which there are many benefits, I think that when this is combined with the fact that people are not given ownership of that information, I remain very, very uneasy. I think on a point of principle, a point of respecting patients' rights to control their personal information, I for one, I guess, will have to oppose Bill 10.

Thank you.

[The clauses of Bill 10 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I move that the committee rise and report Bill 20, Bill 12, and Bill 10.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following: Bill 20, Bill 12, Bill 10.

The Deputy Speaker: Those who concur in this report, please say aye.

Hon. Members: Aye.

The Deputy Speaker: Those opposed, please say no. Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 10:37 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Thursday, May 1, 2003**

1:30 p.m.

Date: 2003/05/01

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. Our divine Father, as we conclude for this week our work in this Assembly, we renew our thanks and ask that we may continue our work under Your guidance. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Deputy Premier.

Mrs. McClellan: Thank you. Mr. Speaker, I'm pleased to introduce to you and through you to members of the Assembly seven constituents from the Cereal-Acadia Valley area of my constituency. Six of these members are members of the C.J. Peacock school parent council. They're in Edmonton today along with the chairman of the Prairie Rose board to visit with our minister of education and talk about the opportunities of continuing delivering quality education to our rural communities. I would ask them to stand as I call their names and to remain standing. We have Maxine Girtetz, Pam Kulyk, Shari and Stephen Muzyka, Debbie Salik, Marian Peers, and a special person to me – these are all special people – the last one I'll introduce, my brother John Peacock. Please give them a very warm welcome.

The Speaker: The hon. Member for Whitecourt-St. Anne.

Mr. VanderBurg: Thank you, Mr. Speaker. On your behalf I'd like to introduce to you and through you 19 grade 6 students from the Busby school, which is located in the Barrhead-Westlock constituency. They are accompanied this afternoon by teacher Nancy Zeise, parents Claire Stitsen, Ken Mead, Shirley Mead, and Marie Bourque. They are seated in the gallery this afternoon. I'd ask them to please rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Calgary-East.

Mr. Amery: Thank you, Mr. Speaker. It's indeed a pleasure today to rise and introduce to you and through you to members of the Assembly 37 visitors from the Islamic school of Calgary. The Islamic school is located in my constituency, the constituency of Calgary-East. We have 31 bright, intelligent, and well-behaved grade 6 students. Along with the students there are two teachers, Mrs. Angela Mentis and Miss Rychelle Gibson, and four parent helpers: Mrs. Nahda Thraya, Mrs. Amina Hassan, Mr. Ryan Katchur, and Mr. Said. I say to them [remarks in Lebanese]. They are seated in the public gallery. I would ask them to rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Member for Little-Bow.

Mr. McFarland: Thank you, Mr. Speaker. I'm indeed honoured today to introduce to you and through you to members of this Assembly for at least the 12th consecutive year Vauxhall elementary school. They've come all the way up, probably left around 6:30 this morning. They came up with a number of teachers and parents that I would like to introduce. I want to thank them for taking the time

and effort to be involved in coming up here each and every year to show the young students the Legislative Assembly and the building and the things that you have to offer them, what is available to them. We have Mrs. Lori Jo Plotzki; Ms. Trina Mantler; Mr. Terry Olfert, who's been up with the group as long as I can remember; principal Dale Cummings; mom and dads Mrs. Paula Olfert, Mr. Harold Unruh, Mr. Cliff Meier, and Mr. Robert Kress; as well as all the students from grade 6 at Vauxhall elementary. I'd ask that they please stand, receive the warm welcome of the Assembly, and have a good trip.

The Speaker: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you very much, Mr. Speaker. It's an honour for me today to introduce to you and through you to members of this Assembly five people who are seated in the public gallery. I'm going to mention their names, and I'd ask them each to stand, and then I'll tell you why they are such valued guests for us today. First of all, I'd like to introduce Ji Hyun Park and Elly Dalmaijer and Jack Dalmaijer, who are the hosts of George Zondervan and Betty Zondervan. George Zondervan is walking across Canada from Vancouver to Halifax, began on March 29, and he's doing it to create awareness for the problem of world hunger. They are standing in the public gallery, and I would ask everyone to extend to them the warm welcome of this Assembly.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. Today I'd like to introduce to you and through you to the members of the Assembly three guests who are in the Assembly: first of all, Louise Papaanni – her significance will become evident very soon – as well as her boyfriend, Ian Manyfingers, and Pam Sparklingeyes, who is the project manager for Edmonton Catholic schools. I would ask them all to rise and receive the warm welcome of the Legislative Assembly.

head: **Ministerial Statements**

The Speaker: The hon. Minister of Learning.

Aboriginal Educational Programs

Dr. Oberg: Thank you very much, Mr. Speaker. Today I rise to read a speech that Louise Papaanni gave yesterday at the Edmonton Catholic school Rainbow Spirit project, and I will read this speech verbatim.

Good Morning! . . . My name is Louise Papaanni . . . and I am 18 years old. I just completed my first year in the School of Native Studies at the University of Alberta. I was born and raised here in Edmonton. My mother is from Frog Lake Cree First Nation and my father is from Calabria, Cosenza, Italy. I am honored to be here today and to speak on behalf of Urban Aboriginal Students. This morning, I would like to speak about the importance of Aboriginal education and the building of cultural identity as part of the contemporary educational system.

For myself, Aboriginal education and cultural identity began in my grade seven year. Before then, I felt deprived of a belief system that I craved for. The only Aboriginal people I saw were my mother and other family members. From kindergarten to grade six, I had two or three other Aboriginal classmates. Being a minority is difficult, and being a minority, as an Aboriginal person seems even more challenging because of the stereotypes we face. As a child, I didn't really know my culture. I became stuck, between craving the knowledge of my culture and being shameful, because of the

stereotypes that come along with being an Indian, or Native person. As I experienced the oppression of being an Aboriginal person, my strength in my heritage became stronger and stronger, as I learned about who I was.

In grade seven, I attended Ben Calf Robe here in Edmonton. The school had an Aboriginal educational based system, cultural access and cultural development. In this school, my classmates, mentors and many teachers were Aboriginal. The opportunity to learn from these people opened a door to a belief in a higher power and a strong cultural identity for myself. Cultural identity such as learning my Cree language, experiencing and learning the concepts of pow-wow dancing, listening to Aboriginal elders, and attending sweats and sharing circles. These new learning opportunities not only allowed me to experience what I was thirsting for, but introduced me to a world where I was free to find myself and learn to believe in the Creator, the great grandmothers and grandfathers. And finally, I built a strong sense of pride and identity in myself.

In high school, I attended St. Joseph. The Aboriginal education and cultural components were integrated and offered to Aboriginal and non-Aboriginal students. Educating non-Aboriginal people about Aboriginal history and culture builds tolerance and understanding between nations, thereby creating a better society for all. Building cultural identity in schools is important to the spiritual care and education of Urban Aboriginal Students. Cultural identity for Urban Aboriginal Students gives self-determination, confidence, and a reminder that we belong to a strong, surviving culture. A culture once known and lived by our ancestors, now passed on to us. As the Aboriginal author Esther Supernault says, "We can't understand where we are going until we know where we came from!" In today's school system, having access to learning the Cree language . . . and cultural teachings gave me a sense of belonging to what my grandparents and ancestors knew. Cultural access offers a sense of hope, courage and determination to face the future.

Over a hundred years ago, when the treaties were signed, our ancestors thought about our future. Today, let us think about the future of our Urban Aboriginal Students. There are many successful Aboriginal people and leaders in our communities. To make a difference and to strive for excellence, we must also acknowledge the social problems. Our Aboriginal communities are rampant with alcohol, drugs, gangs, crime and abuse. These problems cannot be ignored. For Aboriginal students in a school setting, cultural access offers learning and experience, but most importantly [it] offers identity, pride and healing. Healing is the solution that gives direction to overcome the social problems that rob and swallow our Aboriginal people. It is not easy living or leaving a life rampant with negative behaviour. Knowing there are people and guidance through these cultural programs offers direction for Urban Aboriginal Students. To be offered a comforting place to identify with and belong to, the journey of healing does not become easy, but becomes possible.

Access to cultural teachings in our contemporary school systems offers education and a fulfilling experience. Cultural development offers strength and determination for healing and facing the future. We must believe in the power of our Creator and prepare the world for our future Aboriginal children and students by integrating the best of both worlds. Success today means having the education needed to survive and the belief instilled to strive.

Thank you.

1:40

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. On behalf of the Official Opposition I am pleased to respond to the minister's statement. We offer our congratulations to the Edmonton Catholic school board for responding to the learning needs of urban aboriginal children with the Rainbow Spirit project at St. Francis Xavier school. May I compliment Louise for her powerful story, for it is in the stories of

people like Louise that we find both the need, the inspiration, and the direction for future action.

The paper presented to the council of ministers addressed the education gap between aboriginal people and the general population. Closing that gap

requires sensitivity to the relationships among cultures, education systems and the social context in which schooling is situated . . .

While unique cultural resources are important to the education of Aboriginal students, Aboriginal people also wish to be equipped with knowledge and skills required for success by conventional standards. Fulfillment of these objectives requires a combination of basic and special initiatives.

The president of the Saskatchewan Indian Federated College framed the problem this way.

Historically, First Nations' people have viewed education as a lifelong learning process that prepared individuals for their responsibilities and roles in life. While there were no physical buildings, education was based on learning from example, from . . . experiences and from Elders.

Across the country we see projects, big and small, designed to address the special case of aboriginal learning. The Ontario aboriginal education and training strategy saw \$34 million invested to respond to the need to increase aboriginal student access and retention to universities and colleges in that province. In Saskatchewan the elders envisioned building a postsecondary institution that combined cultural traditions and teachings with education and technology relevant to the global economy. Working with the University of Regina, the Saskatchewan Indian Federated College was created.

The Edmonton Catholic school board, too, has recognized the unique nature of aboriginal education with ongoing programs at St. Joseph's and now the Rainbow Spirit project. The project is recognition that local school boards are in the best position to recognize local needs. We are pleased that the province, too, has used its position to best advantage by providing financial resources for the board to carry out their mandate.

Thank you, Mr. Speaker.

The Speaker: Hon. members, the hon. Member for Edmonton-Strathcona would like to participate but will require unanimous consent. Will it be given?

[Unanimous consent granted]

The Speaker: The hon. member.

Dr. Pannu: Thank you very much, Mr. Speaker. I want to thank members for the opportunity for me to participate and respond to the ministerial statement.

First of all, let me add my thanks to Louise Papaiani for her heartfelt and inspiring statement. I wish to echo Louise in her belief that pride in aboriginal culture and identity is fundamental to ensuring future success for aboriginal children and youth in the learning system. As a society we are still scarred by the history of residential schools and similar attempts to force aboriginal peoples to give up their language and culture. These failed policies had disastrous consequences for aboriginal peoples and left a terrible legacy of injustice, abuse, and broken lives. I therefore commend the minister for the decision to provide continued funding to the Rainbow Spirit project. I echo the minister in his hope that initiatives like these will lead to increased academic success for our aboriginal youth and students.

In conclusion, Mr. Speaker, I once again thank and applaud Louise for her inspiring words and the minister for sharing them with this Assembly. Thank you.

The Speaker: Louise, you've moved pretty dramatically 83 rather wonderful people from throughout the province of Alberta in this Assembly. You've also moved everybody in the galleries and everybody listening to this question period this afternoon. Would you stand again and take another bow with our appreciation. [applause]

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes, Mr. Speaker. I would like to rise on a point of personal privilege. Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar advised me a few minutes ago that he would like to do such. I will recognize him at the conclusion of the Routine this afternoon as well as recognizing the hon. Member for Edmonton-Glenora.

head: **Oral Question Period**

Education Funding

Dr. Nicol: Mr. Speaker, the chairman of the Calgary board of education is warning that next Tuesday's budget will lead to significant staffing cuts. He says that if the current funding pattern continues, the Calgary board will become, and I quote: a system for the disadvantaged. The chairman talks about how public schools might soon be used only by special-needs children or by children from families with financial difficulties while anyone wanting a well-rounded education will have to go to a private or charter school. My question is to the Minister of Learning. Why hasn't your government fully funded the teachers' arbitrated settlement so that Calgary's public schools do not have to lay off teachers this year?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you, Mr. Speaker. First of all, the arbitration settlement that was brought in in June of last year has been fully funded. There was \$298 million that was made available for the funding of \$260 million. The other issue that we did for Calgary public is we also provided an extra \$7 million as they had an arbitration agreement that gave them a clause and a condition that no other school board in the province had. So we did fund them with \$7 million.

Mr. Speaker, I understand that Calgary public will be bringing out a budget next week that will potentially show a deficit. We are looking at how we can work with them. We're looking at where exactly that is. Included in the budget this year was an increase of \$17 million for Calgary public. This is very interesting because they are predicting anywhere from 700 to 1,000 fewer students than they had last year yet an increase of \$17 million as well as a considerable amount on top of that. So we are going to have to see exactly what's going on. Calgary public in the past has been extremely good to work with and extremely forthcoming. So we will be contacting them and seeing exactly what is going on there.

The Speaker: The hon. leader.

Dr. Nicol: Thank you, Mr. Speaker. To the Minister of Human Resources and Employment: what are you doing to make sure that your government fully funds its own arbitrated settlement?

Mr. Dunford: I believe that the hon. Minister of Learning has already answered that question.

Dr. Nicol: To the Minister of Learning: how many teachers is the minister prepared to see laid off in Calgary before he does something to fully fund the arbitrated settlement for the teachers in this province?

Dr. Oberg: Well, Mr. Speaker, I have fully funded the arbitration settlement. I will say that the arbitration settlement was higher than what we initially anticipated. Fourteen percent is a significant amount. Teachers in Alberta are now being paid approximately 8 to 10 percent higher than any place else across Canada. There's been a huge amount of money put into the system, and we certainly will work with our school boards. We will certainly work with the Calgary public to see exactly where these dollars are spent, and we're hoping that everything will work out for them.

1:50

Infrastructure Funding

Dr. Nicol: Mr. Speaker, years of government stop-and-go infrastructure funding have taken their toll on Alberta's economy. Government policy is contributing to an overheated economy. As a result, Petro-Canada has hit the brakes on its \$5 billion oil sands expansion in Fort McMurray. To the Minister of Infrastructure: will the minister finally admit that his government's use of stop-and-go infrastructure funding has made it impossible for businesses to plan capital projects on an ongoing basis?

The Speaker: The hon. minister.

Mr. Lund: Thank you, Mr. Speaker. I think it's a huge leap to suggest that because we are not spending an equal amount of money annually for capital projects in Infrastructure somehow that is having such a major impact on the private sector that they cannot continue to go ahead with projects. It certainly is our desire to have a more even flow of capital funds for the infrastructure that we're responsible for, and certainly with the new capital fund plus a sustainability fund that is currently being set up, we are very hopeful that will address this issue of having an uneven amount of dollars to spend on various years.

The Speaker: The hon. leader.

Dr. Nicol: Thank you. To the Minister of Finance: have industry consultations been done to determine how to manage the capital fund to make sure that we're working publicly and privately for the best interests of growth in the province?

Mrs. Nelson: Well, Mr. Speaker, one of the key elements of this year's budget plan that was presented is the new fiscal framework. It's one that provides for predictability and sustainability. It provides an opportunity also for planning to take place at the local level whether it's in the municipality or even with the road builders so that they can predict when to let contracts or bid on contracts, et cetera.

The other thing that's very important, which I think the hon. member opposite should always remember when he's thinking of the new plan, is that we've done one key thing. We've allowed capital to be carried over from year to year. So if, in fact, it's not the right time to move forward on a project, the dollars can be moved to the subsequent year, so you're not hitting on a time frame that didn't have reality built into it. In other words, on March 31 everything doesn't stop and then start again. So we've carried it so that you can go from year to year and do better planning and better predictability. We consulted with the various construction people prior to putting

this plan in place, and they thought it was going to be beneficial not only for government but for the industry as a whole. So I think we've moved in the right direction, and we've put the right balance in place.

Let's be very clear, Mr. Speaker. We've put forward a plan that is quite aggressive. It's a plan that will see \$5.5 billion of capital investment come into this province from government funding over the next three years. That's a very aggressive capital plan, but it's one that we need and one that I think will be beneficial to all from every part of this province.

Dr. Nicol: To the Minister of Human Resources and Employment: what steps has the government taken to increase construction capacity, especially in the area of qualified workforce, to prevent more delays in economic growth in Alberta?

Mr. Dunford: This is an excellent question, and of course it brings the opportunity to start to talk in this province about a skills deficit. One of the things that we find with this government is that we're very good at dealing with deficits as they present themselves to us. Those of us that were elected in 1993 were presented with a financial deficit, and we worked very hard to overcome that and, of course, were successful. Later on what has taken place to some extent, Mr. Speaker, was a recognition that perhaps there was an infrastructure deficit, and now this government in this last budget has responded very, very well to that infrastructure deficit, and I think that if I'm not mistaken, we have something in the order of \$5.5 billion that are now recognized and will move into that particular area.

So now the deficit that we're concerned with, Mr. Speaker – and I think the hon. member has quite rightly recognized this – is the skills deficit, and we're going to have to be as astute and as energetic in overcoming that deficit as well.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Riverview.

Toxic Mold in Foothills Medical Centre

Dr. Taft: Thank you, Mr. Speaker. Let me begin by congratulating the Minister of Health and Wellness for canceling a trip to Ottawa to ensure that the issue of toxic mold at the Foothills hospital that has been raised in this Assembly is properly managed. About 65 registered nurses, roughly two-thirds of the total, and a large number of support staff at the renal unit at the Foothills have registered health complaints that are consistent with toxic mold contamination. To the Minister of Health and Wellness: since the government's position has been that these symptoms are not a result of toxic molds, can the minister give a different explanation for so many people getting ill? Is it psychological, or is there some other problem at the Foothills?

Mr. Mar: Mr. Speaker, a committee of workforce, safety, and union representatives has been called, and they will be conducting their own independent test. Each representative – for example, on behalf of the union – will be able to call their own expert to review the situation with respect to the presence of these molds in the affected area, and I think that the regional health authority has taken the right steps from the very outset to look at this and treat it seriously.

I remind the hon. member and all members of the Assembly that the level of mold that was found in the particular area under question here, unit 27 at the Foothills hospital, was below Health Canada recommended safety levels. Notwithstanding that it was below the safety levels established by Health Canada, the regional health

authority took the appropriate steps to remove the drywall, the cabinetry, and the sink areas where this mold was present.

Now, I should note that no patients have indicated any indications or complaints of mold associated with this, and my understanding is that the nurses who made the complaints, in fact, were from the unit that was adjacent to and not part of the area that had the mold, but again the regional health authority is working with its staff to resolve this in an appropriate way.

Dr. Taft: Given that equipment is due to be transferred from the Foothills to other facilities in Calgary and that this equipment has not been tested for mold contamination, will the minister – and I want to be very clear here – ensure that the equipment itself is thoroughly tested for toxic molds before it is transferred?

Mr. Mar: Mr. Speaker, I would refer to the expertise of the people who work within the facility and for the regional health authority. Again, I'm not a microbiologist. I'm not an expert on the subject matter of infection prevention and control, but Dr. Tom Louie, who is the medical director, a physician trained in these matters, has been the adviser to this committee on appropriate steps to be taken. I'm certain that Dr. Louie and the regional health authority would take the necessary steps to ensure that any risk associated with mold in the movement of this equipment would be taken. Again, though, as I said earlier this week, Dr. Louie has indicated that the risk associated with the mold in this particular unit is very, very low.

Dr. Taft: Given his interest in the issue, I assume that the minister is aware of an incident of flooding or plumbing damage in March, so my question finally is: has the mold found in March at the Foothills been tested, and if so, will the minister immediately make those test results public?

2:00

Mr. Mar: Mr. Speaker, one of the reasons why the issue of mold arising from October of last year was not brought to my attention was because it was an incident that was dealt with within the regional health authority. Again, Dr. Louie indicated that the risk was low and that the level of mold was below Health Canada standards. That is not something that would ordinarily come to the attention of the minister of health, nor would it perhaps even come to the attention of the chief executive officer of the regional health authority. There are experts within the regional health authority who make their evaluations and have their expert opinions. It would not be for the minister of health to displace the judgment of such an individual. That is the case here.

I know that on previous occasions, Mr. Speaker, when there have been molds in health facilities in this province, sometimes the risk associated with it was higher and wards have been closed down as a consequence of it until it could be rectified. But, again, in this case, whether it's the March incident or the October incident of last year, which also was the result of water leaking from an area that was being renovated, I think that the regional health authority has demonstrated that they take all the proper steps because patient safety and staff safety are the number one concern.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Olds-Didsbury-Three Hills.

Postsecondary Education

Dr. Pannu: Thank you, Mr. Speaker. Two separate reports from institutions at opposite ends of the political spectrum have come to exactly the same conclusion: Alberta needs to provide more support

for postsecondary education. The Canadian Centre for Policy Alternatives has joined TD Economics in raising serious concerns about the accessibility of postsecondary education in Alberta. Specifically, the CCPA ranked Alberta dead last for accessibility, affordability, and opportunity because of high tuition fees and low and declining participation rates. To the Minister of Learning: in light of what these two studies conclude about Alberta, what steps does the minister propose to take to improve accessibility, affordability, and opportunity for postsecondary education in this province?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. I'll just make a couple of comments, if I can, about tuition. First of all, the report that came out today showed that we were number 6 out of 10 on the province side when it came to the tuition amount. When you actually look at the individual institutions, the University of Alberta is 25th out of 53 institutions, the University of Calgary is 23rd, and the University of Lethbridge is 16th, having the lowest tuition.

The other really interesting point, though, is when you start looking at participation rates, because under the tuition amount the lowest province in Canada is Quebec, and the reason it is the lowest is because they have taken the tack of actually subsidizing their tuition for their own students within their province. The tuition for people from outside of Quebec is significantly higher and, indeed, is the average of all the other provinces. The interesting point: if tuition was the main reason why students did not go to university, what you would expect to see is a much higher rate of actual university participation in Quebec, but what you in reality see is that the university participation rate in Quebec for 18 to 21 year olds is 12 percent. In Alberta it is 15 percent.

An Hon. Member: CEGEPs?

Dr. Oberg: CEGEPs are not university.

In Canada the average is 17 percent. So is tuition important? Yeah, absolutely tuition is important; affordability is important. But is it the only reason? Is it causally related? The answer is no.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Alberta's participation rates remain lower than the national average. Why doesn't the minister and this government make the same commitment as the provinces of Newfoundland, Manitoba, and Quebec to lower tuition fees and increase accessibility and thereby prevent the loss of comparative-ness of Alberta and provide opportunity to young Albertans who otherwise can't go to school?

Dr. Oberg: Mr. Speaker, I'm glad the hon. member has raised those three examples. First of all, in Newfoundland something very interesting is happening. This will be the first year in Newfoundland that there are actually more spaces available than there are students willing to go into their universities, and for that reason they are going far and wide, around the world, to attempt to get students to come to their universities in Newfoundland because their participation rates are going down dramatically. Before anyone jumps on me, a lot of it is because their number of students – their number of students – has gone down by very close to 20 percent over the last four years. So there are very significant problems that are occurring in Newfoundland.

In Manitoba they have announced that they have frozen tuition.

I do not have the absolute participation rates right now at my fingertips, but again I'll reiterate that the participation rate in Quebec, which has the lowest tuition fees, is actually significantly lower than in Alberta.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My last question to the minister: what action or actions is the minister proposing to take to increase university participation rates among youths aged 18 to 24 in Alberta, which are well below the national average and declining according to these studies?

Dr. Oberg: Mr. Speaker, the hon. member has raised an excellent issue. What we do see is that our participation rates are lower than the national average, and I think there are a lot of reasons for that. First of all, what we're seeing is an economy where there are a lot of jobs available. In talking to the students, what is happening is that a lot of students coming out of high school have chosen to work for a year or two and then go back to school because the jobs are available now. Another thing that we're seeing is a huge participation rate in apprenticeship programs. We're up to 40,000, which is significantly higher than anywhere else across Canada. That being said, we still want more and more students to go into postsecondary education, and that is the thrust of our department.

One of the things that we did in this budget, for example, is announce a \$10 million access fund. It is something that we're going to increase. We're going to be pushing forward. We have to make more communication to the high schools to let the high schools know exactly what the benefits of a postsecondary education are, and we're doing that at this moment.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Edmonton-Gold Bar.

Farm Income Disaster Program

Mr. Marz: Thank you, Mr. Speaker. Many hog producers, who have been experiencing high energy costs along with increased feed costs and the current low commodity prices, are again applying for assistance through the farm income disaster program. They're concerned that the highest reference years used in the payment calculations will be disregarded if it's been used before. This would result in a decreased payment. My question is to the Minister of Agriculture, Food and Rural Development. What would be the benefits to producers if the cap were removed for reference margin calculations?

Mrs. McClellan: Mr. Speaker, explaining the farm income disaster program would not be easy in the time we have allowed. To try to just outline the issue around the reference margin, I want to start by saying that the reference margin that we use in Alberta in the FIDP program is the most producer-friendly program in Canada, and indeed I would say the world. The World Trade Organization requires a reference margin system to use Olympic margins, which means the average of five years, dropping the highest and lowest years, or just simply the last three years. Our reference margins are a very broad interpretation of the WTO rules.

I do want to clear up one misconception that seems to be there in the industry, and I think this is an important point. After the highest margin year has been used for a prior FIDP claim, the margin year is not dropped. It is capped at the level of the next highest margin. That has been a concern that's been raised to the hon. member, I am

sure by his question, and certainly has come to my office and to other members who have hog producers in their area.

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. Again to the same minister: what would be the cost to the province if the reference margin cap were eliminated?

Mrs. McClellan: Mr. Speaker, my department did a sample study. As I've indicated in the House, we've had two excellent meetings with the hog producers in this province to look at solutions to their issues. One was a commitment to look at changing the cap and just simply using five years or the best of seven. It made, I would say, almost an insignificant difference to those producers, and hence changing the margin would have to happen across the whole industry. Our look at that is that it would have an effect of about 2.5 percent.

Of more concern, Mr. Speaker, is that if we were to change those reference years, in today's trade climate we would stand a very good chance of a challenge, and I think that that would be a very, very huge detriment to the industry compared to the minimal amount of increased income they could receive.

2:10

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. My final question to the same minister: what resources are available to producers who want to pursue a FIDP application this year?

Mrs. McClellan: Mr. Speaker, I certainly recommend to all members who have queries in this area and to producers that might be listening today to contact Ag Financial Services. They can find them on the web site at www.afsc.ca.

We have made some changes in our farm disaster loan program. We've extended it to two years. We've increased the cash call from \$20,000 to \$50,000, and that is available on a personal guarantee rather than going through the rather lengthy process of a term loan or a longer term loan.

I do want to point out that although the issue that's raised here today, Mr. Speaker, is of the hog industry, our farm income disaster loan program, our FIDP program, is applicable to all our farm commodities.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Calgary-Currie.

Electricity Billing

Mr. MacDonald: Thank you, Mr. Speaker. Right from the get-go this government's energy deregulation scheme was a failure as the government was forced to cap the price of electricity to prevent it from spiraling out of control. Albertans are still literally paying the price for this mistake through shortfall charges which make costly energy bills even more expensive. Yesterday the Alberta Energy and Utilities Board announced that EPCOR would refund \$12.8 million to customers whose shortfall charges were not properly collected. To the Minister of Energy: will the government investigate rate rider collection in other areas of the province as well to make sure that other Albertans are not paying for costly mistakes given that government policy created the rate rider in the first place?

Mr. Smith: No, Mr. Speaker, we will not. The EUB has clearly

defined its role in the examination of this issue and has, as it has on many other occasions, reflected the decisions in the public interest to benefit consumers, all consumers of Alberta.

Mr. MacDonald: Again to the same minister: will the minister now require energy firms to display all the information necessary for consumers to calculate shortfall charges on monthly bills so that consumers can protect themselves against future errors?

Mr. Smith: Mr. Speaker, the EUB is known as one of the most adversarial systems in Canada for rate action. It has a reputation of having fair, open, transparent, scripted hearings. All records are in the public domain. We would invite the hon. member or any other Albertan to attend hearings, appear at hearings, intervene in hearings, read the record, and see an open, transparent process.

Mr. MacDonald: Again to the same minister, Mr. Speaker: why didn't this government's electricity billing task force, which examined billing accuracy, include this problem in the report presented last fall?

Mr. Smith: Mr. Speaker, in the collection of bills – and this is another benefit of the new competitive market structure – no longer do electricity companies and transmission companies have a convenient ability of allocating charges in certain unreported files. In fact, what comes forward is accurate load settlement.

Now, clearly load settlement is an important issue, and it's the commercial errors of the past 20 months of these two companies involved, that had adequate and ample prior advance notice and warning to take commercially corrective actions to settle this. This is not an issue of a competitive market structure. This is an issue of commercial shortcomings.

The Speaker: The hon. Member for Calgary-Currie, followed by the hon. Member for Edmonton-Centre.

Energy Conservation Initiatives

Mr. Lord: Thank you, Mr. Speaker. The Minister of Municipal Affairs has proposed yet another excellent idea to encourage municipalities throughout the province to undertake energy efficiency retrofits in municipal infrastructure through the mechanism of an interest-free AMFC loan. My question is to the Minister of Municipal Affairs. Is it proposed that municipalities will be able to access this pool of funds to initiate energy conservation programs of their own; for example, in partnerships with community associations or other nonprofit groups, the recreational centres, ice arenas, and so on?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. I want to just clarify for the hon. member. As much as I would love to be able to take credit for this idea, it wasn't my idea. In actual fact, it is an important partner of our government; it's the Alberta Urban Municipalities Association. The president, George Rogers, presented his team of people, and they presented to our government. I might also add that the Minister of Finance, of course, under whose purview falls the Alberta finance corporation, in which the proposal and the idea, which is what it is at this point – at this point I would ask the Minister of Finance if she may want to supplement on the initiative, but I can say that it's certainly received a positive response.

The Speaker: The hon. member.

Mr. Lord: Thank you. To the same minister. I'm wondering about the potential savings in dollars as well as greenhouse gas credits. How would these savings be tracked? Do we have any sort of ballpark figures as to what they might amount to?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. As well, not only the Minister of Finance and the Minister of Energy, but also the Minister of Environment was there, and of course under his purview is Climate Change Central, where we did discuss that initiative, which the Premier initiated under his leadership over four years ago. I'll ask the Minister of Environment to supplement on this specific question.

Dr. Taylor: Mr. Speaker, I'm very pleased to supplement. Let me congratulate the Minister of Municipal Affairs. Just several weeks ago he made a massive financial commitment in the press to this program, and it was very good to hear that. In terms of measuring – the program is not in effect yet – certainly Climate Change Central would be in the position as an independent body to both measure and track the reductions in greenhouse gas emissions. You know, it's an organization that's partially funded by government, but for every dollar that we give them, they get between \$4 and \$10 from the private sector. So Climate Change Central would be the ideal organization to monitor this situation.

The Speaker: The hon. member.

Mr. Lord: Thank you, Mr. Speaker. My final question again to the Minister of Municipal Affairs: what I'm wondering is who would own the greenhouse gas credits that could be potentially generated under this program and those credits which could be of significant financial benefit in light of the Kyoto situation?

Mr. Boutilier: Well, my initial response would be that certainly I believe the people of Alberta would own the credits because it is their initiative in working with the partnerships from municipalities. That is yet to be determined, but I can say that the idea is an Alberta idea through the AUMA. Like any new idea it's like a newborn child. We've got to feed it. We've got to nurture it. We've got to protect it and allow it an opportunity to grow. I'm pleased to say that the Minister of Finance is allowing it to grow from the meeting that we had, and I know it's going to be a positive one.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Innisfail-Sylvan Lake.

Health Care Funding

Ms Blakeman: Mr. Speaker, every Thursday the Alberta Liberals will ask a question that a member of the public has asked us to pose. Today Edmonton senior Don Perdue wants to ask questions about his seven-month wait for an MRI, three-month wait to see a surgeon, and the estimated wait of four months to try the recommended cortisone injections for a pinched nerve in his back. This is the result of what he calls mangled medicare. So on behalf of Mr. Perdue I ask the Minister of Health and Wellness: is it true that medicare is being slow in delivery to seniors in the hope that they will pass away?

The Speaker: I'm sorry; that's not a question. Next question.

Ms Blakeman: Fine. Again on behalf of Mr. Perdue I ask the Minister of Health and Wellness: where is all the money being spent that's paid into the medical system? How much is bureaucracy, and how much goes toward patient care?

Mr. Mar: Let me say, first of all, that I'm not interested in speaking to an individual case, although the member opposite has suggested that there has been reportedly some permission to ask such a question on behalf of this individual. It would not be appropriate for reasons relating to personal privacy to address questions of an individual nature on the floor of the Legislature. But, Mr. Speaker, we do have significant amounts of money that go into our health care system, and the hon. member was present and would know that in the budget that was approved earlier this week is \$7.35 billion for the current fiscal year.

2:20

Mr. Speaker, I've spoken much in the Assembly earlier this week during estimates talking about where that money goes, and certainly if the hon. member would like to review *Hansard* to see that the majority of money goes to, really, three main areas. One, regional health authorities received some 6.1 percent average increase this year. Roughly \$3.8 billion went to regional health authorities, and they're involved in patient care. Another significant amount of money – and the exact figure escapes me – something in the magnitude of \$1.3 billion goes to physician services. Those are the services that are provided to individuals when they see their doctors or their specialists. The other large area is in the area of pharmaceuticals. So, clearly, the overwhelming majority of the amount of money that is spent on health care is spent specifically where it should be spent, and that is with respect to patient care.

The Speaker: The hon. member.

Ms Blakeman: Thank you, Mr. Speaker. Again on behalf of Mr. Perdue, and his final question to the Minister of Health and Wellness: is the government making policy choices so that private health care becomes more viable?

Mr. Mar: Mr. Speaker, the answer is yes. We think that there is a role for the private sector to be providing services under contract to the public service.

Now, let me say, Mr. Speaker, that there is a vision that the hon. member should be aware of, and that is that we want a publicly paid for, publicly administered, high-quality, accessible health care service that gives Albertans the services that they need when they need them in the most accountable, efficient way possible. Part of that vision may be that in some cases there may be a role for the private sector to be providing services to the public health system, as they do now.

So, for example, in the case of physicians who set up their own offices, these offices generally are not owned by regional health authorities or by the province of Alberta. They are independent businesses set up by physicians that provide services that are paid for by the public system. That, Mr. Speaker, ought not come as any surprise to anyone. Most of us who would attend our own physician's offices or attend a medi-centre, for example – those are privately owned, but they deliver services to the public system. Is our policy to allow that? The answer is categorically yes.

The Speaker: The hon. Member for Innisfail-Sylvan Lake, followed by the hon. Member for Edmonton-Mill Woods.

Alberta SuperNet

Mr. Ouellette: Thank you, Mr. Speaker. I am very pleased and thankful to hear that the Sylvan Lake SuperNet connection has been completed. However, recently I have received many calls from other areas in my constituency and in the province not yet connected. They need this connection to give them the same opportunities as urban areas. My question is to the Minister of Innovation and Science. When will the SuperNet be available to the small more out of the way rural areas?

Mr. Doerksen: Well, Mr. Speaker, the member raises a very important question, and the recent TD Economics report on the Edmonton/Red Deer/Calgary corridor talked in glowing terms about the economy in that area of the province. We all know that all of Alberta contributes, and the rollout of the Alberta SuperNet will enable the rural communities and, in fact, all people of Alberta to participate in the knowledge economy. That SuperNet will be substantially completed to all schools, all hospitals, all libraries, all government buildings by the end of 2004.

The Speaker: The hon. member.

Mr. Ouellette: Thank you. Mr. Speaker, my next question to the same minister: what is being done now to ensure that the network is built by the deadline?

Mr. Doerksen: Well, Mr. Speaker, as previously disclosed in the Assembly, it's no secret that there was a commercial dispute that was in place. We also informed the Assembly that this dispute had been resolved a number of weeks ago. I'm pleased to announce that since that time there have been a number of significant developments, not the least a 3,000 kilometre fibre purchase from Telus, and it's important to note here that the contract that we signed stipulated that wherever possible we would use existing infrastructure, and this is an important step forward, that Telus has in fact co-operated in the sale of this infrastructure which will accelerate and allow the rollout of Alberta's SuperNet to take place in a more expeditious fashion.

Mr. Ouellette: Mr. Speaker, to the same minister. I've had some people calling, asking me if we were building a white elephant because of the cost of our connection. What is the comparison of the cost to connect to the Alberta SuperNet versus high-speed connection through Telus or Shaw?

Mr. Doerksen: Well, in fact, Mr. Speaker, the member answered his own question in the preamble to the first question, where he talks about the people that are asking for this connection to come to their communities. As the member full well knows, as does the Member for Wainwright, who is involved in the rural economic development committee, the rural electrification was important in the advent of private telephones, and they would not wish to see that disappear. Furthermore, the important point here is that the Alberta SuperNet provides the infrastructure, the main pipeline for the services to be delivered, and any Internet service provider or operator can purchase access to the infrastructure at wholesale prices. The wholesale prices are the exact same wholesale prices that can be purchased anywhere in the province. From there they can then distribute it out to all of the other people that want to participate at rates that will be competitive.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Edmonton-Highlands.

Education Funding (continued)

Dr. Massey: Thank you, Mr. Speaker. Albertans watched as the government sleepwalked into the first provincewide teachers' strike, and now as school board after school board raises a red flag, the government seems to be in a similar trance. My first questions are to the Minister of Learning. How many more school program cuts for September must be planned before the minister takes action?

Dr. Oberg: Well, Mr. Speaker, the insinuation there is that we have not been taking action. I will say that we have examined several budgets directly. We just did the operational review on Edmonton public. Yesterday I had the opportunity of meeting with Greater St. Albert Catholic. We talked about their budget, and we certainly looked at everything that they had been doing. In about 10 minutes I will be talking to the chairman of Calgary public, so we certainly are working with our school boards. Again, I will say that the arbitration settlement was significantly higher than what we had anticipated, but we are working with them, and I'm hoping that there will be no program cuts.

Dr. Massey: Again to the same minister: how many more students must be added to September classes before the minister takes action? It's being done now.

Dr. Oberg: Well, Mr. Speaker, one of the issues that occurred with some of the school boards was that the 3 percent and 3 and a half percent that were set aside were utilized in the classroom. They were utilized to hire more teachers, et cetera. This is where a lot of the money has gone. One of the issues, for example, in Edmonton public is that they hired 82 teachers for a net increase of 300 students, a net increase of 82 teachers. So we are looking at it. Again, we are working closely with our school boards to ensure that things will be fine for next year.

Dr. Massey: Again to the same minister, Mr. Speaker: how many more teaching positions for September must be eliminated before the minister takes the needed action?

Dr. Oberg: Again, Mr. Speaker, I will reiterate that we are working with them, but there's a very interesting thing that's happened in Edmonton, for example. On one hand, we have the Edmonton public school board who has a lot of issues with their budget. On the other hand, we have Edmonton Catholic, who is perfectly fine with their budget, so there are some significant issues around the province. Again, I'll reiterate that we are working with them, and we hope that everything will be worked out by the time September rolls around.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Drayton Valley-Calmar.

2:30

Natural Gas Prices

Mr. Mason: Thank you very much, Mr. Speaker. Albertans are getting tired of increases in their energy bills, Albertans are getting tired of repeated increases in electricity bills, and they are getting tired of paying through the nose for wildly fluctuating natural gas prices. ATCO Pipelines is adding insult to injury by proposing to add yet another \$2 per month to customer bills by hiking their transmission costs. My question is to the Minister of Energy. When is the nickel-and-diming of the consumers of this province on energy prices going to stop, and when will this minister do something about these repeated increases in natural gas?

Mr. Smith: Well, Mr. Speaker, today would be a good day to start. In fact, the EUB has tabled ATCO's prices today that indicate a 40 percent drop – 40 percent drop – in the price of natural gas to be charged to consumers next month. Of course, it's not entirely surprising that neither opposition group brought that up. Not surprising.

Mr. Speaker, we have seen now that prices have abated. We've seen the actions of a commodity in a North American market work. It's a commodity that's not unlike canola, that's not unlike wheat, that's not unlike propane, that's not unlike the products and commodities Albertans work and trade with every day. What Bill 3 and Bill 19 have done is bring some order and some templates into the marketplace that Alberta customers will be able to use to determine what price their natural gas can be purchased at for their home consumption or their business consumption in the next year, what price electricity they would like to choose from, and whom they would like to choose to supply them with electricity.

So, Mr. Speaker, progress is being made on a daily basis, and I would encourage the member, particularly on a spring day that's as warm and as nice as this, to step outside the Assembly, read a couple of press releases, and get up to date.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, given that the weather is warming up, won't the minister simply admit that these are cyclical changes in the price of natural gas, and won't he answer the question about the increase in transmission costs?

Mr. Smith: Well, you know, Mr. Speaker, yes, the member is correct when he refers to cyclical changes, seasonal changes in the commodity. We've just talked about commodity pricing. That's how a commodity behaves. It also behaves on supply and demand.

Mr. Speaker, I met yesterday with one of the largest natural gas producers in Alberta, BP Amoco. Everybody I talk to in the oil and gas industry indicates that there is increased pressure on the price of this commodity. Storage of natural gas is at some of its lowest historical levels. People are using natural gas for more and more purposes than ever before. The western Canadian sedimentary basin is not producing a great deal more gas. Last year in August the price of gas was \$1.84 an mcf. Drilling did not pick up based on that price signal. This year, 2003, because of the price increases, drilling has picked up. Hopefully, we'll be fortunate enough to find natural gas supplies that will help the supply side of the commodity.

Now, Mr. Speaker, with respect to the devices, the infrastructure that moves our electricity and our natural gas throughout this great province and allows this province to be the number one exporter of energy products in Canada to the United States, this structure is a dynamic structure. It depreciates. It gets older each year, just as the member gets older, just as I get older. It requires some changes, new markets to hook up from new connections, and all of this is embodied in an amount of information put forward by proponents for rate changes delivered to the EUB. I won't repeat what the EUB does, because I have covered that in an earlier question.

I would again invite the member to attend that to hear what happens with transmission, what happens with natural gas infrastructure. Mr. Speaker, we've got the best natural gas and electricity infrastructure in Canada, and it is the intention of this government to keep it that way not only for today's Albertans but for tomorrow's Albertans.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. We appreciate that the minister is depreciating.

Why has the government through its disastrous deregulation scheme turned a formerly integrated system into an unbundled mess where gas production, transmission . . .

The Speaker: Hon. member, the last time you asked two questions. The minister answered them. We've now gone six minutes in this set of questions, and that's disproportionate.

You're only answering one question this time, Minister. Okay?

Mr. Smith: Mr. Speaker, it is not an unbundled mess.

The Speaker: The hon. Member for Drayton Valley-Calmar, followed by the hon. Member for Edmonton-Glenarry.

Propane Prices

Rev. Abbott: Thank you, Mr. Speaker. Many of my constituents are concerned about the consistently high price of propane, especially when gasoline prices fluctuate. Gasoline has recently decreased in price while propane remains high. My first question is to the Minister of Energy. Hon. minister, is there price-fixing going on, or what determines propane prices?

Mr. Smith: Well, Mr. Speaker, a cleverly crafted question that in fact asks the same point twice, and I would give the member full marks for his careful construction.

Mr. Speaker, let me just say that gasoline is traded at the New York Mercantile Exchange, the NYMEX marketplace. It's traded as a commodity, and commodities in fact trade up and down depending on the driving season. In the United States there are over 88 boutique fuels. Those inventories must be emptied before new summer fuel can fill the pipeline. So there is no price-fixing, nor has there been any price-fixing found by the Competition Bureau of Canada with respect to gasoline prices. They are unregulated; they are not regulated by this government at all.

Now, propane for use inside that vehicle is a much different market. It is tied to natural gas. It has in fact increased as natural gas prices have increased, and we have seen that not only is propane used for vehicles, but it is used for space heating, petrochemical feedstock, grain drying, and of course in vehicles. So, Mr. Speaker, it too has its own price track as a naturally traded commodity.

The Speaker: The hon. member.

Rev. Abbott: Thank you, Mr. Speaker. My first supplemental is to the Minister of Revenue. Given that some propane is used for home heating and other is used for road vehicles, how does this province determine the provincial tax on propane, and how is it determined when that tax is applied?

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. I'd first like to report that I'm pleased to say that propane taxes in this province have not been raised in over 12 years. They remain even at this stage at only 6.5 cents per litre. Part of the Alberta advantage is to ensure that we see that continues.

He is correct in stating that there are some exemptions to the propane fuel tax. Not all users have to have it. For example, those that would buy propane at a dispensing station for commercial, industrial, or recreational use would not be taxed, nor for home

heating. So in those instances, there are no taxes at all applied to propane.

The Speaker: The hon. member.

Rev. Abbott: Thank you, Mr. Speaker. My final question is for the Minister of Agriculture, Food and Rural Development. Given that propane is the main fuel source for many farms in Alberta, what is your department doing to help producers who use propane in their operations and are facing rising costs?

Mrs. McClellan: Mr. Speaker, I would clarify that in the general scope of things not a large number of agricultural operations use propane. It is primarily used for grain drying in some areas and for heating in some hog barns with limited use in some other areas. However, to those who do use it, this is an important subject.

I would first indicate that people who use propane for farm consumption are exempted from the 6.5 cents a litre tax. I think that's significant. Lastly, I would say that I'll continue as will my fellow ministers to lobby the federal government – the federal government – to remove their excise tax on farm fuel, which would, if they did that, Mr. Speaker, amount to over \$50 million to the agricultural community in this province.

2:40head: Members' Statements

The Speaker: The hon. Member for Highwood.

Allegorical Statement

Mr. Tannas: Thank you, Mr. Speaker. Today I'd like to recite from one of the most well-known speeches in English literature, when Mark Antony gave his eulogy on the death of Julius Caesar.

Friends, Romans, countrymen, lend me your ears;
I come to bury Caesar, not to praise him.
The evil that men do lives after them;
The good is oft interred with their bones;
So let it be with Caesar. The noble Brutus
Hath told you Caesar was ambitious:
If it were so, it was a grievous fault,
And grievously hath Caesar answer'd it.
Here, under leave of Brutus and the rest –
For Brutus is an honourable man;
So are they all, all honourable men –
Come I to speak in Caesar's funeral.
He was my friend, faithful and just to me:
But Brutus says he was ambitious;
And Brutus is an honourable man.
He hath brought many captives home to Rome
Whose ransoms did the general coffers fill:
Did this in Caesar seem ambitious?
When that the poor have cried, Caesar hath wept:
Ambition should be made of sterner stuff:
Yet Brutus says he was ambitious;
And Brutus is an honourable man.

Although this was written by William Shakespeare some 400 years ago, Mr. Speaker, I think it has some meaning today. In his speech Mark Antony said that he was not going to praise Caesar, but he did. He said that Brutus was an honourable man, but the speech by inference and innuendo clearly condemned Brutus. Finally, who benefited from this speech? You guessed it. Mark Antony. Is this an allegorical tragedy?

Thank you.

The Speaker: The hon. Member for Edmonton-Glenarry.

Alternative Financing

Mr. Bonner: Thank you, Mr. Speaker. On numerous occasions I've asked the Minister of Infrastructure a question about this government's alternative financing plan to fund infrastructure. The question was: why is this government willing to borrow money and incur interest costs when it routinely generates multibillion-dollar surpluses? Albertans are still waiting for a straightforward answer to this question. One thing, however, is clear. Strategies like alternative financing are going to lead our province back into debt.

Every homeowner knows that it is cheaper to buy a house outright than to take out a mortgage. By paying the money up front, you avoid paying interest and financing fees, which every homeowner knows can be very substantial. In other words, when you finance your home out of pocket, you get the same home but at less cost than if you borrowed the money.

Buying a home is analogous to our province investing in infrastructure. If we pay for it out of pocket, it comes cheaper than if we borrow the money to do it. It has just been demonstrated that it's more expensive to borrow money, or alternately finance as the government puts it, than to just pay for infrastructure out of the money we already have. The only question is: do we have the money to pay for infrastructure projects without borrowing? The answer to this question should be obvious to all members. Our province has been blessed with substantial surpluses for nearly a decade, and now that our debt is nearly eliminated, we can afford to spend this money on programs like infrastructure.

Quite frankly, I can't see any reason at present to borrow money for infrastructure projects. This isn't complex financial analysis we're talking about here; it's simply common sense. Just ask any homeowner.

The Speaker: The hon. Member for Calgary-Fort.

Asian Heritage Month

Mr. Cao: Thank you, Mr. Speaker. Albertans keep enriching our society with their valuable diverse backgrounds, experiences, and global connections. All of us living here today have historical roots either in faraway lands or in other locations in our large nation. Regardless of where we came from, we all seek to make a better life for ourselves and our families, for our fellow citizens, and for the world in many cases.

Our multicultural Alberta Legislature exemplifies what honour and respect truly are. It's a beacon of democracy with strong principles of parliamentary traditions and rules. It is my distinct honour to be part of the Alberta Legislature along with members representing various world heritages. It's my great privilege to serve my diverse constituents in our multicultural government caucus.

Mr. Speaker, today I want to speak particularly about Canada's Asian Heritage Month. Asian Heritage Month has been celebrated in the U.S.A. since 1979. In 2001 the Senate of Canada passed a motion officially designating May as Canada's Asian Heritage Month.

The Asian continent is very diverse in itself with a long history of human civilization and richness in culture. It is where many philosophies of life and major world religions have their roots. Geographically Asia stretches from the Mediterranean coast of the Middle East to the coast of the Black Sea and all the way to the Bering Sea, from the north Arctic land to the South Pacific islands.

Asian Heritage Month is for all Canadians to celebrate the beauty and wisdom of various Asian cultures. It acknowledges the contribution of Asian Canadians, from the historical railroad construction and forestry development to the scientific discoveries and global

economic development in our current times and from artistic endeavour to living moral values.

Tonight the Minister of Community Development and I will join to start the Asian Heritage Month celebrations in Calgary. The Calgary Philharmonic Orchestra will host the entertainment, performing various selections of music from Asian cultures.

So let us share and enjoy our diverse Canadian culture and be a model for our world. Thank you.

Holocaust Memorial Monument

Dr. Taft: Mr. Speaker, Holocaust Memorial Day is a time to reflect on the Holocaust and remember the nearly 6 million Jews and the millions of others who perished in death camps during the Second World War. However, the Holocaust is not something that should be remembered only once during the year. It is a tragedy which must remain forever in our hearts and minds so that we may do our best to prevent its repetition.

To ensure that Edmontonians don't forget, Edmonton's Jewish community unveiled a memorial monument to the 6 million Jews who died. That monument, Mr. Speaker, now sits on the Legislature Grounds. This sculpture is a fitting monument.

Through the prayer cup, which makes up the bulk of the sculpture, the artist has symbolized not only the Jewish faith but also the celebration of life and hope that the prayer cup represents. Out of the cup rise branches, wire, and copper to signify the flames of the Holocaust and the sacrifice made by millions of Jews. The prayer cup is cracked, fractured, and entwined with pieces of barbed wire, chain, and railroad track. This symbolizes the attack made on the Jewish faith and the brutality that the Jewish people have endured, but despite this attack the prayer cup, like the Jewish faith, remains firm. It has been battered, it has been bruised, but it has persevered. Around the prayer cup on the base of the sculpture are three symbols that used to be found on ancient Jewish tombstones. The first, a broken branch, is used to signify a life cut short. The second is a menorah, symbolizing hope, and the last is a butterfly, symbolizing metamorphosis and the changing of one life into another.

Mr. Speaker, thousands of Albertans come to the Legislature Grounds every year. This sculpture will ensure that the Holocaust is remembered not just one day of the year but every day. In remembering the Holocaust, it is hoped that we will each do our part to fight intolerance, hatred, and racism whenever and wherever it rises.

head: **Notices of Motions**

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. Normally at this time I would be moving a motion respecting that written questions and motions for returns would stand and retain their places, but there are none on the Order Paper, so no motion in advance is necessary.

head: **Tabling Returns and Reports**

Dr. Nicol: Mr. Speaker, I rise today to table five copies of a document provided to me from a constituent, Mr. Mants. He's asked that I send this to the Minister of Finance. It's his ideas on how to improve retirement planning for Albertans, and I've already sent her a copy through the mail.

Thank you.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I rise with even more tablings, postcards concerning education. The first one, with permission, is

from a Mike Norris, who is expressing concern about the current situation regarding the funding of public schools in Edmonton.

The second is from Emily Stryker, who is raising concerns about classroom crowding.

Thank you.

2:50

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I've got two tablings today. The first one is the relevant pages from the report that I quoted from in asking my questions this afternoon. I'm tabling relevant pages from the Canadian Centre for Policy Alternatives report titled *Missing Pieces IV: An Alternative Guide to Canadian Post-Secondary Education*, released this morning.

The second tabling, Mr. Speaker: appropriate copies of 136 cards signed by University of Alberta students underlining to the Minister of Learning the grave concerns that they have with respect to the rising tuition fees and their negative impact on postsecondary education accessibility.

Thank you, Mr. Speaker.

The Speaker: Others?

head: **Projected Government Business**

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much. If I could now ask the House leader for the government side to please provide us with information on projected government business for next week.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. For the week of May 5 to May 8 we anticipate on Monday, May 5, at 9 p.m. under Government Bills and Orders, Committee of the Whole for Bill 18, Energy Statutes Amendment Act, 2003, and Bill 32, Income and Employment Supports Act, and third reading of bills 5, 7, 4, 9, 11, 8, and as per the Order Paper.

On Tuesday, May 6, in the afternoon under Government Bills and Orders, of course, in Committee of Supply the designated Department of Energy. At 8 p.m. under Committee of Supply the Department of Community Development and then Committee of the Whole for bills 16, 18, 32, 29, and as per the Order Paper.

On Wednesday, May 7, under Government Bills and Orders in the afternoon the designated department of agriculture and at 8 p.m. in Committee of Supply the Department of International and Intergovernmental Relations and then Committee of the Whole for bills 28, 34, 35, third reading for bills 5, 7, 4, 9, 11, 8, and as per the Order Paper.

On Thursday, May 8, in the afternoon under Government Bills and Orders in Committee of Supply the designated Department of Sustainable Resource Development.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Privilege

Member's Apology

Mr. MacDonald: Thank you, Mr. Speaker. Upon reflection last night I would like to make a sincere, categorical, and unconditional apology to the hon. Member for Edmonton-Glenora for associating him with any form of repugnant materials which have been circulating in the precincts of this Legislature. I have the highest regard for

this member, and I know that he would not be party to such materials, and I unconditionally withdraw any of my words which brought the hon. member's name into association with these materials.

Thank you.

The Speaker: The hon. Member for Edmonton-Glenora.

Mr. Hutton: Thank you, Mr. Speaker. To you and through you to this member, I will accept the hon. Member for Edmonton-Gold Bar's complete and sincere apology and retraction today. I want to thank the member on behalf of my constituents, my family, and myself for doing the honourable thing and restoring my good name in this very precious and democratic Assembly.

Thank you, Mr. Speaker.

The Speaker: Hon. Government House Leader, we have by erratum under Orders of the Day in the Order Paper a government motion known as Motion 20, and then an addendum paper, an errata paper, was put out earlier today clarifying this. Would you have a comment with respect to this?

Mr. Hancock: Thank you, Mr. Speaker. I wish to withdraw from the Order Paper the motion under Standing Order 15(6) in my name.

The Speaker: Hon. members, thank you for enduring this week. As we leave, let's return here on Monday with a positive attitude of what it is to be a parliamentarian, one of the highest esteemed and one of the highest callings that we all have. It's a unique responsibility, and with it comes the privilege of absolute, total, professional responsibility.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: I'd like to now call the Committee of Supply to order.

head: **Main Estimates 2003-04**

Justice

The Chair: Are there any comments or questions to be offered with respect to these estimates? The hon. Minister of Justice and Attorney General.

Mr. Hancock: Well, thank you, Mr. Chairman. I'm pleased today in Committee of Supply to present Alberta Justice's 2003-06 business plan and estimates. I'd like to start, as many of my colleagues have done, by introducing members of the executive management committee and senior officials for the department who are meeting with us here today, in fact in the members' gallery. I'd like particularly to introduce them to the House because this is the team of people who do all the work to make sure that our department works smoothly, that the services that Albertans require in the area of justice are provided, and who really give their all and then some to make Alberta a better place. I'd ask that you rise when I call your name and remain standing, if you would.

Terry Matchett, the deputy minister. I've worked with Terry now for several years, and I can assure members of this House that as deputy minister he has done yeoman's service to improve morale in the department, to make sure that every employee in the Department of Justice knows that they're valued and that they make a powerful contribution to our community. I'd just like to say publicly on the

record thank you for the work you've done in the past years in service. Previous to being deputy minister, he of course was the ADM for criminal prosecutions and has provided yeoman's service over the years to Albertans.

Peggy Hartman, who is our assistant deputy minister in the legal services division, has again worked very hard to create a corporate culture in that department, which provides services to all departments of government, to make sure that they have the type of legal advice that they need at an appropriate time so that they can understand the risks and make appropriate decisions conscious of those risks. She provides legal advice when required when departments have problems and generally leads a team of people who are second to none, I would suggest, in this country in terms of their ability and competency and the types of advice that they provide to us in many, many areas of importance to Albertans, not just providing advice on day-to-day matters to government departments but helping in policy development by understanding risks, by leading a team of constitutional lawyers which, I would suggest, is second to none in any law firm or government across this country. She will be helping with the aboriginal policy initiative process and does yeoman's work in the area of aboriginal policy and many, many other areas. Thanks to Peggy for the work that she and her team do for Albertans and for Alberta.

Ken Tjosvold is our assistant deputy minister of the criminal justice division. That's the division which includes all of our Crown prosecutors. The Crown prosecutors, as everyone knows, are the people who go to court on a day-to-day basis to prosecute people who have been accused of crime, but I would want to say that it's a much larger role than people imagine. It's not only providing their expertise in court. It's providing their expertise in the community to help deal with issues like domestic violence, issues like fetal alcohol syndrome, working on committees to find better ways to deal with the issues of the public so that the public could feel safer because we're dealing with the root causes of crime and not just dealing with the crime itself. So I'd like to thank Ken for the work that he's done since taking over as assistant deputy minister and for the team that he leads on behalf of Albertans.

3:00

Dan Mercer is the assistant deputy minister of strategic services division, and Shawkat Sabur is the SFO, which I guess probably means senior financial officer, and executive director of financial services, two people who at this time of year particularly but throughout the year provide services not only to the Department of Justice but to the Department of the Solicitor General – advice, direction on financial matters, on technology matters, and on a wide range of issues – and generally have to know the department just as well as the deputy minister or myself or anyone else needs to know it. They provide the advice and direction with respect to financial services and, again, lead a team of dedicated people who work day and night on this business. At this time of year I can assure you that it is day and night. Thank you very much for the work that you do.

Bart Johnson, director of communications. The communications department has really changed direction dramatically under Bart's leadership. So we no longer wait to explain what's happening after it's happened but have taken a very proactive approach so that the public of Alberta can have a better understanding of the courts, of the judicial system, of Justice and what our department does. I'd like to thank Bart for the work that he's done with his communications department not only in communication but also with our education officer to bring the whole scope of Justice into our school system and to provide more of an education and learning process through our web site and many other ways to improve public access to and

understanding of the justice system. So I would like to thank Bart and his team for the work that they do.

Manuel da Costa, the director of maintenance enforcement. Manuel has probably one of the most unenviable jobs in government because he leads the process called maintenance enforcement. For many Albertans that's a debt collection job, and nobody likes the debt collector. But I can tell you that through the process of time that I've been associated with maintenance enforcement and with Manuel da Costa, we've come through a process of making sure that maintenance enforcement personnel understand that all Albertans are to be treated with respect and dignity notwithstanding their place or position, but they are to be treated with firmness with respect to living up to their obligations to children and making their maintenance payments. I have to commend Manuel and his whole team for the work that they've put in to make sure that the maintenance enforcement program is fair but effective. They've done that in a great way.

Betty Ann Hicks as well is with us. Betty Ann Hicks is my executive assistant. Nothing actually gets done in my office without Betty Ann actually doing it or arranging for somebody to do it, and I could tell you that with all the things that go on on a day-to-day basis that we as legislators do – running from one committee to another or working on a variety of issues at a variety of times – there is nothing more important to me in terms of the work that I do than to make sure that I have the right file at the right time and understand what topic we're on and where we're going. So I'd like to thank Betty Ann. [some applause] Mr. Chairman, you can tell from the response from MLAs here that Betty Ann is also the person in my office who makes sure that queries from members get answered promptly and that if they have an issue, it gets dealt with, that the department is made aware of it and often without even my knowledge of it or only peripheral knowledge of it. So I'd like to thank Betty Ann and through Betty Ann all the staff in my office, because they do yeoman's service. As I go in and listen from time to time to the phone calls that are being taken, sometimes not polite ones from people who have a grievance or aggravation or just want to vent to somebody, the whole staff in my office does yeoman's service for the people of Alberta in that context. So through Betty Ann I'd like to thank the staff.

We have a couple of members that I'd like to mention who haven't been able to join us today: Jack Janssen in my office, who deals with communication issues and shares, I think, in the comments that I just made about Betty Ann and the minister's office; the Public Trustee, Jack Klinck, who leads a public trustee system which provides services to Albertans in need and leads a whole team in that area; our medical examiner, Graeme Dowling. I can't speak more highly of our medical examiner service. In fact, we have medical examiners in our province who are taking leadership roles among medical examiners in North America, who have been to the former Yugoslavia to help with the work that was needed there, who have gone beyond our province because of their expertise and knowledge both to help others with their knowledge but also to gain more knowledge and bring it back. And, of course, our ADM of human resources, Shirley Perras, who, as I mentioned earlier, with our deputy minister, Terry Matchett, has worked so hard to make sure that every Department of Justice employee knows that they have a role to play in making Alberta a safe place and that they are valued for the role that they play in that process.

I've taken a little bit of time to introduce and to thank all the members of the executive team and through them the members of the department, because I can't say strongly enough – it's probably the most important thing I could say this afternoon in terms of the estimates. The team that we have helping Albertans and being part

of the justice system is a team that we can be immensely proud of. They provide great service. They often go above and beyond the call of duty, and they're doing yeoman's service to make our community a safer place. After all, that's what it's about. So thank you.

I want to take a few minutes at the end to respond to questions. I may run out of time because I've taken that time, but I'll come back and add on later, and I will be happy to of course answer any questions in writing that I don't get to this afternoon.

There's a trend, Mr. Chairman, and I think a very positive and valuable trend in the Alberta government to move away from a pure service delivery model to a policy-focused role. It's been something that I advocate. I firmly believe that the government's job is to set the policy, to set the direction after consultation with Albertans, and then to find the most effective way to deliver, whether that's the public sector, the private sector, or nongovernmental organizations, and then of course to audit that delivery to ensure that we're achieving the policy objectives that we set. So as we move into the 2003-2006 cycle, we're also setting a policy-driven course rooted in research and analysis and one that's guided by best practices and lessons learned, one that provides policy advice and recommendations not just to our own department but, as I indicated earlier in talking about the civil law branch, right across government.

While we are to a certain extent a policy-governed organization already, we need to go further so that a policy focus is culturally embedded into the department. We are well on our way with this transformation with the development of a policy secretariat, whose roles and responsibilities include the co-ordination of policy resources and divisional expertise to develop the departmental policy framework. From this foundation we can focus on the outcomes of all the programs and services that we provide.

One area that we will continue to develop in future business plans is the definition of our core businesses and goals. Our efforts continue to be guided by the results of the 1999 justice summit, which helps us to ensure that everything we do is based on the priorities of Albertans. Through this year's strategic planning activities we've revised our goals and included a new goal 6, that directly reflects one of the summit's themes. At the same time, our business plan reflects our ongoing partnerships with the Solicitor General, Health and Wellness, Children's Services, Aboriginal Affairs, and all other ministries to achieve our goals not only in our business plan but also in cross-ministry priority policy initiatives.

Ensuring that Alberta communities are safe places to live and raise families is a governmentwide goal and a priority that requires efforts from all of us. In particular, we continue to work closely with the ministry of the Solicitor General in terms of our business planning process, environmental scanning, and the many joint initiatives that are currently under way and highlighted in our business plan for 2003-2006.

3:10

I'll briefly outline our core businesses. We will prosecute criminal and other offences, giving priority to the prosecution of serious and violent crime. That is \$41 million of our budget, 16 percent. We'll provide Albertans access to the courts and other dispute resolution processes: \$116 million, or 44 percent of our budget. Alberta Justice will work to provide excellent corporate advice and legal services to government ministries: \$23 million, 9 percent of our budget. The ministry will provide support and protection to some of the province's most vulnerable citizens such as families who depend on court-ordered maintenance, individuals unable to protect their financial interests, and individuals who cannot afford legal counsel: \$82.5 million, 31 percent of our budget.

I know that members have had an opportunity to review the six

key goals in the business plan, so I won't go into them in detail. Instead, I'd like to highlight a few of the strategic directions that we're pursuing over the next three years. First is our organization renewal project. As I mentioned, we're moving toward a more formal policy function within the department. As the first step towards this formalization the department has undertaken a multiyear organizational renewal project.

It just occurs to me in saying that, Mr. Chairman, that I don't think I introduced Rod Wacowich. I didn't. That was a key oversight on my part, and I must stop what I'm doing and go back and introduce Rod Wacowich, who's our assistant deputy minister of court services. Rod Wacowich has had a wonderful year this year with many projects on his table, projects such as working with our Calgary court strategy, which I'm sure I'll get to sometime in my remarks, if not in my first 20 minutes then the second part. He's been working with the Provincial Court on many initiatives that have been taken, including some of the initiatives which, again, I'll mention later. He's working on bringing in electronic filing and electronic processing and using technology. There are many, many areas that are happening in court services. Rod's job this year has not been an easy one, but he too works with a phenomenal team of people. I do apologize for not mentioning that with the other group at the beginning, Rod. It was an oversight. Thank you for the work that you're doing and the work that your team is doing. This year has been a very exciting one in that area.

So I was mentioning that we were undertaking organization renewal, which is what reminded me. The focus of the project is to identify, develop, and complete initiatives that will improve the workplace environment, improve the effectiveness and efficiency of our day-to-day operations, build organizational capacity and improve service delivery, and ensure the long-term sustainability of the department. Many of these initiatives are incorporated into our 2003-2006 business plan.

Early case resolution continues to be one of our important priorities in this business plan. We're working to resolve criminal cases at the earliest possible time, saving court and prosecutors' time as well as reducing unnecessary court attendance for witnesses, victims, and police. Mr. Chairman, this has a real impact for witnesses, and it has an enormous benefit for victims of crime, for families and friends of the victims, for the accused, and for legal counsel. We have also expanded services in mediation and alternative dispute resolution over the past year to improve access to our courts and provide efficient forums for resolving disputes. I'm pleased to say that both of these initiatives have had a tremendous benefit in making our courts more efficient.

Public education and information about the justice system continues to be a key strategy for 2003-2006, and this is the focus of our new goal 6. Improving public knowledge, education, and awareness was a key theme from the justice summit, and we'll be working to identify and respond to gaps in current resources and programs aimed at helping Albertans better understand and access the justice system. Technology such as the Internet can assist us in this area, and we will continue to integrate web-based technology into our day-to-day businesses.

This brings me to information management. We will continue to explore the use of technology in a number of other areas both to improve access to justice as well as to improve the efficiency of our programs and services. For example, through initiatives such as videoconferencing we can enhance access to justice in remote communities.

We also heard a great deal at the justice summit about the need to simplify the justice system, and we've begun implementing a number of strategies to do just that. As was announced last week, an

implementation committee has been struck, chaired by our own Member for Calgary-Lougheed, to establish a unified family court in Alberta and to improve access and provide a more positive experience for families involved in family law litigation. I believe that the unified family court is an important initiative that will both benefit Albertans involved in the family court system and improve our efficiency. In addition, we are looking at the feasibility of a unified or a single trial court, which will also lead to improved efficiency in the future.

Strong partnerships, Mr. Chairman, are necessary to build a strong justice system, so an important component of this year's business plan is our continued work with community organizations, local government, the judiciary, other government departments, and our partners and stakeholders in policing and the legal community. Our business plan contains a number of initiatives that will be implemented in partnership with Alberta's Solicitor General, including our work on the serious and violent crime strategy, the provincial impaired driving enforcement strategy, community justice initiatives, and court initiatives to address domestic violence.

This year our goals have been updated to better reflect the core businesses of Alberta Justice. As part of these changes the wording of goal 4 now includes the concept of fairness as well as access to the justice system. In goal 5 the wording has been changed to more specifically focus on providing strategic corporate advice that assists other ministries in achieving their policy objectives. Additionally, the new goal 6 has been developed to focus on the ministry's public education and information strategies and highlight the need to co-ordinate initiatives and ensure effective communication to the public.

The financial content of our business plan reflects Treasury Board approvals over the past year, federally funded programs, and funds for continuing initiatives. The spending profile on the last page of the business plans shows our spending targets of \$262.5 million, \$261.1 million, and \$262.9 million over the next three years. The 2003-2004 budget of \$262.5 million represents a \$23.3 million increase over last year's budget.

A substantial portion of this amount is related to recent salary increases. For example, from 2002 to 2003 program expenses included an increase of \$8.5 million in general manpower expenses and an increase of \$5.8 million in justice of the peace and hearing officer compensation.

Mr. Chairman, there is just so much more activity in this department to be spoken about, but I hope I'll be able to answer the questions from members of the House this afternoon and provide even more detail.

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. I'd like to start out by acknowledging the staff from the Department of Justice as well. I have to say that every time I have approached staff, they have been without exception helpful, responsive, and most interestingly of all, speaking as an opposition member, unflaggingly pleasant, and I would like to thank them for that. It's a real joy to work with them, and I appreciate their commitment.

Now, this afternoon the first hour is always set aside for questions from the opposition. I understand that the third party will not have any questions today. I have a series of themes, if you like, and according to the signs that the minister gives me, I will either do 20 minutes and then the minister can respond to whatever I get through, or I can cluster these. The clusters are maintenance enforcement, issues around justices of the peace, adult interdependent relationship proclamations, the Calgary courthouse and the Calgary court strategy, court resources, a group that is just sort of one or two

questions each around the diversion projects, matrimonial property, and conditional sentences – that's one – restorative justice, performance measures, medical examiner, and then some odds and ends around the justice summit recommendations, early case resolutions, single court.

Mr. Hancock: By theme.

Ms Blakeman: By theme? Okay. I think what I'll do, then, is the maintenance enforcement first. I'll just go in the order, more or less, that I gave you.

For some time I've been asking about the integration of the computer programs. We had a situation at the time that the maintenance enforcement review was done in '98 where it was pointed out that the computers that existed in the department were of differing brand names. They had different programs on them. They weren't able to interface and speak to one another in computer language. There were a number of different databases, it seemed, and all of this was to come into one. I've been inquiring throughout the years through the use of written questions and motions for returns to check the progress of this and also, of course, using the budget debates. So I'm wondering if the minister can tell me exactly where we are with the progress of this. When I was looking for equipment and inventory purchases, I'm actually seeing decreases in different areas, so I'm wondering exactly how much money has been set aside and where we are with the integration of these new computer systems and all the databases that go along with them.

3:20

This is important for a number of reasons, but it certainly affects, probably still disproportionately, women who are heads of families and who are the recipients of court orders against the noncustodial parent, still disproportionately the father, to receive court payments for the support and maintenance of the children. We've had some issues noted by the Auditor General where there was a lag in payments where the government continued to draw payments from the noncustodial parent and was keeping them because the amounts were subrogated to the government, while the custodial parent, usually the mother, was on welfare or supports for independence. The government, of course, keeps those payments, but where we had situations where the custodial parent was moving off supports for independence, the government wasn't sending the money on to them at that point. So I'd like an update on whether that's been addressed and how it was addressed and the time lines that it took to do it.

In the ministry business plan on page 285, goal 3.3.5, it says, "Identify opportunities to share MEP file information with the ministries of Children's Services and Human Resources and Employment to increase administrative fairness." This was in the business plan last year as well. So I'm wondering if I can get an update on the status of that.

Now, when I look at the ministry's annual report from last year, I'm looking under goal 3, "Provide access to justice services for Albertans in need." A key measure was the amount collected on the maintenance enforcement program files, and I'm noting very particularly the methodology, which I will read out and put on record for you: "Collections per file are derived by dividing the amount collected by the file volume." Now, I'm looking for clarification here, but I'm pretty sure that the method that I have been repeatedly advocating for is not what's being described here.

Just briefly, the situation is that if you have a court order that there should be \$300 a month paid over and there's, let's say, \$5 paid over, when you go to look at your success in collection, what I want to see the department look at is what percentage of the actual court-

ordered payment is being collected, that \$5 out of the \$300. What I see repeatedly is some other measurement used; you know, \$5 collected against a thousand case files, which seems to be what's being discussed here.

So is the minister not going to investigate other performance measurements? Is he satisfied with the information he's getting on this performance measurement, and why? I'd like to hear the reasoning behind why he will not move to the performance measurement that I've been advocating for. Maybe he has and the language doesn't come off the page for me, but I'm pretty sure he has not. So, once again, that's a question of the percentage collected against the amount ordered as compared to the per file, dividing the amount collected by the file volume. I think those are two different things.

Those are the issues around the maintenance enforcement program, and I'll take my seat and allow the minister to answer that first cluster.

The Chair: The hon. Minister of Justice.

Mr. Hancock: Thank you, Mr. Chairman. I should start by saying that I was praising my office for the good work they do keeping me on track, and I had no sooner sat down than I got a note saying that I had missed Rod. So the proof is in the pudding. I'd like to start by just reversing it a little bit and asking a question of the Member for Edmonton-Centre as to whether she intended the comment about the Department of Justice's personnel being unflaggingly pleasant to include the minister.

I go on to the comments that were raised with respect to the MIMS, the maintenance information management system, that we have been developing and has taken some time to develop in the maintenance enforcement area. The project is on budget. It is on time, and it will be up and running in the fall of 2004. Some modules have been completed and are going through the rigorous testing process. It is a complex design, I'm told. I don't know about computer design, but I'm told that speeding the process up would not be helpful and that it would raise the margin of error in terms of whether the process actually does the job it's intended to do at the end of the game. I'm satisfied with that, so I'm satisfied that we will continue on the scale that we have.

There's \$1.75 million in the budget this year to do this year's portion of the development, which should bring it almost to completion, because that takes us up to April 1 of next year. The overall project cost has been about \$6.75 million, so it's a considerable investment in the structure. It will take us off a mainframe system and into a server-based system, which will provide, as I understand it, a great deal more flexibility in how we manage the data and the type of management information that we can get from the system, which is not available to us now.

This goes some way to addressing the other question which was raised by the hon. member, with respect to performance measures. You have to be able to bring out the data in a reliable way, to exhibit that. I'm confident that once we have the MIMS in place, we can look at our whole reporting system to determine what's the most effective way of measuring based on the information that we can actually pull out of the computer.

So I wish to assure the member that the project is ongoing. Testing is happening in those areas that are ready for testing. The interesting part about the process, of course, is that I continue to make the department's life miserable. As we move forward, we're always looking at new and better ways of doing things and new and different opportunities, and sometimes that then has to be taken back to test against what we're actually building in the computer system to see whether or not it will be capable of handling the new things that we're adding to it.

Issues that we may be exploring through the course of this year in maintenance enforcement in terms of how to improve the system so that we can collect larger amounts of money on each file and know that we're collecting the maximum possible on each file will be coming forward through the course of this year. We've been doing a review of the Maintenance Enforcement Act to see whether there are other ways that we can improve it, and we'll have the opportunity to have policy discussions as we go forward this year on issues of whether we should be collecting interest on late payments, how we measure that, under what circumstances we should be able to waive interest payments if people are prepared to bring their arrears up to date, and those types of issues.

I think that goes some way to address the issues that were raised. The only one that I think I haven't touched on is the question of the Auditor General's concerns about when the program was continuing to collect payments when people had gone off SFI and caught them and delivered them to government on a subrogated basis. I'm comfortable assuring the hon. member that that has been dealt with. The Auditor General had reported about a \$1.4 million liability in support payments that should have been forwarded to creditors. We engaged over the past year or so in a complete review first of all of active files – we were able to get the information from the department – and then historical files. We were able to get a flat file of data from the department of human resources so that we could check against our database and make sure that we knew who fell into that category and then quantify how much and then make sure that those moneys were returned to the people that ought to have them. One point two million dollars of incorrectly subrogated funds have been withdrawn from the Crown and have been paid out to clients. As well, we now have better information sharing so that we can make sure that this type of problem is not recurring in the future.

I think that addresses the questions you've raised.

3:30

The Chair: Edmonton-Centre.

Ms Blakeman: Thanks. Okay. I'm interested in the review, that seems to be an internal department review at this point, and I'm certainly interested in any findings that come out of that, and if the minister would be willing to share them with me, I'd appreciate it. I must say that actually all of the changes that were implemented as a result of the review in 1998 I think have been very helpful, particularly the ones that gave the director more flexibility around things like lifting the driver's licence immediately or upon the discretion of the director. Before, it used to be only when the licence was renewed. Now it can be done as the director feels appropriate, and that kind of flexibility has really helped to get people to understand how important it is that they honour their court-ordered maintenance payments. So thank you for that.

Moving on to the issue of the justices of the peace. Our justices of the peace preside over issues of provincial jurisdiction, including the Highway Traffic Act, bail hearings, search warrants, emergency protection orders under the Protection Against Family Violence Act. The government established an independent Judicial Compensation Commission, which presented recommendations in February of 2000, and this commission was to make recommendations around salaries and benefits for Alberta justices of the peace. The government responded with OC 174/2000, which modified the recommendations for the annual increases in salaries for the full-time justices of the peace so that their increase was \$15,000 to \$20,000 less than was recommended by the commission and also for the part-time justices of the peace.

Since then, there have been additional legal proceedings, the most

recent being a decision by Hon. Madam Justice Paperny in which she notes:

(4) In reasons dated November 22, 2002, this Court dismissed the appeal, agreeing with the conclusions of the learned chambers judge that the reasons offered by the government to reject the Commission's recommendations failed to meet the constitutional standard of justification.

(5) As a result, the government owes the justices of the peace the recommended increase from April 1, 1998 until March 31, 2003 totaling \$3.29 million.

Now, I'm very interested in the discussion from the minister about the choices the department has made on this one.

I'm also interested in: if the department is considering additional legal challenges, how much money has it budgeted for taking this case further along, or what are the anticipated additional legal costs of doing that? How much money, for example, has the department set aside for a Supreme Court challenge, if that's where they're going to go with it?

I am most interested to know whether the department has budgeted for a settlement in this budget. As well, did the department budget for interest on money that was unpaid and accruing? Has that interest money been budgeted as well? Part of the exchange going on was that the government couldn't pay this or wasn't in a position to pay it, because in fact it wasn't budgeted. Well, we're in a new fiscal year. We have a budget in front of us. I'd like to know if the increase for the justices of the peace is in fact budgeted here.

I would also like to know if there's a new agreement that would be starting this year with those justices of the peace. What process is being followed, or in fact has there been a new agreement? That's the cluster of questions around the justices of the peace.

The Chair: The hon. minister.

Mr. Hancock: Thank you, Mr. Chairman. There are a number of questions there, but I think they revolve around the whole issue of the compensation equation with respect to justices of the peace.

I'd like to just briefly to the extent that it is possible touch on the court challenge that we currently have an application for leave to the Supreme Court on. Obviously, I can't get into the details of the court case as it still is before the court, but I certainly have no problem talking about why.

The hon. member indicated quite rightly that there was a Justice of the Peace Compensation Commission which came down with some recommendations. We then went forward and varied those recommendations through the order in council, as is the process that we understood and understand to be available to government in terms of being the protector of the public's resources and making appropriate determinations.

The member will know that there have been a series of court cases over the years since the concept of judicial compensation commissions came into being as a result of the Supreme Court of Canada decision. I think the root decision in that actually came out of Alberta in *R. vs. Wickman*. But since that time there has been, I think the Supreme Court has called it in other cases, the dialogue between the courts and the governments with respect to what the law means and what the law is. It's very important for governments to know what constitutes their ability to vary a judicial compensation commission's report and what types of reasons are appropriate. Unfortunately, from our perspective the decisions have become more and more narrowing over time to the extent where if one leaves it in the situation it is now, one could see that nothing short of an earthquake and a whirlwind together would allow government to vary a compensation commission report. It is important to delineate that and to understand.

It is, of course, our viewpoint as a government and I think one shared by all governments across the country that in allocating resources, not dealing with any specific individual affected but in dealing with the whole group and in allocating resources to a whole system, the protection of and the priority for and the utilization of the public's resources are in the government's hands and ought to be in the government's hands. So it's very important to find out where that line is with respect to: what are the powers and authorities of a judicial compensation commission, and under what circumstances can they be varied? It is for that reason that we continue to pursue the case at hand to the Supreme Court, if we're allowed to do so, so that we can deal with that issue.

It should be said that there's no shortage of people who apply for and would like to have the position of a justice of the peace. In looking at a number of factors at the time – and this is now some time ago – we made the determination that the award by the Justice of the Peace Compensation Commission was outside what we felt was appropriate, given the resources of the department and the government at the time and for the reasons that we explained at the time, and settled on a number close to \$85,000 rather than \$110,000. I think in that range at least.

So we are proceeding to request leave and to proceed to the Supreme Court on that case. I can't advise the member of a specific line item relative to the amount that that appeal will cost or what's been budgeted for it. I can in response to her question indicate that should we be unsuccessful in that process, we have made provision in the budget for payment of any and all liabilities that we might have arising out of the decisions in that case.

3:40

With respect to new process, effective April 1 we're into a new process for the next three years, a new three-year Judicial Compensation Commission, both for the justices of the peace and for the Provincial Court. We're in the process of determining the criteria mandate for those, and we'll move on immediately to appointments of personnel and moving into that new process.

Ms Blakeman: That was a very interesting exchange. I'm going to probe a little bit here. The minister is not one to throw phrases about wildly – and I'm pretty sure I heard him say this; of course I don't have the benefit of the Blues – but I'm just wondering how I am to take the comment about there's no shortage of people applying for the position of justice of the peace. Is this an attempt at a judicial version of "if they don't like it, there are plenty more justice of the peace fish in the sea"? I'm hoping that I'm misunderstanding him about that.

In addition – and some of my questions around this weren't answered, so I'm assuming that he's going to get this out of *Hansard* and answer them – I heard him answer the question about: was the funding for the Supreme Court challenge budgeted? But I didn't hear whether the actual salary increase or supposed designated amount was budgeted. Part of the justice's comments at the time was that she felt she couldn't continue, because the minister had indicated that if money was going to be used to pay the justices, it would have to be taken out of other court operations, and she felt that that tied her hands to make a decision. So I'm looking for clarification on those two subjects, around the no shortage of people applying for the position and around whether the payments would indeed come out of other areas of funding for court processes and access to justice and therefore not have a zero-out effect. You know, you want the same amount of funding going into the court structure. If you're going to be paying this money owed, we don't want to see it coming out of other court services. So I'm just looking for clarification on that.

The Chair: The hon. minister.

Mr. Hancock: Thank you, Mr. Chairman. I'm pleased to have the opportunity to clarify those areas.

First of all, I had absolutely no intention of suggesting what the hon. member has interpreted it to mean at all. I should've anticipated that in her unflaggingly pleasant demeanour she would've taken it in that direction and made sure that it didn't. My comment was simply that in determining how much is appropriate in terms of compensation, one of the criteria ought to be whether people are wanting the job. In the justice of the peace case it should be perfectly clear that once appointed, people have the job for the term and in the case of a Provincial Court until age 70 or up to 75 in certain circumstances.

So there is no and can be no and ought to be no insinuation or any other interpretation which suggests that we would want to in any manner interfere with the ability of those people to do their jobs and their independence to do their jobs. That ought to be fully and completely on the record and understood by every member of this House and all members of the public. Judicial independence is a very, very important concept. We cannot interfere with their independence and do not wish to interfere with their judicial independence. We may sometimes discuss whether judicial independence is caught up with the question of judicial compensation and to what effect the two are intertwined. I think that that's certainly in our purview because we are the ones who are responsible for accountability to the public for the public purse. So that's entirely appropriate. I want to make it perfectly clear on that point.

Seeing as the member has again raised the reasons given in court just recently, I want to be perfectly clear. First of all, she indicated that the minister had indicated – and it's got to be perfectly clear on the record that I was not in that courtroom either personally or by affidavit, so the minister did not indicate anything. But in making submissions to the court, presumably comments were put into affidavit evidence.

It should be perfectly clear to all Albertans that the Department of Justice in no way intimidates the court – in no way intimidates the court – that we have utmost respect for the courts' function and for their independence, that we have also utmost respect for the public's dollar. We have an absolute need to make sure that the public's dollar is used wisely, allocated appropriately, and we don't spend it when we don't have the authority to do so.

So in making submission to the court, it was entirely appropriate for a member going into court to indicate that we did not have the authority. That was one of the things that was put forward with respect to a stay application on that matter because the matter is still before the courts, and usually those matters are determined on the balance of convenience, I believe. However, maybe I should steer clear of that because I haven't practised in that area for a long time.

It should be on the record and it should be clear that the Department of Justice, the government of Alberta, does not intend to, did not intend to, has no intention of attempting to intimidate the court in any way through the use of resources. It is always our function to try and provide the best access to justice possible. Now, does that mean that we can provide all the resources that every branch of the Department of Justice would like to have and perhaps even ought to have to pursue very worthwhile opportunities? No. We can't. We're like everyone else. We have to fit into priorities. The public wants a priority on health and education. The government uses the public resources in that area. We get our share of resources, and then we have to make use of those resources most efficiently. But in no way should that be interpreted as being intimidating toward the court.

I'll reiterate what I said before: we have enough budgeted in this budget to cover all the liabilities of government with respect to that matter.

Ms Blakeman: Good. Thanks for the clarification.

The next was the proclamation of the Adult Interdependent Relationships Act, as the minister knows, a piece of legislation very important to me. I notice that some of the sections are not going to be proclaimed, and I'm wondering if we can get some discussion from the minister as to why they're not being proclaimed. I'm sorry; the order in council came out within the last couple of days, and I don't have it with me. What I have is a notation about what's not being proclaimed, and that would include income tax amendment, Conflicts of Interest Act, local elections authority, Métis settlement, motor vehicle registration, municipal government, the School Act, the School Trustee Statutes Amendment Act, Social Development Act, and 83(2), coming-into-force provisions.

I'm wondering why these sections are not able to be proclaimed at this time. He may wish to give me this in writing afterwards because it's fairly detailed, and I can pass it on to the people that are interested. I am interested in the specific reasons why that's not possible.

That was a short one and so I'll – oh, no. He's going to answer it. Okay. Go.

The Chair: The hon. minister.

Mr. Hancock: Thank you, Mr. Chairman. Yes. If the hon. member peruses most of the sections that she referred to, such as the Conflicts of Interest Act, the Local Authorities Election Act, the School Act, those acts will determine that those are provisions which provide for essentially disclosure provisions or conflict of interest provisions. We've said from the beginning that we don't anticipate making those conflict provisions apply to people who had not bargained for them, and therefore those come into effect when the next elections are held rather than immediately. For example, a member of the Legislature – I don't know if we're covered by those. A member of a school board who did not want to make a disclosure with respect to the assets or liabilities of an adult interdependent partner would not be forced to do so simply because this act came into effect now and there's another two years or another year before the election. That's true of the Metis Settlements Act as well. Those all have to do with offices and people and the requirement of people to make disclosures of some nature.

3:50

The motor vehicle act is a question of registry capacity. It is a technology issue. I believe that one comes into effect January 1, 2004, but we can get you the details of all of those. That's really just a question of how it can be accommodated on the computer in terms of registration of it.

[Mr. Klapstein in the chair]

The Social Development Act. We have before the House right now the Income and Employment Supports Act, which in essence will replace that act, and rather than have the confusion of a series of jurisdictions, it would be our intention to have the provisions come into effect through the Income and Employment Supports Act when that comes into effect rather than having a two-stage process and the change of forms and processes and those sorts of things.

I think that deals with most of the ones raised, but I can certainly provide detail on any of the acts in writing.

Income tax. Most of the income tax provisions are not covered under the general definition of adult interdependent partner, because they have to comply with the federal definitions, and the federal definition is not quite as broad as our provincial definition. I'll have to get back to you on what the issue is with respect to the coming into force.

The Acting Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much. Next section: Calgary courthouse. In January of 2002 the Court of Appeal in Calgary was closed due to the presence of – dare I say it? – toxic molds, and there were also concerns expressed at the same time about appropriate space for staff in the facility. We had a number of staff and judges complaining of being sick. The process for establishing a new courthouse, perhaps in a consolidated model to house the provincial, the QB, and the appeal courts in the same building, has been under way for some time. I think that's what the minister refers to as the Calgary courthouse strategy. I'm under the understanding that the government is going to build this courthouse under a P3 model. So there are a couple of issues there.

I'm probing the ministry's philosophy or ideology around their interest in participating in a P3. I'm wondering if other models were examined or any other suggestions were entertained, other ways of coming up with a new courthouse. I've heard from people – so I'm sure the minister has – with different cost analyses about whether the P3 is the best deal, you know, between the P3 and a government-owned building. So if there's a cost analysis that's been done on this – I don't think so; it's pretty early in the game to have done that. I'm hoping that the ministry would be doing it, and I'd like the minister's commitment that he would table that analysis in the Assembly. I'm wondering: has there been a budget set aside for investigation into this, either some sort of an investigation or a cost-benefit analysis?

Two remaining questions around the Calgary courthouse. I've been approached by some members of the legal profession who feel quite strongly that a courthouse is more than the facility where trials take place. They feel that it is a symbol of access to justice and the upholding of justice in a given area. Not that there aren't innovative ways to include symbols or institutions that are symbolic inside of new buildings, but I'm wondering if the ministry has considered this. When you visit certain cities or you go to a new city, you go and look at the legislative building, you look at the town hall, and you look at the courthouse. As a piece of architecture it's important in what it says in being a courthouse. So there's some concern that if our courthouse is, you know, floors 16 through 25 in some glass cube downtown, it doesn't have the same effect.

Not that I'm proposing that we would spend a lot of money for effect, but there's a larger question here around what a courthouse looks like, not just what its function is. I'd like to hear the minister's thoughts on that or if there's been any discussion in the department around it, if there's anything being considered around it, if there are any provisos being put into any RFPs, requests for proposals, that have to incorporate that. Or, you know, do we just have floors 16 through 25 in some glass/concrete building in downtown Calgary, and that's justice in Alberta?

Actually, it was interesting because when I raised that whole subject with the Minister of Infrastructure, his reaction was swift and condemnatory. He did not see any place for talking about the importance of a symbol of a building along with this discussion at all. So very interesting to see his reaction to that. I'm interested in this minister's reaction to that. It is important not only to people in the legal profession but to many others who may never even go inside of a courtroom, but to them it says justice in Alberta.

The last piece of that is that the Court of Appeal is temporarily in the TransCanada Pipelines building. There have been some concerns that the cost of using this temporary facility for an extended period of time could meet or even exceed establishing a new court facility. Could I get some facts and figures around that from the minister?

Thanks.

The Acting Chair: The hon. minister.

Mr. Hancock: Well, thank you, Mr. Chairman. Most of the questions that the hon. member raises are more appropriately raised in the Infrastructure estimates because building of government facilities are Infrastructure. But I'm happy to have the opportunity to discuss one of my favourite topics, the Calgary courthouse and the Calgary court strategy.

We have in Calgary right now six or seven locations where court is held depending on the court and the division of the court. That involves people who want to access the court needing to know which court to go to at what particular time for what particular matter, so there's confusion, I think, for the public. It involves the legal community moving back and forth between the two, and that causes cost in terms of lost time, but also it causes problems where people have to be in two places more or less at the same time. Getting back and forth is a problem. Prisoner movement has to go to various facilities. So there's a lot to be said operationally for consolidating all of the courts into one building and the better use of resources in terms of the better ability to allocate personnel, to operate the administration of the process, to handle prisoners, the better access for the public in terms of knowing where to go and being able to move back and forth.

For those and just countless other reasons, the question of a Calgary court strategy has been the topic of conversation and discussion and in-depth analysis for some 20 years, with varying solutions. But for the past four years that I've been in this department, we have made a focus the question of finding a resolution, getting a resolution to this issue, and building an appropriate facility.

So the question is then: what is that facility? I think an appropriate question to raise as to whether or not in this day and age building of the classic courthouse as a centrepiece of the downtown area in a town is still something that we should be looking for. Of course, I have often said: thank goodness for an era of grandeur. We have some wonderful buildings that have been built in times past for various purposes, including this building.

The most important thing from my perspective is to get the facility built, whatever it ends up looking like. Obviously, it can't be just anything. It has to fit within appropriate parameters. It has to have, as one justice said to me, the appropriate gravitas for a court, and those are certainly things that anybody involved in the project I think understands, that there does have to be an appropriate ability for the public to recognize the facility as a court facility, as a justice facility, as a place where they go for justice and as a symbol of justice.

4:00

That does not necessarily mean that it has to be exclusive to the courts, because there are many services that people in need of access to justice want to have access to, whether that's family court mediation services or whether it's information centres which assist them in their use and access of the courts, whether it's access to prosecutors in order to obtain disclosure on their file so that they can know what they're facing in terms of the evidentiary burden, whether it's access to legal aid, whether it's attending a family law clinic. I mean, the question then becomes: to what extent should those types

of services, those types of associated justice matters that people also want to access and also associate with the delivery of justice in their community and that also perhaps are even more important to them sometimes than the court itself – and where are they located? Is there room in a justice facility or court facility for these types of associated services?

One also might look to the question of whether there might be appropriate associated business services. You have, for example, people using more technology in the courts, and I mentioned earlier about e-filing and technology, and that's certainly one of my favourite topics. Certainly, if this facility is built, it will have to have access to the best technology. But sometimes people still need a hard copy, so if you're in court and you want to download something and get a printed copy of it, what do you do? Well, maybe you need to have access to a facility nearby where you can print that out. The questions of how that's provided or if that's provided or whether it should be or ought to be in a facility are open for discussion, all the time respecting the fact that whatever we end up with has to be a symbol to the community of being the centre of justice.

I don't think we need close our minds to what is appropriately juxtaposed with the courts in a justice facility which serves the public and provides them the best access to the services that they need in order to have the complete range in order to pursue a solution to their problems. Mediation services. Do we make a distinction between publicly funded mediation services and private mediation services or arbitration services? Those are issues that need to be dealt with.

There's another issue which needs to be dealt with in the context of a building and space, and that is: how do you build a building, which is a substantial commitment in capital and space, but you want it to survive for a 35- to 50-year time frame? What do you do? Do you build the whole thing and keep the space empty, or do you build it in some manner in which you can accommodate alternate uses of space until you need them, or do you build it in such a manner that you can build additional space when you need it? Those are appropriate questions to be asked.

If one of the answers is that it makes more sense to make maximum use of the land to build the maximum capacity or at least to maximize the effective use of the capacity of the land, you may end up actually wanting to build a larger building than you need, and then you have to answer questions as to: how do you appropriately use the other space? Now, I would ask that people not prejudge that question but rather look at the designs that come forward and say: does this work? Obviously, you're not going to put a massage parlour next to the judges' office or perhaps even anywhere near the building, hopefully. Of any type. I don't mean to disparage any type of massage parlour in that. It's just that none of them of whatever type ought to be in a justice building, because they're not associated with justice. But there may be a design which allows you to use the extra space which might otherwise be termed commercial space until it's needed and to take it over in an appropriate fashion when it is needed.

So you come to the question then of: is a triple P, or public/private partnership, the most appropriate methodology? Well, quite frankly, my first priority is to build the building, to get the courts together. I will promote getting them together in whatever way accomplishes that result and is appropriate.

Now, is direct financing available? Well, capital priorities tend to be difficult to meet. When you have huge amounts of capital priorities – we're a growing province, and we have a huge increase in our population, increase in business; we have roads to resources to build so that we can drive the economy; we have to provide schools and hospitals – getting a sufficient amount of money in the capital budget to build a facility of this size can be difficult.

[Mr. Tannas in the chair]

So one ought to look at the other ways of accomplishing the same goal. In looking at it, we've pushed and said: we should look at the question of whether the private sector can do this better than government. That means that you have to understand what it would cost government to do it and have something to test it against. You can look to the private sector to bring some ingenuity to the project, some private-sector ideas, the question of whether or not they can get long-term financing at competitive rates, recognizing it's going to be very difficult for them to compete with government. There are some long-term pension funds and other investment funds that are looking for a stable home and can come fairly close to competing with government, particularly if there's some ingenuity with respect to what the tax structure that they have is.

So I would suggest that people who say that the private sector can't compete with government haven't sat down and looked at all the permutations and combinations. I'm not going to sit down and look at all the permutations and combinations, but I think a private sector coming to the table, wanting to make a proposal, and hoping to be able to build it will put forward those sorts of suggestions. If they work and if they make sense and if they can deliver what we want and if they can assure the quality and if they will take some of the risk and all sorts of other things, if it makes sense, then we ought to do it that way. We ought not to step back and say: "No. That's abhorrent. We won't consider that type of ownership."

In the final analysis it doesn't really matter who builds it. What matters is that it's built right, that it is providing the right service, that it's properly located, that it's doing the job that it's intended to do, that we have the ability to control the maintenance and operation, and that we can make sure that the quality of delivery and the quality standards are upheld.

The question about being able to see justice in your community is very important, but as important as being able to see justice in your community through the symbol of the courthouse is being able to access justice in all of its dimensions in a reasonable way. So I don't shy away from the discussion of what justice services ought to be or could be appropriately associated with a court facility.

I hope that goes some way to addressing the question of philosophy and analysis. As I say, the actual concept of whether or not we proceed that way is a question for Infrastructure. The analysis as to whether or not it's the most cost-effective and fits all the criteria is an analysis which will be conducted through Infrastructure with the assistance, of course, of Justice and many other people.

We've heard incessantly in the House through question period and otherwise about the open analysis processes which will be available on any public/private partnership which proceeds, but I can tell the hon. member that I'm absolutely delighted that we have been moving through this process. We've set some time frames for us. We've gone out to a request for qualification process. We had a large number of groups with good qualifications and good talents that have been brought to the table to show that they can do a project of this nature. A request for qualification was done, shortlisted to three that had brought the combination of talent, expertise, and financial wherewithal to the table to be actually able to accommodate it. It's now gone out to an RFP, and we hope to hear back by June 20, I think it is, but some time in that time frame with respect to proposals.

I'm very eager to look at those proposals to see whether they have understood the project and understood some of the intricacies of the issues that we're talking about and have designed a project which will work for Alberta and for Calgarians and people in the Calgary vicinity so that they will not only see justice in their community;

they will have access to justice in their community, they will know where they need to go to get it, and they will be able to be accommodated appropriately.

4:10

The Chair: Edmonton-Centre.

Ms Blakeman: Thank you. That was worthwhile and what I wanted to get. Thank you.

Okay. Court resources. I was struggling to remember whether I had brought this quote forward last year, because the document was written in late February 2002 but I think I didn't receive it to be able to incorporate it into the discussion last year. We're talking about court resources, and I'm just going to put this quote to sort of bookend what I'm looking for. This is directed toward the Premier from the Canadian Bar Association, Alberta branch.

We are witnessing a deterioration of our system: fewer people can be accommodated in the court system, services have eroded, and it takes more time to get routine matters heard.

The reason is simple: this government has chosen to cut judicial administration to the bone. There is a restriction on the hiring of necessary staff, clerks and assistants resulting in a serious shortage of staff; there is a desperate need for computerization; support is so inadequate that there are only 2.5 judicial assistants to 19 judges on the Provincial Court, Edmonton Criminal Division; and in Queen's Bench, there is such a shortage of clerks that Trials sometimes do not go ahead even though there is a Courtroom, a judge, clients and lawyers. Further, desk divorces and probates now take 8-10 weeks even though four years ago, they took far less time.

Now, there is a significant increase in the line item here for court services, so I'm probing what that is, what the minister anticipates that's going to cover.

I also want to go back, and one of the issues that I have followed for some time is around Crown prosecutors: how many of them, their pay, and their workload. So what is the status of the caseload for the Crown prosecutors? What is the average caseload this year compared to last year? What's in this budget? Is the minister trying to bring it down to 400 cases for each Crown prosecutor from where it was last year and where it was the year before? Can I get those numbers, please? If it's the reverse, if it's actually going up and the caseload is getting heavier, then I'd want to know that too.

I'm also interested in what was happening with the salaries, because we had a couple of things there. There are different grids about starting salaries and number of years of experience, et cetera, et cetera. But then there's also, you know, the number of years you've been there; you start to move through a pay grid. There was very little movement in a number of those, and that was causing some experienced Crown prosecutors to leave, in some cases literally to walk across the street to the feds. In 2001 it was announced that Crown prosecutors would be receiving anywhere between a 5 and 22 percent increase in salary, but that still left us behind the pack or particularly behind Ontario, which is the major comparison. So I'm wondering where we're at for that grid and where we're at with the other issues that came up around Crown prosecutor salaries. I don't have to detail all of that. The minister is very aware of it, I'm sure.

I notice that there are 42 new FTEs. Where are those FTEs being distributed? I sort of picked it up as I was searching to see what the status of Crown prosecutors was and picked up those 42 new FTEs, so I'm just wondering where they are.

Now, I read you the quote from the Bar Association with the lack of staffing resources, clerks, assistants to the courts. With the increase that I'm seeing in the budget, exactly how are all of these concerns being addressed? What's the increase for? How's it being divided out between the different courts? Will there be new staff

brought in or better payment for the existing staff or a move to technology? I don't want to take up a lot of time by giving the minister a million questions to dig out all the details on this. I know he knows what I'm looking for here, so if he can just tell us what they are anticipating with that. I'll leave that for him to answer, and then I can go on to the other ones.

Thank you.

The Chair: The hon. minister.

Mr. Hancock: Thank you, Mr. Chairman. I think the quote that the hon. member raised was from a letter which came to us – and I stand to be corrected on this – I believe during a time when there were freezes on government hiring, freezes being particularly difficult to manage, particularly in markets that are volatile, and as a result there were some problems that we had to deal with. When I talk about volatile markets, I talk about Calgary, where pay scales were going up, and we were not paying judicial clerks, for example, at a level commensurate with what they could achieve in the private sector, so people were leaving. That was a problem. We were in a position where we couldn't fill the positions, and we were in a bit of a budget crunch, so that caused some service delivery problems, which we worked very, very hard and worked with the courts to try and improve.

I'm pleased to say that those service problems have been improved, and in fact I'm quite confident in saying – I stand to be corrected – that service delivery times in terms of turnaround for deaths, divorces, for estates, and those sorts of things are within reasonable parameters, within the expectations of Albertans. While we do not have the luxury of unlimited personnel, the changes that were made over the course of the last two years as a result of the improved compensation have gone a significant way to allowing us to restructure the way we compensate in the department to deal with some of the longstanding issues, again, particularly with judicial clerks and others, and put us into a competitive mode where we can actually retain experienced personnel. So I'm very satisfied with the management the department has put in place, that we've really achieved some good progress in those areas.

We have, as the member will know, a justice renewal strategy, which I mentioned briefly in my opening remarks, and the root of that was started when we were talking about dealing with the concern of Crown prosecutors with respect to both workload and pay. At that time, we sat down with the Crown prosecutors to talk about how we could appropriately deal with the circumstance, and we set up a committee. It included prosecutors, it included lawyers from civil division, it included our human resources department, and it included some outside people so that we could look at how we could best deal with the appropriate use of our resources, given that we had finite resources, and accommodate some of the issues that were causing problems, in fact, causing huge morale problems in the department and costing us some of our experienced people that we could not well afford to lose. I asked that committee to make one promise, and that was to not just come back and say: well, the solution to this is more money. In fact, they came back and said: before we can get on to the other solutions, the solution is more money. Part of the justice renewal strategy was to go back to Treasury Board and say: there is a problem that needs to be addressed. And it was addressed. It met the expectations of all involved in terms of a three-year strategy to hire more Crown prosecutors, to pay Crown prosecutors better, to deal with the workload issues.

Now, I'm not going to provide details of the workload issues today. We can get you that kind of detail in writing, but I can say

that from my perspective and from the feedback that I've been getting, morale in the department and particularly among prosecutors is high, that people are generally satisfied that we've met the commitment we made when we embarked on the justice renewal project in terms of hiring more people, in terms of making sure that the workloads were manageable, in terms of addressing the pay scale issues and the issue of people being able to progress through the pay scales. While issues of pay and workload are never finite – they're never done – we've certainly developed a spirit of co-operation and collaboration within the department to address these issues and have achieved success in turning that around substantially so that we can focus on the true issues, which are providing better access to justice and helping to create safe communities.

4:20

I'm really quite delighted that the hon. member asked that question because the good work of – again, I alluded to it in the introduction of the deputy minister, who's put heart and soul into this justice renewal project to make sure that not just the Crown prosecutors but all those people who work within the department are valued, are paid at appropriate levels. It's been a struggle because the increase of five and four over the last two years as a general rule across government translated to a much larger increase in the department, and that meant we had to find those resources from the various corners. That's not an easy thing to do. I think the management team of the department are to be commended for the work that they've done to not just say, "well, we need more," but not to be afraid to say, "we need more when it is appropriate" and to make do with what we have and to request more funds where they are needed. We've been able to achieve that I think in a stellar form.

We can provide any detail that you might need with respect to loads and that sort of thing at a later date.

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you. Okay. Those were the larger clusters that I had. I'm now going to move into a series of smaller ones where I will group some of them together.

[Mr. Lougheed in the chair]

First category is diversion projects. I hope I'm wrong on this, but as far as I can tell, there are two kinds of diversion projects that are running right now. One is the aboriginal diversion project where cases of minor infractions are diverted before they reach the court system and are dealt with outside of the court. What's the status of the aboriginal diversion project? What's the analysis of it? Has it been successful? Is there any written analysis that's been done that could be tabled in the House or provided to me? Will this program be changed from where it currently is? Will it be expanded if it's successful? Is there a restraint on the amount of money available so that there would in fact be – not expanded, not shrunk – less of it? Sorry, I'm getting tired here.

The second diversion project. I had asked this question to the Solicitor General, who I thought was the lead on the mental health diversion project, but I'm getting the feeling that perhaps she's not the lead, because I'm not getting much information there. So I'm trying again with the Minister of Justice. This is the diversion project where if police officers or, frankly, street workers, social workers, et cetera come into contact with individuals who have committed some kind of crime but there's a great case presented that there is a mental illness issue present that may have in fact caused the commission of this crime or contributed to it in a major way, the

thought is that locking a person up isn't going to get us any further ahead here. The person actually needs treatment.

[Mr. Tannas in the chair]

So, again, they are assessed, and if they are a good candidate for the project, they are diverted away from the court system. A plan is worked out with the individual about, you know, getting treatment, staying on their medication, changing where they live. Some concrete step is taken to get the person in a better position of health, particularly better position of mental health, and of course the agreement is sealed in court in front of the judge saying: okay; do you understand that if you do not follow through on all of these things, you will in fact be brought before this court to go through the whole process on whatever is the crime that you were charged with?

We had a pilot project that was, probably still is, running in Calgary. I think there was a smaller and slightly different pilot project that ran in Edmonton. Where does the buck stop? I want to know whether this project has been deemed successful. Is it going to be implemented? Where is it going to be implemented? Of all the departments that are involved in this, I can't quite find out where the buck stops, so I'm trying again with the Minister of Justice to see if I can get an answer here. It's Solicitor General, Health, Justice, social services. There are a number of possibilities, and I'm just trying to find someone that can answer the question for me.

So I'm looking for: what's the status of it? Can it move into a full-fledged project? Where would it be implemented? It may not be possible to implement this in some of the smaller centres – there just may not be the additional support services that could supervise and assist an individual – but perhaps in some of the larger centres that we have, the metropolitan areas. Plus, centres like Grande Prairie and Lethbridge and Fort McMurray and Red Deer could certainly handle that kind of thing. So I'm just looking for some sort of status, update, direction on that one.

The next question around the issue of matrimonial property on death has been around for a while. Recent court decisions have stalled the process. The Member for Calgary-Lougheed in fact had two bills, I think, brought forward over the last couple of years regarding division of property on death. This was supported by the Alberta Law Reform Institute. I don't see the bill coming this time. Changes would involve updating existing statutes so that surviving spouses would receive the same allotment of property that they would have under circumstances of divorce. My question here is: will we see this come forward again? Are we expecting it again, or has there been a decision to try doing this another way? Is someone else sponsoring it? Are we looking at next year? Where is this? It sort of disappeared off the radar screen, and I'm wondering what happened to it.

The final one that I'll add to this particular grouping is around conditional sentencing. Now, under the Criminal Code of Canada there are provisions to allow judges to sentence a person convicted of a crime to serve their time in a community as long as they follow outlined conditions. This is becoming increasingly popular with judges, and I think it could be argued as now being applied to persons that are convicted of more serious offences. The minister has commented with vigour on this issue, and he's talked about addressing it with the feds. I'm wondering where we are at with this whole issue. Part of the issue around this, I think, is that we want to get best value for money.

Do we really want to be putting people in jail? That costs taxpayers a certain amount of money. Are we getting the best resolution on behalf of society if we put them in jail? On the other hand, there's also a group of people out there that are going: "This

government is soft on crime. They don't put people in jail. I see so-and-so go forward, the judge says 'blah, blah,' and the person is walking away that day. They're going home to have supper, and I don't get to go home to my lost family member or lost property or whatever."

It's an interesting dilemma. What's happening in provision of what? Provision of justice? Provision of punishment? Provision of rehabilitation? I'm interested in the philosophy, again, of what arguments the department has looked at, the minister has looked at with where we think this is going to go. I know that he has strong feelings on it. It does affect the way justice is provided in this province. It does affect the way money is spent on the provision of justice, and frankly it obviously affects the Solicitor General's budget with whether we're going to lock people up or we're going to put a little electronic bracelet on them or whether we're going to have them involved in some sort of justice circle or have some other kind of justice put in place. So it's quite a large discussion. I'm not asking the minister to hold that discussion here, but I am asking for the record and for those that follow and read *Hansard* to get some indication of where this issue is headed.

So those are the three that I'm kind of clustering this time. Following this, probably just one more to talk about. Well, you could even include restorative justice in this conversation. But performance measurements, mediation, medical examiner, justice summit, early case resolution, and single courts are still to come.

Thanks.

4:30

The Chair: The hon. Minister of Justice.

Mr. Hancock: Thank you, Mr. Chairman. A number of interesting questions there with respect to diversion. Diversion is a very important part of the justice system, and my comments on this might well come full circle to the comments on the last question with respect to restorative justice initiatives and when it's appropriate to use jail versus other methods of dealing with offenders or alleged offenders. Diversion has always been part of the system. Police make determination early on in some cases whether or not a charge would be appropriate or whether there's another way to deal with the matter, whether to call the parents and ask them to come pick up the kid. Historically, in many cases parents were asked to be the diversion model; in other words, take the child home and administer the appropriate admonitions.

You know, we've moved further in the process now so that we have in our system and particularly under the new Youth Criminal Justice Act more ways of using diversion in the system, and that's whether it's aboriginal or nonaboriginal. The whole concept of sentencing circles or community conferencing or other ways of bringing an offender and a victim together to achieve closure and to find some way of both accepting responsibility and atoning for action are important parts of the system.

Specifically relative to aboriginal diversion I'm not aware, off the top of my head – and maybe I ought to be – of a specific aboriginal diversion project. However, we do have various mechanisms, aboriginal courts in the province; for example, the Tsuu T'ina court, which has caseworkers and processes and ways of dealing with things. The Provincial Court has been very innovative over the years in terms of how it's approached providing court on various reserves, First Nations, and how it's worked with the community to find appropriate ways to deal with issues. I guess at the root of this is the necessity not just to convict and punish but to deal with the root causes of crime so that one can reduce the recidivism and the cycle of people coming back and back. It's a question of getting into some

of the issues like fetal alcohol syndrome and issues of how to deal with children that are involved with the law for the first time and the second time and what can be done to divert them through a process which will teach them not to come back as opposed to introducing them to people who will teach them more about how to do it better.

The mental health diversion project specifically is a very important project, and I think the hon. member is looking for Alberta Health and particularly the Mental Health Board in terms of taking some initiative with the Solicitor General and Alberta Justice and others to make a true cross-government initiative work. This is the type of project which is extremely important. I don't know the exact number, but I think it's probably safe to say that 65 to 70 percent of the people who are incarcerated at any given time or come into contact with the law have either a mental health or an addiction problem, a drug or alcohol problem. So we need to deal with some of those root causes, or you're going to continue to use the system, use resources, and not achieve what has to be at the root of what we're trying to achieve, and that is creating safe communities. The community may be safer if you lock somebody up for 45 or 65 days or whatever, but it's not safer in the long term, so we have to make more effective use of our resources.

I'm glad that the member mentioned the issue of how you look like you're not being hard on crime if you're not locking people up, because it really comes to this whole question of how you deal with people. Obviously, the public wants the justice system to deal with people who are engaged in serious and violent crime in a very serious way. People who are incorrigible, who are recidivists, who will not understand that they can't break society's rules with respect to serious and violent crime have to be dealt with in that context, and imprisonment is an appropriate way to make the community safer.

But for those people who are not serious and violent criminals and are going to learn and are not going to be incarcerated for any lengthy period of time, if you want to make the community safer, you have to actually deal with the root cause. You have to have diversion programs. You have to be able to deal with the mental health issues. You have to be able to deal with the drug addictions and the alcohol addictions, and that's not to say that people ought not to be held accountable for their actions. That's not to say that they ought not atone for their actions, and that's not to say that victims' rights and victims' feelings ought not to be taken into account. If we truly want to make our communities safer, we have to deal with those root causes.

The mental health diversion project has been piloted in Calgary, as the member mentioned. It seems to be anecdotally very successful with community partnerships engaged in making sure that mental health programs are delivered. These sorts of projects have to be piloted to determine whether they actually achieve the outcomes desired because they do require a commitment of resources. To expand it across the province will require us to find resources. Whether they're found in the mental health budget or they're found in the health budget or they're found in the Justice budget really is immaterial. It's all public money, and it has to be found if you're going to expand these programs, but the first thing is to test to make sure that what you're doing achieves the outcome or the desire that you want. I think it makes sense. We expect that it will in this case. All the expectations are that they're there.

I might just take the opportunity to mention the Calgary Home Front project because it's one of my favourites. It deals with domestic violence, and it deals with domestic violence from the context of domestic violence involving a mental health problem. It's been anecdotally very successful. There's an analysis happening now, a review of it to determine how successful and whether it should be expanded and carried on in other areas. One of the real

successes of that project is that it started as a community-driven project by people coming together and saying: domestic violence is a problem in our community; we need to deal with its root causes. Its root causes tend to be in many cases mental health issues, and to the extent that those mental health issues can be dealt with, you can help families over the long term.

That's far better than the process that we had with charges laid, and six months later or whenever it happens to come to court, the wounds have been healed and you end up essentially reopening up old wounds and doing all sorts of things and not getting the acceptance of responsibility and the ability or agreement to atone with responsibility and you're not getting the treatment which is necessary to make sure that there's an ongoing improvement in the health and safety of the family and the health and safety of the community.

So diversion projects: very important. The mental health project in Calgary, the pilot project, I think is a very important project. The other ones like the domestic violence project, Home Front, very important. You can't take a cookie-cutter approach, but the various initiatives on aboriginal justice: there have been great successes in those areas. We have to be open to alternative measures, open to diversion, open to dealing with the root causes of crime, and in many cases we have to work very hard to find the resources necessary to provide the mental treatment or the drug and alcohol addiction treatment or in other ways deal with the root causes.

I want to end where I started by saying that that doesn't mean we're not hard on crime. We have to be hard on crime by making our communities safer as an outcome, which means dealing with root causes where we can but coming down hard on people who won't follow the rules or who are recidivists or who are engaged in serious and violent crime, which brings me to conditional sentences.

Since the *R. versus Proulx* decision from the Supreme Court there has been a proliferation of conditional sentences and I think a sense in the community that conditional sentences are being used in areas where the community would rather they were not: in more serious cases. We've had that discussion as justice ministers across the country over the course of the last couple of years, and I'm proud to say that since I've been Justice minister, at least, and I'm sure before that, Alberta has taken a leading role in talking about appropriate sentencing, including conditional sentences and intermittent sentences, which do have a huge impact on the Solicitor General's budget, obviously, but also are very important for the public's faith in the justice system, because they want to know that people are being dealt with appropriately in the justice system and that the community is being made safer. They want to know that sex offenders are not being sent home on conditional sentences, that people who are engaged in violence are not being sent home on conditional sentences.

The fact that the Criminal Code says that you can get a sentence of less than two years for an offence does not mean that all offences that have the availability of a sentence of less than two years ought to be open to conditional sentences. So we've been in that discussion, leading that discussion, working with other partners in the justice system across the country to try and raise the desire for us to put limitations around that use, because when conditional sentences were put in the Criminal Code, it is our submission that it was never intended to be a wide-open thing.

4:40

Now, it's a difficult issue because there are circumstances where conditional sentences are appropriate. There may even be circumstances in some of those offences where you might not normally think conditional sentences are appropriate where you'd want the courts to have the latitude, given the circumstances before them, to

use a conditional sentence. So making a change is not as easy as it sounds and hence the reason why we haven't been totally successful in convincing all jurisdictions to change the Criminal Code to limit and delimit and set out the specific criteria as to where conditional sentences ought to be used.

That I think deals with most of the issues except matrimonial property on death. The hon. member will know that over the past year we've been dealing with two major items – well, many more major items but two particularly on the legislative front. One is the family law review. I hope we will be introducing a bill in the House within the next two weeks and holding it over until the fall session so that people can have a look at it. It brings together a lot of family law into one statute and hopefully makes it simpler and easier for people to understand how family law applies to them. The other one, of course, is the Adult Interdependent Relationships Act, which the member mentioned earlier. One can only really carry on a number of major projects at a time.

In the context of the Adult Interdependent Relationships Act we specifically did not deal with the Matrimonial Property Act because there were issues before the Supreme Court at that time, and the decision came down in December. I think the decision that came down in December essentially confirmed that it was a good idea for us not to have rolled that one in, but now we have to decide what if anything we ought to do with the Matrimonial Property Act. Of course, the hon. member has mentioned that the Member for Calgary-Lougheed has brought forward this whole issue of matrimonial property division on death.

Now, I can say that from a personal perspective I don't understand the logic of requiring somebody to file a divorce action before your spouse dies so that you get your share of the family assets rather than waiting until death and taking a chance. But, again, it's an issue that doesn't have an easy resolution. The Law Reform Commission had a look at it. There are issues as to if you are to provide for a split of matrimonial property on death, then do you preclude access to the Family Relief Act? Do you preclude other avenues that a spouse might utilize in order to assert a claim to an estate? Again, it's an easy one conceptually to say, "Well, a spouse ought to be dealt with fairly," but when you bring into play all the various statutes by which a spouse may go to the courts to ensure that they've been dealt with fairly, then you have to make sure that they're not stacked inappropriately.

So that's the issue around the Matrimonial Property Act and one which is still the subject of discussion and needs, I think, a wider consultation before it can actually be concluded whether or not we can do something appropriate with that. Having said that, I wouldn't be surprised if we were to see another version of a private member's bill on that subject, and I think that would be a good place to start to get the issue out on the table for discussion. In any event, I think we need to get it on the table for discussion over the course of the next year at least.

I think that deals in general terms with most of the questions that were raised.

Mr. Cao: Minister, I must commend you and your department on maintaining a safe community in Alberta and a high quality of life in our society here. I also commend you on the notion of prevention at the front end of all the problems and also the effort on mediation of conflicts. Those are the things that my constituents appreciate a lot.

I also commend you on the foresight of providing translation and interpretation court services. This is a very good notion. As we move into the global scene, people are born outside of Canada – and particularly in Alberta it's ranging up to 25 percent in some locations

– so providing translation and interpretation is very, very good. In fact, I commend you for the foresight on that.

I also want to bring up the point that the courts are not only the place to administer justice but also a place where we can educate people about the law of our land. The language subject is quite important, because to me language is the means to convey a certain message and to be understood. So I'll just come to the point that I have raised in the past regarding the rate of fee or the pay for the court translators and interpreters. I found that some attention needs to be put into that effort. Particularly, I was told that nothing has been touched or changed in the rate for 18 years.

Rev. Abbott: How long?

Mr. Cao: Eighteen years. Relative to other jurisdictions in our province, even an organization like the WCB or the RCMP or even the city of Calgary, I learned that they were paid at higher rates than the provincial rate.

My concern is not just the dollars and cents but the quality of the people doing such work and the service they can provide. To be an interpreter at court, it's not just knowing the language, but you have to know the procedure, the legal matters. Those are people who have very high skills. It's not just conversational English or other languages. They have to learn the procedures and legalese, I should say. Some of those I talked to know more about that than I do. I would just like to draw your attention to somehow look at that situation and put some action to it.

Thank you.

The Chair: The hon. minister.

Mr. Hancock: Thank you, Mr. Chairman. I appreciate the comments from Calgary-Fort with respect to the focus on prevention. Every fall I sponsor a golf tournament for Success by Six which raises some money for a very important organization to help children get ready for success, but more important than the money is raising the profile and attracting new people to a network to understand that Success by Six is there and operating but, more importantly, that children need to be successful. Successful children is truly a justice prevention program. If children have good health, if they have a good education, if they have a good start in life, then hopefully in the future the provision of court services and the provision of supervision under the Solicitor General's department and diversion programs and all those things will be diminished.

I do believe very strongly that prevention is important, that we need to look to the front end, that we need to look to the root causes, and we need to be able to deal with, for example, the prevalence of fetal alcohol syndrome, which is causing so many problems in our society and with so many costs. Whether you measure it on a loss of human resources basis, a quality of life basis, an economic basis, a fiscal basis – it doesn't really matter how you measure it. It's important that we get control of those problems and that we deal with those issues up front, because otherwise we're going to lose the human potential, most importantly, but we're going to spend a lot of resources on courts and justice systems, which are really the acute care side. So I appreciate those comments and that support for the manner in which we've engaged in preventative justice.

I also appreciate your continuing to highlight the need for all of the people who participate in our justice system to be appropriately valued and to be paid appropriately. That's not to say that we don't struggle from time to time with the allocation of resources and how we make the best use of the resources we have available. It would be great to be able to say that we're in a process of increasing all the

fees. All I can really say is that we're very cognizant of the issue, that we've been trying to find the resources to deal with that issue, and we will try to make a priority on finding resources, because it is important not only to have translators but to have the best translators in court processes.

4:50

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. I've got two sets of questions. I'm asking one set on behalf of the hon. Member for Edmonton-Centre right now. They have to do with issues of restorative justice. The first one is: what's going to be done to support existing organizations that deal with restorative justice issues? My understanding is that organizations working in this field have been anticipating some funding or resources coming their way, and they are starting to pull out of that activity or change their focus in anticipation that some kind of government funding may be starting soon.

On a related issue, questions are coming up around the community justice policy initiative grant, which seems to have been an on-again, off-again, on-again grant. This is the one that provides money for groups dealing with restorative justice issues. So what's happened to that grant? Will the money be there? If it will be, when?

In that same bundle of questions. Certainly, we've seen youth as part of the restorative justice programs through the youth criminal court, but what's on the agenda for adults in this area? So that's one set of questions.

My other set of questions has to do with the comments made by the minister in his opening remarks about a shift to an approach that is policy driven as opposed to service delivery driven. I'm capturing the notion there that perhaps the Department of Justice is first and foremost a policymaking vehicle, and whether or not it actually delivers services is open for review. I have three particular questions on that. The minister's comments on the underlying theory of that approach, if I can put it in those kinds of academic terms, would be interesting. I don't want this focused on, for example, the Calgary courthouse issue, which you talked about earlier, but more general. Is this the way that you see your department going? Is this the way that you see justice most effectively delivered, and why? What's the theory there?

Related to that, then, how does that translate into actual activities? What does this mean when you get this off the paper and into the organization and the budget? When you talk about reviewing the department's role in service delivery, translate it into real terms for me. Related to this, how much of the budget of the department is outsourced, to use the terminology, whether that's for legal work or other work, and what's the long-term trend in that?

So what are the principles? What's the theory we're dealing with here? What does that mean in real activities, and related to that, what does that mean in terms of resources? How much of your budget is now outsourced?

The Chair: The hon. minister.

Mr. Hancock: Thank you, Mr. Chairman. I appreciate the questions, because they perhaps allow me to make clearer some of the remarks that I made earlier.

First of all, restorative justice. I dealt with that somewhat in the answers to the earlier question. The member ought to be aware that we work collaboratively with other departments, in this case the Solicitor General's department because the whole question of incarceration and probation and programs of that nature, including

crime prevention programs and most of the granting programs, actually fall within the Department of Solicitor General. We don't have a significant granting budget in the Department of Justice. Working with those organizations, I can say with some confidence – and the Solicitor General may wish to correct me at some date – that through the Youth Criminal Justice Act, for example, the youth justice committees across the province have been involved in doing more learning towards the conferencing processes. They've been involved in the restorative justice process, so there's a great engagement in that area. But those are areas that are really more within the area of the Solicitor General than our area.

Our approach to those areas is really our commitment through Crown prosecutors and through working with the courts, working in collaboration to find new and better ways to deal with issues as they come forward to achieve effective results. I go back to use the Home Front project in Calgary as an example where the courts, the Department of Justice through prosecutors and others, the Solicitor General, and the police have all come to the same table to help make that work.

So we're committed to those areas, but as in so many of the areas that we deal with, they're not exclusive to Justice. They require working in collaboration and partnership with Health through mental health, with the Solicitor General particularly, with Children's Services most particularly, with Aboriginal Affairs, and with many other government departments but then also with the community, the police, and other institutions.

Personally, I'm very highly committed to the concepts of restorative justice. I think there are community organizations that do valuable work. The Community Conferencing society in Edmonton is one that I've had something to do with over the last number of years, and I have a high regard for the individuals involved and for the work that can be done through those sorts of processes. I have certainly encouraged them, too, and I'm delighted with what they've been doing with the Edmonton public school system, for example, in providing conferencing in that area. We have to find ways to work with groups like that to make sure that they're appropriately resourced so that they continue their good work. Having said that, it's not my budget. It's somebody else's budget. We provide some moral commitment to the concept of finding better ways to achieve the outcomes, which takes me into the second part of your question.

What does it mean to be a policy-driven organization? I didn't mean in my opening remarks to suggest that we were going to be privatizing Justice, if that's your concern, or even turning it over to nongovernmental organizations. There is certainly a service delivery component in the Justice department which will always be there, whether it's the provision of Crown prosecution services, or at least the vast majority of them because some of them are done by agents, or whether it's the administration and operation of the courts. There's a lot of service delivery that the Department of Justice is going to do, and I'm by no means suggesting that we ought to move into that mode.

What I was suggesting in my remarks is that when we look with respect to the policymaking and then the service delivery, we're generally overarching relative to government itself. But when it comes to the Department of Justice and when I talk about being a policy-driven organization, what I'm really talking about is that every employee of the Department of Justice ought to be able to see in themselves how they affect the outcomes that we're trying to achieve. They ought to be able to come to work every day and say: what am I doing to make communities a safer place? Our object ought not to be simply to move from A to B on a given day, although that might be what we actually do to accomplish it, but we ought to be able to see ourselves in the policy results that we're trying to

achieve. Those policy results that we're trying to achieve ought to be measurable in terms of outcomes, not simply in terms of those things that we can count but in terms of the effect that we're having on the community to meet the goal of making our community a safer place.

It's my view that in government when we're looking at how we set up government, how we determine our department processes, and how we operate, we need to have operational plans, we need to have service delivery models, and we need to make sure that we make efficient and effective use of resources, but we always ought to do it in the context of what outcomes we're trying to achieve for society and where we're trying to go in the long term. So we ought to be looking at an outcomes-based process and have our eye on what we're doing on a daily basis to achieve a safer community.

How does that drive into the practical operation of the department? Well, my favourite example, although I'm not sure they like it, is in the prosecution service. Historically – I'm not picking on the Alberta prosecution service here – as a prosecutor your job was seen, I think, to be to take a file, to review it, to go to court, and to achieve a conviction if it was appropriate to do so. So you'd done your job. If you took your pile of files and you worked through them and you got as many convictions as possible, you had achieved your result. In a policy-driven organization you ought to be able to look at your files and say: what is the best outcome to achieve a safer community? So you've got somebody that you're dealing with. First of all, there's a victim involved. What do we have to do to make sure the victim gets closure? How can we minimize the impact on the victim of the court process so they don't get revictimized through the process itself? How can they be safe in their communities and feel safe when they go home? How do they get closure on that basis? So you have to take into account the impact on the victim. You have to take a look at the accused and say: is getting a conviction and a jail sentence going to be the way we make our community safer?

5:00

Now, in some cases it's important to achieve a result, a very strong result, in order to say to society: these are types of offences that we find reprehensible. Therefore, the primary goal here is to achieve a strong sentence and a long period of incarceration so that it can be very clear to everybody that murder, that violence, that sexual offences, whatever, are not permitted in our society. That may be the primary goal that you want to achieve. In other cases you might want to look at it and say: well, this is a person who has fetal alcohol syndrome, and no matter what we do, they're not going to understand it; they are not going to appreciate that they need to take responsibility for their actions. The fact that we put them through the process and we take them off the street for a period of time will make our community safer for the period of time that we've taken them off the street, but it doesn't deal with the issue on a long-term basis.

In a policy-driven organization a prosecutor would look at the file and look at it from the context of: what's the societal outcome that we want to achieve in terms of creating a safer community, and how can I play my part with respect to this file to achieve that societal outcome? So now we have prosecutors who are working on domestic violence projects in Lethbridge, in Lloydminster, in Calgary. We have Crown prosecutors who are working on fetal alcohol syndrome projects across the province. We have Crown prosecutors who as part of their job and part of their commitment to their community – because oftentimes they're donating their time – are working extra hours to work with community groups to achieve some successes which they wouldn't achieve if they simply adhered to the old paradigm of: pick up your file, look at it, and achieve the

conviction. I hope that goes some way to explain what I mean by a policy-driven organization and its outcomes.

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you. I understand that we've probably got about seven minutes left. I'll just put a number of questions on the record for the minister to answer. I think my colleague from Edmonton-Riverview might, if I leave him enough time, be up to follow through on his question. Yeah; I'm right on that. Okay. A couple of questions then.

Financial questions. A standard question I'm asking everyone: are the minister's offices being renovated this year? There's also \$350,000 going to a policy secretariat. This looks to be a new project. I'm wondering what it's for.

I already asked the minister about the 42 additional FTEs and specifics about what that is.

The communications budget of the department is up by \$9,000. Could I get a breakdown, please, of how that money is being spent?

The performance measurements. Looking at the '01-02 annual report, the ministry did not meet the target for the number of eligible persons receiving legal aid services. If we can get a description of what was the problem and whether it's been addressed and how that appears in this year's performance measurements.

Client satisfaction with legal services. This target was also not met.

Finally, according to the discussion paper recently released for the single trial court, 18 percent of Albertans had very little confidence in this system and 60 percent had only some confidence in the system. I'm interested in what the minister is doing. I'm not keen and I'm on the record often about these sorts of popularity polls, these customer satisfaction polls. I'm very cautious around them. Nonetheless, it seems to have led through to the larger discussion that the minister is holding on the single trial court. So is there an anticipation of a performance measurement being included around that?

Mediation. I'm wondering if the minister is looking at increasing the payments to mediators that are available around the court system. That had traditionally been lawyers, and increasingly we're training people through a fairly rigorous system, I might add, to become mediators and arbitrators and do interest-based negotiation without the benefit of a legal degree. So that's good. We've got laypeople doing this. But the amounts that are offered are really low. Like, we're talking 50 bucks I think in a number of cases, which is very poor compensation for people who are expected to spend a fair amount of time preparing for the actual mediation outside of the time that they spend with the client. I'm looking for what's being anticipated there and whether there's any long-term idea to increase that amount of money.

The medical examiner's office. There was a capital budget that seems to have completely disappeared, and I'm wondering: was that a special project that's now been completed and has disappeared? I think it was \$109 million possibly. Anyway, if you can find it and respond to me in writing.

I also wanted to make a point of congratulations to the medical examiner for going the extra mile to incorporate additional information that people had given around gambling and whether gambling influenced a death, which has allowed us to start to take a wider look at the issue of gambling in society, and that was pretty prescient of them to start including that in the notes. [interjection]

A hundred and nine thousand. That's the one. It was in there last year and has completely disappeared, and it did exist prior to that as well, I think. So I'm just wondering what happened there.

The minister referred to the justice summit in his opening comments. I'm wondering how many of the recommendations that originally came out of the justice summit are still waiting to be dealt with or have some action taken on them. Where are we with that sort of checklist? Additionally, where are we with the recommendations that came out of the all-party committee that traveled about over one summer? I think it was chaired by the Member for Calgary-North Hill. There were a number of recommendations that came out of that. Where are we on that checklist as well?

The single court. Again this is a longer discussion. I did read the documents, but this is interesting because all of the discussion that had taken place was around the unified family court system. I don't recall anything that I had seen – now, I'm not privy to everything; I'm actually privy to very little. Why the investigating to move beyond the unified family court system to moving to a complete single court system? Do we not stand to lose some of our provincial autonomy? I'm very surprised to see this move coming out of this particular government given its ideology of, you know, fire walls and we want to do more in Alberta. A single court system I think – now, correct me if I'm wrong – is going to end up having to deal on a higher court than a lower court, so I'm interested in those choices. I'm also interested in what resources are being committed to the study or committee or whatever's going on here and whether these resources appear under the three-year rolling budget. What's in there? How do I pull it out? What resources exactly have been contributed to that?

So I think I've left about two minutes for my colleague, and I'll turn it over to him. Thank you.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Chairman. I'll take the same approach with two or three questions here. If you could indicate to us how much of the budget is outsourced, as it were, to legal firms and for what kind of activities. Maybe some agents, prosecutions, legal advice, that sort of thing. Are we talking how many dollars are going to law firms?

5:10

The second question is on page 264 of estimates, line 2.1.5. Provincial civil claims is a very significant increase from last year, well over doubling of that line item. Some explanation would be helpful there.

Last but not least is communications, page 263 of estimates, line 1.0.3. Communications expenditures by the department, \$356,000. It's not a huge amount, but I'd just be interested to know: what's that going to? Is that going to some staff or programs or what? The second part of that question is, I suppose, how many Public Affairs Bureau staff are assigned to work with your own communications staff? So that's it.

Thank you.

The Chair: Hon. Minister of Justice and Attorney General, the chair would advise you that you have one and a half seconds.

Mr. Hancock: Thank you, Mr. Chairman. I think that should about do it.

The Chair: Otherwise, I'd have to go to another script and say that I hesitate to interrupt you.

After considering the business plan and proposed estimates for the Department of Justice for the fiscal year ending March 31, 2004, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:

Operating Expense and

Equipment/Inventory Purchases \$236,991,000

The Chair: Shall the vote be reported? Are you agreed?

Some Hon. Members: Agreed.

The Chair: Opposed?

Some Hon. Members: No.

The Chair: Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that the Committee of Supply rise and report and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Justice: operating expense and equipment/inventory purchases, \$236,991,000.

The Deputy Speaker: Those who concur with this report, please say aye.

Some Hon. Members: Aye.

The Deputy Speaker: Those opposed, please say no.

Some Hon. Members: No.

The Deputy Speaker: Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I would move that we adjourn until 1:30 p.m. on Monday, May 5.

[Motion carried; at 5:15 p.m. the Assembly adjourned to Monday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Monday, May 5, 2003**

1:30 p.m.

Date: 2003/05/05

[The Speaker in the chair]

head: **Prayers**

The Speaker: Hon. members, welcome back. Please remain standing after the prayer for the singing of our national anthem.

Let us pray. As we begin our deliberations in the Legislature today, we ask You, O God, to surround us with the insight we need to do Your will to the benefit of our province and its people and to the benefit of our country. Amen.

Now I would invite all hon. members to join in the singing of our national anthem in the language of your choice. We'll be led today by Mr. Paul Lorieau.

Hon. Members:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

The Speaker: Please be seated.

head: **Introduction of Visitors**

Mrs. McClellan: Mr. Speaker, I'm pleased to introduce to you and through you to members of the Assembly Mr. Joao De Abreu, consul of Portugal. The consul was only recently appointed, and this is his first official visit to Alberta.

About \$26 million in bilateral trade flows back and forth between Portugal and Alberta each year. Alberta's exports to Portugal include wheat, steel products, and building materials. Among Portugal's exports to Alberta are fine wines, cork, and footwear. Our relationship certainly extends beyond trade. More than 14,000 people of Portuguese descent now proudly call Alberta home.

I would ask that our honoured guest please rise and receive the traditional warm welcome of our Assembly.

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you very much, Mr. Speaker. It's indeed a pleasure to rise and introduce to you and through you to all members of the Assembly and to all Albertans tuned in a very special guest who is in the Speaker's gallery this afternoon. I'm referring to the Canadian ambassador to Ukraine, Mr. Andrew Robinson, who today is making his first official visit in that capacity to our province.

As members here will know, Alberta and Ukraine share a very strong and a very special relationship, and I'm very pleased that the ambassador and his staff in Ukraine have played a very vital role in helping shape our province's direction and the strengthening of ties with Ukraine. I'd also like to express our thanks to the ambassador for his very generous hospitality in hosting our Premier last year, almost on this very day, when he and I and the Member for Redwater were over there visiting. Later today the ambassador will join our Advisory Council on Alberta-Ukraine Relations for a very special meeting.

So with just about 300,000 Albertans of Ukrainian ancestry in this

province – I think I can speak on behalf of most of them, being one of them myself – I would say thank you to the ambassador and ask that he now rise with Melanie McCallum, who is here as his escort from International and Intergovernmental Relations, and receive a very warm round of thanks from all members present.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Transportation.

Mr. Stelmach: Thank you, Mr. Speaker. I have two introductions today. I wish to introduce to you and through you to members of this Legislature a group of very, very special visitors from Newfoundland, from a community called Botwood. They're from L.P. Purchase Academy, and they're here on an exchange, a co-operation between their school in Newfoundland and of course Vegreville composite high in Vegreville, Alberta. They are seated in the members' gallery. There are 35 students from grades 7, 8, and 9, and they are accompanied by the vice-principal of Vegreville composite, Mr. Roy Mills; Ray Jenkins; Shelly Whiteway; the principal from L.P. Purchase Academy, Paulette Colbourne; and parent Tess Greening. We had a wonderful lunch here in the Legislature just a few minutes ago. We're so proud to have visitors from that far away visiting here in Edmonton and especially the community of Vegreville, which was as a result of good communication between the two provinces. I would ask all the students and parents and teachers to rise and receive the traditional warm welcome of the Assembly. So much for sunny Alberta.

The second introduction. Again I wish to introduce to you and through you to members of this Legislature a special visitor from the town of Lamont, Mr. Ernie Sledz, who is seated in the members' gallery, a tremendous volunteer, a 4-H member from the days when we were involved in 4-H, and also a Lions Club member and past president. So I'd ask him to rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Calgary-Buffalo.

Mr. Cenaiko: Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to members of the Assembly Michael Lobsinger Jr. Michael has completed his third year in business and is majoring in political science at Carleton University in Ottawa. He's begun his first day today as my summer student constituency assistant and is here this week for orientation at the Legislative Assembly. I'd like to ask Michael to rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Norwood.

Mr. Masyk: Thank you, Mr. Speaker. I rise on behalf of the Member for Lesser Slave Lake to introduce a very special individual. Her name is Andrea Calahasen from High Prairie. She's here doing some volunteering for the hon. Member for Lesser Slave Lake. She's in the members' gallery, and I'd ask her to rise and receive the traditional warm welcome of this Assembly.

Thank you.

The Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through to the members of this Legislature 20 members of the Westend Seniors Activity Centre accompanied by their executive director, Janice Monfries. The Westend Seniors

group numbers more than 700 and growing, and they're in the process of building a new \$1.2 million centre in Edmonton-Meadowlark. We thought that today would be a great day to tour the Legislature with its beautiful gardens and lawns, but instead we have a winter wonderland. West Edmonton seniors, my dear friends, would you please rise and receive the warm traditional welcome of this Legislature.

The Speaker: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you, Mr. Speaker. It's a pleasure today to introduce to you and through you to members of this Assembly 21 students and two assistants from Keenooshayo elementary school in St. Albert. They are here for the School at the Legislature. They are accompanied by their teacher, Mrs. Barbara Hubbard, and Mrs. Rosemarie Grosul, who will be with them all week as they learn much about the building and certainly about government. They are seated in the public gallery, and I would ask them to please rise and receive the traditional warm welcome of this Assembly.

1:40head: Oral Question Period

University of Calgary

Dr. Nicol: Mr. Speaker, Alberta is growing, but under this government educational opportunities are shrinking. In a memo sent to all staff last Friday, the University of Calgary president, Harvey Weingarten, said:

The University is now in the most difficult part of the budget restructuring process and it is fair to say that the impact is being felt across the institution. Many positions are being abolished and the process unfortunately means job losses for many of our colleagues.

To the Minister of Learning: does this sound like the Alberta advantage?

Dr. Oberg: Mr. Speaker, the University of Calgary is going through some significant restructuring. They have chosen, for example, to look at potentially cutting around \$50 million out of their budget. One of the things that they will do with those dollars is take some of the dollars that are saved and put them into student bursaries, things like that. They have also restructured what they do. They are attempting to go into four or five key areas and have the courses there. They are also attempting to get more into the postgraduate programs such as masters' and doctoral degrees.

Anytime you change the status quo, it is very trying, but they are doing it. They are going through a very good process of looking at exactly what they're going to do. They're visioning for the next 10 to 20 years, and I commend them for doing it.

Dr. Nicol: Why has the University of Calgary been forced to cut 64 support staff positions?

Dr. Oberg: Mr. Speaker, over the last four years since I've been minister, we've increased the University of Calgary's budget by very close to 25 to 28 percent. Included this year, as I answered the hon. Leader of the Opposition last week, is a 4.1 percent increase. What is not known to the university yet is exactly how the \$10 million from the performance fund and the \$10 million from the access fund are going to be given out to our postsecondary facilities. I'm assuming that when that is known, that obviously will be good news for them. But they are going through a restructuring process and looking at everything – absolutely everything – in great detail.

I will say that one of the things that I credit the University of Calgary with is that they're even looking at administrative offices.

The president of the University of Calgary is actually moving his office into a much smaller area. So these are the kinds of things that they're doing. They're looking at everything.

Dr. Nicol: To the Minister of Learning: Mr. Minister, how much of that restructuring and that cost cutting is due to the fact that you didn't give them as much money as they need to cover their internalized cost increases?

Dr. Oberg: Well, Mr. Speaker, the hon. member approximately two months ago was asking me about tuition increases. He was saying: why tuition increases? Well, there is money being raised through tuition; the postsecondaries are receiving in total 4.1 percent this year. As I stated in my last response, \$20 million has not been allocated yet, and I would assume that the University of Calgary will get a significant portion of that. What they are doing is looking at how they do business, why they do business, and where they do business. So I commend them on that visioning exercise that they're going through right now.

Education Property Taxes

Dr. Nicol: Mr. Speaker, last week the city of Edmonton announced that a typical homeowner will pay an additional \$57 for education property taxes next year. To the Minister of Revenue: why didn't the government lower the mill rate to keep the total amount of education property tax collected constant given that the mill rate was lowered last year to sustain a fixed amount?

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. I would like to respond that with respect to all our taxation it's important that all taxes, regardless of the amount that we collect, are there to support the key priorities of this province. This one in particular supports Learning and its budget. I would ask that maybe the Minister of Learning supplement.

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much for that. I would like to say that the dollar amount that is raised by freezing the mill rate, Mr. Speaker, goes exactly where the opposition has been asking us to put the money. It goes only to education. Statutorily that is where the education property tax has to go. We have seen significant growth in this province. We have seen significant increase in the value of a person's house, but realistically if your house was worth a hundred thousand dollars last year and it's worth a hundred thousand dollars this year, you pay exactly the same property tax.

Dr. Nicol: Again to the Minister of Revenue: isn't keeping the mill rate constant just another way of getting more taxes, a tax grab for the government?

Mr. Melchin: Mr. Speaker, I would like to first clarify a couple of things. Education property taxes are not the purview or responsibility specifically of the Department of Revenue, and I might actually have the Minister of Municipal Affairs respond.

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. You know, in this province as it grows, we have to capture the growth. The hon. Leader of the

Opposition knows full well that as people come to our province, they don't bring the schools with them. So we're capturing a growing province. But ultimately it's important to clarify that if your assessment has not gone up in this past year, your education property tax will not go up either.

Dr. Nicol: To the Minister of Municipal Affairs then: what has this minister done to prevent the government from forcing municipalities to raise taxes after this government promised that the school property tax would be frozen?

Mr. Boutilier: Mr. Speaker, let me again clarify. I know it's a very complex issue, that of assessment, but one thing is for certain: in our province we are growing. Assessments are going up in fact in certain communities, but it's important to note that if your assessment doesn't go up, your tax bill stays the same. In fact, if your assessment goes down, your actual education property tax bill will go down as well.

Calgary Courthouse

Mr. Bonner: Mr. Speaker, in 1924 Lord Hewart famously said: justice must not only be done but should manifestly and undoubtedly be seen to be done. I believe that all members of this Assembly would agree with this sentiment. However, the P3 courthouse in Calgary clearly violates a principle of this statement. To the Minister of Infrastructure: did the minister give any thought to the judicial optics of a corporation owning and leasing a courthouse before it decided to proceed with this P3?

Mr. Lund: Mr. Speaker, I'm having great difficulty understanding what difference it makes who owns the building. What difference does it make? As a matter of fact, right today the Court of Appeal is in leased space. They do not own the building; we do not own the building. We lease the space. We find situations where in other locations they are owned. For that matter, I don't understand what difference it makes who owns the building, who operates the building. What difference does it make on those scores as long as the building meets the standards that are necessary for the function that's being performed in the building and it's kept up to the proper standards? We will make sure that that happens.

Mr. Bonner: Mr. Speaker, to the same minister: what safeguards did the minister put in place to deal with the potential conflict of interest when company X is taken to court but company X owns the courthouse?

Mr. Lund: Well, I wonder, Mr. Speaker, if the member has thought of what happens if TransCanada PipeLines is taken to court, because quite frankly that's where one of the courts is situated today.

Mr. Bonner: To the same minister: what is this minister going to do to preserve the integrity of Alberta's justice system with respect to this courthouse?

Mr. Lund: Mr. Speaker, once again, I don't think the structure affects the integrity of the justice system. To respond more fully on how we are protecting the justice system, I would ask the Minister of Justice to supplement the answer.

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Well, thank you, Mr. Speaker. The key element here

is that once the court is appointed, it operates independently and without any control by the government or any other party whatsoever.

With respect to where a court sits, the issue of whether or not there is any potential conflict can be dealt with in terms of the arrangement that's made between the government and the owner of the building. Quite frankly, we have courthouses across this province that are situated either in publicly owned buildings or in privately owned buildings. They've operated well. They do not impugn in any way, shape, or form the integrity of the court, the ability of the court, or the independence of the court to carry out its duty.

If a P3 proceeds in Calgary and we end up with a state-of-the-art facility in Calgary to house all of the justice needs of Calgary and area so that people know where to access justice, where to go to the courts, where to get the services they need relative to the justice system, that will be an improvement for the courts in Calgary and will not be a denigration to the courts in any way, shape, or form.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Edmonton-Beverly-Clareview.

1:50

Health Care Waiting Lists

Dr. Pannu: Thank you, Mr. Speaker. The Tory government has allowed wait times for a range of surgical procedures and diagnostic tests to steadily grow over the last year. Longer wait times erode confidence in the public health care system and create pressure towards a two-tier, privatized health care system. The government has clearly broken its promise made a year ago to guarantee timely diagnosis and treatment by reducing wait times. My questions are to the Minister of Health and Wellness. Why did the government break its promise and let wait times for open-heart surgery, cataract surgery, hip and knee replacements, and MRI diagnostic tests steadily increase over the past year?

Mr. Mar: Mr. Speaker, we have a plan in place. We recognize that the issue of access is an important one for Albertans. They also say that quality is an important issue, but mostly Albertans are telling us that issues of access to important health care services are their priority. What are we doing? Well, we're following through on a plan. That plan is found in the Mazankowski report. It's found in our three-year business plans. It's found in the business plans of regional health authorities.

What are we doing? Well, look at our infrastructure plan as an example, Mr. Speaker. We'll have over the next three years \$750 million of new infrastructure that includes issues like dealing with the cardiac centre of excellence in the city of Edmonton, the bone and joint centre of excellence in the city of Calgary, each of those projects being in the range of \$125 million. We have a new children's hospital, again somewhere in the range of \$200 million; redevelopment of the Royal Alex hospital, something in the range overall of \$200 million. We're dealing with matters of important diagnostic tests. We're moving forward on primary health care initiatives. We're moving forward on wait list registries that are found on-line. We're moving forward on improving our access to frontline health care services. We're moving forward on a province-wide Health Link line. We're moving forward on a number of different initiatives that I think will give us a leading-edge role for moving forward on important health care initiatives in this country.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Assuming that the government

has a plan that works, why did this minister fail to act when it became obvious months ago that wait times for public MRI tests were growing and reaching crisis levels?

Mr. Mar: Mr. Speaker, we have the highest scan rate in the country for MRIs – it's 24 per thousand – that I'm aware of. I could stand to be corrected. There's no other jurisdiction anywhere in Canada that has a scan rate for MRIs at the same rate that we do.

Now, the number of MRIs over recent years, over the last two or three years, has somewhat doubled, Mr. Speaker. We now do about 75,000 or 80,000 MRIs a year, yet the demand continues to increase. We have to seriously examine whether all of these MRIs are in fact necessary. This is an important diagnostic tool. Nobody is questioning that, and I assume that the hon. member doesn't question that. But having said that it's an important tool, in some cases we have to be asking whether or not this important tool is being used properly, and that is something that we plan on investigating.

Mr. Speaker, on the overall issue of wait lists, we're dealing with them, and it doesn't matter whether it's in the diagnostics or if it's in the actual procedures themselves.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. The last question to the minister: given that the wait times for MRI tests have been going up, why is the government letting 50 million federal government dollars earmarked for diagnostic and medical equipment sit unused in a bank account somewhere instead of immediately applying these dollars to buy equipment and train personnel to reduce the overly long wait times . . .

The Speaker: Hon. leader, you've got about four questions in one. The hon. minister.

Mr. Mar: Because we have a plan to use this important resource properly, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Beverly-Clareview, followed by the hon. Member for Edmonton-Mill Woods.

Federal Public Building

Mr. Yankowsky: Thank you, Mr. Speaker. I continue to get questions regarding the status of what we call the old federal building, which is owned by the province. I'm also being asked about the interior condition of the building, which, rumour has it, has been used by movie producers and by police for training. Other questions I keep hearing are "Is it for sale?" and "Why hasn't the government renovated it to house government offices instead of paying high rent in private facilities?" My questions are all to the Minister of Infrastructure. Would the minister tell this Assembly what really is the condition of this building?

The Speaker: The hon. minister.

Mr. Lund: Thank you, Mr. Speaker. It is true that the police service does use it for some of their training, and, yes, there has been some activity in the building relative to the movie industry, but of course that's not why we would continue to own it. There have been proposals come before us to renovate and incorporate it into the whole Legislature Grounds. Those seem to run at a very high rate. We have had some interest in purchasing it, but at this point we do not have a for-sale sign hanging on it.

The Speaker: The hon. member.

Mr. Yankowsky: I have no further questions.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Red Deer-North.

Education Funding

Dr. Massey: Thank you, Mr. Speaker. Service-level cuts including fewer teachers and larger classes are being planned by three of our four largest school boards in the province. The minister's reaction thus far includes an audit of Edmonton public and talking to Calgary public. My questions are to the Minister of Learning. Did the audit of Edmonton public eliminate the need for service cuts next September?

The Speaker: The hon. minister.

Dr. Oberg: Thank you, Mr. Speaker. I have not seen the final budget from Edmonton public. As a matter of fact, I will be meeting with Edmonton public within the next couple of weeks to go over their response to the audit, but quite frankly they have not done their final budget, and I have not seen it.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister: did the talk with Calgary public eliminate the need for service cuts there next September?

Dr. Oberg: Again, Mr. Speaker, essentially the same answer. Calgary public will be bringing out their preliminary budget tomorrow. We will obviously work with them. We've been working with them since October. It allowed Calgary public to run a balanced budget this year. Our talks with Edmonton public allowed Edmonton public to run a balanced budget this year, and we'll continue to work with them to ensure that their budgets are balanced with as few upsets in the system as possible.

Dr. Massey: Again to the same minister: is the minister confident that school allocations will not result in school service-level cuts in September?

Dr. Oberg: Mr. Speaker, I find it absolutely amazing that on one hand we're asked why there's more money going into education from the education property tax and, on the other hand, we get another question that says that there's not enough money going into education. On one hand, they say: "Well, you shouldn't be taxing anymore. You shouldn't be putting any more money into education from the property taxes." On the other hand, they're saying that they want more money into the education system.

Be that as it may, Mr. Speaker, the bottom line is that we will continue to work with them. Calgary public, for example, this year has received a \$17 million increase for 700 fewer students. They're anticipating that there will be a drop in enrollment of about 700. We will certainly work with them. We're waiting for their budget, which will come down tomorrow. Over the next two to three weeks they will finalize their budget, and I believe that it will be voted on towards the end of May, first part of June.

Mr. Speaker, as I've said in this Assembly numerous times, the school boards will deliver to me their budgets by June 30 of this year.

The Speaker: The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Gold Bar.

Youth Criminal Justice Act

Mrs. Jablonski: Thank you. Mr. Speaker, over the past few years I have often heard concerns from my constituents in Red Deer about young offenders and youth crime. Albertans have been calling for many years for better, stronger youth justice laws. Many of us believe that the Youth Criminal Justice Act, although not perfect, was a step in the right direction. Over the weekend I heard the Justice minister mention that the federal government is planning to soften the act's ability to deal with serious violent young offenders just one month after the bill has come into force. To the Minister of Justice: can the Minister of Justice clarify for the House what exactly the federal government is considering and what it might mean for youths charged with serious violent offences?

2:00

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Well, thank you, Mr. Speaker. Under the Youth Criminal Justice Act, which just came in, there had been, as members may know, about a five-year period when provinces and the federal government were working on trying to find an appropriate replacement for the Young Offenders Act, which had been seriously flawed and was in serious disrepute among the public. When the Youth Criminal Justice Act was passed, it included provisions which allowed youths convicted of serious and violent crimes to be subject to adult sentences, and we considered that to be a very important step forward in youth criminal law. It also allowed under certain circumstances the names of young offenders to be released to those who needed to have that information.

The Quebec government took a reference to their courts with respect to those sections. In a decision the Quebec Court of Appeal has found those provisions to be unconstitutional. We fully expected that the federal government would stand behind its act and appeal that decision, particularly in light of the fact, Mr. Speaker, that for many years jurisdictions across this country have been wanting to strengthen the Young Offenders Act and deal with issues of serious and violent crime with respect to youth. Late last week we learned that the federal government had decided not to appeal the decision even though, in our view, case law from other provinces and other courts suggests that there's a very good likelihood of success at the Supreme Court of Canada. We are outraged that the federal government was willing to abandon this provision without even consulting the provinces that were at the table when the whole Youth Criminal Justice Act was discussed and when it went forward. So there's a very serious change which could affect not only youth criminal justice in this province but how justice ministers across this country work together.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you. Mr. Speaker, to the same minister: what role did Alberta have in developing this provision?

Mr. Hancock: Mr. Speaker, this provision in particular, the provision with respect to adult sentences, was a very hard-fought question at justice ministers' meetings, as I say, over the last four years that I've been there. The need for a new Youth Criminal Justice Act was very apparent. We needed to move forward. None of us agreed with the total content of the new act that came in. It was very much a compromise position and very much a cobbling

together of various issues because different jurisdictions across the country had different views on youth justice law. In particular, Quebec was at one end of the spectrum and Ontario and Alberta were at the other end of the spectrum with respect to some of these issues. What we came together with was a solution which could be used on a variable basis. In other words, provinces could determine between the ages of 14 and 16 at what age an adult presumption would take place, and that was found to be an acceptable compromise, which then went forward into the act.

This is something that legislators have worked together on, have recommended, have agreed upon, and Alberta, I'm pleased to say, took a leading role in achieving that breakthrough because it was necessary to move away from the old Young Offenders Act, which, as I said, was under serious disrepute, and move into a new element of how we deal with youth criminal justice in this country.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you. Can the minister advise us what steps he's taken to address this issue?

Mr. Hancock: Mr. Speaker, we had the communication late Thursday from the federal government that they were not appealing. We immediately sent a letter to the federal minister demanding that he reconsider, pointing out that he has another 30 days to consider appealing the decision. We've also contacted the federal ministers from Alberta, particularly the Member for Edmonton West, who was so much a part of the discussions when she was Minister of Justice, to ask that they contact their colleague to remind him of the work that went in and the collaborative federalism that went in to create this act. We've also sent letters to each of the provincial justice ministers across the country, and I'm in the process of having discussions with them so that we can get together again to put pressure on the federal minister to reverse his decision, to appeal that Quebec decision, and to defend the provisions of the act which were pursued with such vigour over the past four years.

The Speaker: The Member for Edmonton-Gold Bar, followed by the Member for Edmonton-Castle Downs.

Alberta Insurance Council

Mr. MacDonald: Thank you, Mr. Speaker. There have been serious changes recently in the structure of the Alberta Insurance Council. It has taken many years for the Alberta Insurance Council to evolve into the organization it is today. It is an independent, formal association representative of its membership with regulatory power over its members. My first question is to the Minister of Finance. Given that until now the Alberta Insurance Council elected amongst themselves the chairperson, why did the government decide to appoint the chair?

Mrs. Nelson: Well, Mr. Speaker, clearly this isn't something that is new. We've been working with the Insurance Council now for a number of months, and it is not unusual, when the government appoints public members to these councils, that we do in fact appoint one of those public members as the chair of council. This is not unusual. We have an excellent chair who is in place right now and are working with her. Her term is completed in June of this year.

Mr. MacDonald: Again to the same minister: given that the majority of other boards and committees that operate in a manner as the Alberta Insurance Council are structured with a majority industry

representation and they elect their own chair, why is it government policy to jeopardize the independence of the Alberta Insurance Council at this time?

Mrs. Nelson: Mr. Speaker, we work very closely with the councils, and it is our intention to continue to work with them, but it is also our intention when we do appoint public members to these councils that one of those appointments will clearly be the chair. This is not an unusual process. It's standard for what we do within our government.

Mr. MacDonald: Again to the same minister: when the order in council was passed in January of 2003 by the government to appoint the chair, why was this policy change not debated publicly through the standing policy committee process?

Mrs. Nelson: Well, Mr. Speaker, our norm has been to appoint public members to these councils. It's not an unusual situation. It's usually agreed upon. Again, the norm has been to have one of those appointments sit as the chair. That's not to say that one of the appointments from the government can't be someone who's had the experience level in that particular industry, and they could in fact be chosen as the chair. So there are options that are there, but clearly when the government appoints people to these councils, they usually take one of those appointments and appoint them as the chair. This is not unusual.

The Speaker: The hon. Member for Edmonton-Castle Downs, followed by the hon. Member for Edmonton-Ellerslie.

Gang Violence

Mr. Lukaszuk: Thank you, Mr. Speaker. My constituents of Edmonton-Castle Downs witnessed a gang-style murder over the last weekend, the third such incident in the past few weeks. My constituents are particularly concerned because this most recent incident happened in broad daylight and was witnessed by a group of children playing in a park. They are worried that next time there is a gang shooting, an innocent bystander or perhaps even a child will be caught in the cross fire, and frankly my constituents deserve better than that. My questions are to the Solicitor General. Gang violence is a growing problem in Edmonton. Are the police properly funded by your ministry to handle this type of problem?

Mrs. Forsyth: Mr. Speaker, our government takes the threat of gang violence very seriously, and we've been working with our police partners to combat this threat. In fact, I have to say that today I met with police officials to discuss ongoing gang problems, organized crime, including potential funding needs that they will require. At the time we provide \$2.4 million annually to the Criminal Intelligence Service Alberta, which is commonly known as CISA, to target organized crime. There's no question, however, that police resources are being stretched to the limits in many areas and we need to be innovative. Alberta's population is growing. The nature of crime is changing. We need to address many of the issues that are the results of organized crime; for example, the increase in meth labs and grow operations. It's an ongoing problem.

Mr. Lukaszuk: Mr. Speaker, my second and last question is to the same minister. While the recent spree of shootings makes gang violence seem more prevalent in Edmonton, we all know that gangs do not operate within local jurisdictions. Therefore, isn't it time to strike a gang task force to address this issue not only within Edmonton but within the province?

2:10

The Speaker: The hon. minister.

Mrs. Forsyth: Thanks, Mr. Speaker. The province already has a co-ordinated approach to organized crime in place through the Criminal Intelligence Service Alberta. Since 1999 CISA has been co-ordinating provincewide policing efforts through the gathering, analyzing, and sharing of criminal intelligence among police services, but I'm also looking at other opportunities with other levels of governments to address the violence that we see with gangs. I spoke today with the chiefs in regard to a federal/provincial partnership, and I've spoken to the federal Solicitor General about this, and he seemed quite excited. At the meeting today with the police officials we discussed options for further co-operation, and that could go as far as international, national, provincial, and municipal needs. At this point it's a little too early for me to comment, but I can assure the member that we are working with our policing agencies, and we are working on an approach on how to address it.

Bow River Fish Ladder

Ms Carlson: Mr. Speaker, two weeks ago I told this House about a fish ladder at Carseland that was obstructing the ability of the trout to spawn in the upper reaches of the Bow Valley. The Minister of Sustainable Resource Development said that he'd deal with the issue immediately. Well, it looks like the minister has failed again, because I've learned that while water is now running through the fish ladder, the trout are blocked by a fine metal screen. They just can't get it right. Will the Minister of Sustainable Resource Development please tell us what went wrong this time?

Mr. Cardinal: Well, Mr. Speaker, that's a very good question, and the hon. member did bring this up in the House recently. I indicated at the time that I would look into it immediately, and I did. I had assurance from Transportation, who was doing the construction at the time, that by that weekend, which was, I believe, the 26th and 27th of April, the issue would be dealt with. Unfortunately, the weather turned bad, and they had to move machines actually in that area, but the concern, of course, was spawning of fish both above and below the fish ladder.

You can be assured that we know that normal spawning is taking place below the ladder and also that normal spawning is taking place above the ladder. It is very unfortunate. We have not too much control on the weather anymore, and when the weather changes, sometimes construction activities have to be adjusted accordingly. That's what happened here, the issue of weather and not getting machines in there on time to be able to finish the project, but you can be assured it'll be done.

Ms Carlson: Well, Mr. Speaker, can this minister tell us what planning his department goes through to ensure that fish ladders are not blocked off by metal screens making it impossible for the fish to get up the ladder?

Mr. Cardinal: Mr. Speaker, of course, like I say, we hadn't planned on the weather going bad. Maybe the hon. member does not understand. The spawning season does not go on year-round. It's a short period of time, and if it happens that you have to make some adjustment in any river, any waterway – if the weather gets bad for a day or two or three or four, it may impact the spawning season. That's the challenge we're faced with. There are only certain times we can deal with issues like that, and what we are doing is the right thing.

Ms Carlson: Well, Mr. Speaker, can the minister at least tell us this: what impact will this bungling by your department have on the fish population this year in that area?

Mr. Cardinal: Mr. Speaker, you can be assured, as far as we know, that the impact will be very little because the normal spawning continues to take place below the ladder like before. That doesn't change. The normal spawning continues to take place above the ladder. That doesn't change. The only impact is that little process where the ladder is. There is no change. There's no impact there.

The Speaker: It surely must be spring.

The Member for Edmonton-Highlands, followed by the Member for St. Albert.

West Edmonton Mall

Mr. Mason: Thank you very much, Mr. Speaker. Last December a few days before Christmas the government announced an out-of-court settlement of the lawsuit against the Ghermezian family and West Edmonton Mall. As part of the settlement the government dropped a civil suit which alleged that former ATB superintendent Elmer Leahy received hundreds of thousands of dollars in bribes from the Ghermezians as an inducement to sign a \$420 million sweetheart financing deal. The ATB uncovered powerful evidence including money orders drawn on foreign banks. My question is to the Minister of Finance. In the interests of openness and transparency will the minister table in this Assembly the settlement agreement with Elmer Leahy and the Ghermezians, and if not, can she tell us what the government is attempting to hide?

Mrs. Nelson: Well, Mr. Speaker, what I am able to say on the West Edmonton Mall situation is that the case has been settled, and all costs to the Crown have been recovered.

Mr. Mason: Mr. Speaker, if the government has nothing to hide, why is the Ministry of Finance stonewalling a New Democrat freedom of information request by refusing to disclose the financial terms of its settlement with the Ghermezians and Elmer Leahy?

Mrs. Nelson: Mr. Speaker, there is a process for freedom of information requests, that I'm sure the hon. member has followed through on. Insofar as the case goes, what I am able to say quite clearly is that the case that was there was settled out of court, and all costs to the Crown were recovered, and that's all there is to say about the case.

Mr. Mason: I don't think so, Mr. Speaker.

Why would the government spend four years and an estimated \$20 million in legal actions alleging wrongdoing and bribes in the West Edmonton Mall fiasco only to quietly settle it out of court when it became clear that evidence about political involvement at the highest levels was about to be revealed?

Mrs. Nelson: Well, once again, Mr. Speaker – and I'll say it a little slower for the hon. member opposite – the case was resolved, and the Crown was refunded all out-of-pocket costs, which include the legal.

The Speaker: The hon. Member for St. Albert, followed by the hon. Member for Edmonton-Riverview.

Graduated Drivers' Licences

Mrs. O'Neill: Thank you very much, Mr. Speaker. Last Friday I

had the opportunity to visit a class at Sir George Simpson school in St. Albert. They were a grade 6 class, like the group from Keenooshayo school who are here at the Legislature this week attending this question period. The students in those grades are ages 11 to 12. They are about two years away from getting their learner's permit to drive. So my question is to the Minister of Transportation. Could you please explain to us what the changes are in the way in which they will apply for and finally get their permanent driver's licence in graduated licensing?

The Speaker: The hon. minister.

Mr. Stelmach: Well, thank you, Mr. Speaker. The GDL, or graduated driver's licence, program has been introduced in the province to ensure that all drivers, regardless of age, get the support and experience necessary to handle the complex task of driving. If young people 14 years of age obtain their learner's permit at 14, they'll have to wait the necessary two years before they can apply for their probationary driver's licence, and then it will be a further two years before they will complete and receive their full driving privileges through an exit exam. The exit exam is really an exam that will test the very skills of the individual handling a vehicle under difficult driving conditions.

Now, as a learner 14 to 16 or as a person older, whatever age they are – it could even be at 24 or 40 years old – if they haven't had a learner's before, they will have to obtain their learner's and hold that learner's for at least one year. During that period of time there is a curfew, no driving between 12 and 5; zero tolerance for alcohol – it doesn't matter what your age is – as well, must be accompanied by a licensed driver 18 years of age or more. Also, that particular individual cannot have more people in the car than there are seat belts provided.

Then, after 16, once they get their probationary driver's licence, still very strict demerit points, half of the allotted amount, which is eight, again zero tolerance for alcohol, and their licence will be suspended for a period of 30 days if they exceed the number of demerits, and that will be added onto their probationary period. So that just extends the amount of time for their driver's licence.

2:20

Mrs. O'Neill: Just a supplemental question to the minister, and that is: if a young person who is 14 applies for their learner's prior to May 20, will they fall under the rules of the new graduated licensing, or will they be grandfathered or grandmothers with respect to the previous rules?

Mr. Stelmach: Mr. Speaker, all learners 14 years of age, if they've received their learner's permit prior to May 20, will still have to fall under the program. There are no exemptions, no grandfathering. They will still have to go through the two years' probationary period and then do their exit exam upon the successful completion of two years of their probationary licence.

Persons with Developmental Disabilities Program

Dr. Taft: Mr. Speaker, last week the Minister of Community Development said that "any reference to cuts or program cancellations" in PDD services was "false." However, financial statements for PDD clearly indicate that a balanced budget was achieved last year through

- ongoing reductions in PDD board and agency administration,
- reducing of agency staff salaries . . .
- implementing across-the-board reductions to all programs,
- instituting other discretionary cuts.

To the Minister of Community Development: given the proof from PDD financial statements that balanced budgets were achieved through cuts and program cancellations, will the minister retract his comments from last week and admit that these cuts are occurring?

Mr. Zwozdesky: Well, Mr. Speaker, there's always some streamlining that occurs. I think the member was referencing something to do with administrative matters and referencing some increases that had occurred. What I'm talking about are the programs right where the individuals need them. Those kinds of programs have not been cut, but again let's remember that the individual programs are designed, hon. member, by and large by the community agencies providing them, and I did say that if some of those agencies have taken some of those kinds of measures, that's entirely up to them. From our point of view, we have not cut any of those kinds of programs to my knowledge.

Dr. Taft: Well, you've cut their budgets.

Given that last week the minister claimed that some people wait "a short period of time" for PDD services, does the minister consider a wait of over a year in Calgary a short period of time?

Mr. Zwozdesky: Well, obviously not, Mr. Speaker. If there is somebody who is on a waiting list or whatever they may be calling it in that area and it's taking up to a year, there must be some additional reasons or circumstances behind that, but what I can tell you is that we have increased the funding this year with the specific objective in mind of ensuring that any kind of catch-up that needs to be done to allow for faster intake and faster processing will be done.

It's important to remember that individuals who wish to come into the PDD program, have met the eligibility requirements, have gone through the assessment process and been determined to be at any kind of significant risk or safety factors that might impact them that would be of a negative nature are taken in as immediately as possible, and there is virtually no waiting list in that regard. But with some of the other cases which might be a little bit more complicated or where additional information might be required, yes, it's true; there might be a bit of a lengthier process in evaluating their applications, so to speak. However, I would certainly hope that no one is waiting an exorbitantly long period of time to get into the system. That's not what it's all about.

The Speaker: The hon. member.

Dr. Taft: Thanks. We'll see how the agencies and clients react.

Can the minister tell us whether community boards this year will be pursuing strategies for service reductions that include eliminating one-to-one arrangements and replacing 24-hour support with on-call support?

Mr. Zwozdesky: Well, Mr. Speaker, I don't believe that the six regional community PDD boards that we have are going to be looking at that type of a strategy especially since they're going to be receiving a share of the 9 percent increase. I want to remind this hon. member that when I started this portfolio looking after PDD four years ago, we were spending \$283 million on PDD. Today and with the passage of our budget estimates, I hope, tomorrow, we will see PDD funding going up over \$440 million, so that is a huge increase of over 50 percent, from \$283 million up to 440-odd million dollars.

I think it speaks volumes for what we as a government and for what this department are trying to do to provide the maximum services possible for those individuals so that they can feel as

inclusive in the community as possible, so that they can maximize their potential. I would hope that the hon. member isn't trying to do any kind of fear mongering to scare that very vulnerable community the way that we have seen some activities do in the past. We are doing everything possible to provide the necessary funds. We will address the specifics of any kind of waits that are there, we will be addressing some of the wage increases that are necessary for community agencies, and we'll be looking at better and more complementary and fuller programming needs for the specific individuals that we're trying so hard to help.

Agribusiness Incubation Facility

Mr. Klapstein: Mr. Speaker, my question is to the Deputy Premier and Minister of Agriculture, Food and Rural Development. There is located in the city of Leduc a food processing and development centre. For many years there's been discussion about building an incubator in conjunction with this facility. Now, many of us are familiar with the role of incubators in the production of chickens, but I'm told that this has nothing to do with chickens. So I want to ask the minister to tell us just what this incubator is and what purpose it might serve.

Mrs. McClellan: Mr. Speaker, I am pleased to expound a bit on the incubator that is going to be built beside the Leduc Food Processing Centre. There are some incubation activities occurring at the centre now. However, what we are finding is that many businesses require a bit longer. What a business incubator does is really provide some hands-on management, some technical advice, some help with accessing different methods of financing, marketing, help with acquiring consultants, and many services like that for the company. It is well documented that 80 percent of companies who use the incubator process are successful past five years whereas about 80 percent who don't experience difficulties. So I believe it's a great endeavour that will complement the Leduc processing centre, which incidentally produces with Alberta entrepreneurs about 100 new food products per year.

Mr. Klapstein: My first supplementary is: how would an entrepreneur access this incubator?

Mrs. McClellan: Mr. Speaker, typically an entrepreneur would have a good idea, a bright idea. They would approach the Leduc Food Processing Centre for support. That support would be given at the centre, and the scale-up work would be done at the centre, and the entrepreneur would establish their company. However, once the company has begun that process, they may need more market development, and that would move them on into the incubator facility. When they're there, they would achieve a market presence that would be satisfactory for their business, and then they'd move on and move out.

Mr. Klapstein: How are the costs of this incubator paid, or who funds it?

Mrs. McClellan: Mr. Speaker, the cost of the incubator building and the start-up will be shared by my department, Alberta Agriculture, Food and Rural Development, and I'm pleased to say that the Alberta Value-added Corporation has seen fit to invest in this. So the cost will be pretty much shared there.

The Speaker: The hon. Member for Airdrie-Rocky View.

School Construction

Ms Haley: Thank you very much, Mr. Speaker. My questions today are for the Minister of Infrastructure. On Friday we had a wonderful opening of a brand-new school in Chestermere, and I was very lucky to have the minister accompany me for that opening. However, the truth is that that school had to open with 12 portables attached to it. I have as much as 18 to 20 percent growth in Chestermere and Langdon and about 6 percent in Airdrie, yet in this capital plan that was just announced, there are no new schools for Airdrie or Chestermere or Langdon or anywhere in my riding, as a matter of fact. The school board out there is very concerned about what it is that we have to do to get the minister's attention on the capital project side. I'd like him to explain to the Assembly and to my constituents why 35 percent of the kids in my riding are going to school in portables yet we don't have any new schools in the next budget.

2:30

The Speaker: The hon. minister.

Mr. Lund: Thank you, Mr. Speaker. It is true that we did have the opportunity to be with the hon. member last Friday evening and open another new school and it is true that there are a number of portables connected to that school and it is true that there's tremendous growth in the area. Mind you, this isn't the only area in the province that has very large growth. I will admit that certainly the composition of the people moving in lends itself to families and therefore a lot more children coming into the system. What we often do in locations is build what we call a core school so that we can add portables, and then as the population matures and the number of children drops off, we can move the portables away.

It's true that the Rocky View school division does have about 35 percent of their students in portables. I must point out that the Calgary Catholic school board, though, does have about 39 percent of their students in portables. So while it looks like a situation that may be somewhat unique, there are other areas that do have a lot of portables.

We are taking a very serious look at these areas that are growing very rapidly and who do not have the luxury of shutting down some schools and/or amalgamating schools to see just how that fits into our measurement of where a new school should go. Currently one of the things that weighs very heavily when you look at a school and the audit score is what condition that school is in and then of course what the utilization of that school is. So we are looking at some of those criteria, and we hope that we are able to address some of these issues, particularly in the very rapidly growing areas.

Ms Haley: Mr. Speaker, I'm glad to hear that the minister is going to review that portion of it. However, the truth is that in Airdrie between last September and this September we have over 600 more children that need to go to school, and I'm wondering where he's going to put them.

Mr. Lund: I'll readily admit, Mr. Speaker, that this is a serious problem, and we will have to be looking at how we can accommodate those students, because certainly it will be necessary that we do find a way of accommodating them. We will be studying the issue. I don't know how much opportunity there is to put in more portables, but we will be looking at the overall situation.

The Speaker: The hon. member?

head: **Recognitions**

The Speaker: The hon. Member for Calgary-Bow.

Frank Janett

Ms DeLong: Thank you very much, Mr. Speaker. I would like to recognize Frank Janett for his many colourful contributions to Canadian motorsport. Frank began bike racing in Calgary in 1934. He continued in this sport until 1940 when he became involved with the Model Ts, competing against such notables as Wetaskiwin's Stan Reynolds. In 1941 the Canadian government heard about Frank's success at racing and decided that he'd make a fine naval officer. Although Frank did rise to the rank of petty officer, he said that his only activity as a fighting man was when he fought to get in and when he fought to get out.

By 1946 he'd returned to racing his Model T. He vividly recalls the time at Lethbridge when he was banned from racing for life in that city because during one race he suddenly veered his car into the town's brand spanking new aluminum infield fence just as he came out of a turn. He admits that there was plenty of damage to his car and some to his bruised ego. By 1948 Frank had graduated to sprint cars, and this was when the trouble really started. He tells about when he, Jim Ward, and George Lemay were escorted out of the town of Olds for rerunning a race on main street after midnight.

Paul Jefferies

Mr. Lord: Mr. Speaker, it's always a pleasure for me to rise to brag a little about some of the outstanding people we have in Calgary-Currie. One such person is Paul Jefferies, proprietor of the Smilin' Buddha Tattoo shop located in the Marda Loop. Paul started in Vancouver, graduating as an honours student at Vancouver Technical high school, but he was denied entrance to the Vancouver School of Art, so he went into automotive refinishing instead but eventually got into tattooing.

He opened his store in Calgary in 1978. Since then, Paul has twice won the world championship, as voted by his peers in 60 countries. Customers wait for weeks, even months to get a tattoo with Paul, paying hundreds of dollars per hour, and the lineups – indeed, the people sleeping on the sidewalks to get in on the first-come, first-served Saturday mornings – are well known to Calgary-Curriens. Paul is famous worldwide, receives government invitations, and has tattooed on every continent except Antarctica. His art is sold in major galleries worldwide. His T-shirt sales are thriving worldwide.

Congratulations to a big small-business success story, Mr. Paul Jefferies of Smilin' Buddha Tattoo.

Bell Walk for Kids

Mrs. O'Neill: Mr. Speaker, yesterday, on May 4, many of us enjoyed participating in the second annual Bell Walk for Kids in support of the Kids Help Phone, which operates across the country. To my knowledge Edmonton, Calgary, Red Deer, Fort McMurray, and Lethbridge were among the more than 30 communities across Canada. Kids Help Phone is Canada's only 24-hour, toll-free, bilingual, and anonymous phone counseling, referral, and Internet service for youth and children, who can call for help any time.

Yesterday's walkers numbered in the thousands across Alberta, and I would like especially to note that Claudia, age 8, and Jack, age 7, Claudia and Jack Norris, were among those who completed the five-kilometre walk. These walkers and their sponsors joined the major sponsors of Bell Canada, CTV, the *Globe and Mail*, Sympatico.ca, and members of the Canadian business community to

support the provision of a sympathetic ear and professional advice to the nearly 1,000 Canadian children who call for help each day.

National Forest Week

Ms Carlson: Mr. Speaker, this week is National Forest Week, an opportunity for all Canadians to learn about and consider the tremendous value of our forests. Today I would like to acknowledge National Forest Week by reminding the members of this House of the value of forests to Albertans.

For many people, especially in Alberta, forests are a means of making a living. Whether it is by harvesting the trees or trapping, hunting or tourism and ecotourism opportunities, forests contribute enormously to Alberta's economy. They are also an integral part of sustaining our ecosystem. From majestic old growth to newly planted seedlings, all have a role in ensuring the long-term viability of Alberta's ecosystem.

We also all have a responsibility to ensure that we preserve this viability for the long-term future. Our forests are a finite resource if they are not properly managed. They require our care and a commitment to ensure not just their economic but also their ecological sustainability for now and into the future.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Danielle Schnurer

Mr. Marz: Thank you, Mr. Speaker. I'd like to recognize Danielle Schnurer, who just this morning was awarded the highest honour bestowed by Alberta's 4-H program. Danielle was chosen as the Premier's award recipient from 133 of the province's top 4-H members during the annual 4-H selections program at Olds College, May 2 to 5. It was my distinct pleasure to present Danielle with the award and trophy on behalf of our Premier.

Danielle is a 17-year-old high school student from Elk Point, and she has excelled in Alberta's 4-H program. Danielle demonstrates the leadership, communication, and personal development skills that the 4-H program holds in high regard. For the last eight years Danielle has been an active member of the Elk Point Saddle Slickers and the Elk Point Multiclubs and has held positions at the executive level. She's also an avid participant in various regional and 4-H provincial activities. Danielle is an example of strength and leadership that will continue to take Alberta's agriculture industry forward for generations to come.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Calgary-West.

2:40

Gwen Klint

Ms Kryczka: Thank you, Mr. Speaker. I would like to share with this Assembly today a heartfelt letter from Gwen Klint, who is a very special constituent that I am proud to know.

Tears of happiness are flowing down my face right now as I write this letter. I have just read the exciting news that the Alberta Government will pay for the cost of two drugs, Enbrel and Remicade, for those affected with rheumatoid arthritis. I am one of those people, and I have been paying for this drug without insurance.

I am 41 years old and I have had RA for ten years, two months after my baby was born. Prior to taking Enbrel, I was slowly becoming crippled. I was struggling to maintain my hopes and dreams, the role of a wife, mother, daughter, and community volunteer. After taking Enbrel, my life came back and my handicap is now irrelevant.

Paying for the drug without insurance has been a burden. I can't tell you enough how much I appreciate your valuable input that [may have] assisted the Minister of Health's decision; not only for me but for all of those unfortunate people who have been affected by this terrible disease, a disease not by choice. You have given us the Alberta Advantage and the key to life. Thank you, Mr. Bougher, Honourable Minister, and [to] the taxpayers of Alberta. Thank you, Gwen, for taking the time to write this beautiful letter.

Foothills Medical Centre

Dr. Taft: I rise today, Mr. Speaker, to recognize the hard work and dedication of the nurses and other support staff at the Foothills hospital in Calgary. Over the past few months the opposition has helped bring to light a number of health issues such as asbestos and toxic mold at the Foothills hospital. Despite the health risks involved in working in this environment, many nurses and other staff have continued to come to work and care for their patients. They come to work despite the fact that many of these workers have reported negative health effects. On unit 27 of the Foothills, where toxic mold was found, 62 out of a hundred nurses have reported health problems consistent with exposure to toxic molds.

Not only are many workers at the Foothills working through difficult conditions; they have also taken it upon themselves to fight for a cleaner and safer work environment. They do this not only for themselves but for the sake of their patients. This shows a willingness to go above and beyond the call of duty. Some of these workers have put their jobs on the line fighting for what they believe is in the best interests of the patients.

I believe this dedication should be commended. It is an example to all Albertans of the importance of fighting for worker and public health.

Thank you.

Calendar of Special Events

The Speaker: Hon. members, we've now moved into May. Hon. members might like to be aware that May is Cystic Fibrosis Month, Multiple Sclerosis Awareness Month, Medic-Alert Month, Huntington Disease Awareness Month, Hearing Awareness Month, Speech and Hearing Awareness Month, Motorcycle and Bicycle Safety Awareness Month, Asian Pacific Heritage Month, Red Shield Appeal Month, Child Find's Green Ribbon of Hope Campaign, Light the Way Home Campaign, the second half of National Physiotherapy Month.

May 1 to May 7 is National Summer Safety Week. May 2 to May 11 is Information Technology Week. May 4 to May 10 is National Forest Week; May 4 to May 10 is also North American Occupational Safety and Health Week. May 5 to May 11 is Mental Health Week; May 5 to May 11 is also Emergency Preparedness Week, as it is also National Astronomy Week, as it is also National Hospice Palliative Care Week, as it is also Respect for Law Week. May 6 is World Asthma Day. May 8 is World Red Cross Day. May 8 to 10 is Multiple Sclerosis Carnation Campaign. May 10 is Raise the Flag Day.

May 11 is Mother's Day. May 11 to 17 is National Immunization Week, as it is also National Police Week. May 12 is Canada Health Day; May 12 is also International Nurses Day. May 12 to May 18 is National Nursing Week, and it is also National Mining Week. May 15 is the International Day of Families. May 17 is World Telecommunication Day. May 17 to May 23 is Safe Boating Week.

May 18 is International Museums Day. May 18 to May 24 is National Road Safety Week, as it is also Intergenerational Week. May 19 is Victoria Day. May 20 to 23 is Aboriginal Awareness

Week. May 22 is the International Day for Biological Diversity. May 24 to May 30 is National Access Awareness Week.

May 25 is National Missing Children's Day; May 25 is also Schizophrenia Walk for Hope Day. May 25 to June 1 is Week of Solidarity with the Peoples of Non-selfgoverning Territories. May 28 to June 1 is National Transportation Week. May 31 is World No-tobacco Day, and May 31 to June 8 is National Water Safety Week.

head: **Tabling Returns and Reports**

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I rise to table an Alberta Health and Wellness document dated January 10, 2003, showing a steady increase in the number of Albertans waiting for MRI scans, this number jumping very radically during the year 2002.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. May 1, of course, is also International Workers' Day.

I'm tabling copies of a New Democrat FOIP request dated January 3, 2003, addressed to Alberta Finance and Alberta Treasury Branches.

The Speaker: Hon. member, no need to correct the chair. The chair is aware that May 1 was that, but today is May 5. That was four days ago.

Mr. Mason: I was just adding. Sorry. I apologize.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. I have two tablings today, and both of them are related. The first is 192 signatures on the Alberta Liberal petition to reinstate natural gas rebates from citizens from Okotoks, Turner Valley, Calgary, and Lethbridge.

The additional tabling is also in regard to this matter, and this is 322 signatures from Redwater and Elk Point.

Thank you.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I have four letters to table today. The first is a copy of a letter to the Member for Edmonton-Meadowlark from Allison Jackson and Shannan Vig, Aldergrove parent advocates, urging the members to voice their concerns about education funding in the Legislature.

The second is from Darlene Boyer, who is concerned about the future of education given the proposed education budget.

The third is from Tammy Rachynski, who is concerned and wants to know why we can't have a needs-based budget allocation instead of splitting a defined fiscal amount.

The fourth is from Shandell Switzer, who is concerned about the budget announcements and the impact that it's going to have on education, and this is a letter to the Member for Edmonton-Whitemud.

Thank you.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I have the appropriate

number of copies of a letter to the Premier from Linda Wilson, who is very concerned about the province's school funding and is asking for the Minister of Learning's resignation because she feels he is "inadequately prepared to deal with such a critical and important portfolio."

head: **Tablings to the Clerk**

The Clerk: I wish to advise the House that the following document has been deposited with the office of the Clerk by the Hon. Mr. Mar, Minister of Health and Wellness: response to questions raised during Oral Question Period on April 22, 2003, by Dr. Pannu, hon. Member for Edmonton-Strathcona.

head: **Orders of the Day**

head: **Public Bills and Orders Other than**

Government Bills and Orders

head: Second Reading

Bill 206

Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003

[Debate adjourned April 28: Mr. Pham speaking]

The Speaker: The hon. Member for Calgary-Montrose.

Mr. Pham: Thank you, Mr. Speaker. Last week I was making the point as to why I oppose this bill before my time ran out. Bill 206 if passed may not respect due process and individual rights, things that are very important to all of us. When we talk about due process and protecting rights, we have to talk about it seriously, and this means giving rights to people we may not necessarily want to give rights to. It means raising reasons and rationality above our emotions. Bill 206 fails this test.

Bill 206 has no process through which a full airing of evidence will take place. It punishes without trial. It raises expediency above justice. Mr. Speaker, justice is not about expediency, and it is not a lower priority than expediency. Justice is the highest priority. It is the guiding principle which requires our legal system to do the right things for the right reasons. This means time for a fair hearing. It means impartiality, and it means due process. Bill 206 forsakes all of these, and accordingly this House should not support it.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Red Deer-North.

2:50

Mrs. Jablonski: Mr. Speaker, thank you for allowing me to enter debate on Bill 206. I support this bill, and it's my sincere hope that it passes second reading today. I would like to thank the MLA for Calgary-Buffalo for having the courage and the compassion to introduce this bill. This bill is a commonsense approach to getting rid of at least some prostitution-related activity in our communities, and I want to stress that prostitution isn't a problem that is located only within the districts of Edmonton and Calgary. It's a problem that directly or indirectly touches every community in Alberta.

While it's true that most of the prostitution in the province takes place in larger cities, we shouldn't believe that smaller cities like Red Deer are untouched by prostitution, and we should also realize that many of the prostitutes that walk the streets of our province have been ripped away from their families in smaller communities, either by the lure and addiction of drugs and alcohol or by kidnapping or by the empty promises made by gang leaders and pimps or by running away and getting caught on the streets with no money or,

finally, by a misguided sense of the things one must do to support themselves or their family.

A story in the March 15 edition of the Red Deer *Advocate* entitled *Girls at Risk* outlines the concerns that many have about prostitution, especially the well-being of young teenagers who are lured and forced into this world. As the article notes, it isn't uncommon for young girls from Red Deer who are lured into prostitution to end up on the streets of Calgary, Edmonton, and Vancouver. Many young girls also end up working as prostitutes right in Red Deer with escort services that, in reality, are only cover-ups for prostitution-related activities. As it stands, Bill 206 would have little effect on this sort of prostitution. However, Bill 206 would have the positive effect of reducing street prostitution and, thus, would have the effect of reducing the amount of young girls who are lured away from Red Deer or other smaller cities and towns in Alberta.

Mr. Speaker, many families across Alberta have experienced the pain and suffering of watching a loved one ruin his or her life by succumbing to the world of drugs, crime, and prostitution. We also know that none of this would continue were it not for johns who by hiring and exploiting prostitutes are complicit in their degradation. We know that we're never going to get rid of prostitution, and we know that whatever steps we take, pimps and johns are going to be enterprising enough to work around them to a certain extent. That being the case, however, we need to think about what sorts of steps we can take to both reduce street prostitution and make communities where prostitutes and johns traditionally interact safer for Albertans and their families. It is in this light that I think we ought to consider Bill 206.

It is hardly a sweeping piece of legislation, but it is something that our police services can use as a deterrent against engaging in those sorts of activities. As I understand it, it isn't as though we will have police officers patrolling the streets, trying to catch johns in the act on a nightly basis. Instead, as is done in other jurisdictions, this sort of legislation would be used more to facilitate sting operations. An undercover police officer would be wearing a wiretap and patrolling the streets in the guise of a prostitute. When a john propositions the officer, that's when the police would apprehend the john and remove him from his vehicle. We know that these sorts of sting operations wouldn't happen on a nightly basis. Instead, at times and places that the police choose, they would put officers out there to nab johns in the act. Johns would know that cops wouldn't be out every night, but they wouldn't know when the cops would be out. They could take their chances, but we know that many will decide to just stay away, perhaps even to stay home with their families.

The point is, Mr. Speaker, that these johns will think twice. The increased risk of going to jail, losing their vehicle, or having to endure the shame and humiliation of being a known john will be enough to keep some at home, and for those who continue, the best thing we can do is to get them into john school, where they can see firsthand the harmful effects of the whole prostitution industry. After all, I would imagine that johns would pick up prostitutes because of a need to satisfy sexual addiction and not consciously for vicious purposes and haven't done much thinking about the hidden side of prostitution. They're there for sex and for their own gratification. They will rarely think about the trauma and loss of self-esteem of that single sex act for the prostitute, let alone the fact that the prostitute is likely there because she is indebted to a drug dealer or is enslaved to a pimp.

A john wouldn't think about the fact that prostitutes who work for gangs not only help prop up moneymaking prostitution rings but drug and crime rings as well. A john likely does not think about the abortions that this prostitute has had to get from all the times she has

become pregnant on the streets or the numerous assaults inflicted on her from johns who not only have a penchant for sex but for abuse as well or the prostitutes that get driven out to secluded lands near Ardrossan or the outskirts of Sherwood Park or Gibbons and are sexually abused, beaten, and left for dead in the middle of winter at the mercy of the weather, wild animals, and whomever finds them or the fact that many of these women walk out the door at 6 o'clock every evening with their kids at home either wondering where their mom is going or, worse, knowing full well where their mom is going. The john, I'll bet, rarely has thoughts about the fact that a street prostitute will spend many of her days either crying alone or making sure she is in a drug-induced stupor so that she can forget about the nightly abuse her body and mind are put through.

Mr. Speaker, the john is there for sex, but he's complicit in everything else that goes along with it, and it is all of this information that they learn in john school. If they aren't aware of or haven't taken the time to reflect upon the harm they cause and the seediness of the world they are involved in, they sure will be when they leave. At that point, it will be up to them to resist the urge to get back in the car and pick up another prostitute, but at least we've done our best to show them the morally objectionable content of picking up a prostitute.

Mr. Speaker, Theodore Roosevelt once said, "In any moment of decision the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing." Bill 206 doesn't solve the problem, but it puts one more tool in the box of our police services and has the potential to reduce prostitution to a greater degree. To do nothing is the worst thing we could do. This is a decisive moment. Bill 206 is the right thing to do. I therefore support this bill and urge all members to do so as well.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to rise to speak to Bill 206, which is a private member's bill dealing with the seizure of vehicles in prostitution-related events. There are a number of individuals who work in the community in my constituency and the constituency of the hon. Member for Edmonton-Norwood and the constituency of the hon. Member for Edmonton-Centre who have been struggling with the impact of this problem for many years, and they, in general, are quite supportive of this bill. Mr. Michael Walters from the Community Action Project has indicated that this would be "a . . . useful tool to deal with these people who choose to disrespect our communities and endanger us as residents." That's a quote of another individual that he's passed on to us.

There are concerns relative to this bill. The foremost among those is the potential for someone to suffer a sanction without having an opportunity to have their day in court, and that is to say that the vehicle can be seized without a finding by a court of law. This is a troubling aspect of the bill. However, the research that we have done indicates that this has not been a significant problem where this legislation has existed in other jurisdictions, and there are opportunities for the release of the vehicle, including if the seizure of the vehicle will cause financial hardship.

We believe that the Legislature must strike a fine balance between supporting communities who are affected by prostitution and crime and at the same time continuing to advocate for proper controls on the activities of police and to propose real solutions to the root causes of prostitution and other activities in low-income neighbourhoods.

3:00

The income issue, the poverty issue, is a significant factor that we need to go much further towards addressing. We need to use a variety of tools. I recollect that the Cromdale beat office – it's not in Edmonton-Highlands; I believe it's in Edmonton-Norwood, but it certainly was in ward 3 when I represented ward 3 at the municipal level – had what I thought was a very simple, elegant, moving, and effective approach. They asked people in the community to donate things like disposable diapers at Christmastime, things that young mothers would need in their homes so that they did not have to go out on the street. The police collected the necessities of life for women who were working the street in order to provide for their children, and they provided them to these women at Christmastime. I thought that that was a really striking, simple, but profoundly effective bit of community policing at work. There are many approaches that need to be taken. Certainly, I think it's fair to say that communities are fed up to their teeth with the activities of johns in their communities, and they want some action.

So, Mr. Speaker, I'm not going to speak particularly long on this bill other than to indicate that it may in fact be an effective tool for communities and for police in order to deal with this problem, and we must provide these communities with real solutions. I am prepared to support this bill with a reservation that there is a concern about people being convicted or suffering a sanction without being convicted by a court. I think we need to monitor the results of this bill carefully should it be passed by this Assembly and make sure that it is used with discretion by police and that people's rights are not violated and see if, in fact, it can be an effective tool to help these communities with the serious problems they have. I believe that it has the potential to be an effective tool. I know that communities that face this problem every day believe that it can be an effective tool. On that basis, I am pleased to support Bill 206 at this time.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Norwood.

Mr. Masyk: Thank you, Mr. Speaker. First of all, I'd like to extend my appreciation to the two previous speakers this afternoon. I would like to thank the hon. Member for Calgary-Buffalo for bringing forward this important piece of legislation.

The issue of street prostitution hits very close to home for me and my constituents in Edmonton. Edmonton-Norwood, of course, we all know is inner city. I welcome any legislation that will deter or reduce prostitution, which continues to be a problem in my constituency of Edmonton-Norwood.

Even though I fully support Bill 206, I do believe Edmonton-Norwood has made tremendous strides in overcoming its problems associated with street prostitution, maybe as well as Edmonton-Highlands. For the community to progress even further, I believe that the citizens must make a conscious decision on what kind of community they want and to become even more active voicing their concerns.

Mr. Speaker, the members that spoke before me have described what Bill 206 will do and how it will help preserve and restore our communities. I would like to switch gears a little and talk today about what is currently going on to reduce street prostitution in my constituency and my community and how concerned individuals are making a difference in the lives of many women. Specifically, I want to discuss three organizations who support Bill 206 and the valuable work that they do. Before I talk on what community groups are doing to reduce prostitution, I would like to discuss what street prostitution does to a community and how individuals have taken responsibility for their society.

With prostitution often comes drug addiction. The two drugs most often related to prostitution are heroin and crack cocaine, which is both highly addictive and potentially deadly. The sex trade provides quick income for drug abusers. Most prostitutes are trapped in a cycle of violence, abuse that is detrimental not only to the individuals involved but to the entire community. Needles, crack pipes, used condoms are littered across neighbourhoods, and also they've been known to be found in schoolyards and playgrounds. Parents are constantly worrying about their children's well-being and that they might pick up some of these dangerous objects.

With all of the problems related to street prostitution and drug abuse, citizens of my constituency over the last couple of years have begun to organize and take back control of their neighbourhoods. Mr. Speaker, they do have to look a little further. One of the biggest things that citizens can do is not support pawnshops and not support triple X video outlets, and that comes from the heart of the community. It is this sense of community and responsibility at the grass-roots level which will make the most positive effects in Edmonton-Norwood and similar constituencies and communities. Mr. Speaker, as a Legislature we must give much support to individuals and groups attempting to make a difference. Bill 206 does exactly that. It helps a strong network of groups battle to restore and preserve their communities.

Mr. Speaker, there are a number of organizations that help prevent prostitution and help make a real difference in the lives of many dysfunctional and disenfranchised women. However, due to the time restrictions I'm only going to mention and describe some organizations that I personally know of who support Bill 206. The first organization I'd like to recognize is Prostitution Awareness and Action Foundation of Edmonton, or the PAAFE. The PAAFE works with existing agencies to provide support for those in need of outreach services, transitional housing, and a connection to community resources. Also, community awareness is promoted through a number of initiatives, education, fund disbursement.

Mr. Speaker, the PAAFE, along with the Edmonton Police Service and Crown prosecutors, runs a prostitution awareness offenders' program or john school. It is an alternative measures program for first-time offenders charged with soliciting for the purposes of prostitution. The offender pays a \$400 fee for a one-day course. Up until the day of the john school most johns think prostitution is a victimless crime. The perception usually changes once they're lectured for eight hours by former prostitutes and parents whose children have become ensnared in prostitution, along with inner-city residents who cope with the ugly reality of sex sold in their neighbourhoods. Out of the 1,524 men who have completed the course since 1996, only 20 have been charged again. These numbers are amazing, and I would like to commend the PAAFE for their great work. Alternative measures are a large component of Bill 206, and in Edmonton john school is the most popular form of alternative measure for the first-time offenders. Therefore, the PAAFE and their programs are a major part of the rehabilitation process of Bill 206.

The money from john school goes to fund a number of programs provided by the PAAFE. Some of these programs include counseling, recovery, educational supports, and the Individual Development Account project. All of these programs are aimed at women attempting to get out of the violent world of prostitution. Another important program provided by the PAAFE is COARSE, or Creating Options Aimed at Reducing Sexual Exploitation. This program is offered to women convicted of solicitation and who are ready to end their involvement in street prostitution. The PAAFE and a network of community and government partners work together with women to identify and overcome their barriers.

3:10

Mr. Speaker, the second organization I would like to recognize is the Edmonton City Centre Church Corporation and their program called Crossroads. The first aspect of the Crossroads program is street and community outreach. Working directly on streets and within the community, Crossroads staff become familiar with people engaged in street prostitution. Staff provide information on sex offenders, street safety and health, counseling, referrals, beverages, snacks, and warm clothing.

The second stage of this program is support and follow-up. Outreach workers maintain relationships with people they meet and provide ongoing support. This means such things as support at court hearings or hospitals, helping to find housing, providing access to community services, parental outreach, and encouragement.

The third aspect is transitional housing, which provides support, assistance, and shelter for youth, women, single mothers, and transgendered individuals involved in prostitution. The housing service provides residents with the stability and supports necessary to address the issues that lead to prostitution.

Mr. Speaker, the fourth and final aspect of the Crossroads program is prevention, information, and education. Through presentations and workshops Crossroads educates youth and professionals about myths and dangers surrounding prostitution.

Each year Crossroads provides supports, safety, and hope to over 500 youths and adults trapped in abuse, health risk, and sexual exploitation involved with prostitution. I would also like to add that over 10 percent of the people in the program are children. Crossroads fully supports Bill 206 because it is legislation that addresses the demand side of sexual exploitation. Bill 206 gives law enforcement another tool for battling street prostitution, something that Crossroads has been doing for years.

Another organization that is an excellent example of citizens taking responsibility for their neighbourhoods is Alberta Avenue. Through the neighbourhood patrol program my constituency has seen a number of positive effects, a reduction of crime being one of them. The Alberta Avenue patrol started in 1997 in response to community concerns about increased crime in the area. East of 97th Street 118th Avenue is characterized by pawnshops, bars, tattoo parlours, prostitution, and drug-related activities. These activities naturally spill over into the surrounding residential neighbourhoods. Neighbourhood patrol is a community-based initiative where citizens patrol their own neighbourhoods observing and reporting suspicious activity. The mission of the group is crime prevention leading to a safer community.

It is organizations like PAAFE, Edmonton City Centre Church Corporation, Alberta Avenue, the grassroots level that are making a real difference in the complicated battle against street prostitution. Bill 206 is a piece of legislation that will help these and similar organizations in their pursuit of stronger and safer communities by discouraging johns from cruising their streets. It should be noted that all three of these organizations are fully supporting Bill 206. Bill 206 is seen as a fundamental tool in restoring and preserving communities ruined by street prostitution, and for that reason I urge all of my colleagues to support Bill 206.

Mr. Speaker, I want to point out what I've noticed from some beat police that I never knew. Some of the transport trucks that come in, dolly off their trailer at a truck stop, and come up and down with their tractor trailer, and they pick up prostitutes.

Thank you.

The Speaker: The hon. Member for Calgary-Cross.

Mrs. Fritz: Thank you, Mr. Speaker. I am pleased to rise and speak

to the bill which is before us today and join in the debate on Bill 206. I'd like to take this opportunity as well to express my gratitude to the Member for Calgary-Buffalo for all the hard work that he has done in order to put forward what I consider to be a very important piece of legislation.

Mr. Speaker, for as long as there have been people in this world of ours, there have always been those who prey on others. There are those who make others in our society weak and vulnerable targets for their own pleasure, and in many circumstances they are willing to put others in very dangerous, life-threatening situations. This happens when johns commit acts of violence against women and others that are involved in prostitution. These horrific acts, I believe, can be emotionally and physically damaging. So that's why, quite frankly, I regard Bill 206 to be very useful in that it will over time make basic needed changes to the structures and attitudes within our community so that we can assist in overcoming the societal dysfunctions that cause men to commit violent acts against others through prostitution.

This issue in itself is very saddening, Mr. Speaker. We just heard the previous speaker speak about a situation that he saw in his community in regard to this issue. I know that we don't often like to mention too much about the media in the Legislature, but I found it very sad to listen to the radio on my drive up here this morning bright and early about the children that went to play in a playground in a community in Calgary who experienced some items very threatening to their health, like condoms and used needles and whatnot, and of course parents have become very angry about that. That's very current; that's today. As I said, we heard another community issue here earlier, and I find that to be very sad.

Those working in the prostitution industry I think experience daily horror in their lives too. I think that through this bill the Member for Calgary-Buffalo has put forward his view as a former police officer about what we must do to end this type of violence but also to help make our communities safer, especially safer for our children. He examined, I believe, a situation that he saw firsthand on the streets, and he's endeavouring to change it in the most practical, cost-efficient manner possible. I also think that we must address the many gaps that exist within the current legal system that allow this type of violence to occur. The result of the act, of this legislation will substantially improve the issues that are involved in prostitution.

Mr. Speaker, when I was asked to speak to this bill by the hon. member, I was trying to think of an analogy that I thought may reflect in some way why I view the principles of this bill to be important. I thought of the proceeds of crime legislation, where money that is obtained through crime by drug dealers and is used by those same dealers to purchase cars, yachts, elaborate homes, or whatever – and I don't really want to oversimplify what the legislation is about, but my understanding is that those proceeds of crime may be seized through a long process. Eventually, at the end of the day, they become the property of the government, and then that property can be sold, and the money can be put back into the community for good use. I believe that this would be very much like this bill, where I understand from the member that on the second and repeat offences vehicles of johns would be seized and be auctioned, and the proceeds would be returned to the community, and they would be returned, I think the hon. member had said, for victims services initiatives in the community.

Mr. Speaker, quite frankly, I think that many police sources would tell you that an automobile that is used by johns to commit the offence of prostitution not only takes the johns to the prostitutes but is also the place where the sexual liaison occurs. So taking the ability for the john to go to the offence and commit the offence by virtually taking away his vehicle I believe makes good sense.

Also, Mr. Speaker, when I was thinking about this bill, I thought about 15 or 20 years ago. From what I recall, in Calgary in many cases massage parlours were considered to be houses of prostitution, and laws were put in place at that time to reduce prostitution through the removal of a legal massage parlor that was illegal, and to some extent I think that that forced the whole industry out on to the street, which is what we're experiencing today. From what I recall, I think there was a sidetrack to that as well, though I think that the escort industry had flourished as well. Now what we see is that the sex trade has evolved to the point where other measures through legislation are necessary if we're going to reduce the problem even further. I know that where we create one action, we create other reactions to that, and that may be what we're dealing with even these 15 or 20 years later.

In some smaller communities, as well, Mr. Speaker, I know that people know each other very, very well. They know which church a person happens to go to, they know whether or not that person drinks or doesn't drink, they even know which ball team that person may cheer for, and the list goes on because people know each other so well. I believe that this all has an effect on that person's behaviour because if you do something wrong in a small community and you do something that's very, very wrong in a small community, you're often shunned.

3:20

Nowadays as our cities become larger and larger, people tend to become isolated from one another, and I'm quite distressed about what I see, you know, even the anonymous way that people can procure others into acts that can be criminal acts or violent acts against others, even through the Internet. With our cities becoming larger and larger and more complex, people often don't even know their next-door neighbour. So I think we need to be more creative in our legislation to curb or limit activities and behaviours that are seriously detrimental to others, and that is what this legislation does. It creates some accountability for people. I believe that taking cars from johns, Mr. Speaker, will bring back an element of shunning to the community in larger, complex cities.

I know that there's been a lot of debate on this bill. You know, I've listened in the House as people said to proceed slowly with the way that this legislation would be enacted, and I think the hon. Member for Calgary-Buffalo has been very prudent and forthright in saying that that's exactly what his intent will be.

Having said that, Mr. Speaker, I would ask that people support this bill and would urge my colleagues to vote in favour of Bill 206. Thank you.

The Speaker: The hon. Member for Edmonton-Calder.

Mr. Rathgeber: Thank you, Mr. Speaker. I have a few concerns about Bill 206, and before I outline those for the members of this Assembly, I wish to start out by saying that I think the Member for Calgary-Buffalo certainly deserves some applause for the work that he's done in this area. I think Bill 206 is certainly well intentioned. However, I would caution members of this Assembly to look very seriously at the wording of Bill 206 before they decide how they're going to vote with respect to Bill 206.

Certainly, prostitution, street crime, drug trafficking are endemic in the inner cities in Alberta's two larger cities and to a lesser extent in the other major urban areas. However, notwithstanding the gravity of this problem, we must look very carefully at how we eradicate these problems. As a lawyer, Mr. Speaker, I am very concerned any time we tinker with the presumption of innocence. Presumption of innocence is a hallmark of our criminal justice

system, and one ought not tinker with this without very seriously contemplating what the manifestations and what the potential outcomes will be when one tinkers with the presumption of innocence.

This bill, as I understand it – and I've talked to the hon. member, and I've talked to the police representatives who are lobbying in favour of this bill – certainly does modify the presumption of innocence. Potentially one's mode of transportation will be seized before one is given the opportunity to go to court and explain to a trier of fact what one was doing when the alleged offence occurred. I think this is serious. This is serious when guilt is determined before a trial, when guilt is determined before one has been able to seek proper legal representation. These are serious matters, Mr. Speaker, and I think we need to look at these very seriously.

My other big concern with respect to Bill 206 is – and I think the Member for Airdrie-Rocky View talked about this last week – the potential inequality of penalties. Potentially two individuals who are alleged to have committed the same offence could face drastically different economic penalty with respect to what they would forfeit. Theoretically an individual who's cruising the streets looking for prostitutes in an old beat-up jalopy may forfeit a vehicle of minimal or nominal value. Conversely, a person with higher means could forfeit a very expensive luxury sedan automobile.

One of the principles of law is that the outcome and the penalty ought to be similar for a similar offence. We see with Bill 206 potentially huge disparity, Mr. Speaker, where a person alleged to have committed an offence could forfeit a very valuable automobile as opposed to another individual charged with the identical offence at the identical time could forfeit a vehicle of nominal or insignificant value.

I support what the Member for Calgary-Buffalo is trying to do. I have a problem because I still haven't decided how I'm going to vote on this particular bill. I think this bill is well intentioned, and I believe it addresses a very serious problem, a problem that needs to be addressed, but I'm not entirely convinced that this is the appropriate way to do it. As a person who believes in the presumption of innocence and a person who believes that individuals charged with offences ought to be convicted before punished and that the punishment ought to be similar, I have concerns about this bill. I encourage all hon. members to think very carefully about those matters before they decide how they're going to vote this afternoon.

Thank you.

The Speaker: The hon. Member for Calgary-Shaw.

Mrs. Ady: Thank you, Mr. Speaker. I'm pleased to have an opportunity also to rise today and offer some of my comments with regard to Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. Before I begin, I'd like to thank my colleague from Calgary-Buffalo for the hard work that he's put in in order to introduce this piece of legislation in our province.

Prostitution, Mr. Speaker, is a problem which has plagued almost all nations and communities around the world. It's an issue which does not discriminate between rich and poor countries, developed or nondeveloped. Some countries have chosen to tolerate it while others have chosen to combat it, and they've realized that problems associated with prostitution are just too great to be ignored. I am pleased that our country and our province are among those who have not shied away from dealing with prostitution, because it is truly one of the biggest issues which affects not only the people who partake in these activities but also the communities in which these activities take place. Problems associated with prostitution directly and

indirectly affect all of those involved: the prostitutes, the johns, and the local citizens.

In my comments today I would like to talk about some of the biggest victims of prostitution, the prostitutes themselves. Prostitutes, Mr. Speaker, are no different than any other individual found within our neighbourhoods. They are someone else's daughter, sister, cousin, and in some cases mother. The vast majority of them enter the prostitution trade not by choice but, rather, because they see it as a means which enables them to make ends meet. However, many young prostitutes are not mature enough to realize how dangerous the trade can really be when they get involved. By that time, most of them become so financially dependent on the lifestyle that they find it impossible to reform and pursue other safer avenues.

Most prostitutes in Alberta enter the trade at a very young age. The vast majority of these girls suffer from social and family-related problems including childhood sexual abuse, leaving home early, poor financial situations, and substance abuse. Most of them suffer from extremely low self-esteem, which only is worsened by the abuse that they incur as the result of the lifestyle that is associated with prostitution.

According to numerous studies conducted all across Canada, age is not a factor which determines whether young girls decide to enter the prostitution business. However, it has been proven that most prostitutes enter the business during their mid teens. One study conducted in Manitoba in 1998 entitled *Antecedents to Prostitution* determined that the average age at which girls entered the trade in that province was 14.1. A similar study conducted in British Columbia estimated that the average at which young girls entered the trade in the city of Vancouver was approximately 16.3. Alberta's Department of Children's Services estimates that 10 to 12 percent of those involved in street prostitution within our province are children. This figure is not much different than the average age of new prostitutes found all across Canada.

Even though there are some different regional issues associated with the age when young girls enter the trade, the average age in Canada is found to be between 14 and 16. This is a time, Mr. Speaker, when young teenage girls are beginning to discover themselves, as many members in this House who have teenage daughters already know. It is an age when young girls become somewhat rebellious towards their parents. At this stage in their life, they're undergoing an important phase during which they are in need of committed and caring parents who can provide them and guide them towards bright and successful futures. Mr. Speaker, not all families provide this kind of necessary support for their children.

3:30

As we know, there are parents within our communities who either don't know how to or in other instances simply don't provide the care their children need in order to become healthy and happy. As a result, many young girls who turn to prostitution come from broken homes or dysfunctional family environments in which they are physically or sexually molested by their parents or other relatives. Also as a result, many of them run away from their homes in order to escape their abusers and in search of a better living environment. Their new home usually becomes the street, and prostitution becomes their only avenue for survival.

The *Antecedents to Prostitution* study conducted in Manitoba revealed some very chilling figures which indicate that 68 percent of all prostitutes in that province are victims of childhood abuse. The same study also indicates that children who come from sexually abusive households are twice as likely to engage in prostitution as compared to children who have not experienced childhood sexual abuse. Once on the street these young girls usually find that their

employment opportunities are extremely limited due to the fact that many of them lack even the basic high school education. Without having any hope of attaining a proper job and acquiring even a basic form of shelter, these already vulnerable young girls turn to prostitution as an easy way to make money.

The heartbreaking factor, Mr. Speaker, about the unfortunate circumstances in which these young girls find themselves is that while many of them leave their homes in order to escape sexual or other forms of abuse, they find that in the streets it is no less of a forgiving environment. What is worse is that many of these girls find that they are no longer abused by their parents or relatives but, rather, by sexual predators, many of whom are commonly referred to as johns. It seems that the only difference in this case is that the abuser is now a stranger who has even less regard for their welfare than their parents or relative.

To make matters worse, while living in abusive family environments, many young girls become habitual abusers of alcohol, drugs, and other dangerous substances. One of the reasons why they turn to substance abuse while living at home is because they find that it helps them deal with the stresses related to physical and sexual violence. Many young girls leave their homes and turn to prostitution in order to support their habits. Once on the street many of them become even worse substance addicts who find that alcohol and drugs are the only ways that they can deal with the mental and physical degradation associated with prostitution. As a result, prostitutes find themselves caught up in a vicious circle highlighted by substance and sexual abuse. Substance abuse leads to prostitution, Mr. Speaker, and prostitution leads to further substance abuse.

Prostitutes in Alberta are no exception to this rule. According to a study administered by the Edmonton Social Planning Council in 1993, only 8 percent of those interviewed said that they do not use drugs or alcohol, while 29 percent use a substance in order to work, and 44 percent say that they are working in order to pay for their drug and alcohol addiction.

Some may say that even though this is a horrible lifestyle, we don't have a really big prostitution problem in Alberta. On the contrary, Mr. Speaker, we have a serious prostitution problem especially within our urban communities, and I believe that it is time that this government did something to seriously address it. According to last year's interprovincial crime statistics accumulated by the University of British Columbia's Faculty of Commerce and Business, when it comes to prostitution-related crimes, Alberta fares very badly when compared to our other Canadian counterparts. The statistics indicate that on a per capita basis there were 159 instances of prostitution-related crime in Alberta in the year 2000. This places Alberta a close second to Saskatchewan, which during the same year had 166.5 instances of prostitution-related crime. What is even scarier is that prostitution in Alberta has been on the upswing since the mid-90s. In 1994-95 Alberta ranked fourth with regard to prostitution-related crimes on a per capita scale. I'm not certain exactly why Alberta has become so attractive to street prostitutes over the past seven years. I'm sure that our economic prosperity has something to do with it, but I'm certain that we have to do everything in our power to curb the problem before it gets out of hand.

In order to accomplish this goal, Mr. Speaker, we have to focus our attention on the root of the problem: the johns. Just as any other business, prostitution itself is based on the basic principle of supply and demand. In this case, I believe that if we're going to try and minimize prostitution-related crimes in Alberta, we need to focus on discouraging the demand, which is again represented by the johns.

Bill 206 is an excellent avenue which this government can use to combat prostitution, because it allows peace officers to seize the vehicles of those who are found guilty of soliciting prostitutes. By

threatening to take away one of their essential tools and modes of transportation, I believe this piece of legislation will provide the necessary deterrent, which will make johns think twice about their dangerous activities. Just as any other sexual predators, Mr. Speaker, johns not only take advantage of young and vulnerable girls who suffer from previous physical and sexual abuse, but they also have a very destructive effect upon our communities. They prey upon other people's weaknesses and misfortunes, and they create a dangerous and unhealthy environment in which no child should have to grow up.

In the final analysis, I believe that Bill 206 will help us to ensure that we have some of the necessary tools in place to discourage sexual offenders and protect vulnerable young girls and curb the threat of prostitution and keep our communities safe. In light of this I urge all my colleagues to vote in favour of Bill 206.

The Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Mr. Speaker, thank you for the opportunity to rise and speak to Bill 206. I will support this bill in second reading largely because it provides a new step that law enforcement officers can take in the reduction of prostitution. The bill will give law enforcement officers the ability to confiscate vehicles of johns caught in the act of propositioning a street prostitute from their vehicle. The bill will encourage these johns to agree to take part in an alternative measure program like john school, where they will realize the full social cost of prostitution, especially as it relates to the exploitation of women and young girls, the proliferation of gangs, and the spread of various sorts of crime. When the offender completes john school, his vehicle will be returned to him.

One of the red flags that has been raised about Bill 206 both within the Legislature and in the local media is that the bill holds the potential to trample the rights of citizens and take away due process for those citizens. I would like to suggest that while these concerns are valid, there are equally valid reasons and precedents for removing johns from their vehicle immediately if they are caught in the act of propositioning a prostitute.

First, the obvious precedent we have is drunk driving. If a police officer suspects that a driver has been drinking and is over the legal limit, he can remove the driver from the vehicle and impound the vehicle. The reason for this: the potential harm that the driver may cause far outweighs their right to drive or their right to take their car home, at least temporarily. It is true that a driver will get the car back, but if they are found guilty of drunk driving, they will be forced to hand over their driver's licence and will be unable to drive legally for a set amount of time.

Given this, we now have a standard by which we can judge Bill 206. If the police officer feels that the potential harm that may be caused by the driver should they be allowed to continue on far outweighs the right of the driver to continue on, then the police officer ought to be allowed to apprehend the vehicle of the driver.

Well, then let's talk about the potential harm that may be caused by the john: harm to the prostitute, harm to the members of the community that the john is cruising. First, harm to the prostitute. Oftentimes we are talking about young women, still girls in many aspects, who are abused nightly. We are talking about people who likely have physical, psychological, and emotional problems. These individuals are people who lose control of their lives and are put in compromising situations.

At this point, Mr. Speaker, it might be pertinent to consider some statistics, all taken from the report by the Federal/Provincial/Territorial Working Group on Prostitution. Forty percent of sex-trade workers interviewed carried a weapon while working on

the street. Between 1991 and 1995 18 prostitutes were implicated in the deaths of 10 johns, one pimp, and five other individuals in Canada. The final information from consultants appeared to support the assumption that roughly 10 to 15 percent of prostitutes on the street are youth. These stats clearly show that harm is done to prostitutes and by prostitutes.

3:40

Second, let's consider the harm to members of the community where street prostitution is pervasive. We all read the story of the young Calgarian girl who asked her dad to help her blow up a balloon, and when the father went to help, he realized the balloon was a used condom she had picked up in the backyard. I don't think I could begin to imagine the rage that this young girl's parents feel, but I know that it is something they should not have to put up with in the community. We also heard the numerous stories of mothers who, while walking down the street with their children, have to put up with the humiliation of johns pulling over and asking them how much they charge for a certain sexual service.

One of the roles of the government is to ensure that we provide a safe and healthy atmosphere in which parents can raise their children. Our job is not to make choices for those parents but to ensure that we take steps which (a) do not interfere with the parents' ability to make good choices and (b) set the legal ground rules for action within our communities. These laws must be laws which in the end allow our communities to flourish. Getting tougher on street prostitution is one way to do this.

A short look at the Edmonton Police Service web site shows that most johns who cruise known strips do not come from the area. They come from other areas of the city or from outside the city and denigrate the community around the strip. I guess someone forgot to tell the johns that these communities are not there just to provide sex. I guess someone forgot to tell the johns that these communities are filled with earnest . . .

The Speaker: Hon. member, I hesitate to interrupt, but under Standing Order 8(5)(a)(i) our rules now provide for up to five minutes for the hon. sponsor of the bill to conclude debate. So I now want to call on the hon. Member for Calgary-Buffalo.

Mr. Cernaiko: Thank you very much, Mr. Speaker. I'd like to briefly provide the Assembly with some highlights of Bill 206. Bill 206 will create safer and healthier communities for children and families. It'll assist young females and males in prostitution, removing them from the street through the Protection of Children Involved in Prostitution Act. It'll reduce sexual assaults and physical abuse of women and children trapped in a world of drug and alcohol abuse. It'll provide a deterrent that is strong enough to make the offender think of his actions and the criminal offence he's about to commit. It provides an alternative measures program to educate sex-trade offenders on the realities of the sex-trade industry. It provides the community with an opportunity for offenders to help clean up the very community they've committed the criminal offence in. It provides for the release of the vehicle if the seizure created a financial hardship to a family, including a mom or a child. As well, it provides a strong and harsh deterrent in the seizure of one's motor vehicle on second or subsequent offences. It provides the policing community with another tool for enforcement and provides community associations or community leagues with the ability to partner with the police and Crown prosecutors in removing the sex-trade drug industry from their communities. Again, it creates safer and healthier communities for our children and families to live and reside in.

Mr. Speaker, I'd like to provide you with some recent statistics from the Prostitution Awareness and Action Foundation of Edmonton, which held a prostitution offender program, which is the john school that they hold here in Edmonton. The last school was held on April 26, and I received some statistics from them when they advised the group of individuals that were attending, having been picked up for communication for the purpose of prostitution here in Edmonton. After they had been given a brief outline of Bill 206, 69 percent of these individuals were in favour of Bill 206. The question was asked of them: would knowing of Bill 206 deter you? Ninety-four percent of these offenders said that, yes, it would deter them. They were asked: what was most effective for first-time offenders? Ninety-four percent of them agreed that a prostitution offender program or alternative measures program would be very successful.

So, Mr. Speaker, in conclusion, I'd just like to state that prostitution teaches several wrong messages, among them the legitimization of females as victims. These women are stigmatized and disdained while their customers seem to be forgiven of any involvement in the current climate of public opinion. Prostitution also seems to create an attitude among men that women are inherently inferior. Any antiprostitution activity should include a re-educational component that counters this attitude. One of the main goals of this government is to provide safe communities to live and raise families in. I strongly believe that Bill 206 will contribute to this goal and urge all members to support this legislation.

Mr. Speaker, I'd like to thank all the hon. members who rose in debate on Bill 206 as well as the over 1,500 submissions from residents, community associations, and community leagues throughout the province who submitted letters to MLAs and to myself regarding Bill 206.

I would like to now call the question.

[The voice vote indicated that the motion for second reading carried]

[Several members rose calling for a division. The division bell was rung at 3:47 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Ady	Griffiths	Mason
Amery	Hancock	Massey
Calahasen	Hlady	Masyk
Carlson	Jablonski	Nelson
Cenaiko	Jonson	Oberg
Coutts	Klapstein	Ouellette
Danyluk	Kryczka	Shariff
Doerksen	Lord	Snelgrove
Dunford	Lukaszuk	Stelmach
Evans	MacDonald	Stevens
Fritz	Magnus	Tarchuk
Gordon	Mar	Taylor
Goudreau	Marz	Vandermeer
Graydon	Maskell	Zwozdesky

Against the motion:

DeLong	Pham	Rathgeber
Haley		

Totals	For – 42	Against – 4
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[Motion carried; Bill 206 read a second time]

Bill 207

Municipal Government (Councillor Disclosure and Protection) Amendment Act, 2003

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I am very pleased to begin the debate on Bill 207, the Municipal Government (Councillor Disclosure and Protection) Amendment Act, 2003. I believe that Bill 207 is a very important bill, and I hope all members will give it full consideration. I realize that this bill may be a little difficult to explain properly, at least for me anyway, and I admit right up front that I haven't perhaps done the best job of explaining it, and as a result there has been some confusion and objections to it accordingly. I mean, just look at the title. The title itself is confusing.

4:00

Let me just start by assuring everyone that this bill is empowering legislation only. It is not forcing anything on or requiring anything of anybody. Those municipalities that wish to take advantage of its benefits have to accept a few concomitant responsibilities along with those benefits as basically a package deal, but no one has to take any deal at all. They're free to ignore it and continue on as they always have if they choose to do so.

Secondly, Bill 207 does not propose sweeping changes but in fact only relatively minor changes. Basically, the two responsibilities I will talk about are already in the MGA, but since few municipalities have implemented these responsibilities themselves, it appears that there is insufficient incentive for them to do so. Bill 207 proposes to increase that incentive to encourage municipalities to voluntarily implement these two responsibilities, which in my view would be very beneficial to all Albertans. In return for that, they get an important benefit.

A third important point to remember in this debate is that Bill 207 merely asks for essentially one of the same rights, one of the same benefits, and two of the same responsibilities that we as MLAs already have.

[Mr. Shariff in the chair]

The purpose of Bill 207 is really just to encourage within municipalities some of the fundamental notions underlying modern democracy and good governance such as how to create and maintain public trust and confidence in public servants. Mr. Speaker, whether we are here in this House in the capacity of an MLA or in Ottawa as an MP or at city hall as a councillor or reeve or alderman, what we have in common is that we were elected by our peers to serve them and to safeguard their interests. We earned their trust and received their votes, and now it is our responsibility to act in such a way that we can retain the electorate's confidence that we can represent it well. This is true at all levels of government, whether federal, provincial, or municipal.

Mr. Speaker, I would like to point out that Bill 207 by and large does not in any way attempt to introduce new untried or untested legislation that would in any way fundamentally alter how the municipalities are governed or how municipalities govern themselves. No, to the contrary. Most of the provisions of Bill 207 are already incorporated in the Municipal Government Act. The one extension proposed that does not already exist would be to give municipal councillors the opportunity to have the same degree of protection from legal threat and therefore the same peace of mind that we currently give ourselves as provincial politicians and that MPs have as well, and that is the protection of qualified privilege.

Let me begin by taking a few moments to discuss those provisions

of the bill which are already in the books, the MG Act, the disclosure and to a degree the immunity prongs. First of all, Mr. Speaker, everyone here is familiar with the disclosure statements MLAs have to file once a year. While we may grumble a bit at the paperwork, I would like us to look at it as something that is to our benefit. In addition to submitting these forms, we also meet with the Ethics Commissioner, and all this is done to make sure that there cannot even be the perception of any conflict of interest. It builds up the public's confidence in us as their provincial government. This is an integral part of our government's business plan, goal 9 in fact, which reads in part that "Alberta will have a financially stable, open and accountable government." Put differently, the ethics and disclosure requirements which we as MLAs must comply with are part and parcel of the trust the public has invested in us.

Now, there's already a similar provision in the Municipal Government Act. Section 171 authorizes municipal councillors to pass bylaws requiring that each councillor file disclosure statements. What section 171 does not do is mandate that each municipality pass such a bylaw. Rather, it leaves that decision to the discretion of each individual municipality and its residents, and this does not change under Bill 207.

By the same token, Mr. Speaker, section 535 of the MGA also remains largely the same under Bill 207. This section frees councillors from liability for loss or damage caused by anything they say or do as long as they are acting in what they believe is the best interests of the public and the cause of action is not an accusation of defamation. This is where I would like us to bestow upon municipal councillors something that's akin to the kind of protection with strings attached that we have in the House.

Let me explain why I view this as a needed change. It is well documented and a much-lamented fact that ours is an increasingly litigious society. Whether it's due to oversensitivity, political correctness, or some other factor, I don't know. I don't think that going into great detail about this is necessary, and I'm sure that each and every one of us in the House this afternoon can think of several major lawsuits that we've heard of or read about in recent years accusing people of doing all sorts of things, some that had merit but many that did not. Having said that, it does seem to me that the chances of finding yourself in a whole lot of financial trouble because of something you might have let slip out without thinking first or because of what someone thought you said or just because someone is trying to bully you or threaten you into doing what they want are much greater today than, say, 10 or 20 years ago. This is a problem for individuals, for corporations, and for government. Even if you didn't say what you're being accused of having said, the mere fact that someone thinks so and decides to take legal action is going to cause you a great deal of trouble for quite some time as well as cost you a lot of money to defend yourself.

Those of us who are in politics are well aware of how in the heat of the moment, as they say, a tongue might slip, and all of a sudden you realize that you've said something that perhaps you really ought not to have said at all. It might have been something hurtful, something mean-spirited, or, in a worst-case scenario, something you thought was true but later turned out not to be so. In public life, where so much of what we say and do is subject to public scrutiny, careers in the public service can be severely damaged or even destroyed by such accusations, true or not.

As MLAs we have processes and procedures that allow for retractions, apologies, and so on and let us move on with government business. Not so for our municipal counterparts. They might be faced with people wanting a large sum of money, wishing to drag out an issue for political reasons, trying to force them from office. Also, they are not protected with a government fund for legal

expenses as we are, and they might not be able to defend themselves properly.

With this in mind, how might a councillor react given this threat? Well, quite frankly, I know that in today's litigious climate councillors sometimes opt not to speak up at all during council meetings for fear that what they say can or will be taken out of context, misinterpreted, or used against them in a frivolous and baseless lawsuit. If they do speak up and offer their honest questions or opinions, how could they ever be able to prove what they said or didn't say if someone ever accused them of anything? How would they be able to prove their innocence against an aggressive attack where no record exists of what was actually said. It would basically be the word of the accuser against that of the accused, which leaves the damage done to the accused in most cases if there is no record of what was said and no apology is forthcoming. This could easily become a lengthy court proceeding, not to mention costly in more ways than one with the poor councillor in a very difficult and personally expensive position all the way through.

So how do you avoid such situations to the greatest extent possible? Well, as I mentioned, one way is for councillors to decide to just not speak. This is, of course, not a very good or practical solution. It is most definitely anathema to even the most basic of notions of representative democracy. Another way which I believe would solve much of the dilemma at hand is to establish a publicly accessible record of what was actually said during council proceedings, which is what this bill proposes and encourages.

Mr. Speaker, it has been brought to my attention that there are some concerns that to create and maintain such a public record would be a costly affair. For the record I'd like to appease everyone's fears and assure you that actually establishing a public record is not necessarily all that expensive at all. We rely on technology in much of our daily routines and activities, and I think we all have some awareness of how prices always become more reasonable as time passes. So it is with a variety of modern voice-recognition software that could create printed transcripts almost as fast as a person speaks or video and similar equipment. A video tape of proceedings would suffice, and the cost of this would be very minimal. Again, it is up to the municipalities to decide what is needed, in what format, and to what extent if they want to do this at all. A public record doesn't have to be a verbatim written transcript. An audio or video recording would be just as useful and would accomplish the same thing as would a *Hansard*-like transcript.

Well, at this point I'm out of time, so I'm going to listen to the rest of the debate, Mr. Speaker, and I'll make some closing comments after. Thank you.

4:10

The Acting Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Speaker. It is an honour to rise today and join the debate on Bill 207. I would like to commend the hon. Member for Calgary-Currie for bringing forward this innovative piece of legislation. Bill 207 proposes three main objectives: first, that municipal councillors file disclosure statements similar to disclosure requirements for Members of the Legislative Assembly; second, that municipal councillors maintain a public record of proceedings either in a *Hansard*-like format or through audio or video recordings similar to what we do as well; finally, if they voluntarily meet these two requirements, municipal councillors would then be given limited protection from civil prosecution for remarks made during debates similar to the limited qualified immunity enjoyed by Members of this Legislative Assembly.

Mr. Speaker, over the past 15 or 20 years we have seen a decline

in voter participation. In the last federal election only 60 percent of eligible Alberta voters participated. The numbers in civic elections are even more discouraging. In the last Edmonton civic election voter participation sat at a lowly 35 percent. In some Calgary ridings it was only about 23 percent. These dwindling numbers have puzzled public policymakers since they started to decline. One explanation of the decline is that the public has become cynical of politicians and the political process. An American study exemplifies today's public opinion. Prior to the Vietnam war and Watergate eight out of 10 people said that they trusted people in government to do what was right most of the time. In 1994 less than one-third of the people felt that way.

This is precisely why I am supporting Bill 207. I believe that by filing disclosure statements and maintaining a public record of proceedings, a level of trust will be built between the public and elected officials. This trust is one of the cornerstones of democracy as we know it. Trust holds society together. It has been described as an integrative mechanism that creates and sustains solidarity in the social system. Nothing happens without trust. It provides the foundation that makes it possible for society to work. Basic trust cannot be established with the public unless elected officials are open and honest with voters. Disclosing relevant private interests is a first and essential step in obtaining the public's trust. It is the right of the public to know if the officials they elect have conflicting interests in public policy matters.

Mr. Speaker, the problem of public cynicism is not a problem that will be solved overnight. Indeed, it may take an entire generation to rebuild public trust to its old form. Small steps are therefore needed in the reconstruction of public trust, and Bill 207 is one such small step. There is no reason why civic politicians should not be held to the same standards as provincial and federal officials. In many respects policies that civic politicians influence are more directly related to the everyday lives of the public. Issues such as community planning and zoning have a more direct impact on people and businesses than do, say, federal issues such as foreign policy and military spending. For this reason, some knowledge of individual municipal politicians' private business interests seems all the more appropriate, more so than MLAs or MPs, yet few have any disclosure requirements at all. Bill 207 does not require this but at least offers an incentive to encourage municipalities to enact disclosure bylaws.

Mr. Speaker, municipal councillors are elected officials and public servants, which means that they must be prepared to be subject to public scrutiny. Public servants at the provincial and federal levels must meet these demands, and it is time that municipal officials should consider facing this same responsibility. By bringing on these increased responsibilities, municipalities may see an increase in credibility and accountability. Increases in these matters will undoubtedly lead to a greater standing in regard to their counterparts at the provincial and federal levels.

With more and more people moving to Alberta cities, especially Edmonton and Calgary, aligning municipal governance policies with those of federal and provincial governments has become even more important. Major cities are making more demands for funds from the provincial and federal governments, and many public policy thinkers are calling the 21st century the city-state century. Yet with all these changes, cities are so far failing to change with the times in this area yet still demand the same responsibilities as their counterparts provincially and federally.

Having strong and economically lucrative cities is a definite asset to the well-being of our province. Ensuring that these cities are politically responsible is another asset that should be a priority of this government.

To this point, Mr. Speaker, I've mainly discussed the importance of disclosure statements. At this point I would like to shift gears a little and discuss the importance of keeping public records of proceedings. I cannot overstate the need to maintain a public record of the proceedings or debate either in a *Hansard*-like format or through audio or video recordings. Knowing and understanding how an elected official represents you is a basic and fundamental principle of democracy. The public should not have to rely on the potentially biased media to find out how a city councillor represented them on a certain issue. This information should be readily available to the public free of charge or for a nominal fee. Having proceedings recorded will create a more open and transparent local government. The public will be able to hold politicians to their word by having documentation of any promises made or not made.

Another aspect of having proceedings recorded is that it may increase the level of civility in city council proceedings. This is important because city councillors are looked upon and respected as leaders of our community. It is imperative that they are held accountable and treat each other in a civil manner. If there was a record of what was said, people could not make untoward remarks and later deny that they said any such thing.

In an age of declining public trust and growing cynicism toward politicians, democracies all over the world are trying to find ways to battle this problem. Here in Alberta we have a unique opportunity to make a small dent in this phenomenon. It is small dents that will lead to major change a generation from now. I believe that by mandating that disclosure statements be filed and maintaining public records of proceedings, trust will be restored between the public and elected officials, accountability will be increased, and municipal governance will increase its standing in comparison to its provincial and federal counterparts.

I strongly urge all of my colleagues here today to stand in support of Bill 207, which offers the opportunity to strengthen our cities and towns and prepare them for the 21st century. Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Wainwright.

Mr. Griffiths: Thank you very much, Mr. Speaker. It's a pleasure to rise today and join the debate on Bill 207, the Municipal Government (Councillor Disclosure and Protection) Amendment Act, 2003.

While I appreciate all the hard work that my colleague from Calgary-Currie has dedicated towards bringing forward this piece of legislation, I have serious reservations regarding some of the provisions outlined in this bill and their potential effects on our municipalities. More specifically, I believe that the provisions outlined in Bill 207 would not only create problems at the municipal level, but they could potentially damage the long-established and effective partnership between the province and municipalities. I have always been in favour of strong, accountable, and independent municipal governments.

I'm pleased to note that the current Municipal Government Act has continued to ensure that all Albertans enjoy effective and responsible municipal level representation and that their interests and aspirations are addressed by their local administration in a sound and responsive manner. Our municipal government system has produced some of our communities' most committed and selfless individuals whose tireless work has helped Alberta to have some of the strongest and most prosperous municipalities in the entire country. Unlike their counterparts in Ottawa and here in Edmonton our municipal councillors spend virtually all of their time among their fellow constituents, and it is their direct responsibility to help manage their local community and provide programs and services to its residents.

They are an integral part of a well-established and highly effective system of government that requires them to remain in close proximity to their constituents and which helps councillors to remain responsive to their needs and concerns.

This is especially true within our rural communities, Mr. Speaker. In many ways their livelihood depends on the livelihood of their constituents, their neighbours, and their friends. As a result, when an issue or a problem arises, they're not only affected in the same manner as the rest of the community, but they're also in the position to respond and find a solution to the problem by working together with other local representatives. The seemingly limitless energy and resourcefulness of our municipalities and the ability of their citizens and local representatives to come together and solve common issues is one of the cornerstones of our municipal government system. It is a system which is extremely well suited to Alberta's political landscape. Just as we in this House don't look to Ottawa every time a crisis within our border arises, Albertans, especially those in rural communities, don't automatically look towards Edmonton whenever they are faced with a problem.

4:20

Mr. Speaker, Alberta is a province of practical and resourceful individuals who are capable of addressing and solving problems on their own. Our current municipal government system and the act that governs it are reflective of those values. They have in turn been sculpted in order to mirror the autonomous nature and spirit of our communities. As a result, this government has always recognized the importance of working with the local authorities to make certain that social and economic needs of all citizens of our province are met as well as possible.

Our commitment to working with the various municipal councils has produced some extremely sound policies and initiatives which have benefited our province on both the social and economic levels. However, Mr. Speaker, while this government has worked closely with the local governments on issues facing the communities, it has always maintained and respected the separate and autonomous nature of local governments. In this spirit our government has always opted to create certain guidelines and principles by which the municipal governments should operate rather than always impose our will upon the municipalities and their elected representatives. To sum up, the relationship between the province and municipalities has always been one of partnership and co-operation rather than imposition and inequality.

Unfortunately, Bill 207 may change the very nature of this long-established and highly effective partnership. As my colleague from Calgary-Currie has already mentioned, the intention of Bill 207 is to enhance and strengthen the credibility of municipal governments and to protect municipal councillors from lawsuits resulting from remarks made during municipal council debates. Bill 207 hopes to accomplish this by giving municipalities the opportunity to pass bylaws which would introduce a *Hansard* type of audio or video system by which council proceedings would be recorded and introduce a provision which would require councillors to give full disclosure statements similar to those given by Members of this Legislative Assembly.

My first concern with Bill 207, Mr. Speaker, is that it will have a detrimental effect upon the partnership established between the province and municipal governments, and as I have mentioned before, this relationship is based upon the mutual respect for the autonomy of municipalities. By requiring municipal councillors to file disclosure statements in which they have to outline their assets, liabilities, and financial interests and by requiring that the municipal council sessions be recorded and made public, this government

would undoubtedly compromise the autonomous status of our province's municipal governments. No longer would the provincial government be viewed as a partner but as a big brother who does not trust its younger sibling to adequately run its own affairs. As we all know, Alberta has often made it clear to Ottawa that it will not tolerate the federal government's meddling in provincial affairs. It is my belief that by passing Bill 207, this government would be committing a similar mistake. Just as Ottawa needs to respect our jurisdictional rights, we should also respect the autonomy and the ability of our municipalities to govern themselves in a responsible and effective manner.

Bill 207 is redundant anyway because there are already provisions within the Municipal Government Act that allow municipalities to introduce bylaws which require municipal councillors to file disclosure statements. More specifically, section 171 of the act allows municipalities the right to pass bylaws which would require their municipal councillors to file disclosure statements before they take office. Furthermore, section 535 gives municipal councillors liability protection. As a result, Mr. Speaker, I find that Bill 207 is redundant because the Municipal Government Act has already addressed these issues.

Mr. Speaker, I also find Bill 207 redundant with regard to the matter of recording municipal council sessions. Some municipalities within the province have already passed bylaws which mandate that certain aspects of council meetings be recorded and made public. Furthermore, the Municipal Government Act stipulates that all motions and votes must be made public. However, it is important to note that these recordings do not protect councillors from potential civil prosecution for remarks given during the council sessions. It is also important to note that to date there have been a handful of such lawsuits in urban areas and virtually none in rural areas. Therefore, I don't think that there is a need to introduce a law which would protect municipal councillors from civil prosecution by having their remarks recorded and made public if the problem itself does not even exist.

I believe, Mr. Speaker, that a law which would recommend that municipal councillors, especially those within rural communities, file disclosure statements and which would require that municipal council proceedings be recorded would only serve to discourage potential candidates from running for municipal office. Not only that, but by having municipal council sessions recorded verbatim, many councillors who, unlike most MLAs, are part-time politicians may choose to hold their discussions and debates away from the municipal hall. This is because many may feel uncomfortable with their remarks being recorded and made public. As a result, the council sessions could become a mere formality while taverns, coffee shops, or other gathering establishments could become the places where the real decisions are made. As a result, Bill 207 could potentially render council proceedings useless and a waste of the public's time and money.

As I've said before, Mr. Speaker, I do appreciate all the work that my colleague from Calgary-Currie has dedicated in bringing forward this piece of legislation. However, while I understand the purpose of this bill, I'm compelled to vote against it as I believe that it will only serve to create rather than solve problems.

Thank you very much.

The Acting Speaker: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Yankowsky: Thank you, Mr. Speaker. It is an honour to join debate on Bill 207, sponsored by the hon. Member for Calgary-Currie. I support the overall purpose of this bill. I agree that

transparency and accountability are two very important pillars of any effective government, and this bill would strengthen both.

First of all, I would like to talk about the importance of creating a public record for municipal proceedings proposed in Bill 207. Although one or two municipalities provide audio or video of municipal proceedings as requested and for the costs of reproduction, most municipalities do not. Some only record the actual vote while others provide almost nothing for public display. This part of the bill would add consistency to public accessibility of the verbal debate by municipal councillors across Alberta in addition to protecting councillors from frivolous and vexatious legal actions or threats of action.

I understand that some may be concerned with the added cost of publishing debates for easier public access, but I believe that the benefits are well worth the minor expenses. A town council or city hall meeting shouldn't be a place where people fear that their words will be twisted or misinterpreted. An accurate recording of the debate would be a way councillors would clarify what was said if an instance of misunderstanding ever arose. Elected members must have the freedom and capacity to fully express their own opinions and the views of their constituents.

It is unlikely that large numbers of people would flock to download such debate on a regular basis, but the content would be available for public review, which in turn would protect the elected officials from lawsuits and have a verbal debate available if someone did want to know more about an issue.

The second part of this bill is a bit more complicated but also very important. Voter turnout is in a declining trend, especially in municipal elections, and there is always a need to find ways to improve and revitalize the public perception of government. The fact is that elected officials are not looked upon as trustworthy. Recent polls indicate that politicians are slightly more popular than used car salesmen, and I have nothing against used car salesmen of course, but the stereotype of both professions is that they are corrupt, devious, and dishonest.

For the vast majority of elected officials the judgment is both unfair and untrue, but perception is reality, and all elected officials face an uphill battle to build and maintain the trust of voters. This bill could reduce concerns and improve perceptions regarding conflict of interest and could therefore play a role in restoring faith in elected members of municipal councils.

Currently the federal and provincial governments each have systems to monitor disclosure and settle conflicts of interest questions. The federal government has an Ethics Counselor, and the Alberta government appoints an Ethics Commissioner. When we look at the federal government, the Ethics Counselor is more or less a sounding board who offers advice to settle sticky conflict matters for Members of Parliament, cabinet ministers, and the Prime Minister.

4:30

On the other hand, Alberta's Ethics Commissioner is an independent body that has final say on conflict of interest matters. The important difference is that Alberta's commissioner has real authority while the federal counselor merely offers suggestions. Other levels of government have established ethics officers to monitor or rule on instances of conflicts of interest.

This bill is a small, very low-cost approach to take the first steps in addressing conflicts of interest questions by helping reduce any questions from arising in the first place. It doesn't call for a civic ethics commissioner, merely a disclosure to the city clerk's office in a form which municipalities themselves are already empowered to do under the current MGA, although few have done so. While it isn't

common at all, clearly there have been some instances where such concerns as conflicts of interest have in fact been raised in the past, which continues to reflect on us all in the public's mind.

For example, we all know about the case of one of Edmonton's most popular mayors in the '50s and '60s. While this mayor was in office, Edmonton saw the construction of a new city hall, a new police headquarters, the Centennial Library, Storyland Valley Zoo, the Alexandra hospital complex, the Riverside Golf Course, and the Borden, Coronation, and Queen Elizabeth parks. A great deal was accomplished in Edmonton on his watch. He was well known across Canada as the biggest booster for the city of Edmonton, the first Ukrainian mayor of a major Canadian city, and the second youngest mayor in the history of Edmonton. His popularity was also amazing as he was elected five times, which included two acclamations.

Mr. Speaker, I won't turn this into a member's statement, but needless to say, this man was an incredible person and a very colourful and effective politician. However, he was also removed twice from the mayor's office for conflicts of interest related to land deals in which he played a role. I realize that times have changed and the political climate today is much different than the '50s or '60s. I am also aware that the media plays a much larger role in politics today. But I also know that many people are too busy to follow every single issue and every single elected official and watch them closely, so they leap to generalizations and sweeping conclusions about us all, after even one such incident from many years ago. We do have to admit that the reality is that municipal leaders are in a pretty good position to influence local decisions that can have a positive impact on themselves or their families. Bill Hawrelak was an extreme example of this.

Providing the opportunity to strengthen conflict of interest checks and balances for municipal governments should not be seen as a statement about the honesty or integrity of municipal leaders. It is merely prudent housekeeping designed to strengthen integrity and perceptions. So, Mr. Speaker, I agree with the goals of Bill 207 as a prudent and professional measure to ensure the continuing avoidance of any problems and to ensure the continuing excellent record of almost all municipal councils across the province.

Now, it is true that municipalities are already under the MGA, capable of imposing conflict of interest and disclosure regulations through their own bylaws, but few have done so, relying on the honour system mostly. So this bill does not call for sweeping changes, only strengthening what is already there, and again it is voluntary, not mandatory. If it were mandatory, there might be perceptions that this is interfering with the autonomy of municipal government, but since it is voluntary, Bill 207 is empowering legislation only. It does not impose on municipalities. Municipalities that want it can enact it, while others can ignore it completely if they so choose. It is only there for those who want it.

Second, I know that a reasonable amount of consultation has been done with municipalities and their elected representatives to ensure that this bill has good support across the province, which it seems to have, although such support isn't unanimous. But what is? I believe we should definitely move forward with this bill, but we should also be sensitive in proceeding with this bill to ensure that it isn't perceived as negative but just as a prudent measure. It really isn't very different from what MLAs already have and no different from what we as MLAs are required to do. In fact, this should be seen as helping municipal councillors.

The Acting Speaker: The hon. Member for Calgary-Bow.

Ms DeLong: Thank you, Mr. Speaker. It's my pleasure to rise today and speak in favour of Bill 207, the Municipal Government (Coun-

cillor Disclosure and Protection) Amendment Act, 2003, sponsored by the Member for Calgary-Currie. Bill 207 is positive legislation which municipal governments will be free to take advantage of. There can be attitudes in our communities of mistrust. These attitudes stem from highly publicized scandals and unethical dealings by top officials in governments from around the world. The mistrust can be combated by allowing all elected officials disclosure of information that would or could potentially be considered a conflict of interest in order that the public can be assured that their officials can be trusted.

Mr. Speaker, Bill 207 is a good step forward for municipalities around Alberta. It will elevate their status to being one of more like the big boys in politics. Currently municipal councils do not require their members to disclose information which may involve pecuniary interests. This sort of practice does not elevate the trust of citizens in their government and keeps the feelings of secrecy high. We at the provincial level are required to disclose information to ensure that we're not in a conflict of interest when we make decisions. This brings our government credibility, accountability, and responsibility. I'm sure that the action of disclosure gives Albertans a sense of assurance that their officials truly are working for the public interest. Bill 207 attempts to bring that same credibility to the municipal systems. If the citizens trust the government they're most closely involved with, they're also more likely to trust the next level of government, in other words us. That's a goal that we should strive towards. People need to be able to trust those they put into decision-making positions. Bill 207 is a step in that direction.

The Research Institute of the Finnish Economy found that disclosure benefits corporations on a large scale. They found that firms with better quality disclosures found it easier to grow faster and more successfully. The study showed that disclosure of the employees of private corporations, especially the leaders of the business, made it possible for companies to grow faster. This is a report that can be given to the municipalities. Many corporations experience high growth because of high-level disclosure. There's no reason to think that this would not also happen at the government level.

Mr. Speaker, the main benefit of Bill 207 is that it will create far more openness and transparency that municipal councils throughout our province are perceived as lacking at the present. It would eliminate the secrecy that's perceived to be prevalent in the system now, and it's a huge step forward for municipalities to take. Disclosure is a natural progression for municipal governments to take. When an elected official discloses information, he or she is rewarded for that action. The reward in this case is that the trust of that politician is increased, and it benefits all stakeholders involved. As I mentioned earlier, many other businesses and governments already mandate disclosure. Specifically, we as MLAs do so, and quite successfully I might add. Yes, it is a bit of a hassle. It's sort of like having to do your income tax two more times a year.

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The disclosure process is not something that causes problems; to the contrary, it helps people avoid them. Facts that are disclosed are usually friendly anyhow, especially if pecuniary interests are in question. It's far better to deal with them in an open fashion than in private. It takes the secrecy away from people's minds. It's all about perception, Mr. Speaker. Our municipal governments consist of extremely talented, dedicated, and gifted people. Our Premier was at one time among those involved in the municipal system, as were so many of our other members. It's not the goal of this bill for the province to have their fingers in the affairs of municipalities. That's the beauty of this bill. Bill 207 gives municipalities the opportunity

if they wish to follow what can be of great benefit to them.

A municipality has to pass a bylaw which would be tailored to their own council and conducive to their own needs for this legislation to take effect. They continue to keep their autonomy. Therefore, if there are bits that municipalities do not want to be a part of, they don't have to be. The decision is completely up to them if they accept both prongs of the legislation. Doing so will be a benefit to them in many ways. Again, Bill 207 is all about bringing municipal governments even more credibility than they already have. It gives local governments an opportunity to step up in the political world to a position that they might find gives them more power, more leadership, and more responsible government.

I urge all hon. members to vote in favour of Bill 207.

The Acting Speaker: The hon. Member for Calgary-Shaw.

Mrs. Ady: Thank you, Mr. Speaker. It is a pleasure to rise and join the debate on Bill 207, the Municipal Government (Councillor Disclosure and Protection) Amendment Act, 2003. I would agree with the hon. Member for Calgary-Currie. That title is something else. It's been sponsored by him, and I just wanted to say today that passage of Bill 207 would be a step to reinforce councillors' position in council as well as increase the accountability and credibility of municipal governments. Bill 207 would also provide safeguards for councillors against lawsuits pertaining to remarks they make during debates in council.

The amendments that would be made to the Municipal Government Act by Bill 207 would give municipal councillors the authority to pass bylaws requiring municipal councils to retain records of their proceedings. The records would be available to the public in an audio, video, or written format. The amendment would also allow municipal councillors to pass bylaws requiring councillors to file disclosure statements much like the ones MLAs have to submit to the Ethics Commissioner.

Mr. Speaker, I view Bill 207 as somewhat of a controversial bill, and I'm sure that many of our constituents would agree. I see certain similarities between the issues raised by Bill 207 and a long-standing issue that concerns a number of Albertans: federal influence in provincial politics. I find Bill 207 controversial because to some people it might appear that provincially we are attempting to influence municipal politics. Some worry that it is *Father Knows Best* or Big Brother looking out for his best interests approach, and it begs the question: to what degree does a provincial jurisdiction extend to municipal government politics? However, it's important to remember that Bill 207 is voluntary. It's not mandatory. It is only empowering those that want it.

In August of 1989 a review panel was established by order in council to review Alberta's legislation and guidelines that relate to the conflict of interest guidelines applicable to members of Executive Council, Members of the Legislative Assembly, and senior public servants in Alberta. This was done because the government of Alberta at that time felt that it was in Alberta's best interest to establish a conflict of interest act. Bill 40, the Conflicts of Interest Act, received royal assent June 25, 1991. Members must thus file complete disclosure information with the Ethics Commissioner. To ensure that the information is up to date, the members and the Ethics Commissioner must review these forms on a yearly basis. A public disclosure statement is produced based on the information in these forms and made available for public viewing through the office of the Clerk of the Legislative Assembly. I would like to state that my husband hates filling out these forms, but it does give accountability.

Mr. Speaker, in 1989 the government of Alberta took it upon itself, as it felt it was in the best interests of Albertans to do so, to

introduce conflict of interest legislation based on that of other jurisdictions. In doing so, members have provided public disclosure statements to ensure that there are no conflicts of interest and that the opinions they express within this House are, in fact, the opinions of their constituents and not personal opinions. However, this does not mean that we cannot play a role in the process. The experience we have gained through our own conflict of interest legislation should be passed on to ensure that municipalities understand the important conflict of interest legislation in the political process.

The fundamental premise of holding public office in a representative democracy is that the power of that office is derived from the people; in other words, there is a trusteeship created between the people and those who serve in public office. This trusteeship requires that power and authority be exercised for the welfare of the people; that is, in the public interest. For legislators, ministers, councillors, and other public officials to decide a matter even partly on the basis that it will benefit his or her private interest is to betray the trust of the people. The decision must be made solely on the basis that it is in the best interests of society. Allowing any other consideration may result in a decision that is not the most appropriate in the public interest.

When it comes time for a public official to make a decision or take a stand on an issue, it can be viewed as a personal test. The primary test is subjective; that is, it is a test that the politician or official must apply personally according to his or her own conscience. But even if this test is satisfied, there is also an objective assessment to be made: might the decision be viewed by the people as one made other than solely on the basis of their welfare? Legislators, ministers, councillors, and other public officials must also consider this, but unlike the subjective test the ultimate judgment on this issue rests with the people.

Mr. Speaker, it is essential that any discussion of safeguarding the integrity of legislators, ministers, councillors, and other public officials occurs in a positive atmosphere which recognizes the privilege and honour which is attached to those vested with the public trust, the desire to assist those in public office vested with that awesome responsibility to act in the public interest at all times. It is crucial to the relationship between representative and represented that integrity, accountability, credibility, and trust remain at a high level. While disclosure does not necessarily avoid or resolve a conflict between the private interest and the public interest, it should at the very least reveal the existence of a conflict. Indeed, it ought to be the natural response of any legislator, minister, councillor, or other public official to disclose to the appropriate authority the existence of a conflict of interest. I know that personally I faced this issue recently when it came to a private member's bill presented by the hon. Member for Calgary-North Hill regarding firefighters. I very much wanted to participate in the debate as my husband is a firefighter and I felt quite strongly but was advised by the Ethics Commissioner that I should not participate.

Bill 207 also requests that municipal councillors keep a record of their debates and proceedings for reference and public access. Some people worry that this might be an expensive procedure that requires resources that are not necessarily on hand. However, the debates and proceedings contain information that affects the public, and thus it should be available to the public. With today's technology, whether it be through the Internet or the sale of taped proceedings, I believe that such documentation could be made available cheaply and effectively. The record would not only give the public access to the proceedings, but it would also provide safeguards for councillors against civil prosecution for remarks made during the proceedings. This is something that is very important as a heated debate can result in comments that might be regretted or taken in the wrong way. A

record of those comments would allow for a simple solution to what otherwise could become a complicated issue.

Mr. Speaker, to conclude my remarks, I would like to remind all members that although the province has authority over the Municipal Government Act, that does not necessarily give us the right to push legislation upon municipalities. As I'm sure we all agree, having policy pushed on the province is not something that we take lightly. That is why Bill 207 is empowering voluntary legislation only. They don't have to enact it if they don't agree with it. I do not feel that we morally have the right to push legislation such as Bill 207 upon a body that has the capability of proceeding with this issue with their own agenda. If the Assembly wishes to play a role in the process, that role should be one of influencing municipalities that such legislation is in their best interests, not by forcing that legislation upon them. However, at this time municipalities do not have the power to grant themselves qualified privilege, which can only be done by the province, which is what Bill 207 proposes.

I feel that the ideas behind this legislation such as outlined in Bill 207 should be mandatory for all elected positions, whether it be federal, provincial, or municipal. However, this is their jurisdiction, and thus it is up to municipalities to take this step if we pass this bill. I would urge all members to support Bill 207.

Thank you.

4:50

The Acting Speaker: The hon. Member for Edmonton-Norwood.

Mr. Masyk: Thank you. It's with great pleasure that I rise today in the Assembly to join debate and discussion of Bill 207, the Municipal Government (Councillor Disclosure and Protection) Amendment Act, 2003. I would like to commend the Member for Calgary-Currie for his hard work and dedication to this amendment. This is an important issue that needs to be brought forward to address the accountability, openness, and standing of municipal governments' policies and procedures.

The purpose of Bill 207 is to bring the policies of municipal councillors in line with federal and provincial levels of government. This bill would amend the Municipal Government Act to enhance the credibility and accountability of municipal governments while protecting municipal councillors against outrageous lawsuits. With the passage of Bill 207 municipal councillors would have the ability to pass bylaws that mandate that a public record of proceedings be made and bylaws mandating that disclosure statements be filed by councillors. However, Mr. Speaker, both of these provisions must be adopted together in order that municipal councillors receive qualified immunity from prosecution. Municipalities cannot choose to adopt one provision and not the other.

According to Bill 207 councillors would have to file disclosure statements. These would be similar to statements that all members of this Assembly file. These disclosure statements, as we all know, list income, assets, liabilities, and financial interests of the member and the member's spouse, minor children, and private corporations. Councillors are elected representatives; therefore, they should be required to file disclosure statements similar to other elected officials. Individuals who are elected must be accountable to the citizens who elect them. Representatives have to be open and transparent in both their actions and intentions. Mr. Speaker, it should also be mentioned that this bill would not interrupt current council procedures as these new policies would take effect after the next municipal election. I may add there that you do know the rules, so when you do get elected or if you do run, there's really no excuse.

Mr. Speaker, I'd like to shift my focus and address the remainder of my remarks on the importance of maintaining open and transpar-

ent government procurement practices. This government is committed to ensuring accountability, openness, honesty, and fairness in government actions while protecting the privacy of individuals who contact and interact with government. Under our concept of open government we must protect the public from anyone who might use government for his own interest and protect those interests that may be unfairly prejudiced by the actions of elected officials.

Mr. Speaker, we live in a democracy where the rule is by the people. People empower the government to run the country or in this case the province or municipality. Citizens have the opportunity to choose through their right to vote the people who will represent them in government. This occurs through regular, free, and fair elections. However, democracy also means that officials who have been elected are accountable in various ways to the citizens who elected them. They have to be open and transparent in their actions.

Transparency is fundamental to public confidence. Transparency in public-sector policies and procedures results in public-sector accountability by demonstrating that elected officials are open in their decision-making and the debate surrounding the issues. It proves that they have nothing to hide and nothing to cover up. The concept of transparency incorporates the same values underlying democratic accountability and those associated with open government. Open government provisions require public government proceedings and access to government documents and information.

Mr. Speaker, elected representatives, whether they are Members of Parliament, Members of the Legislative Assembly, or municipal councillors, must be accountable to the public for their actions. This should include the discourse revolving around the laws that are passed, including bylaws and how they are implemented. Elected representatives must be open to the public about proceedings and actions. Closed-door and limited access translates into less accountable government and a less informed public. Municipal councillors need to render certain that their work is open to public scrutiny. Providing transcripts of government meetings and debates for public review and analysis is consistent with the policy of open government. Minutes of meetings generally record only the wording of the motions voted on and the results of the votes by councillors. These minutes do not include a summary or transcript of the discussions held on each motion. The public not only has a right to know the outcome of the decision but why the decisions were formed and how the decisions came about. Access to information permits citizens to challenge government actions with which they disagree and seek redress of official misconduct. Access to proceedings also deters official misconduct by constantly reminding public officials of their accountability to those they serve.

Mr. Speaker, I acknowledge that costs would be associated with the implementation and maintenance of a public record. However, the cost is significantly dependent upon the type of public record implemented. I recognize that producing a *Hansard* document would be costly and that smaller centres may be unable to assume the cost of developing public transcripts, but there are other methods of providing a public record that would reduce costs. An electronic or audio record of proceedings would be more cost-effective. Furthermore, a fee structure could also be implemented. The important issue is that the public have an ability to access these proceedings whether they are on-line, in print, or through audio or audio recording.

Other municipalities have implemented methods to provide the public with a record of council proceedings without using a *Hansard* document. For example, council meetings in St. John's, Newfoundland, and Labrador are televised live on the local cable station and are also recorded on audiotapes. Copies of these tapes are available to the public on request. In Charlottetown city council meetings are

transmitted live via web cast. These web casts get archived and can be accessed by the public. Municipal council meetings are recorded on videotape and broadcast on a local cable channel in Toronto. These tapes are kept in record archives and are available to the public for a fee. The city of Winnipeg produces a verbatim transcript of council proceedings along with audio and video recording. Other municipalities have employed similar methods to provide the public with access to council proceedings.

Mr. Speaker, if this legislation is adopted, a policy to improve transparency on information would emerge. Bill 207 is consistent with the government's policy of open government and accountability. The measures outlined in Bill 207 would bring the procedures and policies of municipal governments closer in line with provincial and federal governments. This legislation would create a sense of greater equality between municipal councillors and their federal and provincial counterparts. By granting the ability to establish similar requirements and policies, municipalities would have an enhanced stature. Elected public servants represent those who voted them into office. The public, the people they serve and represent, have a right to know where their representatives' interests lie.

Mr. Speaker, I encourage all my colleagues to vote in favour of Bill 207. Thank you so very much.

The Acting Speaker: The hon. Member for Red Deer-North.

Mrs. Jablonski: Mr. Speaker, I'm delighted to have the opportunity today to join the debate on Bill 207, sponsored by the hon. Member for Calgary-Currie. It has been mentioned, but it's worth reiterating that there is a dual purpose to bringing forward Bill 207. The first is to bring municipal governance policies to a level that is equivalent to those of the federal and provincial governments. The second purpose of this bill is to augment the protection that municipal politicians deserve to have from lawsuits filed during their time in public service.

What exactly does this mean, Mr. Speaker? How does Bill 207 aim to achieve this? First, Bill 207 would make public a record of proceedings either in a *Hansard*-like format, that we use here at the Legislature, or through an audio or video recording, something we also do. Second, Bill 207 would require that municipal councillors file disclosure statements similar to those filed by MLAs provincially or MPs and their federal seats. It must be possible to hold elected public servants in the highest regard as we the electing public hold them to the highest of standards. Elected and appointed officials wield the power of government and serve as stewards of the public's resources. For this reason, the public must hold its elected and appointed officials to high standards of ethical conduct.

5:00

In North America, Europe, and Japan during the past several decades we have grown accustomed to seeing politicians and other public officials being accused of abusing their office in order to further their financial, political, or social goals or those of others, not to mention their own personal goals. Far too many people say that there is just no room for ethics in politics. This notion is completely false, but it's nevertheless frighteningly common. Fundamental to these ethical standards is the notion that the public expects elected or appointed officials to make responsible decisions with the public's best interest in mind. Such decisions must always take precedence over those of a private, narrow perspective, not to mention public officials' own self-interests for that matter. The legal requirements relevant to the ethical standards of public officials generally fall into two categories: first, those intended to prevent conflicts of interest and, secondly, those regarding corruption and/or criminal activity.

Mr. Speaker, for the balance of my time this afternoon I would like to concentrate on the first point, discerning whether or not an elected or appointed official does indeed have a conflict of interest. Generally speaking, conflict of interest laws and restrictions protect against both actual impropriety and the appearance of impropriety. For this reason, these restrictions may seem to go further than necessary to prevent improper considerations from being drawn into public decision-making.

In reality, the goal of all conflict of interest laws is to promote public confidence in public officials and public agencies by assuring the general public that official conduct is beyond reprimand. The law currently requires candidates in our provincially and federally elected systems to disclose to the public the sources of financial and an in-kind support for their campaigns. Once an individual becomes an elected official, he or she must disclose his or her economic interests to the electorate. The purpose of these requirements is to alert and make the public aware of any personal, economic, or political interests that may be affected during the public official's performance of their official duties.

Mr. Speaker, there are various kinds of scrutiny that public officials undergo, and all of my colleagues here in this Assembly can testify to that. There are five main areas of economic interest that must be disclosed: first, interests in real property; second, investments; third, business positions; fourth, sources of income; and fifth, gifts.

In our short time of discussion here it has become quite evident where a conflict of interest might exist for an individual who is in charge of running a large corporation or business. Unfortunately, it appears that there may be more of a challenge to see the advantage in holding municipal councillors to the same standards. Mr. Speaker, this indeed is unfortunate. It is unfortunate because a person in the public eye should be held to the highest levels of disclosure regardless of position, without consideration for whether the person is full-time politician such as MLAs are or if he or she is a part-time legislator as some city councillors are. So this begs the question: why should we deem it so important to establish or determine whether an elected official does not have a conflict of interest?

One suggestion to alleviate this concern over disclosure, conflicts of interest, and part-time legislators is to make them fully salaried employees of the government they serve. This would in effect cut the cord, so to speak, potentially reducing or limiting any conflicts of interest that might otherwise become an issue of concern. If a public figure were to establish a type of blind trust where he or she would transfer all investments so as to potentially minimize the possibility of a problem, that would further reduce the potential for conflict of interest charges being laid. It does not take a genius to figure out that unless there is a complete cutting of the cord, Mr. Speaker, there will be lingering doubts of conflicting interests. We need only look at the current leadership race with the federal Liberal Party to see this. The front-runner in this race, Mr. Paul Martin, in his association with Canada Steamship Lines, has been questioned recently about his involvement in the company.

Whether it be a federal political candidate divulging his or her interests outside of the political arena or a municipal councillor serving on a town council, the premise holds: there needs to be a code of conduct that is consistent across all lines of financial, ethical, and philosophical disclosure for the proper restoration of the public's trust for those elected officials. This proposed legislation hits at the heart of all that is perceived as being wrong with politics today: that all or most politicians and public officials are individuals who are in a position to better their own standings rather than doing the work of the constituents and thus representing the interests of the electorate.

Mr. Speaker, we have a long way to go to repair the damage that has been done over the years and thereby restore the public's confidence. One way to do this is to establish consistent demands of each level of government in Canada, from the federal government all the way down to the municipal government. By creating a level playing field, a trust level amongst the public can be restored. Ethics are not static truths; they are constantly evolving social perception. It is for this reason that we all must push for new and tough legislation. In short, the best and surest way to restore Canadian's faith in the honesty of our politicians is tough and far-reaching legislation such as Bill 207.

For these reasons outlined, I support Bill 207, and I urge my colleagues to support it as well. Thank you.

The Acting Speaker: The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Thank you, Mr. Speaker. Bill 207 has a certain flavour to it that you can see the merit from one point that of course, we should have transparency in politics. Unfortunately, most of our politicians these days are transparent enough that we can see right through them.

It's unfortunate that we have a level of government here who feels they somehow have the exclusive domain of providing integrity for elected people. I was on the elected council in Vermilion for two terms, and I was in business in Vermilion, probably one of the biggest businesses in Vermilion that did business with the town, and it certainly presents problems to ensure that there is transparency and fairness and that the tendering process is isolated to the point that there cannot be influence or tampering with it. I very dearly took to heart the fact that that transparency and that openness and the accountability is absolutely paramount. What you should do with people who don't live by those rules is just put them in jail. They're not politicians then; they're crooks. That's where they should go. We don't need any more laws to do that. The municipal act now looks pretty clearly at that.

The problem with politicians wanting protection for what they might say or do – if that means that you want to provide protection for municipal councillors that could stand up in their meetings and make slanderous or scurrilous statements about other members of council or the public and then simply offer a halfhearted apology and be completely absolved of blame, then I certainly don't want any part of that kind of legislation. Not only would it be wrong for them; it's wrong for us. So dragging them down to our level isn't a step in the right direction. Trust me. There is much more honour in town councils that I have associated with and been on then many days in here.

Where we seem to lose the focus on councils or in government is when we start to dabble in micromanaging or meddling in other departments. When we come into a council chamber or a Chamber like this, we should be here as policymakers, as priority-setters. If you keep in that context of government, it is very difficult to have a personal vested interest in that. If a policy surrounding school construction, road construction, health facility operations is proper and fair for all Albertans, then the ability for it to be manipulated by someone isn't there. If we were to sit in this Chamber and start to decide individually which hospital should get built or which school should get built, then you start to run the prospect of influence, of maybe losing objectivity, of what we're here for.

So the best protection we can give our municipal governments is maybe giving them an example. You know, as long as we live under honest and honourable rules and we deal with issues on a policy basis, on a priority basis and municipal councils do the same, we've

put ourselves ahead of the problem. So by simply not getting there, not putting yourselves in a position of having to make choices that may affect you financially, you've eliminated a lot of the problem.

5:10

I know that coming to this Assembly, for my family business to do any work for the government, I was required to sell all shares in that business. Now, we've been in business since the '50s, and there's never been a hint of any impropriety in anything we've done, yet that stands for nothing. Under the rules of the House you must sell, and in my case there was over 25 years in the business. But for them to continue to tender, work for the government, you must sell.

Now, I never really thought about that when I ran. I wasn't aware of the guidelines, and that's no one's fault but my own. We all have to live under those rules, and so be it. But when you start to get into smaller towns, if you're going to start the same kind of disclosure and the same kind of ethical commitments you must make, you will find that there are very few people left – in the town I come from, it's been many, many years since we had more than one person on council of the seven, including the mayor, that are from a business background. In many elections we find ourselves completely with retired people or people that have never been in a business setting because they don't want the hassle of trying to justify what gets done on their street or in front of their business, whether it's normal course or not. So you kind of imply through legislation like this that municipal councillors somehow need to be protected from themselves in what they might say or do. The only person who should really be doing that is you and the laws of the government that we all live under.

Mr. Speaker, you could imagine what we in this Chamber would think if the federal government dictated or decided that somehow we needed to be more ethical or more protected. I mean, that most definitely would be the pot calling the kettle every colour except white; that's for darn sure. Now, we would not only resent that; I think we would take that as a very clear indication that they thought there was something wrong with what we did. I think most of Alberta would say: "Well, there must be fire, because there's smoke. The federal government is coming in to give them a whole new set of rules, so there must be something wrong." Now, I understand the hon. member has said that this bill is voluntary. That doesn't do anything to allay the thoughts of people: "Well, you know what? If they're making this law and if that council doesn't put it in, there must be something crooked going on in that kitchen." We have to be very cognizant of the fact that in my lifetime I've never been approached by someone at a council level who said: "We need tougher rules surrounding the membership on this council. We need protection from the things we say or things we might say. We need to keep a *Hansard*." You know, that's a two-edged sword.

I would like to think that when we're in a committee or on council or in this Chamber, we can be as open and honest about the issue as we can be. I think that if we're going to have people write or record all the statements that are made in many of the very sensitive areas that we deal with, people simply won't participate. It puts them in a position of: well, I don't know who could take it this way. The written word is exactly that; it says verbatim what you said. It doesn't say how you said it. It doesn't say what context it's done in. We've all seen newspaper reports or reports from a conference or a press release that simply aren't what was the text or what was the context of what was there, yet someone could take those words, take parts of them or delete them or add, however they want to do. That happens now in the press from probably every level of government. So whereas you may be protected by what you've said, there is nothing saying that you won't be harmed equally by what you said in the context that you said it.

An Hon. Member: Question.

Mr. Snelgrove: We're just about there.

Well, you know, they wrote this speech here, but it wasn't with us when we sat on council and it wasn't with us when we dealt with all these issues. So I would ask the hon. members of this Legislative Assembly to really consider: do we want to start to get involved in a level of government where we're working very hard to make bridges to and with each other in the communities they're in? I would urge hon. members to just – let's shelve this.

With that, I'll take my seat. Thank you.

The Acting Speaker: The hon. Member for Lacombe-Stettler.

Mrs. Gordon: Very, very quickly, Mr. Speaker, and thank you very much. I think the one thing that I see in this bill is that it is voluntary, and I appreciate the hon. member that just spoke ahead of me, and he did bring it up. [interjection] Pardon? From Vermilion-Lloydminster.

There's a very big difference between municipal councils, and I think that more and more as the province changes and more people come to the province and decide exactly where they want to live and what they want in their communities, you will see these differences. So I think it's up to a council to decide what level they want to put into their proceedings as to how they are fully accountable or transparent to their ratepayers and their taxpayers.

So I would like to see us continue with this bill because I do have several questions for the sponsor as to the AUMA and municipalities in that organization and the AAMD and C, which ones supported this, and hear of some of the problem areas in the province that predicated this piece of legislation coming forward.

With that, Mr. Speaker, I will say thank you.

The Acting Speaker: The hon. Member for Calgary-Currie to close debate.

Mr. Lord: Thank you, Mr. Speaker. I'd like to make a few closing comments here, and I'll try not to take too long to do it. Clearly, from the debate I guess we've certainly heard some of the confusions and the complexities of this very important issue.

I guess to start with just some of the objections and issues that were brought forward, we heard why there should not be a recording, there shouldn't be disclosure, there shouldn't be qualified privilege. I guess I would ask which members of this Assembly – I'm sure that some of us may have various opinions on this – would actually consider getting rid of the *Hansard* here? Would we get rid of disclosure here, and would we also vote to get rid of qualified privilege here so that we can all get into lawsuits? I mean, if it's so bad, then why do we do it? Why don't we just go in the other direction and get rid of it?

I should remind people that the AUMA in fact did support this, and they did support it on the basis that it was voluntary, which it is.

Voluntary. For those members of municipal councils that simply don't want to do this, they don't have to. No one is forcing anyone to do anything here. Most municipalities may think that this is not applicable, and they simply can continue on and completely ignore this. For those councils that do feel that it would be good to get qualified privilege, well, this is how they can get it. Qualified privilege is a very important privilege not to be taken lightly. Consequently, I have suggested that there should be checks and balances and responsibilities put in place concurrently if we were to consider granting qualified privilege.

Qualified privilege is not in the Municipal Government Act now.

This is the one issue of this bill which is not allowed in the Municipal Government Act and which municipalities cannot provide to themselves. The other provisions are already there. Municipalities can enact bylaws to have disclosure, and they can enact bylaws to have a *Hansard* or any other type of permanent recording. Having those provisions already there has not, you know, created all of these issues and problems which some people have spoken about. They've been there all along, and they haven't created any issues.

But the reality is that very few municipalities have actually put those bylaws into place. There isn't sufficient incentive to do so. This bill provides incentive to do so and encourages municipalities to continue along the same lines that provincial and federal governments have. That's why I suggest that, in fact, this would enhance the stature of municipal governments as being the equals of all other elected officials, which is why many municipal councillors are in support of this.

5:20

Now, we have heard that there aren't any issues or problems that people are familiar with, but I can tell you – and many of us have been on municipal council; I was on municipal council – that I personally was threatened with a lawsuit for trying to fulfill my responsibilities as an alderman. I was told that if I asked tough questions, I could be potentially sued and there would be no protection. My colleagues there have complained about this as well, as recently as only a few months ago, in regard to the East Village redevelopment proposal. So there are at least some problems in this regard across the province. Are there a lot of problems? No, I don't think so.

I think the hon. Member for Vermilion-Lloydminster was absolutely correct. We have an exemplary track record in this province of almost all municipal councils and councillors. I don't see that there's a huge problem at all. In fact, I think Albertans

should be very pleased with the calibre and quality of their municipal elected officials. However, there clearly have been and continue to be a few problems, and consequently there are some areas and some issues that this Bill 207 could be of assistance in resolving, going forward for those who want it. It's empowering legislation only. It does not require anything.

I'd like to make just two more points, Mr. Speaker, before I finish. You know, it was George Santayana, I believe, that said: those who do not remember their past mistakes are forever condemned to repeat them. Well, having a permanent record of what was said, what was done, how decisions were reached in years past on successful decisions as well as unsuccessful decisions would form an important reference for municipal councillors to find out how to improve their decisions in the future. Without this permanent record, there is no reference of the verbal debate of most municipal councillors, so they don't have that record.

Finally, one last point is that I would have to say that during my experience on council I heard some great speeches by my colleagues. Absolutely great speeches. They're lost to history forever because they were never recorded.

So with that, Mr. Speaker, I would ask for the support of all members of this Assembly. Thank you.

[Motion lost]

The Acting Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. In view of the hour I would move that we now call it 5:30 and reconvene at 8 this evening.

[Motion carried; the Assembly adjourned at 5:24 p.m.]

Legislative Assembly of Alberta

Title: **Monday, May 5, 2003**

8:00 p.m.

Date: 2003/05/05

[Mr. Shariff in the chair]

The Acting Speaker: Please be seated. Hon. members, before I recognize the hon. Member for Drayton Valley-Calmar, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

The Acting Speaker: The hon. Member for Calgary-Mountain View.

Mr. Hlady: Well, thank you, Mr. Speaker. It's indeed a pleasure for me this evening to introduce to you and through you to members of the Assembly five guests that we have in the members' gallery this evening. The first is Mr. Peter MacKay, who is running for the leadership of the federal PC Party and is the front-runner today with the most delegates going for him to the convention in Toronto at the end of the month. With any luck we'll be fortunate to be looking at the new leader of the federal PC Party and the future Prime Minister of this country.

Traveling with him is Russ Carrigan, who's been a constant help all along as he travels back and forth across the country. We also have three of our cochairs organizing in northern Alberta: Kerry Mahood, Kori Mahood, and Peter Grewar. I'd ask them all to please rise and receive the warm welcome of the Assembly.

head: **Motions Other than Government Motions**

Organized Crime and Terrorism

508. Mr. Cenaiko moved:

Be it resolved that the Legislative Assembly urge the government to work with Criminal Intelligence Service Alberta to enhance collaborative partnerships and co-ordinated programs with various levels of government, policing agencies, and the public to effectively combat organized crime and terrorism.

[Debate adjourned April 28: Rev. Abbott speaking]

The Acting Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. When we left off Monday last, I was talking about how we live in a time of increasing uncertainty, where organized crime and terrorism pose real threats to safety, security, and our collective well-being as a society. How or whether you respond to terrorist threats is a bit of a double-edged sword. On the one hand, whenever a threat is made, it would be wrong to ignore it completely. For instance, no matter how unlikely or far-fetched a bomb threat may seem, it would be unthinkable in our society in this day and age to take no action. Even the remotest of possibilities that injury, damage, or even death may be the outcome prompts us to take action. Thankfully, these threats turn out to be empty threats almost all the time, certainly in these parts anyway, and life returns to what we may call normal not long afterwards.

But is this an acceptable norm? I don't think so, Mr. Speaker. It is not acceptable to have everyday life punctuated with threats of murder and mayhem, not even if these threats are made but once a year, not even if they're made but once a decade. This is why

Motion 508 is so important in that it recognizes the valuable work of CISA, the Criminal Intelligence Service of Alberta. The temper of the times has now become such that the work of CISA is vital to the safety and security of Albertans, Mr. Speaker.

We must, however, proceed with caution. One of the hallmarks of terrorists and those involved in organized crime is their ability to blend in with the rest of society. We've seen this recently in the news around Edmonton. It allows them to strike when we least expect it. Another concern is how we view organized crime. I would suggest that collectively as a society we have a rather glamourized view of organized crime, which I'm afraid has given it an undeserved mystique and allure. As I will discuss in greater detail, these factors make it necessary for us not to paint with too broad a brush in trying to eliminate this scourge from our society. If we fail to act with caution, the likelihood that innocent individuals will be targeted is great.

Although North America has been spared much of the terrorist activities, other parts of the world have had to accept them as staples of ordinary life. For instance, during the 1970s terrorist actions in Europe ushered in a general awareness among Europeans that, like it or not, there were terrorists in their midst. Mr. Speaker, terrorist activity in Europe was frequent in the 1970s and the early 1980s. To mention just a few, West Germany's Bader-Meinhof, the Basque separatist organization ETA, or Italy's Red Army faction rose to infamy in that time and had become household names by the end of the 1970s. Over time, while the vast majority of the demands for money or the release of convicted terrorists have been rejected, where terrorists have succeeded is in making the concept of terrorism an accepted, albeit unwanted, aspect of daily life in Europe and in many other places around the world.

For this reason alone, Mr. Speaker, we must support the work of CISA to ensure that this does not happen here in Alberta. Terrorist activity has been and continues to be widespread in parts of the Middle East. Prior to September 11 that's probably where its occurrence was most expected and ingrained in our collective consciousness. For better or worse, we'd hear the word "terrorist," and we might have had an immediate association with the Middle East. However, it is imperative that our debate here tonight and at all other times not degenerate to being a matter of stereotypes. This is part of why Motion 508 is so important at this time. Terrorist activity is not unique to any one group of people. We must never lose sight of that fact.

Similarly, when we speak of organized crime, we should not treat that term as being synonymous with any one particular ethnic group, and we should steer clear altogether of the term "Mafia." One of the reasons we still use the latter term, I think, is that over the years it has gained a mysterious, intriguing, and alluring quality or dimension that for all of its ugliness also has a romantic quality. This makes recognizing the work of CISA all the more important.

Mr. Speaker, I'm sorry to say that thanks to the way organized crime has been glamourized in films and on television, the public at large has gotten a rather one-sided view of what organized crime is all about. For instance, look at *The Godfather* trilogy, pathbreaking in so many ways. The first installment of the trilogy, *The Godfather*, is considered by some to be one of the best movies ever made. Meanwhile, the crass television series *The Sopranos* has been showered with awards ever since it premiered in 1999. Why is this so? Well, Mr. Speaker, I don't think there's an easy answer to this question, but what is clear is that we live in a culture where dramatizations of criminal activity are commonplace. It has become a staple of prime-time programming as dramatizations of organized crime tend to be particularly successful. People eat this kind of stuff up like there's no tomorrow. Having said that, it shows why Motion 508 is such a timely initiative.

Collectively as a society we have a rather skewed view of what organized crime is and the toll that it really takes on our communities. For instance, a 2002 Environics survey of adult Albertans showed that about 60 percent of the respondents rated impaired driving as the crime that most concerned them. On the other hand, gang violence, organized crime, fraud, and prostitution were of concern to only 35 percent of Albertans. No matter how entertaining a particular crime show may be and no matter how alluring and beguiling organized crime may seem to some, make no mistake about it, Mr. Speaker: in real life it is neither.

There is nothing alluring or entertaining about this destructive phenomenon. With some regularity we hear reports about how organized crime makes its presence known in our communities. It is both unnerving and alarming to know how the arms of organized crime are long enough to spread to such a wide range of areas: drug trafficking, prostitution, illegal gambling, and money laundering to mention but a few. This is not one step but several steps removed from the mob world portrayed in the movies and on television.

Now, personally, I was surprised to learn just how wide a range of activities organized crime is involved in. Knowing what I know now, it is pretty clear to me that it is both unrealistic and short-sighted to fight real organized crimes with methods based on fictional or dramatized accounts. In the long run this will be neither effective nor successful.

What Motion 508 calls for is prudent, reasonable, and proactive. It not only makes good sense to have the government work with Criminal Intelligence Service Alberta; it would also strengthen our justice system, Mr. Speaker. By enhancing collaborative partnerships and co-ordinated programs with various levels of government, policing agencies, and the public to effectively combat organized crime and terrorism, I firmly believe that we will have a considerably better chance to preserve the wellness, safety, and security of our communities.

In times of great uncertainty this is a wise move. Lest we think this is not a problem in our province, here are a few figures to show otherwise. I understand that while the overall crime rate in Calgary continues to drop, organized crime is on the rise. The Calgary Police Service reports that the number of counterfeiting investigations have doubled in one year while drug cases are up 85 percent over the past four years. Meanwhile, the Edmonton Police Service estimates that there are about 10 gangs operating in the city, with 700 gang members associated. That's just in the city of Edmonton alone, Mr. Speaker.

8:10

Now, I've spent a lot of my time here talking about a skewed and a romanticized view of the mob and how this perception is quite different from what's really going on. Indeed, reality paints a much bleaker and more frightening picture. A 2002 Research Innovations survey showed that adult Albertans mostly associate organized crime with importing and trafficking in drugs. That's not an inaccurate view, Mr. Speaker; however, it is incomplete. As I said a few moments ago, the arms of organized crime reach far and wide, probably even to Drayton Valley, where I live. While Albertans are less likely to associate activities like prostitution and credit card fraud and Internet fraud and homicide with organized crime, these areas are being taught.

So I urge everybody to support Motion 508. Thank you.

The Acting Speaker: The hon. Member for Calgary-Mountain View.

Mr. Hlady: Thank you, Mr. Speaker. It's my pleasure to rise this

evening in the Assembly and join the discussion and debate on Motion 508, which calls for enhanced collaboration with Criminal Intelligence Service Alberta. I stand in support of the motion as I feel more co-operation, joint efforts, and partnerships between police forces, various levels of government, and the public will help to improve the safety of Alberta's communities. I would like to take this opportunity to commend the Member for Calgary-Buffalo for his hard work and dedication to this motion. It raises some very important issues that need to be addressed regarding organized criminal acts and the possible threats of terrorist activity.

With the passage of this motion Criminal Intelligence Service Alberta would be encouraged to work more collaboratively and co-operatively through partnerships and programs with a number of different government agencies, police units, as well as the public to fight organized crime and terrorism. Motion 508 supports the present methods and strategies in place but also promotes further co-ordinated programs and initiatives.

Mr. Speaker, organized crime is a growing concern for law enforcement authorities and the public. These activities are occurring across the province and may take a variety of different forms including auto theft, drug trafficking, gang activities, or fraud. I recognize that the Alberta government is committed to taking action on this problem. It has contributed over \$8 million during a three-year period to Criminal Intelligence Service Alberta to launch programs that address organized crime and terrorist activities. However, I also feel that these partnerships are essential and that enhanced collaboration would only benefit our efforts at addressing these problems.

Mr. Speaker, we must also remember that organized crime is not an issue that stays within a city or provincial boundaries. It is a unique type of criminal activity that requires a co-operative approach. Certainly, we see it crossing our borders, see it in our schools, see it internationally. I think of all the tracking that we saw in tracing bank accounts during the terrorism that has gone on in the world in the last two years. Seeing moneys moving around the world to promote and support terrorism is something that is only going to be growing in a more major way through the Internet and locally even just through cell phones down to a small basis of children in our schools today.

The Criminal Intelligence Service Alberta, CISA, exists as a centre of excellence to support the efforts of law enforcement agencies and government to detect, prevent, combat, and control crime that is organized or has a serious impact on the quality of life here in Alberta and on Albertans. Over the last few years CISA has made significant progress in developing a strategic response to organized crime. Alberta was the first province to introduce an intelligence-led process that co-ordinates the efforts of all partners across the private and public sector as well as orders of government. The Alberta approach stresses the use of intelligence from an array of sources, including the public, to identify and respond to a security threat before it occurs. Motion 508 acknowledges the importance of this approach and urges the government to strengthen these joint ventures as we cannot accomplish the task of providing safe communities in isolation.

Mr. Speaker, investigations have illustrated that more needs to be done to ensure the security and safety of Alberta citizens as well as a critical government and private-sector infrastructure. Criminal Intelligence Service Alberta is an integral part and component in Alberta's strategy to combat organized crime and terrorist acts.

Mr. Speaker, I would like to shift my focus now and address a specific element of CISA. This organization declared terrorism a provincial priority October 2001 in response to the events of September 11 and the affiliated criminality. September 11 was a

tragic reminder of the destruction caused by terrorist activities. These events have brought terrorist activities to the foreground and have increased the need for emergency preparedness and response for potential attacks and associated criminal acts. The government has taken action, and we acknowledge that we must continue to work this way to keep from having devastating events like this happen again in the future.

Alberta's counterterrorism process developed from recommendations by the Ministerial Task Force on Security. This strategy calls on the resources of government, law enforcement, fire, and health to protect our province from acts of terrorism. Mr. Speaker, we also know from what we saw printed in the newspapers relatively recently that some international targets that have been identified here in Alberta are our oil and gas industry, be it the refineries, pipelines. As well, the Calgary Stampede is a major international target because it's so well known. These are things that we must be prepared for in the future.

CISA was chosen because of its approach, which encompasses intelligence sharing, strategic analysis, operational support, and training. CISA exists to facilitate the exchange of criminal intelligence where the collection, the evaluation, the collation, and analysis can be made to effectively combat the spread of criminal activities. The imperative to prevent terrorist acts requires the use of accessible co-operation and a joint effort of varying agencies and departments around Alberta and across Canada. Police officers are not dealing with just the activities inside their border, Mr. Speaker.

Terrorist attacks threaten more than just the tragic potential loss of life, Mr. Speaker. They undermine our way of life, our freedoms, and our democracy. These acts inflict fear among the citizenry and are unpredictable, resulting in devastation at many different levels in our society. Therefore, we must adopt counterterrorism policies that are effective and utilize the combined resources of the agencies involved. We must use the full scope of intelligence to detect and prevent terrorist plans. Motion 508 calls for increased co-operation, as I've mentioned before. We will continue to work on this and expand our co-operation through intelligence agencies and police agencies around the world.

Mr. Speaker, again I would like to congratulate the Member for Calgary-Buffalo, and I do support him on this motion. Thank you very much.

The Acting Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Mr. Speaker, thank you very much for giving me the honour of speaking to Motion 508. Before I go any further, I would like to take the opportunity to thank my friend the hon. Member for Calgary-Buffalo for introducing this motion. That he has done so shows a great awareness of some of the most pressing issues and concerns facing our society today.

Mr. Speaker, at the core of any intelligence-gathering effort lies, I believe, fear. This may be a fear of the unknown or a fear of something that's quite well known. What is known is that there are activities of organized crime and terrorist cells in our midst, perhaps not right here and perhaps not at all times, but there is a threat, and there is every reason to believe that Alberta is not free of these elements. What is unknown, then, is where, when, how, and in what manner these elements will strike. To some extent we are also not entirely sure why we may become the targets. This is ample rationale for why it is in every Albertan's interest that we enhance our collaboration with Criminal Intelligence Service Alberta to increase that which is known and to keep that which is unknown at a minimum. In times of increased uncertainty and concern about safety this is a baseline requirement.

Fear can be and often is a very disarming sensation. As we all know, it can result in a failure to take action or in what we might call overaction, too much or erratic action. However, fear is at the heart of organized crime and terrorism. You can even hear it in the latter: terror and fear are often synonymous terms. With that in mind, it is hardly surprising that terrorists and those who are engaged in activities of organized crime prey on people's fears. By intimidation, by threats, or through violence they try to frighten and coerce their victims into complicity and silence. Speaking up or alerting the proper authorities in any way can have drastic consequences. That's how much power these individuals can exercise. Fear, therefore, is an essential component in the kinds of criminal activities we're concerned with here: drug trafficking, money laundering, prostitution, kidnapping, and extortion just to mention a few. To say that the success of these operations depends at least to a degree on the ability to strike terror in the hearts of men and women is not, I think, an understatement.

8:20

It stands to reason, then, that if fear is an essential component in order that terrorism and organized crime be successful, removing or minimizing fear is likely to have an undermining effect. Mr. Speaker, if we know more, we can take action. We can take steps to prepare ourselves. By knowing more, by having some advance knowledge of what may or may not befall us, we would be in a better position to thwart the ambitions of those who are planning to engage in organized criminal activities or acts of terrorism. Quite simply, by knowing more, we will fear less. Ignorance, as it happens, is not bliss. This is certainly the case in 2003. If anything, ignorance is likely to breed more fear.

Mr. Speaker, in recent years we have learned through several tragic events that those who are engaged in the kinds of criminal activities that CISA investigates are not the kinds of persons who are above sacrificing scores of human lives for particular causes. Whether we talk about bombings, hijackings, or kidnappings, these acts have had three things in common. First, those who have carried out the deeds were highly devout and committed believers in whatever cause brought them to take action. When someone is that committed, he or she tends to have made a significant emotional and psychological investment in the cause. Secondly, many of these operations have been or are highly complex operations. Months or even years of planning and preparations were required before they swung into action. I mention this because the complexity of the operations demonstrates a level of sophistication that local police forces, no matter how dedicated they may be, in all likelihood will not be able to match in the long run.

There is a reason why we have heard the term "terrorist cells" a lot in recent months. A cell is, of course, but one small part of a much larger body, and so it is with organized crime and terrorist activities. Often networked, individual cells or factions work independently of one another while still being committed to the same cause or endeavour. Thus, Mr. Speaker, rendering one such cell or faction inoperable may pre-empt its ability to carry out whatever plan it was fashioning, but it does not scuttle the mission. Chances are that another cell will be ready to step in and pick up where the other left off.

Based on the aftermath of the tragic events of 9-11, we know that this can happen and does happen. We know that individual FBI agents and field offices submitted reports about suspicious activities during the summer of 2001 that seemed to have had at least some connection to 9-11. However, in the absence of a central co-ordinating agency to analyze these reports, no clear pattern emerged that could have forestalled what eventually took place. I don't

suspect that anything as tragic is about to, let alone would, happen here in Alberta, but we don't know; do we? In any event, we see how the absence of knowledge can be compounded by an absence of analysis of data, whether we talk about motorcycle gangs, organized crime syndicates, or terrorist groups. However, we can rest assured that they are well organized, well co-ordinated, and well funded. This is where CISA could make the difference in that by enhancing collaboration between it and other law enforcement agencies, whether civic, provincial, or federal, it would raise our level of readiness, our level of preparedness in the event of the unthinkable.

We have a responsibility to ourselves and to future generations of Albertans to rise up to meet the challenges and threats that these criminal elements pose to our way of life. Motion 508 is an example of sound policy-making. It will help us increase the level of safety and security of all Albertans. It will help us to better protect and care for all that which is near and dear to our hearts.

For these reasons, Mr. Speaker, I will support Motion 508, and I urge all my colleagues to do so too. Thank you.

The Acting Speaker: The hon. Member for Edmonton-Norwood.

Mr. Masyk: Thank you, Mr. Speaker. I'd like to rise to speak in favour of Motion 508.

Mr. Speaker, criminal intelligence for a constituency like Edmonton-Norwood would be most beneficial for the citizens. What happens in a constituency like Edmonton-Norwood or one where criminal activity is known to occur is that for people who have homes where a lot of this activity carries on, it causes the real estate to be not so favourable at times to buy. At the same time, if you have the real estate and you have a high level of crime activity going on, there's a chance that you may not get a mortgage. There's a chance that you may have your insurance canceled. There are a lot of things that go on. However, if you had this criminal intelligence, it would give a sense of security to the lenders, it would give a sense of security to the insurance companies, and it also would give a sense of security to the buyer. In a market like we're seeing right now, where there's a high level of housing needs, the inner city is one of the places where people tend to go and buy. Once they get there, they would like to have their children going to and from school safely.

So I'd like to commend the hon. Member for Calgary-Buffalo for at least looking at this, and it's our duty to at least give it some consideration if not to pass the thing hands down. Mr. Speaker, that simple fact is why I would encourage everybody to support it. It really does affect the homes of individuals. It really does affect our economy, and children and the elderly are the ones who are mostly impacted by criminal activity. I know an elderly gentleman who was taken down and tackled not too far from my constituency office, and nobody seems to know anything about it. If that individual was tracked, then I think we would probably combat those three or four people who brought him down. Plus, you would have some intelligence on his friends and his friends' friends. That's not only in Edmonton; it's all over. It's not only in the inner city; it's in the different areas.

On that note, I'd like to encourage everybody to support Motion 508 and really have a good look at it. Thank you so much, Mr. Speaker.

The Acting Speaker: The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Thank you, Mr. Speaker. Occasionally a motion comes along that makes it just about impossible to vote against it.

The motion says:

Be it resolved that the Legislative Assembly urge the government to work with Criminal Intelligence Service Alberta to enhance collaborative partnerships and co-ordinated programs with various levels of government, policing agencies, and the public to effectively combat organized crime and terrorism.

I don't think anybody in Alberta would vote against that.

Some of the speakers have talked about the criminal influence, the gang issue, and I want to go into that a little bit more specifically because I think, quite honestly, that in many parts of Alberta we don't understand how serious the gang or organized crime influence is. I just want to read into the record some of the situations that have actually happened in Alberta.

First off, with regard to aboriginal gangs enforcement agencies in Alberta have identified nine aboriginal-based street gangs or criminal organizations. While some of the recruitment of gangs has occurred in various locales in Alberta, considerable recruitment of gang members has occurred within provincial and federal correctional facilities. Once these individuals are released back into society, they continue to recruit in their local communities. In northern Alberta the Indian Posse, the Redd Alert, the Deuce Mob, and the Manitoba/Alberta Warriors have been identified as the most criminally active street gangs. Their primary illegal activities have been drug trafficking, prostitution, and the sale of black-market cigarettes. While the main centre of gang activity has been in Edmonton, gang members have been identified and in some cases arrested in northern Alberta communities. No one likes to talk about this kind of stuff, but it's important that the public hears. There's some more. At least one group, the Alberta Warriors, has had some association with the Hells Angels. Aboriginal-based groups are criminally active in theft, drug trafficking, prostitution, robberies, assaults, intimidation/extortion activities.

The Asian gangs. I don't know why, but it seems to make the news more when they can connect gangs with some group. The Asian-based organized crime groups continue to be primarily based in the urban centres of Vancouver, Calgary, Edmonton, Toronto, and Montreal, but smaller cities and rural areas are increasingly being used to conduct their criminal activities. The structure of Asian organized crime includes criminal youth and members of street gangs. This membership is fluid, with members often conducting several different criminal enterprises with members of other gangs. The ability for these gangs to work together makes it increasingly difficult for individual police forces to follow up on what they're doing, so the co-operation from within Alberta and province to province or from the federal system to us is absolutely paramount if we want to stop these before they become any worse or grow to become a bigger influence on the people of Alberta.

8:30

We know that the outlaw motorcycle gangs are here, particularly the Hells Angels. We know that they're involved in counterfeiting, loan sharking, extortion, escort agencies, strip clubs, possession and trafficking of illegal weapons, stolen goods, contraband, alcohol and cigarettes. You know, we read about these. We see them in the paper, and we'd like to think they're not here. We'd like to think they're in the bigger cities, Toronto, Montreal, and the American cities, but quite honestly they're here now and to not address it is to deny the truth.

So, Mr. Speaker, I certainly want to congratulate the Member for Calgary-Buffalo, someone who's spent a lifetime in criminal enforcement agencies and is completely aware of the problems we face. I hope the Members of the Legislative Assembly can support this motion tonight. Thank you.

The Acting Speaker: The hon. Member for Calgary-Buffalo to close debate?

Mr. Cernaiko: Please. Mr. Speaker, I'd like to sum up Motion 508. Since September 11, 2001, concern for potential terrorist activities throughout North America and specifically Alberta has been on the minds of all of us. However, there is work being done to ensure that we are not attacked by terrorists or organized crime. We've heard the Solicitor General through the last few months talk about her relationship with CISA and the \$2.4 million a year that is provided from this government to CISA for nonoperational and/or administrative functions with CISA to administer this organization within Alberta. This is truly effective, but we also have to look at: what is the role and responsibility of CISA into the future? Do they have an operational role? Do they have a role that may tie in with policing agencies throughout Alberta and yet a futuristic responsibility in an operational role that will look at the additional mandate that we as the Legislative Assembly may provide them?

The Solicitor General has provided \$1 million for IP projects for CISA over the past year which still have not been conceived in the fact that there still are difficulties with the relationships between the municipal policing agencies in Alberta and the RCMP, but we are hopeful that through her office the relationships and the contracts will be conceived over the next year.

Mr. Speaker, one of the most critical factors to prevent serious criminal activities is the sharing of information and intelligence. Information is scattered raw data. Intelligence, on the other hand, is information that has been put through a process of collection, evaluation, analysis, dissemination, and re-evaluation. Relevant credible information plus quality analysis equals useful intelligence. CISA assists in the exchange of criminal intelligence.

The potential threat, Mr. Speaker, to people and the critical infrastructure of Alberta represents a public risk that is shared by all Albertans. I encourage all members in this Assembly to urge the government to work harder and commit more time and funding for criminal intelligence efforts. I ask all members to support this motion.

[Motion Other than Government Motion 508 carried]

Full-service Gasoline Stations

510. Mr. Masyk moved:

Be it resolved that the Legislative Assembly urge the government to introduce legislation requiring every gasoline service station in Alberta to have at least one full-service bay to improve accessibility for the disabled and the elderly.

The Acting Speaker: The hon. Member for Edmonton-Norwood.

Mr. Masyk: Thank you, Mr. Speaker. It's a great honour to bring forward Motion 510. Originally I brought forward the motion because of personal experiences. I once witnessed an elderly lady being covered with gasoline while attempting to fill her vehicle. I was appalled that this woman, a member of our generation that built this great province, was humiliated because corporations have overlooked the need of an entire segment of our society.

Mr. Speaker, I have to ask the members of the Assembly to first look at a stage that I'd like to set, and the stage is regarding depth and width, and it's a little analogy of a bricklayer and three people. You'd come to them, and you'd ask the first one what he is doing. He would respond: I'm laying bricks. To link that to what I'm bringing forward would be a no, not to accept this motion. The second would be to ask the person: what are you doing? He'd say:

building a wall. That would be to divide the House 50-50: 50 yes and 50 no. What I'm asking for is for some greater insight and to look at it deeply and for the members to accept and pass Motion 510. When he asked the bricklayer: what are you doing? He would say: I'm building a cathedral. So, members, by passing this you'd have great vision, you'd have great depth, and you'd be building a cathedral, not laying bricks.

Mr. Speaker, after witnessing that incident, I did some personal research into how many full-service stations there are in Edmonton. I found that between three major gasoline providers – Petro-Canada, Shell, Esso – full service was offered at only 20 of 110 stations. Having only 18 percent of the gasoline stations provide this essential service for a city of nearly 1 million people seems outrageous, especially when our population is rapidly aging and the fact that more people with disabilities are driving nowadays. To make matters worse, if a senior citizen or a disabled person wants to find out where the nearest full-service station was located, it's only Shell that has this information readily available to the public by way of the Internet. Currently 10 percent of our population is over 65. By 2026 20 percent of Alberta's population will be in this age group.

As legislators it is our duty to prepare a progressive province for the future. This is exactly what Motion 510 does. It creates equality for those who have contributed a lifetime of hard work to this province and who now deserve society's respect. For many of us it is difficult to imagine that we one day may require assistance as we age, and the way our age is now, on average, as we speak, they're hewing some granite out and chiseling our names on it.

Living independently for as long as possible is a goal that many of us share and many seniors strive for. To not be a burden on anyone in our society is a fundamental aspect for a way of life in Alberta. Part of this strong sense of independence is the right of mobility. In a North American society a life not free from impediments or immobility is no life at all.

Part of our view of freedom of movement or independent living involves having the ability to drive your vehicle when you desire. The ability to drive your vehicle involves, in turn, the ability to obtain fuel. With full-service stations increasingly scarce, it, however, becomes increasingly difficult to achieve and maintain full independence for those who have special needs.

It's true, Mr. Speaker, that some businesses are becoming more aware of the needs of seniors. The senior-friendly program initiated by the Alberta Council on Aging is a good example of how the private sector voluntarily can make a change in existing practices so that businesses become more accessible to seniors. Through the tools and products of this program businesses and organizations that offer services to seniors are provided with information and tips on how they can improve their service to seniors by eliminating barriers and enhancing accessibility. However, gasoline stations in Alberta have yet to make the necessary changes in order to make accessibility an important feature of their business practices.

8:40

Mr. Speaker, as I mentioned earlier, Motion 510 also seeks to increase accessibility for disabled Albertans. Seniors will not be the only group that will benefit from this motion. Currently there are half a million people in Alberta living with a disability. Ours is a province that prides itself on equality for all citizens regardless of race, creed, background, or abilities, but when it comes to the issue of mobility, our high standard of equality is not being met at present. It is time we took a step forward toward equality and fairness and grant Albertans with disabilities the freedom which the rest of us have come to take for granted.

Mr. Speaker, advances in technology have made and continue to

make driving motor vehicles more accessible for Albertans living with disabilities. However, for all the new technological breakthroughs that automobile manufacturers have made, fuel service providers have not kept up with the advances. With more and more new service stations being built that are self-serve only, we continue leaving persons with disabilities at a disadvantage. If private business cannot meet the needs of Albertans who are already disadvantaged in our society, it is our duty as elected officials to come to their assistance. I was always of the attitude we were elected by the people for the people.

Mr. Speaker, this government through the Premier's Council on the Status of Persons with Disabilities has made tremendous strides in enhancing the lives of the disabled. In December 2002 the council released the Alberta disability strategy, which is currently being reviewed by the Department of Community Development. The Alberta disability strategy has eight major recommendations for immediate implementation. Of these eight, three bear directly on Motion 510.

The first recommendation is that "Albertans should be made more aware of the rights, needs and aspirations of persons with disabilities." If passed, Motion 510 would directly address the issue of equality rights and the needs of disabled Albertans.

Mr. Speaker, the second recommendation is that "the Government of Alberta must ensure that the needs of persons with disabilities related to their daily living activities are met." Freedom of mobility is an essential part of daily living. Therefore, by providing equality at gasoline stations, it should be obvious how Motion 510 would assist government in implementing the recommendation of the Alberta disability strategy.

Mr. Speaker the third recommendation of the strategy recommends that a commitment should be made to "universal accessibility and a process put in place to remove physical barriers from public spaces so that all Albertans can fully participate in all community, employment and business activities."

Again, it's clear how Motion 510 is consistent with government's progressive and important recommendations. Albertans with disabilities are currently hampered by disadvantages when it comes to freedom of mobility. If a person living with disabilities is to fully participate in all community, employment, and business activities, there must be full equality in the basic necessity of transportation and mobility.

In conclusion, I would ask you to adopt a little different attitude, Mr. Speaker. Because you can't fill up your tank, it's not time to hang up the keys. It's time to amend our policy and amend our views on the disabled and elderly. I would like to clearly state that the possibilities proposed in Motion 510 are far from impossible. In Oregon and New Jersey full-service gasoline stations are mandatory. In New Jersey the law was passed in 1947, whereas the Oregon statute has been on the books since 1951. These states prove that equality and safety can be at the forefront of government policy without needlessly hampering business.

Mr. Speaker, with static electricity and what I've seen, it wouldn't take much of a spark, and the elderly lady or a disabled person would have some serious burns, not to mention the impact it has on the environment. One ounce of gasoline destroys something like 5,000 square feet of atmosphere. [interjection] Space. That's why the shuttle crashed.

Mr. Speaker, for Alberta's 300,000 seniors and 500,000 Albertans living with disabilities, Motion 510 is a necessity. The fundamental issue of ethics, of equality, and fairness of the issue address Motion 510. Alberta is already a leader in the nation when it comes to progressive legislation. Motion 510 will continue to be a proud legacy. We cannot wait.

Mr. Speaker, I would urge everybody to see the cathedral. Thank you.

Ms Blakeman: Oh, Mr. Speaker, there's a great deal to be said for clarity, and I'm really glad that I was able to hear the member that brought forward and proposed Motion 510 speak to his motion because I have to say that recently I've seen a number of motions brought forward that in fact as written on the page do not reflect what the member was trying to achieve. When I was reading this motion, it was not clear to me what the ultimate aim was, and I'm glad that we were able to hear the member clarify his intent around this because I think there are a number of different ways that it's possible to interpret what in fact is on the page.

When I read something that says

urge the government to introduce legislation requiring every gasoline service station in Alberta to have at least one full-service bay to improve accessibility for the disabled and the elderly,

I originally thought, where I come from anyway, that a full-service bay is actually where a mechanic works on a car, and I thought: "Okay. I don't quite understand why. The public is not allowed into the actual working environs of a full-service gas station that's providing mechanical expertise." But, no. The member has clarified that he's really talking about offering full-service assistance in gas stations to people who perhaps for a variety of reasons are not able to be operating the self-service pumps. I hope that in the closing that is offered to the member, he will be able to clarify that in fact what he is seeking is special gas pumps, not service bays but gas pumps or full-service attendants to come out and fill the gas tanks in people's vehicles if they are not able to or have some sort of mobility or accessibility restriction to be able to do it themselves.

The member mentioned a number of excellent programs that exist now to encourage people to look around and think how simple changes in the environment or in fact in the way they approach various tasks could be improved so that everyone is able to have better access to it. A simple example is the easier-to-open doors or the electronic doors now where you can push a button or a panel beside the door and the door will open. Originally this was envisioned as being helpful to people who really would be classed as having a disability, but in fact if you stand there and watch, lots of people take advantage of that, and it assists many different kinds of people with access to buildings; for example, moms that are pushing those little pushcarts with toddlers or babies in them, someone with a temporary disability like a broken arm or struggling with crutches or perhaps with a back ailment that's making them a little stiff and it's hard to yank those big heavy doors open, people that are carrying packages. You know, you can sort of whack those buttons with your elbow or even with the package itself, and the door will open.

8:50

So what was intended to benefit a fairly small segment of the population in fact a great number of the population takes advantage of: accessibility. In most cases it has not turned out to be an enormous burden upon either the business sector or the public sector to provide this. Now as we build buildings, those are automatically built in mostly because we put the legislation in place to make sure that those things would be considered when buildings were either retrofitted or put in place.

I am always supportive that we are increasing the participation of every Albertan fully in the life of the province. I think that enhances all of our lives and brings into play the talents and brain power and expertise of all Albertans. So anything we can do to make accessibility easier for people, absolutely; I'm more than willing to support it. And my colleagues in the Official Opposition have always been

supportive. In fact, one of my former colleagues, the former Member for Edmonton-Rutherford, was a leader and a crusader in that area, and certainly one of the reasons we enjoy such strong accessibility legislation and bylaws in Edmonton is because of him. He has shown us all leadership, and we've all learned a great deal from him. Am I willing to support something that makes it easier for people to gas up either using technology that would make the pump system easier to access somehow or in fact by making sure that there are people there to assist if someone required it? Absolutely.

Just a couple of questions for the member. Is he anticipating that there would eventually be legislation that would require gas service stations to provide that additional staff person that's available to come out and actually operate the pumps for someone that couldn't do it themselves, or is he anticipating some sort of a retrofit program, for instance, like the city of Edmonton has in place where businesses can apply for a grant to help them retrofit buildings for accessibility for persons with disabilities? Exactly how is he anticipating the follow-through in getting this idea in place? I'm interested if he can expand upon that, please.

Now that he's clarified that what he was really talking about is access to the fueling system in gas stations, that makes it much easier for me to support this. If I can get the clarification on whether he's anticipating legislation that would require additional staff or somehow that all staff that are working in gas stations are capable of leaving their cash register and going out and doing this or how he is anticipating the implementation of this.

Good ideas are gratefully received, but if they don't ever make their way to implementation, they just become a frustration for us. So I'm pressing him to follow through on the rest of how he sees this coming to be, and I'm sure that in the time – he will probably have another week before he does his closing comments. It gives him time to seek guidance from some of the excellent agencies that we have working in Alberta, like the ACA or the Premier's Council on the Status of Persons with Disabilities or agencies like the ones in my riding like EmployAbilities or DECSA, all of which I'm sure would be more than willing to give him advice on this very important issue.

Thank you for the opportunity to speak to this. I am willing to vote in favour of Motion 510. Thank you.

The Acting Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. It gives me great pleasure to be able to stand up and speak to Motion 510. My constituents feel that the government already makes too many laws, and really they don't want any more restrictions on how they do their work. Albertans just want to work. Business does not want government to get involved in private business.

I guess one thing that I do want to say is: maybe the situations could be a little different in urban Alberta as opposed to rural Alberta. I need to talk about rural Alberta a little bit because I need to talk about small-town Alberta. Sometimes we only have one service station that's open, and if we are going to legislate business to have to operate with two people on duty, then that provides such a restriction because there isn't enough money being made to be able to support it.

You have to also remember that now we don't have service stations that only serve gas, where you can have an attendant that leaves the service station, goes to serve the gas, and the only thing that's left maybe in the service station is a till. Most of the service stations are a convenience store at the same time. It wouldn't take long for people to realize that if you have one attendant and he has to go outside to serve people, the money that he may make on the

gas could be lost on chips and pop that might be underneath the coat.

I also say that, you know, there has been some allusion made to seniors needing assistance, and I would suggest that in my constituency, at least from my experience – and I have seniors coming to my office – they have a tremendous network. They know where there are service stations that have attendants that do pump gas in the daytime. They know exactly where they can go to get the service, and I don't think they need to go to the Internet to find out where those service stations are. It doesn't take them long in the pipeline of knowledge to find out where those places are.

I would also like to say that I really believe that having self-serves teaches kids how to maintain their vehicles a little bit and at least try to identify some of the problems that vehicles may have, checking the oil, looking at the fan belt, doing some of this checking. If you have a situation where you are going to have attendants that are going to take care of this, they are never going to go to the place where they have to do the self-serve. It's just easier to have someone else do it and thereby not have that much information or knowledge gathering.

I believe that we just cannot afford to impose restrictions on businesses on the amount of staff that they need. I think the service stations are operating very well. They want the business, and they are doing the work that is going to acquire the most business possible, and I very much would like to speak against those types of restrictions which are in Motion 510.

The Acting Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Mr. Speaker, thank you for giving me the opportunity to rise tonight and speak in favour of Motion 510. I'd like to begin my remarks by commending the hon. Member for Edmonton-Norwood for introducing this motion. Not only that; a motion such as Motion 510 requires that the sponsor be a caring person as well as someone who is cognizant of the barriers that some members of our society face each and every day. The hon. Member for Edmonton-Norwood is such a person.

Humility is a virtue and one that perhaps we do not accord the status it deserves in daily life. In a society as dependent on the automobile as ours we sometimes forget that driving a car is not a right, but rather it is a privilege, as well it should be. While a car offers great convenience and ease of use, it is also something that requires a great deal of responsibility. In the wrong hands any car can become a deadly weapon. To put it quite simply, Motion 510 deals with matters of fairness and safety. As has already been stated, the purpose of Motion 510 is to enact legislation . . .

The Acting Speaker: I hesitate to interrupt the hon. Member for Edmonton-Meadowlark, but the time limit for consideration of this item of business has concluded.

9:00head: Government Bills and Orders

head: Committee of the Whole

[Mr. Shariff in the chair]

The Deputy Chair: I'll call the committee to order.

Bill 18

Energy Statutes Amendment Act, 2003

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Calgary-Bow.

Ms DeLong: Thank you, Mr. Chairman. It's my pleasure to speak to Bill 18 today. I have listened to the questions and concerns of the members opposite with great interest and would like to take this opportunity to address them.

It's important to keep the intent of this bill in mind as we move forward. This bill is designed to allow the Department of Energy to deal more effectively with land tenure and collection issues. It allows for a more effective collection process by providing certainty around which leaseholder has the natural gas rights when natural gas is found in coal seams or solution gas is found in conjunction with oil sands. This clarifies which leaseholder is responsible for paying royalty and which royalty regime applies. It codifies joint liability so that the Crown will not have to argue the common-law precedents in every case where a lessee defaults on a royalty payment. It clarifies that provisions governing royalty recalculations apply to royalty and to associated interest and penalties, and it sets out reasonable time periods to complete recalculations of royalty and related interest and penalties.

First, I'd like to highlight the fact that the Auditor General's report for the past two years has indicated that the gas royalty calculation and collection process has shown no outstanding issues or concerns. In fact, production data reported to the Alberta Energy and Utilities Board and to the Department of Energy has been enhanced through the implementation of the Petroleum Registry of Alberta. Up-front audits and validation processes ensure that only accurate data is accepted. Missing or incomplete data is identified and subject to compliance mechanisms such as penalties.

The Auditor General has also made recommendations with respect to the disclosure of costs related to royalty reduction programs. It's my understanding that the department addressed the Auditor General's concerns regarding these programs as part of the most recent completed audit.

Regarding individual meters on oil and gas wells, in Alberta today there is essentially a meter at every wellhead with some minor exceptions. The main exception is for the very low-producing wells in southern Alberta, where a number of wells can be measured through a common metering site. This means that the combined production for a cluster of wells is measured. There is a second set of metering for virtually all gas production in the province, which is the measurement of natural gas and natural gas liquids leaving natural gas plants. When the gaseous and liquid components have been separated and water and other impurities removed, the plant custody measurement is even more accurate than the wellhead meters. To make wellhead meters as accurate as plant custody meters would require building a miniature gas plant at each well, which is just not feasible.

Regarding new technologies, new technologies could result in better allocations back to the wellhead and could conceivably improve even the highly accurate plant gate custody meters. Metering affects the distribution of revenues between pipeline owners and well owners, so there is a very healthy interest in using the most accurate metering that is practically available. Mr. Chairman, accurate measurement of oil and gas is important to ensure that Albertans receive their fair share of royalties and the government ensures that production and disposition are properly calculated and reported.

Mr. Chairman, a member of the opposition asked about the extent of the problem in recalculating freehold mineral tax. The answer is that the total adjustments are approximately 2 percent of what is collected, or about \$2 million; that is, 2 percent of the mineral rights tax that is collected. The Department of Energy is very diligent in collecting all the tax that's due.

Mr. Chairman, a member of the opposition also raised some

concern over the use of the word "may" in section 3 of the Freehold Mineral Rights Tax Act. The word "may" empowers the minister to recalculate the tax payable. One should look at the entire act along with the regulation under the act to see if there are any conditions prescribing and exercising that power. Section 6 of the Freehold Mineral Rights Tax Act clearly states that where the tax owed on a single tract is less than \$20, then no tax is owed. The use of the word "may" in the proposed section 3 of the act ensures consistency with section 6 of the regulation.

A question of why the minister is being given the power to determine the order of payment has also been raised. The order of payment to gas accounts is specified in the natural gas royalty regulation, 2002. With respect to freehold mineral tax, allocation to specific tax years may be required to ensure that the oldest outstanding arrears are paid first. This helps ensure that a freehold mineral owner's title does not go into default.

In relation to the legal question a member of the opposition asked in regard to ownership of the gas underneath the tar sands and bitumen mines, the provisions in Bill 18 are proposed to resolve the ownership of gas and solution gas in oil sands areas. The Crown identified the ownership conflict situation and provided industry more clarity surrounding the issue. The new definition is contained in Bill 18. On Crown land Albertans own all the resources: gas, petroleum, and bitumen. Bill 18 explains the issue of which lessee has the right to the solution gas.

The Member for Edmonton-Gold Bar raised some questions regarding venting and how this will affect the development of coal bed methane. The venting of methane ahead of the mining operation for safety reasons will have a very minor impact on the total volume of coal bed methane that will be developed in Alberta. There are a total of 24 permits to develop a mine in the province, which on an area basis represents only three out of a thousand of the total coal available for coal bed methane development. That's .3 percent. Explosions caused by coal bed methane during mining have historically been a bane to miners. This requirement to vent coal gas ahead of the mining operation is critical for the continued safe mining operations in Alberta.

Coal bed methane is in the early stages of development in Alberta. The Alberta government intends to proceed carefully with the development of this untapped resource so that it can learn from the experience of other jurisdictions and from data collected from Alberta operations. Coal bed methane is natural gas, and it is subject to the same legislation, regulations, and administrative practices as conventional natural gas. Alberta Energy, the EUB, Alberta Environment, and Sustainable Resource Development have existing regulations that apply to coal bed methane development.

In October 2002 the Department of Energy announced a cross-ministry review and external consultation process to determine if the existing regulations and policies are appropriate for responsible coal bed methane development or if any changes should be made. The planned cross-government external consultation process, that includes public input, will address a broad range of issues associated with coal bed methane development, including water, to ensure that recommendations balance industry interests with landowner, resident, and environmental considerations.

The Department of Energy is continuously reviewing its existing rules as well as developing new rules to ensure that the Crown and Albertans receive the intended shares of royalties from the development of energy resources. The royalty regime for oil sands delays taking a large up-front royalty due to the significant investment required to start up a project. The regime is designed to allow the Crown and industry to receive a fair share of the profits from oil sands over the entire cycle of a project. The Department of Energy

requires all large oil sands projects to be audited on an annual basis by an external accounting firm. The department also performs its own audits on all projects to ensure accurate collection of royalty revenues.

9:10

Regarding water flow, it is a requirement in Alberta to obtain a well licence from the EUB to drill an oil and gas well and to ensure that groundwater resources are protected. As part of the EUB application process, Alberta Environment has input by requiring surface casing, which I'm sure you've all heard of, to be set at a depth below the base of groundwater protection. This cemented surface casing protects any water aquifers that may be in the area from possible damage while the well is being drilled. If anyone suspects that the drilling or production of a well is causing disruptions in their water flow, they should contact the EUB, who will investigate their complaints.

To finish my comments, I strongly support Bill 18 as it advances Alberta's land tenure and collection capabilities. Thank you very much, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to rise this evening and participate in the debate on Bill 18 at committee stage. Certainly, I appreciate the answers to my questions from earlier in debate from the hon. Member for Calgary-Bow.

One cannot find too much fault with this legislation if one is just to look at the intent, which I believe is to provide legislative clarity for investors as well as to ensure that the rules are clear and effective for someone drilling a well. When we think of this and we think of the fact that the hon. member just concluded by saying that the coal bed methane industry is in its early stages of development in this province and that coal bed methane and natural gas are supposedly one and the same and that it's an industry that is in its infancy, I have to question at this time if this legislation is what the coal bed methane industry needs at this point in its development.

Now, there certainly are other initiatives presented here, Mr. Chairman. You know, we are going to amend the Mines and Minerals Act and the Freehold Mineral Rights Tax Act. We've already discussed that. We are going to permit the government to enhance its tenure and its collection practices, and at this time I would like to know from the hon. member if this is just for Crown tenure or if it is also for private tenure.

Last week I had the pleasure of attending a public meeting in Camrose with many of the landowners in Camrose, some of whom have rights that are older than the province. These have been passed down from one generation of the family to another. We had quite an interesting discussion. First and foremost, these individuals certainly wanted to talk about electricity and natural gas deregulation but were very interested to also talk about the coal bed methane industry. They recognized that there were a number of wells that could be drilled on a section, sometimes a lot more wells. In some rural areas 64 wells a section were proposed for coal bed methane development, and this number of wells was not, to say the least, popular with the farmers or the landowners. There was the issue of compressor noise. There was the issue of water disposal.

I thought at that time: well, this would be an ideal time to do some research into development in other jurisdictions and just what exactly other jurisdictions have done. The hon. member mentioned that in her remarks, and certainly I would think that this government would not like to lag behind other jurisdictions. I didn't have to go

far in my research, encouraged by the farmers, to find out that B.C. in this legislative session has a bill, Bill 16, the Coalbed Gas Act, introduced by the hon. Minister of Energy and Mines in British Columbia, and it's a lot different, I must say, than what we are looking at in this province. After reading through it, it gave this member cause for concern.

Now, it looks like in proposing the Coalbed Gas Act, the British Columbia government has taken the lead as the most coal bed methane-friendly jurisdiction in Canada. The Minister of Energy and Mines in B.C. is developing a coal bed methane strategy. I do know that there are some pilot projects going on on Vancouver Island, and the government has made a commitment to coal bed gas development that is going to encourage and promote confidence for investors and also promote confidence in exploration opportunities throughout B.C.

I don't know what is going to happen with this bill if it is going to be assumed by investors that B.C. is a little bit more friendly towards exploration and investment and if people are going to vote with their feet and go there. That's why I would urge caution on Bill 18, and if there's a way to improve this legislation through amendment, well, perhaps the time is right for this House to consider it.

As I said earlier, we have Bill 18, and British Columbia has Bill 16, and the purpose of Bill 16 in B.C. is simply to promote economic activity in that province by removing any uncertainty that surrounds entitlement to coal bed gas underlying both Crown and freehold lands in that province. Our Bill 18 is going to amend, certainly, section 67 of the Mines and Minerals Act to clarify, as I understand it, that Alberta Crown coal tenure does not include "rights to any natural gas, including coalbed methane." If that is wrong, if the hon. member could clarify that, I would be very grateful.

Now, the proposed Bill 16 in British Columbia is, as I understand it, declaratory legislation that confirms a long-standing B.C. government policy that coal bed gas is a natural gas owned by the owner of the natural gas rights by deeming natural gas to be and to always have been a mineral and deeming coal bed gas to be and to always have been natural gas. It is further confirmed that a natural gas tenure issue pursuant to the Petroleum and Natural Gas Act includes coal bed gas rights and that a coal tenure issue pursuant to the Coal Act does not, regardless of when such tenures were issued.

9:20

The Alberta Bill 18 is, on the other hand, much more limited, or it has restrictions. The proposed legislation, as our research indicates and as I've been told, is that the legislation certainly clarifies that coal bed gas is not included in Crown coal tenure but does not specifically include such substances in natural gas tenure although the definition of natural gas leaves little doubt in this regard on a go-forward basis. Significantly, the Alberta legislation is silent as to its retroactive effect on the vested property rights of current tenure holders. Existing natural gas tenure holders must rely on the regulatory incorporation provisions contained in the Crown tenure documents. Mr. Chairman, the contractual provision in Crown dispositions whereby the grantee agrees to incorporate into the contract compliance with further legislation enactments. We also have to consider that the statutory compliance provision in section 4 of the Mines and Minerals Act provides that the act applies to an agreement made, entered into, or renewed under the former act notwithstanding anything in the agreement.

The Mines and Minerals Act here in Alberta applying to an agreement must be recognized as less effective language than, for example, the province of Saskatchewan Crown Minerals Act, which provides that all existing Crown dispositions shall be deemed to be issued under that act. Without specific retroactive enactment

language or a stronger statutory compliance provision, it is open for the current holders of Alberta Crown coal tenure to argue that existing agreements are unaffected by the Alberta amendment act. If the hon. Member for Calgary-Bow could confirm this or answer my questions around this, I would be very grateful. There are current holders of Crown coal tenure. Will they want to be compensated in this case?

There are many people with opinions on this, but A.R. Thompson in his article *Sovereignty and Natural Resources* has studied Canadian petroleum legislation and identifies limitations on the doctrine of regulatory incorporation insofar as it pertains to certain basic or fundamental provisions of a Crown disposition. The first argument is that there are certain entrenched provisions contained in the grant or conveyance language of a Crown disposition which are separate and apart and of a more fundamental nature than the other covenants and conditions contained in the document. This, it is noted, parallels the Supreme Court of Canada's distinction in *British Columbia v. Tener* between mere regulation and defeating the grantee's entire interest in the land.

A.R. Thompson's second argument is founded on a basic consideration of contract law and recognizes that notwithstanding a clause binding a party to the contract to comply with such changes as may from time to time be introduced by the other party, there is a core of the contract which is unalterable and must be performed. It is open to the court to identify certain fundamental terms of the Crown coal tenure which are unalterable by the Crown, by the corporation of the future, statutory provisions, or regulations. Such fundamental terms might include the basic right to produce and market these substances and to extend the nature of the granted substances themselves.

Now, the proposed Alberta Energy Statutes Amendment Act, 2003, Bill 18, and the Mines and Minerals Amendment Act, 1978, introduced an expanded definition of oil sands which was discussed earlier. When this happened, it was with the following language: an agreement granting rights to petroleum and natural gas or either of them, whether granted before, on, or after July 1, 1978, does not grant rights to oil sands. I would like to get some of these questions answered in regard to this.

Mr. Chairman, there are several historical examples of Canadian jurisdictions employing legislation to bring about the consistent resolution of mineral ownership ambiguities. While certain of these enactments strictly address Crown tenures that overlap in a substance context, such as section 125 of the British Columbia Petroleum and Natural Gas Act and section 4(2) of the Alberta petroleum and natural gas tenure regulation, which deems petroleum tenure not to include rights to oil sands, others encompass both public and private lands, such as sections 56, 57, and 58 of the Alberta Law of Property Act and the Saskatchewan Sand and Gravel Act.

Mr. Chairman, notwithstanding that the British Columbia legislation affects privately held lands, it is important to distinguish its declaratory nature from legislation that affects exploration of the coal bed gas resources in that province. The proposed coal gas act simply seeks to address the uncertainty that surrounds the case-by-case application of the vernacular test for mineral entitlement determination employed by Canadian courts. When taken in context, the proposed coal gas act strikes an equitable balance between the use of legislative power to fulfill public policy objectives with the need for certainty of private mineral tenure.

By way of illustration, research indicates and reminds us of the following historical examples of the exercise of provincial legislative power to affect by way of exploration privately held mineral rights. Saskatchewan's Oil and Gas Conservation Stabilization and Development Act, 1973, vested in the Crown petroleum and natural gas in all producing tracts in Saskatchewan down to and including

the producing zones. Nova Scotia's Petroleum Resources Act vests in the province all petroleum including any mineral oil or relative hydrocarbon and any natural gas including coal gas existing in its natural condition in strata. British Columbia's Geothermal Resources Act vests all geothermal resources in the Crown. The Petroleum and Natural Gas (Vancouver Island Railway Lands) Act can be used to vest petroleum and natural gas rights on Vancouver Island in the Crown. Section 128 of the Petroleum and Natural Gas Act permits the Crown to vest storage reservoirs in the Crown.

That's one example of questions that would certainly make one cautious about whether Bill 18 is at this time what the coal bed gas industry needs for further development. When we look at how important this is going to be for the province, not only must we develop this industry in a timely fashion, Mr. Chairman, but it must be done right. We can make an effort not to repeat some of the mistakes that have been made south of the border.

Now, there's no doubt that coal bed methane could in the future supplement Alberta's natural gas supply. The gas is sweet and dry, and generally it's pure methane with small amounts of carbon dioxide and nitrogen. Coal bed methane accounts for 7 percent of total U.S. production, and it's growing. With industry interests in coal bed methane development increasing, the Department of Energy – and I've been following this with a great deal of interest – commissioned a report on the potential of the coal bed methane reserve base and the conditions necessary for the development of such. The report I would think is almost required reading for all hon. members of this Assembly. When we look and we recognize that coal bed methane is a form of natural gas – and as I understand it, here in Alberta coal bed methane royalty is going to be calculated in the same manner as conventional natural gas – we need to ensure that everything that is possible will be done to proceed with development of this natural resource, and everything that's possible means making sure we've got a proper method of disposing of the produced water. How we use that is paramount to public confidence in the development of this industry.

I look forward to participating some more later, Mr. Chairman. Thank you.

9:30

The Deputy Chair: Are you ready for the question?

Hon. Member for Edmonton-Mill Woods, are you rising to speak?

Dr. Massey: Yes.

The Deputy Chair: Okay.

Dr. Massey: Thanks, Mr. Chairman. I appreciate the opportunity to make a few comments about Bill 18, the Energy Statutes Amendment Act, 2003. The bill, as my colleague indicated, has been preceded by one in the province to the west, and one of the positions that's being put forward is that this should be treated as a separate resource and not lumped in with others.

Mr. Chairman, I don't have my notes, and I'm going to have to get organized and cede the floor to a colleague.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks, Mr. Chairman. I want to make just a couple of comments in Committee of the Whole, which is a better sort of working session for us to ask and answer questions here. My continuing struggle when I look at Bill 18 is that it's not going far enough. It's not giving me certainty and clarity in what I'm seeking. It is not clear exactly who it applies to. I listened to the opening

remarks from the member, and she mentioned again oil and natural gas but didn't mention coal bed methane. So the struggle that I continue to have with this bill is that it is not talking about the obvious, and I want to know: the coal bed methane rights are assumed under what? Oil rights or natural gas rights?

So I'm going to ask the questions, and then the minister can respond to me, because that's what we do in Committee of the Whole. It's not being spelled out in this bill, and it's not being separated out, which is what I am seeking here. I think it's dangerous to assume that those rights will be picked up under the other two, because it in fact is not spelled out, and the assumption is a wrong way to go about creating certainty in this area. There's a lot of money at stake here. There are a lot of jobs at stake here. Our whole province is built on oil and gas revenues and productions and royalties and all of that. So to sort of not say anything and not provide certainty and clarity is where I am really struggling to be able to support this bill. Is there the possibility of an amendment that would sort this out and make it clear? We've got oil rights; that's one thing. We've got natural gas rights; okay. But there should be a requirement that you would have to negotiate coal bed methane rights outside of whatever is anticipated by those two. I don't want to belabour the point. I hope I've made it as clear as possible that that's my hesitation here.

We are dancing around and not talking about the very thing that to me is most obvious. Now, perhaps it happened that when the impetus for creating this amending act came forward, we still weren't really sure how likely coal bed methane production was going to be in Alberta, and maybe it's progressed so rapidly that the legislation or amending act didn't keep pace with that. I don't know. I don't know what the reasoning is behind it. But it's not acceptable to me to have an assumption about something as important as energy production and its effect upon the whole fibre and fabric and economic well-being of this province.

I think it has to be spelled out, and it's not being spelled out in this bill, and that's my problem with supporting it: that it's just not talked about. I'm looking for that kind of certainty and that kind of clarity that it will be spelled out, and unless I'm seeing some sort of amendment or something very clear that's going to happen that hasn't happened so far, I'm having problems supporting this bill. So that's where my hesitation in supporting it is: that the bill is not going far enough in spelling out who gets what, where, and why and that it's not clear exactly what that is.

Thanks very much.

Ms DeLong: I thought that maybe I should clarify things before we get any further off track here. One first of all has to look at what leases really are. Okay? When you have a lease, you don't have a lease to have all of the gas all the way down to the centre of the Earth or all of the oil all the way down to the centre of the Earth. Each separate formation is a separate lease in terms of what you're producing from. We do not have separate categories for natural gas that comes out of sandstone, natural gas that comes out of shale, natural gas that comes out of all of these different kinds of rock, just the same as we don't have separate types of leases that come out of coal bed strata. So all we're trying to get cleared up here is that if you have a lease for coal, for actually taking coal out of the ground, that does not mean that you have a lease for producing gas. That's the only thing we're trying to clear up here.

So we're not going into some new area here. When we talk about how coal bed methane is new, the only thing new about how we're handling coal bed methane is that it's new technology, and we have new technology that we apply to other kinds of gas wells. For instance, when we first starting fracturing by putting chemicals down

there, that was a new technology. When we first produced gas by putting explosives down there, that was a new type of gas. All the tertiary recovery is new technology. Similarly, as we produce natural gas out of this particular seam that just happens to be coal, again, it is new technology, but essentially we have exactly the same kind of lease structure as we always had.

Now, there were also some questions in terms of how water is used. Again, we are producing natural gas. Okay? All of the rules we have that apply to a coal seam or that apply to sandstone or that apply to whatever type of formation we normally get the natural gas out of also apply to coal. So in terms of how we handle the water, in terms of how we handle salt water or if there's any potable water, again, that is just standard natural gas production.

Thank you.

9:40

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. Now, again to the hon. Member for Calgary-Bow: does Bill 18 limit or restrict coal bed methane production to a certain depth? As I understand it, the potential from coal beds varies in this province anywhere from 20 feet to 3,000 feet, and anything below 3,000 feet would be economically . . .

The Deputy Chair: Hon. member, I'm just being advised that you may want to clear room where your speaker is so that your voice can be picked up for *Hansard* purposes.

You may proceed.

Mr. MacDonald: Okay. Sorry. I apologize, Mr. Chairman.

Now, there are many different coal beds that have potential in this province, and I am of the understanding that the only ones that are going to be dealt with in this legislation are the ones that are Crown tenure. Do we also need to address the issue of private tenure at the same time? If we're going to develop this industry, like I hope we do, let's do it right. But I am perplexed as to the definition of – I could be misunderstanding you, and I apologize if I am – a production zone and the gas calculation and the respective royalty calculation that would go along with that. You can have a well with multizone production in different zones, but with coal bed methane gas how exactly is all this going to work?

There are still some technical questions surrounding this bill that I don't feel are satisfactorily answered. Particularly, is Bill 18 here too limited in what it's attempting to do to enhance coal bed methane exploration and production? When we look at all the issues, I don't know if we have addressed them in this bill: the technical issues, the issues of land access and tenure access. I'm not satisfied that this is the answer. Water disposal and diversion issues. Certainly, the farmers in Camrose last week had concerns around the issue of water and water disposal. Fortunately, our research indicates that the coal seams in Alberta do not nearly have the water that they do in America. Hopefully, we won't have any thought even of surface discharge in this province, and we will have injection of this water perhaps into a formation that was producing oil and is now in a mature state of production, and we could use that for enhanced oil recovery.

We discussed this earlier, at second reading, but there are other issues surrounding this. We know that coal bed methane developments at this point are high risk. There's a lot of capital involved. Certainly, I think you can drill a well quite quickly. You're not going to the depth that you're going to, say, in the foothills front area. What would the proximity of one well to another mean to private landowners? I understand that you need vast tracts of land to make all this work.

So when investors look at this, the only thing I can say in conclusion at this time in committee is: where will they take their investment dollars? I think there are still some questions legally that need to be addressed in regard to this bill, and perhaps there is a solution to this. I would certainly be willing to discuss it with the hon. member and all hon. members of this Assembly, because we want to be on a level playing field with our neighbours in British Columbia. Certainly, the hon. Minister of Energy talks of a level playing field in the electricity deregulation market. This is also an application that would be noteworthy, and that is to have a level playing field with the coal bed methane industry in Alberta, the same as what the government of British Columbia is implementing with their Bill 16, the Coalbed Gas Act.

I'm not sure exactly where we're going with this bill, and I think that in order to exercise caution, unless my questions are answered satisfactorily – and if they can't be answered tonight, well, then at the next appropriate time – I don't think we should proceed to move this bill through committee until the questions surrounding the ambiguities are resolved.

Thank you, Mr. Chairman.

[The clauses of Bill 18 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Some Hon. Members: Agreed.

The Deputy Chair: Opposed?

Some Hon. Members: No.

The Deputy Chair: Carried.

[Several members rose calling for a division. The division bell was rung at 9:49 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Shariff in the chair]

For the motion:

Ady	Goudreau	Maskell
Amery	Graydon	Nelson
Boutilier	Griffiths	Oberg
Calahasen	Hancock	O'Neill
Cao	Hlady	Pham
Coutts	Jablonski	Rathgeber
Danyluk	Klapstein	Smith
DeLong	Kryczka	Stevens
Doerksen	Lord	Tarchuk
Ducharme	Magnus	Woloshyn
Dunford	Mar	Yankowsky
Fritz	Marz	

10:00

Against the motion:

Blakeman	Mason	Massey
MacDonald		

Totals:	For – 35	Against – 4
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[Motion to report Bill 18 carried]

Bill 32

Income and Employment Supports Act

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Minister of Human Resources and Employment.

Mr. Dunford: Yes, Mr. Chairman. Thank you very much. In second reading I think I described basically the idea of this whole bill in the reform of the delivery of social assistance. However, I do at this time want to bring forward a government amendment to Bill 32. I guess it will be circulated; will it?

The Deputy Chair: It is being circulated. If you would just hang on for one minute, please.

Mr. Dunford: Okay.

The Deputy Chair: Hon. minister, you may proceed.

Mr. Dunford: Okay. Really, this is a routine amendment in the sense that all we are doing is changing the phraseology as it exists throughout the act. What it is, Mr. Chairman, is that the bill is amended as follows: in the following provisions "family unit" is struck out wherever it occurs and "household unit" is substituted.

Now, it doesn't change the way in which we calculate benefits or infer benefits, anything like that. It is just simply that since the Adult Interdependent Relationships Act has been proclaimed, it's our view that the term "household unit" is more encompassing and more inclusive than "family unit." It's with that, Mr. Chairman, that we offer this amendment, and I urge all members to support it.

The Deputy Chair: On the amendment, the hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes, please, Mr. Chairman. If the Minister of Human Resources and Employment at this time could clarify and provide a definition of "household unit." Or is it going to take the same definition as in part 2, Income Support and Health and Training Benefits, division 1, section 6(3)?

The Deputy Chair: Anybody else on the amendment?

[Motion on amendment A1 carried]

The Deputy Chair: Anybody wishing to speak on the bill? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to get to speak on Bill 32. Certainly, there have been indications from some quarters that this is a step in the right direction, but I believe that what the poor and the marginalized in this province need from this government is an increase in their benefit rates. This legislation may be an indication of the hon. minister's efforts to try in some way to improve the legislation for income and employment support programs, but the first thing that needs to be done is to recognize that for the 30,000-plus households in this province a \$20 per month increase starting in June is not adequate.

Mr. Chairman, we are looking in this bill at improving the accountability for training service providers, we are attempting to help people on income support move into the workforce, and we are, as the hon. Member for Edmonton-Centre has previously stated,

eliminating the Widows' Pension Act in about two years. But whenever we look at the training-on-the-job programs and the fact that Alberta and Canada formed the labour market development agreement initially in 1997 – and there have been evaluations, as far as I know, continuing through 1998, 1999. I'm not satisfied that those evaluation programs have been satisfactory. Certainly, there have been hundreds of millions of dollars transferred, and some people have advised me that it is their view that Bill 32, the Income and Employment Supports Act, is a means of enhancing the privatization of the delivery of not only training-on-the-job programs but other portions of the entire income and employment supports programs. Now, I don't think this would be necessary, and if this is not correct, I would appreciate an explanation from the minister in regard to that.

We are looking at the training-on-the-job programs, and we don't know if they are working or whether they're not working. I tried through freedom of information, and I thought the information was so hard to come by that it was inconclusive as to whether or not these programs were working. As I said earlier, we are spending significant amounts of money on them, but I have to accept the fact that the information has not been provided to me. Tax dollars have been spent, and I cannot confirm that the dollars are going to groups that need it the most and that the dollars are being well spent.

There are many other aspects certainly of Bill 32, but like a lot of other pieces of legislation that we deal with here, there are going to be regulations. This is a government that is fond of governing by regulation. Who will write the new regulations for this legislation, Mr. Chairman? As all Albertans well know, this government has no, as they say, set-in-stone process to ensure that the wills, shalls, and mays of regulatory documents meet the needs of Albertans. Will the very individuals that require the assistance have input into the regulations so that their needs are met quickly and efficiently so that these citizens will not have to wait and try to apply a regulation to their individual circumstances? Also, will there be open access to the regulations in a variety of public places so that the public knows and understands what is available?

10:10

The market-basket measure: has that been officially adopted by the government? There are many people that have opinions in regard to the market-basket measure, but when we are laying the groundwork for this new bill, I think that the government is trying to find a way to link welfare rates with the actual cost of living in different parts of Alberta. This has been discussed in this Assembly many times by various members. How will this work? Is it actually, Mr. Chairman, government policy? If this is to work and to implement this, a new poverty measure has to be developed by not only the provincial government but the federal government and perhaps even some of the municipal governments. Certainly, the city of Edmonton and the city of Calgary, I think, would have interest in this. If we were to have this market-basket measure, it's very important to recognize and to realize that what's more important than the measure is what's in the basket. What exactly are we going to put in this basket?

I understand that there's a motion coming. Hopefully, we'll get a chance to have a discussion and to debate this motion during this current session, Mr. Chairman. This market-basket measure will allow SFI rates to vary from place to place, and it will be based on local costs. Some of these local costs would certainly include rent, transportation, the average cost of a basket of groceries, et cetera. Since this market basket only measures the absolute cost of a particular basket of goods, it is going to allow us to limit our social contract with lower income people.

This concern has been raised by a number of people, including

people over at the Edmonton Social Planning Council. They are of the opinion that unlike previous relative measures of poverty, the market basket "doesn't measure how low-income people are fairing in comparison to the average income." They go on to say, "Instead, it helps to free us from any responsibility to equally share Alberta's growing wealth with the poor," and adopting the market-basket measure "will further erode our sense of community and undermine our commitment to equality."

Now, they also caution that "ironically, we will all be worse off with the introduction of this" market-basket measure. "Based on numerous international studies, increasing inequity in Alberta will lead to poorer health outcomes for all Albertans, not just people with low incomes." That's quite interesting because certainly the Edmonton Social Planning Council has a great deal of insight into the whole issue of poverty and poverty-related issues, and I would encourage hon. members to consider their research and perhaps pay heed to some of what they say at least.

Now, if the market-basket measure has been officially adopted by the province, will the government recognize that there are many families and individuals in this province that do not have sufficient funds to provide this nutritious food basket? I can't understand how we can expect people who are receiving minimum wage to be able to provide this nutritious food basket, and if the proposed target, the minimum level of supports to low-income Albertans, is adopted, what about others who are within \$50 to \$75 of that minimum level? How will this affect them?

The market-basket measure establishes the minimum income required to purchase a basket of goods, and whenever we're talking about housing, food, clothing, transportation, personal hygiene, household supplies, furniture, telephone service, and some reading, recreation, and entertainment, we cannot forget, Mr. Chairman, about the cost of utilities. Natural gas and electricity have just been through the roof, as we all know, skyrocketing prices for electricity and natural gas, and I wonder if any effort is going to be made to reflect those high costs because of energy deregulation in this market-basket measure.

What is the target minimum level in dollar figures? Is there a sliding scale for the location of the individuals or families requiring support? What's the cost of a loaf of bread in Fort McMurray versus a loaf of bread in Medicine Hat or the cost of utilities in Medicine Hat in comparison to Edmonton or Calgary? Certainly, Medicine Hat was wise enough to be cautious about energy deregulation. Many of their utilities are very modest when you compare them to the rest of the province, and that certainly would be interesting.

Now, if one is to look at a recent Alberta Agriculture, Food and Rural Development survey, this shows that SFI clients receive a range anywhere between \$524 and \$575 for rent or mortgage, taxes, insurance, et cetera, and for food, \$379 for one parent and three kids. Now, the cost to feed a family of four in November 2002 averaged between a low of \$547 and \$580 in four communities in southern Alberta, so something has to give there if that parent and three children are going to have adequate food, and that indicates to me that there's not enough money to go around. This is from Alberta Agriculture, Food and Rural Development, a recent survey that's two months old.

Also, in discussing Bill 32, can the minister reveal the five different community types that the market-basket measure has been based on? What assumptions were made? Are there already services provided in these community types? If they are not, will the government make sure that these basic services are available in all communities to fit the community-type profile? Again, can the minister elaborate on what the government believes basic needs are and elaborate on what building block will be in place to meet the different needs?

Now, in regard to shelter can the minister elaborate on what flexible funding will be available to low-income families that are only able to access shelter in older, less energy-efficient housing? Most housing that is available for low-income families is old and often in need of repair. The people least able to pay and least able to change their circumstances are the very ones who find themselves paying the highest bills. Will landlords be providing upgraded facilities with energy-efficient furnaces and appliances at the same low rates as part of the basket measure? I would be surprised if they do. I think not, but I've been surprised before, and maybe they will.

10:20

Further, on the whole issue of utilities we need in discussion of the market-basket measure – where are the automatic rebates for these individuals faced today with the decision of food or paying utility bills? How is all this working out? Trickle flow is becoming a reality in this province because of energy deregulation and for no other reason. We are aware that low-income households can receive relief but only if they have received a cutoff notice. I don't think that's necessary or in the public good or in the interest of the public.

The problem is the fact that they have to wait for the cutoff notice to get relief. These notices don't have a long turnaround time before action is taken to proceed with the cutoff. Often individuals cannot make contact with a worker before cutoff happens. The government answering machine suggests another number if it is an emergency. This type of runaround takes energy and adds to a stress level that is often the undoing of most to cope with the problem, and they sink further instead of moving up.

If we are to try to assist these low-income families and we tell them their house is going to be secure, why do they have to go through the mental stress and anxiety of losing their utility services? Why would there not be an automatic government intervention? After all, the government is well aware of the volatility of the cost of these utilities and who should be receiving benefits. These very individuals are hard pressed to meet their basic needs on a daily basis without the pressures that they have no control over.

At the same time, I would like to know, as we're going through this, how many directors' orders have been issued to provide temporary relief to those who cannot pay for their utilities because of the skyrocketing costs and their benefit amounts being so modest. Certainly, I think there are a lot of people within the Department of Human Resources and Employment who are working very, very hard and doing their best with some very limited resources.

Now, the food. We need to ask the following and consider the following in discussions on the Income and Employment Supports Act. Does food include access to healthy eating and nutrition counseling? Will the building blocks factor in the cost of fresh fruits and vegetables when seasonal weather conditions in the production regions affect the price of the products? Study after study is showing that unless the low-income individual can receive or access meats, fresh fruits, and vegetables, they become part of the most expensive users of the health care system. Is the hon. Minister of Human Resources and Employment prepared to ensure that the hand-up approach meets all the variable needs of the low-income groups in a prevention manner that will decrease the number of people needing food banks and expensive medical interventions?

Mr. Chairman, also the counseling and knowledge of benefits available. Will this legislation ensure that there are enough social workers to meet the demands of those needing assistance? At the present caseloads this is not, in my view, possible. Personal, face-to-face interaction with a worker is needed for the clients. Many need hands-on guidance to fill out forms, access service, and acquire benefits, equipment to best fit their needs. Now, counseling and

knowledge of benefits available would also ensure that clients are not kept in the dark regarding benefits that they are legally entitled to but somehow may have been overlooked. If a well-skilled researcher has trouble finding the information, how do those that are struggling with the most basic survival needs find that information? Will there be extra training provided for social workers to know what services are available in each community, and will these services be integrated to meet the individual client needs?

The Deputy Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I'm pleased to rise to speak to Bill 32, the Income and Employment Supports Act. This bill represents the government's response to the low-income program review, and it allows the creation of regulations to build a replacement program for supports for independence, the skills development program, and the widows' pension. The legislation, as is so typical of government legislation these days, is essentially a shell with most details being established through regulations drawn up by cabinet. It's my understanding that this particular piece of legislation will not affect current benefit levels.

I think that the concern here is that the act does not represent the kind of breakthrough that we were hoping for in assisting people with low incomes. First of all, Mr. Chairman, we need to recollect that it is not an insignificant percentage of Albertans who are poor. In fact, I think roughly 20 percent of Albertans are at or near the poverty line. Notwithstanding the economic benefits for many in our society, there is a significant portion, and it may be somewhat less than 20 percent. Nevertheless, it is a significant fraction of Albertans that live in poverty.

It is not limited to the big cities. They certainly have their share, and a number of us on both sides of the House represent constituencies with a significant number of poor people. We're very familiar with those programs, but it's not limited to that. A study done a few years ago by the Alberta Urban Municipalities Association showed that significant levels of poverty exist throughout Alberta in smaller cities, in towns, and in the countryside. So it's not limited to the big city.

Now, there was a concerted effort made by the government to try and address this through the low-income program review, and we asked a number of organizations that work with various government programs and work with low-income Albertans what they thought of it. The results were interesting. Generally, the concern first and foremost was that key decisions will be in the regulations and that these are not subject to public scrutiny. The question is: does it really mean that the benefits are discretionary, and are they going to be affected, therefore, by budgetary pressures?

We've seen this in this Assembly a number of times when certain programs – for example, some programs directed at at-risk youth and aboriginal children – were cut when the Provincial Treasurer feared about a year ago or so that she was going to face a deficit, and under all of the legislation that Alberta was so proud of at the time, the poor Provincial Treasurer might have to go to jail if she ran a deficit. I'm being a little facetious there, Mr. Chairman, but certainly the act made running a deficit illegal. So these programs were suddenly cut because the price of oil and gas went down.

I will give the government credit; they have taken some steps to mitigate that pattern, but it has been, I think, an appalling pattern in the past that the various programs went up and down like a yo-yo alongside the price of natural gas. So that's a concern to these low-income organizations.

10:30

Because things are placed in regulation, it's very difficult for people to launch appeals. Having details in the act is essential for

appeals. You can appeal policies and you can appeal decisions but not regulations, and there needs to be some potential in the act for the benefits. Otherwise, you cannot appeal the decision to deny them.

There are a lot of questions about what the benefits are actually going to be, and I'm going to be offering an amendment to help clarify this a bit later, Mr. Chairman. Do benefits include transportation? Do they include recreation? A question the minister might want to ask is whether or not the financial benefits workers will have caseloads such that they will actually be able to address recipients' individual needs.

Now, section 2 defines the purposes of the act as providing "programs for persons in need for . . . requirements." The list does not include things like heat, light, and water, which were explicitly included in section 1 of the Social Development Act. That they have been excluded from this act makes me nervous, Mr. Chairman. Is it deliberate? Again, we will be offering an amendment later this evening on that.

Questions arise about what will be included under health benefits. Will psychological counseling be included? Will substance abuse counseling be included? These are things that I hope the minister can help us with in this.

Now, there's a strong emphasis on training, and that's good in many cases, but it's not appropriate for all recipients. What about people who will never be independent? If someone admits to being able to work, they currently lose benefits, which encourages people to say that they are unemployable. There's no longitudinal commitment to employment support. Recipients receive short-term support and then are expected to be independent. Many of the training programs are not for high-quality jobs and are not readily available to clients who want training. There's a bit of a culture of denial here, Mr. Chairman. The minister overseeing labour and social services I think tends – and it's reflected in the act – to view the recipients of this assistance as a pool of potential labour, and that's not necessarily always appropriate. Some people just need help, and they are not ever going to be in a position where they can move on to being fully self-sufficient.

In section 16 there are some requirements for recipients to pay back benefits. Now, I don't know if this is following the current practice of requiring payment of benefits when other sources of revenue become available for the same time period. I'd like to have the minister clarify this for us, and again we are considering an amendment for this section.

Mr. Chairman, the act will not address the main problems faced by low-income Albertans, and that includes a few things. First of all, the lowest minimum wage in the country. Certainly, we're one of the provinces with among the higher costs of living, yet we have the lowest minimum wage at \$5.90. If you compare that with our two neighbouring provinces, it's \$8 an hour in B.C. and \$6.65 in Saskatchewan. So that's a significant concern. I know that some members have argued in the past. . .

Mr. Smith: What's the unemployment rate?

Mr. Mason: I hear the Minister of Energy making the argument that because there's a low unemployment rate in this province, we don't need to fiddle with the low minimum wage, because everybody is working. Well, not everybody is working, Mr. Chairman, and not everybody is being paid above the minimum wage in Alberta. I could turn the argument around. If the minimum wage in Alberta is irrelevant because the market has already outstripped it and people are paying higher wages than \$5.90 an hour, then what's the problem with moving up the minimum wage? The minimum wage should not

be set according to how many people are working and for how much at a given point in the economic cycle affecting the province. The minimum wage should be set at a rate that will in effect give people a certain amount of dignity and the bare essentials that they need to survive. That's how it should be set, and any other argument I think is specious.

Of course, we know that the high costs of energy in this province have contributed greatly to problems at all levels. It's like a giant rock which has been cast into a still pool, and the waves are going out in every direction, Mr. Chairman. It's not only affecting the average working person or professional people or businesspeople or farmers. It's affecting every sector. It's affecting the public sector, and they, of course, are forced to pay these high, outrageous prices for electricity as well. For example, some universities have given an indication that recent tuition increases are driven in part due to increases in electricity prices and natural gas.

We did a fairly extensive survey of rural municipalities. I know that when the Minister of Municipal Affairs answered my question, he was somewhat confused about who we had actually sent this to and believed that we'd sent it to all municipalities in the province, over 300. In fact, we sent it only to the rural municipalities, so our response rate was fairly respectable, and I could suggest to the minister that since we asked those questions, we've had a continuing trickle of responses from the rural municipalities in this province. I know the Premier would like to say that we in the New Democrat opposition ignore rural Alberta. Well, it's true that we have only two MLAs, but we're doing our level best to try and represent the people in rural Alberta. They have a set of problems that are serious, and they share with urban dwellers the increasingly intolerable burden of sky-high electricity prices, Mr. Chairman.

We've heard that from the rural municipalities, who've indicated to us that they have had to increase taxes to pay for higher power bills. They've had to cut municipal services to pay for higher power bills. You know, they're closing facilities, they're cutting back on programs, they're jacking up the property taxes, all of which is hitting people in the pocketbook. Of course, this hits the poor among our society the most severely, Mr. Chairman, so I want to get back to this particular question. Energy prices are not only intolerable for middle-class and upper-class Albertans, but in particular they are intolerable for low-income people. Again, this policy error on the part of government with respect to electricity deregulation is reverberating throughout the entire society in Alberta and affecting every government department, including the Minister of Human Resources and Employment and his department. He has to compensate for this, just like the Minister of Learning has to compensate for it, just like the Minister of Municipal Affairs has to compensate for it, just like the Minister of Health and Wellness has to compensate for it in his department. So this mess is being felt right across the government and right across society.

Now, social assistance benefit levels are, of course, a key factor in the problems which are faced by low-income Albertans, and social assistance benefit levels are well below the cost necessary for healthy living in our communities. The cost of healthy living for a single parent with two children has been calculated by the Edmonton Social Planning Council at \$1,471.20 per month in the year 2000. This compares to the \$851 that same parent would receive from SFI, including the \$20 increase announced in April. Of course, Mr. Chairman, people that do work with low-income people consider this \$20 almost contemptible, as just totally inadequate to deal with the problems.

10:40

Another thing, a serious one, that creates problems for low-income Albertans is the tight housing market, with rental vacancy rates of about 1 percent in many major centres, including Edmonton,

Calgary, and Fort McMurray, and rents to match, Mr. Chairman. The average rent for a one-bedroom unit is \$533 in Edmonton, and for a two- or three-bedroom unit the average is \$742. A single parent with two children would receive \$428 for a rental allowance, an affordability gap of \$105 even if they live in a one-bedroom unit. Now, that means that those people are forced into substandard accommodation in order to make their rent payments. You know, we've had lots of issues with that, and certainly those of us that have represented inner-city communities or served on municipal councils and so on are well familiar with the role that slum landlords play in assisting the government to maintain rental allowances which are so far below the needs of the people who depend on them.

The main concern of people on SFI and the agencies that work with them is the level of benefits. The lack of attention to this issue in our view represents a clear lack of commitment to address the issues of poor Albertans. The lack of details in the act makes it impossible to address the adequacy of the act to improve low-income programs in any detailed way.

So, Mr. Chairman, those are my general comments with respect to the bill. I have some amendments, and I would like to take your guidance. Shall I let other members speak, or shall I proceed with the amendments at this time?

The Deputy Chair: Hon. member, I don't have a copy of the amendment that you have, so if you wouldn't mind waiting a minute while it's being circulated.

Mr. Mason: Okay. I have four amendments, Mr. Chairman. The first one . . .

The Deputy Chair: Hon. member, you have to move before you can distribute the amendments.

Mr. Mason: Okay. Then I will move, Mr. Chairman, that Bill 32, the Income and Employment Supports Act, be amended as follows. Section 5 is amended by adding the following after subsection (2):

(3) On or before April 1 each year, the Minister shall review the income support payments provided under this Division in conjunction with the Consumer Price Index for the previous calendar year and make a recommendation to the Lieutenant Governor in Council as to whether a cost of living increase is required.

You told me to move it, so I did.

The Deputy Chair: You may proceed.

Mr. Mason: Thank you very much, Mr. Chairman. This amendment would require that the government review benefits for low-income Albertans each year with consideration to a measure of inflation similar to that used to adjust the remuneration of MLAs. Income support payments would continue to be set by regulation but would not be subject to annual review.

Mr. Chairman, our preference was clearly to require an increase at least equal to inflation for these benefits, but private members cannot propose amendments requiring expenditures by the government. So that approach was excluded, and for that reason we have come up with this proposal, which would require the minister to conduct a review, which specifically mentions the consumer price index as a benchmark that the minister should use and then provides for the minister to make a recommendation to Lieutenant Governor in Council as to whether a cost of living increase is necessary.

The Deputy Chair: Hon. member, before I recognize any other

speakers, I'm just wondering if you have the original copy of the amendment that has been circulated, because that's what I need.

Mr. Mason: It was on the top of the pile, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. In regard to the amendment as proposed by the hon. Member for Edmonton-Highlands, I would certainly encourage all hon. members of this Assembly to support this amendment. I think it is a very good idea. Certainly, it is very similar to something that was proposed in this Assembly three years ago to enhance and protect the disposable income of those Alberta seniors who were eligible for the Alberta seniors' benefit and were caught in a squeeze at the end of every month because of the diminishing amount of their disposable income.

Certainly, if we were to review income support payments provided on an annual basis, I think it would be a step in the right direction when everyone considers that it's been 10 years, really, since the provincial government cut the supports for independence or welfare rates by 20 percent as a cost-saving measure, and over the same 10 years the poor in this province have suffered tremendously in my view. Their suffering is increased because inflation has robbed them by close to a further, it has been reported, Mr. Chairman, 25 percent in purchasing power.

These statistics alone cannot start to describe the difficulties that are hidden behind these figures. Certainly, many people on SFI feel frustrated and are struggling with rapidly escalating utility prices and rents, and we know that the food bank is being used and visited quite regularly because many of the people who are receiving benefits do not at the end of the month have enough food to provide for their families or their children.

Now, certainly, the answer to this is in legislative initiatives such as this amendment to Bill 32 that has been circulated by the Member for Edmonton-Highlands. I think it is a very, very good amendment, and I would encourage, in conclusion, Mr. Chairman, that all Members of the Legislative Assembly consider the merits of this. I guess if it's good enough for the goose, it's good enough for the gander, as they say, and it would certainly make it much better for Albertans when you consider what we've been through in the last 10 years and the fact that in that time the federal government introduced the national child benefit supplement to fight child poverty. Our government here saved more money by clawing back the supplement from some of the SFI cheques, and when you consider that, it is another reason why we should support this amendment.

Thank you.

10:50

Mr. Dunford: The hon. Member for Edmonton-Gold Bar is just so off the mark all the time. He knows very well that we didn't do that. It wasn't allowed to do that. If you took something away from the income support from the federal government, you had to put it right back into children of people of low income. So we need to clear the record on these things.

As far as the amendment, I can understand where the member is going on this, but in the consumer price index he picks an index that has been in use for quite a number of years, and even now Stats Canada recognizes its limitations if it's to be used for certain aspects. So what is contemplated is the fact that we will identify a low-income measure, and then we will start to get into a debate, I would think, both here in this Chamber and also throughout the province

about what percentage of that low-income measure should we be basing our income assistance at.

Right now the leading candidate for that low-income measure is something that's called market-basket measurement. Market-basket measurement is being investigated by Stats Canada as we speak, and we are told that we can expect some time later this spring or into the summer some of the first preliminary calculations as to market-basket measurement that would apply, then, to the various categories that would exist here in our province. So I think that there are other measures that are going to be better than a consumer price index.

On that basis, I would urge all members of the House to vote against this amendment.

Mr. Mason: Briefly to close, Mr. Chairman, I appreciate the minister's point that there might be better indices that could be used and that they may be in the future. However, we are at least making an effort to find a way in which the benefits for people of low income can be geared to the actual cost to live which they have, and this is I think very important. It's obviously been recognized by the members of this Assembly because they provided the same process for themselves, for their own wages, and we all know that our wages in this place are tied to the average weekly earnings index in the province. We were looking for something that wouldn't be tied so much to what people are earning but to how much they needed to live, which I think is more consistent with the government's philosophy that nobody should get a nickel more than they need if they're dependent on government assistance.

You know, there's no reason we cannot pass this, and then when the minister has better measures, we could amend the bill and we could put those better measures in. I didn't hear the minister say that we would index or tie supports to these better indices. He just says that they're coming along, so we shouldn't pass this now. Well, if he had made a commitment to tie it to the market-basket measure in the future, that would have been very satisfactory to us and we would have been prepared to withdraw the amendment. But I didn't hear that from the minister, and the fact that this is not the very best index in the world should not stop us from trying to establish the principle that when people's living costs rise, their assistance should as well.

Thank you, Mr. Chairman.

[Motion on amendment A2 lost]

The Deputy Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I have another amendment, which I will now move, that Bill 32, the Income and Employment Supports Act, be amended as follows: section 2 is amended by adding "heat, light, water, clothing and other" after the word "shelter."

The Deputy Chair: Hon. members, the amendment that is now being circulated shall be referred to as amendment A3.

You may proceed.

Mr. Mason: Thank you very much, Mr. Chairman. This is quite straightforward. If you read section 2, which is the section dealing with the purpose of the act, it says:

The purpose of this act is to provide programs for persons in need for such of their requirements for food, shelter, personal items and medical and other benefits as are essential to their health and well-being and, in particular, to provide training and other measures to facilitate their movement toward independence and self-sufficiency.

Now, this was one of the points that was brought to our attention, Mr. Chairman, when we consulted with low-income groups and organizations, and they are concerned that while these items contained in the amendment are listed explicitly in section 1(a)(i) of the Social Development Act, they are absent from this act. So in order to make sure that these things are taken into account in the act, in its administration of the program and the calculation of benefits and so on, we believe that it's important to explicitly mention that heat, light, water, and clothing are all essential ingredients for living and ought to be included in the act. I think that if they were, it would give considerably more comfort to people dependent on government financial assistance.

Thank you very much, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes, Mr. Chairman. At this time I would like to urge all members of this Assembly – I believe this would be amendment A3 as proposed by the hon. Member for Edmonton-Highlands – to take a great deal of interest in this, and in light of the high cost of utilities I think it is very important that heat and light and water and clothing, particularly in light of the minister urging everyone to wear a sweater, be incorporated into Bill 32.

Mr. Smith: I still have my integrity.

Mr. MacDonald: I'm sorry?

The Deputy Chair: Hon. member, you have the floor.

Mr. MacDonald: Thank you very much, Mr. Chairman. There are many issues surrounding utilities that everyone in this Assembly is aware of, and the idea of heat and light incorporated into Bill 32 is commendable.

With that, I would urge all members of this Assembly to accept the amendment. Thank you.

Mr. Dunford: I would urge members to not approve A3. It's redundant. Certainly, under personal items you would include, of course, clothing, and shelter could hardly be defined without heat, light, and water. So because of its redundancy I'd urge all members to vote against it.

Mr. Mason: To close on the amendment, Mr. Chairman. Well, I'm disappointed. Obviously, the Social Development Act does not consider these points to be redundant, and I think that the key point here is that if they're explicitly included in the legislation, then they can form a strong basis for an appeal on the part of individuals who need these costs to be covered. Without their explicit presentation in the act, there could in fact be little room for an appeal of the decision if the various appeal bodies did not want to take those into account. So I think there's real value in including this, and I am disappointed that the minister will not support it.

Thank you.

[Motion on amendment A3 lost]

The Deputy Chair: The hon. Member for Edmonton-Highlands.

11:00

Mr. Mason: Thank you very much. Mr. Chairman, I have another amendment to move. I will move that Bill 32, Income and Employment Supports Act, be amended as follows: section 44 is amended

by striking out clause (d). Section 46 is amended by adding the following after subsection (3):

- (4) The person who made the decision appealed from is not eligible to sit as a member of an appeal panel considering an appeal respecting that decision.
- (5) The Administrative Procedures Act applies to proceedings of an appeal panel under this section.

Section 48 is amended by striking out clause (c).

So, Mr. Chairman, if I can proceed. Again, this is intended to bring the legislation into line with the current practice under the Social Development Act. The amendment will provide additional protection for recipients by ensuring that the person who made the decision being appealed cannot sit on the appeal panel, that the appeal panel has the freedom to change the decision within the confines of the act, and that the government power to exclude matters from appeal is limited to those.

All this is consistent with current practice. Indeed, the wording of part B, amending section 46, is taken directly from the current act, Mr. Chairman, so it's not a wild fantasy of the opposition and, I think, can be supported.

Thank you.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks, Mr. Chairman. I'm willing to stand in support of this amendment brought forward by the Member for Edmonton-Highlands particularly because it is dealing with what appears to be a conflict of interest, because people are very clear on who is sitting on these panels and what their background is to be sitting on the panels. We don't want any perception of impropriety around these appeal panels. They certainly are dealing with issues that are regarded as very important by those that have come before them, so I think it behooves all of us to make sure that justice is done but also seen to be done. So I'm more than willing to support this amendment as it stands before us.

Thank you.

Mr. Dunford: The opposition seems to have the mistaken notion that it's our employees that sit on appeal panels. It is not. These are people that come from the community, so there's no need for the amendment. I'd urge all members of the Assembly to vote against A4.

The Deputy Chair: Hon. members, the amendment that is before us is amendment A4.

[Motion on amendment A4 lost]

The Deputy Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Yes, Mr. Speaker. I would like to move my final amendment for this evening, and that is that Bill 32, Income and Employment Supports Act, be amended as follows: section 16 is amended (a) in subsection (2) by adding "Subject to subsection (2.1)," before "The Director may"; (b) by adding the following after subsection (2):

- (2.1) A requirement to reimburse the Government under this section shall only be applied to an applicant, a recipient or a member of a household unit when the applicant or recipient has received income from another source for the time period that the applicant or recipient was receiving benefits under this Act.

I will note that this amendment is consistent with the minister's amendment changing "family unit" to "household unit."

Section 16 replaces the following section from the Income

Support Recovery Act. The only difference is that now the repayment could be a condition of eligibility.

Repayment of social allowance

26(1) A person who applies for or is receiving a social allowance under the Social Development Act may be required by the Minister to enter into an agreement with the Director to repay the Government the total value or any portion of the total value of the social allowance provided for that person and that person's dependants.

(2) This Part applies to an agreement made under subsection (1) as if the amount due under the agreement were an overpayment.

I believe this section may be to require SFI recipients to repay benefits when another program should have been supporting them and they received back pay. For example, an injured worker may go on SFI while appealing WCB. When they win, they will receive backdated benefits from WCB and are expected to repay SFI. This is the case now, so at the very least I think the minister should go on record as to what is intended under this section. Without the amendment the next minister could just simply change the practice, Mr. Chairman, and that's a problem.

A number of groups have raised concerns about section 16 without the amendment. They are concerned that the government could require people to pay back benefits in many circumstances, which would force them to carry their poverty forward into the next stage of their lives. So I think the amendment would put those fears to rest, Mr. Chairman.

Thank you.

The Deputy Chair: For the record this amendment will be amendment A5.

Does anybody else wish to speak on the amendment?

[Motion on amendment A5 lost]

The Deputy Chair: Does anybody else wish to speak on the bill?

[The clauses of Bill 32 as amended agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Mr. Hancock: Mr. Chairman, I would move that the committee rise and report bills 18 and 32.

[Motion carried]

[Mr. Shariff in the chair]

The Acting Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following: Bill 18. The committee reports the following with some amendments: Bill 32. I wish to table copies of all the amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

head: **Government Bills and Orders**

head: Third Reading

Bill 5

Line Fence Amendment Act, 2003

Mr. Goudreau: It's my pleasure to move third reading of Bill 5, the Line Fence Amendment Act, 2003.

As I've pointed out before, the concept of the Line Fence Act is very simple, and I just want to speak on it very, very briefly because the last time we talked about it was on March 5 in Committee of the Whole. The Line Fence Act has been very effectively applied to a great number of instances where a fence has benefited two rural neighbours. This amendment ensures that the Line Fence Act will not be used in situations where it was not intended. This bill, Mr. Speaker, contains clarification which will prevent urban residents from citing the Line Fence Act in urban situations.

I would like to thank all the members for their support and for all the support that this bill has received. Previous debates have covered the nature and purpose of this bill, so I won't expand on them any further. I ask members for their continued support of the Line Fence Amendment Act so that rural Albertans will continue to have access to a cost-sharing and dispute settlement framework for primary livestock fencing issues.

Thank you, Mr. Speaker.

11:10

The Acting Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much. I just want to speak briefly in third reading to indicate the support of the Official Opposition for Bill 5, the Line Fence Amendment Act, 2003. It does restrict the circumstances under which a party to a shared line or fence may seek to have the cost of said fence shared between the parties. This is a very small change, but one that was obviously needed.

I prefer to see this sort of change come through as a bill that can be examined and debated rather than to put it through, for example, under miscellaneous statutes, but once we've had the opportunity to see it and circulate the change amongst the stakeholders that we know of in the community and it comes back with a positive reaction, we're very happy to support it.

Thank you.

The Acting Speaker: The hon. Member for Dunvegan to close debate.

Mr. Goudreau: No.

[Motion carried; Bill 5 read a third time]

Bill 7

Real Estate Amendment Act, 2003

The Acting Speaker: The hon. Member for Grande Prairie-Wapiti.

Mr. Graydon: Thank you, Mr. Speaker. I don't believe there were any questions in committee, strong support from the industry, and I believe the opposition member spoke in favour of this bill, so I would move third reading.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Thank you, Mr. Speaker. Certainly, in regard to Bill 7, the Real Estate Amendment Act, 2003, at this time I would like to thank the hon. Member for Grande Prairie-Wapiti for a consultation in regard to this legislation that goes back a couple of months now. When we look at this bill briefly at third reading, I think it is something that can be supported.

To allow the Real Estate Council to require members to retain records for three years after they leave the industry should not in the least be harmful. The notion of extending the length of time the Real Estate Council of Alberta can take disciplinary action against former industry members to two years and also bringing appraisers under the act's licensing and regulating provisions are in the view of this Official Opposition positive steps.

With that, I conclude my remarks at third reading on Bill 7. Thank you.

The Acting Speaker: The hon. Member for Grande Prairie-Wapiti to close debate.

Mr. Graydon: No. Thank you.

[Motion carried; Bill 7 read a third time]

Bill 4

Alberta Personal Income Tax Amendment Act, 2003

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. On behalf of the hon. Member for Medicine Hat I'd like to move Bill 4, the Alberta Personal Income Tax Amendment Act, 2003, for third reading.

It has had discussion at both second reading and in committee. It's a fairly technical act and essentially aligns with the federal Income Tax Act as required for our purposes.

The Acting Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Yes. I have a few comments at third reading of Bill 4, the Alberta Personal Income Tax Amendment Act, 2003. The majority of the changes, as has been indicated, are editorial in nature and offer some clarification or align the act with legislation.

We did raise a number of questions at second reading and in committee. We asked questions such as: what impact, if any, will this bill have on the amount of taxes that Albertans pay? Will the bill affect how Albertans' taxes are calculated? Will the amendments made to section 39 of this legislation affect the deduction level of an average Albertan? The question of why these editorial changes weren't made during the last session when changes to this same bill were made. We had a question about the impact these changes might have on the amount of revenue taken by the province. Also, a question about consultation: was there consultation with the federal government about the changes to make sure that they are aligned with federal legislation? Our last question was: how are Albertans going to be made aware of the changes? I think that those questions have been answered to our satisfaction, and we'll be supporting the bill.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Government House Leader on behalf of the Member for Medicine Hat to close debate?

[Motion carried; Bill 4 read a third time]

Bill 9**Mines and Minerals Amendment Act, 2003**

The Acting Speaker: The hon. Government House Leader on behalf of the Minister of Sustainable Resource Development.

Mr. Hancock: Thank you, Mr. Speaker. I'd move Bill 9, the Mines and Minerals Amendment Act, 2003, for third reading.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Thank you very much, Mr. Speaker. In regard to Bill 9, the Mines and Minerals Amendment Act, 2003, at third reading this evening, certainly we are looking at three main purposes to this legislation: to mandate unique identifier codes to help the tracking and enforcement of exploration projects, equipment, and companies; to allow inspectors of exploration projects increased powers; and to allow the wholesale adoption of codes from other industries into the exploration regulations. Also, the Mines and Minerals Amendment Act here is going to allow the minister to issue stop orders.

Now, there are certainly some reservations and some cautions in regard to this legislation. The amendment does some good clarification of the Mines and Minerals Act and gives bigger teeth to the enforcement of the act, including giving more power to inspectors. However, there are some problems I would like to note at this time with the amendment, Mr. Speaker. In regard to Bill 9 the automatic adoption of codes from other industries could be trouble, and there are far too many references to regulations whose contents, as usual, are unknown. Further, the amendment allows the minister to exempt virtually anything from the act and its regulations potentially undermining the purpose.

However, there are many positive attributes to the bill. It is unfortunate that it is encumbered with escape clauses and references to unknown regulations.

At this time with those remarks I will cede the floor to any other hon. colleague who would like to speak at third reading in regard to Bill 9. Thank you.

The Acting Speaker: The hon. Government House Leader on behalf of the Minister of Sustainable Resource Development to close debate?

[Motion carried; Bill 9 read a third time]

Bill 11**Auditor General Amendment Act, 2003**

The Acting Speaker: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Yankowsky: Thank you, Mr. Speaker. I rise to move third reading of Bill 11, the Auditor General Amendment Act, 2003.

The Auditor General Amendment Act mandates a formal oath of office for the Auditor General, enhances the Auditor General's powers to call witnesses and outlines how to deal with those who don't appear, as well as filing of the Auditor General's reports in and out of session, among other things.

In closing, I want to again thank all those who spoke to Bill 11 in second reading and in Committee of the Whole, mostly in support of this important legislation, and I thank you for your anticipated support of Bill 11 in third reading.

11:20

The Acting Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'm pleased to be able as a member of the Public Accounts Committee . . .

Mr. MacDonald: Oh, you're a member of the Public Accounts Committee too.

Ms Blakeman: Yeah, I am, and at this point I think I'm the longest sitting member of this current incarnation of it.

A couple of things that this bill was looking to do: establishing that the Auditor General has to take an oath of office, which would be administered by the Speaker. I think that in fact that might have been requested by the Auditor General. Certainly, we're willing to support that. It did clarify language around referring directly to Executive Council and the president of Executive Council instead of the Lieutenant Governor. That kind of clarification is always helpful.

We had sought legal clarification about whether some of the language that was in Bill 11 might have changed the relationship and the operation of the Public Accounts Committee. We have in the Official Opposition received back information that has satisfied our concerns, and we are therefore willing to go forward and support Bill 11, the Auditor General Amendment Act, 2003. We were concerned that there was a change in wording that would have changed both the reporting and the operation of the Public Accounts Committee and the ability of the Auditor General to work with the Public Accounts Committee.

I will note that the current Auditor General has been very active in helping to educate members of the Public Accounts Committee on how to better question and hold the government accountable and how to better be able to readily glean information from the Auditor General's report. He's been very active with that along with his staff, and I commend him for that. I think it's going to give us a better Public Accounts Committee in the long run, and that is going to serve both this Assembly and Albertans better in the future, I think.

So I'm happy to support this amending act, Bill 11, in third reading. Thank you.

The Acting Speaker: The hon. Member for Edmonton-Beverly-Clareview to close debate.

Mr. Yankowsky: I have no further comment, Mr. Speaker, except to call the question.

[Motion carried; Bill 11 read a third time]

Bill 8**Health Foundations Act Repeal Act**

Mr. Mar: Mr. Speaker, I'd like to now move third reading of Bill 8, being the Health Foundations Act Repeal Act.

Thank you, sir.

The Acting Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. We support Bill 8, the Health Foundations Act Repeal Act. As we've been informed, there are no foundations, and this doesn't affect the existing foundations. It's a matter of cleaning the act up, so we support it.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Minister of Health and Wellness to close debate?

[Motion carried; Bill 8 read a third time]

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 11:25 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, May 6, 2003**

1:30 p.m.

Date: 2003/05/06

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy. As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. It's indeed a pleasure and an honour to rise before the Assembly today to introduce to all members present some very special guests. I know that earlier this morning you hosted a very special tea in the Legislature Library, and we were honoured indeed that librarians and chairs of various library boards from various parts of Alberta attended. On your behalf I would like to introduce three of your constituents who have remained with us after that important session this morning to view question period this afternoon. They are Elaine Dickie, librarian with the Barrhead Public Library; Ms Megan Dickie, Elaine's daughter; Ms Hilda Thompson, the librarian from Barrhead composite high school; and Pauline Despins, librarian at Vimy school. They are seated in your gallery, and I would ask all of them to please rise and receive the very warm traditional welcome of this Assembly. Thank you for being here.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. It's my pleasure to rise and introduce to you and through you to all members of the House 45 visitors from the Parkland county area. These students are with the Parkland Home Educators and represent grades from preschool right through to grade 12. They're a great group of kids. The parents are to be commended for the great job they do. The students are accompanied by great group leaders Mrs. Ruth McCuaig and Mrs. Sheila Court, parents with the Scope school program in the county of Parkland, as well as a number of parents and grandparents. They're seated in the public gallery, and I would ask that they rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Calder.

Mr. Rathgeber: Thank you, Mr. Speaker. It is indeed an honour and a pleasure for me to rise and introduce two guests from my constituency office. First of all, my summer STEP student, Mr. Michael Colborne, who just completed his third year of political science at the University of Alberta. He will be eventually applying to go to law school. He is well known to the PC Youth of Alberta. Accompanying Michael is my constituency assistant, Mrs. Linda Brown, who has been with me for about a year and a half now and works very hard to look after all the constituent issues and complaints in Edmonton-Calder. I'd ask Michael and Linda to rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Yankowsky: Thank you, Mr. Speaker. I rise to introduce to you and through you 27 students from one of my favourite schools, Anne Fitzgerald, which is located in the constituency that I represent, the constituency of Edmonton-Beverly-Clareview. The students are here to see the beautiful Legislature Building but, more importantly, to learn about the legislative process. They are accompanied by their teacher, Miss Linda Giampa, and parent helpers Mrs. Anita Bron and Mrs. Sheila Edmonds. They are seated in the public gallery, and I would like to ask them to rise at this time and receive the very warm welcome of this Legislature.

The Speaker: The hon. Member for Wetaskiwin-Camrose.

Mr. Johnson: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you two of my constituents from Camrose who are visiting the Legislature today: Wynn McLean and Larry Werner. Wynn McLean is the general manager of the Camrose Regional Exhibition, which is a thriving, event-filled exhibition association in Camrose. Larry Werner is the producer of Big Valley Jamboree and Stage 13, events that will attract probably about 250,000 people to Camrose in a two-week period this summer. Later on the Order Paper I will be talking about the Big Valley Jamboree. Larry and Wynn are seated in the public gallery, and I'd like to ask them to rise and receive the warm welcome of the Assembly.

head: **Oral Question Period**

The Speaker: First Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Electricity Transmission System

Mr. MacDonald: Thank you, Mr. Speaker. Electricity deregulation has meant one broken promise after another from this government. Yesterday the Minister of Energy announced in Banff, far away from this Legislative Assembly, that a portion of the 2 billion plus dollars that consumers received in electricity rebates will be clawed back to construct transmission lines. Once again consumers have to dip into their pockets to pay for this government's electricity deregulation boondoggle. My first question is to the Premier. Given that the hon. Premier stated in *Hansard* on April 10, 2002, that "those who generate and sell the electricity would be responsible for the transmission of that electricity and the construction of the lines," why do consumers have to pick up 100 percent of the tab to pay for the construction of power lines now?

Mr. Klein: Mr. Speaker, I don't know where the hon. member has been for all his years, and I don't know how old he is, but consumers in this province have always paid the cost of transmission. Always paid the cost of transmission. That is the cost of providing power. There are generation costs, there are transmission costs, and consumers have always paid those costs.

What I was talking about – and the hon. member knows full well what I was talking about – was the export of electricity. Our policy on the export of electricity is clear. No power will be exported without Alberta's needs being met first, and number two, all costs for exported power must be paid for by the companies and by the consumers in other jurisdictions.

Mr. MacDonald: Mr. Speaker, the Premier knows that I was talking about within Alberta, not exports of electricity.

Again to the Premier: why do consumers have to pick up 100

percent of the tab for the construction of power lines when not six months ago the EUB ruled that new transmission line costs would be "shared equally between electricity generators and consumers"?

Mr. Klein: Mr. Speaker, on this point the hon. member is absolutely correct. The EUB did issue a decision last fall recommending that the cost for new transmission lines be shared between consumers and the companies, but new information shows that such arrangements would not result in enough investment in new lines. That is the broad generic explanation. For the detailed explanation I'll have the hon. minister respond.

Mr. Smith: Well, Mr. Speaker, this member was in the House last Thursday, not far away from this Assembly, to hear me respond to a question from the Member for Calgary-Fort which talked about the impending transmission policy announcement. So we will try to add truth to the distorted preamble by putting that on the record.

Secondly, when you look at a 50-50 policy of the line cost, the portion that goes to the generator is then recouped by the generator generating electricity, adding his costs in, and putting the power into the Power Pool. That is then purchased by consumers. The former policy would contribute to higher electricity prices in Alberta, and it would bring on the most expensive type of power necessary to our province. We didn't want to do that. We wanted to ensure that there was an equal access for our coal deposits, clean-burning coal power at a low price, for our cogeneration that comes on in the tar sands, this great energy reservoir, and in fact have a rate that was simple, transparent, and easy for everybody but the Liberal Energy critic to understand.

The Speaker: The hon. member.

1:40

Mr. MacDonald: Thank you, Mr. Speaker. Again to the Premier: how will the Premier restore public confidence in the independence of the EUB now that the Minister of Energy has overruled their decision in regard to the transmission lines?

Mr. Klein: Mr. Speaker, this alludes to a policy decision. The EUB has done an outstanding job relative to regulation in the past when it was the ERCB and more recently the Alberta Energy and Utilities Board. Albertans have the assurances that they will receive fair and equitable treatment from the AEUB. As I said, this was a policy decision. There was an examination of the economics involved in this particular situation, and I'll have the hon. minister explain once again why the policy decision was made.

Mr. Smith: Thank you. Mr. Speaker, we will be brief to a complex answer. Formerly there was a transmission administrator that was hired in the change to the new competitive market model to deliver transmission services to Albertans. At that time the policy created by the transmission administrator was one of congestion management, which said that there are some areas in Alberta that have too little generation or too much transmission. So they then tried to devise a method in order to find charges that would end up with some Albertans paying more for transmission, some Albertans paying less for transmission. It got very confusing. The transmission administrator's contract was discharged under Bill 3, which was just passed and received royal assent in March.

The new Alberta electrical system operator came on and said that this regulation change is necessary for new transmission. We responded to that. In fact, we did not overturn an EUB decision. The EUB made a good decision with the facts that it had for a previous policy at that time.

The Speaker: Second Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. The lack of long-term planning for generation and transmission of electricity in Alberta by this government continues to needlessly cost consumers billions and billions of extra dollars. To the Premier: what will be the additional costs to electricity consumers for the government's latest flip-flop regarding the construction of these new power lines? Will it be \$500 million, \$600 million, \$700 million? What will the total cost be?

Mr. Klein: Mr. Speaker, the cost of leveling the playing field and treating all Albertans fairly will be about a billion dollars over 20 years. It amounts to less than a 1 percent increase in what consumers pay. In return – and this speaks to the issue of planning and looking ahead and having a vision, unlike the Liberal opposition member – there will be increased transmission capacity, vastly improved transmission capacity. Generally, there will be lower prices. Even with the 1 percent increase on the base, the base will be lower over the long term. There will be greater electricity supply. The hon. minister alluded to cogeneration at the tar sands; the Alberta-Pacific pulp mill project cogeneration with excess power being fed into the grid; the development of new power at Wabamun, coal power; the very substantial development of wind power in the Pincher Creek area, huge. This is the vision, the long-term plan: to bring on more power, as much power as we possibly can. If we can get over the Kyoto uncertainty, which was foisted on us by the federal Liberals, then we can develop even more, using the vast resources of our clean-burning, low-sulphur coal to generate even more power. Basically, the vision in the plan is a long-term, secure supply of electricity for Albertans.

Mr. MacDonald: Again to the Premier: why under this government's electricity deregulation policy do generators get all the profit and consumers bear all the risk?

Mr. Klein: Mr. Speaker, consumers do not bear all of the risk. I'll tell you what risk consumers bear under a totally regulated, socialistic enterprise that the Liberals would support. What they would get is a massive amount of debt, the kind of debt that has been accrued in Ontario, the kind of debt that has been accrued in British Columbia. That's the kind of debt they like, and that's the kind of debt they want to foist on Albertans.

Mr. MacDonald: Again, Mr. Speaker, to the Premier: why is it government policy to tell Albertans that they would have to pay the entire cost of new transmission when the EUB's cost-sharing decision meant that consumers would only pay half? Why the change in policy?

Mr. Klein: Mr. Speaker, the hon. minister – and I'll have him explain again – explained that this was a policy decision.

An Hon. Member: Flip-flop.

Mr. Klein: Well, Mr. Speaker, it was not a flip-flop.

Ms Carlson: Point of order, Mr. Speaker.

Mr. Klein: It was a change in a policy decision that was made by a former administrator who is no longer with the AEUB. The new administrator has provided better and more sound advice, resulting in a policy change. To explain that policy change, again I'll have the hon. minister respond.

The Speaker: Very briefly.

Mr. Smith: Well, thank you, Mr. Speaker. You know, unfortunately, for political purposes – and I guess it's legitimate – the member distorts everything that's appropriate to this. First of all, the real question should be: how much in cost savings will be generated to Albertans as a result of this regulation change? That's an important piece. When he refers to cost sharing, he knows full well that a generator who vends his or her power into the marketplace must recoup their costs, their costs of operation and their capital cost, plus a rate of return which the market will bear. There is no way, prior to the new competitive market model, after the introduction of the competitive market model, or today, that the consumer would not be responsible.

What we are doing, Mr. Speaker, is a couple of very important things. One is providing a long-range framework for ample supply of generation. The more electricity we have, the cheaper it will be provided to Albertans. Secondly, a market policy that is transparent. It is regulated by the EUB; it includes all the players in the EUB. Thirdly, a transmission policy that can be easily and clearly understood by everyone but the Liberal Energy critic.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Education Funding

Dr. Massey: Thank you, Mr. Speaker. For the Calgary board of education inadequate government funding will result in programs being cut, school fees being hiked, and teaching positions lost. Calgary parents are frustrated with the worsening conditions in their schools. My first question is to the Minister of Learning. How many programs will be cut before the government heeds the warning that school quality in Calgary is being seriously compromised?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. In this last budget there was roughly a 3.4 percent increase that went directly to Calgary public. That amounts to about \$17 million. That's given the fact that they're looking at a decrease of 500 students, so 500 fewer students, \$17 million more. They are anticipating a fairly significant shortfall in their funding. As a matter of fact, they will be announcing that later on this afternoon. I have not seen the exact details of it, but they are talking that some teachers would not be rehired through attrition. That is what they are attempting to do. I look forward to seeing their budget today, and I look forward to working with them to ensure that it is a budget that can be handled. That's what I'll be doing as soon as they table the budget later on this afternoon.

1:50

Dr. Massey: Again to the same minister, Mr. Speaker: how high must school fees rise before the government listens to those Calgary parents, who are really concerned about accessibility?

Dr. Oberg: Mr. Speaker, it's actually my understanding that in this budget they have not increased school fees. Again, that's very preliminary, and I have not seen the whole budget, but it is my understanding that they have chosen not to increase school fees.

Dr. Massey: My third question is to the Premier. Given that the minister has talked to Calgary public and the classroom situation worsens anyway, has the government simply decided that a decline in school services in Calgary is just fine?

Mr. Klein: Mr. Speaker, you know, the hon. minister pointed out that CBE received a \$17 million increase – that's a lot of money – bringing their budget to nearly \$700 million. They are, as the minister pointed out, forecasting a reduction in the number of students by about 1 percent, or 500 to 700 students, and some of their proposed adjustments may be in response to this decline in students. The board currently has about 5,400 teachers and 91,000 students.

Mr. Speaker, what we're trying to say here is that funding has gone up significantly; enrollment has gone down. What is the problem here? But I know how the Liberals like to solve problems, and that is to throw money at it. It doesn't matter whether we have the money or not, whether we go into a deficit, whether we borrow the money. The Liberals have a simple solution to everything, and that's to spend more money: spend more on schools, spend more on health care, spend more on rebates, spend more on infrastructure, and spend more on social services.

Mr. Speaker, just for the information of the members, here's a partial list of Liberal spending demands.

The Speaker: Well, I think, hon. the Premier, we might get back to it at another time.

The hon. Member for Edmonton-Highlands, followed by the hon. Member for Whitecourt-St. Anne.

Electricity Deregulation

Mr. Mason: Thank you very much, Mr. Speaker. The Minister of Energy has just said that the EUB decision to split the cost between consumers and power companies 50-50 for new transmission had to be reversed because it failed to ensure that needed transmission capacity would be built. Put another way, unless the government helps shake down power customers even more, the economics of deregulation just won't work, and the minister is still understating the real costs of the new transmission. To the Minister of Energy: how high do electricity prices have to go in this province before the government can make the economics of deregulation work?

Mr. Smith: Mr. Speaker, I'd like to thank the member for the preposterous preamble because it allows me to correct even more fallacies held over there.

Mr. Speaker, the transmission market has never been deregulated. He knows that. We are in fact fine-tuning that marketplace. I never said that the EUB decision was reversed by me. I said that the policy of the new Alberta electrical system operator was one that asked the government to provide clarity on transmission. We've done that. It's a postage-stamp model. If he mails a letter to me, it's charged the same price as if the Member for Grande Prairie-Wapiti mails a letter to me. Everybody in Alberta benefits. It's a small marketplace. What we're trying to do is deliver the best benefits to the most people. We're delivering a framework of transmission that brings on low-cost generation. We're doing this for Albertans.

The Speaker: The hon. member.

Mr. Mason: Thank you, Mr. Speaker. I appreciate the minister's response, but I would ask him: if you are doing this for Albertans, why have electricity prices in this province doubled, and what are you going to do about it?

Mr. Smith: Well, Mr. Speaker, again I want to thank the member for the question because, as he has been studious in his attendance here, he knows that we have done three things this year. One is the export

policy that says that all generators must pay for their own transmission costs out of Alberta. That allows to stimulate generation. The second piece is the market policy. That asks for a level playing field across Alberta. It puts Enmax, EPCOR, Direct Energy all into the same basket, all under the supervision of the EUB. Thirdly and lastly, a small regulation change that delivers transmission on an overall pan-Alberta basis where the north and the south are exactly the same and treated equally.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Why is the minister lowballing the cost of new transmission lines as only being \$1 billion when Alberta's independent transmission administrator said in August of 2001 in a report that the costs could be as high as \$3.5 billion over seven years and . . .

The Speaker: Hon. member, you heard it yesterday: you can't have three questions in one. That's just sort of like being a little frivolous with the opportunities we have.

The hon. minister.

Mr. Smith: Well, thank you very much, Mr. Speaker. In fact, the transmission administrator whom the member quotes is no longer involved in the electricity process in Alberta.

Electricity Supply

Mr. VanderBurg: Earlier questions raised this afternoon talked about the benefits of the expansion of transmission lines, but my constituents in Whitecourt-St. Anne have felt taken hostage by not having choice for their electrical supply. The REAs want to know: through this transmission expansion will they have choice? That's to the Minister of Energy.

Mr. Smith: Mr. Speaker, new transmission lines, new generation create jobs for Albertans and in fact create a fundamentally low-priced industrial environment in which we can continue to prosper, so I think that the long-range vision will be very strong for that. From the perspective of the REAs, they will be able to have choice inside the REA. We would look for commercial solutions to be entertained by the membership of that REA, and in fact they will be able to buy either a contract or a hedged power rate or take advantage of the default supply rate that will be available in January of 2004.

Mr. VanderBurg: Well, given that explanation, then, can I go back home to Whitecourt-St. Anne and expect that consumers in the future will get a reduced rate because of this expansion?

Mr. Smith: Mr. Speaker, one, the member's constituents can expect increased choice in his riding with the announced entry of Direct Energy into the marketplace. I don't want to comment too much on it because that application is before the EUB right now.

Second, Mr. Speaker, the transmission side is the regulated side. It will be no different today than it was yesterday. There won't be, as could have occurred, multiple wasteful transmission lines built all across Alberta that would only have resulted in excess costs to the consumer.

Mr. VanderBurg: Again to the same minister: given that all this new generation has been trapped because of lack of expansion, how many more megawatts are we going to see come onstream because of the expansion to the transmission lines?

Mr. Smith: Well, Mr. Speaker, it's always good to have the best questions saved for the last. There are generation opportunities. As we know, there are over 700 years of thermal coal. That's low-priced, thermal-efficient, low-sulphur, low-ash coal. It's the best coal in the world for electrical generation. That is located at Wabamun. We want to ensure that Albertans have access to that. We also want to ensure that they have access to clean burning coal-fired technology, and that's why we're seeing strong standards from the Ministry of Environment, who may wish to comment, as well as a supercritical technology being employed by the generator.

Secondly, Mr. Speaker – and this is an important time – the oil sands, although hit by the uncertainty of Kyoto caused by the federal Liberals, have also an opportunity to bring natural gas generation to the marketplace. Right now that natural gas is being burnt up there. It only is used for steam generation. If we put a turbine beside that steam, it passes through, it generates electricity, and it doesn't create any more pollution. It delivers cheaper electricity; the Canadian Energy Research Institute has estimated as much as 25 percent less for Albertans. We're on the right track, we've got a good long-range plan, and we've got market participants.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Cardston-Taber-Warner.

2:00

Municipal Policing Grants

Ms Blakeman: Thanks, Mr. Speaker. Last fall the city of Edmonton released a report identifying and addressing inequities in the city of Edmonton's relationship with the provincial government which cites that Edmonton is owed \$13 million for identified legislative and service links between the Edmonton Police Service and the provincial government. At the same time, rural communities continue to voice their concerns with unfair funding formulas for policing from the province. My questions are all to the Solicitor General. When can the city of Edmonton expect to be reimbursed for the \$13 million they are owed?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. I'm not aware of what the member is referring to, but I can tell you one thing. This government, I believe, does not owe the city of Edmonton any money.

The Speaker: The hon. member.

Ms Blakeman: Thank you. To the same minister: instead of relying on undesignated municipal grants, will the minister reinstate specific policing grants to the cities of Edmonton and Calgary?

Mrs. Forsyth: That's a good question, Mr. Speaker, and I appreciate the member asking it. Actually, we did have conditional grants prior to 1993, and it was the municipalities that asked for the unconditional grants at that particular time. So that's the way we've been going.

The Minister of Municipal Affairs may want to comment on the grants.

The Speaker: The hon. minister.

Mr. Boutilier: Yes. Thank you, Mr. Speaker. Certainly, in speaking with the elected officials, their comment was that they know far better what to do with the unconditional grant money that we give them rather than the province telling them where it would

go. Ultimately, what's been happening is that the councils of both the big cities, Edmonton and Calgary, determine how much of that is allocated to police grants. I could give you an example. The city of Calgary receives over \$8.5 million of unconditional grant money. Almost \$6 million of that is dedicated directly to policing in the city of Calgary.

Ms Blakeman: This government cut policing grants in 1995.

My final question to the Solicitor General: given that the communities of Gibbons, Lac La Biche, High Prairie, and Three Hills, just to name a few, continue to suffer disproportionate funding for police services, when can this House expect to see funding formula changes which are fairer to these medium-sized centres?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you. Mr. Speaker, the member raises another good question, and we are looking at how to bring fair and equitable funding to all of the communities. I had a meeting with the AUMA and the AAMD and C. Policing is a very, very complicated, complex issue. No one seems to agree on how policing should be funded. I have asked the AAMD and C and the AUMA to sit down and discuss how they think policing can be fair and equitable in regard to some of the towns and communities that the member has mentioned. They are going to report back to me on the 15th of June.

The Speaker: The hon. Member for Cardston-Taber-Warner, followed by the hon. Member for Edmonton-Ellerslie.

Restricted Feeder Cattle Entry Program

Mr. Jacobs: Thank you, Mr. Speaker. Recently some of my colleagues in the Legislature attended a meeting in southern Alberta with a number of ranchers and cattle feeders. They raised a number of issues. Particularly, they were concerned with the restricted cattle feeder entry program, which allows Alberta producers to import cattle from the northwestern United States into Alberta for finishing, and the proposed pilot project that would allow producers to import cattle year-round. My question is to the Minister of Agriculture, Food and Rural Development. What is the status of this pilot project as we speak?

Mrs. McClellan: Mr. Speaker, first let me clarify that the restricted feeder program does allow cattle to be imported into Alberta from the northwestern U.S. states that are free of bovine tuberculosis and bovine brucellosis in the period from October to March 31. They are not allowed to come in at other times because of concern on insect vectors. With a lot of negotiation with the cattle industry and the Canadian Food Inspection Agency and our departments, we have examined the possibility of a pilot project. What the pilot project would do would limit importation year-round to one or two feedlots – I think currently they're looking at one – where they could have very close control, very close monitoring to ensure that, indeed, it is safe to bring cattle in during that time period. We've given some conditional support to this pilot project from Alberta Agriculture. The CFIA is currently reviewing the rules and the mandate of this program, and we expect to have an answer very soon.

Mr. Jacobs: To the same minister: what other concerns might we have about transfers of feeder cattle into Alberta?

Mrs. McClellan: Well, Mr. Speaker, currently Canada's health status for animals is higher than that of the United States. The

diseases that concern us certainly are bluetongue and anaplasmosis, both of which could be spread into Alberta's cattle and sheep herds as well as our wildlife population. That is at least one of the reasons why our restricted feeder cattle program restricts animals to be brought in during the nonvector season, and indeed that's why the Canadian Food Inspection Agency is being very cautious about the new program and making sure that mitigations are in place that would as much as possible prevent those diseases coming into our province.

Mr. Jacobs: My final question to the same minister: what can the minister or the department do to resolve this issue to allow a freer importation of feeder cattle into Alberta?

Mrs. McClellan: Well, Mr. Speaker, one, we can continue to work through the CFIA, Canadian Food Inspection Agency, and our cattle industry to ensure that all of the right processes are in place to mitigate the possibility of disease. The other thing that our industry is working very hard on and that we're assisting in any way we can is the whole issue of country of origin labeling, because frankly there is a big issue around the restricted feeder program. Currently an animal comes in from the U.S., is fed in Canada, goes back and will be on the shelf as U.S. beef. Under the new U.S. farm bill and the country of origin labeling if a U.S. animal comes into Canada and is fed, it can no longer go back on the shelf as U.S. beef and Canada would be considered its country of origin. So we need to work very closely with our counterparts and our industry in both countries to ensure that we continue to have access to this great market.

The Speaker: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Clover Bar-Fort Saskatchewan.

Fluoride Levels in Waterways

Ms Carlson: Thank you, Mr. Speaker. Most people don't know that the fluoride in our toothpaste and drinking water is a highly toxic substance. In fact, just two grams of fluoride can kill an adult human. My concern today is that we dump millions of cubic metres of fluoridated water into the environment every year from our cities and towns usually without thinking about the consequences. My questions today are all to the Minister of Environment. Does this minister monitor the levels of fluoride in Alberta's rivers, lakes, and streams?

Dr. Taylor: Well, Mr. Speaker, we monitor a number of substances in the lakes and streams. I'm not sure if we monitor fluoride or not, but that's a question I can find out, and I can guarantee you I will let the member know if we monitor fluoride.

She does raise a very valuable issue around the quality of the water going back into our rivers and streams from the various communities. A city like Calgary actually puts more water back into the Bow River than it takes out. It puts more back in than it takes out.

An Hon. Member: They drink more beer.

Dr. Taylor: No. It has nothing to do with beer drinking, hon. member.

It does point out that we have to be very aware of the quality of the water that goes back into the river.

Ms Carlson: Mr. Speaker, given that cities in Alberta are fluoridating their water at three times the acceptable level for aquatic life – so

it's really toxic to aquatic life – will the minister, after he looks into this event, undertake to reduce the amount of contamination entering into the waterways?

Dr. Taylor: Certainly. We are working with the cities right now to do that. We have a number of projects in both Calgary and Edmonton where they are upgrading their wastewater treatment plants so that the quality of water will be higher, and once again I make the commitment to the member opposite that we will see if we collect that information and get her that information.

The Speaker: The hon. member.

Ms. Carlson: Thank you, Mr. Speaker. In his meetings will he undertake to explore any other kinds of contaminants that are going into our waterways that come to his attention?

Dr. Taylor: Yes. Certainly. That's part of the monitoring. We already do look at the different levels of all kinds of chemicals and so on that are leaving the water treatment systems of all urban areas. As you know, Mr. Speaker, they have wastewater treatment systems, and the water that's leaving those wastewater treatment systems in the province needs to be upgraded. I agree with the member absolutely. We need to upgrade the quality of the water that's getting out of the wastewater treatment and into our rivers and thereby improve the aquatic environment of our rivers.

The Speaker: The hon. Member for Clover Bar-Fort Saskatchewan, followed by the hon. Member for Edmonton-Mill Woods.

2:10

Canadian Dollar

Mr. Lougheed: Thanks, Mr. Speaker. My question to the Minister of Finance: could she identify the effect of the rising Canadian dollar on the projected revenues in the budget?

The Speaker: The hon. minister.

Mrs. Nelson: Well, thank you. Mr. Speaker, every year in the budget we publish our exchange rate assumptions and the sensitivities that are related to picking the exchange rate on our Canadian dollar. In this year's budget we forecast that the exchange rate would be just under 66 cents for the current fiscal year. Currently the dollar is trading at nearly 71 cents, so there is quite a difference of spread. When you average it over the full year, a penny change in the dollar, an increase in value, actually ends up having a negative effect on the government of about a hundred million dollars. That comes mainly from a decline of about \$125 million in our natural resource revenues made up by a gain on the U.S. exchange on our debt. So it's basically every cent that the dollar improves in comparison to the U.S., we have a negative impact of about a hundred million dollars. Conversely, when the dollar goes down, we gain back a hundred million dollars the other way.

The Speaker: The hon. member.

Mr. Lougheed: Thanks, Mr. Speaker. I'm wondering if the minister could clarify if there are ways in which the rising Canadian dollar is mitigated to mitigate these reductions in resource revenues and other revenues.

Mrs. Nelson: Well, Mr. Speaker, one thing is important this year with our new fiscal structure that we've put in place. To get away

from the volatility and swings within the marketplace, we've set up a sustainability fund and said that out of our resource revenues we will spend \$3.5 billion no matter what that resource revenue number will be. In this case, if it's \$4.2 billion, we will spend \$3.5 billion. So we take the volatility out of the equation when we're delivering core programs such as our health programs and our education programs and our commitments to municipalities, et cetera.

What we've done with this new structure is alleviate the worrisome situation of the volatility of the marketplace and put in place a predictability that can be then counted on by those that deliver services on the front line. So we've tried to mitigate the risk element with the market by putting in place a sustainability fund that says that we'll capture the fluctuation within that market environment. In other words, the core programs will not be disturbed by changes within the swing of the Canadian dollar in comparison to the U.S. dollar.

Mr. Lougheed: Mr. Speaker, could the minister also elaborate on any other hedging strategies that would protect Alberta's interests as the dollar rises or falls in conjunction with changing resource revenues and export prices and, also, the reduced Alberta debt?

Mrs. Nelson: Well, it is a very good question. In fact, Mr. Speaker, we almost have a natural built-in hedge program with this in the fact that we have set up the sustainability fund, but our debt servicing costs as the dollar does firm up go down, so we see a natural hedge occur, and therefore our spending on our debt servicing or interest expense, which we often call dead costs, becomes lowered. So there is a natural hedge built into our system already.

On the other side, we do again have the new sustainability fund, which is, I think, the safeguard for Albertans so that we have the long-term strategic ability to plan what our spending requirements are because of the sustainability fund, and it takes, again, the volatility out of the marketplace. We are not subjected, as we have been in the past, to the swings within the market. So we've got predictability back in, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Edmonton-Strathcona.

Education Funding

(continued)

Dr. Massey: Thank you, Mr. Speaker. In a very critical comment on government funding the Calgary school board has just now announced 400 – 400 – staff layoffs, 300 of them teachers. Fifty-seven staff cuts alone are a result of government changes to the grade 10 credit funding. My questions are to the Minister of Learning. Given that talking to the Calgary board failed, what action does the minister now propose to prevent September service cuts in Calgary?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. When we started talking to the Calgary public board, it was last October, and what we dealt with was the particular problems that they had in the '02-03 school year. As a matter of fact, they aren't coming forward with a balanced budget this year. Some of those savings that they had were onetime costs, so they aren't carried through till next year.

The hon. member's number is a little inflated in what he has stated for the number of teachers. It's my information that it's more around 197, but again I have not received the complete story from Calgary public at this time, and I hope to see that later on this afternoon, Mr.

Speaker: The bottom line, though, with Calgary public is that we will continue to work with them, and we will continue to do what we can. We will continue to ensure that there's an excellent system. I think the key component here, again, is that there was a \$17 million increase to Calgary public for, the estimates are, between 500 and 700 fewer students in the upcoming year.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the minister: how can the minister continue to claim that funding is adequate when the Calgary board alone is cutting 400 positions?

Dr. Oberg: Well, Mr. Speaker, as I travel around the province, we see a lot of different situations with school boards. In Edmonton Catholic, for example, we see a school board that is completely balanced. They absorbed not directly an arbitration award but the same amount of increase as what the boards that underwent arbitration absorbed. So we are seeing a lot of differences around the province. We're dealing with that.

What has happened in Calgary, as well, is that they have just gone to a different type of allocating the dollars out to the individual schools, and that should work very well. I'm very impressed with how they've started to do that. I think the key component with Calgary public is that they are a very open board, and indeed we will continue to work with them to ensure that what they do is in the best interests of kids.

Dr. Massey: Again to the same minister, Mr. Speaker: when will the government actually start linking funding to school costs? When can we see that linkage?

Dr. Oberg: Well, Mr. Speaker, it's very interesting when you have school boards around the province that are running balanced budgets, that are running balanced ships. I think what you see is a difference in school boards. As a matter of fact, in our new funding formula that was put out, we actually recognize that there is an economy of scale that is lost when the school boards reach a certain size. Indeed, we've put into this a component for large administrations.

So, again, the bottom line is that we will continue to work with Calgary public. We feel that there are a lot of things that we can do. It's a preliminary budget that was put out today. I have not seen all the details. My people have not gone through the total budget yet, but we hope to do that within the next day or two.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Grande Prairie-Wapiti.

Dr. Pannu: Thank you, Mr. Speaker. Later today the Calgary board of education will be the first major school board to make public next year's budget. This budget will be balanced on the backs of close to 95,000 students of the CBE. It will feature the loss of hundreds of teaching and support staff positions, ballooning class sizes, and school user fee hikes. My questions are to the Minister of Learning. Why has the minister put a gun to the heads of members of the school board and told them to impose \$32 million worth of cuts and user fee hikes in next year's budget regardless of the consequences?

Dr. Oberg: Mr. Speaker, his terminology is quite interesting: putting "a gun to the heads" simply because he sees a budget. The school board received a budget that had an increase of \$17 million this year, and that's a significant amount of dollars regardless. So, again, we

certainly will work with them. My understanding is that the teacher layoffs that they're talking about would all be through attrition. They are looking at several other things in order to streamline what they do. Again, 500 to 700 fewer students than last year is what they're anticipating, so there definitely has to be some streamlining in what they do. We'll work with them over the next few days, over the next couple of weeks. The hon. member is absolutely right: this is the first budget that I have received. All budgets are due to me by June 30 of this year.

2:20

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: instead of throwing out bland assurances and misleading statistics, will the minister provide a guarantee to Calgary parents that class sizes will not grow and teachers will not be laid off due to cuts being imposed in next year's CBE budget?

Dr. Oberg: Mr. Speaker, there was a huge increase that was granted to teachers, to the tune of around 14 percent. A first-year teacher will receive about a 25 percent increase this upcoming year. So they have to accommodate those increases. We have given them a significant amount of dollars. They have a significantly smaller number of students that they are budgeting for. So we'll see. I have not seen the details of their budget yet, and I hope to examine it very carefully over the next couple of days. My people will be examining it, and we'll see what we can do to help them.

Dr. Pannu: Mr. Speaker, my question to the same minister: will the minister give a clear and firm undertaking to the Assembly that programs serving vulnerable children such as early literacy, ESL, and programs for special-needs children will not be cut back or discontinued as a result of draconian cuts being implemented in next year's CBE budget? If not, why not?

Dr. Oberg: Well, Mr. Speaker, included in this budget is an 8 percent – 8 percent – increase in special-needs funding. There are 2 percent increases in all of the others, English as a Second Language, all of the other services that the hon. member has mentioned. The interesting point, though, about the funding formula – and this is what the school boards have asked us to do. They have asked us to give them flexibility because they feel that they're the best people to look at exactly where the dollars are spent within their own school jurisdictions. So upcoming in the funding formula there is a flexibility.

There have been huge increases, Mr. Speaker, in special needs. In the last three years alone I've increased special-needs funding by 28 percent. That's a very significant amount of dollars. In the last four years it has increased by very close to 50 percent. So there's a lot of money going into it, and it's now up to the school boards how they deliver those programs. We're looking at the outcome of those programs as opposed to the actual input, the amount of dollars that are put in. There are individual program plans that have to be put forward for each special-needs student.

The Speaker: The hon. Member for Grande Prairie-Wapiti, followed by the hon. Member for Edmonton-Riverview.

Seismic Activity on Road Allowances

Mr. Graydon: Thank you, Mr. Speaker. Some rural municipalities are concerned about seismic companies doing their work on the

municipal road allowance, and to discourage this, the municipality is charging the seismic company a fee. My question to the Minister of Sustainable Resource Development: is this an allowable practice?

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. That is a good question. This issue, of course, is being dealt with through a stakeholders' group which includes certain municipalities, industry, and also provincial representatives from Energy, Sustainable Resource Development, and also Municipal Affairs and Transportation. This group recommended against charging such fees. Instead, this group supported a balanced approach that would include changes to improve the process for notification and inspection of seismic activities along roadways. Of course, these recommendations were made to the stakeholders' group, and we followed through with the changes recommended in 2001.

Some of the members represented in the stakeholders' group include people from AAMD and C, including Strathcona county, Yellowhead county, Saddle Hills county, municipal district of Rocky View, municipal district of Foothills, and Mountain View county also. Of course, there are also the industry associations: the Canadian Association of Geophysical Contractors, the Canadian Association of Oilwell Drilling Contractors, the Canadian Energy Pipeline Association, and only one more, Mr. Speaker, the Small Explorers and Producers Association of Canada.

The Speaker: The hon. member.

Mr. Graydon: Well, thank you. To the same minister. Some of these municipalities, despite what you've said, are still looking at the need for a bylaw to allow them to charge this fee. I'm wondering if the minister can address whether there is a need for that kind of a bylaw and whether the municipalities can do that.

Mr. Cardinal: Mr. Speaker, currently there are ample opportunities through the existing process to be able to deal with the issue outside municipal bylaws. There is a good framework for dealing with seismic issues on a provincial basis. We are confident that we can work together – my department, Municipal Affairs, Transportation, and Energy – to deal with that issue.

Mr. Graydon: Finally, briefly to the same minister. There are also concerns that this seismic activity on road allowances could be a safety issue and cause some safety problems. Are we doing anything about those safety concerns?

Mr. Cardinal: Again, Mr. Speaker, that is a very good question. We take safety along these roadways very seriously, and we are working very closely with the Minister of Transportation, who works very closely with the counties and other municipalities. In the last 10 years I believe we've only received one complaint in relation to safety or lack of safety on these roads.

head: **Members' Statements**

Centre 2000

The Speaker: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. It's my pleasure today to rise and make a statement with respect to a phase 1 centennial project that is in service in the city of Grande Prairie and certainly has been a tremendous asset already to the region. We were fortunate enough

to have the Minister of Seniors tour briefly, and the museum that is part and parcel of Centre 2000 in Grande Prairie is a project that has been extremely well received.

To point out the regional concept and the regional vision of the museum operators, Mr. Speaker, I would like to allude a bit to a program that they are going to embark on this summer where the museum is going to allow transportation for students to be partially provided by the museum. They're expecting in the neighbourhood of 8,000 visitors to the museum this summer. The program will be started in May and June of 2003. The program is going to be offered on a trial run to students from schools in the northwestern Alberta region. We'll then see an expansion of this program to the grade 5 to grade 11 students, commencing in September of 2003. By the school year beginning in 2004, the program will be offered to all students in the Grande Prairie region from grade 5 to grade 11.

The Speaker: The hon. Member for Lac La Biche-St. Paul.

Danielle Schnurer

Mr. Danyluk: Thank you very much, Mr. Speaker. The highest honour bestowed by Alberta's 4-H program has been presented to Danielle Schnurer of Elk Point. Danielle was chosen as the Premier's award recipient from 133 of the province's top 4-H members during the annual 4-H selections program at Olds College, May 2 to 5.

Danielle Schnurer is a 17-year-old honours student who exemplifies the leadership, communication, and personal development skills that the 4-H program holds in high regard. Danielle has been an active member of the Elk Point Saddle Slickers and the Elk Point 4-H Multi Club. Her leadership through executive responsibilities and instructing young members has been beneficial to her club. She participated in the leadership-through-counseling seminar and has been a counselor at 4-H camps. Danielle is an articulate and confident young woman. She competed in the 4-H provincial public speaking competition as a northeast regional champion in 2002 and in January of 2003 as a member of the Alberta Hippology Team in the Western 4-H Horse Classic in Denver, Colorado.

Her enthusiasm and energy have not been limited to 4-H. Danielle was a member of the Elk Point Ukrainian Dance Club for 10 years. She has held positions on student council and played on school sports teams, basketball being her forte. She has served on the national Students against Impaired Driving Committee and is a vocal advocate of responsible behaviour. Danielle plans to pursue a career in physiotherapy and has been accepted into the science program at Augustana University College for the fall semester.

2:30

It gives me great pleasure to learn that the prestigious Premier's award was given to a close neighbour and a member of my local community. It is all the more meaningful as I've had the privilege to know Danielle and observe her in competition. Her friendly nature and positive attitude were great assets in her role as a 4-H ambassador.

I would like to extend my congratulations to Danielle Schnurer, a very deserving recipient.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Removal of Domestic Livestock from Public Lands

Ms Carlson: Thank you, Mr. Speaker. On April 8, 2003, a resolution was passed by the Sundre Fish and Game Club to take the necessary steps to have domestic livestock removed from public

lands. Their intent is to pursue this matter with great intensity, and there are several reasons why they have taken this position.

The first is the decrease of large ungulates in the 400 zones; secondly, a lack of winter forage in some of these zones due to overgrazing by domestic stock driving wildlife further eastward in search of winter pasture. Their third point: the position that most leaseholders have taken with public access is they do not want to share these areas with the general public and are not good stewards of the resource. They believe they are pasturing too many animals too long in most of these areas. Livestock have been allowed to overgraze to the point where there is no feed left for wildlife. They believe that they are abusing the generosity of the general public that allows them access to the grass. Their fourth point is that there has been a decrease in outdoor opportunities for hunting, fishing, viewing, camping due to very limited access on leased lands.

These leaseholders are not very generous when it comes to public access and seem to have taken the position that it belongs to them. They say that they see more and more no trespassing signs being erected on public lands. They no longer seem to be satisfied with cheap access to grass for their livestock but want full control. Elk and moose are increasing at an alarming rate in the private lands due to the availability of winter food and very low predators and the lack of hunting opportunities, which is the main tool for wildlife management control.

This club believes that this will lead to more conflict between wildlife and the farming community and wildlife and vehicle incidents. They believe that lands must be managed for all wildlife and all people. They believe it is the government's job as appointed stewards of the resource by the people of Alberta to manage it properly and for all. They say that we need to make every effort to raise wildlife on public lands by maintaining the existing habitat, better predator control, and increased burns.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Wetaskiwin-Camrose.

Big Valley Jamboree

Mr. Johnson: Thank you, Mr. Speaker. I speak today about a very special event that will take place in my constituency in the first few days of August, the Big Valley Jamboree. Since the arrival of the festival nine years ago the Big Valley Jamboree has become one of North America's hottest country music events. Many tens of thousands of people gather at the Camrose Regional Exhibition Grounds, which has recently undergone a million-dollar expansion to accommodate 22,000 people per day to partake in four days of country music, bull riding, trade shows, and other enjoyable activities. The Big Valley Jamboree is a major tourist attraction for my constituency and indeed for all of Alberta. The lineup for this year's festival includes many talented country artists including Albertan Carolyn Dawn Johnson, Tracy Lawrence, Deana Carter, Lonestar, Alan Jackson, Sawyer Brown, the classic country group the Oak Ridge Boys, and many others.

What makes the Big Valley Jamboree one of the best outdoor music festivals is that it is a family experience. The festival atmosphere is perfect for the events that are planned for every age group, including a family stage and a separate family campground available for those with young children. There is the main stage and several festival events which cater to the more adult crowd.

The event is very important to my constituents as there are approximately 1,500 volunteers from the Camrose region who come out to help with this very popular event. With the support of volunteers and sponsors and the participation of outstanding artists

the Big Valley Jamboree continues to be popular, wildly entertaining, and a lot of fun for all of those who attend. So from my constituents I would like to say to all of you: we will see you at the Big Valley jamboree.

Thank you.

head: **Presenting Petitions**

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I rise to table a petition signed by 82 Albertans from all over the province, from Coaldale to Calgary to Edson to Red Deer to Edmonton to Fort McMurray, Peace River, and other places. They are urging this government to end the funding crisis in education and increase funding so that there are adequate funds for our children.

Thank you, Mr. Speaker.

head: **Tabling Returns and Reports**

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I'm tabling the appropriate number of copies of a letter, a copy of which I received. The letter is addressed to the Premier, dated May 1, 2003, and it's from Ms Sally Ferrero of Edmonton. She's expressing concern about education underfunding and questions the priorities of the government's budget when it comes to spending \$105 million for upgrading VLTs while the school system is "starved of funds for basics like textbooks."

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I'm tabling the executive summary of an ESBI Alberta Ltd. document entitled Facilitating Major New Generation in Alberta: an Overview of the Transmission Infrastructure Requirements. This document is from August 17, 2001, and states that transmission developments which would be required within Alberta and for export to support predicted growth in generation by 2010 would cost in the region of \$3.5 billion, and \$1.5 billion of this would be for internal Alberta distribution.

Thank you.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I have two sets of tablings today. The first is entitled Proper Management of the Resource & Access of Public Lands, which I talked about in Members' Statements. It's from the Sundre Fish and Game Club.

The second is a letter from Frank, Shane, and Jean Raymond from Sundre, Alberta, who are very concerned as hunters, outfitters, and outdoors people about the lack of management by government on the issues that were talked about in a private member's statement.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I table copies, with permission, today of a letter from a Laureen Purkis, a woman who returned to university at age 38 to become a schoolteacher. She just this year became a full-time schoolteacher and is now being laid off because of financial cuts. It's very timely given the announcement in Calgary today.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I rise this afternoon to table for the benefit of all members of this Assembly the program from the 17th annual graduation convocation for the King's University College, which occurred this past Saturday at the Ellerslie Road Baptist Church. This graduation ceremony was well attended, and the class keeps getting larger and larger each year.

Thank you.

The Speaker: The chair would like to table five copies of a memorandum from the hon. Member for Calgary-Buffalo requesting that Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003, be given early consideration in Committee of the Whole.

The hon. Member for Edmonton-Ellerslie on a purported point of order.

Point of Order

Allegations against Members

Ms Carlson: Yes, Mr. Speaker. Earlier this afternoon in an exchange between the Premier and the Member for Edmonton-Gold Bar – so this is the second set of questions, the second question in the second set – the Premier answered with regard to making a statement where he said: the kind of debt they would – and then I didn't quite hear what he said – like or would approve of. So in terms of how that question was set up and how the Premier answered it, he was making an allegation that people sitting on this side of the House, and particularly the Member for Edmonton-Gold Bar, would approve of any kind of debt, and that is an allegation. He can't make those kinds of statements. They are not parliamentary within this Legislature, and we would like them withdrawn.

Mr. Hancock: Clearly, Mr. Speaker, no point of order at all on this. During the course of campaigns and during the course of questions in the House and during the course of the ongoing to-and-fro, members opposite request that you spend more money on this, you spend more money on that, put more money into education. They have the good fortune, such as it is, of being in opposition so that they can encourage spending on any one of a number of different priorities that they might have without having to allocate the scarce resources of government. One can only assume that if one is to spend in all the priorities that they put forward, there will be some form of debt associated with it because clearly the revenue isn't there.

2:40

But, in any event, that's not an allegation but merely in the nature of the regular to-and-fro of discussion in the House. It impugns no motive. It does not suggest anything about character. It's not making an allegation in the sense that allegation is used in 23(h).

The Speaker: Hon. Member for Innisfail-Sylvan Lake, do you want to participate?

Mr. Ouellette: No.

The Speaker: Okay. Others?

The response from the Premier with respect to the question from the hon. Member for Edmonton-Gold Bar:

Mr. Speaker, consumers do not bear all of the risk. I'll tell you what risk consumers bear under a totally regulated, socialistic enterprise that the Liberals would support. What they would get is a massive

amount of debt, the kind of debt that has been accrued in Ontario, the kind of debt that has been accrued in British Columbia. That's the kind of debt they like, and that's the kind of debt they want to foist on Albertans.

Of course, 23(h) and (i), imputing motives, refers to individuals, not groups, parties, caucuses, entities and is part of the give-and-take of the Legislative Assembly. I suspect we would have a point of order on every question raised with respect to this particular kind of clarification and probably in many, many of the responses given as well. So, no. I guess we've had it raised and dealt with.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order.

head: **Main Estimates 2003-04**

Energy

The Deputy Chair: The hon. Minister of Energy.

Mr. Smith: Well, thank you very much, Mr. Chairman. It's a pleasure to be here today. It's a pleasure to talk about the Department of Energy and its estimates and its business plan. Of course, we all know that energy has a long and bright history in the province of Alberta, one that we wish to continue, and of course it continues to be a driving part of the support in the economy.

Mr. Chairman, resource revenues are forecast to make up almost 30 percent of government revenues in 2002-2003. With Alberta's new fiscal framework when oil and gas prices fluctuate, government revenues will continue to fluctuate but the amount of money available for government spending will be more stable. This does not diminish the importance of the energy sector.

Securing Albertans' share of resource revenues and ensuring that our energy resources are competitive and continue to attract investment and create employment are the Ministry of Energy's most important responsibilities. To sustain future revenues from energy resources, Alberta will need to ensure that it has the right regulatory process and rules to ensure continued exploration and development of conventional resources, increased production from conventional wells, and allow for responsible development of nonconventional energy sources. That means continued oil sands development.

Under our generic oil sands royalty regime – and this is an important question because members asked it before – before an oil sands project has recovered all of its costs, Mr. Chairman, royalty is 1 percent of gross revenue. After costs are recovered, the royalty is the greater of 1 percent of gross or 25 percent of net revenue. Although a barrel of bitumen generates less royalty than a comparable barrel of light sweet crude, oil sands do offer greater potential by volume.

While it is not certain that oil sands royalties in the near term will approach conventional oil royalties, given current oil price and production forecasts, we expect oil sands royalties to significantly increase by the year 2007-2008 and will subsequently show up in the business plans for those years. In the meantime, Mr. Chairman, continued oil sands investment will create employment and help secure Albertans' energy future.

Two key changes, Mr. Chairman, have been made to our overall ministry business plan. We have highlighted the significant contribution the ministry makes to the overall government goals of

people, prosperity, and preservation, and we've identified the key strategic priorities for both the department and the Alberta Energy and Utilities Board. Our business strategies and targets may have to be revised if the bad federal government continues on its path of implementing Kyoto targets and time lines without a plan. Kyoto has impacted and will continue to impact industry investment and commodity prices. Nevertheless, we remain outcome oriented.

But Albertans' share of resource development is more than just royalties. It includes investment, it includes jobs, and it includes the business opportunities that all Albertans enjoy as direct and indirect results of the oil and gas industry. This industry, Mr. Chairman, attracted over \$20.6 billion worth of investment in 2001. That is approximately 67 percent of all private investment in Alberta. Now, while we haven't seen the investment numbers for 2002 yet, we expect that they will be slightly lower than the record set in 2001. This investment creates business opportunities and supports some 66,000 direct upstream or in front of the gas pump sector jobs for all Albertans and in fact in front of the refinery operation.

Now, Mr. Chairman, the Department of Energy's nonrenewable resource revenue stream for 2003-04 is expected to be \$4.776 billion, reflecting a return to more historical oil and gas prices. The oil price forecast for 2003-2004 in United States dollars is \$23.30 per barrel for west Texas intermediate. Budget 2003 assumes that natural gas prices will average Canadian \$4.05 per thousand cubic feet or, if multiplied by 1.512, Canadian \$3.84 per gigajoule in this fiscal year. The oil price forecast assumes that the Organization of Petroleum Exporting Countries, OPEC, does moderately well at managing the oil market but recognizes internal tension over production quotas causing some oversupply, putting downward pressure on prices.

In terms of natural gas the recent price increase reflects declining North American production, low storage levels, and colder than normal – and may I say colder than normal given today's temperatures – unsettled weather in key consuming regions of eastern North America. The price forecast reflects increasing drilling activity in Canada and the United States that arrests the supply decline, a return to normal weather, and a return to the historical relationship between oil and gas prices. It is expected, Mr. Chairman, that gas prices will drop to levels more in line with the budget once storage begins to recover to historical levels.

2:50

This budget will enable the Department of Energy and the Alberta Energy and Utilities Board to meet the following opportunities and challenges. One, over the next year we will continue to participate in Alberta's climate change action plan and protect Alberta's interests on the national scene. Two, resolution of First Nations issues. It is very important to provide assurance and certainty for future access and development of energy resources. The department continues to strengthen consultation and promote training, employment, and business opportunities for those First Nations.

To offset long-term declines in conventional reserves, Mr. Chairman, we must intensify the search for remaining oil and gas resources, further enhance the oil recovery, proceed carefully with the responsible development of coal bed methane, and encourage the industry to develop new technology and processes. We may be able to increase recovery and reduce emissions intensity. The department will complete a review of its royalty systems to ensure that Albertans continue to receive a fair share of the value of these commodities.

We are presently working with Environment, the Energy and Utilities Board, and Sustainable Resource Development to develop and improve regulatory processes and reduce the cost of regulatory requirements over time while still maintaining Alberta's high

environmental standards. The Ministry of Energy will continue working to eliminate barriers to retail growth and stability of competitive electricity and natural gas markets. In this next three-year period, Mr. Chairman, the key area of focus is further development of the retail market. We intend to advance customer confidence and information and knowledge in the restructured marketplace through our comprehensive Customer Choice awareness education campaign.

Now, Mr. Chairman, I am responsible for the Alberta Energy and Utilities Board, and the Alberta Energy and Utilities Board will continue to act on the recommendations of the Provincial Advisory Committee on Public Safety and Sour Gas. This three-year initiative is the EUB's first priority. Significant progress has already been made on the 87 recommendations: 18 recommendations have been completed, work has begun on 52, and 17 will start by April 2004. The board is also challenged with fulfilling additional regulatory responsibilities regarding municipally owned utilities and the market surveillance administrator function.

The Department of Energy's business plan, Mr. Chairman, contains no major changes, but it is a further refinement of the substantive changes that began in early April 2001. Although the department does not directly control outcomes, it does attempt to achieve desired results through actions and programs and respond to changing business and economic circumstances affecting energy and mineral resource development in this fine province.

Mr. Chairman, while the department's mission, vision, and core businesses aren't changed from last year, our strategies have been refined and our performance measures polished, crowned with the addition of industry investment as a clear indicator of the fairness and competitiveness of our royalty and regulatory regimes.

As with the Department of Energy the Alberta Energy and Utilities Board's mission and vision remain unchanged. However, Mr. Chairman, the EUB's core businesses have changed from four to two. Adjudication and regulation is one; information and knowledge is two. The board, the EUB, has also consolidated strategic priorities and performance measures to focus more on outcomes, less on process.

I am presenting a ministry budget that will enable the department to collect some 5.071 billion dollars in royalties and freehold mineral tax for all Albertans while enabling the Alberta Energy and Utilities Board to fulfill its regulatory mandate. Mr. Chairman, the administrative cost of collecting this revenue is less than 2.3 percent. The Department of Energy's business plan targets between 20 and 25 percent of industry's annual net operations' revenue through the royalty system. This is the second largest revenue source for the province in '02-03, just behind the \$7.3 billion in expected personal and corporate taxes.

The EUB has identified some pressure and is proposing an increase in funding over the next three years. To this extent, Mr. Chairman, funding has been increased by some 10 million dollars in 2003-2004.

The number of full-time equivalent positions in the Department of Energy will increase to 562 with the addition of six positions for consultation with First Nations while the EUB complement will increase to 800, for a total of 1,362 positions. The Alberta Energy and Utilities Board's additional staffing, Mr. Chairman, will provide for additional expertise on public safety, sour gas emissions, the expanded regulatory role in utility regulation and strengthens the board's expertise for oil sands applications and hearings.

Now, Mr. Chairman, our budget estimates do not reflect the transfer of the rural utilities program to Alberta Agriculture, Food and Rural Development. This is a management move that has been made over the past year through a lengthy consultation with

stakeholders, with the members of rural gas co-ops, with members of rural electrification associations, and with members of our department. In dealing with this, we dealt with the department of agriculture, particularly the rural development component, and it was ascertained through analysis that the granting aspects of the natural gas co-op program, which has attained a 97 percent gas penetration in Alberta, and the rural electrification associations, which deliver some 54 megawatts of power in some 67 organizations, would be best placed there for the purposes of rural development and coincident with the targets and goals of the Department of Agriculture, Food and Rural Development's business plan. Therefore, based on that analysis, a lengthy process was undertaken over the past year, and we now will finalize the movement to the Department of Agriculture, Food and Rural Development.

This does leave the policy side firmly in the hands of the Department of Energy. They will continue to work hard with natural gas co-ops. Natural gas co-ops under Bill 19, Mr. Chairman, had only one minor change, and that is that if the membership vote by a majority – and I believe it's a two-thirds majority – then that gas co-op is obligated to offer choice. But up until the members themselves make that decision in a democratic environment, the Ministry of Energy remains silent on how the gas co-op wishes to conduct its business.

With respect to the REAs, Mr. Chairman, at this juncture I must thank the Member for Edmonton-Castle Downs and the Member for Grande Prairie-Smoky for the hard work that they undertook over a two-year period to resolve the issues that the REAs had indicated existed between the Ministry of Energy and themselves. These involved certain issues such as how to go about amalgamation of an REA. How would an REA compete with another wire provider? How would REAs amalgamate in areas where they are served by different providers? What are the safety issues surrounding wire repair for REAs that are served by a wire provider? How is membership determined, by negotiation or by arbitration? So these issues were worked on quite diligently by the members of the committee, and a good outcome occurred after some two years of discussion and consultation.

3:00

Now, it is important to note, too, Mr. Chairman, that with the passage of Bill 3 REAs will be able to provide customer choice. They will be obligated to provide the default supply option, which is known as the flow-through rate, but of course there will be commercial solutions or what I'll call membership solutions inside the REA where they can take and make a majority decision governing the not-for-profit society and buy hedged power or buy contract power that would be available for all their members. So, in fact, having the default supply option available simply serves as a competitive check and balance on the usually good performance of the REAs in purchasing electricity for their members. I would be more than pleased to comment further on that should there be questions that arise.

Let me say in conclusion – and thank you for your attention, Mr. Chairman and others in the House – that this ministry has a proud past. One of the fundamental components that makes this department the success that it is is the land tenure system that has been so ably and capably administered and has been done without scandal, without corruption, without fault. As I touch the wood of my desk, I can only hope that that will continue as it has continued over the past 50 years.

There's no question as to the significance of the undertaking and the knowledge of the staff members of the Department of Energy and the responsibility that they hold, whether they're continually revising

and reviewing the royalty agreements to see if we're extracting the appropriate amount of economic rent from the companies that invest in this province to getting the generic oil sands royalty right and correct to stimulate in the last year I think some \$20 billion worth of new construction to building a data warehouse of petroleum information that is second to none in the world.

This program, formally called VIPIR, or volumetric and infrastructure petroleum information registry, is now up and running. It's running for a significantly reduced cost than what was originally contemplated when the first royalty simplification program was initiated. We've found that the private sector is using this Internet-based site multiple times. We have recorded millions of hits in the first quarter of operation. In fact, we are moving the best petroleum data around, managing it correctly, collecting the appropriate amount of royalties, and delivering financial moneys to the Treasurer on a timely, efficient, and appropriate basis.

So with that short introduction, Mr. Chairman, I do look forward to answering any questions that members may bring on the estimates of the Ministry of Energy.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to get an opportunity to participate this afternoon in the Department of Energy's annual estimates. Certainly, in the minister's conclusion one cannot underestimate the importance to this government and to all Albertans of the nonrenewable resource revenue of close to 22 percent that is provided by that department to the budget of the province. When one considers how large an amount that is and how important the energy sector is to this province, it is one of the more important portfolios within the government.

I see that as we debate the estimates this afternoon, the minister is attired in a wonderful purple tie, very similar to the Purdy's chocolate boxes. The hon. Member for Edmonton-Centre is apt to be asking for one just like it because of course that is her favourite colour.

With that, Mr. Chairman, there are many questions. Certainly, there have been many problems in the Department of Energy, and the problems have to be resolved. There are issues and problems around electricity deregulation, and it should be a very interesting and informative debate in regard to this department.

Whether it's natural gas or electricity, how we're going to enhance the development of the coal bed methane industry for the future of this province, how we're going to develop wind power – certainly that was mentioned in question period earlier this afternoon, and I think that's very, very important, particularly in southern Alberta and west of Calgary. We have to ensure that the Minister of Energy not only manages the development of the oil and natural gas and mineral resources in a responsible manner within a framework of sustainable development that maximizes investment in resource development and benefits for Albertans but also that there is a development of wind power and there is a responsible development of the entire coal bed methane industry.

Now, if we look at the mission of the Department of Energy, it is to "optimize the sustained contribution from Alberta's energy and mineral resources in the interests of Albertans." In other words, to maximize the royalties the government collects from our natural resources, and that is very important. I believe it was the Premier who said that we have to get our pound of flesh. Certainly we have to ensure that all royalties that are due and payable are put into the public treasury, and I'm sure they are. It was with interest that the minister discussed earlier VIPIR, the electronic compliance system

to calculate royalty rates, and that's now up and running. I hope it's very, very successful. I hope it is very successful.

The Department of Energy has, as we look here, four core businesses, including securing benefits for Albertans, resource development, informing Albertans about energy and mineral resource development, and ensuring Alberta consumers have a choice of reliable and competitively priced energy. Certainly, when one considers that and you go around and talk to citizens, particularly after a couple of years of electricity deregulation or energy deregulation, consumers are not after choice. They're after affordable electricity and natural gas prices. They have expressed no interest in pursuing two-, three-, or five-year contracts for electricity or natural gas. What they want is reliable, affordable energy to heat and light their homes. They don't want to gamble on a three- or five-year contract for those utilities. They see natural gas and electricity as essential services, not as expensive commodities.

The Minister of Energy has also developed six strategic priorities for the upcoming year including continuing to implement an action plan on climate change. To the minister: specifically, what is the government's action plan on climate change? What is the timetable for the government's implementation of its action plan? What are the Department of Energy's responsibilities in the implementation of this government's action plan, Mr. Chairman?

Now, another of the six strategic priorities for the upcoming year is a focus on developing consultation guidelines and on fostering capacity building in First Nations communities. In regard to that, I have a number of questions. Given that this strategic priority states that "the department continues to focus," what steps did the government take last year?

3:10

An additional question, Mr. Chairman: what extra steps is the government going to take in this upcoming year given the developments in the northern Alberta oil patch? What new initiatives have begun as a result of recent developments again in the northern Alberta oil patch? Will the government table in the Legislative Assembly its action plan for developing these strategic priorities? Also, which stakeholders is the government working with in order to achieve these goals?

Another strategic point is to "complete a review of opportunities for new exploration and development" and a resource development regulatory review. Now, as part of this review, is the government going to review its policy around the use of regulations, and will the public be kept up to date on the results of the department's regulatory review?

I see also that we're going to look at reviewing the "royalty systems to ensure Albertans continue to receive a fair share of the maximized value of commodities over the next two decades." Is the royalty tax credit included as part of this review? I'm going to have more to say on this royalty tax credit later on, but will the department also make this review public? Will the minister take into consideration in this review the recommendations the Auditor General has made about this department's royalty programs?

Again, another strategic initiative is to pursue "structural changes to enhance electricity market operations and to ensure that there's a level-playing field" for all customers. Well, I don't know about that. What provisions is the minister taking to ensure that the rights of consumers are not sacrificed for a level playing field? Does the government believe that a level playing field will result in lower utility bills for Albertans? If not, why is the minister pursuing this?

Now, getting to the business plan, on page 123 of the Department of Energy's business plan 2003 through 2006 it states that the ministry will "directly develop, manage and support, in-house, those

department information management systems that are critical to ensuring that Albertans continue to receive their share of resource revenues." How did the department determine that "20% to 25% of industry's annual net operating revenue" was Albertans' share of resource revenue? Does the minister foresee Albertans' share of royalties changing over time? Is the royalty rate going to go up? Is it going to go down? Is it going to stay the same? Which department information management systems are being discussed here? Are there new ones being created?

Mr. Chairman, again to the minister: how does the department collect information from energy firms in order to ensure that Albertans are getting their fair share of the revenues? Is the honour system still used?

On page 123 of the Department of Energy's business plan 2003-2006 it states that it has set a target of making audit adjustments less than 2 percent of department revenues. Why didn't the government set its target lower than 2 percent given that the audit adjustments only made up 1.6 percent of department resource revenues last year? How many firms does the department audit in a given year, Mr. Chairman?

Now, moving on to page 124 of this ministry's business plan, it states that the department will "implement Oil and Gas Consultation Guidelines for resource development on Crown land in areas of traditional use" by First Nations people. When does the government plan to have these initiatives implemented? Has the department consulted stakeholders in constructing these guidelines, including both the resource companies, oil and gas companies, and representatives of the First Nations bands? How will these initiatives be enforced, and are they binding?

Again on page 124 of this ministry's business plans it states that the department will "complete a consultation process with stakeholders to identify issues and appropriate strategies for future development of Alberta's coalbed methane resource." Is this consultation process going to be open to the public? Will the results of this consultation process be made public, and will legislation be coming forth to guarantee royalty rights to those looking to develop these new technologies?

At this time I was surprised to note at a meeting that I attended last week in Camrose on electricity rates and natural gas rates – but the meeting also discussed coalbed methane because it was of a great deal of interest to some of the rural landowners that were present. I asked the assembled crowd if they had received from the Department of Energy the study that was released recently by them in regard to coalbed methane. There had been a meeting in the same hotel, I understand, previous to our meeting where coalbed methane had been discussed. To my surprise, these landowners said: no, we were not aware of that study. So I'm making an effort to provide that information to those who expressed an interest in it, but I would urge the minister to make sure the landowners have all the information that the Department of Energy is putting out.

Now, I was astonished that there were some people that thought that there were going to be large, large volumes of water produced in the production of coalbed methane, and I don't know if that's true in this province. The minister can probably correct that. Certainly, I don't think we're going to produce the volumes of water that come from the Powder River basin. We've talked about this many times in the Assembly, but I think that if the landowners have the information, the conclusions that will be reached will be beneficial to all because there is a perception out there that there are vast amounts of water to be produced as a result of the production of this form of natural gas.

If the minister has any knowledge or any information regarding how much water is being produced, where it's going – because the

citizens there were concerned that there didn't seem to be any disposal well, there didn't seem to be a great deal of increase in tank truck traffic coming from the leases. The production rates may be confidential business information, but certainly if the minister could share with the good citizens of Camrose and the surrounding areas just how much water is being drawn off in some of those test wells, I think it would benefit the entire province and that industry, which is in its infancy, and I hope it grows to become a very beneficial partner in the energy sector in this province, because we all know that the western Canadian sedimentary basin is maturing for both oil and gas production.

Mr. Chairman, on page 126, moving along two pages in this ministry's business plan, we see the outline here of the Department of Energy's targets for the diversification of energy production. Were environmental concerns taken into consideration when establishing these targets, and what kinds of royalty reduction programs does this government have in mind to help industry meet these targets? Were the interests and needs of Alberta's energy consumers taken into account when establishing these targets?

Further on, on page 127 of the Department of Energy's business plan 2003-06 it indicates that for the next two years the ministry would like to see Albertans' overall knowledge of the role of energy and mineral resources in Alberta's economy "increasing over time." The same phrase is used to describe the ministry's target for doing a good job or a very good job providing Albertans with energy information. Can the minister please describe what "increasing over time" means? How can the Minister of Energy be assured that he is going to make his long-term targets for these performance measures if he does not set targets in the interim? Can the minister please provide us with a ballpark figure for these targets for the upcoming year?

3:20

On page 128 of the ministry business plans for 2003-06 it states that the department is going to "provide consumers, industry and other government agencies with clear and timely communication of changes in the natural gas and electric industries." Now, what methods – Internet, phone, fax, mail-outs – is the department planning on using to reach consumers? When is the consumer education program going to start that was advocated in the Navigant report, this \$2 million to \$3 million education campaign to alert consumers and inform them of the beefs and the bouquets, shall I say, of energy deregulation? Consumers certainly need to have that information. It was suggested in the Navigant report that this go ahead and the cost would be anywhere between 50 cents and a dollar per person in this province. I would like to know how that consumer information campaign is coming along.

Now the ministry's web site. They've got links to all over on this. In some ways it's fascinating. It's a good place to spend a Saturday evening. I can assure all hon. members of the Assembly that the Department of Energy web site is very interesting, but it is also very confusing and technical. Has the minister thought about changing the web site to make it easier for consumers to navigate and find the information that they need; for instance, if an outfit has a licence to sell three- or five-year natural gas contracts or three- or five-year electricity contracts; what to do in case a door-to-door salesperson comes to your neighbourhood. What are the questions to ask?

Also, can the minister please define "timely" in regard to information that may be sought from the department? Does "timely" involve waiting for hours in a phone queue to a call centre located, I suppose, anywhere in North America? I don't know where the Department of Energy would have a call centre.

If at this time, Mr. Chairman, the hon. minister would like to

respond in writing, I would certainly be pleased to wait for his letter. Thank you.

Mr. Smith: We'll take the member's questions under advisement and respond in writing, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I'm pleased to rise to speak to the estimates of the Department of Energy. Of course, this department is responsible for one of the fundamental industries for Alberta's economic health, something that has in many respects defined this province for many, many years.

I want to ask about estimates with respect to the royalties, perhaps deal with that first, Mr. Chairman. The government is projecting that royalties are going to fall dramatically, so I'd like to know why the government has done that. Many forecasters in the industry are expecting natural gas prices, in particular, to stay high due to excess storage capacity in the U.S. and in Canada. For example, the *Globe and Mail* reports: Mr. Peter Linder, a Calgary-based senior adviser to the Delta One Energy Fund, said he doesn't see gas prices nosediving this year as they have in the past after sharp gains because the continental market for gas has fundamentally changed; the industry's production is falling, and overall demand is up.

So some analysts are expecting benchmark prices to average \$6 per thousand cubic feet for the rest of 2003, but the government estimates an average Alberta reference price of \$4.05. The question to the minister is: why is the government using a reference price of only 67 percent of other analysts?

Now, the oil royalties from the third-quarter update are projected to be 40 percent lower than in 2000-2001 despite the fact that oil prices have only been about 5 percent lower this year compared to two years ago. This represents a difference, Mr. Chairman, of about \$700 million. Natural gas royalties are projected to be 40 percent lower than in 2000-01, though gas prices are only about 20 percent lower compared to two years ago. This represents a difference of \$1 billion. Since 1993 the government has underestimated revenues and surpluses to the tune of \$23 billion and \$20 billion respectively. They seem to be continuing this tradition. So we would like to know what the justification for this will be.

I want to ask some questions about the decision to transmit the costs of building the new transmission in electricity onto the backs of power consumers. I'd like to ask the minister what the basis of that decision is, perhaps in a little more detail than he was able to offer in question period, and particularly would like to know, if the decision of a 50-50 split between consumers and power companies, as the EUB had recommended a year or so ago, had been followed, what the outcome would have been and why the minister has chosen to change that decision and place the full cost on the backs of power consumers.

I'm curious why the target for the percentage of electricity production from renewable sources climbs to 11.4 percent in 2003 and 2004 and then falls off again to 9.8 percent in 2005. That's something I find interesting. I'd like to know, as well, what the minister's view is of the effectiveness of the energy market in Alberta for electricity at this point. Much has been made about the impending entry of Direct Energy. Has the minister got estimates on how this will actually affect the retail price of electricity for small users: homeowners, small business, farms, and so on?

What about the potential of Aquila leaving the Alberta market? There was a piece in the paper the other day which said that Aquila is leaving or maybe considering leaving Alberta. How many players does it take to make an effective market? Has the government

analyzed that? Have they got a sense of how many retailers of electricity are necessary in order to have a fully functioning effective market in which consumers can benefit? If, in fact, you get a number of retailers active in the province, how far can that reduce prices? This is a question I have for the minister.

So, Mr. Chairman, that concludes my questions for now, and I will wait with great anticipation for the minister's response. Thank you.

3:30

Dr. Taft: It's obvious that the minister isn't able to respond right now, so I'll jump up and get some issues on the record. The state of the energy industry in Alberta right now is of really great concern. I am nervous about the long-term future of the industry not just on the petroleum side but on the electricity side as well. It's clear that conventional oil reserves are tailing off, and conventional oil production is tailing off to the point where within a few years it will be barely significant in Alberta. Gas production is in decline although prices are very firm and I think will remain firm, but reserves and production are beginning to show signs of fading out, and we've pegged a tremendous amount of hope on the oil sands, which is fair enough. I mean, we should; they're enormous reserves. But it does beg the question of how well we are going to manage the oil sands.

I have occasionally had the opportunity to ask the minister before now about the structure of royalties from the oil sands, and he did make some comments about them in his opening remarks, saying that the current regime is structured on a 1 percent royalty on gross until the capital costs of the plants are recovered, and then I believe he said that it's a 25 percent royalty on net. He did say, in response to a question that I have raised at other times in this Assembly, that he expects that the oil sands royalties will begin this jump from 1 percent of gross to 25 percent in 2007-08.

So my questions on this particular issue are as follows. Can the minister show us some long-term projections extending to 2007-08 and beyond on what the royalties will be from the oil sands production? It is a concern of mine that royalties from the oil sands dropped from something like \$700 million a year two years ago to not much more than \$100 million this year despite an increase in production. I want to see the royalties coming from the plants back up at a much higher level as soon as possible. So I'm looking for long-term projections as far out as the government has on expected royalty flow to the provincial coffers from the oil sands production.

I'm also interested in some of the assumptions underlying those projections. How are those projections affected by changes in the price of oil? The price of oil in the last year has been very high, and surely that means that the oil sands companies recover their capital costs at a much higher rate than if the price was low. If the price of oil stays high, how much more quickly will we see the royalty rise to the 25 percent level? I want to have some background explanation of the impact of oil prices on the scheduling of the oil sands royalty payouts.

I would also like to have some analysis – I hope the government has done this – on the impact of oil sands production on the reserves in the oil sands. The essential issue is this. I'm wondering how much of our oil sands reserves will be consumed before we hit the 25 percent royalty rate. In other words, will we have gone through 25 percent of the oil sands reserve before we begin getting the 25 percent royalty rate? Will we go through 10 percent, 50 percent? How much? Of course, I understand that that depends on the price of oil, but surely this department has done that sort of sensitivity analysis so that we can see the impact of prices on the drawdown on our reserves.

The next question on this particular issue has to do with the

calculation of the net basis for the 25 percent royalty. I understand from the minister that when we hit the 25 percent royalty rate, it's 25 percent of net. I need to know: net exactly of what? And I want to know who's going to be calculating that net. What is the audit system in place to ensure that the net payout is accurate and fair for the citizens of Alberta? All kinds of licensing and royalty arrangements will tell you that a net basis for calculation is plagued with problems and opportunities for abuse. We need to ensure that those do not arise. I want to know what precautions the government is taking to ensure that. So I have many questions around oil sands royalties.

I'm also wanting to be clear on the minister's position in terms of the construction cost of electricity power plants being built in conjunction with the oil sands. I have at earlier times put this question to the minister, but I would like him just to be clear on the record on his response. The question is essentially this: are the oil sands companies able to write off the cost of electricity power plants against the royalty regime? If they are, it means that in effect the citizens of Alberta are subsidizing the construction of those plants. I hope that's not the case, because it wouldn't be fair to the other electricity producers. I don't believe it is the case. I'd like the minister, though, to confirm that.

We have heard much in recent months about problems with cost overruns at the heavy oil plants coming from a variety of factors: labour shortages, problems with engineering and design, problems with rushed construction schedules. I know from firsthand conversations with project managers at these plants that there have been serious management and design problems from the contractors and from the engineering firms so that in some cases portions of plants have been built and then the engineers have come in and said, "No, you've got to take that down, and we'll rebuild it differently" at a cost of hundreds of millions of dollars. So cost overruns from that are a concern. Cost overruns from labour shortages are a concern. Cost overruns due to environmental consideration are a concern. In fact, all cost overruns are a concern, and they are a concern because they jeopardize the long-term financial security and stability of this province. So if there are plans in the minister's business plan or budget to work with industry to minimize cost overruns, I would be very interested to hear what those are.

Staying on the petroleum side but looking at a different kind of petroleum: coal bed methane. Has there been a discussion on coal bed methane?

Mr. Bonner: Slightly.

Dr. Taft: There's been a bit of discussion on coal bed methane, I understand.

The first question I have really is the scale of the potential reserves of coal bed methane, and I understand that they are potentially very significant. Some information on that would be helpful. I know that the minister and his department are very involved in planning, laying the groundwork, no pun intended, for this industry to flourish, so some details on that would be much valued. How much of the budget, how much of the business plan is committed to the development of that resource?

Along the same lines as my questions on heavy oil development any information on work being done on the royalty structure for coal bed methane would be very valuable for every Albertan to have, me included, so I hope the minister can provide that.

3:40

Now, I did notice in the estimates of the department that there is a line on communications. I'm always interested in that particular

topic. Well, I can't dig it up right now, but there was an increase, more than a doubling in the Department of Energy's communications budget. My hunch is that some of that's going to be committed to public education on electricity deregulation. A little bit more detail on that and on the working relationship between the department's communications staff and the Public Affairs Bureau communications staff. I imagine the Public Affairs Bureau has staff assigned to this department, so some information on that would be helpful, the number of staff involved. What are the details underlining the \$776,000 in the communications budget? Is there an advertising buy in there? Are there contracts let out to public relations firms? What's going on there? Some detail on that and, as I say, some explanation of how that budget fits with the budget that the Public Affairs Bureau has assigned to the department would be useful.

I have one particular question on the electricity industry. The regulatory challenges to the minister are enormous, fluid, complex, and unpredictable. One of the unpredictable things is the future or not of a large company like Aquila on the electricity industry in this province. Now, the business plan is driving towards increased competition and retail competition, in particular, in this province, yet when we see companies like Aquila pulling out, it sends off alarm bells for the stability and future of the industry. So what steps is the minister taking? What's laid out in the business plan and the budget to ensure the stability of the electricity industry? What impact does the minister see the potential pullout of Aquila having? Are there concerns if Aquila's assets are sold to, say, an existing player, like EPCOR or Enmax? Will that trigger a regulatory review, and will that raise concerns over the concentration of power in Alberta's electricity market?

So with those questions, I'll take my seat and give someone else the opportunity or the minister the opportunity to respond, and then we can carry on from there. Thank you, Mr. Chairman.

The Deputy Chair: The hon. minister.

Mr. Smith: Well, thank you, Mr. Chairman. I am going to talk specifically to some of the questions raised by the Member for Edmonton-Riverview, and then I will also attempt to answer the questions from the Member for Edmonton-Highlands. I know that the Member for Edmonton-Riverview has a good analytical sense with respect to the business plan, and I'm going to start at the end and then try to work my way back.

With respect to the stability of the electricity market, Mr. Chairman, we have now completed the third pillar, if you will, or the third leg, of the full transition to a competitive market model.

The first piece was the export policy principles. These principles are published and are open documentation available to everyone that emphasizes, importantly, that, one, export generation is allowed and, two, those who benefit from that generation must pay for that. On the unregulated piece or the competitive side it's very easy to do that. The generator just generates and sends it down the line and pays for that transmission. On the line if it's used for more than strictly merchant transmission, then cost allocation would have to be determined via a public, transcribed, open Alberta Energy and Utilities Board hearing, but the utilities board will interpret the government policy as it's established.

Secondly, with respect to the market policy the most salient feature of the market policy was to ensure the supervision of a level playing field by the Alberta Energy and Utilities Board, which included bringing EPCOR and Enmax and their city operations under the purview of the Alberta Energy and Utilities Board. That's an important piece. A second important piece was to establish a not-

for-profit AESO, Alberta electric system operator. That operator is responsible for the movement of all electricity through Alberta as well as the Balancing Pool. That system operator has also taken good steps to put through auction divided segments or strips of the Balancing Pool power into the marketplace, and for the first time since 2000 that power has been sold into the marketplace. It is being used to be vended into the pool.

The third leg is the transmission policy, which has been the topic of much discussion today as well as stemming from a question last Thursday in the House and a speech made in Banff. The transmission policy is one that is very clear; it's simple; it leaves no room for misinterpretation. If we go back, I know there is some alleged concern that we had reversed a decision by the Alberta Energy and Utilities Board. Well, in fact, the former transmission administrator at ESBI – there was a document that was tabled in the House today from a group of consultants out of Ireland. They had developed a congestion management issue and then had devised a policy for congestion management. The new AESO, electric system operator, asked that this policy be examined insofar as it didn't make any sense nor was it realistically workable. We examined it as well. We agreed with the Alberta electric system operator. Then we said that for all transmission that will be built, the cost will be borne by the consumers of Alberta. That's really no change from what was in place prior to the ESBI decision on congestion management.

So let me just read into the record, Mr. Chairman, what it is that we corrected. Now, in the policy before we said simply that all transmission would be paid for by the consumer. Here are excerpts that I'll read into the record from the EUB news release of November 5, 2002.

To encourage electricity generators to build plants in areas that will minimize the delivered cost of energy, zones will be created based on the need for power generation in those zones. Generators in zones with excess generation capacity will be subject to higher transmission charges than generators in zones with insufficient generation capacity.

The EUB also determined that the cost of any additional transmission facilities required for exports would be paid entirely by those parties wishing to export electricity.

Now, that one paragraph is so confusing that I don't know how anybody could ever deliver good, solid transmission policy based on that type of area in need versus area in less need versus generator with more cost versus generator with less cost. So what we have now is extreme clarity and a clarity that can be defined by generator, transmission builder, and consumer.

3:50

Mr. Chairman, in this former ESBI congestion management solution a generator would be asked to pay half the cost of the transmission. Now, where would the generator – and the Member for Edmonton-Riverview is a respected economist – recoup those revenues? From the sale of his product. Now, where would he sell his product? He would sell his product into the Alberta Power Pool. Who buys the power from the Power Pool? Consumers. So, in fact, consumers are already paying for 100 percent of the transmission costs. It's just that they're paying two different parties at a more complicated price, metric, and they're doing so in such a way that we were going to have price discrimination in Alberta. We were going to have areas in Alberta where there would be a higher price for electricity compared to other areas that had ample supply.

Alberta is characterized, Mr. Chairman, by a small electrical market, some 8,000 megawatts. Compared to the Bonneville Power Administration, that in fact generates over 17,000 megawatts, we're small potatoes, and that was I think one of the concerns about a new competitive market model going in. So now that we have a good

export policy, a strong market policy, new entrance into the retail marketing side, and a clear, visible, simple transmission policy, this marketplace is set right to create as much downward pressure as we can on electricity prices, fair and open pricing, and good, easy to interpret regulation.

Mr. Chairman, we continue to feel positive about this step. It's a beneficial step for all Albertans. It is one that will cover this marketplace well into the future. Now, there are a couple of reasons that underlie that. One of the most important reasons is that it sends a strong signal to low-cost generators, low-cost generators located in the Wabamun area who can deliver low-priced electricity manufactured from clean-burning, low-sulphur, low-ash coal. Secondly, it sends a tremendous price signal to the most unique energy reservoir in the world, known as the Alberta oil sands.

These oil sands and the latest thermal technology that's being used to exploit them means that they must generate steam in any event, and they've decided to use natural gas as that fuel of choice. Now, if you're generating steam and then you inject it into the formation to heat the bitumen such that the bitumen then drops into the second annulus on a SAGD project and then is pumped up to surface, why would you not pass that steam through a gas turbine, a right-sized turbine? With a SAGD project that would use about 25 megawatts of power, you can put an F-series generator in there from General Electric to generate 170 megawatts. Pass the steam through that, and you've got about a 145 megawatt surplus. That can be put on the transmission lines and shipped into the marketplace with no added pollution to the Alberta air shed, with no added CO₂ emissions. It's absolutely in the public interest, Mr. Chairman, for us to use that precious natural resource, natural gas, for more than just to generate steam from the oil sands.

Both of these initiatives will put pressure on electricity prices in Alberta. That is why we're doing the transmission policy, the market policy, and the export policy: for the public good.

Now, inside this marketplace there has been some uncertainty, uncertainty that's been caused by global events. I think that the change in the liquidity of the international marketplace and the inability for the continental marketplace to trade large amounts of natural gas has created some upward pressure on gas prices and certainly has contributed to the gas spikes that we saw last year, but inside that is created a tremendous amount of dollar losses to those companies that were involved in energy trading. Of course, the granddaddy of them all is Enron, but Reliant was around and is no more, Duke energy, which had a part of Engage, is gone, and Aquila. Now, Aquila is a large U.S. based multinational that has just declared a \$2.4 billion loss, sold its assets in Australia and in England, and after 15 years in the Canadian marketplace said: well, we don't know if our assets are up for sale, but we certainly wouldn't turn down any proposal that we would be required to take to the board for review. So that means that there could be – and I would not speculate on a commercial transaction – a potential change in ownership in the marketplace inside the regulated envelope of transmission. This has nothing to do with free, unregulated generation, only with transmission, and it's regulated.

Now, Mr. Chairman, there's often a feeling that when this asset is sold, the consumer pays for it twice. In fact, that's not the case. Any commercial transaction where the ownership of the company moves from owner A to owner B can take place in a regulated environment. What the regulated part is, what the EUB comments on, is, one, the depreciation, which is included in the asset; two, the operating and maintenance costs; and, three, the customer service cost and/or the change to the rate base. It will not allow goodwill to be added to the rate base in terms of the purchase and in fact only comments on the return on investment of that asset. So the asset can change hands at

many different prices, but the return is what is really measured by the EUB. On that point, we believe that Albertans are very well protected and that whatever does happen, as has happened in exchanges in the past, there will not be blackouts, there will not be missed deliveries, and there will not be power outages in Alberta.

If I can comment on the communications budget, I'm going to get some more detail on that.

Royalty review. There's an entire department, as the business plan points out, that gas review group that looks diligently at gas royalties at all times. There is also a group that looks at conventional oil royalties and one that looks at oil sands royalties, and of course we look at emerging and different changes. One example would be carbon dioxide. We have a program where for enhanced oil recovery we will provide some royalty relief, not a substantial amount and not for a great length of time but enough royalty relief, we believe, to stimulate examination of the use of CO₂ as a driver for enhanced oil recovery. In comparison, maybe this can replace potable water, which, although the oil and gas industry use such a minor, insignificant amount compared to the agriculture industry, is still something where we want to be conservation oriented. So, you know, we're conducting investigations into those royalty sides at all times.

We've ensured that we extract maximum economic rent for the resource, but we also are fettered by the fact that we want to continue to remain competitive in global markets. That means that when Russia has a finding/lifting cost of \$2 a barrel or a BOE, barrel or equivalent, that makes our \$8 to \$10 Canadian cost a little less competitive.

4:00

Now, can we trade off the risk of political certainty, stable government, honest land tenure, property title? Are those sufficient risks to extract the rent? So it's a continual balancing act that we attempt to perform, and it's not one that we'd go long without having a discussion on. It's an important part. You are, we are through this Assembly custodians of this resource for all Albertans, and it's a responsibility that I think we should all take very, very seriously. So I appreciate that question and will ensure that we do turn attention to it, and if there's anything in the business plan that the member thinks we could shore up, beef up, or support, we'd certainly welcome that suggestion.

I want to turn to coal bed methane just for a brief minute. Much is said about little that is done. There have probably been in this latest go-round of coal bed methane 400 to 600 wells drilled, I would say, at this time. This is not new. I'm sure you remember prior to being in this business that Canadian Hunter was down in the Fernie-Coleman area exploring for coal bed methane. It was found, and they found it was difficult to extract under the technology of the day. In Alberta comparisons, where we get anywhere from 7 million to 20 million a day in per thousand cubic feet of production, a hundred thousand cubic feet a day is not considered a substantial flow. So just as coal bed methane started actually in the Warrior basin in the Appalachians in Alabama and then moved to the Powder River basin, where the development was just a shabby mess – and the oil patch should be ashamed of that – it has made substantial gains from that.

One of the things that has been noticed and reported to me informally is that the tectonics of our coal geology is different than that of the Powder River basin. In other words, the cleats are such that the gas that is encased is dry gas and does not have the water secretion and the water flows that have been reported in other areas. So we're continuing to watch, and there is a consultation document out. It's a public document, and people are reporting in on that. We expect changes in the course of time on that.

Mr. Chairman, the member's comments about cost overruns and uncertainty and delays to the oil sands are well taken and ones that give rise to great concern. Particularly on the downstream side, when one looks at a delay in the Petro-Canada refinery conversion, this is the very backbone of what's driven refinery development in the province of Alberta this last 40 years. I was particularly disappointed to see that one put on delay for what I hope will be a short period of time.

Now, what are we doing about it? One, I think what we have done about Kyoto has been an important piece. Kyoto is an ill-thought-out, poor set of public policy that really has not helped anybody. It hasn't cleared up a molecule of smog in Toronto, and it's already, as CNRL has stated, contributed to something that the Prime Minister said would never happen, and that would be a delay in oil sands development. So that has pancaked on top of labour costs that have been increasing at a formidable rate, an inflation rate in Alberta that actually was surprising to Albertans, and everybody wanting to get in there me first.

I'll continue this as we go on to the next step.

The Deputy Chair: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Chairman. I'm pleased to rise. I have a number of questions that I'd like to put to the minister in regard to his plans. Of course, he may not have all the answers right now, so he could get back to me if not.

Essentially, of course, as a former alderman serving on the city of Calgary's gas and power committee, one of three aldermen sitting there for five years, I was very involved in the creation and formation of Enmax over the years and have obviously had a pretty good chance to learn a lot about the industry and what it was like before deregulation and have been watching with a keen eye during deregulation and afterwards. I have a number of questions about what's been happening there.

For example, I remember that before deregulation we had what I thought was quite an unfair situation, at least in Calgary, a situation in which it seemed apparent that small- and medium-sized businesses were being forced to effectively subsidize large corporate competitors when it came to electricity prices. Apparently, big-volume electricity customers were being sold electricity at well below cost, reportedly about 85 cents on the dollar of cost, and in fact most residents in Calgary were effectively getting a free ride, getting their electricity for about a dollar for each dollar cost of electricity, so they were also being subsidized by small- and medium-sized businesses, but the small- and medium-sized businesses in Calgary were paying about \$1.55 per dollar cost of electricity, thereby subsidizing everyone else. I'm just wondering, you know, if the minister could talk about whether this situation has changed much since deregulation. Has it improved any or remained the same?

I realize that everyone now is still trying to get those large customers so that they can keep their volume purchases up, and that was the reason given back then. I'm wondering if large corporations have come closer to paying the true costs of their electrical use and whether consumers are now starting to pay the true costs of their electrical use as opposed to being subsidized so heavily in the past by the small businesses. Obviously, I'd like to see the hard-hit small businesses get a bit of a break over the previous situation. So if the minister could maybe talk to that for a few minutes.

The second issue that I'm wondering about. Yes, we have had, certainly, some higher costs of electricity in the last few years. I'm wondering if the department has done any studies or looked at the issue of whether or not these higher prices may have an inadvertent

benefit, in fact, in the area of electricity conservation in helping to create an environment where Albertans have maybe installed or upgraded technology in their houses, buildings, apartments, offices, et cetera, and thereby are not wasting electricity needlessly as much as they have been doing in the past, whether or not there's been a study that's looked at this area and maybe how much it's saved the Alberta economy overall.

The reality is that electricity costs have been volatile. They've been up and down, but perhaps if we studied and captured some of the savings to the environment in the future – for example, savings to society from less individual electricity use, per capita use, reductions in the rate of consumption of nonrenewable resources – what does that add up to in terms of benefits to Alberta? Of course, we've obviously seen economic development in the electrical conservation industry, job creation there, new technology, all of which may create future cash flows, future savings to Albertans in the long run if those cost avoidances and benefits were calculated in the overall equation.

So I guess the second question is: has the department done any studies of the impacts of deregulation in encouraging energy conservation? Is it a case of some short-term pain here for some big long-term gain perhaps, a little bit of higher prices now, but ultimately not only better prices, lower prices, but a better environment and a number of other benefits for society as well.

My third kind of question or area. I'm wondering if the minister could talk about what the situation in Alberta was before deregulation occurred. I was well aware that Alberta, in fact, had some of the lowest electrical prices on the entire planet. We were very blessed, I guess, in one sense to say that we had these incredibly low prices, which, in fact, appeared to be quite artificially low. As I recall, they were somewhere in the range of 3 and half cents, 3.8 cents, at a time when California was hitting 9 cents, and that was American to boot. So really we were about a quarter of the price of California at the time, but there seemed to be some other reasons for that. There were questions about depreciation schedules that were being allowed which were different than what depreciation schedules elsewhere were and so on.

So were our prices, in fact, artificially low and that created a problem of trying to attract new generation? Clearly, Alberta was growing very fast, but with prices that low, why would anybody come in and build generation? It just wouldn't make sense, obviously. You know, it appeared that with those low prices, if you were a large corporation in the electricity business in Alberta before deregulation, clearly you had a pretty good situation. You had a growing province, increasing demand, but no competitors on the horizon, an increasingly tight market for your product.

4:10

Clearly, on the other side, the consumers in Alberta were faced with some pretty stark choices in the early '90s before deregulation, likely to be faced with exorbitantly higher prices because we had an oligopolistic industry with little incentive to build new generation and no new competitors on the horizon at the same time as skyrocketing demands. All of that was the result of regulation, and that was all in the environment before deregulation. So I'm kind of wondering if it was the case, in the minister's view, that Albertans, in fact, were going to be faced with substantially higher prices in any scenario going forward and that deregulation, in fact, helped to bring the supply so that we didn't have brownouts and potential blackouts from a choked supply from no new generation coming onboard if we had stayed with regulation. We keep hearing how deregulation we hope would lead to lower prices, but from my analysis, under any scenario going forward, we were going to have much higher prices.

Under deregulation it would appear to me that at least there was some light at the end of the tunnel in terms of greatly increased supply and in the long run a more stable supply, but I don't think, in my view, that we could ever look at lower prices under any scenario.

So I'm wondering if what I'm hearing people saying is that maybe we should have been telling Albertans that the prices were going to go up under any scenario, but under deregulation at least we wouldn't have the brownouts. We would have adequate supply, if not surplus supply, from what we would be experiencing under regulation.

So those are my questions, Mr. Chairman.

The Deputy Chair: The hon. minister.

Mr. Smith: Well, thank you. I'm encouraged by the Member for Calgary-Currie and his understanding of the marketplace and the need for deregulation and, in fact, wish he had got elected maybe a little earlier and had been here to help us through 2000-2001, because it's exactly what the issues were, as he described in the final parts of his remarks.

Mr. Chairman, I'm going to return to the Member for Edmonton-Riverview, finish with him, and then go to the comments of the Member for Edmonton-Highlands, and then turn to the Member for Calgary-Currie's comments.

We will respond in writing to the Member for Edmonton-Riverview's detailed questions on oil sands royalties. I think that's important. I also think it's important that he also sees in writing how a cogen set, or a cogeneration natural gas fired electricity generator, is handled in that piece as well. I think that would be good information. We'll put that on paper for you.

The oil sands royalty is an R minus C equation. Somewhere in the business plans is a five-year record of investment in oil sands, and I think that that really shows the importance of the generic oil royalty. I am going to look for it so I can cite it.

Dr. Taft: Page 125.

Mr. Smith: Thank you. On 125, Mr. Chairman, we see the upstream industry investment including oil sands, and I'd just like to point out: 1996, \$9.6 billion; '97, \$13.5 billion; '98, \$11.8 billion; '99, \$10.9 billion – and that was the time of the generic royalty initiation – in 2000, \$17.07 billion; 2001, \$20.6 billion. So it's certainly had an upward pressure on all investment. Mr. Chairman, I may just point out, too, having been in another portfolio at the time, that from 1993 through '96 investment increased from 5.92 to 9.66, and it was the successful elimination of the machinery and equipment tax that assisted in putting upward pressure on that investment.

The R minus C curve continues to bear important examination, though, as the Member for Edmonton-Riverview has pointed out, and that examination is one that seems to be partly give and take from the industry players. They will ask about what can be included in the C, and we always have to investigate what should be included in the R. So it's a dynamic royalty regime. It's one that has detailed discussion with the players, and it's one which we're satisfied will lead to profit.

One particularly important piece is that you do not get an ever-green deficit. You must draw a fence around your project, determine your project, deliver that project detail to the department, and when the revenues associated with that project are paid out, whether it's a part of Suncor Millennium or some part of Voyageur, that part then gets 25 percent on net revenue royalty charge after payout. So we have drawn fences around each particular project, and we will respond in further detail.

Always a topic of interest, of course, is the communications budget. Everybody says: communicate, communicate, communicate, but please don't spend any money. Because we are spending money, it's spin; it's propaganda; it's whatever. But, of course, it's not when it comes to the Ministry of Energy. It's clear, unfettered, direct truth, and knowing the support that I would get from members opposite in the clarity, the ampleness of the information, the breadth of the web site, the attention to detail, certainly anything we can do to assist them, we intend to do.

Having said that – and inquiring minds need to know, Mr. Chairman – the budget is up on that, and it's a result of accumulating throughout the department a public information centre. Where we had electricity inquiries, we had royalty inquiries, we consolidated all of those into a clear, transparent, accounting unit called the public information centre. That was an identified cost of \$404,000 put forward in the plan. It includes salaries and related expenses, very marginal media buys at this stage. Of course, it does reflect some of the increased expense due to the increased activity.

Now, the unit provides communication services on behalf of the department. The budget supports 12 full-time equivalents and the operating cost for the office. In addition, the Public Affairs Bureau provides three FTEs for a total of 15. So I hope that covers the first pass of the Member for Edmonton-Riverview's questions. I thank him for those.

Now I want to turn briefly to the Member for Edmonton-Highlands. His questions were on budget forecast versus prices. I can tell you that when I first got into this business in March of 2001, I had an old friend who published the natural gas newsletter, and his name was Brent Friedenberg. So I phoned Brent, and I said: "No doubt I'll be asked to predict the price of gas. What would you offer as good advice for me to repeat?" to which he said: Minister, natural gas prices will fluctuate. And, indeed, he has been right; they have fluctuated.

4:20

In fact, I think that if you look at the \$15 a gigajoule that you saw in 2001, the low of \$1.84 a gigajoule that you saw in 2002, the spiking and movements in the last calendar quarter of '02, the first of '03, this is now a commodity that has volatility because of the reduced liquidity in the continental marketplace as well as reduced drilling activity in 2002, which is now being compensated for but also with records of low storage at this stage. Based on these, as well as on extensive forecasts from other sources, a group of skilled individuals inside the Department of Energy make their best forecast. Of course, with the sustainability fund the fact of the accuracy of estimate or the opposition's continual preference that we overestimate and then spend to that is not going to happen, nor will it be as appropriate. So the new regime attempts to remove some of this uncertainty associated with fluctuating commodity prices.

Now, of course, conventional oil is another interesting bird at this time. Much of what's been discussed about the conflict in Iraq centred around oil production. In fact, Iraq only added about 2 percent to the world's oil supply. As a member of OPEC and under the oil-for-food program it produced about 2 and a half million barrels a day. They have the potential to move to 5 million and then maybe upwards of 6s and 7s. But their infrastructure is so obsolete. There's really nothing been done to that infrastructure in 20 years. Iraq would not be able to ramp up its oil production until well into '06-07. Interestingly enough, there has been much discussion, suggestions in newspapers that the Alberta land tenure model, perhaps administered by the World Bank, would be one that would be fair, open and allow Iraq to reconstruct itself given this regime.

The forecast of oil. Of course, after the conflict Saudi Arabia,

under an OPEC agreement, is now pumping 8 million barrels a day. Generally, they've averaged around 4 million to 4 and a half million. So that has put downward pressure on price. But throughout the last year with the conflict, of course, there's been a major strike in Venezuela, and they ship into the United States about a million barrels a day, and most of that is heavy crude. So you'll notice that for the first time in the history of Alberta the spread between heavy and light has never been so narrow as what it's been in the last eight to 10 months, and that's because of the Venezuelan side.

Now, at the same time that this is happening, Nigeria is subject to some strikes. You saw in the paper that there was some hostage-taking on the offshore platform. Their production has dropped dramatically. So all this is combining in an effect where we're starting to see wide fluctuations in that commodity as well.

All of this helps governments and private investors stimulate the desire for energy conservation, one, and alternate fuel technologies as a secondary approach, which we've also seen. In fact, those who listened intently to the Innovation and Science estimates will realize that Alberta has a very good hydrogen strategy under way with the Alberta Energy Research Institute.

Also from the Member for Edmonton-Highlands came some discussion on what's going to happen in coal-fired generation. Of course, he knows full well that EPCOR is coming on, hopefully in 2005, with a supercritical coal-fired technology which meets exacting NO_x, SO_x standards for Alberta. That will add some 500 megawatts plus to the grid and will be able to be delivered with an appropriate transmission policy.

Secondly, there's a second phase that is a joint effort by the EPCOR/TransAlta plant for that area as well, as well as as much as an additional 1,500 to 2,000 megawatts of natural gas cogeneration from the oil sands, which would be very competitive to the price of coal-fired electricity simply because that steam must be generated to heat the bitumen up in that area.

The Member for Edmonton-Highlands also asked for more detail on the proposed transmission policy. I think I've explained by dictating to *Hansard* the EUB press release what was wrong with the EUB approach. It wasn't the EUB approach. It was their interpretation of the decisions made by the former transmission administrator and from the congestion management side that was changed. So that part has been dealt with, and we're moving on that side as well. I think that covers most of what the Member for Edmonton-Highlands said.

Now, let's turn to the Member for Calgary-Currie, that I thought had some excellent comments. I think that from his close scrutiny of city hall the former alderman and now Member for Calgary-Currie would be able to see price changes as a result of load and demand factor and how it can be priced and then how it's priced without being subject to public scrutiny or to the light of day. Now, as the distribution tariff and the regulated rate option from Enmax and from EPCOR for the cities of Calgary and Edmonton will be coming forward to the EUB, that will be able to be determined in a clear, transparent environment, and of course ratepayers and subsequently voters could make their own comments with respect to how much the rate reflects the true cost.

In a second question, about electricity conservation, there's absolutely no question that price delivers a conservation signal. In the first six months that deregulation was in play in Alberta, when the price was varying between 11 and 16 cents, there was actually a 6 to 7 percent conservation effort noted by some of the players in the industry. Secondly, it was also noted in the use of natural gas. ATCO has come up with a set of data that indicates that Albertans are using 10 percent less gas to heat their homes on an annual basis. So we are seeing conservation efforts. I think that certainly the

government of Alberta has gone forward in its conservation efforts. I don't know if it can change 670 light bulbs in the Assembly to the new twisted model, but I'm sure that it's one component of the policy. Certainly, the decision made to contract green power is another leading environmentally friendly decision. Of course, throughout all of this, this has also helped to increase jobs in secondary industries as well as help create a new industry.

I think that what the member said with respect to "why deregulation in the first place" is completely accurate, and although I wasn't the minister at the time, it was very clear that during the period of the dot-com growth and 15 to 20 percent returns and you were getting 3 to 4 percent return and 5 to 9 percent return on utility, you couldn't entice anybody to build new generation. It was not economically viable. Secondly, the regulators had declared that there was a large generation surplus, a power surplus in Alberta, so because of that they were not sending out any signals. But we did not know the power of a balanced budget. We didn't know the power of reduced deficits. We didn't know the power of good government, and when '93 occurred and Premier Ralph, Member for Calgary-Elbow, came along, things started to change. The economy started to recover, investments started to recur, taxes were reduced, and the economy took off.

4:30

Along with the economy came a growth and a new demand for electricity that sucked up the generation, which then put us in a short supply situation, and there's no such thing as just-in-time electricity or just-in-time natural gas. So with that came a cost squeeze that is reflected in higher prices. From there we move forward to bringing on some 3,000 megawatts of investor-owned generation without adding any debt to the rate base or adding any additional burden on the consumer.

Now, it is true that at the same time there's the uncertainty of Kyoto, the California gas crisis and electricity crisis, as well as the Enron situation. I think all those effects cumulated or pancake-stacked themselves into an impact of higher prices in Alberta in 2000. After 2000, 2001, and now as we move into 2003, deferral accounts for the Aquila/EPCOR network will be struck off the books. Deferral accounts I believe in Edmonton will be terminated, and it will be the last year of a small deferral account at Enmax in Calgary. So we will certainly see downward pressure on electricity prices.

I think that we had to deregulate in order to get more power in here to avoid blackouts. It was simply that simple. Now, 700 days from there, we've gone forward and put three policy legs in place, and we think that we can move forward into an appropriate developed market with good, realistic, real-time pricing of electricity in this province.

The Deputy Chair: The hon. Member for Airdrie-Rocky View.

Ms Haley: Thank you so much, Mr. Chairman, and I promise to be very quick.

Mr. Minister, I received an e-mail already from a gentleman in my constituency regarding the announcement yesterday on the transmission lines. His concern is that it will in fact lead to unnecessary transmission lines being built because they would be at a subsidized rate.

Now, I would be the first to admit to you that I am not knowledgeable enough on this. I've tried over the years to learn as much about electricity as I possibly can, but the transmission line system I'm a little bit more confused on. I'd really appreciate it if you could give me some indication as to what you actually see happening with the way that you've structured this now.

In light of the EUB coming up with a different conclusion, do you anticipate that there would in fact be unnecessary transmission lines being built because of this? Conversely, do you anticipate that there might be plants being built in places where they would be actually uneconomical because the transmission line access would be made more available because of consumers paying these additional costs?

The other question, going back to my own area, where Aquila/EPCOR is. I know that the rate rider is going to come off in December, and I am very thankful that that rate rider will in fact come off. We look at what happened in California and at the decisions that came down in California in the last maybe six months indicating that there was some collusion amongst the big generators to take plants off for maintenance at the same time, thereby pushing the price of power up a bit more. It impacted British Columbia. It impacted us because of our tie-back with British Columbia when we were short of power ourselves. Are you satisfied, Mr. Minister, that in fact there wasn't anything like that going on here then or now? Is there any way that you can assuage concerns that might be raised by constituents that we still don't have an ability to manage when they do their maintenance so that they are not going down in winter when gas prices might be higher? Then the two competing personas in this would allow prices to be a little bit higher than perhaps they need to be.

The last thing that I guess I wanted to ask is with regard to the original reasons for deregulation. I've always been under the impression that the big reason for deregulating was that there wasn't enough supply in this province, that in fact because of the huge growth over the last decade we would have been 20 to 30 percent short on our power. With an aging infrastructure and plants going offline, without cogeneration we would simply have not been able to handle the types of businesses that are evolving here or just the type of demand that consumers are using, perhaps not even realizing that their own consumption has gone up. Have you done or has your department done any studies on (a) the increase in personal consumption, (b) the increase in overall consumption in the province of Alberta, and (c) what would have happened had we not deregulated to allow cogeneration to come onstream?

Thank you, Minister.

Mr. Smith: Well, Mr. Chairman, I would say to the Member for Airdrie-Rocky View that she's far too humble in her self-description that she's not knowledgeable on the issues of electricity and would in fact deem by the framing and the asking of the questions that that is indeed not the case.

With respect to the e-mail inquiry from a constituent, that's exactly what the transmission policy is designed to do. It is designed to deliver through the Alberta electrical system operator an appropriately devised transmission system that maximizes generation and minimizes transmission cost. In fact, if we had gone the other way, I think that we would have left ourselves far more open for more lines than what we see under this change.

Again, I must emphasize that it was not a reversal of the EUB policy but a change in the policy of the transmission administrator to the electric system operator that determined the need for a change in government policy. As I said earlier, they've wanted to put different prices of electricity in different markets in Alberta, and Alberta is just too small to have those market segmentations. So this will help deliver the maximum amount of low-cost generation to the marketplace.

The comments with respect to the California crisis and what we've seen come out of there have been quite interesting. It's been the subject of much investigation. I guess that if I were to put it in the vernacular, the Californians were most mad at the producers out of

the San Juan basin, the ones who sent gas from the Texas area into California. These were the areas that they focused their examination on. Yes, there was some Enron hanky-panky. There was some Enron lawbreaking going on. So as we went through this in Alberta and watched the impact, we did a couple of things. First of all, we wrote a deficiency correction regulation that said that the import price of power in the year 2000-2001 could not be a determinant factor in the Power Pool price in Alberta. So we firewalled the California experience. That was an important piece.

The second piece we did was we had the market surveillance administrator work diligently and investigate gaming and investigate market manipulation to see if we were subject in Alberta to any of the antics that the private sector had played in California, and that answer to date has been no. In fact, there was some evidence of some gaming, and the market surveillance administrator indicated that it made no difference. They tried it, and it didn't work. So that actually said that the market was stronger. The market surveillance administrator under Bill 3 will go under the supervision of the EUB and will be in fact strengthened.

We believe that with the transmission policy and the fact that we can bring in these generators under this one backbone of transmission, it will actually help the shutdown and turnaround programs resident in the other generators. We're going to be able to organize and rationalize that, I think, a little better with this transmission policy. We watch that. We watch that very carefully because one thing I worry about is spontaneous, unplanned shutdown and turnaround all taking place at the same time. In fact, for them to solicit staff and the people that come in and do the boiler tube cleaning and the turnaround maintenance of the generators, it would make sense that companies would want to plan this. So they have to plan it, but they can't plan it and be in collusion with other generators. So we have to sometimes see market conditions take place on that.

4:40

You're absolutely right: without deregulation we'd have blacked out. I think there's no doubt in my mind. They blacked out in California when they froze it. They're blacking out in Ontario. There are two irrefutable examples that once you've moved to a competitive market model, you've burned the boats; you can't go back. In fact, what you see in the Harrisburg model, what you see in the Swedish model where the large power pools exist is that they are getting competitive price electricity.

I must point out that in Sweden and in Europe they're paying 18 cents to 22 cents Canadian per kilowatt. Ireland pays about 15 cents. New York pays anywhere from 9 to 15 cents commercial, U.S. So in real time, real dollars we're getting good pricing. We're getting fair pricing in Alberta. We think what we're doing is going to add more downward pressure on pricing.

If you look at it, everyone says: well, yeah, but what about B.C. and what about Saskatchewan? Well, what about their \$7 billion of debt? What about Manitoba's \$7 billion of debt? They generate 5,000 megawatts; they use 2,300; they ship 2,700. Something's wrong there. How long can that go on? I don't know. How long can Liberal and ND governments hide from the eyes of an auditor? Just as Premier Charest walked into Quebec and found a \$4 billion hole in his budget, I think you'd find the same thing if you examined the books of these administrations who use Crown corporations for dividends that come into government revenues.

One of the things is that in Alberta we have inexorably severed the government relationship with the electrical system, and we have the monitoring and the maintenance through the EUB and the market surveillance administrator to give security and assurances to

Albertans that they're not being jobbed or gamed or subject to some of the outrageous preamble that we hear in question period every day from members opposite.

I think that covers those questions, and I would look forward to entertaining others from members.

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. It's a privilege to get up and to participate in estimates this afternoon. I have a number of questions in regard to natural gas rebates. Certainly this winter the flaws that were in the Natural Gas Price Protection Act were exposed, and when the price of natural gas spiked this winter, energy rebates were not provided to Albertans even though they felt that this government had promised to protect Albertans from spikes in the price of natural gas.

The price spikes that we did have not only in natural gas but the increased costs of electricity certainly have impacted many, many businesses, many communities. I think of a twin arena that I'm associated with. Over the year from January 2002 to January 2003, compared to the year previous, we had an increase of \$65,000 in utility bills alone. Of course, we are the fortunate ones because we can certainly pass these costs on to the users of those facilities.

I'm looking at municipalities. Fifty percent of the energy they use goes towards water treatment. Another 20 percent goes to their buildings or rec facilities, whatever, and another 15 to street lights. Then certainly the only place that those costs are passed on to is the taxpayer. So these have made huge, huge impacts on communities, on groups.

I noticed yesterday – and it was unfortunate – that the people of Leduc chose not to build or expand on their recreation facilities in that particular town. Certainly, I think that part of the reason was what they'd experienced with the Leduc curling club. This was a club that the town, to my understanding, had mortgaged, and it got to the point last fall where they had a \$100,000 bill for energy. They also had \$100,000 mortgage payments that they had to meet. So their choice at that time was either to pay the mortgage or pay the utility or give it back to the city, because the city were the people that had the mortgage on this facility. It was a huge problem, and it's certainly not unique to Leduc. So given that the Minister of Energy has committed to undertake a review of the regulations surrounding the Natural Gas Price Protection Act, have any funds been allocated to make these changes?

As well, if the minister could please tell us: has any money been allocated in the budget to protect Albertans from future spikes in the price of natural gas? You know, these are questions that certainly Albertans that are on fixed incomes and Albertans who are in the lower income bracket have. These are huge when it comes to paying the mortgage or paying the utility bills. It's having a huge, huge impact even on small business in the province. They're having a great amount of difficulty in setting their costs when the price of energy fluctuates the way it does.

There has been quite a bit of volatility. One of the comments made to me yesterday was by a person who was quite seriously looking at the federal building to examine the viability of it becoming residences. Certainly, the location would be ideal, but this was one of the drawbacks that he was facing. He does own a number of properties, and at one time he owned the LeMarchand Mansion, not far from here. He would be most interested in doing this type of work with that particular building, but it's out of the question, I think. He is certainly going to explore it. Without being able to forecast what his energy costs are, this would certainly be a big part of why he would be cautious in proceeding.

As well, when we look at the Natural Gas Price Protection Act, will the government make the results of its review of the regulations around the Natural Gas Price Protection Act public? As well, I know that Albertans certainly expected the Natural Gas Price Protection Act to work like a thermostat. They certainly expected their rebates when prices spiked. When can they expect this type of help?

In looking at consumer protection, consumers are hardly mentioned in the Department of Energy's budget documents this year, yet energy consumers are the people that elect the minister and who must pay higher utility bills in this province. Furthermore, the government and the Ministry of Energy have a responsibility to be accountable to consumers. The number one question on Albertans' minds is: when am I going to see lower bills? Like this person I was talking to yesterday, they would certainly like to know when they can look for some stability with their energy bills. As well, why is it the policy of this government to put big business ahead of consumers?

When I look at core business 4 on page 129, the target for electricity restructuring is that "Alberta will remain a leader in implementing a competitive marketplace for electricity." It certainly isn't a competitive marketplace right now, and we as consumers are looking at a huge difference in the bills from what we were paying just a few years ago. Certainly, consumers are very, very concerned. As well, they ask: is there any money allocated to a consumer education program that will educate consumers about buying electricity from a retailer, and if not, why not?

4:50

Continuing along, I have some financial questions. The total operating expense and equipment/inventory purchases to be voted on next year is \$115.256 million. This is up about \$10 million from the ministry's actual spending of \$105.823 million last year. The Ministry of Energy operates three programs, including ministry support services, resource development and management, and energy and utilities regulation. The amount of money spent in each department can be broken down as follows: ministry support services at \$2.355 million, resource development and management at \$73.844 million, and energy and utilities regulation at \$37.742 million.

On page 113 of Energy's estimates for 2003-2004 it indicates that the department's communications budget is going to increase by \$404 million, or 108 percent, quite a huge increase. Just a few questions in regard to this. Is the ministry increasing its communications budget in order to sell deregulation to Albertans? They certainly don't feel at this particular point in time that it is working. Does the minister expect this communications budget to increase in future years, and if so, what are the projections if he has any at this time? Does the increase in the communications budget mean that Albertans will finally get answers to the questions about energy deregulation from this minister?

Now, as well, switching back to page 129 of the business plan, it states that the ministry has set the target that "Alberta will remain a leader in implementing a competitive marketplace for electricity." That, again, was found under core business 4. One of the questions I would have for the minister is: when all other jurisdictions are declaring deregulation to be a failure and working hard to put a stop to it, why does Alberta want to continue with this botched plan? It's a fair question, because we've seen certainly a change in the policy in California. We've seen changes in the policy in Montana. I don't know why and Albertans don't know why we are forging ahead with this plan when it certainly doesn't appear to be working in other jurisdictions. If the minister knows something that they have done wrong that made their short voyages into these waters unsuccessful, I would hope that he would share it with all members in the Assem-

bly here and with Albertans, because at this point people do not have any confidence that deregulation will lead to lower prices in the future. As well, referring to the same bullet, electricity restructuring, on page 129, why isn't there a performance measure in place to measure consumer satisfaction with the implementation of deregulation?

Now, on page 130 of the business plan for 2003-2006 under the heading Stakeholder Consultation it states that the department plans to "continue to provide clear communication and consultation with industry on business rules and processes." Does this mean that the department does not plan to provide clear and open communication with consumers? Again, this certainly is a difficulty that all consumers in this province have. When they get their bill, they shake their head. They cannot figure it out. There's a huge problem here. It's one department that I'm glad my wife handles in our house.

Mr. Smith: I can see that.

Mr. Bonner: Yes, and I'll bet yours does too.

Another question in regards to the business plan, again with the same bullet on page 130: given that consumers are not mentioned under the title Stakeholder Consultation, does this mean that consumers are not considered stakeholders?

Again, moving along to page 132 of the Energy business plan for 2003-2006, it indicates that the EUB is going to "conduct an internal review on a sample of decisions for communication quality." What standards is the department planning on using in order to measure communication quality? What action will the department take if the communication quality is not found to be up to par?

On page 133 of the business plan it states that the EUB is going to "develop mechanisms for effective monitoring of the financial and service performance of regulated utilities." It goes on to state a number of ways that the EUB is planning on achieving this core strategy. If the minister could indicate what the standards are that regulated utilities currently have to follow, given that the business plan indicates that those standards are going to have to be reformed. Has the government consulted energy consumers as to what those standards should be? As well, if the minister could indicate what kinds of enforcement measures are being explored. Mostly fines? Or is the department planning to place a limit on the number of fines that a single utility can be assessed?

I have just a few more questions here for the minister. If we move forward to page 135 of the business plan and look at core business 2, information and knowledge, under goal 2.1 it states, "Ensure accurate, comprehensive and current information is readily available to stakeholders." If the minister could please tell us: who does the EUB consider to be its stakeholders? What is the primary method that the EUB uses to inform Albertans? If the minister could also indicate what other methods the government is considering using, keeping in mind that many Albertans do not have access to the Internet.

Perhaps with those questions, I will cede the floor to the minister and listen to any responses he might have. If there are some questions that he cannot answer at this time, I would appreciate those answers in writing at a later date, and I look forward to his comments at this time.

Thank you.

5:00

The Deputy Chair: The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Thank you, Mr. Chairman. Earlier this year the

hon. Minister of Energy raised the level of intense scrutiny of other departments within the government, and I know that the minister would never ask another department or minister to do anything that he was not prepared to do himself. So at this time would the minister commit to us and his department that he would remove the cloak of complacency, the mantle of mediocrity, the pants of pulchritude, and indeed the socks of sobriety?

The Deputy Chair: The hon. Minister of Energy.

Mr. Smith: Aah, Mr. Chairman, as I am the recipient of an auditory avalanche from the member and basically, you know, batons of blustering, I am certainly ready to respond with – oh, I don't know – I would say a cacophony of cries of excellence. I want to thank that member for his instant and appropriate recall from *Hansard*. I don't know who would have uttered the original comments. They are interesting.

Let me, Mr. Chairman, turn to some of the comments from the Member for Edmonton-Glengarry. He was doing so well up until the time he asked about putting big business ahead of consumers, which he knows is not true. Also, I had just covered his question about communication budget increases in the comments prior, so I won't repeat those but direct the member to *Hansard*.

His comments with respect to utility bills and facilities that are so important for the youth of Alberta are important ones and ones that have been taken into account by this government. Also, Mr. Chairman, throughout this process we have always focused on lending and delivering funds to those seniors who may have been hit by variable utility rates. To those folks on low income or fixed incomes who get a sudden price impact, we have always been able to have appropriate funds available to ensure that no one freezes, no one's left out in the cold, and that is an important piece.

In fact, the member, I know, will be wondering what the sound is coming from when he's shaking his head, but in fact when he looks forward to signing that first long-term contract with his new energy provider, he will say, "Will this take the volatility of price out of my bill so that I can budget each month what I'm going to pay?" and that provider is going to say, "Yes, thanks to the government's program." "Thanks to Bill 19, Bill 3 I will be able to have a fixed contract price from a reputable provider, and I will be able to make decisions, my own decisions," because for the most part I have confidence in the Member for Edmonton-Glengarry and how he conducts himself and how he looks after his own affairs, so given the right set of facts on electricity, on natural gas, he's going to make the decision that's in his best economic interest.

He's also going to make a decision that's going to stop his wife of some years from shaking her head at him, and I know that she will probably respond with something – and I may be paraphrasing – that will sound like: "You know, that is good deregulation legislation. That Bill 3 is a winner. Bill 19 really helped us find a provider, nail down our prices, and, Bill, it allows me that extra few dollars for shopping that I find you sometimes consume in the winter months when you come home from a hard day at the Legislature and you have a hearty appetite at supper." Of course, she's very aware that because of this, they're not going to wash the dishes right away. I bet you that in that household in Edmonton-Glengarry the dishes aren't washed until after 8 o'clock, Mr. Chairman, and the reason why is because they want to give back to Albertans and they know that the higher the peak load, the higher the price. So that gentleman is delaying that dishwasher to past 10 o'clock. I know he keeps the thermostat down at night. I know he likes to sleep with fresh air coming in, so that's important. He probably has a preprogrammed thermostat. He's taken the right steps for conservation, and I applaud him for that.

I also know that in his questions he's wondered why there's no provision for rebates. In fact, that's the essence of the Natural Gas Price Protection Act. The average price was struck so that when it was exceeded, 60 days would transpire and then the royalties would be collected and deposited into the coffers of the government of Alberta for all Albertans. It was from that money that then rebates would be paid, so the member is entirely correct, and we accept his compliments on a well-structured and a well-planned program. Humbly we accept those comments, Mr. Chairman.

So that's why there is no provision, and now the landscape has changed a little bit. The sustainability fund has put a certain amount of money in, let's call it, escrow, and in fact if the government deemed that money should be available right away or at a point in time, it is not dependent on the cash flow of natural gas royalty income. So that review is waiting, and I will commit to the member that I will make public to him, to others, to this House the findings that I deem are appropriate and relevant to the natural gas price protection review and, of course, have never, ever been reluctant to put information into the public domain. He knows that. I congratulate him for those concerns with respect to that.

Then he moved on, Mr. Chairman, to talk about a consumer education program. I think what he's saying is: in the household in Edmonton-Glengarry where there's some subsequent head-shaking going on, how do we stop that in that particular household? Now, the department has planned and has made provision for a public education program that explains the market policy of the government of Alberta with respect to the competitive market model, and that is twofold: the purchasing of electricity on a long-term contract or a fixed-term contract or buying an open mortgage and playing the spot market or buying gas on a fixed rate or a long-term rate or playing the flow-through market. It depends. It depends on what your needs are. For example, if I were a senior who has retired and is going to Phoenix for five months of the year, I would turn my hot water tank down, winterize my home in Alberta, move for the four or five months to Phoenix, and I would pay the spot rate of gas because your reduced consumption with a higher price would still come out better on a 12-month period.

But you need some tools to help you make good economic decisions, and that'll be a fundamental part of the customer education program, Mr. Chairman. We will provide on a computer base – we'll also provide hard copy – something such as the Member for Vermilion-Lloydminster has pointed out. He calls it a dare-to-compare chart, where you put up the questions, the offers that come from the providers, check them off, and then because all that information is right there in front of you, you can make a clear, comparative decision based on a good planning document. So again we've seen and we've heard from a number of members good suggestions on this consumer education program.

5:10

We've also seen, Mr. Chairman, some cases where, in fact, you might want to buy your electricity and your gas together from the same provider, and that might provide an additional discount. There is some talk that you would be able to buy your electricity, your natural gas together as well as heating, ventilating, air-conditioning services, cleaning your air conditioner, cleaning out the furnace, making sure it's working. Maybe you want to buy snow shoveling services, home insurance, towing services. So you'll be able to buy

a range of services on a vertical basis, or you'll be able to buy them on a horizontal basis. Those are the kinds of things that Albertans have asked for. Big choice. Big flexibility. Reasonable costs. We've done all this under the tablet of transparency, in what we think is an open, decisive fashion, and one that's open to discussion. In some cases, some controversy. But, all in all, a good program that delivers ample supplies of natural gas and electricity to the marketplace in Alberta and where we act as efficient custodians for Albertans on behalf of Albertans.

Mr. Chairman, thank you very much.

The Deputy Chair: I hesitate to interrupt the hon. Minister of Energy, but pursuant to Standing Order 58(5), which provides for the Committee of Supply to rise and report no later than 5:15 p.m. on Tuesday, Wednesday, or Thursday afternoons, I must now put the following question.

Agreed to:	
Operating Expense and	
Equipment/Inventory Purchases	\$115,256,000

The Deputy Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.
The hon. Deputy Government House Leader.

Mr. Stevens: Thank you, Mr. Chairman. I move that we rise and report.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Energy: operating expense and equipment/inventory purchases, \$115,256,000.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.
The hon. Deputy Government House Leader.

Mr. Stevens: Thank you, Mr. Speaker. I move that we call it 5:30 and that when we reconvene this evening at 8 o'clock we do so in Committee of Supply.

[Motion carried; the Assembly adjourned at 5:15 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, May 6, 2003**

8:00 p.m.

Date: 2003/05/06

head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: I'd like to call the Committee of Supply to order. As is the rule normally with committees, we'll only have one person standing and talking at a time.

head: **Main Estimates 2003-04**

Community Development

The Chair: Are there any comments, questions to be offered with respect to this? The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Chairman. Prior to beginning my remarks this evening, I would like to table with the Assembly the appropriate number of copies of the translation for that portion of my speech during which I'll be discussing the Francophone Secretariat. I realize that may be a bit unusual, but with your permission I wanted to assist *Hansard* and other members here with my brief comments in that regard. Thank you very much.

I'd like to begin by tabling these copies and by introducing some very special guests that I have the privilege to work with. In our gallery: Dr. Bill Byrne – please rise; he's our deputy minister – Mr. Rai Batra, our assistant deputy minister in strategic corporate services; and in that same area, Darlene Andruchuk. Thank you very much and, as well, thank you to my staff who are listening elsewhere.

Mr. Chairman, I'm really, truly honoured and pleased and privileged to have the opportunity to present the three-year business plan and the budget estimates for 2003-2004 for the Ministry of Community Development. I'll begin straightaway by turning my attention to the budget for '03-04, which shows \$647 million in total expenditures and reflects an increase of approximately 11 percent, or \$65 million, from last year's forecast.

Funding to the persons with developmental disabilities boards, or PDD as we commonly refer to them, will increase by \$37 million, or 9 percent, for a total PDD budget of \$443 million in '03-04. This will provide for growth in the number of PDD recipients, it'll assist also with salary increases for public service and contracted agencies, and it will accommodate growth in the complexity of individual cases. It is my sincere hope that it will also help speed up our intake and assessment process with the intention of minimizing any waiting times that certain individuals may be experiencing in certain parts of the province. We try to ensure that the 8,500 PDD recipients that we serve will have the opportunity to participate in the social, economic, cultural, and community life of our province to the largest extent possible, and I believe we are succeeding in that objective. It should be noted, Mr. Chairman, that last year 94 percent of those individuals receiving PDD services reported satisfaction with services being provided.

Another program area that we're particularly proud of is the Alberta Brain Injury Network, which will receive a \$2 million increase, for a total budget of \$4.5 million in '03-04 to help build on the success of last year, when a provincial network of support and outreach services to assist individuals with acquired brain injury was first established. I was very pleased to attend the first-ever annual Brain Injury Conference in Calgary on April 11, which marked the first time in Alberta's history that survivors, family members, and

service providers were given the opportunity to meet in a provincial conference fashion that was dedicated to brain injury issues.

Mr. Chairman, we're also making good progress in other areas within the broader disability portfolio. The gaps in service project, for example, is aimed at addressing the needs of disabled adults who do not fall into the current responsibilities for PDD nor into the Alberta Brain Injury Network. There is \$348,000 in additional funding this year for the gaps in services project, bringing the total budget for the gaps piece alone up to \$1.3 million.

We're also continuing our commitment to help the government in its ongoing dialogue with Albertans by providing quality co-ordinated and cost-effective communication services, with the transfer of responsibility and a budget of \$224,000 for deaf and hard-of-hearing contracts from PDD boards to the department.

Now I'd like to briefly review funding that comes to us from the Alberta lottery fund. Community Development's 2003-04 budget includes a \$19.8 million increase in funding from the Alberta lottery fund, and this total funding for my ministry from the Alberta lottery fund will now be about \$76.1 million. This funding supports provincial, regional, and community-based organizations and individuals through Community Development's five lottery-funded agencies.

The first of these five agencies is the Alberta Foundation for the Arts, which will receive an increase of \$7.9 million, for a total budget of \$29.034 million directly from the Alberta lottery fund plus a further \$500,000 from other revenue sources, for a total AFA budget of \$29.528 million. I want to point out, Mr. Chairman, that this is the first increase in provincial arts funding in about 14 years. We are very pleased with that, and I want to thank all of my colleagues for their support in that regard.

Of the \$7.9 million increase I referenced, \$2.9 million will be for arts organizations and individual artists, including a \$400,000 increase for Alberta's major performing arts companies, which we commonly refer to as AMPAC. The AMPAC organizations are Alberta Ballet; Alberta Theatre Projects, Calgary; Calgary Opera; Calgary Philharmonic Orchestra; Citadel Theatre; Decidedly Jazz Danceworks, Calgary; Edmonton Opera; the Edmonton Symphony Orchestra; and Theatre Calgary. Their total funding will rise to \$4.79 million this year. An increase of \$82,000 will go out to our eight provincial arts service organizations, which we refer to as the PASO group. These umbrella organizations provide services to provincewide memberships within specific arts disciplines. We also provide financial support for summer schools under this category. So the total program budget for this area will rise to \$1.392 million.

The third area of increase here will be an additional \$559,000 for what we call project grants, which will amount to a total budget in this category of \$1.74 million to assist approximately 600 individual artists and to enable the AFA to offer grants that are more appropriate for today's cost for art production.

The fourth and final area of increased arts funding will be for the Alberta film development program, whose budget will be doubled from \$5 million to \$10 million for 2003-2004. This funding will support Alberta's growing creative film and video community. More specifically, this increase will help ensure that film producers, individual artists, and related arts groups will continue to have the best possible opportunities to help them grow and succeed within Alberta's arts sector. The latest available information, Mr. Chairman, demonstrates the impact of a very positive nature on our provincial economy, which for 2001-2002 shows 2,377 film production employment opportunities for Albertans. It also indicates 44 made-in-Alberta productions, totaling 53 million dollars' worth of film production by Albertans in Alberta as a result of this program. Preliminary information for 2002-2003 shows about 70

million plus dollars in film production resulting from our AFDP program.

I will now address the \$2.6 million increase that will go to the Alberta Sport, Recreation, Parks & Wildlife Foundation, which is the second of our five lottery-funded agencies and whose total budget will rise to \$17.67 million directly from the Alberta lottery fund plus a further \$2 million from other revenue sources, for a total budget of \$19.62 million. This will include an increase of more than \$1 million in support for Alberta's provincial sport and recreation associations and will also provide annual operating support to seven additional sport and recreation groups that qualify for funding. As part of this \$2.6 million increase the development initiatives program will increase by \$184,475. The remaining increases will be allocated to various recreation and sport programs such as active living, future leaders, 3M national coaching certification, the National Training Centre, provincial team selection and training, and amateur athletic games.

The third of our five lottery-funded agencies is the Alberta human rights, citizenship, and multiculturalism education fund, which will receive an increase of \$203,000, for a total budget of \$1.265 million directly from the Alberta lottery fund, plus a further \$220,000 from other revenue sources, for a total budget of about \$1.4 million. Project funding is provided to organizations that foster equality and promote fairness and access to help Albertans participate in the social, cultural, and economic life of our province. The result will be more grants to community organizations for primarily our vibrant ethnocultural community, which is increasingly diverse in size and nature.

Additional educational programs and resources will also be developed in the areas of diversity, multiculturalism, and women's issues within my ministry. As the minister responsible I attend the federal/provincial/territorial meetings of ministers responsible for the status of women. We continue to work on issues of importance to women such as women's economic equality, women's health, and prevention of violence against women to mention a few. At these meetings we also receive and share information about gender-based analysis, and we are continuing our work on the changing work culture project. Later this fall, Mr. Chairman, it will be my great pleasure to host the next FPT meeting of ministers responsible for the status of women, likely right here in Edmonton.

8:10

The fourth of our five lottery-funded agencies is the Wild Rose Foundation, which will receive an increase of about \$1.2 million, for a total budget of \$7.76 million directly from the Alberta lottery fund, plus a further \$737,000 from other revenue sources, for a grand total budget of \$8.5 million. This foundation, as we all know, exists to promote and assist volunteerism and to strengthen the relationship among voluntary sector leaders and government. These additional moneys will help them to create and implement a series of training opportunities, tools, and innovative training methods and overall to strengthen the capacity of the voluntary sector in Alberta. Included in this foundation's budget will be a \$600,000 increase that will go to the new voluntary sector advancement program.

The fifth of our five lottery-funded agencies is the Alberta Historical Resources Foundation, which will receive an increase of \$1 million, for a total budget allocation of \$6.94 million directly from the Alberta lottery fund, plus a further \$216,000 from other revenue sources, for a grand total budget of \$7.2 million. These moneys will go to heritage programs and will reflect an increase in annual operating funds for major provincial heritage organizations and for preservation projects. Annual operating funds that we provide for major provincial heritage associations now total almost

\$1.7 million and include Museums Alberta, the Archives Society of Alberta, the Alberta Genealogical Society, the Archaeological Society of Alberta, and the Historical Society of Alberta. Also included in here is a \$125,000 increase for the Glenbow Museum in Calgary. In fact, total funding for the Glenbow will now reach about \$2.68 million in 2003-2004.

I also need to mention, Mr. Chairman, that my ministry receives and distributes Alberta lottery funding for certain specific onetime projects. For example, the city of Edmonton's centennial project in 2004 is scheduled to receive \$4.2 million over the next three years. The 2005 World Masters Games, also hosted by Edmonton, are scheduled to receive up to \$4 million from us over the next three years. Another example is the 2007 Western Canada Games, which will be held in Alberta in that same year. They will receive up to \$1.5 million over the next four years. One other example in this area is the 2004 Arctic Winter Games, that will be hosted by the municipal district of Wood Buffalo, or Fort McMurray as most of us know it. They will receive \$500,000 from us, again courtesy of the Alberta lottery fund.

Actually, there is one other very specific and significant event that I need to mention that we will be funding, and that is the Juno awards in Edmonton in April 2004. Our provincial contribution will be \$250,000 for this first-time-in-Alberta event.

I'd now like to address the Alberta 2005 centennial briefly, and I want to begin by pointing out that the bulk of the centennial legacy program funding will now be found in the Alberta Infrastructure budget, pages 228 and 299 of their estimates to be specific. But it's important to note, Mr. Chairman, that Community Development will continue to manage, administer, and otherwise oversee the centennial legacy grant projects for which we are responsible. This amounts to about \$25 million that we're looking at now that will be budgeted over two years for the centennial legacies grant program. On April 11 of this year I was pleased to announce 31 community-based and community-owned projects that will be receiving a total of \$19.1 million over these next two years, and I anticipate making additional announcements later this year regarding the remaining allocations.

As well, government-owned centennial projects will receive moneys for certain projects that include the Turner Valley gas plant historic site, Lougheed House in Calgary, the Provincial Archives in Edmonton, and a major new and renewed Provincial Museum of Alberta on its existing site in Edmonton. Several provincial parks will also receive centennial funding for improvements to interpretive centres. Other examples include the major renovations of the Jubilee auditoria in Edmonton and Calgary, which will result in very much improved facilities and a lasting legacy of our centennial year. Over \$32 million is budgeted in Alberta Infrastructure for this project over three years, which, again, my staff and I will be helping oversee. The Provincial Museum of Alberta will add another very significant legacy to our province's history, resulting in an internationally recognized facility of world-class standards. Of the approximately \$15 million budgeted over the next three years, \$1 million will be spent this year to formally begin the consultation and preliminary design processes.

I'd now like to turn briefly to public libraries. Community Development supports financially and otherwise 230 public libraries and seven library systems throughout our province. Operating grants for Alberta's library boards and the seven regional systems will increase by about \$1.3 million this year, for a total library grant allocation of about \$17.9 million. Mr. Chairman, this includes additional funding of about \$730,000 plus \$613,000 reallocated from funds held in previous years for establishment grants and special projects.

The increase that I've just alluded to really reflects a restoration

of the per capita funding amount that was reduced some 10 years ago, and I will acknowledge that it is not the increase we were all hoping for, but it is an increase nonetheless, and it is a positive start in addressing the increasing costs and needs of libraries throughout this province. The increase specifically provides for per capita funding increases from \$4.03 up to \$4.29 for public library boards and an increase from \$3.07 up to \$3.22 for library system boards in conjunction with an adjustment for population growth using the most current statistics available, that being the 2002 population listing.

Et maintenant en français. Le Secrétariat francophone a reçu une augmentation de budget de \$110,000 de la part du gouvernement fédéral à l'intention d'assister des communautés dans le projet du Musée Provincial et celui des Archives Provinciales. Le projet du Musée Provincial rendra accessible le programme des émissions du musée à la communauté francophone ainsi qu'aux écoles d'immersion en français. Le projet des Archives Provinciales vise à accroître les contributions de la communauté francophone aux collections. Il vise également à permettre la préservation et la documentation de l'histoire francophone afin de la rendre disponible aux travaux de recherche.

Merci beaucoup.

[Translation] The Francophone Secretariat receives an increase of \$110,000 in funding from the government of Canada for community-based initiatives, including the Provincial Museum project and the Provincial Archives. The Provincial Museum project will make programming at the museum available to school groups and tours from Francophone and French immersion schools. The Provincial Archives project aims to increase the Francophone community's contributions to the collections and help to preserve, document, and make Francophone history available for research. [as submitted]

Parks and protected areas is another very special area within Community Development, and my department is reviewing the provision of services at selected provincial parks and provincial recreation areas. We are negotiating the transfer of some sites to local authorities or to local municipalities as an alternative to closure. A number of sites are being reviewed for potential divestiture to local municipalities, and the proposed transfers are largely sites that are recreational in nature and are of direct economic benefit to the local communities in which they are situated. This is not a new initiative, because sites have been successfully transferred to municipalities in the past.

Mr. Chairman, I do regret that we do not yet have the success we were hoping to have in attracting the new provincial dollars that we need to reinvest in our parks infrastructure renewal and upgrading program, but I will remain optimistic about our pursuits in that regard. This year's budget for this area is \$29.36 million, or it could also be interpreted as \$46 million if you look at the way those numbers come together because of some of the transfers and other obligations of a financial nature. I know that I have a lot of work to do with my staff to maintain and to improve, where we can, our parks infrastructure needs because these parks and protected areas provide enormous benefits to our citizens and to the tourism industries.

I want to quickly highlight a few changes to our business plan. We conducted a major review, and the result is a business plan that is more strategic, less operational, and more valuable as a tool to guide program decisions. The business plan also identifies relevant measures of progress toward achieving the ministry's goals as well as the budget allocated in pursuit of these goals.

Previously the ministry had five core businesses. These have been collapsed into three that better reflect the full scope of the ministry's activities and purpose while at the same time highlighting commonalities across the ministry's divisions. As part of the overall

revisions we also conducted a comprehensive review of my ministry's performance measures, and our performance measures will continue to be effective in that they are relevant, understandable, and focused on the ministry's sphere of influence and do meet management information needs. I am pleased to note that the ministry now has 15 performance measures as opposed to 27 last year. Some measures, Mr. Chairman, were far outside the influence of this ministry, and they addressed global issues related to perceptions of quality of life but not the ministry's role in delivering services that affect quality of life. No new measures were added, but you will see that nine of the key performance measures were updated with revised wordings.

Mr. Chairman, in conclusion, I am proud of the quality of programs and activities undertaken by the Ministry of Community Development, and I am exceptionally proud of the individuals who work collaboratively with me and with communities across the province to help realize our vision of a vibrant province where Albertans experience fair opportunity and the quality of life to which they aspire.

This concludes my formal remarks, Mr. Chairman. I would be very pleased to entertain questions and to answer as many of them as time and knowledge and note work will allow, and I will be pleased to respond to others in writing. May I please ask members who anticipate asking questions that they provide a page number first and then a line number or an element number and also tell me if they're referring to the business plan or if they are referring to the estimates plan?

Thank you very much, Mr. Chairman.

8:20

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Chairman. There's an old comedy routine called *Slow Talkers of America*, and tonight, given the hon. minister and myself being so aware of the enormous breadth of this particular department, you are about to hear the fast talkers of America. So I'm just going to get right into this given the wonderful overview that we've just had from the minister.

I'd like to thank the staff that are appearing in the galleries tonight and giving the minister support. I think it's no surprise that this is where my heart lies, and I certainly appreciate the fine work that the staff do in supporting the minister and supporting the ministry.

This is indeed the best ministry in my opinion. This is what makes Alberta home. It's what makes Alberta fun. It's what makes Alberta inspiring, beautiful, gives us our history, tells us our stories and makes us human, and has us uphold other people's humanity. It's a very important ministry in my opinion.

The minister very kindly offered this afternoon to have me give him in advance some of the questions that would have required a great deal of detail to allow him to be able to give me these responses orally tonight, and I have utterly failed. In trying to get my own notes together, I neglected to phone his staff person, and therefore it's my fault.

Now, what I'd like to do tonight, as I have done with other ministries, is address things more or less in clusters. The clusters I have are arts, sports, volunteers, human rights, historical sites, libraries, the effect of bingo changes, a short question on Grant MacEwan College and interpreters for the deaf, general financial questions, women's issues, and the legacy projects. That, Mr. Chairman, is just what I have to say about this ministry. We also have my colleague from Edmonton-Ellerslie to speak and ask questions about parks and protected areas and my colleague from Edmonton-Riverview to talk about PDD and support for persons

with disabilities. So I was kind of joking about fast talkers but not really.

I'd like to start out by talking about some of the feedback that I get every year around budget time from the arts communities. I put out a general e-mail just saying: "I'm going into this budget debate. If you have a question or a point you wanted to raise with the minister, what would it be?" These are artists. They're never short on what they have to say. So I've just gone through, and there are a couple of highlights I'd like to put on the record for you, Mr. Minister, which you can have a look at sometime in the future at your leisure or that your staff can review. These are coming from people like festival producers, from freelancers, artistic directors, festivals, as I said, small theatres, a PASO, and some nonprofessional or semiprofessional organizations as well, so actually not a bad cross section from the arts community.

I want to start out by saying how important it is to everybody that there was in fact an increase into this area, into the department overall but specifically into the arts, and I'll talk about the other increases as I get to them. The \$3 million that's going specifically into arts and the \$5 million going into film development is a very small amount of money that will have enormous spin-off. This is a good deal for government, and I wish to put it on the record and urge the minister to continue his fine work and continue to encourage his colleagues to support him in increases next year and the year after. I will make no bones about this: after 14 years without an increase \$3 million is not catching us up. Let's be clear about that. We need another \$3 million next year. As a matter of fact, what the community had been advocating for for some time was an \$8 million increase, and that was not including film funds. So we have a ways to go here, but I do appreciate the support of the Treasury Board and of cabinet and of the caucus for getting the increases that in fact were realized. This year you will see the payoff for this.

Now, some of the points that I wanted to raise. We continue to get comments that it's the artists that are subsidizing the arts in Alberta. Most artists working flat out are making \$10,000 or \$12,000 a year and are subsidizing by working in other jobs, so it is the artists that are continuing to subsidize the arts.

Some people note that the government and AFA are weak partners in the effort to create and sustain a vibrant arts culture in the province, that the arts have been seriously underfunded and underserved for a decade. We've started to catch up. As I said, we need to continue that. Without civic, federal, and community support that's currently sustaining a stressed-out cultural sector, Alberta would have very little in the way of cultural expression.

A point I've made before and I'll continue to make, Mr. Minister, is that if there is no government leadership for support of the arts, there will be no corporate following. In fact, we now have the stats to show us that. The corporations and business have not stepped up to the plate in support of the arts in the same ratio as they exist, corporate giving is well below the national average in this the richest province, arguably, in Canada. A big part of that, I think, is a lack of leadership and direct funding from the government. If they don't put it in, why on earth would the corporations follow suit? It must not be a very good deal, yet the minister and I know that it's a very good deal. So the more that the government can show leadership there, the better off it will be for everyone.

The arts community should not be focused on fulfilling the role of business in the community. The primary benefits of the arts are the creative thinking and inspiration, the lasting artistic legacy. We're certainly aware that the arts continue to be not an economic driver but a creator of a vitality that draws in the economic drivers.

There's a strong feeling that gaming and lottery dollars are no longer being disbursed to the arts community in equitable, effective

means, and a great deal of that has to do with the loss of the community lottery boards. The proportion of gaming revenue coming back to the arts is ridiculously small against the whole amount of money that's brought into the province through gaming efforts, and seeing as that's where we started with gaming, that it would go to quality of life and particularly into this department, it is vastly inequitable.

The AFA formula grants for presenters are not working for certain festivals, particularly those that bring a lot of people in, like the Street Performers Festival, the comedy festival, anybody that's bringing in a lot of performers. It doesn't seem to be working as well as the old grant formula, so you might want to have a look at that or perhaps talk to some people that are working directly in that area.

The whole idea of the one grant per organization rule really needs to be examined. I don't know where this is coming from, Mr. Minister, but I think this is going to cost us dearly in the long run. Somehow there's this idea that the arts are scamming or double-dipping or doing something nefarious in having accessed different pots of money to support their endeavours, but when you figure what our demand of them was and where they started from – you know, they started by saying: well, produce a theatre season, but we want you to produce a theatre season with X number of new plays in it. Well, that's an additional amount of money and additional investment and required an additional pot of money to be accessed. Cutting it back now to this one grant per organization is restricting what the organizations themselves can do, and it's also starting to restrict programming and artistic collaboration. I think we need to look to that.

One person is noting the curbing of the ability of arts organizations to respond to special presenting opportunities because project grants aren't available. If you get a project grant, you don't get an operating grant. Why would you go for a project grant? So it's eliminating that level of new endeavours, of exciting new projects, of new work, possible collaborations, new things being brought into Alberta for us to have a look at.

Others note that growth and innovation have been stunted due to a lack of the funding increase over the last 10 to 14 years. It's not even keeping pace with inflation. It's forced companies to spend more time securing funds and less being able to actually produce the work that they're there to do and to nurture their artistic product and their artist.

A comment around the labour market tactics. I've brought up a number of times with the Minister of Human Resources and Employment that we continue to really underpay people here and we just lose them. We get them, we train them, and they just cannot sustain a livelihood. We lose them out of the sector. We're wasting time and resources here, and that's not a good idea in a province like Alberta, that wants to look at moving towards being a smart province.

8:30

We need to look to the funding for festivals. For example, the Fringe Theatre is a 2 and a half million dollar a year company. It's in a category of its own, and they are restricted to a \$60,000 grant for the entire organization. They provide three streams, if you will: the largest theatre festival in North America, a very successful and artistically credible theatre for young audiences, and they're providing a venue that is in use by a number of other organizations. For all of that, \$60,000 is not in keeping, and this is because there was a cap originally before this minister was in there. The cap was raised, but there hasn't been enough money to bring the level of funding up. So that's quite inadequate.

There was quite a campaign over the fall to keep the funding for the Artstrek program, and I've now heard from them that in fact they did get a small increase in their funding. Thank you for that, Mr. Minister, and for listening to the many, many, many people who wrote to you expressing their appreciation for this program. I went through that program in the early '70s along with many others who I know benefited from it. So it's definitely worth the money that is invested in our young people.

I think there are some additional problems around funding and around what could be described as a dysfunction with the Alberta Foundation for the Arts. They've tried for many years to shuffle things around to try and do the best they can with not enough funding, but at this point I think there may need to be a return to the drawing board and a relook at that organization, that agency, and the duties that it performs on behalf of the ministry. There is a great deal of dissatisfaction in the community around that group. I don't know if the agencies feel safe to say that out loud, but they're certainly saying it to me, and I'm free to say it to you. But there's a great feeling that that agency is no longer serving the communities and that it's more interested in sustaining an organization, sustaining an administration, than it is in working towards assisting an artistic product and artists.

We continue to have this I think ridiculous go-round with funding and eligibility requirements. To tell someone that you're eligible for 25 percent of your revenue but no one ever gets that – nobody gets that 25 percent, so why do we keep saying it? Last year I talked about making groups jump through hoops for not very much money. It's the same issue that I'm raising for you again, you know, that nobody gets the 25 percent, and supposedly when the one grant came in and nobody could or would apply for project grants, the formula was increased from 20 percent to 25. But nobody's getting it. For one organization, an excellent organization – very well run, no deficit, never has had, totally aboveboard, very cautious in their spending – the best they can get is 66 percent of that 25 percent.

So, you know, let's be honest about what we're doing here. If it's never going to be 25 percent or not in the foreseeable future, then let's be honest about that and work from it. It's very hard for these organizations when they don't even find out. They have to submit a budget with the projected grant included – of course, they can't figure out what it's going to be, but it ain't gonna be 25 percent – and they don't receive confirmation from AFA for their following season's grant amount until mid-June. Now, most of them start their fiscal year in May, April, June, but you're well into your planning cycle at that point. You should have booked your theatre; you should have contracted your artists by then. So that's very late to be hearing what's going on there, and the government would never allow anyone to do that to them. Why do they insist on enforcing that on other organizations?

A number of agencies noted the difficulties with increasing costs, especially venue costs, because of increasing costs around electricity or energy costs, electricity and heating, and what a strain that's causing for them, especially those that are trying to manage some of these spaces. Some groups talked about what's happening with the Jubilee auditoria and how the rates have gone up there. As the minister knows, those two venues are now going to be out of commission for groups, and there's no assistance for the groups that can only produce there. I'm still concerned about the Edmonton Opera because the Winspear is not suitable for them. They have to get a huge venue where they can get a couple of thousand people in to do their three or four performances. Where are they going to go? The Shaw Conference Centre, the AgriCom? That's what they're going to have to look at, and there's been no assistance offered to them and recognition of how much money that's going to cost them

to have to go to a different place to produce. I think that the cost of restoring the auditoria should have included some sort of recognition of cost factors for those groups that have been punted out of there for a couple of years.

Okay. So that's the funding issue. I've talked about the dysfunction of the AFA and the problems around that.

Very quickly, a question about the Film Classification Board. I'm just looking for an update here. How many people are currently working in the film classification area, and are their votes weighted equally? At one point the chairperson I think sort of had two votes, and then there were two additional people who each had a vote. I'm looking to see what the situation is currently with any weighting of the votes and how many people are actually doing film classification.

Cultural spaces. I asked last year about the Cultural Spaces Canada program and whether the government was looking to match any of the \$80 million, \$13 million of which is available for Alberta-based organizations. The written response from the minister was that they're getting their money from somebody else. There seemed to be no commitment from this department to go in and help agencies that are trying to recover that. I'm questioning again this year to see whether there's any money that's targeted for that or available for that or that the ministry is setting aside to support agencies that are seeking those federal funds.

Just following up on the dysfunction of the AFA board, last year I had asked the minister and he'd responded in writing that the AFA board is revisiting a number of guidelines and things in March. So I'm looking for any update, anything written, anything oral that the minister can give me on policy around the AFA decision-making process, granting process, application process, deadline process, anything they can give me that's new here.

The under-30 survey that was done for Culture Steps Forward: Setting the Stage for Human Resource Development in Alberta's Culture Sector, which was mainly a funding project of the Human Resources and Employment department. I'd like to know what concrete steps the Minister of Community Development is taking to work with the Minister of Human Resources and Employment to move the concept of cultural workers and workers in a cultural sector forward as far as labour market development programs. We're missing out here, and I know that the minister can figure out a way to take advantage of that program and what's being offered or what's potential under that program.

Okay. Industries. The film industry. Well, the cultural industries that we have are recording industry – the minister has already talked about the Junos – film industry, book publishing. I'm missing one.

Dr. Taft: Magazines.

Ms Blakeman: Publishing. Thank you.

A very good survey recently came out commissioned by the magazine publishers, and that industry is actually looking pretty good. All of those industries seem to be coming along quite well, and we were certainly taking a large step forward with the film industry. I know that the minister is just as worried as I am about what the feds are going to do if they withdraw funding from the film industry. I could just wring their necks frankly. You know, from where we've managed to come back to in Alberta, this is most disappointing. Anything I can do to assist the minister in wringing their necks, literally, I'm happy to do.

8:40

Dr. Taft: Figuratively. Figuratively, Laurie.

Ms Blakeman: Oh, I'm sorry. That's right. Not literally. Figuratively. Oops.

But I am . . . [Ms Blakeman's speaking time expired] There's not enough time to do this department.

Thank you.

The Chair: The hon. minister.

Mr. Zwozdesky: Thank you, Mr. Chairman. I'll just respond briefly to a couple of the issues because I know that there are many other speakers who want to get into this particular debate.

To begin with I think the hon. member's passion for the arts area as with several others is much appreciated by the arts community and certainly by me as the minister responsible for that area because it's a passion that quite frankly I share and I know that many, many members if not most in this Assembly also share because it does have impacts throughout the province on all of our citizens.

The festivals that she alluded to, Mr. Chairman – and I don't have all the amounts and figures and so on in front of me, but according to a note I had jotted down here, I think that last I saw, we funded about 36 different festivals across the province, including some that the hon. member mentioned: the Fringe, the Street Performers, Jazz City. I guess the Folk Music Festival would fit in there, the Lethbridge Children's Festival, the St. Albert Children's Festival, the Blueberry Bluegrass Festival, and on and on they go. So we do provide somewhere in the order of \$700,000 or whatever to that area last I saw, but perhaps that's not enough. Nonetheless, it is a point that I will pass on to the AFA for a relooking at.

The \$3 million increase, however, that is going purely to the arts area will be distributed as best the foundation board is able to. I do acknowledge that it's not a huge increase, hon. member, and I think everybody here would understand that, particularly given the decade and a half or so that we've been waiting. Nonetheless, we are doing the best we can with what we've been given, but I will undertake to the House and to the member asking the question that I will put forward a request again for relooking at that situation also to see what can or can't be done in upcoming budgets. I can't make any promises, hon. member, but I think you know where my heart lies, and I will do my best.

I am pleased that you are pleased and that other members are pleased with the \$5 million that did go to the creative film community because that is truly a great growth industry for us and for arts in general in this province. I, too, am very upset and concerned about the rumoured \$25 million cut which the federal government has announced it would be making, but I'm equally encouraged by the rumour that says that it may be reversed. It's just a rumour, hon. member. I did write to the federal minister responsible. She knows my feelings about this, and I'm hoping that there might be the rescindment which I alluded to in question period I think it was last week.

The issue of artists subsidizing the arts is one that really caught my attention, and I know exactly what point the hon. member is making here. Having lived as an artist for several years myself, I had my share of spaghetti dinners, and I know what that feels like. Still, I think it's important to point out that while the operating grants that we provide and the grants to individual artists and other forms of grants are available through the AFA, Mr. Chairman, we do see a lot of other areas in government which provide funding for arts infrastructure. I realize that's not the exact funding that the hon. member is talking about, but I think that when you roll all of that into the mix, we're not quite as well off as we'd like but we're not as bad off as it sometimes seems.

For example, the centennial grants program. I remember being at the announcement when we announced \$2.5 million for the Citadel plus \$2.5 million for the Fringe, the Arts Barns updates. So that has

an impact on the arts area, although it doesn't help with the specific point of arts employment or arts engagement, which I think is more where the hon. member is coming from, nor does it offset their costs of operating. It helps them with infrastructure and with building, and I think that the corporate side of the equation, which the hon. member referred to, may be dropping off in some parts, but I don't think we're doing all that badly in this province.

What I do see, however, is increased competition for those same dollars because you have a lot of the traditional funders who would have been funding artistic and cultural endeavours now being asked to fund more health-related endeavours or educational-related endeavours or environmental-related endeavours, so that point is certainly not lost on me. But we do have a number of examples where fortunately we do have a fairly thriving corporate sector in this province. I would like to think that it's largely because of the very friendly economic climate that our government policies and other departments provide.

I would say this for the record: according to the last statistics that I looked at – and I would hope that all members would remember this – for every dollar of government moneys that we put into the arts sector, you can expect an economic spin-off of about \$6 to \$15 in return. I think that goes back to the StatsCan report of about 1995 or 1996. I remember it quite vividly, and it made a lasting impression on me.

The loss of the community lottery boards: as the hon. member would know, they were replaced by the community initiatives program, albeit for a lesser amount of money. Nonetheless, that funding was restored to about \$32 million.

I will undertake to examine again that issue of the one grant per year only for the arts organizations. I think that is a significant factor, and I don't want to see opportunities for collaboration, artistic growth, artistic development being compromised because of one of those kinds of policies. Having said that, however, I think everyone here would know that we don't have as much money as is always requested by the arts and cultural community, so the AFA board is doing the best it can with what it has. There is always room for them to look over their programs, and I can tell you, hon. member, that they will be meeting very soon. I don't know if it's in a day or two or three or in a week, but their next board meeting is coming up in May, so I will take your comments from *Hansard* and I'll present them directly to them. I'll have them address them to me in a discussion, and then I'll let you know what the outcome is of all of that.

The other comment, very quickly, is in general about eligibility funding criteria and the issue of the 25 percent eligibility factor, which the hon. member raised. This, too, is something that I can appreciate. If they are expecting and applying for a 25 percent grant because they know full well they're eligible for it and they are not receiving it because it's being prorated or marked down, I would agree that that is unfair to the organizations applying. Again, it's a question, however, of us not having unlimited funds to work with, so I think the AFA responded in a way that they saw fit. I will undertake to pursue that one more aggressively, hon. member. I don't think I pursued it as aggressively as I would have liked to last year, but I will look at this differently this year. I just don't know what the outcome will be because I'm working with a board of very creative and individual thinkers there that have a lot to offer, and they have gained quite a bit of experience over the years.

The final point with respect to the Jubilee auditoria and the rates going up, I guess there were expectations that the rates would go down. Unfortunately, the cost of living is going up, and we're all well aware of that. I am sensitive to the issue of those organizations that are being displaced from the Northern Alberta Jubilee Auditoria.

rium and also from the Southern Alberta Jubilee Auditorium, and I have had meetings with them collectively and/or individually several times.

As the member would know, I have inherited this particular turn of events, but I am supportive of the renovations that need to be done to these nearly 50-year-old structures. The improvements that are coming about have been done in consultation with not only the arts groups affected but with the arts community and user groups in general. When we're finished those renovations, which will be approximately \$16 million of government dollars in Edmonton, \$16 million of government moneys in Calgary matched by about 10 million plus dollars from the foundation that has been established by the two friends-of organizations, we will truly have an incredible facility with far improved sight lines, better ventilation systems, better acoustics, and all of that kind of stuff.

There is the downside, and it is unfortunate, but the groups by and large understand that this is short-term pain for some long-term gain. I'm not saying that they're happy about it, but unfortunately I don't have any budget moneys to compensate for that displacement. I wish I did, and if I did, I would take a look at how we might get to that stage, but unfortunately we're not there.

8:50

The film classification question. I believe there are three individuals who work in the film classification area, and I can get you more details about the rest of the question, which I didn't have a chance to jot down.

The Cultural Spaces Canada program. You know, I'm going strictly by memory here, hon. member, but as I recall, there was an allocation made to the province of Alberta. I don't want to be held accountable for this, but it seems to me that it was about \$700,000 that was apportioned for Alberta. I don't know if there's somebody that could help me out with the more exact number on the Cultural Spaces, but there was something in that order that either was already brought to the province and spent or was to be spent. I'm not sure, so I'll check into it and give it to you further.

The last point – and then I'll sit down – was the possibility of a cross-ministry initiative, at least that was what it sounded like to me, with respect to the Alberta Department of Human Resources and Employment. I was looking earlier, hon. member, at the cross-ministry policy initiatives we already have in place, and I note here that we have an aboriginal policy initiative, we have an Alberta children and youth initiative with the Minister of Children's Services, we have an economic development strategy cross-ministry initiative, and we have a health sustainability initiative, and so on. But I don't see one with AHR and E. So I will have that discussion with the hon. minister from Alberta Human Resources and Employment to see more fully what it is that you had in mind to help move the labour development issue in the arts area forward. I'm not sure what it'll result in, but it's an interesting idea.

I was struck by the incubator that is going into Leduc for Agriculture, Food and Rural Development. In fact, I talked to my deputy minister about it, and I said: wouldn't it be wonderful if we had an incubator program for the arts and cultural area? I think it would be a great idea. I don't know how we would do it, but I realize that that one was funded by the government through the Alberta Value-added Corporation. It's a good one because it will help the producers learn the trade, and they learn marketing techniques, and I think I heard somewhere that there's an average of about 100 new agriculture products that come onstream in this province as a result of initiatives like that. I think that's tremendous. But to liken it to the arts area, I think we could see the same thing potentially in this area. Why not? It would be an innovative idea, and I will take it for what it's

worth and see what I can do with it. I don't know where it will go or what support it might have, but I will give it some consideration and visit it with appropriate ministries.

I've just received a note on the film classification from a staff member, and I'll get back to you further with that. I'll take my seat and allow more questions to come, Mr. Chairman.

The Chair: Before we recognize Edmonton-Centre, I wonder if we might have consent to briefly revert to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**

The Chair: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Chairman. I'd like to introduce to you and through you to members of this House a young man that we're very proud of, my son Jeremy. Jeremy's here in Edmonton this week with the RCMP training in their helicopter for search and rescue. He's the son that everybody wishes for. I'd ask him to stand and receive the traditional warm applause of the House.

head: **Main Estimates 2003-04**

Community Development (*continued*)

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: That's a proud mom.

Thanks very much, Mr. Chairman. Just a couple of things to recap on points that the minister raised. You know, he talks about additional funding that comes into the arts, and I have to put him on the hot seat a bit on that one because I know from running arts organizations that you run your eye down the list of grants, and it's really come from your own fund-raising activities for the most part and from different levels of government. So any infrastructure money that comes, really the difference that makes to cultural product and to artists just means you're working in a less drafty location or a nicer location, but, you know, it's not putting artistic product out there. The one exception to that is that there are some artistic endeavours that we can't get into because we don't have the space for it. I know that I heard a plea from Heather Redfern at Catalyst Theatre around that, and I think she's applying for Cultural Spaces money so that they can improve their space and what they're able to offer.

The minister is absolutely right. In my time in the arts the biggest competitors in fund-raising now for the arts community are the health sector and the education sector, and that I will put right back at you because I think that clearly reflects what's happening for funding from government in the health and education sectors, not on the minister's plate specifically but certainly on the government's plate.

Again, around the CIP program, the community initiatives program, let's be fair here. There's less money available overall. There is a cap on the grants of \$75,000. Over a certain amount it had to be matched, so that's additional effort from the organizations to come up with more money and more effort to match the funds that are available there, and there was less money in the pot total. So it's quite a different program and comes nowhere near to replacing what we had with the lottery boards.

I'd like to move on now briefly to talking about the sports. Again, very glad to see an almost \$2.6 million increase in the sports. A couple of questions. I noticed the expected money going to the NHL

teams is up, and I was wondering what would make the minister believe that's a flow-through. Where am I seeing that? I'm sorry that I don't have the vote number for you on that, but it is the NHL ticket money. There it is; sorry. Page 74 of the budget estimates, 2.2.4, and there's an increase there going from \$4.834 million to \$5.750 million. Is that money coming directly from gaming, or what is giving the ministry the belief that they're going to make 900,000 and some dollars more through that flow-through initiative? What's making them think that that's going to be more money?

I have questioned the minister and corresponded with him about the Masters Games in 2005. I am specifically looking for a commitment from the minister that there will be a contract that will involve some portion of the money coming from the provincial government to the Masters Games 2005, a contract that sets out expectations and outcomes expected for a cultural component. I was impressed with the work that the federal government has in place around contracting for athletic endeavours and the money that they put into the cultural component. We can easily piggyback on the work that they have learned, and I think that we need to because I was not entirely happy with what happened around the last one we had, which has totally gone out of my head. Two years ago. Totally gone out of my head; I'm sorry. If I can remember it, I'll come back to that one.*

The minister mentioned the health and fitness aspect of amateur sports, and a question that I've raised with the Minister of Gaming and I'll raise again here is: why is there such a struggle for adult recreation and athletic organizations to secure licences to hold bingos and casinos to raise funds to offset the cost of their programs? It seems to be a real problem for those organizations to get access to that money, and I think that we need to address that. So, again, it's a cross-departmental initiative, but I'd like to see the minister being aggressive on this one if he can. Again, I'm happy to see the extra money that's going in there. Much needed, and a huge payoff as far as health and wellness for our citizens plus general well-being and stress reducers and all of those things, so congratulations on that.

Moving to the volunteer sector. Again, a small increase there of a million and something. Glad to see it. The board developments section that is in Community Development, particularly those that go out to facilitate conferences and workshops – there are a number of staff in that department that have developed quite an expertise, and I'm wondering how many facilitation projects has the staff from Community Development been involved with in the last year, and how many are they expected to be involved with this year? How many staff and subcontractors or people brought in from outside are involved with that, and how much money is paid back into the ministry when those services are used by other government departments or other organizations?

A couple of questions around human rights, page 100 in the business plan, the section that's called Protect Human Rights, and Promote Fairness and Access. The '01-02 budget was \$5.7 million, the '02-03 budget is \$4.5 million. Then we're going to \$4.8 million, and it stays at \$4.8 million across the three years of this business plan. I'm wondering: what caused the dip from \$5.7 million to \$4.5 million? What reasoning does the ministry have behind settling on the \$4.8 million as a reasonable amount of money or an adequate amount of money to be funding the protecting human rights and promoting fairness and access sector?

9:00

I have a standard series of questions, which I think the minister already has his hands on, that I tend to do every year around the human rights cases. I'm looking specifically for the number of cases that were brought to the Human Rights Commission, the number of cases that were received or accepted for review and work by the

Human Rights Commission, the number of cases that went forward to the commission, the number that were settled, and the number that are outstanding.

I also have noticed quite a difference in the profile of the Human Rights Commission over the last several years. Could the minister please give me some general comments on whether there has been a deliberate change in policy as far as the profile of that particular commission or whether it's just been a sort of general erosion or lack of attention to detail or lack of love from somebody? Why am I seeing less profile from that particular commission? There's quite a change: less advertising, fewer posters, less visibility, fewer staff people sent to conferences, et cetera, so overall a general downgrading in the Human Rights Commission and its visibility in the community.

Historical sites. Specifically, I had a request to raise an issue around a property built by John C. McDougall in 1912-13. It's been put up for sale by the province, and I'm questioning whether the minister would be willing to look at a provincial designation for this house. This is the son of the original McDougall. That original McDougall house was destroyed, so this is the son's house. It's the only one that we have left, and the province has put it up for sale. It is on the B list of protection for the city of Edmonton, but they are really not in a position to upgrade that to an A list, and it's quite possible that the property could be sold and demolished and we would lose McDougall house, the son's, the second one. It's not the original one. The original one is gone. It's the one built in 1912-13. So I'm hoping that I can turn the minister's attention to that, and hopefully we can get some protection provincially under the auspices of the minister for that house. It would be a shame to lose that out of Edmonton's historical archives or historical buildings.

The libraries. There has been, as the minister noted, a small increase to both the systems and to the individual libraries. It has not gotten us back to where we were. It has not restored us to where funding would have been if we'd continued with regular funding. What is the plan that the minister has to get us back to some operating level of not adequacy but excellence over, let's say, the next five-year period?

The next question is around the effect of the bingo changes. I'll come back to that one.

I've had a request to raise the issue around the Grant MacEwan interpreter training programs. There has been a proposal to restructure the ASL/English interpreter program through Grant MacEwan Community College. They were approaching my colleague from Edmonton-Gold Bar for assistance in advocating on their behalf. They believe that the ASL/English interpreters are helpful in better integrating deaf and hard-of-hearing people into the inclusive mainstream, and as the interpreters are better trained, more deaf people have easier access to pre- and postsecondary educational institutions. They would like to keep an interpreter program in Edmonton. Now, I understand that this is probably not the minister's area of influence, but anything he can do to support this program is appreciated.

The legacy grant program. When the minister was talking about the \$25 million, can I just confirm that he was talking about the \$25 million that is in fact under infrastructure? Could he please confirm that there are no additional funds aside from the infrastructure funds that are under his department currently? I'm questioning that because we are two years out from this celebration. There does not seem to be any money, or any specific grant pot of money, for those organizations that were looking to do activities that were non brick and mortar and that were looking for financial support for those projects. Can the minister please confirm this or, if I'm wrong – and I hope I am – tell us where this money is and how they apply for it, under which department, what deadlines are involved, et cetera?

*See p. 1551, left col., para. 9, line 4

I'm also looking for philosophically, if there is no additional funding, if there's just the bricks-and-mortar infrastructure funding for the legacy program, why the government has made that choice. With the 75th anniversary there was provincial funding to support communities doing historical books on their area. They weren't large grants, but they were helpful to communities as an impetus, if nothing else, to do the project. I'm curious as to why there is nothing specific that seems to be available this time around for the 100th birthday. We're only two years out. That's not a lot of time.

I'm moving on to women's issues. I hear what the minister is saying around gender analysis, which I find very interesting. When I first raised that in this Assembly seven years ago, I was laughed at. Now it rolls off the minister's tongue. How interesting. I'll take it as a good thing that we've moved through to that. I am interested in what the gender analysis is that the ministry has done on the programs that are available that are offered by other government departments. I continue to be concerned that there are systemic barriers in place that are not being identified that are stopping women from accessing other programs in government, and I would like to see a comprehensive analysis done by the staff people under the ministry to check that the government is being as accessible as possible.

9:10

In just doing some cleanup in the few minutes that I have left here, I'm wondering what the minister is looking at doing around sports and the funding of the snowmobile trails and whether there would be any increased funding in support of a trail system or whether the minister has approached his colleague the Minister of Economic Development and tourism for these multi-use trail systems or specific to a snowmobile trail system. Right now they are looking for a stand-alone trail act. They feel that they're dealing with 23 different legislative acts and would prefer a one-window approach. They're also looking at a mechanism to protect the trail base through some disposition of some kind for recreational corridors so that the development and maintenance investment is protected and the trail is secure from year to year. I'm wondering: could we get an update, please, from the minister on the Alberta Trail Net system and where negotiations are for that trail system progressing through Alberta and linking to the Canada trail system?

Where is the province in developing a mechanism to limit liability to not only trail operators but landowners for recreational purposes – I think this is occupational liability that they're looking at – to have the province develop consistent trail guidelines and standards across the government and to acknowledge and support the trails which are established along secondary highway right-of-ways so as not to sever the connectivity of established trails? The Snowmobile Association is feeling that they're under threat for existence because of the outrageous insurance premiums or unattainable insurance coverage for volunteers because of the programs they're trying to offer, and they're looking for support to do that, especially legislative mechanisms. That's a larger topic for the minister, and he may want to respond in writing on that one.

I think I'm within seconds of losing my time, and I've covered almost everything on the list. I'll have to come back on the bingo changes and some of the specific financial questions, but I know that others want to get a chance to get up.

Thank you very much.

The Chair: The hon. minister.

Mr. Zwozdesky: Thank you very much. I remember the hon. member's opening comments about the school of fast talk or

whatever it was, and she has certainly put a lot on the record here. I'll address some of it now and perhaps will follow up in writing on some of the others.

The first issue was with respect to the four cultural industries. I would agree that overall they're doing not too badly. The film industry in particular is doing very, very well, as we know, and this injection of dollars there will help them a lot. I should say, hon. member, that that increase in funding came about in part because of an economic impact analysis that had been done, and it showed them and us and everyone else exactly what that impact was not only from an economic basis but also from a cultural, artistic, and development basis. That's one reason why when the Alberta Recording Industry and its president, Garry McDonall I think at the time, came to me a couple of years ago and said, "We really need to do something in this area," – well, being of musical background first and foremost myself, I'm very sensitive to that area – I agreed. So we studied it for about a year or so and tried to figure out how to do it, and we put about \$30,000 toward an economic impact study in the recording arts industry, and that will help them.

I have said publicly that the next one I'll be looking at is what can be done in the magazine and periodical publishing side as well as in the book publishing side. I'm not sure what we can do there, but I am willing to take a look at that particular point.

The other issue is with respect to the competition of dollars that I referenced and then I think the hon. member rereferenced. I realize that there are many, many different projects that require different types of funding, but I think that specific to the health care area, where our provincial contribution is now over \$7 billion, which is about a third of our total budget, we need some corporate partners to help accomplish some of the projects which they are bringing to the table.

One excellent example of that is the Alberta Heart Institute. Now, I was in the Sikh community here, as I have been almost every weekend, not long ago when this particular project was talked about, and the Alberta Sikh community is now doing a specific fund-raiser for the Guru Nanak Dev healing garden, which I know the Member for Edmonton-Strathcona also knows about. Perhaps others do as well. So they will be looking for dollars from the community for that project, and it's a good one. But, again, there are only so many dollars available. The same thing can be said for the bone and joint centre of excellence that'll be coming up in Calgary, the Stollery children's centre, and the list goes on and on. So these are all excellent projects, but it does create a healthy competition; I would agree.

The issue of capping of \$75,000 in the CIP program, or the community initiatives program, that the member referenced. I realize there is a cap there, but by the same token the Minister of Gaming, as I recall, will have some review of your comments, and I think he's going to have some flexibility to take a look at some additional projects and perhaps lift that cap where it might be appropriate. I don't know what his exact intentions are, but I'll certainly raise that point for him.

The other point that the hon. member mentioned was with respect to NHL teams, and I want to just comment that the Alberta NHL team initiative, which appears in the ministry estimates, Mr. Chairman, on page 74, does in fact reflect flow-through-type dollars. To answer the member's question, it's Alberta Revenue, or specifically the Minister of Revenue, who actually collects the tax that is levied on NHL players for games played in Alberta.

The \$5.75 million that appears in the estimates is really the projected proceeds that we expect will be split evenly between the two dynamic hockey teams that we have, those being the Edmonton Oilers and the Calgary Flames. The proceeds less a small amount of

administrative costs will help these two teams remain competitive in what we call a small-market environment until the NHL and the players sit down and do their collective agreement negotiations, which I think is coming up in 2004-2005. So in the first year what you'll see, because it's a new program being set up, is probably in the order of about a \$350,000 to \$400,000 administration type of deduction off that flow-through amount, and in the next year it'll be less than that. We have some putting together to do in the first year; there are a lot of setup costs, in other words. So that's a comment on the NHL teams issue. I don't know if there's anything else specific to what the hon. member mentioned in terms of the line item. I think she cited 2.2.4. Is that right, hon. member? So I think that sort of covers it, but if not, I'll review your comments and see if there's more fleshing out that needs to be done.

With respect to the World Masters Games I do share the member's passion for wanting to include a specific component for the arts and culture segment of society within those Masters Games. I think I answered this question in the House for the hon. member before, although I don't remember vividly exactly what it was that she was asking. I think it was similar. But I will assure the member that there will be a strong arts and culture component to the World Masters Games. I think it will appear in the contract, as you indicate, and since I am sitting on that board of governors, I will ensure that there is a portion that goes toward helping out that particular sector as we did with the 2001 Worlds too. It was the same type of arrangement.

I should tell other members of the House who are interested in this particular issue that for virtually all of the major sport events that we as a province participate in and fund through the Alberta Sport, Recreation, Parks & Wildlife Foundation, we also build in by contract a cultural component, and we provide money from the Alberta Foundation for the Arts for that component, be it whatever percentage amount. So we do that very consistently, and I see no reason not to do it with the World Masters Games event as well.

9:20

The issue of health and wellness that was mentioned and the struggle that adult sporting groups have with respect to accessing casinos and bingos is an issue I've spoken directly with the Minister of Gaming about. I've spoken with the Minister of Justice about it, and I've raised it at the FPT tables. I can't remember; where were we for the last sport one? Was it Ottawa or somewhere? Quebec? Bathurst? Thank you. Bathurst, New Brunswick. We got stranded, in fact. I'll remember it better next time. I did raise this issue, and it seems to me that there is some degree of complication with respect to the fact that that particular industry is regulated. I think it's under the Criminal Code of Canada, if memory serves me correctly, and as a result I have to deal with it at the federal level more so than at the provincial level.

I have received a very powerful lobby from some local groups and organizations here. The Alberta Sport Council I think is the one in particular. I took their exact argument and their exact notes with me to the federal table, and I have to tell you, hon. member, that I didn't get a very warm reception, because I couldn't get it on the formal working committee agenda yet. But it is coming for a larger discussion. Again, I don't know what the outcome will be, but I was quite passionate about it because it seems to me that under the current rules we have the ability to provide for casino licences and bingo licences and whatever else for the one- to 17-year-old crowd. Then we start again at the 65-year-old-plus crowd, if memory serves correctly, but we lose this huge opportunity of that major group in between.

The rationale for it is: well, most people over 18 or 19 are now

working for a living, and they don't need these kinds of casinos and bingos to support them. Well, I would argue that a little bit differently. I think we lose on the continuum of a good habit that gets started that sometimes gets lost. Some of us are able to stay active better than others, and some of us wouldn't mind a little bit of encouragement. So I did put that agenda item forward. I don't have a response yet, and I'm not sure what success I'll have, but I just wanted the member to know that I have referenced it in that context.

The issue of board development facilitation. I agree with the member. We do have a lot of expertise through Community Development, specifically through the Wild Rose Foundation and the community services volunteer area within that department, and we are frequently asked to help facilitate a number of different board development programs and/or in the case of government of Alberta projects things like the various summits. I remember vividly the Alberta Future Summit, which I had a very large role in working on. Our staff did an incredible job, as they have done in many other areas. I'll try and find out an exact number for your answer as to how many staff members we have there. I don't recall how many, if it's one or two or three. We don't have a whole bunch of people doing it, but the people we do have are very dedicated and committed. Nor do I have an exact number of how many different types of development facilitations we may have done over the last year or two.

I would now turn quickly to the issue of human rights in the province, and I know the member had indicated that she'd likely be pursuing this. The thing that I would tell you before I get into the specific answers, hon. member, is: what we've noticed with the complaints that are coming in is that they are becoming more and more complex, I'm told, and the legal nature of the human rights work that is being presented is also becoming more challenging. As the member will know, the Alberta Human Rights Commission is totally independent from government. They are very arm's length, so I don't have the ability to exercise any ministerial prerogative, if you will, over the decisions that they make. Nonetheless, the most frequently cited area, as I recall, is employment.

For the number of complaints that were opened and closed in 2002-2003, those statistics go like this. The commission opened 835 complaints in 2002-2003, which is about 63 more complaint files that were opened in that time frame than for the previous year. It's 151 more complaint files opened than the average number opened in the previous four years, in fact. The basic complaints are very wide-ranging in nature and affect individuals with disabilities, and some of them have wound up in higher courts of appeal, as the member knows. Harassment and violence and all kinds of other things are tied in here. It's a very sensitive area, obviously. Nonetheless, in terms of the cases closed in the 2002-2003 year, which is the latest statistic I have, hon. member, 835 were opened in '02-'03, and 772 were closed in the same year. So that left us with about 63 ongoing files that had varying complexities.

I should tell you, hon. member, that I received some information on this. I know that we have about 40 full-time staff working there, and we have a very low staff turnover in that area. It's a very dedicated group of people who serve there. But here's the point I wanted to make if I can find it in my notes here. There were something in the order of 10,000 or 11,000 hits to the web site for a given month, with an average time spent of about 10 to 15 minutes. It tells me one thing. Well, it tells me a lot of things. It tells me that there is an increased awareness of human rights in this province and perhaps an increased need for human rights investigations and so on, but I think that's a good thing. I think it's a very good thing for people to take advantage of that. As I indicated, about 80 percent, which is the majority by far, of the complaints coming in are employment related.

Now, there are other questions that I think the hon. member asked. I couldn't do the shorthand fast enough; otherwise, I'd provide the answers. But I'll look at it and take a look at what the specifics are and get back to you.

On the issue of human rights visibility, or the commission's visibility I think you mentioned, as the hon. member probably knows, we have the Human Rights Commission, which investigates, reviews, and decides on complaints, and then we also have the Advisory Committee on the Human Rights, Citizenship and Multiculturalism Education Fund, which is a grants-making body separate from that one, but they sort of work together on a lot of these ideas. The visibility piece is a good one that the member mentioned, and I think you will see some increased visibility relatively soon on the multiculturalism education side. I'll talk to the commission people through the deputy about what they might or might not be able to do with increasing the Human Rights Commission side of that visibility. We've received quite a few calls and inquiries from our multicultural/ethnocultural community with respect to the same issue, and that is the visibility of it. So we are going to be doing something about that very soon. I'm working with the chair of the Advisory Committee on the Human Rights, Citizenship and Multiculturalism Education Fund, the Member for Calgary-Montrose, on a new initiative that will be coming up very soon which he is championing, and that's a good thing.

One other thing that is doing a lot, hon. member, to help increase the visibility, as you say, or the awareness of the Human Rights Commission is that they recently partnered with the Alberta chambers of commerce. I don't know if you're aware of that, hon. member, but you know the awards that we used to do down at city hall? We'd have a gathering and typically, not to criticize, we'd get 60 or 80 people out. It was a good group of people who care a lot about human rights, but it wasn't getting out far enough into the community. So I compliment the Human Rights Commission in Alberta for taking that initiative of the awards ceremony and working it through with the Alberta chambers of commerce to have those presentations done in the presence of and with the co-operation of the chamber of commerce groups. As we all know, those are largely our employers. So it seems to be hitting the nail squarely on the head for the type of stuff you're talking about, and it ties in very well with what I said earlier, that about 80 percent of the complaints we get are employment related. So what better audience could you want? I think that is a very key point, and I congratulate them once again for doing it.

9:30

On the McDougall house designation, as the hon. member knows, it's a good question she's put forward, but there is a process in place with the Alberta Historical Resources Foundation, and I'm sure that they will read through *Hansard* and see what can be done about considering that place for possible designation. I'm not aware of exactly which house it is that is being referenced. I certainly know the McDougall story in part, and I've met some of the offspring from the original McDougalls, but I don't know anything about the province necessarily owning it or necessarily putting it up for sale. We'll try and track that down. If the staff who are listening could undertake to jot that down, we can follow up on it.

The issue about libraries. What has been restored, hon. member, is the per capita rate. It was \$4.29 back in 1993, and it was cut to \$4.03 for the operating grant part of public libraries. What we were able to do this year with our own moneys in Community Development is restore the per capita grant for public libraries' operating costs from \$4.03 back up to \$4.29, and we're also using 2002 listings, so that makes a very large difference to those communities.

Now, some are benefiting more than others. For example, I think the public library in Edmonton will be getting something like \$245,000 more or thereabouts, and the Calgary public library will be getting probably slightly more than that because they have a larger population. Nonetheless, that's a good thing.

The Grant MacEwan project for the benefit of the deaf and hard-of-hearing community. I knew that the member would be asking this. Actually, I was expecting Edmonton-Gold Bar to ask it, but I was pleased that the Member for Edmonton-Centre asked on his behalf. What I can tell you is that I did speak with the Minister of Learning about this a week or two back when it was first brought to my attention, and my staff did a little follow-up in the meantime. We are continuing our commitment to help our government improve our communications with Albertans by providing quality, co-ordinated, and as cost-effective as possible communication services with the transfer of the responsibility for deaf and hard-of-hearing contracts from PDD boards directly to our department.

Now, that doesn't speak to the education piece, which I think is what the hon. member was asking about. That part I will refer to the Ministry of Learning for follow-up because in regard to sign language studies at Grant MacEwan College, I believe it's the Minister of Learning that is responsible for it.

I know that there's a need to continue bringing onstream trained, qualified individuals who have that particular skill. At many functions that I go to now, I see sign language interpreters. In fact, we had one in the House this afternoon, just behind the hon. Member for Edmonton-Strathcona and up in the gallery, who had a group for whom she was interpreting. It's an exhausting job, it's a highly skilled job, and I would certainly support anything that we can do to continue . . . [Mr. Zwodzesky's speaking time expired]

The Chair: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Chairman. It's a pleasure for me to be able to rise this evening to ask a number of questions, actually, of the minister as well. Clearly the minister may or may not be able to answer them fully this evening, perhaps just a few comments, but perhaps he could get back to me later on some of the more complex issues.

First, I'd like to start by thanking the minister for the hard work and dedication that he's shown in this department. I do get a lot of positive comments, actually, from constituents and other people. The minister has built quite a reputation in a difficult and very diverse portfolio. When you cover everything from special places and parks to the arts community to sports, human rights, and the list goes on, clearly it's a difficult portfolio with a lot of demands and a lot of people asking for money and obviously a very limited supply of money.

The first question that I'd like to put to the minister is in regard to the arts. Of course, we've heard quite a bit about the Victoria school for the arts in Edmonton, a proposed \$60 million in funding and quite an exciting project for Edmonton. The hon. Member for Edmonton-Meadowlark of course has been quite involved in that. I'm wondering what role, if any, Community Development might be able to play because, obviously, with all the publicity that Edmonton is getting with this exciting project, there are many in Calgary asking why Calgary doesn't have a similar project, and why can't we start something, and would the Community Development portfolio have anything to do with fostering that or perhaps helping promote or get something started there?

This subject of course has been bantered around for years. As alderman for ward 8 on city council, part of ward 8 was Victoria Park, which has a Victoria Park school not dissimilar, in fact, to the

Edmonton project, a beautiful old sandstone that was closed by the school board, lots of exposure, right at the front door of the Stampede grounds. It's been proposed that it would make a great school for the arts. Or better yet, I guess, from my perspective now, King Edward school, which is located in Calgary-Currie, again a beautiful sandstone school recently closed by the school board.

That actually brings me to a third question that I'm wondering about in terms of centennial projects, because in addition to looking at King Edward school as perhaps a great location for a school for the arts, there is a question about the fact that there's no proper bell in the bell tower at King Edward. Never has been; a little bit of historical trivia there. When Bible Bill, William Aberhart, was the first principal, a bell was ordered for King Edward school back at the turn of the century, and it was ordered from a foundry in England. Unfortunately, that bell was shipped on a ship called the *Titanic*, and consequently Bible Bill didn't get his bell. So a lot of people have been talking about a potential centennial project and were wondering whether funding is going to be available or not in that area.

My third question. Because some of the headquarters of the film development industry in Alberta of course are currently located in Calgary-Currie as well, I do get questions about funding for the film and movie industry. Particularly, the recent announcement of a potential \$25 million cutback from the federal government is causing considerable consternation within the industry across Canada. I'm wondering if the minister's department has thought of if it actually occurs and if there is some fallout there, would there be any opportunities, I guess, for Alberta? Is there any way we can look at that as potentially drawing people to Alberta that maybe have been located elsewhere in the country? Toronto, for example. While it's bad news overall, sometimes there's a silver lining in the clouds. Have we looked at whether or not there are any opportunities there? Has the department looked at that?

The fourth issue, certainly of major interest to us in Calgary right now as well as people in Edmonton, is the centennial program, which includes the upgrading of the Jubilee auditoria in Calgary and Edmonton. Now, I know that the funding for centennial programs is found in Alberta Infrastructure for this project, but my question here focuses on the refurbishing which is going to be managed, apparently, by Community Development. I'm wondering if the minister can explain to us any significant change or changes that might take place that would affect current users and audiences. Of course, there's been a good deal of concern from some of the current users as to where they might go in the interim during this period of refurbishment because it may be financially ruinous to them if they do not find a suitable location to be able to go to.

I guess the final thing I might ask the minister to comment on – he may not be fully prepared to lay out the whole program – of course is the issue of the finishing of the special places and parks across Alberta and the recreational corridors review committee which recently turned in its report, one which was ably chaired by the Member for Lac La Biche-St. Paul and which I also had the pleasure, along with my colleague the Member for West Yellowhead, of turning in a report on. We're wondering if there's been any progress, direction, or where more work needs to be done in that regard. If the minister could perhaps comment on that as well.

Thank you, Mr. Chairman.

The Chair: The hon. minister.

Mr. Zwozdesky: Thank you, Mr. Chairman. I'll move through this as quickly as I possibly can. The first question from the hon. Member for Calgary-Currie pertained to the Victoria school of the arts and the upgrades that they're getting with the \$60 million grant

that was undeferred recently and what role Community Development can play in that regard.

Well, we don't play any role with respect to those specific moneys, but I'll tell you what we do through our Alberta Foundation for the Arts that impacts that whole area of artistic development. We'll be providing about \$29 million this year for arts overall, including the film component. Here's what's critical to know about that. It's where those grants are going and the impact they're having which in turn helps feed and bolster what Victoria school for the performing arts is doing. I have a great affinity for it because I used to teach there, and I happened to teach languages and music and drama and so on. So I was there when the television program started, and I'm very tuned in with what they're doing.

9:40

The types of grants that we provide through the Alberta Foundation for the Arts courtesy of lottery dollars provided by the Ministry of Gaming include study grants; operational assistance grants; festivals, which I talked about earlier; specific project support grants; commissions – we buy artwork and stuff like that; we give out awards such as literary awards, which will be given out this coming Saturday for example; various competitions we fund; and we fund summer schools. So there's a lot of that, and much of it is youth oriented.

We also have a fairly active program, the name of which just escapes me right now, where touring groups are able to go to different schools with their productions. I recall seeing the production of *Snow White* by the Alberta touring alliance or something close to that name. That's not the proper name; I've just lost it momentarily here. Now, we provided them some grant funding, and they take that production and tour it out to all the schools, and we're talking anywhere from about grade 4 up. So they have a tremendous impact through grant dollars we provide, and that does impact students who get interested in it and will perhaps go on to the Victoria school of performing arts. Why isn't there one and can't one be done in Calgary is a good question. I don't know the answer to that, but I do know that we have a centre of performing excellence here in the Victoria school.

I can't help you, hon. member, with the King Edward school bell. I don't know that project, but the simple answer to whether or not centennial funding would be available in the coming year is: not at this time. We don't have any capacity for additional dollars yet, but there are a number of people who are asking me that question, so I will put the question forward through our process and see what happens.

I appreciate that Calgary-Currie is the headquarters for many, many film and video companies. I have been there. I have toured the site on a couple of occasions. I am very impressed with what's going on there, and I'm devastated, as you are, with the rumoured cuts to the Canadian television fund by the federal government. What I would tell you in response to your question, hon. member, is this: if they cut that \$25 million out, we will lose six of the seven major television projects that were scheduled to occur in this province, and that's why we're fighting very hard. That will have an economic impact of somewhere between \$10 million and \$20 million in dollar terms.

It'll have a far greater impact on eroding the delicate and fragile and highly mobile film infrastructure community of crews which we rely on not only for our own indigenous productions but that a lot of offshore companies rely on when they come here. It's not only the mountains and the badlands and the beautiful long, sunny, clear days that we offer here that attract these film producers from around the world, whom we do not fund by the way, but they come here because

it's economical for them to do business here, and they can pick up a crew – a sound, film, lighting, et cetera, crew – like that. But we have to do what we can to ensure that that infrastructure remains there, and that's why I've written to the federal minister asking her to rescind, and I hope that she's done that.

The Jubilee Auditorium upgrades. I've answered part of that before, but I would just tell you very quickly that the two Jubilee auditoria, based on what I last saw from the architects, have confirmed that they're going to provide a better house handling system for air flow. They'll be reraking; in other words, reinclining the theatre space where the audience sits for better sight lines. They'll be improving the acoustics. They will be improving the foyers that about the viewing area and a number of other things.

Anyway, they've really got quite a lot in mind, which is why we have to close both places down for an extended period of time, likely about a year, to get it all done. It's not something we could do piecemeal. We looked at trying to do that. It's nothing we can do in a phased-in approach of a month here, a month there. It has to all be done at once, and we've reviewed that thoroughly.

My final comment is with regard to special places, and I was getting to that when the time ran out and I was trying to answer the Member for Edmonton-Centre's questions in that regard because she did reference snowmobile trails. I will give her a longer answer in writing on this.

I know that the Recreation Corridors Legislative Review, that was done by the Member for Lac La Biche-St. Paul, who chaired it, along with the Member for West Yellowhead – and I believe the Member for Calgary-Currie was also involved – did an outstanding job, had consultations throughout the province with hundreds of groups, including letters, e-mails, phone calls, and so on. They've dealt with a lot of very sensitive issues impacting the whole issue of recreation corridors. I can't remember the exact number right off the top of my head, but it seems to me that we have about 15,000 kilometres of trail already throughout the province of Alberta. Some of them are better linked than others. There are gaps in a few places, and I know that they are looking at how to address that while also bearing in mind the very highly charged and sensitive concerns that a lot of individuals have in some of the other areas.

It's not a huge problem for us in the larger urban centres, and it's not a huge problem in places like the trail that goes from St. Paul, maybe, to Elk Point. I just forget. Iron Horse or something like that it's called. It's a wonderful trail because it's built on an abandoned railway line, as I recall. I toured that one; we drove it, actually. It was fantastic, absolutely incredible. We went through all the fences, locked them all up behind us and so on.

I am impressed with what the committee has put forward. I'll have the report coming onto my radar screen very soon, and I'll be responding to that and taking it through our process.

Suffice it to say that the hon. Member for Edmonton-Centre mentioned the need for more snowmobile trails. I would agree. I think we do need some of those. They have to go in areas where they are permitted to go, and there is an upkeep factor there that we look for local groups to help us out with. But I want to go on record once again saying that we are not going to be looking at or helping out with trails or whatever in those areas where a local municipality hasn't first given the okay for them to occur. That is something that currently exists as a right within the Municipal Government Act, I believe it's called, the MGA. That right will remain that way. It is not our position as a provincial government to overstep what's in municipal legislation. Those people wanting trails in different areas will need first to have the approval of the local municipality in the instances that apply.

With that, hon. member, I think I will take my seat so that others can ask any questions they might have.

Dr. Taft: I will quickly get some issues up about PDD, which, after all, accounts for a good majority of the minister's budget, and there will be other questions which we will provide to the minister in writing because we have many other issues to cover, shall I put it that way.

I'm on page 91 of the estimates, funding for PDD boards. One of the problems with PDD boards in the past has been that in fact what appears in the budget is not what finally gets provided to the boards, and it's a parallel problem to what happens to the regional health authorities. Their planning process is behind the fiscal cycle. Can the minister explain to us whether these current estimates are really what's going to finally be provided to the PDD boards, or if not, when will those figures be finalized? Indeed, what is the budgeting and planning process for the boards, and how does that fit into the budget cycle? I think it's the case that some boards don't get their budgets and business plans finalized until well into the fiscal year, which in my view is poor management.

Last year a number of PDDs were concerned about deficits. The funding levels this year rise by about 8 percent, but that's about what they rose by last year, and last year they had deficits, so I'm concerned that this year they may have deficits again. So how many boards are projecting deficits this year, based on their plans right now? Interestingly, how many are taking on new clients? More importantly, what is the net number of new clients? In other words, each PDD board loses and gains some clients as the year goes on. What's the net increase in clients expected to be? Will PDD boards be allowed to run deficits this year? Is that a possibility for them? If not, what direction does the minister expect to give PDD boards if they are projecting deficits? I'm trying to go very quickly here because I know the Member for Edmonton-Strathcona has some issues he'd like the opportunity to raise as well.

9:50

When it comes to waiting lists for PDD services, which have come up in question period a couple of times recently, what is being done to streamline the intake process for PDD clients? Is the assumption there that this process is as efficient as it could be, or could we perhaps improve that, streamline it and speed it up?

I will send a number of other questions to the minister in writing, but one other set concerns the Eric Cormack Centre, just a few blocks from the Legislature. There are plans or rumours of plans going around that the Cormack Centre may be phased out or closed down. What are the future plans? The minister is shaking his head. Either he's puzzled or he's just saying no. Anyway, perhaps he could provide it in writing so we don't consume too much time here. What are the future plans for the Cormack Centre? How does it fit into the long-term plans of PDD?

The rest of the questions here I will submit to the minister in writing, and I'm sure, in fact, that he will respond in writing. I'd like the Member for Edmonton-Strathcona to have a chance too.

Thank you.

The Chair: Hon. minister, I've got about four or five other people on the list.

Mr. Zwodzesky: I just want to say that I will provide the answers in writing, and I'll defer to the next member.

The Chair: Okay. The hon. Member for Edmonton-Norwood.

Mr. Masyk: Thanks, Mr. Chairman, and I appreciate this opportunity, to the minister. The minister recently announced along with His Worship Mayor Bill Smith that Edmonton would be hosting the

2004 Junos. Will the minister explain how this fits within the ministry's business plan and how the provincial contribution is being funded?

If I may add also, the Community Development budget includes a \$19.8 million increase from the Alberta lottery fund for the arts, recreation, sports, human rights and citizenship, education, cultural diversity, volunteerism, and heritage programs. In the Community Development business plan one of the challenges identified is "increasing demands generated by community needs within the arts and culture, sport and recreation, and voluntary sectors." How is this ministry going to address these challenges?

Thank you.

Mr. Zwozdesky: Again, Mr. Chairman, just for the record and in deference to time and other members who have questions, I'll undertake to respond in writing to the hon. Member for Edmonton-Norwood, and I thank him for those good questions.

The Chair: Okay. The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Clover Bar-Fort Saskatchewan, followed by Whitecourt-St. Anne. Edmonton-Ellerslie: yes, okay. I've just got a question mark, so you're in there.

Dr. Pannu: Thank you, Mr. Chairman. I want to start by complimenting the minister for his diligence in answering questions and his agreement to answer questions in writing if they're submitted, if he can't put them all on the record now. I want to thank him also for a detailed answer that he gave to one of my written questions some months ago. I appreciated that. That had to do with the Human Rights Commission's waiting times.

I may put three specific questions on the record now, and the minister can answer them along with others that may come from me in writing. Minister, one of your responsibilities, of course, is to preserve and protect the cultural and natural heritage of Albertans. I presume this includes sites of heritage value in urban areas as well. In my constituency is an area that's come under increasing pressure from the university's expansion eastward, and the community league has been very, very concerned about the potential for university encroachment and, therefore, in the long run the disappearance of this historically very, very important area of Edmonton, Alberta. I wonder if the minister can let me know what kind of help Garneau community residents can expect from his department as they make attempts – and they've been doing it for a long time – to protect the area because of its heritage value and historical significance. So that's one.

The second quick question, again about the Whyte Avenue damage by fire some months ago. You're aware of it. I was in Montreal just about two months ago, and someone stopped me on the way and said: "I saw you on the TV. You are the MLA for that area that got burnt. Oh, my goodness." So, again, are there any resources available from your department to help the community and the property owners there to restore the area that was burnt down so that the general significance, both commercial and cultural, of Whyte Avenue can be restored and preserved? There's the second question.

The third one, Mr. Minister, has to do with a natural area that needs protection. I have been presented petitions here from Calgarians in the hundreds over the last month and a half. The area in question is the Evan-Thomas provincial recreation area, and the petitioners of course have been asking that this area plan be revised so as to disallow any further commercial or residential development in and around it, including the Kananaskis valley, and to redesignate this Evan-Thomas provincial recreation area and adjacent unprotected public lands and expand them as a provincial park.

So I hope that you'll be able to address those questions specifically because they have become my concern. Two of them come from my constituency. The third one is, of course, that Calgarians have been sending us lots of petitions on it.

I will cede my turn to some other members who might want to just raise questions, and I'll be forwarding some questions to you in writing.

Mr. Zwozdesky: Once again, Mr. Chairman, I'd be happy to undertake to provide those in writing. I have the answers. I know the answers, as I did to the previous questions, but so that others can get their questions on record, I'll cede the floor to them.

The Chair: The hon. Member for Clover Bar-Fort Saskatchewan.

Mr. Lougheed: Thank you, Mr. Chairman. Mr. Minister, we know that your department is responsible for the Premier's Council on the Status of Persons with Disabilities and has been very receptive to the discussions that have taken place over the last while, especially about the Alberta disability strategy that council members put together over a period of several years, actually, and then released back in December of 2002.

The disability strategy, as you know, identifies eight major objectives that the council members believe the community has expressed as their priorities to move forward as soon as possible. Briefly describing them, those priorities would be to increase awareness and to ensure that their daily living needs would be met. The removal of physical barriers is important. They would like to see a streamlined appeal system. They feel that there should be more individualized support, something that the community has termed a community supports model.

In addition, improved access to education at all levels and the need to separate income support from disability support. One of the aspects of this that's probably most poorly understood by members of the general population is that not only do members of the disability community need those income supports, but they in fact need additional supports, depending on their disability, to get going in the morning, get off to work, just even to get started on their day, and those requirements may consume a large portion of any funding that they may receive.

Then the eighth priority that the council members believe needs to be addressed is employment support. It's been said many times in this House that the best social program is a job, and that certainly applies to the members of the disability community. The goals of the community are to attain full citizenship, and full citizenship is a platform which stands on four different legs, four different pillars, those being . . .

10:00

The Chair: I hesitate to interrupt the hon. Member for Clover Bar-Fort Saskatchewan, but pursuant to Standing Order 58(4), which provides for not less than two hours of consideration for a department's proposed estimates unless there are no members who wish to speak prior to the conclusion of the two hours, I must now put the question on the proposed estimates for the Department of Community Development for the fiscal year ending March 31, 2004.

Agreed to:

Operating Expense and	
Equipment/Inventory Purchases	\$633,497,000
Capital Investment	\$1,262,000

The Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Well, thank you very much, Mr. Chairman. It's been a very electrifying evening so far. I have no doubt it'll continue that way. However, I would move that the House now rise and report the estimates of Community Development.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Community Development: operating expense and equipment/inventory purchases, \$633,497,000; capital investment, \$1,262,000.

The Deputy Speaker: Would all those who concur in this report please say aye?

Some Hon. Members: Aye.

The Deputy Speaker: Opposed?

Some Hon. Members: No.

The Deputy Speaker: The motion is carried.

head: **Government Bills and Orders**

head: **Committee of the Whole**

[Mr. Tannas in the chair]

The Chair: I'd call the Committee of the Whole to order.

Bill 29

Law of Property Amendment Act, 2003

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Riverview.

Dr. Taft: Yes. Thank you, Mr. Chairman. I rise to ask the sponsor of the bill, the Member for Calgary-Lougheed, if she has had an opportunity to address some of the issues that were raised by me in second reading.

Thank you.

The Chair: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Chairman. Yes, as the sponsor of Bill 29 I'd like to make some comments, and perhaps I would commence by just restating the purpose and the effect of the amendments in Bill 29. Quite simply, the main purpose of these amendments is to level the playing field for the mortgage insurance business in Alberta. The amendments are designed to ensure that the two mortgage default insurers operating in the province at the moment, being the Canada

Mortgage and Housing Corporation, which, as we all know, is a federal Crown corporation, as well as GE Capital Mortgage Insurance, Canada, which is a private-sector company, will operate under the same foreclosure rules under our Law of Property Act.

Our Law of Property Act, Mr. Chairman, sets out amongst many other rules governing property transactions in Alberta the statutory authority for lending institutions on property foreclosures. The general rule is that lending institutions can't sue a borrower for any shortfall on a residential mortgage once the property goes into foreclosure, and the lender is restricted to the property only, regardless of the value of the property and whether or not there is a shortfall. But there is an exception to this general rule, and that exception favours CMHC on all of its mortgages. So the intent of these amendments in Bill 29 is to extend this same exemption that CMHC enjoys to GE Capital Mortgage Insurance, Canada or any other mortgage insurance provider that might enter the market in Alberta for high-ratio mortgages only.

As members may recall, the definition of a high-ratio mortgage will be determined at a later date by regulation after further consultation with stakeholders and various other industry players is conducted. I can add that under the Bank Act a high-ratio mortgage is currently defined as a mortgage where more than 75 percent of the value of the property is financed, and that may well be the definition that is adopted in Alberta for the purposes of these amendments.

So we have, Mr. Chairman, a double standard operating in the province in a two-company industry where the legislation favours one company over the other, and in this province certainly the philosophy of this government and, I think, most Albertans is that we do not like to see a government agency having a competitive advantage over a private-sector competitor.

I'll now try and respond to the questions that were raised during the debate at second reading. It's my recollection that the Member for Edmonton-Riverview wanted to know some data on the mortgage delinquency rates in Alberta and was wondering if those rates were higher in this province than in other provinces. I can advise that according to data received from the Canadian Bankers Association, the delinquency rate for Alberta residential housing in 2002 averaged .4 percent of all residential housing in the province. This percentage was the third lowest in Canada, behind only Quebec at .3 percent and Ontario at .3 percent as well.

10:10

The Member for Edmonton-Riverview had also wanted to know the reason for people defaulting on their mortgages. This is the best information that I've been able to obtain, and this comes from GE Capital, its experience with defaulters in 2002. Of those cases where the cause of default was known – and I'm sorry that I don't have the total number – 80 percent of those defaults resulted from misrepresentations made by the borrower at the time the mortgage was granted. I would expect that that would largely relate to ability to pay and not being straightforward on that point. This means, then, that only 20 percent of GE's known defaults resulted from true hardship cases such as unemployment, death, illness, marital split-up, and those types of reasons.

The hon. member also wanted to know what the impact of our existing legislation had been on GE Capital as it operates in the province, and it is the belief of GE Capital that some borrowers are choosing their company based on a negative selection process, meaning that some mortgage brokers, lawyers, and other financial intermediaries are actively promoting the deficiency judgment protection on GE Capital insured mortgages to borrowers. So this has resulted in GE Capital insuring the higher risk, higher ratio mortgages, contributing to GE Capital having a higher delinquency rate in Alberta than it does in the rest of Canada.

The member also wanted to know about CMHC's policies when people have lost their capacity to sustain a high-ratio mortgage and defaulted on the mortgage. We approached CMHC on this, and they advise that through their approved lenders they have a comprehensive program that provides advice and financial assistance to borrowers experiencing financial hardship, the object being to keep borrowers in their homes of course and to resolve any real or potential default. While CMHC has the ability to pursue or sue on the covenant or debt, the decision to proceed is made only after careful review of both the circumstances leading to the default and the financial capacity of the borrower.

Even after the decision has been made to pursue the debt on the covenant and judgment has been obtained against the borrower, CMHC's collection policies require an ongoing review of the borrower's financial circumstances and their ability to repay the debt. GE Capital advises that it has a similar policy. It has a default management program called workout, which allows lenders, borrowers, and GE Capital to work together to try to keep borrowers again in their homes after falling on hard times. Some of the workout program options include arranging for a partial payment, increasing the amortization period, arranging for an interest rate buy-down, and deferring payments.

I believe that the last question the hon. Member for Edmonton-Riverview raised was: is it likely that the proposed amendments will result in GE Capital lowering its interest rate? I'd have to advise that that is not likely insofar as CMHC and GE Capital offer the same mortgage default insurance rates across Canada regardless of the region. Currently GE Capital is experiencing a higher risk for less reward in Alberta. GE Capital would need to offer the same interest rates as CMHC in order to compete with CMHC, but as GE Capital is incurring a higher risk in Alberta, it is incurring a higher risk in Alberta because it can't sue for any outstanding balance.

[Mr. Loughheed in the chair]

I believe I commented in second reading that leveling the playing field would certainly introduce competition, and it will. We don't anticipate that it will lower the interest rates for the reasons that I've mentioned, but it will in all likelihood cause new products to be introduced in the marketplace which will benefit consumers. There has been previous evidence of this because prior to 1995, when GE Capital entered the Canadian market, CMHC had a virtual monopoly at that time. When GE Capital entered the Canadian market, it did introduce two new products, which CMHC subsequently also introduced, and that was the very popular portable mortgage insurance program and the default management program, that I spoke about a few moments ago.

Because of the amendments which are proposed and should they be adopted, which we hope they will, GE Capital does plan to offer all of its products that it offers in other places in Canada. It plans to offer them in Alberta on the same loan-to-value ratio used in the rest of Canada. If the amendments are not adopted and don't come into force in Alberta, it's quite likely these products may never be offered in Alberta, or if they were, they'd be offered at a lower loan-to-value ratio than in the rest of Canada.

The two new products GE Capital plans to launch this year and hopefully will launch in Alberta are the home equity line of credit product, which allows borrowers to use their home as security to get a high-ratio mortgage that acts like a line of credit, which will reduce a person's borrowing cost by only being charged standard mortgage interest rates rather than the rates associated with the typical unsecured lines of credit. The second product is known as the second home product, and it allows borrowers to obtain high-ratio financing on a second home.

That, I believe, in a general way covers the questions raised by the members for Edmonton-Riverview and Edmonton-Gold Bar. I believe Edmonton-Ellerslie stated that she didn't understand why it was necessary to make these amendments because she thought the level playing field was already available, and I hope I've been able to establish that it isn't unless we make these changes.

Those would be my comments for now. I'd be willing and pleased to answer any other questions that hon. members may have.

The Acting Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I have one question for the hon. Member for Calgary-Lougheed, the sponsor of the bill. The point of this bill, the Law of Property Amendment Act, 2003, Bill 29, is ostensibly to level the playing field. My question has to do with whether or not CMHC and its competitors, in this case GE, really operate in exactly the same markets to start with, and I'll put it in the form of a question because I'm not entirely clear about whether or not my understanding is sound.

GE Capital Mortgage Insurance as a private-sector operator I think has the freedom to reject clients if it feels they are too risky. Naturally, as a private business it makes decisions based on the degree of risk it's willing to take. CMHC, on the other hand, may not have total freedom with respect to basing its decisions entirely on the level of risk involved. If that, indeed, is true, then it would seem to me that CMHC and GE are really not comparable. When we ostensibly attempt to level the playing field, what will it exactly mean if the companies operate in slightly different markets and have a different market structure in which they operate? So will the bill really serve the purpose of leveling the playing field, or will it in fact tilt the advantage in the direction of GE? That's the question.

Thank you.

10:20

The Acting Chair: The hon. Member for Calgary-Lougheed.

Ms Graham: Yes. Thank you, Mr. Chairman. While it may well be true that CMHC and GE Capital don't have exactly the same business, they certainly do compete in the residential, high-ratio mortgage business, which is what these amendments are designed to address, the double standard that exists there. So when you say, "Does CMHC have the same freedom to reject borrowers as GE Capital would?" it's my understanding and my belief that there are lending guidelines and a formula for determining whether a borrower qualifies for financing. It is my understanding that they're very comparable for both companies, but there is certainly no requirement that CMHC must accept a borrower unless they meet the lending guidelines. These two companies are competing in the same markets, so I would expect their guidelines are very comparable. I hope that helps answer the member's concern.

The Acting Chair: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Chairman. Just a brief comment. Usually when we hear a bill that proposes that we allow private-sector companies to actually compete and allow a level playing field for private-sector companies trying to compete against a government monopoly, there's a huge hue and cry in the opposition and so on. I think it speaks volumes about the popularity of CMHC that so many seem to be in favour of this bill. I certainly strongly support it. I hope all members will. I think it will prove to be a very big success for Albertans.

Thank you, Mr. Chairman.

[The clauses of Bill 29 agreed to]

[Title and preamble agreed to]

The Acting Chair: Shall the bill be reported? Are you agreed?

Some Hon. Members: Agreed.

The Acting Chair: Opposed?

Some Hon. Members: No.

The Acting Chair: Carried.

Bill 34

Livestock Industry Diversification Amendment Act, 2003

The Acting Chair: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Chairman. I'm pleased to rise this evening and take this opportunity to speak on Bill 34, the Livestock Industry Diversification Amendment Act, 2003. I'd like to take this opportunity to correct some fairly glaring errors brought up by the opposition in second reading, not about the act under discussion but about the diversified livestock industry as a whole.

The hon. Member for Edmonton-Ellerslie was quite critical of the consultations that we did with the industry concerning what became Bill 34. Mr. Chairman, there were many hours spent ensuring that this met the needs of the industry and of those affected by the industry. The hon. member is correct about one thing. The Canadian Wildlife Federation was not consulted on this legislation. Instead, the following Alberta-based groups were consulted: Alberta Fish and Game Association, Canadian Food Inspection Agency, Métis Nation of Alberta Association, Alberta Sustainable Resource Development, Alberta Veterinary Medical Association, Alberta Professional Outfitters Society, Alberta Elk Centre, Alberta White-tail and Mule Deer Association, and Confederacy of Treaty 6 First Nations.

The member is right again. The Canadian Wildlife Federation is a strong critic of hunt farms, but Bill 34 is not about hunt farms. In fact, it reinforces this government's stance against hunt farms at the current time. On more than one occasion the hon. Member for Edmonton-Ellerslie incorrectly referred to deer and elk farms, the focus of this legislation, as hunt farms. Now, the hon. member opposite should know that hunt farms are illegal in Alberta. These are domestic cervid farms, not hunt farms. Domestic cervid farms.

The changes to the legislation specifically allow only the registered owner of the farm to slaughter the animals and only for personal use. We want to make it easier for diversified livestock producers to provide deer and elk meat to their families without going through the involved process of transporting deer or elk to an inspected abattoir that handles these animals.

For the hon. Member for Edmonton-Ellerslie to continue to confuse hunt farms, which are, as I said, currently illegal in Alberta, and diversified livestock operations is misleading. Let me reiterate. Previously deer and elk could only be slaughtered at licensed abattoirs in accordance with the Meat Inspection Act. This created considerable hardship for deer and elk producers who wished to slaughter their animals for their own personal use. However, it did ensure that all animals were slaughtered in accordance with the rules governing slaughtering and processing of carcasses that were going to be sold. The changed legislation will now allow the person who is the licensed operator of the cervid farm to slaughter the animals on

his or her own farm for personal use, which is to say, the same privilege that is given to all other livestock producers in the province.

I would like to clear up a couple more misleading statements made by the Member for Edmonton-Ellerslie. She seemed confused about the changes that are being made to LIDA in regard to penalties for diversified livestock producers who allow their animals to escape into the wild. While there hasn't been a single case of an Alberta diversified livestock producer releasing their animals into the wild, these penalties are being strengthened, not weakened, in order to prevent something like that from happening in Alberta, Mr. Chairman.

The Member for Edmonton-Ellerslie also mentioned that the Alberta government has paid millions of dollars to game farmers as compensation for the eradication of their animals when they get diseased. Well, this is plainly not true, Mr. Chairman. Although we have experienced CWD in the province, we have been able to isolate and control it, which is a huge credit to this industry.

Not only that, as the hon. member should know, animal diseases and compensation fall under the mandate of the Canadian Food Inspection Agency. That is a federal Liberal agency. If – and heaven forbid it happens – there is an outbreak of any animal disease in Alberta, the Canadian Food Inspection Agency is responsible for compensation, not the province of Alberta.

Now, the majority of changes that are being made to the Livestock Industry Diversification Act are administrative ones that will make it easier for diversified livestock producers to do business in Alberta. These include allowing cervid farm operators to submit their records and reports to Alberta Agriculture, Food and Rural Development either electronically or through hard copy. This amendment fits in with the Alberta government one-window approach and makes it easier for producers to keep their paperwork in order and to do business better with less operation time and expense, Mr. Chairman.

There have also been changes to the eligibility for a licence to operate a cervid farm and allowing ribbon branding of the carcass. As I said previously, the carcass is ribbon branded with ink to identify it and ensure that the provincial and federal approval stamps are evident. Now, current levels of inspection and food safety standards provide adequate levels of protection to ensure that meat from wild big game does not enter the meat market unlawfully.

I disagree with the hon. Member for Edmonton-Highlands on a number of issues, but most glaringly, Mr. Chairman, I disagree with his misinformed assessment of Bill 34 and its effect on the cervid industry. Bill 34 is a step in the right direction for an industry that deserves our support, and I know that this industry is working hard to meet any challenges they face.

I encourage all members to support this bill. Thank you, Mr. Chairman.

10:30

Ms Carlson: Well, Mr. Chairman, the Member for Drayton Valley-Calmar tried to be a bright bunny, but all he did was extend the speaking time on this bill significantly because now, of course, I have to challenge all of the very silly statements he was making.

Let's talk about whether this is a bill that introduces hunt farms or not or dresses up a hunt farm in a legislatively acceptable manner for people who own these cervids on their property to get rid of them, to slaughter them.

Ms Blakeman: It's mutton dressed up as lamb.

Ms Carlson: It is mutton dressed up as lamb; there's no doubt about that.

And if the minister of health thinks that he is going to sit here and try and get me to shorten my comments otherwise, I won't. It absolutely is not going to make any difference to me at all to have him sitting here on the Liberal side of the House, where he actually belongs.

That was a pretty quick vacating. Come on. You could've lasted for a couple more lines. I was just getting warmed up.

Well, let's start at the beginning, Mr. Chairman.

[Mr. Tannas in the chair]

An Hon. Member: In the beginning.

Ms Carlson: In the beginning, absolutely.

An Hon. Member: Adam and Eve.

Ms Carlson: Well, that's what they tried to do with these hunt farms. They tried to create a new industry in this province, but the problem was that it was a snake directing all of the activities, hon. minister, and they made a huge mess of it in this province. What happened was that we had friends of many government members who wanted to participate in this particular industry with the hopes that they were going to make big, big dollars, and many people have actually talked about this industry as having participated in something very similar to pyramid schemes.

What have we got at this stage? We have an industry that doesn't have a market. Now, what's happened is that the animals, particularly the elk, who used to be very valuable for velvet and other interesting body parts, had the market fall out from overseas countries, and there hasn't been the same kind of demand. So what's happened is that all these people are growing these . . .

An Hon. Member: The other body parts.

Ms Carlson: The other body parts. Yes. [interjection] Would the minister like to participate in that part of the discussion? Perhaps. Well, that'll be interesting to get her perspective on it.

At any rate, when the market falls out, we've got now many hunters who've got investments in these animals, and they've got investments in property and building structures and so on, and the requirements for investments on their properties have significantly increased. Why? Because of chronic wasting disease. It's become a big problem in some other provinces, not so much here so far but in other provinces, so the regulation in terms of how to ensure that these game farm animals are kept separate from wild animals has intensified.

If anybody knows the industry, they'll certainly know that deer and elk can not only run fast but can jump high and are able to jump over many of the fences. The problem with that is that if these game farm animals get mixed up with critters in the wild, chronic wasting disease gets transferred. It's controllable on game farms, but it's very, very hard to control once it gets into the wild, and this has been a particular problem in Saskatchewan. So as a result of that, these farmers who've had the prices drop out of their market are now facing increased costs.

In addition to that, they have herds that are aging. So they don't know what to do with these animals, because they can't sell them to anybody like they used to. There used to be quite a high and interesting market for breeding purposes of some of these older animals, and now they don't know what to do with them. What they wanted to do was start hunt farms. There was a big kerfuffle about that in this province. I went to a lot of those meetings, and those

were very interesting meetings to go to. At the end of the day that wasn't allowed in this province.

So, then, how to still help out these friends who have this surplus of product and have nowhere to go? Well, in the short term the solution was to slaughter the animals and have them tested for CWD, and what that does is that that kicks you into a number of rebate programs for animals. What did we have happen last year in this province? In 2002 4,984 animals were tested, which is a fourfold increase from the year before. Testing for chronic wasting disease became mandatory in August for any dead elk or deer on a game farm. So this is one way of culling the herds, and the next way that we're taking a look at is exactly what this bill has introduced doing.

So while it may not be a hunt farm specifically designated, Mr. Chairman, it specifically defines and creates legislative action over the keeping, slaughtering, transporting, and selling of cervids. The Member for Drayton Valley-Calmar says: only for family use. Well, I don't know how many elk you can eat in one year, but I come from a family of 10 people. You know, if we went through two cows and one wild animal, like an elk or a moose, a year, that's all we could eat, and those were in the days when people had big servings of meat every day. So there aren't 4,984 families in this province for killing all of these cervids. Who killed them, and where did the meat or the other body parts or the antler pieces go? That's the question, that this is the beginning of a hunt farm process just dressed up and called another name.

Ms Blakeman: Mutton dressed up as lamb.

Ms Carlson: It is absolutely mutton dressed up as lamb.

So, then, in addition to just these ones, the 4,984 animals we're talking about here, there were another 1,057 animal heads submitted last year by hunters participating in a voluntary program to check for chronic wasting disease among wild deer and elk. So now the problem is even getting larger. They need a way to legislatively, legally introduce a way to cull the herds and get rid of these animals. It has nothing to do with providing just enough meat to put on the plates of the families. As much as you would like to mislead this House into saying that that's the case, it isn't the case.

What's the cause of this? It has nothing to do with meat on the table. A lot of it has to do with drought. If there isn't any feed, if you can't sell your animals to anyone else for breeding purposes, if there's a lesser need for body parts, what are you going to do with them? Well, if you can't continue to rip off governments by subsidizing the slaughter of the animals, then you need some kind of legislation that will allow you to do it. So that's exactly what we're seeing happen in this particular case, Mr. Chairman, in spite of what that member who introduced this bill would like us to believe.

Is this the right place and the right way for this market to go? Well, it's a very questionable situation because chronic wasting disease is not going away, Mr. Chairman. Alberta had its first two cases of this disease detected last year, an elk from a ranch northwest of Edmonton in the spring and a white-tailed deer from a ranch in the same region last fall. So it's there, it's spreading, and how are they going to manage it? If it spreads any more than this, there could be a huge panic in the regions, and that would be a problem.

I remember when the announcement was made that CWD was found. They wouldn't tell us where. Now, you've got a lot of hunters, you've got a lot of outfitters out there taking a look at bagging wild animals, and they don't know if they're guiding people into an area where chronic wasting disease has become apparent. So that was a real issue for us last year. We heard a lot about that from outfitters in the region, and to this time we haven't heard that there's any actual source for the disease in either of these cases. So we

would look forward to having that answer. Perhaps the hon. member who's got all the other answers has that answer too, and it would be very interesting to hear.

Chronic wasting disease is a very bad disease to have in animals, Mr. Chairman. It's a fatal infection. What it does is destroy the brains and the nervous systems of animals in the deer family, which of course includes elk. It's in the same family as mad cow disease, but so far it's not been shown to spread to humans. Now, we can just begin to think of the implications of a disease that's very like mad cow disease if it takes hold in this province. What will that do to the meat industry as a whole? What will it do to the budding wild meat industry being sold and becoming more acceptable in retail outlets and in restaurants and so on?

What does it do to tourism? It has a significant impact, I would suggest. Who wants to go to England with mad cow disease everywhere and be worried about walking around, tramping around on the grounds for walks or hikes or whatever kinds of activities you might be pursuing. They're not going to come to Alberta either. Alberta is just starting to really work on increasing the number of dollars generated by tourism. We've been relatively steady for at least the past decade in that area, and we're starting to see the numbers climb for a lot of good reasons, not too many that the government can actually be responsible for but for a lot of good reasons, not the least of which is that Alberta is a wonderful place to go, and many people are finding that out.

10:40

But what happens if we see more outbreaks of chronic wasting disease and people start making a more verbal link to it and mad cow disease? It could completely decimate our tourism industry, and given the fact that we're going to be competing with West Nile disease and some of these other diseases that we've heard about recently, we certainly don't need to add this to the list. That would be truly a disaster for this province. We don't want everyone who leaves the borders of this province to have to clean their feet off in airports and as they cross borders. That would be remarkably hard on tourism and economic development in terms of all of the kinds of different conventions that we have here throughout the province. The problem is that these farms are all over the province; they're not just located in one area. While we've only seen the disease in this one area, it certainly could be in the locations where the other hunt farms are. So that's a real problem.

People think that a way of culling their herd, so a way of getting rid of almost 5,000 animals just from these hunt farms in a year, is to take them in and have them tested for chronic wasting disease. It's a huge burden on the system, the government labs, to complete the testing. So it's a manpower issue; it's a money issue; it's a resource issue from how the labs are backed up and has become quite a problem. Generally you get the results on testing an animal within eight to 10 days, and that's been something that farmers have been complaining about. They think that they need the results faster than that, Mr. Chairman, but with the kinds of resources that are dedicated to this right now, that's all they can do. The provincial labs are not prepared at this time to speed it up, and that could be a problem. If we see more cases of chronic wasting disease, in eight to 10 days the spread of the disease could be phenomenal. You know, what happened in England is that they just moved into the farms and quarantined them and started burning. We don't want that to happen here.

So definitely we need to see a speedier testing process be developed. The U.S. has got one. This province likes to copy a lot of the things that the U.S. does, so they should be in contact with the Department of Agriculture and find out about the improved, quicker

forms of testing for CWD and then put in some sort of a screening process so that we don't see another 5,000 animals tested this year. The question is, Mr. Chairman: if they just have to take in a part of the head when they do the testing, what happens to the antlers, and what happens to the other interesting body parts that there's a market for? Do they keep them until the animal has been tested and cleared and then look to market them elsewhere, or are there any kinds of restrictions on that? Can they just send those parts off?

One thing we don't have the answer to is the question of how affected the antlers are by chronic wasting disease. Are those separate and distinct in terms of the disease transfer? I don't think that question has been answered in here. The tests we have now can only be done on dead animals, so we need to develop some sort of criteria to determine whether we need to test as many as were done last year. One out of 100 of a herd? One out of 10 of a herd? Every one that you want to cull out? Is there an age requirement? We haven't heard any of that information. Those specifications have not been developed now.

I'm sure, Mr. Chairman, that people in this Assembly will be very interested to know that there is the possibility of a live test for deer, and they have to test the deer's tonsils. So it's theoretically possible to do live tests on animals, but I just can't see those labs moving into these ranches and somehow immobilizing the animal so that they can test their tonsils. Currently in Alberta the only option is really on dead animals.

The source, like they said, remains a mystery for this particular farm, but the Member for Drayton Valley-Calmar says that he knows the answer, and that could be because the farm is in his constituency. So maybe he can clarify that. While we're at it, maybe he can clarify what has happened in Saskatchewan and if there's been any spread here. [interjection] No. You don't think there will be? I don't think there will be either because I don't think he has those answers. I think some clever researcher wrote him a very nice speech for this evening, but I don't think the member himself has the answers.

Alberta has 192 deer farms with a total of just over 11,000 deer, and it has 460 elk farms with almost 43,000 elk. Alberta and Saskatchewan are now home to most Canadian game farms, which is a change from a few years ago when the majority of game farms used to be in the States. After taking a look, what they actually had there were combination hunt farms and game farms. They would raise some of the animals to use the body parts and the antlers, but there was also the potential to have a hunt farm there. Because of the hue and cry from the general public and the spread of disease on those farms, they have been virtually eliminated in the States, making Saskatchewan and Alberta home to most of the game farms not just in Canada, Mr. Chairman, but certainly in North America.

So far chronic wasting disease has been found at 40 Saskatchewan farms and in seven wild deer in the province. So we certainly hope that that particular disease doesn't spread here. That's been one of the excuses that we have heard for why these particular herds have to be culled in the way they are, but the better answer and the cheaper answer for the government, Mr. Chairman, is to bring forward Bill 34, the Livestock Industry Diversification Amendment Act, 2003, and that's what we see here tonight. Then we also see the Member for Drayton Valley-Calmar talking about the reasons why he thinks this particular bill should be justified. It's a problem I see as he has introduced it.

Now, Mr. Chairman, because we are in committee, what I'm going to do is do a section-by-section analysis of the bill.

Ms Blakeman: No. No. You've done such a good job.

Ms Carlson: Oh, yeah. Well, we haven't even got there. You

know, the Member for Drayton Valley-Calmar has just challenged me to participate fully in the debate tonight, Mr. Chairman, and I'm very pleased to do that. [interjections] Well, maybe because of the desperate pleas of my own colleagues, I'll just put a few questions on the record that we hope that he answers in third.

Section 5: why the time change for registering the cervids? So if he could answer that. Section 9: why is the change happening here, and what circumstances does the minister see making provisions for the setting free of animals? Section 12: will the minister's registration period in section 5 be sufficient to ensure that these animals are registered before they're sold? If he can answer those questions in a short and succinct fashion now or when we get to third reading, then I'll be able to hold my colleagues back from all fully participating in the debate at third reading, Mr. Chairman.

The Chair: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Chairman. I do thank the hon. member for her questions, and, yes, I will take her up on that offer. I will try to clarify some of these issues in third reading. Thank you very much.

[The clauses of Bill 34 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Carried.

10:50

Bill 31

Local Authorities Election Amendment Act, 2003

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Grande Prairie-Wapiti.

Mr. Graydon: Thank you, Mr. Chairman. During second reading there were some questions raised specifically and mainly dealing with special ballots, and I would like to put on the record some information I asked for and received from the Chief Electoral Officer.

Now, the reason I went there is that the provisions that we're proposing in this act mirror the provisions of the Election Act that govern the rules that we conduct elections by for provincial elections, so I thought that that would be a good place to go for some information and ask if there had been any problems experienced during provincial elections with special ballots. The Chief Electoral Officer's staff replied that they found the special ballot process to be very effective, to facilitate the voting process, particularly for electors working, traveling, or studying away from home or electors who are hospitalized or incarcerated and electors who find it physically difficult to travel to the polls and electors who are involved in the election administration or campaign processes.

The Chief Electoral Officer also reported very good results and positive feedback from those people using the special ballot process. Usage continues to increase as people become more and more aware of the availability of special ballots in provincial elections. The staff also claim that the process is easy for electors to follow, that the secrecy of the vote is protected. There is an element of security in that documentation is retained which verifies who voted, certainly

not how they voted, but there is a record of who filed a special ballot, so it's verified who did vote. The system is also very transparent in that the voters' names are added to the list of electors, and that list can be viewed by candidates following the election.

So, certainly, the changes that we're proposing bring it, as I mentioned, in line with the Election Act, which we operate under provincially and has proved very successful in those elections, and that's why I think that they will prove effective as well in local authority elections.

Thank you.

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks. I appreciate the sponsoring member making some attempt to address the concerns that were raised around special ballots and making good use of provincial resources to go and check with the Chief Electoral Officer, but certainly the concerns that were raised around some of the experiences – I think it was Edmonton-Glengarry that raised the issues – came out of a provincial election, so the issues we were raising with concerns around special ballots were springing from a provincial example. So although we certainly value the special ballot process provincially, there are some concerns here, and I think we're making the same mistakes or not repairing them in what's being brought forward under Bill 31, the Local Authorities Election Amendment Act, 2003.

A couple of things specifically. The way people are able to request the special ballot needs to be fairly narrow and focused; in other words, either in person or in writing but not to get to, sort of, Internet or e-mail, because it's difficult to verify and record the identity of the person making the request. What you don't want and what we have seen in some cases or where the concern was expressed was that there were a number of special ballots that were controlled by one individual or a group of individuals; right? So you want to be verifying and recording who requested them. I think you want to have a situation where you can ask for identification to be provided and recorded, like a driver's licence or a passport.

The provision that an application must be made between the notice of election day and the closing of polls on election day I think is probably not giving enough time for the ballots to be sent and received. Section 35 of the original act allowed that not much more than seven days' notice be given of an election, and this is clearly insufficient time for a special ballot to be sent and received internationally or even domestically, and one of the categories of electors that the member mentioned special ballots being particularly helpful for was electors who are temporarily out of the jurisdiction.

There's an added section that says that the elector must write "in legible printing in the space provided, the name of the candidates of the elector's choice." This I think is indicating that there will be no boxes to X and not necessarily any names on the form, and I think that there should be a provision that makes the special ballot conform to the same standards as a regular ballot and include the names of all of the candidates and the space beside each candidate's name to mark. So, in other words – I have to be careful that I'm not intimidating more than I mean to here – you wouldn't want to sort of mass produce these with the names already filled in of whoever your candidate is. I think you need to conform as closely as possible to what the actual ballot is looking like.

I've looked at a number of the other sectional analyses for this. In a lot of cases there's clarification being offered, which I think is good. You know, things about the oaths and the statements. That's all fine.

In sections 9 and 14 one of them is talking about the option of mailing or delivering notice of nomination day. Section 14 talks

about notice of election day to every residence at least one week before the day instead of at least two weeks. I think this could still be problematic, and I'm wondering if there are additional arguments to support the amendment of shortening the time line there because it's still mailing or delivering; it's not talking about e-mail. So I think there are problems there.

We've got clarifications in sections 11, 12, 13, 14, 16. I mean, I think most of these are fine.

A couple of good ones. Seventeen: allowing the returning officer to give a candidate a specifically prepared list of electors after the last day on which nominations may be withdrawn, and I think this is good. It's proactive in preventing people from submitting nomination papers to gain access to a list of electors and then withdrawing their nomination. Excellent. Well done.

Also, section 18: a person cannot obstruct access to an enumerator, candidate, or campaign manager who has produced identification provided by the elected authority indicating their role to each residence in a building containing more than one residence. Now, this is a huge issue for the candidate's access provincially and particularly in my riding and I think in other downtown ridings. So I think we need to be really careful about that one. The issue is not excluding people from buildings but making sure that they get access and that access is enforced by the electoral officer because with very short election periods and the chance that you can have a candidate that is barred or removed from a security building, you have to have very quick action by the electoral officer to enforce that the candidate has access to the building. Otherwise, we don't have democracy. There's unequal access to people.

Section 22. I think that if I might suggest to perhaps clarify that, the "deputy" to whom these new powers are devolved is designated as the presiding deputy because we're not talking about having two deputies in place there and new duties. Which one is supposed to get them? I think you might want to designate one as a presiding deputy, and then we know who's responsible for what.

There was a clarification around allowing minors into the ballot booth with the parents. That's fine. A clarification in section 24 allows interpreters to read the statements and any question necessary for a person who is illiterate. Fine. Allowing more leeway to individuals wishing to vote at advance polls: I think this is fine. I think it actually does encourage more people to vote, and I'm okay with that. I've already talked about the special balloting that's appearing in section 27 and on.

11:00

So those were just the sectional analyses that I wanted to do while I had the opportunity to do that sort of line-by-line discussion while we're in Committee of the Whole. I'm certainly for the most part in favour of what's being proposed here, and I'm happy to wait until third reading to get the answers back.

Thank you.

[The clauses of Bill 31 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Stevens: Yes, Mr. Chairman. I move that we rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following: Bill 29, Bill 34, Bill 31.

The Deputy Speaker: Would those who concur with this report please say aye?

Some Hon. Members: Aye.

The Deputy Speaker: Those opposed, please say no.

Some Hon. Members: No.

The Deputy Speaker: Carried.

head: **Government Bills and Orders**

head: Third Reading

Bill 21

Ombudsman Amendment Act, 2003

The Deputy Speaker: The hon. Member for Bonnyville-Cold Lake.

Mr. Ducharme: Thank you, Mr. Speaker. At this time I'd like to move third reading of Bill 21, the Ombudsman Amendment Act, 2003.

However, before I take my seat, sir, I'd like to answer a couple of questions that were posed in Committee of the Whole. One question was: why is the definition of agency expanded by regulation rather than by changing the act? Regulations, Mr. Speaker, can be updated more easily than statutes can. By allowing the term "agency" to be expanded in the regulations, the jurisdiction of the Ombudsman can be updated in a timely and responsive way. If the definition of agency was left entirely in the act rather than in regulation, then it could only be amended when the Ombudsman Act was opened up for review, which, as we know, doesn't happen very often.

The other question was: how do the Ombudsman Act and the Health Information Act interplay with each other? Mr. Speaker, Bill 21 adds a provision to the act that clarifies that the Ombudsman, when conducting an investigation under the act, is not subject to the provisions of the Health Information Act. The Ombudsman will be able to access all of the information he needs to do his job without such a restriction. It should be noted, though, that in no way does this mean that the Ombudsman can interfere in the health commissioner's role and duties as legislated in the Health Information Act.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker, for the opportunity to speak in third reading on Bill 21, the Ombudsman Amendment Act, 2003. The goal of this legislation is to update the Ombudsman Act to include the provincial Crown agencies, committees, boards, and professional organizations and flows directly out of repeated recommendations coming from the Ombudsman Act. I can go back. In the 2001-02, 2000-01, '99-2000, and even back as far as the '98-99 Ombudsman annual report the officer has been advocating for the change in legislation.

It does include a few new jurisdictions for which the Ombudsman would have investigative powers, and this is partly what the

member referred to here, the patient concerns resolution process of the health authorities, cancer boards, and accounting agencies. We're in favour of this and think that it's a good idea overall. It's also allowing the Ombudsperson to receive special warrants for funds in fiscal years that lie ahead. Now, this was a recurring problem that was happening. If a special warrant was required and was granted to the government, it would not cover this particular office just because of the way the legislation was written. So this is correcting that. If a special warrant is sought and received, moneys would be able to be advanced to this particular office to carry on its business.

I've spoken in favour of this bill a number of times, and I'm happy to speak in favour of it in third reading. Thank you for the opportunity.

The Deputy Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I also rise to speak in support of Bill 21 in third reading. I think it's a good bill. It does expand the jurisdiction of the Ombudsman and allows the Ombudsman to review or access third-party information. I think it's a bill that reflects the recommendations made by the outgoing Ombudsman. His experience indicated a need to expand his jurisdiction, and I'm glad that the bill, by and large, embodies those recommendations based on that experience.

So with the fact that the bill will now expand the Ombudsman's jurisdiction to include the patient concerns resolution processes of regional health authorities and the Alberta Cancer Board and the Alberta Mental Health Board and other delegated authorities which do provide services and work on behalf of the government of Alberta, the bill has built-in flexibility to include new delegated authorities, whatever have you, and certainly will serve, I guess, the interests of Albertans who may want to take complaints against their treatment at the hands of public agencies in this province.

So I support the bill, Mr. Speaker. Thank you.

The Deputy Speaker: The hon. Member for Bonnyville-Cold Lake to close debate?

[Motion carried; Bill 21 read a third time]

Bill 16 **Agricultural Dispositions Statutes** **Amendment Act, 2003**

The Deputy Speaker: The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Speaker. I move Bill 16, Agricultural Dispositions Statutes Amendment Act, 2003, for third reading.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. Happy to have another opportunity to wrap up on this bill. This is a bill that used to be very controversial when it was first introduced last year or two years ago, and subsequently the government did some consultations. They split the bill into two parts, and the part that was less controversial we see before us as Bill 16.

I would like to thank the minister for the briefing that I got from his department, which took us through the most significant issues that we had. Subsequently the additional questions we had were

answered in committee. So while I have still a few reservations about this bill, we are pleased to support it at this time.

11:10

The Deputy Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I am pleased to have this opportunity to speak to Bill 16 in its third reading. Our caucus continues to be unhappy with this bill as a replacement for Bill 31. Bill 31 was brought into the Legislature with a great deal of fanfare in 1999. It was passed by this Legislature. Unfortunately, it was never proclaimed. Bill 16 replaces that Bill 31, which we then supported. Unfortunately, Bill 16 really is a very severely gutted Bill 31. Much of what was treated by us as the strengths of Bill 31 are absent in Bill 16.

The most important part of Bill 31 that made it such a good piece of legislation had to do with the ability of the government of that time to claim, and rightly so I think, that Bill 31 strove to strike the right balance between the interests of leaseholders, industry, recreational users, and the people of Alberta, who own the land. It's precisely that balance that has been thrown out of kilter now by Bill 16.

So the ND caucus opposition is opposed to this bill primarily because it will mean that the whole question of the leaseholders' payments for leasing the land and the money that they receive as compensation from oil and gas developments on grazing lands – the difference between the two amounts is quite considerable, \$35 million, \$40 million a year. Bill 16 simply does not include any relief on that issue. It doesn't address that question at all, leaves it out. So Bill 31 dies. With that dies the attempt to bring into the public treasury, into the general revenue fund \$35 million to \$40 million extra, and that remains the primary reason why therefore we oppose Bill 16.

Thank you, Mr. Speaker.

[Motion carried; Bill 16 read a third time]

Bill 15 **Forest and Prairie Protection** **Amendment Act, 2003**

The Deputy Speaker: The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Speaker. On behalf of the Member for West Yellowhead I move Bill 15, Forest and Prairie Protection Amendment Act, 2003, for third reading.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. This is a bill that is mostly good. It clarifies portions of the act that were too vague with regard to forest and prairie protections and primarily fires. It gave more power to forest officers and fire guardians, which is a good thing. But the part about this bill that we still haven't had the answers to is the part that deals with increasing the amount the government can recover from people who are responsible for fires. Yes, we believe that people who start fires should be held accountable for their actions. There's no doubt about that. But then where does the liability begin, and where does it end? If your teenagers are out at a bush party for the weekend and a fire starts, are you responsible for paying for the cost of that fire? Let's remember that fires in this province cost hundreds of millions of dollars. So how much do they recover, and who do they recover from if it's a minor who starts the

fire? Those questions were never adequately answered for me. I can see in all cases that there would be some sort of a token amount like a fine – a \$5,000 fine, a \$500 fine, a \$1,000 fine – but if we're looking at total cost recovery and we're looking at who proves what, then I think there are some questions that need to be answered.

There also wasn't a full debate about what causes liability when a fire starts. There are cases of very dry times when just using a vehicle in a dry area can set off a spark and start a fire. So those were questions that weren't answered either. Generally we're in agreement with this bill. Hopefully, we'll get these other issues cleared up over time, but at this point we will support the bill.

[Motion carried; Bill 15 read a third time]

Bill 14 Securities Amendment Act, 2003

The Deputy Speaker: The hon. Deputy Government House Leader.

Mr. Stevens: On behalf of the hon. Member for Calgary-Mountain View, I wish to move third reading of Bill 14, Securities Amendment Act, 2003.

The Deputy Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Yes. Thank you, Mr. Speaker. It's a pleasure for me to rise this evening. I would like to speak a little bit, if I may, on Bill 14, the Securities Amendment Act, 2003, make a few comments on behalf of my colleague the hon. Member for Calgary-Mountain View, as well, and answer a few questions that were raised previously.

As previously mentioned during earlier stages of this bill, the amendments in Bill 14 will provide greater protection for investors, allow Alberta business improved access to capital markets, and make the current regulatory environment more efficient. It will also lay the foundation for improved security laws as further reforms are made down the road.

Also, I'd like to comment briefly on some of the questions raised by the Member for Edmonton-Gold Bar during Committee of the Whole. His first question was whether this bill provides the greatest amount of protection possible to investors. I'm assuming that he means the greatest reasonable amount of protection possible, because the only way to reduce risk to zero, of course, would be to prevent people from investing in the first place or investing at all, and I'm not sure they would appreciate that much protection. Certainly, the answer to the question is, yes, Bill 14 will provide greater protection for investors.

Mr. Speaker, recent events in U.S. markets highlight the need to examine similar regulatory reforms in the adoption of new protection for investors across Canada. Without these reforms investors and issuers may bypass the Alberta markets in favour of safer and more responsive markets. Our task is to tailor regulations to the needs of Alberta while maintaining an appropriate level of investor protection. A number of the amendments in Bill 14 are measures to streamline and simplify the current regulatory framework in Alberta.

At the same time, Bill 14 will provide for improved investor protection in four significant ways. First, new improved disclosure rules will ensure that investors have more timely, reliable, and useful information when making an investment decision. Second, there will be a renewed emphasis on timely and relevant education programs to deliver investor awareness education messages to many Albertans. Funding will come from moneys received from administration penalties. Third, the addition of a new prohibition against unfair practices will address inappropriate sales techniques fre-

quently employed by unregistered salespersons in the exempt market. Finally, extending investors' right of action for damages for a misrepresentation in an offering memorandum will include directors, promoters, and any other person who signs the offering memorandum. Mr. Speaker, this government wholeheartedly agrees with the importance the Member for Edmonton-Gold Bar attaches to enhancing investor protection in Alberta. Bill 14 is deserving of the support of all members of this Assembly in this regard.

11:20

I would also note that the bill provides for the adoption of corporate governance rules similar to those considered in other jurisdictions.

The Member for Edmonton-Gold Bar also asked if Bill 14 allows improved access to capital markets for Albertans, and he requested further explanation on how this bill would accomplish that. As the member is aware, the erosion of investor confidence in the wake of highly publicized corporate scandals in the United States has left security regulators grappling with how best to respond to the loss of investor confidence. These events have made it even more difficult for issuers to access the capital markets for financing, particularly the small cap issuers, who make up the majority of Alberta and Canadian issuers.

Mr. Speaker, these issues have been relying in large part on a new harmonized capital-raising exemption rule developed by the Alberta and B.C. securities commissions to make it easier for issuers to access the exempt market in both provinces. The four new harmonized exemptions in the rule adopted last spring have proven to be so popular with issuers that seven other jurisdictions are in the process of adopting them. Bill 14 contains a number of amendments designed to complement these new capital-raising exemptions. The passage of Bill 14 will ensure that Alberta issuers have another tool to maximize their access to capital markets across the country during this period of market uncertainty.

The Member for Edmonton-Gold Bar also talked about the ongoing work among securities commissions across the country in an effort to harmonize Canada's regulatory system. He wondered if this bill represented the initial phase of these changes, and if so, why are we heading in that direction? He also wanted to know whether there was an interest in working more with the federal government in this regard. Mr. Speaker, I would refer the member to comments made by the Minister of Revenue in this Assembly on March 27. Those comments were in response to questions put to the minister regarding the federal and provincial committees reviewing Canadian securities regulation. As the minister stated in his response, the provinces, not the federal government, have jurisdiction over securities regulation, and therefore the provinces and territories must lead initiatives dealing with securities regulation reform. Under the leadership of the Minister of Revenue all the provinces and territories have unanimously agreed to develop a work plan by September 30 for improving the securities regulatory framework in Canada.

While this review process is under way, we must continue to respond to the needs of Alberta markets. The amendments in Bill 14 will complement a number of harmonization initiatives either recently adopted or currently under development by updating or repealing Alberta requirements that differ from the new uniform rules. For example, the adoption of harmonized capital-raising exemptions and resale rules concurrently with other jurisdictions means that two different and sometimes conflicting sets of requirements have to coexist until the amendments in Bill 14 are passed. It is too confusing for investors, issuers, and the market to allow this situation to continue until the review process has been completed.

The Member for Edmonton-Gold Bar was also curious about how many new investment vehicles might be affected by Bill 14. He

wanted to know how much, if any, enhanced protection there might be for Albertans investing in income trusts and whether Bill 14 is going to encourage American investment in these trusts. Mr. Speaker, the member asked a series of questions relating to how this legislation would affect income trusts. Income trusts are an increasingly popular investment vehicle. The short answer to these questions is that Bill 14 does not affect them directly. As the member may know, there has been an ongoing discussion in corporate Canada about income trusts, whether there should be limited liability for investors as there is for investors in corporations, and corporate tax policy generally.

Several provincial governments including Alberta have been approached about this issue by trade associations and groups representing income trusts such as real estate or royalty trusts. At this point there is little I can relate to the member about this issue other than to say that these groups have been heard, and the government is assessing their presentations. I understand that the government of Ontario announced in its budget that it is introducing legislation to limit the liability for investors in these trusts, and it will review government standards for publicly traded trusts.

I hope, Mr. Speaker, that that answers the questions that have been raised by the member, and with that, since it has been moved, I'll take my chair. Thank you.

Dr. Taft: Well, I appreciate the brief comments from Calgary-Currie. There were a number of questions, as the member has mentioned, raised in committee, and between his efforts and the efforts of the Member for Calgary-Mountain View, they've been reasonably well addressed. We do have some concerns remaining, but we will in fact be supporting this bill.

Thank you.

[Motion carried; Bill 14 read a third time]

Bill 12

Financial Sector Statutes Amendment Act, 2003

The Deputy Speaker: The hon. Deputy Government House Leader.

Mr. Stevens: Thank you very much, Mr. Speaker. It's my pleasure on behalf of the hon. Member for Calgary-North Hill to move third reading of Bill 12, Financial Sector Statutes Amendment Act, 2003.

The Deputy Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks for the opportunity to speak in third reading to Bill 12, the financial sector amendment act, 2003. Now, we did note a number of concerns at committee, but overall we're supportive of this act in that it's trying to update the legislation and keep it current. It's been a complaint of mine, anyway, that we're not reviewing enough of the legislation. It becomes very archaic and less useful, so it does need some sort of constant updating program, and that's what's being contemplated here. Not all of the concerns that we raised were addressed, but at this point I'm certainly willing to support this attempt to update the legislation.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I'd also like to briefly comment on Bill 12.

An Hon. Member: Support it.

Dr. Pannu: And support it. Yes, that's true.

The bill is essentially of a housekeeping nature. It does amend several existing pieces of legislation and does allow credit unions and ATB to be able to engage in providing services and engage in business activities that were previously available only to federally chartered banks. I think that's fine. We're supportive of those changes. Some of these changes were requested by credit unions themselves and by ATB. Thus there's no serious objection that we see coming from any of the interested parties to this bill, so we are happy to support it.

Thank you.

[Motion carried; Bill 12 read a third time]

Bill 10

Health Information Amendment Act, 2003

The Deputy Speaker: The hon. Minister of Health and Wellness.

Mr. Mar: Thank you, Mr. Speaker, I'm pleased to move third reading of Bill 10.

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. This piece of legislation provides a genuine dilemma for me as the critic. Unquestionably there are good components to this bill, one that we actually advocated in the fall be included in miscellaneous statutes. It instead is in this bill.

A completely different component of the bill addresses the issue of consent for having patient information recorded and shared electronically. I'm torn – I'm truly torn – on the issue, but ultimately I am going to stand in favour of an active safeguard for people's privacy, and that's a safeguard that this bill will be removing. So I'm going to oppose the bill, recognizing that there are undoubtedly some very good components to it. It's truly a dilemma for me.

Thank you.

11:30

[Motion carried; Bill 10 read a third time]

The Deputy Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I know that it's late, past 11:30 p.m., and I just want to briefly applaud the dedication of all members for being here so late.

I also want to salute the dedication of my staff who were here earlier tonight and in particular Darlene Andruchuk, my director of financial services, who has worked for the government of Alberta for over 30 years. In spite of the fact that it is her 36th wedding anniversary – and I know that she would much rather have been elsewhere – she did come here tonight. I think all members by their cheering, which I hear, salute her in that regard, so thank you.

With that, Mr. Speaker, I would move that we adjourn until 1:30 p.m. tomorrow afternoon.

[Motion carried; at 11:32 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, May 7, 2003**

1:30 p.m.

Date: 2003/05/07

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. Though we as legislators of this great province and its people are taken from among the population and selected by You to be architects of our history, give us wisdom and understanding to do Your will in all that we do. Amen.

Please be seated.

head: **Introduction of Visitors**

Mr. Jonson: Mr. Speaker, I'm pleased to introduce to you and through you to the members of the Assembly His Excellency Eric Hayes, ambassador for the European Commission in Canada. Traveling with His Excellency is Mr. Frank Deeg, principal adviser at the EU delegation office in Ottawa.

Trade with the European Union plays a vital role in Alberta's economy. The EU is Alberta's third largest trading partner after the United States and Japan. The relationship extends beyond trade as many Albertans trace their ancestry back to one of the 25 countries that will soon make up the new, larger European Union.

I would ask that our honoured guests please rise and receive the traditional warm welcome of the Assembly, and I wish our guests a very successful trip to Alberta and continued good work on behalf of all concerned.

Thank you.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Transportation.

Mr. Stelmach: Thank you, Mr. Speaker. I have two introductions today. First, I wish to introduce to you and through you to members of this Assembly 50 very special visitors from the home of the Sutters, the community of Viking. They are seated in the members' gallery, and they are accompanied by teachers/group leaders Mrs. Muriel Hill, Mrs. Norma Pon, Mrs. Ev Merta, by parent helpers Mrs. Penny Hammer, Mr. Jim Wood, Mrs. Lina Wood, and Mr. Arnold Hanson. I would ask all to rise and receive the traditional warm wishes of the Assembly.

Mr. Speaker, I wish to introduce to you and through you to members of this Assembly another special visitor from the home of the Easter egg community of Vegreville, a very dedicated family man and a very, very busy community volunteer, a lawyer by profession. I would ask Mr. Peter Dobbie to rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Little Bow.

Mr. McFarland: Thank you, Mr. Speaker. It's a pleasure for me today to stand and introduce to you and through you to all members of the Assembly 12 special guests from Providence Christian School in the county of Lethbridge, which is in the southwest corner of our riding of Little Bow. With the 10 students from Providence Christian today are their teacher, Mr. Chris Heikoop, and Mrs. Sjaane Heikoop. I'd ask that they please rise. Have a safe journey home, and I hope you enjoy your stay here.

Mr. Maskell: Mr. Speaker, it's my pleasure to rise today and introduce to you and through you to members of this Assembly the Alberta Health Facilities Review Committee. The mission of this hardworking committee is to assist in maintaining quality care, treatment, and standards of accommodation in health care facilities throughout Alberta. The committee, chaired by yours truly and vice-chaired by the hon. Member for Vermilion-Lloydminster, consists of 10 private citizens who possess varied backgrounds, expertise, and work experience. They're seated in the members' gallery: Hildegard Campsall, Peace River; Nada Chelvam, Edmonton; Don Clarke, Edmonton; Barry Costello, Calgary; Barbara Hay, Lacombe; William Malcolm, Lethbridge; Dorothy Patry, Medicine Hat; Ada Rawlins, Chestermere. Two members unfortunately weren't able to be here today: Glenna Bell, St. Albert; Gary Severtson, Innisfail. They're accompanied by three staff members: Pauline Michaud, executive director; Irene Sinclair, administrative assistant; Alissa Messner, writer/editor. Would you please rise and accept the warm traditional welcome of this Legislature.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to all members of the Assembly seven guests. They are seated in the public gallery. They are from Edith Rogers junior high school. Four students – Aron Badre, Trace Letendre, Shelby Sigouin, and Jesse Richardson – are accompanied by two of their hardworking teachers, Holly Isert and Ryan Nouta. The mother of Aron Badre, Jette Badre, is also with them. I'd now ask them to please rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Minister of Seniors.

Mr. Woloshyn: Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to the members of the Assembly a very hardworking constituent. She has committed herself to doing a fine job of leading the educational system in our area and making an excellent system even better. I'd ask Lori Briggs Benner, the chairperson of Parkland school division, to stand and receive the warm welcome of the Assembly.

Dr. Nicol: Mr. Speaker, it's a real pleasure for me today to rise and introduce to you and through you to the members of the House Marc Slingerland. Marc is a student at the University of Lethbridge. He's in Edmonton this week attending a math/biology seminar. I'd like to ask Marc to stand and receive the warm welcome of the House.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I rise today to introduce to you and through you to all members of the Assembly the office assistant for the summer in my constituency office of Edmonton-Riverview, Karen Diepeveen. Karen is a resident of Edmonton-Riverview. She's just completed her third year at Dalhousie University, honouring in political science with an emphasis in Canadian studies. Now, Karen may be familiar to some of you here because she worked as a page in the Legislative Assembly in 1999. She was recently elected as academic vice-president of Dalhousie Political Science Society. So I welcome Karen and ask her to please rise and receive the warm welcome of this Assembly.

Thank you.

head: Oral Question Period**Electricity Deregulation**

Dr. Nicol: Mr. Speaker, yesterday the Premier admitted that electricity deregulation in Alberta, and I quote: has not gone well. End quote. That is the understatement of the year. Three years of industry chaos, skyrocketing power bills, and a transmission crisis demonstrate that electricity deregulation has been a complete and total failure in providing low-cost power to Albertans. My question to the Minister of Energy: will the minister unplug deregulation given that the uncertainty in the marketplace is sending investors running?

Mr. Smith: Well, Mr. Speaker, the investors are not running, and if they were, it would only be from a distortion that would be led through the opposition. In fact, what the member has omitted are also comments from the Premier at the same time that said: we are not going back. Deregulation is here in Alberta to stay, appropriately so. No one said that it was going to be a bed of roses; no one said that it was going to be an easy journey. We are now most of the way through that journey.

We have the three points. We've completed the export policy principles that allow first of all for Albertans to be served first; secondly, for an appropriate outlet; thirdly, that we have a price-setting mechanism that does not allow foreign markets to establish our price. Next we have a market policy that puts on a level playing field EPCOR, Enmax, all the players in front of the EUB. That market policy is very important. It also establishes the Alberta independent system operator. Lastly, Mr. Speaker, we have a transmission policy that is the same as it was before deregulation. Deregulation never did affect transmission policy. It is still a regulated natural monopoly and will remain so.

1:40

Dr. Nicol: Again to the Minister of Energy: will the minister unplug deregulation given that yesterday the Premier described deregulation as, and I quote: a proverbial pain in the butt.

Mr. Smith: Mr. Speaker, I've heard the Premier describe many things as a proverbial pain in the butt.

Deregulation has not been easy. Just as in 1993, '94, and '95 when it was found out that people wouldn't build new generation, when it was going to take 14 years to put new power into this marketplace, when it was found out that it took 14 years to get Genesee from approval to the first switch – Mr. Speaker, without deregulation there would have been no healthy wind power industry in this province. We would not be using natural gas cogeneration the way we are today. The government would not have been able to sign the largest green power contract in the history of North America without deregulation.

Dr. Nicol: I hope Albertans weren't believing that, Mr. Minister.

To the Minister of Energy: will the minister unplug deregulation given that more add-ons such as your new transmission charges will keep power bills higher than they should be?

Mr. Smith: Well, I want to thank the member for that question, Mr. Speaker, because these new transmission charges are not new transmission charges. Transmission has always been a part of a regulated network. What happens is that when transmission is needed, they apply to the EUB. The private company spends the money, and they own the lines. Then they come to the EUB and they ask for depreciation, the cost of running that transmission,

operation and maintenance, and a return on capital. In fact, this has been going on since transmission lines were first built. It will continue like that.

What we have said with real and true clarity with respect to transmission is that this will allow access of low-cost generation to come onstream and serve Albertans with lower priced electricity.

The Speaker: Second Official Opposition main question. The hon. Leader of the Official Opposition.

Dr. Nicol: Thank you, Mr. Speaker. I hope Albertans didn't believe that either.

Electricity Transmission Development Policy

Dr. Nicol: A regulatory regime has to be apolitical, and the Minister of Energy's policy change with regard to the Alberta Energy and Utilities Board's ruling on transmission politicizes the regulatory process. This is a fundamental violation of how we should govern and regulate industry. To the Minister of Energy: will the minister withdraw his overruling of the AEUB transmission decision?

Mr. Smith: Well, Mr. Speaker, I hope Albertans didn't believe that preamble.

What happened is that the EUB had the transmission administrator, which is a group hired by the Alberta government, a for-profit group, to deliver transmission operations and policy in Alberta. Secondly, Mr. Speaker, they then realized that there was a problem getting up transmission or power through an already busy corridor. Remember that while this deregulation was going on, Alberta continued to grow, Alberta continued to have new jobs, Alberta continued to have an increase in disposable income, Alberta continued to thrive, so the problem continued to exist. What we needed to do was change through Bill 3, that members were all present for in discussion here in March, that establishes an independent system operator – that system operator said that with a transmission policy that offers open access for generation, there's no need for congestion management. If there's no need for congestion management, there's no need for the EUB decision.

Dr. Nicol: Will the Minister of Energy admit that his actions create uncertainty to the point of creating chaos in the province of Alberta in terms of the electricity industry?

Mr. Smith: Well, I'm actually pleased to say the absolute opposite, Mr. Speaker. In fact, this does create certainty because now we have a three-part program. We have an export policy that delivers power outside of the province if it's not being used by Albertans. Secondly, we have a market policy that puts everything in front of the EUB, out-front public hearings, an open inquiry every time somebody goes to the EUB. Anybody can go. These members are more than welcome to go. Lastly, we have a transmission policy, a transmission policy that allows our unique Alberta resources, low-cost coal and low-cost natural gas, for cogeneration. We can add thousands of megawatts onto this grid, deliver cheaper electricity, and not increase anything in the level of pollution. We can have good, cheap-priced power in a good, thriving industrial market, and consumers, residences who use about 11 percent of all power generated, will benefit from this ample generation.

Dr. Nicol: Mr. Speaker, cogen could have come on if they had done it right under the other one.

Finally, will the minister submit his resignation so that someone

who will do the right thing can take his place in dealing with putting in place a usable electricity system in Alberta?

Mr. Smith: Well, Mr. Speaker, one of the things that I've always had the privilege of doing is not only serving Albertans through being a member of Executive Council but serving Albertans through being an elected Member for Calgary-Varsity.

Calgary Board of Education

Dr. Nicol: Mr. Speaker, the Calgary public board of education paid down its debt, it balanced its budget each year, it closed down schools, and now the government is rewarding the board by giving them \$32 million less than they need and the minister is attacking their budget planning. To the Minister of Learning: why does the minister claim that reduced enrollment is to blame for 225 teacher layoffs when enrollment only impacts, at the most, 25 teachers?

The Speaker: The hon. minister.

Dr. Oberg: Well, thanks, Mr. Speaker. Calgary public yesterday brought out their preliminary budget. It's the first blush at the budget that the school board will have. Included in that is the potential for 197 fewer teachers in the system. It is hoped that the majority of this would be through attrition. What the hon. member has not said is that the amount of dollars for Calgary public has increased by \$17 million this year and that indeed they are projecting anywhere from 500 to 700 fewer students. Over the past three years we've seen a decrease of very close to 2,000 students within their school system, yet their amount of funds has gone up very close to 20 percent.

Mr. Speaker, we will be working with the Calgary board to take a look at some of the line-by-line items. In all fairness, we have only seen the very macro budgetary items, and we'll be working with them very closely.

Dr. Nicol: Again to the Minister of Learning: why does the minister attack the board for budgeting an extra \$19 million for teachers' salaries when \$5 million alone is due to teachers moving up the salary grid and the rest is a direct result of last year's arbitrated settlement?

Dr. Oberg: Well, Mr. Speaker, I did not attack the board. Quite frankly, what I said was that I question, when we're laying off 400 positions, why their salaries have gone up \$19 million. That quite simply is a question, and that's what we're looking at.

Dr. Nicol: Is the minister planning to do anything to prevent other school boards from delivering bad-news budgets, or is he happily just sleepwalking into another crisis like he did last year?

Dr. Oberg: Mr. Speaker, that doesn't deserve an answer.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Edmonton-Meadowlark.

1:50

Electricity Deregulation

(continued)

Mr. Mason: Thank you very much, Mr. Speaker. The Energy minister's inability to separate fantasy from fact has made him the Baghdad Bob of energy deregulation. Even the Premier has stopped believing the creative fiction of the Energy minister. The state of California has embarked on a no-holds-barred review of all aspects

of deregulation resulting, to no one's surprise, in the cancellation of deregulation itself. My question is to the Minister of Energy. Instead of the usual whitewash, will the minister heed the Premier's call and launch a no-holds-barred, fully independent commission on the failure of the government's power deregulation scheme?

The Speaker: The hon. minister.

Mr. Smith: Well, thank you, Mr. Speaker. I think there was a movie once where it was asked: what about Bob?

Mr. Speaker, deregulation is a serious topic. It's been a topic that's been around Alberta for a great, great length of time. It has delivered 3,000 megawatts' worth of new generation. It has delivered in some parts of Alberta lower prices than they had under regulation and in some parts higher prices. It has also delivered new investment and alternate ways of powering up Alberta: green power, wind power, cogeneration. It recognizes the unique fabric of Alberta. This is a competitive, open market process. It is subject to inquiry every day. Any independent inquiry, any suggestion from anybody, any suggestion even from the opposition is listened to. I mean, why not? This is an open process.

Mr. Mason: Then, Mr. Speaker, why is the minister refusing to listen to groups like the Rural Utilities Association, who are telling the government that deregulation has failed, is driving up costs, and that it's time to reverse course?

Mr. Smith: Well, Mr. Speaker, I'll be meeting with the rural electrical associations on the 14th. I've met with the rural gas co-ops. We have worked very hard and the Member for Grande Prairie-Smoky and the Member for Edmonton-Castle Downs have worked for two years on issues with respect to rural electrification. These REAs use 54 megawatts in an 8,000-megawatt grid, but they still do it better than anybody else and should be recognized for that.

As I say, this process is ongoing. There are lots of ways to have new debate, new discussion, and it's being done in an open, transparent fashion as we put forward the three pillars of electrical policy in Alberta: an export policy, a market policy, and now a transmission policy.

Mr. Mason: Mr. Speaker, what does the minister have to say to the REAs, rural municipalities, and gas co-ops who told the standing policy committee yesterday that there are 24 new bureaucracies which have been created to try to make deregulation work and are in fact driving electricity prices even higher?

Mr. Smith: Mr. Speaker, Bill 3, the Electric Utilities Act, took the number of regulations from 38 to 22. That reduction is consistent with this government's priority of reducing regulations. We have also consulted throughout this process. There has been the business advisory group. They have been an important part of the group. The EUB has had an electrical advisory group. This government has had an electrical advisory group. There has been substantial, meaningful monthly consultation. There's active consultation on the web site, active consultation on the Power Pool. In fact, at the end of this year the price of electricity, if it remains the same in the Aquila network, with the same regulated rate option, will drop 50 percent when the rate riders terminate for the purchase of 2000 and 2001 electricity.

The Speaker: The hon. Member for Edmonton-Meadowlark, followed by the hon. Member for Edmonton-Mill Woods.

Early Learning Programs

Mr. Maskell: Thank you, Mr. Speaker. The new Medicine Wheel Early Learning Centre in Calgary, which I visited Friday, prepares native and Métis children aged three and a half to six for entry to elementary school. Learning centres ensure that children, especially those at risk, are ready for grade 1 and that they will be reading by the end of grade 3. My first question is to the Minister of Learning. Would the minister tell us if this type of program, early learning centres, will be expanded in Alberta for all at-risk children?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. The Medicine Wheel Early Learning Centre is a program that is funded by Health Canada and Children's Services. It is in the experimental phase now, but the actual results are looking extremely promising. We will be looking at whether or not these can be extrapolated into other areas of the province, but the initial understanding is that it is very good.

Thank you.

Mr. Maskell: Mr. Speaker, my supplemental question is to the Minister of Aboriginal Affairs and Northern Development. Would the minister tell the House how this initiative ensures that our aboriginal youth get the right start in life?

The Speaker: The hon. minister.

Ms Calahasen: Thank you very much, Mr. Speaker. As we all know, successful early learning is critical for any child and more specifically aboriginal children to find their own place in aboriginal society and society generally. This government is committed to promoting and supporting lifelong learning and opportunities for aboriginal people. Recognition of an aboriginal child's culture is important to the understanding of their personal identity, their roots, and of course the cultural community. Such recognition in respect of a child's culture can actually only lead to an increase of their self-esteem and dignity, and that's why this specific program was really important, because it's unique. It actually teaches the language of Michif, which is Métis and a language that has been sort of outdated. So this is very important, because the kids learn their own language, and it's only through language that we learn our culture.

The Speaker: The hon. member?

The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Calgary-Fort.

Calgary Board of Education

(continued)

Dr. Massey: Thank you, Mr. Speaker. Eight billion dollars squandered on reckless electricity deregulation while the Calgary board of education is forced to cut programs, teachers, and increase class sizes: it just doesn't make any sense. My questions are to the Minister of Learning. Will the minister explain to parents in Calgary why they must lose their early literacy teachers?

Dr. Oberg: Well, Mr. Speaker, again, what the Calgary board of education is looking at is decreasing the number of teachers in their particular jurisdiction through attrition. Whether or not they will be able to do that is very difficult to say at this time. They have put forward a preliminary budget, and indeed in their preliminary budget they have stated that there is a shortfall of \$32 million. This is on

top of the \$17 million that we have put into the system. This is on top of a decrease of 500 to 700 students that are presently within the system. We will be working with them to ensure, as the hon. member has asked, that programs such as early literacy, which are very good programs, very essential programs, are not affected by what they do. I know that the chairman of the Calgary board of education as well as the total board is one hundred percent committed to education, and I'm sure that they will be able to find a way to deal with it.

Dr. Massey: Again to the same minister, Mr. Speaker: will the minister explain to those students in one Calgary high school how losing 15 of their teachers will improve their learning? Fifteen of them.

Dr. Oberg: Mr. Speaker, again, it's very hard for me to say specifically whether there are 15 teachers or whatever from whichever high school he is talking about. Again, it is up to the Calgary board of education to determine what will happen within their school jurisdiction, and that's what I respect.

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. Again to the minister: will the minister explain to continuing education students at Chinook College why their programs are under threat?

Dr. Oberg: Mr. Speaker, that's a very interesting question because the Chinook College does not have a mandate under the Colleges Act to run courses for adults. Under the School Act it is not permitted, so we are looking at this exact thing. As a matter of fact, there will be some legislation tabled a little later on this week that will deal with the usage of the term "college," for example. On the difference between Chinook College and Metro Community College in Edmonton, which are both doing a similar thing, my understanding, which again is very preliminary, is that Chinook College is actually running at a profit of about \$500,000 per year. So we will have to take a look at this very carefully and see exactly what is happening there.

The Speaker: The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Gold Bar.

Highway Maintenance

Mr. Cao: Thank you, Mr. Speaker. Recently I received a complaint and a few suggestions from a constituent of mine about his experience on the highway after the snowstorm of the weekend before last. Given that road maintenance is directly related to the safety of Albertans and also to an economic flow of goods and services, my question today is to the hon. Minister of Transportation. Can the minister explain how he ensures that the road maintenance program, particularly the snow clearing on highways, is administered efficiently and effectively?

2:00

The Speaker: The hon. minister.

Mr. Stelmach: Well, thank you, Mr. Speaker. The highway maintenance in the province is administered through maintenance contracts. There are nine specific areas. Essentially, what happens is there's an agreement between the contractor and Alberta Transportation to carry out various maintenance duties, including snow

removal, through the contracts. These contracts are monitored by Alberta Transportation personnel. As well, part of the responsibility of the contractor is to monitor not only weather but the road conditions with their own personnel, and then there's a clause in the contract that within the hour they're to have their snowplow trucks out on the highway as quickly as possible.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. My last supplemental question is to the same minister. In the case of very bad weather conditions what measures does the minister have to restore the transportation flow?

Mr. Stelmach: Mr. Speaker, the hon. member raises a very good question with respect to a test that we've been put under in this province with this previous week's snowstorm and especially the stubborn system that refuses to move. We rely on a number of individuals to provide information as to when the proper time is to close a highway. We consult with the RCMP, our maintenance contractors, and also our own staff monitor the situation, and it's up to us to make the call.

In respect to the situation that we faced, we're going to be consulting with all of the individuals involved to see if we perhaps waited too long to close certain sections of the road. I know that what happened in the first instance is that there were too many vehicles on the road that impeded the movement of all of the maintenance equipment and, as a result, backed up a fair amount of traffic from one community to another. So we're going to again reassess the situation. We're going to learn from it.

In terms of the equipment out on the road and the number of pieces of equipment compared to what we had prior to taking over all of the secondaries, the amount of equipment is greater in number, but it's a matter of ensuring that that equipment is at the right place at the right time and also finding a good, quick, easy policy as to when to shut a highway down appropriately for safety reasons.

Electricity Transmission Development Policy

(continued)

Mr. MacDonald: Mr. Speaker, random acts of political tinkering make for a fragile investment environment in Alberta's deregulated electricity market. The proposed Alberta transmission development policy nullifies the regulatory process stakeholders have been engaged in over the past four years and appears to be a resounding vote of nonconfidence in the AEUB. My first question is to the Minister of Energy. What are the total transmission tariffs on an annual basis that will now be recovered from customers across Alberta?

Mr. Smith: Mr. Speaker, I don't see any reason why it would be any different than what it was before, but if he wants an exact dollar number, we're more than pleased to take that question under advisement.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the same minister: given that an additional \$266 million will be added annually to the bills of customers, how much more will be added to their bills to pay for any new transmission infrastructure?

Mr. Smith: Well, Mr. Speaker, this is exactly the type of speculation

that occurs that makes it impossible for this issue to be easily and clearly understood by the public. In fact, if a transmission line is to be built, then that transmission company goes to the EUB and they apply for the right to build a transmission line. This is determined by the new Alberta independent electrical system operator. The EUB then rules on it, and then the company, ATCO, AltaLink, would start to build the transmission line.

Once the line is constructed and interconnected with the grid, then an application is made to the EUB to include the costs in the rate base. At that time, the EUB assesses the cost and approves the reasonable costs into the rate base. Then the ISO, independent system operator, adjusts the tariff to all its direct serve customers, including distribution companies. Distribution companies adjust their tariffs to end customers. Customers, consumers, do not start paying until the line is constructed and included in the rate base. So if the Energy and Utilities Board gives approval to build a 500-kilovolt transmission line from Edmonton to Calgary and the line is not completed until 2008, customers do not begin to pay for it until the year 2008.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the same minister: will the Department of Energy be reimbursing all those who spent millions of dollars of their money in research and time as intervenors before the EUB now that you have overruled the decision from last November regarding the transmission policy in Alberta?

Mr. Smith: Mr. Speaker, the member has not listened to the response that I gave in *Hansard* a week ago Thursday. He has not listened to the questions that I answered yesterday. He did not listen to the discussion of the estimates that I gave for some two hours plus yesterday. This government has not overruled an EUB decision. This government has reflected a change in transmission policy that makes it exceedingly clear and exceedingly easy for consumers, generators, and all Albertans to understand that we want to do three things. One, we want to have an export policy that allows new generation. Once it's used in Alberta and there's a surplus, there's an exit portal. Secondly, a market policy that ensures fairness and transparency in electricity marketing and consumption in this province. Lastly, a transmission policy that allows the lowest overall cost generation, which is four to five times more expensive than transmission, to be able to come into service and to service Albertans at a low-cost best electricity service – no blackouts, ample supplies of power – in this marketplace.

The Speaker: The hon. Member for Vermilion-Lloydminster, followed by the hon. Member for Edmonton-Riverview.

Gun Registration Prosecutions

Mr. Snelgrove: Thank you, Mr. Speaker. Manitoba recently confirmed its prosecution policy directing Crown attorneys not to prosecute any firearm registration offences issued under either the Firearms Act or the Criminal Code. Manitoba's Attorney General, Gord Mackintosh, has stated, "It is not in the public interest to prosecute offences that are trivial in nature and do not enhance public safety." My question is to the Attorney General. How closely does this reflect the Alberta government's position?

Mr. Hancock: Well, Mr. Speaker, I'm pleased to say that the Alberta government's position is very close to that taken by

Manitoba in April. Alberta has very strongly opposed gun registration laws from the federal government right through the piece, including leading the charge and taking it to the Supreme Court of Canada. We do not believe that the law is effective. We believe that there are better uses for the money, and if we want to reduce the use of guns in the commission of offences, we could use the resources that the federal government is wasting on the gun registry far better with enforcement through the police on true crimes and by taking things through a court system that would be enhanced and made more effective with the use of more resources.

Mr. Snelgrove: Mr. Speaker, my first supplementary to the same minister. Manitoba has also clearly stated that the federal government is responsible for the prosecution of these offences, and if the federal government declines to prosecute, Manitoba will stay these charges on the basis that prosecution is contrary to the public interest. Is that the position of the Alberta government?

Mr. Hancock: Well, our position is very close to that, Mr. Speaker. We, in fact, wrote to police agencies across the province in January indicating to them that if they were to engage in enforcement of the gun registration laws, we would prefer that where possible they lay any charges under the federal Firearms Act rather than under the Criminal Code. We further expect that the federal prosecutors, the federal government will handle any prosecutions relating to their federal Firearms Act, and we would expect that they would handle any prosecutions with respect strictly to registration offences under the Criminal Code. We have, however, indicated that where a charge was laid in conjunction with other criminal offences, we would be prepared to prosecute in that circumstance.

2:10

Mr. Snelgrove: My second supplementary, to the Minister of Sustainable Resource Development, Mr. Speaker. "The primary responsibility of Manitoba Conservation is the management of the province's natural resources, not to waste time and energy enforcing ineffective federal laws," said Manitoba Conservation minister Steve Ashton. "Manitoba Conservation officers will not administer . . ."

The Speaker: Hon. member, are you making a statement, or do you have a question?

Mr. Snelgrove: Oh, I have a question. Sorry. "Manitoba Conservation officers will not administer or enforce long gun registration laws. Officers checking firearm users in the field . . ."

The Speaker: Thank you very much. Thank you very much.

Magnetic Resonance Imaging

Dr. Taft: Mr. Speaker, reducing wait lists for MRIs is not simply a matter of spending more; it's also a matter of managing demand. Earlier this week the Minister of Health and Wellness indicated that "we have to be asking whether or not [MRIs are] being used properly, and that is something that we plan on investigating." The minister said that two committees could be involved in this process: the expert panel and the utilization and outcomes commission. My questions are to the Minister of Health and Wellness. Can the minister tell us if clinical experts on MRIs are advising these two committees, and if so, who are these experts?

Mr. Mar: Mr. Speaker, work has not yet been commenced by either of these committees on this important subject. We've had a number

of other issues to deal with, but it would be my intention at some point to retain the advice of experts in the area of what would be an appropriate scan rate for important diagnostic tools. For example, we do have a diagnostic imaging committee that is providing us with some advice. There are, of course, radiologists on that committee. They would also accept advice from other health care professionals.

I should say, Mr. Speaker, that if an individual needs an MRI on an urgent basis, that's not an issue in this province. They get it immediately, but I think that there are appropriate questions to be asked for less serious requirements for MRIs and whether or not such an MRI in fact provides any diagnostic information that is important in the treatment of an individual's condition.

Dr. Taft: The minister has touched a key point here. Given that radiologists who are investors in private MRI clinics are heavily marketing their MRIs to physicians and patients, can the minister tell us who is responsible for ensuring that this marketing does not needlessly drive up demand for MRIs?

Mr. Mar: Mr. Speaker, I think it's entirely appropriate that individuals who are experts in matters such as radiology should be on the committee. I think that these individuals are professionals. I think that they have the best interests of patients at heart. I think that it is entirely possible to look at the information which is available objectively, and if the instructions given to them are to do so on the basis of sound information for what actually helps, they can do so without any reference to their own personal interest.

Dr. Taft: The minister is going to lose control on this one.

Will the minister ensure that those individuals who are responsible for ensuring that MRIs are utilized appropriately are not also involved in private, for-profit diagnostic companies? Conflict of interest is not acceptable.

Mr. Mar: I can say, Mr. Speaker, that whoever has been selected for any of our committees are always people of the very finest character.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Cardston-Taber-Warner.

Calgary Board of Education

(continued)

Dr. Pannu: Thank you, Mr. Speaker. Yesterday the Calgary board of education outlined just how devastating the sorry Tory budget will be for a hundred thousand students, nor is the CBE alone. In the next few weeks school board after school board across the province will outline the same grim scenario. To the Minister of Learning. I ask the minister what CBE chair Gordon Dirks asked yesterday, namely:

How can it be that the Provincial Government which dramatically cut education funding ten years ago, and is now in the best fiscal position in decades, would so under-fund the CBE that it will again have to implement massive cuts?

Dr. Oberg: Well, Mr. Speaker, 10 years ago, in 1994 I believe it was, the budget for education dropped approximately 4.3 percent. If you remember the time frame, all the other budgets in this government dropped anywhere from 10 to 20 percent, some even a little bit higher. Education was spared at 4.3 percent. Since that time in 1995 we have seen a 57 percent increase in the amount of dollars that have gone into education. We have seen a corresponding increase of about 6 to 7 percent in actual enrollment. Even when you add in inflation and cost of living, we're still about 19 percent

above what those two figures show. Again, when it comes to the Calgary board of education, they are receiving \$17 million more than they did last year for roughly 500 to 700 fewer students.

Mr. Speaker, when you take a look at what is happening across Canada, we're probably the only jurisdiction in Canada that is putting that much money into their education system. We've put in large amounts over the last four years and will continue to value education by putting amounts of money in. But it is not an endless purse where you simply write a cheque and the amount of money comes through.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Another question from Mr. Dirks to the minister: how can the provincial government state, on the one hand, that excellence in learning continues to be a top priority and, on the other, make decisions that result in a dramatic loss of teaching and support staff in CBE schools?

Dr. Oberg: Again, Mr. Speaker, the budget at the CBE is preliminary. I'll say it for the fourth or fifth time today: they received \$17 million more for 500 to 700 fewer students. It's a significant amount of dollars. We're going to work with the CBE and find out exactly where those dollars are going and what they're choosing to do.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. My second supplemental to the minister. A question from Mr. Dirks again from yesterday: why would the provincial government make budget decisions that have a massive negative impact on the CBE before it receives the Commission on Learning report?

Dr. Oberg: Well, Mr. Speaker, the funny thing about this Legislature is that you have to table a budget. In this budget we saw the second highest increase in dollar amounts of any department in this government. We increased by approximately 4.9 percent. My total budget was increased by that amount, which is quite dramatic. It's quite a large amount of money. The K to 12 system alone went up by some 171 million dollars.

Just to remind the hon. member, those dollars are not made in a back room; those dollars come from taxpayers. We have to be good stewards of taxpayers' dollars, and we have to be prudent when it comes to giving out taxpayers' dollars.

The Speaker: The hon. Member for Cardston-Taber-Warner, followed by the hon. Member for Edmonton-Glenarry.

Electricity Rate Riders

Mr. Jacobs: Thank you, Mr. Speaker. Some of my constituents continue to express concerns about the charges appearing on their electricity bills, in particular rate rider charges. It is my understanding that rate riders were not collected in 2000 and 2001 due to a price collection limit put in place by the government, but they have since been approved by the EUB to recover the shortfall in deferred electricity account balances. My first question is to the Minister of Energy. How can customers avoid having deferral charges on their bills, and how long can customers expect to see rate rider charges on their bills?

Mr. Smith: Mr. Speaker, that's an extremely good question. Rate riders are a throwback from the old regulated system. After the

passage of Bill 3, when people go to EPCOR, Enmax, or Direct Energy, they can buy contract electricity. When they make those contract purchases in the competitive market model, they will not be subject to rate riders. So in the future the majority of rate riders in the unregulated market system will be gone forever.

With respect to the specific member's area, I would advise the member that under the regulated system in the year 2000 for residences and for farms there was about a six and a half or seven-tenths of a cent rate rider added to the bill for electricity used in the year 2000 and not paid for. In 2001, Mr. Speaker, the rate in the member's area was 2.5 cents for residential and 2.48 cents for farms. These represent about half of the charge of electricity on your bill today, because his regulated rate is about 6.12 cents.

So these rate riders are on the bills until the end of 2003, December of 2003, five or six months from now, at which time there will be the end of rate riders on the EPCOR/Aquila bills as we know them today.

2:20

Mr. Jacobs: To the same minister: how are the amounts of these rate riders determined?

Mr. Smith: Well, again, Mr. Speaker, it's a throwback to the regulated system that we have left. There is a regulated rate that Aquila and EPCOR applied to the EUB for. That was approved. That regulated rate, then, in excess electricity priced above that rate is collected a year after. So if you have a contract, if you have a long-range agreement, you will not be subject to a rate rider. The rate riders are then calculated through the EUB. With Bill 3 passing, any rate riders will go through the EUB, whether it be Cardston-Taber-Warner, Calgary, or Edmonton.

Mr. Jacobs: My final question to the same minister: what is being done to reduce these rate rider charges?

Mr. Smith: Again, an extremely important question, Mr. Speaker. In the future once consumers decide to purchase electricity on a contract basis, on a long-term basis, or however they feel they want to purchase it, they can do so and then avoid any rate riders. This is the great option that a deregulated market gives customers. It gives them their own price discovery. They can in fact negotiate agreements where they can combine gas and electricity. They can combine perhaps furnace cleaning services with it. So they can budget, and they can determine what's affordable for them and how they want to pay for it.

Heritage Savings Trust Fund Investments

Mr. Bonner: Mr. Speaker, on March 19, 2003, the United States Federal District Court ruled that a lawsuit brought forward on behalf of the Sudanese against Talisman Energy will stand. As a result of this decision, Talisman Energy may be responsible for hundreds of millions of dollars in damage. As of March 31, 2002, the heritage fund held over 245,000 shares in Talisman Energy Inc. that were valued at \$16 million. My questions are to the Minister of Revenue. Given that this lawsuit against Talisman Energy may result in the value of our fund declining, why does the heritage fund still have Talisman shares?

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. With respect to our investments, we have consistently maintained as a policy of investing that we do invest in the broad markets. The indices, for example, the

TSX: Talisman would be one of the major companies listed on that, and as such we would hold shares of Talisman. Talisman continues to meet all the regulatory requirements. They are a reputable company. Actually, we have done quite well with respect to the Talisman investment.

Mr. Bonner: Some would say that this is blood money, Mr. Speaker.

Why won't this minister protect Alberta's heritage fund given that Talisman Energy could stand to lose hundreds of millions of dollars over this lawsuit?

The Speaker: That's highly speculative, and I don't know how anybody can respond to a question on the future of the market, so please proceed with your third.

Mr. Bonner: It would be risk management, Mr. Speaker.

My final question to the minister: what checks does this minister have in place to ensure that the heritage fund is not involved in risky investments like the one with Talisman Energy given that the heritage fund has billions of dollars invested in thousands of companies?

Mr. Melchin: Mr. Speaker, I would like to first mention that all of the preamble was based on a lot of assumption, a lot of speculation, a lot of ifs, whereas the facts have all demonstrated over time that this company has continued to meet all the requirements.

Remarks such as "blood money" I find quite slanderous really. As I've said many times before, it's easy to take a company and make slanderous accusations, innuendos, and not have any evidence to actually bring forward. If they have some evidence, please bring it forward through the appropriate securities regulations.

The Speaker: The hon. Member for Edmonton-Calder, followed by the hon. Member for Edmonton-Castle Downs.

American Sign Language Program

Mr. Rathgeber: Thank you, Mr. Speaker. Many Albertans currently suffer from hearing impairment, and Grant MacEwan College offers the only program on the prairies where individuals can be trained to perform deaf interpretation. My questions are for the Minister of Learning. Has a decision been made regarding the future of the deaf interpretation program at Grant MacEwan College?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. It is true that Grant MacEwan has recently requested that the sign language program be canceled within their institution. I want to assure the students that are in the existing program that their courses will be allowed to finish. They have looked and seen that the amount of enrollment has gone down quite significantly. Another issue has been that the number of students from outside the province of Alberta has increased in proportion. We are currently taking a look at exactly whether or not this program will continue, but Grant MacEwan has done a very good assessment of the program and have concluded that they do want to get out of this program.

Mr. Rathgeber: To the same minister: as there are no other available programs in the prairie provinces, where does the minister expect deaf interpreters to be trained?

Dr. Oberg: Well, Mr. Speaker, there are programs available at the University of Alberta, at Medicine Hat College, as well as at Grant MacEwan in part-time courses, in evening courses, and indeed including some noncredit courses. As with any program the enrollment has to be there and particularly with this program. So we are looking at other alternatives. We realize that it's something that is extremely serious, but there does have to be the interest from students to take this program in order for it to continue. We cannot just have a program with very few people in it.

The Speaker: The hon. member.

Mr. Rathgeber: Thank you, Mr. Speaker. Can the minister advise what consultation, if any, has been made with the deaf community regarding the decision to cancel this program?

The Speaker: The hon. minister.

Dr. Oberg: Thank you, Mr. Speaker. I cannot advise directly, but I will say that I will talk to Grant MacEwan specifically on this project. Grant MacEwan is the one who has done the consultations. They forecast that in the future the enrollment is going to decrease even more. I believe that Grant MacEwan has consulted the deaf community, but I will certainly take it upon myself to find out exactly who in that community they have consulted with.

The Speaker: The hon. Member for Edmonton-Castle Downs.

Municipal Policing Review Report

Mr. Lukaszuk: Thank you, Mr. Speaker. Over the last few weeks in Edmonton we had several gang-related murders, and unfortunately the last one took place in front of children playing. I'm not surprised that it happens, as a majority of Alberta's parolees and almost 50 percent of Alberta's high-risk offenders are released in Edmonton. My questions are to the Solicitor General: when do you expect to implement the recommendations of a recently published policing review report, which addresses many of the issues relevant to improving municipal police operations?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. I appreciate the hon. member's questions. In the member's preamble he talks about the high number of parolees that we are seeing in our communities, and the member is absolutely right. Edmonton seems to attract these high numbers of parolees because of the federal institutions that we have in our area. I'd like to let the member know that we recently have done an initiative with Edmonton police where we are providing them with a full-time probation officer from our department working with the department's high-risk program that they have established. We have also been very diligent on pushing the federal government to provide us with two full-time parole officers.

Mr. Speaker, the member alludes to recommendations from the policing report, and I think the one he's referring to is one that relates to Alberta communities wanting equitable funding. Yes, I support that concept outlined in that recommendation, but equitable policing does not mean equal. Each community has a very different policing need. Yesterday I told the hon. member from across the way that policing is a very complicated and complex matter, and there's no consensus about equitable funding that can be achieved, with the issue of balancing local autonomy with who pays and addressing the policing needs of that particular community.

Mr. Speaker, as I mentioned yesterday, I have met with the AUMA and the AAMD and C, and I have asked them to work with my department and consult with each other and come back to me with recommendations on how we can achieve this.

2:30

The Speaker: The hon. member.

Mr. Lukaszuk: Thank you, Mr. Speaker. My second supplemental for the same minister: will any of the \$2.4 million that are now dedicated from her department for Criminal Intelligence Service Alberta, also known as CISA, find its way to local police departments for the purposes of eradicating organized crime?

Mrs. Forsyth: Absolutely, Mr. Speaker. We've done that in the past, and we'll continue to do that in the future. More important is that all of the \$2.4 million that we provide to CISA is used to combat organized crime, and organized crime has no boundaries. CISA gathers, analyzes, and shares criminal intelligence among the police services, and it helps fight organized crime both locally and across the province by funding joint-force operations in organized crime. They have had a number of successful joint-force operations against organized crime in Alberta, and they are now before the courts. CISA also provides equipment and technology to help police services conduct joint-force operations.

Mr. Lukaszuk: My last supplemental, Mr. Speaker, to the same minister. Will the Solicitor General implement any measures aimed at eliminating duplication of services and lack of collaboration between local municipal police services?

Mrs. Forsyth: Mr. Speaker, yes, we will. One of the things that we're doing now is through CISA, which we talked about previously. We want to eliminate silos and the duplication of services across this province by co-ordinating the efforts of police services across this fine province of ours. Another aspect of duplication of services is in the area of training. I'm looking at recommendations to establish a centre of excellence in police training. We're also in the final ends of developing common police standards in this province. I think it's important to get the police partners talking about opportunities for co-ordination and sharing the successes that they've had in operations, sharing them across this province with other police departments.

The Speaker: Hon. members, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

Mr. Loughheed: Mr. Speaker, I'm pleased to introduce today community members from communities that were involved in a notification program development northeast of Edmonton. With us in the gallery today are Ken Hodgins, mayor of the city of Fort Saskatchewan; Brian Parker, representing Strathcona fire department; Helmut Hinteregger, Sturgeon county; Roy Bryks, Lamont county; Bill Nimmo, town of Gibbons; Fred Pewarchuk, town of Lamont; Calvin Eyben, chair of the Northeast Region Community Awareness Emergency Response; and Dave Onuczko, the executive director of the Northeast Capital Industrial Association. They're in the members' gallery. If they would rise, please, and be recognized by the Assembly.

head: **Recognitions**

The Speaker: The hon. Member for Calgary-Currie.

The Computer Shop

Mr. Lord: Thank you, Mr. Speaker. Today I rise to recognize yet another success story in Calgary-Currie. The Computer Shop, located in the Marda Loop, is the oldest retail computer store in the world. It was first opened back in 1976 when they'd barely invented pocket calculators by two rebels named Austin Hook and Garry Haggins, who wanted to bring microcomputer use to the masses, thus wrestling control away from the technological priesthood of those days.

These days the Computer Shop mostly operates in cyberspace, and thousands view Austin and now his dot-com gaming guru son Andy Hook as virtual computer gods. This is because Austin is at the very forefront of one of the new millennium's most intriguing intellectual battles, which is pitting the energies of thousands of worldwide independent programmers against the new dominant corporate monopolies of our times. Austin is one of the leaders of the Calgary-based worldwide project known as the OpenBSD software movement, which has developed the world's most impregnable operating system and is being used by 30,000 institutions worldwide, including the U.S. military. Microsoft, look out. History is happening every day in Calgary-Currie.

The Speaker: The hon. Member for Edmonton-Centre.

National Hospice Palliative Care Week

Ms Blakeman: Thank you, Mr. Speaker. "Every Canadian has the right to die with dignity, free of pain, surrounded by their loved ones, in a setting of their choice." These words by the executive director of the Canadian Hospice Palliative Care Association are words to live by. Here in Edmonton we have a long and proud leadership in palliative care.

The week of May 5 to 11 is National Hospice Palliative Care Week, and this week it focuses on the volunteer caregiver. Right now one person in 10 is caring for someone with a long-term illness, and before long one in four baby boomers will be dealing with end-of-life issues and offering support to a loved one who is dying. Caregivers need to know that they are not alone and that support does exist for them. One agency in Edmonton is the Pilgrim's Hospice Society, which is this city's only voluntary freestanding hospice. It operates currently without any government funding. Eighty percent of us want to die at home, so help to make hospice palliative care the final gift we can offer our loved ones.

Thank you.

Safety Call-out Program

Mr. Loughheed: Mr. Speaker, I'm pleased to rise today in this Legislature to acknowledge a joint initiative involving more than 40 organizations in nine municipalities. It's a program that improves safety communication with residents about industrial activities by providing a call-in information line and a call-out notification system. This innovative program combines the best of technology with a common set of guidelines to help industries and municipalities meet the information needs of the public. The call-out system can simultaneously telephone hundreds of residents.

Two organizations, the Northeast Region Community Awareness Emergency Response and the Northeast Capital Industrial Association, worked with the following mayors and reeves to make this happen. They are Ken Hodgins, city of Fort Saskatchewan; Vern

Hartwell, Strathcona county; Lawrence Kluthe, Sturgeon county; Roy Bryks, Lamont county; Dave Calder, town of Bruderheim; Bill Nimmo, town of Gibbons; Fred Pewarchuk, town of Lamont; Lloyd Bertschi, town of Morinville; and Brian Brigden, town of Redwater. I would ask all members of the Assembly to join me in recognizing this program, the first of its kind in Canada.

The Speaker: The hon. Member for Red Deer-North.

Armenian Genocide

Mrs. Jablonski: Thank you. Mr. Speaker, Adolf Hitler said, "Who remembers the Armenian genocide?" and then proceeded to methodically exterminate the lives of over 6 million people. Every year on April 29, Holocaust Remembrance Day, we remember these innocent victims.

On April 24 of every year another genocide is recognized, the massacre of over 1 and a half million Armenian men, women, and children by the Turkish government. While many justly condemn the horrific acts of extermination, I want to take a moment to remember and thank the Turkish people who chose to protect innocent Armenians from the brutal soldiers and their butcher battalions. My Armenian grandmother survived this genocide because of a Turkish family that raised her with love and kindness after her family was murdered. Mr. Speaker, our world survives these periods of terror because of just and kind people who have a great capacity to love one another.

Today I ask everyone to remember so that we can prevent future holocausts. And should another person in history ask, "Who remembers the Armenian genocide?" we can stand up and say, "We remember."

The Speaker: The hon. Member for Calgary-West.

Dave Rodney

Ms Kryczka: Thank you, Mr. Speaker. Fifty years ago Sir Edmund Hillary was the first man to ascend Mount Everest, the world's highest peak. Sir Ed, however, would rather be known for his extensive charity work in Nepal over the years. He is referred to as Godfather amongst the Sherpas.

Hillary's torch has been picked up and carried by many others, one being Dave Rodney, an Albertan and a constituent of mine in Calgary-West, who is the first and only Canadian to summit Mount Everest twice. Dave is a former educator on three continents and is now a professional speaker, filmmaker, writer, and humanitarian for numerous causes from local to international. Dave and his wife, Jennifer, have just returned from Nepal after successfully guiding 23 trekkers from six countries to Mount Everest base camp and beyond. The trekkers returned home with indeed some incredible life experiences, stories, and pictures.

Their second reason, though, for returning to Nepal was to do some work for their Top of the World Society, which is currently focusing on the Sherpa people who have also become very dear to them. Sherpa children will receive scholarships to become a doctor, dentist, teacher, or pilot and then return to their valley to benefit their own people.

Congratulations, Dave Rodney, for giving back to those who were an important part of your Everest success. Thank you.

2:40

Morinville Art Club

Mr. Broda: Mr. Speaker, today I rise to recognize the Morinville

Art Club. The club was formed and incorporated May 18, 1978. Since then fall, winter, and spring courses as well as workshops have been presented throughout the years. This past weekend the club celebrated its 25th anniversary. I was most impressed with the quality of local artists' productions as well as guest artist sculptures by Eduino Sousa and clay works by Mary Fetherston. Congratulations and thank you to president/treasurer Jeannine Chalifoux and all club members for their commitment to the arts and their community.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Riverview.

Postpolio Syndrome

Dr. Taft: Thank you, Mr. Speaker. For most Albertans the polio epidemic of the 1950s has become a thing for the history books. However, for hundreds if not thousands of people in Alberta, the lasting effects of polio are still a concern. Many who once had polio are now suffering from what is called postpolio syndrome. Postpolio syndrome is a condition that can strike polio survivors anywhere from 10 to 40 years after their recovery from polio. Symptoms include fatigue, slowly progressive muscle weakness, muscle and joint pain, and muscular atrophy.

Many postpolio syndrome sufferers in Alberta have looked to the postpolio clinic at the University of Alberta hospital for help, but because of a lack of funding and support this clinic may be closed as early as next month. Postpolio syndrome sufferers are scrambling to find new sources of revenue. It is our hope that those sources can be found. It is important that polio sufferers not be forgotten. While the disease may have been virtually eradicated, the long-term effects have not.

Thank you.

head: Tabling Returns and Reports

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you very much, Mr. Speaker. I have three tablings today. First is a response to the MLA for Edmonton-Glengarry on a question.

Second is a response to the Member for Edmonton-Gold Bar on a written question.

Thirdly is to table the 2002 annual report of the College of Alberta Professional Forest Technologists.

The Speaker: The hon. Minister of Infrastructure.

Mr. Lund: Thank you, Mr. Speaker. I rise today to file the required copies of Motion for a Return 9 regarding the Department of Infrastructure's policy on its contracting management process.

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you, Mr. Speaker. I am tabling the appropriate number of copies of two publications from the Conference Board of Canada. One is called the Metropolitan Outlook, Winter 2003. The other is the Provincial Outlook, Winter 2003. They describe the current state of Alberta's economy and the outlook for its future.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'd like to table

the appropriate number of copies of a document entitled Principals' Understandings Concerning the Effects of Small Grade One Classes and Instructional Improvement. This paper was submitted to the *Journal of Educational Administration and Foundations* by its authors, Dr. José da Costa, Dr. Margaret Haughey, and Dr. Fern Snart.

Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I rise to table five copies of a statement by Gordon Dirks, chair of the board of trustees, Calgary board of education, 2003-04 preliminary operating budget. This is the document from which I drew the questions that I asked in question period today.

Thank you.

head: **Statement by the Speaker**

Motions Under Standing Order 30

The Speaker: Hon. members, before proceeding to Orders of the Day, I wish to make a statement with respect to the notice requirements under Standing Order 30. This will be of particular interest to the three House leaders. Standing Order 30(1) states in part:

Any member may request leave to move to adjourn the ordinary business of the Assembly to discuss a matter of urgent public importance of which written notice has been given to the Speaker at least two hours prior to the sitting of the Assembly.

The chair interprets this provision to mean that the member must provide the Speaker's office with notice of the subject matter of urgent public importance, not just notice that the member will be raising some as of yet unstated or undetermined matter that afternoon.

The chair expressed some concern about inadequacy of notice in respect to notice from the then Leader of the Official Opposition concerning a Standing Order 30 application on November 14, 2000, at page 1845 of *Hansard* for that day. The defect in the notice on that occasion was corrected before the matter was raised in the Assembly.

This interpretation of the notice provisions is in keeping with the interpretation of the similar Standing Order in the Canadian House of Commons. *Marleau and Montpetit* at page 585 state:

Any Member, be it a private Member or a Minister, who wishes to move the adjournment of the House to discuss a specific and important matter requiring urgent consideration must give the Speaker written notice of the matter he or she wishes to propose for discussion.

Given that the chair must rule on whether the application for leave to set aside the business of the Assembly is in order, it only makes sense that there should be some indication as to the subject of the purported urgent and pressing matter.

The chair gives fair notice to all members today that in the future not meeting the requirement of sufficient notice will cause the application to be ruled out of order before it is presented.

Thank you.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order.

head: **Main Estimates 2003-04**

Agriculture, Food and Rural Development

The Deputy Chair: The hon. Minister of Agriculture, Food and Rural Development.

Mrs. McClellan: Thank you very much, Mr. Chairman. I am pleased to present the estimates for the Department of Agriculture, Food and Rural Development this afternoon. I look forward to questions from my colleagues in the Legislature.

I would like to take this opportunity to introduce some of my very, very talented staff in Alberta Agriculture. Maybe they could just stand as I introduce them, and people that aren't familiar with these fine people could meet them. So I'll start with Brian Manning, our deputy; Faye Rault, executive director of administration. Faye is not brand new but relatively new. Les Lyster, well known I think to most of us, assistant deputy minister for sustainable agriculture; Ken Moholinty, Super Moho, assistant deputy minister for planning and competitiveness, and if you don't know why I call him Super Moho, come over to the department when we have our next fund-raiser and you'll see him. Brian Rhiness. If you come for a fund-raiser you may see him in one of his roles as assistant deputy minister for industry development, particularly for the hog industry, and Brian looks very good in pink. We have Krish Krishnaswamy, who is vice-president of finance, Agriculture Financial Services Corporation. We have Terry Willock, director of communications; Jeff Haley, a special policy adviser from my office; and I believe that Maureen Osadchuk, whom many of you know, will join us when she returns from the dentist.

2:50

I'm pleased to have this opportunity to very quickly review some of the activities of the department. The past two years have been quite interesting for our industry. We've suffered the effects of extensive and severe drought. We've had other challenges, but the hard work and very smart business decisions on the part of our industry, along with some support from various levels of government, I believe have helped the industry position itself for a full and complete recovery.

I will remind our colleagues of the value of this industry to our economy and to our rural landscape. Last year the primary and value-added sectors contributed \$8.2 billion and \$9.8 billion respectively to the provincial economy. Of course, our long-term vision many of you have heard now, 20-10 by 2010, is \$20 billion in value-added activity and \$10 billion in primary production by 2010. Obviously, when we're at \$8.2 billion, the \$1 billion is probably not as hard to achieve over the next years. Last year's drought put a little bit of a blip on our radar screen maybe on the value-added, but we know that this industry will do everything it can to achieve this opportunity, and 2003 will be a year of opportunity for our industry.

We're going to focus in our department on the business development needs of agriculture, ways to help our producers and our processors become more profitable. We're going to of course increase our focus on value-added ag entrepreneurship and attracting investment into our province, and we're working very closely with industry partners to implement the agriculture growth strategy and a very important initiative, the agricultural research and innovation strategy, to help our industry position itself for the future. There is no question that research has assisted our industry in the significant growth it has enjoyed.

The rural development initiative has been very well received across the province. I want to applaud my two colleagues, the

Member for Innisfail-Sylvan Lake and the Member for Wainwright, for the commitment they have made to covering this province as much as possible to listen carefully to communities as to where they see their opportunities and to identify challenges to reaching their full potential in this industry. Certainly, we're well on our way to completing a rural development strategy, and we're working with our other provincial ministries as well as the federal government on this initiative. There is no question; nobody would, I think, debate that small business and the agriculture industry are very strong contributors to our provincial economy, maybe especially in rural Alberta, but when we're in the capital region, as we are today, we could be reminded that there are about a hundred companies in this region who export food products to over a hundred countries in the world, and that is just this particular area here.

Ag Financial Services have done an outstanding job in working with our producers and our industry through these challenging times, and they will continue to build on the synergies that have been created by merging their operations with Alberta Opportunity Company. I believe that merger has gone very smoothly. They have worked very hard to ensure that all of the customers and potential customers understand that it is continuing to offer commercial lending where it's appropriate, to deliver very meaningful and unique financial services that are not readily available from alternate sources, and of course they will maintain and increase the emphasis on small business development in rural Alberta.

I almost hesitate to bring up the word "drought." People are starting to get a little edgy on all of the moisture we've had; however, I regret that the moisture is not as widespread, even yet, as we would like to see it. There still are areas in the northeast of our province that have not had a significant amount of moisture, in fact probably at the top of half an inch, which isn't enough, but – but – we're very, very grateful for the moisture we have received over a large part of the province.

Our agriculture drought risk management plan that was implemented last year certainly continues to provide very timely and accurate assessments of drought to us. We thank all of the people who work on that, who are looking at ways to mitigate drought issues on a long term, and certainly the way to do that is to have a good drought risk management plan. A lot of people have put a lot of effort into that, including our municipalities, producers, and, of course, staff. We are thankful to have the good work of the PFRA in assisting us in that plan as well.

We did in January announce some very significant enhancements to our crop insurance program. I could say to members that our hay and pasture program grew by at least three times the number of contracts, a significant increase. The deadline for crop insurance was the 30th of April. We don't have all of the information on that, but the indications are that we would have a number of new contracts in that area as well. We still have more work to do to help producers better manage their risk with broader insurance options, but the enhancements we have to date undoubtedly offer our producers the most innovative and comprehensive program in Canada and, if they avail themselves of those programs, help protect their farming operations against the volatility of weather and commodity prices.

Food safety will continue to be a high priority for us. We will continue to work very closely with our processors on initiatives such as HACCP. For those who don't know what HACCP is, it's the hazard analysis critical control points training. We're going to continue to work with groups to support on-farm food safety programs as well, and we think that this industry partnership will and does result in high-quality, safe food for domestic and export markets.

Environmental sustainability will continue to be a priority for us as well. We are very conscious of how agriculture impacts the environment both in a positive and sometimes in a negative way. We know that is a concern of both producers and consumers. Farmers live off the land, so its sustainability is of paramount importance to them. We have been very proactive in developing initiatives to help our industry enhance its environmental sustainability, and we have provided funding to the Alberta environmental sustainable agriculture program, and that has embarked on a number of initiatives such as technology transfer, water and soil quality monitoring programs, some work that is being done on farm environmental programs.

The Agricultural Operation Practices Act, of course, was introduced and put into place. It has operated a full year plus a bit, and we will be doing a technical review this year, as we committed to when we introduced this legislation, to make sure that the air, water, and soil is protected and ensure that this act is doing the job that we intended it to do and that we can see sustainable growth in our industry without jeopardizing the quality of our air, soil, and water.

The ag policy framework has occupied a great deal of time for the ministers of agriculture across this country but mostly our staffs' time, and our deputies and assistant deputy ministers have put a great deal of time into developing a very strong framework. It's an important process. I have been a supporter of the process. I have been critical of some of the points in it and have worked hard to make sure that Alberta's interests are reflected and protected in these agreements, but I applaud the federal minister for bringing forward a five-year plan for agriculture, the first that I can recall, with a sustained amount of funding over those five years. Probably it isn't enough money, as we've heard in many quarters, but it is what the minister has, and I have been a strong proponent of getting on with the job.

We've seen some evidence of that in our crop insurance improvements. I think we are getting close to agreements on NISA, with still a few outstanding issues. We continue to dialogue with our industry to make sure that the program reflects their needs for risk management. We're very pleased with the work on the other four chapters of that area, and of course Alberta has been quite ahead in a number of those areas, so it hasn't been a big problem for us to match the federal funding, in fact no problem at all.

3:00

The budget, I think, is clearly outlined in these estimates. The program expense for 2003-04 is \$808 million. That's an increase in funding of \$137.3 million when you compare it with the budget for 2002-03. Of course, a large portion of that is for crop insurance, and that increase has allowed the major enhancements such as spring price endorsement insurance, revenue insurance coverage, improved pasture and forage insurance, and altering the forage and crop insurance deadlines. We are out of the business of ad hoc assistance. We've made it very clear that we are committed to strong safety nets, to safety nets that are responsive to industry and that will allow them to choose them as a risk management tool. So as we expected, of course, our contracts in that area increased.

You will see no allocation under restricted expense for the Dairy Control Board. I'm very pleased that the operations of the Dairy Control Board were privatized to Alberta Milk in August of 2002, and that is going along very well.

Our budget, of course, is based on a number of assumptions. One is that commodity prices won't decline further, that interest rates will remain stable, and that we won't experience a disastrous year of claims under the farm income disaster and crop insurance programs. So those assumptions mean, as always, that achieving our plan is

subject to risks. If you were to have widespread crop production losses due to poor weather conditions including drought, as we did last year, if we were to have a major livestock disease outbreak such as foot-and-mouth, which I believe through excellent management and work with the CFIA was averted just over a year ago, if we saw further declines in global commodity prices, particularly in crops, or changes in the economy such as increased interest rates or the stronger Canadian dollar which we're seeing now, these things could, obviously, affect farm income dramatically and in turn impact indemnities that are paid out under our programs. So we're anticipating a much better year, as the industry is, but as we've said in the past, we've put the best plan forward and our best knowledge into developing this budget.

I want to in conclusion just assure all hon. members that the prosperity and sustainability of our agriculture industry remains a priority of this government. The changes that we've made to our safety net programs, the continued focus on business development needs of agriculture will enhance the positive impact agriculture has on this province. The industry is growing and changing rapidly, and we know as a department that to respond to a growing industry and to help its development, we have to change and grow with it. I think we've concluded the reorganization of our department. I think it reflects well the opportunities in this industry into the future.

I want to just comment on one change that has been very, very positive, and that is the call centre that is located in Stettler. It is the 1-800 call centre, that has been received extremely well by the industry. We have found that thanks to the very talented people that we have manning that call centre, over 90 percent—I think it's up to 92 or 93 percent—of the calls can be addressed immediately and the others can be referred very quickly. The satisfaction rate is extraordinarily high, and I know that Brian Rhiness, our assistant deputy minister, who went through a difficult period of reorganization, and my deputy join me in thanking the very talented people who have made a commitment to that call centre of being a very, very important service centre to our industry.

I thank you for your time, and I look forward to your questions. Those that we can answer this afternoon, we will, and I will make a commitment that for those that we can't answer, you will have the answers by Monday. Thank you.

The Deputy Chair: The hon. Member for Lethbridge-East.

Dr. Nicol: Thank you, Mr. Chairman. Madam Minister, I just want to start by also thanking your staff. I think they do a real service to the ag industry in Alberta, and I can tell you and pass through to them that even though a lot of people come to me with questions about agriculture, the questions are never a reflection of anything other than full commitment by your staff. As I cross the province, there's never any question about the dedication of the staff in terms of the interest of agriculture and the promotion of a good agriculture industry. So, again, on behalf of all Albertans thank you to the staff.

What I'd like to do is just kind of start a little bit almost where you ended in the sense of reflecting on your overall budget. You talk about the fact that our budget is going to be down this year significantly over the last two years', and the question that comes up is that a lot of that was related to the farm income and crop insurance components. I guess that what we have to look at then, as we start budgeting practices, is: what have you done to in effect try and reflect a long-term stable budget? Obviously, with two very bad years right now we can't just say that the \$808 million is wrong, because you had \$1.7 billion last year and \$1.1 billion the year before, almost \$1.2 billion the year before. Have you done any kind of long-term almost actuarial-type estimates on risk management

needs by the ag industry? We need to judge whether or not the \$808 million is a fair budget.

I'm not asking you to get up and give us all that information right now, but I do appreciate your offer to answer that later. If we're going to judge what is a long-term, reasonable budget for the department, it has to incorporate that actuarial aspect of the risk management programs. If it doesn't, what in effect we're doing is we're hiding in the stability fund process now, because one of the triggers for that stability fund is disaster in Alberta, so any kind of a disaster payment could be triggered out of that stability fund. We don't want to in effect be hiding money in that stability fund when every year we trigger money out of it. I look at the fact that the insurance and the farm income support total just slightly over \$600 million this year compared to in excess of a billion or almost a billion two years ago and in excess of a billion last year. So we need to make sure that we're dealing with something that's a long-term sustainable budget from that perspective.

In the other areas I think there are some specifics that we have to look at in terms of how especially some of the administrative costs seem to have gone up higher than the program costs.

Mr. Chairman, if I might ask the minister: do you want me to ask a couple of questions and then give you a chance to respond, or do you want me to talk for 15 or 20 minutes and then give you a chance to get up? I probably would enjoy it better and get more out of it if I could ask three or four questions and you could respond to them as long as they're kind of in the same area, and then we can go on to a different area.

Mrs. McClellan: Sure.

3:10

Dr. Nicol: That would be more appropriate for me. I don't expect an immediate response on that actuarial information associated with the budget, so we'll just kind of assume that that will be a Monday or future date payoff.

The issue that really comes up in terms of the overall expenditures—and you began talking about that early on in your overview—was the real effect of risk management on the industry. I guess that when we look at that now, it gets to be a really complicated issue, because not only do you have the option to deal with the changes you've implemented in the crop insurance, but you also have to deal with it now under that framework of the ag policy framework that's being developed with the federal government.

I guess that the question that would come up in terms of all of that is: how much effort is being put into dealing with a comprehensive program that wouldn't in effect deal with commodities as much as it would with farm income or farm costs? This has been a debate that farmers bring up quite regularly. When you look at risk management, if we're dealing with commodities, you end up then with farmers playing programs off against each other for commodities' sake, but it also doesn't encourage diversification to the same extent that a comprehensive cost or income program would encourage. You know, it would put more of the management decision-making onto farmers if we didn't deal with specific commodities. I would like to have a sense of how that's working out under the ag policy framework.

The NISA is there. When it first came in, I was still teaching at the University of Lethbridge in the ag policy course, and we started talking: wow, conceptually this has got a great opportunity. But when you actually saw the operational part of it and the triggers and how to get in and how to get out, you know, it became a nightmare. So what we need is that kind of opportunity for farmers to deal with income stabilization and risk management but make it so that it truly

is a usable program rather than a frustration. I guess I would like reaction to how that's being built into the ag policy framework from the administrative point of view, because it could change both how we fund it out of the budget and also how we deal with it administratively. What reflections are there to make that work?

The other aspect of that, I guess, in terms of the policy framework. It's good to see that you emphasized in two or three different places in your business plan, you know, that ad hoc programs are things of the past. We'll see. Anyway, a specific question on it. Some of the farmers that have asked were led to believe at the time the support programs were introduced last summer that there would be an up-front 85 percent payment with 15 percent coming later. A couple of people recently have said: well, where's the other 15 percent? So they're kind of still expecting another cheque in the mail based on last year's claims. I think the idea is that we need to get out there and explain to them where that is or why it is not in their mailbox right now, because that's something that a number of farmers have raised in terms of what was their understanding of the program and how it fits with what they've actually seen.

I guess the other thing is: has the minister done any work in connection with this ag policy framework and the stability risk management components that look at how the enhanced NISA is going to contribute? Will it in effect reduce some of the requirements for the price stability part of the enhanced crop insurance that was introduced this year? In effect, if the NISA is working right, then the farmer doesn't need the price enhancement component of the crop insurance. It's almost like because NISA isn't working, we've got the enhanced price component. So how would that overlap? I would appreciate some comments on those kinds of things.

Mr. Chairman, those are the kinds of overview questions that I've got on risk management and stability. If the minister wants to make some comments in response to that now, then I'll ask some of my other area questions following that. Thank you.

Mrs. McClellan: Sure. On the long-term stable budget I'm as interested as is the Finance minister as is every other member in our government and I'm sure across the way in having a budget that you stay within. Certainly, the last two years that you mentioned were extraordinary. Two years ago, of course, low commodity prices, increased costs, assistance being offered in other areas of the country, increased assistance in the U.S., one of our major markets and competitors, led to a response in that area. Last year, of course, our budget looks a little bit odd because of the extreme drought and the response there.

I know that the hon. member is very familiar with the crop insurance program, and I know that he would know that two years ago we spent some 288 million dollars in crop insurance claims. That was a record in the 40 years of the program. Well, this year's claims will be 700 million plus dollars probably, growing to perhaps \$800 million. The good thing is that we do have an actuary on that program. The good thing is that when we had to pay those funds out this year, we were able to do it because we did have funds built up. You would recall that early in the year we were getting calls to give the farmers back their money, to give them a 30 percent reduction in premiums. I explained to them that because of the high payout the year before there wasn't any interest being built on the particular fund that we had been doing the 30 percent reduction out of, so we wouldn't be doing it. That kind of fell on deaf ears. But I think that in hindsight we all will say now: thank goodness we didn't do that and that we could pay out those claims this year. I am comfortable with the actuary that is set up on crop insurance. It's measured often, and over the 40-year history I think that program has worked.

Of course, the latest U.S. farm bill I think threw us all for a loop. Not that there was any more money put in that – in fact, I think it's somewhat less than they had paid out the year before it was introduced – but what it did was put into law their disaster funding and introduced some new areas such as beans, pulse crops, which to our producers was quite devastating, especially when we're all trying to work to reduce subsidies. So that was a difficult issue for us and certainly, no question, had some bearing on my discussions with my staff on the new crop insurance program. It was obvious to me that we had to protect our producers in some way on the costs of growing a product when we're in this unfair subsidy world. It's my hope that with the new NISA when we get it right – and I believe we will – that will in fact negate the need for those types of programs. But we can't continually leave our producers out hanging while the other countries, our competitors, come in and support theirs. To me a better way to support them is through an insurance program, a risk management program where they make the decisions as to purchasing it, rather than to just throw in ad hoc programs. Everybody is a little skeptical as to whether there'll be more ad hoc programs. Certainly, I don't believe there will be, because I do believe we have what we need now.

Will there be a whole farm program? Because this is a nationally negotiated tripartite agreement, it's a difficult one, because there is a fair amount of resistance in the agriculture industry in some parts of Canada to doing the whole farm program. So that's going to take, I think, some work, but certainly there is a commitment to get more activities into NISA.

3:20

The 85 percent payment, the 15 percent remaining. I think there are two things there. I don't think there's a question as much on the 85-15. The 85 percent was sent out immediately so that people would get their cheques, and indeed the first farmer did get his cheque in nine days. For the ones that you heard had a problem that were passed on to me, we thank you for that. To all of our members here who did that, you usually found that there was a reason. The land was accounted on two different bills, and the Auditor General frowns on us paying for the same piece of land twice. So then, after those were all sent out, the 15 percent started to be done, and that was when you did that period of thorough assessment of claims. I believe that is completed. All of that is done.

What isn't completed in people's minds is the bridging, and I think that's what they're confusing when they talk 85-15. It was really 60-40. If you recall, the federal government committed 60 percent – \$600 million was really what it amounted to, so you could say 60-40 – and we as provinces had the opportunity to make a contribution to that and make it more. Because they changed the formula and we of course suffered in the change, our contribution under the formula that they use would have amounted to some \$80 million to \$88 million to \$90 million over this last year and this year we're in now. We made the decision that rather than trying to distribute what would amount to one or two dollars to each producer in addition, rather than pass it through the NISA accounts – we didn't agree with the federal government doing it that way – we would use those dollars to enhance our crop insurance and pasture and hay insurance, our safety net programs.

It is bridging money, and the best bridging for our producers in my view is to get them a program that works in the long term. So, frankly, that's how we used the bridging money. When you hear that from producers, it's very understandable that they might be confused. We've had so many things out there. Whether it was the 85-15 or what we called 60-40, it was really \$600 million from the feds over each of two years and a 40 percent contribution by provinces.

That is the money that they're wondering, I believe, if they're still getting. We've tried to get the message out clearly that we made a decision here to use those bridging funds that we committed to enhance our risk management programs. So that is what it will be.

NISA. Like you, I was here actually – you were teaching; I was here – when we introduced NISA, and I had great hope for that program, and I was very disappointed when we had to make the decision as a government of pulling out of it in 1996 because it simply was not working the way it was intended to work. I keep reminding producers when we have conversations about this that it is the net income stabilization account, and that is what it is intended to do: stabilize income. When you have billions of dollars in NISA accounts across Canada, over \$800 million in Alberta, and you have producers coming to government and saying, “We need help,” you know very well that that risk management program is not working very well.

Part of it was triggers. Very difficult to trigger money, very tempting not to trigger it, because there was a government contribution going in matching and there was an interest bearing on it. The interest enhancement will be gone. I think that's probably appropriate. Under the new plan as it's rolling out, the government contribution will come in when the trigger occurs. It is not an entitlement. It will be used to stabilize income. The money that the producer puts in will be their money; they do not lose it. But it won't be matched in an entitlement type of program. That's the way it's anticipated. So if it's truly to be risk management, probably producers would rather it was the other way, and I don't blame them. I mean, who wouldn't? But I think they understand that as a risk management tool, which is what it is intended to do, this is fair.

The issue of triggers is still being worked on, and we're gathering information I'd say daily from producers on triggers. Any information that you gather from people you talk to and pass on to our department through our deputy or Ken Moholity, our ADM who's in daily, evening, and weekend conversation with our colleagues across the country on this issue, would be much appreciated, because I think that is absolutely critical to NISA working. If people are going to invest their money in a stabilization program, then they want to be able to trigger that money when it's appropriate for their operation, not determined by some bureaucrat in Alberta or Ottawa or somewhere else. So that's the critical part. That's what we're really working on now, and I think that producers are understanding now that while they cover more of the risk at the top end for the minimum changes in their income, government will pick up a far larger share of what would be catastrophic. I think they're much more comfortable with that now that they understand it.

So we'll continue to work on those, and I'll say again that it is certainly our intention to present a very concise set of risk management tools to producers and say: “You look at this. If you need to protect your operation, consider these, because there will not be ad hoc programs in the future when we have what we think is an improved program to help you manage risk on your farm.”

The Deputy Chair: The hon. Member for Lethbridge-East.

Dr. Nicol: Thank you, Mr. Chairman. Thank you, Madam Minister. That gives me some answers that I can take back to the people when they raise them.

I guess the only question that would come up is that you mentioned the fact that there was difficulty with the whole farm component because of some areas of Canada not wanting it. I would hope that you're strongly suggesting that how you define the whole farm concept can be done regionally so that in western Canada – because of our different agriculture we don't have the same stability devel-

oped through the marketing boards for dairy, poultry, et cetera, that eastern Canada does – we might operate it a little differently.

Some of the other issues that do come up as we go through it. You mentioned environmental sustainability and the work that's been going on under the Agricultural Operation Practices Act. I guess the question that comes up a lot, especially in southern Alberta and central Alberta where a lot of the intensive livestock activity is going on, is: when is it that people could expect some area around the air quality component as opposed to the major issues that seem to have been addressed on water quality? The approval process now for the operations seems to have addressed a lot of the issues that affected potential water contamination – runoff, lagoon seepage, all of that – but there are still a lot of questions being raised about how to deal with the air quality. I know you made a comment the other day that it's hard to measure because it's a nuisance as opposed to a direct contaminant, but if we're going to make sure that agriculture and the community cohabitate, if you want to call it that, with so many nonagriculture people now residing in rural Alberta, we have to start dealing with that air quality component as well.

On some of the other issues that come up about the sustainability or the environmental components of the ag sector, I guess a lot of it deals with some of the issues of salinity which still keep coming up. What's going on with the irrigation rehabilitation? How successful is it? Will the funding continue to finish out some of those rehabilitation programs that are in place? That kind of approach is asked quite often because, you know, the program seems to be committed to, but there are still some questions about appropriate funding, long-term funding, to finish that out. I think some kind of a policy statement or such would in effect commit to it but also make sure that the irrigation districts and irrigation farmers themselves know that once this program is finished, there will be renegotiation of responsibility. How much should the provincial taxpayer be responsible for in what in effect is a regional management issue? So we need to look at that and make sure that the irrigation farmers especially but also others that have salinity problems are aware of how that program would carry on.

3:30

I guess there are some other little questions that came up. I had a couple of meetings with rural groups in the last four or five months since the new year, and every now and again one of the farmers gets up, and I've been documenting their questions. So I'm going to give them to you now more than anything else.

One of them had to deal with gopher control, the reasons that come up now about the access to appropriate gopher control, what is available. I guess the help that the department gave to Alberta farmers last year on grasshoppers has made people now say: well, if you're helping with one insect or one nuisance, one environmental infringement on the growth of plants, why won't you help them with another one? I guess a lot of them are really saying: what is available other than strychnine, which is now getting to be less and less available because of who knows what? Are there other effective ways to control them?

The other area that came up at one of these meetings was the program that you have to support local research, kind of almost the applied – I'm sorry, Madam Minister; I've forgotten the title, the acronym that goes with that. It's the regional extension applied research program. People have been asking how to get the funding for it. I know that you and I dealt with a case coming out of Lethbridge where they felt they should be getting support for it, but they had the research station and a couple of other mechanisms there to use instead. I've also had a couple of inquiries from communities that aren't directly adjacent to or don't have easy access to other

research facilities, and they were wondering about: when they send in what they had thought were fairly well-documented requests, they don't end up with full funding. How do they carry out the project if they don't have the appropriate funding to do it? Their suggestion and the way one of them put it to me was: you know, if the project is viable and appears to be able to contribute to the community, let's fund that project instead of trying to fund half of two projects. I guess that issue needs to be addressed a little bit.

I guess the other is that in connection with that, they've been talking a little bit about how to deal with the extension. I guess that as Leader of the Opposition or as the ag critic for the opposition as well the comments that come to me are always from the people who feel they didn't get the right answer. So, you know, you talked about the success of the 1-800 line. The only ones I hear about are the failures of the 1-800 line. What people have asked through that 1-800 line is if there is an option or a possibility of more local content. In many ways some of the individuals have felt that the answer they get may be totally legitimate but not really relevant for their particular community. So there needs to be more of a sense of localization of the answer to meet the needs of some of the people who are using that number. They want to see it better reflect that kind of approach.

They also are interested in how they go about getting information on new technologies that they've heard about, but they don't have access to the background material. The 1-800 number on a number of occasions hasn't been able to help them on that. So are there mechanisms for a broader based information retrieval system for international or cross-country research programs?

That's a series of questions. I'll let you answer some of those, and then I've got some that are going to deal with the resource base and how we deal with some of those. But I'll get to those after you've had a chance to answer.

Mrs. McClellan: We'll probably deal with some of the specifics on some of the programs in a written component in the interests of getting all the questions out today, but I'll just deal with a couple.

I think the review of the confined feeding operations, the Ag Operation Practices Act and how it's operating, is a technical review that is going to be really important to answer some of those questions.

I think I heard you say that you felt that we have addressed mainly the issues around water quality and protecting it and soils, I think, as well. The air quality will continue to be an issue. The Farmers' Advocate is dealing with that, trying to mediate with communities. There is no question that the operator of the operation has a responsibility to be a good neighbour as well. You know, I've said this over and over again. I live beside a very large hog operation, and it has quite a large feedlot attached to it as well. I'm upwind one mile, and life could be pretty terrible. I like to enjoy my yard and sit outside when the mosquitoes aren't biting.

An Hon. Member: Have a beer or two.

Mrs. McClellan: Maybe that too.

You know, over time they have worked very hard to introduce new technology, a new way of doing things, a new way of managing the manure so that it isn't an issue with us. Thank goodness, because these are long-time friends, and neither one of us wants to move. You can do it.

I believe I and my department are pretty tough, saying to our producers: you know, you have a responsibility to take the appropriate measures. There are many new technologies, and there are some that are very reasonable: straw covering your lagoon, taking it out

from the bottom instead of the top. There are just so many ways that you can manage this: injection, of course, rather than surface spreading. If you surface spread, follow it with a cultivator; don't leave it out there airing for three or four days. And I think there's a valid question on the health side if it's too bad. So we have a responsibility to improve that, and I think this review will help.

The rehab program. There is always that concern, but I think history shows that we have a strong commitment to irrigation rehab. We understand the value of it not only to production but to the domestic, industrial, and recreational needs of those communities. There are at least 50 communities in southern Alberta that totally depend on irrigation water for their domestic needs. I tell people that there isn't a natural lake in southern Alberta. There isn't. Chestermere Lake is a bulge in an irrigation canal. MacGregor Lake, which is very hot for recreational use, is an irrigation body of water. Lake Newell, which is a wonderful example of recreation, wetlands, all of those things, is an irrigation body. So irrigation contributes an awful lot to the whole of the south, not just to agriculture. It's important for us, I believe, to commit to keep supporting in what I think is a reasonable way the provincial share of that support to rehab. Certainly, as long as I have any opportunity for input or influence, I will continue to encourage support to our rehab, to completing those projects and making sure that we maintain a good infrastructure there.

3:40

Gopher control. Boy, you know, it's interesting that when you do things for environmental reasons, you upset something else. I truly believe that this lower strength strychnine plus drought has contributed significantly to this getting out of control. Of course, we've received notice from the federal government that they're going to end the use even of the reduced-potency strychnine at the end of June. I've written to Minister McLellan and said: "Please consider one more year. We're starting to get a bit of a handle on this thing. Let's try and get it under control." With returning to some natural, more normal weather patterns, you will not have the devastation. It's like grasshoppers. When there's a limited amount to eat, they compete for it, and they get ahead of us and win.

There just doesn't seem to be another poison or bait or method of control of gophers. We've all heard the interesting ones of vacuuming them up. I've heard of gassing them. We've heard of all sorts of things. We go back to what we did when we were kids: poured water down one hole and hoped that we knew which hole they came up. Maybe a bounty again of 5 cents a tail. A nickel was a lot in those days; I don't think it means much now. But it is a real problem for our producers. So I'm hoping that for this year at least we'll be able to manage to continue to have even that limited strychnine, and perhaps this year, then, we can get a handle on this. They are a natural part of our landscape. We're not looking at eradicating them completely, but anybody who has been in an area where they have taken over knows that it's absolute devastation.

The issue of applied research associations. We have some marvelous research associations in this province. Having had all of the good direction from the ag summit process, the Agrivantage reports, looking at the direction that we want to go certainly with local interest as well, though we want to assess research projects and make sure that they are in the same direction as the industry is going – we have asked for business plans and three-year plans. It's not an entitlement. You make the case that you have the best project. It's a new process in many ways, and it's tough. We had some come in that weren't bad. I mean, it wasn't that they were bad; it's just that they absolutely did need some more work, and we're working with them to improve those. This is sort of the first year of this, and I

think that next year it'll be better. More of them will be more knowledgeable about how to do it. If there is a concern that we don't have enough local needs in it, we're willing to examine that and look at it with them, because really that's what is first.

The information on technologies is really an important one. It doesn't matter how much good research you have, no matter how many new technologies you develop, if you can't transfer that knowledge and those technologies, you almost might as well just leave it. One of our strengths has been a good technology transfer. ARI, of course, the Ag Research Institute, does put all of their research projects on-line, which is a great improvement, so people can access that. Ropin' the Web has some great information for people to access. Certainly, if there are better ways, we'll try and improve how we get that information out, so any ideas that you have on that. Maybe a better – I shouldn't say "better" publicity of Ropin' the Web. It's actually won awards.

It was interesting to me – and somebody will shake their head up and down, yes, or sideways, no. I think it was 27 countries outside of Canada that had accessed that web site. Terry is saying yes, so I'm not wrong. Just a huge number of inquiries to it. I found it so interesting that it was well enough known that people from outside of Canada accessed it as well. So we'll look at improving how we transfer that technology. We're having conversations with our partners at the research stations in Lethbridge, of course, in Lacombe, our crop development north, crop development south, the universities. Very proud of the partnerships that we're developing with them.

Also, there's an area we don't want to forget, and that's the projects that CARD is participating in, from cows to fish – I am finding a lot of interest in the riparian projects – where the industry gets together with the people who like to fish and hunt and enjoy the outdoors and look at how we can improve those watersheds. I think this is amazing, and these people should be recognized. I was able to visit the Rosebud Creek group and another one and see the displays of actually what they have done to change those watersheds, and those are great programs. A lot of volunteers are putting an awful lot of hours into doing that, and a lot of people want more information on that. They want to know how they achieved it and where they got the technology, and there's no sense inventing the wheel twice. If somebody else has done it and it worked, they want to be able to use that. So it will always be a challenge but one that we should work hard on to make sure we transfer technology.

The Deputy Chair: The hon. member.

Dr. Nicol: Just a few more, Mr. Chairman. Some of the other issues that I hear about quite regularly as I travel around the province and I guess one of the things I'd put out is that under the ag policy framework there's a component about sustainability of the sector, intergenerational transfer types of issues, and people keep raising the question about how they compete with the non-ag bidders for agriculture land. I know there's no answer to that, Madam Minister. I'm not asking for an answer right now, but more than anything make sure that that becomes part of the discussions that go on under the ag policy framework. How do we deal with whether it's absolute, stronger ag zoning laws or whether it's some kind of a split title? You know, who knows? Development right versus production right. Those kinds of things. I think it's time that we start entering into that debate. At least, this is what Alberta farmers are telling me, that they really can't expand their operation to be competitive because the productive value of the operation can't justify the competitive bid from someone who is looking for an acreage but has to buy a quarter section to get their acreage, and they want ownership as opposed to a rental situation.

The other one I skipped over when I was talking about the environmental sustainability issues. I guess there are some questions now about these environmental management plans that are beginning to be required of farmers. Over the next number of years most farmers are going to have to have these, so farmers are starting to ask questions about them: what would be an acceptable environmental plan, what things they have to include in it. I keep telling them that, well, you know, the directions are there, the prototypes are there, but they still feel that it's not enough to give them the background that they need to in effect complete theirs. So maybe some prototypes could be circulated.

Your comments on Ropin' the Web. While you were answering, I thought to myself: you know, when farmers are asking and they say, "Well, I don't have a computer," what we should be telling them is that this is all available through a computer at the local library. So thank you for triggering that in my mind. It gives me another answer for them.

3:50

As we go through some of the more individual issues that are in the budget document, I guess an issue that comes up all the time is how the performance measures relate back to, you know, the actual expenditures of the ministry. I went through this discussion with you last year as we talked about some of the performance measures and whether or not they really reflected the efforts of Alberta Agriculture, Food and Rural Development or whether they were just industry driven, international business cycle driven. I think that I would just kind of conclude my comments at this point by saying that I still would like to see a better relationship between the performance indicators of the ministry and some of the issues that really reflect on: are the dollars that we're spending as a public really achieving a result for Albertans that we put into our business plan, into our mandate?

I guess the ones that I'll comment on a little bit today are those on page 69 in the business plan, where you're talking about the performance measures associated with the farm income risk management programs, crop insurance, et cetera. You put a performance measure there, the "percentage of primary producers surveyed experiencing a disastrous reduction in income," and you get 95 percent of them. I think last year almost every farmer, except the example that I've given you a couple of times about my own, would say yes to that, but whether it's truly a disastrous reduction in income to the point that they truly believe that the public should be stepping in needs to be more closely tied into that. When does the farmer really believe that the public should be supporting them, and when should they be doing it themselves?

When we get into the second one on that same table, when you're asking the recipients of funding from the safety net programs if the safety net program enabled them to continue their farming operations through a year in which they experienced a disastrous reduction, I guess the relevance there is: did it help them to the point that had they not received the public dollars, they would have ceased operation? So what I'm trying to say is that the question is a little bit too open-ended in the sense that we're not really finding out: is it truly disaster support for them in the sense that it allowed them to stay farming when otherwise they would have been out of farming? That's kind of the accountability that I'd like to see for us if we're going to try and be able to go out to the public, because more and more I hear from nonfarm people saying, "Well, why are we giving all the farmers that much money when we're not giving it to..." and they list off their particular special interest or their sector of interest. You know, it's hard for us to justify it if we can't give them data that truly talks about that critical decision point.

I guess that just a little bit illustrates the kind of performance measures and the evaluation of those performance measures that I put on them as I go through them. There are a number of them that I think just still reflect too much of a generalized sector performance. If we look at the ones on the sector growth and the sector incomes, the fact is that for the economy the downturn caused by both climate and price impacts last year was very severe in our province. It's not a direct impact or a direct result of government policy, but it does give us a benchmark of, you know, what the sector is contributing to our provincial well-being. From that perspective, I don't say to take it out. I just say that it needs to be interpreted a little differently.

Mr. Chairman, with that, I think that's kind of where I'll close. I think our hour is just about up from the perspective of the Official Opposition. I want to just again thank the minister and her staff for all the support they give when I have questions. They're always very willing to work with me to make sure that the farm community gets the answers they need. So again, Madam Minister, thank you for the support.

Mrs. McClellan: I'll just make a few quick comments because, as I said, we'll answer some of the questions in a more complete way in writing.

The ag policy framework intergenerational transfer and the competition for agricultural land is a very, very real issue. We had a number of discussions about that around our tables here, and of course there was a very large land use conference held in Edmonton a year ago January. People from all over the world came to it, which says to me that this is a pretty important subject. The question, of course, with much of our agricultural land is: is the value in agricultural production, or is it in real estate? I do think those are going to have to be discussions that are held in the future.

The environmental farm plans. There is a workbook. We've been working very hard in our province to make it a voluntary thing, to make sure that producers want to do it, that they see a benefit to their farm to doing it, that it's not a big hammer, that it's in their best interests. AESA did a great deal of very good work in developing those with a reluctant minister. I was somewhat skeptical and said: you know, if you've got good environmental laws and everybody conforms to them, then you've already got your good environmental farm plan. But they convinced me that this was a very good thing to do, provided the leadership, and I think they've done some good work. Your suggestion of prototypes that could be circulated if people want them is a good one. And I certainly should've remembered that they could go to their local library to use the computer because, of course, I proudly was the minister when we put computer access in every library in this province and indeed had two years of free Internet use contributed by one of our companies in this province.

Performance measures are something that we always struggle with. I do believe that now that we have concluded the work on the ag summit, now that we are well into working on the recommendations through the Agrivantage teams and have a pretty clear direction for where we see the industry going, now that we have the new ag policy framework in place which has the areas of sustainability, food safety, renewal, and so on in it as well as risk management, we can do a better job on performance measures, with all of that information.

Always a question to us when we're developing our performance measure is: is this our performance measure as a department, or is it the industry's? With such a partnership it is difficult, but I think we can and will. I think there's an improvement in our performance measures this year. There are some easy ones, and one I want to get on the record is "number of new processed food products produced at the Ministry's Leduc Food Processing Development Centre,"

which I think is just a jewel in this province. Of course, in 2002-03 the forecast was 110 new processed food products developed by Alberta entrepreneurs at that centre, and our target is 120 for next year. I think those are good, positive targets.

I don't think a good target is the number of producers that get a claim out of crop insurance. That says that we've had a bad year, but that isn't really anybody's fault. But the ability to respond to those is a good performance measure. Of course, on the satisfaction, one that we've measured closely is on the ag information centre, and I, like you, hear from the 5 percent who didn't get their full answer, but I've also had a number of clients who've said: it does work; we like it.

I think it's easier on some of those beginning farmer loans. There's a good performance measure; at least it tells us if there are new entrants into the industry and that we are meeting the needs of those. But some of them are pretty tough, and I like performance measures that you can actually quantify and hold up and say: this was an industry goal, this was our department's role in getting to that goal, and we achieved this or we didn't. Then you don't stop there; you do what you need to do to make that goal achievable. So we'll continue to work on that with some good advice, some good suggestions.

4:00

I do believe that the new NISA program will be far better to justify to the public because of the producer carrying more of the minimal risk and government coming in in a catastrophic or a significant way. FIDP, 70 percent probably was the right figure. After that, it's probably catastrophic in today's world and today's margins, but I do believe that if we get the new NISA program up and running and continue to improve it – if we find some warts on it, don't leave them like we did the last time – that could go a long way to providing a good performance measure that the public will support.

With those, I'll look forward to more questions and comments, and we'll respond to some of those areas more fully in writing. Thank you.

The Deputy Chair: Anybody else have any questions? The hon. Member for Cardston-Taber-Warner.

Mr. Jacobs: Thank you, Mr. Chairman. First of all, I would just like to say that I've appreciated very much the minister and her staff and the way they've handled the issues that I've presented to them the last couple of years. As the minister knows, agriculture is a very important segment and industry in the constituency I represent. We have a lot of diversified agriculture. We have intensive livestock. We have cow/calf. We have backgrounding operations. We have grain operations. We have specialty crops. So it is tremendously important. The value-added industry in Alberta has certainly received contributions from producers in Cardston-Taber-Warner, especially from Taber and the eastern end of the constituency where they produce a lot of specialty crops like potatoes, which have made huge contributions to the value added.

I would like to raise a couple of issues with the minister today that I think are important. The hon. Leader of the Opposition has raised many good issues, and there are a couple of others I would like raise. I touched yesterday on an issue in question period relative to the feeder cattle importation from the United States, and I'd like to expand on that a little bit today. The importation of feeder cattle is very important to our intensive livestock people in southern Alberta, in Feedlot Alley and in other areas. Right now they happen to be a little bit short of feeder cattle in Alberta and in western Canada because of drought and because of prices and because of reduction

in the numbers. They're actually a little bit down in their numbers in their feedlots and are even looking harder now to Montana and Idaho and other states to receive cattle. They are somewhat frustrated with the protocol and with the challenge that's been put up by our federal government which frustrates the importation of feeder cattle. Although many cow/calf people probably aren't too excited about bringing in more cattle from other places, to me it's a matter of fairness. We expect as Albertans and as cattle producers to send load after load of our finished cattle across the border, and that market has been very good for us and has certainly benefited our producers. So to me, you know, if we expect to export cattle, we should certainly be willing to import their cattle for backgrounding and finishing.

It seems to me, Minister, that there is a relationship between the issue of country of origin labeling and importation of feeder cattle, and we do have serious concerns about the country of origin labeling legislation and protocol, which now seems to be coming to our neighbour to the south. I'm wondering if there's not a negotiable point there. If we were able to import their feeder cattle year-round on a market-driven basis, would that not actually add incentive to them to not proceed fully with this country of origin labeling? I don't understand why they would want to deny access to their own cattle which originated in their states, came here for four or five months to be backgrounded and finished, and then have to go down there as Canadian beef rather than just U.S. product. So I think there's an issue there that we can maybe exploit, and on behalf of our intensive livestock people and those who feed a lot of cattle, I know they are concerned about this issue and do want us as a government to do all we can to open up that border.

I was very pleased to hear you say, Minister, that more people have enrolled in the crop insurance and forage insurance programs. I think that's important, and having been privileged to spend some time with two of my colleagues from the Legislature touring Alberta a little bit last summer and talking about crop insurance and forage insurance and hearing some of the frustrations that existed, I'm certainly pleased that more have chosen to enroll.

I would like to raise two other issues today. I know the minister understands the importance of what we've done the last couple of years to be able to try to control rodents such as gophers, and to lose the ability of our producers to be able to use strychnine poison certainly, if we can't get that reinstated, is going to be a blow to our producers who still, I think, will see large numbers of gophers this year. So I would certainly commend the minister for her actions and ask that she continue.

The last issue I'd like to raise is an issue which I don't hear talked about much, but I hear it in my constituency a little bit. I think it's an issue that we need to be aware of, and that is the issue of the challenge of the survival of the family farm in Alberta, especially in southern Alberta, where, you know, it is getting more and more difficult for family farms to survive. Many of them are selling their land, selling their farms to large operations, to other groups or individuals, and the farms are becoming larger. Ranches are becoming larger. The price of land is becoming more difficult for young people to get started. Many young people are frustrated by the challenges of agriculture and low returns over the years and simply don't care whether they get into agriculture or not.

I think it's important to note that the family farm concept in Alberta and in Canada has contributed immensely to the excellent food that Canadians eat and the fact that they eat it very, very cheaply compared to many other jurisdictions in the world. I would submit to the minister that the family farm is probably the most efficient producer of farm produce that exists. They do a great job of production, and I'm not sure what we can do to help their survival

and their viability, but I sense that it's becoming a problem and a challenge, and it's an issue that's raised to myself by groups when I mingle with people in my constituency and when they talk to me. There are probably some tax things we could do. There may be some other things we could do.

I raise the issue today as one that I think certainly is important. I wouldn't like to see the total demise of the family farm. I would like to see us incorporate the value-added concept, continue to incorporate that, but I would like to see us try to make it work for family farms also, because if we lose the concept of the family farm, we will be losing something that may detract from the efficient production of food in western Canada, in Alberta.

Again I'd just like to commend the minister for her efforts and her love and championing of agriculture. I appreciate that very much and would just like to get those few issues on the record.

Thank you.

Mrs. McClellan: Well, quickly on a couple of them. The importation of feeder cattle. Of course, you know, there was a lot of pride in the development of that program. I think it was a really great example of co-operation with our partners in the northwest United States. Some of the difficulty we have is that in some cases we have much stronger testing and conditions in Canada. We also have an excellent identification system, which isn't common everywhere. There always is the concern of introducing a disease that we don't have. I think the pilot project for a designated feedlot in the vector season, if you wish, for bluetongue and anaplasmosis will be an important testing. I do hear – and I'd be interested to hear from the hon. member if he's hearing anything about this – there is some concern of the question of only one pilot area and some of the requirements that may be placed on that, which would have an additional cost per animal to be fed, and some concern as to whether we will get the type of participation that's required to really tell whether it was going to work, but the CFIA really has the last word on this. We've given conditional support. We've got some questions we need answered, but we're prepared to work with them to get it in place.

4:10

Definitely, country of origin labeling is a big issue. We discussed it at the tri-national accord meeting with our U.S. counterparts. It is their legislation. I don't think the legislation is going to change, but we have until September of 2004, which is just a little over a year now, to work with the retail and I think the primary sector in the U.S. to see how we can make this thing work. It's an important market to us.

I think they understand now that the 270,000 cattle that came into Alberta for feed from the feeder program under this new protocol would go back as Canadian cattle: come in as U.S., go back as Canadian. I'm not sure that that was anticipated when they went into this. They are holding listening sessions over this month and part of next month around the various states to get input from the retail and the producer sectors there, and it'll be interesting as to what type of response they get at those, and we'll certainly be interested in what kind of feedback they get there. Maybe after that, we'll have a better idea of where we go from here, but I do compliment the industry in Alberta and in Canada. They've been working very hard with their counterparts in the U.S. to try and deal with this issue.

I did mention the tremendous take-up in the hay and pasture program, and it was quite a task for the Member for Vermilion-Lloydminster, the Member for Dunvegan, and the Member for Cardston-Taber-Warner to go around this province and listen to producers. I was asked by one or maybe all three of them if I was

expecting them to go out and sell the program. Knowing the three of them, I wouldn't have asked them to do that anyway, but I said: "No. What I'd really like you to do is to go out and listen. Come back to us with ways that we can make this program work for producers." Well, you've done a heck of a fine job, because the take-up was just amazing.

Gopher poison. I covered some of this before. I'm really hoping that the federal minister will see fit to allow us another period of time. They give us a short time for the poison, and then you can't get the strychnine. It comes from, as I understand it, India. For the first year we had trouble with it being somewhere on a ship – nobody knew where – delays in getting it in, and then you've missed the season. You need to get rid of these before one gopher becomes 14, so this is a problem.

The whole discussion around the family farm and the challenge of maintaining it is one that's discussed in a number of areas. The encouraging thing for us in Alberta is that there's only about 1 percent of our corporate farms that are held by a major shareholder. Most of the corporate farms in Alberta are formed a corporation of a family. So they have gone to a corporate farm as a number of family members probably for a number of reasons that we drive them to for taxation, business reasons that make it better.

I'm always encouraged, as I say, with the number of young farmers who are entering the industry. I applaud Ag Financial Services and the program that we have for beginning farmers. I think it's there to help them through the first years and make sure that they do have a chance to be successful. I don't disagree. We provide quality food products in this country, and we have always had very, very cheap food. In Canada we spend far less of our disposable income on food than any other country, perhaps than the U.S.

We're hoping that our rural development initiative may come up with some intelligence as colleagues travel the province as to barriers, things that we as a government can do differently, that we can change some of the policies that we have that may be prohibitive to them. We'll keep working on that. The number of farmers is relatively stable in our province, and that's encouraging.

So with that, I'll look forward to more questions or the vote.

The Deputy Chair: The hon. Minister of Economic Development.

Mr. Norris: Thank you, Mr. Chairman. I wanted to add my voice to this auspicious debate in the House today and make a couple of comments and then a question to the minister. Certainly, I would echo the comments of my colleagues that this is a remarkable department challenged with running one of the biggest industries we have in Alberta, and they're doing a great job, and I can attest to that on a number of trade missions that I have had the pleasure of going with the agriculture department on. Certainly, I see several members of the team up in the gallery, and I wanted to pass on to them our department's sincere thanks for the joint effort, because it really is Agriculture, Food and Rural Development and Economic Development, and it's been a good, good relationship.

But we have a couple of challenges, and I'd like the minister to comment if she could. I know that the hon. members for Innisfail-Sylvan Lake and Wainwright were charged with a rural development initiative, and our department has come to the conclusion that this is a vital initiative for a number of different reasons and would like to get the minister's thoughts on that rural development initiative and where it might be and where we might see that moving ahead. Clearly, a healthy rural Alberta makes for a very healthy urban Alberta.

The second comment that I wanted to make that I think your

department has taken a leadership role on, Minister, is on value added. At this point Alberta clearly is still a commodity-driven economy, and commodity prices fluctuate on a world market, and in order for us to avoid that and get over that level, we in Economic Development believe that we have to have a strategy in place. I know your department has referenced 20-10 by 2010. I wonder if you could maybe elaborate on that and let us know how that's going to get us to the value-added position that we want to be in and in what kind of time frame your department sees that transition taking place.

A final closing comment would be that I think your department has positioned agriculture as one of the most important industries in Alberta, and I think that any kind of program or plans in place should continue along those lines with the support of our department and I'm sure all the colleagues in the Legislature. So thank you for that.

Mrs. McClellan: I'll be brief in my comments because I know there are other members that want to add to this. I thank the minister for his comments and applaud him because this really is a team effort, and we appreciate working so closely with Economic Development. There isn't an either/or. There isn't any competition between our departments. It's fully a joint: let's get the job done; we'll provide the product; you sell it. And it's working well.

I think the challenges in the rural development initiative are being met by my two colleagues. They're certainly getting great advice from communities that they're meeting, and I'm as impressed as they are with the number of communities that have come together as a block and said: we can do things as a region. There is the communities of opportunity group. There are a number of them that have just said: if one of our areas is better, we'll all be better. So that's great. We're pleased that we're going to be part of the cross-ministry initiative with Economic Development.

4:20

One of the things that the Minister of Economic Development and/or I, I think, can really applaud is the ag tourism group. I was able to go to their third conference with the minister at the wonderful Reynolds Museum in Wetaskiwin earlier this year. What an enthusiastic group. They are just so interested in growing that, and what an amazing statistic to me when I read in some information that one in three vacations in this province included an ag experience. Isn't that really quite amazing? So they are looking at improving that and growing it, whether it was the bed-and-breakfasts, whether it was a number of areas that they're doing. So they're doing a great job. They're enthused. They're all volunteers.

Value added. I really erred when we were talking about the Leduc processing centre. While I mentioned that they had produced about 110 new food products – these are our wonderful entrepreneurs – I neglected to mention that a week ago today we kicked off the incubator project there. It was rather a neat little experience. AVAC, the Agriculture Value Added Corporation, partnered in this, and the chairman of AVAC has a lot of experience in incubators, but they're always chickens. So it was a great event. We had our research partners from the University of Alberta, many from our applied research, crop development north, from many areas there. It was a full house. Our Premier kicked it off. The MLA for Leduc, who is always a strong supporter of what they're doing at the food processing centre, of course participated, and we were so proud to have the Premier recognize the value of the value-added industry.

That incubator is really key, in my view, to moving this value-added industry to the 20 billion dollar mark. I likened it to the Leduc processing centre being termed a school, and the incubator is

our graduate school of that enterprise. Sometimes companies just need a little bit more time to establish their markets, their financing to be ready to go into the national, provincial, or world market. This incubator will give them that opportunity. Statistics show that 80 percent of companies that go through the incubator experience are successful, 80 percent that don't have some difficulty. So it is a great initiative, and I think it'll go a long way to helping us achieve our \$20 billion in value added by 2010.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Whitecourt-St. Anne.

Mr. VanderBurg: Thank you. Finally. Two things that you didn't have a chance to talk much about. One was the value-added industry with the de-hy plants, and there are a few of them across Alberta. The one in particular that I have deep concern for is the alfalfa plant in Mayerthorpe, in my constituency. Difficult times, you know, the last couple of years for the plant. The input costs have been very high, the utilities being the highest, but low yields have really caused the local plant some problems. I'm just wondering about some of your thoughts on what the future of these plants is here in Alberta.

The second one and the good-news story is Horse Racing Alberta. As you know, Alberta-bred horses are becoming well known all across North America, and I applaud you and your staff for making the commitment to this industry. Too often we hear negative comments, especially in this House, on this industry. I thank you for your support, and I'd like to hear some comments about where your department is going with the new Horse Racing Alberta team.

I'll leave that for now. I know there are others that would have some comments as well. Thank you.

Mrs. McClellan: There's no question that this has been a very tough, tough year for our de-hy plants. It's been a tough year for a number of our processors. Whether it's finishing in feedlots or processing that product or de-hy crushing, all of these areas have really suffered from the drought and the spin-off effects of it. What we can do for those that we are involved with: through Ag Financial Services, certainly, looking at ways that we can help them through with good financing information and plans; continuing to look for more markets, anticipating a great year this year, because for that industry this is the type of weather we need to get going. Probably the best news that the alfalfa, well, any hay sector has had is this spring moisture, but it's going to be a tough year until we get some production on for those plants. There's no question that they do a great job. There are markets out there, but when you don't have product, it's pretty difficult to get through the year.

Horse Racing Alberta, a new entity taking responsibility entirely for how their operation is managed. I know that the Minister of Gaming would share my compliments to them on doing what they said they would, taking over the management of this industry. The equine industry in this province is very important. We have the majority of horses per capita in Canada, and the industry here is a complete industry. We have show jumping. Spruce Meadows is now the number one show-jumping venue in the world, which brings international visitors to our province on many occasions. They operate at least four major meets, one of which is coming up in June. I encourage anybody who has not visited Spruce Meadows to go, but if you have the opportunity to go during the Masters, it is like being in a totally international world. So there's the show-jumping sector. There's, of course, the working horse. Horses are used a great deal, whether it's in our feedlots checking animals for disease or illness or on ranches. There are a number of ranches in our province where no vehicle travels. They completely manage their cattle with horses. Of

course, there's the pleasure sector, and we have examples of that right here in Edmonton with the great stables just down the hill. So it's important that we maintain the whole of that. It's part of the tradition and culture of our province, no question, but it's also a good economic generator for us. Each part of this industry requires the other for support, so we're far better off to have the total industry.

I believe personally that the breeding program offers a lot to our province. Our horses that are bred for the racing circuits are in demand from other countries like Ireland, the United Kingdom, the U.S., and others for sale because they're a strong horse. So our breeders have an opportunity there. In the cities and in small cities where horse racing operates, it offers some tremendous job opportunities to people. If you ever have the time, rather than to just simply criticize what happens, go down and spend a little time in the backstretch right over here at Northlands and talk to some of those people about the pride that they feel in the job that they do, people who might not have a job if it weren't for that industry being there. If you look at the total contribution that it makes to the economy of the community that it's in as well as the communities around it, then it was worth listening to them and supporting them in gaining their independence. One thing I want to make very clear: the only way that Horse Racing Alberta gets an increase from the government of Alberta is by performance. You know, that's just not a bad way to have it. If you work harder, you gain more. If you don't, you don't. If we had that in a lot of other areas, I don't think it would be such a bad idea.

4:30

The Deputy Chair: After considering the business plan and proposed estimates for the Department of Agriculture, Food and Rural Development for the fiscal year ending March 31, 2004, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:

Operating Expense and

Equipment/Inventory Purchases \$427,051,000

The Deputy Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that the Committee of Supply rise and report and beg leave to sit again.

[Motion carried]

[Mr. Shariff in the chair]

Ms Graham: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Agriculture, Food and Rural Development: operating expense and equipment/inventory purchases, \$427,051,000.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.
The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I regret that we had not anticipated ending early, so we have nothing which we had advised the House would be dealt with this afternoon. So I would move that we call it 5:30 and return at 8 p.m. in Committee of Supply.

[Motion carried; the Assembly adjourned at 4:34 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, May 7, 2003**

8:00 p.m.

Date: 2003/05/07

head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: I'd call the Committee of Supply to order.

head: **Main Estimates 2003-04**

International and Intergovernmental Relations

The Chair: Are there any questions or comments to be offered with respect to these estimates? We would call on the Minister of International and Intergovernmental Relations.

Mr. Jonson: Thank you, Mr. Chairman. I am pleased to discuss the estimates for the Ministry of International and Intergovernmental Relations and the 2003 business plan. First of all, though, I would like to introduce some people from my ministry who are with us this evening. If they might stand when I go through the list: Gerry Bourdeau, Deputy Minister of International and Intergovernmental Relations; Garry Pocock, assistant deputy minister, Canadian intergovernmental relations; Wayne Clifford, assistant deputy minister, international relations section; someone that is not yet here this evening but is here in spirit, I'm sure, Helmut Mach, Alberta trade representative in our trade policy section; Susan Cribbs, director with the Canadian intergovernmental relations section; Lori Sajjad, director of corporate services; Kathryn Wieggers, communications director; and Douglas Mills, my executive assistant.

I think, Mr. Chairman, it's worth noting that I have just introduced more than 10 percent of the staff in my ministry. I think it is safe to say that we are a small organization with the capability of doing good things. Examples are the important role my ministry played and continues to play in security, Kyoto, softwood lumber, and international travel. The mandate of the ministry is to provide leadership in the management of Alberta's international and intergovernmental relations. Much of our work is policy related and strategic, not program delivery. IIR works closely with frontline ministries to negotiate important agreements. We also plan conferences and missions for the Premier and other ministers.

IIR is a source of information and advice to departments on managing the relationships with key players. We take the lead departmentwise in trade negotiations, on national unity issues, and discussions at first ministers' meetings and Premiers' conferences. The ministry also leads the development of governmentwide strategies and policies for Alberta relations with other international governments, organizations such as the World Trade Organization, and federal, provincial, and territorial governments.

There are three goals, Mr. Chairman, in our overall business plan. The first goal focuses on relations within Canada by "promoting the interests of, and securing benefits for, Alberta as an equal partner in a revitalized, united Canada." We see Alberta effectively participating in a Canadian federal system that better serves the needs of Albertans. We believe that Alberta can provide effective leadership that supports a strong, united, and secure Canada.

The ministry's second goal focuses on "promoting the interests of, and securing benefits for, Alberta from strengthened international relations." IIR works on intergovernmental relationships that facilitate the two-way flow of goods, services, people, and investment between Alberta, the United States, and other trade partners. We also take a strategic approach to Alberta's international relations

to effectively promote the province's interests and priorities to foreign governmental decision-makers.

The third goal of this ministry is "promoting the interests of, and securing benefits for, Alberta from greater trade and investment liberalization, domestically and internationally." Mr. Chairman, we do this by working to expand trade liberalization and foreign market access for Albertans through international trade and investment agreements. We also support expanded Canadian internal trade liberalization to promote the free flow of goods, services, capital, and labour across the nation of Canada.

IIR's three goals support goals in the government of Alberta's business plan that state that Alberta will have a prosperous economy and Alberta will have . . .

An Hon. Member: They can't hear you.

Mr. Jonson: They can't hear me?

The Chair: Hon. members, apparently we're having some difficulty hearing. With this wonderful, marvelous technological ear aid I'm able to hear the hon. minister, but apparently no one else is. So we would invite those who wish to converse very softly to do so and those who can't to go out to the outer parts of the Chamber.

We're sorry for this interruption, hon. minister. If our technology is failing us, you could speak louder.

Mr. Jonson: Thank you, Mr. Chairman. I've lost my touch since being a high school principal, so I'll have to crank it up a bit.

Mr. Chairman, part of our work is ensuring that Alberta will have a financially stable, open, and accountable government and a strong intergovernmental position in Canada.

My ministry is divided into three sections: Canadian intergovernmental relations, international relations, and trade policy. I will now take a few minutes to discuss the key initiatives in the year ahead for each of these sections.

The Canadian intergovernmental relations section works with other government ministries to co-ordinate relations between the province and the federal government to ensure that Alberta's interests are promoted and protected as an equal partner within Canada. The section takes seriously its responsibility for ensuring that federal initiatives respect Alberta's constitutional roles and responsibilities, including federal activities in key areas such as health, environment, and social programming. This section will continue to work with other government departments to develop strategies in place on a range of federal/provincial issues, issues such as the fiscal imbalance, Senate reform, and the three initiatives identified recently by the Premier. These are regularly scheduled annual first ministers' meetings, a guaranteed provincial role in international agreements in areas of provincial responsibility, and Senators appointed from a list of provincial nominees. Implementation of these suggestions by the federal government would begin to address the concerns not only of Albertans but of western Canadians as well.

The climate change issue also remains at the forefront. After winning important concessions from the federal government to mitigate the economic impact of the Kyoto protocol, we will hold Ottawa's feet to the fire, at least figuratively, to ensure that they live up to their promises. Canadian intergovernmental relations will continue to provide support to the Ministerial Task Force on Security. As well, this section will continue to provide strategic support to the Premier at first ministers' meetings, Premiers' conferences, and other federal/provincial meetings.

In the year ahead we will work hard to ensure that Americans

understand that Alberta values their friendship and will continue to welcome them warmly. Continued emphasis will be placed on our membership in organizations such as the Alberta-Alaska Bilateral Council, the Montana-Alberta Bilateral Advisory Council, the Council of State Governments – West, the Alberta-Idaho Task Force, and the Pacific Northwest Economic Region. We will enhance Alberta's profile in key international markets by developing mutual relations, including further developing Alberta's nine twinning relationships and revitalizing our relationship with the Mexican state of Jalisco. The section will also work to renew international governance projects in Ukraine, South Africa, and Mexico to help them establish effective management systems in their governments.

The trade policy section also works with a variety of Alberta ministries and with other Canadian governments. It helps develop provincial policies on Canadian international trade agreements such as the agreement on internal trade and the various agreements that are dealt with at the World Trade Organization. The section co-ordinates the province's involvement in national or international trade disputes. They advance trade opportunities for Albertans by working to remove barriers to trade. As well, the trade policy section provides analysis on trade figures and the economic factors that affect trade.

Our trade experts will continue working with their provincial and federal government colleagues to find a long-term, durable solution with the United States on the softwood lumber dispute. As you know, the Alberta government is very concerned about the impact of the U.S. trade actions on the Alberta forest industry. The Alberta forests section has been kept up to date on the process and continues to support our approach to this issue. While progress has been made, significant differences remain, Mr. Chairman. The same can be said about the wheat dispute between Canada and the United States. While we work in co-operation with the federal government and the other provinces in developing agreements, let me be clear that the province actively represents and promotes our own provincial interests.

8:10

Staff will also continue to work to ensure that Alberta's interests and priorities are clearly represented during the newest round of World Trade Organization negotiations this fall in Mexico, especially in the areas of agriculture, trade remedies, and services. At upcoming international trade negotiations the trade policy section will work to ensure the free flow of goods, services, capital, and labour within Canada.

I will now, Mr. Chairman, move on to the topic of the ministry's budget and staffing levels. We are a small ministry in terms of budget and staff. The 2003-2004 budget of \$6.468 million has increased by \$384,000, or just over 6 percent, from last year. This is the first increase in several years. The increase allows us to respond to three main financial pressures: first, the 2 percent governmentwide salary increase for staff; two, continued support for the Canadian Intergovernmental Conference Secretariat, based out of Ottawa; three, increased travel costs for international business missions.

I would like to take a moment to touch on these increased travel costs. If you've taken an airplane anyplace in the past little while, you certainly know how ticket prices have gone up because of increased security, fuel costs, and a number of other factors. Travel by the Premier, cabinet ministers, and Alberta government officials is vital to expanding trade and bringing foreign investment to Alberta. Alberta is a global player, with 40 percent of our jobs coming from exports. It is important for Alberta and the Alberta government to be an active player in the world economy in support

of our private sector. Expanding international trade is only one benefit of international travel. Relationships that Alberta builds with other jurisdictions around the world through international travel allow the Alberta government as well as Alberta's public and private sectors to share and learn best practices. They also result in stronger and more enriching cultural and educational ties.

As for staffing in my ministry, IIR has 53 staff, and that, Mr. Chairman, is unchanged from the previous year.

Finally, a brief outline of how we measure the ministry's performance. Since the ministry outcomes are often long term or depend on external factors, they are quite frankly difficult to present as quantitative data. We solicit input from a variety of government ministries and other sources to help us measure how we're doing and to identify areas in which we can improve. We measure our performance through client surveys, secondary economic and sociodemographic indicators, and polling results. The ministry takes all of these measures and provides a detailed narrative record of our achievements, activities, and documents such as our annual report. We also do assessments on key initiatives after major conferences, trade negotiations, or international missions. These documents help us track our progress in meeting our goals in both an effective and efficient manner.

Mr. Chairman, that concludes my remarks on the estimates for International and Intergovernmental Relations. Our new business plan and budget lay out how we will meet these priorities for the province in the year ahead. I would be happy to answer any questions or hear comments from my Legislature colleagues. In advance, I would like to commit to answering any of the questions in written form that I'm not able to address tonight.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. Happy to be able to participate in the debate tonight on International and Intergovernmental Relations. I, too, would like to welcome all the minister's staff that are here this evening and thank them and those who aren't here tonight for the work that they do. Over the years I have had some opportunity to work with some of them and some staff from other departments who have been attached to IIR on various trips and events that they were organizing, and they've always been very friendly, very easy to work with, and certainly very good at their work. So thanks to all of you and to those from the department that aren't here.

Most of my remarks tonight will focus on issues as opposed to the budgetary amounts because as the minister says, it is a small department in terms of dollars. Mostly I'm happy to see that there's a bit of an increase there because I think it's been squeezed a little bit over the last couple of years. Nevertheless, they need to be accountable as all other ministries are, and we will be asking some financial questions.

My first comments tonight are going to be about PNWER, the Pacific Northwest Economic Region. Mr. Chairman, it's been my honour over the years, for many years, to have gone as the opposition representative. I've been here for 10 years. I think I've gone there for nine years, attended nearly every conference, and have been quite supportive of the mandate of PNWER and Alberta's leadership role in that organization over the years. I'm sorry to say that I won't actually be participating any longer. [interjection] Well, there's been a real change in direction in terms of how that all-party committee has been organized and presented.

In the past, particularly under the leadership of the Member for Livingstone-Macleod, opposition members have been warmly

welcomed and encouraged to become involved. In fact, in those days it was not unusual for opposition members to chair committees and to take a really active participating role in a variety of functions. When I go to conferences or am a part of any kind of a committee, I go to work. I go to bring something to the table, not just to warm a seat and not just to be the token opposition representative. Especially when I've been involved with an organization for years, I believe that I have something to offer, to bring to the table, and I have always worked in a very co-operative fashion and tried to meet the goals of what the Alberta mandate is and work to that end. Even in the early days of PNWER, when there was sometimes a question about whether or not it was supportable, I certainly held the line on the government position and gave it some time, and I think that it was proven to be an accurate assessment of what was going on.

But this last time at PNWER proved to be not quite such an interesting experience. I certainly experienced what it's like to become a token opposition member. At the conference I was very interested in getting actively involved in the committee that was dealing with invasive species. I participated in those discussions, talked to our PNWER chair, and I believed at that time was given some direction that I would take a part in meeting the role for Alberta on the invasive species discussions over the winter and getting ready for the next summer session. In fact, I mistakenly believed that I would be the Alberta chair for that. Subsequently, I had some correspondence and discussions with the departments and people who are from Agriculture who are working in that field who I have worked with for many years on invasive species, getting ready to pull some information together, only to find out that meetings had been called and a chair from Alberta had been appointed, and of course I was conveniently left out of any discussions or any information. [interjections]

Now, I can hear a lot of members groaning about that, but you know it's very important, I think, if you're going to say that you support all-party committees on a national level or an international level, that in fact you put your money where your mouth is and do something more than just straight token representation. So I figure that my time is better spent other places where I can actually make a difference and make a contribution. So I will no longer be supporting any activities with PNWER, and I do that regretfully because I think that it was an interesting experience. Even though it was time away from my family and at a time of the year when there are many other things that you could be doing, I found those experiences. . . [interjection] I don't care where it is. It's abysmal that people could be invited to participate and then completely left out of the loop when the discussions are had.

So, at any rate, I won't be participating. Given the small numbers we have on this side and the lack of interest that the government has shown, I doubt very much if we will in the future have opposition members participating at that level. I will be quite happy to tell anyone who's interested why I'm no longer involved.

Mr. Lund: Because Liberals are an endangered species.

The Chair: Minister, you'll get a chance to speak later.

8:20

Ms Carlson: Yes. The Minister of Infrastructure is correct. In this province there is no doubt that Liberals are an endangered species, and I have some knowledge with regard to them being both an endangered species and the kind of invasive species that the government members might represent and so really had an opportunity to bring something to the table there. [interjection] He agrees with that statement, Mr. Chairman, and I'm happy to see that after all

these years we finally find something that we can agree on. Nevertheless, that's the end of that role for me, so I'll share that information with the minister and his department, and they can do whatever they want with it, which is probably nothing.

My first question for the minister is in terms of lawyers' expenses and involvement in international disputes. Can you tell us how much you budget in a year for legal fees, a percentage, or how you decide what the projections might be for what the expenses can be on international disputes – and particularly I'm thinking of things like softwood lumber or countervailing duties – and then also how you choose the legal firms that represent you? Is it on a historical basis? Do you choose by tendering? Do you choose by area of expertise? Do you bring in more than one law firm sometimes to be able to expand the knowledge? Do you choose from the north and the south or alternate or both? Whatever information you can share with how you make those decisions. So if you could answer that question first for me.

Mr. Jonson: Mr. Chairman, first of all I would just comment briefly on the member's first topic. Certainly, as far as PNWER is concerned, we have valued the opposition members' – and I'm talking about plural over the years – participation in that particular organization. Perhaps, as it is noted, it is not the place tonight to go into the specifics of your concern, but I did want to put on record that if there are certain approaches that have to be corrected in this regard, I will certainly undertake to look into it.

With respect to lawyers, Mr. Chairman, this is an item that I think will be best answered with a written reply, which I undertake to give to you. Three different directions that we have with respect to lawyers. With respect to major, long-term assignments such as that which Claire Reed has with respect to the softwood lumber file, as I understand, she is on retainer, and then according to the amount and intensity of the actual product which she's expected to perform, there would be additional compensation.

With respect to much of the ongoing activity of this department, however, we do have the Department of Justice. As far as I know, they're not billing us directly yet, and that is our major source of expertise. Then it is quite true that on specific items – for instance, with respect to the analysis that was done on the Kyoto issue – lawyers who were deemed to be expert in that field and the law that surrounds that issue of international agreements were retained. That's as far as I think it would be useful to go tonight, and I'll provide a more detailed reply to you.

The Chair: Before I recognize the hon. member, I wonder if we might as a committee agree to a brief reversion to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**

The Chair: The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Chairman. Many members in this Assembly may be of the opinion that I am the expert on issues of low-income benefits such as AISH and SFI. It's time to come on the record because the man who actually did most of the thinking for the low-income review committee is today with us in the members' gallery. I would like to introduce to you and through you to the members of this House Mr. Vasant Chotai, who is an employee with the Human Resources and Employment department and indeed one of our utmost authorities on issues of low-income benefits. I would ask him to rise and accept the warm welcome of this Assembly.

head: **Main Estimates 2003-04**

International and Intergovernmental Relations *(continued)*

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. Before I start my comments again, because the minister has a soft voice and because lots of people are talking, we're having a really hard time hearing him. I mean, I'm only sitting 10 feet away, but also some of our other members, the Member for Edmonton-Glengarry, can't hear him either.

An Hon. Member: Earpieces.

Ms Carlson: Yeah. You know, there are no more. They're ordering one now, but in the meantime we can't hear the responses to half the questions. Just to put that on the record.

Okay. So thank you very much for that, and I look forward to your written answer in a little bit more detail.

Now I'd like to talk a little bit about the countervailing duties on durum wheat. What's the Alberta government's position on this? I think that it would be my understanding that you take a slightly different position than the Wheat Board, so can you tell me what your position is and what you plan to do over the next year with that dispute?

The Chair: The hon. minister, who is going to practically shout into the microphone.

Mr. Jonson: Well, Mr. Chairman, with respect to the trade dispute regarding wheat, this is a matter that rests with the Canadian Wheat Board in terms of the preliminary decisions that have been made with respect to an alleged subsidy in the marketing of wheat. Our role provincially, which is very, very minor, is that in the preliminary determination it was stated that there may be some subsidy involved in the historic ownership of grain cars through the heritage savings trust fund by the government. I think the calculation of the damage or the hurt that was alleged to be experienced was something in the neighbourhood of .3 percent or something, and that is something that we will oppose as this case works its way through. We do not feel that the determination really is justified, but that is something that we will have to carry forward on behalf of government and work on that part of it. But I'd just like to emphasize that the major case is one with the Canadian Wheat Board, and the Canadian Wheat Board is in a formal sense a creature of the federal government.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman, and thank you, Mr. Minister, for that answer. Can you explain to us in a little more detail the mystery of how you actually work with the other departments in the government? We know that your mandate is to provide strategic direction, but it's hard to actually follow the process through to know when you take the lead on it and when other departments would take the lead on it. So generally do you have attached specific people to specific departments? Is there a kind of benchmark when you withdraw from an issue and just let the department handle it? We don't really understand the process.

I think it's good what you do. I think strategic direction is very needed, but I don't really understand how you decide to lead an issue or to work on an issue and when to withdraw and how people are assigned.

Mr. Jonson: The simple answer is that we did it a number of different ways depending upon the circumstances. First of all, one model would be that that was shown with respect to the creation of our security task force. In that case, I served as chair of that particular interdepartmental initiative. The people of our staff who were most familiar with that area served as support to the ministerial task force. Very key, of course, was Municipal Affairs and their people in that area. The Solicitor General was extremely important as well, and a number of other departments were involved. We led or co-ordinated the overall effort, worked on making sure the goals were there and they were pursued, but a great deal of co-operative effort took place and the staff were assigned accordingly.

8:30

With respect to the G-8 – this is another example – again it was a multidepartment effort, particularly involving ourselves and the Solicitor General's department, and of course there we worked with the officials, particularly the city of Calgary but also the surrounding jurisdictions, in terms of bringing that to fruition. A major part of that was the area that Mr. Clifford was involved in in terms of intergovernmental relations, and he did a great deal of work co-ordinating, organizing, identifying problems or gaps in the overall plan that evolved between ourselves and the federal government.

That is a general description of two different cases that I can provide for you this evening.

Just one other thing. We'll take the whole area of trade in which we work very closely with the Hon. Mark Norris's department. We have on staff an individual such as Helmut Mach, extremely well versed in the whole area of international trade, and he works with that particular department on the various issues that come up in the whole area of trades disputes, whether it's softwood lumber or whether it's some aspect of promoting Alberta. If he's called upon, he's there as probably one of our best people in that particular field.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. So if I understand it, it's like identifying a consulting project, sending a team out to work with the other organizations and pulling together the targets and meeting the objectives. Okay. That's good. Thank you.

Can you tell us, Mr. Minister, how many dollars you've got tied up in your budget with the feds for the next year working on joint projects or subjects? One that comes to mind might be any work that you're doing with the U.S. Department of Commerce. Could you list what they are and tell us how much money you've got involved?

Mr. Jonson: I would have to indicate, Mr. Chairman, that I will provide that to the member. I cannot pull together a figure in my mind this evening to answer that properly.

The Chair: Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I look forward to that. It's a more detailed answer, anyway, that you could give in writing than this evening, and that would be helpful.

In this spring session, I think it has been, we heard the Energy minister musing about joining OPEC. Are you doing anything on that? Would you lead that charge, and how would you move forward? Who would pay in that case?

Mr. Jonson: Am I am correct that you said OPEC? Well, I do not recall that remark, and if the Minister of Energy said it, he can answer the question.

Mr. Smith: Well, Mr. Chairman, reluctant as I am to speak on another minister's estimates, I do feel compelled to correct the record. At no time had the Ministry of Energy nor the government of Alberta ever contemplated joining OPEC. What simply occurred, through the courtesy of the minister of energy for the state of Venezuela, was to express interest in us attending as an observer. This is not unusual, unique, nor would it be a first time for the province of Alberta. So to ensure distinct clarity, no musing was ever done by this minister with respect to joining OPEC.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. Well, unfortunately, I didn't bring the specific reference with me this evening, but the Minister of Energy can be sure that I will, and he can answer that question in the House, then, at some future date.

I'd like to talk about Kyoto now just a little bit. I think, first of all, some general information. How is it progressing from your perspective, and what happened to lead you to the decisions where the provincial government has somewhat softened their stance? Now, you briefly talked about some concessions that you had negotiated with the federal government. If you could give us more detail on that and anything else that may be relevant to that particular discussion.

Mr. Jonson: Mr. Chairman, with respect to the overall Kyoto initiative or Kyoto topic I'd like to emphasize that we still have on record as a government the overall approach that the government felt was the responsible way to go; that is, we said that we would develop an Alberta plan. The Premier made this statement very clearly, but a very, very important statement that was made by our Premier was that we want to sit down with the federal government. We have the Alberta plan. We want to work step by step with the other provinces and territories and the federal government to come up with a reasonable, workable, practical approach to environmental protection generally and the whole area of greenhouse gases in particular. So that is the overall position and still remains, as far as I know, the position of the government.

However, the federal government did move ahead with what we regarded as a very tight timetable. They insisted upon ratifying it. We're all familiar with the efforts that were made in Parliament, particularly by Mr. Mills, the Member of Parliament for Red Deer, to try and bring some sense to this overall debate in the rush for ratification. The federal cabinet did ratify the accord, and we are faced with having to deal with the reality that the accord is going to go ahead in some form or other. It was only reasonable that the government, particularly led by the Minister of Environment, would be involved in working hard to make sure that when the accord began to be implemented, we were having our input, having our say, and I think it is fair to say here this evening that we do feel that we have influenced some of the decisions that the federal government appears to be moving ahead with in a favourable manner.

So our overall concern is still out there. There are still problems with respect to it, but the interests of Alberta have to be taken into consideration as ratification moves ahead, and as the Minister of Environment has indicated, we are moving ahead with legislation on a thoughtful, measured basis, and this legislation will be necessary for our ability to protect Alberta's interests and to have the least possible negative impact on Alberta.

8:40

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thanks. I'll just finish up with one more question and

then give someone else a chance. Thanks, Mr. Minister, for that broad overview. I know we have more detailed questions on Kyoto, but I'll let someone else ask them.

My last issue is on Kyoto, but it's in reference to an article that was in today's *Globe and Mail*. I'll just give you a little background on it. It was about "Insurers turn up Kyoto heat," and it was about what's happening in Europe.

Big Europe-based insurance companies are considering denying some coverage to companies that aren't doing enough to reduce output of the gases believed to be contributing to global warming.

Amid fears of shareholder lawsuits against emitters of so-called greenhouse gases [some insurance companies plan to start mailing out questionnaires that] will ask customers of directors-and-officers insurance what they are doing to prepare for imminent government restrictions.

So, then, depending on what the answers to the questionnaires are, they're going to decide whether or not in fact they're going to cover them. They say that if "a client isn't doing enough, it may consider refusing the company directors-and-officers liability coverage when, in a few years, [some] countries begin implementing those rules." It's an interesting article. Maybe I'll photocopy it and send it to you.

My question from this is that I think this is something you're going to have to put into the process for decision-making. So, then, what process will you co-ordinate with the federal legislation and your legislation so that shareholders or directors or owners of companies won't get caught between two sets of legislation or . . .

The Chair: I interrupt this to let you know that there is a problem with the PA system. In a few moments some loud noise will occur, and then we wait for a minute, and they're going to retry it. Just don't be alarmed at whatever noise is made and know that ultimately it will be in our best hearing interests.

Anyway, in the meantime, Edmonton-Ellerslie, please continue.

Ms Carlson: Thank you. Really my question is that perhaps you haven't considered this as a possibility at all, but it seems like what's happening there may be considered at sometime here in the future, so could you give any initial comments on it, and will you build it into your process? When I take a break here, I'll take a photocopy and send it to you.

Mr. Jonson: Well, I would invite the member, certainly, to send me a copy of the article, and I must indicate that the first that I'd heard of this specific activity of the insurance industry in the EU was brought to my attention today at the luncheon that we had with our guest that was introduced here in the Assembly. We will undertake to follow up on what may be going on there, but that's as much as I know about it.

The Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I'm pleased to have an opportunity to speak to the International and Intergovernmental Relations estimates this evening and to ask a few questions of the minister. I'd like to ask some questions, if I might, about Kyoto. The minister has made some comments about the Kyoto protocol, but I'd like to ask: what was the role of the department vis-à-vis other departments? Did they provide logistical support? Just exactly what other departments were involved with the Kyoto protocol reaction?

What steps, I guess, is the department taking to address Kyoto down the road? What are the plans for the future with respect to the agreement? Is the department involved in helping Alberta meet the

targets under the Kyoto agreement? If that's the case, what strategies has the department developed to deal with the federal government with respect to the protocol now that it's been passed? What options were developed by this department regarding negotiations between Alberta and the federal government in putting together a plan on Kyoto? Were there economic impact studies relative to Kyoto? Were they done by this department, or were they done elsewhere, does the minister know? Is information from those studies available for the general public? So those are some questions about the Kyoto protocol.

I'd like to also ask the minister about the task force that is headed up by former Premier Peter Lougheed with respect to advising the government on the Kyoto protocol. Could we have some information with respect to the cost of that committee to operate? What is the status of the committee right now? What's it doing? Could we have, I guess, a bit of a report on the activities of the committee, the number of people involved, and the kinds of resources that are being put at their disposal and the kinds of outcomes that the government is looking for from that committee? Again, is there a time line for tabling the information from that committee? What is going to be done with respect to letting Albertans know about the work of the committee and the kind of progress that they might hope that that committee would be able to report?

There have been a number of international trips by various MLAs in a variety of government departments over the last year or two.

Maybe if the minister is willing, I would stop, Mr. Chairman, and see if there is some reaction to the first two topics, the Kyoto protocol and the Lougheed committee.

The Chair: Before we call upon the hon. minister to respond to those questions, I wonder if we might just take a momentary break while the audio engineer does whatever magic he or she may do. So if we could just wait for a moment, please.

I think we're now ready to operate, so we'll call upon the hon. minister to respond.

Mr. Jonson: Mr. Speaker, first of all with respect to the question about the funds involved, I do not have those dollars and cents before me, but certainly we would be prepared to provide you with answers in that regard.

8:50

Secondly, I think it's important to just think back to the time that this whole Kyoto issue, to put it politely, blossomed forth as one of the major issues before the nation of Canada but also specifically Alberta, and we felt that it was important to look at the whole situation regarding the possibility of implementation and to bring together a cross section of people very knowledgeable in the various aspects of dealing with industries that emit greenhouse gases. So we had an individual on the committee from labour, we had people who were directly involved in the oil and gas industry, we had people involved in some of the organizations of petroleum and industrial business, and if I recall, it was about a 12-person committee. It was chaired by Premier Lougheed, and I attended, and normally the Minister of Environment was there as well, and we just went through what were going to be the implications of Kyoto and how we could best constructively but forcefully respond to what was happening at the federal level with respect to its implementation.

The current status of the committee is I think you'd say – "on hold" is probably not the best term. It's still there. We still will look to it for advice if there are additional issues that come forward with respect to the whole matter of Kyoto implementation. Another area in which they provided advice was with respect to the structuring of

Bill 37, I believe it is, which is before the Legislature but not planned for passage until the fall.

The Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I'd started on some questions about international trips by various MLAs and cabinet ministers who go abroad with the legitimate purpose of promoting the interests of the province. Sometimes I don't think that we're fully informed or even fully appreciate the value of those trips and what has been gained by the members being involved in them, so I wonder if the minister could tell me if there is any sort of overall co-ordination governmentwide of international trips, or is each department responsible for their own plan? Is there sort of a standard expectation?

For instance, I know that when we go on parliamentary trips outside the province, when we come back we're expected to submit a report of some kind, not usually extensive, but some sort of report to indicate what was learned or what the benefits of the trip were, particularly to taxpayers. Is there any such requirement, and is that requirement standard across departments? Is there ever any follow-up in terms of the efficacy of the trips and whether we're really getting good value? Are we going to the right places? Is there, as I said, a co-ordinated approach? Is there any co-ordination between International and Intergovernmental Relations and the Public Affairs Bureau?

In terms of the trips themselves, who is the one that ends up deciding that they should be undertaken? Is there ever a comprehensive reporting of the trips in one place, or are they sprinkled throughout the departments?

So any information about the trips and the co-ordination and the reporting that comes from them. I know that particularly when ministers are going, there's usually a press release saying that this is where the minister and his staff or the entourage are going, this is their itinerary, and this is what we expect to accomplish. Again, is that standard across government? Is that something that we can expect for every trip? When the Premier travels – for instance, when he was in New York in the latter part of last year – it gets reported that the Premier is there, usually in the media. Again, in terms of the outcomes of the trip we often aren't privy to the longer range goals that have been achieved, so I wonder if that's dealt with in any way by the department or within government as a whole?

I'd like to talk just briefly about the Senate. I wondered if steps have been taken to advance the elected Senate? Now, the minister made some comments about it, but just where are we? I think they're poised to appoint a new Senator for the province. Is intergovernmental affairs involved in that appointment in trying to influence the actions of the federal government? Just what is the state of discussions with the government over that?

Just one, maybe two, areas and then I'll leave the questioning for a few minutes, Mr. Chairman. In terms of exporting water, which department is being consulted on this issue? Again, it's an interest of several departments, so what is the role of International and Intergovernmental Relations in the export, and what background work has been done examining the issue? Is there a policy that's being developed? We hear statements every once in a while, but is there a comprehensive rationale for the position that the government is going to take or has taken on water export?

The last topic for now that I'd like to ask some questions about is the whole business of counterterrorism. Can the minister give us some idea of who the department is consulting with and the kind of crisis management plans that are in place should something untoward happen? The border was closed in southern Alberta for a

while. When that happens, what kind of protocol is in place to assure that that's done orderly and the interests of Albertans and Canadians are protected?

Thanks, Mr. Chairman.

Mr. Jonson: If the member doesn't mind, I'll go backwards in answering the questions. With respect to counterterrorism and the role that we have through our overall security task force, as I believe the Solicitor General has indicated a number of times in this Assembly and at other locations, we do depend upon the Canadian intelligence service, CSIS, and the RCMP for advice and updates and the provision of information as needed in their judgment.

Of course, in terms of the overall counterterrorism plan, as you call it, we are also organized in such a way through the security task force that we call upon all of the law enforcement agencies in the province to fulfill their roles as provided for in the plan. I think, however, it's important to appreciate that the counterterrorism effort has to be something that is well planned, well organized, only used when necessary, and otherwise out of sight, out of mind, not becoming a subject for the reporting of details sort of day by day. That's the nature of this type of an initiative.

9:00

With respect to water export, Mr. Chairman, perhaps the member has some specific concern here. I'm quite sure – and I was just reviewing it a short time ago – that the policy of Alberta is no bulk water sale, transfer, et cetera. I know that particularly in time of water shortage this always starts coming up, sometimes in a positive light and sometimes in a negative one, but the policy is still there in terms of out-of-country bulk water transfer.

Travel. We have a process in government whereby travel is co-ordinated through the Premier's office. Our department is very much involved in commenting and helping and facilitating where needed or where requested. We do, as you've indicated, provide usually a preliminary news release as to what the purpose of the trip is, where it's going, what the objectives are. Then, in all the cases that I'm familiar with, any major type of trip is reported on in terms of its results or what was accomplished through a news release as well. I would not say that that is true in 100 percent of the cases because there are trips that occur every year. Perhaps there's nothing significant to report. It's just business as usual, and on we go. But, yes, we do report on our travel. It's not secret in terms of where we're going. If there was an inquiry as to what the specific cost of a given trip was, we could provide that. We don't normally go into those details, but it's not something that we're in any way hiding.

Dr. Massey: Just one follow-up, Mr. Chairman. I understand the crisis management. I mean, for the plan to be effective, parts of it have to be private. I guess the trick is: how do you assure the opposition and Albertans that the plan is there, that if there are problems, there is a good plan in place to react to that? I'm not sure there's an easy answer, but at some point there has to be some accountability to people just to make them feel secure.

Mr. Jonson: Well, I take the member's comments seriously, and I'll see if there's a better way of us being able to try and give that assurance without in a negative way affecting the potential effectiveness of the overall plan.

The Chair: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Mr. Chairman. I have just a

few questions for the minister, and these are in regard to the business plan. I'm referring first to page 271, your key result 1.3 strategy. This goes on to say: "Develop policy recommendations and strategies on national unity and other related issues as they emerge." My first question in regard to this strategy is: what policy recommendations has International and Intergovernmental Relations developed on national unity? Along the same theme, given the recent strain in relations between Alberta and the federal government, what steps is International and Intergovernmental Relations prepared to take to alleviate this current strain?

I think we all realize that we have to have a good working relationship with the federal government, and the animosity that certainly appears to occur has to be diminished. We're certainly not pointing at one side or the other here, as in the majority of disputes it's rarely totally on one side or the other. So if the minister could please inform us about these relations. Also, has extra funding been provided to International and Intergovernmental Relations to deal with this current strain in federal/Alberta relations?

Continuing with the business plan on page 271, again with key result 1.3 strategies, I'm looking at the bullet:

Work with the federal government, other provinces, the private sector and other key stakeholders to update and strengthen coordinated policy responses to issues relating to the security of the province and people of Alberta.

If the minister could please inform us: which stakeholders is the department working with? Who in the private sector has been assisting International and Intergovernmental Relations on matters of security? Again, just to reinforce the issue that the Member for Edmonton-Mill Woods had brought up, I think that Albertans certainly are more aware and certainly more concerned about safety since the events over the last two years have occurred.

[Ms Graham in the chair]

As well, on page 272 of the business plan – and I'm looking at key result 2.1 strategies – it goes on to say: "Take a leadership role on issues of Canada/U.S. integration (including harmonization of standards, common perimeter, border crossing)." If the minister could please tell us if his ministry has consulted with any outside business groups or industry stakeholders on the issue of Canada/U.S. integration. If there have been some consultations, if he would please provide us with a list of those who have been consulted.

On the same key result 2.1 strategy, what strategies have International and Intergovernmental Relations employed to take a leadership role? In other words, is there any proof the minister can provide that we have taken a leadership role as the bullet indicates that we would do? As well, how has International and Intergovernmental Relations helped to keep goods and services as well as people flowing across our border during the past year? We certainly know that because of international events security at the borders has tightened up and the flow of traffic certainly has slowed.

Continuing with the business plan, again under the key result 2.1 strategies, it goes on to say that we will "provide intelligence and policy advice to Alberta stakeholders on U.S. issues and developments." If the minister could please tell us: who is this advice provided to? How does one access this advice? Do you have to be in big business, small business, or what? Who has the availability to this information? If he could also tell us: what form does this advice take?

So with those few questions, I'll take my seat and listen to some responses. Thank you.

9:10

Mr. Jonson: Well, Madam Chairman, first of all with respect to the

matter of the provision of advice the question is: do we offer and provide advice to the private sector? Yes, we do if they're looking for advice as to how to make contacts with respect to a certain type of business in a country where they would like to have the doors opened in terms of opening up business. We're not the only department, however, that works in that particular area. Economic Development, the Hon. Mark Norris's department, is very much involved when it comes to providing or facilitating business connections and agreements and trade back and forth between our province and other parts of North America and the world.

You mentioned the whole issue of cross-border activity. We have participated as a province through our department in the CanAm cross-border alliance, I think it's called. I guess you'd have to say that it's a formal organization which involves representation from the United States and from Canada. There have been a number of meetings held. One was a major conference in Calgary, that I remember attending, where we had very, very good representation from the United States. There has been back-and-forth discussion about the various security issues that exist at the border. Also, it's been very, very useful because the emphasis there on both sides of the border is that we want to keep trade going, that we want to see tourism keep going, that we want to see individuals reasonably treated, but on the other hand that cannot be done in a manner which jeopardizes the safety of, you might say, the countries involved. So that particular initiative is still going forward.

You raised a question with respect to our partners in terms of developing our overall security plan, and they are industry, local governments. Local governments, of course, have always been very, very key to our overall disaster preparedness program, and they are linked into the overall security initiative in the province. The energy industry was early identified as one which could possibly be a target of terrorism, and the energy industry has been, I think, very co-operative in terms of working towards a good plan in this province. I can go down the list. There are certain things with respect to other industries such as agriculture that have to be looked at as well. Of course, Alberta Health and Wellness is very much one of the players that potentially would be needed in having a good security and disaster response program.

Now, what did I miss here? I think I missed one topic in the middle there, Madam Chairman.

Mr. Bonner: I do have an additional question just on the security and disaster services. Obviously, when we look at this whole area, there has to be some co-ordination with the military, whether it be security or disaster services. They do play an important role, particularly when we look at these events of a larger, major disaster. If the minister could please tell us how his ministry works with either the military or with the reserve, whoever it may be, and just expand a little on what our role is in working with those two organizations.

Mr. Jonson: I think, Madam Chairman, all members realize that the command of the armed forces and the command of the reserves is under the auspices of the federal government. I think the best way to describe the relationship is that if in the course of some development it is identified that there is a threat so significant that it would require, in the judgment of our overall leadership in our security plan, the help of the federal government through the RCMP or through the armed forces, then we would have to make that case. But I think that what you're asking, you know, is: is the plan the type of plan where it's a given that they'll be involved in whatever potential threat is identified? They're not under our command; that's what I'm trying to say. We have to identify through the protocol that's involved in the overall plan the justification for their use.

The Acting Chair: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much, Madam Chair. I wanted to rise to talk for a moment to the minister about the effectiveness of his department. As some of the hon. members opposite alluded to, our departments do a lot of work together, and it's an honour to work with them. I see several of them sitting up there who I've traveled with, and for the amount of work that goes into arranging those trade missions, which I think are vital to Alberta's future in exports, they should be commended, and the minister should be commended for the work that he does in that regard.

To that end, I did have a couple of questions for the minister regarding plans for the future. We talked about . . .

Ms Carlson: Point of order, Madam Chairman.

The Acting Chair: Yes. Would you like to elaborate?

Point of Order Questions by a Minister

Ms Carlson: This is a question of explanation. I'm not sure what the citation is. Traditionally in this House ministers have not asked questions of ministers during budgetary debate. The time is restricted for all private members, and there have been former rulings in this House.

Mr. Norris: No.

Ms Carlson: Yes. And there have been some discussions with the House leaders about this. So I want a ruling on this, please. I think we need Parliamentary Counsel involved.

The Acting Chair: Are your remarks just about concluded?

Mr. Norris: They are, but I think that as a member of this Assembly I have every right to talk to the minister on any case. We're allotted specific time, and I'd like to use it to ask the minister some questions. But in the essence of goodwill, Madam Chair, I will get to my questions, as you have discussed. [interjection] Well, you're just wasting time.

The Acting Chair: Hon. Member for Edmonton-Ellerslie, unless you can quote some authority for why the hon. minister can't make a comment – I don't know if he has any questions – I don't think you've made a meritorious point of order. After the first hour in estimates there is no restriction on government members speaking, so I don't find that you've made a point of order.

Ms Carlson: Thank you, Madam Chairman. Could I just make a comment then? We'll take this under advisement, and I'll follow this up at a future date.

The Acting Chair: Very good.

Hon. Minister of Economic Development, continue.

Debate Continued

Mr. Norris: Thank you, Madam Chairman, and to the House. I appreciate the indulgence in hearing my comments. As I was saying, the hon. minister is responsible for the international trade portion and the office representation, and our department, as I said, has worked closely in the trade aspect. We have seen recently a number of events federally that have caused us to think that we might need

a position in Washington, D.C., or Ottawa, Ontario, for more intergovernmental and less trade, and we recognize that the expertise that your department has is really where that should lie. So I'd like to get some sense from the minister as to if there are any plans to open some form of office in Ottawa or Washington or both. If so, how will that be staffed, and what role would IIR play in that?

The other question that I had is with regard to the ongoing trade negotiations that we have in the United States. Would an office in Washington, D.C., with somebody from your department facilitate quicker responses to those concerns?

9:20

Mr. Jonson: Madam Chairman, first of all I'd like to emphasize that our relationship with respect to the United States has always been one of IRR's and the Alberta government's priorities in terms of making sure that it is a positive one and that we continue to be supportive of our great neighbour to the south and hopefully work to make that be a reciprocal arrangement as well.

In direct answer to the minister's question, right now we're working hard at building on existing multilateral and sectoral relationships and arrangements that exist between the two countries. We're looking at a number of trips or missions to the United States dealing with various topics of mutual interest, and as a long-term initiative we're giving consideration to more formal representation in Washington, D.C., than we currently have. So the initiative that the minister has asked about is one that is in the thinking and probably before too long the formal planning stage.

The Acting Chair: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Madam Chair. I have a few more questions on the business plan for the minister. I'm referring to page 272, key result 2.2, and the statement goes on to say:

Provide information and advice to clients and partners (Alberta offices, Canadian posts, foreign embassies and consulates) so they can help promote Alberta's economic, political and social strengths internationally.

So if the minister could please provide us with a list of which Canadian posts, foreign embassies, and consulates the department has been in contact with and how the department interacts with these various agencies abroad. As well, if the minister could also provide us with what type of information is usually provided to these Canadian posts abroad, whether it's economic information on Alberta, tourism, whatever else.

I have one last question for the minister, and this would be from the business plan on page 275, Approval Ratings: Intergovernmental Relations. According to the graph the approval rating for intergovernmental relations dropped from 73 percent in 2001 to 64 percent in 2002. Can the minister explain this drastic drop in the approval rating?

Thank you.

Mr. Jonson: Well, first of all with respect to the approval rating, Madam Chairman, I'm pleased to report that it's gone up again. So I think that probably with a number of the troubling issues in the world during that particular year along with the dispute over Kyoto implementation and so forth and perhaps what might have been judged as less than ideal progress with respect to dealing with some of those issues, the measures may have dropped a bit, but they have certainly rebounded. I think that that is an indication that the department and all sides of government have been working effectively to deal with those issues that were current in that particular year.

The member has asked for what amounts to quite detailed information

on – I expect what is required is the various missions that we've taken and what the goals of the missions and so forth were, and we would undertake to provide a written answer with respect to that, Madam Chairman.

The Acting Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Madam Chairman. I think I just have one more question left, and that's on the issue that we hear the Premier occasionally muse on, and that's the separation issue. How does your department deal with this situation when it comes up, and have you taken any steps to address the issue from any perspective?

Mr. Jonson: Well, Madam Chairman, certainly this particular term, separation or separatism, comes up periodically in the history of Canada. It seems to have been a recurring phrase; it's not just the province of Alberta that is sometimes thought to be the originator of such comments. I'd like to state very, very strongly that Alberta wants to be a participant, a province, a very significant part of this great nation of Canada, and we are not involved in considering separation. The Premier has very clearly articulated that we want to be a province. We want to be a participant in a renewed and strengthened Canada where there is a better balance in terms of the allocation of the funds that are collected from the nation, in terms of its application to the provinces. We want to certainly see the whole area of the Senate discussed and hopefully a plan for improvement developed there. We have as a province a number of initiatives that we feel strongly about.

I expect that we'll be into a time right now with the new government of Quebec where there have been indications that the newly elected Premier, Mr. Charest, has some ideas about how to strengthen the nation of Canada to develop a better balance in terms of powers and access to revenues within Canada to make sure that the jurisdiction over programs and responsibilities within the nation of Canada that are clearly the responsibility of the provinces is respected by the federal government. So we are taking the initiative under the leadership of our Premier of looking for a renewal and an improvement in the overall relationship between the provinces, particularly the western provinces, and the federal government.

Ms Carlson: Madam Chairman, we thank the minister for his questions tonight and look forward to the more detailed written responses. That concludes our questions on this department.

The Acting Chair: Thank you.

After considering the business plan and proposed estimates for the Department of International and Intergovernmental Relations for the fiscal year ending March 31, 2004, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:

Operating expense

\$6,468,000

The Acting Chair: Shall the vote now be reported?

Hon. Members: Agreed.

9:30

The Acting Chair: Any opposed? Carried.

The hon. House leader.

Mr. Hancock: Thank you, Madam Chair. I'd move that the Committee of Supply rise and report and beg leave to sit again.

[Motion carried]

[Ms Graham in the chair]

The Acting Speaker: I'd like to recognize the hon. Member for Medicine Hat.

Mr. Renner: Thank you, Madam Speaker. The Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

International and Intergovernmental Relations: operating expense, \$6,468,000.

The Acting Speaker: Thank you. Does the Assembly concur in this report?

Hon. Members: Agreed.

The Acting Speaker: Any opposed? So ordered.

head: **Government Bills and Orders**

head: **Committee of the Whole**

[Mr. Tannas in the chair]

The Chair: I wish to call the Committee of the Whole to order.

Bill 28 Freedom of Information and Protection of Privacy Amendment Act, 2003

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill?

Mr. Lukaszuk: Mr. Chairman, I would like to move an amendment to Bill 28, the Freedom of Information and Protection of Privacy Amendment Act, 2003. The House amendment that is being circulated to Bill 28, the FOIP Amendment Act, is necessary to clarify the powers of the Privacy Commissioner in reviewing the decisions of the motor vehicle registrar to release information from the motor vehicle registry. Section 16 of the FOIP Amendment Act requires . . .

The Chair: Thank you for moving it. We will call this amendment A1, and we'll now await copies to arrive at the desks of hon. members.

The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Chairman. I'll just make a few comments relevant to the amendment that has just been circulated in the House. The amendments are minor in nature; however, section 16 of the FOIP Amendment Act requires a change so that the request for the commissioner to review a decision of the registrar can only take place on the initial decision of the registrar for a specified purpose. Also, the amendment for section 24(b) is just for clarification. Section 25 is amended to have section 24(b) come into force on royal assent so that the necessary regulations could first be put in place. And last, the net effect of the amendment is to make it clear that people can only appeal the decisions of the registrar that are set out in the notices.

Thank you, Mr. Chairman. That should summarize the amendments.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. This amendment strikes me as being quite typical of the whole problem involved with this committee and how the bill evolved. This should have been something that was figured out before the bill was submitted to the Assembly.

Mr. Smith: Agreed.

Ms Carlson: Well, I see that the Minister of Energy agrees with me.

There are enough staff and resources, and there was enough time for this committee to bring forward a good, quality bill. This specific concern around the disclosure of information from personal driving and motor vehicle information was a key concern that was heard from times prior to this committee having even met, so it's amazing that the government couldn't get it right.

I have a question about this amendment that I'm hoping the Member for Edmonton-Castle Downs can answer before we have further debate, and that's in A(b) where it talks about: in the proposed section 74.3(2) by striking out "person asking for the review was given notice of the decision" and substituting "date the notification of the decision was published." Could he give us some information on what the expected publication process is? Where? How often? Who is going to see it? Could he clarify that for me, please?

Mr. Lukaszuk: Certainly. Mr. Chairman, the parameters would be outlined in the regulations, and part of this amendment is to allow the cabinet and the council to develop regulations for it. So the parameters for that particular question, in answer to the question of the member, would be contained within the regulations, so it would be premature for me at this point to comment on the parameters as they will be set forth by the cabinet in the forthcoming regulations.

Ms Carlson: Well, Mr. Chairman, that makes me hate this amendment even more. Why does everything have to be done by regulation behind closed doors? Why can't we just have a process where the decisions are made and set out and people reading this amendment and seeing it will know what the process is? We just want to know where the information is going to be published. Maybe the minister could add some light on this particular issue.

Mr. Lukaszuk: I am sad to hear that the Member for Edmonton-Ellerslie is not pleased with the bill. However, I must assure you, Mr. Chairman, that our primary concern was to satisfy Albertans and not the Member for Edmonton-Ellerslie. However, the reason that some of the decisions are being put into the regulations and not into the act itself is to allow the legislation more flexibility. The Member for Edmonton-Ellerslie will appreciate that this is a rather fluid piece of legislation. She will appreciate that this particular act is not reviewed every half year or so but rather in much longer periods of time, so there is a requirement to have flexibility built into the act. Now, having parameters for such things as notification in regulation will allow the minister and the department more flexibility, and they will be able to adjust them to satisfy those who actually utilize the act, which may very well be, quite often, members of the Official Opposition.

Thank you.

9:40

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I would like to ask the hon. Member for Edmonton-Castle Downs what . . .

Mr. Smith: Is that the guy who called me Baghdad Bob?

Mr. Mason: The Minister of Energy asks about question period today, and I can tell him that I sat bolt right up in bed last night at 4 a.m. with that brain wave. I had a hard time getting back to sleep. I was so excited, Mr. Chairman, just that I woke up in the middle of the night with an idea. Who hasn't had that happen to them before?

The Chair: Hon. member.

Mr. Mason: The chairman quite rightly calls me back to the subject at hand.

I'd like to ask the hon. Member for Edmonton-Castle Downs what happens in the interim before this section is proclaimed and the regulations developed? What happens then? Perhaps he could answer that or maybe the minister responsible could.

Mr. Lukaszuk: Mr. Chairman, we're not talking here about a long period of time. We anticipate that this piece of legislation will be proclaimed sometime around the 20th of this month, and the regulations will be developed prior to that. So there is not a long gap of time that we're looking at.

Mr. Mason: What happens in the meantime? Does it mean that people have no protection against their information being transferred for commercial purposes in the interim?

Mr. Lukaszuk: Mr. Chairman, the Member for Edmonton-Highlands is aware of the fact that we are not now in a situation where we don't have an act that's in effect. We have FOIP legislation that's in effect and in power right now, so the powers entrenched in that act will prevail up until such time that the new legislation is proclaimed and regulations developed.

The Chair: Edmonton-Highlands.

Mr. Mason: Thank you very much for your flexibility, Mr. Chairman, on this point. My concern is this – and I think the hon. Member for Edmonton-Castle Downs picked up on a good idea in the committee – and that is that people give their information for motor vehicle purposes for specific reasons: for the registration of their vehicle and that it can be insured and all of the legal aspects that go with the regulation of motor vehicles. Yet what happens is that this information is provided to commercial operators that have no relation to those functions, specifically parking lot companies, insurance companies, and so on. They use this information for commercial purposes, but the information was not collected from people for that purpose.

They are not informed that this information will be used for those purposes, and quite rightly the hon. Member for Edmonton-Castle Downs along with some others of us in the committee thought that this was a problem, but of course it steps on the toes of some pretty big interests who are used to getting this information so that they can operate their businesses. So the committee brought forward the reports.

Now, what my concern is here – and if somebody can lay this to rest, I would very much appreciate it – is that there's no necessity on the part of the government to ever proclaim this section. My concern here – and I could be wrong, and I'd be happy to be corrected – is that this particular section might not ever be proclaimed and

therefore just not be in the bill. That way the Member for Edmonton-Castle Downs, who made this motion in committee, looks good, doesn't lose any face, but the government doesn't have to step on the toes of commercial operations that have come to depend on this information, and that's what my fear is about this amendment, Mr. Chairman. If somebody can set my concerns to rest so that I can sleep soundly through the night, then I would be very happy.

Thank you.

Mr. Coutts: Mr. Chairman, let me answer this question so that the hon. Member for Edmonton-Highlands can have a restful sleep with both eyes closed and not one eye open. The provisions in the act itself that are unrelated to this particular amendment that the hon. Member for Edmonton-Castle Downs is bringing forward on the amendment – the select committee of the Legislature put into the report that criteria should be developed for developing access standards, and we are developing those access standards at this point in time through a steering committee between Transportation and Government Services. Those access standards will be put in the form of regulations that the very legislation we're discussing here tonight is enabling to happen. So I will have to proclaim the act to make sure that the regulations are abided by. Let me reassure you, hon. Member for Edmonton-Highlands, that that is going to be proclaimed just as soon as we possibly can. The transport safety act is going to be proclaimed on May 20 of this year, so it's going to have to be done before then. Basically, that's the same answer to Edmonton-Ellerslie's question earlier.

Ms Carlson: Mr. Chairman, I just want the Member for Edmonton-Castle Downs to confirm that what he really intended to say here tonight was that this is a fluid piece of legislation.

Mr. Lukaszuk: Mr. Chairman, I'm not sure what connotations or denotations the Member for Edmonton-Ellerslie is trying to derive from the term "fluid." What I'm saying is that this piece of legislation is enabling legislation allowing the minister and the cabinet to develop the parameters and the scope of the regulations which will be attached to the act. So, in that sense, indeed, it is fluid because it is an enabling piece of legislation allowing for regulations.

[Motion on amendment A1 carried]

The Chair: The hon. Member for Edmonton-Gold Bar on the bill.

Mr. MacDonald: Thank you very much, Mr. Chairman. It is certainly interesting to see Bill 28, the Freedom of Information and Protection of Privacy Amendment Act, 2003, work its way through the Legislative Assembly. It was a learning experience for this hon. member to be a part of the same committee that the hon. Member for Edmonton-Castle Downs served on that led to Bill 28. There were certainly a lot of issues brought forward by various groups from across the province, and some of those issues were reflected in the report that came before the Assembly and some were not. There were many matters discussed, and there were many opinions expressed.

Certainly, when one looks at this legislation, we are going to respond to the request of Mr. Cliff Chatterton of the War Amps, and we are making clarification regarding financial information, whether it's bank accounts, credit card information that should not be disclosed without the individual's consent, and we are establishing criteria for bringing public bodies under FOIP in regulation, not policy, and allowing the Information and Privacy Commissioner to refuse to conduct an inquiry under some circumstances.

9:50

Now, when we look at FOIP and the FOIP laws in this province and how they have developed in the last 10 years, I think certainly it has been unsuccessful in bringing open, transparent government to the public. We have seen a continuous narrowing of the disclosure requirements. We see excessive fees being charged. Information is unaffordable, and I think that is very, very unfortunate.

Now, Mr. Chairman, there are some very good things about this legislation, but there are also some issues that have to be addressed before this bill can be supported. The number one concern from this member is, of course, fees, and if we look at section 93 and the whole issue of fees and who is to pay and what, high fees should never be a barrier to citizens receiving information from their government.

There is an ongoing historic case between myself as the Member for Edmonton-Gold Bar, the *Globe and Mail*, and the Department of Justice. This is an important case because it is one of the very few times that the Privacy Commissioner has had to have been excluded for one reason or another, and an adjudication inquiry pursuant to section 75 occurred, and in this case the Hon. Mr. Justice T.F. McMahon became the adjudicator, a Court of Queen's Bench justice from Calgary. It is interesting to note not only what the hon. justice has had to say about FOIP but what other individuals have had to say about FOIP as well.

Mr. Justice McMahon in a decision that was made public last spring states among other things:

(26) In decision No. 96-002, the Commissioner in Alberta described two principles to be considered when determining whether a record relates to a matter of public interest under the Alberta Act. The first is that it was intended to foster open and transparent government, subject to the limits provided. To that I would add accountability. The right of the people to require that government account to them is fundamental to a strong democracy. It is with our consent that we are governed by others; that consent is given conditionally upon good government. The decision to continue or withdraw that consent requires that the people have the information required to make an informed decision. Access to information legislation is a means by which people get that information from sometimes reluctant government hands.

(27) The second principle identified by the Commissioner is that the user should pay. Whether this is a "principle" of access to information legislation is doubtful. In any event, it begs the question of who the "user" really is. As well, this Act expressly provides for several exceptions to that "principle", one of which is central to this review.

That expresses a lot, Mr. Chairman.

Also, one must consider the Supreme Court of Canada. Now, in the decision by Justice McMahon:

(25) The Supreme Court of Canada in *Dagg v. Canada (Minister of Finance)* . . . considered the federal Access to Information Act . . . [Justice] La Forest . . . although dissenting in the result in that case, described the legislation's purpose in these terms at para. 61:

The overarching purpose of access to information legislation, then, is to facilitate democracy. It does so in two related ways. It helps to ensure first, that citizens have the information required to participate meaningfully in the democratic process, and secondly, that politicians and bureaucrats remain accountable to the citizenry. As Professor Donald C. Rowat explains in his classic article, "How Much Administrative Secrecy?" (1965) . . .

Canadian Journal of Economy and Political Science at page 480, . . . Parliament and the public cannot hope to call the Government to account without an adequate knowledge of what is going on; nor can they hope to participate in the decision-making process and contribute their talents to the formation of policy and legislation if that process is hidden from view.

Now, Mr. Chairman, when we consider this case and the fact that there was a substantial reduction in FOIP fees, in one case from roughly \$60,000 to \$2,500 for the national newspaper the *Globe and Mail* and \$500 for the Member for Edmonton-Gold Bar, that is a significant change, and I'm very anxious to see that this case replaces the commissioner's ruling that we have been using since 1996 in decision No. 96-002. Certainly, that indicates that the second principle as identified by the commissioner, "that the user should pay," is not really that accurate. It is described by the hon. justice as a doubtful principle.

So in the course of debate on this bill, hopefully we will get the answer. The hon. Minister of Government Services could perhaps provide that. This decision is a clear case, an indication that all is not well with our current FOIP legislation, and citizens, whether they're Official Opposition members, whether they're citizens from any region of the province, should feel comfortable approaching their government to seek information, and fees should not be a barrier to that information.

Now, when we look at Bill 28, section 2 is generally positive by expanding the definition of personal information to include biometric information. Section 3(a), as I understand it and as I recall, is housekeeping, and section 3(b) is more significant since it clarifies what is meant by a registry. A registry henceforth will only be one authorized or recognized by an Alberta statute or regulation. If the hon. Member for Edmonton-Castle Downs could table a list in the Assembly for all the registries that would be captured by this amendment, I think that would be beneficial. Otherwise, Albertans would be put to reviewing thousands of regulations and hundreds of statutes looking for provisions creating or enabling a registry. Now, I believe that the hon. member may have been attempting that with the amendment. If the hon. member could clarify that, I would be very grateful.

10:00

Section 3(c) deserves some explanation. While we know what happened to the regional health authority elections, the future of regional health authority elections is still unclear. It is hard to think of an objection to this change, although it is not clear what election means. Now, if the members of a board of an agency hold an election and the board members elect an executive of one or more officers, is that not an election? Does it mean an election under the Local Authorities Election Act? One can only assume that they are talking about an election by citizens in a community, but this is not clear.

Section 4 certainly has merit since it reduces marginally one of the broadest and most cited exemptions to disclosure, namely section 16.

Now, section 5 invites the question: what is the "prescribed manner?" Prescribed by regulation or by government policy? Will the sponsor particularize now or at least commit that the regulation, if that is the means of subscription, will be shared with the Assembly before it becomes law?

In section 5(a) the wording is changed to more generally provide that the notice must be "given to." Now, does this mean that you have to prove that the third party must have received the written notice? Will that impede giving notice in compelling circumstances where time is of the essence? Not likely, since if you refer to section 83, there is a definition of what is meant by "given to a person." It sets out four different ways that notice may be given to a person. You must cross-reference section 17 of Bill 28 here since that amends section 83. The explanation has not been given that I'm aware of, Mr. Chairman, of why section 17(2)(d) is being deleted. Now, presumably the deletion of section 17(2) is due to the Health Information Act, and if that could be clarified before we proceed, I would be grateful.

Now, the new section 29(1) seems innocuous although one may be able to make the point that there is no qualification in section 29 that the fees be reasonable. There continues to be concern that if a public body announces that it will sell, for example, hospital utilization rates but at a high cost, say \$10,000, they can refuse to honour an access request under part 1 of the FOIP Act.

The amendment to section 30 makes some sense and reduces some burden on public bodies, I believe, without compromising the purposes of the act.

Now, section 10 of the bill and the proposed change to section 37 clarifies what was always intended with the FOIP Act. It is individuals who may request correction.

Section 11 of the bill is a positive change. It mirrors an exclusion from the definition of personal information in the federal Personal Information Protection and Electronic Documents Act, PIPEDA. It does not, however, allow the disclosure of e-mail addresses, but this is seen as more of an oversight in that statute.

Section 11(b) clarifies the intention of the provision and warrants support.

Section 12 of the bill would allow the release of personal information for any purpose if the other qualifications are met. You will note that the existing provision in section 43(2), that requires a postsecondary body to have a written agreement with certain elements, will be eliminated. What explanation does the province have for removing these privacy safeguards? How does it justify them? Can the government provide particulars of concrete problems posed by the existing provision for postsecondary educational bodies?

Now, section 13, Mr. Chairman, could be problematic. If you appoint an independent officer of the Legislature, you want that person to have a term sufficiently long that they are not under pressure to worry or fret about reappointment. If the term is, say, only two years, is the commissioner not likely to feel less secure than with a five-year term? We certainly don't need a commissioner who is constantly fretting about whether his decisions will irritate government and possibly jeopardize his reappointment. A longer term at least reduces that type of distraction.

Section 14 clarifies that the powers under the Public Inquiries Act are available to the commissioner for any of his adjudicative functions.

Section 15 is significant. It dramatically expands the power to refuse to hold an inquiry. It does not detail the kinds of conditions or circumstances that should be addressed in making such a decision. As a result, this decision is at the sole, unfettered discretion of the commissioner. It would be more appropriate to have the legislation indicate the conditions that should be assessed by the commissioner in making such a decision. After all, there is no right of appeal from the commissioner.

Now, in light of that, I believe this is as good a time as any, Mr. Chairman, and at this time I would like to propose an amendment to section 15 of Bill 28. I'm going to provide the chair with the signed copy and an additional 89 copies, I believe. I will take my seat until the amendments are distributed. Or can I read it into the record now, please?

10:10

The Chair: This amendment will be known as amendment A2. In the 42 seconds remaining, hon. Member for Edmonton-Gold Bar, you'll move it and explain.

Mr. MacDonald: Thank you very much, Mr. Chairman. I move that Bill 28, Freedom of Information and Protection of Privacy Amendment Act, 2003, be amended in section 15 in the proposed section 70

by striking out clause (b). That would certainly alleviate the concern that I just expressed, Mr. Chairman. It would reduce the expansion of the powers to refuse to hold an inquiry. This legislation as it currently exists does not detail the kinds of conditions or circumstances that should be addressed in making such a decision by the commissioner. I don't think that the commissioner needs those powers at this time.

Thank you.

The Chair: The hon. Member for Edmonton-Castle Downs on amendment A2.

Mr. Lukaszuk: Thank you, Mr. Chairman. The Member for Edmonton-Gold Bar in his amendment is requesting that section (b) be struck out, a section that allows the commissioner to refuse an inquiry if in the mind or opinion of the commissioner the circumstances warrant refusal to conduct an inquiry.

Mr. Chairman, I must point out for the record that the commissioner is an independent body. His office is independent of the government. He is an officer of this Legislature and therefore nonpartisan, and he has been appointed as a watchdog, as a steward of the independence of this particular piece of legislation.

Now, we have chosen to have this office present and to have an individual with this capacity to hold this independent office. It would be very difficult to understand why we wouldn't then trust the individual to make a decision on whether circumstances warrant or do not warrant conducting an inquiry. If we trust in his learned judgment to make a decision, a decision that is final on matters of inquiry, why would we not then trust him to make an equally sound and educated decision on the matter of whether circumstances warrant or do not warrant an inquiry? Removal of this particular subsection of the act would create a situation where the commissioner would be forced, compelled to conduct an inquiry in the most frivolous of requests and have no opportunity to use his own judgment.

Thank you.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Chairman. I'll certainly be brief because the hon. Member for Edmonton-Ellerslie has expressed an interest in participating in debate as well on amendment A2. However, I would like to point out to the hon. Member for Edmonton-Castle Downs that section 70 in the current act is adequate. I don't think we need to dramatically expand to the commissioner the power to refuse to hold an inquiry. The commissioner may refuse to conduct an inquiry pursuant to section 69 as it is now. My research indicates that section 70, the current section 70, refusal to conduct an inquiry, has only been used twice in seven years. So why do we need to expand the power of the commissioner any further?

Thank you.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I am going to support this amendment. I think it's well done. I respectfully disagree with the Member for Edmonton-Castle Downs in his interpretation. There is no doubt that the commissioner has been given the mandate to make these decisions, but as my colleague from Edmonton-Gold Bar said, it has been very seldom used in the past. So we certainly wonder why those powers would be required to be expanded at this particular date.

I don't recall in the meetings that we've had hearing any strong argument to increase the circumstances where the commissioner would have the ability to refuse to conduct an inquiry. If we take a look at the legislation before the amendment, it seemed to be quite comprehensive. The commissioner could

refuse to conduct an inquiry pursuant to section 69 if in the opinion of the Commissioner the subject-matter of a request for a review under section 65 has been dealt with in an order or investigation report of the Commissioner.

So that's a pretty wide latitude as it is now. To add any more latitude in that particular regard begs the question of what kind of circumstances they're anticipating. We should have heard that debate through the committee at the time when the committee held its hearings or in some sort of submission, and I really don't remember seeing anything in that regard.

I would urge all members in this Assembly to support this particular amendment put forward by Edmonton-Gold Bar.

Mr. Lukaszuk: Mr. Speaker, for the reasons previously stated, I would urge all members to vote against this amendment, and I would call for the question.

[Motion on amendment A2 lost]

The Chair: The hon. Deputy Government House Leader.

Mr. Stevens: Yes. Mr. Chairman, I move that we adjourn debate on this matter.

[Motion to adjourn debate carried]

Mr. Hancock: Mr. Chairman, I'd move that the committee rise and report progress.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Medicine Hat.

Mr. Renner: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration and reports progress on Bill 28. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

head: **Government Bills and Orders**

head: **Third Reading**

Bill 23

Family Support for Children with Disabilities Act

The Deputy Speaker: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Speaker. I'm pleased to rise and move third reading of Bill 23, the Family Support for Children with Disabilities Act.

The bill will result in historic legislation for this province. The Children's Services ministry responded to families of children with

disabilities and other key stakeholders who expressed concern that the unique needs of children with disabilities were not being sufficiently addressed within the provisions of the child protection legislation. Through this bill the ministry will provide distinct and separate legislation for children with disabilities and their families. The Family Support for Children with Disabilities Act will provide a spectrum of proactive and family-centred services and supports that will preserve, strengthen, and empower families of children with disabilities.

Bill 23 reflects the recommendations of two committees the ministry established to develop the new legislation. Under the new act the resources for children with disabilities program will focus on early intervention, family-centred supports, as well as better co-ordination and integration of services. As soon as the bill is passed, regulations stemming from the new legislation will be developed in consultation with parents and other key stakeholders.

10:20

Mr. Speaker, I'm very proud of the proposed Family Support for Children with Disabilities Act. The new legislation will ensure greater consistency in services for children and families and will also ensure that families and children receive appropriate services based on their assessed needs. A family's capacity to promote their children's healthy growth and development will be preserved and strengthened through this new act.

I urge all members to vote in favour of Bill 23.

The Deputy Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have an opportunity to make some comments this evening about Bill 23, the Family Support for Children with Disabilities Act. I think we'd be remiss, Mr. Speaker, if we didn't put on the record the opposing views on this bill. There are those individuals and parents who enthusiastically support the legislation and are happy to see it here at third reading this evening, but we also heard some concerns raised about the bill. Those concerns were raised when we were in the committee stage of examination.

Just briefly, there was a concern that the bill might medicalize disabilities and that in that way it might be a step backwards. There was a concern that the definition of disabilities was extremely narrow and another concern that there were provisions in the bill for income testing. Now, those were, I think, the three major concerns that were raised with us. As I said, the supporters of the bill were very pleased, and we consulted with a number of the interest groups and, again, found only one of those groups opposed to the legislation.

We supported it all the way through, Mr. Speaker, and are pleased to support it this evening. Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to rise to speak to Bill 23, Family Support for Children with Disabilities Act. This will replace provisions in the Child Welfare Act for handicapped children's services, and it will provide a framework by which service plans are developed in consultation with the family and agreed upon.

The Alberta Association for Community Living is strongly supportive of this act and have made a number of good points as far as the types of improvement that it represents. They indicate that this legislation recognizes the inherent capacity of families and that many families only want and need limited assistance in order to ensure their children with disabilities have the opportunities for a life comparable to children without disabilities. In addition,

families and children with disabilities who require greater assistance will also have access to the supports they require.

Mr. Uditsky, the executive director of the AACL, says:

Not a single child with disabilities should be left without the support he or she needs to be sustained within a family. Too many children with disabilities end up in the child welfare system because their families did not receive the support they required.

He believes the legislation

will help to ensure children with disabilities can look forward to a future where their inherent need to grow up as part of a loving family is sustained.

So on balance, Mr. Speaker, the New Democrat opposition is prepared to support this act. However, there are some reservations. Of course, in this act as in many others the devil will be in the details. The content of service plans and agreements regarding support and therapeutic care will be entirely determined by regulation. Well, what else is new? There is a role for regulation, but it is still, I think, a flag of caution that we should be aware of. It may be necessary in order to cover a wide range of possibilities, but there is very little in the act itself which describes in any detail whatsoever what services a family may expect.

I think it's useful in terms of appeals that there will be an appeal committee, people appointed by the minister. The major concern that we foresee from some parents of children with disabilities is that therapeutic service plans, support agreements, and so on, do not provide sufficient funding, and these are likely to be the most common basis for appeal. So much will depend on not only the regulations but the programs, policies set by the minister, and who in fact the minister appoints to the appeal body. If they're not favourable to these types of appeals, then we may again find a significant buildup of people who are not receiving all the support they need.

Similarly, Mr. Speaker, the concern again arises that these types of programs and levels of support under these types of programs have in the past been set according to factors that are not entirely related to the appropriate level of service that people should be receiving but can be affected, of course, by the government's fiscal planning or lack thereof. So I hope that we will see these programs designed first and foremost and funded to a level that is dependent on the needs of those children and their families that are required.

So all in all, Mr. Speaker, I'm not going to speak long on this bill but indicate that with those reservations we think that it is a positive bill and commend the minister for bringing it to this Assembly, and we are pleased to support it.

Thank you.

The Deputy Speaker: The hon. Member for Red Deer-North to close debate.

Mrs. Jablonski: Thank you, Mr. Speaker. Helen Keller, due to a severe illness before the age of two, was deprived of sight, hearing, and the ability to speak. Her courage, faith, and optimism in the face of such overwhelming disabilities had a profound effect on all she touched. The accomplishments of Helen Keller stand as a symbol of the potential in all of us. Helen Keller said: "I thank God for my handicaps for, through them, I have found myself, my work, and my God." Perhaps with the help and support that Bill 23 proposes for families of children with disabilities, they too will accomplish all they are meant to accomplish in this life.

I'm pleased to close debate on Bill 23, the Family Support for Children with Disabilities Act.

[Motion carried; Bill 23 read a third time]

The Deputy Speaker: I wonder if we might have agreement from the Assembly to briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(*reversion*)

The Deputy Speaker: The hon. Member for Red Deer-North.

Mrs. Jablonski: Mr. Speaker, it is my honour to introduce to you and through you to members of this Assembly two people who have traveled at length in time to arrive at this moment. They have waited for over 25 years for the legislation that we will pass tonight in Bill 24, the Child Welfare Amendment Act, 2003. They are among the 44,000 adoptees, siblings, and birth parents who signed a petition in 1992 urging the Alberta government to open adoption records. Thanks to the Minister of Children's Services, the Member for Calgary-Buffalo, and their very competent team, adoption records in Alberta are very close to being opened.

My constituent from Red Deer-North, Mrs. Sandra Ladwig, has been working for 25 years on behalf of adoptees and birth parents to help them find their birth families and to have adoption records opened, and Mrs. Marg Wood has been searching for 22 years for her birth mother. They are here tonight, even though the roads are closed between Calgary and Lacombe, to witness the passing of third reading of Bill 24, a very momentous event in their lives and the lives of many. I would ask Sandra Ladwig and Marg Wood to rise and receive the traditional warm welcome of this Assembly.

10:30 head: **Government Bills and Orders**

head: **Third Reading**

(*continued*)

Bill 24

Child Welfare Amendment Act, 2003

The Deputy Speaker: The hon. Member for Calgary-Buffalo.

Mr. Cenaiko: Thank you, Mr. Speaker. I'm pleased to rise and move third reading of Bill 24, the Child Welfare Amendment Act, 2003.

I am proud and honoured to support this bill. It has come about as a result of a lot of hard work and consultation with Albertans.

During Committee of the Whole a concern was expressed by the hon. Member for Edmonton-Mill Woods about the change in terminology from "protection" to "intervention." The change in terminology from "protection" to "intervention" does not change the fundamental test for determining whether child welfare involvement is warranted. Intervention services as defined in the bill include both protective services, the services provided in situations where children are removed from parental care, and family enhancement services, the services provided to support and preserve families.

Before either form of intervention service is legally authorized, the child's survival, security, or development must be in danger. There was a suggestion that the definition of neglect and specifically the reference to the guardian's failure to provide essential medical, surgical, or other remedial treatment should be based on information from a medical professional. The director of child welfare cannot simply make a determination regarding a parent's failure to provide essential medical or surgical treatment without information from or a recommendation by a medical professional. All interventions based on a parent's failure to provide necessary medical or surgical treatment require the involvement of the medical professional, and

indeed most if not all of these cases are brought to the director's attention by medical professionals.

A clause authorizing intervention when the condition or behaviour of a child prevents his or her guardian from caring for the child is being repealed. The repeal is being done because the grounds for intervention on this basis have been inappropriately used by parents to relinquish responsibility for their children in situations where there is parent/teen conflict. This approach is not consistent with the fundamental philosophy underlying the act that parents and families are responsible and accountable for their children. Under the Alberta response model support can be provided to families experiencing these difficulties.

The hon. member was concerned with the wording in section 2.1 that states, "A director, when it is appropriate, must inform a child of the child's procedural rights under this Act." Inclusion of the words "when it is appropriate" is necessary for two reasons: one, to inform a child of their rights that pertain to their particular situation; and two, to provide flexibility for the director of child welfare to provide only such information as is appropriate in the circumstances. This flexibility is necessary when dealing with young children who may lack the capacity to understand their rights.

Regarding the elimination of the role of the Children's Advocate to investigate complaints, removal of the investigatory role of the Children's Advocate reflects the concept of advocacy in a collaborative and supportive manner. Systemic issues identified by the advocate will continue to be referred to the Children's Services department and addressed through enhanced quality assurance processes.

Concern was raised over the removal of a parent's ability to apply directly to the court for a permanent guardianship order. One of the fundamental principles underlying this legislation is parental accountability and responsibility. Allowing a parent to abdicate their guardianship responsibilities is inconsistent with this principle. If a parent is experiencing difficulties in dealing with a child, supports to the parent may be available through the Alberta response model. If the child is in need of intervention and permanent guardianship is the appropriate response to the child's needs, the director of child welfare will make the application to the court for a permanent guardianship order.

The confidentiality provisions in this act are as stringent as ever. They have been redrafted to align with the Freedom of Information and Protection of Privacy Act and continue to protect the privacy of families while at the same time enabling the director of child welfare to share information in an appropriate way when disclosure is in the best interest of the child.

An issue was raised that provisions for shortened cumulative time in care will simply process children into the adoptive stream sooner and lessen the government's financial obligation for these children. Mr. Speaker, one of the goals of this act is to achieve earlier permanency for children who are under the guardianship of the child welfare director. The purpose of legislating cumulative time in care is to ensure that a child does not languish in the child welfare system.

The need for early permanency was a major theme that emerged from the public consultation process. Research shows that the accelerated pace of development for young children increases the need for stability and the opportunity to form a permanent bond in the early years. The shortened cumulative time in care will be facilitated and supported by other changes in the act. In particular, concurrent planning will strongly emphasize early efforts to reunify the child and the family.

Changes to the secure services provisions reflect a conceptual shift in the purpose for confinement. The basis for placing a child in a

secure services facility will be crisis intervention. Child welfare workers have experienced some success in stabilizing the behaviours of a child. However, they do not have the necessary expertise to perform mental health interventions. If a child requires treatment for a mental health issue, they are best referred for treatment within the mental health system.

In regard to changes in the private guardianship provisions, we must remember that private guardianship is an important permanency option for children in the care of the child welfare director. The private guardianship provisions have in fact been strengthened to ensure that only those individuals who are capable of providing proper care to a specific child can obtain private guardianship status with respect to that child. Support will certainly be available to families who choose to take on this important responsibility.

In regard to the issue of adoption the move toward open adoption records, as reflected in the proposed amendments, is responsive to stakeholder feedback on this issue. With respect to existing adoption records the legislation strikes a reasonable balance between the rights of an adopted person to access their information and the interests of birth parents who may wish to maintain confidentiality.

In conclusion, Mr. Speaker, Bill 24 reflects what was heard from Albertans during the lengthy review of the Child Welfare Act. The amendments in the bill not only preserve the rights of parents and children but also enhance them. The government's obligation toward older children who are transitioning to adulthood has been enhanced in the new part of the act dealing specifically with youth. I am confident that Bill 24 will amend Alberta's child welfare legislation to better the lives of children, youth, and families and will also strengthen the way Alberta Children's Services is able to support our most precious and vulnerable citizens.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. It's been a long journey through a very long bill with a lot of changes to where we are this evening, ready to approve it in third reading. I do take exception to the comments about the Children's Advocate. It's a bunch of poppycock. What's happened to the Children's Advocate in this bill is that he's been emasculated. To say that the advocate cannot investigate and now must be in a supportive role is a disservice to the children in this province. I'm upset that that's the view that's been taken. The Children's Advocate should be an independent officer of this Legislature, and this bill I think takes away some of the powers that the advocate now enjoys.

A further comment I have is the fact that we won't see the regulations, and I still feel that it's the obligation of the government to put those draft regulations in place before we pass bills in this Legislature. We've had the example where that was done by the Department of Energy, and I think it served all of us well. As the Minister of Children's Services has said: the devil's in the small print; what the large print giveth, the small print taketh away.

Those regulations with respect to this bill are particularly important. I think we'd be remiss if we didn't, before the bill is approved finally this evening, hear from the minister maybe once again about the amendments that we passed last week, amendments that I supported with respect to adoption. Since we passed those amendments, there's been some concern raised, not just locally but from a network of individuals across the country and internationally. I think it might be appropriate for the minister to make some comments with respect, again, to those amendments.

With that, I conclude my comments. Thank you.

10:40

The Deputy Speaker: The hon. Minister of Children's Services.

Ms Evans: Thank you, Mr. Speaker. I'm pleased to rise and speak to a couple of the issues that the hon. member opposite requested, and in doing so I'd like to just pay a huge tribute to the efforts of my colleague from Calgary-Buffalo, who has gone through extensive consultation on this bill. It's been a pleasure to work with him in that regard as it was a pleasure to work as well with the hon. Member for Red Deer-North on the previous bill.

Mr. Speaker, one of the comments that has been made this evening and has been made twice on bills 23 and 24 is the concern about regulation and the development of that regulation and to make sure that in the interval following the passage of these bills, there's proper and due consultation relative to the formulation of regulation on absolutely every aspect of both bills. There will be consultations continuing as they did before the bills on the regulation and the framework for that regulation. It's been very clear to me that that's the only way that we will get the right product, and I can assure the hon. members opposite that we will do a very thorough and meaningful consultation. We've already spoken to a number of people that will be involved, that were heavily involved in their commitment to the bills in their present form.

In terms of the amendments that were passed last week relative to adoption, I would like to put it this way. While the adoption records have been concealed, a very scant few, a very few exceptional circumstances have come across the minister's desk for release. Those have been predominantly those situations where medical information on ancestors was necessary to save lives. It was a very excruciating and a very narrow window of opportunity for anybody to be passed out, if you will, to have their adoption records released.

The amendments that have been passed by this Legislature, I'd like to comment, would in fact assure that almost no records but an exceptional few would ever be held back. Those would be held back predominantly if the adoptive family knew of some particularly excruciating and extenuating circumstance that would necessitate a sober second look by the minister prior to any release of those records. We could identify incest, date rape, or some other particularly heinous situation that may well cause that adjudication by the minister to be determined to be in the child's best interest to retain and enclose that record until such time – and the amendment goes still further – that if the adult adoptee chooses to ask for release of those records because they have determined that they were adopted, have found another circumstance that alerted them to that fact, then they would be able to make that choice themselves. It's a window of opportunity for the minister to judge that some circumstances could be completely held private, but the vast majority of all of those records prior to the proclamation of this bill would be available and would be transparent and would be released as per the intent that we discussed in the original draft of this bill in this House. So I give that to the hon. member opposite.

One final concluding comment on the Children's Advocate. Although I hear the hon. member, I have a much broader view of what the advocate is doing, particularly on the natural advocate side. We're still looking at some of the opportunities for the advocate's expanded role in terms of delivery of service, and I do hope that in the final disposition of this there will be some satisfaction that the words from the hon. member opposite have been heard relative to the importance of the independent adjudication of Children's Services by the advocate.

With that, Mr. Speaker, I would stand down but with the hope that this Assembly will acknowledge the very strong and positive work that's been undergone at some considerable length on this bill.

The Deputy Speaker: The hon. Member for Calgary-Buffalo to conclude debate.

Mr. Cernaiko: Thank you, Mr. Speaker. I'm pleased to now close debate on Bill 24, the Child Welfare Amendment Act, 2003.

[Motion carried unanimously; Bill 24 read a third time]

Bill 32

Income and Employment Supports Act

The Deputy Speaker: The hon. Member for Edmonton-Castle Downs on behalf.

Mr. Lukaszuk: Thank you, Mr. Speaker. I rise and move that Bill 32 be now read for a third time.

Too often people are skeptical about consultations and reports and wonder if any actions will come out of it. As chair of the MLA Committee to Review Low-income Programs I know that Bill 32 indeed is the proof that the process works. Government listened to the voices of hundreds of people who participated in the review process. We have listened to stakeholders and people who work on the front lines with clients, and we are also taking action, action that also stems from numerous hours of consultation with hundreds of clients.

The MLA committee proposes a new integrated income support program with the flexibility to meet people's unique needs and circumstances. The Income and Employment Supports Act responds to this key recommendation by bringing three income support programs – those being supports for independence, otherwise known as SFI, widows' pension, and skills development program – and living allowances together into a single integrated income support program.

[Ms Graham in the chair]

Bill 32 also enables a new benefit structure that will help people meet their basic needs such as food, clothing, and shelter and will provide additional building blocks to support and respond to people's unique circumstances, whatever they may be. That might mean access to short-term or part-time training programs to upgrade and expand people's skills. It might mean providing health benefits to some people who leave the program and find employment, and it might mean help getting child support.

With Bill 32, Mr. Speaker, we make a direct link in legislation between income support and employment support. Instead of having two parallel tracks, we will integrate them into a new approach that focuses squarely on people and helping them have the skills they need to contribute to Alberta's growing economy and meet some shortages in the labour market and support themselves and their families. There will also be building blocks of support for people who are unable to work. We must not lose sight of the fact that even with Alberta's strong economy there are some people who are not expected to move into the workforce. They simply have barriers to employment that cannot easily or at all be overcome.

Mr. Speaker, with the approval of Bill 32 in this Assembly our plans are to proclaim the act in early 2004. Our goal has been to continue to be a new income and employment support program that will help Albertans lead more independent and productive lives, and Bill 32 is a major step forward to achieving this goal.

Thank you.

10:50

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Madam Speaker. Bill 32, the Income and Employment Supports Act, certainly on the surface may look like an improvement, but one has to be very cautious because this bill could be used to further privatize the delivery of social benefits in this province.

Now, it's very difficult to support this bill, Madam Speaker, because it is attempting to expand an already flawed system without fully addressing its shortcomings. Alberta's Auditor General in the annual report from 1999-2000 stated that "there have been problems with the controls over funds spent on training and employment support programs." Going back to the 1996-97 annual report from the Auditor General, it also identified that problems existed with the integrated training pilot, the ITP program, administered by the former Alberta Advanced Education and Career Development, that can result from inadequate program development, contract definition, and contract managements and that there have been public allegations of inappropriate practices relating to services provided by a certain company, Career Designs Inc., under the ITP program.

In the same report the Auditor General also identified deficiencies in performance measurements in two training and employment support programs; namely, the ITP and the skills development programs. In his 1997-97 annual report the Auditor General commented on considerable progress made by AAECD in addressing previous concerns, but the following year he identified instances of inadequate monitoring by AAECD which resulted in a risk that external providers of employment training under certain programs receive payment for services not fully rendered. There have been many examples of this recently. Now, the Auditor General wrote that risks associated with the administration of training and employment support programs where reliance is placed on external service providers are significant and require careful management.

So I think we should proceed very cautiously with this bill. I think the first thing to do and the right thing to do would be to increase benefits, the benefits that we discussed at committee. The benefit rate of \$20 a month that's coming in June for some of the clients or the recipients is certainly not adequate.

Madam Speaker, in the Auditor General's 2001-2002 report he again recommended that "Human Resources and Employment improve the procedures to monitor compliance by training providers with the terms of the Skills Development Program," a recommendation he had made the previous year.

Now, again, "during the 2001-2002 year, the Department spent \$132 million on the SDP, \$30 million of which was reimbursed by the Government of Canada under a cost-sharing agreement." The Auditor General advised that "the Department should have a plan, based on a risk assessment of the training providers, to review training providers' compliance with the terms" of skills development programs.

There are many other examples, as I mentioned before, why one would proceed with caution to initiate the further privatization of program delivery, but there are other questions that I would like to certainly get on the record, Madam Speaker, at third reading. I'm still waiting for a response from committee.

When we're discussing Bill 32, will those who are able to receive training and employment have access to a telephone so that a future employer may reach them, or will there be certain criteria that have to be met before telephone service is available? Hon. members should consider this and attend a few public meetings. This is a big issue with Albertans who are receiving social benefits. A telephone is a basic necessity these days, and some cannot afford it, certainly, on the rates that they're getting. What justifies an individual having a telephone? Would it be children, or would it be an illness? Would it be a specific condition? What about a single man who has fallen

on hard times or is in seasonal labour and cannot afford a stable residence or is moving to where the jobs are? Telephone and service costs don't seem to figure into any available information when we talk about Bill 32 and the market-basket measurement. Now, I believe that we are all aware that the friendly next-door neighbour in some situations is no longer available.

Also, Madam Speaker, when we consider transportation in all of this, is the hon. minister prepared to negotiate reasonable bus fees for low-income families and also make sure that the busing services are readily available to ensure that employees can look for work or get to a new job on time? There are many examples in this province where busing services are totally inappropriate for accessing employment. In those cases, will the minister be providing vehicle allowances to ensure the hand-up system will be a hand up and not a smack down by the employer because the worker can't get to work on time?

Again in regard to these measurements, will the minister ensure that individual incomes are sufficient to access reasonable, easily accessible, and safe child care so that these employees can concentrate on either their education or their new job and not on the problems of dealing with poor child care situations?

Now, there are other items that need to be discussed in regard to these proposals. We heard from the hon. minister the other night on some of those federal child tax credits, but presently if a parent files an income tax form and files for the child tax credit, the provincial tax claws these funds back and puts the money in general programs for children. At this time I have to ask: does this provide assistance to the individuals to achieve a hand up? The federal government is subsidizing the province, and consequently no individual in need gets ahead. Child maintenance support programs fall under the same practice. Dollar for dollar these funds are clawed back to feed the general coffers. Again, the very people who were to benefit end up subsidizing our social assistance system.

Is Bill 32 going to provide social programs that work for people? Can we expect people to take personal responsibility when it appears they are punished? How will the people that participate in this study really know that what the government heard is not being amended behind closed doors to some unrecognizable form that continues to keep poor people poor? How does the average Albertan gain ongoing knowledge of these changes in the system so that they can be monitored for effectiveness?

Again with Bill 32 who will be ensuring that benefit levels support the smooth transition into the workforce, and what about the benefits continuing when the small to average business employer does not provide health plans but expects each employee to carry their own?

11:00

Now, the whole issue of accountability here, Madam Speaker, is an issue that I feel we should address as well in the time that we have. Will there be opportunities for an ombudsman system to ensure that what was heard from the individuals themselves and those who work with the families and the individuals in need has been listened to, heard, and acted upon beyond the infrequent reviews? What was heard? Fairness, an integrated income support program, access to information. Who interprets? What policies tie the hands of those most able to assist clients, social workers in that case, and who has the authority? The government uses the big-stick method because they think the people who end up on social assistance are lazy, selfish, or stupid, and these are stereotypes that I think we need to eliminate. Who are they to judge or who are we to judge until we walk in someone else's shoes?

Will this government also acknowledge that they are continuing to create low-income families and perpetuate the circle of social

assistance or welfare by their own government policies? They expect all family members to contribute, yet they also want students to do well in school and achieve to get an education. When will the government scratch its “take a job, any job” policy and its “go on student loans” policy?

Now, the average debt load for a student is often \$25,000 and up, and there’s often no job relating to training or education. This has been referred to as the fast-food syndrome. If the youth members of a family have to contribute to the family income and not through an educational fund, how does this policy stop the welfare or the social assistance loop from continuing and continuing and continuing?

When, Madam Speaker, will the government concentrate on job-generating industries so there will be jobs for the newly educated and debt-ridden Albertans? Now, we know there are jobs certainly being created, and I hope that continues. I really hope that continues. But there have to be jobs for the individuals that are leaving the training-on-the-job programs, and this just can’t be a circle where you go from one training program to the next training program, from one private little school to the next private little school set up to provide the perpetual training programs with no positive results at the other end.

When will the government produce widely available labour market information in regard to how successful past programs have been? I don’t have to use FOIP to see how things are working out, but if I have to, I will, and I’ll be patient. Hopefully, I will get at least some information from Human Resources and Employment because these are tax dollars either from the federal level or from the provincial government, and taxpayers have every right to know how their money is being spent.

In conclusion, in regard to Bill 32 I would again caution this House and its hon. members that if we’re going to further privatize the delivery of these services through this bill, I do not think that is a step in the right direction.

Thank you, Madam Speaker.

The Acting Speaker: The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Madam Speaker. I urge all members to give Bill 32 their full support, and I move third reading of the Income and Employment Supports Act.

Thank you.

The Acting Speaker: You’ve closed debate, hon. member?

Mr. Lukaszuk: Indeed. Thank you, Madam Speaker.

[Motion carried; Bill 32 read a third time]

head: **Government Bills and Orders**

head: **Committee of the Whole**

(continued)

[Mr. Tannas in the chair]

The Chair: The Committee of the Whole is called to order.

Bill 28

Freedom of Information and Protection of Privacy Amendment Act, 2003

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I’d like to make

a few comments in connection with the bill. As members know, I participated in the all-party committee that considered this particular piece of legislation, and I think that despite a number of difficulties in the operation of the committee it made some small progress on the bill. I think the report reflected some things that were positive, but I want to just indicate to you and to members of the Assembly some of the difficulties that exist in obtaining information under the system that will not be affected by the changes we have here.

I’d like to talk about our experience recently in seeking to obtain information with respect to the arrangements that were made between the Alberta Treasury Branch and West Edmonton Mall and the Triple Five Corporation in connection with settlement of the financial issues that were there. Just by way of background, what we had in this case was the Alberta Treasury Branch officials claiming that one of their former officials had been bribed by Triple Five officials in order to give a very, very favourable financing arrangement on the refinancing of West Edmonton Mall. Now, this is a most serious situation, and in fact there was and I understand still is an ongoing police investigation in connection with this matter. So as the Treasury Branch is essentially the public’s bank and as the Assembly is responsible for oversight of the Treasury Branches, we naturally think that it’s a very important matter for us and for the public to try and find out what happened.

Now, just by way of background, the suggestions of bribery surrounding this company and public officials go way back to the mid-1970s when an alderman on Edmonton city council claimed that he had been offered a bribe. The result was that there was a judicial inquiry that was called. It was the Morrow inquiry, Mr. Chairman. I have read that report and have copies of that report, and I can make it available for anybody that would like to read it. It was a very interesting report. Of course, the justice studied the matter in some detail but was unable to show any conclusive proof that anyone had been bribed, but he did not say either that there was clear evidence that no one had been bribed. He was just unable to show that this had occurred or to make any substantive case that this had occurred.

11:10

Now, there have been subsequent to this a number of allegations made from time to time, and in fact in at least two civil cases that have been brought before the courts suggestions were made that this sort of activity was continuing. However, the courts have been very, very liberal, not in the capital L sense, hon. Member for Edmonton-Ellerslie, in the granting of actions to seal evidence and to impose gag orders on people who have something to say on the matter. So there is a long history of this issue percolating around this province, and for a number of reasons all of the facts relative to this situation have never come out, Mr. Chairman, but many people in our society have some degree of knowledge of these events. Nothing, however, has ever been proven in a court of law.

However, we have the situation where officials of the Treasury Branch, in trying to settle the matter of the refinancing provisions for West Edmonton Mall, made the claim that their previous superintendent had been bribed in order to make these things. Those are all on the public record. Then when that person was tracked down, because he disappeared and was tracked down somewhere in the United States I believe, he indicated that he would be suggesting that there was political interference in the matter by people in the Alberta government. In fact, Mr. Bray, I believe, also indicated similar sentiments. It was at that point, Mr. Chairman, that suddenly a deal was made. A deal was made on the question of the lawsuit, and the lawsuit was settled. Of course, there are confidentiality provisions in that agreement, so we may never know what actually transpired and what the deal was, and of course the bribery allegations have disappeared along with everything else.

We as the New Democrat opposition have made a sustained effort to try and bring this to light. We think that's our job, we think that's the job of the Assembly, and we have been pursuing this through the FOIP legislation. It is, in fact, very difficult. We made our first application under FOIP on January 3, 2003. In early February the public body, in this case the Alberta Finance department, asked for an additional 30-day extension, which we granted. Then in early March the Finance ministry asked for a second 30-day extension. The second extension has to be approved under the legislation by the information and privacy office, which did grant the extension without explanation to us. We did ask for clarification from the information and privacy office, and that was then provided to us. Finally, we received a response to the original request on April 9. The response made no specific reference to the financial and settlement agreements that we had originally applied for other than that they were being denied on the grounds that they constituted privileged information or policy advice from officials.

As it turned out, they claimed that there were only 209 pages of records responsive to the request. So, Mr. Chairman, the question we ask, one of many, is why did it take 90 days to find 209 pages worth of records? Second, of those 209 pages of responsive records, we received copies of the release agreements with the Ghermezians and with Elmer Leahy which we had not even requested in the first place. So it looks like we're going to appeal, but the appeal will likely not be heard for several months. There we have it: a real-life experience with the legislation that we now have dealing with information and privacy and clearly something which is a major issue.

However, the broad categories, which are advice from officials and anything that the government cares to sign of a legal nature that has a nondisclosure element to it, cannot be disclosed automatically even if they should be, Mr. Chairman. This is the inherent weakness of this because it puts the government firmly in the driver's seat with respect to the release of information. In this particular case, the government apparently has signed an agreement with nondisclosure clauses which suppresses information related to allegations of bribery by a former senior official of the Treasury Branches, which is an organization responsible to this Assembly. So members of the Assembly cannot find out what happened, the public cannot find out what happened, and this in my view is the fatal flaw in the legislation that we have.

The amendment act proposed by the hon. Member for Edmonton-Castle Downs does not affect this fundamental power of the government to essentially hide anything of substance that they wish. They have these abilities to do it, and fundamentally the legislation both before and after this act will still reserve those powers to the government. So if you want to find wrongdoing, if you believe there's wrongdoing, the interesting thing is you can't use the FOIP Act to find it.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I would like to follow up a little bit on something that the Member for Edmonton-Highlands talked about, and that's to finish my comments on the difficulties of the operation of the committee.

I went into that committee expecting that we would see the kind of decorum that we had seen with regard to the FOIP Act by a former member of this Assembly, and that was Calgary-Buffalo, Gary Dickson. Gary Dickson was the proudest man in this Assembly when the FOIP Act was passed. He had worked for years to try and bring freedom of information and protection of privacy into this

province. While he wasn't completely satisfied with the way the government brought it in, it was in his estimation, as I understand it, a step in the right direction.

He put a huge focus on the balance of the committee that both were equally important: freedom of information so that we could find out what was happening with the balance of the protection of individuals' rights and privacy. He always pursued any issues on this particular act from that perspective, always maintaining the highest of ethics and holding everybody accountable to those same kinds of ethical standards.

11:20

That was the kind of behaviour I was expecting on the committee, and from the members we got it, Mr. Chairman. The chairman of that committee was a different kettle of fish though. I had thought that because he was a lawyer, we would see some hugely ethical behaviour as a chair. Imagine thinking that, but I did because that's what I had seen from Gary Dickson and had expected the same to happen. Instead, we had a chair who somehow didn't really know how to chair, and when he got called on the record on it got very offensive, very defensive, and derogatory whenever possible. [interjection] It's on the bill, Mr. Chairman, with regard to how important it is as we bring in pieces of legislation that people on that committee had a fair chance to speak and represent their views and that we see them represented in this bill.

I would put it before the Assembly that that is not the case, in fact to such a point that I attempted to bring up a point of privilege against the chair of that committee and put it on the record and then wrote a letter to the Speaker. Well, of course, it turns out you can't do points of privilege when committees are struck. It's certainly in the Standing Orders. But it was very important to put the kind of information that happened there and the kind of deliberate manipulation by the chair to not have people bring forward their views that would then be incorporated into this act that we see before us.

The Chair: We have a voice over here that's being heard, and it's from a place that they ought not to be if they wish to raise their voice.

Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I hear the comments too, wondering about the relevance of this, but I would put it to you that it's extremely relevant when we talk about the process of being able to bring in information on bills and we talk about all-party committees where the members from those parties other than government parties actually come with the intent to get some serious work done and to have a fair and equal voice. That didn't happen in this situation.

As a result, we had some disruption in the committee and the subsequent results. We see some of the consequences of those results being talked about here this evening when the government has to bring in amendments to clean up their legislation, and we see my colleague from Edmonton-Gold Bar, who was also a member of that committee, bring in amendments to try and clean up areas that hadn't been, we don't feel, properly dealt with because of the stifling effect that the chair tried to have on the committee and the kind of language that he used, including things like saying "a deliberate attempt by certain members to hijack the chair's agenda," "a deliberate attempt to overtake that agenda," "attempts at chicanery," "attempted coup," that kind of language. I will table the required numbers of copies of the information we have here in terms of my concerns about this chair's conduct in that assembly.

The good news, Mr. Chairman, is that I'm not afraid to persevere

on issues that I find are important not just to myself but to members of this province who otherwise might not be heard. However, it does have a debilitating effect on committee members and on the progress that they can make in any situation. As a consequence, we see here, Mr. Chairman, a bill that is not the best that it could possibly have been. The Member for Edmonton-Highlands referred to that when he said that some success was had in the committee but perhaps not as much as we might have otherwise seen.

I wanted to ensure that we had those particular points on the record because what I see as an outcome in this particular bill is a heavier focus on the protection of privacy than on the balancing of freedom of information. Edmonton-Highlands I think made a very eloquent speech just prior to my speaking about that particular problem with regard to Alberta Treasury Branches. We see that the Member for Edmonton-Gold Bar has recently experienced this same situation when trying to access information on the risk management fund and other former dealings with Stockwell Day and the huge amount of money that taxpayers ended up paying out there.

We see more examples like that than we do see freedom of information examples. The protection of privacy seems to have been given a higher degree of balance, and that's disturbing particularly because of the length of time it will be before this particular legislation gets reviewed again. Now, I know that members of the committee were generally in favour of lengthening rather than shortening the review time process for this particular bill primarily, I believe, because of the unpleasant experience of being on that particular committee with that particular chair, but I think that that's a mistake, Mr. Chairman.

I'm looking forward to the Member for Edmonton-Gold Bar, that hopefully has an amendment coming forward that will speak to shortening the time period that we will see between reviews of the Freedom of Information and Protection of Privacy Act because I am hoping that we do not have legislation coming forward that is fluid, as the Member for Edmonton-Castle Downs said. I don't think that that was ever the intent of the legislation. That more should be done outside of regulations and within the legislation than what happens within the regulations hasn't been the practice of this government, but we would hope that that's what we would see as we proceed. So I look forward to seeing what other amendments come forward on this piece of legislation this evening.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. Certainly, I listened to the comments from the hon. Member for Edmonton-Ellerslie with a great deal of interest and would concur with her view.

Now, Mr. Chairman, unfortunately, the first amendment, amendment A2, that was presented to the Assembly this evening was defeated, but I would like at this time to propose another amendment. I would ask if it could be presented to the table.

The Chair: Go ahead.

11:30

Mr. MacDonald: Thank you, Mr. Chairman. Is it appropriate to label this amendment A3, please?

The Chair: Yes. This amendment will be referred to as A3. You would like to move it, hon. member?

Mr. MacDonald: Yes. Mr. Chairman, for the record I would like to move that Bill 28, Freedom of Information and Protection of Privacy

Amendment Act, 2003, be amended in section 16 in the proposed section 74.6 by striking out clause (b).

It's very similar to amendment A2, and I thought earlier that A2 would be accepted by the Legislative Assembly. It was a mistake on my part. But, also, in regard to section 74.6 I don't think that the commissioner needs this dramatic expansion of his powers – or his or her powers; who's to say? – in the future. I don't think this is warranted nor is it needed. I think sections 70 and 70(a) are sufficient. I don't think we need and I would urge all members of this Assembly to again reconsider and repeal or remove the section (b) from this act because certainly we do not know the details nor the kinds of conditions or circumstances that would be addressed in making such a decision to not conduct an inquiry. In light of the fact, as I said before, that there has been very, very limited use of section 70 to start with, I don't really think that this is necessary, and it is giving in my view too much discretion to the commissioner.

Thank you.

Mr. Lukaszuk: Mr. Chairman, similar to my comments to the previous amendment this is the second amendment in a row that is aimed at stripping from the commissioner his ability to independently decide whether indeed there are bonafide reasons to conduct an inquiry or not. Again, I don't see any reason why the Member for Edmonton-Gold Bar would have so little regard or trust for the independence of the commissioner's office, and I would urge all members to vote against this amendment.

Mr. Mason: Well, Mr. Chairman, you know, I can't let that pass. The idea that removing discretion from the commissioner's office to refuse outright a circumstance has been portrayed by the hon. Member for Edmonton-Castle Downs as almost an insult to the commissioner's office or a lack of respect or regard for that office, and that characterization is most unfair. We're debating policy here, and the hon. member has put forward a policy position that says that this particular clause is not in the best interest. That's his view, and I would point out that under the current legislation the commissioner's office does not have this jurisdiction and must initiate an inquiry if one is requested. So, you know, to suggest that wanting to make this change is a slap in the face in some way to the commissioner is just wrong and is not a good argument against the amendment.

[Motion on amendment A3 lost]

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. Certainly before I continue with debate in committee on Bill 28 I must say that in this Legislative Assembly the price of natural gas certainly is not a concern, because the heat is turned up in this Assembly at the moment. If there's a thermostat here . . . Wow. It's warm.

However, Mr. Chairman, with regard to Bill 28 and with specific regard to section 18 and the proposed amendment to section 87 of the FOIP Act, the current section 87(7)(b) imposed an obligation on the minister to "publish and distribute, at intervals of 2 years or less, supplements or replacements to keep the directory up to date." The Alberta directory was published in 1995, and our research indicates nothing since. I have to note at this time that it is my view that the government is in violation of this provision. If someone should try to suggest that some kind of supplement has in fact been produced but it's just not been widely circulated, I'd have to point out section 87(8) and ask why they're not being sent out to respective MLAs' offices, public libraries, and provincial public buildings and offices. That's contemplated and required by law.

Now, if you look at section 18 of the proposed bill here and the proposed section 87(1), that is a positive development and mirrors an obligation of the privacy act. If we go through to section 19, it looks and appears to be housekeeping only, but section 20 is particularly important from the opposition perspective since it addresses the single most formidable obstacle to public accountability and transparency in government, and this is fees for access. This proposed amendment is not itself objectionable, but it provides yet another example of the negative impact of high fees. Now, we're going to get to that a little later, Mr. Chairman.

Section 21(a) is housekeeping, and 21(b) is interesting. I would like to know and to ask at this time exactly how many bodies have been deleted since 1995 when the FOIP Act went into force. Will the sponsor, in this case the hon. Member for Edmonton-Castle Downs, or minister provide such a list in regard to section 21(b)? Certainly, whenever we consider FOIP legislation, we always have to consider and take into account the wise words by the former Member for Calgary-Buffalo, Mr. Gary Dickson. Mr. Dickson was very interested in FOIP legislation and was very enthusiastic and knowledgeable in questioning the government. The number one rule, of course, of FOIP is to provide an openness and an accountability to the citizens for their actions.

Now, Mr. Chairman, at this time I think it is very important that we consider section 22. We are here taking an amendment to section 97 of the current act. If you look at the current act, we're talking about a review of the act, and I was not satisfied with the review last summer. I attended every meeting, but I certainly wasn't satisfied with the process. It was the first time I had an opportunity to sit on an all-party parliamentary committee, and to say that I was disappointed is being polite.

11:40

Now, if we look at a review of the act, section 97 says:

A special committee of the Legislative Assembly must begin a comprehensive review of this Act by May 18, 2002 and must submit to the Legislative Assembly, within one year after beginning the review, a report that includes any amendments recommended by the committee.

In light of the age of this legislation, in light of the fact, Mr. Chairman, that the FOIP legislation is relatively new to Alberta – it is a work in progress, so to speak. But when we consider that the current act came into force on June 1, 1994, and now with this amendment, Bill 28, we are contemplating going eight years without a review, I think that is far too long a time, particularly with privacy issues relating to federal legislation and privacy issues relating to personal information. This is changing all the time, and I think it is wrong to have in my view an inadequate – and this is my view – review last summer and then to go eight years before we're going to have another review. I think this is a mistake, and I am going to try to correct that mistake now with another proposed amendment. I would ask again that these amendments be taken to the chairman's table.

Mr. Chairman, I will take my seat until these amendments are distributed. Thank you.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. In regard to amendment A4 I move that Bill 28, Freedom of Information and Protection of Privacy Amendment Act, 2003, be amended in section 22 by striking out "July 1, 2010" and substituting "July 1, 2006."

Now, again, I think it would be advisable to this House in light of the changes that are going on with FOIP legislation and issues of privacy, issues of electronic transactions, biometric information –

eight years is too long a time period before we review this act. I think it should be incorporated into the statute that we strike another committee to look at issues surrounding FOIP and FOIP legislation and that that committee be struck no later than July 1, 2006. When we consider the principles of FOIP legislation, it is very, very important that this act be reviewed. We have a government that has been in power for 34 years, and it is very important that everyone in this province have an opportunity . . .

Mr. Mason: Next to Cuba it's the longest running regime in the world.

Mr. MacDonald: Now, the hon. member has stated that next to Cuba this is the longest running government in the world. I don't know if that is fact, but it certainly is very interesting.

Mr. Chairman, I would urge all members to consider this amendment. We certainly will need to review this legislation before eight years. I think four years is a suitable time frame, maybe at some time in the future. When you consider that this legislation is only nine years old and has only been applied for nine years, I think that at this point in our history to eliminate the need for a review every four years would be improper and inadequate when you consider the importance of this legislation for all citizens to utilize to keep the government accountable.

With those remarks, I would urge all members to please support amendment A4. Thank you.

The Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. Just a couple of comments. First, I think it's an unusual provision in an act to have the date specified as to when a review must be undertaken. Secondly, I think that the choice of the time period in the act has not been adequately defended. Thirdly, I think the amendment itself, if this provision is going to be part of the act, is really a minimum in terms of what we might expect. So I think that for those reasons, as I said, if there's going to be this provision kept in the act and the provision isn't going to be removed, the minimum time requirement that my colleague has proposed makes sense.

Thank you, Mr. Chairman.

[Motion on amendment A4 lost]

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. Now, as we proceed through with this analysis of this bill, we briefly spoke a little earlier about fees and how high fees have become a barrier for citizens in acquiring information from their government. Fees are excessive. Earlier we talked about Justice McMahon, the decision on reducing fees from somewhere around \$60,000 to \$500. I can't imagine how many Albertans are just turning away in frustration after they get a letter from a government department that indicates that they want \$15,000, \$20,000, \$25,000 for these documents. Now, Justice T.F. McMahon said that "the second principle identified by the [FOIP] Commissioner is that the user should pay" and then went on to say that this principle of access is "doubtful" and that it "begs the question of who the 'user' really is."

11:50

If we look at FOIP photocopying fees that are charged, you're always charged the maximum by the government, the charge of 25 cents. FOIP photocopying fees are higher only in Quebec, at 33

cents, and the province of New Brunswick has the lowest, at 10 cents. Speaking of 10 cents, the public pays 10 cents a copy at the Legislature Library, one floor below us. It's quite interesting to note, Mr. Chairman. It just shows the contradiction of this government's FOIP laws and fee schedules when you look at rates for copies down in the Legislature Library. There are no charges to the MLAs, MLA staff, Assembly staff, or Alberta public servants for work-related copying. All other copies charged are according to these rates: 10 cents; double-sided, 15 cents. This is for an eight and a half by 11 inch sheet of paper. Now, that is in direct contradiction to what is always charged the Official Opposition. The maximum is charged. We're always paying search fees, and it's not fair.

Justice McMahon certainly has made a definitive statement in regard to this, and I'm not going to go any further into that at this time, but in 2001-2002 the Alberta government collected around \$54,000 in FOIP fees for 2,200 and some odd requests, and only a thousand and fifty dollars in fees was waived. Now, this is a government that has taken a defensive position with high FOIP fees, and it has to stop. This has to be made accountable for all the citizens.

I could go on at some length, Mr. Chairman, but I'm not going to suggest for a moment that there's a conspiracy here and that that thermostat is turned up to make people sleepy.

When you look at general information requests, whether they're from business, the general public, elected officials, media, interest groups, academic researchers, we need to ensure that everyone can afford to have access to information, and fees should not be a barrier.

Now, Mr. Chairman, at this time I would like to propose another amendment, amendment A5, to Bill 28, and this is one, I'm sure, that will be passed by the Legislative Assembly. I'm quite confident. But I will take my seat until it is circulated.

The Chair: The hon. Member for Edmonton-Gold Bar to move amendment A5.

Mr. MacDonald: Thank you, Mr. Chairman. In regard to amendment A5, I would like to move that Bill 28, Freedom of Information and Protection of Privacy Amendment Act, 2003, be amended in section 20 by adding the following after clause (c):

- (d) by repealing subsection (6) and substituting the following:
 - (6) The fees referred to in subsection (1) must not exceed the lesser of
 - (a) the actual costs of the services, or
 - (b) \$25.

Now, the hon. Member for Edmonton-Castle Downs is laughing, but this is certainly not a laughing matter. High fees are preventing citizens from having access to government information. What has the government to hide behind high access fees? This is not a laughing matter. It's a sign of a government that does not want to have a two-way communication with the citizens. There are enough discretionary and mandatory exemptions if the government has information that they consider to be . . . [interjections]

The Chair: Hon. members, we do have one person who is recognized. The rest of you may be recognized in a way that you don't anticipate.

The hon. Member for Edmonton-Gold Bar on your amendment A5.

Mr. MacDonald: Thank you, Mr. Chairman. There are enough exemptions or probably too many exemptions already in the act, but we need to ensure that in a solid, comfortable democracy . . . Now, there may be another member there clumping paper, getting ready to

throw it this way, but that's fine. If it's going to be 25 cents a sheet for that piece of paper, then the government could claim cost recovery on that.

This issue of excessive fees has to be addressed, and \$25 is a solid figure no matter the size of the request. Many people are quite willing to co-operate, and now their request doesn't seem to matter. Fees are seldom waived, and in a comfortable democracy the government should be willing to communicate with the citizens. Why does this government persist in always charging the maximum, 25 cents, a sheet for FOIP photocopying? Why is this done? No one seems to have the answer. It outlines, in my view, that this is just a money grab by the government, and it wants to hide the truth by the use of sky-high fees.

Now, when you look at some other provinces and the federal government, the federal government charges \$5, and you look at search and preparation fees in this province, they are \$27. The federal government is \$10. Newfoundland is \$15. Manitoba is a little bit more; it's \$30. Photocopying charges are much less in some provinces – much less – but what we have here is the consistent use of high fees to discourage citizens from accessing information, and I want it to stop. That's why at this time I would urge all hon. members of this Assembly to support this amendment. Let's make information as readily available to the citizens as is possible. In conclusion, Mr. Chairman, I would urge all members to have a good look at this and support A5.

Thank you.

12:00

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Chairman. I think that the response by some hon. members across the way to the comments of the hon. Member for Edmonton-Gold Bar shows that we have some way to go in terms of getting a benevolent understanding of some of the elements of freedom of information, so I will therefore avail myself of the opportunity in this Assembly to speak further to the amendment.

You know, Mr. Chairman, there is a real concern here with cost. The purpose of the act has always been to give the citizens access to information of their government. It is their government, and what the government does is done in their name and with their money. They have a right, and this has been recognized in this legislation at least on the surface, at least in the stated intent of the legislation. So there's nothing that's particularly radical. In fact, I think it's clearly the kind of principle that would appeal to true Conservatives. True Conservatives philosophically would believe in the right of the individual to have information with respect to the government as a tool against oppression by the state. I'm sure that that is not misrepresenting some of the Conservative principles.

The act falls considerably short in practice of that theory, and as I outlined earlier in my comments about why in fact the bill did not work in key areas such as the serious allegations in the Alberta Treasury Branches case versus West Edmonton Mall and other cases, the practical application of the act is of the utmost importance. So it's not good enough just to have high-sounding egalitarian principles and then not have an act that works to implement those effectively in practice.

In my view, if you're going to charge for photocopying, Mr. Chairman, first of all you ought to photocopy it in the cheapest possible way, and that means using up-to-date technology. The costs, as I personally know, of even the kind of photocopier that is routinely used, is well below 25 cents a page. All government departments have or ought to have photocopiers that can produce

copies at well below that cost. So why is the government, then, supporting legislation that will allow it to charge a lot more than the actual costs of photocopying? So that's a very minimal position that I think everybody should accept. Further, this can in fact be a serious impediment.

There are ways to reduce costs, but I'm not sure that the real intention here is to reduce costs. Mr. Chairman, I hate to say it, but I think that the real intention here is to provide barriers against people that want to dig into the operation of the government, to actually limit the practice so that it does not conform with the high-sounding principles that most of us in this Assembly would ascribe to.

So in this case I believe that the amendment is probably a good one and is consistent, as the hon. Member for Edmonton-Gold Bar has said, with the practice in other jurisdictions. So, again, it's not a dangerous precedent or anything, and it's actually something that's practical. If there are costs that are borne by the taxpayer in the pursuit of freedom of information for its citizens, Mr. Chairman, I would say that it is money well spent.

Thank you.

[Motion on amendment A5 lost]

[The clauses of Bill 28 as amended agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that the committee rise and report Bill 28.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration and reports with some amendments Bill 28. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? The motion is carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. Despite good advice – I believe we've suffered enough tonight – I would move that we adjourn until 1:30 p.m. today.

[Motion carried; at 12:08 a.m. on Thursday the Assembly adjourned to 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Thursday, May 8, 2003**

1:30 p.m.

Date: 03/05/08

[The Speaker in the chair]

head:

Prayers

The Speaker: Good afternoon and welcome.

As we pray, let us also commemorate Victory in Europe Day with the words of Winston Churchill, given in London on May 8, 1945:

God bless you all. This is your victory! It is the victory of the cause of freedom in every land. In all our long history we have never seen a greater day than this. Everyone, man or woman, has done their best. Everyone has tried. Neither the long years, nor the dangers, nor the fierce attacks of the enemy, have in any way weakened the independent resolve of the British nation. God bless you all.

Amen.

Please be seated.

head:

Introduction of Visitors

The Speaker: Hon. members, I have the great pleasure today of introducing to you the Hon. Ted Staffen, the recently elected Speaker of the Yukon Legislative Assembly. Mr. Staffen is accompanied by his sister Anne and brother-in-law Reg Bukowski from St. Albert, and they're seated in the Speaker's gallery.

Speaker Staffen was first elected to the Yukon Legislative Assembly in the general election of November 4, 2002, and was elected Speaker on February 27, 2003, when the first session of the 31st Legislature convened. Mr. Staffen is the 22nd Speaker to serve in the Yukon since the Yukon Territorial Council became a fully elected body in 1909. He represents the constituency of Riverdale North in the Legislature on behalf of the Yukon Party.

I'd ask members to join with me in welcoming the hon. Speaker Staffen to our Legislature.

head:

Introduction of Guests

Mr. Jonson: Mr. Speaker, today I am pleased to introduce to you and through you to members of the Assembly 20 students from the Countryside Christian school, located near Edberg in my constituency. They are accompanied by Mr. Chester Isaac, teacher, and board members Mr. Ralph Thiessen and Mr. Randy Friesen. They are seated in the members' gallery, and I would ask that they stand and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Minister of Infrastructure.

Mr. Lund: Thank you, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and through you to members of the Assembly Berhanu Demeke. He is a recent graduate of Grant MacEwan College in public relations. He's currently doing an eight-week practicum in my department's communication division, where he's involved in a variety of projects. Berhanu is originally from Ethiopia and has lived in our great province for 10 years. He is seated in the members' gallery, and I would ask him to rise and receive the traditional warm welcome of the Assembly.

Mr. Loughheed: Mr. Speaker, in the members' gallery today is Jason Yaremchuk, whom I'd like to introduce to you and to members assembled. Jason will be working this summer with the Legislature's information systems. Jason is accompanied by Greg Pelletier, who also works with information systems. I'd ask them to rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you, Mr. Speaker. It's a pleasure to introduce to you and through you to members of this Assembly the vice-president of corporate affairs for Eli Lilly Canada, Mr. Terry McCool, and Mark Patton, the Alberta manager of government affairs. Eli Lilly Canada was born of a collaboration with Canadian research heroes Banting and Best to bring insulin to the market. Since then the company has launched powerful antibiotics, introduced Prozac, and pioneered drugs to treat such desperate conditions as cancer, schizophrenia, and osteoporosis. They are in the members' gallery, and I would ask that they rise and receive the warm welcome of this Assembly.

The Speaker: The hon. the Premier.

Mr. Klein: Thank you, Mr. Speaker. I'm pleased today to introduce to you and through you to members of the Assembly two summer STEP students, Natasha Dhillon and David Wheeler. Natasha will be working at McDougall Centre in Calgary. She is an energetic University of Calgary student who just finished her third year studying international relations and religious studies. Natasha speaks both French and English and is active in campus volunteer activities.

David will be working in my constituency office. He is currently pursuing a degree in political science at the University of Calgary. David speaks both Spanish and English, is an active skier and hockey player, and is a member of the political science students' association.

Mr. Speaker, it's a pleasure to have these two fine young Albertans join my staff for the summer, and I know that they will find the experience both rewarding and challenging. I would ask that our honoured guests rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Speaker. On behalf of the Member for Medicine Hat, who expressed to me his sincere regret at not being able to make the introductions himself, I'm pleased to introduce to you and through you to all members a number of guests who have joined us today. Please join me in welcoming approximately 100 students, teachers, and parents from Crestwood school in Medicine Hat who have made the six-hour bus trip from Medicine Hat to join us in the Leg. today. Despite the tremendous amount of work and organization involved, Crestwood school has a tradition of having its grade 6 classes visit the Legislature every year. They are seated in both the members' and the public gallery, and I'd ask that they rise so that they may receive the traditional warm welcome of the Assembly.

Mr. Speaker, if I could, I'd also like to acknowledge that St. Louis school from Medicine Hat also had grade 6 students visit the Legislature this morning but were unable to join us this afternoon. The Member for Medicine Hat asked me to let both groups know that he looks forward to joining them at their respective schools in the very near future.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. I wish to introduce to you and through you to all hon. members of this Assembly a constituent of Edmonton-Gold Bar, Mr. Douglas Combs. Mr. Combs, who is present in the public gallery, is an employee in the

security industry and has taken the time from his busy schedule to come to the Legislative Assembly to view the proceedings of the House. I would now ask Mr. Combs to rise and receive the warm and traditional welcome of this Legislative Assembly.

Thank you.

The Speaker: Are there others? The hon. Member for Calgary-Shaw.

Mrs. Ady: Thank you, Mr. Speaker. I'd also like to introduce to you and through you today my STEP student. I believe she's in the members' gallery, and her name is Jen Smith. She just returned from a year at Brigham Young University and hopes to be a teacher some day. I know that the constituency of Calgary-Shaw will be well served by Jen this summer. I'd like her to stand and receive the warm welcome of the House.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm happy to rise today and introduce to you and through you to members of the Assembly a constituent of mine in Edmonton-Highlands. Her name is Carmen Macklin. She's here to observe the proceedings today, and she is seated in the public gallery. I would ask her to rise and receive the warm greetings of this Assembly.

head: **Ministerial Statements**

The Speaker: The hon. Minister of Economic Development.

Alberta's Economic Outlook

Mr. Norris: Thank you very much, Mr. Speaker. Today I rise to talk about some great Alberta economic stories, specifically about the great cities in Alberta, and today it's Calgary and Edmonton that we'll be talking about. The Conference Board of Canada says that Alberta's overall gross domestic product will be 5.5 percent this year and 4.9 percent in 2004, which outpaces all growth in other provinces in Canada. As a result of this, employment growth will benefit from the Alberta population growth, pushing unemployment rates well below 5 percent.

Mr. Speaker, as the Minister of Economic Development in Alberta I have met with entrepreneurs, international exporters, and business leaders from across this province who have made the Alberta advantage work for them and continue to do so in their communities. The economic success that we have enjoyed today is a tribute to all those hardworking and dedicated Albertans.

At the same time, the outstanding performance of Alberta's economy is also a tribute to the leadership of Premier Klein. Over the past decade Premier Klein has laid the foundation for outstanding growth in Alberta with a number of programs that have continued to give the Alberta advantage to the business community in ways that are now producing huge dividends. Alberta's increasing growth in manufactured goods and business services has reduced the effect of commodity prices and led to an increasingly diverse economy. Today Albertans look upon the entire world as their export market for Alberta goods, and Alberta has become a most attractive investment destination. In short, Alberta is claiming its place on the global economic stage.

1:40

Now for the really great news, Mr. Speaker. The Conference Board of Canada ranked Calgary, the great city to the south of us, as the number one growth city in the country of Canada for this year

and for the next three years running. That growth is closely followed by the great city of Edmonton for the years 2004 to 2007.

I would like to offer my congratulations to all Albertans in the business community and to this government for having the dedication to understand that business fuels this economy and will continue to do so.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms. Carlson: Thank you very much, Mr. Speaker. The Official Opposition is also pleased to hear that the Conference Board of Canada projects that Alberta's GDP will continue to grow in the immediate future. However, it is important to remember that there is another side to this story about Alberta's economy.

The Minister of Economic Development and this government need to start taking into account all the factors that contribute to Alberta's economic well-being. For years consumers and businesses alike have been struggling under the weight of outrageous energy bills caused by this government's deregulation boondoggle. We are now seeing the postponement of upgraders, deferrals, and a general economic slowdown. Deregulation is turning the Alberta advantage into an Alberta disadvantage.

Education is the key to future economic prosperity in Alberta as it fuels economic growth. However, a recent study conducted by TD Economics highlights the deficiencies in Alberta's education system. Years of inadequate funding for education has led to large class sizes and some of the highest tuition rates in the country for postsecondary students. Action must be taken now to restore Alberta's education system so future generations of Albertans don't have to suffer. Through chronic underfunding, this government is creating a social deficit that is affecting our quality of life and our capacity to attract and retain individuals and industry.

Yes, we are looking at a short-term gain, but the real questions are: will it be sustainable, and what will our long-term quality of life be?

The Speaker: Hon. members, it appears that the hon. Member for Edmonton-Highlands would like to participate. That will require unanimous consent.

[Unanimous consent granted]

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker, and I would indeed like to thank members of the Assembly for the opportunity to respond to the ministerial statement that we just heard. I regret, however, that I cannot join in the cheerleading and apple-polishing, because it seems to me that the Minister of Economic Development has glossed over a number of problems plaguing Alberta's longer term economic prospects.

For example, the TD Bank has highlighted Alberta's underinvestment in education resulting in participation rates in postsecondary education below the Canadian average, which threatens our future competitiveness and prosperity. Other commentators express concern that Alberta is ill equipped to deal with the inevitable decline in our natural wealth of oil and natural gas resources as a threat to our future economic well-being. Then there is the botched energy deregulation scheme, which has transformed Alberta from having the lowest nonhydro electricity rates in North America to having the highest electricity costs of any Canadian province.

We're indeed fortunate, Mr. Speaker, to live in a beautiful

province endowed with so much natural wealth, but we must do a better job of conserving these resources, safeguarding our air, land, and water, and educating our youth if this prosperity is to be secured for future generations.

Thank you, Mr. Speaker.

The Speaker: Before the next item in the Routine a comment will be made at the conclusion of the Routine about the violation of the rules presented by the first speaker. We'll do that at the end.

head:

Oral Question Period

Electricity Deregulation

Dr. Nicol: Mr. Speaker, the Premier is commissioning yet another study on electricity deregulation despite the fact that he already has at least four reports by four different committees collecting dust on the shelf. To the Premier: why do we need another report to tell us what the report of the Advisory Council on Electricity has already told us? There is a lot wrong with electricity deregulation.

Mr. Klein: Mr. Speaker, there's not a lot wrong with deregulation per se. There is something wrong with the way in which some companies in some areas of the province bill. Indeed, there has been in place for some time an Advisory Council on Electricity, and this advisory council has tremendous knowledge about the energy industry. It has been in place I think for something like two years and is the best group to conduct this review of consumer concerns, not deregulation. We are not going back on deregulation, but if the Liberals want to go back to a totally socialized, regulated format, then let them stand up and say so.

What we will do is expand the mandate of the committee to look at some of these consumer issues, and to do that, we will be adding two Members of the Legislative Assembly to that committee. The hon. Member for Whitecourt-St. Anne and the hon. Member for Leduc will be added to the committee to represent consumers and to get to the bottom of why there are billing discrepancies throughout the province. It has nothing to do with deregulation. It has a lot to do with billing practices and maybe some other matters that may be deemed fit by the advisory committee to review.

Dr. Nicol: To the Premier: so this commission will not be looking at the issues that you've created in this electricity deregulation that in themselves are contributing to higher prices for Albertans?

Mr. Klein: Mr. Speaker, that is an assumption that I believe is entirely false. Deregulation – and the hon. leader of the Liberal opposition knows this – has brought many benefits, but it's so typical of the Liberals not to talk about the benefits and only to talk about the negatives. That's why they have seven and that's why we have 74: because they only want to talk about the negatives. We've never said that deregulation would be easy, but we have said that its long-term effect would be positive for the province.

Now, I'm going to tell you, Mr. Speaker, for the benefit of the opposition Liberal leader, that deregulation has brought many benefits to electricity consumers, including about 3,000 megawatts of new power, an increase of 30 percent with no debt to the taxpayer; another 5,200 megawatts of new power being planned, representing an investment of about 6 billion private-sector dollars, again with no debt to the taxpayers; security of supply for today and for the future; and growing availability of new product options and packages for retail customers as more marketers come onto the Alberta scene. So we do need – and I hope the Liberals will agree with us – a free and competitive market to create new electricity generation in Alberta,

or we run the risk of brownouts or blackouts. Under the regulated environment that we had before . . . [interjections]

The Speaker: Please. Let's go on to the third question here.

Dr. Nicol: Again to the Premier: will you admit that this commission is not going to look at the problems that your regulatory changes, your flip-flops on regulation are causing, increasing the price on deregulation as well?

Mr. Klein: Mr. Speaker, first of all, the commission has had the authority all along, for the past two years, to look into many aspects of the generation and the transmission and the selling of electricity. The committee will be expanded to include issues such as why some parts of Alberta are paying higher prices than other areas, billing practices of utility companies, fairness of all line items on the bills, consumer accessibility to competitive market options, long-range forecast for consumer prices, realistically and independently, current and future benefits of deregulation for consumers, impacts of government and EUB decisions on consumer prices, and other consumer issues identified by the council.

Now, Mr. Speaker, notwithstanding what the Liberals try to portray about deregulation, the bottom line is this. Martha and Henry out there in Alberta do not generally understand power pools. They don't understand electrons. What they understand is the bottom line on their bill, and when they see an unreasonable bill, they want to know why, and we want to get to the bottom of it.

1:50

Dr. Nicol: Mr. Speaker, if they wanted to get to the bottom of it, they'd give that commission the power to deal with all of the issues that are affecting the price of electricity in this province. Mr. Premier, why are you not allowing the commission to look into all of those issues?

Mr. Klein: Mr. Speaker, they have that already. The committee has that already. All we are doing is expanding the mandate of the committee.

Dr. Nicol: To the Premier: why is it that this committee has made many recommendations to this government and you've yet to act on them?

Mr. Klein: Mr. Speaker, that is an assumption that I believe is incorrect, but I will have the hon. Minister of Energy respond.

Mr. Smith: Well, Mr. Speaker, the member is absolutely wrong. One recommendation from the Bolger commission, or the advisory council on electrical issues, that was struck in the first quarter of 2001, was to deliver transmission that delivered overall lowest competitive generation in the province. We did that. They didn't like it. I mean, are they opposed to the commission?

Dr. Nicol: To the Premier: given that the Minister of Energy has made such a mess of deregulation, why does he still have his job?

Mr. Klein: First of all, Mr. Speaker, he has a job because he has done a good job with deregulation under very difficult circumstances and with, I believe, undue and unwarranted and unsolicited, certainly, criticism from the Liberal opposition.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Electricity Transmission Policy

Mr. MacDonald: Thank you, Mr. Speaker. During the 2001 election campaign the Premier when discussing electricity deregulation looked up from his briefing notes and shrugged, quote: I have no idea what all this means. End of quote. Customers across Alberta certainly know what this means. It means sky-high power bills, expensive, unreliable service, and they want answers. They want electricity deregulation unplugged. My first question is to the Premier. Given that now consumers are faced with at least an additional \$3 billion – that's \$3 billion – in transmission costs in the next 10 years, where will these costs now appear on consumers' power bills?

Mr. Klein: Well, first of all, Mr. Speaker, for the record he has added \$2 billion. I know that they don't think \$2 billion is significant the way they like to spend, but \$2 billion, albeit Canadian, is a very significant amount indeed. It is \$1 billion, and when spread out through the province and all the consumers of the province, both individual and industrial, it is very little considering that over the long term deregulation will bring about and has brought about many benefits, and I've already alluded to those benefits: 3,000 megawatts of new supply, an increase of 30 percent with no debt to the taxpayer. That's important. I know that perhaps they admire the socialist framework that they have in Saskatchewan and Manitoba, and perhaps they even admire the huge debts that have been accumulated in those provinces, but we don't.

So no debt to the taxpayer; another 5,200 megawatts of new power being planned, representing an investment of 6 billion private-sector dollars; again, no debt; security of supply. This is important. Yes, there are some billing problems, and we're going to look at that, and those billing problems exist in certain areas of the province. But the one thing that needs to be mentioned – and this is what I was going to mention, Mr. Speaker – is that under the totally regulated system we were in danger of brownouts or blackouts because the EUB decided when new power was to come onstream. That was the regulated portion. It was entirely up to the EUB. The power companies were not allowed, without the decisions of the EUB, to bring on new power, so there was a critical shortage of power. Now we have security of supply. Albertans can rest assured there won't be blackouts or brownouts, and that is important.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. We know that electricity deregulation may cause brownouts, it may cause blackouts, but it's also going to cause a PC political wipeout.

The Speaker: I'm assuming, hon. member, that that was the question.

Mr. Klein: Mr. Speaker, in his dreams. In his dreams. The people of this province, albeit not understanding all the intricacies – and I know that this hon. member doesn't understand all the intricacies of power generation, distribution, and sale; it's a highly complex issue – understand one thing. They understand entrepreneurship, they understand free enterprise, and they understand the ability of being able to think and plan for themselves rather than having government do it for them.

Mr. MacDonald: Mr. Speaker, to the Premier: what circumstances have changed between November of 2002, when the EUB made the decision to share transmission tariffs equally between generators and

customers, and now that enabled the Minister of Energy to completely change government policy and pull the rug out from underneath the EUB? What circumstances have changed to allow that to happen?

Mr. Klein: Well, Mr. Speaker, I'll have the hon. minister supplement, but the simple answer is that the consultants who were retained to make that recommendation are no longer consultants.

Perhaps the hon. minister can respond.

Mr. Smith: Mr. Speaker, absolutely true. I mean, the member has been here now since Thursday a week ago, Thursday of the week past. He's read the speech on Monday. He's been in the House Tuesday and Wednesday. He's heard that we've responded to the report of the advisory council on electrical issues. We're doing this in the interests of Alberta consumers, because there would be certain consumers paying more for transmission in Alberta than others. This is a province of 3 million people. We want everybody to be treated the same on transmission. They will not be paying twice. They will not be paying a billion dollars over a week and a half, as the member would like to say. These are preposterous distortions that are in effect going to come back and land squarely on that member.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Cardston-Taber-Warner.

Electricity Deregulation

(continued)

Dr. Pannu: Thank you, Mr. Speaker. Albertans don't want minor tinkering with the Tory deregulated electricity system, that is rotten from the ground up, nor do they want a phony review designed to buy time for the government and distract attention from the shockingly high bills consumers are paying. The Tory solution to all of this is to add two Tory MLAs to an existing council. My questions are to the Premier. Why won't this council have the authority to fully examine deregulation and the possibility of a return to a regulated market?

Mr. Klein: Mr. Speaker, there is nothing stopping this committee from making those recommendations, but I doubt very much if they would be adopted, because it is the policy of this government, supported by the Liberals at least through legislation, to head down the path of deregulation, and we're well into deregulation. As I said in my media scrum yesterday, there are some bumps along the road. We want to smooth out those bumps. Whenever you try something new, there are going to be bumps.

2:00

You know, Mr. Speaker, this government has always prided itself on having the courage to try something differently. Unlike the Liberals both provincially and federally we are not stuck in the box, and we don't think that the way to solve all problems is to simply throw money at them. We like to think things through. I often allude to 1993-1994, when it was deemed unconventional or, indeed, un-Canadian for provinces to operate without a deficit. The Liberals were screaming at that time, "Oh, you can't do government that way." My God, they were organizing protests and everything else. "You've got to have deficits. That's the Canadian way."

Dr. Nicol: Point of order, Mr. Speaker.

Mr. Klein: Well, we eliminated the deficit, Mr. Speaker. We got this province on the road to financial prosperity because we were prepared to think differently.

The Speaker: There was a point of order raised by the Leader of the Official Opposition during that last exchange, and I would ask that the Premier remain for the point of order.

The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Given that jurisdictions like California have moved away from deregulation, why does the Premier stubbornly cling to a policy that will cost consumers billions and has driven Alberta to have the highest cost power in the country?

Mr. Klein: Mr. Speaker, I'm sorry. I wasn't addressing the Liberals. I was addressing the NDs. It was the NDs that were doing it, not the Liberals, I think.

Dr. Nicol: I withdraw my point of order.

Mr. Klein: It was the NDs because it was certainly ND and socialist thinking that you have to borrow, borrow, borrow, and borrow more – right? – to sustain government spending.

Mr. Speaker, I forgot what the question was.

The Speaker: As I understand what transpired there, the Leader of the Official Opposition has now withdrawn his point of order.

Dr. Nicol: Yes, Mr. Speaker. He clarified the accusation as being against the NDs and not the Liberals. It's not a point of order.

The Speaker: This is rather unusual, but we'll go on to the leader of the third party for his third question.

Dr. Pannu: Mr. Speaker, my second question is gone? I'm surprised. Why am I getting punished for it?

The Speaker: Well, considering it's Thursday, hon. member, please proceed with your second question.

Dr. Pannu: Oh, thank you, Mr. Speaker. Given that jurisdictions like California have moved away from deregulation, why does this Premier stubbornly cling to a policy that has cost consumers billions already and driven Alberta to have the highest cost power in the country?

Mr. Klein: Mr. Speaker, I'll have the hon. Minister of Energy supplement, but as I explained to previous questioners, the main reason we went to a deregulated environment is to provide consumers with more choices but, more importantly, to ensure that we get needed generation onstream, and that indeed has happened.

I'll have the hon. minister supplement.

Mr. Smith: Mr. Speaker, the member continues to distort, so let's just put it in perspective. The Aquila/EPCOR network is the area that he's talking about. If he'd looked at the ATCO network, he would find that those prices after deregulation were in fact lower than what they were before deregulation. In fact, if he looks at Enmax and EPCOR, he'll find minor changes.

Now, if he talks about the California example, Mr. Speaker, he'll find that California has a hundred billion dollar budget with a \$35 billion deficit. That's socialist heaven. If you look at Ontario, they took a \$38 billion debt, froze electricity prices, and what happened six months later? They added another billion dollars to that \$38 billion. That's good socialist thinking.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My last question to the Premier: given that it was this Tory government who gave us deregulation and high-cost power, how does the Premier expect his advisory council to be believed by Albertans that Tories will investigate themselves fully anyway?

Mr. Klein: Mr. Speaker, I take great exception to the allegation that these individuals are Tory hacks, so to speak. Len Bolger is the chair, a well-respected individual who's connected to the Alberta Research Council and ASRA; Dan Astner, the Alberta Federation of Rural Electrification Associations; Jim Beckett, representing an investor-owned utility; Fred Gallagher, a small independent power producer; Jack Hayden, the president of the Alberta Association of Municipal Districts and Counties; Robert Hemstock, a retailer; Karl Johansson, a large independent power producer; Jack Joys, the Alberta district Direct Connect Consumer Association; Albert Klapstein, yes, the MLA for Leduc and a special appointee and, I'll say, a very, very strong and committed advocate for the consumers in his constituency; Rick Kline, no relation, Independent Power Producers Society of Alberta; John McGowan, Alberta Urban Municipalities Association; Dale McMaster, Alberta independent system operator; Norman Mills, a large industrial consumer; Robert Nicolay, a municipally owned utility; Stan Schellenberger, a public member; Mike Smyth, a public member; George VanderBurg, again another committed MLA representing not only his own constituents but, indeed, the people of this province; and Jim Wachowich, who, by the way, has been highly critical of government policy, representing the Consumers' Association of Canada. That is the list. I can't think of a broader and more representative section of Alberta society than these people listed previously.

Speaker's Ruling Referring to a Member by Name

The Speaker: Hon. Government House Leader, would you kindly advise the members of your caucus what the rules are with respect to names and the use of names in the Assembly.

The hon. Minister of Economic Development has advised me in written form that his speech writer will be fired later this afternoon, and perhaps there's some advice there for others as well.

The hon. Member for Cardston-Taber-Warner, followed by the hon. Member for Edmonton-Riverview.

Agricultural Industry

Mr. Jacobs: Thank you, Mr. Speaker. Many of my constituents are curious about the agricultural industry's potential goal of \$20 billion in value added and \$10 billion in primary production by 2010. My first question is for the Minister of Agriculture, Food and Rural Development. Given that Alberta is still recovering from the worst drought in recorded history, what steps are we taking to help the industry meet this goal?

Mrs. McClellan: Mr. Speaker, it is true that Alberta endured the worst drought in recorded history last year, but it's also true that agriculture has played an important role, does play an important role, and will continue to play an important role in this province's prosperity. Unquestionably, things are looking brighter – at least they will when the sun comes out – with the moisture we have had over much of the province, although I would say that there are still some areas of concern.

Mr. Speaker, we are fortunate to have had a review of the agriculture system in this province through the ag summit. We are fortunate that industry leaders have taken a leadership role in

providing us with recommendations for growth in this province. We are fortunate that we have a very, very positive relationship with the Ministry of Economic Development, which will sell the products that our Alberta entrepreneurs produce, and we are fortunate with initiatives like the incubator program at the Leduc processing centre, which will assist our entrepreneurs to produce that high-quality, much-sought-after food product and get it out into world markets.

The Speaker: The hon. member.

Mr. Jacobs: Thank you, Mr. Speaker. My first supplemental, also for the minister of agriculture: in light of the agricultural industry's production goals, what is the minister doing to ensure that Alberta's economy is not negatively impacted by Alberta's unpredictable water supply, especially in southern Alberta?

2:10

Mrs. McClellan: Well, Mr. Speaker, certainly, my colleague has hit on a very key point: Alberta's quality of life and, in fact, life itself depend on having a healthy and sustainable water supply. The hon. Minister of Environment has embarked over the last year on a consultation process with Albertans on a water strategy for our province. We have a history of exceptional water management, both on managing the supply of water and the quality of that water, but I think it is clear that today with demands on our system we have to manage our water on a watershed-by-watershed basis. I think the review, the consultation that will continue under that process that the minister has outlined, is imperative. I encourage all Albertans, whether they be commercial, domestic, or recreational users of water, to be involved in that. It is probably the most important initiative that this government could undertake with Alberta sitting on the largest supply of fresh water, indeed, in North America.

The Speaker: The hon. member.

Mr. Jacobs: Thank you, Mr. Speaker. My final question is to the Minister of Energy. Given that Alberta producers are subject to the volatility of energy prices, what can they do to manage the cost of electricity and natural gas?

The Speaker: Hon. minister, we're talking about a lot of opinions here now.

Mr. Smith: Well, Mr. Speaker, let me just say, then, that our agricultural community in Alberta understands how commodities work better than anybody else in the province. They deal with it every day. They're subject to the commodities price swings, and they know that natural gas is a commodity, in fact, which is produced on much of their land, that is subject to price swings, as is electricity. They are in contact with their utility companies. They're watching the marketplace as it unfolds. They are going to have more choices, more options about leveling their costs, about being able to buy hedged power, and about being able to take control of the price of the commodities of natural gas and electricity.

Holy Cross Hospital

Dr. Taft: Mr. Speaker, the Liberal opposition has learned that a building once recommended for demolition at Calgary's Holy Cross hospital will now be leased to the Alberta Cancer Board. As the Premier knows, the Holy Cross was sold to a company owned by well-connected Tories for one-quarter of its value just a few years ago. That company is now facing several charges in court for endangering workers' safety through asbestos contamination. To the

Premier: how does the Premier justify the Alberta Cancer Board doing business with a company that is in court for exposing workers to a cancer-causing agent as dangerous as asbestos?

Mr. Klein: Mr. Speaker, first of all, one has to assume and, indeed, one has to take for granted that the people who are responsible for the administration of the Cancer Board, particularly the board, are intelligent, good-thinking people, and the last thing that they would do would be to put in danger the lives of those who are already in some danger through disease. So they're acting in the best interests of the patients. They're acting in the best interests of the taxpayer, and if the deal is a good deal, I would assume that the Cancer Board made the deal on the basis of what is good for the patient and what is good for the taxpayer.

Dr. Taft: Given that this same individual who chaired the disposition committee that sold the Holy Cross is now a director of the Cancer Board, that is leasing it back, will the Premier ask that this deal be suspended until a full, independent review is done?

Mr. Klein: No, Mr. Speaker. We don't get involved in the business of the Cancer Board. If the hon. member wants to go back to former members, there's a sitting MLA who is a former member of the disposition committee. When the disposition was made, it was made on the basis of the best business case being made. This has been thoroughly investigated, and there was deemed to be absolutely nothing wrong. Everything was totally aboveboard relative to the disposition of that site. The only person who for some reason, perhaps political, is making a fuss over this is the hon. Member for Edmonton-Riverview.

Dr. Taft: Given that the Calgary health region disposition committee assigned zero value to the specific space in question when it was sold – they gave it away – will the Premier finally admit that the sale of the Holy Cross was nothing less than a rip-off of the Alberta taxpayers?

Mr. Klein: Of course it was not a rip-off – was not, and I underline and stress “not” – for the Alberta taxpayers. Mr. Speaker, as the hon. member pointed out, this hospital, this site, was earmarked for demolition. Now it is a fully active site. As I understand, there is an adjunct campus for Mount Royal College to study certain aspects of medicine. There is a long-term care centre at the site. There is a wonderful library for alternative medicine at the site. There is an ophthalmology clinic. I believe there are numerous other medical clinics at the site. The site is being fully utilized. Now with this deal that apparently was made between the Holy Cross Centre and the Cancer Board, there will be even further utilization of this site.

Casino Wait Lists

Mr. Lougheed: Mr. Speaker, a group from Strathcona county who would like to do some fund-raising by working a casino are very frustrated by the three-year wait that exists at the St. Albert casino. They're very frustrated, of course, and they have questions that they would like me to ask of the Minister of Gaming. How come the wait list is so long for the St. Albert casino?

Mr. Stevens: Mr. Speaker, as you know, in Alberta we have a unique charitable gaming model which allows charities and not-for-profit groups to make application to the Alberta Gaming and Liquor Commission for a licence to run casinos. Generally speaking, those groups which receive licences are allocated to a casino within their

area. In the case of Strathcona county, as we know, there is no casino, and as such they are allocated to the closest casino, which in this particular case is one located in St. Albert, which is designated as a rural casino. That allows for the least travel time for those groups. The casinos located in Edmonton are available for the not-for-profit groups that are licensed within Edmonton proper and also for the provincial groups that offer services throughout the province.

Mr. Lougheed: Well, Mr. Speaker, then the question that I would like to ask: would the boundaries be adjusted so that Strathcona county groups could be allowed to go into the Edmonton region, or as new casinos are being added, will we see those boundaries adjusted?

Mr. Stevens: Mr. Speaker, I'm glad that the hon. member has mentioned new casinos. As of March of 2002 we lifted the moratorium with respect to the expansion of gaming within the province. Since that point in time several expressions of interest in or around the Edmonton area and also in the central Alberta area with respect to new casinos have come forward. If some of those receive ultimately a licence to operate a casino, there's no doubt that that will offer some assistance to those who are waiting.

The fact is that the reason there are waiting lists is that each day the AGLC receives approximately five new applications for licences, and there are far more applicants who are seeking licences to operate casinos than there are available within a given year.

2:20

The Speaker: The hon. member.

Mr. Lougheed: Thank you, Mr. Speaker. Again to the same minister: could he let us know how long the wait lists are in other casinos around the province as compared to the St. Albert casino?

The Speaker: The hon. minister.

Mr. Stevens: Thank you, Mr. Speaker. At this point in time in Calgary the wait list is approximately 21 months, in Edmonton 24 months. In Red Deer it's somewhere in the vicinity of 21 to 24 months. Lethbridge is about 27 months. So in all areas throughout the province the wait lists have been going up, once again, as a result of growing interest by charities. I can say that the AGLC, in considering new applications, will be looking at wait lists in the areas in question as one of the important considerations with respect to new casinos.

There is some positive with respect to this wait list for the charitable groups. In 1995 slot machines were added to the casino mix. As a result, the take by the charitable groups has increased. In 1994-95 the aggregate amount for the charitable groups was some \$19 million, whereas today it's \$114 million. That would mean that over that eight-year period the charitable groups who run two-day casinos will be receiving today as opposed to '95 approximately twice as much.

Edson Schools Amalgamation

Dr. Nicol: Mr. Speaker, this afternoon's constituency question comes from the parents in the town of Edson. These parents are concerned that the school planning process in both the public and separate school systems has been disruptive to their children and has gone ahead without proper consultation. To the Minister of Infrastructure: why weren't parents consulted before this minister ordered the transfer of Jubilee junior high from the public to the separate school system?

Mr. Lund: Mr. Speaker, when it comes to the closure of schools, the school board has the authority. The situation in Edson was one where if you looked at the overall school population, if you looked at the capacity in the schools within the town of Edson, there was enough capacity to handle all the students in the town. The problem was that there was overcapacity in the public system and not enough capacity within the separate system. The public school board passed a resolution that they would close Jubilee school. We do not get involved in the issue of whether in fact a school board is going to close a school. In this particular case, when they decided that they were going to close the school, it just made all the sense that we in fact would then allow the separate board, who incidentally was running in excess of 110 percent in their current facility, to take over Jubilee, and that would accommodate their needs.

Dr. Nicol: To the Minister of Learning: does the government have a long-term plan for the students at A.H. Dakin school who are still using a facility that was officially closed two years ago?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you, Mr. Speaker. What happened in Edson and Hinton was essentially an amalgamation between the public and the private systems. What we saw there was a very difficult situation in Hinton where we had students that probably for the last three or four years were actually being schooled in the ice arena. What the Minister of Infrastructure and I did was take a very careful look at what was happening.

The Minister of Infrastructure is absolutely right. In Edson Jubilee school, I believe it was – and I may or may not be right on the name – was set to be closed by the public board, and there was a new school to be built for the Catholic board. It did not make sense to close one school, on one hand, and build another school, on the other hand. So they were subsequently amalgamated. I understand that there were a lot of misunderstandings in the community over that, but I believe that the majority of it is straightened out. It was done in the best interests of the students of Edson, and we really feel that it will work out in that manner.

The Speaker: To supplement?

Mr. Lund: Yes. Specifically dealing with the A.H. Dakin school, it's true that it was officially closed a couple years ago. It has continued to be used, and now with the situation we will be upgrading and modernizing and expanding Pine Grove and also Parkland high school. A.H. Dakin will stay open until the modernization and expansion have occurred. At that time it will be closed, and the board will dispose of it.

Dr. Nicol: The final question is again to the Minister of Learning. These parents would like to know if the minister and your colleague the Minister of Infrastructure will join them and listen to their concerns before going ahead with further changes to the school; in other words, go out and visit them.

Dr. Oberg: Well, Mr. Speaker, what happened in this particular case was that shortly after the budget was announced, the Minister of Infrastructure and I went to Edson to deal with these issues. We felt that it would be relatively easy because, on the one hand, they were closing the school and, on the other hand, we were stopping construction. We amalgamated the two, and we thought it would be fine.

From my personal point of view, I have no problem in talking to

the people of Edson about what happened. I understand, though, that it has been resolved. Perhaps the Minister of Infrastructure can allay those concerns, but I would have no problems with going up again and talking to them.

Mr. Lund: Well, Mr. Speaker, we have said that we will be prepared to go and meet with a representative of the parent or school councils and make sure that the transition will occur with the least amount of disruption. It's always the situation when a school is closed that people have some misgivings about it, but I believe that in the overall picture both the operation and maintenance of the public schools will be well served by the plan, and the separate board will now have the capacity to handle their students.

The Speaker: The hon. Member for Wetaskiwin-Camrose, followed by the hon. Member for Edmonton-Ellerslie.

Youth Sport, Fitness, and Recreation Programs

Mr. Johnson: Thank you, Mr. Speaker. Recently there have been a number of articles and reports that show that children are becoming increasingly more obese because they lack the proper amount of physical activity in their daily lives. In fact, many reports state that there's a serious problem in Canada with childhood obesity that needs to be addressed. Becoming involved in sport is a great way for children to not only become active but have a lot of fun at the same time. My questions are to the Minister of Community Development. What steps is the minister taking to get children more involved in sport in this province?

Mr. Zwozdesky: Well, Mr. Speaker, the short answer is that the Department of Community Development works collaboratively with a number of other government departments such as Learning and Children's Services, certainly Health and Wellness, and even Infrastructure on facility capacity expansion. Through those amalgamations and consultations we've developed some specific programs that address specifically what the hon. member is asking.

For example, we have the Ever Active program for young people, which occurs through and with the collaboration of the health department right at the school level. We have the Live Outside the Box campaign and program, which is also focused around younger members of our population. Tomorrow I'll be announcing the launch of the annual Summer Active program at St. Kevin school. I'll be joined by an Edmonton Oiler, who will serve as a great role model, I'm sure, to help promote activities among our youth that are focused around fitness, recreation, and sport.

We also provide a number of funding opportunities through our Alberta Sport, Recreation, Parks & Wildlife Foundation that help enable young people to participate in things like the Alberta Summer Games, the Western Canada Games, the Arctic Games, and so on and so on.

Mr. Johnson: To the same minister: what approaches have been made to the federal government concerning bilateral agreements to develop sport in Alberta?

Mr. Zwozdesky: Mr. Speaker, in fact I have written recently to the Hon. Paul DeVillers, who is the secretary of state in Ottawa responsible for sport, fitness, and recreation programs, and asked that he consider a possible bilateral arrangement, an agreement as it were, between the federal government and the province of Alberta that would help address increasing our programming and our activities for young people primarily and, at the same time, also

would look at some of the underrepresented groups who are for whatever reason not participating to the level we would all like. Young girls, for example, are underrepresented. Indigenous individuals and aboriginal people are underrepresented in our participation levels, as are disadvantaged individuals, as are certain segments of the disability community. That would be very consistent with our national sport policy, the national sport program, which ministers responsible for sport across Canada recently endorsed, and I believe it's also consistent with some of the recommendations that have been put forward by the task force that was planning the Alberta sport plan. So there are a number of things of that nature that we're trying to get going with the federal government, and we are having some success in that regard.

2:30

Mr. Johnson: My final question to the same minister: what are you doing to address the physical activity concerns as referenced in the Mazankowski report?

Mr. Zwozdesky: Well, Mr. Speaker, I think the Mazankowski report and the discussions that ensued after it certainly pointed to the fact that if we could increase participation levels primarily by young individuals at an early age, they would retain those habits perhaps as lifelong habits, and the result would be probably a savings of about \$5 billion to the health care costs that are currently facing Canadians. We only need to increase physical activity by about 10 percent to get there. In the Mazankowski report that section isn't vivid in my mind right at the moment, but I think it focused more on the wellness side and the aspect of getting good habits started earlier.

In fact, from our side, just in the budget that was approved here for Community Development two nights ago, we increased funding for the Alberta Sport, Recreation, Parks & Wildlife Foundation by something like 2 and a half million dollars, for a total budget now of almost \$20 million. As a result of that increase, Mr. Speaker, ongoing programs will be continued, and we'll see a tremendous amount of increased activity.

The Speaker: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-Fort.

Electoral Boundaries

Ms Carlson: Thank you, Mr. Speaker. We will soon see legislation introduced which would make the proposed changes to the electoral boundaries of Alberta permanent. This government claims that they support an independent process in redrawing the electoral boundaries map. However, offers have been put on the table to allow individual pleadings for changes to the boundaries, which potentially could lead to gerrymandering. The hon. Member for Edmonton-Beverly-Clareview stated in his speech on Government Motion 13 that there is "a process in place where we can ask for small changes to our constituencies by applying to the Justice minister." My question is to the Minister of Justice and Attorney General. Where can individual Albertans pick up application forms to apply for these minor changes?

Mr. Hancock: Well, Mr. Speaker, the hon. member knows that no one applies for amendments to a bill in this House, but there are processes whereby in the discussion in committee on any bill that comes before the House members of the House can bring forward amendments. The hon. member would also know, at least I assume that she would know, being a member of a caucus, that before any amendments are brought before the House by an individual member

of a caucus, they would probably discuss them with members of the caucus.

The hon. member would also know that on an informal basis I approached the Liberal caucus and indicated, as I do on all bills before the House, that if they had amendments for bills that they wish to have the government consider during discussion, it is useful to know about them ahead of time. If they would give them to me as House leader, I would make sure that the minister involved with the bill or the sponsor of the bill would consider them and, if prepared to accept them, would bring them to caucus for caucus approval so that they could be appropriately discussed in the House. They rarely avail themselves of that opportunity, but it is an opportunity that's open to them as well as to any other member of the House.

So in specific response to the question about electoral boundaries, all citizens of Alberta know that we debate bills in this House, that we have opportunity in Committee of the Whole for amendment of bills. The electoral boundaries act is a little different than other bills in that the bill that comes before the House comes out of the Electoral Boundaries Commission report, but it's open for amendment in committee, and I as the minister who's responsible for the act have received submissions from many Albertans, certainly from many communities across the province who are concerned about certain aspects of the bill. In response to every single one of those people that have contacted us, we've written back and said that when the bill comes before committee, we'll be considering amendments and will consider their submissions.

Ms Carlson: Mr. Speaker, to the same minister: is there a process where the citizens of Edmonton could apply to have the seat that is being taken away put back?

Mr. Hancock: Well, Mr. Speaker, of course, when we're bringing forward a bill to put in place the boundaries proposed by the Electoral Boundaries Commission and when the House has actually approved the report of the boundaries commission by a resolution of this House, one would assume that amendments that come forward would have to be within the scope and the philosophy of the report. The adding of a seat would require either the amendment of the Electoral Boundaries Commission Act itself to add another seat to the number of seats that we have, in other words taking it up one seat, or would require a very, very significant change to the philosophy of the report that was brought in by the Electoral Boundaries Commission and adopted by a resolution of this House. So it would not fall within the normal scope that one would expect.

Any member of the House, obviously, can bring forward any amendment that they want to bring forward, but it would be hard to see how an amendment to add another seat to Edmonton, as much as I agree with the concept, would be in keeping with the report that the Electoral Boundaries Commission brought in and that this House approved by resolution.

Ms Carlson: Mr. Speaker, will this minister tell the House, then, how many of the agreements with regard to the boundary changes have been made and who they have been made with?

Mr. Hancock: Well, it's for this House to determine whether there's any agreement with amendments that are being brought forward. The process which I have undertaken is to hear from anybody who wants to raise an issue with me as the carrier of the bill and to recommend to caucus when I think the proposed amendment fits within the scope of the Electoral Boundaries Commission report, whether the adjustment meets a test of reuniting communities that perhaps ought not to have been split; whether the shift in population,

if there is a shift in population, leaves the resulting constituencies within the range and scope that the Electoral Boundaries Commission set out for cities, for major urban areas, for urbanized areas, for rural areas; whether the representatives from those constituencies affected would agree with the changes; those sorts of tests to determine whether or not, prior to recommending any amendment to the House, it falls within those scopes.

So there's no agreement with respect to any amendment. There is simply a process whereby towns have written to me as the minister responsible for the bill, where municipalities have written to me with respect to concerns that they have. I've raised those concerns with the respective MLAs, or they've raised them with me, including in fact members of the Liberal caucus. If there is agreement that an amendment could be made which would fall within the scope of the commission's report, I would bring forward those amendments to the House at the appropriate time. That's the process we've followed. The appropriate time has not come yet because the bill itself hasn't been introduced, although I anticipate introducing it today. Certainly, for anyone who has any suggestions with respect to appropriate amendments which would fall within the philosophy and scope of the commission's report as accepted by this House by resolution, I would be happy to make recommendation to the House with respect to amendments of same.

Speaker's Ruling Oral Question Period Practices

The Speaker: That last series of questions was a most unusual series of questions and had absolutely nothing to do with government policy, but as there is leave for notice to introduce a bill on the Order Paper, Bill 42, which has not been introduced yet, the chair decided to allow those three questions to go, not knowing what they would be. But the clarification should be very obvious now to everyone in this Assembly on what the process is.

This is not in the normal course a government bill that will be coming. It will be a bill caused by, in essence, the Constitution of the province of Alberta. This Assembly passed a motion after it had created an independent commission, and the process will be that the bill will be introduced and should follow the results of the motion, and there will be an opportunity, as through the course of any bill, to have amendments brought to the Assembly. It's only coincidentally that the Government House Leader is the minister talking about this particular bill, and there has to be someone from the government to introduce a bill, pending some other alternative solution. So not a normal course to have this series of questions discussed here, but it was good clarification for everyone.

head:

Members' Statements

Multiple Sclerosis Awareness Month

Mrs. Gordon: May is MS Awareness Month. Canada has one of the highest rates of MS in the world, with Alberta having the highest prevalence in all of Canada. Where I live, a neurologist practising in Red Deer estimates that between eight and 10 residents are diagnosed with MS each month. My neurologist in Edmonton, Dr. Mary Lou Myles, estimates that her busy practice is 98 percent MS related.

2:40

Although the cause of MS is unknown, its course unpredictable, and its cure as yet undiscovered, many exciting strides have been made. We now have many exciting new drug therapies that are helping many afflicted with relapsing/remitting MS. The Alberta division, which is part of the MS Society of Canada, has sanctioned

many fund-raising events across Alberta this month and next for fund-raising: bike tours, Super Cities Walk tours, golf tournaments, and of course the annual Carnation Day campaign. The central Alberta chapter is excited and appreciative as once again this year the hon. Minister of Health and Wellness has enthusiastically agreed to participate in their annual bike tour, cycling some 76 kilometres from Lacombe to Sylvan Lake and back again on June 22. Last year he raised over \$2,200. This year's goal is \$3,500.

I would also like to take this opportunity to publicly thank the MS Society of Canada, Alberta division, for presenting me with the 2002 Maureen Allen Social Action award. I am and was truly honoured. MS lives here. Can we count on you?

The Speaker: The hon. Member for Edmonton-Highlands.

Electricity Deregulation

Mr. Mason: Thank you very much, Mr. Speaker. The Conservative government's power deregulation scheme lurches from one disaster to another. The latest turn on this tortured road is the Energy minister's unilateral decision to stick electricity customers with the total cost of new transmission lines instead of the 50-50 split between generators and consumers promised earlier. This is simply the latest in a long list of broken promises and betrayals.

The most pernicious defence of deregulation is that this province has gone too far down the road to turn back. By this logic, if you are driving down the highway right into the path of a semitrailer truck, you should just keep right on motoring along. Why is it that other jurisdictions like California and Texas are able to reverse their disastrous experiments while Alberta cannot? Why should Albertans trust this government when it says that reversing deregulation is too expensive when every other promise made about deregulation has ended up being wrong? Only a truly independent, no-holds-barred public review in which deregulation itself is put on the table can answer the question of why deregulation has failed and how much it will cost to return to sensible regulation.

Adding two Tory backbenchers to an existing committee just doesn't cut it. This rewarmed committee fails the test of independence that the Premier himself acknowledged earlier this week was necessary. This committee will not provide the answers Albertans are seeking on why deregulation has failed. Rather, it is designed to limit the political damage to the Tory government, not the financial damage to Albertans' pocketbooks. The government needs to set clear terms of reference for this so-called review and table them in this House before it adjourns for the summer.

Six months ago, Mr. Speaker, we asked Albertans to send us their power bills before and after deregulation. Many responded. In every case their bill went up sharply, in many cases doubling. We've held several public meetings throughout Alberta and will hold more. The blunt message from these Albertans is clear: we need to pull the plug on deregulation.

Ranking of Schools

Mr. Lougheed: Mr. Speaker, I'm critical of the Fraser Institute and other organizations that rank schools based on the academic performance of students. Ranking schools is one of many ways the focus can shift away from the factors which are really important for student achievement. Academic success is, I believe, a result of three factors: the ability and effort of the student, the support and encouragement of the family, and the skill and commitment of the teacher. When these three factors converge, students will have considerable academic success.

I believe there's more harm than benefit to be found in school

rankings. These rankings speak more about the school's program offerings and management decisions than they do about predicting academic success for prospective students. In fact, even the ranking methodology is subject to criticism. For example, one criterion is the difference between the school-assigned mark and the diploma mark. Since the differences above and below are average for the school, the marks of one teacher who evaluates well above could balance off the marks of another teacher who evaluates below. The result is a good score for the school even though the Fraser Institute criticizes teachers who mark too high or too low relative to diploma exam scores.

Learning can be better served by focusing on what's really important instead of being distracted by school ranking, which tallies up student test scores to see which school attracted the most high achievers. Many other factors do influence student achievement, but class size, homogenous grouping, the physical setting, technology, curriculum fit, and quality of textbooks are lesser determinants of academic achievement than are the student, the family, and the teacher.

Thank you.

Mental Health Week

Dr. Taft: Mr. Speaker, May 5 to 11 is Mental Health Week in Canada. The goal of Mental Health Week is to promote awareness and understanding of the prevalence of mental illness and to combat the shame associated with it. The effects of mental illness are staggering. Approximately one in five Canadians will experience mental illness at some point in their life, and almost every Canadian will be affected by mental illness either through a family member, a friend, or a loved one.

While mental illness costs the Canadian economy \$14.4 billion per year, the cost to our physical health and personal well-being is immeasurable. Being a healthy individual is more than just taking the right medications or eating the right foods. It's also about looking after our spiritual and mental well-being. Nowhere in this country is that a more important lesson than right here in Alberta. According to the Canadian Mental Health Association, Albertans have one of the highest rates of anxiety and depression in the country.

Albertans with mental health problems and mental illnesses need better support and treatment within their own communities. Over the past decade Alberta's mental health services like all health services in our province have suffered from unstable funding and erratic policy leadership. It's time to put things right.

Stable funding and long-term planning need to be restored to mental health services. This should include a community-based system of treatment and support with renewed emphasis on income and employment support, appropriate housing, and adequate crisis response. With better support people with mental illness can lead fuller, happier, and more productive lives.

Thank you.

head:

Presenting Reports by Standing and Special Committees

The Speaker: The hon. Member for Bonnyville-Cold Lake.

Mr. Ducharme: Thank you, Mr. Speaker. As deputy chair of the Select Special Ethics Commissioner and Ombudsman Search Committee I would like to table part 1 of the committee's report recommending the appointment of Mr. Donald M. Hamilton as the Ethics Commissioner for the province of Alberta.

head: **Presenting Petitions**

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I rise to present a petition signed by 178 Albertans petitioning the Legislative Assembly to urge the government to “not delist services, raise health care premiums, introduce user fees or further privatize health care.”

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I would like to present a petition as well today. It has over 270 signatures from around Alberta. They are urging the Legislative Assembly of Alberta to urge the government to “immediately withdraw the draft management plan for the Evan-Thomas Provincial Recreation Area and revise it so as to disallow any further commercial or residential development of the Kananaskis Valley.”

head: **Notices of Motions**

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. Normally I’d be rising at this time to move a motion of notice regarding questions and motions for returns possibly standing and retaining their places on the Order Paper, but there being none, that motion is not required. I thought I should advise the House of that eventuality nonetheless.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. Pursuant to Standing Order 40 later this afternoon I plan to move to adjourn the ordinary business of the Assembly to deal with the following motion of urgent and pressing necessity.

The Speaker: At this time it’s only important to give notice.

head: **Introduction of Bills**

The Speaker: The hon. Minister of Justice and Attorney General.

Bill 39 Miscellaneous Statutes Amendment Act, 2003

Mr. Hancock: Thank you, Mr. Speaker. I would request leave to introduce a bill being the Miscellaneous Statutes Amendment Act, 2003.

As is normal, Mr. Speaker, with miscellaneous statutes the contents have been circulated to the two opposition caucuses. The contents of the bill reflect only those that have been agreed to by all three caucuses.

[Motion carried; Bill 39 read a first time]

The Speaker: The hon. Minister of Justice and Attorney General.

2:50 Bill 42 Electoral Divisions Act

Mr. Hancock: Thank you, Mr. Speaker. As was of course given a precursor during question period, I request leave to introduce a bill being the Electoral Divisions Act.

Bill 42 encompasses the report of the boundaries commission with

a few sections that are normally in the act, that are standard with respect to all electoral divisions acts, and then the schedule which lists all of the 83 constituencies and boundaries as provided for in the boundaries commission’s report as approved by a motion of this House earlier. I anticipate that during committee there may be amendments brought forward.

[Motion carried; Bill 42 read a first time]

head: **Tabling Returns and Reports**

Mr. Cardinal: Mr. Speaker, I have six copies on the fisheries to table, the appropriate number of copies.

Thank you.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Yes. Thank you, Mr. Speaker. I rise today to table the appropriate number of copies of a minority report, a dissenting opinion of the special select Standing Committee on Legislative Offices signed by myself and the Member for Edmonton-Centre. It expresses strong concern with the process around that committee.

Thank you.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. With permission I table the appropriate number of copies of four letters that I’ve been asked to table. The first is from Darlene Vinge, who is really upset with the funding for education in the province and the lack of purchasing power that the lack of increases has brought about.

The second letter is from Ruby Stone, who urges the province to do the right thing and fully fund the teachers’ imposed arbitrated settlement.

The third letter is from Brenda Lemoine, asking the Learning department to provide the additional funds to schools to cover the shortfall as a result of the teachers’ arbitrated settlement.

The fourth one is from Victor Dorian, again very concerned about the situation at Westglen school and the cuts that are going to, as he indicates, greatly harm both children and teachers at that school.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I have one tabling. It’s a letter that I received from a constituent of mine dated May 7, 2003, regarding the deregulation of the electricity industry. Like thousands of other Albertans she wishes to convey this message to the Premier: “Deregulation was a mistake. Admit it, correct it, and move on.”

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I’m tabling a letter from Mr. Tim Belec of Westrose, Alberta, dated the 7th of May 2003. He says in terms of electrical deregulation: “I feel it is time to cut our losses and re-regulate. Some public services just don’t operate to the public benefit in the free market. Electricity is one of those services.”

The Speaker: The hon. Member for Clover Bar-Fort Saskatchewan.

Mr. Lougheed: Thank you, Mr. Speaker. I’m pleased to table the 2002 annual report of the Premier’s Council on the Status of Persons with Disabilities.

head: **Tablings to the Clerk**

The Clerk: I wish to advise the House that the following document was deposited with the office of the Clerk. The hon. Mr. Cardinal, Minister of Sustainable Resource Development, returned to order of the Assembly MR 5 requested by Ms Carlson on March 10, 2003.

head: **Projected Government Business**

The Speaker: The Official Opposition House Leader.

Ms Carlson: Thank you, Mr. Speaker. At this time I would ask the Deputy Government House Leader if he would share next week's projected business with us.

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you, Mr. Speaker. I'd be very happy to do that. We are projecting the following government business for the week of May 12 to May 15. On Monday afternoon we will be dealing with the private members' business, of course, and should there be any written questions and motions for returns, followed by Public Bills and Orders Other than Government Bills and Orders. In the evening on Monday we will deal with Motions Other than Government Motions, unless otherwise agreed to, followed by Committee of Supply, who will consider Aboriginal Affairs. Then we will revert to Introduction of Bills and introduce Bill 40, which would be an appropriation or main estimates act, followed by second reading of Bill 42, Electoral Divisions Act, followed by third reading of the following: Bill 18, Energy Statutes Amendment Act; Bill 20, Alberta Municipal Financing Corporation Amendment Act, 2003; Bill 25, Class Proceedings Act; Bill 26, Corrections Amendment Act, 2003; Bill 28, Freedom of Information and Protection of Privacy Amendment Act, 2003; Bill 29, Law of Property Amendment Act, 2003; Bill 31, Local Authorities Election Amendment Act, 2003; Bill 34, Livestock Industry Diversification Amendment Act, 2003; Bill 35, Tobacco Tax Amendment Act, 2003; and otherwise as per the Order Paper.

On Tuesday, May 13, 2003, in the afternoon we will deal with Government Bills and Orders and Private Bills in third reading as follows: Bill Pr. 1, Sisters of St. Joseph of the Province of Alberta Statutes Repeal Act, and Bill Pr. 2, Forest Lawn Bible College Act. Under second reading we will deal with Bill 39, Miscellaneous Statutes Amendment Act, 2003, and Bill 40, Appropriation Act, 2003. Under Committee of the Whole we will do Bill 42, Electoral Divisions Act, followed by third reading of bills 18, 20, 25, 26, 28, 29, 31, 34, and 35, and otherwise as per the Order Paper. On Tuesday evening we'll deal with Government Bills and Orders and Government Motion 20, which would be concurrence in the Legislative Office's report regarding the Ethics Commissioner appointment, then second reading of Bill 40 and Committee of the Whole on bills 39 and 42, followed by third reading of bills 18, 20, 25, 26, 28, 29, 31, 34, and 35, and otherwise as per the Order Paper.

On Wednesday, May 14, in the afternoon under Government Bills and Orders we will do third reading of Bill 39 and Bill 42 and as per progress that likely will be made on Tuesday and as per the Order Paper. On Wednesday, May 14, in the evening we'll proceed with Government Bills and Orders under Committee of the Whole Bill 40 and third reading of Bill 39 and Bill 42 and again depending on the progress from the afternoon preceding that. We will also deal with Government Motions.

On Thursday, May 15, in the afternoon we will deal with Government Bills and Orders including third reading of Bill 40 and also Government Motions.

I believe that concludes our projected and estimated business for the following week.

The Speaker: The chair must admit that he was getting rather tired just listening to this work schedule for the next several days. Hon. members might like to know that you have already spent more hours in this Legislative Assembly in the year 2003 than you did in the spring session of 2002. So you will be adding significantly more according to this very enriched schedule.

Might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(*reversion*)

The Speaker: The hon. Member for Lacombe-Stettler.

Mrs. Gordon: Thank you, Mr. Speaker. I would like to introduce to you and through you to members of this Assembly some guests that are seated in the public gallery. These ladies are representatives of the Multiple Sclerosis Society of Canada, Alberta division. Today they are here with their carnations, and I wish to thank them. Carnation Day is an annual event, and it does raise significant dollars that go towards MS, and we hope someday those dollars raised could well blossom into a cure. Earlier today they met with the hon. Minister of Health and Wellness. I would like to introduce them. Wanda Dannelly is the director of public relations and social action; Adeline Blumer, director of client services; and Suzanne Deschamps is from Bonnyville and will be biking in the bike tour coming up in June. She told me earlier that thus far she's raised \$10,000. So thank you very much, ladies. Would you please give them warm welcome of the Assembly.

3:00

The Speaker: Hon. members, the point of order raised today by the Leader of the Official Opposition was withdrawn, so that covers that matter.

Admonishment was given to violators of our often-violated rule about naming people. That admonition was given to the Minister of Economic Development, and advice was given to the Government House Leader with respect to conveying this message of the rule to other members of his caucus.

head: **Motions under Standing Order 40**

The Speaker: So now we're left with only one application. That's the hon. Member for Edmonton-Highlands on a Standing Order 40 application.

Electricity Deregulation

Mr. Mason:

Be it resolved that the Legislative Assembly urge the government to conduct an immediate and thorough public review entirely independent of government and industry into the failure of electricity deregulation to deliver fair and reasonable electricity rates for individuals, farms, businesses, municipalities, and public institutions.

Mr. Mason: Yes, please, Mr. Speaker. Thank you very much. I understand that I may make a few brief comments relative to the urgency of this matter, which with your permission I'll now begin to do. This is urgent both in the sense that it is vitally critical for Albertans and that it is time sensitive.

Let me deal first with the importance of this issue. Electricity deregulation has become one of the most expensive boondoggles in Alberta's history. Estimates of what it has cost Albertans range from between \$5 billion to \$10 billion. Mr. Speaker, this will continue to cost Albertans individually hundreds and thousands of dollars for their homes and businesses, and it is urgent that this Assembly deal with this quickly and before it adjourns for the summer recess. Given the government's actions today and the announcement of the review, it is clear that it will not meet the test set out in the motion.

Mr. Speaker, it's very important that this review be both independent of the government and of industry and that it deal with the root causes of the problem of high electricity prices, and that is deregulation itself. What the government has put forward today does neither, and therefore it is urgent and pressing that this Assembly deal with this matter this afternoon.

Thank you, Mr. Speaker.

The Speaker: Well, I want to congratulate the hon. member for succinctly following the description of the word "brief." That is very helpful. Approximately a minute to a minute and a half. That's very commendable.

Now, this application requires unanimous consent of the Assembly.

[Unanimous consent denied]

head: **Orders of the Day**
head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: I wish to call the Committee of Supply to order. First, I would like to recognize the hon. Member for Edmonton-Centre before we begin the actual discussions.

Ms Blakeman: Thank you very much, Mr. Chairman. I'd like to clarify my remarks during debate in Committee of Supply for the estimates of Community Development on Tuesday evening, May 6, 2003. The event I was trying to remember was the 2001 World Championships in Athletics, and the reference for that is on page 1476 of *Hansard*.*

Thank you for the opportunity to clarify.

head: **Main Estimates 2003-04**
Sustainable Resource Development

The Chair: Are there any comments or questions with respect to these estimates? The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Chairman. I'm pleased to be here today to talk to you about Sustainable Resource Development's 2003-2004 budget. Before I start, I'd like to introduce some of the staff that are sitting in the members' gallery: Dr. Bob Fessenden, our deputy minister; Crystal Damer, executive assistant to the deputy minister; Ray Duffy, director of budgets, forecasts, and financial statements; Daphne Cheel, executive director of policy and planning; Donna Babchishin, director of communications; Susan McManus, assistant director of communications; and Donna Ballard, my executive assistant.

I'd like to take one moment before I get to the details of the budget just to thank the staff for all the hard work they do throughout the year. I'm not that easy to work with, I know. I have a policy that has a 24-hour return on most of the stuff that comes through my

office. So if anyone ever tells you that it's at the minister's office, it's not true. It might be at the deputy's office or the ADM's but not the minister's. So keep that in mind. They do a heck of a job.

At Sustainable Resource Development, Mr. Chairman, our job is to ensure that Alberta's natural resources are sustainable for future generations. There are a number of economic, recreational, cultural, and social activities on our public lands, and through the hard work of department staff, of course, we maintain a balance between activity and conservation.

We have a variety of programs and services in our ministry, and there are basically five core businesses: one is, of course, a very important one, forest protection; forest land and resource management; fish and wildlife management; rangeland management; and land use disposition management. As well as the Department of Sustainable Resource Development our ministry also includes the Natural Resources Conservation Board and the Surface Rights Board and the Land Compensation Board.

At SRD our job is to ensure that Albertans benefit from the development of their public lands and renewable resources both now and for the future. The work our ministry does in a changing and growing Alberta is so very important, and indeed Alberta is a very quickly growing province. For instance, since 1991 our population has increased by about a half million people. Now we have a population of more than 3 million in Alberta. So, of course, there is a need for increased services for Albertans.

Increasing population means more Albertans require more of our services and are using the resources that are in the ministry's management. For example, 98,000 hunters participated in the 2002 hunting season, about the same as in 2001. These hunters bought more than 250,000 different licences. There were about 217,522 sportfishing licences sold for the 2002 angling season. Currently there are about 565,000 active wildlife identification number cardholders. These are the WIN numbers. This is about 58,000 more than at this time in 2002.

3:10

This increased interest, of course, by Albertans in recreational hunting and fishing is very positive for our province. However, we need to have the proper system in place to deal with these increases, and this means that our staff and ministry need to have the resources to do this. Therefore, we are pleased that this year's budget remains stable and that we will continue to have the necessary staffing and monitoring programs in place to take care of our fish and wildlife resources.

Another area where we have seen a great increase is in the number of land dispositions provided by our public lands division. For instance, during last year's fiscal period over 176,000 dispositions were provided by this division for agriculture and industrial dispositions. This is quite a large number and speaks to the volume of work that our ministry is able to turn around on a daily basis.

Another highlight in delivering increased services to Albertans is the Natural Resources Conservation Board. The year 2002 was very busy for the Natural Resources Conservation Board, the first year it assumed responsibility for regulating confined feeding operations. Business conducted in 2003 so far indicates that the board will also be busy in 2003.

In 2002, its first year of responding to complaints related to livestock operations, the NRCB received a total of 981 complaints relating to 431 separate operations throughout the province. NRCB inspectors issued a total of 36 enforcement orders, and an additional 122 operators received a verbal directive, a warning letter, or notice of noncompliance. In 2002 the NRCB received 169 applications for confined feeding operations or manure storage management

*See p. 1476, left col., para. 2, line 13

facilities. It issued a total of 70 decisions, that included 60 approvals and 10 denials. The board is awaiting additional technical information on another 67 of the applications received in 2002. Overall, the number of complaints the NRCB received during the first three months of 2003 was up 30 percent over the same period in 2002. So you can see, Mr. Chairman, that the additional \$2 million we are providing to the NRCB this year in their budget will ensure that they can fulfill their mandate to Albertans.

The last area I wish to speak about in terms of increased services to Albertans is certainly in the forest protection area. As all members here today know, we have had a very busy fire season the last number of years. In fact, just to give you context of what we consider busy, we had over 1,450 fires last year and wildfires threatened over seven communities and forced the evacuation of thousands of Albertans. Most people don't know that 40 percent of fires in this province are human caused and that the rest are from lightning. We need to get this number down, and we're committed to doing that through our work in the community and through public education processes.

Industrial, residential, and recreational demands are also increasing on Alberta's lands and resources. We are working with Albertans to find the right balance between economy, environment, and the community. We consult extensively with Albertans about issues affecting natural resources. Consultations continue to be critical in our work to manage Alberta's fish and wildlife, for example through the Endangered Species Conservation Committee and groups such as the conifer management group in west-central Alberta. We've involved stakeholders recently in three very successful recovery efforts of piping plover, swift fox, and the western blue flag.

We consult Albertans regularly on things such as allocation and fisheries management. This contributes to our important work on species at risk as well as our management objective of our other species. Many of you are aware, for example, of the province's excellent work on the new recovery team for grizzly bear management.

In the area of public lands we have held consultations to develop access management plans for the Bighorn backcountry. We are currently asking for public input on plans for the Ghost-Waiparous area located just northwest of Cochrane, an area of about 1,500 square kilometres, just one and a half kilometres outside of Calgary. So there's a lot of pressure for the area. The Ghost-Waiparous access management plan will provide government-approved direction for recreational off-highway vehicle use as well as other uses. We will be working with stakeholders and Albertans to achieve a balance that protects the environment and provides opportunities for recreational uses in the area.

As another example we continue to work with the industry to integrate planning and reduce impacts. Industry is responding favourably as shown by more joint planning and partnering agreements. A monitoring process is also being established to ensure that local involvement in future decisions about the trails and the backcountry happen.

It is no secret that Alberta's forest sector is also facing some very serious challenges. The current softwood lumber dispute, of course, with the United States is having a significant negative impact on our forestry here in Alberta. Industry and government have been very busy working on allocating the financial resources that are necessary to defend forestry practices here in Alberta. At the same time the industry has had to deal with near record low commodity prices. These factors have let uncertainties and doubts into the marketplace. These issues make it more important than ever that government and industry work together as a team to address today's challenges and to look at the future.

During this challenging period I am proud of the leadership that the Alberta Forest Products Association and the Alberta forest industry continue to show. Despite these challenges this industry continues to show their commitment to innovation. They have introduced new technologies and leading-edge practices that allow them to do their job more effectively, efficiently, and with concern and sensitivity for the environment and wildlife. The forest sector truly shares the concern of Albertans that our forests are sustainable.

Through this period the forest sector continues to play an important part in diversification of our province and the prosperity that all Albertans enjoy. Forestry is more than trees. It's about people. It's about the nearly 54,000 jobs that forestry creates in Alberta. It's about the more than 45 communities in Alberta that depend on forestry as their primary industry, and it's \$8.4 billion revenue for the province.

A healthy forest is critical to our future for the environment and the economy. Our department realizes that there are many challenges to be faced, but thanks to our careful planning and the dedication of our staff we are prepared to meet these challenges.

Our total budget remains quite stable this year, close to \$192 million, which is up by \$8.5 million from last year. The increases are quite simple. We need to put funding in those areas that need additional support. For instance, I spoke earlier of the \$2 million increase to deal with heavier demands being placed on the NRCB. As well, an additional \$2.2 million will be for existing staffing and the cost pressures there. The majority of other funding will be spread through the ministry to support other key service areas and programs that Albertans expect us to deliver.

Again, Mr. Chairman, I would like to thank all of you for your attention here today, and I will be open for questions now.

3:20

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. Thank you to the minister. I'd also like to thank the staff that joins us here today and the rest of the staff in the department. They are immensely helpful when I have questions. We don't always agree on the direction that the ministry should take, but then we don't agree on the name. Sustainable Resource Development in my mind should be just sustainable resources. That leads us down a path of different opinions on some issues, but it is very helpful to have the frank and open discussion that we have and the many briefings that are available to us through the minister with this department. So I thank them all for that.

I also would like to acknowledge that this department offered to brief us on the budget, and we just didn't have enough time this week to get there. So perhaps we can organize that next year. That would be great.

I'd just like to put on the record in advance that if we don't get through all of our questions, we'll submit them in writing and ask for those back.

For my first questions I'd just like to deal with a couple of issues. The first one is the grizzly bears. Mr. Minister, in your comments you talked about a recovery plan for the grizzlies. There's been lots of pressure to put them on the endangered species list at some level. Can you talk about why you are resistant to that idea and what is actually happening with the recovery plan?

The Chair: The hon. minister.

Mr. Cardinal: Yes, Mr. Chairman. You know, we had formed the committee to look at that specifically and develop a recovery plan. Of course, the other thing that I've changed in that particular area is

reduced, in fact, the hunting of the grizzly bear to a manageable size. You know, we reduced the number hunted here in Alberta by 20 percent, I believe. When you look at the map of the hunting areas, zone 1, zone 2A, 2B, 3A, 3B, 4A, 4B, 4C, 6, and 7, in some of those areas, like 6 and 7, we've reduced considerably the number hunted because there's added pressure in those particular areas.

You know, when you look at the number of licences provided to hunt grizzly bear, we've reduced from 129 to 101 in 2002 and also changed where the hunting will take place. Only about 15 are taken out each year. On the other hand, you know, you look at the government next door to us. B.C. actually in this year is allowing the hunt of 200 to 250. So, you know, when you look at both B.C. and Alberta, there's only a boundary not noticeable by grizzly bears, so they could move around.

I think what we're doing is probably reasonable at this time. I think we've done a lot of work in grizzly bear management, research, monitoring, and monitoring the problem bears also. Our grizzly bear management objective in Alberta is to maintain a healthy grizzly bear population, following up, of course, on the recommendations the member mentioned of the Endangered Species Conservation Committee. Alberta took immediate actions and steps to deal with the issue, and I mentioned earlier that at my request the department established the recovery team to evaluate the current grizzly bear management and identify areas for improvement as well as a technical committee. I have also requested that the department look at options for increasing poaching fines, for an example, for poaching grizzly bears because that is a concern, so we're definitely looking at that.

This year, again, I said that we restricted grizzly bear hunting in fact even further especially to protect the adult female population in some areas. The Endangered Species Conservation Committee believes that Alberta's grizzly bear population is fairly stable. Our data reports that information even with the current mortalities. The committee also identified that the current regulated hunt is not a primary concern for the mortality of the grizzly bear.

Habitat issues will likely be the greater concern for the future well-being of the grizzly bear in Alberta. We have a challenge, Mr. Chairman, you know, to always keep the balance because a grizzly bear is definitely not a friendly animal. One of the things we find is that more and more animals are becoming urbanized, and they start to go into towns and communities and also parks where there are a lot of people. There always seems to be a conflict either between a grizzly bear, especially, but also the black bear, the elk, the deer, the cougar, and the coyotes and the wolves, so there is always the challenge of ensuring that these wild animals remain wild. To have some form of a hunting season, I believe, maybe keeps the animals healthier than not to hunt them at all because, really, a grizzly bear does not fit into a town or a hamlet setting. They're not a safe animal. On the other hand, they have their environment that sometimes we interfere with, so it's a challenge.

Definitely, that is a very good question; it's a very important one. As a government we will continue working very hard to ensure that we try and recover the population. After this year's hunt again we'll review the targeted hunting areas and make the necessary adjustments that are required so that we can ensure that the population of the grizzly bear is sustained, at the same time keeping the balance between keeping the animals wild and protected, and of course the protection of people is also important. If you do walk into a grizzly bear if you're out hiking or out hunting or out on your trapline, in most cases it's either you or the grizzly bear. There are no ifs or buts. They're a little different animal than the black bear or the cougar. A grizzly bear will actually hunt out a person that's out there, so we have to be very, very careful in how we manage that in the future. There has to always be a balance.

Ms Carlson: To follow up on this line of thought, Mr. Minister, we've had some concerns from the southwest foothill regions that they're seeing greater numbers of predators, particularly wolves and coyotes, and that they're concerned that this is going to cause or is currently causing a decrease in elk and deer and other animals that outfitters normally would hunt. So can you comment on that? Are you doing any studies? Are you hearing those concerns as well, and do you have any plans to deal with this issue?

3:30

Mr. Cardinal: That's another very good question that ties in quite a bit with the first question. Definitely we have been informed of that, and we are dealing with it. The problem we have here is of course to ensure that we do proper monitoring, that we're not off when we monitor the actual numbers of wolves, for an example, and other animal species, that we keep that balance. That's how our allocation is done in most cases for hunting – you know, the bear, hunting the wolves, and also elk – is monitoring the population and trying to determine, keeping a healthy balance and a healthy growth of animals and at the same time reducing the populations of certain species where it is required to keep that balance. It's a challenge, but we need more work on that on a constant basis. It's a good question.

Ms Carlson: Mr. Chairman, I'd now like to speak about invasive species for a moment if we can. We know that there's the ongoing problem with the beetle infestation in the forests between the B.C. and Alberta borders. What's the status of that right now? How is it being managed? Does it look like it's going to be controllable? In addition to that, what other species are you looking at as being invasive, particularly with regard to our forests, for this coming year?

The Chair: The hon. minister.

Mr. Cardinal: Thank you very much. The mountain pine beetle infestation is an important forest management issue for Alberta, like B.C. B.C. has I think a serious problem in some areas. You know, this problem will potentially cost the province millions of dollars, affecting potentially the sustainability of our forests. I believe that in British Columbia, from what I understand, it's already cost over \$9 billion in damages to the provincial economy. So it is serious. It's right next door to us. Pine forests in Alberta are getting older and are vulnerable to mountain pine beetle outbreaks. Banff national park is currently experiencing a mountain pine beetle outbreak, and the department will continue to work closely with forest companies and other agencies, including the national parks, to manage the mountain pine beetle problem as effectively as possible.

Sustainable Resource Development, of course, has an effective beetle monitoring and control system in place, and we will continue to play a key role in minimizing the effects of mountain pine beetle through early detection and control of new infestation. If you go on highway 1 past Cochrane and west towards Banff, you will see areas where there was some clear-cutting done to try and separate the movement of the pine beetle into new areas in the forest. It is a challenge because, from what I understand, if the right wind or the wrong wind comes up, the beetle can be carried a long way into a new direction and therefore continues to be a challenge.

So, yes, we're aware of the problem. It could potentially be a serious problem, but we will ensure that we have the necessary financial and human resources to work with other jurisdictions to ensure that we manage that problem.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I'd now like to get an update on the Carseland fish ladder if we can. Initially we had the problems with the ladder having to be repaired during a spawning time, and then there was a huge outcry in fact from that area to us about the screen that was on the top of the ladder. I know the minister has said that the fish were able to spawn downstream, but those actually managing to get up the ladder and then hit the screen had the potential for being damaged and not being able to spawn downstream. If the minister could tell us if that problem has been resolved and what practices you may be putting in place to ensure that that doesn't happen again in the future.

The Chair: The hon. minister.

Mr. Cardinal: Yeah. Thank you very much. In fact, I understand that the screen has been removed now. The fish ladder beside the Carseland weir is operational, and the fish are able now to get to the river on the upstream side of the weir. Of course, high water levels are delaying total completion of the ladder project. For safety reasons the water levels need to subside before work can be completed. Further, the contractor is waiting for some components to be delivered so they can be installed by the end of May. Conditions caused by some of the unfinished work may be making it more difficult for the fish to find openings in the river. However, I guess nothing at this time impedes their eventual passage, especially with the screen being removed. I can give you assurance that in the future we will ensure that the work that needs to be done is co-ordinated with the spawning season of our fisheries. It may be necessary to try and do it late fall or later on in the summer not to, you know, hit the spawning season at the same time.

So that is a very good question, and I know the Ministry of Transportation continues to work with us closely on that, and you can be assured that we will be looking after that. Again, I'd just like to say that even with some of the difficulties we had with the screen and the inability of fish to move certain portions, they still were able to spawn below the weir and also above. If there is damage done, no doubt it will be very minimal, but in the future we'll definitely monitor it a lot closer.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. Now I'd like to talk about woodland caribou for a few moments. It's a species that we don't actually spend a lot of time talking about in this Legislature, yet their numbers are diminishing at a rapid rate, in fact perhaps faster than other endangered species like rhinoceroses and those kinds of animals. Woodland caribou are starting to gain an international reputation. They are diminishing in this province not only because of a lack of mature forest area but because there's more human presence in their habitat, particularly in the wintertime with the larger numbers we've started to see in high-country winter activities like heli-skiing and so on. What's your department doing to address this particular issue?

Mr. Cardinal: We do have, again, a good monitoring program and a plan. In a lot of areas we work with industry; for example, in my constituency, Alberta-Pacific, who holds a large forest management agreement. Within their forest management agreement are, you know, natural grounds for the caribou to be, and in fact Al-Pac jointly with us have collared some animals to track the movement and try and count the number of animals and what impact their forest-harvesting may have. They seem to be reasonably stable, but it's a challenge, again, to keep the population strong.

It is not a food source for aboriginal people. I don't think it ever was here in Alberta. I think that maybe there are a few people that hunt, but very, very few hunt caribou, so it's not a food source for the aboriginal people. The threat of opening roads and right-of-ways for oil and gas and forestry development in relation to aboriginal hunting of the caribou is very, very limited. It's almost nonexistent, maybe one or two throughout the winter, at least in the north.

3:40

The biggest challenge, of course, is the wolf population. That's their main food source, between that and deer, and of course the wolf population has grown. We estimate a fairly high population, and wolves are really wild. That's one animal that remains wild. They're a wild animal; they remain wild. In fact, there are people that trap 60, 70 years in northern Alberta and may not see a wolf ever, maybe once or twice in their whole lifetime. They do remain wild in certain parts of the province, and they're hard to trace. It's hard to track the numbers. On the other hand, we have to keep trying to monitor and count the number of wolves out in certain areas where there may be caribou and also keep track of the caribou, again to try to keep the balance. It may be necessary to make some adjustments on the wolf population in order to deal with the situation of the caribou. So we're working on it. It's a challenge; it's not easy. But you can be assured that we'll try our best.

The Chair: Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. We continue to hear about and experience from an economic perspective the impact of oil and gas on forestry practices, and I particularly hear from forestry companies who are very concerned still about the amount of timber the oil and gas companies are taking out of the forests and how that impacts inventory. Now we're starting to hear a number of independent studies also coming back with recommendations that there should be better co-operation, that the forest practices in this province are archaic, that they need to be revised. I've heard from the industry for a long time that those issues need to be addressed. Can you tell me what progress you're making on that and whether or not you're going to move beyond any voluntary compliance by the oil and gas industry to just manage their cuts in a more sustainable manner?

Mr. Cardinal: That's a very good question, a very important question for Alberta. Sustainable Resource Development, of course, continues to review and improve forest and land management practices in Alberta. Alberta forest products and the oil and gas industry do work together to co-ordinate activities on the landscape, resulting in of course a smaller environmental footprint and fewer impacts from activities such as road construction, seismic line, and pipeline activities. Forest company management plans incorporate into their plans protection of sensitive wildlife habitat, biodiversity, and so on. New forest management planning guidelines are being developed to strengthen these requirements, and, again, some of it is at the request of the industry and municipalities.

Of course, as you're aware, each year we plant about 75 million seedlings in Alberta. In Alberta of course we determine the volume of timber available for sustainable harvest according to what we'll grow, so we always have to keep that in mind as we harvest our resources to ensure that proper co-ordination and proper management of our public lands in relation to oil and gas, forestry, tourism, and other developments takes place.

We manage over a hundred million acres of public land, and I believe 85 million acres of that is in the green area, or the protected

area. Therefore, whatever you do as far as oil and gas activities, forestry, agriculture, tourism, and other activities, they will have some impact on the environment. We are working hard to minimize that. In fact, I believe that in the eastern slopes, for example, about 75 percent now of the oil and gas activities are low impact, which means that there's a lot less damage to the environment. In fact, I believe we've reduced some of the seismic lands, if I remember right, from 10 metres down to 4 or 5 metres now. Some of them you can't even see. In the foothills I've flown over where there was some seismic activity, and the only thing you can see is a small line through the bush, which really you can't drive on because it's just a line that's cut, and of course the exploration that takes place is done with a helicopter. So we are working hard.

In other areas, of course, Al-Pac with their forest management work very closely – the forest management agreements have to have a long-range plan. One, they have to have a 10-year plan, which the ministry approves, and they have to have an annual operating plan, and those annual operating plans have to be done through a public hearing process. What happens there, of course, is that there is co-ordination now between the oil and gas industry and the FMA holders to ensure that they co-ordinate the development of a road network, for example. In fact, they try to co-ordinate even the work plan for each year, because some of those FMAs are large and they could have two or three different areas that they harvest their wood from each year and those could be different from what the oil and gas industry plans. So they try to co-ordinate the activity so that they can be in an area at the time and maybe in fact use the same roads even to access the resources that they want to develop.

So it is a challenge, but I think it's something that we have a good handle on.

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman, for the opportunity to join in the Committee of Supply debates on Sustainable Resource Development. I'll refer the minister to page 368 of the business plan book for the Alberta 2003 budget. I'm looking under goal 2. It seems that the annual allowable cut may be starting to decrease, as projected by the 2003-06 target appearing here, and I'm wondering if this is a trend. Does it indicate the declining viability of our forest resources? I mean, you're dropping from 24 million cubic metres to 23 million cubic metres.

Now, can the minister explain the goal 3 outcome measurement for species at risk, which is the next goal appearing on the same page, 368? What does "percentage of species at risk" mean? Is this the number of all species at risk over the total number of species in Alberta? Also, can the minister release a more detailed breakdown of this measurement, please? Why is the ministry expecting the percentage of species at risk to go up, and what are they doing to make sure that this doesn't happen? I'm also wondering why there is no output measurement for goal 3. I see output measurements for goal 2; I see output measurements for goal 4. I don't see any output measurement for goal 3.

Now, why are there fewer and fewer rangeland leases in good standing? What exactly does it mean for a rangeland not to be in good standing, and what is the ministry doing to change this trend?

How does the ministry hold the Natural Resources Conservation Board to account for its spending habits and the achievement of its stated goals?

3:50

The Surface Rights Board, the SRB, has a reputation for being very pro oil and gas. I'm wondering what steps the ministry is

taking to ensure that the SRB delivers totally equitable and unbiased decisions. What steps is the ministry taking to improve the reputation of the SRB among landholders? Can the minister also tell me – actually, probably in writing; these are pretty detailed. What are the caseloads for the NRCB, the SRB, and the LCB? How have these numbers varied over the past few years, and why would there be a variance? Where does the minister expect these numbers to go in the future?

My next series of questions for the minister are related to the Auditor General's report and specifically to the section dedicated to Sustainable Resource Development starting on page 245 of the annual report of the Auditor General of Alberta, 2001-02. Now, there is a numbered recommendation here, and the numbered recommendations are the ones we are taught to pay special notice to. They're numbered because the Auditor General wishes to make a point of them and is also expecting a response from the government as to exactly how the government plans on responding to them. So I know that this is recommendation 48:

We [the Auditor General] recommend that the Department of Sustainable Resource Development improve:

1. the planning, documentation, and reporting of results for its timber production audit group.
2. the timeliness of its timber production auditing.

As a bit of a background here, with the province owning most of the forests in northern Alberta, it does allocate those forests to private forestry companies through dispositions. The companies are expected to manage their dispositions on a sustainable basis . . . [They do] pay timber royalties and fees to the Department based on the volumes of timber harvested.

Timber royalties and fees are the largest source of revenue for the Department. To ensure prompt and accurate reporting by forestry companies, the Department's Forest Management Branch conducts timber production audits.

The Minister of course knows all of this. I'm really reading this into the record for other people that are following along with the debate.

Therefore, the Auditor General notes that

the purpose of a timber production audit is to verify that correct volumes of timber are reported and that the correct royalties and fees are paid. Accurate timber harvest volumes are also important in ensuring that forest use is sustainable.

So it's of some concern when I see this recommendation that improvement is needed in the planning, documentation, and reporting of results and the timeliness.

The Auditor General is finding that

the timber production audit group successfully met five of the eleven criteria.

So they didn't even hit 50 percent.

Timber auditors understand the forestry business that they audit, as well as the legislative and contractual requirements that govern forestry operations . . . However, six of the criteria were not met.

They go on at length on pages 246, 247, and 248 on the implications, risks, and findings of the inability to meet that numbered recommendation.

There's also

a reservation of opinion for consumable inventory. Following corporate government accounting policy, consumable inventory has been expensed when purchased and has not been recognized as an asset in the accompanying statements of financial position. The value of consumable inventory not recorded at March 31, 2002 is estimated to be at least \$4 million. As a result, net assets are understated by the same amount.

There's also a concern – actually, this is a pretty standard reservation of opinion on capital assets, because the department is immediately expensing acquisitions under \$15,000 instead of amortizing them over their useful lives. That concern actually appears in a number of departments.

I'm looking to see what specifically the ministry is doing in this fiscal year under discussion in this budget to address these problems and what progress has been made. I would also like to see a time line of exactly when the ministry anticipates all these issues that have been raised by the Auditor General being resolved. This is a fairly substantial comment from the Auditor General. As I sit on the Public Accounts Committee, I have opportunity to see about 50 percent of the ministries that we examine in any given year. We don't have time to examine more of them. The concerns being expressed under recommendation 48 are substantial. So I am expressing some concerns about how the ministry plans to address those concerns.

In fact, I don't have it with me, so maybe the first question the minister can answer under that is: has the government accepted that recommendation and made a commitment to address it? I'm sorry I don't have the government's response back on those ones, so I'll just have to put that up front and ask specifically if the government has responded favorably to doing this, in which case the rest of my questions flow. If for some reason the government has said that it will not be willing to accommodate this recommendation, then I would like a very thorough explanation of why not, because this is pretty serious. We're talking money, but we're also talking use of resources, and we're also talking sustainability.

So thank you very much for the opportunity, Mr. Chairman, to bring those concerns forward under this debate. I look forward to either an oral response or, I suspect, given some of my questions, perhaps a written response to some of my questions.

Thank you.

Mr. Cardinal: Mr. Chairman, because some of those questions require numbers that I probably would not have with me here, my staff will review *Hansard* and respond in writing to most of the questions, because there were a lot of detailed questions asked in relation to numbers and performance measures and caseloads and stuff. We will provide those.

One area I can address offhand right here is in relation to the timber allocation and the annual allowable cut. The member mentioned that we do have in the province an estimated 44.5 million cubic metres in annual growth in our forested public lands. The total net allowable cut within the green area is about 24.1 million cubic metres. So although we are almost nearing the point where all the available annual allowable cut is allocated, each year the growth is greater than what we take out. It's a challenge, again, but I think the industry continues to do reasonably well.

We are of course looking at possibly allocating some more of our timber that's available or that may be available possibly in August. There is a working committee of northern MLAs that will look at the balance, what is unallocated, and that's aspen and coniferous also. It's not a whole lot, but there's some. Instead of calling for new projects in the allocation of the balance of the wood we have available, we want to allocate that to stabilize the existing companies that are out there. Rather than bringing in new companies to go after the same resource, it's probably wiser at this time, because of the limited amount that's available, to allocate that somehow, keeping in mind the challenges we have with the softwood lumber agreements or lack of agreements, that we do proper allocation to stabilize the existing companies.

4:00

You mentioned a number of areas: the NRCB, the Land Compensation Board, and the Surface Rights Board. As far as caseloads, I talked about some caseloads during my opening comments but definitely not enough to cover what you've asked for, so I'll ask my

department staff again to look at *Hansard* and ensure that we give you as quickly as possible the answers to the questions you have in those areas. The same with the Auditor General's reports and some recommendations. You can be assured that as a ministry we try to deliver as quickly as possible on as many as possible of the recommendations made by the Auditor General as we go forward. You can be assured again that we'll review the *Hansard*, and I will get my staff to provide the necessary information you require.

In addition to that, we talked about performance measures. There again we will provide the appropriate information to you in writing in relation to performance measures to satisfy some of the concerns you have.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. It is certainly always interesting to have a discussion with the hon. Minister of Sustainable Resource Development. The hon. minister, as I've said in this House in the past, is the closest thing the province of Alberta is ever going to have to a minister of fisheries. Certainly, it is with a great deal of interest that I listen to the exchanges between the hon. minister and the Member for Edmonton-Ellerslie in regard to fish stocks in this province. I would encourage the minister to do his best to ensure that fish have access to all areas of our streams. I'm very interested, and I'm sure the minister will tell me how he's going to monitor the situation. I'm sure that there's monitoring going on in all areas of the province in regard to fish stocks and their access to streambeds. I am quite confident that that monitoring will continue into the next fiscal year.

Certainly, whenever we look at the breakdown of expenses by core business in millions of dollars for this department, whenever we look at reporting agencies, the public lands management, the fish and wildlife management, forest land and resource management, forest protection, policy and information management, and the ministry support services, there is a significant amount of tax dollars here. We look at total ministry expense for 2003-2004, and it's estimated to be \$208 million as opposed to the forecast for 2002-2003 of \$449 million. This is a decrease of \$246 million.

However, one should know that the ministry does not budget for large fire-fighting costs, that have resulted in hundreds of millions in supplementary supply requests in the past. We will look for money to be requested in supplementary supply once the fire season starts, and hopefully we're not going to have the fire season this year that we've had in the recent past. Certainly, it almost seemed to be a rite of late spring and early summer in this province that unfortunately we had some large fires to deal with that took up all the resources, whether they be men, women, or machinery, to fight those fires at enormous expense for, in my view, a resource that is diminishing, and that's our wood fibre. I certainly hope that this year will be a little bit different. The weather seems to be co-operating. We can have more moisture content in the forest and the forest floor, and hopefully fires will not be as extreme or severe as they have been in the past. I wish the minister and his department well in preventing through public education large forest fires from happening and, if they do start, in getting a handle on it right away so that hopefully they will not expand.

Now, we also have to deal with the government and lottery fund estimates, Mr. Chairman. Will the minister please table a document that explains each line item and identifies exactly which programs are funded through which line items? I'm talking about program 1, ministry support services. The budgets for both the minister's and the deputy minister's offices are increasing by \$20,000. Why has this new money been allocated to these offices? What is the manifest

need for this money? The human resources budget is being increased by \$50,000, and this would appear to be the addition of an extra member of the staff. Is this true, and why is this extra staffer needed? Is it to monitor the fish streams? What sort of monitoring is this extra staffer going to do?

The strategic corporate services budget is increasing by approximately \$450,000. Why does this line item require nearly \$500,000 in funding? What will these extra funds be used for? Also, what is the breakdown of the \$770,000 in the minister's and deputy minister's office budgets for 2003-2004 by salaries for the permanent positions, salaries for the nonpermanent positions, the salaries for the contract positions, the travel expenses, advertising, telecommunications, and hosting expenses? How much was spent on bonuses last year, and how much is anticipated to be spent on bonuses this year? What was the amount of the largest bonus given out, to whom was it given, and for what reason was it given? Where did the budget for legal services go? There was \$67,000 for this two years ago.

Now, in program 2, policy and information management, the policy and planning line item is increasing by 86 percent, from \$2 million to \$3.8 million. This is nearly a doubling of money for this line item. Will we see policies and planning from the department that are twice as good? What planning activities is the department undertaking such that it needs twice as much money? The Official Opposition has brought up many ideas about how policy and planning could be improved. Are these going to be implemented with this huge injection of money? Some of the ideas were from the hon. Member for Edmonton-Ellerslie.

The ministry is spending nearly \$4.2 million on regional offices. Is this funding to continue the operations of the offices or for acquiring new offices? How many regional offices does the ministry operate? Has the ministry undertaken an internal audit to see if a reduction in the number of regional offices is possible? We saw a reduction in the number of I think ag offices last year, a little over a year ago. Is the same deal applicable to the Department of Sustainable Resource Development?

Now, the ministry is spending \$350,000 more on information technology this year than last. What information technology resource does the ministry employ? Why do they require more than \$1 million per year to use this information technology? What is the reason the ministry needs \$350,000 more for information technology?

[Mr. Lougheed in the chair]

Forest protection. We discussed this a little earlier, Mr. Chairman. The organizational framework is receiving an extra million dollars this year for operating expenses. What is this extra million dollars going to do, and why is it needed there? Now, wildfire operations are budgeted for \$18 million this year for operating expense, but \$270 million was spent last year. That's for fire stations and fire crews and things like that, I would understand. But why does the ministry not budget for wildfire operations a little more realistically so that budgeted figures more closely approximate the actual amount of moneys spent at the end of the year? The ministry's budgeting procedure in this regard is rather appalling and would cause economic havoc if it weren't for this province's surpluses from oil revenues, and I certainly wouldn't consider these surpluses as endless. Conventional oil production is declining, and synthetic crude production is increasing. One has to be very careful that we manage that nest egg to the maximum advantage of all Albertans.

4:10

Now, there is an organizational framework that is getting an extra

\$1.75 million this year for equipment and inventory purchases and an extra \$1.25 million this year for capital investment. Exactly where is this extra money going and why? Should we expect this increase in funds to remain in future budgets as well?

Program 4, Mr. Chairman, the forest land and resource management. The forest operations budget is being cut by \$1 million. How is this going to affect the ministry's work in this area? What specific programs will suffer cuts as a result? What steps is the ministry taking to ensure that critical operations are not severely affected by this cut? Forest policy and business will receive an extra \$1 million this year. Where is the extra money going to? What was the specific need? What convinced the ministry that \$1 million is better spent in forestry policy and business rather than in forestry operations? What exactly is meant by nominal sum disposals that the ministry is spending \$2 million on this year?

In program 5, fish and wildlife management, the policy and business management is receiving an extra \$1 million for operating expenses this year. What new programs are being developed or what product will Albertans see that justifies the expenditure of an extra million dollars under this last line item? How will this extra million dollars be monitored to see if it's spent well?

Wildlife management is being cut back by \$400,000. There is evidence that wildlife management needs more resources to do its job properly. Why is the ministry cutting back on this crucial program? What parts of the wildlife management program does the ministry plan to take this money out of? What does the ministry anticipate the effects of this cut will be? Will any staffers lose their jobs?

Now, fisheries management is also being cut back by about \$400,000. Given the problem the ministry has in handling the Carseland weir problem with spawning trout, doesn't the minister think that this line item needs more money rather than less? What parts of the fisheries management program does the ministry plan to take this money out of? What does the ministry anticipate the effects of this cut will be? Will any staffers lose their jobs?

Enforcement field services is getting an extra \$600,000. How exactly will this new money be allocated to enforcement programs? What was the nature of the need that the ministry is trying to address with the specific allotment of funds here?

Policy and business management will receive \$400,000 for equipment and inventory purchases. They didn't receive anything for this last year. Where is this money going, and should we expect this money to be allocated on an annual basis?

Public lands management, program 6. Land policy is getting approximately \$700,000 more this year for operating expenses. What projects are increasing the costs for this line item? What is the need for these programs? Will there be extra staff hired?

Land dispositions and technical services will receive an extra \$1.1 million this year. Where is this extra money going? What is the justification for this?

Resource data has been cut by \$750,000. What programs does this line item include? What specific programs are being cut? What effects will this cut have on the entire public lands management section?

Now, land use operations and rangeland management are both getting budget increases of half a million dollars. To what specific programs or what projects is this extra money going? What is the justification for these new or expanded programs or projects? Rangeland management is receiving \$200,000 this year that it didn't receive last year for equipment and inventory purchases. What is this money going towards? Is it a onetime expense, or will this be a reoccurring expense?

Reporting agencies, program 7 of the budget. The Natural

Resources Conservation Board went significantly over budget last year, incurring a loss of \$1.6 million. What is the reason for this board going so far over budget? What was the caseload of the NRCB last year? How did this compare with previous years? The NRCB is getting a budget increase of \$1.7 million over what it spent last year. Why will the NRCB need so much more money to operate next year? Is the ministry anticipating many more cases? The Surface Rights Amendment Act was supposed to take more appeals out of the courts and put them before the Surface Rights Board. Is that the reason for the budget overrun?

The ministry is anticipating \$2 million less in transfers from the government of Canada this year. Why will the ministry not receive these revenues? What is the ministry doing also to solicit more funds from the federal government?

The ministry is expecting half a million dollars more this year from investment income. Can the minister please explain the justification of this number? What assumptions are being made to make this prediction, Mr. Chairman?

The ministry budget shows that it is expecting \$10 million more next year in revenues from premiums, fees, and licences. This is expected to come primarily from timber royalties and fees. Why would timber royalties and fees be increasing by \$10 million this year? What assumptions has the ministry made to come up with this number? Will any fees, premiums, or licence costs be increasing next year? Which ones, and how much?

On page 357 it shows that the ministry received \$64 million in other revenue last year, when only \$7.5 million was budgeted, and only \$5.7 million was received in 2001-02. Where did this windfall of other revenues come from last year? Why will the ministry not be receiving these funds again this year? Why was it that the windfall of revenue received last year was not anticipated and thus budgeted for? Is this same thing happening this year?

On page 357 of the estimates there is listed under Expense forest protection, base, and forest protection, extended. Will the minister explain the difference between these two lines items, please?

Environment statutory programs is budgeted to get \$6.6 million when it only used \$4.5 million last year and \$4 million the year previous. What is included in these statutory programs? Why is \$6 million being budgeted for these programs when they don't seem to be costing more than \$5 million per year?

The estimates state that the ministry expects a net gain of \$4 million on the disposal of capital assets this year. What capital assets is the ministry divesting itself of that are worth \$4 million? How will these divestitures take place? What decision-making process was used to decide which capital was expendable and which capital was not? Did the ministry consider that some of the capital they divest themselves of may have to be repurchased at a later date for much more money? What has the minister done to prevent this contingency from occurring?

On page 359, Mr. Chairman, of the estimates insurance proceeds of \$55 million are listed. Are these insurance proceeds from wildfire insurance? The insurance company said that it wanted to audit the province, as I recall. Did it? What was its conclusion? What is the ministry's stance on this issue? Will the ministry be trying to get wildfire insurance for this year as well? Does the ministry think any company will give insurance to them after the huge payout they got this year?

4:20

Environmental protection and enhancement fund, statement of operations. Investment income is listed under revenue for the fund. What investments does the fund make that earn it \$3 million a year? Can the minister please explain the variations in this investment

income over the past several years? Should this fund really be in the investment business? I don't know. Probably not, Mr. Chairman. The estimates state that the fund expects \$3.7 million in revenue from various sources under the Other category. What are these other various revenue sources? What does money from the line items forest health and intercept feeding and fencing go to?

The Natural Resources Conservation Board's statement of operations also is of interest. The NRCB showed a deficit last year but no government funds to cover it. Who is going to pay for this, and where is this line item? The NRCB has more than tripled its budget in three years largely because of the confined feeding operations review. What is the confined feeding operations review? Why has this program ballooned in size? Why was this not anticipated? What is the government doing to make sure this program doesn't continue to hemorrhage more and more money? There are some that would say that the confined feeding operations occur only on Wednesdays and only occur within short distance from the Legislative Assembly and that one can travel there in a minivan.

Under revenue for the board investment income of \$11,000 is listed. What investments does this fund make that earn it \$11,000 a year? Can the minister explain the variations in this investment income over the past several years? And I'll conclude, Mr. Chairman, with: should the NRCB really be in the investment business? Again, probably not.

If the minister would like to answer these questions in writing at a later date, that's fine with this member. Thank you.

The Acting Chair: Thank you, hon. member.

The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Chairman. Of course, those questions are on line budget items that require correct information that I may not have at my fingertips here. I will of course get my staff to answer most of them.

[Mr. Tannas in the chair]

The one I would like to give you some briefing on here while I have the information is in relation to the question of fisheries and fish stock and monitoring. You can't monitor forever. It's nice to monitor, but there are times when you have to take action. When it comes to fisheries improvement for Alberta, I guess we've taken some action to improve that.

Just a little bit of history. You know, Alberta has one of the highest ratios of anglers to lakes in Canada, so we have right off the bat a lot of pressure: over 300,000 anglers and just over 1,000 fish-bearing lakes. So we do have a challenge in front of us. In addition to that, of course, there's also growing pressure from aboriginal, commercial, and sports fisheries to better meet their needs. My department is committed to improving Alberta fisheries through a variety of methods. This includes a reduction in the number of commercial fishermen in Alberta from 800 to 200 fishermen. Eight hundred fishermen right now have access to about 34,000 100-yard nets, and we want to reduce that from 34,000 to 18,000. So it's a challenge, but I know we will meet the challenge.

Licence sales are starting to respond positively. I guess it's partially due to new programs such as National Fishing Week, the free fishing day, and the urban fishing program. This upcoming fishing season we will be expanding fishing opportunities for harvest of walleye across the province. The department has applied an adaptive management approach to select lakes for opportunities. The walleye harvest initiative is building on the Calling Lake pilot project by spreading angling pressure across other lakes in Alberta.

We are expanding monitoring. We will look into how this initiative achieves the balance between meeting angler expectation for a limited harvest and establishing of course a sustainable fish population. The department plans to update the walleye management plans this year to reflect new knowledge and greater experience and further understanding of the information that is needed.

As part of the monitoring and part of the action we are taking, we've opened 17 lakes and reservoirs in Alberta where you can catch and keep some fish. The seven reservoirs are in southern Alberta: Keho Lake, Horse Fly Lake reservoir, Fincastle Lake, Little Bow Lake reservoir, Spruce Coulee reservoir, and Forty Mile Coulee reservoir; in addition to that, we also opened up the Milk River Ridge reservoir, where you can keep some walleye.

Four lakes in northern Alberta are open now, including Calling Lake, where you can keep walleye, where it was catch and release before, Long Lake, Spencer Lake, and Vincent Lake. Six other lakes in northwestern Alberta are also open now: Hutch Lake, Sturgeon Lake, Wadlin Lake, Snipe Lake, Haig Lake, and Winagami Lake are also open.

So we are definitely moving forward with not only a good monitoring program but also a good program that's action oriented to try and have sustainable sports and commercial fisheries in Alberta. I know that we will achieve our goal. We're being very innovative. We're getting support from the municipalities, we're getting support from the First Nations, and the Alberta Fish and Game Association supports a lot of what we're doing. We will ensure that we do the right thing.

Because a lot of the other items were very good questions and require detailed, accurate information in relation to dollars, measurements, and performance measures, I will get my staff to answer those in writing.

The Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I'm pleased to rise and talk about the minister's estimates a bit and ask a few questions. Maybe I can start with the minister's favourite program, the walleye, and how his plans and programs are going with respect to protecting the species and making sure that it grows. Perhaps there's an opportunity to review the Calling Lake model that he tried last year and look at whether it worked or not, that line in the water that he drew, whether or not the fish actually recognized and respected that border. That's just a reminder that the minister does have responsibilities for very, very important areas related to the health of our forests and renewable natural resources, so his responsibilities certainly impinge directly on both the economic health and the protection of resources for future generations where that's applicable.

4:30

A few questions here, Minister, in the area of forest protection if I may start with that. In 2002 85 fires were caused by industry, and another 438 were, I guess, human-caused fires within Alberta's forest protection area. In the business plan the target for 2003 is under 60 and under 300 respectively I guess for this year. What actions are planned? What changes have been made in previous practices to make sure that human-caused fires are lowered as desired here? Any specific actions in this regard? Any resources committed to it both in terms of preventing such fires, and where they do occur, to make sure that there's some sort of plan for cost recovery in fighting those fires, which are unnecessarily caused by human inattention or deliberation?

The second question that I have related to forest protection has to do with – the percentage of fires reported within five minutes or less

was 98 to 100 percent in 2002 according to the business plan, and that target for this year, 2003, is lowered to 90 percent. I just wondered: is the forecast different from the target, and why is the target lower than last year's target? Shouldn't the target be in fact higher, showing improvement?

Forest lands and resource management is the second area. Could the minister elaborate on the forest sustainability measure being developed? What stage is that at? Can we expect the measure to be implemented or available for implementation during this fiscal year?

The second and more important question in this area of forest land and resource management has to do with softwood lumber. We raised some questions in the House over the last several weeks with respect to the dispute that we have with the U.S. on softwood lumber and softwood lumber duties that have been introduced by the U.S., which has the serious potential of hurting our industries here. Alternatively, if we respond to that pressure by changing our policies, that might have consequences for the future of industry in the communities that depend on those forest-related industries.

So the question specifically: is the government considering eliminating all references to mills, communities, lumber production, and processing facilities as requirements in the long-term contracts? Are there pressures that the ministry feels and the government feels to move in that direction, and is the government preparing to respond to those pressures by eliminating those references in the contracts? That's a very simple, straightforward question. What would be the impact on Alberta's forest industry and communities in Alberta that presently have the mills and the processing plants in those communities, the impact of such a change, if it were to take place, on Alberta's economy, on the industry, and on Albertans working in forestry?

Third, has the minister analyzed the effect of changes to forestry practices in B.C. on the industry in Alberta? I understand that B.C. is moving ahead with succumbing to the pressure coming from south of the border and has, in fact, three or four different pieces of legislation that are going through or have gone through the Legislature there, which will indeed amount to substantial changes and in effect eliminate all those references that we presently have here and, I think, that B.C. had too, conditions for these long-term leases and tenure leases where there were conditions for processing raw lumber in and around the communities and the areas in which those forest activities are taking place. So the question was: has the minister been following the developments in B.C., and is any consideration being given here by the government or by the minister in charge for moving in the same direction as B.C. has apparently decided to move?

Other observations, Mr. Chairman, for the consideration of the minister. Rapid oil patch developments in the north threaten to wipe out old-growth softwood in a generation according to a study published in *Conservation Ecology*. The study predicts, based on research in forest management agreements of Alberta-Pacific Forest Industries and the considerable estimates of the continuation of current practices, that the impact of those are as follows: they will lead to elimination of old-growth softwood stands; lead to a decline in species sensitive to human disturbance, such as woodland caribou habitat, expected, according to this study, to decline from 43 percent of the study area to 6 percent. Caribou is already listed as threatened, so it's a serious issue.

Another impact that the study draws attention to is increased soil erosion, the disruption of water and fish movements, access by humans hunting and poaching. The next one: negative socioeconomic repercussions due to a shortfall of softwood on communities in the areas, and yet another one, that petroleum companies will pay tens of millions for timber damage to forest companies. "This is a

lose-lose situation in that the economic loss to the petroleum industry does nothing to restore the forest in the areas that are disturbed." I'm using these words, you know, right from that report. The report continues. It says, "The current system also ignores potential credits that could be gained by petroleum companies for maintaining carbon stores on the landscape." So if the minister would either now or later perhaps address some of these questions or respond to these observations of this scientific study on the impacts that it talks about.

This study concludes that "the current system of forest management in Alberta is a relic of earlier times," and these are the words of the study. It is unchanged since the 1950s despite increased density of industrial operators and the development of ecological objectives due to shifting public values. The question is: is the minister considering to follow the recommendations of the study and implement "meaningful stakeholder involvement, integrated planning, and an assessment of how current management decisions will affect the forest of the future"?

Then on fish and wildlife management, another important area that's under the minister's responsibility. How many fish and wildlife officers does the province have in its employ at the moment? That's a simple question of numbers, I guess. Is that sufficient to monitor, the minister's favourite word, hunting and fishing? Can the minister share with us the information of what percentage of poachers is caught? What's the total number of poaching incidents? How many get apprehended, stopped, or caught?

4:40

Another interesting little factoid in the business plan on page 368: the percentage of species at risk dropped from 2 percent to 1.4 percent between 1996 and the year 2000. The question this raises is: why is the target raised to 5 percent for 2005? If we've already achieved rates of species at risk which are as low as 2 percent and 1.4 percent, it raises the question of why accept the rate of 5 percent over the next two years? Why raise the risk level, and what's the thinking behind it? Maybe the minister can respond to that.

Alberta was once home to 9,000 to 16,000 grizzly bears, but there are now at most, according to the best estimates available, about 1,000 left. Canadian Parks and Wilderness Society's estimates, I guess, are the ones that I am drawing your attention to, Minister. Grizzlies are very sensitive to impacts of human activity. The Endangered Species Conservation Committee recommended to the minister that the grizzly be listed as threatened. The minister has refused. I understand that this is the first time the minister has refused such a recommendation.

The legal listing of a species as threatened under the Alberta Wildlife Act triggers not only the establishment of a recovery team and a recovery plan; it also legally commits the government to providing ongoing funding for the recovery team and for the implementation of their plans. So that's why the minister's refusal is significant and has substantive ramifications. If the minister were to in fact designate this species as threatened, then he would be obliged by the laws of our province to take further action. Will the minister commit, therefore, to following the recommendations of his own committee and listing the grizzly as threatened?

The next point. The government's management plan for the Kananaskis Valley would allow expansion of recreation facilities into elk, bighorn, and grizzly habitat. What action is the minister contemplating taking to protect wildlife in the area if such developments are to proceed? I hope they don't. I hope the minister can give me assurance on this.

Wolf modeling shows that the future of wolf populations in the central Rockies looks bright provided that wolves continue to

immigrate from neighbouring areas. Wildlife management cannot be dependent on a few protected areas. CPAWS indicates that the regulations for trapping and hunting wolves are very liberal. I don't mean liberal in the sense that my neighbour might take it. What action is the minister taking to tighten up hunting regulations in this area? There's a concern expressed again and again by CPAWS. I remember being in Canmore last year, and the CPAWS representative came to see me and put these matters and their concerns to me, so I have this opportunity. I hope the minister would address this.

A few more questions, Mr. Chairman. Can I go on for five more minutes or so?

The Chair: You have four.

Dr. Pannu: Okay. Four minutes. I'll try to race through it then.

Rangeland management, another area that's under your control. The percentage of rangeland leases in good standing has been steady at about 96 percent. This is what the business plan says on page 368. Why does the target drop to 90 percent? Again there's a lowering of the target.

The Natural Resources Conservation Board, another important agency that the minister has responsibility for. In 2002 the NRCB received 981 complaints involving 431 confined feeding operations, CFOs, or ILOs as they are now called. Only 36 enforcement orders were issued, one-third involving releases or potential releases of contaminated manure. Lisa Bechtold of SERLO, Society for Environmentally Responsible Livestock Operation, has criticized NRCB for having insufficient operators to enforce regulations. The process, of course, is complaint driven, as you well know.

Questions to the minister. Are there random inspections of these operations? What happened to the many complaints which were made but do not result in enforcement orders? Are current regulations that are requiring manure storage lagoons or outhouse technology, according to rancher Sherry Brock, sufficient to prevent contamination of water supplies? Can the minister make some comments on it and give assurances one way or the other?

Some ILOs are incorporating filter strips, aerobic composting, or high-temperature anaerobic digestion to prevent harmful bacteria from entering ground or surface water. Has the minister considered requiring these improvements on all factory farms?

So those are some of the questions, Minister. You can answer some now and others perhaps a little later in writing. Thank you, Mr. Chairman.

The Chair: The hon. minister.

Mr. Cardinal: Thank you, Mr. Chairman. Because of timing I will answer a few of the questions and the rest we will do in writing.

Very quickly, because I've mentioned this project before, the Calling Lake pilot project. You know, basically our department is committed to improving Alberta fisheries overall, and of course we're trying a variety of ways of doing that. One of the many things we are doing is the Calling Lake pilot project, which we established in the spring of 2002, and what we're doing is we're trying to balance the harvest and also the conservation at the same time. What we're doing with that lake, as a lot of you are aware, is that anglers can keep some fish caught only from a part of Calling Lake. One-half of it is closed and one-half you can fish, and we will monitor very closely. We're doing it jointly with the Alberta Conservation Association. We've done a lot of work through the past summer, and in fact the biologists have just completed a report which will be available in the very, very near future to people that may be interested. So it is definitely innovative and seems to be working quite well.

The other area I'll just briefly touch on, because I've touched on some already, is in relation to the wildfire fighting and control and some of the changes that we may be doing. Our objective is early detection of fires, early detection to improve that. So we can, for an example, improve our system of the towers we have out there and the communication system.

Then the other one, of course, is early response. At one time if, for an example, a fire started at, say, 9 o'clock in the evening, because of the policies we had in place, the water bombers wouldn't actually get there till 10:30 the next morning, somewhere in there, because the pilots could only fly a certain amount of hours in a day. What we did was we made sure that there was always a backup pilot in the future. Now if a fire starts in the evening by lightning, for an example, we will have water bombers on that site, if they're required, by 4:30 in the morning. That's part of the early response.

Of course, the other one is public education. We've been working with communities across the forested areas to try and make sure they're aware of the hazards of a wildfire and how they may in fact improve their own surroundings alone in order to reduce the danger of wildfires.

4:50

The other one we just announced between the Minister of Municipal Affairs and my department is a municipal wildfires assistance program, which has come into effect April 1. It is now in place, and what that will do is assist municipalities in the firefighting costs because most municipalities are not equipped to fight wildfires. They're more equipped to fight house fires, you know, building fires, and stuff like that but not forest fires. So we have a detailed plan which will come out publicly very shortly as to what that program is structured like. So I think that's an improvement.

The other one you touched briefly – and I'll be very brief on it – is the softwood lumber agreement or the lack of agreement. Although I'm not the head negotiator for that – the Minister of International and Intergovernmental Relations is the chief negotiator for Alberta in that agreement – I can make a few comments. We do have regular meetings, and we want to make sure that the industry in Alberta is looked after. There are three major areas. One is the large multinationals in some cases that are diversified companies that are out there. Then there are the others that are small, companies that produce less than 5 million board feet per year, loggers and sawmillers. There are about 125 of those, and that has, you know, a major impact across the province. So far we've managed to have those organizations exempted from the softwood lumber negotiations.

The area where it's really touchy is the mid-size companies, the companies that are, say, Alberta or Canadian owned. They're here. They're mid-size companies, and there's a real challenge if we have to change some of the plans that are brought forward by the U.S. One is tenure. They don't like to see the 20-year forest management plans. They like to see more public auctions of wood, and that would definitely have some impact on the sustainability of our forestry operations.

Although, you know, B.C. you mentioned is moving forward quite rapidly. I think they're in a little different situation. Fifty percent of the whole Canadian exports come from B.C. On the other hand, of all the exports in Canada we're only 7 percent. So we're reasonably small players. But it's about 1.1 billion board feet or 500 to 600 million dollars' worth of lumber we export to the U.S. So it does have some negative impact. We will have to work very closely with the industry, you know, with different levels of government, and of course other governments across Canada. So that's a real challenge.

I'll sit down now and will of course do the rest of the questions in writing to you.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I just have a couple more questions, and then the rest we'll put in writing for the minister because I'm anticipating that we'll end debate at about 5 o'clock this evening. So if the minister could talk to us a little bit about what's happening with the cross-ministry initiatives. Particularly, I'm interested in the aboriginal policy initiative. How long was this in the works for the planning stages, and when are we going to see some tangible outcomes and any other information you'd like to share?

The Chair: The hon. minister.

Mr. Cardinal: Yeah. Just very, very briefly on that. On the aboriginal issue there are some challenges in that area. I think most people would like to access jobs that are out there, regardless of whether you're aboriginal or not, and that's something, of course, our government supports to ensure that people have job opportunities. Although the cross-ministry initiative involves a number of ministries, a number of department staff, it is a process that just started. There is another lead minister in that area, and therefore it is only fair that we will do that in writing for you to ensure that you get proper information, updated information, because it involves more than one ministry.

Thank you.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. We have quite a few outstanding issues and questions around intensive livestock operations. In spite of the changes we've seen in the confined feeding operations, I guess, as they're called now, there still seem to be some issues. They're really issues about assessments of lagoons, about how it seems like there aren't very many standards in place, how in some cases we still have lagoons being built near aquifers and water sources. So what we're looking for here in this regard are stricter enforcement standards on the environmental side. The feedback that we're getting from the community is that the NRCB is essentially rubber-stamping some of these projects and not doing adequate investigation, particularly around the water supply. Then, on the other side of the coin, we don't seem to be seeing strict monitoring and action on tough standards either from a water or an air perspective. So that's a pretty big concern.

Also, in terms of intervenor status on these ILOs, we're seeing that the municipalities are given affected party status but other people may or may not be, so we think the affected party status needs to be reviewed and probably reviewed quickly.

Also, we've heard lots of concern about manure-spreading guidelines. Is there any expectation for changes to be made there? Certainly, I think we've progressed to the state in this province where the spraying that we've seen as being a traditional method in the past and the majority of the ways that this process was done are gone. I think we're into composting, I think we're into in-vessel kinds of separation of fluids and gases and solids, and we'd like some information on that. I'll ask the minister to provide some background on that in writing to us, and we'll submit the rest of our questions in writing as well and look to a slightly early conclusion this afternoon.

Thank you.

Mr. Cardinal: Just very briefly, Mr. Chairman, I'd like to take the opportunity to thank my staff for their continued work throughout

the year. They come here to work with the other 1,900 staff we have out there, and I'd like to thank them for all their work throughout the year. Also, I'd like to thank the Official Opposition and the third party for their positive critique on our department and their good recommendations. We are a team, and I'm sure we have challenges, but we'll meet those challenges.

The Chair: After considering the business plan and proposed estimates for the Department of Sustainable Resource Development for the fiscal year ending March 31, 2004, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:

Operating Expense and	
Equipment/Inventory Purchases	\$191,698,000
Capital Investment	\$3,200,000

The Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

5:00

Mr. Zwozdesky: Thank you, Mr. Chairman. I would move that the committee now rise and report the estimates of Alberta Sustainable Resource Development, which were so very well presented today, I might add.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Sustainable Resource Development: operating expense and equipment/inventory purchases, \$191,698,000; capital investment, \$3,200,000.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Just before I put the adjournment motion forward, I would like to just take a moment to wish all the mothers who are listening a very happy Mother's Day this weekend, beginning with my own mother, Anna, and my wife, Christine, all the spouses of the members here, and all Albertans. Have a happy Mother's Day.

With that, may I simply say that we call it 5:30 now and adjourn until 1:30 p.m. on Monday.

[Motion carried; at 5:03 p.m. the Assembly adjourned to Monday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Monday, May 12, 2003**

1:30 p.m.

Date: 2003/05/12

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon. Welcome back.

Let us pray. O God, grant that we the members of our province's Legislature may fulfill our office with honesty and integrity. May our first concern be for the good of all our citizens. Guide our deliberations this day. Amen.

Hon. members, would you please remain standing now for the singing of our national anthem. Please participate in the language of your choice. We'll be led today by Mr. Paul Lorieau.

Hon. Members:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

The Speaker: Please be seated.

head: **Introduction of Visitors**

The Speaker: The hon. Minister of Aboriginal Affairs and Northern Development.

Ms Calahasen: Thank you, Mr. Speaker. I'm really pleased today to introduce members of a delegation from the Northwest Territories whom I met earlier this morning. They're here to attend the Meet the North Conference and Exposition as well as to extend a significant agreement. The governments of Alberta and the Northwest Territories signed a memorandum of understanding in 1998 as a way to advance co-operation between two important neighbours. We have now agreed to extend the memorandum of understanding for co-operation and development for another five years, to the year 2008. Alberta and the Northwest Territories have been able to work together on various initiatives related to such subjects as tourism, transportation, and skill development. I can tell you that we're looking forward to continuing our very positive relationship.

Our special guests are seated in the Speaker's gallery, and as I introduce them, I would ask them to rise and receive the traditional warm welcome of the Assembly. With us is the Hon. Vince Steen. Mr. Steen is the MLA for Nunakput, and he is the Minister of Public Works and Services and also the Minister of Municipal and Community Affairs. Also with him is the Hon. Jake Ootes, Minister of Education, Culture and Employment and the MLA for Yellowknife-Centre. With them are their deputy ministers Peter Vician, Department of Transportation, and Loretta Foley, Department of Education, Culture and Employment; Doug Doan, the assistant deputy minister of Resources, Wildlife and Economic Development; Gerry LePrieur, director of Tourism, Resources, Wildlife and Economic Development; Kat Nicholson, executive assistant to the Hon. Vince Steen; and Bernie Hughes, senior policy analyst, intergovernmental affairs and strategic planning, Department of Executive.

The Speaker: The hon. Deputy Speaker.

Mr. Tannas: Thank you, Mr. Speaker. It's my honour to introduce to you and through you to members of the Assembly four visitors who are seated in your gallery this afternoon. Visiting our Assembly today are the Hon. Steven Bamwanga, Member of Parliament for the Republic of Uganda, and his daughter Hazel Mbabazi and niece Joelle Inashaka, and nephew Steven Kizito. The latter three are in secondary studies here in Alberta. Mr. Bamwanga represents the constituency of Ndorwa County West, Kabale, an area of Uganda that I had the pleasure of visiting some years ago. As you may recall, I visited the Parliament of Uganda last September and was graciously hosted by Speaker Ssekandi. Mr. Bamwanga and family are in Alberta. He will be touring the Legislature Building later this afternoon. I would ask all hon. members to extend them the warm traditional welcome of the Assembly.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you very much, Mr. Speaker. It's my great honour to introduce to you once again and in turn through you to all members of the Assembly a very special constituent of mine, Dr. Pal Singh Purewal, who is seated in your gallery. Following many long years of research and writing, Dr. Purewal created the first ever Nanakshahi calendar, which as of April 14, 2003, has been accepted by the highest authority managing Sikh Gurdwaras in India as the official calendar, standardizing significant religious dates for Sikhism, which was an enormous task, to say the least.

For this unique achievement Dr. Purewal has recently been recognized with special tributes in San José, Baltimore, New York, Washington D.C., India, and also in the United Kingdom in Southall, Hounslow, and Derby. While in the United Kingdom Dr. Purewal received a very special honorary doctorate for his significant accomplishment. This past weekend I personally had the great privilege of honouring him further with the presentation of a Queen's golden jubilee medal, symbolizing our recognition of his great work. Dr. Pal Singh Purewal is a very proud Canadian, an esteemed Albertan, and a truly invaluable Edmontonian, which he has been since 1974. [remarks in Punjabi]

May the complete blessings of the Gurus be upon you! A million congratulations! [as submitted]

He has now risen, and I would ask that his lovely wife, Gurjit, and their lovely daughter Virendra Delhon also rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Glenora.

Mr. Hutton: Thank you very much, Mr. Speaker. It is a thrill, an honour, and a privilege to introduce to you and through you to members of the Assembly Sandy Jacobson, the fastest woman marathoner in Canada, another reason to call Edmonton the city of champions. Sandy is seated in your gallery. Yesterday morning in Ottawa Sandy ran a 2:33:51, which is the fastest time in Canada in a number of years. Sandy will be competing in the Worlds in Paris, France, and then on to the Olympics in 2004. This champion and I ran thousands of miles together when she was just very good, and now she is an extraordinary world-class athlete. She has excelled in her sport while working full-time and raising her son Jessie.

With Sandy today is her boss, Dr. Robert Steadward, founder and director of the Steadward Centre for Personal & Physical Achievement. For those of you who don't know, the Steadward centre assists people with disabilities to lead more active and productive lives. I would ask Sandy and Dr. Steadward to please rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Airdrie-Rocky View.

Ms Haley: Thank you so much, Mr. Speaker. I have two introductions today, and I'm very proud to be able to introduce these two different groups. The first is the government members' research branch, which I'm very honoured to have under contract through my office. I'd like to begin with the senior researcher, Mr. Jason Ennis, who is actually originally from Airdrie and has been working in Edmonton for the past three years; Mike Simpson, one of our drama guys as well – not only is he a great researcher, but he also writes plays – Dan Hanson; Andrea Hennig, the only lady we could find strong enough to work with all these guys; Eric Taylor, who is just brand new in our branch; Emir Mehinagic from Bosnia; Bindoo Mangat; Frank Ostlinger, who is originally from Sweden, and we introduced him a little while back; Greg McFarlane; and Matt Stepan. I'm very honoured to have them here working for our 49 private members and government in general. I'd ask that they please rise and receive the warm welcome of this Chamber.

Mr. Speaker, I have a second introduction, and I'll just be very brief. It's the three guys that make it all possible in the whip's office for me to do my job and for this caucus to actually function. I'm very honoured to work with Jason Zwarg, Bartek Kienc, and David Michalchuk, our caucus director, who in fact is responsible for almost 40 contracts for staff for our 49 private members. They do a wonderful job for all of us. Please rise and receive the warm welcome of this House.

1:40

The Speaker: The hon. Solicitor General.

Mrs. Forsyth: Thank you, Mr. Speaker. Today I'm pleased to introduce to you and through you to all the members of the Assembly a friend who has joined us from our beautiful neighbouring province of British Columbia. Sheila O'Brien has come to see firsthand the workings of our Legislature. She has been kind enough to bring the sunshine with her and has assured me she will be leaving it here so we can enjoy it. I would ask that Sheila rise to accept the warm welcome of the Assembly.

The Speaker: The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Thank you, Mr. Speaker. It's a real privilege for me today to introduce to you and through you to all members of the Assembly nine wonderful students and two accompanying adults. Mrs. Deana Ford and Mr. Harry Kulak are here with some students from the Minburn-Innisfree area. They attend Innisfree Delnorte school. Would they please rise and accept the warm welcome of this Assembly.

The Speaker: The hon. Member for Clover Bar-Fort Saskatchewan.

Mr. Lougheed: Thank you, Mr. Speaker. It's my pleasure to introduce to you today a student from the University of Alberta, science and engineering, Mark Ruhl, a resident of Sherwood Park working in the Clover Bar-Fort Saskatchewan constituency office this summer. Mark has risen. Would we please welcome him with the traditional welcome.

The Speaker: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you very much, Mr. Speaker. It's a pleasure to introduce to you and through you to members of this Assembly Mr. Daniel Garsonnin, who is attending the Assembly today. He's

a resident of St. Albert. He's an aviation enthusiast, and he spends a great deal of his time attending classrooms and enthusing students about aviation and has been in the classroom of the wife of the hon. Member for Clover Bar-Fort Saskatchewan. I'd ask him to please rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Speaker. I'm pleased today to introduce to you and through you to members of the Assembly 12 enthusiastic summer support staff who will be working in various caucuses and branches of the Legislative Assembly Office. They are: Terris Schultz, Michelle Lo, Michael Buuman, Niyam Sandhu, Sandra Anderson, Jason Yaremchuk, Jessica Labbé, Nick Fowler, Vincent Tong, Chelsea Reid, Sonia Nadeau, and Robyn Westbrooke. I'd ask them to stand and receive the warm traditional welcome of the Assembly.

The Speaker: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. It is indeed a pleasure for me today to rise and introduce to you and to all members of the Assembly an individual, a Grande Prairie-Smoky constituent and longtime resident of the Grande Prairie area, certainly no stranger to many Albertans in the agriculture business. Mr. Gilbert Balderston has spent innumerable hours working on behalf of all Albertans on a number of agricultural committees, and I would ask Gilbert to please rise at this time and accept the warm welcome of this Assembly.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. It's an honour for me to rise today – and it seems a very appropriate time coming one day after Mother's Day – to introduce to you and through you to all members of the Assembly a person very special to me. My mother is here today. She was born Constance Leora Mattie in New Norway, Alberta, and I won't say how many years ago, but she did marry my dad some 55 years ago. She was an incredibly dedicated school-teacher for most of her career. She started the Lakedell Public Library and raised seven kids on the homestead, all at the same time. Now six of them have university degrees, leaving me the bum in the family, so she's often wondering when I'm going to get a decent education and a stable job. She's in the public gallery, and I would ask her to rise and receive the warm traditional welcome of this Assembly.

The Speaker: The hon. member did not indicate whether or not Mommy was proud of him, though.

The hon. Member for Calgary-Shaw.

Mrs. Ady: Thank you, Mr. Speaker. It's my privilege today to be able to rise and introduce an extension of Mother's Day for me, my oldest of four sons. His name is Justin Ady. He's home for the summer, just returned from Brigham Young University, where he's studying neuroscience. That would make him the oldest grandson of a past hon. member, Jack Ady. If Justin would rise, I'd ask that you would extend the warm welcome of the House.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a pleasure to introduce to you and through you to all hon. members of

this Assembly 27 polite, intelligent students from Forest Heights elementary school. They're visiting the Legislative Assembly for the entire week as part of their class, and they are led today by their capable and hardworking teacher, Ms Amanda Burnett. They're in the public gallery. I would now ask them to please rise and receive the warm and traditional welcome of this Assembly.

Thank you.

The Speaker: The hon. Minister of Aboriginal Affairs and Northern Development.

Ms Calahasen: Well, thank you, Mr. Speaker. Again I have the greatest pleasure of introducing to you and through you to members of the Assembly some very special guests that are in the members' gallery. There are about 50 of them from Roland Michener secondary school. They're led here by their teacher, Ms Tracey Crain, and parent helpers Mr. Rod Pryce, Mrs. Elana Campsall, Mrs. Penny Yachimec, Mrs. Cindy Gryschuk, Mrs. Anita Robinson, and Mrs. Marcia Walker. They are all seated there. I'd ask that they rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Minister of Children's Services.

Ms Evans: Thank you, Mr. Speaker. What an honour today to rise and introduce two very important family members particularly important to Sarah Monkman, one of our pages. Her mother, Cheryl Monkman, and her oma, Nellie Schenk, are in the members' gallery. I'd ask that they please rise and that we give them a warm welcome.

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. It's my pleasure to introduce to you another special constituent of mine, who's just arrived in the members' gallery. His name is Orest Porayko. He's a keen follower of things public and things political, and I'd ask him to rise and receive the warm welcome of all members.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to the Legislative Assembly two gentlemen who are seated in the members' gallery. Mr. Darshan Kailly is president of the Transportation Training and Development Association and is also president and CEO of Canadian Freightways Limited. He is here today with Dr. Cliff Soper, who is executive director of the Transportation Training and Development Association and a prominent constituent of Lacombe-Stettler. I will add that he is also my past organic chemistry professor. I had the opportunity of meeting with these gentlemen this morning and signed an MOU to implement a professional drivers' training program in Alberta that is strongly supported by both the transportation and busing industries in Alberta. I would ask them to rise and receive the warm welcome of the Legislative Assembly.

head: **Oral Question Period**

Electricity Deregulation

Dr. Nicol: Mr. Speaker, last week in a ballroom in Banff the Minister of Energy announced that the cost of transmission would be added to already high power bills. This decision, which was made behind closed doors, marks an abrupt change in the government policy and has created uncertainty for electricity consumers and power companies alike. To the Premier: how many more key

decisions about electricity deregulation will be made behind closed doors before the new Electric Utilities Act comes into effect on June 1?

Mr. Klein: None that I can think of, Mr. Speaker, but when the hon. leader of the Liberal opposition talks about behind closed doors, I would remind the hon. leader that his caucus meets behind closed doors. They strategize with their constituents behind closed doors. Our caucus meets behind closed doors. Our cabinet meets behind closed doors. In some cases standing policy committees meet behind closed doors. In some cases they don't meet behind closed doors. What's good for the goose is good for the gander. [interjections] Well, if they're going to stand up and say that their caucus is wide open for everyone to hear and everyone to judge and everyone to participate, then we'll have to reconsider our caucus as well.

1:50

Dr. Nicol: To the Premier: what programs have been put in place to encourage power companies to invest in Alberta given that the stable and predictable regulatory environment necessary for investors has been lost?

Mr. Klein: Mr. Speaker, the preamble is not true. Indeed, deregulation, when it's complete, when everything is final, will provide stability, will hopefully through competition provide lower prices, will ensure that we have an adequate supply of energy, and indeed we're already experiencing some of these things. We will have tremendous capacity to generate that electricity for the needs of Albertans and maybe sometime down the road to give the electrical companies the opportunity to export if there's a surplus of electricity or electricity that's surplus to Alberta's needs. So I don't agree at all with the preamble to the question.

Dr. Nicol: Again to the Premier: why is this government now picking favourites among power companies by changing regulations when the new Electric Utilities Act was supposed to level the playing field?

Mr. Klein: Mr. Speaker, I have no idea what the hon. leader of the Liberal opposition is talking about when he says, "Picking favourites." Perhaps the hon. Minister of Energy can supplement.

Mr. Smith: Well, Mr. Speaker, there are so many inaccuracies and so much misunderstanding over there, I'm surprised that the member has been around for the discussion on this. It's very clear that transmission has never been deregulated. The deregulated part was the generation side and the ability to compete for customers on the retail side. Transmission is a natural monopoly. It's been around forever, and all that we're doing is reinforcing the policy that was in place before a transmission administrator came up with the policy of congestion management, that in fact was rejected by government.

So, in fact, Mr. Speaker, if the member would go back to "behind closed doors" and the Bolger commission, the Premier's advisory council on electrical issues, which posted their report on the web site for the Department of Energy, of which the Member for Edmonton-Highlands is an active, seeking member, one of the kids from the Kremlin, what happens is that the policy is straightforward in the Bolger report: "Develop a comprehensive policy on transmission that will encourage transmission and generation to compete for the overall lowest cost." We've listened, we've reacted, and that's the policy today, and we're going through consultation.

Dr. Nicol: But he changes his mind all the time.

Last week the Premier admitted that deregulation has not gone well, but the Premier still won't unplug deregulation to bring lower power bills to Albertans. Instead, the Premier expects Albertans to be satisfied with another committee just studying the problem. Why is the Premier deliberately telling Albertans that deregulation can't be unplugged when both California and Ontario have unplugged theirs?

Mr. Klein: Mr. Speaker, I guess deregulation can be unplugged. I guess you can try to undo almost 10 years of hard, diligent work to bring about a deregulated environment. I guess you can say to Albertans that we no longer believe in entrepreneurship and free enterprise and that we want to go back to a socialist, state-owned system, but I don't think that Albertans want that, and we certainly don't want that.

Mr. Speaker, what I did say is that we are not going back on deregulation, but, yes, as you try something new, when you have the courage and the commitment to go out and try to make things better, there are going to be a few bumps along the road. The electrical advisory committee will have its mandate expanded to look at some of the billing issues, some of the issues that affect consumers, and hopefully we can get some of those problems smoothed out as we forge ahead with electrical deregulation.

Dr. Nicol: Again to the Premier: how can unplugging deregulation possibly create any more uncertainty than has already been created by you continually changing the rules?

Mr. Klein: Mr. Speaker, we don't continue to change the rules. The fundamental principles have always remained the same; that is, to deregulate generation, to get more generation onstream, which is happening, on the retail side to bring more retailers into the market, to provide competitive situations to bring the price down. That indeed is happening. There are some areas of the province where problems are being experienced, and that is what, among other things, the expanded membership and the expanded mandate of the electrical advisory committee is required to look at.

Dr. Nicol: To the Premier: do you not see problems for Albertans with the fact that you've shifted from an averaging of cost-based generation to the highest bid pricing system for electricity?

Mr. Klein: Mr. Speaker, relative to how the Power Pool deals with pricing, I'll have the hon. minister respond.

Mr. Smith: Mr. Speaker, again we'll try to throw some clarity the member opposite's way. One, it's important that he know that transmission has been regulated, that in fact 3,000 megawatts of new generation came under the existing policy of transmission, and that's why it's going to stay the same. It's worked, and it's working well. It brings on low-cost generation. It brings on coal-fired generation as they're building new, cleaner coal-burning technologies for generating electricity. It also brings on the ability to deliver new power from the oil sands, where those turbines can be installed where the steam is already being generated.

As a matter of fact, Mr. Speaker, if we were to listen at all to the member opposite's discussion about changing the rule, don't change the rule, bring on low-cost generation, put in high-cost generation, none of it would work. So when he comes up with a reasonable thought on transmission, we'd be more than pleased to listen to him, as we have in other cases.

Mr. MacDonald: Mr. Speaker, exporting electricity from Alberta

will drive up demand and further increase the price of electricity for Alberta's already besieged consumers. During the last election the Premier promised that any new power to come onstream would lower the price of electricity for Alberta consumers. This promise, like so many others made during the last election, has been broken by this government. To the Premier: why does this government continue to develop an electricity export policy behind closed doors, far from the scrutiny of the besieged consumers, who, we learned last week, are going to be forced to pay the entire costs of transmission tariffs and construction of new lines?

Mr. Klein: The construction of new lines relates to the construction of lines in Alberta, and actually this is a good thing, albeit the opposition would not consider it a good thing, because anything that is good, they consider to be bad, and anything that's bad, they consider to be good. That is simply the nature of the opposition. If we say that it's day, no, it's night to them, and if it's nighttime, of course they say that it's day.

But, Mr. Speaker, the simple fact is – and this is the good part of the situation – that the new transmission capacity is required because of new generation, and new generation is a good thing. New coal generation at Wabamun is a good thing. New cogeneration at the tar sands is a good thing. New wind power in southern Alberta is a good thing. These things wouldn't have happened without deregulation. There was no desire to invest in the generation of new electricity unless there were massive government subsidies. This is really quite true, and they know it. They just don't want to admit it, because when we're right, they're normally wrong. It's like day and night: we're right; they're wrong.

2:00

Mr. MacDonald: Again to the Premier: given that the Premier allowed a bad ideology, which is electricity deregulation, to be followed by further bad public policy, when will this government hold a series of public hearings across the province to allow citizens a say in determining Alberta's electricity export policy given that exports of electricity will increase power prices for domestic consumers in this province?

Mr. Klein: Mr. Speaker, that is a faulty and very dangerous assumption, but, you know, the Liberals are known for making dangerous statements, inflammatory statements. The export policy is clear. Only when the needs of Albertans are met will utility companies be allowed to export, and they will be allowed to export surplus power only. Any lines that are to be built south of the border or outside the confines of Alberta will have to be paid for by the utility companies, and how they pay for those lines is entirely up to them. If they want to charge the consumers in those jurisdictions, that is entirely up to them.

Mr. MacDonald: Again to the Premier. Conservatives are known for breaking their election promises. Now, can you please tell us how the Power Pool is going to reduce prices for electricity in this province in the next year? How is the Power Pool going to lower prices?

Mr. Klein: Mr. Speaker, I don't know if it's going to happen in the next year, but I can tell you that the price of electricity has come down. The price of electricity has come down. They are only telling part of the truth. The total bills have gone up, and these billing practices, as we understand it, are due to a number of other factors, factors other than the actual price of electricity: various service charges, peak demand charges, franchise fees, and so on. We want

to get to the bottom of those extra charges. The price of electricity has gone down. We want to investigate some of their billing practices, and that's why we have added to the Advisory Council on Electricity the MLA for Leduc and the MLA for Whitecourt-St. Anne.

The Speaker: The hon. leader of the third party.

Education Funding

Dr. Pannu: Thank you very much, Mr. Speaker. Alberta's third largest school district, Calgary Catholic, has launched an advocacy campaign asking parents to urge the Tory government to cover a projected \$9.5 million shortfall in its next year's budget. I'll be tabling Calgary Catholic's advocacy action plan later this afternoon. Like other big school boards Calgary Catholic is facing a huge budget shortfall in September unless the province comes through with adequate funding support. My questions are to the Minister of Learning. How can the minister justify the deep program cuts, staffing reductions, and increases in class sizes that his budget is forcing on Calgary Catholic and many other school boards across the province come September?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much, Mr. Speaker. First of all, the Calgary Catholic school division received an increase of about 3.36 percent, or about \$8 million, this year. Eight million dollars is a significant number. Included in that is a drop in enrollment. They are anticipating a slight drop in enrollment. This year, as the hon. Members of this Legislative Assembly know, the amount of increase to the K to 12 portion of my budget went up around 4.9 percent, which is a significant amount of dollars. It's \$191 million that went into the K to 12 system. There's been a huge amount of money that has been put into the system over the past four years.

I had the opportunity last week of talking to the chair of Calgary Catholic, Mrs. Lois Burke-Gaffney, and we discussed some of their issues. One of the issues was operations and maintenance. We also discussed a few other things. Mr. Speaker, it is a preliminary budget. They're going to be working on it. They felt it was their obligation to send home to their parents exactly what was going on within the school district. She also told me that they encouraged the parents to contact their local MLA, and that is what the hon. member is now seeing the consequence of.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My second question to the same minister: how can the minister defend restricting school instructional grant increases – I'm talking about the school instructional grant – to only 2 percent when the inflation rate in Alberta over the past year is 7.6 percent?

Dr. Oberg: Well, Mr. Speaker, the hon. member fully well knows that the instructional grant is just one part of an overall package of funds that goes to the school system. Included in this year, starting September 1 of this year, is the ultimate flexibility in how these people can use the dollars. The only things that are basically enveloped anymore are administration, AISI funds, student health, technology, and the SuperNet component of it. So they have the flexibility.

To say that there was only a 2 percent grant is absolutely wrong. Two percent was used to calculate exactly the amount of the per

student grant. Included in that, obviously, is the number of students. Included in that is the 3 percent transportation grant. Included in that is an 8 percent severe special-needs increase. All of these things combine to give the actual pot of money, so to speak, that the school districts will receive, and in Calgary Catholic's case, assuming a slight decline in enrollment, the actual amount of dollars that they have received is 3.36 percent, or very close to \$8 million.

Dr. Pannu: My final supplementary to the same minister, Mr. Speaker: given the alleged political cloud of the Calgary Tory caucus and the ineffectiveness of the Edmonton Tory caucus, will the minister guarantee that any future financial adjustments benefiting Calgary school boards will also be provided on exactly the same terms and conditions to Edmonton school boards?

Dr. Oberg: Mr. Speaker, the preamble was one hundred percent hypothetical.

The Speaker: The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Mill Woods.

WCB Policy on Fibromyalgia

Mr. Cao: Thank you, Mr. Speaker. Given that the Appeals Commission for injured workers' claims posts their decisions and rulings publicly on the Internet, I would like to congratulate the Minister of Human Resources and Employment on implementing this open system. I have received many positive comments from injured worker constituents regarding this open posting. According to a constituent, decision 2003-66 by the Appeals Commission, dated January 30, 2003, accepts fibromyalgia as a work-related injury. It states: "There is a causal relationship between the worker's diagnosed fibromyalgia condition and his December 11, 1995, compensable accident. Therefore, the WCB does have responsibility for fibromyalgia." My question today is to the Minister of Human Resources and Employment, responsible for WCB matters. Could the minister help to look into this and follow up the subject of fibromyalgia with the WCB?

Mr. Dunford: Mr. Speaker, yes, we will. There's a point that I feel particularly pleased about in the preamble of the question, and that is that with the appeal system in Alberta we now have a more open and accountable system in the sense that decisions are being posted on the web site. What I'm not entirely convinced of, though, is that there has been a decision exactly as might have been indicated, and of course we'll look into that on behalf of the hon. member.

2:10

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. Given that this decision or ruling by the court suggests recommending that the WCB as public policy should review other cases relating to fibromyalgia, I would like to ask the same minister if WCB policy on fibromyalgia has already been reviewed or if any changes have been made?

Mr. Dunford: Mr. Speaker, I've been briefed on this matter in the sense of the review, and I'm pleased to report that it was last updated back in June of 2001 and might note for the record that this was done as part of WCB's initiative to review the research on a periodic basis as it relates to different kinds of occupational disease and discomfort.

The Speaker: The hon. member.

Mr. Cao: Well, thank you, Mr. Speaker. My last supplemental question is dealing with these claims. How would an injured worker who is in a similar situation as in those cases deal with the WCB right now?

Mr. Dunford: Mr. Speaker, under the legislation the WCB would be responsible for reviewing any kind of evidence that was forthcoming regarding a particular situation. I might add that there's no time limitation on any of that evidence. So, again, the Workers' Compensation Act has provided the operating board and the administration with the responsibility of dealing with evidence as it comes to them. I think now in light of the more open and accountable system that we have with WCB and with our Appeals Commission that more information is likely, then, to be available to all workers here in the province, particularly workers that have experienced an injury, and hopefully this new information and this information that's available will attempt to shorten the time that's required on many of these cases.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Edmonton-Castle Downs.

Education Funding

(continued)

Dr. Massey: Thank you, Mr. Speaker. Estimates are that at least 800 teaching positions provincewide will be lost as a result of the latest instructional budget. The minister's response seems to be: don't worry; most of these will be covered by retirements or resignations. My questions are to the Minister of Learning. How are junior and senior high schools losing math and English teaching specialists supposed to cover this loss?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much, Mr. Speaker. I would certainly hope that if there are teachers lost, if there are teachers that are not rehired next year, they would have the ability to pick and choose which teachers are laid off, which teachers are not going to be back, and I would certainly hope that math and science and some of the English teachers are some of the ones that they keep.

The Speaker: The hon. member.

Dr. Massey: Thanks. Again to the same minister: with over 80 percent of kindergarten children and 90 percent of first graders already in classes of 17 or more students, what's going to be the effect of not replacing primary grade teachers?

Dr. Oberg: Mr. Speaker, the average kindergarten class size in Alberta is 19. The average 1 to 6 class size in Alberta is around 23. There are lots of different alternatives that school boards can do with their budgets, and that's currently what is happening with many of the school jurisdictions. They are going through their budgets and seeing what is the best way that they can keep within it.

I must reiterate, Mr. Speaker, that there was not a budget freeze. There were not cuts to the budget. What we were looking at was anywhere between a 3 and 4 percent increase, on average, to the school boards.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the minister: what does the

projected impact of losing 800 teachers mean to class size in this province? Has he done the projections?

Dr. Oberg: Again, there are a considerable number of wild cards in that scenario, and I will give you one right now. They are anticipating in Edmonton public, for example, the hours of instruction. A simple six minutes a day made a huge difference to the amount of instructional time, the amount of dollars that were saved within Edmonton. A lot of school boards are looking at instructional time. I don't need to explain to the hon. member that if the instructional time goes up, the class size does not go up. So these are some of the options that school boards are presently looking at.

The Speaker: The hon. Member for Edmonton-Castle Downs, followed by the hon. Member for Edmonton-Riverview.

Mr. Lukaszuk: Thank you, Mr. Speaker. When Edmonton public school board projected a 13 and a half million dollar shortfall for 2002 and 2003, the Minister of Learning announced that his department would conduct an audit of the board. Earlier this week the Calgary board of education spoke of a potential \$32 million deficit. My questions today are to the Minister of Learning. Since the circumstances between these two school boards appear to be similar, why is it that you are not conducting an audit of the Calgary school board?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. In all fairness, the circumstances are anything but similar. For the year 2002-2003 you had Edmonton public coming out and saying that they were going to have a 13 and a half million dollar deficit. Calgary public was balanced this year. Also, Calgary public in their preliminary budget came out and said that they were \$32 million short of what they felt that they needed. So we will not be conducting an audit. In Edmonton's case, it was done about six or seven months through the school year, at which time we were notified of the existing year.

Mr. Speaker, Calgary public has been very forthcoming in their books, and indeed we actually have been working quite closely with them since October of last year, so we will continue working with them. We have to find out exactly what is going on with their budget. I will tell the hon. member that I had a brief opportunity to talk to Gordon Dirks, the chair of Calgary public, on Friday, but we will be having a conversation this week where we will sit down and go over their budget in much greater detail, and hopefully that will happen this week.

The Speaker: The hon. member.

Mr. Lukaszuk: Thank you, Mr. Speaker. My second and final question to the same minister. The Calgary board has highlighted that full implementation of the new funding framework would benefit them. Will Edmonton public and Catholic also see benefits from that framework?

Dr. Oberg: Well, Mr. Speaker, the new funding formula is an excellent funding formula, and I would say right off the bat that I feel that the metro boards probably would be helped. One of the riders in the new funding formula is the number of aboriginal students. Up until now the aboriginal students have not been funded separately. We also have in the new funding formula almost an economy of scale rider which basically states that there is a cost of doing business in some of the larger boards. Very important for

Calgary is the cost-of-living adjustment. This is the first time that a cost-of-living adjustment has been put into a funding formula.

So overall, Mr. Speaker, I would say that the new funding formula would benefit them. I think that for every school board the flexibility that is included in the new funding formula is something that is extremely good and should benefit all school boards, not just the four metro boards.

Air Quality at Holy Cross Hospital

Dr. Taft: Mr. Speaker, in recent years toxic mold has led to the closure of the Calgary Court of Appeal building, the closure of parts of the Rockyview hospital, and the closure of Children's Services offices in Calgary. Now the Liberal opposition has learned that tests were conducted in the summer of 2001 for mold at the former Holy Cross hospital and that the results of these tests should be of concern to the public. However, they were never released. To the Minister of Infrastructure: given that exposure to toxic molds can lead to headaches, nausea, respiratory illness, bleeding of the lungs, and cancer, why have tests for mold at the Holy Cross never been made available to the public?

Mr. Lund: Mr. Speaker, I think it's very important that we put this whole thing in context. Back in 2001 we were looking for a site to house the Court of Appeal in Calgary. There were a number of sites being looked at at the same time. One of those was the Holy Cross hospital. One of the things that we needed to do in all locations was have an indoor air quality examination. It's true that there was at least a start on that particular process relative to the Holy Cross. The Holy Cross did not measure up in some other areas, so in fact I'm not even sure if the study was ever completed on the air quality, because there were other issues that determined that in fact that wasn't a suitable location for the Court of Appeal.

2:20

Dr. Taft: That's an amazing confession.

Mr. Speaker, given that there are 42 long-term care residents as well as dozens of nurses, doctors, and other support staff at the Holy Cross, will the minister immediately release all test results for mold at that site? It seems the site failed the tests.

Mr. Lund: Well, Mr. Speaker, I just indicated that before the testing was completed, we had abandoned that site as a possible site to house the Court of Appeal. The fact is that we sold the building back in the late '90s, so the only reason that we were asking for an indoor air quality examination was to see if in fact it was suitable to house the Court of Appeal. But other issues came up, and it was determined that it was not a suitable place. I'm not even sure that the air quality report was ever completed, and if it was, I'm not sure where it's at.

So if the hon. member thinks that there is something there that he needs to know and that the public needs to know, there's a process for doing it, and he can put in a request under freedom of information. That's very simple. It's straightforward. If the commissioner determines that it's something that needs to be out there in the public, he will get it.

Dr. Taft: To the Minister of Health and Wellness: given that a variety of publicly funded health services, like long-term care and eye surgery, are provided at the Holy Cross, can the minister assure Calgarians that the Holy Cross is a safe environment?

Mr. Mar: Mr. Speaker, the Holy Cross facility does provide certain services that are used by the public, that are publicly paid for

services provided under contract to the regional health authority. As I've indicated in the past, the regional health authority takes the safety of its employees and its patients as being a number one priority, and in cases in other public facilities where the issue of mold has come up, they have not only done what they've needed to do. They've gone beyond that which is required to ensure that there is safety for both patients and staff. I'm assured by the regional health authority that that would be true also when the regional health authority accepts services from a private surgical facility under contract to provide services to the regional health authority, that they still maintain the importance of the safety of their patients, in that particular case, as a top priority and that the regional health authority will take whatever steps are necessary to ensure that safety of patients is not jeopardized.

The Speaker: The hon. Member for Edmonton-Manning, followed by the hon. Member for Edmonton-Centre.

Education Property Taxes

Mr. Vandermeer: Thank you, Mr. Speaker. Following Calgary's and Edmonton's implementation of the market value assessment in 1999, the province decided to address concerns about significant increases in education property taxes in municipalities experiencing high growth. Therefore, the province enacted the mitigation formula. Now the city of Edmonton will see a whopping 8.9 percent increase in the education tax this year. My questions are for the Minister of Finance. Why are school property taxes increasing by 8.9 percent in the city of Edmonton?

The Speaker: The hon. minister.

Mrs. Nelson: Thank you, Mr. Speaker. Actually, due to the mitigation program that has been put in place, no requisition for school property tax in this province will exceed 8 percent. In the case of the city of Edmonton, the suggestion that it is 8.9 percent includes a 1.3 percent adjustment from prior years, so the actual requisition this year is 7.6 percent for the city of Edmonton.

The Speaker: The hon. member.

Mr. Vandermeer: Thank you, Mr. Speaker. To the same minister: does the provincial mitigation formula favour some municipalities over others?

Mrs. Nelson: Mr. Speaker, the mitigation formula is put in place so that there is a balance across the province, to make sure that school requisitions include components like capping and averaging so that we have a more uniform basis across the province. This is very important so that you don't have huge jolts from year to year occurring within the requisition process.

The Speaker: The hon. member.

Mr. Vandermeer: Thank you, Mr. Speaker. To the same minister: is the province planning to continue to implement a mitigation formula in future years?

Mrs. Nelson: I believe, Mr. Speaker, that this formula process has been successful, and we would continue on with this process. Let me just say one thing. Since 1999 – and I know the hon. member is representing his riding, as all Edmonton MLAs are doing, and there is a concern that has been expressed here – there has been an

increased growth in assessment in the city of Edmonton of about 35 percent, but at the same time the requisition amount went down by 3 percent.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Edmonton-Highlands.

Jubilee Auditoria Renovations

Ms Blakeman: Thank you, Mr. Speaker. The anticipated renovation of the Jubilee auditoria will result in the destruction and elimination of the Kaasa Theatre in Edmonton and the Betty Mitchell Theatre in Calgary. There are no plans to replace these spaces, resulting in the loss of two theatres from the province. The Minister of Community Development recently defended this by noting that putting the air conditioning units in another place and sparing the Kaasa would result in the loss of spaces in the parking lot. My questions are to the Minister of Community Development. Why did the minister okay the permanent loss of two much-used, prime, medium-sized theatre venues in Alberta?

Mr. Zwozdesky: Well, Mr. Speaker, the fact is that both Jubilee auditoria are approaching about a 50-year age bracket, and there are a number of improvements that have been cited both by audience goers as well as by theatre users, renters, and by the major performing groups who utilize the theatres. Now, in both Edmonton and Calgary the circumstances are such that a new ventilation system is required, a new acoustic design is required, and in order to accommodate the elimination of severe drafting and other problems associated with discomfort of all users, we need to look at how to bring in a completely overhauled ventilation system. In order to house that system, it will have to take place underneath the raked part of the audience chamber and some of the staging.

I should say, Mr. Speaker, that this is not a new revelation. These have been under discussion for quite some time, and I know that the Department of Infrastructure, that is working on this, has done a lot of work in researching and providing other background information to see how best to bring about those changes with the minimum amount of displacement. Unfortunately, in order to do them the way they have to be done to create a state-of-the-art facility in the long term, this short-term pain is necessary, and I do regret that two theatres are being demised in the process. It's just simply how it has to be.

Ms Blakeman: It's not short term. It's permanent.

To the same minister: given that Alberta's share of the federal cultural spaces program is \$13 million, why did the minister not take advantage of this matching program to replace the two theatres?

Mr. Zwozdesky: Well, Mr. Speaker, some of those cultural spaces dollars were already allocated, and I'm not sure at this moment if there are any dollars left. The Jubilee auditoria, as I say, have been under discussion for at least three or four years. We sought the best advice from the major user groups, who use primarily the main stage areas, and we sought advice and received a lot of input and feedback from audience goers. There were a number of complaints about sight lines, so we're going to be reraking the audience chamber to accommodate those particular difficulties.

I would reiterate that in the end these are two of our provincial performing icons. They need some upgrading, and we're providing that now as part of a longer term plan for the betterment of the performers and the betterment of the audience goers, and that's where that's at.

Ms Blakeman: You didn't even apply.

My final question to the minister: what is the minister's policy if the arts companies which are now made homeless from the Jubilee auditoria suffer deficits because of the hiatus or jeopardized funding through the arts stabilization fund? What's the minister's policy? Will he consider interim assistance?

2:30

Mr. Zwozdesky: Well, Mr. Speaker, I think the hon. member is totally clued out on this issue. You know, I'll tell you. [interjection] No. You listen now. You listen. Okay? The fact is that we have in Calgary one performing arts company that rents that space exclusively. It's unfortunate that they have to be displaced, but they will be displaced. They've known about it for quite some time. We are simply making it official. We have also offered help to see where they can be relocated.

In the case of Edmonton we don't have one permanent renter. We have a number of theatre groups, and we have some seminar groups, workshop groups who use that space. They can be more easily accommodated elsewhere. In the end there is no shortage of space around that can be looked at.

I do not have any reinstatement dollars for replacement costs, and unfortunately that's how it is. What I do have is an increase in the arts area of \$2.6 million, which all those groups are very happy about, I can assure you.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-Montrose.

Electricity Deregulation

(continued)

Mr. Mason: Thank you very much, Mr. Speaker. The advisory committee on electricity issues has been given the most narrow of mandates to look at the what the government calls consumer issues. Apparently, the government is willing to look at all possible sources of high power prices for consumers in Alberta except the real source, which most Albertans now clearly understand to be deregulation itself. My first question is to the Minister of Energy. How can the government insult Albertans' intelligence by calling the massive increases in power bills a bump in the road?

Mr. Smith: Well, because the member's statement is incorrect, Mr. Speaker.

Mr. Mason: That's the kind of answer Albertans are used to getting from this minister, Mr. Speaker.

Will the inquiry be allowed to investigate why as part of the so-called unbundling of services the government scheme has added rate riders, transmission charges, delivery charges, and service charges to consumers' power bills?

Mr. Smith: Mr. Speaker, this is all regulated. None of this has anything to do with deregulation. It was around before. When the member sat on the EPCOR board, he knew how they regulated.

The Speaker: The hon. member.

Mr. Mason: Thanks, Mr. Speaker. The minister knows that I was never on the EPCOR board.

Why is this so-called inquiry being permitted to investigate "current and future benefits of deregulation for consumers" but not anything which, God forbid, might actually have happened to be a negative impact on Albertans of deregulation?

Mr. Smith: Well, Mr. Speaker, this province has brought on 3,000 new megawatts of generation under this program, and that 3,000 megawatts have come on. People have been served reliably. They have been served with real-time pricing. In fact, none of the bogeymen that occur when you're in a regulated market, like all the things he mentioned in the second question along with massive, massive provincial debt, are going to accrue to Alberta consumers.

The Speaker: The hon. Member for Calgary-Montrose, followed by the hon. Member for Edmonton-Ellerslie.

Workers' Compensation Board

Mr. Pham: Thank you, Mr. Speaker. The Workers' Compensation Board is not accountable to anyone, not to the courts, not to the public, and certainly not to the government. WCB employees up to and including the CEO can violate their own policy with impunity. Many injured workers and their families find out that the unaccountable and yet monopolistic WCB can be very abusive. I would like to direct my question today to the hon. minister responsible for the WCB. When a WCB case manager does not follow WCB policy, who is the case manager accountable to?

Mr. Dunford: Mr. Speaker, the hon. member is discussing the operations of the WCB. I think it allows me the opportunity, then, to once again perhaps clear up a misconception that many Albertans have, and that is that the WCB is somehow a department of the government. Of course, it is not. It is funded entirely by assessments to employers throughout the province. There is a board that is appointed by order in council, so there is certainly a government involvement in that sense, but the Workers' Compensation Act itself contemplates, then, that the operation of the insurance system known as workers' compensation will be done by administration hired by the board of directors, and of course it would be their responsibility for such operation.

The Speaker: The hon. member.

Mr. Pham: Thank you, Mr. Speaker. My question is to the same minister again. When a case manager and the Claims Services Review Committee do not follow the WCB's own policy, who is the Claims Services Review Committee and the case manager accountable to?

Mr. Dunford: The claims services review has been mentioned by the hon. member, and of course this is one of the recent changes that we've made within the WCB. We've gone to what we believe to be a new and more open system of those appeal situations. Now, of course, what is being discussed here in terms of a general approach is in fact probably referring to a specific case. In that kind of sense, then, again it is something that is the responsibility of the operations of the WCB, so it would be the hierarchy of the governance model inside that organization and again not the purview of the Minister of Human Resources and Employment.

The Speaker: The hon. member.

Mr. Pham: Thank you, Mr. Speaker. Given the fact that the CEO of the WCB is responsible for enforcing his own policy, when the CEO himself does not follow WCB policy, who is he accountable to, Mr. Minister?

Mr. Dunford: The chief executive officer of the Workers' Compensa-

sation Board is responsible to and accountable to the board of directors of the workers' compensation system, and if there are issues that are to be dealt with, then it would be those bodies that would do that.

Whaleback Area

Ms Carlson: Mr. Speaker, the Whaleback area near Pincher Creek in southern Alberta is one of the most exceptional pieces of undisturbed wilderness in Alberta if not in Canada. Even the Premier said in 1999 that this area is an exceptional undisturbed landscape. But the Whaleback's ecological integrity will be disturbed if proposed sour gas activity takes place there. My question is to the Minister of Community Development. Will this minister call for a complete environmental impact assessment of the proposed sour gas well development for this region?

Mr. Zwozdesky: Mr. Speaker, I'm not sure that the exact sour gas well the member is talking about is in what we refer to as the formal section of the Whaleback area. However, suffice it to say that we are looking at a lot of issues to do with the Whaleback. In fact, I was down not long ago with some colleague members to meet with some of the ranchers. We talked about their concerns with respect to grazing permits and grazing leases, and very shortly we'll have a larger answer for the member and for the ranchers and farmers in that area.

As far as the sour gas well goes, I think it's just outside that area. I could stand to be corrected.

Ms Carlson: Mr. Speaker, it is just outside of the area, but the impact falls right directly into the Whaleback area.

Why did this government even bother to protect the Whaleback if all along it was going to allow industrial development of this kind that really does threaten the area's ecological integrity?

Mr. Zwozdesky: Well, Mr. Speaker, there's no question that the Whaleback area is highly unique and it's a very special area, and that's one reason why it deserves protection. But I think that what the hon. member has to recognize is that when the special places program was undertaken, there were commitments given that any existing commitments that were already there would be honoured, regardless of what they might have been for.

Now, I'm not sure if the issue of the sour gas well itself that the hon. member is referencing isn't before the EUB at the moment for consideration. It may well be. So we'll wait to see what answers they can provide.

Ms Carlson: Mr. Speaker, my third question is to the Minister of Sustainable Resource Development. What has this minister done to protect the rich variety of plants and animals, in particular elk, who use this area as a critical feeding and calving area in the Whaleback from this kind of industrial destruction?

Mr. Cardinal: Mr. Speaker, that's an excellent question, a very important question, and we take it very seriously. Any development that takes place, any protection of public land that takes place is done in a very balanced way, and we'll continue doing that. In fact, I toured the area and met with ranchers also, along with the hon. member that spoke before me, along with the MLA, and we are working with a group from that area, and I am planning to go back. I met with the MLA today. I'm going to go back there to look at another project, and I have an opportunity also to tour that site while I'm down there, and that will happen within a month.

2:40

The Speaker: Hon. members, before calling upon the first of seven to participate today, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(reversion)

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much, Mr. Speaker. It's, indeed, a pleasure for me to rise and introduce to you and to this House one of Edmonton's most significant business builders, a community builder. His brothers and their family have brought a strong entrepreneurial spirit to this city, and indeed their efforts can be seen and felt in a number of different projects, most notably and recently the children's hospital. All Edmontonians are proud of this gentleman. Of course, he happens to be the brother-in-law of our beloved Lieutenant Governor. I'd ask that Mr. Jim Hole please rise and receive the warm welcome of this House today.

Mr. Lougheed: Mr. Speaker, I'm pleased to introduce two folks from Dow Chemical in Fort Saskatchewan. They're here representing Dow Chemical and to be present for the recognition later. I'd ask Will Vandeborn and Barb Koral to rise and receive the traditional warm welcome of the Assembly.

head: **Recognitions**

The Speaker: The hon. Member for St. Albert.

Daniel Garsonnin

Mrs. O'Neill: Thank you, Mr. Speaker. I rise today to give recognition to a resident of St. Albert and an individual suggested by the Member for Clover Bar-Fort Saskatchewan. His name is Daniel Garsonnin. He is a volunteer who is exceedingly worthy of recognition.

He passionately loves all things aeronautical and spends his time sharing that passion with grade six students in up to 50 schools per year in the Edmonton area. Each year he visits many classrooms and spends three sessions with each class. Bringing his many models the first day, he flies them in the classroom and stimulates the students' interest and curiosity. The second day he spends about three hours with the students sharing his tools and his expertise and patiently guides them in building individual free-flight planes. On the third day, after the planes have been painstakingly constructed, he comes and sets up the ER in the gym, and students do practice flights with many repairs and adjustments before the big contest to see who can achieve the longest flight.

I do want to recognize the volunteerism of Mr. Garsonnin. He is, indeed, a person who is a mentor and a wonderful teacher to our young students in Alberta.

The Speaker: The hon. Member for Calgary-Currie.

Naval Museum of Alberta

Mr. Lord: Thank you, Mr. Speaker. There are just so many things to be proud of in Calgary-Currie. Who else can say that they actually have a fully commissioned battleship in their riding? We have the *HMCS Tecumseh*, which serves as a naval recruitment and training centre, and located right beside the *Tecumseh* is the second

largest and finest naval museum in Canada, one of Calgary-Currie's and Alberta's best hidden diamonds.

Congratulations to the many volunteers who since 1984 have put together this incredible museum, including current chairman, Jim Cowie; president, Bob Orthlieb; his wife, Laraine; and Norm Holden, who took me on a great tour after the Battle of the Atlantic ceremonies last weekend. The museum is open to the public, and displays include naval guns up to 15 tons in weight, naval aircraft, including a Hawker Sea Fury, and thousands of other fascinating artifacts collected from all over the world, including the John Burgess library, which contains one of the most extensive records of naval historical documents in Canada.

I wish the museum people all the best in their expansion and fundraising plans, and I would invite all to come and see the Naval Museum in Calgary-Currie.

Dow Chemical Donation Fort Saskatchewan Recreation and Arts Centre

Mr. Lougheed: Mr. Speaker, it's with great pleasure that I rise to recognize a \$1 million donation made by Fort Saskatchewan's long-standing corporate friend Dow Chemical. On May 2 the CEO of Dow Canada, Vince Smith, announced at a groundbreaking ceremony that the Fort's centennial activities centre will bear Dow's name.

Now, for those members who don't know, the CAC is a premier recreation and arts centre. In addition to a 550-seat performing arts theatre, the centre will have an indoor ice surface, an indoor soccer pitch, gymnasium, fitness area, and jogging track. Funding for this \$19 million facility will come from individuals, industry, and government, including the province. This donation is among the largest ever made by Dow in Canada. In addition to the donation of cash, Dow is donating the Styrofoam insulation for the facility.

Fort Saskatchewan is very fortunate to have great corporate neighbours, and Dow certainly has been one of the best corporate contributors to the Fort Saskatchewan area. The city predicts that there'll be close to a million visitors to the CAC, and Dow's contribution represents a sizable investment in the quality of life in the community.

I'd ask all members to recognize Dow for their great contribution.

The Speaker: The hon. Member for Edmonton-Strathcona.

National Nursing Week

Dr. Pannu: Thank you, Mr. Speaker. I'm pleased to rise and recognize today the nursing profession, the heart of health care in our country. May 12 to 18 is National Nursing Week, and we recognize the tireless efforts of nurses, who devote themselves to public health and patient care. Nurses daily place themselves in harm's way in caring for patients with infectious diseases like SARS.

Like nurses everywhere Alberta's nurses are on the front lines of health care. We ask them to work evenings and weekends. The ongoing nursing shortage is placing increased stress on nurses to work overtime, thereby sacrificing personal and family time.

Instead of attacking nurses through a million dollar ad campaign, this government should be improving working conditions so that we can retain the nurses we do have and attract more young men and women to the profession. Nurses deserve recognition not only during National Nursing Week but every day.

Thank you, Mr. Speaker.

Jean Laniuk

Mr. Bonner: Mr. Speaker, I rise today to recognize one of Edmonton's finest teachers, Jean Laniuk. Jean has dedicated her career to

instilling a love of music in the hearts and minds of many young Edmontonians, and after 40 years of service, sadly, she is retiring.

Last Thursday I had the opportunity to celebrate Jean's career with many former colleagues and students and to witness firsthand the immense, lasting impact she has had on our community. Jean's energy, enthusiasm, and passion have driven her students all over Alberta and everywhere from Disneyland to the CFL western final. Her drive for excellence has propelled her choirs to a great deal of success at both provincial and national levels. By Jean's outstanding commitment to developing the potential within each of her students, she has not only given them the gift of lasting memories but also the lifelong gift of an appreciation and understanding of the joys of music.

Our community thanks Jean for the exceptional dedication and commitment to learning she has demonstrated over the past four decades.

Thank you.

The Speaker: The hon. Member for Wetaskiwin-Camrose.

Wetaskiwin-Camrose Athletes

Mr. Johnson: Thank you, Mr. Speaker. It is my pleasure to rise today to recognize some outstanding athletes from my constituency. First, Justine Bouchard, an 11th grader, led the Wetaskiwin wrestling team and won her third national championship in the juvenile 60 K weight division. Second, I want to recognize the Camrose Kodiaks, who brought home the silver medal from the Royal Bank national junior A championships, which concluded yesterday in Charlotte-town.

Justine Bouchard is considered to be a powerhouse in her division, and she has another year to try to make it four national titles in a row. Another wrestler, Natalie Jaburek, who was competing in her first nationals, brought home the silver medal for her weight class. As well, Caleb Greenwall collected silver in the heavyweight class.

Today Camrose is celebrating the return of the Camrose Kodiaks, who after a long and very competitive national tournament brought home the silver medal after the final game yesterday won by the Humboldt Broncos. The Kodiaks are a group of very deserving young hockey players having previously won the Alberta and B.C. championships. The city of Camrose and I'm sure all of Alberta is very proud of them.

I congratulate all of the athletes, coaches, managers, and sponsors on their outstanding success this year.

Thank you.

The Speaker: The hon. Member for Wainwright.

Drought Assistance

Mr. Griffiths: Thank you, Mr. Speaker, I rise today to recognize and bring attention to events that helped hundreds of farmers through one of the worst droughts Alberta has ever experienced. Organized by Navan, Ontario, farmer Wyatt McWilliams, Hay West saw donations from more than 1,800 eastern farmers which were loaded onto railcars and trucked by more than 1,500 volunteers. More than 800 farm operators each received about 15 tonnes of hay, and as an example of Albertans' generosity about one out of every four recipients of the Hay West donation shared their hay with his or her neighbours.

2:50

The Alberta government donated \$200,000, most of which was used to harvest standing hay. As well, Jackie Rae and Greg Thomas

of CFCW organized two fund-raising concerts and a provincewide radiothon that raised more than \$2 million, and it was used to fund the cost of 76 railcars and assistance to Alberta Farm Animal Care Association and feed for 4-H. Finally, Drought Aid, through donations made at any Alberta Treasury Branch, has raised \$270,000, which was used to help fund the Alberta Animal Farm Care Association and the Alberta Mental Health Board. In total, more than \$6.7 million was raised.

It's impossible to recognize every individual who helped out in this time of crisis, so I'd like to extend my thanks to everyone for their help while we faced such a severe drought.

Thank you, Mr. Speaker.

head: **Presenting Petitions**

The Speaker: The hon. Member for Cardston-Taber-Wamer.

Mr. Jacobs: Thank you, Mr. Speaker. I rise today to table a petition containing the names of 464 Albertans asking the Legislative Assembly of Alberta to urge the government of Alberta to deinsure abortion.

Thank you.

head: **Introduction of Bills**

The Speaker: The hon. Minister of Learning.

Bill 43 Post-secondary Learning Act

Dr. Oberg: Thank you very much, Mr. Speaker. It gives me great pleasure to request leave to introduce Bill 43 being the Post-secondary Learning Act.

Mr. Speaker, this bill combines four existing acts – namely, the Colleges Act, the Technical Institutes Act, the Universities Act, and the Banff Centre Act – into one piece of all-encompassing legislation for postsecondary learning. If this bill is not passed in the spring session of the 25th Legislature, it will be hopefully passed in the fall session and will allow time for input over the summer.

Thank you.

[Motion carried; Bill 43 read a first time]

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you very much, Mr. Speaker. It's my pleasure today to table the requisite number of copies of the special areas trust account audited financial statements as of December 31, 2002.

The Speaker: The hon. Member for Calgary-Buffalo.

Mr. Cernaiko: Thank you, Mr. Speaker. I'd like to table the appropriate number of copies of 13 petition letters; one letter from Tracy Patience, the president of the Alberta Avenue neighbourhood patrol; and one e-mail from a resident in Mill Woods, Mr. Edward Campbell, who is actually seated in the members' gallery this afternoon; all supporting Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I have five brief tablings today. I have the requisite number of copies of four studies relating to

homelessness and the mentally ill, including the 2002 Calgary homeless study.

My fifth tabling is very interesting. It explains a medical discovery allowing stem cells to be turned into both egg embryo cells and sperm cells. This may lead to an exciting development for infertile couples, and it also opens the possibility of gay male couples having true genetic children. In fact, one man could theoretically become both mother and father genetically. This will no doubt lead to some lively discussion in this Legislature in coming years.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I have three tablings this afternoon. The first one is a copy of a petition organized by the Faith in Action group. There are over 200 Albertans from all over the province who have signed this petition urging the hon. Premier to take action in regard to funding for those in need, particularly those on low-income programs in Alberta. The current benefits do not meet the needs.

The second tabling I have is a copy of a petition. "We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government to reinstate natural-gas rebates immediately." This is from citizens around the Leduc area. Not only do they have problems with electricity but also with their natural gas bills.

The third tabling I have this afternoon, Mr. Speaker, is a copy of correspondence I received dated May 9, 2003, and this is a tabling with permission from Linda Louise Meyer. It is her story of how difficult it is to get by on a fixed income when utility costs are so high.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'd like to table the appropriate number of copies of an e-mail that I received as an open letter to the Premier noting that a decision made by the government to consistently underfund Alberta universities and the subsequent move by the U of A to cut sessional contracts in half has made future deliberations for this doctoral candidate unnecessary. She's going to have to leave Alberta to find work.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. On behalf of my colleague from Edmonton-Riverview I table five copies of a letter from Melanie Shapiro to the Premier. Melanie has enclosed a copy of the Small Class Size Project conducted in Edmonton showing how small class sizes benefit children. She makes a plea that no more teachers be lost from the system because that would make small classes even less likely.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I've got two tablings today. The first is a document from Calgary Roman Catholic separate school district No. 1. This document is entitled Financial Implications of Provincial Budget for 2003-2004 and indicates that the provincial budget for the district falls very short of needs, the renewed funding framework must be implemented immediately, and Alberta Infrastructure funding needs to be increased.

Mr. Speaker, the second tabling is a letter from Dr. John Wodak, dated May 4, 2003, addressed to the minister of human resources.

In his letter Dr. Wodak points out the continuing inadequacy of the monthly AISH benefit rate, the lack of support for dependent children of disabled persons, and the lack of proper consideration for income earned by working AISH recipients.

Thank you, Mr. Speaker.

The Speaker: The Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I have four tablings today. The first tabling is a letter from the regional municipality of Wood Buffalo, dated March 10, indicating that their power bill had just about doubled in the past two years.

The second tabling is a letter dated April 8, 2003, from Mountain View county, whose power bill had increased from \$56,000 in the year 2000 to \$79,000 in the year 2002.

The third tabling, Mr. Speaker, is a letter from Beaver county, dated April 10, 2003, indicating that their power bill had also doubled in the last two years.

The fourth tabling, Mr. Speaker, is a government of Alberta news release dealing with the consumer electricity review, which indicates that current and future benefits of deregulation are to be studied by the group but not negative benefits of deregulation.

The Speaker: Hon. members, I'm tabling in the House today a memorandum to all members concerning a process for possible amendments to Bill 42, the Electoral Divisions Act. Members will be receiving their copy shortly.

head: **Orders of the Day**

head: **Public Bills and Orders Other than
Government Bills and Orders**

head: **Committee of the Whole**

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order.

Bill 206

Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Calgary-Buffalo.

Mr. Cenaiko: Thank you very much, Mr. Chairman. It's a honour to begin debate in Committee of the Whole for Bill 206 this afternoon. I understand that this sort of legislation isn't normally debated in the Assembly and it usually isn't debated as a private member's bill, but I would like to remind members that vehicle seizure is not new and has been in practice in this province for years.

First of all, Mr. Chairman, I would like to talk about section 173.1. This section obviously generates the most concern and anxiety from members who currently may not be fully supportive of this bill. I would like to take a moment and talk about the support for this section of the bill.

3:00

Often this Assembly hears how private members' bills may not be as sound as government bills. I understand that many members may be a little wary about supporting private members' bills, that may not have a great deal of official support or even community support. I agree that input from stakeholders, the public, and other government

departments is extremely important before any legislation is brought forward. I also agree that passing laws is serious business, and it is extremely dangerous to be lax with the legislative process. Mr. Chairman, I'm confident that a great deal of work has been done that justifies vehicle seizure, as proposed in section 173.1, and I'm convinced that this section is a move in the right direction to help improve the well-being of many vulnerable Albertans.

This part of the bill is not a knee-jerk reaction to street prostitution and has been studied and applied in other provinces. The original idea for seizing vehicles from johns or sex trade offenders, proposed in section 173.1, came from a constituent in Calgary-Buffalo, a senior by the name of Ray Franklin. We had discussed this on numerous occasions even prior to the last election, discussed the growing street prostitution problem in our area and what the government of Manitoba had done in the late 1990s to address the issues in Winnipeg. I felt that it was a great idea and brought it forward as Bill 212 last session, Mr. Chairman.

Having a bill far down on the Order Paper turned out to be a blessing in disguise because the idea of the bill received a cooler reception from government departments, police services, and several MLAs. Some were concerned that vehicle seizures would punish entire families who depended on transportation rather than just the sex offender. Another concern was that police officers would be overburdened with seizing vehicles, which would then take precious time and resources away from other initiatives. Others believed that street prostitution wasn't a serious problem and should be left to municipalities. These were important and valid concerns that I was able to address because Bill 212 was unlikely to reach debate in the House. By not rushing this proposed legislation through the Legislature as Bill 212, I was able to spend more time ironing out these concerns and addressing problems with my colleagues, members, and members of the public who had some concerns with the bill, including the seizing of vehicles from sexual predators, as proposed in section 173.1.

I met with the Calgary and Edmonton prostitution vice units from the respective police agencies, who believed that vehicle seizure could be effective as long as they could use it during their undercover sting operations. I also introduced several members in this Assembly to vice unit detectives working here in Edmonton and Calgary. This meeting was an excellent opportunity for both sides to express their concerns with the effectiveness of vehicle seizure and why it was so important to support it.

Mr. Chairman, I did receive many calls from constituents. I've received hundreds and hundreds of letters from people around the province, not just from the inner cities of Calgary and Edmonton. People in places like Three Hills, Strathmore, Viking, and Sherwood Park care about the safety of people living in the inner city. I've received letters from the mayor of Calgary, the mayor of Edmonton, Edmonton city council, and the Calgary and Edmonton police services fully supporting this bill. Community groups have organized letter campaigns to generate support for vehicle seizure. Other community groups have passed resolutions supporting vehicle seizure. School principals from inner-city schools have sent letters urging me to carry on with this legislation.

Before members brush off the broad support for vehicle seizures proposed in section 173.1, I'd like to offer them a challenge: drive through an inner-city community. Take two short trips. The first time go during the day. Drive around, and you'll see small houses, apartment buildings, schools, and community halls. Basically, it will look like any other neighbourhood. You'll notice a number of young families and quite a few children. Playgrounds may not be full of children, but everywhere you go you'll see young people. Then take a trip in the evening. Go to the exact same areas, and

you'll see the same apartment buildings and schools, but I know you'll see something else. There will be a lot more women on the streets and vehicles moving very slowly. You may see fighting; you'll probably hear yelling. You'll definitely see drug deals taking place and cars turning off major roads and disappearing down residential streets. The differences between night and day in this area will be just that.

Then I'd like to challenge you to consider the fact that young families living in these areas do not have the option of driving home where life is much safer. As we heard in second reading, residents have to make sure that their children don't pick up and play with dirty needles and used condoms. Overall, Mr. Chairman, these people would tell you that their neighbourhood is not a bad place to live. The residents just want something done about street prostitution.

The problem with johns or sex trade offenders is becoming worse. I've heard inner-city residents describe instances where johns try to pick up in broad daylight innocent women who are residents of the community. The vehicle seizure proposed in section 173.1 will help inner-city residents feel safer in their own homes and force johns to reconsider their deviant behaviour through an alternative measures program.

Mr. Chairman, I must concede that there are other issues with section 173.1 that have been addressed but have not been fully resolved. The major issue with this bill is that it may be vulnerable to constitutional challenges. As we heard in second reading, both Saskatchewan and Manitoba have similar legislation and no one has challenged this law since 1998, but this does not mean that a legal case can't exist. The presumption of innocence seems to be overlooked at first glance, but vehicle seizure is not new in Alberta and is in fact entrenched in the Traffic Safety Act. Furthermore, the seizure of the vehicle isn't a given and is conditional on the offender agreeing to an alternative measures program as described in section 3(c). Also, this bill is no more or less vulnerable to constitutional challenges than seizing vehicles from impaired drivers because there are several avenues that people can use to have their vehicle returned.

Based on what I've heard from other jurisdictions, it is highly unlikely that a sex offender would take this to court. Doing so would reveal to the world that he has taken part in an illegal activity and actively seeks the services of young girls for his own pleasures. Not only would he be subjecting himself to a great deal of shame but also his family, including his wife, sister, mother, brother, et cetera. It would be far easier, cheaper, and faster to take part in an alternative measures program as described in section 3(c) rather than subject their loved ones to embarrassment. Education versus total embarrassment and enforcement. The emotional, financial, and social expenses simply are not worth the cost. Sex trade offenders in Saskatchewan and Manitoba have realized this, and I believe these offenders will do the same.

Vehicle seizure, proposed in section 173.1, could help inner-city residents live in safer neighbourhoods by deterring sex offenders from cruising their streets. I urge all members to vote in favour of Bill 206.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Well, thanks very much, Mr. Chairman. I'm pleased to finally get a chance to speak to this bill. I wasn't able to do it in second reading, so Committee of the Whole is my first opportunity. I'm encouraged to see the amount of debate that has gone on around this bill. I find it encouraging that people are willing to rise and

actually put forward the issues that are brought forward under this bill because there are issues that are raised by it.

It is an imperfect bill. It is trying to do something really good and noble and helpful for a community, but the way it chooses to do it raises concerns for people who feel that it's important that people have their day in court, feel that there needs to be a process that is followed that is consistent from individual to individual and in how it's applied from day to day to day. All those issues have been brought up and put on the table by what's being proposed under Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003.

I am the MLA for one of the communities in Edmonton that feels strongly about this bill. My communities that are considered inner city and that have prostitution and prostitution-related activities in them feel under siege. They feel that outsiders, tourists come into their community and threaten their safety and the integrity of the community, and they want some control back. They want to be able to have their children feel safe. The women want to be able to just walk to the store or walk to the community league or walk to the bus stop without being harassed and literally treated like a prostitute. There are other people that have spoken very eloquently prior to me about what prostitution does to communities. I don't have to go into this at great length. The communities feel strongly that they need some additional tool to be able to control what these interlopers, these johns, these tourists into their community are doing to their community.

3:10

The flip side of this is a balance because what is suggested in the legislation – and I think the part that distresses me the most and causes me the most concern about whether or not I support the bill is the discretionary power that is delegated to the on-the-street officer to be able to accept an argument from a john that the vehicle is needed for their family or needed for their ability to earn money and provide for their family. Now, let's stop right here. Let's remember, please, that the legislation is only talking about seizure of vehicles in second and subsequent apprehensions. It's really important that people remember that this is not going to happen the first time somebody gets caught – really important. Okay. This is not slapdash. This is approached with some caution. So this only kicks into play when someone is (a) caught soliciting prostitutes, (b) it's the second or subsequent time – third, fourth, fifth, tenth, twentieth, whatever – that they have been caught doing this. There's no possibility here for someone to have the argument: "Oops. Took the wrong turn, thought I was going to the Capilano freeway." We're talking about people that have already been apprehended on this sort of a charge before. So that's a good thing, that the sponsoring Member for Calgary-Buffalo has set the legislation up in this way. It's not about the first time. We are dealing with people who are quite committed to coming into communities and procuring sexual services, usually from women. They are committed to doing this.

I have an issue with an individual, professional though they are, as a police officer having the on-the-spot discretion to say: "Right. Okay. I can see the baby carrier in the back seat of your car, and I hear your argument that, you know, you're a primary breadwinner for this family and losing the car would affect your ability to transport your kids and to do your job. Therefore, okay. Fine. We won't impound your car." I have the utmost respect for the training and the integrity of police officers, but I am always going to be nervous when there's that kind of discretion given to an officer, whether it's a customs officer, whether it's a police officer, whether it's a tax officer. I am uneasy about having one individual, who

could have had a bad day or a really good day – they could be in a big hurry to do something or have all day, whatever. Those circumstances change an individual's life, and I really struggle when we delegate that kind of discretionary power to an individual to either make something like this stick or make it go away.

That's one of my big hesitations in supporting this bill. On the one hand, I have my community saying: "Help us get some power back. Help us get some control over our communities to stop these tourists coming in, these men coming into our communities and threatening our integrity and our safety. Give us a tool in the toolbox to help us look after ourselves, to empower ourselves." I've heard that example raised a number of times. That's a good deal of why I sought election, Mr. Chairman: to help communities empower themselves, to come up with creative solutions on how they could be better functioning communities and contribute more to the fabric of Alberta. So of course I'm going to put a lot of weight on my communities asking for that and on the neighbouring communities. Just because it happens on the other side of the street and that's no longer my constituency, of course that affects my constituency. Perhaps the individuals live in my constituency or they work there or their brothers or sisters work there or their children go to school in my constituency.

So to say: oh, it's in another constituency; it's not going to bother me. Of course it is. We have an inner city in Edmonton that we have all been working hard to rebuild, to fill in that doughnut, to make an attractive place to live. We've got affordable housing stock there. It makes it possible for people to buy a house and start a family or move their family there and be part of a community and not live in an apartment building but actually have a house and a yard and join the community league and then get involved in all those kinds of activities. So that's really important to me, and I put a lot of weight on that.

In the middle is the issue around the day-in-court argument, that, you know, people want to either be able to get their day in court or not be able to get their day in court and that whole issue of justice that's been raised by members, like the Member for Calgary-Montrose or the Member for Edmonton-Calder, and how important that justice is and whether it's in fact just or reasonable before somebody's actually been convicted of something to say: we're going to punish you in advance just in case, as a precaution, as a prophylactic if you will. We're going to punish you first, and then you go to court and we'll find out if it's true or not or if it's reasonable or not or if the charge is going to stick or not. A lot of people have trouble with that.

What I see is this government, or private members who are members of the government – this is the third time I think I've seen an implementation like this. We've got the impounding of cars around drunk driving. We've got the impounding of vehicles around poaching and things, vehicles and rigs and ATVs and everything else that goes with it if you're caught poaching, and now we're talking about impounding vehicles around the issue of solicitation for the purposes of prostitution. So I am concerned that this becomes commonplace, and every time we do this, there's more of a precedent.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Wetaskiwin-Camrose.

Mr. Johnson: Thank you, Mr. Chairman. It's my pleasure to join debate and speak to Bill 206 at the committee stage today. I believe that this bill is a good step for us to take in the fight against prostitution. This bill goes after the main problem with prostitution, and that is the johns. I don't think that the prostitute is fully to blame for

the problems we are having with street prostitution. Yes, they are part of the problem, but the severity of the problem can be dramatically reduced if we can get rid of the buyer. Without a buyer, we will have no seller. That is why this bill is particularly good and positive.

Johns are highly problematic in the prostitution business. As a government we do not have enough programs or laws that target the john. We have plenty of programs aimed at prostitutes, but rarely do we have sufficient strategies in dealing with the other half of the street prostitution problem. I feel that Bill 206 is a good strategy for us to use.

Mr. Chairman, section 173.1 of Bill 206 outlines the strategy that will be taken. If a person is caught in the act of soliciting prostitution, they will have their car taken away. It is as simple as that, and I believe that it will be an effective tool against the illegal sex trade.

Of course, we all know that this bill will not eliminate the problem completely. There will always be sick individuals who wish to pay for sex. We cannot pretend that this will take care of all the problems, but it will at least curb the amount of prostitution that is outside on our streets and in our communities, and it is that kind of prostitution that creates the most problems for communities around Alberta. There are many communities that have to clean up their parks and streets after streetwalkers and johns have made their way through. Many people find used condoms, needles, and other paraphernalia that are related to the sex trade near their home. If we can keep the trade away from our communities, we will keep the disgusting trash of the trade away from our children.

[Mr. Tannas in the chair]

3:20

Some of you may be wondering how this bill could possibly affect my rural constituents and how they would be in favour of this bill. Well, the answer is quite simple. As was discussed in second reading, many johns travel into cities from rural areas to look for prostitutes. If this bill is passed, we may put a stop to that activity because if the rural john is caught trying to buy sex, he will get his car taken away, creating a problem in getting back to his hometown, of course.

With this proposed new legislation word will be spread about what happens if one gets caught, and johns will be reluctant to find a prostitute from the street. Again, we know that this will not stop the problem, but it will drive the trade more indoors and off our community streets. That is the main goal: to get prostitutes off the street, where there are too many dangers. We could think of this as actually an attempt to protect the prostitute. Again, if the buyer of sex is eliminated, then the seller has to change how business is done, and hopefully the seller will give up the trade altogether. Of course, that's the ultimate goal.

Mr. Chairman, prostitution is a dirty, despicable, and immoral activity that should be eliminated, and we should be doing everything we can to get it off of our streets. Bill 206 is the step we need to take to help eliminate the problem. We've done a lot in the past few years by creating programs and legislation like the Protection of Children Involved in Prostitution Act to eliminate the trade. As I mentioned already, these are mainly aimed at the seller of sex, not the buyer. If I am not mistaken, this might be our first step towards trying to effectively eliminate the buyer.

I believe that this legislation will work, and I believe it will be successful. It is that next step for this government to take in eliminating streetwalking prostitution, and I urge all members to vote in favour of Bill 206.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks, Mr. Chairman. I always forget that private bills are only 10 minutes.

The other thing I want to discuss around this bill is that I feel obliged to point out that we're not dealing with one of the most obvious problems, and that's the issue of poverty and particularly poverty of women. This bill is taking another approach to it, and that may well turn out to be a very successful approach to dealing with this issue, but let's face it: I think the reason that we end up with women in the sex trades is because they are trying to get money. Whether they are trying to get money to support a drug or an alcohol problem or whether they're trying to get money to somehow support their families, either way it's about an economic incentive, and this bill does nothing to deal with that.

Maybe that's perfectly fine. Maybe it will have the same effect or a better effect by taking this particular route to it, but I can't let this discussion go by without dealing with the obvious, which is that these are women who are prostituting themselves for money. Besides that is the whole issue of who's really getting that money in the end and the control of women through pimps.

We came into this because we were trying to address the ways for communities to take control and take back some safety and integrity for their neighbourhoods. Upon review and looking at the issues which I've outlined previously around the balance between putting in place a tool like impounding of vehicles versus an individual having their day in court and being convicted and found guilty before you administer a punishment and, secondly, looking at the issue of individual discretion with an ability to hear an argument literally on the street and decide not to proceed with the impounding of a vehicle because there's a hard-times argument that is put to the individual officer, both of those I think are very troublesome. We need to be vigilant in the implementation of this bill, if passed – and I think it will be – that it doesn't become commonplace that we would punish someone before they're found guilty, that it only exists in extraordinary circumstances like communities struggling with prostitution, and that we are very, very careful and impress deeply upon the individuals who are making those decisions of individual discretion how delicate that is, how necessary it is to maintain a careful balance.

For me, balancing those two against the needs of a community coming forward with suggestions on how to empower themselves and with groups like Immigrant Neighbourhoods and the Community Action coalition and the group that Mr. Walters is working for that has brought forward so much of this, the Community Action Project, I think that it's important that I do support this bill. I'm willing to do that on behalf of my communities, but I felt that it was important that I also put those cautions, those arguments, those concerns on the record, and I will continue to be vigilant in my turn to make sure that this legislation when passed is implemented as is anticipated and as we have heard from the arguments that have been brought forward in this Assembly.

Thank you very much for the second opportunity to speak and complete my remarks. I appreciate it.

The Chair: The hon. Solicitor General.

Mrs. Forsyth: Thank you, Mr. Chairman. Thank you for giving me the opportunity to speak in committee on Bill 206, Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. I would like to commend the Member for Calgary-Buffalo for introducing this private member's bill.

Mr. Chairman, I see a friend of mine in the gallery, Detective Len

Dafoe, whom I've known for many years and who has worked very, very hard in the past in regard to prostitution issues. It's officers like Detective Dafoe who believe this would be a valuable tool in their belt to deal with prostitution.

Prostitution is degrading, and prostitution is dangerous. The fact that young women and men trade their bodies for money in our communities and in our provinces diminishes all of us. We as a Legislature have the duty to send out a very, very clear message: the use of prostitution is not acceptable. We cannot turn our backs on this problem. If we did, we wouldn't be doing our jobs. Hollywood and musical videos glamourize prostitution. Even our language softens its reality. Prostitutes are called hookers, they're called ladies of the evening, they're called painted ladies, but believe me: there is nothing delicate or glamorous about prostitution. Prostitution is sometimes referred to as the sex trade. Mr. Chairman, prostitution is not a trade. It's not like being a welder, and it's not like being a carpenter.

I will always remember a mother I met several years ago. She called me to say that she had a problem and wanted to know if I could help. Her young daughter was working as a prostitute. I went with that mom to a street corner to try and get that little girl off of the street and away from the sexual predators prowling the night. Tragically, we weren't successful. So I've seen the tragedy of prostitution firsthand. Out of that experience came the Protection of Children Involved in Prostitution Act, that has done so much to protect our children from any form of child abuse.

As Solicitor General I have met with community groups to hear their concerns about crimes in their neighbourhoods, and one of the most common problems they face, especially inner-city communities, is prostitution. It isn't just the woman or even the men hanging out on the street corners. It is the traffic problems associated with the johns as they cruise around and around the neighbourhood. People become trapped in their own homes. They're afraid to go out or even take their children for a walk. They're afraid of being approached by the johns driving by on the street.

Imagine being a mother out for a walk with your child and having to explain what is going on. Imagine being a young girl heading off to school and having to run a gauntlet of perverts approaching you offering to buy sex. Imagine taking your children to the playground and having to deal with or try to explain to your inquisitive five year old about dirty needles or dirty condoms. There are also the spin-off effects of prostitution. Prostitution spawns all kinds of crime as people lose pride in their communities and their neighbourhoods begin to deteriorate.

Mr. Chairman, I'm sure there will be those who say that by seizing the cars of johns, we will only force them to go elsewhere for sex or that it will create an increased demand for massage parlours or escort services and that it will embarrass and create hardship for the families. I'm not so naive as to suggest that Bill 206 is the ultimate solution. Bill 206 is one step towards dealing more effectively with a problem that has been with us for a very long time. It does give police one more tool they can use in their battle against prostitution and the other crimes associated with it. If this bill forces customers to look elsewhere, we will then be able to focus future efforts on those areas.

3:30

Others may suggest that this bill somehow will violate the rights of the people by taking away their cars. I'm not aware of anything that says that owning a car is a right in our society. If you use your car to infringe on the right of people to enjoy their community and to take advantage of people who are in such dire straits that they have to sell their bodies, you deserve to lose your car. Mr. Chair-

man, we have laws that allow the cars of poachers to be seized. Why would we not want a law that allows the cars of johns to be seized? If we can take away someone's car because they are carrying illegally caught fish in it, we should be able to take away someone's car for cruising a neighbourhood looking to purchase sex. I strongly support Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003.

Mr. Chairman, let me leave you with a powerful memory I have of graduation for a 15-year-old child who could have been in one of those cars until I helped rescue her from the street. At her graduation she read a poem that she had written, which she dedicated to all of those that had helped her. It goes like this.

I have met angels that have saved my life.
I have met angels that once black are now white.
I have met angels from the pit of hell.
Who now stand beside me sober and well.
These angels are beautiful and bright.
They have given me the wings
that have helped me in my flight.

To me that says it all.

Thank you, Mr. Chairman, and I urge everyone in the Assembly.

The Chair: The hon. Member for Calgary-West.

Ms Kryczka: Thank you very much, Mr. Chairman. It is with great pleasure that I rise this afternoon in the Assembly to join the debate in Committee of the Whole on Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003.

The purpose of Bill 206 is to grant police officers the ability to seize vehicles that are involved in prostitution-related offences. The vehicles are seized when prostitution-related charges are laid. The seized vehicles would then be sold but only following a conviction or a guilty plea, although police officers would also have the discretion to return a vehicle to the owner if an officer discovers that it negatively impacts other family members or if the individual agrees to take part in an alternative measures program.

Mr. Chairman, prostitution and its effects are not pleasant subjects. It is easy to discount street prostitutes as delinquents, but we must keep in mind that it's disadvantage that drives women and children into street prostitution initially. These women and girls – and I must stress that the majority are girls – are victims of serious abuse and violence. They confront problems in relation to drug dependency, homelessness, and mental and sexual health. These females are economically and socially disadvantaged individuals in our communities, and I could give evidence of that. This is from a number of years ago when I was a guidance counselor in the Calgary public board of education system and particularly when I was at Bowness high school. It was more than once over the period of time that I was there that one of the young girls, usually in grade 10 or 11, was not at school, and the word was that she had disappeared downtown. As this was basically out of our jurisdiction in our work, we were not able to really follow up directly with that, but I can tell you that in experiencing the sudden disappearance of these to us rather normal, everyday girls, I can only tell you of the feeling of helplessness in knowing of that reality and what you are unable to do in some circumstances.

Mr. Chairman, as I've said, in my mind I think of most street prostitutes as young, vulnerable girls. The average age, we know now, of children involved in prostitution in Alberta is 15 to 16 years old, and that's only the average. However, I know that police and social workers have dealt with children as young as 12 years of age. These girls are taken advantage of by johns, who exploit their desperation and mostly, I think, their vulnerability. Street prostitutes need treatment and assistance, and johns are most definitely not part

of the solution. They only create further problems, obviously, and a dependency.

Having said that, Mr. Chairman, I would now like to highlight section 173.1 of the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003, as I feel that this is a valuable component of the bill. The amendment allows for the charged individual to be eligible for and consent to be dealt with by way of a program of alternative measures. These programs are often referred to as john schools. They work to raise awareness and possibly change attitudes. The program is used as an alternative, a tool that can be used when dealing with street prostitution. It is a way of helping communities that have pockets of sex trade workers. This program is only one part of the solution, but it is an initiative that addresses another angle of the problem, the johns.

I would say specifically to members who live in Calgary that they may remember when the street trade was very alive and well in downtown Calgary. It was where the area of Eau Claire is right now. In the '80s it was located in the bus barns. At that time, I was working out of Shell Centre, so when I had to go get my car, I certainly had to walk my way through all kinds of interesting things. Again, though, I do remember, with the construction and development of Eau Claire, the relocation eventually first to Inglewood and then to the Victoria Park area. So, again, I certainly refer to my experience in this area or my knowledge of it, not direct experience.

The Alberta government provides shelters and programs to help children that are involved in the sex trade, but Bill 206 concentrates on another aspect of the problem. This bill deals with deterring and educating johns. The alternative measures programs are developed as an option rather than prosecution. They could be used as a deterrent to prevent the event from occurring initially or as a rehabilitation instrument to prevent the event from happening again. These programs as rehabilitation tools may also raise the awareness of the problem to johns. I must highlight that the option to attend the programs and have their vehicles returned are only offered to first-time offenders.

The schools are intended to educate johns about the problems inherent in street prostitution. These seminars are information sessions regarding, for example, how the participation of johns can compound earlier abuse endured as well as the victimization suffered by street prostitutes. They also receive information and firsthand knowledge from an array of different perspectives as well as from those who have been involved with the problem. For instance, prosecutors and police officers speak about the law and consequences of their actions, while medical professionals talk about health risks associated with prostitution and sexually transmitted diseases. Survivors of prostitution tell their personal stories of what life was like on the street and discuss some of the dangers that sex trade workers often face. Residents and business owners in the community also have an opportunity to express how prostitution affects their neighbourhood. Through alternative measures programs johns not only learn about street workers but how they contribute to the larger scope of the problem, such as sex trafficking, associated criminality, inherent fear, and health diseases and disorders. Psychologists are also present at these programs to provide information on sexual disorders, which could raise a john's awareness that he may have a problem and needs to seek treatment.

This gives johns easy access to programs that can assist those with potentially dangerous behaviour. Some john schools provide voluntary testing for sexually transmitted diseases. The tests are available to johns to find out if they have contracted a disease and if they are putting their family at risk. This is where I think it's a very sad area with this whole issue. In some cases wives of johns speak at the session about how their husbands' actions of engaging in relations with prostitutes have affected their lives. Women that have

contracted diseases from their husbands explain how johns' activities can affect their entire family.

Mr. Chairman, these programs prove to be an effective instrument. Only a very small number of those who participate in john schools actually reoffend. It has become apparent that many johns do not realize the impact of their behaviour on the community and on the lives of many others. Those that participate in the program come to acknowledge the problems and the disruption it causes to everyone involved, from the sex trade workers to the surrounding community and mostly to the family members of johns. John schools are definitely an alternative to prosecution. Therefore, they could possibly decrease the number of charges, reducing the pressure on the court system.

3:40

Mr. Chairman, street prostitution and the sale of sex acts are not pleasant topics, but these are issues that are afflicting Alberta urban communities. Section 173.1 of Bill 206 will reduce the harm to inner-city neighbourhoods and prevent violence towards prostitutes. The activity we are trying to prevent is happening in public places: on our streets, in our parks, and in schoolyards in urban centres. It is bad enough that these actions are occurring on our streets or in our communities, but now they seem to be obtruding into families' backyards, driveways, and front steps. These are not the types of things that individuals and families want to come home to. Granted, this type of activity is occurring most frequently in specific communities, as I said earlier, historically and even now in Edmonton and Calgary, but this is an abhorrent problem, not an issue we should turn our heads from just because it doesn't directly harm our own community. Regardless, these are areas where families live and children are being raised. Do we really want to let this type of activity continue?

Some communities deal with the upsetting effects of prostitution on a day-to-day basis. Residents and their children are exposed to litter from the sex trade and intrusion onto their private property. I feel that this bill is about much more than seizing vehicles. It is about protecting our communities. Street prostitution co-opts the street. It turns the community into a place where women and young women are for sale rather than a place where individuals live and work. It visibly labels communities as harmful or destructive places. Street prostitution infringes on other citizens' rights to have neighbourhoods without condoms in the streets, women safe from being solicited, and children free from viewing half-naked women in front of their homes.

As I have said, street prostitution comes with dangerous and disgusting garbage.

The Chair: Hon. member, your 10 minutes are up.

Ms Kryczka: Thank you, Mr. Chairman.

The Chair: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Chairman. I'm pleased to rise today and offer some of my comments with regard to Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. I believe that this legislation will help Albertans accomplish three very important goals: reduce and curb the spread of street prostitution within the province, help and assist those involved within the trade, and protect our communities and our children from the dangers associated with street prostitution.

I would like to begin, Mr. Chairman, by reiterating that the purpose of Bill 206 is to amend section 173 of the Traffic Safety Act,

which will allow peace officers to seize or immobilize vehicles belonging to individuals involved in prostitution-related offences. I believe that this measure will help with the amount of such offences within our province. Some of the latest data seems to indicate that Albertans have a serious prostitution problem on their hands. According to a study administered by the University of British Columbia, Alberta ranks second only to Saskatchewan with regard to prostitution-related crimes on a per capita basis. What is worse is that similar studies seem to have indicated that this problem is not decreasing but increasing. As a result, many of our urban communities will continue to face further economic and social degradation, our children will continue to grow in unsafe and dangerous environments, and the young street prostitutes will keep getting abused by dangerous sexual predators.

Mr. Chairman, the throne speech spoke of Alberta's Promise. The second of the five promises spoke of "safe and healthy communities for our children's growth, education, and development." This bill will help us to keep the promise of safe and healthy communities.

Now, Mr. Chairman, Alberta's prostitution problem seems to have increased as our economic conditions have improved. During the mid-90s Alberta ranked fourth in the country with regard to prostitution-related offences on a per capita scale while currently we sit in second place. Our economic expansion, which started during the early and mid-90s, has had some unfortunate side effects, which in this case have found form in the proliferation of prostitution on our streets and within our communities. The key factor in the proliferation of prostitution in Alberta has been the increasing number of sexual predators who prey upon young, desperate, and vulnerable street girls, many of whom become too caught up the trade's vicious cycle before they can get out.

Bill 206, Mr. Chairman, aims to remedy at least a part of this problem by focusing on one of the main problems associated with street prostitution, the johns. More specifically, the bill proposes to amend section 173 of the current Traffic Safety Act by adding clause 173.1(1), which will allow officers to "seize or immobilize" vehicles which are used by johns to pick up street prostitutes. Furthermore, Bill 206 would further amend section 173 of the act by adding clause 173.1(3), which would allow the provincial government to hold onto and dispose of such vehicles once their owners were convicted of committing a prostitution-related offence.

While some Albertans may find that this punishment is a bit too harsh, I would like to point out that there are numerous other offences within the Traffic Safety Act that warrant temporary and even permanent vehicle seizures. As an example, Mr. Chairman, the act currently allows peace officers to seize vehicles of individuals involved in various criminal acts such as drinking and driving, dangerous driving, driving without a licence, driving without insurance, smuggling, and many others.

Prostitution, Mr. Chairman, is also a serious criminal offence under the Criminal Code of Canada.

Just as drinking and driving is an act by which an individual puts the lives of others at risk, individuals who purchase sexual services from young and vulnerable street girls are also posing an enormous risk to our society. By partaking in the prostitution trade, johns not only put themselves and their families at risk, but they also jeopardize the lives of the prostitutes and their families, the welfare of people living in the neighbourhoods and the communities in which the trade takes place. They also act as an agent in the proliferation of the deadly cycle of prostitution. Broken families, sexual abuse, alcohol and drug addiction, sexually transmitted diseases, and shattered lives are the components of this lethal cycle. Johns help sustain the motion of the cycle by providing the necessary fuel and money. Therefore, not only do johns put the lives of young street

girls at great risk, but they also fund the very cycle which eventually destroys them.

By amending section 173 and permitting our peace officers to seize the vehicles of those involved in prostitution-related crimes, I believe that Bill 206 will send a strong message that this government cares about those who are the most affected by the prostitution trade and that it will continue to punish the individuals who thrive upon the misfortunes of others. Also, Mr. Chairman, by adding clause 173.1(3), which would allow the province to sell or dispose of vehicles belonging to johns, this bill will help provide further incentive to such individuals to cease their criminal and dangerous activities. It is my hope that if the seizure of their vehicles does not provide enough incentive, then their disposal would. I truly believe that this bill makes johns think twice before they sexually exploit another human being. This would be a good start in our battle against street prostitution.

As I have previously said, Mr. Chairman, some Albertans may say that seizing and selling vehicles belonging to individuals involved in the prostitution trade may be too harsh a measure, especially against those who commit the crime for the first time. Bill 206 deals with this very issue by promoting an alternative measures program which is designed to educate and inform johns about the dangers of prostitution and the detrimental effects they as participants have upon the lives of young street girls and our provinces' communities.

One such program is the prostitution offender program, which was launched in '96 as a joint venture between Alberta Justice and Edmonton city council. The program, which is popularly known as john school, is based on an initiative which is used with great success in San Francisco, where johns were given presentations and classes regarding the dangers associated with the sex trade. Alberta's prostitution offender program is available only to first-time offenders, who must pay a fee to attend the presentation and consultation sessions. The participants spend one full day listening to various presenters, who range from ex-prostitutes, parents whose children are involved in prostitution, police officers, sexual health educators, neighbourhood residents, and many others.

The purpose of these sessions, Mr. Chairman, is to show first-time sexual offenders the other side of the picture, that many of them hardly ever get the chance to see. It gives them the opportunity to recognize the consequences of their actions. It gives them the opportunity to see and realize that these are real people, real families, and real communities that they are hurting. It helps them recognize that they are a major part of the problem and that they have to change in order to help our society reduce the threat of prostitution in Alberta.

3:50

Mr. Chairman, two years ago a constituent came to me to tell me of her granddaughter, who was first introduced to drugs, hooked on drugs, and then, after being totally addicted and unable to afford the drugs, was told by her kindly friend how she could afford to pay for these drugs. This granddaughter was 14 years old. When this child tried to escape the world of drugs and prostitution, her pimp told her that he would kill members of her family one by one. That child has no future. She's dead.

These are the realities that johns need to hear about. Since its inception in '96, Mr. Chairman, the john school program has proven to be extremely successful. A testament to its achievement can be seen in the fact that since '96 1,026 men have gone through the program and only nine have gone on to reoffend. Similar programs have been used in Manitoba and Saskatchewan and have proven to be extremely helpful in reducing the number of prostitution-related offences. One of the most important aspects of Bill 206 is that it not

only would allow first-time offenders to attend the sessions provided by a program such as the prostitution offender program, but it would also permit the province to return the seized vehicles to those individuals who have chosen to attend these sessions. In a way it can be said that Bill 206 gives first-time offenders the benefit of the doubt and gives them a second chance.

Therefore, Mr. Chairman, Bill 206 puts the onus of responsibility on the johns, and it gives them the opportunity to reform their ways, keep their vehicles, help us curb the threat of prostitution, and keep our streets safe for our families and children. In the spirit of this, I urge all of my colleagues today to vote in favour of Bill 206.

Ms DeLong: Mr. Chairman, I rise to speak against Bill 206. The purpose of Bill 206 is to amend the Traffic Safety Act to allow peace officers to seize vehicles involved in prostitution-related offences. The vehicles would be seized when prostitution-related charges are laid and would be sold after a guilty plea or a conviction.

Mr. Chairman, I believe that one of the central parts, one of the most important parts of our society is believing in the assumption of innocence. What this bill does is go a little bit over into this area of assuming guilt.

We've had lots of people here who have talked about how serious this problem is, and it really is a very serious problem. You know, we've heard this afternoon descriptions about the effects on neighbourhoods, the effects on people's lives, the effects on children that have been brought into prostitution. These are real problems that we do need to address, that we do need to work on. Okay? But I question whether this is the way to do it.

I think that there are other possible ways that we could deal with the problem. For instance, in terms of the process that we're setting up here where we're looking at the possibility – what we would have to have is a police officer that is pretending to be a prostitute, and we would have to have staff there to help with the arrest when that undercover agent was in place. So we've got to put that investment in anyway to be able to deal with this problem, and that is the investment that we actually need to make to make sure that those people are out there enforcing the law. But to take this next step, where we take a vehicle away and we assume guilt at that point, I think is a very dangerous step to take, and I don't especially believe that it's even necessary. At that point, the suspect has not spent one second with his lawyer. He has not spent one second learning about how this should proceed through the legal system. We have courts to determine guilt, not police officers.

When the Manitoba amendment was first passed, public awareness was such that it was very effective in reducing the traffic in certain areas. However, over time and because of cost and time constraints the police are not consistently enforcing the provision. So what we're doing is wandering over into this area of assuming guilt without actually solving the problem. I think it's a very dangerous direction to go in.

Some of the other things that we've done in the past such as the work that we've done with the Protection of Children Involved with Prostitution Act – I mean, that was fantastic work that Alberta did in that area and really highly commendable, and I think it's been very effective. The work that we've done with the john schools, where we've given people the option of going to a john school, has also been very effective. What we've found is that there's hardly any recidivism with the people that go off to the john schools. Now, what if instead of seizing vehicles, we give them the option after they've talked to their lawyer of going to john school or proceeding with prosecution at that point, and then we also take the next step: if they get convicted, we put their name in the paper. Okay? We have that ability. There is no reason why we can't do it. It would be

just as effective, but it would assume innocence, which I think is so important in our society.

So I ask everyone to please consider defeating this bill. Thank you.

The Chair: The hon. Member for Edmonton-Glenora.

Mr. Hutton: Thank you very much, Mr. Chairman, for giving me the opportunity to take a few moments to make remarks on Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. In particular I want to compliment and thank the hon. Member for Calgary-Buffalo for bringing this forward as he did experience the devastation of street prostitution through his career as a Calgary police officer, and I respect him very much for bringing this forward.

The issues that Bill 206 confronts are issues that affect us all whether we like to admit it or not. Quite frankly, Mr. Chairman, this may be one of the most important bills to come before this House in quite some time. Why do I say this? Well, the impact of this bill once implemented will be felt on so many fronts. Individuals will benefit from the bill, families will benefit from this bill, and society as a whole will benefit from this bill.

So it was with some concern that I heard some of the objections raised with regard to Bill 206. For instance, one of the issues that was raised several times had to do with whether a law based on Bill 206 would pass constitutional muster in the event that such a law was ever challenged or if similar, already-existing legislation in Manitoba and Saskatchewan were ever challenged. Specifically, these concerns have focused on section 6 of the bill, whereby the arresting officer would be given the authority to order a john's vehicle to be seized.

I must say, Mr. Chairman, that I am a little concerned that some of the strongest objections to Bill 206 have their origins in this particular provision. After all, the seizure of vehicles isn't a new measure by any standards. To the contrary, we already do this in a number of areas. For instance, those who are caught poaching routinely have their vehicle seized. Moreover, if you are caught driving under the influence, there's a distinct possibility your vehicle will be seized too. So from my vantage point this ought not to be a major concern. It is already being done, albeit under different circumstances.

Mr. Chairman, in the bill before us at this time we have the opportunity not only to improve lives but also to save lives. Here I am talking not only about saving lives in the sense of preventing death from occurring. What's of no less importance is that this bill has the ability to save lives from becoming experiences of misery, abuse, disease, and being ostracized from society.

I'm not sure that it is possible for someone who has not found herself or, as in this case, maybe himself as a prostitute to understand just what an ordeal this is. For some being a prostitute means to support themselves and any dependents they may have. For others it is a way to finance their drug habit. I am sure that there are other reasons why someone would wind up working the streets, but I am just as certain that none of them involve choice, enthusiasm, or job satisfaction, things that the rest of us take for granted.

Either way, Mr. Chairman, the people who would most stand to benefit from Bill 206 are prostitutes themselves. To be quite literally stripped of dignity, self-preservation, and security several times a day just to survive would make anyone an easy target for the elements of our society who prey on the weak and the vulnerable. This is not a way for anyone to live and certainly not children. Yes, I said children. Some of the women who sell themselves on our streets are not women but girls, young girls. Some as young as 12

years old ply their trade on our streets. These are girls who are engaged in what we may call adult behaviour but who nonetheless do so with a child's mentality and perspective. Is that what we want? No, I submit it is not. So what are we doing to fight this scourge? What should we do but to fight tooth and nail to put an end to the children and adolescents working in situations that are adult in every sense of the word.

4:00

On other occasions the age of consent in Alberta has been a heated topic of debate. At the present time it is 14. Some have argued that this age limit is too low. This is neither the time nor the place to reopen that Pandora's box, but if, as we have heard here, the average starting age for prostitutes is about 14 years of age, then by dint of logic some must begin when they are younger than 14. This would amount to nothing less than child molestation of the worst kind. Having a child of no more than 14 sell herself on the streets to men who are two, three, or four times her age has to be among the most heinous and vile offences that can be committed against a child in our society today. It is child abuse pure and simple, and if this were a case of child abuse on a videotape or in the hands of a violent parent, we would do our utmost to put an end to it.

That's why laws against such reprehensible acts are already on the books. Yes, solicitation of prostitution is already illegal in our province, and so is child abuse, be it sexual or otherwise. However, if prostitution persists in spite of the already existing legislation, if there are children involved at any level or phase – and please note that I have not spoken of children that are sometimes the result of these liaisons and who sometimes grow up in the midst of prostitution – then obviously the legal means we have at our disposal are inadequate. We must do more.

This is where Bill 206 becomes such a valuable addition to the continuing battle against prostitution and the havoc it wreaks on individuals, families, and our society. Our society is one that is highly dependent on the automobile. Our cities are designed for automobiles, and in rural areas having a car is, quite frankly, something of a necessity. Take away a person's car, and you take away his or her mobility. Take away their mobility, and you hit them where it hurts. That is the point; is it not? If you want to have an impact, you must sometimes resort to what some may call drastic measures, and I would argue that whenever a child's well-being and long-term health are at stake, there is no measure that's drastic enough that we shouldn't attempt.

Another concern that has been raised is that if johns' and suspected johns' vehicles start being seized as a matter of routine, it could amount to a vastly different punishment for a john driving around in an old, beat-up Chevy Nova than for a john who is caught soliciting prostitutes in a brand-new, still-under-warranty luxury car. This to me is another nonissue. It shouldn't matter if the value of the car is the value of scrap metal or a luxury vehicle. Using that kind of logic, should different fines be handed out for traffic violations based on the kind of vehicle the predator drives? I can see it now: you are speeding in your family car, that's \$500, but speeding in a sports car, because the car is meant to go fast, is only a hundred. In the eyes of the law, a car is a car whether it's got but a few miles on the odometer or it's rolled over completely.

Mr. Chairman, going back to the previous examples of situations where vehicle seizure is already a distinct possibility, neither poachers' nor drunk drivers' vehicles are seized on different terms when they are caught for their respective offences. Whether you've shot and killed an endangered species or some other animal out of season or run a red light at 60 miles an hour in a residential neighbourhood while driving under the influence, it's all but a foregone

conclusion that you will be walking for a while. Surely we do not assign a lesser standing to some of our society's weakest and most vulnerable members than we do to those who turn their cars into deadly weapons or those who willfully and without regard for others think nothing of poaching.

What has also been mentioned as a source of concern is that Bill 206 would put in jeopardy the very cornerstone of our justice system; that is, the presumption of innocence until proven guilty. Mr. Chairman, while this is always a concern to me when new legislation is being considered, I am satisfied that Bill 206 will not encroach on such presumption of innocence. As far as I can tell, section 2 of the bill provides several release mechanisms for situations where it can be shown that a vehicle should not have been seized. Having said that, this still begs the question: what business other than solicitation would someone have for using a car to pick up a prostitute? Why would someone drive around an area known to be frequented by prostitutes if not for the purpose of buying sex? I think there's little risk of confusing a john with a delivery guy from a pizza joint, and if against all odds a guy delivering pizza should be mistaken for a john, I'm sure it wouldn't be long before the situation would be rectified.

Mr. Chairman, this is an issue that affects us all, whether we like to think so or not. It is not an issue of concern only to residents of Alberta's major urban areas; all Albertans are at risk directly or indirectly. Recent statistics show that as many as 25 percent of all johns live in rural Alberta and solicit prostitutes when they visit the cities.

Thank you, Mr. Chairman. I hope everyone supports this bill.

The Chair: The hon. Member for Calgary-Fort.

Mr. Cao: Thank you, Mr. Chairman. It is my pleasure to speak on Bill 206 in Committee of the Whole. I believe that this bill has the potential to act as a deterrent for people who may be interested in picking up a sex peddler. As well, I believe that Bill 206 both gives an anti-prostitution tool to law enforcement officers and also sends a message that street prostitution is something that this province will vigorously fight against. I want to say that I strongly support Bill 206 in its attempt to prevent, contain, or eliminate the social ills from spreading into our healthy Alberta communities.

I'll admit that my remarks today will seem highly two-sided in the sense that I see many strengths to Bill 206 but I also have some issues similar to the ones raised in second reading regarding due process and civil liberties. Today I'd like to discuss some of the more detailed points of Bill 206 and run through some scenarios in which the bill works and possibly needs to work better. I want to present these implementation issues for the hon. Member for Calgary-Edmonton to consider, making the law workable and respected.

Many of the questions I raise take in the reality that many families and many johns have more than one car, and many johns may not be using a car that they own. These concerns centre around section 2 of Bill 206. As well, I will raise a few issues regarding the bill's reliance on the Criminal Code of Canada, which is set by federal legislation. Members will notice that sections 2 and 6 of Bill 206 both refer to the Criminal Code. Finally, Mr. Chairman, I would like to discuss some of the concerns expressed in second reading, most notably the concern that in taking away a john's vehicle, we are violating his rights in some regard.

On my first point the members for Airdrie-Rocky View and Edmonton-Calder both expressed concern that the penalty for two different johns would be different, either in terms of real cost of a vehicle being taken away or in terms of different relative costs that the vehicle may hold for two different johns. However, I want to

take a different tack here. I ask the member how he would respond to the concerns raised by the members for Airdrie-Rocky View and Edmonton-Calder and, two, the concerns that this bill would mean a different penalty for johns with only one car versus johns with more than one car. Obviously, we are looking at a special case here. It is true that this different situation exists with other punishments as well: taking driver's licences away from drunk drivers or assigning similar fines to people of varying income levels. However, like the two members, I believe that this case is unique and that we could have a situation of different fines for the same action or similar fines for the same action that affects two people in different ways. It would be beneficial for the sponsor of Bill 206 to address these concerns.

4:10

As well, on a related point a larger concern has been raised in regard to taking a vehicle that is not one's own. I know that there are provisions against seizures of a stolen car, but I also wanted to note the provisions that would protect the owner of a car should a person with access to the car take it out cruising for sex peddlers. For example, let's just say that a 19-year-old son borrows his mother's car for the weekend and gets caught in a sting while attempting to pick up a prostitute. Obviously, it is unfair to keep that car from the young man's mother. This is why under section 2 we have subsection (3)(a) and (b), which state that the car would be returned to the owner, the mother. Or take a different scenario: a husband takes a car registered in his wife's name and gets caught in a sting. It would also be unfair in this case to keep the car from the perpetrator's wife.

Others may choose to look at this second scenario in a different light. They may suggest that a loophole has been found: a man cognizant of the fact that if he doesn't use his own car, then no vehicle will be apprehended may use the cars of other friends, of family members, or even taxi cabs. I suggest that this is one of the loopholes to get around the law that the hon. member sponsoring the bill should pay attention to.

However, I've asked the sponsor whether or not he has considered this loophole, whether he thinks there is a way of seizing a john's own vehicle in the event that he has used someone else's to pick up a hooker. Is this at all possible? My point is that if a john has two cars or if a family has two cars, it doesn't seem as though life is going to be altered at all if all he has to do is use a different car. Shame, of course, may go a long way in terms of forcing someone to respect the law, but it may not go far enough. I would also note that the point of the bill is twofold. On the preventive side we want the prospect of either shame or inconvenience to work as a deterrent. On the punishment side we want to inconvenience johns so that they are unable to easily pick up a sex peddler. If we are only marginally inconveniencing a john, then I tend to wonder how effective the punishment side is.

None of this is to make light of the seizure of an automobile as a significant penalty; it's only to suggest that if a person can drive a car, whether it be his or another person's, he can pick up a sex peddler. Maybe the question should be: why not suspend the john's driver's licence as well? It would seem that by taking a john's car away and making it illegal for the john to continue driving until he has agreed to go through an alternative measures program, we would strengthen the deterrent to picking up a sex peddler. Further, we would reinforce the idea that driving is a privilege, not a right, and that by taking part in an illegal activity while driving, you are in essence forfeiting your right to drive. This is something that undoubtedly can be applied to johns and is something that I believe most Albertans would support.

With my second set of concerns it is clear that Bill 206 references the Criminal Code of Canada and, as such, renders itself dependent upon federal legislation. I understand the need for this. It is the federal government which sets the Criminal Code. However, I would ask: what other source of alternatives has the member considered that would have the same effect yet would not render us dependent upon the federal legislation? My concern is that any changes in the referenced section of the Criminal Code would undoubtedly affect the way that Bill 206 would be administered in Alberta and possibly not for the better. So a question to the sponsor: is there any risk of a change in the federal legislation requiring a change in the Alberta legislation should Bill 206 become law?

Finally, I want to address the concerns related to due process and civil liberties. They are important concerns, especially when you are dealing with criminal acts. We have to make sure that due process is part of the equation. However, we should be careful to note that with Bill 206 we are taking street prostitution out of the Criminal Code for those johns who choose to go to an alternative measures program instead of fighting the charges in court. In short, a deal is cut. If a john agrees to john school or another alternative measures program, then he gets his car back. If not, he does not get his car back. Something seems strange about this arrangement. For instance, what about circumstances when the deal isn't agreed to and if the suspected john argues that he is in fact innocent and he would like his day in court? So I would like to ask the members to consider these points.

I urge all hon. members to support this bill. Thank you.

The Chair: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Chairman. I appreciate the opportunity to rise today and speak in favour of Bill 206. This is an extremely important piece of legislation. During second reading a number of members raised concerns about Bill 206. I would like to briefly address these concerns and state why the fundamentals of Bill 206 supersede these concerns.

The main objections to Bill 206 from members from both sides of the House had to do with issues surrounding constitutional vulnerability, due process, and unequal punishment under section 2(b), or the seizure of possible johns' vehicles. Some hon. members have addressed some very important issues during second reading. They questioned whether Bill 206 would stand up to a constitutional challenge because it encroaches into jurisdiction of the Criminal Code of Canada. Members also raised concerns of unequal punishment, explaining that vehicles range in value and also that vehicles even of the same price range range in real-life value from one person to another.

Dealing with the first issue of a constitutional challenge, we must look to Manitoba and Saskatchewan. In both of these provinces, where similar legislation has been adopted, we have yet to see this sort of law struck down by the courts. Frankly speaking, Mr. Chairman, even if Bill 206 is struck down in court, I believe it is a worthy risk we have to take as a government that is committed to being tough on street prostitution. A constitutional challenge should not stop us from pursuing the right objective.

My response to the member's second concern of unequal punishment is a simple one. Alberta is a province that prides itself on individual responsibility. Individual responsibility is at the core of Bill 206. Johns will be well aware of the new legislation before they make the conscious decision of obtaining the services of a street prostitute. Mr. Chairman, it is time that johns take responsibility for their actions. This is the Alberta way. We do not expect people to put blame on others or claim ignorance when they are guilty of a

crime. Because of section 2(b) johns, no matter the value of the vehicle, will have to face and accept the consequences of the actions.

The third concern of Bill 206 raised by some hon. members is that it does not allow for full legal due process to take place. The members disagreed with the argument that police vehicle seizures of drunk drivers could be related to vehicle seizures of johns, because johns do not pose a direct threat to society. What nonsense. I'd disagree with this assertion strongly, and I believe johns, through the spread of disease, namely HIV, directly endanger not only their and the prostitutes' lives but society in general, not to mention the high rate of violence that street prostitutes face at the hands of johns. The indirect consequences of street prostitution of poverty, drug addiction, and family destruction cannot be forgotten when thinking of how this bill will deter johns.

4:20

Another precedent of vehicle seizure, or section 2(b), in this province is when people are caught for poaching. In these cases, vehicles are taken on the spot when someone is suspected of poaching. Even though there is no perceived direct threat to society, this action is taken.

At first glance Bill 206 may seem a bit excessive, but after talking to the hon. Member for Calgary-Buffalo, I believe that Bill 206 is an effective way to help protect inner-city residents, and if we consider the consequences of not doing anything to help these people, then Bill 206 becomes even more important. I understand that the number of street prostitutes in Edmonton and Calgary has declined, yet the problems caused by johns and street prostitutes remain.

We have heard and will continue to hear reasons why the threat of vehicle seizure is a justifiable way of ridding Alberta streets of prostitution. Well, one of the major arguments against this sort of legislation is that it may be seen as excessively strong punishment. After all, prostitution is often referred to as the oldest profession and affects a relatively small number of Albertans, but I think that this bill has the potential to be very detrimental to people who rape and exploit young women.

Some may say that vehicle seizure hasn't eliminated other crimes such as drinking and driving and will not work for prostitution. I would agree that both street prostitution and drunk driving are complicated issues with no easy solutions. I also do not believe that seizing vehicles will be enough on its own to eliminate street prostitution.

No one believes that this bill is a simple solution to a complex problem. However, I do have a simple, inexpensive solution for sexual predators who feel that their constitutional rights have been violated by the presumption of guilt because their vehicles were taken away from them. If you don't want to lose your vehicle, don't pay young girls to satisfy your deviant needs. I'm sure these men don't want to explain to their families what happened to the family car, but they also shouldn't risk the chance of getting or transmitting a sexually transmitted disease.

Mr. Chairman, I would suggest that johns either stay home or find another hobby. I'd also urge johns to stay away from these women. Leave them alone, and let them try to get themselves off the streets, away from a life of sexual abuse and drug addiction. I think this is very simple advice, but it is also advice that hundreds if not thousands of Albertans strongly encourage johns to consider. If I believed for a second that johns would listen to my advice, then we wouldn't be debating the importance of Bill 206 in the first place. If johns listened to reason, then teachers wouldn't have to pick up dirty condoms from inner-city playgrounds. You know, the monkey bars are meant for the kids, and at my last assignment in a school I had to put a 10-foot fence around the playground because it was in

the inner city, and wasn't that unfortunate when the kids in the neighbourhood couldn't play in the playground after hours because we had to protect the kids at the school?

If johns truly understood the consequences of their so-called harmless actions, then young women wouldn't be found frozen and strangled in a farmer's field.

Finally, Mr. Chairman, I would like to talk about the use of this bill by street prostitution vice units. We should keep in mind that police officers may use this tool frequently, sparingly, or not at all. Nowhere in this bill does it say that police must use vehicle seizure. The goal is to help them reduce street prostitution and improve the safety and well-being of inner-city neighbourhoods. This bill is only another tool that singles out the john or the customer of this illegal act.

Yes, Mr. Chairman, there are concerns with Bill 206; however, we are a government known for making hard decisions and being tough on crime for the best interests of all Albertans. Voting in favour of Bill 206 will be another example of our strong resolve to make Alberta safe and secure for her citizens. On that note, I urge all members to support Bill 206.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Wainwright.

Mr. Griffiths: Thank you, Mr. Chairman. It's my pleasure to rise today to speak to Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. It's my understanding from reading the bill and speaking to the hon. Member for Calgary-Buffalo that the purpose of Bill 206 is to amend the Traffic Safety Act to allow peace officers to seize vehicles involved in prostitution-related offences. The vehicle would be seized when prostitution-related charges are laid and would be sold after a guilty plea or a conviction is reached. Fees for the seizure and storage of the vehicle would become the responsibility of the offender. If the suspect is acquitted, however, the fees become the responsibility of the Alberta government. Vehicles would be returned after an acquittal or if a first-time offender pleads guilty and participates in an alternative measures program, which includes education or community service. The seized vehicle would also be returned if someone other than the registered owner, such as the spouse, shows that the seizure is causing undue financial hardship to the family. Other exceptions include if the vehicle was stolen from the actual owner or if the offender borrowed the vehicle without the owner's knowledge of the intended offence. Some of the concern that I've heard expressed in this debate revolves around how and when the vehicle would be seized. A peace officer who on reasonable grounds believes that a motor vehicle is being operated in the course of committing a prostitution-related offence may seize the operator's vehicle.

Now, I've heard quite a few people express concerns thus far that suggest: what if they're just driving around the neighbourhood for awhile looking for somebody's house or driving around looking for things? What if they then get their vehicle seized because they're in a neighbourhood near a stroll? Well, Mr. Chairman, from my understanding I don't believe that a vehicle can be seized in that circumstance. It strictly and expressly says that reasonable grounds have to be achieved, and I find it very difficult to believe that a police officer is going to seize a vehicle just for driving around the neighbourhood for 15 minutes looking for a convenience store or looking for a neighbour's house. You have to have reasonable grounds.

I also have heard people say: what if I'm driving around and I get lost and I pull over to ask somebody for directions and it happens to

be a prostitute? Mr. Chairman, if it's a prostitute who is an undercover police officer trying to trap individuals, I'm sure that if you ask for directions, the police officer will give you wonderful directions. They will not seize your vehicle for something so subtle and unrelated to prostitution. The police have much better things to do than to try and catch people who are looking for a place when they're lost.

Mr. Chairman, I'm never in favour of doing something that creates a black market, that pushes something underground, any sort of activities, because that never solves the problem. It only deals with the symptoms of a situation rather than trying to create a solution, but it's a commonly known fact that prostitution is already underground. It's already illegal, and this won't be driving it underground. The purpose of this bill, as sponsored by the Member for Calgary-Buffalo, is not to drive it underground but to drive it off the playgrounds, off the street corners, and out of the backyards of communities where families are trying to live and raise children.

Whatever goes on behind closed doors, Mr. Chairman, and in the bedrooms of citizens is not the business of this government. It's not the business of any government, and it never has been. This bill is going to attempt to take whatever is out on the streets where we're raising children – in people's backyards, on street corners, and on playgrounds – and it's going to put it back behind closed doors, off the street, back in people's bedrooms where it can be dealt with appropriately between consenting adults, and then we can deal with the crime and activities of prostitution in general. This bill is not designed to stop prostitution. It was never intended to stop prostitution. It is strictly designed to clean up our streets.

I have one other concern that I've heard expressed that I wanted to address, and that's that when a vehicle is seized, the punishments could be very difficult. Somebody who owns an extremely valuable \$40,000, \$50,000 vehicle as opposed to someone who owns a \$3,000 vehicle – seizing those two vehicles does not seem like equitable punishment for the same crime.

4:30

Mr. Chairman, I'd like to point out that if you get pulled over for drunk driving and your licence is seized, the justice system doesn't consider or evaluate the value of that licence to you. If you're a truck driver and you make \$4,000 a month from driving a truck and you lose your licence, that licence could be much more valuable than somebody who drives a vehicle once in a blue moon and usually takes light-rail transit or a bus or something and doesn't really have need for a vehicle. We don't measure whether or not the value of the punishment is equal in those two circumstances, so I don't consider it a necessary argument that could defeat this entire bill.

As I said before, Mr. Chairman, its entire purpose is to clean up our streets, and I'll support anything that helps to clean up our streets, and I ask all members to support this bill.

The Chair: The hon. Member for Airdrie-Rocky View.

Ms Haley: Thank you, Mr. Chairman. I'm glad to be able to have a chance, just for a couple of minutes, to try and clarify, I think, some of the things that I was saying the other day when I spoke against this bill. I appreciated my colleague for Wainwright's comments. I still do have a concern, however, when we pass a law or agree to pass a law that could very easily be challenged on a constitutional basis. I think that we need to be very responsible as lawmakers when we're working on things like this to make sure that we know exactly what the upside and the downside of things like this are.

I also think that there is an issue when a punishment can be

unequal in a system that is supposed to be about justice. When you talk about somebody going to prison for two years less a day for theft over so many thousands of dollars, if somebody steals \$2,000 more, do they go to jail for two years more? I don't think the answer is yes; I think the answer is no. So there is supposed to be something in justice that actually means justice and not just, you know: let's go get him and take him down.

I don't approve of prostitution, but I am not naive enough to believe that bringing this law through will in fact change prostitution. It's been I believe known to be one of world's oldest professions. I don't think that anybody has been able to figure out a way in the last couple of thousand years to make it go away, and I'm equally confident that this won't make it go away. However, if it helps to save lives and to clean up neighbourhoods, then I see merit in that idea. I'm not opposed to any of the upside benefits that we may glean from this bill, although I think that I would have had an easier time supporting the bill in its original form before, I believe, it got watered down. I think that now when you say to people, "Well, we're going to take your car, but we'll give it back to you when, you know, you go to John School," well, we can already make them go to John School, so why do we need to involve the vehicle?

I just think we need to think about what we're doing. I have great respect for my colleagues, and if they believe that this is a good bill, then I'm willing to go along with that. I just think that some of the things that we have done on the child welfare side on the side of the child prostitution act were profound bills. They truly gave us the tools to make a difference in these children's lives. I fully and totally support what my colleague the Solicitor General did as a private member bringing it forward.

I support the 118 ranch, that's being constructed and is just now being opened in my riding, where we can take some of these young children, 11 to 15 years old, off those streets. Once they go through a drug program, we can put them onto this ranch where they can learn how to be students again so that they can go back into the school system, and we can help them deal with some of the shock and horror that they've gone through.

I had a really profound moment in my life a few years ago, and believe it or not, I was door-knocking in a constituency inside Calgary. We were asked to go out with some children from AARC; that was the rehab for kids that were involved in drugs and street prostitution as well. I met this marvelous young 14-year-old girl who had been on the streets for two years and had now been 11 months in this program. She had been in the program long enough to be a mentor for another young person that was coming off of drugs and off of the street.

I don't think I've ever met anybody that had a bigger impact on me in such a short period of time as this very young girl. Nothing would make me happier than to think that we could prevent more young girls like this from ever being exposed and subjected to the horrific things that she was involved with. What a wonderful child that could come through that and be such a totally cool person to talk to. We were soaking wet door-knocking in the snow for two and a half hours, and it was just the best two hours of my life from a learning point of view. I'm constantly amazed at what children get exposed to but how there are other great people in society that can help them deal with those issues later and come away a stronger, better human being and somebody that's willing to not only help themselves but indeed try to help other people, which she was doing at such an incredibly young age.

I have great empathy for what you're trying to do. I'm not prepared to vote against your bill, again, because of the harassment that I got after the last time, Member for Calgary-Buffalo, but I want you to know that I don't think it's the appropriate thing to do. I

think that you need to deal with prostitution on a whole other level. I really believe that we've got to stop pretending that we can beat this out of society, and maybe we need to start dealing with it on the basis that it needs to be cleaned up. It needs to be controlled. At least anybody that's involved in it needs to be health tested, and they should bloody well be paying taxes. I just think it is time to grow up and deal with it on a whole other level, but we're not there today.

I want to thank you for the opportunity to speak on this. I hope that anybody that does hear this leaves the little kids alone. I think that it's an adult issue, and we need to be able to deal with it as adults, for adults, by adults but not when it comes to messing with kids.

Thank you very much, Mr. Chairman.

The Chair: The hon. Member for Calgary-Buffalo.

Mr. Cenaiko: Thank you, Mr. Chairman. I would like to thank all the members that spoke this afternoon and as well the last two speakers, the hon. Member for Wainwright and, lastly, the hon. Member for Airdrie-Rocky View, for their comments.

Mr. Chairman, I'd like to just address a couple of things that were brought up in this afternoon's debate. One was regarding the issue of seizing vehicles and the time allotted to seize vehicles, when that might happen. One issue that I want to raise just as a reminder is that, again, these actions or the ability to seize a vehicle would only rest with the police when in fact an undercover operator posing as a prostitute was in communication with a sex trade offender. I want to just explain that this wouldn't occur while somebody was driving down the street asking for directions. There would in fact have to be communication for the purpose of having sex for money with an undercover operator.

The policy regarding seizing of vehicles, what they're going to be doing. Those are issues that have to be dealt with by the policing community. The policing agencies in the province will have to make their policy regarding how they'll be seizing the vehicles, where they'll be towed, where they'll remain in a lockup facility but as well ensuring that the ability to release that vehicle to the registered owner or person authorized by the registered owner, which is included in our bill, would be there for them.

One of the other issues that was brought up, Mr. Chairman, was: why doesn't the media provide the names of convicted johns? The media is provided with the names. I know for a fact that the Calgary Police Service provides the names of convicted johns, of their offence and their penalty. That is provided by fax to all the media outlets in Calgary. It's the media that has made the decision to not publish that in the paper. So I wanted to advise the hon. Member for Calgary-Bow that that has been done and is being done. It's the media that isn't publishing it.

Lastly, Mr. Chairman, I just want to review the highlights again of Bill 206. This bill will create safer and healthier communities for children and families. It assists young females and males in prostitution, removing them from the street through the Protection of Children Involved in Prostitution Act. As well, it reduces sexual assaults and physical abuse of women and children trapped in a world of drug and alcohol abuse. It provides a deterrent that is strong enough to make the offender think of his actions and the criminal offence he's about to commit. It provides an alternative measures program to educate sex trade offenders of the realities of the sex trade industry. It provides the community with an opportunity for offenders to help clean up the very community they've committed the criminal offence in.

It provides for the release of a vehicle if the seizure created a financial hardship to a family including the mom or a child. It

provides a strong and harsh deterrent in the seizure of one's motor vehicle on second or subsequent offences. It provides the policing community with another tool of enforcement. It provides community associations or leagues with the ability to partner with the police and the Crown prosecutor's office in removing the sex trade/drug industry from their communities. Again, it creates safer and healthier communities for our children and families to live and reside in.

Mr. Chairman, I ask that the question now be called.

4:40

[The clauses of Bill 206 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Some Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Stevens: Thank you, Mr. Chairman. I move that we rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 206.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Concur.

The Deputy Speaker: Opposed? So ordered.

head: **Public Bills and Orders Other than
Government Bills and Orders**
head: **Second Reading**

Bill 208 Occupiers' Liability (Recreational Users) Amendment Act, 2003

The Deputy Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. I would like to move second reading of Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003.

It gives me great pleasure to rise in the Assembly today and sponsor and begin the discussions and debate on Bill 208. The intent of Bill 208 is to reduce the current level of liability that landowners and occupiers owe to visitors on their property. This bill reduces the burden, as recreational users would be treated the same as trespassers pertaining to liability. The variety of rural lands which would be affected by this bill include agricultural land, deeded land, leased land, community pastures, and designated recreational trails. Mr. Speaker, Bill 208 removes the present common duty of care given to recreational users on the previously stated types of land. However, I must stress that occupiers and landowners are still and should be held liable if they display willful or reckless conduct in their course of action towards visitors.

The Occupiers' Liability Act currently in place in Alberta leaves an occupier liable for injuries or damages that are sustained by visitors while on that property. It is the liability factor which cautions many private landowners to refuse access to visitors onto their lands for recreation purposes. Liability is a risk that landowners take when permitting visitors onto their land.

Mr. Speaker, I have personal experience regarding the issue related to this bill which I feel will highlight circumstances which could occur. I had a hired man that worked for me on the farm for approximately four years, and one fall he was cultivating the field as per my request and pulled up some rocks in the process. He then was assigned to go back to the field with a rock picker and remove all the stones that had surfaced. However, inadvertently he left one of the large rocks behind and never went back to remove it. During the winter the same individual asked if he could snowmobile on my property. He had just bought a new snowmobile and was very anxious to try it out in the open field. Well, most naturally, I said that it was okay. I knew him well, I knew he was familiar with the field, and I believed he would respect the property. While this man was cruising across the field, he encountered the rock he left behind a few months previous. The individual not only destroyed his machine but, worse, got hurt.

Following the accident, this employee contemplated holding me liable. However, he was the one operating the snowmobile at excessive speeds and without total awareness of his environment. He hit the rock, which he was aware of in the first place, one that he neglected to remove. I was left solely liable because it is my land and I had given him permission.

Mr. Speaker, with regard to recreational users on their property, landowners are concerned about liability. A lawsuit could mean that rural Albertans could lose everything they have worked so hard to achieve and acquire. I don't think anyone in this House could blame them for not wanting to take that risk. The Occupiers' Liability Act, which was established in 1973, outlines the liability relations between landowners, trespassers, and visitors as well as the provisions for lawful entrants and trespassers. An occupier or owner of land under the legislation must provide a duty of care to visitors. It is defined in section 5 of the act as taking care

as in all the circumstances of the case is reasonable to see that the visitor will be reasonably safe in using the premises for the purposes for which [he] is invited or permitted by the occupier to be there or is permitted by law to be there.

To put it more simply, the common duty of care can be described as safety precautions that a reasonable person would provide to a visitor. Under this duty each and every visitor would be granted the assurance that precautions have been taken to ensure that recreational users are safe from harm and completely knowledgeable about the property he is about to enter.

Mr. Speaker, I must stress that it is extremely difficult to isolate all potential dangers, because what may appear to be completely normal farming practice may be construed as negligence to others. Some farmers store their cultivators in the field over the winter. Many acreage owners have barbed-wire fences on their properties. Some farmers have dugouts in the pastures as a water source for their cattle herd. A normal procedure or even a natural alteration within a farming or acreage operation may seem to be an obstacle for somebody else.

The common duty of care is definitely favourable to the recreational user because it places no burden of responsibility on them if they get injured. However, let me be clear. This bill does not disregard landowner and occupier liability. If passed, liability will be reduced to the same level granted to trespassers. If an owner or an occupier exhibits willful or reckless conduct towards a recre-

ational user, they are still liable. Bill 208 will amend the current legislation by removing the common duty of care provision and will provide property owners and occupiers the ease of opening their lands to recreational visitors without worry of potential lawsuits.

Individuals using lands for recreational pursuits and the liability that is owed to them have created a challenge for communities' cohesiveness. This has resulted in the retreat in granting land entry. However, Bill 208 will protect landowners and give them the option without current potential risk.

4:50

Mr. Speaker, I would like to spend a few moments noting what has happened in other jurisdictions in Canada with regard to the occupier and landowner liability. Some provinces have similar legislation to Alberta, but they differ in that they include stipulation for recreational users. Ontario contains a section in their Occupiers' Liability Act which provides occupiers with reduced liability towards recreational users and their activities. The user assumes all risks when entering the property if provisions are met.

Manitoba includes a provision in their Occupiers' Liability Act specific to off-road vehicles and their relation to duty of care. In British Columbia occupiers and owners that allow individuals on their property for recreational purposes are not liable. The user assumes the risk while on the premises if specific conditions are met.

In Saskatchewan liability is governed by two acts outlining provisions for hunters and snowmobilers. The Wildlife Act outlines that landowners do not owe duty of care to hunters. However, they can display willful and reckless actions. The Snowmobile Act limits the liability of landowners and the occupier from injuries, loss, or damage suffered by an owner or occupier. They cannot be negligent in their conduct.

Other provinces have recognized the need to incorporate legislation to govern the liability of recreational users. A much-needed initiative in Alberta, Bill 208 will amend the Occupiers' Liability Act, shifting responsibility and liability to the recreational user for their own actions.

Mr. Speaker, most landowners and occupiers want to allow recreational users on their land, but they have reservations, usually due to liability. With the passage of Bill 208, there is an opportunity to make prescribed rural Alberta lands more readily available to welcome visitors. Bill 208 is a much-needed initiative in this province that would provide some protection to the landowner or occupier. This bill does not force anyone to admit recreational users onto their property, but it does give them the choice without assuming all of the risks. It allows the option of opening up the land without worrying about being sued.

I look forward to the discussion and debate as well as all the points raised by my hon. colleagues on this matter. I encourage all of the members of this House, whether you are from a rural riding or an urban constituency, to weigh the merits of this bill when you vote on it.

Thank you very much, Mr. Speaker, for your time and indulgence.

The Deputy Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Speaker. It is with great pleasure that I rise today to offer some of my comments with regard to Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003. Before I begin, I would like to commend my colleague from Lac La Biche-St. Paul for bringing forward such an important piece of legislation, which I believe will be of great benefit to our rural communities.

Mr. Speaker, Bill 208 addresses an issue that has been on the

minds of many Albertans, especially those living in rural Alberta. This concerns the fact that the Occupiers' Liability Act in its current form does not reflect some of the realities for landowners and occupiers in rural Alberta. As my colleague has already mentioned, the act places the burden of responsibility on the landowners, leaseholders, and occupiers for the actions undertaken by recreational users. More specifically, under the present provisions of the act the landowners, leaseholders, and occupiers are liable for any injuries sustained by those individuals who have been granted permission to use their property.

The trouble with this aspect of the Occupiers' Liability Act is that it is counterproductive and unfair to assume that the farmers, ranchers, and acreage owners should assume all the responsibilities for injuries incurred by recreational users. The reason why I say this is because many farmers are quite content to allow other Albertans to use their land for recreational and enjoyment purposes.

Furthermore, Mr. Speaker, I would like to point out that Alberta is a large and beautiful province, and her landscape and environment are ideally suited to those who lead active lifestyles and who appreciate the outdoors. The natural wonders of our province are some of the main reasons why so many people from other parts of Canada and the world choose Alberta as their tourism destination. Our farmers and landowners recognize this outstanding quality and therefore are quite willing to permit recreational visitors to enjoy their property as long as they're careful and not reckless in their conduct. However, what makes many farmers and ranchers very nervous is that under the Occupiers' Liability Act, if one of those individuals is injured while on their property, the farmer is left liable for the injury suffered by that individual.

The trouble with this aspect of the act is that it is out of touch with the present-day reality. I say this because many of our landowners have large properties which they cannot monitor at all times of the day and night. It is simply impossible for them to know exactly what is happening on their land at all times, and it is unreasonable to expect them to be aware of all the potential hazards which could lead to an injury of another individual.

To illustrate my point, Mr. Speaker, I would like to use an example of a farmer who has dug a small, narrow ditch on his property for irrigation purposes. For whatever reason he or she was unable to cover the ditch, and in the meantime winter arrives and the ditch is covered in snow. If a recreational user who the farmer allowed onto the property falls into the ditch and breaks his leg, the farmer is automatically liable for the injury suffered by this individual. The issue at stake here is: should the farmer be liable for this injury? If the farmer dug the ditch for the intent to injure another person, then it is reasonable to assume that he or she would be liable, but in this case the farmer was simply undertaking a utility project which did not get completed before winter. Should the farmer be liable in this case or in other similar instances? I think not.

The end result of the current provisions of the Occupiers' Liability Act is that the farmers and ranchers are becoming extremely hesitant to allow recreational visitors onto their property for fear of a potential lawsuit if an injury or possibly death were to occur. This state of affairs, Mr. Speaker, hurts not only our province's community spirit in the sense that everyone is free to enjoy Alberta's natural landscape, but it also creates an atmosphere which discourages tourists and other visitors from coming to Alberta.

I believe that all of my colleagues can clearly see that the Occupiers' Liability Act has to be amended to reflect the present-day realities. I believe that Bill 208 will remedy the shortcomings of the Occupiers' Liability Act by shifting the burden of responsibility from the farmers, landowners, operators, and leaseholders toward recreational users and visitors.

Bill 208 will accomplish this task, Mr. Speaker, by making owners and occupiers liable only if they knowingly undertake reckless actions and measures that could lead to injury and death of another individual. In this case, the amount of liability owed to recreational users will be dropped to the same level as that of trespassers. I believe that amending the Occupiers' Liability Act is in the interests of both farmers and recreational users, because by reducing the burden of responsibility, the farmer would be more inclined to allow the recreational user access to his land.

Clearly, Mr. Speaker, it is in no one's interest to see the situation where the farmers and ranchers are not allowing recreational users on their property for fear of being sued for possible injuries. Furthermore, Bill 208 will not only reduce the likelihood of frivolous lawsuits by individuals who take advantage of the current provisions of the Occupiers' Liability Act, but it will also make recreational visitors more reasonable in their actions while present on somebody else's land. Quite simply, Bill 208 promotes responsibility and safety awareness among the recreational users because it takes away their right to sue if they are negligent in their conduct.

It is very important, Mr. Speaker, that Bill 208 address the issue of liability not only with regard to agricultural lands but also regarding deeded lands, leased lands, recreational lands such as golf courses when not open to playing, vacant or undeveloped premises, and forested and wilderness premises. In my constituency there are many individuals who own or lease what is referred to as recreational land. Some of these plots of land have trails which are used by people operating snowmobiles and ATVs. The problem with some of these vehicles is that they are relatively fast, and depending on the driver, they can be very dangerous and even lethal. Every year we hear of countless accidents involving snowmobilers, many of whom operate these vehicles with undue care. If one of those individuals were to hit something like a protruding rock while snowmobiling on a trail located on private or public lands, the owner or the occupier of this property would be liable for the damages and injuries incurred by this individual.

5:00

As I said earlier, Mr. Speaker, it is impossible for landowners to be aware and keep track of all potential hazards on their property. Therefore, I believe that it is unreasonable and unfair to hold landowners and occupiers responsible for injuries suffered by recreational users unless these hazards were put out purposely by the landowners with the intent to injure another person. In this case, Bill 208 will remedy the liability problem by placing the onus on recreational users such as snowmobilers and ATV operators to be more responsible for their actions and more careful when they are traveling on somebody else's property. If it is established that the landowners are being reckless or negligent in their conduct towards a recreational visitor, then they will be prosecuted accordingly.

Apart from addressing the issues of liability, Bill 208 will also resolve a legislative matter which until the introduction of Bill 16 has been in limbo for almost four years. In May of 1999, Mr. Speaker, this government passed Bill 31, the Agricultural Disposition Statutes Amendment Act. As many of my colleagues know, this act was never proclaimed, and some of the requirements of this act never benefited the people of Alberta. The reason I mention Bill 31 is because at that time I was involved in the regulatory process of the bill, and I was keenly aware of some of the great benefits that this piece of legislation would have for our province. One of those benefits is directly echoed by Bill 208, more specifically the aspect dealing with the issues of liability. Section 11.1 of Bill 31 stipulated that leaseholders would be liable for injuries suffered by recreational users only if the injuries resulted from the occupiers' willful or reckless conduct.

As you can see, Mr. Speaker, Bill 208 closely resembles section 11.1 of Bill 31 with the exception that while section 11.1 of the bill deals specifically with matters concerning leased lands, Bill 208 addresses the liability issues concerning private and leased lands. The main problem with Bill 31 is that it was never proclaimed into law, and as a result the outdated aspects of the occupiers' liability continues to be unresolved. Bill 208 serves to accomplish at least one of those goals outlined in Bill 31 by focusing primarily on issues of liability. I urge all members to support Bill 208.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. It's an honour to rise today and speak in favour of Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003. Before I explain why I support this bill, I would like to commend the hon. Member for Lac La Biche-St. Paul for bringing forward this important piece of legislation. As a member that represents rural Albertans as well as urban Albertans the issue of recreational land use is very dear to me and my constituents. Therefore, I'm not only supporting this bill because I believe it's the right thing to do but also because many of my constituents have expressed support for Bill 208.

Alberta is a province that is founded on the fundamentals of strong community roots and neighbourly cohesion. Bill 208, by relieving landowners of the burden of liability to recreational users, would greatly increase these fundamentals of Alberta society. When a landowner refuses permission to a recreational user to enter the land because of the fear of liability of any possible accidents, the basic fibres of our open and gracious culture are eroded. Fears should not overcome a landowner every time he or she is contacted by a recreational user. Albertans should want to share the beautiful landscape with their fellow citizens.

However, Mr. Speaker, in this day and age when people are filing a countless number of frivolous lawsuits and passing responsibility of their actions on – and I say this very loosely – to those legally responsible, it is time as elected officials to protect those individuals who play an integral part in maintaining our core values. Individual responsibility is a quality that is declining in today's society. It's disheartening to watch individuals pass responsibility from themselves to other citizens or the government. Alberta is a province that prides herself on strong individuals who take responsibility for their actions. I strongly feel that Bill 208 will help restore this core belief that founded this great province.

Alberta is a province that endorses and supports actions of entrepreneurship, free spiritedness, and risk taking. However, when these actions are taken, our culture in Alberta reciprocally feels that the onus is on the individual to take full responsibility for his or her actions. Many of our government social programs are designed to help Albertans be less dependent and make individuals take responsibility for their lives. The policies and philosophy of this government for a number of years have been that individuals are given the utmost freedom to develop their lives, and with that freedom a duty of responsibility must be taken. Albertans over the years have accepted this philosophy, and our outgoing, independent-minded spirit is revered across the country. Bill 208 matches our already existing policies and cultural mind-set. Mr. Speaker, Bill 208 will not only help restore Alberta's community spirit; it will help increase and build neighbourly relationships and leave landowners without the sense of fear and reservation that comes every time requests by recreational users are made.

Mr. Speaker, I would now like to take this opportunity to switch

gears a little bit and discuss what other provinces are currently doing in the area of occupiers' liability. I believe it's important to look at other jurisdictions to see what works and how we can adjust our own legislation. It's interesting to note and, frankly, a little disheartening to know that British Columbia, Ontario, Manitoba, Nova Scotia, Prince Edward Island, and Saskatchewan all relieve landowners of liability of damages incurred by recreational users who are granted permission to use land. All of these provinces still make landowners responsible for not creating dangerous environments with the intent to do harm to the recreational user or damage to their property. This is an important part of our own legislation, and I'm pleased that it is remaining constant in Bill 208.

In Saskatchewan there is legislation governing the liability of occupiers to hunters and to snowmobilers. The Wildlife Act states that an occupier of land owes no duty of care to a person who is hunting on the land. The Snowmobile Act has a substantial section limiting the liability of landowners, the Crown, any minister of the Crown or any employee, officer, or agent of any of them for any injury, loss, or damage suffered as a result of, arising out of, or stemming from a person using or being towed by a snowmobile. I'm not suggesting that Albertans need different legislation for each type of recreation occurring on private land. However, I do believe it's important to point out that some provinces have taken direct action to protect landowners, and it's time that we do the same.

Mr. Speaker, Alberta is a province that prides herself on openness, community spirit, and individual responsibility. Bill 208 addresses and builds on all three of these core fundamentals. This legislation is logical and rational and is in the best interests of all Albertans. Therefore, I strongly support and urge all of my colleagues here to support Bill 208.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Well, thank you, Mr. Speaker. I'm very pleased to see this bill presented to the Legislature, especially considering the message of personal responsibility that it sends to Albertans who use the lands of others for their recreational pursuits.

The bill makes a key change to the way that we look at occupiers' liability for recreational land users in the province. The bill requires that for rural lands, such as agriculture lands, vacant or undeveloped lands, forested or wildmess lands, golf courses after hours, utility rights-of-way, and recreational trails, recreational users be treated the same as trespassers as far as liability is concerned.

Now, as the law currently stands, if a recreational user who is on lands either with expressed or implicit permission injures himself, such as in the story from the hon. Member for Lac La Biche-St. Paul, then the liability more often than not falls to the landowner. The landowner is thus responsible for the safe activity of recreational visitors on his or her land, which – let's face it, Mr. Speaker – is near impossible. So to me this seems unfair. The current law fits into a whole host of namby-pamby sorts of legislation where we assume that people cannot take care of themselves and we assume that if someone hurts himself or gets himself in trouble, then it must be somebody else's fault.

Now, I don't think this makes any sense, Mr. Speaker, especially not in Alberta. Alberta is a province where we say to our youth: if you want to be successful, you have every opportunity to take the bull by the horns and run with it; you have every opportunity to make good choices which will help you to earn your keep. But we also say: if you screw up or if you make a bad choice, well, then, you have to live with it and, in fact, you better fix it and you better get

yourself back on the right track. As parents we tell our children – and we live by the same motto – that if they are going to use their freedom wisely, then they better have a sense of responsibility. They better learn how to take care of themselves.

Now, these messages make sense, Mr. Speaker. They provide the foundation for the life of an individual who takes his actions and responsibilities seriously. However, juxtaposed against this message are laws like the one Bill 208 proposes to change, wherein we tell individuals that they are not responsible for the decisions they make or for the harm they bring on themselves. Someone has to be liable though; right? And if it isn't the recreational user, then who else could it be? Well, of course, it's that poor landowner or occupier. Again, I fail to see the logic of this. Did the landowner implore the recreational visitor to use his land? No. In most cases the visitor requests permission to access the land. As this is the case regardless of whether or not someone has received permission to be on another person's land, that person ought to be held responsible for any of their actions, be they good or bad or whether they affect himself or the land.

5:10

This is why Bill 208 makes so much sense to me. It asserts that unless someone has paid for the use of land, the person assumes a certain amount of risk when they enter onto the property. Now, it would be one thing if we were talking about commercial recreational areas in which business owners make a profit from people who enter their land. Those owners do have the responsibility to keep their land free of debris and big rocks and hazards for paid recreational users. However, we're not talking about commercial recreational lands. What we are talking about is ordinary Albertans who graciously allow others to hunt or fish or go ATVing or hiking on their lands.

Now, if someone wants to engage in recreational activities on someone else's property, then he should do so at his own risk, but the landowner shouldn't be penalized for letting someone else on their land if that person happens to get injured or if their ATV is damaged or whatever. In a sense, then, the principle of buyer beware holds. Although we're not talking about commercial transactions, we are talking about user beware. So if you are going to enter someone else's property, you've got to assume that they will be using it for their own purposes and therefore might be altering the landscape or might have their own machinery on the land. You've also got to assume that naturally occurring contours of the land may be hidden by snow or water or foliage or whatever, and if you're using this land, you've got to be aware of all of these things. If you injure yourself or damage your ATV or your snowmobile, well, then, it's your own fault, not the fault of the man or the woman who was nice enough to let you access the land in the first place.

Mr. Speaker, this goes to a larger point. It isn't as though landowners are out there pleading with people to come on to their land. I don't know of too many individuals who would want a whole bunch of people walking or riding over their land. However, many Albertans do let others use their property because it's the nice thing to do and because they want to be good neighbours and fellow Alberta citizens. Really, I mean, many Albertans are fine with others using their land. They only ask that the people who do use it treat the land with care and respect.

What this current law does is makes Albertans think twice about letting people on to their land. There are a countless number of horror stories about landowners who are held liable because another injured himself while using the owner's or occupier's land. We almost heard one today. What the status quo is doing is causing Albertan landowners or occupiers to just say no when someone

requests to use their land, and who can blame them? As a legislator I don't want to see more fences up around a person's land. I want to see Albertans living together in a manner that is respectful and responsible, and I want to see goodwill between neighbours, owners, and recreational land users. On this point I want people to take care of their land. It's incumbent upon landowners or occupiers to ensure that they practise due diligence on their land, and if they're going to allow others to use their land, then, yes, they ought to ensure that they take care to either warn the users of any trouble spots or take care of these spots to a certain extent before allowing others to access the land. However, I also want recreational land users to recognize that every Albertan has the right to do what they please with their rural lands, and it is the recreational user's responsibility to take that into consideration when accessing another's land.

Mr. Speaker, I think most Albertans do take both sides of this equation into consideration. When they step on to another's property, they understand the risk, but more importantly they understand the privilege that they are granted in being able to use someone else's land, and they are truly thankful for the opportunity. However, there are some who aren't. There are some who are careless with the land and with themselves, and these people are likely to injure themselves. When this happens and they turn around and sue a landowner, they undermine the goodwill that generally exists between landowners and recreational users. It's unfortunate that this happens. However, to ensure that it does not continue to occur, we must make the changes that are set out in Bill 208. If we don't make these changes, problems with the current legislation will continue.

A lot of key questions are raised with the law as it is beyond the ones I've already noted. For example, is the landowner responsible to keep his land in top-notch condition all of the time just in case someone wants to use it? If we keep things status quo, then he is responsible, unless he wants to act like scrooge and keep everyone off his property. Does the landowner have the responsibility to go out and mark every gopher hole or ditch on his land, or can he assume that users will be mindful? These may seem like somewhat silly questions, but they are questions which are legitimately asked by landowners under the current legislation.

The current legislation needs to be changed, Mr. Speaker, and it needs to be changed in the manner proposed in Bill 208. So I ask all members to support this legislation so that we can bring some more common sense to the Occupiers' Liability Act.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Dunvegan.

Mr. Goudreau: Thank you, Mr. Speaker. It's a pleasure to rise and join debate on Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003, sponsored by the hon. Member for Lac La Biche-St. Paul. I would like to begin by thanking the hon. member for introducing this amendment that would allow the Occupiers' Liability Act to better reflect the issues we are and will be dealing with in the 21st century. The passing of this legislation would lead to landowners and occupiers opening up their land and making it more accessible for recreational users. By reducing landowner liability, you reduce the fear that landowners have when it comes to allowing public use of the land for recreational purposes.

There is a growing interest in outdoor recreational activities. Our provincial and national parks are packed, but not everyone is able to or interested in traveling to a park just to enjoy Alberta's great outdoors. Some users also prefer to conduct their recreational activities in a more private or secluded environment. Alberta Health and Wellness is currently promoting an active, healthy lifestyle for

all Albertans through its Healthy U campaign. The campaign encourages all Albertans to participate in activities of stress endurance, strength, and flexibility, while deterring activities that encourage sitting for extended periods of time. It is my opinion that Bill 208 complements the Healthy U campaign quite well in that it provides security for landowners who allow individuals to use their land for the purpose of enjoying an active, healthy lifestyle. Those activities can include horseback riding, snowmobiling, hiking, cross-country skiing, camping, biking. I could list numerous activities that can be enjoyed in the great outdoors of our wonderful province.

My point is that many Albertans don't always want to be constricted to urban dwellings when participating in their favourite healthy-living activities. I'm fairly certain that most Albertans would prefer to conduct their recreational pursuits while enjoying the beauty and fresh, crisp air of Alberta's rural environment, somewhat of an escape from the urban drylands they dwell in. Also, Mr. Speaker, as a fast-food nation much like our friends to the south it would seem that we are basing our lives on drive-through family values and couch-potato games.

The trend, in my opinion, seems to be heading toward somewhat of a not-me attitude when it comes to taking responsibility for our own actions. It would seem that society is basing its reasoning on lawsuits such as too-hot coffee being served at restaurants and pleading ignorance to the effects of an overwhelming number of hamburgers per day. My point is that there seems to be a very contagious attitude brewing that promotes blaming others for one's own indiscretion. Mr. Speaker, the actions that a person takes are their own. Should that person feel that someone else or something else somehow forced their hand to commit a reprehensible action or forced their mind to think a reprehensible thought, that is when one has to seriously sit back, take a deep breath, and rethink a few things.

I'm not going to stand here and rant for 15 minutes about taking responsibility for one's actions, but I'm going to stress a very critical position. Bill 208 promotes the view that it is not the landowner's concern to post signs throughout his or her land that warn public users about gopher holes, rocks, dirt mounds, or fence lines. All appropriate land issues including possible hazards are hopefully discussed and taken note of by the user before use of the land commences. When was the last time anyone went running wild, arms flailing, in a dark room when they were uncertain of what obstacles or obstructions awaited them? That is exactly what is happening now.

It is important to remember, however, that this is a two-way street. The users as well as the landowners and occupiers need to take responsibility when it comes to land use. The user needs to be certain, when asking permission to use the land, that all hazards and possible danger zones are pointed out to ensure safety, and the landowner needs to be sure to pass on all critical safety information about the premises to the user. Individuals may be uncertain of the land but still ride their snowmobiles, bikes, or participate in any other healthy lifestyle activity on the land. However, when there is an accident, it should not automatically be assumed that the landowner or occupier is at fault because it is his or her property. Mr. Speaker, dollars for doughnuts, had the individual been careful and courteous to the land he or she was using, the occurrences of accidents would decrease dramatically.

5:20

To tie these two points together, it is absolutely necessary to promote a healthy, active lifestyle, but, at the same time, if we are going to promote an increase in the number of individuals using the land, whether that land is public or private, with the landowners' or lessees' permission, the individuals using that land need to take responsibility for their actions on the premises.

Mr. Speaker, there have been a number of changes in our world since 1973. Those changes include the way society treats liability issues. After all, no one wants to be at fault for anything with a negative outcome. I'm sure that in 1973 when this act was first proclaimed, it was up to the landowner or occupier and user to decide who was at fault for the accident, and more often than not the guilty party stepped forward and took responsibility for the action. Now, in 2003, I see more lawyers stepping forward to say that the individuals they represent had nothing to do with the accident, stating that it was the other party's responsibility.

Picture this. Joe is driving his pickup truck down the back roads of Alberta. In the distance peacefully grazing in the tall grass is the buck of Joe's dreams. He has been waiting for this moment his entire life. The land that the buck is grazing on is Bob's. Therefore, Joe proceeds to Bob's residence to ask permission to hunt on his property. Bob grants Joe permission to use the land and lets him know that there are no unusual hazards or obstacles on the premises. Joe thanks Bob and proceeds across the grazing ground in the hope of finding the buck of his dreams still grazing along the tree line. All of a sudden, Joe, not paying attention where he was walking, steps in an unmarked gopher hole, subsequently twisting his ankle, tripping, and falling onto his gun. As a consequence of the fall Joe shoots himself in the leg. I ask the Assembly: who is at fault? With the legislation as it is, Bob would be at fault, even though he never tripped Joe or pulled the trigger.

I could stand here for hours and provide examples of the most obscene incidents in which a landowner or occupier would be held responsible for the reckless endangerment of an irresponsible land user. Some may argue that the answer is to simply not allow anyone onto your land. I'm sure that most landowners would agree that accidents can happen to anyone, whether it be a friend, neighbour, or stranger. You can't predict these incidents, only do our best to protect the innocent. We all know that accidents can happen. All we are trying to do is promote a system in which the landowner is not held responsible for the negligence and carelessness of others. However, the landowner or occupier should still be held responsible for his negligence or reckless conduct.

Mr. Speaker, I feel that this is the strongest argument for an amendment to the Occupiers' Liability Act. However, previous attempts at similar legislation have been made in the past, and there is an unproclaimed amendment from 1999 waiting in the wings. This act needs to be brought up to date to better reflect the views of Albertans. I'm certain that the majority of Albertans believe in taking responsibility for their actions. Therefore, I find Bill 208 necessary legislation and fully support it. I would also like to commend the hon. Member for Lac La Biche-St. Paul on his resilience on the issue and his push to have a 30-year-old act brought up to date to reflect this century.

Thank you.

The Deputy Speaker: The hon. Minister of Gaming.

Mr. Stevens: Thank you, Mr. Speaker. I move that we adjourn debate on Bill 208 at this time.

[Motion to adjourn debate carried]

The Deputy Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I would move that in view of the hour we now call it 5:30 and reconvene at 8 this evening.

[Motion carried; the Assembly adjourned at 5:26 p.m.]

Legislative Assembly of Alberta

Title: **Monday, May 12, 2003**

8:00 p.m.

Date: 2003/05/12

[Mr. Shariff in the chair]

The Acting Speaker: Please be seated. Hon. members, before I recognize the next speaker, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

The Acting Speaker: The hon. Member for Edmonton-Norwood.

Mr. Masyk: Thank you very much, Mr. Speaker. It gives me a privilege and an honour to introduce my son, Brayden Maebry Masyk, to the Legislature. I've talked him into coming out and watching a little bit of debate and democracy at its best. Braden has already risen, but I'd like him to receive the traditional warm welcome of this Assembly.

Thank you.

head: **Motions Other than Government Motions**

Full-service Gasoline Stations

510. Mr. Masyk moved:

Be it resolved that the Legislative Assembly urge the government to introduce legislation requiring every gasoline service station in Alberta to have at least one full-service bay to improve accessibility for the disabled and the elderly.

[Debate adjourned May 5: Mr. Maskell speaking]

The Acting Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Speaker, for allowing me to continue what I had started last Monday. To put it quite simply, Motion 510 deals with matters of fairness and safety. As has already been stated, the purpose of Motion 510 is to enact legislation that would require all gas stations in Alberta "to have at least one full-service bay to improve accessibility for the disabled and the elderly."

Mr. Speaker, while our province has one of the youngest populations in Canada, Alberta is experiencing an aging trend much like the rest of the country. The number and proportion of seniors in Alberta have increased steadily since the mid-1980s, and currently about 303,000, or 10 percent of Albertans, are 65 years of age and older. By 2026 it is predicted that Alberta seniors will more than double to 750,000, or about 20 percent of all Albertans. I guess I won't be worrying about gasoline for my car in 2026. However, as our population ages, as we age, two things should come to the forefront of our attention: fairness and preparedness. We need to ascertain that our society creates equal access for all our citizens and that we take steps to be ready for when circumstances change. No one here, I am sure, needs a reminder that when it comes to aging, there are no exceptions. We will all get there in one way or another.

How we age is, of course, something that will vary from person to person. We all know, I am sure, one or two senior citizens who don't look anything like senior citizens. In spite of their advanced age they both look and behave as if they were much more useful than ourselves. Others show the signs of age quite clearly. This is not necessarily a bad thing, and I'm certainly not speaking in a pejorative manner here. However, the fact remains that as we age and our

bodies show the signs of aging, we may need a little more time to complete tasks or we may need assistance where previously we needed none. This is a natural progression, like it or not.

To assist our seniors, then, we have come to view it as a societal responsibility to remove barriers that prevent senior citizens from participating as actively and as fully in society as they once were able to. Contemporary society is far more sensitive to the impediments and barriers that the aging and the disabled may face on a daily basis than was the case, say, 50 years ago or even 25 years ago. We see the signs of this increasing awareness throughout society. Buses, sidewalks, and doorways are but three examples of how everyday life has been made more conducive to the needs of the aging and the disabled. This I think is good, and I'm not surprised that Alberta Seniors supports a barrier-free society too. After all, that would seem to be one of the foremost reasons why we have a Ministry of Seniors; would it not? Supporting a barrier-free society would certainly be in harmony with the ministry's vision, which advocates "a vibrant province where seniors and other Albertans live with dignity and experience the best possible well-being and independence."

Mr. Speaker, imagine my surprise when I heard that there are some who oppose Motion 510 on the grounds that, and I quote once more: it is inappropriate for the government to interfere with business decisions. In general, I would agree that we should let free enterprise be just that: free. Government need not and should not take too active a role in how business is done. As it has been said before, government has no business being in business. This, however, does not mean that government should never under any circumstances play a part in how business is conducted. Quite obviously, this is not how things are done now even in our own province. Several examples of instances or situations where government does regulate and thereby interferes with business decisions come to mind: the sale of liquor, Alberta registries, and a variety of smoking regulations. These are but three examples of government regulations that do interfere with business decisions. Put differently, we have established certain parameters within which businesses can operate within our province. Therefore, I am not particularly impressed with the idea that Motion 510 should be rejected because it interferes with business decisions.

It has certainly been done before mainly because the greater public good has stood to benefit from the implementation of regulations of some kind or other. What does impress me and what guides me to support Motion 510 is that it would help the Alberta government meet the recommendations put forward by the Premier's Council on the Status of Persons with Disabilities set out by the Alberta disability strategy. Of the three high-priority ADS recommendations that apply to Motion 510, one stands out.

A commitment should be made to . . . universal accessibility and a process put in place to remove physical barriers from public spaces so that all Albertans can fully participate in all community, employment and business activities.

It would seem to me, Mr. Speaker, that Motion 510 presents us with a wonderful opportunity to translate the ADS recommendations into direct action.

What's more, I think that while any new regulation will require an adjustment on the part of those affected by it, this is not necessarily a bad thing. I see opportunities here for everyone involved. Indeed there may be some costs involved, but please note the word "may" as these costs are by no means a foregone conclusion. I think there is a distinct possibility that mandating that all gas stations maintain at least one full-service pump will actually allow gas station operators to tap into a new market segment. As advances in technology have been made, the very concept of operating a motor

vehicle has ceased being wishful thinking for many aging, disabled Albertans. Instead, it is now something that thanks to science and innovation is within the realm of possibility. Motion 510, therefore, is very timely as it allows us to take a very important step toward making driving more accessible for persons with disabilities.

Mr. Speaker, one of the cornerstones of our society is equality for all citizens regardless of their race, gender, creed, background, or abilities. In theory this is true in Alberta as well as throughout Canada. In practice, however, we know that inequalities persist in some areas and that as a result our society is not always as fair as we would like it to be. In the case of the disabled, equality does not exist for Alberta's half million disabled. They cannot go everywhere in the province and expect to always have ready access to buildings, offices, transportation, or public facilities. Similarly, many of our senior citizens, while not disabled, would benefit from assistance in situations where mobility and dexterity are necessary. While voluntary initiatives are always welcome, we cannot expect that they will be made. A case in point: if we could reasonably be assured that voluntary efforts would always be made, we would not be here tonight debating the merits of Motion 510.

At the present time, then, the services provided by the private sector are not regulated under any legislation to meet the needs of the disabled or elderly. Mr. Speaker, with this in mind, it would behoove us all to pass Motion 510. To think that the problems will solve themselves would be unwise, and Motion 510 will I believe allow us to take a significant step forward.

I therefore urge all members of this House to join me in supporting it. Thank you.

The Acting Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I just rise for a few brief moments to speak to Motion 510, which reads:

Be it resolved that the Legislative Assembly urge the government to introduce legislation requiring every gasoline service station in Alberta to have at least one full-service bay to improve accessibility for the disabled and the elderly.

I have been listening to some of the debate on this issue, and as well I serve as critic for persons with developmental disabilities boards, and I am inclined to support this motion. I think that it is a step in the right direction for helping people with disabilities to remain independent, and I note, of course, that there are many causes for disabilities. The motion specifically talks about the disabled and the elderly, and it's a danger to assume that the two always overlap. There are many disabled younger people, and there are many fully able-bodied older people.

Regardless, anybody who needs help in putting gas in their car or needs the proper facilities for putting gas in their car should be provided with those facilities, and I don't think it's unreasonable to ask the service station industry to be required to provide at least one set of those facilities at each service station. Now, undoubtedly we would hear a lot of complaining from the industry about the costs of this particular service, but I think that's just par for the course when we move forward on these kinds of issues. For society as a whole if this kind of a service allowed people to remain independent longer or, for example, allowed disabled people to obtain and operate a car so that they could keep a job or do their shopping, then I think it would be a huge step forward for our society as a whole.

8:10

It seems to me like certainly a well-intentioned motion, one that has many merits, one that will make our society a more fair, accessible society, one that supports the independence of individu-

als. So I for one will be supporting Motion 510, and I'm pleased to be on the record saying so.

Thank you.

The Acting Speaker: The hon. Member for Calgary-West.

Ms Kryczka: Thank you very much, Mr. Speaker. It's my pleasure to rise in the Assembly this evening to participate in the discussion and debate on Motion 510, which calls on the private sector to enhance gasoline service stations. I would like to first of all thank the Member for Edmonton-Norwood, to commend him for all his work on this initiative.

This motion certainly for me raises some important concerns regarding service accessibility and equality for Albertans. Motion 510 is an important initiative because it aims to improve accessibility for the disabled and the elderly. Mr. Speaker, it has become apparent that fewer and fewer gasoline service stations have full-service pumps and that most drivers are now used to certainly pumping their own gas and certainly prefer it that way, but this can be a problem for the seniors and persons with disabilities. This motion urges the government to implement legislation that would require all gasoline service stations across the province to have at least one full-service bay. This motion could possibly shield the elderly and disabled from the inconvenience and the difficulty of having to pump their own gas when their physical limitations make the task very awkward and probably in many cases very painful. I would venture to say that for some it may ultimately limit their transportation possibilities. With a declining younger population to act as caregivers in the future, more seniors will need to be able to drive themselves to doctors appointments, shopping, and social events and be able to maintain their independence as long as possible.

Mr. Speaker, the underlying intent of this motion is to instill greater equality for elderly and disabled individuals in Alberta by enhancing their accessibility to important, necessary services. I think that with the government of Alberta there is no doubt that we're committed to supporting those living with disabilities. We've shown that support through a wide array of different programs and initiatives. These programs enable those with disabilities to live, work, and participate in their communities. However, we should do all we can to make certain that these individuals have access to as many essential services as possible that would certainly enhance their equality, their independence, and thus quality of life.

I have to at this time share with you an incident of an aunt of my husband, Mary Livingstone. She is turning 95 this year, this November, and she had to give up driving about eight years ago. Actually, the family was questioning whether she was a capable driver. She was determined she was, so she went to take a driving test, and she failed it. She had to give up her car, and the next year she had to give up her apartment, where she cooked all her meals, cleaned it, and was totally independent, and she had to move to a lodge, where all this is done for her due to a health condition, keeping in mind that at this time she was about 87. She's since admitted more than once that the hardest thing to give up between the two was her car, not her apartment.

Mr. Speaker, I would like now to shift my remarks and spend a few minutes talking about seniors. I agree with this government's philosophy to ensure that seniors have the services they require to experience well-being and independence. The government does recognize the vital role that seniors have played and continue to play in communities across the province through their service and their volunteerism, and as both members across the way have said, currently we recognize the demographics. Today 10 percent of

Alberta's population are seniors, and actually as of April 1 this year over 323,000 seniors live in the province. The seniors population continues to grow in size as more seniors move into Alberta rather than out of it. Statistics continue to show that more seniors migrated to Alberta compared to all the other provinces. On average Alberta receives 721 new senior migrants per year.

It's clear that seniors make up a significant portion of the population. This number will continue to increase as more seniors arrive and the baby boomers age. Again, by 2021 a full 20 percent of Canadians will be seniors, especially Albertans, and by 2031 the seniors population will have risen to 25 percent. So I think it's very important that the Alberta government continues with initiatives to enhance the accessibility of services for this growing portion of the population.

Mr. Speaker, it must be stressed that services provided by the private sector are not currently regulated, however, to meet the needs of the disabled or elderly. The government certainly encourages private-sector service providers to increase accessibility to both groups. However, service providers have the choice, meaning this is a voluntary decision. The senior friendly approach has been widely recognized by many businesses and services, and they have successfully incorporated it in banks, grocery stores, and other services. However, gas stations have not yet implemented this approach. Implementing Motion 510 and its basic concept would be an important first step in enhancing service stations with them becoming senior friendly.

As much as I feel accessibility of services is important for the elderly and the disabled, I also have some reservations and concerns, though, regarding this initiative that I would like to briefly highlight. By requiring gas stations to have full-service pumps, this motion has the potential to impose on service stations and dictate the way they run their business. These intervening stipulations do not concur with the business policies of this government. As you well know, Mr. Speaker, the Alberta government does not interfere with the business decisions of private industry. It's committed to free enterprise and economic development. It is the policy of the government to create a positive business climate which allows private businesses to compete successfully without interference. So basically I have a concern with a suggestion to legislate a mandatory compliance with the private sector.

Mr. Speaker, this motion may also increase the labour costs slightly, which are picked up by service stations, as more gas attendants are needed for the full-service bays. Realistically, this increase in labour costs would likely result in increased fuel charges to customers. But, you know, some days I treat myself to a full-service gas bay, and I'm especially pleased to even have my windows washed, and I am then quite agreeable to a small tip. In fact, I remember the good old days. They didn't necessarily get a tip, but they filled it up and they washed your windows and they chatted with you.

Mr. Speaker, the reasons just stated are the source of my concerns and uncertainties with the potential requirement of service stations to provide full-service pumps. However, a reality is that our population is aging, and I do believe that we need to make certain that these services and others, like checking the air in the tires or the oil level, are available and accessible to the elderly and the disabled.

In essence, I truly support the intent of the sponsor of Motion 510, but I would encourage a serious look at the wisdom of the proposed legislative approach. Thank you.

8:20

Mr. Lougheed: Mr. Speaker, I just want to make some brief comments about this motion based on my experiences as the chair of

the Premier's Council on the Status of Persons with Disabilities, which has given me a good opportunity to more fully understand the concerns and the issues that exist for persons with disabilities. I think this motion speaks mostly from my perception of the frustration of persons with disabilities. To be unable to access the gasoline pumps to fill their cars so they can proceed with whatever activity they'd like to get on with is only a tiny bit of insight into the huge issue of access for members of the disability community.

Their frustration is much broader than simply not being able to refuel their cars. Their frustration exists in all aspects of community life, whether it be access to education or access to employment or access to recreation or even access to buildings, the physical access that's often denied because of poor structures, even the washrooms that are built poorly and in outmoded building techniques. Their frustration is even further challenged because of issues with the building codes when, in fact, the code may exist but there are exemptions granted in circumstances that would ultimately put people with disabilities at a disadvantage.

It's been interesting to hear some of the debate which talked about the disability community and the seniors both facing mobility issues. Certainly, as we see the proportion of seniors increasing in the population, those mobility issues are going to be more and more critical, and what's good to increase the access of persons with disabilities will also be good for people in their senior years.

We should also note that the disability rate – although it's only 3 or 4 percent at birth – rises to about 50 percent once people attain the age of 65. So those people in their senior years will be looking at a 50 percent disability rate. These access issues will become more and more important not just because they're seniors, but also because they have increasing rates of disability.

So, Mr. Speaker, I'd just like to say that I support the spirit of this motion because it emphasizes the access issues that the disability community members face; however, I do have some reservations about the implementation. I don't think that the disability community would expect every single service station in every circumstance to be a full-service station or have one bay that's full service, but there has to be a recognition of this need, this access issue, and there certainly could be accommodation made not necessarily through legislation but as an awareness issue. The disability community seeks to have their issues more front and centre in people's minds in the general population, because even if somebody with a disability was to pull up to a service station where there wasn't a full-service bay, it should be recognized that somebody in there could go out and lend a hand and accommodate those individuals.

Those are access issues. They're important to people with disabilities, and in that vein I'd support the motion. Certainly, the spirit of the motion is important. Thank you.

The Acting Speaker: The hon. Member for Edmonton-Norwood to close debate.

Mr. Masyk: Thank you, Mr. Speaker. First of all, I'd like to thank everybody who spoke in favour of it and also otherwise. Last week when there was snow on the ground, I actually went to one of the hospitals, got a wheelchair and filled up my truck and made my way to a service station. I went up the ramp, and there was a bunch of shovels and squeegees and different things, so I had to actually get out of wheelchair and walk around it, move my chair again to the other side, and go and pay for the gas. I'm not a pro at it, and I hope I never have to be, but I was actually spinning. You know, it was fairly difficult. I wouldn't want to wish that on anybody full-time. If I would've done that first before I actually introduced it, I probably could've chosen a different pile of words to introduce the

motion. But the motion will do at least one thing if everybody passes it. It'll carve out a road and it'll pave the way for some legislation, and we may combine it with others to develop an act for people with disabilities and for seniors.

I'm always of the attitude that seniors are people that we have to stand on their shoulders. We have to know where we come from in order to know where we're going. I would like to say that I lobby on behalf of people with disabilities. I would like to say that I represent them, even though it's a small number in all of Alberta. I like to say that I'm a champion for the disabled people in Alberta.

Gasoline stations. Unless you've tried it in a wheelchair, unless you had a bunch of impediments in order to get gas like I went through with the shovels and squeegees and the oil display, you wouldn't really know what it was like. I wouldn't want to be in a strange city trying to fill up my tank with all these barriers in place, and that, Mr. Speaker, was only for a few minutes.

I would ask all the members to see their way clear to support this motion. In light of the industry I would like all the members to know that I don't accept that, and I dismiss it, and so should you if you're thinking that way at all.

Mr. Speaker, people are people and feelings are feelings. I think we should honestly draft ourselves into the situation of somebody who's disabled or a senior and has these barriers to get a simple thing like gasoline. As we forge ahead, we may find other needs for people that are less fortunate by way of disabilities or age.

On that note, Mr. Speaker, I would like all the members to support this motion as a way to look into the new future. Thank you very much.

[Motion Other than Government Motion 510 lost]

The Acting Speaker: The hon. Member for Wetaskiwin-Camrose.

Association for Former MLAs

511. Mr. Johnson moved:

Be it resolved that the Legislative Assembly institute an all-party former members' association of the Legislative Assembly to focus on the interests of the membership and the good of parliamentary precinct, history, and process.

Mr. Johnson: Thank you, Mr. Speaker. It is an honour and a pleasure to begin debate on Motion 511, which asks this Assembly to create a former members' association in Alberta. I would like to briefly begin by talking about some of the other former members' associations in North America, their success as advocates for the democratic system, and the benefits that a former members' association could offer to Albertans.

Last fall I had the privilege of participating in a parliamentary conference in Quebec City involving present and former parliamentarians from parts of Canada, the United States, and even other countries. It was sponsored by the association of former parliamentarians of the province of Quebec. Through this conference I was introduced to other projects and activities of the association of former parliamentarians of Quebec and the Ontario Association of Former Parliamentarians, who also had members attending this conference. To date the provincial governments of Quebec, Ontario, and B.C., Canada's federal government, and the United States Congress have created former members' associations through legislation, all with similar objectives. For example, the B.C. association objectives are summarized as follows:

- (a) to put the knowledge and experience of its members at the service of parliamentary democracy . . .

- (b) to serve the public interest by providing non-partisan support for the parliamentary system of government . . .
- (c) to foster a spirit of community among former M.L.A.s,
- (d) to foster good relations between current and former M.L.A.s, and
- (e) to protect and promote the interests of former M.L.A.s.

8:30

Canada's former members' association of parliamentarians has several successful programs as does the United States Association of Former Members of Congress. These groups have been active since the '80s and '70s respectively. Younger associations such as the British Columbia association and the Ontario Association of Former Parliamentarians aren't as large but are growing every year. The Canadian and American former members' associations are great examples of established associations that do a great deal of fund-raising for political science and public administration scholarships, have an active speakers' bureau that tours high schools and university campuses, and can be full-time hosts for visiting delegations such as those from other countries.

There are several advantages to forming a former members' association with the official support of the Legislative Assembly. Legislating a former members' association offers an instant legitimacy and makes it easier for former members to access the Assembly and its current undertakings. Former members' associations have grown into major advocates for the parliamentary system because their origin has been in the Legislative Assembly.

Over the years this Assembly has heard debate on direct legislation, enacting different forms of referendum, introducing citizen initiatives, and replacing the electoral process with proportional representation. All of these debates were an attempt to add, to tweak, or to adjust Alberta's parliamentary system of democracy. I think it's important to keep an open mind and to look at ways to improve Alberta's legislative system, but I think it's just as important to recognize the success and efficiency of the current system. The success of Alberta and Canada is not an accident. The parliamentary system may not be perfect, but there is no denying that it has played a large role in the creation and development of this great country and our province.

We must also remember that this Assembly is a member of several nonpartisan associations. For example, the Commonwealth Parliamentary Association fosters understanding and co-operation among parliamentarians from Commonwealth countries and promotes the study of and respect for parliamentary institutions. The Legislative Assembly of Alberta also meets regularly with the Parliamentary Assembly of French-speaking Peoples, the National Conference of State Legislatures, the Pacific Northwest Economic Region, the Canada/Ukraine legislative exchange program, and the Partnership of Parliaments. So you see, Mr. Speaker, there is ample precedence for establishing this sort of association.

I'd like to make it very clear that the association would be for nonpartisan purposes. As MLAs we wear our party colours and adhere to our loyalties and ideology throughout our time here in this House, but based on what I've seen and heard from other former members' associations, I do not see many potential problems for people abusing the association for partisan purposes. I am confident that former MLAs in Alberta would be no different than former MLAs in other provinces and would respect the overall objectives of the association or not participate at all.

One concern some may have with a former members' association in Alberta is the cost to the taxpayer. Again, by using other former members' associations as a model, the cost to the province would be minimal if any. These associations do not need money from the government. Funding for the association would be generated

through an annual fee and in some cases a subscription to a former members' newsletter. However, a former members' association would need an office equipped with a phone, a fax machine, a computer, and a desk. Such an office would incur very limited expense. The Legislature Annex, for example, has a few empty offices, old desks that aren't used, and phone lines with no phones. A fax machine, a telephone, and a computer would be the only added expense, which could be quite modest. The Ontario government covers these costs for their former members' association, which works out to be approximately \$12,000 per year, as I was told. The B.C. association incurs no expense to their government.

I can see a former members' association of Alberta pursuing several objectives including fostering a spirit of community among former parliamentarians and maintaining good relations between the Members of the Legislative Assembly of Alberta and former parliamentarians. Mr. Speaker, based on what I have seen from other former members' associations, I think the biggest advantage would be the former members' speakers' bureau, similar to the United States Association of Former Members of Congress, who are very active in this area. This would provide two benefits to Albertans. First of all, the speakers' bureau could effectively promote the parliamentary system face to face with Albertans. This would be a great way to add interest to the lessons in a class and concepts in a textbook.

It's also important that the members consider the possibilities that former members could provide the public. These men and women could provide an incredible learning opportunity for high school and postsecondary students. As a former educator I know how effective it would be to add a human face to an institution as big and complex as government. Schools currently welcome presentations as long as the content is beneficial and relevant to the students' education. I think it would be great if a teacher could instruct a class about government and then bring in a former MLA who could freely answer questions and provide an insider's view of how government really works. A former members' association could certainly facilitate making these arrangements. I realize that MLAs currently sitting in this Assembly already visit classrooms and talk about their work to students, but a former MLA could work closely with the teacher for a much longer period of time.

Creating a way to promote the parliamentary system may help people, especially young people, understand the role and process of government. This could improve public participation through voting to increase the number of people running for elected office.

What Motion 511 is proposing is not without precedent and not without purpose. A former members' association would be to the advantage of former MLAs by tapping their knowledge and insight for the benefit of Albertans. I would urge all members of this Assembly to support the creation of a former members' association in Alberta.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Speaker. It is indeed a pleasure to rise and speak to Motion 511, establishing a former MLA association, and I want to thank the sponsor for bringing this forward.

Mr. Smith: Would you like to join next week?

Mr. Bonner: I know that the hon. Member for Calgary-Varsity is looking at this very closely and is also going to take his spot there very soon, and, yes, I would like to join with him. It would certainly

be fun to get together with him and talk about the Hounds from Notre Dame or the NHL playoffs along with other things that we do. It would be very good, Mr. Speaker, to have those opportunities.

Certainly, for an association of this nature there are plenty of precedents. I think more important than the precedents for an association of this nature being formed is the fact that we do have a need once we leave this establishment and this phenomenal growth opportunity that we've all experienced in here. To have that terminated, whether by retirement or not getting re-elected, certainly leaves a void.

In speaking to ex-members, I know that they thoroughly enjoy getting out to the Speaker's Cup, where they get the opportunity to meet and talk with former colleagues of the Assembly. I know for myself, on a personal note, that it's always good to get together with my former MLA Bob Dowling, out of Jasper, a man that's always a pleasure to see and certainly represented his constituency very, very well. He was a Conservative, and we liked him. He was a good man, and we have nothing against good people that represent us. I'm sure that the Coppotts from Calgary-Varsity would say the same thing about their MLA. In fact, they think so much of him, they sit on his boards.

We do have the best of both worlds with an organization of this nature. As well, there's certainly a wealth of knowledge that can be put to use, and when it's put to use in a nonpartisan way, it benefits everybody. I think that when I look at what's happened here in the Legislative Assembly of Alberta, the programs that have been initiated and instituted to try and bring the awareness of the MLA to the general public, it has been very, very good. I think, you know, of programs like School at the Leg. or being an MLA for a day, and they certainly help us connect with the larger body of people out there. I can only think that in doing a little reading on this particular subject – the United States Association of Former Members of Congress established a Centre for Democracy and Citizenship – it's certainly one of those areas that would give us an opportunity to reach out to the community and improve the image of MLAs in the community.

8:40

I see other things that can happen here as well. With this tremendous amount of knowledge that we do have amongst members in the Assembly, it would give us a great opportunity for professional development in regard to others, and as well I think that there is a need to protect the rights of former MLAs. Certainly, we have seen both sides of the equation, from those that had served prior to 1989, the types of pensions they got, compared to members who have been elected since 1989, what sort of benefits they can look at. One of the things we did have the opportunity to discuss when we were on our trip to study the Legislatures and the Parliament of Great Britain was how they treat their MLAs, how they treat their elected representatives, and certainly how they treat them once they are no longer in office. I think this is an extremely important area that we have to look at and one that since 1993 we have been seriously lacking. I would think that an independent group that is not playing any partisan politics would certainly be able to give a lot of insight into the benefits and the rights of former MLAs.

Now, then, as well, the member was indicating that there would not be a great financial burden on anyone to have an association of this magnitude, and certainly I look forward to that. I had the opportunity to belong to a number of alumni organizations, and it seems that everybody there either wants you to work a bingo or wants you to work a casino, and I am not in favour of fund-raising in this particular fashion. As well, I certainly like the membership

rules which would allow all former MLAs to become members of this association in accordance with its bylaws.

So, again, I would like to congratulate the member for bringing this motion forward. I think it's an excellent motion, and I think that the Member for Calgary-Varsity sees a need for this as well, and I'm sure that he'll be up on his feet to speak in support of it right away.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Clover Bar-Fort Saskatchewan.

Mr. Lougheed: Thanks, Mr. Speaker. It's a pleasure to join the discussion this evening on Motion 511, sponsored by the hon. Member for Wetaskiwin-Camrose. I'm pleased to see this motion before the Assembly. Last fall I had the opportunity to attend a former members' association meeting in Quebec along with the Member for Wetaskiwin-Camrose and touched base with many members from different Legislatures across the country as well as members of the House of Commons and former members of the House of Commons. Not only were there former members there, but there were several current members there as well, and I think the advantage in attending that meeting was the experiences that we had as current members and being able to bring those back and perhaps utilize that information in different places in our own Legislature. We came away from that meeting recognizing that a former members' association would be of value and that it would be an opportunity for former MLAs to gather together, engage in discussion and debate, and perhaps come forward with a few ideas about what the current situation is and how it might be improved.

Just to comment a little on that meeting in Quebec, the meeting centered around the question asking what the factors were that lead to a decline of the parliamentary system in Canada, and there was quite a bit of discussion about how that kind of decline was commonplace across the country and how things could be changed to reverse that decline or to at least slow it down or arrest it in one way or another. There was a great deal of discussion about the role of the media. There were panel discussions for every topic, and they had experts from all across the country and even overseas as well.

One of the other factors was the use of the Internet for some kind of a world government kind of discussion talking about the number of elected members that exist all across the world, something in the order of millions – I can't remember what it was – and how they could be connected through the Internet. It seemed a little beyond what I would have really wanted to be involved in, but it was a topic of discussion.

I remember, as well, that Claude Ryan was one of the people that came to the forum and was one of the panel members for one session. It's really interesting to see the reception that he received in that Quebec Legislature and how well regarded and respected he was. He talked quite a bit about representation. I asked him during the question period what his view was of proportional representation, that being the idea of whatever percentage of votes you received in the general election, that would be the percentage of members you would have in the Assembly. He went on at some length talking about how when he was a member, he had held the view that that would be appropriate, but upon reflection over the past several years, being out of the Legislature and being able to think more about these things, he had come to the conclusion that he was not convinced at this time that proportional representation was what he would support.

That was a little bit of flavour of the meeting. I found it interesting that the hon. member who spoke last talked about improving the image of elected members, and that was the essence of the entire

meeting that we had in Quebec. It talked about the decline of the parliamentary system and what the reasons were for that decline in image, and of course we were quite free to express our opinions as were especially the former members who quite happily engaged in the debate.

Let's talk a little bit about the potential value some former members could contribute to the situation in the province and how an association would benefit Albertans. Certainly, we have all realized since being elected that this is a very unique position to hold. The experiences are unique, the relationships that are formed are very important, and the jobs that we have to do are very important to the people we represent. When we leave this Assembly and are no longer part of the decision-making process, that does not mean that the experiences gained could not contribute to the service of Albertans in a format such as the one we experienced in Quebec, where there's open discussion and seeking to resolve some of the issues that currently are faced by parliaments everywhere. Certainly, as well, once the MLAs no longer have those political constraints that they may be under at the present time, they can be free to debate and contribute to parliamentary democracy.

One of the important points to remember about existing former member associations is that they need to grow considerably before making a major impact on the province. It would take time for that membership to grow. It would take time to fund-raise to get the funding necessary for the association to have programs such as scholarships up and running. Over time it could be a very productive relationship that could be formed.

8:50

A former members' association could best serve the public interest through that nonpartisan support, and they could put their knowledge and experience of parliamentary democracy into practice. It's a common theme of other former members' associations. I think it's important that we do the same. Although some former members may not share the same political philosophy, they must share the same responsibility of promoting our system of governing.

Now, we all understand that not many people who have not been in this position understand the issues that are faced by representatives as individuals as well as the other politicians do. There aren't many people that understand the sacrifices, the time spent in meetings, traveling, being away from family, but we all recognize the amount of adjustment that's required.

I think a former members' association would be useful to help tell Albertans about government from the perspective of a person who had been there, who had sat in this Chamber and been a member of this Legislature. I think that educating the public, especially young Albertans, the people who will replace us in the future, to talk to them about the virtues and the importance of the parliamentary system could diminish some of those negative connotations associated with politics and with government. This could be an opportunity to increase voter turnout, reduce apathy, and reduce skepticism towards the legislative process.

Mr. Speaker, there's a final point in support of Motion 511. As I said before, I think former MLAs could provide a unique service to the members currently sitting in the House. In an indirect way I think that the men and women who used to serve in this House could help strengthen Canadian provinces. Alberta's Premier and the new Premier in Quebec have expressed interest in strengthening relations among Canada's provinces. It's believed that increasing cohesion among provinces will create a stronger unified voice to lobby the federal government on provincial issues, but as we all know, different regions have different concerns, and we'd be kidding ourselves if we denied that there might also be disagreements

between the provincial governments. Therefore, work needs to be done to iron out disputes between governments before provinces can improve respect from and for the federal government. I think a former members' association in Alberta could effectively work with associations from other provinces to spread goodwill and to help break down barriers.

There are four former members' associations in Canada, and there's talk of two possible additions. I think that Alberta could be part of a strong coalition that could build a national branch that could be at the service of Canadians and build strong relationships with other provinces.

Mr. Speaker, I strongly support Motion 511, and I would urge other members to do the same. Thank you very much.

The Acting Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much. Mr. Speaker, I'm pleased to rise and speak in support of Motion 511. I attended a parliamentary conference with several other members of the Legislative Assembly including the MLA for Wetaskiwin-Camrose, who has moved this motion. While there, we learned about the associations in some other provinces and federally for former members of Legislative Assemblies and the Parliament of Canada.

Mr. Speaker, I'm going to be brief. I would hope that this motion could be passed this evening. I think that there are a number of beneficial outcomes of having such an association.

The Acting Speaker: Hon. members. Hon. Member for Calgary-Varsity, according to our Standing Orders anybody wishing to rise on a point of order needs to be in their own place. Are you rising on a point of order, sir?

Mr. Smith: No, I'm not.

The Acting Speaker: Okay.

The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I was anticipating a point of order by the hon. Minister of Energy, but I guess it's not to be, at least on this motion.

Anyway, Mr. Speaker, I think that there are lots of advantages of such an association, and it allows people who have gathered tremendous experience, valuable experience to continue to put that experience at the disposal of the people that they formerly were elected to represent. You know, I think we all learn a great deal by participating in electoral politics. It's not necessarily marketable experience. It's not necessarily that you can go out and get a job because of your political experience. In fact, in my view it's undervalued in the job market, but there is a strong desire on the part of almost everyone who participates in electoral politics to contribute to the community. That desire does not end when one is defeated or one retires, and the experience and the desire to assist the community doesn't die with the political career.

So, Mr. Speaker, I think this association provides an outlet for that experience and that desire to serve, and I would recommend this motion to all members of the Assembly.

Thank you.

The Acting Speaker: The hon. Member for Calgary-Shaw.

Mrs. Ady: Thank you, Mr. Speaker. I'll be very brief. I'd like to rise and speak on Motion 511, that's been sponsored by the hon. Member for Wetaskiwin-Camrose, and urge the Assembly to

establish an all-party former members' association. Since I really only have a very short time, I'd just like to talk about the fact that I have benefited from the knowledge of someone that sat formerly in the House, my father-in-law, Jack Ady. I've walked into his den many times and seen pictures on the walls of some of my colleagues when they were much younger, much, much younger.

An Hon. Member: And better looking too.

Mrs. Ady: No. I'm not saying better looking but much younger.

It's always interesting to me to hear him talk about the time that they had in the Legislature and been very beneficial to me as I've asked him questions about why certain policies were done and how they came to life, and I have found it to be of great benefit.

I think that this motion is a wonderful idea, and I'm highly supportive of it. I know that all the decisions they made in the past were good decisions, and they've proven to be good decisions. I think that we as a Legislature could benefit from that same kind of advice. So I'm happy to support the motion.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Speaker, for allowing me the opportunity to rise today and offer my comments with regard to Motion 511 sponsored by the hon. Member for Wetaskiwin-Camrose. As my colleague has already stated, the purpose of Motion 511 is to create an all-party former members' association whose purpose would be to promote and provide support for the parliamentary system of governance here in Alberta and also in the rest of Canada.

Mr. Speaker, I believe that creating an association made up of former Members of the Legislative Assembly would be a highly important and valuable development which would not only benefit former members but all Albertans as well. I say this for two main reasons. My primary motivation behind supporting this motion has to do with the fact that a former members' association would be a perfect organization for encouraging and educating the general public and especially our young people about our parliamentary system and how it works in real life. Former Members of the Legislative Assembly are in an ideal position to share this kind of knowledge because unlike active MLAs they have more time to dedicate to this cause, and they have the luxury of space to properly analyze and reflect on our system of governance.

The Acting Speaker: I hesitate to interrupt the hon. Member for Edmonton-Meadowlark, but the time limit for consideration of this item of business has concluded.

9:00head: Committee of Supply

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order.

head: **Main Estimates 2003-04**

Aboriginal Affairs and Northern Development

The Deputy Chair: The hon. Minister of Aboriginal Affairs and Northern Development.

Ms Calahasen: Thank you, Mr. Chairman. I know that it's late, and

I know that we want to get done, so I'll be very brief, but first I would like to introduce a few members of my department who are here with me today. First of all is my deputy minister, Paddy Meade; my assistant deputy minister, Ken Boutillier, and all of you guys know him; Lori Sajjad; Thomas Droege; Cynthia Dunnigan; Peter Tadman; Martin Hanly; Tom Baldwin; and of course you all know this guy, Jim Kiss, my executive assistant.

I'm pleased tonight to present Aboriginal Affairs and Northern Development's 2003-2004 estimates. [some applause] Thank you, thank you.

This is the ministry's third budget. I know that you're interested in discussing how we have moved ahead since last year, and I look forward to answering your questions. For 2002-2003 our plan was focused on integrating the divergent parts of the ministry – notably aboriginal, land, and northern issues – into a coherent whole. We have made significant progress in this regard, and this year's budget reflects our efforts through our funding to core businesses, goals, strategies, and performance measures. I want to thank everyone who has contributed to this process because we have received helpful input and advice from many sources, including the Auditor General, aboriginal business and community leaders, and many of you here tonight.

We have a budget of \$31.6 million. A large portion of this is for legislative funding requirements, otherwise called statutory funds, which are provided to the Métis Settlements General Council pursuant to the Métis Settlements Accord Implementation Act. The act requires payment of \$10 million per year to April 1, 2006. As well, under the legislation we are required to provide funding through the matching grants replacement agreement, otherwise known as the MGRA. The grant amount for 2003-04 is \$5.3 million. This brings the total for Métis settlements legislative requirements and governance efforts to \$15.3 million.

Also under the Métis settlements governance we have the Métis Settlements Appeal Tribunal, which receives \$930,000 for its operation. Three hundred and fifty thousand dollars is budgeted for the Métis settlements land registry and \$450,000 for the now-operating Métis Settlements Ombudsman's office. This leaves \$14.6 million for two program areas. For the aboriginal affairs aspect of the ministry I've allocated \$12.6 million. The Northern Alberta Development Council, chaired by my colleague the Member for Peace River, receives \$1.9 million, and he will speak to NADC's efforts shortly.

Six million dollars was announced earlier this year to be shared by six ministries. Aboriginal Affairs and Northern Development receives \$1.2 million for our part. The strategies, of course, are cross-ministry. We take into consideration a number of other ministries. Sustainable Resource Development is receiving \$1.7 million; Justice, \$1 million; Energy, \$938,000; Environment, \$623,000; and Community Development, \$410,000. Aboriginal Affairs and Northern Development will use our allocation to build human capacity, and we hope to have representatives out in communities doing consultation as quickly as we can. Ongoing consultation expenditures include legal research, including document collections, supplies, travel, administrative services, and litigation management if needed.

We have 77 full-time employees: 55 in the ministry, 15 with NADC, and another seven assigned to the Métis Settlements Appeal Tribunal. We have three shared service agreements: the first one with the Alberta Corporate Service Centre, the second one with Alberta Learning for human resource planning and programs, and the third with International and Intergovernmental Relations for other administrative and financial services including the senior financial officer and the chief information officer.

We have a challenging mandate. There is pressure on the Alberta government to address aboriginal and northern issues in a timely manner and to look to the longer term. Some needs are tangible and can be addressed with basic prioritization, planning, and funding. Other needs are less tangible and dependent on co-operation, openness, patience, and effort by a variety of individuals, organizations, and governments.

Our vision is an Alberta that includes full participation of aboriginal and northern Albertans in the province's opportunities and prosperity. We hope others share this vision. It'll take willingness, dedication, and a unified effort to make it happen. We welcome the role of developing and co-ordinating cross-ministry policies, strategies, and initiatives. As a small ministry we are not in the business of program development. We are in the business of building and strengthening relationships to address issues. Our mandate is to work with aboriginal and northern people, communities, and organizations; Alberta ministries; other governments; and the private sector to respond appropriately to aboriginal and northern issues. Our greatest strength is that we are always making sure that we can facilitate. We recognize the constitutional rights of aboriginal people and work to fulfill legislative commitments and resolve unsettled legal matters. We facilitate cross-ministry and federal, provincial, and aboriginal initiatives. We advance sustainable northern resource development with other ministries and northern stakeholders.

[Mr. Lougheed in the chair]

In all of our activities we strive to ensure organizational excellence. The ministry has four core businesses, which are compatible with its goals. Our first core business is aimed at improving the participation of aboriginal people in Alberta's social and economic opportunities, and we do this by serving aboriginal people and communities through the implementation of the aboriginal policy framework. Eighty-three percent of ministry plans continue to include reference to the aboriginal policy framework, the aboriginal policy initiative, or at least one strategy that relates to aboriginal people or issues. This is a demonstration of major progress since the adoption of the aboriginal policy framework in September of 2000. The aboriginal policy framework sets out the long-term structure of our existing and new government of Alberta policies to address First Nation, Métis, and other aboriginal issues in Alberta.

Aboriginal Affairs and Northern Development supports the government's goals towards people, prosperity, and preservation and is uniquely tied to goal 5, which is: "Aboriginal communities in Alberta will be effective and self-reliant." Effective and self-reliant communities have the capacity to set their own priorities, manage their own affairs, develop a sustainable economic base, and participate in partnerships with governments and the private sector. Our staff are working directly with aboriginal organizations to enhance their planning and performance measure capacities and improve accountability mechanisms. The Métis Nation of Alberta and the native friendship centres are two organizations taking part in these efforts.

We lead the aboriginal policy initiative, or API, and work actively on three other cross-ministry priority policy initiatives: the health sustainability initiative, the Alberta children and youth initiative, and the economic development strategy. Our participation in all priority policy initiatives provides further opportunities to co-ordinate Alberta's responses to aboriginal and northern needs and issues.

Our second core business is to fulfill our legislative commitments to Métis settlements. Much of this core business is administrative and technical in nature, but there are other, observable activities

occurring. Upon the recommendation of an independent panel I have appointed a former Alberta Ombudsman, Mr. Harley Johnson, as the Métis Settlements Ombudsman. The establishment of the ombudsman's office is indicative of ongoing efforts to move toward greater transparency and accountability. We hope that the settlements will move to integrate the idea of an ombudsman into their own governing structures.

Our third core business is to manage "the Province's legal and constitutional obligations with respect to First Nations, Métis and other Aboriginal people." To do this, the province helps the federal government to meet its treaty obligations by transferring land and minerals. In 1986 we contributed to 11 treaty land entitlement settlements for Indian reserves owed under treaty. We recently reached an agreement in principle on another case which we anticipate will be finalized within this business year, bringing the number to 12. These settlements have provided First Nations with resources to increase their participation in the Alberta economy and have reduced uncertainty for industry and government in the development of the province's resources. The land and legal issues section of AAND is responsible for the settlement of land claims. This is also the section of the ministry that will be linking with other ministries to address consultation of First Nations resource development on Crown lands, at least at the moment, because I intend to make sure that we deal with that in a different structure.

9:10

The aboriginal policy framework commits Alberta to a proactive, made-in-Alberta consultation process, and Alberta is now in the process of drafting overall guidelines and implementation strategies. These guidelines and strategies will assist departments in managing their consultations with First Nations.

Our fourth core business is: "promotes and facilitates initiatives to advance the development of Northern Alberta." Essentially, this means that we advance sustainable northern development with other ministries and northern stakeholders. At this time I would like to turn my time over briefly to the chair of the Northern Alberta Development Council, the MLA for Peace River.

The Acting Chair: The hon. Member for Peace River.

Mr. Friedel: Thank you, Mr. Chairman and minister. As the minister just said, the role of the Northern Alberta Development Council could almost be summed in one line, and the first line of the fourth core business of the department is: "promotes and facilitates initiatives to advance the development of Northern Alberta." The Northern Alberta Development Council is continuing to work with the Department of Aboriginal Affairs and Northern Development and many other stakeholders in our northern development strategy. As the minister noted, we try to focus on strategic priorities.

Economically, there is much to consider in the north for the long-term sustainability of the Alberta advantage. The oil sands development is always at the forefront, but the importance of adding value to other northern resources, especially in the areas of agriculture and forestry, has to be recognized. [interjection] There's a strong supporter.

We meet regularly with northern municipal governments as well as industry, aboriginal communities, and many other of our stakeholders. A key part of the business of NADC is to connect our north to local, provincial, national, and even international opportunities. Northern highways corridors are absolutely essential for trade and economic connections and remain a primary focus for our council.

We've been actively promoting the development and use of the northwest corridor, which is a key rail link to the west coast ports,

particularly the port of Prince Rupert. Delegates to the recent Challenge North Conference in Fort McMurray spent a lot of time discussing the various opportunities to advance the northern economy. There's no doubt that the opportunities far outweigh the challenges, but these challenges also have to be addressed. Skill development remains at the top of the list and is the key focus of our plan. Recruitment, training, and employee retention are the greatest barriers to realizing the full potential not only of northern Alberta but of all of northern Canada. People are becoming increasingly more aware of the importance of northern resources to our overall economy. What is less obvious, however, is the input required to develop and exploit these resources. Getting that message out is one of the jobs of NADC.

Mr. Chairman, I could go on, but I know that many members want to ask questions. After the minister finishes her opening remarks, I will be more than glad to participate in the Q and A session.

Ms Calahasen: Just to conclude, Mr. Chairman, we're focusing on strategic relationship building. The title of the aboriginal policy framework is Strengthening Relationships, and that's part of the corporate culture that we've been trying to achieve in all our efforts. So the vision of participation and prosperity is achievable, and we need every available resource to get there. Strategically we're playing our part in the bigger picture of benefiting Alberta as a whole by strengthening its parts. The importance of building partnerships and working together will be measured by a change that will be unmistakable. We're already beginning to see it happen. Aboriginal people and organizations are having a positive impact on our communities. As a government we have an opportunity to tap into that energy, and this budget plan brings us one step closer.

Thank you.

The Acting Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. Appreciate the comments from both the minister and the head of the Northern Alberta Development Council. Appreciate the presence of her staff here, who have been helpful to me from time to time. I note that although this is the last department to be debated or discussed in estimates, it comes first in the list of business plans and I'm sure first in the hearts of all MLAs. By budget it's a small ministry but by its potential impact a very important one. It directly touches the lives of actually I don't know how many Albertans, but it would be a few hundred thousand Albertans, which makes it a very important department indeed. Of course, through its connection with the Northern Alberta Development Council it has influence over the economic prosperity and future of half the geographic area of the province and a part of the province that includes a good portion of Alberta's most valuable resources: conventional oil and gas, forestry, and of course heavy oil.

When I bring my attention to this particular department, there is a handful of issues that come to mind first and foremost, and those are health, justice, education, and poverty. Perhaps that's not fair. That's of course leaving out many other aspects of interest and concern, but those are the ones that come first and foremost to my mind. I suppose I would like to add to that the cultural richness that the aboriginal community provides to Albertans and I hope provides much more of in the future as we work more closely with the aboriginal population of the province.

I'm going to just begin getting really specific on my questions to help the discussion move along. When it comes to aboriginal health, I'm most interested in the sharing and the co-ordination between this department and the Department of Health and Wellness, and I know also of course the federal department of Indian affairs has a large

role here. In particular, I've looked from time to time for a particular position somewhere in the provincial civil service, whether it's in this department or in Health and Wellness, for somebody with a job such as aboriginal health co-ordinator or director of First Nations health issues or some title like that, somewhere where I could see in the civil service sort of a point person for co-ordinating health issues, health delivery, health planning with aboriginal people across the province. I've never found that particular position. If it does exist, I'd be interested in where I would find it, or if it doesn't exist, maybe the minister hasn't felt that it's necessary.

[Mr. Shariff in the chair]

With justice – I'm just leaping around here a bit – a tremendous amount of time and man power, or person power, and money goes into negotiating the settlements and the arrangements between the First Nations and the provincial government. One of my questions, since we're focusing on the budget specifically here, is this. When it comes to legal advice on First Nations issues, I'm wondering how much of that is provided in-house through the provincial government's own staff lawyers and how much of that is provided through contracts with firms. I know the federal government has a very large number indeed of lawyers on its own staff who do nothing but work on aboriginal affairs questions. I'm wondering if we through the Department of Justice or aboriginal affairs are developing that same expertise internally or if we are relying first and foremost on contracts with firms. Whether it's done in-house or through contracts, I'd be interested to know the value of the legal services provided for issues relating to First Nations.

9:20

As I have looked through both the estimates and the business plans, while from time to time there is some mention made of communications, there is no line item that I could find in the estimates for communications. That's a common line item in many ministries, and I'm wondering if the minister – and you can do this in writing; that's fine – could provide the figure in terms of dollars and full-time equivalent staff for your department's expenditures on communications and, further, how much in addition to that is provided through the Public Affairs Bureau. The Public Affairs Bureau might provide one or two or three or 10 staff to supplement those of the ministry. I don't know. Those are some details I'd be interested in.

Still just jumping around a bit here. From my responses to the minister's comments the minister referred specifically to what I think is an excellent initiative, which is the creation of the Ombudsman for the Métis settlements. That Ombudsman has been appointed. It's a man with tremendous experience as an Ombudsman, having previously served as the Ombudsman of the province, and I failed to see in the estimates a specific cost allocation for that very important job. So I would be interested to know: how much are we spending on the Ombudsman? That would be the total budget, obviously, not just for the Ombudsman but for his staff.

Now, moving my way through the business plan here, it's laid out pretty clearly, but I have some concerns. I'm looking, for example, on page 55 of the business plans document of the entire government. This one covers goals 1 and 2. I've learned from my colleague for Edmonton-Centre to pay some attention to the nature of the performance measures that are presented for the business plans because after all these are the benchmarks by which the success and failures, the progress of the department are measured. So they're very, very important.

When I look at the performance measures under goal 1, they read,

"Report on the results of the objectives and targets, identified in the cross-ministry Aboriginal Policy Initiative for 2002-03, which show improvements for Aboriginal people." I'll stop with that one for now. Frankly, I find that to be a very vaguely written performance measure. Perhaps it simply means that the minister is going to be reporting on the results, but it doesn't give any sense of how we might measure success there. Indeed, it doesn't really tell me anything. It's so vague as to in my view be almost meaningless as a performance measure when I compare it to some performance measures in other departments or even one or two in her own department. I find this one to be quite meaningless, to be blunt.

The second one under this same goal, which reads, "Maintain the government's public approval rating on Aboriginal Affairs higher than British Columbia, Saskatchewan, Manitoba and Ontario government averages," raises all kinds of questions to me. Are we using exactly the same measure for every province west of Quebec? Surely the issues are different. We want to be measuring different things here than, say, in B.C., where the situation is so different, or in Ontario, where the situation is so different. Frankly, "maintain the government's public approval rating" really runs the risk of simply boiling performance down to a public relations exercise. If everybody in the public has a good impression of this department, then by this performance measure it would suggest that they're succeeding when in fact what's being done may not be satisfactory at all. So this dwells far too much on image management and not nearly enough, in my view, on substance.

I won't go through every performance measure in that detail under the other goals, but I do in general feel that these performance measures could be improved, could be tightened up and made more specific.

Now shifting to my specific list of questions, having gone through the estimates and the business plans, it would be useful for the record – I'm sure she's done this elsewhere – for the minister to explain once again the \$32 million that was spent last year on land and legal settlements. I'm on line 1.0.4 of the estimates. It was \$32 million. It was unbudgeted last year. It was spent. It's not budgeted again this year. I don't expect the minister to do this right now, but any details of those land and legal settlements would be useful.

With the line 2.0.1, the Métis Settlements Appeal Tribunal, there's a \$930,000 expense, and I'm wondering if that's simply for administration of the panel or if there is some other use served by that number. That's on page 22 of the estimates.

Moving ahead a couple of pages, the Métis settlements funding has dropped almost exactly a million dollars, a fair bit of money. That's about probably 15 or 18 percent of the budget. I'd be interested to have an explanation of that and an itemization of who audits the spending of the Métis settlements. Are those audited in some cases by the Auditor General, or are they audited by outside firms?

I notice that on page 29 the number of full-time equivalent employees in the department jumps by 15. I assume – but I could be wrong on this – that's because the Northern Alberta Development Council staff are brought into that count. I think there are 15 staff in the Northern Alberta Development Council. I'm getting heads nodding there, so that answers my question on that.

The \$6 million committee that was discussed in this Assembly a few months ago to address the concerns and the disputes between Northern Oilfield Contractors and the aboriginal bands – if the minister could tell us what the status is of that committee's work. Where is the cost of this committee listed in the budget? I'm not sure what line to look for, where that \$6 million would be. And what's the time line for the committee's work? Is this a committee that's going to want another \$6 million next year and \$6 million the year after, or is it something where we will see it wrapped up?

The Deputy Chair: Hon. member?

Dr. Taft: You want me to keep moving? Okay. I'm just trying to screen out the most important of my questions here.

One of the things this government has made a lot about has been its work on business plans, three-year business plans, and the goals for each year are laid out, and then they're updated from year to year. It's been interesting to go through various departments and compare the goals from one year to the next and the budgets from one year to the next, and it seems to us that the goals have changed quite a lot for this ministry for this year compared to last year. I guess that one thing under that would be an explanation of why the significant changes, and of course it's some recognition of a concern that when goals change like that, it becomes pretty hard to measure from one year to the next. If your goals are one thing last year and something quite different this year, then how do you really steer a department in the long term?

Actually, Mr. Chairman, I'm just going to check some of my other notes here, but I think that for now that covers the first round of my questions. I don't know if the minister would like to make a few comments now or would like to respond later.

9:30

The Deputy Chair: Hon. minister, would you like to respond?

Ms Calahasen: Well, maybe what we'll do is we'll get another person in, and then that way we can put them together and I'll hit the highlights, as many as we can.

Dr. Taft: Sure.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. It's with interest that I rise this evening to participate in the estimates debate on Aboriginal Affairs and Northern Development. Certainly, at this time I have some specific questions in regard to the department and the efforts that are being made – and perhaps this is a collaborative effort. There was mention earlier of developing strategic relationships with aboriginal communities and organizations in Alberta. It's an unfortunate fact that the unemployment rates that the majority of Albertans experience are not the same on First Nations reserves, and I think we need to work very hard to overcome that. There is a high level of unemployment particularly with younger citizens on First Nations reserves. What efforts are being made to correct this?

Certainly, when we look at aboriginal policy initiatives, all these are well meaning:

- improve the health status and well-being of Aboriginal people;
- support life-long learning opportunities for Aboriginal people and promote appreciation of Aboriginal cultures;
- increase the participation by Aboriginal people in the Alberta economy; and
- clarify federal/provincial/Aboriginal roles and responsibilities.

Well, when we look at increasing the participation of aboriginal people in the Alberta economy, just precisely how is this being done? Are we encouraging First Nations individuals to actively participate in the long term in the oil and gas industry? I'm not talking about slashing crews on a seismic line or general labour on a pipeline. I'm talking about ensuring that these individuals get enough education so that they can go to work for some of the larger corporations that are exploring and developing our natural resources, and they can have lifetime employment possibilities for themselves and their families.

The statistics, I believe, whenever you compare it to the rest of the

province, as I said earlier, are deplorable, and I would like to know what initiatives are being considered to improve the economic well-being of so many First Nations people. Also, is there any consultation or any further development in regard to partnering? For instance, Syncrude has an agreement with the Fort MacKay First Nation, and that seems to be working very well.

Also, Mr. Chairman, at this time if the hon. minister has any information she can share with this member and with all hon. members of this Assembly in regard to what initiatives are being made to ensure that there is an opportunity for First Nations businesspeople to participate in the development of our natural resources, particularly in the north. They're certainly not affirmative action policies, but what is being done to ensure that First Nations businesses are being provided with an opportunity to participate in the economic prosperity that seems to be all around? Unfortunately, they do not seem to be participating fully in those economic opportunities.

With those questions, Mr. Chairman, I will either await a written or an oral response from the hon. minister, whatever is at her convenience, and I will cede the floor to another colleague. Thank you.

The Deputy Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. A handful of other issues since we're raising them here. A great deal of the efforts of this department are focused on Métis settlements and northern affairs and issues relating to bands. As we all know, urban aboriginals or Indians or Métis or First Nations people are growing rapidly in number and have very great needs. The number of students in Edmonton public schools in the next decade who will have some First Nations heritage is expected to soar, and in general the number of First Nations people living in cities is expected to climb very rapidly. It's already very high. These people face many very different problems and opportunities from those living in rural Alberta and on Métis settlements and on reserves.

I would be very keen to see some explanation of the long-range strategy for urban First Nations people for this province from this minister. What in this budget can give me reassurance that we're paying attention adequately to the long-term future of First Nations peoples in Alberta cities, whether it's education, housing, employment, cultural opportunities, health issues, justice issues, all the same issues that all the rest of us face but which have their own particular complications for First Nations people in urban areas? I'd like some reassurance that as a government we are paying sufficient attention to that issue, because it's going to become a larger and larger issue as the years go by.

I would also like to direct some questions to the Member for Peace River, who serves as chairman for the Northern Alberta Development Council. One is quite specific, and it relates to the dispute between the oil field contractors and the bands. I'm wondering if the Northern Alberta Development Council has any role or involvement in helping resolve this dispute. If so, what is that role? If not, why not? There may be excellent reasons for staying out of the issue, but on the face of it it would seem to be one of some real potential interest to the council. So any comments from the chairman on the council's involvement in that issue would be helpful.

9:40

I also have looked through the summary of the Northern Alberta Development Council's activities provided in the annual report. I believe that there's a \$1.9 million budget for the council. I'm working from memory there, but I think \$1.9 million or thereabouts.

Is that right? I would like some description of where the chairman thinks the most important contribution comes from that council. One point nine million dollars is quite a lot of money when I look at the key activities of the council being things like roundtable meetings and stakeholder meetings and a newsletter and a forum and, beyond that, feasibility studies into intensive livestock operations in the north, looking at tourism possibilities in the north and also educational issues for the north. I'd be interested in the chairman's view of what is the highest priority and what is the most valuable contribution that the Northern Alberta Development Council makes for its \$1.9 million budget.

Thank you.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Thank you, Mr. Chairman. I'll certainly be brief at this time. In the past it has been reported that there have been contingent liabilities and that the province as represented by the Ministry of Aboriginal Affairs and Northern Development has a contingent liability in respect of 35 claims concerning aboriginal rights, Indian title, and treaty rights. Now, as I understand it, in most cases these claims have been filed jointly and severally against the province of Alberta and the government of Canada and in some cases involve third parties. Can the minister give this House and the citizens of Alberta an update on those claims? How many of them are on disputed territory in regard to the contentious issues that were discussed earlier in regard to the oil industry and certain First Nations bands? In a synopsis, can the minister update us on any of these claims and how they're affected by those ongoing disputes?

Thank you.

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. I do have a few questions here for the Minister of Aboriginal Affairs and Northern Development.

Last year when we were discussing the same department, we did talk about a number of very serious issues that are occurring with First Nations children. Certainly, one of those that we talked about at that time was the number of suicides on reserves, so if the minister could please update us. I know she had programs in place and was certainly working to decrease the number of suicides. If she could please update us on how successful the programs that she's instituting have been.

Now, then, as well, I think that one of the areas we have to look at is the services that we supply First Nations children off reserve. It's my understanding that the treatment is very, very poor. Again, I think it's partially to do with the whole idea of whose jurisdiction it is or with people passing the buck and saying: well, no, that's a federal responsibility, it's provincial, or it's at the municipal level. Unfortunately, what happens is that when a number of First Nations do move off poor reserves, we get the poverty moving from the reserve to the urban centres. It's a vicious cycle and one that I know they would like to break. Certainly, in that regard I think we could say that to date the programs that have been put in place by the municipal and provincial levels of government have failed quite badly. If the minister could please update us on programs at the provincial level that are going to be dealing with the urban poverty of First Nations.

I was also quite startled to see that only approximately 8 percent of aboriginal teens finish high school, that 20 percent of aboriginal students in public schools graduate, and only about 50 percent of aboriginal teens even start high school. It was quite interesting to

note in a recent meeting we had with the Edmonton public school board that they could predict that almost 100 percent of the students who arrived in high school that could not read at a grade 10 level would not complete high school. That was quite a startling fact to me. So when we have that type of information that indicates that we have to have students prepared for high school – and these are not only aboriginal students; these are all students – it certainly indicates that we do have a long way to go in order to have students prepared for high school.

Now, then, I know that all parents, whether they be First Nations or others, certainly want to get good jobs, want to raise healthy families, and they want to do everything they possibly can for their children, but we do have an enormous problem of aboriginal poverty. We have a higher child mortality rate. We also have family breakdowns. I think the solution has been identified by many that in order to give First Nations youth an opportunity, what we have to do is we have to be able to develop their skills, to give them training, to give them hope and vision so that they can get good jobs and raise healthy families. If the minister could please outline what early intervention programs we do have and how these are being monitored and as well if we can see any type of success in this particular area.

As well, I think that in order to help tackle some of these problems, we have to start with First Nations children at an early age. If the minister could please outline what programs are available for mothers in the area of prenatal care and counseling so that they will know how to certainly be able to provide the best opportunities for their children. As well, this is a huge problem that I think can be addressed partially by the regional health authorities. If the minister could please outline the resources available to the regional health authorities to deal with these issues and if we can see the progress and the development of those plans as they move along.

I was noticing that there were quite a number of cuts that were made after the 9-11 disaster, and, as the Member for Edmonton-Riverview has already indicated, there is a million dollar drop in the budget this year. Are there adequate resources to do the things that have to be done in order to not only maintain but to expand programs for First Nations families? As well, what new programs are being instituted in order to assist First Nations mothers, and what resources are there?

So if the minister could please answer those either now or later, it's fine. I know that the hon. Member for Edmonton-Gold Bar would also like to ask more questions here. Thank you.

9:50

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. I have one more question at this time for the hon. minister. It has to do with some of the activities that have occurred in the minister's department over the years, actually over the last two years because it was part of the expansion of the cabinet: the Northern Bachelor of Social Work Council of Stakeholders and the Northern Distance Bachelor of Social Work Planning Circle. Now, these groups are supported by the ministry, and students, as I understand it, can now enroll in a social work degree program in northern Alberta.

I was also interested to know if the minister is considering – and if not, why not? – promoting this sort of distance learning for registered nurses. Certainly, we know that northern Alberta contains 60 percent of Alberta's land mass yet only 10 percent of the province's population. I understand that there's a great deal of difficulty in recruiting and retaining nurses and nurse practitioners to Canada's and Alberta's north. What is the Department of Aboriginal Affairs

and Northern Development doing to ensure that there are nurses and nurse practitioners willing and able not only to go to work in the north in isolated communities but also stay there? What initiatives is the department taking to alleviate this problem? Our research indicates that it's a huge problem.

Thank you.

Ms Calahasen: Are you guys okay? Are you finished?

Dr. Taft: That's good. Thank you.

Ms Calahasen: Okay. Well, maybe I'll highlight some of the bigger ones, and then whatever I don't answer tonight in terms of specifics, we'll put in writing, if that's okay with you.

Then we'll start off with health. Edmonton-Riverview, you were asking something relative to health. We do participate in health sustainability, a cross-government initiative, and Health and Wellness has dedicated positions for aboriginal health. That basically falls in Health's area. However, we are involved in a cross-ministry initiative. Therefore, what we do is we make sure that we facilitate that with Health and ensure that we are at the table whenever anything is addressed relative to the aboriginal issues. We don't do programs. Other departments do that, and basically we're there to make sure that we bring the issues to the forefront. Then, with that, we make sure that they're addressed in a program way with the various departments. That's why we have cross-ministry initiatives. So that's basically what we do with health as well as with education and the same even with justice.

In terms of the Justice question that you asked, we have three in-house lawyers, and we work with Justice. We can supply costs in writing, I think, in detail relative to that. That will take a long time for us to be able to go through that.

In terms of the goals that you were asking about in your speaking notes and in my speaking notes actually, we changed due to new ministry evolution and changes to government ministry business plans to streamline and align with the budget. We try to make sure we do that. This is also a dynamic area, and we must continue to adapt. Other ministries are working with us to make sure that we continue to try to go into taking a greater role.

We're developing an urban strategy. You asked about the urban strategy, and I think this is really important. The urban strategy is an important one. I just pulled it out of my briefing book earlier, but the northern strategy is an urban strategy that we've been working on with urban aboriginal people in Alberta. We are actually one of the lead provincial departments under the western economic partnership agreement. I don't know if you know that one, but it's otherwise called WEPA. It provides funding support to the Calgary urban aboriginal initiative. The purpose of this Calgary urban aboriginal initiative is to co-ordinate an overall strategy for accessing and improving the delivery of programs and services to aboriginal people living in Calgary. We have committed approximately \$25,000 under WEPA. An official from our department sits on the steering committee. We have a similar Edmonton urban aboriginal initiative, which was developed to assist aboriginal people residing in Edmonton. However, that initiative did not work due to structural problems, and my department has been working with the federal government and other stakeholders to develop projects that will improve the delivery of programs and services to aboriginal people in Alberta.

We also have annual funding to friendship centres in Calgary, Edmonton, and small urban centres for programming as well as to the Métis Nation of Alberta. They develop the programs. They deal with the programs; we don't do that. So we do a number of things

relative to the urban aboriginal issue. But that was a really good question. I thought that was excellent.

Métis Settlements Appeal Tribunal. You were asking about that. You were asking actually: \$930,000 on what? We have been spending that amount. It's on the administration of a quasi-judicial body. It's making sure that we have staffing, because they do have staffing costs, and it's preliminary investigations and hearings that are set by that group.

In terms of the auditors of the Métis settlements, our corporations are required to have audited statements done. They are done yearly, like any audited statement, so that's something that's really important that we continue to do.

How much for the Ombudsman? Four hundred and fifty thousand per year. The Ombudsman is provided an allocation with an agreed-upon budget, and those allocations are \$150,000 as of April 1, \$100,000 in August, \$100,000 in November, and \$100,000 in January. It operates as independently as possible, because that's why we have him there. So they report on finances on a quarterly basis. We have an annual report as well so that we continue to see what's happening there with our money.

There were some questions relative to: what is occurring relative to economic initiatives and economic participation of aboriginal people? I just want to give you an idea as to what's been happening, examples of successful partnerships with First Nations. We've got oil and gas. We've got the forestry industry. We also have the energy industry and a number of fronts where the First Nations have been partnering with various corporations. I'll just give you an example: the Athabasca Chipewyan First Nation. What they've done is that the Aqua Jetters and Aqua Sonics business venture uses a new ultrasonic wave method to remove bitumen. In the aboriginal community the Athabasca First Nation has been involved on a partnership basis in that respect. The other one is the AWN, otherwise known as Aseniwuche Winewak Nation. They signed a guiding principles agreement in March of 2001 with Chevron Canada and Burlington Resources. In this they set out guiding principles in the areas of land stewardship, project consultation, education and training, employment and business opportunities, as well as community development. That's in the oil and gas industry sector.

Now, as an example in the forestry industry, Weyerhaeuser Canada Ltd. has relationships with Little Red River Cree, Horse Lake First Nation, and Sunchild/O'Chiese for various forestry contracts, an agreement to promote business employment training, education, and communications. So basically what we're trying to do is encourage First Nations to work with corporations and industry to see if they can come up with partnerships.

Another example which I thought was really interesting was the other one in energy. Weather Dancer 1, Alberta's tallest wind-generating turbine, is an example of world-class technology with a 72-metre tall 900-kilowatt turbine in a joint venture between the Peigan Indian Utilities Corporation and EPCOR.

So we've got a number of initiatives that have been going on where we're trying to make sure we encourage the development of aboriginal people to be involved in the economy. Those are just examples. I can send the list to you in my written submission if you want that.

10:00

There were a number of other questions that you were asking relative to consultation. As you know, the \$6 million that we have received has been divided by various departments so that we can ensure that we begin to develop the guidelines within our departments and work on a consultation basis with First Nations and the

industry to develop consultation and work on that basis. So we're just now putting that together, as I indicated in my opening remarks, and that will continue to be developed. We want to make sure that we do a proactive strategic approach to aboriginal issues and the resources developed and approved for implementation by the seven ministries that are involved. The approach involves four strategies: improving relations with aboriginal communities; increasing aboriginal participation in the economy, particularly the resource sector; implementing consultation procedures in areas such as fish and wildlife, forestry, oil and gas, and major projects; and enhancing provincial legal capacity. So what we're trying to do is make sure that we have the strategic approach to be implemented, and a number of ministries are establishing consultation capacities. So we'll continue to work in that vein and ensure that we do that.

An update on the northern contractors. Alberta has clarified our position, in fact indicating that the province has jurisdiction over Crown lands, and companies with leases and permits have a valid right to conduct their businesses without interference. The situation has been reviewed with K Division of the RCMP, and both industry and the contractors have been encouraged to report any evidence of criminal activity. A cross-ministry and early response team has been established to deal with blockades in a more timely and co-ordinated manner, and several potential blockade situations have also been resolved. Meetings have been held with the parties to find a basis for a negotiated resolution. As a matter of fact, our negotiator, John McCarthy, has been appointed as facilitator to work with legal counsel to the contractors. As well, the contractors themselves have hired a counsel, and the two are working together. The ministries are beginning to develop those guidelines, as I indicated earlier, on the consultation process, so we're making sure that we make every attempt to work with First Nations, industry, and the subcontractors.

I'll have my colleague answer some of the northern development questions, and then I'll come back if you think you want me to answer any more. If not, I certainly would be willing to answer in writing.

The Deputy Chair: The hon. Member for Peace River.

Mr. Friedel: Thank you, Mr. Chairman. There were a couple of questions asked regarding the role of NADC. The Member for Edmonton-Riverview asked about, first of all, the involvement of NADC and the issue of the dispute between aboriginal communities and oil field contractors, but I believe the minister answered that. NADC isn't that directly involved in that end of it, but we do get involved to the extent of promoting business employment opportunities and skill development because a lot of these issues are more a matter of maybe communities that don't have access to some of the training. You know, if you don't have the first-line opportunities to compete, maybe some of the less desirable activities take place. I think it's very important that one of the programs that we do get involved directly in is specific training. We encourage industry and postsecondary institutions to get into specific training for things like heavy machine operations, the kind of industry that's very much in demand in the forestry industry, also heavy equipment operation and such. I think we'd like to believe that we take a proactive step in helping those folks in the remote communities that need that kind of a boost.

You also asked about the budget and made reference to conferences and meetings and such. Certainly, these activities are very much a part of awareness of what NADC does and getting communication out to the stakeholders, but the biggest part of our budget goes to skill development, which is probably the single highest priority of the NADC. In that regard we have the northern bursary program,

which includes a return service agreement for people who want skill development and to work in the northern communities. We also have the youth apprenticeship program, which probably could be described as an early intervention apprenticeship program.

Our Northern Links program assists predominantly high school students but also junior high school students in making decisions on what postsecondary opportunities might exist. It also delves into the field of keeping people in the smaller communities interested in high school, at least completing that portion, and taking away the fear, if you want, not being aware of what it means to go to another community and probably larger towns or cities, that in themselves are a bit of a cultural shock to many young people in smaller communities, leaving your family, leaving a place you're comfortable with, and going someplace to not only establish a residence that's completely foreign to what you might be used to but getting into classrooms where you have, say, college classes or university classes that are numbered in the dozens or hundreds of pupils per class when you're used to being in a high school where your entire high school might have 30 kids in it. So we try and give opportunities for these kids to get out and see what it means to get involved in postsecondary education, what the challenges are, and most importantly what the opportunities are, what you can get into once you've developed that skill.

We also work with the northern colleges through a partnership that's known as the northern labour market information clearing-house, that brings educators and employers together to identify the training needs and the skill development needs, again particularly for young people but also people who are already in the job market but need upgrading, and instead of having to leave a job and move away for a few months or a year, we make sure that those opportunities are offered as ongoing learning. We also spend a lot of time working with industry and our educational institutions in many areas, making sure that the courses that are offered are the most appropriate. Industry also is very involved in a partnership way in our bursary program.

The Member for Edmonton-Gold Bar asked about training incentives and particularly mentioned the nurse practitioner program. When I talked a minute ago about skill development being a goal of NADC, our bursary program is probably primarily directed toward health care professionals and probably is one of the most needed and, unfortunately, one of the more difficult skill groups to attract. The nurse practitioner program has been for quite a number of years a well-accepted program in many of the northern aboriginal communities. There was a pilot program established in the early 1990s in the town of Rainbow Lake and in Red Earth to see what would be involved to improve the skills of a super-qualified nurse to work in the communities and see what kind of services could be delivered. We recognize that there are limits to the level of service that can be delivered in a small, remote community, but we think it's essential that the highest level of expertise possible is still recruited, and recruitment is one of the challenges that we're faced with.

NADC is highly involved in a northern awareness program that helps employers, in this case health care employers and regional health authorities, to allow potential employees to find out what it's like living in the north, what the opportunities and, you know, without sugarcoating, what the challenges are of being a pioneer in some of our communities, and secondly, as I mentioned just a few minutes ago, ongoing training, because that's very important to many professionals. You don't want to become stagnant at a particular level of training. If you can remain in a job that you might enjoy but need some assistance in getting some ongoing training, that would be one of the areas that we're working with.

So I think that answers the questions that were addressed to me, Mr. Chairman. With that, I'll turn it back to you.

10:10

Ms Calahasen: We'll answer in writing all the questions that we haven't been able to answer.

The Deputy Chair: After considering the business plan and proposed estimates for the Department of Aboriginal Affairs and Northern Development for the fiscal year ending March 31, 2004, are you ready for the question?

Hon. Members: Question.

Agreed to:
Operating Expense \$21,603,000

The Deputy Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.
The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that the Committee of Supply rise and report the estimates of Aboriginal Affairs and Northern Development.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Aboriginal Affairs and Northern Development: operating expense, 21,603,000.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

Mr. Hancock: Mr. Speaker, as previously discussed with opposition House leaders, I would seek unanimous consent of the Assembly to revert to Introduction of Bills to allow for the first reading consideration of Bill 40, the appropriation of main estimates.

[Unanimous consent granted]

head: **Introduction of Bills**

The Acting Speaker: The hon. Minister of Finance.

Bill 40 Appropriation Act, 2003

Mrs. Nelson: Thank you, Mr. Speaker. I request leave to introduce Bill 40, the Appropriation Act, 2003. This being a money bill, Her Honour the Honourable the Lieutenant Governor, having been

informed of the contents of the bill, recommends the same to the Assembly.

[Motion carried; Bill 40 read a first time]

head: **Government Bills and Orders**

head: **Third Reading**

Bill 18 Energy Statutes Amendment Act, 2003

The Acting Speaker: The hon. Member for Calgary-Bow.

Ms DeLong: Thank you, Mr. Speaker. I'd like to move third reading of Bill 18, Energy Statutes Amendment Act, 2003.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. Bill 18, the Energy Statutes Amendment Act, 2003: there are still a number of questions I have outstanding in regard to this legislative initiative, and until those answers come forward it would be very difficult, impossible as a matter of fact, to support this bill. There are many, many questions left, certainly, whenever one considers that past headlines suggested that in the province of Alberta the laws and the regulations are top of the field as far as attracting investment to this province for resource development.

When one compares this legislation to the similar piece of legislation that was introduced earlier in the Legislative Assembly of British Columbia and that research indicates has become law, the B.C. legislation certainly addressed the ownership uncertainties surrounding coal bed gas, or coal bed methane as we know it. If the purpose of that legislation in the sister province of B.C. was to promote economic activity in that province by removing any uncertainty that surrounds entitlement to coal bed gas underlying both Crown and freehold lands in the province, I think we should have done the same here, and I'm not sure that this legislation has achieved that.

I certainly had many questions in regard to this at committee, and I'm astonished that there was no attempt made to answer those. I can only contemplate why, but we need to ensure that we have an investment climate that is going to attract players to this province with coal bed methane development in mind. Now, I don't know why these questions could not have been answered. I think they were valid.

I understand that in the recent past there were in this province many landowners and some rural politicians that called for a greater openness in the development of what they considered was Alberta's newest, biggest, brightest energy source, but they were surprised that a major conference on the subject of coal bed methane had been declared off limits to the media. The media had been barred, and some members of the public had to pay at least \$1,700 to attend the conference.

I think the province of Alberta government has to step up to the table or at third reading here and present the facts in regard to Bill 18 and how it's going to affect in one way or another the development of the coal bed methane industry in this province. It is astonishing. The future is, I think, very bright for that industry. As I said earlier, Mary Griffiths, a Pembina Institute policy analyst, is working on a report. Certainly, I think that in a timely fashion that will be made public. She estimates that there could be potentially 10 times as much coal bed methane in the plains and foothills regions of western Canada as there is in the remaining established reserves of conventional natural gas as we know it in this province. There are many

people from all across this province that are very anxious to see this industry develop and develop in a sound way. The questions that the Official Opposition put forward in committee are not answered and at the same time this legislation is going to become law. I would at this time, Mr. Speaker, in conclusion be very anxious to know when this act will be proclaimed and when these laws, or this lack of laws in this case, are going to be promoted.

Now, with that, Mr. Speaker, there's not much else we on this side of the Assembly can do but express our disappointment. In conclusion, again I would have to hold to this view, maintain this view, that Bill 18, the Energy Statutes Amendment Act, 2003, is not what the coal bed methane industry needs at this point in this province, and I would fully expect that the answers to my questions should be part of the public record.

Thank you.

10:20

The Acting Speaker: The hon. Member for Calgary-Bow to close debate.

Ms DeLong: Yes. I would like to say, first of all, that yes, Alberta does have a very positive future when it comes to coal bed methane, but please remember that coal bed methane is just the sexy new expression for natural gas that happens to be in coal. The really interesting part is over on the scientific side of things in terms of the possibility of putting CO₂ down there and being able to get lots of coal bed methane or what we've always known of here for 20 or 30 years as natural gas. It happens to be in coal beds instead of in sandstone or something else like that. In terms of us getting natural gas out and the possibility of getting revenues into the pockets of Albertans, yes, it's an exciting new future, but I'm afraid it's just natural gas. The royalty system that we've set up will apply to it, so there isn't any special thing here that has to be done in terms of our royalties.

I move that we now vote on third reading of Bill 18.

[Motion carried; Bill 18 read a third time]

Bill 20 Alberta Municipal Financing Corporation Amendment Act, 2003

Mr. Hlady: Mr. Speaker, I move third reading of Bill 20.

The Acting Speaker: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Speaker. Just a few comments on Bill 20, the Alberta Municipal Financing Corporation Amendment Act, 2003. This is primarily a housekeeping bill. It does update the act, which was first introduced in 1956 and hasn't been updated since 1980. It certainly allows the corporation greater flexibility to fulfill its mandate, and it allows it to engage in loans without the purchase of securities from local authorities.

So with those few comments, I think it's an excellent bill. It modernizes the bill, and I would encourage all members to support this bill.

The Acting Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm afraid that I can't concur with my hon. colleague from Edmonton-Glengarry. I think that there are in fact many beneficial aspects to this bill, but the concern that I have – and it ought to be a concern to the Member for Edmonton-Glengarry as well given his strong performance in

challenging the government's plans for P3s in question period; he's been very consistently going after the Minister of Infrastructure on that particular point, and we agree with him – is that the Municipal Financing Corporation, which has been established to provide low-cost, reliable financing for municipal governments, may in fact be asked to extend provincial financing of P3s to nonmunicipal sources.

I'm not alone in having that concern, Mr. Speaker. AUMA and other stakeholders have expressed concern that sections 1(e)(i) and (ii) appear to open up the possibility that private companies through P3s could borrow from the same pool of money that's supposed to be set aside for public projects only. The alderman from St. Albert, Mr. Burrows, said: in my mind, it's a private-sector subsidy, and I don't think we should support it. Mayor Plain of St. Albert said: the amendment puts the fund and its low interest at risk because of the potential for failure on the part of private-sector companies. That was reported in the *St. Albert Gazette*.

This is a serious concern as far as we're concerned, Mr. Speaker. Mr. George Rogers has written expressing concern with the lack of consultation that urban municipalities received prior to the introduction of Bill 20, and it says that they're particularly disappointed in their "exclusion from consultation given our specific request to Alberta Finance last year to have the structure and governance of AMFC reviewed and discussed with our Association." This letter was sent to the Premier on the 31st of March of this year. So it may be, Mr. Speaker, that some of these points have been addressed in debate earlier and I have not picked them up from *Hansard*, in which case I would ask some hon. members to rise and set the record straight for my benefit, but it is a serious concern.

I want to say, Mr. Speaker, that the Alberta Municipal Financing Corporation has been an excellent institution in this province and has contributed in a tremendous way to all sorts of wonderful things in this province that have been developed by municipalities. It has been a very, very effective tool for municipalities in order to build the kinds of structures, infrastructure, and so on that have provided a high quality of life for their citizens. It's an institution that needs to be protected and strengthened and safeguarded, and I trust that the government is committed to doing that as well.

Now, if some hon. member can set the record straight with respect to the potential use of this source of financing by private organizations in the P3 program, then I'll be happy to support the bill.

Thank you very much, Mr. Speaker.

10:30

The Acting Speaker: The hon. Member for Calgary-Mountain View to close debate.

Mr. Hlady: Thank you, Mr. Speaker. I will try to clarify for the Member for Edmonton-Highlands, as the Member for Edmonton-Riverview had asked during committee the same question. At that time, I had answered that the proper understanding of that particular situation is the fact that, no, private corporations would not be able to borrow under that even though that concern had been raised. The reason that that won't be allowed is because you have to be a shareholder of the corporation, and those are the public bodies that are named in there, being regional health authorities, being schools, being the municipalities themselves. Those are the organizations that can, and under regulation it will be controlled that a private corporation could never be a shareholder; therefore, it would never have the right to borrow from the corporation. So it's protected that way, and the private sector will not be able to ever raise any capital through AMFC.

I hope that clarifies it for the member, and I'll call the question.

[Motion carried; Bill 20 read a third time]

Bill 25 Class Proceedings Act

The Acting Speaker: The hon. Member for Edmonton-Calder.

Mr. Rathgeber: Thank you, Mr. Speaker. It is with great pleasure that I move third reading of Bill 25, the Class Proceedings Act.

This act will allow class actions to be allowed under the *Alberta Rules of Court*, where multiple plaintiffs can file one action with one representative plaintiff, thereby freeing up the courts from dealing with multiple cases on the same cause of action. There having been no amendments proposed at any stage of this bill or constructive criticism of this bill either in second reading or in committee, I would ask that all members support Bill 25, the Class Proceedings Act.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I noticed with interest that the hon. Member for Edmonton-Calder had spoken that there had been no constructive criticism of this particular bill, but certainly there have been concerns expressed not only in the course of debate in this Assembly but by Albertans as well. There are those who think that this new bill will stifle access to justice.

Now, we in this province certainly can use a form of class action legislation. There's no doubt about that. We discussed earlier in debate the whole issue of pine shakes and how people had to address their concerns through representative action. Certainly, Bill 25 will enable people to engage in class action lawsuits here instead of having to go to another jurisdiction to do them. B.C. was a choice location for citizens who were contemplating class action. There was a small cottage industry in the legal profession that had been established there to deal with class action lawsuits.

One only has to consider this province and what's going on with some of the frustrations that have been expressed with regard to the intensive livestock operations. It's in yesterday's *New York Times*. It was quite an interesting article about how American landowners adjacent to the same sorts of setups, these ILOs, were launching class action lawsuits. Hopefully that won't happen here, but certainly a bill like this would give citizens that opportunity or, as the government members so fondly say, give them that choice. It's another choice; it's another option that they can exercise. But there are several parts of this bill that I think warrant comment at this time in third reading.

Now, when you consider that we've been waiting for this form of legislation, Mr. Speaker, for quite some time – the former Member for Calgary-Buffalo had been asking for class action legislation, and the current Member for Edmonton-Centre, the justice critic, had been asking the government to implement class action up through 2001 – we on this side of the House would really like to support this legislation, but certainly there are some outstanding questions on the bill as presented.

Whenever we look at the bill, one of the most contentious parts – and perhaps this can be further explained – is that when we consider that costs are awarded under the rules of the courts, that means that in Alberta costs can really only be recovered in a meritorious outcome. Now, this could be a problem for some people. Many experts have commented on this legislation. Certainly members of the Alberta Law Reform Institute have expressed the feeling that there is no basis for some of the concerns, but for others there is. Now, we can only wait, as I understand it, and see what happens with this legislation.

In conclusion – and this gets back to the whole issue of pine

shakes and where those citizens would have to go – Alberta does have what is called rule 42 representative actions, and that is winding its way through the court. However, this has been interpreted as not being sufficient for dealing with class action type lawsuits, and this is why this bill at this time may be a step in the right direction, but we will certainly see how it works out as far as access for Albertans goes. Bill 25 will allow for citizens to sue for costs similar to other actions which are present in Alberta, but it should be noted that B.C., who has no cost scheme, is actually looking at getting out of the process, and perhaps the hon. Member for Edmonton-Calder could update the Assembly on that.

With that, Mr. Speaker, I will conclude at this time my remarks on Bill 25, the Class Proceedings Act. I can only hope that this works out in the best interests of all citizens, and certainly I hope that this bill will not limit access to justice, as some have expressed that concern.

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to rise to speak at third reading to Bill 25. This is a potentially good piece of legislation that has in fact been ruined by some of the details contained in the bill, which renders it quite useless for many of the purported purposes that the legislation has. Now, it is certainly a positive thing to allow for class action suits. There are many cases when large groups of people have had some similar negative effect by someone and would benefit by taking action either as a group or some individual or individuals on behalf of a much larger number of individuals who have been affected negatively in some way. That should give them recourse in the courts. But the devil is in the details, and of course the financial arrangements in undertaking lawsuits of this kind have a significant effect on who is able to do it and when, and in this case it is not people with modest means who are advantaged.

10:40

Now, despite recommendations from the Alberta Law Reform Institute to the contrary, Bill 25 allows costs to be awarded against representative plaintiffs; that is, the individual who initiates the action and with whom other plaintiffs join. Given that these suits are very often against large corporations or the government, the defendants are likely to expend significant dollar amounts in their defense, and it is unreasonable to expect that individuals of modest means would be prepared to risk bankruptcy in the face of having to pay such significant costs. Allowing cost awards against a representative plaintiff would therefore deter any such action from being initiated in practice. So the government through this act has created the situation where in principle, in theory, individuals can initiate lawsuits on behalf of significant groups of individuals in the hopes that they will all adhere and benefit by the action, but in practice, Mr. Speaker, the financial risks rule it out and make the beneficial aspects of the legislation unavailable.

There have been news articles suggesting that the government is protecting itself and its big corporate friends by bringing in this piece of legislation. For example, on March 9 an op-ed piece by Mindelle Jacobs of the *Edmonton Sun* says:

If the province is truly interested in promoting a user-friendly justice system, it will revamp its embarrassing class-action bill.

The goal of such legislation is simple – streamlining the process by which large numbers of people with a common complaint can sue an alleged wrongdoer.

Instead of numerous plaintiffs bringing separate suits over the same matter against a defendant, one person acts as a representative plaintiff in a collective case.

This is “not a revolutionary concept,” she says.

Ontario and Quebec brought in such laws years ago. More recently, B.C., Saskatchewan, Newfoundland and Manitoba have followed suit.

Now [apparently] Alberta has jumped on the bandwagon. She continues, and I think this is the important point, Mr. Speaker:

Unlike the other provinces that allow class-action suits, Alberta plans to force plaintiffs who launch the collective suits to pay all the costs of litigation.

It means that Joe Albertan, a representative plaintiff who might win a couple of thousand dollars in damages if he’s successful, could be on the hook for, say, \$100,000 if he loses.

The province’s legislation ignores a major recommendation by the Alberta Law Reform Institute (ALRI), which wanted a no-cost process.

In a lengthy report on the issue in 2000, the ALRI recommended that losing parties not be liable for costs unless there has been frivolous conduct, unnecessary applications to delay the proceedings or exceptional circumstances.

The bill, as it is currently written, will effectively scare off anyone thinking of starting a class-action suit. We might as well have no class-action legislation at all, for all the assistance it will provide . . . plaintiffs.

Now, Mr. Speaker, the hon. Member for Edmonton-Gold Bar raised the question about the thousands of Albertans who’ve tried to sue the government over rotting pine shakes, but individual lawsuits are still dragging on. Here’s something interesting. Clint Docken, the head of the Calgary law firm that handles such cases, says: what person in their right mind would put forward a claim if they are facing the possibility of paying a huge cost award well beyond what they stand to gain by winning? He continues: they’re wasting their time if they make representative plaintiffs liable for costs.

Mr. Speaker, this is a fatal flaw in this piece of legislation. It stacks the deck against plaintiffs and makes it clear that the chill that exists over this legislation will be similar to the chill felt by thousands of Albertans turning down their thermostats and their electricity use in order to survive high energy prices in this province. I think that the government wants to have it both ways. It wants to have a situation where on the books there is some seemingly progressive legislation allowing for class action suits and in practice they and their friends are well protected from the practical threat of class action suits. The people of Alberta are not well served by legislation that is structured in this way, and unfortunately I cannot support this bill.

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Calder to close debate.

Mr. Rathgeber: Thank you, Mr. Speaker. As I indicated in committee, the reason that Bill 25 does not have a fund provided for plaintiffs is that the general practice in Alberta is that costs follow the cause. Successful plaintiffs are able to recover their court costs from the unsuccessful party. Similarly, successful defendants who fend off a lawsuit, be it a class action or otherwise, are able to recover their court costs from the unsuccessful plaintiff. This is the normalcy in Alberta, and Bill 25 does nothing to change the normal provision for costs. Also existing in Alberta is the discretion of a judge to not award costs if it would be unduly hard on the plaintiff, so there is that discretion.

I think that this is good legislation. The reason we chose this model is that the last thing we want is a cottage industry for frivolous or unmeritorious lawsuits. So this is the model that we chose. Costs follow the cause, and I ask all members to vote in favour of Bill 25.

[Motion carried; Bill 25 read a third time]

Bill 26

Corrections Amendment Act, 2003

The Acting Speaker: The hon. Government House Leader on behalf of the Solicitor General.

Mr. Hancock: Thank you, Mr. Speaker. On behalf of the Solicitor General I’d move Bill 26, the Corrections Amendment Act, 2003, for third reading.

Dr. Taft: Well, Mr. Speaker, I have very extensive comments on this bill, but I’ll keep them to myself tonight. I don’t think this bill is going to achieve what is intended, what the hope is. I mean, I will end up supporting it and I know the critic from Edmonton-Centre will support it, but I think we all recognize that it’s not going to have the impact that’s desired. There’s no real provision within this legislation for harm reduction within the prison system, the provision of things like bleach kits or needle exchanges or condoms or provisions that accept the reality of life, as it’s explained to me, in prisons. Having never been in prison, I can only go secondhand and hope that it always stays that way.

10:50

My understanding is that zero tolerance policies have been attempted in many jurisdictions and that one way or another the drugs get past the prison guards and around the prison walls, and we end up with abuse in the prison system, which raises all kinds of health problems. While we can make efforts at zero tolerance – and we should make a best effort at that – the prison system is porous, and nobody that I know of has been able to plug all the holes that allow the flow of drugs into prisons. So zero tolerance alone isn’t going to work.

We should be looking realistically at other provisions and taking other steps, and those are not taken in this bill. They’re not provided for in this bill, nor are any steps provided in the bill to recognize that because of the relatively short stays that most prisoners have in jail, if they are addicted to drugs when they go in, they’re going to be still addicted when they come out. They may only be in a very few weeks, and especially if we’re not providing drug rehabilitation programs, they will not have recovered.

So this bill I suppose is an admirable gesture, but it’s surely going to miss the mark. We’ll support it for its effort, I guess, but not for its likely success.

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. It’s my pleasure to rise and speak to Bill 26, the Corrections Amendment Act, 2003. This bill is misguided. This bill is directed, much like the previous Solicitor General’s decision to take away colour TVs from inmates, not at correcting anything or assisting anything behind the walls of the prison system but is in fact directed at the public and is playing upon the prejudices that exist with respect to people who are offenders.

The problem with the punitive approach that the government takes, the prescriptive, directive approach, is that it doesn’t produce the results that are promised to the public. When the government talks tough about people behind bars, it probably helps its popularity, perhaps considerably, among many sections of the population, but I think if the population had a better understanding of some of the aspects of corrections policy, they would be much more critical of what the government is doing.

Now, for a number of years, Mr. Speaker, I chaired a committee

of the Federation of Canadian Municipalities that dealt with corrections policy. It was co-chaired by a deputy commissioner of Corrections Canada and included representatives of municipalities across the country as well as Corrections Canada and the National Parole Board. During the course of this committee's work we toured a number of federal corrections facilities including the Edmonton Max, where we got to witness a riot, not caused by our attendance that day; the Kingston Max; the women's prison; several of the new, modern women's correctional facilities; Stony Mountain prison in Manitoba; and a number of others as well as observing parole hearings and so on.

It's clear that almost everybody that goes into prison, Mr. Speaker, comes out again and rejoins the community. It is also clear that an enlightened harm reduction program pays far greater benefits than this kind of approach, which is not designed to actually improve the health conditions and the rehabilitation potential within facilities. It is rather designed to win votes.

It's clear that corrections staff that are engaged in and aware of what's going on within the particular institution and have connections and interactions with the people confined there on an ongoing basis know more of what's going on and have more ability to control things. However, it's clear that even in a maximum security penitentiary people are not monitored and cannot be monitored every second of the time that they're there. There are many, many activities that take place that are out of the view of corrections officials, unless individuals are placed in solitary confinement, and that is virtually the only way that these things can be controlled.

So here's the misguided element of the bill: it believes that just by getting tougher in a prison, you're going to be able to change prison behaviour which is well established, and persistent attempts like this over many, many years have failed to change it. So what's happening here is simply an attempt to repeat the same things that have been tried over and over again and expecting different results. Well, I can tell you, Mr. Speaker, that they're not going to get different results.

So, at best, this legislation is going to be ineffective. If it's ineffective and if there are better, more enlightened ways of reducing the incidence of HIV and addictions and other diseases that spread in the prison population, then we can reduce the impact on the outside communities when these people are inevitably released.

The government is missing an opportunity. There are programs, particularly in European countries, that have higher rates of success than what is being proposed here or certainly better rates of success than you have in the United States, for example, which has one of the worst prison systems in the industrialized world and incarcerates more of its citizens than virtually any other country in the world.

So in attempting to replicate in a knee-jerk way the American approach, we're going to very likely get the same results as their system. That means higher rates of HIV, higher rates of drug use, higher rates of other diseases, and correspondingly greater impacts on the community as individuals are released. I believe that what the government is doing here is in fact going to rebound upon them and, unfortunately, rebound upon Albertans, because they have such a poor approach.

11:00

Here are some things, Mr. Speaker. Alberta has been ranked 14th out of 16 Canadian jurisdictions for measures taken to prevent the spread of HIV and hepatitis. I think that if the government wanted to have more positive programs to help people deal with their addictions and adopt safer practices, then these would have a much stronger effect and a more positive effect on the communities in which these institutions are located.

Having said that, Mr. Speaker, I want to indicate that I will not be supporting Bill 26, because I think that it takes an outdated approach, an approach that's been tried repeatedly and has produced results opposite to what the government claims for this bill. So on the face of it it would seem that the government is not serious about the goals that this bill purports to have, and I would urge all hon. members to oppose Bill 26, the Corrections Amendment Act, 2003.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Government House Leader on behalf of the Solicitor General to close debate?

[Motion carried; Bill 26 read a third time]

Bill 28

Freedom of Information and Protection of Privacy Amendment Act, 2003

The Acting Speaker: The hon. Minister of Government Services on behalf of the Member for Edmonton-Castle Downs.

Mr. Coutts: Yes, Mr. Speaker. On behalf of the hon. Member for Edmonton-Castle Downs I'd like to move third reading of Bill 28, the Freedom of Information and Protection of Privacy Amendment Act, 2003.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. Certainly, in Bill 28, the Freedom of Information and Protection of Privacy Amendment Act, 2003, there are some worthwhile legislative initiatives, but when one looks at what has happened with FOIP legislation in this province since it was passed on October 1, 1995, to say that it has fostered openness and accountability would be an embellishment.

Now, if we look at some of the amendments that were proposed at committee by this side of the Assembly, if they had been incorporated into Bill 28, then it would be, I believe, acceptable because we would be dealing with first and foremost the issue of fees, which this government expresses no interest in dealing with. If we look at section 20, it is particularly important from the perspective on this side of the Assembly that we address the single most formidable obstacle to public accountability and transparency in governance, and that is fees for access. The fees are far too high. When one looks at the negative impact of high fees, this impact is not only felt by opposition members but members of the general public, members of the media. This is not what this legislation was designed to do. One can only go a short distance from here to the Legislature Library and just see how ridiculous this fee schedule is that is presented in the back of the act. Why are always the maximum amounts in the fee schedule charged?

We look at the Legislature Library in April 1995. This bill became law in October, yet in the Legislature Library copying is 10 cents, no charges for MLAs or MLA staff or Assembly staff or Alberta public servants for copying related to work. All of a sudden we have with this act a government that's using high fees, and they're using the fee schedule to increase these fees to the point where people just get frustrated and walk away. It is simply wrong.

Mr. Mason: Similar to the class action bill.

Mr. MacDonald: The hon. Member for Edmonton-Highlands said, "Similar to the class action bill." In a lot of ways I believe the hon.

member is certainly correct in that observation and that comment.

When we look at the committee that worked on having another look at the freedom of information and protection of privacy laws in this province, why is the government now prepared to not implement all the recommendations of the Select Special FOIP Act Review Committee, the final report which was tabled in the Assembly last November?

Now, there are some recommendations outstanding that include the following, and I think that at third reading it's very important that we mention these. These are not all of them, but certainly there was a discussion in that committee on the designation of delegated administrative organizations, affectionately known by the government as DAOs, as public bodies. There were certainly discussions regarding the inclusion of the RCMP as a public body so that Albertans in communities like Red Deer and Grande Prairie have the same information rights as Albertans in Edmonton, Calgary, Medicine Hat, and Lethbridge. It is noteworthy that Red Deer and Grande Prairie still use the RCMP, the Mounted Police, as a municipal police force.

We had a discussion in the Assembly recently in regard to the denial of registry information to private parking lot operators. Harmonization with the Health Information Act and the new personal information protection act: these were issues that were discussed at that committee. Also that the issues relating to the collection, use, and disclosure from public registries be revisited with new private-sector privacy legislation. There was also a discussion on the review of guardian by the information management and privacy office. There was also the discussion to have a review of fees, but where is this going? Certainly, no one has enlightened this Legislative Assembly if one looks back into *Hansard* to see where that review is going. I hope that issue has not been dropped and now we're going to have to wait such a long, long time, to the year 2010, before another similar committee is going to be struck to look at this. If the amendment that was proposed at committee had been accepted, it would have been 2006 when we could have at least another look at this.

There was also a discussion around the development of a database of access requests similar to foilaw.net. I don't know what happened to that and why it's not included in this Bill 28. Again, there was a great deal of discussion around this issue: why do we continue to give special, preferential treatment to private universities, private colleges, and private schools by exempting them from FOIP? At this time in committee, Mr. Speaker, those are some of the issues that were discussed at the select special committee, yet I don't see them anywhere in this bill.

11:10

Now, if we look at how important freedom of information is to Albertans and how often it is used, it covers 1,500 public bodies. There were 2,200 requests in 2002, and that was up slightly from 2001. There were 1,250 requests for personal information and 950 requests for general information. Only 15 percent of general requests were granted fully; 9 percent of personal requests were granted fully. The province collected \$54,000 in fees last year, and the province dismissed \$2,800 in fees last year, waived them. Recognizing that the application fee for general information is \$25, I thought we could perhaps set that as the bar and limit all searches to that cost, but that wasn't how members opposite saw this. Now, 81 percent of requests were responded to in 30 days, and that at first glance would seem to be a significant achievement, but that's just basically generating a letter. Some of these requests go on and on and on for long periods of time.

It is interesting to note that the Department of Environment is the

most targeted department for general information. Not the Department of Energy or the Department of Health and Wellness but the Department of Environment. That indicates to this member that citizens have a concern. They want to use FOIP legislation to hold their government accountable, and they are concerned about the direction that we are going as far as environmental protection is concerned in this province.

Now, Mr. Speaker, I think it's important for all hon. members of this Assembly to again have a look at the *Canadian Journal of Economics and Political Science*: How Much Administrative Secrecy? I would like to quote at this time.

Mrs. Nelson: Please don't.

Mr. MacDonald: Yes. Bill 28 now.

This is a quote that all hon. members could consider.

Parliament and the public cannot hope to call the Government to account without an adequate knowledge of what is going on; nor can they hope to participate in the decision-making process and contribute their talents to the formation of policy and legislation if that process is hidden from view.

Now, this applies, unfortunately, to this government's attitude towards FOIP. I can't understand why this government doesn't live up to the promises that were made in regard to FOIP and allow all citizens, including the opposition, access to information. It would certainly make our job easier, and it would make this government better because we would be able, Mr. Speaker, to hold them accountable. There are a lot of tax dollars at issue here, and we need to ensure on behalf of the public that that money is being well spent.

Mr. Speaker, at the urging of my colleagues Bill 28 is unfortunately unacceptable in this form. For one to say that this is an improvement of the Freedom of Information and Protection of Privacy Act would be wrong. Certainly, there are merits, as we discussed earlier, in regard to this legislation, but Bill 28 does not update access and privacy issues. At this time I would be derelict in my duty if I were to support this legislation in this form.

Thank you.

The Acting Speaker: The hon. Minister of Government Services on behalf of the Member for Edmonton-Castle Downs to close debate.

Mr. Coutts: I call the question, Mr. Speaker.

[Motion carried; Bill 28 read a third time]

Bill 29

Law of Property Amendment Act, 2003

The Acting Speaker: The hon. Government House Leader on behalf of the Member for Calgary-Lougheed.

Mr. Hancock: Thank you, Mr. Speaker. On behalf of the hon. Member for Calgary-Lougheed I'd move Bill 29, the Law of Property Amendment Act, 2003, for third reading.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. At this time, third reading of Bill 29, the Law of Property Amendment Act, 2003, there are some issues that I would like to get on the record, but first the hon. Member for Calgary-Lougheed has been quite gracious with her time in regard to this bill. It seems like months ago – actually, it was the third week in March – when this bill was first introduced to the Assembly and we debated it.

To level the playing field for mortgage default insurance providers by ensuring that all providers have the ability to sue borrowers for any balance owing them when there's a default on a high-ratio mortgage is the object of this bill, but in light of some of the questions that the Official Opposition had in regard to this, to say that the answers have been satisfactory certainly would not be true. There are still some outstanding questions surrounding this legislative initiative. There have been stakeholders who have expressed some cautions about this, and at this time I think it would be inappropriate to support this legislation.

Thank you.

The Acting Speaker: The hon. Government House Leader to close debate?

[Motion carried; Bill 29 read a third time]

Bill 31

Local Authorities Election Amendment Act, 2003

Mr. Graydon: Mr. Speaker, I'm pleased to move third reading of Bill 31, the Local Authorities Election Amendment Act, 2003.

The Acting Speaker: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you, Mr. Speaker. Just a few comments on Bill 31 in third reading. I didn't get these on the record earlier, so I'd love the opportunity this evening. I would hate to think that the hon. Member for Edmonton-Gold Bar had more to say on a bill than I did.

Mr. Mason: We shudder at the thought.

Mr. Bonner: Right. So do I.

I want to first of all thank the Member for Grande Prairie-Wapiti for the opportunity to sit down with him and discuss the bill. It was appreciated. He did address the concerns we had. Certainly, this bill will allow more access for people to vote.

One of the concerns we had and I think we still have is in regard to special ballots. Our concerns there, of course, are that we would like to see more accountability on behalf of the Chief Electoral Officer or one of his polling officers to verify exactly that the person who says they are voting is voting, that that person is verified as the person who is voting and has marked the ballot.

I think this is a bill that will address some of the universal issues that we do have with elections and the voting procedure, and I would ask all members to support this bill. Thank you.

11:20

The Acting Speaker: The hon. Member for Grande Prairie-Wapiti to close debate.

Mr. Graydon: I don't have anything further. Thank you.

[Motion carried; Bill 31 read a third time]

Bill 34

Livestock Industry Diversification Amendment Act, 2003

The Acting Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. I'm pleased to rise and take this opportunity to move third reading of Bill 34, the Livestock Industry Diversification Amendment Act, 2003.

During the Committee of the Whole discussion of this bill the hon.

Member for Edmonton-Ellerslie referred to the 4,984 cervids that were sent for testing for chronic wasting disease, or CWD, as we will call it. This was a fourfold increase from the previous year, so I commend the member for her excellent research. Mr. Speaker, this increase in animals sent for testing is a direct result of the increase in the demand for deer and elk meat both internationally and domestically. The testing process only pays out compensation once a positive result is found. Testing doesn't provide any incentive to any producer other than allowing for increased confidence in the industry. This industry has done a great deal of work to develop markets for alternative meats, and they've done a great job. The hon. Member for Edmonton-Ellerslie knows that all domesticated cervids that die on farms and all cervids that are slaughtered for meat sales in Alberta must be tested for CWD. It is the law here.

Similarly, if – and forbid it happens in Alberta – there is an outbreak of CWD, the federal government through the Canadian Food Inspection Agency is responsible for the control of the outbreak as well as any payments to producers for loss of their animals. CWD is a very serious disease, and I sincerely hope that it never gets a foothold in this province.

The hon. member had some questions about particular portions of the act, which I will answer briefly now. The changes to section 5 will allow a cervid producer greater flexibility to manage their herd. We're also eliminating a portion of legislation that cannot be adhered to nor enforced as an animal cannot be registered until it has been identified.

As far as the changes to section 9, the minister will not be making provisions for setting animals free. These changes simply allow producers the ability to take a young animal, before it is registered, to see a veterinarian.

Finally, Mr. Speaker, the changes to section 12 mean that all animals must be registered and identified before they are sold. The inventory system in Alberta is such that each animal is tracked and inventories conducted to ensure that only domesticated cervids are bought and sold.

Let me reiterate in closing, Mr. Speaker, that the majority of the changes that are being made to the Livestock Industry Diversification Act are administrative ones that will make it easier for diversified livestock producers to do business in Alberta.

So, Mr. Speaker, Bill 34 is a step in the right direction for an industry that deserves our support, and I know that this industry is working hard to meet any challenges they face.

I encourage all members to support this bill. Thank you.

Dr. Taft: Well, I'd like to thank the Member for Drayton Valley-Calmar for cranking up the noise level and waking everybody up here, but despite his valiant attempt at convincing the Member for Edmonton-Ellerslie and, through her, the rest of us to support this bill, we're going to be opposing this on a variety of principles. Better luck next time.

Thanks.

The Acting Speaker: The hon. Member for Drayton Valley-Calmar to close debate?

[Motion carried; Bill 34 read a third time]

Bill 35

Tobacco Tax Amendment Act, 2003

The Acting Speaker: The hon. Member for Calgary-Fort.

Mr. Cao: Thank you, Mr. Speaker. I rise to speak on the third

reading of Bill 35, the Tobacco Tax Amendment Act, 2003. As previously mentioned in the House, the proposed amendments in this bill would strengthen controls regarding the purchase and sale of tax-exempt tobacco at duty-free stores, over the Internet, and through the Alberta Indian tax exemption program. These changes will help level the playing field for all businesses that sell tobacco.

Mr. Speaker, I'm very pleased to say that there are no further points raised during discussion in Committee of the Whole. As such, I'm pleased to move third reading of Bill 35 because I know that in addition to the points just mentioned, it will also further discourage smoking, making Alberta a healthier province in which to live.

As the objective of this bill is simply clear, I would like to request that all the hon. members of this House allow me to call the question.

The Acting Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you again, Mr. Speaker. That was a fine introduction to third reading here. This bill really does just close some loopholes, and it hopefully will further reduce the number of smokers in Alberta. It's pretty tough to argue with a bill that closes tax loopholes and reduces smoking, so I think we'll be wholeheartedly supporting this.

Thank you.

The Acting Speaker: The hon. Member for Calgary-Fort to close debate.

Mr. Cao: I would like to close the debate and call the question, Mr. Speaker.

[Motion carried; Bill 35 read a third time]

11:30head: **Government Bills and Orders**
head: **Second Reading**

Bill 42
Electoral Divisions Act

The Acting Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. I'd move Bill 42, the Electoral Divisions Act, for second reading.

The bill that's being presented to the House is in accordance with the motion, which was approved by the House earlier in this session, accepting the report of the Electoral Boundaries Commission. While many members of the House have expressed misgivings about certain aspects of the report, I think that by passing the motion, the House indicated that while we can all address boundaries in our own individual ways and find better ways to do the job, it's a difficult job. The boundaries commission did go through the process, held the hearings, and did the job that was asked of them, and the House concurred in that job. It is then incumbent on us to introduce the bill in the form that the Electoral Boundaries Commission recommended.

As I indicated earlier when I moved the bill for first reading, there will be amendments brought forward in committee. The amendments that will be brought forward in committee will be within the parameters of the report, within the context and philosophy of the report, and will be simply related to changes of name or amendments which don't move boundaries significantly outside the ranges that were set by the report but serve to unite communities which ought to remain united or otherwise deal with minor issues but issues which are of major concern to the localities involved.

I've had some discussion with members of the opposition to let them know the types of amendments that we'll be bringing forward and to invite any of those similar types of amendments from them to be included in a package of amendments, and we'll look forward to discussing same in committee. But for second reading the bill as it is presented totally complies with the Electoral Boundaries Commission report, which was accepted by resolution of this House.

I would move that we adjourn debate on Bill 42 at second reading at this time.

[Motion to adjourn debate carried]

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 11:33 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, May 13, 2003**

1:30 p.m.

Date: 2003/05/13

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon and welcome.

Let us pray. Dear God, author of all wisdom, knowledge, and understanding, we ask Thy guidance in order that truth and justice may prevail in all our judgments. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Speaker. It's my pleasure to introduce to you and through you to the members of the Assembly Agnieszka Wyka, who is employed in my office here at the Legislature as a summer student. She is seated in the members' gallery. I'd like her to rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Member for Banff-Cochrane.

Mrs. Tarchuk: Thank you, Mr. Speaker. I'm pleased to introduce and welcome a very special and distinguished group seated in the Speaker's gallery. They are called the CCAF Fellows and are participants in a nine-month international fellowship program based in Ottawa. They are visiting us today as part of a tour of western Canada. The fellowship program is a collaboration between the office of the Auditor General of Canada, the Canadian Comprehensive Auditing Foundation, and the Auditor General of Quebec. The program is sponsored by the Canadian International Development Agency and is designed to expand knowledge and understanding of public-sector accounting and auditing as practised in Canada to help participants address auditing issues in their home environment.

Mr. Speaker, I would like to introduce Mrs. Maria Guevara from Chile; Mr. Steven LaRocque from the Dominica; Mr. Hewa Samarawerra from Sri Lanka; Mrs. Mukda Kaiyarit from Thailand; Ms Narjess Sellami from Tunisia; Mrs. Donna Bigelow, program co-ordinator, international affairs, office of the Auditor General of Canada in Ottawa; Ms Kimberley Speek, administrative co-ordinator with CCAF in Ottawa; and Lori Trudgeon, communications co-ordinator for the office of the Auditor General of Alberta. Again, they are seated in the Speaker's gallery, and I would ask them to please rise and receive the traditional warm welcome of the Assembly.

Mr. Snelgrove: Mr. Speaker, we've simply been invaded today by a group of wonderful young school kids from Kitscoty, and they inform me that their teachers have offered to take them camping for three days after their visit here, so school isn't like it used to be. They're accompanied today by their teachers Mr. Kim Aitken and Mrs. Eleanor Parr and their parent helpers Mr. Wayne Cundliffe, Mr. Jason Simpson, Mr. Donald Kent, Mrs. Sharon Williams, Ms Chris Reimer, Mrs. Suzanne Hutchinson, and Mrs. Maxine Jones. I would ask the parents and the students to all rise and please accept the warm welcome of this Assembly.

The Speaker: The hon. Member for Calgary-West.

Ms Kryczka: Thank you, Mr. Speaker. This afternoon I'm very pleased to introduce to you and through you to members two employees of the government here in Edmonton. I would just say that basically life is certainly always full of changes, including for my colleague MLA for Vermilion-Lloydminster and myself, but I'm very pleased to introduce to you Warren Chandler, who has been our assistant in the Legislature for the past year and a half. We've certainly enjoyed working with him, but he's now moving to a new position with the Minister of Human Resources and Employment.

I'd like to very favourably introduce Leah Ritz, our new assistant, who is a recent graduate of Carleton University who majored in marketing and minored in psychology. She has worked in the House of Commons for Stockwell Day, MP for Okanagan-Coquihalla, and I would say that there certainly is political blood running through her veins. Her father is Gerry Ritz, MP for Battlefords-Lloydminster.

I would like to invite these two young people to rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you very much, Mr. Speaker. It's a pleasure to introduce to you and through you to members of this Assembly three friends and co-workers who are seated in the members' gallery. They are Amy and Campbell Mackenzie and Laura Harrison. They are co-workers in many ways, and I would like to ask them to stand and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I rise today with a very special introduction. Several weeks ago a young boy in grade 2 wrote me a very nicely printed letter expressing his concern with staff losses at his school. He was concerned about the fate of his teachers and especially of the school's librarian. I was so impressed with the letter, I presented it to this Assembly, and today I'm able to introduce to you and through you to all members of the Assembly the boy who wrote it. His name is Joseph Landy, and he is in the public gallery. Would you please stand, Joseph? Thank you. With him are his parents, Francis and Bennett. Would the rest of the family and his guests also rise and receive the warm welcome of the Assembly. Thank you.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to members of the Assembly Doreen Vanderstoop. Doreen is a parent advocate with PACE, Parents Advocating for Catholic Education. She's part of the group that was here earlier this morning to present the letter of letters, and it spread from one end of the mall to the other. Doreen is in the public gallery, and with your permission I'd ask her to stand and receive the traditional welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I've got two introductions today. I'm very pleased to rise and introduce to you and through you to the Assembly a strong supporter of public education who traveled up from Calgary this morning to join with other parents at 11 o'clock on the steps of the Legislature to make a statement on the underfunding of education in this province. She is here now in the Assembly to watch it work. Carol Bazinet is a concerned parent and president of Calgary Association of Parents and School Councils and a

longtime advocate for children and public education. I would now ask her to please rise and receive the warm welcome of the Assembly.

Mr. Speaker, I am truly delighted to introduce two very special individuals this afternoon. They are my constituent Mike Kalisiak and his proud dad, Stan Kalisiak. Mike has just completed his MD program, so I guess we can call him doctor now, and he will be pursuing his further training as a dermatologist. His proud dad, Stan, has come all the way from Poland to celebrate Mike's graduation. These guests are seated in the public gallery. I would ask them to now stand and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to members of the Assembly two guests today, Jaime Kochan and Michael Buurman. Jaime is a recent graduate from the Faculty of Education at the University of Alberta, and she has become disenchanted with the prospects in her profession in the province at the moment and has thus opted for a job in the United Kingdom.

My second guest, Michael Buurman, has completed his third year at the University of Alberta in political science. This summer, I'm happy to say, Michael will be the STEP student for the New Democrat opposition caucus. I would now ask that both Jaime and Mike stand and receive the warm welcome of this Assembly.

The Speaker: The hon. Minister of Government Services.

Mr. Coutts: Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce two people that I see sitting in the members' gallery. One is a nice young lady from Edmonton here, a bright, energetic, and very talented flautist.

Mr. Norris: Like all Edmontonians.

Mr. Coutts: Like all Edmontonians.

She's doing a few days' temporary work in the offices of Government Services here in the building this week. I'd like to introduce Sara Kalke.

Sitting beside her is a fellow that needs absolutely no introduction to the Assembly at all, Brian Hlus, who is a familiar name and a familiar face around here. They're both sitting in the members' gallery, and I'd ask them both to please rise and receive the traditional warm welcome of the Assembly.

1:40

The Speaker: The hon. Member for West Yellowhead.

Mr. Strang: Thank you, Mr. Speaker. It's with great pleasure that I rise today and introduce to you and through you some special guests from the town of Hinton. I have 59 great young people from the Gerard Redmond school along with their parents, helpers, and also two teachers, Ms Best and Miss Dawson. At this time I'd like them to please rise and accept the warm welcome of this Assembly.

head: **Oral Question Period**

Education Funding

Dr. Nicol: Mr. Speaker, today Edmonton public schools announced the layoff of 450 teachers. That's 10 percent of the teaching staff. Cutting the teaching staff by 10 percent is expected to increase class size by 10 percent. To the Premier: why should parents take the

news that their children will have class sizes 10 percent larger next year, and what can they do about it?

Mr. Klein: Mr. Speaker, I don't blame parents for asking what's going on. Indeed, a lot of people are asking what's going on. Since 1996 – and the Liberals know this – funding for the Edmonton public board has grown by 53 percent, almost eight times greater than the enrollment rate. Funding has grown by eight times the amount of the enrollment rate. So something is going on. What is happening here? That includes a substantial portion of increased dollars this year at a rate much higher than enrollment . . .

An Hon. Member: Keep reading.

Mr. Klein: Yes, I'm going to read it. If you would open your ears and listen . . .

Enrollment is flat. Funding is going up.

An Hon. Member: Why can't you manage?

The Speaker: The Premier has the floor.

Mr. Klein: Mr. Speaker, they have a problem managing. They have a problem listening.

The management is the school board. We have given them a 53 percent increase since 1996. Enrollment has gone up 8 percent. Enrollment this year is flat. Increased funding has been given. That is managing on our part.

Mr. Speaker, I understand from the Learning minister that this budget is preliminary. The final budget won't be handed down until June. I understand also that the Learning minister will work closely with the board to have a look at the budget to determine what is the problem here. What is the problem here with a 53 percent increase – 53 percent – when enrollment is only 8 percent? All these educated people over there can't seem to understand it. They should perhaps go back to school and learn that 53 percent does not relate to an 8 percent increase in enrollment. You know, that is simple mathematics. Some of those people are professors. They should be going back to elementary school.

Speaker's Ruling Decorum

The Speaker: I'm going to recognize the Leader of the Official Opposition. Also, I know that there is some tradition of heckling that does go on in the parliament, but we have a large number of school kids here in the Assembly as well. So I'm going to ask for a greater attempt at decorum.

The hon. Leader of the Official Opposition.

Education Funding (continued)

Dr. Nicol: Thank you, Mr. Speaker. In constant dollars, there's been no increase.

To the Premier: is there any limit on how big classes can get before this government will do something about funding?

Mr. Klein: Mr. Speaker, in constant dollars, there has been an increase. The reality of the situation is a 53 percent increase since 1996. Those are real dollars. Those are not paper dollars. Those are not dollars on paper. A 53 percent increase in dollars including a fairly substantial increase in education funding this year, with enrollment this year remaining flat and enrollment generally over the

last six or seven years being about 8 percent. That is constant. Those are real dollars.

Mr. Speaker, the opposition knows as well that we have struck a Commission on Learning. That Commission on Learning will report, I believe, in September. It's to study and to make recommendations to government on all aspects of education including governance, including the union situation, including classroom size, including sparsity and distance, including transportation. Virtually every component of education will be examined, and there will be recommendations apropos to the various components of education.

Hopefully, we will be able to bring about through those recommendations sustainability in education, Mr. Speaker, because that's what we all want to achieve. We want to make sure that Alberta students are getting the best education possible. We want to make sure that Alberta taxpayers are getting value for their dollars in the school system, whether they're property tax payers or whether they fund education through the general revenue fund. We want to make sure, most of all, that the system is sustainable for the future. Our approach is simply not to throw more money at the system and create deficits and debt. That is the Liberal way. That is not the Conservative way.

Dr. Nicol: To the Minister of Learning: given that teacher layoffs in Calgary and now in Edmonton are a concern to all Albertans, why aren't they a concern to this minister, and what are you going to do about it?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much, Mr. Speaker. They certainly are a concern to this minister, but so is our budget. So are taxpayer dollars. So is assuring that taxpayer dollars are spent in the best possible fashion.

Mr. Speaker, today at around lunchtime Edmonton public put out a scenario that I believe is the worst case scenario. They have an increase in their budget this year of \$17 million for zero percent, flat enrollment. They're actually projecting about .02 percent, or about an increase of 20 students, so they're talking \$17 million for an increase of 20 students. They're also talking about another \$25 million that they say they're short. So \$42 million for essentially the same enrollment, no new students. They've talked about closing schools, and indeed they have looked at closing some schools, which, again, will save them some money.

I had a meeting with them about the audit, yesterday morning as a matter of fact, Mr. Speaker, and they told me some very good things that they were doing. They were looking at their school-based budgeting. They were looking at moving those schools. They were running 92 and 94 percent on salaries down to 85 percent. But the bottom line is that there's a significant amount of dollars that are going in there. I will be working with Edmonton public over the next few weeks before they finalize their budgets, and we'll be seeing exactly how those dollars are being spent.

Postsecondary Education System

Dr. Nicol: Mr. Speaker, yesterday the government broadened its attack on education to include postsecondary students. Bill 43 attacks the legitimacy of student governments. Under this act it will also remove what little protection there has been for students against skyrocketing tuition fees. To the Premier: why under Bill 43 has this Premier taken away even the small protection that postsecondary students used to have against rising tuition fees?

Mr. Klein: Mr. Speaker, absolutely nothing has been taken away. Legislation is being contemplated to make sure that that legislation is fair and equitable to the students and indeed that the 30 percent of operating cap is the right cap. If it needs to be adjusted through legislation, it will be adjusted.

I'll have the hon. minister supplement.

Dr. Oberg: Thank you, Mr. Speaker. I'm absolutely shocked at that question from this member. This is a person who is employed by the University of Lethbridge who has been actively lobbying to change the tuition fee policy. As the hon. member adequately knows, as he fully knows, the University of Lethbridge and the Lethbridge Community College, in his community, reached the 30 percent cap by doing a lot of efficiencies, by running a very good ship. The University of Lethbridge, I believe, has had a freeze for one or two years on tuition. Lethbridge Community College has had a freeze for three years when it comes to tuition. They were in the position where they were looking at things that they would have to do because the dollars were not coming in and their tuitions were significantly – significantly – lower than the rest of the system.

So, Mr. Speaker, what we are doing in the proposed legislation that is now before the Assembly, that will not be discussed further probably until the fall sitting, is we will be looking at the tuition policy. We will be looking and seeing exactly how we can fix the tuition policy so that your institution – your institution – can benefit from this, so that the institution you work for can benefit from this. What I fully anticipate is that there will be no change in the 30 percent cap, that there will be some kind of situation made for those ones that have already reached the 30 percent cap through good management. The student groups are fully aware that they will be consulted on this. They're fully aware that they will be part of the decision-making and indeed will be part of the decision-making.

1:50

The Speaker: The hon. leader.

Dr. Nicol: Thank you, Mr. Speaker. But he takes it out of legislation and puts it into regulation.

To the Minister of Learning: is it democratic for this minister to give himself the power of removing elected members of a students' union?

Dr. Oberg: Mr. Speaker, one of the issues that was brought before me by the colleges and technical schools was a situation where if there was a student association that was not doing the job, if there were issues with the student association, there needed to be something done about that. We have done what the colleges said, but again the reason behind introducing the bill yesterday is so that it can sit over the summer. I talked to a representative from CAUS yesterday afternoon about this situation, and we will certainly look at it. We are open to amendments. This is to get the discussion out on the floor, get the discussion going about what is happening in postsecondary institutions right now. We will be deciding over the summer. If there are any issues from anyone in this Assembly, including the opposition, I would welcome their input on this as we continue to look at the bill over the summer.

Dr. Nicol: Mr. Speaker, it's too bad he didn't consult with them first.

Is it democratic for this minister to ban strikes by faculty or graduate students or support staff at universities?

Dr. Oberg: Again, Mr. Speaker, the hon. member is not talking to

his own institutions in his own backyard. He fully knows – he fully knows – that they were one hundred percent consulted and were in favour of this bill prior to it being brought in. I think it's about high time that the hon. member started talking to his own institutions.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Education Funding (continued)

Dr. Massey: Thank you, Mr. Speaker. On March 19 I asked the Premier how many more bad-news stories he had to hear before the government adequately funds Edmonton schools. In his response the Premier said: "This is . . . shameful. It is not the truth. There are no budget cuts." Only an hour and a half ago, Mr. Premier, Edmonton public announced that 450 teachers will be cut, not laid off. They were told in their schools yesterday that they will not have a job in September. Four hundred and fifty of them. My question is to the Premier. Given the cuts to teachers in Edmonton public, does the Premier still stand by his statement that there are no budget cuts?

Mr. Klein: Stand by it? Mr. Speaker, I more than stand by it. I stand up for it. How can this person, this individual who is a university professor, construe a 53 percent increase in funding to be a budget cut? How can he construe a substantial increase in funding this year - increase in funding this year – to be a budget cut? If he is representative of the kind of teaching and the kind of math being used in universities today, then those institutions or at least the teachers in those institutions need to be examined.

Dr. Massey: Again to the Premier: how can the Premier tell Edmonton parents who are losing their teachers that there are no budget cuts? How can you tell them that, Mr. Premier?

Mr. Klein: Mr. Speaker, I can tell them precisely this: there has been a 53 percent increase over the past six or seven years. A 53 percent increase is not a cut. That is elementary, sir. A 53 percent increase is not a cut. A cut would be a 53 percent decrease. You understand that? A decrease is when you remove money and it goes down. An increase is when you add money and it goes up. You've got that? Do you need a chalkboard? [interjections]

The Speaker: The hon. Member for Edmonton-Mill Woods has the floor.

Dr. Massey: If you can't see the teacher, the teacher has been cut.

My third question is to the Premier. Given that the government interference in the teachers' collective bargaining created this crisis – you started it – will the government do the right thing and end the crisis before September by adequately funding those school districts, not just Edmonton public but three other boards in this province?

Mr. Klein: Mr. Speaker, there was adequate funding provided. I understand the settlement cost them \$36.8 million. We provided I believe it was \$41 million.

Mr. Speaker, I take great exception to the assertion that we interfered. Indeed, we proposed an arbitration process that was through consultation with the union, with the Alberta School Boards Association. Indeed, the arbitration process involved the ATA, the teachers' union, appointing their representative, it involved the ASBA appointing their representative, and it involved the government appointing a representative. So this was not an arbitrary,

dictatorial decision on the part of the government. This was a decision that was reached through consultation and with participation of the three parties involved.

The Speaker: The hon. leader of the third party, followed by the hon. Member for Highwood.

Dr. Pannu: Thank you. Well, now it's clear, Mr. Speaker. We now know that the Tory government doesn't care about education and is content to sacrifice a generation of children at the altar of a political grudge match with teachers. School board after school board is sending teachers packing, increasing class sizes, and axing important education and community programs. The Learning minister plays the fiddle and the Premier cheers on while a once proud education system burns. My first question is to the Premier. Given that students, parents, teachers, and school board officials all agree that this government has created a crisis, when is the Premier going to stop pretending that everything is dandy, stop blaming everyone else, and acknowledge that his government has failed Albertans?

Mr. Klein: Mr. Speaker, again coming from another university professor who obviously can't do his math but is either very, very shortsighted or totally blind, because there happen to be 74 of us here, and there are only two of them there.

Mr. Mason: Not for long.

Mr. Klein: Not for long? He says, "Not for long." He's absolutely right. There will be zero sitting there.

Mr. Speaker, we do our very, very best for education. A 53 percent increase over the past six or seven years is not bad. An 8 percent enrollment to be covered by a 53 percent increase I think is responsible.

I have in front of me – and there's not enough time – page after page after page of success stories, wonderful stories coming from Alberta's education system of students who are making remarkable achievements, of teachers who are making remarkable contributions, of schools that have embraced and developed tremendous spirit and camaraderie. Mr. Speaker, when I look at the students in the gallery today, I see bright, shining students, good examples of the education system.

It is so typical of the NDs and the Liberals to focus on the negative. They have absolutely nowhere else to go, so they only talk about what is wrong. But the normal Albertan, Mr. Speaker, understands what it is to try your darndest to do the right thing for Albertans. That's why there are 74 of us, and that's why there are only two of them.

2:00

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. The Premier is either misinformed or he's out of touch. Does he really expect us to believe that parents, students, teachers, and school boards are wrong and he is right?

Mr. Klein: Mr. Speaker, it's not a matter of who's right or wrong. We try to do the best we possibly can. We set our budgets based on the best projections that are provided to us by the school boards and by the administration of government.

Dr. Pannu: Listen to school boards.

Mr. Klein: We do listen to school boards. As a matter of fact – and

I don't have the letter with me – it would give me a great deal of pleasure, if someone could retrieve the letter for me, to table a letter received from Don Fleming, the chair of the Edmonton public school board, right after the budget congratulating in no uncertain terms a particular MLA for bringing in such a fine and responsible budget. To paraphrase the letter, it said, "Good work; keep it up," something to that effect, and that was from the chair of the public school board. So, Mr. Speaker, people don't take it when he says that we don't listen to school boards, especially when the chair of the school board acknowledges that, indeed, we listened to them and responded to their concerns.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My last question to the Premier: how can the Premier deny that education will suffer when hundreds of teachers are being let go? How does he explain that?

Mr. Klein: Mr. Speaker, I'm going to have the hon. minister respond, but the budget that has been tabled is an administrative budget. I understand that the final budget won't be tabled until June. Between now and then the minister and the people in his department will be working with the school board to find out what has gone askew, particularly in light of increased funding and flat enrollments. I'll have the minister respond as to what he intends to do.

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. I think there needs to be a couple of things said here. First of all, the hon. member is questioning our commitment to education. In this budget what you see is a 4.9 percent increase in all of learning. You see, for example, in Edmonton public \$17 million. The other point that I will make is that my personal budget for my department actually went down \$4 million, so there has been less than a zero percent increase in my budget because I put every cent that was available out to the schools, out to the school boards, out to the postsecondary education institutes.

What we will be doing is working with Edmonton public. The numbers from them are just not adding up. We will be working with them over the next couple of weeks with respect to their final budgeting procedure to determine exactly what they're doing. To sum it up, they received \$17 million, no new students, and they're \$25 million in the hole. Mr. Speaker, there's something really wrong with that.

The Speaker: The hon. Member for Highwood, followed by the hon. Member for Edmonton-Gold Bar.

School Operations and Maintenance Funding

Mr. Tannas: Thank you, Mr. Speaker. My questions today are to the Minister of Infrastructure. All three school boards in Highwood are experiencing great difficulties in meeting this year's school operations and maintenance budget owing to high fuel costs and low provincial allocations. The Department of Learning has a per student formula for the learning costs. Why couldn't an operations and maintenance formula which factored in the varying costs of heating fuel and electricity be part of the infrastructure formula for the operations and maintenance of our school buildings, which are under your charge?

The Speaker: The hon. minister.

Mr. Lund: Thank you, Mr. Speaker. Currently we do use a formula. The formula is based on so much per square foot, and that's the major component of the formula. That is to take into consideration the cleaning, the very minor repairs, the fuel, the heating, the electricity, and those types of things. Then we also add to that, based on the utilization, the second most important component, starting at a base level, and that's figuring the utilization in at 50 percent and then escalating as you move up to an 85 percent occupancy, which is considered to be a hundred percent. Then there are some other factors that come into the whole formula as well relative to distance from the shop and a few other situations.

Now, there have been suggestions – and perhaps this is what the hon. member was suggesting – that, in fact, you'd have one component that would be only for the utilities operation. We believe that school boards would much prefer to have the whole operation and maintenance rolled into one bulk sum, as we do today. There are a number of reasons for that. In fact, if you have a number of new schools, they're probably much more efficient than old ones, so to make the formula fair, you'd have to take that into consideration. We're also very anxious to encourage better utilization of the dollars as far as utilities are concerned. So unless we hear a lot more, we intend to stay with the current way where it'd be a block fund.

The Speaker: The hon. member.

Mr. Tannas: Thank you, Mr. Speaker. My final question is also to the Minister of Infrastructure. Mr. Minister, what plans and policies do you have in place to help school systems avoid canceling the programs for summer grounds maintenance and canceling their summer building repairs and maintenance programs in order to financially balance their overstressed operations and maintenance budget?

The Speaker: The hon. minister.

Mr. Lund: Thank you, Mr. Speaker. We're aware that, in fact, a number of school boards are having some difficulty because of the escalating costs in utilities. I recognize that there's really not a lot of extra money available in that operating and maintenance component of their budget. We are asking all school boards to let us know what the additional costs are so we can analyze that and perhaps move forward with something in the near future.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Cardston-Taber-Warner.

Electricity Transmission System

Mr. MacDonald: Thank you, Mr. Speaker. Yesterday the Premier stated that the increases for additional transmission costs for electricity would be minuscule. This government's disrespect and neglect for electricity consumers, unfortunately, continues. Last week consumers learned that they're going to be hit with another costly \$2.6 billion bill over 10 years on their monthly power bill, and that does not include the construction costs for new power lines. To the Premier: who would be responsible to pay for the Alberta section of transmission lines from Fort McMurray to the U.S. border built solely for export purposes?

Mr. Klein: I don't think it would be solely for export purposes. Mr. Speaker, I'll have the hon. Minister of Energy respond, but I can't see in my wildest dreams why a generator of electricity and a company responsible for transmitting would build a line here and a

line there, one for Alberta and one for export to the United States. An electron is an electron is an electron, and it moves down the same wire. I'll have the hon. minister respond, but I just don't see how it would make economic sense.

The Speaker: The hon. minister.

Mr. Smith: Thanks, Mr. Speaker. I want to correct the preposterous distortions of the member that he continually makes. I don't know who's writing his questions, but he knows full well that consumers will not be faced with a transmission increase charge until, one, the EUB has determined there is a need for the line; two, the transmission company builds the line; three, they go back to the EUB and they ask for a rate of return, cost allocation, customer service. This guy is so out to lunch. There is hardly any reason at all to answer his questions – they're so preposterous – but in the interests of serving the House, as has been common knowledge for just about the last 12 months, no transmission cost will be associated to consumers in Alberta for export, period. If there is a cost on the line, it will only be for the proportion that customers use.

When he refers to consumers, Mr. Speaker, it's most important that I correct him that it is all consumers. It is businesses. It is industry. It is commercial enterprises. The residents use 11 percent of the power in Alberta. Power is four to five times more expensive than generation, so it only makes sense to have transmission that is used for the benefit of Albertans. This is to put downward pressure on electricity costs.

2:10

Mr. MacDonald: Mr. Speaker, again to the Premier: given that this government is considering joining the Regional Transmission Organization West, which is a step toward further integration with the Pacific Northwest grid of electricity in the United States, what advantages and disadvantages are there for Alberta consumers in joining this Regional Transmission Organization West?

Mr. Klein: Mr. Speaker, if that question is for me, it's a question that, obviously, involves a lot of detail in its answer, and I'll have the hon. minister respond.

Mr. Smith: Mr. Speaker, RTO West is the regional transmission organization for the western United States. This is a part that British Columbia is also looking at being involved in. It's also looking at: where could Alberta fit? Are we considering joining that organization? The answer is no. The answer is that they haven't even responded with saying: "Can we get involved with it? Should we get involved with it?"

What we're looking for, Mr. Speaker, in the export principles is: firstly, do Albertans get served with the cheapest amount of electricity generation? Secondly, if more generation is produced than what is consumed, do people have an outlet for it to get it to other markets? Just as we created a tremendous supply of natural gas through the postage-stamp transmission model, we then found ways to export it by building a new pipeline. The policy in Alberta is no different. The association with other groups and RTO West, a different transmission organization, is nothing more than conjecture or speculation.

Mr. MacDonald: Again, Mr. Speaker, to the Premier: can the Premier tell Albertans how much their electricity bills will increase each month so that they can pay the \$2.6 billion additional over 10 years that they have been downloaded with as a result of the Minister of Energy's decision last week? How much every month?

Mr. Klein: Well, Mr. Speaker, as the hon. minister pointed out, the preamble to the question was preposterous to say the least. The increase is not predicated on that figure at all, and I'll have the minister once again explain the facts.

Mr. Smith: Mr. Speaker, if only in this House could we have the rule of Pinocchio that when you tell a mistruth, there's a physical change, this guy's nose would be over his desk.

The Speaker: The hon. Member for Cardston-Taber-Warner, followed by the hon. Member for Edmonton-Riverview.

EPCOR/Aquila Billing Practices

Mr. Jacobs: Thank you, Mr. Speaker. Some of my constituents are continually astounded at the high charges on their electricity bills when the cost of electricity is supposed to be going down. Customers have been seeing higher costs and new charges on their EPCOR/Aquila bills. Now when energy rate riders are supposed to expire at the end of this year, many of my constituents are being told by EPCOR/Aquila that their rate riders will extend through 2004. My question to the Minister of Energy: can the minister explain why and how this is happening?

Mr. Smith: In fact, what we do know is that the concept of deregulation works because in the service areas not served by Aquila/EPCOR we have seen positive downward pressure on electricity prices. We have seen the increase of some 3,000 megawatts of electricity without adding any consumer debt, as is the case across Canada. In this particular service area there have been commercial failings, Mr. Speaker. That has resulted in 12,500 customers falling between the cracks out of a total population of 350,000. That's EPCOR's responsibility. They have applied to the board, and they have received permission to charge that. I'm in the process of phoning EPCOR today and saying: folks, if you really want to compete in the marketplace, maybe you can do something for the customer for a change and forgive those rates.

The Speaker: The hon. member.

Mr. Jacobs: Thank you, Mr. Speaker. My final question, also to the Minister of Energy. Insofar as what you've said, could I just further ask you: is this decision by EPCOR and the EUB appealable or reversible?

Mr. Smith: Mr. Speaker, this is a process that was in place under the regulated rate option and under the regulated rate system. In fact, when people get the opportunity with the passage of Bill 3 to make choices on how to buy electricity, to buy it combined with their gas, to make these contract decisions, they won't have to worry about a utility coming back and asking them for more money. They'll get one contract, one rate, and one level of consumption.

Is this appealable? I don't know. We're into the middle of that, but I think EPCOR should just do the right thing.

Air Quality at Holy Cross Hospital

Dr. Taft: Mr. Speaker, yesterday the Minister of Infrastructure admitted that tests for toxic mold had been conducted at the Holy Cross hospital. Despite our request that this information be released immediately, the minister refused to make the test results public. To the Minister of Infrastructure: given that it is well known that toxic molds can lead to serious health problems up to and including bleeding of the lungs and even cancer, what policies does the

Department of Infrastructure have for responding to buildings that test positive for these molds?

Mr. Lund: Mr. Speaker, I think it's important that we once again set the record straight. The fact is that back in 2001 we were looking for a place to house the Court of Appeal in Calgary. One of the things that we had to do as we were looking at any location was do an indoor air quality examination. At one point we were looking at four sites. One of them was the Holy Cross hospital in Calgary. The process started. There were a number of factors taken into consideration, not just the air quality. The decision was made as far as the Holy Cross that it was not a suitable location, not necessarily to do with the air. As a matter of fact, when you look at a hospital, it has an air exchange that exceeds a normal commercial building's. We do know that the process started. I don't believe it was ever completed. We do not have in our possession, as far as we can determine, any final results relative to the testing on that site.

As far as molds are concerned, Mr. Speaker, there are over a thousand different varieties of mold. Just a small percentage of them are toxic. So just because you would happen to find a sample of mold in a building doesn't necessarily mean that it's toxic. There have to be a number of other tests done before that determination can be made.

Dr. Taft: He completely sidestepped the question, Mr. Speaker.

Given that there are 42 long-term care residents as well as doctors, nurses, and other support staff at the Holy Cross, can the minister assure Calgarians that all appropriate steps were followed when the test results were obtained from the Holy Cross?

Mr. Lund: Mr. Speaker, as I indicated, we cannot find any final results. As a matter of fact, as I said earlier, there has to be a lot of testing done in order to determine if there is a toxic mold. Clearly, under freedom of information if in fact there is in a building that we are responsible for – and that is a very important point. The fact is that that is not one of our buildings. We were looking at that building for one very specific use. If in fact it is a building that we own and operate and it is found through tests that there are toxic molds that could be injurious to health, we would release the results.

Dr. Taft: Your department did the tests. I hope they haven't lost the file.

Given that sitting on the results of the tests for mold at the Holy Cross vastly increases the legal liabilities to this government, why has the department chosen to sit on the results, or have they simply been lost?

2:20

Mr. Lund: Mr. Speaker, I very much take exception to the comment that the department did the tests. That is absolutely false. The department did not do the tests. As a matter of fact, as we were doing all of these buildings, I said that there was always the need to do an indoor air quality test, and the hon. member keeps on coming back and saying that in fact we were testing for mold. No, it's a total package of indoor quality tests.

As far as this building was concerned, we never completed because there were other issues that came up that ruled out this particular building. We do not own the building. We do not operate the building. So why would we continue to go in and determine what the air quality is when we were not going to be renting any part of it?

Aboriginal Youth Suicide

Mr. Maskell: Mr. Speaker, my question relates to my longtime

concern about the high percentage of suicide among aboriginal youth. During my many years as an inner-city high school principal I saw too many aboriginal youth arrive already caught in the failure cycle. In spite of our best efforts, it was often too late to help them find a way out. Tragically, too often they choose suicide. My question is to the Minister of Children's Services. What is the government doing to address the high rate of aboriginal youth suicide?

The Speaker: The hon. minister.

Ms Evans: Thank you, Mr. Speaker. The hon. member is right to be concerned about aboriginal suicide among youth. It's eight times as high as suicide among nonaboriginal children, and that's a tragedy. Eight ministries are currently working on it through the Alberta children and youth initiative. We are developing a strategy of working with communities, broadening our knowledge and our training, broadening our research capacity, and also coming forward to involve communities in solutions. We are on the threshold of providing our standing policy committee with a first look at that draft, and very shortly that will be part of our public policy discussion.

Thank you.

Mr. Maskell: Mr. Speaker, I appreciate that answer, but it begs another question, my first and final supplemental. Would the Minister of Aboriginal Affairs and Northern Development tell me how such a strategy by itself will solve the tragedy of young aboriginal people taking their own lives in such high numbers?

Ms Calahasen: Well, Mr. Speaker, the subject that we're talking about is a serious concern to all of us. As a matter of fact, I received some questions last night from the opposition as well on this issue. The youth initiative that the Minister of Children's Services just described represents another step in addressing native youth suicide and, of course, the heartache that it brings to families. It just adds another tool to help curb the high rate of aboriginal youth who reach such a state of despair and hopelessness.

The cross-ministry initiative that was just described will better connect communities into existing provincial programs, such as wellness programs, so that we can begin to see those that are culturally specific. Mr. Speaker, it'll also help the leaders of aboriginal communities take positive steps to address this issue. The ideal is to make sure that we create the conditions for hope and health among aboriginal youth, and we can do that by making sure they have jobs in the future and making sure they have a healthy atmosphere to work in.

Nitrous Oxide Engine Modification

Mr. Bonner: Mr. Speaker, the glamour of street racing will return this summer with the release of a new movie in theatres, *2 Fast 2 Furious*. In the movie nitrous oxide engine modifications are used to increase the power of engines by up to 300 horsepower. These nitrous oxide modifications are available in Alberta and are invariably used to propel racers to dangerous speeds on Alberta's streets and highways. To the Minister of Transportation: why is it legal to buy nitrous oxide engine modification kits in Alberta when these devices are used almost exclusively for illegal activities?

Mr. Stelmach: Mr. Speaker, I don't know if it's within the mandate of the Department of Transportation to monitor sales of various products through stores in the province of Alberta. However, when

it comes to safety, we do have fairly rigid rules in place monitoring and controlling various activities on Alberta highways. If a person was to put one of these kits in a vehicle and speed down the highway, of course they'd get caught for speeding, number one, and, number two, starting on Tuesday, May 20, would pay significantly increased fines for that kind of behaviour.

Mr. Bonner: To the same minister, Mr. Speaker: will the minister promise to restrict the vending and installation of nitrous oxide engine modifications to only those cars used exclusively for track racing?

Mr. Stelmach: Mr. Speaker, the hon. member does bring a good point with respect to some of the modifications on present vehicles on Alberta highways, and that is actually a point of consultation that we are undertaking with respect to a number of regulations under the Traffic Safety Act. One of those discussions is, of course, with the car rebuilders in the province and some of the modifications occurring to some of these vehicles, not only cars but motorcycles, where we find that some of the speed on these vehicles is excessive. Again, if done on the provincial highways, it's illegal. If done on some racing strip, fine – I mean, you take your life in your own hands at that speed – but on provincial highways it's definitely illegal behaviour.

Mr. Bonner: To the minister: will the minister introduce legislation which will restrict the use of nitrous oxide engine modification kits in Alberta?

Mr. Stelmach: Mr. Speaker, no. You know, to say to this House that the first thing on our schedule, at least in Transportation, is to introduce legislation prohibiting – no. Although we are looking at the feedback from various parties that we're consulting with on a whole bunch of issues including modifications to vehicles with mufflers, with lights, all changes to frame, and raising the back end of vehicles, et cetera, also equally dangerous. So there are all these discussions that are ongoing.

However, Mr. Speaker, I will say that this matter was raised in estimates by the hon. member, and I did indicate to that hon. member that I will be getting back to him in writing once we have answered all of the questions that were raised in estimates a couple of days ago.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-Currie.

Education Funding (continued)

Mr. Mason: Thank you very much, Mr. Speaker. Throughout the entire spring session the Minister of Learning has continued to assure this Assembly that there is no crisis in Alberta's education system. Now with teachers being laid off by the hundreds, schools closing, class sizes ballooning, and programs being cut, the minister's credibility is as low as an ant doing the limbo. My question is for the Premier. Given that Albertans are beginning to realize that while they have a popular Premier, they also have a lousy government, will the Premier explain why he just sat there while his minister painted a false picture for this Assembly?

Mr. Klein: Mr. Speaker, the minister did not – did not – paint a false picture for this Assembly, and he doesn't have to shrink to the level of an ant to get under a limbo stick. I would venture to guess

that he's far more limber than the hon. Member for Edmonton-Highlands in mind and body.

Mr. Speaker, the minister is highly regarded throughout the province and indeed is highly regarded by the chair of the public school board here in Edmonton, who wrote on April 29, not so long ago, to the minister expressing his sincere thanks and appreciation for the significant role he played in the government's decision to provide – and this speaks to the issue of reduced classrooms and so on – \$51 million to support Edmonton public schools. "Your support for our district and for public education in Alberta is appreciated," wrote Mr. Don Fleming. "I am also grateful for the efforts of the Capital Region Caucus, and have expressed my appreciation to individual members directly."

2:30

To me that doesn't sound like a lack of appreciation. This is a letter that I'm about to table from the chair of the Edmonton public school board. Now, how can this hon. member reconcile a letter of commendation with his remarks that the minister is not appreciated? How can he possibly reconcile that?

He goes on to say: we are confident that the funds are sufficient to create an exciting and revitalized Victoria school of the performing arts and that we can also address other district needs; we look forward to further acknowledging your contributions once the projects are complete.

Mr. Speaker, this is a letter of commendation. This is a letter of appreciation for the minister entirely contrary to what the hon. member says, that this minister is not appreciated. He is indeed appreciated, and this letter is only one, I'm sure, of many, many letters that the minister receives and that I receive commending the minister for his initiatives.

The Speaker: There also was a point of order raised by the hon. Government House Leader on that last question.

The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. Well, given that the letter the Premier refers to is actually directed at the Minister of Infrastructure for capital funding, how can the Premier justify misleading this Assembly once again about the crisis that's leading to layoffs of hundreds of teachers? Why would you get a letter of commendation for that, Mr. Premier?

Mr. Klein: Mr. Speaker, indeed, the letter is addressed – and I alluded specifically to the capital component because in his preamble the hon. member alluded to capital relative to schools. He alluded to a lack of classroom spaces when, indeed, we're adding \$51 million to build more capacity for, and I might add, fewer students.

Now, to speak to the issue of funding, I've spoken to that issue already relative to questions from the Liberal opposition. Again, here's a university educated individual who should be able to understand that a 53 percent increase is an increase, an increase in funding. A 53 percent increase is an increase. An 8 percent increase in enrollment is a much, much smaller increase. Mr. Speaker, what we are saying is that we have given a large amount of money to accommodate a very small increase. Comprehend?

Mr. Mason: Mr. Speaker, given that unlike some of my colleagues I'm not a professor, just a humble bus driver, can the Premier please explain to me why the government is giving so much money to school boards and they're still laying off hundreds of teachers? Why is that?

Mr. Klein: You know, Mr. Speaker, that is a good question to ask of the school board, and that is precisely the kind of question the hon. minister will be asking of the school board. This, I believe, is what has parents confounded. How can you be talking about laying off teachers when you get a substantial increase in funding for a flat enrollment on top of a \$51 million bump in funding for school infrastructure? How can you possibly get an increase in funding, a decrease in enrollment, and talk about laying off teachers? This is precisely what the minister will be talking to the school board about.

head: **Members' Statements**

The Speaker: The hon. Member for Calgary-Currie.

Business Revitalization Zones

Mr. Lord: Thank you, Mr. Speaker. Today I want to rise to say a few words about business revitalization zones, one of Alberta's great little success stories. About 20 years ago this province enacted legislation to allow small business owners to get together, get organized, and get active in revitalizing their communities. Since that time, dollar for dollar BRZs have done more good for more people for less money than just about any other single initiative I know of. It is unfortunate that so few Albertans know much about BRZs.

My own involvement began in 1985 when I became founding chairman of the South Calgary Business Revitalization Zone, almost the first BRZ in the province. We promptly renamed the area the Marda Loop, and the then mayor of Calgary, now our Premier, officially cut the ribbon for us at the very first provincial BRZ promotion, the Marda Gras summer festival, which I'm proud to have helped initiate as well. Later I became chairman for the Federation of BRZs, the umbrella organization representing some 5,400 small businesses in some 40 different BRZs across the province. I also managed to help initiate the Victoria Crossing BRZ, and those people were very instrumental in resolving the 30-year expansion battle between the Calgary Stampede folks and the Victoria Park community.

Now, having been so involved over the years and watching how small business entrepreneurs put aside arguments, ideology, egos, and grandstanding to arrive at intelligent, commonsense, pragmatic solutions to just about every community issue they face, I am personally of the opinion that if we just funded BRZ small business-people and put them in charge of solving lots of local issues, we'd get the biggest bang for our buck of all. These people are truly champions of innovation combined with pragmatism. They never would have survived in the small business environment if they weren't really good at problem solving.

So I congratulate all the many hundreds of BRZ volunteers across this province over the past two decades for all their accomplishments in transforming and revitalizing their local communities and main streets, solving local issues, and once again proving that small business is the backbone of our community and our quality of life.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Calgary-West.

Queen's Golden Jubilee Medal Recipients

Ms Kryczka: Thank you, Mr. Speaker. In 2002 when MLAs were asked to submit their recipient lists to the Minister of Community Development for the commemorative medal for the Queen's golden jubilee, my level of enthusiasm was at best lukewarm, but knowing that MLAs should always welcome opportunities to recognize

individual achievements, I complied with the request. Months later the recipients package arrived and with the help of my creative and practical-minded constituency assistant, Lisa Hofmeister, we planned a special ceremony that truly was a personal highlight of my MLA career to date largely because of the true importance of the occasion to the recipients and their families.

On Saturday morning, May 3, a student of the bagpipes stood outside the constituency office door and roundly welcomed seven worthy recipients of the commemorative medal for the Queen's golden jubilee and their families and friends to the Calgary-West office. By 10 a.m. there were 25 proud recipients, families, and friends crowded into the recently tidied, vacuumed, and dusted constituency office.

During a special ceremony, which I emceed, seven Calgarians of all ages were individually honoured: Wilbur Griffith, centenarian, Alberta and Calgary pioneer, and very successful businessman who will be long remembered for his Griffith Woods legacy to Calgarians; Doris Griffiths, posthumously, community activist; Kelly Kryczka, silver medalist Olympian in synchronized swimming, member of the Alberta Sports Hall of Fame and Museum, and presently an international masters gold medalist in synchronized swimming; Dave Rodney, teacher, humanitarian, and the first and only Canadian to summit Mount Everest twice; Jamie Sorenson, a young entrepreneur and political activist; Bert Sparrow, community volunteer and chair of Persons with Developmental Disabilities Provincial Board; and Dr. Barrie Strafford, entrepreneur, humanitarian of Third World countries, founder of two chairs at the University of Calgary, in geriatrics and in Alzheimer's, and a honorary doctorate from the University of Calgary.

In closing, we served tea in my mother's English china teacups, set out the china teapot and lace tablecloth, and the recipients stayed to share stories and special moments with each other and all of us. It was truly a very proud, special occasion for all.

Thank you.

The Speaker: The hon. Member for Banff-Cochrane.

Karalee Derksen

Mrs. Tarchuk: Thank you, Mr. Speaker. I rise today to give special recognition to Karalee Derksen, a very talented 12-year-old student at Banff elementary school. Karalee's eloquence and thoughtfulness have made her this year's winner in the junior essay category of the National Literacy and Poster Contest, which is sponsored by the Royal Canadian Legion.

Karalee's essay was part of a class assignment last fall for which students created poems, posters, and essays. Karalee's poster and poem won her regional awards, but it was her reflections on war that won her national attention. Her essay is entitled Remembrance Day and is certainly worthy of sharing with the members of the Assembly this afternoon.

On Remembrance Day, we wear a poppy to show that we remember those who died, fighting in war.

War is a terrible thing. It is not fun with action figures or toy guns. It is not a game. War has killed millions and millions of people.

In Flanders Fields, many soldiers fought and died. The graves represent the war and those who died for us. The poppy, growing out of the grave, represents hope. Because of those men and women giving their lives, we can have life. The poppy is a new and vibrant life growing out of the sacrifice of others.

These soldiers had such courage that they deserve to be honoured. But let us also remember those who survived and live with horrible memories and frightening images that time can not erase.

In both 1914 and 1939 young men all across Canada sacrificed future dreams, relationships with those they loved and personal ambitions to fight for their country. Some returned, but many did not. In both 1918 and 1945 those who returned came home with minds and bodies in pain.

In so much darkness, pain and loss, the only light was the bright red poppy. This poppy shows us that our friends died so that we could have life. Their sacrifice was not in vain.

Why should we wear a poppy on Remembrance Day? So we can show the world how these soldiers gave up their lives for our freedom and our country.

Mr. Speaker, I think members will agree that Karalee is well deserving of our recognition today, and I ask everyone to please join me in congratulating this young and gifted Albertan.

Thank you.

The Speaker: The hon. Member for Edmonton-Mill Woods.

2:40 Public Education System

Dr. Massey: Thank you, Mr. Speaker. Our province has always been blessed with citizens willing to stand up and take action when the interests of children and youth needed to be furthered or defended. At one time parents could appeal to their local school board and when needed involve themselves in school board elections to have their concerns for schools addressed. Unfortunately, the government has financially emasculated school boards, centralizing control and wiping out any real autonomy over their financial resources. The past decade of changes and underfunding of public education has stirred parents to action as never before in the history of our province.

So with the voice of school boards muted parents have raised theirs. When class time for kindergarten children was cut, a group of Glenora parents came to the fore and spoke up for those young Albertans. A past president of the University of Alberta made a personal plea to each member of this Assembly to have kindergarten funding restored and eventually won the day. When budget cuts resulted in larger classes and fewer classroom resources, the Edmonton parent group SOS, Save Our Schools, was born and launched a provincewide petition campaign.

In terms of constant dollars Alberta schools haven't seen an increase in school allotments since the early 1990s. The chronic underfunding has fired up parents to a degree this province has never seen. Their voices have been raised in the interests of children and excellence in public education. The Calgary Association of Parents and School Councils, APPEAL, PACT, Edmonton advocates, the Whitemud Coalition, the Riverview Coalition, and PACE, Parents Advocating for Catholic Education, are all speaking out.

These parents deserve our thanks and our support. More importantly, they deserve the ear of the government as well as a swift and adequate response to their complaints about the erosion of public education in this province.

Thank you.

head: Notices of Motions

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. I give oral notice of the following two motions, which will be on the Order Paper for use if necessary. The first motion reads as follows:

Be it resolved that when further consideration of Bill 42, Electoral Divisions Act, is resumed, not more than one hour shall be allotted to any further consideration of the bill at Committee of the Whole, at which time every question necessary for the disposal of this stage of the bill shall be put forthwith.

The second motion, Mr. Speaker, reads as follows:

Be it resolved that when an adjourned debate on third reading of Bill 42, Electoral Divisions Act, is resumed, not more than one hour shall be allotted to any further consideration at this stage of the bill, at which time every question necessary for the disposal of this stage of the bill shall be put forthwith.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. Pursuant to Standing Order 40 later this afternoon I plan to bring before the House a motion to adjourn the ordinary business of the Assembly to deal with the following motion of urgent and pressing necessity.

The Speaker: You can read it at the time.

Dr. Pannu: All right. I'll do it later.

head: Introduction of Bills

The Speaker: The hon. Minister of Revenue.

Bill 41

Alberta Corporate Tax Amendment Act, 2003

Mr. Melchin: Thank you, Mr. Speaker. I request leave to introduce Bill 41, the Alberta Corporate Tax Amendment Act, 2003.

The amendments in this bill will introduce the third phase of the corporate income tax deductions as announced in Budget 2003. This bill will make Alberta's corporate income tax rates for both small business and general business the second lowest among all provinces in Canada.

Thank you, Mr. Speaker.

[Motion carried; Bill 41 read a first time]

head: Tabling Returns and Reports

The Speaker: The hon. Solicitor General.

Mrs. Forsyth: Thank you, Mr. Speaker. I have two tablings today. The first is the Alberta Law Enforcement Review Board 2001 annual report being tabled in accordance with section 14 of the Alberta Police Act. The board is the appeal body for complaints concerning police officers. During the period covered by the report the board dealt with 34 appeals, down slightly from previous years.

Mr. Speaker, my second tabling is the Victims Programs status report for 2001-2002. This annual report shows that over 1 and a half million dollars in grants was provided to 78 victim assistance programs. These programs reported handling over 30,000 new cases, over half of those involving assistance to victims of violent crime.

The Speaker: The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Speaker. I would like to table five copies of some materials that have been developed by the Alberta Forest Products Association for an information campaign that they have launched. This campaign tells a story about forestry, a very important industry in the diversification and prosperity of Alberta's economy. I will make sure that all MLAs receive a copy of this great information package, which provides some very good news.

Thank you.

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. I rise today to table five copies of the Law Society of Alberta annual report 2002. The mission of the Law Society of Alberta is to serve the public interest by promoting a high standard of legal services and professional conduct through the governance and regulation of an independent legal profession. As Minister of Justice I meet regularly with the Law Society to discuss issues and obtain their feedback. The relationship between the Law Society and Alberta Justice is not only very strong but most valuable as we work together to improve justice for Albertans.

The Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Speaker. I'm tabling five copies of a letter received from a constituent of mine, Mrs. Lois Bell, in which she shares with me her concerns regarding education funding.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I rise to table the requisite number of copies of six different reports all relating to California's electrical system, which I believe has great relevance to Alberta's electrical situation. The first is a report, Energy Efficiency Leadership in California, outlining an unprecedented energy conservation program which is saving \$12 billion and helped California dodge the bullet of major blackouts.

The second is a report from the World Nuclear Association discussing opportunities in California where almost no generation had been built in 15 years, leaving them to have to import 25 percent of their electricity, which they are still doing at a time when Alberta is discussing exports.

The third is entitled California's Dreaming.

The fourth is Electricity Reliability Issues in California, talking about how policymakers tried to shield consumers from higher power bills by overregulating and gave them rolling blackouts in years of shortages and imports instead.

The last two are Power Politics and Retail Electricity Deregulation: Demonstrating the Benefits of Choice by Nobel laureate economist Vernon Smith, discussing how California never actually attempted deregulation. What they did at best was worse regulation.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you, Mr. Speaker. I have two sets of tablings today. The first is from a constituent, a young dedicated teacher, writing to me with her concerns that although she's been teaching for two years, she thinks she may be forced out due to the conflicts with the government in the funding of education. Given the announcement today, that's quite likely.

The second set of tablings are two published documents. These are put out by Changing Together, A Centre for Immigrant Women. The first is A Handbook for Employers of Live-In Caregivers in Alberta, written by Caridad Bernardino, PhD, with Denise Spitzer, PhD. The second is A Handbook for Live-In Caregivers in Alberta, prepared by Idalia Ivon Pereira and Denise Spitzer, PhD.

Thank you.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I have two tablings today.

The first is from Alvin Reib, a senior in my constituency who is very concerned and upset with how the medical system treats seniors these days.

The second tabling is an addition to the petition I tabled last week. That petition was signed by 358 Albertans urging the Legislative Assembly to stop development in Kananaskis Valley, but about 50 of those names were out of order for the petition, so I am tabling their names today.

2:50

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you very much, Mr. Speaker. I've got two tablings today, the first being a document from the Edmonton public school board titled Response to the Minister of Learning regarding Alberta Learning's Operational Review of Edmonton Public Schools dated May 2003. This document addresses the board's position on the district's deficit and related issues.

The second tabling, Mr. Speaker, is a letter from Alberta Federation of Women United for Families dated April 17, 2003. In the letter to the Minister of Justice and Attorney General the federation has asked the minister to make the necessary changes to legislation so grandparents may maintain ongoing contact with their grandchildren.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. With permission I would like to table the required number of copies of a letter written to the Premier from a school council in the Premier's constituency – Leslie Newton, Barb Homer, Wanda Watson, and Liz Hagerman – urging the Premier to “take leadership and properly invest in public education.”

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I have five tablings today. The first is a news release from the Calgary Association of Parents and School Councils dated March 19, 2003, questioning the Minister of Learning's decision to close five CBE schools and open another charter school in Calgary.

The second tabling is a letter from Liz Greenaway of Edmonton dated March 18, 2003, regarding the government's policy of making schools dependent on casinos.

The third tabling is a letter from R.H. Foerger of Edmonton dated March 5, 2003, addressed to his MLA, who is the Minister of Community Development, regarding the underfunding of his children's school.

The fourth tabling is a letter from Cindy LeClerc of Hinton dated March 20, 2003, addressed to the Minister of Infrastructure asking him to change the school utilization formula.

The final tabling today is a letter from Brenda Davidson of Edmonton dated March 21, 2003, addressed to the Premier regarding the continuing degradation of education in Alberta.

Thank you, Mr. Speaker.

The Speaker: Hon. members, I'm pleased again to table five copies of a new brochure that's produced, and I think all members will find it of considerable interest. It's titled: Page Biographies, 25th Legislature, 3rd Session, Spring 2003. It's a fitting tribute to the young pages that work with us. A copy will be forwarded to you momentarily.

head: **Tablings to the Clerk**

The Clerk: I wish to advise the House that the following documents were deposited with the office of the Clerk by the hon. Mr. Mar, Minister of Health and Wellness, pursuant to the Regional Health Authorities Act, Mistahia health region 2002 annual report; by the hon. Dr. Oberg, Minister of Learning, Research Technology Management Inc. financial statements 2000 to 2003; response to Written Question 9 asked for by Dr. Massey on March 17, 2003; Alberta Learning 2002-2005 business plan; school jurisdictions' audited financial statements, sections 1 to 3, for the year ended August 31, 2001; public postsecondary institutions' audited financial statements, including public colleges and technical institutes for the year ended June 30, 2001, and universities and Banff Centre for Continuing Education for the year ended March 31, 2002; pursuant to the Advanced Education Foundations Act the University of Alberta (1991) Foundation financial statements for the period ended November 7, 2000; the Arctic Institute of North America financial statements, March 31, 2001; the Olympic Oval financial statements, 1999 to 2001; Public Colleges Foundation of Alberta financial statements 1998 and 1999.

The Speaker: The hon. Government House Leader on a point of order.

Point of Order Parliamentary Language

Mr. Hancock: Thank you, Mr. Speaker. I haven't often risen on points of order in the House. We're drawing to the end of this session possibly, and the language, in my submission, is deteriorating. The hon. Member for Edmonton-Highlands in his questions, while often giving colourful examples, this afternoon went way too far in the language that he used, and I would request that you find the language unparliamentary and ask for an apology.

Specifically, under 23(h) of our Standing Orders, "makes allegations against another member," and 23(j) "uses abusive or insulting language of a nature likely to create disorder." I would also refer to 485 of *Beauchesne*, "Unparliamentary words may be brought to the attention of the House either by the Speaker or by any Member," and 491:

The Speaker has consistently ruled that language used in the House should be temperate and worthy of the place in which it is spoken. No language is, by virtue of any list, acceptable or unacceptable. A word which is parliamentary in one context may cause disorder in another context, and therefore be unparliamentary.

I would also refer to both your memo to House leaders early in the session as well as the other sections in *Beauchesne*, 488, 489, 490 and 491, relative to unparliamentary language.

The exchange which I'm referring to is an exchange in which the hon. member accused the Minister of Learning during a question directed at the Premier of painting a false picture for this Assembly throughout the spring – now, I may not have the exact words; I don't have the benefit of the Blues – and later on in the next question, of misleading the Assembly.

Often we've heard language in preambles to questions which have been, in my humble submission, unparliamentary but unfortunately or fortunately not directed at any particular member and therefore difficult to draw forward for sanction. We've had preambles which are grotesque in the extreme with respect to how they try to change and adapt what the government's position is in order for them to put forward a question which they can characterize. But I would suggest, Mr. Speaker, that in the framing of this particular question, the hon. member has gone too far. He has in essence accused the Minister of Learning of lying to the House. That is unparliamentary.

The language is going too far, and we ought to draw back and, in the words of rule 491, be cognizant of the fact that language "should be temperate and worthy of the place in which it is spoken."

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. While I listened with interest to the hon. Government House Leader's point of order, I would submit that in fact the language contained in my question today was not in contravention of the rules. Indeed, it was quite consistent with normal parliamentary practice. He indicated, for example, that one of the statements which I was purported to have made, that the House had been misled, is contained in expressions ruled unparliamentary by Speakers of the Legislative Assembly, according to a document provided to all members by yourself.

With respect to the implication contained in the question, that the minister had "painted a false picture for this Assembly," I would maintain that that is in fact a correct statement, Mr. Speaker. On a number of occasions, the government and particularly the Minister of Learning has denied, in response to questions put to him in this House, that there was in fact any crisis in our education system. It is my view that layoffs across the province, increases in class sizes, cuts to programs are all matters of fact which can be verified by anyone who wishes to contact any number of school boards in this province. It is this member's opinion that these facts taken in conjunction do in fact represent a crisis. So it is the opinion of this member that the minister, in denying that there was a crisis, has in fact painted a false picture for the Assembly. The real picture, in my opinion, is quite different than that suggested during question period during this spring sitting of the Assembly by the Minister of Learning to the Assembly.

So I would argue, Mr. Speaker, that there is in fact no valid point of order. Thank you.

3:00

The Speaker: Other participants?

Hon. members, one can suggest and it's made very, very clear that the operative words with respect to this are the phrase, "will the Premier explain why he just sat there while his minister painted a false picture for this Assembly?" That's what was said.

The words "false," "falsehood," "false statements" are words that have in some instances been found to be unparliamentary but not on all occasions, and hon. members can refer to *Beauchesne* 489 and *Beauchesne* 490. The key citation, however, with respect to this particular matter is *Beauchesne* 491 for the point that a word may be unparliamentary in one context if it causes disorder but not necessarily another context, which, again, doesn't help clarify, but the context is extremely important.

One should also be governed by citations from Standing Orders 23(h), (i), and (j). Now, in this case, painting "a false picture for this Assembly" would suggest to the chair some intent or deliberateness and would seem to be akin to an assertion of deliberately misleading the House.

The hon. Member for Edmonton-Highlands indicated that the debatable point with respect to crisis was in his opinion, and he used the terminology "in his opinion" on several occasions, which would not suggest a suggestion of factualness necessarily: an opinion. So this would seem to me that this would be unparliamentary, and in fact I'm going to rule that it is unparliamentary. I'm going to rule that it does not uphold the dignity of the House nor the member himself. I'm going to ask the hon. member to withdraw those statements.

Mr. Mason: Mr. Speaker, I'm pleased to withdraw those statements. I appreciate your ruling, and I would also wish to apologize to the Minister of Learning and all members of the House for my transgression.

Thank you.

head: **Motions under Standing Order 40**

The Speaker: The hon. Member for Edmonton-Strathcona on a Standing Order 40 application.

Education Funding

Dr. Pannu:

Be it resolved that the Legislative Assembly urge the government to adjust school board operating grants to fully fund the arbitrated teachers' settlement, cover rising school utility costs, and remove the cap on grade 10 credits.

Dr. Pannu: Thank you, Mr. Speaker. Now, with your permission I would like to make a brief set of arguments for urgency. Speaking to the urgency of this motion, in two days' time the spring sitting of the Legislature is likely to come to an end. As we return to our ridings, what we would be leaving behind is an education system in crisis. This is a school financial crisis unprecedented in its scope and severity. The dire financial position of school boards stands in stark contrast to the province's fiscal picture and outlook, which couldn't be rosier.

Last week the Calgary board of education announced it was cutting 400 staff in total, including the loss of 300 teachers. Today Edmonton public schools announced the loss of 450 teaching positions alone. Calgary Catholic has announced it's facing a \$9.5 million shortfall. Nor is this fiscal crisis, Mr. Speaker, restricted to Alberta's two big cities. It's much more generalized and affects lots of school boards and regions of our beautiful province. School board after school board is giving the same three reasons for acute financial crisis that they are already facing; namely, government's failure to fully fund the arbitrated settlement with teachers, two, its refusal to assist school boards with skyrocketing utility costs, and, three, the government's decision to impose a cap on the number of credits it will fund for hardworking grade 10 students.

As legislators we have the responsibility to deal with this acute school funding crisis now, not leave it to the whims of the executive branch to act or fail to act based on its own political needs. As the stewards of public dollars what could be more important than debating the crisis in our schools in this Assembly this afternoon? Speaking to urgency, Mr. Speaker, we need to debate this motion this afternoon because there's no other option available to us for expressing the will of this Assembly on this matter. As an opposition member I'm not able to amend the appropriation bill to adjust operating grants to schools. The emergency motion I'm proposing provides the opportunity for us as members to express our collective voice in urging the government to fix the financial crisis in our schools that government itself caused.

I therefore urge all members to support the request to debate this emergency motion this afternoon. Thank you.

[Unanimous consent denied]

head: **Orders of the Day**

head: **Private Bills**

head: **Third Reading**

[The members indicated below moved that the following bills be read a third time, and the motions were carried]

Pr. 1 Sisters of St. Joseph of the Province
of Alberta Statutes Repeal Act

Griffiths

Pr. 2 Forest Lawn Bible College Act

Pham

head: **Government Bills and Orders**

head: **Second Reading**

Bill 39

Miscellaneous Statutes Amendment Act, 2003

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. I move Bill 39, Miscellaneous Statutes Amendment Act, 2003, for second reading.

As indicated earlier, prior to introducing Bill 39 to the House, we followed the process that is always followed with respect to miscellaneous statutes and circulated the proposals to both opposition parties, about a month ago sent the final draft version – I think it was April the 28th – to opposition parties with respect to the final version of the bill, and had approval to introduce it in the form that it's in. I would ask the House to approve it for second reading. I would advise the House that there is now a suggestion that there may be an amendment at committee, which in my view is most unfortunate and certainly should have been avoidable given the process that we go through. However, we'll await committee to see how we deal with it at that point in time. I'd ask the House to approve it for second reading now.

[Motion carried; Bill 39 read a second time]

Bill 40

Appropriation Act, 2003

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. On behalf of the hon. Minister of Finance I'd move Bill 40, the Appropriation Act, 2003, for second reading.

The Appropriation Act is merely, as the House knows, an encapsulation of what we've been discussing in this House for the last 24 days of Committee of Supply, and we have completed Committee of Supply with respect to each of the departments and had the votes on the estimates in Committee of Supply for each of the departments. I would ask the House to approve now the Appropriation Act so that we can get on with paying the bills.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to rise to speak to the Appropriation Act, 2003. Now, we've had a great deal of debate with respect to the appropriations and an opportunity to question the ministers on the budget, which is now contained within this act. So it's clear that the Assembly is being asked to provide its endorsement of the government's spending plans and requests for funding from the taxpayer in order to support their program.

3:10

Unfortunately, Mr. Speaker, there are a number of serious deficiencies with respect to the government's plans for the coming budget year. The foremost among them is the failure of the government to deal with the education crisis that is now upon us. You know, it's interesting listening to the twists and turns of the government on this issue when they're questioned on it in question period, and certainly they have a great deal of flexibility in whether or not

they answer questions or whether or not they simply just go on the attack against opposition members based on their occupation or facility with arithmetic or whatever it is that the government may seem to think is relevant.

What I think the people who pay the taxes think is relevant is why the government is in a position where it repeatedly claims that it provides more funding for education per capita than any other province and why it is that we're faced with significant layoffs, school closures, program cuts, and a lot of unhappy parents and teachers and students. The government seems to think that everybody is wrong except them. The government always measures any increase in funding from the point of the lowest level of funding, which was following the cuts in 1993-94, so they measure any funding increases from that point. Of course, it's generally acknowledged now, Mr. Speaker, that the government cut far too deeply and far too quickly and with far too little foresight at that time. In fact, the Premier a couple of years after admitted that the government did not have a plan when it came to the health care cuts.

But in the area of the education situation there are three significant contributing factors to what has happened. First of all, of course, was the teachers' settlement, Mr. Speaker. Now, the Minister of Learning repeated over and over again before the teachers' strike that they were being extremely generous and they were allocating 4 percent and 2 percent, which he habitually called 6 percent, and that the teachers would have to be satisfied with that.

Then the strike occurred, and the government set in place an arbitration process that clearly was different from most arbitration processes in that it was stacked against the teacher. There was an additional person on the arbitration panel that represented employer interests. Nevertheless, this arbitration process gave the teachers considerably more than the minister had allocated in the previous budget. In fact, the teachers' settlement was similar to settlements that had been reached voluntarily with the government before the last election; for example, with medical professionals, including nurses.

Then the government refused requests to provide the additional funding to meet the settlement, and that left the school boards in the situation they're in now. They have to find the money to pay the teachers' increase from existing programs. That means that even though the government is correct technically in saying, "Well, we gave, you know, 4 percent more," what happened is that the costs of the school boards rose much more than 4 percent because most of their bill goes to salaries. So that's one very significant piece that the government doesn't like to talk about when the opposition questions them in question period. They just go back into their message box and keep repeating the same old stuff.

A second piece is, of course, high utility costs. Like all public institutions and like all medium and small businesses and all homeowners and farmers in this province, school boards are faced with massive increases in their electricity bills, another sterling example of this government's enlightened and competent administration of public affairs, Mr. Speaker.

Dr. Taft: You might want to point out that that was sarcasm.

Mr. Mason: The hon. Member for Edmonton-Riverview wants me to point out that I had my tongue in my cheek when I was talking about the competent and enlightened administration of our province's affairs, and that's in fact the case, Mr. Speaker.

Then there's the question of the natural gas prices which the school boards have to meet, and again there's no corresponding increase in their budget from the government in these estimates to cover that. Of course, the third factor that's common to most school

boards across the province, Mr. Speaker, is the cut to credits for grade 10 students.

So those are the three elements that make up the current financial crisis facing education in this province today. The government's estimates don't deal with them, Mr. Speaker. They simply don't deal with the financial reality that school boards face. The irony of the thing is that all three of these things are of the government's own making. The arbitration process to settle the teachers' strike was the government's process. The high utility bills are the direct result of deregulation of electricity, and of course the cap on credits for grade 10 students is a policy of the Minister of Learning. The government has set three things as obstacles to the school boards' path to financial solvency and then has refused to fund it, and they have the nerve and the Premier had the nerve today to say: "You know, we don't know what's going on. We keep giving them more money. You know, the school boards just can't manage." He had really no answers, but it didn't stop the Premier from really insulting the intelligence of the Assembly and of the people of Alberta. I believe that the people of Alberta know exactly why we have this crisis in our education system now, and they know exactly who's responsible.

I think it would be a wonderful thing if the government would stand up and say: "You know, listen; we've kind of messed up with the teachers' settlement. We've kind of messed up with electricity deregulation. We've kind of messed up with the cap on grade 10 credits, and, you know, we've kind of messed up because we haven't covered these things in this budget. So let's take the budget back, and let's meet again after the long weekend. We'll bring back a budget that actually deals with these things so that we don't have to lay off teachers, so that we don't have to cut programs for students," including even at the postsecondary level where they're cutting the program at Grant MacEwan on sign language. That's one of the very few programs in the entire country, and it's a leading program. So those are the kinds of things that are getting cut.

Young graduating teachers are leaving the country, leaving the province to teach elsewhere because school boards can't hire them, people are losing their jobs, and children's education is suffering, and the government keeps giving money to horse racing, Mr. Speaker. Not only that, but we heard the Minister of Revenue stand in the Assembly just this afternoon and introduce a bill that brings in another tax cut for corporations. [interjections] Yeah, and the Minister of Economic Development applauds that move, and that's no surprise to me, because he thinks that we should be investing in companies and not in people, or at least that's my view of his position.

3:20

So, Mr. Speaker, the government's priorities are clearly wrong, and this bill reflects those distorted priorities, where you put the thoroughbred ahead of the grade 3 student, where you put Shell or ATCO ahead of teachers or the health care system. Particularly on the education side I think there's a real problem with this bill before us. I think that the Assembly should vote it down, and I'd urge all members to vote against the Appropriation Act, 2003.

You know, I think there are a number of areas where we could do more except that when the Minister of Revenue has finished with his next act of cutting taxes for corporations, the government's revenue situation is going to be even more dependent on oil and gas revenues than it already is. I think that that's a real problem. It's also going to be another situation where the government is more dependent on gaming revenues, and we now have lottery fund payments of nearly \$1.1 billion, Mr. Speaker, that come straight out of the pockets of people who in many cases just can't afford it. So it's another way of avoiding taxing people who can afford it, and that's another long-established principle of this government.

I want to indicate that we have seen an increase in infrastructure investment in this province, and I do want to indicate overall my support for that direction. Infrastructure has incurred a significant deficit over the years, Mr. Speaker. It's interesting that the government has placed so much focus on the financial deficit, but at the same time any Auditor General could tell you that they've been building up a significant deficit within the capital infrastructure of the province, because if it's not replaced in a timely fashion, then we have a situation where you have to replace it later. You have to spend the money. In fact, you have to in many cases spend even more money. It's a little bit like putting off your oil changes because you can't afford the cost or you don't think you can afford the cost of the oil. When you eventually get around to changing your oil, you may find that there's wear and tear on the engine, and the costs are very much greater than had you just paid for the oil at the right time. That's the kind of planning on the infrastructure side that this government has been doing for a number of years, and now they're trying to correct the situation by throwing a lot of money at it. I think that had they funded it adequately on an ongoing basis, they probably would have had less draw on the taxpayer than we have here. So it's another example of how the government is not running the province well.

I want to come to the question of resource revenues. Here is what saves the government time and time again, Mr. Speaker. I think we all know that they can mess up in a worse way than governments in other provinces and avoid being punished at the ballot box because they have enough money to fix the problem just in time. I think that was the case certainly before the last election with electricity prices, where there was \$2.2 billion in various rebate programs that were thrown at that particular mess of the government's own creation. We have seen a continuing pattern of underestimating the amount of resource revenue that comes their way so that they post on a regular basis massive surpluses.

It provides a number of political advantages for the government to do it that way. For example, the government in the last 10 years has underestimated total revenues by a cumulative total of over \$23 billion. It boggles the mind, Mr. Speaker. During that time, the government has underestimated its own budget surplus by a cumulative total of over \$20 billion. The government is thereby able to keep pleading poverty right into June every year until it's too late to do anything with unbudgeted surpluses other than apply it to the provincial debt. Now, the rules around that have been loosened just this last year, but the government has been able to use this strategy in order to defer and deflect demands for education funding, for example, or many other important things while they are amassing massive surpluses. Then they can put that towards the debt, and, you know, surprise, surprise, they have a lot more money than they have said all along, and I think Albertans are beginning to see through that.

In fact, we're wondering whether or not history is going to repeat itself next month when the minister reports that the 2002-2003 budget surplus may be \$1 billion to \$2 billion higher than previously forecast in the third-quarter update, and we think that that's very likely given the prices of natural gas, which have remained stubbornly high notwithstanding the fact that winter is over, and that, of course, is one of the main drivers of government surplus revenues.

We know that the government claims that the cupboard is bare when it comes to teachers, that there is no more money for schools. All the while, average oil prices in fiscal 2002-03 were slightly higher than two years earlier, but the government is still forecasting \$700 million less in crude oil royalties than it actually brought in in 2000-2001. So where is the consistency, the science in this, Mr. Speaker? I don't understand how the government does this forecast-

ing. It doesn't seem to have much to do with actual oil and gas prices. It seems to have more to do with how the government wants the balance sheet to come out and how the surplus has been tucked away out of sight. Given that the government is reaping a multibillion-dollar windfall from natural gas prices that remain more than 50 percent higher than forecast in last month's budget, I'd like to know whether or not the government was going to hoard this windfall or if they're prepared to invest a small portion of the windfall in the province's children.

I am assuming that that bell meant my time is up, and I would like to thank all members for their patience and urge them to vote against this Appropriation Act. Thank you.

3:30

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Speaker. I have a number of comments on this particular bill. I was listening to the comments from the Member for Edmonton-Highlands with some interest and generally found them to be pretty sound as an analysis of the situation we're facing here today. I have a number of points of my own to add to that. Fundamentally, I find that the entire process through which this government forms a budget is seriously flawed. The budget was introduced eight days into the fiscal year. It will be approved – what? – seven weeks or six weeks into the fiscal year. There's no reason in the world that I can see that we couldn't rotate the entire process back through the calendar year so that we were actually approving a budget in advance. After all, a budget is a plan, and there's not a lot of value in planning for events after those events have unfolded, and that's what we're doing right now, today. In fact, the process gets worse, because once the budgets are approved for the various government departments, then that ripples on through the time line so that the regional health authority business plans and budgets are approved even later in the year, as are the business plans and budgets for the persons with developmental disability boards, for the children's authorities, and in fact, as we're seeing played out today, even for the school boards.

We certainly had situations last year where regional health authorities went through more than half the year without their business plans and budgets approved. Just unacceptable delay in proper management, a real violation of any fundamental business or public finance organization. On its very fundamental process, I'm struggling with this document today, and I would strongly encourage the government to rearrange the entire process that we are approving budgets before the beginning of the fiscal year. That is possible; it's simply a matter of political will.

There are a number of specific areas that I need to touch on. Most dramatically, most timely for this very date is the education budget. The events that we've seen today in which 450 teachers appear to be losing their jobs in the Edmonton public school board and hundreds of other teachers and other school board staff across the province are losing their jobs makes it clear to me that there is a fundamental problem in the education budget. The facts are pretty clear. The government mandated a settlement process which resulted in a 14 percent increase in salaries for teachers to be provided over two years. Having found that to be mandatory, instead of ponying up and providing adequate funding for that, the government has failed in its responsibility and instead has forced the school boards to lay off literally hundreds of teachers. That is to me the single most urgent and immediate crisis we see in this particular budget, and it is a shame. It's a tragedy, in fact, that that's not going to be addressed here.

[Mr. Lord in the chair]

Gaming revenues are equally a problem for this budget or a concern for me. We are seeing in this budget a 14 percent increase in gross gaming revenues in this province. At that rate the total gaming take in Alberta will double in less than five years. We are already in a situation where the gross amount gambled legally within this province is more than double the total amount spent by this government on health care. Imagine that. Albertans gamble more than twice as much, legally within the boundaries of this province, as they spend on health care. Five years from now, at the rate it's increasing recently, that amount spent on gambling will double. It's a very, very serious concern. I think all members of this Assembly and all citizens of Alberta should be asking themselves: do we want a gambling-based economy? This government is pulling in substantially more now from gambling revenues than it does from conventional oil and heavy oil combined. That is to me a frightening indication of how the economy of this province is being rearranged. Do we want to go there? I know that I for one don't, and many people in my constituency don't either.

Health premiums. Another aspect of this budget that I'm deeply opposed to is the health premiums. In principle, health premiums in my view should be abolished. The party of this government, the PC Party, has in fact passed resolutions calling for their abolition. Many backbenchers are calling for their abolition. Let's call a spade a spade: a health care premium is a tax, and it is a regressive tax. When you combine the flat tax regime with the health care premiums, the most heavily taxed people in this province are the working poor. They're paying taxes at a higher percentage than millionaires. Surely that is unfair. It is absolutely true. [interjections] I'm getting heckled by members of this government. But the people paying the highest percentage of their income in taxes to this government are the working poor. That would be an abomination in any other province – it's certainly not true in any state in the USA – and it should not be accepted in Alberta. Health premiums should be abolished.

The oil sands royalty regime is another area of concern. Over the last couple of years the so-called generic oil sands royalty regime has come in. The provincial government's revenues from oil sands have dropped significantly. Now, the logic of this maybe is defensible on paper. The logic is that providing low-cost royalty rates during the capital construction phase and early operational phases of these plants and allowing the companies to recover those costs before royalties rise to 25 percent of net level will encourage the construction of all kinds of heavy oil plants.

The problem is becoming clear. In reality, the problem is that it is such a generous regime that it has stimulated a flood of investments into the heavy oil sands of Alberta. The effect of that is not good. The effect of that has in fact been self-defeating. Costs have soared. Labour shortages have soared. Inflation has soared. Bottlenecks have soared. Infrastructure is overtaxed. The hospital system in Fort McMurray, for example, is completely inadequate. The highways to Fort McMurray are inadequate. Rather than a carefully thought through, phased-in regime that maximizes the direct public benefit of the oil sands development, we created a kind of gold rush at public expense, which in fact is becoming self-defeating. We are seeing now because of the problems created by this gold rush serious delays in capital investment in Alberta's heavy oil sands. So there are serious, serious issues to be raised around the oil sands royalty regime.

We tally these kinds of things up, and I find we're looking at a government that does not in fact have anything like the management record it claims to have. I suspect that they're going to see unfold the same problems in education and teaching that we saw unfold in nursing and health care professionals over the last several years.

Five, six, seven years ago thousands of health care professionals were laid off. Within three years Alberta was facing a drastic shortage of health care professionals and had to provide a 22 percent increase in salaries to health care professionals to keep them from fleeing the province and to try desperately to attract new people back into this province. As a result, the contribution to health care expenditures soared.

3:40

We are now seeing the same thing occur in education. We're losing hundreds and hundreds of teachers. The average age of the teaching profession is going to rise. Two or three or four years from now we're going to see a shortage of teachers, and teachers will be able to demand even more generous wage settlements, driving up the tax bill. So we're going through all of this kind of instability for no gain whatsoever. It's all pain, no gain. Poor, short-term, self-destructive management.

[The Speaker in the chair]

So, Mr. Speaker, I find that there are a host of reasons to challenge this particular bill, a host of reasons to oppose it, and a host of reasons to wish that this government would get its financial management act together. There is one thing only that saves this government from gross embarrassment, and that is the generosity of our natural resources. If it wasn't for the revenues generated by those, this government would have collapsed years and years ago.

Thank you, Mr. Speaker.

[Motion carried; Bill 40 read a second time]

Bill 42 Electoral Divisions Act

[Debate adjourned May 12: Mr. Hancock]

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. I made a few remarks last evening when I introduced Bill 42 for second reading, and I just want to add a couple more thoughts before the floor is open for other members.

In bringing forward Bill 42 in the form that was proposed by the Electoral Boundaries Commission, I indicated that during the committee stage of the debate I would be bringing forward some amendments relative to matters which have been proposed by communities or by members of the Assembly to me as being within the context and philosophy of the report. Unfortunately, there are some communities that have put forward proposals, and there are some areas in the report that cannot be fixed by amendment in this House.

I just want to speak briefly about, for example, the situation with respect to Edmonton. The boundaries commission in doing its numbers and putting its maps together indicated that Edmonton would lose a seat, and that became a very substantial issue for all of us in Edmonton, for all members representing Edmonton, and for the community of Edmonton because in some way that was seen as a loss of pride, a loss of position, and a loss of place. But, Mr. Speaker, we felt – and I think this House concurred by passing the resolution – that it would not have been appropriate to send the commission report back, to ask a new commission to draft a new report, because the numbers and the circumstances were not sufficient to suggest that any new report would come back in a different fashion than the first commissioned report came. One

ought not to turn back a report prepared by an independent commission when in fact they have taken into account the factors which are set out for them in the act. They have followed the guidelines, and there was no egregious error to be pointed out.

That doesn't mean that we have not stood up for the city of Edmonton in terms of trying to point out why the seats should be there. But the reality is that when you go through the numbers, the city of Calgary has grown more in absolute numbers than the city of Edmonton. Other parts of the province have grown as well. While one doesn't have to agree with the Electoral Boundaries Commission report, one can't fault them for the logic that they employed, and therefore it would not have been appropriate to send it back.

The resolution having been passed by the House, the bill is now before us, and we do have the opportunity for minor amendments in committee. I might be anticipating and I expect that we'll hear from the opposition that members from Edmonton haven't stood up for their city and that we haven't fought appropriately and that we're turning our backs on the city of Edmonton, and nothing could be further from the truth. In fact, members of this Legislature from the city of Edmonton went to the boundaries commission. Our constituency associations made representations to the boundaries commission. In fact, when the interim report came out and the mayor of this city was exhorting citizens to call their MLAs, I spoke to the mayor and said: if you're going to engage in a campaign relative to this, now is the time to do it, prior to the final report being completed and the final hearings, and to encourage Edmontonians to go to the second round of hearings and to give the commission their views on the report. Unfortunately, they chose to hold off that process until the final report came in at a time when there was very little that could be accomplished from that stage.

Even the submission that was made by the city of Edmonton to the boundaries commission was based more on the concept of a loss of face and a loss of place for the city than on actual numbers. In fact, in looking at it, there were not actual numbers given to the commission to show that the growth of the city somehow outpaced growth in other areas and substantiated an argument for keeping the seat.

So I just wanted to add those comments to the record prior to this bill being passed for second reading because I feel that it's always a very emotional subject when you're talking about representation; it's always a very difficult subject. Each of us in this House know our communities exceedingly well and, when asked, would know exactly where to draw boundaries for at least our particular area. I'm not talking about in self-interest here; I'm talking about in the interests of our communities. Each and every one of us, whether on the government side or the opposition side or the third party, interrelate with our communities, know our communities well, know how they interrelate with each other and could in fact be the best authors of boundaries relative to our communities with no self-interest involved.

When it comes to putting all of those communities together into the larger map, whether it be of the city or the province, that becomes a much more difficult task, and I can tell you that over the last two months I've had that task of trying to deal with issues and anomalies out of the report, and it's not an easy task to be able to try and put those together. So having the experience in the last two months in dealing with, as I say, some of the anomalies in the report, I have a much greater appreciation now for the job which the commission had to go through in holding the two sets of hearings, hearing the many diverse views that were brought to them, and trying to draw maps that make sense.

Mr. Speaker, I'd ask that the House approve this act for second reading.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. The Government House Leader works pretty hard to inoculate himself against any political damage that may fall out of being the ringleader of pushing this bill through the Legislature. To say that rejecting the original report or rejecting this bill and then having a new commission assigned would not actually bring forward a different result is to prejudge people whom we would all expect to be very competent at doing their job and taking a look at the boundaries given the discussion we've had on the motion that passed against our wishes in this Legislature and a new bill that we would see being brought forward. We are very concerned with this bill. We do not like it. We do not like one bit of it.

With that in mind, Mr. Speaker, I will now put forward an amendment.

The Speaker: Please proceed.

Ms Carlson: Thank you, Mr. Speaker. The amendment is that second reading of Bill 42, Electoral Divisions Act, be amended by deleting all the words after the word "that" and substituting the following: "Bill 42, Electoral Divisions Act, be not now read a second time but that it be read a second time this day six months hence."

Mr. Speaker, we think that six months will give this government the opportunity to see that this bill is completely flawed and that it did not meet the original mandate, the directions given to it, or the wishes of the people of the province. The three major flaws with the bill are that first of all common community interests and existing community boundaries were not met in the recommendation brought forward by the commission and not met in this bill, that the matrix used to make all the decisions was flawed, and, most importantly, all of the concerns that were read into the record regarding gerrymandering.

3:50

We have to remember in politics that the perception of what is happening can be as important as the reality, and this was addressed by the Government House Leader in his original comments on this particular bill on April 8 in *Hansard* where he stated:

In fact, we separate ourselves logically and realistically from redrawing boundaries and give it to a commission because in the history of parliamentary democracy there have been accusations of gerrymandering when governments or Legislatures or individual members of Legislatures attempted to draw their own boundary lines for themselves.

What do we see falling out of this particular bill when it comes into the Legislature but the Government House Leader actively involved in the very thing that he said he wouldn't do and that he sent out a commission to do. He has actively involved himself in the process. In fact, for the past several weeks we have seen him running around in common sight, huddled over boundary maps with various members of this Legislature deciding exactly where they want these new boundaries to be.

Now, even before this happened, we saw government members themselves — in fact, it was the Minister of International and Intergovernmental Relations, who said on April 8 as well: now, Mr. Speaker. . .

Mr. Hancock: Point of order, Mr. Speaker.

The Speaker: The hon. Government House Leader.

Point of Order Imputing Motives

Mr. Hancock: Thank you. Under section 23 the member has just made an allegation against a member, which is (h), and (i), imputed false motives. The hon. member well knows that I have not been going around gerrymandering boundaries, that I've talked with all members of the House or their representatives through the House leaders putting forward a process by which amendments to this bill can be handled in a decent manner, respectful of the process and not one of gerrymandering or doing the things that she's suggesting. She's imputing false motives to me, and it's absolutely scandalous. [interjections]

The Speaker: Okay, everybody. Settle down. This is a point of order. I will recognize first the hon. Member for Edmonton-Ellerslie and then the hon. Member for Edmonton-Highlands on the point of order.

Ms Carlson: Yes, Mr. Speaker. If the Government House Leader listened closely to my remarks, I said that the perception of what is happening can be as important as the reality, and in fact if it looks like a duck . . . We have seen him repeatedly in this Legislature over the past week with the map spread out over his desk. In fact, in committee the other night the chairman couldn't see him; we couldn't see the person speaking. There have been huddles of little meetings in this Legislature for a very long time. If the perception of changing boundaries – this Government House Leader himself stated in this House that politicians shouldn't get involved in that process, and that is exactly what has been happening here. That perception is as important as the reality. There is no point of order.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I think that on this point I'm going to take the side of the Government House Leader because I believe that he has been carrying out adjustments according to a set of principles that are quite principled, and I believe that he has done that fairly and equitably to all parties in the House. I've seen no attempt on his part to advantage his party at the expense at least of ours. I don't know of his work with the Liberal opposition, whether or not he's huddled with them over their boundaries or not, but I certainly have seen no indication that the minister is engaged in gerrymandering.

The Speaker: I want to remind all members that we're currently in second reading of Bill 42, Electoral Divisions Act. I have the bill in front of me. The bill is simply a technical bill with respect to the geographic location of boundaries. That's the bill.

Secondly, we currently have before us an amendment which is a hoist amendment, and there's a certain procedure with respect to a hoist amendment. The amendment says, “. . . be not now read a second time but that it be read a second time this day six months hence.” So I'm going to confine the debate to the amendment. I'm going to confine it because this Assembly has already had an opportunity to discuss the motion that came out of an independently adjudicated board that has basically presented to the Assembly a report. As a result of the motion that this Assembly approved, it is the responsibility of one member of Executive Council to bring forward exactly what was approved and recommended in the report, and one is assuming that's what it is.

Now, in recent days the chair received copies of a memo that was sent from the Government House Leader to, I believe, the opposition

House leader and the third party House leader – I'm paraphrasing now because I don't have the letter in front of me – basically saying: if there's an opportunity that you wish to avail yourself of making or dealing with amendments, please convey some thought process to me. Any member at any given time can stand up and propose amendments with respect to the bill itself. That would normally come under committee. So I think that one has to be very, very tempered with the language. I intend on staying here as much as possible.

I do not, hon. Member for Edmonton-Ellerslie, subscribe, I have never subscribed as an individual – I have no idea where anyone can logically use the argument that perception is as important as reality. That may be the case in some nomenclatures, but we deal here with absolutes, and reality is more important than anybody's perception.

Secondly, I have no idea who has what on their desks right now. I have no idea if somebody is hiding behind a computer on their desk or hiding behind a piece of paper, but one thing I will never do is read other people's mail. I subscribe again to the time-honoured tradition that gentlemen and gentlewomen do not read other people's mail. So I have no idea what's going on.

So one had better be very, very cautious about ascribing motives to anybody else, and language had better be tempered with respect in this. It's very clear what we're doing there. It's a very specific bill, and there's a very specific process. It may be the 44th day of this session and we may already have been here longer this year than we were all of last year and it may be springtime and everything else, but there is a process. It's a legitimate process, and courtesy and temperance in language is extremely important.

What we have before the Assembly now is debate on an amendment – that's very clear – introduced by the hon. Member for Edmonton-Ellerslie. It says, “Bill 42, Electoral Divisions Act, be not now read a second time but that it be read a second time this day six months hence.” Let's hear the argument for reading it a second time this day six months hence. That's the debate subject.

Debate Continued

Ms Carlson: Thank you, Mr. Speaker. It's important that this bill be put aside for six months so that there can be further consultation from the communities, so that a new commission can be struck and they can take the debate that has been discussed in this Legislature and build it into a new framework for bringing forward boundaries that will more fairly and accurately represent those required in this province.

Thank you.

Mr. Mason: Mr. Speaker, if I may request a point of clarification on the rules, my understanding of a hoist motion is that when the hoist motion is put to a vote, then the vote on the main motion follows immediately thereafter. Is that correct?

The Speaker: Well, hon. member, for clarification, only if the hoist amendment is defeated.

Mr. Mason: Like I said, Mr. Speaker. All right. I will try and insert myself into the debate in accordance with your ruling.

I would like to support this motion because I believe that there are serious flaws with this bill, and six months would give time for members on the government side to reconsider what is happening, to take some responsibility for what is happening, and put in place perhaps some changes to Bill 42 that would deal more equitably with the situation, particularly as it pertains to the city of Edmonton.

The Government House Leader has indicated that he believes – I

take it that he believes – that the city of Edmonton has been fairly treated and that his government caucus from the city of Edmonton has done due diligence in protecting Edmonton. Now, it's not just a loss of face that is at stake, Mr. Speaker, but it is a loss of influence. It is a loss of political capacity, and as such it's very significant. We take it very seriously. Hopefully, if this were to be passed, we would in fact be able to reconsider that, and perhaps government members could realize the importance of the seat for Edmonton.

4:00

I just want to review briefly a little bit of the chronology here. When the commission was first appointed, interestingly enough the third party was supposed to have been consulted by the Official Opposition with respect to the opposition appointees. The government side appoints two, the opposition on the advice of the Leader of the Official Opposition but on behalf of all of the opposition recommends the other two to yourself, and of course, Mr. Speaker, you appoint the chair. That was not done, and as a result the appointments by the Speaker of the two opposition members were withdrawn. There then occurred the process that should have occurred in the first place, and that is consultation with our party in this matter. Nevertheless, after the consultation did occur, the same appointments were made.

So it should be borne in mind that throughout this discussion by the commission two of the five members were appointed by the Official Opposition. One of those I think did an excellent job standing up for Edmonton, and she did submit a dissenting report, but the other person appointed by the Official Opposition of course supported the recommendation to take a seat away from Edmonton.

We need to have some balance in our analysis of what happened, Mr. Speaker, and the facts are that at the very first meeting of hearings that the commission held in Edmonton, I appeared on behalf of our party and argued quite strongly that if the commission followed its particular matrix that it had set out, it would lead to the loss of one and possibly two seats from the city of Edmonton and put forward very strong arguments at that time against Edmonton losing its seat. Neither representative of the other two parties in this Assembly appeared and made that evening forceful arguments around the issue.

Subsequently, of course, Official Opposition caught fire on the issue and I think have done a good job speaking out for Edmonton. I wish I could say the same for the Edmonton caucus of the Conservative Party, who've been divided on the question, some saying that, yes, it's a problem and others saying: well, you know, it's just a fact of life. So I think, Mr. Speaker, that on balance one would have to say that the New Democrat opposition has been the most consistent defender of the city of Edmonton on this entire matter. I think that it is a matter of some significance, and I believe that as a result of that, we should take the six months and take another look at this.

I do believe that it is quite possible, if there's the political will on the part of the government, to revisit this issue and find a way that Edmonton does not have to lose a seat. The leader of the New Democrat opposition, the Member for Edmonton-Strathcona, did in fact put forward a motion at the time that we debated, the resolution that would have seen the seat retained for Edmonton without an increase in the size of this Assembly. That's been our position all along. We don't need a bigger Assembly – it's perhaps too large as it is – but we certainly do need to have adequate representation for Edmonton. That's what we fought for, Mr. Speaker. That's what we're going to continue to fight for, and we think that we have perhaps the most consistent record in that respect of any of the parties in this Assembly.

Thank you, Mr. Speaker.

The Speaker: On the amendment, the hon. Member for Calgary-Egmont.

Mr. Herard: Thank you, Mr. Speaker. I rise to speak against the amendment because at the very least I think that what the hon. Member for Edmonton-Ellerslie has done is proposing a little mischief. At the very worst I think it's almost deceiving the House.

The Speaker: Hon. member, please, with all due respect, I just finished cautioning the hon. Member for Edmonton-Ellerslie for using intemperate language. The same message now applies to the hon. Member for Calgary-Egmont.

Mr. Herard: Thank you, Mr. Speaker. I'll try and make my point. The motion to hoist this particular bill I find is at the very least mischievous because there's no process that exists in this House, in this Legislature, to read it again six months hence. The hon. member knows that even if this motion passed, there was no way of bringing it back six months from now. So I guess, then, I would read what this particular motion says, and if it's not possible to do it, then is it not deceiving the House to make a motion like this and ask for us to pass it when we know that it's not possible to bring it back? For that reason, I'm not going to support the amendment.

The Speaker: Others on the amendment?

[The voice vote indicated that the amendment lost]

[Several members rose calling for a division. The division bell was rung at 4:08 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Bonner
Carlson

Mason
Massey

Nicol
Taft

4:20

Against the motion:

Ady
Cao
Cardinal
Coutts
Evans
Friedel
Fritz
Gordon
Graham
Graydon
Griffiths
Haley

Hancock
Herard
Hutton
Jacobs
Jonson
Klapstein
Kryczka
Lord
Lukaszuk
Mar
Marz
Maskell

Masyk
Nelson
Norris
O'Neill
Pham
Renner
Snelgrove
Tannas
VanderBurg
Vandermeer
Zwozdesky

Totals:

For – 6

Against – 35

[Motion on amendment to second reading of Bill 42 lost]

[The voice vote indicated that the motion for second reading carried]

[Several members rose calling for a division. The division bell was rung at 4:21 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Ady	Herard	Nelson
Cao	Hutton	O'Neill
Cardinal	Jacobs	Pham
Ducharme	Jonson	Renner
Evans	Klapstein	Shariff
Friedel	Kryczka	Smith
Fritz	Lord	Snelgrove
Gordon	Lukaszuk	Stevens
Graham	Mar	Tannas
Graydon	Marz	VanderBurg
Griffiths	Maskell	Vandermeer
Haley	Masyk	Zwozdesky
Hancock		

Against the motion:

Bonner	Massey	Pannu
Carlson	Nicol	Taft
Mason		

Totals: For – 37 Against – 7

[Motion carried; Bill 42 read a second time]

head: **Government Bills and Orders**

head: **Committee of the Whole**

[Mr. Shariff in the chair]

The Deputy Chair: I'll call the committee to order.

Bill 39

Miscellaneous Statutes Amendment Act, 2003

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Chairman. This is a most unusual event for this Assembly. Bill 39, the Miscellaneous Statutes Amendment Act, 2003, is, as its title disposes, miscellaneous statutes. The process we use for development of miscellaneous statutes – and it's not always followed completely, I would have to indicate to the House – is that when a minister brings forward a proposal for a minor change to an act that is not considered to require the full need of debate in the House because it's in the nature of a correction or a small change that is noncontroversial, the minister normally would speak to the opposition critic with respect to the matter and make sure that it was noncontroversial and then, having done so, would bring it forward for approval.

Then sometime mid to late session we send a formal package of proposed amendments to each of the opposition House leaders requesting their consent. They have the option of taking out of that package anything that for any reason they do not think should proceed. In fact, this spring we followed that process, and the opposition did indicate a number of items which were being proposed for miscellaneous statutes and requested that those items be removed, and in fact they were taken out. So when this bill was presented to the House, I had to take great pains to assure the House that all the normal processes with respect to miscellaneous statutes were followed.

Normally, miscellaneous statutes are not debated. Normally, miscellaneous statutes pass with no comment, although in the last two sessions, I think, it's been my experience that there has been

some modest comment at one stage in the bill made by one member of the opposition at a minimum.

So it's a very unusual circumstance that I would rise in my place to move an amendment to the Miscellaneous Statutes Amendment Act, 2003, but in fact we have received a request from the Official Opposition that section 4 of the miscellaneous statutes act relating to the amendments regarding the Surface Rights Act as proposed by the Minister of Sustainable Resource Development be excised from the act, be in fact taken out of the act and not dealt with at this time because there may be issues which the opposition wishes to debate or discuss relative to those amendments.

Now, it is extremely unfortunate that the process wasn't followed and that these were not taken out prior to the bill being printed and being brought before the House, but again I assure the House that the entire process was followed as is normal, and I'm given to understand that the Minister of Sustainable Resource Development spoke with the Opposition House Leader as a matter of fact, who's the critic for his department, in February of this year with respect to this amendment and had a belief at that time that the amendment could go forward. We forwarded the amendments to the opposition on April 28, I believe, of this year – so that's some three weeks ago – and subsequent to that time got an acknowledgment that, well, as I say, a couple of items were taken out and others were approved to go forward. So that process has been followed.

It is now up to me to move an amendment, an amendment which, I want to assure the House, is not one that's of my doing but one that's being requested by the Official Opposition related to removing section 4. The amendment is being circulated. I would move that the bill be amended as follows: in part A section 4 is struck out.

The Deputy Chair: Hon. members, the amendment is being circulated, and we shall refer to this as amendment A1.

Hon. minister, you may proceed.

Mr. Hancock: Thank you, Mr. Chairman. I would hope that this does not become a precedent for us in the House. I think the vehicle of miscellaneous statutes has proved to be a very useful vehicle for the Legislature and for the House. There are always small items which come forward which ought to be dealt with. In this particular act, for example, the School Act amendments put in a clause relative to protection from liability. That's something that everybody acknowledges ought to happen. It's something which can be dealt with in the vehicle of miscellaneous statutes, and I'd hate to see us lose this vehicle as an appropriate way to deal with those minor items that can be dealt with quickly and succinctly. So I'm hoping that this will not become either a breach of the convention that we normally follow nor a normal process but that we engage in this in the rarest of circumstances.

I have to say that I understand from the opposition that having seen the final, printed form of the amendment and having circulated it to stakeholder groups, they have had some people come back and comment on it. It's their desire to have a closer look at it, perhaps further debate on it, so I can understand the rationale at this time for asking that it be deleted. Nonetheless, it is a significant and unusual change to our process.

With those words, I would ask the House to consider the amendment.

4:40

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I generally agree with the comments that the Government House Leader made. His feathers are a little ruffled, so he's a little more aggressive than he might

otherwise be in these circumstances, but generally speaking, what he said is accurate.

This is an unusual circumstance for us. It is true that the Minister for Sustainable Resource Development brought this particular amendment to me early on in the year, and it seemed to be fine. Our process with miscellaneous statutes once we receive them is to send them out to stakeholder groups and get the feedback. Generally, there is no problem. The time lines are always tight, though, because miscellaneous statutes tend to come at the end of the session. The government needs to get them to the printers; they need to get distributed.

In this particular instance, we had two particular groups come back to us with very, very aggressive comments. One of them, that I have before me, is in fact nine pages long, and part of it was also circulated with the Minister for Sustainable Resource Development. This person's concerns are very significant, are legitimate, and need to be heard. It would have been negligent on our part to say to them: okay; after we asked for your input and you gave it to us, we can't speak to it in the Legislature because we have this agreement with the government. If the concern had been minor, we still might have done that, Mr. Chairman, but in this case, for this person and this other group of people who have contacted us, their concerns are very significant. So it would be better if we see this come as a stand-alone bill that can be debated within the Legislature and recirculated with the concerns outlined to others. It is not our expectation that this would happen again in the future. There have been cases in the past where we've had minor statements being made in miscellaneous statutes, but even that I don't like to see happen very often.

The intent here is for legislation to come forward that is very minor in nature and that has unanimous consent in this House. It is my expectation that that's the process that will be followed. The House leader is completely correct when he says that we have the right to have pieces withdrawn prior to printing, and we often do. In this case, we had two. It was just because of the timing of the stakeholder input that came back that we are now asking for this amendment to be brought forward.

We thank the government for bringing the amendment forward, and we hope for a speedy passage of the rest of this particular bill.

[Motion on amendment A1 carried]

[The clauses of Bill 39 as amended agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report Bill 39.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Shariff: Mr. Speaker, the Committee of the Whole has had under consideration and reports the following with some amendments: Bill 39. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

head: **Government Motions**

Ethics Commissioner Appointment

20. Mr. Hancock moved:

Be it resolved that the Legislative Assembly concur in the May 8, 2003, report, part one, of the Select Special Ethics Commissioner and Ombudsman Search Committee and recommend to the Lieutenant Governor in Council that Donald M. Hamilton be appointed Ethics Commissioner of Alberta for a five-year term.

The Deputy Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. I understand that the search committee has had a very significant process and job under way, that there were numerous applicants for this position, and that they have met diligently to make a recommendation to this House, and it would be normal that this House would concur in that recommendation.

[Mr. Shariff in the chair]

Before leaving the debate, however, on the motion, I would just want to add a couple of words of thank you to our retired Ethics Commissioner, Bob Clark, who has served this Assembly and Albertans very well over the course of his tenure as our Ethics Commissioner and, indeed, for that matter as our Privacy Commissioner. When the role of Ethics Commissioner was first set up and Mr. Clark was selected to that position, he brought to the position a great degree of understanding of the political process having participated in it somewhat thoroughly from a young age, so a good solid knowledge of the House, of the role of members, of what we do and how we do it, and a very good commonsense approach and understanding of the process together with an affinity for the issues that come under the concept of an Ethics Commissioner. We can only hope that the individual who is being recommended by the committee and who I'm asking the House to concur in his appointment will serve as diligently and as well – and I'm sure he will – as our first Ethics Commissioner. So while commending the report to the House and asking the House to pass this motion directing Executive Council to make the appointment of a legislative officer for the Ethics Commissioner role, we also at the same time acknowledge with respect and appreciation the service of Bob Clark as our first Ethics Commissioner in this province.

Mr. Speaker, I would ask that we approve the motion.

Some Hon. Members: Question.

The Acting Speaker: Are you ready for the question?

The hon. Government House Leader to close debate?

[Government Motion 20 carried]

The Acting Speaker: Hon. members, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(*reversion*)

The Acting Speaker: The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Thank you, Mr. Speaker. It's with pleasure I rise to introduce the mayor of our fine town of Vermilion. Thank goodness I was awake in my chair when she came in so that the stories won't get back home about my normal actions here. It's with a great deal of pleasure that I introduce Her Worship Judy Woyewitka, the mayor of Vermilion. I would ask her to rise and please accept the warm welcome of this Assembly.

The Acting Speaker: The hon. Treasurer.

Mrs. Nelson: Yes, Mr. Speaker. I, too, would like to introduce someone who's visiting us, a former member of the Legislature who sat here for a great number of years and contributed plenty to the mix here, Alan Hyland. I'm delighted to see him. He's from, I'm going to say, Bow Island. I probably have the wrong constituency name because we keep changing them. I'd like all hon. members to afford him the welcome of the Legislature.

head: **Government Bills and Orders**
head: **Committee of the Whole**
(*continued*)

[Mr. Shariff in the chair]

The Deputy Chair: We'll call the committee to order.

4:50 **Bill 42**
Electoral Divisions Act

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I have provided the table with copies of an amendment, and I would ask that we proceed to circulate the amendment at this time. As I promised members of the House both in debate on the motion and on first and second readings with respect to the Electoral Divisions Act, I have put together a package of amendments based on some parameters that meet the criteria and the context of the act, and so I would like to . . .

The Deputy Chair: Hon. member, just as the amendments are being circulated, I'd like you to give due courtesy to the members of this Assembly for a minute or so while the amendments are being circulated. We shall refer to this amendment as A1.

Okay. Hon. minister, you may proceed.

Mr. Hancock: Thank you. Yes. I was just going to speak generally to it until it was circulated and then move it.

A change in electoral boundaries, Mr. Chairman, can be a very sensitive political issue, as we've seen already in exchanges in this House. In our tradition and by our legislation these matters are directed to a commission that operates within a set of guidelines and that is tasked with determining the fairest distribution. The process is generally nonpartisan and independent of government. Moreover, once a commission reports, very little is usually done to change the report. As members know, the Legislature approved the 2002 Electoral Boundaries Commission report in principle on April 14, and the bill is now before the House.

Basically, what I have advised all members of the House – and it's up to members to proceed as they wish. Because the bill is a very technical one in nature and there are some times in the process when the commission can draw boundaries and perhaps from time to time not have the detailed knowledge that they might need of a particular community or spot, there are times when a boundary is drawn in an area which is quite inappropriate; i.e., it winds through a neighbourhood, separates neighbourhoods, those sorts of issues. So as part of the normal process there are, indeed, minor amendments that are made to Electoral Boundaries Commission reports, but in putting forward the process to government caucus and as I also indicated to both opposition caucuses, I was prepared to recommend to the House amendments which were consistent with the context, parameters, and philosophy of the report and which were respectful of the averages and ranges it provided in the report.

I would like to now move the amendments that are being distributed in the form that's been provided to the table. These amendments are being brought forward where communities have requested them to reunite communities which were split unnecessarily or inappropriately or where population ranges could be respected. For example, there are situations in Calgary where lines wandered through communities. I'll just briefly run through the proposed amendments, and I have provided the opposition members with copies of a synopsis of the changes that were being proposed so that we don't have to actually look to the detail in here, which I can assure all hon. members has been drafted by Parliamentary Counsel and reviewed by the chief electoral office with respect to the intricate details of the amendments.

What we're proposing is to change the name of several constituencies; for example, the electoral division of Edmonton-Jasper Place, so-called in the report, has been proposed to be changed back to Edmonton-Meadowlark. The constituency of Edmonton-Meadowlark hasn't been changed a great deal in the report from the existing constituency, but for some reason the name Edmonton-Jasper Place-Meadowlark crept into the interim report and then just Edmonton-Jasper Place in the final report. In fact, the old town of Jasper Place in Edmonton is not within the confines of this proposed constituency. So the proposal was to change the name back to Edmonton-Meadowlark.

The second one is the change of the name of Dunvegan to Dunvegan-Central Peace. Again, this is one of the special constituencies which can vary in size and be over the plus or minus 25 percent. This is a very large constituency, and while Dunvegan is a well-known historical bridge and place in northern Alberta, Dunvegan-Central Peace more accurately describes the total area that is covered by the constituency, and in the interests of making sure that people have some context the change is being proposed.

In the constituencies of Calgary-Lougheed and Calgary-Shaw the community of Shawnessy was split somewhat in half, and the proposal was to reunite that community into one constituency, and the logical place to do that was in the constituency of Calgary-Shaw. The population reduction was not so significant as to take Calgary-Lougheed out of the range that the commission had set out, and in fact Calgary-Lougheed is a high-growth constituency in any event, so that should not pose problems now or in the future.

Calgary-Fish Creek, as well, shared Lake Bonavista with Calgary-Egmont after the boundary commission had finished drawing their boundaries, and it was proposed that the Lake Bonavista community ought to be together and in one constituency, so the proposal suggests that it be joined in the constituency of Calgary-Fish Creek. That removes some population from Calgary-Egmont, but there was another community, the community of Riverbend, which was closely aligned with Calgary-Egmont but not at all aligned with Calgary-

Hays, where the other half of it was reposit. So the proposal is to bring the community of Riverbend back in the constituency of Calgary-Egmont. That leaves the constituency of Calgary-Hays of relatively modest size for an urban constituency. That could have been a problem with respect to this, but members have done some research, and it's been demonstrated to me that Calgary-Hays has in fact engendered huge growth even since 2001. So while it would appear on the surface that this would be a small constituency, actually as of today's date it's probably one of the larger constituencies in the area, so that should not cause a problem. It's not outside the parameters, I would submit.

In Calgary-Mountain View and Calgary-North Hill the community of Renfrew was cut in half, and in fact the boundary sort of meandered through the community of Renfrew, so it would be very difficult for someone who is a member of the community to really know where they would be voting or which side of the boundary they were on. It made sense to reunite Renfrew in Calgary-Mountain View and use the boundary of 16th Avenue, which is highway 1, and Deerfoot Trail as the true delineating boundaries of that constituency. It does make Calgary-Mountain View probably the largest constituency in Calgary, but again if you look at the ranges that are accomplished, we can stay within the size of the range that the commission set out. Calgary-North Hill becomes slightly smaller than one might expect a core constituency to be, but again it falls within the range, and therefore it was a change which could be accommodated within the parameters which I had to put forward.

We have a similar situation in Calgary-Montrose. Two pieces were added to Calgary-Montrose: one from Calgary-East and one from Calgary-Cross. Again, in both of those circumstances the boundaries were just slightly moved to pick up a piece and add some population to Calgary-Montrose, but in reviewing it, it would appear that it makes more sense for the communities to be together, so we reunited the community of Forest Heights in Calgary-East and reunited the community of Pineridge in Calgary-Cross, and by making those modest changes, there's a modest population shift, but again the constituencies stay within the range.

In Edmonton there were a number of anomalies that could have been dealt with, but one of the parameters that I set out was that the members representing those constituencies had to agree to the change, and that wasn't accomplished. So the only change that we're proposing in Edmonton is to move a small portion, really what would be one poll, from the proposed Edmonton-Manning to the proposed Edmonton-Beverly-Clareview constituency. There were a lot of communities in that area that were very concerned about the changes being made and about the communities being separated, but the change was too big to be accommodated within the context of what we're talking about, so the only change that could be made was that one small movement of a poll.

5:00

One of the most significant changes that's being proposed, Mr. Chairman, is with respect to the town of Millet and the surrounding area. When the boundaries report came out, it was immediately clear that the town of Millet and the surrounding area would be moved from the Wetaskiwin-Camrose constituency to the Drayton Valley-Calmar constituency. There's no connection between Millet and Drayton Valley-Calmar; Millet is on highway 2A. There's no common area, and the town, the county, and the city of Wetaskiwin were all quite vociferous in their representations about the need to keep that area together. The member for that area did a considerable amount of work to see how it could be accomplished with the populations, so the proposal in that area is to move Millet and region back into Wetaskiwin-Camrose.

The Wetaskiwin-Camrose constituency as drafted had reached down to encompass the four First Nations in the area, and the proposal is that two of those First Nations would stay within Wetaskiwin-Camrose and two would go into Drayton Valley-Calmar in order to accomplish the population shift. A small piece would come out of the Lacombe-Ponoka constituency to provide a connection. So that is quite a shift but one which was really insisted upon by the communities and one which could be accomplished and still achieve the goals of the report. That then meant that there didn't need to be a name change to Calmar-Drayton Valley-Millet, so we are proposing to leave the name as it was, Drayton Valley-Calmar.

The area of Lacombe-Ponoka is one of the controversial areas, Mr. Chairman. Obviously a constituency was collapsed in this area, so two constituencies were put together. The town of Blackfalds was moved into Red Deer-North. Again, we had considerable representations from the town of Blackfalds and from the county location there, and people in that area were very vociferous that they were not part of Red Deer-North, that they were part of the county and region, so considerable work was put in to see whether that could be accomplished. In fact, with these changes we can move the boundary back to the boundary of the city of Red Deer and put the town of Blackfalds back into the Lacombe-Ponoka constituency. An additional change in that area is to add into Lacombe-Ponoka a small piece that was proposed to go into Drayton Valley-Calmar. That's a trading area into Rimbey. There are very few people in that area, but it's an important area.

I'm going to run out of time fairly soon. Those are the critical changes: a community in Red Deer moved from Red Deer-South to Red Deer-North because it's north of Ross Street, again a natural boundary, and it helps make the population numbers work. I spoke to the Wetaskiwin-Camrose one. There are some changes to move areas north of Athabasca into the Athabasca-Redwater constituency from Lesser Slave Lake because, again, there's no connection to Lesser Slave Lake, no road directly across, and they fit more closely in that constituency. Lesser Slave Lake is accommodated by moving it north to pick up Tallcree First Nation, which is now in the constituency of Lesser Slave Lake, so there is an affinity.

Small changes like Garden River, a small community in northern Alberta on the west side of Wood Buffalo national park, was included in the report in the Wood Buffalo constituency. It has no connection. There's no access; there's no way of getting there. In fact, it relates to the Peace River constituency, so it makes sense to move it into that area.

Those are the changes, Mr. Chairman. There's one in Grande Prairie, again, that just realigns some of the city population and some around Cold Lake, which again respects the question of access and where people relate. For example, the Onion Lake First Nation relates to Lloydminster. It was moved into Cold Lake. There's no direct access to Cold Lake. So those are the types of changes.

I have to say quickly in closing, Mr. Chairman, that there were a lot of changes which were recommended which didn't fall into the parameters, so we couldn't do them; for example, the Member for Highwood on behalf of the towns of Turner Valley and Black Diamond and in fact much representation from those two towns to be moved from Foothills-Rocky View into Highwood. We looked at that very closely, but it would have left Foothills-Rocky View as a constituency that was way too small, and it would also have left issues with respect to, for example, the town on the north end of that constituency, Crossfield, which would also have the same kind of comment about association, so it couldn't be accommodated.

So we've done the best we can to make the changes which the communities have asked for, and I think it's a package which makes sense. I would commend it to the House.

The Deputy Chair: Hon. member, I've just been reminded that you still have four minutes left. It was the wrong clock that beeped. So if you want to finish your remarks, I'll recognize you.

Mr. Hancock: Thank you, Mr. Chairman. I don't have much more to say, but I rushed that last bit. I did want to explain that numerous communities wrote. People have written saying that they want changes made, but in every case they were looked at by myself in terms of: did they meet the tests? Did they stay within the ranges? Were they changes which could be supported by the members who represented the constituencies affected? They're the closest to the community and understand their community. Does that leave the report intact?

I was using the example of Black Diamond and Turner Valley, where they made very good, compelling arguments about their business association with High River and Okotoks and the municipal arrangements that they had together, but when it came to the final analysis, it left the Foothills-Rocky View constituency too small and left it open to the same question with respect to Crossfield and its desire perhaps to stay with Airdrie in the Airdrie-Chestermere constituency.

So, Mr. Chairman, not an easy task to take a look at the report, to ask members to look at their own communities to make sure of the fine detail that can come from the expertise that individual members of the House have in knowing their own communities and knowing how they relate together – again, done entirely, I might say, on a nonpartisan basis without any discussion about the politics of it but merely a thorough discussion about reuniting communities where it was possible, making those changes that made sense because the communities wanted them changed and the population numbers could be accommodated and the changes could be accommodated in the context of the philosophy and the direction that was given to us by the boundaries commission.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. The Official Opposition has very, very grave concerns about the process by which this amendment hit our desks this afternoon on this particular bill. The principle being violated here is that politicians don't draw boundary maps. In fact, the Government House Leader himself said that the process should be nonpartisan and independent of government. The instant he brings in an amendment that moves constituency boundaries, the whole process becomes partisan and becomes dependent on government.

Mr. Chairman, the Official Opposition will not be a part of that process.

[The voice vote indicated that the motion on amendment A1 carried]

[Several members rose calling for a division. The division bell was rung at 5:09 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[Mr. Shariff in the chair]

For the motion:

Ady	Hancock	Masyk
Cao	Herard	Nelson
Cardinal	Hutton	Norris

Coutts	Jacobs	O'Neill
Evans	Jonson	Ouellette
Friedel	Klapstein	Pham
Fritz	Kryczka	Renner
Gordon	Lord	Smith
Graham	Lukaszuk	Snelgrove
Graydon	Mar	Stevens
Griffiths	Marz	VanderBurg
Haley	Maskell	Vandermeer

5:20

Against the motion:

Carlson	Massey	Taft
Mason		

Totals:	For – 36	Against – 4
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[Motion on amendment A1 carried]

[The clauses of Bill 42 as amended agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report Bill 42.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of the Whole has had under consideration and reports the following with some amendments: Bill 42. I wish to table copies of all amendments considered by the Committee of the Whole on this day for the official records of the Assembly.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. It appears that we have made excellent progress today with respect to the matters that were before the House, and therefore we cannot proceed further without unanimous consent with respect to the appropriation bill. Rather than ask the House for unanimous consent, because some members might not be expecting it, I would move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 5:24 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

Legislative Assembly of AlbertaTitle: **Wednesday, May 14, 2003**

1:30 p.m.

Date: 2003/05/14

[The Speaker in the chair]

head: **Prayers****The Speaker:** Good afternoon and welcome.

Let us pray. O Lord, we give thanks for the bounty of our province: our land, our resources, and our people. We pledge ourselves to act as good stewards on behalf of all Albertans. Amen. Please be seated.

head: **Introduction of Visitors**

The Speaker: Hon. members, I have the great pleasure today of introducing the Hon. Tony Whitford, Speaker of the Northwest Territories, who is seated in the Speaker's gallery. Speaker Whitford was first elected in a by-election in 1988 and again in the general election of 1991, representing the Yellowknife South constituency. He was elected in the general election of 1999 to represent the constituency of Kam Lake and was elected as Speaker on January 17, 2000, for the 14th Legislature. Mr. Whitford is a graduate of the University of Calgary and does have a southern home in Cochrane, Alberta. I'd ask all members to join with me in welcoming the hon. Speaker Whitford to our Legislature.

head: **Introduction of Guests****The Speaker:** The hon. Solicitor General.

Mrs. Forsyth: Yes. Thank you, Mr. Speaker. It's my honour to rise to introduce to you and through you some special guests in our gallery today. As you know, this is Crime Prevention Week, a time when many individuals and organizations are working hard to increase awareness of what all of us can do to make our communities stronger and safer. Last Friday I had the privilege of hosting the 12th annual crime prevention awards, which recognized 14 groups and individuals who have put their hearts and souls into preventing crime in their communities. In the members' gallery we have some of the award recipients, and they are: Kayla Penteluk, Drumheller Students Against Drinking and Driving; Adrienne Yellowdirt, Yellowhead Tribal Community Corrections Society; John Fuga, Strathcona County Crime Watch; Nick Semeniuk, Stony Plain Crime Prevention volunteer; Shannon Ross Watson, Inglewood prostitution reduction project; and a group recipient named Chicks in Charge, which is a group from Morinville that informs teens about sexual assault and dating violence. Two members of the Chicks in Charge are with us today – Solange Rivet and Megan Thiel, who is here with her father, Ed Thiel – and the group's sponsor, Melonie Dziwenka. Congratulations to all of you. Would you please rise and receive the traditional warm welcome of the Alberta Legislature.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. It gives me great pleasure today to introduce a group of students with their parents from Duchess, Alberta. They are led by teacher Mrs. Joyce Evans with parent helpers Brenda Watt, George Berg, Sherri Neely, Jodi Bradford, Sherry Charlton, Alyce Wickert, Marlene Robinson, Danette Plumer, and Tracey Palaschak. There are 26 students with them, and I would ask them to rise and receive the warm welcome of the Legislative Assembly.

The Speaker: The hon. Minister of Aboriginal Affairs and Northern Development.

Ms Calahasen: Thank you, Mr. Speaker. It's a rare event that in one week I get to introduce to you and through you to the Members of the Legislative Assembly some really great visitors and guests. Specifically, with us today are 50 excited students from Roland Michener secondary school in Slave Lake. They're joined by their teacher, who is one of the greatest teachers I know, Tracey Crain, and parent helpers Susan Moore, Teresa Sinclair, Teresa Bath, and Elaine Ulm. They're seated in the public gallery, and I'd ask that they rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Lacombe-Stettler.

Mrs. Gordon: Thank you very much, Mr. Speaker. I would like to introduce to you and through you 50 students from Erskine school, located in my constituency. They are here today to see the Legislature and to sit in on question period and are accompanied by teachers Hank Boer and Sharon Fischer. The students are very enthusiastic, and it was good visiting with them. They're seated in both galleries. I would ask that they rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. I'm just delighted today to introduce to you and through you to all members of the Assembly two of Edmonton's really exciting theatre artists. My friend Chris Craddock is an award-winning playwright and actor and the artistic director for Azimuth Theatre and the playwright for the hit show *Boy Groove*, which is being held over at Azimuth Theatre until May 25. With Chris is Aaron Macri, the composer for *Boy Groove* and a cofounder of Ribbit Productions, which is the cosponsor for the play. They're both seated in the public gallery, and I'd ask them to please rise and accept the warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. It's my distinct pleasure today to rise and introduce to you and through you to the Legislative Assembly a very distinguished guest, Dr. Kay McFadyen, who volunteers in our legislative offices over at the Annex on a regular basis. Dr. McFadyen has a background in education policy and has taught over the years at the University of Alberta. We are pleased to have her volunteer with us, and I'm grateful that she offers her assistance to us on a regular basis. I would now ask her to rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to rise to introduce to you and through you to the Assembly two wonderful and capable individuals who are presently working in my constituency office. My first guest, Mary MacKinnon, is a registered social worker who is working in my office during the spring session. Mary is doing a terrific job at the Edmonton-Highlands office taking care of the casework and generally running the office in a very capable way. My second guest, Meghan McMaster, will be going into her second year in the Grant MacEwan music program, and she is the STEP student at the Edmonton-Highlands constituency office this summer. So I'd ask both Meghan and Mary to rise and receive the warm welcome of this Assembly.

I have a second introduction, Mr. Speaker. I'm very pleased to rise and introduce to you and through you to members of the Assembly members of Edmonton's deaf community and members of Edmonton's interpreting community. They're here today because they're very concerned about the closure of the American sign language interpreter program at Grant MacEwan Community College, which is the most highly recognized interpreter training program in Canada. The loss of this program will have devastating effects on the deaf community. The accessibility of Alberta's deaf community is at stake. I would ask, as I read their names, that they stand and receive the warm welcome of the Assembly: Helen McLeod, Tracy Hetman, Linda Hollewa, Carl Pickett, Caroline Fritz, Susan Madill, Erin Madill, Janice Keller, Grant Unterschultz, Terry Williams, Lori Strelzyck, Angela Stratiy . . .

An Hon. Member: Slow down. She can't sign that fast.

Mr. Mason: Okay. Sorry. . . . Donna Korpiniski, Leanne Walls, Geoff Chiasson. Geoff is here from B.C. to express his concern. I would ask that they rise and receive the warm welcome of the Assembly.

head: **Oral Question Period**

Education Funding

Dr. Nicol: Mr. Speaker, the government is saying, "Don't panic," but cuts in education that Edmonton public school board was forced to make yesterday will have a real impact on the lives of 450 teaching professionals and thousands of students. One student, Haley Grundy, told the Official Opposition that this school year she has been in classrooms with more students than desks and she expects the situation to get worse next year when her school cuts 10 teachers. To the Premier: will the Premier admit that his government's policy is directly hurting students in this province?

1:40

Mr. Klein: No, I won't admit such a thing. Mr. Speaker, as I explained yesterday, the goals and the objectives of the government are to make sure that Alberta students are getting the best education possible and, at the same time, make sure that taxpayers are getting the best value for their dollars in the school system – that's very important – and through the Commission on Learning and the recommendations that will be forthcoming, to ensure that the system remains sustainable for the future.

Now, relative to the assertion in the preamble, Mr. Speaker, where the student claims that there are more students than desks, I will have the hon. Minister of Learning investigate that particular situation.

Dr. Nicol: Again to the Premier: how will the Premier's idea of wage rollbacks encourage those young teachers who are planning to leave this province to stay and become teachers in our province?

Mr. Klein: Well, Mr. Speaker, this is what comes about when the opposition gets all their information from headlines, not the story but the headlines. I understand that the headline in the *Edmonton Journal* today read, "Cut wages to save jobs." I read through the story, and I read through the story, and I read through the story. Finally, I got down to the 11th paragraph, and when you reach that paragraph, what you find is that I was accurately quoted: the Premier "acknowledged wage rollbacks or tinkering with pension rules might be something the ATA could consider." Underline "might." The idea is that if the ATA wanted to look at these options, we wouldn't

object. Now, that's not saying that the Premier is suggesting wage rollbacks. Not at all.

I don't know if the hon. leader of the Liberal opposition got down to the 11th paragraph. I suspect that he and his researchers read nothing more than the headlines, and that's unfortunate.

Dr. Nicol: Mr. Speaker, I was at his press conference yesterday.

Why has the Premier suggested that teachers alone should take wage rollbacks to solve the schools' financial problems when public schools are the responsibility of all Albertans?

Mr. Klein: Indeed, public schools are the responsibility of all Albertans. That's why we have a Minister of Learning to represent education throughout the province, Mr. Speaker. I don't know what point the hon. leader of the Liberal opposition is trying to make. Perhaps the Minister of Learning . . .

Ms Blakeman: Why do teachers have to bear the brunt?

The Speaker: Please. Please.

Mr. Klein: Well, now, someone over there, a mouth, asked the question. The teachers don't have to bear the brunt, Mr. Speaker. The Minister of Learning is fully committed to working with the Edmonton public school board to find out what can be done to overcome some of their budget problems.

The Speaker: Second Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Electricity Transmission Policy

Mr. MacDonald: Thank you, Mr. Speaker. Last year a stakeholder coalition for the economic transmission policy, which included Enmax Energy, Fording Coal, and Calpine Canada plus six consumer organizations such as the Industrial Power Consumers & Cogenerators Association, whose members use 50 percent of Alberta's electricity, warned that consumers should pay only for transmission that is for reliability or that will lead to lower overall costs. Instead, this government has stuck consumers with an additional \$4 billion in transmission costs over the next 10 years. To the Premier: why did this government not encourage investment in generation in southern Alberta, which could have made transmission upgrades unnecessary, saving up to \$2.5 billion instead of adding \$2.5 billion to already . . .

The Speaker: Hon. the Premier, there was a question.

Mr. Klein: Well, Mr. Speaker, you know, yesterday it was \$2.5 billion; today it's \$4 billion. This simply goes to prove how inconsistent and how uninformed the Liberals actually are on this matter.

When they talk about electricity generation in southern Alberta, perhaps they don't get down to southern Alberta outside of the hon. leader of the Liberal Party, because he lives there and represents a constituency in Lethbridge, but all one needs to do is go to the Pincher Creek area and to see the literally more than 100, perhaps up to 200 windmills in operation on Cowley Ridge and other areas to see that indeed electricity is being generated. Some of that electricity was indeed subsidized under the small power producers' program when we had it in place. So we're doing our part to make sure that alternate forms of electricity come onstream.

As a matter of fact, Mr. Speaker, the Minister of Infrastructure

recently announced that the Alberta government was going to purchase about 90 percent of our energy electricity requirements from so-called green power, which would include biomass, cogen, and wind.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the Premier: why did the government choose to ignore the advice of the stakeholder coalition when they appeared before the standing policy committee in February of last year and told this government that, quote, they should not pick winners and losers by having consumers pay for transmission that is unlikely to lower overall costs, end of quote?

Mr. Klein: Mr. Speaker, I wasn't at the standing policy committee meeting in question, and I don't know if the hon. member was, but I'm sure the Minister of Energy was at that particular meeting and perhaps can provide an answer.

Mr. Smith: Well, Mr. Speaker, we've done exactly what the member suggests. We've reacted to the Premier's council on electrical issues. We've reacted to extensive stakeholder input. We've reacted to bringing a commitment to bring the lowest possible power generation prices to Albertans that we can.

Mr. Speaker, if the member in his spare time would choose to check the web site of the Alberta Department of Energy, under the Premier's council on electrical issues he'll see a statement on transmission that says: "Develop a comprehensive policy on transmission that will encourage transmission and generation to compete for the overall lowest cost." That's what the policy does. In fact, if you look at this policy today, which is the same policy as it was six months ago, that transmission has delivered 3,000 megawatts of new generation at a savings – a savings – to the Alberta rate base of some 5 billion to 6 billion Canadian dollars.

Mr. MacDonald: Again, Mr. Speaker, to the Premier: what programs is this government considering putting in place to help consumers pay their power bills once transmission costs have increased by as much as 250 percent because of your electricity deregulation policies?

Mr. Klein: Mr. Speaker, that is a ridiculous, unwarranted, unfounded, stupid assumption, and I'm not going to answer it.

Private/Public Partnerships

Mr. Bonner: Mr. Speaker, the secret draft report from the government's P3 subcommittee on schools has verified what the Official Opposition has been saying for months: this government has no justification for P3s, no objectives, no plans, and no policy. Further, the report states that this government plans to sell or lease municipal reserve lands to fund school construction. To the Premier: how does this government plan to use reserve school lands to pay for school construction when those are municipal lands?

1:50

Mr. Klein: Mr. Speaker, these are the kinds of things that would have to be worked out between school boards and municipalities, depending on the ownership of the lands.

Mr. Speaker, speaking to the concept of public/private partnerships or alternative forms of financing public works projects, there is indeed a plan, notwithstanding what the hon. member stated in his

preamble. The plan is to have a proper adjudication of those projects that might – underline "might" – be candidates for alternative financing proposals. This adjudication committee is just now getting up and running, and if there are ideas for a P3 project that could involve inner-city schools – and it could. I use this as an example, and I use it as a "might," and I underline: could, maybe, might. Not that it's going to happen, perhaps, but an example would be an inner-city school site in Calgary or Edmonton – we'll use either one of those cities – where there's tremendous value attached to the land, where the school is totally underutilized, where there is some thought about maybe closing the school but where perhaps there is a need for, say, K to 3.

To redevelop that same site, if there are some historical components that need to be preserved, a portion of the land could still be set aside for public reserve, but the other part of the land could be redeveloped into commercial, residential, and/or public-sector uses. This in turn could generate money for the school boards, could accommodate educational and community requirements and at the same time provide much-needed housing in an inner-city area. So, Mr. Speaker, if it makes sense, then the adjudication committee will make that judgment and make recommendations to the government.

Mr. Bonner: Mr. Speaker, to the Premier. These are municipal lands. Shouldn't the municipalities get the revenue, not the province?

Mr. Klein: Well, Mr. Speaker, that is an assumption. There is a mixed ownership, as I understand it, of school board lands. In some cases the province owns the land, in some cases the school board, and in some cases the municipality. So all of these things would have to be figured out and determined, and there would have to be concurrence on the part of the school board and the municipality before any of these projects would proceed.

Mr. Bonner: To the Premier: why were P3 policies, processes, objectives, and frameworks not developed before the government committed the province to this P3 debacle?

Mr. Klein: Mr. Speaker, what we have committed ourselves to is the principle of pursuing financing alternatives, one of which is the public/private partnership concept. Outside of the Calgary courthouse, none are under consideration yet by the committee, which was just established and I think confirmed by cabinet on Tuesday, yesterday, as a matter of fact. So there's hardly been time for this committee to get up and running, never mind considering projects. There are no projects before the committee at this particular time, at least as far as I know.

The Speaker: The hon. leader of the third party, followed by the hon. Member for Calgary-Currie.

Education Funding

(continued)

Dr. Pannu: Thank you, Mr. Speaker. In his desperation to escape the blame for the school crisis, the Premier is casting about for scapegoats. He blames school boards. He blames parents. He blames teachers. He blames the big bad feds. Well, the buck stops with the Premier. It is about time that he started showing some responsible leadership. My question to the Premier: why is the Premier pointing fingers and pinning the blame on school boards and teachers when his government is entirely to blame for the crisis in our schools?

Mr. Klein: Mr. Speaker, there are so many false assumptions and statements in the preamble that I don't even know where to start. I haven't blamed anyone. I haven't pointed fingers at anyone. There is no crisis in education, none whatsoever. Of course, it's natural for the ND opposition to blame the government. What they will say is that the government should simply throw more money at the situation. The NDs, you know, dream in greenbacks. They see this money just falling from the sky, and they just say: lookit; gather it up in wheelbarrows and just throw it at school boards and throw it at health and throw it at municipalities. It doesn't matter where it comes from. If it comes from banks, well, that's okay with the NDs. You know, the more you borrow the better. The more you go into deficit, the more you go into debt, the more you hamstring the future citizens of this province, the young people of this province, the more they like it.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. Given that these cuts and layoffs are being announced by school board after school board across this province, is the Premier suggesting that there's a conspiracy between school boards to make him and his government look bad?

Mr. Klein: No. Not at all. Mr. Speaker, we really want to work with school boards, and we want to work with the ATA—I indicated that in my scrum yesterday—to achieve sustainability. We want to work with parents. We want to work with students. That's why we have established the Commission on Learning: to determine what can be done over the long term. We are not short-term thinkers like the NDs. We are long-term thinkers, and we want long-term solutions to achieve sustainability and to do what is right. [interjections] We're getting a lot of noise here from the peanut gallery across the way.

Mr. Speaker, we want to achieve sustainability, we want to do the right thing, and that's why we're taking our time to really receive as much public input as we possibly can through the Commission on Learning to properly put in place the programs that will ensure affordability and sustainability for future generations.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My last question to the Premier: then how can the Premier have the sheer audacity and gall to pin the blame for funding shortfalls on school boards and teachers while his government sits on a secret \$3 billion surplus in last year's budget?

Mr. Klein: Mr. Speaker, if I heard the leader of the third party correctly, he said: a secret \$3 billion fund. If he knows about a \$3 billion fund which I don't know about, then he knows of a secret that I don't know about. How he found out I have no idea, but perhaps he'd like to share that with us.

The Speaker: The hon. Member for Calgary-Currie, followed by the hon. Leader of the Official Opposition.

Supportive Housing and Homeless Shelters

Mr. Lord: Thank you, Mr. Speaker. It's my view that a very superficial pop culture book called *One Flew Over the Cuckoo's Nest* has helped convince our generation that the best thing for the institutionalized mentally ill people is to set them free into the

community. My observation is that a significant number of these people are now semipermanent residents of institutions such as jails and homeless shelters, not to mention park benches and riverbanks, where they often come to harm and are certainly not able to get much of the proper help or stability they may require. My questions are to the Minister of Seniors. Given that reports indicate that the mentally ill may comprise 25 and maybe even 35 percent of all homeless shelter residents, what better options exist to provide more stable housing for these people?

The Speaker: The hon. minister.

Mr. Woloshyn: Thank you very much, Mr. Speaker. It is a concern that a large number of our residents in the homeless shelters are in fact having mental health problems. What we are currently doing is trying to address the need for more supportive housing, and I do have to say that the various nonprofit organizations across the province are accessing our funding through the provincial homeless initiative, also through the Canada affordable housing program.

2:00

More specifically, Mr. Speaker, some examples—and although they may be quite insufficient, they are a good start. In Edmonton the Salvation Army recently opened a long-term supportive housing residence for men with multiple barriers to living, these kind of people. Grande Prairie just announced the opening of Willow Place, I believe it is, which was through the affordable housing program. In Calgary the Bob Ward centre is currently being built. Also, we do have something called the Gunn Centre operated by our ministry, which is also focused on these people and is doing a very fine job of dealing with it on a long-term basis.

Do we need more spaces? Definitely. Is our goal to limit the number of semipermanent residents with these problems in the shelters? Most definitely.

The Speaker: The hon. member.

Mr. Lord: Thank you, Mr. Speaker. I have only one supplemental question. Could the minister tell us: what are the general costs per mattress on the floor of homeless shelters such as the Sunalta Shelter in Calgary?

Mr. Woloshyn: Mr. Speaker, the Sunalta Shelter is a big warehouse. It's a very big, open building, very clean, very well maintained, supplied by the city of Calgary for the last couple of seasons, I believe, as a temporary, short-term—and I stress “temporary, short-term,” that being about five or six months—accommodation. The city of Calgary picked up the cost of providing the building, the utilities that go with it, and also the busing, bringing the people from downtown to the shelter. Our contribution if we followed the request that's currently going forward—and, quite frankly, hon. member, I don't know if we're going to go this route or not. We are having a good look at what the appropriate actions are to be taken, but it would cost the ministry approximately \$380 to \$390 per mat per month to house these people in a wide open space with about a foot between the mats on the floor.

Livestock Feeding Industry

Dr. Nicol: Mr. Speaker, as a consequence of the drought Alberta is the highest feed cost region in North America. As producers are forced out of business, our livestock feeding industry is falling behind other producing regions. The flaws in the income disaster

program and the Alberta disaster assistance loan program plus the inequitable 2002 acreage payment program fall short of addressing the crisis the Alberta livestock feeding sector faces. My questions are to the Minister of Agriculture, Food and Rural Development. Is the livestock feeding industry still important to this government?

Mrs. McClellan: Mr. Speaker, the livestock feeding industry is incredibly important to this government, and I believe it contributes about \$5.4 billion of the value-added processing industry in this province. There is no question that 2002 was one of the most challenging years that the agricultural industry as a whole has faced in this province. I am very proud of the resilience of that industry, and I'm very proud of the support that this government was able to provide to it through the various programs from the provincial government with some support from the federal government. It amounts to about \$1.4 billion, and that includes the livestock feeding industry.

Dr. Nicol: To the minister: will this government acknowledge that the \$1.5 billion spent on agriculture in 2002 was not equitably allocated and excluded many in the livestock grain feed industry?

Mrs. McClellan: Mr. Speaker, I would not acknowledge that in any way. First of all, the program that was put in place was to support the feed industry for part of it, and it did that. We lost a very small percentage of our breeding herds, which was our aim. Producers spend years and years and years building up a herd, and there was a great danger of at least 25 percent of that herd being sold elsewhere or slaughtered.

Mr. Speaker, it was successful. We had 5.4 million head of cattle in our province in 2001, and our 2002 count shows 5.2 million head. That's the foundation for the feeding industry. There is no question that the feeding industry is under stress. There is no question that about 450,000 calves went south for feed this year, but our producers are optimistic. We've got a good start on this year. We hope our feed supplies will be back in place and the industry will continue to be a very strong part of the economy of this province.

Dr. Nicol: Again to the minister: when is the government going to help and step in and bridge the gap before the Alberta livestock feeding industry erodes beyond repair?

Mrs. McClellan: Well, Mr. Speaker, let me just give you an indication of where we do fill the gap and where we have stepped in. First of all, we have the farm income disaster program, which is a program where, whether you're in the feeding industry or the grain industry or any other part of the industry, if your income falls below 70 percent, that program is there to respond. We have a farm disaster loan that was started at the time of a crisis of low prices in the hog industry. That was continued. In fact, that program was changed this year to respond to this very issue, and the amount of the loan was raised to \$200,000, and the quick-cash aspect of it, which was \$20,000, was raised to \$50,000, and that \$50,000 can be accessed on a promissory note. There are a number of programs in this province that respond. I would repeat that at least \$1.4 billion was provided in support primarily from this provincial government to the industry.

Mr. Speaker, I probably meet with three or four industry groups a year. I think I could count on one hand the number of times that I have been at a presentation where I haven't had people get up and profusely thank this government for their support.

The Speaker: The hon. Member for West Yellowhead, followed by the hon. Member for Edmonton-Riverview.

Softwood Lumber Policy Bulletin

Mr. Strang: Thank you very much, Mr. Speaker. The future of the softwood lumber industry is important to communities in the West Yellowhead constituency and the forest-based communities. People in my constituency have heard about the draft policy bulletin that was worked out earlier this year by government and industry negotiators from Canada and the United States. My constituency and community leaders in the area were of the understanding that this draft policy bulletin could pave the way towards a long-term solution to the softwood lumber dispute. My question is to the Minister of International and Intergovernmental Relations. Could the minister advise the Assembly of the status of this policy bulletin?

Mr. Jonson: Mr. Speaker, I would like to acknowledge that the hon. Mr. Pettigrew, who has referred to this policy bulletin, has certainly worked very hard on behalf of the softwood lumber industry. However, I think the comments that have been reported perhaps are somewhat optimistic because there are still a number of outstanding issues needing to be addressed, such as the gap between what Canada and the U.S. see as a reasonable export tax rate and what should be done with the duties that the U.S. has already collected. Alberta would not support an export tax unless there is a clear indication before the tax is put in place of the conditions under which it would be removed and it was clear that this export tax was an interim provision before a solution would be reached.

Mr. Speaker, we are still waiting for the U.S. to publish an official policy bulletin which might set the stage for long-term solutions to the dispute. After the U.S. publishes its draft bulletin, there is a 30-day public review period. Then the U.S. would make appropriate changes to its bulletin and publish a final version. We will then study the final policy bulletin and consult with the Alberta industry. Only then will we be able to be in a position to work with the forestry industry further and make a counterproposal or agree to this final policy bulletin.

I'd also like to indicate by way of an update that NAFTA and WTO challenges are continuing.

The Speaker: The hon. member.

Mr. Strang: Thank you, Mr. Speaker. My first supplemental question is to the Minister of Sustainable Resource Development. Can the minister advise the House how his department is looking at responding to the policy bulletin that is supposed to be coming from the U.S. Department of Commerce?

2:10

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. That's a very good question. Once the policy bulletin is in its final form and is published, the Alberta government, of course, will study it to try and determine as to whether it provides the means for Albertans' best interest in relation to the countervailing and antidumping to be revoked or not. So, yes, we will be studying the process.

The Speaker: The hon. member.

Mr. Strang: Thank you very much, Mr. Speaker. I'm looking at a question to the same minister: how would the softwood lumber dispute impact the local community timber program that exists throughout Alberta?

Mr. Cardinal: Mr. Speaker, this is going to take a bit of time, but it is very, very important to the member and others. The community

timber program is very important. There are about 128 small sawmillers and loggers . . .

Dr. Taylor: How many?

Mr. Cardinal: About 128. About four to five communities, in fact, depend on forestry as their major source of income and also for job creation. We've managed in the last two years throughout the negotiations to keep separate the companies that produce less than 5 million board feet, Mr. Speaker, because most of the product they sell is used domestically and not exported, so we've managed to do that.

West Nile Virus

Dr. Taft: Mr. Speaker, recent evidence from other provinces shows that human illness from West Nile virus is more widespread than originally thought. Even worse, the *Canadian Medical Association Journal* reports that the effects of the virus are more severe than expected, in many cases requiring long-term intensive medical treatment. To put this in perspective, there were more cases of West Nile virus in humans in Ontario last year than there were of SARS this year, and there is little doubt that West Nile will hit Alberta this summer. To the Minister of Health and Wellness: given that the *Canadian Medical Association Journal* emphasizes "the need to provide adequate resources for diagnostic laboratory support," can the minister explain how labs in Alberta may be expected to test hundreds of possible cases when they did not receive an increase in funding?

Mr. Mar: Mr. Speaker, I'm pleased to say that previously when it came to matters as it related to West Nile virus, we had to use a federal laboratory that was in Winnipeg – and it is a very, very good laboratory – but in an effort to speed up access, we do have our own Provincial Laboratory that's being set up here in the province of Alberta. So for those cases where it's suspected that there may be West Nile virus, those tests will be done right here in Alberta as opposed to Winnipeg.

Dr. Taft: To the Minister of Human Resources and Employment: given that legislation requires workers to refuse to work in unduly hazardous situations, what steps will employers be required to take to protect outdoor workers from the dangers of contracting West Nile virus? Will his department issue a bulletin?

Mr. Dunford: Actually, I'm not aware, as the question is asked here today, regarding the plans that workplace health and safety has for the summer season. So I'll take that question under advisement and certainly get back to the hon. member.

The Speaker: The hon. minister of health to supplement?

Mr. Mar: Yes, sir. Mr. Speaker, I should say that it will be important not just for workers but for all Albertans who are out of doors this summer. We will have an education program to indicate to Albertans how best to avoid being bitten in the first place. I would expect that people who are in areas where there are large numbers of mosquitoes, particularly the three species that do carry West Nile virus, would take additional precautions and wear baggy, long-sleeved and long-trousered clothing and wear a repellent that contains DEET. So we do have a plan in place with respect to West Nile virus. It will involve the monitoring of mosquitoes; lab testing improvements, as I've already indicated; physician education so that

physicians are aware of what the symptoms are and what to look for; and a public awareness campaign that will again advise members of the public how to best avoid getting bitten in the first place.

The Speaker: The hon. member.

Dr. Taft: Thank you. Again to the Minister of Human Resources and Employment: has the minister considered the impact on the WCB of workers making claims based on the possibility that they contracted West Nile virus during the course of their work?

Mr. Dunford: Those kinds of discussions, I think, as you would know, Mr. Speaker, and as other members would know, start in the area of the experts that we have on staff. As yet, nothing has come to me for a particular decision in that particular area, but we're meeting with officials this afternoon on other matters, and I'll bring this one up.

The Speaker: The hon. Member for Wetaskiwin-Camrose, followed by the hon. Member for Edmonton-Ellerslie.

Telehealth

Mr. Johnson: Thank you, Mr. Speaker. A constituent of mine spoke with me recently about telehealth and relayed to me the benefits that the program could have on the health system here in Alberta. While the average Albertan may not be aware of the potential of telehealth, regional health authorities are increasingly using the technology to enhance health care in our province. My first question is to the Minister of Health and Wellness. Can the minister tell us how the development of telehealth services in Alberta is progressing and what he is doing to advance the service?

Mr. Mar: Mr. Speaker, I should say first of all that the reason for our strong support for telehealth is to enhance access to clinical services for Albertans, and in order to do that, we have to put some significant resources into this area. The department has already spent close to \$15 million in the early stages of development of telehealth in the form of base funding and grants, and an additional \$800,000 was recently committed to support development of clinical services within telehealth.

Mr. Speaker, one only needs to look at today's *Edmonton Journal* to see a story of an excellent demonstration of how telehealth works. A young girl, six years old, whose family lives in Athabasca previously had to come into Edmonton a number of times a month in order to see a speech pathologist. Now through telehealth that family can avoid that two-hour drive, and the six-year-old girl still gets access to a speech pathologist through telehealth, which dramatically improves the access of delivery of service to this young person.

So, Mr. Speaker, improving access to services is one aspect of telehealth. The second aspect, of course, is the cost savings associated with ensuring that patients don't need to drive or travel, that specialists themselves, who may reside only in Calgary and Edmonton, need not travel outside of their centres, where their homes are. We are also able to provide tremendous rural physician education through using the some 225 different videoconferencing and teleradiology systems that are throughout the province, making it one of the largest such systems in the world.

Mr. Johnson: My one and only supplemental is to the Minister of Innovation and Science. What effect will SuperNet have on telehealth?

Mr. Doerksen: Well, Mr. Speaker, the minister of health referred to the exact same article that I was going to refer to to illustrate the advantages of remote distance therapy. The issue that most small communities face is a lack of bandwidth to be able to provide those kinds of advanced technology services in a health application field. What SuperNet does is it delivers that required bandwidth to most of the rural communities across Alberta to enable access for every citizen in this province to these kinds of health services, education services, information services. SuperNet is going to make a huge difference in a lot of areas.

Mosquito Control Program

Ms Carlson: Mr. Speaker, the West Nile virus is expected to claim its first victims in our province this year, and the problem is only expected to get worse in the future. In spite of this fact, this government refuses to work to prevent the disease's transmission. The Centers for Disease Control have said that mosquito control is the most effective way to prevent the transmission of West Nile virus. To the Minister of Environment: why isn't this government going to protect its citizens by introducing a mosquito abatement program?

2:20

The Speaker: The hon. minister.

Dr. Taylor: Thank you, Mr. Speaker. Until the early '90s – it might have been the late '80s but in that time frame from '88 to '92 – the government worked with the various communities on mosquito abatement programs, and at that stage the municipalities took over the programs. This year there are eight municipalities that are involved with mosquito abatement programs, so we are in fact encouraging the municipalities. My own community of Medicine Hat is certainly involved with the mosquito abatement program, and I would like to congratulate them for that.

Ms Carlson: Why hasn't the Minister of Environment explored environmentally friendly alternatives to mosquito control like BTI, a microbial larvicide?

Dr. Taylor: Once again, Mr. Speaker, certainly, the mosquito abatement program, as I've said, is the responsibility of the municipalities. If any municipality wishes to ask for information on the particular biological controls, we're certainly willing to investigate that with the municipalities. But as we move forward, this is a municipal issue. We will work with municipalities on these issues.

Ms Carlson: Mr. Speaker, given that municipalities in the province simply can't afford mosquito abatement programs because of this government's downloading policies, when is the Minister of Environment going to push for provincial funding for a province-wide mosquito abatement program? Lives will be at stake over this.

Dr. Taylor: Well, Mr. Speaker, first of all, municipalities can afford it. As I've said, there are six or eight municipalities that are doing it. If they couldn't afford it, they wouldn't be doing it. So they can afford to do it. They are doing it.

As the minister of health has quite clearly defined in an earlier question, we have good educational programs out there as to how to prevent West Nile virus. For instance – the minister of health didn't mention this – Environment works with communities on standing water, because it's obvious that the mosquitoes are breeding in standing water. Unfortunately, or perhaps fortunately for the

agricultural industry, from the West Nile side of it there's going to be a lot of standing water in southern Alberta this year because of the snowfall and the amount of rain that we've had.

So it is a serious issue. We do take it seriously, and we will continue to work with the department of health on our abatement policies and continue to provide educational programs as to how Albertans can prevent themselves from getting this illness.

The Speaker: The hon. Minister of Health and Wellness to supplement.

Mr. Mar: Mr. Speaker, I only wish to challenge one statement that was made by the hon. Member for Edmonton-Ellerslie, and that is that we need to keep in mind that the risk of contracting West Nile virus in Alberta remains low. We are vigilant about the risk that is associated with it, but the risk remains very low. We do have a plan right now that is based on environmental and biological factors that are specific to this particular province. Practices that may exist in other jurisdictions, while we can learn from them, are not entirely transferable to this province. If the circumstances change, there may be a possibility that our response will change as a consequence of that, but we do have a plan in place that is the right plan for the particular circumstances that we currently face.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Olds-Didsbury-Three Hills.

Education Funding

(continued)

Mr. Mason: Thank you very much, Mr. Speaker. The Premier seems to have trouble coming up with a logical and consistent explanation for the crisis in education. In fact, the Premier toggles back and forth between blaming school boards and teachers for the crisis and denying that the crisis exists at all. To assist the Premier, I have prepared these questions for him today. Question 1: is the proof of a school crisis (a) teacher layoffs, (b) school closures, (c) program cuts, or (d) all of the above?

Mr. Klein: Mr. Speaker, you know, for a well-educated person he is very, very sloppy in the design of his questions, because he left out one important answer, and that is: none of the above. That's the one I would take.

The Speaker: The hon. member.

Mr. Mason: Thank you, Mr. Speaker. Question 2: is the main cause of the school crisis (a) the government's refusal to fund the teachers' arbitration, (b) high utility bills, (c) the cap on grade 10 credits, or (d) all of the above?

Mr. Klein: Well, again sloppiness in question design, Mr. Speaker, and for that he gets an F. I would say: none of the above. Not all of the above but none of the above.

The Speaker: The hon. member.

Mr. Mason: Thank you, Mr. Speaker. It's the Premier that'll be getting the F, I suspect.

Number 3: are the consequences of the school crisis (a) shortchanging our children, (b) loss of qualified teachers, (c) angry parents, (d) fewer Tory seats in the next election, or (e) all of the above?

Mr. Klein: Mr. Speaker, if there's anything below an F, he would get it because he gets sloppier and sloppier. He forgot to include one important answer, and that is: none of the above.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Edmonton-Centre.

West Nile Virus (continued)

Mr. Marz: Thank you, Mr. Speaker. In the last number of weeks many horse owners have taken the added precaution of protecting their animals against West Nile virus by vaccinating them. However, there are a number of horse owners and horse associations that have taken the stance of asking the government to compensate them for any horses that may die as a result of this disease. My question is to the Minister of Agriculture, Food and Rural Development. What is the province's policy on this?

Mrs. McClellan: Mr. Speaker, there is no provincial compensation program for the loss of livestock from infectious diseases including West Nile, and I'd just like to give three or four points as to why. Owners are not compensated for any infectious disease such as anthrax or for a horse that dies from sleeping sickness or animals that die from any number of diseases. The CFIA, the Canadian Food Inspection Agency, is the lead agency in Canada for determining when compensation should occur, and that generally occurs when animals are destroyed to avoid contagion with other animals or to control or eradicate a federally reportable disease. It is important for horse owners to understand that West Nile virus is not contagious from horse to horse. As the member indicated, there is a licensed vaccine in place for West Nile virus in horses, and certainly we are recommending that horse owners speak to their veterinarians about prevention.

Another point I would make, Mr. Speaker, is that insurance is available to horse owners for their animals. The last thing I would say on this is that West Nile virus is a reportable disease in the designated communicable disease regulation in Alberta, and we are a part of the West Nile plan and are working very closely with the ministries of health and environment on surveillance.

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. My first supplemental – and it will be my last question – is to the Minister of Sustainable Resource Development. Could the minister explain what his department is doing to monitor and detect the early presence of West Nile virus in this province?

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. I'm quite pleased to report as to how my department monitors for this virus. Our monitoring includes gathering of crows that have recently died – and most are submitted, of course, by the public – and then examining the birds and forwarding them to local Alberta labs for testing. If we do get a confirmed case of West Nile virus, our staff will promptly notify the provincial officers of health for further action.

The Speaker: The hon. Member for Edmonton-Centre.

Aids to Daily Living Program

Ms Blakeman: Thank you, Mr. Speaker. Seniors and other

Albertans who rely on the Alberta Aids to Daily Living program are nervous about how this government's plan to make health regions responsible for the program will work. They are concerned about how the change will affect their benefits and whether the program is in jeopardy. My questions are to the Minister of Health and Wellness. Is the minister going to envelope the money for the Aids to Daily Living program for the regional health authorities so that it can't be spent on other areas?

Mr. Mar: Yes.

2:30

The Speaker: The hon. member.

Ms Blakeman: Thank you. To the same minister: will the minister set a minimum standard of service and equipment that must be provided by every health region through this program?

Mr. Mar: Yes.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Given the experience parents are having with the devolution of the speech therapy program to the RHAs, what safeguards will the minister put in place to make sure that this is not the first step towards eliminating or curtailing the Alberta Aids to Daily Living program?

Mr. Mar: Mr. Speaker, I think that she really asked that question in the first two. We will envelope the money to ensure that the 70-some million dollars that currently go to the 76,000 people in this province for Aids to Daily Living will continue to be spent in that area and that appropriate standards will be put in place by the province, and it will be our expectation that regional health authorities will meet those standards in delivering the program. It is important that we do move this important service to the regional health authority level, where it is closer to the people that are actually being served, and that just makes good sense, that decisions are made at a level where they are closer to patients who are using this important service.

head: **Recognitions**

The Speaker: Hon. members, today we have seven members who are going to be participating in Recognitions, but I'm going to vary the routine just a bit and call on the Deputy Speaker first.

Page Recognition

Mr. Tannas: Thank you, Mr. Speaker. The deputy chairman and I would like to draw to the attention of all hon. members that we are going to lose seven of our wonderful pages when this session ends. They are Nicholas Fowler, Erin Weisgerber, Paul Groch, Stephen Michalyk, Craig Chupka, Megan Lau, and Sarah Monkman.

These fine young people will be leaving their duties in the Assembly following the close of the spring session, and I would ask you to join me in recognizing the great efforts of our pages who daily show patience and understanding of our many demands. They carry out their tasks with attention to duty and with good humour. So on behalf of all the hon. members here I ask our head page, Nicholas Fowler, to give each retiring page our gift and take with it our best wishes to each and every one.

We were honoured to have had you work with us in the Alberta Legislature. Thank you very much and good luck. [applause]

The Speaker: Hon. members, I received a letter today from the seven pages in question, and it's addressed to you, and I'd like you to listen to what they have to say to you.

Dear Mr. Speaker,

It is said that a teacher affects eternity; they can never tell where their influence stops. As we 7 who now graduate from our woefully short term as pages, reflect on our time with this Legislative Assembly, the truth of this saying has never been more clear.

Through the experiences we have had in the last few years, we have gained a unique insight into the parliamentary system and a fond understanding of the foundations on which it is based. Everyday as pages we have had the rare opportunity to view the integrity of 83 men and women, as they stand up for what they believe in, fighting to make our province a better place. It is hard not to look on with admiration when these men and women stand unafraid to voice their opinions and belief, representing the people of Alberta with examples of honour and class that we can only one day hope to attain. We have seen first hand the inner workings of the democratic process, the bad days and the good days, the disagreements and the co-operation. Through it all we have grown and learned more than can be expressed, from the 83 members from across the house, through the dignity and respect they have shown one another in what is often times a difficult process.

And now as we near the time that we will be closing this memorable chapter of our lives, we would like to express how truly grateful we are for having been given this opportunity. In more ways than can be explained, you have taught us, through your actions and through your words and helped us to grow perhaps a little more mature than when we began. Though we may not pursue a life related to politics, the lessons we have taken from within these walls will carry through to the rest of our lives. We can only hope that we too will grow to be people of the same level of dignity, integrity and understanding that you have proven yourselves to be. Thank you sincerely to all members, officers and staff of the Legislative Assembly of Alberta. You have given us more than you will ever know.

Thank you from Nick Fowler, Erin Weisgerber, Paul Groch, Stephen Michalyk, Craig Chupka, Sarah Monkman, and Megan Lau.

ACT Foundation

Mrs. Gordon: The ACT Foundation is a national nonprofit organization dedicated to helping high school students across Canada implement a core curriculum CPR program for youth. They have recently established a partnership with the two school divisions in my constituency, Wolf Creek and Clearview. Students from Lacombe composite high school and William E. Hay composite high school in Stettler will be working on this. All youth will be taught the early warning signs of developing medical emergencies, how to react, and the practical skills of CPR, also the Heimlich manoeuvre.

Recognition and thanks go to the STARS Foundation of Alberta, who will be donating mannequins and paying costs related to teacher training and other needed teaching materials; the *Stettler Independent* for donating the printing of student manuals; and corporate health partners AstraZeneca and Aventis Pharma and Pfizer Canada, pharmaceutical companies who willingly provide core funding to the ACT Foundation. By working together we are empowering teens to save lives.

Thank you.

The Speaker: The hon. Member for Calgary-West.

Seniors' Week

Ms Kryczka: Thank you, Mr. Speaker. During Seniors' Week 2003 from June 1 to 7 special events will be held across Alberta to recognize the importance of 327,000-and-growing seniors in our

communities. Seniors' Week is a very wonderful time for seniors, but all year-round there are hundreds of seniors' organizations in Alberta who represent seniors in numerous ways.

The Canadian Association of Retired Persons, or CARP, and the Canadian National Institute for the Blind are but two national organizations. The Alberta Association of Meals on Wheels, the Alberta Senior Citizens' Housing Association, or ASCHA, the Alberta Senior Citizens Sport & Recreation Association, the Alberta Council on Aging are four of the many provincial organizations. Locally there is the Picture Butte Happy Oldtimers, the Redwater & District Pioneer Club, the Spruce Grove Golden Age Club, the Bow Cliff Seniors 50+ in Calgary, and the Jewish Family Service of Calgary. The Seniors Advisory Council for Alberta is a government-appointed body of citizens chaired by an MLA appointed by the Premier. It consults with seniors and those who represent them on issues of importance to seniors. Indeed, Alberta seniors are fortunate to have a multitude of organizations working to keep them vital, active, and involved.

Thank you.

The Speaker: The hon. Member for Lac La Biche-St. Paul.

St. Paul RCMP Regimental Ball

Mr. Danyluk: Thank you very much, Mr. Speaker. The Lac La Biche-St. Paul constituency was honoured to host the commissioner of the Royal Canadian Mounted Police, Giuliano Zaccardelli, at the RCMP regimental ball recently held in St. Paul.

Commissioner Zaccardelli served his first recruit posting in St. Paul in 1972 and became the 20th commissioner of the Royal Canadian Mounted Police in 2000. Commissioner Zaccardelli's brief visit to Alberta included a stop in Edmonton, where he spoke with the RCMP staff relations officers on the future direction of the RCMP and to a group of DARE instructors.

Staff Sergeant Jim Fell, noncommissioned officer in charge of the St. Paul RCMP detachment, and staff are to be commended for their role in the success of this visit and their commitment to the protection of our community.

Thank you very much, Mr. Speaker.

Gerri Cook

Ms Carlson: Mr. Speaker, it is an honour and a pleasure to have the opportunity to recognize my good friend Gerri Cook. Gerri was the very deserving recipient on April 5 of the Alberta Motion Picture Industries Association 2003 Friend of the Industry award. She was honoured for her dedication to the field of animation and children's programming.

Gerri has more than 25 years of experience in the Canadian television industry working as a project developer, award-winning scriptwriter, producer, investment fund creator, manager, mentor, and role model. From being a founding director in the 1970s of the Alberta Television and Film Institute to her leading edge, three-dimensional animation show that also won an award on April 5, Gerri has been a dedicated supporter of the Alberta industry. She has worked hard to ensure that the Alberta industry is innovative, producing quality product that is globally competitive.

Gerri and her husband, Steve Moore, who has worked side by side with her over the years, have made a real difference to this industry and the province.

Thank you.

The Speaker: The hon. Member for Calgary-Currie.

2:40

Museum of the Regiments

Mr. Lord: Thank you, Mr. Speaker. It's my pleasure to rise today to recognize the Museum of the Regiments, another great Calgary-Currie institution. Certainly among the finest military museums in all of Canada the museum honours such famous regiments as Princess Patricia's Canadian Light Infantry, Lord Strathcona's Horse, as well as other western Canadian regiments and naval forces. It is a definite must-see for military buffs, tourists, and residents alike.

Soon it will have the largest library collection of Canadian military history in existence and very appropriately so since Calgary-Currie does indeed have a very proud military history. In fact, our riding is named after General Sir Arthur Currie, popularly known as Guts and Gaitors to his men during World War I.

Congratulations to the many hundreds of volunteers and veterans whose efforts have so successfully built the museum these past many years and all the best on their fund-raising and plans for the future. Thanks to them future generations of Albertans and Canadians now have an outstanding opportunity to learn about Canada's proud military past and to ensure we never forget how hard it has been to keep freedom alive in this world.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Medicine Hat.

Shawna Churchill

Mr. Renner: Thank you, Mr. Speaker. I rise to salute Shawna Churchill of Medicine Hat, winner of the 2003 Norm McLeod Dream Weaver award. This award was created by the PDD Provincial Board to commemorate the 35-year career of Norm McLeod, its former CEO, and his commitment to promote community inclusion for people with developmental disabilities.

As adviser for the self-advocate program in Medicine Hat Shawna has made a positive impact on countless people in the Medicine Hat region. She has inspired them to believe and to succeed. Because of her selfless dedication she regularly goes above and beyond what is required. Shawna also spends time supporting her colleagues in developing their skills and in educating other professionals about the needs and the rights of people with disabilities, their challenges and their opportunities. As one of Shawna's nominators stated: there are a lot of people that are working in the community because of Shawna's belief that we can do anything we put our mind to.

Congratulations, Shawna, and thank you for your outstanding work with and for persons with developmental disabilities.

The Speaker: The hon. Member for Edmonton-Centre.

Ron LaJeunesse

Ms Blakeman: Thanks very much, Mr. Speaker. I'm very pleased to recognize and celebrate this year's recipient of the Grant MacEwan literary award, Ron LaJeunesse, for his book *Political Asylums*. This book traces in very concrete, unsentimental terms Alberta's short history of government-supported care for people with mental illness.

I can't recognize Ron's tremendous support without also recognizing the unique program which allowed him time to write and supported him during a year's sabbatical from his work with the Canadian Mental Health Association. That program is the Muttart fellowship program, which is designed to develop research and other materials to benefit the charitable sector and to provide senior managers within the social services sector with an opportunity for a

sabbatical year to recharge and renew. We all gain from this program and Mr. LaJeunesse's work.

Mr. LaJeunesse was presented with the Grant MacEwan literary award and the \$25,000 cheque, which is funded by Community Development, at the May 10 gala jointly sponsored by the Writers' Guild of Alberta and the Book Publishers Association of Alberta.

Thank you.

head: Presenting Petitions

The Speaker: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Yankowsky: Thank you, Mr. Speaker. I rise to present a petition signed by 133 Albertans, mostly from Calgary, which reads:

Whereas grandparents in Alberta often experience access denial to their grandchildren, which is contrary to the best interests and rights of children, including their support, development, and well-being. We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the government of Alberta to make the necessary changes to legislation and enable the grandparents to maintain ongoing contact with their grand-children.

The Speaker: The hon. Member for West Yellowhead.

Mr. Strang: Thank you, Mr. Speaker. I have one petition to present today, and it's from the concerned parents of Grand Yellowhead regional division wanting the Grand Yellowhead regional division No. 35 board to review their plan for the school space in Edson, signed by 132 people.

The Speaker: The hon. Member for Calgary-Bow.

Ms DeLong: Thank you, Mr. Speaker. I rise today to present a petition signed by 1,052 Albertans petitioning the provincial government to "establish a provincially subsidized monthly transit pass program for low income Albertans that would apply to all municipalities with a public transit system."

head: Notices of Motions

Mr. Jonson: Mr. Speaker, I would seek the unanimous consent of the Assembly to consider the circulated document relative to Senate reform, found on all members' desks, as being oral notice and as read into the record.

The Speaker: Hon. minister, I think what you're seeking basically is unanimous consent for oral notice of the motion, not the latter part.

Mr. Jonson: Both.

The Speaker: I will be guided by the intent of the House with respect to this, but I want to provide a caution with respect to this matter. An hon. member standing up asking for oral notice – at this point in time the chair does not know what the oral notice is about. Presumably, a document has been circulated. The House has no record of such a document. If there is a procedural problem with the motion later, the chair might find himself at a disadvantage in having to deal with a procedural question with respect to whatever might be in the motion and not having seen the motion, not having heard the motion, being unaware of what the motion is. But the request was made for unanimous consent. We'll be guided by the decision of the House.

Request for unanimous consent for the oral notice side. The

second side had to do with the reading of the motion, and I think it would be very, very important that the motion should be read into it. So for oral notice, unanimous consent would then allow the minister to go forward with the reading of the motion. Okay? Clear? So it's unanimous consent to provide . . . [interjection] No, no. This again, very clear – okay? – from a procedural point, because I sense by the body language of the House that everybody understands, but I want to make sure that nobody does not understand.

The request here is for unanimous consent for oral notice for the minister to proceed. That being given, the minister will then read the motion. Is there unanimous consent?

[Unanimous consent denied]

The Speaker: Well, it's not given.

The hon. Government House Leader.

Mr. Hancock: On a point of procedure, Mr. Speaker, and for clarification, I believe the hon. member is entitled to rise and give oral notice without the unanimous consent of the House. What he was asking for unanimous consent of was to have it considered; in other words, to deliver to *Hansard* this written notice, which all members have, so that he didn't have to actually read it into the record. It would be printed into the record as though it was read.

So he is entitled to proceed but now to give oral notice by reading this to the House as the House has asked for.

The Speaker: Well, I think that's correct, and perhaps I did not provide the clearest clarification. The chair basically understands that this can be proceeded with by way of oral notice. [interjection] That's not required anyway, the unanimous consent. It's the reading of the thing.

The hon. Member for Edmonton-Highlands.

Mr. Mason: If unanimous consent is given for oral notice so that the minister doesn't have to read this, does unanimous consent also have to be given by the House before the motion can be introduced? That is my question.

The Speaker: No. There is a point later, hon. member, where that would have to be given. Right now we're just given the notice. The only thing the chair is saying is that it sure would be helpful if it was also read into it. In order to proceed with it, there will be another section later in the day that would have to be dealt with under Orders of the Day.

Mr. Mason: With unanimous consent?

The Speaker: Yes.

Mr. Mason: Thank you.

The Speaker: Right now we're just on the oral notice side. I presume that assurance has been given to the hon. minister to proceed? Is it agreed?

Hon. Members: Agreed.

The Speaker: I'm assuming it has. Proceed, hon. minister.

2:50

Mr. Jonson: Thank you, Mr. Speaker, and my apologies for contributing to that delay.

Mr. Speaker, it is my pleasure to give oral notice on the following motion.

Be it resolved that given that the current process of appointing Senators offends Canadians' democratic values, has deprived that House of political legitimacy and efficacy, and has prevented the Senate from being effective in protecting the interests of the provinces of Canada, the Legislative Assembly directs the government of Alberta to consult with Albertans on reforming the Senate through the following constitutional amendment; namely, by repealing sections 21 to 34 of the Constitution Act, 1867, and substituting the following:

21 (1) The Senate shall consist of elected members called Senators.

(2) Each Province shall be represented in the Senate by 6 Senators.

(3) Each Territory shall be represented in the Senate by 2 Senators.

22 (1) Subject to this section, the Senators representing a Province or Territory shall be elected by the electors of that Province or Territory.

(2) The legislature of a Province or of a Territory may make laws relating to the election of Senators representing that Province or Territory, including the method of election and the procedure for the election.

(3) Except in the case of by-elections, and except in the case of the first election held pursuant to this section, the election of one-half of the Senators representing a Province or Territory shall be held in conjunction with the general elections of members of the legislative assembly of the Province or of the Territory.

(4) Except as otherwise provided in subsection (6) and unless the office is sooner vacated, and except in the case of a Senator elected in a by-election, the term of office of a Senator representing a Province or Territory continues until the official announcement of the results of the Senate elections held in conjunction with the second general election in that Province or Territory after the election of that Senator.

(5) The first election held pursuant to this section in each Province or Territory shall be for the election of all the Senators representing that Province or Territory.

(6) The term of office for one-half of the Senators elected from each Province and Territory at the first election held pursuant to this section in each Province or Territory continues until the official announcement of the results of the Senate elections held in conjunction with the next general election in that Province or Territory.

(7) In relation to the Senators representing that Province or Territory, the legislature of a Province or of a Territory may make laws establishing which Senators subsection (6) applies to.

23 (1) Subject to this section, a person is qualified to be a candidate and to be elected Senator if the person is eligible to be a candidate and to be elected as a member of the House of Commons.

(2) A person is not qualified to be elected as a Senator or to remain a Senator if the person

(a) is a member of the House of Commons or of the legislative assembly of a Province or of a Territory, or

(b) is a Minister of the Crown

(3) If any question arises respecting the qualification of a Senator, the question shall be heard and determined by the Senate.

24 (1) A Senator may resign his or her seat by delivering a resignation to the Governor General.

(2) When a Senator resigns his or her seat in accordance with subsection (1), the seat immediately becomes vacant.

25 (1) A by-election to fill a vacancy in the Senate representation of a Province or Territory need not be called if

- (a) the vacancy occurs during the last year of the legal life of the legislative assembly of the Province or of the Territory, and
- (b) the term of office of the Senator who vacated that seat would have expired with the announcement of the results of the Senate elections held in conjunction with the next general election in the Province or Territory.

(2) The term of office for a Senator elected at a by-election shall be for the balance of the term of the Senator who vacated the seat.

26. The Senate may establish its own procedure for the election of the Speaker of the Senate and for the conduct of the Senate's business.

27. Subject to section 53, bills proposed to the Parliament of Canada may originate in the Senate equally as in the House of Commons.

28 (1) Where a bill is presented to the Senate after being passed by the House of Commons, if the Senate

- (a) votes against passing the bill,
- (b) passes the bill with amendments that are not acceptable to the House of Commons, or
- (c) fails to vote on the bill within 180 days after it is presented to the Senate,

the bill may be brought before the House of Commons and if again passed by the House of Commons, with such amendments made by the Senate as are concurred in by the House, the bill may be presented to the Governor General for assent, and when assented to has the same force and effect as if passed in that form by the Senate.

(2) In a bill presented to the Governor General under this section, the words of enactment shall be amended by striking out any reference to the Senate.

(3) An alteration to a bill to give effect to subsection (2) is deemed not to be an amendment of the bill.

(4) This section does not apply to a bill referred to in section 30.

29. If the Speaker of the Senate or of the House of Commons rules that the subject matter of a bill is wholly or partially within section 94A or 95, the bill may be repassed by the House of Commons under section 28 only if

- (a) the percentage of the members voting who vote to pass the bill is greater than the percentage of Senators voting who voted to reject the bill or pass it with amendments, or
- (b) the Senate fails to vote on the bill within 180 days after it is presented to the Senate.

30. Where a bill is presented to the Senate after being passed by the House of Commons and the Speaker of the Senate or of the House of Commons rules that the bill

- (a) directly affects in any way, including by taxation, the natural resources of a Province,
- (b) authorizes the expenditure of federal funds in areas of provincial jurisdiction under sections 92, 92A and 93,
- (c) is binding on a Province, or
- (d) declares a local work or undertaking to be of the general advantage of Canada or for the advantage of two or more Provinces

if the Senate votes against passing the bill or passes it with amendments not acceptable to the House of Commons, no further proceedings may take place.

31. Appointments to the Supreme Court of Canada and to the Federal Court of Appeal have no effect until they are ratified by the Senate.

32. No treaty shall be ratified by Canada unless the Senate has authorized Canada to ratify the treaty.

And be it further resolved that given that the Constitution establishes Canada as a federal system of government in which the sovereign powers of the Crown are divided between two separate but equal orders of government and that the federal Parliament is

comprised of two Houses, the House of Commons, which is designed to reflect the democratic principle of representation by population, and a Senate, which is designed to reflect the federal nature of Canada, and that Canada is a parliamentary democracy that has constitutionally enshrined the democratic right of every citizen of Canada to vote in an election of members of the House of Commons and of their Legislative Assembly, the Legislative Assembly directs the government of Alberta to initiate discussions with the government of Canada and the governments of all other provinces and territories leading to the reform of the Senate.

Thank you, Mr. Speaker.

head: Introduction of Bills

The Speaker: The hon. Minister of Economic Development on behalf of the hon. Minister of Government Services.

Bill 44

Personal Information Protection Act

Mr. Norris: Thank you, Mr. Speaker. I rise on behalf of the Member for Livingstone-MacLeod to request leave to introduce a bill being the Personal Information Protection Act.

[Motion carried; Bill 44 read a first time]

The Speaker: The hon. Member for Calgary-Lougheed.

3:00

Bill 45

Family Law Act

Ms Graham: Thank you very much, Mr. Speaker. I request leave this afternoon to introduce Bill 45, the Family Law Act.

After chairing the MLA review of the maintenance enforcement program and child access in 1998 and more recently the Unified Family Court Task Force, it is indeed a pleasure to introduce this bill. This bill will consolidate provincial family law under one act while updating it to reflect current legal practices and the current needs of Albertans. It will make it easier for Albertans to understand family law.

This bill follows extensive work done by Alberta Justice to review all provincial family law and to consult with the public, the legal community, and other stakeholders. I'd like to recognize the members of the family law reform project team from Alberta Justice. They are John Booth, Averie McNary, Marleen Poon, Ronda Goulden, Nolan Steed, Clark Dalton, and Earl Evaniew, who drafted the legislation. This legislation, Mr. Speaker, incorporates recommendations from the before-mentioned MLA review committee, the Alberta Law Reform Institute, and the input received through Alberta Justice's family law reform project.

Mr. Speaker, apart from consolidating Alberta family law, this bill also proposes amendments to a number of areas including guardianship; parenting, which was formerly known as custody and access; contact with a child; and spousal and adult interdependent partner support. This bill will be held over until the fall sitting of the Legislature to provide Albertans and the legal community with the opportunity to review the bill and provide further input.

Thank you, Mr. Speaker.

[Motion carried; Bill 45 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I would move that Bill 45, the Family Law Act, be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. On behalf of the hon. Minister of Agriculture, Food and Rural Development I wish to table today the 2002-2003 inspection report of animal facilities at the three Alberta universities using animals in research and education, as required under section 52(5) of the Universities Act. I'm pleased to say that all of the requirements were met under the Canadian Council on Animal Care guidelines.

Additionally, Mr. Speaker, I'm pleased to table responses to questions raised during the Committee of Supply for Agriculture, Food and Rural Development on May 7, 2003.

Thirdly, Mr. Speaker, this morning a function was held announcing a joint initiative of Alberta Agriculture, Food and Rural Development, the University of Alberta, and the Alberta Research Council; namely, Agri-Food Discovery Place, which is being built at the U of A to aid in making Alberta's food supply safer. I am tabling with the House the news release filed in the appropriate numbers.

Thank you, Mr. Speaker.

The Speaker: The hon. Minister of Environment.

Dr. Taylor: Thank you, Mr. Speaker. I'm very pleased to rise and table the required number of copies of the Compliance Assessment & Enforcement Initiatives annual report. There's one statement in here that says: "By raising the level of awareness about Alberta Environment's compliance objectives, and by fostering a spirit of stewardship for the environment by all Albertans, the department seeks to prevent non-compliance through a heightened awareness of environmental responsibilities." This is a report about noncompliance, so in some sense industry has failed, and in some sense we have failed because we haven't done our job well enough yet. But we are working on it, and we are getting better as we go.

The Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Yes, Mr. Speaker. I'm tabling the news release and backgrounder describing a landmark agreement, the first of its kind in Canada, which was signed today by Alberta Agriculture, Food and Rural Development, the University of Alberta, and the Alberta Research Council, which I represented as chair. The agreement establishes the Institute for Food, Agri-Industrial, and Agricultural Sciences, Alberta. The founding members will pool resources, staff and facilities valued at over \$750 million, to collaboratively manage and deliver ag research, product development, and education programs to benefit Alberta's producers, processors, and consumers and to attract new private and public investment to our important agricultural industry.

Thanks, Mr. Speaker.

The Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. I have two tablings today. First of all, I have the required number of copies of about 40-plus letters from people in my constituency regarding reducing the cost of WCB.

The second tabling is a letter to the editor of the *Western Review* in Drayton Valley just commending the good work of the people of

Drayton Valley-Calmar constituency as well as their MLA with regard to advancing the Alberta agenda, which today's motion speaks to.

The Speaker: The hon. Member for West Yellowhead.

Mr. Strang: Thank you very much, Mr. Speaker. I've got three tablings today. The first one is addressed to the hon. Premier from the concerned parents of Grande Yellowhead regional division re their plan on closure and transfer of schools in the Edson area from Grande Yellowhead regional division No. 35 to Living Waters Catholic regional division No. 42. The second one is to the hon. Minister of Infrastructure with the same concerns, and the third one is to the hon. Minister of Learning on the same subject.

Thank you.

The Speaker: The hon. Member for Calgary-Egmont.

Mr. Herard: Thank you, Mr. Speaker. I wish to table the required number of copies of correspondence signed by 42 of my constituents with regard to the Condominium Property Act.

Thank you.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. I have the appropriate number of copies of four letters to table today. Three are from constituents, and one is from the village of Cremona, all in support of the Didsbury hospital becoming part of the Calgary health region.

The Speaker: The hon. Member for Calgary-Bow.

Ms DeLong: Thank you, Mr. Speaker. I'd like to table the appropriate number of documents signed by 71 Albertans requesting that the government of Alberta take immediate steps to address funding issues affecting Our Lady of the Assumption school in the Calgary-Bow constituency.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you, Mr. Speaker. I have two tablings today. The first is on behalf of my colleague from Edmonton-Riverview and is a submission signed by 131 individuals expressing their concern about the crisis in education, reductions in teaching staff, large class sizes, and the elimination of programs like music and special academic programs. There are five copies of that.

The second tabling, Mr. Speaker, is five copies of a submission to be made to the Standing Policy Committee on Health and Community Living next month entitled Creating Protections for Better Lives of Vulnerable Seniors in Care Today and in The Future. It's prepared by Families Allied to Influence Responsible Eldercare, also known as FAIRE.

Thank you.

The Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you, Mr. Speaker. With your permission I'd like to table the appropriate number of copies of a document signed by 872 Albertans that represent many cities and towns throughout the province. They are urging the government

to acknowledge that the maintenance and construction costs of schools, hospitals, and roads are part of the provincial debt and to consider splitting the budget surplus between the monetary debt and the infrastructure debt.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I have three tablings today. The first one is a petition signed by 77 citizens of Alberta, most of them from the city of Calgary. These citizens are calling for “an immediate increase in AISH . . . and SFI . . . rates based on the feedback received during the government’s low-income review.”

The second tabling is the appropriate number of copies of The Stakeholder Coalition for Economic Transmission Policy, which was a presentation to the Standing Policy Committee on Energy and Sustainable Development on February 25, 2002.

The third tabling is a copy of a letter that was received by the hon. Member for Lethbridge-East and also by the hon. Member for Edmonton-Strathcona. It is a letter to the hon. Minister of Justice and Attorney General dated May 14, 2003, and it’s from the mayor, His Worship Bill Smith. This is in regard to Bill 42, the Electoral Divisions Act, and the mayor is imploring us in this Assembly “not to ignore the opposition to Edmonton’s loss of voice” with the redistribution.

Thank you.

3:10

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. With permission I’d table five copies of two e-mails from Bonnie Dani, a teacher who is going to be affected by the cuts in Edmonton public, who states in part that she feels that she’s being “forced out” of the profession and is having great difficulty understanding why the government doesn’t fund the arbitrated settlement with teachers.

Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I’ve got two tablings today. The first one is a letter addressed to me about two weeks ago from one of my constituents – the name of the constituent is Hélène O’Connor – who is looking forward to going to the University of Ottawa for her medical degree in French, the second language. On completion of her degree Miss O’Connor would be returning to Edmonton and offering services in both official languages to Albertans. However, she is concerned with the rising cost of medical education and requests that some additional financial support be provided to her and other Albertans like her who are pursuing their studies for good reason outside of Alberta.

The second tabling, Mr. Speaker, is a set of six letters out of more than 40 that my office has received over the last little while. These letters are from members of Edmonton’s deaf community, interpretive students, parents of deaf children, and deaf associations, all concerned about the sudden closure of the ASL interpreter program at Grant MacEwan College. I’ll quickly read the names of the writers. The first letter is from the president of the Edmonton Association of the Deaf; the second one from Dr. David Mason, a professor and deaf activist; the third one from the president of the Canadian Cultural Society of the Deaf; the fourth one from the Alberta Cultural Society of the Deaf; the fifth from the president of the Alberta Association of the Deaf; and the last one is a letter from the mother of a deaf child who reminds this House and the government that accessibility for a deaf child means having qualified interpreters to make day-to-day events such as going to school or going to the doctor possible for her.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I’m tabling a letter today from William Daly dated April 11, 2003. This senior is concerned with the ever increasing utility costs and inflation in Alberta and says that it’s forcing many seniors to go without prescriptions for false teeth, glasses, and hearing aids because they can no longer afford them.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I rise to table the requisite number of copies of one report relating to electricity prices. It discusses how people are being misled by inflation into thinking that long-term electrical prices are going up when in fact they are going down in real dollars. It outlines how California electricity prices before the attempted restructuring were nearly 14 cents per kilowatt-hour expressed in Canadian dollars and how average U.S. residential prices across the nation in 2002 were about 13 cents per kilowatt-hour in Canadian dollars, apparently the lowest price in 30 years in real dollars. The report is titled Electricity Retail Price Fact Sheet from the U.S. Department of Energy.

Thank you, Mr. Speaker.

head: **Tablings to the Clerk**

The Clerk: I wish to advise the House that the following documents were deposited with the office of the Clerk.

By the hon. Mrs. Nelson, Minister of Finance, the Automobile Insurance Board annual report for the year ending December 31, 2002; the Alberta Municipal Financing Corporation 2002 annual report; the report of selected payments to members and former Members of the Legislative Assembly and persons directly associated with Members of the Legislative Assembly for the year ended March 31, 2002; and the report entitled General Revenue Fund: Details of Grants, Supplies and Services, Capital Assets and Other, by Payee for the year ended March 31, 2002.

By the hon. Mr. Dunford, Minister of Human Resources and Employment, response to Written Question 3 asked for by Mr. MacDonald on March 17, 2003.

By the hon. Mr. Woloshyn, Minister of Seniors, response to Written Question 5 asked for by Ms Blakeman on March 17, 2003.

By the hon. Mr. Coutts, Minister of Government Services, response to Written Question 6 asked for by Mr. MacDonald on March 17, 2003.

By the hon. Mr. Cardinal, Minister of Sustainable Resource Development, response to Written Question 8 asked for by Ms Carlson on March 17, 2003.

By the hon. Dr. Taylor, Minister of Environment, response to Written Question 10 asked for by Ms Carlson on March 17, 2003.

By the hon. Mr. Stelmach, Minister of Transportation, response to Written Question 11 asked for by Mr. Bonner on April 14, 2003.

By the hon. Mr. Boutilier, Minister of Municipal Affairs, response to Written Question 12 asked for by Mr. Bonner on April 14, 2003.

By the hon. Mr. Mar, Minister of Health and Wellness, return to order of the Assembly MR3 asked for by Dr. Taft on March 17, 2003; and return to order of the Assembly MR6 asked for by Dr. Taft on March 17, 2003.

By the hon. Mr. Stevens, Minister of Gaming, responses to questions raised on April 10, 2003, Department of Gaming 2003-04 Committee of Supply debate; a letter dated May 14, 2003, from the hon. Mr. Stevens, Minister of Gaming, to Wendy M. Sauvé of Edmonton regarding the distribution of funds from the Alberta lottery fund; responses to Written Question 13 and Written Question 14 asked for by Ms Blakeman on April 28, 2003.

head: **Orders of the Day**

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I would seek unanimous consent of the House to waive Standing Order 61(2) to allow for third reading of Bill 40, the Appropriation Act, 2003, on the same day that it's reported out of Committee of the Whole.

[Unanimous consent denied]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you. Mr. Speaker, I also seek unanimous consent of the House to waive Standing Order 38(1) requiring notice to allow for debate on the government motion introduced by oral notice this afternoon by the hon. Minister of International and Intergovernmental Relations, the Senate resolution, on the same day as oral notice was given.

[Unanimous consent denied]

head: **Government Bills and Orders**

head: **Committee of the Whole**

[Mr. Tannas in the chair]

The Chair: I now call the Committee of the Whole to order, and the hon. Member for Edmonton-Highlands has indicated he wished to speak before we say what we're going to do.

Point of Order Gestures

Mr. Mason: Thank you very much, Mr. Chairman. I regret to inform you and the Assembly that the Minister of Economic Development, to express his dissatisfaction with the exercise of our duties in this House, saw fit to give us a single-finger salute, if I may put it delicately, and I know that other members on this side have also witnessed this event. This follows a similar situation in the Ontario Legislature just yesterday, which resulted in quite a severe response from the Speaker there. So I would suggest that the hon. member is behaving in a way that is unparliamentary and, although it is unspoken, falls afoul of section 23(j) of our rules: "uses abusive or insulting language of a nature likely to create disorder." I would argue, in fact, that given our guests today and the issues raised about sign language, the minister spoke volumes in a most insulting fashion for the exercise of our democratic rights in this Assembly, and I would ask that you would so rule.

Thank you.

3:20

The Chair: The hon. Minister of Economic Development.

Mr. Norris: Yeah. Mr. Chairman, I have glasses. I've had them since I was 11 years old. I have a habit whenever I sit down of doing this, and they are adjusted on my face on a regular basis. Mr. Chairman, you wear glasses, as do many members. I know that on a hot day like today they have a tendency to slip down on the bridge of your nose.

If that was the indication that you got, I apologize, hon. member. That was not the intent whatsoever of my sitting down and going like this. So I would apologize to the hon. member if he misinterpreted that gesture, but having glasses, which God willed me to

have, I run into that problem all the time. I will attempt not to let that happen in the hon. member's direction in the future.

Thank you.

The Chair: I don't really propose to go on debating this particular item. There is a problem in that this has been raised in committee and it's an allegation of something that happened in Assembly and so would have to be dealt with in Assembly. That's the technical way out. The member has apologized for any misinterpretation, whatever gesture was made to adjust glasses or other, that it be noted as just that. But the chair is in an awkward position in saying that it did not occur in committee, so committee cannot deal with it. We're into it before we know. So I think we'll just let it be there. If you wish to bring it up again, hon. member, in Assembly, I guess you could. I think we've had enough debate on this. Have you had enough debate?

Some Hon. Members: Yes.

The Chair: If you wish to raise it again or if you wish to accept the apology, fine and dandy. I'm not recognizing either individual. We're in committee, not in Assembly, and committee has no right to make judgments on what happens in Assembly. I can honestly say: I did not see any action like this while in committee.

Bill 40 Appropriation Act, 2003

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Chairman. I appreciate the opportunity to be able to comment further on the budget as it appears in Bill 40, the Appropriation Act, 2003, in Committee of the Whole, which allows me to go a bit more in depth in discussing the budget that's brought before us as this appropriation bill. There are a number of different issues that I would like to address that have been brought forward to me by constituents and other Albertans who've asked me to either ask questions or put some comments on the record, and I'm happy to do so at this point in time.

The first area is around the budget for Learning and some concerns brought forward. The specific questions are: has the department monitored teacher time off over the last 18 months? My constituent felt that there needed to be close scrutiny of whether there had been an increase in stress leave or time taken off for health reasons related to stress, particularly by examining statistics around whether there had been reported cases of cancer, hypertension, strokes, or heart attacks as reported by members of the teaching and administrative staff employed in the education system from K to 12. Her concerns were particularly raised after she had attended the budget speech.

I should point out that she is an Australian and still has other members of her family living in Australia, adult brothers and sisters. She notes in an e-mail to me that both mother and father are working very hard and giving up some of the luxuries that we enjoy here in Canada because their public education system has deteriorated to a point where they feel that it's necessary to pay to put their children through a private system. Her concern is that the stress that we are putting the education system under could lead us to the situation that they have in Australia. I made note of this because I know that this government has in the past brought forward as a fine example of government a number of the decisions made by the Australian

government and a number of the policies that they put into effect, and this government has been happy to follow those, although I have to say that I don't think that many of them have been very successful. Her concern overall is that we have a good education system here that has been built up through investment over a number of years, that in fact we have built up an equity, if you wish, over those years, and that we have been eroding it since the cuts were brought forward in the '94-95 year.

Now, the Premier likes to talk about a 53 percent increase to the education budget, and indeed that is true if you compare it to the very lowest funding year, which was the '95-96 year. Compared to that, yes, there has been an increase of 53 percent. You actually can get figures through the Department of Learning itself that show different ways to interpret the numbers, and if you factor in things like inflation and other economic factors, we find either 3 percent or an 11 percent increase in funding to education, and that's not balancing it against any increase in enrollment.

So there is a concern that we have a very good system and that we are poised and, some would say, well down the road toward eroding that, and I have to say that that's my take on the system as well. As the child of two teachers, both of them now retired, the differences I see from when they were teaching until now are fairly significant, and I don't want to see us lose any of our standing that we have nationally and internationally, but I think that is a possibility.

This may be a performance measurement that we can look at that tells us whether we have increased stresses that are placed on our staff that are supporting the education system, and I would be interested in whether the department has been tracking that time off, been tracking illnesses as I described. If I could get that information, I think it would serve as an interesting performance measurement. Okay. That's the first issue that was raised with me.

The second issue is around employment standards. I've had an interesting, long-standing issue raised with me by a constituent, and although he doesn't expect his particular situation to be addressed because it's too long ago, he notes that the very situation that caused him grief has not in fact been improved. That's around the ability through the Employment Standards Code to enforce actions against the board of directors of a company.

3:30

So, for example, if the employees are – he uses more colourful language; I'm trying to make it more parliamentary – on the short end of the stick because of an action of the board of directors of a company, that individual employee can't charge the directors with a breach under the Employment Standards Code. It's too difficult to prove that any one of them individually committed the crime or the breach. His case was 13 years ago, and nothing has changed from there. He's suggesting that the Employment Standards Code offences be made strict liability. So if the directors were held jointly and severally criminally liable under the code for acts of the corporation, then the Alberta boards of directors would have their moral and legal concentration focused considerably.

[Mr. Shariff in the chair]

I think there's a lot to that because we know that although wages and Revenue Canada are supposed to be the first money out from a corporation that has declared bankruptcy or been forced into bankruptcy, often there are others that get in there and in fact the employees never see the money. In the case where a company knows that it's treading on eggshells, they may well start to lay people off and not give them severance. Well, then, when those employees try to chase down their legitimate severance paycheques,

the company by then has gone under two or three weeks later and the employee gets nothing and is not even on a list of current employees at the time that the company closed its doors or was forced to close its doors.

That's the sort of context of the situation that we're talking about here. So I'm interested in whether the minister has ever heard of this issue before or the difficulties around being able to make individual directors criminally liable and the difficulty of employees trying to do that and whether any of his staff has ever looked at or investigated the possibility of changing the Employment Standards Code to reflect the situation I've just described.

The next situation is a health issue that was brought to me, and I think that what I'm going to do is just write to the minister about this. She had asked me to raise it in the budget debates. The problem is that this woman had breast cancer. She was able to get breast reconstruction, and of course all of that was covered under health care. Then what's happened to her is that the healthy breast needed to be lifted, and that's not covered under health care, and she was not able to get any kind of funding under that and of course can't afford to do it herself. So the good intentions of the breast reconstruction that was covered by Alberta health care is not able to be followed through because she can't get the additional surgery for the healthy breast. So I will write more details on that one to the minister.

The issue of AISH and what's happening with AISH is of great concern to a number of my constituents. I want to commend the minister and his staff and whatever MLA committee there was that was looking at this one for not combining AISH with the existing programs. We had Bill 32 go through, and thankfully AISH was not included in that, and that was very important to my constituents and, I know, to others. But there continue to be additional stresses that need to be addressed; specifically, removing the medical benefits from the income support, so detaching the medical benefits from the income support.

The point is made that some AISH recipients could earn higher salaries, but they're forced to choose between their medical benefits and earning more employment income, and of course at that point they're always going to opt for the medical benefits. Now, if they could be confident that they could keep their medical benefits indefinitely and return to income support if necessary, some AISH recipients, not all by any means, would move more freely into the workforce, and this is being brought forward by the Alberta Committee of Citizens with Disabilities. The argument I've just made appears in their February 2003 *Action Notes*. It's certainly an issue that I have seen and dealt with in doing casework for my constituents.

They really need those medical benefits because it can be a lot of money out of pocket for them, particularly if they're trying to find some other kind of holistic approach or they've got over-the-counter medications which are helpful but not covered under the medical benefits. They really need those medical benefits, and they will give up trying to earn a higher income in order to secure those. So I think we're being penny-wise and pound-foolish here. Certainly, I would always be advocating for choice, but I think there's a possibility here to allow some people that are AISH recipients to move more into the workforce if we were able to offer them these medical benefits indefinitely.

The second issue is raising the income exemption levels. British Columbia just raised their exemption levels to \$300, Ontario allows \$160 plus \$140 for work-related expenses, and I think even in Alberta the Premier's council just recommended \$500 a month. I haven't seen any of those changes happening, so I'm hoping that in the context of this budget and in the context of the three-year budget

plan that we've just had put before us from the Department of Human Resources and Employment, the minister can be addressing those three issues, and I look forward to hearing that from him.

The next issue also falls under the Department of Human Resources and Employment, and this is around an experience that a constituent had with the on-the-job training program. Two things in particular he found puzzling, one of which was that they were given a number of forms which were either filled out for them or they were told exactly how to fill out. When they asked why they were doing this as part of this whole job retraining program that was offered by a private provider, they were told that they just had to have this stuff in their files in case the government decided to do an audit.

Of course, that pricked up my ears because the whole issue around private providers providing these job training programs has come under scrutiny I think every year for the last five or six years by the Auditor General exactly for these kinds of reporting problems, tracking, accountability problems. The government has not been strict about monitoring the money that was going out and whether in fact Alberta's citizens were getting value for money in what was being paid in contracts. I think that we all really want people that are going through these programs to be able to get the best benefit from them and re-enter the workforce. We don't want to see money that's misused in any way. So that caused some curiosity from my constituent.

The second part of that is that they asked where the particular program that they were in applied, and they were told: Edmonton and vicinity. Well, it turns out after some investigation by my constituent that that program is offered by different private providers all the way across Alberta, but in fact this particular private provider only offered the program in Edmonton and vicinity, and therefore that's what they told that class. Now, any of those individuals that wanted to move somewhere else in Alberta now believed that they couldn't take the rewards of that class or the references from that class and put them in place anywhere else or they couldn't transfer a file anywhere else in Alberta, which is fairly restrictive and I think by the record was deceptive.

So I think a couple of things. My constituent suggests sending the staff to the sessions incognito to monitor and check that everything is done as it should be and also requiring each provider to give a list of contacts for the training on the job program by community or area and to make sure that these companies mention that any given program is available throughout the province. So that's the issue from that constituent.

There were some questions I did not get the time to ask during the budget debate on Community Development, and I'd just like to put those on the record now. I understand that my time will run out on me eventually, and I'll just try and get another opportunity to speak if I can.

The money to protect and present Alberta's history and culture is up only 4 percent, and this does not reflect an increase for the actual dollars spent in years past. I'm wondering why that is. I think that in some cases the numbers differ if you're going from the forecast or from the actual. Nonetheless, it's not reflective of what has happened in the past.

3:40

Under Ministry Support Services, which appears on page 73, the minister's office is getting about a \$70,000 increase. Could I please get the details on what that money is being used for? Is it staff? Is it decorating of the offices? Is it an increased communication budget? Is it supplies? I'd like the details, please.

I also note under Ministry Support Services that the deputy minister's office is getting a \$13,000 increase. I'd like details on what that \$13,000 is being used for, please.

Strategic corporate services is up by \$1.2 million. Could I please get details on what this increase is for? Again, is it staff; is it supplies and services? I'd like to know exactly what this money is being used for.

Under Cultural Facilities and Historical Resources, on page 77, program support is down by \$17,000. Could I get an explanation as to why this budget has dropped? Was there something extraordinary done the year before that inflated that budget so that in comparison this year appears to have dropped? Why is it reduced? Heritage resource management is up by \$1.4 million, and I'd like to get a breakdown of what the additional money is for.

Now, funding for assistance to the Alberta Historical Resources Foundation is up by a million dollars. In the forecast for '02-03 there was also a line item for \$3.7 million for cultural facilities and historical resources grants, but this does not appear in this year's budget, so could I get an explanation for that? I think we're looking specifically at vote 5.2.2 and 5.2.1, two different votes there but two different things happening. A million dollars up on 5.2.2, but the resource grants have disappeared from vote 5.2.1.

Historic resources fund is down \$1.3 million from last year's budget. That's appearing on page 82. Could I get details on that cut, please?

Of the 23 performance measurements for the department 16 have not been met. Agreed, some of them were not met by a fairly small percentage. Nonetheless, they were not met. The response from the ministry, it appears to me, has been to just rejig the measurements based on a three-year average of the actual results. So, as always, I have some questions about the performance measurement in this department. It doesn't seem to have found a successful solution to this. Almost every year I think they've either changed or there have not been targets set, so we can't measure against it. There's been a different excuse every year I've been examining this budget over seven years, so there are some stresses happening there.

I can't hear, so you're going to have to wave at me.

The Acting Chair: Hon. members.

Ms Blakeman: Thank you.

The Acting Chair: Hon. members, the Member for Edmonton-Centre is expressing concern that it's difficult to hear in the Assembly, so please give her the due courtesy. Thank you.

The hon. Member for Edmonton-Centre.

Ms Blakeman: Sorry. I have to clarify: it's not them; it's me. My ears are plugged because my cold is so bad. So, frankly, even if they were talking, I couldn't hear them. No, it's not the rest of the members. It's myself.

The last issue that I had was on school funding, and I had taken a look at the Oliver school council submission to the Alberta Commission on Learning, and they had been raising a number of issues which I haven't seen particularly discussed or coming forth. One of the issues they had raised was that they feel that we need to teach our students social skills and group skills, noting that the main reason why people are dismissed from positions is not about their inadequate skills but literally their inability to work with other people. So part of what we need to be addressing is getting along with other people, and that needs to partly come through the school system.

Developing a passion for learning in students, encouraging them to ask the right questions, and integrating the arts and physical education . . . [Ms Blakeman's speaking time expired]

Thank you.

The Acting Chair: The hon. Member for Edmonton-Gold Bar.

[Mr. Tannas in the chair]

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to rise and participate in the budget debate on Bill 40, the Appropriation Act, 2003. At this time there are many issues as one goes through this bill portfolio by portfolio, and I can't help but think that at one time there were 16 portfolios. Certainly, it has grown much larger than that, to 24, even larger than that. At a time when hundreds of teachers, close to a thousand across the province, are being laid off, it's ironic that we still have this large Executive Council expense before us. The last time there were going to be layoffs or retrenchments in this province, there was a reduction in the size of cabinet, and this does not appear to be happening at this time, and I find that quite odd. I suppose it could be summed up by government members as: that was then; this is now.

Particularly in the Learning department there have been issues raised by this hon. member in regard to funding for apprenticeship training at SAIT and NAIT and at various other locations across the province. There is talk of a shortage of young people entering the skilled trades, and I would like to know how much of the \$3.5 billion is being used to ensure that there are classrooms for instruction to take place for those individuals, that there are instructors hired, that the instructors are compensated. Certainly, from what I'm hearing, there have been not only layoffs at the elementary and high school and junior high levels, but there have been retrenchments as well at some of our technological institutions. I would like to know at this time what is being done by this government to ensure that our young people are getting all the training they need to make a positive contribution to the economic well-being of this province with a trade qualification.

Also, if one looks at Community Development, certainly there are still many questions to be answered there. Why did the minister not utilize all of the money budgeted last year for parks and protected areas? There are many ways the extra money, Mr. Chairman, could have been used, like park maintenance and extra park monitoring. Why wasn't the extra \$5 million used in this way? There's a lot of monitoring going on by this government, and I don't know how far the monitoring has gone on in the parks. In parks operations under Community Development funding has increased by roughly \$1.7 million, and where is this money going to, and will this funding increase be permanent? Now, parks operations spent nearly \$1 million less than was budgeted for. What was the reason for this? What spending took place under the line item nominal sum disposals? Why was the nominal sum disposals budgeted for \$4 million last year but nothing was spent? What capital was purchased last year for parks and protected areas for \$1.4 million? What capital is to be bought this year for \$1.3 million?

Also, with the Community Development and the budget, Mr. Chairman, we are indicating here that parks operations revenue is anticipated to increase this year from \$2.8 million to \$4.4 million. What is the ministry anticipating will increase their revenues this much? What assumption is this number based on? Will this be from increased fees or increased attendance? If it is from increased fees, how is this expected to affect attendance? If it is from increased attendance, what marketing or communication plans are going to be used to accomplish this? Are particular parks expected to have more growth than others, and if so, which ones?

3:50

The mission for the ministry states that it strives to preserve Alberta's natural heritage, but there are many examples of the ministry allowing its destruction, such as the Whaleback and the Bighorn. Can the minister reconcile the ministry's mission with its actions?

Now, certainly, we've heard much in the past about the business plans and how they're going to be reflected not only in various portfolios but being specific again to Community Development. On pages 92 and 93 the ministry faces the challenge of high demands for up-to-date and sophisticated exhibits at various ministry-run centres. As well, it states that the ministry faces the challenges of integrating new information technologies and upgrading or building new infrastructure. What is the ministry doing to face up to these challenges, and when will the process to investigate, identify, and implement steps to increase self-generating revenues be in place? What is the minister's attitude toward increasing user fees at parks and protected areas? Would the department or the minister please elaborate on the performance measures on page 96 of the business plan and explain how visitor satisfaction was determined?

Mr. Chairman, there are other issues which I certainly want to get to in Community Development, and I think I will continue with that, but I have a lot of questions in regard to Agriculture, Food and Rural Development. It is one of the top spending departments of this government, but there are other questions on Community Development that I believe warrant attention.

Now, there have been strategies stating that the Ministry of Community Development wants to "develop an updated parks system plan and strategic direction." This is very similar to what we heard last year in their strategies, to develop a provincial strategy for managing an expanded parks and protected area system with reduced funding. What was the product of last year's strategy? How was last year's strategy different from this year's? What does the ministry mean when it states that it wants to develop a "strategic direction for the management and protection of Alberta's parks and protected areas"? What assumptions will this strategic direction be built upon? What legislation needs to be updated to facilitate management and protection of parks by the ministry? What changes will be made to these pieces of legislation? What new legislation will be brought forward?

Also, the ministry indicates that it wants to go on an education, interpretation, and marketing campaign. Some would describe it as a binge, but I'm going to be gracious and say that it's just a campaign. How much does the ministry plan to spend on this measure? What groups does this ministry plan on targeting for its campaign, and what will be the basic messaging of the campaign?

Also, with Community Development the department wants to make available more volunteer opportunities in the parks. Will these volunteers be replacing paid staff, and what proportion of volunteers of all park staff does the ministry see as being an optimal level?

The budget also indicates that there are going to be priority parks and protected areas. What criteria do priority parks and protected areas meet? Does this mean that the ministry views these parks as more important than the rest? Which areas are viewed by the ministry as being priority? Do priority areas receive more funding and also more attention?

Also, there is an indication that there's a need for a new strategic development for contracting facility operations in parks and protected areas. If the ministry wants a new strategic direction, what is the old strategic direction? What does the ministry plan on changing? What is currently contracted out? What does the ministry wish to contract out in the future? What safeguards has the ministry put in place to ensure service levels are high from contractors, and what type of contract tendering system does the ministry have, and what it is going to do to change it?

Now, I certainly hope I don't have to read about these questions at some point in the future in an Auditor General's report, whether

it's the one coming out this fall or the fall after that, but those questions in regard to Community Development, Mr. Chairman, I think are timely in light of the fact that there is close to \$634 million consumed there.

Agriculture, Food and Rural Development in Bill 40. [interjection] An hon. member said: let's waste more time. I would certainly disagree with that, Mr. Chairman. This is an appropriate time to have one more look at how this government is spending money. When citizens realize that there has been such a large increase in funding by this government, a 50 percent increase in funding by this government in roughly five years, they want to know that the money is being spent wisely, and the time in this Assembly discussing how tax dollars are being spent is not time that is poorly spent. I think we wouldn't be in the problems we are today with public education and public health care and deficiencies in our energy deregulation schemes, whether they be for natural gas or electricity, if this Assembly spent more time actually debating issues and the merits of issues, the merits of budgets. When one considers that in this session alone we had closure on Bill 3, the Electric Utilities Act; we had closure on Bill 19, an act to deal with natural gas pricing and distribution; we had closure on Bill 27, to deal with labour relations with some of our most precious human resources, and that's our health care professionals; and to add insult to injury, now we have closure on Bill 42, to change the electoral map of this province – so to say that debate in this Assembly is a waste of time is certainly incorrect. [interjection]

Now, if the hon. Member for Calgary-Egmont would like to participate in debate, then I would welcome that and sit and listen quietly to his opinion.

The Chair: Hon. member, he has not indicated to me nor have I heard him at this short distance say that he wanted to enter into the debate.

Mr. MacDonald: Now, Mr. Chairman, it's quite clear in the time that I have left that this year's budget is representing a retooling in the way the Department of Agriculture, Food and Rural Development is delivering services. It is reflective of the announcements earlier this year that there would be a shift away from ad hoc programs to insurance. Certainly, the department is one of the top spending departments of this government. Actual spending in 2001-2002 was \$737 million, and the 2002-03 forecast is expected to top over \$750 million.

Alberta's agricultural industry has taken many hits over the past few years – there's no doubt about that – several years of drought in many areas of the province, grasshopper infestations, and extraordinary losses in the livestock sectors. There have been international concerns over foot and mouth disease and mad cow disease, and there have been safety concerns expressed with regard to chronic wasting disease on Alberta's game farms. Farmers have also faced international trade issues and sanctions. Last year the U.S. farm bill created many concerns with regard to subsidization of farmers. European countries are very heavily subsidized all the while commodity prices are in significant decline, and this is reflected in, I guess you could call it, farm gate incomes, Mr. Chairman.

4:00

Now, when we look at the budget for agriculture, the minister's office is getting a \$19,000 increase. At this time I would like an explanation of this. Are the offices of the minister being renovated this year? Certainly, we look at some of the district ag offices. A little bit over a year ago it was realized after that budget, Mr. Chairman, that some of those were being closed.

Now, the Standing Policy Committee on Agriculture and Municipal Affairs is getting a modest increase, a \$2,000 increase, for a total of \$104,000. When are we going to see openness and transparency in this process so that Albertans can tell whether or not their money is being well spent? Or, you know, is that \$2,000 the price of muffins and stuff like that – has that gone up? – that is on the table there whenever one enters the standing policy committee meetings? Certainly, not only do the government members get to attend those meetings but members of the public, and there are always muffins and juice and coffee and stuff there. But, now, I don't know what goes on at the closed-door standing policy committee meetings. I don't think it would be any different. Surely, there's no catering of full-course meals going on there.

Communications is getting a \$34,000 increase this year, bringing the total up to \$263,000. Could we get a breakdown of what this increase entails?

Now, the Alberta farm fuel distribution allowance has remained constant over the past few years at \$33.5 million. The Alberta farm fuel distribution allowance is a program which reduces the cost of marked gas or marked fuel by 6 cents per litre. If the line item has stayed the same for the past few years while the number of qualifying producers has changed, is the department looking into reviewing the rate or the total dollars allocated?

A new line item has been added for the farm water program. This is a program that will give farm units up to \$5,000 for projects which increase water supply or tap into new sources of water. How many applications have been received, and how many have been approved, and what areas of the province are the majority of these applications coming from, Mr. Chairman?

Also, the farm income assistance program is one that is designed to pay out a certain dollar amount per acre, per beehive, or per square foot of covered crop to a producer. There was a budgeted amount for this program in 2001-2002 and actual payout amounts of over \$280 million. Although there was no line item amount in the 2002-03 budget, there were payments under the program last year. It is forecasted that over \$333 million, Mr. Chairman, was paid out. This is one of the ad hoc programs that really needs to be evaluated. This year's budget contains no allocated amount for this program. Has the program been scrapped due to new changes in insurance? If not, what is the future of this program going to be? Will it be scrapped in the future? Will we be seeing this again in supplementary estimates later this year? I would imagine that the hon. Member for Edmonton-Centre will have a great deal to say regarding supplementary estimates.

Now, industry development, Mr. Chairman. Gross dollar amounts for two areas, pork, poultry and dairy and diversified livestock, are down from the 2002-2003 budget slightly. Why? Is the government looking to end the diversified livestock portion of industry development, which includes game animals?

I hope to get a chance to talk about sustainable agriculture in a few minutes in committee as well.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I appreciate the opportunity to make some comments and ask some further questions as we consider Bill 40, the Appropriation Act, 2003. When we were in committee, I didn't make any comments or suggestions about some portions of the budget, and I would like to do that now.

The budget has really placed the K to 12 education system under great stress. We've heard in question period for the last month or so the implications of the budget: what that budget is doing to class-

rooms across the province, what it's doing to class size, and what it's doing to the complement of teachers across the province. It's of real concern. One couldn't sit at the press conference held by Edmonton public yesterday and not be distressed by how the budget now is being played out in that school district. We've heard, of course, from two of the other three larger urban districts who are going to be facing if not similar problems to Edmonton public problems that are very close.

I think that one of the unfortunate things that has happened has been the failure of the Department of Learning to establish any standards with respect to class size. I've heard the arguments of the minister, yet against the minister's arguments I put the experience south of the border where almost every state has instituted some form of class size standard, particularly with respect to the primary grades, grades 1 to 3. I think that if those standards had been in place and the resources had been planned to follow them, then we wouldn't have had the kinds of problems that this budget has resulted in.

The whole business of classroom conditions was a huge problem and a huge part of the issue behind the provincewide teachers' strike. Certainly, wages were also an issue, but really it was classroom conditions, as I traveled across the province, that I heard from teachers and teacher group after teacher group that were the driving force behind that strike. The arbitrated settlement looked after the wage concerns but did nothing to address the underlying concerns for classroom conditions. This budget is making those classroom conditions worse for teachers, and more importantly it's making it worse for children to receive the kind of education in the kind of context that we would all wish for.

With respect to Edmonton public I think that this budget actually turns the clock back a number of years, a decade, and wipes out any progress that had been made with respect to the reduction of class size. It's a budget that also draws into question the moves that the government made close to a decade ago in restricting the financial ability of school boards. In the past we wouldn't have found ourselves in this position. Local school boards would have had the ability to find the resources to keep schools operating at least at last year's levels if not improving them. I know that there were some difficulties with discrepancies and inequities across the province in the way that the financial resources for schools were allocated at that time, but it was really a \$30 million problem that could have easily been solved. By taking away any possibility of boards adequately funding their schools and centralizing that authority with the Department of Learning and the government, I think that that action has led to where we find ourselves today. I think the underfunding across the last decade, too, has been a factor, and I think that we were coming to this financial crisis at some point and that the teachers' arbitrated settlement really hurried that climax along. It's going to be very, very stressful.

4:10

The budget allowed for a 2 percent increase in the basic instructional grant, and the reality of school board life these days is that grid creep, the amount of money that boards require each year just to pay for the movement of teachers up the grid, amounts to almost 2 percent alone. The other thing that the boards are faced with is that the arbitrator has wiped out the lowest category for beginning teachers, so that has bumped those teachers up. The result is that the 2 percent in the grants is almost used up before the boards ever start trying to cover the cost of experience increments for teachers. Then to try to accommodate other expenses, to try to accommodate inflation, to try to cover the arbitrated teachers' settlement has just placed them in an impossible position.

I think that the other thing that the government built into the projections for the 2003 calendar year was a 3.7 percent increase due to inflation. If you look at inflation in this area and across the province, inflation has run much higher than that. There was a report from Statistics Canada this morning that inflation in the Edmonton area is now approaching the 9 percent level. Again, that inflationary increase really puts boards who have been given a much lower grant level than that at a serious disadvantage in trying to maintain levels of service that they have and makes it virtually impossible to do anything in terms of improving service.

The transportation grant has increased by 3 percent. Again, the cost increases with respect to fuel – and those cost increases generally exceed the rate of inflation, and it places the boards in an impossible situation. I think that what it does too, Mr. Chairman, is point out the need for a funding formula that looks at the actual costs of delivering service, and that is something that hasn't been done. We seem to be in sort of a judgmental model that each year the Department of Learning looks at the pot of money that might be available and then sits down and writes a budget that fits that. Often, as it was this year, tragically, that pot of money that they've guessed at bears no relation to the real costs that are being faced by school boards. In the case of Edmonton it resulted in 450 teachers being cut.

There is a difference between being cut, Mr. Chairman, and being laid off. The chairman of the board at the news conference yesterday made it abundantly clear that these are not layoffs, that these are teacher cuts, and these teachers will have no contractual connection with the school board as of the coming year, September 1. It's a tragic loss, I think, for the city. I remember the boards when they were talking about hiring new teachers saying that they were going out looking for the Gretzkys of teaching, and here we are seeing the Gretzkys of teaching being left without jobs in the coming year. Again, it's retrograde. It's backward. It's so unnecessary in a province that is as wealthy as we are and has the capacity for doing much better planning.

Another concern with the line item for the Learning department is the concern for children with special needs. I think the budget includes an increase of \$17 million, but that is used to cover the additional costs associated with providing educational services to a growing number of students with severe special needs, and it doesn't provide for any additional per student funding beyond the 2 percent that's there for the basic instructional grant. We all know the huge pressure that has been on boards and on schools in trying to provide adequate service for children with severe special needs and, in fact, all special-needs children, and it's a huge pressure. For parents, if you have youngsters with special needs, it seems that your life is a constant battle with the local schools and school boards trying to marshal and make sure that your youngster gets the kinds of resources that he or she needs, the kind of program that the youngster needs. Even when they get it, even when they have an IPP that meets their needs, that still doesn't guarantee that youngsters will get what has been specified in that plan.

So for special-needs children and their parents this is a budget that again is bad news, and the cuts to classrooms, the increase of classroom size are only going to lead to more difficulties for those youngsters. We're back, I think, to the situation that has been complained about time and time again in this province, that in many cases special-needs children are being warehoused, that they're being placed in classrooms and that's about it. The resources that they need to provide them with adequate programs are just not there.

There is \$17 million for teachers' salary enhancement, and that money is the fund that is used to fund the 2 percent teacher salary enhancement line that was in the budget two years ago from the end

of the fiscal year, March 30, 2003, to the end of the school year, August 31, 2003, and it doesn't represent any new funding.

The technology upgrading fund of \$20 million is a continuation of the grant that we've had of \$43 a student, and if you look across the continent at other jurisdictions and what they're providing in terms of technology for students, this looks very meagre indeed, Mr. Chairman. I looked at some states that are adjacent to our country where \$143 American are being set aside per student to meet the technology demands of schools, the purchase of hardware and software to try to address the evergreening problems that schools have.

There is \$6 million to accommodate enrollment growth, and the key word here is enrollment. It's based on the assumption that enrollment growth will not exceed 0.25 percent, and again it doesn't provide for any additional per student funding.

There was \$20 million in onetime funding for the purchase of textbooks and learning resources, and this is the money that was announced in the throne speech. Again, it really is a credit towards the purchase of materials at the Learning Resources Centre, and in the words of many schools it's not adequate to do what needs to be done.

4:20

There is an attempt again to get back and to try to handle the capital spending, and I think it's with relief that the capital spending announcements have been made by Infrastructure. But it's again a problem when you talk to school boards. Since school buildings have been parceled out to the Department of Infrastructure, boards complain that they really find themselves now having to make pleas to two ministries and that actually it has ended up doubling the work. I think it raises the whole question of whether school buildings should be in the Infrastructure budget or whether they should be in the Learning department budget, where the connection between programs and the kinds of buildings that are needed to house those programs can, I think, best be made. It seems that again it's been an unnecessary increase in bureaucracy and a slowing down of the process. You wonder whose interests are being served by having those decisions made in the Department of Infrastructure.

I think that if you listen to some of the school board complaints across the province, most of them and certainly three of the four large urban school boards would define the situation that we're in as a fiscal crisis. The Public School Boards' Association has estimated that there is a shortfall of about \$250 million to the base funding for K to 12 education, so that base funding is about \$250 million short. There has been another figure used in terms of what would adequately allow the boards to make some progress, and that figure has ranged from \$350 million to \$400 million. So there's a huge shortfall in this budget with respect to what school boards need to carry on, and it is, as I said, leading to a real fiscal crisis in education.

I'm concerned that the approach to this budget, the reaction to what it has meant to schools, has been the calling in of auditors and the promise of the ministry to work with school districts, and I'm not quite sure what that means. Is working with school districts a code for making them toe the line and to deliver services that meet the money that's available? I think that it's something that boards are nervous of.

That being said, Mr. Chairman, I wanted to make a few comments and ask a few questions with respect to comments that the Auditor General had raised in that report. There are still difficulties with the career and technology studies programs with respect to four areas: that the student performance is not being adequately or appropriately assessed, that the access to instruction may not have been provided,

that in some cases duplicate payments have occurred, and that in some cases student transcripts were processed and reported with errors. This has been a problem that's been raised previously. The Auditor General indicates that the steps that have been taken by the ministry and by schools still haven't rectified the problem. The problems surrounding this, I think, have to be straightened out. They are causing schools great difficulty and uncertainty with respect to funding of the CTS programs. The department, I think, made the suggestion that the documentation from the school be made abundantly clear.

Thank you, Mr. Chairman.

[The clauses of Bill 40 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that the committee rise and report Bill 40.

[Motion carried]

[The Speaker in the chair]

Mr. Tannas: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 40.

The Speaker: All members of the Assembly who are in favour, please say aye.

Hon. Members: Aye.

The Speaker: All opposed, please say no. Concurrence is provided. Thank you very much.

Point of Order Gestures

The Speaker: Before moving on to the next business, when the House moved from its regular format to committee, the chair was in his office and was listening to what had transpired. Right into the committee there seemed to be a matter of some importance raised by the hon. Member for Edmonton-Highlands, and the chair also heard the hon. Minister of Economic Development and also heard the ruling given by the Deputy Speaker, who very correctly said that whatever incident there was did not occur in committee, so it should be dealt with in the House per se. In the interregnum period the chair has had a brief discussion with the two members who were just identified and would now call on the hon. Member for Edmonton-Highlands for a brief statement, and then we'll call on the hon. Minister of Economic Development for a brief statement.

Mr. Mason: Thank you very much, Mr. Speaker. I rose in committee under section 23 of our Standing Orders, specifically subsection (j), "uses abusive or insulting language of a nature likely to create disorder." I felt that the gesture directed towards the members of the third party after we had failed to give unanimous consent for the motion with respect to the Senate of Canada to be discussed today

was insulting, and I did not accept the explanation by the Minister of Economic Development that he was merely adjusting his glasses. It certainly didn't seem to be a plausible explanation at all, and having discussed it with other members who observed the incident, I think they would agree with me on that matter. So that was what I raised.

Thank you very much.

The Speaker: The hon. Minister of Economic Development for clarification.

Mr. Norris: Well, thank you very much, Mr. Speaker. I would like to go on record as saying that I understand the hon. member's concern and that if he understood any of my gestures – physical, verbal, or hand gestures – to be of an offensive nature, I would sincerely like to apologize to him. I would qualify, as I said, that this is an activity where I did not intend to offend him, and I would offer an apology based on that.

4:30

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I think that that apology is acceptable. I appreciate it from the hon. minister, and henceforth I will simply view his action as an indication that he believes that I am number one.

The Speaker: Thank you very much to both hon. gentlemen.

head: **Government Bills and Orders**

head: **Third Reading**

Bill 39

Miscellaneous Statutes Amendment Act, 2003

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. I will move Bill 39, the Miscellaneous Statutes Amendment Act, 2003, for third reading.

[Motion carried; Bill 39 read a third time]

Bill 42

Electoral Divisions Act

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move Bill 42, the Electoral Divisions Act, for third reading.

It's been a long process starting last year with the appointment of an Electoral Boundaries Commission with the members being designated by yourself based on nominations as provided for in the act. The commission itself has had I think a difficult task as always with electoral boundaries because there are many passions involved. Communities have concerns; everybody wants to be well represented; everybody brings those passions to the commission. They held the requisite hearings, and I want to take this opportunity to thank them for the job that they did in bringing forward the report. While each and every member of this House – and we've had discussions in this House both on the resolution affirming the report and now, in second reading, in committee on the bill – can have a viewpoint as to whether or not the job that the commission did with respect to their particular area was appropriate. Each member of the House will have viewpoints with respect to whether the allocation of seats was appropriate. The difficulty is that we each were not on the

commission and we each didn't have the obligation to sit down and take into account the 2001 census as the commission was obliged to do and then consider the other factors which they were required to look at and then take into account any other factors that they may have taken into account.

I can personally recount, Mr. Speaker, that I think I have attended on four boundary commissions and made representations, and I can also accurately recount that in each case I've been disappointed that they didn't take all of my arguments and utilize them in drawing boundaries. This one is no different. The boundaries, had any one of us been on the commission, might have been drawn in different places, but we have to thank them for the work that they. They did their work diligently. They did what they were asked to do. They did it within the context of the parameters that we gave them through the act, and we have to live with the result. The House has addressed some amendments where minor changes could be accomplished within the context of the act and within the ranges of the act and I think have served to improve the result, but I would ask the House now to pass the act on the understanding that it comes into effect on proclamation. In the normal course the act would be proclaimed at the time that the writ was dropped for the next election.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. I'm glad to get the opportunity to speak against Bill 42 in third reading. I have to say with respect that I disagree with most of the comments that the Attorney General and Minister of Justice has used as his reasoning behind these changes, and I think it's important to get on the record why I won't support Bill 42. This is about a principle to me. In reading and reviewing and listening to the live audio, I heard the minister say that we should concur with the report, but I would say that the actions that are inherent in the amendment brought forward put the boot to that concept. There is not concurrence from this government with the report. Either you accept that what was in the Electoral Boundaries Commission report is what is there and it is what it is as written and as put forward or you don't.

Certainly, at the time that we had Government Motion 13 in front of us, a number of members said, "Well, we weren't entirely happy with what was happening," but they were going to accept it. I think some even said that they weren't happy, but they would hold their nose and accept it. Okay. Then accept it. If you don't, then do something about it. Since the Electoral Boundaries Commission itself is dissolved the moment that it presents the report, you can't send it back to that same group of people. You would have to amend the legislation to create a new Electoral Boundaries Commission and refer the report back or ask a new commission to relook at it or do it over again.

So what I see this government doing is having its cake and eating it too. I know that with 74 seats it can do that. Okay. Fine. But I don't think that makes it right, and I can't let this go by without commenting on the record about it because to appear on the surface to concur and then to make significant changes – and in just trying to go through the amendment that was brought forward yesterday and passed, you know, there are something like nine major amendments affecting 27 some odd electoral divisions, and that's just dealing with boundary changes. Then I think there are three or four additional changes around names. So that's not small. I know that in some of the comments that were made, it was: well, we're just going to make minor changes. I think it was talked about being a block or two that could be changed. Well, that's not what's happened here. I mean, in some cases boundaries have been moved

significantly, entire communities gained and lost and moved and kilometres involved in other cases. This is not minor. This is not by a block.

So what the government has done is said: "Oh, yes. We accept what the Electoral Boundaries Commission has said except for that we want a whole bunch of changes, but we're not going to call those actual changes. We're going to call it something else, and we're just going to slide them through." That's just wrong to me. I don't think that these are minor changes. I think that if you feel strongly that those changes need to be made, then do the right thing. Go back, amend the legislation, establish a new Electoral Boundaries Commission, and refer the report to them. But don't pretend that you are upholding what the Electoral Boundaries Commission delivered to this House, because you're not. You've made, as I've just described, 30 some odd changes, and it's not by just a block. They are not minor changes. Thirty some odd changes.

Now, it was put to us by a number of people speaking in favour of this bill and of the amendment that these MLAs were supporting the wishes of their communities. Well, that may well be, but I'm sure it didn't hurt the MLAs either, and I would have to say at that point that okay, then we had a number of individual MLAs satisfying their needs and their communities but not taking a step back and saying: what's the best thing for all of Alberta? Or, more specifically, as an Edmonton MLA: what's the best thing for Edmonton? What we've got here are changes that are almost exclusively, with one exception I think, in Calgary or in rural Alberta.

Mr. Hancock: Because you didn't co-operate.

Ms Blakeman: I'm not going to co-operate with this, because this is a perversion of accepting the report that was put in front of us. If the report was fine, then accept it and accept it in its entirety. I think it's a perversion of the process to accept it and then to make 30 some odd changes that are not minor changes, and I won't play that game. I don't think it's right.

4:40

You know, I even heard arguments used to support both sides. The Electoral Boundaries Commission was not allowed to consider changes that happened in the population after the 2001 census, but as I listened to the Attorney General and Minister of Justice with his arguments to support the amendments yesterday, for one of the amendments he used the argument that rapid growth was justifying the changes in the boundary. Well, you can't have it both ways. If the Electoral Boundaries Commission wasn't allowed to accept that argument and use it in a number of cases, then what makes it okay and acceptable to use it in one case? If you were going to allow it in the one case, then you have to go back and allow it in every other case and send it back to the Electoral Boundaries Commission and go: "Okay. We do accept the argument that there's been significant population change, and you need to take it into account."

But that's not what happened here. We had individual changes happen, lobbied for by individual MLAs. That, frankly, is when you come down to the concept of gerrymandering, and that is what happened here. We had MLAs making changes to boundaries. There were lots of arguments when we first heard Government Motion 13 to accept the Electoral Boundaries Commission report that it's not up to MLAs to change boundaries and that if MLAs were changing boundaries, then it was gerrymandering. Then – what is it? – a month later we have MLAs changing boundaries and agreeing amongst themselves to change boundaries.

So my position is, as I've stated, that if you were not going to accept that report in its entirety, then you should send it back to do

the right thing. What I've seen is individual MLAs gaining here, but I have seen Alberta as a whole lose and particularly Edmonton as a whole lose. So I saw successful lobbying from the Calgary caucus, successful lobbying from the rural caucus. I have to assume it was not successful lobbying from the Edmonton caucus because there were no changes about it losing a seat for Edmonton. I didn't see a campaign – now, obviously it was behind closed doors – mounted to keep that seat in Edmonton, and I just frankly think that's wrong. [interjection]

Well, once again I'm being heckled that we lost. The government has 74 seats. The opposition has seven plus two in the third party. Yeah, you can keep throwing that argument at me. You're reflecting 90 percent of the vote in the seats that the government caucus has, and that does not reflect the popular vote. So right there you've got a problem.

I think that if that many changes are required, then the report itself is flawed and it should be rejected. I don't think it's given to the government caucus to play behind closed doors with maps so that the Calgary caucus and the rural caucus MLAs get what they want and Edmonton doesn't and doesn't have a strong voice there.

I have to also say that I'm really disappointed in the timing of this. There was informal notice given during the week of May 5 to 9 that this was being considered with all of these changes. The Official Opposition caucus received a formal letter dated May 7 asking for changes by May 12, and included in that was a weekend. That's not enough time to go out to all the communities in Alberta and everyone that we talked with. I mean, for heaven's sake, the Electoral Boundaries Commission itself spent something like seven months consulting in Alberta, and all of a sudden now there's going to be a five-day turnaround, which is really only three working days. That's just not acceptable.

I mean, I believe that the government has gerrymandered here. I think it has taken advantage of its large majority. I vehemently reject the arguments that I've heard in support of these boundary changes. They are not minor, and if there were that many of them needed, then the Electoral Boundaries Commission report should have been rejected because it was obviously not acceptable.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. In regard to Bill 42 and the amendments to Bill 42 that have been presented to the Assembly for various areas of the province, to say the least it is interesting, but at the same time I would view these as certainly not just housekeeping changes. I don't understand the process. There was a community organization, in this case the Francophone community in the areas of Edmonton-Gold Bar, Edmonton-Mill Creek, and Edmonton-Strathcona, who certainly expressed an interest in having the community represented in this Assembly, as much of it as possible, in one constituency. That was not done. It's not that this member wouldn't do it. This member did not want to participate in the process that, quite frankly, is, to say the least, a poor reflection of the Electoral Boundaries Commission Act. It's certainly a poor reflection of that when one hears sitting in the Assembly that the hon. Member for Edmonton-Beverly-Clareview states – and it's on the record, Mr. Speaker – that if anyone has any concerns regarding the bill, Bill 42, please take those concerns to the hon. Minister of Justice and the provincial Attorney General.

Now, when we look at that process and the suggestion that occurred in the Assembly some weeks past and we look at the public hearings that are suggested in the Electoral Boundaries Commission Act, the commission must hold public hearings before its report is

submitted to you, Mr. Speaker, and certainly after its report has been made public “at the places and times it considers appropriate to enable representations to be made by any person as to the area and boundaries of any proposed electoral division and that “the Commission shall give reasonable public notice of the time, place and purpose of any public hearings held by it.” There were no public hearings involved in these amendments, at least not that I’m aware of. There was certainly notice, if we can call it that, given in the Legislative Assembly, but there was no notice given to the public. Certainly, there would be other groups that would be interested in the proposed boundaries, but were they given their chance? I don’t know.

In the last couple of weeks I’ve certainly seen electoral maps in the Assembly. I’ve seen various members with the interim and the final report to the Speaker of the Legislative Assembly of the proposed electoral division areas, boundaries, and names. I don’t know what went on. Mr. Speaker, when we consider what has happened here and we consider what has happened to the city of Edmonton, I would like to bring to the attention of the Assembly the letter that was copied to the Leader of the Official Opposition – I tabled it earlier in the Assembly – and this is a letter that was sent to the hon. Minister of Justice and Attorney General on May 14 from the mayor of the fine city of Edmonton, His Worship Bill Smith. This letter states:

I was advised today that Bill 42, the Electoral Divisions Act, received first reading in the Legislature on May 8, 2003. I urge you to reconsider adopting the boundaries as established by the Commission. Edmonton’s influence will undoubtedly suffer as a result of passage of this legislation. The Commission’s recommendation for the seat distribution is clearly flawed as it does not reflect the population increase in Edmonton, nor the continuing growth of Alberta’s major urban centre.

[The hon. Premier] is on record as stating that “I don’t know if we can come up with anything better.” The 21st Century will see urban centres as the foundation of economic growth in a global economy, and this reality should be a priority for the Commission in boundary distribution. To have the loss of a seat in Edmonton is totally contradictory to this principle – any other seat distribution that reflects this would be better. Since the future of the Alberta economy will be contingent on the strength of Edmonton and its urban priorities, our political voice in the Legislature is imperative.

The Premier’s decision not to allow a free vote on the recommendations of the Commission suggests the divisiveness of your own caucus, and should therefore reflect the fact that your caucus is not comfortable with the boundaries as drawn up. I implore you not to ignore the opposition to Edmonton’s loss of voice.

Yours truly,
Bill Smith

Mayor [city of Edmonton].

4:50

When we look at Edmonton and Edmonton’s population, it’s been recognized in this Assembly and outside that it has grown substantially since the 2001 census and will continue to do so for the foreseeable future. In eight years, when the act states that the next Electoral Boundaries Commission sits, there will be dramatic changes that will have to be made to Alberta’s electoral boundaries. Now, according to Economic Development Edmonton, in 2001 the population grew by 4.5 percent, exceeding Conference Board of Canada forecasts. This is in addition to the 8.7 percent growth reflected by the 2001 census.

The argument has been made inside and outside this House that the boundary commission is confined or restricted or limited by the 2001 Canada census results. Page 6 of the final report to you, Mr. Speaker, states:

In determining population, the Act (Section 12(1)) requires the Commission to use “the most recent decennial census of population referred to in section 19(3) of the Statistics Act (Canada)”

plus other measures, it goes on to state. But that’s the census that has to be used.

Now, the 2001 Canada census resulted in an Alberta population of slightly less than 3 million, but here we have the proposed amendments to the Electoral Divisions Act that have been presented to this House, and the same that restricts Edmonton does not apply, unfortunately, to the city of Calgary. We look at this three-column document that was presented, and the proposed amendments to the report of the Electoral Boundaries Commission shift the proposed boundary between Calgary-Hays and Calgary-Egmont so that the entire community of Riverbend falls within Calgary-Egmont. Affected constituencies, naturally, are Calgary-Egmont and the new constituency of Calgary-Hays. The rationale for amendments in this case reunites the community of Riverbend into one constituency. Calgary-Hays is a new constituency with a low population but has grown by 4,500 homes since 2001.

So why is Edmonton being penalized for the growth that’s occurred since the 2001 census? This does not seem to apply anywhere else. Forty-five hundred homes, Mr. Speaker, is probably close to 8,000 if not 9,000 voters, maybe even greater than that. Who’s to say? This growth has been identified since 2001 in this three-column document that’s been presented by the government here. I just think that it flies in the face of what is in the interim and in the final report. If one city has to stick to the 2001 census, why does not another area of the province have to follow that as well?

I will be surprised, Mr. Speaker, if Bill 42, the Electoral Divisions Act, does not at some time wind up challenged in the courts. This process has developed, and it has been followed. I don’t think it is in the spirit or reflection of the Electoral Boundaries Commission Act. It remains to be seen whether it will satisfy the interests of all Albertans, not only those in Edmonton who have lost a voice and, in my view, have a lost a voice unfairly in this report. Certainly, we’re going to have to live with this report. There have been significant changes to the electoral map in this city. There have been significant changes to the individual map of Edmonton-Gold Bar. But I cannot see how this whole process can be called fair to the voters and to the citizens of this province.

Calgary because of their economic growth certainly warrants and merits three constituencies. There’s been dramatic growth there – no one is denying that – but Edmonton does not deserve to lose a seat. In fact, if we look at population data like is being looked at in the three-column document in regard to Calgary, then Edmonton should have 20 seats, not 18.

Thank you very much, Mr. Speaker.

The Speaker: Hon. members, Standing Order 29(2)(a) does take effect now. If anyone wants to participate before I recognize the hon. Member for Edmonton-Mill Woods – unless he’s choosing to participate under Standing Order 29(2)(a).

The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I appreciate the opportunity to make a few comments at third reading of the Electoral Divisions Act we have before us, Bill 42. If you go back to the legislation that governed the report that we had in the Assembly, I think it’s clear from the legislation that there has been an attempt to rule out politics and the influence of political parties and politicians in drawing the electoral boundaries. That attempt is consistent with what has happened historically. In the 19th century I think it was pretty well the pattern that legislators controlled and drew up the electoral

boundary maps. Since that time the reforms have been in the direction of removing politics from the redistricting process, and the powers of the Legislatures have been drastically or dramatically cut. In most countries, I think, the history or an examination would tell us that the Legislature plays only a very limited role or in fact no role at all in redistricting or redrawing boundaries.

Some, like ours, still require the plan, once it's put forward, to come back to the Legislature for approval, but others don't require any such process and, in fact, once they're completed, are law. Some countries and some jurisdictions allow debate, as we do, and some delay, but in most of those jurisdictions they are not allowed to in any way modify the plan. I think that that is one of the major reasons why we're upset with the bill.

The other and most important one, of course, is that the city of Edmonton lost a seat, and there seems to have been no way in the process for that part of the plan to be revisited or to be amended so that that didn't occur. We've made those arguments previously in the House. So I guess at third reading, when we're looking at the principles, we have to ask how consistent we have been with respect to not having the Legislature or politicians interfere with the plan. It's the view of our party that the amendments that were introduced and passed violate that principle and move us in a direction that is not consistent with what is happening elsewhere and, I think, is not consistent with the view of most Albertans. Just the mere fact that we allow our Legislature to accept or reject a plan creates some question and opens the whole process up to the charge of political bias. Again, I think that's unfortunate. Not only having that authority but also having the authority to amend it, as was done yesterday, the day before, in this Legislature really does open the door to that criticism that there is interference politically with the report.

5:00

There have been a number of schemes that have been put in place to try to handle the problem, and I think it also should be noted that simply ignoring politics doesn't mean that you end up with an unbiased report, even when they are prepared by independent commissions. There have been instances where they unintentionally ended up favouring one political group or another. So having a nonpartisan, independent group do the boundaries doesn't guarantee that they are going to be unbiased, but the likelihood, I think, of them being unbiased is more likely to happen if it is done by an independent group who make the final plan and that plan has to be accepted.

I think that with those comments, Mr. Speaker, I'll conclude. Again, it was unfortunate that the amendments that were brought forward were allowed to proceed. I think that it weakens the report. Certainly, in the eyes of many Edmontonians they will see this as a bias against the city where their concerns over the loss of a seat were not dealt with but where concerns elsewhere in the province were handled through an amendment process, even with the restrictions that were supposedly put on that amending process.

Thanks, Mr. Speaker.

The Speaker: Standing Order 29(2)(a) is available, hon. members. The hon. Member for Edmonton-Norwood.

Mr. Masyk: Thanks, Mr. Speaker. We all know when it personally affects a person on electoral boundaries. However, the fact does remain that, you know, the process and the show must go on. The citizens of Edmonton will actually speak in the next election by where they're going to put their X at the poll, and if they don't accept that deeply about losing a seat, it'll be reflected in the

election. If we don't do our jobs as MLAs, we won't be elected. It doesn't matter what party you're in.

So with that, Mr. Speaker, I think that the Electoral Boundaries Commission, in my opinion of course, could have done a better job. However, the majority of the people will vote, and we'll accept it and live with it.

Thank you.

The Speaker: For clarification, the hon. member was participating under Standing Order 29(2)(a).

Mr. Masyk: Right.

The Speaker: Okay. The chair just wants to make sure that no additional member wants to participate before calling on the hon. Government House Leader.

The hon. Government House Leader to close the debate.

Mr. Hancock: Thank you, Mr. speaker. Just a few comments that were elicited by the speeches this afternoon. Edmonton-Centre commented on the Electoral Boundaries Commission not being allowed to use numbers other than the census. Of course, that's entirely incorrect. The Electoral Boundaries Commission has to take into account the census numbers but then could take into account any other factors that they thought were relevant. So if other numbers had been presented to them that were credible, they could have taken them into account. They were under no compulsion not to take into account other numbers, so that statement has to be corrected.

The question that the hon. member was trying to suggest that some members were more successful in lobbying than other members totally ignores what's happened since the Electoral Boundaries Commission came into effect and their report was tabled, and that is that many communities then started writing to say: when the bill is considered, we want you to consider these concerns. MLAs didn't start that process. Communities started that process, as is normal after a boundaries commission reports. Some of those concerns can be taken into account, and this House took those concerns into account because they were within the philosophy and the context of the report. It wasn't in this House's hands to change the report, but it could take into account those minor changes. Now, the fact that the Liberals chose not to assist their communities in some cases by taking a look at that – for example, in Edmonton-Gold Bar there was a concern . . .

The Speaker: Hon. Member for Edmonton-Centre, are you rising on a point of order?

Point of Order Allegations against Members

Ms Blakeman: Yes, I am. I'm standing on a point of order, and that would be under 23(h) and (i).

The Speaker: Okay. Please proceed.

Ms Blakeman: I think that just to make the assumption, the leap to make the allegation towards members of the Liberal caucus that we were not willing to come forward for our communities is erroneous. None of us have ever stated that. As a matter of fact, a number of us have spoken on the record of our concern for our communities. So under 23(h) to make the allegation against the Liberal caucus that we weren't concerned about our communities is erroneous. In addition, to put any kind of motive upon us as to whether we were willing to

come forward or not on behalf of communities – again he has no information on which to be basing that.

The Speaker: On this point of order, the Government House Leader.

Mr. Hancock: Well, Mr. Speaker, I'm sorry if I've offended the hon. member by bringing it too close to home. I will withdraw those remarks and rephrase them.

The Speaker: Hon. Member for Edmonton-Centre, would that be appropriate?

Ms Blakeman: Yes. I accept the withdrawal.

The Speaker: The matter is closed. Continue your debate.

Debate Continued

Mr. Hancock: Thank you, Mr. Speaker. Before I proceed, might I ask – and I don't want to cede the floor, so if I have to cede the floor to do it, you can tell me that – for unanimous consent of the House, in the event that there's a standing vote and we go past 5:30, to be allowed to come back after that to move a motion of adjournment so that we can adjourn to 1:30 p.m. tomorrow instead of to 8 tonight, as we normally would?

The Speaker: The hon. member has 15 minutes maximum to participate in third reading. Twenty-two minutes shy of the clock the minister has already spoken for a number of minutes, and he anticipates that he'll be going beyond 5:30?

Mr. Hancock: No, but I don't want to lose the opportunity.

The Speaker: Well, okay. This is in great harmony because it's the 14th day of May. The floor will not be ceded. The Government House Leader still retains his position on the floor. He's asked an interesting statement. We'll deal with it because it's harmony and it's May 14. The request is that should the procedure go beyond 5:30, we will ignore the clock. That is essentially the question. We will require unanimous consent to do that, but one would have to have some understanding that we're not talking about just letting the clock go till 12:30 or something. Just to conclude the normal business. I say that because once I asked for unanimous consent as minister of the environment. It was given to me, and I spoke for two hours, and I got in a lot of trouble after that.

So would the House consider providing unanimous consent for the procedure to continue should it go past 5:30?

[Unanimous consent denied]

Mr. Hancock: We may end up coming back at 8 o'clock.

An Hon. Member: Well, sit down, and then we don't have to.

Mr. Hancock: No. I can't just sit down, because there were some comments that were made that are inappropriate from my perspective.

There are communities which did want to have the opportunity to have minor adjustments in Edmonton. Unfortunately, we were not able to accommodate that because one of the criteria was that we sit down and concur with the process, and some members of the House would not sit down and concur with any processes, and I'll leave it at that.

5:10

The Member for Edmonton-Gold Bar read a letter from the mayor of the city. I just want to make sure that it's on the record that in September of 2002 I had a conversation with the mayor of the city after he was advocating, after the interim report, that Edmontonians call their MLAs about electoral boundaries. I had a conversation with the mayor, and I indicated to him that it was appropriate for Edmonton city council and the mayor to ask Edmontonians to go to the commission before the final report and make representation to the commission, and I encouraged him to have an advertising campaign at that time to encourage Edmontonians to do that. The Edmonton city council and the mayor did not do that, in fact waited for the final report before they started advertising and wasting my money as an Edmonton taxpayer at a time when it wasn't effective. So I needed to have that on the record.

There are many other comments that I could refute with respect to the debate from the opposition, but the fact of the matter is that the process has been fair. It hasn't always had the result that everybody wanted, but we have a result. The concept of doing minor adjustments – and I believe they are minor adjustments – to reunite communities was appropriate. Everybody had the opportunity to participate; some chose not to. It wasn't a closed-door process. It was entirely open, and I asked all members of the House for their participation long before May 5. Those that chose not to participate in that process didn't participate in the process, but they can't complain about not having had the opportunity.

The other thing I'd like to say quickly is that there was mention of the Francophone community, and that was brought to my attention. I tried very, very hard to put together an amendment which would work, but it would have required a significant change. It could have still been accommodated if all members who had an interest in that area were prepared to sit down. At my invitation one, the person who brought it to my attention, did not, and therefore I could not accommodate by bringing forward an amendment of that nature, but that member could have if he'd so desired.

So, Mr. Speaker, with that, I would ask that we have a vote and move on.

[The voice vote indicated that the motion for third reading carried]

[Several members rose calling for a division. The division bell was rung at 5:13 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Abbott	Graham	McClelland
Ady	Haley	McFarland
Amery	Hancock	Norris
Broda	Herard	Rathgeber
Cao	Hlady	Renner
Cenaiko	Horner	Shariff
Danyluk	Jablonski	Snelgrove
DeLong	Jacobs	Stelmach
Doerksen	Jonson	Strang
Dunford	Klapstein	Tarchuk
Evans	Lord	Taylor
Friedel	Lougheed	VanderBurg
Fritz	Lund	Vandermeer
Gordon	Marz	Zwozdesky
Goudreau	Masyk	

Against the motion:

Blakeman

MacDonald

Massey

Bonner

Mason

Pannu

Totals:

For – 44

Against – 6

[Motion carried; Bill 42 read a third time]

The Speaker: The hon. Government House Leader.**Mr. Hancock:** Thank you, Mr. Speaker. I move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 5:25 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

Legislative Assembly of Alberta**Title: Thursday, May 15, 2003****1:30 p.m.**

Date: 2003/05/15

[The Speaker in the chair]

head: **Prayers****The Speaker:** Good afternoon.

Let us pray. Our Father, keep us mindful of the special and unique opportunity we have to work for our constituents and our province, and in that work give us strength and wisdom. Amen.

Please be seated.

head: **Introduction of Guests****The Speaker:** The hon. Deputy Speaker.

Mr. Tannas: Thank you, Mr. Speaker. It's my pleasure and honour today to introduce to you and through you to all members of this Assembly a woman who is familiar to all of us. She is seated in your gallery. Joan Gabert served as a police constable with the Edmonton Police Service for over 25 years, and then she came to the Legislative Assembly security staff in 1996. She's retiring; today is her last day with us. She and her husband will be splitting their time between Vancouver Island and their home in Fort Saskatchewan, Alberta. I know that all hon. members wish them well. Joan, we thank you for your good work in the service of this House. I now invite Joan to rise and receive the warm traditional welcome of this Assembly.

The Speaker: The hon. Member for Edmonton Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. It is also my privilege to introduce to you and through you to all hon. members of this Assembly Mr. Gordon and Meldia Weisgerber. They are the proud parents of page Erin Weisgerber, who is unfortunately leaving this Assembly and I'm sure is going on to bigger and brighter things as she progresses with her education. I would now ask the proud parents to please rise in the Speaker's gallery and receive the warm and traditional welcome of this Assembly.

The Speaker: The hon. Member for Whitecourt-St. Anne.

Mr. VanderBurg: Thank you, Mr. Speaker. On this bright spring day it's my pleasure this afternoon to introduce 75 equally as bright, intelligent, and hardworking students from the Percy Baxter school in Whitecourt. Accompanying them are eight adults, and they're seated in the members' and public galleries this afternoon. I'd ask them to please rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Grande Prairie-Wapiti.

Mr. Graydon: Thank you, Mr. Speaker. I have some visitors here today sharing their visit with the hon. Member for Grande Prairie-Smoky and myself. We have Trenton Perrott, who is the manager of the Prairie Gallery in Grande Prairie; Derek Hall, who is with the Grande Prairie Live Theatre; and Lisa Ryan, who is with the Grande Prairie Public Library. They're in the public gallery, and I'd ask them to rise and receive the welcome of the Assembly.

The Speaker: The hon. Member for Innisfail-Sylvan Lake.**Mr. Ouellette:** Thank you, Mr. Speaker. It gives me great pleasure

to rise today and introduce to you and through you to all members of the Assembly 34 of Alberta's brightest and best from the heart of my constituency, 34 children from John Wilson elementary school, the grade 6 class. They're accompanied by their teacher, Mrs. Pederson, and parent/teacher helpers Mrs. Hill, Mrs. Douglas, Mrs. Young, and Mr. Harsch. I would like them to all stand and receive the warm welcome of this Assembly.

The Speaker: The hon. Leader of the Official Opposition.

Dr. Nicol: Thank you, Mr. Speaker. It's with great pleasure today that I rise to introduce the Official Opposition's incredible research team. They've done an excellent job for us this session, and I would like them to rise as I give their names: David Schaaf, Laurence Miall, Kirsten Odynski, Aaron Roth, Alex Ragan, Rachel Peterson, Elaine Jewitt-Matthen, and our summer STEP student, Kevin Elliott, and our student with the Quebec/Alberta exchange program, Sonia Nadeau. She's studying political science at Laval University. I would ask all members of the Legislature to recognize these young people who have contributed so greatly to the democratic process in Alberta.

The Speaker: The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Speaker. It's indeed a pleasure to introduce to you and through you to all members of our Assembly four fine individuals: Master Lin Ho, a leader of our Buddhist community in Castle Downs; her brother Mr. Chee Liaw; Mrs. Yun Liaw; as well, all the way from France, Chanmaly Kasisavanh. I would ask them to rise and receive the usual warm welcome of our Assembly.

The Speaker: The hon. Minister of Children's Services.

Ms Evans: Thank you, Mr. Speaker. It is a distinct privilege to rise on behalf of the hon. Member for Edmonton-Mill Creek, the Minister of Community Development, and introduce his constituent Mr. Harcharan Dhaliwal, along with two guests from India, Lali Sandhu and Uday Sandhu, who are seated in the members' gallery. I would ask if they would please rise and we would share our warm welcome with all of them.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I have two introductions today. The first is Ms Lorie Grundy, who is seated in the public gallery. Ms Grundy is a registered nurse. She worked many years at the Cross Cancer Institute. She has four daughters, one of whom is studying in India and three who are still in Edmonton. They are exemplary citizens and fine students.

The other introduction is Lorie's daughter Hayley Grundy, who is becoming well known to many people in this province as a real advocate for public education. I would ask Lorie and Hayley to please rise and receive the warm welcome of all members here.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you very much, Mr. Speaker. I'm truly delighted to rise and introduce to you and through you to the Legislative Assembly two of my constituents. Dwayne Van Straten is a teacher at T.D. Baker junior high school. Last Sunday, May 11, he was in Spain to participate in the world long-course triathlon championship held in Ibiza, Spain. There were over 900 participants from all over

the world, 40 of them from Canada. This triathlon included a four-kilometre swim in the Mediterranean Sea, a 20-kilometre bike ride, and a 30-kilometre run. While biking, Dwayne was pushed off the road by another competitor and sustained fairly serious injuries. In spite of all that, he picked up his bike, repaired it, and continued. He finished the triathlon ranking fifth among Canadians and 150th internationally and 20th in his age group in spite of this accident. His wife, Sharon Gingara, is accompanying him today, and she is an accomplished athlete in her own right. She just finished her first marathon in Vancouver about 10 days ago. Both of them are, I think, seated in the public gallery. I will now ask them to please rise and receive the traditional warm welcome of the Assembly.

My second introduction, Mr. Speaker, with your permission is of four parents from the Mill Woods area: Cheryl Depeel, Evelyn McGill, Jennifer Henneberry, and Joni Schootstra. These parents are very concerned about the continuing underfunding of their children's education. In addition, they are likely to lose the nonprofit day care at Grant MacEwan Community College in Mill Woods because of the same cuts. I'll ask these visitors to please rise and receive the warm welcome of the Assembly.

1:40 head: Ministerial Statements

The Speaker: The hon. Minister of Municipal Affairs.

Emergency Services Personnel

Mr. Boutilier: Thank you, Mr. Speaker. I'm pleased to rise today to talk about the importance of emergency services in Alberta and what the government has been doing to recognize our dedicated Albertans. Many of us in this House just came from the inaugural presentation of the Alberta emergency services medal, which took place during the lunch hour right outside here on the Legislature steps.

The Alberta emergency services medal was established to pay tribute to proud Albertans, outstanding full-time, part-time, and volunteer members who have committed 12 or more years of their careers to emergency services in Alberta. This medal is the first of its kind in Canada. This medal also recognizes emergency services that have never, ever before been formally recognized by our province.

The eight disciplines that were recognized today are the Alberta Fire Fighters; EMS, Emergency Medical Services; the fire service dispatch; Emergency Medical Services dispatch; Search and Rescue; Emergency Management Alberta; the Alberta fire commissioner's office; and Alberta Sustainable Resource Development. So as you can see, in addition to recognizing the frontline personnel that physically come to our aid during emergencies, this medal also honours those individuals who make things work behind the scenes, the dispatchers who handle emergency phone calls calmly and professionally. Their work goes on many times unnoticed. It also recognizes local directors of Disaster Services, who shoulder much of the responsibility for making sure their communities know how to prepare for, respond to, and recover from major emergencies. It honours our provincial staff who, among other things, develop fire safety programs for children, help communities establish municipal emergency plans, and protect our province's forests and wildlife.

Today we recognized 350 exceptional individuals and true Albertans for helping to protect others. In the selfless dedication that they have demonstrated in their careers and in their volunteer contributions they have made an impact on lives each and every day. To these men and women commitment means always being on call, always being available when they are needed, and to them it means

doing the best you can possibly do every call every day. It means going the extra mile and giving your all. For their 12 or more years they were recognized today as individuals that have been protecting our families and our friends, asking for nothing in return other than the satisfaction of knowing that they've helped others.

I was pleased to see so many members of this Assembly here today recognizing those very true Albertans, and I want to say, Mr. Speaker, on behalf of all Albertans that we thank Alberta's emergency services personnel and their families for working selflessly every day to maintain a sense of safety and security for all Albertans.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you, Mr. Speaker. Today's ceremony honouring 350 staff members of Alberta's emergency services was a most fitting recognition of the efforts of some of Alberta's finest citizens. These men and women are never far when Albertans need their help most. Whether they are fighting fires, tending to the injured, or performing silently behind the scenes, these people represent the best facets of humanity: bravery, commitment, integrity, and compassion. While most Albertans wouldn't know these people by their proper names, they do know them by another name. They call them heroes.

On behalf of all Albertans I would like to congratulate all medal winners on their achievements, their commitment, and their selfless dedication to others. To all emergency services personnel I say: well done and thank you.

Mr. Mason: Mr. Speaker, with your indulgence I would request unanimous consent from the Assembly in order for us to respond to the ministerial statement.

The Speaker: Hon. members, and for those who are viewing, every time this procedure comes to the floor, my office gets questions as to why we have to go through this. Well, the reality, for all the people in television land who happen to be watching question period, is that in order to be a recognized political party in the Legislative Assembly of Alberta, you must have a minimum of four seats, and the request now comes from a representative that does not have that. So in order to participate in Ministerial Statements, there must be unanimous consent granted by the Legislative Assembly.

[Unanimous consent granted]

Mr. Mason: Thank you very much, Mr. Speaker. I would like to thank members for their courtesy in allowing me to add my thanks to Alberta's dedicated and hardworking emergency services workers. The medal recipients are indeed deserving of their awards. At the same time, these deserving recipients would be the first to acknowledge that they would not have been able to receive these awards if not for the efforts of their coworkers. Emergency response services are the very epitome of teamwork. Only by working together and being able to rely on other members of the team are emergency response personnel able to do the courageous work that we as a society call upon them to do. Whether it is running into burning buildings to rescue a trapped child or even a pet, attending victims at an accident scene, or dispatching an ambulance to the home of a frail senior citizen, we depend on these dedicated professionals.

On behalf of my caucus colleague and New Democrats across the province I salute all of today's award winners and the dedicated work of all emergency response personnel across the province. Thank you very much.

head: **Oral Question Period****Electricity Deregulation**

Dr. Nicol: Mr. Speaker, even though most recent changes to deregulation were just passed in this House a month ago, the Minister of Energy is pushing to have them implemented by June 1 of 2003. Rapid change will create uncertainty in the marketplace, and consumers still haven't been told what these changes mean for them. I didn't think it was possible, but this government's deregulation boondoggle is about to go from bad to worse. To the Minister of Energy: why is the Minister of Energy recklessly rushing to implement the new Electric Utilities Act by June 1 when it was passed in the House just one month ago?

Mr. Smith: Mr. Speaker, Bill 3 was a combination of two and a half years of strident consultation with involvement from every party involved in the electricity discussion. This also included the Member for Edmonton-Highlands being placed on an Internet notifications group. This bill has been consulted on widely. It has been consulted on throughout the industry. It is a result of stakeholder input. It's a result of the Premier's council on electrical issues, their extensive discussion and their extensive input.

Mr. Speaker, this is not a surprise to anybody in Alberta, and in fact what we have done over the past two and a half years is we've consulted, as I've stated, and we've put in the three pillars that deliver a market model. One is the export market policy, that ensures that Albertans are benefited by exports and that they are not harmed by either having to pay for transmission costs or for power that they could otherwise use. They must be served first. Secondly, the market policy clearly puts a level playing field into Alberta, has facilitated the entry of another competitor, delivers clear and transparent regulation to the market model. Lastly, the transmission policy. The transmission policy is, again, an outcome of the Premier's council on electrical issues. It is critically designed to ensure that Albertans have open access to the lowest overall cost generation.

So it's a plan. The policy course is there. The pillars are up. The next step is an extensive consumer education program.

Dr. Nicol: To the minister: when is that consumer education program going to start so that consumers can find out what their rights are when they're faced with marketers?

Mr. Smith: Mr. Speaker, I was just on a telephone call regarding that campaign before question period, at 1 o'clock, and we can assume that we'll have something out earliest toward the end of May and certainly in June and then reappearing again extensively in the fall season. The folks in Alberta trust the government for their information, and we want to ensure that they get it.

1:50

Dr. Nicol: Again to the minister: how can the minister expect Albertans to provide informed input into your regulations for the new act when you're only giving them three to five days for turnaround on their responses on those new regulations?

Mr. Smith: Mr. Speaker, the regulations are simply an embodiment of the legislation. They have been discussed with the group since the act was assembled last October, November. I have not received any specific complaint relative to the regulation process.

Education Funding

Dr. Nicol: Mr. Speaker, in 2001 the horse racing industry asked the

government for an investment of \$87.1 million over three years. Over the last three years the government has given that horse racing industry \$87.9 million, more than what it asked for. The government has defended this move as an investment in Alberta's economic development. To the Minister of Economic Development: in the long-term development of this province is it more important to invest in horse racing or in education?

Mr. Norris: Well, you know, clearly, Mr. Speaker, the question being asked is posing two different streams, but I'd like to answer the question in this way. Without economic drivers creating any kind of wealth, other than government intervention we don't have the money that we need to spend on the policies and the planning and the education and the health care that we so cherish in this province. So I would answer the question in this way to the hon. member. If you don't focus your business on generating revenue, you end up having none to spend. Clearly, in this province we have generated a massive amount of revenue through these programs, very worthwhile industries, so that we do have the best health care system and the best education and the best roads in the country. I would support anything that invests money in developing new revenue sources so that we can continue providing Albertans with the best services in Canada.

Dr. Nicol: To the Minister of Learning, Mr. Speaker: what do parents have to do to get the same commitment in their children's schools as this government gives to the horse racing industry?

Dr. Oberg: Mr. Speaker, in the K to 12 system this year – this year – there was a \$191 million increase.

Dr. Nicol: To the Minister of Finance: how can the minister justify to parents in Edmonton and Calgary that they will be paying more in property taxes and still lose teachers?

Mrs. Nelson: Mr. Speaker, you've heard our Minister of Learning talk about the concern of Edmonton and Calgary and all school districts day after day in this House. He's also said that when their budgets come forward, he's prepared to work with the school boards to deal with some of the pressure points. The opposition is bent on trying to make a case that there isn't a co-operation between the two entities of the school boards and the Ministry of Learning. That is just, quite frankly, not the case. We have heard what Albertans have said. We put a 4.7 percent increase in our budget this year. In 2005 we will spend over \$5 billion in Learning in this province for a population of just over 3 million people. We are committed to education, as we have exemplified in our budget planning process. We've brought a balance into this province which I believe is the right balance, and I would really ask the opposition to support the government in working with the boards to make sure that we look after the children for the future.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. Calgary public, Calgary Catholic, Edmonton public, Grande Prairie public, Red Deer public, Elk Island public, St. Albert Catholic: all school boards from across the province in financial trouble and letting teachers go. Yet all we hear from the Minister of Learning is: don't worry; we'll talk to them. My questions are to the Minister of Learning. How many more school boards must sound the alarm before the minister stops talking and takes some action?

Dr. Oberg: Mr. Speaker, I believe there has been a good example of what has happened with the passage today of the Calgary Catholic budget. For a school system that has roughly 45,000 children within it, they announced today that there would be a decrease of 11 teachers. Obviously, any decrease is certainly significant, but it isn't to the same magnitude as when we're talking 450 teachers, which was announced here. I think the obvious question is: how can Edmonton Catholic do it with no teacher layoffs, with exactly the same amount of dollars? How can Calgary Catholic do it with 11 teacher layoffs? These are some of the very critical issues that we are talking about and asking the school boards.

Again, Mr. Speaker, there are two ways that you can govern. You can just say quite simply, "Here's the money; go do with it as you wish," or you can actually ask: "Are you spending prudently? Are you spending in the right place?" Those are some of the questions that we're asking school boards.

Dr. Massey: Again to the same minister: given that the minister claims that boards are adequately funded, why are so many boards reporting just the contrary?

Dr. Oberg: Mr. Speaker, what happened in this year, as everyone in this Assembly knows, is that there was roughly a 14 percent increase in arbitrated costs. There have been some other costs, and indeed one of the things that I certainly have told the school boards that we will have a very important look at is the operations and maintenance costs, things like that. So we are talking to the school boards. We're hearing their side. For example, I had a meeting with the two Lethbridge school boards, who were concerned because their surpluses were going to be eaten up next year.

So, Mr. Speaker, the situations are different all around the province. What we're attempting to do is help each individual board make its way through this 14 percent settlement that was done last year, and hopefully we'll have positive results from that.

Dr. Massey: Again to the same minister, Mr. Speaker: why is the minister trying to convince people that things are going to get better when school boards are laying off and cutting teachers right now?

Dr. Oberg: Mr. Speaker, I go back to what I had said previously in this House. The budget of Calgary public is preliminary. I understand that the final one is going to come down next week. The budget for Edmonton public was announced. Interestingly enough, in Edmonton public's budget there is a balance, but there's no mention, for example, that they took their AISI funds, fired the teachers that were on AISI, and put AISI into professional development: 9 and a half million to 10 million dollars. So there are a lot of large questions that still remain. We could just simply settle, as the hon. member is asking, and say: okay; well, that's what it must be.

Mr. Norris: Not good enough for Alberta.

Dr. Oberg: You're right; it is not good enough for Albertans.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Edmonton-Calder.

Dr. Pannu: Thank you, Mr. Speaker. Since the opening of the spring sitting on February 18, Albertans have been hoping for solutions to two pressing problems: the school funding crisis and sky-high, skyrocketing utility bills. Yet here we are three months later with the budget debate behind us, and Albertans are worse off now than they were then. As evidence of this, the president of the

Alberta School Boards Association is telling this government that all 62 school boards will be facing cutbacks and deficits come next year. My questions are to the Minister of Learning. With oil and gas revenues sending the budget surplus to the \$3 billion mark, why was the minister not able to find the financial resources necessary to avert a crisis in Alberta's classrooms?

Dr. Oberg: Mr. Speaker, this year in my budget there was a 4.9 percent increase, and that increase was all to things to do with learning. To give an example, the teachers' pension fund went up by a little over 10 percent, very close to 11 percent, included within my budget. The K to 12 system went up about \$191 million. The postsecondary system went up around \$45 million to \$50 million. So there has been a significant amount. Even in Alberta \$191 million is still a lot of money. Those are taxpayers' dollars.

There has been a significant amount of money that has been put into the education system. Over the past four years we've seen a rise of anywhere between 25 and 30 percent given to the school boards, so there's a tremendous amount that has been given. What we have to recognize is that in Alberta we have the highest paid teachers. Our students do the best of any place in the world, and I believe that those are two very important things that Albertans are asking us to continue. Mr. Speaker, as a government that believes in some of these, that believes in the outcomes of our children, I believe that this outcome will certainly continue.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. How is this minister able to stand in this Assembly day after day saying that all is well when the reality of school board after school board announcing deep cuts to programs and staff should be moving him to take immediate action and take it now?

Dr. Oberg: Well, Mr. Speaker, again, there's a bit of a fallacy out there about 62 school boards going to be in a deficit position. Quite frankly, in the last two and a half months I've met with some 20 school boards. Sure, things are going to be tight, but part of being a school board trustee, as well, is to manage a budget, manage taxpayers' dollars, and that's what the school boards are doing. Many school boards are making some difficult decisions, but on the whole they are making their decisions with the best interests of students in mind. I fully expect and I fully know that they will continue to make their decisions with the best interests of students in mind.

2:00

Dr. Pannu: My final question to the minister, Mr. Speaker: how much larger do class sizes have to grow and how many more young teachers have to leave Alberta before the minister steps outside his message box and realizes that there is a financial crisis in our schools?

Dr. Oberg: Mr. Speaker, first of all, when it comes to a financial crisis, I'll just reiterate a little bit about the money that's gone in. I talked about the \$191 million. We also put in \$60 million to pay the teachers' unfunded liability this year, \$60 million that by definition went directly into the classroom, directly to the teachers. This year alone \$191 million dollars went into the K to 12 system in my budget. There's been probably about a 25 to 28 percent increase in funding to school boards over the last four years. This year alone the hon. Minister of Infrastructure announced 27 school projects. Twenty-seven school projects. There are six new schools in Calgary

alone. There's a \$51 million school going to be built just down the road in Edmonton. So there's a tremendous amount of dollars that are going into education, going into learning.

I will say that we continue to work with the school boards. Many school boards have put forward their fiscal issues, and I'm not belittling their situation at all. Many school boards are tight, but we're working with them to ensure that they will make the decisions that are in the best interests of all students.

The Speaker: The hon. Member for Edmonton-Calder, followed by the hon. Member for Edmonton-Gold Bar.

Bingo Industry

Mr. Rathgeber: Thank you very much, Mr. Speaker. Many volunteer groups rely heavily on proceeds from bingo to sustain their valuable activities. However, the Alberta Gaming and Liquor Commission is currently proposing revised terms and conditions to the bingo industry which would guarantee a return of 15 to 24 percent to the sponsoring charities. My question is to the Minister of Gaming. Is the minister not concerned that many bingo associations will find this guarantee impossible to meet and will therefore cease operating?

The Speaker: The hon. minister.

Mr. Stevens: Thank you, Mr. Speaker. In 2001 this government accepted a recommendation that charitable groups that work at our bingo association halls receive a guaranteed return for their effort. This past January the Alberta Gaming and Liquor Commission started a review with the bingo association halls and the charities of draft terms and conditions regarding among other things the charitable return criteria.

The charitable return criteria in the draft terms and conditions, Mr. Speaker, is based on sales which recognize and deal with attendance, player spend, and prize payout. According to the 2001-02 statistics 17 associations are in the range of meeting the criteria as drafted with an additional 16 associations within 2 percent of the range. If associations were in compliance with the 65 percent prize policy on regular and special games, 35 associations would be in the range of meeting the criteria as drafted with an additional nine within the 2 percent range.

At the end of April the consultation with the bingo associations came to an end. The AGLC is currently reviewing the feedback, and I can assure you, Mr. Speaker, that in any event the AGLC, as we go forward, will be working with the bingo halls to ensure that they improve their returns.

The Speaker: The hon. member.

Mr. Rathgeber: Thank you. My only supplemental is to the same minister. Given the valuable work that charities perform with bingo proceeds, why is the minister proceeding without the endorsement of the volunteer bingo industry?

The Speaker: The hon. minister.

Mr. Stevens: Thank you, Mr. Speaker. In this particular case I think it's agreed between government and the representatives of the bingo associations that it's very important to ensure that the maximum return is received by the charities that work at the bingo association halls. We have done a substantial consultation. In fact, I would suspect we have probably heard from pretty much every charity that

works at the bingo halls at this particular point in time. There is not unanimity within the associations. However, the AGLC will be making its preliminary recommendations and reviewing that again with the bingo associations before there is a finalization, and that will occur in the weeks ahead.

I think, Mr. Speaker, the important thing to remember about this is that this ministry through the AGLC is responsible for establishing policy and for regulating the bingo industry and for managing and controlling the electronic gaming. We are committed to working with our stakeholders, but at the end of the day the decision must be made by this government through this ministry and the AGLC with respect to those matters.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Calgary-Lougheed.

Natural Gas Prices

Mr. MacDonald: Thank you, Mr. Speaker. Although it is the middle of May and the weather has warmed up, many Albertans are still trying to pay last year's astronomical natural gas bills. Just yesterday the president of ATCO Ltd. told Albertans to prepare for the worst because, quote, the natural gas bubble has burst, leading to higher gas and electricity bills for everyone, end of quote. My first question is to the Minister of Energy: why is the government's natural gas rebate program triggered by a provincial election instead of the price of natural gas that consumers see on their monthly bills?

Mr. Smith: Well, Mr. Speaker, the member knows full well the history of the Natural Gas Price Protection Act. He knows all about it, and to make this kind of preposterous leap is just his usual character.

The Speaker: The hon. member.

Mr. MacDonald: Thank you. Again to the same minister: will this government's review of the flawed Natural Gas Price Protection Act involve input from the public, or will it be conducted again behind closed doors like so many other energy policies that have already failed consumers in this province?

Mr. Smith: Mr. Speaker, there will be the usual, a good, diligent review of this act, as has been stated in the House and as will be carried out by this government.

Mr. MacDonald: Again, Mr. Speaker, to the same minister. I hope that review is not conducted in a ballroom in Banff.

What is the minister telling Albertans concerned about high natural gas prices? Is it going to be double the seasonal average now that the price is that high, or is it simply going to be the advice that it's too warm to wear a sweater?

Mr. Smith: Mr. Speaker, when someone's character is called into question, it's difficult to respond. However, given this House and the respect that I have for it, I will try and answer the question as I perceived it to be asked. We do live in a North American marketplace. We have seen the tremendous benefits from the increase of natural gas prices from royalty collection, and we also know that it hurts homeowners.

We also know, Mr. Speaker, that it hurts seniors, and we know that these increased utility costs hurt low-income Albertans, so one of the things that was responded to, and responded to very clearly and appropriately, in the past was the program for seniors and for

low-income Albertans. Not one of those particular individuals who were in need or who needed the assistance of this government failed to receive that assistance. I think it's a hallmark of this government that it sees areas where there's true need and it responds appropriately, and it will continue to do so despite the insults and the usual catcalls from the opposition.

The Speaker: The hon. Member for Calgary-Lougheed, followed by the hon. Member for Edmonton-Glengarry.

Postsecondary Education Participation Rates

Ms Graham: Thank you, Mr. Speaker. The benefits of postsecondary education are well documented. As education levels rise so does economic prosperity and quality of life. Statistics Canada suggests that 80 percent of new jobs require postsecondary education, so it is clear that higher education is essential to our young people. Despite the stated policy of our government that we are committed to helping Albertans achieve higher education, our participation rates for postsecondary education are significantly below the national average. For example, the January 2002 HRDC/Stats Canada report *At a Crossroads*, which I will table later today, showed Alberta to have the lowest postsecondary participation rates in Canada for 18 to 20 year olds at 42 percent. My questions today are to the Minister of Learning. In a progressive and prosperous place like Alberta how does the minister explain why more students in our province don't pursue postsecondary education?

The Speaker: The hon. minister.

2:10

Dr. Oberg: Well, thank you very much, Mr. Speaker. That is an excellent question. First of all, I think there are a lot of reasons why students out of high school, 18 to 20 year olds, don't necessarily go to a postsecondary system right off. In a very hot economy, as we have in Alberta, what I often see and what we see here is that many students go into the job market first and subsequently come back. I will say that Alberta has the highest percentage of people with university degrees and postsecondary degrees of anyplace in Canada.

Mr. Speaker, I have not read this report, but usually and typically what happens is that when they talk about postsecondary participation rates, they always forget one thing. That one thing is very important here in Alberta, and that's apprenticeship. In Alberta we consider apprenticeship as postsecondary. We have 40,000 students that are employed in the apprenticeship industry each and every year. It's extremely important. We have 10 percent of the population and 20 percent of the apprentices in Canada.

So I believe, to make a long answer short, there are a lot of factors: first of all, the hot job market; second of all, the reporting mechanism that is here; but most importantly and most significantly we continue to push our students for postsecondary education, whether it is apprenticeship, whether it is degrees, whether it is diplomas. It's extremely important, and I would encourage all grade 12 students, all students in our K to 12 system to look at a degree or a diploma or an apprenticeship for their upcoming careers.

Ms Graham: Mr. Speaker, given that I will be tabling the report later today – and perhaps the minister will have a look at it – I'm wondering what steps he has taken to ensure that our young people do enter studies at the postsecondary level.

Dr. Oberg: Well, Mr. Speaker, one of the important things that we do is on the student finance side. What we do on the student finance

side is we ensure that those students with the highest needs have accessible dollars to attend the postsecondary system.

Mr. Speaker, one of the things that we did is we looked at the number of students that were turned away from the top six institutions in Alberta, and what we found is that by far the majority of students who had the marks were accepted into other institutions. What had actually happened is that these students had applied to more than one institution. There's a very, very small percentage of the students who had the marks that were not admitted into our postsecondary system.

So there are a lot of things that are happening in Alberta from the financial point of view, varying programs in Alberta to ensure that students are attracted, and I will say that our postsecondary system is absolutely, one hundred percent second to none in Canada.

Ms Graham: I have a final supplemental, Mr. Speaker. Given that, as the minister mentioned, affordability of postsecondary education is so very important to prevent barrier to access, are you, Mr. Minister, prepared to act on my motion, Motion 506, which was passed in this Assembly this spring urging government to find new and innovative ways to help students finance their postsecondary education?

The Speaker: One of the honoured traditions in a parliamentary system is that members should not be pressured into voting in any way, either directly or indirectly, so I think we'll pass on that question.

Private/Public Partnerships

Mr. Bonner: Mr. Speaker, the draft report for the minister's symposium on schools says with respect to P3s, and I quote: Alberta's experience is marked by modest success and spectacular failure. It goes on to say, and I quote again: the province should adopt a coherent policy on P3s. But in spite of the spectacular failures of P3s in the past and the total absence of P3 research, policy, and planning that this report identifies, this government has committed itself to using P3s to the tune of \$1.4 billion. To the Minister of Infrastructure: shouldn't this minister have conducted his research and fully developed his P3 policy before he committed Alberta taxpayers to spending \$1.4 billion on these projects?

Mr. Lund: Mr. Speaker, I don't know where on earth this member is coming from. To say that we're committing taxpayers to \$1.4 billion or \$1.9 billion or whatever number as far as P3 is concerned is just absolutely false, and I wish that they would quit these kinds of misleading comments and creating nothing but a problem out in the communities. The fact is that there's not even one – there's not even one – P3 project since we started talking about this new system before us today. There are some P3s that are working out there in the health care system, have been there for years. There are other examples of P3s, but the kind of nonsense that he talks about relative to a P3 is probably the kind of P3s that would not pass the test. The fact is that we are setting up and have set up a very good outside committee that would be assessing any type of alternate financing, which would include all P3 projects that we might talk about. When one comes, we will then have something to talk about, but certainly to say that we've committed the taxpayer to over a billion dollars is just totally wrong.

Mr. Bonner: To the same minister, Mr. Speaker: what assurances can this minister give the people of Alberta that his P3s aren't going to be just another spectacular failure?

Mr. Lund: Mr. Speaker, we've gone through this many times, but maybe I'll try to do it more slowly today. We have consistently said that if there is a proposal that comes forward, we will assess it. We have a committee within the department that will assess it. We then turn it over to an outside committee that will go through the total package, will bring the lifetime cost back to present-day values, compare that with what it would be if in fact we did the project ourselves.

There are a number of things in a true P3 that I'm sure that the member would have great difficulty understanding but I know that Albertans won't have any problem understanding, and that is relative to things like having a project started and completed more quickly, having the risk off-loaded to the private sector, to have the ability to have people that are experts in operating structures do the operation, and some of those kinds of things that will have to be figured in when you look at the total cost. That's why the Treasurer has set up an outside committee that has expertise in all of those fields to make absolutely sure that the deal is the best for the taxpayer.

Mr. Bonner: Well, Mr. Speaker, I certainly don't have any trouble understanding all the comments in the minister's draft report.

To the same minister: when is he going to develop his own research and policies on P3s, or is he simply planning to drift into a disaster like our electricity deregulation?

Mr. Lund: Mr. Speaker, the only people that are drifting into disaster are right over there. The fact is that on the report that the member is referring to, back in December of 2001 we conducted a school symposium. Out of that school symposium, which some 450 people participated in, we developed a group of subcommittees. The report he's referring to is just one of the reports from a subcommittee, and it's a draft. I haven't even seen it yet because I believe it's maybe even today and tomorrow that the committees are working on the draft, and then there will be a final report coming to us. But the fact is that we have been working and doing a lot of research on P3s, and when – when – a proposal finally comes to us, we will be ready to report.

The Speaker: The hon. Member for Calgary-East, followed by the hon. Member for Edmonton-Riverview.

2:20

Health Care Services

Mr. Amery: Thank you, Mr. Speaker. My question today is for the hon. Minister of Health and Wellness. Many of my constituents have expressed concern about difficulty in obtaining health care services. In spite of yet another large increase in health care spending by the province this year, wait times in emergency departments seem to be getting longer, and the time it takes to get an appointment with a family physician is also growing. Since more money, more frontline staff, more physicians are not helping the situation, what is the minister doing to deal with this very important concern?

Mr. Mar: Mr. Speaker, over the last eight years we've doubled our health care budget to some 7.3 billion dollars. Currently we are spending \$20 million a day on health care, and notwithstanding these significant amounts of investment in health care, there continue to be issues with respect to access. Now, we've said all along that money alone will not solve access issues. There are a number of different solutions that need to be taken in tandem in order to have an effective solution. We have worked with the Department of Learning in terms of increasing the number of seats relating to health

care professions in our province. We currently have some 12,000 seats in postsecondary institutions for various health care professions. We have recruited aggressively with respect to physicians, as an example. Over the last three years we have had a net increase – a net increase – of 600 physicians in the province of Alberta, bringing our total to nearly 6,000.

Emergency wait times continue to be an issue notwithstanding the best efforts of both the Capital health region and the Calgary health region, the two largest health regions in the province. Between the two of them they deal with some 600,000 emergency room visits each year. But because of the need to deal with other ways of delivering primary health care and not relying simply on emergency rooms to do that, we have made significant efforts and invested significant moneys in primary health care reform, Mr. Speaker. Just last month some 16 million dollars was announced by the government for primary health care initiatives that will reduce the number of unnecessary visits to emergency rooms by providing individuals with another access to primary health care other than emergency rooms. Also, of course – and I've spoken about this many times in the House – the Health Link line, which will be made available throughout the entire province by this summer, has demonstrably reduced the number of unnecessary visits to emergency rooms in those areas where it has been implemented.

The Speaker: The hon. member.

Mr. Amery: Thank you, Mr. Speaker. Given that a large percentage of those people who visit hospital emergency rooms do not really require hospital care, what is the minister doing about increasing the number of 24/7 medical clinics and thereby reducing the pressure on hospital emergency departments?

Mr. Mar: Mr. Speaker, there are a number of ways of helping to address this issue, some of which I've already talked about. Certainly, expanding primary health care through the \$16 million that I announced late last month will go a long way towards doing that. Improving access in rural areas will go a long way to helping relieve the pressure that exists in large urban centres. Helping Albertans prevent disease and injuries and promoting wellness will help reduce the overall demand upon our acute care system. Doing a better job of dealing with chronic diseases – and people will be well aware of the announcements that were made with respect to a provincewide diabetes strategy earlier this month.

So, Mr. Speaker, all of these elements will be a very important part of improving our emergency room wait times. There's no single fix for this, but the focus on the promotion of wellness, training of more professionals, finding better ways to deal with the issues relating to access to primary health care will all be a part of the solution to this important issue.

The Speaker: The hon. member.

Mr. Amery: Thank you, Mr. Speaker. Since the minister mentioned the Health Link line, some of my constituents called me and told me that they had to wait 25 minutes to get an answer. Could the minister address this situation?

Mr. Mar: Well, Mr. Speaker, certainly Health Link has demonstrated itself not only to be very effective for providing 24-hour access to doctor approved, nurse delivered advice; it has also proven itself to be very popular among Albertans. Last year the Capital Health Link line received close to 400,000 calls, over a thousand calls a day. In Calgary the Health Link line has received up to 800

calls a day. The number of calls will continue to grow as the program is expanded throughout the province.

Mr. Speaker, as at April of 2003 seventy-one percent of all the calls to Health Link were answered within two minutes. By June 2003 that response rate will improve so that 80 percent of calls will be answered within two minutes. In order to achieve that, we are training 10 to 12 new nurses each month, and we are increasing the number of full-time equivalents providing that important service.

Air Quality at Holy Cross Hospital

Dr. Taft: Mr. Speaker, my questions are to the Minister of Infrastructure. Will the minister inform this Assembly what he has learned about his department's testing for toxic mold at the Holy Cross hospital?

Mr. Lund: Well, Mr. Speaker, what I've learned is that that member has been trying to mislead Albertans, mislead this House, and in fact it looks to me, what I think has happened, that he's even misled the privacy commissioner of . . . [interjections] Whatever.

Ms Carlson: Mr. Speaker, point of order.

Mr. Lund: The fact is that I told the member on Monday and I told him again on Tuesday that the testing that was started in the Holy Cross hospital was never completed.

The Speaker: There was intervention there on a point of order. There was use of a certain word three times. This is going to lead to a major flare-up at the conclusion of question period.

The hon. member.

Dr. Taft: Thank you, Mr. Speaker. It's just very important that we get this all on the record.

To the same minister: does the Department of Infrastructure have in its possession any lab results that speak of toxic mold at the former Holy Cross hospital?

Mr. Lund: Mr. Speaker, I really take exception to this member continually trying to discredit the staff in my department. Yesterday he made comments like: has the department simply lost them? You'll find this on page 1621 of *Hansard*. What this has done is it has created a great deal of hardship as far as the department staff is concerned, and I think that member owes particularly one of our staff, Sandy Fisher in Calgary, who was in charge of trying to find a place to house the Court of Appeal – in fact, the person that started this testing just yesterday sent an e-mail to us, and I will read the one very important sentence: "Sandy Fisher is aware that I did not complete our report for the Holy Cross Hospital as the decision was made for the Court of Appeal not to move into this building."

The Speaker: I will ask that that be tabled, please, at the appropriate time.

The hon. member.

2:30

Dr. Taft: Thank you, Mr. Speaker. If people read carefully, they will see that he did not answer the question, so I will repeat this for the record. [interjections] Could we get order, please? Thank you.

The Speaker: Order will come, hon. member, when the hon. member recognizes: no preambles on supplementary questions. The question, please.

Dr. Taft: Is the minister saying that his department has never had possession of positive tests for toxic mold at the Holy Cross hospital? Yes or no will do.

Mr. Lund: Mr. Speaker, once again I will put on the record what has happened. The fact is that when we were looking at locations to house the Court of Appeal, the Court of Appeal asked Mr. Tang Lee to do an air quality test, and clearly, as this shows, the tests were never completed.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-Fort.

Electricity Prices

Mr. Mason: Thank you very much, Mr. Speaker. Today the spring Legislative Assembly will come to a close. During the session gas bills went through the roof, and electricity deregulation continues to rob customers blind. Energy consumers will look at this session with its three months of speeches and wonder why it is that they're worse off than ever before. To the Minister of Energy: after three months of debate, petitions, letters, and hard-luck stories, how come consumers are still stuck with record-high energy bills?

Mr. Smith: Well, Mr. Speaker, the bills that are being sent out in Alberta today reflect real-time pricing. They reflect the marketplace of the day. There is no debt attached to those from a Crown basis. We're seeing policies: an export policy, a market policy, a transmission policy that continues to bring on new generation. We also see ourselves in a time, in an era, where, as the chief executive officer of ATCO reported yesterday, natural gas is at an all-time high.

Mr. Mason: Mr. Speaker, can the minister produce a single power bill of an individual Albertan whose costs for electricity are lower today than at the beginning of this session?

Mr. Smith: Well, Mr. Speaker, we don't get into the habit of collecting power bills that are higher or lower. We haven't even gone out and asked for them. I'm sure they're around. In fact, I've seen bills that are in fact lower than they were prior to deregulation. What this member seems to conveniently forget is that prior to 2001 power was at 19 and a half cents a kilowatt-hour as opposed to the 4 cents and 6 cents that it is now.

Mr. Mason: Mr. Speaker, can the minister identify a single municipality with lower power costs as a result of this government's efforts during this session of the Assembly?

Mr. Smith: Well, Mr. Speaker, there are 384 elected jurisdictions across Alberta, and we've listened and talked to them. They haven't come up and said: gee, could you compare one against the other, pit municipalities against each other? We think that this is one great province with one great government, and we'll continue to look at it from a broad Alberta perspective.

The Speaker: The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Centre.

Education Property Taxes

Mr. Cao: Thank you, Mr. Speaker. At a recent seniors' conference held in my constituency where the hon. Minister of Seniors and I were invited as guest speakers, my constituent seniors asked me to bring to the government's attention three points. Senior citizens

have no objection to paying education taxes. While incomes of seniors are effectively fixed, their education taxes keep increasing alarmingly because it is based on increasing market values of their own residences. Number three is that our government's health care policies encourage our Albertan seniors toward aging in place in their own homes. My question today is to the hon. Minister of Learning. Could the Minister of Learning look into the increase in education tax creeping up against the fixed-income seniors?

Dr. Oberg: Mr. Speaker, when it comes to municipal taxation, my department is involved in the setting of the mill rate. This year the mill rate was frozen, which meant that if you had a \$100,000 house this year and if you had a \$100,000 house last year, you would pay exactly the same taxes. If your house value went down, you paid less. If your house value went up, you paid more. When I set the mill rate, it is a type of thing that is set for the whole province. It is not set for one particular group of people.

Mr. Speaker, I would believe that the hon. Minister of Seniors could probably answer that question more accurately as it specifically applies to seniors.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. My last supplemental question is to the hon. Minister of Seniors. Given that my constituent told me that her pension increased 1.6 percent this year while the city assessment of her property increased by 10 percent for property tax and education purposes, could the minister look into this increase in property taxes and cost of living affecting fixed-income seniors and develop a better aging-in-place policy in tandem with the Minister of Health and Wellness?

Thank you.

The Speaker: The hon. minister.

Mr. Woloshyn: Thank you, Mr. Speaker. I'm very pleased to hear the member reaffirm that seniors have been and are still willing to pay their fair share in this society. Having said that, as I've mentioned previously in this House, I'm very concerned with seniors close to our thresholds who are succumbing to the increasing costs of rent, property tax, utilities, health care, and all sorts of associated items.

In direct response to the property tax issue, I would like to have discussions with the AAMD and C and the AUMA to either freeze taxes as they apply to seniors or find some method to ensure that the increases aren't escalating at the rate that they are. I know how taxes are set, and I do know that property taxes, both municipal and sometimes the education portion, are accelerating far beyond the ability of the seniors to absorb it in their budgets.

The Speaker: Hon. members, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(reversion)

The Speaker: The hon. Member for Little Bow.

Mr. McFarland: Thank you, Mr. Speaker. As we wind down, it's really a pleasure for me today to introduce to you and to all members of the Assembly a special mayor, from the town of Picture Butte,

who has come up here to do some work with the AUMA today. Mr. Jon Stevens has an extensive financial background with the banks and after his retirement from the bank became a mayor for the town of Picture Butte. His nephew Jason has brought him over to the Legislature today, and if you look about five or 10 feet to the left, you'll see maybe some familiarity, a family face. Mayor Jon is the brother of Barney Stevens, who is one of the staff with our Sergeant-at-Arms. I would like to ask them to please rise and receive the traditional warm welcome of our Assembly.

Members' Statements

The Speaker: The hon. Member for Edmonton-Calder.

Constitutional Reform

Mr. Rathgeber: Thank you very much, Mr. Speaker. Albertans have never been shy about discussing and questioning our place in Confederation. Albertans have never been shy about proposing changes to our Confederation for the benefit of all Albertans and indeed of all Canadians. However, often our eagerness for positive change has fallen upon deaf ears, upon wary and unconvinced provincial governments and an uncaring and unconcerned federal government.

However, Mr. Speaker, the winds across the country are starting to blow in a different direction, and they're blowing in our favour. Recent events have presented a window of opportunity for Alberta to be a bold leader and reach out to our colleagues across all of Canada and try to bring about necessary and beneficial changes to Confederation not only for our own interests but for the interests of all of the provinces and of all Canadians. While each province may have its own specific interests, a common frustration is developing. The provinces are sick of federal encroachment in areas properly under and affecting provincial jurisdiction. The provinces are tired of federal policies such as the Kyoto protocol, the federal gun registry, and the Canadian Wheat Board.

2:40

Mr. Speaker, in Newfoundland and Labrador we now have cod fishermen soon to be out of work because an inept bureaucracy in Ottawa felt that it knew how to best manage that province's resources. The Premier of Newfoundland and Labrador has now called for constitutional change to give that province more control over its own resources. In Quebec the election of a new federalist Premier has afforded us the opportunity to work with a powerful leader and friend, one concerned with changing Confederation for the better rather than running away from Confederation, as his predecessor did. We are likely to soon be graced with a new Liberal Prime Minister in Ottawa, one who at least acknowledged that provincial and regional alienation is real and has at least expressed an interest in change, however timid that interest might be.

With these developments in mind, now is the time, Mr. Speaker, to reach out to our colleagues. Now is the time to persuade our colleagues why we need Senate reform. Now is the time to show why the provinces need a say on treaties that affect provincial jurisdiction. Now is the time to start meeting regularly, formally or informally, with our colleagues to build a consensus. The time for constitutional renewal is now.

Democracy in Alberta

Dr. Taft: Mr. Speaker, the people of this province treasure democracy as a pillar of our society. From Medicine Hat to High Level, from Fort McMurray to Waterton, Albertans have spoken loud and

clear that the principles of democracy, transparency, and accountability are staples of our system of government. Yesterday the government introduced a motion which would propose to create an elected, effective, and equal Senate for our country. Let there be no doubt that the Alberta Liberal caucus, the Official Opposition of Alberta, fully supports and endorses a triple E Senate for our country, but while the government promotes democracy to others, they are also sending the message to Albertans and all Canadians: do as I say, not as I do.

We have seen stunning examples from this government that there is indeed a democratic deficit in our province. Under this administration elected bodies such as school boards have been fired by the government, not by the people who elected them. Regional health authority elections were scrapped barely a year after they occurred, and the members of the boards who were elected were fired, not by the citizens of Alberta but by the minister's office. Now democratically elected students' unions face the chopping block of this government with Bill 43.

Shell legislation is brought forward in this Assembly which allows the details of government policy, which affects all Albertans, to be made in the back rooms and behind closed doors. Standing policy committees, who receive in excess of 600,000 taxpayer dollars, are largely affairs which are closed to the public and nongovernment representatives. There is no lobbyist registry in our province. Neither is there whistle-blower legislation. I could go on and on, Mr. Speaker. This government has created a democratic deficit. If we are going to advocate to others that democratic government must be revitalized, we must ensure that our own backyard is taken care of as well. Otherwise, no one will take the effort seriously.

Thank you.

The Speaker: The hon. Member for Calgary-Fort.

Provincial Fiscal Policies

Mr. Cao: Thank you, Mr. Speaker. Alberta is truly blessed with the splendour and richness of the land, with the positive, can-do attitude of its citizens, with the free enterprising spirit of its businesses, and with a high quality of living. I must say that all of these do not just happen. Many other jurisdictions and places around the globe having similar or even better geography cannot achieve what Albertans have. The question is: why? To me it is the positive leadership in government, in businesses, and in families. It is the dedication of the government to take on challenges, to make changes for an even better Alberta. When other jurisdictions are rowing through rough waters, Alberta is hovercrafting calmly over the waves.

Our public mortgage debt came down from around \$22 billion a few years ago to around \$4 billion at the moment. Now Albertans can easily visualize the mortgage payoff day. Alberta has successfully for the last 10 years stayed the course of spending within its means. I still remember standing in front of the Legislature with my colleagues witnessing the symbolic cutting of our province's credit cards. Those are the outstanding achievements of the past. Most recently, in our spring session I saw another landmark, the Alberta sustainability fund, which provides steady and reliable sources for public funding.

Talking about funding, where else in the world but in Alberta does public spending keep increasing, from about \$15 billion a few years ago to \$20.8 billion this coming year, for a population of just under 3 million? If anyone thinks or talks about government budget cuts, they are not talking reality. Mr. Speaker, Alberta has a spending problem; more specifically, sharing the public dollars. May I say

that Alberta has pizza-sharing syndrome. Indeed, our Alberta pizza keeps growing from 15 inches to 20 inches, but those partaking in the pizza still see their own slice as small.

Thank you.

Role of the Opposition in a Parliamentary Democracy

Ms Carlson: Mr. Speaker, an outburst by a member on the government side of the House claiming the opposition is always negative, a government member who complains publicly that all the opposition does is criticize, and the outright hostility that meets opposition questions when those questions make government members uncomfortable demand that this Chamber take a serious look at the role of the opposition in our democracy.

The devaluation of opposition activity is a grave concern, for without an opposition democracy disappears and authoritarian governments take over. As Gerald Schmitz notes in his article on Opposition in a Parliamentary Democracy, the roots of our system go back to Athens. Self-government was based on the notion that the minority could by peaceful means seek to persuade the majority to their point of view and that citizens are both the rulers and the ruled.

Much has changed. For example, now elected representatives speak for the population. What is constant, however, is the principle that government only governs with the consent of the governed. Once that is accepted, it follows that the minority accepts the right of the majority to make decisions as long as there is respect for the minority to disagree with these decisions and propose alternative actions. That is what seems to be so difficult for some members to understand. Our democratic system exists only as long as Albertans are able to speak both through the government as well as through the opposition. The very legitimacy of the majority is made possible through the existence of a voice for the minority.

Prime Minister Lester Pearson captured well the argument I'm putting forward. Speaking of the opposition, he said:

They rightly insisted on their right to oppose, attack and criticize, to engage in that cut and thrust of debate, so often and so strongly recommended by those concerned with the vigour and health of Parliament and the health of democracy. I cannot forbear to add, however, that the application of this procedure has, in the past, been occasionally resented by those who are cut and thrust at.

Last fall the Premier of Alberta also acknowledged these comments. We would like to see some changes in this Legislative Assembly this fall.

head: **Statement by the Speaker**

Sessional Statistics

The Speaker: Hon. members, before we go on to the next point in the Routine, we're currently in the 25th Legislature, and I thought the hon. members might appreciate some of these statistics.

In the First Session of the 25th Legislature, which was the spring session of 2001, the Assembly sat on 25 different days but also 17 evenings for a period of 42 sittings and during that time accumulated 9,152 minutes in the House, or 152.53 hours. In the spring sitting of 2002, which was the Second Session, the House sat on 37 days but also 26 evenings for a total of 63 sittings and sat in the House for 12,395 minutes, or 206.58 hours. In this current spring session, the Third Session of the 25th Legislature, we are now on our 46th day, but we've also sat 31 evenings, for a total of 77. In terms of the total hours, to last evening at 5:30 it was 252.83 hours, a total of 15,170 minutes.

So in the First Session, 2001, a total of 42 sittings; in the Second Session, 2002, 63 sittings; and in the Third Session, 2003, to date 77 sittings.

head: **Presenting Petitions**

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I present on behalf of the Member for Edmonton-Glengarry an approved petition with 860 names of Albertans who are petitioning the Legislative Assembly to urge the Government to acknowledge that the maintenance and construction costs of schools, hospitals and roads are part of the provincial debt and to consider splitting the budget surplus between the monetary debt and the infrastructure debt.

Thank you.

2:50head: **Notices of Motions**

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I rise pursuant to Standing Order 34(2)(a) to give notice of a motion that written questions appearing on the Order Paper do stand and retain their places.

There being no motions for returns, there are none to stand and retain their places.

head: **Tabling Returns and Reports**

Mr. Lund: I'm really happy to table this e-mail from Tang Lee.

The Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Speaker. I'm tabling five copies of the report *At a Crossroads* by Human Resources Development Canada and Statistics Canada, January 2002, which is a comprehensive survey of Canadian youth 18 to 20 years of age as at December 1999 as to their educational participation, their completion rates, and their labour market participation. This report at page 46 suggests that Alberta students of this age group have the lowest postsecondary participation in Canada at 42 percent, which was the basis of my questions to the Minister of Learning today.

The Speaker: The hon. Member for Edmonton-Glenora.

Mr. Hutton: Thank you very much, Mr. Speaker. I have the required number of copies for a tabling on behalf of the hon. Member for West Yellowhead requesting the Minister of Learning and the Minister of Infrastructure to meet with the concerned parents of Grande Yellowhead regional division No. 35 over the school building space in Edson, signed by 132 concerned constituents.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I rise today to table the requisite number of copies of six different reports, all relating to mold. The first one is entitled *Mold Neurotoxicity: Validity, Reliability and Baloney*. It is a meticulous and detailed debunking of the latest and fastest growing fad in the personal injury litigation business, that being the toxic mold scare. It's authored by noted debunker Dr. Paul R. Lees-Haley. It's taken from the Quackwatch web site.

The second article is entitled *Experts Taking Issue with "Toxic Mold"*. It's along the same line as the first report. It takes issue with the words "toxic mold," which it calls an "alarmist term originally propagated not by scientists but by either the news media or trial lawyers."

The third report is from the Toxic Mold Resource Center. It talks

about toxic mold such as penicillium and advertises that there are "numerous toxic mold testing companies, that provide a wide range of results."

The fourth is from the Environmental Law Advisory, a monthly update on law policy and strategy, outlining how exposure to mold is one of the fastest growing areas of litigation, how it's being blamed for everything, how mold is everywhere from bread, cheese, wine to penicillin, and that despite conflicting and incomplete scientific data, juries are handing down verdicts anyway.

The final two, Mr. Speaker, are on a new technology called electro-osmotic pulse technology, which for an operating cost equivalent to one 60-watt light bulb is easily and dramatically drying out large government buildings, basements, and other institutions, thus solving the problem. If I could, Mr. Speaker, a fast quote from the fifth article: "Clammy, smelly, dank, and unhealthy. But enough about politics. We're talking basements here – specifically, a new way to keep them dry."

Thank you, Mr. Speaker.

Mr. Dunford: Mr. Speaker, I have my answers to the questions from yesterday in question period.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you, Mr. Speaker. I have two tablings today. The first is a copy of an announcement that Pro Coro Canada's executive director, Miki Andrejevic, has received one of the Queen's golden jubilee medals.

The second is another release, on Bottom Line Productions, which was one of Edmonton's first independent arts management and public relations firms. They're celebrating their 10th year in the arts business in Edmonton.

Thank you.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Yes. I have three tablings, Mr. Speaker. The first is at the request of the author of the letter, Gerald Zagrosh, who runs the Pain Elimination and Tissue Regeneration Clinic. It's a letter that was sent to many MLAs in which he explains his theory and approach to eliminating pain.

The second: the appropriate number of copies of the teachers' arbitrated settlement agreement, which was never tabled in this Legislature and which I've been asked to table. It's the one that has led to the current situation with funding and teacher layoffs in the schools, and it says among other things that it will be up to the provincial government to determine how to deal with the reality of this arbitration as it makes its funding decisions for that year and beyond.

The third is at the request of the Member for Edmonton-Glengarry: 388 people who have signed a petition urging the government to acknowledge that the maintenance and construction costs of schools, hospitals and roads are part of the provincial debt and to consider splitting the budget surplus between the monetary debt and the infrastructure debt.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I have one tabling this afternoon. It is copies of a petition that was organized in the Manning district. This petition states:

We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government to acknowledge that the mainte-

nance and construction costs of schools, hospitals and roads are part of the provincial debt and to consider splitting the budget surplus between monetary debt and infrastructure debt.
Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I've got one tabling. It's a letter from Kelly Duffin, president and CEO of the Canadian Hearing Society, that is dated May 14, 2003, and it is addressed to the Minister of Learning. I've been copied on this letter. The society is requesting the minister to intervene with the president's office of Grant MacEwan College to reconsider his decision to close the American sign language English interpreting program.

Thank you.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm tabling pages 36 to 38 of a Calgary Catholic school district document, the 2003-2004 district operating budget, showing that the district's utility bill has doubled.

The Speaker: Hon. members, annually 12,000-plus people visit the Legislative Assembly in the capacity of visitors, and many of them do not have English as their first language. So to accommodate them and to make them feel a little more familiar and comfortable with the Assembly, we've created a new booklet called English as a Second Language: Field Trip Guide to the Alberta Legislature. I'm tabling copies here and will have one provided for all members. Members, there's a test included in the booklet.

head: **Projected Government Business**

The Speaker: The Official Opposition House Leader.

Ms Carlson: Thank you, Mr. Speaker. I am rising to ask the Government House Leader if he's bringing us back next week to deal with those bills that are still on the Order Paper.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Well, thank you, Mr. Speaker. It depends on progress this afternoon as to whether we come back next week. If we do come back next week, the Order Paper outlines a number of bills that would be available to us. We have very important bills like the Family Law Act, the Workers' Compensation Amendment Act, 2003, the Personal Information Protection Act, the Post-secondary Learning Act. So if we're here next week, we can anticipate dealing with those bills.

The Speaker: The hon. Member for Edmonton-Ellerslie on a point of order.

Point of Order Parliamentary Language

Ms Carlson: Yes, Mr. Speaker, I did rise on a point of order. I reference *Beauchesne* 489 and would also as an additional reference use the memo that you send at the beginning of each session to all members outlining decorum in the House and specifically language that is unparliamentary.

Beauchesne 489 specifically does reference language that's been ruled unparliamentary since 1958. In the exchange between the Minister of Infrastructure and the Member for Edmonton-Riverview

this senior minister in the government, who has been here way longer than me, who very well knows the rules, used the term "mislead" or "misleading," as you correctly pointed out earlier, three times in his very first response to the Member for Edmonton-Riverview. Mr. Speaker, that is unparliamentary language, and we would ask him to withdraw those comments.

The Speaker: The hon. minister.

Mr. Lund: Thank you, Mr. Speaker. I think what has happened this week relative to comments from the Member for Edmonton-Riverview is the issue that he's been raising over toxic mold, which we acknowledge and believe can be a serious issue. However, as far as I'm concerned, leaving an impression that in fact we had done testing at the Holy Cross hospital and that we had found mold and that we did not disclose that I was finding very offensive.

3:00

As a matter of fact, it started on Monday, and we'll find that in the Monday afternoon edition, May 12, of *Hansard* on page 1569. I'm not going to read all of his comments, but I do want to show how this has progressed to a point where I'm not sure of the motive. It is really concerning to me. He starts off by saying:

Now the Liberal opposition has learned that tests were conducted in the summer of 2001 for mold at the former Holy Cross hospital and that the results of these tests should be of concern to the public . . .

To the Minister of Infrastructure: given that exposure to toxic molds can lead to headaches, nausea, respiratory illness, bleeding of the lungs, and cancer, why have tests for mold at the Holy Cross hospital never been made available to the public?

That very statement would seem to indicate to me that there was mold found and that because it is harmful – and we're not arguing that situation – somehow we were allowing the public to be exposed to it.

Later in the same day he said:

Mr. Speaker, given that there are 42 long-term care residents as well as dozens of nurses, doctors, and other support staff at the Holy Cross, will the minister immediately release all test results for mold at that site? It seems the site failed the tests.

Well, Mr. Speaker, once again that would indicate to me that we were failing and that, in fact, there was a danger to the people that were in the facility, that their health was in danger.

In my answers to the member on Monday I clearly indicated to him that I was aware that there had been some air quality examinations proceeded with but not concluded to the best of my knowledge. I did not on that day have absolute proof that it had not been followed through to completion, but from memory I was remembering that, in fact, before we ever got very far down the way, for other reasons we had abandoned that site.

Then on Tuesday, May 13, on page 1620 we find in the first question to me the comment, "Yesterday the Minister of Infrastructure admitted that tests for toxic mold had been conducted at the Holy Cross hospital." I did not say that, Mr. Speaker. I did not say that there had been tests for toxic mold. Knowing full well, I explained it once again to the member that the tests were not completed. I knew by Tuesday that they had definitely not been completed.

He goes on with the second question: "Can the minister assure Calgarians that all appropriate steps were followed when the test results were obtained from the Holy Cross?" We did not receive any tests, because they were not completed. There were some samples taken and sent to a lab, but clearly there has to be much more work done to find if, in fact, there's anything that is injurious to health.

Then we go on the next question, and he says, "Your department

did the tests.” That is absolutely false. Our department did not do any tests. As a matter of fact, the way the process was working, for every building that we did an assessment on to see if, in fact, the Court of Appeal could be housed there, the Court of Appeal hired a person by the name of Tang Lee to do some tests. We didn’t. [interjection] Somebody over on that side said: we paid for them. Well, the fact is that after the testing was done, we got an invoice. The test would’ve been sent to the Court of Appeal.

Then he says, “I hope they haven’t lost the file.” It’s very discouraging to think that he would insult our good people that work for the Alberta government, our employees who are very conscientious and good, and to have a person stand up in the House and make those kinds of comments. He goes on, “Why has the department chosen to sit on the results, or have they simply been lost?” Once again, an insult to our staff that he would make those kinds of comments.

I can also tell you, Mr. Speaker, that the owners of the building had another independent group come in, and we do have a letter from them saying that in the results from their tests there were no toxic molds in the Holy Cross hospital. That was not of great interest to me, because the fact is that we were not going to go into that facility anyway, but I have since found that.

Now, this whole exchange in here for over two days has caused a great deal of concern for me and for the department. If there was something, then we wanted to make absolutely sure that it was cleared up. So you will see from the paper that I’ve filed today that we sent an e-mail to Mr. Lee and asked him that if he has any results, could he give them to us because we need those. He writes back, “Sandy Fisher is aware that I did not complete our report for the Holy Cross Hospital as the decision was made for the Court of Appeal not to move into this building.” That’s what I’ve been saying on Monday; I’ve been saying it on Tuesday.

So if my verbiage today created some great disorder on the other side of the House – perhaps I should’ve said: in my opinion, it misled me. If using the whole Assembly, then I apologize for that. But I really have difficulty when someone would stand in this House for two days and make comments that would make me believe that he is now casting an aspersion over me and my department and, in fact, out in the public, creating a real concern about the facility being safe.

So with that, Mr. Speaker, like I say, if it was a problem with my using the strong language that I used, I will say that I should’ve been more careful and said that I feel that I was misled. I find this just so offensive that we would have this kind of performance in this Chamber.

The Speaker: Hon. Member for Edmonton-Riverview, do you have a comment with respect to this or not?

Dr. Taft: Mr. Speaker, this issue is far from over, but I do understand the minister’s comments. I accept his apology, and as far as I’m concerned, that’s fine.

Thank you.

The Speaker: Hon. members, this is one of those situations where the usage of the words almost come to a draw. *Beauchesne* 489 very, very clearly says that certain words are unparliamentary, and then in the next section, section 490, it basically says that the expression is parliamentary. In terms of the documents that I provided to all hon. members, there are many, many examples where on some occasions they are ruled parliamentary and on other occasions they’re ruled unparliamentary, and everything has to do with the context.

3:10

I let this go because I think it was worthy of that. The bottom line is that the hon. minister has basically said that he apologizes for the usage of the words in their context. He may or may not have had to do that depending on whether there would have been a ruling in this case. The hon. Member for Edmonton-Riverview accepts it. The one bottom line for me is that context means everything and that decorum is all-important.

I’m sure we’ll have a great opportunity over the next number of months, so I’m going to provide an assignment called homework to all hon. members: read chapters 10 and 11 in *Beauchesne*, please.

Now, if my eyes are correct, we have a visitor in the Assembly today who is one of the great parliamentarians of this country. I believe that that’s the Hon. Mitchell Sharp. If so, he has distinguished this country for decades in national and international work. Mr. Sharp, you honour us with your presence.

head: **Orders of the Day**

head: **Government Motions**

Senate Reform

23. Mr. Jonson moved:

Be it resolved that given that the current process of appointing Senators offends Canadians’ democratic values, has deprived that House of political legitimacy and efficacy, and has prevented the Senate from being effective in protecting the interests of the provinces of Canada, the Legislative Assembly directs the government of Alberta to consult with Albertans on reforming the Senate through the following constitutional amendment; namely, by repealing sections 21 to 34 of the Constitution Act, 1867, and substituting the following:

21 (1) The Senate shall consist of elected members called Senators.

(2) Each Province shall be represented in the Senate by 6 Senators.

(3) Each Territory shall be represented in the Senate by 2 Senators.

22 (1) Subject to this section, the Senators representing a Province or Territory shall be elected by the electors of that Province or Territory.

(2) The legislature of a Province or of a Territory may make laws relating to the election of Senators representing that Province or Territory, including the method of election and the procedure for the election.

(3) Except in the case of by-elections, and except in the case of the first election held pursuant to this section, the election of one-half of the Senators representing a Province or Territory shall be held in conjunction with the general elections of members of the legislative assembly of the Province or of the Territory.

(4) Except as otherwise provided in subsection (6) and unless the office is sooner vacated, and except in the case of a Senator elected in a by-election, the term of office of a Senator representing a Province or Territory continues until the official announcement of the results of the Senate elections held in conjunction with the second general election in that Province or Territory after the election of that Senator.

(5) The first election held pursuant to this section in each

Province or Territory shall be for the election of all the Senators representing that Province or Territory.

(6) The term of office for one-half of the Senators elected from each Province and Territory at the first election held pursuant to this section in each Province or Territory continues until the official announcement of the results of the Senate elections held in conjunction with the next general election in that Province or Territory.

(7) In relation to the Senators representing that Province or Territory, the legislature of a Province or of a Territory may make laws establishing which Senators subsection (6) applies to.

23 (1) Subject to this section, a person is qualified to be a candidate and to be elected Senator if the person is eligible to be a candidate and to be elected as a member of the House of Commons.

(2) A person is not qualified to be elected as a Senator or to remain a Senator if the person

- (a) is a member of the House of Commons or of the legislative assembly of a Province or of a Territory, or
- (b) is a Minister of the Crown.

(3) If any question arises respecting the qualification of a Senator, the question shall be heard and determined by the Senate.

24 (1) A Senator may resign his or her seat by delivering a resignation to the Governor General.

(2) When a Senator resigns his or her seat in accordance with subsection (1), the seat immediately becomes vacant.

25 (1) A by-election to fill a vacancy in the Senate representation of a Province or Territory need not be called if

- (a) the vacancy occurs during the last year of the legal life of the legislative assembly of the Province or of the Territory, and
- (b) the term of office of the Senator who vacated that seat would have expired with the announcement of the results of the Senate elections held in conjunction with the next general election in the Province or Territory.

(2) The term of office for a Senator elected at a by-election shall be for the balance of the term of the Senator who vacated the seat.

26. The Senate may establish its own procedure for the election of the Speaker of the Senate and for the conduct of the Senate's business.

27. Subject to section 53, bills proposed to the Parliament of Canada may originate in the Senate equally as in the House of Commons.

28 (1) Where a bill is presented to the Senate after being passed by the House of Commons, if the Senate

- (a) votes against passing the bill,
- (b) passes the bill with amendments that are not acceptable to the House of Commons, or
- (c) fails to vote on the bill within 180 days after it is presented to the Senate,

the bill may be brought before the House of Commons and if again passed by the House of Commons, with such amendments made by the Senate as are concurred in by the House, the bill may be presented to the Governor General for assent, and when assented to has the same force and effect as if passed in that form by the Senate.

(2) In a bill presented to the Governor General under this section, the words of enactment shall be amended by striking

out any reference to the Senate.

(3) An alteration to a bill to give effect to subsection (2) is deemed not to be an amendment of the bill.

(4) This section does not apply to a bill referred to in section 30.

29. If the Speaker of the Senate or of the House of Commons rules that the subject matter of a bill is wholly or partially within section 94A or 95, the bill may be repassed by the House of Commons under section 28 only if

- (a) the percentage of the members voting who vote to pass the bill is greater than the percentage of Senators voting who voted to reject the bill or pass it with amendments, or
- (b) the Senate fails to vote on the bill within 180 days after it is presented to the Senate.

30. Where a bill is presented to the Senate after being passed by the House of Commons and the Speaker of the Senate or of the House of Commons rules that the bill

- (a) directly affects in any way, including by taxation, the natural resources of a Province,
- (b) authorizes the expenditure of federal funds in areas of provincial jurisdiction under sections 92, 92A and 93,
- (c) is binding on a Province, or
- (d) declares a local work or undertaking to be of the general advantage of Canada or for the advantage of two or more Provinces

if the Senate votes against passing the bill or passes it with amendments not acceptable to the House of Commons, no further proceedings may be taken on the bill.

31. Appointments to the Supreme Court of Canada and to the Federal Court of Appeal have no effect until they are ratified by the Senate.

32. No treaty shall be ratified by Canada unless the Senate has authorized Canada to ratify the treaty.

And be it further resolved that given that the Constitution establishes Canada as a federal system of government in which the sovereign powers of the Crown are divided between two separate but equal orders of government and that the federal Parliament is comprised of two Houses, the House of Commons, which is designed to reflect the democratic principle of representation by population, and a Senate, which is designed to reflect the federal nature of Canada, and that Canada is a parliamentary democracy that has constitutionally enshrined the democratic right of every citizen of Canada to vote in an election of members of the House of Commons and of their Legislative Assembly, the Legislative Assembly directs the government of Alberta to initiate discussions with the government of Canada and the governments of all other provinces and territories leading to the reform of the Senate.

Mr. Jonson: Mr. Speaker, the resolution signals Alberta's intention to engage in consultations on meaningful Senate reform. Previous measures the government has suggested for Senate reform have been dismissed by some as halfhearted and piecemeal. We have taken these criticisms seriously. As such, we have included a proposal for a constitutional amendment within the body of the resolution. Previous measures we have suggested did not contemplate amending the Constitution to reform the Senate.

The resolution calls for the Assembly to direct the government to engage in consultations with other provinces, the federal government, and Albertans on how to reform the Senate based on the constitutional amendment proposal in the resolution. The constitutional amendment proposal is based on the report of the 1985

Alberta select special committee on upper House reform and a draft prepared by Alberta officials during the 1992 constitutional negotiations. Simply put, Mr. Speaker, the proposal calls for a triple E Senate, one that is equal, elected, and effective.

Mr. Speaker, in our federal system the Senate was designed to represent the provinces' interests in Parliament. The current Senate lacks a democratic foundation and therefore is not performing its function. Under Alberta's proposal Senators would be elected and not appointed by the Prime Minister alone. There would be six Senators representing each province and two representing each territory, and a reformed Senate would have veto power over any legislation affecting the powers of the provinces.

Some might wonder why we are introducing this resolution at this time. We need to look back no further than Quebec and its idea for a council of the federation or Newfoundland, where a royal commission is examining that province's place in Confederation, to realize that provinces continue to feel frustration with federal institutions and federal/provincial relations. The federal government has failed to recognize this continued disenchantment and has not accepted its proper leadership role in addressing these issues. Mr. Speaker, if it takes opening up the Constitution to achieve a better functioning Confederation, then we should do it.

In the meantime, Mr. Speaker, the government will be advancing the three intergovernmental initiatives the Premier has been advocating for, those being annual first ministers' meetings, involving the provinces meaningfully in negotiations over international agreements, and appointing Senators from provincial nominee lists. We will bring these ideas as well as this resolution forward for discussion at the Western Premiers' Conference in June and the annual Premiers' Conference. I will be advancing the resolution at the intergovernmental level as well with my colleagues across the country.

This resolution gives Albertans, Canadians, and governments the opportunity to seriously consider comprehensive reforms of the Senate. A reformed Senate, one that is elected, equal, and effective, would provide a balance to the House of Commons and force the federal government to make better decisions on a day-by-day basis. However, this is not going to be an easy task, but with respect to such an important issue, Mr. Speaker, the effort — every effort — is certainly worthwhile and needed to be put forward.

With that, Mr. Speaker, I would at this time adjourn debate on this motion.

[Motion to adjourn debate carried]

head: **Government Bills and Orders**

head: **Third Reading**

Bill 40 Appropriation Act, 2003

The Speaker: The hon. Minister of Finance.

Mrs. Nelson: Thank you very much, Mr. Speaker. I am very pleased to move third reading of Bill 40, the Appropriation Act, 2003.

Mr. Mason: Mr. Speaker, just on a point of order or perhaps you could provide some guidance. On the motion of the government that was just adjourned, it has no force and effect as the policy of this Legislature unless it's ultimately passed. Is that not correct?

The Speaker: The debate was just adjourned. We're coming back to it on Monday.

The hon. Leader of the Official Opposition.

Dr. Nicol: Thank you, Mr. Speaker. I rise to speak this afternoon to third reading on the Appropriation Act, 2003. I just have a few comments in terms of a summary of the process and the allocation of dollars that we've seen as we went through Committee of Supply and second reading on the appropriation and committee on the appropriations.

The thing that I reflect back on as I followed the debate and participated in some of it is the idea that we need to be more explicit on how we develop our budget processes on a needs base. I don't mean here that we just have to go out and give people or give agencies what they ask for. What I'm talking about when I say that we need to make sure that the budgeting process is needs based is I'm suggesting that what we have to do is look at, in effect, modeling expenditures in each one of our departments where the costs are built around how we deal with putting together appropriate delivery systems for those services. We have to make sure that these delivery systems are targeted toward a particular degree of efficiency or effectiveness in carrying out the mandate of that department.

I'd give an example in the sense that we've heard the minister as recently as question period today talk about how some school boards seem to be making due with their budget and some can't make due with their budget. Well, what are the characteristics of those school boards that can and the ones that can't? These are the kinds of things that need to be brought into the budgeting debate.

Hopefully, the education commission will address some of those when it reports this fall, but that's the kind of thing that we need to be more transparent about when we talk about our budgeting process so that Albertans understand what the base of the expenditure pattern is rather than just that it's up 9 percent or it's up 2 percent or it's down 5 percent from last year. That's not enough for Albertans if we want to be able to go out and say that these are the criteria and this is the basis under which the budget was put in place.

I guess the other thing that we have to look at is how we deal with the budgeting process in terms of stability. I want to really congratulate the government and the minister this budget system for putting in place their stabilization mechanisms. It's important that as we go through this process, we look at some of the terminology we use, and I think that for Albertans' sake we need to kind of standardize some of that terminology that we're using so that they understand what we're talking about. If we can make it so that it fits with common usage, then we would be better off as we talk about all of our different funds, the function of those funds, like how they're going to be used and what they'll be used for and what their purpose is. This is one of the things that when we look at the new fund that was created this year called the sustainability fund, in effect it's a stability fund. It's not a sustainability fund. Sustainability has got to do with the ability to continue a trend as opposed to taking out the ups and downs of a cycle.

This is the kind of thing that we have to make sure that we build in because in the context of the questions that have been asked by Albertans this year, Albertans do not see the education budget as sustainable. Yet when they look at it, funding for that education budget, especially in the last six years, has been rather stable. It's been growing without a lot of cycles in it. So this is the kind of thing that we need to make sure that we work out.

3:20

I guess the other comment that I want to talk a little bit about in terms of the budget is: how do we measure the process we go through here relative to Albertans in setting our priorities? One of the big things we've heard as the Official Opposition as we've gone through the budgeting process this year is that there doesn't seem to be an appropriate priority given to funding for education. Mr.

Speaker, I will say that that has been by far the biggest area of concern in terms of the actual dollars for the budget because it's the one where we really see significant threats of cutbacks from the status position. If we look at it, you know, in terms of what Albertans are telling us, they see that education funding as really providing appropriate opportunities for all youth, and they see that as we limit the system, the perception is that young Albertans that learning doesn't come quite as easy to are the ones that are suffering; they don't quite get the full support in the classroom that they should be getting. So they're asking: what is going on there?

In the health care area the only real concern that's been expressed regularly to me anyway has been the issue of access. Once they're in the system, most Albertans are reasonably pleased with the care, but they still see the waiting lists as being an access issue. So that's another priority that we need to start to address.

The other area of concern that's come up with the budgeting process this year that a number of Albertans have talked to us about is: how do we develop a sustainable infrastructure program? I think the new program that's here now, especially with the catch-up money that's been put in over the next three years and if we can manage to keep the budget in the billion-dollar range in the Ministry of Infrastructure, should be sustainable as long as we have the catch-up dollars in the other areas. I think that if we can get that message to Albertans, that will help. It may take a number of years for the catch-up to occur, but we've heard a number of people submit petitions that have asked for some kind of a public statement that if we do have surpluses, there'll be some allocation, and they're suggesting 50-50 between catch-up on the infrastructure and pay-down of our fiscal debt. I think we have to look at that, especially in terms of the fact that some years more of our debt matures, some years less of our debt matures. To put an absolute on it, we need to make sure that there's a trend there that reflects where we're going and that we're willing to commit to the fact that that infrastructure debt has to be caught up.

I guess the other thing that we need to look at in terms of some of the budgeting processes is: how do we deal with uncertainty? How do we deal with risk? I know the sustainability fund that the government has created this year is kind of a reserve pool for unplanned risk, but if we're going to make sure that that is manageable over time, I would ask and suggest to the Minister of Finance that next year in the business plans we may have some actuarial data on the real risk items that are in the budget like the ag programs, like forest fires, like the disaster payments, support for municipalities, say, in extreme weather so that we can, in effect, see where and whether or not the long-term stability and workability of that budgeting process is in place. I think that's kind of where we need to go on that.

The other one is that if we're going to continue to build our budgets, we need to in effect make sure that Albertans understand how we do that budgeting process, how we come up with the numbers that are given to ministers. I am not a real fan, Mr. Speaker, of the idea of saying: well, it's just a 10 percent increase over last year. That leads to percentage expectations. You know, you gave us 10 percent last year; you should give us 10 percent this year. We've got to be able to make sure that our budget changes are based on true economic factors like indexes of appropriate costs for that ministry, demographic changes that affect that ministry, economic cycle changes that affect that ministry. I'd like to see some of those things built into the budget planning process for next year and the business plans for next year.

I guess, Mr. Speaker, in a way what I'm talking about is sending signals about what we'll be looking for next year in the budget as opposed to making strong comments about the adequacy or inade-

quacy of this year's budget. When we get to third reading on the appropriation bill, we all know that there's not too much more we can do to change a line item in the budget.

With that, Mr. Speaker, my caucus told me that if I took my 90 minutes, they were going to walk out on me. So with those few comments, I would like to say that I think we've all enjoyed the debate that went on for the budget process. We've really brought out some differences of opinion about where public expenditures should be, and we'll see over the next year how Albertans react to that.

Thank you very much, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. We would hate to see another walkout of the Liberal caucus, especially if it was initiated by the Liberal leader.

Mr. Speaker, in the hopes of keeping people glued to their chairs, I would like to rise and speak to third reading of Bill 40. There are many aspects of this bill, I think, that bear quite a bit of close scrutiny. I'm going to restrain myself, as the Leader of the Official Opposition has well, in terms of going over them in any great detail, but I do want to raise a number of points, and then I'd like to come to the most significant point, which I believe has got to be the education issue.

Now, if you look at the priorities contained in this budget, Mr. Speaker, you'll see that in fact there's real disconnect between what we believe are the priorities of Albertans and what the priorities of the government are. So, for example, this budget contains \$95 million for corporate tax cuts, and we already have some of the lowest corporate taxes in the country. You know that it reminds us of one of the old songs "how low can you go" and still be able to adequately fund those services that Albertans hold dear.

You also have an increase in property taxes of \$64 million. Now, it is correct to say, as the Minister of Finance has said in question period, that this is not a change in the mill rate for the provincial tax and is due to an increase in the overall assessment and that it is an increase in property values plus any new property that is developed that produces this increase, but of course it is in direct contradiction to something contained in the budget a couple of years ago that said that not the mill rate but the total take from provincial property taxes would be frozen. This is a promise contained two budgets ago that has been broken. Now the minister is saying: well, we're freezing the mill rate. Well, that's not what she said two years ago. So the result is that because of rising property values, people's property taxes are going up this year, and that increases the revenue of the government. It is in any reasonable person's assessment an actual increase in taxes contrary to the Premier's promise made repeatedly, including in this Assembly, that taxes in Alberta were going nowhere but down. Well, they just went up, Mr. Speaker.

3:30

Of course, another government priority is the \$37 million for horse racing, and the government likes to talk about, you know, the importance of this for agriculture and so on and so on and all of the poor people that are employed by this industry and so on, but, Mr. Speaker, you don't see that kind of subsidy for other industries in this province, and you don't see this kind of program to provide income support for low-income Albertans in any other area.

McDonald's Corporation pays lots of people lots of low wages, and it's apparently in some financial trouble, yet you don't see the government rushing to give direct financial support to the fast-food industry. I need to be careful. I don't want to give them any ideas,

but I think I want to just make it perfectly clear that I oppose direct financial support for McDonald's just as I oppose giving \$37 million for the horse racing industry. This is a direct contradiction of a fundamental promise that the government gave many years ago that they would not be financially supporting business, that they would get government out of the business of being in business and they wouldn't be picking winners and losers. Well, they picked one here, and horse racing is the winner, but lots of other Albertans are the losers because that money could have been spent on things that are actually important to people.

The government has broken another promise, Mr. Speaker, in that they have changed their policy on transmission lines. Now, the Minister of Energy has pointed out correctly that this was a decision made by the AEUB, that the cost of new transmission in this province would be split 50-50 between consumers and the industry, and he's overruled this decision. He made the announcement in Banff, not in the Assembly, and the AEUB read about it in the papers, and that's not a good way to do business even if there is a good reason for a policy change. The minister has I think confused the issue – let me put it that way – by suggesting that the cost would be only a billion dollars and that it would be spread over 20 years, but the reports that we've produced and tabled in the Assembly show that the cost may be as high as \$3.5 billion and may be paid for in as little as seven years.

The minister has also confused the issue by suggesting that the consumers will pay for the full costs in any event, and that's not correct either. It's not correct. In a regulated industry, as transmission still thankfully is, application needs to be made to the board for those costs that would be included in the rate base. The regulator then makes the decision about which costs are allowed and which are not. If the costs are allowed, they are added to the rate base that is paid for by consumers. If they are not allowed, then they cannot be added into the rate base. The rates do not go up to cover those costs, and the company making the application must pay those costs out of their own pocket.

So to suggest that his decision makes no difference in the end, that consumers will pay everything in the end, is categorically untrue. It is false, and it is something that I think the minister should be ashamed of himself for suggesting to this Assembly and to the people of Alberta because he as the Minister of Energy needs to know how regulation works. I know he doesn't like regulation, but I certainly think that it's incumbent that he know how his own system operates. All of this has allowed rapidly rising utility rates in the province, Mr. Speaker, so these are all priorities that the government seems to have.

Now, let's look at what we think the priorities of the public ought to be. Well, certainly public education is an important one. I'm going to come back to that one, Mr. Speaker, but I also think that lowering tuition in this province is an excellent idea, and that's not included in the budget. It ought to be. Only 65 percent of Albertans are satisfied that postsecondary education is within the means of most Albertans. A tuition freeze at this time, in our estimation, would cost only about \$40 million.

One of the government members today in I thought quite a good set of questions to the Minister of Learning talked about the lack of participation of Albertans in postsecondary education. We have the lowest rate in the country, Mr. Speaker, and that is not, as the minister would like to indicate, just because we have a hoteconomy. It is due to sky-high tuition fees in this province, and I think that that's something that the government, again, needs to admit.

Another thing that we would propose, Mr. Speaker, is the elimination of health care premiums. We've costed that. That would be \$913 million to do that. That's certainly of more value to

Albertans, I think, than some of the corporate tax cuts and subsidies for industry that have continued.

Now, Mr. Speaker, before I go any further – and maybe my clock could be stopped – I would like to introduce an amendment to this budget, and I'll make that available now if someone would like to distribute it. [interjections] What?

Dr. Taft: We are delighted. We're laughing with delight.

Mr. Mason: Are you?

Mrs. Nelson: Are you serious?

Mr. Mason: Yes. We would have been happy to do this yesterday.

The Speaker: Hon. member, I have a copy of the amendment. Read it into the record and proceed.

Mr. Mason: Thank you, Mr. Speaker. Then I will move that Bill 40, Appropriation Act, 2003, be not now read a third time because the Legislative Assembly believes that inadequate provision made for the education of children will result in a crisis in schools.

I see we have some divine support there. Mr. Speaker, I am getting indications all over the House that I'm number one. May I proceed?

The Speaker: The hon. member has never been interrupted. As far as I can understand, two minutes have been lost in the hon. member's speaking time, so please proceed.

Mr. Mason: Oh. I'm sorry; I thought that my clock would be stopped.

The Speaker: Oh, no. The member has the floor.

Mr. Mason: Well, thank you very much, Mr. Speaker, for that information at this point.

Mr. Speaker, what I want to indicate is that we do not believe that this budget should be passed. We believe that this budget fundamentally fails the children of Alberta. It fails schools, and we have seen the widespread evidence of a crisis. We have teachers being laid off by the hundreds and not just at a couple of school boards but in most school boards. We have all kinds of indications that important programs are being cut. Even in Grant MacEwan the signing program for the deaf is being cut, and it's one of the very few in Canada. We see schools being closed. We see every, every indication that there's a fundamental crisis in education, and this budget doesn't address it.

The Minister of Learning has talked today. He admitted there was a 14 percent increase in wage costs, which make up the greatest portion of school board costs, and his department has only given a little bit more than 4 percent in the budget. So, obviously, there's a huge gap between what the government has provided to the schools and what the schools require. Then on top of that, they have to pay these soaring utility costs, which are entirely the responsibility of the government. They've created a crisis for almost every sector of Alberta's community with their asinine deregulation of electricity that they refuse to admit is wrong and go back on. Then there's the cap on grade 10 credits. So, fundamentally, Mr. Speaker, this budget does not mean that the interests of Albertans are being addressed in the key policy area, the priority for the people of Alberta.

3:40

We consider this amendment, Mr. Speaker, a motion of nonconfi-

dence in this government, nonconfidence in their policies with respect to education, their absolute failure to deal with the real issues facing people, and their reluctance to admit mistakes, which is a characteristic of this government. We need to send a clear message to this government, and I hope members of the Assembly from all sides would vote with us so that we can have a new government in this province, one that actually puts forward the interests of students and recognizes the fundamental importance of education to the future economic development and prosperity of this province, something this government has absolutely failed to do.

So, Mr. Speaker, on that point, I will be pleased to take my place and urge all members to vote with us against this budget and have a new government. Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar on the amendment.

Please remember, hon. members, that at this stage in the proceedings relevancy of contents is extremely important.

Mr. MacDonald: Yes. Thank you, Mr. Speaker. In regard to the amendment that is being presented to the Assembly by the hon. Member for Edmonton-Highlands, certainly whenever one looks at the state of public education in this city and across this province, when we consider that up to a thousand teachers may be laid off in this province in the next number of weeks as school boards prepare for their September budgets, I think all members of this Assembly should take another look at Bill 40 and see if something can be done for public education. Certainly, something has been done for the horse racing industry in this province in the last three budget cycles, and not enough, in my view, has been done when one considers public education.

To be brief, Mr. Speaker, in conclusion, let us please remember that teachers have one of the most important jobs in all of our province, and that's transmitting the collective knowledge that has been gathered and assembled for generation after generation to our young citizens, who someday are going to be not only running this province but – it was put so well on a CBC radio interview yesterday afternoon by a former minister of education of this province when he stated that when he is 85, the students who are currently in the public education system will be looking after his interests, whether it's his financial interests or whether it is his health care or developing social policy. They will be the leaders of tomorrow. It's important that we heed the words of the former minister of education, and I believe the gentleman was also representing the district of Edmonton-Highlands at one time. I heard that conversation on CBC radio, and I thought it was most appropriate.

So I would urge all members of this Assembly in the interests of public education to support this amendment as presented by the hon. Member for Edmonton-Highlands. Thank you.

The Speaker: On the amendment, the hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you very much, Mr. Speaker. I'd like to take this opportunity to strongly speak in support of the amendment to Bill 40 that's just been introduced and spoken to by my hon. colleague from Edmonton-Highlands. There have been many disappointments in this session with respect to the government's legislative agenda on deregulation of electricity and natural gas and in designing and pushing through the Legislature special bills to ease Direct Energy and other companies into the market while it's been ignoring the real challenges that Albertans face with respect to the declining opportunity for postsecondary education and the declining quality of education for the K to 12 children in our schools.

Even on the government side there's a recognition but behind closed doors that there's a problem in the area of education, that the underfunding is causing serious problems. Mr. Speaker, I just want to read into the record a letter written by one of the government backbenchers that he wrote to the chair of Edmonton public schools. It's dated May 6, 2003. The member is Edmonton-Castle Downs. With your permission I'll just put it on the record of the Assembly.

Dear Mr. Fleming:

I had the pleasure of meeting with the Riverview Coalition.

The meeting started at 8:00 pm, and ended just after 11:00 pm. This group represents 18 schools in the Edmonton region. They were unanimous in determining that the following issues negatively affect the ability for children to learn.

Staffing: Teacher and other staff layoffs are looming, and many have been told not to . . .

The Speaker: Hon. member, please. I do believe we've got a point coming up here. The hon. Member for Edmonton-Castle Downs.

Point of Order

Relevance

Imputing Motives

Mr. Lukaszuk: Thank you, Mr. Speaker. A couple of points. First of all . . .

The Speaker: No. What are we doing? Do we have a point of something here or what?

Mr. Lukaszuk: Yes, Mr. Speaker. A point of order based on relevance, based on *Beauchesne* 459.

The Speaker: Proceed.

Mr. Lukaszuk: Also, under Standing Order 23(h), (i), (j), Mr. Speaker, imputing motives to a correspondence and misquoting a correspondence out of context to the members of this Assembly.

Mr. Speaker, we're dealing right now with a budget which has very little or nothing, I would suggest to you, to do with any and all correspondence that I may have sent to the chairman of the Edmonton public school board. Even though I have interrupted his reading of the entirety of the correspondence, I have allowed him to read far enough to indicate that I say in that correspondence that I have met with a group who feels in a certain manner about our learning system, and in no part of this correspondence does it indicate that I also concur with the thoughts of that particular group. So that is something that ought to be on the record.

However, notwithstanding the fact of what the letter may or may not say and how the member chooses to interpret or, particularly in this case, misinterpret the letter, it has no relevance whatsoever to the amendment that is before us at this point. It has no bearing on the budget of this government. It has no bearing on the policies of learning in this government. I am not a minister of the Crown. Therefore, any of my correspondence to any chairman of any board has no bearing whatsoever on the finances or the policies of our Department of Learning. Hence, the member is definitely out of order in proceeding with that line of speaking.

The Speaker: On the point of order, the hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I would make the point, first of all, that we are not dealing just with Bill 40. We are, rather, dealing with an amendment to Bill 40 which says that we not read it a third time because the Assembly believes that inadequate

provision has been made for the education of children and will result in a crisis for schools. So with respect to the hon. member's point on relevance I would argue that it is clearly relevant to the motion. *Beauchesne* 459 says that "relevance is not easy to define," but in this case, clearly, I would argue that it was directly on the point.

Secondly, Mr. Speaker . . . [interjections] I'll just wait for the hon. members' conversations. [interjections]

The Speaker: The hon. Member for Edmonton-Highlands has the floor on a point of order.

3:50

Mr. Mason: Thank you, Mr. Speaker. Section 23(i) says, "Imputes false or unavowed motives to another member." I didn't hear the hon. Member for Edmonton-Strathcona do any such thing. He merely was reading the letter completely and not misrepresenting it in any way as representing the personal views of the hon. Member for Edmonton-Castle Downs. So I would argue that there clearly is not a valid point of order here.

The Speaker: Hon. members, we are currently in the debate on an amendment to Bill 40. The hon. Member for Edmonton-Strathcona has the floor to speak on an amendment. The chair was listening very attentively to the hon. Member for Edmonton-Strathcona. The hon. Member for Edmonton-Strathcona on the subject that we're dealing with proceeded to quote from a letter in his possession, a letter that appears to have been signed by another hon. member in the House. The hon. Member for Edmonton-Strathcona proceeded to read the letter, as I understand it, at which point in time the hon. Member for Edmonton-Castle Downs stood up on a point of order and summarized what the letter said and basically talked about imputing motives. He didn't know what would be coming.

Well, the difficulty that the chair has is that the chair has no idea what's coming. All the chair knows is that the hon. Member for Edmonton-Strathcona has the floor. He has a legitimate right to speak. He wants to quote from a letter in his possession. As uncomfortable as it may be, we all sign our names to letters, and if other people read them, well, so be it. There's nothing that the chair sees here at the moment that would raise or cause a point of order. There may be later if certain motivations or imputations may be given, at which point in time the hon. member who feels that he has been impacted, affected, injured may rise on a point of order, but at the moment the hon. Member for Edmonton-Strathcona has the floor.

Debate Continued

Dr. Pannu: Thank you, Mr. Speaker. I resume reading verbatim the letter precisely because I was afraid that if I tried to summarize it, I might be accused of misinterpreting. I leave it to the House to interpret the letter, so I will proceed. I think I was interrupted when I started talking about staffing, so I'll start there.

Teacher and other staff layoffs are looming, and many have been told not to expect positions for the next term. Some libraries are being staffed by parent volunteers, who have a lack of experience in running libraries. Library staff in schools have had their hours cut, and are not able to cope with work demands. Some staff are required to teach classes that they do not have experience with, i.e. phys ed teachers teaching mathematics, etc.

Textbooks and course materials: Many textbooks contain extremely outdated information and are being photocopied, or students must sign up to borrow them. There are no financial resources for photocopying and/or paper. Classes such as drama are cutting back on the number of students, due to lack of funds to operate a larger class. Technology resources such as computers are cost prohibitive to purchase and to operate.

Space and Infrastructure: There is not enough physical space for students; and a lack of desks in some classrooms. There are also significant repairs required in some schools, for which there is no money available. In some schools, the situation is so bad, that the health and safety of the children may be compromised. Increasing vandalism in some schools is a consistent problem, and raises costs as well.

Fundraising: Parents are finding an increasing burden of fundraising. Many of the funds from these ventures are being used to purchase items such as computers, software, band instruments, and library books, which are viewed as necessities and not luxuries. In one instance, fundraising money is being used to pay the custodian salary.

Classroom size: Class sizes are increasing rapidly. Many classrooms with special needs students do not have teaching assistants. Split grades are becoming more common, and in one particular case, they are now discussing whether to have triple split, such as K-3. Their solutions to the funding problem were interesting, to say the least, and are as follows:

- increase property and other taxes.
- have each school identify their funding needs, instead of having the school board determine the funding needs.
- use surplus funding.
- have a one time bailout for those boards which carry a deficit.

They believe that the Learning Commission report will be too late to prevent dire consequences for education in Alberta.

There were other issues that were also discussed. However, I have covered the general picture that was painted to me last night. I have agreed to meet with them again in September, to discuss any updates and changes to their concerns.

It is signed by the member that I mentioned before, Mr. Speaker.

Point of Order Imputing Motives

Mr. Lukaszuk: Mr. Speaker, again, based on Standing Order 23(i), I must reiterate that this member is imputing motives to a correspondence that is being taken totally out of context, and I find that to be offensive. What this member is reading is a correspondence that was sent to the Premier of this province, our Minister of Learning, and then also copied to the chairman of the board upon his request which is a summary of what this member, myself, had heard from a group of interested parents. At no time do I ever agree with the content of what they believe. At no time have I ever validated anything that they have stated that they believe. All I have done is simply reiterated what it is that I have heard, without editorializing it at all.

In his preamble to reading this letter, Mr. Speaker, the Member for Edmonton-Strathcona has indicated that there are some backbenchers in the government who also agree that there are problems with our learning system. I don't have the benefit of the Blues, so I'm relying on my memory right now. He substantiates the fact that there are some members in the backbenches of government by reading this letter. That is simply false. If one reiterates what one hears without agreeing to it, one cannot be then construed to be in agreement to it. He is misleading this House, and he is imputing false motives to myself.

Thank you.

The Speaker: Well, I think it's best to hear from the hon. Member for Edmonton-Strathcona. This seems to be something going back and forth. Hon. Member for Edmonton-Strathcona, basically the hon. Member for Edmonton-Castle Downs believes that you're imputing his motives.

Dr. Pannu: Mr. Speaker, we are faced with strange circumstances. I want to reiterate the fact that I read the letter precisely because I didn't want to implicate any new meaning into it. This is a report about a meeting. Parents' concerns are listed here, and I want the House to have the benefit of information on what parents think, and that's all this letter is used for from my side, not to impute any motives to anybody or to imply any agreement on the part of the writer of the letter with the concerns expressed by the parents.

These are the concerns of the parents. These are not concerns of parents who come only from these 18 schools. These are concerns of parents all across this province. That is the point to be made, that there is a genuine sense of crisis felt by parents, by teachers, by school boards with respect to the problems caused by continued underfunding and insistence on the part of the Minister of Learning and of the Premier of this province to say: everything is fine; there's no problem with this.

This motion before us, Mr. Speaker, speaks to that very crisis and is an attempt to give the government another opportunity to fix the problem before this House votes on the budget itself. It's a reasoned amendment. It's an amendment to fix the problem. I want to assure the House that we, my caucus and I, will be very happy to come back next week, two weeks from now if the government is willing to take this particular direction back from this House, fix particularly the education part of the budget, and come back and seek the approval of this House. We'll be very happy to come back and oblige.

Thank you, Mr. Speaker.

4:00

The Speaker: On the amendment, the hon. Member for Airdrie-Rocky View.

Ms Haley: Thank you. On the amendment . . . [interjections]

The Speaker: Hon. members, there's not going to be a filibuster on points of order in this Assembly this afternoon. The hon. Member for Edmonton-Castle Downs stood up and very clearly made a statement. The hon. Member for Edmonton-Strathcona stood up and clearly said that he was not imputing any motives to anybody and basically said that he was only reading the letter for information and ascribed nothing to anything. That was stated. That's what the hon. Member for Edmonton-Castle Downs asked to have clarified. That's what the chair heard the Member for Edmonton-Strathcona give, that there was no imputation of anything. There was no agreement considered that the Member for Edmonton-Castle Downs was agreeing with what he had written, that he was just simply giving a report on what had happened. That's what the chair heard the Member for Edmonton-Castle Downs say and ask to have clarified. That point escaped us.

We're now into the amendment, and the hon. Member for Airdrie-Rocky View has the floor.

Debate Continued

Ms Haley: Thank you very much, Mr. Speaker. With regard to the amendment and reasons why we should in fact not read the third reading of the appropriation bill, which I find absolutely astounding after spending a month and a half on the budget – we're on the last day, the last gasp for the last air on this, and now we're playing this game.

So I want to go back, and I want to talk about the Learning budget, because we have in fact out there at this time a Commission on Learning, that has been gathering information from one end of this province to the other. Absolutely everybody that wanted to have

had an opportunity to appear before the commission, to answer questions in a workbook, to do it on-line if they so chose, to send it to their MLAs and have the information come forward to the commission through their MLAs. The commission is currently in the last stages of their work, which is to come up with consolidated recommendations that will in fact be presented to government later this summer and will find their way coming back through the standing policy processes, through cabinet, through agenda and priorities, through all of the areas of government that will impact the future budget next year.

In the meantime let's talk about this year, just for those people who aren't actually aware of the magnitude of the money that is going into Learning this year. Excellence in learning continues to be a top priority of Albertans and their government. Base program spending by the Ministry of Learning will increase by \$219 million, or 4.7 percent, to \$4.9 billion in 2003-04. By 2005-06 Learning's base program spending will reach \$5.2 billion, a \$542 million, or an 11.6 percent, increase over the next three years. That was in the budget documents, you know, the ones that we've already debated for a month and a half.

The renewed kindergarten to grade 12 funding framework will provide school boards with flexibility to address student needs and local priorities. Alberta's Commission on Learning is consulting with Albertans on improvements to ensure that our basic education system maintains excellence into the future. The commission provided a status report in February 2003, and the final report is expected later this year.

The postsecondary system is implementing the Campus Alberta vision that will improve co-ordination among institutions to address the continuing need for a well-educated workforce in Alberta.

Base program funding for public and separate school boards will increase by \$147 million, or 4.9 percent, in 2003-04 fiscal year and by 3.6 percent and 3.9 percent for the following two fiscal years. By the 2005-06 fiscal year program funding to public and separate boards will reach almost \$3.4 billion, a three-year increase of \$388 million, or 12.9 percent, over that same time frame. School boards operate on a school year basis that runs from September to August, and over the past two school years school boards received significant funding increases to help pay for teachers' salary settlements and other board priorities.

For the 2003-04 school year base program funding for public and separate school boards will increase by 3.7 percent, and that includes a 2 percent increase in basic grant instruction, a 3 percent increase in student transportation grant funding, funding for estimated increases of .25 percent in overall enrollment and 8 percent for students with severe disabilities, \$29 million for school technology upgrading as part of a three-year \$61 million commitment.

In addition, a onetime \$20 million allocation is being provided to school boards in 2003-04 to purchase classroom resources. Basic instruction grants are targeted to increase by 2 percent per year for the following two school years. Contribution to the teachers' pension plan will increase over the next three years by \$54 million, or 22.4 percent, to \$294 million – remember; this is for the teachers' pension plan – because of increases in teachers' salaries and lower than anticipated investment returns on the pension fund.

Over the last three years \$1 billion has been provided for school facilities under the new century school plan, and the Ministry of Infrastructure will support a further \$450 million in capital projects over the next three years including \$226 million for school expansions and new schools and \$224 million for school preservation. I really just wanted to make sure that you were aware that these provisions for this year are in here now.

Are there problems in education under the learning system? Yes.

I believe that there probably are some, which is why in fact I totally supported and endorsed the fact that there's a Commission on Learning out there studying this now to come back with recommendations for government on ways that we can not only deal with education issues but also make sure and ensure for the future that it is in fact sustainable, because that is part of what matters here. If we wanted to talk about areas where I think we should be dealing with something, I would hope that we could find some money in the next year, more money for infrastructure because we need more schools in a province that's growing. That's my pet peeve. We all have them in here.

I happen to have a riding with over 50,000 people. It's growing at an extraordinary rate. One part of my riding is growing at 18 percent; another part is growing at 6.5 percent. It is very difficult to even anticipate what schools we need and where we need them, because nobody knows who's going to move into the eight new subdivisions that are being built right now. Are they going to be old or middle-aged people with no children, or are they all going to be in their mid-20s having children? So it's difficult until people actually move into those houses to know what we need. We're always behind on the construction side in my riding.

Mr. Lund: Thirty-three percent of your . . .

Ms Haley: Well, 30 to 35 percent, Mr. Minister, are in portables, and, you know, that's stressing me out just a little bit. So, yeah, I'd like to see some changes too, but it is hard to do everything for everybody all of the time at exactly the right moment in time.

When my sons were in school, going back a few years, there were problems and issues at that time, and we're kidding ourselves if we say that there weren't. There will be issues. If you went back and looked at headlines 10 years ago, health and education were the big ones, 20 years ago health and education were the big ones, and 20 years from now it's going to be health and education, because nothing is ever going to change. No matter what we do, we're always going to be just a little bit behind where people think or need us to be, but it's not because you don't try. We try endlessly.

As an MLA I take my role very seriously. I try very hard to represent the needs of my constituents, whether it's the public education side, whether it's the Catholic education side, whether it's the needs of the private school people, whether it's needs of the home schoolers, needs of the virtual school. I take it all seriously. To come up with what I believe honestly, member, is a frivolous amendment at this point I find horrendously offensive. This is a \$20 billion budget. Which part of it would you like to not have go forward? You want something more for education, but at the same time you're willing to risk everything on Infrastructure, Transportation, Learning, on Community Development, changes to the Alberta Foundation for the Arts, and I'm willing to bet that they wouldn't be very happy with you today if this budget were tabled for another six weeks or eight weeks and they couldn't get their increases. Which other ones would you like to blow off? Maybe Aboriginal Affairs, Seniors? Have you got a pick? You know, maybe we should deal with Economic Development and not have any more economic development engines in this province.

Frankly, it's 10 after 4 and I'm tired. Okay? I've had three months of this stuff, and I'm tired of it. I want us to be serious about this. It's a serious budget designed by serious people who are trying very hard to do the very best job that they can for all Albertans. So I'm going to suggest to my colleagues that perhaps we should just defeat this amendment, vote on the budget, and let's go home.

The Speaker: Hon. Member for Edmonton-Highlands, you are

under Standing Order 29(2)(a) and (b) now, the question and answer period. Five minutes under the rules of the House.

4:10

Mr. Mason: Okay. Given that the hon. member is tired and ready to go home, I won't put this as a question but as a comment. Further quoting from the letter from the hon. Member for Edmonton-Castle Downs, because the hon. Member for Airdrie-Rocky View made a great deal about the Commission on Learning and how it was going to solve all these problems, the parents, according to this letter, say, "They believe that the Learning Commission report will be too late to prevent dire consequences for education in Alberta." I just wanted to put that on the record.

Thank you, Mr. Speaker.

Ms Haley: It's my shot back. You know what? We've done an awful lot of consultation with Albertans, whether it was the Future Summit, the agriculture summit, which now is rolling out programs designed by people in agriculture. We had a school symposium. We had health roundtables years ago. We have done our very best to consult with all Albertans from one end of this province . . . [interjection] You started this, buddy. We've tried very hard to make sure that Albertans' viewpoints are represented and heard throughout this entire province.

Now, this Commission on Learning. Whether you want to trivialize it or whether there's a comment in here that it's not going to be quick enough for dire consequences, let's try and remember, hon. member, that we're spending close to \$5 billion on education right now. It's not chump change. We've got over \$7,000 per student inside schools right now. Maybe just once in a while we need to be asking the school boards: excuse me; are you sure you're adequately putting those resources in areas where you need them? Maybe as a province we have too many options. Maybe there are not enough kids in some classrooms. I don't know all the answers. That's why we've got a Commission on Learning out there, to try and come back with those kinds of answers, with serious recommendations so that we can seriously try to do a better job for all of our children today and into the future.

The Speaker: The hon. Member for Edmonton-Gold Bar on the question and answer period.

Mr. MacDonald: Yes. Thank you, Mr. Speaker. My question to the hon. Member for Airdrie-Rocky View: would the hon. member consider it appropriate to reduce the \$37 million that's been set aside for racing industry renewal in the Gaming budget and put that money into public education?

Ms Haley: Well, Mr. Speaker, once again we manage to find ways to mix apples and oranges. As I last recall, if you were on the racing track and you were actually participating in games going on and you were playing slot machines or the Sega games or you were betting on horses, that is the only way that the horse racing industry can actually access this money: if people go there and actually spend it there on the basis that it is for horse racing renewal in this province.

I would like to remind you, just for the heck of it, on an agriculture side that there are hundreds of thousands of horses in this province. It is an enormous industry all by itself; ask somebody who has owned and managed and lost money on quarter horses for decades in this province. I can tell you that horse racing is a renewable resource in this province.

The way that this was set up was not to take away anything from anybody but in fact to enhance the revenues coming in to the

racetracks so that they could then disburse that money back out and we could have better horse racing, better barns, better everything for an industry. So if you've got a problem with that, then perhaps you also have a problem with money from bingos going to charities, because in a lot of ways it all balances out. At the same time, we have over a billion dollars in revenue coming in from gaming of all kinds in this province that benefits health, benefits education, benefits commercialization of technology. You name it, it's there for it, and I think we should be really happy that we have a system that allows for this kind of diversity.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: On the amendment.

The Speaker: Okay. No additional questions?

Dr. Taft: I didn't see anybody else stand up.

The Speaker: That's true. On the amendment.

Dr. Taft: Thank you, Mr. Speaker. I won't take long, but it is I think crucial for me to stand up and speak in favour of this amendment. I've listened to the comments that have gone on around here, but I know that in my constituency no issue comes close to the concerns that I'm hearing every day about the loss of teaching positions at schools, about the decline of school buildings, about the concerns that parents bring to me every single day about what they see as a deteriorating education for their children. These are urgent issues. Sure, we can listen to the Commission on Learning, but by the time they report, hundreds and hundreds of teachers across this province will be out of work. It will be too late. The crisis will have hit. So this is a matter of urgency. We need to deal with this now.

If we look at the causes of the problem as laid out in this budget, we have a 14 percent arbitrated settlement for teachers' wages, an arbitrated settlement, legally ordered. Fourteen percent is up. Four hundred and fifty teachers losing their jobs is down. Up and down. So we have a gap in between. We have 450 teachers in one school board losing their jobs. They have been named. They know their names; they've been given their slips; they're gone at the end of this school year. This is a very, very serious problem.

So I think we do need to support this, and I think we need to revisit this budget on this particular issue. Thank you.

The Speaker: The hon. Member for Edmonton-Highlands on the question and comment segment.

Mr. Mason: Questions and comments, Mr. Speaker. I would like to just briefly make a comment. I appreciate the hon. Member for Edmonton-Riverview's support of the amendment and just indicate to members of the House that when the government knew that there was a 14 percent arbitration award for teachers and that teachers' salaries make up the bulk of the school boards' budgets, it was clearly an indication of lack of planning on the government's part to come up with a 4 percent amount for school boards. The government easily could have anticipated this problem. As a result, I believe that the government should not enjoy the confidence of the House and that this amendment should be passed and that we should deal with things from that point.

Thank you.

The Speaker: The hon. Government House Leader on the question and answer segment, sir.

Mr. Hancock: Yes, Mr. Speaker. Following from Edmonton-Riverview's comments and as commented on by Edmonton-Highlands, one would be led to believe that there was a 14 percent increase in teachers' salaries which was met by a 4 percent increase in the budget, which is of course patently wrong. The 14 percent increase in teachers' salaries operated over three years. The last increase was 2 percent, which came into effect either March 1 or April 1 of this year; I don't remember exactly which date. So there's a 2 percent increase for this year on teachers' salaries with a 4 percent increase in the budget.

But as the Minister of Learning has explained several times in this House, over the last three years, over the context of that arbitrated award, 4 percent plus 2 percent on teachers' salaries alone, 3 and a half percent, 3, and 2, on the global budget. The overall context, as the Minister of Learning has explained, adds up to more than the 14 percent that they're talking about. So the comments should be clarified to say that no one should be under the illusion that there was a 14 percent increase this year and only a 4 percent increase in the budget.

Dr. Pannu: Mr. Speaker, just a comment on the hon. Member for Edmonton-Riverview's very strong support for the amendment. Perhaps rather than asking a question, I'll just make an observation. I think the Minister of Justice really again, as is the case with the Minister of Learning, is playing a numbers game here. It's clear that 4 and 2 percent . . .

Speaker's Ruling Question and Comment Period

The Speaker: Hon. member, this whole intent was to have a question and answer with the original member who was last talking, and that was the Member for Edmonton-Riverview. The option for the hon. Government House Leader was to ask a question of the hon. Member for Edmonton-Riverview. So it would probably be more appropriate for you to ignore the hon. Government House Leader at this point and focus on the hon. Member for Edmonton-Riverview.

Debate Continued

Dr. Pannu: Thank you, Mr. Speaker. My question to the hon. Member for Edmonton-Riverview is: is it not the case that the 4 and 2 percent that the Minister of Justice talked about was not adequate to meet the 14 percent increase that the arbitration award gave to the school boards? As a result of the fact that that 14 percent increase was much larger than 4 and 2 percent would have provided to school boards, the school boards have gone into a serious deficit situation. Would you agree, hon. member?

4:20

Dr. Taft: Yes. I'm happy to respond. Am I out of time?

The Speaker: Hon. member, please. It confuses the chair. Repeatedly, the hon. Member for Edmonton-Riverview said that he would participate in the question and answer period. He's changing his policy today?

Dr. Taft: Actually, Mr. Speaker, I changed my policy some weeks ago under unrelenting harassment from the Member for West Yellowhead, who drove me over the edge. I had to respond to his questions. Having broken my rule, I'm sunk now.

To the Member for Edmonton-Strathcona, the fact is that we can debate here and play the numbers games however we want. The hard reality is that in the classrooms, in the big cities at least, hundreds and hundreds of teachers are losing their jobs. In fact, in

Edmonton public my understanding is that it's 450 teachers plus a significant number of other support staff. The reality out there in the classrooms is that parents are feeling a crisis in Edmonton and Calgary that the teachers are gone. The teachers are leaving in substantial numbers. So, yes, I think the Member for Edmonton-Strathcona is quite right in his point.

Thank you.

The Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Yes. Thank you, Mr. Speaker. I'm just wondering if the hon. Member for Edmonton-Riverview is aware that Alberta Learning has provided . . .

The Speaker: I'm sorry, hon. member, but the time for this segment is now over.

[The voice vote indicated that the motion on the amendment lost]

[Several members rose calling for a division. The division bell was rung at 4:22 p.m.]

The Speaker: Hon. members, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(*reversion*)

The Speaker: The hon. Member for Calgary-Buffalo.

Mr. Cenaiko: Thank you, Mr. Speaker. It's an honour for me to introduce to you and through you to members of this Assembly 38 visitors: 30 grade 6 students from Sunalta elementary school along with five parents and three teachers, including the principal, Alex McKay; Mrs. Sue Harvie; Mrs. Marie Forester; and parents Mrs. Anne Mueller, Mrs. Heather Scott, Mrs. Barb Scott, Mr. Daniel Gackle, and Mr. Tony Mysyk. These are some of the brightest students and best teachers in Alberta. I'd ask that they rise now and receive a warm welcome from this Assembly.

The Speaker: To the students: you've come at a very interesting time in the life of the Legislative Assembly. We're having a vote, a big vote. The bells were rung so that the other members could come back. So you'll see them come back in a few minutes, and then I'll ask the members to vote. There's a law being made here.

[Ten minutes having elapsed, the Assembly divided]

The Speaker: Hon. members, those who are not in their chairs, please remain standing where you are, and you'll be exempted from the voting. The Clerk will not see the three that have been identified by the chair.

For the motion:

Blakeman
MacDonald

Mason
Pannu

Taft

Against the motion:

Abbott
Ady
Amery
Broda
Calahasen
Cenaiko
DeLong
Dunford
Gordon
Goudreau
Graydon
Griffiths

Hancock
Hlady
Horner
Jacobs
Johnson
Klapstein
Knight
Lougheed
Lund
McClelland
McFarland
Nelson

Oberg
O'Neill
Ouellette
Rathgeber
Shariff
Snelgrove
Stelmach
Tannas
VanderBurg
Woloshyn
Yankowsky
Zwozdesky

Totals:

For – 5

Against – 36

[Motion on amendment to third reading of Bill 40 lost]

The Speaker: The hon. Minister of Finance to close the debate.

Mrs. Nelson: No.

[Motion carried; Bill 40 read a third time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. It is with great pleasure that I move that pursuant to Government Motion 5, agreed to February 19, 2003, the spring sitting of the Assembly stand adjourned.

The Speaker: Hon. members, I'd like to take this opportunity to wish all hon. members a safe and restful summer.

[Motion carried; pursuant to Government Motion 5 the Assembly adjourned at 4:37 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, November 18, 2003**

1:30 p.m.

Date: 2003/11/18

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon and welcome back.

I would ask the members to remain standing after prayers so we may pay tribute to our former colleagues who have passed away since we were last in the House.

As we commence proceedings today in this Assembly, we ask for divine guidance so that our words and deeds may bring to all people of this great province hope, prosperity, and a vision for the future. Amen.

With our admiration and respect there is gratitude to members of their families who shared the burdens of public office. Members of Dick Johnston's, Gordon Taylor's, Mickey Clark's, and Herb Jamieson's families are here with us today in the Speaker's gallery.

Mr. Archibald D. "Dick" Johnston
March 5, 1940, to June 25, 2003

The Speaker: Mr. Archibald "Dick" Johnston passed away June 25, 2003. Mr. Johnston was first elected March 26, 1975, and served until June 15, 1993. During his years of service he represented the constituency of Lethbridge-East for the Progressive Conservative Party. During his years in the Legislature Mr. Johnston served as Minister of Municipal Affairs from April 1975 through to March 1979; Minister of Federal and Intergovernmental Affairs, March 1979 through to November 1982; Minister of Advanced Education from November 1982 through to May 1986; Provincial Treasurer from May 1986 to December 1992; and minister responsible for financial institutions, including trust companies, credit unions, and insurance companies. Mr. Johnston also served on the select standing committees on Privileges and Elections, Standing Orders and Printing; Public Affairs; and Public Accounts.

Mr. Gordon Edward Taylor
July 20, 1910, to July 26, 2003

The Speaker: Mr. Gordon Edward Taylor passed away on July 26, 2003. Mr. Taylor was first elected March 21, 1940, in the Drumheller constituency and served with the Social Credit Party until 1975. He was re-elected in the same riding of Drumheller in 1975 as an independent supporting the government and served as Minister of Railways & Telephones, Minister of Highways and Transport, and Minister of Youth during his time. Mr. Taylor also served on the select standing committees on Agriculture, Colonization, Immigration and Education; Law and Regulations; Municipal Law; Private Bills; Privileges and Elections, Standing Orders and Printing; Public Accounts; Public Affairs; Railways, Telephones and Irrigation; and the Alberta Heritage Savings Trust Fund Act. Mr. Taylor served on the special committees on Automobile Highway Review, Automobile Insurance, Redistribution Procedure, and Workers' Compensation. Mr. Taylor was elected as Member of Parliament for Bow River in 1979 and was re-elected in 1980 and in 1984.

Mr. Lewis Mitchell "Mickey" Clark
November 26, 1923, to September 10, 2003

The Speaker: Mr. Lewis Mitchell "Mickey" Clark passed away on September 10, 2003. Mr. Clark was first elected on March 14, 1979,

and served until 1986, representing the Drumheller constituency for the Progressive Conservative Party. Mr. Clark served on the select standing committees on Law and Regulations, Private Bills, Public Accounts, and Public Affairs.

Mr. Richard Herbert "Herb" Jamieson
April 19, 1912, to September 15, 2003

The Speaker: Mr. Richard Herbert "Herb" Jamieson passed away on September 15, 2003. Mr. Jamieson was elected June 18, 1959, and served until May 9, 1963. During his years of service he represented the constituency of Jasper West for the Social Credit Party. Mr. Jamieson served on the select standing committees on Agriculture, Colonization, Immigration and Education; Municipal Law; Privileges and Elections, Standing Orders and Printing; and Railways, Telephones and Irrigation.

Our prayers are with them all.

In a moment of silent prayer I would ask you to remember hon. members Dick Johnston, Gordon Taylor, Mickey Clark, and Herb Jamieson as you may have known them. Rest eternal grant unto them, O Lord, and let light perpetual shine upon them. Amen.

Now, hon. members, would you please join in the singing of our national anthem. We'll be led today by Mr. Paul Lorieau, and please join in the language of your choice.

Hon. Members:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

The Speaker: Please be seated.

head: **Introduction of Visitors**

Mr. Tannas: Mr. Speaker, I am honoured today to introduce to you and through you family members of our former colleagues who have passed away since we last met here in the Legislature. The family members are seated in your gallery, and I would ask that as I introduce each family, they would then stand and receive the warm welcome of the House.

The hon. Dick Johnston's family: Mr. David Johnston, son; Mrs. Barbara Anic, daughter; Mrs. Suzanne Keglowsch, daughter, Mr. Roger Keglowsch, son-in-law, and their children; the grandchildren Conrad, Kirea, Quinlin, and Malika Keglowsch. I would ask the members to join with me in welcoming the members of the hon. Dick Johnston's family.

The hon. Mickey Clark's family: Mrs. Mary Clark, his wife; his daughter Sherrill Benns; brother-in-law Kenneth Hnatiuk; and longtime family friend and former colleague of this House Mr. Jack Campbell. Would the members please join with me in welcoming these members of the hon. Mickey Clark's family.

The hon. Gordon Taylor's family: nephew Mr. Dennis Taylor and his wife, Mrs. Mavis Taylor; nephew Mr. Tom Taylor and his wife, Mrs. Jackie Taylor. Members, please join with me in welcoming the members of the hon. Gordon Taylor's family.

The hon. Herb Jamieson's family: daughter Mrs. Ellen Moore, daughter Mrs. Faye Galloway, and his grandchildren Wes Moore, Kathy Siemens, and Brad Galloway. Would the members please join me in welcoming the members of the hon. Herb Jamieson's family.

Thank you, Mr. Speaker.

1:40head: Introduction of Guests

The Speaker: The hon. Minister of Community Development.

Mr. Zwodsky: Thank you, Mr. Speaker. It's, indeed, a privilege to introduce some very outstanding young people from Velma E. Baker school who are joining us here today. There are two classes. These are, of course, members of our most precious resource, our children. I'm delighted that they are accompanied by some parent helpers and teachers, and I'd like to introduce them now. They are Beverly Richardson, Kulwinder Kharal, Candy Bell, sub teacher Maria Markeli, Kathy Reid, Terri Tumack, Hend Moustafa, Lisa McCormick, and their outstanding teacher, Marilyn Manning. May they all rise and please receive the warm welcome of everybody here.

The Speaker: The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Speaker. It is my pleasure to welcome two special guests here seated in your gallery. They each represent groups with a strong interest in the Wildlife Amendment Act, 2003, which will be discussed later. I'd like to introduce Steve Hull, managing director of the Alberta Conservation Association, and also Darryl Kublik, co-ordinator of the provincial Report a Poacher program. I'd like Steve and Darryl to rise if they're here yet and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Norwood.

Mr. Masyk: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you 35 students from the wonderful Princeton elementary school. They are accompanied by their teacher, Mrs. Dianne Unger, Ms Natasha Michaud, and Mrs. Leslie Tanzi. I would ask them to rise in the public gallery and receive the traditional warm welcome of this Assembly.

Thank you very much.

The Speaker: The hon. Member for Medicine Hat.

Mr. Renner: Thank you very much, Mr. Speaker. It's a pleasure for me today to introduce to you and to members of the Assembly some guests that we have seated in the members' gallery. I'm sure that you will agree with me that the lifeblood of any political party is committed youth, youth that are not only committed but enthusiastic in their commitment. It's my pleasure to introduce to you today the president of PCYA, the Progressive Conservative Youth of Alberta, Mr. William McBeath. Joining Mr. McBeath in the gallery this afternoon are two members of his executive, Mr. Jeff Duncan and Mr. David McColl, as well as the executive director of the PC Association of Alberta, Mrs. Marilyn Haley. I had the pleasure of having lunch with all four of these people today, and I can assure all members that they are working extremely hard on behalf of the government that they support. I'd ask that they rise and receive the warm recognition of all.

Mr. Speaker, if I could have your indulgence for one more introduction, I see seated in the public gallery a constituent of mine who has joined us for question period this afternoon. I'd like to introduce to you Mrs. Karen Charlton, a trustee from Medicine Hat school district No. 76 who has joined us this afternoon. I see she's standing, and I ask members to recognize her as well.

The Speaker: The hon. Member for Peace River.

Mr. Friedel: Thank you, Mr. Speaker. It's my pleasure to introduce to you and to the members of this Assembly some good friends of mine. They are the board members from the Fort Vermilion school division. They are here in Edmonton to wrap up the Alberta School Boards Association conference. Those in attendance today are David Steer, the chair of the board, Grace Dimond, Tom Hoffman, Alison Batt, Keith Lambert, Lena Neudorf, and I believe that Ken Dropko, the superintendent of the school board, is here as well. I believe they're all standing. I would ask the Assembly to show them our traditional warm welcome.

The Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. I am pleased to introduce to you and through you two representatives from the county of St. Paul. Joining us this afternoon are Mike Bergeron, who is the deputy reeve, and Kim Heyman, who is the chief administrative officer. They are in the capital this week to attend the fall convention of the Alberta Association of Municipal Districts and Counties. They have risen, and I would ask the Assembly to give them our traditional warm welcome.

Thank you.

The Speaker: The hon. Member for Whitecourt-St. Anne.

Mr. VanderBurg: Thank you. It gives me great pleasure today to introduce to you and through you two special family members that are here visiting today: my mother, Kitty – the grandmother and great-grandmother of many of your constituents, Mr. Speaker, so pay attention to this lady – and, of course, my wife, Liz.

Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I have two sets of introductions here. First, I would like to introduce to you and through you to all members of the House two registered nurses, dedicated professionals who are proud of the work that they do and the service that they provide to patients in Edmonton hospitals. They are Gwyneth Foster-Newell and Sherry Stone. Both of them are sitting in the public gallery. They have already risen, and I would ask the Assembly to give them a warm welcome.

Mr. Speaker, my second introduction is of a group of 26 grade 6 students from King Edward elementary school in my constituency of Edmonton-Strathcona. This school really represents a truly professional learning community. Teachers, principals, administrators, and parents work together collaboratively to provide the very best quality of education to young boys and girls in this school. They are accompanied by their teacher, Mr. Jim Kaiser, and parent Mrs. Sheila Brinton-Atrens, who has accompanying her her young baby, Paxton.* I'll ask all these guests to please rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. It is a great pleasure for me to introduce a school group from my constituency that will be joining us in approximately 10 minutes or so. They are currently on a tour of this great building, but as they come in, perhaps you could wave to the Thorsby high school students. There are 34 of them. They are going to be accompanied by their teachers Mr. Andy McKee, Mrs. Trish McKee, and Mrs. Lorraine Kuzio. So as they come in, please welcome them.

Thank you.

*This spelling could not be verified at the time of publication.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I'm honoured to make two introductions today. Both people are seated in the public gallery and will be watching the procedures today very closely. The first is Melanie Shapiro, who I'd ask to rise. She's a mother of schoolchildren at Windsor Park school in my constituency, a very active education advocate, and closely involved with the Riverview education coalition.

The second guest is Susan O'Neil, who has children at Lendrum school and will be serving as editor of a new publication called *Commission Watch*, which promises to very actively support the implementation of the recommendations of the Learning Commission.

So I ask you all to welcome these two guests. Thank you.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to the other members of our Assembly Elena N'Apura. Elena is a member of the Edmonton Friends of the North Environmental Society, and she's here today to observe our Legislature in action. I would ask all members to join me in giving her a warm welcome.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to all members of the Assembly Kieran Leblanc. Kieran is a member of APPEAL, Albertans Promoting Public Education and Learning. APPEAL is a provincewide advocacy group, and many of the parents in APPEAL have been working for over 10 years in the best interests of children. Kieran is in the public gallery, and with your permission I'd ask her to stand and receive the traditional warm welcome of the Assembly.

1:50

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. It's my pleasure today to rise and introduce to you and to members of the Assembly Iris Rathschlag, who visits us from Germany. Iris has completed her BA in international business management and is currently completing her final year in German business. She's here to observe our legislative process and improve her language skills. I would ask her to rise and receive the warm welcome of the Legislative Assembly.

Mr. Speaker, I understand, although I have not seen them, that Shirley Barg, Brett Bergie, and Melanee Thomas from the CAUS and ACTISEC student associations are in the gallery. I would like to have them rise and receive the extremely warm welcome of the Legislative Assembly if they are here.

The Speaker: The hon. Member for Edmonton-Norwood.

Mr. Masyk: Thank you, Mr. Speaker. I have another wonderful school in the public gallery, Delton elementary school. I paid many visits to this school as a guest. It's led by teacher Mrs. Sutherland – Mrs. Sutherland has 28 wonderful students – and parents Mrs. Hamilton and Mrs. Rivas. I would ask them to rise and receive the traditional warm welcome of this Assembly.

Thank you.

head: **Ministerial Statements**

The Speaker: The hon. the Premier.

Edmonton Eskimos

Mr. Klein: Thank you, Mr. Speaker. It's a great honour to have this opportunity to stand and extend sincere congratulations on behalf of all government members and all Members of the Legislative Assembly and all Albertans to the Edmonton Eskimos. Needless to say, these congratulations are extended to the Eskimos for their outstanding victory in Regina on Sunday.

You know, the Grey Cup is an exciting event bringing together Canadians from across the country in a real spirit of unity and national tradition. I had the pleasure of being part of the celebrations in Regina this year and witnessed the Eskimos' victory in person. I can tell you that it was a hard-fought win.

Mr. Norris: Right on.

Mr. Klein: It was. The Eskimos played extremely well, and Edmontonians and all Albertans can be very proud of the team's performance. This is the 12th Grey Cup win for the Eskimos, and it is a real testament to one of the most successful franchises in the Canadian Football League, not only in football but in all professional sports.

The Eskimos have served the city of Edmonton well for many years and continue to be a real asset for the city. The team contributes to the community in countless ways. My face-to-face chat with team members after they won the Grey Cup demonstrated to me that no matter where they play, the Eskimos are great ambassadors for their team, their city, and their province. This team deserves our admiration and also our thanks.

I want to also extend my congratulations to the people of Regina and Saskatchewan. They organized and hosted a first-rate Grey Cup week. It was really moving there. It was moving and shaking, once again proving that no one knows how to host a Grey Cup like western Canadians do.

Again, congratulations to the Edmonton Eskimos on an outstanding performance, and congratulations to the people of Edmonton.

Thank you.

The Speaker: Hon. members, the Leader of the Official Opposition to participate.

Dr. Nicol: Thank you, Mr. Speaker. The Edmonton Eskimos. I can remember that when I was a little kid, I used to argue with my brothers as we huddled around the radio and listened to the greats like Jackie Parker, Johnny Bright, Normie Kwong. My team usually came out the winner. Today I rise again with great pleasure to congratulate the well-fought victory of the Edmonton Eskimos in the 2003 Grey Cup. For 91 years the Grey Cup has brought the country together to celebrate Canada's best in football. Also, Regina, who hosted this year's event, should be commended for its efforts and great organization to make the Grey Cup memorable for all Edmontonians who traveled there and, indeed, for all Canadians.

The Eskimos handily triumphed over the Montreal Alouettes with a final score of 34 to 22. Under the leadership of quarterback Ricky Ray and his high pass completion percentage and his ability to avoid the Montreal defensive blitz, the Eskimos were unbeatable. Jason Tucker, a receiver for the Eskimos, played a fantastic game with seven receptions and 132 yards and two touchdowns. Mike Pringle, the running back for the Eskimos, showed that a second chance always pays off.

I join today, Mr. Speaker, in thanking the team, the staff, and in fact all those associated with the team for their commitment to the

sport of football and to the community of Edmonton and in fact all of Alberta.

Thank you, Mr. Speaker.

The Speaker: Hon. members, unanimous consent would be required to recognize the hon. Member for Edmonton-Strathcona.

[Unanimous consent granted]

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you very much, Mr. Speaker. I want to note the very warm support by the Premier for my ability to stand up and say a few words.

Were the traditions and the rules of this House to allow me to don this cap as I'm paying tribute, I would certainly do that, but I guess it's not appropriate for me to do so. So on behalf of the New Democrats, the opposition here, I wish to add my congratulations to the entire Edmonton Eskimo organization for their outstanding game and their victory in the 2003 Grey Cup championship game in Regina.

Edmontonians and other Albertans were proud to be represented by the Eskimos, the flagship franchise of the CFL. Indeed, the support from more than 50,000 fans in attendance at Taylor Field showed the support that this outstanding team receives and enjoys from across the country. The city of Regina and the province of Saskatchewan, the NDP government of Saskatchewan, and the people of Saskatchewan deserve congratulations as well for their outstanding job in hosting this year's Grey Cup.

By returning the Grey Cup to our city for the 12th time, the Eskimos Football Club showed that Edmonton truly is the City of Champions. My congratulations to the Eskimos team.

Thank you, Mr. Speaker.

head: **Oral Question Period**

The Speaker: First Official Opposition main question. The hon. Leader of Her Majesty's Loyal and Official Opposition.

Premier's Travel

Dr. Nicol: Mr. Speaker, in Alberta drivers are paying among the highest rates in Canada for auto insurance, deregulation has driven the cost of utilities through the roof, the government's Bill 43 has made enemies of postsecondary students, and the Premier has chosen this time to leave the province. To the Premier: how will you solve the auto insurance crisis from London given that your government can't find a long-term solution that will lower rates?

Mr. Klein: Mr. Speaker, the last time I looked and the last time anyone else looked, I'm here. You know, I'm here answering his questions. I'm not out of the province. I'm going to be leaving the province, but I'm here right now. So I wish the hon. member would correct that statement. To say that I'm not here is . . .

An Hon. Member: It's wrong.

Mr. Klein: Well, it's wrong, but it's ludicrous.

An Hon. Member: He's not all here.

Mr. Klein: I am all there. They are not all here.

The Speaker: Hon. Premier, please. Come on now. This is the start

of a fall session, and we can have civility and courtesy in this Assembly.

The hon. the Premier.

2:00

Mr. Klein: Mr. Speaker, if the hon. member is really concerned and committed to telling the people of Alberta what this government has been up to, then he would find that the list of achievements, the list of activities is a very impressive list indeed. You know, we may accuse – and I read the headline in one of the newspapers today about the government drifting and not having a co-ordinated response to major issues such as auto insurance and deregulation and school funding. The hon. leader alluded to all of them.

The truth is that this government has been very active and we have been very busy since the end of the spring session. We have been listening to Albertans and acting on issues they tell us are important. That includes BSE, or mad cow disease, schools, auto insurance, utility prices, forest fires, and many other issues that come to us on a day-to-day basis. They don't go to the opposition because nobody speaks to the opposition and for good reason: we are the government. Therefore, we're challenged to contend with numerous, countless issues.

The Speaker: Mr. Premier, we'll come back to that.

Dr. Nicol: Again to the Premier, Mr. Speaker: how will you solve the crisis you've created in postsecondary education from Ottawa?

Mr. Klein: Mr. Speaker, there is no crisis in education. As a matter of fact, I'll have the hon. Minister of Learning speak to it.

The education system is a good system. We record some of the highest achievement results not only in the country but in the world on the education front. Just today, only a few hours ago, the Minister of Learning announced more than \$60 million in additional funding for schools, and that was in response to the first comprehensive review of the K to 12 education system done in 30 years. Alberta's spending on education continues to be the highest per capita in Canada.

Mr. Speaker, I know that a member introduced someone in the audience who represents an organization to watch our action on the Learning Commission. Well, I can tell that individual right now that we will take the recommendations contained in the Learning Commission under the most serious consideration because we have identified education as our number one priority.

Dr. Nicol: Mr. Speaker, again to the Premier. Mr. Premier, your own advisory council has said that deregulation is a failure. Why don't you stay in Alberta and help deliver lower cost utility bills to Albertans?

Mr. Klein: Mr. Speaker, my going to Ottawa tonight to speak in Toronto the following day is hardly going to deal with the whole issue of deregulation and energy prices. My going to London to promote economic development and tell the people in London about the great investment opportunities and what a great province this is is hardly going to do anything relative to electricity prices. But why would we want to do anything? We're now experiencing falling electricity prices. We're experiencing more generation than we've ever had before in the history of this province. We're seeing more competition coming onstream relative to the retail component of electricity and more choices and competitive prices being offered. The only crisis exists in the minds of the opposition because they can think of nothing else other than crisis, conflict, confusion, confrontation, and chaos. That's what they survive on.

Automobile Insurance Rates

Dr. Nicol: Mr. Speaker, the Premier's insurance team still hasn't scored a long-term solution in the auto insurance crisis. Meanwhile, drivers in B.C., Saskatchewan, and Manitoba are paying far less in premiums than Alberta drivers. The Premier's only solution is to freeze rates at a level that is already unaffordable to many. To the Premier: why don't you roll back premiums by 15 percent and save Alberta drivers over \$400,000 a day?

Mr. Klein: Mr. Speaker, that is not true. What the hon. leader of the Liberal opposition said is not true. It is not true.

Mr. Speaker, I don't know how old the hon. leader is. I'm 61 years of age. I suspect that he's about 59 or 58, and I also believe that he's had a good driving record. I would say that he's paying about the same rate as I'm paying, which by the way is about the same rate as I'd be paying in Saskatchewan or Manitoba or British Columbia, about the same rate. I pay about \$600 or \$700 a year in car insurance; that's PL and PD and collision combined. I believe that the hon. member pays about the same. Those are comparable, very comparable to the rates that he would be paying in those jurisdictions. To say that we're paying more is wrong. It is a falsehood.

Where the discrepancy lies is in the extraordinary amount that young drivers with good driving records are paying and older drivers are paying and also as it relates to younger drivers, young males in particular. What we want to do is deal with that component mostly.

But, Mr. Speaker, I would ask the hon. member to tell the truth, because what he is paying, assuming that his driving record has been good, is no different, no more or no less, than he would pay in Saskatchewan or Manitoba or British Columbia. So tell the truth.

Dr. Nicol: Mr. Speaker, the average premium in Alberta is higher than it is in Saskatchewan, Manitoba, or B.C.

If the Conservative government in Nova Scotia can roll back insurance rates, why can't you roll back insurance rates in Alberta?

Mr. Klein: Mr. Speaker, we are not Nova Scotia, thank God. We're a province where we have no deficit, where we've almost eliminated our gross debt, where we have no net debt, where we have the highest standard of living in the country. We are not Nova Scotia. We are Alberta, a have province, a proud province.

Dr. Nicol: It wasn't much of an answer, Mr. Premier.

Why hasn't your government even considered public auto insurance given that it costs less?

Mr. Klein: Mr. Speaker, we are not socialists on this side of the House. I know what they are on that side of the House.

Mr. Speaker, the system works, and it will work a lot better as a result of some decisions we made today, the details of which will be announced tomorrow. The system will work, and basically it will achieve three things. It will offer good drivers – good drivers – reasonable insurance rates. It will punish bad drivers, and I don't think the opposition can argue with that, that bad drivers should be punished and good drivers should be rewarded. If they disagree with that, stand up and say so.

It will fairly compensate those who are injured. If they disagree with that, stand up and say so.

Thirdly, it will end the discrimination, not completely but most of the discrimination, against young male drivers and senior drivers in this province. Nothing wrong with that, and if they think there's something wrong with that, stand up and say so.

Education Funding

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. This morning the government announced that they would make a delinquent payment on a long overdue education account. The mismanagement of school funding has left classrooms jammed with students and parents across the province, as we see in the gallery, organizing to take political action. My questions are to the Premier. Why did the government stand by last September while class sizes were increased only to take very limited action today, some three months later, too late, after school has started? Why the delay?

2:10

Mr. Klein: Mr. Speaker, first of all, the action taken today is very substantive; it's not limited action. I'll have the hon. minister respond.

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. The Learning Commission came down and said that we had put \$298 million into education in the past two years. The arbitrated settlement was set at \$260 million. Other increases in salaries over the two years were \$37.8 million. They did say, though, that the inflation, estimated at 2 percent per year, was not funded, which was approximately \$20 million. That was put in today. That was put back into the system today.

Mr. Speaker, they also came and said that for children with severe disabilities there was a shortfall in funding of approximately \$23 million. This is something that has been in our business plan. We have been attempting to increase the amount and indeed have done a very good job, increasing the amount of severely disabled funding at a rate of about 10 percent per year. However, they ascertained that there was a shortfall of \$23 million for those children that had severe behavioural disabilities, and subsequently that was put in today.

The third element, Mr. Speaker, was grade 10 credit enrollment unit funding. As the Legislature remembers, there were a lot of interesting things that were being done with this. We suspended grade 10 CEU funding two years ago to get an accountability framework in so that we could ensure that it was being put back in the right place, and subsequently we put that back in this morning as well.

The Speaker: The hon. member.

Dr. Massey: Thanks. Again to the Premier, Mr. Speaker. Mr. Premier, given that if every dollar were used to hire teachers, we would still have 1,000 more students and 150 fewer teachers than we had a year ago, given today's announcement, why do you continue to underfund education?

Mr. Klein: Mr. Speaker, we don't continue to underfund education. We try to strike the best balance to maintain what we think is probably one of the finest education systems in the country, notwithstanding some problems in certain areas, and they don't exist in all areas. Some schools, yes, might experience a problem. Other schools are doing extremely well.

Mr. Speaker, what the opposition doesn't understand and what those who say that education should get all the money, those who say that health should get all the money, those who say to spend more on infrastructure perhaps don't realize is that we're spending

in excess of \$20 billion. Twenty billion dollars. Instead of focusing on what we don't have, maybe we can talk about what we do have in this province.

I remember attending the opening of a new health facility at the Red Deer regional hospital, the expanded emergency services and the third floor of that hospital. The MLA for Red Deer-North was saying that she was about to embark on a trip to Bangladesh, and her doctor told her that she should get all the shots and medical attention she could because when she goes to Bangladesh, she will find that in the major city there is not even one hospital. There is only a clinic and in the whole country one doctor for the whole country, never mind a province of the country. We don't want to be Bangladesh. We aren't anywhere near Bangladesh, but I'm saying that we spend more in this province on services than many countries of the world, far more per capita on health and education and infrastructure.

You know, Mr. Speaker, I would like . . .

The Speaker: Thank you. Perhaps we'll be able to get back to this. The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you. Mr. Speaker, again to the Premier: given that the Auditor General found 65 million education dollars and today the Learning minister found \$60 million in a contingency fund, will the Premier shake the Minister of Learning by the ankles and see how much more money might be available for our schools?

Mr. Klein: You know, money, money, money, money. That's their answer. That's how they think they get money: you turn the minister upside down and shake him. That's how they think. If that doesn't work, then they look to the sky and they say, "Oh, money; O God, give us money," and they expect it to fall from the sky. That is their approach to money, Mr. Speaker. What more can I say?

The Speaker: The hon. Minister of Learning, if you want to shake this one.

Dr. Oberg: Well, Mr. Speaker, I would certainly take that opportunity, but turning upside down really gets me very dizzy, so I won't do that at the moment. I do, however, need to address the \$65 million that was raised by the Auditor General.

Mr. Speaker, the hon. member is fully aware that each and every time there is an appeal in assessment, each and every time there is a hardship case in small communities or, indeed, large communities like Edmonton, money comes from somewhere, and where that money comes from is that \$65 million fund. A few days ago or a week ago I held in abeyance the payment to municipalities. That was \$8 million. That is what that fund is used for. It is a onetime fund. We have agreed with the Auditor General that the fund should be lower, down to \$35 million, and indeed \$30 million of the ASF funds will be included in my next year's budget. So this money is for education; it's for assessments and appeals. I don't believe that the hon. member would say that you should not have any money so that no one – no one – could appeal their assessment.

The Speaker: The hon. Member for Edmonton-Highlands.

Electricity Prices

Mr. Mason: Thank you, Mr. Speaker. Last spring the government announced to great fanfare that it was going to get to the bottom of sky-high power bills by appointing an advisory council to look at the problem. Although the advisory council was not allowed to consider the real problem, which was high bills caused by deregulation, it was

allowed to look at the real problem for the Conservative Party, which is angry voters. So it's no surprise that the report's recommendations boil down to no more than a public relations campaign and another round of electricity rebates just as an election comes close. To the Minister of Energy: when will the government actually get down to business and lower power bills by restoring a sane, regulated electricity market instead of trying another round of bribing consumers with their own money?

Mr. Smith: Well, Mr. Speaker, I don't know where the hon. member has been for the last six months, but in fact electricity prices have been coming down. In a recent ruling by the Alberta Energy and Utilities Board they reduced the transmission charge from the Aquila service network by 8.1 percent. EPCOR has made an application that has been accepted by the Alberta Energy and Utilities Board that will decrease bills by 14 percent. Deferral accounts will fall off at the end of December, which will mean a net difference of about 25 percent in customer bills.

So, Mr. Speaker, not only have we been adding generation – in fact, Alberta is the largest green power generation province in the dominion of Canada now – we've seen the price of electricity come down, we've seen the price of transmission start to come down, and we're starting to see even further decreases occur on the 1st of January to the point where prices will in fact be about 10 to 15 percent different from what they were in the year 2000.

The Speaker: The hon. member.

Mr. Mason: Thank you, Mr. Speaker. Well, given that power prices have doubled since deregulation, can the minister explain why for every problem faced by Alberta consumers, the government's solution is a PR strategy and a rebate cheque before the election?

Mr. Smith: Well, you know, as the Premier said earlier, it's just more falsehoods from the opposition, more prevarication, more mistruths, which we've come to expect, Mr. Speaker. In fact, the consumer market has asked for consumer protection. That was taking place in an immediate response to the Advisory Council on Electricity with the placement of the consumer advocate housed in the Department of Government Services. On top of that, the group have asked for more consumer information. We're embarking on a consumer information program. Lastly, the folks in the small business market said: we don't have enough information to make decisions about this upcoming change. That change was then postponed till July of 2006.

So in each and every case where the consumer has asked for something specific from this government for the management and handling of electricity restructuring in this province, we have responded. We have responded positively. Prices continue to go down, Mr. Speaker.

We still at the end of the day have not blacked out. We have delivered dependable, safe, reliable electricity at a time when we've seen Ohio and eastern Ontario black out in some 90 million homes. Italy blacked out for 57 million homes. That's not happening here.

2:20

Mr. Mason: Mr. Speaker, given that the minister's own task force report says that rebates may be the way the government wants to go to fix high prices, can he tell the House how many billions the government intends to spend on electricity rebates this time to secure the government's re-election instead of fixing the problem?

The Speaker: Hon. minister, I'm not sure that's a question.
The hon. Member for Edmonton-Meadowlark.

Education Funding (continued)

Mr. Maskell: Thank you, Mr. Speaker. Contrary to what we've heard in here this afternoon from the opposition, I know that there are at least 74 members of this Legislature who want to applaud the Minister of Learning for his good-news announcement this morning. From the phone calls I've already received, Albertans are pleased to hear that their government is providing immediate additional dollars to support kindergarten to grade 12 education in support of the Learning Commission recommendation. It is a great start. I just have one question for the Minister of Learning: is the funding announced today the ongoing increase in investment the commission was looking for, or is it onetime funding?

The Speaker: The hon. minister.

Dr. Oberg: Thank you, Mr. Speaker. What was agreed to today and what was announced today was seven-twelfths of \$60 million, which takes us to the fiscal year of April 1. That, extrapolated, is \$60 million over the school year. In keeping with the hon. Speaker's need for brevity, yes, it will be ongoing.

Energy Deregulation

Mr. MacDonald: Mr. Speaker, at a standing policy committee this August *Alberta Scan* quoted the hon. Member for Drayton Valley-Calmor as saying this in regard to skyrocketing electricity prices:

That is bound to happen if we don't get these power bills down by the next election. What will happen is a Liberal government will be elected and they will take back the power industry.

[interjections] Laugh at your own member if you want. My questions today are to the Premier. How does the government expect to manufacture consumer confidence in energy deregulation when you can't even convince the members of your own caucus that it's a good idea?

Mr. Klein: Well, you know, there's one thing I can convince members of my own caucus of. I can convince them that the Liberals aren't going to be the government; I'll tell you that for sure. You don't need to be a rocket scientist to figure that out, Mr. Speaker.

The reason they aren't going to get elected is that they feed Albertans a lot of misinformation. Misinformation. Their whole platform, again, is predicated on what I call the five Cs, those kinds of things that create anxiety. They try to create an atmosphere of crisis. They try to create an atmosphere of conflict. They create an atmosphere of controversy and conflict and confrontation and chaos. That is their whole strategy.

Mr. Speaker, if the truth be known, electricity rates are falling. More competition has come onstream. As I said before, we've had more generation than we've ever had before. We have cogeneration projects that we've never seen before. Just west of the area where the hon. Leader of the Opposition lives, in Pincher Creek, we see the emergence of wind power, probably one of the largest wind farms, if not the largest wind farm, in Canada. In the north we see cogeneration in the area of the petrochemical plants around Joffre and Prentiss.

We see tremendous cogeneration. We see cogeneration starting to develop now as it relates to agriculture. We see the development now – very intense, and it's going to be very, I think, topical and

perhaps controversial – of coal bed methane and the amount of power that we'll be able to generate from that gas. Clean coal technology is now being developed to generate more power.

Mr. Speaker, those are the good stories, and that is the kind of information that the Liberals in their absolute desperation to get us fired refuse to tell the public. Instead, they depend on misinformation and untruths.

Mr. MacDonald: Speaking of misinformation, why is this government continuing to spend \$3 million of consumers' money on a propaganda campaign from the Public Affairs Bureau to convince us that energy deregulation is what we want when in reality we know that it has not worked and will not work?

Mr. Klein: I would rather spend no money at all, but sometimes you have to spend money to combat the absolute misinformation – the misinformation – and the untruthful propaganda that's being put out by the Liberals. Mr. Speaker, I don't like to spend this money, but they force us to through their program and their aggressive campaign of conflict and controversy and confusion and chaos. We don't like to do that. If they would start to tell the truth and be responsible, then we wouldn't have to spend those kinds of dollars.

Mr. MacDonald: Then to the Premier, Mr. Speaker: would it not be cheaper for the Premier's office to click onto altaliberals.ab.ca to see what a real electricity policy looks like instead of spending valuable tax dollars going to London to try to find an affordable and reliable electricity policy because the government knows they currently do not have one?

Mr. Klein: It is precisely their web site that is the problem. That is the web site that is full of propaganda, that is full of misinformation, Mr. Speaker.

Those seven people over there have no policy to develop. They have no responsibility for the development of policy. All they do is sit around and dream up ways of trying to frustrate the government. They are so desperate, Mr. Speaker – so desperate – to do something to get recognition, to get noticed. When you ask who any member of the Liberal Party is, the majority of Albertans couldn't name any of them. So they are so desperate that they put up web sites, that they spread misinformation, that they issue press releases. They do everything that they possibly can to discredit the government. Well, guess what? The people of this province elected 73 of us and only seven of them.

The Speaker: The hon. Member for Edmonton-Castle Downs, followed by the hon. Member for Edmonton-Centre.

Education Funding (continued)

Mr. Lukaszuk: Thank you, Mr. Speaker. The final report of Alberta's Commission on Learning identified an existing shortfall in funding . . . [interjections] Obviously, the opposition is not interested in education, but I'll continue.

The report has identified a shortfall in funding for Alberta's kindergarten to grade 12 education system. The commission recommended that the province invest an additional \$90.6 million to meet the current needs. Today the government announced that this recommendation has been accepted and acted on. We know that there will be priority funding for education. That's a definite step in the right direction. My question is to the Minister of Learning.

When can we expect this additional funding to be available and making an actual difference in the system?

The Speaker: The hon. minister.

Dr. Oberg: Thank you, Mr. Speaker, and thank you for asking that question. Earlier on this year, in July, there was \$30 million that was put into the operation and maintenance budgets for school jurisdictions. This was part of the dollars that the Learning Commission had identified. Today I had the opportunity to make an announcement that seven-twelfths of \$60 million would be put in, which is in keeping with our fiscal year, for a total of \$60 million for the school fiscal year, which starts September 1, for a total of around \$90 million. Also what was recommended by the Learning Commission is that the funding formula be enacted. I am taking that through the processes in our business plan, and I hope to have announcements on that in the spring.

2:30

The Speaker: The hon. member.

Mr. Lukaszuk: Thank you, Mr. Speaker. My first supplemental is also to the Minister of Learning. When will the minister be addressing the Commission on Learning's other recommendations, for example classroom sizes?

Dr. Oberg: Well, Mr. Speaker, as the hon. member fully knows, we take it through our processes. It has been through standing policy committee, and a significant number of the Learning Commission recommendations have been agreed to. There were two that were thrown out, and there are about another seven or eight that have been looked at that need more review. Class size was one of those that was looked at, and hopefully we'll be able to have announcements on that soon. But it does have to go through our process, will have to go through cabinet and caucus, and then hopefully we'll be able to make some final announcements.

The Speaker: The hon. member.

Mr. Lukaszuk: Thank you, Mr. Speaker. My last question, also to the Minister of Learning: will additional dollars be made available in implementing these recommendations?

Dr. Oberg: Mr. Speaker, there are a considerable amount of dollars that are needed for the Learning Commission. The Learning Commission has estimated close to \$600 million over the next five years. We are looking at this in terms of our business planning process, and I anticipate that many of those dollars will actually be included in our business planning process, and I'm working towards that end.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Wetaskiwin-Camrose.

Long-term Care Accommodation Rates

Ms Blakeman: Thank you, Mr. Speaker. My questions today are to the Minister of Seniors. If a fee increase for long-term care was so desperately needed for so long, why didn't this government raise it during the budget debate or before the end of session?

Mr. Woloshyn: Mr. Speaker, the fee increase was needed, was implemented at the appropriate time, and was arrived at when the proper discussions were held between the government, long-term

care associations, and other operators. So whether it was during the budget debate or at any particular time is quite irrelevant.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Again to the same minister: given that Alberta legislation requires landlords to give 90 days' notice of a rent increase, how can the minister justify raising rents more than 42 percent in most long-term care centres with only 44 days' notice?

Mr. Woloshyn: Mr. Speaker, the point of the matter is that about 10,000 of the 14,000 people in care are on some form of government program or other. The people who are on the seniors' benefits plan received their supplementary benefit cheques in the mail prior to them needing to forward the increase. The particular process that we're using ended up ensuring that seniors in long-term care facilities, most of them, the ones who are on the program, would now have the same kind of residual income which the lodge occupants have. That process was not in there before. We also ensured that they had free cable as part of the package, that they had incontinence supplies, unlimited bathing, and laundry bracelets. After the increase we are still the provincial jurisdiction with the second lowest rates in the whole country. Only Quebec is lower.

The Speaker: The hon. member.

Ms Blakeman: Thank you. My final question to the same minister: what is this government going to do to defuse the financial bomb that has caused major damage to middle-income seniors with this increase?

Mr. Woloshyn: Mr. Speaker, a part of the process was also the assurance that no individual, senior or not, would lose their right to be in the facility, would be unnecessarily transferred. We've implemented a process whereby any individual who is impacted unfairly would first go to the operator, and if they can't resolve the situation with the operator, then they come to Alberta Seniors and we intercede on their behalf. This process has been working very, very well. The operators have gone on to work with the families to ensure that the people are working within their income limits. I must repeat that nobody, senior or not, who is in a facility was moved unnecessarily or was impacted to the point that it was unfair, and if they do have a problem, I'd ask the member to ensure that they forward their problem to us, and we will work with them to resolve the issue with the operators.

The Speaker: The hon. Member for Wetaskiwin-Camrose, followed by the hon. Member for Edmonton-Riverview.

Methamphetamines

Mr. Johnson: Thank you, Mr. Speaker. Police across Alberta are warning that the spread of methamphetamines is a growing threat to our communities. We have increasing reports of meth busts and meth-related crime. The drug is said to be showing up with greater frequency, and police and others blame meth use for increased violence and rising crime in our areas. My questions are to the Solicitor General. A dark picture is being painted about this drug and its effects. What kind of threat does this province face from this illegal drug?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. The hon. member brings up a good question and one that he is well aware of, suffering from meth in his own constituency and as the chair of AADAC. Yes, meth is a problem in this province, and it's an increasing problem. It's not only hitting the urban areas, but we're seeing it in rural areas such as the hon. members' ridings, Drayton Valley, Wetaskiwin, all sorts of areas. Meth is a very highly addictive drug, and we need to get on this problem.

I recently came back from the States, and I have come back with some really good information in my mind on how to deal with the situation. Prior to going to the States, Mr. Speaker, I put together an intergovernmental working group that brought together representatives from Health, Environment, Children's Services, Agriculture, and Learning, and we are well ahead of the problem. The States was very, very impressed with how far ahead we are instead of behind on the particular problem.

The Speaker: The hon. member.

Mr. Johnson: Thank you. I have critics saying that not enough is being done to confront the drug problem, so what plans and strategies are in place to tackle it?

Mrs. Forsyth: Well, Mr. Speaker, as I mentioned in my first answer, Alberta is ahead of the problem. In our visit to the States they indicated to us that they felt they had been hit by a huge truck when trying to deal with it and playing mental gymnastics in their brain all the time. As I explained earlier, we have put together an intergovernmental working group, and it is working very well. We've got all the ministers responsible engaged, and we're also meeting with the College of Pharmacists on Friday and trying to deal with the situation on some of the drugs. We are also pushing the federal government to make some changes to legislation federally and get on top of the situation.

Mr. Johnson: My final supplemental. Can the minister tell us what controls there are on buying crystal meth ingredients, including common cold medicines and other products, in drugstores?

Mrs. Forsyth: Mr. Speaker, another good question. I think one of the things that we have to be conscious about is the chemicals that are used in the production of meth, and they can change all the time. As I indicated, I'm meeting with the College of Pharmacists to discuss some of the things that Australia is doing that are very innovative in regard to the control of Sudafed and some of the things that the States is doing.

I'm looking forward to the meeting with the College of Pharmacists. My idea in meeting with them is to listen to what they have to say about how we can deal with the situation. They're best in the know about that. We need to have the federal government again step up to the plate and put some restriction on the precursors that go into the making of meth, and we need to be on top of this because the ingredients can change just like a cook can change a recipe.

Health Care Labour Relations

Dr. Taft: To the Minister of Health and Wellness: will he tell Albertans how many health care dollars that could have been spent to shorten waiting lists or to fund MRIs are instead being needlessly spent by the provincial health authorities to run TV, print, and radio ads opposing the nurses?

Mr. Mar: Mr. Speaker, what I can speak about is remarkable things

that have happened in our health care system in the last 12 months. We have worked on all aspects of the Mazankowski reform. We've improved accessibility. We're working hard at improving access. We have the first electronic health records in the country. We have electronic wait lists on the Internet. We have our Healthy U campaign, that has resulted in part in educating Albertans on how to look after themselves, how to improve their health habits in terms of their eating and their exercise. Our tobacco reduction strategy has resulted in 44,000 fewer smokers in the province, including the Minister of Energy, and 11,000 fewer youth smokers. We've got an AMA agreement that's moving forward on primary health care. The accomplishments are numerous within the last few months. We're moving forward on it.

Of course, Mr. Speaker, regional health authorities have their responsibility to deal with nurses in their negotiations. I expect them to do so in a fair and appropriate way. Nurses are not restricted either from making public advertising for the position that they wish to bring forward. It's only appropriate that the employer have the same opportunity.

2:40

Dr. Taft: The answer completely avoided the question. Maybe he didn't hear it, so I'll repeat it. Will the minister tell Albertans how many health care dollars are being spent by provincial health authorities to run TV, radio, and print ads opposing the nurses?

Mr. Mar: Same question, same answer, Mr. Speaker.

Dr. Taft: It's an attitude that's going to lead to confrontation.

So to the Minister of Human Resources and Employment: has this government made any preparations for the possibility of job action on the part of nurses over the current contract dispute?

Mr. Dunford: The nurses and the employer in this case both act professionally, and we expect them to continue to do so, Mr. Speaker. The issues are there on the table. They've been directed to go back to the negotiating table. In the meantime, I have completed my responsibility in terms of the minister in reacting to an application for a compulsory arbitration board. So we have those situations in place. We all hope, of course, that none of that will be required, that the two parties will get to the table, the two parties will find an agreement that's acceptable to both of them, and then we just move forward in the reform of health care, which is so necessary in this province.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for St. Albert.

Education Funding

(continued)

Dr. Pannu: Thank you, Mr. Speaker. The Tory government forced school boards to lay off more than 1,000 teachers over the summer, resulting in overcrowded classrooms throughout the province and the withdrawal of services and programs needed by high-needs children. Today, approaching the halfway point of the school year, the minister expects school boards to repair the damage that the government caused by its refusal to properly fund education. My questions are obviously to the Minister of Learning. How can the minister justify waiting until almost halfway through the school year to announce some additional funding when he knows the damage was already done and it will be difficult for school boards to rehire the 1,000-plus teachers they were forced to lay off just a few short months ago?

Dr. Oberg: Well, first of all, Mr. Speaker, I think that the hon. member should take a look at the school calendar, which consists of 10 months. They have been there for about two and a half months, almost three months, so there certainly is a considerable amount of time.

Quite frankly, the school boards are the ones that have the greatest interest. The hon. member was there, and, Mr. Speaker, you know, I could have been mistaken, but I think they even gave a standing ovation for this announcement today.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: why did the government ignore all year long the pleas of school boards, teachers, parents, and others for properly funded schools only to act today like a knight in shining armour rescuing the damsel in distress?

Dr. Oberg: Well, Mr. Speaker, the interesting thing about this economy in Alberta is that we have received more dollars in our economy because we've been very fortunate with oil and gas revenues. Treasury Board gave me the ability to make some announcements today because we did manage to have some extra funds available, and I thank Treasury Board for doing that.

I believe that putting this money back into the education system at this time is a huge step forward. The school boards applauded it, and there was a considerable amount of excitement at the school boards' convention today, Mr. Speaker, and I think that we're looking forward to some absolutely great things happening in the school system in Alberta.

Dr. Pannu: Mr. Speaker, my third question is to the Deputy Premier. Why is it that as we get closer to an election, the vast majority of problems the government is trying to fix are the very problems of its own making?

Mrs. McClellan: Mr. Speaker, I don't think there really was a question in that. I think it was an assumption which was very clearly unfounded and erroneous. On the various issues that the member has referred to, this government has responded in a number of ways. On the issue of education we made it very clear – and in fact I believe it was this government that set out the Learning Commission. I think it really was. It was this government, and we said that when we received the report from this Learning Commission, we would respond in an appropriate way. When we received the Learning Commission report, the minister very clearly said that this is an important document, that there are some very important recommendations in it, some 96 or 98 recommendations, and that we would give all of those recommendations very serious consideration. I use this as an example of this government responding.

Today the Learning minister responded to the most urgent of the funding areas and gave the assurance to the ASBA that we would continue to consider those recommendations and respond in an appropriate time.

The Speaker: The hon. Member for St. Albert.

Anthony Henday Drive

Mrs. O'Neill: Thank you, Mr. Speaker. I understand that the southeast leg of Edmonton's ring road, the Anthony Henday road, is being built using the private/public partnership model. My question is to the Minister of Transportation. Could the minister please tell this House why that P3 model is being used for this very important

project rather than the normal way of financing a ring road or a project of this magnitude?

The Speaker: The hon. minister.

Mr. Stelmach: Well, thank you, Mr. Speaker. The stretch of ring road which the hon. member referred to as the southeast portion goes from Calgary Trail north to connecting highway 216, and that particular stretch has many structures. There are a few railway flyovers, a number of interchanges, and just the sheer complexity of that particular stretch of road is conducive to a good P3 project because it will enable the industry to apply all kinds of innovation to this particular stretch of road.

Mrs. O'Neill: My second supplemental is to the same minister. I also understand that the contractor who will be responsible for the construction of this road will have control over it for the next 30 years and will essentially recoup his or her costs over the 30 years through the payment by the government. So my question, again, is: is the P3 model simply another way of long-term financing under a different format?

Mr. Stelmach: The model put forward is to design, build, finance, and maintain for a 30-year period. Very clearly, there will be a contractual obligation to the successful proponent of this particular project over a period of 30 years to repay the costs put in by, I would say, a group of different companies that have come together to fund and maintain this particular stretch of road. There's nothing hidden here with respect to the obligation we have. That will be duly recorded, just like any other obligation we have, by this government.

Mrs. O'Neill: My last supplemental is to the same minister. What assurances can you give this Assembly that there will be some cost savings in this project?

Mr. Stelmach: The process, Mr. Speaker, is twofold. One, we go through what is called a request for qualification. That essentially is where companies interested in this particular proposal will for a fee of \$250 have a look at the proposal, the plan, and they will come forward by the end of December, the beginning of January. We will assess whether the proposals coming forward have merit and that the companies are sufficient to carry this project through. Once we shortlist that through Treasury Board, which the outside committee chaired by Mr. Tim Melton will review, we will decide on who will then go to the next stage, which is a request for proposals. Upon that, we will assess the proposals, and as I said many times before, if the project brings about savings, which I believe it will, then we will go ahead with it. If there are no savings, then we won't go ahead with it, simply put.

The Speaker: Hon. members, in thirty seconds from now I'll call upon the first of the hon. members to participate in Members' Statements.

Might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

2:50head: Introduction of Guests (reversion)

The Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. It gives me great pleasure to

rise today and to introduce to you and through you to the members of this Assembly a constituent of mine, a registered nurse who lives in Thorsby, Alberta, and practises in the great town of Breton, where I lived for many years. I would ask that Anita Ashmore please rise and receive the traditional warm welcome of this House.

head: **Members' Statements**

Hazel McGregor

Mrs. Gordon: Today I stand before this Assembly to recognize a longtime, well-known resident of Lacombe, a great lady, Hazel McGregor. Hazel was recently presented with the Doreen Befus award as this year's most outstanding self-advocate for adults with developmental disabilities, an award sponsored by the PDD Central Alberta Community Board.

Hazel exemplifies in her daily life many of the same wonderful qualities that Doreen Befus, a former resident of Michener Centre, possessed. Hazel has a zest for life equal to none. Always smiling and happy, she enthusiastically embraces her various volunteer tasks with zeal. She has long been a mentor for persons with developmental disabilities and is without a doubt one of Lacombe's most active volunteers. She assists regularly with an exercise program at the Lacombe senior citizens' lodge and always helps out with the many special occasions they hold: Valentine's Day, Easter tea, et cetera.

Hazel has now lived independently and proudly in her own suite, her home, for over a year, and it is no surprise that she has become a natural support for many of her neighbours within the building. She continually offers her time, providing companionship and emotional reassurances to those experiencing difficulties. Hazel has a phenomenal memory. She can remember the most interesting things about people: where they're from, telephone numbers, addresses, and birth dates; no problem. She knows everyone, and most know her.

Thank you and congratulations, Hazel. You are most deserving of this award. Lacombe and the people who live in Lacombe are much better off because of you. Allan and I are both very proud of you and feel privileged to call you a friend.

Family Violence

Mrs. Jablonski: Mr. Speaker, what do you say to a little boy who tells you that his daddy is going to kill him? Daddy had said that many times before, and it was not considered to be an imminent threat. On Friday, September 26, of this year three-year-old Alex Fekete told a friend that his daddy was going to kill him and his mother. On Sunday he and his mother, Betty Fekete, were murdered by his father in the lobby of their Red Deer apartment. Josif Fekete then killed himself. This is a tragic story of family violence. Even more tragically, there are other stories like this one. Last November Grant Harder killed his two-year-old son, Cole, and himself. This is the horror of family violence.

Family violence is everybody's business, and that is why this government has dedicated itself to stopping all forms of family violence in Alberta. Earlier this month the hon. Premier of Alberta announced the family violence roundtable. The roundtable will take place in the spring and will involve representatives from numerous interested parties.

Statistics show that this roundtable is necessary. Twenty-five percent of all women in Alberta have experienced partner violence or abuse in the past five years. This is the highest rate of any province in Canada. Children are victims in 23 percent of all assaults reported to police. In 25 percent of these, family members commit the offence. While nine of 10 victims are women, we cannot

forget abuse towards husbands and fathers and elderly family members.

Family violence is about power and control, aided and abetted by drugs and alcohol. It eats away at the health and well-being of victims. It erodes the foundations of our communities, and it destroys lives. Family violence is our business, and we need to do all we can to stop it. This Assembly must encourage Albertans to take steps to stop family violence.

Thank you, Mr. Speaker.

Stu Hart

Ms Kryczka: Mr. Speaker, on October 16, 2003, Stu Hart, Calgary patriarch, wrestling legend, and a constituent of mine in Calgary-West, passed away at the age of 88 years.

Stu was born in Saskatoon in 1915. He played football for the Edmonton Eskimos and in 1940 became dominion wrestling champion. Stu then served in the Royal Canadian Navy and later embarked on a truly successful wrestling career. In 1948 he married Helen Smith of New York City. They moved to Calgary in 1952, raised 12 children, founded Stampede Wrestling, and contributed to numerous charities throughout western Canada.

Desiderata, included in the funeral program, was written in 1927 and describes Stu so well.

Go placidly amid the noise and the haste,
and remember what peace there may be in silence.
As far as possible without surrender
be on good terms with all persons.
Speak your truth quietly and clearly,
and listen to others, even to the dull and ignorant;
they too have their story.

Stu was inducted into the Alberta Sports Hall of Fame & Museum and in recent years was a proud recipient of the Order of Canada and the Queen's golden jubilee award.

Also from *Desiderata*:

Take kindly the counsel of the years,
gracefully surrendering the things of youth.
Nurture strength of spirit
to shield you in sudden misfortune . . .
And whether or not it is clear to you,
no doubt the universe is unfolding as it should.

Stu will be fondly remembered by his 10 surviving children and their spouses, by 35 grandchildren and one great-grandson. He was predeceased by his dear wife, Helen, two sons, Dean and Owen, one grandson, Matthew, and son-in-law Davey Boy Smith. He will be sadly missed by his pets and all whose lives he touched.

To Stu's family and friends who are mourning the great loss, remember *Desiderata*.

Therefore, be at peace with God,
whatever you conceive Him to be.
And whatever your labors and aspirations
in the noisy confusion of life,
keep peace in your soul.
With all its sham, drudgery and broken dreams,
it is still a beautiful world.
Be cheerful.
Strive to be happy.

Rest in peace, Stu Hart.

The Speaker: The hon. Member for Edmonton-Strathcona.

Education Funding

Dr. Pannu: Thank you, Mr. Speaker. When the government reported another multimillion dollar budget surplus in June, pink slips were being handed out to more than 1,000 teachers across the

province. As students returned to the classroom this fall, these 1,000 teachers as well as hundreds of other support staff were missing from Alberta's classrooms. These missing teachers and staff can mean only one thing: overcrowded classrooms and fewer services for children with special needs.

The Edmonton public school board recently reported its class size numbers, and the results are frankly shocking. Over one-quarter of K to 3 children are in classes of 25 students or more. When you consider that the Learning Commission recommended an optimum size of 17 students in K to 3, this government's Learning ministry should hang its head in embarrassment.

It's not like the government wasn't warned. Throughout the spring Legislature session the New Democrats along with school boards, parents, teachers, and students themselves warned that the government's refusal to properly fund our schools would have devastating consequences. The Tory government ignored these warnings, and the unfortunate results are now plain to see. Six weeks ago the Learning Commission put a lie to the government's repeated claims that schools are not being underfunded. The commission identified \$90.6 million of shortfalls which, until then, the Minister of Learning had denied even existed.

Today, literally at the 11th hour, this government underwent a conversion on the road to the ballot box. While the dollars announced today are desperately needed, much damage has already been done to our children and the education system. This damage will be difficult to repair and should never have occurred in the first place.

This government has much to answer for, Mr. Speaker. Albertans will not soon forget its callous disregard for the well-being of our children in our K to 12 education system.

Thank you, Mr. Speaker.

3:00head: Presenting Petitions

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I would like to present a petition signed by 1,003 Albertans petitioning the Legislative Assembly to urge the government of Alberta to "introduce legislation declaring a moratorium on any future expansion of Confined Feeding Operations, with a view to phasing out existing operations within the next three years."

head: Notices of Motions

The Speaker: Hon. Opposition House Leader, on October 8 I received correspondence from the Leader of the Official Opposition advising that he was going to be rising today under Standing Order 30. Do I take it that this is not forthcoming now?

Ms Carlson: Yes, Mr. Speaker. That was withdrawn.

The Speaker: Okay.

The hon. Member for Edmonton-Strathcona on a Standing Order 30 notice.

Dr. Pannu: Thank you, Mr. Speaker. Given the announcement this morning by the Learning minister that the government is providing school boards with some additional dollars to at least partly repair the damage caused by its earlier refusal to properly fund education and given that members of this House will have an opportunity to debate the supplementary estimates when they come before this Assembly, I'm withdrawing my Standing Order 30 request for an emergency debate this afternoon.

The Speaker: The hon. Member for Edmonton-Riverview on a notice.

Dr. Taft: Yes, Mr. Speaker. I give notice – you can help me here – of a point of privilege against the Minister of Infrastructure.

Thank you.

head: Introduction of Bills

The Speaker: The hon. Member for Bonnyville-Cold Lake.

Bill 49

Public Lands Amendment Act, 2003

Mr. Ducharme: Thank you, Mr. Speaker. I request leave to introduce Bill 49, the Public Lands Amendment Act, 2003.

Mr. Speaker, these amendments will allow our government to deal swiftly and effectively with instances of noncompliance on public lands involving industrial roads and respond to increased demand within the agricultural industry to allow some bison grazing on public land.

Thank you.

[Motion carried; Bill 49 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that Bill 49 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

The Speaker: The hon. Member for West Yellowhead.

Bill 50

Wildlife Amendment Act, 2003

Mr. Strang: Thank you very much, Mr. Speaker. I request leave to introduce Bill 50, the Wildlife Amendment Act, 2003.

These amendments will make the act more effective in a number of areas including enforcement and administration. These additional enforcement tools will help discourage illegal activities to better protect and manage wildlife.

Thank you very much.

[Motion carried; Bill 50 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that Bill 50 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

The Speaker: The hon. Member for Whitecourt-St. Anne.

Bill 51

Natural Resources Conservation Board Amendment Act, 2003

Mr. VanderBurg: Thank you, Mr. Speaker. I request leave to introduce the Natural Resources Conservation Board Amendment Act, 2003. I'm bringing this act forward on behalf of my colleague the hon. Minister of Sustainable Resource Development.

Amendments to the Natural Resources Conservation Board Act are needed to clearly separate the quasi-judicial function of the board from its administrative function. Changes are also needed to clarify financial controls, membership of the board, and the unbiased nature of the appeals.

Thank you.

[Motion carried; Bill 51 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I would move that Bill 51 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. I rise today in my capacity as the minister responsible for sport in Alberta and as a proud Edmontonian to table the appropriate number of copies of a letter of congratulations that I've sent to Hugh Campbell and the 2003 Grey Cup champions, the Edmonton Eskimos. Congratulations to all of them.

The Speaker: The hon. Member for Banff-Cochrane.

Mrs. Tarchuk: Thank you, Mr. Speaker. As chair of the Standing Committee on Legislative Offices I'd like to table five copies of the 2002-2003 annual report of the Auditor General of Alberta.

Thank you.

The Speaker: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Speaker. Today I'm tabling five copies of a petition with 5,255 signatures that states:

Whereas the Michener Centre Administrative Building is a beautiful old landmark with provincial historic significance, and
Whereas despite the recent fire it is still structurally sound,
We the undersigned request that the building be repaired and restored.

Thank you.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Yes, please. I have five tablings today, Mr. Speaker. I'll go through them quickly. The first is the appropriate number of copies of a postcard campaign from the summer called Stop Picking on Seniors, around the long-term care rate increases.

The second tabling is five copies of a letter from Mrs. B. Kay in Edmonton protesting the government's increase of long-term care facility fees.

Next is an e-mail from Margaret Griffith, who has a mother in care in rural Alberta. She herself is working in the U.S. and has seen firsthand the devastation of seniors becoming bankrupt from paying for long-term care.

The next e-mail is from Deanna Summy, who took her husband out of long-term care and brought him home but is concerned about the lack of respite care available to her.

Finally, a letter from a constituent, Michael James, who writes with some passion about the situation of teachers and classroom

overcrowding in Alberta and notes that the government is playing with people's lives.

Thank you very much, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. I have two tablings this afternoon. The first one is a letter and a following petition from the Social Justice Commission to the hon. Premier of the government of Alberta. This is in regard to the level of benefits for persons on SFI, AISH, and other income support programs, and they indicate that it should be raised a minimum of 20 percent in the budget for 2003-04.

The second tabling that I have this afternoon is five copies of a document that I was delighted to get earlier in the fall, and this is the Alberta Public Affairs Bureau request for proposal 03-02. This is this campaign that's going to convince Albertans they should like electricity and natural gas energy deregulation.

Thank you very much.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I've got two tablings today. The first one is appropriate copies of a document showing huge increases in class sizes in Edmonton public schools due to this government's failure to properly fund education.

3:10

The second document, Mr. Speaker, is a news release issued by the Greater St. Albert Catholic Schools dated November 13, 2003, regarding the discovery by the Auditor General of surplus funds in Alberta Learning's account and calling for immediate distribution of these funds.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. Today I am tabling a secret leaked draft report of the Advisory Council on Electricity dated September 2003 showing that the only answer the government has to higher power bills is more spin and rebates.

The Speaker: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Speaker. I rise today to table a letter from a constituent, Nancy Hamilton, in which she raises several observations concerning the Learning Commission.

Thank you.

The Speaker: Hon. members, pursuant to section 4(2) of the Election Finances and Contributions Disclosure Act I'm pleased to table with the Assembly the annual report of the Chief Electoral Officer for the calendar year 2002.

Pursuant to section 46(1) of the Conflicts of Interest Act I'm pleased to table with the Assembly the annual report of the Ethics Commissioner that covers the period April 1, 2002, to March 31, 2003.

The Speaker: The hon. Member for Edmonton-Riverview on a Standing Order 15.

Privilege Contempt of the Assembly

Dr. Taft: Yes. Thank you, Mr. Speaker. Perhaps I should begin by distributing some material to the members.

I rise today under Standing Order 15(2) on a question of privilege or further and in the alternative contempt of the House. Mr. Speaker, the issue involved with this case of contempt goes back to the spring sitting and largely to the question period of May 15 and my exchange with the Minister of Infrastructure. In fact, the particular *Hansard* is on everyone's desk right now, and they can follow along on page 1674.

May on page 108 defines contempt.

Any act . . . which obstructs or impedes . . . any Member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence.

There are certain instances which have historically been identified as issues of contempt. One such instance is misleading the House. May on page 111 states, "The Commons may treat the making of a deliberately misleading statement as a contempt." The word "deliberately" protects the occasional lack of up-to-date information a member might have. However, this is not the case on this issue.

When questioning the Minister of Infrastructure, as outlined in *Hansard*, I asked, "Does the Department of Infrastructure have in its possession any lab results that speak of toxic mold at the former Holy Cross hospital?" The minister's answer did not directly deal with the question I posed. He quoted a specific line instead and an e-mail which he had in his hands, and he then seemed surprised when he was asked by you to table this e-mail. The e-mail is on the top of the documents that are being distributed. I hope that you have been given some of this material yourself, Mr. Speaker.

It was at this point, after he was unexpectedly asked to table the e-mail, that I asked the supplemental question, "Is the minister saying that his department has never had possession of positive tests for toxic mold at the Holy Cross Hospital?" In response the minister replied, "The fact is that when we were looking at locations to house the Court of Appeal, the Court of Appeal asked Mr. Tang Lee to do an air quality test, and clearly, as this shows, the tests were never completed." And the "this" in his quote was referring to the e-mail that he was holding in his hand.

Well, Mr. Speaker, as everyone here who has that in their hands can see, attached to the e-mail and referenced in its text were two attachments. The first was the test results for bacteria, and the second was test results on fungi and bacteria. The e-mail stated, and this was not mentioned by the minister: "Enclosed is the report from the Microbiological laboratory that was completed on October 24, 2001. The XL file is for bacteria and the Word file is for the fungi and bacteria." It is absolutely clear that the minister did in fact have the test results at his disposal. In the words of the e-mail, "The report from the Microbiological laboratory . . . was completed on October 24, 2001," completed a year and a half before I asked the question. The minister's response that "the tests were never completed" was clearly an attempt to mislead the House. They had been completed for over a year. The documents that I have tabled today will bear this out and show that the department had full knowledge that the tests were completed.

I am mindful of what Maingot stated on page 234 of his work: "It must be shown that the Member was obstructed in his work relating to a proceeding in Parliament." Mr. Speaker, the infraction occurred in question period. The document which is leading to the raising of this case of contempt was tabled under the daily Routine. The entire case occurred within the proceedings of this House, and it involves a simple but crucial statement of fact: what did the minister know, and when did he know it? If members of this Assembly can't have confidence in this sort of answer, our work is indeed profoundly compromised.

Mr. Speaker, I now wish to draw to your attention additional corroborating evidence. As you've suggested, copies have been available to all members, and I invite them to follow along. This is correspondence involving the Department of Infrastructure specifically on the issue of toxic mold testing at the Holy Cross. I've selected only a few examples, and I will move through them quickly. I ask members to follow along.

The cover is the e-mail that was tabled by the minister confirming, as you can see with the attachments, that, in fact, the test results were included. The next page is an e-mail from Sandy Fisher of the government of Alberta to Tang Lee simply arranging a meeting and a tour of the Holy Cross. There's an important time line at work here that unfolds the story of this case, Mr. Speaker. The next page, numbered 7 at the bottom, is from J.A. Fruman, Adelle Fruman, with the Department of Justice – this is the government – to Tang Lee, CCed to the Department of Infrastructure. I will not read it all, but it does emphasize the importance of this issue.

Dear Sandy:

Thank you for showing Justices Conrad, Paperny and me the leasehold space in Holy Cross Hospital today.

Then she goes on to describe her reaction to the toxic mold. She says:

I would like to document my health concerns about the premises.

During the visit today, I suffered respiratory and other problems: my throat closed, I had chest congestion and pain; I experienced a bad headache; my eyes burned and my vision was blurred; and I became dizzy. More than 12 hours have elapsed since the visit, and I continue to suffer from a number of these symptoms.

She goes on to say:

I appreciate that Professor Lee will conduct extensive air quality testing, mould speciation and laboratory analysis over the next 4 weeks, to determine whether the Holy Cross . . . has superior air quality.

Moving on to the next page, July 15, 2001, correspondence from Professor Lee to the Department of Infrastructure. It's a long document. I'll just draw members' and your attention to points 7, 8, and 9, which outline, in fact, the detailed plans for the testing of air quality and molds, and actually it subsequently explains: "Our examination of the building will commence on Wednesday, July 18. Air samples will be taken including those requiring laboratory tests."

We'll proceed a couple of more pages to the one numbered 10 at the bottom, dated July 15, from Tang Lee to somebody who was working with him on the tests. He says in the first sentence, "I just sent a proposal to Sandy Fisher about conducting an air quality assessment on the Holy Cross" and goes on to explain that.

The next e-mail, July 17, 2001, again from Professor Lee to Adelle Fruman of Alberta Justice. He says:

I sent our proposal to Sandy Fisher this last weekend on examining the Holy Cross Hospital site. Not hearing from him, I arranged a meeting with Sandy this morning to discuss our involvement. At this meeting, he assured me that I will obtain permission to proceed with the examination . . .

And he continues.

A couple of more pages, numbered 17 now on the bottom right-hand corner, to Tang Lee from one of his staff, July 24, 2001. Then it also involves one of the staff actually doing the testing. You'll notice the subject: bacterial report and Holy Cross update.

The analyst is about half way through the bacterial reporting. She should be able to finish it off later today. The *Aspergillus* identification should be coming through today as well.

Then he goes on and says:

Also, we have cleared out the HPC strips for your [Holy Cross] project. There are a lot of TNTC strips.

That means "too numerous to count."

It appears that what is growing on the . . . strips is primarily mold -

which is fairly common when you encounter areas with high mold concentrations.

We move on to correspondence again concerning these tests, July 25, 2001. I'd just refer to the final sentence from Professor Lee: I e-mailed the previous too numerous to count results to Sandy Fisher, who is with Alberta Infrastructure, about Holy Cross.

3:20

The next page, numbered 19, from Tang Lee to a staff member of Alberta Infrastructure. Subject: preliminary lab results. "As requested, I am sending a quick note to you that I received from the microbiologists that there are a lot of mould spores at the Holy Cross hospital." He goes on: "With this preliminary result, I am concerned about the air quality and its suitability to the sick occupant of Court of Appeal.

The next page, numbered 20, from Tang Lee back to Adelle Fruman. Subject: Holy Cross mold spores. Tang Lee says in this e-mail:

I was asked by Sandy Fisher to keep him posted as to any preliminary findings on the Holy Cross. As such I just sent him this brief note from the microbiologist. It appears there is a lot of mould spores in the hospital . . . and that they are growing so rapidly on the samples that the microbiologist cannot even count them. The mould growth is covering each other as it fights to grow in the nutrient solution.

Moving on, a quick response from Sandy, an employee of Infrastructure, to the professor re preliminary laboratory results: "Thanks Tang."

Moving on. August 26, 2001, from Tang Lee to Sandy Fisher of Infrastructure: "Hello, Sandy. We just received the microorganism . . . results and the Holy Cross has a lot of moulds including *Stachybotrys* . . ." which is a very dangerous mold ". . . in the kitchen area."

It goes on. I will summarize very briefly here: "The other areas also have moulds and we expect that the fungi genres would turn out to be species with associated mycotoxins." I will not go through the rest of the page except to draw your attention to the bottom where the staff person from Alberta Infrastructure wrote on August 24, 2001: "Hi, Tang . . . I am looking forward to seeing your report and recommendations particularly on the Holy Cross. I'll call you next week. Kind regards."

Now I've moved to page 35. From Tang Lee to Sandy Fisher, Department of Infrastructure. Subject: interim summary. "Hello Sandy. Here is an interim summary of our examination." This is a very long e-mail, so I will move people ahead two more pages to that numbered 37, the lower part, to (4) Holy Cross Hospital Southeast wing, the second paragraph. Remember that this is an e-mail going to Alberta Infrastructure. It says:

It is clear that there are mould spores throughout the facility including *Stachybotrys*, *Penicillium*, and *Aspergillus*. We expect that the fungi genres would turn out to be species with associated mycotoxins, but we did not receive authority to proceed with the next level of species identification.

Then on the following page, numbered 38, it says: "Mould samples inside the exterior walls were so concentrated that it overgrew the samples. The mycologist wrote TNTC (too numerous to count) on several samples."

Page 39, from Alberta Infrastructure to Tang Lee, August 30, 2001: "Hello Tang. Thank you for this. It confirms my own expectations. Sandy." The subject was the interim summary.

I'm near the end, Mr. Speaker. I appreciate your patience. Page 41, e-mail correspondence concerning the testing to Tang Lee from The Stookes, which is an e-mail account of somebody working on the testing: "Hello Tang. I am still not sure from Sandy's reply if we

are proceeding to speciation on the Holy Cross site." Remember that Sandy works at Alberta Infrastructure. It's important to note here that they already knew the genus of the mold.

The next page, 43, is again from one of the people working on the test to Tang Lee. Subject: interim summary.

Hi Tang,

I reached Mike and he will proceed with speciation to a max of \$2000. I asked him to do a mix of speciation on the ground and 7th floors [at the Holy Cross] and to concentrate on only the *Penicillium* and *Aspergillus* genres (and of course the *Stachybotrys*).

It seems clear from this e-mail that they were given the go-ahead.

The last page, page 44, from Tang Lee to the owner of the Holy Cross, Mr. Peter Wong. Subject: air quality.

Hello Peter:

I just received the microorganism results back from the microbiological lab and received permission from Alberta Infrastructure to proceed with speciation to go beyond the genus.

Now, Mr. Speaker, all our time is short. I have got far more detail than this which I don't need to bring forward. It seems absolutely clear to me, black and white, that this department and this minister's department knew of the lab test results, had them in their possession at the time I questioned him, and probably had them in his possession long before that.

So, Mr. Speaker, let me wrap up by saying this: the evidence is compelling. The Department of Infrastructure did indeed have detailed evidence, including lab test results, confirming dangerously high levels of toxic mold at the Holy Cross more than two years ago. I can come to no other conclusion than that the minister misled the Assembly on an important question of fact.

My request to the minister is simple. First, will he please admit that his department did in fact have laboratory results showing unacceptable levels of toxic molds at the Holy Cross, and second, will he please apologize to this Assembly for his actions? Barring that, Mr. Speaker, I am prepared to move a subsequent motion.

Thank you.

The Speaker: Hon. Minister of Infrastructure, are you prepared to make a statement today, or, in light of this information forthcoming, do you want to wait until tomorrow?

Mr. Lund: Mr. Speaker, since I wasn't able to follow the rationale, if there was some, from the hon. member, I'm going to take the advantage of getting *Hansard* and reviewing the whole thing and will respond tomorrow.

Dr. Taft: A point of clarification, Mr. Speaker. The minister's office was provided yesterday with all the material that members have had.

Thank you.

The Speaker: I take it then, hon. minister, that tomorrow you'll be prepared to be in the House.

Mr. Lund: That's affirmative.

The Speaker: Am I advised there would be any other members wanting to participate in this? Okay. Come back tomorrow then.

Hon. members, just before I call Orders of the Day, today was a unique day in the history of this Legislative Assembly, when for the first time anybody who had the Internet could receive a video feed of the Alberta Legislative Assembly, anywhere in the world, to watch question period. Now, there appear to have been a few little technological glitches, but get this: the technological glitches came from overload of a high number of accesses to the web site. So

considering that there's absolutely no makeup in this Assembly and everything is live, this must make good television for some.

head: **Orders of the Day**

head: **Government Bills and Orders**

head: **Second Reading**

Bill 36
Environmental Protection and Enhancement
Amendment Act, 2003

[Adjourned debate April 28: Mr. Broda]

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I will move forward, then, with my comments on Bill 36. I had expected someone from the government side to proceed.

This is a bill that's been on our Order Paper for some time, and we see some minor kinds of changes coming forward.

3:30

The key objectives of the bill are allowing for electronic reports of substance releases. It adds specific references to codes of practice in the act, which has long been an issue that's been debated inside and outside this House. It eliminates the 25-year limit to issuing environmental protection orders for sites that have been granted reclamation certificates, and there is some general housecleaning. This is a bill that we will be supporting, Mr. Speaker. While these changes are quite different in how they amend the act generally and they have to be dealt with, I believe, separately, generally speaking, they improve the legislation.

When we talk about electronic reporting, currently what happens is that if a person releases a substance that may cause an adverse effect, it must be reported to the director "in person or by telephone." Of course since that legislation was brought forward, the electronic age has taken over most of our lives. There is no allowance for them to report by manner such as e-mail, so the amendment attempts to include that, and we support that. It's a good idea.

The second is the codes of practice. Many people have concerns about these codes of practice. The bill defines them as documents "governing an activity or activities or a portion of an activity or activities that is adopted or incorporated pursuant to section 38." What that means really for us is that there will be codes that prescribe standards for common practices. According to the ministry these codes of practice have already been used for some time, but they are included this time, specific references to them in the bill. We hope that the intent is for clarity's sake, but what we have found is that there has been some concern over time that the codes of practice are not strict enough or don't have to be adhered to, that, in fact, often it would be better if we had regulations instead of codes of practice.

Before we get to committee, I'm hoping that we can get some answers to questions that I've heard outside this House and that really should be answered at this point in time. The first is: what is the compelling reason for moving this particular amendment at this time? Can the minister or some designate tell us what the substantive difference is between what can be achieved with regulations and what can be achieved with the code of practice? This is an answer that I would like to be quite specific so that we can send it out to a number of people who have been asking us this. In more detail can they give us what the specific advantages of a code of practice are in this circumstance over regulations? It does need to be clarified, I believe, for the purposes of this bill.

One of the other parts of the bill is the limitation to issuing the environmental protection orders. According to what we've heard from the ministry the current regulations indicate that an EPO cannot be issued longer than five years after a reclamation certificate has been issued. What this does is it releases the person or the company responsible for the site from all environmental liability after five years. That's, I think, obviously to all of us in this Assembly not long enough. We recurrently find cases where there are problems with reclamation sites after a five-year time period. So can we know why the minister has decided that 25 years was not a good period of time? We just would like to have clarification there in terms of why the time change.

I think I will keep my sectional analysis on this particular bill until we get to the committee stage and until we have some of the answers to the questions asked, but unless something unusual comes out of those answers, this looks like a bill, Mr. Speaker, that we will be supporting at this particular time.

The Speaker: Hon. members, under Standing Order 29(2)(a) we now have five minutes available for questions and answers to the just-heard-from speaker. So will there be questions? I take it that there are none.

Then to recognize the next speaker, the hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. I just wanted to put a few comments on the record on Bill 36, Environmental Protection and Enhancement Amendment Act, 2003. Over the summer break I received a very thoughtful but impassioned letter from a young constituent who was really concerned about pollution and environmental controls and what was being done to keep the planet safer. It brought home to me that we have a new generation coming up who accepts without question that the government is responsible for ensuring environmental protection of land, water, and air. They don't expect to have to argue with the government to get it; they expect the government to provide it and to be a steward and an overseer to make sure that that's happening.

This bill is certainly not going to solve all of those problems, but as my hon. colleague from Edmonton-Ellerslie has already mentioned, it does bring forward a couple of things that are useful, like the electronic reporting for substance release, the references to the code of practice, and eliminating the 25-year limit for issuing environmental protection orders for sites that have been granted a reclamation certificate. That's the one that interests me most in the context of this young man's concerns.

I continue to look and to press the government to be vigorous in monitoring and evaluating our environment. Part of my long-standing complaint was with the downsizing of officers whose very job it was to do that, to be out there on the ground, so to speak, in water, testing the air to make sure that all was going as it should and that the environment was protected to the full extent and doing the evaluation if it wasn't. I think what we have learned in the last 50 years or so is that environmental damage has a very long, long half-life, and for that reason I'm pleased to see a limit being lifted. Frankly, I don't think we fully understand how long it can take various kinds of poison to be worked out of, for example, water or earth. So the need for vigorous environmental protection is, I think, obvious to me, and certainly it was to this young guy.

We've had an imbalance in this province where there was a bias in favour of what the industry wanted and what was convenient for the industry. I think that is slowly, achingly slowly being corrected, and we're moving back towards a balance between a fairly free rein for industry to operate as it chooses and some reasonable limits that

are placed on industry, particularly where it comes to environmental protection.

So I appreciate the work that is being done, and I continue to say: you need to do more. On behalf of the young man that wrote to me, I'm glad I was able to raise those points and continue to raise those expectations with the minister.

Thank you very much.

The Speaker: Standing Order 29(2) is available to all members.

Then I take it I should call on the Minister of Environment to close the debate.

3:40

Dr. Taylor: Thank you, Mr. Speaker. I'd like to thank the hon. members opposite for their support, and I'll try to answer a couple of their questions. One was that five years is not long enough for a reclamation certificate to be in effect and that after the five-year time period it would revert to the owner of the land and the government of Alberta, so we are moving to 25 years. In fact, I will bring an amendment in Committee of the Whole that changes the time that companies are responsible from five years to 25 years. So we're moving in that direction, Mr. Speaker, and once that amendment comes forward, I hope the House will agree to it and we'll move forward. We have discussed it with industry over the summer, and industry is in agreement with it. We had some persuasive discussions with them, and they have agreed, particularly the oil industry.

In regard to moving from regulations to a code of practice, what we're talking about there, Mr. Speaker, is moving from a regulatory approval process to a code of practice. We're not moving away from regulations. Codes of practice will be in the regulatory process, but what we are saying is that for certain common practices – for instance, a gravel pit, you know, outside a watercourse, there's a code of practice that can apply to that because it's the same kind of development whether it happens in your constituency or in my constituency.

So what we want to establish are codes of practice which will be a regulation that says that if you're going to develop a gravel pit, these are the steps that you must take. Rather than going through the complete regulatory approval process, which takes the company a lot of time and money and Environment a lot of time and money, we'll have a code of practice that in regulation says: this is how you develop; these are the steps you have to do to develop a gravel pit. As I said quite clearly, that would not be in a watercourse but just on dry land.

We've got a number of these common practices that up till now have had to have a long regulatory approval process, and we are moving these common practices to codes of practice. I want to be very clear again, Mr. Speaker, that they will be governed, they will be monitored, and they will be part of our regulatory system.

As I said a minute ago, we will be bringing some amendments forward at Committee of the Whole, and at the present time I'm pleased to move second reading.

[Motion carried; Bill 36 read a second time]

Bill 37

Climate Change and Emissions Management Act

[Adjourned debate April 28: Mr. Broda]

The Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Speaker. I'm very pleased to be here this afternoon and reopen debate on Bill 37, the Climate Change and

Emissions Management Act. In my discussion today I would like to begin by touching on the Kyoto protocol and the need for a made-in-Alberta plan when it comes to tackling the issue of emissions reduction. While this government has committed itself to reducing greenhouse gases and tackling the problem of climate change within our province, we have also clearly said that we do not believe that the Kyoto protocol is the right solution for Alberta, Canada, and the environment.

[Mr. Shariff in the chair]

The Kyoto protocol in its current form requires Canada to undergo a 30 percent reduction in the current output of greenhouse gas emissions by the year 2012. Without a doubt, committing to such unrealistic targets and deadlines will have an extremely negative impact not only on the economy of Alberta but also of Canada as well. The approval of the protocol, Mr. Speaker, will undoubtedly result in our resources and products becoming less competitive on the global market due to rising prices. Furthermore, our energy-consuming industries would face increased prices, which in turn would make them uncompetitive, and unreasonable emission targets could render the oil sands projects economically uncompetitive.

Current and future investors will no doubt be discouraged by the new restrictions placed upon our economy and will choose to invest their capital in Alberta's major energy competitors such as the U.S., Venezuela, Saudi Arabia, Nigeria, and Mexico. Unlike Canada none of these nations is bound by the rules and regulations of the Kyoto accord, thus giving them a comparative economic advantage over Alberta and, ultimately, Canada itself. As a result, Mr. Speaker, Canada could experience a loss of 450,000 jobs, a substantial rise in income tax rates, a hundred percent increase in electricity costs, a 60 percent increase in natural gas costs, and the price of gasoline reaching over \$1 per litre.

Not only that, Mr. Speaker, but Canada would also have to purchase \$2 billion to \$6 billion worth of credits each year, resulting in not only higher energy prices but also no significant reduction of global emissions. The reason for this is because some of the biggest sources of credits under the protocol will be to the nations of the former Soviet Union, which are currently still some of the biggest polluters in the world. The reason for this discrepancy is because when the Kyoto was negotiated in the early '90s, the economic output of these nations was far greater than it is today, which allows these nations to have a surplus of credits. Under Kyoto Canada will have to purchase the emission credits from these countries while no reduction of current levels of greenhouse gas emissions will actually take place. Furthermore, the protocol is not a fair or equally binding agreement. Even though Canada puts out only 2 percent of the world's greenhouse gas emissions, the economic risk to Canada would be four times that of the European Union and 10 times that of Japan.

I believe, Mr. Speaker, that we can do much better, and this is why this government has introduced Bill 37. This bill embodies the initiatives outlined in the Albertans and Climate Change: Taking Action plan, and I believe it to be a credible and superior alternative to the Kyoto protocol. It represents a made-in-Alberta environmental strategy which is designed to address the issues of climate change in a manner that is environmentally effective and economically responsible. Our strategy focuses on improving energy efficiencies, enhancing how our current technology is used to control industrial emissions, investing in new and economically friendly sources of energy, and improving our emission management for today and the future.

The people of Alberta have entrusted this government with the task of the management and protection of our province's environment and natural resources. Bill 37 will reinforce Alberta's jurisdiction with regard to these matters and will help us to challenge the federal government if the Kyoto protocol threatens to erode our jurisdictional rights. Furthermore, this legislation is only the latest in terms of a long succession of many sound environmental policies pursued by this government.

It is important to note that over the past decade Alberta has established itself as the leader in the reduction of greenhouse gas emissions in Canada. Up to this date studies estimate that we have been able to cut greenhouse gas emissions by 22 percent compared to 1990 levels and that we were also on our way to reducing our emissions by a further 26 percent below 1990 levels by 2005. Unlike the Kyoto protocol, Mr. Speaker, Bill 37 enables us to continue these efforts by focusing on real reductions in realistic time frames, investing in our domestic technology and research, working with our stakeholders and partners, seeking out new and improved energy efficiencies and conservation strategies, and leading by example.

Even after the plan is implemented and approved, the province will continue to work in partnership with other provincial governments, the federal government, industry sectors, municipalities, other energy-consuming sectors, the academic community, and all Albertans. Unlike the Kyoto protocol Albertans and Climate Change: Taking Action is not a rigid and inflexible strategy. It is inclusive and flexible and remains open to new ideas others may have, leaving us room for continuous improvement.

3:50

The intention of this plan is to balance the economic and environmental goals of Albertans and all Canadians as well. It will accomplish these challenges by focusing on reducing emissions per unit of output rather than on absolute reduction as outlined in the Kyoto. Alberta's strategy focuses on achieving realistic and rational targets for emission reductions. More specifically, under the plan Alberta expects to cut its emissions by about 20 megatons per year by the year 2010. By the year 2020 Alberta expects to cut up to 60 megatons, or 50 percent, of greenhouse gas emissions below the 1990 levels.

This government has committed itself to meeting the long-term challenges in the field of greenhouse gas emissions. Bill 37 represents only the beginning of a 50-year initiative designed to dramatically decrease the output of carbon emissions in this province. We'll continue to improve the energy conservation and efficiencies in our province by leading extensive initiatives including municipal building and streetlight retrofits, energy labeling, adoption of new technologies, and reducing barriers to low-input power generation.

This piece of legislation, Mr. Speaker, enables us to work with industry, including the oil and gas sectors, in order to establish effective new ways of measuring, monitoring, and verifying carbon emissions in our province. Bill 37 will also allow us to establish a framework for an emission trading system which will enable the industry sectors to trade emission units while working to reduce their greenhouse gas outputs. In order to ensure compliance within the various industry sectors, the Alberta government will create financial and other types of penalties for nonparticipation.

It will also enable us to introduce a provincial management fund which will help our industry sectors reduce their emissions and invest in our province's energy conservation, energy efficiency, and technology. The significance of this fund is that it will allow us to retain and utilize our funds to achieve far more tangible and long-

lasting results, funds which under the Kyoto protocol we would have to spend on a bogus emission credit system.

In conclusion, unlike the Kyoto protocol Alberta's approach to emission reduction is far superior because its emission figures are realistic, the time frame given to the industry or industry sector is reasonable, and the plan is flexible and open to new and up-to-date ideas. Unlike the Kyoto protocol the Albertans and Climate Change: Taking Action plan will not be looked upon as another NEP but as another intelligent and successful initiative by a government which is in touch with reality, a government which cares about the wishes and the well-being of its people, the economy, and the environment. As a result, Mr. Speaker, I urge all of my colleagues today to vote in favour of Bill 37.

Thank you.

Ms Carlson: Mr. Speaker, in response to Bill 37, the Climate Change and Emissions Management Act, which is really a remake of the old Bill 32 that we saw in the year 2002, there's so much silliness involved in this bill and in the first speaker's response to it that I hardly know where to start.

Every once in a while we see bills come through this Legislature that are real propaganda pieces on behalf of the government, and this is one of those kinds of bills. This bill should've been, I believe, withdrawn over the summer and, if required at all – I never believed in the first instance it was ever required – remade in a way that kept up to date with the changes that we've seen over the past few months, and we saw that emphasized by the comments from the Member for Redwater. He's two steps behind the rest of the world on where this issue has moved to, and it's really unfortunate. I believe he needs to get a new speechwriter, someone who can update his material as required.

We've seen lots of changes happen with regard to federal legislation and with regard to what this government could or should be doing at this particular time with regard to climate change and emissions. You know, industry has moved forward on this particular issue. These guys are being left in the dust as legislators. Even their own departments have moved forward on this particular issue and have had brought forward and come up with many good ideas and solutions and ways to easily be able to implement the targets, not just barely or maybe meet the targets. But not this government. They like to hide behind all these old, archaic ideas and bash and bash and bash instead of taking a look at how they could be facilitating and moving forward on the issue.

You know, a good example of how out of touch they are is that when we first started talking about climate change and how to reduce CO₂ emissions, I brought into this Assembly the 10 easy steps that everybody could easily accommodate in their everyday life and certainly got laughed at for most of them. Since that time period, about two years ago, we have seen many of those steps now promoted by the Minister of Environment and several other ministers in this Assembly and national programs go out that have moved the whole nation forward. Not the least of those and probably the easiest is to turn your car off instead of letting it idle in a variety of situations: when you're picking up the kids from school, when you're sitting at a long red light, when you're caught in a traffic jam, all those kinds of instances. We have seen, after bringing that forward into this House and having all of these government members laugh at it and say how silly that would be, that it's been instituted by many people in this province and is a very, very positive step forward. It's one of the ways that this government could have been showing some leadership instead of bringing in more cumbersome legislation that doesn't really address the issues.

What we see here with Bill 37 is really just a remake of the old Bill 32, where they've crossed out a few of the table of contents

items and got rid of some of the most offensive whereas and then just dusted off that bill and brought it back, and in fact it was never necessary to do. We had many organizations give us feedback and give the government feedback on how any changes that needed to be done with this particular bill could have easily been done within the framework that's already been established within the Environmental Protection and Enhancement Act. Nearly every element that they wanted to achieve could have been done there. Of course, the one problem was where the government asserted that their natural resource ownership gave them jurisdiction over climate change, and we all know that from a constitutional law basis that was a hollow argument and really wasn't going to go there.

We had expected with Bill 37 that we would get some clear and explicit recognition that environmental protection would be the primary goal of this government, but that's not where they went with this. They talked about toying with the amount of participation there would be by this province, which is a silly thing to do because they have the ability to bring in policy development and implementation with respect to areas that would move us forward, such as emission reduction tools, such as an emission trading system, such as sectorial agreements, and such as programs that we in the Official Opposition brought forward into this House as really solid, good ideas that would help the critical area in meeting the emission targets, and that's on the consumer side.

We talked repeatedly about seeing some kind of a management fund that would address retrofits, and addressing retrofits at both a government standard and an industry standard and a consumer standard meets the targets for us. That's what we need to do, and it also has many, many other spin-off benefits. What we do by retrofitting all these buildings and homes is stimulate the economy on the labour side. We then see an active participation of tradespeople coming in and working on the retrofits, and that would be a positive place for this province to go, but they chose not to do that.

4:00

What we did see is government taking care of itself in terms of taking a look at government retrofits in the government buildings, and I hope that as they proceed with that, Mr. Speaker, they will give more than simple lip service to the legislation and practices they have in terms of fair wages legislation. We expect to see in these government retrofits tradespeople being hired at fair wages, wages that include things like benefit packages and the kinds of compensations that have been negotiated and agreed to by unions in the past rather than bringing in substandard labour. This is a case of you get what you pay for, and if we want long-term viability in this particular instance, then that's certainly something we have to take a look at.

So the government recognizes the value of retrofits because they're doing it in their own public buildings. But what about access for industry and for individuals? Not everybody has a handy \$20,000 or \$100,000 in their back pockets to do these retrofits. We talked about how it's very easy to facilitate them. In fact, every state in the United States of America has a retrofit program that addresses both consumer needs and industry needs. Where's ours? It's easy to put one in place.

It doesn't have to be a granting program. It can easily be a loan situation where you get interest-free loans, but let people retrofit their homes. Let them be able to bring their houses up to a standard where they can cut down on coal-burning fuels, save themselves some energy costs, save our natural resources, employ people in this province, and, as a consequence of that, lower CO₂ emissions. Now, wouldn't that just be too easy for this government to do? No. Instead they decide to bring this kind of legislation forward.

There is more work that can be done in areas that should have

been addressed, and with this one it's particularly the fault of Alberta Energy that it hasn't happened. We know that for a very, very long time CASA and other organizations – industry organizations, environmentalists – have tried to work to reduce gas flaring in this province. We know that there is scientific evidence, that there is conclusive anecdotal evidence that gas flaring causes all kinds of problems, environmental and health hazards. CASA has been working for a long time, for about 10 years, to be able to make those changes, with the goal of eliminating gas flaring in this province, and we're getting closer. We're getting closer all the time. If I remember correctly, over the past 10 years gas flaring has been reduced by more than 50 percent for sure, maybe more than 60 percent, but we need to have that final push happen to have it reduced.

So how does that relate to climate change and CO₂ emissions? It's quite significant. What we find is that the emissions given off by the flares are at least, by anybody's standards, 21 times worse than general CO₂ emissions into the atmosphere. So if you could reduce those emissions to zero, then you would be well on your way to making a substantial contribution to our targets in this province for CO₂ emissions, plus we would make a substantial contribution to health concerns and environmental concerns associated with gas flaring.

What's required to make that final push? It's very simple, Mr. Speaker. All we need is for the Department of Energy to agree to very small rebates for these companies that have the flares occurring, and they're saying that they're not prepared to go that extra mile for these companies. To get that extra 40 percent reduction in the flaring, the companies are going to have to bring in costly equipment with maintenance factors and recovery factors, things like that. So they're looking for some kind of financial incentive to push in the next wave, not one that makes the money, just one that's cost recovery based, and Alberta Energy won't do that. I can't understand why, because the spin-off benefits even from their perspective are substantial if we put these new practices in place. We're employing people in an industry, we're recovering the flared material, we're reducing CO₂ emissions and meeting our targets, and we're improving the health of Albertans.

Sometimes it's more than the initial loss of funds that the government would receive. You have to take a look at what the reciprocal benefit is in other industries making money and being taxable and the other health benefits and long-term environmental benefits for our province. Instead of the Minister of Environment aggressively pursuing that with the Minister of Energy, we see him spending his time bringing in a bill like this. So I say that that's really too bad and that is time not well spent and energy not well spent, and it's not where we want this government to go.

We want this government to take some leadership. We want them to be bringing forward a program that is achievable, a program that can be endorsed and accepted by the federal government as they bring in their targets. They can do this in a leadership role. They have the opportunity, but for some strange reason they're choosing not to, so we would like to see the Minister of Environment respond to that and tell us why.

We've seen a lot of documentation between the two departments, Environment and Energy, over the years that says that it's very easy to meet these targets by just putting a few practices in place instead of this particular bill. I would like the Minister of Environment to stand up and tell us why he still needs this legislation, why they did not do this through the EPA framework, why he has not moved forward on really good ideas like retrofit programs for everybody, not just government buildings, and why he is not more aggressively pursuing the Department of Energy on those small concessions for the gas flaring companies so that they can reduce those particular

emissions to zero, which has always been the long-term objective of CASA and industry in this province.

I think I will keep my remarks to those issues at this particular time because we have access to the Minister of Environment this afternoon, and I'm hoping that he will be able to easily answer those questions.

Thank you.

The Acting Speaker: Standing Order 29 kicks in. Any questions for the hon. member?

There being none, the Member for Edmonton-Centre.

Ms Blakeman: Thanks. I want to raise just a couple of comments in second reading of Bill 37, Climate Change and Emissions Management Act. You know, Mr. Speaker, I can tell that we're kind of having a slow start to this fall session, because we just had the member sponsoring the bill, I'm sure – I am positive – carefully plod his way through last year's speech about this bill, and it didn't kind of get the updates that have happened since the last time we were in here, and not many people seemed to have noticed that as we all sat here. It contained the same old tired factoids that have long since been disproved and aren't being used again, and it's like, yo, come on; let's get with it.

A couple of things strike me about this bill. In the preamble it talks about certainty, that this bill will bring certainty to the process, yet as I go through it, what I keep seeing is a lack of certainty. Once again this has to do with this government's incredible penchant for putting everything into regulations, which they can control out of sight of the public and out of public scrutiny. So we want to have some certainty in the bill, where anybody can go on-line, download the bill, read it, and know for sure exactly what the government intends because things are actually in the bill, but no. We have things that are going to be decided later if they want or by the Lieutenant Governor in Council, Executive Council, much of which the public never gets to see, or maybe in regulations, which are more difficult to see. That happens in quite a few areas, and as I go along further, I'll come back to the specifics on that.

4:10

The second part of this. This was about ratifying Kyoto, and this is this government: we don't want to do that, so we'll give you a replacement. [interjections] The Minister of Economic Development once again is preferring to heckle me while I speak rather than actually using his time to get up and debate on the record. So a pretty typical fall session so far, Mr. Speaker.

What's wrong with this is that I still think that Albertans do want to see very strong commitment to Kyoto. You can poll as many darn times as you want. Frankly, I don't put a lot of faith in polls. This government, sure enough, have enough resources that they just kept polling and polling and polling until they in fact got the results that they wanted, which told them – and they are more than happy, I'm sure, to repeat this – that Albertans were not in favour of ratifying Kyoto. I disagree, respectfully, but I disagree because I think they are in favour of ratifying Kyoto. I think they are in favour of much stronger regulations, and I spoke about that when we were debating Bill 36.

Here's an example of this. I think people are willing to do things in their personal life to commit to something, a larger picture like the Kyoto protocol. But what we've learned as we've come along is that individuals are kind of, well, lazy, and until it's made really easy, we tend not to take advantage of things. But knowing that and knowing the history of that, why aren't we taking advantage, with this government version of their response to Kyoto, to put some of those

processes in place that make it easy for Albertans to help contribute to this? One of the arguments that was often used a year ago when this first of all really came to a head was that it didn't matter what industry did, it didn't matter what the government did, that it was such a drop in the bucket it really wouldn't change until every single person stopped driving their car or until individuals severely curtailed the use of automobiles and internal combustion engines essentially, because that's what was really contributing.

Okay; let's take that as a premise then. If that's really how we're going to achieve this reduction or, as I prefer, elimination of greenhouse gases and if we believe that this is all about individuals driving their cars less, then why is there nothing in this bill? Why is there no promotion from this government for the things that would lead to that? Let's talk about how much money is going to municipalities in support of their transportation and infrastructure budgets. Has there been an increase there? Has there been assistance there? Big fat no. No way. Yet if we want people to drive their cars less, wouldn't we need more public transportation? Wouldn't encouragement of that be helpful? Of course it would. But do we see that kind of commitment? No. Not from this government. No, no. Yet that's the very argument they use with me, that nothing they do would make any difference, that it's up to the individual.

Okay; then let's look at helping the individual to drive their car less and use public transportation more or, heck, walk. We've had a \$3 million ad campaign come out of the Department of Health and Wellness about how people should be healthier and should walk more. Do we make it more attractive for people to walk around, especially in the urban areas? No. Do we have any support from the government that comes forward in support of an initiative to help the municipalities to upgrade or enhance or have more walkways and parkways for people to get out and do that? No. Nothing beyond what we've already got and no more initiatives for it. [interjections]

The Acting Speaker: The Member for Edmonton-Centre has the floor. In a few minutes there will be an opportunity for you to ask questions or make comments. Please respect her time to speak today. Thank you.

Hon. member.

Ms Blakeman: Thank you very much, Mr. Speaker. Well, you know, a former colleague always advised me, "Try and engage them, Laurie," and I'm always pleased when I see that, in fact, I have managed to engage people. I see that as a positive sign. So thank you very much, Mr. Speaker. That colleague, of course, is the former Member for Calgary-Buffalo, whom you all remember with great fondness. He engaged you all so often.

So do we see the government offering any of the positive steps that could be taken in supporting their argument that it's really not them? Not the ones that we've talked about. Not a real help to the municipalities as far as public transportation and changes in infrastructure that make it easier or more attractive for people to buy into some of that.

My colleague for Edmonton-Ellerslie spoke at length about retrofit programs. There's another thing. Okay; the onus is all supposed to be on the individual. If you buy the government's argument, industry has nothing to do with this. Individuals have got to do it all. Okay; where's the retrofit program? Could people be doing something to retrofit their homes, their cabins, their rental properties? Of course they could. Do they want to? Yeah, I think they probably do want to. But how difficult are we going to make it for people? Are we going to give them any incentives? Are we going to give them any certainty that if they invest in that, in fact they would reap some sort of benefit from it?

Well, now I'm wandering close to a debate about electrical deregulation, which is a perfect example of the need for people at this point to conserve, to do whatever they can in their home lives to conserve use of energy, to insulate as far as gas prices are concerned so that their gas bills aren't as high. Anything there? Nope. Not from this government. So all the onus is placed on the individual, and then that's it. Walk away. Wash your hands.

But do we get any certainty from the government in this bill? No, we don't. Let's look at some of the areas where there's no certainty. There's no incentive for people to try and buy into this one. Do we get any sort of certainty around definitions? A key point here is that the meat of the bill is revolving around emissions per unit of GDP, yet is there any kind of certainty there? No, there isn't. We're in second reading here, so I'm talking about the principle of the bill. I don't want to go into the word-by-word analysis, but when we come to Committee of the Whole, you know, there's a place that we can look.

Once again, definition is not in the bill. It's in regulations, or maybe sometime the minister might feel like doing something, and possibly we might all hear about it. That doesn't give certainty to anybody.

What about areas where we have the preamble of the bill, which of course, as we know, is not enforceable? It's a context. But what's said in the preamble of the bill is not something that you can follow up with and say, "You didn't do this," because it's not in fact part of the actual bill. It is a preamble to the bill. But it's telling. It's very telling.

We have things like: "the Government of Alberta recognizes that the management of emissions of carbon dioxide, methane and other specified gases will serve to protect the Alberta environment." Management, not reduction. Management. And as I read through this, in a number of places where we should be talking about reduction or elimination, we talk about management. It's like: okay; we're going to have you drive off a cliff, but instead of not having you drive off the cliff, we'll have you drive off the cliff at 50 miles an hour instead of at 100 miles an hour because that's going to manage the situation. Or we're going to poison you, and you're going to need so many parts per millilitre or whatever in your system. Instead of giving you the total fatal dosage all at once, well, no, no, we're going to manage this situation à la Bill 37. We're going to drip it through your IV so it takes you much longer to get poisoned. We're going to give it to you at, you know, 20 parts per millilitre per hour instead of much longer.

So they are interesting choices that the government makes about how they will attempt to find something that's supposed to be as good as the Kyoto protocol, because that's what this is all about.

4:20

Somehow the government is going to manage all of this for us. It doesn't mean eliminate. It doesn't mean reduce. It means manage. Well, I haven't had great faith in government's management of many other things; for example, electrical deregulation or auto insurance have not been good examples of government management. Rather, it's been crisis that has been unable to be accomplished, and is that what we are creating here with Bill 37?

The concept of being able to accomplish this but putting a proviso in place that says "without impairing or impacting economic growth": well, that's ridiculous. Any progression forward in anything you're going to try and do is going to consume some resources that one could argue could have been put towards the existing thing. I mean, if you're going to look into any kind of research – and we've got a whole ministry here of research and information and technology and science and whatever. If we don't

move forward and invest resources in that, we just stay behind, and eventually that really impacts our – what's the wording? – economic growth. So, of course, you have to invest in things like that, and to say that you're not going to invest in it I think will hold Alberta back.

When we were debating Bill 37, I was talking about the need to balance what has been the freedom for development that's been given to the industry against the needs and protection of the health of Albertans. I do not see that coming into play with this bill.

We have: "Let us keep doing what we're doing, and we're going to manage this, and we won't reduce it, but somehow we'll hurt you slower. We'll hurt you at less speed. We'll hurt you over a longer period of time." This doesn't mean that you're going to be reducing anything. You know, I'm just disappointed. I thought there was more brainpower over there. I thought, certainly, there's lots of resources in this government. Good heavens; you've got a Public Affairs Bureau that's got a multimillion dollar budget and 210 people on their staff, as far as I know. All they do and their whole job is to make you look good. I would have thought that they could have given you some more help here.

Dr. Taylor: They did a pretty good job with 74 of us and seven of you.

Ms Blakeman: Oh, yes. Well, again from the Minister of Environment is the old and getting very tired: oh, well, we won 74 seats, so that must make us best. Well, I think the proof of the pudding is always in the eating. There's another election coming, and frankly it's bills like Bill 37 that are really going to help me. Again, the proof of the pudding is in the eating, so the minister and I will have this discussion in another – what? – 18 months, and then we'll see whether things like electrical deregulation and auto insurance and overcrowded classrooms and a refusal to adhere to the Kyoto protocol will help or hinder.

Thank you.

The Acting Speaker: Hon. members, Standing Order 29 kicks in. Any questions or comments for the Member for Edmonton-Centre?

There being none, does anybody else wish to speak on this bill? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a pleasure to rise this afternoon and participate in the debate on Bill 37, the Climate Change and Emissions Management Act. It was certainly interesting to listen to speakers on this side of the House and the speaker this afternoon from the government side of the House.

Before I forget, I think initially I would have to note for the record, Mr. Speaker, that this government talks about the cost to the provincial economy and the cost to the province of the Kyoto protocol. I believe still on the Alberta government web site is a statement that the protocol would cost Alberta over \$8 billion and thousands of jobs per year, while electricity deregulation, another policy of this government that is under a great deal of scrutiny and a great deal of suspicion by Albertans, has cost consumers of this province \$8 billion and counting.

One has to be very careful. Last year in the debate on the Kyoto protocol, if one was to listen to certain individuals, the economy here was going to grind to a halt. That, I'm pleased to note, has certainly not happened. I hope we have many, many years and many generations into the future of positive economic growth. But our prosperity is dependent in a lot of ways on our relationship to the rest of the world. When you look at Alberta and you look at our boundaries, air

sheds and weather patterns don't stop at the border. We in this province are a part of a much bigger world, and we have to participate and we have to co-operate with others in this bigger world.

When you look at some of the recent weather-related events in this province, there are certain . . . [interjection] The hon. Attorney General and Minister of Justice is talking about climate change and weather patterns, and the hon. minister is absolutely right. These issues are connected, Mr. Speaker. When you consider, for instance, our recent droughts and how they've affected our agricultural community, how they've affected our forest products industry, and we look at the significant amount of tax dollars that have gone into providing financial assistance to the victims of those natural disasters, we have to start taking climate change seriously. There could be a day when we have no money to finance these programs.

[The Speaker in the chair]

Look at what happened in British Columbia this summer. The interior of B.C. had one of the driest summers on record. You look at the change in weather patterns and rainfall in Vancouver. Who would ever think that there would be the debate in the city of Vancouver that they would have to ration water? But they actually entertained that this summer. So whether it's our neighbours or whether it's ourselves, we are all affected by this.

Is this bill the right way to go? We're part of the bigger world, and we have to recognize that. We have to make some changes. We look, for instance, at our tourism industry. Snow pillows, as people describe them in the Canadian Rockies: how will the snow pillows change with our changing climate? How will that affect the ski industry, for instance? Will it shorten the season and, as a result, reduce the economic prosperity of this province? There are many things to consider.

We can also look at reducing greenhouse gases. Perhaps in the near future we could use the sequestration of CO₂. The technology around that could be an export of this province. I know that the hon. Minister of Economic Development is looking for ways to have economic diversification in this province, and I would suggest, Mr. Speaker, to that hon. member that his department pursue this. Many American states are using sequestration of CO₂ as a means for enhanced oil recovery. We have our coal-fired generators here. Perhaps we should be looking at capturing and compressing the flue gas stream and using it to have enhanced oil recovery in the Leduc oil field, the Bonnie Glen oil field, the Pembina oil field: some of the aging oil formations that are still producing in this province.

So Albertans and climate change could be a very positive thing. It doesn't necessarily have to mean that our economic well-being is going to come to an end. The world is always changing, and I think, Mr. Speaker, it would be prudent of us to participate and change and come up with some good, solid ideas and perhaps sell those ideas to the rest of the world.

4:30

When we look at the main questions that surround the whole ratification of the Kyoto protocol debate – and there has been an expression across the way that perhaps it's not true, but is global warming and climate change a real issue? Mr. Speaker, it certainly is. And is global warming and climate change a result of greenhouse gas emissions? Well, how do we reduce our greenhouse gas emissions? Other speakers have talked about some of the challenges and some of the suggestions that were made to do this. They certainly have ideas on how we can tackle the issue and reduce climate change or global warming without sacrificing our economic viability.

Now, there seems to be a general consensus in the scientific community, in the popular communities on the first two questions on global warming, and there's a recognition that it is a serious issue and it is a primary cause of environmental change. Some of the organizations that have been contacted in regard to Bill 37, it is interesting to note, Mr. Speaker, are the Pembina Institute, the Parkland Institute, which is another crackerjack outfit, the Environmental Law Centre, the Alberta Federation of Labour, and Albertans for Ratifying Kyoto.

Now, each and every individual or group of individuals is expected with an issue like this to make a presentation, and we should respect all opinions because all opinions in a democracy, Mr. Speaker, matter. When we have only one side of the issue promoted, then perhaps there is not a balanced debate. A year after we had this emotionally charged debate on the Kyoto protocol – it wasn't a year after; it's getting close to a year – things have quieted down, so to say, on the western front. There is a realization that we have to work with the rest of the world to solve this problem, and I think that deep down this government is willing to co-operate and to work with other jurisdictions to ensure that generations in the future have a climate that is suitable, and some scientists are talking almost in alarming terms about how much more rapid climate change is than they first anticipated.

I hope that when we support the whole scientific notion of climate change, we not only have a look at this bill but its cousin, Bill 32, and consider our place not only in this country, in the western part of the continent of North America, but also in the world and recognize that this bill does not achieve any of the meaningful progress that we need to make on reducing the level of greenhouse gas emitted from Alberta. I hope, Mr. Speaker, that I am wrong, but I'm suspicious that this will allow emissions in Alberta to continue to increase.

Now, other speakers have talked about the legal framework that is needed for action and whether or not in their view it is reflected in this bill, but there appear to be virtually no specifics in the bill that allow an evaluation for the efficiency of this bill in reducing Alberta's greenhouse gas emissions. Again, I see the habit here of delegating so much authority to regulation that a lot of this will be done by cabinet and the respective minister to operate without any public scrutiny.

With those remarks, Mr. Speaker, I'm going to take my seat. I thank you for the time to get those concerns about Bill 37 on the record, and I will cede the floor to another colleague. Thank you.

The Speaker: Hon. members, there are five minutes available under Standing Order 29(2)(a) should members wish to take advantage of it.

Will there be additional speakers, or should I call on the Minister of Environment to close the debate? The Minister of Environment.

Dr. Taylor: Thank you, Mr. Speaker. I do wish to make some comments. It is precisely because there is a policy vacuum in this country right now that we need this bill so that Alberta can retain its leadership on climate change action, and I'll talk about that in a minute.

Right now this government, industry right across the country, all the various provinces don't know who is running the federal government climate change plan. Is it NRCan? Nobody knows. Is it the Department of the Environment? Nobody knows. Is it the PCO, Privy Council office? Nobody knows. Is it the Prime Minister's office? Nobody knows.

An Hon. Member: Which Prime Minister?

Dr. Taylor: Well, the old Prime Minister, not the new Prime Minister. It's perhaps nice to have two Prime Ministers in the country, but hopefully we'll soon get to one. But nobody really knows.

Now, I hope that with the advent of the new Prime Minister this will all change and there will be a very clear direction – [interjection] well, it's Christmastime, member – that the direction will change and with the new Prime Minister there will be actually meaningful negotiations with the province. So that is why, Mr. Speaker, we need this bill.

I'll give you a couple of examples. In our climate change action plan we talked about an emission intensity target for industry, and originally that wasn't acceptable to the federal government. Now we hear the current Prime Minister and the second Prime Minister, the new Prime Minister, both talking about emission intensity as a reasonable measure. In our climate change action plan that we introduced in May of 2002, we talked about investments in technology. Now we hear the federal government and their various agencies talking about investments in technology. If you look at what the federal government and the various groups that are speaking – as I say, we're not sure who controls their plans in the current federal government, but if you look at what the various agencies are saying, you can almost take it word for word out of Alberta's action plan on climate change.

Mr. Speaker, as I say, there is this policy vacuum in Canada right now, so by us being the leader, once again we have the chance and the opportunity to influence the federal government. Particularly as there is a change in leadership coming, we have a real opportunity by going to Mr. Martin and his colleagues now and saying: "Look; Alberta is ahead on this. We've led the country not only on planning for climate change, but also we've led the country on actions." I'm hoping that Mr. Martin will pay attention and Mr. Martin will actually ask the provinces, all provinces, not just Alberta, to sit down with the federal government and have a meaningful discussion about climate change, to sit down with the industries involved and the federal government and have a meaningful discussion about action plans on how to reduce greenhouse gases.

4:40

We need to be very clear on this. If we look at the forestry industry for instance, the federal government recently signed an MOU with the Forest Products Association of Canada. Now, the Alberta Forest Products Association was opposed to it, but it was signed anyway. What happens, Mr. Speaker, is that the federal government has signed an agreement that affects provincial management of forest lands. I don't think they're going to let people cut in Banff national park.

An Hon. Member: You wouldn't think.

Dr. Taylor: You wouldn't think, so it obviously has to be related to the provincial lands, and who controls forest management agreements in this province? Not the federal government, not the department of energy, not the Department of the Environment in the federal government, not the PCO or the PMO, Mr. Speaker, but the government of Alberta. For them to sign an MOU without ever consulting the government of Alberta, whose land they're having an effect on or our forest management practices, is totally inappropriate, and I hope the members opposite will stand up and say that as well, that it is a totally inappropriate procedure.

Now, what we're asking for and what we're hoping for with the new Prime Minister is, as I've said, that he will include all provinces, not just Alberta but all provinces, on any future action and any future discussion on MOUs or agreements with industry.

So, Mr. Speaker, we are taking leadership. We are saying that we're the only government in the country that's thought this out. We're the only government in the country that's prepared not only to talk about leadership in forms of legislative action but take and commit financial resources to leadership. It's not well recognized perhaps even by the members opposite and not well recognized in the country that we have taken more action as a provincial government than any other government in the country. We are spending more money on climate change initiatives than any other government in the country, and that includes the federal government. The federal government has said that they're going to spend this, that they're going to spend that. They had one minor announcement where the federal Minister of the Environment announced like 10 programs. I think he had 5 million bucks to spend on 10 programs. So we are very clearly leaders.

I'll just give you some examples of how we are taking action. We have the municipal energy efficiency trust program, that was developed through the good graces of the Minister of Finance and Municipal Affairs and the Department of Environment, a \$100 million commitment to do exactly what my critic from the Liberal opposition has asked for. It allows for municipalities to upgrade or plan new buildings that are energy efficient.

Mr. Speaker, we've allowed a CO₂ royalty credit to energy companies – and this is out of the Department of Energy and the good graces and the wisdom and forward-looking Minister of Energy – that allows energy companies to have a CO₂ energy credit if they deal with CO₂. We have allowed companies to invest. The good Minister of Innovation and Science, excellent minister that he is, has allowed and created the Alberta Energy Research Institute to look at reductions of CO₂, to look at using it for enhanced oil recovery. The member obviously doesn't know that we, this government, and other organizations including the federal government are working in Weyburn, Saskatchewan, right now using CO₂ for enhanced oil recovery. So we are doing that.

Through Innovation and Science – and perhaps the Minister of Innovation and Science would like to speak about it – we are looking at clean coal technology, and in fact Don Lowry, the head of EPCOR, has said recently that they expect to have clean coal technology in Alberta plants within seven to 10 years. Mr. Speaker, we're part of a North American clean coal coalition, and what we will do is we will reduce greenhouse gases from thermal electrical generation through the clean coal coalition. This is because we are spending money in R and D, we are spending money in research, and we are partnering with jurisdictions and companies to do that.

Another thing I would point out, Mr. Speaker: green power. This government through the good vision of the Minister of Infrastructure has made the largest purchase of green power in North American history. It was hundreds of millions of dollars, and that comes into effect in 2005, not 2010, not 2020 but in 2005, the largest purchase of green power. We are 9 percent of the population. The federal government can't come close to our purchase of green power, not even close. In fact, our purchase of green power is so large . . .

An Hon. Member: How big is it?

Dr. Taylor: Hundreds of millions of dollars, Mr. Speaker. Two hundred and fifty thousand megawatt-hours. Ninety percent of the power that this government utilizes will be green power in 2005. Forty-five percent of that is wind power – and that has nothing to do with this Legislative Assembly. We are creating a huge wind farm in southwestern Alberta just to supply the province, our needs, with wind power. I believe it's 150 windmills.

An Hon. Member: You should see them. They're beautiful.

Dr. Taylor: A member on this side has recognized the beauty. It's like a work of art to drive out there, Mr. Speaker. I would encourage all of you from northern Alberta who haven't seen that work of art to come and see it. It's a wonderful thing to see.

Secondly, Mr. Speaker, 45 percent of the power is going to be biomass. We have created a biomass industry, the first one in Canada, in this province by this provincial government stepping up to the plate and saying: "Yes, we will be leaders. We will have green power in this province." The first biomass plant is being built as we speak in Grande Prairie, I believe, or the northern Alberta area. [interjection] I was just corrected: it is Grande Prairie.

Vegreville is coming as well. [interjection] Excellent. The minister from Vegreville just pointed out that the Hutterite colony in his area is using biomass to generate all their electricity. If one wants to see a creative product, a creative process, one can go out to the minister's riding. I'm sure he'll take them to – I'm not sure of the name of the Hutterite colony – the Viking Hutterite colony. He will take you out to that Viking Hutterite colony and show you how progressive and how we can work with biomass.

So, Mr. Speaker, this government is the leader. We're far ahead of any jurisdiction in the country, including the federal government, not only in planning, which we need to go for, but taking action. Also, monitoring. We continue to monitor the process and what companies are doing and asking companies to go forward with the reduction of greenhouse gases. In fact, about 18 months ago I asked CASA, the Clean Air Strategic Alliance, to generate new standards on coal-fired or thermoelectric generation as well as natural gas, and it's my understanding that within several weeks or perhaps a month at most I'm going to get a report from CASA which sets out those new standards. So once again the federal government has not set new standards on thermoelectric generation. Alberta is in the lead.

Now that I've enlightened them, I encourage the members opposite to support this bill, to stand up at Committee of the Whole and say: "Yes, the Minister of Environment has convinced us. Yes, we will support this bill."

Thank you, Mr. Speaker.

The Speaker: Well, this certainly is an interactive place.

[Motion carried; Bill 37 read a second time]

4:50

Bill 38

Workers' Compensation Amendment Act, 2003

The Speaker: The hon. Member for Clover Bar-Fort Saskatchewan.

Mr. Lougheed: Thank you, Mr. Speaker. I rise to move second reading of the Workers' Compensation Amendment Act, 2003.

The intent of this legislative amendment is to prevent potential adverse consequences for dependent children of a deceased worker. Under the Workers' Compensation Act as amended by the Adult Interdependent Relationships Act, both legal spouses and interdependent partners are eligible for pension benefits upon the death of a worker. The pension is payable to the spouse or partner for the benefit of the spouse or partner and the dependent children of the worker who were all living in the same household both prior to and after the death.

This is where the problem lies, Mr. Speaker. If for some reason the children do not live with the partner or spouse after the death but go live somewhere else, let's say with the grandparents, then it's the spouse or partner who gets all the benefits. That spouse or partner

may choose to share the pension benefits with these children, but the partner is not legally obliged to do so. There is a chance that the children will receive nothing.

In most instances children continue living with the spouse following the death of the worker, but this may not be the case with partners or with spouses who are nonbiological parents or step-parents. A partner or spouse may not retain custody of the children after the death, or the child may not want to live with his or her parent's partner or spouse. So if the children go to live elsewhere, they lose the benefit of the WCB pension. As it stands by law, that pension can only be guaranteed to benefit the children if they continue living with the surviving partner or spouse. This new amendment is similar to WCB's current authority to divert worker benefits to the spouse or children of a worker where that worker is not honouring the terms of an alimony or maintenance order.

This amendment also is intended to fix a potential problem. It will allow the WCB to divert some or all of the pension from partners or spouses to the children. It will ensure that the dependent children of a deceased worker are looked after financially.

Mr. Speaker, this is an opportunity to ensure financial protection for all dependent children of a deceased worker. Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I rise at this time in regard to the debate on Bill 38, the Workers' Compensation Amendment Act, 2003.

First, I would like to express my gratitude to the hon. member and also to the minister and the department that are in charge of the WCB and the Appeals Commission, the Minister of Human Resources and Employment. We certainly were grateful for the opportunity to review this legislation, and after the review and the explanation by the minister it is certainly legislation that I think is very easy to support for the obvious reasons that were outlined by the hon. Member for Clover Bar-Fort Saskatchewan. Whenever we are looking at ensuring that dependent children of deceased workers will receive Workers' Compensation Board pension benefits, Bill 38 is certainly legislation that needs to be supported.

From this side of the Assembly in regard to Her Majesty's Official Opposition I would like to say at this time in conclusion that this is worthwhile legislation. I hope that all members of the Assembly endorse it. Thank you.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. Well, you know, some days it just pays to come to work in this place because good things happen, and Bill 38, the Workers' Compensation Amendment Act, is one of those things. So I'm glad that I came to work today so I could be here and participate in the passage of second reading of this act.

Mr. Strang: Question.

Ms Blakeman: You know, I'd actually like to hear the Member for West Yellowhead debate sometime instead of just commenting from the back row. Just being here isn't enough. You've got to engage.

But the point is that the world has moved on, and there were some assumptions in the existing legislation that assumed a sort of nuclear family that still exists, certainly, but not in the percentage numbers that it used to, and we have a variety of families now. This Legislature has passed the Adult Interdependent Relationships Act, which recognizes different kinds of families and partnerships, and this act

incorporates that and updates the Workers' Compensation Act to take those other kinds of living arrangements into consideration.

Unfortunately, this is no longer a society where you're always going to have two parents that are together with the children. I mean, often the children are living with one parent or another. Occasionally you've got this joint parenting where they're with one parent for a week and another parent for a week. So this legislation, which is ensuring that if the children lived with a deceased worker prior to the death but don't live with a surviving spouse or partner or adult interdependent partner afterwards, the children are still going to be looked after, as will the spouse, which is excellent.

Now, one of the things I am interested in is that it indicates in the act that this amending act comes into force on the coming into force of Section 81 of the Adult Interdependent Relationships Act. If I could just get clarification: as soon as this act is passed, do we have this in place then? When the Adult Interdependent Relationships Act was proclaimed, there were a number of acts that were tagging behind where it wasn't possible to put them into play at the same time, mostly to do with situations that would come up when we passed through an election process or an income tax year-end, that sort of thing. It was waiting for other things to evolve in a natural process, and I'm just checking that this would come into effect as soon as it's passed, then, given the reference to the Adult Interdependent Relationships Act. So that's the only question that I have with this.

I'm pleased to see this kind of forward thinking. I don't see that from this government as much as I'd like to, so when I do see it, I think I should be encouraging the government to do it more often. So thank you for bringing this forward, and I'm pleased to support it in second reading.

Thank you.

The Speaker: Hon. members, Standing Order 29 is available.

Additional speakers? Shall I call on the hon. Member for Clover Bar-Fort Saskatchewan to conclude the debate at second reading?

Mr. Lougheed: Question, Mr. Speaker.

[Motion carried; Bill 38 read a second time]

5:00head: Government Bills and Orders
head: Committee of the Whole

[Mr. Shariff in the chair]

The Deputy Chair: We'll call the committee to order.

Bill 6 **Justice Statutes Amendment Act, 2003**

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Chairman. I would like to move an amendment, which I believe you have at the table, with respect to Bill 6, Justice Statutes Amendment Act, and would be prepared to speak to it as it's circulated or after it's circulated, at your pleasure.

The Deputy Chair: Just hold for a minute while it gets circulated. Hon. minister, you may proceed now.

Mr. Hancock: Thank you, Mr. Chairman. I'm moving the amendment, which I presume would be amendment A1, to the Justice

Statutes Amendment Act, Bill 6. It essentially has two pieces to the amendment. The first piece would be to strike out section 1(2). Members will remember that in Bill 6 we had proposed to make an amendment to the Judicature Act to delete the requirement or the section which provides that "the Judicial Council may (a) consider proposed appointments of persons as masters, judges and justices of the peace."

In speaking to that, I'd indicated that I was hoping to consolidate the process where we have Provincial Court judges appointed from a list nominated by the Provincial Court Nominating Committee. The process as it currently stands is that people apply, they are screened by the Judicial Council, and they go onto a list. Then when we go to an appointment, we ask the Provincial Court Nominating Committee to review the list and to essentially shortlist and nominate six applicants, and then we choose from that list of six.

The only concern that has been raised over the three years that that committee has been in place has been that it's a dual process, with two interviews instead of one. The concept was to merge the two committees into one for the purposes of doing that nomination. In discussions with the courts – and they were supported by the Canadian Bar Association – there seems to be some concern about the so-called independence of the committee in that on the Judicial Council there are more members on the council who are there by reason of their position than by reason of appointment by the minister, and on the PCNC there would be more people there by reason of appointment by the minister than by reason of their position. That caused some concern.

Rather than engage in any concern of that nature, I've agreed to withdraw that amendment and to continue with the two-committee process rather than a one-committee process, and that is the rationale for the amendment that's being brought forward, to essentially leave the status quo. We will accomplish what we desire to accomplish in terms of having all of the viewpoints at the same table by expanding the membership of the Provincial Court Nominating Committee.

With respect to the second part of the amendment there are in the Justice Statutes Amendment Act amendments to the Petty Trespass Act and the Trespass to Premises Act. After circulating the bill, putting the bill on the table last spring, we had a number of consultations with police, with individual citizens who have taken the time to write and provide their viewpoints, and other reviews. So we're bringing in a couple of amendments to react to the consultations that we've had and to the input we've had from the community to increase the proposed penalty to \$2,000 from \$1,000, essentially to change the process and really the whole concept.

I won't go through the amendments in detail, but it's to change the whole concept so that an individual who knows or ought to know that they're trespassing on land is subject to a charge and a penalty under the Petty Trespass Act or under the Trespass to Premises Act and so that a landowner is entitled to have charges laid under the act with respect to that type of trespass.

Now, in order to make certain that people are aware that this is not intended to in any way change normal practices, there's an amending clause which provides for a person entering onto the land using a normal walkway for the purposes of gaining access to a house and those sorts of provisions, just to make it clear that we're not talking about the normal, everyday actions of normal people's lives. Really what we're trying to do is to strengthen the Petty Trespass Act and the Trespass to Premises Act so that landowners do not have to put up with people going on their land, perhaps cutting their fences or damaging crops or in some other way interfering with their normal use and enjoyment of the land, without having some recourse.

I would commend the amendments that we're proposing to the House. I think it clearly strengthens both of the those acts, makes

them more accessible to the people who were intended to use them and I think will address the concerns that were raised by members of this Assembly with me last year, which we've attempted to remedy with Bill 6 and now are making yet better given the feedback that we've had.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. I'm pleased to be able to engage in this debate in Committee of the Whole on Bill 6, Justice Statutes Amendment Act. I noticed in reviewing my comments from second reading of this act way back in February that the very section that I had raised a concern about, the very item that I felt needed to be worked on or be subjected to a second thought or a second look is, in fact, the very one that is included in the amendment that the minister has brought before us today. So there you go. It's always worth while being an opposition person getting up and putting that on the record, because sometimes it happens.

I'm sure I can't take full credit for this. I'm sure there were many other people who were raising concerns about it. Nonetheless, it's part of my process to check with the stakeholders, and in fact that was the information that I'd been given, that there was a concern about removing the Judicial Council from the process for appointing Provincial Court judges and masters. I did raise that on February 25, and obviously while we have not been sitting in the House, the same points have been made to the minister. Congratulations to him for having understood the concern and for taking moves to correct it.

Oh, my goodness. That's twice in one day this government has done something good. Oh, my goodness. I hardly know what to say. They might be on a roll. We should sit all night. The legislation might get better. I live in hope.

Since we are in Committee of the Whole, I'm wondering if I can ask the minister who was driving the request to change the Petty Trespass Act. Is this just a long-standing irritation that has escalated or something that's been on the books to be addressed for a long period of time? I'm just wondering who drove this. I don't have any problems with the changes that have been made, and in fact I'm particularly supportive of increasing the fines for first offence to \$2,000 and for second offence to \$5,000. I think we have to get people to understand that privacy is very important to people and that if they contravene that, if they come onto their land, there are consequences for refusing to obey the law.

As a snowmobiler this will concern me. [interjections] My colleague the Member for Edmonton-Gold Bar is going to get up and talk about snowmobile fatalities later, I'm sure.

This is exactly the kind of situation that I would find myself in, and I've always been more than willing and felt it appropriate, actually, to approach a landowner and say: may we snowmobile on your land? You know, you have to understand that they have plans for that land. You don't know what's on it. You don't know if there's anything special about it. You need to go and ask their permission. That's just common courtesy at the most basic. But lots of people don't adhere to that, and that's why we need the law.

I think if you're going to have the law and you mean it, then you need to put in place both the carrot and the stick, and you need to have a big enough stick that it's worth while, that people understand it. So I'm quite happy to see the \$2,000 first offence and \$5,000 for a second offence brought in as an amendment.

5:10

The issue about understanding that something is private land I also think is worth while spelling out. That's an argument that I've heard

used in the past: "Oh, well, it didn't look like it was private land, so we didn't look for anybody to ask permission of." But, you know, in this day and age I think there are a number of signals that you can pick up, if you pay attention, to understand that something is private land: it's under cultivation, it's being used as a woodlot, there's been some sort of construction on it, there are some roadways, there are fences, not to mention the posting of signs. So I don't have any problem with that.

As well, many different ways of posting it now. I'm thinking that, yes, there's another \$2,000 fine if someone removes, damages, or defaces any of the posted signage. Again, I think you've got to make it so that people understand you mean business. So that's a perfectly appropriate amendment to be bringing in.

I had spoken at length in second reading on the other bills that are included in this because in fact Bill 6 amends the Judicature Act, Petty Trespass Act, Trespass to Premises Act, Young Offenders Act, Youth Justice Act. I think that was all that was in here originally. I had spoken at length then, and as I say, the only real issues I had were around the removal of the Judicial Council from the process. I think good arguments have been made, the minister has listened: enough said.

Thank you very much.

Mr. Hancock: Just briefly, one of the questions that I heard in the member's debate was how this was brought forward on the Petty Trespass Act, and I'm delighted to say it was in response to requests from members. In particular, the Member for Little Bow approached me a little over a year ago, I think, or perhaps a little longer, indicating that there was a problem that a constituent had brought forward and was having trouble figuring out how to deal with with respect to people trespassing on land. In that case, I think it was relative to picking up material off the land and perhaps removing it. Other members had raised issues about it, so when we took a look at the act, it made sense to make changes because it was clear that the act was not effective in its present form. So I would have to give credit to the Member for Little Bow for initiating it. Then as we circulated it, it was obvious that other members had concerns as well, so we were able to respond.

[Motion on amendment A1 carried]

The Deputy Chair: On the bill itself, any further debate?

[The clauses of Bill 6 as amended agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Mr. Hancock: Mr. Chair, I'd move that the committee rise and report.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration and reports the following with some amendments: Bill 6. I wish to table copies of all amendments considered

by the Committee of the Whole on this date for the official records of the Assembly.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.
The hon. Minister of Justice.

Mr. Hancock: Thank you, Mr. Speaker. I move we adjourn until 8 this evening.

[Motion carried; the Assembly adjourned at 5:17 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, November 18, 2003**

8:00 p.m.

Date: 2003/11/18

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

head: **Government Bills and Orders**

head: **Second Reading**

Bill 41

Alberta Corporate Tax Amendment Act, 2003

The Deputy Speaker: The hon. Minister of Revenue.

Mr. Melchin: Thank you, Mr. Speaker. It's an honour to be in the House this evening with my colleagues, and we look forward to this excellent debate on Bill 41 – I'm delighted to have the co-operation of my colleagues on this bill and the enthusiasm for it – being the Alberta Corporate Tax Amendment Act, 2003.

This bill was carried over from the spring sitting, so we've had lots of time for people to look at the bill. It's the third phase of corporate income tax reductions as announced in Budget 2003. The amendments cut the general rate to 12 and a half percent, down from 13 percent. They reduce the small business rate to 4 percent, down from 4 and a half percent, and they raise the small business income threshold to \$400,000, from \$350,000.

Since 2000 we've cut the general rate by almost 20 percent in this province.

An Hon. Member: How much?

Mr. Melchin: Twenty percent since 2000, cut the general corporate rates.

I was at a function recently, in fact just this evening, talking to a couple of tax accountants with Deloitte & Touche. These are anecdotal stories, but we see it in the amount of revenue that we collect. Despite reducing the level of our tax rates in the province, both personally and corporately, over time we see that we still collect more in absolute dollars than by having left high rates. From reports of tax accountants and the like, they see substantial inflows of people rearranging their affairs to be resident, either personally or corporately, here in Alberta. People come because we don't make it an impediment or punitive to actually come and invest their capital in Alberta. So we're going to continue in that direction.

In our business plan we hope to introduce further rate reductions next year, as we've talked about in our business plan already, to reduce that rate from 12 and a half to 11 and a half percent.

We recognize that high business taxes do discourage investment. New York fund managers will tell you unequivocally that Canada still has rates that are higher than those in the United States and that they therefore will look to leaving their money in the United States because they get better returns unless we do take steps like we are here in Alberta to make it attractive for their investments. Clearly, we need funds from the largest capital market of the world, the United States, to be attracted to coming here to Alberta. It's for those reasons that this is a major issue and has been supported by our government.

There are a few other technical amendments, deficiencies in the bill, which this is correcting. One is to expand the definition of "permanent establishment" upon which a corporation is required to pay corporate income tax to a certain province. It's to include the place where the corporation has a registered office or the place

designated by the corporation as its office or registered office. This ensures that the tax revenue will flow to Alberta rather than to the federal government. Ontario has already introduced such provisions.

It also has, relating to the calculation of the royalty tax deduction, been rewritten to clarify the requirement for separate calculations for unsuccessored and successored pools.

It proposes the repeal of the general anti-avoidance appeals committee. This committee was introduced in 1996, and in conjunction with Alberta's general anti-avoidance rules this is unreasonably applied. The committee has never been used by taxpayers and is no longer needed. We have other methods to resolve those issues.

It corrects technical deficiencies relating to the calculation of the allocation factor in a tax-deferred disposition of assets, commonly referred to as the Quebec shuffle. That's why tax lawyers relating to the bill need to have clarity, to ensure that we get the appropriate amount of taxes that are due when collected.

It also ensures that federal rules applied in determining insurance corporation year-ends are adopted provincially for the purposes of insurance corporations tax.

In short, this bill is a tremendous benefit to all Albertans, Mr. Speaker, and I would encourage all members of this House to give their full support to Bill 41.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I'm happy to have an opportunity to speak to this particular bill tonight. One of the members from the other side was admiring my tie, and it is a gift from the Member for Lac La Biche-St. Paul, and he tied the knot, just so you know.

Dr. Taylor: He didn't tie it tight enough.

Ms Carlson: He didn't tie it tight enough. It's a nice red good old Alberta beef tie, and I'm quite happy to be wearing it in support of the industry.

Now, it's nice to hear the minister bring in the next phase of his tax cuts, Mr. Speaker, and in fact those were the exact tax cuts that we proposed in 1994. In fact, I proposed them in 1994, so thank you for finally getting to them. It's about time we gave small business the break that we promised them 10 years ago.

An Hon. Member: If Ottawa doesn't work, come on over.

Ms Carlson: Not a chance. It takes you guys a long time to catch up. You're not fast enough for me; sorry. [interjection] Something you'll never find out, Mr. Minister.

So in terms of this bill we're happy to see that these amendments have come forward at this particular time, but they're still a ways from what this government promised.

In 2001 they agreed to several recommendations of the Business Tax Review Committee, including cutting the general corporate income tax rate from 15.5 percent to 8 percent and the small business rate from 6 percent to 3 percent and doubling the threshold for small business deductions from \$200,000 to \$400,000. It really is about time they did that, Mr. Speaker, because businesses who only make \$200,000 of income in a year in this kind of an economy are really microbusinesses, and small businesses also deserve to have those kinds of tax cuts. So we're quite pleased to see that they have moved forward with this. However, we are expecting them to keep their promise ultimately and actually get to the rates that they promised. They're getting closer, but they're still not there.

We also see this bill making some changes to the royalty tax deduction and also happy to see that. Some of the language changes are helpful as well.

We've always supported affordable tax relief in order to enhance Alberta's attractiveness to business investment, and that goes beyond just simple tax reductions. That means all kinds of tax relief within the system, which includes user fees and the other kinds of hidden fees that we've seen this government love to build on over the years. We definitely know that small business is the engine of the economy, and a healthy economy and higher employment is only good news for this province and the contribution that we make to Canada as a part of the federation. So we are happy to see this come forward.

We have a couple of questions for this bill, and they're really the same questions that we had last year when we saw the second phase of the bill, Bill 25 at that time. Why has the government delayed full implementation of the corporate tax cuts it announced in 2001?

Now, we hear the Minister of Revenue all the time talking about, you know, do you pay down the debt or do you give the tax cuts or do you inflation-proof the heritage trust fund? Well, we say that you have to keep your promises, and one of them was these tax cuts, and we haven't seen them yet. Of course, it's always nice for the government to be able to reannounce the tax cuts year after year after year, but ultimately they actually have to deliver on what they promise. I hear you laughing, but it's true. How many times has this tax cut been announced since 2001? Twice a year since then. Twice a year. [interjection] Well, maybe I'll just have to learn how to do that; won't I?

8:10

We've got a few more questions for the minister on this. We've heard that the Finance minister expects another big surplus at the end of this year, so when can we expect the delivery of these tax cuts? Before the end of this year? Before the end of the first quarter? Will they be in the budget? Can you tell us what you're going to be doing with that?

Where will the retained tax revenue be spent since it's being withheld from businesses at this time? Does it go towards helping the businesses, or does it just go into the general revenue fund? I think I know the answer to that one. It's where all the money goes, just into the general revenue fund, but if we could get that specified, it would be helpful.

We see changes in the language of the royalty tax deduction provision. We would like to ask some questions about royalty tax credits in general. We've seen this province not adopt the federal policy, which comes as no surprise to any of us in here, and that policy states that companies can deduct a resource allowance in an amount equal to 25 percent of their resource profits in calculating taxable income. Instead, if royalties exceed the resource allowance in Alberta, companies may claim an additional deduction equal to the difference between the Crown royalties paid and the resource allowance claimed. This makes royalties fully deductible for Alberta purposes. Any excess not deductible in their year may be carried forward and deducted in a future year. My question is: why does Alberta make extra allowances for oil and gas companies that the federal act does not? There must be a specific reason for that. If we could just have it explained, that would be helpful.

Also, we'd like to know how much money oil and gas companies saved in royalty tax deductions and credits last year, and how is the government ensuring that granting oil and gas companies both royalty tax deductions and royalty tax credits ensures that Albertans receive a fair return on nonrenewable resource developments? So we'd like to know about that, and if there are any other plans for any kinds of royalty deductions or credits in the next year or two, even

if there are any general discussions about them, that would be helpful for us to know about, and some justification for why the royalty tax rates are where they are.

When we take a look at the Auditor General's report for 2002-2003, there was a recommendation that the Department of Energy "document and communicate the objectives of the Alberta Royalty Tax Credit program and develop measures to assess whether the program is meeting its objectives." That was recommendation 11 on page 96. So does the minister have plans to do this? As we see it, if you don't define these objectives and we don't see performance measures, then the government may not be making effective decisions, and then we're not getting the best bang for our buck that we possibly could.

I just want to speak for a moment about the appeal committee being abolished. Why is this happening, and then how will businesses pursue appeals in the future?

So those are my key questions at this time, I think. I have some points that I'll bring up later on during committee on the section-by-section analysis. Hopefully, those questions will be answered between now and then. But, generally speaking, we support this particular move. I wish they would get to the bottom, bottom line sooner rather than later, but certainly I'm sure Alberta businesses are happy for what they are getting at this stage.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm also pleased to rise to speak to Bill 41. However, my view of the provisions of this bill are not in accord with the comments that we've just heard from the hon. Member for Edmonton-Ellerslie. Far from it in fact. Alberta New Democrats have been resolute in their opposition to the massive corporate tax break that this government has promised, approximately a billion dollars across four years, and we take some satisfaction that in the last provincial budget the amount of the reduction was half only what had been anticipated, and we would like to think that we deserve some credit for raising opposition to that.

In fact, I'm somewhat surprised at the hon. Member for Edmonton-Ellerslie taking credit for initiating this particular tax cut and taking credit on behalf of the Liberal opposition for that because it seems to me that they want to have it both ways. Similar to Alberta New Democrats the Liberal opposition has positions which support increased funding for education, increased funding for health care, and, in fact, increased social spending in general. I certainly appreciate their opposition to the government's attack on middle-class Albertans.

However, one wonders how they're going to pay for it because you cannot afford to freeze tuition. You cannot afford to adequately fund education, health care, and any number of other things and not be able to pay for it unless you're prepared, of course, to perhaps run a deficit, but there's no doubt in our view that the attack on middle-income Albertans through a variety of charges, health care user fees for example, dramatic tuition increases in this province, and a host of other nickel-and-dime and loonie-and-toonie financial attacks are in order to pay for this tax cut for corporations. There is in fact no indication that there is any specific benefit that the government has in mind for this program.

The Auditor General has reminded the government on a couple of occasions at least that the objectives of these tax reductions need to be defined, and the government needs to measure exactly what they are trying to accomplish by bringing in these tax reductions. The government has yet to define the objectives that it is trying to

achieve by cutting corporate taxes a billion dollars over four years. I think, then, we're left with the vague notion of a trickle-down economic benefit, which has long since been disproven.

The government likes to take credit for the economic prosperity of this province based on the tax regime. In fact, I have here something from the provincial budget called the Alberta tax advantage which brags that we have the lowest corporate taxes in the country. It says:

Cuts to corporate income taxes started in 2001, and will save Alberta corporations about \$435 million in taxes this year. These savings are on top of the savings from cuts to other corporate taxes, such as the elimination of the financial institutions capital tax and the drop in the railway fuel tax.

It goes on to say that:

By following an affordable plan for corporate tax cuts, the government is making sure that it can continue to provide the public services that Albertans value, while laying the groundwork for the growth that will help pay for these services in the future.

Mr. Speaker, this paragraph is absolute nonsense. The government is in fact ensuring that it cannot pay for those services which Albertans desire, and it is one of the reasons why the government is in a financial straitjacket notwithstanding the fact that they have billions of dollars every year in additional surpluses, supposedly unanticipated surpluses. It is why, in fact, when there was a brief dip in the price of natural gas a couple of years ago, the Provincial Treasurer had to cancel preventative programs for aboriginal children and other children at risk. There's a clear and direct correlation between the government's hell-bent process of cutting corporate taxes and reductions and inability to deliver social services and other necessary programs in this province. It is also directly connected to the provincial government's addiction to gambling revenue, which is now one of the most significant sources of revenue for this province at about a billion dollars a year.

So these corporate tax cuts, Mr. Speaker, far from being beneficial for the average citizens of this province, are a direct threat to the kinds of programs that they have come to expect and which they often need.

8:20

I want to talk a little bit about the royalty reductions program because the Auditor General, again, has been very clear that these programs have no demonstrated value other than reducing the payable tax of corporations, and he has called on the government not once but several times to identify specifically the objectives that are trying to be met through these kinds of programs, and the government has again failed to do this. This is quite simply, Mr. Speaker, a transfer of Albertans' wealth, which is commonly owned through the ownership of our natural resources, into the pockets of large corporations, and, frankly, with no requirement that that additional money should be spent on anything of value in Alberta or even spent in Alberta, period. So, you know, again, the government likes to sound like they're very progressive and they're trying to do something for the economy, but there's no relationship between their policies and economic prosperity of this province. They are just handing over the natural resources to the corporations which in turn support the government at election time.

So, Mr. Speaker, I want to be very clear that Alberta New Democrats are opposed to this bill. We are a fiscally responsible party, and we do not seek to have our cake and eat it too. When we put forward proposals for government spending, we cost them, and we look at whether or not these programs can be borne by the Treasury. We do not want to be going to the people on one hand and say, "We will increase your funding for education; we will increase your funding for health care" and so on, and then to the corporations on the other hand and say, "Oh, by the way, you don't have to pay

your share in order to support these programs." That is trying to have your cake and eat it too.

I think that that is just not a viable policy, and it's not being straightforward and honest with the voters of the province. So when we talk about spending money on badly needed social programs, avoiding layoffs of teachers, for example, as we've recently seen up to a thousand positions cut across the province in education, we are willing to stand and face the voters and say how we would pay for it. One of the ways we would pay for it is to not proceed with these kinds of tax cuts which are simply gifts to the corporate sector and have no discernable payoff, at least as I interpret the Auditor General's remarks, to the economy of the province or to any programs that may exist.

So I would urge all members of the Assembly, both from the government side and the Liberal Official Opposition, to stand up for ordinary Albertans and vote against Bill 41. Thank you, Mr. Speaker.

The Deputy Speaker: Any questions or comments, hon. member? Okay.

If there are no questions, then we'll have the hon. Member for Edmonton-Gold Bar on Bill 41.

Mr. MacDonald: Thank you very much, Mr. Speaker. It's with a great deal of interest that I participate in the debate on Bill 41, the Alberta Corporate Tax Amendment Act, 2003, this evening. Certainly, when everyone considers that many, as the hon. Member for Edmonton-Highlands referred to them, ordinary Albertans own small businesses across this province, I think they would be very grateful for a reduction in their tax rate when you consider how the utility costs from energy deregulation have affected these small businesses. They need some relief, and they need it now. Many businesses have expressed a great deal of concern, Mr. Speaker, with the high cost of electricity and the high cost of natural gas, and any relief that they can get other than a rebate at election time I think puts them on a solid financial footing.

Now, we have seen over the years a gradual decrease in the small business tax rate. I think we can safely call this Lenny Kaplan's tax cuts because whenever Mr. Kaplan worked with the Official Opposition, this was one policy that he advocated be implemented. The hon. Member for Edmonton-Ellerslie is absolutely right. This was a policy of the Official Opposition for some time, and I am pleased to see that the government has incorporated it into this legislation. I think it is about time, and in light of the major public policy failures in other departments by the government I commend the Minister of Revenue for bringing this forward because it's much needed by the small business community in light of the bills that I talked about before increasing. I think Mr. Kaplan would certainly agree as well.

When you look at other parts of this legislation – and we can go to the general rate of corporate tax reduction and what has happened historically – I would be curious to know how the insurance industry in the province is going to be affected by this reduction. How much money are they going to save now? The insurance companies, I understand, have an extensive – some people would call it a consultation process; other people would call it a lobby process in place to have their premium taxes of 3 percent reduced or in some cases eliminated.

I was part of a public debate, and I reminded the consumers that the insurance industry had already received in the general rate from the previous reduction some corporate tax relief, and fair enough; we were collecting the premium taxes. I would like to see the premium taxes used for dedicated public campaigns to ensure that people have

their seat belts on, their head rests adjusted properly, a public education program to ensure that we drive as safe as possible. That \$57 million that's collected from the insurance industry on auto insurance premiums I think should have dedicated uses, and one of them would be to reduce our accident rates.

I'm not convinced that the insurance companies, for one, need tax relief at this time. They have received it. Small businesses certainly in my view warrant and merit tax cuts, but the insurance industry? The insurance industry, I'm not so sure. I would like to know just precisely how much money the insurance industry in this province would save with this corporate tax cut because I do not want to turn on the radio or open my newspaper and hear where they've been taxed out of Alberta, because I just do not believe that to be true whenever one considers the insurance industry.

Now, my colleague from Edmonton-Ellerslie talked about the royalty tax deductions. Certainly, the Auditor General in his report had significant things to say about tax royalties to energy companies in this province and exactly how they work. As the debate in this bill continues, Mr. Speaker, I too would like to know: how much money did oil and gas companies save in royalty tax deductions and credits last year? How does the government ensure that granting oil and gas companies both royalty tax deductions and royalty tax credits does not cheat Albertans from receiving a fair return on nonrenewable resource development? It was interesting to note, Mr. Speaker, in Saturday's *Globe and Mail* a story about Exxon corporation, and I believe it was the state of Alabama. Somewhere down in the Sun Belt, in the southern states, there was a court case, and Exxon owes that state I think slightly over \$11 billion in resource revenue that had not been collected. I would just be horrified to think that we're not collecting our fair share in this province. I'm sure we are. I'm sure there are programs in place to ensure that our citizens are getting maximum return on their resources.

8:30

As the hon. member said earlier, we have schools that are overcrowded. We have laid off teachers. We have any number of what the government in the old days used to call pressure points that need funding. It would be just horrifying, again, Mr. Speaker, to find out that our share of our resources was not being collected properly by our government.

We at the same time are entertaining notions in public debates about putting a user fee on the homeless if they're going to get a night's stay at a government shelter. When we put all this in perspective, we just can't provide for one sector, which is the corporate sector, and ignore those who cannot help themselves. There are many people, unfortunately, in this province who through no fault of their own cannot provide themselves with a living. The government has a responsibility and a role, and if we're going to look after the corporate interests, then I think we should care for those who cannot care for themselves as well and do it adequately, allow them to live their lives with decency and respect.

Mr. Speaker, who has the Alberta advantage here? Albertans obviously own the resources, not the energy companies, and I would like to know: when was the last time the government system of royalty tax deductions and royalty tax credits was examined? I'm sure someone other than the Auditor General has had a look at this, but certainly the Auditor General in the recent report that I referred to recommended that "the Department of Energy document and communicate the objectives of the Alberta Royalty Tax Credit program and develop measures to assess whether the program is meeting its objectives."

Now, the risk of not defining program objectives and performance

measures is that the government may not be making effective decisions and may be giving away the Alberta advantage for free.

In conclusion, I would like to bring up small businesses again. The small businesses, those that are owned by the so-called ordinary Albertans – I was one of them – are the engine of Alberta's economy. [interjection] Yes, you bet I'm ordinary, and I'm proud of it. I think we need more people like that in this Legislative Assembly, not less, and that's to the Minister of Justice, Mr. Speaker.

The Official Opposition has always supported tax cuts for small businesses. In light of the public policy follies that have surrounded this government recently with energy deregulation, it's about time, because if we give those small businesses tax relief, they're going to be able to find another place for their money, and that's in their high utility costs.

Thank you very much.

The Deputy Speaker: The hon. Member for Edmonton-Highlands to ask a question or make a comment.

Mr. Mason: It's a brief comment, Mr. Speaker. I just want to bring to the hon. Member for Edmonton-Gold Bar's attention the fact that the New Democrat opposition has always supported the tax reduction for small business, but the lion's share of the reduction in government revenue – that is, a billion dollars over four years – comes from the corporate tax rate reduction, which we firmly oppose.

Thank you.

The Deputy Speaker: The hon. Minister of Revenue to close debate.

Mr. Melchin: Thank you, Mr. Speaker. I will be happy to supply some answers in committee to a number of the questions. For some of them I don't have the specifics with me at the present time. I would say this, though, in general terms. When we take a look at tax structures, it is important that you look at the right climate for business. Sometimes "corporation" or "business" sounds like it's impersonal, but that corporation or business is made up of individuals. It's made up of Albertans. It's made up of people. It's made up of people that create jobs, that provide opportunity for jobs and employment for all Albertans. It's not looking after an invisible shell of an organization. It's looking at having opportunities to invest, to create jobs, and so forth, and it is also part of the structure.

I appreciate that the NDs would like to see the tax-and-spend philosophy as the approach, but I think the approach is: you create a bigger pie, and you create opportunities to create a bigger pie so your rates don't have to be so high. That is what will attract the capital that we need of the world to develop and create the infrastructure that we need in this province, and it is doing it. It's not just because prices in oil and gas are high, but the investment climate, the opportunity, the people that are moving here are a natural flow of allowing capital to come where it's not penalized so highly, and it benefits everybody. It benefits all the low-income people. It benefits the provision for social services and the like.

Anyway, with respect to a couple of things about the Auditor General's comments, the Auditor General did not say anything or put into context that there was anything wrong or implied that there is a problem with the Alberta royalty tax credit. He's only making comment with respect to a number of programs that provide credits, deductions, preferential treatment to quantify so that you would compare benefits and costs, and I think those are appropriate statements. We certainly are looking at the Alberta royalty tax credit in that perspective and will report in due course.

One thing was mentioned: why we allow for the higher of resource allowance or royalty deductions. The federal government introduced years ago in the whole taxation – they disallowed the deduction of royalties, and because of their disallowance of the royalties paid to Alberta from a federal claim, they allowed a resource allowance. The Alberta government's response, though, was to still allow the deductibility of the royalties paid in calculation of tax. Given that the federal government introduced its own legislation on resource allowance, we allowed them to take the higher of, not to be penalized by different laws.

Now, one thing that has changed: the federal government starts in this year actually a gradual phaseout of the resource allowance. Starting in January of this year, over about four years it's going to phase out the complete resource allowance so that royalty deductions will be the only thing that you can deduct both for provincial and federal purposes. So even in a transition it is being resolved by the federal government's own acknowledgment that it needs to change its rules.

I'll be happy to answer in committee the balance of the questions that were asked. Thank you.

[Motion carried; Bill 41 read a second time]

8:40head: Government Bills and Orders
head: Committee of the Whole

[Mr. Tannas in the chair]

The Chair: I'd call the Committee of the Whole to order. Because we have not met for some days and weeks, a reminder that while there is some leeway for quiet conversation, we have only one member standing at a time and talking. With that we'll begin.

Bill 37

Climate Change and Emissions Management Act

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I had the opportunity to speak to this particular bill in second reading this afternoon and then hear what the minister had to say. I was looking for something substantive from him, but instead what we got was the usual rant when they bring in these kinds of bills, which really should be dealing with substantive issues and instead really are positioning themselves to take advantage of what turns out to be mostly a lack of knowledge on the average Albertan's part, so they buy into the information that the government shares with them, which is not always accurate.

I didn't hear anything new this afternoon, and I didn't hear any new figures or new plans of what this government is planning to do, so I still have my initial outstanding issues with this bill, which I will summarize at this particular time.

The first and perhaps the most important of those – or perhaps all of them are equally important – is that this bill does not achieve any meaningful progress on reducing the level of greenhouse gases emitted in Alberta. In fact, what we see here is quite the opposite, Mr. Chairman, and that's a real shame because there is an opportunity to move forward on this particular issue. The rest of the world will be. Why shouldn't we? You would think that just once the Alberta government would want to lead on these particular issues.

What we're going to end up seeing is that industry will lead on this particular issue. They will drive it, and government will be

playing catch-up. We see that happening in several other industries that I'm the critic for right now, not the least of which is Environment and Sustainable Resource Development, where industry is seeing what global markets are doing, they're seeing what the management issues are, and they're aggressively trying to be a part of the competitive advantage. But that does not seem to be this particular government's stance. That's letting all Albertans down, and that's too bad.

Secondly, this bill really is a poor legal framework for action. There are virtually no specifics in the bill that allow it to be evaluated for how efficient it will be in addressing Alberta's role in lowering greenhouse gas emissions. It delegates so much authority to the regulations that it really gives carte blanche to cabinet and the respective minister to operate in any way they choose. This gives us a couple of scenarios that could happen. We could have a best case scenario for some improvements or a worst case scenario of no substantial actions being taken at all, and that's very concerning.

Equally concerning is the fact, Mr. Chairman, that key components of this legislation will be decided behind closed doors by cabinet and minister. On this particular issue I have seen no leadership by cabinet or by the minister. Where I have seen the leadership is in the actual department, at the bureaucratic level. So hopefully they will have some influence on what happens here because if we leave this up to this cabinet, we're in trouble with this particular kind of legislation.

I talked this afternoon about there being no need for this separate piece of legislation. Everything here could be done more effectively by incorporating its provisions into a changed framework within the Environmental Protection and Enhancement Act. That would be much better. This bill doesn't allow the public the opportunity to be involved and participate in the establishment of regulatory systems.

Now, it used to be the practice of the government in the Loughheed days that they would bring the regulations forward for review prior to bills being passed, and in fact that's still what happens at the federal level. The regulations are publicly posted before the bill gets to the floor of Parliament, and that could be the same case here. What we would have then is much more openness and much more transparency, and that would be very helpful. Then corporations and people who felt that they were directly affected could have some input.

That doesn't mean that the government has to change the regulations by any stretch of the imagination, but it does give some ability for taxpayers and directly affected people to have some impact prior to the bill becoming legislation. What the federal government has found as a result of that is greatly enhanced and strengthened legislation. So that should be the goal of all of us in this Assembly. This would be a key bill to try that kind of approach on, but this government doesn't want to show that kind of leadership.

Lastly, my concern is that this bill is exceedingly weak on enforcement issues. Once again, we see a government that just wants to let the market correct itself and puts in regulations but doesn't actually put in the kind of backup system that can be enforced. Here in this legislation we've got no specific provisions for how it would be enforced, what penalties would be applied for infractions, and whether or not, in fact, there would actually be the personnel to do the enforcement and monitoring and carrying out. We know from all departments in this government that there is no support for enforcement, and that's a real shame because the best performers will always outperform what the government wants them to do, and the poor performers will sadly perform well below standards and often in a fashion that could not be considered legal by any jurisdiction.

So I continue to say that I have grave concerns about this particu-

lar bill. I will not be supporting it, Mr. Chairman. I was certainly hoping that this government would withdraw this bill after it had had some public exposure over the summer, but once again they chose not to listen to the vast majority of Albertans.

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I'm pleased to address the Climate Change and Emissions Management Act, Bill 37. This is carried over from the spring session, and it addresses the specified gas emissions responsible for the greenhouse effect as part of the Alberta action plan on climate change. It provides for sectoral agreements, emissions trading programs, reporting, and funding of technological approaches to address climate change.

Mr. Chairman, this bill was first introduced in last year's fall sitting. It died on the Order Paper and then was reintroduced in the spring. The politics which are behind this bill are clear. It was originally part of the Conservative campaign against the ratification of the Kyoto protocol by the federal government. When this strategy then failed, it's now seen, I think, by the government as some sort of defensive mechanism asserting Alberta's jurisdiction over climate change initiatives by setting up provincial mechanisms instead of participating in the federal mechanisms.

Now, many environmental groups have justifiably been harshly critical of the approach set out in Bill 37 for a couple of reasons, Mr. Chairman. It extends the time frame for meeting climate change targets to 2020 instead of 2012, and it calls for reducing emissions intensity as expressed in GDP rather than absolute reductions. This is, I guess, the real difficulty with this bill because it's based on the approach taken by the Bush administration in the United States. Of course, we know that the Bush administration was supported as the spokespeople for the oil industry internationally and particularly in the United States as well as the arms industry. Those were the biggest backers of the Republican campaign for President that managed to not elect George W. Bush but to have him appointed by the Supreme Court, notwithstanding the fact that his vote was less than that of Mr. Gore's.

8:50

The approach favoured by the big oil companies in Texas is the same approach that's favoured by this government, and that is to turn its back on the real issue facing the whole globe, which is a dramatic and accelerating climate change which is produced by emissions of greenhouse gases, in favour of a cooked-up formula that allows the overall, absolute amount of emissions to continue to rise. Now, of course, if you look at it from a scientific point of view, Mr. Chairman, just because the economy grows and therefore the allowable CO₂ emissions continue to grow makes no difference to the Earth, because the only thing that matters as far as climate change is the absolute amount of CO₂ production that is taking place. So you can go through all of the elaborate rationalizations you want to, but as long as we continue to pump out CO₂ into the Earth's atmosphere at an increasing rate, then climate change is only going to accelerate.

Now, most of us in this Chamber are old enough to remember what winters used to be like 20, 30 years ago, and we know that they're quite different today. Younger people probably don't realize this. I explained it to my son, and you know he wasn't there. He can't remember long, cold winters. But those of us of a certain age, Mr. Chairman, can recall this. Only the hon. Member for Edmonton-Gold Bar is probably too young to remember really, really cold winters, but I think most of the rest of us are.

So the approach is that if your GDP grows, if the economy expands, you can increase the absolute amount of CO₂ emissions as

long as as a percentage of the GDP you're declining. So if you get slightly more efficient relative to your economic output, then it's okay to increase your absolute emissions of CO₂ and other greenhouse gases. Of course, Mr. Chairman, this is completely unsustainable. This approach is, in my view, fundamentally dishonest and tries to pretend that it's doing something about greenhouse gas emissions when, in fact, it is permitting them to continue to rise.

So what, then, is the result? Well, Mr. Chairman, we are trading off economic advantages for ourselves at the expense of the well-being of our children, our grandchildren, and unless something changes, then two or three or four generations down the line the consequences for those that come after us are going to be very severe indeed. In fact, scientists who are most familiar with this phenomena have indicated that there will be mass reductions in the Earth's human population somewhere out to 50 years if things continue as they do.

The impacts of global climate change are severe, and it's not just that the Earth is going to heat up a few degrees and stop. What's going to happen is, in fact, that the rate of change is going to accelerate, and it will have a profound effect on the world's food supply as well as causing severe weather and so on. We've already begun to see that with the huge fires in the last couple of years around the world, not just here, not just in California, not just in B.C. but tremendous, tremendous increases in the number of hectares of forest lost in places like Siberia, in Europe, and so on. You just extrapolate that 10 years or 20 years, and you will see that catastrophe awaits. But this government doesn't really take that seriously for some reason and seems to believe that it's okay to continue to go down the path that we have chosen for ourselves or, rather, that those who have control of the levers of the economy have chosen for us.

Mr. Chairman, I had hoped that Bill 37 would be withdrawn or allowed to die once its usefulness as an exercise in fed-bashing was gone, but the government seems intent on pursuing it, and there are elements as well of infringement on the jurisdiction of the federal government. The provincial government is, of course, always ready to cry wolf whenever the federal government attempts to infringe on its jurisdiction, but whether it's marriage or environment or wheat, this government is prepared to try and step on the toes of the federal government. So to put it very politely, it's an inconsistency on the part of this provincial government.

Just in conclusion, Mr. Chairman, I think that the Climate Change and Emissions Management Act is an irresponsible piece of legislation. I don't think it does anything to enhance Alberta's position, and what it will do is allow the government and certain irresponsible members of the corporate sector to continue to ignore this very serious problem and this treaty obligation on behalf of the country. As such, I don't see how members of this Assembly can support Bill 37, and I would urge them to vote against it.

Thank you very much, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. It's always a pleasure to rise in this Assembly. I think Bill 37 could be one of the more important bills that we discuss during this session. I have a range of concerns with it that begin right from the fundamental approach of the bill and the underlying assumptions. I know, speaking for my constituency, that climate change is an issue of great, great concern. Last year about this time I held a town hall meeting in my constituency, and about 500 people came out to talk about and learn about the Kyoto accord and climate change, to hear some top-notch scientific presentations, and to discuss the issue. So it was pretty clear to me

that jamming a good-sized church in a town hall meeting on climate change was a sign that the public is really concerned about this issue.

In the months that have passed since then, my impressions have continued to be reinforced that this is an issue of real concern to all Albertans across the entire province. Two weeks ago I had two separate phone calls from people in eastern Alberta, people I had no contact with before. I'm not sure why they called me, but both of them raised serious, serious concerns about climate change and the depletion of water resources in eastern Alberta, one near Oyen and the other, I believe, near Provost. They phoned me as farmers, as ranchers saying: "Hey, our climate is changing. Our land is drying out. We need to act."

9:00

Then the other day I had family in town for the rodeo. Believe it or not, there are genuine cowboys in my family, rodeo cowboys. They were chatting to me about the state of their ranchlands. One of them, who has ranch country west of Didsbury, was talking about how year-round he used to see white snow on the peaks of the mountains and now a good part of the year the mountains are bare, and how when he rides into the Ya-Ha-Tinda and the backcountry in the eastern slopes, he sees the land drying out and the damage to the land and how deeply he's concerned about that.

Other family members in central Alberta, both north and south of Red Deer, are worried about the health of the Red Deer River and the sustainability when we are pumping water out of that river through water treatment plants in the Innisfail area and then distributing it from there south of Red Deer, and at the same time we're starting to suck water out of the Red Deer River and pump it north all the way up to Hobbema. How much can the Red Deer River sustain, especially when the snowpack in the mountains is smaller and smaller every year?

Again, closer to home for me this summer, I had a STEP student do a history of the constituency. She went around and interviewed some of the original residents of Riverview. When she compiled all the interviews and I read through them, one of the striking things was how wet that constituency was on both sides of the river when it was settled 40 or 50 years ago, how there were lakes, McKernan Lake and Lendrum Lake, and a whole string of lakes on the south side, and how on the west end there were swamps and bogs and people actually could boat down what is now 149th Street. Living people have those memories. Now you go around Riverview and you can see trees dying by the hundreds because of a lack of moisture.

So there's no question this is a profound issue. The evidence of change is all around the province. I feel no great confidence that the leadership of this government accepts that evidence, and if they do accept it, it's been reluctant indeed.

Turning to the bill, Bill 37, and looking at the very first sentence of the preamble, it reads:

Whereas the Government of Alberta has a deep and well established commitment to protect Alberta's environment for future generations through proactive and responsible stewardship of the environment.

It goes on and on from there through the entire bill. These are noble words, Mr. Chairman, but to me they ring hollow.

Mr. Mason: So much CO₂.

Dr. Taft: As the Member for Edmonton-Highlands says, they feel like just so much CO₂.

Where is this deep and well-established commitment for the environment that this government claims to have? I don't see it very often. I certainly don't see it in this bill. This bill, in fact, sets up a

mechanism that will allow greater and greater greenhouse gas emissions in the province. What we're seeing now played out is in some ways a tragedy, a tragedy that could have been prevented if the government had listened to its own advisers in 1988, who put forward a pretty comprehensive greenhouse gas emissions plan, one that's actually quite detailed.

Frankly, when I look at Bill 37 and I read that first preamble, I wish that the rest of the bill followed in suit because we could be looking at this issue not as a threat but as an opportunity. These are opportunities faced by Alberta that are being confronted by countries around the world, people around the world, and people around the world are going to be looking for leadership. How do we address climate change? How do we address water shortages? How do we address drought and disease and plague that come with that? How do we address massive forest fires? Alberta is positioned to become a global leader in constructively addressing climate change in sector after sector after sector, and instead of a bill that would provide that kind of leadership, we get a bill that puts in place a mechanism to allow, frankly, an increase in greenhouse gas emissions.

I would love to see amendments to this bill that take a more aggressive and constructive stewardship of our land and of our planet, and some ideas that I would like to see in this bill, some clauses that are not here, I don't believe – for example, addressing questions of demand side management. Rather than worrying about how we supply more and more and more energy and more and more and more water and so on and so forth, why don't we focus on reducing the demand, and why don't we have legislation that addresses climate change and emissions by concentrating on reducing demand? There are lots of ways this could be done.

I was listening to an interview just the other day with an energy expert who talked about the effect that regulations have had on improving the efficiency of something as simple as the household refrigerator. The household refrigerator is one of the largest energy consumers in a house, and up until about 10 years ago they were absolute energy hogs. Because regulations were brought in and steps were taken to improve their efficiency, you cannot now buy energy hog refrigerators. Every new refrigerator is substantially more efficient than it was before, than the older models were. That kind of example could be repeated over and over and over, from light bulbs to automobiles to water heaters, plumbing, toilets, showerheads, all of it. We don't see any attempt at addressing those kinds of issues in this bill that begins with noble words about "a deep and well established commitment to protect Alberta's environment." Unfortunately, none of that is here.

So this bill falls short, I think, falls badly short in what it purports to do. I expect the bill to be passed by the government, and it certainly addresses the concerns of the heavy oil industry, but I think it is much too narrow a bill when it's talking about climate change and emissions management and, frankly, fails to live up to the vision that's sketched out in the preamble.

Mr. Chairman, with those words I place some of my concerns on the record and look forward to some other discussion and debate. Thank you.

[The clauses of Bill 37 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Bill 36
Environmental Protection and Enhancement
Amendment Act, 2003

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Minister of Environment.

Dr. Taylor: Yes. I have a number of amendments I'd like to offer. You have them. I'd like to have you pass them around please, Mr. Chairman. I won't comment much on them other than to say that we consulted with industry and so on, and these amendments are the result of the ongoing consultations over the summer. I would hope that the opposition would support the amendments as well.

Thank you.

9:10

The Chair: The hon. Member for Edmonton-Ellerslie on amendment A1.

Ms Carlson: Mr. Chairman, just for a point of clarification, the whole package is going to be considered as one amendment; is that the case?

The Chair: The Minister of Environment.

Dr. Taylor: Yes, Mr. Chairman. We will do it as a package.

The Chair: Is that in agreement?

Ms Carlson: Mr. Chairman, I was hoping that the minister was going to take a little bit of time to go through them and at least explain them to people, because as we have seen this afternoon, we rushed through second reading of this bill and now we have the amendments before us in committee and are expected to just approve them with what appears to be very little fanfare. At least those amendments should be read into the record, in my opinion, and have the opportunity for some debate.

First of all, I would like to say, though, that in terms of these amendments the minister did try to arrange a meeting with me and my researcher to talk about them and explain them in some detail. Our meeting was scheduled for tomorrow, but because this bill has gone through the Legislature so quickly, we haven't had a chance to actually talk about them. However, he certainly did get them to me as soon as possible, which was today, and we've had a chance to review them to some extent and make some comments on them, and generally speaking, Mr. Chairman, we do approve of them. What we see is that there are quite a few amendments here. Most of it is cleaning up of the bill and responding to concerns that we have also heard from government, but they are somewhat substantive in nature and so should really be talked about a little bit.

The first amendment, the A part, adds some more definitions to section 2. It talks about potable water, and then it talks about a wastewater system and goes on to define that. That's good. We needed more definitions, for sure, when it comes to those particular systems as defined in the Environmental Protection and Enhancement Amendment Act.

The waterworks system then goes on to be defined to talk about potable water to cities or towns or municipalities or villages or hamlets or settlement areas and those kinds of water supply systems, like the lines, the on-stream, off-stream storage facilities, pump-houses, treatment plants, and so on. So more definition is better than less definition. In this case, we're happy with that.

A big section is then added after section 4. It talks there about

director's discretion, and this is where we had most of our questions, because it always concerns me a little bit when this government hands more discretion to directors. On consultation with the minister's staff and reviewing this, it seems like in this particular instance this may not be a bad thing. I may rue the day that I agreed to this particular amendment, depending on how they end up applying it, but so far it looks like it's good to have some discretion for these applications in the cases where decisions need to be made and people may or may not be readily available. So we're going to conditionally support this particular one at this time, and we'll be watching closely to see how it is applied throughout the province and will see how it goes from there.

Then we go on to 4.4, where section 67 is amended by repealing some subsections and adding more. Here it talks about what the section does not apply to, and mostly that's repairs and maintenance and temporary changes to equipment and so on. As I review section 67, I don't have any issue with that.

Section 4.5 was slightly amended, and it talks about how notice is given and applications for registrations are done. It's a little bit more definition, and that's okay, I think. In C "section 9 is struck out," and the addition is added there that not just the director can address this particular section but "or an inspector." Once again, we'll see how that plays out, but it doesn't look like it's too bad to me. So then cleaning that up and tying it in in other sections, and the same thing happens for section 17 and section 18.

I agree that section 19 that's being struck out here is applicable in this particular case.

Then we get to H, section 21, where "section 142 is repealed and the following is substituted." We get the "environmental protection order after reclamation certificate" where it states:

If, after a reclamation certificate has been issued, an inspector is of the opinion that further work is necessary to conserve and reclaim the specified land and the work relates to matters that were not apparent at the time the reclamation certificate was issued, the inspector may . . .

and then it lists a number of things that the inspector can do, and this is the part of the amendments that I completely support.

This is a really good addition that strengthens this act because we have had circumstances in the past where it looks like the reclamation has been done well and then something comes to light afterwards where more work is necessary. It was a little fuzzy prior to this in this particular act about how the government could move forward on these issues and actually have the people or company to whom the reclamation certificate was issued clean up their act. So we like that.

Then of course in I it talks about section 22 being amended by striking out the dates as applied.

So, generally, it looks like some good things, really good things, in this amendment package, some that I'm slightly reserving judgment on and will support, and we'll see what follows. We may be coming back sometime in the future to complain about them if it turns out that they're not going to be applied in the manner in which we expected them to be. Otherwise, generally speaking, these changes to the Environmental Protection and Enhancement Amendment Act, 2003, look to me like they strengthen the act. It looks like they're addressing a number of the concerns that I have heard on our side not so much from industry but from the environmental community.

So we will be supporting this particular amendment package at this time, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Gold Bar on amendment A1.

Mr. MacDonald: Thank you very much, Mr. Chairman. I rise to participate in the debate on this list of rather extensive amendments, in my view. It is with a great deal of reluctance that I speak because certainly I think this is a comprehensive list, and to receive them and then to have to make one's mind up in regard to whether they should be accepted or rejected is not, in my view, a legislative process that I would agree with.

Now, I have some specific concerns about this. Certainly the hon. Member for Edmonton-Ellerslie also has expressed concerns. But in specific relation to this amendment in section 142, when we have what it states here – and I'm going to read this into the record, Mr. Chairman, because my colleague did also – I have some questions in regard to the potential costs that we could be stuck with here. Did you have a look at the bottom of that? The costs are the responsibility of the government. This is horrendous.

Now, section 142(1), Mr. Chairman, reads:

If, after a reclamation certificate has been issued, an inspector is of the opinion that further work is necessary to conserve and reclaim the specified land and the work relates to matters that were not apparent at the time the reclamation certificate was issued, the inspector may.

Now, it lists in (a) what the inspector may do, and then when you get to (b), the inspector may "carry out any work that the inspector considers necessary to conserve and reclaim the specified land."

9:20

Now, 142(2) states:

No environmental protection order regarding conservation and reclamation may be issued under this section

- (a) in any case where the reclamation certificate in respect of the specified land was issued under the Land Surface Conservation and Reclamation Act . . .
- (b) in any other case, after the date prescribed or determined in accordance with the regulations for the purposes of this section with respect to different classes of specified land set out in the regulation.

Now, 142(3) states that "the costs of carrying out the work under subsection (1)(b) are the responsibility of the Government." When you carry out that work, how much is that going to cost, what exactly is this, and what exactly are we doing with this amendment at this time, putting it before the House in this manner? How many millions of dollars are at stake here?

I think this is wrong, Mr. Chairman. We could have any amount of land. We need further explanation from the hon. minister on this. There could be any amount of well sites, whether they're oil or gas. There are numerous ones. We have changed the rules as to how the reclamation process is to be done. How many abandoned well sites could be stuck into this section (1)(b) that are the responsibility of the government?

My belief is that the government then recovers the money from the reclamation certificate holders. Now, is that true in this case? If not, how much money is the government potentially risking? How many tax dollars are we potentially risking if we support this amendment? At this time until I get the answers, I for one cannot accept this amendment. I think it certainly requires clarification from the hon. minister because we need to make sure that the taxpayers aren't going to be on the hook for millions and millions of dollars in cleanup costs for oil and gas leases.

Thank you.

The Chair: The hon. Minister of Environment.

Dr. Taylor: Yes. I'm more than prepared to answer his question on the cleanup costs. In the present legislation the oil and gas compa-

nies are only responsible for five years. Any cleanup costs after that revert back to the Crown. After five years their time is over. What we're doing with this amendment is we're making them responsible for 25 years. Now, is 25 years enough? I mean, I don't know. But that's the agreement we could get through hard negotiations with the oil industry, that they will be responsible.

So if their reclamation certificate gets yanked, which it can anytime in that 25 years if something shows up, and the landowner phones Alberta Environment 10 years down the road and says, "Hey, look at this; my crops aren't growing here," or "The grass has died here," Alberta Environment will then do an investigation. If it is shown that there is some kind of pollution or damage to the land, then we yank the reclamation certificate that the oil company or pipeline company or chemical company or whoever – I don't want to just pick on oil companies – has had for 10 years, and they have to go back in and reclaim. At that stage if that happens, then they're on the hook for another 25 years after because they no longer have a reclamation certificate. What would happen then would be that they'd ultimately clean it up, they'd get a new certificate, and then you're onto another 25-year period, so it's a long extension.

As I say, there were extensive negotiations with all the industries involved to be able to come to this. Is it long enough? Too long? I think it's a good first step to try and take a look at it, and if we feel at some stage we need to extend it a longer time, then one would have to get back into negotiations again.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Chairman, and thank you to the hon. minister. Now, does the department have any estimation of how much liability there would be for the taxpayers in this matter? Is there any estimate of the potential cost to the taxpayers at this time?

Dr. Taylor: I'm not exactly sure of the question. Do you mean after 25 years, the cleanup costs? No. We don't have that kind of estimation because we assume that after 25 years any damage . . . All the science would say, if one believes the science – and we all know that sometimes science doesn't actually work – is that within 25 years you will see any kind of situations or any kind of ongoing damage that would arise.

I'll tell you, though, that in terms of the existing laws – and the federal government has noted this as well recently – there are thousands of sites across Canada that need to be cleaned up for which there is now no longer an original owner, and the time lapse, which in most provinces is five to seven years and they aren't changing, has expired. So the federal government said recently that they don't know how many billions of dollars it will cost to clean up all those sites. In Alberta we will have – we're not sure the exact number – quite a number of sites for which you cannot find an original owner or the owner has gone broke or the owner has died, and those sites, because the old act was a five-year kind of time frame, will need to be cleaned up. We haven't even started to try and estimate what that would be yet.

The Chair: The hon. Member for Edmonton-Highlands on amendment A1.

Mr. Mason: Mr. Chairman, I'd like to speak to the amendments to Bill 36 and, in fact, to Bill 36 in a more general sense. I want to indicate that the general approach of the bill is difficult. While we certainly appreciate the extension of periods of liability for abandoned sites from five to 25 years – we think that's a positive thing –

I guess I want to say that we have some serious difficulties with the bill.

Before I get on to that, Mr. Chairman, I'd like to deal with the amendment packages. I just find it a little bit amiss that we would have a significant package of amendments brought before us without consultation in advance and without any explanation, or any substantive explanation, from the minister. So it makes our job very difficult to see how these particular sections fit with the existing act. That's probably a couple of hours' study to be able to do that analysis and integrate the amendments with the bill that has been provided up to this point. So I want to register my concern with the approach, and I hope that the minister will just take a moment and go through the different sections and explain why the government feels that these things are necessary.

Now, with respect to Bill 36 more generally, I believe that the minister has indicated in the past that there are 40,000 uninspected sites and they only have the capacity to do 1,700 per year. So the approach, then, is not to increase the resources that are available to the department but basically go from government inspection of abandoned oil and gas well sites to one of industry self-regulation. I may be forgiven if I'm skeptical about the industry's potential conflict with respect to this. Now, it's true that the oil and gas company would have to hire a reclamation specialist and that this specialist would have to submit all the paperwork to the government and so on. It's also true that codes of practice for acceptable reclamation would be developed, but you know the government inspectors in the future will only do land audits of reclaimed well sites, access roads, and abandoned right-of-ways.

9:30

Mr. Chairman, I'm hard-pressed to see how this will actually improve the situation over the status quo. You know, we have a situation where it's been reported that there just aren't enough resources on behalf of the department to actually do their job, and instead of addressing that question, we've gone off in this direction of self-regulation. I think there's a lot of history now of self-regulation, and it's not all one-sided, but generally it has had very, very mixed results, and there is no guarantee in our view that this approach is going to be effective or even more effective than the limited amount that the department is doing now.

So those are my concerns. I don't know if the minister is able to respond to any of them, but I'll take my seat and wait with bated breath, Mr. Chairman.

Dr. Taylor: Just to respond to a couple of them and give a little information before I respond. The member is quite correct. We have over 40,000 sites that need to be reclaimed. When you look at the history of reclamation in this province, since 1963 40,000 sites have been reclaimed. In 40 years 40,000 have been done. Quite frankly, I don't see this dragging on until my grandchildren's grandchildren have children before you get all the backlog of the existing 40,000 done. Then on top of the existing 40,000 we have 155,000 active well sites today. That's not pipelines or batteries or any of the other things that go around the oil industry. Just well sites, 155,000 active well sites. Some of their life span is relatively short because they're nearing the end of their life span. So when you look at those kinds of numbers and the fact that the government or the department has reclaimed 40,000 over 40 years, you can see that you have to do business differently.

So, one, let me state very clearly that it is not self-regulation. We establish the regulations. When I say "we," I mean Alberta Environment. We, Alberta Environment, write the reclamation certificates. We at Alberta Environment can pull that reclamation certificate at

any time for cost. We at Alberta Environment will continue to inspect sites. We will audit sites, and I can assure you that within Alberta Environment the inspectors know who the good reclamation companies are and who the not-so-good reclamation companies are.

In previous legislation only a director could pull a rec certificate. This new amendment allows for inspectors to pull a reclamation certificate, so that's quite an advancement in the sense that an inspector on a site can pull a reclamation certificate. I want to be very clear. This is not self-regulation. The company, whether it's an oil company, a gas company, a pipeline company, a chemical company, whoever is doing the reclamation has to hire an outside expert.

If I could use the equivalent comparison of blueprints on a house, when I get my blueprints done for a building project, the engineer puts his stamp on the blueprint. If there's a problem with that stamp and the engineer hasn't done his job, there are all kinds of consequences on that engineer. He's got a professional association that can yank his right to do these things. There are the consequences of him getting sued because he didn't do it properly, and there are the consequences of me the builder never using him again, so he will not have any business.

It's the same thing in this area. If the reclamation professional doesn't do his job properly and signs off on something that is not reclaimed properly, then all of the same consequences can befall him. His professional association can yank his certificate. Both the government and the company may want to sue him, because the company is going to be annoyed because they're going to get their rec certificate yanked.

So there are very clearly consequences, and Alberta Environment stays very clearly in control. I hope that answers the member's questions.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I have a question for the minister. What is the current contingent liability for reclaiming those abandoned sites?

Dr. Taylor: Well, I'm not sure what the question means, but I will get you the answer. We'll have a record of it in *Hansard*, and we'll get you the answer. I'm not sure what the question was. It's getting a little technical for me.

[Motion on amendment A1 carried]

[The clauses of Bill 36 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report bills 37 and 36.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Johnson: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports Bill 37. The committee reports Bill 36 with some amendments. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.
The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 9:40 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, November 19, 2003**

1:30 p.m.

Date: 2003/11/19

[The Speaker in the chair]

head: **Prayers**

The Speaker: Welcome.

Let us pray. O God, grant that we the members of our province's Legislature may fulfill our office with honesty and integrity. May our first concern be for the good of all of the people. Guide our deliberations this day. Amen.

Please be seated.

head: **Introduction of Visitors**

The Speaker: The hon. Member for Calgary-McCall.

Mr. Shariff: Thank you, Mr. Speaker. I have the honour of introducing to you and through you to members of this Assembly Mr. Prasanta K. Biswal, director of U.S. operations for the Federation of Indian Chambers of Commerce and Industry. This is his first visit to Canada promoting trade with India. Currently there's a trade delegation coming through Canada, and his organization, the Federation of Indian Chambers of Commerce and Industry, is also the official host of the persons of Indian origin conference held in India every January. The honourable member is standing. I request this Assembly to kindly accord him the traditional warm welcome of the Assembly.

head: **Introduction of Guests**

The Speaker: The hon. Member for Bonnyville-Cold Lake.

Mr. Ducharme: Thank you, Mr. Speaker. It gives me great pleasure today to introduce to you and through you to all members of this Assembly special guests from Le Goff school in the Bonnyville-Cold Lake constituency. There are 17 students accompanied by teachers Mr. Shawn Metchewais, Mr. Winston Stewart-Wharton, and parent helpers Mr. Clarence Nest, Miss Sharon Martin, and Miss Krystal Machatis. I'd ask my guests to please stand – they are seated in the members' gallery – and accept the traditional warm welcome of the Assembly.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. It is my pleasure to rise and introduce to you and through you to members of the House 86 visitors from St. Albert. These students attend Muriel Martin school in St. Albert. St. Albert values education, and we are proud that these kids are this government's number one priority. They're a great group, and the staff and parents are to be commended on the great job they do at Muriel Martin. The students are accompanied by teachers Mrs. Katie Boyd, Miss Christine Griffiths, Mrs. Brenda Kane, Mrs. Jody Biolowas, and parent helpers Mrs. Christine Biggar, Mrs. Helen Roche, Mrs. Muriel Malin, Mrs. Debbie Bowles, Mrs. Suzanne Frederick. They are seated in the public gallery, and I would ask that they rise and be granted the traditional warm welcome of this House.

The Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. It is indeed a pleasure for me to introduce to you and through you to members of this Assembly a group of 31 constituents visiting us today from Vilna school. Vilna has a diverse student body population and offers a balance of academic and sports programs. Braving the weather conditions today, we are honoured to have the grade 6 class along with their teacher, Jean Muzyka, parent volunteers Mrs. Christine Hominiuk, Mrs. Laurie Shapka, Mrs. Dianne Tkachuk, Mrs. Susan Novosiwsky, and Mr. Dan Burke. Also, I would like to say a special welcome to their bus driver today, Mr. Gerald Warholik. The Vilna school group is seated in the members' gallery this afternoon, and I would ask them to rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to all members of the Assembly a group of students that I believe has joined us in the gallery. If not, we will extend our welcome when they arrive later. We are joined today by a group of students from Grant MacEwan College in my constituency, including Nathan Mison, who is the president of the students' union there, and with him is Brett Bergie, Stu Sherry, Angela Butau, Adam Filiatreault, Hal Quaidoo, Mathew Glass, Bill Adams, Alex Tomlinson, Jason Yeats, and Julia Coe. If they are there, could they please rise and accept the warm welcome of the Assembly.

Thank you.

The Speaker: The hon. Member for Wetaskiwin-Camrose.

Mr. Johnson: Thank you, Mr. Speaker. I'd like to introduce to you and through you Jadene Mah from Camrose. Jadene is a hardworking and active student at the University of Alberta, presently serving as vice-president of student life at the university. She is accompanied by Matt Brechtel and Chris Samuel, also students at the university. They are sitting in the members' gallery, and I'd like to ask them to rise and receive the warm welcome of the Assembly.

Mr. Snelgrove: Mr. Speaker, I would like to introduce two people from my hometown of Vermilion today. Kelsey was recently involved in a ride for cancer from Vermilion, which I will recognize later. She's here with her father, Peter, and I'd like them to rise and please accept our warm congratulations.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I rise today to introduce to you and through you to all members of the Assembly members of various student groups: the Council of Alberta University Students, or CAUS, as well as members of the Alberta College and Technical Institute Students' Executive Council, also known as ACTISEC, and a representative from the University of Alberta Grad Students' Association. These organizations combined represent over 186,000 university, college, and technical institute students across the province. They are seated in the members' gallery, and I'll ask them to rise as I give their names: Shirley Barg, the chair of CAUS and VP with the Athabasca University Students' Union; Brett Bergie, who's the provincial director for ACTISEC; Lee Skallerup of the University of Alberta Grad Students' Association; and Melanee Thomas, executive director of CAUS and a graduate of the University of Lethbridge. All four are strong advocates of postsecondary

education in Alberta and are concerned about rising tuition levels. Please give them a warm welcome.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'd like to introduce some visitors who, I understand, will be arriving at 2 o'clock, but if they are here, I'll ask them to rise. They are students who are very concerned about the passage of Bill 43. They are Chris Wudarck, Chelle Kelly, Lisa McLaughlin, Terra Melnyk, and Heather Wallace. I guess they'll be with us later.

Thank you.

The Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Speaker. It's certainly my pleasure to rise today to introduce to you and through you to members of the Assembly five individuals from the county of Smoky Lake who are here attending the Alberta Association of Municipal Districts and Counties convention. I'll ask them to rise as I introduce them and to please remain standing: Reeve Dareld Cholak, Deputy Reeve Mike Franchuk, Councillor Terry Katerenchuk, Councillor Bernice Van Iderstine, and executive assistant Lydia Cielin. Please give them the warm welcome of this Assembly.

head: **Oral Question Period**

The Speaker: First Official Opposition main question. The hon. Leader of the Official Opposition.

Automobile Insurance Reform

Dr. Nicol: Thank you, Mr. Speaker. Today the Finance minister announced her government's plan for auto insurance, which is the same flawed plan that MLAs rejected a month ago. To the Minister of Finance: how can you promise lower premiums to 80 percent of Albertans when your program doesn't significantly reduce the costs of delivering insurance?

1:40

Mrs. Nelson: Well, first of all, Mr. Speaker, the government caucus has approved the plan that we have put forward, and they have taken many months of deliberations to make sure that we've put forward the plan that will work for the 3 million consumers within the province of Alberta.

The second part of the question from the Leader of the Opposition was: how does this work without a reduction in the cost of insurance? Well, if he read the press release, he would realize that in the very first paragraph it talks about the \$250 million that is coming out of the system through reforms that will lower the cost to the consumers but give them wonderful coverage, the coverage they need to have within this province.

Dr. Nicol: But she can't document them.

To the same minister: why is the government introducing a cap on compensation for pain and suffering when a poll by TeleResearch Inc. shows that 86 percent of Albertans believe they should still have access to the courts for fair settlement?

Mrs. Nelson: Mr. Speaker, we absolutely agree. We have not taken access to the courts away from anyone that's involved in an automobile accident. What we have done, though, is put a cap on for what we call minor strains and sprains, and we've put that in place to do a number of things. One is to keep costs down but also to process

claims on a quicker basis. If, in fact, someone is not satisfied with being classified as a minor strain or sprain, they have the right to go to court and to provide their case before the judicial system within this province. That has not been removed.

Dr. Nicol: So everybody will go to court.

My third question is: why doesn't your program guarantee that every Albertan with the same driving record will pay the same premium no matter where they live?

Mrs. Nelson: Well, let's go back in time. Mr. Speaker, back in 1991 there was a territorial split determined to address the cost of insurance. Now, that split was to have northern Alberta, with sparsity and density of population factors coming into play, and southern Alberta and then the large metropolitan areas being brought into two separate areas, so we would have four geographical districts within the province.

Now, based on accident claims experience, there has been a differentiation between the cost of insurance, and that means that the experience that they've had within those regions would warrant a cost of a premium to be this or that. In this particular case we saw that there was a differentiation between the city of Edmonton and the city of Calgary, and I'm sure that's what this question is going towards. What we've said in this reform package is that we will move to three geographic jurisdictions over time and that time would be over three years, Mr. Speaker.

But let me make it abundantly clear. Under this new scheme any increase will be felt by all – by all – drivers throughout the province because this new plan is based on personal responsibility, and if you're a good driver, you will receive discounts. In fact, about 80 percent of the drivers in the province of Alberta will be discounted 65 percent off the base maximum premium. If you're a bad driver, however, you're going to be penalized, and you will pay surcharges to have the right to drive in this province.

Energy Prices

Dr. Nicol: Mr. Speaker, yesterday the Premier announced that during his trip to London he will meet with board members of the British energy firm Centrica. Centrica owns Direct Energy, whose application to enter the Alberta energy market is currently before the Energy and Utilities Board. A Consumers' Coalition report to the EUB warns of higher prices for Alberta utility consumers if Direct Energy's application is approved. My question is to the Minister of Energy. Does the Premier's meeting with Centrica in London interfere with the regulatory process here in Alberta?

Mr. Smith: No.

Dr. Nicol: Again to the same minister: doesn't the Premier's meeting threaten the independence of the Energy and Utilities Board hearing?

Mr. Smith: No.

Dr. Nicol: To the same minister: how will this government protect Albertans from "serious financial harm" that the Consumers' Coalition warns "will be wrought on [consumers] upon approval of these applications"?

Mr. Smith: Well, Mr. Speaker, the board is an independent, quasi-judicial entity. Its hearings are held in public, and various groups are intervenors. This sounds like one of them. I've not read the particular intervention, nor have I read the transcripts of the hearing.

Also, the member was on the Dave Rutherford show earlier this morning talking about a report from the advisory council on electrical issues, that already has established a consumer advocate, housed in consumer and corporate affairs with the Minister of Government Services, who, I know, wants to supplement this, which is one step towards increased protection for consumers.

The other step, of course, that sits there is with the EUB with respect to erroneous meter reads. There is a present policy in that consumers get a credit from that. So there are mechanisms established by law in this marketplace as well as other marketplaces that protect consumers from fraudulent practices, Mr. Speaker.

The Speaker: The hon. minister to supplement.

Mr. Coutts: Thank you, Mr. Speaker. With regard to consumer protection advocacy, we presently have appointed a consumer advocate, and the office will be announcing within a short period of time some of the things that that office is going to be doing in terms of protecting consumers around the province but, more importantly, to have a role to play in the regulatory proceedings in terms of advocacy for consumers. How we go about that is presently being determined, and we'll be making some announcements on that.

More importantly, when it comes to the marketing and new marketers coming onstream in Alberta, Direct marketing has put forward a million and a half dollar bond and are going to be out there making contracts for Albertans. Through contracts and through the provisions put in place under the Fair Trading Act, there are provisions that protect customers against a company that might be doing unscrupulous selling.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Riverview.

Postsecondary Education Policy

Dr. Taft: Thank you, Mr. Speaker. Many groups, including the Council of Alberta University Students, are concerned with this government's postsecondary education policy. The government's plan to off-load costs onto students and centralize power over the entire postsecondary education system spells trouble for Alberta's 200,000 voting postsecondary students. My questions are to the Minister of Learning. Will this government adopt the Learning Commission's recommendation to conduct a comprehensive review of postsecondary education before making any changes to the system?

Dr. Oberg: Well, Mr. Speaker, first of all, I think that what needs to be said here is that the postsecondary education system in Alberta is absolutely second to none in this country and, indeed, in the world. When students such as the students up here attend postsecondary education systems, they are getting an absolutely excellent education.

With regard to the Learning Commission's recommendations, we are taking a look at each and every one of them. It's going through our process, and we hope to have a response within probably the next two or three weeks.

The Speaker: The hon. member.

Dr. Taft: Thank you. To the same minister: why has the government shifted costs onto students by allowing tuition fees to double in the past 10 years while at the same time decreasing its per student funding in real terms by 20 percent?

Dr. Oberg: Mr. Speaker, about eight or nine years ago after extensive consultation – and I actually do believe that the tuition fee policy, the one that is adopted in legislation, was suggested by the University of Calgary Students' Union – that tuition fee was put in place.

Quite simply, the tuition fee policy states that the students should pay a maximum of about 30 percent in education costs. We have run into some issues with that in that we have some institutions that are at 30 percent. To give you an example, right now the University of Alberta is 24th, the University of Calgary is number 25, and the University of Lethbridge is number 40 out of approximately 50 universities in Canada when it comes to tuition fees, which is right where we would expect them to be.

1:50

Dr. Taft: To the same minister: why won't this government heed the cries of university and college students and enshrine affordable tuition in legislation?

Dr. Oberg: Well, Mr. Speaker, I really don't know how to answer that one considering that Bill 43, which deals exactly with the topic that the hon. member is talking about, is up for discussion this afternoon and, subsequently, this evening.

The Speaker: The hon. leader of the third party.

Automobile Insurance Reform (continued)

Dr. Pannu: Thank you, Mr. Speaker. Today the government announced an insurance package promising a \$250 million reduction in the total premiums collected, which is about \$2 billion in this province. That represents at most a 12 percent reduction after a 57 percent increase last year, and while the government is eliminating discrimination based on age and gender, it has decided that eliminating discrimination against Edmonton can wait. To the Minister of Finance: given the rate increases of 57 percent last year, how is a 12 percent reduction going to satisfy Albertans who are feeling gouged by private auto insurance companies?

Mrs. Nelson: Mr. Speaker, when we embarked on this process to review automobile insurance rates within this province, we did that keeping in mind that we have a law in Alberta that says that you must carry automobile insurance. What we were having difficulty with was the fact that it was too pricey, that it wasn't accessible to all, and it wasn't comparable to other jurisdictions. So as a caucus we said that we have to make some changes that put in place a structure that allows people to obey the law that we have in the province. So this structure came forward to meet all those objectives.

We also added another element. I won't tell you which member, but one of them spoke so eloquently about personal responsibility that our caucus embraced it immediately. There had to be some element of personal responsibility, and just because you were a male or a female or you were 25 or 35 or 85 shouldn't have mattered. So the structure was put forward to accomplish the goals of having the availability, the accessibility, and the comparability in place to meet the laws of Alberta.

Insofar as the difference between Edmonton and Calgary, Mr. Speaker, I did address this briefly on the other question from the Leader of the Opposition. When this was put in place – you know, the media reports that somebody wins, somebody loses, that this is a political situation, but clearly it is not – it was based on the

actuarial facts of the claims experience within this area. It could very well have been the other way around, but the fact is that the claims in the city of Edmonton were higher than what they had been in Calgary.

Now, what we do know is that under the new system the rates will even out, and we believe that that will take less than three years, so there won't be a differentiation in the geographical territories within the province. Plus, we're going to move to three jurisdictions.

Speaker's Ruling Anticipation

The Speaker: I appreciate that the intent of the question could lead to considerable debate, which allows for amplification, for answer, but this is question period. I suspect that the Legislative Assembly will probably be dealing with the bill on this matter, which would afford some debate. Let's deal with the question and answer.

Automobile Insurance Reform (continued)

Dr. Pannu: Thank you, Mr. Speaker. Why is this government so intent on limiting the rights of accident victims, when B.C.'s public insurance plan lowers rates without picking on the injured?

Mrs. Nelson: I didn't hear the rest of it.

Mrs. McClellan: Just say that we're not.

Mrs. Nelson: Well, we're not, Mr. Speaker.

Dr. Pannu: Mr. Speaker, my final question to the Minister of Finance. She seems to be a little slow on her feet today.

The Speaker: Oh, oh, oh, please. We're going to have civility. We're going to have decorum. There were people talking back and forth, and the hon. member's colleague does it. That's not required. Please.

Dr. Pannu: Thank you, Mr. Speaker. Given that the minister is in regular meetings with insurance companies and injury lawyers, why is the government refusing to hold more broad-based, open-door consultations with Albertans and Alberta drivers across the province?

Mrs. Nelson: Well, first of all, I'm not in regular meetings with the insurance companies and injury lawyers; I can tell you that right now. I have met with the two groups. In fact, I asked the two groups last May to come to the table and work with us on the reforms that we were anticipating bringing forward. In fact, I said to them: park your scud missiles at the door and come and be the solution; don't be the problem. Guess what happened? They didn't come, so we had to call them in and have a meeting with them, and they still have been doing the lobbing of scud missiles.

So our caucus came together, and under the guidance of the Member for Medicine Hat we put together an implementation team to take the policy direction from our caucus and move it forward. Did we ask these people to come to the table again? Yes. Yes, we did. Did they? No. All they did was lob scud missiles. So our co-chairman of the implementation team continued on, Mr. Speaker, all summer and fall, and we are today at a position where we have agreed upon a framework, and we will be bringing legislation forward this session.

The Speaker: The hon. Member for Peace River, followed by the hon. Member for Edmonton-Gold Bar.

Edmonton City Centre Airport

Mr. Friedel: Thank you, Mr. Speaker. My first questions are to the Minister of Economic Development. Yesterday afternoon we all heard that the Edmonton Regional Airports Authority is going to shut down all scheduled passenger service at the downtown airport by the end of 2004. This is devastating news and a slap in the face for many northern communities that obtain services and do business in the city of Edmonton and, I would suggest, for many communities not so far north who support the capital city. To the minister: could he tell us if he or his ministry is aware of the negative economic impact that this decision might have on Edmonton and Alberta in general?

The Speaker: The hon. minister.

Mr. Norris: Well, thank you very much, Mr. Speaker. Before I give my answer, I would like to thank the hon. Member for Peace River for not only articulating so well the concern but for being a lead on this through the Northern Alberta Development Council, which has really, really been a strong voice for the north. Thank you for that.

Obviously, Mr. Speaker, the impacts of this decision that came out yesterday are devastating not only to Edmonton, the city of many of us, but to northern Alberta and all of Alberta. As far as quantifying the economic amount, it doesn't take rocket science to say that with the proposal of two pipelines coming through the north to Alberta, with some \$50 billion worth of projects in the oil sands, with the ongoing forestry industry that's booming, with the ongoing northern agricultural industry that's booming, that airport provides a hub to this city and to all of northern Alberta. To that end our department is going to be doing an economic impact study in the very short term to quantify the number.

Let me put it out very, very clearly. That airport services the north not only in the euphemistic gateway-to-the-north title but as a symbolic gesture to the north that (a) we understand where development is happening in Alberta and that (b) as long as we're the government, it's not going to close down.

Mr. Friedel: To the same minister, Mr. Speaker: given the far-reaching impacts of this announcement, should there be a role for the government of Alberta in this issue?

The Speaker: The hon. minister.

Mr. Norris: Thank you again, Mr. Speaker. To the hon. Member for Peace River, yes, obviously there should be a role. The airport authority is operating under the Municipal Government Act and the transportation act, and they do so at the willingness of the city of Edmonton, who is the landlord of that airport. But, clearly, it's got to a point now where the decisions that they are reaching do not coincide with the economic development plans for this province, they don't coincide with the economic development wishes for the citizens of Edmonton, and certainly they have absolutely nothing to do with the wishes of the north, which I've traveled extensively and heard over and over what an absolute jewel for economic development that airport is, what a convenience it is, and if it isn't there, guess what? They're going to Calgary. So we are going to do everything in our power as a government to get involved and deal with this issue.

2:00

Mr. Friedel: My final question, Mr. Speaker, is to the Minister of Aboriginal Affairs and Northern Development. Could she tell us if she or her ministry is aware of the impact that this announcement would have on northern communities in particular, considering that northern development is a part of her responsibility?

The Speaker: The hon. minister.

Ms Calahasen: Well, thank you, Mr. Speaker. First of all, absolutely. Northern Alberta, of course, is one of the best places to do work, and it is the next bastion of economic development in this province. We have minerals; we have mines; we have forestry. We have everything in the north. What we want to be able to see is Edmonton as our choice of city to work with, and either Edmonton is going to be a gateway to the north or it's going nowhere. So what we have to do is be able to find a solution to see that northern Alberta is the best place to work with and that they will see some solutions that they can find for this.

The Speaker: The hon. Minister of Municipal Affairs to supplement.

Mr. Boutilier: Yes, Mr. Speaker. Just to supplement, I want to say that I was very pleased to learn that the mayor of Edmonton, in fact, stated that it is his intention to have that airport open for the next 45 years.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Spruce Grove-Sturgeon-St. Albert.

Automobile Insurance Rates

Mr. MacDonald: Thank you, Mr. Speaker. Regarding auto insurance this government could be charged with a hit and run: hit consumers with large premiums, increases, skyrocketing bills, and then run behind closed doors with the insurance industry to discuss it. In fact, this government continues to discriminate against the citizens of Edmonton. This time the discrimination is against Edmonton drivers. Yesterday the Premier confirmed that discrimination against good Edmonton drivers by making them victims of bad government policy. My first question is to the Provincial Treasurer. What evidence does this government have that justifies this discrimination of Edmonton drivers with good driving records by forcing them to pay more for their auto insurance than other drivers in the province?

Mrs. Nelson: Well, Mr. Speaker, I don't like to break it to the hon. member, but the government is not the insurance company. We're not in the insurance business, unlike what they would like.

The industry has had a formula over the years that has determined how they set rates, and one of them was based on claims experience in four geographical areas within this province. We have said through this reform package that we want to review those and that we want to have some regulations come in so that Albertans have the best advantage in this country in having affordable, accessible, and comparable rates with other provinces. That's the move we're making, and I hope you'll buy into it, because obviously you're dissatisfied with the current system. So thank you for your support.

Mr. MacDonald: Your job is to regulate the insurance industry.

Now, given that the Consumers' Association of Canada study in September indicated that average auto insurance rates and costs in

Calgary and Edmonton are equal, the same, why continue to discriminate with this bad government policy against Edmonton drivers?

Mrs. Nelson: Well, I'm going to ask him to read the *Hansard* and get the answer from the last three times I've answered the question, Mr. Speaker.

Under our new system we will move away from any kind of discriminatory practices on that basis. That's what our announcement was today. We're going to go from four territorial areas to three. We will move Edmonton and Calgary closer together over those three years. Now, I would ask him the question: if, in fact, the claims experience had been the opposite, would he have the same feeling?

Mr. MacDonald: Again, Mr. Speaker, to the same minister. So you do admit that there is discrimination against good Edmonton drivers. What are the total extra costs to private vehicle owners in this city and also to businesses that register their vehicles and insure them in this city because of your bad government policy? What are the total costs to drivers and businesses in this city?

The Speaker: The hon. minister. [interjections] Actually, the Minister of Finance has the floor. She has been recognized.

Mrs. Nelson: Once again, Mr. Speaker, Edmontonians will not have any additional charges coming forward in this plan that anyone else won't experience. When he talks about good drivers, there are good drivers in Edmonton. There are a lot of good drivers in Edmonton. However, the cost of claims and the cost of claims over a number of years, which creates the claims experience, has driven up the premiums in Edmonton above what they were in Calgary. Now, it could very well have been the other way around.

With this plan we have, we've said that we don't want to be satisfied with that, so let's move away from that and put in place a system that has Calgary and Edmonton in the same geographical territory, and that will take away any kind of political play that this hon. member wants to put on a reality. So we are moving to a new system that takes away the fourth territory and cannot have us bantering whether it's a Calgary issue or an Edmonton issue. Clearly, what we're putting forward is a reform to benefit the people of Alberta, all of Alberta.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert, followed by the hon. Member for Edmonton-Glenarry.

Electricity Rates

Mr. Horner: Thank you, Mr. Speaker. Many of my constituents and small business operators in Spruce Grove-Sturgeon-St. Albert want to know more about what is happening in the electrical market as it relates to things like contracts, regulated rate options, forward purchases, flow-through pricing, competition, et cetera. The Minister of Energy announced some time ago that the regulated rates would be extended to protect consumers until a more heated small-user market materializes. So my first question is to the Minister of Energy. The regulated rate option has been extended for low-volume users of electricity. Why was this done, and how long will it last?

Mr. Smith: Mr. Speaker, the regulated rate option is a regulated rate that is put in front of the Alberta Energy and Utilities Board for approval. It applies to everybody who uses under 250,000 kilowatt-

hours per year. That small marketplace was scheduled to come under regulation under a different rate structure January 1.

The CFIB, the Canadian Federation of Independent Business, did quite an extensive study. We consulted with members and also consulted with companies across Alberta, and we found out two things. One was that they didn't like the idea of changing any rate structure in January. There's a much better time to change a rate structure, and that's June or July, when there's a little more time and a little bit more analysis can be put forward to making good decisions.

Secondly, Mr. Speaker, the decision on whether Direct Energy will be in the marketplace, as was brought forward in an earlier question, has not been finalized yet. Also, the marketplace wasn't ready to accept this full-blown competition option, so in fact we responded to what consumers asked for and we extended the regulated rate option until July of 2006.

The Speaker: The hon. member.

Mr. Horner: Thank you, Mr. Speaker. My first supplemental is also to the Minister of Energy. Given that one of the main issues in the Aquila/EPCOR area was high rate riders these past two years, will we see energy rate riders in 2004?

Mr. Smith: Well, Mr. Speaker, that's a very good question. What we do see is that there's no expectation of a rate rider in 2004 for the power used in 2003. Rate riders are generally for power gone past. Under the new regulated rate option structure suppliers are asked to hedge or buy long-term contracts for 75 percent of their power and only buy 25 percent of their power on the spot market. This will lead to a minimized requirement for any type of deferral account. So not only will we start to see deferral accounts drop off that were in the charges for the last two years and a published rate structure that shows lower rates; we're going to have reduced capability for rate riders as well. So Albertans in the Aquila/EPCOR network will have seen a reduction in their transmission rate, will see the drop-off of deferral accounts and a reduction in their energy charges.

2:10

The Speaker: The hon. member.

Mr. Horner: Thank you, Mr. Speaker. Given that the minister just mentioned that the companies will be allowed to hedge forward the purchases on the rate riders, is there any other situation which might arise that could also generate a rate rider?

Mr. Smith: Well, Mr. Speaker, there is one way that you can absolutely make sure you don't have a rate rider, and that's to sign a contract. So that could get you into something where you know exactly what you're going to pay and how much you're going to pay for it. Those contracts are around. The probability of a rate rider that I know of at this point would be minimal indeed. I think that we've seen a consumer market that has asked for changes. We've responded to those changes, and we're looking forward to a market that has a certain element of consumer protection in that marketplace.

Calgary Courthouse

Mr. Bonner: Mr. Speaker, in 2002 the U.K. Centre for Public Services produced a report on the impact of P3s in the criminal justice system. The report outlines the many failures of P3s including a decrease in the independence of the judiciary. Consider-

ing that the use of P3s to fund such projects is so high risk, the government owes it to the people of Alberta to reconsider its use of P3s to go ahead with the Calgary courts centre project. To the Minister of Justice: will the minister table any reports produced outlining the issue of loss of independence of the judiciary relating to the Calgary court centre P3 project?

Mr. Hancock: Well, last I looked on the Order Paper, there's a place for written questions and motions for returns with respect to asking for tabling of reports, and I believe that there may be a written question on there asking for tabling of reports now.

The bottom line though, Mr. Speaker, is the question in constructing a courthouse or any other public building through a public/private partnership or any other mechanism by which we can ensure that Albertans have the services they need and the facilities and infrastructure they need. The question is: who gets to make that decision, how is that decision made, and what are the important factors in that decision?

Clearly, we've looked very closely at how to make sure that we have the court facilities necessary in Calgary to serve the community of Calgary and the surrounding communities over the long term, the 35- to 50-year horizon. That's a very necessary project, but it's a project of such magnitude that we have to look at innovative ways to do it. In the P3 partnership process, which we've gone through very carefully over the last two years, putting out requests for qualifications, requests for information, requests for proposals, working through the process, we've always been cognizant of the risks that might be involved in that, but I can say with a great deal of certainty that the risk to judicial independence is exceedingly small.

Albertans know that the courts in this province and the courts across this country are independent and that the judicial tradition is one of independence and that there's no appropriate way for a government to interfere with the independence of the courts. They get to make their decisions without any interference from government. The fact that they're in a public building or a private building or a public/private partnership building makes no difference to that. The Court of Appeal of this province in Calgary is located in a private building now. Courts in Ontario are located in private buildings, courts in other jurisdictions are located in private buildings, and there's been no suggestion that the independence of the court has been compromised.

Mr. Bonner: To the same minister: is the province's P3 proposal for the Calgary courthouse the first step in the unification of the criminal court system in Alberta?

Mr. Hancock: Mr. Speaker, the two processes are entirely separate processes, and neither is necessarily dependent on the other. Obviously, having all three courts in the same building in Calgary will be of assistance if and when in the future we proceed to the concept of a single trial court. It's useful to have the facilities together even if we don't proceed with a single trial court because there's an opportunity to share both facilities and manpower resources when you have the courts aligned in that fashion.

So, no, the Calgary court project is neither necessary nor dependent upon a single trial court, but there are two processes, and I make no apologies for the concept that we're discussing the organization of the courts in the 21st century in this province and how we can best deliver court services and justice services to the people of the province of Alberta. But the two projects are not dependent upon each other.

Mr. Bonner: To the same minister: is this government more concerned with preserving a political monopoly through the P3 project than it is with preserving justice in Alberta?

Mr. Hancock: Mr. Speaker, that's a really ridiculous question. There has been no question throughout all the discussions we've had with all the stakeholders we've had that the most important thing we can do, starting from the justice summit in 1999, which was organized by my predecessor, where we learned that people were concerned about understanding the justice system, is have a justice system that was simplified and accessible and cost effective, and that's what we've been striving for. We've made incredible progress on that objective with all of the stakeholders that have been involved at the table. We took the steering committee from the justice summit, made a Justice Policy Advisory Committee. We've worked closely with them over the years to make sure that we achieve those objectives of access, lower cost, affordability, and that's what we've been striving toward. It has nothing to do with political power or political processes.

However, I will say that Calgary has suffered in terms of the delivery of justice services over the years because the court facilities in that community have been spread out, have not been accessible, and quite frankly are aged. There has been a problem with mold and other problems. So we've had to deal with that situation, and we've dealt with that situation in a very appropriate way and in a way which will make the city of Calgary and the surrounding area proud of the facility that they get and the services that they get.

The Speaker: The hon. Member for Lac La Biche-St. Paul, followed by the hon. Member for Edmonton-Ellerslie.

Police Services

Mr. Danyluk: Thank you very much, Mr. Speaker. Alberta municipalities are concerned about the types of crimes and level of police presence in their communities. There is a challenge to small communities when the costs of enforcement go up and budgets remain the same. In fact, there are some communities that are spending as much as 40 percent of their budgets on policing. To the Solicitor General: what is the government's participation in local policing, and can municipalities expect any funding assistance?

The Speaker: The hon. minister.

Mrs. Forsyth: Well, thank you, Mr. Speaker. The hon. member raises a good question and one that I know he deeply cares about in asking me the question. I met with him and members of his council this week.

Mr. Speaker, policing has become very complicated and a complex issue right across this province. Two and a half years ago when I met with mayors, we were talking about siphoning of gas in their communities or their mailboxes being smashed or some sort of graffiti on some of their machinery. Now when we speak with them, we are talking about meth that is hitting their communities, organized crime that is affecting them, and all types of serious incidents that are happening in their communities.

We are working through the process, and it is something that I am concerned about as well as many members here. I appreciate their patience. As I explained, it's very complicated, it's complex, but we believe that we have a solution. I hope that I have an answer for them very shortly.

The Speaker: The hon. member.

Mr. Danyluk: Thank you very much, Mr. Speaker. My only supplemental: given that crime, according to the Solicitor General, is becoming more sophisticated and rural communities are facing increased concerns over crime, can the minister tell the House the status of the Policing Review Committee report?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. Yes, I certainly can. This review, the policing review, has been going on for some time, and again I want to thank all of the members in the House for being patient, including all of the mayors in communities across this province. We have finally come to an agreement, the first time in 30 years, with the AUMA and the AAMDC, which represent 3 million people in this province. We have an agreement from them regarding how to deal with policing, and we're just going through the final process of government. Again, hopefully we'll have an answer for him very shortly.

The Speaker: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Edmonton-Highlands.

2:20

Energy Retrofit Program

Ms. Carlson: Thank you, Mr. Speaker. Toronto introduced the GreenSaver home rewards program in 2001. Ontario runs an Energy Star appliance rebate program. Saskatchewan has a variety of retrofit programs. The UBC has announced the largest energy retrofit in Canadian university history, and the Yukon runs a home repair program. What has Alberta implemented? The city of Calgary has implemented a toilet rebate program, the province nothing. My questions are to the Minister of Environment. Why does this government refuse to take significant action to protect Albertans' environment and resources through the implementation of a retrofit program for consumers and industry?

Dr. Taylor: Well, Mr. Speaker, she gives me a very good opening to talk about what the Alberta government is doing, and I thank you very much for that, hon. member. The Alberta government has done more than any jurisdiction, including the federal government, in this country. We're 9 percent of the population, and we have spent more money than the federal government on greenhouse gas emission reduction programs.

Just to give you an example, through the good work of the Minister of Municipal Affairs and the Minister of Finance we just recently committed a hundred million dollars . . .

An Hon. Member: How much?

Dr. Taylor: A hundred million dollars to the municipal energy efficiency program, Mr. Speaker, which will allow municipalities to redo new buildings or old buildings to make them energy efficient. That's just one program. I'd be happy to elaborate on others if the member would like me to.

Mr. Lund: Mr. Speaker, you know, the Alberta government has led the way in retrofits. Back in '96-97 we implemented a retrofit program, the energy retrofit, where we had the private sector come into agreements with the province. They paid for the retrofit, and then through a contractual agreement they got their money back out. That has decreased our energy costs by a considerable amount.

I must also comment about the fact that the Alberta government has signed a contract for green power. Ninety percent of our

electricity will be green power. So if the hon. member is suggesting for one moment that this government isn't leading the way in eliminating greenhouse gasses, I think she has just been asleep, or maybe she's been paying too much attention to that Liberal leadership.

Ms Carlson: Mr. Speaker, none of them can listen to the question. The question is: when are we going to get a retrofit program that benefits consumers in this province?

Dr. Taylor: Once again, Mr. Speaker, we have done that already. We are benefiting consumers through the MEET program, consumers that belong to municipalities. All of us, including the member, belong to some municipality, I think. It might be outer space, but it's still there. So we are already doing this. I can go on.

I might just add that the Kyoto target was to have emissions 7 percent below 1992 levels. This government has reduced its emissions by 22 percent below 1992 levels, bigger than any government, including the federal government, in the country.

Ms Carlson: Mr. Speaker, I've got to spell it out for them. When are consumers going to be able to access a rebate program or an interest free program so that they can retrofit their homes so they can lower the cost of consumption in their houses?

Dr. Taylor: Mr. Speaker, once again, I've indicated a number of alternatives. I will indicate a third alternative. We have a group called Climate Change Central. We have in that group an office called the office of energy efficiency, which is funded by the Department of Environment in this government. What we have is that the office of energy efficiency is designed to work with consumers, to help them and advise them on programs that can save money. So for a particular interest, if you have an older furnace in your home and you replace that furnace, the payback period to you as a person is seven years. You'll pay for your new furnace in energy savings in seven years. That's what the office of energy solutions is about at Climate Change Central, and that is where the consumer will be dealt with.

The Speaker: The hon. minister to supplement.

Mr. Boutilier: Yes. On the issue of the consumer, how we connect it to consumers is in this way. If you have a child that plays hockey, if you have a child that swims, in terms of the hockey arena or in terms of the swimming pool this \$100 million is going to be used for retrofitting those types of facilities that help consumers.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for West Yellowhead.

Electricity Rates (continued)

Mr. Mason: Thank you very much. Mr. Speaker, the Baghdad Bob of deregulation strikes again. Yesterday in this House the Minister of Energy suggested that deregulation had high power rates on the run. He made this astounding claim on the same day that Enmax customers saw an 8 percent increase in distribution charges approved by the EUB on top of another 11 percent to the regulated rate option that's also been requested by Enmax. If that wasn't enough, ATCO electricity customers have seen their rates go up by roughly a third since April. Why did the minister tell the House that power rates are

going down when further increases, in fact, are being considered and approved as we speak?

Mr. Smith: Because, Mr. Speaker, unlike other parties in this Legislature I tell the truth.

Mr. Mason: Well, thank you very much for that enlightening answer.

Mr. Speaker, given that rates in two major service areas have been moving upwards, will the minister now listen to his own advisory council and admit that it was unrealistic all along to expect that deregulation would bring lower electricity prices?

Mr. Smith: Well, Mr. Speaker, I would challenge the member to determine how you would have lower electricity prices in 2004 when in fact it took 14 years under the regulated model to create the last approved coal-fired generating facility. In fact – and this is the NDS' solution – you wouldn't have to worry about the price of electricity today because there wouldn't be any electricity.

When you're the fastest growing economic jurisdiction in North America, you have to respond. Now, there are two ways. You can either, as we have in Alberta, deliver 45 percent more power in the last 10 years so that we can have the fastest growing economic jurisdiction in North America or you can take the New Democratic approach, and that's choke off economic growth, stifle it, put it down, put it to death, make sure there's no growth, add the debt, make sure people aren't working, increase all your unemployment insurance payments, increase all your welfare payments, and there you have it: B.C. or Manitoba.

Mr. Mason: Mr. Speaker, I would like to ask the minister whether or not he is prepared to apologize to this House for misinforming us about the direction of electricity prices as well as, as we just heard, the causes of the problem.

Mr. Smith: I will continue to tell the truth, Mr. Speaker, as long as he continues to prevaricate.

The Speaker: The hon. Member for West Yellowhead, followed by the hon. Member for Edmonton-Mill Woods.

Softwood Lumber Trade Dispute

Mr. Strang: Thank you very much, Mr. Speaker. It is my understanding that last week the federal government sent a response to the most recent U.S. industry proposal for a possible interim solution to the softwood lumber dispute to the U.S. Department of Commerce. Residents and workers in my constituency have a great interest in the details of this proposal since the forestry industry is among the primary industries in West Yellowhead. My question is to the Minister of International and Intergovernmental Relations. Could the minister advise how close we are to arriving at an agreement in the dispute given that the decision towards an interim solution appears to be on again?

Mr. Jonson: Mr. Speaker, certainly I am well aware of the importance of this issue being resolved to the hon. member's constituency or for that matter to every part of the province which is dependent upon the forestry industry and particularly the softwood lumber industry.

Mr. Speaker, the recent proposal put forth by the Canadian side was a response to a previous position held by the U.S. industry which came forth in October. It's the nature of this whole process

that we are moving toward, I hope, a solution in the fairly near future, but it is a very complex issue, one which requires give-and-take on both sides. Certainly, every effort is being made to reach a long-term solution in this particular case. We would not advocate here in Alberta that in any way we reject proposals outright, and we hope, of course, that the Americans will continue to look seriously at our proposals as well, and I'm hopeful of a resolution.

2:30

Mr. Strang: My first supplemental question is to the same minister. The federal government's counterproposal suggests a hard cap on export of softwood lumber amounting to 32 percent of the U.S. market share. What is Alberta's position on this figure?

Mr. Jonson: Mr. Speaker, the member is quite correct here I think. The position that we're in right now is that Canadian and U.S. government officials developed a framework for an interim agreement this past summer which proposed a hard cap of 32.5 percent. That is, softwood lumber exports would be subject to export permit fees until the total amount of lumber exported exceeds 32.5 percent. It sounds like it's a very small difference, but this still translates into millions of dollars.

The U.S. industry proposal last month proposed a hard cap at 30.5 percent. That figure is simply too low to be acceptable to the Canadian government and to industry, so Canada's counterproposal is 32 percent with respect to market share. We believe at this particular point in time that from the Alberta industry's point of view it would be fairer to have a market access of 33 to 33.5 percent. This is our traditional market share and seems to be a reasonable share of the U.S. market, and we feel that should be maintained.

The Speaker: The hon. member.

Mr. Strang: Thank you, Mr. Speaker. My second supplemental question is to the same minister. The minister has talked in the past about the draft policy by the U.S. which could pave the way towards a long-term solution in the future. Can the minister provide an update about the status of this bulletin?

Mr. Jonson: Mr. Speaker, it is our understanding that progress is being made in terms of developing this policy bulletin. Certainly, there is built into that policy bulletin, we understand, a number of conditions, but there has been, I think, considerable progress in making the bulletin one which may be acceptable to both sides. The situation right now is that we are waiting for the officials in the United States to complete that particular document. We are hopeful that that will be available in the next number of months and we will be able to get down to evaluating it. Hopefully, it will be the basis for opening the border again with respect to softwood lumber.

Recognitions

The Speaker: The hon. Member for Wainwright.

Allan Johnstone School

Mr. Griffiths: Thank you, Mr. Speaker. It is an honour today to recognize and extend congratulations to the students of the grade 5 class of Allan Johnstone school in Hardisty, Alberta. Led by their teacher, Jerry-Lynn Burden, all 11 students of the grade 5 class painted pictures and wrote text that were compiled into a book entitled *Standing Guard: Through the Eyes of the Sentinels*. That compilation was submitted to the Kids Are Authors competition sponsored by Scholastic Book Fairs. The book recounts the story of

grain elevators from their first appearance on the prairies to their sentinel stature in every small town across the land and, finally, to their current slow disappearance from prairie towns.

Out of hundreds of entries across Canada these grade 5 students won first place, grand prize honours for the entire nation. The students are Dayton Buelow, Megan Granger, Jayden Mowbray, Alex Drager, Meaghan MacKinnon, Tianna Thompson, Aaron Wasserman-Bitzer, Jessica Drozdowski, Taiten Maclean, Chantalle Striga, along with their outstanding teacher, Jerry-Lynn Burden. You've done your community and our province proud. Congratulations.

Peter Papasideris

Mr. Lord: Mr. Speaker, Calgary-Currie is certainly the constituency of champions, and I'd like to tell you about yet another one of them. Peter Papasideris opened his corner beauty salon in our district in 1972. Not many people ever knew that our quiet little Greek barber is also one of the greatest long-distance rifle marksmen alive today, a man capable of hitting dead centre bull's-eyes at distances up to 1,000 yards.

Peter joined the King's Own rifle regiment in Calgary in 1967, winning three gold medals in the centennial that year. He quickly took silver at the nationals and since then more than three dozen other medals and trophies worldwide as a member of Canada's national team. Individually he took Queen's silver in England against 1,600 of the world's best shooters in 1983, silver again at St. George's in 1992, and, finally, the gold at England's famous Clement-Smith match, posting three perfect dead centre bull's-eyes at 500, 550, and 600 yards respectively. Peter has been asked again to join Canada's national shooting team next year as well as represent Greece in the next Olympics. Not bad for a 68-year-old soft-spoken hairstylist, the only person in the world to win the Des Burke award twice. He's also in the Canadian shooting sports Hall of Fame, although he can't seem to get into Alberta's yet.

Congratulations, Peter. Calgary-Currie is proud of you.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Mill Woods.

J. Percy Page High School

Dr. Massey: Thank you, Mr. Speaker. Today I would like to congratulate J. Percy Page high school on being recognized by Canada Schoolnet as one of Canada's innovative schools in 2003-2004. The recognition is for leadership, commitment, and success in the innovative integration of information and communication technology to improve learning. The telelearning programs at Page are made possible through partnership with Shaw Communications, Netera Alliance, the Galileo Network, and Canarie.

Tapping into Canada's high-speed communications network students and teachers at the school use videoconferencing to connect in real time with peers and experts around the world. Students have participated in conversations with their counterparts in Switzerland, Ireland, France, and Germany as well as at home here in Canada. Research, multimedia presentations, and consultations are the heart of those conversations. The school looks forward to even new learning opportunities that will be available in the spring of 2004 when the school opens their new telelearning centre.

J. Percy Page owes the success to the work of an outstanding professional staff and a student body intent on seizing the moment to become a cutting edge leader in telelearning.

Thank you.

The Speaker: The hon. Member for Edmonton-Highlands.

Edmonton School Lunch Program

Mr. Mason: Thank you, Mr. Speaker. I'm very happy to rise today and recognize the 10th anniversary of Edmonton's school lunch program, a program of the Edmonton City Centre Church Corporation. Beginning in November 1993 the program that struggled with limited resources managed to feed 300 children in two schools. Currently one in five children in Edmonton lives in poverty, so the program has expanded to feed 2,200 children in 11 elementary schools a hot nutritious lunch.

In addition to making sure these children have full tummies, this program also offers a nutritious snack midmorning to 6,400 children in 32 elementary schools. It runs a breakfast club for junior high students, a young chef's program to teach children to cook, and operates a collective kitchen for adults.

I applaud the hard work of Martin Garber-Conrad, executive director of the Edmonton City Centre Church Corporation, and Jasmine Hoeven, program manager, as well as all the hardworking staff and volunteers who work to feed the hungry children in our communities.

The Speaker: The hon. Member for Wetaskiwin-Camrose.

2:40

City of Wetaskiwin

Mr. Johnson: Thank you, Mr. Speaker. It's my pleasure to rise today and recognize the city of Wetaskiwin, which won the Communities in Bloom national award for the population category of 10,000 to 20,000 and the GLAD Tidiness Effort national award. The community of Wetaskiwin is extremely proud to be given this honour, and on October 30 the city had an awards ceremony to recognize the many volunteers, businesses, and organizations that participated in the Communities in Bloom program over the past five years.

The Communities in Bloom award is given to communities that are committed to fostering civic pride, environmental responsibility, and beautification through community participation and the challenge of friendly competition. The reward was foreshadowed by the receiving of the GLAD Tidiness award, which is given to the tidiest community. Receiving this award is a great honour but not totally a surprise, as many visitors to Wetaskiwin remark on how pretty and clean the city is.

Congratulations, Wetaskiwin, for good work and these outstanding accomplishments.

Thank you.

Dr. Harvey Woytiuk

Mr. Danyluk: Mr. Speaker, it's an honour for me to recognize Dr. Harvey Woytiuk of St. Paul, who was recently named Alberta's family physician of the year. Each year the College of Family Physicians of Canada presents these awards to outstanding family doctors in each province for their embodiment of all that a family doctor is meant to be: a caring, compassionate, and skilled personal physician committed to the health and well-being of their patients and community.

The Lac La Biche-St. Paul constituency is indeed privileged to have Dr. Harvey Woytiuk serving the area as one of Alberta's many rural physicians who exemplify these traits. The balance between professionalism and personal life in small towns can be challenging, and I can personally attest to Dr. Woytiuk's professionalism when it comes to treating his patients. No matter how reluctant the patient,

Dr. Woytiuk is ever ready with sound advice and direction, minus the sugarcoating, when dealing with hard-core resisters like myself.

Thank you, Dr. Woytiuk, for your tireless dedication to the wellness of your patients and community, and congratulations on receiving this well-deserved reward.

Kelsey Trach

Mr. Snelgrove: Mr. Speaker, it's a great pleasure for me today to rise and recognize a young lady and her family from the Vermilion area. With the devastating loss of her mother, Patricia, who succumbed to cancer this past April, Kelsey Trach was motivated to raise funds for support programs for cancer victims and medical research in hopes of a cure. Kelsey's story is proof that if you have the desire, one person can make a difference.

In conjunction with the Canadian Finals Rodeo Kelsey decided she would like to raise \$1,500 for the Canadian Cancer Society by making a trip to the CFR, from Vermilion to Edmonton, by horseback. The task was a natural fit as Kelsey's mom loved to watch her ride. Kelsey's sincere and humble goal generated a tremendous outpouring of support from her family, friends, and community and even strangers who stopped to support her along the way. With the assistance of her father, Peter, and after a five-day horseback ride in abnormally cold temperatures Kelsey arrived at Skyreach on time, having raised over \$15,000.

I'm honoured to recognize this amazing 16 year old who simply wanted to give back in her mother's memory. On behalf of the members of this Assembly I offer our sincere congratulations. We are honoured to have both Kelsey and her father, Peter, with us today.

The Speaker: Hon. members, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(reversion)

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you very much, Mr. Speaker. I have the honour of introducing to the House four University of Alberta students who have worked very hard to generate public debate on Bill 43, focusing, naturally, on their primary concerns, dealing with removal of the tuition cap, the minister's power grab to be able to intervene in student affairs at the university, and centralization of power in his hands. These students are Zita Dube, Sara Katz, Tara Narwani, and Chris Samuel. I believe they're sitting in the public gallery. I'd ask them to rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. Earlier today during question period we were joined in the public gallery by 16 grade 6 students and their instructor, Mr. Szott, from l'école Grandin school in my constituency. I was watching them watch the proceedings, and they certainly seemed engaged. I look forward to talking with them later, and I hope you will join me in recognizing their attendance in the Assembly.

Thank you.

head: **Presenting Petitions**

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'm pleased to present with your permission 1,077 Albertans who petition the Legislative Assembly

to significantly amend Bill 43, the proposed Post-secondary Learning Act, such that the tuition fee policy be included in the legislation, and urge the Government of Alberta regulate tuition levels in a manner consistent with the principles of affordability and accessibility.

Thank you.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I have a petition signed by 1,000 Albertans for a "province-wide moratorium on confined feeding operations (also known as 'factory farms')." "

head: **Introduction of Bills**

The Speaker: The hon. Minister of Municipal Affairs.

Bill 46

Municipal Government Amendment Act, 2003

Mr. Boutilier: Well, thank you very much, Mr. Speaker. I request leave to introduce Bill 46, the Municipal Government Amendment Act, 2003.

The bill includes provisions to confirm the authority of municipalities to collect off-site road levies as a condition of subdivision or development to help offset some of the transportation-related costs that come with new growth, and there's lots of new growth here in Alberta.

The bill also expands the liability protection of municipal boxing and wrestling commissions to cover other combative sports and the commissions and officials acting in good faith. [interjection] Question period is not part of that.

Finally, the bill adjusts the effective date for commencing the improved equalized assessment reporting process as outlined in Bill 23, the Municipal Government Amendment Act, of 2002. This will allow municipalities more time to prepare for transition to the improved reporting system.

Mr. Speaker, the bill in this proposed enabling legislation is based on consultation with municipal stakeholders and is a product of the minister's council on roles, responsibility, and resources, that three members of this Assembly also belong to.

Thank you, Mr. Speaker.

[Motion carried; Bill 46 read a first time]

The Speaker: The hon. Minister of Revenue.

Bill 47

Tobacco Tax Amendment Act, 2003 (No. 2)

Mr. Melchin: Thank you, Mr. Speaker. I request leave to introduce Bill 47, the Tobacco Tax Amendment Act, 2003 (No. 2).

This bill amends the existing act to reflect a reduction to the cigar tax rate. These were previously announced effective August 1 of this year. All tobacco taxes were increased in Budget 2002, and while other provinces followed suit with cigarette and loose tobacco tax rate increases they did not do the same with cigar rates. This amendment will more closely align the rate with surrounding provinces. The new rate in no way represents a backing off on the commitment of this government's high tax strategy to discourage tobacco use. The new rate still represents an increase in cigar taxes from the 2002 levels.

Other changes included in the bill address administrative concerns, and all have been addressed and discussed with the tobacco industry.

Thank you, Mr. Speaker.

[Motion carried; Bill 47 read a first time]

The Speaker: The hon. Minister of Innovation and Science.

2:50

Bill 48

Alberta Heritage Foundation for Science and Engineering Research Amendment Act, 2003

Mr. Doerksen: Thank you, Mr. Speaker. I'm pleased to stand and request leave to introduce Bill 48, the Alberta Heritage Foundation for Science and Engineering Research Amendment Act, 2003.

The bill is a result of recommendations from the Auditor General of Alberta to clarify the meaning of the term "real value of the Endowment Fund over the long term."

[Motion carried; Bill 48 read a first time]

The Speaker: The hon. Minister of Health and Wellness.

Bill 52

Health Professions Amendment Act, 2003

Mr. Mar: Thank you very much, Mr. Speaker. I beg leave to introduce Bill 52, the Health Professions Amendment Act, 2003.

This bill would establish changes to how health professionals, professional colleges, and government collect and share necessary health information. These amendments will give regulatory colleges the authority to collect and provide information to government and for government to release that information. Other amendments will balance the need to collect and release information with the need to protect privacy.

Thank you, Mr. Speaker.

[Motion carried; Bill 52 read a first time]

head: **Tabling Returns and Reports**

The Speaker: Well, Member for Edmonton-Highlands, you can start off quickly, briefly.

Mr. Mason: Thank you, Mr. Speaker. I have two tablings today. The first is an Enmax news release dated October 2, 2003, regarding their application to the EUB requesting a tariff increase. If approved, typical residential bills for customers served by Enmax in 2004 will increase by 11 percent to about \$75 per month from the current average of \$68.

The second one is a letter from Brett Bergie, the provincial director of ACTISEC, and he indicates that he's "concerned and outraged at the Premier for traveling instead of doing his job." He has enclosed a page from the popular children's book *Where's Waldo?* so that we can play "Where's the Premier."

Speaker's Ruling

Referring to the Absence of Members

The Speaker: Hon. members, I'm going to refer all hon. members to *House of Commons Procedure and Practice*. There's not going to be a backdoor way of doing something you cannot do through the front door. I quote from page 522:

It is unacceptable to allude to the presence or absence of a Member or Minister in the Chamber. The Speaker has traditionally discour-

aged Members from signaling the absence of another Member from the House because "there are many places that Members have to be in order to carry out all of the obligations that go with their office." This is time-honoured, and there's not going to be a backdoor way of doing something you cannot do by walking through the front door, and I will not allow such tablings in the future.

The hon. Member for Edmonton-Strathcona.

head: **Tabling Returns and Reports**

(continued)

Dr. Pannu: Thank you, Mr. Speaker. I've got three tablings. The first one is a document prepared by Cambridge Strategies Inc. Its title is Alberta Bill 43: Post-secondary Learning Act, and their analysis leads them to claim that this act centralizes and concentrates power in the hands of the Minister of Learning as never before.

The second tabling, Mr. Speaker, is a copy of a letter that was sent to me by Tim Belec from Drayton Valley in which he expresses very serious concerns about Bill 43 and also urges the government and the Minister of Learning to adequately fund K to 12 education.

The last one, Mr. Speaker, is a news release dated November 18, 2003, from Action for Education, a parents group in Edmonton which is seeking to make sure that the government implements the recommendations of the Learning Commission.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'd like to table a selection of letters that were written by young voters at a get-political party that I hosted on November 8 at Azimuth Theatre. I'm tabling the appropriate number of them. The first is from Jennifer Spencer, who is commenting on tuition fees and debt and the need for all socioeconomic levels to be able to access postsecondary education in Alberta.

The second is from Joe Vanderhelm, who writes his concern with Bill 43: the ability to dissolve student unions and the removal of tuition caps.

The fourth letter is from Nicole Schafenacker, who expresses concern with Bill 43 and asks that the Minister of Learning help them to strengthen themselves with education.

Finally, a lengthy letter from Mark Henderson talking about, among other things, deregulation of tuition, which will limit and "crush the dreams" of many bright Albertans.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Speaker. My first tabling is a pair of lab test results for toxic molds at the Holy Cross hospital dated July 2001 and August 2001 and detailing extensive issues with toxic mold, the lab test paid for by the Department of Infrastructure.

My second tabling is five copies of an article regarding the health personnel restraints in Bangladesh. Yesterday the Premier seemed incredibly concerned that the MLA for Red Deer-North would be heading to a country with only one doctor. As the Premier said, "There is only a clinic and in the whole country one doctor . . ."

The Speaker: Hon. member, we're into tablings. Get on with it. Table the document, and let's move on.

The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you, Mr. Speaker. With your permission I would like to table the appropriate number of copies of a study

prepared for the Parkland Institute by Lisa Prescott. It's titled Unaccountable: The case of Highway Maintenance Privatization in Alberta. In this report she goes on to compare the current privatization of the primary highway maintenance system in the province with the previous government-run program in the province of Alberta and the major difficulty she encountered in trying to make a comparison over which system was cheaper.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I have two tablings this afternoon. The first is on behalf of a constituent. It's a letter that David Masluk from 50th Street wrote on October 30, 2003, and this is a message he's sending in regard to the Learning Commission recommendations.

The second tabling I have this afternoon is the Alberta Liberal Plan for Public Auto Insurance, because everyone needs to know "there is an alternative to skyrocketing auto insurance rates."

Thank you.

The Speaker: The hon. Member for Wetaskiwin-Camrose.

Mr. Johnson: Thank you, Mr. Speaker. The Alberta Alcohol and Drug Abuse Commission as an agency of the government of Alberta reporting to the Minister of Health and Wellness contributes to the health and well-being of individuals, families, and communities in Alberta. The commission continues to provide leadership in delivering services that assist Albertans in achieving freedom from the harmful effects of alcohol, other drugs, and gambling. Today it's my pleasure to table AADAC's 2002-2003 annual report. This report summarizes the activities and achievements of the commission over the past year.

Thank you.

The Speaker: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Speaker. Today I'm tabling five copies of six letters written by members of the Red Deer community including the mayor of Red Deer, Gail Surkan; Councillor Morris Flewwelling; chairman of the Catholic school board, Gord Bontje; and other community leaders asking that the government help to protect and preserve the heritage of our province by rebuilding and restoring the beautiful and historic Michener Administration Building, that was struck by lightning and set on fire on June 18 of this year.

Thank you.

The Speaker: Well, the chair would like to table the appropriate number of copies of a memorandum from the hon. Member for Lac La Biche-St. Paul requesting that Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003, be given early consideration in Committee of the Whole.

Privilege

Contempt of the Assembly

The Speaker: Hon. members, yesterday we had an initial presentation with respect to a Standing Order 15 application. I indicated today that we would be recognizing the hon. Minister of Infrastructure and additional participants if they wish to participate.

3:00

Mr. Lund: Thank you, Mr. Speaker. Responding to this accusation

today, I will clearly show that my answers were consistent when he asked the questions. I will show that the answers were accurate when I answered the questions. I also would like to put the whole thing in context and draw to the members' attention how extremely important it is when we're dealing with issues like a situation where we're taking testing that the tests be complete and be accurate, because putting out in the public things that are not accurate just really creates nothing but misinformation. It can be construed in the wrong way. It creates nothing but havoc.

Starting on May 12, we had involved ourselves in trying to find a location to house the Court of Appeal in Calgary. There was a mold issue that had caused us to have to vacate the building, so we were trying to find a location to house them. This was started back in '01 – actually, they vacated in January – and through the whole process we were looking at a number of facilities. Of course, it was extremely important that whatever building we selected – there were a number of criteria, but one of them was air quality. The justices needed to have what they deemed superior air. So that was a real concern.

One of the buildings that we looked at was the Holy Cross hospital. Starting on May 12 in this Legislature, the Member for Edmonton-Riverview was asking questions relative to the testing and the mold situation in the Holy Cross. I'm not going to read the whole question and/or answer but just the portions that relate to his question relative to the Holy Cross.

His first main question on May 12 as recorded on page 1569 of *Hansard* reads: "Why have tests for mold at the Holy Cross [hospital] never been made available to the public?" My answer was:

The Holy Cross did not measure up in some other areas, so in fact I'm not even sure if the study was ever completed on the air quality, because there were other issues that determined that in fact that wasn't a suitable location for the Court of Appeal.

First supplementary: once again the member asks about and talks about the difficulty in what molds could cause, and he says, "Will the minister immediately release all test results for mold at that site?" My answer:

I just indicated that before the testing was completed, we had abandoned that site as a possible site to house the Court of Appeal. . . I'm not even sure that the air quality report was ever completed, and if it was, I'm not sure where it's at.

I never did see that report.

Then moving on to May 13, page 1621 of *Hansard*, again in the member's lead question he asked, "What policies does the Department of Infrastructure have for responding to buildings that test positive for these molds?" I won't go through the whole answer, but relative to the testing that this is all about I answered:

We do not know [when] the process started. I don't believe it was ever completed. We do not have in our possession, as far as we can determine, any final results relative to the testing on that site.

Mr. Speaker, I think it's important that I add in here that, in fact, because of what happened on the Monday, we started a process internally to try and find out if there was anything in the department. I still hadn't had anything by the time of the question period on this particular day.

The member then in his supplementary makes some comments that I had sidestepped the question, so I answered again:

Mr. Speaker, as I indicated, we cannot find any final results. As a matter of fact, as I said earlier, there has to be a lot of testing done in order to determine if there is a toxic mold.

Then in the next supplementary the member once again asks a question:

Given that sitting on the results of the tests for mold at the Holy Cross vastly increases the legal liabilities to this government, why has the department chosen to sit on the results, or have they simply [lost them]?

My answer partially was: "As far as this building was concerned, we never completed because there were other issues that came up that ruled out this particular building."

Then on the 15th, which is the Thursday – and this is the day that I tabled what we had received from the department on the 14th. Incidentally, I tabled the results that the member today, as far as I can understand from what he said – and I don't have it in front of me. I take it it's the same thing as I tabled back on the 15th. He once again in his main question asked, "What [has he] learned about his department's testing for toxic mold at the Holy Cross hospital?" There was an interjection, so we go on down to the comment that relates directly to the testing: "The fact is that I told the member on Monday and I told him again on Tuesday that the testing that was started in the Holy Cross hospital was never completed."

In a supplementary he asks again about being in possession of "any lab results that speak of toxic mold at the former Holy Cross hospital." The answer, again, was: "To do an air quality test, and clearly, as this shows, the tests were never completed."

Now, Mr. Speaker, as part of that filing that day – I've got what was filed here. Yesterday in the member's comments it was quite interesting how he selectively chose certain parts to read. So I will fill in the parts that he didn't read and also what he did read. From April Turnbull within my department – the response that came to us is dated May 14, 2003. It starts off:

Mr. Lee, I am sending this on behalf of Sandy Fisher, Alberta Infrastructure.

We are looking for any information you have on any testing you conducted at the Holy Cross Hospital that involves mould.

We have the one paper dated August 2001 that you sent our office (includes Petro Canada [building] and Bankers Hall tests).

We would really appreciate it if you could call Sandy Fisher . . . and let him know what, if any, additional information you have regarding the above.

Then Tang Lee e-mails back:

Enclosed is the report from the Microbiological laboratory that was completed on October 24, 2001. The XL file is for bacteria and the Word file is for the fungi and bacteria.

Sandy Fisher is aware that I did not complete our report for the Holy Cross Hospital as the decision was made for the Court of Appeal not to move into this building. I have a partial very rough draft of this project and will proceed to complete it if so instructed.

I must tell you, Mr. Speaker, that, in fact, we had made the decision back in late July, early August not to proceed to this site. So, as a result, this testing was not complete, but I think it's important at this point to point out that because we were concerned about the issues the hon. member was raising, we actually took this report that was sent to us on May 14 – that was the first time that we saw it – and we sent it to a lab, Golder Associates, to have it analyzed.

3:10

Basically, in the conclusions they say:

Based on our review of the data provided, and taking into consideration the points listed above . . .

It's two pages, so I'll file it so that it can be seen by others.

. . . there is not enough information provided by the assessment to draw a conclusion on the state of the air quality in the Main and 7th Floor at the Holy Cross Hospital.

This is where the testing had occurred.

To address these concerns would require a comprehensive visual investigation, potentially including semi-destructive testing, conducting interviews with the building operators, gathering historical information regarding past history of water-intrusion events, and completing an inspection of the HVAC systems as a minimum. Following the results of the observations during the

visual inspection, a sampling strategy (including surface, bulk, viable and non-viable airborne fungi samples) could be prepared to assist in [addressing] the impacts of potential fungi in the building and the quality of the air.

That's one of them.

Then I've got a copy of a letter that was sent to the owners of the building from Carrier Environmental Consulting. I'll read it.

As requested by Enterprise Universal Inc. at the Holy Cross Centre, Carrier Environmental Consulting Inc. completed a review of past . . . (fungi) investigations conducted by Jacques Whitford Environmental Limited and Mr. Tang Lee from the University of Calgary. The sample results conducted under the direction of Dr. Tang Lee in July of 2001 did not indicate sample locations, type of fungi species [determined], sample technique and whether indoor or outdoor samples were completed. The report is therefore considered inconclusive and can not be considered to be relevant in indicating a sound representation of the evaluation of microbial contamination. Jacques Whitford conducted an investigation . . . in the 1967 building of the Holy Cross Centre in September of 2001. On reviewing the results and conclusions of the Jacques Whitford report it is the opinion of Carrier Environmental Consulting Inc. that the results did not indicate fungi contamination.

As well, Mr. Speaker, in the package we did have this report from August. This one was sent, but it was a preliminary report that dealt with the Holy Cross – it was dated August 29, 2001 – with the very heading “Indoor air quality assessment of alternative facility for the Calgary Court of Appeal, Interim summary.” When we go over to the section dealing with the Holy Cross, we read:

Many areas of this former hospital had been vacated for several years. It had previously been occupied by hospital beds, kitchen, cafeteria, etc. Presently the area being considered for [the government of Alberta] is being demolished which can affect . . . air quality sampling.

That, I think, is extremely important. It does go on to talk about some things that they have found.

One of the things that the member made a lot of talk about and emphasis on yesterday was the TNTC, which is the too numerous to count. Mr. Speaker, those can be dust particles, they can be bacteria, they can be a number of things other than fungi, so one should not get carried away just because you see TNTC beside a reading.

I want to read another couple of paragraphs.

There is a clear lack of maintenance of this facility but that may be due to a lack of tenants. Bird droppings were found near the air intake, on the roof and inside the stair penthouse (due to a broken window that permitted birds to enter).

If the [government of Alberta] is contemplating this building for occupancy then a considerably more extensive examination of the facility is required. As it is now, it is not suitable for occupancy [by the government].

Mr. Speaker, by this time we had decided that that was not an area that we were going to pursue.

The member went on yesterday in Hansard Blues – and I must apologize that I just got this off the Blues, so I don't have the exact numbers. His leadoff to the question or point that he was making says, “Is the minister saying that his department has never had possession of positive tests for toxic mold at the Holy Cross hospital?”

Then my response, Mr. Speaker. As I pointed out in the area, quoting from *Hansard* before, “The fact is that when we were looking at locations to house the Court of Appeal, the Court of Appeal asked Mr. Tang Lee to do an air quality test, and clearly, as this shows, the tests were never completed.” That was the part that I filed on May 15, that was the part that the member filed also yesterday, and today I believe he filed the numbers. But, in fact, it clearly shows on the cover sheet that the tests were not complete.

Now, going on from yesterday, the member says that it is absolutely clear that the minister did, in fact, have the test

results at his disposal. In the words of the e-mail . . .

And he's referring to the one that he filed yesterday.

“ . . . the report from the Microbiological laboratory [that] was completed on October 24, 2001.” Completed, Mr. Speaker, a [full year] before I asked the question.

That is absolutely not the case, Mr. Speaker. The author and the people that did the testing clearly state that that was not a complete test. They did a preliminary. Here again I have to emphasize how extremely important it is that we do not mislead the public with putting out information that is not complete. Test results in the first instance were as much just visual as opposed to actual tests. When they're not complete, it can really send the wrong message.

Mr. Speaker, yesterday when the member went on talking about the minister having this information earlier, the fact is that May 14 was the first that we had this, and Tang Lee, the author, clearly says that he had not sent it.

The member went on quite a bit yesterday talking about some e-mails from Fruman, one of the justices. She had toured the building and was talking about the situation, the way she felt. Yes, I toured the building myself, Mr. Speaker, and, yes, it was moldy, and it had a musty smell to it, but the fact is that without the proper diagnosis you do not know the level and what types of molds are in there.

Going on to some of the other areas, the member claims that there are a lot of, once again, TNTC strips, which means too numerous to count. But those are contaminated strips. They don't necessarily mean mold, and in some of the results that I've seen in other areas, that is a very difficult issue.

3:20

I want to take the opportunity to read into the record a fax that we got from Tang Lee. This is dated May 29, 2003, so it was after the House had adjourned. It says:

Hello Mr. Bob Smith;

Thank you for taking time from your busy schedule to come down to Calgary to discuss the air quality examination of the former Holy Cross Hospital building with me and Sandy Fisher. As you know, we did not complete our air quality report on this project as a decision was made to seek another site for the Court of Appeal.

In examining my files and e-mail correspondences, it is clear that I had kept both Alberta Infrastructure and Alberta Justice apprised of our examination, but we did not send them any microbiological laboratory report until I was contacted by Ms April Turnbull on May 13, 2003.

Mr. Speaker, that's what we've been saying all along, and that was confirmed by Dr. Tang Lee.

We had only submitted an interim summary dated August 29, 2001.

And that's the one I read portions of, and quite frankly that didn't tell us anything, as was confirmed by others that have looked at it.

Furthermore, our concerns about the air quality in this building is only valid for the date of the examination (July 19, 2001) and for the locations on the 7th floor and the main floor of one wing of the former Holy Cross Hospital site. It is unknown whether the air contaminants including moulds have amplified or spread to other locations as we have not examined the building since 2001.

I apologise if there is any misunderstanding of this matter that may have cast any doubt on the integrity of the Minister, MLAs and staff of your department.

I would like to file that.

On top of that, Mr. Speaker, the member asked the office of the Information and Privacy Commissioner to investigate this. So that occurred. I want to also file a letter dated August 5, 2003. The part of it that I want to read into the record is the last page, and Case Closure is highlighted.

The Commissioner's interest in this matter is to assure the public and its representatives that the duty to warn is being performed.

The Commissioner and the public would not expect to see a warning issued where the public body does not see the presence of a risk. Given that Alberta Infrastructure effectively is saying that it does not see the presence of a risk, then it follows that no warning is to be expected from Alberta Infrastructure.

I have been given no reason to doubt, and several reasons to accept, that Alberta Infrastructure has properly applied itself to the examination of the information in its possession. That diligent application of public-body attention was the objective of our watch, and that objective has been satisfied. With the objective attained, the watch is now ended.

This letter was sent to Dr. Kevin Taft, MLA, Official Opposition.

Mr. Speaker, because we find it so important, if there is a danger to the public somewhere and we know about it, we, in fact, act. So we asked Tang Lee back in June to give us all of the information that he might have on file relative to this whole issue, and he writes back. This is dated June 12, 2003.

Hello, Mr. Smith;

As requested, I am sending you the e-mail messages pertaining to the Holy Cross building. It is a written record of the discussion during the time of our examination but may not necessarily convey verbal communications such as telephone calls and meetings.

Of interest to our discussions are the e-mail messages of August 26, 2001, July 26, 2001, and July 25, 2001.

Also attached is the key to the location of the mould samples. The keys refer to the location code in the laboratory report. Please contact me again if you require any clarification.

Mr. Speaker, I think that what we've clearly shown is that we answered the questions consistently; we answered them correctly. We did not have any completed reports. We have shown that when the information we did have, in fact even the information we got on May 14 for the first time, was sent to others that are in the business, the labs, they said that it was incomplete. Anytime you're dealing with something like this, it is extremely important that it be complete and it be accurate.

As far as I'm concerned, there is no way that I have interfered with the member's privileges. I have not done anything except make absolutely sure that if there's any danger, the public knows it.

The Speaker: Hon. minister, can I assume that all documents referred to by the minister will be tabled? All documents, so there's no misunderstanding in any of this.

I indicated yesterday that I would be prepared to hear additional members. Hon. Member for Edmonton-Rutherford, briefly, as a result of your past experience at the Canadian House of Commons with respect to similar matters.

Mr. McClelland: Thank you, Mr. Speaker. I listened attentively to the representation of the hon. Member for Edmonton-Riverview and again this afternoon from the Minister of Infrastructure, and I quote *Beauchesne's* 31(1): "A dispute arising between two Members, as to allegations of facts, does not fulfill the conditions of parliamentary privilege." I would suggest to the House that this is a matter of debate and not a matter of privilege.

Thank you, Mr. Speaker.

The Speaker: I take it that there is no further input.

Well, I will take this matter under advisement. Hon. members, I will not be in the House tomorrow. It's okay for a member to say that they're not going to be in the House tomorrow. I'm going to the graduation of my son at the University of Alberta, so I think that's a legitimate reason to not be here. So this matter will not be dealt with until Monday.

head: **Orders of the Day**

head: **Government Bills and Orders**

head: **Second Reading**

Bill 44

Personal Information Protection Act

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert on behalf of the Minister of Government Services.

Mr. Horner: Thank you, Mr. Speaker. I am pleased to move second reading of Bill 44, the Personal Information Protection Act.

Albertans value their privacy and want to ensure that their personal information is not being used inappropriately by business and other private-sector organizations in Alberta. The Personal Information Protection Act will establish clear, concise, and commonsense rules for private-sector organizations when collecting, using, and disclosing personal information. If Alberta does not enact the Personal Information Protection Act, the federal Personal Information Protection and Electronic Documents Act will govern personal information collected in Alberta's private sector on January 1, 2004.

[The Deputy Speaker in the chair]

3:30

Alberta's act will address Alberta's private-sector needs better than the federal act. Our legislation is drafted to make it easier for small businesses to follow. In developing the Personal Information Protection Act, Alberta has worked closely with British Columbia, which recently passed its own personal information protection act. In doing so, Alberta and British Columbia have been leaders among the other provinces in developing similar privacy legislation to protect the interests of their residents while balancing the needs of business.

The act requires businesses to obtain consent when collecting a customer's personal information. Once the customer consents, the business can use and disclose information as agreed with the customer. Exceptions to consent exist in certain circumstances. These include when using an employee's personal information for payroll purposes, if the information is publicly available, or for debt collection, the sale of a business, emergencies, and other similar matters when obtaining consent is not reasonable.

An individual will be able to obtain access to his or her own personal information held by a business as long as the request is reasonable and nothing prevents access. Organizations can charge reasonable fees for providing access. The act will not affect not-for-profit or charitable organizations unless they are carrying on commercial activities. In these instances the act will only apply to the personal information handled that relates to the commercial activity.

Alberta's Information and Privacy Commissioner can receive complaints under the act. If the commissioner finds that a business has breached an individual's privacy, the individual can go to court to recover damages for loss or injury.

The Personal Information Protection Act will not apply to personal information protected by the Freedom of Information and Protection of Privacy Act or when the Health Information Act applies. The act will also not apply to personal information collected, used, or disclosed for personal or domestic purposes or journalistic, literary, or artistic purposes.

Mr. Speaker, Albertans have told us that they value their privacy. The Personal Information Protection Act protects Albertans' personal information held by businesses and other private-sector

organizations while ensuring that these organizations can continue to collect personal information for legitimate business purposes. This made-in-Alberta legislation also ensures that both citizens and businesses can deal with a provincial independent body rather than a federal one to resolve disputes. I and, I know, the hon. Minister of Government Services look forward to the debate on this bill as our process continues.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. Bill 44, the Personal Information Protection Act, certainly is interesting legislation. It has been described by various interested parties as everything from being very necessary to being very, very fuzzy. Now, the purpose, of course, of debate in the Assembly is to get answered a lot of the concerns that have been raised by various groups through the drafting process of any legislation. Hopefully, we are going to get significant answers in regard to this legislation.

Now, Mr. Speaker, when we compare this draft legislation to that in B.C. and we compare this legislation to the federal legislation, of course everyone is aware of what would happen if we didn't have our own Personal Information Protection Act. We have many things to consider when we discuss personal information in any form, and there are many occasions where there are legitimate reasons to collect and use personal data, but occasionally there are dubious reasons as well. This is why we need privacy protection.

We welcome the debate on Bill 44, which has sat on the Order Paper since last summer. Now, I understand – and I'm very grateful for the time that the Ministry of Government Services officials have provided for a background brief on this bill – that there are some amendments coming forward later on. I think this side of the House will also have at least one if not more amendments to this legislation. So the fact that there are amendments coming forward indicates that the draft bill, or the bill that was tabled in the Assembly here in the spring, was a work in progress.

Certainly, there are reasons why we need privacy protection. The business community has known for a couple of years that this type of legislation was evident. Many corporations have by letter over the summer expressed their opinions on this legislation, and I would like to thank them for their correspondence. In particular I would like to express my public thanks to the Enmax Corporation for providing copies of what they along with the Calgary Chamber of Commerce stated in September to a standing policy committee regarding this legislation. It's interesting to note. Hopefully, some of their concerns and observations and research on this bill will be incorporated into the debate as we continue.

Not only the business community was consulted but also labour unions, Mr. Speaker. There are many organizations that are going to be affected by this legislation, but one of them certainly will be unions. To date I'm not satisfied that unions will not be hurt, that there will not be a harmful side to this for labour organizations. With this legislation in place, how will they be able to conduct an organizing drive? You know, a union organizer can start a petition. How will that affect the ability to gather names and addresses, et cetera, in the process of a certification drive on one business or another?

It has been explained to me that with section 17 in Use of Personal Information, 17(b) in particular, the Labour Relations Code will in fact work and work well, and there will be no problems. Certainly, on this side of the House we have to distribute this legislation, and it will be interesting to hear from the labour groups in regard to this bill and how it affects them.

Many consumers in this province, Mr. Speaker, commented regarding the pressure that's applied by businesses to supply personal information in order to receive a product or service. There's probably not an hon. member in this House who at some time has not been asked for a phone number when there was a cash transaction. We have to be very, very careful, and we have to be very cautious about providing information.

How will this be changed with Bill 44, Mr. Speaker? Businesses certainly will have to obtain our permission to use or share our private information. Section 8 of this legislation will allow consent to be either oral or written. It may be implied or deemed. There are also provisions for opting out. We are, as I understand it, delegating to regulations the form of consent. This is what was worrisome for the commissioner in Ottawa. The Privacy Commissioner of Canada in Ottawa had some reservations, which he expressed in May of this year regarding Bill 44.

3:40

Hopefully, as we go through this legislation, the reservations that were expressed by the Privacy Commissioner will be addressed, but in the review of Bill 44, the review of the draft, the commissioner states in a letter that has been made public:

I think it important to inform you now, before it becomes law, that Bill 44 has a number of very grave deficiencies that would in my view would make it impossible for the Government of Canada to recognize this legislation in its current form as substantially similar to the federal Personal Information Protection and Electronic Documents Act.

Now, this is quite a long letter, and it's an interesting letter. The commissioner goes on to outline in this letter what are considered to be major weaknesses of this bill, and these are:

A major weakness of this Bill is the discretion it gives the Lieutenant Governor in Council (the Cabinet) to issue sweeping regulations dealing with a broad range of matters, including:

- giving consent;
- the procedures to be followed in making and responding to access requests;
- the circumstances in which personal information can be collected, used or disclosed without consent; and
- the personal information to which the Act does not apply.

So those are some of the concerns that the commissioner had.

Now, this government, we all know, likes to rule by regulation, and it has not escaped the attention of some of the commissioners in Ottawa.

Mr. Magnus: What?

Mr. MacDonald: "What," the hon. Member for Calgary-North Hill states. [interjections]

The Deputy Chair: There's just the one member that's been recognized, and I'll put you on the list for the next one if you want to.

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Thank you, Mr. Speaker. These regulations that are discussed are not to my knowledge public documents. Therefore, I have a certain reluctance to endorse this bill from the start. Now, we have discussed the past practices, the habits of former Progressive Conservative governments. When you're looking at a 30-year period, you almost divide them up like you're studying Chinese history. The first Conservative government would routinely table regulations along with the draft legislation of the bill so that members of the House could see them. To my knowledge I have not seen these regulations tabled, and in order to have full

support of this legislation from this member, I would like to have an opportunity to at least read this list of regulations.

Mr. Speaker, also, how much is this legislation going to cost corporations? My questions to the Minister of Government Services would be around these costs. Has the Minister of Government Services conducted any studies to calculate the cost of this legislation to Alberta businesses, large and small? Will the business community in this province with this legislation – and hopefully they will have a level playing field once this legislation becomes law. The Americans have been developing privacy legislation for several years. They're in advance of ourselves.

The federal act, which was referred to by the previous speaker, was a response to the European Community's 1995 data protection directive, which prohibited companies and member EC states from doing business with nonmember companies unless there was an equivalent privacy protection in the foreign law. So the sales pitch for the private-sector privacy laws is the same around the world, and that is: it's good for business, and it's good for freedom as well.

Mr. Speaker, when we discuss this bill further, we have to always recognize the balance between what is good for freedom, good for consumers, and what is good for business. Now, currently in this province there is a hearing going on at the EUB in regard to Direct Energy. Direct Energy is essentially buying a list of customers, over 860,000 customers, of utilities. It's amazing that we're talking about Bill 44 here and this company is willing, for \$127 million, to purchase a lot of ATCO's goodwill that's been built up over the years. But along with that goodwill is the list of names of utility customers, addresses. There's a lot of information there, as there is a lot of consumer information with other utility companies. So we have to be aware of the transfer of information. We have to be aware of the big data banks that exist and how this information can be used and whether that use is inappropriate or appropriate.

So even though I have some reservations about this bill, I think that at this time it is the best we can do. Certainly it is fuzzy. The regulations are not public, but it'll be interesting to see and read the discussion on Bill 44 as it proceeds through this Assembly.

Mr. Speaker, at this time I would like, please, to adjourn debate on Bill 44. Thank you.

[Motion to adjourn debate carried]

Bill 43 Post-secondary Learning Act

The Deputy Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. I rise today to move second reading of Bill 43, the Post-secondary Learning Act.

Bill 43 is probably one of the most exciting bills to hit the postsecondary education system in Alberta in a long time. What we have done in this bill is we have combined four acts – the Universities Act, the Colleges Act, the Technical Institutes Act, and the Banff Centre Act – into one bill.

If you remember, Mr. Speaker, back in May of this year the bill was introduced, and at that time I had stated that I was going to take the bill out and talk to the people about the bill. Subsequently, we will be bringing forward several amendments effective, hopefully, as soon as committee on this bill takes place. We have had excellent consultations with all of the affected parties. As a matter of fact, I've met twice with the students' associations. All the presidents and boards of governors of our various postsecondary institutions are in favour of the new amendments and, indeed, are in favour of the bill. I have talked to the opposition parties about the particular amend-

ments as well, so they are fully aware of what is coming forward this evening. Therefore, I would suggest that we table the amendments as soon as possible in committee, and hopefully we can do that as quickly as possible.

In direct response to what the previous member was saying, I will be tabling draft regulations as it affects tuition policy as well. Therefore, Mr. Speaker, I would urge the Legislative Assembly to take this bill into committee as soon as possible so that I can indeed put these amendments on the floor and we can start talking about it.

Mr. Speaker, again, I'll just basically say that this is a bill that will do a lot of things to the postsecondary system, not the least of which is to provide the ability for colleges and technical schools to provide baccalaureate degrees, to provide degrees where quality is warranted and thereby dramatically increase access for our students. So I would ask the Legislative Assembly to move into committee as soon as it sees fit, and I will be able to table the amendments.

Thank you.

3:50

The Deputy Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I would like to make a few comments at second reading of Bill 43, the Post-secondary Learning Act. As the minister has indicated, the process around this bill was one where the bill was introduced in the spring session and then left over to be reconsidered as we meet here in the fall. During that time there has been a lot of reaction and a lot of consultation with interested groups: the boards of governors, the administrators of the various institutions, the faculty and college and technical institute associations, the students. Of those groups the reaction has been primarily favourable from the first two and unfavourable, as best we can determine, from the students.

Now, the minister indicated that there had been consultation with the students, and I'm still not quite clear what the result of that consultation was. As late as yesterday the students were demonstrating on the steps of the Legislature, upset about the provisions in the bill with respect to tuition and also the provisions in the bill for a wide variety of other changes with respect to students' unions in the province and their governance and the role that they play in institutions.

I think it's for that reason, Mr. Speaker, that we are anxious to see the formal amendments that the minister will be proposing to the Assembly. I think that that has been the position of some student leaders, too, in the province, that they have held in reserve their judgments with respect to the bill until they see the amendments as tabled. They want to know exactly the wording of those amendments. The minister did extend us the courtesy of going through those amendments in chart form, and we, too, would like to see what exactly is going to be proposed.

One other important aspect of the legislation is the regulations. When we met with the minister, one of the things we discussed was the possibility of having at least a draft set of regulations available for consideration while the bill is before the Legislature, and I'd be interested, to the minister, with respect to if that is going to be done. It's extremely important for students, Mr. Speaker, because the regulations, as I understand it, will have some great impact or possible impact on those parts of the bill that deal with tuition. As I indicated earlier, tuition is a major concern for students and their parents and with respect to this act.

So we could go through the bill. Second reading is usually the opportunity to look at the principles that rest behind the bill. I think that as we've looked at it, one of our concerns is the centralizing of

power in Edmonton, and that's done at the loss of autonomy, we think, for some institutions and for some of the groups that are involved, particularly students.

The bill has also, I think, an underlying principle that tries to make all postsecondary schools part of one large system. Our fear is that that might be at the expense of the uniqueness of each of the institutions, and I think that that's a fear that is shared by others. If we end up making each of the institutions and their programs interchangeable, then I think we'll have lost some of the very uniqueness that makes Alberta's postsecondary system a stronger system. We do have institutions like Athabasca, which has a unique contribution to make, the institutes. Anything that would take away from that uniqueness I think is something that we should question before we endorse. So it's that notion of centralizing power in Edmonton and within the minister's office that we would like to explore. We'd like to see how the amendments that are going to be introduced might affect that.

We're also concerned with the prohibition of strike action by professional staff, and, again, this has a long history in the province. We would be loath to see rights taken away from groups that they previously were able to exercise even if there has never been a strike in the history of the postsecondary system in the province.

The principles underlying tuition I think are really important principles. I imagine they are going to occupy a great deal of the debate once we move to the committee stage and we see the government's amendments.

There are other principles with respect to the powers of universities, particularly their actions within a municipal environment and being able to make moves that affect zoning and their exemptions from that zoning that are contained in the bill and, again, that I think are important and those provisions that are put forward with respect to expropriating land. So a lot of important principles have been embedded in the legislation, but, again, Mr. Speaker, the devil is in the amendments and in the regulations, and we are anxious to see both of those.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Speaker. I just wanted to rise and put a few thoughts on the record with regard to Bill 43, the Postsecondary Learning Act, which I see as being probably one of the most important pieces of legislation that this body will deal with in quite some time because it deals with one of the cornerstones of the future of this province and is recognized by the Learning Commission and by the Future Summit.

Over the course of the summer since this bill was first introduced, there has been a good deal of representation by the postsecondary education institutions: NAIT, SAIT, the universities, Grant MacEwan. There has been a good deal of representation from the students' associations, individually and collectively. Mr. Speaker, if I may, in speaking to that representation of the students' associations in particular, I want to acknowledge the considered and courteous representation of the students' association to me in particular. From those representations it seems to me that the students' concern as regards Bill 43 centres around tuition, tuition caps, and the nature of the representation of the students' association to the board. To whom should the students' association be accountable?

My response to them, Mr. Speaker, was that it makes, at least in my estimation, good common sense for the students' association to have fidelity to the board or to the institution of which they're a part. It makes sense because they are part of the whole.

4:00

Then the question of the composition of the board came into play, especially in connection with the tuition cap. With removal of the tuition cap the potential exists, in the minds of students that have contacted me, that eventually over time students may end up paying more as a percentage of the cost of their university education than they do now and that perhaps their representation on the board could be in proportion to the amount of tuition that goes in to paying the cost of education. So, for instance, if the students through tuition paid 30 percent of the cost of their education, then their board representation should be something in the neighbourhood of 30 percent so that there's a balance between what the students are paying in tuition and their representation on the board during their time at the particular institution.

Another notion that came up was the representation on the university senate. The representation was made to me that it would be of benefit to the educational institutions if the senate provided for more alumni representation, because the alumni representation on the senates of the various universities can become the centrepiece of community involvement in that educational institution. Whether this requires a change in the composition of the senate or of the number of seats available for people on the senate is a matter that would come up.

But we'll leave this contribution to this debate at this point now, Mr. Speaker. Again I commend the Minister of Learning for bringing this to the table. I think that this, in my estimation and representing the constituents of Edmonton-Rutherford, will be a cornerstone in the future of our country.

Thank you, Mr. Speaker.

The Deputy Speaker: Hon. Member for Edmonton-Strathcona, are you wishing to make a comment or ask questions? There being none, then the hon. member may continue debate.

Dr. Pannu: Thank you, Mr. Speaker. I'm pleased to rise and speak to Bill 43 in its second reading. I must, however, express serious difficulty in speaking about Bill 43, which from my meeting with the minister two days ago, which I appreciate, is not going to be Bill 43. It's going to be substantially amended. It makes it very difficult, therefore, to be put in the situation in the House to commence debate in second reading of a bill which will substantially change, and we know beforehand that it will substantially change.

I had hoped that the minister would either make those changes that he's going to propose by way of amendments available to us ahead of time so that we wouldn't be unnecessarily wasting time commenting on the language of the bill as we find it incorporated in the bill or that he had in fact had six months – and I commend him for encouraging consultations and engaging in those consultations with various interest groups and stakeholders. But it would have been much better if the minister had in fact made changes in the bill and brought the bill in in its new form so that we could approach debate in the second reading of the bill in a more serious and effective manner.

That said, Mr. Speaker, I would like to take this opportunity to make observations on the bill as I find it before me. To begin, I think I want to acknowledge the role of the student leaders who were here earlier today sitting in the gallery and who represent students' unions and provincial umbrella organizations across the province, the Council of Alberta University Students and, similarly, the college and institute students' executive committee. They have done a wonderful job of encouraging debate and presenting their analysis, in many cases quite critical of various parts of the bill. I applaud their effort as students to show a level of engagement which is very

refreshing. We need to revitalize and revive this tradition of public debate on legislative matters that concern many of us and are going to have an impact in a very important way on the future of postsecondary public education in this province.

I can assume that the Minister of Learning would agree with me that the leaders of student organizations have indeed made a very important contribution to this debate that has unfolded over the last few months. As a result of the efforts of student leaders and faculty associations and community leaders and others, what started out, in my view, as a very seriously flawed bill as presented in the spring sitting is now likely to be seeing some improvement in it, but I will withhold my judgment until we see the amendments and have debate on them.

The minister, as I said, met with me on Monday afternoon to brief me on the proposed amendments. While I appreciate the gesture and the opportunity, I think it would have served everyone's interest had copies of the proposed amendments been made available to all stakeholders and certainly to members of this Assembly.

During our meeting the minister and I had a little debate. He tried to blame me for my previous actions in the ruling of the Speaker on March 5, 2003, for not being able to make copies of the proposed amendments available prior to the actual amendments being tabled at the committee stage. As you will recall, Mr. Speaker, the March 5 ruling focused very narrowly on the government's practice of providing information on bills once they were placed on notice and before they were introduced to the news media prior to the same information on a bill being provided to members. In the Speaker's ruling it was specifically stated that extensive consultations at the drafting stage of bills were allowed and strictly within the purview of the government and the minister.

Alternatively, the minister could have withdrawn Bill 43 and introduced it as an amended bill. That would have allowed us to have a more meaningful discussion at this stage of the debate. Given the fact that we have not yet seen the amendments, I will keep my comments somewhat more general and abstract. They have to be, I guess.

In all of the discussions I've had with students and community leaders, there's one issue that trumps all others, and that is the rapidly rising cost of postsecondary tuition. This has really emerged as a key issue for students. Imagine the outcry, Mr. Speaker, if our corporate taxes in Alberta had tripled over the past decade. Imagine the outcry if energy royalties had tripled over the same period. Far from raising corporate taxes, they are being cut in half over a number of years. But that's not what's happening to student tuition fees. Tuition and related fees have more than tripled since 1990, the highest percentage increase in Canada during this time frame, and tuition continues to go up at several times the inflation rate year after year after year, so students have a real concern.

4:10

In a recent study done by the minister's own department, high school graduates indicated that the number one reason for not taking postsecondary education was the high cost. Over 70 percent agreed that the tuition and other costs are a barrier to further study. Recently the TD Bank, hardly an institution that normally is critical of Alberta government policy, released a report indicating that the prohibitive cost of postsecondary education was becoming a significant obstacle threatening Alberta's future prosperity.

While the amended Bill 43 might try to keep a legislative cap of 30 percent on those postsecondary institutions below the cap, postsecondary institutions that have reached 30 percent will be allowed to go above the cap. In other words, students attending the University of Lethbridge and some other institutions will find their

tuitions making up a larger than 30 percent share of the operating costs of those institutions.

What's needed, Mr. Speaker, is not a formula for endless increases in tuition as facilitated by Bill 43. What is needed is to put a brake on endless tuition increases. That's why I'll be introducing an amendment to Bill 43 that implements a freeze on tuition fee increases in this province. Quebec has frozen tuition fees for six years, Manitoba for two. Newfoundland has actually reduced tuition fees in the past few years. If these provinces, which do not have our oil and gas wealth, can afford to put a brake on tuition increases, why can't Alberta? That's what students keep asking me. Young Albertans not fortunate enough to come from well-to-do families have two options: go deeply into debt or not get a postsecondary education. An educated and skilled populace is the best investment a society can make in its own future prosperity. Alberta should be encouraging young people to seek postsecondary education, not punishing them with ever increasing tuition.

Bill 43 takes us even further away from the goal of making public postsecondary education affordable and accessible. For that reason, I have very serious concerns and reservations about Bill 43 and therefore my support for it.

Bill 43 also has several other failings which vastly outweigh a few of the positive features of the bill. For example, I remain unconvinced that the minister needs to give himself the power to audit and/or dissolve the elected student associations or their executives. Student union leaders should be accountable to students, not to the Minister of Learning, Mr. Speaker.

Bill 43 expressly prohibits both faculty and graduate students from free and fair collective bargaining, including those very rare instances where it may be necessary to engage in job action. In fact, Bill 43 not only strips away protections under the Labour Relations Code but also protections under the Employment Standards Code. All of these regressive measures are being implemented as part of a broader agenda, it seems to me, by the Tory government to take away the right to strike from everyone employed in the broader public sector. It would be one thing if the right to strike was being abused, but it has not been.

The history of collective bargaining in our colleges, institutes, and universities has been such that there has been rarely an action taken along these lines by any of the faculty associations. In fact, except at Mount Royal College, one solitary example, all other faculty associations have voluntarily negotiated away their right to strike, but these faculty associations and graduate student associations as well are free to negotiate back the right to strike. Unfortunately, this basic and fundamental right is being legislated out of existence in Bill 43. I'll wait to see the amendments. I hope the minister has changed his mind on that issue and that we'll be able to put this concern of mine away for good.

Finally – well, not quite finally yet – I do want to acknowledge that Bill 43 does provide some better protection to neighbourhoods from unreasonable expansion of universities and decisions affecting the neighbourhoods. I had a meeting this morning with representatives from the Windsor Park community as well as from Garneau. They still have some concerns, and they're waiting to see the bill in its amended form before they have anything more to say, but they did want me to reiterate their concerns about this bill and the protection they are seeking and hoping that this will provide to them. So I will have more to say on this as debate moves into committee; that is, how to make sure that protection could be made even better.

Mr. Speaker, I want to just quote the concern of faculty associations with respect to what the bill is proposing to do to their rights by using a quotation from ACIFA, which is the Alberta College-Institute Faculties Association. In a letter that I think they wrote to

the minister, they particularly focus on section 88 of the bill, and they say that

section 88, which imposes arbitrary restrictions on existing collective [bargaining] agreements freely negotiated in good faith, represents an unprecedented and unwarranted attack on the collective bargaining rights of faculty in our system.

In our view, Section 88 constitutes a clear violation of international conventions on freedom of association principles, as set out as recently as March 2003, in a series of rulings by the International Labour Organization (ILO) on complaints concerning several pieces of legislation passed by the government of British Columbia.

A legislated prohibition of strike action by academic staff members can only have a negative impact on the labour relations climate in our sector. No other jurisdiction in Canada has enacted such a drastic measure, which will do significant and lasting damage to the reputation of Alberta's post-secondary system, and create a bar to the recruitment of world-class scholars and teachers to our province.

Moreover, we are unaware of any actions or circumstances which necessitate or justify the inclusion in the proposed Post-Secondary Learning [Act] academic staff members of an express prohibition on strike action by academic staff members.

There's a bit of a problem with the wording there.

We do not accept that Section 88 can be justified by the need for consistency or uniformity throughout the post-secondary system, where currently only one academic staff association retains the right to strike under the terms of its collective agreement.

I will return to this later as we'll have more opportunities. Thank you.

The Deputy Speaker: Before I recognize the hon. Member for Edmonton-Centre, the minister was making a signal, and I could only presume that's under Standing Order 29(2) to ask a question or make a comment, or was it something else? No? Okay. Fair enough.

Are you wishing to make a comment or ask a question?

Ms Blakeman: Yes, I did have a question. I'm wondering if the member can expand on his thoughts on the faculty associations.

The Deputy Speaker: The hon. Member for Edmonton-Strathcona, a door has opened for you.

Dr. Pannu: Thank you, Mr. Speaker. Faculty associations are extremely concerned about the lack of any reasons, any evidence that the government has given with respect to why in Bill 43 it's being proposed that the right to strike by faculty associations and by graduate student associations will be taken away. In a reasoned debate in order to justify an action as drastic as this, what the faculty associations see is a violation of international agreements with respect to our fundamental rights to collective bargaining and the other instruments that are available to employees to seek redress to their concerns. These are matters that go to the very heart of democratic institutions and democratic societies and communities.

4:20

So faculty associations have two serious reasons to oppose this particular provision of the bill that is represented in section 88. One, it directly limits their own ability to exercise their rights, but secondly, and perhaps even more importantly, they see it as a serious assault on the very project of building a democratic society and expanding democratic freedoms and rights rather than rolling them back. Section 88 is seen by them as an attempt to roll back our democratic rights and the expansion of democratic practices across our institutions, in particular postsecondary institutions, which are

most important because our future leaders are exposed to the practices and experiences in those organizations. They then learn how to conduct themselves based on the experience that they have had in those institutions. Often people mirror the experiences that they have had in such institutions when they become decision-makers themselves, and that's why I think the faculty associations are so profoundly concerned about the provisions of section 88, and they would like to see section 88 taken out of the legislation altogether.

The Deputy Speaker: The hon. Member for Edmonton-Centre to continue debate?

Ms Blakeman: Continue debate if I may.

The Deputy Speaker: Okay. You're on.

Ms Blakeman: Thank you very much, Mr. Speaker, for the opportunity to speak in second reading on Bill 43, the Post-secondary Learning Act.

I would like to express my appreciation to the students who join us in both the public and the members' galleries. This is democracy in action, and I appreciate you coming down to listen to what's happening because it's your participation that's going to carry us forward and hopefully strengthen Alberta. My thanks to you all for coming down for this, and I hope you come back lots.

It's been an interesting situation. As I listen to the debates – and obviously there have been a number of meetings go on around this bill already with the minister and students' groups, official critics from the opposition and from the third party – I just want to name the situation that we're dealing with here with this bill.

We have a bill that's brought forward in the spring. It's left over the summer for people to have a look at – good idea, lots of feedback, excellent that it engendered that kind of discussion – but then when we get into debate on it, there's this all-fired rush to just get through second reading. Well, we have second reading as part of parliamentary process for a reason. It's an opportunity for us to discuss whether the general principle of the bill is something that we want to proceed with.

There's this interesting sort of pressure, perhaps attitude, and of course the minister has lots of opportunity to stand up and rebut me on this, but, sort of: let's get straight to these amendments because, gee, you know, spending even an hour debating in second reading is too much. We, especially in this Assembly, have got into a situation where that kind of pressure is always on, that any debate is too much as far as what I'm picking up from the good members opposite and could we just please proceed immediately to Committee of the Whole and, gosh, if you want to talk too much there, then there's the new guillotine motion which is a time-restraint motion.

So I just want to name what I've been listening to already today and some of what I've heard, admittedly thirdhand or secondhand, in exchanges to try and sort of hustle this all the way through. We have these processes available to us, and I would expect encouragement of good use of parliamentary process from the members opposite.

Two of the other things that I've heard are: the carrot dangling in front of us, that if we just hustle on through into Committee of the Whole, we'll get the amendments tabled. I appreciate that very much. I know that the students appreciate that very much, but there is nothing stopping the member from tabling the amendments now.

An Hon. Member: Yes, there is.

Ms Blakeman: Well, we've certainly had draft amendments out there circulating on other bills and certainly available for discussion. Draft ones have been circulated all kinds of times.

The second thing is this carrot again dangled about that the minister will make the regulations available. Well, I think that the students that are here in the gallery would like to know if he is going to do that or not. Will he table the draft workings or whatever he's talked about with these regulations? They need to see that. That's part of their decision-making process as to whether they can support it. So where's the tabling? Let's have the tabling. [interjection] Now we get into the semantics of the wording of this. You table all kinds of drafts and white reports and considerations of things. So, fine, as long as those things are available for people to continue and have the discussion and be able to read them. So if the minister is on record as saying he's going to do it, I'm happy with that. That's what we wanted to hear.

There have been a number of points of concern that have been raised around what's been brought forward in this bill, and I think they can be lumped very loosely into a couple of categories. One is around the tuition and the fears of rising tuition costs for students, removal of the cap, and then some sort of percentage where it can continue to rise, and the students' fear is that they will be responsible for an ever increasing portion of the costs of university tuition. It will be directly tied to that. So there's an issue around cost to students, and with that, I think, goes a debt load and access to student loans.

Second to that is, to me, a really important issue about the freedom and integrity and independence of our institutes of higher learning, and the easiest way for me to sort of explain that is to talk about tenure, professors or instructors in postsecondary institutions having tenure. The point is so that they can explore and test the waters and challenge and think. That is where we house our thinkers, and it makes me very uneasy to have a bill that essentially pulls all the reins of power and control into the hands of a minister who then has a shell bill in which he is empowered to do a number of things under regulation.

Does that mean that I think that this minister is going to go out as soon as this bill is passed and, you know, start to direct what the university does? The controlling mechanism here is the approval of the business plans. Do I think that that's what his intention is, is to immediately rush out and do that? No, I don't. But I think the potential is there, and I think we have to guard against that potential.

We talk about economic diversification all the time. We talk about how we need to get away from the oil and gas sector. We talk about being a smart province with a great emphasis on high tech and creative thinking, and it's our intellectual property that is going to move us forward in the province. I think that if we understand that, we need to be protecting and upholding the independence of our postsecondary institutions, and I think that is being challenged with what we're seeing in this bill.

Sometimes that comes about because people are anticipating the situation that arose. To quote loosely from Shakespeare: will no one rid me of this man, in which the followers of a particular king or whoever thought that the intention was that the person be killed. That was the wish of the lord, and off they went and killed him, came back, and he went: oh, well, I didn't really mean that. But you took it to mean that.

So it can be put onto people, a sort of self-censorship that happens, and I've seen this happen once before. I think we've climbed back out of it, but I have seen it happen once before where because of what had been stated by the government – what this was was around community standards. In fact, what happened was the minister, quite rightly so, was very carefully monitoring community

standards and never came in and imposed a community standard on any play or book or film or whatever. But what I saw was that the choices that were being made by the organizations became more and more careful for fear they would cross that line of community standards. Nobody knew where the line of community standards was; nonetheless, they all pulled back, and what we had was a period of less interesting production in the artistic world because they were self-censoring.

4:30

So I just want to put that example forward on the kinds of freedom to challenge and think and push forward academically that happen when there is fear that perhaps their funding won't be approved. It doesn't even have to be anything overt. I mean, there's just: the business plan gets sent back and gets sent back, and people go, "Oh, we don't know what we're supposed to do." They start to make adjustments hoping that's going to please everybody. I think that's what we have to really guard against here and one of the real concerns that I see.

The hon. members for Edmonton-Mill Woods and also for Edmonton-Strathcona have spoken about their concerns with banning labour strikes in the universities and colleges, which is always an area that is going to concern me. You know, you don't get organizing of labour unless people feel that there's a good reason to organize, that they need to be able to have a collective bargaining process to go and argue with a much larger entity and feel they need to come together for that. That collective bargaining process is about a balance. If you take away one of the legs of that balance, you're going to tip the table. It is no longer fair for those workers because they no longer have the right to strike. I think that, again, places what we're trying to do in our institutes of higher learning, certainly for the support staff that are there, in jeopardy.

The user pay. I appreciated the comments that were made by the Member for Edmonton-Rutherford, bringing forward a sort of no-taxation-without-representation argument, that if they're going to end up paying higher tuition fees, they would correspondingly get more representation or more space on the decision-making board. Okay. Interesting argument. I think most of the students would far prefer not to have their tuition go up, and they would certainly prefer not to be taking on the kind of debt load that seems now to be an expectation.

I find it very interesting that the generation that we find in this House making the laws is, I think it's fair to say, a generation that came through university with fairly manageable student loans if any at all, yet this group is very quick to put a huge debt load on the students that come after us. Interestingly, this is also the same generation of you, my good colleagues in this House, that was the last generation that participated in student activism in our institutes of higher learning. Yet this is the same group that is so quick to want to slam that door closed on any student activism to come in the generation that's currently in these institutions or that are to come. Neat sort of: "Thanks, I enjoyed it, but no more for anyone else. We're going to close the door so no one else gets to enjoy those same privileges." Interesting.

You know the one thing that Bill 43 has done – and I really appreciate the minister giving this opportunity – is to mobilize and activate and energize a youth vote, which as we know we are not very good at in this province. Only 50 percent of our population votes now, and the percentage of people that are 18 to 30 that actually vote is one out of every five, I think, or possibly as high as one out of every four. So they account for 13 percent of the population, yet they're not out there. Frankly, I think it can be argued – and I will argue it – that when you see legislation like Bill

43, it's reflective of the fact that that 18 to 30 demographic does not vote and everybody knows it. So if students or younger people don't like this bill, at this point there is no repercussion on the government for passing it – none – because younger people don't get out and vote. They're not making their voice heard. So if nothing else, this will help to mobilize that and for that I thank you. I think that's an incredible gift. [interjections]

The Deputy Speaker: Hon. member and hon. minister, under Standing Order 29(2)(a) you have an opportunity to ask questions or make comments, but right now we have the hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. I think at this point I will conclude my remarks and carry on with further remarks when we're in Committee of the Whole. I certainly appreciate the opportunity to talk in wider terms about what this bill is presenting, particularly the context of this bill that we've had and all of the things that have surrounded it. It's been a very interesting process. Thank you, Mr. Speaker.

The Deputy Speaker: The hon. minister rose first. To make comment or question, hon. minister?

Dr. Oberg: Yes.

The Deputy Speaker: Go ahead.

Dr. Oberg: Thank you, Mr. Speaker. I just have one very brief question. The hon. member had talked a significant amount in her speech about the centralization of power in the minister's office. I guess my question to her is: have you met with the institutions in your city – namely NorQuest, Grant MacEwan, and the University of Alberta as well as NAIT – in order to ascertain their views? They unanimously gave me support for this bill. So the question is: have you met with the affected postsecondary institutions?

Ms Blakeman: I didn't quite hear the question at the end of that. You made a statement, but there was no question at the end of it.

Dr. Oberg: My question was: have you met with the four public postsecondary institutions in Edmonton to ascertain their position on Bill 43?

Ms Blakeman: My responsibility is to my constituents, who live in Edmonton-Centre, and I have certainly been very happy to meet with any of the students that asked me to. I have a different responsibility, and that's to the constituents. [interjections]

The Deputy Speaker: Hon. minister, if you wish to ask a question, please stand in your place and be recognized. Right now it's Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Speaker. I'd ask the Member for Edmonton-Centre, who just spoke: notwithstanding the concerns over process and notwithstanding the responsibility that the member has as a member of the opposition to question the legislation, thereby making it stronger – and we understand the role of the opposition – I would really like to know . . . I'm really puzzled by the approach that the students' association has brought to me, saying that their fidelity is to their association, to the freedom. Some have represented to me that they feel that it's a violation of human rights that the students' association should have to report to the board, while it

seems to me entirely legitimate that a students' association of a particular institution should have its fidelity to the institution through the board. It's a perfectly natural consequence of responsibility because it's the board and the institution, not the students' association, that should be of primary importance. So I'm wondering what the Member for Edmonton-Centre feels in that debate, in that conundrum.

Ms Blakeman: I think my starting point in that debate is around who's paying the piper – in other words, who's funding it, or where's the money coming from? – and also the fact that you're dealing with an elected body, so you have a group of individuals that are adults who elect a group of people to perform certain services for them and represent them. I take it that you argue – and you have an opportunity to clarify – that then they must report to somebody else. I mean, it's an interesting concept, but those students pay for the students' union, they pay for the services the students' union offers, and they independently elect them.

So I think there's validity to the argument of challenge in which they're saying: why do they then have to report to someone else and have to come under the control of a different group?

The Deputy Speaker: Any further debate? The hon. Member for Edmonton-Glengarry.

4:40

Mr. Bonner: Thank you very much, Mr. Speaker. I would like to just make a few additional comments on Bill 43, the Post-secondary Learning Act. Certainly all the speakers that have been up so far have covered the fact that this particular bill will repeal four existing acts: the Banff Centre Act, the Colleges Act, the Technical Institutes Act, and the Universities Act. It will mold them into one act. As well, we have also heard that in this entire process there has been quite a bit of stakeholder consultation. Certainly, the introduction of the bill in the spring did allow many of us the opportunity to have some stakeholder consultation over the summer and into the fall. I also have to say that I along with all other members and all other stakeholders or students that are in the crowd look forward to seeing the amendments and the draft regulations tabled in this Assembly.

While we do want to commence debate in Committee of the Whole and look at how the amendments and the regulations are going to substantially change what we initially thought Bill 43 was going to do, second reading is also, as pointed out by the Member for Edmonton-Centre, a very important part of the process of passing a bill in this particular Assembly.

Overall the process has been a good process, particularly for two of the groups, and certainly to the extent that our students have had the opportunity to look at the portions of the bill that directly affect them, it is unfavourable. One of the areas that is very unfavourable to students is the section of the bill that will remove the 30 percent tuition cap from legislation and leave it up to regulations. This has been quite a contentious issue for some time, and in the early '90s, when my oldest daughter was studying at university, she saw her tuition fees triple in the course of a four-year science program. This has a huge, huge impact on students who have limited abilities to work during the school year and don't have the ability to make great amounts of money during the summer at the jobs that are available.

But what we also forget in all of this, Mr. Speaker, is the fact that students have a lot of other expenses. When I was at university and when my daughters and my son were at university and now for students today, the price of textbooks has increased immensely. With the fact that textbooks don't seem to be recycled that much anymore but new editions come on quite often, they are faced with

these huge costs for textbooks as well. We all know that the cost of accommodation is another area where, certainly, expenses have risen drastically and continue to rise.

So what has happened here with these increased costs is that more and more we are limiting the accessibility of universities to all of our students. Certainly, that was not the dream of the pioneers in this province when, under the first Premier of this province, the University of Alberta was established.

An Hon. Member: A Liberal.

Mr. Bonner: Yes, Premier Rutherford was a Liberal and had an excellent vision. I know he'd be disappointed in the direction that we're taking with our students today.

I heard, as well, the hon. Member for Edmonton-Rutherford describe our universities as a cornerstone of democracy. Certainly, when I think of democracy, I think of two key words, and they are: independence and freedom. What has happened in this bill is that when we do consolidate the minister's power over the universities and colleges and the students' union in there, we certainly are limiting independence. We are also limiting freedom. Perhaps the one greatest advantage that these institutions of higher learning have been able to offer students is the opportunity to exercise their creativity, and I would certainly not want to see any limiting of that ability for our students or that opportunity for our students.

Now, then, as well, when we look at the issue of consolidating the power with the minister, it has a tremendous amount of potential. It will also have great influence to limit the independence and the freedom of students. It is a loss of autonomy, and what I liked was the explanation given by the Member for Edmonton-Centre that certainly the students do have the right to their own associations because of all the reasons that she had given.

As well, I think that what happens here when we talk about consolidating power is that one of the ways that is done with this particular bill is it requires universities to submit regular business plans to the Minister of Learning, and it gives the Minister of Learning an opportunity to interfere in the operations of postsecondary institutions and certainly has the potential to threaten academic freedom.

Another point that was covered by the Member for Edmonton-Strathcona was the strike action of the professional staff being removed. For certain, I cannot see why we would want to make this part of the bill when it has never had a history. When we have never had a history of strike action in our universities, why would we want to limit job action? Certainly, even if we had, it is the right of workers to be able to take job action if, in fact, they do not like the negotiations that have gone on between them and their employer. So I definitely do have some concerns when we start to limit the rights of workers.

It almost makes me think: what do people envision down the road that they would require this put into legislation? What type of action is being planned that it would be put into legislation to limit job action by professional staff? When we take away these rights, rights that have never been abused, then it does lead to questioning, and we certainly want to see what is the detail of the regulations that limit this.

So with those few comments, Mr. Speaker, I will take my seat and listen to the comments of others as they speak about Bill 43, Post-secondary Learning Act. Thank you.

The Deputy Speaker: If there are no comments, then the hon. Minister of Learning to close debate.

Dr. Oberg: Thank you very much, Mr. Speaker. Thank you for giving me the opportunity to close debate. I think that a lot of the questions that have been raised by the hon. opposition parties will be answered with the amendments that will be tabled, hopefully this evening. The proposed tuition fee regulations will also be tabled this evening.

Just in quick response, as the hon. Speaker knows, as a minister of the Crown I am not able to share the actual writing of any amendments until they are tabled in the Legislature, which is the reason that we want to get into committee. It is not to stifle debate. It is actually to have a more reasoned debate as a considerable amount of Bill 43 has been changed following consultation with student associations, faculty associations, and boards of governors.

4:50

Mr. Speaker, the only comment that I would make on this is that realistically I certainly would ask each and every member who decides to speak on this bill to contact their postsecondary institutions and ask them quite simply whether or not they're in favour of Bill 43. What you'll find, I believe, is that there is unanimity among all the postsecondary institutions. I would ask as well that because of the ability of this bill to allow colleges and technical schools to grant degrees, there are an awful lot of students out there that are waiting for this bill. So I would just ask them to keep that in mind as we move forward to committee.

Thank you.

[Motion carried; Bill 43 read a second time]

Bill 45 Family Law Act

The Deputy Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you very much, Mr. Speaker. I do take great pleasure this afternoon in rising in the Legislature to move second reading of Bill 45, the Family Law Act.

This bill represents a huge step forward for the citizens of Alberta for it modernizes, simplifies, and consolidates much of our provincial family law, which has been sorely in need of review and revision for many, many years. Family law touches each and every one of us either directly or indirectly, so it is very important that our Alberta legislation be understandable, be relevant, and be reflective of what Albertans see as fair and appropriate. Furthermore, as much as it is possible, it is important that our legislation be harmonized with the federal Divorce Act so that we don't create two classes of family law litigants in this province.

[Mr. Klapstein in the chair]

Mr. Speaker, I introduced Bill 45 on May 15, 2003, the last day of the spring session, with the intent that the bill be held over until this fall session to give a final opportunity for review and comments. I'm glad that we took the time to receive further comments on the bill for we have received much good advice which will result in an improved piece of legislation. The clarifications and improvements will be contained in House amendments to be introduced during committee stage later in the session.

This bill, Mr. Speaker, represents a fourth stage in government's overall plan for family law reform, a subject which is near and dear to my heart. I'm very proud that our government is committed to family law reform, and in my remarks today I want to provide some background and context for this bill, how it fits into the plan for general family law reform, to also provide an overview of the

contents of the bill, and to talk about the nature of the consultations done over the past summer.

[The Speaker in the chair]

By way of background, Mr. Speaker, as I mentioned, there has been a longstanding need for family law reform in Alberta. I am told, in fact, that a general review of family law had not been conducted in the province since the 1920s. From my own perspective as a family law practitioner prior to my election in 1997 I had experienced firsthand in representing my clients the unnecessary confusion, duplication, and complexity caused not only by our outdated and overlapping family law statutes but also by the fact that we had two levels of court, our Provincial Court and the Court of Queen's Bench, handling family law matters as well as two levels of government involved in these matters.

It was in 1997 at the behest of the then Minister of Justice, Jon Havelock, that our government appointed an MLA committee to review the maintenance enforcement program and child access. I had the honour of chairing that committee along with the Member for Bonnyville-Cold Lake and the Member for Red Deer-South, now the Minister of Innovation and Science. The presentations that we heard from members of the public as well as interest groups and experts convinced the committee that significant changes were required to many aspects of family law in Alberta.

The report of the MLA review of the maintenance enforcement program and child access was presented to government in 1998, and since that time, Mr. Speaker, it has served as a guide to the government in changing family law to better serve the needs and priorities of Albertans in the 21st century. Some immediate changes were made as a result of the report of the MLA review, and members will recall that the government responded quickly with legislation to enforce access orders as well as with program and legislative changes to the maintenance enforcement program, which I think have served us very well.

The other two stages of family law reform called for by the review were a unified family court system and substantive family law reform. Because of the importance of these reforms to the everyday life of Albertans the government has proceeded most carefully and with extensive consultations to ensure that it is proceeding with the best possible suggestions for reform.

Progress is being made towards establishing a unified family court in the province, targeted for the spring of 2005, with the help of the unified family court implementation steering committee, which I am privileged to chair. This bill, the Family Law Act, represents many of the changes to substantive family law that were recommended by the report of the MLA review and addresses the goal of substantive family law reform.

Mr. Speaker, this bill represents countless hours of work by the Alberta Law Reform Institute and by Alberta Justice. Many of the proposals found in the bill came from reports on family law developed by the institute. The Department of Justice has also surveyed and studied best practices in legislation across the country and elsewhere. Hundreds of hours have been spent on public consultations as well as consultations with experts in family law. There have been extensive discussions inside government on these proposals, and all of this is reflected in Bill 45 as it now reads.

Over the summer, since introduction, there have been additional targeted consultations with government departments whose mandate may be impacted by Bill 45, with other justice programs and divisions which may be impacted, and there have been external reviews with senior legal practitioners, with all levels of court, with the Canadian Bar Association, family law and wills and estates

sections. There has also been additional input from members of the public, including the Alberta grandparents association. As a result, Mr. Speaker, I feel very confident in saying that there is broad support for Bill 45, particularly with the House amendments we intend to introduce resulting from this last consultation.

I would now like to provide a brief overview of the bill, which has as its main intent to make family law legislation more accessible and understandable to Albertans, and it accomplishes this in three main ways. First, it updates the law in relation to parentage, including parentage achieved through reproductive technologies. It updates the law with respect to rights and responsibilities of parents and guardians of children, with respect to custody and access to children, with respect to child support and support for spouses and adult interdependent partners.

Second, it consolidates and rationalizes provincial law which is presently contained in the Domestic Relations Act, the Parentage and Maintenance Act, part 5 of the Child Welfare Act, part 3 of the Provincial Court Act, the Maintenance Order Act, and various other related statutes.

Third, it harmonizes as much as possible with federal divorce legislation and other provincial family legislation such as the Adult Interdependent Relationships Act, the Matrimonial Property Act, the Interjurisdictional Support Orders Act, and notably with the proposed unified family court, which is to be enabled through the proposed Alberta Court of Justice act to be introduced by the Minister of Justice later this session.

5:00

In structure, Mr. Speaker, Bill 45 contains seven parts, each of which is devoted to a significant aspect of family law. It continues much of the existing family law but uses more modern terminology, and it does include some significant changes to the current provincial law, which I will now mention.

Part 1, entitled Establishing Parentage, includes new provisions on surrogacy and assisted reproduction, which will allow infertile individuals a means to achieve parent status.

Part 2, entitled Guardianship, Parenting and Contact Orders and Access Enforcement, sets out a detailed test for determining the best interests of children in all family law matters, including special criteria for family violence. It also contains a comprehensive list of the responsibilities and powers of parents and guardians of children. It eliminates the concept of custody and access and replaces it with the concept of parenting orders, which has the effect, it is hoped, of turning parents and courts away from the win/lose language of custody and access and toward arranging parental responsibilities and rights in a way that meets the needs of their child. It also introduces the concept of contact orders, under which grandparents and siblings and others may obtain an order allowing visitation or other contact with a child.

Part 3, entitled Support Obligations, will be subject to substantial change by House amendments. Division 1, which deals with child support, now currently provides an obligation to pay support for children up to age 18. It contains broad objectives but little detail on how child support amounts should be calculated. House amendments will be introduced to allow for support for a child up to the age of 22 provided the child is in full-time attendance at school. This will better harmonize, Mr. Speaker, with the Divorce Act.

There will also be House amendments bringing in the implementation of child support guidelines based on those now used in conjunction with the Divorce Act. The use of these guidelines is not new to Albertans as courts have been applying them in nondivorce matters for some time now. These guidelines are proven to have reduced litigation in child support matters, and we would expect that to continue.

Division 2 deals with spousal and adult interdependent partner support. For the most part, the provisions in Bill 45 parallel the provisions of the Divorce Act for spousal support, especially as to the objectives that are to be met by support orders.

Division 3 is called Support for Person in Need. Currently, it re-enacts the almost 80-year-old Maintenance Order Act, which imposes an obligation on grandparents, parents, children, and grandchildren to support other family members who can't support themselves because of disability or similar cause. We will introduce House amendments to remove this division primarily in order to achieve greater consistency with our government's policy of encouraging financial independence of disabled adults.

Mr. Speaker, the remainder of the act contains general matters including the court powers necessary to operationalize the rights, responsibilities, and obligations set out in the act. Of note are provisions encouraging the use of mediation and other alternative dispute resolution processes, a clear right for a party to get financial disclosure for the purposes of determining support, and also provisions that will enable the court to require people to attend courses or programs such as parenting after separation. It will also eliminate such outdated legal concepts and actions as the jactitation of marriage. It will bring uniformity of concepts by making consequential amendments to other statutes, such as the Child Welfare Act, which deal with family matters as well.

As I mentioned, Mr. Speaker, it is the government's intention to introduce other House amendments which will cover many areas of the bill, most of which are to improve the clarity of the bill. Some proposed amendments are especially for the purpose of setting out which level of courts will have jurisdiction over the various parts of the act.

At this time, Mr. Speaker, I would like to personally acknowledge our Minister of Justice and his predecessor and their respective departments, particularly everyone on the family law team that I named in first reading, along with the family law reform institute, our courts, our practising bar, the CBA sections in the Law Society, other individuals and agencies working in the court system, my MLA colleagues in government, and the members of the public for coming forward with their valuable contributions to this important legislation.

Mr. Speaker, I conclude with the reflection that the introduction of this bill is a great milestone. It's the product of over six years of work with input from many, many Albertans. While we're not at the end of this journey, the bill does represent a major step toward achieving the government's commitment to complete reform of both the procedure and substance of Alberta family law and toward accessible justice for all Albertans.

Those are my remarks on second reading.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker, and thank you very much to the sponsor of the bill. I said that I was looking forward to her opening remarks. I anticipated the thoroughness of them, and I do appreciate the effort that she put into doing a good explanation of what's contained in the bill, because others will look to *Hansard* in the future, and that's a nice sort of primer for them to go from.

As well, without repeating the many people that she named as being involved in the amending act, I would like to echo her thanks for people's time and care. This act covers topics which are very difficult for some people. We are talking about, for the most part, setting out the rules by which families come apart, and that is not an easy subject for anybody. So I appreciate the care that so many

people have put into trying to craft the best possible legislation that they could.

I also think it was interesting to have the bill introduced at the end of the spring sitting and sitting over the summer for feedback. I think that process was very much worth while. It resulted in a great deal of feedback and has, as the member points out, resulted in, as someone once called it, a Mack truckload of amendments, which we are anticipating looking at this evening, in all likelihood.

So forgive me if I repeat occasionally some of the information that the member has already put on the record as I sort of walk through my initial reaction and discuss the bill in principle. The goal of this was to update and consolidate legislation. I think that for any of the lawyers in the Assembly here who've dealt with family law and certainly in my background in working with women's issues, there are some very difficult and trying situations that arise when legislation doesn't keep up with the times and doesn't necessarily recognize some of the new situations and relationships that have developed.

So it was certainly a good thing. Often I stand here and say: well, was it a good thing? Was there a need for this legislation? Yes, I think there was a need for this legislation. Is this the legislation that's going to address the need? I'm fairly confident that this is going to fill the gap that we needed it to fill. As I said, this is covering all the aspects of the statutes that deal with matters relating to relationship breakdown and children.

5:10

There are three acts that are being repealed, and it's also creating consequential amendments. It's repealing the Domestic Relations Act, the Maintenance Order Act, and the Parentage and Maintenance Act. It's essentially creating legislation that is the sole recourse of nonmarried couples upon the breakdown of that relationship. Married couples can still have access to the provisions in the Divorce Act. It is creating a more coherent legislative scheme for matters relating to relationship breakdown and specifically to children. This is long overdue and I think a welcome advance from the perspective of most of the family law practitioners.

I have spoken to some people over the summer that expressed reservations, but overall people were very glad to see this. Over the summer I identified a number of concerns that I had, especially where the legislation seemed to create an inequity, particularly between families that were married versus nonmarried. We cannot create those inequities anymore. The Charter, the Constitution, everything else says that you've got to treat those units the same, that same kind of family situation, and that's what we're trying to do here.

If we look at the general flow of what's happening in the bill, it's addressing a couple of key areas. It looks at establishing parentage, and as the member mentioned, there is some creation of some new ways of dealing with that now, and it's timely that we are looking at that and trying to set out some rules that everybody can operate by.

Part 2 is looking at guardianship, parenting and contact orders, and access enforcement, some of which we've done in this House over the last period of time, but in many cases not that many changes to the work that we did before but major changes to other things. Quite a section on guardianship, parenting orders, contact orders, and enforcement of access, as I said, support obligations, general powers of the court, and then you're into the consequential amendments.

So the establishment of parentage is putting mechanisms in place that will help determine who the father and the mother of children are. These were in the Parentage and Maintenance Act, and they provide the presumption of parenthood mechanisms by which

parentage can be declared. The new ones in particular are dealing with surrogacy and assisted conception, which we would have called artificial insemination before, and now it's got a different name.

Under guardianship, parenting and contact orders, and enforcement of access to children it identifies the guardians of children, usually the parents, and allows for the appointment of additional guardians if necessary. It also is providing for courts to make parenting orders, and that includes things like residential care of a child or guardian access to a child, allowing the courts to distribute different powers to make decisions about a child's welfare or their upbringing or their place of residence, all those kinds of decisions that have to be made, so the custody and access provisions that we're used to seeing with additional aspects to them as needed.

Part of, I know, what some of my colleagues want to speak about includes talking about contact orders, the ability for grandparents to seek contact orders. This is a situation of high emotion and great commitment and great difficulty, and I know that some people are going to speak to that a little later.

I've spoken before on enforcement provisions, and I think that when we get into Committee of the Whole, I'm going to comment on that again.

The member spoke quite a bit, actually, about support obligations and provisions for child support. Also, it still includes provision for spousal support. Because we have far more women in the workforce and more expectation through sheer economic demand that both partners and heads of households are working, there's less call upon this, less demand, but I think we still need to have it there for a number of reasons.

The surrogacy and assisted conception sections that are in here. There are a few issues that I hope we're going to have looked at or dealt with by the amendments. The intention of this section is to allow parents to be identified according to the intention of the parties involved rather than just on the basis of determining who's the biological parent and who gave birth to the child. It's moving beyond the mechanics of it, if you will.

A couple of examples around why that becomes important. You can have Dick and Jane or Sally and Dick, who want to have a child. Sally can't get pregnant. They find Jill, who is willing to carry a child for them. Jill gets pregnant with Sally's genetic material, and the child is born. Now, everybody agrees that Sally and Dick are the parents. That's the point of this. That was the intention of it. That's why everybody started out into this. But legally, as it stands right now, neither Sally nor Dick are the parents. They have to go through an adoption procedure. I think that anyone that's been through that knows that it can be costly and unnecessary. There has to be another way for us to do that, especially when the intention of the parents is so clear.

Another example of that. We're going to go back to Sally and Dick again. They want to have a child, but this time Sally can't get pregnant, because Dick is infertile. Sally and Dick go to a clinic. Sally is artificially inseminated. When the child is born, once again everyone expects that Sally and Dick are the parents of the child. That was the point of it. That's why they go into all of this. The problem is that Sally is the mother, but Dick is not the father. He will have to adopt the child. Again, costly and unnecessary. The point of this, the intent, was pretty clear to everybody, but the law as it stands now doesn't allow that to happen. The only mechanism that it gives them to make it legal, to rectify the situation, is going through that adoption process.

So there has to be a way for us to start out from the beginning and say: knowing that that's the intention, how do we set this up from the get-go, from the start? The bill does address situation B completely. That's the one where we've got Dick not able to be named the father

without going through the adoption process. He can be declared the father, and Sally, who gave birth, is going to be automatically the mother under the law. But the bill does not address situation A, and I'm hoping that we will see amendments. I know that I have offered some language by way of amendments that may well address this problem, allowing for Sally to be named the mother.

What we have right now is that Sally can be named the mother, but there's no provision to allow Dick to be named the father of the child. He still has to adopt the child. We're only halfway down this road. We've got to be able to do this better, especially when this is a huge bill, and I'm sure that there's no great wish to have to revisit it in an amending act anytime in the future. So it would be nice if we could get this right as we're doing it here.

5:20

We also have a third situation, which is a surrogacy situation with same-sex parents. We're in the same problem here. We would have Sally being the mother because she gave birth, but there's no provision for a Jane, for example, to be named the second parent. Again I have made suggestions on how that could be accomplished. The second parent, Jane, would still have to go through an adoption there. So possibilities.

Those two sections are in essence trying to name a mother and name a father, and I think that where, actually, we start to stumble is where we try and put those kinds of gender-laden designations on things. That's not helping us with what we're looking at.

The other area that I'm struggling with and I think that some others certainly have raised with me is the notification section. I think this is coming to me from those that deal very directly with a lot of family law. The concern that's being raised there is that the child is to receive notice of all guardianship and contact order applications provided that the child is older than 16. I think that's what we're trying to achieve.

The worry about this is that these children – they're 16, but they're children – are to be served with affidavits that may well be sworn by parents who are not fond of one another and can be fairly inflammatory and really get on their horse and ride with some fairly hateful language. You now have set up a situation where this 16 or 17 year old is going to be receiving these affidavits. Not the best situation.

I think that in some cases we know that where this really goes awry is where members of the family try and use other members as a pawn in trying to achieve their ends when we have family breakdown. I think we want to be trying to make sure and trying to achieve that balance between a fair notification for those that are involved and still some protection for children who just really do not need to be used in the middle of a war between parents who can be using the child in the middle as a pawn. Is it likely that we would be allowing for a relationship between a child and their parent to deteriorate because of information that they've had to read in one of these affidavits? So I suppose the argument can be made that, you know, they don't have to read it, but I don't think that's too likely. So I'd like to have a look at that when we get to these amendments.

As well, in the parenting orders only guardians can apply for parenting orders, so it's important that the surrogacy and assisted conception sections are addressed here. Those parenting orders direct which parent has custody and which has access, and if we have a situation where the relationship has broken down and they can't agree, then the courts are having to figure this out, and the direction comes from the act.

We've got the contact orders, which I'd referred to. The provisions allow a parent or a person standing in place of a parent, a grandparent, for example, if parents have separated, to make an

application to have contact with the child. The test that's set out will make it harder than it should be for people like grandparents to get these orders. I know that I've had a sort of ongoing conversation with the Minister of Justice about what's fair here and what are best interests of the child and parental rights. That's where the discussion seems to get involved and continuous, so I'm sure that we'll be continuing it as we look at trying to make this the best legislation possible. I think that the test that's set out here is too difficult. It makes it harder than it should be for people to be able to get these orders, and specifically I'm addressing grandparents here. The test is just too high.

I know that I'm coming near the end of my time here. There are a couple of issues around child support obligations, making sure that

we're being equal in both places here with all kinds of families, and I think that right now there is an inequity that needs to be addressed.

Financial disclosure I still think is an area where I have some real concerns, especially around safety.

So I'm looking forward to continuing this discussion, and at this point I would like to move adjournment of Bill 45, please.

[Motion to adjourn debate carried]

Mr. Stevens: Mr. Speaker, I move that we call it 5:30 and adjourn until 8 this evening.

[Motion carried; the Assembly adjourned at 5:28 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, November 19, 2003**

8:00 p.m.

Date: 2003/11/19

[Mr. Shariff in the chair]

The Acting Speaker: Please be seated.

head: **Government Bills and Orders**

head: **Committee of the Whole**

[Mr. Shariff in the chair]

The Deputy Chair: We'll call the committee to order. Hon. members, before we proceed, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Chairman. I am very pleased this evening to introduce to you and through you to all members of the Assembly a very excellent group that's joining us in the public gallery. This is the 25th Edmonton Christ Church, Cubs and Scouts. You can see them there. There are a number of them joining us, and they are accompanied tonight by their leaders Mr. John Simpson, Mr. Dwayne Hick, and Mr. Lance Bard. Also with them is Ms Clarkes. She's the parent helper that is along with the troop this evening. So we're very excited to have them joining us in the public gallery tonight to watch what we do here, and I would ask them all to please rise and accept the warm welcome of the Assembly.

Bill 43

Post-secondary Learning Act

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Chairman. As promised this afternoon, I would now like to have the table officers distribute the amendments, please. I would like them dealt with as one amendment.

The Deputy Chair: While the amendments are being circulated, I just want to mention for the record that we shall refer to these amendments as amendment A1.

Hon. Minister of Learning, you may proceed now.

Dr. Oberg: Thank you, Mr. Chairman. As we all know the purpose of Bill 43, what I would propose to do this evening is go over the amendments that are being passed out right now. I would also like to go over the regulations, especially as the regulation on tuition fees is something that is of very much importance to the students that are here tonight and very much important to each and every one of us.

First of all, on the proposed amendments, Mr. Chairman, the first amendment essentially changes the definition of an applied degree. This was after consultations with the colleges and technical institutes. They wanted a new definition, and subsequently that has been incorporated into Bill 43.

The second amendment that is on the list before you is to allow the

academic staff association to nominate one of two faculty members on the board of a university. The second member will continue to be nominated by the general faculties council. Mr. Chairman, after consultation with the faculties councils it became very clear that the general faculties council does not represent all of the faculty. Indeed, there are sections of the faculty that are not represented by the general faculties council, and what this will enable them to do is to have representation at the board level in much the same way as the student associations or the nonacademic staff associations do.

The next amendment that is in the bill is moving the powers of the general faculties council, and we are keeping all of the powers of the general faculties council in the act. As you know, in the previous Bill 43 these were moved to regulations. We are now putting them back into legislation.

Number 5, the academic council. This basically clarifies that the minister establishes admission requirements for apprenticeship students and that the boards must establish a process for program quality reviews. Mr. Chairman, we feel that it's extremely important to keep the quality of the apprenticeship program up. We also feel that it's extremely important that the qualifications for apprenticeship are done on a provincial level as opposed to an institutional level. This amendment has been done with a great deal of consultation with the affected institutions, and they're very much in favour of it.

The next one is about the disposition and development of land. We are still taking away the expropriation powers of land of the universities. Included in the original Bill 43 was the ability to extend the same rights that universities have to colleges and technical schools. Upon talking to the colleges and technical schools, they did not want these rights, and therefore they have been taken away, and they will continue to be under the MGA. Included in the legislation is the clarification that a regulation must be put in place to govern the process involved with consultation of community groups, and that is going to be worked on with the communities and the municipalities in regard to universities.

Another issue that has come forward is pensions, and quite literally upon proclamation of this act all existing pension plans will be considered valid and remain in effect. This is in response to concerns from the Auditor General, Mr. Chairman.

The academic staff. It will be clarified that compulsory arbitration is the only allowable dispute resolution mechanism to resolve collective bargaining impasses. This is very important because, again, in talking to the faculty associations, they did not want to lose the right to strike, even though they had bargained the right away some 20 to 25 years ago. We have changed that wording, and just for interest sake when I asked the faculty associations exactly why they had bargained away that right, interestingly enough they said that they could not attract top quality staff if the right to strike was there, and that was why all institutions in Alberta have bargained away the right to strike with the exception of Mount Royal. This will now essentially make the bargaining process the same in all of the jurisdictions: universities, colleges, and technical institutes.

Student associations, Mr. Chairman. The amendments show that the student associations' powers are all now in legislation.

The other issue that was causing some consternation with the student associations was the ability for the boards to call for an audit. We have now clarified that under the amendments, the boards cannot do the audit. The audit must be called for by myself as minister, and it must only be for financial irregularities. The question comes: why even do it for that? Well, we've had experience with two different student associations at one of the colleges in Alberta that literally absconded with the money. Whether it was legal, whether it was by throwing a party for their friends or lots of other things, these are moneys that are checkoffs by the students, so if there are financial

irregularities, then there must be the ability for the minister to have these audits. The other thing that has been added here because of the concern from the students' associations about boards effectively running them out of money by continuing to ask for audits, the minister and the department will pay for any audits.

8:10

The other issues with that, as I've said, are that all of the student association powers will be included in the legislation and, indeed, are included in the amendments.

Another one, the dissolution of all assets, liabilities, and organizations, will be dealt with through an OC. This is as opposed to a ministerial order. It will be dealt with by the Lieutenant Governor in Council.

Mr. Chairman, the landmark purpose of this bill is actually the campus Alberta board of accreditation and co-ordination, and this was the body that was to oversee degree granting privileges for the technical schools and colleges and universities. What has happened is when we went out and talked to the universities and technical schools on this, it became very apparent that they did not want this body to be involved in the co-ordination. They felt that it would be very difficult for a member of the University of Alberta, for example, and a member of NAIT or a member of a different postsecondary institution sitting on a board to co-ordinate and decide whether Grant MacEwan should or should not have a degree. They felt that that was adding a degree of politicization that was not necessary and, indeed, was actually detrimental to the process.

So what we are doing, Mr. Chairman, is the campus Alberta board of accreditation and co-ordination has now been changed to the campus Alberta quality council. What literally will happen is an institution will come and ask the minister: can we have this degree? The minister will then say yes, or the minister will say no. If the minister says no, then that application is dead. If the minister says yes, then it will go on to the campus Alberta quality council where their new job, then, is only to determine the quality of that degree, and it will only be granted when the quality is sufficient to appease the people that are on the campus Alberta quality council.

There are also numerous House amendments, and indeed there are some probably 10 or 15 pages of House amendments and insignificant other amendments that are also here as well.

I now want to concentrate, Mr. Chair, on the tuition fees. What we have done in the amendments to Bill 43 is we have established two different ways that we have controlled tuition fees, and they're for two distinct institutions. The first one states that

where a public post-secondary institution's revenue from tuition fees in a fiscal year is equal to or less than 30% of its net operating expenditures in that fiscal year, the maximum allowable annual increase in tuition fees for that post-secondary institution in the following year must be set in accordance with the regulations.

I will give you the regulations here very shortly. This is identical wording to what is in the existing acts with regard to the tuition fee policy.

We have then added a second section, and this is:

where a public post-secondary institution's revenue from tuition fees in a fiscal year exceeds 30% of its net operating expenditures in that fiscal year, the maximum allowable annual increase in tuition fees for that post-secondary institution in the following year is the Alberta Consumer Price Index plus 2%, which must not result in a decrease or be greater than 5%.

This has been agreed to. One of the reasons for this – I think we all are very familiar with the principle that we feel that parents and students should put in roughly 30 percent or up to a maximum of 30 percent, but what has happened in our postsecondary institutions is that we have some institutions that are incredibly efficient and have

actually decreased their expenditures, decreased their costs of operation, and subsequently what has occurred is that they have been unable to raise their tuition fees.

The best example of this, that I cited today in question period, was the University of Lethbridge. We see the University of Lethbridge sitting at number 40 of roughly 50 universities across Canada. It has the 40th least expensive tuition fees. The tuition fees are somewhere around the range of \$600 or \$700 less than their equivalent institutions. Subsequently, they have not been able to raise their tuition fees to keep pace with the other institutions because they have hit the 30 percent expense cap, and they have hit that by good management, and I truly feel that we should not inhibit institutions from being good managers.

So, Mr. Chairman, that is what is included in the amendments. In the regulations what we have said is that the maximum allowable annual tuition fee increase for institutions under the 30 percent threshold, which is what I just talked about, for the '04-'05 academic year will be \$276, which is again identical to what the procedure is at the moment. In subsequent years the maximum allowable annual tuition fee increase is adjusted by the Alberta Consumer Price Index, again exactly similar to the way it is right now.

The other point that I actually have not told the students' associations about when it comes to tuition fees is something that they have been asking me about for a significant amount of time, and what that is is quite simply the fees that universities and colleges and technical schools have been charging, and what we have in the regulations are fees that also must be included as a tuition fee. Therefore, they must be included in the cap. They must be included in the tuition fee procedures that I have identified, and I will tell you what they are.

Fees that are payable to complete programs are approved by the board and are payable by students for materials and services that facilitate instruction but exclude fees or materials that are retained by students and so on down the road. We have put the tuition fees into the policy. So, Mr. Chairman, that will be, again, in regulation. It is going to be regulated. Again, this is something that is in direct response to what the students have asked us. They identified an excellent issue, that many institutions to get around the tuition fee cap that was there quite simply just raised the fees, and I did not agree with that. The students' associations obviously did not agree with that either, and now that will be included in the tuition fee guidelines, tuition fee regulations.

Mr. Chairman, I would like to at this time table the proposed regulations, if I may. I'll table the requisite number of copies of the regulation so that, again, they can be fully looked at by the students' associations and every other interested party in the postsecondary education system.

In essence, those are the amendments that are before you. There are several in the amendments that are nonconsequential amendments. There are approximately 20 pages of amendments, so we certainly will have time to go through them. The one point that I would really stress, Mr. Chairman, is that each and every one of the public postsecondary institutions is completely in favour of these amendments, is completely in favour of Bill 43.

I really do believe that it is time that we got on with the business of allowing colleges and technical schools to grant degrees. I think it's absolutely time to do it. The degree-granting status must be there for quality of degrees as opposed to just the institution. Again, we have complete concurrence with the universities, the technical schools, and the colleges.

So, Mr. Chairman, I would now like to adjourn debate and allow the opposition parties and the affected associations and institutions a chance to look at the amendments that were put on the floor, a chance to look at the tuition fee regulations that were put on the floor.

8:20

I must add one thing. We have been given advice that we cannot table the actual tuition fee regulations in that form, so you have a slightly modified form of it, but the intent is certainly there.

So, Mr. Chairman, it's a great day for postsecondary education that these are in, and it's time to move on with it. It's time to make this system the great system that it is and continue to make it greater. Thank you.

I would move to adjourn debate.

[Motion to adjourn debate carried]

Bill 41

Alberta Corporate Tax Amendment Act, 2003

The Deputy Chair: Are there any questions, comments, or amendments to be offered with respect to this bill? The hon. Minister of Revenue.

Mr. Melchin: Thank you, Mr. Chairman. We have under consideration Bill 41, Alberta Corporate Tax Amendment Act, 2003. There are no amendments to the bill to be offered at this stage. I would like to just make a couple of comments in respect to some questions that were asked at second reading.

The first one, the rate reductions. There was a question asking why we haven't moved as fast or ahead with the plan to create corporate income tax reductions down to as low as 8 percent. Those were always subject to affordability. This one brings it down to 12 and a half percent. Next year's proposal is to go to 11 and a half percent on the general rate.

It was asked how much money oil and gas companies saved in royalty tax deductions and credits last year. In the 2003 Alberta Energy annual report \$83.2 million in Alberta royalty tax credits was paid last year. Further analysis will be required to determine the tax savings from the royalty tax deduction, but that'll give them the general information as to the quantity.

The policy questions regarding the Alberta royalty tax credit program are questions that should likewise be and could be posed to the Minister of Energy. We are looking at quantifying the benefits relating to the program, though, as the Auditor General suggested.

The federal government has revised the income tax, and they're changing various aspects of the resource taxation regime. They're phasing out the in deductibility of Crown royalties. They're phasing out the national resource allowance deduction, including the Alberta royalty tax credit, in calculation of income. This will all be done over a period of years. So we are reviewing the federal changes and considering implications to the resource taxation regime in that respect.

As for the royalty tax rates, if it is the Alberta royalty tax credit rate that is referred to, the Alberta royalty tax credit rates are calculated based on a blended oil and gas reference rate provided by the Minister of Energy that is inverse to the oil and gas price. This ensures that the Alberta royalty tax credit is paid when oil and gas prices are low and less when oil and gas prices are high. The Alberta royalty tax credit rates can vary between a minimum rate of 25 percent to a maximum of 75 percent. So due to the high oil and gas prices, the Alberta royalty tax credit rate has been about 25 percent since 2001.

There were some questions asked about why the appeals committee is being abolished. The general anti-avoidance rules appeals committee has actually never been used in Alberta, and there are other appeals that can be used through the normal objection and appeals process provided under the Alberta Corporate Tax Act, so

this was really a duplication. The one committee was never used, and as such we're repealing those provisions dealing with the general anti-avoidance rules.

There were some questions in regard to how much money the insurance industry would save under this tax rate reduction. An analysis would have to be done. I don't have that information presently available.

I think those are all the comments that I would offer at this stage, Mr. Chairman. Thank you.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. I appreciate the opportunity to speak in Committee of the Whole on Bill 41, Alberta Corporate Tax Amendment Act, 2003. Just a couple of points and a few questions for the minister at the end of that.

I'm kind of torn here, actually, because I remember in the '97 election campaigning to have the minimum wage raised and, to balance that, the business tax fall to 4 percent. So I'm not unhappy about seeing the 4 percent there, certainly on behalf of the small business owners and entrepreneurs in Edmonton-Centre. But I'm always questioned and I continue to be concerned overall about why we're looking at so many tax credit, rebate, tax reduction programs when, on the other hand, we have the government saying: we don't have enough money for this, and we don't have enough money for that.

The explanation that I often hear is: well, you know, trickle down. We put a sweat-soaked loonie in everybody's pocket, and they'll spend it, and that makes the economy go round, more commonly referred to, I think, as Reaganomics, with the trickle-down theory that with tax reductions people will spend the money. In this case it's businesses. But, frankly, if that was the case, I think everybody in the U.S. would be a millionaire, and I really don't see that the trickle-down theory worked very well there.

So I listened carefully to the member, and I know he was sort of head down and going through his notes. It was actually a little hard to hear him; he was so focused on what he was doing. I'm still questioning how the government feels that it's balanced that, because I don't think they have, especially in light of some of the unresolved crises that we're dealing with right now, like deregulation, like investment in education, things like that.

More specifically, I'm interested in what plan exactly the Revenue minister has around justification of forgone revenue. This is an issue I've raised previously with him, but if we are not going to collect that money, if businesses are going to not remit \$435 million worth of taxes this year and in allowing them that, how does the government see this as being advantageous? In other words, I'm looking for the proof that this so-called trickle-down theory does work. If they're not remitting those taxes, then it's forgone revenue to the government, and we're supposed to be getting something from that. It should be measurable, and I'm looking for that measurement from the government. I keep asking, and I don't believe that I've seen it, but I'll put that before the minister again.

I was listening as carefully as I could as he rapidly went through his response to some questions that had been asked around the royalty tax deductions. I would prefer to go and read the *Hansard* and not re-ask the questions to the minister, but I suspect that unless the minister is going to adjourn, this is going to pass out of committee, and then I'm trying to ask these questions in third reading, which is a bit more difficult because the time has passed.

Once again, I'm asked those questions by citizens on the street saying: what happened? We used to have this incredible royalty tax that was set up with the oil industry. You know, Syncrude's name

is always bandied about. There seem to be all these holidays and reductions and tax credits and whatever we're talking about here, and again people say: well, what's the deal here? How are we getting our money's worth out of this? How is the payback coming to Albertans? I'm looking for – you'll forgive me, Minister – something more than the usual rhetoric about the Alberta advantage and yada, yada, yada. I mean, people are asking these questions because the information that they're getting from the government isn't satisfying them. They don't understand what's happening.

8:30

Part of my issue with this is coming through the Auditor General's report. One of the questions I have is: when was this whole system last re-examined? We all hear what's now become mythology from the Loughheed years about his renegotiation of a lot of these things, but when was the last time? Was that it? Obviously not if there's been a number of breaks and holidays and reductions since then, but people aren't tracking it well. So when was the last time there was really a thorough look at it aside from this 2001 which just said reduce it all? Did that come with an entire package that looked at whether these were in fact generating the kind of activity that was expected to be generated from the program? That's what I'm looking at.

In the 2002-2003 Auditor General's report there's a comment on whether, in fact, the Alberta royalty tax credit program is meeting its objectives. His suggestion is that there are not and there need to be measures developed to assess whether the program is in fact meeting its recommendations. For reference that's recommendation 11.

Overall, I know that the Official Opposition is willing to be supportive of what's happening here, and I started out by saying that I wasn't unhappy about seeing the 4 percent for small business, but people continue to be puzzled when they're told repeatedly that there is no money for things that they wish to see money for, yet they are aware that there are all of these breaks and various programs happening on the other side. Their obvious question is: well, then, if we don't have enough money for this, why do you keep giving breaks to businesses and the royalty tax credits and the resource royalties, oil and gas? It doesn't make sense to people. I don't know that the minister can be expected to answer that in Committee of the Whole, but I'm going to leave it on the table for him anyway. I'm just aware that those are questions that I continue to get asked in my constituency, and it'd be interesting to have something to hand them and say: well, this is what the minister says in response to those questions.

Thank you for the opportunity to put that on the record.

The Deputy Chair: The hon. leader of the third party.

Dr. Pannu: Thank you very much, Mr. Chairman. I would like to make some general comments on Bill 41 at the beginning of its debate at Committee of the Whole. My colleague the New Democrat House leader, the hon. Member for Edmonton-Highlands, last night laid out our position very clearly on this bill. We are not supportive of the continuing handouts to corporations in terms of royalty tax credits or any other tax reductions, which is largely what this bill is about.

My hon. colleague from Edmonton-Centre alluded to trickle-down economics, the trickle-down theories of how money put at the top gradually comes to the bottom and helps everyone, lifts every boat. The bankruptcy of that kind of reasoning is for everyone to see everywhere. As a matter of fact, the father of George W. Bush, the present President of the U.S., called it voodoo economics, lofted it out of the court. There's no historical evidence that Reaganomics or

trickle-down works. It's an excuse to put more money in the hands of those who already benefit most from the kind of market system that we have.

So voodoo economics are back in the U.S., and it's continuing its way here in this province, and you know what's happened in the U.S. In the U.S. they have ended up with more than a \$500 billion annual deficit as a result of tax cuts, based on the belief that somehow these tax cuts are economically stimulative. Far from it, as we have all known about the state that the U.S. economy has been in.

The proposed tax cuts here would lead to another huge loss of provincial revenues. I spent a fair bit of time during the summer and fall with seniors, lots of whom live in my own constituency, and of course I've traveled around the province as well talking to them. They tell me that in their estimate the seniors are the group today that are paying a billion dollars more than they did in 1993. So are we taking from those seniors in order to pay for the revenues that are being lost through these absolutely unnecessary and unjustifiable tax cuts as proposed in this bill? That's my question to the minister.

Another question that I have is: will the minister indicate to the House how much of the revenue will be forgone if this bill passes through the House? What percentage of it? What millions of dollars will go to the small businesses – and I want him to define what he means by small business – as opposed to the millions of dollars that will go to already fat-cat transnationals who collect the money here? There's no guarantee they'll spend it in this province. They may spend it buying up some oil company in Kazakhstan or Kyrgyzstan or Siberia for all that I know.

The Auditor General of this province has raised some questions about the rationale and the ability of this government to find out whether or not these so-called tax reliefs, quote, unquote, can be shown to benefit Albertans and the Alberta economy either in terms of creating jobs or in terms of creating more economic growth directly resulting from these tax cuts.

So I would hope that the minister will pay some attention to these questions and bring answers back to the House with respect to the proportion of the close to \$500 million that will be lost in public revenues as a result of this. What portion of that \$500 million or so will go to the small businesses in this province? Lots of them operate in my constituency around Whyte Avenue seven days a week, 12 months of the year, and I want to have some answers for them about how they will benefit and how much they will benefit from the provisions of this bill. What portion will in fact go into the hands of corporations who already are hugely benefiting from the high oil and gas prices, as the minister himself said, at least since the year 2001?

If you are going to continue to put more pressure on our schools, on our universities and colleges, asking them to generate more revenues on their own or do with less and have overcrowded classrooms or ever increasing tuition fees, is it not time for us to also look at the revenue side and say, "Maybe these royalty tax credits are no longer needed"? As the Auditor General has also questioned, show me that they are needed. If they are not needed, if they cannot be justified, why is this government determined to continue with those?

So I would ask and urge the minister to answer some of these questions on the record so that they can be examined further in the ensuing debate during this Committee of the Whole discussion of Bill 41, Mr. Chairman.

With those brief remarks, I'll take my seat and let other members enter the debate. Thank you.

The Deputy Chair: The hon. Minister of Revenue.

Mr. Melchin: Thank you, Mr. Chairman. I just thought I would respond to a few comments made by the two members. There's quite a bit of discussion about the Alberta royalty tax credit and the benefits. The Auditor General talks about wanting it to be measurable and the like. One could look at the royalty regime in Alberta as being created to help drive incentives to create drilling and exploration activity, and the program of the Alberta royalty tax credit was actually driven to be more beneficial to the smaller companies than the larger so that those companies that would have a smaller capital basis could reinvest more dollars into exploration. That's one of the specific design criteria.

8:40

It gets capped at a certain amount per well, and therefore the large companies with larger producing wells get capped in the total amount that they can receive. So it is disproportionately favourable to the smaller companies in rates. Just as you've said the beneficial aspect of a small business tax rate of 4 percent, so was this structure trying to be beneficial in the royalty rates to the smaller companies versus the larger. So there are many very small companies in Alberta that are the engine of producing and exploring and providing reserves that eventually get acquired by the mid sizes and the larger sizes as they acquire reserves. It's very common.

It is very true that one could look at the macro aspects and see that we have been very successful in Alberta in creating oil and gas economic activity: drilling, exploration, producing, and the like. Where there are reserves in Saskatchewan and even B.C., they have not generated anywhere near the same level of activity, and a lot of it is to do with the broad policies, macro policies you put in to allow that to happen.

Now, personally, I have reservations about rebates and credits and those types of programs. I would prefer a broader rate and fewer exemptions, but I do recognize programs that have been long in place. Companies put together their capital and their business planning and their financial planning based upon certain expectations, certain promises, certain structures like royalty tax credits. It is very difficult once in place to remove those, and therefore I do concur with the Auditor General's comments that we will further examine and quantify the cost-benefit assessment of these programs as we go forward. I think those are very good comments, and we will follow up with that.

There were general comments made by both members about tax breaks put in the context of potentially being supportive to the corporations: is it not their fair share to pay for more, maybe in forgone revenues? I would remind that even when we reduced our personal income taxes, a \$1.3 billion to \$1.5 billion reduction in personal taxes by rates, we now collect in absolute dollars, in total dollars, more in personal income tax than before the rate reduction. We have broadened the base. There are more people coming here. There is a natural flow for people, and you can see it by those that choose to move to Alberta in great numbers many of their economic organizations.

An Hon. Member: Tell us about that.

Mr. Melchin: I'd love to tell a little more about that in particular. In a recent discussion I had with him, a noted Canadian individual – actually, this individual lived in a constituency now represented by the Member for Edmonton-Centre – talked about 100 of the top 300 companies that were in B.C. in the 1990s no longer existing in B.C., and Alberta was the primary beneficiary of that. Now, some of them don't exist anymore. There is some attrition, some amalgamation in the industries, but of the movement of people in capital and business

and industry Alberta has been a natural attraction to say: this is a place where it's easier to invest, to create jobs that benefit all Albertans.

People come to Alberta because there are jobs. Our children stay here because there are jobs that they create and pay the taxes. We have more taxes, income tax and corporate tax, per capita in this province than the other provinces do with higher rates. I don't know about you, but part of the factor of creating wealth is allowing people to reinvest wealth, to let it build and grow. The Americans, by having had a smaller tax rate, have actually outproduced us by a capacity of more than 20 percent per GDP per capita, when you put it per capita.

When we go talk to investment fund managers around the world and we talk about Canada, as we do – these are people that can invest and choose to deploy capital anywhere in the world, large sums of money – they speak highly of Canada, as it's a great place to be. I've mentioned this about the New York fund managers, for example. I'll ask them all. They will all say: "Canada is a great place, but there's one problem with Canada. Your tax rates are still too high. It is better for us to leave our money here in the United States than to invest it in Canada."

Now, I'm not trying to tell you their words. I didn't solicit their response. That's their analysis of world competitive markets that we can't ignore if we think we're going to survive and have an opportunity for our children in the future. If we want to have funds to pay for health and education, which we do, we need to create a bigger pie. The governments don't have to take it all. They have to allow the broad macro events.

I appreciate some philosophical beliefs that think that governments ought to do everything and tax everything. I'm not of that opinion. The economic climate in Alberta is unparalleled in Canada. The capacity that gives us the support for the priority programs in this province is a result of many of these tax policies, so we won't apologize for it. We will continue to see that these rates are reduced to 12 and a half percent. Next year there are plans to reduce to 11 and a half percent. Those are the right directions, and they're the directions that Albertans support.

Thank you.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks. Just a couple of quick reactions to the answers from the minister. By the way, I appreciate the minister getting up and actually participating in the debate. He was talking about driving the policies, driving incentives, and I'm wondering if you actually have performance measurements that are able to measure that driving of incentives, as you put it.

At one point he appeared to be saying that the increase in the tax base was related to this reduction in the business tax. Am I following his thinking correctly, believing that the justification there is that if the business tax goes down, this is his job creation argument? Is that where that came from? I didn't see those two things going together particularly. I don't know that the reduction in the business tax put more money in the pockets of average Albertans, but that's the linkage I think I heard him make.

Lastly, he references the ability to leverage wealth through these companies that can invest wealth and therefore make more. But to me all that does is underline the widening gap between the rich and the poor, and I don't think that's something we need to be admiring that exists in the United States. Is he recommending that he thinks that's a good policy to be importing into Alberta?

So just very quickly, based on what he reacted, those were some of the questions that came to mind. I'm most interested in the performance measurements.

Dr. Pannu: Mr. Chairman, with your indulgence, I asked the minister a specific question with respect to the revenues that will be gone by next year if this bill is passed. How many millions of dollars will go to small business? Please define what you mean by small business so that we know what you are talking about. How many millions of dollars will go to large corporations? That's one of the questions that I asked, and I didn't get a clear answer to it.

Mr. Melchin: Mr. Chairman, to the last question about the split of the deduction to small versus large business, a good question. Actually, I apologize; I don't have that figure with me right now. I'd be happy to provide that to you at a later time so that you've got that information as to the quantity and the dollar amount.

Small business in this category is still defined by the small business tax rate. We're increasing our thresholds gradually to \$400,000. That's what's coming on this. The rates this year are going down to 4 percent and will eventually drop to 3 percent on the small business, but the small business category would now be defined as those thresholds below \$400,000 of taxable income. So we can quantify what the split of the tax reduction would be.

8:50

As for the question on performance measures, specifically with the Alberta royalty tax credit, that is actually the responsibility of the Ministry of Energy. It's administered through the corporate tax, and that's why the amendment is being introduced through the Revenue department. We administer the corporate income tax, but the royalty rates and the policy around the Alberta royalty tax credit and performance measures are all part of the Minister of Energy's department. I think those would be appropriate questions to bring forward in review of the budget of the Minister of Energy or otherwise in a debate.

[The clauses of Bill 41 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Stevens: Thank you, Mr. Chairman. I move that we rise and report Bill 41 and report progress on Bill 43.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports Bill 41. The committee reports progress on Bill 43. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly. I'd also like to table copies of documents tabled during Committee of the Whole this day for the official records of the Assembly.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

head: **Government Bills and Orders**

head: **Second Reading**

Bill 45

Family Law Act

[Adjourned debate November 19: Ms Blakeman]

The Acting Speaker: The hon. Member for Edmonton-Centre?

The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have the opportunity to make a few comments about Bill 45, the Family Law Act. I'd like to address the bill from the unique perspective of a relatively new grandparent. The last four years have been a bit of an eye-opener in terms of looking at the world through the perspective of a grandparent. It is from that perspective that I would like to look at Bill 45 and to base my comments on some of the work that was presented by the Alberta grandparents association in their presentation to the family law reform project of Alberta Justice in Edmonton on September 30, 2003. In their document they make a number of points that I think are extremely important from a grandparent's and a grandchild's perspective with respect to Bill 45.

Their overall judgment of the sections in the bill that affect grandparents is that Bill 45 really puts the onus on grandparents to take action for access in extraordinary fashion, and the rights of grandchildren having access to their grandparents are even more restricted in intact families where the grandparent is required to obtain leave of the court prior to bringing application for access. It seems that this onus on the grandparents is contradictory in terms of the years of research that describe the benefits to children and to parents and to grandparents when that grandparent/grandchild relationship is nurtured and protected. It's of major concern to that association and, I expect, to grandparents across the province.

They supplied some statistics on the number of grandchildren living with grandparents where there are no parents present, and in Alberta in 2001 that amounted to 7,000 grandchildren, not an insignificant number of youngsters who are residing with their grandparents. So the association has a concern that grandparents are being pressed to unnecessary and extraordinary action to preserve the relationship with their grandchildren, and they base their observations on five I think rather strong beliefs.

One is that grandparents provide a very stabilizing force in times of family crisis and that they actually reduce the reliance on public services in situations like this. They indicate – and some research will support it – that child development is fostered by socializing with grandparents, the kind of financial and emotional support that they get, the passing on of history and traditions, that that relationship is a source of strength for children in times of crisis, and that grandparents are the ones that can provide that strength. There's some research that indicates that those relationships with grandparents affect relationships with their own grandchildren and grandchildren two generations later.

They indicate that in terms of developmental issues, research has found that it's that unconditional love that grandparents bestow upon children that aids in the development of their self-esteem and efficacy. I think that if you talk to any grandparent, Mr. Speaker, they'll confirm that one thing that you do learn, that all of us learn from grandparents is unconditional love, what it means to give unconditional love. They point out in their presentation the positive psychological effect that this has on children, on their grandchildren.

The fifth point that they make with respect to the benefits of

children having access to grandparents is the continuity that grandparents provide in relationships. With divorce rates and with economic hardships and drug and alcohol abuse, grandparents are for many young children the only stabilizing force. Again, that relationship can reduce the reliance of families on public resources. I think the five sort of beliefs, that are supported by research in some cases, that the grandparents put forward are worthy of consideration, particularly when we look at the principles and in fact, when we get into committee, the specific provisions of Bill 45.

9:00

I think the summary is that grandparents and others will be able to apply for access to children, and the test that must be satisfied for grandparents goes well past the usual best interests of the child. It includes a requirement that grandparents and others prove that the child's health would be jeopardized if access is not granted, and this, I think we would agree, is a test that's unnecessary and maybe really a very difficult test for persons to satisfy, especially if the child is very young.

At second reading we're to look at the principles. I think that the Alberta grandparents association has put forward some very sound principles that should be reflected in the legislation. When it comes to Committee of the Whole, I would also hope that we might consider some of the specific amendments that they have suggested that would take away some of the less attractive aspects of Bill 45 as far as grandparents in the province are concerned.

Thanks very much, Mr. Speaker.

The Acting Speaker: Under Standing Order 29 does any member have any questions for the hon. Member for Edmonton-Mill Woods? The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. Just a few brief observations on Bill 45, the Family Law Act, as we begin the debate in second reading. The New Democrat caucus has also received some representations, some expression of concern by parent organizations and by some individual parents who have called in to ask us to draw the attention of this Assembly to the provisions of the bill which will make it more difficult than is presently the case for grandparents to have access to their grandchildren.

Even in the case of families which are intact families, the issue is complex; there is no doubt. There is the question, particularly when it comes to families that are healthy, that are intact, of the rights of the children themselves. The rights of parents clearly are also important and have to be respected, but grandparents see some unnecessary new obstacles they're asked to jump over, if you wish, in order to satisfy the authorities to have access to children. The question of the psychological health of children in addition to their physical well-being certainly is an issue that needs the most careful attention of this House when debating this bill and debating the provisions which are designed to regulate access to children by grandparents and other interested relatives and persons.

I haven't had, I must confess, enough time to look through the bill as amended, which was given to us this afternoon by the Minister of Justice and Attorney General, before it came up for discussion tonight, so I will have perhaps more to say on it later on during the debate on this bill at the committee stage. At this stage I just wanted to share with the House some of the concerns that we have heard about from grandparents who see the provisions of the bill as a bit too restrictive from the point of view of some concerned grandparents.

Thank you, Mr. Speaker.

The Acting Speaker: Any questions for the hon. Member for Edmonton-Strathcona under Standing Order 29?

There being none, the hon. Member for Calgary-Lougheed to close debate.

Ms Graham: Thank you, Mr. Speaker. Just briefly to respond to the comments made by the members for Edmonton-Mills Woods and Edmonton-Strathcona about grandparents' right to seek access by way of a contact order when the situation is an intact family. Yes, it is a very difficult situation, and the policy decision was made to try and strike a balance, because the considerations are a little different in an intact family where there is no contact between grandchild and grandparent versus one where the contact is due to a separation of the guardians, the parents, or perhaps the death of one of the guardians or parents.

Of course, the test is always the best interests of the child, but the thinking was that it was not unreasonable in an intact family situation to require an application to be made for leave before the full application could be brought. There's certainly not a denial of access by grandparents in this situation to apply but just a higher onus to satisfy the need because of the potential ramifications of such an application to the parents in an intact situation.

I agree. I sympathize with the Alberta grandparents association and the position that they have taken. Well, I can't say any more than that I do sympathize, but I do believe that the policy decision that has been made has struck a good balance in a very difficult situation, trying to choose the best for all parties concerned.

So with that, Mr. Speaker, I'll conclude my remarks and ask you to call the question.

[Motion carried; Bill 45 read a second time]

head: **Government Bills and Orders**

head: **Committee of the Whole**

(continued)

[Mr. Shariff in the chair]

The Deputy Chair: We'll call the committee to order.

Bill 45 Family Law Act

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you very much, Mr. Chairman. It is my pleasure this evening to open committee consideration of Bill 45. At the table there is a large package of amendments to this bill which I would request be distributed at this time.

9:10

The Deputy Chair: The amendments are being distributed currently, and for the record we shall refer to these amendments as amendment A1. If you'll just hang on for a minute while the amendments are being circulated.

Hon. member, you may proceed now.

Ms Graham: Yes. Mr. Chairman, I appreciate the fact that you have declared that the package of amendments would be marked A1, and that is my request, that these amendments be considered as one package and voted on as a single unit. Due to the extensive nature of these amendments, which have been realized after very extensive input from Albertans since the bill was introduced last spring, I

would like to give all members adequate time to review the contents of the amendments as contained in A1, and thus it would be my request and I do move that there be adjournment of debate on committee consideration of Bill 45 until we sit again.

[Motion to adjourn debate carried]

Mr. Stevens: Mr. Chairman, I move that we rise and report progress on this bill.

[Motion carried]

[Mr. Shariff in the chair]

Mr. McClelland: Mr. Speaker, the Committee of the Whole has had under consideration and reports progress on Bill 45. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

head: **Government Bills and Orders**

head: **Second Reading**

(continued)

Bill 44

Personal Information Protection Act

[Adjourned debate November 19: Mr. MacDonald]

The Acting Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. I'm grateful to the Assembly for allowing us to continue the debate in second reading for Bill 44, the Personal Information Protection Act. I think one of the things we have to be careful about with this bill is that once privacy has been violated, it cannot be restored. Once violated, it cannot be unviolated. So it behooves us to be extremely cautious in the areas that we allow this bill to move forward on.

One of the other things that I think is really important with this bill is that we create certainty. Certainly, the request that I've had from the business community is: we just want to know what it is we're supposed to do, because we're supposed to do it in six weeks, by the 1st of January. Some of them have been having seminars on what the federal legislation is and are preparing themselves to achieve the bar set by the federal legislation on January 1, 2004, if, in fact, this provincial legislation doesn't supercede it. Just as a refresher, the deal is that the provinces can pass their own legislation as long as it meets or exceeds the standards that are set by the federal legislation. Therein lies the rub. Who decides whether it meets or exceeds? That's where we start to get into the interesting negotiation points here. But what I've heard very clearly from the business community is: just create certainty for us, please; we need to move on here.

The other thing that I have experienced in working with collection of people's personal information. In that, we're talking about things that identify them, so either personal identifying information like a date of birth, personal appearance, address, phone number, contact information in other words, sex, marital status – and the list starts to get ever longer there – but identifying information, where if somebody looked at it or thought about it, if they read it in the

newspaper, could they figure out that it was you? Could they track you back to your address? Would they know that the person with this name and particular gender is their neighbour? So identifying information is what we're talking about here.

The problem with collecting personal information about people is that it always tends to get away from us because there's always a great reason to use the information for just one more reason than you collected it for. It is overwhelming, the temptation to use it, because once the information is already there, what does it harm to just use it for one more really, really good reason: to extend a special offer to somebody, to give them something free, to let them know information about something that we're sure – and I'll underline that – they would want to know about. Well, gosh, that other person has already collected all the information. Why don't we just use it? That would be so handy. And that's where the problem is.

So the issue here is that once the information has been collected, the individual needs to have given their consent that it be collected, and it can only be used for what it was collected for. I think that's the very minimum standard that we need to be seeking to achieve here. It is a struggle because we have so many different reasons to want to use somebody else's list, someone else's information, or indeed for us to use the information. We collected it for a particular reason, and gosh, wouldn't it be perfect if we could use that information for this other reason as well?

You know, we collected it because people contacted us and said that they wanted information on bills and motions we were debating in the House, but we'd love to send them a Christmas card too. Well, we didn't collect the information to send them a Christmas card. A lovely thing to do, and doesn't it seem kind of silly that we couldn't send them a Christmas card? What a nice thing to do. But we collected that information, and we had their permission to use it to give them information on bills and motions.

So you can see how easy it is to just slide right along there and start to use that information for something outside of the reasons we collected it for. That's what makes this legislation so important and the onus on us to be very vigilant with how we allow it to be used so important.

Of course, the question is always: well, is the glass half full, or is the glass half empty? Is this good enough or not? We are creating essentially new legislation here, or rather we're extending it to a whole sector that's never had any experience with it. To a certain extent the sectors that are already involved in protection of privacy have had for a long period of time some familiarity with it. Specifically, there I'm talking about government and health sectors. You know, they're used to having personal information and having some onus on them to be careful with it. That has not been the case, and I think it could be argued that it was exactly the opposite in the private sector. That's what all the mail houses were about and all those interesting ways that people had to collect that mailing information and then get you on a mailing list and send you flyers for a hundred things.

9:20

One of the good things that I see in this legislation – but I don't at this point think it's enough to outweigh the things that I'm critical of – is that the disputes under Bill 44, under an Alberta version of personal information protection, could be adjudicated by the Alberta FOIP Commissioner, so locally resolved. If we're underneath the federal legislation, then it goes to the federal Privacy Commissioner, and, you know, that's just farther away, and they may not understand regional differences, et cetera, et cetera, et cetera. I'm much happier with it being a local mediation process or arbitration process.

There have been a couple of speakers on this already, but I just want to go through a few things that, again, I've noticed in particular. This was interesting. You know, we all, I'm sure, as legislators

get lobby letters from individuals, and of course when we start to identify that it's exactly the same letter with the same headings on it and that it looks the same, we start to sort of discount the importance of it or at least we go, "Well, you know, this is a campaign from somebody," and we understand it in context. I have never seen form letters coming from businesses until this bill, and here we have exactly the same letter coming from Enmax and somebody else: exactly the same formatting, the same heading, word for word. It quite made me laugh; I'd never seen that happen before. Talisman Energy: who would have thunk it? There you go. Enmax, Talisman Energy. So they must have had a little energy confab and decided to write form letters. Too funny. Anyway, just a little aside there.

You know, I have a problem with the concept of "reasonable person," especially as it affects this collection and use of personal information, partly because with the reasonable person, the person on the street, there's been a lot of effort put into convincing them of the goodness, the purity, the usefulness, even the benefits of handing over your personal information. All of those loyalty cards for shopping convenience: that's all about collecting your personal shopping habits. How they get you to buy into this and happily tell them every single thing you purchase and what size you purchase it in is all about: "Well, you'll get a discount. You'll get credit points. You'll get money off. You'll get special sales." We've now all been conditioned to this, so the thought of these loyalty cards is: "Oh, great. That's a good thing." Yeah, well, then how do you turn around and say to that same person: "Okay. Let's look at a test. You're the reasonable person. Let's look at the test of when we let that information out, when we collect it"? I think that that process has already been tainted, and I don't know that using that as a test is reasonable anymore. I guess what I'm saying is that I don't think it's reasonable anymore.

I have real problems with the grandfathering of information that was collected prior to January 1, 2004, provided that the information is used for the same – here we go again – reasonable purpose for which it was originally collected. How close is reasonable here? My example: "Well, we've got the people that submitted their information to the Legislature to use to send them information on bills and motions. Can we get away with sending them a Christmas card?" Is that reasonable here or not? It's not clear enough, and I don't think that information should be grandfathered. I think the onus has to be to go back and notify those people again, and I'll give you a very concrete example of where I saw that happen before.

When I was with the Advisory Council on Women's Issues, I organized the collection of a huge amount of contact information for women in the province to get information on the work we were doing around identifying issues on the status of women in the province. I think we ended up with a 5,000-name database, which 10, 12, 13 years ago was a big database. So we'd collected information from those women. In my mind we had their permission to use their addresses to send them information about the work that was being done on the status of women.

As the government started to change and realign and add departments together and what eventually became the Department of Community Development, the advisory council was sort of attached to the side of that and eventually subsumed under the Department of Community Development. The great idea here was: that was grand; we were just going to use that database and add it into and mix it up with all the information they'd already collected on people interested in the arts and human rights and everything else that ended up under Community Development.

I said, very forcefully: no. I felt a responsibility to those women, that I'd collected that information from them specifically to give them information on women's issues, and in a lot of cases for the

work that we were doing at the time, these were women that probably had some fairly close encounter with domestic violence issues. The thought of them now receiving flyers about do you want to take a pottery class and multicultural folk dancing was not at all what they had signed on for, and I protested the use of it.

But you can see how it made perfect sense. It seemed perfectly reasonable that if the government was going to amalgamate all these departments, they would amalgamate all the databases. Of course. Why not? Because people were interested in information. Surely if they were interested in women's issues, they would also be interested in the arts and human rights and multiculturalism. Absolutely. Sports and recreation. Parks. Absolutely. If they were interested in one, being that kind of person, they'd be interested in it all.

But that's not why we had their permission to use their information, and you can see how quickly you slip onto that if you don't say: that's it, there's no grandfathering. You have to go back to everybody and get that permission again. Start over. You have to go back and get their permission.

I think there's also an issue around the third party. I'm seeing some familiar things here, and to me the flaws in the FOIP legislation that we have in the province are being instituted into this bill as well. That's around being able to not give someone access to their personal information if a third party gave it or if a third party is involved. Well, I've heard that before. That sounds very familiar.

The issue about charging for fees. The federal legislation says a minimum charge. This says – oh, here we go – is it reasonable? A reasonable charge again. Well, reasonable to who? We've had in the Official Opposition bills offered up of \$75,000 to get information from the government. I don't call that reasonable. I'd call it an impediment to getting that information.

I think there are a number of other examples there where too much has been borrowed from our current FOIP legislation.

I also wanted to raise the issue: again, there's too much left up to the decision-making of cabinet, of Lieutenant Governor in Council, to be put in regulations and all after the fact. I think we have to be extra careful to be transparent and accountable on this legislation. So I'm not comfortable with that.

I think there's another issue around the privacy rights in the employment information. I think there are a number of flaws that are appearing under that section as well.

So in principle I'm not sure whether I can support this bill or not. I need to be convinced that this legislation is going to be better for all Albertans than what's already in place federally, and I think the federal one could use some streamlining, but I'm not convinced that this supercedes it.

Thank you.

9:30

The Acting Speaker: Standing Order 29 kicks in. Any questions for the hon. member?

The hon. Deputy Government House Leader.

Mr. Stevens: Mr. Speaker, I move that we adjourn debate on this bill.

[Motion to adjourn debate carried]

The Acting Speaker: The hon. Deputy Government House Leader.

Mr. Stevens: Thanks, Mr. Speaker. We've made some good progress tonight, and I suggest that we adjourn until tomorrow afternoon at 1:30.

[Motion carried; at 9:31 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Thursday, November 20, 2003**

1:30 p.m.

Date: 2003/11/20

[The Deputy Speaker in the chair]

head: **Prayers**

The Deputy Speaker: Let us pray. Heavenly Father, as we conclude this week's deliberations and return to our constituencies, we pray that we will be renewed and strengthened in our commitments to better serve our constituents and all Albertans. Amen.

Please be seated.

head: **Introduction of Guests**

The Deputy Speaker: The hon. minister of human resources.

Mr. Dunford: Thank you very much, Mr. Speaker. I'd like to introduce to you and through you today the government relations staff of the Workers' Compensation Board. As MLAs will attest, there are better relations that are taking place now between individual MLAs and the WCB, and the people that are responsible for that, of course, are led by Jordan Cleland and his staff of Kathleen Ruelling and Sarah Stevenson. I would ask them to rise and receive the warm welcome of the House.

Mr. Lougheed: Mr. Speaker, I'm pleased to introduce to you and through you to members of the Assembly two groups today. First of all, from James Mowat school in Fort Saskatchewan. Accompanying these students are Mr. Fellows, Mrs. Kondro, and Mrs. Webster and parent helpers Mr. Babichuk, Mr. John Enns, a former principal and colleague of mine, Mrs. Geary, Mrs. Cockburn, Mrs. Conroy, Mrs. Schneider, and Mr. MacDonald. I'd ask that they please rise and receive the warm welcome of the Assembly.

A second introduction, from Wye school. The teachers are Ms Janet Manson, Mrs. Allison Baker, and Mrs. Tanya Jordan, accompanied by Mrs. Debbie Beckwith and Mr. Stan Plociennik. I'd ask that these students and parents and teachers please rise and be recognized by the Assembly.

The Deputy Speaker: Now the hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I am just delighted to introduce to you and through you to all members of the Assembly a group of students in the career options for new Canadians program at NorQuest College, which is located in my constituency. Here today is Ms Bev Cooper, who is the instructor for the class, and nine students. I've been out to talk to this class. They are very keen on current affairs, and they're also all looking forward to voting in the next series of elections. I would ask them to please rise and accept the warm welcome of the Assembly.

The Deputy Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I'm very, very pleased to introduce to you and through you to the House three outstanding young individual Albertans. I'll introduce the first two, ask them to rise, and then ask the House to welcome them. The first two are Tracey Nicholson, a social work student at Grant MacEwan College who is presently working in the Edmonton-Highlands constituency as part of her practicum experience. Her colleague Raul Rodas is also a social work student at Grant MacEwan College, and I have the pleasure of having him in my constituency office assisting with the

day-to-day work. I would ask both of them to please rise and receive the warm welcome of the Assembly.

Mr. Speaker, my third guest, who I'm very pleased to introduce to you and through you to members of the Assembly, is Ms Melanee Thomas, executive director of the Council of Alberta University Students. The Council of Alberta University Students represents over 80,000 undergraduate students in this province, and Ms Thomas has been working very hard on behalf of this association to generate a debate on Bill 43, which is before the House now. I will now ask Ms Thomas to rise and receive the warm welcome of the Assembly.

head: **Ministerial Statements**

The Deputy Speaker: The hon. Minister of Economic Development.

Heritage Classic Organizing Committee

Mr. Norris: Thank you very much, Mr. Speaker. I rise on this beautiful Alberta day as a proud Edmontonian to talk about the outstanding work of the organizing committee of the Heritage Classic, that's happening this weekend in Edmonton. This weekend's Heritage Classic celebrates the presence of many of Edmonton's great hockey heroes, including Wayne Gretzky and Mark Messier. Together, the players that are entering into Edmonton's realm have won a combined 127 Stanley Cups among them.

The game will shine an international spotlight on the city of Edmonton and the province of Alberta, and, Mr. Speaker, at the same time this game will generate an enormous amount of media attention not only in Edmonton, Alberta, but in North America and around the world. You cannot buy this kind of media exposure, and not only is this celebration a great event for the city of Edmonton, Alberta, but the economic impacts have been huge. [interjection] I will tell you how good it is. For example, it is expected that the economic impact will be similar to last year's Grey Cup, which was in the \$20 million to \$25 million range to the city of Edmonton. Furthermore, hotel rooms, according to all accounts, are fully booked for this weekend's event.

But interest in this game stretches far beyond Edmonton and Alberta, Mr. Speaker. The Edmonton Oilers estimate that one-quarter of the people who attend the game on Saturday will be from out of province, and the Oilers have issued an unprecedented 350 media passes for a game which would normally see 50 media passes asked for. That's more coverage than the final for the Stanley Cup, and media have joined us from as far away as Finland.

Mr. Speaker, I as an Edmontonian and I know all the others in the caucus are so proud of the efforts of the Heritage Classic organizing committee and its chairman, Mr. Doug Goss, and the volunteers of this great city who have made this event happen. I congratulate them before the event happens on what I know will be a spectacular job, and I will join my fellow Edmontonians and Albertans in cheering on the Oilers in victory in the alumni game and the game on Saturday night.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you, Mr. Speaker. Almost every Albertan can remember throwing on a parka and heading down to the corner rink or nearest pond and playing shinny on a cold afternoon. Usually you'd just throw your sticks in the middle, blindfold one player, and he'd throw the sticks from side to side to pick teams. There were no refs, no time-outs, and sometimes the net just consisted of two boots, but you were Wayne Gretzky or Guy Lafleur for that day on a small, frozen patch of ice.

These fond memories are going to be played out before us in a larger-than-life fashion at the Heritage Classic. This outside game will definitely be a spectacle with not only two of the most famous franchises in the NHL's history having a match but also the megastar matchup between the former stars of both teams that will precede the game. With players like Guy Lafleur, Larry Robinson, and Kirk Muller on the Habs side matching up against Oiler all-stars Wayne Gretzky, Mark Messier, and Paul Coffey, the game is going to be as good as any hockey fan could imagine.

This event is a first in the NHL, and we'd like to recognize the tremendous amount of effort by all parties involved in getting this off the ground. The international exposure that Edmonton will receive will be a major boost for the economy and an excellent way to showcase the city. This hockey game is just a culmination of a number of events that start the day and go on throughout the weekend so that everyone should and will get the chance to take part in the magic.

Thank you very much.

1:40head: Oral Question Period

The Deputy Speaker: The hon. Member for Edmonton-Gold-Bar.

Electricity Deregulation

Mr. MacDonald: Thank you very much, Mr. Speaker. Support for this government continues to short-circuit. Today at the Alberta Association of Municipal Districts and Counties a resolution presented by Parkland county was carried by a vast majority of those in attendance. Part of this resolution reads:

Alberta's farmers, businesses, industry, residents and not-for-profit groups have faced hardships through higher annual energy costs, inconsistent provincial rebate programs, unfair and inefficient billing procedures and uncertainty in market supplies and contracts.

My first question is to the Minister of Energy. Why is this government continuing to ignore this group of rural leaders who request that the government of Alberta abandon and reverse the process of deregulation of utilities?

Mr. Smith: Well, Mr. Speaker, I was at the AAMD and C this morning. I didn't see the member there, but I did answer the one question that was put to me in the bear pit, and then I was notified of the resolution. In fact, individuals in the Aquila network have paid the highest prices for the last two years. They have the highest deferral accounts in Alberta.

An Hon. Member: That's EPCOR.

Mr. Smith: That's the Aquila network with EPCOR being a retail provider.

Not only, Mr. Speaker, have they had that charge on them, but they've also been plagued by commercial incompetency. They've had difficulties with meter reads. They've had difficulty matching distribution charges with the time that they bill the energy.

We are also at the end of that. This is the last 40 days of deferral accounts in that network and, as a matter of fact, all of Alberta with the exception of Enmax, Calgary. EPCOR has filed a rate bringing the price down by over a half-cent, and that alone is going to make substantial savings. So these people can look forward to as much as a 20 to 25 percent reduction.

The Deputy Speaker: Okay. Thank you. The first supplemental if it hasn't been answered yet.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the same minister: why is this government continuing to spend \$3 million on a propaganda campaign that attacks the sovereignty and the self-sufficiency of an Alberta tradition that works, rural utilities?

Mr. Smith: Mr. Speaker, there is so much fabrication in that preamble in that question that it really doesn't represent a question that could be logically answered.

Mr. MacDonald: Again to the same minister, Mr. Speaker: given that the economic boondoggle that has been electricity deregulation has already cost Alberta consumers over \$8 billion, how much longer will this government force higher energy costs on Alberta consumers before you unplug deregulation?

Mr. Smith: Well, Mr. Speaker, the economic boondoggle that sits in Alberta happens to be that this is the fastest growing economic jurisdiction in North America. When this growth started, there was a report out that said: how much electricity will you need? And it said: the amount of electricity that you're using today, in 2003, you will need in 2014. So, in fact, 45 percent new load growth supporting the fastest growing economic jurisdiction in North America has been put here on time and inside a price envelope that can be afforded by Albertans.

There have been difficulties in the consumer marketplace. We're working very hard to correct them. But deregulation, competitive generation has allowed Alberta to grow, unlike Saskatchewan, Manitoba, British Columbia, which have been choked off by the fact of socialist regulation.

The Deputy Speaker: Second main question. The hon. Member for Edmonton-Gold Bar.

Electricity Prices

Mr. MacDonald: Thank you very much, Mr. Speaker. My second question this afternoon is quite interesting. It's a comparison. Now, this document is an economic assessment from this particular government prior to 1993, when the current Premier was elected and the interprovincial industrial electricity prices for this province are the cheapest in Canada. Now, yesterday or the day before another utility study was issued, and it indicates that we have some of the highest electricity prices in North America. My first question is to the Minister of Energy. He may not want to answer, but how do you explain that this study indicates that Edmonton, Alberta, has the second highest electricity prices for residential customers in Canada? If electricity deregulation is working so well, explain that.

Mr. Smith: Mr. Speaker, how can the member explain the fact that British Columbia has a \$7 billion debt on their hydro? How can the member explain that Manitoba, that's going probably 10 percent over the last four years, is swimming in a sea of red ink and they have a \$7 billion debt that their taxpayers are going to have to pay for? He's very comfortable taxing tomorrow's Albertans, very comfortable, but we're not.

The Deputy Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the same minister: given that the average price for large power customers in Vancouver is 4 cents a kilowatt, in Regina it's 5 cents a kilowatt, in Winnipeg it's 3 cents a kilowatt, and in Edmonton it's 7 cents a kilowatt, how much longer before you unplug electricity deregulation and restore our economic advantage? These are the statistics, and you can't hide from them.

Mr. Smith: Well, Mr. Speaker, I mean, the answers are so obvious. I know he wants to talk about the one or two large users left in Manitoba. I know he wants to talk about the highest tax rate in Canada, in Manitoba. I know he wants to talk about a sales tax in British Columbia. I know they want to talk about the tremendous amount of debt left to those provinces.

You know, we're not going to dwell in the past, because we're the fastest growing economic jurisdiction in North America. It's been put forward by a number of groups that we're going to grow again, yet at the same time the Royal Bank comes out and says: "Where's the second most affordable jurisdiction to buy a house in Canada? Alberta." And that includes utility rates.

Mr. MacDonald: That is, Mr. Speaker, if you don't want to turn your lights on.

Now to the Minister of Economic Development: will you conduct a study, please, on behalf of the citizens of this province to just prove once and for all how much of our economic advantage has been eroded because of high electricity costs for power users in both small and large accounts?

Mr. Norris: You know, Mr. Speaker, I've been jumping to get up here. Thank you for the question, hon. member, because you are so wrong, so wrong.

Let me tell you exactly what we do. If the hon. member took the time to read the reports that our department produces, he would know that KPMG does an annual study about the cost comparative between seven cities in Canada and seven in the United States, all of medium to large size of Edmonton. Every single time Edmonton and Calgary come out number one or two. Lethbridge comes out number one in small; Medicine Hat, number two.

I would like to talk for a moment, Mr. Speaker, about reality. I want to talk about reality, about what we don't say as the government, what other people are saying about Alberta. The TD Financial Group says that the Alberta Calgary/Edmonton corridor has the potential to become the most prosperous place in North America. The Bank of Montreal describes the Alberta government as a fiscal paragon of virtue, and the Conference Board of Canada metropolitan outlook for Alberta says that it will lead the nation again . . . [interjections]

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie. [interjections]

Automobile Insurance Rates

Ms Carlson: Thank you, Mr. Speaker, and thanks for all of your support.

Mr. Speaker, under the government's auto insurance plan it won't matter if you're male or female, 16 or 60, married or single, but if you're from Edmonton, you'll pay more than any other Albertan. Again Edmonton government MLAs have failed this city. My questions are to the Minister of Economic Development. Given this minister's willingness to study the economic impact of consolidating Edmonton's airports, will he study the economic impact of charging Edmontonians more for auto insurance than any other Albertan?

1:50

Mr. Norris: Well, Mr. Speaker, I don't even know where to begin. The inferences in the question to Edmonton MLAs not standing up for Edmonton is absolute poppycock. Absolute poppycock. As a result, we have through the hard work of the Member for Medicine Hat and the Finance minister worked out a program to realize that the actuarial function of Edmonton versus Calgary has been worked

in and will be phased out over the next three years to level the playing field. In actual fact, if we wanted to get involved in managing insurance companies, which we don't, then we would do what the hon. member is suggesting. We are not going to do that; we're going to let the market decide.

Ms Carlson: Mr. Speaker, we want to talk about auto insurance rates before the next election. Will this minister tell us why he and his Edmonton colleagues could not stop the government from punishing Edmontonians with higher auto insurance rates than for any other Albertan?

Mr. Norris: It would appear to me that my answer flew right over the heads of the opposition, Mr. Speaker, so I'll try again. The bottom line is that we do not get involved in telling insurance companies the actuarial responsibilities they have. We do fight vigorously to say that if we are not looking at leveling the playing field in certain areas, then we'll do it in others, but in this particular case we have a commitment from this government to over the next three years level that playing field. I can tell you that every single one of the Edmonton colleagues as well as every colleague in here fought for that.

The Deputy Speaker: To supplement, the hon. Minister of Finance.

Mrs. Nelson: Thank you very much, Mr. Speaker. I'd like to briefly supplement the answer from the Minister of Economic Development. I can tell you very clearly that the MLAs from the capital region have been very, very forthright in coming forward in this new package and making sure that everyone in this province is dealt with fairly and in particular have represented their ridings and have led the way to help us put in place a structure that takes us down from four regional areas to, in fact, three regional areas but keeps in mind the fact that the actuarial assessments that have occurred clearly show that in the past – in the past – the claims experience in Edmonton has in fact been higher than other jurisdictions within the province. That is balancing off and, therefore, has allowed us to move to a system that will bring us into three geographical areas, and that has been brought forward by our entire caucus.

Speaker's Ruling Improper Questions

The Deputy Speaker: Before recognizing the hon. Member for Edmonton-Ellerslie, just a reminder that question period is designed to bring the government, which is the cabinet, to account for what they're doing. It's not to bring the caucus to account. Many of the answers, although helpful, really were responding to a question that was inappropriate.

The hon. Member for Edmonton-Ellerslie.

Automobile Insurance Rates (continued)

Ms Carlson: Thank you, Mr. Speaker. To the same minister: given that even the insurance industry is against this government's plan, isn't it time for a better plan? Why don't you just adopt a public insurance plan like we've been asking for?

The Deputy Speaker: The hon. Minister of Finance. [interjections] The hon. member, I'm sure, realizes that usually the question goes to the minister responsible for that avenue of concern. The direction goes to whomever, and in this case it's the Minister of Finance.

Mrs. Nelson: Thank you very much, Mr. Speaker. This group across the way has been promoting government insurance and the government getting into the business of business. We are not in that mode on our side of the House. We believe that the industry can operate fairly and equitably within this province. Is the industry angry with some of the reforms? Yes. Are the accident lawyers angry with some of the reforms? Yes. Are the consumers going to be happy? Yes.

So, obviously, we are moving in the right direction because we are dealing with the obligation we have to the consumers to make sure that we have a fair, accessible, affordable, and comparably priced insurance package within this province, and that's the package we've put forward. I know the opposition party doesn't like that because they want government insurance. We're not going down that path, Mr. Speaker. We're going to have the private sector deliver insurance to the people of this province.

The Deputy Speaker: The hon. leader of the third party.

Energy Deregulation (continued)

Dr. Pannu: Thank you, Mr. Speaker. Today the overwhelming majority of delegates at the annual convention of municipal districts and counties have sent a clear message to this government: abandon and reverse disastrous deregulation policy. The Tory government's foray into deregulation can be summed up by the five Cs: crisis, confusion, chaos, conflict, and confrontation. My question is to the Minister of Energy. Will the government turn its back on the five Cs and abandon and reverse deregulation of Alberta's electricity and natural gas utilities, and if not, why not? A clear answer.

Mr. Smith: Mr. Speaker, if it weren't so corny, concealed, coagulated, covert, and clandestine an attack by the other member, I would gladly respond to it. Just because the third party took claim to leaking the report of the Advisory Council on Electricity, I would direct the member – I guess he was busy leaking and didn't have time to do some reading – to read page 1, that says, "Specifically, the Council recommends that the government develop a clear game plan for the next . . . five years and stick to it," looking for that kind of certainty.

We're responding to those reports, Mr. Speaker. We're responding to the work that over 800 Albertans supplied to the Advisory Council on Electricity, the good work of the people on that advisory committee, the good work by the members for Whitecourt-St. Anne and Leduc on this. So that is one area we take our direction from. Of course, we're going to listen to what the Alberta Association of Municipal Districts and Counties have said to us, but, you know, it's a large issue, and the good part of it is that there's power here, there's economic growth here, people are buying houses, land prices are increasing, and I'm glad that we have this item to discuss.

The Deputy Speaker: First supplemental, the hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. A second question to the same minister. I hope this time he'll listen more carefully. If he thinks that everything is hunky-dory, as he claims, then why did the overwhelming majority of delegates at the AAMDC convention urge the government and him to abandon and reverse utility deregulation? Why are they saying this to you?

Mr. Smith: Well, Mr. Speaker, probably the same reason as why they asked me one question in a bear-pit session that lasted over an hour.

The Deputy Speaker: Final supplemental.

Dr. Pannu: Thank you, Mr. Speaker. My final question is to the more reasonable member of the front benches there, the Deputy Premier of the province of Alberta. Why is the government refusing to listen to rural politicians, who know firsthand the hardships caused by the government's disastrous deregulation policies, Madam Minister?

Mrs. McClellan: Well, Mr. Speaker, first of all, as a member of a rural community and as a representative of a rural community I know how important it is to have a safe, reliable supply of power. If I were the operator of a hog operation, who depends by the moment on power, of a feather industry, where 15 minutes out of power can devastate their whole livelihood, I would appreciate the fact that I have a safe, reliable source of power. I am not facing blackouts, brownouts, or rolling power outages in rural Alberta today, which, if any of us look back to prior to deregulation, was a very serious risk. In fact, many of the same media that write stories today about deregulation wrote stories about the looming brownouts. We appreciate having increased energy occurring. In fact, we in rural Alberta appreciate being contributors to a good environment by cogeneration through collecting methane from hog operations.

2:00

Mr. Speaker, I would really encourage the hon. member, instead of trying to find the narrow political issues, to look at the other half of the glass and see what has happened since power deregulation. Talk about wind energy, talk about bioenergy, talk about the investments that have been made in this province, and talk about the fact that the economic advantage in this province comes from the complete economy, not a single issue.

The Deputy Speaker: The hon. Member for Edmonton-Manning.

Edmonton City Centre Airport

Mr. Vandermeer: Thank you, Mr. Speaker. Media reports this morning are claiming that the province is intent on seizing the Edmonton City Centre Airport in an attempt to keep the Edmonton Regional Airports Authority from following through on its announced intention to cease all scheduled flights into the airport as of January 2005. My first question is for the Minister of Economic Development. Can the minister clarify just what the province's intentions are regarding the survival of Edmonton City Centre Airport?

The Deputy Speaker: The hon. minister.

Mr. Norris: Thank you very much, Mr. Speaker. Before I give my answer, I would like to reiterate my thanks to the Member for Peace River and the Member for Lesser Slave Lake for all the work they've done on this particular file.

Mr. Speaker, I need to clarify that comments that were portrayed to say that the Alberta government is looking at seizing the airport are absolutely false. They were taken out of context, and they were not the comments we wanted to make. What we did want to talk about is the absolutely vital nature that this municipal airport plays in economic development not only in northern Alberta but in rural Alberta, in Lethbridge, Medicine Hat. To that end we feel that the airport authority needs to revisit the decision they made. To that end we are going to encourage them with every ounce of being we have to look at what it is they're doing and look at the great opportunity that exists with that airport.

In 1995, the year that the decision was reached to consolidate some air traffic, there were some 3 billion dollars' worth of projects on the books. There are now some 50 billion dollars, Mr. Speaker, and the majority of them are in northern Alberta. So we see this tool as vital not only for economic development in northern Alberta but for all of Alberta and most specifically rural Alberta.

Mr. Vandermeer: My final question is to the Minister of Aboriginal Affairs and Northern Development. Could the minister please explain who is on the government's committee and what they are looking at?

Ms Calahasen: Well, firstly, Mr. Speaker, our government recognizes the important role the city of Edmonton as well as the City Centre Airport play. I think it's really important for northern Alberta that whatever happens, we continue to work on this. As a result, the Minister of Economic Development and I will co-lead Infrastructure, Transportation, the chair of NADC, as well as Municipal Affairs to ensure that we continue to work with the city, the northern communities, and of course the members of NADC.

Mr. Speaker, I just want to talk about that because what we want to do is we want to bring people to the table, we want to hear their concerns, we want to gather information, but most of all we want to find solutions. I was so pleased to hear the other day that the mayor of Edmonton is supporting the continuation of scheduled aircraft at the airport, because Edmonton is the city of choice for northern communities and businesses and we want Edmonton to remain the gateway to the north, and I know Edmonton wants to remain the gateway to the north. Even the city's own audit echoes the saying that through the development of effective and actionable plans the operation of the City Centre Airport will continue to benefit the city, the region, and the province.

The Deputy Speaker: Hon. Member for Edmonton-Manning, I did hear you say that it was your final supplementary; right?

Mr. Vandermeer: Yes.

The Deputy Speaker: The hon. Member for Edmonton-Mill Woods.

Postsecondary Tuition Fees

Dr. Massey: Thank you, Mr. Speaker. Students and parents are upset by the shift in government policy that will see these Albertans pay a larger portion of postsecondary school costs. It seems that for the government 30 percent is not enough. My questions are to the Minister of Learning. How much is enough, Mr. Minister? Is it 35 percent? Is it 40? Is it 50 percent? Just how much is enough?

Dr. Oberg: Mr. Speaker, as I related to the Legislative Assembly yesterday, the 30 percent tuition fee policy is still in place, and as was seen in the amendments that I brought before the House late last night, it is actually still in place. Where we ran into an issue was with those institutions that have already reached the 30 percent cap. The hon. member is fully aware that the reason they have reached the cap is because they were very good business managers, their expenses had gone down, and subsequently they were not allowed to increase their tuition.

The University of Lethbridge, for example, has frozen their tuition for two years. The Lethbridge Community College I believe is for three years. Mr. Speaker, it would be completely different if these institutions were higher than anywhere else in Alberta, but in reality they're significantly lower. As deemed in the *Maclean's* study, the

University of Lethbridge is 40th of 50 universities across the country as the cheapest university.

Mr. Speaker, these people want the room to be able to increase their financial resources. Despite the fact that their expenses are down, their productivity is up. What we have done in the new amendments that were tabled last night is we have put a cost of living plus 2 percent to a maximum of 5 percent per year if they do hit 30 percent. That is less than what the rate of tuition rises right now. The other key thing that must be said here is that the University of Calgary and the University of Alberta, which are our two largest institutions, are still sitting at about 23 or 24 percent and indeed probably will never hit 30 percent.

So, Mr. Speaker, the amendments that were put in last night are to benefit those institutions that have been excellent managers, that have had lower tuition and now are going to raise their tuition by, at most, 5 percent per year.

Dr. Massey: Well, Mr. Speaker, the question is: is there a cap? Is there a 30 percent cap?

Dr. Oberg: Mr. Speaker, for those institutions that are under 30 percent, there are specific guidelines or specific regulations that say that they can only increase their tuition by an average of \$276 in the upcoming year. For those institutions who have reached 30 percent, they can at most – at most – increase their tuition by 5 percent.

The Deputy Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. So the answer is: no, there's no cap.

When will Albertans see a long-term plan for funding our postsecondary schools that will bring some stability to the amount contributed by students and parents?

Dr. Oberg: Last night.

The Deputy Speaker: The next question. The hon. Member for Drayton Valley-Calmar.

Cull Cow and Bull Program

Rev. Abbott: Thank you, Mr. Speaker. In October Alberta Agriculture, Food and Rural Development announced that they were negotiating with the federal government on a national cull cow and bull program to help the beef and dairy producers deal with the difficulties they continue to face as they cull their beef and dairy herds. Many of my constituents wonder when the joint federal/provincial program will be announced. My first question is for the Minister of Agriculture, Food and Rural Development. Minister, what kind of update can you provide concerning the national cull cow and bull program?

Mrs. McClellan: Mr. Speaker, we understand from statements that were made by Minister Vanclief the day before yesterday that they will be proceeding with announcing a federal cull cow and bull program, and that may be exactly what they will announce. I prefer to talk about a mature market animal program, and that will be what we talk about. It is our understanding that this program and the details of this program will be announced officially tomorrow.

The Deputy Speaker: First supplemental.

Rev. Abbott: Thank you, Mr. Speaker. To the same minister: well,

what has the industry said that it needs with regard to a cull cow and bull program?

Mrs. McClellan: Mr. Speaker, we've worked over the last several weeks, actually, with the industry on how to deal with these mature market animals. As most know, with this animal prior to May 20 the majority of that product went into the U.S. As of May 20 none of that product can go into the U.S., and it isn't expected that it can for some time. So the industry along with our caucus have talked about how to deal with this issue on a long-term basis. The industry and we agree that there are a number of things that you need. The first is a home for the product, for a product that used to have a different home. The second thing is that you have to have slaughter facilities for this product, and the third thing you need to have is a market for the product. Our industry and this government are very, very concerned about, again, interfering in the marketplace in a negative way.

2:10

The Deputy Speaker: Final supplemental.

Rev. Abbott: Thank you, Mr. Speaker. It's November 20. My producers have been waiting for five months. When can producers expect details of this Alberta program?

Mrs. McClellan: Mr. Speaker, I have been waiting for five weeks to convince the rest of Canada, including the government of Canada, that we should have some principles behind dealing with mature market animals. Those principles first and foremost should be to deal with a market reality. Well, five weeks later I have failed to receive support from the federal government, some support from the government of British Columbia, which I think understands the marketing situation, and very little from the rest of Canada.

Obviously, there's no question that this is a major issue for us. We carry about 50 percent of the breeding stock in Canada in this province, so it is a big issue for us. We are still hopeful that sometime this afternoon, tonight, or tomorrow morning the federal government will recognize the marketplace in what they do and we could join in a national program. However, Mr. Speaker, failing that, producers in this province will know on Monday the details of the Alberta program.

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Charles Camsell Hospital

Dr. Taft: Mr. Speaker, the Alberta Liberal opposition has learned recently that a deal for selling the former Charles Camsell hospital in Edmonton may close within the next few days. My questions are to the Minister of Health and Wellness. Is the minister aware of plans by the proposed owners to provide health services at the former Charles Camsell hospital?

Mr. Mar: Mr. Speaker, I have not been apprised of what appears to be a private transaction with an offer that has been made by an individual or a corporation that's not known to me. It would not come within my scope of knowledge. It wouldn't be within my jurisdiction to seek such information.

The Deputy Speaker: First supplemental, hon. member.

Dr. Taft: Thank you, Mr. Speaker. So, then, what assurances can the minister give Edmontonians that the Camsell will not just become another example of a public health facility being shut down

only to be reopened by a private operator providing insured health services?

Mr. Mar: Well, Mr. Speaker, the hon. member well knows about our public health legislation which prohibits private hospitals from operating in the province of Alberta, but there's nothing wrong with private surgical facilities being set up by individuals who wish to do certain types of procedures. Not major surgeries, which can only be done in a public hospital, but there are many procedures that can be done in private surgical facilities that can provide insured services to individuals. They cannot charge such individuals, but they can provide such services under contract to a regional health authority. He well knows that there are many such contracts within the province of Alberta for the provision of such services.

The Deputy Speaker: Final supplemental, Edmonton-Riverview.

Dr. Taft: Thank you again, Mr. Speaker. To the same minister: given that the Minister of Infrastructure has stated in this House that the Camsell is, quote, not suitable for long-term care, end quote, will the minister confirm that publicly contracted long-term care services will not be provided at the Camsell?

Mr. Mar: I can't possibly tell members of this House what the plans are for such a person who may or may not be buying, for a deal which may or may not be closing, for a deal that may or may not be in the works. I would presume that if such an individual or corporate entity were to come forward and buy such a facility as the Camsell, they would have in their plans renovations that would make it suitable for whatever services or use that they choose to use it for.

Mr. Speaker, this is a perfectly hypothetical question that is not about government policy per se, which is the purpose of question period. I need not remind the hon. member of that. We do not delve into the private affairs of corporations that wish to make a commercial transaction on a facility.

The Deputy Speaker: The hon. Member for West Yellowhead.

Grande Cache Sawmill Closure

Mr. Strang: Thank you, Mr. Speaker. Weyerhaeuser in Grande Cache recently announced that they will be closing their mill on February 8, 2004. This is a huge blow to the community, with over 156 employees losing their mill jobs. My questions are to the Minister of Sustainable Resource Development. Can the minister tell the Assembly: what are some of the challenges that the forest sector is facing right now that would have contributed to this decision?

The Deputy Speaker: The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Speaker. That is a very, very good question. As I've indicated before in this House, forestry continues to be a very important part of our overall economic diversification plan in Alberta. In fact, up to 50 communities in Alberta depend on forestry as their major source of income.

Dr. Taylor: How many?

Mr. Cardinal: For over 50 communities a major source of income and, also, job creation. In this particular case, Grande Cache happens to be one of those communities, and it's a community that cannot stand the loss of that many jobs.

What we are doing, Mr. Speaker, is that I've asked my department to look at the reasons why the company is saying that it's not economically viable to operate with 130 million board feet. As a person that was involved in forestry in my previous life, I generally have a good handle on the situation. What I intend to do once I get the status report from the department as to what distance the trees have to be hauled, the size of the trees, and the way the mill is set up in that town is that I will then go over and spend some time and tour the area to determine what we will do from there on.

The Deputy Speaker: First supplemental.

Mr. Strang: Thank you, Mr. Speaker. My first supplementary question is to the same minister. Three years ago the mine in Grande Cache closed down. Now this. For a town of this size these layoffs are really difficult. What is being done to deal with these workers?

Mr. Cardinal: Thank you very much, Mr. Speaker. As the member is aware, we did meet with the company officials from Weyerhaeuser yesterday, and they've agreed that they will do anything they can to ensure that a certain number of jobs are retained in Grande Cache. They may not be at exactly the same mill that's there, but we will look at other options. In addition to that, I know that the Premier has contacted the town and advised them that there are a number of ministers that will be working on the issue along with the MLA from that riding, of course.

The Deputy Speaker: Final supplemental, West Yellowhead.

Mr. Strang: Thank you, Mr. Speaker. My second supplemental question is to the same minister. What is going to be done with the wood supply in the forest management agreement for this area?

Mr. Cardinal: Thank you very much, Mr. Speaker. There is, of course, a clause in the forest management agreement that after 15 months or so if the company does not come up with a different solution in relation to harvesting the forest and also processing the forest in that particular setting, the government has the option to take over the wood supply and possibly reallocate it to another, more viable process of job creation.

Calgary Courthouse

Mr. Bonner: Mr. Speaker, plans to have a private consortium build and operate a new courthouse in Calgary have continued to move forward despite concerns from Alberta's top judges. My question is to the Minister of Infrastructure. Is the minister aware that one of the firms in the GCK Consortium, Great West Life Realty, is affiliated with Great West Life and its subsidiaries, which have been involved in more than 700 legal actions before the Calgary courts in recent years?

Mr. Lund: Well, Mr. Speaker, as the Attorney General for the province clearly outlined yesterday, there was no problem with the justice system operating in a building that happens to be owned and operated by the private sector. As a matter of fact, the Court of Appeal today is in a building owned by a private company. So I don't know why I would be searching to find out if the people that are financing and/or have got something to do with a project happened to have been in court.

2:20

The Deputy Speaker: The hon. Minister of Justice to supplement.

Mr. Hancock: Thank you, Mr. Speaker. I think the hon. member should be aware that no one is before the courts of this province more often than the government of Alberta, both on behalf of the people of Alberta prosecuting under the Criminal Code and under other provincial offences and both as a plaintiff and as a defendant, and there has never been a question about whether or not the fact that the government operated and ran the buildings in this province that the courts operate in impeded the independence of the courts in terms of matters before the courts. The government of Alberta is before the courts more often than any other party.

Mr. Bonner: To the Minister of Infrastructure: given that private companies with potential conflicts of interest will be handling security responsibilities and the management of sensitive documents at the Calgary courthouse under the P3 model, how can this possibly maintain public confidence in the courts?

Mr. Lund: Mr. Speaker, this is a very prime example of that opposition continually making comments about things that they have not investigated, that they've not researched, nor have they ever taken the time to try to look into these kinds of situations. The fact is that the security will be handled in that building similar to security in any other courthouse that we operate, and it will fall under the Solicitor General similar to the way it is today. That will not change.

Mr. Bonner: To the same minister: will the minister, then, table a detailed business plan that outlines measures to deal with potential conflicts of interest arising from the involvement of private companies in the project?

Mr. Lund: Mr. Speaker, the whole issue about security in any facility regardless of the owner – I just don't understand why these people can't get it through their thick skulls that, in fact, there are things like security that we are not putting out to the private sector. They stay in with the Solicitor General, and that's not changing just because someone happens to own the bricks and mortar of the facility.

The Deputy Speaker: Hon. minister, the Chamber is inhabited by people who are elected members, and the thickness of their skulls is not really the issue. They have the right to ask questions.

The hon. Member for Edmonton-Strathcona.

Automobile Insurance Rates

(continued)

Dr. Pannu: Thank you, Mr. Speaker. It's now clear that the promise to roll back insurance rates to levels found in other western provinces was nothing more than the usual hot air we're used to getting from the Premier. The insurance plan released yesterday will, if everything goes well, roll back rates by, at best, 12 percent. To the Minister of Finance: given that rates increased by 57 percent last year alone, why is the government conceding that it is powerless to reverse the gouging that occurred last year when private insurance took Alberta drivers to the cleaners?

Mrs. Nelson: Well, Mr. Speaker, we did not put forward a plan to roll back insurance rates. What we put forward was a plan that recognized that we had some difficulties with increased insurance rates, particularly in the automobile sector, but it had to deal with a whole restructuring of our insurance delivery program, because we found that there was poor accessibility, our prices were high, and we were not comparable to other jurisdictions. So we embarked on a

program that would in fact move Alberta into a position that would give us accessibility, where people would not be denied access to insurance, where people would be able to buy insurance at a price that would not preclude them from buying it, so it would be affordable, and we would have a comparable price mechanism within this province in comparison to the other jurisdictions on either side.

That's the program we embarked on, and we also put an added element in there that I think is very important, that puts some personal responsibility into the mix, and said: if you're a good driver, you're going to be rewarded, and if you're a bad driver, you're going to be penalized because we don't want bad drivers on the roads. It's as simple a case as that. That's what we put forward. We didn't adopt anybody else's plan. We made our own plan here in Alberta, and the Member for Medicine Hat has spent since July with a team of people to implement a process that will get us to the point where we deliver that to the consumers of the province of Alberta.

The Deputy Speaker: First supplemental.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: how will the government's plan bring rates in line with other western provinces, as the Premier promised, given that rates in Alberta are 40 percent higher than in B.C., 51 percent higher than in Saskatchewan, and 57 percent higher than in Manitoba?

Mrs. Nelson: Well, Mr. Speaker, we will be introducing in this House very quickly a piece of legislation that will deal with the detailed particulars of how we will accomplish this, but in the short we recognized that in order to bring down premiums, we had to do a balancing act, and we said that in order to bring down our premiums so we had affordable premiums and comparable premiums, we had to remove roughly \$250 million out of the system.

So the balancing act was to redesign the benefit side of the equation, and that we have done, and that's how you attain the reduction and enhance the benefits and make it affordable and accessible for Albertans. As the legislation comes forward in the next week, I'm sure that the hon. member will see a little clearer picture as to how that's going to happen. I think that, quite frankly, the job we had, again, was to have accessibility, affordability, and comparable pricing, and I believe that with the package we will be bringing forward, it will accomplish just that.

The Deputy Speaker: Final supplemental.

Dr. Pannu: Thank you, Mr. Speaker. Given that the minister clearly cannot find any way to bring rates down to the level of provinces with public insurance, can she tell this House one good reason why her government won't consider – won't even consider – a public insurance system?

Mrs. Nelson: Well, Mr. Speaker, let's go back again. I just finished saying in the previous supplementary answer that we have put forward a plan that will see \$250 million coming out of the premium side of the equation. That will be going back to consumers to lower premiums, and that will in fact go back to consumers in our new reformed insurance package.

The decision that we made as a government was to put a program in place, again, that will provide for accessibility, affordability, and comparability but at the same time will put personal responsibility into the mix. We made a conscious decision as a government that we were not in favour of moving to government insurance. We felt that that was not the answer for Albertans, and as a result, unlike the

socialists over there, we said that this is a place where we believe that we are not in the business of being in business, and we would prefer to have, unlike what they would want, the private sector continue on to offer insurance coverage within this province.

Now, this is very important, Mr. Speaker, because what you have on either side of us, of course, are government insurance packages, and while they may be successful in some areas, we believe that we have had success with the private sector within this province, and we would like to see that relationship continue to grow and continue on to provide the kind of coverage that we want.

The Deputy Speaker: The hon. Member for Calgary-Currie.

2:30

Provincial Fish and Wildlife Officers

Mr. Lord: Thank you, Mr. Speaker. I believe that Albertans are very proud of our long history of resource management and conservation enforcement by our fish and wildlife officers, and I would like to see us maintain and even improve on that history. There have been some mixed reports lately, however, about our fish and wildlife division which are causing concern to some Albertans. My questions are to the Minister of Alberta Sustainable Resource Development. Mr. Minister, has there been a change in policy in your department such that the department no longer places the same value on the work of fish and wildlife officers as it once did?

Mr. Cardinal: No, Mr. Speaker. I've seen some reports from the media. There are really no reports out to indicate that we are mistreating employees. I believe this government understands that we do have, you know, a very efficient and effective public service here in Alberta, and we're proud of that. That's why we keep on getting elected: we have such good backup from the public service.

Mr. Speaker, in relation to the conservation or fish and wildlife officers, they're no different. They operate like other public servants, and we have high regard for our employees. In fact, I have 130 fish and wildlife officers in Alberta out of a staff of 2,000, and we do spend about \$37 million a year specifically for fish and wildlife operations. That budget has increased by \$700,000 in the past year. There are no layoffs, and we don't plan to lay off anyone.

The Deputy Speaker: First supplemental.

Mr. Lord: Thank you, Mr. Speaker. To the same minister: does the department have a thorough, well-established, and proper process to properly determine what funding should be allocated to officer patrols and poaching regulation enforcement?

Mr. Cardinal: Of course, Mr. Speaker. We do have to operate within our budget – each ministry does – and we have to be very efficient as to how taxpayer dollars are used. Department officials in each division are involved in the development of the plans for the yearly operations, and our budgets are based on that. Therefore, they are directly involved in planning and staffing of particular divisions.

Mr. Lord: Well, my final question sums it up. Can the minister tell us: is his department taking poaching and wildlife conservation issues seriously in this province?

Mr. Cardinal: Absolutely, Mr. Speaker. That is a top priority. But one thing I want to say. Poaching is mentioned a lot of times in a negative way. I would say that 99.9 percent of Albertans are honest and will never poach, so we are dealing with a small, small percentage of the population in Alberta. In the past six years, in fact, there

have been approximately just a bit over a thousand people charged and fines of over \$1.1 million. So the area is working very well.

We do have, though, another challenge, Mr. Speaker. That's the number of wild animals that we have on our roadways in our forests and in our towns. Last year alone we had over 6,000 accidents between motor vehicles and animals out in the wild, so we do have challenges.

The Deputy Speaker: Before we proceed to the next item of business, I wonder if we might have unanimous consent to revert briefly to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

The Deputy Speaker: The hon. Member for Little Bow.

Mr. McFarland: Thank you, Mr. Speaker. Today it's a great honour for me to introduce to you two wonderful ladies. The first one will be recognized tonight as a long-service employee with the government of Alberta at a special recognition. She has 35 years' service. She started with the government on July 15, 1968. She's had a variety of duties from finance and central personnel to training and staff development. At one time she worked for the minister of health, the Hon. J. Donovan Ross, moved into Premier's correspondence, and has worked with a number of MLAs. I've had the pleasure of working with this lady since I was elected in 1992. I would ask that Mrs. Dianne Wills please rise and receive the warm welcome.

I don't know if I'm allowed to do this, Mr. Speaker, but there's a lady up there who hasn't got an award for 32 years of putting up with me, but her family is very proud of a terrific mother, a great decorator, a super cook, a professional registered psychiatric nurse who drives 50 miles one way every day to help people with mental health needs: my wife, Mary.

head: **Members' Statements**

The Deputy Speaker: I have three on my list today. The hon. Member for Red Deer-North.

Crystal Methamphetamine

Mrs. Jablonski: Thank you. Mr. Speaker, what would you do if you knew that your child was ingesting paint thinner, gas line antifreeze, hydrochloric acid, diet pills, Drano, ammonia, and battery acid? Well, our children in Alberta are ingesting these ingredients in the form of crystal meth, a dirty, filthy drug whose use is growing to epidemic proportions in Alberta.

Mr. Speaker, we've been hearing about crystal meth in this Legislature since last spring. Crystal meth is a dirty drug. It uses dirty ingredients that are easy to obtain and cheap to buy. It's a cheap alternative to other drugs, including cocaine. A single hit of crystal meth costs about \$10 to \$20. It gives a more potent high than cocaine, lasts longer, and has a greater chance of hooking someone the first time they try it.

Should we be worried about crystal meth, Mr. Speaker? We should be very worried because crystal meth is a potent chemical cocktail brewed by amateur chemists in underground labs, that are cropping up with alarming frequency in rural and urban communities all over Alberta. You can find the recipes right on the Internet. Crystal meth has shown up in very serious quantities in Edmonton,

Edson, Drayton Valley, Leduc, Bonnyville, Hinton, Evansburg, Camrose, and Fort McMurray. I know that Red Deer and other central Alberta communities have not escaped this curse.

I commend the Solicitor General of Alberta for taking immediate action and learning about the problem in the United States because our children are the next targets. Every community needs to be aware of this problem. I also commend the members of the Battle River drug response task force for developing and producing a guide called Responding to Youth Involved with Drugs. I encourage all school districts to send for a copy of this guide and to start informing our students about the dangers of crystal meth.

When I asked an honours student why she would take the first hit, she said because she didn't know what it would do to her, and if she had known, she wouldn't have touched it. This honours student from a middle-class home was able to fight her addiction and go back to school. She's helping to spread the message to other students.

I encourage everyone in this Assembly to make it their business to inform their school officials of the severity of crystal meth use. This can't wait. We need to do something now to prevent the next student from becoming addicted to this dangerous, dirty drug.

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Official Opposition Health Care Policy

Dr. Taft: Thank you, Mr. Speaker. Of all the issues we debate in this House, none is more important than the health and well-being of Albertans. That is why the Alberta Liberal opposition, after consulting with health care professionals, academics, stakeholders, and hundreds of Albertans, is presenting a new vision for health care in Alberta, a vision based on bold innovation and strong, steady management.

Our policy contains 24 detailed policy positions aimed at strengthening our public health care system and keeping Albertans healthy. Some of our most innovative ideas include requiring all major government policies to undergo a health impact assessment to gauge their potential effects on Albertans' health and a community wellness fund aimed not only at supporting public health initiatives but through FCSS building stronger communities from the grass roots up. As well, the provincewide community health centre model we are proposing will improve Albertans' access to health services and give communities a direct say in primary care reform.

We also stick to long-held Liberal commitments: a commitment to a publicly administered and publicly delivered health care system, a commitment to eliminate health care premiums, a commitment to elect regional health authority boards, a commitment to long-term, stable funding for health care.

2:40

Since its release our health policy has received a great deal of praise and recognition, but this doesn't mean our work is done. We're going to continue to add to, refine, and review it. I invite all members of this Assembly and all Albertans to contact our office for a copy of our policy and to provide comments. Together we can make medicare better.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar.

Automobile Insurance Reform

Mr. MacDonald: Thank you very much, Mr. Speaker. Albertans have been fed up with skyrocketing automobile insurance premiums

for years, yet this government only chose to act when it saw elections in other provinces being decided by this important issue. What was this government's response? To propose a series of patches. Just like a car on a gravel road with a patch on a bald tire, Albertans can't get very far on a premium freeze after insurance rates have increased by over 57 percent. The government is also floating a number of other quick fixes that won't solve the root of the problem.

The Official Opposition, however, began looking for a solution to the crisis in automobile insurance a year ago. Our extensive research showed that Alberta's problems will only be solved by moving to a public system of insurance. Our alternative plan is called People before Profits, which isn't just a catchy title but a philosophy on how a mandatory financial product like auto insurance should be provided.

Our made-in-Alberta plan for auto insurance builds on some of the principles that have been successful for the Insurance Corporation of British Columbia, a public tort system of insurance. Our alternative plan would lower premiums for good drivers regardless of age or sex, guarantee basic coverage to all legal drivers, put an end to the excessive insurance industry profits that have picked drivers' pockets, reduce the medical, legal, and administrative costs of providing insurance. Our plan will not discriminate against Edmonton motorists. As well, it will promote and enforce measures to keep all Albertans on the road safe. Our alternative plan would not place unfair caps on necessary medical and rehabilitative services for Albertans injured in motor vehicle accidents.

It's about fairness and finding a real solution to a problem that's affecting virtually every Alberta household. If this government and the citizens of this province would like to learn more about this alternative plan, please go to liberalopposition.com.

Thank you.

head: **Presenting Reports by Standing and Special Committees**

The Deputy Speaker: The hon. Member for Edmonton-Glenora.

Mr. Hutton: Thank you very much, Mr. Speaker. As chair of the Standing Committee on the Alberta Heritage Savings Trust Fund I'd like to table the report of the standing committee for 2002-2003, and while I do that, I'd like to thank the committee clerk, Karen Sawchuk, and the *Hansard* staff for the fine work that they've done this year. Also, Mr. Speaker, I'd like to thank the Minister of Revenue and his officials for the great assistance they provided this past year as well as my committee on both sides of the House for their contribution as it relates to a fund that enhances life for all Albertans.

Thank you, Mr. Speaker.

head: **Notices of Motions**

The Deputy Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. I rise pursuant to Standing Order 34(2)(a) to give notice that on Monday I will move that written questions appearing on the Order Paper do stand and retain their places with the exception of Written Question 15.

I'm also giving notice that on Monday I will move that motions for returns appearing on the Order Paper do stand and retain their places.

head: **Tabling Returns and Reports**

The Deputy Speaker: The hon. Member for Calgary-West.

Ms Kryczka: Thank you, Mr. Speaker. As chair of the Seniors Advisory Council for Alberta, I'm very pleased to table five copies of the annual report for the council for the fiscal year ended March 31, 2003. I would also add that each member of this Assembly received a copy of the report earlier in the fall.

Thank you.

The Deputy Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. As minister responsible for sport in the province of Alberta it is my great pleasure to table the appropriate copies regarding a letter to Mr. Patrick LaForge, president and CEO of the Edmonton Oilers Hockey Club, congratulating them on this first ever reunion of National Hockey League players on outdoor ice and for the tremendous leadership they have shown in inaugurating this event in our city.

Thank you.

The Deputy Speaker: The hon. Minister of Energy.

Mr. Smith: Thanks, Mr. Speaker. I'd like to table six copies of responses to questions asked before us at Committee of Supply on May 6. I think we answered some 150 questions verbally. These are the remaining few.

The Deputy Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you very much, Mr. Speaker. I've got two documents to table today in the appropriate number of copies. The first one is a letter from an Edmonton parent with children in the Edmonton public school board, Erica Bullwinkle, dated November 20, 2003, addressed to the Minister of Learning. She, having talked to the school board, writes to the minister that she considered the minister's recent funding announcement to be inadequate as it will enable the Edmonton public schools to hire back only 36 teachers.

The second document, Mr. Speaker, is a letter written by Mayor Bill Smith on behalf of the council to the Minister of Learning expressing the council's concerns with respect to Bill 43, including the following motion, which says that

the Mayor's letter to the Minister of Learning include the City of Edmonton's concern . . . the effect that uncontrolled increase in post secondary tuition will have on attracting and retaining high quality students to the City of Edmonton.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. Today I have four tablings. They are from Anne Rieger, Charlotte Davis, Keith Siemens, and Kelly Thorburn, and they are all copies of letters that were originally sent to the Member for Grande Prairie-Smoky. They're all concerning their disappointment over his response to their letters regarding the negotiations between the Provincial Health Authorities of Alberta and the United Nurses of Alberta.

Thank you.

Mr. Mason: Mr. Speaker, I rise to table the requisite number of copies of an emergent resolution relating to deregulation of utilities from the Alberta Association of Municipal Districts and Counties, which says in part:

Whereas Alberta's farmers, businesses, industry, residents and not-for-profit groups have faced hardships through higher annual energy costs, inconsistent provincial rebate programs, unfair and

inefficient billing procedures and uncertainty in market supplies and contracts;

Therefore be it resolved that the AAMD & C request that the Government of Alberta abandon and reverse the process of deregulation of utilities.

The Deputy Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. With your permission I'd table the required number of copies of letters addressed to the Member for Bonnyville-Cold Lake from nurses who are distressed over what is being asked of them in the current contract negotiations and the tactics that are being used by the employer in those negotiations. The letters are from Diane Antoniuk, Frances Galambos, Linda Chislett, Marie Cardinal, Edith Monette, Linda Lynes-Franklin, Bonita Kalinsky.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Glenora.

Mr. Hutton: Thank you very much, Mr. Speaker. I'd like to table the appropriate number of copies of a letter from a hardworking, well-meaning teacher and constituent, Mary Dunnigan, with her kudos, comments, and areas of concern regarding the Learning Commission report.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'd like to table an additional selection of letters that were written by young voters at a Get Political party that I hosted on November 8. The first letter is from Colleen M.T. Sharpe, who is writing about her \$30,000 student debt; a second letter from Don Stuike, who's writing about student debt and higher education becoming a commodity for the rich; a letter from Justin Lachance and Lyndsie Plowman commenting that Bill 43 is crippling student organizations "with underhanded and questionable legislation"; a letter from Laura Winton, who's outlining her concerns with the current tuition, eliminating the tuition cap, and the higher cost of living for students; and, finally, a letter from Michelle Kelly with grave concerns over Bill 43, accessibility, and student tuition.

Thank you very much.

2:50

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I have two tablings this afternoon. The first is a document, Auto Insurance Review, dated October 15, 2003, put together by Alberta Finance, and in here it clearly indicates discrimination against Edmonton motorists with this insurance proposal.

The second group of tablings that I have this afternoon are letters that have been written to the hon. Member for Olds-Didsbury-Three Hills and copied to the hon. Member for Edmonton-Riverview among others. These letters are from Louise Dumaine, Jodi Gammage, Carol Lyne Martens, and Marlene Wiebe. They are expressing concern over negotiations between the Provincial Health Authorities and the registered nurses, especially concerning patient safety.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I have two sets of tablings. The first is the appropriate number of copies of our Liberal vision for the health of Albertans, our health care policy, which I'm very proud of.

The second is a set of letters written to me by a number of nurses in my constituency expressing concern over the state of negotiations between health authorities and the nurses raising questions about patient safety and so on. Each one is a handwritten personal letter. They are from Karen Wolgemuth, Carmen Vervoorst, Anita Ashmore, Dorothy Barclay, Darlene Heald, Heidi Lawton,* Angie Toner,* Nola Trynchy, Don Cytko, Kaye Schultz, Joyce Hvingelby, Colleen Trimble, and Judy Koufogiannakis.

Thank you.

The Deputy Speaker: Hon. members, I'm very pleased to table five copies of a brochure produced by the Legislative Assembly of Alberta. It's the Page Biographies, Third Session, fall sitting, 25th Legislature.

Thank you.

head: **Projected Government Business**

The Deputy Speaker: The hon. Official Opposition House Leader.

Ms Carlson: Thank you, Mr. Speaker. At this time I would ask the government to share with us the projected government business for next week.

The Deputy Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I'd be happy to do that. On Monday afternoon we'll be dealing with private members' business, written questions and motions for returns, followed by public bills and orders other than government bills and orders. In the evening from 8 to 9 we will deal with motions other than government motions, and at 9 we hope to deal with second reading of Bill 47, Tobacco Tax Amendment Act, 2003, and Bill 51, the Natural Resources Conservation Board Amendment Act, 2003. If we need to, we would also deal with third reading of Bill 6, the Justice Statutes Amendment Act, 2003; Bill 36, the Environmental Protection and Enhancement Amendment Act, 2003; and Bill 37, the Climate Change and Emissions Management Act. Should time permit, we would go to Committee of the Whole on bills 47 and 51 as well as Bill 43, the Post-secondary Learning Act.

On Tuesday afternoon under Government Bills and Orders we hope to proceed with second reading of Bill 50, the Wildlife Amendment Act, 2003, and Bill 51 as well as Bill 44, the Personal Information Protection Act, and Bill 53, the Insurance Amendment Act, 2003 (No. 2), and otherwise as per the Order Paper. On Tuesday evening under Government Bills and Orders we hope to be in Committee of the Whole on Bill 45, the Family Law Act, as well as bills 44 and 43 and thereafter second reading of Bill 53, and otherwise as per the Order Paper.

On Wednesday afternoon under Government Bills and Orders, messages and supplementary supply, we intend to bring forward a government motion for a supply motion followed by second reading of Bill 48, the Alberta Heritage Foundation for Science and Engineering Research Amendment Act, 2003, as well as Bill 53, the Insurance Amendment Act, 2003 (No. 2), and Committee of the Whole for Bill 38, and otherwise as per the Order Paper. On Wednesday evening under Government Bills and Orders we hope to be at second reading with Bill 49, Public Lands Amendment Act, 2003, and Bill 53, and thereafter we would go to Committee of Supply – it would be supplementary supply day 1 of one – followed

*These spellings could not be verified at the time of publication.

by a reversion to Introduction of Bills for the Appropriation (Supplementary Supply) Act at first reading, followed by second reading of Bill 53 and Committee of the Whole for Bill 38 and Bill 53.

On Thursday afternoon under Government Bills and Orders we hope to consider second reading of the Appropriation (Supplementary Supply) Act along with Bill 52, the Health Professions Amendment Act, 2003, and Bill 46, the Municipal Government Amendment Act, 2003; thereafter, time permitting and so on, third reading of Bill 36, the Environmental Protection and Enhancement Amendment Act, 2003, and Bill 37, the Climate Change and Emissions Management Act; and, again time permitting, second reading and perhaps Committee of the Whole on Bill 53.

That is the projected government business for next week.

head: **Orders of the Day**

head: **Government Motions**

2010 Vancouver/Whistler Olympic Games

24. Mr. Zwozdesky moved:

Be it resolved that the Legislative Assembly show its support to the province of British Columbia in their efforts to bring awareness to all Canadians of the benefits of the 2010 Vancouver/Whistler Olympic Games to our athletes and young aspiring athletes as well as the benefits to maximize tourism and economic benefits relating to these games.

Mr. Zwozdesky: I might add, Mr. Speaker, that Albertans do share in the excitement as the Winter Olympics return to Canada in 2010, and I'm so very pleased that there will be opportunities for Alberta and British Columbia to collaborate on initiatives such as tourism and other developmental initiatives associated with these games.

The 2010 Olympics will give Alberta's athletes a true chance to shine, and we do have the opportunity to work with British Columbia on high performance athlete development. These games will also give young athletes a chance to watch their heroes up close and to see what it takes to become a top-calibre athlete.

As minister responsible for sport I'm obviously very excited by this, and I'm also excited as the minister responsible for the Premier's Council on the Status of Persons with Disabilities because Alberta athletes with disabilities will also have a chance to participate in the Paralympics, which will be held in Vancouver/Whistler immediately following the Olympics. These athletes will compete in eight Paralympic sports and will have the opportunity to showcase their skills and talents to the world.

These Olympics and Paralympics participants are tremendous role models for aspiring athletes as well as for all Albertans in demonstrating the many positive outcomes of a rich and active lifestyle. Alberta and B.C. should work together in an effort to link educational and physical activities to the principles of the games, which, overall, do support healthy living and learning initiatives.

There are countless other opportunities, Mr. Speaker, that come with the Olympics, including increased tourism. From our vibrant city centres to our natural scenic beauty Alberta has so much to offer the estimated 5,000 athletes and officials, over 10,000 media members, more than 14,000 volunteers, and about 2.3 million attendees who will be visiting western Canada. Alberta and B.C. have already taken a very big step forward when both provinces signed the joint memorandum of understanding on tourism initiatives on October 8 of this year and agreed to pursue the development of an Olympics corridor between Calgary and Whistler with the goal of bringing Olympics-related tourists to more areas of both our provinces.

In conclusion, Mr. Speaker, as Alberta learned through the 1988 Calgary Olympics and through the 2001 World Championships in Athletics in Edmonton, the spirit and the benefits of these major games do live on through legacies left behind. Those legacies include such things as facilities, community organizations, strengthened volunteerism, and the very long-lasting benefits of promoting active living and lifestyles.

Thank you very much for your anticipated support.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. We in the Official Opposition support this motion, stating that the Legislative Assembly show its support to the province of British Columbia in their efforts to bring awareness to all Canadians of the benefits of the 2010 Vancouver/Whistler Olympic Games to our athletes and young aspiring athletes.

There is no doubt that this is going to have a huge economic impact in western Canada. Just the number of game tickets is going to be huge. It's estimated at 1.8 million tickets available. The GDP impact of the event will be well over \$2 billion. The estimated total GDP impact will be well over \$3 billion. We will see 55,000 direct person-years of employment being created as a result of these games and substantial taxes collected at the federal, provincial, and local tax levels, which will be a huge economic stimulus for the regions.

3:00

Also, there is going to be a direct benefit to Edmonton as a result of these games, Mr. Speaker. Alberta has a complete benefit from the Olympic Games as the Institute for Olympic Education is located here in Edmonton at the University of Alberta. It is located in the Department of Elementary Education in the Faculty of Education. The Vancouver LegaciesNow 2010 committee chose the Institute for Olympic Education at the U of A to help develop its curriculum for its various web tools, which will be a large part of the educational component. So what we see is a real integration of economic impact, educational impact in a manner to profile our country from a tourism perspective, from employment, and from our outstanding athletes and those outstanding athletes of other countries.

So it is our pleasure to support this particular motion and wish the province of B.C. every success in 2010.

The Deputy Speaker: The hon. minister to conclude?

Mr. Zwozdesky: Just to call the question, please.

[Government Motion 24 carried]

head: **Government Bills and Orders**

head: **Second Reading**

Bill 49

Public Lands Amendment Act, 2003

Mr. Ducharme: Thank you, Mr. Speaker. I would like to move second reading of the Public Lands Amendment Act, 2003.

Mr. Speaker, the intent of this bill is to strengthen and clarify the government's role as the land manager of public lands. This is a huge role for government, to oversee 100 million acres of public lands throughout our province. We take this role very seriously. The changes being introduced today in this piece of legislation will allow our government to deal swiftly and effectively with instances of noncompliance on public lands and respond to increased demand within the agricultural industry to allow some bison grazing on public land.

Basically, the first set of amendments deals with unauthorized use of closed roads or trailways on public lands. Without going into specifics on all the amendments, I will highlight a number of them which will strengthen the existing act.

[Mr. Shariff in the chair]

First of all, in order to avoid confusion, we need to have it clearly stated in legislation that it is unlawful for people to travel on a closed road or to place barriers that impede lawful use of a road. Government can require the placement of signs saying that the road is closed, but if people refuse to obey these signs, we need to be able to deal with this effectively and swiftly.

We also need to clarify a police officer's authority to remove a person if they refuse to leave a closed-off area. Currently there is a gray area in dealing with who is responsible to deal with unlawful acts of accessing a closed area on public lands. Since it will be clearly stated in legislation that it is illegal to do so, we can then quite simply take it to the next level and have a police officer deal with the situation. Now, this is not to say that we won't be applying some law of reason to this situation. Much of the time we will hopefully be able to reason with the individual and won't need to call in the police. However, if things do need to go to the next level, we now have the legislation to enable us to do that.

Another change to the legislation deals with clearly outlining who is the land manager for this public land, which of course is the government of Alberta. This is important to remember because the next amendment explains that it is illegal for an individual to demand payment, money, or other goods in exchange for access to public lands which they are already entitled to enter. Essentially, as an Albertan you can't demand money from another individual for them to access public land, especially when the government is the land manager.

The last area in relation to access on public lands deals with the government's ability to take action against those individuals who illegally travel on a closed road. Explaining what currently goes on in trying to deal with this situation may shed some light on why this amendment needs to be put in place. Currently when people travel on a closed road or illegally place a barricade on public land, our only recourse is through a ministerial order. As many of you can understand, this can be a very long and arduous process. We need amendments in this legislation to streamline the process so that we can safely and legally control access on public land.

It's important to note that we are always improving the way we manage our public lands. As Alberta's population increases and more users wish to access public lands, we need to continue to find innovative ways to balance the needs of Albertans.

The other amendments that are in this bill will accommodate bison grazing. The bison industry has been one of the fastest growing agricultural industries in Alberta. In fact, estimates indicate that approximately \$15 million was generated from the sale of bison meat last year. These new amendments will allow for some bison grazing on public lands, agricultural dispositions under certain conditions. It's important to note that we have worked very closely with the Department of Agriculture, Food and Rural Development on these amendments. This change is being proposed after serious review.

A multistakeholder committee which had representatives from the Alberta Bison Association, the Alberta Beef Producers, the Federation of Alberta Naturalists, the Alberta Association of Municipal Districts and Counties, the Alberta chapter of the Wildlife Society, the Peace Country Bison Association, the Alberta Grazing Leaseholders Association, and the Alberta Fish and Game Association was consulted. The committee was very concerned about disease transmission from wild to farmed bison.

Sustainable Resource Development has worked with the Department of Agriculture, Food and Rural Development to develop disease-free testing, tracking, and marking requirements for bison grazing on public land. These requirements and the establishment of a high-risk area, which is north of Manning, will greatly reduce the risk of certain diseases spreading from wild bison herds to farmed bison. There will not be any bison allowed to graze on public land in the high-risk area.

Now, this is only the first step in allowing bison to graze on certain lands. Changes to the dispositions and fee regulations will also be required. Once the legislative changes are proclaimed, government will begin to review applications for bison grazing using criteria developed from the stakeholder committee recommendations.

So, in closing, Mr. Speaker, these are the changes being proposed to the Public Lands Act that will enable government to better manage this resource. Thank you.

The Acting Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I'm happy to have an opportunity to speak to Bill 49, Public Lands Amendment Act, 2003. The sponsor of this bill, the Member for Bonnyville-Cold Lake, called me some time ago, actually, to arrange a meeting to be briefed on this particular bill, and we managed to do that this week. He and a member of the minister's department and someone I believe from the Public Affairs Bureau sat down with me and went over two aspects of this bill, and I thought: well, I don't know what the big briefing was about because it seems to be pretty innocuous as we go through it.

What they talked to me about during that meeting was the part of the bill that talks about regulating the use and misuse of roads on public lands, and we've long talked about that as an outstanding issue that needed to be resolved. I support the piece of the legislation that deals with that. What that means is that when you have public lands and they've been closed for some reason and people still use that road, going against the posted signs and the barriers that might be across the road, then there should be some penalties associated with that. We support that.

Often the roads are closed because of environmental degradation reasons or because of impact on wildlife or other associated reasons, and they are closed for very good reasons. For people caught trespassing in those particular circumstances, I and also all of the consumer groups I've dealt with and environmental groups and municipalities believe that penalties should be higher and that there should be some enforcement. So that part of the bill I was very happy with.

The second part of the bill they talked about was the grazing of bison on public lands. While some people have an issue with this, particularly to do with disease control, I don't and neither have the people I have talked to. Bison grazing on public lands is a traditional use of those lands and is really reverting to a natural-state use and a way to maintain in most cases the ecological integrity of the land in accordance with century-old traditions. So I certainly didn't have a problem with that, and that was the end of our little briefing session.

3:10

I get back to the office and take a look at the bill and start to go through it and find out that there's a whole other piece of this particular legislation that didn't happen to get discussed in our briefing time which I have some really grave concerns about, Mr. Speaker. That's the part that allows peace officers, police officers to direct others not necessarily associated with law enforcement to

remove or seize property barricading an entry point to Crown lands. This deals with a section, primarily section 54, in this particular bill.

Now, we see this as a targeted example of this government trying to resolve the issue that we saw last year and which has developed over the course of a couple of years where some aboriginal communities have blocked access by oil exploration companies on Crown land. This was a big deal that was talked about last spring, and the government brought forward requests for funds to try to resolve this particular problem in last year's budget that was debated.

At that point, we expected the government to take a leadership role in developing a consultation process that would bring both parties to the table and resolve the outstanding issues through some form of negotiation. We also expected the federal government to be brought to the table in terms of discussing some of these issues because while they don't have jurisdiction over public lands per se in Alberta, they do have jurisdiction over a lot of the outstanding issues that I believe were being discussed at that time.

So it came as quite a surprise to us to see that the outcome of those dollars being spent and the outcome of what we thought were going to be positions of negotiation was this bill, which certainly at first glance looks like we could see a huge escalation of the potential for confrontation on those particular public lands. I haven't heard any reasonable explanation for why the government at this particular point in time thinks they need to give more power to the police in those regions and in fact what seems to be excessive power, enabling police officers to designate other people to assist them in bringing down barricades.

When we take a look at the past history in this country and we take a look at the situations of confrontation between aboriginal groups and land users, be they business or recreational users, we see that there have been some situations that have gotten completely out of control. We certainly do not want to see an Oka situation develop in the oil fields here in Alberta, and it seems like that's where this particular piece of legislation could land us.

Yes, there is conflict between oil field contractors and First Nations in Alberta's north, but we want to see that conflict resolved in a nonconfrontational manner, and we believe that that is certainly possible. We do not believe that those negotiations or this government are in a situation at this particular point in time where they are forced into bringing in legislation that empowers police to take more aggressive action. We certainly have very grave concerns about what this bill does in terms of empowering police to remove blockades that obstruct access to land.

We've seen in the past that some northern Alberta First Nation bands have used blockades to block nonaboriginal contractors when working in the oil industry, and some bands have claimed that their treaty rights grant them the rights of first refusal on contract work or a right to a cut of oil industry profits. But blockades and the way they are outlined to be handled in this particular bill we believe will only increase tension between First Nations and other communities, and that's not a situation that we want to see happen.

I need some answers to some questions. Why bring in this bill at this particular time? Where are the negotiations on resolving those issues? What about all the discussion we had in the spring? What were the outcomes of those? What are the contractors saying now? I don't think anybody wants people traveling in the northern part of our communities fearful that they're going to be facing confrontational kinds of situations. Everybody loses in that situation, Mr. Speaker, particularly the directly affected parties: the First Nations, the contractors, the police officers who are going to have to police this situation, and any people from the community who are going to be enlisted in this process.

That means a loss of negotiating ability between all parties involved. It means a huge loss of revenue for those people who would like to do business. I believe that it creates conflict and makes it very much more difficult to negotiate any of the land claim settlements that are currently at stake. It means that we have millions of dollars of oil revenue at issue here. So we could see where the situation in Alberta has even higher stakes at risk than those in Oka, and we do not want to see that kind of situation develop here.

We want to know what the negotiations were with the northern oil field conflict and the federal government. I heard this afternoon that the federal government said that because they're provincial Crown lands, they don't want to get involved, but I don't believe that's good enough. I believe this is a situation where both levels of government and the directly affected parties need to sit down and negotiate a settlement. This government allocated \$6 million in the 2003 budget. If this is the only outcome that we see as a result of that, then that was money very poorly spent, Mr. Speaker. We expect that that money would have been spent on consultation that actually led to a solution, not to legislation coming forward that can increase the ability for conflict.

In principle, if that's the way this bill stands, Mr. Speaker, I am certainly not very pleased with it, and I will not be supporting it at this stage. I do expect some detailed discussion and negotiation of this particular bill when we get to committee, and I expect some answers to those questions from the sponsor of this bill. So I hope he takes them under serious advisement and we get some more detail on where this bill is going, what the intent of it was, and how otherwise those negotiations are going in the north.

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. It's with interest that one gets to participate in the debate this afternoon on Bill 49, the Public Lands Amendment Act. Certainly, the changes that were originally expressed by the government and by the sponsor of this bill are now reasons for a second look at these proposed changes.

You know, certainly when you think that the changes are being proposed to strengthen existing legislation with regard to regulating the use and misuse of roads and public lands – that is, to prevent people from traveling or being on a closed licence-of-occupation road, the idea to permit the grazing of bison on public land, and to allow peace officers to direct others not necessarily associated with law enforcement to remove or seize property barricading an entry point to Crown lands. Well, the first two issues are fair enough, but I think that the Member for Edmonton-Ellerslie is absolutely right. We could live with that; we could accept that.

Whenever we are going to discuss allowing peace officers to direct others not necessarily associated with law enforcement – I hope that's not a vigilante group, which I'm sure it isn't – to remove or seize property barricading an entry point to Crown lands, what specifically is the intention of this? We had quite a discussion regarding this, and the hon. Member for Edmonton-Glengarry and the hon. Member for Edmonton-Ellerslie certainly had some very thoughtful suggestions and observations in regard to this land issue. There have been incidents in the past, particularly in the northern part of the province. The membership of the Northern Oilfield Contractors Association is scattered and located throughout northern Alberta. They had some issues around access. Even the Slave Lake Chamber of Commerce expressed concern about the issue of land access.

3:20

Now, I'm also of the view that this bill as it's presented to us could increase tension or the potential of conflict between oil field contractors and the First Nations of Alberta's north, and I don't think we need to be increasing the potential for conflict or increasing the potential for tension between those parties. It has been described as the Alberta government's bill that could lead to an Oka in the oil fields. We all know and understand and appreciate just exactly how beneficial oil field activity is to the economic well-being of this province. We don't need to have confrontation. I think we should have consultation and we should have negotiation, and that is particularly expressed very well in the document that was tabled in this Legislative Assembly this past February, I believe, by the hon. Member for Edmonton-Glenarry.

The whole idea in this legislation of empowering police to remove blockades that obstruct access to land – well, we all know that some northern Alberta First Nations bands have used blockades to block nonaboriginal contractors from working in the oil industry. Some bands have claimed that their treaty rights grant them the right of first refusal on contract work or a right to a portion of all oil industry profits. Now, surely we can have some consultation and discussion. I would be interested to know – and perhaps we'll find out in committee if not at second reading – if there has been a process of consultation in regard to the drafting of this Bill 49 and if there has been consultation just exactly what the affected parties had to say to the government in regard to this matter.

Now, when we talk about recommendations and solutions, instead of talking about forming a posse, we should form a group that will discuss the issues and perhaps come to an understanding. Instead of passing this legislation at this time, I think we would be better off taking some of the suggestions from this report of the Northern Oilfield Contractors Association.

[The Deputy Speaker in the chair]

Some of the things that they have suggested, in conclusion, Mr. Speaker, are the formation of community advisory groups in small numbers that are manageable and that the government of Alberta through an independent facilitator could lead discussions but that solutions are to come from the stakeholders. Now, I don't believe this item in Bill 49 is a solution. Also, "recognize that the end result is a fair, open, and (if desired) competitive business market in Alberta's resource sector throughout all Crown Land." The contractors' association also wants to point out, "Recognize that racism and discrimination are unacceptable elements throughout a free Canadian Society." Their association "is committed to eliminating all factors which foster discrimination both in the workplace and our community environment."

To think that we would be willing to go ahead with this sort of legislation at this time is just plain wrong, and I think there should be, as other people have said, a greater focus on education and training. I would urge all members of this Assembly to say no, in fact say no to the entire Bill 49 because of what could happen in the future. I don't think it has been thought out – and others may disagree and rightfully so – but there have been solutions and recommendations presented in regard to these matters that do not require that we increase armed presence where there are disputes, because the consequences could be catastrophic.

As this day progresses, we should recognize, each and every one of us, just what a peaceful and democratic country we live in. There is almost total chaos, almost total anarchy in the country of Turkey as we speak, and it is unfortunate. It is unfortunate that we cannot

learn from the lessons of others. Let's have a process of negotiation and consultation, not enhance some sort of idea that we can have confrontation.

Thank you very much.

The Deputy Speaker: Any comments or questions?

Okay. The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I'll keep my comments fairly brief as I need to think this one through and mull it over. I see it as a genuinely tough issue, a real dilemma here underlying the intent or motivation of this bill, or at least I'm assuming so.

The bill clearly does clarify the controls of the provincial government and of peace officers and police over roads and access to Crown land, to public lands. I think there's something to be said for making rules clear, and I can see also that there are times when these provisions perhaps are necessary. There are some obvious things here, I think. Making it illegal to demand payment for access to public lands: that kind of thing is certainly worthy.

My unease with the bill comes from its sense, when I read it, of a kind of aggressive stance, which seems to probably increase, if not increase then certainly clarify very much, the capacity of police and their deputies and so on to remove barriers on roads, to be armed, and so on. Again, there are times when that's undoubtedly legitimate. My concern is that this could be seen as an inflammatory bill, and that's what I'm weighing in my mind.

Are we setting the stage here for unnecessary and violent confrontation, which could in fact be more destructive than anyone intends? I mean, the people of Quebec are still struggling with the Oka showdown. I think it's eight years ago or something. There have been similar ones in B.C. and elsewhere. I think the people of Alberta and, frankly, the government of Alberta and the police of Alberta deserve credit that while there have been tensions over land access in northern Alberta, so far they have not come to a violent head. I think that if they were, we might find the repercussions and downfalls of that to be so severe that they weren't worth a confrontation and that a slow, patient approach would have been better.

3:30

I'm going to listen carefully to the debate. I look forward to many, many MLAs participating in this. I'll be certainly reading as widely on it as I can and consulting with others on it. I find that this bill, to me, presents a series of issues that I am not yet resolved on but I am concerned about.

So with those comments for now, Mr. Speaker, I'll take my seat and look forward to further debate. Thank you.

The Deputy Speaker: Any comments or questions?

The hon. Member for Bonnyville-Cold Lake to close debate.

Mr. Ducharme: Thank you, Mr. Speaker. I will certainly undertake to provide responses to all the questions that were brought forward during second reading and provide that at the next stage of the bill. So I'd now ask for the question.

[The voice vote indicated that the motion for second reading carried]

[Several members rose calling for a division. The division bell was rung at 3:32 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Ady	Hlady	McClellan
Amery	Horner	McFarland
Boutilier	Hutton	Nelson
Cao	Jacobs	Oberg
Cardinal	Knight	Pham
Coutts	Kryczka	Smith
Ducharme	Lord	Snelgrove
Dunford	Lougheed	Stevens
Fritz	Lund	VanderBurg
Gordon	Magnus	Woloshyn
Graham	Mar	Yankowsky
Griffiths	Marz	Zwozdesky
Haley	Maskell	

Against the motion:

Carlson	Mason	Taft
MacDonald		

Totals: For – 38 Against – 4

[Motion carried; Bill 49 read a second time]

Bill 51 Natural Resources Conservation Board Amendment Act, 2003

The Deputy Speaker: The hon. Member for Whitecourt-St. Anne.

Mr. VanderBurg: Thank you, Mr. Speaker. I'd like to move second reading of the Natural Resources Conservation Board Amendment Act, 2003.

I'm bringing this act forward on behalf of my colleague the hon. Minister of Sustainable Resource Development. Administrative changes are required to deal with the expanded role of the Natural Resources Conservation Board. Amendments are also needed to clearly separate the quasi-judicial function of the board from its administrative function. These changes will also clarify financial controls, membership of the board, and the unbiased nature of the appeals.

The purpose of the Natural Resources Conservation Board Amendment Act is to provide an impartial process to review projects that could affect Alberta's natural resources. The board reviews these kinds of projects to ensure that they are in Alberta's best interest. The board closely examines possible social, economic, and environmental impacts of these projects. Under this act the board may also give other responsibility under other acts such as the Agricultural Operation Practices Act. Those responsibilities may include running a regulatory system in addition to the board's quasi-judicial status.

This act also standardizes the term for board members to five years. The requirement for an address before the Legislature to remove a board member will also be repealed. Finally, to maintain consistency with standard government financial practices, the board's budget will fall under the Ministry of Sustainable Resource Development's budget.

In January 2002 the NRCB gained responsibility for regulating Alberta's confined feeding operations and for administering the Agricultural Operation Practices Act. Since then the NRCB has had two distinct functions: making important quasi-judicial decisions regarding applications under the NRCB Act and the Agricultural Operation Practices Act and administering the regulatory system for

the Agricultural Operation Practices Act and supporting and hearing the structure for the NRCB Act.

In the past year there has been some confusion around the board's new responsibilities. These issues reflect the board's initial role and the legislative framework created to accomplish its more limited objectives. The board's increased responsibilities have resulted in the need for greater clarity between its quasi-judicial and operational roles. Both the regulatory and the quasi-judicial functions are essential to the board's current role. Both need to be clear. The amendments clarify the board's role regarding these two separate and distinct functions.

Changes will also ensure that financial practices are similar to standard government procedures, reinforcing financial controls. Currently funds transferred to the board must first be approved by a vote in the Legislative Assembly. With the changes the board's budget will be included under SRD's budget. The board will report to the Minister of Sustainable Resource Development for budget approval. Although the board will have a new financial reporting structure, it will not impact the board's quasi-judicial or operational roles or decision-making abilities. Consistent with current practice the minister will have no jurisdiction over these NRCB areas. Including the board's budget with SRD's budget will enhance accountability of both the board and of government.

These amendments will also standardize to five years the terms for which members are appointed. At the end of the term board members' performance will be reviewed. If a member seeks renewal, that review will be incorporated into any decisions surrounding potential membership renewal. Currently, an address before the Legislature is required to remove a board member. This is a time-consuming and costly process that prevents the minister from responding quickly to issues involving the board membership. Removing the requirement for the legislative address will give the government the necessary flexibility to resolve such matters. Other changes may include adjusting the number of board members to meet the board's changing responsibilities.

All of these amendments will permit the board to fill its quasi-judicial role in a fair and neutral fashion and still keep its administration businesslike and efficient. The changes will bring clarity to the role of the NRCB and enhance the accountability of government.

Mr. Speaker, I would like to move that we adjourn debate on Bill 51. Thank you.

[Motion to adjourn debate carried]

3:50head: **Government Bills and Orders**
head: **Third Reading**

Bill 6 Justice Statutes Amendment Act, 2003

The Deputy Speaker: The hon. Minister of Community Development on behalf.

Mr. Zwozdesky: Yes, Mr. Speaker. Thank you. On behalf of my colleague the Minister of Justice and Attorney General, I am pleased today to move third reading of Bill 6, the Justice Statutes Amendment Act, 2003.

As all members of the House are aware, these acts are often used to consolidate and to bring forth minor changes to justice legislation. The bill currently before the House includes amendments to four justice acts, the first of which is the Judicature Act.

First, minor amendments to the Judicature Act will ensure that security staff can respond appropriately to security threats in

courthouses and other buildings that contain courtrooms and will clarify that the minister may appoint either individuals or an entire class of people as courthouse security officers. This change is part of Alberta Justice's and Alberta Solicitor General's commitment to work with judges and justices in all three levels of court to deal with courthouse security concerns while ensuring our courts remain open and accessible to all Albertans.

The second act affected here is the Alberta Young Offenders Act. As the members of this House are aware, the federal Youth Criminal Justice Act came into force on April 1, 2003, and replaced the former Young Offenders Act. Now, Alberta already has provincial legislation that sets out the procedures related to provincial offences committed by those under 18 years of age such as offences under the Traffic Safety Act and the Prevention of Youth Tobacco Use Act, for example. Bill 6 will amend that provincial legislation to mirror the changes made under the new Youth Criminal Justice Act. For instance, some terminology will be changed and the maximum fine for provincial offences will be increased from \$500 to \$1,000 to conform to the maximum set out in the Youth Criminal Justice Act. Finally, the current name of our act, the Young Offenders Act, will become the Youth Justice Act.

The third and fourth relevant acts here are the Petty Trespass Act and Trespass to Premises Act. I'll refer to the amendments to the final two bills, the Petty Trespass Act and the Trespass to Premises Act, together since the changes are related.

Mr. Speaker, many members of this House have heard concerns from rural constituents about trespassers on their land. Sometimes trespassers come onto the property with all-terrain vehicles, damaging the land or even posing a threat to children and livestock. Under current legislation a land or property owner must appear before a justice of the peace to lay a charge against an alleged trespasser. Albertans told us this was an unnecessarily onerous process and the available penalties were too small. As a result, these acts are being amended to allow peace officers to lay charges and the maximum fines are being increased to \$2,000 and to \$5,000 if it is the second or subsequent offence for the trespasser against the same property.

The amendments also provide that if the land in question is obviously private land as indicated by cultivation, fenced areas, the presence of livestock, and so on, then entry is prohibited unless the landowner gives his or her permission.

A further amendment to the Petty Trespass Act will also make it an offence to remove or deface no-trespassing signs. The maximum penalty for this will be \$2,000.

Thank you for this opportunity, Mr. Speaker, and I would encourage all members to carefully consider this bill and support it.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. We've seen some debate on this particular bill in the spring, and then it was held over during the course of the summer. Some amendments were brought forward that we had the opportunity to review and debate earlier this week. Generally speaking, we were in support of the amendments and the general direction of this bill. It was mainly a bill that dealt with small changes or definitional changes and from our perspective wasn't really controversial in any way. So we have in fact supported this bill at all readings and continue to support it at this particular time.

So with that, I'll take my seat and call for the question.

[Motion carried; Bill 6 read a third time]

Bill 36 Environmental Protection and Enhancement Amendment Act, 2003

The Deputy Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you again, Mr. Speaker. It's my pleasure to rise today to move third reading of Bill 36, the Environmental Protection and Enhancement Amendment Act, 2003, on behalf of my colleague the Minister of Environment.

In summary, Mr. Speaker, Bill 36 allows electronic reporting of environmental incidents and strengthens Alberta Environment's ability to adopt and enforce codes of practice. The bill also supports recent changes to the reclamation and remediation program for upstream oil and gas operations.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. Once again, this is a bill that we saw in the spring, and it came back this fall. While it deals with four quite different objectives, it is fairly minor in nature as far as we can see at this particular time, and we haven't had over the course of the summer any huge number of people or organizations in opposition to any of the particular sections of this act.

Really, it does four different things here in the act. One is with regard to the electronic reporting. This is just bringing their legislation up to current standards. Many people fax or e-mail, and it makes it much easier for people or organizations who have to report to the department to do so as fast as they can. If they release a substance that can cause an adverse affect, the requirement is that they report to the director, so now they can do it by fax or by e-mail with this change. We support that because when there has been a problem, the department needs to know sooner rather than later, and it certainly is better than just being able to appear in person or send a written letter.

Then it talks about the codes of practice. We always have lots of controversy in this province about whether or not business should be done by regulation or whether a code of practice is acceptable. It has been the common practice of this government to often use codes of practice for different kinds of what would otherwise be regulations in terms of enforcement issues. So what we're seeing here is a little bit of cleaning up in this area. The standards are laid out, I think, a little more clearly, and so that's good news.

The third thing is that they're eliminating the 25-year limit to issuing environmental protection orders for sites that have been granted a reclamation certificate. This is the piece that has required the most amount of debate in this House. It isn't hugely controversial, although some organizations, some corporations don't like it because it means that their environmental liability can be extended. We have found through practice that that's a very good idea because, particularly with well site reclamation, sometimes it takes a very long time to see what the subsequent or resultant impact is on the land, and then the government is on the hook for the cleanup.

We have numerous situations like this throughout this province. The government has a substantial contingent liability in this regard. We asked the minister of environmental protection to tell us what that contingent liability would be before we voted on this bill, and he has been unable to do so, so far. Perhaps we'll have to resort to written questions to get that particular answer. It's too bad. It would have been nice if it had happened in this debate because the government is on the hook for a lot of dollars for cleanup. Wherever we can extend this responsibility to the corporations responsi-

ble, the better it is for all concerned, I think. So that's what happens here. The corporations need to be more vigilant in their reclamation activities, and it gives them time so that as standards are improved, corporations can bring those standards into practice on lands that they previously used. So that's a good thing.

4:00

The last little bit of this piece of legislation was some minor cleanup that we saw happening to wording and so on, not substantive in nature and things that we supported.

So with that, Mr. Speaker, I will conclude my remarks on this bill. We will be supporting it in third reading.

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I just want to indicate to the House that we continue to have mixed feelings about this bill, you could say. We are prepared to applaud the extension of liability for abandoned well sites to 25 years, and we think that's a positive step. If the government makes use of that in the future, I think that would be a potential benefit to the people of Alberta.

We do continue to have serious reservations about the use of self-regulation in this matter, and notwithstanding the use of reclamation specialists and paperwork being submitted to the government and so on or even the codes of practice for acceptable reclamation, it is problematic from our point of view that government inspectors would only do random audits of reclaimed well sites, access roads, and abandoned rights-of-way. That is a concern, Mr. Speaker, from our point of view. It depends very much on the resourcing of the department and the proportion that is put towards this problem. There's now a backlog of 40,000 uninspected sites in this province, and the department as it now stands can only do 1,700 per year. So, clearly, there should be an increase in the resources available to do this, and we are not sure that just passing off the lion's share of the responsibility to the oil and gas companies themselves is exactly what is required here.

So with that, Mr. Speaker, I will take my seat and indicate that we will not be supporting Bill 36 at this time. Thank you.

The Deputy Speaker: The hon. Deputy Government House Leader to close debate?

[Motion carried; Bill 36 read a third time]

Bill 37

Climate Change and Emissions Management Act

The Deputy Speaker: The hon. Deputy Government House Leader on behalf.

Mr. Zwozdesky: Thank you, Mr. Speaker. On behalf of my colleague the Minister of Environment it's my pleasure to stand today and to move third reading of Bill 37, the Climate Change and Emissions Management Act.

In quick summary, Mr. Speaker, Bill 37 addresses specific greenhouse gas emissions in the context of our government's action plan on climate change. This bill would provide for sectoral agreements, emissions trading, programs, reporting, and funding of technological approaches to climate change.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. This is a bill we don't like.

It's a silly bill. It's one that doesn't really address the real issues at hand. It's a grandstanding bill brought forward by this government to try and justify their positions, which is really too bad, because the bureaucracies of the various departments, being the Department of Energy and the Department of Environment, are making great progress and, I believe, do have the solutions for this province to meet all the Kyoto targets, but this government likes to position themselves on the time line of dinosaurs and has done so once again with this particular bill. We raised our concerns about it in the spring, over the course of this summer, and again in the fall. I was hoping that the government would take this bill and not bring it back, but that's not what they chose to do.

There aren't any sections here, really, that show any promise. My biggest concerns are with section 3, where they talk about the specified gas emission targets. It's really the key part of the bill, and it states that the greenhouse gas emission target "is a reduction by December 31, 2020 of specified gas emissions [related] to Gross Domestic Product to an amount that is equal to or less than 50% of 1990 [totals]." So if it was just a reduction by 50 percent, then it would be good, but it talks about the relationship of this to the GDP.

What this really means is that the Alberta plan would let emissions in Alberta increase but at a slower rate than business as usual. Well, that isn't acceptable. It isn't acceptable for this province, for this country, or for any other country as we try to address this particular issue. There are lots of ways that government can stimulate this reduction, and it's really not a smart idea for them to be promoting growth of GHGs, greenhouse gas emissions, as they are in this particular part.

We also see part of this section giving cabinet the ability to make regulations regarding interim emission targets and targets for specified gases and for different sectors of the economy. So there is no certainty that by doing this, they'll be able to meet any of the targets in their preamble. We completely don't support this.

The sectoral agreements that are talked about in section 4 are also an issue. Why are they proposing sectoral agreements? In spite of having asked this question a number of times, we haven't got any answers to this. A better solution for us would be . . .

Mr. MacDonald: A Liberal government.

Ms Carlson: Yeah. There you go. That would be a way better solution. I like that one a lot.

Mr. Magnus: I can't believe who said that.

Ms Carlson: I see it's seconded by one of the government members from Calgary, Mr. Speaker. Finally, they're starting to see the light on that side of the House. It's about time.

So what we really need the government to do is to provide a better framework, and that's what we've asked for all along for this and then consult with sectoral interests and then legislate what they deem to be appropriate. This is a top-down approach that doesn't work, and we just simply can't support it.

[Mr. Lougheed in the chair]

Section 5, where they talk about emission offsets, is also a problem. We asked some questions around this. Once again, Mr. Speaker, we didn't get any answers. No big surprise. The front bench doesn't have the answers. We really need to go to the staff, because they're the people who know what's going on here and should be moving this particular issue forward. Section 5 deals with

emission offsets, and this section gives cabinet the ability to make regulations respecting the offsets, the credits, and the sink rights.

The biggest problem is that the wording of this particular section does not force them to make any regulations respecting offsets, and we really need some direction on this in terms of what the government is going to be expecting of industry. We want a concrete plan that talks about how offsets and credits and a credit exchange might work. You know, there's already a market for these, and this government once again is four steps behind everybody else. It's a hollow section and doesn't give us any information.

The mandatory reporting section, which is section 6, is a problem. It indicates that anyone who releases or permits the release of greenhouse gases at levels in excess of the level dictated by the regulations must report that release according to the regulations. So my question there, Mr. Speaker, is: so what? They report it and then what happens? This government has an abysmal record when it comes to monitoring and enforcement. We need a concrete number for what the threshold will be. We need specific rules regarding the reporting. We need to know what the penalties will be. We need to know what the enforcement process is. Nothing here.

4:10

Section 7 talks about the associated programs, and what it talks about is that they may create programs. Well, we've seen by the kind of popular reaction that we had to bringing in a program for consumers to be able to retrofit their homes that this government is not going to do anything to help people in this province in terms of reducing their own personal greenhouse gas emissions or reducing their energy costs. So once again it's a very poor performance by a government who is completely out of touch with the concerns of average Albertans and the escalating costs that they face with the direction that this government takes. [interjection] Well, perhaps you'd like to stand up and get your comments on the record in terms of this particular bill. That would be more helpful than just chirping away from the other side.

Mr. MacDonald: Calgary-North Hill.

Ms Carlson: Yes. Calgary-North Hill needs to stand up, Mr. Speaker, and put his comments officially on the record rather than just chirping away from his seat.

Section 8 talks about the agreements regarding interjurisdictional co-operation. This is the issue of greatest contention for this province. What should be sent in the report cards that go home to consumers is: does not play well with others. [interjection] Well, it's true. My colleague from Edmonton-Gold Bar likes that comment, and it's very true. This is a government who not only doesn't play well with others, won't play well with others, and we've seen a great deal of evidence this past week in the words and actions of the Premier and in their negotiations with other provinces and the federal government. So, you know, really they've got to get with the program one of these days and talk about how they're going to co-operate with other jurisdictions, because if they don't, it's going to impair Alberta's growth, Mr. Speaker, and that would be a shame because we have a great many opportunities in this province that this government is seeing go by the wayside.

Section 9 talks about property right: "A sink right is a property right." We haven't seen any of the rules come out about this or even any of the guidelines or any of the discussion. We still need to know: does this particular section indicate that the province can't claim credits for sinks that are privately owned, and what are the implications for the interjurisdictional issues that will be falling out of this? So, then, what's this government's position on carbon sinks

as a commodity? We know what the globe is saying, but what's this province saying?

[The Deputy Speaker in the chair]

My other major concern then – I'm reading my last major concern, which includes every section in this bill – is section 10, which talks about the climate change and emissions management fund. This section establishes that fund and suggests what it could be used for and talks about some of the financial management. Generally speaking, we've said that having a fund in place is a good idea, but we need to know what the specific activities of the fund will be. We need to know what the programs are going to be, how they'll be operated, what projects will be funded, how funding applications are made, and how decisions are made as to which projects they're going to fund. From everything we've heard from the front bench, a retrofit fund is not going to be a part of this. So who is going to gain the benefit, I guess, is a very good question.

Overall, I don't like the bill, never liked the bill, never got any good answers to it, and won't support it.

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. It gives me great pleasure to vigorously oppose Bill 37, the so-called Climate Change and Emissions Management Act. Speaking to some of the broad perspectives contained in the bill, it's very, very difficult to fathom the chutzpah of the government in writing some of these things into this bill. For example, the very first clause of the bill under the preamble says, "Whereas the Government of Alberta has a deep and well established commitment to protect Alberta's environment." The sheer gall.

We could list a litany of dreadful happenings to our environment while this government has sat by not with benign neglect but perhaps with malign neglect: the despoliation of our northern forests, the spread of factory farms, the contamination of our underground water by underregulated drilling practices in this province, the failure to deal with the special areas that were promised at one point by this government. There is just no end to the damage that has happened to Alberta's environment under this government.

They go on, Mr. Speaker, in the whereases of the bill to say that we own our natural resources in Alberta on behalf of all Albertans. Well, that's true that Albertans own them. Whether or not they're being managed for the interests of Albertans as opposed to the oil companies is a very debatable point, and I'd be happy to debate that at any time in this Legislature.

It goes on to say with breathtaking lack of modesty that "Alberta is recognized around the world for leading-edge innovation in environmentally sustainable technologies" and that we recognize that "the management of emissions of carbon dioxide, methane and other specified gases will serve to protect Alberta's environment." Well, they may recognize that the management of these things will serve to protect Alberta's environment, but actually doing so in a meaningful way is something that has escaped the government, Mr. Speaker.

It says that it "will work co-operatively with other jurisdictions to harmonize efforts to reduce emissions of carbon dioxide, methane [and so on] without impairing economic growth." So as long as there's no impact on economic growth, they will co-operate. Perhaps they will co-operate around the world, Mr. Speaker, a little bit more than they will co-operate here at home in Canada.

You know, we have seen this government seize every opportunity to ride into battle against the federal government for both real and imagined wrongs. There are definitely some real wrongs that the

provincial government has a duty to stand up to on behalf of Albertans, but clearly one of the main thrusts of the government is to find every opportunity to pick a fight with the government in Ottawa. There are plenty of examples.

Now, why are they doing that, Mr. Speaker? Well, it's pretty clear that it is easier to campaign against Ottawa than it is to defend this government's sorry record on so many issues. They would rather talk about the Wheat Board than about electricity deregulation. They would rather talk about Senate reform than meaningful insurance reform. They would rather talk about health councils than they would like to talk about laying off a thousand teachers and then hiring them back.

So it's clearly a political strategy, Mr. Speaker. Rather than defend their own record and their own actions, they would pick a fight with Ottawa. I presume that they have polling data to indicate that this is a beneficial political strategy on their part, but I do believe that Albertans will want to hold this government accountable at election time for its own actions and policies and record as opposed to the federal government's policy and record, which is also a pretty poor one. I might just add that in.

You know, we move along in this bill, and it wants to provide certainty – well, that's fine – and it says that carbon dioxide and methane in the atmosphere are not toxic. Well, that's fine, but we come to the clause “specified gas emission target,” which is 3(1). I think it should be relettered to 3(1)(w), and that should be pronounced “dubya” because this is in fact the Bush formula for dealing with CO₂ emissions, and that is not to talk about it in terms of an absolute reduction in CO₂ emissions but in terms of a percentage of the gross domestic product.

4:20

By doing that, they permit a steady growth in the actual absolute output of CO₂ from this province. That's the approach of the government. As long as they can keep the economy growing, then they're going to continue to turn out more CO₂. Of course, turning out more CO₂ will only accelerate the changes that are produced by global warming, the climate change that the bill claims to be all about.

So we have a circular argument contained within the bill, Mr. Speaker. You start out saying that we have a commitment to the environment and that we recognize we have to manage these things. Then you insert a formula that allows the CO₂ emissions to continue to rise, and you come back to the same point that we're at now.

Mr. Speaker, I just want to indicate that the New Democrat opposition is strongly opposed to this bill, and I think we're the first out of the gate in respect to the importance of ratifying Kyoto. We do not believe that the ratification of Kyoto necessarily should harm the Alberta economy in any way. In fact, we believe that it provides clear opportunities for Alberta businesses to expand, and if we do want to actually become the leaders in environmental protection, then this is a real opportunity.

Of course, in very significant ways in the negotiations with the federal government, the federal government caved in to Alberta, and that's why the severe opposition to Kyoto more or less disappeared. This was introduced with great fanfare in our spring session as the pre-eminent piece of legislation that was going to be basically the flagship of legislation, yet it was allowed to just end and be reintroduced here in our fall session. That, I think, indicates that our analysis of the purpose of this bill is correct. That is to say that this bill was designed as a flag on a hill to rally the troops against Ottawa and to rally the troops against Kyoto.

When Alberta had achieved some of its goals on behalf of the oil and gas industry and when it became apparent that the federal

Liberal government had absolutely no intention of actually enforcing the Kyoto accord, then the provincial government backed off. All of a sudden the bill no longer had the priority that it initially seemed to have, and that is, in my view, directly related to the hypocrisy of the federal Liberal government on this issue. They want the thing ratified. They have no intention of really enacting it and following the goals and the guidelines that they say.

I have no reason to believe that under the new leader this is going to change. Perhaps an element of hypocrisy will be removed, but certainly the federal government will have no more interest in seriously meeting our Kyoto obligations than the Alberta government has, Mr. Speaker. I think, to the Alberta government's credit, it's at least a little more honest about where it stands.

In conclusion, Mr. Speaker, we are strongly opposed to the so-called Climate Change and Emissions Management Act, and we think that it is entirely in contradiction to the noble goals set forth in its own preamble, particularly that “the Government of Alberta has a deep and well established commitment to protect Alberta's environment for future generations.”

Thank you, Mr. Speaker.

[Motion carried; Bill 37 read a third time]

Bill 41

Alberta Corporate Tax Amendment Act, 2003

The Deputy Speaker: The hon. Deputy Government House Leader on behalf.

Mr. Zwozdesky: Thank you, Mr. Speaker. On behalf of the Minister of Revenue it's my pleasure to move third reading of Bill 41, the Alberta Corporate Tax Amendment Act, 2003.

There has already been some very good debate on this bill over the past couple of days in fact, and I know that the Minister of Revenue has addressed the majority of the opposition's questions in Committee of the Whole last night. However, there do remain a few questions that the Minister of Revenue has committed to provide responses to, and I know he will be doing that.

I would also like to mention that we continue to hear on a daily basis the many benefits of living, working, and investing in Alberta, and Bill 41 continues this government's commitment to corporate and small business and acknowledges the positive economic effects recognized by businesses and governments throughout the country.

As such, I'm pleased to move this third reading of Bill 41 and to support the Alberta Corporate Tax Amendment Act, 2003.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. In fact, on this particular bill there's been very little debate. All the debate that has occurred on the bill has been by opposition members with the exception of the people who have introduced the bills on the government side of the various readings. It's a good example of the commitment that the government has to being in this Legislature. We see this week once again: it's not even 4:30 this afternoon; we are finished with the business of the day early once again. Seventy-four government MLAs can't make a commitment to talk about the business that they bring before this House.

The Deputy Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you, Mr. Speaker. In direct response to what the

hon. member just said, I have a bill before this Legislative Assembly that I would be more than happy to speak about, but through courtesy to the opposition we have asked not to speak about that until Monday.

The Deputy Speaker: Hon. Member for Edmonton-Gold Bar, are you asking a question or making a comment?

Mr. MacDonald: No. I would like to participate in debate on Bill 41. He can go first.

Mr. Mason: Yeah. I'd love to respond to the hon. minister's comments, but I'm going to talk to the bill, Mr. Speaker. I just want to put on record once again the New Democrat opposition's opposition to this bill or to significant parts of the bill.

Mr. Speaker, the provincial government has, I think, acted in a difficult and irresponsible manner with respect to the province's finances. They should be managing the province's finances as if we didn't have all the oil and gas revenue. They have become very dependent on this depleting source of revenue and particularly royalties from natural gas, which provide the lion's share of the extra money that this provincial government has.

What they've done in taking advantage of that depleting source of revenue is they've offered a billion-dollar tax cut to corporations, and at the same time they continue to say that they're going to maintain a high level of funding for health care, education, and other important programs enjoyed by Albertans. Yet we saw just a year ago a sudden drop in the price of natural gas, which created a crisis in the government, Mr. Speaker. It created a financial crisis because the Provincial Treasurer was so afraid that she was going to go to jail if she ran a deficit, she immediately started to slash important programs. You know, there was a sudden reduction in funding for things like programs for aboriginal children at risk, and that was a devastating blow. It wasn't because the Minister of Children's Services or the government didn't actually believe in these programs, because I think they do. They're not very high priority, but they do believe in them and they wanted to provide those programs. But all of a sudden the natural gas prices fell, and we didn't have the revenue to sustain them, so they had to cancel some of these programs, and these kids were hurt by that.

4:30

The reason is that they don't pay enough attention to their basic tax base. They think that they can offer tax cuts and that they can offer different programs at the same time because they're going to finance a lot of it just out of natural gas royalty revenue and other royalty revenue. So, you know, they're on thin ice, Mr. Speaker, because these sources of revenue are temporary. The last report I saw showed that we had less than nine years of proven reserves of natural gas left in this province. So how are we going to do that and offer these big tax cuts to the corporations? This is the real problem that I have with what the government is doing, because I don't think they are being fiscally responsible. If they were, they would be putting the lion's share of that revenue aside and living within our means.

Mr. Speaker, can you imagine this government if it had to run the province of Saskatchewan? Can you imagine? Without the natural gas and the oil revenues that this province has, this government would be out on its ear within one election because they couldn't manage. They couldn't manage an economy that was half the size of this one. They couldn't manage without all of that extra oil and gas revenue. They couldn't manage. They couldn't live within their means because they're bad financial managers and they are so used

to having money. They're like a really rich kid that's never had to work, you know, never had to get out and actually earn a living. Their allowance is so big, so large that if they screw up, if they make a mistake, they can just say: "Here; this will take care of it. Here's \$2 billion for electricity rebates because, you know, we kind of screwed that up. Oh, here's \$2 billion more for natural gas rebates because we screwed that up. Oh, we laid off a thousand teachers? Well, here's a few million dollars. We'll fix that." You know, this is not responsible government.

So I think, quite frankly, that we ought not to cut out a billion dollars of our tax revenue. Quite frankly, Mr. Speaker, that's what it comes down to. We can support the small business tax reduction. We can support reductions that have been made in the personal income tax and the increase in the personal exemption, but we have to draw the line at a billion dollars in corporate tax cuts because there's no evidence whatsoever that these are going to produce any increased activity in this province. I know that's the theory of the government, but the Auditor General's report indicates that when we have these kinds of tax cut programs, we've got to have clearly defined and measurable objectives. The government doesn't have those. They are just offering a tax cut to the very corporations that support them handsomely at election time. There's no benefit that the government has proven for the average individual Albertan from these corporate tax cuts.

So I would urge all members of the Assembly to vote against Bill 41 because it's fiscally irresponsible and does not represent the best interests of the vast majority of Albertans, Mr. Speaker. Thank you very much.

The Deputy Speaker: Questions? Comments?

If none, the hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I rise, too, this afternoon to participate in the debate on Bill 41. My remarks certainly will not take as long, and I hope they're not as flat as the hon. Member for Edmonton-Highlands'.

Mr. Mason: Flat?

Mr. MacDonald: As flat. Saskatchewan is a wonderful place, but it's flat. Certainly, for the New Democrats in Saskatchewan I think their greatest insurance – and we're going to talk about insurance here in a minute or two – against defeat is the past record of the Progressive Conservative government there.

Mr. Mason: The ones in jail, you mean?

Mr. MacDonald: Yes.

However, in regard to the Alberta Corporate Tax Amendment Act and what has been stated by the previous speaker, one has to at all times recognize the important contribution that small businesses make to the Alberta economy. Small businesses are under siege right now from a government that seems to be more willing to fly away than it is to stick around and try to resolve the problems, some of the financial problems that small businesses find themselves in, Mr. Speaker. The Lenny Kaplan tax cuts that are advocated in here are just what they need at this time.

They are faced with rising costs for WCB. The utility costs: I'm not going to get into that. We talked about a report from Quebec earlier this afternoon, and to our amazement we find that for power consumers in this province the study concludes that without a doubt we have some of the highest prices in Canada for customers using electricity for residential use. Also, the average price for some large

power customers, Edmonton, Alberta, for instance, is the highest in the country. It's the highest in the country, Mr. Speaker.

So when you look at some of the costs that, let's say, a small power customer would use, someone that is using, let's say, 40 kilowatts of electricity, a small business using that much electricity – and I don't know if they would go that high – is looking at a \$1,275 bill, even in Halifax. Nova Scotia was mentioned earlier this week in question period. In Halifax the same outfit would pay about \$100 less for their electricity. So that is just one indication of where small business, if we are to pass this bill, could use the savings in this tax cut. They could use it, certainly, for their utility costs, for the WCB, and insurance costs.

I regret to have to say this, but it's an ideal time to inform the government. The last time we informed the government – it was last November, as a matter of fact – of the crisis that was looming in the auto insurance industry, did they listen? No. I wish they had. I certainly wish they had, but they did not. So now, hopefully, they will learn from the past, Mr. Speaker.

The next insurance crisis is going to be in the high cost of commercial liability insurance, and what is this government going to do about it? Small business will need this tax cut for the utility costs. Where are they going to get the money to pay their increased insurance costs, if they can find someone to cover them? I've had three businesses approach me in the last two weeks, and to my astonishment they tell me that they can't get someone to carry their liability insurance. That will be the next test for this government. Now, they've failed, in my opinion to date, to pass the insurance tests and certainly have failed miserably to get some sort of handle on electricity prices and natural gas prices in this province for domestic consumers. So on the report card certainly they're going home this weekend with a dismal F, Mr. Speaker, on both of those issues.

4:40

In conclusion, I would certainly urge for the sake of no one else but the small businesses across this province that in light of the increased cost pressures they've had in operating their businesses because of government inaction, let's pass Bill 41, the Alberta Corporate Tax Amendment Act.

Thank you.

[The voice vote indicated that the motion for third reading carried]

[Several members rose calling for a division. The division bell was rung at 4:41 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

The Deputy Speaker: The chair stands to be corrected, but I understand that if you are in the Chamber, you either vote for the motion or oppose the motion. If you wish to abstain, then presumably you're at some other place.

Dr. Taft: I'll vote with my party and the caucus. Thank you.

The Deputy Speaker: Hon. Member for Edmonton-Riverview, would you confirm that you voted in support of the motion?

Dr. Taft: Yes. I confirm that. Thanks.

For the motion:

Ady	Haley	Mar
Amery	Hancock	Marz
Calahasen	Hlady	Maskell
Cao	Horner	McClellan
Cardinal	Hutton	Nelson
Carlson	Jacobs	Pham
Coutts	Knight	Smith
Dunford	Kryczka	Stevens
Fritz	Lougheed	Taft
Gordon	Lund	Woloshyn
Graham	MacDonald	Yankowsky
Griffiths	Magnus	Zwozdesky

Against the motion:
Mason

Totals:	For – 36	Against – 1
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[Motion carried; Bill 41 read a third time]

The Deputy Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. It's been a very good first week of the fall session, so given the good progress that has been made and given the very large snowfall that has made roadways very difficult to manoeuvre and knowing full well that many of our colleagues have many miles to go tonight – and we want to ensure that they get to their constituencies safely – I would move that we call it 5:30 and that the Assembly stand adjourned until 1:30 p.m. Monday, November 24.

[Motion carried; at 4:55 p.m. the Assembly adjourned to Monday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Monday, November 24, 2003**

1:30 p.m.

Date: 2003/11/24

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. As we begin our deliberations in the Legislature today, we ask You, O God, to surround us with the insight we need to do Your will to the benefit of our province and its people and to the benefit of our country. Amen.

Hon. members, on Saturday last Mr. Paul Lorieau led over 58,000 people in the singing of Canada's national anthem before a national and international television audience from Alberta's capital city of Edmonton. He's with us here today, and we'll invite him to lead all of us in the singing of our national anthem. Please participate in the language of your choice.

Hon. Members:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

The Speaker: I might add that Mr. Lorieau looked well attired the other day with a toque and a tuxedo.

Please be seated.

head: **Introduction of Visitors**

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you. In a few minutes I will deliver a special ministerial statement regarding the now much-revered and famous Molson Canadian Heritage Classic, but in lead-up to that statement it is my great pleasure to first introduce to you and through you to all members of the Assembly today five outstanding individuals who helped dream, organize, and implement the most memorable hockey event in the history of the game. They are seated in your gallery, Mr. Speaker, and I would ask each one of them to rise as I call their name and to please remain standing. Given that Mr. Paul Lorieau's now famous singing of *O Canada* has taken place, I know our guests feel right at home. The 25th anniversary of the national anthem as sung by Mr. Lorieau was of course enhanced by a special arrangement by another famous Edmontonian, Mr. George Blondheim. So I want to salute you as well, Mr. Lorieau.

Now, our special guests are the chairman of the Molson Canadian Heritage Classic, Mr. Doug Goss; the president of the Edmonton Oilers, Mr. Patrick LaForge; the vice-president of marketing for the Edmonton Oilers, Mr. Allan Watt; the project manager for the Molson Canadian Heritage Classic, Mr. Nick Wilson; and, finally, Mr. Speaker, the man who personally talked Wayne Gretzky into doing this Molson Canadian Heritage Classic, general manager and Oiler hockey great himself Mr. Kevin Lowe. Please welcome all of our special guests.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Gaming.

Mr. Stevens: Thank you very much, Mr. Speaker. It's my pleasure this afternoon to introduce to you and through you to other members of the Assembly 18 very special people who are located in the Speaker's gallery. They are all members of the board of ALSA, the Alberta Liquor Store Association. This past September we celebrated here in the province the 10th anniversary of privatization of liquor retailing.

It was in January 1994 that the predecessor of ALSA was established, and a gentleman and a lady that I will be introducing are very instrumental in the success that we have had in the province in increasing the number of stores from just over 200 to about 1,000. I would ask the folks to rise and remain standing as I call their names: John Szumlas, Jim Bell, Janice Chomik, Kirk Frandsen, Joanne Leipert, Debbie Boyko, Laura Wright, Bill Hull, Greg Krischke, Murray Einhorn, Randy Dawson, Bruce Webster, John Dong, Lynn Prefontaine, Marvin Tkach, Rick Crook, Doug Mulholland, and Michael Tarkowski. I would ask the Assembly to now give the appropriate recognition to our guests.

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to all members of the Assembly 24 grade 6 students from Earl Buxton school in the Edmonton-Whitemud constituency. They're accompanied today by their teacher, Mrs. Donna Spooner, who, I understand, was a page in this Assembly in earlier years, and by parents Mrs. Winkelaar and Mr. Larry Nikiforuk. They're here today to observe and learn with keen interest about government. They're seated in the members' gallery, and before I ask them to stand, I'd also like to acknowledge their teacher, Andrea Berg, who was to be with them today but couldn't be with them. I would ask them to rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Calder.

Mr. Rathgeber: Thank you, Mr. Speaker. It's my pleasure to rise today and introduce to you and through you to all members of the Assembly 17 of the finest young men and women from the Edmonton-Calder constituency. They're the grades 5 and 6 students from Coralwood academy, accompanied by their teacher, Mr. Colin Forde, and a parent helper, Dr. Neville Case. They've toured the building. We had a brief meeting and will be meeting subsequent to their visit. I'd ask them to rise and accept the warm welcome of this Assembly. They are seated in the members' gallery.

The Speaker: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Speaker. To you and through you to members of the Assembly it's my pleasure to introduce 25 students from Richard Secord elementary school, located in the constituency of Edmonton-Rutherford. The 25 students are accompanied by their teacher, Ms Donna Yoder, and parent helpers Jan Scammell and Mrs. Karen Smilski. We welcome the students to your Legislature and hope that their day is filled full of majesty and wonder. Thank you very much for being here.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. It's my pleasure to introduce to you and to all members of the Assembly teachers Mrs. Norma Nay and Mr. Scott Markine, parents Mrs. Bhavna Ashta and Mrs. Kim Bastide, and 32 students from Tipaskan elementary school in Mill

Woods. With your permission I'd ask them to stand and receive the warm welcome of the Assembly.

1:40

The Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. A little bit later, around 2 o'clock, a school group will be joining us. There are 14 students as well as their teacher, Corey Collwell. They're coming from Breton high school. They're touring our building right now, so I hope that all the MLAs will give them a big wave when they come in in a few minutes.

Thank you.

The Speaker: The hon. Member for Calgary-West.

Ms Kryczka: Thank you, Mr. Speaker. I am very pleased today to introduce to you and through you to members of this Assembly 17 students. I know that they're not in the members' gallery. They may be on their way up to the public gallery. We just had our pictures taken. Anyway, we have 17 students visiting from the Calgary Waldorf school, and with them is teacher Tonia Schmordok and also parents Mrs. Robin McLeod and Mr. Teodor Stafie. Students, if you are in the public gallery, please rise, and I would like the Assembly to give them the traditional warm welcome.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. It's a pleasure to introduce to you and through you to all hon. members of this Assembly Ms Bernadette Vermaas. She is a recent recipient of the Carnegie Hero Fund Commission bronze medal for bravery. She is a resident of Edmonton-Gold Bar and works downtown on Jasper Avenue in her own hair salon, and I would ask her now to please rise – she's in the public gallery – and receive the traditional warm welcome of this Assembly.

Thank you.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I have two sets of introductions today. The first is Mr. Gerald Zagrosh, who is the founder of the Pain Elimination and Tissue Regeneration Clinic, which uses electric stimulation to treat pain. He's in the public gallery, and I ask him to rise. He has brought with him some of his clients who have benefited from his treatment: Mr. Walter Romaniuk, Mr. William Fleming, Ms Joan Robinson, Mr. Craig Maslin, and Mrs. Shaylee Maslin. Please give them a warm welcome.

I am also pleased to introduce students from Parkview school. I'm not sure if they're in the gallery or on tour right now. They are 37 of the very, very finest young citizens of Alberta. They are accompanied by their teachers, Miss Laurie Ewald and Mrs. Aydan Kudrinko, and by parents Lori Chomyk, Reg Kozoway, and Kelly Woodward. Please give them all a warm welcome, and if they're here, would they please rise.

head: **Ministerial Statements**

The Speaker: The hon. Minister of Community Development.

Molson Canadian Heritage Classic

Mr. Zwozdesky: Thank you, Mr. Speaker. As minister responsible for sports and volunteerism and as a former hockey player and coach

and manager myself I am extremely excited to rise today to recognize a truly remarkable and historic event for our city, our province, our country, and, of course, for the entire National Hockey League which occurred so very successfully this past weekend.

Every winter on any day in any corner of our province enthusiasts young and old strap on their skates and take to their local pond, their local outdoor rink or arena to enjoy a game of hockey. Whether the ice is large or small, whether the players are just learning to skate or are already seasoned professionals, the game of hockey has become an important part of who we are and how we see ourselves as Albertans and Canadians.

Last Saturday our love of hockey was on display for the entire world to see. Mr. Speaker, nearly 60,000 cheering fans braved the cold to take part in the Molson Canadian Heritage Classic, a celebration of hockey's past and present and, if the fans were any indication, a sign of even greater things to come. The game brought together Edmonton Oilers alumni and Montreal Canadiens alumni teams as well as current Oilers and Canadiens in a spectacular display of skill and dedication and a return to the roots of the great game of hockey.

We were also treated to outstanding entertainment as presented and performed by Edmonton's own George Blonheim and Canada's great rocker Tom Cochrane as well as a very special performance by Paulina Gretzky and the already mentioned special rendition of *O Canada* by Paul Lorieau. All of Edmonton and area were caught up with the celebrations, the hosting events, and the incredible displays commemorating this classic event, which yielded an economic impact of about \$25 million and a spiritual impact of memories that cannot be measured that surpass everything.

Mr. Speaker, the amount of work that went into these events and in the preparation of Commonwealth Stadium for the game is immense, and I would again like to salute our special guests in the gallery – Doug Goss, chairman of the Molson Canadian Heritage Classic; Patrick LaForge, president of the Edmonton Oilers; Kevin Lowe, general manager of the Edmonton Oilers; Allan Watt, vice-president of marketing for the Edmonton Oilers; Nick Wilson, project manager for the Heritage Classic; Don Metz, director of broadcasting for the Oilers – all the other broadcasters, sponsors, players, coaches, trainers, ice makers, entertainers, spectators, and fans who tuned in from around the world, and of course the fabulous team of volunteers for bringing a vision of this magnitude into reality. Our city has much to be proud of, and the success of this game has truly elevated Edmonton's reputation as the City of Champions. Despite the cold, there was an unbelievable spirit in the air thanks to the enthusiasm of our city and those visitors from around the world who came to take part.

In closing, I want to also thank the ministers of Gaming and Economic Development for contributing to this incredible event, and I would now invite all members of this Assembly to join me in congratulating our special guests once again and everyone who was involved in putting on the most incredible hockey memory in our history.

We love hockey. We love Edmonton. We love Alberta. Thank you, all.

The Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you, Mr. Speaker. Last week the hockey world focused on Edmonton. As temperatures plummeted in the days leading up to the Molson Canadian Heritage Classic, the buzz and excitement in the city continued to grow. Despite the cold, fans couldn't wait for another opportunity to watch Wayne Gretzky, Guy Lafleur, and a host of other stars from the past participate in the

megastars game. Many fans came to relive memories from the past, never thinking that they would leave the stadium with a host of new memories that they will cherish for a lifetime.

Over 57,000 fans crowded Commonwealth Stadium for hours in frigid temperatures to watch the games. In the megastars game they were treated to heroes from the past wearing toques and scraping the ice between periods. The smiles radiating from the benches were a clear indication of their enthusiasm and enjoyment. After this game fans were treated to another hard-fought and entertaining game between the current editions of the Oilers and the Canadiens.

As Canadians we have always prided ourselves on our durability when playing the game. Games of hockey continue to be played everywhere in Canada: on ponds, on the backyard rinks, on community rinks, and in arenas. Players of all ages have assembled to play and enjoy the game.

Mr. Speaker, there are many to be thanked for having a vision and for putting this great event together through their thousands of hours of hard work. The executive and staff of the Edmonton Oilers have put their heart and soul into the Molson Canadian Heritage Classic. The Oilers organization is never offside. They are Edmonton's pride. The city of Edmonton has proven that inclement weather did not deter their pride and support for this unique event. This event has raised Edmonton's reputation as a great hockey town, and the fans in a true Canadian spirit came through when the going got tough.

To the Oilers, the city of Edmonton, and all others involved in the organizing and planning of this great event, thank you for the memories.

head: Oral Question Period

Access to Crown Land

Dr. Nicol: Mr. Speaker, last spring the Alberta government allocated over \$6 million to find a solution to the conflict between First Nations communities and the non First Nations contractors in the Slave Lake area. This conflict had resulted in roadblocks on Crown land used by the oil industry. My first question is to the Minister of Sustainable Resource Development. What did your department do with its portion of the \$6 million in trying to solve this problem?

Mr. Cardinal: Mr. Speaker, you know, the \$6 million is, of course, a partial solution to the challenges we had in dealing with that particular issue. It's a very challenging issue. Each ministry that had the allocation, of course, had the opportunity to administer those dollars based on how the department operates and how they intend to administer the dollars to increase consultation between the First Nations, industry, and the oilfield contractors. To discuss the administrative process in this Assembly I don't believe is the answer.

The other part that the hon. leader should always remember also is that we are talking about First Nations, which is the jurisdiction of their cousins in Ottawa. What did they do?

1:50

The Speaker: The hon. leader.

Dr. Nicol: Thank you, Mr. Speaker. To the minister of aboriginal affairs: why didn't you work with the federal government to get a clarification of the meaning of access to and the use of Crown land that First Nations have under their treaty rights?

Ms Calahasen: Well, Mr. Speaker, first of all, how does he know that I'm not working with the federal government? How does he know that? I would like to put it here that we are working with the federal government on a number of initiatives.

The second issue is the access issue. The natural resources transfer agreement, which was signed in the 1930s, gives the government of Alberta the right to manage the land. It is very important to make sure that we continue to do that but take into consideration, Mr. Speaker, the aboriginal and treaty rights of First Nations, and that's exactly what we've been doing on this consultation initiative. It takes a long time to be able to get to that point. However, it is very important, no matter what we do, that we continue to work with all the groups that are involved in this whole process.

Dr. Nicol: My final question, again to the minister of aboriginal affairs: what did you do to remove the reason that these roadblocks came into place in the first place? In other words, how have you worked with the First Nations communities to get their understanding of their role?

Ms Calahasen: Well, Mr. Speaker, first of all, we have a number of people who have been employed through Aboriginal Affairs and Northern Development to work on the consultation initiative. That's one component that we've been working on with the various First Nations, asking them to come to the table to be able to deal with this issue.

Secondly, I as the Minister of Aboriginal Affairs and Northern Development have been working with the First Nations to ensure that they are aware of what we've been doing. I've been going around the province on a continual basis, talking about what needed to be done, how we could do that, and requesting the involvement of the First Nations so that we can take care of their concerns relative to the aboriginal and treaty rights. It's very important and very key, no matter what we do, that we continue to do that, because this province – this province – really has a beautiful relationship with First Nations.

Industrial Development in Protected Areas

Dr. Nicol: Last week Tempest Resources received approval to drill two gas wells near the Ministik bird sanctuary. This sanctuary is one of North America's largest migratory havens for waterfowl, and it also supports populations of moose, white-tailed deer, elk, and lynx. To the Minister of Community Development: what is the point of natural places legislation if it won't protect areas like the Ministik sanctuary from industrial development?

Mr. Zwozdesky: Well, Mr. Speaker, we have a number of specially protected areas in this province, as members here will know, and for many of them we have management plans. I think we have about 18 on the go right now. On the particular issue that he's raising right now, if there is some violation that has occurred that he's aware of and he wants to forward that to me, I'd be happy to look into it and see to it that that issue is resolved as quickly as possible. To my knowledge there haven't been any violations in that area to date.

Dr. Nicol: Again to the same minister: will the minister ensure that there will be no further industrial projects affecting the Ministik bird sanctuary?

Mr. Zwozdesky: Well, Mr. Speaker, I can assure you that there is a protected area. There are rules that govern that protected area within the boundaries of that protected area. If he's talking about something outside that boundary, then maybe he should make that a little clearer. I can assure you that to my knowledge there's nothing that's actually happened in the sanctuary, the protected area itself.

Dr. Nicol: Again to the same minister: will the minister ensure that there are no more industrial projects in any of Alberta's special places?

Mr. Zwozdesky: Mr. Speaker, we have a comprehensive list of existing lease dispositions in some areas, and when the protected areas program was brought in, it was made very clear that we would do everything we can to honour existing commitments, be they to leaseholders or trappers or guides or outfitters or whatever have you. We worked very hard through the public consultation process to ensure that those particular policies and guidelines were followed, and I can assure the hon. member that we will continue to protect those areas within the guidelines that have been set down, approved, and been through the public consultation process.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Class Sizes

Dr. Massey: Thank you, Mr. Speaker. Chronic underfunding of our schools has resulted in the average kindergarten class in Calgary public being five students above the average recommended by the Learning Commission. In Edmonton public almost three-quarters of the K to 3 children sit in similar overcrowded classrooms. My questions are to the Minister of Learning. Given that the limited restoration money announced last week falls far short of the \$140 million boards needed just to keep even, when will there be relief for these overcrowded five year olds?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. There are a couple of issues to that question that I will address. First of all, the hon. member is talking about kindergarten to grade 3 at a level of 22 students, and I think that number really needs to be reinforced. The Learning Commission has indeed recommended 17, and we are looking at how we can bring those numbers down.

The other key component though – he mentioned \$140 million. Mr. Speaker, one of the tasks that the Learning Commission had was to take a look at the financing of education, and what they came back with was not a \$140 million shortfall. Indeed, what they actually said was that there was a \$19.8 million shortfall due to the inflationary pressures over two years. They also said that there was about a \$23 million shortfall in money that was not necessarily allocated but in money that was budgeted to be allocated, and they felt that it should be speeded up. There were also issues with the grade 10 CEU credits.

Mr. Speaker, each and every one of those was reallocated as of last week, as the hon. member knows. So I do take a little bit of exception when people are all of a sudden calling \$60 million a mere pittance.

Dr. Massey: My question is again to the same minister. Given that even with their share of the restoration money announced last week Calgary public will be short at least \$80 million, how will they be able to even look at the class size targets in the commission's report?

Dr. Oberg: Well, Mr. Speaker, today there was a press release put out by the Calgary public school system. That press release said that they have balanced their budget for last year, which is indeed good news. They roughly had a surplus of about .25 percent, I believe. In the upcoming year as their amount of dollars is actually known,

is actually discovered and found out in the upcoming budget, Calgary public will work and, I'm sure, will do the best job they can for the students of Alberta. They're an excellent school system and will continue to be an excellent school system.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister: given that it's now nearly two months since the Learning Commission reported, when can parents expect to see a plan to implement class size reductions in this province?

Dr. Oberg: Well, Mr. Speaker, one of the prerequisites of the Learning Commission was that there be no interference from myself, no interference from my own department, that it be a completely objective report. It took the Learning Commission around 15 or 16 months to go through everything around the province. We have just received that, as the hon. member has stated. We have our processes that it will be going through, and we are on-line for the date that I initially suggested, which is the first part of December. We are on course; we are on-line for that. All things going in the right direction, we will be making an announcement the first part of December.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Little Bow.

Mature Animal Market Transition Program

Mr. Mason: Thank you very much, Mr. Speaker. This morning at long last the minister of agriculture announced compensation for mature cows and bulls, whose worth has plummeted to cents on the dollar since the discovery of a single BSE case last May. While it's a bit more generous than the federal program announced last Friday, this mature cow and bull program seems to fall short of the very generous assistance package given earlier to feedlot operators. My question is to the minister of agriculture. Why did the government come up with a program costing hundreds of millions of dollars for a small number of feedlot owners within weeks of the discovery of BSE whereas tens of thousands of cow/calf producers have had to wait for more than six months to get only partial compensation for their losses?

Mrs. McClellan: Mr. Speaker, unfortunately, the question indicates the member's understanding of the industry or lack thereof.

Mr. Speaker, since May 20, when a single cow was found with BSE, the whole cattle industry has changed significantly in this province. It quickly became very apparent to us, working with the industry at our side, that we would have to manage this situation in a staged way. The first matter was to move some 700,000, 800,000, 900,000 or thereabouts fat cattle that were in terminal feedlots. These cattle were destined for mainly export markets and, as this is a perishable item, did not have a lot of time to move.

2:00

If the hon. member understood the cattle industry, he would know that the market program we put in for market mature cattle this morning is to deal with cattle that are no longer useful in the breeding herd. This is still a valuable product, Mr. Speaker, but it is a commercial beef product when it is not of value to the breeding herd. That generally is not established until sometime throughout the summer or fall months. In fact, culls happen, generally, heavier in the fall and the remaining cull in the spring for each year.

So to recognize this issue, Mr. Speaker, where 70 percent of that product primarily went outside of this country on an export basis, 100 percent of it now has to be in this country. We realized that we had to deal with a place for the product, whether there was a slaughter capacity for the product, and deal with it in a manner that set the stage for the future marketing of this product.

The Speaker: The hon. member.

Mr. Mason: Thank you, Mr. Speaker. While I appreciate the little lecture from the minister, I would like to ask her why she has designed a BSE program for cow/calf producers that, while welcome, appears to fall significantly short of the generosity shown to feedlot owners, who are guaranteed 90 percent of the U.S. slaughter price.

Mrs. McClellan: Well, again, Mr. Speaker, before one talks about something as complex as the cattle industry, one should do some research into how this industry really does work. I'm serious about that, because to suggest that the feedlot operators somehow came off with a huge profit out of this would be so very, very wrong. In fact, their losses are absolutely incredible, especially coming off last year where we had a drought and their cost for feed went up so significantly.

Mr. Speaker, we have some 38,000 farms in this province that have animals on them. This is a big industry in this province, and we have sat down with the industry, the total industry – the trucking, packing, cow/calf, and feeder industries, the feedlots, the sales agents, whether they be auction markets, order buyers, whatever – in a room together week after week after week, many times day after day after day, to try and address the many, many issues facing this industry and to move them forward into a new reality for this industry in an orderly way and in a way that interfered as little as possible in the marketplace.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, can the minister, then, demonstrate to this House that none of the hundreds of millions of dollars in BSE compensation that has already gone out ended up benefiting cattle brokers, speculators, or meat packing plants rather than cattle producers themselves?

Mrs. McClellan: Mr. Speaker, again, cattle producers themselves received a huge benefit from the dollars that went into the fed cattle program. That was shown very clearly if you sat in the auction markets this fall and watched the calf prices, which were indeed as high as last year or higher, for one reason: because there is a place to place those calves today which there would not have been if those hundreds of thousands of fed cattle were still there or had had to be destroyed.

Mr. Speaker, the beef industry is an incredibly important industry to this province, contributing about 60 percent of the farm cash receipts, contributing over 60 percent of the processing industry, which is huge for us. I appreciate the hon. member's interest in this, but to try and pick sides and decide who may or may not have won or lost in this is not a very useful discussion.

The Speaker: The hon. Member for Little Bow, followed by the hon. Member for Edmonton-Centre.

Edmonton City Centre Airport

Mr. McFarland: Thank you, Mr. Speaker. I think it's most appropriate today that the Molson Heritage Classic game was

recognized earlier by the Minister of Community Development. Interestingly enough, a southern Alberta air carrier, Integra Air, carried an aircraft full of fans to watch that game on a typical 75-minute flight which landed directly at the Muni airport. My question is to the Minister of Economic Development. Considering the discussion this past week about the future of Edmonton's city airport and its effect on northern Alberta, I can tell you, Mr. Minister, and this Assembly that Lethbridge and Medicine Hat are also affected by proposed changes at the Muni, whether it's scheduled flight services by smaller air carriers, lab examinations, charter services, or medevac services, including fixed wing aircraft. Will the Minister of Economic Development advise this Assembly what's being done to address these additional concerns that affect northern and southern Alberta?

The Speaker: The hon. minister.

Mr. Norris: Well, thank you, Mr. Speaker. I'd like to thank the Member for Little Bow for asking a great question which underscores, really, what this issue is all about, and it's air service and transportation service to all of Alberta, not specifically northern Alberta, although that's clearly one of the most important pieces of this. We had some very encouraging news on Friday that the airports authority is going to take a step back, and they are going to talk to all stakeholders, not only in northern Alberta and Edmonton and the medical community but in southern Alberta, specifically Lethbridge and of course Calgary, which have direct flights into the City Centre Airport. I think that what we really need to talk about is taking a step back and saying that the service we are dealing with is adequate and that the people of this province rely on it, because the city of Edmonton is the capital city, and in order to do business here, it makes it very, very convenient for people in Lethbridge, Medicine Hat, and southern Alberta.

So we are going to work with the stakeholders, and certainly the people from southern Alberta will be included. I'm hoping, Mr. Speaker, that we can show how vital that air link is to not only northern Alberta but the whole province of Alberta.

The Speaker: The hon. member.

Mr. McFarland: Thank you, Mr. Speaker. I would like to applaud you for the work that you are doing. My second question to you and the last supplementary: will these people be able to expect some fairly quick results from this consultation?

Mr. Norris: I'd like to again thank the hon. member, and I'll take your applause anytime you want to offer it, Member for Little Bow, so thank you.

Mr. Speaker, I'd like to advise the House that as early as this morning we had a conference call with all the stakeholders. The committee agreed that we should move very, very quickly on the first set of talks. That's going to be going on in the next couple of weeks. We hope to have some kind of hard copy by the end of the year, certainly to deal with the closure of the airport, the scheduled flights. Then longer term consultation with the Minister of Aboriginal Affairs and Northern Development, the Minister of Municipal Affairs, the Minister of Transportation, myself, and others will be undertaken. We know for a fact that we will have something concrete within the next six weeks.

Again, I would like to offer my thanks to the Member for Peace River, who has been very, very forthright in bringing these issues to the table.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Lac La Biche-St. Paul.

Corrections Review Committee Report

Ms Blakeman: Thank you, Mr. Speaker. The Solicitor General appointed an MLA review committee on corrections in May 2002, which reported to the government a year ago. During the spring sitting the Solicitor General responded to my request to table the report in the Assembly by saying that she was still studying it. My questions are all to the Solicitor General. What is the subject in the report that is requiring such intense study from the Solicitor General?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker, and I appreciate the hon. member's question. Yes, what she has said is correct. The corrections review committee that went out over a year ago has done one very, very good job in looking at our corrections and how we're going to deal with it. The reason the Solicitor General is taking so long to deal with this report is that there are some difficult decisions that have to be made, and we want to make sure the decisions that we're making are right, not like our federal cousins who just ram legislation in without any consultation.

2:10

The Speaker: The hon. member.

Ms Blakeman: Thank you. Again to the Solicitor General: when do Alberta taxpayers get to see the report that they paid for?

Mrs. Forsyth: Again, Mr. Speaker, I answered that in my previous answer. I don't think taxpayers in this province mind waiting for a report that has taken a long time to do. We want to make sure we've made the right decisions. The committee that went out there with the members for Red Deer-North and Lac La Biche-St. Paul and Edmonton-Castle Downs did a really, really good job of reviewing our corrections. We have some difficult decisions that have to be made. People have to understand some of the things that we're facing in this province, with the conditional sentencing that the federal government passed in '96 and all the probation people that we're dealing with. So in due time it will be out, and it will be done correctly.

The Speaker: The hon. member.

Ms Blakeman: Thank you very much. Is the minister considering more legislative change for the spring 2004 session based on this report, and will Albertans be able to see the report before that legislative change comes?

Mrs. Forsyth: No, Mr. Speaker, the minister isn't considering any legislative changes at this time. If I do consider legislation changes, we will let Albertans know about it, and I'm sure they'll be supportive, as they were with the Corrections Amendment Act in regard to dealing with drugs in jails.

The Speaker: The hon. Member for Lac La Biche-St. Paul, followed by the hon. Member for Edmonton-Riverview.

Mature Animal Market Transition Program

(continued)

Mr. Danyluk: Thank you very much, Mr. Speaker. Last week the

federal government announced the national cull cow/bull program, and the Alberta government immediately announced that it was not taking part. Today, as previously mentioned, our government announced a different, made-in-Alberta program, the mature animal market transition program. My first question is for the Minister of Agriculture, Food and Rural Development. Why has the Alberta government decided to forgo the national program?

Mrs. McClellan: Mr. Speaker, it was with a great deal of regret that we had to announce that we would not be participating in a national program. We have worked for at least five weeks with the other provinces in Canada and the federal government to try to devise a program for these commercial market mature animals and, unfortunately, were unable to come to an agreement.

In Alberta we have some very clear principles that we stand on, and one is that you must have choice in the marketplace. That is not available when you limit your buyers to one or, in our case, perhaps two. So it was with a great deal of regret that we had to say, with our industry, that we would not participate, that we would indeed proceed with a program that we think does respect those principles that establish a marketplace.

It would have been much better had we had a national program. It certainly would have less effect on the marketplace across Canada, but, as I said, it does not meet our criteria, and we did not proceed with it.

The Speaker: The hon. member.

Mr. Danyluk: Thank you, Mr. Speaker. To the same minister. Could she tell me: how does the Alberta mature ruminant program work compared to the national program?

Mrs. McClellan: Mr. Speaker, the main difference is that it offers choice in what a producer does with the animal that is extra to its breeding herd needs. You may keep that animal and apply for a per head payment, which would amount to about a dollar a day for your winter feeding months, or you can offer that animal for sale, and that's the key. You offer the animal for sale through a sales methodology. It can be through an auction market, through an order buyer, through tape sales, TEAM sales, whatever there is available to you, but you do offer that animal for sale. That allows other buyers into the marketplace. Then you are paid on a differential between the traditional 10-year average of the top price for cattle, a floor price of 20 cents, which we think sets out about the division for the classes of cattle, and you get a differential of about 60 percent of that.

Mr. Speaker, it's offering choice, allows a marketplace to work, and it also recognizes, if you sell that animal, the difference in value between two animals. It's hard for me to conceive that a 1,600-pound bull that's 32 months old has exactly the same value as a 12-year-old cow that may have had 10 or 11 calves, and the federal government does not in any way recognize a difference in value of animals.

The Speaker: The hon. member.

Mr. Danyluk: Thank you very much, Mr. Speaker. My final question is also to the same minister. How much money is available through this program?

Mrs. McClellan: Mr. Speaker, we announced some time ago that we would commit another \$100 million to deal with the issue of the mature market animal and to complete the fed cattle program. We're

not announcing the split on those dollars or how they are because we think that that, again, could interfere in the marketplace, and market neutrality is our goal.

Anglo-Canadian Clinics

Dr. Taft: Mr. Speaker, in September the Alberta Liberal opposition uncovered plans by the Calgary health region to provide health services in Great Britain with private partners under the name Anglo-Canadian Clinics. This private consortium has been approved as preferred bidder to run three clinics in London, England. To the Minister of Health and Wellness: what reassurances can the minister give that doctors and nurses and other health professionals badly needed in Calgary won't be spending time supporting services in Britain?

Mr. Mar: Mr. Speaker, the approach being taken by Anglo-Canadian and the regional health authority and the University of Calgary in a partnership is a proactive approach to try and bring additional dollars from outside of Canada into Canada. This, of course, relates directly to our ability to continue to finance the health care system, which is one of the recommendations of the Mazankowski report. There are going to be no frontline services that will be affected. No frontline physicians are going to the United Kingdom. Only a limited number of physicians who are either on sabbatical or are in teaching positions will take part. There is some effort being put forward by the University of Calgary as a partner to this agreement. The health region is participating in only the planning process and in providing their management expertise, something that they already do but have never gotten money for doing.

As a result, Mr. Speaker, now if there is money that accrues to the regional health authority as a result of this partnership, 100 percent of that money would be used to improve frontline health services in the Calgary health region.

The Speaker: The hon. member.

Dr. Taft: Thank you, Mr. Speaker. Given his reassurances and given that you can't get something for nothing – they're selling services abroad – again will the minister commit here and now that Calgarians will not lose any health professionals as a result of the region's involvement in Great Britain?

Mr. Mar: I just did give such an assurance, Mr. Speaker.

Dr. Taft: Will the minister confirm that the Premier will be discussing Anglo-Canadian Clinics while he is in England this week?

Mr. Mar: Mr. Speaker, I can't speak on behalf of the Premier. I'm certain that somebody will be able to confirm that on behalf of the Premier's office, but I can neither confirm nor deny that that will be part of the Premier's discussions.

The Speaker: The hon. Member for Whitecourt-St. Anne, followed by the hon. Member for Edmonton-Glengarry.

Community Health Councils

Mr. VanderBurg: Thank you, Mr. Speaker. Earlier this year, after the RHAs were expanded, there were 11 community health councils within the Aspen health authority. They are now being reorganized into six councils. My constituents in Whitecourt-St. Anne are

worried that they will no longer be properly represented on these councils and, in turn, not adequately represented to the RHA. My first question is to the minister of health. How do you plan on selecting the members to serve on these community health councils, and what will be their role once they are appointed?

Mr. Mar: Mr. Speaker, community health councils represent the people that live in the communities from which they come, and their role is to provide another way for citizens to provide input into local health care planning. Council members are volunteers. They put their names forward to serve on such councils, and they are appointed not by the government but by the regional health authorities themselves.

2:20

Mr. VanderBurg: Well, to the same minister, Mr. Speaker: given that the Aspen region has now been expanded, how can residents expect to be well served by even fewer health councils?

Mr. Mar: Well, Mr. Speaker, when health regions were expanded earlier this year, they included the carryover from the existing community health councils from the previous regions as well as their own, and there were wide discrepancies in the number of people who served on these health councils. They ranged from nine members in one case to up to 15 in another. By establishing six equal councils, the Aspen health region is ensuring that there is a fair and equitable distribution and representation for all of its residents. Four of these councils will represent people from a geographic area within the health region, one will represent residents of Indian reserves, and the remaining one will represent residents of Métis settlements.

Mr. Speaker, my best advice is that the Aspen health region will soon be advertising for volunteers to serve on these six new health councils, and certainly those residents who have an interest in this, providing input to local health care planning, should put their names forward. The other eight health regions in the province of Alberta are also re-establishing their own local health councils.

The Speaker: The hon. member.

Mr. VanderBurg: Thank you.

Driver Examinations

Mr. Bonner: Mr. Speaker, the 2002-2003 Auditor General report recommends that the Ministry of Transportation increase monitoring and auditing processes for driver examiners due to increased corruption and inconsistencies in services. This points to the inadequacies of the privatization of driver examinations, which has led to unqualified drivers obtaining their licences, thus risking the safety of the traveling public. To the Minister of Transportation: why has this ministry not adequately monitored and audited processes for driver examiners?

Mr. Stelmach: Mr. Speaker, we will take, of course, the recommendations of the Auditor General very seriously and will shortly be laying out a plan as to how we will accommodate all those recommendations.

Mr. Bonner: To the same minister: why is it that since the privatization of driver examinations the ministry has failed to identify and investigate examiners who are not conducting examinations in accordance with legislation and policy?

Mr. Stelmach: Mr. Speaker, although I admire the hon. gentleman

across, what he has said is not absolutely true. We have had investigated a number of operations, and a number of individuals were suspended during that period of time.

Mr. Bonner: To the same minister: why is it that the ministry has moved to privatization of driver examinations when it is clear that this move has risked the quality of this essential public service while endangering the safety of traveling Albertans?

Mr. Stelmach: Mr. Speaker, without a doubt the level of service has improved immensely across this province, and there is something to be said about privatizing some of these services. There's a feeling, perhaps by some members across, that the minute something is privatized – it's like something can go wrong in the private sector and somebody can perhaps do something illegally, but when it's conducted by the public sector, nothing can go wrong and nothing can happen that will perhaps question the service.

So I think, generally speaking, that when you look at the huge privatization that occurred in this province in the early 1990s, the improvement in level of service, the number of issues that were handled by this government to ensure that the safety of the traveling public was first and paramount, I believe we've done an excellent job. We will continue to monitor, and in those cases where someone has done something inappropriate, they will be punished.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Calgary-Fort.

Postsecondary Education Funding

Dr. Pannu: Thank you, Mr. Speaker. Alberta students have seen postsecondary tuition fees triple over the last decade, and this government doesn't seem to have any intention to see that trend stop or any will to reverse it. This government has spent \$430 million on corporate giveaways, but it can't afford a fraction of that amount, all that would be needed, to freeze tuition. It's not surprising that the TD Bank found that only 43 percent of Alberta high school students continue on to postsecondary learning, the lowest in Canada. My questions are to the Minister of Learning. If the government can afford corporate tax cuts, why can't it afford a tuition freeze?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. First of all, there needs to be a little bit of light put into this argument; that is, *Maclean's*, which is probably a very unbiased group when it comes to tuition, shows that the University of Alberta is number 24, the University of Calgary is number 25, and the University of Lethbridge is number 40 out of roughly 50 to 55 universities in the country when it comes to tuition and fees. This is right in the ballpark of where we want the institutions to be. They're not the highest; they're not the lowest.

The other issue is that the tuition fees will be allowed to go up when you hit the 30 percent ceiling, will be allowed to go up 5 percent at most, Mr. Speaker, and that is what is going to occur. We absolutely want the tuition fees to be affordable.

The other key component which the hon. member brought up was the TD study about the Calgary/Edmonton corridor. One thing that they refused to do in that study – and the hon. member knows this and really should have said this – is they did not include apprenticeships as part of the postsecondary system. Here in Alberta we think apprenticeships and trades are extremely important and, indeed, are completed in those numbers, Mr. Speaker.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: why is it that Quebec, Saskatchewan, Manitoba can freeze tuition fees, Newfoundland can reduce tuition fees by 10 percent, but in Alberta the minister seems determined to make sure that tuition fees keep going up?

The Speaker: The hon. minister.

Dr. Oberg: Thank you, Mr. Speaker. First of all, in Quebec tuition fees for out-of-province Canadians are an average of all the other tuition fees across the country, so that's what they have chosen to do. They have chosen to keep their fees artificially low for their own residents, and that's a policy decision that they have made.

Mr. Speaker, Manitoba recently froze their fees, and again that is their issue.

In Newfoundland, though, there's something else that is very interesting, and that is that because of the lack of students in Newfoundland there are actually now, today, more seats in the postsecondary system than there are students available to actually sit in those seats. So, Mr. Speaker, they have conducted an extensive recruiting drive across Canada and across the world in order to get students to actually physically come to their universities. So that's one of the reasons that they have done it.

Again, Mr. Speaker, I will say that our universities – the University of Alberta, number 24; the University of Calgary, number 25; the University of Lethbridge, number 40 – are right where we want them to be in comparison with the rest of the country.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: given that the TD Bank study concludes that Alberta tuition rates are too high, will the government at least listen to its corporate friends and give young Albertans a better deal on tuition; i.e., freeze tuition fees?

Dr. Oberg: Mr. Speaker, again, the Toronto-Dominion Bank basically stated that the tuition fees were a concern when it came to access. I do not believe that they specifically said that the tuition fees were too high. What they would have had to have said is that that would have translated across Canada, and they would have seen that they are very competitive across Canada.

To put it in perspective, Mr. Speaker, the tuition plus fees for University of Alberta are \$4,782. You know, it's only slightly smaller than the pension that the hon. member gets from the University of Alberta. So \$4,700: I have four kids that are presently going to university, and I would be more than happy to pay that.

The Speaker: The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Gold Bar.

2:30

Skills Development Program

Mr. Cao: Thank you, Mr. Speaker. My question today is for the Minister of Human Resources and Employment. Mr. Minister, while Alberta's economy is going strong and more Albertans are working than ever before, many employers in my constituency tell me it's difficult to find skilled workers and many hardworking employees also tell me they are stuck in low-paying jobs. So as the Minister of Human Resources and Employment what are you doing to address these important issues?

Mr. Dunford: Well, the hon. member is onto an issue here, and that, of course, is the fact that we have huge dollars that we're investing in the skills training of Albertans. At the same time, any Albertan driving around and certainly those of us that spent the weekend here in Edmonton in our normal activities see the hiring signs. There's a disconnect, almost, at times between the skills that are available and actually finding the placement for them. As recently as today, Mr. Speaker, we were talking about just that kind of situation, whether we shouldn't have more direct access for the employer right into our department to see if we can't somehow get the two folks together more rapidly.

In the meantime, we are spending our budget on the development of skilled employees in this province. I think that later this week, you know, we'll actually have to come in front of the folks of this Legislature and ask for some additional dollars in order to meet our commitments. We are oversubscribed in this area.

But it's the only thing that works. You have to provide the kind of transition to get people from assistance and dependence into the workforce, where they can be self-reliant Albertans.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. To the same minister: I heard you mention a skills investment strategy, so what specific initiative under this program will help employees and employers?

Mr. Dunford: Well, this is a bit of reform for us because at one time skills training tended to follow along traditional lines. We would look at a situation, and if the person had not completed grade 12, for an example, then we'd automatically put them into academic upgrading through one of our postsecondary institutions. We started to look at that, and we said: "Why would we just look at that one aspect? Why don't we look at the more complete person and determine, make some kind of assessment as to what it is they would logically be doing within this economy and in a specific period of time?" If that meant academic upgrading, well, of course, let's go through that. But if there was a quicker way through training on the job or some other program that we would have that could move them into the workforce and that's what they want, why would we not be prepared to do this? So that's part of what we're doing now.

The Speaker: The hon. member.

Mr. Cao: I don't have one.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Highwood.

Workers' Compensation Board

Mr. MacDonald: Thank you, Mr. Speaker. This government always insists it's at arm's length from the WCB. Documents received recently through freedom of information show that successive government ministers are at arm's length from the WCB board of directors, but it's at arm's length across the dining room table at the Mayfair country club. To the minister of human resources and enjoyment: why did the WCB fork out over \$41,000 in golf course and social fees at the Mayfair Golf and Country Club between 1998 and 2001 for two top executives when injured workers had to camp out on the streets to have their cases heard?

Mr. Dunford: Well, that's an operating situation that would of course fall within the responsibility of the board of directors – you

know, it's now broadcast on the Internet live, so they might be watching today – and that would be something that would be taken up with them.

But you should know that the meal that I would've had at the Mayfair course with them was a very nice meal. There were a number of us from my department that met with them on one occasion down there. It was a very, very tough meeting for both the board of directors and for the minister. If we were to recall the exact date, Mr. Speaker, it was right in the midst of the determination by this minister and this government to reform some of the aspects of the appeal system inside the WCB. That was one occasion when they did offer to provide a site for us to have those discussions, and believe me, sir, we had them.

Mr. MacDonald: Mr. Speaker, that meeting occurred on June 19, 2001, and it cost \$671.

Now, to the same minister: how can injured workers with long-standing contentious claims be denied while the WCB spends so lavishly on country club fees?

Mr. Dunford: Well, Mr. Speaker, I think that the hon. member is aware of the activities of Human Resources and Employment. Since that structure was put into place in May of 1999, we have worked very hard and, I believe, successfully toward making a better WCB system in this province, particularly, then, as it would relate to injured workers. Now, the hon. member was here in the House, and I don't recall particularly, but I believe that he supported some of the changes that we made to the WCB system through legislation. We've also done this, of course, through regulation.

So I don't know that as the responsible minister for this government we need to apologize to anybody for the actions we have taken as a government and for the actions we have taken as the ministry responsible for the legislation as it leads to workers' compensation. As a matter of fact, we've had pretty good support from some sectors of injured workers in what we've tried to do. But, yes, there are a couple of associations that continue to be critical of not only this government but of this minister in particular. That's just the way it goes.

I would want to indicate to the hon. member that I believe that I have an understanding of my role as it relates to workers' comp, and I believe that this government will continue with that particular role and continue to move forward on behalf of all parties involved in the WCB, not just injured workers but the employers who pay the cost of this program as well.

Mr. MacDonald: Again, Mr. Speaker, to the same minister in regard to those employers: why does the WCB pay out over \$41,000 in country club fees for the top two executives when at the same time Alberta businesses, large and small, are faced with double-digit premium increases?

Mr. Dunford: If there's a member in this House that is not supportive of health care reform in this province, then they are not supportive of the kinds of issues that are being dealt with by the WCB. The increases in the WCB assessment, hon. member, aren't due to a \$41,000 cost item; they are the fact that health care costs in this province as it relates to WCB claims have more than doubled in the last four or five years.

Now, because of the hon. member's question I believe that we should look to him for support in the health care reforms in this province. If he is going to portray himself as a speaker on behalf of injured workers, on behalf of employers, then get with it and get onside and get on right now.

2:40head: Recognitions

The Speaker: Hon. members, in 30 seconds from now I'll call upon the first of seven to participate in Recognitions, but pending that, today we'll recognize that it's November 24 and is the anniversary of birth for the hon. members for Drayton Valley-Calmar and Calgary-West.

The hon. Member for Dunvegan.

Mary Gervais

Mr. Goudreau: Thank you, Mr. Speaker. A Falher poet's literary creation was picked as the Editor's Choice award for poetry sponsored by the International Library of Poetry.

Longtime poet Mary Gervais was notified of her selection in September. Her poem entitled *River Bank Memories* was selected based on its unique perspective, original creativity, and expansive qualities and will be one of 33 poems to be recorded on a special CD poetry collection called *The Sound of Poetry*. Her poem is also featured in *Eternal Portraits*, a hardbound edition featuring the talents of poets from across Canada.

Mrs. Gervais has been a poet for many years and has written more than a hundred poems, many of which have received the attention of Canadian and U.S.-based poetry book publishers. According to Mrs. Gervais her inspiration for putting pen to paper and writing is life itself.

Congratulations to Mrs. Gervais on her recent prestigious award for her poem *River Bank Memories*.

The Speaker: The hon. Member for Calgary-Currie.

Red Motel Pictures

Mr. Lord: Thank you, Mr. Speaker. It's always a pleasure for me to help draw attention to the work of incredibly talented Albertans, especially since so many of them live in Calgary-Currie. Red Motel Pictures is the Calgary video production company with a social conscience being built by Jeth Weinrich and his partner, Braun Farnon. Their story isn't just of interest in Calgary-Currie or Alberta, for that matter. The facts are that this is a true international success story and proof that Canadians can compete with anybody anywhere.

Jeth and Braun started by producing over a hundred commercials for some of the world's largest companies and institutions, a list that includes the U.S. Navy, DuPont, First Bank of America, Pfizer, Royal Bank, and dozens of others. Along the way Jeth picked up a Clio, the world's top advertising excellence award, and made the list of North America's 10 most up-and-coming new directors.

They do feature films. *Moon of the Desperados* has become a rodeo circuit cult classic, working with names such as Tuff Hedeman, Budweiser, and Wrangler. *Heartland* is a film about cystic fibrosis with a soundtrack developed by Jann Arden, Los Lobos, and Ozzy Osbourne. Three Juno winners and 60 videos: Jann Arden's *Insensitive* is the most famous of them.

They are really putting Calgary-Currie on the map with redmotel.com, and I'd like to offer my congratulations to Jeth and Braun and all the rest of the talented people there.

The Speaker: The hon. Member for Highwood.

Pam Irving

Mr. Tannas: Thank you, Mr. Speaker. This year on November 14 Her Excellency the Rt. Hon. Adrienne Clarkson presented Pam Irving of Millarville community school in Highwood with the

Governor General's award for excellence in teaching Canadian history to elementary school students.

In winning this national award, Pam gives full credit to her mentor, Barb Martin, from the Galileo Educational Network mentorship program. The Galileo program emphasizes students researching primary-source information including contact with First Nations people and families of original homesteaders as well as visiting local museums and historic sites and then utilizing student skills in writing, art, drama, and technology to reflect and strengthen their understandings.

Congratulations to a great teacher, Pam, and to her mentor, Barb, and to the Foothills school division.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Bernadette Vermaas

Mr. MacDonald: Thank you, Mr. Speaker. I rise today to give recognition to Ms Bernadette Vermaas, a recipient of the Carnegie Hero Fund Commission bronze medal. The commission honours people from Canada and the United States who risk their lives to an extraordinary degree trying to save others.

Ms Vermaas rescued Ljiljana Samuels from an assault by a woman who attacked her with a knife and two syringes on January 23, 2001. She heard the assault from her shop next door and rushed over. The shop owner was shielding her bloody face with her hands, with the armed assailant looming over her. With a snow shovel in her hand Ms Vermaas cleared the counter and began to approach the assailant, who then fled. Ms Vermaas followed the assailant through back alleys and parking lots until police intervened. Ms Samuels required surgery for a broken nose and recovered fully.

For her bravery Ms Vermaas became one of only 17 women to receive this award and the first from Edmonton. In all, 686 Canadians, 53 from Alberta, have been awarded Carnegie medals since 1904. I would ask Ms Vermaas again to rise and receive the warm welcome of the Assembly for her bravery.

Thank you.

Grant Fuhr

Mr. Bonner: Mr. Speaker, it is with great pride that I rise to recognize a great Canadian and, more than that, a great Canadian hockey player. I'm speaking of Grant Fuhr, who was inducted into the Hockey Hall of Fame this year. His jersey was also retired by the Edmonton Oilers in October of this year, and of course he participated in the Molson Canadian Heritage Classic, where he once again displayed his lightning-quick reflexes with another memorable glove save. Fuhr played 19 seasons in the NHL and helped the Oilers win five Stanley Cups.

The native of Spruce Grove, who finished his glorious career in the 1999-2000 season, won the NHL's Vezina trophy for outstanding goalkeeper in the 1987-88 season. His contributions to NHL hockey shall be remembered for all time and will be expanded as he tries his hand as a hockey commentator, but he is also passing his hockey knowledge to the next generation by helping kids improve their game here in Edmonton.

Mr. Speaker, I ask all members to join me in congratulating this great Albertan and recognizing his achievements.

Thank you.

The Speaker: The hon. Member for Calgary-North Hill.

Edmonton Firefighters

Mr. Magnus: Thank you, Mr. Speaker. Last week Ivan Clancey's car left a slippery road in Edmonton during a blizzard and drove

through ice into a drainage ditch, landing upside down. Passersby tried to help. It was up to two firefighters, Mike Haessel and Mike Tessier, not wearing protective clothing, to wade into four feet of oil, water, and sludge in minus 15 degree temperatures to find the driver. The car was pulled out. The driver is miraculously alive after 30 minutes underwater, and our prayers go out to him for a full recovery.

In those prayers will be a word of gratitude for the firefighters at station 6: Randy Owen, Bob Taylor, Ray Baron, Brian Paziuk, Doug Ardis, Graham DeLong, Dave Drebert, Rob McNallie, Scott MacDonald, Wayne Grotski, Daryl Harper, Walter Gahler, Mike Dawood, Bruce Ouellette, Ross Horton, and Greg Holubowich.

Firefighters and other emergency workers are called on daily to put themselves in danger. They do so without a second thought. It's their duty, they say. But from time to time these folks demonstrate a kind of bravery that elevates them from emergency workers to heroes. On behalf of the Legislature, Mr. Speaker, let's recognize those heroes.

The Speaker: The hon. Member for Calgary-West.

***Dream Keeper* Premiere**

Ms Kryczka: Thank you, Mr. Speaker. On November 8 my husband and I attended a premiere of *Dream Keeper*, an amazing aboriginal film that through a grandfather and his grandson explores the tradition of storytelling and native culture. *Dream Keeper* will be broadcast on ABC television on December 28 and 29, 2003, for all Albertans to see. The hon. Minister of Aboriginal Affairs and Northern Development attended with her sister and her daughter along with the MLA for Olds-Didsbury-Three Hills and his wife. The Premier spoke at a grand reception following.

Not only does *Dream Keeper* depict the rich traditions of aboriginal people; it also is an excellent example of the talent in our province. *Dream Keeper* was shot over 78 days and in over 70 locations throughout Alberta. Over 1,500 aboriginal people were involved as actors, background actors, special skills extras, cultural experts, and crew.

The Blood tribe, Treaty 7 Tribal Council, Telus, Dreamkeeper Productions, Alberta Aboriginal Affairs and Northern Development, Alberta Community Development, and all the cast and crew should be recognized for their contributions. Films such as *Dream Keeper* are bringing aboriginal talent into the mainstream and are an excellent way for aboriginal people to share their stories and traditions. Watch on December 28 and 29.

Thank you.

2:50head: Presenting Reports by Standing and Special Committees

Mrs. Tarchuk: Mr. Speaker, as chair of the Select Special Ethics Commissioner and Ombudsman Search Committee I would like to table part 2 of the committee's report, containing its recommendation for the appointment of Mr. G.B. (Gord) Button as Ombudsman for the province of Alberta.

Thank you.

head: Presenting Petitions

The Speaker: The hon. Member for Edmonton-Norwood.

Mr. Masyk: Thank you, Mr. Speaker. I rise today to present a petition that was signed by 828 residents of Alberta requesting "the Legislative Assembly to urge the government to regulate energy

corporations in order to lower the price of natural gas and electricity."

head: Introduction of Bills

The Speaker: The hon. Member for Medicine Hat.

Bill 53

Insurance Amendment Act, 2003 (No. 2)

Mr. Renner: Well, thank you, Mr. Speaker. I'm very pleased today to request leave to introduce a bill being the Insurance Amendment Act, 2003 (No. 2).

This bill will allow the government to introduce an insurance reform package that will allow automobile insurance to be made available to all Albertans in an affordable, accessible manner and will also allow for the provision of a rate freeze in the interim until the new reform package is available to all Albertans.

[Motion carried; Bill 53 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that Bill 53 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

The Speaker: The hon. Member for Calgary-Fort.

Bill 218

Financial Summit Act

Mr. Cao: Thank you, Mr. Speaker. I request leave to introduce a bill being Bill 218, Financial Summit Act.

Given that the demands for public money are increasing, new approaches for allocation of public funding should be considered. This bill is about a public forum that addresses the demands for public money by stakeholder groups in front of one another.

[Motion carried; Bill 218 read a first time]

The Speaker: The hon. Member for Edmonton-Ellerslie.

Bill 224

Long-Term Care Ombudsperson Act

Ms Carlson: Thank you, Mr. Speaker. I request leave to introduce a bill being the Long-Term Care Ombudsperson Act.

This is a bill that recognizes that persons receiving long-term or residential care deserve to be treated with dignity and maintain the greatest control possible over how they live their lives. Those persons are amongst the most vulnerable members of society wherein their interests and opinions and those of their families are too often disregarded.

[Motion carried; Bill 224 read a first time]

The Speaker: The hon. Member for Edmonton-Strathcona.

Bill 229

Cost of Living Protection Statutes Amendment Act, 2003

Dr. Pannu: Thank you, Mr. Speaker. I request leave to introduce

Bill 229, the Cost of Living Protection Statutes Amendment Act, 2003.

The bill addresses three issues. It ensures that seniors living on fixed incomes and low-income Albertans, whether employed, unable to work, or disabled, receive an annual cost-of-living adjustment on a formula similar to that used to annually adjust the remuneration of Members of the Legislative Assembly. Second, the bill makes amendments to appropriate legislation to annually adjust the seniors' benefits, minimum wage, social assistance rates, and monthly AISH benefits to at least keep pace with inflation and the cost of living in Alberta. Finally, in terms of long-term care accommodation charges Bill 229 would require any future adjustments to these rates to be either at or below the inflation rate.

Thank you, Mr. Speaker.

[Motion carried; Bill 229 read a first time]

head: **Tabling Returns and Reports**

The Speaker: The hon. Member for Calgary-Shaw.

Mrs. Ady: Thank you, Mr. Speaker. I rise today to table the appropriate number of copies of 165 signatures that I received from constituents regarding the government's handling of the long-term care accommodation rate increase. These constituents do not agree with the proposed implementation of a 40 percent increase in the accommodation rate.

The Speaker: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you, Mr. Speaker. I rise today to table five copies of a letter sent to me by constituent Sandra Lowe in which she commends several of the recommendations of the Learning Commission but, however, is opposed to some recommendations, including removing principals from the ATA.

Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I've got two tablings today. The first is a letter from the Coalition of Seniors Advocates, COSA, an organization from Calgary. The letter dated July 16, 2003, addressed to the Premier, is expressing concern with the failure of government to address the well-being of seniors, the homeless, and the disabled population of Alberta.

The second tabling, Mr. Speaker, is also a letter, with the appropriate number of copies, written by Melanee Thomas, executive director of CAUS, and Brett Bergie, provincial director of ACTISEC, addressed to the Minister of Learning, dated November 24, 2003. Both CAUS and ACTISEC do not support the removal of the tuition fee cap or the creation of a framework to increase tuition above 30 percent of an institution's net operating expense.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I have two tablings today. The first is on behalf of the Leader of the Official Opposition. He has received a letter from Doreen Purcell of Thorsby, Alberta. She's a senior, and she is dismayed to see that over \$1 million was spent in attempting to change the opinion of the public regarding negotiations between the registered nurses and the Provincial Health Authorities.

The second tabling is from a constituent of mine, Sandra Brayer. She is also a registered nurse, with 15 years' experience, and is also very concerned about the negotiations that have been conducted between the PHAA and the UNA.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. With permission I table letters from Denise Joel, Helen Johnson, Tracy Mitchell, Gerry Laing, and Linda Brown to the Member for Livingstone-Macleod, upset with the employers' strategy in the nurses' negotiations and in particular concerned that the practice that has local nurses practise locally might be changed.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I have two tablings this afternoon. The first is a letter that our office received from Mr. Barry Wiens on Varsity Drive N.W. in Calgary. Mr. Wiens is expressing concern over the proposed government of Alberta natural gas rebate program. He finds it confusing, and he feels totally left out.

The second tabling I have, Mr. Speaker, is copies of letters expressing concern over patient safety in the negotiations between the nurses and the Provincial Health Authorities association. These letters are from Don Cytko of 78th Street and 102nd Avenue, Karen Wolgemuth from 107th Avenue and 63rd Street, and from Sheila Coulson in the constituency of Edmonton-Norwood.

Thank you.

3:00

The Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you, Mr. Speaker. With your permission I'd like to table the appropriate number of copies of two letters, one from Diana Choma and the other from Anita Ashmore. Both are nurses and are very concerned over what is being asked of them in the current contract negotiations and the tactics that are being used by the employer in those negotiations.

Thank you.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I have four tablings today. The first is a letter written to me, tabled with permission. It's from Gerald Zagrosh, the founder of the Pain Elimination and Tissue Regeneration Clinic. It's a letter offering a 100 percent guarantee of his clinic's services to the government of Alberta to eliminate pain from hip, knee, ulcerative colitis, and irritable bowel syndrome without using surgery.

The second letter tabled with permission is from Karen Ferrari expressing concern about the level of funding for education in Alberta, supporting some aspects of the Learning Commission but particularly concerned about class sizes.

The third tabling is from Adrienne Wiebe, who says, "I feel very strongly that the Alberta government has lacked a long range vision in its policies and programs" concerning education, health care, and social services.

The final tabling is a letter from Susan Hannon, tabled with permission, expressing concern about the level of funding to primary and secondary schools.

Thank you.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm tabling a letter from Kevin Sommer addressed to the Minister of Energy, dated November 22, 2003. He asks the minister to admit that his deregulation scheme was a mistake and to stop wasting public funds and to go back to regulating utilities.

The Speaker: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Speaker. Today I'm tabling five copies each of 146 letters from Albertans that support the repair and restoration of a beautiful old landmark, the historic old Michener administration building, that's considered to be an unparalleled heritage resource and among the last of the grand old public buildings in our community and province.

The Speaker: The hon. Member for Calgary-Buffalo.

Mr. Cenaiko: Thank you very much, Mr. Speaker. I'd like to table the appropriate number of copies of 60 letters from Edmontonians and 86 letters from Calgarians supporting Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003.

Thank you, Mr. Speaker.

The Speaker: Hon. members, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

The Speaker: The hon. Member for Calgary-Buffalo.

Mr. Cenaiko: Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to Members of the Legislative Assembly a number of individuals that are attending this afternoon's session who provided me with assistance over the last two years as an MLA and in bringing forward Bill 206, which will be presented shortly for third reading this afternoon.

I'd like to introduce to you and acknowledge those members from the Community Action Project, north-central Edmonton citizens' power organization. In particular, Michael Walters is here with Rena Debit, Elaine Manteau, and Father Frank Steple. Also, from the Prostitution Awareness and Action Foundation of Edmonton Kate Quinn, Ed Campbell, Tracey Patience, and Chris Basualdo are here. As well, I'd like to acknowledge four police officers that also assisted me: Detective Randy Wikens and Detective Jim Morrissey from the Edmonton Police Service as well as Detective Len Dafeo and Staff Sergeant Joe Houben from the Calgary Police Service.

I'd like them all to rise and receive the warm welcome of this Assembly.

Privilege

Contempt of the Assembly

The Speaker: Hon. members, the chair is now prepared to rule on a purported question of privilege raised by the hon. Member for Edmonton-Riverview a few days ago. On November 14, 2003, the chair received written notice from the Member for Edmonton-Riverview of his intention to raise the purported question of

privilege. On November 17, 2003, at 11:15 a.m. the chair received a signed letter from the member indicating his intention to raise this matter. The letter indicated that it was copied to the Minister of Infrastructure in conformity with Standing Order 15(2), which provides that

a member wishing to raise a question of privilege shall give written notice containing a brief statement of the question to the Speaker and, if practicable, to any person whose conduct may be called into question, at least two hours before the opening of the sitting.

Under Standing Order 15(5) a question of privilege may be raised as soon as "the words are uttered or the events occur." The chair assumes that the member chose to review the minister's answers and tablings and presumably did not have that opportunity to raise the matter before the end of the sitting on May 15, 2003, which ended at 4:37 p.m. that day. Neither the member bringing forward the application nor the minister addressed whether this matter was raised at the earliest possible opportunity, which is one of the grounds under Standing Order 15(6) for the chair to consider in ruling on a purported question of privilege. Given that there seems to be no dispute on the point, the chair finds that it was brought forward at the earliest opportunity and that the requirements of Standing Order 15(5) were met.

Before reviewing the particulars of this application, the chair wants to comment on the procedure for raising questions of privilege. As privilege is the most serious issue that can be raised in this Assembly, the chair was very lenient with the time taken by both these members. However, the chair would like to quote from Marleau and Montpetit's book, *House of Commons Procedure and Practice*, at page 125.

A Member recognized on a question of privilege is expected to be brief and concise in explaining the event which has given rise to the question of privilege and the reasons why consideration of the event complained of should be given precedence over other House business. Generally, the Member tries to provide the Chair with relevant references to the Standing Orders, precedents and citations from procedural authorities.

The Speaker's role is to determine whether there is a *prima facie* question of privilege. It is up to the Assembly to decide whether there is an actual question of privilege. If the chair finds that there is a *prima facie* question of privilege, then the usual practice is for someone to move that the matter be referred to the Standing Committee on Privileges and Elections, Standing Orders and Printing, that would hear evidence on the matter. When the members of that committee conclude their work, their report would be submitted to the Assembly and would contain recommendations on what action should be taken. In short, hon. members, all the evidence does not have to be presented when the question is first raised in the Assembly.

In this case there were very few references to precedents or authorities cited by the two main participants. The chair has ruled three times in approximately the last year and a half on the issue of deliberately misleading the Assembly. The chair refers to rulings on March 12 and March 20, 2002, found at pages 267, 465, and 466 of *Alberta Hansard* for those days, and February 19, 2003, at pages 18 and 19 of *Alberta Hansard*. None of these rulings were referred to by either the member raising the allegation or by the minister in his response.

The basis of the member's purported question of privilege is that the Minister of Infrastructure deliberately misled the Assembly on May 15, 2003, and possibly before, concerning questions about testing for mold at what was formerly the Holy Cross hospital in the city of Calgary. In the member's November 17 letter he indicates that in response to his questions surrounding the test results for toxic mold at the Holy Cross hospital, and I quote: the minister indicated

that he did not have the tests; the documents he tabled proved he did. End of quote.

The exchange is recorded at page 1674 of *Alberta Hansard* for May 15, which the chair closely reviewed. On that day the member asked in his main question what the minister had “learned about his department’s testing for toxic mold at the Holy Cross hospital.” In his response the minister made certain allegations against the member, which were the subject of a point of order that day and for which the minister apologized.

In his first supplementary question the member asked the minister if the department had “in its possession any lab results that speak of toxic mold at the former Holy Cross hospital.” In his response the minister quoted from a copy of an e-mail exchange between an official in his department and Mr. Tang Lee on May 14, 2003. At the request of the chair the minister tabled this e-mail in the House, which became sessional paper 597/2003. The minister quoted from part of the e-mail where Mr. Lee said that he “did not complete [the] report for the Holy Cross Hospital as the decision was made for the Court of Appeal not to move into [that] building.”

In the first part of the e-mail tabled by the minister, Mr. Lee indicates that he is enclosing “the report from the Microbiological laboratory that was completed on October 24, 2001.” The icons at the top of the e-mail indicate two attachments to the e-mail. These attached documents were not tabled on May 15 or in the minister’s tablings on November 19, 2003.

3:10

In his final supplementary the member asked: “Is the minister saying that his department has never had possession of positive tests for toxic mold at the Holy Cross hospital? Yes or no.” The minister’s response was:

Mr. Speaker, once again I will put on the record what has happened. The fact is that when we were looking at locations to house the Court of Appeal, the Court of Appeal asked Mr. Tang Lee to do an air quality test, and clearly, as this shows, the tests were never completed.

As the chair has indicated in previous rulings, accusing someone of deliberately misleading the Assembly is a very serious allegation that is hardly ever made out. The tests are presented well by David McGee in his book *Parliamentary Practice in New Zealand*, second edition, which was relied upon by the House of Commons committee that investigated the Eggleton affair and recommended that there was no breach of privilege. McGee says at page 491:

There are two ingredients to be established when it is alleged that a member is in contempt on this ground: the statement must, in fact, have been misleading; and it must be established that the member making the statement knew at the time the statement was made that it was incorrect and that, in making it, the member intended to mislead the House.

He goes on to state: “In order to show that a misleading of the House was deliberate, there must be something in the nature of the incorrect statement that indicates an intention to mislead.”

In this case, we heard at some length about different interpretations of test results. The minister believed that he never had final test results, while the member insists that the minister should have been advised that he had some test results, although on May 15 the member asked in his final supplementary if the minister had “positive” test results.

The minister had some documents, as demonstrated by the e-mail exchange between an official in his department and Mr. Lee, as the e-mail shows two attachments, which are referred to as “the report from the Microbiological laboratory.” The chair notes that it was the minister himself who tabled this document that seems to be the basis of the allegations by the Member for Edmonton-Riverview. From

the minister’s statement on November 19 he did not find the results conclusive.

As it appears that the chair is being asked to rule on the basis of what is a test, what is a final test, what is a positive test, or what is a final report, the chair would like to quote from the March 20, 2002, ruling on a similar allegation involving the Solicitor General found on page 465 of *Alberta Hansard* for that date.

It would be difficult for the chair to conclude that a contempt of the House arises every time a minister misspeaks or misstates department policy. Exactness in all answers to questions in question period would also require exactness in all questions. This would seem to amount to an impossible standard of perfection that would certainly go beyond the standard expected in a Westminster-style parliament.

After listening to the hon. member and the minister, it was clear to the chair that the minister offered responses that the hon. member thought did not answer his questions, but it seems that there was considerable room for subjective interpretation and ambiguity. Furthermore, as the Member for Edmonton-Rutherford alluded to, these matters are usually a dispute over facts. As *Marleau and Montpetit* state at page 433,

in most instances, when a point of order or a question of privilege has been raised in . . . response to an oral question, the Speaker has ruled that the matter is a disagreement among Members over the facts surrounding the issue. As such, these matters are more a question of debate and do not constitute a breach of the rules or of privilege.

Accordingly, the chair cannot find that the minister was trying to deliberately mislead the Assembly. As such, the chair finds there is no prima facie case of privilege.

Before moving to Orders of the Day, the chair wants to encourage any members who bring forward questions of privilege to be succinct in their presentations and to be able to advise the House of the authorities that they are relying upon.

head: **Orders of the Day**

head: **Written Questions**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Proper notice having been given on Thursday, November 20, I will now move that written questions appearing on today’s Order Paper do stand and retain their places with the exception of Written Question 15.

[Motion carried]

Pheasant Lease Agreement

Q15. Dr. Taft moved on behalf of Dr. Nicol that the following question be accepted.

Why has the number of pheasants released under a lease agreement between the Brooks Pheasant Hatchery and the Pheasants Unlimited, administered by the Department of Infrastructure, not met the 15,000 pheasant release requirement, what are the terms of the lease agreement, and what happens when the lease expires?

Mr. Zwozdesky: Well, Mr. Speaker, we were prepared to respond, and I would like to indicate that we are prepared to accept Written Question 15.

The Speaker: The hon. Member for Edmonton-Riverview to close the debate.

Dr. Taft: If the minister cares to provide his response, I’m sure the

Member for Lethbridge-East would be happy to receive it.
Thank you.

[Written Question 15 carried]

head: **Motions for Returns**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Proper notice having been given on Thursday, November 20, I will now move that motions for returns appearing on today's Order Paper stand and retain their places.

[Motion carried]

head: **Public Bills and Orders Other than
Government Bills and Orders**
head: **Third Reading**

Bill 206

Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003

The Speaker: The hon. Member for Calgary-Buffalo.

Mr. Cernaiko: Thank you very much, Mr. Speaker. I'm pleased to begin debate on third reading of Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. Over the past two years I've met with hundreds of inner-city residents in Calgary and Edmonton who have all said the same thing: if people understood the problems related to prostitution, they would want to do anything possible to help get these women off the streets. Based on the support from inner-city residents, police agencies, city councils, and members of this House, I think the support for this bill is strong and growing.

I would like to remind this House that johns continue to drive around looking to satisfy their cravings. Even though the number of prostitutes has been reduced, the customers have not stopped shopping. A lot of work has been done to reduce the number of prostitutes walking the streets. This bill combined with other programs will make further progress to remove sex offenders and allow communities to rebuild into safe places for children and families.

Throughout debate on Bill 206 this Assembly has heard about the problems associated with street prostitution in Alberta's inner cities, but we've also heard about what some neighbourhoods and community groups are doing to battle prostitution. Whereas some community groups meet regularly to discuss the construction of a playground, a growing number of groups meet to decide how to clean up dirty condoms and used needles left on the sidewalk. I don't think people should be subjected to this sort of pressure, and any effort to reduce street prostitution would be a step in the right direction.

Mr. Speaker, at every stage of the legislative process I tried to make it clear that Bill 206 will help reduce street prostitution. I can't stress enough the fact that this bill is only an option for police services, not a magic bullet that will eliminate prostitution completely. If the resources are available, then vice units will have vehicle seizure as an option. I strongly believe that this bill, if passed, will complement the efforts and programs already under way to further reduce street prostitution.

Mr. Speaker, I'm proud of this bill because it comes in part from communities affected by street prostitution. I have enjoyed meeting with residents and community groups who share my concern for the

safety of innocent people. I found that talking and working with police services and community groups across Alberta has created legislation that effectively achieves its purpose.

3:20

There are many people who have helped me encourage this Assembly to help Alberta's communities. The number of letters and the diversity of the addresses made a very important statement. Now, I have tabled letters in this Assembly from residents of Edmonton and Calgary as well as outlying areas of the major centres including Sherwood Park, Strathmore, Viking, High River, and Canmore. This campaign was more proof that while street prostitution may occur primarily in the inner city, its effects have an impact throughout the surrounding area.

Mr. Speaker, individuals, as I mentioned earlier in Recognitions, such as Kate Quinn and Ed Campbell from the Prostitution Awareness and Action Foundation of Edmonton as well as Michael Walters from the Community Action Project here in Edmonton as well as individuals like Carol Potter from the Communities for Awareness and Action on Prostitution Issues in Calgary have all done great work with their respective cities related to street prostitution including urging their aldermen to support the seizure of vehicles in this proposed bill.

Officers from the Calgary and Edmonton police services also helped educate citizens who had no understanding of the issues surrounding street prostitution. These men shared their experiences with several members in this House about the horrible costs of street prostitution. Initially the support from the police community was lukewarm because they saw problems using the exact legislation for Manitoba and Alberta, but they never rejected the idea and offered thoughtful advice that made this bill more effective by ensuring that the sex trade offender is held accountable without punishing his family.

These people have shared their real-life experiences with my colleagues and myself. Their contribution cannot be overstated, and I'd once again like to thank them for all of their help. They took time out of their busy schedules to offer their support and insight into the street prostitution issue and how to deal with it.

As I've said before, Mr. Speaker, there is a great deal of hard work being done that has reduced street prostitution in Alberta, but I believe that more work needs to be done. Johns need to understand the consequences of their actions. Women need help to get off the streets. Inner-city neighbourhoods need more assistance to prevent dirty needles and condoms from proliferating in their playgrounds, sidewalks, and backyards. Police services need the tools to effectively deter johns from destroying inner-city communities. Bill 206 is an attempt to achieve these goals.

Mr. Speaker, one final thought. In Vancouver there are over 60 missing street prostitutes. Some of you may know that Richard Pickton is accused of killing more than a dozen women, all of them street prostitutes in Vancouver's Hastings area. In Washington state the Green River killer, Gary Ridgeway, killed 48 women. All of his victims were prostitutes. In his own words, Ridgeway chose prostitutes because he thought he could kill as many as he wanted to without being caught. He also knew that they would not be reported missing right away and might never be reported missing at all.

I read an interesting article in the *Ottawa Citizen* last week, Mr. Speaker, that talked about Pickton and Ridgeway and the problem society has in recognizing victims of violence. All of Ridgeway's victims were women and all were prostitutes, and in Vancouver 60 female street prostitutes are missing and Pickton faces 50 murder charges. Some may say that this could never happen in Alberta, but the numbers tell a different story. Presently there are 83 missing

street prostitutes in Alberta. In the past 15 years nine prostitutes have been murdered in the Edmonton area. Five of these murders have occurred in the past year.

Finally, Mr. Speaker, excluding the recent murders in Edmonton and excluding the 60 missing women in Vancouver and 73 prostitutes that have been killed in Canada over the past 10 years, there's one section of this article that made an important point. The author explained that it doesn't take a statistician to spot the common denominator in these numbers. Yes, serial killers are often involved but not always, and if we were to add the horrific number of assaults, robberies, rapes suffered by women on the street, then the blank-eyed monsters are reduced to bit players. The real story here is not about serial killers; it's one of street prostitutes being attacked by men ranging from psychopaths to mechanics to accountants to any walk of life.

Mr. Speaker, I'm not saying that the vehicle seizure alone would save the lives of these women or stop these killers, but I am convinced that Bill 206 will move many johns out of the inner-city areas where they shop for sex. By doing this, more time and resources can be concentrated on the serious offenders. I believe that the end result will save lives, and if this bill saves one life, it's worth it.

I've talked with the Minister of Transportation about this bill, and he supports it fully and knows that something has to be done. I look forward to working with him to ensure that this bill is proclaimed into law as soon as possible.

I believe that the legislation proposed in Bill 206 will help inner-city residents live in safer neighbourhoods by deterring sex offenders from cruising their neighbourhood streets, and I urge all members to vote in favour of Bill 206. Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I rise this afternoon to participate in debate on Bill 206. The hon. Member for Calgary-*Buffalo* is to be recognized for the work that the member has done along with others in getting this bill before this Assembly.

Now, Mr. Speaker, the hon. member spoke earlier about many of the prostitutes in Vancouver who unfortunately have disappeared and, it's been recognized, have lost their lives. Unfortunately, an eerily similar crime spree has affected this city and this region. Certainly, whenever one talks to or knows a parent of one of those prostitutes who has disappeared and disappeared for some time, is later found in a farmer's field or on an acreage, it is sad indeed. If anything can be done to prevent similar circumstances from occurring, then I would urge all members of this Assembly to support this legislation.

It's certainly not perfect. When we consider that Bill 206 perhaps will undermine one of the main principles of the Canadian justice system – that is that you're innocent until you are proven guilty. This is a strong measure that undermines that principle, but when we look at one of those mothers who has lost a child – and in some cases these prostitutes are not 18 – if this measure would go in any way to reduce prostitution, then I, again, urge everyone to support this.

Certainly, the communities that were consulted are solidly behind this legislation, and we have to respect the wishes of those individuals in the community that the hon. member has consulted with, and we have to hope that the wishes of the community and the civil rights of the public are going to be in balance here. Those are difficult issues to balance sometimes in a democracy, but hopefully we will be able to do that with this bill.

Bill 206 is also going to give quite a bit of discretionary power to police officers. If you are caught soliciting for prostitution, a vehicle

can be seized. Now, there is a list of conditions that hopefully we will get a chance to discuss in this Assembly, but certainly I would encourage all members of this Assembly to have a look at the issue of prostitution and the solicitation of prostitutes and consider this.

This is a deterrent, but there is also another deterrent out there, and that is the publishing of the names of the individuals who are cruising on any night of the week and soliciting prostitutes. If they're caught and if they're found guilty, let's have those names publicly displayed somewhere. It may be that whenever the john comes home to Jill, shall I say, Mr. Speaker, then a little bit of humiliation can go a long, long way to stopping this practice.

[Mr. Shariff in the chair]

Now, that worked in the past as I understand it, as people in the community have told me. Perhaps we should look at going back to that way, and that is simply: the names of those that are found guilty are displayed in a public place for all to see.

With those remarks, I will cede the floor to another hon. member that wants to participate in the debate, but I would certainly urge members to please consider supporting this legislation initiative from the Member for Calgary-*Buffalo*. Thank you.

3:30

The Acting Speaker: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Speaker. It's with a strong, positive feeling that I stand today to encourage my colleagues to vote in favour of Bill 206 in third reading. I've watched this bill proceed through the various stages of debate, and in listening to the pros and cons between members, I've concluded that the bill will be an effective tool for fighting prostitution and cleaning up neighbourhoods. As such, it will receive my support because it fights for the ability of families in areas overrun by prostitution to take control of those areas and clean them up for the better.

A common misconception about Bill 206 is that those fighting for the bill are doing so out of emotion whereas those fighting against the bill are doing so out of logic and reason. It's true that there are many valid emotional arguments that can be used in support of Bill 206, but there are also a lot of good, logical arguments that support the bill as well. The two types of arguments work together to ensure that the bill we pass is satisfactory both on an emotional level as well as on a logical level.

Today I want to talk about these two types of arguments and how they're working together in support of Bill 206. When we talk about any sort of legislation, we always start by asking two questions. First, is this law something that Albertans want or desire? Second, will this law be good for Alberta in the long run? These two questions form part of an age-old debate about legislation. As a government is it our job to decide what is good for Albertans, or is it our job to give Albertans what they want? That's an interesting debate, but in reality those of us in the Assembly know that in most cases the answer lies somewhere in the gray area in between.

Bill 206 is a piece of legislation that lies in that gray area. The Member for Calgary-*Buffalo* along with the Community Action Project went into communities riddled with prostitution and asked: what do you want done about this? The response far and away was: get pimps, johns, and prostitutes along with their used condoms and dirty syringes out of our neighbourhood; give us and policemen the power to make our neighbourhoods safe again. They gave a lot of good reasons for this response too. These vary from a personal concern for the well-being of street prostitutes, often children, to a concern for the safety of their own families, to a desire for a clean

neighbourhood, to a desire for property values to increase.

On the emotional side of the coin some women have expressed unease and humiliation over being hollered at and mistaken for prostitutes by passing johns. Others are simply disgusted by the sight and knowledge of prostitution-related activities taking place in their back alleys or around the corner in the parks and playgrounds where kids are supposed to be riding the teeter-totter or playing soccer, not watching out for dirty needles. Yes, these are emotional arguments, but I see no reason why they should not be considered valid arguments for measures which would curtail street prostitution.

On a very real level these are concerns that people living in these neighbourhoods have to face. They are concerns about actions which are in and of themselves demeaning and can lead to other actions which may cross the line from demeaning and humiliating behaviour right into violent or illegal acts. This is where concern over humiliation takes on an even greater significance and where we come to see that while some arguments may be deemed emotional, they are in fact logical and reasonable in their own right.

For example, any concerned parent must wonder just what neighbourhood their kids will be growing up in if behaviour such as this is not tackled as strongly as possible by our legislation. When we take away a vehicle from somebody, we ensure that the driver will not find their way back into these neighbourhoods to pick up street prostitutes, get their fix, or holler catcalls at mothers or their young daughters. In short, this bill banks upon a common economic logic: if there are no customers, there will be no incentive to try to sell a product. This bill takes away the customer, so it should be met with a corresponding drop in street prostitutes attempting to sell their bodies in those neighbourhoods.

Families and community organizations will have at least a fighting chance to clean up neighbourhoods and make them the places they can be, places they are proud to raise their children in. When the neighbourhoods are clean, when they are normal by any reasonable person's standards, then the fruits of Bill 206 will be seen. Kids will be able to play in the front yard or in the park across the street without parents' fears about their safety being compromised by criminal or perverted elements.

When these neighbourhoods are clean, homeowners and landowners can feel good about taking care of their yards without having a dirty condom or needle from a passing truck thrown onto their property. They won't have to worry about drunken johns driving dangerously through their neighbourhoods looking for a prostitute. On another, very real level homeowners would finally be confident that the value of their property would increase for a change. They would be confident that they may get their investment back on their property.

I'm not suggesting that Bill 206 would cure all of these problems and do all of these wonderful things. Obviously, it won't, but it's a step. It needs to be supported by the political will of all levels of government, a committed police force, and, finally, committed community action groups and individuals. Well, we do have committed police officers, and the people on the ground in these communities have said that they want this to happen. They have been working on their own to rid their streets of prostitution for some time now. All that's missing is the political will. With the passage of Bill 206 we will show that the political will is not missing at all. We'll show these communities that this Legislature is behind them full force in getting rid of prostitution. Mr. Speaker, it's time to take effective action concerning prostitution.

York University sociologist John O'Neill has suggested decriminalization of prostitution and collecting the tax. Bill 206 is a good first step.

I applaud my colleague from Calgary-Buffalo for having the

courage and the faith to bring this bill forward. I support it, and I urge all my colleagues to support it as well. Thank you.

The Acting Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I have a bit of a cough, so I will try and get through this speech without frying the microphone.

I welcome the opportunity to briefly speak during third reading debate on Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. I spoke on it as well, Mr. Speaker, at second reading. I want to begin by acknowledging those in attendance in the gallery today. Some of those who have joined us today live and/or work in inner-city neighbourhoods that have been hard hit by the negative consequences of street prostitution-related activities.

These negative consequences include noise and congestion on residential streets and avenues, particularly late at night, when people are trying to sleep and hope to enjoy some peace and quiet. It also involves the harassment of people, and it involves the health risks of needles and condoms that are left in back alleys, playgrounds, and schoolyards. Women, for example, cannot do simple things like walking to the corner store or to the neighbour's without being stopped and harassed. Excessive traffic on residential streets and avenues increases the chances of accidents both to residents and to property. Needles and other litter left behind also create dangers and other health hazards.

Unfortunately, a growing number of neighbourhoods in both Edmonton and Calgary as well as some smaller cities are experiencing the negative impacts of street prostitution and related drug activity. Until 15 years ago street prostitution was largely confined to the downtown core. In the late '80s and early '90s business and police action shifted the activity from the downtown core to the residential neighbourhoods adjacent to downtown.

In the late '90s growth in the drug trade, cuts to welfare and other social supports, and a severe shortage of affordable housing contributed to more vulnerable women on the streets and an increase in the number of neighbourhoods impacted. Today more than a dozen neighbourhoods from Westmount to Beverly are being negatively impacted by this dangerous and undesirable activity in Edmonton.

3:40

We have vulnerable youth and adults being recruited and getting hooked on crystal meth and cocaine and then being forced to prostitute themselves to get the money to pay the dealers. From 1992 to 2002 effective police, new agency resources such as Safe House, Crossroads, Street Outreach, the protection of children involved in prostitution initiative, and community action reduced the numbers from 975 to 250, but in 2003 we have seen a spike to around 350 individuals on the street. Mr. Speaker, I believe that this is directly attributable to the drug trade.

The greatest danger of prostitution-related activity is to the women themselves. In the last year alone five women have disappeared off city streets only to be found dead sometime later, usually in a remote location outside the city. In the past 20 years the number of women that have disappeared off city streets has rivaled the number of women that have disappeared in Vancouver's downtown east side albeit the Vancouver disappearances took place over a shorter period of time.

Clearly, a range of measures needs to be taken to address the danger and nuisance that results from johns cruising residential streets to pick up women who are prostituting. Most importantly we

need to reduce the number of young women and some men who are living lives of such desperation that they feel that they have no alternative but to sell their bodies on the street. We need to address issues of poverty by making sure that people have safe, affordable housing. We need to make sure these women have adequate incomes so that they can feed themselves and their children and are able to put a roof over their heads so that they don't need to expose themselves to the danger of the streets. We need to address the underlying problem of drug addiction and ensure that appropriate supports are in place so that vulnerable women don't have to turn to street prostitution.

Mr. Speaker, we also need to address the demand side of the equation. We have to acknowledge that the residents in these neighbourhoods have every right to be angry about their neighbourhood being shown such a lack of respect and that they and their children are exposed not only to unnecessary noise and pollution and the dangers imposed by distracted drivers of these vehicles but also to dangers such as needles and other litter.

Some positive steps have already been taken to address this unacceptable nuisance. One is the setting up of a john school for those charged with solicitation offences. There has been a prostitution offender program running in Edmonton for the past seven years. This is an alternative measures program which men who have been charged for the first time can attend to learn about the brutal realities of the street sex trade. Its success is demonstrated by the low number of repeat offenders.

I note that Bill 206 contains a provision for first-time offenders: if they choose an alternative measures program like the prostitution offender program, they will have their vehicles returned. A survey done of men attending the program indicated that 78 percent believed that they would be deterred if there was a risk that their vehicles would be seized. I am aware of some concerns that have been expressed about whether seizing the vehicles of those charged with solicitation violates the presumption of innocence. I have to admit, Mr. Speaker, that this argument is a concern of mine as well because it's an important legal principle, but at the same time it's important to note that in other offences that involve summary convictions legal consequences result prior to having someone having their day in court to fight the charges.

In this respect, the rights of the accused need to be balanced against the rights of neighbourhood residents. I believe that safeguarding the rights of residents in neighbourhoods afflicted by street prostitution activity has to take precedence. We need to send a clear message to johns that engaging in this kind of dangerous behaviour is not acceptable and will result in severe consequences. We need to deter this type of unacceptable behaviour, and the provisions of Bill 206 provide the police with another tool for doing this.

On that basis, I will on behalf of the New Democrat opposition be supporting Bill 206 at third and final reading. Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Lacombe-Stettler.

Mrs. Gordon: Thank you very much, Mr. Speaker. It is a pleasure for me to rise and join the debate on Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003, sponsored by my colleague the hon. Member for Calgary-Buffalo.

Before I begin, having worked with the hon. member on the Alberta police review, I've long respected his work and his commitment to policing. I'm very pleased that he has brought forward this bill, which represents a great deal of work and takes into account his

past many long years as a well-respected police officer. So he is not only looking at it from a policing standpoint but also taking into consideration the community as a whole.

Throughout debate several hon. members have expressed concerns with Bill 206, and I feel that these concerns need to be addressed as we continue on the process of, hopefully, passing this legislation. Mr. Speaker, the first and most prominent concern is the assumption that under Bill 206 the suspects would be sentenced before their right to a trial. The second concern with Bill 206 is the progression of street-level prostitution to more of an underground, less visible environment. Although this concern is not directly related to Bill 206, it is a consequence of legislation whose purpose is to rid the streets of prostitutes, pimps, and johns. I find these two concerns to be the major arguments against this legislation. Thus, they need to be addressed so that there is no disputing that Bill 206 is a necessary part of Alberta's Traffic Safety Act.

Before I submit my arguments concerning these two issues, I would like to remind the Assembly that Bill 206 is designed to clean up urban neighbourhoods torn apart by crime and debris related to street prostitution. It's just that simple. We are very, very lucky actually, Mr. Speaker, as I represent a rural area. There's not a great deal of prostitution in smaller communities. However, I'm sure many MLAs in this Assembly that do represent towns and villages can tell of stories where young girls have been lured away from the smaller community, quit school, and gone off to Calgary to seek fame and fortune and often – often – end up on the streets as prostitutes. So we, too, from rural Alberta have to take this very seriously.

Mr. Speaker, I believe that Bill 206 is closely connected with another piece of important legislation that passed during the spring session this year. Part of Bill 1, Alberta's promise act, is a pledge to all Albertans that we will work together to provide safe and healthy communities for our children's growth, education, and development. I firmly believe that Bill 206 is a major step in fulfilling Alberta's promise to make our communities and streets a safe environment for our children to live, learn, and play. I trust that every member in the Assembly strongly supports getting those involved in prostitution-related offences off our streets and out of our communities.

As part of my argument against those who feel that it is important that people convicted of a crime have their day in court, I want to compare similar legislation that allows police officers to take immediate action against a suspect before they appear in court. In fact, this argument has been used during previous stages of debate on this bill, but since there are still some concerns with the proposed legislation, I would like to use this opportunity to help clarify those concerns by breaking the argument down into its simplest form.

Mr. Speaker, it is a criminal offence to operate or be in care or control of a motor vehicle while alcohol or drugs impair one's ability, as is clearly stated in the Criminal Code of Canada with further restrictions in the Alberta Traffic Safety Act. For an individual suspected by a police officer to be in violation of the impaired driving laws, a number of different consequences can result, depending on the number of occasions an individual has been involved in an impaired driving offence. The consequences for operating a motor vehicle under the influence of alcohol or drugs include the immediate seizure of the suspect's licence for one year as well as the seizure and impoundment of the vehicle. The suspect as well can be limited to operating it for a term of 30 days.

The decision to seize the suspect's licence and vehicle is made by the peace officer that is performing the traffic stop. This, of course, doesn't mean that the suspect will not have their day in court. Every individual accused of committing an illegal act, whether speeding or jaywalking or any other offence, has the right to a trial. There has

never been any reason to doubt that this will not be. Mr. Speaker, to say that an individual who would be accused of prostitution-related charges under the Traffic Safety Act amendment proposed by Bill 206 will not have their day in court carries as much truth as saying that a drunk driver, a speeder, or a jaywalker won't have their day in court.

3:50

Bill 206 reminds me a lot of the legislation that is now in place for impaired driving offences. I use this example for one reason: there is an immediate consequence for the illegal actions taken by an individual. That immediate action includes the seizure of the accused's licence and car for impaired driving and the seizure of the accused's car for soliciting a prostitute. Both actions are illegal, and both actions contribute to unsafe streets and dangerous communities. Mr. Speaker, the bare bones of both these crimes are very similar. The hon. Member for Calgary-Buffalo has recognized that, and I applaud him for doing so. Hopefully, Bill 206 will clean up our urban streets and neighbourhoods just as impaired driving legislation has made our communities and roads safer.

I would like to make another point to clear up any confusion about the issue of the opportunity of suspected individuals involved in a prostitution-related offence to defend themselves. Mr. Speaker, as I have mentioned earlier, this bill is designed as a simple bill to address an uncomplicated but complicated issue. When a vice unit is on the street waiting for a john to pull up in his or her vehicle, they know exactly what they are looking for. The undercover officer isn't waiting for a lost tourist to stop and ask for directions nor is the undercover officer waiting for a stressed-out smoker to pull over looking for a light, and if he was under 18 he probably could be charged under our new legislation.

No, Mr. Speaker. The vice unit will be focused on an individual who approaches in their vehicle with the purpose to solicit the undercover officer for sexual acts. This means that the individual and the undercover officer will have to be involved in a business deal which includes the exchange of money for the promise of sexual favours. This issue doesn't get more basic and uncomplicated than that.

There is no way to misconstrue the events that need to take place for an officer to seize the vehicle. The act of soliciting a prostitute on the streets of our great province is illegal. If an individual commits this act, then their vehicle will be seized until other arrangements are made or the charges are dropped once the culprit has had their day in court.

Mr. Speaker, to ensure that this legislation does not bring any undue hardship to the innocent family of the accused, this bill prevents vehicle seizure from punishing the suspect's family. Should this turn out to be the case, the vehicle will not be seized or it will be returned as soon as possible. So johns be warned: if your vehicle is a vital part of your family's well-being, do not solicit prostitutes while operating it.

Again, I can see similarities between impaired driving legislation and Bill 206. This may be a broad scale and hard to comprehend; however, with today's laws and regulations it is safer to not drive even if you have had only one drink. Just as one is drinking and driving or one is not, just as one is soliciting a prostitute or one is not, this is extremely black and white, and I have full confidence in the vice unit's training and expertise to make the appropriate decision.

Mr. Speaker, on to my second concern. There are some who feel that Bill 206 will take prostitution off the streets and force it underground where we cannot find it, where it isn't seen. I completely disagree with this. There is prostitution in parts of Alberta,

Canada, and North America that is very underground today. Bill 206 is about streets, communities, prostitutes, johns, vehicles, drugs, and all those things that deter from a community, that make it unsafe for the residents that live there, that make it hard for parents to point out to children what these people are doing and why the neighbourhood is seemingly always having these types of people around it and in it.

We must very, very seriously look at what the hon. member is trying to achieve with this legislation. He's obviously talked to his inner-city communities as he represents downtown Calgary, and we know the inner city in Edmonton. Both of these inner cities have this problem, and I hope that Bill 206 goes a long way to alleviate it.

Thank you.

The Acting Speaker: The hon. Member for Calgary-East.

Mr. Amery: Thank you, Mr. Speaker. It's a pleasure to rise today and speak in support of Bill 206, but before I do that, I'd like to express my sincere thanks and gratitude to the hon. Member for Calgary-Buffalo for bringing forward this important piece of legislation. I know that this piece of legislation is very important to my own constituency of Calgary-East and to the constituents of Calgary-East and from talking to my hon. colleague from Edmonton-Norwood, who is vigorously supporting this bill.

Prostitution, according to a comment made at the United Nations Fourth World Conference on Women, is one of the greatest human tragedies. It is also one of the oldest forms of oppression on Earth. Prostitution not only harms its participants but is also detrimental to societies in general. Prostitution, Mr. Speaker, is no small problem. This is why I fully support Bill 206, not because it's going to be a miracle cure for street prostitution in Alberta but because it will be one extra tool in battling a real and serious problem in our society.

Mr. Speaker, there are three fundamental functions of Bill 206 that will help strengthen and secure Alberta's families and communities. First, Bill 206 is proactive. It goes after the demand side of this social problem. If johns can be deterred from buying sex, the problems of street prostitution could be vastly reduced. By reducing the number of potential sex buyers, Bill 206 will help decrease the number of women involved in street prostitution.

I think we should seize this opportunity to reduce the number of children who are brought into this world already disadvantaged by devastating cycles of poverty. Mr. Speaker, statistics show that of the female juvenile prostitutes surveyed, 11 percent had given birth to children. The family unit will be strengthened by Bill 206 by allowing more street prostitutes to break out of the cycle of poverty before they start a family or return to their own family.

Mr. Speaker, stronger families lead to my third point in support of Bill 206, which is stronger and more productive communities. This goal is the end result sought by most legislation put forward in this House. As legislators we have a real chance to put a serious dent in street prostitution and help many urban communities grow and prosper.

The first element of Bill 206, of being proactive, is an important aspect of this legislation. Many times governments are too reactionary to social problems and seek the simplest solutions to complex issues. This has been our approach to street prostitution, and it is clear that overall it is not working. By going after johns, Mr. Speaker, we are directly attacking the demand side of this social problem. We are going after the perpetrators of this crime and not the victims, which in many cases are underage women. A 1996 study revealed that 96 percent of prostitutes enter the profession under the age of 18. Many of these women are fleeing homes where physical violence and emotional and sexual abuse are occurring. Prostitutes in these situations are not the real criminals in the perpetuating cycle of violence and poverty.

The real criminals are the pimps and johns who exploit these women. However, these two groups are the elements in the act of street prostitution that are least likely to be charged and convicted. Mr. Speaker, Bill 206 changes all of this. One group of exploiters, the johns, will be brought to justice, and the number of victims, the women involved in prostitution, will be reduced by the reduction in those who buy their services. Bill 206 works on the basic economic philosophy of supply and demand: a reduced demand and the supply will naturally be reduced.

Mr. Speaker, skeptics may ask how Bill 206 will reduce the number of johns prowling the streets. One has to look no further than the success of john school throughout North America and the positive effects it has had on street prostitution. Bill 206 will put more men in john school and reduce the reoccurrence of the offence.

Mr. Speaker, a local Edmonton organization, PAAFE, along with the Edmonton Police Service and Crown prosecutors run the prostitution offender program, or john school, here in Edmonton. The alternative program for first-time offenders charged with soliciting for the purpose of prostitution costs \$400 for the one-day course. Many johns have the mind-set that prostitution is a victimless crime. However, after the eight-hour emotional day of lectures from former prostitutes and parents whose children have become entangled in prostitution, many johns begin to see the truth about prostitution, that it is far from a victimless crime and erodes the spirit of many females and neighbourhoods.

4:00

Out of the 1,524 men who have completed the course since 1996, Mr. Speaker, only 20 have been charged again. These numbers speak for themselves. Bill 206 will put more men into john school and similar alternative measures programs and will eventually help dwindle the demand for street prostitutes.

Mr. Speaker, the second element of Bill 206 that I feel is important is the one of strengthening and securing the family unit. As daughters and mothers prostitutes are part of a family unit that is obviously traumatized by the profession. Equally destructive are the actions of johns to their own families, not just physically by spreading disease but also emotionally and mentally.

As mentioned earlier, of the female juvenile prostitutes surveyed by one study, 11 percent had given birth to children. These young girls are in no position to be raising children and are only condemned to a life of prostitution to provide for their children. These children are very likely to be victims of the same abuse that led their mothers to flee their homes, just compounding the cycle of abuse, poverty, and violence. With daughters on the streets the families of these prostitutes are continually distraught and continually wondering if their child or sibling is still alive. Imagine what such a feeling would do to the family unit. Anxiety and depression must be rampant in these cases.

On the other side of the sex trade, Mr. Speaker, are the families of johns. The same 1996 study I mentioned earlier found that 80 percent of johns are married men. Sexually transmitted diseases are the first problem that come to my mind when I hear statistics like these brought forward. However, the emotional destruction of having your partner buying sex can be even more catastrophic. Families are dismantled and children are left to bear these scars for the remainder of their years. Bill 206, by deterring johns from partaking in the sex trade, has the potential to save families on both sides of the equation.

Mr. Speaker, the third and final reason I support Bill 206 is that it achieves the goal that all legislators strive for. It strengthens and helps communities grow. This simple explanation should be the reason that all of us should be supporting Bill 206. Productive

families are directly linked to making stronger communities because the family unit is the cornerstone of any community. Naturally, if families are in turmoil, the communities will be as well.

On more of the social side street prostitution erodes communities by perpetuating the drug trade, littering the streets with needles and condoms and causing fear in innocent members of society who have nothing to do with the sex trade at all. Mr. Speaker, we have all heard stories of johns approaching young girls that are waiting for the bus or of small children playing with used condoms or needles. There is no reason not to give police a strong tool in battling street prostitution to help rid our communities of these disturbing problems.

Mr. Speaker, I strongly urge all my colleagues to vote in support of Bill 206. Thank you.

The Acting Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Speaker. I'm thankful for the opportunity to join in debate in third reading of Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003, sponsored by my friend and colleague from Calgary-Buffalo. I think this is a good bill, an important bill, a long-overdue bill that will help a lot of people, likely save lives, and especially help a lot of communities deal with street prostitution, making inner-city streets and parks safe for family use, no more fear, no more harassment.

The goal of Bill 206 is to reduce the number of men driving around looking for prostitutes. Reducing the number of johns will likely reduce the amount of this sort of garbage in inner-city areas. Mr. Speaker, for nearly 20 years I was the administrator of a wonderful school, Victoria school of performing and visual arts, located in the inner city. If you haven't lived or worked in the inner city, you can't appreciate the enormity of this problem.

I wonder how many people know that this isn't just an evening or a weekend activity. You'd be shocked to know how many men are leaving their wives and children in the morning, giving them a kiss good-bye on their way to work, and stopping in the inner city to satisfy their lust, looking for prostitutes as early as 6:30 or 7. I mean, there's a lot of activity, a lot of trade happening at that time. I can tell you that my school opened at 6:30 in the morning for students who came for athletics, for their arts activities, and so on, and these young people, young females, were constantly being harassed by these johns cruising the streets looking for whatever action that they wanted to satisfy.

Let me make it clear. You know, johns are not committing a minor offence. Let's remember that they rape and exploit young women. At the very least johns would owe an explanation to their families and employers for losing their vehicle. I think that public embarrassment is an appropriate first step, just the first step, in dealing with these monsters. If johns truly understood the consequences of their so-called harmless actions, then young women wouldn't be found frozen and strangled in farmers' fields. As other members have stated, women are being killed, yet little seems to be done because they're sex-trade workers.

Before we wrap up debate on this bill, I would like to raise an important point that can't be stressed enough. We've heard about the problems normal people face living around prostitution. Picking up the garbage left behind by prostitutes and their customers has been talked about a great deal, but I must remind this House again that I have personal experience with these cleanup efforts and the harassment of females by cruising johns. It was always sad and frustrating to walk around the school property in the morning before students arrived to look for used needles.

You know, I had to put a 10-foot chain-link fence around the elementary playground so that it would not be used by these predators in the evenings and weekends. Children in the community could not use these facilities. What a crime that was to the people in the community that I had to fence the playground because these people thought that would be a great place for their activities. You know, if for no other reason, I would urge members in this House to support this bill in the hope that parents, day care workers, and teachers won't have to walk through playgrounds looking for potentially lethal drug material.

Some may say this bill goes too far, that the punishment exceeds the crime. I think it's important to recognize all the people that risk their health and even their lives to keep these areas safe for children. I think the rights of these people take precedence over the rights of sexual predators.

Mr. Speaker, I would like to repeat that this bill isn't a quick fix, but I have no doubt that it will help everyone fight street prostitution. Let's recognize the prostitution problem in inner-city communities and help fix it. I think that's the most important aspect of this bill.

On that note, Mr. Speaker, I'll end my comments on Bill 206. I urge all members in this Assembly to vote in favour of this legislation. Thank you.

The Acting Speaker: The hon. Member for Calgary-Fort.

Mr. Cao: Thank you, Mr. Speaker. I would say that this is a great opportunity for me to rise to speak in support of Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. This may be one of the most important private member's bills to come before this Legislature for quite some time. I would like to commend the hon. Member for Calgary-Buffalo for having the sensibility and the conviction to introduce this initiative.

Mr. Speaker, Bill 206 is all about improving peoples lives, about deterrence to committing vices and crimes. From the prostitutes to the johns who use them and from the families whose lives are affected by street prostitution to the neighbourhoods which are made unsafe by prostitution, everyone stands to gain something from this bill.

According to research data on prostitution, it seems to me that there is always some form of necessity or coercion or both present. What right does anyone – I mean anyone – have to coerce teenagers into a downward spiral of drugs, violence, disease, and abuse?

4:10

Mr. Speaker, prostitution is not only a local but a global issue. I have the privilege of assisting an Alberta-grown group, The Future Group, consisting of young and caring Calgary students. This group now is expanding. It has chapters in many locations around the world to combat the traffic of human beings in the sex trade and prosecute johns who avoid local laws by practising offensive sex in other countries where laws are lacking or not enforced. As a footnote I want to commend The Future Group members and their executive on their outstanding work.

If there is one thing the prostitutes and the johns in Alberta have in common, it is that they come from all over the province and they come from all kinds of backgrounds and they come from both urban and rural environments and from both poverty and affluence and anywhere in between. There is not one trait or characteristic that can be said to typify a prostitute any more than there is one that signals johns. Both, however, are part of the breakdown of community. The difference is that whereas the prostitute seldom if ever has a choice in the matter, a john does.

The Acting Speaker: I hesitate to interrupt the hon. Member for Calgary-Fort, but under Standing Order 8(5)(a)(iii), which provides for up to five minutes for the sponsor of a private member's public bill to close debate, I would like to invite the hon. Member for Calgary-Buffalo to close debate on Bill 206.

Mr. Cenaiko: Thank you very much, Mr. Speaker. At this time I'd like to move third reading of Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003.

[The voice vote indicated that the motion for third reading carried]

[Several members rose calling for a division. The division bell was rung at 4:12 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Speaker in the Chair]

For the motion:

Amery	Herard	Melchin
Bonner	Horner	O'Neill
Broda	Jablonski	Ouellette
Cao	Jonson	Pham
Cenaiko	Klapstein	Renner
Coutts	Kryczka	Shariff
Danyluk	Lord	Smith
Dunford	Lukaszuk	Stevens
Forsyth	MacDonald	Strang
Friedel	Mar	Taft
Fritz	Marz	Tannas
Goudreau	Maskell	Tarchuk
Graham	Mason	VanderBurg
Graydon	Masyk	Vandermeer
Haley	McFarland	Zwozdesky
Hancock		

Totals:	For – 46	Against – 0
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[Motion carried; Bill 206 read a third time]

head: **Public Bills and Orders Other than
Government Bills and Orders**

head: **Second Reading**

Bill 208 Occupiers' Liability (Recreational Users) Amendment Act, 2003

[Adjourned debate May 12: Mr. Stevens]

The Speaker: The hon. Member for Peace River.

Mr. Friedel: Thank you, Mr. Speaker. It's been a while since this bill was first debated, but it's my pleasure to rise today and continue that debate on Bill 208, the Occupiers Liability (Recreational Users) Amendment Act, 2003. As a member for a rural riding, I have a little awareness of the concerns of rural Albertans. This bill is quite important to the farmers and landowners of my area and, I'd suggest, important to most residents of Alberta as well. It's the third time a bill of this nature has surfaced since I've been a member of this Assembly, and I certainly hope that this time we can bring it through to completion and enactment as a law. Even though it is predominantly an rural bill, I think it will have benefit for urban folks as

well. Rural people have been asking for it for quite some time, and I think it's overdue that we proceed with it.

Although urban residents are becoming more and more aware of rural issues, I still often feel that city folks have a minimal awareness of the problems faced by someone who owns a large parcel of land, particularly in regard to liability. Most of this property on farms is not something where you could look out of your upstairs window and see the land that's involved, so a lot of times you don't even have much of an idea of what's going on in the far reaches. Few people likely are aware of how little protection the existing occupiers' liability law gives farmers.

In the short run, as I said, this will be most beneficial to farmers, but in the long run it's also going to be a benefit to hikers and cyclists, anglers, snowmobilers, and all types of recreational users. Although I represent a rural riding, I think I can assure other members in this House that it is not a rural versus urban issue and that the benefit will eventually come to everyone.

As the hon. Member for Lac La Biche-St. Paul pointed out earlier in the debate, our current legislation creates an unequal responsibility between landowner and the land user. The landowner must in essence protect recreational users from themselves. Alberta's present Occupiers' Liability Act was written almost 25 years ago, and I think everyone would agree that times and situations have changed significantly since then. People have become much more aware of rural attractions and are using rural areas more often to get back to nature, so to speak.

They are using our park systems on a greater scale than ever before, Mr. Speaker, but the natural areas of Alberta are not limited to parks alone. Many of the areas that people would like to use for recreation are on private land, but with the current liability risks the owners are reluctant to allow others on their land. I have to say that under these circumstances I would do the same.

Mr. Speaker, I'm sure that the members from other rural areas would also agree with me that Bill 208 is not an intrusive one in that we're not forcing people to open their land to the general public, but we certainly would be giving them more of an incentive to do so if they wished.

4:30

There are many landowners right now who do allow others on their land, but usually this is limited to friends or neighbours or people you know. These friends are considered visitors under the current legislation, and they should use their permission in the spirit in which it was given them. They don't generally go onto the land thinking that they might have an opportunity to sue the owner if they hurt themselves. They generally assume the consequences of their own actions. However, even if they do go on and assume the risks at the time, the fact is that they can sue. I'm sure that we've all heard of instances where an accident has ended up turning one friend against another in litigation, especially so if an insurance claim is involved. Mr. Speaker, we would remove the need for landowners to assume full risk for visitors who use their land for recreation if we pass this bill.

We should help open up rural attractions to the ever growing number of recreational users. We're very fortunate in this province. We have the landscape to support most every type of outdoor sport, and we should help to ensure that people can participate if they wish.

Ecotourism is an expanding industry, and we should encourage such initiatives. These businesses could use private land as well as wilderness areas to bring people closer to nature. Ecotourism is a positive step toward increasing environmental awareness. We would be doing not only the wilderness but wildlife a service if these people returned from vacations with a greater awareness of the

things that we can do in an open Alberta. Bill 208 may also create new opportunities for these businesses to grow. I don't believe that there's a region in this province that couldn't use a boost to local tourism.

If people go on private land knowing that they're responsible for their own well-being, it's also more likely that they will take greater care. Visitors should always be limited to using the land for permitted activities only. If they do something that the owner has not allowed, then they would no longer be a visitor but they would now be a trespasser, and trespassers are not entitled to common duty of care even under the current legislation, and I refer to section 12(1) of the current legislation.

Mr. Speaker, with the provisions of Bill 208 and the current legislation regarding trespassers, it would seem to me that the likelihood of landowners allowing people onto the land would increase dramatically. They would not be held liable for injury or accident to a visitor if the landowner were not willfully reckless. People in urban areas already have this protection. You can't go into someone else's yard in town and do as you please. Rural property owners should have this same protection, and that is what is being proposed by the bill.

Most people in rural Alberta would be willing to work with recreational clubs such as cross-country skiing, horseback riding, or any of the outside activities if they had some sort of protection. Under Bill 208 we would be providing the help that they've been asking for for quite some time.

Mr. Speaker, I urge all members of this Assembly to review this bill thoroughly, and if they do that, I'm sure they will support it. I plan on doing just that. Thank you, Mr. Speaker.

The Speaker: The hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Speaker. It's an honour to join debate on Bill 209, sponsored by the hon. Member for Lac La Biche-St. Paul. First of all, I think landowners and occupiers need a certain degree of legal protection. I'm confident that this bill will be effective in instances where injuries occur on a landowner's or an occupier's property subsequent, of course, to permission being granted for that individual who was so injured to enter the land, but we should be very clear that Bill 208 will not solve all or even most of the liability claims. It is a step in the right direction. I agree with Bill 208 because of the current vulnerability that landowners and occupiers face from litigation by people who don't always want to take responsibility for their own actions.

Mr. Speaker, the member and I may be from opposite corners of the province, but we still have a great deal in common. There are a number of ranchers and farmers living in the Highwood constituency as there are in Lac La Biche-St. Paul. One of the issues that transcends all rural ridings in Alberta is the gray area surrounding the liability of property owners and occupiers. Like the hon. member I, too, have received complaints from landowners who may face legal action from recreation users who could injure themselves on their property. So there are two sides to that. One is just the continuous worry that anytime somebody is on your property they may become injured by not seeing a fence and going through it with their snowmobile or not seeing that there's a dugout or a washed-out interior road on the ranch and rolling their quad over or whatever.

I'm sure that urban members in this Assembly may have difficulty relating to this issue, but I can assure this House that it is having an adverse effect on the sense of community in rural Alberta. I would also concede that landowner and occupier liability may not be attracting a great deal of attention from the media, but that doesn't mean that it isn't having a major impact on certain Albertans. The

urbanite, I'm sure, would identify with the potential liability of a lawsuit when someone slips and falls on an icy residential sidewalk leading to their house or the steps up to their house. Urban dwellers with a swimming pool, for instance, have fences and locked gates to limit their liability exposure.

Well, imagine the potential liability of a ranch that may be several miles in length as well as in width, that may cover a few thousand acres – it may be a few hundred – and in that land there would be forests, there may be streams, ponds, wetlands, steep hills, all of those kinds of things that could cause someone who doesn't know about it or who isn't paying attention to injure themselves. That's not to mention things like old barbed wire that's tied up in a corner.

I think there's a reason why landowner and occupier liability hasn't attracted much attention. The types of property included in this bill, such as rural premises used for agricultural purposes, may be vacant or undeveloped land. Forested and wilderness areas are examples of property that are located away from major highway arteries and secondary roads. Some of this land isn't cultivated and provides food and shelter for grazing animals. These areas are harder to see and, therefore, monitor. The owner may not be able to see a great deal of his or her land.

An owner cannot simply post warning signs and assume that he is absolved from all liability if someone were to be injured. Warnings of possible risks do not effectively protect people from dangerous situations. Liability is generally defined as responsibility under the law. So if a person or a company is responsible or partially responsible for someone else's injury, they can be held liable in a court of law. I believe that we must be careful when we introduce laws that try to pin down liability, but this bill deals with situations where someone gets injured as a result of their own actions.

The different types of property defined in Bill 208 are excellent terrain for recreation users. Sometimes recreation users have the courtesy to ask permission before traveling on someone's property, but these users mustn't assume that permission absolves them of personal responsibility. I think it's important to clear up the difference between granting permission to enter onto someone's land and ensuring that the land is safe for the user under any or all possible uses. As a result of this growing concern landowners and land occupiers are becoming more reluctant to let recreational users on their land because of the growing threat of liability. Mr. Speaker, who can really blame them?

I think it's unfortunate that this bill has to be debated in this Assembly. It's unfortunate when some recreation users try to blame their accident and their injuries on the landowners and land occupiers, but we live in a society that increasingly allows people to point the finger at someone else rather than take responsibility for their own actions. It's unfortunate that laws must be made to attempt to define common sense and preserve the tradition of a community like that which exists in rural Alberta. This moves Alberta away from the philosophy of looking after your neighbour.

4:40

It is also unfortunate that farmers, ranchers, and landowners and occupiers are growing more and more reluctant to let these recreational users use their property. I know that landowners themselves enjoy the outdoors but at the same time cannot justify the risk to themselves of someone blaming them for injuries caused on their property. This bill helps to define who's responsible and when liability falls on the landowner or land occupier. This Assembly is in a good position to help towards resolving these issues by clearly defining who is at fault. Bill 208 attempts to reduce liability on landowners and occupiers regarding injuries that may occur on their property.

I think it's obvious that landowners, occupiers, and recreational users must each accept a reasonable level of responsibility. Visitors must understand that they may not be familiar with the land and should exercise caution. It should also be obvious that landowners ensure that their property is reasonably safe for users or, for that matter, members of their own family before they grant permission and give appropriate caution to those who are granted permission. Mr. Speaker, there's a long list of obstacles that could easily cause injury if a person were not too careful. Gravel pits, old barbed wire fences, dugouts, and snow-covered bails are only a few examples of potential hazards, all of which, of course, are manmade. They are commonly found on the land as defined in Bill 208.

Mr. Speaker, Alberta's history is filled with instances of selfless acts and wonderful generosity. Twelve-Foot Davis used to leave his outposts unmanned and unlocked. People traveling by his property could come and go as they wished and could take any supplies they needed. Most of the time people would repay their debt the next time they saw him. Both Davis and the customer accepted the honour system and understood the meaning of goodwill.

I realize that Twelve-Foot Davis may be Alberta folklore and his legacy may be embellished a little bit over time, but I still feel that it does speak to the spirit of the community of the day, and it's sad that that spirit of community that used to be so common in rural Alberta is becoming a thing of the past and is threatened. One only has to visit the remains of the monument of Twelve-Foot Davis near Peace River to understand how far we have fallen. His vandalized monument is a fitting symbol to the level of importance that some people place on other people's property.

Mr. Speaker, some may say that I'm being melodramatic, that things aren't really that bad, but constituents in my riding have shown me pictures of land that has been damaged by frequent use of quads, four-wheel drives, and dirt bike recreation users, and I have those pictures in my office for anyone who'd care to see them. The damaged land is an investment and very important to the family farm, ranch, or acreage, but the reality is that too many people fail to respect the property of others, and when accidents occur, the common reaction is to seek legal advice. Take a look at the Edmonton yellow telephone list to see how many injury lawyers and firms are listed. I counted 69 pages of them. Then look and see how many pages there are for doctors or accountants.

Is it a landowners' fault if someone is riding an ATV and fails to negotiate a dugout or veers off a recreation trail and drives into a barbed wire fence? But some victims now take advantage of a potentially lucrative legal opportunity. Bill 208 attempts to draw a more distinguishable line between recklessness and liability. This bill, if passed, would make liability less onerous to the landowner or occupier. Landowners and occupiers are responsible for their property, but they cannot reasonably control or monitor their property at all times.

This bill, then, Mr. Speaker, is a step in the right direction to strengthen the proud spirit of community life in rural Alberta. I encourage all members of this Assembly to support Bill 208. Congratulations to the hon. Member for Lac La Biche-St. Paul for bringing this forward.

Thank you.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I find that these debates when everybody gets involved are some of the most interesting in the Legislature. This bill, although in some ways a simple bill, addresses some genuine dilemmas.

As I read the bill and considered it, it brought back various

thoughts and memories for me. For example, when it addresses under section 2(6.1)(2)(a)(ii) "vacant or undeveloped premises" and access to those, it made me think back to a time when I was a child spending time on a very popular holiday beach in Alberta. Near that beach, just up the hill behind the beach, was an abandoned house sitting on several acres of land. As kids will be kids, it wasn't uncommon for us to leave the beach and go up the trail to the top of the hill and explore this haunted house. There were no signs, no warnings about trespassing. There were no fences or gates or anything. But we'd go in, and of course it was a great adventure. The floors were rotten, and we'd try not to break through the floors and try to chase the mice and see if we could climb the stairs without falling through.

None of us ever got injured, but it's interesting to wonder: who was really responsible there? Was it the landowner who left this ruined old home wide open for kids to explore without any signage at all? Was it the kids? Was it us? Were we as probably 10 or 11 or 12 year olds entirely responsible for getting enticed into this situation? Was it our parents? Who was responsible? In some ways the question of responsibility is really what is at the core of this bill. In fact, I would say not in some ways; I'd say that that's exactly what's at the core of this bill.

I also reflect back on a more recent experience I had in Great Britain and which I've alluded to a couple of times previously in the Assembly on the amazing system of walking trails there are across Great Britain. There's a completely different culture to walking trails here than there is in Britain. In Britain the public rights-of-way to historic walking trails are guaranteed even if those trails go right through farmers' fields, through barnyards, through people's front yards and out their backyards. Whatever the ownership may be, as long as those trails are recognized as historic trails and are walked at least once every five years, then there is complete public access.

I don't know what the liability is. I'm sure the British have had to address it because these trails are heavily, heavily used by walkers and hikers in Great Britain, and undoubtedly there are injuries, and undoubtedly questions of liability come up there.

Here we have such a different culture. Our waterways are often freely accessible. We can canoe down a river through somebody's farm or ranch or whatever, and we have free access to the river. But once we get off the water and start hiking through a farmer's field, suddenly we are trespassing unless, of course, we have permission.

The issues here are ones of weighing who is responsible for what, and I'm inclined to agree with the thrust of this bill, which is to lighten the burden of liability and responsibility carried by the landowner and to shift it to the land user. If the land user, the recreational user has permission to visit the land, that should not free them of responsibility for good sense and self preservation as it were. So the intent of this bill is to open up access to our lands, to make landowners feel less nervous, less intimidated about allowing recreational use of their land and to reduce the penalty they may pay through quite possibly no fault of their own.

So I am inclined at this point to support Bill 208. I'll be listening carefully to debate, and I hope that somebody in here is going to argue against the bill so that I can get a good feel for why I might want to consider changing my view. But as it is right now, I'm convinced that this bill makes good, reasonable sense, and I expect to support it.

Thanks, Mr. Speaker.

4:50

The Speaker: The hon. Member for Airdrie-Rocky View.

Ms Haley: Thank you very much, Mr. Speaker. It's a pleasure today

to be able to rise and speak, actually, in favour of the Occupiers' Liability Amendment Act, 2003. Sorry to the opposition; I'm going to be in favour of this one.

I would like to thank my colleague the hon. Member for Lac La Biche-St. Paul for bringing this idea forward. He worked very hard on the recreation trails to try and come up with what some of the issues were. Part of what's in this bill addresses some of the concerns of landowners particularly in my area, where the causeway landowners group is that opposes the trails that our colleague across the way so eloquently spoke about in Britain. I'm sure that in Britain, where there are 60 million people, maybe they are well used and perhaps even well respected. Out here there are areas where the respect level may not be quite so high, and the risk to farms and agriculture can be fairly high.

What I like about this bill is that it does something that the Agricultural Dispositions Statutes Amendment Act doesn't do, and that is that it comes into force upon being passed as opposed to proclamation or royal assent. So that's a good thing. It saves us from having it sit on the books for another two or three years while we think about it some more.

What I wanted to talk about was the reductions to landowners' and occupiers' liability while ensuring at the same time that they must not be negligent with regard to allowing people onto their land. Owners and occupiers will still be liable if they display reckless or willful conduct in areas where it could hurt people. I think that that's a wise move, Mr. Speaker. On the other hand, in normal farm situations or dangers, things like barbed wire fences or dugouts and even gopher holes would not be a cause for concern for owners and occupiers to be held liable for as they have been at risk of in the past.

As well, Bill 208 ensures that it will be proclaimed by an agreed date rather than on proclamation, as I mentioned earlier, and 208 will open up private land for recreational use if the landowner or occupier so chooses. Currently landowners are very reluctant to allow recreational users access to their private land because of frivolous lawsuits, something that has become much more prevalent in our society today.

Bill 208 sets out to accomplish something more than the Agricultural Dispositions Statutes Amendment Act. The ag statutes amendment act added a section to the Occupiers' Liability Act which clarified the responsibility for recreational users on agricultural land; however, that legislation has yet to be proclaimed. By bringing this bill forward, we can deal with that now. Bill 208 not only does what the ADSAA attempted to do but goes a step further by including other forms of private land, Mr. Speaker, such as golf courses when they're not being used as golf courses or recreational trails and not just specifically with regard to agricultural land.

We in Alberta are behind in liability legislation. British Columbia, Saskatchewan, Manitoba, Ontario, and Prince Edward Island all have some sort of legislation that specifically outlines who is responsible for something when accidents occur specific to recreational users being on agricultural land. In British Columbia the legislation allows for entrants to a premise to willingly accept risks on their own behalf. It also outlines the responsibility of individuals who enter the property for recreational use. There are two conditions that would apply to this. The first is that the owner or occupier of the premises must receive no compensation for the entry or activity of the recreational user, and second, the owner or occupier of the premises must not provide the person with accommodation while they're on those premises.

Saskatchewan has adopted a completely unique approach to this situation. They have two different acts which govern hunters and snowmobilers. The Snowmobile Act, for example, contains a section that limits the liability of landowners for any injury, loss, or

damage suffered as a result of or stemming from a person using a snowmobile while on their land. Manitoba has legislation that is similar to Alberta's legislation, but it sets out specific rules for recreational users who use the land for off-road vehicles. This then outlines the responsibilities for both the user and the owner. Ontario legislation contains a separate section that rules that trespassers and recreational users are assumed to have willingly assumed all risks upon entering the premises.

I believe that my colleague has tried to come up with a moderate proposal, Mr. Speaker, that will certainly help landowners deal with frivolous lawsuits and hopefully, on the other side, help recreational users know what is actually appropriate.

An example I wanted to give you is that in Beiseker I have a family that lives on a farm who constantly feel that they are being harassed by people coming onto their private land. They have no-trespassing signs up because they have a lot of large equipment in this one specific area of their farm. The sign gets knocked down, and the comments that are always being made to them are: if somebody gets hurt on your land, they're going to be liable. Our Occupiers' Liability Act has been woefully negligent in not being able to help these people. Even though I might have liked it to be a bit tougher than this, I think that there are some really good things in this bill, and I hope that it will go forward and actually pass and come into force for all Albertans.

When we were farming up in Athabasca years ago, people wanted to use our land for snowmobile use. We had no objection to their coming in and using it except for the fact that they were cutting our fences all the time. If you end up with 20 or 30 head of cattle on a 20,000 acre grazing lease that you can't find, it's not a really good day. On the flip side of owners of land being responsible, I think that recreational users of land also have to be responsible. There needs to be quid pro quo. If they're going to break the rules, they need to pay the price. If a farmer is good enough to let somebody use their land, they should not have to be afraid of lawsuits coming after them.

Anyway, once again to my colleague, congratulations on bringing this forward, and I hope that we're able to get it through this session. Thank you.

The Speaker: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Speaker. It's an honour to stand today and speak in favour of Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003. The intent of this bill sponsored by the hon. Member for Lac La Biche-St. Paul is to amend the Occupiers' Liability Act. The amendment would reduce the burden of legal liability on landowners and occupiers with regard to recreational users on their land.

With the passage of this bill liability concerns for farmers, ranchers, and land occupiers would be reduced to the same level that is owed trespassers, and therefore they may be more disposed to allow recreational users on their land. This bill offers the opportunity and option of owners and occupiers to make accessible their land to recreational users.

Mr. Speaker, land can often serve multiple purposes. In addition to agricultural functions much of Alberta's land may also be used during the summer months for a wide range of activities including horseback riding, hunting, fishing, and hiking. Many Albertans enjoy other outdoor pursuits such as using all-terrain vehicles or dirt bikes. The winter months often breathe a new life into Alberta's landscape. Instead of lying dormant during the months when crops can't grow and livestock are unable to graze, Alberta's vast fields are used for winter activities including skiing and snowmobiling.

Unfortunately, liability concerns often curb such activity and prevent many Albertans from participating in recreational pursuits. Many Alberta landowners are becoming less and less likely to allow others onto their property as the threat of litigation increases. While Alberta was the first province in Canada to implement an Occupiers' Liability Act, our current act is in need of an update. The act is often confusing, especially pertaining to the issue of liability, and because it does not place an adequate amount of responsibility on recreational users, it promotes litigation.

Mr. Speaker, the reading of the Occupiers' Liability Act often causes confusion for both landowners and recreational users regarding the issue of liability. Currently the act makes a distinction between visitors and trespassers and the duties that are owed them, stating that visitors are entitled to a common duty of care on the part of the occupier. Trespassers are not owed a duty of care by the occupier, but the occupier is liable for damages for death or injury to a trespasser that results from an occupier's willful or reckless conduct.

When the act elaborates on this common duty of care owed to visitors, it states that the occupier must "take such care as in all the circumstances of the case is reasonable to see that the visitor will be reasonably safe in using the premises." The problem is that the act does not explicitly offer any guidelines as to what constitutes the reasonable care to which visitors are entitled. Nor does it shed any further light on the term "reasonably safe." This leaves this portion of the act open to interpretation, and in the courtroom common sense does not always prevail.

Bill 208 offers a solution to the confusion. It seeks to shift the balance of responsibility somewhat and make recreational users more accountable for their own actions.

The proposed amendment to the act does not mean that landowners and occupiers will have no responsibility to those they grant permission to use their lands. Landowners will still be liable for reckless or willful conduct that results in injury or death. Farmers, ranchers, and landowners should still ensure that their land is safe for recreational purposes if they allow people to use their premises, but recreational users will be required to take more responsibility for their own actions.

5:00

The ramifications of Bill 208 will largely be seen in our rural communities as there is simply more open land in these areas. Rural residents have a special sense of community, Mr. Speaker. Nobody wants to be thought of as a bad neighbour, but the current legislation often makes some landowners wary of allowing recreational users on their property. This is largely due to the current risk of liability. The fear of possible litigation has limited the access of Alberta's beautiful lands to recreational users and visitors.

Often the areas that will be most affected by the bill can appear to be dangerous to those unfamiliar with agricultural practices. Farms and fields have many inherent hazards. Farm equipment is often left out in the field. Barbed wire fences are used to fence in cattle. Livestock may pose a threat to recreational users. These are all common occurrences on agricultural lands such as farms and ranches. Should Alberta's farmers and ranchers remain liable for accidents that could happen under conditions such as these, which, while appearing dangerous, are commonplace on most farms? Should landowners and occupiers be held liable for pre-existing natural conditions such as swamps, gullies, trees, or cliffs? Even something as seemingly harmless as a gopher hole or a fallen tree could cause an injury. Should they be held liable for changes in the weather such as heavy snowfalls or intense rainstorms, which may lead to an accident on their property?

The proposed bill would remove much of this unnecessary burden

on landowners and make it easier for Albertans to let others access their lands if they so choose. By shifting more responsibility to recreational users, there will be less hesitation to allow their property to be used for recreational purposes.

This means that Alberta's lands could be better enjoyed all year round. These lands could be used by individuals, friends, and families for activities ranging from hiking or bird-watching to using all-terrain vehicles. A land occupier will be more likely to allow families to partake in walks across his or her land if there is no danger of a potential lawsuit if one of the children is injured by tripping over an exposed tree root. Similarly, farmers may be more likely to allow users of snowmobiles to enjoy their land if they won't be held liable for injuries. Such injury could be caused if a snowmobile operator drives his or her sled into farm equipment or dips in the ground camouflaged by a recent snowfall, to name just one example.

While these are merely hypothetical examples, Mr. Speaker, they are not out of line with reality. In today's increasingly litigious society these concerns and hundreds like them are very real to occupiers of Alberta's rural lands. It is regrettable that lawmakers are being called upon to promote common sense, but it is becoming more and more necessary.

Under the current legislation when land occupiers do not grant recreational users permission to use their land, they often use the land anyway, becoming trespassers. This is where the ramifications of Bill 208 would extend beyond liability issues. This bill will enhance safety as the landowner will be more likely to know who is on his property and what activities are transpiring if he or she grants permissions to users. If landowners know who is on their property and what they are doing, it will be easier for them to maintain safety on their property. They will be better able to co-ordinate activities on their land to prevent incompatible activities such as hunting and bird-watching or skiing and skidooing from taking place at the same time. Land occupiers will also have an easier time keeping their land safe and hazard free if they are aware of recreational users on their property.

Mr. Speaker, I would like to highlight another piece of legislation that addresses the issue of liability: Bill 31, the Agricultural Dispositions Statutes Amendment Act, 1999. Bill 31 was passed in '99 but has yet to be proclaimed. This act included an amendment to the Occupiers' Liability Act which would allow recreational users permitted onto agricultural dispositions by disposition holders for recreational purposes the same duty as is owed a trespasser and not the duty of care previously owed in the act.

Bill 208 would essentially take the same approach that the Agricultural Dispositions Statutes Amendment Act took to public lands by reducing the liability owed to recreational users by private landowners. Bill 208 is currently written to apply to agricultural land, deeded land, community pastures, leased land, recreational trails, and golf courses when not open for playing. In addition, Bill 208 would ensure that this amendment would be proclaimed by an agreed date rather than by proclamation by Royal Assent, where it has stayed for over three years.

Mr. Speaker, it seems like almost every rural Albertan has a story or has a neighbour with a story involving recreational users and the accidents on their land. There is an increasing fear of litigation among these people. It would be a real shame if lawsuits stopped people from enjoying Alberta's lands. Bill 208 offers one solution to this problem, a fair solution that would strike a better balance of responsibility between landowners, farmers, ranchers, and recreational users, and for this reason I support this initiative and encourage all of my colleagues to vote in favour of Bill 208.

Thank you.

The Speaker: The hon. Member for Calgary-Fort.

Mr. Cao: Thank you, Mr. Speaker. It gives me great pleasure to join the debate speaking in favour of Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003.

To begin with, I'd like to offer my congratulations to my colleague, the hon. Member for Lac La Biche-St. Paul. This is a bill that makes a lot of sense. It offers concrete results for all Albertans. Mr. Speaker, as an outdoor person myself, I enjoy the splendor of Alberta's natural setting. Just like many other Albertans, myself and my family members do skiing in the winter, hiking and fishing in the summer, and relate well to the subject of this bill.

Mr. Speaker, as I was preparing to make these remarks, it occurred to me that we live in an age where we seem a little bit too prone to abdicate responsibility for our own actions. There appears to be a lot of blame to go around, and it is never very difficult to find someone who's an unwilling victim of almost any kind of unpleasantness or nuisance. The problem as I see it is that in the not too distant past there were not issues where there was a need to involve others. Nowadays, however, we see or hear about them almost every day.

We've all heard about people suing fast-food restaurants for spilling coffee on themselves or suing airlines for multimillion dollar amounts for turbulence in the air and lost pets or other similar things, more or less outrageous cases. I'm sure that in some of these cases very real pain was experienced by the plaintiffs. However, what makes these cases stand out, at least to my way of thinking, is the lack of personal responsibility, the urge to blame others and take legal action against what are essentially matters of personal conduct rather than instances of negligence. Even where there is evidence of negligence on the part of the defendants, how can astronomical sums of money be seen as proper compensation for what most often is a temporary imposition or inconvenience?

Mr. Speaker, I mention this because I see Bill 208 as having the potential to spare Albertans similarly frivolous lawsuits and needless burden on the legal system. Bill 208, as far as I can see, would place personal responsibility squarely where it belongs and allow the courts to handle the concerns of people whose lives have been truly affected by misdeeds and negligence.

With this in mind I will freely admit that I was surprised to learn that here in Alberta landowners can be held liable for events where recreational land users who have sought and been granted permission to access the property sustained injury to themselves or damage to their vehicle. Quite frankly, this makes little sense to me. So I started thinking. Imagine, for instance, that a person happened to enjoy cross-country skiing in the wintertime. This is a popular spare-time activity for quite a number of Albertans and for many people in other parts of the world where the winter is especially enjoyable.

5:10

In any event, here in Alberta most public trails are groomed to accommodate cross-country skiers in the winter, but as it happens, not all trails lead to where the skiers may want to go. So they may seek permission from landowners to drive across their fields. With the snow cover being several feet deep, there is no risk of damage to the crops, so there's no discernible harm expected from traversing an otherwise frozen field. It is a matter of common courtesy, I may say, to inquire with the landowner if he or she will give his or her permission for a skier to cross the property. This is to be expected. Barring some particular pressing circumstances or conditions, one might also expect that the request will be granted.

Now, as the law currently reads and is applied, granting permis-

sion can prove to have some rather unwelcome consequences if the skier has an accident and if any skiing equipment is damaged. If that happens and the skiers are so inclined, the landowner can be held liable for injuries and damages and associated costs. This, Mr. Speaker, is not right. Here we have a landowner who upon request grants permission to enter his or her land for recreational use, and this visitor can turn around and sue him or her. Did they ever think about the old saying: don't bite the hand that feeds you? While this example is not based on an actual event, it is a realistic example of something that can actually happen in our province today.

Mr. Speaker, I'm a firm believer in personal responsibility. There is, however, a trend in our society today to blame others for what happens to us. This is something that I find very disturbing. One of the reasons I'm so proud to be an Albertan is that this province and this government have emphasized and continue to emphasize the importance of personal responsibility. Yes, the government will provide assistance where necessary and where it is warranted to help Albertans to improve their lives, but I do not believe that this is such a situation.

As it is written now, Mr. Speaker, the Occupiers' Liability Act holds that the landowners have the responsibility "to take such care as in all the circumstances of the case is reasonable to see that the visitor will be reasonably safe in using the premises for the purposes for which [he] is invited or permitted . . . to be there." Wow. As I see it, the section I just quoted can be applied so broadly and arbitrarily that landowners could be help liable for just about anything that happens to the users. Even if the charges filed lack merit, to be taken to court is no picnic. It's not an experience anyone voluntarily seeks.

In the long run, therefore, I see landowners becoming increasingly reluctant to let recreational users access their land, whether it is a matter of agricultural land, deeded land, leased land, or community pastures. The risk will be too great, and because of that I think the willingness to give others permission to use the land will decrease. This is, of course, an unfortunate development, but I don't think you can blame anyone for choosing to play it safe when the alternative is a very real possibility of going to court for being generous.

Mr. Speaker, as I alluded to a moment ago, I see this bill as being consistent with so much that Alberta stands for and has stood for historically. I was pleased to learn that our colleagues in British Columbia, Saskatchewan, Manitoba, Ontario, and Prince Edward Island have all passed laws that reduce rural landowners' and occupiers' liability where the land is being used for recreational purposes.

The great poet Robert Frost in his famous poem, *Mending Wall*, made immortal the following phrase: "Good fences make good neighbors." I think the sentiment that the phrase expresses applies to the purpose of Bill 208. No, Mr. Speaker, the fences do not isolate us from one another. Rather, what they do is decrease the confusion, letting us know what belongs to whom and what boundaries we must respect. By respecting the boundaries, the fences will be markers only, and we will be able to pass through them rather than be kept out. This is what Bill 208 does. It will decrease confusion surrounding liability, and perhaps even more importantly, it will make clear where personal responsibility begins and where it ends. This will not only make us good neighbours but better Albertans.

For this very reason, Mr. Speaker, I support Bill 208 and encourage all my colleagues to do so. Thank you.

The Speaker: The hon. Member for Lac La Biche-St. Paul to close the debate.

Mr. Danyluk: Thank you very much, Mr. Speaker. I believe the merits of the bill have been raised, and I want to thank all hon. members for their comments and support this afternoon. I would also like to thank the other individuals that helped mold this philosophical idea into a bill that you see before you today.

Mr. Speaker, the intent of this bill is to reduce liability for landowners and occupiers, making lands more accessible for Albertans to enjoy outdoor recreational activities. This bill would provide landowners and occupiers the ease of allowing recreational visitors on the land without the worry of potential lawsuits. I would like to comment to the hon. Member for Edmonton-Riverview. He did have some questions, but to compliment him, I would suggest that you answered him in the final part of your presentation. I think he does understand the point that the bill does potentially say that there needs to be a transfer of liability from the landowner to the recreational user.

Mr. Speaker, I believe very strongly in the purpose of this bill and in the advantages and benefits that will stem from making specific areas of Alberta more accessible and easily approachable to visitors for recreational activities without the fear of excess liability for landowners or occupiers.

Thank you once again to everyone for their participation in the debate and the discussion of Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act.

Mr. Speaker, I now move that the question be put. Thank you.

[Motion carried; Bill 208 read a second time]

The Speaker: Hon. members, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(*reversion*)

The Speaker: The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Thank you, Mr. Speaker. It's not that often I identify a relative in public, but I have to because I'm sure you're all wondering who came and watched us this afternoon. Dave moved to Alberta 28 years ago and never went back, just another example that when you do things right, they will come. My cousin David Marsh.

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I would move that we now call it 5:30 and adjourn to reassemble at 8 this evening.

[Motion carried; the Assembly adjourned at 5:19 p.m.]

Legislative Assembly of Alberta

Title: **Monday, November 24, 2003**

8:00 p.m.

Date: 2003/11/24

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

head: **Motions Other than Government Motions**

Association for Former MLAs

511. Mr. Johnson moved:

Be it resolved that the Legislative Assembly institute an all-party former members' association of the Legislative Assembly to focus on the interests of the membership and the good of parliamentary precinct, history, and process.

[Debate adjourned May 12: Mr. Maskell speaking]

The Deputy Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you very much, Mr. Speaker, for allowing me the opportunity to rise today and offer some of my comments with regard to Motion 511, sponsored by the hon. Member for Wetaskiwin-Camrose. The purpose of Motion 511 is to create an all-party former members' association whose purpose would be to promote and provide support for the parliamentary system of governance here in Alberta and also in the rest of Canada. I believe that creating an association made up of former Members of the Legislative Assembly would be a highly important and valuable development which would not only benefit former members but all Albertans as well.

[Ms Graham in the chair]

I say this for two reasons. My primary motivation behind supporting this motion has to do with the fact that a former members' association would be a perfect organization for encouraging and educating the general public and especially our young people about our parliamentary system and how it works in real life. Former Members of the Legislative Assembly are in an ideal position to share this kind of knowledge because unlike active MLAs they have more time to dedicate to this cause and they have the luxury of space to properly analyze and reflect on our system of governance. As a result, former members would be able to visit high schools and various university campuses and share their experiences with the students and especially those who are interested in pursuing a career in politics. I believe that it is imperative that our youth have access to this kind of information because whereas a textbook can teach them about the basic principles of our parliamentary system of government, a former parliamentarian can offer them invaluable insight into how the system really operates when you add the human factor into the equation.

My second motivation for supporting Motion 511, Madam Speaker, is because I believe that many Albertans are truly disengaged and detached from the political developments occurring in our province and from the folks who make these developments happen. Some Albertans become detached to the point where their lack of understanding of our system of governance and the way important political decisions are made translates into a lack of trust in elected officials. This is a worrisome trend. An organization such as the one proposed in Motion 511 could act as a remedy to this problem. By having more time than active MLAs, former members would be

in a position to visit our province's communities, hold public meetings and information sessions, all of which would be designed to offer firsthand insight into how our political system works and how the decisions affecting Albertans are made.

I sincerely believe that by being proactive and going into our communities and neighbourhoods, former MLAs would be providing Albertans with a service that active members are unable to do. By sharing their knowledge and experiences as representatives of the public, former members would not only be helping many Albertans understand the process of political decision-making, but they would also be encouraging them to get involved and become a part of the system and the solution. I'm sure that everyone in this House would agree that serving the public is a privilege, an honour, and a very rewarding experience. The former members' association would permit us to serve and work directly with the public in a different and equally rewarding setting after our careers as members of this House are completed.

As I've said earlier, Madam Speaker, creating an association made up of former Members of this Legislative Assembly would be highly beneficial to our province's high school and university students. One of the main functions of the association could be to give former MLAs the opportunity to visit and hold sessions with students regarding matters relating to our system of government. Such conferences would give former members the opportunity to share with students, especially those interested in political matters, their life stories, experiences, and their view of how our government works and how political decisions are made in Alberta. Since the members who would take part in these visits would have undoubtedly come from different political parties, they would be able to present the future leaders of our province with diverse points of view and differing outlooks on how the parliamentary system operates and what are some of the leading issues that affect it every day.

As I have said before, books provide students with only a certain degree of understanding when it comes to the matters relating to governance. By this, Madam Speaker, I am referring to the difference between theory and application. By having former MLAs come to their schools and their campuses, students will have an opportunity to see a human side to politics, which books sometimes cannot effectively portray.

The human factor is an important aspect of any system of government, especially a parliamentary democracy. Knowing how to relate to and interact with people is one of the most important skills for any person to have, especially one that serves as a representative of the general public. In most cases some of the best politicians are those who understand people and human nature and who are able to utilize this skill in order to benefit their province and their country.

By having former MLAs speak at their school or on their campus grounds, our students could be getting an unbiased and a well-rounded understanding of how their provincial representatives come together to govern effectively and in the interests of their constituents and the province as a whole. Seeing how the chain of communication between the constituency and the House, the Premier, and various departmental offices works would be invaluable knowledge to our younger generation, who we will rely on as the future leaders of Alberta. Equipped with a true and candid understanding of how our parliamentary system of government works in real life, our young people will not only be equipped with the necessary tools that they need to lead our province into the future but also to continue to improve upon our current system.

Apart from offering important insight into some of the vital mechanisms of our democratic institutions, the visits of former Members of the Legislative Assembly to high school and university

campuses will be important because such visits could inspire students, especially those interested in subjects such as political science, to pursue related government and public service careers. By having taken the long road to public office, former parliamentarians would have the intimate knowledge of what skills, credentials, and kind of knowledge and determination is required in order for one to attain a position within the public service. Madam Speaker, the Alberta government is always in need of young, intelligent, and outgoing individuals. I believe that having former MLAs visit schools and universities and sharing their experiences as representatives would inspire many ambitious young men and women to pursue rewarding careers in the public service sector.

Campus visits of this nature, Madam Speaker, are not a newly developed idea. Such organized visits by former public representatives take place in a number of jurisdictions, most commonly in the United States. The United States Association of Former Members of Congress was created in 1970 in order to foster public understanding of the function and the role that Congress plays within the American system of government. The association has a very effective program in place called the Congress to campus program. Congress to campus is designed to engage and educate young American students about the various aspects of the U.S. political system and how they can participate in making a difference. Over the years the program has received some excellent reviews, and the campus visits by former members of Congress continue to take place all around the country.

I believe that by having an organization such as the former members' association institute a similar program here in Alberta, we would be making sure that our youth become more educated about the role of this Legislature and some of the other branches of our government. Apart from giving our youth invaluable insight into our parliamentary system of governance and providing them with the incentive and inspiration to pursue a career in public service, an organization such as the former members' association would also serve to foster further understanding of our parliamentary system of government among the general population. Having former MLAs visit our province's communities and interact with ordinary Albertans, especially those who don't quite understand how the system works, would help many of them overcome the sense of isolation and disconnectedness from the issues and decisions that are made in this House.

By helping Albertans understand the various aspects of parliamentary democracy and encouraging them to utilize and become part of the process, we would not only be guaranteeing the inclusive nature of our political system, but we'd also be addressing some important issues such as low voter turnout and voter apathy. History, Madam Speaker, has proven time and time again that a politically active and educated and vibrant electorate produces skilled, responsible, and competent public servants. I believe that by creating a former members' association, we would be making sure that this trend continues in Alberta well into the future.

I, therefore, urge all of my colleagues to support our parliamentary system and all of its democratic institutions by voting in favour of Motion 511. Thank you.

8:10

The Acting Speaker: Thank you, member.

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Madam Speaker. I am anxious to participate in the debate this evening on Motion 511 to establish a former MLA association, and the motion reads:

Be it resolved that the Legislative Assembly institute an all-party former members' association of the Legislative Assembly to focus on the interests of the membership and the good of parliamentary precinct, history, and process.

Now, as I understand it, there's nothing new or startling or hidden in this particular motion which should concern us. The province of British Columbia, for instance, has established an association. The B.C. act lays out that the association, which was once under the Society Act of that province, now be a stand-alone entity.

It's interesting that we would be debating this particular motion in this particular Assembly when, in my view, we have not been particularly interested to date, Madam Speaker, in promoting good parliamentary practices. For instance, there are some committees of the sitting members of this Assembly that have not met in the time I've been in this Assembly. The hon. Member for Edmonton-Centre is more of a historian on these committees than I, but certainly there are some committees, it has been reported, that have not sat for close to 10 years, if not 12 years. Then sometimes committees, if there are too many cobwebs surrounding their structure, are abolished.

We have a motion coming up later on this evening to discuss an all-party committee of this Legislative Assembly to look at the entire insurance industry in this province, and hopefully that one will be passed. We could certainly have an all-party committee of this Assembly to look at electricity deregulation and the consequences of that electricity deregulation and natural gas deregulation as well, but I'm not holding my breath waiting for that to happen. If I did, I might turn Tory blue, and then I would have the same policy void as this Conservative government has with electricity deregulation. Certainly, whenever one looks at electricity deregulation, it's obvious there has been oxygen deprivation in the committee rooms where they have discussed this.

There are many retired members, Madam Speaker, from this Legislative Assembly that have been very, very distinguished not only in their careers here but after they have left. [interjection] Someone over there said that there would be seven more, but my greatest insurance, if you want to talk about insurance against political defeat, is keep up with those good electricity deregulation policies, keep up with this insurance policy that does not solve any of the problems of the consumers. I'm not going to get into Spiro Agnew and Richard Nixon here, but certainly the policies that have been articulated by this government recently are not going over very well with the voters of this province.

Dr. Taft: Would Spiro Agnew be an honorary member of this club?

Mr. MacDonald: Spiro Agnew, perhaps, could be an honorary member of this club. Maybe we could have honorary members of this club.

There have been some members of this Assembly, Madam Speaker, that have been very distinguished in their careers in this Assembly and certainly after they have left this Assembly. I don't think that at this time, when you consider the parliamentary practices, the erosion of democracy as we see it in Alberta, this is a necessary motion, and I would urge all hon. members to just say no to this.

Thank you.

The Acting Speaker: The hon. Member for Calgary-Cross.

Mrs. Fritz: Thank you, Madam Speaker. I, too, am very pleased to join this debate on Motion 511, which was put forward by my friend and colleague from Wetaskiwin-Camrose. I can understand why my colleague did put forward this motion to the Legislature. It's a very

worthwhile motion. I couldn't disagree more with the former speaker.

I know that this past July the Member for Wetaskiwin-Camrose and myself had the privilege of attending the Canadian Parliamentary Association conference in Victoria, British Columbia. We attended that conference on behalf of our hon. Speaker, the Member for Barrhead-Westlock, along with my colleagues in the Legislature here this evening: the members for Drayton Valley-Calmar, Edmonton-Manning, as well as Edmonton-Norwood and also, yes, a member that is from the opposition, Madam Speaker, the Member for Edmonton-Ellerslie. It was all just members from the Legislature attending a conference with other members from Legislatures across this country, and we learned a great deal from one another. [interjection] I did. I mentioned my colleagues, yes, and that we attended along with you, hon. member.

Madam Speaker, what I did learn at this conference is that parliamentary associations across the country approach issues in a much different way than we do here in Alberta, yet we have many similarities. As I said, there were members from all areas, like from the opposition and from the ruling government.

I found it very interesting about the different processes that were in place. For example, in the province of Alberta we have the privilege as backbenchers of putting forward bills before the Assembly. Previous to our current Premier backbenchers never did have a bill pass second reading in the Assembly. Now we have a number of bills. We had one today, Madam Speaker, that was passed in the Legislature, by my colleague from Calgary-Buffalo. It went through all readings of the Assembly, received third reading today, and was passed unanimously. That did not happen 12 years ago in the Assembly, for example.

So, yes, Alberta is much different than other areas of our nation, but also we would have that privilege through this motion. I don't mean to sound redundant as to what was put forward by my colleague from Edmonton-Meadowlark, but just as he had mentioned in his debate, we would have the privilege of sharing our experiences with our young people in our schools and in our universities.

I think that is a very important concept that this motion is putting forward. It's a vision that my colleague has in putting forward this motion: that we have a former members' association. Just to read the motion once again to the Assembly, it's resolving that

the Legislative Assembly institute an all-party former members' association of the Legislative Assembly to focus on the interests of the membership and the good of parliamentary precinct, history, and process.

I think, quite frankly, that's wonderful. Hon. member, I do hope that this motion that you've put before the Assembly passes this evening. I hope that we all support this motion.

Thank you, Madam Speaker.

The Acting Speaker: The hon. member.

Mr. Masyk: Thank you, Madam Speaker. It is a privilege to address you as Madam Speaker with the last few seconds here.

The Acting Speaker: Go ahead, hon. Member for Edmonton-Norwood.

Mr. Masyk: Thank you. I'd like to shed some light and speak this evening in favour of this motion to establish an association made up of former members of this Assembly. Madam Speaker, one of the biggest challenges the government faces is how to maintain and improve communication between itself and the general public. In many instances this communication link has been poor because the

average voter tends to know very little about the political system practised by this country, province, and city.

[The Deputy Speaker in the chair]

This lack of understanding has been particularly responsible for the lack of political involvement practised by the majority of constituents. As a result, most of the electorate gets politically involved only during the times of general elections. However, in many cases the turnout is so poor that a good third of the populace can be considered to be completely politically inactive.

8:20

In Alberta, Mr. Speaker, the situation could not be more critical, but it can definitely be improved. Voter apathy and low turnout are potential problems in Alberta that have to be redeemed. I believe that this problem can be fixed if this House commits itself to ensure that the average Albertan understands his or her role within our parliamentary system of government and how it works and how to use the system in order to voice their concerns and express their political will.

We can take a step forward toward effective accomplishments in this task, Mr. Speaker, by establishing an all-party former members' association which would assist Albertans by providing them with knowledge and understanding of how Alberta's parliamentary system is structured and of the avenues they could pursue in order to access it in an easy and effective manner. As my colleagues have previously mentioned, such an association would be made up of former members of this Assembly, and one of the roles would be to provide a nonpartisan support for our system by having former members travel to the communities and schools, universities.

Mr. Speaker, I think this would foster a good understanding, offering invaluable insight into how our system operates in the real-world setting. Visits to various urban and rural communities would undoubtedly help bridge some of the gaps between the average citizen and their elected representatives. Such events would also help Albertans gain insight into all the components that power the engine of our democracy. Visits to schools would be extremely beneficial to our students because having former members give lectures at their schools, colleges, and universities would offer them the insight that no Alberta political textbook can hope to accomplish.

Having that firsthand contact with a person who has served the people in our province will hopefully encourage our young people to further their interest in politics and even pursue a political career in this field. Our students, Mr. Speaker, will one day take over the reins from us and become the leaders of this province. I believe that it is our responsibility to ensure that we equip them with all the necessary resources and tools so they can steer Alberta down the road to success.

Mr. Speaker, as I've previously said, it's imperative that Albertans feel that they're a part of a system of governance and that without their input and involvement the system cannot operate effectively. It is important that we try to eliminate some of the negative general perceptions associated with government regardless of what political party is in power. One way of accomplishing this task is to encourage former members to educate Albertans about how demanding and rewarding the job of an MLA really is. Constituents may be interested to know that our political system is people-driven by those who express their problems and desires to do their parliamentary duties.

On the other hand, former members of the Assembly could also help explain that not all government actions and legislation are decided by elected members of the House. One such example that

comes to mind is the process concerning electoral boundaries. I'm sure that many of my colleagues are aware of the fact that there is a perception among Albertans that electoral boundary adjustments and alterations are a result of government policy rather than the findings of the Electoral Boundaries Commission, even though it's stacked.

Mr. Speaker, many Albertans are still not aware of the fact that the commission is a body that conducts its business independently of government. It is a body which looks at trends such as changes in population distribution, interest of communities, and placement of geographical boundaries rather than government policy to draft its final recommendations. These recommendations are scrutinized by the government, but the legislation which emerges, by and large, is reflective of the commission's findings and recommendations. Having Albertans understand how this particular process operates may encourage them to get involved and become part of electoral boundaries decisions.

On a different note, Mr. Speaker, I'm not quite certain that many Albertans are clear on the role that our Lieutenant Governor plays within our parliamentary system of government. Some Albertans may think that her role is purely ceremonial, a part of our British heritage. Others might think that her major function is to offer greetings at special events and luncheons. However, she enjoys a far larger spectrum of responsibilities. She enjoys extraordinary powers which allow her to act and uphold the Constitution. This means that bills passed by this House do not come into effect until her office proclaims them. In certain circumstances the Lieutenant Governor reserves the right not to proclaim a particular piece of legislation if she considers it to be unconstitutional. The last time that happened in Alberta was in 1936, when the Lieutenant Governor, Hon. J.J. Bowen, did not grant royal assent to three bills because he considered them to be in violation of the Constitution. Furthermore, the Lieutenant Governor also has the power to dismiss a government and call an election in times of political crisis.

Another interesting fact regarding our parliamentary system is that a member does not have to be a cabinet minister in order to bring forward a specific piece of legislation such as a bill or motion. The system allows all members of the Assembly to bring forward legislation that can potentially turn into law. This aspect of our political system gives the Alberta electorate an unprecedented degree of political power because if they can convince their MLA to pursue a particular bill or motion, it means that the constituents play a bigger role in the affairs of this House. Mr. Speaker, I can attest to that because constituents of mine urged me to bring in legislation that runs tandem with the Speech from the Throne. One example would be Bill 210.

The only concern, Mr. Speaker, is that a large number of Albertans are just not aware of the vast political power that they possess. A former members' association could not only help Albertans realize the use of this power; it would also bridge the gap between voters and their elected officials.

In closing, Mr. Speaker, I firmly believe that establishing a former members' association will not only ensure that our parliamentary system will continue to serve Albertans in a responsible and effective manner; it will ensure that Albertans will continue to take active roles in the political future of this province. I, therefore, urge all my colleagues to support Motion 511.

Mr. Speaker, thank you.

The Deputy Speaker: The hon. Member for Calgary-West.

Ms Kryczka: Thank you, Mr. Speaker. It's a pleasure for me in the time remaining to rise and join the debate on Motion 511, sponsored by the hon. Member for Wetaskiwin-Camrose, urging the Assembly to establish a nonpartisan former members' association.

It is often said that when one travels a road taken by another, they can learn a great deal about where that road leads and what to expect from those that have preceded them. There has been a very successful association, the United States Association of Former Members of Congress, and it was created in 1970, so it has over 30 years of experience that we can possibly learn from.

I just wanted to quote for you in the few minutes that I have a number of things that this association of 550 members, I believe, has done in terms of specific projects. One of the things they did in 2001 was to publish a book entitled *Inside the House: Former Members Reveal How Congress Really Works*. Both teachers and students have requested this book, that incorporated information that members obtained along the way, and there have been many lectures and talks given across the country. The book is a collection of essays describing a full range of topics about life in Congress from an insider's point of view.

Also, another example is that they have formed a Congress to campus program, established in 1976, and it certainly addresses several aspects of civic learning, which, I think, is so important to the young public. Again, as I think another member mentioned earlier, either singly or in pairs these retired members visit colleges, universities, and communities and speak to students. So, all in all, we have educational objectives that are being satisfied.

Thank you, Mr. Speaker.

8:30

The Deputy Speaker: I regret the interruption, but, hon. member, Standing Order 8(4) provides for up to five minutes for the sponsor of a motion other than a government motion to close debate.

I would now invite the hon. Member for Wetaskiwin-Camrose to close debate.

Mr. Johnson: Thank you, Mr. Speaker. Motion 511 was introduced in the spring session, as most of you realize, so most of the debate took place some time ago. I was pleased at that time at the level of support, and of course I want to thank the speakers tonight for the support as well.

This motion is a little different than other pieces of legislation because it urges the Assembly into action rather than the Alberta government. In order to move the idea of a former members' association forward, this House will have to pass a private member's bill, which I would like to introduce in the next spring session of the Legislature. The details of how the former members' association would operate would of course be debated at that time.

I've been asked why we need this Assembly to create the association. Some have asked: what is preventing a former MLA from pursuing this on their own? Well, the simple answer is that other provinces have tried and learned that the legislating of the association adds legitimacy and direction for its members. One of the most important reasons to legislate the association is to ensure that the members and their mandate are non-partisan. I know from attending events around Alberta that there are many former MLAs who miss the honour of sitting in this House. I also know that many of them can effectively serve the public interest in advancing our parliamentary system. A former members' association would be a great opportunity for these men and women to share their experiences with Albertans, especially young Albertans in our schools and universities.

The provinces of Ontario, Quebec, B.C., and the federal Parliament have all passed legislation establishing a former members' association. It is the intent through this motion that Alberta would also benefit from such an association.

I would like to thank all members who rose in support of Motion 511, former members' association, and I hope that everyone in this House will vote in favour of Motion 511.

Thank you, Mr. Speaker.

[Motion Other than Government Motion 511 carried]

Automobile Insurance

512. Mr. MacDonald moved:

Be it resolved that the Legislative Assembly urge the government to strike an all-party committee to study the rising premium rates for automobile insurance, insurance companies handpicking clients, and increasing insurance claims in the province.

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a pleasure to rise this evening and present Motion 512 to the Legislative Assembly, and I would urge all members of the Assembly to consider supporting this motion, certainly, in light of the disasters that have occurred around the insurance consultation process and the fact that we now have to have not one but two bills before the Legislative Assembly to try to deal with this problem.

Alberta drivers are fed up with skyrocketing auto insurance premiums, and they realize that freezing rates after we've allowed rates to increase for three years isn't a solution. In fact, Mr. Speaker, from February 2002 to February 2003 premiums increased in this province, according to Statistics Canada, by 59 percent. The insurance industry is getting rich, and it is at the expense of the insurance consumers, and the Alberta government, as we said in the Assembly here the other day, is involved in this hit and run: hit consumers with skyrocketing premiums and run away with the insurance industry insiders and have a consultation process that does not involve the public.

Now, in the second quarter of 2003 the insurance industry reported \$644 million in profits, and that was up from \$110 million at the same time last year. The insurance industry's watchdog in this province is toothless. Last year the Automobile Insurance Board rubber-stamped a hundred and fifty-five of a hundred and fifty-seven proposals for rate increases. Drivers are paying higher premiums, and the insurance industry is getting more and more profit.

Certainly, we had some very good alternative solutions to make this Automobile Insurance Board more consumer friendly, so to speak. They were, again, good ideas, but they were ignored by that side of the House. Now, every time there is a rate increase, we could have a public consultation process. We could have consumers educated so that they could access a web site with the Alberta Automobile Insurance Board's proceedings on that web site, and they could be made public.

Last year the Alberta Liberal opposition proposed that an all-party committee be struck to seek out solutions to the crisis in the automobile insurance business. We did this in a letter addressed to the Premier on November 12, 2002, and this was long before other governments across the country ran into problems with private insurance and skyrocketing premiums. We certainly were ahead of the trend. We suggested that there would be some hon. members in this Assembly very capable of chairing that particular committee, but again our advice was ignored, and we see the problem that has come about.

It's a serious problem. This government has to have two bills on the Order Paper at the same time trying to deal with it. But since our request for an all-party committee was virtually ignored, the

government struck the Automobile Insurance Reform Implementation Team, consisting of government MLAs and industry representatives. In fact, some of those industry representatives, it's been acknowledged, are members of Conservative constituency associations in this city.

Mr. Strang: No.

Mr. MacDonald: Yes, it's true. It certainly is.

The committee at the start, including the hon. Member for Drayton Valley-Calmar, dismissed the concept of moving to a public system of insurance before it even began to have any investigations. So you're eliminating a concept that has worked well in British Columbia. It has worked well in Saskatchewan. It has worked well in Manitoba. There are all different forms of public automobile insurance, but, Mr. Speaker, they're all cheaper for consumers than what we are paying in this province.

Now, a recent survey of more than 1,300 eligible Alberta voters showed that 80 percent of them believe that the actions by the provincial government would place the interests of the citizens after the interests of the insurance industry. There would be a better chance for the interests of consumers to be put first if we had an all-party committee looking at this issue with public hearings across the province. If you were to put an opposition member or maybe two or maybe even three opposition members on this committee, I think that consumers would get a much fairer shake. An all-party committee may not have to throw its hands in the air and resort to a one-year freeze on insurance premiums, but there could be viable solutions to this consumer crisis in this province because there would be consultations with everyone, not just the insurance industry.

An all-party committee certainly wouldn't have given unanimous approval to a cap on pain and suffering awards for so-called minor injuries. A telephone survey of 500 Alberta auto insurance policyholders conducted last month found that 67 percent of Albertans support the government committee's proposal to tie premium costs to driving record rather than factors such as age, gender, or marital status, but 85 percent of Albertans oppose a proposal to cap compensation for people who suffer nonpermanent injuries in motor vehicle accidents.

Decisions made by members of just one party and representatives of just one side of an issue may well have been made by just one person. Opposition MLAs were democratically elected by their constituents and represent those who may or may not have voted for them just as government MLAs are supposed to do as well. So why are the voices of some Albertans listened to while others are not? The formation of the Automobile Insurance Reform Implementation Team was so flawed that it didn't even include a consumers' advocate at the table. An all-party committee was badly needed to study the automobile insurance crisis in this province when I wrote the Premier a letter over a year ago; an all-party committee is desperately needed today still.

Even the Member for Edmonton-Calder has raised some very valid concerns, and I'm sure he's not alone in that caucus, that huge caucus.

8:40

Mr. Snelgrove: Yeah. It's a big bunch over here.

Mr. MacDonald: Yes. If it gets any larger, Mr. Speaker, it's going to be the size of an elementary classroom in this province.

I don't care who comes up with the solution to stabilize automobile insurance rates just as long as someone does. I think we need to work with the consumers of this province. We can't be just asking

them to dig into their pockets for more money for insurance premiums, because they're already digging into their pockets to try to pay their energy bills as a result of electricity and natural gas deregulation. They've got very little left at the end of the month as it is. We need to work to come up with a solution, and just consulting with the industry stakeholders is no longer any good.

There's a whole list of issues we could look at. There's the issue of cell phones and how that's affecting our accident rates. We could look at headrests and educate the drivers so that everyone adjusts their headrests properly. We could look at the whole issue of reinsurance costs. How is this affecting Alberta insurance consumers? We could look at the cost of privatizing our health care system and what that has done to rehabilitation costs for accident victims. There are many, many statistics available from Ontario but very few from Alberta as to what these costs are. A decade ago rehabilitation costs for accident victims were \$300 million; now they're \$1.5 billion.

Please vote for Motion 512. Thank you.

The Deputy Speaker: The hon. Member for Calgary-West, followed by the hon. Member for Edmonton-Strathcona.

Ms Kryczka: Thank you, Mr. Speaker. It is a pleasure to be able to speak to this motion brought forward by the Member for Edmonton-Gold Bar. Not that I agree with the motion, but I do like the fact that it gives me the opportunity to talk about some of the good things that the government is doing in this area.

The government has been taking on this problem for more than a year now and is entering into a phase in which we'll be able to promote solutions that benefit all drivers but especially those who operate safely and have a clean record. Later in my remarks I'll talk about our process, but first I want to make clear that nobody denies that rising auto insurance rates are a major problem, and certainly nobody in this House is blind to the negative consequences that rising rates are having for individual Albertans as well as for the province as a whole. The member does well to raise this point in his motion, but I'd like to remind the sponsoring member that it isn't fair to say that the government is lax on this issue.

For example, let's look at what this government is doing about rising premiums. Alberta Finance has proposed a benchmark entry-level premium, taking age, sex, and marital status out of the equation. Alberta Finance is putting forward a premium grid to help standardize rates. The purpose of this grid is to reward safe drivers and punish bad drivers. The differentiation between rates in Edmonton and Calgary will disappear over a three-year period. All in all, these changes indicate the government's seriousness in tackling this issue, and it certainly isn't fair to suggest, as the member across the way has suggested, that the government's process for solving the problem is tainted because it hasn't included the Official Opposition or the third party in the process.

In fact, contrary to what the member across the way would have you believe, the government's approach to automobile insurance is responsible, methodical, and fair. The conscientious way that the government under the direction of the Minister of Finance and the Member for Medicine Hat are dealing with this issue shows the people of this province that they have a government that they can trust and a government that is going to look at all different angles before coming to a conclusion. It also shows that every member in the government caucus has put forward challenging positions and questions and has had their say in shaping the policy, including 11 total hours, I believe, of debate in a standing policy committee. The conclusion members come to in this House will be the right one for all Albertans.

To illustrate this point, let me digress a little bit into the context of the motion. We have seen over the summer many provincial elections where auto insurance has become a major issue. Citizens are concerned over rising premiums; they have been for a while now. In recent elections they've shown their dissatisfaction with governments for not being able to get a handle on the issue. The outcomes of elections in other provinces, however, have not caused this government to rush willy-nilly into providing stopgap solutions that will only cause problems down the road. In fact, this government has stuck to our original plan of hammering out a good long-term solution.

The government, regardless of what the member across the way tells average Albertans, has been on top of this issue for quite a while. The Minister of Finance is engaged in a three-part process that will ensure that our auto insurance system is one that is fair, accessible, and not prohibitive in terms of cost. These steps have been taken in an apolitical environment, one in which the government can accurately assess the needs of consumers and collision victims.

In a first step Alberta Finance asked Albertans what their thoughts on the auto insurance system were in our province. The Department of Finance wanted to know where Albertans thought improvements could be made and the suggestions they had for how to change the system to make it more responsive to Albertans and more affordable for consumers, and Albertans responded. They said that there was no room for profiting from an injury. They said that they wanted the focus to be on rehabilitation from an injury, getting the claimant physically well again. They said that insurance companies – the hon. member from across the way wants to be on the committee, but he doesn't want to even listen to advice that's being shared in the House this evening.

Albertans also said that insurance companies were acting in an excessively unfair way towards consumers, especially younger consumers with clean records. Finally, they said that they wanted rates to come down, and they wanted good drivers rewarded for their good driving, not penalized with rate increases.

I might also add that under this process the Member for Edmonton-Gold Bar was more than welcome to send in his suggestions to the Minister of Finance for her review. That being said, the member across the way seems upset – well, actually I'm not sure he looks upset; he looks pretty relaxed. But he has said that he does want to be involved in this process in a formal way and he hasn't been invited to take part. I, frankly, don't see how his inclusion or any other opposition inclusion is going to help the situation given that he already has all the answers and given that his answers don't come from years of studying the issue and instead come from some sort of electoral expediency. Politicizing the issue doesn't help. His actions put politics ahead of good solutions for Albertans. Forgive the government if it is above that type of petty politics, Mr. Speaker.

What the government has decided to do is to pursue a strategy for long-lasting satisfaction amongst insurance consumers and providers as well as accident victims. In the meantime, rates are in the process of being frozen. The government put together a big-picture committee to study the input that Albertans gave us. Their task is to make comprehensive recommendations for changes that are inclusive of the suggestions that Albertans have made. Finally, it is this caucus's job to implement those changes.

I know that the Member for Edmonton-Gold Bar would love to have his fingers in the decision-making process, but I guess that's the difference between winning and losing elections. The people of Alberta returned a Progressive Conservative government to this House. In turn, they returned seven Liberals and two New Democrats. That to me is a great honour. It says that Albertans have great

trust in this government. It also shows Albertans' ambivalence for the two opposition parties. From that ambivalence comes the demands from that opposition for more inclusion, for the government to implement their ideas, which voters soundly rejected in the last election.

8:50

If you ask me, the government is doing it the right way. We've gone directly to Albertans through a fair and open consultation process and are using their suggestions to find a solution. This is especially satisfying for me, Mr. Speaker, because it always gets me when the opposition argues that the government operates in secret. This is their fallback when they don't have anything of substance to say. They haven't thought the problem out. You see, unlike our opposition, who whenever there's a problem, screams for government intervention, we'd much rather take positions that are well thought out, sensible, and mindful of the big picture. The opposition has given the easy, short-term solution, but any sensible person knows that the easy, short-term solution just causes long-term problems. So I'll reiterate it once again. This government will look out for the long-term benefit of Albertans, not short-term political interest.

As I said earlier, Mr. Speaker, the cost of insurance has angered a lot of Albertans. It has angered our caucus. Albertans have expressed discontent to us, and Canadians have expressed discontent to governments across this country. But what would anger Albertans more would be if we stopped our whole process to start a new one just to appease the Member for Edmonton-Gold Bar. I'm not willing to do that, so I will not support this motion. I urge all of my colleagues to do the same.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I'd like to speak briefly to Motion 512, which is calling on this Assembly to

urge the government to strike an all-party committee to study the rising premium rates for automobile insurance, insurance companies handpicking clients, and increasing insurance claims in the province.

The motion, Mr. Speaker, is I think asking for the right thing insofar as it goes; that is, to call for an all-party committee which should hold public hearings and study the matter. It falls short because it doesn't really talk about public auto insurance as a clear alternative that must be studied and Albertans must be consulted on as part of the hearings that such a committee would hold. The public auto insurance alternative is a real choice that must be put before Albertans. They must be consulted on it. Three provinces over the last almost 40 years have implemented public auto insurance, and experience based on this long-term practice demonstrates without doubt that public auto insurance is the cheapest, the fairest way to provide auto insurance to all drivers regardless of region, gender, class, age, and so on and so forth.

Based on their careful study of the advantages of public insurance, the Consumers' Association of Canada came out earlier this summer clearly in favour of public auto insurance. On August 27 the New Democrat opposition called on the Alberta government to put this choice of auto insurance among other choices before Albertans. The best way, of course, to put this choice before Albertans is to hold public consultations, and there's no better vehicle to do that than the all-party committee that should be struck by this Legislature, representing this Legislature and going out to Albertans and seeking as broad-based an input from Albertans as we can possibly get.

I don't know what the problem with striking an all-party committee is. It would be most representative of this Assembly, and it would certainly be welcomed by Albertans. The experience that Albertans had in my six years in this House with one all-party committee that went around this province and held public hearings has been very, very good. They welcomed this all-party committee on justice, and this all-party committee on justice took that job very seriously.

All of us worked together in a very collaborative manner regardless of our party labels and came up with a report as a result of that extensive public hearing experience that I think we are finding very useful. The government is using it now to make changes in our justice system in order to make our justice system more accessible, more sensitive to the needs of Albertans who need to seek justice and need to use the court system and the justice system in order to have their matters addressed.

Based on that alone, I don't see why this Assembly in its wisdom should not in fact proceed with the establishment of an all-party committee on an issue as important as this one. Auto insurance affects everyone in this province. Whether we are a business, whether we are individuals, whether we are families, whether we are students, whether we are seniors: everyone is affected by this. The massive rate increases in the auto insurance premiums that Albertans have been burdened with over the past couple of years call for an effective action that will prove the test of time.

We know that auto insurance has proved the test of time in three other provinces. It is true that when each of the three other provinces brought in auto insurance, it was brought in by an NDP government. No doubt about this. That alone, just because it was brought in by an NDP government, is no reason to reject it out of hand when we have an opportunity in this province to consider that as a serious choice.

There is a convergence growing in this province. Recently I took the lead in calling for auto insurance in this province. Our Liberal colleagues joined with us in this call. I think that if we held public hearings now, it's very likely that many of my colleagues sitting on the other side would also join in with us on this side of the House, and hopefully Albertans would be able to get the best possible deal on auto insurance, which is public insurance, as a result of these hearings.

Public opinion surveys indicate that more than half of drivers in the public auto insurance provinces like that particular choice whereas in private auto insurance provinces 25 percent or less of the drivers like what they are offered. So, clearly, regardless of the province in which they live, regardless of the region they are part of, when Canadians are given choices, they make right decisions. Here, I think, not to have a broad-based public hearing process organized by an all-party committee would deprive Albertans from making such a choice if they so choose.

Mr. Speaker, you think my time is up. I think I made my point. I would like to take my seat. Thank you.

The Deputy Speaker: Actually, I'm interrupting the hon. Member for Edmonton-Strathcona because the time limit for consideration of this item of business on this day has concluded.

9:00head: Government Bills and Orders
head: Second Reading

Bill 47

Tobacco Tax Amendment Act, 2003 (No. 2)

The Deputy Speaker: The hon. Minister of Revenue.

Mr. Melchin: Thank you, Mr. Speaker. I am pleased to move

second reading of Bill 47, the Tobacco Tax Amendment Act, 2003 (No. 2).

The amendments in this bill reduce the cigar tax rate from 183 percent of the taxable price to 95 percent of the taxable price with a minimum tax of 15 cents and a maximum tax of \$5 per cigar. The cigar rate even with this reduction still represents an increase from the 2002 levels. All tobacco taxes were increased in Budget 2002. While other provinces followed suit with cigarette and loose tobacco tax rate increases, they did not do the same with cigar taxes. This amendment will better align Alberta's cigar tax rate with those in neighbouring provinces and improve the competitiveness of Alberta retailers.

In addition to decreasing the cigar tax rate, we have also addressed some administrative concerns, including the changing of definitions of tobacco products to harmonize with other provinces. Included is a specific trust account for the collection of tobacco taxes as an alternative to surety, licensing of tear tape manufacturers to assist in guarding against counterfeit marking, and provisions to extend liability for tax collected to corporate representatives where they have drained their tax funds from business.

These administratives have all been discussed with the tobacco tax industry, and I urge all members to give their full support to Bill 47. Thank you, Mr. Speaker.

[Two members rose]

The Deputy Speaker: The hon. Member for Edmonton-Riverview was first up.

Mr. MacDonald: A point of order, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar then.

Point of Order

Bills Containing Similar Provisions

Mr. MacDonald: Thank you very much, Mr. Speaker. I'm rising under *Beauchesne* 319 and 321 in regard to *Beauchesne* 653. If you could clarify for me, please, I would be very grateful. I'm speaking in reference to Bill 33, the Insurance Amendment Act, 2003, which has been on the Order Paper for some time under the name of the hon. Member for Drayton Valley-Calmar, and also the bill introduced today, Bill 53, the Insurance Amendment Act, 2003 (No. 2).

I was discussing briefly these legislative initiatives in my remarks on Motion 512, and I thought I would have a look at them, and in light of *Beauchesne* 653, if it could be clarified for me, I would be very grateful as to what is the status of Bill 33 now that we have Bill 53 before the Assembly, because Bill 33 really is amendments to section 626 of the Insurance Act.

The Deputy Speaker: The chair is greatly perplexed by the question that is being asked and the continuous reference to a bill that is not in front of the Assembly. We have in the Assembly at this moment Bill 47, and you're talking about Bill 53.

Mr. MacDonald: Bills 53 and 33, Mr. Speaker. Yes.

The Deputy Speaker: Neither of those bills appears to be under debate at this moment, so perhaps if you wanted to raise a point, you might when those bills are called, but they're not called at this point. The debate is on the motion for second reading of Bill 47, the Tobacco Tax Amendment Act, 2003 (No. 2).

Mr. MacDonald: But, Mr. Speaker, I rose under *Beauchesne* 319, which states, "Any Member is entitled, even bound, to bring to the Speaker's immediate notice any instance of a breach of order." Also 321 would apply to this matter because after I was speaking during the debate on Motion 512, I thought I would have a closer look at bills 33 and 53. At some point in the future if I could have a clarification on this, I would be very grateful.

Beauchesne's 653 indicates that "if the bill has been given or refused a second reading, the other is not proceeded with if it contains substantially the same provisions." Now, Bill 33 contains many of the same provisions, all of the same provisions, as a matter of fact, that are in Bill 53, and that is the amendments to the current Insurance Act in section 626. If we could have a clarification of that, I would be grateful.

The Deputy Speaker: The hon. Deputy Government House Leader on these points of order that the hon. Member for Edmonton-Gold Bar has raised.

Mr. Zwozdesky: Well, on the purported point of order, Mr. Speaker, it's quite clear in 319 that a member is entitled at any time to bring to the Speaker's immediate attention any instance of a breach of order. However, there is no breach of order. We are simply debating Bill 47. If the hon. member does not recall, perhaps he should just be reminded that the government has at its prerogative to call whichever bill it wants in order to move that particular bill along, and right now we're trying to move along with the bill that has just been moved at second. If the member wishes to meet with me outside the Assembly and review that proceeding, I'd be happy to review that proceeding with him and bring him up to speed on it. Thank you.

The Deputy Speaker: Thank you. The two bills that the hon. Member for Edmonton-Gold Bar has referred to, 33 and 53, have not been decided at this stage. Neither of them has received approval at second reading, so I think that if you read more carefully on 653, it does say: where a decision has already been taken. A decision has not been taken on those two bills, which really doesn't relate, then, to what we're talking about now. The premise on which you're raising this question, which is presumably *Beauchesne's* 653, talks about: the second one can't come on if the first one has had a decision taken on it. That may be very well true, but we have not as an Assembly made a decision on either of those bills. So that doesn't trigger. In addition to that, we're actually on Bill 47, so I think that in either case, hon. member, your point of order should await at least one of those two bills that you refer to as receiving second reading before the next one goes.

I did recognize the hon. Member for Edmonton-Riverview, who wishes to debate Bill 47.

Debate Continued

Dr. Taft: Thank you, Mr. Speaker. That was a very interesting discussion we just witnessed.

So Bill 47. The minister has encouraged every member of this Assembly to support it. That's not going to happen. I hate to disappoint him, but I just find that this is a troubling bill.

Last night I found time to go to a movie with my family, and in the previews to the movie – in fact, the very first preview was paid for by this government. The entire screen was simply filled with the face of Barb Tarbox, Barb Tarbox speaking about the impact of tobacco on her life and on her death, and in those 30 or maybe 45 seconds she delivered a very, very powerful message paid for by this government, and I commend this government for doing that.

So when I come to Bill 47, one of the first things I do is ask myself: what would Barb Tarbox do? We've all admired Barb Tarbox. In fact, I did a recognition for her husband and daughter last year just before she died, which I frankly struggled with because I found it so emotional. I think we need to remember that woman's message for all of us and for this government, and the irony that this government has paid for those messages to be broadcast all over and then brings forward a bill like this is amazing. What advice would she give? Well, it's pretty clear. She would tell us to vote this bill down.

9:10

So with that as a sort of context for my comments, I have to tell you that I'm not going to be supporting this bill, and I hope a majority of members are equally strong on this. I suspect the minister himself, from the reports I hear, is a bit uneasy with this bill.

The kind of information that we're gleaning about this bill is that it is, in fact, a result of the efforts of a rather well-connected lobbying effort by a group called the Small Guys Tobacco Group, a classic kind of deceptive name, a name that conceals the fact that big tobacco was behind that lobbying. If it was an accurate name, it would be the big tobacco lobbying group, and big tobacco is exactly who's behind this bill. Big tobacco, operating under this misleading name of the Small Guys Tobacco Group, has hired a former executive assistant to I think, in fact, more than one cabinet minister here and has set that fellow to work. I guess from his point of view he's done his job well, but from the point of view of the people of Alberta, who in the long run are going to pay and pay and pay for this through their failing health and through their tax dollars going into the health care system, this is a shameful effort. Frankly, the lobbyists behind this should hang their heads in shame as well.

This government in the last budget actually took a far-sighted stance on tobacco taxes and raised them I think, as we all know, very significantly and raised them across the board on all tobacco products: cigarettes, loose tobacco, pipe tobacco, cigars. It was all covered there, and the effects were dramatic and they were immediate. As a result, within weeks we saw tobacco consumption in this province begin to decline dramatically, and that is of great benefit to everybody. It's of great benefit to the people who smoke and start to recover their health. It's of great benefit to the families and friends of those people who won't be faced with mourning and grieving their untimely deaths, and it's of great benefit to all Albertans who will be living in a healthier society.

So now we have an exemption brought forward for cigars, and it makes me wonder if this isn't the sort of foot in the door for a full-scale rollback or a much more substantial rollback of the tobacco tax program that was brought in last year. I mean, after all, if we can do it for the cigar industry, well, why not for the cigarette industry? Why not for all tobacco? If we're taking one step, are we going to see those amendment acts brought in next and see the great progress that was made in the last year entirely reversed? I certainly hope not.

This bill will cost the provincial government about \$8 million in lost revenue, \$8 million that we're giving up so that the cigar sellers of Alberta can have an easier time of it in selling their dangerous products to people and perhaps focusing specifically on children. Frankly, I've gone to many a gas station and seen small cigars deliberately marketed to children, and now we'll be able to market those more effectively and appeal to more children by lowering the price. This is, again I say, shameful. Eight million dollars that we're giving up in this could have instead funded, for example, 80 new long-term care beds, could have funded a whole raft – I couldn't count how many MRI procedures but certainly in the hundreds if not in the thousands. It could have offset a whole further anti-smoking

campaign by this government, but oh, no, we'd rather have that \$8 million go to the cigar industry.

Why are we doing that? Well, the minister in introducing this bill mentioned the struggles of the cigar stores close to the Saskatchewan and B.C. boundaries. Well, frankly, my heart doesn't bleed at all for those particular stores.

Mr. Snelgrove: They'll remember that.

Dr. Taft: I don't mind if they remember it. They're welcome to remember that. They'll know where I stand, and I hope you'll stand up and let them know where you stand as well.

But beyond that, I mean, the minister himself is on record here from just six or seven months ago, in fact, and I quote from the *Calgary Herald*. In reference to the small cigar stores near the Saskatchewan and B.C. borders he said, "We were concerned about whether we were really destroying this industry, but they don't seem to have been largely impacted." Again, I suspect that what this is really about is effective lobbying by big tobacco, and that, of course, raises an issue which I won't dwell on but I do need to mention, which is the desperate need in this province for an effective lobbyist registry.

Thirty percent of all cancer deaths in this province can be attributed to tobacco use. Thirty percent. We took a huge step forward in addressing that problem in this Assembly last spring. We're now backtracking, and we should be ashamed of this. Because of the step we took last spring, ultimately over 36,000 Albertans are expected to quit smoking because we made the obstacles to obtaining tobacco higher. We raised the price. We made it tougher for people to buy tobacco, especially for the people who are most likely to get hooked on tobacco, teenagers. So because of the step that this government took last spring, 36,000 Albertans are expected to quit smoking. Again I ask you: why are we backtracking on that?

So, Mr. Speaker, I think my comments are pretty clear. I think everybody here knows where I stand. I hope that the Small Guys Tobacco Group, which is a front for big tobacco, has the guts to contact me and try to lobby me and see what my reaction is. I hope that they have the guts to make public who's paying their bills. I'd love to know how much they paid the former executive assistant to the cabinet minister so that he could arrange the meetings with cabinet. I hope that they have the courage for that. I know where I stand. I have the courage to say: there's no damned way I'm voting for this bill.

Thanks.

The Deputy Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I'd like to speak to Bill 47, the Tobacco Tax Amendment Act, 2003 (No. 2). As I read through this bill, I noticed that the government is proposing by way of this bill to reduce the tax it would collect on users of tobacco albeit in the form of cigars.

I was somewhat spooked. We know that tobacco is a harmful substance. We know that its use can be discouraged through education, through taxation, and through counseling for people who are addicted to it. We know that it has serious health consequences. We know that users of tobacco face severe, almost lifelong health problems, and we know that the health system has to bear the costs of this entirely avoidable set of illnesses or diseases or disabilities that results from chronic smoking of tobacco products including cigars.

9:20

It was I guess driven by that knowledge about the relationship between smoking of tobacco and the illnesses that it produces not only in the users, the smokers of tobacco, but also those who sit next to the smokers – the secondhand smoke produces its own victims – so the government I thought did the right thing when last year it decided to increase tobacco taxes as one means of sending out a clear signal to everybody in this province that it's a product that should not be used and those who will use it will find it a very costly habit for themselves. Because of the social costs of the illnesses and disabilities that it produces, I think it entirely appropriate to use taxation as a means of discouraging, if not punishing, those who hurt themselves when they smoke and hurt others who sit next to them when they smoke.

So when this amendment to Bill 41 returned to the House with proposed rollbacks in the application of those tax hikes, thereby making exemptions in the case of smokers of cigars, I was frankly quite surprised. Eight million dollars in lost revenues is a large sum: \$8 million is \$8 million. We could find lots of uses for that revenue, and in addition we would of course benefit as a province, as communities, as individuals if we maintained the originally legislated rate of tax on cigars because it will certainly help reduce illnesses that are induced or caused by use of tobacco.

That's how people get tongue cancer and throat cancer: from smoking cigars, Mr. Speaker. Everyone who gets unfortunately stricken by this terrible disease because they smoke or smoked then has to end up in the hospital for treatment. Costs go up there. So we are losing \$8 million, if this bill passes, in revenues that are badly needed that you could use in education, health, seniors, the homeless, you name it. And on the other hand, we'll also be losing because the cost of providing health care for those who get these unnecessary, altogether preventable illnesses that result from smoking is another cost. So when you add up the costs both in terms of forgone revenues as proposed in this bill and the increased costs that are related to illness and health and hospital use and use of medical facilities, the costs are quite a bit higher than the \$8 million that are directly lost.

I cannot see the logic behind this other than to argue that a few stores near the borders of this province, east and west, need to be saved before lives in this province can be saved, before health care dollars can be saved, and before revenues that are generated by it can be used to save young lives by giving young children nutrition or early childhood education or providing them with good day care facilities. There are all kinds of good causes, good places where the public revenues that are properly generated both to prevent illness and to protect those who otherwise wouldn't have stopped smoking can be used.

So in light of these arguments, I fail to see any compelling reason why Albertans who have a preference for cigars as distinct from cigarettes should be offered very preferential treatment and an exception to the general logic and its operation which lie behind the increase in tobacco taxes and cigarette taxes and cigar taxes, those increases that were introduced last year. Because of that, Mr. Speaker, I will find it absolutely necessary to oppose this very unreasonable bill, Bill 47.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks, Mr. Speaker. As a fairly recently reformed smoker I'm having to make sure that I don't become one of those nonsmokers who is more antismoking than the nonsmokers ever were. I don't think I'm doing that.

A couple of things come to mind to me around this whole issue on what's being brought forward in this bill. First, my interest that

we're in fact really just passing a bill that's far after the fact because it appears that the tax reduction has already been granted and came into effect on the 1st of August. So here we are on November 24 actually getting around to the legislation on that. Well, it's always interesting being in the Legislative Assembly in Alberta. Here we are to ratify, in fact, what's already come into effect some time before.

It strikes me around this whole issue of trying to discourage people from smoking that politicians at various levels of government are trying to put restrictions in place to encourage people to stop. As a matter of fact, I heard the federal Minister of Health talking on the radio this afternoon. She was questioned about why politicians couldn't just make it all illegal, just make smoking illegal. That would be it. Her response was that in fact there was a lack of political will. I think we're seeing that reflected here.

We've certainly seen that struggle played out in my own city of Edmonton, where we had city council go back and forth on a no-smoking bylaw that ended up banning children rather than banning smoking, because anyplace where smoking was allowed, then children were banned. We seem to have come to grips with that for the most part, and there is a total ban on smoking in public buildings, I think, and in restaurants and bars that is coming into effect, phased in.

But it does seem to be really difficult for politicians to take this strong stand. I appreciate the comments – actually, declarations is probably a better description – of my colleague the Member for Edmonton-Riverview because he felt strongly enough on this to come out swinging and put his statements on the record and challenge anyone that wanted to try and lobby him otherwise to get in touch with him. This is a matter of political will.

So we have a decision that was made. It was supported by government at the time. Then they were subjected to very clever marketing – very clever marketing – because what we had was cigar smokers presented as charming and kind of roguish and the small guys, not connected to big business, not connected to anything sort of large or scary, no. The group is called – let me find them here – the Small Guys Tobacco Group. Very clever marketing to make people think that they were, you know, harmless and just kind of a couple of guys, a bunch of guys, couldn't really scare anybody, not going to amount to much of a lobby group, but boy were they ever effective because against the wishes of the Revenue minister they managed to get this through the government caucus. That's pretty darn good marketing. They were very effective, and they managed to turn themselves into exactly the opposite of what they were. They're not roguish, they're not charming, and they're certainly not representing small guys. They're representing a multibillion dollar industry. Very clever marketing.

9:30

So this is about political will. This is about the legislators that come to this Assembly every day going: "Okay; we look at all the studies. You can look at the insurance actuarial tables. You can look at the cost that we now know it costs the health care system. You can talk to educators. You can look at the legacy that Barb Tarbox left us and say that this is definitely what we should do. We should do everything in our power to discourage people from smoking." In fact, what happens here? A small move is made by the government during the budget in 2002, and a year later they're backing off on it in response to a very clever marketing campaign and saying: well, okay; we're going to let these guys have what they're lobbying for.

A couple of people have already raised the issue of the \$8 million in forgone revenue, and that, of course, is always an interest of mine. I'm wondering if the Revenue minister has been able, as he's certainly had the time, to do the cost analysis, to do a measurement

of whether we got value for our money on that \$8 million. What exactly is it that that \$8 million would have done had he had it, and what's the value of it if he's going to forgo it? What is he expecting out there? What's the performance measurement on this? How much tax are these Small Guys going to generate as small businesspeople that's going to come back into the government coffers? What kind of financial analysis has been done on this that we can now look at?

Perhaps we'd like to come back on this a year from now and review what the Revenue minister has been able to come up with and present his argument and go: "You know what? We looked at this, and we didn't get our money's worth out of that \$8 million of forgone revenue. This wasn't a good decision to make, and we should reverse it and go for a policy with some vigour, with some vigilance, with some commitment." But all we stand for provincially around tobacco use legislation is prevarication and a huge susceptibility to lobbying, and whether that's a Wednesday night host night or whether it's some other lobbying venture that has not been made public, certainly these Small Guys were successful. I just think it's interesting to see how all the wheels go round in this government and who manages to talk them out of things and who manages to be successful. In this case, they sure crumbled fast in front of the Small Guys lobbying group, and they folded very fast in front of that lobbying effort.

So a disappointment. I think others have spoken certainly more forcefully than I, and I'm sure others will continue to. I just wanted to get those observations on the record around the political will. I think that, overall, tobacco use reduction is about removing that band-aid. Are you going to take it off fast, or are you going to take it off slowly, ripping every little hair off your arm with excruciating slowness as you go? It seems that the government is opting for the slower and far more excruciating version of doing this. Personally, I'd recommend that you just take that band-aid and rip that sucker off and get some very strong leadership. How about we get some real leadership from this government on tobacco use and on reduction of tobacco use? There would be something that I could admire in this government if they could take leadership on that one. But, no. We're going to have this very slow, very painful, and for some people deathly slow response to reducing tobacco use in the province.

Thank you very much, Mr. Speaker.

The Deputy Speaker: The hon. minister to conclude debate?

[The voice vote indicated that the motion for second reading carried]

[Several members rose calling for a division. The division bell was rung at 9:36 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Cao	Jonson	Renner
Cardinal	Kryczka	Smith
Coutts	Lord	Snelgrove
Danyluk	Lukaszuk	Stelmach
Ducharme	Maskell	Strang
Friedel	Masyk	Tarchuk
Fritz	McFarland	VanderBurg
Graham	Melchin	Vandermeer
Graydon	Ouellette	Yankowsky
Jacobs	Pham	Zwozdesky

Against the motion:

Blakeman	Pannu	Taft
MacDonald		

Totals:	For – 30	Against – 4
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[Motion carried; Bill 47 read a second time]

head: **Government Bills and Orders**

head: **Committee of the Whole**

[Mr. Tannas in the chair]

The Chair: I'd call the Committee of the Whole to order.

Bill 47

Tobacco Tax Amendment Act, 2003 (No. 2)

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Minister of Revenue.

Mr. Melchin: Mr. Chairman, thank you. It's been a long time since we've had an opportunity to talk about Bill 47, the Tobacco Tax Amendment Act, 2003 (No. 2). I hope all members can remember the topic of the discussion.

I just wanted to clarify. There are some things with respect to cigar tax versus cigarette, loose tobacco, raw leaf, and the like that are quite different in our calculation. It always has been different. Cigars are the only ones that are taxed as a percentage of the price, not as a flat calculation. Cigarettes are amount per cigarette. Regardless of price, the tax component is a specific amount per carton, per cigarette. Same with loose tobacco: it's per gram; it's a weight. The tax is a component of the weight and, therefore, the same with cigarettes. With cigars it's unrelated to weight and content, and it's a percentage of the price.

9:50

What you do find is that when we put up the cigar tax rates, we put them up the same as we did cigarettes, but that ignored – and I would say, by mistake – the formula, that they were different. Cigars have always captured an increase with inflation and so forth, so through the years when there's been no escalation in cigarette taxes, cigar taxes continued to escalate as the price of cigars went up. Right now, by reducing it to just 95 percent – I mean, at 95 percent close to half the cost of a cigar is still a tax component. That's close to what cigarettes are now: \$32 per carton is the tax component in Alberta. As such, that will equate to less than half the cost of a carton of cigarettes. So you find the tax component for the product is now actually a closer and fairer comparison. That's why we considered it regardless of who lobbied or what was said or whatever.

The other component that is good to know is that we do try to keep within a range of taxes of all the other provinces for a lot of issues, smuggling being one of the biggest problems you have, actually, in this industry. You look at the cigar rates: B.C. is at 77 percent, Alberta is now going to be at 95 percent, Saskatchewan is at 95 percent, Manitoba is at 60 percent, Ontario is at 56 percent, and they may increase theirs in the near future. We still are at the highest end for cigar taxes of all the provinces in this country.

We are not backing off. This is in no way backing off the commitment to the substantial increases in taxes on tobacco products. They were designed to help reduce the consumption of tobacco, and they have proven to be just that. We changed the rate to ensure that we had a better, fairer comparison of tax content on

cigars to cigarettes and to ensure that there would be some comparability to the provinces around us to help reduce smuggling problems between borders.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. I didn't get an opportunity at second reading to participate in the debate on the Tobacco Tax Amendment Act, and I welcome the opportunity now to participate. As one sits here and reflects on this significant reduction in taxes on cigars, one could certainly come to the conclusion – and it's odd that a person could come to this conclusion in light of the stubborn, persistent, reluctant acceptance by this government of public insurance similar to what B.C. has. They say that it's socialist. I even heard some of them say that it was communist. Well, this legislation looks to me like this provincial government is pro Castro. That certainly astonishes me after how reluctant they are to accept a public insurance plan. Never mind that we own our own bank here or that we have gas and electricity provided to rural Albertans on a cost recovery basis.

But this bill is not about electricity or natural gas; it's about the price of cigars. Certainly, for some of the generators of electricity in this province, it wouldn't cost them any sleep if they were to pay a lot more for their cigars.

Certainly, this bill amends the existing act to reflect a reduction in the cigar tax rate. This tax reduction already came into effect as of August, this summer. All tobacco taxes were increased in the budget of 2002 and the new rate – the hon. minister is correct – still represents an increase in cigar taxes over the 2002 levels.

Now, this bill amends the existing act. We talk about having an amendment that will more closely align the rate with surrounding provinces, that the new rate in no way represents a backing off on the commitment of this government's high tax strategy to discourage tobacco use. Just the other day we gave significant tax reductions to small and medium-sized businesses and also big businesses. So perhaps those big businesses, if they need a refrigerator with a few cigars in it to entertain after a long day's work, could just take that huge corporate tax break they got and pay for their cigars that way.

Dr. Taft: They couldn't afford the power for the refrigerator.

Mr. MacDonald: That's a good point that the hon. Member for Edmonton-Riverview brings up, that perhaps they couldn't afford a refrigerated case for their expensive cigars because of the cost of electricity. That's a very good point, hon. member.

When we raise tobacco taxes, many things happen, including the hon. Member for Edmonton-Centre, who has become a nonsmoker after . . .

Ms Blakeman: Thirty-two years.

Mr. MacDonald: After 32 years. I know it's a very difficult thing to do, to quit smoking.

High prices reduce consumption, there's no doubt about that, Mr. Chairman. Taxes on cigars in the budget of 2002 certainly were increased from 80 percent to 183 percent of the retailer's cost plus markup and the minimum tax per cigar from \$2.50 to \$8. Due to the fact that higher tobacco taxes increase the incentive potentially to smuggle, I'm under the understanding that the government tightened its legislation and committed an additional \$3 million for enforcement. I didn't know that cigar smuggling was a problem, but I can accept that.

At the time of the original tax increases this government reasoned that studies proved that increased tobacco taxes encourage Albertans, especially young Albertans, to quit smoking or to never take up the habit. The hon. Member for Edmonton-Riverview reminded us of the last months of the late Barb Tarbox's life and her commitment to encourage as many junior high students in this province and, in fact, across the country to never, ever take up tobacco use.

The government's line now is that they are still committed to a high tax strategy to discourage tobacco use but that Alberta needs to align its tax rate with that of surrounding provinces. A person can go to B.C. or Saskatchewan and get a cigar for about half the price in Alberta. On the record the tax cut is intended to boost cigar retailers situated near Alberta's borders and at airports. Off the record, however, everyone, including this member – and that's why I cannot support this legislation – believes that the government's flip-flop is due to a well-organized lobbying effort by a small but vocal lobby group called the Small Guys Tobacco Group.

If we had a lobbyist registry in this province, which, again, the hon. Member for Edmonton-Riverview and the hon. Member for Edmonton-Centre are enthusiastic about, it could be alphabetically listed, and Small Guys, of course, would be about two-thirds of the way down the list. It would be a good idea, and I would encourage all members of this Assembly to support a lobbyist registry in this province.

A lot has happened after this lobby group caught on fire, so to speak. In March the government refused to roll back the tax, so we had a letter-writing campaign from this lobbyist group. Lo and behold, in July the Tory caucus – I hope it wasn't over cognac and cigars somewhere like the Royal Glenora – changed its mind, and the tax reduction has been in effect.

10:00

Ms Blakeman: At the Mayfair.

Mr. MacDonald: Not at the Mayfair. No. Golf costs too much there.

But the Small Guys Tobacco Group was successful, and here we are with this reduction in price.

Mr. Chairman, studies prove that increased tobacco taxes encourage people, especially the young, to quit smoking or, as we said earlier, never start at all. This is straight out of the government's public relations campaigns.

This backtracking of the 2002 tobacco tax increase undermines the government's commitment to a tobacco reduction strategy. There's no good reason for the tobacco tax cut. Firstly, the tax rate as it currently stands has not affected cigar smokers that greatly. Since 2002 cigarette sales have fallen by 24 percent in this province. In comparison, cigar sales have only fallen by a meagre 3.6 percent. Clearly, cigar smokers are not overly burdened by the current tax rate. Secondly, the province is set to lose around \$8 million from this cigar tax reduction. Last year the government raised over \$618 million from tobacco tax revenue. That was almost double what tobacco tax revenue brought in the year before.

While \$8 million may seem like a drop in the tax revenue ocean, it would certainly, as other people have suggested, mean a new MRI machine. We could have used that money to reduce class sizes. We could hire a significant number of nonsmoking teachers for that amount of money. There are a lot of purposes for this money. It could be used also to fund long-term care beds. Maybe we wouldn't have had to put a 42 percent increase on long-term care beds in the middle of the summer. It could fund over 30 hospital beds for an entire year. AADAC, the government agency that does a very good job of fighting drug and alcohol addictions, could use the money to

defray the costs of its over \$10 million antismoking initiative. There are many, many uses for this money.

Another reason – and I’m going to get into this in a little bit more detail; we sort of discussed it earlier, Mr. Chairman. The government states that they must align Alberta’s cigar tax rate with that of our provincial neighbours. This is because they fear the current tax is hurting tobacco retail businesses on the border and in the airports. However, in early March 2003, as I understand it, the hon. Minister of Revenue said that cabinet examined whether the policy was hurting small businesses and found that no one was in grave danger of having to close their shop. In a March 2003 article from a Calgary paper the hon. minister stated: “We were concerned about whether we are really destroying this industry, but they don’t seem to have been largely impacted.”

In summary, at this time in committee, Mr. Chairman, I would urge all hon. members to reconsider their vote at second because this bill sends a very bad signal that the government is not serious about its tobacco reduction strategy. Cigars should not receive special treatment. They are just as harmful to people’s health as cigarettes and loose tobacco. Furthermore, this policy flip-flop is completely unnecessary. I know that there are people in here that are probably anxious to stand up and debate and say: well, George Burns smoked cigars, and he lived a very, very long time. I think I might stand corrected, but he enjoyed a century. All tobacco use reduces our life expectancy. There’s the odd exception, but it’s an odd exception, Mr. Chairman.

The 2002 tobacco tax increases did not cause a significant drop in cigar smoking. Cigar smokers can afford to keep smoking. Also, small tobacco retailers, again, were not significantly harmed. And we have many, many places across this province that could use this \$8 million in lost revenue.

With that, Mr. Chairman, I will conclude my remarks on this bill at this time. I would urge all members to have a second look at this and recognize that this is not in the interests of the majority of Albertans in this province at this time.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Chairman. I’d also like to make a few comments on this bill and ask a question of the minister, if I might, that he may be able to answer. I have heard a lot of debate about smoking over the years, and in fact I’ve done quite a bit of research on it out of curiosity more than anything else. Suffice it to say that I don’t smoke, myself, but I do have to say that I think much of the debate on this issue is overstated at best and especially by our opposition here. Epidemiological studies are much less conclusive and compelling than are generally believed on this subject, and while I don’t exactly use the term junk science, frankly there are similarities between the debate on smoking and the so-called toxic mold debate.

Having said that, I do have a question of the minister. I don’t want to get into this whole issue tonight, but I have a very persistent constituent who is really upset at what happened to the price of pipe tobacco when all of this first occurred last year. Apparently the price of pipe tobacco nearly tripled, according to him, and while pipe tobacco and pipe smoking is not something that may affect a lot of people, a lot of Albertans, those who do smoke a pipe are very loyal and eloquent and persistent in their pursuit of that particular vice. They want to know why cigar smokers are getting a break but not pipe smokers, and I’m wondering if perhaps a future amendment or some other thing might be done to address the concerns of pipe smokers and pipe tobacco.

Thank you.

The Chair: The hon. Minister of Revenue.

Mr. Melchin: Thank you, Mr. Chairman. There are no changes in rates with respect to loose tobacco, pipe tobacco, or otherwise. It is all priced the same, whether it’s loose tobacco, raw leaf, or otherwise, at \$32 per 200 grams. The price of the product is by weight content.

Clearly, some will object. The prices have gone up substantially because of substantial increases in taxes, but that was the specific design of the tax increase.

[The clauses of Bill 47 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Some Hon. Members: Agreed.

The Chair: Opposed?

Some Hon. Members: No.

The Chair: Carried.

10:10

Bill 49

Public Lands Amendment Act, 2003

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Bonnyville-Cold Lake.

Mr. Ducharme: Thank you, Mr. Chairman. Today I’d like to speak to the major amendments that are being proposed under the Public Lands Amendment Act, 2003. As well, later on I will address any issues that were brought up in second reading debate. I just want to take this opportunity to briefly go over some of the major points about this piece of legislation.

Mr. Chairman, the intent of this bill is to strengthen and clarify the government’s role as the land manager of public lands. The changes in this piece of legislation will allow our government to deal swiftly and effectively with instances of noncompliance on public lands and respond to increased demand within the agricultural industry to allow some bison grazing on public land. Going through this piece of legislation, you will see that the first set of amendments deals with unauthorized use of closed roads or trailways on public lands. Section 54.01 deals with some of the offences that will now be clearly stated in the legislation as being unlawful. For instance, it clearly outlines that a person who travels on a closed road, destroys signage, or blocks access to a legitimate licence holder is guilty of an offence.

In order to understand where this is coming from, I must provide some background. There are presently no provisions in the Public Lands Act or its regulations that provide a quick or efficient remedy to prevent persons from traveling or being on a closed road. The only option that we have right now is to use a ministerial order and, if necessary, a subsequent court order. But now that it is clearly outlined as an offence, we can deal with these infractions efficiently and safely.

For instance, in the amendments under Bill 49 the steps for dealing with a blockade of a licence of occupation could be as follows: the amendment makes it clear that a police officer, upon knowing that there is a blockade, has clear authority to step in at the

outset and post a notice requiring removal of the blockade. Also, the police officer has immediate authority to step in and seize property to remove the blockade and to arrest people if there is noncompliance with the posted order. At the end of the day what Bill 49 does is to provide clarity around the issue and provide the police and the courts clear direction.

Also, under section 54.01(4) we have the amendment that deals with the unlawfulness surrounding access fees. It will strictly prohibit requesting or making payment of money or other goods in exchange for access to public lands unless the person requesting or receiving the payment is the holder of the disposition or authorization under the Public Lands Act and is entitled at law to request to receive payment for that purpose.

The hon. Member for Edmonton-Ellerslie indicated in second reading debate that she agreed with the access issues on the bill. In fact, she agreed that being able to manage our public lands and regulating misuse was a long-outstanding issue that needed to be dealt with. I'm glad to see that the hon. member understands the challenge that our government has in managing a hundred million acres of public lands. Unfortunately, there seems to be a level of nonunderstanding on some key aspects of the bill that deal with barricades and our ability to enforce the law. For some reason the member seems to be under the impression that this legislation will in some strange way incite violence, that it will in fact escalate disagreement between some aboriginal groups and contractors in northern Alberta.

To be honest, Mr. Chairman, this type of misrepresentation of the facts is not only misleading to Albertans but also quite irresponsible. The intent of this legislation is to be able to deal respectfully and legally with unlawful activities on our public land. It is not directed at any one group or individual, and to say that it is creating problems with our First Nations groups and contractors is completely inaccurate. We know that we have had conflict situations in the past. This act is intended to reduce conflict. I think that Albertans expect that government should take action on illegal activities in a safe and effective way.

Now, another point that the hon. member makes concerns the whole issue of access fees and barricades, which has gained quite a bit of media attention during the past year. I would like to respond to the member's questions about how the issue is tied into the changes that are being proposed in the Public Lands Amendment Act. These amendments will deal with a number of issues that are occurring on our public lands, which may include unlawfully blocking access or accepting or making payments for access where there is no legal obligation to do so. However, it also will strengthen our ability to deal with a number of long-standing issues that are occurring in our public lands. This piece of legislation does not place new restrictions on access. The department has had long-standing concerns that we needed greater clarity in our Public Lands Act to better deal with a range of issues from wildlife management to industrial access to streambed reclamation.

Now, the other question that the Member for Edmonton-Ellerslie brought up concerned the status of the consultation on resource issues that is being done throughout our province. It is my understanding that a government facilitator has met with First Nations contractors, industry, and municipal leaders to gather information and input. The facilitator has finished his report and has forwarded his recommendations to government. Amending the Public Lands Act is just one of his recommendations. The report is now going through the government approval process.

So again, Mr. Chairman, I want to repeat that this legislation is about better enforcement for unlawful activities on public land regardless of who commits these acts. I hope this clarifies what the

real intent of this legislation is and puts to rest some of the outlandish accusations that were brought forward earlier in debate.

Mr. Chairman, I would also like to take this opportunity to respond to some of the comments raised last week by the hon. Member for Edmonton-Gold Bar. For some reason this member seems to think that this bill will give some type of excessive force to a peace officer to deal with an unlawful activity on public land. This is completely inaccurate. You just need to read the legislation once to have it made clear. Then you would see that it only makes reference to a police officer. We are not giving excessive rights to deal with access issues randomly to people on the street. We are clearly outlining the roles for our police officers to follow the law. In fact, the legislation specifically limits police officers to having the authority to seize property or arrest people. This is so they can apply the existing provisions under the Criminal Code to deal with illegal activities.

Also, it is clearly stated that the minister has the authority to administer the Public Lands Act. It can't be delegated to ordinary citizens. It can only be delegated to employees of the government, only under ministerial order.

The other point that the hon. Member for Edmonton-Gold Bar brings up concerns consultation: how have we consulted on this piece of legislation? Well, Mr. Chairman, as can be realistically understood, government doesn't go out and consult on how we deal with a very small percentage of the population who are breaking the law. I'm pretty certain that law-abiding, tax-paying Albertans would just as soon we deal with these occurrences. That's certainly what we're doing with this piece of legislation. When it comes to consulting specifically on the access blockade issue that came up in northern Alberta, I believe I've explained to the Assembly just where we're at from a government perspective on consulting in that area. We are consulting. We're out there meeting face-to-face with the contractors, First Nations, and aboriginal groups, and we are working towards a solution.

Now, of course, the other amendments that are in this bill will accommodate bison grazing on public land. Since there were no questions raised in debate about these amendments and members seemed to be in agreement about them, I will just go over briefly what they will accomplish. The bison industry has been one of the fastest growing agricultural industries in Alberta. In fact, estimates indicate that approximately \$15 million was generated from the sale of bison meat last year. These new amendments will allow for some bison grazing on public lands' agricultural dispositions under certain conditions.

It's important to note that we have worked very closely with the Department of Agriculture, Food and Rural Development on these amendments. This change is being proposed after serious review. Since much has been said in debate on the need for consultation, I can tell you that much consultation has been done on these amendments. A multistakeholder committee was consulted which had representatives from the Alberta Bison Association, Alberta Beef Producers, Federation of Alberta Naturalists, Alberta Association of Municipal Districts and Counties, Alberta Chapter of the Wildlife Society, Peace Country Bison Association, Alberta Grazing Leaseholders Association, and the Alberta Fish and Game Association.

The committee was very concerned about disease transmission from wild to farmed bison. Sustainable Resource Development has worked with the Department of Agriculture, Food and Rural Development to develop disease-free testing, tracking, and marketing requirements for bison grazing on public land. These requirements and the establishment of a high-risk area, which is in the northern area of the province, will greatly reduce the risk of certain diseases spreading from wild bison herds to farmed bison. The new opportu-

nities for bison grazing on public land will not be in the high-risk area. Now, this is only the first step in allowing bison to graze on certain lands. Changes to the dispositions and fees regulation will also be required.

I would like to thank you, Mr. Chairman, for allowing me to explain to the Assembly and all the members here today what the true intention is with these amendments. I believe that this is good legislation for Albertans, and it will help us effectively manage our public lands now and in the future.

Once again, thank you, Mr. Chairman.

10:20

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Chairman, for the opportunity to speak in committee to Bill 49, the Public Lands Amendment Act, 2003. Well, the government seems to have been stung by some words that must have happened in the earlier reading of this bill and some of the action in the media over the weekend around the issues that have arisen. Always interesting when that engenders discussion in the Assembly.

The member defending the bill felt that it was very clear in the legislation which people could be authorized, but in fact there's not much expansion on that in the actual bill, and since we are in Committee of the Whole, I will take the opportunity to spell it out.

Section 54.04 reads:

Where section 54.01(7) or an order under section 54.03 authorizes a police officer to remove or seize and remove property, the police officer may cause the property to be removed or seized and removed by another person under the police officer's direction and control.

So that's not very specific. That is not giving us the clarity that the member seems to feel is written into the legislation.

This says, "another person." It doesn't say another deputized person. It doesn't say another person that is in the employ of the provincial government. It doesn't say another person that's already a wildlife officer or another officer as designated by such and such legislation. It says, "another person." So that does seem to indicate that an officer could go and find someone they know or didn't know that was available to them and just say: you are under my direction and control, and I ask you to go and remove this barrier.

So if the member sponsoring this seems to feel so strongly that this is all spelled out, where is he reading the additional wording that clarifies this that is not available to me in the reading of this bill? It just says, "another person." It doesn't expand upon it in the way that the member seemed to be saying in his remarks. Since we're in committee, he has an opportunity to respond back to me.

Are there regulations that are coming that are going to spell this out some way or clarify it more? Great. Let's get it on the record now. Part of the issue is that as much as we'd like to think that everyone hangs on every word spoken in here, that doesn't happen, and once legislation is passed, people go back and read the legislation and where they can find it they read the regulations. So if they're trying to figure out what was intended by the Legislative Assembly when the legislation was written, that's often all that's available to them. As we get *Hansard* in electronic form, that problem may in fact be addressed, but right now people will tend to go back to the legislation, and there's nothing drawn out or clarified here that this is somehow an employee or a designated person, an already appointed wildlife officer, or holding some sort of provincial office or designation that's clear that they're under the control of the provincial government in some way.

The other issue that I wanted to raise is the member's apparent shock and surprise that the opposition would be questioning a consultation process, but, you know, the government has these

closed-door standing policy committees. They have these quiet stakeholder meetings that don't seem to be publicized very much. So it's not easily apparent to us in the opposition who, in fact, the government has chosen to meet with, usually behind closed doors. We don't know who they've met with. Then they stand up and huff and puff: oh, my goodness, we met with everybody, and we've consulted with everybody. Really? Well, how many of these were publicly documented? Were posted where? In how many places? Over what period of time had you this tremendous consultation with all of these people? Not that I am doubting the member's word that, in fact, there was consultation that took place, but please, you know, don't be so surprised that we're questioning this when so much of what the government does is behind closed doors. If it becomes habitual for members of the government, then they don't understand how the rest of the people would consider a public consultation to be run.

I did go over the initial comments that were raised by the Official Opposition critic on this. She was obviously fine with most parts of the bill, certainly with the section around the road closures and people using the roads and what can be done around that. She went over the grazing of the bison on the public lands, very clearly didn't have a problem with that. Where she had this problem seems to be with something that she didn't feel that she was particularly briefed on, and that's why she's raised the point. That's her job: to question all of that.

Now, I know that the member indicated that he would respond back to me, and I will take my seat and allow him the opportunity to do that. Thank you.

The Chair: The hon. Member for Bonnyville-Cold Lake.

Mr. Ducharme: Thank you, Mr. Chairman. It certainly gives me great pleasure in terms of clarifying and giving answers in regard to the questions that came forward from the Member for Edmonton-Centre.

In regard to 54.04, where the officer has the authority in terms of gathering assistance from another ordinary citizen is in the instance – for example, it's fine if you've got a barricade that's basically a wooden barricade. An officer would be able to pick up the barricade and physically move it. But when you have, for instance, a D9 Caterpillar or a construction shack that has been used to blockade access to the road, certainly, you know, our RCMP are strong individuals but would not be able to go and physically manhandle a big piece of equipment or a construction shack. So in that case the officer has the authority in terms of being able to pass on, hire a winch truck operator with a trailer in terms of being to load these huge obstructions and have them removed from the blockade area.

In regard to the consultation, I believe that there was lots of media attention concerning this over the past year, into last fall and last winter, where a government facilitator was meeting with the First Nations contractors, industry, and municipal leaders in terms of coming up with some type of resolution in regard to the blockades that were taking place. So I believe that the government did their due diligence in terms of working together, and as I have mentioned in my opening remarks in second reading and again in committee, one of the recommendations that came forward from the facilitator was to make amendments to the Public Lands Act. That's what we're here debating today.

Thank you.

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much. I appreciate the Member for

Bonnyville-Cold Lake being willing to engage in a debate, in the question and answer here.

I appreciate his clarification around section 54.04. Given what he's explained, then, about being able to direct, for example, an operator of heavy equipment to remove a piece of equipment that was there being used as a barricade or perhaps to operate the equipment to remove another kind of barricade, fine. Is there an anticipation by the government, then, as protection for the officer, to be able to prove that he didn't get himself into the situation that is being anticipated?

Let me take a step back and clarify that. Has the government anticipated that the officer may need to be proving that exactly what they did was direct someone to operate a piece of machinery to remove this barrier, some kind of written instruction that they are to keep a record of, or do they just use their normal note-taking procedure, which they all do? Is anything else being anticipated there? You can tell how quick people were to react to this concept or possibility that an officer is saying – well, it's the example I used last week: will no one rid me of this man? And other people, thinking that they are in fact obeying the wishes if not the explicit instructions, rush off and do what they think is the bidding.

In fact, it wasn't the bidding, and it was not an explicit instruction. Nonetheless, the damage gets done by people who are wholeheartedly believing they are doing the right thing. What has the government anticipated to protect the officer and to protect everybody else in these circumstances? We know that this can be a hot-button issue here. What's been done to make sure that the officer is protected and there's protection to make sure that the situation doesn't get out of control?

10:30

The Chair: The hon. Member for Bonnyville-Cold Lake.

Mr. Ducharme: Thank you, Mr. Chairman. First of all, before any problem escalates to that type of level where ordinary citizens have to be involved, we certainly hope that discussions will take place between those that are setting up the barricade, whether it be the contractors, before it has to escalate in terms of having to bring the police in. In fact, if we do have to bring the police in in terms of them doing their job according to the legislation, all their actions will be duly recorded in their police report.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. I also appreciate the Member for Bonnyville-Cold Lake's responses here, the fine gentleman across the way.

The first time I read this bill, I was struck with questions around why some of these issues aren't already covered under other legislation, and those questions still remain for me. For example, under section 54.01(2), "No person shall (a) travel on or enter on a closed road, (b) damage, destroy, remove or alter any posted notice or sign denoting a closed road" and so on and on, and there are other places where it prohibits setting up barriers and barricades on roads, that kind of thing. I would've thought that this was already covered under legislation, and I assume that it's already against the law for me to go out and put up a barricade on a highway or it's already against the law for me to take down a sign that says "road closed" and that kind of thing. So my question is essentially this: can the member assure me that there's been careful co-ordination in the drafting of this legislation with other pieces of legislation so that we're not duplicating ourselves here or perhaps creating conflicts among bills?

My second question is: has the preparation of this bill had any relation to the work of the committee that was struck last spring? I can't recall the name of the committee, but I think of it as the \$6 million committee because that's how much money it was given in the budget. I think it's jointly under the Minister of Aboriginal Affairs and Northern Development and the Minister of Sustainable Resource Development; anyway, the committee that came out of this crisis. Has it had any input into the drafting of Bill 49?

Those are my two sets of questions. Thank you

The Chair: The hon. Member for Bonnyville-Cold Lake.

Mr. Ducharme: Thank you, Mr. Chairman. Again I'd like to emphasize, as I did in my earlier remarks, that the law is very clear. We're not making any changes to the law as to what an offence is. What the problem was with the present legislation was that it was not very clear as to what actions could be taken, if anything, on these occurrences of someone getting access where they shouldn't be on public lands or denying access. So, basically, the changes that are coming forward now are just to, certainly, highlight it, identify it, and make it clear as to what the repercussions are and what actions can be taken in terms of going after those that do not obey the law.

In regard to your second question, yes, the committee did have input in regard to the legislative changes that are coming forward, along with the government facilitator, who met with the different groups.

[The clauses of Bill 49 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Chairman. I would move that the committee now rise and report bills 47 and 49.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Yes. Thank you, Mr. Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports the following: Bill 47 and Bill 49.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I would move that the Assembly stand adjourned until 1:30 tomorrow afternoon.

[Motion carried; at 10:36 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, November 25, 2003**

1:30 p.m.

Date: 03/11/25

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. Though we as legislators of this great province and its people are taken from among the people and selected by You to be architects of our history, give us wisdom and understanding to do Your will in all that we do. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of the Assembly 23 grade 6 students and their teacher, Margo Cahn, along with parents Jayne Hope and Nadine Kern from Earl Buxton elementary school in my constituency of Edmonton-Whitemud. They're here today on a short visit to observe and learn about government. They're seated in the members' gallery. I'd ask that they please rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Minister of Government Services.

Mr. Coutts: Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you and through you to members of the Assembly a very dedicated group of employees of Alberta Government Services. This is the business and financial planning team within our department, and they're here today in the Legislature to take a look at some of the activities and to tour the Legislature Building, which I think is a really good opportunity for our public service. I'm going to ask them to stand as I repeat their names. We have Laura Cameron, Scott Beeby, Ken White, Robin Anderson, Myrna Weingardt, and Helena Lee. I would ask the Assembly to please give them the traditional warm welcome.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. I, too, have some of my department staff here. These are the people from zone 5. So for those of you who are in Calgary, Strathmore, Rocky View, all of these, these are the people that look after the school boards and school districts in those areas. I would ask them to rise as their names are read: Merla Bolender, Millicent Bain, John Blevins, Elinor Burwash, Bryna Clarke, Dorothy Haines, James Hamilton, Aimee Kovacs, Cheryl Lewis, Sylvia Mutch, Nahid Mulji, Wendy Narang, Mike Reikie, Bruce Stonell, Ronald St. Jean, Robert St. Onge, Sylvia Veillette, Pamela Wolfe, and Kathryn Young. These people do yeoman's service to the Department of Learning in zone 5. I'd ask them all to rise and receive the warm welcome of the Legislative Assembly.

The Speaker: The hon. Member for Grande Prairie-Wapiti.

Mr. Graydon: Thank you, Mr. Speaker. I don't have the pleasure of too many visitors, but certainly today I'm delighted to have a hardworking Alberta family from Wembley visiting me. Dick and Joanne Barendregt are very, very good at home schooling their

children, and part of the studies that they undertake is to come in and see how we operate here in the Legislative Assembly, so they're making that visit today. With Dick and Joanne are five of their children. They also have two children who are overseas in Japan at the moment and another son that's at home, I believe. I would ask Dick and Joanne Barendregt and their children Morgan, Caleb, Jessica, Josiah, and Jeremy to rise and receive the welcome of this Assembly, please.

The Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Speaker. On behalf of the hon. Member for Edmonton-McClung I am pleased to introduce to you and through you 50 super grade 6 students from Ormsby elementary school. Accompanying the students are their teachers, Mr. Thomas Lock and Mrs. Alana Eaton; their teacher assistant, Mrs. Branco; and parent Mrs. Olsen. By the way, the students will be decorating Christmas trees in the Legislature pedway. Our guests are seated in the members' gallery, and I'd ask them all to rise and receive the traditional warm welcome of the Legislature, please.

The Speaker: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you, Mr. Speaker. It's my honour today to introduce to you and through you to members of this Assembly 12 students from St. Albert high school. They are residents in the constituency of Spruce Grove-Sturgeon-St. Albert and the constituency of St. Albert. They are members of Mille Tamie Froment's class. They are grade 10 études sociales students, and I'd ask them to please rise – they are in the gallery – and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'm just delighted today to introduce to you and through you to all members of the Assembly 11 students accompanied by their teacher. These are students from the Alberta College campus, Grant MacEwan College, in the English for academic purposes class, and Edeana Malcolm is their instructor. They are seated in the public gallery, and I'd ask them to please rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. It's always a pleasure to introduce one of Alberta's emerging artistic talents. Today I'm introducing Geoff Moore, who is seated in the public gallery. Geoff is a Calgarian whose first novel, *Murder Incorporated*, has just been released by Falcon Press, which is a Calgary publisher. This is a story with an authentic Canadian voice telling about a week in the life of a Calgary advertising man. Although it's a dark rumination on life, death, nostalgia, and the advertising world, it's a story that makes the reader laugh out loud. Geoff will be at Audreys tonight at 7:30 for a book launch. He's accompanied by Ann Murray and Deb Bennett. I'd ask them to rise and receive the warm welcome of the House.

The Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Speaker. It's my pleasure to rise today and introduce to you and through you to members of the Assembly 35 visitors; however, they're not here just yet. They will be arriving

at 2 o'clock. There are 31 students and four adults from Thorhild school, and it's certainly my pleasure to be able to recognize them as being here this afternoon visiting our Assembly.

Thank you, Mr. Speaker.

head:

Oral Question Period

Budget Surplus

Dr. Nicol: Mr. Speaker, yet again the Alberta government is set to announce a bigger surplus in the budget all the while shortchanging Albertans by sacrificing spending on education and infrastructure. Even after emergency spending on agriculture, forest fires, and natural gas rebates, the surplus reportedly could top \$2 billion. Current legislation requires that all surpluses go to debt payment. My questions are to the Minister of Finance. Will you recognize that infrastructure deficit is part of the debt and use some of the surplus to catch up on the backlog of required construction for our schools, hospitals, and roads?

Mrs. Nelson: Mr. Speaker, the second-quarter report will be released in the fullness of time.

Dr. Nicol: Again to the minister: will you make sure that Alberta's students share in the needed surplus and commit to funding the infrastructure needed to meet the Learning Commission's recommendations for classroom size?

Mrs. Nelson: Mr. Speaker, in the budget that we filed in April and that has gone through a first-quarter update, we've clearly made a commitment to capital by putting in place a capital plan that says that dollars that are allocated to that capital plan have to stay in the capital account, can't go back out into operating funds. We've made that commitment; in fact, we've legislated it. So our commitment to infrastructure is clearly there. In fact, we had \$5.5 billion of capital put aside in the budget process already for the next three years, so I hope that when the hon. Leader of the Opposition talks about a commitment, he realizes that we're the only government in Canada that does this.

Dr. Nicol: Mr. Speaker, to the minister again. We're asking: will you make an additional commitment given the pending surpluses of this province to spend some of that surplus on catching up further on some of the capital deficit that we've created in the last 10 years?

1:40

Mrs. Nelson: Well, Mr. Speaker, again, the second-quarter report has not been filed or released as yet, but what I can tell the hon. Leader of the Opposition is that our government is committed to capital projects. In fact, yesterday I attended a P3 conference in Toronto, representing Alberta, encouraging investors to come to Alberta and to work with us as part of the capital plan for alternative financing, and they were very pleased that we were there. We had officials from the Department of Infrastructure and the Department of Transportation in attendance at the conference, and the reception was most favourable for the province of Alberta.

Electricity Exports

Dr. Nicol: Mr. Speaker, last week the Minister of Energy attended an energy conference in Oregon. Plans were discussed at the conference to export Alberta electricity to the Pacific Northwest. This would require \$1.5 billion in new transmission lines, an increased export capacity of electricity from 600 to 2,000 megawatts.

This year when Alberta needed new transmission lines, this government saw to it that consumers picked up the tab with \$2 billion in additional charges on their bills. My questions are to the Minister of Energy. How can Albertans be sure they won't get stuck with the costs of transmission for exporting this power to the U.S.? [interjections]

Mr. Smith: Well, it is a good question, Mr. Speaker. It's good to see the Leader of the Opposition back from missing last Thursday. I was here.

The Speaker: Please. We're not doing that. We're above all that.

Mr. Smith: No, we're not.

The Speaker: Don't argue with me, Minister. We are above that. Civility and courtesy will always prevail in this Assembly.

Hon. minister, do you want to supplement your answer?

Mr. Smith: No. Thank you.

Dr. Nicol: That's one way to get around answering.

Again to the minister: why is Alberta planning to boost its electricity exports when deregulation at home hasn't provided us with stable and low prices?

Mr. Smith: Well, Mr. Speaker, the export policies are very clear, very open. They're open for all Albertans. They've been in place for over 18 months, and the price of electricity today is very clear as to what will be starting the 1st of January. We're over the worst of it in the Aquila/EPCOR network. We've seen consistent pricing in the ATCO network, and I think that we can safely say that nobody's blacked out. We've had a province where we've had unprecedented prosperity. We've been able to deliver the electricity necessary to provide the fuel for that economic growth.

Dr. Nicol: Mr. Speaker, back to my first question. Will the minister guarantee that Albertans will not pay for the transmission costs of that power that's going to be exported to the United States?

Mr. Smith: Again, Mr. Speaker, all he has to do is refer to the export policy principles that are now at least 18 months old, and he will see very clearly in there that anybody who exports power shall pay. The people who benefit shall pay for those transmission costs. It's very clear, it's very open, and I'm surprised that it merits a question in this House today.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Natural Gas Marketing

Mr. MacDonald: Thank you very much, Mr. Speaker. Everyone in this Assembly certainly knows that cars cost less in Wetaskiwin, but electricity costs are as high there as they are anywhere in the province. My first question is to the Minister of Energy. Given that a legal document commissioned by several consumer groups, including rural utilities in Alberta, calculates that Direct Energy, if the sale through the EUB goes ahead, will hold an 89 percent share of the natural gas retail market, why is this government promising Albertans more competition in the marketplace when Direct Energy will hold such a huge monopoly on the natural gas in the marketplace?

Mr. Smith: Well, Mr. Speaker, everybody knows that yesterday at the chamber of commerce meeting I had two or three people comment to me that we had four to five times the number of people attend than showed up for the Liberal Unplugged open house. So it was great to be able to talk through and past the opposition and deliver real facts to the people of Wetaskiwin.

In that 45-minute discussion on deregulation, on utilities, on natural gas prices, there were five questions, Mr. Speaker, from the floor, and they were dealt with. It's very clear that the current sitting Member for Wetaskiwin-Camrose has done an excellent job of putting forward the government's position in that jurisdiction.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the same minister: given that the sale of Direct Energy is reported to cost consumers an additional \$7 per month on their bill, how will Direct Energy's huge monopoly encourage the company to offer competitive prices?

The Speaker: A lot of speculation there, hon. member.

Mr. Smith: Given that there's a lot of speculation there, Mr. Speaker, I think we will just allow the speculation to continue until the EUB has ruled on that.

Mr. MacDonald: To the same minister, Mr. Speaker: given that two out of three major gas utility companies will be charging under \$5.50 per gigajoule for gas in December, how will the government explain to customers of ATCO south that they will not be receiving a rebate even though they will possibly be paying \$6.22 per gigajoule for gas in December, well above the famous trigger price of \$5.50 per gigajoule?

Mr. Smith: Given, Mr. Speaker, that the final decision has not been ruled on and put forth by the EUB, at that time the government will come forward and comment on the decision of the EUB.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Banff-Cochrane.

Assistance to Cattle Industry

Mr. Mason: Thank you very much, Mr. Speaker. In the past six months a staggering \$400 million of federal and \$300 million of provincial money has been poured into compensation programs for finished cattle since the discovery of a single BSE case last spring. Thousands of small-scale cow/calf operators have yet to get a dime, and they're wondering who did. My question is to the minister of agriculture. Given that a handful of large feedlots apparently got the lion's share of the massive BSE program for finished cattle, when can Albertans expect to receive a full accounting of who got how much?

Mrs. McClellan: Mr. Speaker, to say that a handful of large feedlots got the majority of compensation might be somewhat accurate if those feedlots handled the majority of the cattle, because the compensation that was provided was on a per head basis, whether you were a small feedlot holder or a large one.

I explained yesterday to the hon. member that this industry operates in a chain and that it was important to start at the top of the chain, which was the full feedlot that had an animal to move in order to provide a place for this fall calf crop. Now, if in the last four

weeks the hon. member had wanted to go over to Edmonton Stock Yards, not a long trip, and sit in that market, he would have seen calf prices that equaled or exceeded last year's prices, in a year when we have had BSE. That's where our cow/calf operators really got the full effect.

The second thing is the announcement that we made yesterday that will assist those cow/calf operators in making a choice of how to handle the animals that are extra to their breeding herds, whether they offer them for market, which will not give them the same return as they had last year but a better return, or they choose to keep them for another year.

So, Mr. Speaker, to say that thousands of cow/calf producers have not benefited is wrong. The chairman of the Alberta Beef Producers sat at my side yesterday in the news conference and certainly didn't suggest in any way that the programs that this government has supported were wrong.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, given that the Deputy Premier and Minister of Agriculture, Food and Rural Development has failed to answer the basic question, will she, then, commit to authorizing a special investigation by the Auditor General to ensure that the program was put to good use – \$300 million of provincial taxpayers' money – and that no one got money they weren't entitled to?

Mrs. McClellan: Mr. Speaker, we have indicated clearly all along that there would be audits of this program, and in fact there have been field audits to date to ensure that the funds are passing appropriately. Also, the Auditor General will be auditing overall the whole program that we have.

Mr. Speaker, to call for a special investigation makes the suggestion that something has been done that was wrong. If that hon. member has any evidence to support that, he has a responsibility to bring that forward. If he does not, he should apologize for casting those aspersions.

1:50

Mr. Mason: Mr. Speaker, in the absence of a full, independent investigation by the Auditor General, how can Albertans be sure that moneys expended went to cattle producers and did not leak out to cattle brokers, speculators, and appear on the bottom line of packing plants?

Mrs. McClellan: Mr. Speaker, there is no question that the dollars that have been expended in these programs went to the owner of the animal. It is the only way it could be paid.

Were there benefits to other parts of the industry? Well, I sincerely hope so because this program was intended to assist people who are in the cattle dealing industry, who are in the auction market industry, who are in the trucking industry, who do sell hardware at the hardware store, who operate the corner cafés. This was intended to flow the dollars, at least a portion of them, back into that overall system, that employs thousands and thousands and thousands of Albertans every day, many of them, I'm sure, in the member's constituency. If he realizes that 167 companies in the greater Edmonton region process agriculture, food, and beverage products and a large majority of those are meat products, he would understand the importance of this industry and the support to it.

Evan-Thomas Provincial Recreation Area

Mrs. Tarchuk: Mr. Speaker, with over 2 million visitors a year Kananaskis Country is a major contributor to the beauty and the

prosperity of our province. This year the crown jewel of Alberta's parks and protected areas celebrated its 25th anniversary. Many constituents and Albertans are very interested in the future management plans for this natural asset and, in particular, the Evan-Thomas provincial recreation area. Could the Minister of Community Development please tell us what is happening with the planning process for the Evan-Thomas area?

The Speaker: The hon. minister.

Mr. Zwozdesky: Thank you, Mr. Speaker. Indeed, a very solid and timely question. The short answer is that there's a lot that is happening with the Evan-Thomas management plan, and a lot has been happening over the three years since the local advisory committee there undertook this project. Given, however, that we've had somewhere in the neighbourhood of 2,000 responses to the draft management plan from the public and probably another couple of thousand more from outside the country, it has taken a little longer than expected to work this entire process through.

In the end, Mr. Speaker, what will happen is that we will strive to attain the goal in the management plan of ensuring that the area remains protected and appreciated with appropriate recreation and tourism opportunities considered as well as the local needs and desires of the community living there, what they want done, and also putting into place some formal public consultation or future review process should that become necessary.

So in short order I anticipate being able to bring forward a final management plan for the important area of Evan-Thomas and K Country, and that will come up through the government process as soon as it's ready.

The Speaker: The hon. member.

Mrs. Tarchuk: Thank you, Mr. Speaker. To the same minister: what assurances can the minister give us that the final Evan-Thomas management plan will respond to both environmental concerns as well as the request from potential business and tourism operators?

Mr. Zwozdesky: Well, Mr. Speaker, I can give her and all members of the House and all Albertans for that matter every assurance that we will abide by the policies that were laid down in the Kananaskis Country recreation policy of the late 1990s wherein it was clearly depicted that things such as proposals for potentially large-scale developments would be directed outside not only the Evan-Thomas area but, indeed, outside Kananaskis Country itself.

I think it also has to be remembered that prior to the special places program, we had about 15 percent of K Country designated for one form of protection or another, and today I'm happy to tell everyone that we have over 60 percent of K Country designated. Our intention is to ensure that that fine balance between natural and environmental concerns in tandem with business, tourism, and recreational concerns remains focused and balanced.

To that end, Mr. Speaker, I have met with environmental groups, I've met with business communities and with the local Kananaskis Improvement District Council to hear their views, and I will ensure that those views are reflected when the final plan comes forward shortly.

The Speaker: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Clover Bar-Fort Saskatchewan.

Chinchaga Wildland Park

Ms Carlson: Thank you, Mr. Speaker. A report released by

Greenpeace and ForestEthics entitled Chinchaga Wilderness documents the ecological values of the Chinchaga region and demonstrates that it is an endangered forest area requiring immediate protection. With less than 2 percent of the boreal eastern foothills ecoregion currently protected, the Chinchaga is a conservation priority. The existing protected area is simply too small to be ecologically viable. To the Minister of Community Development: given that the minister has just in his last answer acknowledged the changes needed in the Evan-Thomas area, will he also recognize the ecological importance of this area and protect the endangered region?

Mr. Zwozdesky: Well, Mr. Speaker, the Chinchaga area does have a fair amount of land already designated. It came forward through the special places program, and it has wildland provincial park status, which is reasonably high in terms of protection.

I do acknowledge and recognize that that particular area in the northwest quadrant of our province is a very special and unique area, and that's why it was given some protected status. I'm not aware of anything else that will violate that status, but at this point the special places program has been concluded. That doesn't mean that people aren't continually asking me to look at protecting more areas, but that is not happening at this time.

Ms Carlson: Mr. Speaker, given that only 2 percent of that area is currently protected, will the minister implement a science-based land use plan that identifies an appropriate protected area as well as a surrounding special management zone, as recommended by the Chinchaga report?

Mr. Zwozdesky: Well, Mr. Speaker, that particular management plan is one of more than a dozen plans we have under way right now. Considering the area of Chinchaga very seriously, it's before a public advisory review committee as we speak, and since it also integrates somewhat with the Sustainable Resource Development ministry, I would ask if the Minister of SRD wishes to supplement.

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. I promise that I didn't give the member opposite the question, but I'd like to definitely answer, because I just did a press release today that ties into that specific area to announce a forest management unit, P8, just northwest of the Chinchaga area. It's about 350,000 hectares. We will not be allocating any forestry in that area, although the area continues to have some multi-use in the oil and gas industry, which we will be co-ordinating. In fact, we are going to be setting up a committee as of January 1 of this coming year, and the committee will involve the public in relation to how we develop the resources in that area in a balanced way.

The Speaker: The hon. member.

Ms Carlson: Thank you, Mr. Speaker. Will the Minister of Community Development follow the lead of the Minister of Sustainable Resource Development and insist that a moratorium on new industrial development is put in place in this area and then commit to protecting the area's boundaries and having a full discussion on that, as the Chinchaga report recommends?

Mr. Zwozdesky: Well, Mr. Speaker, in fact, under the classification of wildland provincial park no new oil and gas activities are permitted to occur. So I hope that alleviates any concerns in that respect.

The final thing is that we'll wait for the local advisory management committee's final comment to come forward before we take any further steps.

The Speaker: The hon. minister.

Mr. Smith: Thank you very much, Mr. Speaker. I would only supplement the answer insofar as the opposition continually asks for reinvestment in learning, continually asks for reinvestment in infrastructure, continually asks for reinvestment in many areas. I would just want to remind them that oil and gas revenues in the last three years have equaled the last seven years combined, and it is the great good fortune of this province that those oil and gas revenues, through environmentally responsible drilling, have been allowed to deliver the revenues that we've been able to reinvest in Alberta.

The Speaker: The hon. Member for Clover Bar-Fort Saskatchewan, followed by the hon. Member for Edmonton-Riverview.

Gas Well Drilling in Hastings Lake Area

Mr. Lougheed: Thank you, Mr. Speaker. The Alberta Energy and Utilities Board has issued licences for two gas wells to be drilled in the Hastings Lake area of Strathcona county. With that approval the EUB has dismissed 87 objections filed by residents of the Hastings Lake area. Could the minister responsible for the EUB, the Minister of Energy, explain why the objections were dismissed by the EUB?

2:00

The Speaker: The hon. minister.

Mr. Smith: Well, thank you, Mr. Speaker. Thank you for the question. The EUB has worked responsibly throughout its history in conservation of the resource as well as in ensuring the safety of all Albertans, so it has in its purview a wide-open mandate to examine every submission and every reason. I can tell you through discussions in my portfolio, which is responsible for the EUB, that the EUB has reported to me that they cannot find any scientific reason why they would preclude or prohibit the orderly development of these two gas wells, which are in a pool, as I understand, that would be producing for a very short period of time in geological history. In fact, they would be drilled in a very short period of time, produced in a very short period of time, and then abandoned and reclaimed in such a way as not to disturb the residents and, again, to ensure that there's good environmental stewardship around the process and around the orderly drilling and development of these important resources for all Albertans.

Mr. Lougheed: Mr. Speaker, to the same minister: what has the EUB done to ensure the protection of water wells and to address the concerns of residents over flaring and also their concerns about the possibility of sour gas emissions?

Mr. Smith: Well, Mr. Speaker, I'm pleased to answer those three questions. On the one with respect to the drilling of water, there are clear and definable EUB standards as to casing, putting a cement bond between the drill hole and the outside formation, so that there is absolutely no chance, zero chance, of invasion into the aquifer.

Secondly, with respect to flaring, in fact the Alberta Energy and Utilities Board has been considered a world leader in the reduction of flaring. In many circumstances, Mr. Speaker, we have been asked to respond to the World Bank, to international situations reducing flaring, because we in fact reduced flaring by over 54 percent in a

very short period of time. That is, in fact, thank you to a joint group, including Martha's and Henry's comments from throughout Alberta, so there's been good environmental stewardship in that area. The other thing is that the company, in its environmentally responsible manner, has agreed to closed chamber testing and the fact that there will be no flaring during the period of testing planned.

Mr. Speaker, another thing is that the EUB has said very clearly that the wells to be drilled are sweet. That means that not only will they have the liquids that are so necessary to the great prosperity that the member represents in the county of Strathcona through the drilling of these gas wells but also will deliver royalties to the province of Alberta to the benefit of all Albertans.

Mr. Lougheed: Mr. Speaker, could the Minister of Energy also identify if there is any way for this decision of the EUB to either be appealed or reviewed?

Mr. Smith: Well, Mr. Speaker, there are always the two elements that parties have. One is to challenge the EUB, the Alberta Energy and Utilities Board, on what is called a review in variance. The second thing is to take it to the Court of Appeal for Alberta.

Charles Camsell Hospital

Dr. Taft: Mr. Speaker, after a deal last week to sell the Charles Camsell hospital fell through for the second time in as many years, the Camsell is back on the auction block at a price one-third lower than it was listed at last week. My questions are to the Minister of Infrastructure. Will the minister confirm whether the government is entertaining all possible bids for the Charles Camsell site, or is it only looking at bids from developers considering a health care function at the facility?

Mr. Lund: Mr. Speaker, when we put facilities like the Charles Camsell hospital up for open and public bids, we don't even ask the question: what is this facility going to be used for? That doesn't enter into the equation at all. Whatever a proponent feels that the facility can be used for in the marketplace, what they're prepared to pay for it is all we're interested in.

The Speaker: The hon. member.

Dr. Taft: Thanks, Mr. Speaker. Given that acute care hospitals in Edmonton are being used at a whopping 107 percent of capacity, would the minister consider selling the facility to the Capital health region?

Mr. Lund: Mr. Speaker, the Capital health region are the people that would make the decision whether they were even interested in purchasing the facility. At this time I haven't heard anything from them relative to that facility, but certainly if they were interested in having a look at it, we are only too happy to open the doors.

Mr. Mar: Mr. Speaker, if I may supplement, sir. Last week on November 20, 2003, in *Alberta Hansard* at page 1774 the hon. Member for Edmonton-Riverview sought my assurance that this facility would not even be used for long-term care. He was feeling and intimating that this was not even sufficient for long-term care, and now by reason of his press release dated today, less than a week later, he suggests that this should be an acute care hospital. What a difference a week makes.

The Speaker: The hon. member.

Dr. Taft: Thank you, Mr. Speaker.

Mr. Bonner: In Calgary they blow them up.

Dr. Taft: Yeah. We don't want to see it blown up.

It would only be fair for me to ask this to the Minister of Infrastructure: is the minister aware of any problems preventing the sale such as asbestos or toxic molds?

Mr. Lund: Mr. Speaker, to my knowledge we haven't done any air quality monitoring in that building. Anytime that you have a building that has been vacant for a number of years, the air quality probably is a component that, depending on its use, you would want to assess, but we have not done that.

Mr. Mar: Mr. Speaker, if I may supplement. I mean, not only does this press release comment on this being suggested to be used for a hospital; he suggests that the cost of doing so would be \$4.1 million. He has completely ignored the fact that this facility has been empty for a number of years. He has ignored the fact that there would be operating costs associated. He's ignored the fact that there would be enormous costs of retrofit associated with it. So, again, this suggestion that it's merely \$4.1 million: you could look it up on their web site, www.albertaliberaloppositionfairytale.com.

The Speaker: The hon. Member for Cardston-Taber-Warner, followed by the hon. Member for Edmonton-Centre.

Gun Registration Prosecutions

Mr. Jacobs: Thank you, Mr. Speaker. I was mortified this morning when I again had to read about the escalating costs of the federal gun registry. Many of my constituents remain concerned not only about this colossal waste of taxpayers' dollars but about the fact that gun owners, including a former Sergeant-at-Arms of this Legislature, may face charges in our courtrooms when their only offence has been their refusal to register their guns. My questions today are to the Minister of Justice and Attorney General. Can the minister advise what role provincial Crown prosecutors will play when charges for unregistered firearms are laid?

The Speaker: The hon. minister.

Mr. Hancock: Well, thank you, Mr. Speaker. Alberta has been a leader in this country in fighting the gun registry law and for good reason. We've been fighting the gun registry law because it's a colossal waste of money, money which could have been used to effectively be tough on crime in this province and across this country. We have made it perfectly clear and other jurisdictions in this country, particularly Manitoba and Nova Scotia, have followed our lead to say: we will not prosecute under the federal firearms registry act.

We believe that when people use guns illegally in the commission of a crime or where they do not follow the laws with respect to being licensed or with respect to storing firearms properly, then we obviously will continue to do what we always have done and prosecute for the purpose of ensuring that our communities remain safe. But we will not prosecute under the federal gun registry act, and where it's clear that a charge relates solely to registration or the intention is with respect to registration, we've asked the RCMP and we've sent a direction out to police forces in this province to send the file to the federal government and have them pursue it.

2:10

The Speaker: The hon. member.

Mr. Jacobs: Thank you, Mr. Speaker. To the same minister: given the province's opposition to the registry, can the minister explain why Alberta Crown prosecutors would ever be involved in conducting prosecutions for registration charges?

Mr. Hancock: Mr. Speaker, Crown prosecutors, I'll re-emphasize, will not be involved when the charge is under the federal registration act or where it's exclusively relative to registration. We will, however, continue to follow our constitutional obligation to prosecute under the Criminal Code when firearms are used illegally in other senses, which is, for example, unsafe use; unlicensed use, where you haven't properly obtained a licence, which involves screening, training, the requirement of mandatory courses; where you're storing inappropriately; where you take a gun to a public meeting. Those sorts of Criminal Code offences that we've always prosecuted we will continue to prosecute. But where it is simply a question of registration and the massive boondoggle, the waste of money that the federal government is engaged in, we will not be part of that and provincial prosecutors will not be part of that.

The Speaker: The hon. member.

Mr. Jacobs: Thank you, Mr. Speaker. My final question, again to the same minister: is there anything the province can do to prevent Albertans from being prosecuted for registration offences?

Mr. Hancock: No, Mr. Speaker. Simply put, we have an obligation. We have a Criminal Code in the country. The federal government passed both a federal gun registry law and amendments to the Criminal Code to put registration in the Criminal Code as an offence. We have a constitutional obligation provincially to administer the Criminal Code and to lay charges under the Criminal Code. We have indicated that we will not lay those charges where it simply relates to registration or where the intent of the charge is relative to registration, but we do have to authorize the federal government in those circumstances to administer the Criminal Code. So provincial Crown prosecutors will not be involved in those types of prosecutions. We will not prosecute those offences. We will not waste Alberta taxpayers' money prosecuting offences that simply relate to registry. We will continue to put Alberta taxpayers' money to good use in combating crime where crime exists in this province, but we will not be involved in that area.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Edmonton-Strathcona.

Provincewide Policing Standards

Ms. Blakeman: Thank you, Mr. Speaker. The Auditor General reiterated the concern from last year that a manual for provincewide policing standards and a plan to implement it is lacking from this government. The Auditor General stated: "Until the plan is implemented, the Ministry does not know whether police services meet . . . minimum policing standards. Public safety could be at risk." My questions are to the Solicitor General. When are we going to see the publication of this manual and the implementation of a plan for policing standards?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. The policing standards that the hon. member is referring to are in the works as we speak. We have put together a working group, we have got their approval in regard to the standards, and it's something that I hope to have by the end of the year.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Given that the Auditor General has stated that public safety could be at risk, could the minister explain the delay in both the publishing and in the response?

Mrs. Forsyth: Mr. Speaker, I'd like to clarify something first, if I may. I believe all police in this province do a wonderful job, and at no time do they put the public at risk.

I will say, though, in regard to the standards that we've had a working group put together, which is the Alberta Association of Chiefs of Police and other members of the stakeholders that are involved in this. They have finalized the standards and are pleased with what we're moving forward on and will be implementing by the end of the year.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Again, since the Auditor General notes that the minister has tied implementation of the standards to the province's response to the MLA review on policing, when are we going to see the province's response?

The Speaker: The hon. minister.

Mrs. Forsyth: Well, Mr. Speaker, it's no different than how I answered yesterday on the corrections review. We put together a working group, which was the MLA for Lacombe-Stettler, the MLA for Calgary-Buffalo, and – I'm sorry; I'm missing the other name. These MLAs went out and they worked very hard in regard to reviewing policing in our province. We have put a considerable amount of work together on this particular review. We have finally got, for the first time in 31 years, recommendations that have been agreed on between the AUMA and the AAMD and C, and that will be a recommendation that was an agreement with both groups and will benefit not only the people in this Legislature but 3 million Albertans.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Calgary-West.

Calgary Regional Health Authority

Dr. Pannu: Thank you, Mr. Speaker. Last March the Tory government fired the elected health authority boards after less than 18 months in office and replaced them with handpicked government appointees. With news that the Calgary health region deficit has ballooned beyond \$25 million, it is pretty clear that these Tory-friendly appointees don't know the first thing about spending money where it's really needed. Instead, they give their CEO a \$523,000 pay package and dole money out on lucrative consulting contracts. My questions are to the Minister of Health and Wellness. Will the minister ask his handpicked appointees on the Calgary health board to fire their high-priced CEO because of his failure to balance the books, and if not, why not?

Mr. Mar: Mr. Speaker, I presume that if he asked such a thing of

the CEO in Calgary, he would ask the same thing of the CEO in the city of Edmonton, the Capital health region, which is also running a deficit.

It's not because there's mismanagement on the part of these boards. It is because they are providing the very best service anywhere in this country. Don't take my word for it; listen to Mr. Romanow. Don't take my word for it; listen to Senator Kirby. Don't take my word for it; look at *Maclean's* magazine. Look at the CIHI data. Look at what Mr. Romanow has to say about our health care system. Look at what Senator Kirby has to say about our health care system. We have nothing to be ashamed of in our health care system. It's the best in the country.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. I am listening to the Auditor General's words. Given that the Auditor General again this year criticized the Calgary health region for its sloppy contracting out, when is the minister going to put a stop to the continuing draining away of public health care dollars into the pockets of private, for-profit sector interests?

Mr. Mar: Mr. Speaker, I wish the hon. member would be a little more specific about this, but the fact of the matter is that he knows that under our legislation we allow for the provision of insured services under contract by regional health authorities. It is perfectly transparent. If the individual wishes to look at any of the contracts provided between the regional health authority and private providers through private surgical facilities in Calgary or in Edmonton or anywhere else in the province of Alberta, he's certainly welcome to look at them. These are providing important services.

Let me say this, Mr. Speaker. The individual here, the hon. Member for Edmonton-Strathcona, is caught up in his ideology. The government is concerned with access to high-quality, publicly affordable, accessible services. It's not about ideology. This man, however, is locked up in ideology.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My final question to the minister talking about ideology: how can Albertans have any assurance that there won't be mismanagement of dollars on the new P3 hospital in Calgary when the handpicked board and senior management of the Calgary health region can't seem to properly manage their finances?

Mr. Mar: All I can say, Mr. Speaker: better that we handpick them than him.

The Speaker: The hon. Member for Calgary-West, followed by the hon. Member for Edmonton-Mill Woods.

2:20

Long-term Care Facilities

Ms Kryczka: Thank you, Mr. Speaker. Just yesterday I spoke at length to a constituent in Calgary-West about her concerns around her aging parents, who were separated when her father was admitted to long-term care in Lethbridge, leaving her mother in an assisted-living setting. Her father, though, is receiving excellent care, looks better than he has in 10 years. The staff really care by their actions who he is and was as a person in the community. A nurse even kisses him good night. My constituent is concerned over their separation as it appears to be no solution. My main question is to

the minister of health. What recognition is there within the health system in Alberta for this kind of situation?

Mr. Mar: Mr. Speaker, these are difficult situations. There are very many complex needs in the area of long-term care. Our first and most immediate concern is ensuring that the individual's complex health needs are being met, and I'm pleased that the individual here, the father, is getting the care that he needs.

As continuing care reform moves forward, Mr. Speaker, we are working with operators to develop new housing operations that will recognize these types of situations that will allow families not to be split but to be able to be closer together. There are a number of examples of this throughout the province. For example, in Calgary Wentworth Court and Colonel Belcher offer long-term care and assisted living within the same facility. In the Capital health region Kensington provides the same service. Also here in the city of Edmonton, in Mill Woods, Shepherd's Care offers assisted living that's located physically next door to a long-term care facility.

Operators throughout the province are moving towards this type of concept, recognizing, again, the importance of keeping families together. So in the future, Mr. Speaker, I do see more such facilities being built to accommodate those types of needs.

The Speaker: The hon. member.

Ms Kryczka: Thank you. My first supplemental question is also to the same minister. Given that the mother has been recently assessed as very depressed, are there things that can be done in order to help her?

Mr. Mar: Well, Mr. Speaker, I'm hesitant to comment on the mental condition of the mother in this particular case not knowing all of the details nor being qualified to do so, but I would suggest that if she has seen a physician and has been diagnosed with depression, she does through her family physician seek appropriate access to mental health care.

Also, Mr. Speaker, if the depression is related to her concern, with her anxiety associated with being separated from her husband, family members are always welcome in long-term care centres to participate in the day-to-day care planning for their loved ones. They can even participate in the care activities themselves, which of course allows them to spend more time together. Long-term care centres don't have visiting hours, so at any time certainly this family member can come and visit the resident of the facility.

Finally, spouses and family members are always welcome to participate in resident family councils, Mr. Speaker, and these councils operate informally with long-term care operators to allow families to work as a group with the operators in improving the quality of care for their loved ones.

The Speaker: The hon. member.

Ms Kryczka: Thank you.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Peace River.

Postsecondary Education Funding

Dr. Massey: Thank you, Mr. Speaker. The Southern Alberta Institute of Technology is considering a 27.6 percent tuition hike over three years. This hike is being blamed in part on inadequate provincial funding. My questions are to the Minister of Learning.

Does the minister consider that the government's tuition policy is working successfully when students face increases of this magnitude?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. Under the existing tuition fee policy that includes a tuition fee cap, the jurisdictions, the postsecondary institutions, do have the ability to raise it by \$276 this year, \$284 next year, which is the hard cap on the tuition increases. SAIT has put forward a possibility for the next three years of increasing it by the maximum amount allowable. That is what has come out in the newspaper. Obviously, this is something that has to go before the students' associations. It has to go before the board of governors themselves. A key thing to remember here is that the average tuition at SAIT is still considerably less than the average tuition at a college or university.

The Speaker: The hon. member.

Dr. Massey: Thank you. To the same minister: when will the province take the pressure off tuition by creating a long-term funding plan for our postsecondary schools that will provide adequate, stable, and appropriate funding? We need a plan.

Dr. Oberg: Well, Mr. Speaker, tonight in the debate on Bill 43 you'll see part of that plan. On our three-year business plan that will be coming forward with the budget you'll see another very integral part of that plan.

But I will just bring to the attention of the Assembly something that came out, actually, today that's called the Education Indicators in Canada. What this shows is the percent change in public expenditures in education, which included both K to 12 and postsecondary education, between '97 and '98 and 2001 and 2002. In Alberta it went up 19 percent in public funding. That's from all sources. Nineteen percent, Mr. Speaker.

I was asked a question yesterday by the same member about Newfoundland. Well, Mr. Speaker, during the same time frame, where ours went up 19 percent, Newfoundland's has dropped 17 percent.

The Speaker: The hon. member.

Dr. Massey: Thank you. I'll remind him: they cut postsecondary schools by 20 percent.

Again to the Minister of Learning: will the government at least undertake the long-term review of postsecondary schools as recommended in the Learning Commission?

Dr. Oberg: Mr. Speaker, we are currently looking at the recommendations of the Learning Commission. We have had extensive debate and extensive collaboration amongst the postsecondary learning system on Bill 43. We've had it on the Renner report on postsecondary funding, which was out about a year ago, so there's been a lot of consultation that has occurred.

Mr. Speaker, there is one other point that I really want to throw in here as well, and that's something that always seems to be brought up in the Legislative Assembly also, which is the level of debt. Interestingly enough, in the same document that I was talking about, the second lowest level of debt after five years of graduation is in Alberta, with the average amount of about \$6,200. So five years after graduation our people are out there getting jobs, paying off their student loans, and the average debt is \$6,200.

The Speaker: The hon. Member for Peace River, followed by the hon. Member for Lac La Biche-St. Paul.

Timber Allocation in Northern Alberta

Mr. Friedel: Thank you, Mr. Speaker. My questions are to the Minister of Sustainable Resource Development. For quite some time now the issue of timber allocation in northern Alberta has been put on hold pending the outcome of negotiations on the softwood lumber dispute. A number of mills in my area as well as others elsewhere are struggling with their timber supply, particularly in light of wood loss through recent forest fires. I understand that some decisions have finally been made, and I wonder if the minister could tell us what these are.

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. As I've said before in this House, forestry continues to play a very important role in our overall economic diversification plan in Alberta. It's over an \$8 billion industry, and over 50,000 people are employed in that industry.

Most recently we are facing some challenges in the industry, and one is, of course, the softwood lumber negotiations and the lack of an agreement. We've been waiting close to two years now for an agreement to be in place in order to allocate some resources that we have. We have now decided that we can't wait any longer. We have come to a solution that balances the need of Alberta industry and deals with the softwood concerns at the same time. We've done this by selling wood based on market prices, and the department has decided to allocate over 400,000 cubic metres of timber in the Grande Prairie area, Peace River area, Fort McMurray, Athabasca, Lac La Biche, Slave Lake, and High Prairie also through public auction and direct sales.

The Speaker: The hon. member.

2:30

Mr. Friedel: Thank you, Mr. Speaker. The new agreement involves management goals that likely will affect the oil and gas industry as well, and I wonder if the minister could tell us what those implications might be.

Mr. Cardinal: Of course, with most of the harvesting that takes place through the forest management agreements, commercial timber permits, and also the quota system, there is a multi-use area in relation to development of resources, and that will continue. I mentioned earlier in the House, Mr. Speaker, that we are not allocating an area that covers about 350,000 square kilometres north of the Chinchaga area. That will be done in co-operation. We are putting the committee in place, as I mentioned before, and we will work with the stakeholders to ensure that we continue developing resources as required and maintaining the balance between the economy and the environment.

Mr. Friedel: Mr. Speaker, the minister mentioned working with stakeholders. Is this going to mean any new processes in stakeholder feedback?

Mr. Cardinal: Mr. Speaker, we have, of course, a number of examples in relation to developing multi-use areas. The Bighorn backcountry is one example. The Ghost-Waiparous, which we're working on right now, is another example. We may use some of the same processes in order to achieve what we need to achieve.

The Speaker: Hon. members, in 30 seconds from now I'll call upon the first of four to participate in Members' Statements.

Hon. members, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(*reversion*)

Dr. Nicol: Mr. Speaker, I'd just like to rise today to recognize two individuals that work really hard on behalf of their constituents. First of all is Dan MacLennan. He's the representative from AUPE who comes in and makes sure that the debate in the Legislature reflects the interests of his members. I'd like Dan to rise and receive the warm welcome of the House.

Mr. Speaker, the second person is a young southern Albertan who is now representing the students of the province through CAUS and the work that they do on behalf of university students. I'd ask Melanee Thomas to rise and receive the warm welcome of the House.

head: **Members' Statements**

The Speaker: The hon. Member for Edmonton-Ellerslie.

Chinchaga Wildland Park

Ms. Carlson: Thank you, Mr. Speaker. As a link in the ever important boreal forest, the Chinchaga wilderness region represents one of the best and last opportunities for conservation and sustainable development left in the world. The importance of the Chinchaga rests on the fact that it contains a wide diversity of ecosystems including old-growth forests, marshes, lakes, and peatlands as well as diminishing wildlife populations such as the grizzly bear, woodland caribou, wolverine, and a variety of birds that depend on the area to nest and raise their young.

A report released by Greenpeace and ForestEthics entitled Chinchaga Wilderness documents the ecological values of the Chinchaga region and demonstrates that it is an endangered forest area requiring immediate protection. The Chinchaga wilderness is considered an endangered forest because it contains critical forest fragments of remaining old-growth and undisturbed forest in an ecoregion in which less than 2 percent of the total area is protected and less than 30 percent remains functionally intact. It also contains habitat for focal conservation species, being grizzly bear, woodland caribou, wolverine, and migratory birds, all of which are declining in Alberta as a result of industrial activities in the forest. If not protected adequately, the Chinchaga will continue to face a variety of threats that will eventually lead to its degradation and to the loss of this vital ecosystem here in Canada.

Logging presents just one serious threat to almost all of Alberta's northern forests. This practice removes old-growth habitat, organic material and nutrients, and fragments in the forest. Site preparation following logging destroys soil structure, and the use of herbicides alters the natural succession of the forest over time.

The roads necessary for logging are also detrimental to wildlife. Studies of the effects of linear disturbance on caribou in Alberta indicate the serious effects that oil and gas development can have on wildlife, supporting the need for protected areas to prevent further decline of caribou populations.

We urge the government to support the Chinchaga.

Tom Couture

Mrs. Tarchuk: Mr. Speaker, it is my pleasure to rise today and recognize and congratulate an outstanding Albertan and Canadian.

Mr. Tom Couture of Calgary has recently completed a challenging, cross-Canada cycling expedition along the Trans Canada Trail, which spans this great country. He began his journey on May 10 in St. John's, Newfoundland, and concluded his five-month trek at mile zero of the Trans Canada Trail in Victoria on October 12, Thanksgiving weekend.

Tom, who works as a ground logistics/helicopter co-ordinator for Mount Assiniboine Lodge, has previously traveled many other countries by bike. His passion for cycling coupled with his interest in the Trans Canada Trail made this adventure decision an easy one to make. However, the journey would prove to be harder as Tom faced many long, solitary, and sometimes very challenging hours on his bike.

The cycling trip captured the attention of thousands of Canadians. His progress, as well as daily updates of Tom's experiences, was posted on the Trans Canada Trail web site. Canadians from coast to coast logged on to the site to read his lively updates about the countryside, its people, their hospitality, and the culture of our great nation.

In addition to documenting his personal experiences, Tom, who carried some of the latest computer and mapping technology with him on his journey, also documented many of the physical characteristics of the trail. His equipment system included GPS as well as a cycle computer, which tracked position, distance, altitude, gradient of slope, daily temperature, and Tom's power production and heart rate. This information will be added to a database about the Trans Canada Trail and will be used to generate maps and provide other users of the trail with information they can use when planning their respective trips.

Tom met many Canadians while on his trip and considers these interactions as one of the highlights of his adventure. He believes he is very fortunate to have been able to explore our awe-inspiring country.

Please join me in congratulating Tom on his endeavour and thanking him for his contributions towards the Trans Canada Trail. Thank you.

The Speaker: The hon. Member for Red Deer-North.

Michener Centre Administration Building

Mrs. Jablonski: Thank you, Mr. Speaker. She is a grand old lady loved by thousands of people in Alberta. She started her career in 1913 providing a good education for young women. After 1919 she provided a loving home for shell-shocked veterans of World War I, and after that she embraced mentally handicapped children who needed a provincial home. This grand old lady has now been seriously injured, and she's depending on the people and the government of Alberta to restore her to her original elegance.

This is the story of the distinguished Michener services south administration building, that was damaged on June 18 after being struck by lightning and having her fourth floor and part of her third floor burn down. The Michener services building is cherished by many who support the repair and restoration of this heritage resource that is recognized for outstanding architecture and provincially significant history. It is one of the last of the historical public buildings in Red Deer.

Last week I tabled a petition with 5,255 signatures and over 151 letters asking the provincial government to rebuild and restore this building. If preservation of our heritage is important to us as Albertans, then it is important for us to restore this building.

The Alberta Department of Infrastructure is waiting for a final engineering report on the strength of the steel structure to determine

if it is structurally sound and a final report on the cost of building and restoring. Local businesses, contractors, institutions, and Red Deer city council have agreed to come together to discuss the future of this heritage site with the Department of Infrastructure and the Department of Community Development.

When all the reports are in place, if the building is structurally sound and if the costs can be met, a decision will be made to restore the building, named in honour of Governor General Roland Michener and one of the first buildings in Alberta to be designated a municipal historical resource under the Historical Resources Act.

Firefighters fought courageously to save this landmark. It is now up to the people of the community and the government to fight courageously to rebuild and restore this grand old lady to her former grandeur.

Thank you.

The Speaker: The hon. Member for Calgary-Currie.

Drug Addiction

Mr. Lord: Thank you, Mr. Speaker. One of Alberta's biggest issues is crime and punishment, most of it directly or indirectly associated with drugs and drug addictions. It is clear that when we add up the costs of dealing with drug problems in our society – the cost of police, jails, our justice system, judges, lawyers, prison guards, social workers, a society in fear, extra money for insurance, security, safety, locks on our doors, the homeless situation that is created, and most importantly the human toll, lost people who might otherwise have been good, talented contributors to society – well, the cost of dealing with drug problems in our society is practically criminal, you might say.

2:40

Extrapolating from U.S. figures, losses associated with drug addiction in Alberta may be as high as \$1.5 billion per year. That's \$15 billion per decade alone in Alberta, money diverted away from economic development, education, and so on, and diverted into population control and the big stick of enforcement. I wonder why we as a society haven't decided to just tackle and solve the underlying disease of drug addiction instead of just spending so much money treating the symptoms, beating down the so-called bad people, trying to control the uncontrollable. Would a little more carrot and a little less stick be a better direction? How about a medical cure, a pill a day to keep the cravings away?

Recently, Mr. Speaker, I tabled documents on reward deficiency syndrome, the best explanation I have heard about why people get addicted to drugs in the first place – it's a medical problem – as well as news on a controversial new drug called HC 18, which is derived from a controversial old drug called Ibogaine, which is reported to be able to cure most forms of drug addiction in one single dose. Since then, I have heard of a few other possible drug addiction cures, but the most striking thing in common for any of these potential solutions is the almost complete lack of interest in funding they seem to be receiving from the medical research community worldwide.

Alberta is in a unique position, unlike almost anywhere in the world. In the same manner that President Kennedy decided to do the impossible and put a man on the moon, why couldn't we in Alberta decide to find a cure for drug addiction? It's a cure that the whole world desperately needs.

Thank you, Mr. Speaker.

head:

Presenting Petitions

The Speaker: The hon. Member for Banff-Cochrane.

Mrs. Tarchuk: Thank you very much, Mr. Speaker. I am pleased to present with your permission 1,264 Albertans who petition the Legislative Assembly to urge the government of Alberta to "introduce and pass a Resident's Bill of Rights for persons living in nursing homes in the province of Alberta." I'm not looking to revert to Introduction of Guests but would like to mention three people supportive of this petition in the gallery: Carol Wodak, Linda Fillmore, and Murray Carson.

Thank you very much.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you. Mr. Speaker, I rise to table a petition signed by 196 Albertans from various communities spread across this province who are petitioning this Assembly to urge the government of Alberta to

recognize and value the contributions and sacrifices the seniors have made in building the Province of Alberta, and treat them with due respect and dignity by reversing those policies that cause unnecessary financial hardship for them and undermine their quality of life.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. Today I am presenting a petition signed by exactly 1,000 Albertans petitioning the Legislative Assembly of Alberta to urge the government of Alberta to "introduce legislation declaring a moratorium on any future expansion of Confined Feeding Operations, with a view to phasing out existing operations within the next three years."

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. I actually have 18 tablings today. The first one is from the Library Association of Alberta, and I'm tabling 105 postcards from parents who are concerned about the decline or elimination of school libraries in Alberta and lack of qualified staff.

Mr. Speaker, I'm also tabling a letter from the Banff Centre to confirm support for Bill 43, the Post-secondary Learning Act, sent by Phil Ponting, chairman, board of governors.

From the Northern Alberta Institute of Technology, Mr. Speaker: "On behalf of [NAIT], I would like to confirm my support for Bill 43, the Post-secondary Learning Act," from Sam Shaw, president.

From the University of Lethbridge: "This letter is to confirm the support of Bill 43, the Post-Secondary Learning Act and amendments," from Bill Cade, president and vice-chancellor.

From the University of Calgary: "On the whole, we support the tone and direction of the legislation, which makes for a more collaborative post-secondary education system, with Campus Alberta as the key cornerstone," from Harvey Weingarten, University of Calgary.

From the University of Alberta: "This letter is to confirm the support of Bill 43, the Post-Secondary Learning Act . . . by the University of Alberta," signed by Rod Fraser, president.

The next one is from the Alberta Association of Colleges and Technical Institutes. "In conclusion, AACTI supports the passage of Bill 43 as we feel the legislation enhances our ability to meet the needs of Alberta's college and technical institute learners," from Pam MacGillivray, chair of the Alberta Association of Colleges and Technical Institutes.

From the Alberta College of Art and Design: "This letter is to

confirm the support of Bill 43, the Post-Secondary Learning Act," by D'Arcy Levesque, chairman, board of governors.

From the Southern Alberta Institute of Technology: "This letter is to confirm the support of Bill 43, the Post-Secondary Learning Act, by [SAIT]," signed by Irene Lewis, president and CEO.

From NorQuest College: "This letter confirms NorQuest College's agreement with and support for the comments put forward by AACTI," by Dr. Wayne Shillington, president.

From Lakeland College: "This letter is to confirm the support of Bill 43, the Post-Secondary Learning Act . . . by the Lakeland . . . Board of Governors," signed by Dr. Mark Lee, president and CEO, Lakeland College.

From Medicine Hat College: "This letter is to confirm the strong support of Bill 43, the Post-Secondary Learning Act and amendments, by the Medicine Hat College," signed by Terry Brekko, chair, board of governors.

Lethbridge Community College: "This letter is to confirm the support of Bill 43, the Post-Secondary Learning Act and amendments, by Lethbridge Community College," signed by Donna Allan, president and CEO.

Fairview College: "This letter is to confirm the support of Bill 43, the Post-Secondary Learning Act and amendments, by the Fairview College," signed by Frank Lovsin, board chair of Fairview College.

From Bow Valley College: "I believe that the board, staff, and students of Bow Valley College will be well served by Bill 43, now and into the foreseeable future," by Sharon Carry, president and CEO of Bow Valley College.

Grande Prairie Regional College: "Grande Prairie Regional College is pleased to express its support for Bill 43," signed by James Henderson, president and CEO, Grande Prairie Regional College.

Mount Royal College: "Second, I would like to congratulate you on Bill 43 itself," signed by Dave Marshall, PhD, Mount Royal College president.

Lastly, Mr. Speaker, Northern Lakes College: "This letter is to confirm the support of Bill 43," signed by Dan Vandermeulen, president and CEO of Northern Lakes College.

I have the requisite number of copies of all this to be tabled. Thank you.

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. I'm pleased today to table the 30th annual report, 2003, for the Alberta Law Foundation pursuant to section 124(2) of the Alberta Legal Profession Act. The Law Foundation is an important stakeholder for Alberta Justice through its commitment to conducting research and making recommendations on law reform and the administration of justice. The foundation is an important supporter of the public legal education programs, of Alberta aboriginal law programs, and of the legal aid program.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Norwood.

Mr. Masyk: Thank you, Mr. Speaker. I rise today with five copies of a letter sent to me by a constituent, Donna Shannon, at her request. Her letter shows support for several areas of the Learning Commission's report, which she feels benefits both students and teachers; however, she does have three specific concerns with the report.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you, Mr. Speaker. I have a number of tablings today. The first is a letter from Martin Linlove, the senior sales manager for the Shaw Conference Centre, outlining his concerns that "should Alberta's Commission on Learning Report – Recommendation 72 be ratified, all teachers' conventions will be eliminated." He feels these "provide significant economic impact for the downtown core" and asks for support to retain this institution.

My final selection of letters on Bill 43, written by people attending the November 8 Get Political party that I hosted. The first is from Duncan Taylor, who has concerns about unpredictability of tuition, comparing it to electrical deregulation.

From Samantha Power a powerful letter on the need for higher education to achieve a diversified economy and supporting the need for arts and fine arts as well as engineering.

From Chris Wudarck concerns over tuition increases up to 5 percent after the 30 percent cap is lifted.

From Morgan Smith making the point: "If debt is so bad for the Alberta Government, why is it so good for me?"

From Laurie Savard, who talks about working full-time while going to school full-time.

Finally, from Amy Binder, who asked the government to recognize "the long-term implications of preventing access to education."

Thank you very much, Mr. Speaker.

2:50

The Speaker: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you, Mr. Speaker. With your permission I'd like to table a letter addressed to the Member for Calgary-Shaw and CCed to the Member for Edmonton-Riverview. It's from a Sandi Johnson, registered nurse and bachelor of nursing, and in it she expresses her

overwhelming disbelief and fury that our Government would allow and actually encourage the Employer's . . . bargaining group . . . to promote and stand fast on a proposal package that would take nursing and health care back more than 30 years.

Thank you.

Speaker's Ruling

Tabling Documents

The Speaker: Hon. members, I'm going to ask the House leaders to get together one of these days and have a good discussion about what the purpose of tablings is all about, but when we start tabling copies of letters that were sent to one member and then another member tables them, I think we've gone way beyond what was intended to be tabled. So I make the plea to the three House leaders over the winter to get together and have a discussion on this. This is way beyond it.

Hon. Member for Edmonton-Gold Bar, did you have tablings?

head: **Tabling Returns and Reports**

(continued)

Mr. MacDonald: Yes, I do. Thank you very much, Mr. Speaker. I have two tablings this afternoon. These are letters from Cheryl Androschuk and Nicole Bownes, and they are from the constituency of Edmonton-Strathcona. They are copied to my colleague from Edmonton-Riverview. They are expressing their concern with the current negotiations between the United Nurses of Alberta and the Provincial Health Authorities of Alberta.

Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I have two sets of tablings. The first set contains two letters which I have selected from hundreds of letters that I've received through my constituency office from registered nurses across this province. These two letters are from two registered nurses: Cynthia Perkins and Beryl Scott. They are asking the government to show due respect to nurses as professionals.

The second tabling is a letter from the president of the Alberta Graduate Council indicating that the amendments to Bill 43 partially address the concerns of graduate students and that further revisions are required to fully address them.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I have two tablings today. The first is a letter from the Coalition of Seniors Advocates Association dated November 20, 2003, and addressed to all members of the Legislature. COSAA is deeply concerned with the continuing reduction of seniors' benefits, and they're being subjected to discriminatory double means tests.

The second tabling is a government of Alberta news release dated August 22, 2003, titled Market Adjustment Program Supports Alberta's Cattle Industry.

Thank you very much.

The Speaker: Part of the addendum to House leaders is: why would an hon. member want to stand up in the House and table a press release already issued by the government? It's part of the public record. This has got to be sorted out.

The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. Two letters I am tabling today. The first is written to me, tabled with permission, and it's urging me to work to "immediately protect the Bighorn as a Wildland Park."

The second is a copy of a letter to the Minister of Seniors which I was copied expressing concern over the increase in long-term care rates.

Thank you.

The Speaker: Others?

head:

Orders of the Day

head:

Government Bills and Orders

Second Reading

Bill 50

Wildlife Amendment Act, 2003

The Speaker: The hon. Member for West Yellowhead.

Mr. Strang: Thank you very much, Mr. Speaker. I'd like to move second reading of the Wildlife Amendment Act, 2003.

It's a great pleasure today to rise and speak on Bill 50, Mr. Speaker. The intent of the proposed bill is to make the Wildlife Act more effective in a number of areas, including enforcement and administration. In terms of enforcement Alberta will have more effective ways to deter and respond to wildlife poaching and to better protect and manage wildlife.

A substantial increase in penalties will help deter this illegal activity. With the amendments Alberta will have among the highest poaching fines in Canada. All wildlife offences will fall into one of two penalty ranges: up to \$50,000 and/or 12 months in prison or up

to \$100,000 and/or 24 months in prison. More offences, such as those involving grizzly bears, will be included in the highest penalty range of \$100,000 or two years in prison. Increasing the fines for wildlife violations sends a clear message to the public and to the courts that Alberta takes such violations very seriously. I believe that once people know that poaching violations can lead to significant penalties in Alberta, this will act as an effective deterrent.

Further to the enforcement side of the act, Alberta will have the authorization to seize and retain equipment used by poachers. All the provinces will have reciprocal agreements with other jurisdictions to see that those convicted of serious wildlife violations elsewhere would not be able to get hunting licences in Alberta or vice versa. People who have not paid fines for angling violations will not be able to obtain a hunting licence until the angling fines have been paid and taken care of.

A final amendment relates to enforcement and improving the effectiveness of the act, which comes to illegal selling of wildlife. For example, advertising wildlife for sale would be considered an act of trafficking in wildlife.

Another key amendment of the proposed act involves the reduction in wildlife/human encounters. The act gives Alberta the authority to issue cleanup orders for situations where people leave out food or garbage that might attract wildlife. For example, food and garbage are the source of most bear/human problems. Cleanup orders will help protect bears as well as elk, deer, and other species that come into conflict with humans because of the food sources that lure wildlife to settlement areas.

Mr. Speaker, there are a few other options, administrative amendments to this act regarding traps and certain licences and permits. However, I've highlighted the key amendments for you. Alberta is a very big province, and it is impossible to monitor everyone in the wilderness areas. Therefore, the Wildlife Amendment Act will introduce additional, practical tools so the province can better protect and manage Alberta wildlife.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'm having to compete hard here to get on the floor against my colleague from Edmonton-Gold Bar, so I'm sure he'll be speaking later.

I appreciate the opportunity to speak in second reading to Bill 50, the Wildlife Amendment Act, 2003. In fact, this is an amending act that is supported by many of us in the Official Opposition because it does address a number of problems that have been addressed in the past. The member has gone through some of those on the list. I'll try not to repeat him as I go through what my notes are offering up.

Essentially, we're looking in some sort of general areas around penalties for poaching, wildlife/human conflicts, escape of captive animals, removal of traps, trafficking in wildlife, guide designations, dog training and trialing, exemptions for employees, circumstances where fines are not paid, reciprocal agreements, seized items, and access to warrants and authorizations. So it's covering a fair amount of ground here, and thus far I haven't identified anything that really jumps out at me as being of great concern.

Just a couple of questions. When we look at the escape of captive animals, this is allowing game animal production farmers to attempt to recapture escaped animals. It's also requiring the operator of premises like a zoo or a game farm or something from which an animal escapes to make a reasonable capture. I'm wondering if this is cross-jurisdictional. Does Community Development have jurisdiction over things like zoos? How do those things work together?

3:00

On the removal of traps I'm wondering if there was consultation with aboriginal groups there, because it seems to be indicating that where a trapper has exclusive rights to trap in an area, the act provides that they may remove the traps found in that area or direct someone else to do it. So what's the conversation that has gone on or what kind of consultations or how much effort was put into holding a consultation with aboriginal groups?

I'm also interested in the dog training and trialing. It's not prohibiting activities in this area. [interjection] I'm sorry; the current legislation doesn't prohibit activities in this area, but it looks like a review of the activity has been completed. There was consultation with the dog trainers and trialers, and regulatory changes happened in 2001. So I'm taking it that these amendments are in fact adopting and incorporating all of these changes into the act and simplifying regulations. If I can just get confirmation on that, please. I wouldn't have thought that this was enough of an activity to have required special attention, but I'm obviously not up on how much dog training and trialing there is.

So I'm willing to support the recommendations that are being made here, particularly the provision of authority to officers to order the cleanup or removal of items that may be attracting bears to an area. To not have had that in legislation prior to this must have been an immense frustration to wildlife officers that are trying to protect both the wildlife and the humans from each other.

I'm sure that those that are trying to work on poaching appreciate the inclusion of advertising of wildlife for sale as an act of trafficking. That should be helpful in the arsenal to deal with illegal poaching and trafficking in wildlife animals.

So those are just a few questions that I wanted to raise. I'm happy to support this at this point, in second reading.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. It's also a pleasure at this time to participate in the debate on Bill 50, the Wildlife Amendment Act, as proposed by the hon. Member for West Yellowhead. Certainly, in that constituency there are a lot of very responsible hunters and outdoors persons who have a great deal of respect and admiration not only for the outdoors but for the wildlife. When you look at the *Globe and Mail* today, you would almost think from the front page that there would be no need for legislation such as this, whenever a guy is reading about obesity in bears. Who would have known? But here we are.

Certainly, there are requirements in this province for this legislation. I was listening to the hon. Member for West Yellowhead. Two years ago I went to his constituency and paid for a permit, \$5, for a Christmas tree, and we had a very pleasant day selecting a Christmas tree from West Yellowhead. After we cut down our tree and had it trimmed and ready for the trip back to the city, we got talking about the hunting season that had just ended, and I was surprised to be told this story, Mr. Speaker, and it was in regard to a poaching incident.

Poachers had been driving very close to Jasper, the townsite, and they shot an elk. They put it in the back of a pickup, and they went to Edson with this elk. Somehow the wardens had placed a transmitter earlier in the summer on this elk. The hunters missed this. When the animal was butchered for its meat, it was also missed, and to their credit the wildlife officers traced the remains of this animal, the meat, to a freezer, and the story goes that it was in a freezer east of Edson. This individual was rightfully charged. That story is not only an indication of how far people will go to poach, but it also indicates just how effective some of our enforcement agencies can be.

Now, when we look at the amendments, we're looking at improvements. We are looking at a proposal to decrease penalty ranges. With regard to poaching, however, we are increasing penalties for corporate and repeat offenders as well as those convicted of offences involving key species such as a grizzly bear.

Bill 50 is also proposing to provide authority to an officer to order the cleanup of garbage on sites that would reduce the potential conflict between wildlife and humans; for instance, if hikers were to stumble upon some refuse or whatever on a hiking trail.

Now, we're also looking here at proposals that Albertans must obtain a licence prior to using a trap to recapture escaped animals in order to prevent unlawful trapping, and I certainly think that's a very good idea. I'm not going to remind the Assembly or bore the Assembly with the story of the teenager who was trapped in a bear trap. I'm sure the hon. Member for West Yellowhead is quite familiar with that teenager.

We're also looking at better ways to identify advertising of wildlife for sale as an act of trafficking in order to combat illegal trafficking of wildlife. We are looking at changes to treat guides' designations equal to licences and permits so that key provisions of the act are available to deal with illegal behaviour. We are also looking here, as I understand it, at some changes to the rules regarding dog training in certain areas.

We are looking at exemptions to the Wildlife Act to recognize employees performing sanctioned duties that are contrary to the act. If, for the record, the hon. member perhaps at committee could explain this a little further, I would be very grateful.

Also, we're looking at proposals here to take away access to all recreational licences such as hunting that are issued under the Wildlife Act as well as licences issued under the Fisheries (Alberta) Act for people with outstanding fines. There are certain rules here regarding the suspension of serious violators, creating a significant deterrent effect.

3:10

There are certainly expansions here for various authorities. We're going to have the expansion of the use of warrants in investigations of offences under this act.

All in all, upon review of this Bill 50 I think it is quite acceptable, and I, too, am going to recommend, the same as the Member for Edmonton-Centre, that we endorse this Wildlife Amendment Act, 2003. Thank you.

The Speaker: Hon. members, Standing Order 29(2)(a) is available if there are questions to the hon. Member for Edmonton-Gold Bar.

If not, the hon. Member for Edmonton-Highlands. Please proceed.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to rise to speak to Bill 50, the Wildlife Amendment Act. I want to say from the outset that the provisions of this bill as they stand are something that the New Democrat opposition can support. It's clear that increasing fines for poaching is one component of effectively dealing with the threat to our wildlife, and certainly strengthening the authority of the fish and wildlife officers to deal with offences is another laudable goal. Unfortunately, Mr. Speaker, in and of themselves they are not sufficient to deal with the problem facing our wildlife, and I'd like to talk a little bit about that.

The highlights of the act include a substantial increase in penalties to deter poaching. For example, the maximum fine for poaching grizzly bears will be as high as \$100,000. The authority to seize and retain equipment used by poachers is good. The capacity to co-operate with other jurisdictions so that those convicted of serious

wildlife violations elsewhere won't be able to get a hunting licence in Alberta and vice versa is good, and the authority to issue cleanup orders for situations where people leave out food or garbage that might attract wildlife to help reduce wildlife and human conflicts is good.

The question is, Mr. Speaker: if you raise a penalty and no one is in the forest to enforce the penalty, is there a sound? Is there, in fact, enforcement? This is the real fly in the ointment as far as this bill is concerned, and that is that the resources are not there to properly enforce it. Just jacking up fines doesn't help you catch perpetrators. I think it's really the fear of being caught that is the main deterrent, and there's a really serious problem.

I'd like to quote a news release issued by the Alberta Union of Provincial Employees. The president, Mr. MacLennan, says that while it is a positive idea to introduce a law raising fines for poachers, the department has cut operating funds to front-line Fish and Wildlife enforcement officers to the point that they are unable to enforce the law as the public deserves.

He indicates that "operating budgets for fish and wildlife enforcement districts across Alberta have been slashed" between 20 and 50 percent. "Obviously, a commitment to enforcement means we have to pay for enforcement," says Mr. MacLennan.

You know, it goes on. It talks about the government's promises to improve enforcement.

This laudable goal cannot be achieved when Fish and Wildlife Officers are only allowed to respond to specific complaints and are no longer allowed to conduct the routine patrols that have nabbed most poachers.

MacLennan goes on and says that the department's own statistics tell the story.

In the 2000/2001 fiscal year, Fish and Wildlife Officers made 230,000 contacts with the public. In 2001/2002 [the following year] that was down to 116,000, and in the 2002/2003 fiscal year it has fallen to 70,000.

So I think that that's a serious problem.

The Alberta Game Warden Association also has serious concerns, and it indicates that there are a number of impacts being felt by fish and wildlife officers due almost exclusively to the lack of available funding. One, the reduction or elimination of proactive or preventative enforcement compliance efforts. Two, district equipment being inoperable and needing repair or replacement. Equipment being unsafe or unreliable to conduct patrols and compliance checks. No funding for specialized patrols, operations, or programs such as helicopter or horse patrols, surrogate operations, night flights, or identified priority fish or wildlife enforcement programs. Reduced ability to meet personal and public expectations for an adequate level of service due to vacancies in fish and wildlife officer, district administration, wildlife and fisheries biologist positions, office closures, district budgetary restrictions. Unable to replace an older vehicle fleet thus placing a larger financial burden on district budgets for maintenance and, in turn, on costs. Reduction in funding for surveys of fish and wildlife population, and they are thus unable to accurately allocate resources. Inadequate funding to provide producers with fencing needs to mitigate ungulate damage due to stacked feed. No funding for officer transfers or development.

They're unable to meet expectations outlined in the performance management agreement and learning plans. No resources or support services to provide education initiatives. Less monitoring of commercial fisheries. Unable to gather intelligence to be utilized in targeting serious resource abusers. Loss of credibility to the public, other agency stakeholder groups, and even other divisions within the department. The abandonment of the MDMRS radio system, thus jeopardizing officer safety and increased communications expenses.

It goes on to say that the officers feel demoralized and worthless.

Staff surveys in health and wellness programs do not compensate for the officers' dedication and commitment to the protection of Alberta's natural resources. They can't meet the obligations of occupational health and safety and so on. There are no injections of funds for specialized programs such as chronic wasting disease collection and West Nile virus testing thus placing the burden of cost on the divisional and district budgets. There is no dedicated budget to support the delivery of programs such as bear response teams and surveillance operations that by default are charged to already taxed district budgets.

Mr. Speaker, this general problem was related in an article in one of the newspapers. There's quite a good article that dealt with the shortfalls in the department.

So, Mr. Speaker, while the New Democrat opposition is prepared to support this bill, we believe that it is incumbent on the minister and the government to follow through on the commitments that they have made to increase funding to adequate levels in this department so that enforcement can actually take place. You know, there are some places where you can cut and you'll get an immediate response. If you cut in health care, if you cut in education, there's generally a lot of reaction, and the public is aware of it. There are other places in the government where you can cut and there won't be an immediate outcry, and this might be one of them. The fact remains that the damage that is done is sometimes very long term and very difficult to correct.

3:20

It's not a question necessarily that if there's no immediate outcry, everything is okay, because I think that there are lots of examples which indicate that compliance on general patrols has been curtailed. There is just a long list of evidence, Mr. Speaker, that the department is unable to do its job because of funding constraints, and this is probably the most crucial thing. I would rather have an adequate budget for this branch of the department than have all the penalties in the world that you want to stack up here, because if you can't catch the people, you can't enforce a higher penalty, and people can operate with impunity irrespective of the penalty. You could put people in jail for life, and if they know that they're not going to be caught, it's not going to affect their behaviour.

So something, I think, needs to be done here. I will be looking forward to the minister's comments with respect to how he is in practice going to adequately fund his department, and I hope that other members of the government, in particular the Treasury Board, will support the minister when he does come forward because these resources are an indispensable part of Albertans' birthright and they deserve to be protected.

Thank you, Mr. Speaker.

The Speaker: Hon. members, Standing Order 29(2)(a) is available for five minutes if required.

Shall I call on the hon. Member for West Yellowhead to close the debate?

Mr. Strang: Thank you, Mr. Speaker. I'll try to answer a number of the questions that were asked, and if I don't catch them all, I'll catch them in Committee of the Whole.

I guess the first question that was asked by the Member for Edmonton-Centre is on the aspect of escaped animals that were in captivity. I guess the amendment to section 1(2)(c) clearly denies the use of a trap to recapture escaped animals without first obtaining a licence.

On the other aspect, the removal of traps, as you realize, in the Hinton area we have a grizzly bear study. We use a lot of traps there

to catch hair samples and that so we can develop a DNA sample and find out how many bears we've got in the area. But from the aboriginal side the amendment to this act requires that a trapper first have the grounds and the belief that traps were unlawfully set and report such traps to an officer. So if an aboriginal person is trapping for his own food, he's allowed to on his trapline, but if he's trapping for some other reason or if he feels some other person is in there trapping illegally, all he has to do is go to the officer to look at that, and they will look after that.

On the dog training and trailing, amendments to this act provide for the dog training and trailing, as the case may be, to be prohibited in certain areas if such areas are specified in the regulation. So it's just getting more site specific because of the aspect of, specifically, grizzly bears that we're looking at. Of course, a lot of times when we're going out there, we've had certain dogs that are trained to try to find bear scat, and then from that, when they analyze the bear scat, they're able to develop a listing of DNA, so then they know the different areas. That also helps from the aspect, number one, of reinforcing the different populations and the different areas in which we have bears.

So at this time I'd move second reading of Bill 50. Thank you.

[Motion carried; Bill 50 read a second time]

Bill 51

Natural Resources Conservation Board Amendment Act, 2003

[Adjourned debate November 20: Mr. VanderBurg]

The Speaker: The hon. Member for Whitecourt-St. Anne.

Mr. VanderBurg: Thank you. Just to continue with Bill 51, I had made my comments at that time. I'd just like to hear if anyone else in the Assembly has any comments to Bill 51, and we'll continue with the debate.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. Bill 51, the Natural Resources Conservation Board Amendment Act, 2003, at first glance looks like something that is quite acceptable, but when you have a closer look, I think we are going away from being transparent and accountable into a process that I certainly won't describe as secret, the budgeting process, but the deletion or the repealing of section 42 is what I refer directly to. One considers that in section 42:

- (1) All salaries, expenses and expenditures incurred by the Board in the performance of its powers and duties shall be charged against money provided in accordance with this section.

And it goes on.

- (2) In each fiscal year, funds equivalent to the estimated net expenditures to be incurred in the year by the Board shall be provided from money voted by [this body].

It goes on in (3) and (4).

- (4) In preparing its estimate of net expenditures to be incurred, the Board shall have regard to its estimate of any deficit or surplus existing at the end of each fiscal year from funds for such expenditures received from the Government in previous years.

We are going to have a process now where the board's funding will be just part of the ministry's budget. Whenever someone looks at a ministry's budget or if someone is curious and wants to know where tax dollars are being spent in this province, well, they're told to use the freedom of information laws and find out, but there are so many exclusions to that that I don't think this part of Bill 51 is a

good idea. I don't know why the board's funding would be just placed globally in the budget. There's no scrutiny, there's no accountability there, there's no mechanism, and I think that is just, plain and simple, Mr. Speaker, wrong.

The membership of the board. Now, we're having these issues around accountability, and we're expanding the board here from five to six members. I would like to know through the course of this debate: why do we need to expand the board? The board, if this bill were to become law, would not have more than six members, and the board in the past – the current legislation reads that it “shall consist of not more than 5 members.” Why do we need to expand membership of this board? I find it quite a contradiction that on one hand we're expanding the membership of the board – the criteria of how these people are selected is another issue – when there's obviously going to be a cost involved in that, but at the same time we are removing from public scrutiny, in my view, by repealing section 42, an opportunity for scrutiny of the funding.

3:30

So those would be my reasons, Mr. Speaker, for having reservations about this bill, and during the course of the debate I'm sure there will be very valid explanations as to why this is necessary. But those are my concerns, and I appreciate the time to get them on the record.

Thank you.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. My concern around Bill 51, Natural Resources Conservation Board Amendment Act, is the section around money and the control of money, and I'm curious as to why section 42 is being repealed completely. That was addressing that salaries and expenses and expenditures incurred by the board in the performance of its duties could be charged against money that was provided; in other words, against a budget that had been approved; that in each fiscal year funds equivalent to the net expenditures were to be provided from money voted by the Legislature for that purpose from the general revenue fund; that the Provincial Treasurer would advance to the board the funds that were provided by the vote and then gives installment dates and things like that; and that

in preparing its estimate of net expenditures to be incurred, the Board shall have regard to its estimate of any deficit or surplus existing at the end of each fiscal year from funds for such expenditures received from the Government in previous years;

in other words, to incorporate the surplus or deficit.

[Mr. Shariff in the chair]

I'm very cautious around changes in structure, especially around changes in control of budgets, where this government is concerned, so I am seeking clarification on why the government would be choosing to do this. Certainly, a budget is how the government can control the operations of a department or an arm's-length agency. That's what we're dealing with here, and it looks to me like they're pulling the operation of the agency closer under the wing of the ministry.

I think that needs to lead us to a larger discussion about whether that's a good idea or not. How independent do we need this board to be? Does it at times have to criticize the government? If it's concerned about whether it's going to have enough budget next time to do something, will it be able to make those criticisms with vigour, or will they be pulling their punches, so to speak, for fear that they might be downsized to smaller and draftier office space or have some of their other expenditures limited?

I know that when I was with the Advisory Council on Women's Issues – and government was much more generous in those days – we were very aware that that was how government ultimately could control us. We had fairly strong enabling legislation, but ultimately if we didn't have enough money in the budget, then we couldn't contract with outside consultants for additional research or publish the reports that we wrote, and we were writing some very good ones. So that's how the activities of the organization get controlled.

I'm cautious and curious as to why that would be abolished, because at this point that would mean that the budget allocation is completely inside of the ministry that this board is attached to. I think that's problematic, but I am interested in hearing a strong defence from the sponsoring member as to why these choices have been made. I think it's about trusting this government, and I haven't had a lot of good examples in my experience with the government about why I should be trusting them.

When I see moves like this made, it's usually a precursor to something else, and certainly when we have a board that's in a position to criticize or make recommendations that government probably should be responding to and when I see changes made that bring it closer underneath the control of the ministry or the minister, that's a way of muzzling the work of the agency. If you're going to change it that much, well, fess up and come right out and say: “We don't want it to do this anymore,” or “We don't like it,” or “It's criticizing us too much,” or “It's going too much in a certain direction. Let's abolish the whole thing and start over.” I just don't like things being done in a behind-the-scenes sort of way, and that's what I'm seeing here.

Additionally, I'm wondering whether, when the bill was opened up, instituting and incorporating into the legislation, into this amending act, there was consideration of incorporating a section that would do something like a health impact assessment. Certainly, that's something that my colleague from Edmonton-Riverview has been a proponent of, and I would like to see that sort of filter, a screen, incorporated into all legislation. This seems to be an excellent place to start.

Aside from the recommendation coming from my colleague from Edmonton-Riverview, knowing the government isn't probably going to view that with too much of a friendly eye, did it occur to anybody else? Was it brought up by anybody else? Was it considered at all when you looked to open up this act? You don't open up acts without a good reason, and you want to accomplish certain things. We're not doing very much here. We're clarifying the board's administrative role in that it can be dictated additional responsibilities. It's changing the board membership to add one more person to the board, and that's interesting too. It puts me in mind of previous Prime Minister Mulroney adding Senators in order to get what he wanted out of a piece of legislation, having a piece of legislation pass. Is that what's anticipated here?

The third piece, of course, is closer control of the budget and moving it under the ministry.

I'd like to know why these things are happening or at least a defence from the sponsoring member raised to my concerns, because I'm going to have trouble supporting this without some good reasoning here.

Thanks for the opportunity to speak in second reading.

The Acting Speaker: Standing Order 29 kicks in.

Anybody else who wishes to speak on the bill?

The hon. Member for Whitecourt-St. Anne to close debate.

Mr. VanderBurg: Thank you, Mr. Speaker, and thank you for those comments. Some of the comments raised in the point on member-

ship. I think that it was very clear when I introduced this that added duties were being brought forward to the NRCB and that expanded full-time membership was needed to meet the workload. Just one thing that comes to mind is precious mines and minerals in the province of Alberta. There's really no organization that we have to fully deal with applications. These may be things that come in the future to the NRCB.

On section 42 comments were brought by both members opposite. It was clear, again in my previous comments, that to make the administrative role match that of the administrative procedures, financial procedures of the ministry were needed, but I'll get further information and comment in Committee of the Whole on that.

With regard to the health impact statement I'll comment on that as well in Committee of the Whole.

So at this time, Mr. Speaker, I'd call for the question.

[Motion carried; Bill 51 read a second time]

3:40

Bill 44

Personal Information Protection Act

[Adjourned debate November 19: Mr. Stevens]

The Acting Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I appreciate the opportunity to make a few comments about the principles that Bill 44, the Personal Information Protection Act, is based upon. The importance and the growing concern about personal information make this a most appropriate bill for us to be dealing with at this time. I was listening to a radio report that indicated that one of the most popular Christmas purchases this year was a shredder, that people concerned about their personal information being discovered through the trash and garbage collection services were buying and giving shredders for Christmas.

Ms Blakeman: Does it come in designer colours?

Dr. Massey: I'm not sure whether it comes in designer colours.

I also heard in another report that even the shredders were being criticized for not doing an adequate job of destroying the data that was fed into them. So there's a lot of concern out there about our personal information, and we also read the horror stories in the press about identities that have been stolen and the difficulties that that provides. The opportunities for people with motives that are not the best to do damage to our reputations – and people have suffered financial difficulties as a result of their identity being stolen – are many.

I had a bit of personal experience, Mr. Speaker, where an inmate in Grande Cache was able to access my Visa number and charge thousands of dollars' worth of flowers to my account by telephoning orders in from the Grande Cache jail and then selling those orders to his friends at a 50 percent discount. It was rather creative, but it did cause a little consternation for a while in my household.

The bill has been commented upon by the federal Privacy Commissioner, and the Standards Association has a set of principles that they put forward as being appropriate principles for privacy legislation to follow. I'll just briefly look at some of those principles, Mr. Speaker, and then I'll contrast what we find in Bill 44.

The first principle that they put forward is accountability, and that is that organizations have to be accountable for the personal information under their control and have to designate an individual or individuals who have that as a task to account for the organization's information with respect to individuals, and that is a provision of Bill 44.

A second principle is that the purposes for which the information is being collected has to be identified by the organization before or when that information is being collected.

A third and really very important principle and one where there is some concern with respect to Bill 44 is consent. The knowledge and consent of the individuals must be acquired before the information is collected or any of it is disclosed.

There is a principle that's concerned with limiting collection. That is that only the information necessary for the purposes identified by the organization shall be collected, and it has to be done by fair, of course, and lawful means. So the principle that sits underneath any piece of legislation should be to respect this notion of limiting what is collected.

The fifth principle that the association puts forward is limiting use, disclosure, and retention, and that is that the personal information shall not be used or disclosed for purposes other than that for which it is being collected except with the consent of the individual or the law. This is a concern. We all are aware of the practice of selling lists in the commercial world, where lists will be sold and, in fact, a number of businesses will have a disclaimer when they ask for your information assuring you that that information will be used for the purposes for which they've gathered it and that it won't be sold or passed on to any other organization. So the provisions that limit the use and the disclosure and the retention of information are important.

The accuracy of the information, of course, is a must. It's up to the organization that's gathering the information to make sure that that information is accurate, and there are provisions in Bill 44 that allow individuals to check on the accuracy of that information, although there are some reservations about it.

The seventh principle is with respect to safeguards, that there is a security system in place that will safeguard the information. We saw what happens when medical information can be left on a computer hard disk and then discarded. We have also seen what's happened with wireless communications now with respect to someone being able to drive down the street and pick up information from a computer with the appropriate technology and receiver system. Making sure that the information that businesses have, that individuals are in charge of, is safeguarded is really important.

The eighth principle that the association puts forward is openness: "An organization shall make readily available to individuals specific information about its policies and practices relating to the management of personal information." So there has to be a statement that has to be public, and it has to be clear how they are going to protect what they'll be doing with the information that they collect.

The ninth principle – and this is for individuals that have run into difficulty in the past – is that there has to be individual access. You have to be able to get your hands on information that an organization has about you, and you have a right as an individual to challenge the accuracy and the completeness of the information. You also should have – it should be a general principle – the power as an individual to have that information amended and made accurate.

The 10th principle that they outline is that you should be able to challenge the compliance. You should be able to challenge an organization with respect to the principles that have been listed, and that organization should have to respond to such a challenge.

3:50

So those are the 10 principles as based on the Canadian Standards Association model code for the protection of personal information, and I think it's a very comprehensive and useful set of principles to have in mind as we look at Bill 44 and pass it through the House.

Now, as I indicated, the bill has been criticized in a number of aspects. One of them is the broad authority in the bill to make

regulations, and the making of regulations is a problem not only of this bill but of a great deal of the legislation that we deal with in the Assembly. I think we have . . . [Dr. Massey's speaking time expired]

The Acting Speaker: Hon. members, Standing Order 29 kicks in.

Anybody else wish to speak on the bill? The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I think that, in general, I would like to indicate that the Personal Information Protection Act, Bill 44, looks like it will fulfill a positive role in respect to information that might be held by organizations other than the government. I would just like to indicate that I concur with many of the comments made by the hon. Member for Edmonton-Mill Woods with respect to some of the general principles applied in this act.

I want to raise one question, Mr. Speaker, which I'm going to come back to in committee stage. Much of the language in Bill 44 mirrors that in the FOIP Act. There is a change, however, and it deals with a clause under section 20 in division 5, and it deals with the issue of disclosure with respect to people providing information without the consent of the individuals. The wording in this act is considerably more restrictive than that in the FOIP Act. The disclosure in 20(c) is quite a bit different. In the FOIP Act it has language that allows disclosure. This is in the FOIP Act, section 40(1)(e), which allows for disclosure "for the purpose of complying with an enactment of Alberta or Canada or with a treaty, arrangement or agreement made under an enactment of Alberta or Canada."

In PIPA there is no mention of an agreement, which is the critical phrase as far as union organizing is concerned, Mr. Speaker. If a union wishes to organize a workplace, it must necessarily have access to the list of employees that are eligible to join that union. This is also the case when the union is seeking its first contract. It must be able to communicate with its members with respect to the negotiations that are going on.

After that, Mr. Speaker, it's usually the norm that the contract provides language that allows the disclosure of the names of the employees of that business to the union, so it ceases to be a problem at that point. The problem arises in the case where a union is trying to organize an employer or when it is trying to reach its first contract.

So the change in the language in this act, Mr. Speaker, removes some certainty as to the rights of a union when it is organizing or negotiating its first contract, and that language in the FOIP Act has been relied upon by the labour board in some of its decisions. So it's potentially a critical piece of language and, I think, will create some uncertainty for the labour board and for labour relations generally with respect to this.

Mr. Speaker, I just want to indicate that that is a considerable concern and believe that it may infringe on the ability of unions to canvass potential members and, indeed, on the rights of individual employees of a firm to be able to make a choice as to whether they wish to join a union or not.

So having said that, Mr. Speaker, I will come back to that in committee stage and just indicate that I think that this is a good extension of the rights of freedom of information and the protection of information, which has long been established in the public sector, into the private sector, and we'd be pleased to support the bill.

Thank you.

The Acting Speaker: Standing Order 29.

Anybody else wish to speak on the bill? The hon. Member for Spruce Grove-Sturgeon-St. Albert on behalf of the Minister of Government Services to close debate.

Mr. Horner: I call the question, Mr. Speaker.

[Motion carried; Bill 44 read a second time]

Bill 53

Insurance Amendment Act, 2003 (No. 2)

The Acting Speaker: The hon. Member for Medicine Hat.

Mr. Renner: Well, thank you very much, Mr. Speaker. It's, indeed, my pleasure to stand in my place this afternoon and move second reading of Bill 53, the Insurance Amendment Act, 2003, (No. 2).

Mr. Speaker, the amendments that we'll be dealing with in the next little while with respect to Bill 33 will accomplish a number of initiatives, but in rough terms the intent is to bring about the legislative authority so that government can proceed with extensive insurance reforms, that have been the discussion of much public debate of late, and as well implement as an interim measure a premium freeze so that there is stability in the marketplace as the new system is developed.

The impetus of this new system, Mr. Speaker, is that we will have a process where premiums become much more dependent upon individual driving behaviour. The amount that an individual pays for his automobile insurance will have a direct relationship to whether or not the individual has demonstrated himself to be a safe driver, in which case he or she will earn discounts. On the contrary, if an individual has demonstrated a proclivity for unsafe driving through being the at-fault driver in traffic collisions or being the recipient of a number of speeding tickets and other traffic violations or in more serious instances being convicted under the Criminal Code, such as impaired driving, considerable surcharges will accrue to the driver.

Proposals have taken age, gender, and marital status from the equation. No longer will Albertans be judged based upon their demographic profile; rather their experience behind the wheel will be the overriding determinant for the price that they will pay for their automobile insurance.

4:00

Essentially, the legislation proposes changes to two parts of the auto insurance system: the premium side, which is what we've been talking about, the reduction of premiums and ensuring that all Albertans have access to affordable, accessible insurance, and at the same time reflecting that we're dealing with a balance. If we're going to make significant reductions on the premium side, we'll also have to find appropriate savings on the benefit side. Mr. Speaker, this afternoon I would like to discuss both aspects of the bill in some detail as we begin the discussion at second reading.

So let's look at premiums. The focus is to bring down premiums to a level that is fair and affordable to the average Albertan and comparable to other western provinces. Basic coverage will continue to be mandated by the government, but there will be a new entry-level benchmark premium for mandatory coverage, and insurance companies will not be able to charge more than that to their customers. I think it's absolutely essential, Mr. Speaker, that I emphasize that the benchmark premiums will establish maximum prices. We fully expect the competitive marketplace to continue in place and that certainly for groups of drivers who have demonstrated their long-term safe driving, the competitive marketplace that exists today will continue to exist, and prices that will be charged in the marketplace will in many cases be significantly below the benchmarks.

The drivers that are currently benefiting from the fierce competition in the marketplace, Mr. Speaker, frankly are not the focus of the

proposed reforms. They will continue to pay low premiums under the new system. The drivers that we are targeting with these reforms are those who may have high premiums for reasons that are totally unrelated to their driving record. Such examples include being too young or too old or involved in accidents that aren't their fault. Perhaps they have worked out of province for a while and their insurance has lapsed. Many of these drivers are being asked to pay premiums that are far too high or, in fact, in some cases are even being refused coverage in the regular market and are being forced to purchase their insurance through the Facility Association.

Under the new system that we propose to put in place through this bill, there will be an all-comers rule that will require insurers to sell insurance to anyone provided that they are legally licensed in the province of Alberta, and the insurance will be sold at no more than the prescribed rates. Instead of having the Automobile Insurance Board approve premiums proposed by individual insurance companies, as they do today, the maximum base premiums for mandatory coverage will now be set by government. Eventually that rate-setting function will be handed over to the new public body that this bill creates, the rate-setting board.

Mr. Speaker, it's no secret that a lot of Albertans have been frustrated by the lack of clarity in the way insurance companies determine premiums. There are a myriad of factors that are used under the current system, and most people don't see any rhyme or reason or in some cases even fairness in the way their premiums are set. In the proposals that we outline in this legislation, drivers will no longer be penalized simply because they are young or old or for accidents that are not their fault. They will receive credit for a clean driving record.

So let's look at what some of the proposed rating factors are. There are three rating factors that I want to spend a little bit of time talking about. The first is the geographic territory. Rates vary by geographic territory because of the density of traffic in most cases. Weather conditions could contribute to it, but at the end of the day they are a reflection of the actual costs on an average basis within that particular territory. In the current system that we operate under, there are four territories; namely, Alberta north, south, Calgary, and Edmonton. The new system proposes to reduce four territories to three. We'll still have north and we'll still have south, and Calgary and Edmonton will be combined into a metropolitan area.

There is also in the existing system a rating factor that is for vehicle use. Frankly, it makes sense, Mr. Speaker. Some vehicles are used very little. For example, someone may have a truck that they use only to pull their RV, and they infrequently use their RV. Well, that truck is simply not exposed to the same level of risk. It's not exposed to traffic at the same degree as someone who uses their vehicle to commute back and forth to work everyday. So it simply makes sense to have some rating based upon the use of the vehicle, but what we have done is simplified the rating structure for classes, and we have reduced the number of classes from 14 under the existing system to six. These classes will include two for pleasure, two for work or school use, and a class for business users.

The business class, I need to point out, does not include taxis, tow trucks, courier, or cargo vehicles. These commercial kinds of vehicles will be dealt with as we move further in our reform initiative but will not be dealt with at this point in time in the first round of regulations that will be developed.

There's also a new class, Mr. Speaker, for farm users. This will continue to ensure that farmers enjoy discounts already in place for them. I talked about the example of someone who uses a light-duty truck to pull a trailer for RV use. In many cases our farm community has a number of vehicles that are used in the same way. They might own a truck that's only used twice a year: once to haul grain at

seeding time and again to haul grain at harvest time. That's why traditionally they have enjoyed significant discounts when it comes to determining their insurance rates. Rather than continuing with a system of deep discounts, it was determined that the best way to deal with it would be to create a new class that will apply to farm use only.

The third level that has to be considered when we talk about third-party liability is the amount of coverage that is required. Under the legislation that is before us, the minimum will continue to be \$200,000, but drivers can purchase and make decisions to purchase liability insurance up to \$2 million. It is a fact, Mr. Speaker, that in Alberta the vast majority of drivers carry more than the minimum \$200,000. So recognizing the market realities that most drivers carry either a million or \$2 million, the legislation provides for the benchmark rates to be set not only at the minimum \$200,000 but also at \$500,000, \$1 million, and \$2 million.

Using the three factors of territory, level of liability, and vehicle class, we established then an entry-level benchmark premium for each vehicle class in each geographic location. The final rates will be determined after the regulations in new territory and minor injuries are finalized.

Once the entry-level benchmark is established, insurers will factor in an individual's personal driving history. Drivers will be credited for the number of years of safe driving and penalized for at-fault claims and traffic violations. The benchmark rates, surcharges, and discounts will be contained in regulations. Again, there has been a great deal of discussion on this issue, but it's pretty straightforward. Individuals will earn discounts by having a clean driving record without at-fault claims, and they will earn surcharges when they have claims and also when they are convicted of traffic offences. The amount of surcharges and claims, again, will be finally determined in regulation.

4:10

I'd like to make one very vital point regarding the proposed hard line that we intend to take on drivers who fail to act responsibly behind the wheel. A Criminal Code conviction, like impaired driving or criminal negligence, will automatically mean a substantial increase in premiums for each conviction. We deliberately set these surcharges at a substantial level to ensure that the new system does not give a break to anyone with traffic-related Criminal Code convictions.

So, Mr. Speaker, when we talk about Albertans paying less for insurance under the new regime, we recognize that there are Albertans who will not pay less under the new regime, and those are the Albertans who do not deserve to pay less under the new regime. There are other, less serious convictions that will also result in increases, although not as much. Under our current laws none of these offences result in demerit points on your licence.

So putting it all together, your benchmark premium will be determined by where you live and how you use your vehicle. You'll then move to an at-fault claims grid to determine surcharges for claims or for discounts based upon the years of clean driving. The maximum discount on the grid will be 65 percent after six years of clean driving. While discounts don't increase beyond six years, you actually will be able to accumulate clean driving records for up to 10 years.

The effect, Mr. Speaker, of doing that is that if someone with 10 years of clean driving should find themselves as an at-fault driver in a collision, they would effectively be reduced by four levels on the grid, moving from 10 years to six years, and that would mean that they would continue to have the 65 percent discount. In essence, what we put in place is a system where after 10 years of claim-free

driving, an individual has earned the right to one claim without it affecting their rates. Unfortunately, the same thing doesn't apply on the issues that we talked about earlier, convictions, unfortunately for that individual, fortunately for everyone else on the road.

Finally, if you qualify for any company discounts offered such as a multi-vehicle discount, it would be applied at the end of the process. Company discounts are not part of the proposed system, and they're at the discretion of the insurance company, but as I mentioned earlier, there is a fairly competitive marketplace, particularly when we're dealing with drivers with longtime clean driving records, and we fully expect that the companies will continue to offer discounts above and beyond the discounts that are contemplated in the legislation.

The bottom line to all this is that our actuaries have calculated that approximately 80 percent of Albertans will pay less for their automobile insurance under the new system than they pay under the existing system. Also based on our actuarial assessment, there is the potential that some drivers could see their rates increase under the new system but only if insurance companies chose to charge at the maximum level. I've already explained that we don't expect that to be the case, Mr. Speaker, as most of the drivers affected in this way would be those who have earned very low rates based upon their driving experience, but for those drivers we would freeze their rates at current levels. I can say with conviction that no Albertan will pay more for their insurance under the new regime than they would have paid under the existing one.

Now, in order to achieve these savings, we need to address the cost side of the equation because, as I mentioned earlier, there are two sides to the equation: one is the way that we collect revenue through premiums to put into a pool. The other side is how we distribute that pool as people benefit from insurance through either being compensated for injury or property damage. So the majority of our savings will be achieved as a result of changes to the benefit side. Before we get into the cost savings on the benefit side, I want to talk about something that is critical, and that is an enhancement on the benefit side. We see a significant enhancement in that we plan to increase section B accident benefits for medical and rehab costs from the current \$10,000 maximum to \$50,000 maximum.

I know that there's been a lot of speculation and confusion about what a proposed cap in compensation for injured workers is all about, and I want to spend a little bit of time talking about the proposed \$4,000 cap on compensation for pain and suffering. I want to emphasize that it applies only to minor injuries, and the definition of minor injuries is well along, Mr. Speaker.

Dr. Larry Ohlhauser has been working with a number of significant stakeholders: the health professions that are involved with treating injury victims. He's also had consultation with the insurers as well as the legal community and is working towards a consensus, not necessarily unanimous but a consensus position, on exactly how we intend to define minor injury. I understand that he has advised that he's making significant progress in that task and should be back shortly with his final consensus recommendations that the government will then move forward through regulation.

I want to emphasize that the proposed changes do not in any way restrict an individual's ability to sue an at-fault party for injuries that they sustained in an automobile accident, but if the injury is determined to be minor, there will be a \$4,000 cap.

I see that my time has expired, Mr. Speaker. I look forward to getting into more detail at committee stage, and in the meantime I encourage all members to support this bill at second reading.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I've been anxious to participate in the discussion around insurance reform in this province for some time in a public forum. Other than public meetings that have been hosted by this hon. member and others, it is the first opportunity I have had to do so.

Now, before I get into my remarks on Bill 53, at this time I think it's important to note the diligence and the enthusiasm that the hon. Member for Medicine Hat has put forward in his study. There are many people, this member included, that think it was a very limited study, but you can't deny the guy his work habits. They are a reflection on the values of the citizens of Medicine Hat. I would also at this time like to express my appreciation for the time that the hon. member has spent in reviewing this proposed legislation with this side of the House. I appreciate that as well.

But I think that the hon. member has been put in a very difficult position because the regulation of the automobile insurance industry in this province has been allowed to slip and slide until we have now this crisis with skyrocketing premiums. Many people, through no fault of their own, have been in my view denied insurance on a mandatory financial product. Certainly, the hon. Member for Medicine Hat has been in my view called in to do a massive repair job on a system that has been allowed to slip by a government that has not been listening to the citizens.

Certainly, members on this side of the House were aware well over a year ago that there were problems with premiums, and at that time we had suggested that there should be an all-party committee, and it was rejected. The hon. minister did tell me in correspondence that this would be dealt with swiftly and decisively. Well, this bill is the second attempt at dealing with a crisis for many Albertans.

4:20

Mr. Mason: Not too swift.

Mr. MacDonald: No. I wouldn't consider it to be swift, nor would I consider it to be decisive.

As far as the hon. Member for Medicine Hat being given a very, very hard, difficult job: well, we had extensive reforms, suggestions, to the automobile insurance regulatory process in this province in 1990. There are two volumes in the Legislature Library. If you were to put one on top of the other, they would be at least four inches in height, and there were some really good ideas in those recommendations, but they sat there for 12 years. Premiums were stable, but then we had this massive increase in premiums.

Regardless of who you talk to, whether it is the individuals from Stats Canada, who say that there are 59 or 57 percent increases in this province from February 2002 to February 2003, or you look at the Insurance Bureau of Canada statistics – and of course they are significantly less – what the motoring public knows to be true is that insurance costs for automobiles are getting to be unaffordable. So Alberta drivers are fed up with skyrocketing auto insurance premiums. The alternative is public automobile insurance, but unfortunately it was not even discussed in this bill.

Mr. Speaker, when we're discussing reforms to insurance, we should be looking at public delivery of a mandatory product. This province has no trouble owning its own bank. In my experience – and that could change – this province has no trouble allowing rural Albertans to have gas and electricity delivered to their homes on a cost recovery basis, so why can we not have insurance for everyone on a cost recovery basis? That is essentially what the public model in British Columbia, if we were to adopt it here, would provide for citizens of this province who are driving a passenger car: they could have insurance on a cost recovery basis. So if it's good enough for rural utilities, if it's good enough that we own our own bank, why can we not have a public insurance system?

Now, Bill 53, Mr. Speaker, deals with a premium freeze, and a

freeze was an idea that we advocated. The hon. Member for Lethbridge-East was advocating back late in the summer that there should be a freeze of premiums and there should be a rollback, a rollback of the mandatory portion, the third-party liability portion, of the insurance premiums of 15 percent. That would make for significant savings for Alberta consumers. The freeze is fine, but it has to be with a rollback.

When you have a consultation process, that the hon. Member for Medicine Hat was encouraged to initiate, and the hon. member certainly did and deserves credit, you can't just talk to the insurance industry or you can't just talk to one group. You have to have a balance. With this process and the development of this bill that's going to penalize, in my view, victims, we are not taking everyone's view into consideration.

Who's going to benefit from Bill 53? Hopefully, it would be consumers. But I believe who is going to benefit here are the insurance companies. There are about 90, as I understand it, Mr. Speaker, selling insurance in this province. They are going to benefit. They got some of their wishes in this bill; there's no doubt about that. The lobbying that goes on by the insurance industry is quite extensive. Will this be a Christmas present for the insurance industry and a lump of coal for drivers? I think so. I think so because, again, there is no rollback with this proposal.

We have not discussed many, many things that affect insurance premiums for automobiles with the insurance industry in this debate that has occurred across the province. There's the whole issue of what effect the privatization of our health care system has made on skyrocketing rehabilitation costs for accident victims. This has never been publicly debated. We haven't entertained how we're going to allocate resources for a public education campaign to try to make our roads safer and reduce accidents that way.

Many of the citizens don't know that accident claims have actually gone down. If we were to take a snapshot for the last decade of claims in this province, we would find a significant reduction, Mr. Speaker. That is happening at the same time as the number of vehicles on the road has increased. The speed limit has increased on the roads. So we essentially have more cars and more drivers and fewer claims. But claims costs are increasing.

There are a number of reasons that claims costs are increasing that have not been discussed. We simply can't just blame it on the victims, point fingers. Or we can blame it on the lawyers. Or we can simply open the yellow pages and say: wow, look at all the injury lawyers; it's their fault. I don't think that's right. [some applause] The Member for Wainwright is obviously clapping and believes that, you know, it may be their fault, but I for one think there are a number of circumstances.

If you look at the asset base of the insurance industry, for one thing, Mr. Speaker, you will see that there has been a significant increase in the asset base between 1998 and 2002, according to Stats Canada again, by the insurance industry. They're pleading poverty. They're not making a dollar. But if they're not making a dollar, I have to ask this question of all hon. members: why are the banks so anxious to get a cut of this action? If there's not a buck to be made selling automobile insurance, then what is the interest of the banks? The asset base of the insurance industry in this country has increased significantly in the last four to five years.

So money is going somewhere in the insurance industry. You talk to the panel beaters. There have actually been a number of autobody shops in this province close. It's a highly competitive business, and they're not making any extra money.

4:30

An Hon. Member: So who's making money?

Mr. MacDonald: Who is making the money in all of this? Perhaps the industry is putting money aside in case McNaughton versus the Cooperators turns into one of the biggest class-action suits in the history of this country. Hopefully we'll get into the potential effect the McNaughton versus the Cooperators case in Ontario would have on auto insurance premiums.

In regard specifically to Bill 53, Mr. Speaker, we have to be very, very careful with this legislation. You open Bill 53, and the first thing you see is reference to base capital and having an adequate base capital for companies that are licensed to operate in this province. What problems do we have now in regard to base capital? I certainly hope we have none. What measures are being used to ensure that consumers know if there are any problems?

Now, when we talk about the Auto Insurance Board, we're going to have a lot to say about this, I can assure you, Mr. Speaker, in committee, because in the summer we had made some recommendations to improve how the Auto Insurance Board works, and again they were ignored. I was pleased to learn that there is at least going to be an attempt made to strengthen the Auto Insurance Board.

But at this time, Mr. Speaker, I have a reasoned amendment to Bill 53. [interjection] Yes, I do. I would like to have it circulated to all hon. members, please.

Mr. Speaker, shall I continue, or shall we wait until the amendment is circulated?

The Acting Speaker: Just wait for a minute, please.

Mr. MacDonald: Thank you.

The Acting Speaker: Hon. Member for Edmonton-Gold Bar, you may proceed.

Mr. MacDonald: Thank you, Mr. Speaker. For the record the amendment that I am presenting to the Legislative Assembly this afternoon in regard to Bill 53 is that

Bill 53, the Insurance Amendment Act, 2003 (No. 2), be not now read a second time because the Assembly is of the view that the bill fails to address overpayment of automobile insurance premiums by Albertans over the past year.

As I said earlier, Mr. Speaker, Albertans are fed up with skyrocketing auto insurance premiums. If you look at the time period from February of 2002 to February of 2003, according to Stats Canada, I believe it is, premiums increased by 59 percent. The insurance industry is getting rich at the expense of insurance consumers, and the Alberta government, in my view, has done very little. This is an industry that needs to be regulated. There has been no regulation by this government. There's been no attempt to regulate by this government. In fact, in the second quarter of 2003 the insurance industry reported \$644 million in profits, up from \$110 million the same time last year.

Now, the insurance government's watchdog, the Automobile Insurance Board, has been, in my view, toothless. For instance, in that board we rubber-stamped 155 of 157 proposals for rate increases. Drivers are paying higher premiums, the insurance industry is profiting, and how much more can consumers in this province bear?

We can't just allow the rates to skyrocket or to escalate one year to the next to the next and then, after the rates have gone through the roof, have a freeze. There has to be a rollback, a rollback of rates, and you have to roll back the third-party liability, or the mandatory portion of the insurance product. That's what we would like to see. Unfortunately, it's not in this legislation, and that's why I think this amendment in second reading is very appropriate. I would encourage the hon. members to support this amendment.

Now, Mr. Speaker, there certainly has been a great deal of

controversy over these proposed insurance reforms. There have been expressions of concern from the legal community. There have been expressions of concern from consumers, no doubt. There have been expressions of concern from opposition members. Even some government members have expressed concern. There has been a great deal of concern by government members about the direction of this, and some of that concern I believe has changed how the new format is going to work in Bill 53, but that, again, is not enough.

We look, Mr. Speaker, at the auto insurance rate comparison study from the Consumers' Association of Canada. I got this from the Legislature Library, and I would encourage all members to read it. This is a snapshot of 17 cities in four western provinces, and three of those four western provinces have public insurance of one form or another.

Why do we need to reject this bill without rollbacks? Well, the average annual auto insurance rate by province is in here. This was just released, Mr. Speaker, in August of 2003, so it is essentially the last information that has been available. In Alberta we're paying \$1,853 on average for annual auto insurance rates, in British Columbia it's \$1,105, in Saskatchewan it's \$904, and in Manitoba it is \$787. Now, when we're talking here about Saskatchewan and Manitoba – and we have to be very careful about this – these are no-fault insurance.

Mr. Speaker, when we look at, for instance, a young driver for insurance, a principal driver under 25 years of age, and the rates for Alberta and the public auto insurance provinces, Alberta is the highest.

The Acting Speaker: The hon. Member for Medicine Hat.

Mr. Renner: Thank you very much, Mr. Speaker. I want to thank the member for bringing forward this reasoned amendment not so much because I intend to support it – I don't – but it does give me an opportunity to address some of the issues that I wasn't able to address in my opening remarks.

I want to advise you that members should not support this reasoned amendment because if they support this reasoned amendment, there are a number of other things that this bill will do that this reasoned amendment would exclude. One of those things, Mr. Speaker, has to do with the case of a freeze.

In my opening comments I made reference to a freeze, and I want to spend a little bit of time explaining what this reasoned amendment would exclude from the benefit that Albertans would have from this bill. The freeze that's contemplated is a freeze retroactive to October 30 of this year. That means that for every premium that is renewed after October 30, that policy would come under the purview of this freeze.

4:40

We recognize that it is going to require some work on the part of the insurers to implement the freeze, and the fact that we haven't passed the legislation – and if we were to pass this reasoned amendment, we wouldn't be passing legislation and the freeze would never be implemented. In the meantime, what we're asking Albertans to do is to continue to pay their renewals and then we will work out, through a process of regulations that are authorized by this bill, the process by which Albertans would have adjustments made for any that paid premiums that are in excess of what would be allowed under the freeze.

So the freeze covers all insurance premiums, Mr. Speaker, even those that are not included in this bill. For example, it includes the mandatory coverage, section B coverage, all optional coverage including collision, comprehensive, and all perils. The only area that

the freeze will not affect is discounts for good drivers, scheduled discounts, or rate increases for bad drivers. Again, we're not going to protect individuals from increases that they deserve. Also, if a person's vehicle or driving status changes, there could be changes made to the premium, but as long as an individual is driving the same vehicle and maintaining the same status, the freeze will apply.

I also would like to point out that the freeze applies to all mandatory optional coverage for all classes of vehicles including passenger, commercial, recreational, and motorcycles, but the freeze does not include commercial fleets.

I want to talk just a little bit about something else that's in this bill that this motion would preclude Albertans from benefiting from. I was just talking earlier about how we're going to be dealing with issues related to the cost side of the equation. We talked about savings that will accrue as a result of putting a limit on the amount of compensation an individual can receive for pain and suffering for a minor injury, but I'm not sure that I had time to make it abundantly clear that that does not affect compensation an individual would receive for out-of-pocket expenses, for medical expenses, for lost income.

[The Speaker in the chair]

So all of that right to sue is totally unaffected by this bill. The only restriction that comes into play would be where an individual has what is deemed to be a minor injury. There would be a maximum of \$4,000 available to that individual for the pain and suffering component only of their suit. Nothing would prohibit the individual from going to court to pursue action, and in fact nothing would prohibit that individual from arguing in court that the definition of minor injury should not apply to them if they have evidence indicating otherwise.

The other thing that this reasoned amendment would preclude is our proceeding with the aspects of this bill that refer to the previous discussion on a bill that's on the Order Paper, Bill 33. The provisions of Bill 33 and the cost saving that was involved in Bill 33 are built into this bill, but there's a significant difference, Mr. Speaker, a very, very significant difference between Bill 53 and the Bill 33 provisions contained within Bill 53, and that is that Bill 53 doesn't rely on the goodwill of the insurance industry to pass savings on to the consumer. Bill 53 very clearly is intended to base premiums and cost savings that would be passed on to the consumer upon the grid structure that I talked about earlier. So any savings that would accrue to the cost side as a result of the section of this bill that previously was Bill 33 will be incorporated into the grid structure and will be truly reflected in savings that would pass on to the consumer.

Mr. Speaker, I can only say that there are tremendous benefits to all Albertans as a result of this bill, and I must emphasize to all members of the House that to concur in and pass the motion that's currently on the floor, the reasoned amendment suggesting that this bill not be dealt with now, would preclude significant benefits to the consumers and individuals in Alberta, who stand to have significant benefit through government action and intervention in the automobile insurance industry. I urge all members to resoundingly defeat this motion.

The Speaker: The hon. Member for Edmonton-Highlands on the amendment.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to speak to the amendment. The amendment indicates that Bill 53, the Insurance Amendment Act, 2003 (No. 2), not be read at this time

because “the Assembly is of the view that the bill fails to address overpayment of automobile insurance premiums by Albertans over the past year.” Now, I can think of many reasons why we ought not to pass this bill, but certainly the failure to address the dramatic increase in insurance rates in the past year, or in the year 2002 in particular, is probably one of the pre-eminent reasons why we ought not to give this bill the second reading.

Mr. Hancock: Point of order.

The Speaker: The hon. Government House Leader on a point of order.

Point of Order

Amendments at Second Reading

Mr. Hancock: Thank you, Mr. Speaker. I do hesitate to interrupt the Member for Edmonton-Highlands in debate on the amendment, but I would draw your attention to page 640 of *House of Commons Procedure and Practice* and the second bullet on that page, which indicates that “it must not relate to particulars of the bill, if what is sought may be accomplished by amendments in committee.” It would seem to me, on the face of the amendment that’s being put forward, that that is something which could be accomplished by an amendment to the bill in committee by adding a provision which would be entirely consistent with the concept of the freeze that’s provided for in the bill. You could also propose an amendment to that provision to provide for a rollback. So I would suggest that the amendment is out of order.

The Speaker: A little difficulty, Government House Leader. The amendment has been accepted to this point in time. Three people have already participated on it, and that would relegate back into ancient history, I guess, those aspects of the debate. But it’s very, very clear, as well, in *Beauchesne* 667 what the restrictions are with respect to debate with respect to this aspect of the bill. So we’ll continue on the narrowness of what’s outlined in *Beauchesne*.

Debate Continued

Mr. Mason: Thank you very much, Mr. Speaker. I appreciate that.

As I was saying, one of the primary reasons if not the premier reason for not now considering this bill at second reading is the very fact that it fails to address the overpayment of automobile insurance premiums over the past year particularly, the year 2002. The Consumers’ Association of Canada produced an excellent report, which I urge all members to read, that showed that, in fact, rates in this province rose a shocking 57 percent in the year 2002. So the bill and the freeze that is part and parcel of the bill locks in that increase, and the government expects drivers to be grateful. I suppose they should be because of course the rates could go up considerably more than that.

4:50

If you look at the amendment, clearly the lion’s share of increases in insurance in this province have already taken place. I think that we need to take a look at that because the insurance companies have been lobbying the government very intensively in order to protect their interests in whatever the government may do. If the government had been concerned about this increase, it would have acted long before now. It’s not generally known, Mr. Speaker, but every rate increase that has taken place in this province for car insurance has been approved by the government through its agency the insurance review board. This little private committee, this little known committee that doesn’t publish its proceedings, that doesn’t

have a web site, which just rubber-stamps increase after increase as the rates go up, has resulted in some very, very high insurance rates in this province that need to be addressed, and this bill doesn’t address them.

It’s important that Albertans know . . .

Mr. McClelland: Point of order.

The Speaker: On a point of order, the hon. Member for Edmonton-Rutherford.

Point of Order Relevance

Mr. McClelland: The point of order is on relevance, Mr. Speaker. The amendment says that the bill fails to address overpayment of automobile insurance premiums by Albertans, so it would be overpayment of premiums. For instance, if my premium was \$100 and I paid \$110, that would be an overpayment by an Albertan. So I understand it’s difficult, but this is a very narrow amendment.

Thank you, Mr. Speaker.

The Speaker: Hon. Member for Edmonton-Highlands, please continue.

Mr. Mason: Thanks very much, Mr. Speaker. I interpret and I confirmed with the hon. Member for Edmonton-Gold Bar that, in fact, he does mean dramatic increases in rates when he talks about overpayments. So I think that I have a correct understanding of the amendment.

Debate Continued

Mr. Mason: So, Mr. Speaker, it’s a fact little known to Albertans that this government has approved every automobile insurance rate increase that they have received, and it has been done in secret without any knowledge, without any ability of individuals, citizens, or organizations to challenge the rate increases. In fact, a very large number of rate increases were approved and only three in the end were rejected. So the government has a very, very broad responsibility for the mess that we’re in in this province.

Now, it’s also interesting, Mr. Speaker, that the government knew that this was going on, because presumably their little insurance committee board reports to them regularly, and I’m sure that at least the Minister of Finance reads their reports. So the government has known that insurance rates were shooting up in this province and did nothing about it until they had an epiphany. They were struck by a blinding light on the road to Damascus, and that was the New Brunswick election. The Lord came to them – that is, Premier Lord – and Premier Lord said that in fact there was a serious problem, that they almost lost the election because of high car insurance in the province of New Brunswick. Other provinces had similar problems.

All of a sudden we had the government’s attention. They never acted; they never did a thing. They never cared about the increase in auto insurance rates affecting their constituents until another Tory government almost lost an election over it. Then all of a sudden all the lights came on, and they began to realize that this could be a problem for them. So they started to work overtime and they started to deal with the high rates, but they never, never had any intention of doing anything but managing it as a political issue so that it didn’t affect their chances for re-election in the next election. They certainly had no intention of doing anything that would fundamentally harm the interests of the insurance industry; maybe the injury lawyers but certainly not the insurance industry, Mr. Speaker.

So they set about finding a way to deal with this problem from their narrow political perspective, and this has resulted in a bill which may or may not fulfill their objectives. I happen to believe that this does not solve the political problems for the Conservative Party amongst its voters in the next election and will not solve the problem because they are simply rearranging who pays. It's simply a shell game. It's three walnuts laid out on the table, and they're twirling them around and trying to figure out who's going to end up paying. So it's no longer going to be young male drivers, and it's no longer going to be senior citizens. They have taken a laudable step, Mr. Speaker, in eliminating discrimination against those categories of individuals.

However, they continue to have the same blind spot that they've always had, and that is Edmonton. They have a blind spot when it comes to Edmonton, and while they won't allow discrimination based on gender or age – and so they shouldn't – they will allow it on the basis of living in Edmonton. I don't know who is on this MLA committee and whether or not there was a proper representation from the Edmonton caucus, but surely to goodness if the Edmonton caucus was doing its job, it would not have allowed specific discrimination based on living in Edmonton. But that is where the government is going. That's what they're going to do.

The Speaker: The hon. Member for Drayton Valley-Calmar.

Point of Order Imputing Motives

Rev. Abbott: Thank you, Mr. Speaker. Under Standing Order 23(h), (i), and (j), imputing motives. He is imputing motives there with the Edmonton caucus, which is completely out of order.

The Speaker: Imputing motives with respect to another member would be entirely out of order, yes.

Debate Continued

Mr. Mason: Thank you very much, Mr. Speaker. This is perhaps going to go down in history as the most interrupted speech in the entire session. I don't know.

Mr. Speaker, I just want to indicate that we have a situation where people are getting gouged. Different people are going to get gouged because they haven't done the right thing, and that is to eliminate the high profits of the insurance industry, which is the real thing that drives the rates up. The insurance industry has made the claim that increased insurance claims are, in fact, responsible. But in the same year that insurance premiums went up 57 percent, guess how much claims went up? Three percent, according to the Insurance Bureau's own figures. So it's not that that's driven up rates.

What happens in this industry, Mr. Speaker, is that all of the insurance companies work together. They all work together and they take all of their premium revenue, all of the money that they get from that, and they invest it in the stock market. And guess what? The last couple of years, particularly since we've had the Bush administration in Washington, the stock market has gone way down. It's gone way down, and lots of people who have RRSPs and so on realize this. They've taken losses. I've taken losses myself on my RRSPs, as have probably most of the people in this Chamber, and so have the insurance companies. When I lose money on my RRSP, I can't go to the insurance company and say: you have to lower my premiums to compensate. But if you turn it the other way around, that's exactly what the insurance companies have been doing. They've been jacking up people's rates for no particular reason in order to compensate for their losses by investing in the stock market.

This is what the government bill is trying to protect. Instead of saying, "This is completely unacceptable, and we're going to protect the individuals from this kind of gouging," they say, "Oh, hey, we're going to freeze." It's a little bit, Mr. Speaker, like closing the barn door after the horses have all gotten out. All 57 horses have escaped from the barn. There might be a few left in there, Mr. Speaker, but most of the herd is already out grazing on the range.

5:00

I don't think this bill is going to cut it. By eliminating discrimination against young male drivers and against seniors, the government is probably going to have to reallocate higher premiums. They've been very clear about it. They're going to punish people who have bad driving records. They seem to think that this is a laudable goal. Well, maybe it is; maybe it's not. But when we started down this road of insurance reform, the objective was never to punish bad drivers. That's not quite the same thing as promoting safe driving. They're just redistributing who's being victimized by the insurance companies. So if somebody has a family vehicle and has a couple of minor fender benders, they're going to be paying a lot of money, paying a lot more than they are now. That doesn't necessarily make them bad drivers, and it doesn't necessarily mean that they're going to be any safer just because their insurance rates go up. I know that Tory thinking is that if you punish someone enough, they'll eventually stop doing something, but it doesn't always work that way, Mr. Speaker.

So I just want to indicate that the minister – and I attended her news availability when she talked about the savings along with the Member for Medicine Hat – indicated that there would be savings of about \$250 million as a result of these government proposals out of a total of \$2 billion. If you do the math, that's about one-eighth of the total insurance industry that's going to be saved. That's about 12 percent, as I do the math, Mr. Speaker. So at the very most the government's proposals will bring down rates, when they're fully implemented, by 12 percent overall. The Liberal plan is to reduce it by 15 percent, which is a slight improvement.

We're saying that we have to go back to square one. We have to eliminate that 57 percent increase in premiums that took place in the year 2002 before we can do it. We can go further, Mr. Speaker, because public auto insurance is the only means proven in this country of delivering regular, stable, low premiums for auto insurance. That's the proposal that has been put forward by our party, and it has only been implemented in three provinces by three New Democrat governments; that is, Manitoba, Saskatchewan, and British Columbia. Even when Conservative governments get elected in this country – for example, the conservative Liberal government in British Columbia – they won't touch it because it is so superior and so popular that there is no way that even the most right-wing government has ever been willing to touch public auto insurance once it's been implemented.

Now, the hon. Member for Drayton Valley-Calmar was quoted in a refreshing moment of absolute blunt honesty as saying that the one thing that wasn't on the table as far as this committee was concerned was public auto insurance because it wasn't the Conservative thing to do. What is that, "It's not the Conservative thing to do"? Is it ideology? I think it probably is. The Liberals to their credit are far less concerned with ideology than members over there. They'll gladly steal our idea, and they have.

The Speaker: The hon. Member for Edmonton-Centre on the amendment.

Ms Blakeman: Absolutely, Mr. Speaker. I'm delighted to be able

to stand and speak in support of the reasoned amendment put forward by my hon. colleague from Edmonton-Gold Bar. That reasoned amendment is asking that this Bill 53 “be not now read a second time because the Assembly is of the view that the bill fails to address overpayment of automobile insurance premiums by Albertans over the past year.” I think we could argue that it was even more than the past year, but the specificity of the amendment is “the past year.”

In fact, auto insurance premiums have definitely gone up. We’ve got all kinds of documentation about that. Even the Insurance Bureau of Canada’s site and annual reports are happy to supply people with the statistics on that, depending on exactly what month to what month you’re going to look at. The hon. Member for Edmonton-Highlands talked about a 57 percent increase from February of 2002 to February of 2003. We were looking at a 59 percent increase. No question in my mind of the accuracy of the amendment, that there has been significant overpayment of premiums by Albertans.

The bill does not rectify this situation. It offers a number of smaller and shorter term fixes for the problems that are being seen in the insurance industry and with insuring private automobiles, but it is by no means looking at what Albertans are asking for, and that is an immediate reduction of the premiums that they are paying. Certainly, when I look at some of the letters and e-mails that I’ve had from my constituents – and I apologize, Mr. Speaker. I will have to table these tomorrow when I have the complete document. I’m looking at excerpts, and I’ll bring the rest, the full document, tomorrow to table. I think these four or five letters are a good illustration of what’s been happening to people in Alberta.

We have Mr. ’93 Mazda, who was willing to pay his \$2,200 per year, perfectly willing to do that, even though this person is a full-time university student. His concern around this was that he was in a car accident. The damage to his car was minimal, but he has missed a significant amount of work, some 10 weeks, plus had physiotherapy appointments, massage therapy appointments, lost hours of sleep, and had emotional pain, and under the system that’s being proposed here he would be eligible for a grand \$4,000. Now he is also having to set aside his application to go into the police service since as a part of this same accident he tore a ligament and seems to have also injured his neck. So this certainly affected him. He doesn’t feel that a cap is going to help him, and certainly for the money that he’s paying, he’s overpaying at this point. So he didn’t object to what he was paying before. He’s certainly objecting to what he’s paying now.

The Speaker: The hon. Government House Leader.

Point of Order Relevance

Mr. Hancock: Thank you, Mr. Speaker. I rise on a point of order subject to rule 459 of *Beauchesne’s*. I think I heard you in your earlier ruling indicate that because this was a reasoned amendment, we must stick strictly to the issues of the amendment. The amendment deals specifically with overpayment of automobile insurance premiums. I’m not sure, but I think I heard the member opposite talking about a restriction on damage payments, which is clearly not part of the overpayment provisions in the amendment. So I would suggest that she’s not speaking in a relevant manner to the amendment.

Ms Blakeman: If the minister had listened further, he would have heard me completing the points that had been raised by the constitu-

ent, that he felt he was now paying too much and overpaying as a result of that, which feeds exactly into the overpayment that is outlined in the reasoned amendment that’s brought forward. So I was very much on point, raising the constituent’s concerns.

The Speaker: Proceed.

Debate Continued

Ms Blakeman: Thank you. Mr. Small Cheap Car, who has also written to me, was in the situation of usually driving a company car. He’s made comparisons with being insured in both the United States and the U.K. Here he is back in Alberta, looking to purchase a small, cheap car for his wife and son, and after 25 years of driving with zero claims, he was put in a high-risk category and is looking at a \$4,500 car and \$2,800 a year insurance. He most definitely feels that he is being overcharged, considering a perfect driving record and this isn’t even a very expensive car. So he is most concerned with a lack of a solution that’s being offered in this legislation.

5:10

Now we’re looking at Mr. Plymouth Laser, who has also written in. [interjection] I can’t tell if that’s fanfare for Plymouth Lasers; perhaps it is. In this case he was concerned that the rate freeze is not being addressed to him. So not only did he feel that he was overpaying to begin with, but with the rate freeze he expected that overpayment to at least stay at the same level, and that, in fact, is not what’s happened to him. He’s been with his present insurance company for five years, and he made one claim a number of years ago, a very small claim. It turns out that the particular program that he was on has mysteriously been canceled. The last time he checked, back in August, the program was still in existence, and now it’s disappeared. So now he’s no longer even going to be subjected to a so-called rate freeze and is being put in a category where he’s just paying an unbelievable amount of money. So there’s another person who feels very much that there’s an overpayment of automobile insurance premiums and that this legislation is not addressing it. So those are just samples of what I’ve heard from my constituents.

You know, who’s reaping the profit of this overpayment? What we can see is that the government has certainly been responsible and has allowed through their insurance review council for the premiums to be raised repeatedly. I heard someone else quote how many times. There it is: 155 proposals for rate increases were in fact approved. All those were for rate increases; they weren’t for rate decreases. So over that period of time that we’re looking at, 155 different kinds of rate increases, obviously not all of them applicable to every individual but together they certainly result in Albertans paying significantly more in automobile insurance premiums. We have an auto insurance industry that reported \$644 million in profits, which is up an additional \$110 million in profits from the same time last year.

So the arguments that we’re hearing about why we would need to have higher insurance premiums don’t seem to be playing out or they’re not substantiated by statistical backup. The statistical backup that we can look at tells us that the insurance industry decided to go ahead – and I think I’ve heard them describe it in their words as rate shock – and repeatedly raise the rates. The government approved those rate increases. They were applied to Albertans, who are now paying substantially more than they were a year ago, 18 months ago, or two years ago.

The initial claims about why this needed to be increased had to do with the payouts – and I think the Member for Edmonton-Highlands has already gone over that, so I won’t belabour the point – but that was not a reasonable argument for the insurance industry to be using

about why these rates were going up so much. The payouts, in fact, I think had gone up by 2.8 percent, which certainly didn't equal the enormous amount that the insurance industry had been able to raise the rest of the rates by.

So here we have a bill that's coming forward. It's dealing with a number of small band-aids, including incorporating what was in a completely different piece of legislation before plus adding in a number of things that have now been researched by the Member for Medicine Hat over the summer, and they don't appear to be resulting in substantial reductions or a correction of this overpayment for Albertans.

Particularly peeving me is the insistence on the continued discrimination based on geography, and that, again, is directly related to an overpayment, and this is an overpayment or a higher premium paid specifically by Edmontonians. The government has been unable or unwilling to give any kind of clear answer as to why they would support removing the discrimination based on gender or age but insist on keeping in place discrimination based on geographic location, that is Edmonton, and I think it also applies to northern Alberta.

As an Edmonton MLA that's of great concern to me: that my constituents are going to have to pay more money than someone somewhere else, but other reasons that are often quoted by the insurance companies for a rate differentiation that they can prove statistically, that being gender and age, have both been removed as a reason for discrimination and, therefore, for a higher rate by the government. We have not had a clear answer from the government why they feel that it's okay to overcharge on these based on geographic location.

Some of the other issues around higher automobile premiums that are not addressed in this bill are around that a person can't collect twice for the same accident. Now, that's something that I had raised as a concern before. It's a situation that people get caught in where they need to keep insurance because they're in a contract position or they're not able to get it subsidized through their work, and this legislation is going to put them in a position where they're paying for insurance that they won't even be allowed to collect on. But for most self-employed people or contract workers they have to keep that insurance up because some day that insurance may not be covered by their employer and they would be subject to extraordinarily high rates to go into an insurance plan at that point at an older age with different life circumstances. The whole idea is that you get in younger and you keep paying those rates with the same company and you're supposed to be getting some sort of a better deal or a recognition of your long term with them.

So this continues to be a great concern for me. Not only is it not addressed, but it's in fact being reinforced in the legislation, and it's certainly not going to reduce a higher payment or an overpayment by Albertans.

Thanks very much for the opportunity to speak, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Mill Woods on the amendment.

Dr. Massey: On the amendment, Mr. Speaker. Thank you. The amendment focuses on overpayment and really strikes at fairness: how fairly have Alberta drivers been treated, and have they in fact suffered because they have been overcharged, made overpayment on their insurance policies?

5:20

It's been mentioned before, but the review of the automobile

insurance rates by the Consumers' Association of Canada provides some very useful information. One of the comparisons – and they indicated that it's the most fascinating comparison that they made – is the one between rates in Alberta and rates in Saskatchewan in the city of Lloydminster. I think that by looking at those rates, it could be put forward as one piece of evidence that Alberta drivers, in fact, have been overpaying with respect to automobile insurance premiums.

They have 34 rating profiles, but three of them really are quite stark in the comparison that they make. If you take an individual in the ninth rating profile driving a 1990 Dodge Spirit, a female 22 years of age with no claims or convictions, in the Saskatchewan part of Lloydminster that driver would be paying a little less than a thousand dollars. Well, if you lived in Alberta, the same driver would be paying \$3,000, almost three times as much for automobile insurance, Mr. Speaker.

Another example: someone in the 18th rating profile driving a 1990 Jeep Cherokee, a male 40 years of age with claims or convictions. In Lloydminster, Saskatchewan, that individual would be paying roughly \$1,500 a year in premiums. In Alberta that same individual driving the same vehicle with the same kind of driving record would be paying an outstanding \$6,500 a year in premiums.

So, Mr. Speaker, there are a number of examples, and as I said, the study indicates that this is probably the most stark in terms of examples. I think it does provide ample proof that Alberta's drivers have been making overpayments with respect to automobile insurance premiums and that there is good reason for the reasoned amendment to be before the House and for the Assembly to support it.

There are a number of other comparisons that are made in the study, Mr. Speaker. There's the average annual insurance cost city by city. We find that a number of Ontario cities, as one might expect, are at the highest cost with respect to rates, but right behind them, very close, are the major cities in our province, and they are considerably higher than those that we find in other parts of the country, particularly Saskatchewan and British Columbia.

So with respect to the reasoned amendment, Mr. Speaker, I think there is ample evidence that Alberta drivers have been overpaying, and it's unfortunate that the bill before us doesn't deal with that overpayment.

[The voice vote indicated that the motion on the amendment lost]

[Several members rose calling for a division. The division bell was rung at 5:25 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Blakeman
MacDonald

Mason

Massey

Against the motion:

Cao
Cardinal
Cenaiko
Coutts
Danyluk
DeLong
Dunford
Evans
Forsyth

Hancock
Horner
Jablonski
Jacobs
Jonson
Kryczka
Lougheed
Lukaszuk
Lund

McFarland
Nelson
O'Neill
Ouellette
Renner
Snelgrove
Stelmach
Strang
Tannas

Friedel
Gordon
Griffiths
Haley

Magnus
Marz
McClelland

Tarchuk
VanderBurg
Vandermeer

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that we adjourn until 8 p.m., at which time we reconvene in Committee of the Whole.

Totals:

For – 4

Against – 37

[Motion carried; the Assembly adjourned at 5:37 p.m.]

[Motion on amendment to second reading of Bill 53 lost]

Legislative Assembly of Alberta

Title: **Tuesday, November 25, 2003**

8:00 p.m.

Date: 2003/11/25

head: **Government Bills and Orders**

head: **Committee of the Whole**

[Mr. Tannas in the chair]

The Chair: I'd like to call the Committee of the Whole to order. I wonder if the committee as its first item would agree to a brief introduction of guests.

[Unanimous consent granted]

head: **Introduction of Guests**

The Chair: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you very much, Mr. Chairman. To you and through you to colleagues it's my pleasure to reintroduce Sarah Monkman, who is in the Speaker's gallery. As members will know, Sarah Monkman is a former page here and was of great assistance to us for two years, 2000-2002. Sarah is now a student at Grant MacEwan. She's in a two-year general studies program leading to a career in nursing. So, Sarah, would you rise, and we would be delighted to give you the traditional welcome.

Bill 44

Personal Information Protection Act

The Chair: The hon. Minister of Government Services.

Mr. Coutts: Thank you, Mr. Chairman. I'm pleased to rise this evening in Committee of the Whole to discuss Bill 44, the proposed Personal Information Protection Act. Just a few general comments before bringing in some amendments.

I want to speak about the content of the bill, and I want to talk briefly about the importance of the bill. The Personal Information Protection Act will help protect Albertan's personal information by establishing clear, concise, and commonsense rules for the private sector when collecting, using, and disclosing personal information. If Alberta does not enact the Personal Information Protection Act, the federal private-sector privacy act will govern personal information in Alberta's private sector on January 1, 2004. The Personal Information Protection Act will address Alberta's private-sector needs better than the federal act. Our legislation is drafted to make it easier for small businesses to follow. For these reasons the government of Alberta strongly supports the proposed Personal Information Protection Act, and we urge the opposition to join with us in supporting this bill.

I'll turn my comments to the content of the bill for just a few moments before the amendments. As the members know, Bill 44 had first reading in the spring 2003 session, but it was held over until the fall session to allow time for additional stakeholder input. Stakeholder input has led to a number of proposed House amendments to Bill 44 and a few consequential amendments to other government statutes to ensure their consistency with Bill 44.

So, Mr. Chairman, with your permission I propose to address the House amendments and the consequential amendments this evening as we go through committee, through the substance of the bill, and I am pleased to introduce these amendments to Bill 44, which I wish to move as a package and have voted on as a single vote.

Section 1 of the bill sets out a number of definitions including the terms "business contact information," "investigation," "personal information," and "organization."

We are making a few House amendments to the definition section. First, the term "credit reporting organization" is being defined to clarify the provision in the act that uses this term.

Secondly, the definition for the term "investigation" is being simplified but not substantially changed.

Third, the term "organization" is being clarified to address how the act deals with contractors and agents of an organization. The reference to contractors and agents is being moved from the definition of the term "organization" to section 5, the provision of the act that deals with compliance. This amendment is housekeeping in nature and will make it clearer that organizations are responsible for their contractors' and agents' compliance with the act but that contractors and agents must still comply with the act.

Finally, the definition of "personal information" is being modified. Currently personal information is defined to exclude business contact information. On the advice of our drafter the exclusion of business contact information is being removed from the definition section to the section that deals with all of the other exclusions from the act, which is section 4. This amendment is housekeeping only and will not change how the act addresses business contact information. Business contact information will still be excluded from the act when it is used for the purposes of contacting individuals in their capacity as an employee or an official of an organization.

When it comes to the reasonable standards in section 2, the bill sets the standard for compliance with the act, and that standard is the reasonableness standard. This standard is important because it ensures that the act is flexible for small and medium-sized businesses. If businesses act reasonably, they have no problem with complying with the act.

Section 3 establishes the purpose of the act, and the purpose is to govern an organization's "collection, use and disclosure of personal information" in a manner that balances the privacy rights of individuals with the need of organizations to collect, use, and disclose personal information for reasonable business purposes.

Under Application in section 4 it establishes what is not governed by the act. The act does not govern matters such as the collection, use, or disclosure of personal information for personal or domestic purposes, artistic or literary purposes, or journalistic purposes. The act also does not govern personal information that is collected by the Freedom of Information and Protection of Privacy Act.

We are making a few House amendments to section 4. First, as mentioned earlier, we are moving the exclusion of business contact information from the definition section to section 4.

Secondly, at the request of Health and Wellness the exclusion for health information in section 4(3)(e) is being amended. This amendment will exclude from Bill 44 all health information "where that information is collected, used, or disclosed by an organization for health care purposes."

The third House amendment to section 4 will exclude from the act personal information in records deposited in archival institutions prior to the coming into force of the act where public access to the records has been unrestricted.

The fourth and fifth House amendments to section 4 will exclude political parties, constituency associations, and candidates for public office from Bill 44. The personal information held by political parties and constituency associations is already protected under the Election Act, which includes serious penalties for misuse of this information.

Section 5 indicates compliance with the act, that "an organization is responsible for personal information . . . in its custody or under its

control.” As mentioned earlier, we are making a House amendment to section 5 to clarify that organizations are responsible for their contractors’ and agents’ compliance with the act but that contractors and agents must still comply with the act.

When it comes to policies and practices under section 6, this establishes that organizations must develop and follow reasonable policies and practices to meet their obligations under the act. Organizations must also make information about their policies and practices available upon request.

Where it comes to consent under section 7, section 7 states that unless the act allows otherwise, an organization must obtain the consent of an individual when the organization collects, uses, or discloses the individual’s personal information.

Under Form of Consent in section 8 it provides that consent can be given orally or in writing or it can be implied when an individual volunteers his or her personal information to the organization. Organizations must also give individuals the choice to opt out of the organization’s collection, use, or disclosure of the personal information.

Section 9, where we look at withdrawing of consent, allows individuals to withdraw or vary their consent as long as there are no legal obligations and they’re not affected.

Consent obtained by deception: section 10 states that consent obtained by deceit is not valid.

Limitations on collection in section 11 requires organizations to “collect personal information only for purposes that are reasonable.”

Limitation on sources for collection: section 12 states that organizations can collect an individual’s personal information from someone other than that individual if the act allows this information to be collected without consent.

When it comes to section 13, requiring notification for collection, organizations are to notify an individual of the purpose for which their personal information is being collected and the name of someone in the organization who can answer questions about the collection. However, this requirement does not apply if the individual voluntarily provides his or her personal information.

8:10

Collection without consent: section 14 describes the situations where consent is not needed for the collection of someone’s personal information. These situations include where the collection is authorized or required by law, the collection is for a legal proceeding or investigation, or where the information is publicly available.

We are proposing three House amendments to section 14. Two of them are housekeeping in nature. One clarifies the intent of the opening paragraphs of section 14, and the other clarifies the meaning of section 14(g). The third House amendment to section 14 adds to the act another situation where consent is not needed for collection of personal information. The additional situation is where the collection of information is from a public body that is required or authorized by legislation to disclose the information.

Section 15 allows an organization to collect personal employee information without consent in certain circumstances. We are proposing two House amendments to section 15. The first amendment will require organizations to provide notice to employees prior to the collection of their personal employee information unless the information can be otherwise collected without consent under the act. The second House amendment to section 15 is the deletion of a requirement for organizations to destroy the personal information of potential employees if these individuals are not hired after a recruitment process. The act’s general provisions regarding record retention address this issue sufficiently.

Under section 16 a limitation of uses requires organizations to use personal information only for purposes that are reasonable, and

section 17 describes the situations where consent is not needed for the use of someone’s personal information. This provision mirrors section 14, which deals with collection of personal information without consent, and the situations where consent is not needed for the use of someone’s personal information include where the use is authorized or required by law, the use is for a legal proceeding or an investigation, or where the information is publicly available.

We are proposing two House amendments to section 17. These amendments mirror two of the House amendments proposed for section 14. One of the amendments is housekeeping in nature, and it simply clarifies the intent of the opening paragraph of section 17. The House amendment to section 17 adds to the act a situation where consent is not needed for the use of personal information. The additional situation is where the information is collected from a public body that is required or authorized by legislation to disclose the information.

Section 18 allows for an organization to use personal employee information without consent in certain circumstances. This section mirrors section 15, which deals with collection of personal employee information without consent. One House amendment is proposed for section 18, and it mirrors one of the amendments proposed to section 15. The amendment will require organizations to provide notice to employees prior to the use of personal employee information unless the information can be otherwise used without consent under the act.

Limitations on disclosure: section 19 allows organizations to disclose personal information only for purposes which are reasonable.

Section 20 describes the situations where consent is not needed for the disclosure of someone’s personal information, and this section mirrors sections 14 and 17, which deal with the collection and use of personal information without consent. The situations where consent is not needed for the disclosure of someone’s personal information include where the disclosure is authorized or required by law, where the disclosure is for legal proceedings or investigations, or where the information is publicly available.

There are four House amendments proposed for section 20. Two of the amendments mirror amendments proposed for section 14. The first amendment is housekeeping in nature, and it simply clarifies the intent of the opening paragraph of section 20.

The second House amendment to section 20 adds to the act another situation where consent is not needed for disclosure of personal information. The additional situation is where the disclosure of information is to a public body that is required or authorized by legislation to collect the information.

The third House amendment to section 20 clarifies the position that allows disclosure without consent for the prevention of fraud. The amendment has been requested by Alberta Revenue to ensure that regulation of the securities industry can continue its presence under the act. It clarifies that this provision also allows disclosure without consent for the prevention of market manipulation and unfair trading practices in the securities industry.

The final House amendment to section 20 is housekeeping in nature and clarifies that disclosure without consent under section 20(n) can only be carried out by a credit reporting organization.

Section 21 allows for an organization to disclose personal employee information without consent in certain circumstances. This section mirrors sections 15 and 18, which deal with collection and use of personal employee information without consent. One House amendment is proposed for section 21, and this amendment mirrors one of the amendments proposed for sections 15 and 18. It will require organizations to provide notice to employees prior to the disclosure of their personal information unless the information can otherwise be disclosed without consent under the act.

Section 22, when it comes to business transactions, allows organizations to collect, use, and disclose personal information without consent to another organization where the one organization is selling its business to another organization. There is one amendment proposed for section 22 that is housekeeping in nature, and the amendment will ensure that there is no conflict between this section and any other section in the act.

Sections 23 and 24, access to personal information, define two terms. Section 24 sets out the process an individual needs to follow to obtain access to his or her own personal information held by an organization, and it's important to note that the act only allows an individual to request his or her own information. The act does not allow people to request information about other individuals or about the organization itself. Section 24 describes the situations where organizations either may or must refuse access requests.

We are proposing two House amendments to section 24. The first amendment will ensure that individuals can only request access to their own personal information contained in a record. An organization will not be required to provide access to personal information disclosed in oral conversations. The second amendment clarifies that an organization does not have to provide access when access would reveal the identity of an individual who provided an opinion about the individual if the opinion was provided in confidence.

Section 25 gives individuals the right to request an organization to correct their personal information that is held by that organization, and section 26 establishes how individuals make requests for access to their personal information.

Section 27 requires organizations to make reasonable efforts to help applicants with access requests, and section 28 gives businesses 45 days to respond to an applicant's request for access unless the time period is extended under another section of the act.

Section 29 requires organizations to advise applicants whether access will be granted or why not. If an access request is granted, section 30 allows organizations to either provide the applicant with access to the records or copies of that record.

Section 31 allows organizations to take an extra 30 days to respond to an access request or, with the permission of the Privacy Commissioner, longer if the request would interfere with the operation of the organization.

Section 32 gives organizations the right to charge applicants reasonable fees for access requests.

Section 33 states that organizations must make reasonable efforts to ensure that personal information they collect, use, or disclose is accurate and complete.

Section 34 requires organizations to make reasonable security arrangements to protect personal information in its custody or under its control, and section 35 allows organizations to retain personal information as long as is reasonable for legal or business purposes.

The role of the commissioner in section 36 sets out general powers of the Information and Privacy Commissioner, and these powers include conducting investigations if complaints are received, holding inquiries into potential breaches of the act, and informing the public about the act.

Section 37 gives the commissioner the power to allow an organization to disregard an access request if the request would unreasonably interfere with the organization's operations or because the request is frivolous.

Section 38 describes the commissioner's powers when the commissioner is conducting an investigation or holding an inquiry, and we are proposing one House amendment to section 38. The House amendment would allow the commissioner to publish any findings or decisions in a complete or abridged form.

8:20

Sections 39, 40, and 41 place limits on the use and disclosure of statements or information provided to the commissioner during an investigation or inquiry, and sections 42 and 44 are general provisions relating to the operations of the commissioner's office.

Sections 45 and 47 allow how individuals initiate a complaint with the commissioner or ask the commissioner to review an organization's decision, act, or failure to act.

Section 48 establishes who the commissioner must notify when he receives a complaint about an organization or a request for a review into the conduct of that organization.

Section 49 gives the commissioner the power to mediate complaints or any matter under review. Sections 50 and 51 set out the procedures for a commissioner's inquiry. Sections 52 to 54 address what the commissioner can order at the conclusion of any inquiry and how long organizations have to comply with an order of the commissioner.

Section 55 applies to professional regulatory organizations such as the Law Society of Alberta or the governing body of engineers. Section 55 allows professional organizations to develop and follow a personal information code instead of the act as long as the code is consistent with the act. [Mr. Coutts' speaking time expired]

The Chair: I wonder if we might get unanimous consent to allow the minister to finish his comments so that we might get this on the table.

[Unanimous consent granted]

The Chair: The hon. minister.

Mr. Coutts: Thank you very much, Mr. Chairman, and thank you for the indulgence of the House. I have three and a half more, and I'll keep reading at the same speed and get it done. It is important to get this on the record.

We are proposing two House amendments to section 55. The first amendment ensures that the commissioner has the power to apply provisions of the act where a personal information code is inconsistent with the act or silent on the matter. The second amendment clarifies how a professional regulatory organization can obtain the minister's approval to have a personal information code stand in place of the act.

In terms of nonprofit organizations section 56 establishes that the act only applies to nonprofit organizations when they collect personal information in the course of a commercial activity. Section 57 states that the organizations are protected from legal action if they act in good faith when disclosing or failing to disclose personal information under the act.

Section 58, protection of employees, provides that organizations cannot take negative employment action against an employee if the employee in good faith informs the commissioner that the organization has contravened the act.

When it comes to offences and penalties, section 59 sets out all of the offences and penalties under the act. Under damages for the breach of the act, section 60 gives an individual the right to seek compensation in court if the commissioner has found that an organization has breached the act.

Section 61 sets out who can act on behalf of an individual in exercising an individual's right under the act, and section 62 contains the authority for cabinet to make regulations under the act. Regulations on unforeseen matters, which appear in section 63,

allow cabinet to amend the act through regulation, and a House amendment deletes this section.

Section 64 requires a legislative review of the act to start within three years of the act coming into force, and section 65 states that the act is to come into force January 1, 2004.

Included with this are the consequential amendments, Mr. Chairman. The Personal Information Protection Act makes a number of consequential amendments to other government statutes. The consequential amendments will ensure that the collection, use, and disclosure of personal information through these statutes will occur within the spirit and intent of Bill 44. In addition, a couple of the consequential amendments will permit disclosure of personal information for proper corporate governance matters.

The list of statutes being consequentially amended is as follows: Cemetery Companies Act, Charitable Fund-raising Act, Co-operatives Act, Credit Union Act, Financial Consumers Act, Insurance Act, Loan and Trust Corporations Act, Religious Societies' Land Act, Securities Act, Societies Act, and the Vital Statistics Act.

Thank you for your indulgence, Mr. Chairman, and I now move that we adjourn debate on Bill 44 in committee.

[Motion to adjourn debate carried]

Bill 43 Post-secondary Learning Act

The Chair: We have an amendment, which at the moment is known as amendment A1.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. Pursuant to Standing Order 32(2.1) I would request unanimous consent of the House that when division bells are called during consideration of amendments of this bill, the time of those division bells be reduced to one minute. I believe we have the consent of the opposition.

[Unanimous consent granted]

The Chair: Hon. Minister of Learning, go ahead.

Dr. Oberg: Thank you very much, Mr. Chairman. To continue debate?

The Chair: The first item that I must deal with is how we're going to divide this thing, so if you're speaking to that, please go ahead.

Dr. Oberg: Mr. Chairman, following consultation with the opposition, it has been agreed that the amendments currently on the floor and tabled by myself be split up in the following way to accommodate specific discussion, voting, and subamendments.

First of all, the main amendment we propose will still remain amendment A1. Section L, or tuition fees, in the amendments will be broken out to become A2. Section Q, which is regulations, will be broken out to become A3. Section S, which is labour, will be broken out to become A4. Section U, arbitration, will be broken out to become A5. Section Z, audits, will be broken out to become A6. Finally, Mr. Chairman, Section II, business plans, will be broken out to become A7.

Thank you.

The Chair: The opposition concurs with this split? Agreed? Okay. We're ready to go, then, on amendment A1 under the outlined

scheme, which means, then, that we're dealing with a whole bunch of things: A to K, M to P, R, T, V to Y, AA to HH, and JJ to PP.

The hon. Member for Edmonton-Mill Woods on amendment A1.

Dr. Massey: I'm sorry, Mr. Chairman. Was A1 section 62? [interjection] The rest of the amendments? Okay.

So in just talking, then, generally to the rest, let me start by thanking the minister for agreeing to pull out those portions of the amendments that we would like to focus on – we appreciate that; it makes it easier for us to deal with the number of amendments that are before us – and also for agreeing to the one-minute bells, because if there should be standing votes, that will, I think, expedite the business of the House. I think there are some general comments to be left with the number of amendments that are left.

8:30

Mr. Chairman, the process that the government used where they introduced the bill in the spring session and then consulted with groups over the summer and fall has many strengths, but it does have some downsides, and one is the number of amendments that you end up trying to deal with. I've got my bill tabbed, and it's a purple sea of tabs trying to keep track of all the information. Nevertheless, it was a process that the government undertook, and I think that having met some of the interest groups, it has allowed the interest groups to have their input, not always got the reaction that they wanted, but at least they had the opportunity to make and suggest some changes.

The minister earlier in the day tabled letters of support from a number of the institutions across the province, and we've had calls and contact from a number of the administrators and people in charge of those institutions in support of Bill 43, as we have with a number of the employee associations, not that they're universally happy, but they feel that the changes and the work that they did on Bill 43 has been recognized, and at this point they're for the most part satisfied with the provisions of the bill. There are a couple of sections that they aren't and that we'd like to raise, and that's why we've asked for those sections to be parceled out for further deliberation this evening.

So with those sort of preface remarks, Mr. Chairman, I think that if you look at the amendments in total, one of the concerns – and I think we've mentioned this before – that we've had with the bill is the centralizing of power in Edmonton. It seems that this is consistent with a number of pieces of legislation that have had a similar impact in funneling decision-making into Edmonton. I know that there are good reasons for that, but I also know that it's done at a price.

One of the concerns that it raises for us, particularly with Bill 43, is the treatment of all of the postsecondary schools in the province as one group. One of the great strengths, of course, of the Alberta system has been the uniqueness of the postsecondary learning institutions in the province. You only have to travel to Keyano College, SAIT, the University of Calgary, or the University of Alberta, and you realize how unique each of those institutions is and the special kind of niche that they have developed for the kinds of courses and programs that they offer students. The fear of the kind of centralizing that's gone on in the bill and goes on and is reflected further in these amendments and also the Campus Alberta initiatives are going to have a negative impact on that uniqueness. I think it's going to be, maybe in retrospect, something that we'll regret down the road.

I can understand, you know, Campus Alberta and the need to try to develop a seamless system across the province where pieces are interchangeable, but I also am worried about the quality of the offerings that would be made under such an arrangement. As I said,

I worry about the uniqueness of institutions being lost in this one huge massive system with pieces that are supposedly interchangeable, and it would be, I suspect, the future to see whether or not those fears are realized.

There are a number of good things that I personally support. I like the notion of students being able to access degrees and programs close to their own homes. I realize, given the vast geography of this province, that by not offering programs locally, we rule out further education and the pursuit of particular interests by a number of Albertans.

I referred to the quality. I think that sometimes we overstate the quality fear in terms of institutions. If you look south of the border and even with our own province, institutions become known for their reputation. When people attend a community college, I think they judge the credential that they receive from that college and value it every bit as much as the credential that someone earns from one of our major universities. So I think the institutions have a reputation and are known for the work that they do, and again I think sometimes the quality fears are overblown.

The sections in the amendments that have been proposed with respect to Campus Alberta I think are a move in the right direction and do focus on quality.

So with those general comments about Bill 43, I think I'll conclude my comments, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Strathcona on amendment A1.

Dr. Pannu: Yes. Thank you, Mr. Chairman. I'm pleased to rise and speak to the proposed package of amendments with the exception of those six that will be dealt with separately. I also do want to acknowledge the minister's attempt to make a decision on these amendments in a way that will I think help us deal more effectively with the bill and the amendments to it before us. So I am pleased that we have come to this agreement.

On the amendment A1, to distinguish it from the others, I have some concerns that I expressed during debate in the second reading of the bill. The primary concerns that I have still remain. The excessive centralization and over co-ordination of the system I think lead to one key concern that I have about the bill. The bill is being a sort of omnibus bill which tries to incorporate under one piece of legislation a very diverse group of postsecondary institutions, starting with highly research-based and -driven universities to a university that deals primarily with distance learning and another university in Lethbridge which prides itself on focusing very much on providing quality undergraduate degrees, although not exclusively undergraduate programs, to technical institutes to public colleges and many other colleges which, in addition to providing a large number of educational experiences, are on the borderline of high school and postsecondary, are focused on skill development and are directly related to work or labour markets.

8:40

All of these institutions draw attention to a great diversity, and any piece of legislation that tries to, of course, deal with this diversity under one piece of legislation is likely to run into some difficulties. To make the notion of Campus Alberta a seamless system I think is a far too ambitious ideal although it's desirable that within the, say, university-based related programs or courses the transferability issues should be dealt with in a way that facilitates students' attempts to get postsecondary education, leading them to complete their university credentials or degrees by moving from one institution to the other without much difficulty.

So some standardization, some harmonization is, indeed, important and desirable, and on that I think there's no difference of opinion, but the notion of Campus Alberta to me is based on perhaps an assumption which I find difficult to validate or find valid, that all these institutions can be sort of blended within the system in a way that makes it seamless. It is neither possible nor I think desirable.

One of the great characteristics of the postsecondary system is and should be ability to innovate, ability to be flexible, ability to experiment both within institutions and between and among institutions. This kind of flexibility, this kind of ability to compete with each other in pursuing in ways that are novel and fresh and nonroutine academic activity, academic work, I think is a highly desirable quality of a vibrant, productive, creative postsecondary system.

The Campus Alberta notion I think would make great sense if we were to assume that the only reason for being a postsecondary system is to feed into the economic growth or development initiatives and needs of the province. Clearly, an educational system, a postsecondary system, which includes universities, colleges, technical institutes, and other types of colleges, to define its purpose entirely and exclusively in terms of the relevance of their work to economic growth or economic development is really to start going down a path which in the not too distant future is likely to prove to be not only futile but very, very harmful to the future development – social, political, economic – of our very diverse and dynamic province and provincial community.

Universities particularly exist not only within the boundaries of a province; they have a sort of international and national context. The conditions that they're called upon to meet, the imposition of requirements on them in terms of the development of courses, programs, and variety in the research efforts and others must therefore be not so restrictive as to make it difficult for them to see themselves as part of this national and international network of scholarly and academic activity I call the international academic marketplace.

We have in Canada, for example, a national Association of Universities and Colleges, AUCC, which in a sense is an accrediting body. Most of the postsecondary institutions, degree-granting colleges and universities, aspire to get the seal of approval with respect to their work from this national academic association called the AUCC.

Necessarily, then, the notion of Campus Alberta must remain accommodative to this national body and its standards, its accreditation requirements, its expectations, and the desire on the part of its member institutions and those institutions which aspire to become members of it to be able to freely participate in the mandate of this organization called AUCC and to be able to keep their membership, retain it if they already have it, or to be able to meet the requirements of this body to become members and, therefore, enjoy the accreditation of this body. The requirements in the bill therefore, I think, must be considered in light of any possible conflicts between the requirements that may be outlined by way of legislation here and the requirements for accreditation that may be deemed necessary by the AUCC.

At this point I simply want to raise this point. I think we need closer scrutiny of the provisions of the bill to see whether there is potential for difficulties that might arise in the way the provisions of this bill interact with those requirements and expectations that the AUCC sets out for its membership of institutions and for the accreditation process that it uses and the accreditation requirements that it uses.

One other point I would like to make by way of general comments on amendment A1 is the need for a respect of autonomy of

institutions. The historical experience of academic systems, the history of academic institutions that are the envy of the world, clearly draws attention to the fundamental necessity, fundamental need for these institutions to enjoy as great an autonomy in defining their purpose, defining their goals, defining their missions as possible.

Again, I think the notion of Campus Alberta in a sense, in my view, will take away from that autonomy that is seen to be so necessary and that historically has proved to have such a critical role in allowing these institutions to become world leaders in the academic world and the academic community. So the principle of autonomy would seem to be something that may be compromised if the notion of Campus Alberta as broadly defined here and outlined here in the bill is taken to its logical conclusion.

So uniqueness and diversity of institutions within a system and autonomy of each leading institution within the system are important. The notion of Campus Alberta and the desire to create sort of a seamless system may run counter to these two principles to some extent. At least that's my concern.

The third point that I made has to do with the national context in which the whole question of accreditation of courses, programs, and institutions has to be addressed. It can't be seen as primarily a provincial matter as it seems to me is assumed in Bill 43, specifically the portion of it that we now refer to as amendment A1.

With those remarks, Mr. Chairman, I'll conclude my preliminary remarks and move on to the other members.

8:50

The Chair: The hon. Member for Edmonton-Ellerslie on A1.

Ms Carlson: Thank you, Mr. Chairman. I'm happy to add my comments and concerns on this particular bill, Bill 43, the Post-secondary Learning Act, specifically to the amendments that we have labeled A1.

I always think it's better if the government does a little more consultation up front and irons out the problems in proposed legislation before it hits the floor of the Assembly. It's much easier for us to deal with, it's easier to get buy-in from people in the community if they can be part of the drafting of the legislation, and I think generally speaking it's beneficial for everyone concerned.

When that doesn't happen and when the government looks to change legislation that is comprehensive such as we saw when they first brought Bill 43 in in the late spring, then there are bound to be extensive amendments. The good news is that if there are extensive amendments, the government has listened to at least what some people have said. The bad news is that we end up seeing them in this Legislature at a very late date without a great deal of time to consult stakeholders and review the bills. Generally speaking, the government likes to bring them in in one big honking package like we've seen this time, and that isn't very conducive to thorough review and examination, Mr. Chairman.

Fortunately, the government agreed to pull some of the more contentious issues out of this particular package for individual debate, and we have before us now amendment A1, which, in fact, covers many, many sections of this particular bill. While some of them I don't have a depth of knowledge on to comment, there are some concerns that I do have about some of these amendments in A1 that I would like to put on the record and in some instances some things that I like.

For instance, in section A, when we talk about the applied degree being able to be granted by public colleges or technical institutes on the completion of the appropriate course work, for the most part I am in real agreement with this. It is nice in a province like Alberta that

we can try to make education accessible to people. Allowing some of these other organizations to provide degrees certainly increases the possibilities for people in more remote areas of Alberta to get an education. It isn't always that they can't afford to come to the city to take their education, but they don't always choose to do so, Mr. Chairman, for lifestyle considerations.

It seems to me, particularly when I talk to young women across this province, that they're apprehensive about pulling up stakes at home and moving to a large city and finding accommodation and fitting into that kind of a venue. Generally speaking, in those first transition years out of high school they want to go for more education in a place that's closer to home, and this certainly gives them that potential. As they become a little more comfortable, then they can make the choice whether or not to move to a larger area where there are universities. There's another upside to that. Generally speaking, the public colleges or technical institutes have much smaller class sizes, and most students would agree that that's a real benefit in their first year. As they make the transition to more self-directed study, it's helpful to them to not be in very large classes.

The downside of having these kinds of applied degrees, as I see it, is that you lose the research ability that the larger institutes have.

So you have to wonder what kind of impact that has in the long term on the students and on the institute's ability to be leaders in whatever the particular field is that they're offering. Without research it's really tough for learning institutes to grow and to build and to think outside of the box and develop new ideas and technology, which has been a hallmark of Alberta institutes. I think we have to be cognizant that this could present an issue and that over time it might be a problem in this province. With that caution, I hope that the minister plans to monitor this in some fashion, and I hope that all of the directly affected institutes will be reporting back to the minister on how they see that impacting their ability to provide education to the students and to still be leaders in a variety of fields.

There's usually quite a large differential in price for tuition in colleges and other institutes as compared to universities, and a large component of that is often tied to research dollars. So if people don't understand the necessity or the importance of research and they base their decisions on where they're attending solely on the basis of a cost, then I think that we could have some long-term problems in that regard. However, given the long waiting lists that we currently have for the universities and the high level of marks that students have to attain in order to be admitted in the first instance – perhaps I'm overly concerned about this – I think a cautionary flag should go up. I think that it is something that should be watched not just for the next year or two but, more importantly, watched and monitored for the next 10 to 15 years because I think that's when we're going to see that the impact is really over the long term rather than over the short term.

The next part of the amendment that I want to talk about in A1 is section G, and that's a section that talks about the changes for the institutes and colleges to "establish a process for the review and approval of proposed programs of study to be submitted to the Minister." I don't actually have an opinion on this one, Mr. Chairman, because I'm not sure what the minister does when he gets all of the that information in. Is he trying to co-ordinate a standard level of programming, or are you just archiving the information? I really don't know what you do with it, and I wouldn't mind if you would answer that question for me.

The next concern I have is section P, that talks about the borrowing abilities that are being given to the institutes. I have a problem with educational institutes having access to being able to borrow money whether it's general overdrafts or for more

comprehensive changes to the institute like infrastructure changes. I know that many of the financial institutes would completely disagree with me on this one, but I think that it is the responsibility of government to make sure not only that the institutes have their money on time, when they need it, but that there is a long-term planning function in place so that retrofits and expansions and upgrades and regular significant maintenance and repairs are done and are done in a capital manner in accordance with funding from the government.

What we see in section P are several areas of changes with regard to borrowing abilities. The first one, in 73(1), talks about

A board may borrow from any bank or treasury branch or from any other person any sum of money required to meet the expenses of the public post-secondary institution until the time the revenues for the current year are available.

This is an out for the institutions to be able to meet their expenses if the government doesn't have the money forthcoming in a reasonable time period. I would expect the financial institutions to be handling the other moneys they have available to them in a way that is consistent with those moneys becoming available at the time they need them.

9:00

It seems to me that this is particularly addressing the government's timing issues around money. That's been a pet peeve of mine in this Legislature since I was first here, and that is that the government often doesn't have its budgets ready for approval by the end of the fiscal year, and by the time those approvals are given, people are somewhat into their fiscal year and do have real problems with shortfalls of cash. It isn't just educational institutions. It's everyone who receives money from the government, be it small nonprofit organizations or otherwise.

So there's an extra administration burden placed on these financial institutions, including a cost of borrowing for the interest charges. What they need to do is then have staff in place to do the planning. If the money doesn't come in by here, where do we go for the money? How are we going to negotiate the interest rates? How are we going to pay it back? What happens if we take a short-term loan and the money still isn't available? What if there's some last-minute change in the dollars available? Higher is not a problem, but lower certainly is a problem. So it creates unnecessary stress on organizations.

I believe that it should be a requirement of governments to have their budgets in to Legislatures by February when the fiscal year is March 31 and fully debated by March 15 so that moneys can be disbursed in a time that works with the year that the government uses for their fiscal time period. It just seems to be good common sense, and anything less than that creates a lot of unnecessary paperwork and concern for the people receiving the moneys.

Section 73(3) talks about:

Subject to the approval of the Minister, a board may for the purposes of the public post-secondary institution, as defined in section 73.1, borrow by way of temporary loans from any bank or treasury branch or from any other person any sums of money on any terms the board determines, by way of an overdraft or line of credit or by the pledging as security for the temporary loans of notes, bonds, debentures or other securities of the board pending the sale of them, or instead of selling them, or in any other manner the board determines.

Once again, I just think this is an unnecessary clause to have. Proper timing for institutions is doable and should be the way that business is conducted. It isn't like I don't know what I'm talking about here, because that is my background. Prior to being in politics, I did a lot of work with organizations to ensure that the timing of their money

received coincided with the time that they needed it. It isn't that tough to do. A little planning and you can be there.

Then they go on to talk about debenture borrowing in section 73.1(1), and this talks about borrowing sums of money from time to time and issuing notes, bonds, debentures or other securities. It then goes on to list a number of the conditions, which really result in no conditions. It seems to be pretty easy to access them.

Debenture funding usually occurs for large kinds of infrastructure concerns or developments or buildings. This specifically speaks to a move away from the government being a base funder for educational institutions and, I think, paves the way for P3s and other kinds of expansion opportunities for these institutions that, I'm pretty sure, 20 years hence we're going to be concerned about and say: this was a very bad idea. I don't think that debenture borrowing is the way that we should be looking at for our educational institutions to be financing their expansions or major renovations. So I really don't like that one and would have like to have seen that as a stand-alone amendment that came up for debate that we could show to a few people prior to having this debate this evening.

Other than that, it seems like the rest of the amendments in this package of A1 are not of any really grave concern to me. I look forward to debating the more contentious amendments that are on the floor for a little later this evening.

So with that, Mr. Chairman, I will take my place and listen to the rest of the debate on this particular amendment.

[Motion on amendment A1 carried]

The Chair: We now move to amendment A2, which is section L. The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. You almost need a program to follow what we're doing this evening.

Amendment A2 is that portion of those amendments that refer to section 62, and section 62 is the part of the bill – I guess it's been the most contentious part of the bill – that sets the tuition rates in our postsecondary institutions or sets out the laws that have to govern it.

One of the things that was done in the early '90s was the placing in the act of a tuition cap of 30 percent. I remember talking to students at the time and asking them why they had agreed to 30 percent. Their response was that they had no choice, that the minister of the day told them that he wasn't willing to talk to them unless they were willing to accept a 30 percent cap. Now, whether that's true or not, that's how the history of the 30 percent cap was related to me. But the 30 percent cap represented a change in public policy in our province, a change that would see students and their parents and families bearing a greater portion of postsecondary school costs. It's had a significant effect on students and, I think, a number of unintended consequences.

The cap has allowed tuition rates to rise. I know the minister is fond of pointing to the ranking of tuitions that various institutions in the province enjoy, but it would seem to me that of all the provinces in the dominion, ours is the one that could provide leadership in having the very lowest of tuitions. No other province is as blessed as we are. I think no other province is in the position to recognize the huge, huge benefits of having a well-educated population and has the resources to do something about it.

We constantly hear the notion of education being treated as an investment, and that analogy still bothers me, the notion that we view everything we do within the context of a business model, but I think there are some sound economic arguments for having the best educated population that we possible can and particularly the best postsecondary programs and graduates that we possibly can.

9:10

Nevertheless, the 30 percent cap has been in place. A number of institutions will never come anywhere close to that cap. I suspect that Keyano College, a number of places, will never be close to the 30 percent, but there are a number of others – and the minister has mentioned the University of Lethbridge – that are approaching the cap. What this provision does is really nullify the effect of having a 30 percent cap, because if they reach the cap, then some other provisions kick in which allow them to exceed the 30 percent cap that's in place. They are allowed to increase the tuition in the following year to match the "Consumer Price Index plus 2%, which must not result in a decrease or be greater than 5%."

So there are provisions for tuition in this portion, and this amendment opens the door for institutions to far exceed 30 percent, and if the institutions took advantage of it year after year, we could see where the tuition could represent a significant portion, well past 30 percent, of the operating cost of the institution. In fact, there was, I think, a sobering communiqué from one of our technical colleges today that they're going to be over a three-year period looking at a 26 percent plus increase in tuition. I suspect that should this become enacted, that's going to be more the practice than not, and we're going to see some rather large tuition increases that will affect the kinds of students that attend our institutions and will affect the kinds of programs that students choose when they're thinking of pursuing a postsecondary education. There's already some evidence that students from middle-income families are becoming underrepresented in postsecondary populations.

So it's with that in mind, Mr. Chairman, that I would like to propose an amendment to what we are calling amendment A2, to section L.

The Chair: Hon. member, a subamendment?

Dr. Massey: Yes. A subamendment to section L.

The Chair: The subamendment will be known as SA1, which is amending amendment A2. A subamendment to A2. So SA1 amends amendment A2.

Did you want to go ahead?

Dr. Massey: Thank you, Mr. Chairman. The amendment before us reflects, I think, some of the current thinking of student leaders in the province with respect to what they would like to see in a tuition policy, but I take full responsibility for it because there are some pieces that are not of their doing.

What it would do first would be to strike out section L and then to substitute the following. I think it's fairly clear what we have in mind. First of all, "tuition fees at public post-secondary institutions shall not be increased beyond 2003-2004 levels until" – and then these are the provisions; so, actually, there's a tuition freeze – "the Minister establishes an independent panel to conduct a comprehensive review of Alberta's post-secondary institutions."

So, first of all, we'd like an independent panel to look at our postsecondary schools, and we've mentioned this a number of times during the session, Mr. Chairman. I think it's becoming imperative that the province look down the road in terms of where we are going 10, 15, 20 years from now with respect to funding our postsecondary institutions. I think there's a need to try to make sure that those institutions are going to be, firstly, adequately funded so they can do the job that they're mandated to do and, secondly, that it be affordable for students and, third, that there be some predictability with respect to funding.

Mr. Chairman, in funding Alberta's postsecondary institutions, the problems that we face are similar to the problems faced in all the

provinces, and to my knowledge no province has taken the lead. I don't think this can be done solely by the province, because the federal government has a role in this, but I think there has to be a real attempt to sit down and hammer out a long-term plan that would bring some stability to the funding of postsecondary schools and help take the pressure off institutes continually having to turn to students to make up operating costs. So the first part of our amendment is to have an independent panel review the postsecondary institutions, and this is consistent with what the Learning Commission has asked for.

Secondly, the panel's report would be forwarded to the minister, who would share copies with the members of the Assembly and make the report public. So the minister would make public those recommendations that refer particularly to tuition, and "upon completion of the report prepared under subsection (1), . . . tuition fees must be set in accordance with the regulations."

The third one would really place the 30 percent cap and make it a real cap, that they should not exceed 30 percent of net operating expenditures. If the review is undertaken and does its job, then I would think that the yearly battle we have over tuition might no longer be with us.

Then, fourthly, "This section does not apply in respect of students in apprenticeships programs under the Apprenticeship and Industry Training Act."

So, briefly, that's our subamendment with respect to section L of the government's amendment. Thank you, Mr. Chairman.

9:20

The Chair: The hon. Leader of Her Majesty's Loyal Opposition on subamendment SA1.

Dr. Nicol: Yes, on subamendment SA1, Mr. Chairman. I'd just like to talk about the importance that we place on having an absolute built into tuition fees. I know that the whole system of what is fair and what is equitable in terms of institutions starts to come up when we start to talk about a cap, or a limit, being put on tuition fees as a percentage of an institution's operating grant, but we also have to look at the long-term effect that this has on students. You know, the way the original amendment is being applied in the sense of having a cap with exceptions leads to what creates some discussion about: is the exception appropriate? In effect, we end up in a situation like we heard about today, where SAIT is talking about applying for exceptions to bring in their tuition on a regular basis at levels above what the base level would allow but being subject to that exception.

I know the minister has pointed out the fact that the University of Lethbridge in my home community supports this kind of an idea, but it's more a reflection of the fact that the funding formulas don't reflect the difference between institutions rather than that all institutions should be treated the same, with one set of regulations. When we look at it from the point of view of what is the relevant cost of educating a student and who gets the benefits, if we used the 30 percent as the approximate ratio between the public good and the individual good of the student, then we should be making that kind of a relationship exist for all students. But when we come along and say at some point in time that an institution, whether it be a technical institute or a college or a university, can apply for exemptions, then we're saying that they're going to be treated differently based on their circumstances.

What we should be doing is making sure that the funding formula we use to measure operating expenses is unique and equal across all those institutions so that that relationship between the public and private funding of a student's education is consistent no matter which institution you go to and no matter which program you're in.

A situation came up today in a discussion I was having with a couple of individuals about funding for education. We were talking about capital funding as well. Some of the institutions now are in effect using their operating grants to fund capital projects. What's happening is that they're leasing space, and they're building this into their operating grants, especially if they're getting research grants that have that option built into them where they can expand space. Well, that jacks up the operating grant of the institution so that they can subsequently jack up tuition by 30 percent of that capital cost as well. This in effect varies, then, by institution, whether an institution needs to expand capital assets through the operating grants or whether they expand their capital assets through a capital grant that doesn't get included in their operating grant.

So what we in effect have is a real discrepancy being created between the management of institutions. We're encouraging institutions now to start managing to increase their operating grants so that they can increase tuition and further increase their revenues by having higher tuition to carry on their programs. This reflects on the fact that we don't have the right funding formulas. I guess that as we start to look at who gets the benefit out of an education, yes, the individuals do, but we also do get this kind of benefit at a societal level from having individuals with quality and abundant levels of education and a large percentage of our population with postsecondary education.

We don't want to be in a position where we're creating discrepancies. By giving exception to the rules under regulation, we're in effect making political decisions about the relative shared costs of an individual's education and the institution that that individual may end up taking that from. We should take the politics of ministerial decision-making out of whether or not a student goes to this institution or takes that program at an institution. That, in effect, is what the current amendments would end up doing by giving institutions the right to apply for exemptions to the 30 percent level of tuition as a percentage of their operating grant.

Mr. Chairman, I don't want to spend a lot of time on it, but I just want to make sure that we get a chance to look at it. It's better to change the formula and the way we measure operating revenues and operating expenditures than to try to create political situations where who can make the best argument or who can't make the best argument gets the option to change their tuition fees. That, in effect, makes tuition policy political instead of a policy based on what is appropriate, fair, and equitable for all students in this province.

So I would encourage everybody to support this subamendment because this basically says: let's make sure that all students relative to the operating costs of their institution are treated fairly. So I hope everybody supports it.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I, too, am very much in support of the subamendment presented by the Member for Edmonton-Mill Woods and am very much opposed to the government's amendment as we see it in A2. It's a very important issue that we talk about in terms of tuition fees. There are all kinds of outstanding issues that need to be resolved about how they are determined and whether or not institutions have started at the same place, that there's a level playing field out there. It is clear, I think, that there isn't when you take a look at the government amendment talking about different rules for different organizations.

I very much support the establishment of an independent panel to conduct a comprehensive review of institutions and then that that report and recommendations are forwarded to the minister and then,

hopefully, acted on with regard to tuition fees, because what we have right now is a situation where many students are just scared off by the costs and that there doesn't seem to be any continuity from year to year. When they're planning their education and if they're lucky enough to have parents who are helping to finance that process, it would be nice to know in a three- or four- or five-year bundle what kinds of expenses they're truly looking at and be able to incorporate that into the process.

I know that there are lots of institutions and lots of faculties who don't support tuition caps, who would like to make the changes, and certainly we have this discussion at home quite often. I understand the argument that to be globally competitive, you have to pay higher priced salaries to attract some professors. I understand that argument, and I want Alberta's institutes to be globally competitive. I want people to be paid fair and reasonable salaries, but I don't think you do that on the backs of students. I just don't think that's right.

I fundamentally believe that in Alberta we should be committed to providing accessible and affordable education, particularly postsecondary education, for anybody who wants it. If we really think that lifelong learning means from cradle to grave, then we have to facilitate that process. One of the best ways we can do that, one of the best economic drivers we can have for our economy, is to provide free or as close to free postsecondary education as we can. There are lots of countries who have done this and who have proven beyond a shadow of a doubt that that is the economic driver that you're looking for.

9:30

I do not believe that fiddling around with caps or lifting caps or increasing the percentage that students pay for tuition facilitates that process in any way, and it does not attract the best possible students to our institutions to do that. They need some certainty in their lives. There are other ways to be able to fund institutions, and I think that this subamendment brought in by the Member for Edmonton-Mill Woods certainly addresses those issues and starts us on a path to finding a resolution that is long term in nature and that is sustainable for this province and for the students of this province for a long time to come.

So I very much support this subamendment, and I very much do not support the government's tuition fees amendment. Thank you, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Glengarry on subamendment SA1.

Mr. Bonner: Yes. Thank you, Mr. Chairman. It is a pleasure to rise this evening and speak to Bill 43, subamendment SA1, as proposed by the hon. Member for Edmonton-Mill Woods. Certainly it is a needed amendment to Bill 43, and it is a required amendment at this particular time because it occurs at a time in our postsecondary institutions when tuition fees are rapidly becoming out of reach for many of our students. Certainly, while the students do benefit from education at a postsecondary institution, the benefits to us as a society are great.

As well, Mr. Chairman, we do have to put on a permanent cap that isn't flexible, and that is exactly what this particular amendment will do. Under section 62(1)

tuition fees at . . . post-secondary institutions shall not be increased beyond 2003-2004 levels until

- (a) the Minister establishes an independent panel to conduct a comprehensive review of Alberta's post secondary institutions, and

- (b) the panel's report on recommendations are forwarded to the Minister who shall immediately furnish copies of it to all members of the Legislative Assembly and to the Clerk of the Legislative Assembly and in so doing the report shall be made public.

Of course, this is essential because this is, certainly, one of the recommendations that will address the concerns of the student leaders at many of these institutions.

We all know today that students do encounter many hardships, particularly those that don't have the luxury of living at home while attending a postsecondary institution. As well, not only is tuition one of the major hurdles that they face, but they face the increased costs of transportation, food, shelter, and textbooks. When I see the price that my daughters have had to pay for textbooks, in excess of \$100, these costs certainly provide a big burden.

So with this amendment, when we cap the tuition fees, this has gone a long way to make education very affordable for students and certainly will give them some certainty when they are trying to plan their careers. It is one of those situations where we do have today students who have an average debt of somewhere in the vicinity of \$25,000 when they graduate. We don't want to see that escalate because we all realize the benefits that we get from a well-educated populace.

Now, then, as well, one of the reasons that I support this particular amendment is that these fees will be set. They will not be allowed to increase. The amendments that were put forth earlier indicated that those institutions that reach their 30 percent cap will then be allowed to increase their tuition fees to the consumer price index plus 2 to 5 percent.

So it is with those few comments, Mr. Chairman, that I will certainly support the passing of this particular subamendment, SA1, and I would urge all members of the Assembly to also support this worthy amendment. Thank you.

The Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I'd like to briefly speak to subamendment SA1, that's being debated before the House. The amendment, first of all, speaks to the fact that the amendments proposed by the minister under amendment A2 do not satisfy either the students or, certainly, this member with respect to the issue of the capping of the tuition fees. What the amendment A2 does, in fact, is to allow institutions which have reached a 30 percent ceiling to go beyond that, and institutions that haven't yet reached there have been given the legislative undertaking that once they reach that point, then they'll be able to go beyond it as well.

So changes that the minister has made other than putting the magnitude of the increase beyond 30 percent in legislation – and that magnitude is defined as consumer price index plus 2 percent or 5 percent, whichever is greater. That guarantees, as a matter of fact, that the minimum increase beyond the 30 percent level maximum guaranteed to institutions would be up to 5 percent. To me that doesn't at all address the concerns that students have expressed over the last six or seven months that this bill has been available publicly and for public debate and scrutiny.

Mr. Chairman, the current level of tuition fees is so onerous for so many students and their families now that many students from middle-class families, families whose income levels are such that students coming from those families cannot even qualify for student loans, are beginning to make decisions not to go to postsecondary institutions because in the absence of their ability to avail of the student loans, they simply cannot see themselves funding their way through postsecondary institutions. So already, even in institutions

where the tuition fees are below the 30 percent ceiling, many young men and women in Alberta wanting to go to those universities and institutions are saying: "No. I can't afford it. It's not for me."

The issue of affordability is already a major issue even though the 30 percent ceiling has not been reached by many of these institutions in the province. Students are in fact beginning to stay away. They're beginning to decide not to go to college or university because of the high cost of going there.

Tuition fees are one portion of those costs which, certainly, is subject to some control by way of public policy. That's where, I guess, the government's tuition fee policy becomes so critically important for students. They know that this is subject to influence by public policy. This particular amendment A2 and the subamendment to it, proposed by the hon. Member for Edmonton-Mill Woods, speaks to that condition, that affordability and accessibility are already at stake. Affordability is already being denied by the current levels of tuition fees that prevail at the institutions which haven't yet reached 30 percent.

9:40

In spite of the fact that that is the case, this amendment proposed by the minister fails to acknowledge that problem of unaffordability and accessibility and, in fact, prescribes continuing, unending increases in tuition fees year after year even beyond the time when the 30 percent limit is reached. Clearly, I think that amendment proposed by the minister as A2 is unacceptable and hence the subamendment SA1 by the Member for Edmonton-Mill Woods.

The amendment proposed by the Member for Edmonton-Mill Woods in the first part, at least, calls for a tuition fee freeze up to a certain time, until such time as an independent panel conducts an investigation. I'm not entirely satisfied with the second part, but certainly to the extent that the amendment speaks to the need to freeze tuition fee levels at the current level, I'm supportive of this amendment.

Mr. Chairman, there is urgent need for this Assembly to speak strongly and clearly in favour of making postsecondary education accessible and affordable, affordable for all families and young men and women coming from all parts of Alberta. Merely granting institutions the powers to grant degrees in places which are now colleges is not enough. We must control the cost for all students regardless of where they live in this province so that they are not deterred and discouraged from their plans and aspirations to enter postsecondary institutions and get a diploma or a degree depending upon their ability to earn it, not depending on their ability to pay for it.

So I am with some reservations supportive of the amendment that the Member for Edmonton-Mill Woods has put before the House. Thank you.

The Chair: Before actually voting on the question, in case there is a division, a reminder to all the members of the Assembly: it's one minute between the bells as agreed to earlier this evening, so altogether it's about two minutes and 30 seconds. Judge yourself accordingly.

[The voice vote indicated that the motion on subamendment SA1 lost]

[Several members rose calling for a division. The division bell was rung at 9:45 p.m.]

[One minute having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Bonner	Massey	Pannu
Carlson	Nicol	

Against the motion:

Cao	Horner	Nelson
Cardinal	Jablonski	Oberg
Cenaiko	Jonson	Ouellette
Danyluk	Kryczka	Rathgeber
DeLong	Lord	Renner
Ducharme	Lukaszuk	Snelgrove
Evans	Lund	Stelmach
Forsyth	Marz	Strang
Friedel	Masyk	Tarchuk
Griffiths	McClelland	VanderBurg
Hancock	McFarland	Vandermeer
Herard		

Totals:	For – 5	Against – 34
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[Motion on subamendment SA1 lost]

9:50

The Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Yes. Thank you, Mr. Chairman. I would like to make a subamendment to amendment A2. That is the section dealing with tuition fees in the proposed amendment by the minister.

The Chair: Hon. member, would you provide the table with copies, and hopefully you'll have the original.

Dr. Pannu: Indeed, yes, Mr. Chairman.

The Chair: And the rest of the copies for other members.
Go ahead, hon. member.

Dr. Pannu: Okay. Mr. Chairman, I move subamendment SA2 to amendment A2 to Bill 43, the Post-secondary Learning Act. I move that it be amended by striking out section L and substituting the following. Section 62 is struck out, and the following is substituted.

62(1) Subject to subsection (2), the board of a public post-secondary institution other than the Banff Centre shall set the tuition fees of the public post-secondary institution in accordance with the regulations.

(2) The board shall not set tuition fees in excess of 2003-2004 levels.

So that's the amendment, Mr. Chairman. It's very straightforward. It's clear in its intent. It seeks to radically amend amendment A2 and calls on making changes with legislation to freeze tuition fees at the 2003-2004 academic year level.

The justification and the reasons for this amendment are very clear. As I've said already, a very large number of postsecondary students in this province are victims of the financial hardship that skyrocketing tuition fees that have tripled over the last three years have caused for them. Not only is it the case with students coming from modest-income families or low-income families; it's becoming a problem for middle-income families and students coming from them. The budgets of all families, including middle-class families, are stretched to the limit, and there's no more room for parents to further subsidize the postsecondary education costs of their children.

So it's necessary that this bill must take cognizance of this

situation and take appropriate actions, and the action required, Mr. Chairman, as I say, is to begin by freezing the tuition fees at the level at which they are during the current academic year, and then in the following years this Legislature should consider, in fact, a reduction in those tuition fees rather than allowing them to increase endlessly year after year as proposed in amendment A2 by the minister.

So I ask all members for their support for subamendment SA2 to amendment A2. Thank you.

The Chair: The hon. Member for Edmonton-Mill Woods on SA2.

Dr. Massey: Thank you, Mr. Chairman. The subamendment as put forward by the Member for Edmonton-Strathcona, I think, again underscores the importance of the provisions in this bill with respect to tuition, and I regret that we're having to deal with it this way, but the whole business of tuition as seen from a student and a parent's perspective has been dealt with, I think, very unsatisfactorily.

What we would have here, again, would be a freeze for the 2003-2004 levels. I would hope, again – and it was the proposal that we made in other forums – that if there is a freeze put in place, there is an attempt to rationalize the tuition policy. I think this would be a good intermediate step, but I think that we need much more. We've seen what freezes have done in other provinces. When they were lifted, there has been a rapid increase, and I don't think that that's sound planning either.

I think the student proposal that there be an independent committee look at tuition fees makes sense, but we need more than that. We need to rationalize the financing of postsecondary institutions in the province. We need, as I think I've indicated on a number of occasions, a long-term plan. I don't think the kind of ad hoc budgeting that's done with respect to tuition and financing of our institutions is viable any longer, and we desperately need to rationalize what's being done.

I think that if the notion of having students pay more of the freight with respect to their postsecondary education were put to the vote in the province, it would fail. I think that there's widespread public support for making sure that postsecondary education is as affordable and accessible as possible for students, and I don't think the provisions in the bill as amended by the government do that.

So I support the subamendment that we have before us and hope that it will receive the sanction of the Assembly.

Thank you, Mr. Chairman.

[The voice vote indicated that the motion on subamendment SA2 lost]

[Several members rose calling for a division. The division bell was rung at 9:59 p.m.]

[One minute having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Bonner	Massey	Pannu
Carlson		

Against the motion:

Abbott	Horner	Nelson
Cao	Jablonski	Oberg
Cardinal	Kryczka	Ouellette
Cenaiko	Lord	Rathgeber
Danyluk	Lukaszuk	Renner

DeLong	Lund	Snelgrove
Ducharme	Magnus	Stelmach
Evans	Marz	Strang
Forsyth	Masyk	Tarchuk
Friedel	McClelland	VanderBurg
Griffiths	McFarland	Vandermeer
Hancock		

Totals: For – 4 Against – 34

[Motion on subamendment SA2 lost]

The Chair: We're ready to vote now on amendment A2, section L, as moved by the hon. Minister of Learning.

[The voice vote indicated that the motion on amendment A2 carried]

[Several members rose calling for a division. The division bell was rung at 10:05 p.m.]

[One minute having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Abbott	Herard	McFarland
Cao	Horner	Nelson
Cardinal	Jablonski	Oberg
Cenaiko	Jonson	Ouellette
Danyluk	Kryczka	Renner
DeLong	Lord	Snelgrove
Ducharme	Lukaszuk	Stelmach
Evans	Lund	Strang
Forsyth	Magnus	Tarchuk
Friedel	Marz	VanderBurg
Griffiths	Masyk	Vandermeer
Hancock	McClelland	

Against the motion:

Bonner	Massey	Pannu
Carlson		

Totals: For – 35 Against – 4

[Motion on amendment A2 carried]

The Chair: We now proceed to the next item, which is amendment A3, which is section Q. Are there any comments? The hon. Member for Edmonton-Mill Woods.

10:10

Dr. Massey: I'm on my feet so that I don't miss an opportunity, Mr. Chairman.

Section Q, the amendment as proposed by the government, would amend section 78(1)(a). If you go back to the original bill, 78(1) talks about the accountability of boards and, in particular, the business plans. The government's proposal says:

Each year a board must prepare and approve a business plan that includes

(a) the budget and other information required under the regulations, and

(b) any other information required by the Minister.

This amendment Q as proposed by the government would strike out "and other information required under the regulations." On the

whole section and particularly that section that says, "Any other information required by the minister," and then subsection (2), "The business plan approved under subsection (1) must be submitted to the Minister on or before the date specified by the Minister," we've had some discussion with the minister about the requirement on the submission of business plans, and there has been reference to two other statutes and their bearing on the preparation and submission and approval of business plans by the ministry.

This is particularly troubling with respect to the independence of universities. Other institutions, I think, are different from universities with respect to the role that universities are expected to play with respect to criticism. Universities are expected to be open forums, and they're expected to provide social criticism of our institutions. Often that involves criticism of governments, and it seems to me it places universities in a possibly very difficult position should they take issue with the government of the day and then have to depend upon that same government for the approval of their business plans. So that is the root of the difficulty with this section, Mr. Chairman.

I think we've seen examples in this House of members upset with reports that have been produced by institutes. I remember a report that was produced by an institute that examined the role of government cuts on women and children in the province and how that report was met with outrage that was expressed in this House and a suggestion that something should be done with respect to the institute that had commissioned and issued the report. So I think that there are examples of when the government has been displeased, to say the least, with criticism coming from institutes and from university quarters, and the worry is that they're going to lose some of their independence.

Though it's been practice for universities to submit those business plans, we think that this is the opportunity to see that practice discontinued and to ensure that universities are the independent institutions that I think universities, at least universities with international reputations, have become known for: their independence and the independence of the thinkers that work in those institutions. We think that anything that would harm that is something to be avoided.

So I would like to propose an amendment, Mr. Chairman, that would strike section 78 out of Bill 43. I have copies of that.

The Chair: This is subamendment SA3. Do you have the original?

Dr. Massey: Yes, I do.

The Chair: That's needed for the official records. Has the minister got one?

Dr. Oberg: Yes, I have.

The Chair: The hon. Member for Edmonton-Mill Woods on subamendment SA3.

Dr. Massey: Thank you, Mr. Chairman. I'm sorry if some of the members are upset that we're spending so much time on this bill, but this is a huge bill. Bill 43 is an important bill, and it's the first opportunity that the opposition has had to make suggestions and to try to effect some change. So I know that the evening is long for some of the members, but as I indicated, this is an important piece of legislation. It's worthy of our examination, particularly when we're faced with the number of amendments that the government has put forward.

The subamendment I've put forward is straightforward. I've spoken to it already. We're asking that section 78, that would have the minister approving the plans and in fact controlling some of the information that is submitted by in particular universities but in this case all boards, just be removed from the original bill.

Thank you, Mr. Chairman.

The Chair: The hon. Minister of Learning.

Dr. Oberg: Thanks, Mr. Chairman. Very, very quickly, if we were to vote for subsection 78, it would not change the universities' need to put in business plans as that is under the Government Accountability Act. The reason it is included in this act is that the Government Accountability Act does not apply to the Banff Centre, and we are currently ensuring that the Banff Centre, being a public institution, puts forward its business plans to the ministry as well.

Thank you.

The Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I rise to speak to amendment A3 and the subamendment proposed to it. The amendment that is made in A3 doesn't go far enough to ensure that the minister and the government, that is the state, do not through this legislation give themselves the right for interference in the independence and autonomy of postsecondary institutions, particularly the university.

10:20

In my opening remarks earlier this evening on Bill 43 and its study during committee I drew attention to certain principles that should guide any legislation and policy affecting postsecondary education institutions and particularly universities, and one of those principles was the principle of autonomy. Mr. Chairman, it's of absolute and critical importance that the independence of universities be maintained. A healthy, democratic, open society in fact must guarantee for its own openness, in defence of its own democratic institutions and processes and values, that we guarantee to institutions such as universities the full freedom that will allow the researchers, the writers, the speakers, the faculty, and the academy as a whole to be able to speak freely and without restraint about matters of public good, common good, public policy.

So the amendment proposed here, A3, retains within it the powers for the minister to seek any other information than would be necessary just for financial accountability. I think that challenges the fundamental principles of a democratic and open society in which the universities play a very key role in encouraging debate, in presenting dissenting views, in presenting fearless but thoughtful criticism of people and groups in authority and in power. The state is one of the most powerful institutions in our modern society, and therefore it must not reserve for itself the right to demand and receive any information of the universities that its representatives might require.

[Mr. Herard in the chair]

Information with respect to financial accountability: yes, that certainly is part of the business plans, and that is a reasonable requirement given that public funds, taxpayers' money, is being spent on that. But taxpayers also expect as democratic citizens their institutions such as universities to have the full freedom to express themselves on matters that the members of universities – academics, students, administrators – think are critical to the preservation, protection, and enhancement of public interest and common good.

Since this amendment A3 in my judgment strikes at the very root of what the university is about – free speech, free thought, expression of dissent, and undeterred criticism of powers that be – I think that the subamendment proposed by the Member for Edmonton-Mill Woods does go a long way in removing what I consider to be a very, very flawed part of Bill 43 in its amended form.

So I speak in favour of the subamendment as proposed by the Member for Edmonton-Mill Woods.

[Motion on subamendment SA3 lost]

[The voice vote indicated that the motion on amendment A3 carried]

[Several members rose calling for a division. The division bell was rung at 10:27 p.m.]

[One minute having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Abbott	Herard	McFarland
Cao	Horner	Nelson
Cenaiko	Jablonski	Oberg
Danyluk	Jonson	Ouellette
DeLong	Kryczka	Renner
Ducharme	Lord	Snelgrove
Evans	Lund	Stelmach
Forsyth	Magnus	Strang
Friedel	Marz	VanderBurg
Griffiths	Masyk	Vandermeer
Hancock	McClelland	

Against the motion:

Bonner	Massey	Pannu
Carlson		

Totals:	For – 32	Against – 4
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[Motion on amendment A3 carried]

10:30

The Chair: We now have for our consideration in committee amendment A4, which is to the part that's section S.

The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. The amendment for section 88 strikes out the section that is in the bill and substitutes a section entitled Compulsory binding arbitration, and 88(1) says:

Where a dispute that arises during the negotiation of an agreement under section 87 cannot be resolved by the board and the academic staff association of

- (a) a public college,
- (b) a technical institute, or
- (c) a public post-secondary institution established after the coming into force of this Act,

the board or the academic staff association shall refer the dispute to compulsory binding arbitration.

- (2) Where a dispute that arises during the negotiation of an agreement under section 96 cannot be resolved by the board and the graduate students association of a university, the board or the graduate students association shall refer the dispute to compulsory binding arbitration.

So these are the two sections of this particular part of the bill that have caused some consternation. I believe, if my history is correct, and I think it is, there has not been a strike by academic staff in any of our institutions in the history of the province. Now, as I say, I stand to be corrected.

I think that in the past associations have voluntarily given up this right, have made provision in the contract that would disallow strikes and would prevent job action. So the strike provisions are being struck from this bill, and they're being replaced with binding arbitration. I think, given the practice and the history of negotiations in the province, that it's an unnecessary restriction.

I think it's a solution that is being proposed before there's a problem. It's unnecessary. I think it's inflammatory. I think that trying to prevent and to solve problems before they arise in this case is maybe well-intentioned but I think in the end does a disservice with respect to employees. I think the provisions are, as I said, unnecessary, and I think it's unfortunate that they're here, Mr. Chairman, and I would urge members of the Assembly to vote against it.

Thank you.

The Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I rise to speak to the subamendment to amendment A4. Amendment A4 represents a very, very minor retreat from the position that was taken by the minister, who is the sponsor of the act, in the original motion where, of course, strikes and lockouts are prohibited. The language itself is very hostile to some very fundamental democratic rights in the area of employer/employee relationships. The Alberta labour code, although it's not the model to be followed in the rest of the country, does include the right to strike as a legitimate democratic civil right. So the provisions in the original draft were in that sense quite odious, odious to democratic principles and democratic values.

The retreat from that is a good sign, but the retreat seems to be merely symbolic because in effect the substitution of the prohibition of strikes with compulsory binding arbitration and that being the only avenue available to employees and employers amounts to the same thing. It still takes away the right to strike, and, Mr. Chairman, removal of the right to strike as provided for in this legislation is unnecessary in the sense that the incidence of such decisions or such actions has been rare indeed. The 40-some years that I have spent either directly in postsecondary institutions or being around them tell me that it's a very, very, very rare occurrence.

But democratic rights must be respected regardless of whether they're exercised or not. If democratic rights are respected only if those who have these rights give the undertaking that they will exercise them, then there's no point in having such rights. So even if it were the case that strikes had been used in the past more frequently than perhaps once – one occasion has been brought to my attention – that's no reason to be apologetic about the demand about the expectation that this right must be respected, must be retained in legislation for employees of universities.

The compulsory arbitration is no substitute for the right to strike. It doesn't in any way diminish the severity and the real intent of this legislation, which is to extinguish this fundamental and democratic right of employees. For that reason alone, I'm opposed to amendment A4. I don't think it does anything at all to show respect for that fundamental right to strike that in a democratic society is a common thing. It's not something that's an exceptional right that somehow needs to be rolled back now because its existence and its exercise have done some irreparable damage to the postsecondary system in this province. They've no such evidence. It has not been exercised. Even if it is exercised, there is no reason to take it away.

It seems to me that the attempt in this bill to take away this right from university employees, university faculty, students is another step towards taking this right away from all categories of public service employees, and that is simply not something that should be acceptable in our province and to this Legislature.

I have expressed, I think, my strong opposition to the provisions of amendment A4, and the only way that we can improve this bill with respect to this particular issue is by simply striking out section 88 altogether from the bill. So I speak in favour of the amendment proposed by the Member for Edmonton-Mill Woods.

Thank you, Mr. Chairman.

10:40

The Chair: Hon. member, I'm sorry. You kind of lost me. Right now I don't have an amendment on the floor from Edmonton-Mill Woods.

Dr. Pannu: Mr. Chairman, I stand corrected. I'm ahead of myself. I think you're right. I apologize for the error.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I think it's safe to say, though, he doesn't like what the government's doing, and neither do I.

When you take a look at this particular amendment, where they bring in compulsory binding arbitration, you have to ask yourself the question: why would they bring this particular amendment in? It seems to me that when we look at amending legislation, there should be a good reason for doing it, something substantive. It corrects an existing problem, or it changes current legislation to fall in line with practices that have changed or something of that nature. When we take a look at this, when you take a look at staff that haven't gone on strike – I also don't remember an instance of that ever happening in this province – you have to wonder why the government would think they had to bring in a heavy foot and put in place compulsory binding arbitration when there's never been an existing problem.

Does the government have information that we don't have? Are they expecting some ongoing problems, or are they just pursuing a political philosophy? If they're just pursuing a political philosophy, which is to stop people from organizing or having a right to have some say in how they are employed and how they are compensated for that employment, then I have a real problem with these kinds of amendments.

We don't want to see unnecessary amendments and legislation coming forward in this Assembly. It's a waste of everybody's time, and it often brings in legislation that is punitive in nature and does not help the process of us getting the business done of educating students and having world-class education facilities in this province.

So I am completely opposed to this particular amendment, and I am very surprised that the government would have brought it in at this time.

The Chair: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Chairman. Very quickly and very briefly in response to the hon. members who have just spoken, last year Mount Royal College was within about four hours of a strike and/or lockout which would have lost approximately 3,000 students their one semester and their one year.

The Chair: Any further debate?

[Motion on amendment A4 carried]

The Chair: Our next amendment for consideration this evening is amendment A5, which is item U in the package, amending section 92. Any comments with respect to this amendment? The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I'm pleased to make some comments about the A5 amendment. This is the section with respect to model dispute settlements, Mr. Chairman. Briefly, the amendment as proposed by the government is that

if an agreement concluded or renewed under section 87(1) does not contain provisions respecting the matters set out in section 87(3)(b), (4)(e) and (g), (5)(d) and (e) or (7), as the case may be, the agreement is deemed to contain the provisions set out in the regulations in respect of which the agreement is silent.

If you go back to the original bill, I think you have to reference it in 92(1):

If an agreement between the board and the academic staff association of a university does not contain the provisions required under . . . 87(3)(b), the agreement is deemed to contain those provisions set out in the regulations in respect of which is silent.

Sorry, Mr. Chairman, but you have to find your way between the different provisions of the act.

The provision that they're referring to is:

An agreement between the board and the academic staff association of a university shall, with respect to the employment of academic staff members, contain provisions respecting at least the following matters:

- (a) establishment of salary rate and wage rate schedules for the purpose of setting the salaries or wages payable;
- (b) procedures respecting the settlement of differences between the parties arising from the interpretation, application or operation of the agreement.

So it's saying that those provisions with respect to wages must be included. It's part and parcel of the writing of agreements in the negotiations that go on between the board and the associations that we're concerned about and the dictating of those provisions in legislation.

I think that that briefly is what the amendment is about, and our concern, as I indicated, is that the provisions of agreements are being dictated by the act and not being left to the two parties involved to work out and determine.

The Chair: I wanted to just ask a question for clarification so that the chair might understand. In section 92 in the amendment A5 there isn't a number subsequent to 92, so is this amending subsection (1), (2), or (3) of this section?

Dr. Oberg: Three.

The Chair: Okay.

The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I see that since my colleague from Edmonton-Mill Woods started debating this particular amendment, we've been joined by more people in the gallery, and if it sounds confusing to you up there, it's confusing to us too.

10:50

We have a big bill. We have a huge package of amendments. We have huge sections that this act refers to that are being deleted or somewhat deleted or slightly changed. While we've had these amendments for a few days to look at them, there hasn't been an

opportunity to take them out en masse to stakeholder groups, and we are getting feedback coming back to us in bits and dribs, and the government does not stand up and defend their positions on these particular amendments. So it's very slow going tonight. At least the government consented to break part of this big amendment package out so that we could deal with some of the more contentious issues as they come forward.

This one, amendment A5, the model dispute settlement provisions, is quite contentious, Mr. Chairman. It takes away the right for people to negotiate their livelihood, and that's a real problem as far as I can see it. There is nothing good about what they've eliminated from the act, and with the model dispute settlement provisions that they've put in place, once again how academic staff can negotiate their contracts is going to be decided by a political mandate rather than equal partners coming to the table and being able to negotiate an agreement that is compatible for everyone concerned. So I certainly find this to be an offensive amendment and will be quite pleased to vote against it.

Dr. Pannu: Mr. Chairman, this section of the bill and amendment A5 reflects once again a sort of authoritarian streak that runs throughout this bill, and that's why I find it unsettling that we are rushing through this at this speed. It's a bill which has provisions which are highly consequential for everyone working at postsecondary institutions, and there's no real debate on the floor with respect to the possible consequences of these provisions.

This particular amendment really does nothing to reassure me that the minister and the government are not trying by way of this bill to centralize more and more authority and power in their own hands at the expense of the rights of both employers and employees at each of the postsecondary institutions to have the opportunity to engage in meaningful negotiations and determine what is going to be contained in the agreements that they negotiate and what's not to be contained in there. That should be a matter for open and free negotiation between employers and employees and not a matter that should be determined or decided in the end by user regulations, by the minister, or by the government.

So it's yet another, I think, instance of the authoritarian nature of this whole bill and how it strikes at the very root of what values should inform our postsecondary institutions, not only in specific instances but in general. The very culture of postsecondary institutions must be such, and the legislation should encourage the development of culture so that it is such that it encourages democratic values, strengthens democratic values, respects democratic principles and the democratic way of doing things, making decisions, interacting with each other in business matters that pervade every aspect of the institutions. After all, these are institutions which are the sites where our future leaders are growing up, are learning and growing as persons, as citizens as well as scholars and experts, and to infuse these institutions with a sort of authoritarian set of values as embodied in this act is highly disturbing and unsettling for me.

So I'm opposed to this particular section. In the original bill it's section 92, and its amended form as expressed by A5 still falls far short of what I expect the Ministry of Learning to be wanting to do in order to strengthen democratic values and democratic decision-making in postsecondary institutions. So I'm opposed to this amendment, Mr. Chairman, for that reason.

The Chair: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Chairman. No offence to the previous speakers, but quite simply what this amendment states is that if certain factors are not included, if they are not negotiated

within the contract, then they will be deemed negotiated as per the regulations.

I'll give you an example. Number 5(e) states, "Procedures for determining rights relating to copyrights and patent matters involving discoveries made in the course of employment." Quite simply, Mr. Chairman, if these are not ironed out in their contract, there can be a considerable amount of difficulties for the professor who has made an invention, for example.

So all we're saying is that if they are not in the contract, they will be deemed to be in the contract by virtue of regulation. This in no way stops the two parties from being able to negotiate what is in the contract.

[Motion on amendment A5 carried]

The Chair: Our next item for consideration is amendment A6, which is item Z on page 13, dealing with section 97. Comments? The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. This particular section, section 97, has been of great interest to students because it directly affects the operation of their organizations.

Section 97 and the five subsections of the bill as circulated last May have been struck, and in their place is this amendment Z. Under section (1)

each student organization of a public post-secondary institution shall provide audited financial statements annually to the board of the public post-secondary institution and shall make the audited financial statements available to students of the public post-secondary institution on request.

(2) Where an investigator appointed under section 99 finds irregularities in the management of the financial affairs of a student organization, the Minister may
and it goes on to say,

- (a) suspend or terminate the term of office of one or more members of the council . . .
- (b) appoint an administrator to exercise the powers and perform the duties of the council until a new council is elected, and
- (c) take any other action that the Minister considers appropriate to remedy the irregularity.

And then

- (3) An administrator appointed under subsection (2)(b) shall be paid the remuneration and expenses determined by the Minister out of the funds of the student organization.

So for students it's a hard provision to swallow, and it strikes, I think, at the view that's built into this bill of students and student organizations.

Mr. Chairman, the overwhelming majority of students attending postsecondary institutions are adults. They're 18-plus. They form student organizations. They're duly elected by the student body, and I think they've always viewed themselves as fairly independent, that they are really in charge of their own affairs. The history of student organizations in the province – there have been literally thousands of student councils over the years, and they've conducted their affairs as we would expect an adult organization to conduct its affairs in the interest of its membership.

11:00

So I think it's with that kind of background, that sort of context, that students find the provisions of the bill and the way they're being treated somewhat offensive. These particular provisions with respect to audits are troubling for students. Again, it seems to be a paternalistic approach to student organizations by the government, that students feel is unwarranted. They find these provisions unacceptable, Mr. Chairman.

I would like to now move a subamendment that I think would

better reflect how students would see the whole business of audits handled.

The Chair: This will be called SA4. You've given me the original?

Dr. Massey: Yes.

The Chair: Good show. The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you. The amendment would simplify section 97 and provide that

each student organization of a public post-secondary institution shall make publicly available audited financial statements when a simple majority of students who are members of the student organization have indicated in a plebiscite that the organization should prepare an audited financial statement.

I think the intent is rather clear, Mr. Chairman. The organizations are required to adhere to a number of regulations and procedures. They have internal mechanisms for dealing with their financial affairs. They have public obligations with respect to those financial affairs, and the notion of an outside investigator being appointed and all the provisions of the subamendment I think they feel are unnecessary given the kinds of obligations that they already have.

My colleague will speak briefly about the costs involved under section 97 with respect to audits. The proposal in the amendment would simply relieve the student organizations of those costs, yet there would be a provision that should students want audited statements made public and distributed publicly, that could be handled, and the mechanism is suggested in the subamendment.

So with those comments, Mr. Chairman, I'll conclude.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I do not like the government amendment brought in, A6, but I certainly do support the subamendment that was brought forward by the students to our caucus. Once again I ask: what's the purpose of having put this original amendment in place? Have there been consistent problems with the kinds of financial statements that have been provided by these organizations?

What happens is that all organizations provide some form of financial statement. Most of them are at least review engagement reports where accountants have looked at them, have compiled the figures, and have some verification of the information provided to them. If these organizations are required to go to audited statements for each financial year, then they are looking at substantial cost increases. A review engagement report can be compiled, depending on the size of the organization, for anywhere from \$700 to \$1,500. I've never seen an audited financial statement for even a very small organization that came in with a price tag of less than \$5,000.

So where are the students supposed to get this kind of money? They're students. They don't have money in the first place by the time they end up paying out money for their tuition and for their living accommodations and for their student loans and for their books and for their ability to eat once in a while. Then if they belong to a student organization, look at the fees that are going to have to be charged to be able to provide this service, which I don't see as being a necessary service.

Now, this amendment the way the government has brought it in is a way to force students to disband and to minimize those students who can afford to join organizations. So we bring a class tiering system into student organizations, which I think is completely

against any philosophy that we should be supporting at the education level. Definitely for the financial constraints but also definitely for the real ceiling this puts on students' rights to be able to organize and to form associations, this has got to be one of the worst amendments we've seen.

The benefit of having student organizations is immense. The ability for them to participate in educational processes, in democratic processes, their rights to free speech and to bring contentious issues to the public for discussion and for debate is of importance, as all generations have recognized and all times in history have recognized. This is the fountain of new ideas. This is where we get the out-of-the-box solutions, and this is what propels us to next-generation innovations. If we start to put a lid on these organizations, we are really stifling their independence and their creativity and their ability to fully participate in the same way that all of us had an opportunity to participate when we were students.

So I'm going to support this subamendment and vote against the government amendment.

The Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. Amendment after amendment continues to disappoint those of us who have a very different vision of postsecondary institutions and the kinds of procedures and rules and values by which those institutions and their members should live and act. This audit requirement and the minister's attempt to give to himself the power to dismiss duly democratically elected student bodies and send investigators to do the job for them carry a message which is very unhealthy when you combine it with other sections of the bill.

11:10

I must, Mr. Chairman, with your permission apologize to the House for not being able to find my way through the procedural maze. I had an amendment to section 93 of the bill on student affairs. I wanted to amend that section to again remove some of the limitations set around the ability of a student organization to define the purposes of the organization independently of what the purposes of the institution's members may be. Both the provisions of section 93, which obliges student bodies to conduct their affairs consistent with the purposes of the public postsecondary institution, and the provisions of this section 97 as amended by amendment A6 in my view take away from these duly elected bodies and student bodies in general the right to exercise their liberties and freedoms, which are the rights of all of us as citizens and as adults and as members of a democratic community.

So I stand opposed to amendment A6 and would like to support the subamendment introduced by the Member for Edmonton-Mill Woods. Thank you, Mr. Chairman.

[The voice vote indicated that the motion on subamendment SA4 lost]

[Several members rose calling for a division. The division bell was rung at 11:14 p.m.]

[One minute having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Bonner	Massey	Pannu
Carlson		

Against the motion:

Abbott	Horner	McFarland
Cao	Jablonski	Nelson
Cardinal	Jonson	Oberg
Cenaiko	Kryczka	Ouellette
Danyluk	Lord	Rathgeber
DeLong	Lukaszuk	Renner
Ducharme	Lund	Snelgrove
Forsyth	Magnus	Stelmach
Friedel	Marz	Strang
Griffiths	Masyk	VanderBurg
Hancock	McClelland	Vandermeer

Totals:	For – 4	Against – 33
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[Motion on subamendment SA4 lost]

The Chair: Our next item, then, for consideration is amendment A6 as moved by the hon. Minister of Learning. All those in support of amendment A6, please say aye.

[The voice vote indicated that the motion on amendment A6 carried]

[Several members rose calling for a division. The division bell was rung at 11:18 p.m.]

[One minute having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Abbott	Horner	McFarland
Cao	Jablonski	Nelson
Cardinal	Jonson	Oberg
Cenaiko	Kryczka	Ouellette
Danyluk	Lord	Rathgeber
DeLong	Lukaszuk	Renner
Ducharme	Lund	Snelgrove
Forsyth	Magnus	Stelmach
Friedel	Marz	Strang
Griffiths	Masyk	VanderBurg
Hancock	McClelland	Vandermeer

11:20

Against the motion:

Bonner	Massey	Pannu
Carlson		

Totals:	For – 33	Against – 4
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[Motion on amendment A6 carried]

The Chair: We next have for our consideration this evening amendment A7 as moved by the hon. Minister of Learning.

The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. These are the provisions in the amendments with respect to the Lieutenant Governor in Council regulations. The original bill has an extensive list of powers that are given to the cabinet, to the Lieutenant Governor in Council, and the amendments as proposed in section II are just as extensive. One of the questions it raises is one that was raised in a previous piece of legislation that we examined earlier today, the privacy legislation,

where the federal Privacy Commissioner made some comments about regulations. To paraphrase what the commissioner said, it was that regulations should be made with respect to minor housekeeping items with respect to that legislation.

That certainly stands in contrast to what is being authorized here. It says:

- The Lieutenant Governor in Council may make regulations
- (a) defining, for the purposes of this Act and the regulations, any word or expression used but not defined in this Act;
 - (b) respecting tuition fees, for all boards other than the board of Banff Centre, including regulations
 - (i) respecting the publication of information . . .
 - (c) respecting the application of section 62 to students.

So with those sections on tuition they can make regulations and effect its application.

- (d) listing pension plans . . .

Almost every aspect of the legislation is detailed or possibly affected by the regulations that are laid out in section 124 of the act.

I believe, Mr. Chairman, that this goes too far, that the kind of regulatory authority being given to the cabinet is really, really being overdone. I wonder, if the legislation is as good as we would hope it would be after the government has presented it and consulted with groups across the summer and fall period, why there would be need to delegate to the Lieutenant Governor in Council the powers that we see listed under this section of the act. I think it's unfortunate. I think it also contributes to the feeling that somehow or other the act hasn't been carefully enough thought through in places to stand alone and not require additional modification and changes by the cabinet.

We've raised the whole business of regulations in previous debates, Mr. Chairman. I think we've made some small progress. The Minister of Justice was good enough to post the provisional – I think it's provisional – or draft set of regulations with respect to legislation that was going to be put forward. I think that that was a step forward, because as we all know, the devil is in the detail of the regulations. But I think the whole business of leaving to regulations so much of the authority for what happens has been sort of a slippery slope that we've gone down in the province, and I think this is an example of where we shouldn't be going with respect to the regulating ability of the cabinet.

Thanks, Mr. Chairman.

Ms Carlson: Mr. Chairman, I too speak against this particular amendment. It's my belief that this government would be quite happy if it could say that Bill 43 were changing postsecondary education and that all the detail will be in the regulations and we'll figure it out later, because that's what we've seen time after time in this Legislature with bills that they've brought forward. They like to spend the least amount of time in here. They do not like to defend their policies. They like to bring in legislation that is very loosely put together, that does not have a lot of definitions or defining moments in it, and everything is pushed off to the side to regulations, where they can do them behind closed doors and where they don't give anybody, public or opposition or anyone, the opportunity to review and have some input in them.

As the Minister of Justice knows, this isn't a common practice. Other jurisdictions post their regulations well in advance of the legislation being debated. He's tried to do that with some of his legislation, and that's a positive move. What it does is put the detail out there for people to see where the intention of the legislation is in terms of where it's going to go, and then there's an opportunity for stakeholders and other directly affected parties to look at it, to debate it, to talk amongst their organizations, to see whether or not the

regulation is going to be a positive or a negative impact and then negotiate with the sponsoring government members to change them as necessary.

Not here. Not with this government. They bring in a flawed bill from the beginning, have to take months to go out to people and try and get it fixed, and then bring in another huge package of amendments that still aren't very good. We bring in subamendments to their amendments to try and improve it, and still the bulk of the issues are going to be dealt with in regulations. Well, that's just poor legislation, it's just poor government, and I'm not going to vote for it.

The Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. This is the last of the amendments, and it certainly is reflective of the general tone of the bill. The skeleton is in the bill and the substance is in the regulations, and in this Legislature, which should be insisting on dealing with the substance, the matters that really affect and are going to impact students, faculty, institutions simply are not going to be available to this House for debate.

11:30

In debate as it has been in this House tonight on this very important bill, only one side has been speaking. There can't be a debate if there's a sort of monologue going on here, which is regrettable, I think. Putting much of the substantive matter into the regulations, which are to be decided by the cabinet, where there's never going to be an opportunity for this House to look at them, debate them, criticize them, analyze them, examine them, is a practice that must sooner or later stop, but I don't expect the present government to take steps to move in that direction.

The powers of this Legislature have been moving gradually into the hands of the executive, and this particular amendment is a good example of how that shift in relative powers of the Legislature and the executive have changed over the last six and a half years that I've been part of this process. I regret that, and I must say that I will be voting against this amendment.

Thank you.

[Motion on amendment A7 carried]

[The clauses of Bill 43 as amended agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

[The voice vote indicated that the request to report Bill 43 carried]

[Several members rose calling for a division. The division bell was rung at 11:33 p.m.]

[One minute having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Abbott
Cao
Cardinal
Cenaiko
Danyluk

Horner
Jablonski
Jonson
Kryczka
Lord

McFarland
Nelson
Oberg
Ouellette
Rathgeber

DeLong	Lukaszuk	Renner
Ducharme	Lund	Snelgrove
Forsyth	Magnus	Stelmach
Friedel	Marz	Strang
Griffiths	Masyk	VanderBurg
Hancock	McClelland	Vandermeer

[The Deputy Speaker in the chair]

Mr. VanderBurg: Mr. Speaker, the Committee of the Whole has under consideration certain bills. The committee reports Bill 43 with some amendments. The committee reports progress on Bill 44. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly. Thank you.

Against the motion:

Bonner	Massey
Carlson	

Pannu

The Deputy Speaker: Does the Assembly concur in this report?

Totals:	For – 33
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Against – 4

Hon. Members: Agreed.

[Motion to report Bill 43 carried]

The Deputy Speaker: Opposed? So ordered.

The Chair: The hon. Government House Leader.

Mr. Hancock: Mr. Speaker, I would move that we adjourn until 1:30 p.m. tomorrow.

Mr. Hancock: Thank you, Mr. Chairman. I move that the committee rise and report Bill 43 and report progress on Bill 44.

[Motion carried; at 11:40 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

[Motion carried]

Legislative Assembly of Alberta

Title: **Wednesday, November 26, 2003**

1:30 p.m.

Date: 2003/11/26

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. O Lord, we give thanks for the bounty of our province: our land, our resources, and our people. We pledge ourselves to act as good stewards on behalf of all Albertans. Amen.

Please be seated.

head: **Introduction of Visitors**

Mr. Jonson: Mr. Speaker, I am pleased to introduce to you and through you to members of the Assembly Dr. George Joseph, consul general for the Republic of India. Dr. Joseph is on his first official visit to Alberta since taking up his new diplomatic post in Vancouver.

Alberta and India have a long and close relationship, a friendship that continues to grow stronger. Alberta has a vibrant Indo-Canadian community; 61,000 people of Indian origin now call our province home, and these citizens greatly contribute to making Alberta one of the best places in the world to live. Also, businesses from our two areas continually co-operate, most recently in the oil and natural gas sector. With India's population expected to exceed China's by the middle of this century, India holds huge potential as a growing market for goods from Alberta.

Mr. Speaker, I'm also proud to note the role our province plays in improving the quality of life for many citizens of India through health, education, and other social initiatives funded by the Alberta Wild Rose Foundation.

We are grateful Dr. Joseph has chosen to visit us, and we hope that he has an opportunity to return again soon. I would ask that our honoured guest please rise and receive the traditional warm welcome of the Assembly.

head: **Introduction of Guests**

The Speaker: The hon. Deputy Speaker.

Mr. Tannas: Thank you. I have the great pleasure of introducing to you and through you to all members of the Assembly Alberta's Ombudsman, Mr. Gordon Button, and his assistant, Ms Dixie Watson. They are seated in your gallery, Mr. Speaker. Mr. Button was sworn in as Alberta's seventh Ombudsman on October 20, 2003. I would ask both of them to rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Manning.

Mr. Vandermeer: Thank you, Mr. Speaker. It's my pleasure to rise today and introduce to you and through you seven fine members from the Association of Professional Engineers, Geologists and Geophysicists of Alberta, otherwise known as APEGGA. APEGGA is a self-governing association responsible to the people of Alberta for licensing of professional engineers, geologists, and geophysicists; the maintaining of professional standards; and upholding the code of ethics. Over the past several months I have been working with APEGGA on a variety of issues, and I have really enjoyed the time that I have spent with them.

APEGGA reached 30,000 members in March of 1988, and the

reason they are with us today is they are celebrating the registration of their 40,000th member, quite an achievement. That member is Sebsibe Asfaw, a professional geologist. Mr. Asfaw was born in Ethiopia in 1962 and came to Canada in 1997. I would ask that they rise as I call out their names: Sebsibe Asfaw; Mike Smyth, professional engineer, president of APEGGA; Neil Windsor, professional engineer and executive director and registrar of APEGGA – I would also just make a note that Neil is a past member of the Legislature in Newfoundland – Linda Van Gastel, professional engineer and president-elect of APEGGA; Andy Gilliland, professional engineer and vice-president of APEGGA; Philip Mulder, manager of communications; and Mike Koziol, professional engineer and member of the council of APEGGA. Congratulations and thank you for introducing your 40,000th member. Please receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. It's my great pleasure to introduce to you and through you to all Members of the Legislative Assembly special guests who are joining us from Sakaw elementary school today. Mrs. Phyllis Morhaliek is the grade 6 teacher of 29 of the students, and Mr. John McQuay is the grades 5 and 6 teacher of 25 of the students. One of the young gentlemen in their classes, after the last election, asked me if he could use a couple of my signs for his tree fort, so that was a very good recycling use. Today they are accompanied by parent helpers Mr. Glen Keats, Mrs. Tracy Ballantyne, Mrs. Rose-Mary Hall, Mr. Mark Sanders, Ms Holly Dyck, Mr. Bill and Mrs. Bev Ross, Mrs. Sheri Rau, and Mrs. Tessa Strachan. I'd ask them all to please stand now and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. It's a pleasure today to introduce students, staff, and parents from one of the finest schools in Alberta, a consistently very high-achieving school, and that's the school of Windsor Park. I'd ask the students to rise. There are 24 of them, and as well they are accompanied by three parents – Mrs. Val West, Dr. Sheri Samuels, and Mrs. Margaret Rolf – and by their teacher, who I've worked with a couple of times during Read-in Week, Mrs. Jennifer Health. So please give them all a warm welcome, and I hope they enjoy their tour.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you very much, Mr. Speaker. I'm pleased to introduce to you and through you to the House a prominent health care professional and leader, very busily involved in the negotiations between the United Nurses of Alberta and the Provincial Health Authorities. She is Ms Bev Dick, first vice-president of United Nurses of Alberta, known as UNA. She's seated in the public gallery. I'm so pleased that she was able to join us for a brief while today and observe the proceedings of the House. I would ask her now to please rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I have two sets of introductions today. The first is a group of 13 students and their teacher from Concordia high school in the constituency of Edmonton-Highlands, and I would ask that the students and their

teacher, Mr. Mark Rothfos, please rise and receive the warm welcome of the Assembly.

Mr. Speaker, we will be joined a bit later today by students from Mount Royal elementary school, which is also in the constituency. There are 28 students accompanied by their teacher, Mr. Woelfle, and I would ask that when they arrive, maybe people can just give them a bit of a wave.

Thank you.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. I don't believe my guests have arrived as yet, but it is my pleasure to rise on behalf of Spruce Grove-Sturgeon-St. Albert and for the Member for St. Albert and introduce to you and through you to members of the Assembly a group of men who are the 2003 60-plus Canadian slow-pitch champions. With us today are the St. Albert White Sox slow-pitch team, who I will be recognizing later this afternoon. The 15 members, led by their captain, Vern Holland, will be seated in the members' gallery. As I can't see if they're there, I'd ask them to rise, but I do believe they'll be coming in a little bit later, and at that point perhaps we could give them a warm welcome.

Thank you, Mr. Speaker.

The Speaker: The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to members of the Assembly two new staff members that just started in my office recently: Jeanna Woodward and Tennille Auch. I'd like them to rise and receive the traditional warm welcome of the Assembly.

1:40

The Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you, Mr. Speaker. Earlier today the hon. Member for Edmonton-Ellerslie introduced Bill and Bev Ross. Bill also has a distinction that many people in the Assembly don't know about, and that is that for over 40 years he's been a valued volunteer in the Edmonton Minor Hockey Association. Each January during Minor Hockey Week he co-ordinates a group of volunteers in the tournament headquarters, where they keep in line 500 teams and over 7,500 participants in the 20 arenas in the city of Edmonton. Mr. Ross is also better known as Mr. Central. So to Bill and Bev, please stand and enjoy the traditional warm welcome we give to volunteers here in the Assembly.

Thank you.

The Speaker: Are there young people from the School of Hope in Vermilion and Tullibee Lake school in either of the galleries? Would you rise, please. On behalf of your Member of the Legislative Assembly might I extend a warm greeting to all of you for attending the Legislative Assembly.

Thank you.

head: **Oral Question Period**

Provincial Fiscal Policies

Dr. Nicol: Mr. Speaker, despite the Alberta government's surplus this government still isn't financially prepared for salary increases for provincial employees and still hasn't planned adequately for

paying off Alberta's \$7 billion infrastructure debt. To the Minister of Finance: why has the government yet again failed to plan for wage increases by not having an adequate contingency fund in the budget?

Mrs. Nelson: Well, Mr. Speaker, today I released the second-quarter report, that clearly indicated that Alberta's fiscal structure is in fact working, that the business planning process does work, and that we have a sound basis for growth within the province. Clearly, a number of the issues that maybe the hon. member may think are not addressed, in fact, do become addressed through our process of business planning.

Might I remind him that we are, I believe, the only government in Canada that goes through a quarterly update, and this is our second-quarter update and reflects a really positive trend for the province. I would hope that he will read the reports. Clearly, I'm going to be tabling some reports a little bit later, Mr. Speaker, insofar as the supplementary supply, and there's a lot of detail in those documents.

Dr. Nicol: Again to the Minister of Finance: will your government outline tight controls over the capital fund to prevent it from becoming a pre-election spending fund?

Mrs. Nelson: Well, Mr. Speaker, in our new structure we put in place two key components, one of them being a sustainability fund and the other being a capital fund. The sustainability fund, of course, is there to protect Albertans from the volatility from the oil and gas revenues, to make sure that core programs are always kept in place and financially maintained.

The other element that was key in the new structure – it was recommended by the Financial Management Commission – was, in fact, the capital plan. In the past it was easy to announce projects and then not follow through on them. The discipline with the capital plan that we have today is that once the funds are in the capital plan, the funds, in fact, stay there, and even if the projects aren't completed in the current fiscal year, the money is allowed to proceed on to the next fiscal year. So the capital announcements that have been made actually get built.

Dr. Nicol: To the Minister of Finance: will you commit your government to review the budgeting process to account for the sequence of surpluses in the past few years?

Mrs. Nelson: Well, Mr. Speaker, I think that Albertans are quite pleased with the economic performance of this province. Once again we will lead the nation on economic growth. We will lead the nation on investment per capita. We will have the lowest unemployment rate in the country. The net migration to the province again will be roughly 55,000 people.

I think people in the province of Alberta have a lot of confidence in the fiscal management and the fiscal responsibility that this government has demonstrated. The review is done every quarter and through the budget process.

Budget Surplus

Dr. Nicol: Mr. Speaker, even with budget surpluses the Alberta government won't adequately fund major infrastructure projects. Instead, the government wants private companies to build our courthouses, roads, and hospitals through public/private partnerships, or P3s. In the short term the government may save money. In the long term Alberta taxpayers will pay more because of the private companies' higher borrowing costs. To the Minister of Finance: why won't this government use some of the surplus to build

a southeast hospital in Calgary instead of burdening Albertans with the cost of a P3?

Mrs. Nelson: Well, Mr. Speaker, again, I believe we're probably the only government in Canada that actually has put in place a solid capital plan. Prior to today the capital plan over the next three years was worth \$5.5 billion. Today we added another \$428 million to that plan to bring us up to close to \$6 billion. That's a commitment of capital that will, in fact, go into much-needed projects. Whether they're roads or schools or hospitals or different types of postsecondary education facilities, those will be determined and put forward in a plan that people can count on. The one benefit of this structure is that when we go through our budget process, we identify where those dollars are being spent, and they actually get spent in those areas.

Dr. Nicol: Again to the Minister of Finance: why won't the government commit some of this surplus to building the Calgary courthouse instead of burdening Alberta taxpayers with a P3?

Mrs. Nelson: Well, Mr. Speaker, we have a capital plan in place that we are in fact following. Clearly, we have laid out the priorities of our government, we have enhanced that program, and we're moving forward.

I'll ask the Minister of Infrastructure to supplement though.

Mr. Lund: Mr. Speaker, the process that we have in place relative to assessing P3s is one that is the envy of many jurisdictions. The hon. member being an economist, I'm very surprised that he's suggesting that this is going to burden future Albertans with additional costs. The fact is that through the P3 process, it has to be shown that there's an economic benefit to the province of Alberta before it would proceed.

When the final documents come out, I'm sure the hon. member will be able to assess them and will probably be only too happy to stand up and congratulate the government for having gone down this road.

Dr. Nicol: Mr. Speaker, if they can ever show to my satisfaction that they saved money in the long run for Albertans, I will stand in this House and congratulate them, but I don't think I'll ever have to do it.

My final question is to the Minister of Finance. How will you meet the Learning Commission's class size standards if you don't invest now in building more classrooms?

Mrs. Nelson: Well, Mr. Speaker, we just announced today that we've added \$428 million in capital dollars to our already \$5.5 billion capital plan over the next three years. I'm sure that the Minister of Learning and the Minister of Infrastructure will be working together to come up with a plan to address the pressure points in the Learning Commission and in the postsecondary education field.

I'll ask the Minister of Learning to supplement the answer.

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. As the Assembly well knows, there was money just put into the Learning Commission report. About \$90 million was announced just a week or so ago. Quite frankly, the school authorities, the school boards, will have the ability to use that to address class size.

From an infrastructure point of view, we are looking at all the

different possibilities, all the different combinations and permutations of how we can build up the capital to actually have more classrooms. That's what we're doing right now, Mr. Speaker. As the Minister of Finance just stated, there's a lot of money in the capital account, and we'll see how that money is spent.

1:50

Water Management

Ms Carlson: Mr. Speaker, the issue of water scarcity has become a huge concern here in Alberta, particularly as the rapidly growing southern region dries up and industrial use intensifies and multiplies. My questions today are to the Minister of Environment. Given that industry uses approximately 46 billion litres of potable water annually for injection and this water is permanently removed from the cycle, when is he going to prohibit this practice?

Dr. Taylor: Well, the member does raise an important and good point. At the present time we recognize that the industrial use of potable water – that is, industrial use that takes water out of the water cycle, and as this member has correctly identified, it never goes back into the water cycle – is a large issue. People have typically just looked at the oil patch, but it's broader than the oil patch. It's other industries as well.

So what we've done to deal with that, Mr. Speaker, is we've put together a group of people to come back to us by March with some recommendations. That group of people consists of CAPP; it consists of NGOs, nongovernmental organizations, and environmental groups. It consists of all the stakeholders around this whole issue of water and injection of potable water, which then, of course, becomes nonpotable. So we are there. Remember that there are the nongovernmental organizations and the environmental groups there as well. I expect to have a report back from them in March.

Ms Carlson: Mr. Speaker, how does this minister propose to regulate and conserve water in this province when there are currently no means available to track total water usage?

Dr. Taylor: I'm not sure if she's referring to her original question or not. One of the issues that we had to define is: how much is actually being used by the various groups that take it from the potable cycle and then it becomes nonpotable? We actually have those numbers available, and I believe they're on our web site. So if that's the question, then the answer, the amount of water that is being used like that, is on the web site. But I'm not sure that that's what she was asking me.

The Speaker: The hon. member.

Ms Carlson: Thank you, Mr. Speaker. I was specifically referring to total usage throughout the province.

My final question is: given that agriculture and irrigation account for almost half the water usage in this province, how does the minister propose to implement a plan that would require local farms and ranches, already on the brink of bankruptcy, to pay for water usage?

Dr. Taylor: Mr. Speaker, we have never said that we're going to charge for water. What we are saying is that we have to understand the economic value of water to our society. Quite frankly, we don't understand that yet. What is the economic value of water to you, the consumer? What is the economic value of water to industry?

The other thing we don't understand is: what is true cost accounting around water infrastructure? We really don't know what the true

cost is to get water from the city treatment plant to your house or to my house. We don't really know what the true cost is of getting water from the irrigation dam, the Bassano dam, to the irrigators. So what we're talking about there is, one, understanding true cost accounting, knowing what stuff costs us, and, two, understanding the economic value of water to our society.

So we're not talking about charging people for water; we're talking about understanding the economics around water.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-Fort.

Budget Surplus

(continued)

Mr. Mason: Thank you very much, Mr. Speaker. Year after year the government posts massive, supposedly unanticipated surpluses. Today the second-quarter financial update shows a projected \$3.4 billion surplus. Yet despite the misplaced enthusiasm of the Tory backbenchers, first school boards and now health authorities are forced to run deficits. To the Minister of Finance: is this a deliberate strategy on the part of the government to post huge surpluses while school boards and health authorities run multimillion dollar deficits, or is it financial incompetence?

Mrs. Nelson: Well, Mr. Speaker, what would be financial incompetence would be to run huge deficits, and that's against the law in this province.

We budget based on the best information we have. This year we went with a structure that would take out the volatility of oil and gas prices so that we could in fact count on revenues coming through to support our core programs. The hon. member opposite knows perfectly well that to have uncertainty in revenues can have a negative impact on health authorities, school boards, municipalities, et cetera. So our budget process takes that volatility out of the mix. In fact, we looked at our core revenues of oil and gas and said: what is a reasonable number that we can count on to support those programs? That was \$3.5 billion. We said that if, in fact, it's more than that, we'll still spend \$3.5 billion because that's a reasonable amount of money to support the core programs of the province.

This is a new structure. Because we have additional operating cash flow that came in this year, we were able to do some other things, because anything over \$3.5 billion goes to our sustainability fund. Mr. Speaker, we were able to take the money from this year and the additional cash that came from last year and fulfill our obligation to the sustainability fund plus put \$428 million into a capital fund to enhance that plus allocate \$428 million to our debt retirement. That's fiscally responsible.

Mr. Mason: Mr. Speaker, to the same minister: why didn't the government act to prevent deficits at both the Capital region and Calgary health authority when it knew it had billions of, quote, unanticipated dollars in its pocket?

Mrs. Nelson: Well, you know, Mr. Speaker, here's a message that particularly the Official Opposition could send. We had an announcement last year from the federal government that said: we will allocate \$2 billion in additional moneys for health care. We haven't seen a penny of that yet. The last word we heard: those dollars may not come until next October or November. I'm reluctant to book that commitment until I see the cheque, quite frankly. So if there's a message that can come from the members opposite, get on the phone to your kissing cousins in Ottawa and tell them to write the cheque.

The Speaker: The hon. member.

Mr. Mason: Thank you, Mr. Speaker. Other than once again blaming it all on the feds, why is it that with all the riches any government this side of the Persian Gulf could desire, this government cannot meet the basic needs of Alberta in a stable, debt-free manner?

Mrs. Nelson: Well, Mr. Speaker, at the end of question period, I will be bringing forward a tabling of supplementary estimates, and I believe that the hon. member should have a good look at those because they will in fact show the allocation that has gone to support operating and disasters that have occurred this year in this province.

We are very fortunate in Alberta to have been able to deal with some very, very difficult times, and anybody in rural Alberta knows very well that this government has been there for them this year. Our Minister of Agriculture, Food and Rural Development has led the nation in bringing forward a program that helps our agricultural community. Also, Mr. Speaker – and I have to say this – we had some difficulty in our forest fire fighting, and we had to supplement extra dollars into that program. We were in a position to be able to do that. We had \$210 million of operating contingency. We have allocated through this second quarter \$174 million of that to meet pressure points on programs from Seniors to Learning, all the way through, where they were needed. We've done a good job.

The Speaker: The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Gold Bar.

Calgary Regional Health Authority

Mr. Cao: Thank you, Mr. Speaker. Given that the population of Calgary, the city itself, has reached the 1 million mark and with the growth of a hundred thousand during the past five years, the Calgary health region experienced a population increase of 2.9 percent this year. The pressure of this tremendous population growth combined with rising costs, lower than expected revenues, and growing demands for services are making it difficult for the region to balance its budget. My first question is to the Minister of Health and Wellness. Can the minister explain why these factors were not taken into consideration when the region's budget was set?

Mr. Mar: Well, Mr. Speaker, the short answer to that question is that we do. Our population funding formula does take into account growth. It also takes into account factors such as the age of the population, demographics such as the gender and the socioeconomic status of the population. So the short answer is that we do.

2:00

Now, just recently, yesterday in fact, I sat down with the chief executive officers from both the Capital health region and the Calgary health region, and the good news is that in Calgary the chief executive officer of the regional health authority tells me: we're 97 percent of the way there; we get 97 percent of the funding that we need, but we need to sharpen our pencils as a regional health authority to find more efficiencies and ways that we can save money. We also need to look at ways that we can raise money that are within the parameters of the Canada Health Act. We do not want regional health authorities doing things to raise revenues that are inconsistent with the Canada Health Act, but the province also has a responsibility to ensure that we try and close that 3 percent gap.

I want to assure all Albertans though, Mr. Speaker, that people are aware that the \$4.1 billion that goes into the province's regional

health authorities is allocated on a fair basis. There is recognition, as I said, not only for the growth of the population but for demographic factors as well.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. My second question is to the same minister. Given that the population of the city of Calgary is the highest in the province and it has the highest growth rate, my constituents are concerned that the budget allocation does not reflect this. Can the minister explain why Calgary's budget increase per capita was less than other areas such as the Capital region?

Mr. Mar: Well, Mr. Speaker, in comparing the two largest health regions in the province of Alberta for the current budget year, Calgary received an increase of 7.6 percent and the Capital region received an increase of 6.6 percent. So the actual percentage increase was larger in Calgary than it was in Capital, but it is correct to say that on a per capita basis the Capital health region receives more funding than the per capita funding for the city of Calgary. The reason is because of the demographic factors that I described. The population served by the Capital health region tends to be older. They tend to come from a lower socioeconomic status. These people tend to be sicker, and it does serve a much larger area.

As an example, Mr. Speaker, transfers of moneys that go into the regional health authority in the Capital region for services that they provide to northern Albertans totaled approximately \$120 million. While Calgary also serves a large area outside of the Calgary health region's boundaries, its transfers from other regional health authorities only totaled \$44 million. So the Capital health authority does serve a larger population in terms of transfers from other regional health authorities than does the city of Calgary.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. My last supplemental question is to the same minister. I would like to ask the minister to explain why he has not moved forward more quickly with health reform initiatives that would give Calgary more options to balance their budget?

Mr. Mar: Well, Mr. Speaker, we have moved aggressively on overall health care reform. That, of course, is not an excuse not to be fiscally responsible, and in examining the operations of regional health authorities throughout this province, I can tell you that I am satisfied that regional health authorities are doing a pretty good job of staying within their fiscal parameters. They're not doing a perfect job, but they're doing a very good job.

Now, with respect to reforms on increasing options for how regional health authorities can raise money, again, Mr. Speaker, while we encourage that, the parameter has to be that any efforts to raise moneys on the part of regional health authorities have to conform with the principles of the Canada Health Act, which principles have been enshrined in our own provincial legislation.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Highwood.

Electricity Deregulation

Mr. MacDonald: Thank you, Mr. Speaker. My first question is to the Minister of Finance. How many tax dollars are invested through the Department of Finance in electricity deregulation in this province at this moment?

Mrs. Nelson: I think that that question, Mr. Speaker, would probably fit on the Order Paper under Written Questions.

Mr. MacDonald: Again, Mr. Speaker, to the same minister: given that Enmax has listed in its last annual report long-term debt of \$183 million owed to the taxpayers through the Alberta Municipal Financing Corporation, how can this government continue to say that we have no public debt as a result of electricity deregulation?

Mrs. Nelson: Again, Mr. Speaker, I would think that that question is better suited to the Order Paper under Written Questions for returns.

Mr. MacDonald: Again, then, Mr. Speaker, to the same minister. The minister is in charge of the Alberta Capital Finance Authority, as it's now called. How much money did Alberta Finance loan through Alberta Municipal Financing Corporation in the year 2000, and was any of that money loaned to Enmax to participate in the power purchase arrangement auction?

Mrs. Nelson: Well, Mr. Speaker, I believe he asked for the year 2000. I'd have to take that question under advisement.

The Speaker: The hon. Minister of Municipal Affairs to supplement.

Mr. Boutilier: Mr. Speaker, I would like to say that we're very proud of the Alberta finance corporation because it assists municipalities in many ways. In fact, for the hon. member's benefit, a hundred million dollars of Alberta finance corporation funding has been going directly back to municipalities to help them on the whole issue of energy retrofits, which is a good example of the Alberta finance corporation's work.

The Speaker: The hon. Member for Highwood, followed by the hon. Member for Edmonton-Riverview.

Turner Valley Gas Plant Historic Site

Mr. Tannas: Thank you, Mr. Speaker. Exploration for oil and gas in the Turner Valley area started some 90 years ago, when the first well successfully struck a petroleum production zone in 1914. It changed the industrial face of Alberta and, indeed, the rest of Canada. The economic impact of the oil and gas industry is enormous to our province, and preserving the Turner Valley Gas Plant as a provincial and a national historic site is important to all of us. Equally important to the residents of the area and downstream is the reclamation of the important historic site of Hell's Half Acre. To the Minister of Community Development: can the minister tell the Assembly when the cleanup work at the Turner Valley Gas Plant historic site will finally be completed?

Mr. Zwodzesky: Mr. Speaker, the site cleanup, reclamation, and restoration of the historic Turner Valley site has been progressing quite quickly, of late especially. Going back several years ago, an historical resources impact assessment was done for that area, followed by a risk management plan. I'm happy to tell the House that virtually all of the hazardous materials have now been removed: the asbestos, mercury, hydrocarbons, sulphur, and so on. There is still some work that obviously remains to be done. For example, when the Sheep River flooded a few years ago, it eroded the banks and exposed some of the vessels in that area. So we're just waiting for approvals now from the federal government, specifically the

Fisheries and Oceans department, before we can proceed with that spring cleanup of those few final steps, which I hope will be before the spring runoff.

We do have to do this carefully, Mr. Speaker, because it is a national and a provincial historic site. So reclamation and cleanup is one part, but maintaining the integrity of the site is equally important.

The Speaker: The hon. member.

Mr. Tannas: Thank you, Mr. Speaker. To the same minister: given that, then are any of the local residents or the visitors to this site at any risk whatsoever to their health or to their well-being?

Mr. Zwozdesky: Mr. Speaker, no, I don't believe that anyone visiting the site or living in that immediate area is in any imminent danger or risk. We have conducted or Environment or Alberta Infrastructure has conducted – together we've all had different parts of different tests conducted there. Based on the information that we've seen, we don't believe there are any measurable levels of contaminants in the water, for example, which anyone should be alarmed over, but on the side of safety we do provide fact sheets informing people of any potential risks that might still be there. For example, we've removed all the mercury that we possibly could from the soil, and where it occurred in some of the facilities, the physical buildings and structures, those have been sealed off and contained.

The Speaker: The hon. member.

Mr. Tannas: Thank you. My final supplemental is again to the same minister. Mr. Minister, what further action, then, is the government of Alberta and your department going to undertake to alleviate the concerns of the people who live in the Turner Valley area as well as those who are downstream of Sheep River?

2:10

Mr. Zwozdesky: Mr. Speaker, we spent a good deal of time consulting with the community there. In fact, just last week we held an open house. There were two of them. I believe they took place on Thursday. They were information sharing sessions, questions and answers, if you will, which involved individuals with expertise in this area from my department, from Alberta Environment, and, I believe, from Alberta Infrastructure as well.

We've also stepped up the funding or restored it in the one case. We've already spent as the Ministry of Community Development over half a million dollars on the site, and I think Alberta Infrastructure also spent about three-quarters of a million. This year we've added another \$1.5 million to complete the important cleanliness of that site just to ensure its integrity and at the same time provide a safe visitation for people coming to the site.

Southeast Calgary Hospital

Dr. Taft: Mr. Speaker, on a day when this government is lighting cigars and patting itself on the back for again running a huge surplus, it refuses to fund a badly needed hospital in southeast Calgary. Instead, the health region is moving ahead with a P3 proposal despite a recent report by four prominent economists, including a former chief economist with the TD Bank, who found that P3 hospitals are more costly, less accountable, and will lead to a deterioration in health services. My first question is to the Minister of Health and Wellness. What assurances can the minister give Albertans that he will not give approval to providing services in a P3

hospital in southeast Calgary given that a P3 hospital will lead to – and I quote the report – “a deterioration of hospital services, diminished accountability, an increase in two-tier care, and needless cost”?

Mr. Mar: Well, like the hon. member, I do a lot of reading. The fact is, Mr. Speaker, I've gone to albertaliberalfairytale.com, and I've looked at some interesting material from that web site. The opposition has a health care policy paper that's put on their web site. In fact, I look at the reading list that is prepared for the Alberta Liberal opposition, a recommended reading list which includes a reference to the hon. member's own book. Talk about the use of public dollars, the use of public dollars to shill his own writings. That is shameful.

Mr. Speaker, look; the whole point of this is that the Alberta government is focused on two things as it relates to health care. Those are improving access and maintaining or improving the quality of health services that are enjoyed and appreciated by the people of the province of Alberta. We are not ideologues. The Leader of the Opposition and his band of Liberals are ideologues, and that's the reason why we focus on being open minded and looking at different ways of delivering services. We're open minded to a public service that we support in this province, the best public health care system in Canada, I would argue.

We are open minded to the idea of using P3s as a way of funding capital, not making a privatized, for-profit health care system but a P3 system that allows us to look at different ways of using money to create capital that improves access in the delivery of services. We are open minded to the idea that there are other ways of delivering service, like private surgical facilities. We are open minded to the idea of private facilities providing publicly paid-for services for the benefit of the public and not charging user fees for such services. We are open minded to all these things because we are focused on health care, access, and delivery. Mr. Speaker, these people are focused on ideology.

The Speaker: Hon. Official Opposition House Leader, you rose on a point of order that we will deal with at the conclusion of the question period.

Ms Carlson: Thank you.

The Speaker: Government House Leader, be prepared for the debate. Okay?

The hon. member.

Dr. Taft: Thanks, Mr. Speaker. We'll give a different minister a platform to play at being Premier. To the Minister of Infrastructure. What assurances can he give Albertans that he will not give his approval to a P3 hospital in southeast Calgary given that, and I quote the report I referred to: it is reasonable to expect P3 hospitals to be at least 10 percent more costly than their public-sector equivalents?

Mr. Lund: Mr. Speaker, we've got in place a very good process for assessing any P3 that might come forward, whether it be a hospital, a courthouse, a school, or a postsecondary institution. That process involves, first of all, having a committee look at the proposal. They look at it to see if there's any possibility of it being the type of proposal that would reap the benefits that we insist that must be there for Albertans. If that looks like it has that potential, the proponent must then come forward with a business case, must bring the whole operating costs and the capital back to present-day value.

If, in fact, that is accomplished, then it goes to an outside commit-

tee, a committee completely outside, made up of the private sector. Now, I know that they don't like to hear that, that the private sector would be assessing a project, but the fact is that they, then, will delve into it and make sure that there is a value for dollars for Albertans.

As far as it costing 10 percent extra, Mr. Speaker, it's interesting if he relates that to the courthouse, because we already know that in the case of the courthouse we put out, as far as the construction and the capital costs, a proposal for a dummy bid, and guess what? The dummy bid came in quite a bit above what we thought it would cost us to build it, and the proponent is even below the numbers that we thought it would cost us to build. So it's considerably lower. I think you've got the plus and minus mixed up.

Dr. Taft: Well, to the same minister: given that the Calgary hospital P3 process is so far advanced, what evidence can this government produce to show that P3 hospitals won't cost Alberta taxpayers more and lead to a deterioration in health services?

Mr. Lund: Mr. Speaker, so far advanced? The Calgary regional health authority hasn't even put out a request for interest at this point, and that's the first entry point. Then there would have to be a request for qualifications, then an RFP. That's before we even get heavily involved in it. This is a concept at this point, and we haven't even seen anything from the regional health authority.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Edmonton-Mill Woods.

Load Securement Standards

Mr. Marz: Thank you, Mr. Speaker. Recently a group of farmers in the Carstairs area organized a hay drive to donate and haul hay from Alberta to drought-stricken and burned-out areas of British Columbia. They advised me that they received verbal assurance from the British Columbia government that B.C. would forgo permit taxes and other fees and that load security requirements, which were the same as Alberta's with the addition of bulkheads, would be accepted as requested. On October 29, 12 loads left Carstairs only to be stopped at Golden, where more conditions were applied before they could carry on, even though many other trucks were hauling hay past them secured the same way without incident. Could the Minister of Transportation explain what happened at the Golden inspection station, and what involvement, if any, did Alberta Transportation have in resolving this issue under the terms of the memorandum of understanding?

The Speaker: The hon. minister.

Mr. Stelmach: Well, thank you, Mr. Speaker. First of all, let me commend all those individuals that quickly responded to the need of British Columbians with respect to drought and also the huge burnt-out areas of feed.

Prior to the movement of hay from Alberta to British Columbia, both provinces had met and discussed the issues of fuel taxes, permitting, and some load securement issues. Organizers at that time, according to the information I have, were told of the higher degree of load securement on the B.C. side. That was one component of the discussions that we agreed to: that on the B.C. side there would be more of a load securement issue.

When department staff were told of the detainment at Golden, we, of course, made contact with B.C. to clarify the issue. Of course, it's outside our jurisdiction. We have no authority in terms of their

particular regulations. I will say that after the vehicles were seized, local residents came together, helped the truckers there put on the additional load securement that was deemed necessary by the B.C. Department of Transportation, and then the loads moved on from there.

2:20

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. To the same minister: can the minister explain why the memorandum of understanding between the western provinces did not work in this particular instance?

Mr. Stelmach: Mr. Speaker, the hon. member is referring to the memorandum of understanding that was signed between Alberta and British Columbia, Saskatchewan, Manitoba in the year when we had a serious drought. It allowed for larger dimensions of bales to travel from those three provinces to Alberta. It served us extremely well, except this is a different situation where Alberta feed was traveling into the province of B.C., and they have deemed it necessary to keep the current load securement rules in place. We have to, as Alberta, honour that.

The Speaker: The hon. member.

Mr. Marz: Yes, Mr. Speaker. Again to the same minister: is Alberta going to renegotiate this agreement and amend the load security requirements in the future?

Mr. Stelmach: Good point. There is something called the North American load securement standard, and there are negotiations under way with all the provinces to try and harmonize all of our regulations with respect to this particular issue so that we don't run into these issues again in the future, which increase the costs not only to the trucking industry but certainly to the farmers that are awaiting their badly needed feed at the other end. So we hope to have some positive movement on this to report to the House in the very near future.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Edmonton-Strathcona.

Grade 12 Diploma Exams

Dr. Massey: Thank you, Mr. Speaker. Parents and teachers are baffled by Alberta Learning's decision to split the grade 12 diploma exams and advance the administration of part A by a week. They believe that shortening the instructional time is not in the best interests of students and places them at a disadvantage. My questions are to the Minister of Learning. Given that research concludes that the time spent on learning makes a difference in achievement, why has the instructional year been shortened?

The Speaker: The hon. minister.

Dr. Oberg: Thank you, Mr. Speaker. The diploma exams have been split into two for a couple of reasons. First of all, we split the exams in the first year of the strike, in 1982, and we noticed something very interesting in social studies. What we found is that the students actually did considerably better, statistically better, on the exams when the two exams were split, being a written component and multiple-choice component, a machine-scorable component. So that was one thing. Then when you combine that with the fact that we are now able to have the exam fully marked by the end of June,

that's a plus. The third plus is that we can guarantee that the teachers will be there to mark the exams because they will not have to go into July, into their time off, to mark the exams.

So when you put all of that together, what we have come up with is an exam time frame that has about a week – I believe the most is eight days – between a part A and a part B. The hon. member has asked a question about instructional time, and the people who do curriculum say that the written component of the exams in all the science issues that are there will be complete by that time. There is time after that written component to have more instruction time to be able to prepare for the multiple-choice exam.

So, Mr. Speaker, that's the rationale. We fully anticipate that our students will do some 4 or 5 percent better on their exams by splitting them than what they would have before.

The Speaker: The hon. member.

Dr. Massey: Thank you. Then again to the same minister: will the minister just admit that the move is a strike proofing tactic and has really nothing at all to do with student learning? That's all it is.

Dr. Oberg: Oh, Mr. Speaker, first of all, it is not solely a strike proofing technique. It is, though, because at this particular point in time we have no agreement that the exams will be marked in July. It is my job as Minister of Learning to ensure that the students have their exam marks so that their marks can go on to university, so that their marks can be utilized and read. We had a very nasty situation when the strike was on, and quite literally we have not received any assurances in the form of legislation or anything else as to the reason why.

Mr. Speaker, the other important thing – and I'll reiterate it – is that quite literally the students are doing better. We think it is important that our students have the ability and the opportunity to do as well as possible on the achievement tests, and we have been quite surprised at this. It's been a very positive element.

Dr. Massey: Again to the same minister: why are our students being placed at a disadvantage in the competition for scholarships and entry to programs outside this province by reducing their instructional time?

Dr. Oberg: Mr. Speaker, that is absolutely wrong for a couple of reasons. First of all, as I've said for the third time, the students are doing better. Their scores are higher. Also, when it comes to scholarships, when it comes to awards outside of the province, we also will have the exams marked quicker. So, quite simply, by the end of June we will guarantee that the marks are in the students' hands, that they're in the parents' hands, and they will be able to take that to the universities and get in there faster, quicker, better.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Edmonton-Beverly-Clareview.

Health Care Labour Relations

Dr. Pannu: Thank you, Mr. Speaker. Yesterday the province's two largest health regions announced that they were wallowing in \$120 million of red ink. At the same time Alberta's health authorities association has been engaged in a million-dollar advertising campaign to discredit Alberta's nurses in the current round of negotiations. The health authorities association has been bargaining in such bad faith that they had to be ordered back to the bargaining table by the Labour Relations Board. My questions are to the

Minister of Health and Wellness. Why does the government allow health authorities to waste millions on public misinformation campaigns when RHAs are wallowing in a sea of red ink?

Mr. Mar: Well, Mr. Speaker, as I indicated earlier in a response to another hon. member, the fact is that our regional health authorities are doing a good job. They're doing a good job with respect to the delivery of care. They're doing a good job with respect to the quality of the health service that they provide. They're doing a good job on the financial side of things. There are some legitimate issues that Albertans raise from time to time with respect to access. Regional health authorities are being responsive to that.

Mr. Speaker, regional health authorities throughout this province have a \$4.1 billion budget. So, again, the good news is that in Calgary, as an example, 97 percent of what they require to do the very good job that they do is being met. They have indicated that they're willing to again continue to sharpen their pencils.

As well, the provincial government and, of course, as reminded by my learned friend the Minister of Finance, Ottawa also have a responsibility here to come through with some money that was previously promised. Now, I can assure you, Mr. Speaker, that when the federal government makes good on that commitment of \$2 billion to the provinces and territories, Alberta's share will be approximately \$200 million. One of our top priorities – in fact, I would suggest, the top priority among members of this caucus – is to ensure that regional health authorities get the lion's share of that money to deal with the circumstances they face.

Mr. Speaker, there are many reasons why health care costs continue to rise. We're working on providing the increased supply of services that people are looking for. We're also working at trying to reduce the demand on these services. People would be aware, for example, of our Healthy U campaign. They would be aware of the fact that we've reduced the number of smokers in this province by 44,000. People would be aware of efforts that we're making in schools for daily mandatory physical education. So these are all aspects that we're moving forward on. It's part of our reform package.

But, Mr. Speaker, in answer to the narrow point of the spending of the Provincial Health Authorities association moneys on advertising, as the nurses often do, it's only appropriate that the Provincial Health Authorities association also be able to get their position out to the public. It is no different. We have no prohibition on the nurses doing such activities. We ought not to have such a prohibition on regional health authorities either.

2:30

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister. Then let me ask the minister: why has the government chosen the path of confrontation with the province's registered nurses by trying to impose a settlement that rolls back nurses' working conditions and endangers patient safety?

Mr. Mar: Well, Mr. Speaker, every time we go to the bargaining table between the regional health authorities and the nurses, the nurses characterize everything as being a rollback. I'd say: look at the last contract. Some rollback, hon. member. A 22 percent increase in salary. When you include benefits and such, it's closer to 40 percent.

Mr. Speaker, it's entirely appropriate that this process be left in the situation that it's in, which is to say that the parties are at the bargaining table now. We hope that nurses, who are a very, very

important part of our health care system, will bargain in good faith. We instruct the regional health authorities to do the same thing. If, as nurses suggest, they're interested in patients being placed first, as is the case with the government and the regional health authorities, then we have some sense of encouragement that, in fact, a contract will be struck.

Now, Mr. Speaker, should bargaining fail, there is still a process that has been set out by legislation for a compulsory arbitration process. That is another process by which we can also resolve this impasse between employers and their nurses.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My final question to the same minister: when is the minister going to take charge and order his handpicked PHAA negotiating teams committee to bring a fair contract offer to the table that values nurses as health care professionals and helps resolve the impasse that he's talking about?

Mr. Mar: Well, Mr. Speaker, I don't handpick any negotiators. That's the responsibility of the employers, in this case the Provincial Health Authorities association. They are instructed, of course, by their regional health authorities to bargain in good faith. I trust that nurses will do the same.

Again, we do value nurses. We recognize that they are a very important part of our health care system.

head: **Recognitions**

The Speaker: Hon. members, in about 30 seconds from now we'll call on the first of seven members to participate. Prior to that, let me just do some recognitions on behalf of all of you.

Today is the 38th wedding anniversary of the hon. Member for Grande Prairie-Smoky and his long-serving and long-suffering wife, so awards and recognitions should be provided to her.

Yesterday was the birthday of the Minister of Innovation and Science.

Sunday was the 16th anniversary of the first election of the hon. Deputy Premier to this Assembly.

The hon. Member for Spruce Grove-Sturgeon-St. Albert.

St. Albert White Sox

Mr. Horner: Thank you, Mr. Speaker. I would like to acknowledge a group of men who have proven age has little to do with athletic ability. The St. Albert White Sox are the 2003 60-plus Canadian slow-pitch champions. These gentlemen are not strangers to this House as past recognitions of have been done for the national championship wins of 1994-95 as a plus-50 team and in 1998 and 2000 as a plus-55 squad.

Al Brown, Norm Carruthers, Ron Crosby, Peter Eskiwi, Gavin Davidson, Rod Gauf, Lloyd Haddon, Vern Holland, Clarence McDonald, Archie Miskiwi, Gil Oko, Jack Rudd, Don Stewart, Bernie Tynko, and Jim Walsh made up the White Sox squad, which defeated the Calgary Viagra Boys 13-9 on August 4 in the tournament final.

Not only should this group of men be recognized for a feat such as this national championship but also for the example they set for Albertans of all ages. I would like to congratulate the St. Albert White Sox on their national championship and thank them for being a role model for all Albertans.

I understand that they are in the members' gallery. With your permission, Mr. Speaker, I would ask that they rise and receive the recognition of this House.

The Speaker: The hon. Member for St. Albert.

St. Albert Learning Community

Mrs. O'Neill: Thank you, Mr. Speaker. I rise today to recognize the broad learning community in St. Albert and their efforts in support of the work of the Learning Commission.

While recently attending all of our high schools' awards nights, the Member for Spruce Grove-Sturgeon-St. Albert and I have had the privilege of presenting scholarships funded through the Alberta heritage scholarship trust fund, which was established by our government in the 1980s, for a total worth in excess of \$350,000. These numbers tell me that students in our community of 53,000 people know that studying pays off.

I'm equally proud to say that while a very high percentage of St. Albert students complete their high school studies, likewise more than 80 percent of our high school graduates go on to postsecondary education.

The good governance provided by our three school boards – public, separate, and Francophone – coupled with quality central office and school administrators, excellent teachers, and the identification of education as a high priority by our parents, students, and our taxpayers all contribute to a vibrant continuous learning community in St. Albert.

University of Alberta's Global Health Initiative

Dr. Taft: Mr. Speaker, this morning's national news carried disturbing stories of the HIV/AIDS epidemic in Africa, where millions of people have died of AIDS, leaving 11 million children orphaned. These numbers will soar in the next several years.

Earlier this fall these stories became all too real for me. I had the privilege of meeting a courageous, thoughtful, and compassionate man named Winston Zulu. Winston is from Zambia in Africa. Ten years ago he learned that he was infected with HIV, and as commonly happens, he subsequently developed tuberculosis. Fortunately for him he was able to obtain drugs to treat the TB at a total cost of \$40. Five of his brothers and a sister were not so lucky. They all died for lack of the drugs and the \$40 each needed to buy them, leaving many orphaned children behind.

Winston is working hard to raise international awareness about the problems of Africans with HIV/AIDS and to speak about possible solutions. He was in Edmonton this October as part of the efforts of the global health initiative at the University of Alberta. The U of A's global health initiative under the Faculty of Medicine and Dentistry is striving to raise knowledge and awareness about global health disparities. They are to be commended. Work such as theirs lays the foundations for a healthier, more just, and peaceful planet.

The Speaker: The hon. Member for Wetaskiwin-Camrose.

Communities in Bloom Alberta Town of Millet

Mr. Johnson: Thank you, Mr. Speaker. It's my pleasure to rise today to recognize the Communities in Bloom organization in Millet for receiving the Friends of Tourism Alberta Tourism award on November 3.

Communities in Bloom Alberta is part of a nonprofit Canadian organization that encourages partnerships between civic groups, individuals, businesses, and local councils and is organized by volunteers from the community. The goal of the program is to not only beautify the community with flowers and boost civic pride, but also its goals are rooted in environmental education and heritage

preservation. Under the guidance of Bernice Knight Millet has become known as one of the prettiest little towns in Alberta.

The town of Millet is extremely proud to play host to this wonderful organization as its volunteers work tirelessly to ensure that this program blooms across Alberta. Communities in Bloom and the residents of the prettiest little town in Alberta are especially excited that Travel Alberta and the ALTO awards recognize this outstanding organization and its contribution to Alberta tourism.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Canadian Finals Rodeo Athletes

Mr. Marz: Thank you, Mr. Speaker. Today I'd like to acknowledge a group of rodeo athletes who have proven that consistency and hard work eventually pays off.

Olds resident Travis Gallais is wearing the belt buckle that accompanies a team-roping national championship. Competing with teammate Rocky Dallyn of Nanton, the two picked up first place at the Canadian Finals Rodeo held earlier this month in Edmonton.

Sundre area resident Linda Burrell added another cattle-penning buckle to her collection as her team secured the reserve championship at the CFR. Burrell along with partners Shaylene and Billy Gladstone placed second in the group of 137 teams.

Bill Boyd of Olds, Cliff Williamson of Madden, Todd Gallais of Olds, and Jeremy Harden of Water Valley were other area cowboys that represented Alberta at this prestigious event.

This group deserves congratulations for their successes and a constant dedication to their craft.

Thank you.

The Speaker: The hon. Member for Edmonton-Meadowlark.

2:40

Bernie Zolner

Mr. Maskell: Thank you, Mr. Speaker. In addition to the tributes already given to this weekend's Molson Canadian Heritage Classic, I would like to add one special salute from an arts perspective to Mr. Bernie Zolner, an outstanding Edmontonian and talented producer.

Bernie Zolner co-produced the musical presentations with George Blondheim for the Friday night gala festivities and for the hockey classic itself. The presentations were all live first-class performances for a world-class event, and I would like to thank Mr. Zolner for pulling it all together and ensuring its success.

Mr. Zolner is a shining example of Alberta talent at its finest. From his beginnings as a child prodigy performing at the Spokane World's Fair in the 1970s to his current career as a producer and songwriter, he has been an inspirational role model for many artists.

Mr. Speaker, Bernie Zolner firmly believes in Alberta's artists and has demonstrated his commitment again this past weekend.

On behalf of the Minister of Community Development, myself, and all members here we salute Mr. Bernie Zolner.

The Speaker: The hon. Member for Edmonton-Strathcona.

United Nurses of Alberta

Dr. Pannu: Thank you, Mr. Speaker. I rise today to recognize the United Nurses of Alberta. Since 1977 UNA has worked to improve working conditions for registered nurses as well as to improve frontline health care delivery focusing on patient care. UNA's mandate includes the safe and professional care of patients. Through UNA's advocacy registered nurses have led the fight to strengthen

and sustain the quality and universality of medicare and our public health care system.

The United Nurses of Alberta are currently engaged in contract negotiations with Alberta's health regions. The New Democrat opposition supports the efforts of nurses to secure a fair contract at the bargaining table and opposes imposing a settlement on nurses through binding arbitration or legislation. It's time for the government to reverse course and recognize nurses as the valued health professionals they are. Let us recruit and retain more nurses, not drive them out of the profession and out of the province.

Thank you, Mr. Speaker.

head: Presenting Petitions

The Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. I wish to present a petition with over 470 signatures from residents of the Lac La Biche-St. Paul constituency and area requesting the extension of pavement on the north portion of highway 867 to highway 55.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I rise to ask leave to introduce a petition signed by 178 Albertans from many different constituencies across Alberta. It's regarding their great concern with the issue of grandparents' rights and the difficulties they're having gaining access to their own grandchildren. It calls for this Legislative Assembly to "make the necessary changes to legislation and enable the grandparents to maintain ongoing contact with their [own] grandchildren."

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. I'd like to present a petition signed not only by my constituents but also some from Fort Saskatchewan, Edmonton, St. Albert, Spruce Grove, and Leduc requesting that the Legislative Assembly urge the government to "remove abortion from the list of insured services that will be paid for through Alberta Health."

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I have a petition to present to the Legislative Assembly this afternoon, and it is from Albertans that live in Didsbury and some from Olds, Cremona, and also from Calgary. Now, this petition reads: "We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government to implement the income recommendations of the 2001 MLA Committee Low Income Programs Review."

Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I'm presenting a petition on long-term care signed by 560 Albertans petitioning the Legislative Assembly to urge the government of Alberta to

recognize and value the contributions and sacrifices the seniors have made in building the Province of Alberta, and treat them with due respect and dignity by reversing those policies that cause unnecessary financial hardship for them and undermine their quality of life.

Thank you, Mr. Speaker.

The Speaker: Are there others?

head: **Tabling Returns and Reports**

Mrs. McClellan: Mr. Speaker, I have two tablings. First, I would table the annual report of the Livestock Identification Services Ltd., which incorporates the Brand Act, the Livestock Identification Brand Inspection Act, the Livestock and Livestock Products Act, and the Stray Animals Act, and their associated audited financial statements for the year ended March 31, 2003.

Additionally, I'm pleased to table the eighth annual report of the Agriculture Financial Services Corporation for the fiscal year ended March 31, 2003, which contains a summary of the transactions and affairs of the corporation, its revenues, and the application of its expenditures. Additional copies would be available through my office on request.

The Speaker: The hon. Minister of Finance.

Mrs. Nelson: Thank you very much, Mr. Speaker. I wish to table various documents relating to the government's financial affairs and those of the Ministry of Finance. Most of these documents have been made public since we last sat in the House.

Pursuant to section 10 of the Government Accountability Act I am tabling the annual report of the government of Alberta for the year 2002-2003. This report showed net results for fiscal policy purposes of \$1.989 billion. It was made public on June 24.

Mr. Speaker, on behalf of all ministers I am tabling the annual report for each ministry, including each ministry's department and agencies, pursuant to both section 45 of the Legislative Assembly Act and section 14 of the Government Accountability Act. The reports for these ministries were made public on September 30. They are Aboriginal Affairs and Northern Development, Agriculture, Food and Rural Development, Children's Services, Community Development, Economic Development, Energy, Environment, Executive Council, Finance, Gaming, Government Services, Health and Wellness, Human Resources and Employment, Infrastructure, Innovation and Science, International and Intergovernmental Relations, Justice, Learning, Municipal Affairs, Revenue, Seniors, Solicitor General, Sustainable Resource Development, and Transportation.

Mr. Speaker, pursuant to section 9 of the Government Accountability Act I am tabling the first-quarter fiscal update for 2003-2004. This shows increased nonrenewable resource revenues as well as increased spending on agriculture disaster. The report was made public on August 27.

I am also tabling the first-quarter activity report for 2003-2004, which describes the major achievements of our government during that period. This was also made public on August 27.

Pursuant to section 30 of the Alberta Capital Finance Authority Act, which used to be called the Alberta Municipal Financing Corporation Act, I am tabling the Alberta Municipal Financing Corporation 2002 annual report, which was released on April 10.

Also being tabled is the Credit Union Deposit Guarantee Corporation 2002 annual report, which was released on March 31.

Five copies of each of these 29 reports have been delivered in advance to the Clerk's office as they are too numerous and heavy to bring into the Assembly.

Thank you.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. I rise today to table

a letter from Athabasca University confirming the support of Bill 43, from Dr. Dominique Abrioux, who, I will say, just received an honorary doctorate from the British Open University.

I will also table a letter from Olds College. This letter confirms the support of Bill 43 from Tom Thompson of Olds College.

From Keyano College Jim Foote writes: "It is the position of Keyano College that Bill 43 . . . and amendments is a positive change."

From Red Deer College Ron Woodward, president, says: "This letter is to confirm the support of Bill 43."

From Portage College Bill Persley, president, says: "This letter is to confirm the support of Bill 43."

I also have a letter from the Alberta Graduate Council, who gives their concerns and issues about Bill 43, as well as from CAUS and ACTISEC.

I've tabled the requisite copies of all these tablings.

2:50

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I rise today to table the requisite number of copies of a presentation report from and with response comments by the Alberta Grandparents Association pertaining to the grandchild/grandparent access provisions of Bill 45. It's dated September 30, 2003.

I'm also tabling the requisite number of copies of five other very compelling and in-depth reports – I won't go into them – all of which are strongly supportive of the great benefits of having grandparents involved with youth in our society, especially at-risk youth, including one authored by Dr. Barbara Thomlison, one of our own Alberta professors at the University of Calgary.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I have two tablings today. The first is the appropriate number of copies of a report I referred to in question period, entitled Funding Hospital Infrastructure: Why P3s Don't Work, and What Will. It's authored by several prominent people, including a former staff with the federal Auditor General and a former economist with the TD Bank.

The other tabling is information relating to my recognition today. It provides information on the Centre for Global Health and Development being developed at the University of Alberta.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I have two tablings today. The first is a letter from a Mr. Claude Gould of 43rd Avenue in Stony Plain, and Mr. Gould is writing to the hon. Premier and 19 other MLAs in regard to auto insurance.

The second tabling I have is the tabling of 625 signatures from Albertans from all over the province who are still expressing concern over the high cost of natural gas.

Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I'm tabling the appropriate number of copies of eight handwritten letters from registered nurses Frances Galambos, Sharon Goodman-Popowich, Tim Grahn, Diane Lantz, Heidi Lawton, Katrina Plamondon, and D. Woodward. These

letters are addressed to the Premier and the Minister of Health and Wellness. These letters are expressing their concern about the nursing shortage and the recruitment and retention of nurses and also are asking for respect and the negotiation of a fair contract for nurses.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm tabling today copies of seven separate letters from registered nurses regarding their concerns with negotiations and the need for a fair contract. The nurses are Ana Bebe, Alan Besecker, Larry Connell, Darlene Graumann, Tracey Huizer, Betty Patterson, and Mecana Tsang.

The Speaker: Hon. members, I'd like to table the appropriate copies of a memorandum from the hon. Member for Lac La Biche-St. Paul requesting that should Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003, pass Committee of the Whole on Monday, December 1, 2003, it be given early consideration for third reading.

Pursuant to section 28(1) of the Ombudsman Act I'm pleased to table with the Assembly the 36th annual report of the office of the Ombudsman for the period April 1, 2002, to March 31, 2003, and the financial statements of the office of the Ombudsman for the period ended March 31, 2003.

Point of Order Parliamentary Language

The Speaker: Now, hon. members, the hon. Official Opposition House Leader on a point of order.

Ms Carlson: Yes, Mr. Speaker, on a point of order. I refer to an exchange in question period between the Member for Edmonton-Riverview and the minister of health. The minister of health made several comments that we found particularly inappropriate in this Assembly. I refer members to Standing Orders 23(j), "uses abusive or insulting language of a nature likely to create disorder," and (l), "introduces any matter in debate which offends the practices and precedents of the Assembly."

I also refer to *Beauchesne* 487(1), "Threatening language is unparliamentary," and (2), "Words may not be used hypothetically or conditionally, if they are plainly intended to convey a direct imputation," and *Beauchesne* 64, "The House has occasionally taken notice of attacks on individual Members."

Finally, *Marleau and Montpetit* talk about unparliamentary language. "The use of offensive, provocative or threatening language . . . is strictly forbidden."

I don't have the Blues in front of me, Mr. Speaker, but there was a general context in the response from the minister of health that included name-calling, which is really not appropriate. It included also some insinuations of intent, which is particularly offensive and definitely unnecessary in this Assembly. We had young children here in the Assembly. We have a wide audience now because of our Internet access. The way the minister was conducting himself, he seemed to be particularly attacking the Member for Edmonton-Riverview.

When he spoke specifically about the use of including a suggested reading list on the web site he visited where the Member for Edmonton-Riverview had a published book, he said that he was using that to shill his wares or something to that effect. It is completely inappropriate. Reading lists and bibliographies are suggestions for reading, not for purchasing, and definitely that is

something that we should keep in mind when we're taking a look at what he talked about here. I couldn't find the use of the term "shill" on any particular unparliamentary list, but I think that's a word that should be added to that list. Certainly, in the context that it was spoken in the House this afternoon, it was intended to be a very unparliamentary usage and intended to be a direct insinuation about how the Member for Edmonton-Riverview conducts his work.

There were other words used there that I think also added to his intention. We have been particularly easygoing in this session in terms of points of order to try and facilitate the use of this House, but it has been escalating in terms of the use of words that I find to be unparliamentary and unbecoming of all members of this House and a reflection on all the members of this House.

I would ask that the minister of health apologize and withdraw those comments.

The Speaker: Hon. member, I can find for you a copy of the Blues on this section because I think we have to be a little more specific than to simply say: well, I believe or I think. So as a courtesy to you, I want to give you an opportunity to read that so that if you have some specific thing that you want to raise, I think you should raise it.

Ms Carlson: Yes. Mr. Speaker, when I look at this now that this has just arrived in front of me, I specifically am concerned about the use of albertaliberalfairytale.com, which is not an existing site. Also, "Talk about the use of public dollars, the use of public dollars to shill his own writings," and he says, "That is shameful." I take particular offence with "the use of public dollars to shill his own writings." I think that's what we need to be paying attention to this afternoon.

Thank you.

The Speaker: So that's the point of the point of order?

Ms Carlson: "To shill his own writings," yes. Definitely there's an imputation of false motives with this, Mr. Speaker, in addition to the other citations I brought forward.

The Speaker: Okay. Well, the Minister of Health and Wellness is not here, so I presume that the hon. Minister of Justice and Attorney General as the Government House Leader is prepared to make a comment.

Mr. Hancock: Well, yes, Mr. Speaker. I was prepared to respond, but now I'm perplexed because I didn't actually hear anything that I would have considered to be a point of order. The give-and-take of question period is sometimes rambunctious, and today was tamer than most.

The minister of health – and I don't have the benefit of the Blues – as I heard him, was giving as good as he got, to put it in the parlance and, in fact, a little bit better perhaps. There was nothing in the language that he used that in any way was inappropriate. In fact, it might have been entirely appropriate to point out that a member of the opposition was touting himself as an authority on a particular thing by including his own works in a bibliography published on a web site.

To complain that the web site is referred to as albertaliberalfairytale.com, no one misapprehends exactly what web site was being referred to. In fact, with the addition of "fairytale" there was probably a better indication of what web site was being referred to.

3:00

So, Mr. Speaker, we do have to have decorum in the House, and question period is a place for decorum, but every day in question period we have preambles to questions which raise insinuations and attack and are aggressive in nature and, I would suggest, way more aggressive than anything that was included in the response.

Now, if in fact public dollars are used and a document is published on that web site and the member that published it or the people that published it have included a work as a purported authority to be referred to, then I presume that one can make the assumption that one should go and look at that authority, whether they go to a public library or go and buy it. If, in fact, the intention is that they go and buy it, then it fits entirely, Mr. Speaker, within the definition of shill and shilling.

So I see nothing in what was suggested that would suggest anything other than the normal give-and-take of the Assembly.

The Speaker: The hon. third party House leader.

Mr. Mason: Thank you very much, Mr. Speaker. I would like to restrict my comments on this matter to just one point, and that is section 23(h) of our Standing Orders: "Makes allegations against another member." I'm not going to comment on the minister's comments with respect to albertaliberalfairytale.com, but I do want to refer to this point here.

I look at the reading list that is prepared for the Alberta Liberal opposition, a recommended reading list, which includes a reference to the hon. member's own book. Talk about the use of public dollars, the use of public dollars to shill his own writings. That is shameful.

I believe that very clearly this violates section 23(h). It is an allegation against the Member for Edmonton-Riverview, and I think it is unacceptable in the House. I have read the hon. member's book. I note that he wrote it before he became a Liberal MLA, and it is in no way diminished by the fact that he's now a Liberal MLA. It's a good book, we have made use of it, and it deserves a place on any reading list that anyone who cares about health care in this province would like to see.

So, Mr. Speaker, I can support the Official Opposition's contention that the minister ought to withdraw the remarks and apologize.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Yes. Thank you, Mr. Speaker. I rise also under 23(h) and (i), "makes allegations against another member" and "imputes false or unavowed motives to another member," specifically about the sentences that were just alluded to: "Talk about the use of public dollars, the use of public dollars to shill his own writings. That is shameful."

Clearly, the Government House Leader is right: this question period is a rambunctious time. But there is a line which is crossed when we begin accusing each other of somehow personally profiting from our actions. I can tell you that that is indeed imputing a false motive. The book in question, *Clear Answers*, was in fact a national bestseller, and it's a standard reference book in health economics courses across the country. It's one of many, many references covered there.

So the imputation from the minister of health that somehow that was included as a means of shilling copies of the book is, in fact, absolutely an allegation against me and an imputing of a false motive.

The Speaker: The hon. Member for Edmonton-Castle Downs on this point of order?

Mr. Lukaszuk: That's correct, Mr. Speaker.

The Speaker: A citation?

Mr. Lukaszuk: Standing Order 23(h) and (i). The same point, Mr. Speaker.

With the benefit of having a laptop before me, I have actually taken the time to log on to the Liberal opposition's official web page, which then has links to individual members. When one logs on to the hon. Member for Edmonton-Riverview's web site entitled – and I'm using this in the context of a title – MLA Kevin Taft web site, then you find a review of those two books in question. Mr. Speaker, they are not just citations for purposes of bibliography but four paragraphs advising the reader of what the content of the book is, what magazines the book has been reviewed by, and who has been the publisher of this particular book. So perhaps it should be understood by this Chamber that these are not just bibliography listings but are book reviews that are appearing on this web page.

Dr. Taft: Can I respond?

The Speaker: Well, sir, I've recognized you once. This is not a debate here. Thank you.

Well, okay. Citations have been provided with respect to this whole matter. We've heard from a number of speakers with respect to this. I appreciate the citations provided by the hon. Opposition House Leader with respect to this matter, and I'm going to go back to the Blues, to what I understand is the section that prompted the intervention.

Well, Mr. Speaker, like the hon. member I do a lot of reading as well. The fact is I've gone to albertaliberalfairytale.com, and I've looked at some interesting material from that web site. The opposition has a health care policy paper that's put on their web site. In fact, I look at the reading list that is prepared for the Alberta Liberal opposition, a recommended reading list, which includes a reference to the hon. member's own book.

Okay. The next section then:

Talk about the use of public dollars, the use of public dollars to shill his own writings. That is shameful.

Then it goes on. When I heard this this afternoon – and I listened to it very attentively – my response basically dealt with the question of public dollars. That is the concern that prompted me to anticipate that there would be a point of order with respect to this, but nobody has talked about this.

Now, the question here is: what does public dollars mean in the context of the Legislative Assembly of Alberta? If this web site is funded by the Alberta Liberal Party, then in the connotation I would use, this is not public dollars. If, on the other hand, the public dollars they're referring to are funded by the Alberta Legislative Assembly, then there is a very serious problem. I'm just assuming that that doesn't seem to be the issue here in terms of what has been addressed in the last few minutes. I'm going to assume that, in fact, it's the Alberta Liberal Party that pays for this web site, not the Legislative Assembly, because if it is the Legislative Assembly of the province of Alberta, that's a clear violation of everything dealing with the Legislative Assembly and the use of public dollars in the context that we know it.

So the next section, then, is: "The use of public dollars to shill his own writings." I'll quote again from the text: "That is shameful." The word "shill" from the *Oxford* dictionary basically refers to the origin as North American informal. As a noun it's "an accomplice of a hawker, gambler, or swindler who acts as an enthusiastic customer to entice others." As a verb it's to "act as a shill." Well, now, that is not helpful for anybody's interjection with respect to this.

There's absolutely no doubt at all about the fact that certain members in this Assembly, I do believe, study the dictionary on a daily basis and in the past have come here with the word of the day that they would try and work into their answers. Now, we're aware of this going back for a number of years. This is a form, I guess, of their attempt at humour or the irony that I said was a great way to deal with things: use irony and use humour, not name-calling or anything else.

There's no doubt at all in my mind, in terms of looking at the questions, that the response usually comes from some degree of liberty taken with respect to the question to turn the question into an argumentative statement, a statement with innuendo, a statement with things that may necessarily be just on the edge. As an example, the chair heard today very, very clearly one member stand up and say: well, what are you prepared to do to deal with this, member, when it's so far advanced? Then the minister got up and said: well, it hasn't been advanced at all; we haven't even started. But by the use of the phrase in the question, it basically leaves an innuendo that isn't correct, which requires some debate then to be enticed.

This is a question period. This is a parliament. We're going to have these kinds of situations develop. I would not, as a minister of the Crown, use the word "shill" in this case, if I had been a minister of the Crown. Probably a bit exciting, too excitable for this situation, and probably on the edge.

3:10

If the hon. Government House Leader can assure me that the intent of his colleague the Minister of Health and Wellness was not to violate any of the Standing Orders that we have with respect to allegations against another member, then I'll say that we've dealt with this matter. I'm just asking the hon. Government House Leader to assure me that there was no intent at casting aspersions on another member by his colleague.

Mr. Hancock: Mr. Speaker, I did have a very brief conversation with the minister as he left the House, in order to ascertain the limits of what I might be able to assure the House, and I think that falls within the discussion that I had and that I can assure the House that there was no intent to malign the character of the member.

head: **Orders of the Day**

Transmittal of Estimates

Mrs. Nelson: Mr. Speaker, I have received a certain message from Her Honour the Honourable the Lieutenant Governor, which I now transmit to you.

The Sergeant-at-Arms: Order!

The Speaker: Hon. members, the Lieutenant Governor transmits supplementary estimates of certain sums required for the service of the province for the fiscal year ending March 31, 2004, and recommends the same to the Legislative Assembly.

Please be seated.

Mrs. Nelson: Mr. Speaker, prior to moving a number of motions relevant to the supplementary estimates, I wish to advise that this morning I provided the government's 2003-2004 quarterly budget report for the second quarter to all MLAs. We have also made this report public, as required by section 9 of the Government Accountability Act.

I am now tabling this quarterly budget report as the amended consolidated fiscal plan. This revised plan is required by section 8

of the same act whenever a subsequent set of estimates is tabled during the fiscal year.

I am also tabling the second-quarter activity report for 2003-2004. This document describes the major achievements of our government during the recent period.

I now wish to table the 2003-2004 supplementary estimates. These supplementary estimates will provide additional spending authority to the office of the Information and Privacy Commissioner and 15 departments of the government. When passed, these estimates will authorize an increase of \$1,228,295,000 in voted operating expense and equipment and inventory purchases of \$21,040,000 in voted capital investment.

Mr. Speaker, section 8 of the Government Accountability Act requires that the government table a new and amended consolidated fiscal plan when there is another set of estimates. I have just tabled the new fiscal plan, the 2003-2004 quarterly budget report for the second quarter in the Legislative Assembly.

head: **Government Motions**

25. Mrs. Nelson moved:

Be it resolved that the message of Her Honour the Honourable the Lieutenant Governor, the 2003-04 supplementary estimates for the general revenue fund, and all matters connected therewith be referred to Committee of Supply.

The Speaker: The hon. Minister of Finance to close the debate?

[Government Motion 25 carried]

26. Mrs. Nelson moved:

Be it resolved that pursuant to Standing Order 58(9) the number of days that the Committee of Supply will be called to consider the 2003-04 supplementary estimates for the general revenue fund shall be one day.

The Speaker: As Motion 26 is not debatable, I'll now call the question.

[Government Motion 26 carried]

head: **Government Bills and Orders**

head: **Second Reading**

Bill 48

Alberta Heritage Foundation for Science and Engineering Research Amendment Act, 2003

The Speaker: The hon. Minister of Innovation and Science.

Mr. Doerksen: Thank you, Mr. Speaker. I rise today to move second reading of Bill 48, the Alberta Heritage Foundation for Science and Engineering Research Amendment Act, 2003.

The Alberta Heritage Foundation for Science and Engineering Research was established by this government three years ago with an endowment of \$500 million. The objective is to ensure stable payments from the endowment to support a balanced, long-term program of science and engineering research based in Alberta. The fund benefits Albertans by nurturing the discovery of new knowledge and supporting world-class science and engineering research. As we know, strategic investments in research are an investment in our future.

The fund is more commonly known as the Alberta ingenuity fund. The trustees of the fund work in partnership with a number of community organizations that support the mandate to promote

science and engineering research in the province. World-class researchers are coming to our province's institutions to get first-class training, and these researchers are helping to establish Alberta as a recognized centre for energy and agricultural innovations, wireless communications, and nanotechnology.

Recently Alberta Ingenuity established the Alberta Ingenuity Centre for Water Research. This world-class research centre is focusing on studies and applications related to the health of freshwater systems. It's building upon a group of leading water research scientists and engineers at three of Alberta's research universities: the University of Alberta, the University of Calgary, and the University of Lethbridge. This centre is expected to attract some of the world's leading water research specialists to work in our province.

The talented researchers receiving Alberta ingenuity funding are leading science and engineering into new frontiers. The government of Alberta is committed to working in partnership with our universities, businesses, and industry as well as other governments to support research activities in our priority areas of energy research, life sciences, and information and communications technology. That is why it is important to ensure the long-term stability of this fund for future generations.

The amendments proposed today are administrative in nature but ensure that this fund's value is maintained over the long term, and they satisfy the concerns that have been raised by the Auditor General. The Auditor General has asked the ministry to clarify the meaning of the term "real value of the Endowment Fund over the long term." Officials from Innovation and Science did some research and worked closely with officials from Alberta Revenue. They looked at the way other endowment funds are managed in North America. What they found was that most endowment funds set a limit for disbursements at a percentage of between 4 and 5 percent based on the market value of the fund. Market value refers to what an asset is worth at a moment in time according to the ups and downs of the marketplace.

So this bill chooses the average at 4 and a half percent. These amendments mean that the disbursement or spending from the fund will be established at 4 and a half percent of the market value of the fund. The Minister of Revenue, who is charged with the responsibility of managing the fund, will manage the spending within this amount. Any amount earned over 4 and a half percent is reinvested in the fund.

This change in the way the funds are disbursed ensures short-term growth and long-term stability of the fund. It allows for growth of the fund, and it guarantees the future of the fund. This course of action clarifies our expectations for the fund in future years. This amendment also provides for more stable disbursements in a volatile market, which is important for the trustees in their support for important initiatives.

Mr. Speaker, I've talked about the importance of the amendments for the Alberta Heritage Foundation for Science and Engineering Research Act. When passed, these amendments ensure that funding will continue to be available for important scientific research that benefits Albertans.

I encourage members of this Assembly to provide their support for Bill 48. Thank you.

3:20

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have the opportunity to support Bill 48, the Alberta Heritage Foundation for Science and Engineering Research Amendment Act, 2003. I'd like

to preface my remarks with thanks to the minister. We had some discussions about a possible amendment to miscellaneous statutes that didn't go in the direction we both would have wished, and the result is Bill 48, and I'm happy it's here.

I've been an enthusiastic supporter of the Heritage Foundation for Science and Engineering Research. I think that it is a significant move with respect to research in our province, and the projects that the minister has just cited I think are proof of that.

In reviewing my notes for today, I looked back at the Heritage Foundation for Medical Research. It started off with \$300 million over 20 years ago, and the great work that that foundation has been able to do is just quite marvelous, and the benefits not just to Albertans but to the entire world have been truly remarkable.

I think we all have similar hopes for this foundation, and we look with great anticipation to the next foundation which we're sure is going to be established, one that will make similar amounts of money available for the arts and the social sciences.

It's with those comments that I'd like to support the bill and hope it can pass with some speed. Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. Yes. Bill 48 poses some interesting questions for us. In principle, of course, it's a terrific idea to establish a heritage foundation for science and engineering and to further its development. This particular act addresses how the endowment fund is to be managed and how funds from the endowment fund are to be transferred to actual researchers.

I guess there are two ways to approach how to draw the money out of the fund to support research. One is to place fundamental priority on preserving the size of the endowment, and instinctively that feels like, perhaps, the right thing to do. You would never draw enough funds out of the core capital of the endowment fund that you would threaten the value of that fund. In other words, you would never want to draw so much out of it that you were lowering its value. In fact, you would want to not only leave the initial capital untouched; you would want to leave enough in place to inflation-proof the endowment. That way, the fund is there forever.

The drawback of that approach is that the very thing that is being funded, the research, then becomes entirely subject to the rate of return that the fund earns through its investments. So you might for a couple of years have a good rate of return. You're funding research. You're attracting researchers to Alberta. They're establishing labs and research centres, bringing in staff. And in the third year the bottom falls out of the market, the fund loses money, and you're no longer able to support that research. Then what do you do? Do you disband the lab, send the people back to whatever corners of the planet they came from? Do you completely wipe out the research program to protect the value of the endowment?

Or, on the other hand, do you risk some of the value of the endowment to maintain stability for the research program? The risk there is that you would continue to support the research programs even if it meant lowering the value of the endowment in bad years. The risk there, then, is that while the research goes on steadily, it is gradually in the very long term threatened by diminishing value of the endowment fund.

This particular bill tries to bridge that dilemma, and the amendment proposed here I think, perhaps, does a reasonable job of striking a middle ground by limiting the amount that can be drawn out of the endowment fund to 4 and a half percent of the market value of the endowment fund a year. Yet if I'm reading the bill correctly, it doesn't actually say that in losing years the fund must stop paying out.

So I'll be interested in other comments of people who are following this particular bill. I can see many attentive faces here, and I'd be curious to know how people have weighed this out in their own minds, because I would take their thoughts into serious consideration.

As the bill stands at the moment, I'm just barely leaning toward supporting it, but I'm, as I say, waiting to hear other people's comments. Thank you.

The Speaker: The hon. Member for Calgary-Fort.

Mr. Cao: Thank you, Mr. Speaker. I just want to take this opportunity to commend the ministry and the minister for running this foundation and the endowment fund for research in science and engineering.

Just to illustrate a point, let's say you pick up a cup of water here, and you take a sip. There's a lot of engineering behind it. You can think about the connection between the drop of water that you taste to maybe a hundred thousand miles of pipelines and engineering, water treatment, and all those things. So engineering is very important to our daily life. Sometimes we take it for granted.

This foundation and the establishment of the endowment fund and now the amendment on how to spend that money are very good for Alberta. It'll keep Alberta in the forefront. So I would just want to commend the government for setting it up to start, and the minister will now administer it and make Alberta a better, greater place.

Thank you.

The Speaker: The hon. minister to close debate.

Mr. Doerksen: Thank you. Question.

[Motion carried; Bill 48 read a second time]

Bill 53

Insurance Amendment Act, 2003 (No. 2)

[Debate adjourned November 25]

The Speaker: Just to remind everybody, this is now the third speaker at second reading. We've dealt with the first amendment, so that's out of the way.

Hon. Member for Drayton Valley-Calmar, please proceed.

Rev. Abbott: Thank you very much, Mr. Speaker. It is a pleasure for me to rise today and join the debate on Bill 53, the Insurance Amendment Act, 2003 (No. 2). As the Assembly well knows, I was the sponsor of the Insurance Amendment Act, 2003 (No. 1), which is Bill 33. Therefore, I felt it incumbent upon myself to stand up and join the debate and lend my support to this new bill, which actually encompasses basically all of the parts of Bill 33.

Bill 33 was a bill that would eliminate the potential for double-dipping or recovering compensation for the same expenses from more than one insurer. The other purpose was to ensure that income replacement awards were based on an individual's net versus gross pay.

These amendments have been incorporated into Bill 53, and again I have to commend the hon. Member for Medicine Hat for all of the hard work that he has done. He has gone above and beyond what Bill 33 could ever hope to do and has brought in some tremendous reforms which will help the insurance industry greatly in the province of Alberta and, more importantly, will help the consumers, which is the majority of Albertans who have auto insurance.

3:30

I support the freeze. I know that some of the opposition parties have said that they do not support the freeze, but I support that. I support the all-comers rule. I support the maximum premiums that will be set by the government, including the discounts and the surcharges. I also believe that by doing this, it will allow competition amongst our over 75 different insurance companies that we have in the province now. I would not like to see this go to public insurance, as some of the opposition have stated. I feel that it would be a real hindrance to keeping the rates low and keeping them manageable, so this is definitely the right direction.

[The Deputy Speaker in the chair]

Another big thing that Bill 53 incorporates is my own private member's bill, Bill 204, which talked about changing section B benefits. My proposal was to go from \$10,000 to \$25,000. Again, this bill goes even further to protect the individual consumer by going from \$10,000 to \$50,000. So this bill is, again, very generous as far as helping people on the rehabilitation side and in recovering.

As you look at the cap side on pain and suffering, this is an issue that I did talk to my constituents about, and I have to say that some of my constituents were against it. Once we explained it further and started to talk about how we're going to define minor injury, that it will in fact be minor, that it will be very easy to determine if an injury is minor or not, then my constituents started to realize that this is a good thing, and they did actually ask me to support the bill on their behalf.

Again, the bill is an excellent one. It seems to incorporate all of the different areas that needed to be incorporated. I know that one of the problems, I guess, if you could call it that, with Bill 33 was that there was no way of ensuring that the savings would be passed on to the consumer, and now with the base rate set by this proposal, there will be an assurance that the rate savings will be passed on to the consumer. So that's very important.

I want to share a little story with the Assembly, kind of going back to where this whole thing began, at least for me anyway. It was about six months after I became the MLA for Drayton Valley-Calmar that I had a school principal call me into the school one day. I'd been called into the principal's office many times previously but never as an MLA, so this was quite interesting to see what he was going to have to say. This fellow was not only a principal; he was also a coach of a midget hockey team and had been hearing a lot of the concerns about some of the teenagers and how they had been facing very, very, very high insurance rates.

He was talking about how some of them were contemplating going on to university, but they were thinking of maybe going to university in B.C. or Saskatchewan or somewhere where they could afford to drive and go to university at the same time. He was telling me about premiums at that time in the range of \$3,000 and \$4,000 for these teenagers, and of course since then they went up a little bit, even this past year. You know, we've heard of premiums in the range of \$5,000 and \$6,000, and really it was a very bad situation for the young people of our province.

Again, being in a oil patch constituency, Mr. Speaker, I had a lot of young people who were in the patch who were saying: "You know, I can't even afford to drive a car. I spend all this time driving a company vehicle, and then when I try to go and insure my own vehicle, none of that driving record counts." So I think this is going to be a really, really good way to start to reduce the rates for some of these young people.

I know that by bringing in Bill 204 and Bill 33, really it was only scratching the surface of what needed to be done. The comprehen-

sive review that the ministry and the hon. Member for Medicine Hat went through really dug down and found out where the issues needed to be corrected, and like I said, they went ahead and corrected those in this bill. So I think this is really, really good.

Looking at the driving record, looking at the geography: those are the things that should matter when you're setting rates for insurance premiums. It should not just be looking at age or gender or marital status.

Again on a personal level, I got married at a young age, and I was able to capitalize on a fairly low insurance rate. Some of my buddies that didn't get married so young were paying a lot higher insurance than I was, and the fact of the matter is that we had the exact same – I had other benefits as well – driving record, yet we were paying different rates. We had the same driving history, we had the same years of driving, same driving record, yet we were paying different rates.

So, really, Mr. Speaker, there were some flaws in the old system, and I know that it was exactly that. It was an old system that needed to be updated, and through this bill it has been updated.

I don't want to spend a long time talking. I just want to lend my support. As the sponsor of Bill 204 and Bill 33 I want to lend my support to this Bill 53 as a bill that does incorporate all of the changes and more to make this a better system for everybody.

Mr. Speaker pursuant to Standing Order 47 I move that this question be now put.

The Deputy Speaker: I don't think that's quite the phraseology. The question now be put? The previous question?

Rev. Abbott: It is the previous question Standing Order, but that's how you say it.

The Deputy Speaker: Hon. Government House Leader, what I understand you're trying to say or what you are saying is that there be no further amendments until the debate has run out.

Mr. Hancock: That's right, Mr. Speaker. Standing Order 47 provides that "the previous question, until it is decided, shall preclude all amendment of the main question. The previous question shall be in the following words: 'That this question be now put.'" It doesn't stop debate. It allows for a full rotation of every member in the House who wishes to speak to speak, but it does not provide for further amendment.

The Deputy Speaker: Right.

Ms Carlson: Well, this is a very nice way for the government to get around any extensive debate on this bill without having to bring in closure, Mr. Speaker. We speak completely against that particular point of view. Who are you afraid of? There are seven opposition members and two NDs. We only get to talk once each at second reading. [interjections]

The Deputy Speaker: We've got a number of people who are endeavouring to speak on a variety of topics, one of which is the legitimacy of the question, which is part of our Standing Orders, so I don't think there's any point in debating that. But we do have in front of us Bill 53. That we can debate.

The hon. member.

Ms Carlson: Thank you, Mr. Speaker, for that clarification, but I think a little rant is in order in terms of who this Goliath government is completely worried about in terms of this bill. How bad is it to

have a full public debate on the principle of the issue? I think it's not bad at all, and in fact if you look at the parliamentary precedents, how many other options do we have? We could bring in perhaps one more amendment, and then we could hoist it, but hoist it to what? It's in second reading. We certainly didn't have any plans to do that.

So what the government is trying to do is stifle debate on a particular bill that could cost them the election, Mr. Speaker. That's what's happening here. They know this. They know that this is one more bag of trouble that they're not going to be able to manage their way out of, as has happened in other provinces.

Insurance rates are a highly contentious issue. They are a pocketbook issue. People care about how much money they're paying for their car insurance. They care about whether or not they can put their kids in vehicles, in safe vehicles that they can drive, and they care that they can't afford to do that and/or make a vehicle payment and/or contribute to the rest of the living expenses that they have. So that is why this government has tried to fast-track an answer to what is truly a large problem, and it has been unable to successfully do so, as this bill so clearly points out.

3:40

So I think that for them to move that the question now be put when we have hardly anybody left to speak – we have the Leader of the Official Opposition to speak. We have the Member for Edmonton-Riverview, and I believe that we have the Member for Edmonton-Centre yet, and that's it on our side of the House. What does that constitute? Forty-five minutes of debate? [interjections] Well, that's a good point, Member for Edmonton-Mill Woods. That Calgary member certainly hasn't stood up and defended his particular position on this bill.

This is an appalling situation that we see ourselves in here, Mr. Speaker, with this particular piece of legislation. This is a government that isn't able to be long-term thinking in terms of their strategic planning. In fact, to link strategic planning and this government in the same sentence is something that many people would question in the first place because on the issues that matter to people, which are pocketbook issues like electricity prices and like the cost of insurance for their home and like the gas prices to heat their homes, this government has not been able to find a viable solution. This government that talks all the time about getting out of the business of business, in fact ends up putting in more regulations to try and fix the problems that they've created in the first place, like deregulation.

Who here has got a lower power bill now that this government has brought in deregulation? Nobody. How many of us are hearing from constituents who are low-income earners, who are seniors, who are small business owners, who are large business owners who are absolutely at the end of their tether because they cannot afford to pay their bills? Why? Because this government brought in a poorly managed and poorly thought-out deregulation plan. What shows us in this particular bill that Bill 53, the Insurance Amendment Act, 2003 (No. 2), is going to be anything different? Well, I'll tell you. Absolutely nothing. They can't even agree amongst themselves how to solve this problem.

We put forward a very good idea for this particular government to follow, and that is a public insurance program, because it is time to do that in this province, Mr. Speaker. It isn't like this government has never got into business before. They own a bank, for heaven's sake. If they own a bank, they can put together an insurance program and perhaps can run that well.

I know that this government talks all the time about free enterprise being able to provide lower operating costs and better service to

people, but in fact when you look at the numbers, it isn't always true. Things like public health care are cheaper to provide. It's direct service to the direct person. There's no middleman. There are no administration costs, and there are no big companies sitting on the sidelines. [interjection] Well, comparatively speaking. I'm sorry; I heard a guffaw from a Calgary MLA.

An Hon. Member: No. You heard someone who's having a heart attack.

Ms Carlson: Well, if he is, the doctor's in the House, so we're okay.

So when you talk about administrative costs, comparatively speaking, a public system to a private system has substantially reduced costs, and that's what we're looking at here with the Insurance Amendment Act. If you keep this kind of a private system in place, what you're going to see is an industry that's continually driven by the very large companies who are only motivated by profit. In a public system the profit is watched, is monitored, is reported, is controlled, and the administrative costs are significantly different.

Those mom-and-pop operations that are selling insurance to local people now can still be in existence. They can still run their small business, but the administration of the system is much better and much more effective. It results in lower prices, and at the end of the day that's what consumers want: lower prices. If we can provide that through leadership and through a strong administration provided in a public system, then why in the world wouldn't we go there? Why? Maybe because this government thinks they can't do it.

Well, maybe they can't, Mr. Speaker, but we can. We have an excellent plan. We've seen it modeled in a number of other provinces, and it's a plan that could be put forward, one that isn't going to be impossible to implement, as we see this particular insurance plan rolling out.

The parallels between this and their deregulation problems are blatant and jump off the page at you. We can see that down the road this particular plan that they're putting in place is going to be costly in the extreme and it's not going to solve the problems. We're doing them a favour by giving them another great idea that they can steal. [interjection] Well, it's true. You've done it many times before, and good on you for doing it. It makes government better.

Dr. Massey: Look at the stability fund.

Ms Carlson: Well, the stability fund is a really good example. The Minister of Environment recently took a great idea I had and is implementing it and is doing a great job. You know, good for Albertans and good for you guys. Just once in a while we'd like to get the credit for some of those really good ideas that we put forward.

We've had big ideas they've taken over and small ideas they've taken over, and they've been very positive and very effective. Just take this one over too. When you wouldn't do it on deregulation, you made a great big huge mess and look what's happened, so take this one. Save yourselves the next election, ladies and gentlemen, and accept our great idea about public insurance and turf this particular bill, which, quite frankly, doesn't look like it's going to work and, therefore, makes it not worth the paper it's written on.

I see that I have another colleague who would like to speak to this bill. I'll sit and take my place at this time.

The Deputy Speaker: The hon. Leader of Her Majesty's Loyal Opposition.

Dr. Nicol: Thank you, Mr. Speaker. I was trying to clarify whether

we were still on that motion or whether we were now back on the bill again, but it's on the bill now.

Ms Carlson: It's a nondebatable motion.

Dr. Nicol: Yeah. That's right.

The whole issue of Bill 53 that looks at the idea of dealing with what is, in effect, fair and reasonable insurance in Alberta is, I guess, one of the questions that we have to look at in terms of dealing with the expectations of Albertans. I happened to be at a meeting the other day, and we were talking about this, and somebody asked: well, you know, what's going on here? In some ways, you know, we look at this, and the change in insurance that's gone on over the last few years in all areas, not only auto insurance, has resulted from a whole series of different factors. One of the things that happened this year is that there were a number of provinces that went into elections, and all of a sudden auto insurance became a political issue rather than what-is-right-and-wrong issue.

In order to deal with this, then, the public started to question why rates were changing, and what we didn't see at that time, Mr. Speaker, was a good explanation that reflected why rates had actually changed. We saw all kinds of differences in reported rates of change in insurance premiums, all the way from the numbers that we see regularly quoted out of Statistics Canada that say rates in Alberta went up 59 percent to the other side of the equation where the auto insurance companies are saying that they only went up 13 percent. So what you end up with is a whole range there. What's the truth? What is the real rate change for Albertans?

When this debate really got started, we in effect said, "Okay; let's clarify the issue; let's truly understand what's happening," and in August we asked for a freeze right then. We asked for disclosure by the insurance companies, by anybody who had information and data that would reflect what was the true revenue intake and payment outflow in the insurance industry so that Albertans could understand what truly was happening to their auto insurance industry. That didn't materialize, so we still ended up with all of these different discussions and different debates going on about what's really happening in our insurance industry.

Coincidental to this, the committee chaired by the Member for Medicine Hat was meeting to try and figure out what to do in Alberta, and this is the issue that comes up, then, about: what was the intent of the committee? In effect, we have to go back and ask the question – or I guess it would be good if we knew the true question that was put to the committee. What happened was that we ended up within that discussion with a whole series: what should be the objective of auto insurance; what should be the direction we take with auto insurance; what should be the structure of an auto insurance program?

Mr. Speaker, historically our auto insurance premiums in Alberta have been based on the expectation of an accident in the future. On that basis, they broke down classes of insurance categories based on what your likelihood was of having an accident in the future. Young males were historically a high risk, so in the future they were expected to be a high risk.

We ended up, then, with all of these categories that were divided up and would give you different rates based on your characteristics, your geography, your age, your sex, your marital status, on and on. What we ended up with then was, in effect, those groups that had the expectation of the highest rate of accident or the highest likelihood of an outflow of cash from the insurance industry having to pay the highest premiums. I guess we go back and say: well, what is the purpose of insurance? Are we kind of jointly trying to cover the risk associated with a large outflow of cash? You know, that's basically what insurance is all about.

3:50

As you go ahead and start segmenting the market and the people who are being covered by insurance, the end result of that, if you segmented it enough, would be back to no insurance at all because we would each be paying the insurance premium that reflected our own individual likelihood of having an accident. That, in effect, is the extreme. You know, I'm not suggesting that we would ever get there, but that's the end result of it. The more we divided that up, the more closely we approach the idea that we, in effect, were self-insuring by putting our money into an insurance company so that we could get it back out when we had our accident.

The philosophy that came out of the government committee, in effect, said: no, let's not deal with the expectation of an accident; let's make the insurance premium reflect our driving characteristics, our driving habits. So if we've had accidents or if we've had tickets that likely lead to accidents, then we should be paying more. So the philosophy of what was the basis of insurance, in effect, is being changed by the directions that have been suggested by the committee.

We end up, then, saying: what impact does that have? If we've taken out some of those subdivisions and tried to have those subdivisions collapsed back into a driving record factor instead of an expectation of accident, then why is it that we still leave some of them in? I refer here to the fact that we took out age, we took out sex, we took out marital status, et cetera, but we left in geography.

You know, that in itself is also a factor when instead of geography what we should have had was the intensity of use of your vehicle. What's wrong with somebody in a rural area that doesn't drive very much as compared to a person in an urban area that doesn't drive very much, a person in a rural area that has a bad driving record, a person in an urban area that has a bad driving record? What we should be doing is basing the factors on the likelihood of or contributing factors to an accident: the number of kilometres you drive in a year or the intensity of driving that you do, the number of tickets you get, the frequency of past accidents. Those are the kinds of things, you know, if we're dealing with expectation of accidents as opposed to trying to keep in place the demographic factors. So, you know, the rural part versus Edmonton/Calgary: there is some question as to why that was left in.

The other aspect that I think has been brought out in this whole debate was the focus on the mandatory requirement of PL/PD and medical as opposed to the voluntary part that's associated with collision. I see that, in effect, being an issue of legislated mandate. Yes, we require by legislation levels of public liability and medical. We don't require collision, but we do require collision in the sense of our mortgages or our loans to buy a car, our leases to undertake to drive a car: all of these different factors require collision. So, in effect, that is also in some ways compulsory, but the level to which you do that is voluntary. You don't have to buy a \$30,000 or \$50,000 car; you can buy a \$5,000 car. So in that way it is a voluntary component.

I guess that the debate that comes out of this is: how do you go about making sure that we're truly changing the cost structure of the industry? I've had a number of insurance people call and say: you know, Ken, we can't get the government's balance out of this in the sense that what they're saying they are going to implement in terms of cost savings doesn't flow through to what they're saying in terms of reductions in revenues. So when they're talking about 80 percent of all drivers will get a reduced premium and the other 20 percent will either have a constant premium or, if it would have gone up, it'll be frozen until some time in the future – this is how it was described at the news conference – how does that fit with the fact that the cost reductions on the outflow side don't seem to match the dollars that

are lost on the revenue side for the insurance companies in trying to balance their books and make sure that they do have a cash flow, that they can service their requirements.

Just on that. An interesting message that was on my desk when I got back after question period was from an Albertan who said that they had just been notified by their insurance company that because of the problems of cash flow relative to the expected changes in insurance they were no longer going to offer auto insurance in Alberta. That's the first case that has come to my attention of that happening, and, I guess, what is the end result going to be if other insurers come to the same conclusion?

I guess, Mr. Speaker, I think that part of that right now is the uncertainty that surrounds what is actually going to be the implementation model. You know, we've talked about a lot of things. Bill 53, as such, gives a framework, but it doesn't give the regulations that will in effect operationalize that framework. So we don't have a structure there that an insurance company can look at and say, "Yes, this will work within our mandate," or, "No, it won't."

So you've got uncertainty there that can be, in my mind, the only reason that this particular company that was referenced in this message chose to leave, because until they actually know what the regulations are, how can they make a judgment on whether or not they're going to be able to sustain cash flow? So the uncertainty must have been the reason that they chose not to write policies any longer in Alberta. It would be interesting to pursue it and see what's happening, or is it just that this was another way that they can cut off an individual person from insurance through their company, by saying: we're leaving the province.

This is something that we need to act quickly on and clarify for both the users of insurance in Alberta, like the Alberta drivers, and for the insurers in Alberta, the companies that are going to underwrite for those drivers. They need to know what's happening and need to know how they're going to be able to function as a company. The most important thing is that as we go through trying to make this adjustment, we have to recognize that in a private-sector world the industry puts its money where it can get a return.

If we constrain the opportunities for insurance underwriters in Alberta to in effect offer car insurance because there's no cash flow that will give them a return equivalent to what they can do by investing their money somewhere else, a competitive market says: let's go take the money somewhere else and invest it. We have to make sure as we go through this adjustment and bring in regulations that we're not in effect creating a structure that would take the necessary capital out of the Alberta auto insurance industry.

The other issues that have come up in terms of looking at the structure of changes that are going to be put into place here surround a lot of the debate that's gone on between the government and the public as much in terms of possibilities for change as actual end positions on this change. There needs to be a lot of activity go on to inform Albertans about what is going to be the new structure of an insurance policy in this province.

4:00

There have been a couple of people raise questions about whether or not some of the new structure issues of the new regulations are going to be really fair. If you look at it from the point of view of the suggestion that, in effect, individuals will only collect from one source, yes, that needs to be clarified for Albertans if it's a concept of do you collect from WCB versus do you collect from your auto insurance if you're getting paid for that same injury.

But there are cases, Mr. Speaker, where individuals actually carry double insurance policies, and they're actually paying in with their own cash to those policies. Why do we legislate someone who pays

twice not to get covered from both sources if they're willing to make that payment? In the insurance industry the idea is that you're going to pay in more than you're ever going to get back out. Well, if somebody truly believes that they can pay in twice and they're willing to take that risk, why do we legislate saying that they can't get paid by both companies? Like I said, I've got no problem with restrictions on a payment from a publicly funded source versus the auto insurance, like WCB or Canada pension disability or these kinds of things.

But when you end up with somebody paying in to two policies – Mr. Speaker, I can give you an example not in the auto insurance industry but in my farming activities. Insurance companies put a limit on the amount they're willing to insure, so on an annual basis I insure the same crop on the same acre with more than one company so that if I get a hailstorm and I lose that crop, I can get out of the collection of more than one insurance company enough to cover the costs I've put into that acre for that crop. Why can't we do that in auto insurance?

In effect, I respect fully the rights of an insurance company to say: this is the limit we're going to put on a payment based on the ability that we have to take a risk. So they put a limit on how much I can insure my crop for with that insurance company. But I can go and get it from another insurance company, and what happens is that if I get a 50 percent hailstorm, each one of them pays me 50 percent of their insured value. If I get a 100 percent hailstorm, each one of them pays 100 percent. So, you know, this is the kind of thing that gives the opportunity for individuals to take a risk or insure against that risk. We say that we're not going to allow them to collect twice, yet they've paid twice for insurance.

Another example of this was when I was in a storm in Manitoba about three years ago and a deer jumped out of the snowstorm and landed right on the car we were driving. It was a rental car.

An Hon. Member: Is this a joke?

Dr. Nicol: No, this is not. It's not a joke.

It was a rental car, and the credit card that I had charged this car to paid for the damage because I had an auto rental waiver for the liability on it. But with my auto insurance company in Lethbridge I also carried other-vehicle insurance, so if I'm driving somebody else's vehicle and it gets damaged, they'll pay for it. So, in effect, here were both of these companies saying: yes, you can get it paid for. In order to make sure that the rental company didn't get paid twice, we worked with those two companies and each one of them paid a part of it. But, you know, the idea is that I paid twice because I pay for my credit card and I pay for my insurance. In effect, I had the option to get paid from both of those companies had I not told each one of them about the other one. So big deal. I paid for that. I paid twice for it, so I should have got paid twice. I should have had the right to collect twice on it.

The other real concern that comes in about how we reduce the cost structure of the industry and the one that I think has really caused a lot of concern and debate with the people who have called my office and who have talked to me at different meetings is the cap of \$4,000 or whatever on soft tissue injury. Mr. Speaker, you know, we have to deal with that. There are all kinds of reasons out there for limits, but in the context of how do we define it and how do we make it operational, it really starts to raise some concerns.

I think the nightmare that we may want to compare to what we're talking about here in auto insurance is what we see in the WCB, where you end up with the WCB doctors saying, "No; you're able to go back to work," yet the victim's doctors are saying, "Don't go back to work." So when you end up, in effect, through public policy

trying to define in words what constitutes pain and suffering and injury, this is the kind of thing that we should be leaving to the medical community rather than trying to put into words.

We should also be leaving to the process how we compensate for that injury. Historically we've done that through either negotiation, arbitration, or litigation, and, you know, in a sense it's worked. For us to go in there now and say that someone, in effect, cannot get compensation for an injury when we don't really know what the consequences of that injury are – you know, the approach that we take to that is, I think, raising the spectrum of another series of the conflicts that we see now in WCB. I think that almost every one of us in this Chamber spends a significant amount of our time dealing with constituents, Albertans who have an issue with how they were treated under this debate, the debate that we have with WCB, about what is an injury: are you able to go back to work or not? I think it would be really unfortunate if we ended up with that same debate in our auto insurance injury process.

The thing that we have to look at, then, is kind of: where do we go from here? I think the process that we went through as the Official Opposition, Mr. Speaker, was to say: well, what can really be done to reduce the cost of insurance without reducing the coverage and the ability for compensation that Albertans have? The approach that we've wanted to take to this was to, in effect, reduce the reserve requirements of insurance by having a public insurance system that underwrites the base level, the legally required level of insurance. In other words, the \$250,000 public liability and the \$50,000 medical would be underwritten by a public reserve. So the cash flow in and out in the years that it didn't match would be covered by the stability fund. Then the premiums would be adjusted the subsequent year to pay back. It's not a transfer from the stability fund in the long run. The stability fund truly would be that: it would be a stabilization component to our insurance cash flow.

4:10

This would reduce the return on capital and the equity requirements for the insurance industry and truly bring a cost reduction. We don't want to create a bureaucracy that would have to administer this, so it would be done through the agents of the private insurance industry. Your local agent that sells you your insurance now would write the one policy to the base level, and then after that you could expand it either through the continuation of the public or you could go to a private-sector offering for your top-up and your collision. This is the kind of thing that we would see as a true reduction in the cost side of the insurance industry. You wouldn't end up with, in effect, trying to guess at how much the costs had to be reduced. You could actually calculate the reductions and say that by enacting this, you'll get a premium reduction of the specified amount.

So this is the kind of thing that we think is a true solution to reduce the costs associated with providing insurance, thereby reducing the need for revenues, thereby reducing premiums for Albertans. That's the kind of approach that we think should be taken to make sure that we do, in a sense, achieve the reduction, the equity, the fairness that Albertans are looking for.

You know, it's unfortunate that when we start to try and make comparisons across Canada about what insurance rates are, it's now a political debate as opposed to a comparison of what the true cost of insurance is. Very seldom for the next I don't know how many years are we going to be able to say how our insurance in Alberta compares to somebody else's because they've got a freeze, they've got a rollback, or they've got a no-fault. You can't make those comparisons anymore. So we have to look at what's fair and what's structurally right for Albertans, and we truly believe that using this public component for the reserve fund for the base level, the

required legalized level of insurance, would be a way to truly reduce the cost of insurance to Albertans.

As we go through and look at some of the other things that are suggested in terms of Bill 53, I think it's appropriate that the government establish the auto insurance rate board, which I think is the title they're giving it in the bill. But what we've got to do is make sure that that board has a true ability to deal with transparency in evaluating what are fair insurance rates, what are appropriate offerings, levels of coverage. What we need to do is to encourage, I think, more diversity in offerings rather than basically going to every company and getting the same grid. They say: now, pick your spot on the grid and that's what we'll charge you. So we've got to really make sure that the automobile insurance rate board, as they're calling this new entity, has the ability to delve into and look at the cost structures on behalf of Albertans.

You know, when the whole situation comes up and we start talking about what the cost structure is, with the big insurance companies now, the cross-Canada and even multinational insurance companies, where's their headquarters, and how much of the money goes to the headquarters? It's really hard to get that, but if we had this kind of an insurance board with audit provisions, then it would really provide the ability for a balance between premium intake and payments for the insurance program. Then you can track from year to year kind of the administrative costs or the overhead costs. You can't really track that if it stays in the province or moves out, but you know the payments in the province and you know the premiums in the province.

In that way, we could track it and see whether or not the margin is going up or down, and that, in effect, would give a fairly reasonable approach to determining whether or not rates were accelerating too fast relative to the industry requirements or whether or not there was a problem with fair premium rates relative to the industry needs. So I think it's important that we make sure that that board gets full powers to investigate and to review and doesn't in effect become just: "Yeah. Okay. You've asked for a rate increase. You can have it." That doesn't provide for the kind of competition and the kind of direct trade-off that we need to make sure that there is a watchdog on insurance in the province.

Mr. Speaker, that's kind of the overview that I wanted to lay in place today for insurance. It's important that the debate go on, that the public be kept involved in the discussions about the regulations, that they be implemented quickly. I know that the government is progressing in this way, but it would be really appropriate, I think, if in a very public way they would debate the issue of a public insurance system with Albertans.

The polls that are out there, the responses that come through, information collection are indicating that Albertans are open to the idea. We truly need to look at it, not from the idea of creating a big bureaucracy that has to be managed at added costs. We can create a publicly backed insurance offering that is still offered through those private-sector, small businesspeople that are the basis of our communities. We need to give them a signal that this is not a program that's going to destroy their livelihood.

It's a program that will give stability to the industry and make sure that Albertans feel that they're being treated fairly and that their insurance costs are truly reflective of what they're insuring and that we don't have limits on what they can collect if they are injured. That's important. That's why we have insurance. So if and when there is an opportunity to get compensation, we don't want to destroy that for Albertans.

I guess, as I close, I would encourage the government to make sure that this process of dealing with the regulations is open, it's broad, it's consultative, and as they go through it, not to forget that

a publicly backed base level system is an option that a lot of Albertans would like to see discussed and either compared or justified as to why it's not used or given serious consideration.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I would like to speak to the previous question, the motion put by the hon. Member for Drayton Valley-Calmar. I would cite section 522 of *Beauchesne's*, which says that "Members who have spoken to the main motion or amendments" – and I have spoken to the amendment but not to the main motion – "may speak again to the previous question." It also says, "The debate on the previous question is subject to closure."

So I want to ask one clarification from the chair, Mr. Speaker, before I begin. I see nothing here that would prevent my speaking to the previous question and coming back to speak to second reading of the bill as well. Is there any such rule that exists that would prevent me from speaking to the second reading if I speak to the previous question?

The Deputy Speaker: No. They tend to be one and the same. As the chair would understand, it's a bit of a formality, a procedure, but once the question has been put, all members then may proceed to debate the main question, which in this case is second reading. So you're free to go ahead.

Mr. Mason: So if I speak to the previous question as a separate item, then . . .

The Deputy Speaker: You speak twice; you mean?

Mr. Mason: Yes.

The Deputy Speaker: No.

Mr. Mason: No?

The Deputy Speaker: But you may now speak on the bill. I mean, that's what it does; it limits additional amendments. So you may speak on the bill. It doesn't preclude you from doing that. But if you just want to talk about the previous question for 15 minutes and then take your questions and then come back and speak again . . .

Mr. Mason: Yes.

The Deputy Speaker: No. You get one 15-minute shot.

Mr. Mason: That's very unfortunate, Mr. Speaker. In that case, I'll cede the floor to my colleague from Edmonton-Strathcona.

4:20

The Deputy Speaker: Hon. member, the purpose of this part of the debate was only a clarification?

Mr. Mason: Yeah, it was only a clarification, Mr. Speaker.

The Deputy Speaker: Okay. The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I share the disappointment of my hon. colleague for Edmonton-Highlands. I know that the government benches are in some sort of inexplicable hurry to push

this bill through. It's Bill 53, Insurance Amendment Act, 2003 (No. 2), and I want to look at the bill carefully.

It's going to mean a great deal in terms of the impact that it will have.

The Deputy Speaker: We have a point of order. The hon. Government House Leader.

Point of Order Imputing Motives

Mr. Hancock: Thank you, Mr. Speaker. I rise on a point of order under 23(i), "imputes false or unavowed motives." A number of members, including this member, have alleged that the intention of the Member for Drayton Valley-Calmar was to limit people's participation or that we were somewhat rushed to put the bill through. There is a clear misunderstanding of the purport of the Standing Order which allows the previous question, which clearly allows every member of the House one more opportunity to debate at second reading. So it's imputing a false motive to suggest that it's limiting debate.

What it does do is to preclude reasoned amendments. The hon. member might understand that in the previous evening the Member for Edmonton-Gold Bar moved a reasoned amendment. There was a full debate on the reasoned amendment and the vote taken on the reasoned amendment. Having done that, every member of the House has the opportunity to speak at second reading. No one is forestalled from speaking to the bill at second reading, which is exactly the opportunity they have under our rules to speak at second reading.

So to suggest that the hon. Member for Drayton Valley-Calmar or any member of the government is trying to rush this through is absolutely wrong. However, when a member of the opposition or any other member rises to move a reasoned amendment as the first speaker of the opposition, one has to assume that there may be other amendments and that there may be an opportunity on the opposition side to be extending debate.

So as a House leader it's incumbent upon me to make sure that we don't have the type of operation in the House that we use reasoned amendments inappropriately. As I wasn't able to have the reasoned amendment ruled out of order, because I raised my objection too late, although it clearly was out of order, I had to come back in this forum to encourage the Member for Drayton Valley-Calmar to use the rules of the House in an appropriate manner to ensure that every member of the House has an opportunity to address this bill in an important way in second reading and to do it again if they wish, of course, in committee and third reading.

So, clearly, the member is imputing a false motive to the Member of Drayton Valley-Calmar.

The Deputy Speaker: On the purported point of order, which seems to be as much as anything a point of clarification, the hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I know that the hon. House leader has made it as a point of order, and I would like to take this opportunity to respond to his point of order as thoroughly as may be necessary.

Section 23(i) says, "imputes false or unavowed motives to another member." Now, Mr. Speaker, it's true what the hon. Government House Leader says, and that is that everyone would still have a chance to speak to second reading. However, it is part of the normal course of debate that is provided for in these rules to have the opportunity to propose reasoned amendments.

It so happens that our caucus had a reasoned amendment. This is a legitimate form of parliamentary discourse, and the government has moved, as the Government House Leader has now admitted, to cut off that opportunity which is provided for us in the rules. What other reason would they possibly have than that they wish to constrain the opposition, as small as it is, from making use of the tools that are put at its disposal by the rules of this Assembly to debate issues that it believes are important?

So the government, notwithstanding its massive majority, is indeed working to try and limit the ability of the opposition to make legitimate parliamentary discourse on their bill. Therefore, I would say that the Member for Edmonton-Strathcona's comments are entirely justified and are not imputing false or unavowed motives in any way.

Thank you, Mr. Speaker.

The Deputy Speaker: The chair would observe that it seemed that the hon. Government House Leader was putting forth a clarification of what the procedure was, but he also did defend the hon. Member for Drayton Valley-Calmar as having not avowed any of the motives that were cast to him.

Now, in the hon. Member for Edmonton-Highlands talking about the reasoned amendment and that they had one, one only has to think about what would happen if Assemblies in Canada allowed that. There are some Assemblies in the country that don't allow a reasoned amendment at second reading. We were unable to find out, if I'm correct, looking at the Clerk, that there were no Assemblies that allowed more than one. Is that not so? [interjection] Well, thank you. There is an exception to what I've just said, in the House of Commons and in Ontario, but B.C. and others were not, so we found some. But the tradition in this House has been one reasoned amendment at second reading.

Now on to the debate, hon. member.

Debate Continued

Dr. Pannu: Thank you, Mr. Speaker. I'm very happy to resume my comments. Now that the matter has been put to rest with respect to my intentions, I want to zero right in on the bill itself in its second reading.

The bill, as I was in the middle of saying, is a much-awaited piece of legislation. Lots of media attention has been sought in the process of the preparation of this bill, lots of promises have been made, and lots of expectations have been raised. In my remarks I want to see to what extent this bill measures up to the promises made and the expectations raised and to what extent this bill does nothing more than sort of engage in a shell game. So those are the sorts of questions that I want to address as I speak on this in second reading, Mr. Speaker.

Mr. Speaker, let me begin where one needs to begin. Why this bill in the first place? Why has the government, after a long period of doing nothing and, in effect, allowing the crisis around the skyrocketing of auto insurance rates in this province, failed to do anything until its hand was forced by developments that took place on the eastern end of our great country, in New Brunswick, then in Nova Scotia? The Ontario election, of course, had this as an important issue as well. So the government's hand was forced. It had to overcome its own complicity in what has happened in this province and reluctance to do anything about it because there was a huge political risk in continuing to allow Alberta drivers to be gouged in a fashion that's unprecedented across the provincial jurisdictions in this great country of ours.

4:30

The Alberta government under Alberta legislation has had in place

the Alberta Automobile Insurance Board, appointed by the Minister of Finance, reporting to the Minister of Finance, and the members of this board, the directors of the board, are the appointees of the Minister of Finance. This Alberta Automobile Insurance Board has an incredibly low profile. I didn't know about it until we started talking about the crisis in auto insurance in this province. It doesn't even have a web site. It does publish an annual report, but this is not even posted on the government web site, nor are the directors of the AIB. That says volumes about what this board is about, what the government intends it to do, and how this board and the government account for what both of these agencies do to the drivers of this province.

This board reviews behind closed doors, Mr. Speaker, rate application increases for compulsory coverage, mostly third-party liability. There's no opportunity whatsoever for policy holders or consumer advocates to challenge rate increases. Locations and dates of board meetings are not advertised or even made public. Minutes of board meetings are not published or made public. I ask the question: why? In relation to the discussion of this bill we've got to ask these questions. What is there to hide in the decision-making activities of this board that nothing is made public: the meetings, the dates, the places, no web site saying how to access this board?

The AIB appears largely to act as a rubber stamp for the insurance industry. It's the government's board. It's there because it's mandated by the Insurance Act of this province, which is going to be amended by way of this Bill 53. So the AIB appears largely to act as a rubber stamp. Only two out of 157 rate applications in 2002, which is less than 2 percent.

Mr. Mason: How many?

Dr. Pannu: Two out of 157. Less than 2 percent, 1.5 per cent perhaps, of the applications were rejected by the AIB. Another 14 were approved with modifications. The balance were accepted as applied for. And it was the year 2002, the banner year for the insurance industry in this province, Mr. Speaker, a banner year because it was during that year that according to Stats Canada the average auto insurance premium in this province increased by a whopping 57 percent. Fifty-seven percent. Not my figures, Stats Canada figures.

Someone gave the approval for those increases, Mr. Speaker. Albertans are asking, Albertans have a right to know who okayed that. Was it the Finance minister, was it the board, or was it some other agency in the government? It cannot be anyone other than the board and the Finance minister. There are questions that must be answered as to why that 57 percent increase in 2002 was mandated, was authorized, was approved. So when you ask this question, that raises the question of what the government's bill, Bill 53, is going to do about that 57 percent increase.

I want to make sure that we know what the average increase in the payouts was for the insurance industry for claims during the same period, Mr. Speaker. There was a 3 percent increase in auto insurance related claim payouts, a 3 percent increase in what insurance companies had to pay to settle the claims made to them, but they were granted a 57 percent increase at the same time. The difference between the two is 54 percent. Someone granted that increase. Bill 53 now promises Albertans a maximum of 12 percent relief after the bill, if passed, becomes law and is implemented.

In the meantime, this bill promises that the insurance companies will enjoy that most unreasonable, inexplicably unjustifiable 57 percent increase and promises that the companies will continue to enjoy the benefits of this windfall granted to them by this government. When the drivers of this province get any relief – and it all is

quite hypothetical at this moment who will get that relief and how much it, in fact, will be – they will have to continue to pay that 57 percent increase granted by the government of Alberta to insurance companies during the year 2002.

So the freezing of rates that's promised in this bill is simply a deception. It's a shell game. Freezing the rates at a level which is the highest in the history of this province, freezing the rates while having granted a 57 percent increase in one year alone is no freeze at all. It's simply an attempt to mislead Albertans into believing that the government is serious about providing them with real – real – relief from the gouging that they've been subjected to by the insurance companies in this province and the rights to gouge that have been granted by the very government which now is promising a relief of sorts. There is no relief, Mr. Speaker.

Even if you take 12 percent from 57 percent, the 2002 increase still, according to my calculations, remains at about a 45 percent level of increase. Keeping it at a 45 percent level of increase is certainly not going to be seen by any drivers in this province as a relief. So the promise made by this bill with respect to providing relief and fairness is an empty promise and nothing more.

Another aspect of this bill, Mr. Speaker, will guarantee that Edmontonians will continue to pay higher rates because they live in Edmonton. There's exception made here by this bill to punish Edmontonians for the fact that they live in this city. Whether it's intentional, whether it's an oversight, the effect is the same. They will pay more. They will be discriminated against based on the place of their residence, the region or the area of their residence. Talk about fairness, that this bill delivers on fairness; it does not. It does not.

4:40

The third thing that the bill doesn't do, Mr. Speaker, is allow even any real competition. Bill 53 does not repeal section 22 of the old bill which will be amended by way of this, the Insurance Act, which prohibits public insurers from the other three provinces – B.C., Saskatchewan, and Manitoba – from competing for business in Alberta. Talk about choices; talk about this government's rhetoric about providing Albertans with choice. This bill, that has taken close to eight months for this government to come up with, denies Albertans the choice, the choice between private insurance companies that charge exceedingly high rates, rates that are most unreasonable – that's why this bill is here; otherwise it would not have been here had the point not been conceded even by the government that private insurance companies have been charging exorbitant rates in this province relative to other western provinces.

The Deputy Speaker: Thank you. Your time is up. Any comments or questions?

Mr. McClelland: Thank you, Mr. Speaker. On questions and comments. The hon. Member for Edmonton-Strathcona made the point that he felt that the rates in Edmonton were going to go up. I'd like to ask the Member for Edmonton-Strathcona if he was aware of the fact that there had been a 20 percent premium for drivers in Edmonton historically? I certainly didn't know that we were paying a premium. Most of the people that I've asked didn't know.

So my question to the Member for Edmonton-Strathcona is this: did the member know that he had historically been paying a 20 percent premium over Calgary, and is he aware that over a three-year period that premium is going to be equalized? How could that in anyone's estimation, if the premium is going to be equalized, which means that that 20 percent disparity is going to be removed, possibly equate to an increase in premiums?

Dr. Pannu: Mr. Speaker, I didn't know that AIB, Alberta Auto Insurance Board, operated the way it did either, but is that a reason for not speaking out against AIB and the way it's been operating? I respectfully submit not. Just because I didn't know about how AIB has been operating, that's no reason to remain silent. It is my duty to my constituents, to Albertans to speak on these matters as I become aware of them.

Similarly, I think the question of whether or not I knew that Edmontonians paid 20 percent more is irrelevant. The question concedes the fact that Edmonton drivers have been levied an additional 20 percent premium because they live where they do. If we acknowledge this, the question then is: is this legitimate? Is it right? Should it be continued for yet another three years? If it has been unjust for it to have happened over the past 10 years, should that injustice be continued for the next three? That's what Bill 53 does. My answer is no, Mr. Speaker.

Mr. Lukaszuk: My question to the Member for Edmonton-Strathcona would be: in all his years in this Chamber why would he not have done due diligence to find out that Edmontonians were paying higher rates and do something about it then instead of wait for this government and MLAs from this city to find that out and make sure that that doesn't happen in the future?

Dr. Pannu: Mr. Speaker, I laugh at the question. What due diligence is he talking about? The Minister of Finance, the backbenchers on the government side brought this matter forward. They are the ones who have the inside knowledge of these things. We have to struggle hard to get there, and we have gotten there.

The New Democrat opposition's position paper, *A Better Deal for Drivers*, which was released in October, certainly reflects that we have carefully studied every aspect related to fairness, reasonableness of premiums, and the kinds of discrimination that have been allowed to be practised whether they were based on age, marital status, region, geography. Those were allowed to go on unchallenged up to this point, and we have done due diligence in drawing attention to them and presenting a clear alternative, which, in our view, is one of public auto insurance, which, we argue, is a far better deal than anything that the Tories have presented, including this Bill 53.

Thank you.

The Deputy Speaker: Sorry, hon. members for Edmonton-Rutherford and Edmonton-Castle Downs and others that wanted to ask further questions, we're now ready to continue debate.

The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I haven't had a chance yet to speak to this bill, but it is a bill of real concern to my constituents. I've been surprised at the amount of correspondence I've had on this bill, the number of phone calls, the number of letters on this particular issue of auto insurance, so I do feel compelled to address some of the questions the constituents have raised. I'll do some of that in the opportunity I have here at second reading, and hopefully I'll have other opportunities during committee and third reading, should the bill get that far. I expect it will.

The concerns that my constituents and, indeed, people from across Alberta have brought to me are pretty consistent in terms of the substance, but they come from a very broad range of people. I've been struck with that. The substance of the concerns, the obvious one, is people upset about big increases in their rates; secondly, people upset about becoming ineligible for insurance; and people finding that their treatment is, in their view, very unjust.

For example, I've had a number of letters from people who have had insurance with a company for years and years and years and in some cases decades and decades, and then they make one claim and find that they're no longer eligible. They're cut off from the insurance company. Of course, that can be a devastating blow, especially for an older person. It can in fact drive them to have to completely change their way of life. So those are the kinds of concerns: eligibility concerns and cost concerns.

What has surprised me is the range of people that these concerns have come from. The assumption in the public – and it's an assumption I held – is that the people most affected by insurance problems were young males. I've found that, in fact, the problem goes way, way, way beyond that, and that's been a good lesson for me to learn. I'm always open to learning new lessons.

I've had calls, for example, from various nonprofit groups. I think of a call I had from a church group who runs a couple of minibuses for youth and underprivileged youth. The service is to help underprivileged youth get to places like summer camps or to other services around the city. Their insurance rates went up something like 10 times for their vehicles, and because it is a nonprofit group run out of a church, they can't afford that kind of an increase. They're looking at having to end that service. I've had calls from seniors who are no longer eligible or no longer able to afford their insurance, and that has a devastating effect on their lives because suddenly they can't get around. They're socially isolated. They can't easily go out for groceries or to visit friends or to get to the doctor or anything like that. So that's a serious problem. Service clubs that run vehicles have also brought concerns to me.

It goes beyond that. Businesses. I had a call, for example, from a trucking company that runs a fleet of trucks between B.C. and Ontario and is urging us to advocate for public insurance because the cost of insurance for the trucking fleet in Alberta is so high that they, in fact, operate now most of their trucks out of other provinces. Construction companies that might have a fleet of pickup trucks or smaller vehicles, often driven by younger males, suddenly find their costs are going through the roof as well.

So this is a very broadly based problem, and it's one that I think merits the full debate that we're giving it here and the full attention that the government has given it and then some, I would argue. So those are the kinds of things I'm hearing from my constituents.

4:50

I then turn to the evidence, and I look at interprovincial comparisons. The first example I had of that was at least two years ago, when relatives of mine in Saskatchewan were commenting on how inexpensive their insurance was. I came back and checked it out, and they were right. I'm not saying that we want to go to the Saskatchewan system, but it led me to raise the issue with caucus and with the Member for Edmonton-Gold Bar, and he began investigations. He already had his own concerns about the issue. So we were beginning to work on this a couple of years ago.

When you look at interprovincial comparisons across western Canada, there are real problems to be addressed here because it looks like in the last few years, at least, Alberta's auto insurance rates have climbed far more dramatically than any others in western Canada, and that does become a long-term economic drag. When we have, as I mentioned earlier, big trucking companies deliberately moving their fleets out of Alberta so they can get less expensive insurance, that's a problem for us.

Generally, if it adds to the cost of doing business with people in Alberta, that's a problem for us. If it adds to the cost of living here, that's a problem for us. So when we look at the western half of the country, at least, we'd better pay attention here, or we will have an

Alberta disadvantage rather than an Alberta advantage.

The other point I'd like to make is that this becomes a particular obstacle for the less privileged in our society. If you're in a lower income household and you're trying to pull yourself out of that lower income by, say, seeking a job that might require a vehicle or by going back to school, or maybe you have to have a vehicle to run your young kids around to soccer or to school or whatever, and you're faced with an additional charge of \$2,000 or \$3,000 or \$4,000 for auto insurance even on an older automobile, that's a real obstacle that, frankly, people at higher income levels can afford. So for lower income people or people just getting started, younger couples, younger families, we are putting yet one more obstacle in their way, and I think we're doing that unnecessarily.

So those are some of the motivations that drive me to speak to this issue and are certainly driving my constituents to speak to me.

When I look at this issue from an economic perspective, it's interesting. Do we turn to the market? Do we turn to regulation? Do we turn to a full private system? You know, when conditions are well suited to a market, I think markets can be terrific. They are creative. They can be dynamic. They can serve customers well. They can drive costs down. But when circumstances aren't right for a market, then they can be the worst possible way to try to deliver a service. So what do we have here? Do we have a product that lends itself to free market forces or not?

One of the fundamental differences here is that by law people have to carry auto insurance. As a result, if they want to drive in our society, then they have to have, by law, auto insurance. So we are requiring people to buy this product. Now, you might say that the choice is: don't drive; don't own a car. For some people that's a reasonable option, but the way we've organized our cities, the way we've organized our countryside, it's darn tough for an awful lot of people not to own a car. So right away one of the basic principles of a free market is gone, and that basic principle is the opportunity of the customer simply to walk away from the product. They can't. They have to, by law, buy auto insurance. So that right there says: warning; this may not be suited to an open market. In fact, as I look at auto insurance more and more, I'm struck with the parallels to both electricity and to health care from an economic perspective. [interjections] No, I'm not going there.

I'm struck with the parallels to both electricity as a public service and to health care and the need that we face as a society to provide this in the most effective way. There are reasons that we ended up in a public health care system, and they weren't just social justice reasons, although those were, I think, the pre-eminent reasons, the original motivating forces, and frankly the most important reasons. But they were also economic. We learned through experience that we could actually deliver more health care at less cost more efficiently through a public system, and that's a lesson that's been proven over and over.

The same kind of forces led us into a regulated electricity market, which served this province so well for so many decades. We learned the hard way early in the last century that electricity is not a product that lends itself to a free market. In fact, there were all kinds of issues, if you go back in the early history of the electricity industry, around safety, around costs, around standards of service and access, and on and on, that led to a publicly regulated and in many parts of this country and indeed in many part of the United States, a publicly owned electricity system.

Well, I've come to the conclusion that auto insurance is probably the same kind of product, and we're in the same kind of economic situation with auto insurance that we face in health care and electricity. The appropriate response, then, is to substantially increase the public-sector role in the auto insurance industry. Lo and

behold, when you look at the evidence – despite comments earlier today from the government, this is not a matter of ideology; it's a matter of evidence – the evidence that I've seen suggests to me that in our neighbouring provinces to both the west and the east there are lessons to be learned of functioning auto insurance markets handled and managed through a public system.

So when I weigh all of that out – the comments I'm hearing from constituents, looking at the economics of it, and looking at the evidence – it seems hard to come to a conclusion other than that we need to provide auto insurance through a public auto plan.

5:00

Frankly, we are a province that owns its own bank, and that's a remarkable sign of commitment to public ownership. Since we own our own bank – and, frankly, I think it's a bank that functions well: it turns a profit virtually every year and it serves rural Alberta very well; it's very popular; it's popular with many urban Albertans – why can't we also, then, own our own insurance company? If you look at the other provinces, like B.C., you'll find that those insurance companies year after year after year provide excellent coverage at a low cost and at a profit for their taxpayers.

So when I look at Bill 53 and I look at the underlying premises of that bill, I find myself ultimately thinking that this isn't going to work, that these are like the same steps that led us into the electricity deregulation mess. We're probably meddling in the marketplace in such a way that this government is just going to get drawn in further and further and further. We're not likely to see the benefits that are being claimed. We're going to make a whole bunch of people upset or disappointed, and we won't achieve what we want to achieve, which is lower rates, greater efficiency, and better access.

If we aren't going to go there – and apparently we aren't going to go into a public system – then we have to ask some other questions. Why aren't we opening the market to the Insurance Corporation of British Columbia and to the Saskatchewan and Manitoba auto insurance plans so that at least they can compete with the private insurers in this province?

The Deputy Speaker: Questions? Comments? The hon. Member for Calgary-Egmont.

Mr. Herard: Thank you. Mr. Speaker, I listened very intently when the Official Opposition House Leader spoke and again when the Leader of the Opposition spoke and now with the Member for Edmonton-Riverview. In two cases I heard people calling for a public system, yet when I listened to the hon. leader's speech, I didn't hear him call for that at all. So I'm confused as to what the Liberal position really is because in two cases we hear that we should be doing a public system and then when the leader speaks, he doesn't mention it. So I'd like to ask whether or not this is the view of the Liberal Party or just the individual members.

Dr. Taft: Yeah. There's a very clear answer to that. The view of the Liberal Party, the view of the Liberal caucus, and it's broadcast all over the province in print, on television, and on radio, and you can go to our web site as well. Yes, we are supporting a public auto insurance plan, based essentially on the B.C. model, which provides a combination of stable rates, a core of public service that's accessible for everybody at reasonable levels and yet allows a functioning court system so that people can take their concerns over their injuries to court if need be, so there's a fully functioning judicial aspect to it as well.

I should also reinforce that the B.C. model does allow, for example – it's sold through private local brokers. So there's a pretty

interesting model at work in B.C., and we unequivocally advocate for that.

It's a good question. I'm happy to give the answer.

The Deputy Speaker: Comments or questions? Edmonton-Highlands.

Mr. Mason: Yes, Mr. Speaker, I do, for the hon. Member for Edmonton-Riverview. You know, I would like to compliment the Liberal caucus on their position on public auto insurance. We couldn't have written it better ourselves, so it's very good.

I'd like to ask the hon. member a question that he was just trying to get to when he ran out of time. That has to do with the government's provision in the legislation which prevents Sask Insurance, which is the export arm, I guess, if you will, of the Saskatchewan auto insurance corporation, from operating in the province of Alberta and whether or not he feels that this is a restriction by the government on the right of Albertans to free choice in insurance.

The Deputy Speaker: Interesting when you ask a question and offer its own answer.

Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. Well, obviously, it's a restriction on Albertans' services, but I think we have to ask: who does that restriction serve, and why is it there? I suspect it's there because of very effective lobbying from the for-profit insurance industry, who wants to keep the competition from other provinces out of Alberta. I'm just speculating there, but that would seem to me to explain it.

If we want to open it up to a free market, then I think it would be a really interesting step to take, to in fact go the other way from this government and say: "Let's just open this up. Let's let ICBC in here. Let's let Sask Insurance in here." They are, after all, companies that do make a profit year after year. Let's make the market open and see how they stand up, and let's try to drive insurance rates down that way.

That would have been a pretty interesting suggestion to come from the government. Unfortunately, we didn't see it.

Ms Carlson: I have a question for the member, Mr. Speaker. My question is this. I didn't hear if the Member for Edmonton-Riverview in his overview of what was happening spoke directly to the key concerns that his constituents are talking about in terms of insurance rates and their concerns with the government's policies, so if he could share that with us.

The Deputy Speaker: The time is up.

The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have the opportunity to join in debate of Bill 53, the Insurance Amendment Act, 2003 (No. 2). I'd like to address my remarks this afternoon to the principles of the bill. I think that the underlying principles with respect to this particular piece of legislation are extremely important. The government web site provided some information with respect to the intention of the government with respect to principles, the principles that they wanted in the legislation, and there are a number of them.

The very first principle, of course, and the one that has caused the greatest debate – well, almost the greatest debate – is the whole question of fairness. The debate in the press, the debate between the insurance industry and the personal injury lawyers, has really focused a lot of their arguments on fairness. It's certainly a concern of Albertans.

A second principle that the government has indicated as a principle that they wanted as part of the proposed legislation is that insurance be affordable for Albertans. Again, that I think is really what has prompted the legislation before us, that for many Albertans insurance was becoming unaffordable. The comparison with other jurisdictions, other provinces, was extremely irritating to a number of citizens who felt that not only was it unaffordable but it was unnecessarily so.

A third principle that the government has outlined as important is that insurance be accessible to drivers. I think the concern was that accessible premiums be available. Again, the issues raised here primarily with respect to young Albertans and to young males in terms of their accessibility to premiums – and we've all heard from young constituents who have in some cases had to give up driving because the premiums for their insurance just were too much for them. So for them the premiums weren't accessible.

5:10

A further principle of the government, if we believe what the web site indicates, is that there would be incentives, that there should be incentives built into the system for motorists to drive safely. The legislation before us has, in fact, some incentives for individuals who have a safe driving record, and there are provisions for rewarding safe driving.

Another principle was that there had to be penalties and that the legislation should outline penalties for those drivers who cause accidents and violate the Traffic Safety Act and commit Criminal Code offences.

There was a further one, and that's the principle of personal responsibility: that as drivers all of us have to accept some personal responsibility behind the wheel and that, in effect, will have some bearing on the kinds of premiums that we pay.

So those principles that focus on fairness, affordability, accessibility, incentives, penalties, and personal responsibilities were the principles that were put forward by the government on their web site as preparation or prelude to Bill 53. Now that we actually have the bill, it's possible for us to look at those principles as stated and to look at the provisions of the bill and to make some assessment in terms of how well the legislation reflects those particular principles.

The business of fairness seems to permeate a number of the provisions of the bill. The setting of a benchmark entry-level premium, how that is to be determined. According to the bill it's going to be determined on geographic territory and third-party liability coverage. Age, sex, and marital status will no longer be factors in setting those premiums. We've already heard that the bill provides provisions for differences in geography, and that is a basic concern of fairness, particularly for Edmonton drivers, who are going to be penalized for living in the capital city compared to their fellow citizens in Calgary. That unfairness will continue for three years according to the bill. So the principle of fairness and whether it's being applied with respect to premiums I think is questionable, Mr. Speaker.

I think there's a further question of fairness when the bill attempts to assess and set premiums that are going to be similar to the coverage in other western provinces. That for many Alberta has been a thorn in the side, and there's been great concern that it was unfair for Albertans to be paying premiums that were much higher than our neighbours to the east and our neighbours to the west.

There was the striking difference that the Consumers' Association of Canada pointed out in their comparisons of Lloydminster, where the premiums for those on the Alberta side of the border were dramatically higher than those on the Saskatchewan side of the border. So the whole notion of fairness was one, and there's an

attempt in the bill to introduce fairness with respect to the premiums paid by Albertans in comparison to their provincial neighbours.

The second principle, the principle of affordability, has been addressed in a number of ways, and I think the benchmark entry-level premium is going to be of great interest to Albertans. There's a fairly good description or elaboration of the system, the benchmark entry-level premium, how it's going to operate, again on the government web site that does expand on what we see in the bill, and that is that you will enter a maximum benchmark premium determined by the vehicle use and third-party liability coverage. So you enter the scale, and then for each year without an at-fault claim the drivers would move one level down the grid, and after six claim-free years the premiums reach a maximum discount of 65 percent. So the notion is that they're trying to make it more affordable, and you can make your insurance premiums even more affordable by driving safely and not being involved in accidents that you're responsible for.

If you are in accidents, then just the opposite. Each at-fault claim moves the premium four levels up the grid, so as you are involved in more accidents that you're responsible for, then you're going to move up the grid.

After 10 years without an at-fault claim vehicle owners that do submit a claim would move up four levels on the grid but would retain their 65 percent discount. So an attempt in trying to make the premiums affordable to factor in the driving record and to give drivers at least some control over the premiums they pay and to make it affordable.

I think the affordability has been addressed in that that maximum benchmark premium would initially be set by the government. So, again, they've tried to address that principle of affordability in the bill by setting the initial benchmark premium.

An additional provision is the provision that would have insurance companies file their rates for optional coverage with the government, and the purpose for filing those rates is to have the rates monitored. Again, the motive behind this has to be, I suspect, the desire to keep the premiums affordable.

Affordability has been addressed in the bill in a number of ways. Now, whether it is actually going to operate that way I guess is still a matter of speculation. Again, it's an attempt in the bill to address the principle of affordability.

5:20

The notion of incentives has been addressed in a number of provisions. I've already mentioned that you move up and down. You move up the grid and you receive a discount for claims-free driving. You'll also have a surcharge added to your premium should you be involved in chargeable claims.

So, again, the system of incentives, which seems to be a principle that the bill is built upon, is built into the bill. Each claim-free year lowers the premium by moving the insured down the grid to a maximum 65 percent discount after six years. I guess the percentages sound good, but what you really need to do is see the actual numbers with respect to your own insurance to see how significant that is. Whether those are adequate incentives I guess is a question that we have to determine, and we'll be able to go back and visit that again when the bill moves into committee.

The principle that there have to be penalties. There are a couple of provisions in the bill. [Dr. Massey's speaking time expired]

The Deputy Speaker: Comments? Questions? The hon. Member for Calgary-Egmont.

Mr. Herard: Thank you, Mr. Speaker. I was going to first of all thank the hon. member for talking about accountability in insurance because the previous speaker talked about the B.C. model. So I'd like to ask the member if he thinks the B.C. model is, in fact, the appropriate model.

When we read articles like there was in *The Globe and Mail* on October 22, I think it was, a person by the name of Lawrence Solomon talks about public and private insurance. I'm going to paraphrase what's in there to formulate my question. He says that in a recent study of British Columbia the Insurance Bureau of Canada found that B.C. suffers 16,000 more injuries and 1,800 more deaths because of its unaccountable premium setting. Now, the hon. Member for Edmonton-Riverview would want us to base our system on that. He goes on to say that had the government not gone down that road, B.C. residents would be saving about \$2.5 billion per year. So I'm wondering if the hon. member believes that we should model the insurance in Alberta on B.C.'s.

Dr. Massey: Thank you very much for the question. I appreciate it, Mr. Speaker. I think a couple of comments. One, I give as much credibility to information from the Insurance Bureau of Canada as I do to the Fraser Institute, and I'm reluctant to use their information.

I have more confidence in the report that was put out by the Consumers' Association of Canada where they compare the rates across the country for major cities and for provinces. I think that if you look at the information in the Consumers' Association's publications – they put out an Auto Insurance Rate Comparison Study, Release No. 3, 17 Cities in Four Western Provinces – you can see fairly conclusively that the public systems have delivered more affordable insurance rates for most of the citizens than have the private ones.

I'm not sure I have it here, but they have a second study. Yes, I do, Mr. Speaker, and it's the Consumers' Association of Canada's review of automobile insurance rates in 40 Canadian cities in 10 provinces. Again, if you examine the data from those two studies, I think you'll find that the support for publicly administered systems is justified.

Mr. Herard: Just following from that, I'm a little confused now because the hon. member did say that, you know, insurance should be accountable, and now he's talking about lower rates in certain types of insurance companies. I'm talking lives. I'm not talking rates. I'm talking about the type of rate structure that makes people totally unaccountable and therefore creates more carnage on our roads. That's what we're talking about.

Dr. Massey: I guess I have a little difficulty with the question if I'm understanding it correctly. I don't understand how someone can believe that a person would drive to endanger their life based on a premium. I really do find difficulty with that, and I think that's the assumption underneath your question.

The Deputy Speaker: Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I wish to make a point of order with respect to the question which was previously asked by the Member for Calgary-Egmont. [interjection] Well, this is a point of order, Mr. Speaker.

The Deputy Speaker: Let's have a citation then, hon. member.

Mr. Mason: I'm trying to find the citation right now, Mr. Speaker.

I know that it's there, and it is quoting from newspaper articles in the House. Perhaps you could assist me with that, but I believe that there is a section in *Beauchesne* that specifically exempts this from being used.

The Deputy Speaker: Hon. member, if you don't have the citation, we don't really have a point of order, and in all honesty I don't know to which you refer.

Mr. Mason: Mr. Speaker . . .

The Deputy Speaker: We're going to persist?

Mr. Mason: I have found something.

The Deputy Speaker: The time is up for the questions and comments.

Now, you want a point of order, but you don't have a citation.

Point of Order Quotations

Mr. Mason: Well, I do, Mr. Speaker. I've been trying to find it, and it says that "to be cited, a document must be quoted or specifically used to influence debate." This is under 495, documents cited.

496. A Member may read extracts from documents, books or other printed publications as part of a speech provided that . . . no rule is infringed. A speech should not, however, consist . . . of a single long quotation, or a series of quotations joined together with a few [statements].

So I think the hon. member has violated this in his quotation from the computer.

The Deputy Speaker: We're at 5:30. The chair is supposed to leave, and the House naturally adjourns, so the chair proposes to do that.

[The Assembly adjourned at 5:30 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, November 26, 2003**

8:00 p.m.

Date: 2003/11/26

[Mr. Shariff in the chair]

The Acting Speaker: Please be seated.

Hon. members, before I recognize the hon. Member for Edmonton-Centre, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

The Acting Speaker: The hon. Member for Cardston-Taber-Warner.

Mr. Jacobs: Thank you, Mr. Speaker. I rise tonight to introduce to you and through you to the members of this Assembly two special guests visiting Linda and I this evening with their three children, who aren't here: my son Troy, the man who runs the ranch for me when I'm here and at other times, and his wife, Stacy. I'm very pleased to introduce them and would ask that they rise and receive the warm greetings of the Assembly.

head: **Government Bills and Orders**

head: **Second Reading**

Bill 53

Insurance Amendment Act, 2003 (No. 2)

[Debate adjourned November 26]

The Acting Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much. I'm really glad I was able to get in an opportunity to speak in second reading to Bill 53, the Insurance Amendment Act, 2003 (No. 2). Now, I was able to raise some of the points that had been brought to my attention by constituents who had written in to me, and I forgot to bring them for the tablings. I apologize to you, Mr. Speaker. I was able to raise those issues when we were discussing the reasoned amendment that had been proposed.

I'd like to go over some of the other issues that I have around what's being proposed here. It strikes me that this is a bit of a David and Goliath story. I hope it has that ending, but I fear that it won't. I think that little David is going to get stoned here. Essentially, what we're talking about is individuals, all of whom are required by law, by this government, to carry a minimum level of automobile insurance. Up against that or on the other side of this, we have insurance companies, private corporations that offer the insurance under agreement of the government of Alberta. We discussed earlier how the government has an insurance review council that had in fact approved, I think, 155 out of 159 rate increases that were proposed by the insurance industry over the last 12-month or so period of time.

So, on the one side, we have Albertans who have to have this insurance, and they don't have an unending supply of money. I had outlined some of the difficulties that had been raised with me. There's one other one that I think was really interesting. My neighbour stopped me in the back alley the other day. She was walking with her son, and she said: "You know, I just want to let you know that we sold our car. That's how we're dealing with this issue of rising automobile insurance premiums." Their premiums had gone from \$1,600 to \$1,800 to \$2,400, and the family at that point said: enough. In fact, what they do is rent a car on one of those Thursday to Sunday rates, those four-day weekend rates, a couple of

times a month, and that's how they go and do their shopping and other trips that they need to take. The rest of the time they're catching rides with friends or neighbours, taking the bus, or walking, because it just hit the point for them where they went: that's enough.

Twenty-four hundred dollars of insurance for people with no problems with their driving records. They're not young people; they're not old people. You know, there's no other mark against them except that they live in Edmonton and this government believes it's okay to discriminate based on geographic location, but there wasn't much they could do about that. As a result, they just sold their car because they were not willing to pay that kind of insurance rate.

On the one hand, I think: well, okay; this might have an unexpected side benefit if we get more conservation and more working to eliminate greenhouse gases because people simply don't drive private automobiles anymore. But I think that for many, many people in Alberta that's just not a possibility. That's not a realistic solution to the problem that's in front of them.

The idea behind the premiums, or at least what individual Albertans are seeking, is an assurance that if they have an accident, if they unintentionally hurt someone else or someone hurts them, they will be looked after. That's why they're paying those premiums. They're required to by law, but they willingly do it because that's the deal. That's how they're willing to look at this, as a deal. People are quite alarmed at the idea that they would be paying money in order to be assisted if there was an accident or a tragedy, and they're quite alarmed at the idea that, in fact, they would not be able to be looked after. That's how they see that \$4,000 cap that's put in place here. In particular, people are worried for longer term recovery periods.

Now, we've heard some things from the sponsoring member that, no, they could still go to court and sue and some things are still available to them, but it's always in that area where people don't know quite what to do. They think they're going to recover from an accident with soft tissue injuries fairly quickly. They're off work for three weeks. Well, they can handle that. It stretches to six weeks. Well, it's a bit more difficult. Certainly, they're worrying about rent, mortgage payments, things like that. It stretches beyond that into three months. Okay. Now do they get a lawyer and start looking at suing, or will they be back to work any day? What's their doctor saying? That's how the time rolls out for people, and the longer it goes on, the worse shape people are in. All the way along there they're going: "Do I take the \$4,000, or do I fight this? At what point do I know that I'm in serious trouble and that I need to take a different course of action?"

Most people hope they're never in that situation, and when they're in that situation, they are by no means an expert. Very few people are in that situation more than once or repeatedly, so as an average citizen you don't rack up an experience, a knowledge base in: how much time should I be off work, and how badly injured am I this time? You don't build up that wealth of experience that assists you in whether this is the time when you now go and get a lawyer and try and fight this or you take the money. Of course, most people are saying: I need that money to pay the rent. So this is where the problem is caused for people.

Looking at that David and Goliath scenario again, we have individuals, as I said, with very little money, very little resources to back them up, and on the other side of this is a very wealthy insurance industry, that's able to purchase ad campaigns, newspaper campaigns, lobbyists. They can be very persuasive in trying to encourage people to settle, and that's part of the argument that we've heard from the lawyers who come in between these two sets going: "You know what? When people don't get a lawyer, then they don't

get as good a deal.” Certainly, that’s what insurance companies are trying to do: get people to settle for as little money as possible. The individuals are trying to get as much money as possible, and this is where the conflict is caused.

Out of all of this, if we look at having something like a cap in place, what that does, really, is remove full accountability or full accounting from poor drivers or bad drivers, and it also is taking away full compensation for their victims because that cap is put in place. That cap, in effect, says “no fault” under that amount of money or with this kind of injury. It does nothing to really punish a bad driver or nothing to really compensate someone who suffers extreme pain and suffering. I think that a piece we would not be well advised to lose is that punishment factor, and if the only punishment factor we’re looking at is, “Well, their insurance rates will skyrocket,” I don’t know that that really got us where we wanted to be.

8:10

Who’s taking the risk, and who gains the benefit from this? I don’t think we’ve got those assigned to the right parties at this point. I continue to be concerned, and we have sought answers from the government repeatedly and don’t have the answers – it’s actually been sort of made into a joke – about why the government would say: oh, it’s not right or fair to discriminate based on age or based on gender. Okay. Good. Congratulations to the government for recognizing that, but then they give us no reasoning for why they feel it’s okay to discriminate based on geographic location; that is, for those drivers that are insuring themselves to be driving in Edmonton.

Now, one of the other things that is carried forward in this bill that I had spoken against before was this whole idea of so-called double-dipping, and I would argue with that because double-dipping is when you are paying for the same action or activity twice out of the same pot. That is not what, in fact, is going on here. I’m referring to the clauses that are saying that if someone has coverage from more than one company or more than one policy, only one policy would be allowed to pay off. I really disagree with this because this discriminates against anyone who is a contract worker, against anyone who is self-employed.

Now, on the one hand, we say that we want you to take responsibility if you’re going to be out there working on your own: good on you, but take responsibility and make sure that you have insurance that covers you. Okay. Fine. Well, for a lot of the people that I’ve spent many years working with in, for example, the nonprofit sector – disability insurance, for example. You know, I’ve always carried my own disability insurance. It’s cost me a lot of money to do that, but I’ve had to do it consistently because once I get on with a company, I’m going to get a better rate if I stay with them. Occasionally I’ve had periods of employment of three or four or five years where I’ve been able to get disability insurance coverage through my employer, as I do right now as an MLA. I won’t be an MLA forever and I wasn’t in some of those other jobs forever, but if I dropped that coverage that I was carrying and paying for myself, once I was no longer with the employer who was giving me coverage, I would be paying significantly more money to try and get that coverage back.

So to individuals who work on their own – and there are more and more people that do that; we recognize that – you’re saying, “Well, we want you to keep up that insurance on your own,” but then we’re not going to let it pay off. So I really have a problem with this. If the individual is paying that policy on their own or that premium on their own, they should be able to have it pay off for them. We as legislators should not be saying: “No. Sorry. Tough luck. Only one of those policies is going to pay off in this particular instance.” I

really disagree with that. I think you are unfairly discriminating against people who work contract or are self-employed in a variety of different fields.

You know, we have to understand that people have all different kinds of lifestyles and different ways of trying to look after themselves, and they are trying to look after themselves. For this Assembly to turn around and say, “Well, we’re going to make you pay that policy on your own, but we’re not going to allow for it to pay off,” it is placing a very unfair burden on people, and I’ve never had that explained as to why the choices are made in this legislation to do that. I cannot speak strongly enough against that particular section.

That is the section that’s also, you know, reducing awards by the amounts of income tax, Canada pension plan contributions, employment insurance premiums, et cetera, so that it basically nets out. This is a reduction of automobile accident claim awards that ensures that a person can’t collect twice for the same accident. Well, why not? If they paid for two premiums, why can’t they collect twice? They paid for it. Now you’re saying that somebody can pay for something but they don’t get the benefit of it. How does that work? Why are you discriminating against these people? Particularly, you’re discriminating against people that are self-employed or who work on a contract-to-contract basis, and that covers a lot of my colleagues in the nonprofit sector who, frankly, can’t afford to be carrying this extra insurance premium and never having it pay off for them should they need it.

Those are the remarks that I wanted to make to Bill 53 in second reading. I’m not willing to support this bill in principle at second reading. It’s not fixing the problem. We started out with this because we had astronomically high insurance premiums that had increased I don’t know how many fold over the last 18 months with the total approval of the government of Alberta. That was the situation we started with. Does this bill rectify that situation? No, it does not. Who carries the risk for this? Albertans. Who does not get the benefit for this? Albertans. Who does get the benefit? Insurance companies. So I’m not at all happy with this bill at this point.

Thank you.

The Acting Speaker: Hon. members, Standing Order 29 kicks in. Any questions for the hon. Member for Edmonton-Centre?

There being none, the hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I’d move that we adjourn debate on Bill 53.

[Motion to adjourn debate carried]

head: Committee of Supply

[Mr. Shariff in the chair]

The Deputy Chair: We’ll call the committee to order.

**head: Supplementary Estimates 2003-04
General Revenue Fund**

Agriculture, Food and Rural Development

The Deputy Chair: The hon. Deputy Premier.

Mrs. McClellan: Thank you very much, Mr. Chairman. I’m pleased to begin the discussion in Committee of Supply as Alberta Agriculture, Food and Rural Development has a large amount of the vote we’re going to talk about tonight.

The majority of the dollars that we are addressing tonight are to handle what could have been a very devastating situation with the single case of BSE that was discovered on May 20. That pretty well brought our industry to a standstill, and it became very apparent very quickly in discussions with the industry that action would have to be taken very quickly to move what we thought was about 650,000 fat cattle out of the feedlots in our province, which turned out to be closer to a million head of fat cattle.

Of course, a large part of this is what we called the Canada/Alberta BSE recovery program. After that program concluded, of course we found that there were still many thousand head that were not covered. We felt it was important that we recognize the deep concern that there was going to be a real hole in our marketing in about October or November the way the cattle were passing through, so we introduced the market set-aside program and covered about 110,000 head in that.

Of course, when we got the good news that the border was going to open for boneless cuts of meat, we still had a fairly large number of fat cattle in our yards, but we felt it was important that we design a program that would put some market and price determination into the industry. That may have been our most successful program.

In both of the programs that Alberta introduced on their own, market prices moved up in the first instance about 20 cents and close to 30 cents, and we're seeing them drop back a little bit now but still reasonable.

8:20

So those were some of the things that we covered with the bulk of the money, but maybe as important are the smaller amounts of money that are in BSE recovery. Of course, one is the expanded lab facilities. We will be, through Infrastructure, building a level 3 lab in Alberta. When the federal government through CFIA did a review of labs across Canada, they found a very strong lack of labs west of Manitoba. This will respond to that, but maybe as important are the improvements to our level 2 lab that will allow us to do the quick test, and hopefully at some point that will be recognized as the test.

Right now we do quick tests. If we were to find a suspicious slide, then we would take it to what we call the gold test. Quick test can be done in four or five hours and probably costs a third of what the gold test would, but it is important that we have those facilities and that we have staffing for them, and that is in there.

The latest thing that we've dealt with in BSE of course is what we call the mature market cattle and other ruminants, and that is for breeding animals that are extra to the breeding program but still are a good beef product, to try to assist moving those through. Of course, the Alberta program does offer marketing choice. It allows the producer to keep it, gives them what would be about a daily feeding allowance, and/or to send it to slaughter. We think that's important because it's important that we have the capacity to slaughter these animals, which we don't today. It's important that we have a place for the product after we do slaughter them, which we don't today. Seventy percent of that product prior to May 20 went into the U.S. We do have the opportunity to turn this challenge into an opportunity and develop that market here, and we believe that will happen, but it'll take a bit of time.

The last thing I'll just mention is our farm water program, which the federal government is cost-sharing with us this year. We're very pleased to have them participating. This is something that we think is incredibly important. The grasshopper control program as well, which, again, the federal government is co-operating with us on, and then our funding for what will be the Canadian agriculture income stabilization program. We think it's a good program. We're trying to encourage at least one of the two provinces that need to sign that

agreement to resolve their issues with it and get on with having a good safety net for our producers into the future. We believe that through raising the caps on that program, which we have agreed to do in our province, we could handle anything, including perhaps what we had this year. The old program simply wouldn't under its levels.

So I would prefer to take some questions rather than use time in discussion. As I have in the past, if I don't give you the answer tonight, I will respond and you will have it before the end of session.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I'd like to thank the minister for her opening comments. She does answer the questions promptly and in writing if she can't give the kind of detail she wants at the time, and we do appreciate that.

With regard to the moneys asked for here in Committee of Supply in supplementary estimates, I have a few questions that she probably can answer this evening. I know that we've heard lots of talk about the global impact on the province from this experience that we had this past year, but I'm interested in a more representative discussion about a local impact on small-town cow/calf operators, small feedlots, things like that. How many have we lost for good in the province? Is there any assistance for those who are on the verge of bankruptcy and may or may not get through the winter?

I know that often in business we want the marginal businesses to disappear, but farming has a bit of a different history in this province, and we know the impact of losing those farmers in the communities economically in terms of other kinds of ripple effects and spin-offs. So if the minister could address that for me, I would really appreciate that.

Can she explain for us tonight one more time, because I'm not sure that I know the exact sequence of events, how come it took so long to get that initial cow tested?

Also, I'd like to know what percentage of our export market is outside of the U.S. We heard a lot about the U.S., and we heard a lot about Japan, but it seems to me that we have export markets in other countries.

Also, I'm wondering what the impact is on our export possibilities if the Common Market stays closed to us and other countries join it in Europe. So if she could answer that.

The grasshoppers. I had forgotten about that, so thanks very much for mentioning them. It seems to me from what I've read and heard that next year is going to be a very bad year in many regions again, that all five of the species that are prevalent here are going to be a problem. Are you anticipating building into the next year's budget some dollars to cover that, and can you talk just a little bit about the kind of impact that has? When you have a double whammy in agriculture of either drought, infestations, or something like the BSE, it's pretty hard to recover from.

In agriculture I had one more question, and that is: are you using any money for research to find a live test for BSE, and would that come out of your department or would that be in conjunction perhaps with science and technology? If that's the case, could you give us any kind of an update on what kind of progress is being made there.

So I'll ask a few more questions of a few other ministers, but those are the questions I have at this time for agriculture. I'm just going to go down the list in the order that they're here in terms of the questions I have.

The office of the Information and Privacy Commissioner is getting a little more than half a million dollars in the supplementary estimates, and we would like some detail on what that is. When they

just come in as a lump sum line item, we don't get any breakdown on them, and it looks like this is for additional services on the Personal Information Protection Act, but we would like some details. We knew this was coming. We knew what costs were going to be associated with it, and it seems like to ask for another half a million dollars for this last quarter seems quite substantial.

Perhaps I'll talk now about Sustainable Resource Development because the other big whack of money this time is I'm assuming primarily for the fires. Maybe before I ask my questions, actually, I'll ask the minister of agriculture to answer whatever questions she can, and if the Minister of Sustainable Resource Development could talk about the fire expenditure, and then I'll ask my questions.

Mrs. McClellan: Yes. On the local impact. The impact is very, very far reaching as I said in the House yesterday, and it's not just the small towns. In the capital region there are about 167 companies that process food and beverage, and a large amount of that is often in the livestock area, and beef is the largest of the livestock. Pork is second. So the impact is everywhere. It's in the corner café; it's in the hardware store; it's in the dress shops; it's at events in the community. It's everywhere. So beyond the traditional, what we think of as the industry – the trucking industry, the retailers, the processors, the packers, the cow/calf operator, the feedlot guy, and the auction markets that didn't hold sales – those are sort of the ones that are right immediate in it. All of these others were impacted in a huge way.

We haven't lost any, and that's the good news. Will we? It's possible. There were probably some operations – there always are – that may have been marginal or having difficulties before BSE that may have trouble surviving, but we haven't lost any.

I give a lot of credit to the Canadian bankers as well as our own institutions here. Minister Vancilief had a meeting early on with the Canadian Bankers Association. We had a follow-up meeting in Calgary with the western regional bankers, including Ag Financial Services here and ATB, and told them that we would as much as possible keep them informed as to what we knew of the state of how things were moving. We've had a couple of follow-up discussions with them since, and I think that's been really helpful. They don't want to own a whole bunch of cattle, and this is some major parts of their portfolios, and they don't want to lose it either. So we've been working together on that.

8:30

On the test we have a policy – and we won't change this policy – that animals that are tested to go for human food consumption will be first. Nobody has ever disagreed with that. Had this animal shown any signs of neurological problems, it would have been probably put on a priority test, but it did not. It was down, and it was condemned immediately. It didn't even come close to the food chain. The pathology suggested that it had pneumonia and was thin. Of course, we all know that the only test for BSE right now is brain tissue slices and testing, so that is the sequence.

We had a heavy, heavy cull of older cattle in our province last year because of the drought, so of course there was pressure. There's no question. Will our improved lab facilities address that? Yes. Will we reduce our testing? No. We were testing at probably three and a half times the OIE requirements, and we feel that that's important.

On the export side, quickly, the U.S. continues and will continue to be our largest customer, almost 40 percent. We consume probably 13 percent, maybe, in Alberta, 15 percent to Quebec, and a little bit to the rest of the provinces. Four percent of our product goes to Japan and close to 15 percent to Mexico. It is a growth market and has grown in a huge way in the last 10 to 15 years. Europe is a

smaller player, but every market that we have in the world is important to us, whether it's \$100 million or whether it's our U.S. boneless beef, about \$1.3 billion the year before this all happened. They are all important, and you have to continue to look for new markets.

The grasshopper program. This is our second year of intensive assistance for our producers. We'd like Mother Nature to look after it. We need a cold, wet spring. One thing that's encouraging to me, although I haven't had any scientists tell me what the reason is, is that a number of producers are telling me that they found grasshoppers dead on the heads and that were discoloured in fields. That could mean something because it's usually a parasite or something like that that Mother Nature brings in that really deals with it. The outbreak was bad, but it was more localized than last year, and when you have drought, you're going to have them.

Are we doing work on a live test for BSE? CFIA is generally our agency for dealing with that type of testing. We've had any number of people come forward and say: we have a test. I hope we do, but unless it is approved by the international community, it doesn't matter. So, yes, we need to keep working on a test, but we have to make sure that it is recognized by the international community, because for just us to do it and say that this is good won't work. So we worked with CFIA, with the U.S., with other countries because we'd all like to have that test.

I'll conclude there.

Sustainable Resource Development

The Deputy Chair: The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Chairman and hon. members. As the Minister of Sustainable Resource Development I'm here to discuss the supplementary estimates to my ministry's budget. As you well know, these estimates relate to the forest protection area and the Natural Resources Conservation Board.

To begin with, I will speak to the increase in funding needed to deal with another busy fire season. The supplementary estimate is a result of a very challenging fire season, although it was not as big as the fire season before. I believe the previous year we spent over \$319 million on the fires and burned over 5,000 hectares of forested area. This year we're considerably less than that. Additional to our existing budget of \$75 million, we are requesting another \$126 million to deal with, of course, additional resources and costs associated with fire fighting.

As many of you will remember, we dealt with the Lost Creek fire this summer in the Crowsnest Pass area. This was a huge fire that took place in the mountains, a very challenging terrain to fight fires in. Fighting a fire in the mountains is very, very difficult and costly. Between this fire and over a thousand other fires about 57,000 hectares, or 142,000 acres, were burned this past summer. As well, approximately 3,000 individuals in seven communities were evacuated, and thanks to Municipal Affairs and the municipality and the MLA, of course. They did a super job in that particular process.

Due to the hard work and organization done by the staff and the disaster service area in the municipalities and the local volunteers, we did not lose any structures. We did quite well compared to other jurisdictions around us, when you watch the TV, all the houses that burned down. Our staff and resources that we had out there did not lose any structures.

We had crews at 25 primary camps and 15 secondary camps throughout the province, and 128 lookout towers were in full operation throughout the summer.

This just gives you some idea of the size of our operation, both in personnel and keeping our equipment on the move to the right places at the right times. This is why we are requesting the supplementary estimate of \$113 million in protection costs and \$13 million to deal directly with the FireNet communications system, which is just being finalized this fall. It, of course, is a telecommunications system that will be in place by early spring. It will enable us to know where our resources are in the field when we are fighting fires. So we should do a better job and have safer communities and, at the same time, protect our forest resources, because it is getting more and more challenging.

Communities have expanded into forested areas. Industries and recreation activities have also increased, especially as our economy improves. There are more than 320 communities now in the protected forest areas. Of course, many of those are at reasonably high risk from wildfires. I would hope that the hon. members here tonight will support these increases.

8:40

In the area of the Natural Resources Conservation Board, as you know, the NRCB has been given an additional mandate as of last January to deal with confined feeding operations, or CFOs. Basically, when the NRCB assumed this responsibility back in January of 2002, which I just mentioned, we knew that the increased role of dealing with these applications would require additional funding. However, we made the decision to wait and see what kind of increase would actually come into place. Therefore, this is why we now want to make sure that we didn't over budget. At the same time, we want to make sure that there was a process in place to ensure that the additional finances that are required to continue operating are put in place, so we are asking for \$0.6 million to offset the ongoing operating costs.

So I'd just like to again thank you for giving me the opportunity to do the presentation here tonight. I'll try and answer as many of the questions as I can without taking the whole evening, and I will also ask my staff, then, to review *Hansard* and answer any of the questions that could be answered in writing.

Thank you.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I just have a few questions for the Minister of Sustainable Resource Development. The fire was quite impressive this year in the mountains. It's the first time my kids had ever driven through a road that had been closed and then temporarily opened and the smoke and the firefighters and the watering down of the firebreaks, and when you see how the fire has crowned and then it's jumped the road, it's something to see. When you can't see the sun because the smoke is so thick and you can't breathe the air, it gives you some idea of the kind of impact fires really do have.

[Mr. Johnson in the chair]

Driving through that fire I wondered whether you had any reciprocal agreement arrangements with the province of B.C. and whether you shared workers and resources to fight those fires in the mountains this year, and if you did send help to the interior of B.C. with their fires, we'd like to know what that was.

You talked about lookout towers. How many do you have in total, and how many of them are actually staffed during the summer? I know that in years past there's been some discussion about some of them being shut down and hours reduced and so on. So if the minister could review that for me, that would be very helpful.

I'd like a little more information on the communications system that you're putting in place, specifically the reasons why you think it's going to improve the situation you have there.

Also, I would like you to comment on whether or not you have a process for reviewing the way the dollars are spent after the fire, a systems audit from the inside out to see where you could be more effective and where you could save money. I know that when items required by the crews are needed, they're needed immediately, so they must be bought, and that's not a very efficient way to operate. We can't anticipate all needs, but I'm wondering if you do take a look at that and look at doing any kind of internal audit after the fact so that the systems can be improved. These fires are hugely expensive, and anything we can do to improve the efficiency of the people on the ground means the fire goes out faster and means we save a lot of money in the long run.

The other question I have is – it's just slipped my mind, what it is now. Just blew right out of my head. It's about the fires.

Mr. Lund: How they start?

Ms Carlson: Yeah, how they start. That's exactly right. I know that changes are coming in to find people who start them. Thank you. It's a minister who had to answer these questions from me in the past who knows the kinds of questions I ask. Actually, how do you see that happening on the ground? Our questions during debate before were things like: if your teenagers are participants in a party and start a fire as a result of not properly putting out a campfire they might have started, who's going to be held responsible and what are the fines going to look like? What are industrial fines going to look like? I know that trains start a lot of these fires, and how do you see that process being managed? So if you could give us a bit of an overview on that, that would be helpful.

Thank you. Thanks, Ty.

Mr. Cardinal: Thank you very much. I won't be very long. Again, like I said, my staff will review *Hansard* and answer most of those questions in writing.

I do have, you know, a few comments in relation to reciprocal agreements with B.C., Saskatchewan, and other jurisdictions. We do have an understanding that if they require our resources, as long as our situation is in a reasonable state, we will go there and help.

The other area that we're looking at right now which you may be interested in – and you may actually help us to talk to the feds – is the issue of reciprocal agreements in relation to the purchase of new water bombers. We could use your help in that because I believe that between Saskatchewan, B.C., and Alberta we could probably afford to use the same planes in fighting fires. Some of those new planes move very fast and are very effective. Therefore, we are in fact talking to the company that produces those planes now, and we'll continue those discussions.

That is really going to help in relation to being proactive. We have a policy in Alberta now – and former ministers, of course, had that too – that early detection and early response is the key. If a fire starts, for example, in the evening, we will have our water bombers on-site by 4:30 the next morning. The old policy used to be that they'd start about 10:30 in the morning. By then, the fire was gone. We are making some of those changes. We have over a hundred lookout towers yet, and with the new operations that are being set up under the FireNet program, of course, we'll have a quicker response and quicker communication system in relation to identifying where the fires are.

The other area in relation to reviewing the fire costs. Those are pretty detailed, and we like to do one year-to-year, so I'll get that one

in writing to you to show exactly where the dollars are going, more than this year but, say, three or four years in the past. That will give you an idea how we arrive at trying to estimate what our budget should be.

As far as fires, about 40 percent of the fires are started by man, and we do investigate all of them. In cases where we do find whoever started the fire, they are charged, and we will go through the court systems. We have done that in the past, and we'll continue doing that.

I think that covers some of the questions you had, and the rest we'll answer in writing. Thank you.

Ms Carlson: Thank you very much.

Community Development

The Acting Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. I am a critic on five departments, and four of them have supplementary supply in this document. I'd like to do one of them right now, two if I can, and then I'll come back later and do the others.

I'll draw your attention to the supplementary estimate requested by Community Development appearing on pages 33 to 35. This is indicating that, in fact, there's \$5 million that is being allocated, \$4 million of which is coming back, helping to offset the total cost, so there's only \$1 million being requested. But it is looking at a reallocation of \$5 million toward "operations and maintenance of libraries, provincial parks," and then just "other publicly supported facilities." So my first question is: could I get a detailed list, please, of the money under vote 5.2.1, cultural facilities and historical resources grants? It appears to be \$900,000. Could I get a detailed list, please, or explanation of which facilities and exactly what's being done?

8:50

Then I'm curious with the other two. A budget was passed here six months ago. It was passed in May. We're back here in November, and there are proportionately substantial requests for this department, anyway, for libraries and provincial parks. Under vote 2.2.2, library operating grants, we're looking at a request of \$1.658 million, and for the parks, vote 6.0.3, we're looking at \$2.442 million.

So I'm wondering, given that we've just had a second quarter update or something today, if what I'm seeing here – and maybe the minister can talk about this – is that we only see these two areas move forward when there is a surplus from which money can be allocated. Does the minister consider that that is appropriate management of our assets like libraries and the stock that they have or, for example, the provincial parks, which are an asset belonging to all Albertans? Is that appropriate management if we only get the money put in here when there's a surplus? Does he recognize, then, that this is in fact creating an infrastructure deficit if that much-needed money only goes in when there's a surplus or when he can convince his colleagues to allocate it?

It's not as though this department doesn't know this. In the budget that we passed six months ago, Alberta 2003 budget, under Strategic Issues, appearing on page 92 of the business plans, notation number 2 under Challenges and Opportunities, "rising expectations of Albertans for equitable access to the public library system from anywhere in Alberta in support of their work, leisure and learning goals" is understood to be a challenge and an opportunity here. So this is not news.

We've got two or three notations – 8, 9, and 10 – that are talking about the public's expectations for outdoor recreational activities, protection and preservation of provincial parks and protected areas, protection and monitoring of parks, "integrating new information technologies . . . to optimize the preservation, protection and presentation of Alberta's history, culture, provincial parks and protected areas." Number 11: "needs to upgrade and renew the aging infrastructure for provincial historic sites, museums, interpretative centres, parks and protected areas."

So obviously the department and the minister were well aware of the pressures here. We didn't particularly, I don't think, see increases in those areas in the budget. Here we are six months later on the very day that we have a surplus announced, and now we've got a matching supplementary supply request. So I am curious about the management strategy here.

You know, I have to agree with the need for the provincial parks because I had started to notice this. I went out this summer and did a short tour, stopping in as many of the provincial sites as I could find, and I agree with what the Auditor General was pointing out, that there was a definite need to have a close look at upgrading and maintaining these assets because they have fallen behind. Some of them were in quite good condition, and in other ones, you know, the signage had come down and had not been replaced or had been tacked up or pieces had been broken off a sign, the boulders and the landscaping at the bottom had never been replaced, the male and female indicators on the outhouses were missing, railings were broken. I mean, that's just a small sample of some of the things that I saw.

I have to point out that it was uneven. In other ones, there was nothing that I could complain about. It was in very good shape. It was well-maintained. The parks people were excellent. It was well-signed. It was well-lit. Everything you would expect from our parks system.

So what I'm seeing is that the experiment to privatize the maintenance of the provincial parks was not a success, and I notice that in a number of places where it had been privatized to the nonprofit sector or privatized to other groups outside of government to do the maintenance, it's quietly now been taken back. In the local park next door to where I often go, it was the local fish and game association that took over the maintenance. They tacked a sign up over top of the familiar Alberta parks sign, and now that's quietly disappeared. Obviously, Alberta parks and recreation is now doing the maintenance on the place again. To my eye – and I'd like to hear the minister discuss it – I think the decline in quality and the problems with the maintenance in the provincial parks has to do with that attempt to privatize the maintenance. I'd like to hear his discussion on that. [interjection]

My colleague from Edmonton-Glenarry is quietly musing about what's protecting our investment in all of these parks across Alberta. And that's the problem: I think it's not being protected particularly, and it's certainly not being kept up. So I'm looking for the detail, and I'm also looking for a larger discussion around how this is going to be managed. Obviously, the department sees it and understands it, it's in their Strategic Issues: Challenges and Opportunities section. But is this how it gets managed? Only when we've got a surplus and maybe if he can convince his colleagues on Treasury Board to okay it do we actually get some movement forward here? If that's how we're going to do this, I think we're in trouble with protecting those assets.

Those are the questions I'd like to start with. I'll maybe stop now and get an answer from the minister and see if there's a need to follow up with the additional questions that I have. Thank you.

The Acting Chair: The hon. Minister of Community Development.

Mr. Zwodsky: Thanks very much, Mr. Chairman, and thank you to the hon. member for her comments, most of which were very insightful and perhaps will even prove helpful in the long run.

I want to begin by saying that the total requested moneys, total moneys requested that would be new moneys over and above my budget, are indeed only \$1 million, as the member has accurately pointed out. The total moneys from the '03-04 economic cushion that we're really looking at, which is a combination of new moneys requested plus other moneys being reallocated, does in fact come to \$5 million, as she has pointed out.

Basically, what we're looking at here is cost pressures for daily operations and routine maintenance items that exist in the libraries, the provincial parks, and other publicly supported facilities. The largest of that group, by the way, is the museums. We have literally hundreds of museums throughout the province. A lot of them are small community museums, some are mom-and-pop-type operated museums and, of course, our own.

In any event, to answer the first part of the question, we did identify that there was \$4 million allocated in the existing budget of Community Development for '03-04 for the First Nations development fund utilization. Because those funds will not be utilized this year because there are no eligible casinos in operation this year, I proposed and received permission so far to have those funds reallocated elsewhere in the department, and I'll comment a little bit more on that. So, in other words, there was no need to flow out \$4 million for First Nations gaming purposes, because there weren't any approved under the criteria established.

The additional funding, however, will help us to maintain some important program areas which the member has alluded to and will help expand that high quality of life that we're all striving to see in every aspect of the government's operations. I should say that it's quite a challenge, obviously, meeting some of these priorities. I don't want to imply that any of the areas were necessarily underfunded, but I would say that it's always desirable to have more funds for areas that haven't enjoyed the same kind of increases, perhaps, that other government departments have enjoyed. In that respect, the changes in our budget before us tonight from the supplementary estimates side certainly do affect the parks and protected areas aspect of the department the most. I'd like to just explain some of that.

9:00

The area for largest reinvestment, if you will, which includes new moneys, the \$1 million new and some reallocated funds, totals \$2.44 million, and that would go to public safety aspects and maintenance aspects at various provincial park facilities. I know the member had indicated on a few occasions that she wanted a larger discussion on this, and we can certainly have that discussion, but it would take probably longer than we have here tonight, so I'll do my best to sort of summarize it for you. In the end, if you wish to see a complete list of every detailed expenditure, where the money went, I'd be happy to provide that to you once this has been approved and we've actually made the expenditures happen.

The funding before us is an interim response to the larger issue of, indeed, some deteriorating facilities in our provincial parks and protected areas, and we do have a reinvestment strategy already prepared. Unfortunately, I didn't have the success that I had hoped last year in presenting it for consideration, and there were reasons for that, but I have that reinvestment strategy prepared again. It will be going forward as part of the request for the overall '04-05 budget cycle. I know it will be given very serious consideration there.

[Mr. Shariff in the chair]

Nonetheless, we are committed to doing the best we can with the moneys that we have. Just in general, on the question asked about why the parks area, 6.0.3, is getting the larger amount in this reallocation and new investment scenario, the answer simply is because the parks and protected areas are the only area within Community Development that I was not successful to get an increase for in the '03-04 budget. As you will know, I'm sure, we got an increase for libraries; we got an increase for all of the foundations. The Alberta Human Rights, Citizenship and Multiculturalism Education Fund Advisory Committee got an increase. The Wild Rose Foundation got an increase. The Alberta Foundation for the Arts got an increase. The Alberta Historical Resources Foundation got an increase. The Alberta film development fund got an increase, and PDD got an increase, and I could go on and on. But the parks area did not. It's unfortunate, but that's the fact.

So we're trying to get that base budget increased in the coming budget discussions. In order to help offset some of the cost pressures, I thought it would be prudent to put a little bit more into the parks and protected areas budget, albeit on a onetime basis. Nonetheless, at least there will be something that will be put forward, assuming that we approve these supplementary estimates tonight. So that answers that question, I hope.

The other question was with respect to public libraries. I alluded to this a little earlier, and I did indicate that we saw the first increase to the library system in about 10 years, but in fact that increase, as the hon. member knows, I'm sure, only took us back up to where we were in around the 1993-94 period. Nonetheless, it was \$1.3 million more, for a total of approximately \$18 million for libraries. As a result of that \$1.3 million, we were able to increase the per capita rate from \$4.03 up to \$4.29 and also the per capita rate for library systems, which, I believe, went up from \$3.07 to about \$3.22, again per capita, and those were very helpful items.

These specific new moneys that we're talking about tonight are on the operations and maintenance side, quite specifically. Based on the calls and letters and so on I've received so far, the anticipated use of moneys and any increases will be very appreciated by the library community. So we're hoping to make a difference there. With that in mind, the onetime funding within the \$4 million reallocation for libraries will amount to about \$1.658 million, or roughly \$1.7 million, to be reallocated to library boards, the systems, and some special library projects that some of the libraries might have in mind to help them with the increasing operating costs.

The final allocation, Mr. Chairman, of funding to other cultural facilities and historical resources grants, which show up in the estimates as \$900,000, are indeed for the museums area, and I know that the museums are another area that are struggling with operation and maintenance costs. So we were able to make some additional moneys, again from the reallocated portion, available for extraordinary operational costs to the member agencies who are part of the Museums Alberta network and also to the Alberta Society of Archivists. With those funds, we're able to help about 207 small museums or archival-type facilities and about 20 larger counterparts across the province. Again, should the hon. member wish to have a detailed list of the names of those museums and archival facilities, their locations, the amounts, whatever it is that you'd require, I'd be happy to provide them to her at a later date.

So with that, Mr. Chairman, I'm pleased that we're able to reallocate some funds within the department's budget for a total of 4 million in reallocated dollars plus the \$1 million in actual new moneys asked for in tonight's supplementary estimates to help improve conditions and circumstances for parks and protected areas as well as public libraries and grants to local museums and archives.

My final comment would be with respect to the question about the management strategy. I did allude to that earlier, but the bottom line is that with respect to provincial parks and protected areas I would certainly be the first to agree with the hon. member that we do need more investment in that area. We are suffering from some seriously dilapidated and otherwise run-down facilities in many cases. Now, that having been said, there was also a downsizing in staff, which I'm sure you were aware of, that occurred over the years.

With respect to the management strategy I guess our strategy is to do the best we can with what we have but to continue to put the pressures forward and try and make the case for the '04-05 budget cycle for a significant investment to be made if possible, recognizing, of course, there are all these other cost pressures in health care and education and in roads and infrastructure and mad cow disease and fires and so on, and the list goes on. We've heard those speeches before. I'm hoping that within the balance overall that the government tries to find, parks and protected areas will receive some level of prominence. I don't know the outcome of those discussions yet because they're not concluded, but I'm sure trying my best to ensure that we get those additional moneys, and once we have them, then we'll be able to put forward a much better management approach and management strategy to in some cases restore the parks and other facilities in those parks up to the standard that tourists and Albertans alike are more accustomed to. Where we aren't successful, then we'll have to reshuffle and rejuggle and try to do the best we can in those areas to fulfill the strategy of providing continued excellent facilities for Albertans and tourists to our province.

So perhaps I'll stop there, Mr. Chairman, and see if there are any follow-up questions.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you. I'm sure that the minister knows that I'm going to support these requests for allocations. I just have really serious concerns when I'm hearing a management strategy that is – and I'm sure this is, you know, not for any lack of trying on the minister's part; it's more of an overall response. But when I hear that routine operations and maintenance are subject to a supplementary supply, there is something wrong here. We are talking about assets that belong to all Albertans that are deteriorating, and we can't even keep them up to any kind of a standard here. This is some wild game of catch-up that happens long after the fact. I have to put on record my deep and serious concerns with this as a management strategy.

We know recently from the paper that Kananaskis Country is in trouble. It's an area that people are very attracted to. There's heavy usage of it, and there's not enough money going in there to keep up the public safety aspects and the environmental protection aspects of that park and of the access into that protected area. So we legislators have a stewardship role on behalf of all Albertans to safeguard their assets, and this is not happening here.

9:10

We have a deterioration in the value of assets in our parks in these historical sites and cultural facilities and, I would also argue, with our library stock, and that will now become the electronic equipment that becomes part of the library experience, so not only the buildings and the books but also the electronic infrastructure that goes along with it. This is a serious problem, and frankly I don't think there should be a surplus. I think this money should be allocated adequately to begin with, and I think there's something seriously wrong when we're having to cheat a number of areas of the adequacy of their budgets in order to roll over these stupendous surpluses and

then reallocate that money. Something is wrong here. We are not keeping up the asset base that belongs to all Albertans.

I will officially put on record, then, my request for the list of exactly who and for what reason gets the funding under the parks vote and also for the list of the 207 small and 20 larger museums and archival facilities that are receiving money under the 5.2.1 vote.

So those are my comments for the Minister of Community Development, and I will support his request for that allocation.

Solicitor General Justice

Ms Blakeman: I'd like to turn now to the Solicitor General, whose supplementary estimate is appearing on pages 91 to 95. Once again, I make the note that a budget was approved a mere six months ago, in May of '03. Here we are in November of '03, six months later, and there is a request here for \$3.5 million. The obvious question is: why wasn't this money in the last budget? Why is it coming forward six months later? What kind of planning process are we in that six months later we have a request for \$3.5 million?

Now, I mean, with this government now spending – how many billions? – \$24 billion, \$3.5 million isn't a lot in the scheme of things, but it's still \$3.5 million. I say: "Okay. Well, was this a surprise? Was this an unexpected amount of money? Did something stupendous happen here?" That's what I expect supplementary estimates to be. It was unforeseen expenses that we now have to go and find the money to pay for because the government was in a position where it had to pay out money that had not been previously budgeted. But every year this supplementary estimates book gets thicker. Every year there are more departments that are requesting funds, and I'm going: "Okay. Well, was this a surprise?"

I go back again. I look at a document that's six months old; that's the Alberta 2003 budget. I look under the Solicitor General's business plans to see if there was anything in there about organized crime or gangs. Somehow was this amount of money so unanticipated that it now has to be fit into the plans? Well, no. Under goals, strategies, and performance measurements, appearing on page 351 of the business plans, strategy 1.2: "Support the Provincial Organized and Serious Crime Strategy in partnership with Alberta Justice, the Criminal Intelligence Service Alberta (CISA) and policing services." This is flowing out of the justice summit theme: to enhance community partnerships. So, no, this is not new.

Okay. I keep looking, and under 1.17, same page, under the Solicitor General's business plan, "Work with law enforcement and appropriate federal government agencies in developing a proposal to address gang activity in Alberta." Obviously, the Solicitor General is aware of the issue. Why wasn't the money budgeted six months ago? Why wasn't it already in the budget? There's not a new gang organized crime problem here. We've known about it for some time. My colleague the Member for Edmonton-Ellerslie has been working with her community on organized crime and gang crime problems for years. So this is not a surprise. This is not unexpected.

Ms Carlson: And unfortunately going to funerals frequently.

Ms Blakeman: Yes. My colleague is pointing out that she's been attending funerals because of this kind of crime activity for an equally long period of time.

My point is that this is not unexpected activity. So why, six months after the budget was approved, are we back here with a request for additional money? Why wasn't this in the original budget? What is going wrong with the planning and budgeting process in this government that they can't even hold a budget for six months? They're back here for things that are in their strategies.

They're in their goals. They're well known. They're well anticipated. What's going on here? What's wrong?

Now, when I'm looking at the money that's been spent under this vote in which the additional \$3.5 million is being requested, which is under Policing Programs, specifically provincial policing programs, vote 2.2.2, in the 2002 budget that provincial policing vote was \$103.4 million. In the budget year that we're in, it was \$106.9 million. And now we're having it go up to \$110.4 million for that. That's a significant increase over that period of time. That's more than 6 percent that we're looking at being increased in that one line item. I keep hearing about holding the line and not getting out of control. Here's 6 percent.

Once again I say: okay; well, then, where's the plan? I was on my feet in this House this week asking the minister to release the manual that is long promised and the plan for implementing a policing strategy in Alberta. I'm assuming that this \$3.5 million is part of that policing plan. It's part of that vote. Well, where's the manual, and where's the policing plan? I'm told by her: well, we don't have it; we're working on it. I think it was pretty clear from her answer that we're not going to get it.

When I asked for the province's official response to the MLA policing review, we're not going to get it. When I ask for her to release the corrections review report from the MLA committee that taxpayers funded, we're not going to get it. A lot of money has been spent here. A lot of backbenchers were sent around the province and around the country exploring things. Obviously, decisions are being made, but the taxpayers don't get to see the reports on which these decisions are being based. We're also not seeing what the government's official response is to the recommendations coming out of both of these reports, policing and corrections.

So what's the deal here? There's a serious lack of disclosure coming out of this department. There is a serious lack of accountability. There is a serious lack of planning. Here we have it back again for an additional amount of money six months after we just passed a budget. I think this minister has some explaining to do to the people of Alberta about why certain choices are being made and why there is such a problem with disclosure and accountability in this department.

We have no idea what this money is going to be used for. All we get is one sentence that says, "This Supplementary Estimate of \$3,500,000 is requested to implement the integrated response to organized crime and gangs in Alberta." Uh-huh. So where's the report that this is based on? Where's the government response that this is based on? This is based on thin air, and this is a serious problem, and Albertans want to know what the government is going to do about it. We're getting a one-line response, and we're not getting the two reports we've already paid for.

So I think this minister needs to buckle down and do some work. If I can get a response tonight from this minister, I'd be delighted. Perhaps someone else can fill in.

Okay. Moving on to Justice.

9:20

Ms Blakeman: There's a request here for \$1.5 million to provide for improvements to the maintenance enforcement program. My favourite. A long history between myself and this and the previous Minister of Justice and Attorney General flowing out of a question I asked many years ago now around maintenance enforcement which resulted in the creation of the MLA review which was chaired by the hon. Member for Calgary-Lougheed and resulted in legislative change, which I think for the most part has been very positive legislative change.

But once again I'm saying to myself: is this a shock? Is this unanticipated? Why are we looking at having to do supplementary estimates now, six months after the last budget was passed in this very House?

That's it. All it says is: "This Supplementary Estimate of \$1,500,000 is requested to provide for improvements to the Maintenance Enforcement program." So perhaps I'll sit down and allow the minister to tell me why he needs an extra \$1.5 million at this point. I'm sure I will support him in it, but once again I'm questioning this process. Do you only get to add much-needed infrastructure money, I'm assuming, when there's a surplus? Are you satisfied, then, with that kind of a management plan for infrastructure? I would argue that we are creating an infrastructure deficit here, but I'll allow the minister to answer those questions.

The Deputy Chair: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Chair. We do have a Minister of Infrastructure, and I guess that if there were questions about infrastructure, he'd be delighted to answer them. But, actually, this has absolutely nothing to do with infrastructure; it has to do with operations.

Mr. Lund: I wasn't listening to them.

Mr. Hancock: Don't worry. It had nothing to do with infrastructure. It has to do with the operations.

I'll speak to two aspects of this. The first is, of course, the process. There has been quite a bit of rambling with respect to the process, both with respect to the Solicitor General and to Justice, and then some specific questions.

The hon. member will know or ought to know that there is in the budget each year a 1 percent contingency line, which allows for some in-year adjustments, a very modest amount of in-year adjustment under that line. Nonetheless, as we move through the year, there is an opportunity there to bring forward projects that hadn't previously been funded or business cases on something which ought to go forward.

If one can make the case on that and it looks like the contingency allowance won't be needed for urgent in-year pressures, there may be a way to make the case that a project which has been in the planning or which has come to fruition, come to that part of the planning stage, perhaps ought not to wait until the next business plan year for it to go ahead but perhaps can go ahead in-year with a modest amount of supplemental funding.

What we're talking about here for both the Solicitor General and for Justice is really modest money. Three and a half million dollars is a lot of money to me, but in terms of a \$20.5 billion budget it's really a modest adjustment and for two very important projects. For the Solicitor General's project, the integrated organized crime and gang enforcement unit, which is really an adjunct to the concept that was set up with CISA where RCMP, Calgary and Edmonton Police Services will be working together, pulling together an enforcement unit with respect to investigations and cracking down on organized crime.

The hon. member is absolutely right. This is not a surprise. It's something that has been known about and worked about, but as we go forward in terms of finding newer and better ways to deal with issues in our community to make our community a safer place, we try and figure out the best, most effective way to bring together resources.

So during the course of the past year or so there have been discussions about how to best organize to combat organized crime. We're able to bring that forward together, and the Solicitor General was able to bring forward a proposal and a business plan that had been worked on by the respective police forces with the Department of Solicitor General and make the case that 3 and a half million dollars allocated now rather than waiting for the next business plan would get a good start on that project to get it up and running earlier rather than waiting for a new budget year.

It seems to me that it makes sense not to wait for the next business cycle but to do things as the business planning process and the discussions with our partners make it sensible and reasonable to move ahead and when money is available. Obviously, the hon. member doesn't realize that the budgeting process is a very, very difficult process because there are a finite amount of dollars and an infinite number of ideas and infinite numbers of ways in which you could do things which would be valuable to make the community a safer place or to improve education or to build new buildings or those sorts of things.

So one has to be able to put forward projects that make sense, to convince government that now is the time to move forward with the project, and that's what happened with respect to the Solicitor General's project that she brought forward on behalf of the Solicitor General's department and the partners in the RCMP, Calgary and Edmonton police forces with respect to the integrated organized crime and gang enforcement unit.

As well, with respect to maintenance enforcement, I mean, it's, again, I think fairly well known by the hon. member that the portfolio, the book of business so to speak, has been increasing every year at a steady pace. The ability to keep up with that portfolio of files, those numbers of Alberta children who need maintenance enforcement's help to make sure that the maintenance payments which will support them are there, becomes increasingly difficult when you have finite resources.

So we were able to put together a business plan, go to Treasury Board and to government and say: with the investment of an modest additional sum of money, we can increase the return that we get on our files. Now, that would be a laudable objective, I think, under anybody's sense of measurement, that if we can increase the return on files, if we can improve the amount of collections on behalf of the children of Alberta, that's not something that ought to wait until next year. That's something which, if one can find the resources, ought to be proceeded with on a timely basis. So we were able to take forward that process to say: with an additional tranche of funds, a modest input of \$1.5 million, we can beef up our maintenance enforcement program, provide better service to Albertans, and improve our collection ratios.

So I think that while, yes, those two items could have waited for another business planning cycle, they were both projects which were ready to go ahead. I think that in both cases the Solicitor General and myself were able to demonstrate that they were at a place where they could be started or improved upon, and rather than wait for the next budget, the next business cycle, to bring them on now because there were resources available out of the contingency allocation made good sense. The government thankfully agreed, and hopefully the Legislature will agree, and we'll be able to vote those estimates tonight.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you. The minister is being just a tiny bit disingenuous. I wasn't indicating in any way that the government should have waited or the Solicitor General and the Justice minister

could have or should have waited. My questions very clearly were: it's six months since we passed the last budget; why was this not back in that budget and therefore already happening in the year that we're in?

Now, what I would like to know – and I don't expect the minister to have these at his fingertips, but they're fairly common questions from me, so maybe he's already got the information assembled. Once again, I'm interested, since this extra money is being asked for to improve the collection rate and collection percentage, in what is the percentage currently of money collected on the total amount owed. Now, this is the statistic that I keep asking for, and prior to now the government has been unable to provide it for me. What they were able to provide is a percentage of files on which there's been any activity. Even if they'd paid a dollar, it would show up as activity and therefore it counted as any activity on the account. I'm looking for how much money is owed and how much money has been collected or you can give that to me as a percentage.

I'm also interested right now in what is the amount of arrears that we are seeking. Each of these court orders is based on a monthly payment, so we know that in any given month X amount of money should be flowing through the maintenance enforcement program and out to the custodial parents of children. I'm interested in: what is the amount of arrears that the maintenance enforcement program is also seeking? In other words, for people that have fallen behind on their monthly payments and that is accruing, what is the amount of arrears that we're sitting at right now? If he wants to give me the total percentage of activity, that's fine, but I think that according to what we have been discussing over the last four years, with the new system the government should be able to know, as a management tool at the very least – but I'm specifically asking for it – how much money is being collected on the total amount that's been ordered by the courts to be paid. That tells us how successful we're being in that program ultimately. I don't think activity level on the files tells us how successful we're being.

9:30

Those are the three statistics that I'm looking for from the Solicitor General. If I could also get him to expand on what exactly the money is being used for. He talked about it being for operations. The one-sentence description that's in the estimates book is "to provide for improvements to the Maintenance Enforcement program." But what's this money spent on? Additional staff? Additional computers? No, it doesn't seem to be. This is not appearing under the equipment line. He's saying that this is to keep up with an increase in volume. Do I take it, then, that across the board this is going to result in more staff, more desks, more telephone lines, more trips to court? Is this an overall approach, or is the money being directed into specific areas?

One of the other areas that I've tracked in the past and where there's been a demonstrated problem is very high turnover in staff and a lot of vacancies in staff positions while people are off on stress leave or illness. Has that number improved? Do we now have the full complement of FTEs that are assigned to the maintenance enforcement program? Are they filled? So what's the total complement of FTEs assigned to the maintenance enforcement program at this point? How many of those are filled? As a subcategory to that, how many of those filled positions are currently off on any kind of stress or illness leave?

I'm willing to support this if I can hear exactly what it's being used for. Thank you.

The Deputy Chair: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Well, thank you, Mr. Chairman. I would first start by indicating that our maintenance enforcement program and particularly the staff of that program do yeoman's service on behalf of Alberta's kids, but there's no question that they have been asked to work longer and harder in performing that function. For example, the province of Quebec, I'm given to understand, which has a 90 percent collection ratio, has 790 staff monitoring 117,000 files, whereas in Alberta we have 50,000 files, 151 full-time equivalent employees, and a 15 percent vacancy rate at the present time. So the staff are working very hard, getting very effective results, in fact collecting at about a 79 percent ratio, I'm given to understand.

That still means, Mr. Chairman, that 14,000 kids in Alberta are not getting their monthly collections, are not getting their monthly support. We do need to add to the staff and add to the support for the staff so that we can bring that ratio up to 90 percent, which would be, as they say, full employment, if you will. That's certainly a goal that we should strive for and, I think, one that is attainable. This modest tranche in here will get us started on that so that we can build up over the next period of time into the next year so that we can really achieve that kind of collection ratio which we believe is possible with the additional staff and support for them to do that.

On the maintenance enforcement program I'll make sure that with respect to the other questions that were asked, if I've missed any of the detail that the hon. member would like and to the extent that it's available, I'd be happy to provide it. But those are really the essential answers to your question. We have 151 staff operating over 50,000 files. Our files go up about 5 percent a year. Obviously, our staff have not increased at that rate, so the increased service that's being provided – and we have improved services through, as the hon. member knows, improving the computerization process, making it more accessible 24 hours a day, seven days a week through the web, and those sorts of issues. We've engaged in a whole lot of programs to make sure that service delivery is better. We've made sure that clients, both payers and payees, are respected in the process. We've done a lot on the maintenance enforcement side to improve service to Albertans, but there's more we can do. This \$1.5 million that we're requesting in the supplementary estimate will help us ramp up that program so that we can move from the 79 percent collection ratio up to the 90 percent ratio in an appropriate period of time.

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Infrastructure

Mr. Bonner: Thank you very much, Mr. Chairman. It is a pleasure to speak this evening to supplementary estimates and particularly on the day the government announced a \$3.4 billion surplus. I am quite happy to see that in the estimates we have \$210,600,000 in operating expense and equipment and inventory purchases and an additional \$8 million for capital investment. Of the \$210 million, \$30 million has been added for operations and maintenance cost to schools, and \$181 million is forecast to be transferred from the sustainability fund for natural gas rebates.

I certainly agree with the Minister of Justice when he says that it is very difficult to budget, but this government has consistently missed the mark by billions of dollars from revenues that come in. Today's announcement was just another indicator of that. So while appreciating the difficulty the government has in forecasting revenues, there are certainly many areas that suffer, and because of whether it be poor or difficult budgeting practices, needy programs are underfunded. Certainly, in the area of infrastructure we have many concerns, and those concerns begin with the fact that we have

somewhere in the neighbourhood of a \$7 billion to \$8 billion deficit in infrastructure. When I look and see that of the money that has been asked for in supplementary estimates, \$181 million is forecast to be transferred for natural gas rebates, that causes concern because this really does not go to increasing the assets of Albertans but simply out of one pocket and into another.

As well, I do not see in here any type of allocation for rebates on electricity. Again, the cost that schools in this province have in regard to not only natural gas but electricity is incredibly high. Certainly, shortfalls in funding from Infrastructure have to be made up from some other area, and of course that takes away from programs for students. So we do have many, many concerns still in the Department of Infrastructure.

One of the questions that I do have for the minister is if he could please elaborate on what type of maintenance costs the \$30 million is going to go towards. As I've toured the province and talked with school trustees last week at a breakfast, they have major concerns about the upkeep of their schools, as well about the janitorial costs in the schools and how there just are not adequate funds available to keep the schools clean, to keep them safe.

One of the questions that did come up was certainly that in some of the schools they were finding mold.

An Hon. Member: Mold?

Mr. Bonner: Mold again, now in the schools. We've had the go-round about hospitals. Certainly, one of their major concerns is that there just is not adequate maintenance in the schools. So \$30 million is certainly a move in the right direction, but I would like to hear what the minister is going to indicate that these moneys are going for. Again, the \$180 million for natural gas rebates is welcome because schools are facing incredible pressures with their very tight budgets.

9:40

Now, in looking on page 9 of the Alberta 2003 budget, the second-quarter fiscal update, I see that we have capital assets. Our capital assets are somewhere in the neighbourhood of \$10.5 billion, and these include buildings, land, equipment, highways, roads, bridges, dams, and others. I also noticed in the spring budget that there was somewhere in the neighbourhood of \$1.3 billion to \$1.4 billion allocated for alternative financing. Certainly, one of the questions that has to be asked is: when we move to a P3 model, whether it be for the south extension of Anthony Henday Drive, whether it be the hospital in Calgary, whether it be the new building for the courts in Calgary, all of which are going to be supplied by a P3 model, what happens to these capital assets? Albertans are paying a tremendous amount of money and certainly at least 10 percent more in financing costs because private providers are going to supply that capital. So what happens to our capital assets as we continue along this road of building with the P3 model?

Now, as well, we have liabilities somewhere in the neighbourhood of \$18.6 billion, and this is broken down into accumulated debt, pension obligations, self-supporting lending organizations, and others. Again, will we see in future statements, such as what we have here in the second-quarter fiscal update, where our P3s are placed into the liabilities section in our summaries?

As well, I see here on page 9 that our school construction loan repayments are in the neighbourhood of \$83 million, and certainly when we have such a backlog of requests for schools in this province and we have only \$83 million in school construction loan repayments, we have a problem. Part of that problem is the fact that we have not been building schools at the rate at which they're required,

and there is a tremendous backlog. Of course, that is what contributes greatly to our infrastructure debt.

So my question to the minister would be that if, as he has proposed for some of the new schools in Calgary-Shaw, they could perhaps look at a P3 model, then will we see those types of loan repayments or payments that are being made to private providers that have built those schools and financed those schools? Where in this document will those costs show up to us as taxpayers?

One of the other areas that I would like to ask a question on today, as well, is for the Minister of Revenue. I know he's around somewhere, and I will probably save that for a few minutes.

Thank you.

The Deputy Chair: The hon. Minister of Infrastructure.

Mr. Lund: Thank you, Mr. Chairman. We're pleased to hear that the hon. member is pleased to see these amounts that we're bringing forward. Just a bit of an explanation on the \$30 million. That \$30 million was actually paid to the school boards last June, and it was to bring up the funding for the operation and maintenance in the schools. Because of a combination of things, we will admit that the operating and maintenance budget for the actual maintenance has probably not been sufficient when you look at the square footage that the school boards had to operate with. Of course, there was an increase in the utility costs over the last year, so this \$30 million was paid to them. Because of the variance in the school fiscal year versus our fiscal year, it was actually in their last fiscal year. They could of course apply some of the money to that, but they could also carry it forward and use it in this particular fiscal year.

The member mentioned the cost of electricity. Well, it seems like pretty well all of the boards within the province have actually got contracts, so they have a fixed rate as far as the price of electricity is concerned. Most of them don't have a gas contract, so last winter they did see a spike in those prices.

I didn't realize that we were getting into a debate on the budget that was passed last spring. I've got no problem making some comments about the \$180.6 million that is going to be for the natural gas rebate program. I think the member has to understand that that money came out of the sustainability fund. It is deemed to be one of those that can take funds out of that particular account. It doesn't come out of the capital account, so we're not sacrificing some capital to accommodate the gas rebate program.

As far as the P3s, you folks are going to be interested when you see the numbers that are coming out on the courthouse. I'm not sure where this nonsense – absolute nonsense – about it costing more money is coming from. Just think about it for one moment. If we build the building and we put out contracts, do you think the contractor is being benevolent and makes no money? Of course he makes money. So does everybody else that works on it. They make money. Why do you think that a P3 all of a sudden drives the cost up? In fact, you're going to see that some of the cost savings and the risk off-loading far outweigh the increased cost in the financing, far outweigh it. [interjection] There's an hon. member doing some chirping, and I can't quite make out what the song is.

In any case, I suspect that what it is is that she's not agreeing but probably trying to make herself believe that the extra cost in the money is high enough so we can never erode that when we look at the off-loading of risk. That's one issue.

Another major issue: when you look at the time frame when we can have a facility up and running and the use of that facility, that is worth a lot of money as well. For example, on the courthouse we have no risk for the increased cost that will occur over the two years that it will take to build the building, and that can be a very substan-

tial cost. When you get a chance to look at these and see the analysis, I can tell you that you're going to find that these comments about them being so much more expensive just simply are not true.

9:50

As a matter of fact, the committee that will be looking at them is made up of accountants and engineers and people from the private sector. Those folks will in fact show us if there's some flaw in the way we have assessed it. It has to show that it's good for Albertans, or else the project will not go ahead. It's that simple.

In other areas that have done these, many, many have worked well. There are some failures, but we're learning from those that have failed. When you talk about the way it's going to be accounted for, that's one issue that we still haven't got worked out, just exactly how. In conversation with the Auditor General, he feels that he needs to see the contract before he can tell us exactly how they need to be accounted for. They will show up, but just how they will show up we're not sure.

As far as the capital assets, that will be part of the overall agreement. For example, it could very well be that after 30 years of the proponent owning and operating, maybe we own the building at the end of it. Maybe they own the building. It'll be depending on the proponent and what kind of an agreement we can make with them. But at the end of the day it has to show that it's going to pay, that it's going to pay for Albertans, or else we won't go ahead.

I think you were looking at the 83 – you said "million," but it's \$83,000. It's just a very small payment in that second quarter. I can't tell you exactly which school that is. I think I know, but I don't want to until making absolutely sure. We can get that for you.

I think that pretty well covers the issues that were mentioned.

Mr. Bonner: Just a quick point for the minister. On page 9 in his net financing requirements "millions of dollars" is stated, and we have \$83 million for school construction loan repayments, not \$83,000.

Mr. Lund: I'm looking at page 9 and school construction loan repayments. It's got 83, and then there'll be three zeros. In any case, we'll get that.

Mr. Bonner: Perhaps the minister is not looking at the same line item here: page 9, in the middle section, Net Financing Requirements. This is in millions of dollars, as stated in my book. Under requirements, school construction loan repayments, it says 83. That's \$83 million.

The Deputy Chair: Hon. member, just for the clarification of the chair, are you looking at the supplementary estimates, page 9?

Mr. Bonner: No, I'm not. I'm looking on the second-quarter fiscal update that we received today.

Mr. Lund: The member's right.

The Deputy Chair: That clarifies the issue.
The hon. Member for Edmonton-Centre.

Seniors

Ms Blakeman: Thanks, Mr. Chairman. I've managed to do my questioning on the Solicitor General, Justice, and Community Development, so this is my last at bat. I'm looking at the money that's requested as a supplementary estimate for Seniors. Here we're

looking at a supplementary estimate of \$36,970,000, which I will note is above any possible 1 percent contingency, so I am looking for some explanation here.

It strikes me, according to what's being set out in the explanation – it's talking about \$17.3 million for the Alberta seniors' benefit program in assisting low-income seniors to cover the increases in long-term care accommodation costs; \$11,750,000 for special needs assistance, of which \$5,750,000 is to assist senior citizens with utility costs, and \$6 million for extraordinary, onetime personal expenses. Finally, under housing authorities and contracted agencies, operations and maintenance costs, \$7,920,000. So that's vote 3.5.3, other grants, plus 3.1.3, housing development program delivery. So those two together are giving us the \$7.9 million.

So I think what we're having pretty clearly illustrated here is the choices the government has made in other areas that have become major hot-button issues for seniors and, I think many seniors would argue, a failure of the government towards seniors. We have problems with electrical deregulation which have resulted in higher utility costs, which now have to be covered through this department. We've got increases in the long-term care rates. Again, we have to provide additional assistance for low-income seniors to pay for those costs. I would imagine – but I'll ask for clarification – that we're also seeing here the effects of the elimination of the extended health benefits program, which I'm assuming is part of that \$6 million of extraordinary, onetime personal expenses.

So this is more than the 1 percent contingency fee which I'm hearing from previous ministers is the argument against the points I've been raising. This is no surprise. Why are we six months into a budget year having this number of expenditure requests coming forward under supplementary supply? I'm being given the reason: oh, we have a 1 percent contingency, and we're just reallocating that now. I do not remember this kind of reallocation happening previously, and I have to admit that the size and weight and number of ministries in the supplementary supplies are increasing every year.

So specific questions that I would like the Minister of Seniors and housing to answer. I guess he can provide it in writing. I would like details, please, on the categories of the \$6 million of onetime extraordinary personal expenses being allocated under the special needs assistance program. I would like a breakdown of what the money has been requested for. I think that's going to tell us where seniors are struggling.

I'm wondering how much money is being allocated for dental costs, for optical costs, for other medical costs, what's being asked for by way of assistance for winter clothing, how much is being asked for, or how many applications. Actually, it would be interesting to get it that way. How many applications have been asked for in different categories like the ones I've been listing and including the ones I've been listing, and what's the dollar amount that's been requested for those various categories as well? How much and how many times have we had requests for furniture or appliance replacement and other categories? I'd like to see the breakdown of why people are applying for this money.

I don't need personal information. This need not be a FOIP request or any invasion of privacy, but I think we need to know why we've got a \$6 million increase in a onetime request for assistance to individual seniors. What are they needing the money for? That may tell us some other information that might be useful for management.

There's also the almost \$8 million for onetime funding for housing authorities with operations and maintenance costs. Now, I'm looking for an explanation on this. Could I please get a detailed breakdown of where the money went to and exactly what it went for? What is the stated expenditure that they're being given the money

for? I'm assuming that this is around the homeless shelter and affordable housing problems. Two different problems here, but I know that in Calgary, for example, recently there was money given to, I think, the Calgary homeless shelter and perhaps Mustard Seed, and I also know that there were some things that fell through.

10:00

Now, what's happened to the money for the hard-to-house seniors project? I know that at one point there were negotiations going on with Trinity, and I understand that the government took a fairly hard line and in the end the negotiations fell apart. So what was the hard line about that they lost Trinity as a partner in this hard-to-house seniors project? I don't think anyone else is going to step up to bat on that one, so who's going to do this hard-to-house seniors project? It's inappropriate to put those hard-to-house seniors, usually because of long-term, long-standing substance abuse problems, with other seniors, so what are you going to do with them here?

I'm looking for the exact breakdown of that \$8 million – who's getting it, and for what? – and again an explanation of why six months into a budget cycle we're having to look at an additional almost \$37 million worth of funding to assist seniors and for housing and, I'm assuming, homeless costs. Again, I've gone back and checked the business plans from a mere six months ago, and I've checked the other budget items. None of this is a surprise. It's all listed as areas of concern. Now, this might be the one department of all the ones I've examined where there were unexpected costs or things that escalated at a rate that wasn't anticipated, but come on. We've had homeless before. We know that this is an increasing problem. This is not a surprise.

Again, I want to know what's going on around that longer term planning for the homeless and the issues around housing. We're going to continue to have these issues with the homeless until we are able to build better partnerships to provide affordable housing both for people to rent and for them to buy. So what's the plan here? These extra things don't seem to be outlined that clearly in the budget plan.

Now, what's the plan with the rest of this? Is it stopgap? Is it maintenance? Does this only happen when we get a surplus and they can drop some money on the homeless? Is this going to mean that we're not going to go forward with the plan to charge the homeless a user fee now that there's enough of a surplus, or is that user fee deal still in the works, to be unveiled with more pomp and circumstance at a later date?

So those are the questions that I would like answered, and I'm happy to receive them in writing. Thanks very much.

The Deputy Chair: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Chairman. I'll take the hon. member's suggestion and have the Minister of Seniors respond to most of the questions in writing.

I think that with respect to the supplementary estimates themselves, though, it should be fairly clear – and I think the hon. member answered most of her questions that were directly related to the supplementary estimates just about as soon as she asked them – that the \$17.3 million is for the Alberta seniors' benefits program. Obviously, as is well known, long-term care rates were increased effective August 1, and in keeping with the commitment that we've made to seniors in need and seniors who have support, we assist low-income seniors with the increases in those long-term care rates. Seniors who have the ability to afford to pay the rates for accommodation pay those rates, but of course those who cannot afford to pay

them come under the government's seniors' benefits program. So there was an increase of \$17.3 million to accommodate that.

Special-needs assistance. As the hon. member quite frankly noted, \$5.75 million to assist with utility costs and \$6 million to assist low-income seniors with extraordinary onetime personal expenses, again consistent entirely with the government's commitment to ensure that low-income seniors do not have to go wanting. When they have needs, there's a program that can be applied for, and if they don't have the income and they do have immediate need, they can get support from the government to help deal with that. So those utility costs were unexpectedly high for many people this year, and of course seniors in their homes who couldn't afford to pay them were able to apply for support. Then, of course, Seniors, as do many other organizations in government, contract with organizations; in this case, housing authorities and agencies. So the operation and maintenance costs of \$7.9 million.

As I say, the hon. member, in asking her questions, I think anticipated the answer. She asked a lot of other detailed questions that really don't have anything to do with supplementary supply, and I will refer those to the Minister of Seniors, and he may wish to supply her with answers with respect to those questions in due course.

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. Again, I'm referring to the second-quarter fiscal update, page 8. What I'm looking at is a page entitled Net Financial and Capital Assets. On this particular page, the second bullet, top left, Pension Obligations: "Pension obligations are forecast at \$5.1 billion. They are scheduled for elimination under a separate legislative plan and are not subject to the Fiscal Responsibility Act." Certainly, one of my questions would be: how are these obligations going to be eliminated under the separate legislative plan, and when can we learn of how they are going to be eliminated?

As well, I have a question for the Minister of Finance, and that is on the same page, under Financial Assets.

Mr. Hancock: What page?

Mr. Bonner: Page 8. Minister of Finance, I have a question for you, please.

The Deputy Chair: The Minister of Revenue.

Mr. Bonner: Revenue. You're right. Thank you.

An Hon. Member: The second Minister of Finance.

Mr. Bonner: The next Minister of Finance.

Under Financial Assets we have heritage fund external investments with note (b). When I go down to (b), it says: "Excludes \$95 million in internal government investments in 2003-04." If the minister could please tell us where these \$95 million in internal government investments are.

Thank you.

The Deputy Chair: The hon. Minister of Revenue.

Mr. Melchin: Thank you. The \$95 million in internal government investments, note (b) – I've got to see where the reference to that is. Alberta heritage fund external investments. I don't know – in particular, this could be the Prince Rupert grain terminal because that's potentially that amount. I'm not certain if that's what it's

referring to. The heritage fund also has some investments in Alberta bonds, so when you actually look at the consolidated income that we have – the heritage fund does earn income on the bonds that we hold, some of them being Alberta bonds, and they're eliminated on a consolidated basis.

For the external investments I think I'll have to follow up in specifics. My only guess at a number that is about that is the Prince Rupert grain terminal. I will provide you with the specifics in due course. I'd be delighted to.

10:10

Agreed to:

Office of the Information and Privacy Commissioner	
Operating Expense	\$574,000
Aboriginal Affairs and Northern Development	
Operating Expense	\$2,000,000
Agriculture, Food and Rural Development	
Operating Expense and Equipment/Inventory Purchases	\$728,821,000
Children's Services	
Operating Expense and Equipment/Inventory Purchases	\$864,000
Community Development	
Operating Expense and Equipment/Inventory Purchases	\$1,000,000
Economic Development	
Operating Expense	\$3,500,000
Finance	
Operating Expense and Equipment/Inventory Purchases	\$1,750,000
Government Services	
Operating Expense and Equipment/Inventory Purchases	\$600,000
Human Resources and Employment	
Operating Expense and Equipment/Inventory Purchases	\$32,000,000
Infrastructure	
Operating Expense and Equipment/Inventory Purchases	\$210,600,000
Capital Investment	\$8,040,000
Justice and Attorney General	
Operating Expense and Equipment/Inventory Purchases	\$1,500,000
Learning	
Operating Expense and Equipment/Inventory Purchases	\$79,470,000
Municipal Affairs	
Operating Expense and Equipment/Inventory Purchases	\$11,546,000
Seniors	
Operating Expense and Equipment/Inventory Purchases	\$36,970,000
Solicitor General	
Operating Expense and Equipment/Inventory Purchases	\$3,500,000
Sustainable Resource Development	
Operating Expense and Equipment/Inventory Purchases	\$113,600,000
Capital Investment	\$13,000,000

The Deputy Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that the Committee of Supply rise and report.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Johnson: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions and reports as follows. All resolutions relating to the 2003-2004 supplementary estimates have been approved.

Office of the Information and Privacy Commissioner: operating expense, \$574,000.

Aboriginal Affairs and Northern Development: operating expense, \$2,000,000.

Agriculture, Food and Rural Development: operating expense and equipment/inventory purchases, \$728,821,000.

Children's Services: operating expense and equipment/inventory purchases, \$864,000.

Community Development: operating expense and equipment/inventory purchases, \$1,000,000.

Economic Development: operating expense, \$3,500,000.

Finance: operating expense and equipment/inventory purchases, \$1,750,000.

Government Services: operating expense and equipment/inventory purchases, \$600,000.

Human Resources and Employment: operating expense and equipment/inventory purchases, \$32,000,000.

Infrastructure: operating expense and equipment/inventory purchases, \$210,600,000; capital investment, \$8,040,000.

Justice and Attorney General: operating expense and equipment/inventory purchases, \$1,500,000.

Learning: operating expense and equipment/inventory purchases, \$79,470,000.

Municipal Affairs: operating expense and equipment/inventory purchases, \$11,546,000.

Seniors: operating expense and equipment/inventory purchases, \$36,970,000.

Solicitor General: operating expense and equipment/inventory purchases, \$3,500,000.

Sustainable Resource Development: operating expense and equipment/inventory purchases, \$113,600,000; capital investment, \$13,000,000.

Mr. Speaker, I wish to table a list of those resolutions voted upon by the Committee of Supply pursuant to Standing Orders.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Mr. Speaker, as has been the custom of the Assembly immediately following confirmation of supply, I seek unanimous consent of the Assembly to revert to Introduction of Bills to allow for first reading consideration of Bill 54, Appropriation (Supplementary Supply) Act, 2003 (No. 2).

[Unanimous consent granted]

10:20head: Introduction of Bills

The Acting Speaker: The hon. Government House Leader on behalf of the Minister of Finance.

Bill 54 Appropriation (Supplementary Supply) Act, 2003 (No. 2)

Mr. Hancock: Thank you, Mr. Speaker. I do thank the House, including members of the opposition, for their indulgence in allowing us to go ahead with moving supplementary supply, and therefore I would request leave to introduce Bill 54, the Appropriation (Supplementary Supply) Act, 2003 (No.2). This being a money bill, Her Honour the Honourable Lieutenant Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

[Motion carried; Bill 54 read a first time]

head: **Government Bills and Orders**

head: **Second Reading**

Bill 53 Insurance Amendment Act, 2003 (No. 2) (continued)

[Adjourned debate November 26: Mr. Hancock]

Mr. Mason: Mr. Speaker, I'm pleased to rise to speak to Bill 53, the Insurance Amendment Act, 2003 (No. 2). I think it might be worth while to quickly review a little more briefly some of the history that I covered when I spoke to the reasoned amendment of the hon. Member for Edmonton-Gold Bar on this bill.

According to the Consumers' Association of Canada Alberta has the highest insurance rates of the four western provinces. Interestingly enough, Mr. Speaker, it is those provinces which at various times have been guided by the benevolent rule of the New Democrats, and all, as a result, have public auto insurance systems.

Interestingly enough, from time to time the voters in their apparent wisdom have elected other governments in those provinces, Conservative governments and Liberal governments, and none of those governments have seen fit to eliminate the public insurance systems in those provinces because they've concluded that to do so would be ill advised both from a policy and their own survival point of view. Most recently the very conservative Liberal government of British Columbia has made a decision to retain the Insurance Corporation of British Columbia because they've been very impressed with its performance and they know that, in fact, getting rid of it would be a big political mistake.

Mr. Speaker, we have in fact got some very high rates in Alberta presently, and this bill purports to deal with that. I'll just give briefly some of the highlights from the report which was produced by the Consumers' Association of Canada, and it surveyed 17 cities in the four western provinces.

Just to indicate the methodology a little bit, the data is obtained directly from industry sources, and all rate quotes are from the period July 2 to 11, 2003. For each city a total of 34 rating profiles were used to provide a wide cross-sectional analysis of vehicle types, gender, location, age, driving history, and claims record. For each of the 34 rating profiles, a total of 10 rate quotes were obtained for each city in Alberta. For the other three provinces that operated public auto systems, only one rate quote was required for each profile for each city. The following criteria were used for all rate quotes: liability coverage, \$2 million; collision deductible, \$500; comprehensive deductible, \$300, and in Manitoba quotes it was \$500.

Here are the highlights of the report, Mr. Speaker.

1. Alberta consumers pay on average about twice as much for auto insurance than consumers in the other three western provinces with public auto insurance systems.

2. A consumer in Lloydminster, Alberta could pay up to \$8,980 more annually for auto insurance than if they lived literally across the street in Lloydminster, Saskatchewan.
3. A driver in Winnipeg could pay up to \$9,080 less for auto insurance than if they lived in Edmonton, a comparable sized city with similar prairie-like driving conditions.
4. In Alberta older drivers who drive newer, much more expensive cars, and who have driving convictions, pay up to \$2,430 less annually for auto insurance than young drivers with clean driving records. In the three public auto provinces, where rates are based on a driver's record, a young good driver pays less than a bad older driver.

Mr. Speaker, just again to quickly review, how did this situation come about? Statistics Canada figures, which were drawn on the Insurance Bureau information, indicate that auto insurance rates rose 54 percent in the year 2002 in the province of Alberta. Every one of those increases was approved by this government. It is also the case – and I think it's been demonstrated quite clearly – that the reason for these increases was not an increase in claims, as the insurance industry suggests, because the claims in the same year only rose 3 percent, but in fact it was due to the insurance industry compensating for their losses on the stock market, which is the source of their revenue and profits.

So the government sat back and did nothing about any of this while it was going on even though they knew that rates were dramatically increasing, and they probably knew why as well. However, then came the New Brunswick election, and the government, as we have seen, sprang into action in order to head off a potentially serious problem.

It brings us to the bill before us today, Mr. Speaker, Bill 53. It's interesting that this bill follows the same sort of pattern that we've seen increasingly from this government, and that is what we call a framework bill. It has a legislative framework that allows all of the serious and important content of the bill to be established by regulation. That is, it doesn't come to this Assembly, it's not debated in public, the opposition doesn't get to speak about it, and it is just determined by the cabinet. This is a real trend here, and this bill, not to disappoint, gives the Conservative government a blank cheque to finalize its auto insurance reforms behind the closed door of the Tory caucus in the cabinet room.

All major planks in the reforms will be decided behind closed doors through regulation. For example, the definition of what will constitute a minor injury, section 650.1(1), will be defined in regulation. Even the \$4,000 cap on minor injuries is not contained in the legislation itself.

Premiums for basic coverage of entry-level drivers, section 656, will be decided by the new automobile insurance rate board that is being set up under Bill 53 in section 652 or by the cabinet directly under section 656(2).

Section 661.1 authorizes the cabinet to freeze premiums, and the effective date for the freeze, according to the Premier, will be October 30, 2003. The best way, I guess, to characterize this is that the government is locking in the highest rates in western Canada. This freeze, Mr. Speaker, is freezing rates at 57 percent higher than they should be. People who are getting renewal notices after October 30 are being told to pay the higher rate and they will be reimbursed by their insurance company at a later date. This is a significant financial hardship, especially for young drivers and those on low or fixed incomes. The new automobile insurance rate board will replace the existing Automobile Insurance Board, which will be phased out. Well, hallelujah. That little closed-door committee that rubber-stamped all of the rate increases that Albertans are being forced to pay is not going to be grieved, I might say, by those Albertans who even know of its existence. Very few members of the

public know of the existence of this particular Automobile Insurance Board.

10:30

I just want to indicate, Mr. Speaker, for the record that the Automobile Insurance Board reports to the Minister of Finance and its directors are appointed by the minister. It has a very low profile, doesn't even have a web site. It does publish an annual report, but that is not even posted on the government web site, nor are the directors of the Automobile Insurance Board.

Mr. Speaker, it has reviewed, behind closed doors, rate application increases for compulsory coverage, mostly third-party liability. There is no opportunity for policyholders to challenge rate increases. Locations and dates of board meetings are not advertised or even made public. Minutes of board meetings are not published or made public.

The AIB appears to largely act as a rubber stamp for the insurance industry, Mr. Speaker. Only two out of 157 rate applications in 2002 were rejected outright by the AIB. Another 14 were approved with modifications. The balance, the vast majority, were accepted as applied for, often many, many applications in a single sitting. Clearly, the Alberta Automobile Insurance Board needs to be transformed into a government watchdog rather than an industry lapdog.

If we can go back to the regulations and the power of the government to set regulations. The new board will have the power to actually set rates rather than just simply review applications and approve them or not. There still is nothing in the act to indicate whether or not there will be a public, as opposed to a closed-door, rate-setting process. I would be very interested, Mr. Speaker, in hearing the minister responsible at some point in the debate on this bill address this point: will the new board, the automobile insurance rate board, operate in a public fashion, and will consumers and customers of insurance companies have a right to appear before the board and argue against changes in their rates or changes in the coverage that they receive for their policies? I think the government should set the record straight on that one.

The cabinet, under this act, also has the power to define what constitutes basic coverage that will be subject to government-mandated rate caps and what is optional coverage not subject to rate caps. Section 661.5(1) also provides the government with a blank cheque, allowing the cabinet to make additional regulations on so-called unforeseen matters which are not covered by Bill 53.

I want to make another point that's important, Mr. Speaker, and that is that Bill 53 does not repeal section 22 of the Insurance Act. That section prohibits public insurers from British Columbia, Saskatchewan, and Manitoba from competing for business in Alberta. As a result, the government through this action, this act of neglect by failing by repeal this, is continuing its policy of denying the people of Alberta the choice of insurer and the chance to get the lowest rates because these insurance companies – particularly Saskatchewan Insurance offers competitive rates and actually operates in some other provinces besides Saskatchewan on a competitive basis, in some provinces that don't have public auto insurance.

Mr. Speaker, I just want to indicate that the approach that the government has taken is not going to resolve the questions. They are essentially going to try and find some savings which will be passed on in overall rate reductions of a very modest character, and basically they're going to find that the lion's share of those savings, which the minister quantified at \$250 million, will come as a result of payment caps. So what the government is offering is slightly cheaper insurance which is slightly less insurance, so you pay less for less, and that's where most of the savings are.

There is apparently going to be some savings as a result of use of mediation, but that's a small portion. All of the rest of it, Mr. Speaker, is simply rearranging who pays exorbitant premiums. It won't be young male drivers any longer, and it shouldn't be, and it won't be seniors any longer, and it shouldn't be them either. Edmontonians, however, will continue to be discriminated against. You know, I'd like to see maybe some members of the Conservative Edmonton caucus stand up and address this question, how this was allowed to occur.

In my subsequent . . . [Mr. Mason's speaking time expired] They have a chance now in the five minutes.

So, Mr. Speaker, thank you very much, and with that I will conclude my debate on second reading.

The Acting Speaker: Hon. members, Standing Order 29. Any questions? The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I'm just thrilled to be able to ask this member a question. My first question for him is this: does he think that the government's proposal for a 15 percent rollback after rates increased for most people by more than 40 percent is really a rollback?

The Acting Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Well, thank you very much, Mr. Speaker. I think the 15 percent rollback, just to correct the hon. Member for Edmonton Ellerslie, is actually the proposal of the Liberal caucus. Our calculations are that the government will only offer 12 percent, even if all of their savings are there. You know, it's a 57 percent increase, and then a reduction comes after that.

I appreciate the comment from the Member for Edmonton-Ellerslie because as I calculate it, to get rid of the 57 percent increase, you would have to reduce the premiums that people are now paying by approximately a third, which incidentally would put Alberta rates back in a comparable position to what people are paying in Saskatchewan, Manitoba, and British Columbia, where people are paying anywhere between \$800 and \$1,000 less for their auto insurance than we are.

Certainly, the Consumers' Association report is the most definitive report on this matter and certainly stands a greater scrutiny than anything anybody's been able to quote on the government side.

Thank you, Mr. Speaker.

Ms Carlson: One more question for the member. Could we hear you say just one more time how great you think the Liberal idea is for a public insurance plan, and how you couldn't have done it any better yourself?

The Acting Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much. To the hon. Member for Edmonton-Ellerslie: you know, it is a wonderful plan, and I could say we couldn't have done it any better ourselves, but actually we did do it.

You know, I certainly appreciate the lack of any—I know that the Minister of Health and Wellness called one of the Liberal members an ideologue today, and to call a Liberal an ideologue, Mr. Speaker, is a bit of an oxymoron, I must say. They have a luxury that we and the Tories don't have, and that is almost a total absence.

Thank you.

10:40

The Acting Speaker: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Well, thank you very much, Mr. Speaker. Indeed, it is a pleasure to rise this evening and make some comments on Bill 53, the Insurance Amendment Act, 2003 (No.2). Certainly, by comments made by other members to date on this particular bill, we can see that it is a contentious bill. There are some factors to insurance here in the province that add to the varying views that people have.

Certainly, when we look at where we are in the province with insurance, automobile insurance is mandatory, so it must be fair, affordable, and accessible to all. When we look at other sections, medical treatment and rehabilitation must be provided to those who need it but without unnecessary extra costs. I think that's a principle that we all can agree with as well. A third principle is that we must ensure a fair and honest marketplace where policies will be in plain language and explanations readily available to consumers. Those are three principles that we do have for insurance, and certainly when we have compulsory insurance in the province, those principles must be paramount.

Now, then, all of us here that pay insurance have seen that this has now become a pocketbook issue where we are now spending many more dollars each month on insurance. It is such a contentious issue that certainly it has toppled, or almost toppled, other provincial governments and quite rightfully so, because the increased dollars that we now spend on automobile insurance premiums affects the quality of our life. So certainly we need an alternative to high automobile insurance costs.

There are so many comparisons when we look at what is happening in the automobile insurance industry and in the WCB that it is scary. In the WCB we had a report by Justice Friedman, and one of his comments was that in the WCB the playing field was tilted certainly not in favour of the injured worker. This is one of those bills, again, Mr. Speaker, that I feel very strongly tilts that field not in favour of the injured party in an accident or the party in the accident whose car has been banged up, but it tilts it in favour of the insurance industry. That is certainly not something that we want to see.

One of the ways it does this is it reduces awards by the amounts of income from Canada pension plan contributions, employment insurance contributions, and it also caps what the awards will be. Now, then, this does some things that we certainly don't like. It tells people that they do not have a claim to advance, that they will get \$4,000 and that is it. A maximum of \$4,000. It tells lawyers in this province that they don't have people to represent because now we have a cap on what these settlements can be. What this does is it disenfranchises a whole segment of people that cannot speak for themselves when this occurs.

The other thing that this cap does is that it trivializes the pain and suffering encountered by those in an automobile accident. What it also does, more importantly, is that this legislation hurts the majority of people who clearly do not fit outside of the cap, and it takes away the fairness for those people that have been seriously injured and also takes away their justice. In my estimation and the estimation of most people, the victim should be the last person that has to sacrifice because of an unfortunate accident.

We know that the insurance industry is cyclical, and one of the reasons that it is cyclical is the fact that they have so many investments. Certainly, this government was lobbied quite heavily by the industry when the economic cycle was at a low, when all of our investments went for quite a tumble, but since that time things have rebounded, and we see today that insurance companies are making

quite a sizable profit. With the announcement today that the economic recovery in the United States is even greater than what was expected, insurance companies are poised to make even more profits, yet we have a bill that is going to freeze insurance rates at an all-time high. So this is not a bill that favours the average Albertan. This is a bill that certainly favours insurance companies.

What also happens with this bill is that we take the burden of proof for injuries and we place it directly on the individual. Certainly, these people do not have the background, they do not have the resources to fight multimillion dollar companies such as insurance companies. Even if they go to court, they must make certain that their settlement is going to be well in advance of \$4,000 for a serious injury in order just to cover their legal costs. So, again, this is a bill that doesn't help the average person.

We all know that insurance companies don't pay out easily. That's not their function. As we have heard many times with WCB from injured workers who have outstanding contentious claims that in their estimation haven't been settled, they feel that WCB says no and says no and says no, hoping that at some point they will just give up and go away. So in that particular case justice is not served. It is the company that has the resources to hang on that is going to eventually win, because it won't be to the injured party's advantage to fight and fight and fight for a small sum.

We have seen, as well, in this province, Mr. Speaker, a huge increase in the amount of fines for certain offences. We have also seen that since those fines have been increased, the revenues have been lower. I can't believe that we have had such a decrease in violations. I think that our violations are just as great. We continue to have higher accident rates. So when we have higher accident rates, when we have higher fines, again we are putting the one person, the driver, in the most compromising position.

As well, when we look at the difference in injuries today as compared to years when the use of seatbelts was not mandatory, we have moved away from the types of injuries where we had broken bones and lacerations to soft tissue injuries. These come about from the rapid acceleration and deceleration of people involved in accidents. We have also seen a tremendous increase in the number of injuries that are associated with the jaw, the TMJ type of injuries.

10:50

Now, what's happened is we've also had amazing strides taken in the detection and treatment of these soft tissue injuries. As well, we find that some of these injuries just don't heal and that people are affected for the rest of their lives. When we talk about fraud in these insurance claims, how fraudulent is it to only offer a \$4,000 settlement when some of these injuries are much more serious and when even going to court is no guarantee that you'll be fairly compensated for your injury? Again, it is a gamble on the part of people that they can take the \$4,000 and go and hopefully get better down the road. It is another issue when dealing with soft tissue injuries that the time frame for healing in many of these types of injuries is certainly a lot longer. A broken bone mends in six to eight weeks. However, soft tissue injuries can take years.

When we look at the whole idea as to why we buy insurance, we buy insurance because that is our defence. Certainly, as the Member for Edmonton-Centre had outlined earlier, you buy that insurance, and then when you need that insurance, you should be compensated. There should not be only one person or one type of policy that will cover you. If you have multiple coverage, then you should be paid by each one of those plans.

So with those comments, I would like to close by talking about the psychological damage that some of these people receive in these accidents. I think of the tragic situation here of an accident on the Yellowhead Trail where a car was severed, was split in half, where one of the brothers was killed and the other was severely burned, yet

that mother that was in that car has no recourse for psychological damage. That is going to be a vision that haunts that person for the rest of her life.

I think that this bill, Bill 53, the Insurance Amendment Act, 2003 (No. 2), is not good legislation. I think that it is something that we have to revisit and revisit soon. I look forward to certainly making a number of amendments to this bill in committee, and I thank you for the opportunity to make these comments tonight.

The Acting Speaker: Standing Order 29 kicks in.

[The voice vote indicated that the motion on the previous question carried]

[Several members rose calling for a division. The division bell was rung at 10:55 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[Mr. Shariff in the chair]

For the motion:

Abbott	Dunford	Knight
Ady	Gordon	Lougheed
Amery	Goudreau	Lund
Broda	Graydon	McClellan
Calahasen	Griffiths	McClelland
Cao	Hancock	Oberg
Cenaiko	Hlady	Renner
Danyluk	Horner	Stelmach
DeLong	Jacobs	Taylor
Doerksen	Johnson	VanderBurg
Ducharme		

Against the motion:

Blakeman	Carlson	Mason
Bonner		

Totals:	For – 31	Against – 4
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[Motion on previous question on Bill 53 carried]

The Acting Speaker: Hon. Member for Edmonton-Highlands, are you rising on a clarification point?

Mr. Mason: Mr. Speaker, I would like to move that on subsequent votes with respect to Bill 53, on a standing vote the interval of the ringing of the bells only be one minute. This evening only, and only on second reading.

[Unanimous consent granted]

The Acting Speaker: Pursuant to Standing Order 47(2) and *Beauchesne* 521(2), I must now put the question on the original question.

[The voice vote indicated that the motion for second reading carried]

[Several members rose calling for a division. The division bell was rung at 11:10 p.m.]

[One minute having elapsed, the Assembly divided]

[Mr. Shariff in the chair]

For the motion:

Abbott	Dunford
Ady	Gordon
Amery	Goudreau
Broda	Graydon
Calahasen	Griffiths
Cao	Hancock
Cenaiko	Hlady
Danyluk	Horner
DeLong	Jacobs
Doerksen	Johnson
Ducharme	Knight

Lougheed
Lund
McClellan
McClelland
Melchin
Oberg
Renner
Stelmach
Taylor
VanderBurg

Against the motion:

Blakeman
Bonner

Carlson

Mason

Totals:

For – 32

Against – 4

[Motion carried; Bill 53 read a second time]

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that we adjourn until 1:30 p.m tomorrow.

[Motion carried; at 11:15 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: Thursday, November 27, 2003 1:30 p.m.
Date: 2003/11/27
[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. Our divine Father, as we conclude for this week our work in this Assembly, we renew our thanks and ask that we may continue our work under Your guidance. Amen.

Mr. John McInnis
October 19, 1950, to November 26, 2003

The Speaker: It is with sadness that my office learned today of the passing of former member John McInnis on Wednesday, November 26, 2003, at the age of 53 years.

Mr. McInnis was first elected to the Alberta Legislature in the general election of March 20, 1989, and served until June 15, 1993. During his years of service he represented the constituency of Edmonton-Jasper Place for the New Democrat Party.

During his years in the Legislature Mr. McInnis served on the Special Standing Committee on Members' Services, the Standing Committee on Public Affairs, and the Special Committee on Constitutional Reform.

With our admiration and respect there is gratitude to members of his family who shared the burdens of public office. Our prayers are with them.

In a moment of silent prayer I ask you to remember John McInnis as you have known him. Rest eternal grant unto him, O Lord, and let light perpetual shine upon him. Amen.

Please be seated. [as submitted]

head: **Statement by the Speaker**

Failure of Sound System

The Speaker: [Not recorded] The speaker system doesn't work, so let's proceed.

head: **Introduction of Visitors**

The Speaker: The hon. Member for Peace River.

Mr. Friedel: Thank you, Mr. Speaker. It's my pleasure to introduce to you and to members of this Assembly the members and staff of the Northern Alberta Development Council. They're here in Edmonton today and tomorrow for meetings. Once each year we hold a meeting in Edmonton so we can get together with all the northern MLAs and the folks in Edmonton who we deal with and do business with. It's my pleasure to introduce these members, and I'm going to ask them to rise as I call their names and to remain standing: Sandra Cardinal, member from Kikino-Lac La Biche, Wendell MacEachern from Fort McMurray, Ron Faulkner from McLennan, Maurice Rivard from Bonnyville-Cold Lake, Mike Mihaly from High Level, Doris Courtoreille from Kinuso. Our staff: first of all, my executive assistant, Gladys Gammon; Tom Baldwin, the executive director of NADC; Jennifer Bisley; Jan Mazurik; and Brad Bishop. I would ask that we show them the traditional warm welcome of the Assembly.

Mr. Lougheed: Mr. Speaker, I am pleased to introduce to you and to members assembled a person seated in a wheelchair in your gallery. His name is Sam Sullivan. He's a Vancouver city council-

lor and a founder of the Tetra Society of North America. As members know, persons with disabilities often need custom-designed assistive devices, perhaps like a special loop of velcro or a flexible cell phone holder or some wheelchair modifications. The Tetra Society brings skilled volunteers together with persons with disabilities who need such assistive devices to improve their quality of life and perhaps help them do their jobs more easily. We're fortunate to have the Tetra Society operating in Red Deer, Medicine Hat, Edmonton, Calgary, and Lethbridge. I'd ask members assembled to please welcome Sam to the Alberta Legislature.

head: **Introduction of Guests**

Mr. Jonson: Mr. Speaker, today it's my privilege to introduce to you and through you to members of the Assembly 19 students from Rimbey Christian school. They are accompanied by teachers Kathy Nieuwenhuis and Wendy Dolman and parent and teacher helpers Jim Buist, Gail Loov, Shawn Rode, and Anna Van Haastert. They are seated in the members' gallery, and I would ask that they rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Well, thank you, Mr. Speaker. I have the honour today of introducing a group of five guests. They're led today by Dr. Austin Mardon, Ken and Dax Noden, Arthur Lau, and Miroslav Moravecky. All five guests are from the AISH activist community and are seated in the members' gallery. I would ask all members of the Legislature to give them a warm welcome.

The Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Speaker. On behalf of the hon. Member for Edmonton-McClung it gives me great pleasure to introduce to you and through you 25 grades 5 and 6 students from Parkland Immanuel school and their teacher, Mr. Bernie Van Raalte. Also accompanying the students are parents Mrs. Idelle Peters, Mrs. Shirley Rypstra, and Mr. Albert Nieuwenkamp. The group is touring the Legislature today, and I would ask them to rise as you please join me in giving them the warm Legislature welcome they so rightly deserve.

The Speaker: The hon. Member for Highwood.

Mr. Tannas: Thank you, Mr. Speaker. It is my pleasure today to introduce to you and through you to members of the Assembly 12 students from the Faculty of Law at the University of Alberta who are enrolled in legislative process and legislative drafting, which is taught by Mr. Rob Reynolds, our Senior Parliamentary Counsel, and Mr. Peter Pagano, our Chief Legislative Counsel. They are seated in the members' gallery, and I would ask them to now rise and receive the warm traditional welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Speaker. It's indeed my pleasure to introduce to members of this Chamber two fine gentlemen: the president of ATCO Electric, Mr. Dick Walthall, accompanied by his colleague from ATCO Mr. Bart West, who also is an honorary colonel of the 408 tactical helicopter squadron stationed here in Edmonton. I would ask these two gentlemen to rise and accept the traditional warm welcome of this Assembly.

1:40

Mr. Klapstein: Mr. Speaker, I'm delighted to introduce to you and through you to Members of the Legislative Assembly two groups of students from the New Sarepta community in my constituency. The first group is from New Sarepta elementary school, 56 visitors including teachers Mrs. Carrie Erdmann and Mrs. Lynn Chalmers, parent helpers Mrs. Janice Embury, Mrs. Eileen Radawetz, Mrs. Mary Anne Babcock, Mrs. Lorraine Spurrell, Mrs. Barbara Volkman, Mrs. Joyce Tiernan, Mrs. Shelley Schmidtke, Mrs. Connie Vandenberg, and Mrs. Dianne Simpson.

The second group is from New Sarepta community high school, 23 visitors with teacher Mrs. Kirsten Newman and parent helper Mrs. Cindy Payne.

I'd ask them to rise and please receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. Today is an historic day. Several government MLAs had lunch with several ATA local presidents. In fact, they bought, so that was really good. We had a great time discussing class sizes and class composition as well as some Learning Commission recommendations. I'm going to ask these people to stand as I call out their names and to please remain standing until the end, and then we will welcome you.

First of all, we have the ATA district rep for central west, Jere Geiger; Gary Hansen, president of Wetaskiwin local; Brenton Baum, president of Timberline local; Sheila Fraser, president of Black Gold local; Tarynne Dirk, public education chair of Black Gold regional; Chris McCullough, president of Red Deer separate; Ed Somerville, president of Red Deer public; Lou Edwards, president of Wolf Creek; and Bob Worsfold, president of Chinook's Edge. I'd ask my colleagues to please welcome them.

The Speaker: The hon. Member for Innisfail-Sylvan Lake.

Mr. Ouellette: Thank you, Mr. Speaker. It's with great pleasure that I rise on behalf of the hon. member from the Wainwright constituency to introduce to you and through you to all members of the Assembly 26 visitors from Amisk school. Accompanying them are their teachers, Mr. Travis Stachniak and Mrs. Patti Houde, and parent helpers Mrs. Gina Vetter, Mr. Bob Amundson, Mrs. Shelley Drever, Mrs. Leanne Matthews. I'm not sure if they've got into the gallery yet, but if they are in the public gallery, I'd like them to stand and we'll give them a big welcome from the Legislature.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you very much, Mr. Speaker. I'm delighted to introduce to you and to this House two politically engaged young Albertans who have campaigned tirelessly over the last several months against the removal of the tuition cap in the province. They are Shannon Phillips, co-host of a radio show called *Rise Up: Radio Free Edmonton*, and Melanee Thomas, who is executive director of the Council of Alberta University Students. They are seated in the public gallery, and I'd now ask them to rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to introduce to you and through you to the Assembly Mr. Kenneth

Dombrosky. Mr. Dombrosky was injured in October of 1981. He's been through the appeal process for WCB many times and has no further recourse barring the establishment of a long-standing claims tribunal. My constituency office in Edmonton-Highlands has been assisting Mr. Dombrosky with his concerns. I'd ask Mr. Dombrosky to rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to Members of the Legislative Assembly Rob Harris. Rob is a new public affairs officer in my department. If Rob can hear me, I'd like him to stand and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Minister of Environment.

Dr. Taylor: Thank you, Mr. Speaker. I'm pleased to rise and introduce to you and through you to the House a number of people that have made the Water for Life strategy work, and I'll be making a ministerial statement on that in a minute. We have here from my department Bev Yee, Justin Toner, Robert Harrison – Peter Watson is not here – and Valerie Mellesmoen, my communications director, who, I can assure you, does a very difficult job. Would those people please rise and receive the warm welcome of the House.

head: **Ministerial Statements**

The Speaker: The hon. Minister of Environment.

Water Management

Dr. Taylor: Thank you, Mr. Speaker. I'm pleased to rise today and talk about what I consider will be the most important issue of the 21st century, and that's water. In Alberta our quality of life and life itself depends on a healthy and sustainable water supply for the environment, for our communities, and for our own economic well-being. As everyone here knows, Alberta is facing significant pressures on its water resources. Population growth, drought, agricultural and industrial development are increasing the pressure on water supplies. This government is committed to wise management of Alberta's water and to ensure that we have a healthy, sustainable supply into the future.

As a reflection of that commitment, I'm pleased to announce that earlier today on behalf of my colleagues I released Water for Life: Alberta's Strategy for Sustainability. Because water is vital to all Albertans in all areas and all communities across the province, their opinions and ideas played a vital role in the development of this strategy. An extensive provincial consultation process began almost two years ago. There was an ideas generation group, public outreach and consultation, and a minister's forum on water. Albertans from all corners of the province contributed to this, Mr. Speaker. As a result, we have a truly Alberta-made solution: Water for Life. No other jurisdiction in the country is trying to do this broad Water for Life strategy, as we're doing here. Later this afternoon I will table the appropriate number of copies, Mr. Speaker.

Albertans told us that this Water for Life strategy is a blueprint for how citizens, communities, industries, and governments would work together to ensure that Albertans have safe drinking water, that Albertans have healthy river systems, that Albertans have healthy ecosystems, and also that Albertans want water managed effectively to support sustainable economic development.

In order to fulfill these commitments and meet the specific targets, the actions outlined in this strategy revolve around three core areas: knowledge and research, partnerships, and water conservation. By working together, all Albertans can improve their knowledge. We can take steps to ensure that we have a vital and safe supply of water for drinking and for the ecosystem and for the economy. I believe that if Albertans are going to continue to benefit from a reliable source of clean water, we all have to change the way we deal with water – you, Mr. Speaker, myself, everybody in the House.

In conclusion, I will say that this is an evolving document. As we move forward, we will see things that need to change, Mr. Speaker. We will see things where we need to add more dollars in terms of development. So it is evolving.

Finally, I'd like to thank my colleagues who sit in the House. I couldn't have done it without them. They've been supportive. They've offered constructively critical comments when necessary. So thanks to all my colleagues.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. We agree that water is a crucial issue for this century. This is a time for wise decisions to be made for the future. We have an obligation to our children and our grandchildren. Therefore, we applaud the government for finally starting the process of developing a water strategy. We applaud that first step they are taking in developing an education system for water conservation.

But that doesn't take the process nearly far enough. We're looking for leadership. We're looking for vision. We're looking for goals and measured outcomes. We haven't seen this in this water strategy. So we need this government to take the next step and make some hard decisions: to inventory the water that we have in this province, to determine what kind of usages we can make of the water we have and where development can occur. Then we have a place where we can devise the strategy for the future. We need this government to not pass the buck and make municipalities responsible for metering, and they have no responsibility there. If it takes dollars, if it takes any other kind of assistance, this government needs to make that commitment, because right now more than half of this province does not have metered water going into households, and that is really irrevocably bad in terms of looking for long-term water conservation.

So while this government has taken the first baby step, the path that we're on leads up a steep hill, and they've got to be way more aggressive before we see the final outcomes.

Thank you.

1:50

The Speaker: Hon. Member for Edmonton-Highlands, you would like to participate?

Mr. Mason: Yes, please.

The Speaker: Under our rules we would need unanimous consent of the Assembly because your party is not a recognized party because of the two seats it has in the Assembly.

[Unanimous consent granted]

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, and thank you to all my colleagues in the Legislature for this opportunity for me to participate. There is much

to like in the Water for Life strategy announced today by the Minister of Environment. Water is essential in life itself. Climate change, combined with ongoing growth in population and industry, is putting pressure on this essential resource. The focus on conserving and reducing water use is commendable, as is the initiative to improve drinking water quality in all Alberta communities, large and small.

At the same time, serious questions remain, Mr. Speaker. For instance, increasing amounts of our finite water resources are being used by the oil and gas industry for enhanced recovery schemes. Once injected, this water is lost forever. Will the government put some teeth into its standards to phase out these uses by the energy industry?

Secondly, I hope the government won't use the looming water crisis to go on a dam-building spree. There is currently a push to build a dam on the Red River.

Finally, the water strategy must not turn bulk water into a market commodity to be bought, sold, and possibly exported. The New Democrat opposition will be watching closely as this water strategy unfolds.

Thank you, Mr. Speaker.

head: **Oral Question Period**

Water Management

Dr. Nicol: Mr. Speaker, the government's water strategy has been carefully crafted. After two years and much stakeholder consultation what we have is a splashy ad campaign and a water strategy full of holes. My questions are to the Minister of Environment. Why are you waiting until 2007, after the next election, to discuss "economic instruments" – in other words, charging for water – as a necessary tool to meet water conservation objectives?

The Speaker: The hon. minister.

Dr. Taylor: Thank you, Mr. Speaker. I would point out that if you look at the strategy, it's a 10-year plan. Before we do move forward on anything, we have to gather information. Our knowledge base is not adequate to make appropriate decisions in some areas at this time. So there has to be a gathering of knowledge, a gathering of scientific information. So in terms of economic instruments, we have to first of all determine: what is the economic value of water to our society? We have to determine that.

Secondly, we have to determine issues around the context of the actual cost of delivering water to you. For instance, we do not know the true cost of accounting in delivering water to the members' houses in Edmonton or Lethbridge or wherever they happen to live. So we have to determine economic value. We have to determine, as I say, the true cost of accounting in water, which we estimate will take us anywhere from one to three years to do in consultation with Albertans, and at that stage, Mr. Speaker, we will be able to consult with Albertans on other issues.

Dr. Nicol: Mr. Speaker, to the same minister: how effective will your water strategy be given that you still don't have an inventory of water resources in this province?

Dr. Taylor: Well, that's exactly the point I just made, Mr. Speaker. If you look at the budget for the water strategy, about half the budget is operational and about half is capital, and on the operational side we readily admit that we need to develop a knowledge base. That's what the strategy is about.

If I could point out, Mr. Speaker, around Edson we have a fairly good idea of where the groundwater is. Around the Milk River basin we have a fairly good idea where the groundwater is and how much there is and of what quality. But for much of the rest of Alberta we don't have that information. So as we move forward, before we make decisions, we have to develop a knowledge base, and I think the member will appreciate that.

Dr. Nicol: To the same minister, Mr. Speaker: why does your strategy not openly discuss a plan to conserve water through metering of residential and industrial users?

Dr. Taylor: Mr. Speaker, one of the main thrusts of our strategy, one of the three main points, is conservation. I mean, how can you be any clearer than to say con-ser-va-tion. It's very clear; it is one of the main points. Metering for both industrial and homes is very important. I said it at the news conference, and I've said it many times before: if water is metered, people use about half the amount of water than where it is not metered.

Dr. Nicol: Mr. Speaker, it's good to hear him talking so positively about metering.

The government's water strategy includes plans for, and I quote: developing a water allocation transfer system to ensure a viable market exists. End of quote. To the minister: does this mean that the licence holders will be able to sell surplus water from their licence and profit from a public resource that is given to them free?

Dr. Taylor: Mr. Speaker, we already have in southern Alberta the water allocation transfer system. If I go back to 2001, as the member knows, in the irrigation districts, because they could get about 50 percent of their water for the farmers in each district, they allowed farmers to transfer water to another person. So, in fact, they need a lot of water. If you didn't have enough water, I could transfer, sell water to the member here. The system is in existence today, and it will continue to be in existence. What it does is it drives water to its highest value use.

The Speaker: The hon. leader.

Dr. Nicol: Thank you. The minister is talking about determining market value for water. How are you going to do that unless you have a truly open market that's accessible to all Albertans, not just the transfers that you've talked about where one irrigation farmer can transfer to another irrigation farmer?

Dr. Taylor: Actually, Mr. Speaker, in southern Alberta in the South Saskatchewan River basin it is broader than just irrigation farmers. Anybody that holds a licence in the South Saskatchewan River basin can transfer water to another user, and it's up to them to determine what sort of deal. Do they transfer it for one year? Do they transfer it permanently? Do they transfer all of it? Do they transfer part of it? That system was in existence, and we see that system being expanded to the rest of the province.

The Speaker: The hon. leader.

Dr. Nicol: Thank you, Mr. Speaker. To the same minister again: will this kind of system that he's talking about allow for interbasin marketing of water as well?

Dr. Taylor: No, Mr. Speaker. In Alberta's case we have legislation that says that if there's going to be any interbasin transfer of water,

we have to have a special act of the Legislature. If you remember, as I'm sure you do, Mr. Speaker, last year I brought forward an act to allow an interbasin transfer around Red Deer, and that's the way we'd have to go. Even in spite of that, if he's suggesting that we will sell water to the U.S., that is clearly prohibited in Alberta law.

Municipal Regulation of Oil and Gas Development

Mr. Bonner: Mr. Speaker, residents of rural Alberta have given up on this government ever fixing its energy deregulation mess. At a meeting last night residents and councillors from the county of Strathcona started planning how to regulate the energy industry at the municipal level because this government has failed to do it at the provincial level. To the Minister of Municipal Affairs: will the government support the efforts of the residents of Strathcona county to regulate the energy industry at the municipal level?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. To the hon. member, municipalities are important stakeholders in the EUB decision-making process. They often participate in the process along with the residents and ratepayers. Municipal submissions to the EUB could include a comprehensive municipal planning policy on oil and gas development as well as considering the community's long-term growth patterns and sensitive landscapes.

2:00

Now, oil and gas development is seen to be beneficial to all Albertans. The importance of the provincial interest is reflected in the fact that oil and gas wells, batteries, and pipelines are specifically exempted from local municipal planning authority under the Municipal Government Act. The specific section, actually, is 620, for the hon. member's benefit.

Furthermore, section 619 of the MGA provides that the decisions of the EUB take precedence over municipal statutory plans, land use bylaws, and planning decisions.

Mr. Bonner: To the same minister: given that municipalities feel that the Energy and Utilities Board ignores their interests, when will the government start to defend municipalities' interests and recommend a review of the EUB's mandate?

Mr. Boutilier: Once again, Mr. Speaker, to the hon. member, section 619 of the MGA does state that the decisions of the EUB take precedence over any municipal statutory plan, land use bylaw, and planning decision. That is what's taking place, but clearly it is not pre-emptive of citizens and municipal leaders participating in the EUB process in terms of the concerns that the hon. member has raised.

Mr. Bonner: To the Minister of Energy: why is the government's record on regulating oil and gas development so bad that the municipalities feel that they have to do it themselves?

Mr. Smith: Well, the short and simple fact, Mr. Speaker, is that the Alberta Energy and Utilities Board is not doing a bad job. In fact, if you look at the most recent press release with respect to gas prices, you can see that gas prices have been reduced.

Mr. Speaker, the important part is that this resource belongs to all Albertans. All Albertans benefit. For example, the county of Strathcona, located immediately adjacent to Sherwood Park, has the highest municipal machinery and equipment tax income in the land

because of the way it processes petrochemicals. So, for God's sake, let's take a look at where the money comes from. It's very clear that we operate in the interests of all Albertans, and it has ruled on an all-Alberta basis.

The Speaker: The hon. Member for Edmonton-Highlands.

Natural Gas Prices

Mr. Mason: Thank you very much, Mr. Speaker. Yesterday Calgarians learned that December ATCO natural gas bills would jump by 20 percent, something which would have triggered the government's elusive gas rebates. Today Edmontonians learned that to save the government from issuing gas rebates in a nonelection year, they would be stuck paying for the gas used by Calgarians. Calgarians are no doubt relieved to dodge higher energy bills from this government, but Edmontonians are outraged and are demanding to know who stands up for Edmonton. My question is to the Minister of Energy and Member for Calgary-Varsity. Will he stand up for Edmontonians and northern Albertans and direct the EUB to tell ATCO to take a long walk off a short pier?

Mr. Smith: Well, Mr. Speaker, if I were telling anybody to take that walk, it would be a member of this Assembly, the one who has actually just asked the question. In order to correct the erroneous preamble, he would only have had to listen to the response to the former question from the Member for Edmonton-Glengarry. The EUB acts in the interests of all Albertans. It walked through the process with ATCO. In fact, I think we should be quite thankful that gas rates aren't as high that they would kick in this rebate and, in fact, are at a lower price.

The Speaker: The hon. member.

Mr. Mason: Thank you, Mr. Speaker. My first supplementary is to the Minister of Finance and Member for Calgary-Foothills. Will she stand up for Edmontonians and northern Albertans and ensure that funding for Calgarians' natural gas rebates is made available so that Edmontonians don't have to pick up the tab?

The Speaker: The hon. minister. Difficulty hearing the question? Actually, it's the same question as the previous one. It was directed to you as both a minister and a member for Calgary: are you going to stand up for Edmonton?

Mrs. Nelson: Same answer.

Mr. Smith: Can I supplement that, Mr. Speaker?

The Speaker: Yes.

Mr. Smith: It's very evident that the member does not realize that the job of the government of Alberta, the job of the majority leaders, the job of the government under Premier Ralph Klein is to stand up for all Albertans.

The Speaker: We won't mention names because that violates our rules.

Now, to the hon. member, your third question.

Mr. Mason: Thank you very much, Mr. Speaker. To the Premier and Member for Calgary-Elbow: will he stand up for Edmontonians and northern Albertans and encourage his ministers . . .

The Speaker: Okay. Now, hon. member, we know that we have an audio problem, but did the member look?

The hon. Member for Bonnyville-Cold Lake, followed by the hon. Member for Edmonton-Gold Bar.

Family Violence

Mr. Ducharme: Thank you, Mr. Speaker. Family violence is a very serious issue. Last year there were six deaths attributed to spousal abuse in this province. In 2001 there were five deaths. My question is to the Minister of Children's Services. What is the government doing to prevent similar tragedies from occurring in the future?

Ms Evans: Mr. Speaker, the issue of family violence is one that's horrific. It's a tragedy that affects us all. If you put it in purely economic terms across Canada, it's a tragedy that costs Canadians either in the workforce or through health care or through other counseling services \$4.2 billion estimated annually.

In Alberta we have taken great pains over the last year to initiate a number of things. In co-operation with the Alberta Council of Women's Shelters and with the RCMP we have a memorandum of understanding for protocol so that when issues of domestic violence occur, the RCMP are very clear on the management of that, and the shelters in receipt of the individuals are very clear. The interrogation of those that may have perpetrated violence is something that is a learned response by the RCMP. Mr. Speaker, today we are systematically training RCMP officers across Alberta, all 2,200 of them, in the manner in which they respond to domestic violence cases.

Mr. Speaker, we're doing more. We have prevention programs for family and community services. The Premier has announced a roundtable where we can take a look at the community partnerships, our collaboration strategies. With the other ministers that are on the Alberta children and youth initiative, all nine ministers are working together to put their piece of action firmly forward to make a difference both at the community level and in the way government responds to the issues of domestic violence.

The Speaker: The hon. member.

Mr. Ducharme: Thank you, Mr. Speaker. My last question is also to the Minister of Children's Services. Can the minister tell us: what is the goal of the provincial family violence roundtable and when it will be held?

Ms Evans: Mr. Speaker, early in the new year, probably during the month of February, we will have mini regional roundtables to get the collective views from local regions on how we should manage domestic violence, family violence issues, and look at bullying as well in those communities and in those regions. We have planned to have an Alberta-wide roundtable on May 7.

Mr. Speaker, on familyviolencoroundtable.gov.ab.ca you can learn more or register your support or become involved in the roundtable. Every MLA will receive information about roundtables in their region, and we are working right now to put together that proper team of support so that all of the venues that may need to be covered, including elder abuse, justice issues with the Justice minister and the Solicitor General – in every single solitary area where family violence touches the society in Alberta, we are looking at providing supports for their involvement relative to the roundtable.

Mr. Speaker, one more comment to the member opposite, who does a considerable amount in his community to curb the issues of family violence and profile the need to stop and make Alberta violence free. Government is not and cannot be alone in resolving

this problem. This is a problem that rests in the homes of the nation and a problem in Alberta homes, and everybody, including those individuals involved, must be involved in finding solutions to resolve family violence.

The Speaker: Hon. Member for Bonnyville-Cold Lake, is that it? Okay.

The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Lac La Biche-St. Paul.

2:10 Natural Gas Prices (continued)

Mr. MacDonald: Thank you, Mr. Speaker. To the Minister of Energy: after ATCO Gas's initial rate filing for December, why did natural gas rates change and increase by \$8 per month on average, or 36 cents per gigajoule, for northern Alberta consumers and drop by \$25 a month on average, or 97 cents per gigajoule, for southern Alberta consumers?

Mr. Smith: Well, Mr. Speaker, the member knows full well that that's an answer for ATCO and should be directed to the gentlemen that were introduced earlier in the Legislature today.

Mr. MacDonald: Again, Mr. Speaker, to the same minister: how much of this extra \$8 per month from northern Alberta consumers will be used to subsidize consumers in southern Alberta?

Mr. Smith: I'd refer him to the three answers, Mr. Speaker, to the previous questions from the Member for Edmonton-Glengarry and the Member for Edmonton-Highlands.

Mr. MacDonald: Again, Mr. Speaker, to the same minister: given that the minister's performances at mime for Alberta TV watchers will certainly be better than his performance as Energy minister, will this government force ATCO to wait until after the next provincial election to recover those costs from its southern Alberta consumers, just like it did with electricity bills after the last election with deferral accounts?

Mr. Smith: Mr. Speaker, unfortunately, there's not enough time left in question period to correct the errors in the preamble, but I will say that the process of the Alberta Energy and Utilities Board, which has the best reputation in North America if not globally, for the work that it does in regulating an industry that has delivered in the last three years some \$24 billion in hard cash dollars to help this province move toward the most prosperous economic jurisdiction in North America – they do a good job, they did a good job, they're doing a good job today, and I expect them to do a good job tomorrow.

The Speaker: The hon. Member for Lac La Biche-St. Paul, followed by the hon. Member for Edmonton-Riverview.

Consultation with First Nations and Energy Industry

Mr. Danyluk: Thank you very much, Mr. Speaker. My constituents need some clarification between the government's consultation process with our First Nations and the contractors' issues dealing with oil and gas exploration and development in northern Alberta. My questions today are to the Minister of Aboriginal Affairs and Northern Development. Can the minister please illuminate the difference between consultation initiatives and the contractors' issues?

The Speaker: The hon. minister.

Ms Calahasen: Thank you, Mr. Speaker. First of all, unfortunately, there have been erroneous reports that have led to some confusion. I would like to state that the contractors using the government's consultation process are two completely separate processes. However, there is a connection between the two, and the connection is that the contractor issues are a symptom of consultation processes not yet completed. So we're trying to deal with these specifically in different ways.

I just want to talk about the aboriginal policy framework, which is a government policy. It has actually committed Alberta to work with the First Nations and aboriginal communities and industry to improve aboriginal participation in the economy. As a result, the consultation initiative was championed by my ministry in the spring of 2003, and we were able to get \$6 million, which was shared between six ministries: Sustainable Resource Development, Energy, Community Development, Environment, Justice, and of course Aboriginal Affairs and Northern Development.

This was to ensure that the development of regulatory processes affecting land and resource management was to occur. This also meant that we would work with the First Nations and make sure that we began a consultation process, because, Mr. Speaker, once we develop the consultation policy and the guidelines, First Nations and other aboriginal communities and industry and governments will have a better understanding of our individual roles and responsibilities.

The Speaker: The hon. member.

Mr. Danyluk: Thank you very much, Mr. Speaker. My only supplemental is to the same minister. I think that I heard most of it, but I need to know: what has occurred to date, to now, and when can we expect a policy or guidelines to be completely in place?

Ms Calahasen: Mr. Speaker, so far we have met with representatives from First Nations and industry and a number of other groups that had wanted to be involved. We have just begun the second round of meetings to ensure that we know what they have told us and to confirm what they have said to us. Whatever we do, we want to move forward and make sure that we listen to all parties that have been involved. This is a complex issue, and change can't be made overnight. However, improving and developing mutually beneficial relationships among industry, government, and First Nations is an integral part of the work we are committed to fulfilling. It's our intent to have that policy ready by spring of 2004.

Universities' Business Plans

Dr. Taft: Mr. Speaker, for several years the Minister of Learning has asked universities to submit business plans for his approval. To that minister: what process of review does his department undertake with these business plans?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. Each and every institution under the Government Accountability Act is responsible to submit business plans to me. We review the business plans and, essentially, file them, give any comments, if we have any comments, back to them. We do not change and have not yet changed these business plans. The only institution that is exempt from this is the Banff Centre. Included in Bill 43 is the mandatory ability for the

Banff Centre to submit business plans to the minister for approval as well.

The Speaker: The hon. member.

Dr. Taft: Thank you. Has the Department of Learning ever requested changes to a university's business plan?

Dr. Oberg: Mr. Speaker, off the top, I would suggest no, but I know that there may have been some very minor ones in the way that the business plans are formatted. There have never been any major ones.

Dr. Taft: Given that provincial government funding for the University of Alberta is below 50 percent of the university's total budget, on what basis does the minister assume the right to control the business plans covering 100 percent of the university's expenditures?

Dr. Oberg: Well, Mr. Speaker, in Alberta we have a huge interest in our postsecondary education, not just on the operational side but also on the capital side. It's absolutely imperative that we know what the universities are doing, that we know the direction the colleges are taking, that we know the directions the technical institutes are heading in, in order for us to budget, in order for us to plan. The access fund is a perfectly good example of that, where we're able to say: this is where we want to go. Universities and colleges and technical schools then say, "Well, we want to go in this direction," and it becomes very much a combined effort.

Mr. Speaker, it's absolutely critical that the public of Alberta—the public of Alberta—have the knowledge of the business plans of the postsecondary institutions of Alberta. I find it very hard to believe that this hon. member would not want the public of Alberta to have the ability to see the business plans.

The Speaker: The hon. Member for Calgary-Shaw, followed by the hon. Member for Edmonton-Mill Woods.

Deerfoot Trail Extension

Mrs. Ady: Thank you, Mr. Speaker. For the last three years the constituency of Calgary-Shaw and the constituency of Highwood as well as the entire city of Calgary have been watching with some excitement and anxiety as the construction of the Deerfoot Trail extension has been proceeding. As you know, this is an important part of the north/south trade corridor, and it is very much hoped in my neighbourhoods that it will relieve some of the traffic congestion. My question is for the Minister of Transportation. I understand that the long-awaited Deerfoot Trail extension is going to open on Friday, and I was wondering if the minister could tell me if this large and important project has been able to stay on budget.

The Speaker: The hon. minister.

Mr. Stelmach: Thank you, Mr. Speaker. I'm extremely pleased to announce on behalf of our colleagues here in the Legislature and on behalf of all Albertans that, yes, we are going to officially open the extension of the Deerfoot Trail tomorrow.

This is a \$100 million project that has come to completion. It is a three-year project, and it's about a month off schedule, with outstanding results by our contractors, our consulting engineers, given all of the many people in the construction of that road. Not only will it improve the safety of the traveling, motoring public in that particular area and the surrounding communities, but, as the

hon. member mentioned, it is a critical improvement for our north/south trade corridor, and in the end it helps improve our competitiveness in the marketplace.

2:20

Mrs. Ady: Mr. Speaker, I only have one supplemental question. I have had the privilege of driving down this extension and was so impressed with the beauty of the valley that it goes between. As you know, it crosses the Bow River, and there are fish and wildlife habitats there. What did Alberta Transportation do to minimize the environmental impacts?

Mr. Stelmach: Mr. Speaker, on the environmental issue, we spent a considerable amount of time with the consulting engineers trying to mitigate all of the risks to the environment. The first thing done was to build a bridge, so to speak, for the wildlife to pass under the highway during the construction. We also had to put a fence along the highway to ensure that we didn't have any deer or coyotes wandering out onto the highway and into the construction. Most importantly, the Bow River Bridge was moved about 40 metres to the west because there was some critical fish habitat that we didn't want to risk any damage to. We took exceptional care to ensure that any drainage, any type of turbidity in the water was completely minimized or eliminated. As a result, this is a project that we can hold as applying to other projects in Alberta in terms of ensuring the protection of the environment.

Calgary Board of Education

Dr. Massey: The Minister of Learning announced with some pride that the Calgary board of education will have a balanced budget. What the minister failed to mention is that that board lost another 260 teachers, 127 support staff, and 25 custodial staff. My questions are to the Minister of Learning. How can the government continue to proudly announce budget surpluses while a major school board in this province was given no choice but to continue to cut teachers and to increase class sizes?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. The Calgary board of education came in right on budget this year. I believe it was .25 or .025 percent, so the surplus, quite obviously, is minimal. Part of the job of any elected trustee is to ensure that they are fiscally accountable. The school boards have another job, which is to ensure the delivery of educational services, and often the fine line that is between, that these large school boards have to walk, has to be managed each and every day.

Mr. Speaker, the nice thing about the Calgary board of education is that their results continue to be excellent. The students continue to do well. The students continue to learn well. Were there issues this year with teachers being let go, contracts not being renewed? Yeah, there were. The Calgary board of education had to make some very tough decisions, decisions that were not easy at all, but they did them in what they feel was probably the best way that they could, and I certainly applaud them for that. I applaud them for their difficult decisions, and I applaud them for coming in with a budget that is on-line.

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. Again to the same minister: given that underfunded Calgary schools had to turn to school fees

and that a parent has calculated that the fees amount, effectively, to a 40 percent provincial tax rate for some families, will the minister do the right thing and offer the Calgary school board some financial relief?

Dr. Oberg: Well, Mr. Speaker, about a week and a half ago we gave all the boards in Alberta some financial relief to the tune of around \$90 million. Thirty million dollars of that was given in July of this year; another \$60 million was given now. So that's a considerable amount of financial relief for the boards of all of Alberta, not just Calgary. It's pretty hard to selectively pick one specific board when the money is given out to all boards in exactly the same fashion.

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. Again to the same minister: has the minister considered offering the Calgary board of education some relief through a onetime expenditure from the province's surplus to help pay off their long-term debt?

Dr. Oberg: Mr. Speaker, this year in the long-term debt of the Calgary public board I believe they're down to about \$12 million or \$13 million or \$14 million. Their payments are actually ahead of schedule from what they were, and they have continued to make them.

Again, Mr. Speaker, I go back to the same point that I just made. Over the past 10 or 15 years all boards have received the same amount of dollars. Back in May of 1999 we did give all the boards a onetime payment of \$151 million, which was to eliminate all deficits. At that particular point in time, there was about \$25 million to \$30 million that was turned out that the Calgary board was paid. They continued to make those payments because [inaudible]

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Edmonton-Meadowlark.

Postsecondary Education Funding

Dr. Pannu: Thank you, Mr. Speaker. Yesterday the government announced that it is on track to post yet another multibillion dollar budget surplus. The government can't seem to find enough mattresses to stuff this windfall into, yet universities, colleges, and technical institutes are announcing tuition increases next year ranging from 5 to 10 percent. My questions are to the Minister of Finance. Why does the government place a high priority on racking up multibillion dollar budget surpluses than it places on giving postsecondary students a break by freezing tuition fees?

Mrs. Nelson: Well, Mr. Speaker, part of the process that we've gone through was to put forward a fiscal plan that balances off the needs of Albertans but also recognizes that programs have to be sustainable, and in doing that, we recognize that if we ramp up programs in one year when we have banner oil and gas revenues, the next year we likely would have to hold back on some of the programs, which those guys would like us to do.

We're not going to do that. We've struck a balance where we recognize, I believe and our colleagues believe, the needs of the core programs of this government, but we've also said: let's put money aside for when we don't have those revenue bases so that those programs are preserved and protected. That's what's in the sustainability fund, and we were able this year to say that we're going to fully fund that protection for Albertans in the long term. Plus, we've said that we will put the balance of the dollars into

continuing to pay off our debt, which secures the future for our kids and our grandkids. Plus, we said that we will add dollars to our capital account. To me that's the right balance, and I hope that the hon. member will agree with that.

The Speaker: The hon. minister to supplement.

Dr. Oberg: Yes. Thank you, Mr. Speaker. The hon. member asked specifically about tuition fees. The institutions right now are working under the 30 percent cap that is existing at the moment. They have the ability to raise their tuitions approximately \$276 this year at most. I would just like to read something that the hon. member said at the debate on November 25: "Mr. Chairman, it's of absolute and critical importance that the independence of universities [is] maintained." Their independence in picking their tuition fees is exactly what is being maintained.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My second question is again to the Minister of Finance. Given yet another corporate tax cut in this year's budget, why is the government imposing higher tuition fees on Alberta's young people, who pay for corporate tax handouts?

Mrs. Nelson: Mr. Speaker, creating the right framework for the long-term security of the province becomes critically important. The structure in this province is one that balances things off, and it's seen maybe not by this hon. member but by people from the province and from outside the province. When I go to a Finance ministers meeting and have another minister say, "Our young people are migrating to your province," they're coming here because there's opportunity, there's a future, and there's an opportunity for them to have their children have a long-term future. Why is that? Because we have an attractive package on the fiscal side which includes low taxes overall on the personal side but also on the corporate side, which means that there are jobs. There's a long-term economic future for these people coming to this province and for people that live here.

So striking that balance, again, becomes very important, and I can tell you that students coming out of the university are grateful that there are opportunities for two or three different types of positions for them to go into when they graduate from the universities and the colleges and the technical schools in the province of Alberta. They have the opportunity. That's not present anywhere else in Canada.

2:30

The Speaker: To supplement, hon. minister?

Dr. Oberg: Absolutely, Mr. Speaker. The hon. member made an insinuation that the government sets tuition fees. It is the government that limited the raises of tuition fees. In fact, the hon. member in the debate on Tuesday night said that

taxpayers also expect as democratic citizens their institutions such as universities to have the full freedom to express themselves on matters that the members of the universities . . . think are critical to the preservation, protection, and enhancement of public interest and common good.

That's exactly what the universities told us.

The Speaker: Okay. The hon. leader briefly and the response briefly. We've now spent six minutes on this exchange. This is question period, not debate period.

The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. With that kind of balance, one couldn't even ride a bicycle.

To the same minister: why doesn't this minister get her priorities straight, take the roughly 1 percent of the projected surplus that would be required to freeze tuition fees, and give postsecondary students a break?

Mrs. Nelson: Mr. Speaker, I believe that our government's priorities are straightened out, and this hon. member should maybe get onboard. We're concerned with the people of this province. We're concerned with our kids, we're concerned with our grandkids, and we want to leave them with something that they can afford to sustain and flourish on and be able to have a profitable future in this province. This person would destroy that.

The Speaker: The hon. Member for Edmonton-Meadowlark, followed by the hon. Member for Edmonton-Centre.

Flu Shot Campaign

Mr. Maskell: Thank you, Mr. Speaker. I'm one of the many thousands of Albertans who's had a flu shot this fall. It's my understanding that Alberta, in fact, has had one of its most successful flu shot campaigns ever. I thought I was well protected until I heard media reports that a new strain of influenza known as A-Fujian has appeared worldwide. Media reports claim that the current vaccine holds little protection against this deadly new strain. My question is to the Minister of Health and Wellness. Minister, I guess I'm getting cynical in my old age or maybe a little nervous or worried, but I'm wondering: what is the point of Albertans getting their flu shots?

The Speaker: Please, hon. member. *Beauchesne* 408 says that questions should "not inquire whether statements made in [the press or] a newspaper are correct." I hope that's not the intent of the question.

Mr. Mar: Nor will it be the intent of the answer, Mr. Speaker.

The A-Fujian strain of flu is closely related to the A-Panama strain of flu, and the A-Panama strain is one of the three components of the current flu vaccine. The provincial health office implemented its 2003 influenza plan in October of this year. It strongly advises Albertans to get flu shots. Albertans should be aware of flu symptoms like fever, aches, chills, and they should limit contact with people when these symptoms are present.

Finally, Mr. Speaker, just last week the World Health Organization reported that the current flu vaccine does offer significant protection against influenza caused by the new A-Fujian strain.

The Speaker: The hon. member.

Mr. Maskell: Thank you, Mr. Speaker. My first supplemental is to the same minister. Seniors—that's the 65-plus group—children, and people with chronic health problems are extremely vulnerable. Is there anything that can be done to protect these citizens?

Mr. Mar: Well, seniors, health care workers, those living with chronic illness continue to be the major target groups for immunization against influenza. From last year's campaign, Mr. Speaker, roughly two out of every three seniors in this province got a flu shot. This flu season my department has enhanced the immunization program by offering vaccinations at no charge to anyone living with somebody who is at high risk.

We reached our goal of immunizing 90 percent of long-term care

residents. We surpassed our goal of 65 percent of workers in those facilities getting a flu shot. We certainly encourage all health care workers to get their annual flu vaccination to protect not only themselves but their families and the people that they look after.

The Speaker: The hon. member.

Mr. Maskell: Thank you, Mr. Speaker. My second supplemental is to the same minister. Is this strain of flu the precursor to a pandemic illness?

Mr. Mar: Mr. Speaker, this current flu is not considered to be a pandemic illness. The World Health Organization has identified this strain of flu as being a minor genetic shift of the virus. I can tell you that within the last two weeks A-Fujian has been found here in Alberta. As of November 15 we identified 654 cases of influenza, and only 15 of those cases have been the A-Fujian influenza strain.

Mr. Speaker, of course, many people will be aware and will recall that earlier this week the province launched its pandemic influenza plan. The goals of this plan are to reduce the incidence of serious illness and death and to try and reduce the disruption to communities and to try and slow down the spread of such an influenza pandemic when it arrives.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Edmonton-Beverly-Clareview.

Street Divergence Program

Ms Blakeman: Thank you, Mr. Speaker. In the 2002 budget debates the Solicitor General outlined her strategy for the street divergence program, which diverts mentally ill people into appropriate programs and away from the criminal justice system. Six months ago the minister of health talked about the excellent diversion project in Calgary. At the time, he indicated that funding was only secure until March of 2004. My question is to the Solicitor General. Has the minister decided which ministry will keep this program running?

Mrs. Forsyth: Well, Mr. Speaker, I appreciate the question. This is a program that is clearly run by the minister of health, and if I may, it's been a very, very successful program. We've been pleased with what's happened. We believe that the mentally ill should not be allowed to enter the corrections facilities, and we're pleased with the program.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Then I will direct the next question to the Minister of Health and Wellness. Is there a timetable for introducing this same program into other centres in Alberta?

Mr. Mar: Not at this time, Mr. Speaker.

Ms Blakeman: Why not?

Mr. Mar: Well, Mr. Speaker, we haven't completed our evaluation of the current program.

The Speaker: The hon. Member for Edmonton-Beverly-Clareview, followed by the hon. Member for Grande Prairie-Smoky.

Grandparents' Access to Grandchildren

Mr. Yankowsky: Thank you, Mr. Speaker. My questions are all to

the Minister of Justice. Respondents to the Alberta law reform stakeholders report indicated that grandchildren should have the right to have a relationship with their grandparents. Can the minister tell this Assembly: why don't grandchildren have this right whether they are from a one-parent or two-parent family unit?

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Well, thank you, Mr. Speaker. Actually, we don't set out the rights of grandparents, but I do remember dealing with changes to the Provincial Court Act. It was actually brought forward under a private member's bill by the Member for Calgary-Fish Creek, now the Solicitor General, some years ago, which provided for grandparents' ability to apply to the court for access to grandchildren when that was being denied by their parents.

We did a review of family law. In fact, the bill on family law is going to be before the House today, so I won't speak directly to that. But in the course of that consultation, of course, it became clear that some Albertans wanted greater access by grandparents and, perhaps, a presumption of grandparents' right of access. Others believed that parents should be in the position to make the decision. Albertans recognize that grandparents play a very important role in the lives of grandchildren, and the Provincial Court Act, by providing that right of access, which is going to be brought forward into Bill 45, will recognize that.

Albertans, however, also recognize the need for guardians, who are usually parents, to protect and guide children and for the right of parents to make decisions in the best interests of their children. We have heard from many parents who say that there's a financial and emotional cost to contested applications by grandparents, particularly when in many cases the courts will also reject the grandparents' application. So we have to strike a balance, Mr. Speaker, so that we do not prevent grandparents from applying for access, because each individual case has got to be determined within the best interests of the child.

The law as it stands now and the law as it will hopefully be is that parents should make the decision with respect to the children. Grandparents, if they cannot resolve issues within the family, would have the right of access to the courts to have the courts make a determination about what's in the best interests of the child.

2:40

Mr. Yankowsky: Mr. Speaker, again to the minister. Respondents to the same consultation indicated that when parents deny grandparents access to grandchildren, they should be required to provide valid reasons for denying access. Why are parents not required to provide valid reasons for denying their child access to their grandparents, their larger family unit?

The Speaker: The hon. minister.

Mr. Hancock: Well, thank you, Mr. Speaker. Again, the member is absolutely right. Respondents to the law reform project did say that, but other respondents also said that applications in intact families cause disruptions and ignore the rights of parents to decide what's in the best interests of the children in their care. Clearly, we can't have it both ways. This is proof of the complexity of the issue and the fact that there are a number of aspects which have to be taken into account. We feel that we've struck the appropriate balance in what has been determined to be brought forward.

There is no presumption of contact between a child and a grandparent, but as I said before, when parents and grandparents can't agree, there needs to be a mechanism to resolve that dispute and to

resolve that dispute in the best interests of the child, and that is allowing the grandparents to apply for a contact order. But it is up to the grandparents to show the reasons why the contact is beneficial to the child and the reasons why the denial is unreasonable. The court then will take into account the significance of the relationship, if any, and the other aspects of concern which show that it's in the best interests of the child.

The Speaker: The hon. member.

Mr. Yankowsky: Thank you, Mr. Speaker. The minister referred to the high emotional and financial costs of these disputes. Can the minister advise what steps his department has taken to address the cost of applications for grandparent access or other family law matters?

Mr. Hancock: Well, Mr. Speaker, of course, in almost all family law matters that go to court, the financial and emotional costs are far too high, and that's why we work very hard to try and encourage collaborative law processes, to try and encourage processes which involve precourt processes in terms of family counseling and family mediation. We've developed a series of family law books that help people who choose to make applications without a lawyer. They're available at the family law information centres in Edmonton and Calgary.

Our department boosts a number of important projects to help people work collaboratively towards resolving disputes on their own: as I mentioned, programs of mediation, courts are participating with judicial dispute resolution, and of course there's the very successful parenting after separation program, all of which are designed to reduce conflict, help parties refocus their energy on the children, and deal with the primary aspect, which, I can't say often enough, is what's in the best interests of the child.

head: **Members' Statements**

The Speaker: Hon. members, in 30 seconds I'll call upon the first member to participate in Members' Statements.

The hon. Member for Grande Prairie-Smoky.

Natural Track Luge Races

Mr. Knight: Thank you, Mr. Speaker. Races down the Smoky River hill near DeBolt, Alberta, in January are designed to put the sport of natural track luge on the path to the 2010 Olympics. Grande Prairie is reaping the rewards of Canada's successful Winter Olympics bid by getting to host the first-ever Canadian World Cup natural track luge races January 2 to 4, 2004. It's the first of many races to be held in Canada during the next several years, all with an eye to getting the sport into the Olympics. With DeBolt having the nation's only sanctioned track to date, it will likely play host to future World Cup races.

The decision came after Vancouver/Whistler was named as host for the 2010 Winter Olympics. It's part of a long-range plan to get the sport's international federation to have the sport in the Winter Olympics. Grande Prairie will get international exposure as the races are broadcast in central Europe, where the sport draws bigger television audiences than downhill skiing and is second only to soccer.

Again, Mr. Speaker, Alberta is a leader in Canada, and Grande Prairie is a leader in Alberta.

Thank you.

The Speaker: The hon. Member for Bonnyville-Cold Lake.

Bonnyville White Ribbon Campaign

Mr. Ducharme: Thank you, Mr. Speaker. Today I rise to recognize the Bonnyville White Ribbon campaign. The Bonnyville White Ribbon campaign has the distinction, along with the cities of Toronto and Sarnia, Ontario, of having the longest-running campaign addressing the issue of men's violence against women. November 25 through December 6 marks White Ribbon Week. During this week, men of goodwill wear white ribbons to symbolize their pledge to neither commit, condone, nor remain silent about men's violence against women in our society.

Many people who talk about violence against women cite statistics that show an incredible number of men victimizing far too many women, but one fact about this form of violence stands out more than any other: 76 percent of the victims are assaulted by someone they know. It would be too easy to say that women need to be protected from the stranger lurking in the shadows. Some people believe that arming women with a whistle or signing them up in a self-defence class could reduce the victimization of women, but it isn't that simple. Husbands, boyfriends, acquaintances, and co-workers are committing these horrible acts, not just the stranger on the street. We hope that these men will one day take a long look in the mirror and see what they have become. Maybe they would change after realizing the effects of their horrible behaviour.

If we saw signs that these problems could be solved without our help, then we wouldn't need the White Ribbon campaign. Wearing these ribbons is a way for everyone, especially men, to show their anger toward violence against women.

Everyone has a mother, and most of us have a wife, a sister, or a daughter. What would happen if they had been raped, beaten, or murdered? Stop and think about the anger and the hopelessness that would stay with you for years if not forever. Imagine the feeling of shame and terror felt by the victim. You must also remember that you would most likely have met the man who committed the offence.

There is no denying that violence against women is a horrible problem with few easy solutions, but there is no doubt that the first step is awareness. I encourage all members to wear a white ribbon and recognize the horror that thousands of women in Alberta must endure.

In closing, I wish to commend the local organizers for undertaking the White Ribbon campaign to raise awareness of and to counteract domestic violence in the Bonnyville-Cold Lake constituency.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Adequacy Funding for Education

Dr. Massey: Thank you, Mr. Speaker. The report of the Learning Commission has given new urgency for the need to provide a school funding formula that focuses less on equity and more on adequacy. Simply put, adequacy funding provides the dollars needed to ensure that all children perform at a high level. We need a shift in financing from thinking about the number of dollars being put into the system to the number of dollars needed to ensure that students meet specific objectives, a shift from inputs to outcomes.

In Alberta adequacy has been defined as the number of dollars that the government deems available. The dollars decided upon have little to do with students and much to do with politics. These political decisions to cut school funding or increase funding in no way are decisions based on the dollars needed to make possible predetermined student achievement.

The Learning Commission has provided a useful start in helping

us shift our thinking and helping us begin to understand how much money should be allocated to our schools. Recommendations 5 through 9 begin the work of defining outcomes. We have been given a starting list of intellectual, personal, and value expectations for specific grades and for high school graduates. Fleshing out that list and assigning the dollars needed to make attainment possible is the heart of adequacy funding.

A focus on adequacy will involve a major change in the way schools operate. We will need better systems for diagnosing and tracking the progress of individual students. We will need different organizations that will allow students who complete a course quickly to move on to the next level without waiting for the start of a new term. We will need a broader range of assessment practices than are now in use.

The commission has provided valuable direction for learning in Alberta. However, the promise of the commission will be lost if the province fails to change the current approach to funding and provide adequate funds to make the recommendations a reality.

Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Alberta Seniors

Dr. Pannu: Thank you very much, Mr. Speaker. The Alberta government is responsible for supporting the well-being and independence of Alberta seniors. It says that its programs and services are designed to help those in-need seniors live healthier lives and more independent lives, preferably living in their own homes and their own communities.

2:50

However, since 1993 the Tory government's words have been contradicted by its actions many times over by making changes to programs that result in seniors paying more for necessities. The following puts a lie to the long-cherished belief that with hard work and perseverance anyone can afford a secure retirement. Here is that list: loss of dental care and eye care coverage, rental increases for seniors' accommodations, deregulation of utilities leading to intolerably high utility bills for seniors, an increase in the co-payment for prescriptions drugs, and the elimination of health care premium exemptions.

In some cases programs have been eliminated entirely. In other cases, means testing has been introduced. Perhaps the unkindest cut of all took place this summer, that being the unilateral decision with barely a month's notice to hike the accommodation rates in long-term care facilities between 40 and 48 percent.

The Coalition of Seniors Advocates, COSA, has noted that Alberta seniors have been economically brutalized by the so-called Alberta advantage, that has taken away many essential services and benefits that seniors enjoyed prior to 1997, and that these service cuts have caused unbearable hardship for many seniors. The Alberta Council on Aging, who are overwhelmed working for and helping seniors, believe that we should all be recognizing seniors' contributions, not devaluing them.

There is a quip that goes something like this, Mr. Speaker: it gets harder and harder to make ends meet, especially if someone keeps moving the ends. The Tory government needs to stop moving the ends farther apart and stop its attack on the retirement savings of the province's seniors.

Thank you.

head: **Presenting Petitions**

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I have a petition here. I'm presenting this petition on long-term care signed by 570 Albertans from Edmonton, Bashaw, Bon Accord, Camrose, Hardisty, Killam, Sedgewick, Tofield, Viking, and other areas of Alberta. They're petitioning the Legislative Assembly to urge the government of Alberta to

recognize and value the contributions and sacrifices the seniors have made in building the Province of Alberta, and treat them with due respect and dignity by reversing those policies that cause unnecessary financial hardship for them and undermine their quality of life.

Thank you, Mr. Speaker.

Mr. Mason: Mr. Speaker, I'm presenting a petition on long-term care signed by 441 Albertans petitioning the Legislative Assembly to urge the government of Alberta to

recognize and value the contributions and sacrifices the seniors have made in building the Province of Alberta, and treat them with due respect and dignity by reversing those policies that cause unnecessary financial hardships for them and undermine their quality of life.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I have three petitions this afternoon. The first is primarily from citizens in Calgary, and these 353 citizens urge the government to "acknowledge its responsibility in maintaining public education with public funds by increasing the per pupil grant."

The second petition is from 432 Albertans urging the government to

acknowledge that the maintenance and construction costs of schools, hospitals and roads are part of the provincial debt and to consider splitting the budget surplus between monetary debt and infrastructure debt.

The third petition is from 340 Albertans expressing their concern and asking the government to resolve the crisis in education by addressing the lack of teaching staff and large class sizes and the elimination of many programs including special academic programs and urging the government to increase funding for public education.

Thank you, Mr. Speaker.

head: **Notices of Motions**

The Speaker: The hon. Deputy Government House Leader.

Mr. Stevens: Thank you, Mr. Speaker. I rise pursuant to Standing Order 34(2)(a) to give notice that on Monday we will move that written questions appearing on the Order Paper do stand and retain their places.

I'm also giving notice that on Monday we will move that motions for returns appearing on the Order Paper do stand and retain their places.

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you, Mr. Speaker. I'm pleased to table with the Assembly today five copies of each of the annual reports for Municipal Affairs' delegated administration organizations. The organizations are the Alberta Boilers Safety Association, the Alberta Elevating Devices and Amusement Rides Safety Association, the

Petroleum Tank Management Association of Alberta, and since the Alberta Propane Vehicle Administration Organization ceased on June 1, '03, I'm tabling their 2002 annual report.

I'm also tabling an activity summary from our authorized accredited agencies, Mr. Speaker.

Mr. Doerksen: Mr. Speaker, I'm taking this opportunity to table five copies of the Alberta Heritage Foundation for Medical Research 2004 calendar along with 2002-2003 financial highlights, and the consolidated audited financial statement for 2002-2003. A copy of this document had been previously sent to all members of the Legislature directly from the Alberta Heritage Foundation for Medical Research.

The Speaker: The hon. Minister of the Environment.

Dr. Taylor: Thank you, Mr. Speaker. I rise to table five copies of the Water for Life: Alberta's Strategy for Sustainability, that I commented on earlier.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. With your permission I would table on behalf of the Leader of the Official Opposition, the Member for Lethbridge-East, copies of literally hundreds of e-mails and letters that the member has received from people here in Alberta and around the world objecting to the consideration of the development of the Milk River dam, indicating that many studies have already been done on this, and all have suggested that a dam would be detrimental to the environment.

My second tabling, Mr. Speaker, is five copies of a letter to me from Laurie Reid objecting to the proposals that are being put forward by the employer in the current health care negotiations, indicating that they could be very devastating with respect to the delivery of health care in the province.

And then I have letters from Rose Badura, Betty Patterson, Stella Callender, Antje Toner objecting to the proposals being put forward in the nurses' negotiations and details [inaudible] putting the proposals on the table would put on health care system.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Mr. Speaker, thank you. I have two tablings this afternoon. The first is an electricity rate chart that has been created by [inaudible] of Edson, who documents an overall increase in the cost of electricity and natural gas from April 2000 to June 2003.

The second tabling is a letter and enclosed article from Pam Head, a resident of Edmonton, who wants it on public record that she is totally against the idea of deregulating utilities. She states this in regards to the Premier: the Premier "needs to regulate the utilities remembering they are a necessity . . ."

The Speaker: Hon. member, the tradition is to table the document, not to read it.

Mr. MacDonald: My third tablings are letters addressed to the hon. Minister of Human Resources and Employment, from Lethbridge-West, from L. Watt, who expresses concern about negotiations between PHAA and UNA.

Thank you, Mr. Speaker.

3:00

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. On behalf of the hon. Member for Edmonton-Strathcona I am tabling a background brief prepared by Bev McKay and other prominent Albertans requesting the Auditor General of Alberta to conduct an audit of long-term care facilities in Alberta.

I'm also tabling copies of Mr. Kenneth Dombrowsky's correspondence with respect to his WCB appeal. Mr. Dombrowsky was injured 22 years ago and has been fighting appeals since that time, and I'm pleased to table the requisite number of copies of that tabling.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'd like to table letters from Cari Smith, Gwyneth Foster-Newell, I Lut Lo, and Janick Hebert, who are all constituents and all nurses writing about their concern for the lack of negotiations between nurses and the RHAs.

I'd also like to table some of the letters I referred to in debate the other day regarding insurance. The first is from Tim Peterson, directed to me with concerns about claims versus insurance and penalties for lapsed insurance; also, the individual I referred to as the Eagle Talon, who's actually named Janice MacNeil, concerned about her son and the amount that he was having to pay for insurance for a used car; the individual I referred to as Mr. Mazda and his concerns around the \$4,000 cap on soft tissue injuries; also, a letter addressed to me from Bennett Moore, concerned about Bill 53 and what the government is proposing for auto insurance; and, finally, directed towards me from Jeff Fixen asking me to vote against the insurance industry's proposal on soft tissue injuries.

Thank you very much, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. My tablings today are all done with permission and, in fact, at the request of the writers. They are letters from Ross and Yelena Pambrun, Donna Maxwell, and Angela Krizan, copied to me and addressed to the Member for Calgary-Bow, expressing concern over the nurses' negotiations.

The second tabling is a letter from Susan Kean, copied to me and originally addressed to the Member for Fort McMurray, also expressing concern over these negotiations.

Thank you.

The Speaker: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Yes. With your permission I have two tablings today, Mr. Speaker. The first is 45 signatures from residents of the Hastings Lake area who are worried about the proposed Tempest gas wells, which have recently been approved by the Energy and Utilities Board without public consultation, and that they may affect both the quality and quantity of potable water. They want the wells tested before and after drilling by an independent, unbiased . . .

The Speaker: Hon. member, the intent is to table, not read.

Mr. Bonner: My second tabling is a decision by the Supreme Court of Canada on an application for leave to appeal. The appeal by the Workers' Compensation Board was dismissed with costs to allow the

respondent, Thomas Shuchuk, to advance a claim against the WCB based on the tort of abuse of public office.

The Speaker: Others?

head: **Tablings to the Clerk**

The Clerk: I wish to advise the House that the following documents were deposited with the office of the Clerk by the hon. Mr. Mar, Minister of Health and Wellness: Alberta Dental Hygienists Association 2002 annual report, Alberta Dental Assistants Association 2002 annual report, Alberta College of Medical Laboratory Technologists annual report 2002, Alberta College of Speech-Language Pathologists and Audiologists 2002 annual report, College of Dietitians of Alberta annual report 2002-2003, Alberta Association of Registered Nurses annual report 2001-2002, Alberta College of Pharmacists annual report 2002-2003, Alberta College of Social Workers annual report 2002, Alberta Association of Registered Occupational Therapists annual report 2002-2003, and College of Alberta Psychologists annual report 2002-2003.

By the hon. Mr. Stevens, Minister of Gaming, a memorandum dated July 22, 2003, from Norman C. Peterson, chairman and chief executive officer of the Alberta Gaming and Liquor Commission, to the hon. Mr. Stevens, Minister of Gaming, regarding the Edmonton Northlands violation; Alberta Gaming and Liquor Commission 2002-2003 annual report; and Horse Racing Alberta 2002 annual review.

head: **Projected Government Business**

The Speaker: The hon. Official Opposition House Leader.

Dr. Taft: Thank you. On her behalf, Mr. Speaker, at this time I would ask the government to share with us the projected government business for next week.

The Speaker: The hon. Deputy Government House Leader.

Mr. Stevens: Thanks, Mr. Speaker. I'm very pleased to rise this afternoon to share the projected government business for the week of December 1 to December 4, 2003. On Monday, December 1, commencing at 9 p.m. will be government motions 27 and 28 followed by Committee of the Whole on Bill 54, Appropriation (Supplementary Supply) Act, 2003 (No. 2); Bill 44, Personal Information Protection Act; Bill 50, Wildlife Amendment Act, 2003; Bill 51, Natural Resources Conservation Board Amendment Act, 2003; and as per the Order Paper.

On Tuesday, December 2, commencing in the afternoon there will be third reading on Bill 54, Appropriation (Supplementary Supply) Act, 2003 (No. 2); then Committee of the Whole on Bill 53, Insurance Amendment Act, 2003 (No. 2); second reading on Bill 52, Health Professions Amendment Act, 2003, and Bill 46, Municipal Government Amendment Act, 2003. Then third reading of Bill 49, Public Lands Amendment Act, 2003; Bill 47, Tobacco Tax Amendment Act, 2003 (No. 2); Bill 45, Family Law Act; Bill 53, Insurance Amendment Act, 2003 (No. 2); and as per the Order Paper.

On Tuesday, December 2, in the evening Committee of the Whole on Bill 53, Insurance Amendment Act, 2003 (No. 2); third reading of Bill 54, Appropriation (Supplementary Supply) Act, 2003 (No. 2), and Bill 49, Public Lands Amendment Act, 2003, and Bill 47, Tobacco Tax Amendment Act, 2003 (No. 2), and Bill 45, Family Law Act, and Bill 53, Insurance Amendment Act, 2003 (No. 2); and as per the Order Paper.

On Wednesday, December 3, in the afternoon will be second reading on Bill 52, Health Professions Amendment Act, 2003, and Bill 46, Municipal Government Amendment Act; third reading of Bill 43, Post-secondary Learning Act, and Bill 44, Personal Information Protection Act; and as per the Order Paper.

That evening Committee of the Whole on Bill 38, Workers' Compensation Amendment Act, 2003; Bill 52, Health Professions Amendment Act, 2003; Bill 46, Municipal Government Amendment Act, 2003; and Bill 48, Alberta Heritage Foundation for Science and Engineering Research Amendment Act, 2003. Third readings will be on Bill 38, Workers' Compensation Amendment Act, 2003, and Bill 52, Health Professions Amendment Act, 2003, and Bill 46, Municipal Government Amendment Act, 2003, and Bill 48, Alberta Heritage Foundation for Science and Engineering Research Amendment Act, 2003, and Bill 44, Personal Information Protection Act; and as per the Order Paper.

On Thursday, December 4, in the afternoon Committee of the Whole and third reading on Bill 53, Insurance Amendment Act, 2003 (No. 2), and as per the Order Paper.

head: **Orders of the Day**

head: **Government Bills and Orders**

head: **Second Reading**

Bill 54
Appropriation (Supplementary
Supply) Act, 2003 (No. 2)

The Speaker: The hon. Minister of Finance.

Mrs. Nelson: Thank you very much, Mr. Speaker. I am delighted to be able to stand today and move second reading of Bill 54, the Appropriation (Supplementary Supply) Act, 2003 (No. 2).

Mr. Speaker, yesterday I was able to bring forward the second quarter in the supplementary estimates, and clearly we are in a position in this province to deal with some of the pressure points. A lot of them, in fact the majority, are a result of disasters and emergency situations that have occurred within our province, and this government clearly responded to those disaster requirements and needs I believe faster and with more earnest than any other province in this country.

I know that there was dialogue last night on supplementary estimates, and I'm sure that all members and colleagues were proud of the way that, in particular, the ministries with the disasters were able to move quickly and with a clear direction to help alleviate some of the pain from the disasters that occurred in the province, conditions, Mr. Speaker, that we were also seeing focus on some priority areas that clearly were necessary to deal with some issues that had arisen through the year. This particular bill reflects those positions, and I am pleased to move second reading.

At this point, though, I'd like to adjourn debate, Mr. Speaker.

[Motion to adjourn debate carried]

3:10

Bill 52
Health Professions Amendment Act, 2003

The Speaker: The hon. Minister of Health and Wellness.

Mr. Mar: Thank you, Mr. Speaker. I am pleased to move for second reading Bill 52, the Health Professions Amendment Act, 2003.

Mr. Speaker, as we move forward with health reform, we need to

support health professionals in providing safe and effective health services. We've already done much to make the health care system more efficient and responsive to patient needs. In Alberta an electronic health record system has been built to give health providers secure electronic access to current health information when providing patient care. This leading technology, the first of its kind in Canada, gives physicians and other health care providers correct information about a patient's prescriptions, allergies, and test results. Providers will have appropriate access to patient information no matter where the patient lives or where they receive care.

Physicians and pharmacists have already reported that the electronic health record system is an effective tool in making decisions about patient care. The system aims to prevent drug prescription errors and avoid having patients undergo unnecessary diagnostic tests. Physicians say that immediate computer access to patient information and clinical guidelines are helping them to make better decisions about patient care.

Mr. Speaker, the electronic health record system also depends on the ability to collect and share accurate and appropriate information about health professionals who provide care. Bill 52, the Health Professions Amendment Act, will allow for the development of a health provider directory, which is a database of all regulated health professionals in the province of Alberta. Bill 52 will give regulatory colleges the authority to collect and share information on all individual health professionals who will need to access electronic health record information to provide patient care.

The Health Professions Act was passed in 1999 to regulate all 30 health professions in the province. This legislation requires all regulatory colleges to follow common rules, to investigate complaints and set educational and practice standards for registered members. Bill 52 will expand the information that can be collected and shared about health professionals while protecting their privacy. This bill will require all professional colleges to collect standard information on all of their regulated members.

This data is essential to the function of not only our electronic health record system but will also ensure that Alberta can provide standard data to national initiatives such as the development of a pan-Canadian electronic health record system. The new system will allow for interprovincial communications on patient referrals, telehealth, and research.

Bill 52 will also authorize the use of anonymous and aggregate health provider information to help Alberta monitor and plan for health workforce needs. Professional colleges are asked for changes in how they define themselves and their regulated members.

New professional schedules under Bill 52 will provide new college names and new professional titles to reflect current scopes of practice. The practice statements for some colleges have been amended to better reflect the range of services regulated practitioners provide.

Mr. Speaker, Bill 52 will assist professional colleges and their regulated members to provide safe and effective patient care. Regulatory colleges and health authorities recognize and support the need for these changes to improve patient access and care. Bill 52 is an essential step in being responsive to the needs of Albertans and to the needs of health care providers. This bill advances our progress in health reform and helps us build a better public health care system.

Again, Mr. Speaker, I'm pleased to move Bill 52 at second reading, and at this time I wish to adjourn debate on Bill 52.

[Motion to adjourn debate carried]

Bill 46**Municipal Government Amendment Act, 2003**

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. The Municipal Government Act provides the framework for governance in the administration of 357 municipal authorities and therefore affects the vast majority of over 3 million Albertans. This government acknowledges the key role of the Municipal Government Act, and it's firmly committed to ensuring the act's continued viability and relevance.

After consulting with stakeholders, the government has concluded that additional amendments are appropriate in strengthening the Municipal Government Act. Stakeholders such as the Urban Municipalities Association and the Association of Municipal Districts and Counties along with many other stakeholders were consulted.

The purpose of Bill 46, the Municipal Government Amendment Act, 2003, is to improve the act by doing the following: first, it will provide enabling legislation to allow municipalities to collect an off-site road levy as a condition of subdivision or development, and second, it will enhance the liability protection for municipal boxing and wrestling commissions.

In addition, amendments are proposed to change the effective date of provisions in Bill 23, the Municipal Government Amendment Act, 2002, regarding the revised equalized assessment reporting system.

Mr. Speaker, let me begin with those amendments that apply to off-site road levies. Municipalities experiencing rapid growth have requested through the Minister's Provincial/Municipal Council on Roles, Responsibilities and Resources in the 21st Century an amendment to help offset some of the transportation costs related to new growth. The council is the first of its kind in Canada. Members from this Assembly, including Whitecourt-St. Anne, Edmonton-Rutherford and Calgary-Mountain View, join me. Also sitting on the council of stakeholders are the AUMA president, the AAMD and C president, the mayors of Edmonton and Calgary, and also a representative from Alberta Economic Development Authority.

A recent court decision in the MD of Rocky View challenging the validity of a municipality to collect an off-site road levy resulted in a ruling that sufficient authority for this did not exist in the act, one of the purposes of our amendments today. Provision is therefore proposed to confirm the authority of the municipalities to collect an off-site levy as a condition of subdivision or development to help offset some of the transportation and lading costs that come with new growth.

An example of where this would have benefited a municipality is the massive Simons Valley subdivision in Calgary. With a projected population of 50,000 people the development was put on hold by Calgary council last December due to a shortage of infrastructure funds for roadway construction. An agreement with developers to help pay for the roadways was not settled until the following spring.

Now, to ensure that the process is accountable, transparent, and subject to public scrutiny, provisions will also be added to the act to require off-site levy bylaws to be subject to advertising provisions in the Municipal Government Act and to require separate accounting procedures for all off-site levy bylaws, ensuring their accountability. To provide a stronger policy framework for setting off-site road levies, a new regulation-making authority of the Lieutenant Governor in Council will be included to establish principles and criteria that apply to municipalities in setting these levies. This will be in addition to the existing power in the MGA to set the maximum amount that a municipality may establish or impose as an off-site levy.

In the past there have been challenges made to the right of the municipality to charge off-site levies as a part of the development agreement. To address this particular issue raised by our stakeholders and any other potential challenges, a clause is proposed to ensure that those development agreements entered into prior to the coming into force of the proposed off-site road levy provisions are deemed to have been in force as though the off-site levy was authorized in the act.

Mr. Speaker, finally, the second set of proposed amendments would give municipal boxing and wrestling commissions immunity from any liability arising from all combative sports regulated by the commission and cover referees, judges, employees, and other officials in the performance of their duties in good faith. This request was raised by the city of Edmonton on behalf of the Edmonton Boxing and Wrestling Commission and also received verbal support from the city of Calgary on behalf of the Calgary Boxing and Wrestling Commission.

Therefore, it is proposed that section 535.1(1) be amended to include the following combative sports: full-contact karate, kick-boxing, and all other sports that hold contests between opponents including striking with feet, hands, knees, or elbows. Question period is not part of this coverage.

It is also proposed that section 535.1(2) be amended to protect officials, commissioners, referees, judges, and timekeepers from liability for anything said, done, or omitted to be done in good faith.

Finally, the proposed liability protection will be very similar to that provided to councillors, municipal officers, and volunteer workers of a municipality.

3:20

Let me conclude, Mr. Speaker, by saying that sections 10, 11, 13, 16, 17, and 20 of Bill 23, the MGA Act of 2002, are to come into force January 1, 2004. These sections pertain to the preparation of municipal equalized assessments, and the effective date is causing concern for some municipalities. I've heard their concern and am very pleased today to say that the amendments – municipalities and their service providers may require additional time to complete those required changes to their systems to comply with the revised equalized assessment and reporting system that was provided in Bill 23. Therefore, it is proposed that sections 10, 11, 13, 16, 17, 20 of Bill 23 be amended to come into force on proclamation rather than on January 1, 2004.

It is further proposed that in section 13 of Bill 23 the wording of section 321.1(2) be amended from January 1, 2004, to "by the date this section comes into force."

Mr. Speaker, in closing, this bill addresses the needs of Albertans and will maintain the Municipal Government Act as a model piece of legislation of every similar kind of any place in Canada.

With that, Mr. Speaker, I'm very proud to say that these are good amendments, and I would at this time like to adjourn debate.

[Motion to adjourn debate carried]

head: **Government Bills and Orders**

head: **Committee of the Whole**

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order.

Bill 45
Family Law Act

The Deputy Chair: Are there any comments, questions, or amendments? The committee will deal with amendment A1. Are there any

questions or comments to be offered with respect to this bill? The hon. member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Chairman. Further to the package of amendments that was introduced and marked, I would like to advise you that following consultation with the opposition, it has been agreed that the amendments to Bill 45 which are currently on the floor be split up in the following way to accommodate specific discussion, voting, and subamendments.

First, we would ask that the main amendment that we have proposed will remain amendment A1, that section B will be broken out to become A2, section G will be broken out to become A3, section J will be broken out to become A4, section EE be broken out to become A5, and finally, Mr. Chairman, section A be broken out to become A6.

The Deputy Chair: Okay. I presume that there is an agreement on that.

Ms Blakeman: Yes. Thank you very much, and I appreciate the co-operation of the sponsoring member and the House leaders in coming to this arrangement.

The Deputy Chair: Very well. We shall do accordingly.

Ms Graham: I'll continue, then, Mr. Chairman. As I mentioned in my remarks on second reading, since the introduction of Bill 45 last spring there has been additional consultation on the contents of the bill over the summer and into the early fall, and government has accepted many of the suggestions received over this period for the purpose of improving and strengthening the content of the bill.

Mr. Chairman, there are some 65 amendments in our package of amendments, and although it may seem that this is a high number of revisions, I would like to say that this has really been the first opportunity for those who will work with this bill to actually view it. So these changes reflect the scrutiny which has been brought to bear by the individuals and organizations with expertise about it and who will be working with it.

You will see, Mr. Chairman, that the majority of the amendments are drafting changes which improve clarity. There are certain policy changes which extend from those of minor significance to those of, I'll call, ordinary significance. We feel that there are really only three policy changes that are of major significance, and I will identify those for members as I give the description of them later on.

Just to sum up, then, the amendments really fine-tune the provisions of the bill such that there will be less opportunity for interpretation, I guess I could say, for greater clarification of intent, for wording that better harmonizes with the federal Divorce Act, and to remove some sections that were, in retrospect, thought to be not necessary.

Mr. Chairman, I would also like to state that I believe and I think members would agree that there is a higher than usual need for clarity in this bill as it will be used very heavily day in and day out by judges, clerks, lawyers, self-represented litigants, and others working within the family law system. So it's very important that the bill be clear and easy to follow, and I think that the amendments that we are proposing respond to this need.

It will be my intent, Mr. Chairman, in the time remaining to summarize the amendments for members. I have grouped these amendments together by general subject matter, and although it isn't my intent to go into each one of the 65 in detail, I will try to hit the high spots, so to speak.

Addressing, then, the amendments, Mr. Chairman, the first grouping I will call court jurisdiction and powers and alternative

dispute resolution. I would suggest that House amendment A, which defines "respondent" in a less adversarial way, as well as amendment C, which amends section 4 of the bill to add collaborative processes to mediation and other services which lawyers must bring to the attention of their clients to help parties resolve their differences, go to making the court processes simpler, more family friendly, and are certainly encouraging of the use of alternative dispute resolution mechanisms.

3:30

The next two House amendments, B and C. Amendment B revises section 3, the jurisdiction of our Court of Queen's Bench and our Provincial Court, both of which act in this area, but it sets out the jurisdiction of the respective courts specifically in the Family Law Act. Section 3.1 would then deal with procedures to apply when there are duplicate applications and for combining matters.

Mr. Chairman, originally the plan was – and the bill so reads – to designate the court by regulation; that is, what court would have responsibility for a lot of contingent applications. However, a question was raised about the legality of doing this; thus the amendment to designate the court in the statute. Amendment D is a reference to the elimination of the need for regulations to set out the court that would be required because we are designating the court. I hope that makes sense.

Next are a number of amendments to definitions and court powers which will reduce the adversarialism in the courts and increase the use of alternative dispute resolution. House amendments E, Z, X, KK, MM, QQ, RR, SS, and ZZ are amendments which clarify court powers in relation to the making or varying of orders or declarations.

Then, Mr. Chairman, House amendments TT, UU, WW, and XX add court powers to make stays and order costs and conditions in certain situations.

The next grouping relates to child support for children over the age of 18 and the procedures for determining child support, and the amendments here, Mr. Chairman, involve two of the major policy changes that we have identified. What the bill basically does is erase the differences between child support procedure for the children of married parents and those children of unmarried parents by harmonizing with the Divorce Act, by bringing in a definition for when child support is payable, and by bringing in the use of child support guidelines which exist in the Divorce Act.

So what you will see, Mr. Chairman, is the addition of support obligations for certain children over the age of 18 but not older than 22 years of age to balance the obligation of the child to support himself or herself with the Divorce Act obligation to pay support after age 18 and with the government policy that supports education. We will find these changes in House amendments BB, CC, KK(a)(iii), which amend section 47(b)(ii), defining how a child over the age of 18 would qualify for child support and also requiring the adult child to contribute to his or her own support.

The other major change, as I mentioned, is the inclusion of child support guidelines which really reflect the current reality that is happening in the courts, because our courts are applying them with great success. So House amendment EE would amend section 52 to add child support guidelines and set the rules for when these guidelines may and may not be used.

Two additional amendments, I and DD, relate to powers on findings of parentage, and they make it clear that the court can make findings of parentage for child support and can order blood tests in aid of that.

The next subject matter of revisions deals with the removal of the person-in-need support provisions, which currently are part 3, division 3 of the bill. These re-enact the provisions of the Mainte-

nance Order Act and would impose a legal obligation on extended family members, including grandparents, parents, children, and grandchildren, to support family members who cannot support themselves because of disability or similar causes. Because these sections are rarely used by private citizens and never by government and are no longer consistent with government policy, which is to support the independence of disabled adults, it was determined that these provisions should be removed from the act. In fact, House amendment HH does do that. It strikes out all of part 3, division 3. This is the third major policy change which is contained in our amendments.

The next subject matter deals with the clarification of children's interests and their participation in matters affecting them. Mr. Chairman, the bill does encourage a focus on the child and on the child's unique situation and best interests, and it encourages the appropriate inclusion of the child in matters affecting him or her. We find changes consistent with this in House amendments F and J, which have to do with the notice of court procedures on children. These House amendments amend sections 10 and 16 to ensure that children who are under the age of 18 are properly notified of court proceedings affecting them. We've changed the age from 12 years and older to 16 years and older, at which point children would be notified of proceedings involving them. As well, it does still leave open the discretion of the court to give notice in other circumstances.

House amendment K addresses the best-interest criteria and amends section 17(2)(b)(iv) and (ix) and allows for the child's and guardian's views to be considered if appropriate in determining best interests. It also amends subsection (vi) of 17(2)(b) and 17(3) by improving the definition of family violence as it relates to children. It will include all household members as well as acts of sexual abuse and forced confinement, but it will exclude normal discipline as might be meted out in the household.

House amendments YY and ZZ affect sections 96 and 97 and redraft them to better aim at the protection of children by limiting publication of proceedings and, of course, enable the court to do this.

The next subject matter would be entitlement to contact with the child, and grandparents' access comes under this heading. An amendment has been made in response to the Alberta Grandparents Association submission, which gave input to all MLAs in this regard. House amendment Y would see a change to section 35(4)(a), which makes the test for obtaining leave to bring an application for contact with the child for grandparents and other nonparents to be less onerous in the case of intact families.

The next subject matter is under reproductive technology, and there are new changes in Bill 45 designed to help infertile individuals. House amendment G would see section 12, which addresses this, improved by using better wording in place of "artificial insemination," which is viewed as an outdated term and not descriptive of the process, to be replaced with the new and better wording of "assisted conception." It will also improve clarity about the ways that men, particularly those who have fertility problems, can be considered biological fathers through assisted conception. It also allows exceptions to be made in the regulations to the rule that anonymous sperm donors are not fathers.

3:40

The next grouping surrounds the entitlements and powers of guardians of children and trusteeship of children's estates. These provisions are found in part 2, division 1. Mr. Chairman, this is the first time in Alberta law that all the entitlements and responsibilities of guardians have been codified. Where there are disputes in relation to these powers, they are often difficult ones, so clear rules should help reduce conflict in this regard.

I can advise the members, as well, that procedures for obtaining a trusteeship order for children's estates have been adjusted after consultation with and in anticipation of the planned amendments to the Minors' Property Act. So the House amendments under this heading, Mr. Chairman, are found in House amendment L, which specifies the guardians' powers and affects section 20(2) and 20(5)(m.1), where there's a clarification of the guardians' entitlements and obligations to share information.

Under section 20(3) there's a clarification that there's no financial responsibility associated with guardianship.

Under section 20(5) there is a requirement that the child's maturity level, which is an evolving capacity, must be taken into account when they make their decisions.

Under section (20)(5)(b) and subsection (l) are further clarifications of the guardianship powers.

Under House amendment O there is a change to ensure that in making a guardianship order, there is never a gap in these guardianship orders, and it also removes an unnecessary leave to court application.

House amendments P, Q, R, and T speak to the trusteeship of the estate of the child and affect section 26 such that any eligible person can be a trustee, not just the guardian. As well, it affects section 28 such that the consent of the Public Trustee is not necessary as the Public Trustee will get notice of these applications in any event. It also affects section 30, which gives the power to the court to help the trustee, where the trustee can now apply for directions.

House amendment S will affect section 29, which clarifies the court's power to review a guardian's decisions.

The next subject matter is parenting orders found in part 2, division 2, and involve House amendments U and V, which clarify the definition of parenting time and moves this to a better location in section 32 and also affects section 32(3), which is removed because it would likely cause some conflict. It had been included for the purposes of the Hague convention but is now being withdrawn.

The next subject matter is enforcement of time with the child, which is found in part 2, division 4, and is . . . [Ms Graham's speaking time expired]

Chair's Ruling Decorum

The Deputy Chair: Hon. members, given that we do have some sound problems, it's very important for *Hansard* to be able to pick up the speaker's remarks. I would request everyone to please respect the problem that we have today. Please, everyone, allow the speaker to be heard by the microphones so that, at least, *Hansard* can record what's being said.

The hon. Member for Edmonton-Centre.

Debate Continued

Ms Blakeman: Thank you very much, Mr. Chairman. I'd like to commence the Committee of the Whole debate on Bill 45 by acknowledging and thanking the government for its co-operation in reorganizing the amendments that had been proposed. In general, I am supportive of the amendments that were brought forward in the package by the sponsoring Member for Calgary-Lougheed. However, there are a number of areas where I wish to bring a subamendment or where I had concerns. I didn't want to be in a position of voting against the entire package because of concerns that I had with a few clauses, so I appreciate the co-operation in pulling those clauses out.

I am aware of the time pressure today in that there is a desire by the government to return to the appropriations bill by 5 o'clock,

which leaves about an hour and 10 minutes for this debate. What I would like to do is respond first to the general amendment, amendment A1, which is the larger package of amendments, and then I'm perfectly happy to have that voted. Then we would go on to amendment A2, which is on the courts, discuss it, vote on it, and then to amendment 3, which is on assisted conception. I do have a subamendment. Then amendment 4 on notification, amendment 5 on child support, and amendment 6 on definitions. Finally, I have an amendment to the original bill, which would happen after we've voted on all the other amendment packages currently on the floor.

To start out, looking at the general package, the sponsoring Member for Calgary-Lougheed has apparently gone through to outline what the government was attempting to do with such a large amendment package. There's no question that 65 amendments contained in 38 pages is a large amending document, though I support the government in the work that was done. This bill was originally put on the floor in the spring session and left over the summer for people in communities, interested stakeholder parties, to look at it and give input. As a result of that input we have the amending package before us. I think the process is a good one, and I'm pleased that it, indeed, has happened.

I would make a couple of comments on the package A1, the guardianship order section. I think that once we have fixed the surrogacy and assisted conception sections – and I have amendments to that. The guardians: here again we're speaking about a mother and father, and additional guardians or alternate guardians can be appointed where necessary. This continues the previous law, and it's fine.

When we look at contact orders here under division 3, this is where the test is set out to allow someone to stand in place, the best-interest test. We have some concerns which were brought to me by the Grandparents Association, that felt that the test was too hard, and the Member for Calgary-Lougheed did mention that there had been an amendment in the A1 package to make that easier. I would maintain that the test is still too difficult, but at this point it's come down to a difference in philosophy. The government prefers to have a philosophy of parental rights first and foremost, and that's reflected in the legislation. I would have preferred that there be a wider recognition of different kinds of families, and when we're looking at the best interests of the child, I would have preferred the test be put on the parents to prove why someone else couldn't have contact with their children, but not a hill that I'm going to die on because I think I'm not going to be able to move them on this, and they have been willing to come partway with this amendment, that they have already committed to this. I think it can be argued that the best interest of the child is an actual test that grandparents meet.

3:50

Now the enforcement of access to the child, which appears in division 4, sections 38 to 46. This provides the government with powers to address interference with access, and the provisions are taken directly from the Domestic Relations Act. They are not new. They have been around for some time, and I remember doing an amendment to the Domestic Relations Act in my time here, in '98 or '99, in which the access enforcement section was inserted, and that did seem to have brought a lot of problems.

My concern now is the same as it was back then in that these provisions with enforcement of access I believe contain threats of fines and imprisonment that can be used by access parents to coerce or threaten custodial parents. Often we have a situation where there's a gender bias built into this. In other words, the custodial parent is still in this day and age more likely to be the mother. The

access-seeking parent is more likely to be the father. The fathers often have more financial resources, although I've been corrected recently that it's people with great resources or almost no resources who, in fact, take advantage of the public resources to delay, to go back to court repeatedly.

It becomes a form of harassment to continually go back to court on every variance, on every order and challenge everything, and the custodial parent is having to take time off work, arrange for child care, perhaps are losing salary if they're on wage per hour. If they don't work, they don't get paid. They're having to look at parking costs and travel costs to go back over and over and over again to court to defend themselves. So I still have a concern that that's possible here. I have not seen an improvement, and I think we need to look at this, maybe even address this in the future.

There are no parallel penalties in place for access parents who refuse to take the access as ordered by the court except for a very small provision which allows the custodial parent to get reimbursed for actual costs that were incurred. So a parent has said: "Okay. I'm the custodial parent. I've arranged to go to a family reunion in Newfoundland. I've bought my ticket. This is the weekend that the access parent is going to take the child or children. I bought a dress for the family reunion." Then comes Friday afternoon and the access parent doesn't come. They're out-of-pocket for the plane ticket and the outfit and the hotel and everything else involved. They could apply to the courts for reimbursement. That is the only section that addresses people that don't take the access that the court has allowed them.

I think there's an imbalance there. There's a great deal of effort to coerce custodial parents to grant access. There is no effort to encourage those parents that have an access order to actually make use of it and to have formed a relationship and have ongoing access with the child. That is a place where we are lacking as legislators, and we do need to go back and address this. Noncustodial parents are given all the rights of access to children but not the responsibility of exercising that access.

Another area that I want to make note of is in section 71, around financial disclosure. There are two issues here. One is that the parent need only provide financial disclosure one time per year, and I think that given how much jobs change, conditions change, that is not enough. If we have a parent who gets a much better job two weeks after their disclosure, that doesn't matter. That child is still going to go through the next whole year getting the same amount, and the children should be able to benefit right away if a parent, in fact, gets a better job or their financial circumstance improves. They could win the lottery or inherit money. There are any number of ways for their financial situation to improve, and in this case the children do not benefit from that, and they should. We have no mechanism in place to allow that; it's once a year only. I think this section is another that needs to be looked at, perhaps not now – I don't see the change in what the government has brought forward – but I would urge the government to consider this perhaps under a miscellaneous statutes or an amending bill.

The second part of my concern around the financial disclosure is always around safety. Of course, given my history, I'm concerned for the safety of battered spouses. I have found instances where harassing spouses can use the information in the financial disclosure, particularly the address of the workplace, to continue harassment. They didn't know where the wife or ex-wife was working. In the financial disclosure document, because it's been verified – and that's the point – there was the address of where she worked, and he was now able to start showing up at work and phoning and harassing her and most of her colleagues in the parking lot, et cetera, et cetera. So I think we need to be very careful here, to be aware that once the

information has been verified, there is no reason for any court officer to be releasing the rest of that financial information. It should not be used as a stick to continue to beat people with.

I am supportive of the efforts that the government has made to reduce the adversarial nature of what we have in our setup. We are in a position where we're using the courts as a final resort, and it does set people up on opposite sides. It is a hostile environment. It is adversarial, and it certainly leads to an escalation of already hostile emotions.

Those are the general comments that I think I wanted to put on the record specific to amendment A1. I am, overall, quite pleased with the improvements that have come forward in this pending document. I think that for the most part the government was pretty good about listening to stakeholder groups. As I mentioned, the one that has been most vocal in expressing their concern that their concerns were not addressed were the grandparents' access groups. As I say, I will continue to work on this, and I hope that the government is focused to continue to work on their end.

There has been a minor amendment made already. Because there are so many other amendments that I want to spend time on today that are more critical to me, at this time I'm going to resume my seat and see if my colleague wants to speak to it. We may well be able to vote on this amendment and move on to some of the ones that are more contentious in my opinion.

Thank you for the opportunity to bring forward a few points of concern with this overall amendment A1.

4:00

The Deputy Chair: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Chairman. I would like to at this time extend my thanks to the Member for Edmonton-Centre for her general support of the bill and of the amendments and for her co-operation in the process by which we are doing this and the anticipated subamendments upcoming and the process by which we will, hopefully, adopt the amendments as a whole.

I would like to just complete the overall summary of the bill. I don't think I will take this opportunity to respond to the comments made on amendment A1 at this time.

So, Mr. Chairman, just to carry on with my remarks, I was talking about the subject matter of the bill dealing with the enforcement of time with a child, which is part 2, division 4, all of which has been removed by way of House amendment AA. It has been redrafted to remove the term "access" and replace it with the term "time with a child," which refers to the actual subject of the enforcement, which is the denial of time with a child.

The next subject matter deals with House amendments providing greater clarification in the act. There are many small changes which have been made to clarify intent, to remove certain sections, and to adjust the wording to better match with the Divorce Act. These House amendments are found in A, H, M, W, FF, GG, II, JJ, LL, NN, OO, PP, VV, and BB(d).

The next groupings have to do with consequential amendments which were not included in the bill for the most part. This allowed for consultation with affected government departments, which took place over the summer. Most of the consequential amendments that have been brought in are aimed at bringing other statutes into line with the concepts and terminology of this bill.

We have House amendment EEE, which adds a new means to end an adult interdependent partnership by obtaining a declaration of irreconcilability.

We have House amendments AAA, FFF, and MMM, which as a group amend the Change of Name Act, the Child Welfare Act, the

Child Welfare Amendment Act, the Law of Property Act, the Maintenance Enforcement Act, the School Act, the Vital Statistics Act, and the Marriage Act. There is also a change to move the loss of consortium through injury to the Tort-feasors Act.

The next grouping relates to regulations and transitional provisions. Some changes have been made as a result of changes in other areas of the act, and we find these at House amendment CCC, which adds regulation-making power for child support guidelines and exceptions for sperm donors relative to a declaration of fatherhood.

House amendment DDD allows for the interpretation of current custody and access orders and the continuation of current guardian and trustee orders.

And the last group, Mr. Chairman, effects amendments affecting government officers, and these references are found in House amendments D, A, J, L, N, and S(b).

That completes my overall description of our amendment package, Mr. Chairman.

The Deputy Chair: Just for clarification between the two sides, the government side and the opposition side, there was the understanding that you will be voting on each amendment, as you've agreed to, separately and have debate in between; correct?

Ms Graham: Yes, Mr. Chairman. We could, then, vote on amendment A1.

The Deputy Chair: At this time the committee is going to have a vote on amendment A1.

[Motion on amendment A1 carried]

The Deputy Chair: We will now debate and then have a vote on amendment A2. The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Chairman. Amendment A2 is pulling out section 3, which is discussing court jurisdiction. I have an issue with this because the section was to delineate which courts have jurisdiction to deal with matters before them. Sorry; this section originally left it up to the minister to designate which court it was going to be. The amendment that was brought in and that we're looking at, amendment A2, was to delineate which courts have jurisdiction to deal with which matters. The section does define which matters the Court of Queen's Bench has exclusive jurisdiction over. That appears in section 3(1), and many of the matters can be dealt with by either the Provincial Court or Queen's Bench, and that's been the situation for some time; in other words, concurrent jurisdiction. If there were two orders, a Queen's Bench, or QB, order prevailed over a provincial order.

But this bill is now saying that where two courts have jurisdiction, the first court engaged has jurisdiction; that is, if the two courts have jurisdiction, whichever court has had an application applied for first has the jurisdiction, and the other court cannot deal with the matter. So section 3(1) sets up the Queen's Bench; section 3(2) sets up the Provincial Court.

Then there are a number of exceptions to what the Provincial Court can deal with, and it's a very long list. It includes things like declaration of parentage, surrogacy, declaration of irreconcilability, trusteeship orders, consent to trusteeship, termination of trusteeship, referral of questions to court, exclusive possession of the home, exclusive use of household goods, cancellation of registration order, amount held in trust or conditions, property transfer held in trust, payment severed by a charge, injunction against disposal of property, authorizing another person to transfer or convey, authorizing

mortgage or security, a default of amounts, and the ability to appoint a receiver. So those things cannot be dealt with by the Provincial Court.

4:10

But where it gets interesting is when we get into what's called concurrent proceedings, which is 3.1 and the subclauses that follow, and that is, essentially, upholding that "whoever gets there first." So we have a problem here because different courts can apply different rules. If Queen's Bench can apply the Divorce Act and the Provincial Court can only apply this act that's under consideration here, the Family Law Act, if the two create different rules, and they do, then kids can be treated according to what court the documents were filed in first. So this becomes a first-to-file scenario that can hurt the kids.

For example, child support. Queen's Bench has jurisdiction to apply the Divorce Act; Provincial Court does not. It can apply only the Family Law Act. If documents were first filed in QB, the Divorce Act applies and a child over 18 can get support if circumstances warrant. If the documents were first filed in Provincial Court, no Divorce Act, only this act, so no support could be ordered. Now, there was an amendment – it's under the support section – that did allow for the maintenance support up to 22 only if either married parents or unmarried parents.

I'm noting that the government amendment had dealt with the specific case of maintenance for at-home children in university full-time. But I think there are other examples where support of children can be obtained under one court but not under the other, and it becomes a matter of who filed in which court first, which is unfair to the kids. So we have not only children of common-law relationships treated differently but also children of divorce if an application was brought into Provincial Court first, for example.

This is not fair and according to the Charter would not be allowed. So I think we are setting up, potentially, a Charter challenge, and I will fight that now. I don't think I'm going to get the government to change their mind today, but I think we need to deal with this. So this is setting up an arbitrary first-to-file type of system, and if a payor/noncustodial spouse wins the race to file first in Provincial Court, I think the kids could lose out, and if a payee or custodial spouse wins the race to file first in Queen's Bench, then the kids get a better deal. I think this is capricious and unfair because it's based on a footrace. I think it will be subject to a Charter challenge, and I don't think it will survive that challenge. Unfortunately, Alberta children will have to wait a couple of years to get lawyers to be able to go back and fix this problem.

So amendment A2, which is pulling out that section 3 around court jurisdiction, is not one that I can support because I think that it is not Charter challenge-proof, and I think it is setting up an inequity between children of parents who are applying through the Divorce Act [inaudible] and children of parents who cannot. That does not seem fair to me.

So those are my comments on amendment A2, and I would urge members not to support this amendment. Thank you.

[Motion on amendment A2 carried]

The Deputy Chair: We'll now proceed with amendment A3. The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much. This section, which we are calling amendment A3 and which would be referred to in the amendment package as G, is on assisted conception. This used to be called artificial insemination. I don't whether it lost out to the term

artificial intelligence, AI, and that's why we're now calling this assisted conception. I don't know. Somebody lobbied somebody somewhere, and now we're going to call it assisted conception. Fine. It's AC instead of AI. Okay. Fine.

My concern here – and I do have a subamendment that I would like to present under this section – is that we're trying to create parents.

The Deputy Chair: Are you moving the subamendment [inaudible]?

Ms Blakeman: You have them there, and when I'm ready, I'll ask you to circulate them, unless you want to do it in advance, but I'm not speaking to the amendment at the moment.

Because we have, for whatever reason, a biological impediment to creating a child here, we are using other means to do so, and in doing so, we now have to legally create parents out of it. So in this situation – and I'd spoken about this in second reading – we're going to have Sally and Dick who want to have a child, but in this case Sally can't get pregnant because Dick is infertile. They go to a clinic. She gets assisted with conception, what we're going to call artificially inseminated, and when that child is born, everyone expects that Sally and Dick are the parents of this child. The problem is that Sally is the mother because she gave birth to the child, and we're going to call that a mother – okay; good – but Dick is not the father. He will have to adopt the child, which is costly and unnecessary. There needs to be an easier way to make these two parents be parents.

So we have a set of amendments that is trying to create a dad, but I would like to present a subamendment here, and I'm mindful of the language that was used by the present member where she talked about greater clarification and better harmonization with the federal legislation. I think that what's important here is that we wanted to Charter-proof, and because this is being so gender specific in the way people are laid out – male and female, father and mother – I think we've gotten ourselves into a problem here.

The Deputy Chair: Just for the record we will refer to this as subamendment SA1. Proceed with your point.

Ms Blakeman: Okay. So I can read subamendment SA1 into the record here. We're looking in this section G of the amendment package in the proposed section 12 at adding the following after subsection (2). It would be 2.1.

A person who was the spouse of or in a relationship of interdependence of some permanence with a female person at the time she was artificially inseminated is the parent of the resulting child if the person consented in advance of the insemination to being a parent of the resulting child.

4:20

So this is getting around that problem where we're sending people off to court after the fact basically for them to adopt a child and go through the court process. I think we want it to be Charter-proof and we want to have this open to many different kinds of families. Specifically, I think we need to be alive to the possibilities of same-sex parents here, so I brought forward this amendment hoping that we could get support for this and be able to do it right the first time and not have to come back with a Charter challenge and fix it later. So there may well be some people who disagree. All right?

So with this point, I would urge all members to vote in favour of subamendment SA1. Thank you.

[Motion on subamendment SA1 lost]

The Deputy Chair: On Amendment A3.

Ms Blakeman: Okay. Given that I was not successful in convincing my colleagues in the Assembly of the need to try and get into legislation that is Charter-proof, I believe that we are now looking at amendment A3, which will not be Charter-proof because what we've set out here is that a woman who's been artificially inseminated and is giving birth is automatically the mother. There are some very specific sections in section 12 to name the father, and there is a section there to shield those who just wish to be sperm donors, I'm assuming.

I think this is too specific. It has muddled the waters here. It is not harmonizing with federal legislation, it is not harmonizing itself in terms of the Charter, it will be back on our plates, and we're going to have to deal with it in the future. I don't like to see this happening over and over and over again at the expense of the Alberta taxpayer, and I would urge all members to vote against amendment A3.

Thank you.

[Motion on amendment A3 carried]

The Deputy Chair: We'll now proceed to amendment A4.

The hon. member for Edmonton-Centre.

Ms Blakeman: Amendment A4 is concerned with section 16, which is specific to notification, and in the amending document that you have, you are looking for section J. This is around notice of application, who gets notification of various court order applications, and it's setting out that "unless the court directs otherwise, the following persons must, in accordance with the regulations, be served with notice of an application." That includes the guardians of the child. "In the case of an application for a guardianship order, each proposed guardian, and a director" of child welfare – that's what comes into play – and "in the case of an application for trusteeship order, the Public Trustee; any other person . . ." and "before making an order . . . the court must consider whether it is appropriate for a child . . . to be given notice" under this section.

My reading of this notice section sets out that the child is to receive notices of all guardianship and contact court applications provided that the child is older than 16 years and subject to court direction, and I will note here that the previous version had said 12 years old, that they would receive notification if they were older than 12. So this is an improvement, saying that it's 16.

The concern here is that people in a relationship that is coming apart – a divorce or a common-law relationship or an adult interdependent relationship that is coming apart – do stupid, awful, nasty, vile things to each other. They do, and anybody who's close to divorcing people knows that. I've been shocked by the behaviour of people that I'm close to that have been divorcing, at how nasty and small and mean-minded things get.

Here we are saying, "Well, sure. Let's give 16 year olds an eyeful. Let them read these affidavits that are being filed in the courts by these people." Could this be used as a weapon in trying to seek the loyalty of the child? Absolutely. Is this a great way to get out there and slag your ex-spouse or your ex-partner, and your kid gets to read it? Yup. That's what could happen here.

On the one hand, I believe in disclosure and I believe in common sense, but I'm also aware that in this circumstance people do stupid and awful things. Do we really need to be putting 16 year olds and older in the middle of this forum to be reading nasty, inflammatory statements that have been written by people who in all likelihood loathe, detest, or hate each other? Kids are dragged into the breakup

of their parents' relationships enough. Do we really need to be underlining this with a heavy black felt pen and having them read it?

Notice is not required under the Divorce Act. It only is common-law relationships who will be served with these kinds of documents. Once again, we have an unfairness that is worked into the system here, that will now be entrenched in the system, that children of divorcing parents will not be subject to this but children of parents who are using the Family Law Act as a way of ending their relationship will be subject to this. Where's the fairness in that? What's the deal here? I think we need to be adult about this and understand that there are repercussions for young people that are the children in this.

So with amendment A4, the notification section, which appears in section J, where you're amending passages in section 16 in the original bill, I think we could've done better. I'm not willing to support this the way it is because it's such a simple thing for us to address and save, certainly, some kids a great deal of pain. Knowing that, we could've done something here, and I'm not willing to support it going forward in the form that it's in.

So I urge all Members of the Legislative Assembly to vote against amendment A4. Thank you.

[Motion on amendment A4 carried]

4:30

The Deputy Chair: We shall now proceed with amendment A5.

Hon. members, before I recognize the next speaker, the noise level is getting very high for *Hansard* to pick up the sound. Please do respect the problem that we have.

The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you. Amendment A5 is with the act's child support section, which is section EE of your amending document and sections 52 and 53 of your originating bill. Now, the Member for Calgary-Lougheed's opening remarks have caused me a dilemma here because in my reading of this section I was looking specifically for a direct reference to the federal child support guidelines, and in my reading of what we have before us, that reference is not there. What we have in front of us under amendment A5, section 52(1), determining child support: "In making a child support order, the court shall do so in accordance with the prescribed guidelines."

Now, these words are not capitalized. They are not italicized. There's nothing to indicate that they refer to a document that exists somewhere else. It just says "prescribed guidelines." I thought: okay; well, maybe in the definition section at the beginning it will give me that; it will spell that out so that anybody reading this document could understand very clearly that the prescribed guidelines are referring to the federal child support guidelines.

But when you go and look at the definitions that exist in the front of the document under section 1, it's not giving us that, and there's nothing in here that is – there's, you know, definitions for applicant, birth, child, contact order, court, father, grandparent, minister, mother, parent, parenting order, party, person standing in the place of a parent, relationship of interdependence, and respondent. Nothing in here that says that when we say prescribed guidelines, we mean the federal government child support guidelines.

So I have a real concern that this could be misunderstood, and we were seeking clarity here. I don't think this clarifies things; I think it makes them worse because I think we didn't have a reference to this in the past. It was just the reference in there, with which I was very pleased, but I don't think we've accomplished that. Now, I heard the member clearly saying when she talked about this section that she was talking about the federal child support guidelines, but that's not what this says. It does not set it out as referring to a

separate document. There's none of the sort of hints, the directional signs that we're used to picking up when we read legislation that indicates that. It's not italicizing it. It's not in quotation marks. It's not even capitalized. It's lowercase in plain type that matches the rest of the sentence. So I think we've got a problem here because we don't know what prescribed guidelines they're referring to.

What we could have here, if it's not clear that we're talking about the federal government's child support guidelines, is that we can have the court ignore any guideline in some circumstances and allowing parties by consent to ignore the support guidelines, and that does occur in this section. It's going on. Saying, well: "Notwithstanding subsection (1)," in making a child support order, "a court may award an amount that is different from the amount that would be determined in accordance with the prescribed guidelines if"—and then it goes through a series of reasons that the court is setting up as a criteria. You know, if they're satisfied that a special petition is in order for the direct transfer of property or to indirectly benefit a child or that somehow the guidelines would result in an amount of child support that's inequitable given special provisions.

So it says that we're going to adhere to these prescribed guidelines, but it doesn't tell us what the prescribed guidelines are. Then it says: but we can ignore that if given these other circumstances that we decide appear here. Once again, we are setting up a difference in the way children of divorced parents are going to be treated and the way the ending of their relationship comes about through the use of this Family Law Act. Once again we are setting up an inequity between the children of Alberta, and I do not think that is right, I don't think it's fair, and I think it will be subject to a Charter challenge.

So once again the government is setting us up for a lot of money to be spent while we get dragged through court by whoever wants to challenge it. First one up gets to try and straighten this mess out. I think it's very wrong to be setting this up where children get treated differently.

That's what my concern with this amendment A5 is. One, it's not clear that the prescribed guidelines that are being referred to here are the federal child support guidelines, and two, we're setting up for a difference on how children are treated whether they are children of parents who are ending their relationship through use of the Divorce Act or children whose parents can only end their relationship through the use of the Family Law Act. I think that's wrong, and we're causing ourselves a huge problem.

So I would urge all members to vote against amendment A5. Thank you.

Ms Graham: If I might, Mr. Chairman. Just very briefly, I do not think, like the Member for Edmonton-Centre, that it is not clear on a reading of section 52 that the federal child support guidelines haven't been incorporated by this. But I can assure the member and all other members that that is certainly the intent, that the provincial guidelines consistent with the federal child support guidelines will be adopted by regulation. There's no doubt that every government department, every lawyer, every judge, anyone who commented on this section urged us to adopt the child support guidelines. So that was the decision of caucus, and this is more in the form than in the content. That's I think the best I can say at this point: it will be done.

I would ask that we vote on amendment A5.

[Motion on amendment A5 carried]

The Deputy Chair: We shall now proceed to amendment A6.

The hon. Member for Edmonton-Centre.

4:40

Ms Blakeman: Thank you, Mr. Chairman. This is another amendment that I have a subamendment to. This is referring specifically to the definition section at the beginning of the bill. These definitions are important because throughout the bill, when you're trying to figure out exactly who it applies to and who it affects, you go back and look at those definitions that are set out at the beginning of the bill. So this is critical. I've already demonstrated another example where you get some confusion and you say, "Oh, well, maybe it's defined at the beginning," and you go to the beginning and look for the definition of who's covered and who it affects. My concern here is that — and it's a choice of this government; no question — the definitions are too gender specific. What I am trying to do here is again align us more clearly with the Charter and help us to harmonize, which is the word the Member for Calgary-Lougheed uses, with the federal legislation.

What we're trying to do is set up the ability of same-sex couples to be involved in what is set out or enabled through this legislation, and that's difficult for some people in this Assembly. But the law is saying that we have to treat people equally, and this legislation is entrenching inequality, and we need to get away from that. One, because it's the right thing to do, two, because it will point to the Charter and inevitably get taken to court, and undoubtedly we will lose. [Inaudible] of this as the government has tried to defend that inequity.

So what we're looking at here is in the definition section, where we've got the definition of parent, it's saying the mother or father of the child. We already know that that gets a little difficult because, as I pointed out in the surrogacy and assisted conception section, the fact that we could have a situation where we have only one parent, and the second parent had to go through extraordinary measures to get them appointed guardian. So what I was trying to do here is set it up as the second parent.

The subamendment could be distributed at this time, if you like, Mr. Chairman.

The Deputy Chair: Hon. members, the subamendment is being moved, and for the record we shall refer to this as subamendment SA2.

Ms Blakeman: Thank you. Subamendment SA2, then, is referring to the definition section at the beginning of the bill, and specifically to section (k), which says, "'Parent' means the father or mother of a child." This would add the following: ". . . for the purposes of sections 11 and 12," the surrogacy and assisted conception sections again, ". . . a person who is in a relationship of interdependence with the mother or father of a child." So that's taken the gender out of this and allowing us to talk about persons. I think that ultimately what we want to talk about is the parents, the first parent or the second parent of the child. This would have aligned us and would have also said a bit more by defining the person by their position according to the child rather than their anatomical genitalia.

So that's my recommendation and the reasons why I'm bringing this forward. I would like to encourage everyone to vote in favour of subamendment SA2. Thanks.

[Motion on subamendment SA2 lost]

The Deputy Chair: We will proceed with amendment A6. Anybody else want to enter the debate? The hon. Member for Edmonton-Centre.

Ms Blakeman: Okay. In that case, given that we are now about to

pass something that is unconstitutional and that's going to cost Alberta taxpayers a lot of money to fix, I do not support this amendment A6, which entrenches that inequitable definition, and because it is not going to effect change, a disappointment I'm sure. If we are not able to understand what we're causing, it can come back before us sometime in the future when it doesn't pass muster. Plus, there seems to be a lack of concern in the House today to sort out when taxpayers on the hooks are going back to court repeatedly, and I would urge members not to support amendment A6. Save taxpayers some money. Do the right thing and promote an equitable House amendment.

Thank you.

The Deputy Chair: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Chairman. Just to respond briefly on this subject. I think it's clear that the bill has been drafted in terms of the parents being defined as a mother or father of a child, and if we are going to create a new category of parents, such as the same-sex parent, we would have to review the act in its entirety, and an analysis of a number of changes would have to be undertaken.

Just to put on the record, for same-sex partners that want to be declared as parents, the provisions of the act are aimed at establishing who is the biological parent of the child. They are not trying to create rights to parentage where there is no biological connection. However, an exception is made in the bill where there are circumstances where a disability prevents a person from becoming a biological parent, and the surrogacy sections are aimed at substituting fertility for biological, as well. So, all told, they are designed to assist women who are not able to conceive or carry a child and men who are infertile.

There are ways that same-sex partners can become involved with children. Alberta's adoption legislation was amended several years ago to allow for same-sex couples to adopt, so there is that avenue open. There are also the guardianship provisions of the Family Law Act, Bill 45, which are separate from the parental provisions, that do allow for same-sex partners to apply for authority in relation to the child if they are not biologically connected.

So I make those remarks, Mr. Chairman, and ask you to call for the vote on amendment A6.

4:50

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you. I appreciate the member joining in, but she has exactly underlined my point in that they are creating different circumstances, a different test and different requirements for certain people for the same situation. When they have a bill which is legally creating mothers and fathers – and that's what we're doing in these sections; we're having to figure out a way to allow people to be legally created as a parent in a situation of assisted conception or surrogacy – we should be applying that equally to all those who are interested in engaging in that and being a parent.

But what's being created here is yet again a barrier, a different test, an inequality by expecting that one group of people who somehow have a different way, with an additional amount of money – they're going to have to get a lawyer. They're going to have to go through a different process in order to adopt, and it does set up inequality. It is unequal. It is discrimination, and it is not acceptable, in my opinion.

So once again I urge members to vote against amendment A6. Thank you.

[Motion on amendment A6 carried]

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you. We have now completed all the amendments and variations of amendments that the government has put on the floor on this bill. At this point I have an additional amendment that I would ask the table to please distribute.

The Deputy Chair: For the record we shall refer to this amendment as amendment A7.

The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Chairman. This is the other half of the equation that I have been referring to. Earlier, when we were discussing government amendment A3, we were looking at the creation of parents around assisted conception, and I was urging with my subamendment that we be equal in those who were inclined to be parents.

We have an interesting process here in that I've had to bring forward a subamendment because the government has an amendment on the floor. In the case of the surrogacy section, which appears as section 11 in the bill, it has not been amended. I will now bring forward my amendment A7, which directly amends the bill. There's no other government amendment that I'm aware of. This is the other half of that. I've already mentioned my view that around assisted conception we're trying to create fathers. With the surrogacy we are having to legally create a mother, and that generally recognizes the person who gives birth as the mother. In this case, a third party is involved in that, who is the gestational mother. So legally it'd be best not to say: okay, but it's this person over here.

To go back to my original example where we were talking about Sally and Dick wanting to have children, Sally for whatever reason could not carry a child to term, so they opted for a surrogate situation. The bill was creating the opportunity for Sally to be legally made a mother.

What I'm trying to do with this amendment A7 that's before us is create the opportunity for the second parent to be involved without naming a gender along with that, allowing same-sex parents to be involved in this. So in section 11 we'd be creating a section (6.1). Section (6) reads: "A genetic donor who is declared to be the sole mother of the child under subsection (5) is deemed to be the mother at and from the time of the birth of the child." This would create a section (6.1) below that.

When the court has made an order under subsection (5) the court, on application by a person who is the spouse of or in a relationship of interdependence with the mother of the child, and with the consent of the mother of the child, shall order that the applicant is a parent of the child.

So it's setting up the second parent. Rather than require that this person go through an additional proceeding – hire a lawyer, go to court, and officially adopt – this would allow it to be set up at the beginning, prior to the birth of the child.

This, I think, is important. Again, it does harmonize us federally with the Charter. It would protect us from a Charter challenge because we are being equitable to all those who request an interest in this. It treats all couples coming forward the same rather than requiring some to go through a different process than others. I think this is the right thing to do for this Assembly, and I urge all members to vote in favour of amendment A7.

Thank you.

Ms Graham: Again, Mr. Chairman, very briefly, I would comment

on the impact of this amendment for men who want to be recognized as fathers. I'd like to point out that there already is provision in the legislation to do what this amendment would do.

For same-sex partners who want to be declared as parents, I would just reiterate the comments that I made on the record relative to subamendment A2, and I'd ask the chair to call for the vote.

[Motion on amendment A7 lost]

[The clauses of Bill 45 as amended agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Stevens: Mr. Chairman, I'd move that we rise and report Bill 45.

[Motion carried]

5:00

[Mr. Shariff in the chair]

The Acting Speaker: The hon. Member for Wetaskiwin-Camrose.

Mr. Johnson: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports Bill 45 with some amendments. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

head: **Government Bills and Orders**

head: **Second Reading**

Bill 54
Appropriation (Supplementary
Supply) Act, 2003 (No. 2)
(continued)

[Adjourned debate November 27: Mrs. Nelson]

The Acting Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. Well, once again we find ourselves going back to the coffers to fill in holes in the budget, and as always there are some instances where that's well justified, some where there are real questions that have to be asked. This is a very large appropriation bill in my brief experience as an MLA. We're looking at a total here of over \$1.2 billion in supplementary supply for operating expenses and another \$21 million for capital investment. So it's a very large sum of money, and it bears the same kind of attention as our budget debates in the spring normally get, particularly because a good portion of this money, nearly half or about half, [inaudible] and then there were problems that were not

anticipated at all since the last budget, since the outbreak of bovine spongiform encephalopathy. To respond to that and the so-called mad cow crisis, we are asked to be on the hook through this bill for \$564,285,000 directly through Agriculture, Food and Rural Development and another \$135 million through the Canadian agricultural income stabilization program. That is a staggering amount of money to have to respond to a problem created by one cow. It's a tragedy. It's a three-quarters of a billion dollar cow and water under the bridge, I guess.

In hindsight, Mr. Speaker, the lesson that we all learned from that certainly concerned the testing that was delayed for three or four months, although in the end that was only one part of a much bigger problem. It certainly raises concern over general food safety and over, frankly, the assumption we took that a brand that's as valuable as Alberta beef was solid. In fact, in hindsight I guess we could have somehow taken other steps to protect that brand nationally and, more importantly, internationally and maybe avoided a three-quarter of a billion dollar and growing expenditure.

So that one issue has a dramatic impact on this bill and on the Alberta taxpayer, and to put it into perspective, the amount of money we've put into that problem in the last six months would probably build two southeast Calgary hospitals, and just the astonishing needs in education and so many other areas. Instead, we're being asked, and understandably so, to put that money into responding to a crisis. I'm sure it's very frustrating for all of us to have to open up the public bank account to that extent for that kind of use.

The other sorts of expenditures that we see here come from a range of issues, the kinds of issues that we see every year in appropriations: a certain amount to respond to forest fires – I'm trying to find a figure here, but in any case it's a substantial amount – and then a handful of amounts for other programs. I shouldn't probably use the term "handful" because they add up still costing millions of dollars.

So this just raises for me most fundamentally a question about how we budget. I'm sure I'm on the record many times expressing frustration over the fact that there seems to be a disconnect between the budget cycle of this Legislature and the budget cycle of some of the largest spenders that the Legislature supports. Most specifically, I comment frequently on how the regional health authorities budget cycle and the budget cycle of this Legislature exactly overlap. The problem has arisen where by the time the RHAs have negotiated their budgets with the Department of Health and Wellness, they're halfway through their fiscal year, so that gives obvious problems on budget controls. I'm afraid that sort of problem is repeated in some of the other public agencies that are supported through the budget.

We're looking here at a cost overrun of about 5 percent or so of the total planned expenditures. This is more than just a contingency. I understand from flipping through *Hansard* that the discussion of this is really not recording contingency expenditures, but the fact is that the contingencies have already been built into the budget we approved last spring, so this is in excess of contingencies, and again it raises real questions for me about how we control our finances.

So, Mr. Speaker, it would be interesting to see if we have any more supplementary bills. I do note that there are no requirements from the Department of Health and Wellness, and I congratulate the minister on that level of management. I hope he's able to see it through to the end of the year, although I think it's going to be a challenge given the position of the RHAs in the last few days. There's always been a real challenge in balancing the demands of the regional health authorities or support at the hospital boards, the ability of the government to meet its budget, delivering its budget. So it'll be interesting to see how that plays out.

I'd also note that I think in here we are seeing under Infrastructure an amount that includes an allocation for energy rebates. On page 64 of these supplementary estimates the details are here that there's \$180 million set aside for potential energy rebates. I guess we could ask ourselves: if it's only a potential expenditure, why don't we hold off until we actually see if it's necessary, or is this some kind of signal that, in fact, the government is planning to hand out energy rebates this winter? The Treasurer is nodding her head. We are committed to these energy rebates?

Mrs. Nelson: Yeah.

5:10

Dr. Taft: All right. Well, it'll be interesting, then, to see. The phrasing in the supplementary estimates this afternoon is "potential energy rebates." Maybe it should say actual energy rebates, and we'll see all those cheques come in.

Anyway, those are my comments for now, Mr. Speaker. I appreciate the opportunity to debate a handful of issues. It's over a

billion dollars, so I expect government MLAs will be standing and helping to account for how they've managed to overrun the budget by such a large amount in six months.

Thank you.

The Acting Speaker: The hon. Minister of Finance to close debate?

Mrs. Nelson: No. Question.

[Motion carried; Bill 54 read a second time]

The Acting Speaker: The hon. Deputy Government House Leader.

Mr. Stevens: Thanks, Mr. Speaker. I move that we call it 5:30 and adjourn until next Monday afternoon.

[Motion carried; at 5:12 p.m. the Assembly adjourned to Monday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Monday, December 1, 2003**

1:30 p.m.

Date: 2003/12/01

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon and welcome.

Let us pray. Our Father, keep us mindful of the special and unique opportunity we have to work for our constituents and our province, and in that work give us strength and wisdom. Amen.

Now would you please remain standing, hon. members, and join in the singing of our national anthem. We'll be led today by Mr. Paul Lorieau, and would all participate in the language of their choice.

Hon. Members:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

The Speaker: Please be seated.

head: **Statement by the Speaker**

Chamber Sound System

The Speaker: Before we commence, hon. members will know and were made aware of the difficulties we experienced on Thursday last with the sound system which resulted in no sound being available to our television broadcast on Access TV and the difficulty that we had with our Internet video and audio services and over the loudspeaker system throughout the Legislature Building and the Annex.

In light of the uncertainty as to the ability to repair the sound system before the start of the House business today, we've had officials from Alberta Infrastructure work diligently over the weekend with staff from the Alberta Legislative Assembly to implement a backup sound system for the balance of this sitting. Members will note that there are microphones on each desk and speakers at the corner of the Chamber. I would like to advise hon. members that there's no need to press the white button even though it's a natural response for everybody to want to press the white button. There's no need. We have a system that has been repaired. This is a backup system. If required, it would require about a five-minute recess, and that would only be declared if necessary, should the original system break down again.

I want to thank all the *Hansard* staff, who had the onerous task of producing the *Hansard*, and I also want to thank the officials from the Department of Alberta Infrastructure who spent the weekend assisting to work out this particular process.

So, once again, the microphone system on your desk is a backup system. The original system is in place. Hopefully it'll function. There's no need to press the white button. Thank you very much for your indulgence.

head: **Introduction of Visitors**

Mr. Jonson: Mr. Speaker, I am pleased to introduce to you and through you to members of the Assembly Mr. Hans-Michael Schwandt, consul general of the Republic of Germany who resides

in Vancouver. He is accompanied today by his wife, Dr. Heidi Schwandt-Boden, Mr. Fritz Koenig, honorary consul of the Republic of Germany in Edmonton, and Mrs. Barbara Koenig.

Mr. Speaker, almost \$750 million in bilateral trade flows back and forth between Alberta and Germany each year. In recognition of the level of trade, tourism, and investment between Alberta and Germany an Alberta office was opened in Munich two years ago, and Alberta and the German state of Saxony have forged a special relationship through a co-operation agreement. The government of Alberta appreciates the diligent work of the consular representatives and their contribution to ensuring Alberta continued success in the global marketplace.

I would ask that our honoured guests please rise and receive the traditional warm welcome of the Assembly.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you very much, Mr. Speaker. My constituency of Fort McMurray is considered the oil sands capital of the world or, as the Minister of Finance says, the jewel of the north. It's my pleasure today to introduce two proud Albertans. One of them happens to be the chairman of the Canadian Council of Chief Executives from all over Canada. Of course, his company, again, is part of the billions of dollars that are taking place in the regional municipality of Wood Buffalo. I'd like to ask the CEO of Suncor, Rick George, and his vice-president, Pat O'Reilly, to stand. They're here today visiting the Legislature, and I'm proud to say that they truly are a living example of the Alberta advantage.

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. When we speak of the City of Champions, of course everybody immediately thinks of Edmonton and immediately thinks sports. I'm pleased and proud to tell you today that we also have champions in the arts. One of those champions is with us today. I'd like to introduce to you and through you to all members of the Assembly a friend and a longtime good friend and associate of my wife, Janet. Mr. Glen Huser is an author having three published novels, including the book *Stitches*, for which on November 10 he received the Governor General's award for children's literature. My colleague from Edmonton-Meadowlark will bring a recognition later on in our agenda, but I'd like to ask award-winning author and Edmonton champion Glen Huser to rise in the members' gallery and receive the traditional warm welcome of the Assembly. Mr. Huser is accompanied by his mother, Mrs. Bea Huser.

The Speaker: The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Speaker. Well, Edmonton-Castle Downs has taken over the galleries today, so I will ask for your grace in allowing me a little bit more time. I have 60 visitors from Lorelei elementary school who are being accompanied by Mr. Mark George and Brad Gibson, teachers of the grade 6 classes over there. I had the pleasure of visiting those classes, and their knowledge on municipal, provincial, and federal politics was just astonishing, and that's coming from another teacher. So I would ask them to rise and accept the warm welcome of this Assembly today.

Also, Mr. Speaker, I have today in the building but perhaps not in the gallery at this point Lorelei playschool, a fabulous group of 36 visitors, 24 students and 12 adults, who have contributed to our

Christmas decorations in this Legislature and have decorated Christmas trees in the pedway. I would like to thank them for their attendance and ask them to accept the gracious warm welcome of this Assembly today.

Last but definitely not least, I have a very valuable constituent with us today, a gentleman who is literally a jack-of-all-trades, volunteering his time to many not-for-profit groups in Edmonton-Castle Downs, who definitely is one of my biggest assets with the Castle Downs PC Association, and who was a tremendous asset in my being able to appear over here before you, Mr. Speaker. His name is Mr. Colin Brown, a fine gentleman indeed. I would like to ask him to rise and accept your warm welcome as well.

Thank you.

The Speaker: The hon. Member for Edmonton-Glenora.

Mr. Hutton: Thank you, Mr. Speaker. It is, indeed, a pleasure for me today to introduce to you and through you to members of the Assembly 33 bright and active students from Coronation school. Accompanying them today is their teacher, Arlyn Belden, and parent helpers Mark Sulz, Dee Bochar, Karen Bielech, Cara Lee Stevenson. In addition, accompanying the class is an employee of visitor services, tour guide Mrs. Diane Thomas, who is a tireless volunteer in the community of Glenora. When a job is asked to be done in our community, everybody turns to Mrs. Thomas. So I would ask the group to please rise and receive the traditional warm welcome of the Assembly.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Speaker. Today I'm very honoured to introduce to you and through you to members of this Assembly a very wonderful and important family from Red Deer-North. I know that most of you will recognize the president of the provincial PC Party, Mr. Chris Warren, who has worked exceptionally hard this year to keep the party in tune and on track with Albertans. And we know that behind every successful man there's an even greater woman. Chris is here today with his lovely wife, Sandy, to whom I would like to say: thank you very much for all the support and encouragement that you give to Chris, because that makes us better too. With Chris and Sandy today are their two children, Mitchell and Natalie. Mitchell is 11 years old, in grade 6 at Central middle school, and Natalie is seven years old, in grade 2 at Grandview elementary. They are here today on a family trip to observe how government operates, because Mitchell is in grade 6 and studying government. We wish you a very enjoyable visit, and we hope that Mitchell will be able to take a great report back to his classroom. They're in the members' gallery, and I would ask you all to rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for St. Albert.

1:40

Mrs. O'Neill: Thank you, Mr. Speaker. It's my honour to introduce to you and through you to members of this Assembly 25 students who are situated in the members' gallery. They are participants in School at the Legislature. They are here today. They attend Keenooshayo school in St. Albert. They are seated with their teacher, Mrs. Barb Hubbard, and they are accompanied by the parent of one of the students, Mr. Darwin Switner. I would ask them all to please stand and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms. Carlson: Thank you, Mr. Speaker. Today it is my honour to introduce to you and to all members of the Assembly a man who is very well known and well respected in northern Alberta. We are joined today by Chief Archie Waquan from the Mikisew Cree First Nation from Fort Chipewyan. He's here in opposition to Bill 49 and to share his concerns. Please rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Glangarry.

Mr. Bonner: Thank you very much, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you and through you to all members of the Assembly Roberta Allen and Kevyn Cormack. They are here today to witness me table a letter on their behalf later in the proceedings. They are seated in the public gallery, and I would now ask that they rise and receive the traditional warm welcome of the Assembly.

Thank you.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to all members of the Assembly a gentleman who is visiting today from Grande Prairie, Mr. Art Macklin. Mr. Macklin operates a grain and beef farm with his wife and son at DeBolt in the Peace River area. This farm was created from a bush homestead in 1964. Mr. Macklin is a former president of the National Farmers' Union and was elected three times to four-year terms representing farmers on the Canadian Wheat Board Advisory Committee. He was re-elected last year to a second four-year term on the Canadian Wheat Board's board of directors on a strong single-desk platform, representing approximately 8,000 Alberta wheat and barley farmers in district 1 of the Canadian Wheat Board. I would ask Mr. Macklin to stand and receive the traditional warm welcome of this Assembly.

head: **Oral Question Period**

The Speaker: First Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Electricity Deregulation

Mr. MacDonald: Thank you, Mr. Speaker. Bad public policies on health care, on education, on soaring auto insurance costs, and on energy deregulation cannot be fixed with a trip to England. My first question is to the Premier. Given that the Alberta Association of Municipal Districts and Counties passed a resolution on November 20, part of which reads that

Alberta's farmers, businesses, industry, residents and not-for-profit groups have faced hardships through higher annual energy costs, inconsistent provincial rebate programs, unfair and inefficient billing procedures and uncertainty in market supplies and contracts, why is this government continuing to ignore this group of rural leaders who request that the government of Alberta abandon and reverse this process of energy deregulation?

Mr. Klein: Mr. Speaker, as is so typical of the Liberal opposition, they want to focus on what is wrong or what they perceive to be wrong or, as I say, the five Cs that make for good news stories, the five Cs of conflict, controversy, chaos, confusion, and confrontation. I choose to focus on what is good and what is right about this

province. Certainly, all the issues that the hon. member mentioned are issues. They are the day-to-day challenges that this government is required to meet, and we do the best we can in meeting them in terms of serving the needs of all Albertans or as many Albertans as we possibly can.

As I tell my own caucus and as I tell the public and I'll tell this Legislature today, we need to look at the bigger picture. People from all across Canada are choosing Alberta as their new home, and they're doing it in record numbers. Mr. Speaker, that's because they are not listening to the complaints of the opposition. They're coming here because Alberta has the lowest unemployment rate in the country. They're coming here because Alberta has the lowest tax regime in the country with no sales tax. They're coming here because Alberta has the highest average personal disposable income in the country. They're coming here because we have the highest GDP in the country. They're coming here because we have the highest spending per capita on education and health care in the country.

Mr. MacDonald: You are not listening to farmers.

Given that Enmax has listed in its last annual report long-term debt of \$183 million owed to the taxpayers, to the Alberta Municipal Financing Corporation, how can this government continue to say that there is no public debt as a result of electricity deregulation?

Mr. Klein: Mr. Speaker, relative to the specifics as it relates to financing of electricity, I'll have the hon. minister reply.

Relative to the assertion in the hon. member's prelude, that we don't pay attention to farmers is absolutely false and nonsense. I would remind the hon. member that the majority, I would say, of Members of the Legislative Assembly on the government side are from rural areas. I would remind the hon. member also that none of their members are from the rural areas, and this is because we pay attention to farm concerns and agricultural concerns.

I have to say at this point and publicly acknowledge the fine work done by our Deputy Premier and Minister of Agriculture, Food and Rural Development, especially on the BSE issue. It has been a tremendous challenge for her. Believe me; farmers did not look to the opposition for solutions to this serious problem. They looked to the government, and we responded.

Mr. MacDonald: Again, Mr. Speaker, to the Premier: given that the hon. Premier announced that during his trip to London he would be meeting with Centrica, the parent company of Direct Energy, whose application to buy an Alberta energy company is currently before the Alberta Energy and Utilities Board, does the Premier's meeting with Centrica in London interfere with the regulatory approval process here in Alberta?

Mr. Klein: I'm sorry, Mr. Speaker; I didn't meet with Centrica in London. I ran into a representative of the company and exchanged a few words with him, none of which were related to business other than to have that individual indicate to me that they're hopeful of having their issue vis-à-vis Direct Energy resolved before the Energy and Utilities Board very shortly. That was the beginning, the middle, and the end of the conversation.

The Speaker: Second Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

1:50

Natural Gas Rebates

Mr. MacDonald: Thank you, Mr. Speaker. Last Thursday Alberta

Energy confirmed that there will be no consumer gas rebates in December because prices will not rise above the \$5.50 per gigajoule trigger level. My first question is to the Premier. Why, then, are there natural gas rebates for certain agricultural users who certainly, we all know, need this help, and there are none for seniors, there are none for institutions, there are none for nonprofit organizations, and no rebates for other hardworking Albertans?

Mr. Klein: Mr. Speaker, relative to the issue as it pertains to agricultural users, I'll have the hon. Minister of Agriculture, Food and Rural Development respond.

Relative to consumers generally, residential consumers, I believe he was talking about natural gas. If that is the case, the trigger price has not been reached, as far as I know, at least not this month.

Mrs. McClellan: Mr. Speaker, this way of dealing with certain agricultural producers is the same as it was in the last rebate program. It recognizes – and I hope the hon. member would understand this – that irrigators do not irrigate in the winter months, that dehydrators, grain dryers, and greenhouses tend to not have heavy usage in those months. They are treated exactly the same as all consumers, only they have a different five-month period, and it only triggers if it exceeds \$5.50 a gigajoule.

The Speaker: The hon. member.

Mr. MacDonald: Thank you. Again to the Premier: this government is again picking winners and losers.

An Hon. Member: No.

Mr. MacDonald: Yes. You bet.

The losers in this case are the seniors. How can you tell seniors living on a fixed income in this province who had to endure high gas prices last April that they are not eligible for the \$3.25 per gigajoule amount that is going to other select consumers in this province? How do you say no to seniors?

Mr. Klein: Mr. Speaker, as I understand it, once the trigger price is reached – and I believe it's \$5.50 a gigajoule – during the winter months seniors along with every other citizen will be eligible for rebates. The hon. minister explained full well why irrigators and dehydrators are being treated differently in that their high consumption rates are during the summer rather than the winter.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the Premier: given that the advice to most Alberta consumers last winter was to put on a sweater and we know that that is no longer good enough, when will this government allow all consumers the option of choosing the five months in 2003 that they receive their natural gas rebates as well as other select consumers?

Mr. Klein: Mr. Speaker, with all due respect, what the hon. member says doesn't make any sense whatsoever. You know, I can just imagine consumers in this province saying: I want to take the summer months. Well, of course, they won't get a rebate because very little gas is used during the summer months. So it just stands to reason that people want to take advantage of the rebate, and the government, being responsible and understanding when usage is the highest, has designated the winter months. That makes sense. It's beyond me why he would even consider such a thing.

Private/Public Partnerships for Hospital Construction

Dr. Taft: Mr. Speaker, the Alberta Liberal opposition has asked the following questions on behalf of Albertans and received no response from this government's ministers. Since the buck stops with the Premier, I'd like him to answer the questions his ministers can't or won't. To the Premier: what evidence can the Premier or his government produce to refute the credible and overwhelming evidence showing that P3 hospitals will cost Alberta taxpayers more and lead to a deterioration in health services?

Mr. Klein: Mr. Speaker, I don't think there is irrefutable evidence that shows that. Certainly, there have been some failures relative to P3s; there have been some successes relative to P3s. That's why we have put in place an adjudication committee to do thorough due diligence before a recommendation is made to the minister.

I can share with the opposition in this Legislature that while I was in London, I had the opportunity of traveling to Swindon, which is west of London, to see a P3 hospital.

Mr. MacDonald: Stonehenge.

Mr. Klein: Not quite Stonehenge. Unlike the hospital, Stonehenge, as I understand it, is off limits. The hospital is very much on limits.

Now, this is a 500-bed hospital that was constructed by the private sector. The private sector provides all the ancillary services; i.e. the maintenance and, I believe, laundry and food services and so on. The hospital staff confine themselves to medical treatment, Mr. Speaker. The cost is about even, but the fact is that they were able to get a badly needed hospital onstream immediately. In this case they had to shut down four hospitals, one of which was built in the '50s. The other three go right back to the Victorian era. So they needed the hospital very badly. They were able to get it onstream. The cost, amortization versus lease, is about the same, but at the end of the day, at the end of the lease period the hospital then reverts entirely to, I believe, the district health authority.

The Speaker: The hon. member.

Dr. Taft: Thank you. Well, this is very interesting.

When the Premier met with the officials at the Great Western hospital in Swindon, did they tell him that the cost of this P3 hospital soared from £45 million to £90 million and ultimately to £148 million? Did they tell him that?

Mr. Klein: No, nor were they that concerned, because the one thing that they did point out, Mr. Speaker . . . [interjection] Now, I don't know where the hon. member is getting his information, but maybe he should travel to Swindon and find out for himself. The hospital officials I met with said that the price that was quoted was the price that they paid. So if the builders went out of scope, if the project went out of scope and it cost more, then that fell on the shoulders of the contractors, not on the hospital.

Dr. Taft: When the Premier met with the U.K. officials about the Great Western hospital in Swindon, a P3 hospital, was he informed of the bed shortages and increases in staff and patient complaints?

Mr. Klein: Mr. Speaker, they replaced exactly the number of beds that they closed down, but Swindon is a growing community, so they are now adding to the facility. I believe they're adding about 120 beds to the facility. The project is now under construction. Again,

it's a P3 project. There was a quoted price, and that is the price that the health district is required to pay: no more, no less.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Calgary-Currie.

Long-term Care Accommodation Rates

Dr. Pannu: Thank you, Mr. Speaker. This past summer the government chose to gouge long-term care residents with close to 50 percent hikes in fees, causing hardship among Alberta seniors and their families. The government defended itself by claiming in a news release that the increase was needed to improve the quality of care. Since then, Extendicare, an operator of 13 long-term care homes in Alberta, has posted a 75 percent increase in profits and credits much of its improved profit picture to long-term care fee hikes in Ontario and Alberta. My questions are to the Premier. If jacking up fees by 40 to 48 percent was supposed to improve the quality of care, why are the increased fees improving the profits of companies like Extendicare?

2:00

The Speaker: I'm not sure that that's a question that can be answered under administrative competence. We're dealing here with the profit margin of private-sector companies. I have no idea how a government can respond to that.

Dr. Pannu: My next question, Mr. Speaker: given that seniors' groups like FAIRE are asking for the Auditor General to do an audit, will the Premier show some leadership and ask the Auditor General on behalf of the government of Alberta to do an audit of how the increased fees are being used, and if not, why not?

Mr. Klein: Mr. Speaker, I think the Auditor General – I stand to be corrected – is an officer of the Legislature, and I have no authority to direct the Auditor General to do anything. If this Legislature wants to direct the Auditor General to investigate a certain aspect of government or an outside agency, I guess that's the prerogative of the Legislature.

I would have no problems – I'll say that publicly – with the Auditor General investigating anything, because I'm quite convinced, relative to long-term care fees, that they are, indeed, in line with the actual cost of providing the service, considering that we're still subsidizing, I think, long-term care, basic care to the tune of about – what? – \$70, \$80 a day.

I'll have the hon. minister respond, and perhaps he can provide the absolutely correct information.

Mr. Woloshyn: Mr. Speaker, I think it should be made quite clear first of all that of the 14,000 people that are in long-term care, some 10,000 of those are receiving support from Alberta Seniors to the point where very few, if any, had a negative impact. We've also implemented along with this new rate schedule the possibility for these people to appeal directly to the ministry after they've talked to their operators.

With respect to the rate specifically, the semiprivate rate of \$42 a day works out to about \$1,300 a month, which is very reasonable and barely covers the operational costs.

On some of the things that are alluded to by the hon. member across about what should or shouldn't have been done with the money, I don't know where he's getting his information from. I do know, however, quite clearly that in the Edmonton area, Mr. Speaker, there were some 500 beds that were facing closure if rate increases weren't implemented fairly quickly, and these were not by private operators.

It's also very important to point out that a significant number of the operators in this province are the public health people, so a good portion of this money for the increased rates goes right back into the health authorities' coffers.

So I feel that the rates are very fair. We've done everything possible to help people who are short on finances, and we've left the door open to look at special cases of any nature.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My last question to the Premier: given that seniors and their families are complaining about a continuing and further decline in service quality since the rate increase, how can the Premier justify a rate increase as a means to improve care when the opposite seems to have occurred?

Mr. Klein: Mr. Speaker, I have received – well, I don't know, but I don't see it as noticeable or certainly prominent in my mail – complaints about the level of care being received by seniors in assisted living or long-term care centres. There might be the odd occasion when that happens, and those situations are investigated on the complaint basis.

Dr. Pannu: How many?

Mr. Klein: Mr. Speaker, as an aside, the opposition leader said: how many? As I say, I just don't see it as a great item relative to the cards and letters and mail and phone calls that we get. I would just say, you know, a handful over the course of maybe a month or two months or three months, but they are individual complaints.

Mr. Speaker, the increase in fees was put in place to reflect the realities of the situation and to bring us up to where we should have been some years ago relative to offsetting the costs of providing a tremendous service.

Drug Addiction Research

Mr. Lord: Because of its psychedelic side effects the drug Ibogaine was declared illegal in the U.S. back in 1970, and this classification has prevented it from getting any serious scientific studies since then, despite its underground reputation for being able to cure any drug addiction with as little as one single dose. Recently it has attracted the attention of a handful of top researchers who are reporting considerable success, and since it is not illegal elsewhere in the world, a controversial new clinic has just opened in Vancouver. The proponents of that clinic have offered to come to Alberta to treat a few drug addicts here for free. My questions are to the minister of health. Are there opportunities for us in Alberta to promote serious and credentialed research and development programs to look for potential medical cures for drug addiction?

Mr. Mar: Well, Mr. Speaker, the best advice that I have most recently is that the drug Ibogaine has not been approved by Health Canada for use in this country unless it's been approved specifically for investigational or research purposes. Researchers who do want to work with a drug that is not approved for use in Canada have to apply to Health Canada for permission to conduct clinical trials. The clinical trials that will be approved by Health Canada must meet scientific requirements of Health Canada, and the methods of study are included in a review by an ethics review board to ensure protection of the research participants.

Now, Mr. Speaker, if there are researchers who wish to investigate this particular drug and its use in breaking drug habits of individuals,

there are sources of funding in this province available to such researchers to investigate potential medical therapies. For example, the Alberta Heritage Foundation for Medical Research on behalf of the Department of Health and Wellness administers a health research fund. That health research fund provides opportunities for relevant, high-quality health research across the entire spectrum of research areas, sir.

The Speaker: The hon. member.

Mr. Lord: Thank you. Is there any work that your department is currently doing in regard to drug addiction research specifically as it pertains to such drugs as Ibogaine or 18-methoxycoronaridine?

Mr. Mar: Not to the best of my understanding, Mr. Speaker.

Mr. Lord: Does your department track or otherwise quantify what costs we are incurring in our health care system which might be avoided if we could reduce or eliminate substance abuse and drug addiction?

Mr. Mar: Mr. Speaker, the cost to the health care system would be difficult to estimate because the potential maladies associated with addictions are innumerable. I did, however, take the opportunity to review a report that was published on this subject by the Canadian Centre on Substance Abuse. It estimated that the cost to Canadian society for abuse as at 1992 was estimated at some 18 billion dollars a year.

Of course, here in the province of Alberta AADAC, the Alberta Alcohol and Drug Abuse Commission, offers a variety of prevention and cessation programs aimed at reducing addictions in Alberta, including methadone programs to help break addictions to opiates, and provides counseling. In Alberta we provide close to some 60 million dollars annually for AADAC's addiction prevention and support programs.

Access to Crown Land

Ms Carlson: Mr. Speaker, this spring the Premier announced that his government would contribute \$6 million to finding a solution to the conflict between First Nations and oil field contractors in the Slave Lake area, yet last week government ministers couldn't tell us what they did with the money and who they consulted. Now the chiefs of Treaty 8 are telling the Alberta Liberal opposition that they have not been consulted on this issue. To the Premier: why did the government fail to consult with the chiefs of Treaty 8 before Bill 49 hit the Legislature?

2:10

Mr. Klein: Mr. Speaker, I'm glad that Chief Waquan is in the gallery today, because we would like to express to Chief Waquan our apologies. It was a case of the legislation getting out ahead of the consultation process. The hon. Minister of Aboriginal Affairs and Northern Development is looking into the matter, and we'll be discussing this with the chiefs of Treaty 8 to sort it all out.

Ms Carlson: Mr. Speaker, how does the Premier respond now to the chiefs who are telling him that Bill 49 has to be withdrawn?

Mr. Klein: It's not a matter of withdrawing the bill, Mr. Speaker. It's a matter of perhaps delaying the bill until this consultation takes place.

Ms Carlson: Mr. Speaker, will the Premier be willing to put an

exclusion clause into this legislation for those First Nations who will be negotiating with oil field contractors?

Mr. Klein: I'm not about to get into that right now. It hasn't been discussed. But I'll have the hon. minister respond as to the action she plans to take from here on in relative to this situation.

Ms Calahasen: Well, Mr. Speaker, as I indicated last week, there are two processes we're talking about here. The first process has to do with the issue that she's talking about. As a matter of fact, I want to talk about the fact of the irresponsible action by the member in terms of inciting civil disobedience. I really feel strongly that we have to be able to look at the whole issue of what this is all about.

Number one, we have to be able to deal, especially when we're talking about trying to attempt an amicable solution to everything that's been occurring. There have been some concerns expressed by a number of people. There have been some concerns expressed by First Nations. What we have done is we hired a consultant who went out and talked to the various groups to see what needed to be done. These recommendations will be brought to the current specific areas that we need to deal with. Those ones are, number one, that we have to be able to ensure that we work with the First Nations, and that's very important. That's what we're attempting to do.

Secondly, Mr. Speaker, we're trying to make sure that we deal with the issue of the oil field contractors. I know my colleague from Sustainable Resource Development would like to talk on behalf of Bill 49.

However, on the consultation issue we've been working with the First Nations. I've met with the Treaty 8 First Nations. I've met with the all-chiefs summit. I've met with a number of First Nations who are willing to meet with us. My team has been sent to work with the various First Nations so that we can continue on the consultation process, but we have to be able to ensure that we also deal with other issues as they come up, because it was their leader who said that we have to deal with all these areas, and that's exactly what we're doing.

The Speaker: The hon. Member for Calgary-Buffalo, followed by the hon. Member for Edmonton-Mill Woods.

Postsecondary Education Funding

Mr. Cernaiko: Thank you, Mr. Speaker. Funding inequities between Calgary and Edmonton can cause major concern for residents in both cities. Recently a University of Calgary document provided financial data on inequities in funding between the University of Calgary and the University of Alberta of \$1,052 per student higher in Edmonton. My question is to the Minister of Learning. Is this the case?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much, Mr. Speaker. This is a question that has been asked and has been publicized for probably the past six or seven years. The hon. Member for Medicine Hat looked at this exact question in the year 2000, and I will report back what he said. I will also report back as to what the differences are as of today.

I will say that in their last funding year that we have the information for, which was '01-02, there was actually a \$1,500 difference between the University of Calgary and the University of Alberta on an FTE basis. Mr. Speaker, the reason for that is programs such as agriculture and forestry. An agricultural and forestry program accounts for 100 percent more than an undergraduate arts program.

At the University of Alberta there's 2.4 percent of their enrollment taken up in agriculture. In medicine and dentistry, for example, there's a difference of 2.3 percent. This program in itself is five times the cost of an arts program, and so on.

The actual difference ends up being 20.2 percent, which is, in essence, the difference in funding between the University of Calgary and the University of Alberta. There are also differences in masters' programs and PhD programs.

So, Mr. Speaker, in order to let the hon. member know, we look at this constantly, and the actual numbers are very similar when you take into account the program mix. This is something that the hon. Member for Medicine Hat found out in his review in the year 2000 as well as our figures here today.

The Speaker: The hon. member.

Mr. Cernaiko: Thank you, Mr. Speaker. My final question is again to the Minister of Learning. Would a third-party study of funding differences prove these inequities?

Dr. Oberg: Well, Mr. Speaker, we have looked at this recently. In the year 2000 we undertook a full review of the postsecondary funding system. This was done by the hon. Member for Medicine Hat – these are the reports that came in – and he actually made quite substantial changes, which were instituted. Right now we are looking at the Learning Commission, where one of the recommendations is that we undertake a review of the total postsecondary system. That is still under review and is yet to come back.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Edmonton-Castle Downs.

Postsecondary Education Tuition Fees

Dr. Massey: Thank you, Mr. Speaker. In 13 years tuition at the University of Calgary has gone up about 375 percent. If this trend continues, children in kindergarten today will be paying roughly \$16,400 a year in tuition. My question is to the Premier. Is the government satisfied that Calgary's parents should be looking at saving at least \$65,000 to cover the future tuition costs of their children's degree programs? Sixty-five thousand dollars, Mr. Premier, if the trend continues.

Mr. Klein: Mr. Speaker, it's hypothetical, to say the least, and highly speculative. As you know, we're going through the recommendations now of the Learning Commission. The hon. minister will be addressing the whole issue of postsecondary education. None of us can foresee what the circumstances will be 16 or 17 years down the road. We try to predict as best we can, but perhaps the hon. minister can shed some more light on it.

Dr. Oberg: Thank you very much, Mr. Speaker. The numbers that the hon. member had put forward are true when you go back. But the issue is that when you go ahead – the numbers at the University of Calgary, for example, are that their tuition increase is limited this year to \$276. Following this, it is limited to \$276 plus the cost of living, so do the math. There's no way that the numbers can be that high.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the Premier: given that the latest government policy changes effectively remove any restraint on

tuition, how high will tuition rates have to go before the government takes some action?

Mr. Klein: Mr. Speaker, as I understand it, that statement is not accurate. That statement is not accurate at all. Bill 43, as I understand it, and we're talking about law as opposed to policy, includes a new tuition fee policy that replaces the current 30 percent tuition cap with other controls – with other controls – to ensure that tuition increases continue to be predictable and manageable.

Dr. Massey: Again to the Premier: given the importance that Albertans place on postsecondary education and the financial resources of our province, why isn't tuition here the lowest in the country?

Mr. Klein: Mr. Speaker, I don't know where we stack up in terms of other universities in other jurisdictions across the country. Perhaps the hon. minister can respond.

Dr. Oberg: Thank you very much, Mr. Speaker. The University of Lethbridge is roughly number 40 out of 50 universities when it comes to tuition. The University of Alberta and the University of Calgary are numbers 24 and 25 respectively out of roughly 50 or 53 institutions around the country.

There needs to be something corrected here, and that is that the tuition policy does in fact place limits on the amount of dollars that the tuition can be increased by. At the University of Calgary, which is the example that the hon. member has used, the amount is \$276 per year this year. Following this year, it is \$276 plus the CPI. So I really have an issue and a problem when the hon. member is out there fear mongering, saying things that are entirely not true.

The Speaker: The hon. Member for Edmonton-Castle Downs, followed by the hon. Member for Edmonton-Glenarry.

2:20

Police Services

Mr. Lukaszuk: Thank you, Mr. Speaker. Budget deliberations are going on in Edmonton and Calgary and other municipalities across the province, and police services have raised a concern about their financial ability to recruit and train officers so that they can put their resources onto the street and fight crime. To the Solicitor General: would the minister consider helping Alberta police services save money on recruiting and training costs by centralizing police training as recommended by her own policing review?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. The hon. member has brought to the floor a good question, and it's something that we're considering. We support the idea of centralized recruiting, think it's a good idea, and would be willing to move forward on that.

Mr. Lukaszuk: Mr. Speaker, my second and last supplementary: would the minister also consider helping police services save money through economies of scale and allowing them to bulk purchase equipment, weapons, and other supplies so that they can save more money and put more officers on the streets?

The Speaker: The hon. minister.

Mrs. Forsyth: Thanks, Mr. Speaker. Another good question. It wasn't one of the recommendations that came forward in the

policing review that was done some time ago; however, it's something that we are currently looking at and considering doing in First Nations. If there's somewhere we can help the police in this province with some cost savings for them, we'd be more than willing to look at it.

Private/Public Partnerships

Mr. Bonner: Mr. Speaker, since the Minister of Infrastructure refuses to seriously address questions on P3 projects in Alberta, my questions today are to the Premier. When will this government provide evidence that a P3 courthouse in Calgary will not cost Alberta taxpayers more and lead to a deterioration of judicial independence in Alberta?

Mr. Klein: Mr. Speaker, the question was answered generally, but I'll repeat my answer. First of all, before any P3 project is considered, it has to go through an adjudication process. These people are all people outside of government. They're experts in finance, developing, law and are much more qualified than any member of the opposition to make an appropriate evaluation as to whether a project should go ahead or not and whether there can be a savings to the taxpayer. Once that adjudication is made, a recommendation is then made to the minister. The minister follows a very lengthy and detailed process before a project is finally accepted.

I believe it's about four or five stages that the developers have to go through at their own expense. As a matter of fact, one of the complaints from the proponents is that on a project the size of the Calgary courthouse the proponents have had to spend literally millions of dollars to prepare their cases. That is their own expense and is not included in the cost of the project.

So after all is said and done, there has to be a proper adjudication and proper evidence presented to the minister that indeed this makes sense from the point of view of bringing needed capital works projects onstream as quickly as we possibly can and that at the end of the day there is a savings or, at worst, the taxpayer is on the hook for no more.

The Speaker: The hon. member.

Mr. Bonner: Thank you, Mr. Speaker. Given that again we have not got any provision for evidence to be provided, when will this government produce evidence to prove that P3 hospitals won't lead to a deterioration in health services? That question is to the Premier.

Mr. Klein: Mr. Speaker, the services in the hospitals have nothing to do with the construction of the hospitals. In the case of Swindon and, I believe, the case here as well, basic requirements are put forward relative to what is needed in the hospital. In other words, an MRI room, a diagnostic room, operating theatres, emergency: all of the components associated with a hospital are determined by the medical people. The contractor is simply there to build the building and to assume the risks relative to the costs of the building. In the case of Swindon, the contractor builds at a set price, and the hospital leases it back, but the hospital itself – the medical staff, the board, the policymakers, and the medical people – is entirely responsible for the way medical services are delivered in the hospital. That has nothing to do with the contract whatsoever.

Mr. Bonner: To the Premier: will the Premier, then, table these reports so that Albertans can see that they will not be paying more under a P3 model?

Mr. Klein: I'm sorry. There's only one active proposal right now that I know of. Maybe two. I think that Transportation has a P3 project for the east extension of the Anthony Henday. Of course, the Calgary courthouse proposal is the major one and the only active one, and I don't know the extent to which the information is available. But, certainly, as much of the information as we possibly can without violating proprietary rights will be made available. Perhaps the hon. minister can respond.

Mr. Lund: Mr. Speaker, as I indicated to the member last week, once this whole process has been completed and the final contract is signed so that we can reveal all of this information, we will reveal it. It will all be out in the open. I can hardly wait, if the hon. leader of the Liberal opposition is still in this Assembly, for him to jump up and fulfill the promise that he made to us last week, when he said that he would jump up and praise it once we have the contract signed, because we will show that, in fact, it is good for Albertans.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Drayton Valley-Calmar.

Grain Marketing

Mr. Mason: Thank you very much, Mr. Speaker. In the government's relentless attempts to undermine the Canadian Wheat Board, a bill was passed last fall that would set up a test market to let grain producers bypass the Wheat Board. We also had the spectacle last fall of the Premier grandstanding on the steps of the Lethbridge courthouse in support of a few farmers who chose to deliberately break custom laws. This government consistently ignores the interests of the majority of wheat and barley farmers of Alberta. My question is to the Premier. Why does the Premier support a tiny minority of grain producers who engage in civil disobedience and law-breaking while failing to support grain producers, who last fall elected pro Wheat Board directors in all three Alberta districts where those elections were held?

Mr. Klein: Mr. Speaker, I'm so glad that a representative of the Wheat Board is here, first of all, to listen to the absolutely ridiculous diatribe coming from the mouth of the opposition NDP member; secondly, to put on the record that we do not oppose the Wheat Board and never have. But what we do support is the fundamental democratic principle of choice.

Now, I know that the NDs just hate the thought of democracy. They like the thought of control. Our farmers in this province, not a handful of farmers, have voted 64 percent for choice to market their wheat, and I believe it's higher than that, 68 percent, for barley. Choice, Mr. Speaker.

2:30

If the Wheat Board is deemed to be the right vehicle through which these farmers should sell their wheat and barley, then so be it. Go ahead. The Wheat Board does a great job on the international stage selling wheat and barley, but if a barley or wheat farmer has next door to him a pasta manufacturer or a bread manufacturer or a cookie manufacturer and says, "Lookit; I just want to grow my wheat in accordance with the quality standards you set and sell it to you, just take it off and sell it to you; you grind it up and you make your cookies rather than going through the Wheat Board," that is choice. That's what the opposition opposes. They oppose choice. They oppose democracy.

Mr. Mason: Mr. Speaker, given that I consulted on my question with the director from the Wheat Board that's with us today, will the

Premier apologize to him and to Alberta wheat farmers for his denigrating remarks?

Mr. Klein: Mr. Speaker, the only person who has made denigrating remarks is the hon. Member for Edmonton-Highlands, who implied that he opposes democracy. I'll point out one more area in which he opposes democracy. He says that it's all right for Ontario farmers to market freely and have choice relative to their wheat and barley or in Quebec or in the Maritime provinces or in British Columbia but not in Alberta, not in Manitoba, not in Saskatchewan, not in a small corner of British Columbia, and not in a small corner of Ontario; the rest of the country can do as they wish.

Mr. Mason: Mr. Speaker, given that wheat and barley farmers in Alberta, when given a choice, consistently elect pro Wheat Board single-desk directors, will the Premier stop grandstanding on the courthouse steps of Lethbridge in favour of people who have broken the law and actually stand up for wheat farmers in this province?

Mr. Klein: Mr. Speaker, first of all, these are all small points. It wasn't on the courthouse steps. It was in Lethbridge. That part he has right. There were about a thousand farmers there along with our minister of agriculture. I don't know if the hon. leader of the Liberal opposition was there or not, but I think he was there supporting the farmers who had to go to such steps as to break the law, which we did not condone. They broke the law, yes. They paid the penalty; some of them went to jail.

Dr. Pannu: So civil disobedience is okay.

Mr. Klein: No. We did not support civil disobedience. We said that it's a bad law, and it is a bad law. It is a bad law. Any law that prohibits choice, any law that discriminates against provinces is a bad law, Mr. Speaker. The hon. member should understand that. You know, even the words New Democrats, democracy – it defies all the conventions of democracy, all the fundamentals of democracy, yet they support it. The New Democrats, they call themselves, support a monopoly. They do not support democracy. I find it so very, very strange.

Mr. Speaker, again I have to remind the hon. member that in a plebiscite 64 percent of Alberta farmers said that they wanted choice relative to the marketing of wheat; 68 percent said that they wanted choice relative to the marketing of barley. That's a majority.

head: **Recognitions**

The Speaker: Hon. members, 30 seconds from now I'm going to call upon the first of seven members to participate.

Duane Daines

Mr. Ouellette: Mr. Speaker, I rise to recognize the accomplishments of a great Alberta cowboy, Duane Daines. Duane Daines was one of the best cowboys this province has produced. He's competed in nine National Finals Rodeos, won three Canadian all-round championships, won the Canadian saddle bronc championship, and also took home the \$50,000 Calgary Stampede title.

But Duane's life changed instantly in 1995, when in his 17th year as a cowboy an accident in the bucking chute left him paralyzed. In 1995 Duane was leading the race for cowboy of the year. His accident occurred with eight events left, and his fellow cowboys didn't want to compete. They wanted to ensure that Duane would win the cowboy of the year title. Duane would have none of it. He told his competitors to keep fighting the title, and they did, but Duane still won. He was far ahead. He was that good.

Mr. Speaker, in November Duane Daines was awarded the Red Carpet award for outstanding ambassador by the Canadian Paraplegic Association for his efforts in helping the disabled lead active and independent lives following an injury. As well, Duane is also a 2003 inductee into the Alberta Sports Hall of Fame.

If this doesn't count as an inspirational, made-in-Alberta success story, I don't know what does. Mr. Speaker, I am proud of Duane's accomplishments, and above all I am proud that I can call this great man a constituent of Innisfail-Sylvan Lake. I call on the Assembly to give him the recognition and respect his efforts deserve.

Thank you, Mr. Speaker.

Glen Huser

Mr. Maskell: Mr. Speaker, I rise today to recognize an accomplished Alberta author who is using his talent to make a difference. Glen Huser of Edmonton won the 2003 Governor General's literary award in children's literature for his novel entitled *Stitches*. *Stitches* is a story about two resilient outcasts who struggle to survive being different in a small town. With themes of self-discovery and empowerment and an off-beat sense of humour Glen Huser makes it impossible for readers not to care about the struggles children face when confronted with vicious bullying.

A former teacher/librarian I am proud to have known for many years, Glen is the author of two other novels, *Grace Lake* and another children's novel called *Touch of the Clown*. He is also the founder of *Magpie*, a quarterly magazine that showcases student writing and graphics. He has served on the board of directors of both the Young Alberta Book Society and the Edmonton chapter of the Children's Literature Roundtable, and he is the long-standing children's book reviewer for the *Edmonton Journal*. Glen currently teaches in the department of elementary education at the University of Alberta.

Mr. Speaker, I would ask that all Members of the Legislative Assembly join me in congratulating Glen Huser on receiving the 2003 Governor General's award in children's literature.

The Speaker: The hon. Member for Edmonton-Centre.

World AIDS Day

Ms Blakeman: Thank you, Mr. Speaker. Today, December 1, is World AIDS Day, Red Ribbon Day. I'd like to recognize Bob Mills, HIV Edmonton, and all the others who worked so hard to keep this issue on the front lines.

This is a frightening time for those who contracted AIDS in the '80s and early '90s and were able to survive and even thrive using drug cocktails and other treatments. These same treatments are finally failing, and those who have been living positive are dying. For those of us who lost friends and family and went to too many funerals, that time is coming again. This was brought home to me when Bob Mills died this fall after a 14-year triumph over HIV/AIDS. He was an effective, persistent advocate.

2:40

I spoke at an HIV Edmonton event last week, and their theme was Stigma and Discrimination. As I looked around their office at the posters, the pamphlets, the books, I thought: this organization has worked hard to help us understand. That's not easy in Alberta, a province where it is okay, even encouraged by government leaders, to talk about building fences around various programs and legislation as though to extend rights to gays and lesbians takes them from others.

Human rights is not a finite bucket of rights. To allow a stigma to continue is to allow discrimination to continue. So HIV Edmonton and their partner agencies work on. In Alberta there is money, research capability, legislation, medicare. We can do better. We must do better.

The Speaker: The hon. Member for Edmonton-Norwood.

Edmonton Minor Hockey

Mr. Masyk: Thank you, Mr. Speaker. Today I rise a week and change after the Heritage Classic. A name comes to mind, and it's Red Hetchler. Mr. Hetchler has been helping Edmonton kids for over 40 years, volunteering in minor hockey. The Member for Edmonton-Glenarry knows all about Red.

Mr. Speaker, he's helped the Hawks and Whitemud West hockey clubs merge and watched over the years as they expanded from three teams to 15. As director of northwest zone midgets God only knows how many hours Red put into each of these teams in addition to watching over 100 hockey games each season.

I'd also like to recognize some coaches, Wayne Gelmich and Ken Neal of Paranych Wind. Mr. Speaker, they work tirelessly every practice night, and they've convinced me to give them a hand, so I've been putting on the skates also.

I'd like to name some of the players on the team starting with Ryer Alyn, Mark Arsenault, Arrol Bernard, Jamie Cavanagh, Scott Christensen, Kendal Da Costa, Ryan Griffiths, Barrett Jack, Logan Key, Frederick Kitts, Daniel Lefebvre, Gavin Masyk, Mitchell McKenzie, Stewart McNabb, Darrel Morin, David Palmer, Jacob Trudel, and Kyle Bernard.

Thank you, Mr. Speaker.

ISO Certification

Mr. Lord: Mr. Speaker, ISO 9000 is the world's most recognized business process re-engineering methodology. It is a road map to follow which is designed to create maximum consistency of quality and efficiency of process within any organization, and its results in terms of improving customer satisfaction and reducing complaints are truly remarkable. ISO 14000 adds the additional environmental benchmarks, making sure that the product or service being offered is being manufactured in the most environmentally responsible manner possible.

ISO certification is sweeping the world outside of North America and is rapidly becoming a prerequisite for doing any business internationally, although almost no governments at any level have discovered or tried to implement it yet. That's why I am proud to recognize the city of Calgary for their achievement in recently becoming the largest and virtually only city on planet Earth to have achieved independent ISO 14000 certification citywide.

Mr. Speaker, the ISO process truly creates a paradigm shift in governance within any organization, and while it wasn't easy to do, Calgary doesn't have to just claim to be one of the best run cities on the planet anymore; we can now prove it.

Thank you.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Council of Alberta University Students and Alberta Colleges and Technical Institute Students' Executive Council

Dr. Massey: Thank you, Mr. Speaker. Today I congratulate the coalition of the Council of Alberta University Students and the

Alberta College and Technical Institute Students' Executive Council. Using a wide range of political action strategies including launching a web site, public demonstrations, personal lobbying, and formal presentations, they worked to make Bill 43 a bill that better reflects student interests.

The changes that the coalition effected with respect to student association government are important, and although they were unsuccessful in challenging those aspects of the bill that deal with tuition, they've been effective in raising and keeping this issue on the public agenda of this province.

Many student leaders were involved in the campaign. At the risk of making a serious omission, the efforts of ACTISEC's Stu Sherry, chair, and Brett Bergie, provincial director, as well as CAUS chair Shirley Barg, vice-chair Chris Samuel, and executive director Melanee Thomas along with Lee Skallerup, president, and Jennifer Pelley, vice-president external of the Graduate Students' Association need to be recognized. They are worthy of the confidence placed in them by over 180,000 postsecondary students in this province.

The Speaker: The hon. Member for Calgary-West.

Kelsey Armstrong

Ms Kryczka: Thank you, Mr. Speaker. I am very pleased to recognize in this Assembly a very capable young lady, Kelsey Armstrong, who also happens to be a constituent of mine in Calgary-West. Kelsey was recently granted a Rutherford scholar award, which is a \$1,500 scholarship awarded yearly to the top 10 Alexander Rutherford scholarship recipients in Alberta based on their diploma examination marks.

This year 16 awards were granted, with marks ranging from 97.6 percent to 99 percent. Kelsey's average was an amazing 99 percent, which makes her one of the top students in Alberta. Kelsey has attended public schools Olympic Heights elementary, Bishop Pinkham junior high, and Central Memorial high school. She is in business this year at the University of Calgary.

Congratulations, Kelsey. I'm absolutely sure that you and your family are very proud of your outstanding academic achievement.

Thank you.

The Speaker: And congratulations to the Member for Calgary-West for being the only member participating in Recognitions today to follow Standing Order 7(6).

Calendar of Special Events

The Speaker: I might add, hon. members, as we've now arrived at December, that there are also these other following recognitions that might be appropriate for members to recognize. November 25 to December 6 is White Ribbon Week. November 24 to December 24 is Christmas kettles appeal; this is by the Salvation Army. As already indicated, today is World AIDS Day. December 1 to 7 is National Safe Driving Week. December 2 is International Day for the Abolition of Slavery. December 3 is International Day of Disabled Persons. December 5 is International Volunteer Day for Economic and Social Development. December 6 is National Day of Remembrance and Action on Violence Against Women. On December 6 is the Santa Shuffle. December 7 is International Civil Aviation Day. December 10 is Human Rights Day. December 14 is the Festival of Carols; December 14 as well is International Children's Day of Broadcasting. December 15 to 31 is the holiday fire safety campaign. December 18 is International Migrants Day. Of course, December 20 to December 27 is Hannukah. December 25 is Christmas Day. December 26 is Boxing Day, and December 29 is International Day for Biological Diversity.

head: **Presenting Petitions**

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I'm presenting a petition signed by 57 Edmontonians petitioning the Legislative Assembly to "urge the Government of Alberta to reinstate paying for repairs to privately owned equipment such as scooters and power wheelchairs."

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm tabling a petition with 325 signatures calling on the government to "return to a regulated electricity system, reduce power bills, and develop a program to assist Albertans in improving energy efficiency."

head: **Introduction of Bills**

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Bill 55

Farm Implement Amendment Act, 2003

Mr. Marz: Thank you, Mr. Speaker. I rise today to request leave to introduce Bill 55, the Farm Implement Amendment Act, 2003, for first reading.

This bill will make changes to the way farm implement dealers and their distributors indemnify their customers and will bring the legislation in line with today's financial realities.

[Motion carried; Bill 55 read a first time]

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you, Mr. Speaker. I would move that Bill 55, the Farm Implement Amendment Act, 2003, be moved under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I have a number of tablings this afternoon. The first is a letter from the general manager of the Bar C Ranch Resort, located northwest of Cochrane. They're very concerned about a logging project that is expected to happen in the region, and they are in negotiations with the Minister of Sustainable Resource Development on this.

The other series of letters I have are all very much opposed to any more commercial development in the Evan-Thomas area, and these letters are from Carolyn Fisher, Steve Arthur, Jeanne Kimber, Colleen Campbell, Kathryn Milne, Stephen Mahaffey, and Peter and Barbara Sherrington. They live throughout Alberta and are very concerned.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Mill Woods.

2:50

Dr. Massey: Thank you, Mr. Speaker. With permission I would table letters from Denise Gitting, Alan Besecker, Pauline Worsfold in Edmonton-Glenora; Cheryl Mitschke, Candice Howrish in

Calgary-Mountain View; and Katherine Woodcock in Calgary-Cross, all nurses who are distressed with the state of negotiations and are particularly disturbed about the provisions that would see them placed anywhere in the region.

Thank you.

The Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you, Mr. Speaker. I have two tablings today. Earlier today I introduced Roberta and Kevyn, and they along with four other members of their group had met to perform a sacred pagan ceremony in front of the Legislature. They were interrupted by two security officers and asked to cease their behaviour immediately and leave the grounds or they'd be charged with trespassing. They were very concerned about that.

My second tabling is from Gail Pederson. Gail is a nurse and is very concerned over what is being asked of them in the current contract negotiations and the tactics that are being used by the employer in those negotiations.

Thank you.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. With permission I'm tabling four letters today, copied to me but written to the Member for Edmonton-Whitemud, from Lori Deverdenne, Alan Besecker, Linda Brockmann, and Dianne Vinet expressing grave concern over the negotiations between the health regions and registered nurses and especially the impact these may have on patient safety.

Speaker's Ruling Tabling Documents

The Speaker: Hon. members, I've raised this now on several occasions. To table letters written to other members, I have no idea what purpose that serves. I have no idea how that fulfills the criteria we have for tablings. I'm going to repeat what I said before. I'm going to ask the three House leaders to meet over the winter to try to get a handle on this.

The hon. Member for Edmonton-Centre.

head: Tabling Returns and Reports (continued)

Ms Blakeman: Thank you, Mr. Speaker. I do have a request from these individuals to table these letters, so I'm following through on that. These are written by Barb Heinz and Lisa Heinz to their MLA for Grande Prairie-Wapiti and Tanice Olson to her MLA for Calgary-Egmont expressing concerns about a lack of full negotiations between the nurses' union and the regional health authorities and concerned about safety for both Albertans and nurses.

Thank you.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I rise today to table the requisite number of copies of three different reports. The first is an index of abstracts regarding research into 18-methoxycoronaridine. Of particular interest are the studies showing 18-MC's potential to eliminate nicotine addictions.

The second one is an index of lab extracts and publications on ibogaine, as is the third, which is an index of 112 abstracts and reports titled The Ibogaine Bibliography.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I have two tablings today. First I'm tabling a letter from a senior, Miss Pauline Knittle of Edmonton, dated November 17, 2003. Miss Knittle is deeply concerned with the erosion of seniors' benefits, increasing poverty among seniors, and the overall continued neglect of seniors by this government. She is asking the government to treat seniors with dignity and respect and reverse those policies which are hurting seniors.

The second document, Mr. Speaker, is a document from Catherine Ripley, dated November 12, 2003. This document was prepared by the Whitemud Coalition of Schools and is asking the government of Alberta to accept the Learning Commission's recommendations and substantially increase education funding.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I have two tablings today. The first is a letter from Mr. Art Macklin, dated November 18, 2003. He is concerned with the Alberta government's attack on the Canadian Wheat Board and is requesting the Premier and the minister of agriculture to develop a positive proposal on grain marketing that adds value for Alberta producers.

The second tabling is a letter from a senior, Mr. Clarence Huibers. He is worried about the increasing cost of deregulation, resulting in serious financial hardship to seniors.

Thank you, Mr. Speaker.

head: Orders of the Day

head: Written Questions

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Proper notice having been given on Thursday, November 27, I would now move that written questions appearing on today's Order Paper do stand and retain their places.

[Motion carried]

head: Motions for Returns

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you again, Mr. Speaker. Proper notice having been given on Thursday, November 27, I will now move that motions for returns appearing on today's Order Paper stand and retain their places.

[Motion carried]

The Speaker: Hon. Member for Edmonton-Highlands, did you want to rise on a point of order? I have some correspondence in my office suggesting that you do, but you have not given me any notice of that.

Mr. Mason: No, I did not give you notice, Mr. Speaker. I do however have a concern about a request for another private member's bill.

The Speaker: Well, why don't you make a very brief statement on a point of order?

Point of Order Private Members' Public Bills

Mr. Mason: Thank you very much, Mr. Speaker. I will then, and I appreciate your asking me to do that. I'm concerned about the request for early consideration for third reading of a bill that has not been dealt with, let alone passed, at committee stage. I guess the concern is twofold. First of all, that would make it very difficult for the private member's bill that I'm sponsoring to even be dealt with before the end of this session of the Legislature, but more importantly I think it sets a precedent which would make it more difficult in the future for all private members' bills to be given equal consideration. That's just the very essence of my point.

The Speaker: Hon. members, I'm going to just take a couple of minutes to deal with this matter because it only occurs in the perceived dying days of a session. It does not occur any other time, and it only applies to private members' days. So some time was spent over the weekend, in fact, looking at this and preparing a statement in anticipation of this.

In essence, the Member for Lac La Biche-St. Paul had requested early consideration of Bill 208 in Committee of the Whole in the memorandum to the Speaker tabled in the Assembly on November 19, 2003. On Wednesday, November 26, 2003, the chair tabled another memorandum from the same member requesting that Bill 208 be given early consideration at third reading stage if – and this is the key word: if – it passes Committee of the Whole.

The practice that has been followed is that a member may request early consideration of his or her bill by writing to the chair so that the letter can be tabled at least one sitting day before the bill in question is to be considered. The bill which is the subject of the request will be considered after debate is concluded on the bill then before the Assembly or the committee, assuming that no other bills have reached their due dates under Standing Order 8(5). This was the practice that the chair outlined on November 27, 2001, at pages 1284 and 1285 of *Alberta Hansard* for that day. In this case there are no other bills that must come up for consideration.

However, the member sponsoring Bill 209 is anxiously awaiting the opportunity to debate the principles of the bill at second reading. The chair would like to indicate that the only direction is found in Standing Order 9(1), which states that private members' public bills shall be taken up in order of precedence. In order to maintain some certainty, the chair finds that Bill 208 will proceed to committee and, if passed, then will proceed to third reading today.

In an effort to ensure that the system is fair and equitable to all members, the chair would welcome suggestions by members and their House leaders over the winter on this issue of early consideration of private members' public bills so that a procedural policy could be put in place for the spring 2004 session, one that would be very clear at the initiation of the session. The chair's view is that a member should not be able to request early consideration of his or her bill at the next stage until it has passed the previous stage. If that were the rule, then the Member for Lac La Biche-St. Paul would not have been able to request early consideration at Committee of the Whole until his bill had passed second reading.

In closing, the chair wants to note that the Legislative Assembly of Alberta has since 1993 been a leader among Legislatures in allowing for consideration of private members' business. The chair recognizes that improvements can be made and looks forward to receiving suggestions about changes to the process.

In a nutshell, today we will proceed with committee on Bill 208 and, if it's passed, then proceed to third reading of 208, and we'll review this in the future.

3:00head: Public Bills and Orders Other than Government Bills and Orders

head: Committee of the Whole

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order. Before we proceed with the bill that is before is, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

The Deputy Chair: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Chairman. It's an honour for me to introduce three constituents and one constituent from Vegreville-Viking. First of all, I'd like to introduce the constituent from Vegreville-Viking, Mr. Victor Chrapko, and from the constituency of Lac La Biche-St. Paul Mr. Len Kryszewski, Tom Melnyk, and Mike Warholik. They're here for a meeting. If I could ask them to rise and receive the traditional warm welcome of this Assembly.

Thank you.

The Deputy Chair: Any other introductions?

Bill 208 Occupiers' Liability (Recreational Users) Amendment Act, 2003

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Chairman. It gives me great pleasure to rise in the Assembly this afternoon to bring the discussion and debate during Committee of the Whole for Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003. Today's society is highly contentious and argumentative, with litigation seeming to be commonplace. Private landowners and occupiers must now more than ever concern themselves with the issue of liability. The fear of a potential lawsuit is enough to prevent landowners from permitting recreational users on their property.

As mentioned previously, the purpose of Bill 208 is to reduce the current level of liability that landowners and occupiers owe to visitors on their property. This bill reduces the burden for owners, and as a result recreational users would be treated the same as trespassers regarding legal liability.

Mr. Chairman, it is section 6.1(1) that states:

The liability of an occupier to a person who uses the premises described in subsection (2) or a portion of them for a recreational purpose shall be determined as if the person were a trespasser.

Therefore, owners and occupiers would not be held liable for anything that is common practice except the death or injury to recreational visitors due to the willful and reckless conduct of the landowner or land occupier. Bill 208 would reduce the liability owed to visitors and place the responsibility on recreational users for their actions. I believe that the landowner or occupier cannot assume the risk for visitors on their property, nor should they have to.

I want to point out that Bill 208 pertains to landowners and occupiers that grant permission without a cost or fee. Section 6.1(1)(a) states that if the landowner or occupier "receives payment for the entry or activity of the person" or, in (b), "is providing the

person with living accommodation on the premises," the liability will not be the same as that of a trespasser. The reduced liability would not apply if the landowner or occupier charges a fee.

Mr. Chairman, I believe that visitors and recreational users must incur the responsibility for the choices they make and the actions they pursue. They must also be mindful of the consequences that may arise from their choices and actions. For example, if my neighbour asks for his family to cross-country ski across my field and I decide to grant them permission, then I don't feel that I should be held accountable for any accidents. If one of the children or he himself for that matter should break their leg or sprain their ankle, they should not be able to sue or hold me accountable.

It seems logical to me that the choices that recreational users make are their own. The users should assume the risk and not be able to hold a landowner or occupier responsible.

I would like to further clarify that if Bill 208 were enacted, there would remain specific situations where the landowners or land occupiers could be liable. Bill 208 provides a safeguard to landowners where the safeguard is necessary. It is not a blanket measure that completely exempts or absolves individuals from liability. Bill 208 would not provide protection if a person is injured as a result of an occupier's or landowner's reckless or willful conduct. To add some clarification, willful or reckless intent may be inferred when a landowner has knowledge of a highly dangerous situation or intentionally creates a hazardous condition. It is when the landowner fails to remedy a situation or warn against danger, knowing there is potential for people to get hurt.

I want to assure all members of this Assembly that Bill 208 deals with recreational users and visitors. This bill does not protect an employer from liability for injuries suffered by workers in agriculture or in forestry. This legislation will not exempt farmers or ranchers from accidents that may involve a hired man and occur on their premises.

Mr. Chairman, the legislation proposed in Bill 208 is essential. This is not a new issue or a topic that hasn't been studied but, rather, a much-needed initiative. Many provinces have recognized the need to protect landowners and occupiers and have enacted legislation providing that safeguard. British Columbia, Ontario, Manitoba, Nova Scotia, Prince Edward Island, and Saskatchewan all have legislation in one form or another that pertains to recreational users and the liability that is owed to them. The provinces that do not currently have legislation are now reviewing and researching the best way to legislate and solve the problems of occupiers' liability. Although each province's legislation differs in form, these provinces have acknowledged and taken action to protect landowners and occupiers.

Mr. Chairman, this legislation is not unique to Canada. Every U.S. state has legislation on its books that addresses the issue of landowner liability, and most offer private landowner protection from liability. These laws are referred to as recreational use statutes. While the statute and the type of protection it offers varies from jurisdiction to jurisdiction, the protection is still provided, and limits are set to the liability that is owed. This type of liability protection is not a recent trend either. Many American states have had this legislation for over 10 years. In some cases the legislation has been in place since the early 1980s.

Mr. Chairman, Albertans, as do I, view this province as a leader, and we must continue to do so. In 1973 Alberta became the first province to codify an Occupiers' Liability Act. It is now time for Alberta to update its legislation. This bill is not about favouring one group of Albertans over another. It's not about giving preference to farmers and ranchers; rather, it's about updating our laws so they reflect the current situation and provide protection to landowners

and occupiers. Bill 208 will ease the threat of liability and aid in guarding against potential lawsuits.

3:10

Mr. Chairman, I look forward to the continued discussion and debate by my hon. colleagues on this legislation. I encourage all members of this House to carefully consider these much-needed initiatives and vote in favour of Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003.

Thank you very much, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman, for the opportunity to speak in Committee of the Whole to private member's Bill 208, Occupiers' Liability (Recreational Users) Amendment Act. I think this is the third version of occupiers' liability legislation that I've seen in the Assembly in my seven years. This is not my favourite version, I will admit. I felt that an earlier version that was brought forward by the Member for Livingstone-Macleod was, in fact, a better version, but it was hoisted by a government member at the time, and there went that. So this is what we now have in front of us.

On the one hand, the shift in perspective that is brought forward by this bill, I think, is what does not sit comfortably with me. The assumption that the person that can best gauge the difficulty or the lack of safety – the risk, the onus is now put entirely onto the recreational user. I think, in fact, that common sense would tell us that the person who's most likely to understand the risks of using any given piece of land is the owner/occupier. So there has been a shift in the perspective that this bill is taking, and that's what's not sitting as comfortably with me as I would like.

But we have a problem in this province. We have a number of recreational users who cannot get access to trail systems in which they can enjoy their chosen recreation. There are some large national and provincial organizations that have been trying for some time to organize long trail systems that people can hook into and use as recreational users, be they horseback riders or snowmobilers in the winter or hikers or cross-country skiers and, in some cases, motorized vehicles like quads or motocross bikes. We understand that it's a good idea for people to get out and get exercise and to be active and to use these trails recreationally.

Because of the way things have developed in this province and historically how unused land has been allocated, how unused railway lines were sold off when they were no longer needed by the rail companies, that has given us a slightly different approach to this problem than we see in some of the other provinces. Our problem is that we do need to be able to go through private owners' land, land that's privately owned, in order to hook together some of these other trail systems that are available to us. We need to get permission from landowners to do this. That has been very difficult because the law as it stands right now puts the onus almost 100 percent on the owner/occupier of the land, and they simply weren't willing to assume the risk because they had to take all of the risk.

I would have argued that there needed to be a sharing of this, but this bill is coming forward with a flipped perspective, which is that 100 percent of the risk is assumed by the recreational user. Is this risk worth it? Should we be supporting that in this Assembly? It's a tough call. I'm personally struggling with this because I'm on record repeatedly in this Assembly as being supportive of these multi-use trail systems. As a snowmobiler I've often talked about how I take my recreational tourism dollar out of the province

because there's not enough interesting, challenging riding on a trail system available in the province.

We do have some provincial organizations. The Alberta Snowmobile Association is one I'm thinking of that has started its own trail system and levies its own user fee on it, but frankly I find the user fee high, and therefore people tend not to engage with that particular association unless they're living right next door to or very close to or have very easy access onto one of the existing trail loops. Then it's worth the money for them. But for someone else that's further away – I mean, it was getting into the range of a couple of hundred dollars a machine for a trail system that didn't exist near you but might some day in the future, maybe, and this is where this bill comes in.

Could that trail system exist? Would we be able to ride at one point from one end of Alberta to another without breaking the law, which is what many people currently do by riding in the ditches of the highways? Can we get that trail system that went from one end of the province to the other? It's not going to be easy here, but I think it could be accomplished if we can do something to encourage owners of private land to come along with us and join in on this. That's why we need occupiers' liability, and that's why we need this act.

I think there's the larger issue of tourism and economic development in this province. We still haven't hit that right. Many of the snowmobilers that I know – my own family and I still load up our machines and go to B.C., where the government invests in the trail system, where they provide support and funding to the local snowmobile clubs. Those trails that I'm thinking of in McBride, in Valemount, in Clearwater, in Tête Jaune Cache, in Revelstoke are groomed. There's someone from the club. They have the grooming equipment. It's good equipment. It's large enough to handle the demand that's placed on it, and somebody is being paid some kind of an honorarium to groom those trails on a regular basis. They often have little chalets and things that are up on the mountain where you can stop and have lunch or warm up or whatever you need. So it makes it very attractive to go and ride there.

Of course, your money stays in town because you're renting a hotel room and you're eating your meals there. You're probably buying some tourism mementoes while you're in the town. So we have a lot of Alberta tourism dollars that are going into B.C. and into Montana and Wyoming that we could be keeping here in Alberta. People would be very happy to be here in Alberta if we had the infrastructure to support it, but we don't, and it's not on the horizon.

So I guess the first step is this bill. If we can get this bill, then we can start to get those negotiations, and I would rather see multi-use trails that are supported more publicly than to have the sort of this is my trail or my particular sport's trail, and you can't come on it. I think that's just going to cause us a whole other series of problems here. I would prefer to support the multi-use trail system that we have with the Canada trail system or with Alberta Trailnet, which is the provincial version of that.

As I say, this is not my favourite version of this. I think there is somewhat of a redeeming feature in it in that it does make clear that if there is a total failure of duty of care, the onus would be on the occupier to make it clear and to take steps to protect people coming onto the land from some known hazard. So if you've got, you know, a gravel pit or something that's not clearly marked, you're in trouble. You need to be doing something to let people know. Or if you've recently dug a pit for a reservoir, you need to mark it so people don't ride into it and have a nasty accident there.

3:20

I'll support this bill but very reluctantly. If this is the only way we're going to get it passed, then I guess this is what we have to do, but I sure would have preferred other means of doing it. As I say, I

think I've seen three versions of occupier liability come forward, and for whatever reason the government members are not willing to support the other versions. The first one, I think in '97, was hoisted. I can't remember what happened to the second one, that was brought forward by the Member for Medicine Hat, and now we've got the one from Lac La Biche-St. Paul. So if this is the only thing on offer and this will lead us to a multi-use trail system in Alberta, then I'll support it, but I wish it could have been done a bit differently. We've got to get those trail systems developed and put some support into the volunteer organizations that support it if we're going to have a thriving tourism industry and ecotourism industry here in this province. Got to take these steps or our money is just going to keep driving over the border, and that's not helping us at all here, and we've got the potential for it.

So thanks for the opportunity to offer my thoughts on this particular bill.

The Deputy Chair: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Chairman. It's a pleasure for me to rise this afternoon and speak to Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003. I want to indicate right at the beginning that I am prepared at this point, during Committee of the Whole, to support this bill, and that's because it addresses one of the major issues surrounding recreation corridors in our province, for which I have the responsibility.

The Alberta government was asked by numerous stakeholders to address, in fact, the needs, issues, and concerns related to about 17,000 kilometres of existing trails and future recreation corridors in the province, and those stakeholders and the issues that were brought forward represented concerns from adjacent landowners, from agriculturalists, farmers, forestry companies, the trail operators themselves, motorized and nonmotorized trail users, in some cases municipalities, and so on and so on. So, for that reason, I was pleased to initiate a recreation corridors legislative review back in August of 2001 and to appoint an MLA committee, that was chaired by the Member for Lac La Biche-St. Paul, from whom we've heard just recently in this House, along with other colleague members from Calgary-Currie and West Yellowhead, with respect to this review.

Now, the hon. member who chaired the review and who has just spoken and his committee, in my view, represented us very well during that entire legislative review process. That particular process took place over several months, in fact longer than a year, and the results have now come in, but during the entire process the chair indicated regular updates regarding concerns that stakeholders had about this very issue of liability and also some possible suggested solutions that were presented to him and the committee and which were subsequently discussed by that very committee. I know that this issue is also referenced in the committee's report – that is to say, in the report of the Recreation Corridors Legislative Review Committee – because they have now submitted that to me, and I am reviewing it as we speak.

Mr. Chairman, the committee has, as I said earlier, done a very, very thorough job in preparing that report, and I'm doing as thorough a job as I can with my staff now in reflecting on it. Those members worked very hard to involve the public in the process, and they consulted with a very wide range of stakeholders, and occupiers' liability related issues were certainly front and centre, so to speak, during many of those meetings. Last year, in fact, the committee proposed that a provincewide public consultation be held to examine the issues regarding recreation corridors and to ensure that Albertans had an opportunity to provide input through that process, including this very important issue of occupiers' liability.

I just want to report to the House during this stage of the debate on this particular bill that during the process of public consultation on this matter of recreation corridors, trail usage, and so on, we received more than 1,000 written responses to that committee using a workbook, and that was of course made available on-line and by mail-out and so on. We also had a number of workshops, other public meetings, a big provincial forum, and in conclusion it was an extremely thorough process.

The feedback, I should say, was also received from over 500 participants who attended various of those workshops and public meetings, and those meetings occurred, Mr. Chairman, throughout the province in places like Strathcona county, Drumheller, Stettler, Edson, Fairview, Slave Lake, Bragg Creek, Lethbridge, and St. Paul, and I think that virtually in every one of those locations and elsewhere, perhaps, the issue of occupiers' liability was raised. That all concluded with a very large provincial forum, and again at the provincial forum this matter of liability was raised, and I should say that over 70 representatives from provincial stakeholder organizations attended that particular forum.

The discussions throughout the public consultation focused on five areas, and the first of these was the issue of liability. The second was safety and policing. The third was operation, maintenance, and accountability, the fourth was privacy and access, and the fifth was environmental stewardship. In the report that the committee has now submitted to me they have provided some very, very insightful and valuable advice and recommendations regarding each of these five areas. I'm taking that report right now through the process, and I sincerely hope to be able to release it to the public once I'm finished that particular process, but we'll just have to wait and see until the process concludes.

However, with respect to the proposed amendments to the existing legislation that have come before the Legislature this year, such as the changes to the Petty Trespass Act, the Line Fence Act – or was it the Line Fence Amendment Act? – it would seem that we are very in tune with the input that the Recreation Corridors Legislative Review Committee also received from Albertans and with the matters that are also referenced here today in Bill 208. Therefore, I think it's very timely to consider the amendments before us to the Occupiers' Liability Act.

I should also point out, as I understand it, that Bill 16, the Agricultural Dispositions Statutes Amendment Act, 2003, will also address the issue of liability of landowners and occupiers at least in part and insofar as it relates to public land with agricultural disposition holders, and once proclaimed, Bill 16 should remove the common duty of care, as it's known, that is owed by owners and occupiers of agricultural dispositions to recreational users who use their lands for recreational purposes.

Now, with the introduction of Bill 208 the common duty of care owed by landowners or occupiers on other land used for recreational purposes will also be addressed and removed. So in the end, Mr. Chairman, under Bill 208 before us at the moment landowners or occupiers would only be held liable should they display any willful or reckless conduct toward a recreational user that results in injury or death. Bill 208 is in line with what the committee heard during the extensive consultation process that I outlined a little earlier and, more specifically, that the responsibility should be placed on the user. At least, that's what I believe they heard.

Alberta landowners and occupiers, however, remain very concerned about trails and about recreation corridors and about individuals entering and using their land for recreational purposes. I've met with numerous individuals and groups myself, and I understand what those concerns are. So if we can address and lessen the potential for serious injury liability concerns, perhaps we might

even see a reduction in some of the concerns that have been expressed by landowners and by adjacent landowners and by occupiers and so on and so on. I have indicated, however, that when this whole issue of recreation corridors and trails and so on crosses municipal land, it has to first receive the approval of the local municipality, and I know that they are concerned about this issue as well.

So if we are able to see Bill 208 pass and if it becomes proclaimed and so on, this may actually reduce the insurance requirements for municipalities and trail operators and perhaps encourage safe and responsible participation as part of the commitment that numerous people have to a recreation corridor development, to the operation and maintenance of those trails, and so on.

3:30

I do want to say, Mr. Chairman, that recreation trails and corridor development in our province are very important, and there are many benefits associated with responsible recreation corridor and recreation trail usage. In fact, in the 2000 Alberta recreation survey walking, hiking, backpacking, bicycling, and camping rated in the top 10 activities for individual Albertans who were surveyed. Moreover, in our province and elsewhere across the country physical activity on recreation corridors is seen as one way to encourage healthier lifestyles and to reduce health care expenses in the long run.

Recreation corridors also offer some very good potential for tourism and economic development, as the previous speaker just indicated, because they do draw visitors to an area and provide opportunities for small business. But, again, I would stress that it's a question of doing it in a responsible and caring manner that respects the rights and privileges of the landowners, the occupiers, and adjacent landowners and also provides for a safe and clean and healthy lifestyle.

Still, there are those benefits potentially available to local communities. Of a couple of the trails that I've been to and seen, one in particular is up in the Elk Point area, which I believe is represented by the hon. Member for Lac La Biche-St. Paul. It's called the Iron Horse Trail and is particularly symbolic of a very successful way to implement this particular issue of recreation trails. We drove, I think, the entire trail, or most of it, last year, and I've been to others as well.

In any case, I am pleased that through the consultation that has been done and by listening to Albertans, we have found some solutions already – one of them is provided for here in Bill 208 – to the complex issue of liability as it is impacted by recreation trails and corridors. That having been said, Mr. Chairman, Albertans are anxious, I think, for some resolution to some of these important issues. The Recreation Corridors Legislative Review Committee has done a very thorough and excellent job, and at this time I want to just say thank you to them for what they've done and to the chair for what he's done with respect to that review and with respect to what he's brought forward here for our consideration under Bill 208.

Of course, members of my staff and others within the department also were very strong contributing members to some of this review process, and I want to say thank you to them. We do recognize that for many, many Albertans who provided input during the legislative review, this is an important issue. Particularly to the committee for their hard work on Bill 208 and addressing what is a very complex and difficult issue that interrelates with so many issues I say thank you for the work that they have done.

With that, Mr. Chairman, I will take leave and allow others to speak after me. Thank you.

The Deputy Chair: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Chairman. I appreciate the opportunity today to join debate in Committee of the Whole in regard to Bill 208. In my discussions I'll be focusing on sections 5 and 6 of the act, and more specifically I'll attempt to explain why there's a growing need to amend section 6 of the act.

Alberta is a vast province blessed with natural wealth and beauty. As a result, every year thousands of tourists and outdoor enthusiasts come from all corners of Canada and the world to experience our province in her natural setting. They come here to explore, to see, to learn, to take advantage of all the outdoor activities that our province can offer them. Time and time again our landowners and occupiers have shared their land with those seeking adventures in the backcountry. However, as of late more and more landowners and occupiers have been hesitant to allow tourists and other recreational land users onto their properties. As the owner of 160 acres I, too, was one of those landowners.

An Hon. Member: That's at Sangudo; isn't it?

Mr. Maskell: Sangudo it is.

The reason behind this is that owners and occupiers fear that they will be held liable for any injuries incurred by those who use their lands for recreational purposes. The source of the problem, Mr. Chairman, is the Occupiers' Liability Act and the fact that while it protects the rights of recreational users, it does not protect the rights of owners and occupiers who allow these users onto their properties. Currently under the act recreational land users enjoy the same privileges as visitors.

Specifically, section 5 of the act maintains that a landowner owes his visitor a common duty of care, which means that the owner is responsible for providing the visitor with a reasonably safe environment pertaining to the purpose that he was invited for. At first glance this may sound fair until one realizes that the definition of a reasonably safe environment is so broad that it requires the owner to anticipate and be aware of all the possible ways which could result in an injury to the visitor. Not only that, Mr. Chairman, but the act also requires the owner to assess the magnitude of potential injuries and determine the effectiveness of the measures he has to take in order to minimize the risk to his visitors.

Well, Mr. Chairman, when you consider the fact that this definition of common duty of care also applies to recreational land users, you can clearly see why an owner or an occupier would be hesitant to allow these folks onto his or her property. To illustrate this, in many of the rural areas throughout the province ranchers allow their livestock to wander about their pastures in order to feed. These ranchers are also known to allow snowmobilers and other outdoor enthusiasts to use existing tracks and trails which happen to cross their land.

If for some reason a number of their animals happen to wander off toward a path used by snowmobilers and one of the sleds happens to collide with an animal, under the Occupiers' Liability Act the rancher would be responsible for any injuries incurred by the snowmobiler. Clearly, Mr. Chairman, we cannot expect the owners and occupiers to be liable for such injuries, and we cannot hold them accountable for accidents they cannot foresee.

What's even worse is that under the act the only way that they would not be liable for such accidents would be if they made snowmobilers sign a waiver or document which would absolve liability and specify that recreational users are entering the property at their own risk. However, we cannot expect our owners and occupiers to hold waiver forms in their hands at all times in case

someone wants to run a snowmobile across their property. This is simply absurd and impractical, and it is precisely why so many owners are tentative to let tourists or outdoor enthusiasts onto their properties. This is a real shame, Mr. Chairman, because there's no reason why responsible folks should not be allowed to enjoy the experience of Alberta's backcountry and all of the activities associated with it.

I know that our landowners and occupiers would be more than happy to let others onto their property because it is simply not the Alberta way to build fences and block others out. However, if their generosity is paid back in frivolous lawsuits, then I can't blame them for their current stance.

Fortunately, Mr. Chairman, with Bill 208 we can remedy this unfortunate situation. The bill proposes amending the Occupiers' Liability Act to ensure that the burden of liability placed on landowners and occupiers corresponds to the burden of responsibility placed on recreational land users. The bill would accomplish this by adding two new subsections to section 6 of the act, which, in turn, would place the definition of recreational users and visitors in the same category as trespassers. As a result, under the new amendment the owners and occupiers would owe recreational users and visitors the same level of liability as they would to ordinary trespassers.

In other words, while owners and occupiers would still be held accountable for willful or reckless conduct causing death or injury, they would not be liable for accidental injuries suffered by recreational users while present on their land. By placing a burden of responsibility on the recreational user, this amendment will not only add a degree of fairness to the whole liability process, but it will most importantly encourage owners to allow access to their lands for recreational use. This will in turn mean that Alberta's natural wonders can be enjoyed by all.

3:40

Furthermore, Bill 208 also serves to remedy a legislative issue that has been lingering for over four years. As you know, Mr. Chairman, in May of 1999 this House passed Bill 31, the Agricultural Dispositions Statutes Amendment Act, which addressed a wide range of concerns pertaining to ownership and land disposition issues. From the liability standpoint the act proposed that the Occupiers' Liability Act be amended so that owners or occupiers of agricultural dispositions would owe the same duty to recreational landowners as they would to trespassers. In other words, if a user were injured while present on land belonging to an agricultural disposition's owner or occupier, he would enjoy the same rights as a trespasser.

The importance of Bill 31 was that it not only reduced the burden of liability that was being placed on disposition owners and occupiers, but it also encouraged them to allow others to use their property without having to fear that they could potentially face frivolous lawsuits. Just as Bill 208 does, Bill 31 proposed to make recreational users more responsible for their actions. Unfortunately, Bill 31 was never proclaimed. However, a large number of its recommendations were brought forward by Bill 16, which was passed in May of this year. The bill's recommendations also included reducing the liability burden placed upon leaseholders and occupiers.

While bills 31 and 16 address the liability issues specific only to agricultural disposition owners and occupiers, Bill 208 takes a broader look at this problem and addresses it on behalf of all landowners and occupiers and users. I sincerely hope this Assembly will recognize the value of this important piece of legislation.

As I previously mentioned, Alberta is one of the best places in the world for outdoor recreation. I believe that enthusiasts from all parts of Alberta, Canada, and the world should have the opportunity to enjoy all that our province's backcountry has to offer. Our landown-

ers and occupiers have already indicated that they are willing to grant access if they are guaranteed protection from those who act irresponsibly and take advantage of the system. Bill 208 enables us to provide our landowners and occupiers with this security, and as a result, Mr. Chairman, I urge all of my colleagues here today to vote in favour of this legislation.

Thank you very much.

The Deputy Chair: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Chairman. It's a pleasure to join the debate on Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act. First of all, I'd like to thank and commend the Member for Lac La Biche-St. Paul for his work on this important issue.

I fully support Bill 208 for three main reasons. First, as a rural MLA I've heard many stories of accidents and injury on private property where people have taken legal action and been successful in doing so against landowners who have granted permission for people to go on. In some cases, where landowners even hadn't granted permission, they were still sued successfully for people not taking responsibility for their own actions. Second, I believe it will help to build and restore a core fundamental value of our beautiful province, and that is one of community spirit and co-operation. Third, I'm a strong believer in individual responsibility, and that's where I personally feel that Bill 208 strikes the strongest chord. Just like community spirit and co-operation, individual responsibility is a part of our cultural fabric that sets Alberta apart from many other parts of the country.

A quick look at Bill 208 may lead one to believe that it's an uncomplicated and simple bill to understand. However, a longer and deeper study reveals that this bill is much more than just about legal issues. It's about the intrinsic beliefs that founded this province and made it what it is today.

As a landowner and rural MLA I've heard stories of people asking for permission to access land and either damaging their equipment or being injured and threatening to press charges against the original landowner. Quite frankly, Mr. Chairman, these stories are very disheartening. Over the years I've regularly asked my neighbours to access their land when I'm snowmobiling or horseback riding or hiking and taking part in other outdoor activities, and for the vast majority of those requests I'm granted entrance to someone else's land. As a good neighbour and friend I feel compelled to do the same when asked by someone if they can use my land. I only ask that they use respect. However, I can just see one lawsuit close our open and shared communities.

This leads to my next point, that section 6.1 of the bill will take the fear and doubt out of landowners' and occupiers' minds and will restore our community spirit, openness, and co-operation. When Alberta was created in 1905, it was mainly a rural province. The new residents of the province were very community oriented, mainly because it was a matter of survival. Over the years these roots and values of co-operation, sharing, and openness have been instilled into the Alberta culture. It's only a very recent phenomenon that one would hear of a lawsuit by someone who was granted permission to use the land against his neighbour or the occupier of that land, all of this after the community-minded people grant entrance to their land and to the public.

Mr. Chairman, the scary part of this phenomenon is that it only takes a few high-profile cases to occur before they spread like wildfire through the countryside. In a matter of a decade or so we

could possibly transform this magnificent province from one of the most open and trusting to one of the most closed and fearful. As legislators we have a unique opportunity to head off the potential turn towards fear and distrust and put Alberta back to a place of co-operation and trust. That is the place that this province is accustomed to, a place of community openness and reciprocal trust.

Section 6.1 of Bill 208 has another important consequence for Albertans. It restores individual responsibility as a cornerstone of our province's ethical and cultural fabric. Mr. Chairman, our government has worked hard and long to place individual responsibility as an integral part of our philosophy. Albertans have accepted and embraced this responsibility to the point now where it's seen as a part of our Albertan philosophy and culture. Alberta is a province that endorses and supports actions of entrepreneurship, free-spiritedness, and risk-taking. However, when these actions are taken, our culture in Alberta reciprocally feels that the onus is on the individual to take full responsibility for his or her actions.

Many of our government's social programs are designed to help Albertans be less dependent and make individuals take responsibility for their lives. Our social programs have been developed to give a hand up, not a handout. The policies and philosophies of this government for a number of years have been that individuals are given the utmost freedom to develop their lives, and with that freedom a duty of responsibility must be taken. Even with all of the attempts made by this government to increase individual responsibility over the past decade, it can be easily argued that in the area of civil law we are losing the battle of creating a consciousness of individual responsibility.

It is for that reason that as elected officials we must move forward to pass Bill 208 as another tool to build a more respectful, independent, and responsible Alberta. Bill 208 is in sync with existing government policy and Alberta culture, and for that reason I encourage all members here today to support it.

I'd like to switch gears a little bit now, Mr. Chairman, and talk about Bill 208 and especially section 6.1 and how it relates to other provinces' legislation. I believe it's important to look at other jurisdictions to see what works and how we can adjust our own legislation. I find it interesting to note that British Columbia, Ontario, Manitoba, Nova Scotia, Prince Edward Island, and Saskatchewan all relieve landowners and occupiers of liability for damages incurred by recreational users who are granted permission to use land. All of these provinces still hold landowners responsible for not creating dangerous environments with the intent to do harm to the recreational user or damage to their property. This is a very important part of our own legislation, and I am pleased that it's remaining constant in Bill 208.

From the outside Bill 208, section 6.1, may look like a simple legal amendment. However, a deeper look into Bill 208 touches the very fundamentals of what Alberta was founded on and has now become. Community spirit, openness, and co-operation have been part of this province since it was born. The deep sense of personal responsibility that a majority of Albertans associate themselves with is being undermined by frivolous lawsuits in which people are passing responsibility from themselves to other citizens or to the government.

I'm not suggesting that Bill 208 will solve Alberta's personal responsibility problem. However, like any other problem it must be chipped away at piece by piece. This bill fixes a piece of a much bigger problem which with dedication and hard work will be solved. Therefore, I encourage all members here today to vote in favour of Bill 208 as part of that rebuilding process.

Thank you, Mr. Chairman.

3:50

The Deputy Chair: The hon. Member for Grande Prairie-Wapiti.

Mr. Graydon: Thank you, Mr. Chairman. It gives me pleasure to join in this debate on Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003. I have listened with great interest to the previous speakers and their remarks. While it is a bill that on the whole makes a lot of sense, I think it would not be out of place for me to raise a few cautionary flags at this point, specifically with regard to section 6.1 of the bill.

Mr. Chairman, we have heard a lot about how Bill 208 will have a variety of benefits for Albertans. If passed, the bill would lead to increased recreational activities among Albertans, which, it can be argued, is good for the body, good for the mind, and good for the soul. Moreover, we have heard that thanks to Bill 208 we might be able to at least partially stem the tide of frivolous legal action clogging up our courts. Those actions are preventing some serious litigation from having its day in court. Lastly, we've also heard about how Bill 208 would strike a blow against those who wish to abdicate personal responsibility and who, instead, are willing victims to whatever trivial or nuisance event that may befall them.

Mr. Chairman, all these are, of course, good and welcome results. There's no need to further expound on these points. I think previous speakers have spoken in both passionate and eloquent terms about these benefits. But I wonder: will all these presumed benefits outweigh any drawbacks that may result from passage of this bill?

This is not necessarily a contentious piece of legislation, I think, but I've grown somewhat concerned about its timing and its fairness. Allow me to elaborate on these two concerns for a few moments. Mr. Chairman, the matter that Bill 208 addresses has been the subject of both private members' bills and government legislation in years past. In 1999 Bill 31, the Agricultural Dispositions Statutes Amendment Act, 1999, received royal assent but remains as yet unproclaimed. Similarly and more recently, Bill 16, the Agricultural Dispositions Statutes Amendment Act, 2003, also made its way through this House and received royal assent on May 16 of this year.

Mr. Chairman, it's my understanding that in many ways this year's Bill 16 is an updated version of the erstwhile Bill 31, and while I realize that there's quite often a delay between the day a bill receives royal assent and the day it is proclaimed into force, I wonder if there is any reason why Bill 31 has yet to be proclaimed. Looking at Bill 31 and the bill before us, Bill 208, we see that the similarities as far as occupier liability is concerned are many. The main difference that I can discern is that whereas Bill 16 limits liability to the recreational user, this change applies to leased land only. Bill 208, on the other hand, extends liability protection to leased as well as private lands.

If we look at section 6.1 of the bill, we see that it extends the liability protection without making any distinction between leased or government land on the one hand and private property on the other. Instead, Mr. Chairman, the bill clearly extends protection from liability to rural premises whether they are used for agricultural purposes or not: wilderness areas, golf courses when not in use, rights of way, and recreation trails. This is quite the enlargement of the scope of the legislation, I think, and particularly so as we have yet to see liability protection extended to leased land as prescribed in Bill 16. One might be tempted to wonder if it wouldn't be prudent to see if the provisions of Bill 16 prove to be useful and helpful in the manner that the legislation intends before we go ahead and pass additional legislation with this bill.

I'm not suggesting that I oppose Bill 208; not at all. Rather, what I wonder is quite simply: if there already exists legislation which as of yet is not in force, perhaps this ought to be interpreted as a sign to not try to make what some may call an end run around the provisions

of Bill 16. If I'm not mistaken, Mr. Chairman, some ministries indicated their hesitation to support Bill 208 in part because the full effect of Bill 16 is not yet known.

Mr. Chairman, as indicated at the outset of my remarks today, my other concern with regard to Bill 208 has to do with fairness. At the present time the Occupiers' Liability Act prescribes that landowners are obliged

to take such care as in all the circumstances of the case is reasonable to see that the visitor will be reasonably safe in using the premises for the purposes for which [he] is invited or permitted . . . to be there.

If we look at the kinds of situations that this section encompasses, it is not difficult to see a lot of parallel situations wherein a private owner would be liable in the event that a visitor sustained injuries or damages to property. Various privately owned and operated buildings, such as hotels and restaurants, represent one such instance, private modes of transportation, such as commercial airlines, another.

In the event that a visitor were to sustain injuries, whether it was due to a fall or due to spilled hot coffee or even due to turbulence, we know that the private owner is not automatically exempt from liability. No matter how frivolous or outrageous the claim, there have been instances where legal action stemming from situations involving mishaps, such as those above, have been brought forward. Obviously, I don't find anything commendable about such litigation, but the fact is that the right to engage in frivolous litigation does exist.

If, however, Bill 208 were to pass, we could potentially exempt one group of Albertans from becoming the subject of litigation, whereas that same kind of protection would not be afforded to other groups. The restaurant owners and the hotel operators, for instance, would not enjoy the same kind of reduced or even zero liability that the occupiers may very well be granted under Bill 208.

Again, Mr. Chairman, I hasten to add that I do support a resurgence of personal responsibility in our society, and similarly I would also say that I favour initiatives that could contribute to reducing frivolous and vexatious legal action. What I fear, however, is that the way Bill 208 is structured could very well be seen as unfairly protecting some Albertans but not others. Extending or increasing legal protection to this group could very well be viewed as decreasing the protection other groups have.

Having said this, Mr. Chairman, I would conclude my remarks much like I began. Bill 208 makes a lot of sense. I do not disagree with its overall purposes and what the hon. Member for Lac La Biche-St. Paul would like to accomplish in bringing forth this bill. While I thought it important to make note of a few issues of concern, I do support the bill and will be voting in favour of it.

Thank you.

The Deputy Chair: The hon. Member for Cardston-Taber-Wamer.

Mr. Jacobs: Thank you, Mr. Chairman. It is an honour to rise today and join debate in Committee of the Whole on Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003, sponsored by the hon. Member for Lac La Biche-St. Paul. As we continue debating this piece of legislation and look back at what has been discussed during second reading, there is a predominant subject that continues to arise: liability scenarios. Many members, either by their own experience or by those of their constituents, have a specific scenario or example that supports the need for the legislation outlined in Bill 208. These stories and examples touch all aspects of the bill from liability issues to the types of land affected as well as the exclusion of specific individuals and circumstances.

Mr. Chairman, section 6.1(1) addresses the issue of liability and shifts it from occupiers and owners to recreational users who utilize the property. This results in the recreational user possessing the liability rights of a trespasser while using the type of land outlined in 6.1(2). Land covered in the legislation includes "golf courses when not open for playing," "utility rights-of-way excluding structures located on them," and "recreational trails reasonably marked as such." From the examples and scenarios given in this Assembly by members who support Bill 208, section 6.1 would appear to provide a solution to the unfavourable results of these situations that have been expressed, both hypothetical and actual, along with the threat of the landowner losing their farm and livelihood.

However, Mr. Chairman, there is an aspect of Bill 208 that I believe needs to be discussed further: the exemptions outlined in section 6.1(1)(a) and (b). The proposed legislation states that recreational users shall have the same liability rights as that of a trespasser unless the landowner receives a payment or benefit from the individual or group utilizing his or her land. Landowners are therefore unable to profit from recreational users accessing their land. If landowners are receiving some sort of payment, then they would remain liable for the activities that take place on their property.

4:00

Mr. Chairman, an example of such a situation may be a landowner charging individuals to snowmobile on his or her land. Under Bill 208 the recreational user, after having paid to access the land, would no longer have the same liability as a trespasser and would therefore put liability back on the landowner because they accepted payment.

Payments from a government or government agency as well as nonprofit recreation clubs or associations would not be included in section 6.1 of the Occupiers' Liability (Recreational Users) Amendment Act, 2003. Therefore, Bill 208 would only apply to individuals or groups that make a payment for using the land and do not fall under any of the aforementioned categories.

Mr. Chairman, Bill 208 includes one other exception when reducing the liability owed to recreational users. Recreational visitors who are provided living accommodations on the premises of the landowner are also excluded from carrying the same liability as a trespasser. For instance, a family friend or relative is spending their vacation with said landowner, who is providing them with accommodation. At one point during their stay they decide to enjoy a snowmobile ride and some type of accident befalls them. Under the proposed legislation the recreational user who is being provided with accommodation by the landowner would not be owed the same liability as that of a trespasser.

Under this circumstance, liability would be the responsibility of the landowner. In this instance, the recreational user is no longer just a visitor or a neighbour using the land. The recreational user has become a guest of the occupier and falls under the care of the landowner because they have provided the guest with living accommodation.

Mr. Chairman, I find that these two examples emphasize the important subject areas of Bill 208. I feel that they should be discussed further as I'm certain that landowners may receive from time to time some type of benefit or payment from individuals using their land. This does not necessarily mean cash. This could be any type of payment or benefit. There is no specification in the legislation that dictates exactly what payment or benefit includes. Landowners, therefore, need to take proper precautions and ensure that they have not mistakenly accepted some form of payment or benefit that could cause the liability to be placed back on the landowner.

Mr. Chairman, this legislation is crucial for the protection of landowners. All-terrain vehicles are getting bigger, faster, and more dangerous. Albertans are becoming more active in the outdoors, looking for picturesque areas to partake in their recreational activities. Rural Alberta provides all of these amenities, and they should be able to be enjoyed by every Albertan. However, accidents are bound to happen, and it should not always be the landowners' or land occupiers' responsibility that the accident took place. Landowners should warn recreational users of situations that may be common practice for the landowner but have the potential to be dangerous for the user.

Furthermore, I believe owners and occupiers need to be responsible if they display willful or reckless conduct towards a recreational user, especially if the end result is injury or death. Having said that, Mr. Chairman, recreational users also need to take responsibility for their choices and their corresponding actions. Bill 208 ensures that. It shifts a greater amount of responsibility to recreational users and balances liability more fairly instead of concentrating liability solely on the owner of the land.

As I have mentioned, rural Alberta is a resource that is just beginning to be tapped by Albertans. As we all try to live healthier lives, we look for activities that provide enjoyment along with the benefits of an active lifestyle. Many of these activities are outdoor pursuits.

As our cities grow and become busier, the escape to rural areas becomes more attractive by every car horn or red light or emergency engine that Albertans hear. Rural Alberta is Alberta's last escape. Without the support of landowners and occupiers we could potentially shut in this great resource. We need these individuals to support the recreational use of their land. The threat of potential lawsuits and bankruptcy has resulted in prohibited land access to recreational visitors.

Mr. Chairman, in conclusion, I encourage all members of the Assembly to vote in favour of Bill 208, if not to give landowners and occupiers peace of mind, then to give Albertans a place to enjoy recreational pursuits and a healthy lifestyle. Thank you.

The Deputy Chair: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Chairman. It is my pleasure to rise today to support Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003. I'm pleased to join the debate on Bill 208 and would like to commend the hon. Member for Lac La Biche-St. Paul on bringing it forward.

Mr. Chairman, the purpose of Bill 208 is to reduce the legal liability a landowner would face should a recreational user be injured or suffer a loss on his or her land. This would be accomplished by eliminating the common duty of care a landowner or occupier owes an individual under section 5 of the Occupiers' Liability Act when they are invited onto or are granted permission to use the land.

Predominantly we see rural landowners faced with mostly requests to grant access to their land. Simply put, most of the land that has recreational value is found in rural Alberta. Hunters like to use the land in the fall months. Snowmobilers and cross-country skiers like access in winter, while berry pickers, hikers, and off-road seekers seek permission during the summer. Alberta's lands can host a wide variety of different activities on a year-round basis, and rural landowners are constantly questioned for access. Unfortunately, that means that rural property owners also face most of the risk in terms of liability issues. However, I will point out later that Bill 208 is broad enough to protect all types of property owners.

Other provinces have adopted their own ways of dealing with landowner liability issues that surround recreational users. In British

Columbia entrants to land willingly accept the risks on their own behalf if they have paid no money or have not been offered accommodation while on the premises. In Ontario trespassers and recreational users are also assumed to willingly accept the risk associated with being on the lands in question. Saskatchewan and Manitoba have added provisions that make some recreational users responsible for their own actions when on someone else's land. These jurisdictions should be commended for taking steps in protecting their respective landowners and occupiers, and Alberta should follow suit.

Mr. Chairman, my remarks today will be based on two different subsections of Bill 208, which would add to the Occupiers' Liability Act. Subsection (1) outlines the responsibility of landowner and visitor when permission to access the land in question is granted while subsection (2) defines what types of land are to be included under the proposed changes. Both subsections are critical in providing clarity as to the responsibilities that occupiers and visitors would take when access is granted to land for recreation.

On my first point, Mr. Chairman, the addition of section 6.1(1) would treat recreational users more along the lines of a trespasser regarding liability. As the current law stands, trespassers assume the risk associated with entering on someone's land without permission. In addition, what Bill 208 proposes is not intended to legislate recreational users. Instead, it simply offers more protection to landowners. Recreational users would assume the risks involved with their respective activity while on the property of another.

It should be pointed out, Mr. Chairman, that this subsection does carry with it some restrictions. Landowners would have increased responsibility if they received "payment for the entry or activity of the person" or if they provided "the person with living accommodation on the premises."

4:10

Mr. Chairman, why in the world would a landlord want to let any person on their land for any reason if they could be held liable for a wide range of different incidents which they have no control over? Currently the Occupiers' Liability Act is vague and is open to interpretation. The act does not explain what steps may constitute reasonable care on the part of the occupier nor does it outline when a premise may be considered reasonably safe. When law is open to interpretation, expect to see an increase in litigation. Bill 208 clearly states that recreational users are responsible for their own actions. What could be simpler or make more sense than that?

The reason, Mr. Chairman, that the law was changed in British Columbia was because many private landowners were concerned about the development of the Trans Canada Trail and the liability implications involved when it crossed private lands. In 1998 an amendment was made to reduce the duty of care owed to nonpaying recreationalists on nondeveloped, rural private land. Recreational enthusiasts in British Columbia accept an increased level of responsibility for their own safety. The Trans Canada Trail cuts across Alberta the same as it does in British Columbia. Don't we owe it to our own landowners to protect them in the same way?

Once again, Mr. Chairman, I would like to state that this bill is not meant to take away the rights of the recreational user. I believe that the recreational user may find that this bill will help them in securing permission to use land. With removal of the axe that currently dangles over the necks of landowners that we are asking to share their land, recreational enthusiasts may find more access to private land.

In rural areas occupiers are often approached about granting access to their land for a variety of reasons. Because they are usually asked by members of their own community, they don't want to tell

them no. It just isn't neighbourly. But because of liability issues they are forced to tell everyone no. The result is that no one gets to enjoy the land. Mr. Chairman, section 6.1 strengthens the Occupiers' Liability Act by making it clear that recreational users are responsible for themselves while being on someone else's land.

In my eyes the issue of responsibility has gone through many societal changes, and sometimes it feels like nobody is responsible for themselves. We live in an age when parents sue fast-food outlets because their children are overweight and some smokers feel that they need to sue the tobacco companies because after 20 years of smoking, they have lung cancer. People are less willing to take responsibility for themselves, especially when things go wrong. But they should, Mr. Chairman. Bill 208 simply forces recreational users to be more responsible and protects the people that need to be protected in this debate.

I strongly consider Bill 208 to be a commonsense piece of legislation. It is important to remember that this bill is not absolving landowners of all responsibility. They, too, need to take some responsibility for their land. Even if Bill 208 is passed, landowners and occupiers would still be accountable for willful and reckless conduct. That would remain consistent. But when it comes to gopher holes, fallen trees, equipment left in the field, or barbed wire fences, landowners would face fewer risks than they do now.

While I'm on the subject of responsibility of landowners, I would quickly like to make this point: there have been very few incidents where landowners have been sued by recreational users in the past. To me this indicates that most landowners are already fairly responsible when it comes to their land. If someone asked me if they could use my land for recreational activities, I know that I would want to be aware of what activity they planned to undertake, how many people would be participating in it, and how long they would be on my land. I would also make the consideration as to who was asking for permission and what kind of reputation they have. I think most landowners already ask these important questions. I think they understand that they owe some responsibility surrounding the use of their land.

On my second point, Mr. Chairman, I would like to touch on subsection (2), which also would be added to the Occupiers' Liability Act. Subsection (2) lists the types of lands that are included under the change. Like subsection (1), which clearly clarifies the responsibility of the recreational user, subsection (2) clarifies the types of property included in the changes. Again, this is very important as it diminishes the amount of interpretation that can be made in regard to the act.

Under subsection (2) agricultural land, vacant or undeveloped premises, forested or wilderness premises, golf courses during the off-season, utility rights-of-way excluding the structures on them, and reasonably marked recreational trails are included in the provisions laid out in the first subsections. [Mr. Broda's speaking time expired]

Unanimous consent to continue, Mr. Chairman?

The Deputy Chair: The hon. Member for Redwater is seeking unanimous consent to be given 10 more minutes.

[Unanimous consent denied]

The Deputy Chair: The hon. Member for Whitecourt-St. Anne.

Mr. VanderBurg: I would be glad to give him a couple of minutes of my time. Thank you, Mr. Chairman. I'll go on to page 14 instead of page 1.

It's my pleasure to rise today and support this bill in Committee of the Whole. I think the bill relies on some very obvious principles

regarding personal responsibility as well as private property. I think these principles are solid enough and uncontested enough that this bill ought to pass. I believe that second reading debate revealed many solid arguments for Bill 208, but today I wanted to look at the bill itself and provide a few comments and insights relating to the legislation on the ordinary life of an average Albertan.

I think the first thing that strikes me about the bill is its simplicity. It takes a few basic principles and doesn't try to dress them up. Instead, it basically says that unless a person is profiting from a recreational use of their property or unless a person is providing living accommodations to the recreational user, it is a recreational user's responsibility to exercise care and caution when using the land. In most cases it will not be the landowner's fault should the recreational user injure himself.

Section 2 of Bill 208 underscores the difference between the operation of a business and simply being approached for the use of one's land for recreational pursuits. If it's a business, then the user is paying for the use of the land, and the user can and should expect a certain degree of safety when using the land. This seems to be a matter of fair business transaction.

Further, section 2 of Bill 208 speaks to situations in which a landowner is housing a guest or an employee. If the landowner is housing someone or providing accommodation, then it is incumbent upon the landowner to provide safe living arrangements. This doesn't mean that the landowner must bubble wrap everything. What it means, however, is that he must take precautions and provide fair warning to guests if there are any dangerous areas on the property, especially if it's likely that the guest will find himself near or in those areas. In cases where the owner can remedy a hazardous situation or clean up a dangerous area to protect those living on the property, he should do so.

In addition to all this, section 2 of Bill 208 also states something else, something very important. If somebody wants to use an owner's property and that owner simply grants permission, then it's up to the user to take proper precautions regarding using the land. This should, at the very least, involve asking questions about the land, about what to stay away from, and about the appropriateness of certain activities on the land.

Most Alberta landowners are like everyone else. They will do their best to ensure that recreational users have a safe and enjoyable experience on their property. But those Alberta landowners should not be required to take every possible precaution in the expectation that someone might want to use their land. If that's where we want to go, then let's think about what the best precaution is. It's to not let people on the land in the first place, and I don't think we want that.

Mr. Chairman, in relation to that point, section 2 also speaks to the greater use of personal responsibilities within the context of being good neighbours. If a landowner owns a large section of land, chances are that he is going to enjoy recreational pursuits on his own, such as ATVing, hiking, or maybe other things such as horseback riding. Chances are likely that he will not want to deny others the opportunity to enjoy that land as he does.

However, as the current legislation stands, it encourages landowners to say no when they are asked if someone else can use their land for recreational purposes. After all, the landowner is not going to want a recreational user to wreck his ATV or, worse, injure themselves while on his land. Mr. Chairman, you never know how, when, or why someone will end up hurting themselves. It could be a freak accident or a moment of inattention. In most cases where an injury occurs, the landowner isn't sought out by the injured party for some sort of compensation. Most Albertans are honest, hardworking people who will recognize when something is their own fault or when something is an accident.

Most Albertans won't go looking for scapegoats, but some people out there go looking for someone to blame, and there are enough of those people out there too. Remember, it only takes one, and there are many examples to scare others away from letting recreational users on their land. It only takes one case of a landowner unjustly accused of causing a recreational user's injury. This is why Bill 208 is so important.

4:20

Section 2 of Bill 208 to a great deal satisfies the concerns of landowners on the following types of land:

- (a) rural premises that are
 - (i) used for agricultural purposes . . .
 - (ii) vacant or undeveloped premises, and
 - (iii) forested or wilderness premises;
- (b) golf courses [during closed seasons]
- (c) utility rights-of-way . . . and
- (d) recreational trails.

This list is fairly comprehensive and thus protects landowners and occupiers of all sorts in the event that the recreational user injures himself for damages his equipment while on a landowner's property.

So we see in section 2 a significant shift from the Occupiers' Liability Act, where it assigns responsibility to the recreational user, in most instances, instead of the owner. Mr. Chairman, this change to the Occupiers' Liability Act certainly rights what looks like a particular wrong in the act.

As I said earlier, the changes held within Bill 208 are changes that are in sync with the general disposition of Albertans when it comes to the issue of personal responsibility and the risk associated with using another person's land for recreational purposes, and I want to emphasize that most Albertans are the sort of people that own up to their actions. This applies to landowners and recreational users, and for the most part Albertans are the sort to help each other out and solve these problems fairly. So this bill corrects what is usually a minor problem but one that can escalate and incorrectly put the blame on landowners and occupiers.

So with that, Mr. Chairman, I'll conclude my comments and ask the members to continue to support Bill 208 through committee and, time willing, third reading debate as well. Thank you.

The Deputy Chair: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Chairman. It is my pleasure to rise today and continue debate in committee on Bill 208. I've been very interested in many of the comments that have been made so far, and I look forward to adding my thoughts.

Bill 208 is very solid, and this is being shown today by no amendments being brought forward. In second reading there were very few concerns, if any, that were brought forward in regard to this bill and its effects on liability. The proposed change is something that is definitely needed, and we should very seriously consider endorsing it so that we can offer landowners some protection from unnecessary lawsuits. Of course, we have heard many different stories of how landowners and occupiers can be and have been victimized by lawsuits because the laws in Alberta just do not go far enough to protect these individuals.

Mr. Chairman, landowners are at a bit of a disadvantage when it comes to the recreational use of their land. Under our current laws a person can ask permission, for example, to ride a dirt bike on the land of person X. If permission is granted, that individual is now considered a recreational user, and if the user crashes the dirt bike into a tree, he could sue person X. This scenario has been explained

many times in second reading and in many of the comments here in Committee of the Whole.

Now, Bill 208 tries to alleviate this inequity between users and landowners and occupiers by having someone using land for recreational purposes liable, similar to that of a trespasser, as stated in section 2 of the bill, if that user should meet with some disaster while using land for recreational purposes. Treating the user as a trespasser when dealing with liability not only relieves the landowner from being met with frivolous and unnecessary lawsuits, but it also puts some responsibility onto the user of the land, where I think it belongs. I hope this bill will eliminate lawsuits where landowners and occupiers are sued for the stupidity of others.

Of course, in second reading debate we heard all sorts of instances where this bill could have come in handy for many rural Albertans in the past. Unfortunately, the passage of Bill 208 does not do too much for those people now, but at least it will provide some guidelines for recreational users, landowners, and occupiers in the future.

Mr. Chairman, Bill 208 outlines what lands are specifically applied in such cases and who is responsible for the duty of care. The bill lists rural lands, golf courses when not open for playing, utility rights-of-way, and recreational trails reasonably marked as such. These are very specific lands that are specified in the bill. One may ask why golf course lands are included. Well, the reason for this is that there are cases where somebody is out on a leisurely walk through a rural area, which happens a lot out there. On this walk a person decides to cut through a golf course to return to a main path which returns the person to their home, a shortcut, if you will.

Now, before I continue the analogy, let us assume that the leisurely stroll is done after hours and the course doesn't post signs saying that one cannot trespass. They do not have a problem with people walking the course after hours. It's a walk-through, and permission is rarely withheld. Many rural courses give this privilege to their neighbouring community. It's the Alberta way. So we have our walker moving along quite nicely until he begins to cut across the 15th fairway. As he cuts across the fairway, he steps into a sand trap, falls, and subsequently breaks his leg.

Under the current legislation this person could sue the golf course. They can sue because landowners owe a duty of care to all recreational users. Bill 208 reduces the duty of care so that sand trap follies don't happen too often. The golf course is to blame for the blindness of our leisurely walker: is that fair? Golf courses have sand traps. They are there for a reason. They are called hazards. Yet this person can legally sue for his inability to recognize a deep pit of sand. This is why Bill 208 is such a good bill to at least give proper and thoughtful consideration to. If this bill were legislated, our leisurely walker would be owed the same level of liability as a trespasser under our Trespass to Premises Act or our Petty Trespass Act. Mr. Chairman, what this means is that our clumsy leisurely walker would not be able to sue.

Of course, the landowner or land occupier is not allowed to unduly cause harm to the leisurely walker. For instance, the golf course couldn't cover that sand trap with branches and leaves and then not take responsibility for a broken leg if our leisurely walker fell into that covered sandpit. The landowner in that case definitely could be sued. He or she could be sued because he or she had not advised the user that there was an unmarked hazard on the fairway. Of course, you may be thinking that this is silly and that it would never happen. Well, if this were the case, then Bill 208 would not be needed.

Bill 208 tries to level the duty of care owed to visitors and recreational users so that it resembles that of trespassers. What this means according to the Petty Trespass Act and the Trespass to

Premises Act is that unless the landowner deliberately creates a danger, i.e. the covered sand trap, then the recreational user is responsible for his own injuries.

Mr. Chairman, it's as easy as that. This is a bill whose time has come. Of course, this may be the point where we say that Alberta will be leading the country in bringing forth this kind of legislation. We were the first province to codify the Occupiers' Liability Act, but sadly we are behind in including recreational users. There are other provinces who have recognized that this issue needed to be addressed, and they promptly stepped up to the plate. Case in point: British Columbia in their legislation clearly makes it so that a person who is using the land for rec purposes will be assuming any risks that are encountered when it is being used.

You see, Mr. Chairman, this bill is the next step in protecting landowners' rights. It is something that we need to seriously think about passing. We should follow the lead of the other provinces across Canada who have taken similar action in protecting landowners and occupiers. We need this bill so that not only landowners will know what their responsibilities are, but as well recreational users of land will know what will happen to them and the responsibility they should hold for their actions if they should fall into a sand trap or crash their dirt bike into a tree.

I urge all members to vote in favour of Bill 208 in committee today and further support this bill throughout the process. Thank you, Mr. Chairman.

The Deputy Chair: You want to close debate, hon. member? The hon. Member for Lac La Biche-St. Paul.

4:30

Mr. Danyluk: Thank you very much, Mr. Chairman. I believe that the intent and the purpose of this bill have been adequately addressed in Committee of the Whole, and I would like to thank all members for their participation in the debate in the Assembly this afternoon and, once again, everyone for their involvement in the debate and the discussion on Bill 208, Occupiers' Liability (Recreational Users) Amendment Act.

Mr. Chairman, I would like to call the question.

[The clauses of Bill 208 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Stevens: Thanks, Mr. Chairman. I move that we rise and report Bill 208.

[Motion carried]

[Mr. Shariff in the chair]

The Acting Speaker: The hon. Member for Clover Bar-Fort Saskatchewan.

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 208.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

head: **Public Bills and Orders Other than**
Government Bills and Orders

head: Third Reading

Bill 208
Occupiers' Liability (Recreational Users)
Amendment Act, 2003

The Acting Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. It gives me great pleasure to rise in this Assembly this afternoon to move third reading of Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003.

Mr. Speaker, before I begin my speech, I would like to start by thanking all the hon. members again for their comments and support for this legislation. I understand that this is a subject that affects many members of this Assembly and is a much-needed initiative for Albertans across this province.

As I mentioned at the previous stages of the bill, this legislation would reduce the amount of legal liability that is owed by landowners and occupiers to recreational visitors on their property. Bill 208 will dispel the fear of landowners and ease the burden of allowing recreation users on their premises.

The most common reason given by landowners and land occupiers for denying public access to private property is the issue of liability. This issue of liability may not be an explanation given to the neighbour at the door but undeniably is the reason for reticence in the minds of owners. Unfortunately, litigation is becoming more apparent in our society, and some hold the view that blame should be placed just about anywhere except on the individual or individuals who are truly responsible. Mr. Speaker, I ask: what happened to personal responsibility? Why do people believe they can and should blame others for the choices they make and the actions they take? I believe that the lifestyles and activities Albertans enjoy are being threatened by the increase in litigation and the view that lawsuits are the answer to our problems.

Our province's landscapes have many open spaces and open lands. These lands provide an opportunity for recreation as well as scenic beauty. The lands and the activities contribute to the quality of life of individual Albertans in our communities. In this province there is a surging demand for outdoor recreational activities. The province's vast landscapes allow Albertans to enjoy the great outdoors. However, the opportunities for outdoor recreation are jeopardized by the prohibiting of access to private and public lands by owners and occupiers.

This is not to say that I blame the landowner for not allowing entry to his or her properties. We must keep in mind that the term "recreational user" has a very broad scope. We are not just talking about ATV and snowmobile operators. The definition of a recreational visitor may include anything from walkers, skiers, equestrians, hunters, and fishermen to berry pickers and photographers. Now, one might think: what is the harm in allowing someone access to land if they're only going to pick berries or take pictures? What danger can occur? To some extent, I do believe the chances of something dangerous happening are very remote. However, the problems arise because anyone can sue if they get hurt. A photographer may step on uneven ground and sprain his or her ankle.

Landowners and occupiers do not want to take the risk and, therefore, are hesitant to grant permission even if it is only to allow people to walk across their field.

Mr. Speaker, I would like to shift my focus slightly and address this issue from another perspective. Across the province there are many traditional family farms, ranches, and properties that have been passed down from generation to generation. Neighbours not only have a close relationship with each other, but the families also have a long history. Individuals using land for recreational pursuits and a duty of care that is owing to them have created a challenge to a community's cohesiveness. These lands are no longer an open space where neighbours and friends are granted automatic permission. This has now become a sensitive issue, where landowners contemplate allowing or prohibiting land access.

Mr. Speaker, the liability risk has resulted in a retreat in admitting land entry. This is not because these owners do not want visitors on the property. I know from experience that landowners find it difficult to say no to neighbours and friends. However, it would be even more difficult for these same individuals to watch their friends or neighbours down the road almost lose his or her livelihood because of a lawsuit. The situation leaves the landowner or occupier in a difficult position. Communities no longer have the same closeness or joint policy regarding land entry as they did once before. Recreational opportunities have diminished because landowners and land occupiers want to steer clear of any possible liability threats.

Bill 208 will give individuals the choice or the ability to say yes or no to recreational users pursuing activities on their land. This legislation will provide a safeguard to owners and occupiers, supplying them with the option, without potential risk, of allowing recreational users on their property to enjoy the land and engage in outdoor activities. Bill 208 will not force landowners to open up their land to visitors; instead, it gives them the choice to do so. If given the opportunity without the risk, I believe more owners and occupiers will permit recreational users on the land. I know that I would be more inclined to give my consent to neighbours wanting to enter my property.

With the passage of this legislation more recreational users would be welcome, and landowners and occupiers would have choice without threat to provide outdoor recreational spaces. I urge all my colleagues to once again strongly support this initiative, and I would encourage you to vote in favour of third reading of Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003.

Thank you.

The Acting Speaker: The hon. Member for Innisfail-Sylvan Lake.

Mr. Ouellette: Thank you, Mr. Speaker. It is my pleasure to rise today and join debate on Bill 208. I cannot stress to the House how important this bill is to rural Alberta landowners and occupiers. We should seriously consider passing this bill. I am a strong supporter of it, and I hope that those in the House today will do likewise.

As I speak to this bill, a lot of the points that I bring up will have been mentioned already, but I feel they are extremely important and should be reiterated. This bill is important to me because I've had experiences with recreational users of land and the Occupiers' Liability Act. The experiences that I have taken away from those instances have not been positive. The proposed amendments to the act through Bill 208 should have been taken care of a long time ago.

Mr. Speaker, Bill 208 affects mostly rural landowners and occupiers. The Occupiers' Liability Act as it currently stands does not let landowners and occupiers allow access to their lands for recreational use without the landowner or occupier assuming a large

amount of risk. The risk that landowners and occupiers assume is one that they really have no control of. It seems that in today's era of "Oh, I am hurt" or "It's not my fault; who can I sue?" many people in our society are left vulnerable to the silly lawsuits that this kind of attitude brings.

4:40

One of the groups that has been left vulnerable to silly lawsuits is landowners and occupiers. I realize that it may be difficult for nonrural members to truly understand how this bill will alter recreational use of land in rural Alberta. In every rural area around the province there are people who enjoy quadding, snowmobiling, even walking across lands that are owned by others. In the past rural Alberta landowners and occupiers have given recreational users free rein over their land as long as they are respectful of that property. Landowners and occupiers used to be extremely generous in allowing recreational users to access their lands, always doing so with a friendly attitude and good intentions. But recently this trend has begun to change. Many landowners and occupiers are slightly worried about giving permission for people to use their land.

There are many reasons for this, but I would like to give the House a personal example of why the attitude in rural Alberta is changing. Throughout the province rural communities are known to hold all kinds of spectacular events. A popular one that used to be done often was poker rallies. In my constituency I was once co-chair of a poker rally that took place at Pine Lake. The rally consisted of snowmobiles that would follow a clearly marked trail across many different fields in a bit of a race to gather playing cards to make a poker hand.

For those of you who are not familiar with snowmobile poker rallies, they are meant for groups of people to get together, ride their snowmobiles, and have fun and enjoyment. Usually there are a couple of different groups or teams, and there are different directions to a secret location or a finishing spot where you can collect prizes or have a party or whatever is at the finish line. Sometimes these rallies are used to raise money for charities, and other times they are for members of clubs to get together to just have fun. Either way, these rallies are great community-building events which entire communities take part in.

As the trail for the rally is designed, organizers have to approach landowners to get permission to have a trail go across their property. In the past landowners or occupiers would not even blink an eye and would grant permission without hesitation. This is what would normally happen for the Pine Lake poker rally. However, one year a participant who was involved in the Pine Lake event decided to leave the clearly marked trail. When he left the trail, he went further into the land of one of the landowners who gave permission for his property to be used for a trail. During this time off the trail, the snowmobiler had a fatal accident, an extremely unfortunate event.

As it turned out, the landowner who had given permission for recreational use of the land was sued for the unfortunate death of the snowmobiler. This landowner had no involvement in the rally other than the fact that he gave permission to use his land, yet he was the one that got sued through no fault of his own. I ask the House: how is that fair? I think that it is completely unacceptable. With the amendment to the Occupiers' Liability Act that is proposed in Bill 208, the duty of care is reduced, and therefore the landowner could deal with the snowmobiler like a trespasser instead of a recreational user. This would have saved the landowner a lot of hardship; instead, an innocent landowner was sued because of his generosity.

So do you think future rallies had an easy time trying to convince landowners to let trails go across their land? Nope. Never again. Why would anyone even think of allowing passage on the land if

they felt that they were going to be liable for somebody's misfortune? This is happening across Alberta in many rural areas because of the many frivolous lawsuits that are brought to court as of late. Landowners and occupiers in Alberta are no longer letting people come onto their premises for recreational purposes. This is not because they are unfriendly but because they cannot afford to accept the risk that is involved.

As I mentioned just a few moments ago, Bill 208 lowers the common duty of care of a recreational user to that of a trespasser. I think that this is acceptable because some landowners and occupiers presently allow recreational users onto their property yet advise the user not to tell them when they are there. Sort of like: you can come play, but don't tell me about it. This is in case something happens to the user, and then the landlord will be able to say that the user was trespassing, and therefore they can treat the user as such and avoid costly problems if an accident occurs.

This is what our current Occupiers' Liability Act has reduced rural Albertans to doing, and I don't think that that is proper. The act has allowed people to bring lawsuits forward which should not be coming close to a courtroom. This is why I am in favour of this bill. It is my hope that this amendment to the act will stop people from bringing frivolous lawsuits forward.

But then there may be those of you who think that it is the right of the person who gets injured to be able to sue whoever they please for whatever they want. Well, that may be the case, but I think that this bill takes the onus off the landowner or occupier to prove that it is their negligence that caused the injury. Bill 208 puts the responsibility onto the injured party to prove that it is the user's own fault that caused an accident by reducing the duty of care, as I just alluded to. So the landowner and occupier can still be sued for injuries, but it will be much more difficult for weak arguments to win in court. I think that this will eliminate those lawsuits that are held together by a small piece of thread.

There has been an argument made at one point that this bill might favour one group of Albertans over another, that being landowners and occupiers over normal recreational users. I think this bill brings recreational users and landowners or occupiers onto an even playing field. A recreational user who gets injured under the current legislation really just has to show up in court with a neck brace and will have a good chance of winning because it is up to the landowner to prove that he is not liable. By putting landowners or occupiers and recreational users on an even playing field, I think we will be able to rid our courts of unnecessary lawsuits, which waste a lot of Alberta taxpayers' money.

So on that note I would urge all hon. members to vote in favour of this bill so that rural Alberta can return to the way it once was. Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Well, thank you, Mr. Speaker. It is with a great deal of pleasure that I rise today to speak to Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003, a bill that affords Alberta landowners some badly needed protection when it comes to liability issues if they have allowed their land to be used for recreational purposes. The hon. Member for Lac La Biche-St. Paul is to be commended for his attempt to implement change on this very important issue. As a member of the MLA recreational corridor review committee myself I'm also very well aware of the need for legislation such as this and of how concerned many Alberta farmers are about this issue. We certainly heard that message loud and clear as we traveled about the province.

First off, I would like to point out that Alberta's lands, whether owned by individuals, corporations, municipalities, or the provincial

or federal government, are varied and vast and are well suited for literally hundreds of recreational uses. When seasons change, new activities are undertaken by many Albertans. Whether it's sledding down a farmer's coulee in the wintertime or picking berries on pastureland in the summer, we are all very fortunate as Albertans to be able to enjoy such a diverse and bountiful landscape.

But there are problems. In our increasingly litigious society the fear of lawyers is dramatically increasing amongst landowners' minds. Access to use their land is therefore being threatened for all. Bill 208 would afford landowners an added level of protection against potential lawsuits dealing with injury or loss that could occur after they granted permission to recreational enthusiasts to use his or her land. Mr. Speaker, this would be achieved by lowering the level of legal redressability to the same level which is afforded to a trespasser. It takes the legal risk off the landowner and puts it onto the user, where it belongs.

Currently under the act trespassers are not afforded the common duty of care that invited visitors are, which is why farmers are so reluctant to give permission to strangers to use their land. They aren't trespassers anymore if they have been given permission first, and people are reluctant to say no, because it isn't neighbourly. People do want to be nice, but if they are nice, then they risk a lawsuit, and this should not be happening. Visitors would become more responsible for risks involved with using another's land for their recreation. Bill 208 removes the liability factor of the occupier except or unless it is really a case of gross willful or reckless conduct.

4:50

Mr. Speaker, by adding a new section to the Occupiers' Liability Act, Bill 208 would close the door on unnecessary lawsuits property owners and leaseholders might face when allowing access to their land for recreational purposes. As it currently stands, landowners must afford permitted visitors with a common duty of care. The problem is that the current act does a poor job of defining how this reasonable care is to be achieved. This lack of clarity makes the act open to interpretation and, consequently, open to litigation.

Also, Mr. Speaker, it is unreasonable to hold occupiers, especially in rural areas, absolutely accountable for every hazard that might be on their land. Items such as barbed wire fences, dugouts, and farm equipment are necessary items found on farms and ranches, but they could be considered hazards for snowmobilers or hikers. How much control should individuals be expected to have over items like rocks, fallen trees, and livestock? It is easy to see that the risks are out there when it comes to enjoying recreation in a rural area.

Those who make decisions about their own recreation activities should also be aware and responsible about the risks involved. Unrealistic expectations are currently placed on landowners and occupiers who allow recreational activities on their land. We are asking them to be held accountable for every stone, branch, and gopher hole that someone might trip over on their property, and these are not fair expectations.

Mr. Speaker, this bill implements common sense into the Occupiers' Liability Act. As a recreational user if I approach a landowner about my desire to access his or her land to perform my activity of choice, then why should I expect someone else to be responsible for my decisions if they go awry or result in my hurting myself? There are too many variables that landowners have no control over to hold them responsible for every possibility that could occur on their land. We have heard several hypothetical and some real examples that show why the current act does not work properly and that property owners are being left open to, in my view, unnecessary and unfair liability risks.

One of the main reasons I am supporting Bill 208 is because it brings clarity to the Occupiers' Liability Act. Recreational users and landowners alike will know exactly who is responsible for injury or loss should incidents occur. This clarity will not only eliminate many problems of assigning fault should incidents occur, but relationships between current land occupiers and recreationalists will be strengthened. Mr. Speaker, I believe occupiers would be more apt to allow for recreation to occur on their lands if they were not constantly worried and in fear that they will be held responsible should something unfortunate happen.

Currently banning access to property is the only surefire method occupiers have to make sure that they don't end up being sued for another's mishap. I know several instances, especially in rural Alberta, where occupiers have taken this action to protect themselves. Many farmers and ranchers won't allow anyone on their land. To be fair to all, they have isolated their land because they don't want to deal with the consequences of another's recklessness. It's hard to fault an individual for making a choice based on protecting oneself. Should Bill 208 pass, I believe occupiers will be more likely to allow greater access to their land, and Albertans will be allowed to use more of Alberta's private land for recreational purposes.

Now, Mr. Speaker, there are those who will argue that under the current act an occupier may not face legal action if a visitor is willing to accept the risk associated with their visit. I know that this all sounds very good in theory. I would like to point out that it would be very difficult for a rancher or farmer to prove that an individual willingly accepted all the possible risks associated with their visit. In addition to that, I don't know many farmers or ranchers who have the time or the resources to draw up waivers for every person that would like to visit their land, and many would be embarrassed to make a relative or a friend or a neighbour enter into a legal signed agreement on a request that seems very innocent at the time.

The right way to solve this problem is to implement legislation that is consistent for all situations. Let's not put the onus on every farmer and rancher to make visitors absolve their common duty of care. Bill 208 puts everyone in the same boat and alleviates occupiers from enduring processes like these to protect themselves just to make their land available.

Mr. Speaker, when dealing with such issues, it is important to look at the big picture. I will attempt to do that now.

Contained in the Alberta government's business plan of 2003 to 2006 are some words I would like to share today. In describing what makes Alberta the best place to live, work, and visit is this passage.

It means maintaining strong and viable rural and urban communities, protecting wildlife and parks, and promoting the diversity and excitement of Alberta's cultural, arts and recreational opportunities.

It means promoting safety and ensuring Albertans' security.

Mr. Speaker, I would like to expand on two points made in that dialogue. First, in regard to maintaining recreational opportunities by reducing the liability risk landowners face when allowing others onto their land, we are promoting and expanding these recreational opportunities for Albertans. We are improving on the vision we have outlined as a government in our business plan and improving on our goal of promoting recreational opportunities in Alberta. Second, in regard to promoting safety and ensuring Albertans' security, we are creating an atmosphere where our citizens are more responsible for their own regard, and we are providing security to occupiers and landowners who share their land with others.

Mr. Speaker, I believe the idealistic words written in this year's government business plan talk directly to the Alberta advantage, and I believe Bill 208 is an opportunity to provide action toward the promises we have made to Albertans.

Mr. Speaker, making individuals more responsible for themselves while on land that is not their own is not a foreign concept. With respect to Crown grazing leases similar changes have already been approved through the Agricultural Dispositions Statutes Amendment Act, 2003. By passing Bill 208, we would end up treating all land in a similar fashion. Why should we differentiate between Crown leases and private land?

Also, many other jurisdictions have recognized that this type of legislation is important as well. British Columbia, Saskatchewan, Manitoba, Ontario, and Prince Edward Island for a variety of different reasons have all taken steps to give occupiers greater protection from liability issues where recreation is concerned. Mr. Speaker, it is time to afford that same protection to Alberta landowners. There is no reason in my mind why we can't be as progressive as these other provinces have been on this issue.

In conclusion, Mr. Speaker, I'd like to point out once again that Bill 208 will provide some clarity to the current Occupiers' Liability Act. It fairly assesses responsibility associated with recreation on other people's land. This clarity will prevent incidents from heading to court as there is less room for interpretation to occur within the act. With expectations clearly laid out in the Occupiers' Liability Act, all parties will have a better understanding of what the liability implications are in case of an incident. This, I believe, will eliminate future litigation processes.

Mr. Speaker, as I have already stated, I believe much good can come from this bill if landowners are further protected. I urge all colleagues to vote for this bill.

The Acting Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Well, thank you, Mr. Speaker. It is a pleasure to rise and share my views as well as my support for Bill 208.

A few years ago in the news headlines from the United States we learned of a New Mexico woman and her cup of coffee. After scalding herself with hot coffee that she had purchased from a McDonald's Restaurant, she proceeded with a lawsuit that held the fast-food giant liable for her burning herself. The case proceeded to court, and the woman won substantial recompense for damages.

What does this case have to do with Bill 208? A sentiment that I heard several times about this case was amusement with a hint of disbelief that this could be happening. One of the most popular comments that I heard about this case was: surely this would not happen in Canada. Well, Mr. Speaker, recently an Alberta lady was awarded more than \$70,000 for slipping in some doggie doo. Yes, she stepped in it. She wasn't pushed or forced.

So I'm afraid that I have to disagree. These types of lawsuits do happen in Canada on a very regular basis. An individual is hurt and in some cases starts looking for someone to blame, someone to hold responsible for his or her misfortune. This doesn't happen all the time, of course, but it does happen often enough so as to be a general risk for people who may be held responsible. Canada is becoming a litigious society, and lawsuits for damages are becoming an ever more common event.

As the Occupiers' Liability Act stands today, landowners and land occupiers open themselves up to enormous risk if they allow visitors to come onto their property. Under the Occupiers' Liability Act the common duty of care that landowners owe to persons they allow to be on their property places a very large obligation on the landowner. Common duty of care is open to much interpretation, and this leads to some uneasiness on the part of landowners and land occupiers. If a person is injured while on private property and decides to file a lawsuit against the landowner, it will be left to the courts to decide whether the landowner is at fault. This, Mr. Speaker, is perhaps at

the core of the purpose of Bill 208. The fact that the court has the power to decide whether or not a landowner was in the wrong may very well make landowners nervous and unwilling to allow visitors onto their properties.

5:00

If a visitor is on private property and is injured, he or she has the right to file a lawsuit against the landowner. The individual can claim bodily damages, damages to equipment, and lost wages among other items. These claims may be very substantial and could cause enormous financial burden for the landowner, possibly causing the landowner to lose the very property on which the accident took place.

So, Mr. Speaker, Bill 208 is not proposing to eliminate the responsibility of landowners or land occupiers. However, what this legislation does propose is to reduce the liability owed to recreational users to the same level that is owed to trespassers. This means that recreational users would have to accept the risks that are present when engaging in recreational activities on private property. Landowners and land occupiers would still owe trespassers the level of care for anyone on their properties. Presently, if willful or negligent acts on behalf of the landowner cause an accident to befall a trespasser, the landowner is still responsible for these actions. This same level of responsibility would be applicable to recreational users if the changes proposed by Bill 208 are passed.

The recent passage of Bill 16, the Agricultural Dispositions Statutes Amendment Act, 2003, will change the legislation with regard to leased lands. The passage of Bill 16 shows just how necessary it is for us to pass Bill 208. Bill 208 would amend the current Occupiers' Liability Act to cover a broader spectrum of private property. These properties would include not only agricultural lands but also golf courses that are not open for playing, utility rights-of-way, and recreational trails. Private landowners feel that they need to protect themselves from a possible lawsuit, and this is often why they do not allow visitors on their property. The number of injury lawsuits in Canada and Alberta is on the rise, and landowners see this as a threat to themselves.

Mr. Speaker, in preparing to speak here today, research was conducted into civil lawsuits that concerned occupiers' liability acts across the country. There is an increasing number of cases that are being brought to trial under the umbrella of the occupiers' liability acts in Canada. One that caught my particular attention was a case in British Columbia.

On a June night in 1993 a man climbed a barbed-wire fence and began crossing a pasture. The bull that was grazing in the pasture charged the man, knocked him down, and broke the man's hip. Now, this gentleman lay in the pasture for five days until an employee of the farm found and rescued him. The man who was crossing the pasture laid charges against the farm under the Occupiers Liability Act of British Columbia . . .

Mr. Lukaszuk: How was the bull?

Rev. Abbott: I think the bull was fine.

. . . stating that it was the fault of the landowner that the bull was not kept under control and that there was no warning of the fierce nature of the bull. Can you believe that, Mr. Speaker? He expected to have a warning sign that this bull may be dangerous. However, in this case, thankfully, the judge ruled that the man was a trespasser, and therefore the landowner was found not to be at fault. Now, that was a good one, and that's no bull.

But there are two points about this case that concern me greatly. First of all, the fact that the man who willingly decides to walk

across a pasture that is not his own without the consent of the landowner feels that he has a right to bring charges against the landowner. That's ridiculous. This man is not even a visitor; he's a trespasser. Yet he felt that he was justified in suing the landowner for damages for an action that he freely chose to take. Freely chose.

My second concern with this case is the fact that this issue was decided by the Supreme Court of British Columbia. That's right, Mr. Speaker. As I said, the man trespassed, he was charged by a bull, and under the Occupiers Liability Act of British Columbia they felt that he was justified in suing the owners of the farm. Now, it concerns me greatly that this issue had to be decided in a provincial Supreme Court when this man was clearly a trespasser.

While this example is from British Columbia, a case like this could easily have taken place in Alberta, perhaps even in Drayton Valley, under the current Occupiers' Liability Act. If the judge had decided in favour of the plaintiff and awarded this man damages, the effects on that farm could have been disastrous, devastating. It is possible that the landowners would have been forced to sell their land in order to pay this trespasser the damages. Cases like this are becoming commonplace within Canada's judicial system, and it is time that we enacted legislation to protect landowners and occupiers from lawsuits.

There is one other case that I would like to briefly discuss – you guys will be interested in this – just to show how possible it is that a private landowner could have legal action brought against him. Picture a beautiful day in June 1996. A woman and her friends stop at a provincial park campsite in British Columbia to have a picnic. The lady is walking to the picnic table from her car. She trips over a rock, and she falls and fractures her left hip and elbow.

Now, that's an unfortunate accident – no one will argue that – and it's too bad that she sustained such an injury from such a simple fall. However, this woman did not accept the fact that an accident had happened and that she was responsible for her own actions. She proceeded to file a lawsuit against the government of British Columbia for damages, claiming that the government did not fulfill its duty under the Occupiers Liability Act of B.C.

This woman tripped over a rock, felt that it was anybody's fault but her own, and guess what? This case was decided by the Supreme Court of British Columbia in 1999. Fortunately, the courts found that the government of British Columbia was not at fault, but once again we have a case of a person that is unwilling to accept responsibility for their own actions.

Now, I've chosen these two cases from B.C. because of how amazing they are. However, cases just like these are in the archives of the Alberta Provincial Court as well. Mr. Speaker, there's a growing trend in our society to not accept responsibility for one's own actions. In the two court cases I've highlighted here, the plaintiffs sought to blame anyone but themselves. A person trips and falls. It has to be somebody else's fault; right?

I am not saying that every Albertan is like this. In fact, I would say that there are relatively few people who would act this way in Alberta. However, it is possible that there are some. It's impossible for a private landowner to know who thinks this way and who doesn't. So in this climate a landowner would not be acting responsibly to allow visitors onto their property. The potential for loss is enormous.

This is why Bill 208 must be supported. It will give private landowners and occupiers the protection that they need to allow other people to enjoy the beautiful vistas located on privately owned land in Alberta.

Please support this. Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Calgary-Buffalo.

Mr. Cenaiko: Thank you very much, Mr. Speaker. I appreciate the opportunity to rise today and offer some of my thoughts and comments on Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003, brought forward by my friend and colleague the hon. Member for Lac La Biche-St. Paul. In my remarks today I would like to present a balanced view of Bill 208, focusing on some of the very positive aspects of this piece of legislation while at the same time drawing your attention to some of the concerns that this bill raises.

Bill 208 undoubtedly addresses some of the major liability concerns raised by Alberta's landowners and occupiers and is, in my opinion, a step in the right direction. Over the past several years there have been a number of landowners and occupiers who have raised concerns with regard to the Occupiers' Liability Act. They feel that the act places the burden of responsibility squarely upon their shoulders in instances where recreational users and visitors injure themselves while using their land for recreational purposes. These same owners and occupiers feel that the act forces them to undertake unrealistic and unreasonable measures in order to ensure that the risk of injury to an individual is kept to a minimum.

Mr. Speaker, in essence, what the bill does is remove the common duty of care aspect from the act so that the liability owed to recreational users and visitors is exactly the same as the liability owed to trespassers or those entering lands without permission. With this, the bill hopes to balance the burden of responsibility between owners and occupiers and recreational users and visitors.

Upon reading it for the first time, Mr. Speaker, I had nothing but unqualified support for Bill 208 and the goals it sets out to accomplish. However, after reading it a few more times and getting a grasp of the issue at hand, I have come across a few concerns which I would like to raise. While I completely agree with the premise of this bill, which aims to reduce the burden of liability that the landowners and occupiers owe to recreational users and visitors, I'm not thoroughly convinced that it would be most appropriate to lower this burden of liability to the same level that is owed to ordinary trespassers. My main concerns with regards to this issue are twofold.

5:10

Now I realize that under the amendments proposed by Bill 208, users and visitors can still sue landowners for willful or reckless conduct. However, I am concerned that we could be sending a wrong message to landowners by removing the common duty of care from the Occupiers' Liability Act. My fear is that owners may interpret this the wrong way and assume that they no longer owe any liability to those who have asked permission to access their property and could in turn act in a negligent manner. Mr. Speaker, a positive alternative to its removal is to amend the common duty of care clause in order to reduce the burden of liability placed upon the owners and occupiers and keep it in balance with the burden placed upon the recreational users and visitors. This would permit a balanced and fair approach to the issues at hand.

My last concern, Mr. Speaker, with regard to Bill 208 has to do with one of the premises that the bill is based upon. It argues that by shifting the burden of responsibility, the bill would eliminate the potential for landowners and occupiers to be held liable for actions committed by irresponsible and reckless recreational land users. However, after consulting the Alberta Law Reform Institute's report on issues of recreational liability, which was released in the year 2000, I was surprised to see that in court cases dealing with recreational-use injuries in Alberta, occupiers were generally not being found liable for those injuries. This tends to suggest that the problem at hand is not as bad as some may tend to believe.

However, I can still understand the fact that even having to go to a trial in the first place tends to leave a bad taste in one's mouth. I

cannot blame the honest and responsible landowners and occupiers for being hesitant to allow others onto their properties after such an ordeal.

As a result, Mr. Speaker, despite some of my concerns, I am willing to support Bill 208 because it is currently the best alternative to solving the land accessibility problems affecting rural Alberta. I'm a firm believer that access should be available for all of those individuals seeking adventure within our province's backcountry, and it's my hope that this bill will ease some of the fears and pressures placed upon our landowners and occupiers.

Mr. Speaker, I would now on behalf of the hon. Member for Lac La Biche-St. Paul move third reading of Bill 208 and call the question.

The Acting Speaker: The hon. Member for Calgary-Buffalo has moved on behalf of the hon. Member for Lac La Biche-St. Paul third reading of Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003. Is there anybody else who wishes to speak on this bill?

Mr. Danyluk: I'd just like to close.

The Acting Speaker: Thank you. The hon. Member for Lac La Biche-St. Paul to close debate. I'm concerned that the hon. Member for Calgary-Buffalo made a statement that he was closing this bill on your behalf, but you may proceed.

Mr. Danyluk: Thank you very much, Mr. Speaker. I feel that the intentions and the values of this bill have been adequately addressed. While some valid concerns have been raised, I would like to extend my gratitude and thanks to all of the hon. members for their comments and support this afternoon.

As we have all heard this afternoon and during second reading and Committee of the Whole, the purpose of Bill 208 is to reduce the amount of liability landowners and occupiers owe to recreational users. I believe this legislation will ease the fear that many owners and occupiers currently hold and will allow them the comfort of welcoming recreational visitors on their property.

Mr. Speaker, I believe very strongly in the objectives of Bill 208 and the benefits it will bring to Albertans. Landowners and occupiers will now have the option without the immense risks of granting entrance to their property for visitors who are engaged in recreational pursuits.

Mr. Speaker, I don't know if I have to move it again or it has been moved. What are you accepting?

At this time I would like to move third reading of Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003. Thank you.

[Motion carried; Bill 208 read a third time]

head: **Public Bills and Orders Other than**
Government Bills and Orders

head: Second Reading

Bill 209

School (Fees Elimination) Amendment Act, 2003

The Acting Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. On behalf of the Member for Edmonton-Highlands I move second reading of Bill 209, School (Fees Elimination) Amendment Act, 2003.

Now, Mr. Speaker, speaking to the bill, the bill addresses two important issues. The first, of course, and the most important is the

whole notion of school fees, and the second is the concern about parent fund-raising. I think that part of the problem goes back to 1995, when local school boards could levy taxes to fund schools and to supplement government grants. We're all aware that there were some problems with that because the amount of money that a board could raise was related to the wealth of the community that they served. So we had jurisdictions like Strathcona county, with a rich machinery and equipment tax because of the refineries there, able to raise a great deal with respect to school levies while other jurisdictions, some in the far north, were very limited in the kind of tax base that they could draw upon and the manner in which they could finance their schools. As a consequence, school funding across the province varied very widely. I think it was a problem that at the time was labeled the \$30 million problem. Thirty million dollars would have equalized the payments across the province.

Trustees dealt with the problem for years and never were able to resolve it, and the government of the day decided that they would resolve it, and that was by taking taxing authority away from school boards, gathering all the money in and redistributing it on a per pupil basis. The principle behind that was that all the children in the province are of equal value when it comes to spending from the public purse. I think that's a principle that all of us can endorse, Mr. Speaker.

5:20

Unfortunately, the equity move was not followed up with an adequacy move, so although we now had students across the province all making the same draw on the public purse without respect to their geography, they were just about all equally poor. Some boards had surpluses that they were able to draw upon for a number of years, others had other provisions that they were able to make for a while, and some under the funding formula had more money than they ever had before. But for the most part they were left cash strapped, particularly the large urban boards.

I think you can trace back the history about the concern for fees and the concern for parent fund-raising to that government policy in 1994. Schools and school boards with no other source of income other than the provincial allocations in the budget were really left cash strapped, so they started looking for ways to supplement the moneys that were being spent in schools. They turned, of course, to school fees, and as any MLA can attest to, each September there are a spate of parent complaints about the number of dollars that they're being asked to contribute in the form of fees to their youngsters' education.

I had a mother call me in September indicating that it was costing her about \$600 a student to enroll her students in schools. True enough; some of that was for things that I think can be a legitimate charge on a parent's purse. Much of it was concerned with instruction. Her complaint was not only the amount of money that was being spent but that with the levying of some course fees, students were now being excluded from some courses. Some students wouldn't admit that their parents didn't have the money to pay the fees, and others were just deterred from taking courses because of the fees for a variety of reasons. Fees started to loom as a problem.

One of the things that's changed over that period of time since 1994 is the expectation now that there will be fees, and that's a huge change, Mr. Speaker, from the history of this province not that many years ago. I can remember the point of time when the Edmonton public schools not only did not charge fees but provided, for the primary grades, student supplies. The scribbles and the pens and the paper that students used were provided by the school district. Those were in the days when those boards didn't have a lot of resources. So even in those times when the boards were scrimping,

they saw fit to make sure that students were adequately equipped and didn't lose out because of the fees that were going to be charged and the fees that we charge today.

So as I indicated, fees now have become the norm. What this bill does is to ask us to look back at that and revisit the whole notion of fees and what's happened and where we're going with respect to a public education system that's predicated on youngsters being able to attend regardless of the socioeconomic power of their parents. I think that what this bill gets at is that it asks us to revisit our commitment to a publicly funded education system that's open to all regardless of the ability of parents to pay the fees.

The second part of the bill, Mr. Speaker, talks about parent fund-raising. It's been a concern. The government, virtually for years in this Assembly, has had a minister stand up and say: parents are not fund-raising for basics. I think the Learning Commission put a lie to that assertion because they heard from parents that they are in fact fund-raising for basics. In some cases there's a bit of a shell game played in schools so that they can claim that the fund-raising money isn't being used for basics, but in fact parents are being very creative in finding ways of funneling money into schools so that basics can be covered.

The issue that it has raised is the whole issue of: what is basic? The Learning Commission, in one of the latter recommendations, I think a recommendation in the late 90s, near the end of the report, asks that this be rectified and that there be a list of what is considered basic provided for parents to try to bring to an end once and for all the debate about what is basic and what isn't. I think it's going to be a very difficult task for someone to undertake just trying to decide what is basic in what situation, and is it basic in another? Nevertheless, the Learning Commission report has charged us with that.

Mr. Speaker, with that, I'd adjourn debate on Bill 209.

[Motion to adjourn debate carried]

The Acting Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I would move that we call it 5:30 p.m. and reconvene at 8 this evening.

[Motion carried; the Assembly adjourned at 5:29 p.m.]

Legislative Assembly of Alberta

Title: **Monday, December 1, 2003**

8:00 p.m.

Date: 2003/12/01

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

head: **Motions Other than Government Motions**

Automobile Insurance

512. Mr. MacDonald moved:

Be it resolved that the Legislative Assembly urge the government to strike an all-party committee to study the rising premium rates for automobile insurance, insurance companies handpicking clients, and increasing insurance claims in the province.

[Debate adjourned November 24: Dr. Pannu speaking]

The Deputy Speaker: The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Thank you, Mr. Speaker. I'm glad to speak today to the motion from the hon. member about forming a committee to study car insurance, and I guess that you have to look at what the result of this committee would be were it to be formed.

We're going to look at the problems. Well, first off, that's pretty simple. We know that we've got some extraordinarily high prices in the insurance business right now. We know that some people are being dropped unexplained. We know that for no apparent reason coverages have disappeared. We know all the problems. We know that the insurance companies probably haven't been as transparent or as forthcoming with their information. Where is the money going, the money that we're paying as the premiums? So, yes, we need to find that out, but we certainly don't need to look very far into what the problem is.

We need to find out, then, is the money that they're paying being properly spent? The government recognized this a year ago or so and started to follow the money, as they say. Where's the problem? So we determined: is it the cost of the vehicles? Certainly, they're worth more money. Certainly, labour is up. Certainly, it costs more to fix them. Is that part of it? Maybe partly. Certainly not the biggest part. Is it the medical bills? Well, medical costs have gone up, but the amount they pay into the system in Alberta hasn't changed radically. So that's not a big part. Is it pain and suffering? Possibly that's their intention. Certainly not some of the lawyers, but these are all some of the issues that they've identified.

So, yes, we have to get to the bottom of where the money goes. Is it covering what they say? We've done these, and we've started the process back now of taking all of these issues and more under consideration and starting to rebuild the insurance industry from the point of transparency and accountability.

Now, the member would like a committee so that we could get more public input, but all the members of this Assembly get public input probably on a daily basis, often more than we want. So I think we're getting public input fairly regularly. Even in a process of government not only the public has input into this, but we have the media input. We have the committees that we sit on. We go through the process of caucus and cabinet, and in all the bills there is Committee of the Whole that's dealt with in here which is the committee where it should be dealt with.

So we have to decide what would be the point of this committee. Quite frankly, I think the opposition have determined what their

outcome would be when we study insurance, and that's government insurance. There haven't really been any suggestions about any other options except that if government ran it, then things would be better and cheaper and the sun would shine and then we'd all be done and go home. That's simply why we don't want this committee: because not only is it not true; it's a very simplistic view of an outrageous idea.

Just to back that up, Mr. Speaker, I want to read you a little letter from a fellow in my constituency that lived in B.C. and now resides in mine. He says that he has heard from some MLAs representing an Edmonton area that spoke out in favour of a process similar to those of B.C.'s referring to a study, and he says this.

I lived in British Columbia from 1966 to 1997, during which period of time, of course, the Insurance Corporation of British Columbia was formed, as a government based insurance monopoly.

That's how it's done, government.

On the day that we changed from private insurance to government insurance, the premium for the vehicle we were driving at the time exactly doubled. When we left B.C. in 1997, we operated and insured two vehicles. The comparison between the two provinces at that time was that the total for insurance for both vehicles in Alberta was slightly less than . . . one vehicle had been costing . . . in B.C.

Much the same as the Premier of Saskatchewan has touted Saskatchewan insurance as the panacea, and I guess we would have to say to them: if his auto insurance in Saskatchewan even breaks even and his Crown corporations make money, how on earth did he get \$12 billion in debt? So there are costs that maybe they don't want to show in some of the programs that they run.

I'm not sure which fellow said about statistics being like a bikini: what they reveal is interesting, and what they conceal is very vital. Well, when you pick statistics from any organization, be it insurance or real estate or any business, you can cherry-pick the statistics you want and put them in the place you are. So if you take a fictitious person and a fictitious rate and put them in a fictitious argument, you can have a lower rate than the real world has.

Mr. Speaker, because I live in Lloydminster bordering Saskatchewan government insurance – and there is no question that many young people in Alberta go across into Lloydminster and buy their insurance. It's cheaper for the young kids, particularly young kids with bad records. There's no question. I'll grant to our fellow opposition people that if you're a bad driver and young, government insurance is the way to go. But if you'd just meet the hundreds of people I meet in Lloydminster on my visits down there, they say: don't ever dream for a minute that government insurance is the way to go. It is a bureaucratic nightmare.

One of the reasons why. One of the only two ways that the insurance companies have of collecting money is premiums and then deductibles, and what they find in these government-run insurance schemes is primarily fault with everybody. There's no reason to blame someone and make them pay the deductible and you're clear. They need all the money. So, as in British Columbia, they've become masters at assessing partial blame in every accident so that they can collect a premium from you and a premium from whoever ran into you, and they're quite happy about that. That's their only other stream of money. So if you want to up the streams of money . . .

In Saskatchewan rather than put the price onto your insurance up front, put it on your driver's licence, so if you get a ticket, your insurance might not go up, but we have many people that come in where a driver's licence cost them \$500 or \$600 a year. I get faced with outrage regularly in Alberta from drivers' licences that cost \$60 for five years.

So there's a cost. There's no magic solution. If you're going to pay out this many dollars, you have to collect this many dollars. The

solution lies in determining what's the best way to monitor the industry to ensure that we're paying fair amounts, that the payouts aren't going to the middlemen, be it lawyers or whoever, that it's to people that are hurt, fairly compensated, and get on with it. No more, no less. Fix what's damaged. Put people back the way they were.

Quite frankly, I don't know anything that government runs that I think couldn't be run better. That might just be my opinion, but my 47 or 48 years would dictate that government hasn't really been good at administering hardly anything they do.

I just want to conclude by saying that forming a committee would not only be redundant; it would be a typical Liberal way: if you can't understand it, study it; if you can't get the studying done, get a committee, and if you can't get on the committee, complain.

So with that, Mr. Speaker, I'll take my seat.

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thanks very much, Mr. Speaker. Well, that was a most interesting intervention from the hon. Member for Vermilion-Lloydminster. He started out talking about public input and whether or not we really needed it because, of course, we get so much public input, and of course the example he gave of the public input he got was somebody who was quoting him information based on premium information in the 1970s when the public insurance started up. So it's hardly the most current public input that one could expect.

He went on to talk about the tremendous debt in Saskatchewan. Of course, we all know or we should know that the huge deficits in Saskatchewan were the responsibility of the Devine Conservative government that ran up record deficits, almost bankrupted the province, not to mention that a number of members of that government ended up in jail. Some, I believe, are still there for defrauding the taxpayers. It was the job of the New Democratic Party government of Roy Romanow to try and wrestle the deficit back down and start coming in with balanced budgets. They managed to balance the budget in Saskatchewan before the government here was able to do so and with a lot less money to do it, I might add.

8:10

So he goes on to talk about the city of Lloydminster in his constituency, which is, of course, on the boundary between Alberta and Saskatchewan, and talk about how it's only young kids with bad driving records that have a better deal on their insurance than the system here in Alberta with private insurance. I'm sure that his constituents would be very interested to hear that comment from their elected representative, Mr. Speaker, because I believe that the people in Lloydminster are very familiar with the advantage for many categories, most categories I would submit, in terms of rates to the extent that the Consumers' Association of Canada indicated that one could lower their rates by \$850 a year just by crossing the street in the city of Lloydminster for many categories of drivers.

I want to indicate that I support the motion that's been made by the hon. Member for Edmonton-Gold Bar notwithstanding the fact that New Democrats have a clear position on what the answer is and we are taking that out to the public. We believe that it would be advantageous for all members of the Assembly to hear the public on the different proposals, hear the response of the public to the government proposal, hear the response of the public to the proposal of the New Democratic Party, and listen to voters rather than try to ram through a quick political fix, which is what, unfortunately, is actually going on. So I think it would be useful.

The difference between getting input from people who can remember the '70s and talk to you in the grocery store and actually

sitting down and having some public hearings and allowing people to make formal presentations to their elected representatives is vast, Mr. Speaker. It's a tremendous difference, and one cannot just trivialize or minimize the difference. It's very important, and I believe that it is a useful thing to do and that it is not a contradiction to have a position in mind when you go out and talk to the public because you might learn something. You might be persuaded that your position is not exactly correct.

Mr. Speaker, I want to indicate once again for the record that auto insurance in this province has been regulated by the government since the Lougheed government, since the Lougheed days. That means, of course, that all of the increases that individuals have received in their auto insurance have been approved by the government, and now the government is trying to correct their negligence in respect to their responsibility to adequately regulate this industry.

Mr. Speaker, I just want to conclude that I appreciate the motion that has been made. I think it would be valuable for all members of the Assembly, and I think that the public would like a chance to get some things off their chests with respect to auto insurance, and I think it couldn't help but provide and shed some light on this issue for all members of the Assembly. So I would urge all members to vote in favour of this motion.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. It's my pleasure to rise tonight and speak to Motion 512, sponsored by the Member for Edmonton-Gold Bar. I would like to offer a few comments to the debate regarding the idea of forming an all-party committee to study the insurance issue, an issue which is clearly very important to many Albertans.

It comes as no surprise that the member opposite is presenting such a motion for debate. After all, this is an issue which has certainly caught Albertans' and especially the media's attention. I would expect that proactive opposition members would want to join the parade in speaking up on this issue, especially if they thought they had some popular and easy-sounding solutions to offer. Of course, all of us, opposition or not, have heard from many of our constituents about how their insurance rates have gone up over the past few years, such that the idea of striking a committee to investigate does seem like a natural and fitting idea. So I congratulate the hon. member opposite for taking a proactive approach in bringing forward this motion to strike a committee.

What the member must not have liked about the current situation, however, is that this government already did strike a committee to study and investigate this issue. The government had already been looking into this issue with our own government committee for a long time, such that this motion appears redundant now, I must say. And that is how our system works. The majority of the people voting in the last election elected us to be the government, so we get to form government committees to develop our policies, and we put those policies forward as being our government's ideas and position.

The opposition then gets to put forward their own ideas, which they are welcome to do anytime, if they have any. There is absolutely nothing stopping them from putting forward their own ideas, and indeed the hon. member opposite may well wish to strike an opposition committee of their own to advance different ideas from what we as the government are advancing, and then we can all debate them in this all-party committee that we call the Legislature.

The Deputy Speaker: Just so we're really clear on this, hon. member, the chair has on occasion risen to inform various members

that a private member's public bill is not a government bill. So, too, it's true that these motions are not government motions; they're private member's motions. Does that help to clear that? Thank you.

Mr. Lord: Thank you, Mr. Speaker. Unfortunately, it appears that in the last election the citizens of Alberta liked the ideas better on this side of the House, and that's why they voted for us. So it strikes me that this call for an all-party committee is just not necessary because that's what we do here in the Legislature. It's trying to do through the back door that which one couldn't do through the front door; namely, advance policies and ideas different from what we are advancing, which is contrary to what Albertans said when they voted for our ideas and our committee's solutions.

Mr. Speaker, our Finance department has been looking at this problem for more than a year now. We have not been neglecting the problem at all, as some might surmise from such a call to strike a new committee. In fact, we have already been working on solutions to this issue for a long time now, solutions that will benefit all Albertans and not what many might regard as superficial, simple solutions to complex issues, such as the notion of setting up a government-owned insurance monopoly, much as that simple-sounding and somewhat popular but incorrect solution might appeal to some.

To us this is not a 15-second sound bite issue. This is something that has been studied for a long time. Mr. Speaker, it does occur to me that perhaps the only beneficial potential of such a motion would be the opportunity for members on the opposite side of the House to get up to speed on the insurance issue and gain an education on the subject of insurance from experts on our government committee, and that is perhaps even why this motion has been put forward, purely speculating of course. But I am a strong believer in education myself, and perhaps that would be a very laudable goal in and of itself, to educate our opposition in such complex matters. While I don't wish to be unkind here, I might observe that it's an education that appears to be badly needed, but unfortunately I don't think that educating opposition members on such subjects is really a priority of this government nor what Albertans would expect from us.

Moving on, I would just like to remind the House that this government has already been looking at this issue with a government committee for some time, and striking an all-party committee to just study it further really would be a waste of taxpayers' time and money. Opposition parties get to advance their own ideas and get to debate against ours almost anytime they want within and without the Legislature and always in the court of public opinion, where it belongs, and it's up to them to learn about such matters and, if able, to come up with better ideas and arguments of their own.

So, then, what would be the need for an opposition member to call for a formalized all-party committee to do what he can already do, which is to oppose our government's solutions in order to advance an opposition profile and solution instead? I say: why not let Albertans be the judge of who has the better ideas rather than trying these types of backroom strategies designed to thwart our ideas quietly while loudly trumpeting simplistic solutions of their own using our platform to do it from?

8:20

We have already had a group that we have confidence in study this issue, and they have recommended solutions to us that we like, solutions that will give us some stability in dealing with this problem, and that is what I feel the problem is with Motion 512. There is no way, in my mind, that an all-party committee will provide any increased stability nor provide anything better than the people who are already investigating this issue have done. Because

of the contention and complete ideological division that is likely to occur, such a committee may well come up with much worse solutions. I think that this motion is a poor attempt to fix our insurance problems. The motion is redundant and unneeded at this time. There are problems in the insurance industry as we debate this issue. I readily admit that; however, I don't believe the problems can be fixed through an all-party committee who will just continue to study the problem ad infinitum. I don't think another committee will do anything but create conflict for Albertans.

This government is all about finding meaningful solutions and solid solutions for Albertans. Let us look briefly at what we are doing to help solve this problem already. The government has begun to address this problem by first introducing Bill 33 and now Bill 53. The intention, which I support, is that if a person gets into an accident, they will not lose any income nor lose any assets as a result, but they should also not be able to make a profit from the accident. Of course, profiting from accidents is what has been the big concern of everyone for some time now. We have people who get rear-ended and then wind up suing for hundreds of thousands of dollars for what many would consider questionable injuries. This is something that is proving absolutely disastrous to the industry as payments are becoming larger and larger, and that's driving up premiums, no pun intended.

Many feel that insurance companies are partly to blame as well, and no doubt they are part of the problem. We have also heard that they have not been able to subsidize lower premiums by earning additional revenue from the stock market and now have to charge more as a result, although if that were true, that would hardly be their fault. As we all know, most of their money is in bonds and very conservative investments and is heavily regulated, in any event, and mostly is public information as well, such that maybe that concern has been greatly exaggerated. It might also be true that they have routinely been settling out of court for obscene amounts of money for soft tissue injuries, thus encouraging more lawsuits and even bigger payouts, although we have certainly heard that the opposite may well be true there as well.

Of course, there is the issue of the personal injury lawyers and their obviously lucrative contingency fees in what used to be a relatively stable and professional business but which is now starting to remind us of Hollywood and the United States in terms of advertising and the creation of a litigious society. Then there's the Law Society of Alberta, whose job it is to regulate integrity and ethics amongst lawyers on both sides of this issue, and many other stakeholders who must also accept some part of this problem as well, such as those who did not design very good roads and transportation systems or teach other people how to drive very well when clearly there were good opportunities to improve things in that area.

Most importantly, there are the consumers, our constituents who have been caught in the middle of this mud match and are having to pay through the nose for the privilege. It is a much more complicated issue than many realize, and that is why we've put forward the ideas and bills that we have. Concrete action is needed, but there is no magic nor easy solutions that can be implemented overnight. That is why we do not need the diversion of this motion going forward, Mr. Speaker. It would only distract us from our real work and catch us up in a political spectacle with nothing to show in bottom-line results. Albertans deserve better, so I urge our members to vote this motion down.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Riverview on Motion 512.

Dr. Taft: Thank you, Mr. Speaker. I'd like to start by welcoming the guests we have watching us in the public gallery. I hope they're learning something from their observations here. [interjection] Yes. And I hope they have good auto insurance as well that's not too costly. That's what we're discussing here tonight. What we're actually discussing is a private member's motion brought forward that reads:

Be it resolved that the Legislative Assembly urge the government to strike an all-party committee to study the rising premium rates for automobile insurance, insurance companies handpicking clients, and increasing . . . claims in the province.

So it's a motion basically to form an all-party committee to investigate concerns around automobile insurance.

I'm sure every MLA is hearing a great deal from drivers who are fed up with skyrocketing auto insurance premiums. I myself have had a large number of phone calls and letters and conversations. Last night I was at an event and got cornered at intermission by somebody upset about his car insurance. Our information is that in the last year they've increased an average of 59 percent in Alberta. While two years ago the insurance industry briefly was losing money, in fact it's once again returned to real profitability. So rates have gone up, the insurance industry is making a tremendous amount of money, and a lot of people are feeling like they're being taken advantage of by the insurance industry.

So the opposition has proposed that the Legislature urge the government to form an all-party committee. It's an idea that we actually brought forward in a letter addressed to the Premier more than a year ago. The hon. Member for Edmonton-Gold Bar, my colleague in the opposition, first wrote to the Premier more than a year ago raising concerns about the auto insurance industry and asking for an all-party committee to be formed on the issue. Of course, that wasn't done, and it doesn't look like we're going to win this vote tonight either, although you never know. We can keep our fingers crossed.

Instead of forming an all-party committee and having public hearings and so on, the government struck their own committee called the Automobile Insurance Reform Implementation Team, if I've got the right name, and they placed a number of government MLAs on it and some insurance industry representatives and then held a series of closed door debates in – well, I don't know where they meet actually but behind closed doors somewhere with their caucus trying to hammer out what the government's policy was.

Now, the Basque people of Spain have a saying that goes like this – and I like to refer to this once in a while, and you have to listen carefully because it's a bit obtuse – when the shepherds quarrel, the cheese shows it. When the shepherds quarrel, the cheese shows it. I had to think for a long time: what does that mean? The first thing I had to realize was that they're talking about cheese that's made from sheep's milk, and when the shepherds quarrel and are unhappy, the unhappiness and stress and strain is visited on the sheep. The sheep pick it up, and their milk is bad, and as a result the cheese is not good; the cheese is off.

I have a feeling that we could probably adapt this saying to something like: when the government MLAs quarrel, the policy shows it. I have a sense of a policy that's come out of the government that isn't working fully to anybody's satisfaction, a policy that doesn't fully go to a public system like has proven to work in other provinces, say in B.C. or Saskatchewan or Manitoba. It isn't a fully wide-open market, which actually would be a very interesting solution, which would be just to say: let's throw the doors open in Alberta; let the market reign and see what happens when the Insurance Corporation of British Columbia and Saskatchewan Insurance and Manitoba Insurance are brought in. What will happen

then? That would have been a pretty interesting solution or even the possibility of just leaving things as they are and seeing if this is a temporary surge in premiums and they'll be corrected. Instead, we've got a real compromise here.

Now, I take to heart, as I always do, the Speaker's advice that this is a private member's motion. It's actually an opposition motion, so I won't dwell too much on government policy. All I was doing there was laying the groundwork for my strong belief that there are times when all-party committees are good ideas and that they are very rarely, if ever, used in this government for policy purposes. There are a handful of standing all-party committees, like the ever interesting Public Accounts Committee, but in terms of policy development the policy committees are entirely occupied by government MLAs, who meet occasionally in public but do most of their discussion behind closed doors.

8:30

Bringing the process out into the public, opening it up to all the parties so that a whole range of ideas from the beginning would be brought to the table strikes me as a very good idea. This government right from the beginning has said that it will not entertain public insurance, period. Well, that's ideology in action; isn't it? They're closing the door and their minds and the public's possibilities of really benefiting right off the bat.

So an all-party committee would bring a wider range of ideas, and I'm a big fan of diversity. Let's put all the cards on the table and see which ones are worth playing with, to sort of push my metaphors there. I've got lots of them going here tonight.

I think this is a very good motion. I think it's long overdue. It was first proposed more than a year ago to the government. It's only now that we're getting around to debating it, and it'll have a very short life span, I'm afraid. I would encourage all members of this Assembly to seriously consider it, to support it, and to throw the policymaking windows open and let some fresh air into the process in this province.

So with those comments, Mr. Speaker, I will take my seat reinforcing the notion that I think this is a good motion. Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Castle Downs, followed by Edmonton-Centre.

Mr. Lukaszuk: Thank you, Mr. Speaker. Undeniably, there are issues relevant to motor vehicle insurance in this province, and one would have to have been absent from the province as an MLA for the last six months or so not to realize that constituents have concerns throughout the province with the ever increasing rates of motor vehicle insurance. That to me as an MLA and as a member of our society is rather problematic because (a) I want the insurance to be affordable for my constituents and (b) I am concerned with the rising cost of insurance for the very simple reason that if rates go sufficiently high enough, that may encourage some to take the unwise option of driving a vehicle without any insurance at all. That's something that we simply can't allow to happen.

As such, Mr. Speaker, we have taken a look at the issue of insurance, and a committee has been put forward by this government to indeed review the intricacies of what has given rise to the increase in insurance rates. Then having studied and analyzed all the variables . . .

The Deputy Speaker: I'm very sorry. I hesitate to interrupt the hon. Member for Edmonton-Castle Downs, but under Standing 8(4), which provides for up to five minutes for the sponsor of a motion

other than a government motion to close debate, I would now invite the hon. Member for Edmonton-Gold Bar to close debate on Motion 512.

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a pleasure to get an opportunity to try to convince all hon. members of this Assembly to support Motion 512, and I must say at the outset that that is perhaps the best speech I've heard from the hon. Member for Edmonton-Castle Downs in this Assembly.

Now, when we're talking about Motion 512, we cannot forget about who we're trying to protect here, and that's the consumers of this province, Mr. Speaker. We are trying to protect consumers from skyrocketing insurance premiums that have occurred as a result of neglect of the regulatory process by this Conservative government.

When we look at another Conservative government, Mr. Speaker, this time in New Brunswick with Premier Lord, we see that that government wasn't concerned about having opposition members or members of the third party involved. They saw that as a positive thing. It was a huge problem, and it needed to be solved. Now, they struck an all-party committee, and they held public hearings across the province. They heard not only from select captains of the insurance industry; they heard from consumers. They heard from all people who were affected in that province by skyrocketing insurance premiums. They just didn't take the advice of a select few and decide that that is good enough. That is what, unfortunately, occurred in this province when we had this committee that was selected, and they only heard from the industry.

You can't say that reading an e-mail is a consultation process. We have public consultation processes in this province on other matters; for instance, the freedom of information legislation. There was an all-party committee of this Assembly struck, and it reviewed that legislation two summers ago. That committee heard in a public forum from many different Albertans and many different organizations in this province that had an interest in freedom of information and protection of privacy laws. So if it's good enough for one statute, why is it now not good enough for the Insurance Act, which is perhaps one of the most comprehensive, detailed statutes in the cupboards? Here we're going to have this concept. It's grown beyond a concept; it's now a reality. With the exception of the hon. Member for St. Albert, who held a public meeting this summer on this matter, when a government refuses to have a public process or the involvement of the public, it's a symbol of just how out of touch with the citizens they are.

Now, one could only conclude that this government would look at what happened in New Brunswick and say: "No. We are going to have a process that involves everyone. We're just not going to have a process that involves the individuals who are going to profit from the changes to the law, the changes to our tort system, but we're also going to have a process that's going to incorporate the views of those who are forced to pay the high auto insurance premiums."

How much of a crisis have we got here? Well, more and more people are finding auto insurance in this province unaffordable, whether they're young, whether they're middle aged, whether they're old, whether they have a good or bad driving record. For reasons that I don't have time to discuss, Mr. Speaker, they are unfortunately being left out.

Now, I also believe that one of the reasons why this government would not want to have a public hearing, as suggested in Motion 512, is because they do not want to hear about the value that consumers can receive through public insurance.

Thank you.

[The voice vote indicated that Motion Other than Government Motion 512 lost]

[Several members rose calling for a division. The division bell was rung at 8:39 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Blakeman

Mason

Taft

MacDonald

8:50

Against the motion:

Abbott

Herard

Melchin

Ady

Horner

O'Neill

Amery

Hutton

Ouellette

Broda

Johnson

Snelgrove

Cao

Jonson

Stelmach

Cenaiko

Klapstein

Stevens

DeLong

Lord

Strang

Ducharme

Lougheed

Tarchuk

Evans

Lukaszuk

Taylor

Forsyth

Lund

VanderBurg

Friedel

Masyk

Vandermeer

Graydon

McClelland

Zwozdesky

Totals:

For – 4

Against – 36

[Motion Other than Government Motion 512 lost]

Financial Assistance Rates for Albertans in Need

513. Mr. Cao moved:

Be it resolved that the Legislative Assembly urge the government to implement market-basket measures to determine social assistance rates as well as levels of financial assistance for Albertans who are in need.

The Deputy Speaker: The hon. Member for Calgary-Fort in the minutes remaining.

Mr. Cao: Thank you very much, Mr. Speaker. It is my great pleasure to begin debate on Motion 513. Tonight I would like to give a brief background for my reasons for this motion. I would like to tell the Assembly how the market-basket measure would solve some of the problems that Albertans living in high-growth areas currently face.

Mr. Speaker, Albertans live in a very prosperous area. Opportunities for business and employment remain very strong. Albertans enjoy low personal income tax, no provincial sales tax, businesses can take advantage of lower corporate taxes and a motivated workforce, and corporate investment in this province is staggering, especially in the resource sector. This formula has made Alberta the best province in Canada in which to live and work.

Based on the obvious benefits of living in Alberta, some may wonder why this government should revisit the funding structure for its social assistance programs. I think one of the biggest reasons is that Alberta's prosperity indirectly creates cost barriers for low-income Albertans to reach their full potential. The fact that many Albertans must still use the food bank in some cases is only one of the symptoms of this problem. Government sets social assistance

rates to ensure that families are protected while parents seek employment; however, surviving financially can be a challenge for low-income families living in high-cost, high-growth areas. Market-basket measures should reflect adequate funding for Albertans living in these areas with high-cost living.

Currently the rates of supports for independence, SFI, programs are based on the size of the family, the number of adults, the age of the children, and the recipient's ability to work. The assured income for the severely handicapped program, AISH, a unique program in Canada, provides coverage for the most vulnerable Albertans. AISH currently provides a maximum of \$850 per month while also providing coverage for drugs, glasses, dental work, and diabetic supplies. Many Alberta seniors also receive assistance from government programs. They are squeezed between rising costs of living and their fixed incomes. Alberta is the only province that has very good seniors' benefits programs that are based on the levels of incomes and needs and not on universality. Since these programs are based on necessity – that is, the cost of living – the concept of market-basket measures should be applied to assistance rates for seniors.

Indeed, Mr. Speaker, the market-basket measure is based on the concept of necessity. These necessities include a nutritious diet, clothing for work and school, adequate shelter, and reliable transportation. Other necessary goods and services include personal care, household needs, furniture, and basic needs such as telephone service, reading, recreation, entertainment, and school supplies.

The urgency of Motion 513 has been brought about because of the higher number of low-income families in my area combined with the higher cost of living in Calgary. I represent many residents living in the Calgary-Fort constituency who are hardworking, low-income Albertans. As a result, even when economic times are good like they are right now, many families struggle to find ways to pay their bills, feed their children, and maintain a safe and healthy standard of living.

I also represent many senior residents who have worked hard during their younger days to build this province, this nation and now are living on low fixed incomes. They are constituents of mine, and they are not alone. There are Albertans who struggle in other high-cost areas of the province, and although the number of people in social assistance programs remains low, the problems continue to persist for some vulnerable Albertans.

The market-basket measure is a true reflection of living in the community. The essence of Alberta's success with lowering the number of people on income support programs is through promoting career and employment assistance services rather than a free ride. I don't think that this will change by adjusting rates to match the market-basket measure proposed by Motion 513. A low-income family will still be motivated to regain their independence. Training opportunities, skills development, and job placement services will remain as keys to economic freedom and independence.

What will change by adopting the market-basket measure is that Albertans on social assistance programs will no longer be vulnerable to the cost pressures in high-growth areas. Children will be properly fed and clothed in this area. The elderly who have no savings will be able to live with more dignity. Parents of low-income families can concentrate on earning a better living rather than being concerned about the health and safety of their family. Finally, the severely disabled will be safer in their community.

Some may say that putting those public dollars in the pockets of low-income Albertans will remove the incentive to gain meaningful employment, but I firmly believe that fixing the rate to the market-basket measure will help, not prevent, people to return to work. I agree that adjusting rates as proposed in Motion 513 will likely

increase the amount of money low-income Albertans receive right now, but this increase will reflect the real cost pressure that many people feel living in high-growth areas. It will not send a message that the gravy train in Alberta is open for business.

Some may argue that the market-basket measure will cause an alarming increase in funding for financial assistance. As I said before, the government attempts to cover the basic needs while the market-basket measure reflects the real cost of living in specific communities. Over 80 percent of Albertans already live above the market-basket measure. I'm confident that this number will continue to increase as long as our overriding philosophy of providing a hand up, not a handout, remains unchanged.

The Deputy Speaker: I hesitate to interrupt the hon. Member for Calgary-Fort, but the time limit for consideration of this item of business on this day has concluded.

Mr. Cao: Thank you, Mr. Speaker.

9:00head: Government Motions

Ombudsman Appointment

27. Mr. Zwozdesky moved on behalf of Mr. Hancock:
Be it resolved that the Legislative Assembly confirm the appointment by the Lieutenant Governor in Council of Mr. G.B. (Gord) Button as Ombudsman and concur in the report, part 2, of the Select Special Ethics Commissioner and Ombudsman Search Committee.

[Government Motion 27 carried]

Adjournment of Session

28. Mr. Zwozdesky moved on behalf of Mr. Hancock:
Be it resolved that when the Assembly adjourns to recess the fall sitting of the Third Session of the 25th Legislature, it shall stand adjourned until a time and date as determined by the Speaker after consultation with the Lieutenant Governor in Council.

The Deputy Speaker: It's my understanding, hon. member, that this is not a debatable motion according to Standing Order 18(3).

[Government Motion 28 carried]

head: Government Bills and Orders

head: Committee of the Whole

[Mr. Tannas in the chair]

The Chair: I'd call the Committee of the Whole to order.

Bill 54

Appropriation (Supplementary Supply) Act, 2003 (No. 2)

The Chair: Are any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to get an opportunity to speak regarding Bill 54, the Appropriation (Supplementary Supply) Act, 2003 (No. 2). We're looking at, again, a significant sum of money for various reasons, and the government through Bill 54 is asking the Legislative

Assembly to approve an additional \$1.228 billion in supplementary supply for operating expense and equipment and inventory purchases and an additional \$21 million for capital investment.

Now, the Office of the Information and Privacy Commissioner, as I understand it, is going to get over half a million dollars so the commissioner can provide additional services under the Personal Information Protection Act. We are hopefully going to have further clarification on that, but what additional services is the Information and Privacy Commissioner required to provide under the Personal Information Protection Act? I understand that there's going to be an office set up, but detail on these services would certainly be appreciated. I think later on this evening, Mr. Chairman, we will be discussing Bill 44.

When one looks at the schedule of amounts to be voted, and we look first off at Economic Development, now, there is an operating expense here, and whenever people look at their power bills or their utility bills, they'd say: this is something this government is certainly lacking. I'm sure that they would approve this when you consider that there are so many billions of dollars coming in in natural resource revenue.

We look at the policy deficiencies that exist with automobile insurance, with energy deregulation, whether it's natural gas or electricity. One can't forget the confusion and chaos that exists in public health care – and that's been outlined very articulately by the Member for Edmonton-Riverview – and public education as well. There are certainly significant deficiencies in this. So in Economic Development, if someone was to say that the Progressive Conservative government lacks strategic intelligence and through this appropriation bill they're going to get a purchase of this for \$3.5 million, well, people who are paying high bills, as I said, probably would accept this, but just exactly how and why and where is this money being spent in Economic Development?

Now, my next question, Mr. Chairman, certainly has to deal with the money, the operating expense as outlined in Human Resources and Employment, and we're looking here at an estimate of \$32 million that's been requested. If this isn't proof that energy deregulation has not worked, I don't know what is. I can go into other departments, and I can see where amounts are being made for utility costs, but here we have "\$5,000,000 for the Supports for Independence program to fund an exceptional number of utility arrears cases."

Certainly, when we look at last week, we allowed a tax break for cigar smokers and we gave small businesses a tax cut so that they could get their utility bills under control and we gave other corporate tax cuts as well. So to provide this amount of money for Albertans that are on SFI, I think, is not only a good gesture, but it's also an admission that the policies, whether it is the benefit policies that are provided by this government, are inadequate. It also is a strong indication of just how poorly energy deregulation has fared.

Consumers, whether they're earning 10 grand a year or 50 grand a year, are having trouble, and the \$5 million that's reflected in this estimate is an admission that that program is not adequately funded. Many people through no fault of their own cannot afford their power or their natural gas bills. Heat and light are a necessity. They are not a luxury.

Further on the same page, Mr. Chairman, we're looking at "\$17,000,000 for the Assured Income for the Severely Handicapped program owing to additional cases, increased health care costs and increased long-term care accommodation charges." So this is an example of taking money in in one hand – it was the 42 percent increase that came about totally unannounced in the middle of the summer. In one sweeping announcement we increased long-term care accommodation costs in this province by 42 percent, and now

there is an admission that people just simply could not afford it, so we have to have additional money. It's money taken from this pocket and placed in another needy pocket. So it's an indication of government programs, government policies that do not benefit those who are in need.

9:10

Now, Seniors on page 88. There is \$17 million "for the Alberta Seniors Benefit program to assist low-income senior citizens with increases in long-term care accommodation costs." Again, I would encourage the government to take this as a signal that what they consider is necessary for the Alberta seniors' benefit program is in reality not enough. The hon. Member for Calgary-Fort mentioned earlier in debate that we cannot forget the contribution that those individuals made to the province's economic foundation, and we cannot abandon them now. We've got to recognize that with a fixed income long-term care accommodation cost increases are going to place an unusually hard financial burden on those individuals.

There's another \$11 million for the special-needs assistance program, and that money will also hopefully tell the government that seniors are being left behind as a result, again, of utility costs. Close to \$6 million of this money is going to be allocated for utility costs, and that should tell the government that the power bills, the heating bills are high as a result of deregulation, and many people through no fault of their own can no longer afford to pay them.

I don't know what sort of discussion will go on in Treasury Board, but hopefully there will be kind consideration in the next budget to those who have built the economic foundation of this province. Seniors should not, in the first place, have to put their cap in their hand and apply to the special-needs assistance program to ensure that their houses are adequately heated. I think that is wrong, and I think the majority of members of this Assembly would agree with me, particularly the hon. Member for Calgary-Glenmore.

Now, there are also costs associated here with extraordinary onetime personal expenses, and that would indicate to this member, Mr. Chairman, that some of the programs that we used to have available for seniors perhaps need to be reimplemented. The seniors were promised, as were a lot of other people in this province, that if they worked with the government and sacrificed to get the budget numbers under control, then programs would be restored, but we haven't seen that to date. We're getting closer to the election. Perhaps we'll start to see sugar-daddy politics again, where there'll be unlimited amounts of cash, the government will be very generous, and hopefully if the government is generous, they will not forget the seniors who built the economic foundation that we enjoy presently.

Now, Mr. Chairman, there is a lot of money involved in Bill 54.

Dr. Taft: How much?

Mr. MacDonald: Well over a billion dollars.

Dr. Taft: How many Tories have spoken on it?

Mr. MacDonald: I don't know how many government members have actually spoken to this bill, and when I cede the floor to another colleague, I'm going to do some research in *Hansard* and check that out.

I do know that expenses have been quite high. We had after the last election expanded the cabinet. There were about 16 cabinet ministers, and now we've got 24, and of course there are deputy ministers.

Mr. Mason: Two finance ministers.

Mr. MacDonald: We've got the two finance ministers, yes. There are two justice ministers. There's a lot of duplication there. I think that in the interests of running a tight financial ship, the cabinet should be reduced.

There was a movie I was watching on TV, Mr. Chairperson, and it was called, I believe, *Honey, I Shrunk the Kids*. You know, perhaps the political equivalent of that would be: "Albertans, I've shrunk the size of cabinet. I've saved money, and this is what I'm going to do with the money I have saved."

Perhaps it is this government that needs to go on a diet. We're talking about a supersized cabinet, and we're talking about a supersized caucus, and perhaps if they don't go on a diet, the electorate will do it for them.

In conclusion, at this time I can't say that this is not a good start to a new fiscal framework. Maybe money is coming too easily for this government. We have a golden goose that is losing its lustre. It's not nearly as shiny as it was once because the western Canadian sedimentary basin, Mr. Chairman, is starting to mature. We're going to get less and less oil and natural gas royalties from that western Canadian sedimentary basin, so perhaps it's time for us to make sure that we're spending every dollar as wisely as possible.

Are there ways to cut costs and save money and maybe make the heritage savings trust fund bigger? Maybe we could expand it to \$20 billion instead of having it stagnate at between \$11 billion and \$12 billion. Maybe we could truly make it into a pool of money for future generations in this province. I look at this bill, and I'm not of the opinion that this government is a prudent manager of our financial resources. It's a lucky government, but to say that this government is financially responsible is, I think, to say the least, an urban myth.

Mr. Mason: It's a rural myth too.

Mr. MacDonald: It's a rural myth too; I've been corrected. So it's both an urban and a rural myth that this government has a fiscal framework that is to be copied. It can spend a lot of money, and it is unaccountable, and the whole process of spending this money is not transparent.

So I cannot support this supplementary supply bill without some explanation of how this new spending will contribute to meeting defined outcomes and the performance criteria in the government business plans. Much of this money, that I discussed earlier, is certainly needed by various groups who have been left out and have been penalized by very poor government policy, but when we think of the size of this budget and the size of this government, it's supersized, and perhaps it's time for there to be some consideration of a diet.

Thank you.

9:20

The Chair: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you very much, Mr. Chairman. I just wanted to rise and to speak somewhat in response to the scrambled message that we have just heard articulated in this Assembly. I want to make the point that supplementary requisitions and estimates are meant most specifically to address the needs that occur as the fiscal year goes on. So this is, indeed, the government's response to those situations and to those people who find themselves in situations wherein the programs are not sufficient to address the needs that are identified and that arise as the year goes on.

I would like to first of all highlight the fact that this is responding responsibly to circumstances. I'd like to say that in the supplemen-

tary estimates, indeed, what we are doing as a government is looking at those programs that because of a growing population or because of needs – in particular, the mention was specifically of seniors and those in long-term care facilities. Because they are in long-term care facilities and because the accommodation rates rose in the middle of the fiscal year or shortly after it began, there are a number of residents there for whom the government needs to give assistance. I believe that this is being very responsible and, as I said earlier, responsive not only in the area of seniors but also in the area of delivering programs, whether they be in human resources, whether they be for any number of capital projects that need to be addressed, and because of the rising, unanticipated cost.

So I just wanted to take this brief moment to set the record straight in this House. In spite of the ramblings and in spite of the all-over-the-map description of what the Member for Edmonton-Gold Bar identified as if he was thinking that we didn't plan to do this in an appropriate fashion, I wanted to let the people of Alberta know that this government is, indeed, responsible, is looking at those programs that do need to be addressed partway through the fiscal year. We are doing that according to the plan and the direction that we have identified.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. Just in light of the remarks by the previous hon. member, I would like to remind the House that 15 out of the government's 24 ministries are asking for supplementary supply here. They're not all hit with BSE, forest fires, and drought. This government is simply incapable of setting a budget and sticking to it.

Thank you.

The Chair: The hon. Deputy Government House Leader.

Mr. Stevens: Thanks, Mr. Chairman. I move that we adjourn debate on Bill 54.

[Motion to adjourn debate carried]

Bill 44

Personal Information Protection Act

The Chair: We have in front of us amendment A1, moved on November 25, so we're in discussion on amendment A1. Are there any further comments or questions with respect to this amendment? The hon. Member for Edmonton-Gold Bar on amendment A1.

Mr. MacDonald: Yes. Thank you very much, Mr. Chairman. Amendment A1 to Bill 44, the Personal Information Protection Act, is really a series of amendments, and I would like to get on the record indicating my dismay, my disappointment that we're going to deal with these amendments all in one group. I think that we would have much better legislation if these were dealt with on an individual basis. I don't say that lightly, because I was very pleased to have the opportunity to discuss with the hon. minister's staff these proposed amendments. To describe them as housekeeping amendments, I think, is a little bit too much. These amendments are the result of a consultation process that occurred since this bill was first introduced to the Assembly, and it was left on the Order Paper over the summer for many different groups to make presentations on their concerns regarding Bill 44.

Now, there are significant changes here. If one looks at *Hansard*

from November 25, the hon. Minister of Government Services is introducing these amendments to the Assembly. One can read *Hansard* on pages 1863 and 1864 in regard to these amendments. In fact, the discussion on them by the hon. minister went on for some time and had to have extra time approved by the chair, as a matter of fact, to discuss these amendments. They're on a wide range of issues, and there's a wide range of changes, everything from definitions to a request of Health and Wellness for the exclusion of health information in section 4(3)(e). That's done hopefully for a good purpose.

When we debate these amendments, we have to recognize just by the volume of changes that it was a good idea that this bill was held over for the summer to allow the stakeholders, as they're called, to point out any deficiencies they may have in this bill. Now, how expensive is the new privacy act going to be to implement? That is yet to be determined.

When we look at these amendments, we see what has been attempted. I think we have to accept the hon. minister and his department's staff at their word, and it would be my opinion that they've done their very best to improve this legislation. The fashion, how we're exercising that before this Assembly, is another matter, and I'm not going to go into any great length or any great detail during debate on Bill 44 on the erosion of democracy in this province.

We need, in our own interests, Bill 44, and Bill 44 is going to be a work in progress. We look at the B.C. legislation that's also going to be implemented at the same time and we look at all the comparisons to the federal legislation. What's going to happen is that the federal legislation's stronger. This legislation is too weak. But the majority of the people contacted certainly want to see this bill passed. When we look at other information acts in this province – we look at FOIP. I would have to say that it's not working. The Freedom of Information and Protection of Privacy Act is supposed to make the government transparent and accountable and all this information easy to access from the government. That's the furthest thing from the truth. Here we have a matter of employers and employees. After we deal with these amendments, Mr. Chairman, I hope to be able to get on the record again. I have some questions for the hon. minister in regard to the bill at committee.

9:30

I'm certainly satisfied with the process, and I appreciate the time that the minister and his staff have spent with myself and the Liberal research team on this matter. Certainly I think it is disrespectful of democracy to have this many amendments come forward as A1. Some people may think they're just routine housekeeping; others may not. Hopefully we will have an opportunity in the future to review this bill, and we won't have to wait three years from proclamation to see if it's working or not because only time will tell the costs to businesses and other organizations.

Mr. Chairman, at this time I will cede the floor to another colleague. The jury is out, so to speak, on Bill 44 at this time.

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I have a few general comments with respect to the amendment before us, and I was wondering if I might ask some questions and whether the minister is prepared, before we vote on the amendment, to respond to questions. He's nodding in the affirmative.

I want to indicate that the practice of the government omnibus amendment is a problem. I certainly have no intention of singling out this minister at all, but it seems to be a fairly widespread practice

in this fall session to be faced with a very, very significant amendment which must be then debated and voted in most cases as a block. That makes it difficult for the opposition to do its job. I will acknowledge particularly this minister's staff for providing a detailed briefing to us on the contents. That's made it considerably easier.

Some ministries have not done that. In fact, the Minister of Environment tabled an omnibus amendment, and we had no notice, and the minister didn't even bother to describe the contents of the amendment. That, frankly, makes it almost impossible for the opposition to do its job because these amendments are so comprehensive that they almost represent a partial rewriting of the whole bill.

Having said that, I had a concern brought to my attention by a constituent, and I guess I'd like to put this to the minister. It's sometimes difficult for legislators and, I'm sure, even more difficult for citizens to understand the complexity and the language of these bills, so the question I have is: how does it work in practice?

Here's a situation. When you go to a retail outlet nowadays even to make a basic purchase, the retail outlet wants to get a bunch of information. It's interesting that all you want to do is buy something – a CD, for example, or a component of a computer or a refrigerator, something like that – and they want to get your personal information. They want to get your name, they want to get your address, and they want to get your phone number. If you're dumb enough to give them your e-mail address, they might want that too, and all this goes in the computer. They might tell you that they are going to send you some information or that it might help with a warranty, but very often they ask for this information even if the product is not warrantied and the warranty process might be quite separate from this. In practice what happens is that they compile this information into large databases, and they sell it. So the question I have is: how does the language of the bill, including the amendment, affect this in practice? Specifically, it's a retail situation.

It's also been brought to my attention, Mr. Chairman, that at least one electronics retail chain that has a large number of outlets in Alberta instructs their staff to lie. When a customer asks what the information that this company collects will be used for, the staff are instructed to say that it will not be sold, that it will be used just for the internal purposes of the company, to keep you up to date on special offers or sort of to track your purchases for the company, when in fact this information is compiled and sold.

The second question, then, I guess, to the minister with respect to this is: what is it in this act that will stop this kind of operation? How do we make sure that staff are not instructed by the management to mislead customers about the uses to which information will be put? If the company for one reason or another doesn't tell the truth about what they're going to use the information for, then what measures are in place to deter this? So that would be the second question.

I think people generally want to know: in a retail setting when they make a purchase, what does the company have to tell you about the information? Can they just say: could I get your name and your address and your phone number and your e-mail address and your social insurance, which is often the case, even though I know that that part is already not permitted? What do they have to tell you? What do they have to say? What authority do they need from you to retail this data about you?

So, Mr. Chairman, in anticipation of the minister's response, I'll take my seat, and I will have some more to say later.

Chair's Ruling Amendments

The Chair: Hon. members, I just wanted to clarify a point. Two

members now have referred to an omnibus set of amendments. If they're prepared to accept them as such, that's fine, but the rule for committee is that it has to be by agreement. Otherwise, it's clause by clause. If it's by agreement, that certainly facilitates the work of the House, but that determination is in the hands of the committee. So if you're happy with this arrangement, then let us go forward.

The hon. Member for Edmonton-Gold Bar.

9:40

Mr. MacDonald: Just for the record, Mr. Chairman, I would certainly in this case be satisfied to let this go forward. I had a consultation process with the minister's staff before the fall session started, and many of the amendments as presented in amendment A1 were included in that discussion.

Thank you.

The Chair: All right. Then we'll proceed. The hon. Member for Edmonton-Centre.

Debate Continued

Ms Blakeman: Thanks very much, Mr. Chairman. I think this is a really important bill, and I'm glad to have the opportunity to speak to it again while we're in Committee of the Whole. In looking through it, there are a couple of sections that work as a unit to me, and I just want to spend some time discussing the implications of that.

What I'm looking for here as always is consistency and clarity, and hopefully that leads to stability. There is a wonderful set of commercials on television right now plugging some insurance company. Obviously, they're not that great a commercial, or I would remember what the company was. Their point and the joke contained within is around clarity. There's one where there's a rather overblown opera scene and no one understands why everyone's dying, and a fellow in the audience stands up and very clearly says: they're related to one another so they can never marry. And everyone in the audience goes, "Oh," because then they understand. It's clear.

We're all seeking that kind of clarity, and I just want to make sure that I am processing several sections with clarity. In fact, I think that is what this bill needs to be seeking overall. We are putting in place a very important piece of legislation. It works in partnership with the FOIP Act. Certainly my colleague from Edmonton-Gold Bar has already pointed out that there are some problems as far as the Official Opposition is concerned with how the FOIP Act and the Health Information Act actually work. So we're seeking more clarity with PIPA, the Personal Information Protection Act. I think it's also really important for the people – that being the private sector now that this act is going to cover – that it's also very clear to them and everyone is rowing in the same direction and all those other clichés about understanding and working together.

What I was hoping to see was a consistency with the FOIP Act, in fact, with those sections. In the FOIP Act section 40, "Disclosure of personal information," we're talking in section 40(1)(e): "for the purpose of complying with an enactment of Alberta or Canada or with a treaty, arrangement or agreement made under an enactment of Alberta or Canada." This is around, "A public body may disclose personal information only," and then there's a series of circumstances under which personal information may be disclosed. That's where that section (e) appears. So I was seeking clarity and consistency with this particular section. Do we have a similar section appearing in this PIPA?

When I look at it, I think that what I can see that would go with, that partners with, or is a local version of the FOIP Act 40(1)(e) –

and you have to go back and forth. So we end up with section 14, section 15, and section 20. Now, in the original bill we lost the clarity and the consistency. There was not consistency with the FOIP Act section 40. We seem to have regained it here with this amending act. Let me get this one straight. Specifically, what we're looking for is what kind of information can be shared between employers. So when we're talking about what employers should be doing if they're entering into a collective bargaining situation or relationship, what are they supposed to do?

They used to look at FOIP section 40. Is there something in here that gives them some guidance? Yes, there appears to be because section 15 is giving us Collection of Personal Employee Information. Under what circumstances can you be collecting it? What we've got is:

15(1) Notwithstanding anything [else] in this Act other than subsection (2), an organization may collect personal employee information about an individual without the consent of an individual if . . .

Then it gives a series of circumstances.

- (a) the individual is an employee of the organization, or
- (b) the collection of the information is for the purpose of recruiting a potential employee.

It goes on.

(2) An organization shall not collect personal employee information about an individual unless

- (a) the collection is reasonable for the purposes for which it is being collected, and
- (b) the personal employee information includes only personal information that is related to the employment or volunteer work relationship of the individual.

Then section (3) talks about:

An organization may disclose personal employee information about an individual without the consent . . . where that information is being disclosed to an organization that is collecting information under subsection (1),

which takes us back to the beginning.

Section (4) in fact has been deleted in the amendment and, I think, clarified because section (4) was talking about recruitment of an employee and if they had to destroy information and all kinds of things.

The new version of section 15 is still talking about collection for reasonable purposes information that's only related to employment or volunteer work. In section (4), "nothing in this section is to be construed so as to restrict or otherwise affect an organization's ability to collect personal information under section 14." So here we go. Here's the reference back to section 14. That section was about collection without consent and, again, a long list of how an organization can collect personal information about an individual without the consent of that individual.

The next part of this puzzle is the disclosure, which appears in section 20, and that's

- (c) the disclosure of the information is in accordance with a provision of a treaty that
 - (i) authorizes or requires its disclosure, and
 - (ii) is made under an enactment of Alberta or Canada.

So when we're looking at whether we've achieved consistency with FOIP, I would say that at this point we have. Is it clear for commercial users that they can collect information and disclose information around a collective bargaining relationship? Yes, it appears that they can. Is that important? Yes, because it helps to manage that relationship between the organization and the individual which is an important one.

9:50

When I look for other messages from experts in this area as to

whether it's important, there are two sources here. I'm looking at some information produced by the University of Alberta access to privacy adviser, who is concluding that

personal information can be disclosed not simply pursuant to an agreement but so that [an organization] could reasonably meet its statutory obligations as a bargaining agent.

In this case, you know, we have a situation, for example, where an individual phones up a bargaining agent and says: okay; I need something done. Well, the first thing they're going to do is to verify that that individual, in fact, works for Company X. They're going to phone Company X and say: do they work for you? Well, we need the clarity here in this legislation that allows Company X to go: yes, I can tell you this information; they work for us. That's the disclosure that we need, and it, in fact, to my reading is still there. Actually, I appreciate having the minister on the record clarifying that as I work my way through this, I am correct in understanding this.

The second place that I looked was in the courts as to whether that kind of disclosure and sharing of information is appropriate or needed. With the University of Alberta, I was saying, it's a statutory obligation. Again, I think in the court documents that I've looked at, it's saying that information is required to properly administer their employment relationship, and it's reasonable to characterize the provision of the information as being within that purpose.

So that's my tracking through of these three sections and what this all means as I try and seek clarity and make sure that it's consistent with what we already have. I've given the reasons why I think it's important to maintain this. We have court rulings. We have others that have spoken on the importance of it and upholding it. Part of what brought this to mind for me was that I didn't think we wanted to get into a position where we had companies or agents or individuals unnecessarily withholding information. They need to know exactly how they're expected to behave.

One of the things that came to mind with me was when our own FOIP legislation came in and covered the academic sector. We had a few months of confusion, and in fact this was around MLAs sending congratulatory letters to graduates or to prizewinners or academic high achievers in their various schools in their constituencies. Of course, for the schools trying to interpret the new legislation that they were now under, it wasn't clear what they were supposed to be doing. As a result, they politely declined to release the information on the students' names, for example, or whether they'd been the award winners because at that time they weren't clear about whether that would violate disclosure. We all figured that out eventually, and in fact I think there was a clarification that was brought in to the Freedom of Information and Protection of Privacy legislation in Alberta.

So I'm just trying to clarify that here. If I can get the minister on the record that what I've outlined here, in fact, is true and that that kind of disclosure would be allowed, I'd appreciate it because that's partially key to my accepting this amendment. If I'm right, then I'm happy with amendment A1. We need to be very careful with this PIPA legislation. We need to do it right. Personally, I came into this preferring the federal legislation, but if I can be convinced that some of my areas of concern have been dealt with, then I'm willing to switch and support this. This is one of the areas I'd like the minister to respond to me, please.

So that's the issue that I wanted to raise in the time that I have for this go-round. I appreciate the opportunity to raise it, and I'm going to leave that there and let the minister respond to me. Thank you very much, Mr. Chairman.

The Chair: Before we ask the minister or any other members in

debate, I wonder if we might have the committee's consent to briefly revert to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**

The Chair: The hon. Member for Calgary-Currie.

Mr. Lord: Well, thank you, Mr. Chairman. It's a real pleasure for me to rise to introduce some guests that we have here this evening. It's always a pleasure to have guests. We don't often have them this late in the evening. It tends to be a little bit dry, so people don't tend to stay around this long. We are very pleased to see that we have visitors here in the public gallery. It's a group that is actually from all over North America, I understand, on a mission here from the Mennonite church. Anyway, we would like to have you all stand and be recognized by the members of the Assembly.

Bill 44

Personal Information Protection Act (continued)

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Chairman. I shall keep my comments fairly brief. I must say that it's not the speakers that are dry; it's the legislation that is dry. Indeed, it's positively arid.

Ms Blakeman: It's a living document. Breathe life into it.

An Hon. Member: It's desiccated.

Dr. Taft: Okay. I shall try to breathe life into this desiccated legislation. All right.

Well, I did look through the amendments, and I did have a specific question to the minister, and I'll keep it to that. I'm on page 3 of the package that was circulated. Under amendment (d) under section 4(3), "by adding the following after clause (j):"

(j.1) the collection, use or disclosure of personal information by a registered constituency association or a registered party as defined in the Election Finances and Contributions Disclosure Act;

(j.2) the collection, use or disclosure of personal information by an individual who is a bona fide candidate for public office where the information is being collected, used or disclosed, as the case may be, for the purposes of campaigning for that office and for no other purpose.

Then when I go back to the bill, it looks to me like we are clarifying that these groups are exempt from the legislation.

I would be interested if the minister at some point could provide the rationale for why those specific exemptions are added. In terms of the amendment, for now that's my only comment. Thank you.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. I have two questions at this time in regard to amendment A1 for the hon. minister, please. The first one is dealing with section 4(3)(b), and this is in regard to the Health Information Act. The hon. minister stated on November 25 in this Assembly that this amendment was a request of Health and Wellness. "This amendment will exclude from Bill 44 all health information 'where that information is collected, used, or disclosed by an organization for health care purposes.'" Now, in regard to workplace issues what medical information, if any,

will an employer be entitled to from an employee, and what may that information be used for? Drug testing, for instance: who will get access to the results? That would be one example. There would be many examples, of course, but that would be just one. How is that going to be affected by this amendment?

Also, in regard to the amendments to the Societies Act, section 36(1), who wanted the amendments to the Societies Act? How were they placed in this amendment A1?

Thank you very much.

10:00

The Chair: The hon. Minister of Government Services.

Mr. Coutts: Thank you very much, Mr. Chairman. I've appreciated the questions that have come from all of the members opposite, and if I could just take a couple of minutes here before we ask for the vote on this particular amendment A1 to answer as many of those questions as I possibly can.

First of all, the consultation that has taken place on this particular bill, extensively over the summer, with many, many organizations, chambers of commerce, that type of thing, and many businesses, large and small, is the one that has led to the amendments that are before us today. I would like to thank the members opposite for taking the time to meet with members of our staff and even meet with me in a couple of instances to talk about some of the amendments that are in A1.

I think it's important that we do have that kind of consultation, because this is important legislation. This is the protection of personal information, and unlike access to information, this is information that is held by the private sector about every single one of us. It's important that we have the information from the people that this legislation affects and how we can make it effective for everyone. Our staff have worked hard to collect all of the information and to put it together to clarify, to make definitions, and to make sure that this legislation works so that the federal legislation does not prevail in Alberta.

The hon. Member for Edmonton-Highlands brought forward a scenario about a retail shop where one may go and purchase something and having to give his or her name and address and telephone number and other information. The part of this particular act is that the information that the retail company collects on you is purpose specific. In other words, if the retail company wants to do something with that information, they have to tell you, and if they don't tell you the right information, if they're just saying to you, "Well, I need it so that we can let you know about promotions that are coming up within our organization so that you can come back and buy again," then that's what they have to use that for. So it's purpose specific. If they change their mind and they sell that information to some other company or organization that has a business like them or a side business or a service business, they can't do that because they did not advise you of that.

So this legislation points out that they cannot sell, trade, barter, or lease any of the information that you give to a company without your consent. If they want to do that, then they have to let you know that they're going to do that, and then you can give consent to have them release that information to someone else. If a business gives that information to another company without your consent and you find out that they've done that, then you can complain to the Privacy Commissioner, and we can do an investigation, and an order can be issued against the particular company for violating the act. It's just that simple. Collecting consent by deception is really not allowed in the act. That's the provision that protects your personal privacy. Anyone caught selling, trading, or bartering this kind of information can be brought up before the Privacy Commissioner.

When it comes to a couple of questions put forward by the

Member for Edmonton-Centre, private-sector information or your own personal information is protected and handled within the guidelines and the regulations of the legislation. I know she's made a number of comments with regard to FOIP, but this is privacy legislation; it's not access legislation. This protects the privacy of people's information in the private sector.

The hon. Member for Edmonton-Centre made a couple of comments about section 40, wanting to know about section 40 and how it mirrored or became similar to the FOIP Act. We didn't mirror section 40 of FOIP to ensure that the private-sector organizations couldn't enter into agreements so that they could remove themselves from this act. We wanted to make sure that those agreements could not be put in place. I'll be making a couple more comments about collective bargaining in my general comments about the act after we get the vote on section A1 here.

The hon. Member for Edmonton-Gold Bar asked about health information and if health information is in the act or if health information has been exempted from the act. We have a Health Information Act under the department of health, so we took any reference to health information in this act out, and that will be the responsibility of the Minister of Health and Wellness to incorporate into the Health Information Act. So this act does not extend to health information at all.

Of course, under the Societies Act the hon. Member for Edmonton-Gold Bar mentioned section 36(1). I'll research that and get an answer for you.

Political parties are exempt from the legislation because we thought it was really specific. You're a member of the party, and the information that is collected on you is used for those party purposes and no other, so that's why they are exempt from the act.

So with those responses, Mr. Chairman, I now ask the committee to please vote for amendment A1 to Bill 44.

[Motion on amendment A1 carried]

The Chair: We're now back on the bill itself.

Mr. Mason: Mr. Chairman, I have an amendment to Bill 44, which I will ask the pages to distribute.

The Chair: Okay. We'll call that amendment A2. If you would just give us a minute. The pages are reminded to please give it first and foremost to the people who are actually sitting in the chairs, and then you can go back afterwards and give it to everybody.

The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I move that Bill 44, Personal Information Protection Act, be amended in section 20(c) by adding "arrangement or agreement" after "a treaty."

Mr. Chairman, shall I begin?

The Chair: Please go ahead.

10:10

Mr. Mason: Thank you very much, Mr. Chairman. I've been in touch with a number of labour organizations in our province, and there is a broad concern here that the language in Bill 44 is somewhat different than the language in the FOIP Act.

[Mr. Lougheed in the chair]

If people would like to turn to section 20(c) in Bill 44 and contrast the language here with that found in the FOIP Act, they will find that

in the FOIP Act section 40(1)(e) allows for disclosure “for the purpose of complying with an enactment of Alberta or Canada or with a treaty, arrangement or agreement made under an enactment of Alberta or Canada.” Now, what’s the difference? We’ve dropped the words “arrangement” and “agreement” in Bill 44, and what’s the significance of that, Mr. Chairman?

Well, I guess it’s illustrated by a recent case that came before the labour board, and it had to do with the strike of workers at the Shaw convention centre. At that time the employer, being Economic Development Edmonton, withheld from the union the list of members – and this union was seeking its first collective agreement – and they used the FOIP Act as justification for doing so. It’s interesting, Mr. Chairman, that the labour board specifically referenced those clauses that have been deleted in this act as requiring the employer to turn over the list. So what we potentially could have is two sets of standards: one for public-sector unions covered by the FOIP Act and another one covered by Bill 44, or PIPA, for private-sector unions.

So we may have public-sector unions having language that can be used in order to get this information. This information is very critical, Mr. Chairman, for a union seeking its first collective agreement. After it’s organized its members and it seeks a first collective agreement, it doesn’t have any language in the collective agreement because it doesn’t yet have a collective agreement, so it cannot then force the employer to provide the contact information for the members of the union. The union has members, but they don’t necessarily know who they are, and they cannot necessarily get in touch with them. This is a very difficult situation, and I’m sure it’s not an intentional strategy on the part of anyone to deny this information to the union. The different language sets a different standard, and the amendment would correct that and would provide the same level of language that could be used to provide the same level of access for unions of private-sector employers as has been the case with public-sector employers given the labour board’s ruling.

That is the basis for the amendment, Mr. Chairman, and I would certainly encourage all members in the interests of fairness and equity to support this amendment. Thank you very much.

Mr. Coutts: Mr. Chairman, I’d just like to speak to the amendment put forward by the hon. Member for Edmonton-Highlands regarding adding the words “arrangement or agreement” in there. You know, if we were to accept this amendment, what it would allow is for businesses to make agreements and arrangements between themselves to share information, and that would be absolutely contrary to the intent and the provisions of why we’re setting up the Personal Information Protection Act.

[Mr. Tannas in the chair]

With regard to trade unions the hon. member mentioned the ability to organize, et cetera, or how the information could be shared once a union was set up. PIPA actually will permit organizations to continue to comply with collective agreements, including any requirement in an agreement to provide a union with the home contact information for union members. We know that there have been concerns that were raised about how PIPA would affect the ability of unions to organize, but under PIPA a union that is engaged in an organizing drive will be able to use the business contact information of employees to make the initial contact subject to the provisions of the Labour Relations Code, and unions will also be permitted to collect and use home contact information of employees with their consent.

So we believe that that is particularly compliant with the intent of

the act. Therefore, this amendment is not needed, and I urge all members of the Assembly to vote against this amendment.

[Motion on amendment A2 lost]

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. I have some additional questions in regard to Bill 44 at this time for the hon. minister. Specifically, before I get to the expressions of caution that were made by the Privacy Commissioner of Canada, I would like to get clarified by the hon. minister exactly how in Bill 44 will information that is collected through the use of video surveillance in a worksite be used? This information is in effect being collected and used as personal information in that the camera could record personal activities even though the purpose of their surveillance may have been to reduce vandalism or in some cases, unfortunately, on-the-job theft by an employee. Now, how will video surveillance be affected on the worksite by Bill 44, and exactly what steps now have been taken?

I know that the Privacy Commissioner of Canada had a lot to say about this legislation, and there were what the Privacy Commissioner of Canada described as serious deficiencies and flaws with the B.C. legislation. What steps have we taken in this province to ensure that this Alberta bill, Bill 44, will do a better job of respecting the privacy of Albertans?

Again, what specific steps has the Ministry of Government Services taken in response to all the concerns that were raised by the Privacy Commissioner of Canada with the Alberta and the B.C. model? Is the minister satisfied that the series of amendments that we have just passed are going to address a lot of the concerns that have been expressed in the Alberta/B.C. model? Those are, namely, the privacy rights of Albertans in the workplace. This all goes back, Mr. Chairman, to my initial question on video surveillance and how that is going to work with this legislation.

10:20

At this point I would be very interested in hearing what the hon. minister has to say in regard to those questions, and at some further time I, too, have an amendment that I would like to put on the floor.

Thank you.

Mr. Coutts: Mr. Chairman, the hon. Member for Edmonton-Gold Bar has brought forward the issue of what the Privacy Commissioner of Canada says about this legislation, particularly knowing that we have been working with the Privacy Commissioner to make sure that this legislation is substantially similar to the PIPEDA legislation that will be made law on January 1, 2004.

I read *Hansard*, and I read the hon. member’s comments. I think he was referring to a former Privacy Commissioner that sent a very, very long letter to us, and he was asking whether or not we’ve addressed those kinds of concerns. As the hon. member knows, the former Privacy Commissioner of Canada is no longer there.

I must say that now we have a very good relationship with the new Privacy Commissioner, and the new Privacy Commissioner has come along and said that this legislation that we have put together along with our sister province of British Columbia – bringing these two acts forward in parallel is substantially similar to the federal legislation. The federal Privacy Commissioner has come out successfully and commended us for the job that we have done in making this legislation substantially similar. So I believe that that has been addressed.

The hon. member’s comment about video surveillance at the

worksite and what that has to do with personal information. That has everything to do with enforcement and that type of thing, but it has nothing to do with this particular act as it pertains to the personal information that is carried by an individual.

Thank you for the opportunity to respond.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Chairman, and hon. minister. Now, the minister has stated that there are many similarities between the B.C. and the Alberta legislation and the federal legislation. Could the minister please confirm that the fines are the same in the federal legislation as they are here? In section 59, "in the case of an individual, to a fine of not more than \$10 000, and . . . in the case of a person other than an individual, to a fine of not more than \$100 000": those fines are the same; correct?

Mr. Coutts: Yes.

Mr. MacDonald: Okay. Thank you.

Now, at this time, Mr. Chairman, I have an amendment to Bill 44, and it is an amendment to section 64, which is a review of the act. I indicated earlier that there appears to be a need for a review of this legislation sooner than once every three years. This amendment, I believe, has been presented to the table; correct?

The Chair: Yeah. They're now being distributed.

Mr. MacDonald: Okay. Thank you very much.

For the record, Mr. Chairman, this amendment states that section 64 be amended (a) in subsection (1) by striking out "At least once every 3 years," and substituting "Eighteen months after this Act comes into force and at least once every 3 years thereafter," and (b) by striking out subsection (3).

I'll be brief here, but I would urge all members to support this amendment. We can see the consultation process, Mr. Chairman, that the government has done this summer, when they held the bill over from the spring session and there was a series of 16 amendments presented. Now, with the Freedom of Information and Protection of Privacy Act there is a review process. But in light of the consultation process with the chambers of commerce, with various enterprises, business organizations across the province, the changes that have been brought about, and the fact that we don't really know what costs are going to be involved in this – and I hope that they are not too much, I hope that they are not high, and I certainly hope that everyone can adhere to this legislation and that it will not be expensive nor a bureaucratic nightmare because there are certainly going to be processes and policies set up.

But in light of the fact that this is new legislation for us in this province, I would think it would be ideal not to wait three years but allow, as someone said earlier, the Privacy Commissioner to get set up and get organized in regard to the enforcement of this act and then do a review, a consultation process to review this legislation to see if it's working and, if there are parts of it that are not working, what we can do to make it work for all parties involved.

I would urge members to support this amendment to Bill 44 at this time. Thank you.

The Chair: Hon. member, I apologize. I don't recall hearing you say: I move this amendment. Perhaps you did, but would you just verify that you did move it?

Mr. MacDonald: That's understandable. Yes. I would move at this

time, Mr. Chairman, I believe we would call this amendment A3 to Bill 44.

The Chair: Thank you.

Hon. minister, did you have a comment on amendment A3?

Mr. Coutts: Mr. Chairman, this amendment is a very good idea. When we started looking at how we might follow up on the act, the idea of three years once it comes into force seemed like a really good idea, but I think that the hon. Member for Edmonton-Gold Bar has a really good idea here. Eighteen months sounds like a whole lot shorter time frame to see how the act actually does affect businesses and get some consultation in, so I agree with this. I think 18 months is a lot better than the 36 months because if there's something that needs to be changed in the act, that will give us an opportunity to do it.

I urge all my colleagues in the House to, unfortunately, say yes to this amendment.

[Motion on amendment A3 carried]

[The clauses of Bill 44 as amended agreed to]

[Title and preamble agreed to]

The Chair: Shall this bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

10:30

Bill 50 Wildlife Amendment Act, 2003

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill. The hon. Member for West Yellowhead.

Mr. Strang: Thank you very much, Mr. Chairman. I'm pleased to rise today to begin debate in Committee of the Whole on Bill 50, the Wildlife Amendment Act, 2003. I'd like to thank the members of this Assembly for their comments and ideas regarding Bill 50 in second reading. In a moment I'll respond to the questions that arose from the hon. members from the opposition during second reading.

Mr. Chairman, as we discussed, the intent of the proposed bill is to make the Wildlife Act more effective, primarily in enforcement and administration. In terms of enforcement Alberta will have more effective ways to deter and respond to wildlife poaching and to better protect and manage wildlife. A substantial increase in penalties will help deter this illegal activity. With the amendments Alberta will have among the highest poaching fines in Canada.

All wildlife offences will fall into one of two penalty ranges: up to \$50,000 and/or 12 months in prison or up to \$100,000 and/or 24 months in prison. Most offences, such as those involving grizzly bears, will be included in the highest penalty range of \$100,000 and/or two years in prison. Increasing the fines for wildlife violations sends a clear message to the public and courts that Alberta will take such violations very seriously. I believe once people know that poaching violations in Alberta lead to significant penalties, this awareness will act as a strong deterrent.

Further to the amendments relating to enforcement, Alberta will have authorization to seize and retain equipment by poachers. Also, the province will establish reciprocal agreements with other

jurisdictions to see that those convicted of serious wildlife violations elsewhere won't be able to get a hunting licence in Alberta and vice versa. In addition, people with outstanding fines for angling violations will not be able to buy a hunting licence until angling fines have been taken care of.

Another amendment is aimed at improving the effectiveness of the act when it comes to illegally selling wildlife. Specifically, advertising wildlife for sale will be considered an act of trafficking in wildlife.

Also, one of the key amendments is aimed at reducing wildlife/human encounters. The act gives Alberta the authority to issue cleanup orders for situations where people leave food or garbage that might attract wildlife. Indeed, food and garbage are sources of most human/bear problems. Cleanup orders will help protect bears as well as deer, elk, and other species that come in conflict with humans because of the food sources that lure wildlife to settled areas.

There are a few other proposed administrative amendments to the act regarding traps and certain licences and permits. Alberta is a very large province, and it is impossible to monitor everybody in the wildlife area.

Now, questions were asked during the second reading. Escape of captive animals. This is a cross-ministry responsibility involving staff primarily from Sustainable Resource Development and Agriculture, Food and Rural Development. Community Development will also become involved if escaped animals are found in a protected area. Reports of such animals are shared between Sustainable Resource Development and Agriculture, Food and Rural Development as soon as a report has been received. Initial assessment is made to determine if the escaped animals pose any risk to the health of free-ranging wildlife.

Dog training and trialing. Exclusive consultation was undertaken in 2001 with a number of commercial dog trainers and provincial dog training and trial clubs as well as individuals involved in these activities. A number of amendments were passed in 2001 that extensively revised the regulations that applied to dog training and trialing. The amendments in this bill will adjust the act to support the current regulations and enable the subsequent amendments to simplify them. The amendment to the act involving dog training and trialing is strictly administrative. There will be no change to user privileges.

On the question on the removal of traps this amendment was intended to recognize the activities of people who trap animals for food under their constitutional protection rights. The change does not infringe on anybody's rights; rather, it provides better recognition for these rights by requiring trappers to report the removal of traps that they believe have been set illegally to wildlife officers.

Exemptions for employees. The Supreme Court of Canada ruled that agencies that investigate violations of law must not violate the same law unless the legislation specifically authorizes those activities. While the Supreme Court decision is related to police activities, this amendment responds to the ruling by recognizing all duties of Sustainable Resource Development staff. This includes wildlife research, for example capturing wildlife or keeping it captive; management, for example disease control activities; duties that involve hunting, for example destroying injured animals; and enforcement activities, investigation, and undercover operations.

Another question: an inefficient number of fish and wildlife officers and, in addition, severe budget restraints for enforcement activities. Sustainable Resource Development's mission ensures that Albertans continue to benefit from a broad range of resources including forests, public lands, and fish and wildlife. The Alberta government is committed to accomplishing this within its overall fiscal strategy, and there simply isn't an unlimited amount of money

available for the department. It's not surprising that many people have different opinions regarding particular resources they feel strongly about. The Wildlife Amendment Act supports officers, very positive legislation, and will support enforcement efforts greatly by increasing fines for poachers. A significant increase in fines is known to have an immediate effect on poacher activities.

The other question on patrols. Like any enforcement agency there are a number of fish and wildlife patrols that go up and down. There has been an increase in patrol activities this fall during hunting season. Enforcement is more than just patrolling. It involves education and communicating with Albertans. Earlier this year priorities were focused on the West Nile surveillance, grizzly bear management, and fishery monitoring.

Undercover operations was another question. In addition to the good work regularly done by uniformed fish and wildlife officers, there has been, certainly, also good work by the undercover operations. Over the last six years undercover operations have resulted in 1,100 charges, about \$1.1 million in fines, and about 20 years in prison sentences.

10:40

Now, a question was asked on budgets. There are almost 2,000 departmental staff working for Sustainable Resource Development. Sustainable Resource Development has no intention of laying off fish and wildlife officers. The department is proud of the work that they do. I understand that Sustainable Resource Development monitors its budget situation and makes adjustments for priority areas that arise. About \$37 million was spent on fish and wildlife this year, up slightly from last year. Enforcement is one part of the budget, and one of the budget items within enforcement includes operation costs.

These should answer most of the questions that were asked, Mr. Chairman, and at this time I'll take my seat.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. In speaking to Bill 50, the Wildlife Amendment Act, 2003, I can say that I think I'm onside with our caucus in certainly supporting the thrust and intent of this act. I feel that it's very safe to say that Albertans cherish their wilderness and that in many cases hunters and trappers are people who want to respect and protect that wilderness. In fact, there's an old saying that a river without fishermen is a river without friends, and I think it's the same kind of thing: a wilderness without hunters and trappers is a wilderness without friends. Certainly, the hunters and trappers who I know actually respect the laws. They get upset when there's illegal poaching. They will, I think, be happy to see that this legislation goes through and that there are stronger penalties for illegal poaching and hunting activities and trapping activities as well. So it looks to me like a good piece of bill that will resonate well with most Albertans.

Thank you.

The Chair: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you. Mr. Chairman, I rise just briefly to also offer my comments with respect to the Wildlife Amendment Act before us, and I'm very pleased to support this bill because it represents increased protection for wildlife in our province. It's also an important piece of legislation that supports our parks and protected areas within the mandate of my ministry.

There are elements within our provincial parks and protected areas, such as our natural ecosystems, that help support wildlife. Of

course, grizzly bears along with bighorn sheep and moose and cougars and bull trout and long-toed salamanders and a host of other wildlife species have all been part of hundreds of scientific studies in our protected areas, and I just wanted to indicate our support from the management and staff involved in provincial parks and protected areas towards this Wildlife Amendment Act.

Thank you.

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much. Just a few comments that I'd like to get on the record around this bill. I think we're all pleased to hear about the penalties being increased, but I think what's really important with this is that although there's an attempt to put teeth in this legislation, if there isn't adequate funding in the department to provide the wildlife officers to do the monitoring and enforcement, the skull what holds the dentures that hold the teeth, all of this is for naught. You can have as many rules as you want, but if you never catch anyone that is breaking the law and never get them to the point where you are in fact levying one of these fines on them, what's the point? It's incumbent upon the government in moving this bill along to understand the context that it sits in and the support for the department. If we don't have the funding for those wildlife officers, then this is a useless piece of legislation. It just sits on a shelf.

Bill 54
Appropriation (Supplementary
Supply) Act, 2003 (No. 2)

The Chair: I hesitate to interrupt the hon. Member for Edmonton-Centre, but under Standing Order 61(4)(iv) I must put the question proposing the approval of the appropriation bill on the Order Paper for consideration by the Committee of the Whole. Does the Committee of the Whole approve the following appropriation bill: Bill 54, Appropriation (Supplementary Supply) Act, 2003 (No. 2)?

[Motion carried]

The Chair: The hon. Deputy Government House Leader.

Mr. Zwozdesky: I think we're continuing on with Bill 50.

The Chair: No. I think that if we read that, it says that the committee shall forthwith rise and report.

The hon. Deputy Government House Leader.

Mr. Stevens: Yes, Mr. Chairman. I move that we rise and report Bill 54, Bill 44, and progress on Bill 50.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports Bill 54. The committee reports Bill 44 with some amendments. The committee reports progress on Bill 50. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

head: **Government Bills and Orders**

head: Committee of the Whole

(continued)

[Mr. Tannas in the chair]

The Chair: I'd call the Committee of the Whole to order.

Bill 50
Wildlife Amendment Act, 2003
(continued)

The Chair: Are there any further questions, comments, or amendments to be offered with respect to Bill 50? Are you ready for the question?

[The clauses of Bill 50 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Bill 51
Natural Resources Conservation Board
Amendment Act, 2003

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Whitecourt-Ste. Anne.

Mr. VanderBurg: Thank you, Mr. Chairman. I'm pleased to begin debate on Bill 51, the Natural Resources Conservation Board Amendment Act, 2003. I think I'd go right to addressing the questions that were raised in second reading by the hon. members of the opposition. Basically two concerns: one concern over repealing section 42, which deals with the financial administration of the board, and a concern over adjustment of the board members from five to six.

I'll begin with the amendment regarding the financial administration. Under this amendment the board's budget, once a separate document, will be included as part of the Ministry of Sustainable Resource Development's budget.

The hon. Member for Edmonton-Gold Bar claims that government is moving away from transparency and accountability and toward a more secretive environment with this amendment. He also alleges that access to the board's finances will be unavailable under this amendment.

The Member for Edmonton-Centre requested clarification for the reasoning behind the change. She further questioned the independence of the board if its budget was to be included under the Ministry of Sustainable Resource Development.

10:50

Well, first of all, let me say that the concerns were unfounded. The ministry's budget will contain all the information with respect to the board and its workings. Contrary to the member's claim the board's budget will still be accessible, as it is now. The board will still be required to provide annual reports, which they already provide, and the Minister of Sustainable Resource Development will continue to be responsible for the board and accountable to this House. The board's budget will still receive the same scrutiny. It

will still be delivered and approved by the Minister of Sustainable Resource Development, and the ministry's budget will be further scrutinized and voted on by this House, as is the case with all other ministries' budgets.

This amendment, in fact, raises the bar for accountability both for the board and for the ministry under which the board's budget will fall. The fact is that the board's responsibility changed significantly when it assumed the jurisdiction over confined feeding operations. These new responsibilities are more consistent with the purview of the Ministry of Sustainable Resource Development than previously. Including the board's budget under the ministry's budget is not only very timely; it's very appropriate. It's also consistent with the way that many other similar boards operate. For example, the Environmental Appeal Board operates in a similar manner to that of the NRCB.

The Member for Edmonton-Centre also questioned the independence of the board if its budget was included as part of the ministry's budget. I believe I explained in second reading that this amendment to include the board's budget within the ministry's budget will make the process more accountable. It would in no way impact the board's decision-making ability as well. [interjection] Shake your head or not, that's how it is. Mr. Chairman, let me repeat that this amendment will not give the Minister of Sustainable Resource Development any jurisdiction over the workings of the board. It will not impact the board's functioning, which is independent from that ministry. It will simply include the board's budget as part of the ministry's budget.

The members opposite also expressed concern over board membership, the move from five to six members. Again, I clearly addressed this change during second reading. The board's responsibilities have increased and diversified considerably since it assumed the portfolio of confined feeding operations. In addition to its initial duties, the board now looks after all aspects of confined feeding operations. This includes applications, reviews, hearing dispute resolutions, and compliance. These hearings are held all over the province, and there's travel and all other responsibilities that the board has, and they do it in a timely manner.

CFOs are a strong part of Alberta's economy, and with these operations come the potential for things like groundwater contamination, a very real issue. Health-related issues like this could affect my family or my community, and I don't take that lightly. I want all members to know that. I like to think that the hon. members opposite would recognize the need for adequate resources to manage these kinds of things as well. These very important issues now fall under the jurisdiction of the NRCB. The resources required to deal with these increased responsibilities must still be found within the board. It must be adequately staffed to effectively deal with these issues, which, I'm sure, are important to Albertans, as they are to me, Mr. Chairman.

This brings me to the last inquirer, the hon. Member for Edmonton-Centre. She said that she'd like to see the incorporation of something like a health impact assessment. Mr. Chairman, I can only assume that the hon. member was referring to the potential impacts of the confined feeding operations, and she can be sure, as this House and all Albertans can, that the NRCB regularly works with the regional health authorities when applications of this nature are submitted.

I would like to conclude by again stressing that these amendments have Albertans' best interests at heart, and, as I have said many times already, they'll bring the clarity needed to distinguish the board's diverse and comprehensive duties and enhance the accountability of government.

Thank you.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. I listened as carefully as I could to the comments from the Member for Whitecourt-St. Anne, and I appreciated that he tried to address some of the issues raised by my colleagues in second reading.

I will say right off the bat that I'm still not clear what the rationale is for this bill. I might have missed it there. I'm not sure why we're doing this other than perhaps – well, I'm not sure why we're doing it, to be honest. I do share some of the concerns that have already been raised and, I guess, responded to, to some extent, by the Member for Whitecourt-St. Anne.

But I must put on the record that the independence of boards like the Natural Resources Conservation Board is absolutely vital, and that independence must not just be real. It must be seen to be real. The Member for Whitecourt-St. Anne and all of us here undoubtedly are aware that whoever controls the budget of an organization to a very large extent controls that organization. So when legislation brings the budget under the minister, it does look very much like an increase in the power of the minister in question.

So I guess we'll have to agree to disagree, or perhaps in later comments the Member for Whitecourt-St. Anne or some other member of the government can expand on the rationale for this bill so that I maybe can see something that I don't see there right now.

Now, in making comments on this bill, the Member for Whitecourt-St. Anne referred to something that's come up, which is the role of the NRCB in overseeing – what are they called now? – ILOs, the intensive livestock operations. I fairly frequently get calls from citizens around the province about these kinds of operations, and I think people are calling me primarily because they're concerned around the health impacts, potential or actual health impacts, of intensive livestock operations. Of course, since the tragedy in Walkerton everybody is much more concerned about risks to water, to surface water, and the dreadful consequences that a mishap can lead to if there is such contamination. There are issues of odour, issues of dust, and, I think, even in the longer term issues of the dietary impact of the meats produced in these kinds of facilities. Earlier today, in fact, I was reading an NRCB ruling, an investigation into an ILO.

11:00

So with that sort of background, I have an amendment to propose for Bill 51. I've got the appropriate number of copies here, approved by Parliamentary Counsel, and I'll ask that they be distributed at this time. I'll wait a moment for them to be distributed.

The Chair: Hon. member, when you get around to moving it, it'll be called amendment A1. You have provided the original copy for the chair, so that's good.

Dr. Taft: While it's being distributed, Mr. Chairman, I'll read it into the record. I move that Bill 51, the Natural Resources Conservation Board Amendment Act, 2003, be amended in section 3 by adding the following after the proposed subsection (2):

(3) For any application for approval, registration or authorization for a confined feeding operation under the Agricultural Operation Practices Act, the Board shall ensure that a health impact assessment is performed.

(4) For the purposes of subsection (3), a health impact assessment means an assessment by the regional Medical Officer of Health or designate, on the potential impact to the health of humans from a proposed approval, authorization or registration of a confined feeding operation.

The intent of this amendment is quite clear. It's intended to put

into legislation a requirement that the NRCB undertake a health impact assessment when they are investigating applications for confined feeding operations. This is consistent, certainly, with the health policy that the Liberal opposition has brought forward, one aspect of which is calling for health impact assessments to be performed on major government policies. The notion of a health impact assessment is, in effect, parallel to that of an environmental impact assessment, so under a health impact assessment you'd simply be looking at a requirement that the health impacts of a particular decision be weighed, be thought through, and be reported on so that they enter into the debate and a decision-making process.

Now, as the Member for Whitecourt-Ste. Anne pointed out, the NRCB typically does work with regional health authorities in looking at or approving confined feeding operations. This is a way to formalize that requirement. We know that these kinds of issues are of general concern. Even living in an urban constituency, I get calls and letters on these issues frequently. This is an opportunity to begin the process of raising the awareness of health issues on government decisions and government policies and in legislation. In the long term this is one way for us to help contain demands on the health care system. It is a way to shift our whole orientation to approaching health from one of responding after the fact to one of anticipating before the fact: prevention instead of treatment.

So I would urge members of the Assembly to support this. This is not a terribly costly amendment. In fact, as I said earlier, in many ways this is a formalization of existing practice, but it is a formalization that is important symbolically and at some times will be important legally, for if the health impact assessment were not done and if it was in legislation, then there might be grounds for legal action.

If people want to learn more about our notion of a health impact assessment in this context and more broadly, of course, they are always welcome to visit our opposition web site, which is liberalopposition.com. Thank you, Mr. Chairman.

The Chair: The hon. Member for Whitecourt-Ste. Anne, followed by the hon. Member for Edmonton-Highlands.

Mr. VanderBurg: Thank you, and thank you to the Member for Edmonton-Riverview. Independence is vital; I agree with you. Like I said earlier, the health impact assessment I don't think is needed in the form of a bill. As I said earlier, often the regional health boards are brought into the discussion. Albertans and Alberta producers have proven that their products are safe, and Albertans haven't questioned that, as you can see with what's happened in these past six months. I think that the bill addresses in an adequate nature the changes that need to be brought in to clarify the board's administrative function and that it continue to operate in a manner that has been becoming of the NRCB.

Thank you.

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thanks very much, Mr. Chairman. I'm pleased to rise to speak to this amendment to Bill 51. This amendment would require applications for the approval of a confined feeding operation – they keep changing the titles of these, hoping to I suppose confuse people about what it is that's going to be constructed just upwind of them.

I just want to indicate that contrary to what the hon. Member for Whitecourt-Ste. Anne said about safety of Alberta agricultural products, I would remind him that one case of BSE, which arose in conditions in which the provincial government had neglected the

health and safety of Albertans through cuts to officers regulating the meat industry and then through their misguided attempt to . . .

Mr. VanderBurg: Point of order.

The Chair: Hon. Member for Edmonton-Highlands, a point of order has been called by the hon. Member for Whitecourt-Ste. Anne.

Point of Order

Clarification

Mr. VanderBurg: There is no way I'm going to listen to that crock.

The Chair: Do you have a citation?

Mr. VanderBurg: That is absolutely untrue. The department of agriculture and the government have taken good care of the agriculture community, and those comments are unfounded.

The Chair: That's basically a clarification, which could be given whenever the hon. member is finished speaking, as opposed to a point of order.

The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. That saves me having to make a point of order about the purported point of order that was just made.

Debate Continued

Mr. Mason: Mr. Chairman, it is, in fact, the case that there were reductions by this government in the number of inspectors that were available for meat prior to that case being found, and it is also the case that the whole system was plugged up with elk heads. Now, we can get into the history of how we came to have so many elk heads sitting in the freezers in provincial labs. It is well known that the government promoted the elk ranching industry and that lots of people got involved in it, many of them friends of the government, who lost their shirts in the business when it collapsed because of chronic wasting disease and that the minister of agriculture ordered that these animals be given priority for testing, which is part of the reason why that one cow spent three months . . .

11:10

Ms Blakeman: How long?

Mr. Mason: Three months in a freezer before it could be tested, and that this fact contributed to the lack of confidence of the American, Japanese, and other governments in Alberta's testing program, which resulted in massive losses to the cattle industry in this province and the expenditure, I might add, which we just approved tonight, Mr. Chairman, of over \$700 million in aid for farmers. The government has got off very, very lightly with respect to its responsibility for that whole mess, which has devastated the agricultural industry this year in our province.

But to come back to the question of ILOs, Mr. Chairman, it is, I think, very prudent to ensure that there be a health impact assessment before ILOs are approved. I would suggest that the move towards ILOs, particularly in the hog industry, is fraught with a number of potential problems. The government has shown a remarkable lack of foresight in anticipating what these problems might be and preparing for them in a way that ensures that people's health and the environment are not seriously compromised.

So the hon. member's proposal here to require health impact assessments and his definition of a health impact assessment seems

to me a very valuable addition to Bill 51. I think that in practice it's good because there is a lot of concern. We hear a lot of concern from people who are worried about the confined feeding operations or the intensive livestock operations or factory farms or whatever you want to call them.

It's becoming apparent to us that these groups feel that it is the Natural Resources Conservation Board's mission to impose ILOs on communities irrespective of whether or not the people in those communities want to have them sited there. We have received submissions from individuals and groups who have been trying to make use of the system, so-called, which has been put in place to approve these things, and they are getting nowhere with the Natural Resources Conservation Board. They are facing continued environmental damage from ILOs, which affects both their quality of life and the value of their property. There are many concerns from agricultural communities regarding the sustainable farming practices. So I think that this would give some additional direction to the NRCB, and I think it is welcome.

Community people that have talked to us believe that the NRCB is the government's tool to expand ILOs in the province. The government, they believe, I think correctly, controls the board largely by controlling appointments. If this were passed, the government's goal could be undermined, and I think that's part of the difficulty.

Here are a few things that people have said to us, Mr. Chairman.

The NRCB Act must be stripped of most of its power. People are asking for board reviews on board approved hog barns with proof that the siting of certain CFO's is bad, these people are being refused any board reviews.

Another person says:

Looking at the Review Board themselves, I question why they were selected. Why are there no persons on this board that [have] any regard for the environment? The majority of the members have a keen interest in the expansion of the livestock industry as they have a financial interest in it.

Mr. Chairman, it's clear that many people in this province have no confidence in the NRCB as it's now constituted or in its mandate as it is now constituted. So the hon. member's amendment, which would require the NRCB to do health assessments, would be an important step towards ensuring that this board is actually looking after the interests of the public rather than simply being a tool of the government to force the siting of ILOs over and above the objections of individuals living in rural Alberta.

As such, Mr. Chairman, I urge all members to support this amendment. Thank you.

The Chair: The hon. Member for Edmonton-Gold Bar on amendment A1.

Mr. MacDonald: Yes. Just for clarification, this is amendment A1, because I at a later date have amendments to this bill as well. So this is A1.

I first would like to congratulate the Member for Edmonton-Riverview for presenting this amendment to the Legislative Assembly. I would encourage all members to support this amendment. When you think of a health impact assessment and you think of how intensive livestock operations will affect, for instance, air quality and water quality, the concept of a health impact assessment goes far beyond Official Opposition policy.

In fact, I would urge the government not only to adopt this amendment but to adopt the health care policy. The health care policy, for those who are interested and have laptops hooked up here, is at liberalopposition.com. Many different places . . . [interjection] An hon. member mentioned fairy tales. Well, their

government's own web site with insurance was nothing but a fairy tale, and it was a short-lived fairy tale, because it didn't live for a day on the internet. The information was wrong, and all of a sudden it was pulled off. Now, that's an Internet fairy tale, not a health care policy.

The Chair: Hon. member, we're on the amendment; aren't we?

Mr. MacDonald: Of course.

The Chair: It seemed that I'd lost you there for a while.

Mr. MacDonald: Yes. Now, Mr. Chairman, a health impact assessment, not only when one considers air quality and water quality but also the entire approvals process for one of these enterprises in rural Alberta – it would be a lot easier. People downwind, as the hon. Member for Edmonton-Highlands stated, could rest a little easier. Also, when you have these intensive livestock operations, or confined feedlot operations, a health impact assessment perhaps would also comfort people, because many people in this province believe that we are getting the pollution and someone else is getting the pork and the profits.

When you consider what will be left behind, Mr. Chairman, long after the ILO, or the confined feedlot operation, is gone, the effect on the surrounding environment and how that could affect, again, the citizens who are in the community, well, it's one more reason why all members of this Assembly should support the health impact assessment.

We go one step further in this process, and we look at the health impact assessment and the role of the regional medical officer of health or a designate. Now, in the case of southeastern Alberta it may be a designate because, unfortunately, I believe the medical officer of health in one regional health authority lost his job as a result of his comments on Kyoto. So it might in the case of this amendment be a designate because the office may not be filled because of a termination because of an alternate or different opinion.

Now, this medical officer of health or the designate could study "the potential impact to the health of humans from a proposed approval, authorization or registration of a confined feeding operation." That would make, again, a thorough study of the entire operation, Mr. Chairman. If we adopt this amendment A1 to Bill 51 this evening, it would be the first use of a health impact assessment in Alberta. It would be historic, and if we want to make history, well, then, let's support the amendment from the hon. Member for Edmonton-Riverview. It would be an important first step.

11:20

In conclusion, Mr. Chairman, I would urge all members to put aside their partisan differences and support this amendment. Rural Alberta will sleep more comfortably at night knowing that if a CFO has been approved by the Natural Resources Conservation Board, there will be a health impact assessment done, and we would have a better community and a better province. So I would urge all hon. members at this time to support amendment A1.

Thank you.

[Motion on amendment A1 lost]

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Mr. Chairman, in regard to Bill 51, the Natural Resources Conservation Board Amendment Act, I have had quite a look at this bill and have had discussions with a few citizens

and have conducted some research. As dejected as I am over the defeat of the health impact assessment amendment, when we consider the membership of the board and the purpose of the board, we have a look at the proposed subsection (2). Now, at this time I have another amendment that I would like to present to the Legislative Assembly for its consideration. It has been submitted to the table, and I believe, yes, it has been circulated.

At this time, Mr. Chairman, I would like to move amendment A2 to Bill 51, the Natural Resources Conservation Board Amendment Act. I would like to move that Bill 51 be amended in section 3 by adding the following after the proposed subsection (2).

(3) The Board shall develop appropriate environmental standards, in concert with the appropriate experts, that deal with the remains of animals and the buildings or other structures if a confined feeding operation, as defined under the Agricultural Operation Practices Act, is destroyed unintentionally.

(4) The Board shall develop appropriate environmental standards, in concert with the appropriate experts, to deal with the remains of a confined feeding operation, as defined under the Agricultural Operation Practices Act, that has ceased operations.

This amendment, Mr. Chairman, is meant to address the concerns which have been expressed by many members of the public. There are some serious concerns about the environmental impacts of intensive livestock operations which may affect human health. We talked about that a little earlier in debate on Bill 51, amendment A1, and certainly there were concerns about water and especially air quality. These concerns remain foremost in the minds of many.

Now, this amendment is designed to address some very specific instances where there have been some identified gaps in Alberta statutes. This summer there was an operation in our province which was the victim of a fire. The structures housing the animals were destroyed, and the animals inside them were killed. The loss to the producer was no doubt significant. It was significant financially and emotionally.

However, in addition to this tragedy there were some serious concerns about the remains, especially the remains of the animals. Yes, the animals. The carcasses sat, so I am told, for 10 to 11 days in the open air. Then they were simply buried, Mr. Chairman. There were no tests to ensure that the remains weren't near a water aquifer, for example. They were just simply buried. This is a serious concern and has the potential, if not in this case in another down the road, to be a hazard to human health.

Not only does this amendment compel the Natural Resources Conservation Board to establish standards to deal with the remains of an intensive livestock operation which has ceased to operate, but it also compels the Natural Resources Conservation Board to develop standards to deal appropriately with situations which I have described. These standards must be in concert with technical experts who understand fully the ramifications of the impact of such instances on the environment and to human health.

In light of what I have just stated, I would urge all hon. members to vote in favour of amendment A2. The health impact assessment was defeated, but this is everyone in this Assembly's second chance to improve Bill 51.

Thank you.

The Chair: The hon. Member for Edmonton-Riverview.

11:30

Dr. Taft: Thank you, Mr. Chairman. I'll keep my comments brief in supporting this bill, but I do think that this is worth serious

consideration. Some of these confined feeding operations are essentially like midsize cities in terms of the sewage they produce, the water they consume, and the tens and tens of thousands of animals that they house. If one of those, Heaven forbid, is struck by fire, which sooner or later is inevitable or is very likely, it would seem to me, or if there is some kind of catastrophic disease outbreak or if there is some other reason that one of these buildings is destroyed unintentionally or, as has happened more than once in this province, a confined feeding operation goes bankrupt and can't find a new buyer and ceases operation, there are very serious questions around what happens to these very, very significant facilities. This would provide for those situations clearly and in legislation so that we don't see large numbers of animals left to decay or just get randomly buried in a field adjacent to the operation.

So I think that's the kind of measure that the people of this province would expect from their government, the kind of thing that would, as the Member for Edmonton-Gold Bar said, help them sleep easier at night.

I would encourage members to support this amendment. Thank you.

[Motion on amendment A2 lost]

[The clauses of Bill 51 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Mr. Chairman, I would move that the committee now rise and report bills 50 and 51.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following: Bill 50, Bill 51. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I would move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 11:35 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, December 2, 2003**

1:30 p.m.

Date: 2003/12/02

[The Speaker in the chair]

head: **Prayers**

The Speaker: Welcome.

Let us pray. Our Father, we confidently ask for Your strength and encouragement in our service of You through our service of others. We ask for Your gift of wisdom to guide us in making good laws and good decisions for the present and the future of Alberta. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of the Assembly 56 grade 6 students and their teachers Miss Colleen Reeder, Ms Campbell, Mr. French and parent helpers Mrs. Krause, Mrs. Marko, Mrs. Daniels, Mrs. Kim, Mrs. Lee, and Mrs. Parish from George P. Nicholson school in my constituency of Edmonton-Whitemud. They're here today to observe and learn with keen interest about our government, and we've had an opportunity to tour our legislative chambers. George P. Nicholson is a new school in the area of Twin Brooks. It's a wonderful new addition to our community. It's a wonderful new addition for our children, and there's only one thing that I would mention, that the Minister of Learning might perhaps provide a few more books for the library. I'd ask the teachers, students, and parent helpers to stand and receive the traditional warm welcome of our Assembly.

Mr. Speaker, it's also a pleasure for me to rise today and introduce six fine young people who are committed to safer communities and a more peaceful Canada. Each of them was involved in bringing nearly 400 young people from across Canada to Edmonton for YouCan's youth conference on peace building and conflict resolution. For those of you not familiar with YouCan, it's a national organization that promotes youth-led conflict resolution and violence prevention initiatives. I had the pleasure of speaking at the event, and, as I told them, it was exciting for me to see young Canadians investing their enthusiasm in something as important and as constructive as peaceful problem solving. They even had me dancing to Twisted Sister on Saturday morning. It's my pleasure to introduce Kyle Dubé, Tara Tancred, Rob Heydari, Bryan Conroy, Cortney Garnett, and Cam Malchow. I congratulate them again on the successful event and ask them to rise and receive the traditional warm welcome of our Assembly.

The Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Speaker. I am delighted to be able to rise and introduce to you and through you to members of this Legislature 56 of the most rambunctious, keenest, and friendliest grade 6 students you could ever meet. They're from Aldergrove school. These bright, eager young people have been touring the Legislature this morning and have also decorated a Christmas tree in the pedway. Accompanying the students are their teachers, Mrs. Christine Steil and Mrs. Sandy Colquhoun. Aldergrove is blessed with a large, very active school council and many, many volunteers. Accompanying the students and their teachers are some of these parent volunteers: Mr. Ed Cox, Mrs. Shelley Cox, Ms Renae Sauer,

Mrs. Cindy Alexander, Ms Terry Arndt, Mrs. Tracy Miller, Mrs. Wendy Anderson, and Mrs. Marlan Ballantyne. My Aldergrove guests are seated in the public gallery, and I'm asking that they please rise and receive the traditional warm welcome of the Legislature.

The Speaker: The hon. Member for Edmonton-Glenora.

Mr. Hutton: Thank you, Mr. Speaker. It is, indeed, a pleasure for me to stand on behalf of my colleague the Member for Edmonton-McClung, the Minister of Economic Development, to introduce a constituent of his, Chelsea Mitchell. Chelsea is seated in the members' gallery, and if she would please rise, I would ask that all members give her the warm welcome she deserves.

Thank you.

The Speaker: The hon. Leader of the Official Opposition.

Dr. Nicol: Thank you, Mr. Speaker. It's a real pleasure for me today to stand in the House and introduce to you and through you to the members of the Legislature a number of people including a number of chiefs of the First Nations communities from northern Alberta. I'll introduce the chiefs and some of the members of their band, and then I'll ask them to rise: first of all, Chief Jerry Noskey from the Loon River Cree Nation, Chief Bernie Meneen from the Tallcree First Nation, Chief Rose Laboucan from the Driftpile First Nation, Chief Steve Didzena from the Dene Tha' First Nation, Chief Francis Gladue from the Bigstone Cree Nation, Lorraine Muskwa from the Alberta Treaty 8 health authority, and Daniel Nanooch, an elder. I'd ask all of them to rise, as well as the other members of their band that are there, and receive the warm welcome of the House.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I have two introductions today. The first introduction is Karen Farkas and Clyde Hurtig. They are the owners of Heart Smart Foods in Sherwood Park, and they are patrons of the arts and, particularly, supporters of Workshop West. They are my guests today, and they're shadowing me as an MLA. They're keenly interested in the democratic process. I would ask them to please rise and receive the warm welcome of the House.

My second introduction today, Mr. Speaker, is a man I'm very proud of. Brian Deedrick is Lacombe born and bred. He was educated at the University of Alberta, and he apprenticed his craft in Europe and throughout the world. My friend Brian is now the artistic director of the Edmonton Opera and has just opened, very successfully, his first production directed as artistic director, *Turandot*. He's accompanied today by the woman that makes it all possible, and that is Mary Phillips-Rickey. She's the general manager for the Edmonton Opera, and I know that she does all the heavy lifting. I'm very proud of both of these people. Please rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Minister of Infrastructure.

Mr. Lund: Thank you, Mr. Speaker. During question period today there will be some 55 students from Will Sinclair high school in Rocky Mountain House joining us, and they will be accompanied by teachers Mrs. Alanna Cellini, Mr. Nathan Moore, and Mrs. Roxane Melvin, as well as a parent helper, Mrs. Christine Merillis. They will be joining us, as I said, during question period, and they may be leaving before it's over.

Thank you, Mr. Speaker.

The Speaker: The hon. Minister of Revenue.

Mr. Melchin: Thank you, Mr. Speaker. I'd like to take the opportunity today to introduce to you and to members of this Assembly two outstanding individuals from Calgary that I've the opportunity of meeting with, Mr. John Merrifield and Mr. Jim Wolfe from SAP Canada. If they would stand and receive the warm welcome of the Assembly.

head: **Oral Question Period**

Access to Crown Land

Dr. Nicol: Mr. Speaker, the Premier said yesterday with regard to Bill 49, "It was a case of the legislation getting out ahead of the consultation process." To the Premier: does your government have time before session ends in a few days to consult all the chiefs of the area to get their buy-in for Bill 49?

Mr. Klein: Mr. Speaker, I don't know about a buy-in, and certainly the Minister of Aboriginal Affairs and Northern Development and the Minister of Sustainable Resource Development met with some, not all, of the chiefs today – as I understand, one chief boycotted the meeting – to try and explain the intention of Bill 49. I would like to point out that Bill 49 is not intended to resolve the long-standing conflict between developers and aboriginal people over access to public lands. There is a separate consultation process that is now under way to resolve this issue, and that process has been led by the Minister of Aboriginal Affairs and Northern Development and involves six other ministers.

Bill 49 relates to this issue in only one specific way: it reinforces already existing laws against illegal activities on public lands. The bill reiterates that blockades and the charging or accepting of unauthorized access fees on public lands are illegal.

And they are illegal, Mr. Speaker.

I would remind the leader of the Liberal opposition that on February 9 he was quoted as saying that the government doesn't have the courage to do what they have to do: enforce the law. Well, that's exactly what Bill 49 does. Nothing more, nothing less.

1:40

Dr. Nicol: Mr. Speaker, Bill 49 only enforces half the law.

The Speaker: Hon. leader, please. We're now in third reading stage of Bill 49. The purpose of question period is not to debate the bill. If there are policy questions, proceed.

Dr. Nicol: Just clarifying what I said, sir.

It is the aboriginal affairs minister's job to consult with the First Nations. Why were the First Nations not brought in and truly consulted on Bill 49 before it was introduced in the House?

Mr. Klein: Mr. Speaker, I alluded to that yesterday, and I said that perhaps they should have been involved in those consultations relative to the legislation. It doesn't change the fact that the legislation will go ahead, because it speaks to a matter of the law and the matter of the measures that need to be taken to make sure that the law is upheld. As I explained before, there is a separate consultation process now under way, and that process, as I understand, will continue.

I will have the Minister of Aboriginal Affairs and Northern Development explain more relative to the process.

Ms Calahasen: Mr. Speaker, the process on consultation, as I've indicated in this House, is to be able to work with the First Nations

and deal with a process for us to be able to identify how we can look at potential infringement and what would happen to aboriginal and treaty rights. We need to continue to do that, and that's very important.

On the issue of Bill 49 I'm sure my colleague from Sustainable Resource Development would like to discuss that further in terms of the recommendation that was brought forward.

The Speaker: I'm going to repeat what I just finished saying. We've now dealt with Bill 49 in first reading, second reading, committee, and it's on the Order Paper for third reading. We'll discuss process but not the bill.

Dr. Nicol: Mr. Speaker, to the minister of aboriginal affairs: given that \$6 million was to be spent, can she outline the process that she went through in consulting with the First Nations prior to the development of the bill and the introduction of that bill in this House?

Ms Calahasen: Well, Mr. Speaker, so many times I've talked about the whole issue of what we're doing on consultation, and obviously there is some misinformation and misunderstanding as to what's happening. The consultation initiative is to be able to deal with the various ministries who would come to the table to be able to develop guidelines and policies relative to how we work with First Nations on the development of this where it could potentially impact the First Nations' aboriginal rights and treaty rights. That's basically what we're doing. That's a separate process. That is dealing with that issue on a larger scale.

In terms of the other process, we are working on the contractor issue and the First Nations. First Nations wanted to get on the page in terms of economic development. We heard their concerns, and we know that we have to be able to deal with that issue and ensure that as we move forward, we continue to work with them on these issues. So, Mr. Speaker, we have some information that'll be coming out later on this afternoon.

Dr. Nicol: Mr. Speaker, Motion 01-11-28-03, passed by Treaty 8 First Nations of Alberta: "To reject Bill 49 in its entirety and further that the Chiefs Committee appointed develop an action plan for Treaty 8 (Alberta) to oppose Bill 49." This was moved by Chief Waquan and seconded by Chief Meneen and carried unanimously by their assembly. To the Premier: is it the policy of the Premier and of government still to pass this bill when he knows that Treaty 8 chiefs are completely opposed to this bill?

Mr. Klein: Mr. Speaker, I'll have the hon. minister who introduced Bill 49 speak to it, if you'll allow him, but, as I said, that bill is not intended to resolve the long-standing conflict between developers and aboriginal people over access to public lands. It is a bill to ensure that the law is upheld relative to enforcing already existing laws against illegal activity on public lands.

Mr. Speaker, relative to the motion passed by the chiefs, I asked the Minister of Aboriginal Affairs and Northern Development specifically – specifically – what is the problem with the legislation? Once I know – and if one of the chiefs or all of them would write me a note and tell me specifically, absolutely specifically what they object to – then perhaps we can deal with it, but according to the minister there were no specifics.

Dr. Nicol: Then to the Premier: will you pull the bill and meet with the chiefs that are in the gallery in this House today so that they can give you their understanding of what is needed to make this work?

The Speaker: Hon. members, we have a constitutional difficulty with that question. The bill is the property of the House. No individual can pull anything. The House must now make a decision on this bill.

Mr. Klein: Well, after your dissertation, Mr. Speaker, I don't know how to answer that question. I'll defer to the hon. minister.

Mr. Cardinal: Mr. Speaker, in relation to the process and just for clarification here, the bill is the law in general application. We manage over a hundred million acres of public land in Alberta. Five million of that is leased to various users even in the white area. Of course, there's a multi multi amount of users across the province. Therefore, that is why we followed the process we did.

Dr. Nicol: In a process of rebuilding the trust of First Nations, will the Premier meet with the chiefs in the gallery after question period?

Mr. Klein: Mr. Speaker, I haven't had a formal request, and I'm not considering the request or the demand by the leader of the Liberal opposition to meet with the chiefs as a formal request. If they write me a note, I'll take it under consideration.

Mr. Speaker, I would like to say that this is not an issue that relates to aboriginal people or First Nations people only. It is an issue, as the hon. minister pointed out, that is provincewide. There are instances, well, near the hon. leader of the Liberal opposition's own riding, where people say: well, you can come onto public land, if it's leased, if you, for instance, rent a cot in my granary or if you pay me to guide you. Well, that is illegal, because the law clearly states that access to public land shall be free access to public land. That is respecting the traditional rights of aboriginal people to hunt and fish on those lands, and we respect that. There are instances in southern Alberta, in central Alberta, and in numerous nonaboriginal areas where this practice is taking place, and all we want to do is introduce legislation to make sure that the law is enforced.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Premier's Trip to the United Kingdom

Mr. MacDonald: Thank you, Mr. Speaker. It is interesting to observe just who exactly this government wants to meet with. The Premier, in discussing his travel plans, announced that he would be meeting with representatives of Centrica, the parent company of Direct Energy. However, yesterday during question period the Premier said: "I didn't meet with Centrica in London. I ran into a representative of the company and exchanged a few words with him." My questions are to the Premier. Will the Premier disclose where he just happened to run into the Centrica representative in London and what the full extent of their conversation was?

1:50

Mr. Klein: I'd be very, very happy to, Mr. Speaker. The extent of our conversation was very, very brief indeed. I ran into the representative of Centrica at a joint dinner meeting of the chamber of commerce. Or maybe it was a luncheon meeting. I'm not quite sure. I know that there was food, and I know that it was a joint meeting of the Canada-U.K. Chamber of Commerce. The representative from Centrica was there.

The conversation lasted about 30 seconds to 45 seconds, maybe up to a minute; I don't know for sure. After "Hi. How are you? Centrica? Oh, I know Centrica, yes. You're involved in Alberta.

We look forward to your participation. I understand that you have some matters that are now before the Alberta Energy and Utilities Board. I hope that they can be sorted out as quickly as possible," his reply was, "Yes, I do hope that they can be sorted out as soon as possible." That was the end of the conversation.

Mr. MacDonald: Mr. Speaker, again to the Premier: given that yesterday the Premier said that "they're hopeful of having their issue vis-à-vis Direct Energy resolved before the Energy and Utilities Board very shortly," does the Premier not even know when he's being lobbied?

Mr. Klein: Mr. Speaker, I don't know if the gentleman gave me his card or not, but in no way was I being lobbied. In no way whatsoever was I being lobbied. That was the extent of the conversation. If I can track down the gentleman, I will gladly give the hon. member his name so he can ask the person himself if, in fact, that person lobbied me. It simply didn't happen.

Mr. MacDonald: Again, Mr. Speaker, to the Premier: when will this government stop interfering with the decision-making process of the Alberta Energy and Utilities Board?

Mr. Klein: Mr. Speaker, I don't know of any instance where this government has interfered, actually intervened, with the process of the board.

Relative to the Centrica issue, I have never nor will I ever send a letter, make a phone call, discuss this matter with any member or any staff person of the Alberta Energy and Utilities Board. It would be improper, and I certainly wouldn't do that. I don't know if the member of the opposition would do that, but I wouldn't do it.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Lacombe-Stettler.

First Nations Economic Development

Mr. Mason: Thank you very much, Mr. Speaker. For many years First Nations people have been struggling to obtain independence in economic development, and the government has twiddled its thumbs. The Minister of Aboriginal Affairs and Northern Development has clearly dropped the ball in terms of consolidation with respect to Treaty 8 people on the legislation which is currently before this House. My question is to the Premier. Why is it, Mr. Premier, that the economic development concerns of First Nations people can sit on the back burner for years and years and the government can move very, very quickly and by stealth to take away their rights through a piece of legislation?

Mr. Klein: Mr. Speaker, I take great exception to that statement. I take exception to that statement because we have in this caucus, in this Assembly, two aboriginal members: the Minister of Aboriginal Affairs and Northern Development and the Minister of Sustainable Resource Development. [interjection] No. One Métis and one treaty. [interjections] Four Métis and one adopted.

Mr. Speaker, having said that, I'm sure that the ND and the Liberal opposition would agree that no one ought to be able to break the law, whether that person is white or a member of First Nations or of any other descent. No one in Canada should be allowed to break the law, and Bill 49 simply reinforces the right to uphold the law.

Mr. Speaker, relative to the consultation and to speak to the issue that the hon. member raises, first of all, the consultation process

quite clearly encourages the Canadian Association of Petroleum Producers and other people who do work on aboriginal traditional lands to ensure that its members utilize fair contracting procedures so as to provide a level playing field for aboriginal and nonaboriginal contractors seeking work. That also applies to employment.

We resist suggestions that an attempt be made to influence the manner – and this speaks to the issue that was brought up previously – in which the Energy and Utilities Board deals with First Nations issues but indicate that industry is entitled to contact the board directly with its concerns and that Alberta differentiate between the understandable concerns of contractors related to fees and blockades and the less legitimate complaints about the loss of market share to First Nations. I think that's very important. As a result of rational . . .

The Speaker: Hon. Premier, I think we're getting into a debate on the bill here, on which we've arrived at reading three now. I'm going to repeat that for the third time.

The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. The question really is this: why is the government prepared to move very quickly in strengthening the law yet has dragged its feet for years and years in respect to the concerns of the aboriginal people and their economic development?

Mr. Klein: Mr. Speaker, that is not true. That is absolutely untrue. This member should stand up and apologize. There is no government that has done more for aboriginal people than this government. That is so untrue, so false. He should be ashamed of himself. He should apologize to this House and to the people of this province.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Again to the Premier: why is it, then, that aboriginal people and Treaty 8 people are here? Not to observe what the New Democrat caucus is saying but what your government is doing when your government sells them out.

Mr. Klein: Mr. Speaker, I just received a note signed by five of the chiefs requesting a meeting as soon as question period is over or immediately after the Assembly is complete for the day. I will meet with the chiefs maybe not today but at some future time in the very near future. I have commitments for the rest of the day, and I'm sure that members of the First Nations have commitments. So I just can't drop everything and have a meeting, but I will pass this on to my appointment secretary. She will contact one of the chiefs, and we will set an appropriate time for a meeting. That's not a problem.

2:00

Internet Luring

Mrs. Gordon: Mr. Speaker, I'm very troubled by recent reports of two young girls who were lured over the Internet into potentially dangerous and harmful situations. In the case of the young lady from Lacombe, she flew all the way to Toronto on a ticket purchased by a Toronto male. Fortunately, this played out well as there was a great deal of assistance between police forces and officers that led to a successful conclusion. The male in question was apprehended immediately upon the girl's disembarkment at Pearson international airport. Both girls in question were only 15 years old, yet no charges were laid. To the Minister of Justice: can the minister explain what he has done to ensure that Canadian laws protect children in these

situations and further explain why charges could not be laid against the males allegedly involved?

The Speaker: The hon. Minister of Justice and Attorney General on the first section of the question. The second one is not within the purview of the House.

Mr. Hancock: Thank you, Mr. Speaker. As the House will know, because I've taken every opportunity I can to talk about this issue, we in Alberta have taken a very strong position about the protection of our children and a very strong position with respect to federal laws that need to be changed with respect to protection of children from child pornography and to increase the age of consent. In fact, this House passed a resolution several years ago, unanimously I believe, encouraging the federal government to raise the age of consent.

Currently the age of consent for sexual activity with a person is 14 years of age. It would send a clear and unambiguous message that children are not appropriate sexual partners where significant age discrepancy exists by raising that to 16 years of age. Now, this comes into play with respect to Internet luring because the sections of the code with respect to age and consent for sexual activity are the same sections of the code that are relied on with respect to the Internet luring changes that the federal government is proposing. Strengthening the Internet luring questions will only go so far. We also need to strengthen the law with respect to the age of consent.

With respect to the specific case that the member mentioned, I can't speculate as to what information or evidence the police had with respect to laying a charge, but I can say that it's safe to say that children in chat rooms are being preyed upon by men who would not otherwise have access to them. When a 15 year old shows up at a meeting, consent is not the real issue. The child will be impressed or intimidated into following through with promises made.

So raising the age of consent to 16 would have protected both of the girls in this situation, raising the age to 16 would have put more teeth into the Internet luring provisions, which the federal government is proposing for the Criminal Code, and raising the age of consent would have been essential to allowing a prosecution of this type of offence.

Mrs. Gordon: My next question, Mr. Speaker, is to the Solicitor General. If the police had had timely access to passenger lists, apprehension of one of the young ladies could have taken place before departure at the Edmonton International Airport. Why can't the police intervene earlier by accessing passenger manifests without a court order when time is of the essence and lives could be at stake?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. My understanding is that the passenger in this case, the young person, had a valid ticket, and she had not committed a crime under existing law before boarding the aircraft. That doesn't necessarily mean that the person that lured her hadn't committed a crime. Under federal freedom of information legislation police do not have access to the passenger list. I also understand that in this case in question the police were able to determine through other methods that the young person was aboard the plane and were able to safely apprehend her and return her. Airlines and police work in co-operation during occasions that might be deemed to be an emergency or an urgent situation, as they did in this particular case.

Mr. Speaker, I also understand that the parents in this case were so pleased with the RCMP's quick work that they gave the Edmon-

ton International Airport RCMP detachment a plaque of appreciation. The system worked well in this case, and the police need to be commended for their hard work.

The Speaker: The hon. member?

Southeast Calgary Hospital

Dr. Taft: Mr. Speaker, in 1998 the Premier said of southeast Calgary, "Clearly, [it] has been identified as one of the fastest growing areas, and that's where the next hospital should be built." Well, it's five years later, and this government hasn't provided a penny for a new hospital in southeast Calgary. In fact, the Calgary health region is having to turn to private funds to build the hospital. My questions are to the Premier. Why has the Premier broken his word to the people of Calgary by not providing the funds necessary for a new hospital?

Mr. Klein: That is not quite true, Mr. Speaker. Really, we appoint regional health authorities to advise us on the health needs in a particular region. In this particular case, we are waiting for a formal request from the RHA. I have had informal meetings with the president of the RHA, Jack Davis, relative to the approach that they would like to take; that is, that the RHA would like to take vis-à-vis a new hospital in the southeast or the south. Mr. Davis indicates to me that they, being the RHA, would like to pursue the P3 notion relative to the construction of a hospital. There has never, never, never been a formal request for funds to build a new hospital.

The Speaker: The hon. member.

Dr. Taft: Thank you, Mr. Speaker. Well, given the expected \$3.4 billion surplus, would the province fund a new southeast Calgary hospital with public funds if they received such a request?

Mr. Klein: That is purely hypothetical, Mr. Speaker. We would have to examine it. It would have to go through the process of Agenda and Priorities, on to the standing policy committee, then to Treasury Board, then to cabinet, then to caucus. It would have to have a thorough vetting. We would have to look at the project in terms of our overall financing requirements. We would have to have discussions with the RHA relative to the scope and the size of the facility.

So there are many, many questions that need to be answered, and only the government can answer those questions. It's not as simple as the opposition would have everyone believe it is by saying: will you now commit, you know, a half billion dollars or so to a hospital? I mean, if that's the way that they propose to conduct government, it's no wonder that they only have seven members.

Dr. Taft: Will the Premier assure Calgarians that the owners and operators of any new southeast Calgary hospital will not be foreign investors?

Mr. Klein: Mr. Speaker, again, that is so hypothetical, so far down the road. We haven't received any proposals of any form. Admittedly, there have been informal discussions relative to the need for a hospital in southeast Calgary, and I agree with assertions that there is a need for the hospital. I'm sure that MLAs who serve that area agree that there is a need for a medical facility, a hospital in that area, but as to the design, who will finance it, whether it's publicly financed or whether it's alternatively financed privately, those details haven't been worked out, and I can't comment on whether or not the RHA would exclude foreign investors.

Mr. Lund: Mr. Speaker, the member indicated that we hadn't done anything relative to the hospital in south Calgary. The fact is that we have allowed the assembly of the property in order to accommodate this facility, and we are currently in the process of assisting with the scope of the project as it relates to the programs that will be operated out of that hospital. So to ever indicate that, in fact, there's been no response from government is absolutely false.

The Speaker: The hon. Member for Drayton Valley-Calmar, followed by the hon. Member for Edmonton-Centre.

2:10

Diversified Livestock Producers

Rev. Abbott: Thank you, Mr. Speaker. Many of my constituents who own and operate diversified livestock operations are very concerned that they were not included when the compensation programs for cattle producers were developed even though diversified livestock operations were also being hurt by the border closure. My question is for the Minister of Agriculture, Food and Rural Development. What kind of compensation was available for diversified livestock producers?

Mrs. McClellan: Mr. Speaker, let me clarify for the hon. member. Diversified livestock operators were eligible for each and every program that was related to BSE slaughter. They were included in the Canada/Alberta slaughter program. They were involved in the fed cattle competitive bid program, and in fact because of the necessity of waiting for slaughter capacity, we extended a slaughter program for those diversified livestock operators. So they have had very equitable treatment since May 20.

The Speaker: The hon. member.

Rev. Abbott: Thank you, Mr. Speaker. My only supplemental for the same minister is: how does the minister's recent announcement of an Alberta mature animal transition program affect diversified livestock producers?

Mrs. McClellan: Mr. Speaker, because all ruminants were affected by the May 20 BSE discovery in Alberta and all ruminants do not have the same type of operation, we have had to work with each industry, whether it was elk, deer, llama, alpaca, goats, sheep, as well as cattle, to ensure that whatever programs we put in place to support them work for them.

Because bison and cattle have a fairer slaughter market, they will be included under slaughter. Because elk, deer, and some of the others do not have that type of meat market developed, in consultation with them we have developed a feed program or something that suits their activity better. We established very quickly, as well, an other-ruminant roundtable, and each one of these groups has a member on that, and they assess this on a weekly basis and tell us whether it's working or not.

So, Mr. Speaker, we think we're well on the right track with diversified livestock in dealing with BSE.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Cardston-Taber-Warner.

Homeless Shelters

Ms Blakeman: Thank you, Mr. Speaker. Last month the Minister of Seniors proposed charging homeless people a fee of up to a third of their income, if they have one, to stay at homeless shelters to foster responsibility. The proposal suggests that the money would

be saved for a client in order to help pay for damage deposits on apartments. My questions today are to the Minister of Seniors. How does the minister see this plan helping people with mental illness or long-term health or addiction problems? Do they magically receive budgeting and coping skills they didn't have before?

Mr. Woloshyn: Well, Mr. Speaker, she raises two very different issues. I was referring to people who have an income who use the shelters as an interim residence, if you will. In the aftermath of the publicity surrounding it, it's very interesting to find that some shelters even currently charge for what I was suggesting. The next step is for these shelters to work with the individuals that are paying to have the transition to more permanent housing by helping with the damage deposit and first month's rent. So that's something that perhaps we'll be continuing to see further with the shelter operators.

With respect to folks with other kinds of problems, there are agencies that work with them, and, yes, they are a concern, and at some point we'll be trying to determine if there are better places for them to lodge and to live permanently. Through our Canada affordable housing program, Mr. Speaker, we've already opened facilities for people who have need for supports across this province, and we'll be opening more of them. So I think it's a matter not without cause that Alberta is being looked upon across the country as a leader in providing housing, a leader in the new program that is going forward with the Canada affordable housing program to the extent that if we choose, we can sign on for an additional four years after this particular four-year period is over.

The Speaker: The hon. member.

Ms Blakeman: Thank you, Mr. Speaker. Again to the same minister: can the minister table or show us what studies he consulted that would make a reasonable person believe that charging a homeless person for shelter would create responsibility? What studies did he look at?

Mr. Woloshyn: I would turn the question around and ask the hon. member if she is aware of the different kinds of classifications of people who occupy homeless shelters. My understanding is that there are some folks in there who can stay in a shelter for up to two years. There are other folks who are in there for a shorter period of time. [interjection] A little longer, I'm told from the other side. The people who are in the news the most are the folks who need overnight, shall we say, short-term, emergency kinds of locations.

This year, Mr. Speaker, we have been tracking the use of shelters on a daily basis. I'm very pleased to announce that on a nightly basis the Herb Jamieson shelter in Edmonton has vacancies. We are short of spots for folks who are inebriated, and that's something that we're working on currently with the Hope Mission in Edmonton. In Calgary we have made arrangements with the Calgary Drop-In Centre for an additional possible 200 emergency beds until the end of March, and I'm pleased to say there that about 50 of those beds on the average are not occupied. In addition, the province operates the Sunalta shelter, which has a capacity of 150 emergency beds, 50 of which on the average are not occupied. So currently, if things remain the same, we have the situation very well in hand in both Edmonton and Calgary.

The Speaker: The hon. member.

Ms Blakeman: Thank you very much, Mr. Speaker. To the same minister: the minister purportedly apologized for making public prematurely this idea of charging the homeless fees, but is this idea still being worked on behind closed doors?

Mr. Woloshyn: Mr. Speaker, as the member knows, anytime that she has a question to ask me, I always answer it, and there's nothing going on behind closed doors. The issue came forward when I answered a question posed to me in Calgary at the opening of a shelter, the Ward shelter, and I answered the reporter quite honestly, saying that that was under consideration.

Yes, we will be discussing the viability of it with shelter operators. I might point out, Mr. Speaker, that if any shelter operators do not subscribe to it, it cannot be imposed on them. They are the key to making it work. The government does not get involved directly with their operations. I'm very sure that we'll see as the days go by that the value of this suggestion will be recognized and that we will have some buy-in from the operators across the province.

The Speaker: The hon. Member for Cardston-Taber-Warner, followed by the hon. Member for Edmonton-Ellerslie.

Grain Marketing

Mr. Jacobs: Thank you, Mr. Speaker. Last fall the Alberta Wheat and Barley Test Market Act was passed into Alberta law. This act allows the minister of agriculture to enter into an agreement with either the Canadian Wheat Board or the federal government to allow a test open market for wheat and barley in Alberta. Many of my constituents were excited by the passage of this law as they feel they deserve the opportunity to sell their wheat and barley to any buyer, including the Canadian Wheat Board. Their excitement is waning, however, as the marketing situation hasn't changed in Alberta over the past year. My question to the Premier: since last fall what has the province done to support and assist Alberta's grain producers in their efforts to convince the Canadian Wheat Board that they deserve to have marketing choice just like farmers in Ontario?

Mr. Klein: We're working on the test market, of course. I don't know the state of our legislation. The hon. Member for Calgary-Mountain View is going to introduce legislation, Mr. Speaker, that probably will be challenged by the federal government, which seems to favour, as the NDs do, monopolies and seems to discount and ignore democracy.

2:20

This legislation will say, basically, what the majority of Alberta farmers have been saying, that they want choice. They want choice to market their barley and wheat either through the Canadian Wheat Board or privately contracting that wheat or barley. That's what the legislation will say fundamentally, but we're sure that the federal government will say: "You can't have choice. My gosh; that is democratic. That's un-Canadian. My goodness; don't you realize that this was brought in under the War Measures Act prior to the Second World War? This legislation is needed. My God; we have built a huge bureaucracy to support it."

The Speaker: Once again, I'm not really sure that the purpose of question period is to debate legislation that still has not been introduced.

The hon. member.

Mr. Jacobs: Thank you, Mr. Speaker. My next question is to the Minister of Agriculture, Food and Rural Development. Given the debate that has evolved around the issue of choice, how can this government be sure that producers in Alberta want marketing choice?

Mrs. McClellan: Well, Mr. Speaker, we had a recent survey that shows that 68 percent of barley growers prefer choice, 64 percent of

wheat growers prefer choice, and only 25 percent would support a mandatory marketing system. That's of no surprise to us in Alberta. Producers here believe that they are quite capable of making all of the decisions on the investment in their farm, including marketing.

Mr. Speaker, we hear trumpeted by the Canadian Wheat Board that it is a producer-driven, producer-elected organization. Well, one should examine the boundaries for the electoral districts, and they would find that many of them spread across into Saskatchewan and are not truly representative of Alberta. The second thing that they should note is that many farmers in this province, out of frustration with this monopoly, have quit growing board grains. That is a shame because we grow some of the best-quality wheat and barley in the world right here in this province.

I will tell the hon. member this: this government is elected by Albertans, only Albertans, and we'll fight for Albertans on this issue.

The Speaker: The hon. member.

Mr. Jacobs: Thank you, Mr. Speaker. A final question to the same minister: now that the government has a clear mandate, what steps are being taken to establish marketing choice in Alberta?

Mrs. McClellan: Mr. Speaker, we would like to take the test market, which was passed in legislation by this government last session, to Ottawa, to the minister responsible, for a final result. We've worked hard to make sure that this is something very simple, very clear that they could clearly respond to with a yes, preferably. However, it seems to be a bit dark in Ottawa right now to deal with this, and I understand that. But I have requested a meeting with Minister Goodale, who is still responsible for the Canadian Wheat Board, and have suggested through my staff that I would meet him in Saskatchewan – I'm very close to that – and try and present our case in a way such that they can understand that this is not against the Wheat Board, that this is not about the demise of the Wheat Board, that it is about offering the fundamental choice to Alberta producers that producers in Ontario have today.

The Speaker: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Edmonton-Strathcona.

Old-growth Forests

Ms Carlson: Thank you, Mr. Speaker. The preservation of old-growth forests has limited economic value, but these forests do make Albertans rich, rich in natural heritage and the knowledge that we are preserving a rare and beautiful type of ecosystem. This government's policies reflect only Albertans' interest in these forests' economic value, and this has to change. My question to the Minister of Sustainable Resource Development: why does this minister maintain policies that encourage the destruction of old-growth forests rather than their preservation?

Mr. Cardinal: Mr. Speaker, by the way the question is framed, I don't believe the member would know what an old forest looks like anyway, but that's beside the point. I do live in northern Alberta. As an example, my constituency covers all the way to the Northwest Territories and borders Saskatchewan. It's over 100,000 square kilometres.

Dr. Taylor: How many?

Mr. Cardinal: Over a hundred thousand square kilometres, Mr. Speaker. And it is forested. Sixty percent of our province is forested

and very well managed. We have one of the best-managed forest operations in North America. We have lots to be proud about rather than trying to run the system down.

Ms Carlson: Mr. Speaker, then when is this minister going to implement the Alberta forest conservation strategy, a progressive forest management vision that was agreed to by industry and environmentalists but which this government simply tossed away?

The Speaker: The hon. minister.

Mr. Cardinal: Yes, Mr. Speaker. It's something we're definitely working on. There was one clause in that particular area that I wasn't in agreement with, and that particular clause, I believe, has been changed now. When that happens, we'll go through the process.

Ms Carlson: Mr. Speaker, would the minister at least move this province toward natural disturbance model forest harvesting, whereby old-growth forest is maintained rather than decimated?

Mr. Cardinal: Mr. Speaker, we do have our forest management agreements in Alberta, we have our quota systems, we have our commercial timber permits, and then we have our private woodlots, which provide a lot of the wood in Alberta. In relation to old-growth forest – in fact, the other terminology that's used, of course, is the Canadian boreal initiative, which is no doubt part of what the member is questioning in relation to old-growth forests. In our forests, I would say, there are some areas where trees may be a hundred years old, but in general we have a lot of young forests also, which are very, very healthy.

When the FMA holders, for an example, do a plan – it's about a 20-year plan – they have to develop a 10-year plan of how the area is going to be developed. Then they have a five-year operating plan, and then they have an annual operating plan, which they have to take to the public to develop. So anyone that's interested, including this member, could participate in any of the public meetings in relation to how our forests should be planned. This member is welcome to come to northern Alberta and enjoy the scenery there and see how well our forests are managed.

The Speaker: Hon. members, in 30 seconds from now I'll call upon the first of a number of members to participate, but in the interim might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(*reversion*)

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. It's my pleasure to rise today to introduce to you and through you to all members of the Assembly a very old friend of mine – well, he's not that old, actually – well-known local musician Action Jackson, Lee Elwood Mayes. He's seated in the public gallery, and along with him is his much better half, I might add, Jacquie Chastellaine, travel agent extraordinaire. Along with them are Lee's nephew, Dallas James Mayes, and daughter, Raimi Li-Anne Mayes. I'd ask that they rise and receive the warm traditional welcome of the Assembly.

The Speaker: Hon. Minister of Infrastructure, your guests are now here.

Mr. Lund: Thank you, Mr. Speaker. I did introduce my guests earlier, but they weren't in the House, so I want to take this opportunity to introduce to you and through you to members of the Assembly some 55 students from Will Sinclair high school in Rocky Mountain House. They're accompanied by three teachers and a helper. I would ask them to rise and receive the cordial welcome of the Assembly.

2:30head: Members' Statements

The Speaker: The hon. Member for Cardston-Taber-Warner.

2001 Southern Alberta Water Sharing Group

Mr. Jacobs: Thank you, Mr. Speaker. It is my pleasure to rise in this Assembly today to recognize an outstanding group in my constituency that has been presented with a prestigious award. The Irrigation Association has granted the distinguished national water and energy conservation award to the 2001 Southern Alberta Water Sharing Group. This group includes the St. Mary irrigation district and is also comprised of the Aetna, Taber, Raymond, Magrath, and Leavitt irrigation districts.

These districts were presented with their award at the Irrigation Association's 24th annual international irrigation show in San Diego on November 19. The awards were established in 1982 to honour extraordinary achievements in the conservation of water and energy relating to irrigation procedures, equipment, methods, and techniques.

Mr. Speaker, the 2001 Southern Alberta Water Sharing Group was formed to manage water as effectively and fairly as possible. In the winter, spring, and summer of 2001 southern Alberta experienced abnormally warm and dry weather conditions. Despite the area's intensive irrigation infrastructure the below-normal precipitation from previous years had made the situation critical. By 2001 the water supply had diminished to cover only 60 percent of the rights of its licence holders. With this water shortage the districts and licensees acknowledged that if they shared the water supply, they could remedy the situation and no one party would be severely hurt.

The irrigation districts worked closely with Alberta Environment staff to implement a mutually agreed upon water-sharing contract. This unprecedented co-operation among irrigation districts, farmers, livestock operations, recreational facilities, towns, villages, industry, as well as local and provincial governments resulted in a system that supported the whole community rather than just special interests.

Mr. Speaker, I am proud to recognize the Southern Alberta Water Sharing Group, and I would like to extend my sincere congratulations on the granting of their esteemed award.

Thank you.

The Speaker: The hon. Member for Edmonton-Castle Downs.

Education System

Mr. Lukaszuk: Thank you. Fabulous things are happening in Alberta's education system which definitely are worthy of mentioning in this House. Even more so, these developments, I suggest to you, should grace the front pages of Alberta's newspapers as Albertans should share in this news with pride. Namely, Mr. Speaker, as you already know, the Edmonton public school board has been recently highlighted in a book entitled *Making Schools Work* as the best administered school board with the best educational outcomes in all of North America. That in itself, that achievement, is worth boasting about.

However, Mr. Speaker, the good story does not end here. Mr. Arnold Schwarzenegger, the newly elected governor of the most

populous state in the United States, California, has just appointed his Secretary for Education, Mr. Dick Riordan. The ex-mayor of Los Angeles will now be heading California's enormous and complex school system. As one of his first undertakings in office Mr. Riordan will be visiting Edmonton on December 8 of this year to better apprise himself of the excellence of the Edmonton public school board. During his stay in our city Mr. Riordan will meet with Superintendent McBeath and will visit several of our schools, including Jasper Place high school. It is the secretary's intention to import some of this excellence to his home state.

Mr. Speaker, it is too often that we focus on the negative. Obviously, to the outside world our learning system continues to be a shining example of superiority. This distinction is not a product of luck. It is a product of the superintendent's leadership, the school board's vision, the principals' educational and administrative skills, and perhaps most importantly it is a product of professional, skilled, and diligent teachers.

Mr. Mason: What about the Learning minister?

Mr. Lukaszuk: The Member for Edmonton-Highlands is heckling because he does not want to hear good news.

As a result of their combined efforts our little and young Albertans are benefiting from the best learning environment on this continent. Now, Mr. Speaker, this is what I proudly call Alberta's advantage. Also, the Minister of Learning and all of his employees in the department should be credited for this accomplishment.

Now, this recognition would tempt anyone to say, "We did it," but I know that we will not rest on this. With the implementation of the recommendations of the Learning report, Mr. Speaker, the best is yet to come.

The Speaker: The hon. Member for Edmonton-Centre.

Seniors' Programs

Ms Blakeman: Thank you very much, Mr. Speaker. Seniors feel that they've lost a lot in 10 years with this government, and they have. This government has slashed funding to numerous seniors' programs and cut others altogether: seniors' exemption from health care premiums regardless of income or assets, cut; universal funding for dental care, dentures, and eyeglasses, cut; education property tax exemption up to \$1,000, slashed; financial support for building affordable seniors' housing, slashed; financial support for low-income seniors for rent payments, slashed; grants up to \$4,000 for home repair and improvement, cut. And that's just to name a few.

But seniors aren't going to take it anymore. They've mobilized through groups like the Coalition of Seniors Advocates, COSA, in Calgary and Seniors United Now, SUN, in Edmonton, and the Canadian Association of Retired Persons, CARP, has opened an Edmonton branch. Seniors want the same benefits they enjoyed before this government started paying down the debt at a record pace using money from their pockets. Middle-income seniors are being impoverished by this government.

The Alberta Liberal opposition believes that seniors make a valuable contribution to the quality of life in Alberta and deserve our respect, and that's why we've developed an alternative to the slashing and cutting of programs that has devastated Alberta seniors. The Alberta Liberal opposition wants to see universal dental and optical benefits for seniors reinstated, health care premiums eliminated for seniors and all Albertans, people in private health care facilities and homes included within the Protection for Persons in Care Act or similar legislation, consistent capital funding provided

for seniors' lodges, and a body set up specifically to investigate complaints of elder abuse, among others. We believe in an alternative to the slash-and-cut swordplay this government has brought to seniors' programs.

Thank you very much.

The Speaker: The hon. Member for Lac La Biche-St. Paul.

Persons with Developmental Disabilities

Mr. Danyluk: Thank you very much, Mr. Speaker. In October of this year a three-member delegation from Japan visited our province. This delegation is part of a four-year mission to learn about the services and supports for adults with developmental disabilities. Their review began by undertaking an environmental scan of services and supports from around the world. One outcome of this scan was the identification of leading-edge work being done through the ministry with the support and assistance of persons with developmental disabilities provincial and regional boards right here in Alberta.

The delegation came here to learn about new and progressive community inclusion models for adults with disabilities. The delegates commented that Alberta has, and I quote, the most excellent system in the world. They were extremely impressed with the nature of support for rural communities that they saw in north-eastern Alberta, which they considered to be exceptional, superb, and amazing.

The delegation heard a presentation from Daniel Desjardin, a young man with Down's syndrome who is enrolled at Blue Quills College and working in the community. The delegation also heard presentations about postsecondary options, employment, and community living opportunities.

Mr. Speaker, it is very gratifying to know that Alberta is recognized internationally as a leader in the area of supporting individuals with disabilities in their local community and building inclusive communities.

Thank you.

head: **Presenting Petitions**

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I rise to table a petition signed by 1,267 Albertans petitioning the Legislative Assembly of Alberta to urge the government of Alberta to "support the establishment of the Chinchaga Wilderness as a legislated protected area."

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm presenting a petition signed by 694 Albertans petitioning the Legislative Assembly to urge the government of Alberta to "return to a regulated electricity system, reduce power bills and develop a program to assist Albertans in improving energy efficiency."

2:40head: **Introduction of Bills**

The Speaker: The hon. Minister of Justice and Attorney General.

Bill 56 Alberta Court of Justice Act

Mr. Hancock: Thank you, Mr. Speaker. I request leave to introduce Bill 56, the Alberta Court of Justice Act.

This bill provides the legislative framework for the creation of a unified family court with jurisdiction over all family law and youth matters in Alberta. The bill is being introduced as a starting point for further discussion on the model and the way the model would be enacted with our stakeholders.

The unified family court created by the legislation would greatly improve family law services to Albertans by providing a single forum for resolving disputes, integrated services, specialized judges, and simplified procedures in a new court structure that fosters informality and helpfulness to self-represented litigants. The new court would also offer greater access for all Albertans, regardless of where they live, and would use existing infrastructure, including the current provincial court locations.

[Motion carried; Bill 56 read a first time]

The Speaker: The hon. Minister of Justice and Attorney General.

Bill 57 Miscellaneous Statutes Amendment Act, 2003 (No. 2)

Mr. Hancock: Thank you, Mr. Speaker. I also beg leave to introduce Bill 57, the Miscellaneous Statutes Amendment Act, 2003 (No. 2).

The bill makes minor changes to 12 pieces of provincial legislation: the Apprenticeship and Industry Training Act, Builders' Lien Act, Cancer Programs Act, Class Proceedings Act, Environmental Protection and Enhancement Act, Forest and Prairie Protection Act, Government Organization Act, Irrigation Districts Act, Judicature Act, Legal Profession Act, Public Sector Pension Plans Act, and Traffic Safety Act.

As is normal with miscellaneous statutes, the contents have been circulated to the two opposition caucuses, and the contents of the bill reflect only those proposed amendments that have been agreed to in advance by all three caucuses.

[Motion carried; Bill 57 read a first time]

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Environment.

Dr. Taylor: Thank you, Mr. Speaker. I rise this afternoon to table copies of Environment's 2002-2003 Compliance Assessment & Enforcement Initiatives annual report. This report highlights the positive program activities that Alberta Environment is taking to ensure that Albertans clearly understand the Environmental Protection and Enhancement Act, how it's implemented and how it's enforced.

This act, Mr. Speaker, is a testament to the proactive people that we have working in Alberta Environment that try and get out there and educate people in regard to the environment and the Environmental Protection and Enhancement Act so that they don't have to clean up messes after it's done. We have a number of good staff involved in this, and I want to congratulate the staff.

The Speaker: The hon. Minister of Government Services.

Mr. Coutts: Thank you, Mr. Speaker. I'm pleased to table today the appropriate number of copies of the 2001 Vital Statistics annual review. This review summarizes all births, deaths, and marriages in Alberta that occurred during 2001.

In addition, Mr. Speaker, I'd also like to table the appropriate number of copies of the 2002-2003 Freedom of Information and Protection of Privacy annual report. Since the Freedom of Information and Protection of Privacy Act took effect eight years ago, our provincial government bodies have handled almost 14,000 requests for information and responded to 92 percent of them within 60 days.

Thank you, Mr. Speaker.

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you, Mr. Speaker. I have four tablings today. The first is the 2002 annual report of the Workers' Compensation Board.

The second is the 2002-2003 annual report of the Consulting Engineers of Alberta.

The third is the 2002-2003 annual report of the College of Alberta Professional Foresters.

Lastly, Mr. Speaker, we have the annual report of the Association of Professional Engineers, Geologists and Geophysicists of Alberta, APEGGA.

Mr. Lougheed: Mr. Speaker, I'm pleased to table copies of the 2003 annual report of the Premier's Council on the Status of Persons with Disabilities. It outlines the activities of the council, including the unveiling of the disability strategy last year.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I rise today to table the requisite number of copies of a report listing the new information and resources on the subject of teleworking. It outlines the many benefits to employers, employees, and larger society. The reports are listed on the web site of the Canadian Telework Association and InnoVisions Canada and should be of great interest to many.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Speaker. I rise to table the requisite number of copies of a letter from constituent T. Gerling that has to do with the education system.

Thank you.

The Speaker: The hon. Leader of the Official Opposition.

Dr. Nicol: Thank you, Mr. Speaker. I rise today with four tablings. I'd like to start with a petition that wasn't quite in its right form – it missed the part of the public notice – that's from students that wanted to protect the access to advanced education by not having tuition fees quite so high.

My second is a series of 23 letters from a group of students that came up to me after a Remembrance Day service at Wilson middle school in Lethbridge, and they were letters by each of the members of a classroom commenting on their classroom conditions and their wish for a good education.

The third is a letter from Judy Nygaard, an RN who wants to see the nurses have fair access to their negotiations.

Mr. Speaker, the final one is five copies of a program from the Korean Veterans Association. This was a group led by a former member of this House that put on a function in Lethbridge to celebrate the 50th year from the end of the Korean conflict. These

veterans were in effect veterans who didn't have a war. It was a police action until it was finally declared a war, and they've had to fight long and hard to get the recognition as veterans that normally comes to members, but in doing so they created a precedent for others who followed in police actions in our military to be recognized. So on behalf of Mr. Gogo, the former member of the House, I'd like to table these.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I have a number of tablings today. The first is the motion from the Treaty 8 First Nations of Alberta referred to in the Leader of the Official Opposition's question this afternoon. I have the appropriate number of copies of this tabling.

The second is a letter from Peter and Barbara Sherrington, who are very concerned about Fortress Mountain and the Kananaskis area and development there.

The third is from Richard Soley, who is very concerned about the Ghost-Waiparous region in Alberta and wants to make sure that overuse, abuse, lack of enforcement, and parties are stopped.

The next one is also from Richard Soley with regard to the Ghost-Waiparous becoming a dumping ground.

The next one is from Robert and Priscilla Janes, who are very concerned about the commercial development of the Evan-Thomas area in Kananaskis.

Then we have a letter from the Alberta Fish and Game Association with regard to their concerns about the possible infection of wildlife by chronic wasting disease.

Steve Temchuk sends us a letter on the Evan-Thomas PRA draft management plan, that he does not like.

Doug Engh sends a letter also on the Evan-Thomas area requesting no further development.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Mill Woods.

2:50

Dr. Massey: Thank you, Mr. Speaker. I have a number of letters from constituents this afternoon. The first is from Beverley Carter, who is concerned about the insurance rates and the capping of the minor accident claims at \$4,000.

The second is from Patricia Fraser. She works at the Grey Nuns hospital and is very concerned about the state of negotiations and the possible placement of nurses without their permission.

The third is a letter from Orvis Bambush, who is a constituent but owns property at the Cooking Lake airport. Orvis is very concerned that the Edmonton Regional Airports Authority has raised his rent on his property from \$450 to \$1,657 a year, and he's going to have to give up his airplane hobby because of that.

The next is from Anne Harris, a registered nurse who is concerned about the state of negotiations and the kind of treatment that they are receiving at the negotiating table.

The last is from a registered nurse, Beryl Scott. She's very concerned about the present climate of negotiations and the effect that that is going to have on nurses in the province.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. I have only two tablings this afternoon. The first is a letter from Heidi Lawton from the constituency of Ponoka-Rimbey. This letter is in regard to the negotiations between the United Nurses of Alberta and the PHAA.

The second letter that I have is from Vivian McCarthy. She is from the constituency of Wetaskiwin-Camrose, and she also has concerns about nurses and the UNA/PHAA contract negotiations.

Thank you.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you, Mr. Speaker. At the request of Leo De Leon, Carmen Vervoort, and Mecana Tsang I am tabling copies of their letters directed to their MLA. They're raising concerns over the nurses' negotiation, particularly the lack of time spent in negotiation before the request for arbitration, and the curtailment of the democratic process.

Thank you.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I'm tabling the appropriate number of copies of letters written to me. The first is from Elsie Shaw of Lac La Biche expressing concern over contract negotiations between the PHAA and the nurses and asking for a contract that will protect patient care.

The second is from Shelley Dick to me. She lives in Airdrie. She talks about the need for a safe contract that will encourage individuals to go into nursing and stay in nursing.

The last is from Shirley Larochelle-Revoy of Irricana, who says, "I am writing to express my disappointment and concern regarding the current contract negotiations between the (PHAA) and the (UNA)."

Thank you.

The Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you, Mr. Speaker. With your permission I'd like to table the appropriate number of copies of a letter I received from Julia Rowe. Julia is a nurse in Edmonton and lives in Edmonton-Glenarry and is very concerned over what is being asked of them in the current contract negotiations and the tactics that are being used by the employer in those negotiations.

Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I've got three tablings in total, two I'll be tabling on behalf of my colleague from Edmonton-Highlands and one from myself. The first one is appropriate copies of a letter from Haysboro Seniors Resources Group in Calgary dated October 15, 2003. In this letter the seniors are expressing deep concern regarding the hardship that the 40-plus percent increase for seniors in long-term care is causing. Many seniors are scrambling to find extra money, and in many cases their children are being forced to cash their RRSPs to pay for their parents' nursing home expenses.

The second letter, Mr. Speaker, that I'm tabling is from Dr. Brian Staples, the chair of Seniors' Action and Liaison Team, dated September 25, 2003, addressed to the Minister of Health and Wellness. Dr. Staples is concerned with the increasing costs of nursing home operations and the government policy of supporting private nursing homes instead of not-for-profit nursing homes.

The last letter that we're tabling is a letter from Brian George Fozzard of Calgary dated October 24, 2003, addressed to the Premier. He is concerned with "the continuing abuse being heaped

upon people with disabilities" in government care and requests that a public inquiry be held in this matter.

Thank you, Mr. Speaker.

head: **Orders of the Day**

head: **Government Bills and Orders**

head: Third Reading

Bill 54 Appropriation (Supplementary Supply) Act, 2003 (No. 2)

The Speaker: The hon. Minister of Finance.

Mrs. Nelson: Thank you very much, Mr. Speaker. I'm pleased to move third reading of Bill 54, the Appropriation (Supplementary Supply) Act, 2003 (No. 2).

Mr. Speaker, this bill has been introduced in the House to deal with some of the realities that we've faced this fiscal year and to carry us through for the balance of the year. So I'm pleased to move third reading of this bill.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I'm happy to have an opportunity to put a few more of my concerns and questions on the record. When we talked in supplementary supply, I was able to address a few questions, but we ran out of time before I got even close to being through with a number of the ministries that I directly oversee and then some questions I had on those that I have some general interest in. It's disappointing when these bills go through the Assembly so quickly that we can't get questions answered back in time.

Specifically, I asked questions about the office of the Information and Privacy Commissioner, and those have not been answered, so I would hope that we would see that occur.

Generally speaking, we expect that bills that come in under appropriations are for extraordinary or unusual items that occur during the year. So this year, very legitimately, there were additional fire-fighting costs, and of course there was the situation we had in agriculture with BSE, which turned out to be very harmful to all related industries, and the government rightly intervened in that particular area.

In terms of the moneys asked for in the rest of the ministries, I have some concerns about how their budgeting is done. We heard many of the ministers stand up and say: oh, you know, this is just the 10 percent contingency in my budget. Well, that doesn't actually make sense when they give that as an answer, Mr. Speaker, because if it's a 10 percent contingency that they're building into their budget, then that wiggle room should already be in their budget. They shouldn't have to come back here and ask for more money for that. First of all, most of them couldn't count what 10 percent really was, because the numbers they asked for didn't jibe with 10 percent of what their ministries were. But when they come back and ask for more, that means to me, in terms of what they were saying, that they had built a 10 percent contingency fund into their budgets, went through that, and then also had to come back and ask for more money. So it doesn't seem like good planning on their part.

I never heard any really good reasons from most of these ministries in terms of why they had to come back and get more money and couldn't do the kind of planning that would anticipate the kinds of needs they had or, in fact, the kind of planning that, even though we're not involved in that process, their own caucus members could

sit down and say: yes, this is going to be a legitimate cost in the coming year, and we should fund this. How can you measure the success of a program or a minister or a budget if you don't get the full answer when you're sitting down at the budget-planning stage?

For instance, if we go to the Minister of Economic Development, the operating expenses he's asking for are \$3.5 million. When you think about that, that's a lot of money for a budget that isn't very big in the first place. Why was it that last fall, when they were making the plans for the budget and it was going through the process of debate and so on, he wouldn't know at that time that he was going to need \$3.5 million for what is labeled here as strategic intelligence?

3:00

Now, I don't understand how he could have gotten to the last quarter of this year and suddenly just run out of money in this regard. If they're doing their proper planning and processing of the dollars and of their specific benchmarking protocol that they've got in place, he would have known that he was under budget when he first asked for the money. It isn't a way to run a government, a home, or a business. It would be wonderful if I just ran out of money at the end of a quarter and said, "Okay; now I need more to run the house," because suddenly I decided that we needed something else in the house that was big and not formerly planned for. You spend too much money when you do that. You don't meet your overall targets when you do that. You skew the rest of the expenses and revenues in the rest of the government, and you don't always, then, spend the money in the appropriate venues.

Repeatedly people in this province tell us that health and education are their number one priorities. Repeatedly in this Assembly we hear questions being brought forward that address those specific issues, and a lot of them have to do with funding. It isn't always that we need more money for those areas. We need adequate funding in the first place. So what should have been put into the planning stages when budgets were being developed, Mr. Speaker, is a real assessment of what the actual financial needs of the community are, not for just today and tomorrow but in a long-term forecasting perspective, and it's easy to do. I know. It's been done before, maybe not in this Assembly but certainly in other venues, and they can do that.

If we have a properly funded system, then we don't have the same kinds of concerns that we see occurring on a daily basis here. I can't possibly imagine that the \$3.5 million for strategic intelligence was something the Minister of Economic Development couldn't live without and had to have specifically for this quarter and couldn't take a look at how he could build it into the next budget year coming up. So it looks like that money was coming from the sustainability fund, another good idea brought forward by the Official Opposition in this province.

I had some other questions with regard to some of the other departments that we saw. We did talk about Sustainable Resource Development, and in fact the minister was able to give me what I thought were pretty good answers in that regard. I still think that we chronically underfund fires in this province. Every year since I've been here, they come back for more money. I know that fires are unpredictable and how they spend the money isn't always known from day to day, but certainly we need to think a little more strategically about how we're funding that particular area.

The minister talked about the helpfulness of additional water fighting planes. I saw the helicopters going for water in the evenings this summer when we were on a holiday. They would go into Lake Windermere and pick up the water in the buckets and dump it in the evening, getting ready for their next day's preparation for fire

fighting. The minister didn't talk about needing anything more there, but he did talk about the planes.

Perhaps this is something where he needs to sit down with neighbouring provinces and the federal government and really talk about it. If he could show them a cash flow statement that would indicate that what he was saying was true, that having those planes would save funds both in a real sense in terms of being able to cut back in other expenses and in shortening the life of the fires, then I think that would be something that everybody in this Assembly could support, and I think that's a kind of co-operative discussion that they need to do.

I think that pretty much is the end of the questions that I have on this particular bill. Once again I'll say it like I have been saying it twice a year when these supplementary estimates come in. This is a government that could do a far, far better job in planning their revenues and expenditures and in how they come back with their hand out to their piggy bank twice a year in this Assembly.

Thank you, Mr. Speaker.

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn debate on Bill 54.

[Motion to adjourn debate carried]

head: **Government Bills and Orders**

head: Second Reading

Bill 52

Health Professions Amendment Act, 2003

[Adjourned debate November 27: Mr. Mar]

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. This is one of those bills that has a lot of technical implications to it, addressing as it does how information is collected and shared and particularly electronic information. We are in some ways writing legislation here that sets a direction for the future of a computer system and an information system that we really are only shaping now. So we're dealing with a lot of unknowns.

We have been consulting with various groups on this legislation. Basically what this bill is intended to do is to change how information about health professionals is collected and shared by professional colleges, such as the college of physicians and so on, and the government. The intent of this is to use the information in workforce planning, for policy development, and to develop something brand new called the Alberta provider directory, which will be a database of all regulated health providers in the province. The basic purpose of this directory is to identify practitioners who are authorized to access electronic health records. So you can see that here we are putting in place different components for creating and building an electronic health records system.

One of the questions that I have right away with my own personal reflection on experience with health records and computerizing health records is: what are the costs? The costs could be simply enormous.

The bill in a less important way, I think, probably also makes some professional name and title changes.

Now, the government has been working for quite a while on establishing an electronic health records system. It goes back a couple of years or more, and they've been running pilot projects and

developing systems one after another until finally this fall the electronic health records system was unveiled, and it's a big step. It's a step about which, frankly, I have mixed feelings. While there are benefits to having a lot of information on a database, there are also real risks and very, very substantial costs in forms of cash and other costs as well, such as invasion of privacy. So security of information looms large over this whole debate, and it's a theme that I will return to in debate on this bill and in debate on other issues as well.

Now, with the initial rollout of the electronic health records this fall, there are I believe 646 health care providers who are approved to use the system and access those records. By this coming spring that will have jumped to over 5,000, including physicians and pharmacies who will have access to people's individual electronic health records. So this presents all kinds of problems. Exactly who are these people? What qualifications do they have to see the health records on each of us? How do we know that they're actually legitimate healthcare providers?

3:10

To address some of those issues and to facilitate the establishment of this whole electronic health records system, the government is establishing through this bill something they're calling the Alberta provider directory, which is a database, as I mentioned a few minutes ago, of all the regulated health providers in Alberta. It is being built and developed in collaboration with the western health information collaborative, a process that was initiated, actually, by the Premiers across western Canada and by their counterpart deputy ministers of health.

One of the questions I would appreciate the minister answering is: what portion of the cost of developing this is being borne by the Alberta taxpayers? Sometimes it's great to lead a parade, and sometimes it's great to let somebody else lead the parade, especially if there's a great big price tag connected with leading the parade, and I'm concerned that in this particular case we may be in Alberta bearing more than our fair share of the costs of developing this system because we're so eager in getting it implemented. So that's some of the background here.

One of our major concerns is that so much of this bill is simply left up to regulation; in other words, we are once again being asked to pass legislation that is really simply a shell for a tremendous number of regulations that we haven't seen, regulations that presumably are in development. Some are in the back rooms of the government or the Department of Health and Wellness, regulations that can be changed with the stroke of a cabinet minister's pen. So when we are dealing with things as fundamental as health information and who has access to it, I for one would like to see actual legislation providing as ironclad security as we possibly can over what's in people's health records and providing ironclad security over who gets to see what's in those health records. Unfortunately, some of that ironclad reassurance is not in this bill. It's going to be in, we hope, regulations. We are being asked: trust us. When a government says, "Don't worry; trust us," we get nervous. So that's, perhaps, the most fundamental concern that I have and that we have here.

Now, maybe a directory is a good idea, and we might find that it does help in fact to make electronic health systems more secure, but we'll have to wait and see how this unfolds. For all of that and for all of those concerns, I don't want to leave the impression that we are unequivocally opposed to an electronic health records system. We are simply raising concerns about how it's going to be implemented and about how it's going to be secured and how much it is going to cost.

So in looking ahead with this piece of legislation, the government is hoping that by next spring, as I said, there will be over 5,000 health care providers with access to health records. So that makes this particular piece of legislation, I guess, of really urgent concern to the government. But we are here dealing with a double-edged sword. This bill will allow identifying information about individual health providers to be shared with other audiences, including the health minister and the health profession colleges. These recipients will be defined largely in regulations; in other words, in addition to these recipients, the bill will allow for information to be shared with other persons who are set out in the regulations and whom the minister wishes to share the information with.

Well, that's placing a huge potential loophole in the regulations, because while the legislation addresses a couple of groups specifically, it also allows the minister enormous leeway to determine who else might get the information collected through electronic health records. It raises questions. What safeguards are there that this information won't be shared with private health providers, for example, or with drug companies or with insurance companies or with employers? There are simply too many questions left unanswered by this legislation. It also leaves open the question: who will monitor the appropriate use of this data?

So I have these concerns, and in raising the issues with other stakeholders, they are expressing concerns about how information is going to be protected and collected. We could certainly look for clearer definitions and clearer constraints on that in this legislation. So it would be terrific if the minister could clearly explain how having this information will better protect the security of Albertans' health information. How are these changes in the public interest, how much are these changes going to cost in dollars and cents, and what benefits can we expect from them, benefits measured to as great a degree as possible in dollars and cents so we can compare the costs and the benefits?

I think that for my opening comments that covers the biggest number of concerns. The government has, to give it credit, worked with a number of groups on developing this legislation, groups ranging from all the professional colleges, I think, under the Health Professions Act and a number of other organizations as well. As useful as this health information system appears that it might become, I am not convinced. I remain a skeptic that the system that we are developing here and the system that is requiring us to debate this legislation is actually the right move for us to take. I am as a taxpayer concerned that tens and tens of millions of dollars, ultimately hundreds of millions of dollars, will be poured into developing an information system that is of relatively limited benefit.

So I have concerns over this bill, and I have concerns over this system that it is meant to serve. Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I rise to speak on Bill 52 at second reading. This bill seems to address the new conditions that have come into being in the wake of the chronic health records system that the Minister of Health and Wellness and the Premier jointly launched at the Royal Alex hospital some months ago with a great deal of technological glitter and fanfare. Certainly, when I attended that particular event, I couldn't help but get the impression that one of the purposes of that particular launch and its format was to draw attention to the broad-based support from the medical profession that this bill has.

3:20

I think the question of whether or not information on individual patients with respect to their medical condition, treatments, history

of medical problems and treatments, information on allergies, different kinds of medications that they may be on at a particular time when they go to see a physician and perhaps need new interventions – all of that information would appear to be helpful in avoiding or preventing or limiting mistakes that otherwise can happen in the absence of this kind of information on the records of each patient. So in principle the collection of this information and making this information available on request or on expressed need to Alberta health care providers is something that one can't dispute. It would seem to be an appropriate thing to do.

The questions that I had then and have now in light of what's in this bill and what's not in this bill pertain, of course, to the costs and benefits, the balance between the two, both the sort of costs to launch the health information system, which requires a change in legislation as reflected in this bill, and the operational costs of this and how they're to be shared as between private practitioners such as doctors and others and the taxpayers of this province, and the relative benefits that result from it.

These costs related to electronic information gathering, storage, retrieval, distribution, et cetera, have a tendency to spin out of control because of the rapidly changing nature of technology. The software, hardware, all of those things, change, and those changes are not under the control of the minister, of this government, or this Legislature. Those changes are independent. They take place because of the technological breakthroughs that continue to happen, and therefore to create a huge dependence of a health system on the critical role that the application of the technology plays in the process of providing care opens the doors to finding down the road in a few years that this portion of the costs begins to snowball. Having made this huge commitment to the use of this technology, we really have no control over the increasing costs that may result from the adoption of this particular electronic health records system. So the costs are a huge issue.

The other issue related to it, then, is the question of the security of information, Mr. Speaker. Not only is it the case that information when it's collected can always be either leaked or inadvertently made public; human error is certainly something that electronic systems cannot eliminate completely. So the security of the information and, therefore, the breach of the privacy of individuals the information is about is a massive concern, should remain a primary concern.

Not only is it the case that the information can become public through inadvertent actions, but also the decision could be made by various parties who have access to this information or have the responsibility to make decisions about the variety of uses that information may be put to, which may mean that such a decision could lead to the flow of this information into the hands of pharmaceutical companies and other private health delivery agencies and actors in our changing health care system, particularly in this province, where it's a matter of official policy of this government to involve private health providers in a large way to provide even hospital-based services through private, for-profit activities.

The information would necessarily become available to these providers, and then the inability of the government to dictate to these providers the manner in which this information is used is a matter of concern to me and is a matter of concern to many Albertans. So a health care system that's being privatized bit by bit provides the context in which these concerns arise with respect to the use of the electronic health records system to provide care.

Yes, in theory, as I said, one sees potential benefits to particular physicians or other health care providers who are dealing with a particular patient at the time to have this information on hand. On the other hand, there is the possibility of huge risks that are also there and that must be addressed.

It is because of these concerns that I've expressed with respect to the security of this information that's collected on medical records for individuals and the issues of invasion of privacy that I have concerns about the third part of the bill, which leaves much of the whole range of decisions with respect to how this information is going to be used, who's going to be using it, to whom it may be available, and the silence of this bill with respect to what controls are there in legislation to prevent private hospitals and other private health care providers, through contracts to regional health authorities, from using this information for purposes for which it's not intended.

Regulations, the bill suggests, would take care of these concerns, but I don't have access to the regulations. This Legislature doesn't have access to those regulations. So we can't even talk about the efficacy of the regulations that we put in place in order to address these concerns. Given the absence of information with respect to the regulations and the inability of this House to examine those regulations to assure itself that appropriate mechanisms will be in place to protect privacy and to make security of information watertight, I have those concerns that I would hope the minister would like to address after we have had a chance as a Legislature to express these concerns and make our initial observations on Bill 52 while we are going through it during its current phase of debate, which is second reading.

With these remarks, Mr. Speaker, I would take my seat. Thank you.

The Speaker: Hon. members, Standing Order 29(1)(d) and (2)(a) kicks in here for questions.

Then we'll proceed to the next speaker, should there be one.

Some Hon. Members: Question.

The Speaker: The question is called.

[Motion carried; Bill 52 read a second time]

Bill 46

Municipal Government Amendment Act, 2003

[Adjourned debate November 27: Mr. Boutilier]

Mr. Boutilier: Mr. Speaker, I actually made my comments last week and certainly am prepared to call for the question on this bill.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks. Just a couple of questions that I had in reading through Bill 46, Municipal Government Amendment Act, 2003. While I have the opportunity here – and I'm trying to remember the minister's comments, and I'm afraid they're just not sticking with me, so forgive me if I repeat a question here.

3:30

This bill is actually dealing with sort of odds and sods. It's a sort of licorice allsorts that we're getting with this. We've got a section that's talking about expanding the regulations and control of, well, full-contact sports. It's adding full-contact karate, kick-boxing, and "any other sport that holds contests where opponents strike each other with a hand, foot, knee, elbow or other part of the body." It is contact sports. So it's expanding the commission and what the commission establishes "by bylaw for controlling and regulating," and then there's that list. It's adding those other, I guess we could say, newer contact sports to the more traditional ones of boxing and wrestling.

It's also adding in the officials. Anything they do under the direction of the commission is "not liable for anything." The exception to that is that it's "not a defence if the cause of action is defamation."

So we've got one section that's dealing with adding kick-boxing and things, and then we go on to several sections that are being amended that are around an off-site levy. Section 648(2) says that "an off-site levy may be used only to pay for all or part of the capital cost of any or all of the following." Then it lists a number of facilities for the supplying of water and water treatment, sanitary sewage drainage facilities, and it's adding in "new or expanded roads" that are needed for or "impacted by a subdivision." What we've got is this levy providing "for the imposition and payment of a levy, to be known as an 'off-site levy', in respect of land that is to be developed or subdivided."

So we're moving here into a discussion around water, water treatment, sewage, urban sprawl, and public health and safety. This is where I'm struggling to recall. Is this developed specific to a certain locale? I have Red Deer written down with question marks, and I don't know why I did that. So I'm just checking with the minister: what location is this being developed to address? Or is it in anticipation more globally of continued development outside of our metropolitan cities? I'm presuming some of the other growing cities like Grande Prairie and Lethbridge and Fort McMurray.

An Hon. Member: Calgary.

Ms Blakeman: No. I said "metropolitan." I include Calgary there.

I'm wondering if the larger discussion has been had and what those discussions are around this continued outgrowth from the cities. At the same time, for representatives like myself who are representing the downtown areas, that doughnut is being created where everything is moving out of the centre of the cities and increasingly moving on to arable land as we use up good land on the outside of the cities to do more development rather than looking at that restructuring and revitalization in the centre of some of these cities. Cities like Fort McMurray are certainly large enough to be dealing with something like this.

I know that that's a city planning issue. I personally wish that this city that I live in would spend more time working with that because we have a number of area redevelopment plans that have been put in place and are then ignored. What this bill is anticipating is part of the overall discussion that we're trying to have. How much sprawl are we going to have? How much more good farmland do we take up? And this is exactly anticipating that in that it's trying to supply the sewage and water transmission facilities and pipelines to deal with those ever growing subdivisions.

So when does it stop? How much does this bill facilitate? Forever? I want to know a bit more of the discussion that's already happened around that and what's being anticipated. Of course, water and treated water have particularly now become a public health and safety issue as we hopefully learn what happens when you don't learn the lessons as a result of Walkerton and North Battleford and some of the other places that have dealt with problems around water treatment and one presumes good sewage disposal as well.

The other thing that was being added in here was around timing, about when something has been started and whether they go under the old act or under the amended act. One of the things that struck me is that we're looking at a section where we're adding in that the Lieutenant Governor in Council may make regulations . . .

- (b) governing the principles and criteria that must be applied by a municipality when establishing an off-site levy.

Again, the off-site levy is the levy that's put on a subdivision, and that money is used specifically to pay for water treatment and disposal.

So my question here is: what was being used for principles and criteria before if we're now asking that they be developed? What were the municipalities using? Was there some other act that was in place or was there some other guiding principle that is tucked away in some little book of how to be a good municipality? Obviously, there's something being contemplated here. Why is it turning up in legislation in 2003?

Finally, I'm wondering if the minister can go over the sections that are getting the change in timing around them. What's happened is that we had sections 9, 10, 11, 12, 13, 16, 17, 18, and 20 come into force on January 1, 2004, a month from now, just actually less a day. This is now being changed and adjusted. We have "Sections 9, 12 and 18 come into force on January 1," so they must be ready to go. So I'm interested in: what are the ones that are ready to go and what are the ones that aren't ready to go? Those are the ones that are now coming into force on proclamation, so what's the anticipated implementation date of that proclamation? Are you trying to get it in earlier or after and why? And that's sections 10, 11, 13, 16, 17, and 20.

So those are the issues that have come to me as I looked through the bill.

If I could just go back, why is it that the city controls contact sport commissions? It just strikes me that with all these other recreational and professional sporting arrangements, that usually comes under a provincial organization, or they draw funding down through a number of different places, and I'm just interested as to why the control of this sport rests with the municipalities. Is this some sort of historic situation that's still upheld and brought along? It's just a point of interest. It's not going to stop me voting for the bill, but I'm just wondering why it continues to show up under municipalities.

Aside from those questions, I don't see at this point a problem with this bill, but I am interested in getting those questions answered by the minister.

Thank you for the opportunity to speak in second reading to Bill 46.

The Speaker: The hon. Minister of Municipal Affairs to close the debate. Hon. minister?

Mr. Boutilier: No, Mr. Speaker. It's closed.

The Speaker: I'm sorry, hon. minister. You'll have to help me. No what? I invited you to close the debate. If you choose not to close the debate, that's fine. The minister wasn't voting against the bill.

[Motion carried; Bill 46 read a second time]

3:40

Bill 55

Farm Implement Amendment Act, 2003

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Well, thank you very much, Mr. Speaker. It's a great pleasure for me to stand here today and move second reading of Bill 55, the Farm Implement Amendment Act, 2003.

As I said when I introduced the bill, this bill will make changes to the way that farm implement dealers and distributors indemnify their customers, bringing current legislation in line with today's fiscal and financial realities. As of January 1, 2004, a statutory compensation

fund will replace the current bond requirement needed for farm implement dealers and distributors to qualify for a licence to operate in Alberta. Now as a condition of licensing dealers and distributors will need to pay annual levies into the compensation fund. Fines for noncompliance will be increased from \$25,000 per corporation or \$10,000 per individual to \$50,000 for either individual or corporation.

Changes to the legislation will benefit farmers if they incur losses due to contractual obligations being unfulfilled or warranties not honoured, for example. Under those circumstances they can make claims to the compensation fund.

A new farm implement board assigned statutory powers and obligations through regulations or by the minister will determine levies paid into and awards paid out of the compensation fund. The new farm implement board will continue to be made up of seven members: four producer members, one of whom is appointed by the minister, one distributor member, one manufacturer member, and a dealer member. Aside from the one appointee, members are elected by their affiliations.

The compensation fund will not be allowed to pay out more than what is in the fund. Further, the compensation fund will be run completely outside of the purview of the provincial government and will have no impact on the government's budget.

The intent of the bill is twofold as it assists producers as well as farm implement dealers and distributors. The bond premiums that dealers and distributors currently have to pay have become prohibitive. Due to world events the insurance industry has tightened qualification requirements for bonds, making it next to impossible for some dealers and distributors to become licensed. This government does not want to be unduly difficult to the businesses here, Mr. Speaker, so we're making the appropriate changes.

With regard to producers this bill will ensure that they have a relatively simple course of action to recoup losses due to problems with farm implements. Producers who receive compensation through this fund will forgo the right for further legal claims against the dealer or distributor for the amount paid on the claim.

Passage of this bill will improve the business climate for farm implement dealers and distributors as well as making sure producers are protected from unnecessary financial loss.

Mr. Speaker, I urge all members of this Legislature to give this bill their full support, and I look forward to other comments.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I'm happy to have an opportunity to speak to Bill 55, the Farm Implement Amendment Act, 2003. As we see this bill, the object of it is to establish new provisions for the licensing of farm implement dealers as well as to create a mechanism for compensation to dealers who have incurred a direct loss due to the collapse of a sale or lease agreement. We see the bill redefining the definition of dealer and distributor by clarifying that dealers and distributors also lease farm implements.

This is an industry that has long had a tough time operating and surviving. I remember that my first case course back in the early '70s was dealing with a farm implement company, one of the better known ones in Canada at the time, who had through a variety of reasons not been able to sustain its business. That seems to be the kind of cycle that these farm implement businesses go through. They are particularly disadvantaged at this particular time given some of the changes that have occurred in and around insurance and access to insurance for them.

At first glance, certainly, I'm supporting this bill because it looks like it's moving in the right direction.

The bond system under the current act, where an applicant for a dealer's licence must furnish a bond to the Crown, is abolished effective December 31 of this year. Then the issuer must pay back to the licensee the premium attributable to the unused portion of the bond.

This bill establishes a new fund known as the farm implement compensation fund, and we see the revenues collected from levies and assessments and penalties which will be paid by applicants for certified dealer licences. Producers will apparently be charged about \$750 as a levy into the fund. If we could get that confirmed in committee, Mr. Speaker, we'd appreciate it. We also see that the fund is going to be used to pay out awards for compensation to a purchaser, lessee, distributor, or dealer on a loss incurred from the breach of a sale, a lease, or a lease/purchase agreement.

So what this fund does, then, is replace the bond, and it will be established by a new board called the farm implement board. We see seven members going on this one, determined by the regulations of the act. The board is supposed to hold appeals on issues where applicants for licences have been refused or canceled or suspended. We also see that the board is going to be conducting hearings for compensation as laid out previously. The board is responsible for managing the fund, and it's also responsible for setting levies and assessments to gain revenues for the fund. They also have the power to enforce any assessments by filing with the Court of Queen's Bench for recovery of debt.

If we could have some confirmation of this particular bill. If there are any parts of it here that we're not completely correct on or if you have a different interpretation, certainly we're looking forward to having that discussion when the bill gets to committee.

Right now what we see is that dealers and distributors are required to put up a bond in order to get a licence to carry on business. Since September 11 a lot has changed for a lot of industries. Certainly, the case has occurred here that we see insurance companies doing what some may be saying is squeezing them in terms of information and refusing to issue bonds and really trying to take a piece of the market and take control of the market. This becomes a real problem, I think, in terms of fair trading and in terms of businesses' access to markets and ability to do business.

We also see insurance companies refusing to insure distributors and dealers. We certainly don't approve of that. Hopefully, we will see that this bill will start to address that. Our expectation is that the board will operate in a manner that will help these companies and that we will see some positive changes in this particular industry.

Mr. Speaker, I think those are all my comments. I certainly look forward to feedback on those comments when this bill gets into the committee stage. Thank you very much.

The Speaker: The hon. Leader of the Official Opposition.

Dr. Nicol: Thank you, Mr. Speaker. I rise this afternoon to speak to Bill 55, the Farm Implement Amendment Act, 2003. I think this bill in its intent probably addresses in one way an issue that has been raised by a number of dealers, farm suppliers across the province.

3:50

The thing that we have to look at is that in terms of the process that we're going at, it's very similar to some of the other programs for fund creation in agriculture, where these funds are set up for, basically, risk management in a way that – you know, input risk management as opposed to output risk management. If this, in effect, gets implemented, it will probably clarify both for the dealers and for the farmers the relationships that they're being faced with in terms of dealing with each other right now. There's uncertainty

being created because you now have to question and make sure that each of your dealers is licensed, is carrying the appropriate bond tied to that licence, and that some continuity of your dealership is available. You need the servicing on your equipment and you need the parts, not just the year you buy it but for the life of that piece of equipment. To have a secondary process like inability to adequately get bonding and insurance affects that continuity that farm producers and farm implement dealers want in their industry.

So, Mr. Speaker, I hope that as we go through this, we look at this and say that this is good for the industry; it's good for agriculture. If we look at the provisions that are in it in the concept basis, it's going to clarify the process of licensing. Well, that has to be done now that we don't have the bonding tied to it and we have another mechanism for that kind of risk management.

I guess when we look at the establishment of the permanent farm implement board, in a general way this is going to hear appeals both on compensation issues and also from the dealers if they are finding it difficult or if the restrictions being put on their licences are becoming onerous. That, in effect, becomes a good process. Is it going to become bureaucratic? That's only something we can see in time.

The process here has to be expedited. When either a dealer or a producer wants a hearing, there has to be a very timely process in place because we have to make sure that these things come to resolution as quickly as possible. We have to look at what are alternative mechanisms for getting that resolution. We have to deal with it from the point of view of the expertise that will be on the board. I know that the act talks about some of the things, but we have to look at it in terms of: is it broad based enough to give a perspective? With the integration of our economy now, even the agriculture area is crossing over into industrial equipment. Industrial equipment and agricultural equipment are now being sold through the same dealers. That's good. We've got to make sure that we do keep the issues being addressed by the bill focused. So I hope that that understanding and that breadth is included for the people who are going to deal with it.

I guess the final main area of the bill is the farm implement compensation fund. What we're looking at in this whole process, as I said at the outset of my discussion, is a bill that's going to help sustain players in the industry by having this fund in lieu of bond or insurance. What we need to do is make sure that the accounting in that fund is clear, that people are aware of how many dollars are going into it, and what the actuarial needs of that fund size might be, what process is going to be there to back it until it gets built to the appropriate size.

A lot has to deal with: is it going to become a growing fund? Not that there's a relationship between the two of them, but the number of calls we get about the tire fund getting bigger and bigger and bigger, you know – what are the actuarial numbers that, in effect, establish the size and the need for this fund? That would be interesting. I hope that as this moves forward, that kind of information is made public in a way that people can understand the level of the fee that each of them is going to have to pay to buy into it.

I know that the minister is already talking a little bit about what that fee might be in terms of size, and I guess for comfort both for me as the agriculture critic, for me as the Leader of the Opposition but mostly for the farmers out there, we need to know that that fee is appropriate for the level of coverage and the actuarial conditions that will draw from the fund. I'd ask as we move ahead with the implementation of this act that that kind of information be provided for the public and for the individuals involved, because that would give them a sense that there's meaning behind this.

I guess just one final comment that I'd make before we again encourage everyone to support this because the industry needs it is

a reflection of the compartmentalization that we're seeing more and more in our processes. This bill came up through Agriculture because of an issue in agriculture, yet it doesn't cross over to the very same issue that's been brought to my office by marketers, dealers in other industries, and by users of products in other industries. They're basically facing the very same crisis in their ability to get appropriate risk management coverage, whether it's bonds or insurance. I guess as we go into this, it would be interesting to get a response from the government as to why this wasn't something that grew from an issue and an initiative taken by the minister of agriculture into something that would meet the needs of all small businesses, all businesses in this province as it relates to risk management.

I think this is a whole issue that we could get into debating: the role of the private sector and the role of the public sector. We're simultaneously going through a debate in this House on another insurance issue where public involvement is shunned. Suddenly now we have legislation that, in effect, creates a public fund, which, as it grows, may have to be backed by public dollars. That needs to be clarified so that we can truly understand how that's going to work.

But I think all those issues aside, I've raised a couple of questions about the board, about the transparency of the fund, and I hope that the government will act on it. In the meantime, Mr. Speaker, this is something that the rural community and the ag community specifically need, and I hope that every member of the House sees fit to make sure that the ag industry continues through the fall and on into the future so that we can have the materials and the equipment and the parts for the producers in Alberta. So, again, let's support this and get it under way, and maybe we can look at the broader context of the needs of all small businesses at a different time.

The Speaker: Hon. members, Standing Order 29(2)(a) is now available for five minutes. Is the hon. Member for Edmonton-Strathcona proceeding under that provision?

Dr. Pannu: No, Mr. Speaker.

The Speaker: Okay. Would there be members who would like to proceed under the provisions of Standing Orders?

Then the hon. Member for Edmonton-Strathcona to continue the debate.

Dr. Pannu: Thank you, Mr. Speaker. I would like to make some observations on Bill 55, Farm Implement Amendment Act, 2003, in second reading. I'll be brief. I've been looking through the bill and wondering why these changes are needed. We can attribute all kinds of things to the 9-11 2001 incident, but I think that's not really addressing the real issue here.

4:00

I think the changes that are sought in this bill in the form of replacing the current system, where licencing farm implement dealers requires getting bonds and getting insurance for indemnification of risk, is being replaced with a system that from my first reading, a quick reading of the bill, says that in place of the market we are now ready to bring in a more publicly created board and a fund. The market seems to have once again failed in this case, and so the public authority – the government, the state – finds it necessary to step in.

The insurance industry and businesses have really shown a serious weakness over the last few years. We have been talking about the auto insurance sector of the industry and how that has failed drivers

and consumers. So all kinds of governments, including the one here in Alberta, are trying to respond to the failure of the insurance industry with respect to the auto insurance area.

But here, again, in the case of farm implements farm dealers and producers are finding it now necessary to seek a new system of risk management and indemnification of risk through public means. I'm not opposing this; all I'm doing is trying to draw attention to how this sort of market madness is giving way, once again, to finding more publicly administered means to provide conditions under which producers, agricultural industry players, implement dealers can operate under conditions that provide some degree of security and satisfactory risk management, which has to be addressed if these players have to stay in the field and work on it.

So having said that the market seems to have failed in this case, we've recognized it. We are now turning to other means to replace what the market provided until now, but the arrangements that are being put in place, I think, merit a close scrutiny by this legislature. The farm implement board and its composition, therefore, comes into focus as something that we should pay close attention to to make sure that it represents the interests and stakeholders whose concerns and interests this board has been created to address and that representation be appropriate and that the board's activities be accountable insofar as the legislation can make them accountable.

Similarly, I noticed that in the section on the farm implements compensation fund in the bill on page 10 under funds there seems to be no provision for start-up funds. I wonder if the levies, assessments, and penalties that are referred to here as a source of this fund will be sufficient to provide for the funds that are needed as a start-up cost of this new arrangement. I would like the minister to address that issue: whether or not public funds, taxpayers' money will in fact be needed to start up this new venture, and if so, what's the magnitude of the taxpayers' dollar commitment to this?

Secondly, the question of the range of levies and fines and the size of those levies and fines that can be levied by this board both to applications for licences or to the producers who will also come before this board with certain requests. That matter is left, by and large, to regulations. I think some indication of the kind of levies that will come into play as soon as this present arrangement expires at the end of this month should have been indicated in the legislation itself, at least to show that these are the kinds of levies and fines that will become the source of this fund. Without that information being here, one is really not in a position to comment in an informed way on whether or not the provisions of this section, section 39 of the bill, are appropriate, are adequate, and are helpful or punitive. So we don't really know at this stage what the regulations will propose, so it would be good if the minister would comment on that question.

The question of the growth of bureaucracy around the activities of this board and the distribution of the funds from this fund and how large a commitment in terms of staff, in terms of bureaucratic structures and arrangements will be needed and whether those personnel will be funded from the funds or levies or whether or not those funds will come from somewhere else is another question.

So the transparency issue, the accountability issue, the actual size of the funds needed, and such are some of the questions that come to mind on my first reading, and I hope that the minister will address these questions as he gets a chance to do so, Mr. Speaker.

With that, I'll take my seat. Thank you.

The Speaker: Standing Order 29(2)(a) is available. Hon. members?

Other speakers? The hon. Member for Olds-Didsbury-Three Hills to close the debate.

Mr. Marz: Thank you, Mr. Speaker. I appreciate the positive

comments from some of the members that spoke, and I look forward to committee and answering the questions of all the speakers, both positive and not so positive.

Thank you.

[Motion carried; Bill 55 read a second time]

4:10head: Government Bills and Orders

head: Committee of the Whole

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order. Before we proceed with the item on the agenda, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: Introduction of Guests

(reversion)

The Deputy Chair: Hon. members, seated in the gallery we have a number of visitors: Mr. John Doyle, assistant to the director for international business studies, is hosting a group of manufacturing managers from China. They are here in Alberta through the contributing efforts of the Chiang Foundation and the University of Alberta School of Business. I'll request them all to please rise and be recognized by this Assembly.

Bill 53

Insurance Amendment Act, 2003 (No. 2)

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Medicine Hat.

Mr. Renner: Thank you, Mr. Chairman. I'm pleased to have an opportunity to speak to Bill 53 at committee. As you know, the committee stage is where the clause-by-clause analysis of the bill takes place. I listened intently to much of the debate at second reading, and while there were a few specific questions, much of the debate at second reading had to do with the overall philosophy of the bill. Frankly, I didn't hear a lot of time spent dealing with the detail of the bill in it. So I look forward to that as we begin the discussion at committee stage.

I think, Mr. Chairman, just to set the stage for some detailed discussion at committee, I'd like to spend just a little bit more time talking about what is in this bill, what are the clauses of the bill that we will be discussing at committee stage. Also, I have a government amendment that I will be introducing at the conclusion of my comments. Before I do that, I do want to just make some general comments.

Mr. Chairman, there are really three sections in Bill 53. The first section deals with the establishment of a rate-setting board, talks about the composition of the board, how members of the board are appointed, and all of the things related to any kind of a government board. It also talks about the duties of the board and establishes and gives the regulation-making authority to the minister to establish duties of the board.

The second section of the bill deals with the process by which premiums are calculated and establishes the ability to have underwriting guidelines established through regulations. As I think most members are aware, the intent is to put in place a benchmark grid that would establish the maximum premiums that insurers could

charge depending upon a myriad of different risk assumptions and calculations. In addition to that, it also would provide for a system of surcharges and discounts, some related to experience of at-fault collisions, some related to the lack or not of convictions.

All of that is again established through regulation. Much of the work related to this bill remains to be done. Even after this House deals with the bill, there will be a considerable amount of work to be done in consultation with all of the relevant stakeholders as we develop the necessary regulations to implement the bill.

The final part of this bill, if we think about it in three sections, has to do with changes to the benefits that are paid as a result of insurance. As all members, I think, are aware, insurance creates a pool. The premiums that all individuals pay go into a pool from which there needs to be an adequate source of funds to provide for damages when individuals find it necessary to claim from insurance. So that pool has to provide the necessary amount of funds to compensate injured individuals, to compensate individuals who have property damage, to compensate and to cover all the costs of delivering the insurance, to pay brokers the fees that are associated with the role that they play in insurance, and also to provide for some return on investment and cover the costs of the insurance company. That overall pool has to be sufficiently large to provide for all of that, but for the purposes of the discussion today the most important part of that pool is to ensure that there are sufficient funds to pay out the benefits.

The bill provides for some changes to the benefits, the first being an increase in benefits under section B, medical benefits, from \$10,000 to \$50,000. It also provides for regulation-making authority to develop protocol related to how individual injured parties access the treatment and how that treatment, in turn, is paid for and the compensation out of that insurance pool.

The other changes on the benefits side that this bill deals with are the changes that were contemplated in Bill 33. For the information of members Bill 33, while it's still on the Order Paper, is not intended to proceed any further, and the provisions in Bill 33 which apply in Bill 53 have been incorporated into Bill 53.

So in this bill we have a section that deals with changing the compensation to individuals for lost income to net versus gross. As I have explained to members in the past, when someone receives compensation for income replacement through an insurance payment, that payment is not subject to income tax. Therefore, it makes sense that the amount that would be paid would be the net amount, the amount that the individual was actually out of pocket. Had the accident not occurred, the individual would have earned that income through alternative sources that would have been subject to income tax.

The other part of Bill 33 which is incorporated in this bill has to do with collateral payments, when an individual ends up getting paid twice for the same injury. It's referred to colloquially as double-dipping. What the bill does is clearly establish that when an individual has coverage through a disability program of one sort or another, the automobile insurer is responsible only for topping up on income replacement over and above what the individual is receiving from the other insurance company.

The effect is that it should be revenue neutral to the affected party. If I am injured, whether I'm injured in an automobile accident or I'm injured in some other way, a skiing accident or whatever, if I have disability insurance, my disability insurance will pay me to the limits of the disability insurance. Then I'm entitled to recover over and above that full income replacement should I have been injured in an automobile accident, because in that particular case this is a tort action, where someone has caused harm to me, and I'm entitled to recover.

4:20

It also provides for all the necessary regulations to implement the limit on pain and suffering for minor injuries. That includes the definition of what is a minor injury. It includes the protocols that will be established so that there is consistent implementation of that definition of minor injury. There will be a consistent protocol for all health providers so that when an individual is being treated, all health providers will be very clear on what the protocol is with respect to a minor injury – any injury, for that matter – related to an automobile accident.

Also, it will provide for a protocol on treatment so that every injured Albertan will be eligible to have the best possible treatment based upon an established protocol that's agreed upon by experts in the field, experts far more knowledgeable than I on this matter but nevertheless experts in the field.

So that is sort of a 10-minute overview of how the detail of Bill 53 rolls out.

Now, I mentioned, Mr. Chairman, that I had a government amendment that I wanted to introduce at this time. I have two amendments. I think what I would like to do is deal with them separately. I'll deal with them one at a time. So at this time, if I could ask for the indulgence of the table to distribute the amendment that refers to section 18.

The Deputy Chair: Hon. member, just for clarification, you have two amendments, and you want to deal with them separately. Is that correct?

Mr. Renner: Yes, that's correct.

The Deputy Chair: Okay. We shall refer to the first one as amendment A1 and the second one as amendment A2. I guess we can distribute both of them.

Mr. Renner: I'd rather just move them one at a time.

The Deputy Chair: Well, we'll deal with the first one, then, as amendment A1.

Mr. Renner: Yes.

The Deputy Chair: You may proceed.

Mr. Renner: As this amendment is being circulated, do you want me to wait until members have a chance to have a look at it?

The Deputy Chair: Yes. Just give a few seconds.

While the amendment is being distributed, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

The Deputy Chair: The hon. Minister of Community Development.

Mr. Zwodzesky: Thank you, Mr. Chairman. It's a great pleasure for me to introduce to you and through you to all members of the House some very special guests who are in the members' gallery observing proceedings today. I'll ask them to rise, if they would, as I introduce them: Mr. Tim Uppal; Hari Uppal, his father; Satwant Uppal, his mother; Gurdial Gill, grandmother; and two teachers who are visiting

us from Punjab, Ravinder Grewal and Gurcharan Grewal. [remarks in Punjabi] May God bless you. Everything belongs to God. May God always be remembered and victorious. [as submitted] Would you please welcome our very special members who are here today from the Sikh community. Thank you very much for coming.

Bill 53
Insurance Amendment Act, 2003 (No. 2)
(continued)

The Deputy Chair: Hon. Member for Medicine Hat, you may proceed now.

Mr. Renner: Thank you, Mr. Chairman. This amendment is an amendment to the section of the bill that deals with the requirement that an insurer give notice if they intend to withdraw from the Alberta marketplace. It's designed to give an orderly transition, so if for whatever reason an insurer determines that they are no longer going to be providing insurance in this marketplace, they're required to give 180 days' notice. This is to provide for a smooth transition. It's also to provide for the Superintendent of Insurance to have a good handle on which companies are doing business in Alberta, which companies for whatever reason have an intention to withdraw from the market.

However, while it provides for a provision that requires that 180 days' notice be given, it does not have any converse type of consequence if the insurer, in fact, decides at the end of the 180 days not to cease to do business in the province. This causes concern in a number of ways. It puts a great deal of uncertainty into the marketplace. A company could indicate to the superintendent that they wish to withdraw from the marketplace. A lot of time and energy would be spent in preparing for the departure of that company from the marketplace, and then at the end of the day the company decides: no, we changed our mind and we're staying after all.

We want companies to be very clear and understand what the consequences are of making such a decision to depart from the Alberta marketplace, so what this amendment does is provide for provisions that the company will have to follow should they decide, after giving notice, that they wish to re-enter the marketplace. It gives the superintendent authority to put restrictions and conditions on the return of that company. It also provides for regulation-making power to establish a period of time that contracts could not be issued in the province of Alberta after the notice of termination is given.

So I think that this is a good amendment. It brings, again, some certainty back into the marketplace. The intention of the change of the requirement for notice was to bring certainty, but if insurance companies choose to abuse the six months' notice, rather than bringing certainty, we could in fact be bringing uncertainty into the marketplace. So all this amendment does is make it very clear to insurers that if they are going to give notice of departure from the Alberta marketplace, they should do so and give serious consideration to it and ensure that they actually mean it and are not, for lack of a better term, bringing forward an idle threat to do so.

So at this point I encourage all members to support this amendment, and I look forward to hearing debate from others on this amendment.

4:30

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. I have some questions at this time for the hon. Member for Medicine Hat in regard to amendment A1 to the Insurance Act. Specifically, I can

understand where the hon. member is coming from by changing subsection (6), but again there are other deficiencies in this legislation in regard to public notice to consumers. I'm not going to make reference to those sections at this time because we're simply to talk about the amendment A1 and direct our comments to the proposed section 661.

However, in the unfortunate event that would cause the withdrawal by an insurer from the business of automobile insurance in this province, what notification will there be? Certainly, there are going to be directions by the superintendent, but what notification will there be to consumers of this withdrawal? Consumers have, in my view, a right to know, and also the other members of the insurance industry, the brokers. What role will they have to play in this? How will they become aware of a potential situation?

Thank you.

The Deputy Chair: The hon. Member for Medicine Hat.

Mr. Renner: Thank you, Mr. Chairman. Actually, to the Member for Edmonton-Gold Bar, the amendment before the House now doesn't deal with the requirement for notification. The requirement for notification is in the main bill itself. What this does is add an additional requirement onto the requirement for notification that says that once the notification has been given, there are some terms that the superintendent has at his disposal to ensure that that notification was given seriously and that the superintendent (a) should take appropriate action to prepare for the departure of a company and (b) should that company decide that at the end of the day they do not wish to leave, they have to understand that there are some consequences involved in that and that they shouldn't be making the notice of withdrawal lightly and that it should be a serious notice and not just a threatened notice of departure.

[Motion on amendment A1 carried]

Mr. Renner: Mr. Chairman, I apologize for the confusion. There have been some ongoing discussions among House leaders. The second amendment that I referred to earlier was actually a suggestion of the Member for Edmonton-Gold Bar. I think it merits support by the Assembly, and there has been a back-and-forth discussion about whether it would be introduced as a government amendment or an amendment by the Member for Edmonton-Gold Bar, and at this time I would suggest that the Member for Edmonton-Gold Bar introduce this amendment.

Apparently the amendment is not available for distribution at this time other than in the form of a government amendment, so at this time, Mr. Chairman, I will encourage all members to participate in the debate on the bill itself. If there are any questions on the clauses of the bill, I'll be more than happy to answer those questions, and then when the amendment proposed by Edmonton-Gold Bar arrives, we can ask him to introduce that amendment and have the discussion at that time.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Chairman. Yes. At committee at this time I certainly have a few comments in regard to Bill 53, and there are other amendments as well.

Certainly, with the Insurance Amendment Act we are seeing sweeping regulations dealing with a broad range of matters in regard to insurance. When you compare what has happened in this province with skyrocketing insurance rates to what has happened in

other provinces, particularly in the western part of Canada, there are some remarkable differences.

But when we look at this bill and we look at the issues around base capital, hopefully there are no problems, but if there are problems, how are consumers to know? We don't deal with any rollbacks of skyrocketing insurance premiums in this bill. We deal with the Automobile Insurance Board. I certainly would like to see more care and concern for plain language in this legislation so consumers can fully understand not only this legislation but also plain language in automobile insurance policies.

The issues around public notice—there is so much in this bill, and I look forward to discussing it and debating it with all hon. members of this Assembly. This is probably, before we get changes, unless this bill is defeated, the only opportunity for public consultation in regard to this matter, and that's why it is very, very important that we have a full exchange of views on auto insurance and its regulations in this province and essentially, Mr. Chairman, who should provide auto insurance as a mandatory financial services product to Alberta consumers.

Now, we can look at the whole issue of skyrocketing insurance premiums for drivers in this province, and we can lay the blame at the foot of anyone, but I don't think we can play the blame game. I don't think it's fair to blame the innocent victims. I don't think it's fair to restrict or limit in any way awards, the reduction of those awards, by the amount of income tax or CPP contributions or employment insurance premiums.

This whole idea of the definition of minor injury being left to regulations. Again, I said that there are sweeping regulations dealing with a broad range of matters in this bill, and I and consumers of this province, Mr. Chairman, would be much more comfortable if those ideas were outlined exactly in the statute, not left to regulation.

However, Mr. Chairman, the freeze of auto insurance premiums that's outlined in this bill I think was a good first start. Now, when that occurred, there were a lot of questions about how that was going to happen. I for one, a consumer in this province, when my renewal notice came due on November 25, saw an increase in my premium, and that was after the Premier made the announcement that there would be a freeze.

An Hon. Member: It's all your speeding tickets.

Mr. MacDonald: No. I have no speeding tickets. I have no speeding tickets to date.

Now, when you look at all the consumers, about 8 percent of consumers or maybe even greater will be eligible for some form of rebate after this freeze. However this is going to work, they will be eligible for a freeze. The freeze is a good start, but we can't just simply allow the run-up of auto insurance premiums for three years and then suddenly say: we're going to have a freeze. There has to be a rollback as well, Mr. Chairman. The Official Opposition back in August asked that there be a freeze and a rollback. The insurance industry had certainly returned to profitability.

4:40

Now, the government members had been at that time deeply divided on the issue of auto insurance, and they were discussing this issue, as I understand it, among themselves for weeks. It was the hon. Member for Lethbridge-East who suggested and urged that there be an immediate rollback and freeze of auto insurance premiums. At that time, before this bill was tabled, we on this side of the House thought it would be appropriate that there would be a rollback to March 2002 levels.

Has the insurance industry returned to profitability? Well, there was a leaked letter from the hon. Member for Edmonton-Calder to the hon. Member for Medicine Hat, who has been doing a very able

job, in my opinion, as co-chair of the Automobile Insurance Reform Implementation Team. It's not the public process that I thought we should have, but a guy has to live with it. That letter proves just how deeply divided not only the government caucus is but Albertans are on this whole issue of auto insurance. For some government members to state that the insurance industry has certainly returned to a very profitable level is an indication that there needs to be a much-needed break for drivers.

At this time, Mr. Chairman, I have an amendment. I believe we could call it A2, and if I could have a page, please, to bring this to the table. Shall I continue or wait until all hon. members have it?

The Deputy Chair: Just wait for a few seconds.

Mr. MacDonald: Thank you.

The Deputy Chair: Hon. members, we shall refer to this amendment as amendment A2.

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much. At this time I would like to move amendment A2 to Bill 53, the Insurance Amendment Act, 2003 (No. 2). Mr. Chairman, for the benefit of the House I would like to move that Bill 53, Insurance Amendment Act, 2003 (No. 2), be amended in section 17 in the proposed section 661.1 by adding the following after subsection (1):

- (1.1) Effective January 1, 2004, premiums of an insured are rolled back 15%.
- (1.2) The Lieutenant Governor . . . may make an order respecting the rollback mandated under subsection (1.1).
- (1.3) Subsections (3) to (7) apply to an order made under subsection (1.2).

Now, we certainly need this, and this is an ideal opportunity for all members of this Assembly to once again reconsider and vote for rollbacks for Alberta consumers of a mandatory financial product, which is auto insurance. Drivers have had to pay more, and they have not been given a justification for why they are now paying more.

I know that everyone should get a second chance, and I think that this is an ideal opportunity for this government to recognize that not only is a freeze good enough, but there has to be a rollback as well. When we look at this legislation, this Bill 53, running this bill through the Legislative Assembly as it is only guarantees that Albertans will pay more for insurance in the long run.

Last week the government hastily took down a rate calculator on its insurance web site after consumers alerted the media that insurance premiums would increase under the government's new insurance policy. Surely after that issue and how quickly we removed that web site—some other members may describe that web site as *fairytales.com*.

An Hon. Member: That one's taken. Somebody already took that one.

Mr. MacDonald: That one is not taken.

The citizens have through that web site discovered the truth about this proposed bill. One way for the government to make amends to the citizens is to vote for a 15 percent rollback.

Now, when we look at how much money could be saved if this government is serious about protecting consumers from high insurance rates, then you will vote along with us in supporting this 15 percent rollback. The rate freeze was just the first step. If we are serious about providing Alberta drivers financial relief from the

outrageous insurance premium increases for their automobiles, we have to look at rolling back the rates.

When you look at how much money we're talking about here – there's roughly \$1 billion in third-party liability automobile insurance premiums sold in this province. That is a significant sum of money. If we were to roll back for Albertans the third-party liability portion of their auto insurance, it would mean a saving of over \$400,000 per day to all Alberta drivers.

That, Mr. Chairman, is what we have to do. I would urge all hon. members of this Assembly to consider again amendment A2 and put the interests of Alberta consumers first.

The industry, as the hon. Member for Edmonton-Calder pointed out earlier in the summer, has returned to profitability. There's no doubt that the insurance industry is on sound financial footing, but some consumers in this province are not as a result of their high insurance costs. All drivers need a break.

Dr. Taft: Every car needs brakes too.

Mr. MacDonald: Every car needs brakes. We have to put the brakes on high auto insurance premiums with a freeze, and we have to put the whole process in reverse and roll back premiums by 15 percent.

I urge all members to support this amendment A2. Thank you.

The Deputy Chair: The hon. Member for Medicine Hat.

Mr. Renner: Thank you, Mr. Chairman. I mentioned at the conclusion of my comments the last time I was up that the Member for Edmonton-Gold Bar had brought forward an amendment that merited support. Unfortunately, this is not it. There will be one coming from Edmonton-Gold Bar that I am prepared to support and I will encourage members to support, but, hon. members, this is not it.

4:50

Let me talk a little bit about the nature of rollbacks. I heard the member say that the industry is making profits, so I guess he thinks that because the industry is making profits, this Assembly should be entitled to, then, unilaterally without consultation arbitrarily just roll back all premiums by 15 percent whether or not those premiums happen to be some that are ridiculously high, the ones that the government bill before us will be dealing with, or whether there are some premiums that, quite frankly, Mr. Chairman, are reflective of what a competitive marketplace can do.

There are a significant number of Albertans who have insurance at reasonable rates, and they have insurance at reasonable rates because individuals with a long-term safe driving record, with a good driving record, are the individuals that the insurance companies have been keying in on for the last couple of years and have been very, very competitive. The problem, Mr. Chairman, comes if something goes wrong. When you have a slight loss of concentration that results in a fender bender, that very competitive low rate of insurance that you've been enjoying for the last 20 years is all of a sudden gone overnight. We've seen that repeatedly, and that's what the government is addressing through this legislation.

It's simplistic kinds of solutions like this that get us in trouble. We can't unilaterally just say: you will roll back your premiums by 15 percent. What we can do is say that the way the insurance business is operating in this province right now is unacceptable. It is penalizing many drivers and charging many drivers in this province premiums far in excess of what they should be paying, so we have to put rules in place that will bring some sense back to the insurance industry. Unilateral rollbacks of 15 percent won't do any good. We'll end up with some drivers paying far below what they

should be paying, and, Mr. Chairman, if you happen to be one of the drivers that's in the facility program paying \$10,000 a year, a 15 percent rollback takes you to \$8,500, which is still ridiculously high. So that's why these kinds of simplistic solutions don't work.

I urge all members to defeat this amendment.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you. Well, with respect, I'm urging all members to support this amendment, and I'd like to thank my colleague from Edmonton-Gold Bar for introducing this. This is exactly what Albertans have been asking for.

The Member for Medicine Hat keeps calling it simplistic, but I think Albertans would argue that to have the insurance industry get involved in what they called rate shock and raise rates continually over about a 14-month period to the point where everyone was experiencing rate shock on their rates and then to get into such upheaval – I understand this also created great upheaval in the government caucus, to the point where the Premier had to come in and say: that's it; we've got a freeze in place. What should've come with that should've been a rollback.

I know that part of what I believe caused the swifter action on this particular issue was the result of the election in the Maritimes and then the result of the election in Ontario. Certainly, they recognized that what their own citizens were looking for was a rollback, and I think that what should have worked hand in glove with the freeze here in Alberta is exactly this rollback.

I know that my colleague had tried to get a series of amendments approved to negotiate as best we could on behalf of Albertans. You know, if we couldn't get a 15 percent rollback, then we would try for 10 or 5 percent or whatever we could get, because the point was that Albertans are paying far too much money. Now they're frozen into paying far too much money for whatever period of time it takes.

So I think it would have been only fair to have rolled back that 15 percent at the same time you were going to freeze. What we've had done now is that you're frozen at paying the higher rates, and who's getting the benefit of this action? The insurance industry gets the benefit of this action; that's who gets it. You know, every month we're paying that money. Either it's direct withdrawal out of our accounts, or we're writing a cheque to the insurance company. Over and over and over, month after month after month after month we are paying too much money.

So I think this amendment from Edmonton-Gold Bar is saving the government a great deal of embarrassment. This is exactly what should have been done, and I would have thought that they would be grateful that someone stood up and tried to do them a favour by doing what they should have done in the beginning.

Dr. Taft: Their faces are full of gratitude.

Ms Blakeman: Yeah. Their faces are full of gratitude. I don't think so.

What I would like to do is urge all members to vote in support of this amendment A2, and with that I will call the vote. Thank you very much, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I rise to speak on amendment A2 to Bill 53 as we deal with it at the committee stage of debate on the bill. It's difficult to imagine how a bill which is as flawed as this one, a bill that fails as miserably as this one does in meeting the expectations of Alberta drivers, can be improved by simple amendments such as this one. But since the bill is before the

House, the best we can do is see if we can amend it to the best of our ability to address those flaws which are very difficult to address as a whole to really fix the bill.

The reason that this amendment is before the House is because the bill itself fails to acknowledge that we need to return to a more sane regime of premiums in this province, a regime that prevailed to some degree until the rates were allowed to increase on average about 57 percent in 2002, thanks to the approval by the Alberta insurance board for applications that were seeking those increases and thanks to the Minister of Finance, on whose watch these exorbitant increases were allowed to proceed. The freeze that's offered by the government and by this bill starts on October 31 or November 1 of this year. They're frozen at that point.

The point that I made during second reading needs to be reiterated here. That freeze really is a shell game. It, in fact, certifies, puts this legislative stamp of approval on those exorbitant rate increases that were sanctioned in 2002. So to vote for the freeze is really to say that the decision was correct and that, therefore, all we need to do is put a legislative seal of approval on it. I can't, frankly, vote for this bill for that reason alone, because doing so would mean approving or collaborating with the government, which, in the first place, sanctioned those exorbitant, simply unjustifiable increases to the tune of 57 percent last year.

5:00

What Albertans are looking for is fairness in the legislation. They don't find it in Bill 53. It is not fair. It still leaves certain parts of the province, such as Edmonton, out on a limb, having to pay higher premiums than other places. There are close to a million Albertans who live in the greater Edmonton area, and they will not receive fairness if this bill is passed.

The second intent of any decent piece of legislation should be to offer Albertans an arrangement which guarantees the lowest cost, the lowest premiums. This bill simply fails to deliver on that expectation. It fails because it has completely overlooked, ignored, rejected, as a matter of fact, the option of public auto insurance, which in the other three western provinces has proven to be the appropriate instrument if the intent is to offer drivers in this province the lowest cost premiums and the highest rate of benefits.

The reason that public auto insurance does that is because it's cheaper to administer that kind of auto insurance plan. With private plans estimates of uninsured motorists range, again, from 10 to 20 percent, and that clearly is unacceptable. This increases the cost to the rest of the drivers, and when a decision is made through legislation to establish compulsory and universal coverage, it follows that there must be an obligation for government to deliver auto insurance at the lowest possible price.

The test of that involves how much of the premium dollar gets back to the motorists in settlement of claims. And on that one, Mr. Chairman, recently published annual financial reports illustrate how the administrative costs of public plans avoid costly administrative duplication and are only one-half as much as those incurred by private insurance companies. Public plans return the maximum of each premium dollar invested by motorists, almost 85 to 90 cents on the dollar, compared to private insurance returns of approximately 70 cents on the dollar. The inclusion of basic compulsory automobile insurance with the licence plate is the most economic and efficient method of delivery.

So we need to do that. We need to have legislation which follows that route and undertakes to implement these measures which will reduce the costs, return the maximum premium dollars back to drivers in the form of coverage and compensation. Supplementary auto insurance is also available, of course, and that can be used.

The point is that the proposal as contained in Bill 53 to allow things as they are to continue in this province will not, cannot deliver

premiums that are comparable to the other three provinces. So the question arises: why does Alberta want to be the odd man out? Why does the government of this province want to be the odd government out when the other three provinces, regardless of the kind of government they have, have embraced, have benefited, and are enjoying those benefits over the last so many years because they all have adopted public auto insurance?

That's not the case with Bill 53. It simply denies Albertans the choice of public auto insurance and intends to continue to allow conditions in this province to prevail, which will mean that Albertans will have to pay far higher premiums, enjoy a lot fewer benefits, and allow the insurance companies to drain away the profits that they make from continuing with these private practices out of the province.

So, Mr. Chairman, although 15 percent is not enough to compensate drivers who have been gouged to the tune of 57 percent for the last year or more, it's better than, I suppose, nothing. If Nova Scotia can impose a rollback of 20 percent, if New Brunswick can contemplate taking those actions, why is it that Alberta, where the government must accept the responsibility of having allowed those exorbitant increases to the tune of 57 percent a year ago, can't say: we made a mistake, and we're going to take action and roll back premiums by 15, 20 percent, or whatever, not starting the 1st of November, 2003, but we're going to go back and force insurance companies to return to Albertans the premiums that they gouged them for from the time that those 57 percent increases came into play?

This particular amendment stops short of seeking that kind of redress for all drivers, but it's better than what the bill proposes. So I will, Mr. Chairman, support this amendment for that reason.

Thank you.

[The voice vote indicated that the motion on amendment A2 lost]

[Several members rose calling for a division. The division bell was rung at 5:09 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Shariff in the chair]

For the motion:

Blakeman
Carlson

MacDonald
Pannu

Taft

5:20

Against the motion:

Abbott
Ady
Boutilier
Broda
Calahasen
Cao
Cenaiko
Danyluk
DeLong
Doerksen
Goudreau
Griffiths
Haley

Hancock
Herard
Hlady
Horner
Jacobs
Johnson
Jonson
Knight
Lord
Lougheed
Magnus
Marz

McClelland
Melchin
Oberg
O'Neill
Rathgeber
Renner
Stelmach
Strang
Taylor
VanderBurg
Woloshyn
Zwozdesky

Totals:

For – 5

Against – 37

[Motion on amendment A2 lost]

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. At this time I would like to continue the debate at committee on Bill 53, the Insurance Amendment Act, 2003 (No. 2). If you don't at first succeed, try again. I have another amendment that I would like at this time to present to the Legislative Assembly. I believe it has already been dropped at the table. If we could circulate it to the members, I would be grateful.

The Deputy Chair: Hon. members, the amendment is being circulated now, and for the record we shall refer to this as amendment A3.

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. This amendment was previously discussed by the hon. Member for Medicine Hat, and certainly it has been a proposal that we have looked at going back to June and to July, when we had first looked at the Automobile Insurance Board. This amendment that I would like to move as it reads is that Bill 53, Insurance Amendment Act, 2003 (No. 2), be amended in section 15 as follows. The proposed section 653 is amended in subsection (1) by striking out "and" at the end of clause (a) and adding the following after clause (a):

(a.1) a consumer representative appointed by the Minister, and by adding the following after subsection (1):

(1.1) The consumer representative referred to in subsection (1)(a.1)

- (a) must have expertise and experience in consumer issues in the area of automobile insurance, and
- (b) must not be
 - (i) an adjuster,
 - (ii) a director or officer of a provincial company,
 - (iii) a director or officer of an extra-provincial company,
 - (iv) a director or officer of a federally authorized company,
 - (v) a director or officer of a financial institution,
 - (vi) an insurance agent,
 - (vii) a director or officer of a life company,
 - (viii) a director or officer of a mutual provincial company,
 - (ix) a director or officer of a property and casualty company, or
 - (x) a special broker.

Now, Mr. Chairman, to all members of the Assembly, what we need in this proposed automobile insurance rate board is a consumer representative, and this is a good start. The four individuals that currently are involved with the Automobile Insurance Board I'm sure are fine individuals, but we need specifically in the future to have a consumer representative, someone that's entirely at a distance from the insurance industry. This is one way of taking a bill and trying to make it better. We have to put the interests, again, of consumers first, and this is a start. If I feel like the repairman from the appliance store that can't get any respect, that's fine, but this is a necessary repair to this bill.

I would urge all hon. members, in the interests of consumer protection and representing the interests of consumers at the proposed automobile insurance rate board, that this amendment be considered by all members. Thank you.

The Deputy Chair: Hon. Member for Edmonton-Riverview, are you rising to speak?

Dr. Taft: No. I was stretching. Thank you.

The Deputy Chair: The hon. Member for Medicine Hat.

Mr. Renner: Thank you, Mr. Chairman. This is, in fact, the amendment that I was referring to earlier. This amendment, frankly, makes some sense. Just for clarification purposes, just in case any members are not aware, in the amendment here when it makes reference to a provincial company or an extraprovincial company, that's in the context of the Insurance Act. So that refers to an insurance company, and it's in the context of the Insurance Act where this amendment will be going. That is the intent.

Given the time, Mr. Chairman, I would move that we adjourn debate on this bill at this time.

[Motion to adjourn debate carried]

The Deputy Chair: The hon. Government House Leader.

Mr. Hancock: Have you called it adjourned?

The Deputy Chair: Well, we had a vote on adjourning debate.

Mr. Hancock: I think we're ready to vote on this amendment, so if you could bring the bill back to the floor.

The Deputy Chair: Hon. members, we will need unanimous consent to bring the matter back to committee and have a vote on the amendment.

[Unanimous consent granted]

[Motion on amendment A3 carried]

The Deputy Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that we rise and report.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration and reports progress on Bill 53. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

I see the clock very close to striking 5:30. The House stands adjourned until 8 p.m.

[The Assembly adjourned at 5:30 p.m.]

Legislative Assembly of Alberta

Title: **Tuesday, December 2, 2003**

8:00 p.m.

Date: 2003/12/02

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

head: **Government Bills and Orders**

head: Third Reading

Bill 54 Appropriation (Supplementary Supply) Act, 2003 (No. 2)

[Adjourned debate December 1: Mr. Hancock]

The Deputy Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have an opportunity to make a few comments about the Appropriation (Supplementary Supply) Act, 2003 (No. 2). I'd like to focus my comments, if I might, on the Department of Learning's requests for supplementary funding. There are three items where it says that there has been a total lapse of \$28,570,000 in the Learning department, and the three amounts listed are \$8,770,000 in voted operating expense from support for basic learning programs as noted, \$4,800,000 in statutory expense from teachers' pensions liability funding, and \$15,000,000 in statutory expense from the provision for future cost of student loans issued.

The financing of Learning in the past year has some people wondering how carefully the planning is being carried out. The Auditor General's identification of the \$65 million was certainly a shock to a number of people who had heard throughout the last year or so claims from the government that there is no more money with respect to education. If you couple that with what was going on in the province and what has gone on in the province, the addition of a thousand-plus students and, at the same time, a reduction of close to a thousand teachers, the effect of that on our classrooms is still being felt. It's a major concern for parents and for those who are delivering learning programs in our schools.

There are still questions raised as to why the government's financing of Learning has been so arranged that we would end up with a reduction that large yet still have squirreled away in funds the money that's there. So some consternation about the planning that has gone on with respect to Learning, and rooted, of course, at the base of it is the concern about children and students and the delivery of their programs and what happens when we get this kind of unanticipated cut.

Most of us realize that the arbitrated teachers' settlement, the 14 percent, was a large item that had to be accommodated, and the strategy for forcing boards to cut programs and services to students while there was money that could have been used to alleviate that still has many people perplexed. What was the motive behind allowing that to happen? The recent injection of money into the system, the \$60 million, as we've said, I think is really the late payment on an overdue account. That money should have been there for September to allow schools and boards to avoid the kinds of layoffs and cuts that have occurred.

The cuts that we've heard about, of course, are the most obvious ones. There are some other long-term problems that haven't been addressed as a result of underfunding, Mr. Speaker. A report on the state of French education in the province indicates that there's been a decline of French teachers, and there's growing concern about the

burnout of those French teachers and the lack of program and administrative support for principals in schools where French programs are being delivered. Those problems are on top of the ones that were already there before the most recent cuts. I look forward to the next report on the state of French language instruction in the country with respect to our French language teaching staff and what's happened to them as a result of last year's cuts. I expect we're going to see a reduction in teachers and also a reduction in the number of students taking those programs, which is, I think, unfortunate at a time when we're trying to encourage and are mandating a second language program for students.

We have the request here for \$30 million in onetime operations and maintenance funding for postsecondary institutions. As we know, given the figures we've been supplied with, it's welcome money, but it's not going to go very far with respect to the need.

The \$15 million for the access fund to support additional student entry spaces at postsecondary institutions: again, the access fund is welcome, but we also know the problems that accompany that fund with respect to funding the entire cost of programs and the kind of program shifting that has to sometimes go on to take advantage of those government dollars.

I think it also points to the desperate need in the province, Mr. Speaker, for a long-term plan for the financing of our postsecondary schools. I don't think we can go on year after year with ad hoc amounts being added to the system like this with the tuition policy being pressured the way it is. I think that there comes a point where the situation demands that a systematic plan for financing our schools be put in place. It's not just an Alberta problem; it's a problem that faces, I think, every province in the dominion. Such planning has to necessarily involve the federal government. But the time when that planning should have started is long overdue, and again I think that when we see requests like this in front of the Assembly, it points to the need for that kind of planning.

I think that with that, I'll conclude my comments. Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you, Mr. Speaker. It is a pleasure to rise this evening and speak briefly to Bill 54, the Appropriation (Supplementary Supply) Act, 2003 (No. 2). What we are being asked to do in Bill 54 is approve an additional \$1.228 billion in supplementary supply for operating expense and equipment/inventory purchases and an additional \$21 million for capital investment.

8:10

Now, this bill comes forward at a time when we have just announced somewhere in excess of a \$3 billion surplus in this province this year, and it comes forward at a time when other provinces can only dream of being able to have an appropriation bill of this amount. But what this does is further indicate our failure to address the issue of budgeting and budgeting properly. In a province where the provincial government likes to tout itself as a champion of business, in a province where the government likes to portray itself as having some particular kind of insight and sensitivity as to how we're going to handle a budget that is blessed with revenues that we couldn't even have begun to think of having a decade ago, every supplementary supply time we have a process that I think must be embarrassing to this government.

What we still have failed to do in our budgeting process is that we have failed to address four principles that people and institutions and AAMD and C, AUMA, our local school boards, our health authorities have asked for, and that's stable, predictable, sustainable, and

equitable funding for their programs. Certainly, this is huge when they look at their budgets, when they look at their business plans, when they try to deal with the pressures that are placed upon them.

One of the things that we still haven't figured out – and it was good to see that we do have a stability fund that is finally established in our budget. Of course, that was a good Liberal idea brought to this Assembly by my predecessor, Laurence Decore, the former MLA for Edmonton-Glengarry and the Liberal leader. Certainly, one of the reasons for that was the fact that it would alleviate this start-and-stop type of programming that we have.

All we have to do is look at southeast Calgary, the issues that are facing that part of the city, where there has been rapid growth, where schools are required, where hospitals are required, how many times they've been announced and how many times those announcements have been deferred or stopped, and still that part of Calgary does not have the necessary infrastructure projects for its people. This is after years of billion dollar surpluses. So we do not have a very good budgeting process when this happens and every year we are coming back to supplementary supply to fill our needs.

Certainly, there were some pressures that were put on our budget this year that we hadn't expected, and one of those, of course, was BSE. But every year in this province we know that we're going to have forest fires. In recent years, when our climate appears to have changed so that we're not getting the rainfall that we once got, then we have to put into the budget those costs of fighting those forest fires. Yet every year it is as an almost after-the-fact type of issue that we deal with this problem.

As well, what is upsetting in this particular set of supplementary supply is that even with the pressures that have been put on this government, there doesn't appear to be that much assistance for those people who are less fortunate than the rest of us. I look at Human Resources and Employment, which is requesting a total of \$32 million. Now, then, this is not to increase the allotment to various peoples on AISH. This is because we have \$5 million for the supports for independence program "to fund an exceptional number of utility arrears cases." Again, if the price of natural gas rises, if the price of electricity rises, then certainly those things have to be taken into account in the budget. We cannot budget on prices that were in effect five years ago and hope for people to be able to meet the demands on their income at today's high prices.

As I look through this budget, I see, for example, as I've just brought up, that we are looking for \$5 million for supports for independence, and this is in utility arrears. If those people are in arrears, what have we done to their lives when they're trying to cope with less? We can't help but think that some of the money that's been allotted that's going to schools is certainly to address a problem that they're having with skyrocketing electricity and natural gas bills. Yet they are facing these high electricity bills because of government policy, because of deregulation.

I notice here, as well, that Seniors is requesting an additional \$36.97 million. Again, \$17 million of this is for the Alberta seniors' benefit program to assist low-income senior citizens with increases in long-term care accommodation costs. When we do not allow seniors who are on fixed incomes time to react, time to budget, time to work a 42 percent increase into their bills, then certainly we are going to have people in our communities that are going to have great difficulty with this huge increase in such a short period of time.

What people fail to realize is that in many of these instances we have seniors who because of the condition of their health end up living in two different residences, the healthier person living in the home, the other person in some type of assisted living. They certainly cannot cope. Their budgets were stretched to run one home let alone having to keep one person in assisted living while the other one tries to cope with running a home.

As well, we have special-needs assistance of \$11 million, which is for onetime personal expenses. It's certainly welcomed by seniors and is something that they need. We have almost \$8 million which has been budgeted in here to assist contracted agencies with operations and maintenance costs.

So when we look at supplementary estimates, we know that seniors are just another one of those groups that's having a great deal of difficulty facing their increased costs. Certainly, I would expect to see all of these issues addressed in the upcoming budget. We cannot continue to have to come back to the well in the form of supplementary supply to address issues and to address expenses that we know are going to be faced by our seniors, by people on AISH, by health authorities, by our school boards, by our communities in this province.

Mr. Speaker, with those comments I will take my seat, and I will look forward to hearing the comments of other members of this House when it comes to Bill 54, the Appropriation (Supplementary Supply) Act, 2003 (No. 2). Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to speak to our supplementary estimates, and I just want to put on the record some concerns in a number of areas. The first one is the Department of Agriculture, Food and Rural Development. The supplementary estimates for this department are enormous. There's a million dollars for the department's share of the market recovery strategy, \$4 million for the stranded beef export container initiative, \$6 million for the farm water program, \$564,285,000 for bovine spongiform encephalopathy, or BSE, compensation programs under rural services, another \$5 million for cull cow and bull product development, \$6 million to support enhancements to transmissible spongiform encephalopathies, TSE, testing and animal health surveillance, and \$135,023,000 in provincial funding for the Canadian agricultural income stabilization program resulting from the federal/provincial agriculture policy framework agreement.

8:20

While I agree, Mr. Speaker, that these expenditures are necessary, I want to make some comments about the whole BSE issue. I can't help wondering if a very significant portion of these expenditures could have been avoided if the department and the minister were doing their job. I want to indicate that the delay in the testing of the cow that was found to have BSE has been acknowledged to have had an impact on decisions of other governments to ban Alberta beef, to ban Canadian beef, and it's worth taking a look at some of the events leading up to that delay.

Of course, the government's elk farming program is well known, and it was a bit of a fiasco, and a lot of farmers that were enticed into that industry lost a lot of money. One of the main reasons that it failed was because of chronic wasting disease. The result was that priority was given for testing at provincial labs of the heads of elk, and that is the reason why the head of this particular cow was not tested immediately. That's part of the reason. The other part of the reason was significant cuts to the inspections in that part of the department.

Now, the government, as is its practice, has come back and corrected it. The government is very good at rushing to fix very serious problems. The problem with that is, Mr. Speaker, that the problems are almost always of the government's own making, and it costs an awful lot of money to fix it. So I guess I have to ask the question: would this enormous expenditure of over a half billion dollars have been necessary if orders hadn't been given that heads of

elk had to be tested as a priority? With respect to that, I think that it's a legitimate question to be raising because it is just an enormous amount of money – an enormous amount of money – that this province has expended for a single case in order to support the beef industry.

Now, I want to turn to the Learning department, and here we see some significant expenditures. The government is proposing these expenditures in order to meet the proposals of the Learning Commission, and the government is again rushing to take a lot of credit for fixing a problem that they created in the first place. The difficulty, Mr. Speaker, is that this funding, while vitally necessary, does not make up for all of the cuts that took place earlier.

We are all aware of the difficulties that arose when the government imposed an arbitration process on the teachers and that arbitration process came up with a settlement and the Minister of Learning insisted that the school boards should fund the settlement out of their existing funds and rejected all assertions made by the opposition in this House that it was going to create a problem. Well, we saw that there were a thousand staff positions that were cut by school boards across Alberta in the last year.

So the money contained here, while important, while helpful, and while responding to the Learning Commission's recommendations in part, does not fully compensate the school boards of this province for the lack of support that they have received for the teachers' settlement in the past. It's a difficult situation, Mr. Speaker, and I really think that the government should start funding education at a level that had been established prior to those settlements plus the additional funding that the Learning Commission recommends, and this falls far short.

So I want to indicate that there is a real difficulty with the spending contained in this. The amount of spending in a global sense is very large. Some of it, as has been said, is not necessarily anticipated – for example, drought and forest fires – but I think we can safely predict that over a long period of time, Mr. Speaker, those costs will rise. They'll vary fairly significantly from year to year, but over a period of years – five, six, 10 years – we know that there's going to be an upward trend, so there's no reason for the government not to set aside money on a longer term basis in order to meet those costs so that we're not always coming back with these massive supplementary estimates. I think we can safely predict that as the climate warms and as the province dries out, both drought and forest fire expenditures are going to steadily increase.

Now, I want to come to another point, Mr. Speaker, and that is the \$250,000 for MLA consultation with Albertans on the province's place in Confederation. This is in the Finance estimates. There's not much, I think, that can justify this expenditure. Perhaps the PC Party would like to pay for it, but I don't think the taxpayers should be footing the bill for this kind of expenditure. Most of the information that might have been found is probably available on web sites or from local officials or could be picked up at one of the many parliamentary conferences that MLAs attend. So this particular expenditure is rather useless, in my view, and we ought not to vote it.

Mr. Speaker, that concludes my remarks on the supplementary requisitions, supplementary estimates, and because of the government's mishandling of the BSE issue, we will not be supporting the supplementary estimates.

8:30

The Deputy Speaker: Comments? Questions?

Mr. Lund: Mr. Speaker, the member has on more than one occasion made some very, very erroneous remarks regarding BSE and the

whole process. He lays the blame on the department of agriculture, and this is just totally wrong.

The facts, Mr. Speaker, are that the biggest reason that the animal was not tested immediately was because when the animal was diagnosed by the veterinarian on-site, it was very clear that they thought that the animal had pneumonia. So there wasn't a priority, plus the fact that that animal was taken out of the food chain. It never did get in the food chain, so there was no great big panic to start the testing.

If he's being critical of the process, of course, a lot of it's to do with the federal Food Inspection Agency, but I've got to put in a real plug for them. The fact is that not very long later there was imported hamburger that came into Canada, and it was found to be contaminated with E coli. The federal Food Inspection Agency picked it up, so it didn't get into the marketplace. This BSE cow was picked up and didn't get into the food chain, yet the E coli meat passed through the American system. So for him to now start criticizing that the reason that there has to be this expenditure is because there was a cut in the department of agriculture is complete folly.

So I would like to ask the hon. member – and he made some comments the other night about somehow the whole issue of confined feeding operations being tied into this – the history of this animal from its birth and the type of operations that it went through before it got to the point of being killed, slaughtered, and thrown into the tank because the carcass was deemed unfit for human consumption.

The Deputy Speaker: Edmonton-Highlands, do you wish to respond?

Mr. Mason: Well, Mr. Speaker, I can tell the hon. minister that the history is that it was three months waiting to be tested, and one of the reasons that that took place was that there was a big backlog of elk heads that had to be tested because of the bungled program of Alberta Agriculture to encourage farmers to get into game ranching of elk.

The second reason was the shortage of people to do tests, and there were, in fact, cuts to the inspection personnel, which I don't think the minister has denied.

The third piece is, of course, that this delay was referenced by other governments and politicians in the United States as part of their campaign to keep Alberta beef out of the United States. It was seized upon by those representatives of farm states to use as ammunition to put pressure on the administration in the United States to extend the ban. So it contributed very directly to a tremendous loss to our beef producers and contributed directly here to the fabulous expenditure that the government is now seeking from this Assembly.

[Motion carried; Bill 54 read a third time]

Bill 47

Tobacco Tax Amendment Act, 2003 (No. 2)

The Deputy Speaker: The hon. Minister of Revenue to move.

Mr. Melchin: Thank you, Mr. Speaker. I'm pleased to rise to move third reading of Bill 47, the Tobacco Tax Amendment Act, 2003 (No. 2).

I'd just like to point out again to all members here that the key element in this bill, that we've articulated in previous readings, was to lower the threshold. The percentage rate on cigar taxes is one of the key issues in this bill. That is being lowered to 95 percent, still

95 percent as a markup of the suggested retail price. When you talk about B.C. at 77 percent, when you talk about Manitoba at 60 percent of that rate, when you speak of Ontario at 57 percent, the only other province that even comes close to ours is Saskatchewan at the same 95 percent rate. So we still are the highest markup on cigars of any province in this country.

It has followed our high tax policy, literally, on tobacco to dissuade and discourage consumption of tobacco products. In that regard, that still remains the policy. What this adjustment reflects is that the content of tax on cigars is going to more closely approximate that in comparison to cigarettes as a percentage of the total price. About half of it will be tax for both cigarettes and cigars, and it would also make us more in line with the other provinces that didn't raise their cigar rates quite as high as we did originally to help mitigate the problems, be it of smuggling among provinces and those kinds of activities.

The rest of the issues in the act are administrative in orientation, have something to do with collection issues to strengthen our ability to collect taxes appropriately and fairly as necessary.

So thank you, Mr. Speaker. I'll take my seat.

The Deputy Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker, and I'm pleased to rise to speak to third reading of this bill. You know, I appreciate the hon. Minister of Revenue's position on this as he introduces a bill to lower taxes on tobacco, and it's interesting sometimes the positions that we get ourselves into in politics. I know that there was a tremendous push, because fine cigars are enjoyed by a certain strata of our society and they were finding the cigars just far too expensive. I know that because when I returned from a vacation last winter, I brought back some cigars, not that I smoke. In fact, they're still in the fridge because we don't know anybody that smokes. Well, I can see some hon. members here are putting up their hands.

I did go and check in a couple of cigar outlets in Old Strathcona to find out the prices, and I was quite surprised how high, in fact, prices were for very good cigars. So I can understand the situation that the minister finds himself in having to lower taxes on tobacco products and taking steps which will no doubt benefit the economy of Cuba, Mr. Speaker.

8:40

You know, it's interesting. I'm torn on this bill, honestly, Mr. Speaker, quite torn about it because I've been a strong opponent of smoking all my life, and it's a difficult policy issue for governments, and price mechanism is one of the tools available to the government. I appreciate attempts that are made by the government to deter smoking, but I also understand that the government does not want to be the highest tax region of the country, which it clearly was. I know the government is also interested in low taxes, and the Premier did promise a couple of years ago, or during the last election, I guess, that taxes had no where to go in this province but down, and this is the first example other than the billion dollar corporate tax cut where we've actually seen the taxes going down. Mostly they've gone up since that time.

On balance, Mr. Speaker, I appreciate the minister's predicament here, and I just want to indicate that I do feel that it's important that we continue to use all the tools at our disposal to reduce smoking, and I'm sure the Minister of Health and Wellness would agree with me that this is one of the major sources of costs in our health care system. Cigars aren't the big villain compared to cigarettes, I suppose, but there is plenty of evidence to indicate that cigars are, in fact, also very, very harmful and are just as carcinogenic as cigarettes, although good cigars don't have all of the chemicals and so on

that they put in cigarettes. So it may be they're somewhat less carcinogenic. I don't really have the background knowledge to comment on that authoritatively.

I do think the basic issue here is to maintain an approach on the part of government which discourages smoking and continues to use the various tools at its disposal. So, in this case, Mr. Speaker, I will not be supporting the bill.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thanks, Mr. Speaker. Happy to have one last opportunity to speak to Bill 47. When the minister was speaking, it was sounding to me like he was trying to talk himself into this bill that reduces taxes on smoking, of all things, and adjusting to the thought of losing \$8 million a year in revenue. Now, if that isn't a strange combination for this particular minister to have agreed to, I can't think of anything else stranger, but this goes to show what a very effective lobby by a very few people can do and how they can impact government. It's interesting to note that this government can still be overtly subject to doing what their friends want rather than following the policies that they initially laid out with regard to cigar taxes, cigarette taxes, and loose tobacco taxes in general. I wonder if a poor people lobby to reduce the prices of cigarette taxes would have been quite as effective.

Thank you.

The Deputy Speaker: Comments or questions?

Mr. Snelgrove: Yes, a comment, please. It's simply not fair to make this an argument totally about health. If you lived in a border community where half of the small businesses or convenience stations on one side of the border could sell cigars at half the price, you would see how quickly trade areas change. The gasoline sales stop, and it all changes. It's easy to sit here and say: well, it's not about that. It's about fairness, and that's all it's about. It's fairness straight across the board.

The Deputy Speaker: Comments or questions?

Mr. Mason: Yes, please, Mr. Speaker. I wonder if the hon. member would comment on whether or not that indicates that perhaps the hon. Member for Vermilion-Lloydminster is suggesting that Saskatchewan is a low tax environment.

Ms Carlson: Mr. Speaker, you know, I'm reviewing the comments made by the government members themselves and made on behalf or perhaps by the Minister of Revenue and, gee whiz, doesn't it say that they did a study of small businesses and specifically acknowledged that they did not believe that there was any direct impact on businesses, that a part of the campaign had been to state that some businesses would go out of business, and the minister's own copy that came out with regard to that bill would indicate that that was not true.

[Motion carried; Bill 47 read a third time]

head: **Government Bills and Orders**

head: Committee of the Whole

[Mr. Tannas in the chair]

The Chair: I now call the Committee of the Whole to order. When everyone in the committee is ready, we'll commence.

Bill 53
Insurance Amendment Act, 2003 (No. 2)

The Chair: Just so we're clear on where we were, we've had a number of amendments. All of them have now been cleared from the table, either passed or defeated, so we're back on the clauses of the bill, as it were.

The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I have a few general comments to make before we get back into the amendment war that I'm sure is going to occur this evening, and that's with regard to the comments that have been made on this bill where they talk about tort reform lowering insurance rates. We received quite a bit of information indicating that that is not an accurate statement to have made, and I would like to put a few of those quotes and some of that background on the record at this time, if I can.

What we have here before us is a number of cases – this has been an issue in the States – where insurance companies have put themselves on the record saying that tort reform will definitely not lower insurance rates.

The representative of the Ohio health insurance company was testifying before the Wyoming Legislature and specifically said, "Tort reform will not lower rates." That was in 2003.

The Medical Assurance Company of Mississippi said, "Tort reform does not provide a magical 'silver-bullet' that will immediately affect medical malpractice insurance rates." That was in September of 2002.

Patricia Costante, chairman and CEO of the MIIX Group of Insurance Companies, when asked by New Jersey Assemblyman Paul D'Amato whether, if caps are enacted in New Jersey, her insurance company would not raise premiums and would in fact reduce them, said, "No, we're not telling you that." That was at a meeting of the New Jersey Assembly joint committee on Banking and Insurance and Health and Human Services on medical malpractice in June of 2002.

The American Insurance Association said, "The insurance industry never promised that tort reform would achieve specific premium savings." This was an American Insurance Association press release dated March 13, 2002.

Sherman Joyce, president, American Tort Reform Association, stated, "We wouldn't tell you or anyone that the reason to pass tort reform would be to reduce insurance rates." From *Liability Week*, July 1999.

Victor Schwartz, general counsel, American Tort Reform Association: "Many tort reform advocates do not contend that restricting litigation will lower insurance rates, and 'I've never said that in 30 years.'" This was from *Business Insurance*, 1999.

Dick Marquardt, Washington insurance commissioner: "It was 'impossible to attribute stable insurance rates to tort-law changes or the damages cap,' since rates also improved in states that did not pass tort reform." From the *Seattle Times*, May of 1991.

8:50

The chairman of Great American West Insurance Company stated: "Tort reform 'will not eliminate the market dynamics that lead to insurance cycles,' and 'we must [never] over-promise – or even imply – that insurance cycles will end when civil justice reform begins.'" *Liability Week*, January of 1988. Too bad the government didn't take that advice. We have seen a number of overpromises, Mr. Chairman, in this particular legislation and, certainly, many implications that taking the steps they're taking will lower insurance rates.

A Connecticut state lawmaker stated:

The insurance industry now says [tort reform] measures will have

no effect on insurance rates. We have been disappointed by the response of the insurance industry. The reforms we passed should have led to rate reductions because we made it more difficult to recover, or set limits on recovery. But this hasn't happened.

That's from UPI, March of 1987.

State Farm Insurance Companies from Kansas said:

We believe the effect of tort reform on our book of business would be small. . . . The loss savings resulting from the non-economic cap will not exceed 1% of our total indemnity losses. . . . In our sample of liability claims, no claim was found that would have been affected by the joint and several restriction."

And also any savings due to alternative payment methods would be "negligible." This is from a letter from the assistant vice-president of the state filings divisions to the Kansas Insurance Department, October, 1986.

Aetna Casualty and Surety Company from Florida. After Florida enacted what Aetna Casualty and Surety Company characterized as "full-fledged tort reform," including a \$450,000 cap on noneconomic damages, Aetna did a study of cases it had recently closed and concluded that Florida's tort reforms would not affect Aetna's rates. Aetna explained that "the review of the actual data submitted on these cases indicated no reduction of cost." That came out of a statement made August 8, 1986. That's exactly what this government says they're going to accomplish with this legislation, yet we have company after company, statement after statement saying that it isn't true.

In St. Paul, Florida, St. Paul's found "a total effect of about 1% savings" from Florida's 1986 tort reforms but that even this 1 percent might be inflated. St. Paul concluded that

the noneconomic cap of \$450,000, joint and several liability on the noneconomic damages, and the mandatory structured settlements on losses above \$250,000 will produce little or no savings to the tort system as it pertains to medical malpractice.

This comes from the St. Paul Fire & Marine Insurance Company, medical and professional liability, state of Florida, 1986.

General Accident Insurance Company, Washington state, says: "Given that liability losses constitute such a low proportion of business owners' losses, GA feels it is prudent to continue with the original proposal of a 10 percent increase in base rates." Well, how do you like that? That's exactly what happened in other provinces in this country, Mr. Chairman: rates went up. That's what happened in the States too. What guarantees do we have from this government that that is not going to happen here?

It goes on. The *Times* wrote that

the highly touted tort-reform legislation enacted by the Legislature early this year is not lowering liability-insurance rates as promised, according to preliminary filings made with the state insurance commissioner.

Allstate Insurance Company, Washington state. In asking for a 22 percent rate increase following passage of tort reform in Washington state, including a cap on all damage awards, the company said, "Our promised rate would not be measurably affected by the tort reform legislation." The *Seattle Times*, July 1, 1986.

St. Paul, again, Washington state. After enacting the 1986 Washington tort reforms, St. Paul said that the limit on plaintiffs' lawyers fees "probably will have no effect on loss costs" and that "a 'cap' can become a target in smaller dollar cases, thus actually working to increase costs." Well, isn't that an interesting statement, Mr. Chairman? "We do not have the data that would allow us to project the actual probable effect in either direction." This is a letter from the executive vice-president, Saint Paul Fire & Marine Insurance to the insurance commissioner in Washington in 1986.

Great American West Insurance Company in Washington state. After the 1986 Washington tort reforms the Great American West

Insurance Company said that on the basis of its own study it does not appear that the 'tort reform' law will serve to decrease our losses, but instead it potentially could increase our liability. We elect at this point, however, not to make an upward adjustment in the indications to reflect the impact of the 'tort reform' law.

So they are saying at this time that they're not going to increase their rates, Mr. Chairman. Well, we can see what's coming down the road for us in this province.

Basil Badley, chief Washington state lobbyist for the insurance industry: "Legislators and consumers were mistaken from the beginning if they thought tort reform was going to lessen personal liability insurance costs." *Seattle Times*, 1986.

Iowa municipalities. In 1983 Iowa limited joint and several liability in order to limit the liability of cities and counties. Yet in 1985 41 Iowa counties had their liability insurance canceled within a 30-day period, leading former Iowa Senate Majority Leader Lowell Junkins, who had led the fight for tort reform, to change his position and to urge other legislators not to make the same mistake. Well, it looks like for the first time in this Assembly I might have something in agreement with the Member for Edmonton-Calder, and I am hoping that he will comment on what we have to say here and the information that has been shared with us.

Pennsylvania municipalities. A blue-ribbon Pennsylvania commission found that the cost of municipal liability insurance rose sharply in the mid-1980s even in those states which had capped damages against municipalities around the mid-1970s insurance crisis. November 1985.

New Mexico municipalities, Mr. Chairman. In 1976 New Mexico capped municipal liability at \$500,000 per person, and in 1982 it eliminated joint and several liability, yet premiums rose sharply for New Mexico municipalities during the mid-1980s insurance crisis just as they did in the states without caps.

Vanderbilt University. A regression analysis conducted by Vanderbilt University economics professor Frank Sloan found that caps on economic damages enacted after the mid-1970s insurance crisis had no effect on insurance premiums. That's from 1985.

I'm sure we're going to see the same kind of studies come forward in the years to come from our universities, where they are definitely going to see that the failure of tort reform to cut insurance prices is a fact and that this government has led Albertans down the garden path one more time on an issue that is intensely important to all of us. In this province it is not possible for most of the population to get around without having access to a vehicle, and it particularly significantly disadvantages young people who may be trying to look for jobs where there is no reasonable public transit access.

Thank you, Mr. Chairman. I'll take my seat at this time and participate a little later on in the debate.

The Chair: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: It's a pleasure for me to rise this evening to get a few comments on the record on Bill 53, the Insurance Amendment Act, 2003 (No. 2). I want to go on record as supporting the bill, and I want to talk about some of the things that I like in it but also some of the reservations that I have.

First, I did want to chat a little bit about the items that we have on limiting general damage and awards for pain and suffering. I think that it's important that we do have the establishment and health assessment guidelines and best practices to assess whether an injury is in or out of that limit. I think it's also very, very important that we're not limiting anyone's right to court if they disagree with that assessment. They can go to court and see if they can establish that

their injury may or may not be outside of the definition that we're going to have. That is also going to the establishment of an independent medical evaluation process to determine if an injury is subject to the limit, and governing those fees as well. So I think those are good things that are in there.

9:00

I'm also, Mr. Chair, happy that we were able to come up with a change in the geographic territories such that even though for many, many, many years we have been paying different rates around the province, we're going to over the next few years have that stabilized somewhat so that we have an Edmonton/Calgary rate, if you will, on the maximum on the grid as opposed to a difference, which is what we have today. I'm also pleased that the section B accident benefits are going to be increasing from \$10,000 to \$50,000 and, as well, with a lot of the other good things in this bill, which are things like the advance payments on future settlements, having a structure that we can do that with, our structured settlements, disclosure of policy limits.

One of the other things that I think is very important in this legislation that we haven't had before, Mr. Chair, goes back to something that was brought to my attention by a constituent the first year that I was elected, where the insurers were not required to give notice to the registrar when insurance was dropped. We do have that in this legislation, and I'm happy to see that. The authorization requires insurers to give notice to the registrar of motor vehicles whenever a contract of insurance is canceled or not renewed, which is another good thing, I think, in there. Consumer complaint resolution is also within this legislation as well as the new risk sharing pool, which I think will benefit a number of drivers.

The things that I have some concerns about – and I'm hoping that the hon. Member for Medicine Hat will be able to help me with them and address them somewhat – are the rate-setting board and the teeth that we're going to give this board to ensure that the rates that are out there are going to be fair and reasonable and equitable to all of the drivers in Alberta, that this rate-setting board is going to have the strength to hold their feet to the fire, if you will, to maintain the competitive advantage in Alberta of the insurance rates. I'm hoping that there will be some teeth in not only the rate-setting board but also in the monitoring of the optional coverage so that we don't have a crossover of costs from one to the other and that we do indeed see some of the benefits of some of the things that we're doing for the majority of the drivers in Alberta.

I would like to see other things that aren't in this legislation. I think we do need to look at things like advertising restrictions for some of the injury legal firms, perhaps even regulation on contingency fees for injury lawyers – I think that's something that we need to look at as a government – and potentially some of the other items that may be related to justice that we might want to look at changing down the road to also help take some of the costs out of the system so that consumers benefit as a whole.

With that, Mr. Chair, I just wanted to make sure that I got those points on record. I do support this legislation. I think that as a long-term solution to the problem we have with insurance in the province today, this is the right track. Staying with the status quo is not an option, and we need to move forward.

Thank you, Mr. Chair.

The Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I'm pleased to have the opportunity to make a few comments on Bill 53, the Insurance Amendment Act, 2003 (No. 2), at this time. One of the huge

questions and very basic questions that the debate on insurance in the province and in other provinces has centred on is the question of whose interests are being served. I've had, as far as my constituency office is concerned, more calls on this issue than any other issue except the teachers' strike. There is a huge, huge public interest in the legislation that's before us and the action that's proposed through this bill.

One of the difficulties many callers have is trying to understand the freeze and just exactly why the freeze is imposed at a time when rates are at their highest. If you look at those sections of the bill, in section 17, where the freeze is dealt with, a great deal, in fact almost all of the authority for dealing with the freeze rests with the Lieutenant Governor in Council. The powers given to the cabinet under section 17 are very, very extensive. They can decide whether the freeze is going to be retroactive, whether there are going to be some classes of insurers that are exempted from the freeze, whether there will be a class of automobiles that shall be exempt in whole or in part from the application of an order by the cabinet, to exempt in whole or in part a class of insurers, and to "prescribe or otherwise describe the premiums and the levels of premiums to which the order applies." Then it goes on to list a number of things:

- (h) suspend or modify the application or operation of any one or more provisions of this Act . . .
- (i) suspend or modify any decision of the Alberta Automobile Insurance Board.

And I see it goes on.

There is just very extensive and powerful authority given to the cabinet to make decisions with respect to the premium freeze, and I think that if I'm listening to my constituents correctly, it's of major concern. They don't understand, as indicated, why the freeze was put on when rates are at their highest, and they are, as I've heard from a number of them, uncertain as to what happens to the freeze in the future.

Those concerns are apart from the letters I get from specific constituents about their insurance company. I tabled a letter earlier today from a constituent who claims that he just went to have his insurance renewed, and there, in fact, was no freeze, that the insurer has raised his rates. He was somewhat outraged and ends up expressing some real concern as to what's happening. So the freeze, I think, has not been explained to the satisfaction of many Albertans, why it's at the level that it is. Certainly, I think that if Albertans read the provisions and the power given to the cabinet with respect to premium freezes and relate that to their experience with energy rebates, there's real cause for concern.

The question about whose interests are being served still needs to be addressed, and I think this section of the act does little to assure Albertans that the freeze is going to be an open process that's going to be easily understood and that changes to any freeze won't be arbitrarily changed by the cabinet. So a whole set of concerns are addressed around the freeze. There are some suggestions for amendments that will be made at a later time, Mr. Chairman, with respect to those provisions.

9:10

As another whole section of the bill that hasn't had a lot of public question raised about it but certainly by those insurance watchdog groups and those that are in the industry, the automobile insurance rate board has generated a lot of discussion, the provisions in the bill that outline the appointment of the automobile insurance rate board. I guess that one of the concerns and a major concern for some people is: will the rate board protect the interests of consumers?

With respect to the appointment of that board, what guarantee will there be that consumers' interests will be paramount and that we won't slip into the situation that we have today where rate proposals

seem to automatically be endorsed and put into practice with very rare exception? So questions about that board: the powers that the board has, the appointments, the number of individuals, three but not more than seven members. Again, they're going to be appointed by the Lieutenant Governor in Council and the superintendent, with the notion that this will, again, be done by cabinet. I hope that one of the things that we might see is an attempt to define some criteria that will be used to invite qualified members of the public to serve on the board and that this won't be an opportunity to appoint people on a political rather than a competency base with respect to making decisions about insurance in the province.

There's the listing of the establishment and the duties of the board in terms of exercising their power, how the board will operate if there isn't a quorum or there isn't a full group to make a decision, and a requirement for an annual report. I think that that's a good requirement, that at least annually there'll be a need for the board to answer to the public, at least to the minister, and the minister then has a requirement to lay the report in front of the Assembly. So, again, a number of concerns about the appointments to that board and the role that the cabinet will have in the operation of the board, because the cabinet, as I've indicated before, has extensive powers with respect to this act and to the insurance industry.

The third area – and this one is another one that is really, really a major concern if constituents' letters and e-mails are any reflection, Mr. Chairman – is the provisions that would limit claims for minor injuries. No matter how often the government repeats the notion that this doesn't prevent someone from going to court, there still remain a large number of Albertans who believe that it is wrong to provide any limitations on minor injuries and some real question about the kinds of statistics that are being put forward to justify the need for such limitations and also the assumption that seems to be being promoted of widespread fraud in making those claims. I've had real questions raised about those assumptions and how those ideas seem to have taken hold and pervade many of the discussions on this particular item.

The last section is the matter of Albertans choosing to be covered by one or more insurance companies and not being allowed to claim from both. It seems like a strange provision given the arguments that we've heard in the Legislature about a need for choice and for people to choose to run their own lives and to protect themselves in ways that they see fit. Again, it's an area where although there hasn't been as much discussion, there is still concern that those kinds of limitations are put in place. I've had some argue that it seems to be an effort to chill people who are insured in their efforts to cover themselves with respect to any kind of misfortune with respect to their automobiles.

So I think that with those few comments, Mr. Chairman, I look forward to the amendments that are going to be presented later this evening and an opportunity to look in more detail at some of the specific provisions of the bill. Thank you.

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman, and I'm pleased to speak at committee stage to Bill 53. This past weekend we had a very successful convention of the New Democratic Party in Calgary, and whilst I'm sure it was not as large as the PC convention is, neither were there lots of people who attended simply because we were the government and could dispense largesse. Nevertheless, it was a very good convention. It was addressed by any number of excellent speakers, including Jack Layton.

Mr. Magnus: Who?

Mr. Mason: The next Leader of the Opposition of the Parliament of Canada, hon. member.

Mr. Magnus: Brian is taking wagers.

Mr. Mason: Well, we won't get into that, Mr. Chairman. The hon. member wants to make bets on the next federal election, but I think we'll save that for after the House.

One of the speakers that was at the convention, Mr. Chairman, was Howard Pawley, the former Premier of Manitoba and the father of public auto insurance in Canada. My wife and I had the distinct pleasure of having dinner with Howard Pawley and talking about his experiences as minister in the Schreyer government and later as Premier of Manitoba. He gave an excellent speech with respect to public auto insurance, and I'd like to inform members tonight of some of the things that Mr. Pawley had to say about the advantages of public auto insurance.

9:20

He asked the question: why do public auto insurance plans win hands down over private auto insurance systems? He starts by saying that with private plans estimates of uninsured motorists range from 10 percent to 20 percent. This is clearly not acceptable. When the decision is made to establish compulsory and universal coverage, says Mr. Pawley, it follows that there must be an obligation for the government to deliver auto insurance at the lowest possible prices. The test of that involves how much of the premium dollar the motorists get back in the settlement of claims.

Recent published annual financial reports illustrate how the administrative costs of public plans avoid costly administrative duplication and are only one-half as much as those incurred by private insurance companies. One-half, Mr. Chairman. Public plans return a maximum amount of each premium dollar invested by the motorists; that is, between 85 and 90 cents on the dollar, and this compares to private insurance returns of approximately 70 cents on the dollar.

The inclusion of basic compulsory automobile insurance with the licence plate is the most economic and efficient method of delivery. Supplementary auto insurance is also available from either government plans or from private auto insurance companies. Also, all public insurance investment earnings, unlike those of the private plans, are returned either by increased benefits or through lower insurance premiums to the motorists themselves rather than to shareholders.

On the other hand, private insurance customers are subsidizing insurers by allowing them to use the premium money interest free. Jobs are kept in the province and jobs and opportunities are created in the insurance industry by public plans. These jobs would not otherwise exist. One main central office operates in the public system within the province rather than maybe 40 or so outside the province, as is the situation with the current system. A single agency requires one computer system versus scores of varied, costly computer systems. One company president and one company vice-president and fewer officials are utilized in contrast to the multitude employed by the private insurers. Advertising, litigation, and adjusting costs are reduced.

So you can see very clearly, Mr. Chairman, that the bureaucracy involved in the private insurance system is drastically reduced. However, we know that the government is only concerned about government bureaucracy and does not really care about bureaucracy in the private system even when the costs of that bureaucracy are carried by people who have to utilize the insurance.

Mr. Pawley goes on to say that the investment company reserves

are invested in public institutions. He gives the example of Manitoba, where there is currently \$1.6 billion in reserves invested in the province's communities, in their schools, hospitals, and universities. He talks about an integrated claims centre with regional claim centres. There are 23 currently in Manitoba which minimize public inconvenience in insurance claims procedures. It enjoys a decided advantage in reducing per vehicle cost of automobile claims. Moreover, says Mr. Pawley, provincial insurance corporations as the owners of public auto insurance, have every political reason to reduce accidents and claims by insisting on safer driving conditions for their motorists. They pursue traffic safety and loss prevention programs. For example, in British Columbia the Insurance Corporation of British Columbia has financed photoradar, larger red lights at intersections, and so on.

There is no discrimination in public insurance in rates based on age or sex assessed to motorists. Bad drivers are surcharged additional dollars on their driver's permit. That's the fairest way, he said. Now, that is similar to what the government is proposing. However, the overall rate structure charged to all types of drivers, whether good drivers or not, is considerably lower.

There are consistently stable rates under public auto insurance. He compared the annual rate increases in 2003 in other provinces, including Alberta. Manitoba returned \$81 million to motorists with a 16.6 percent discount. The Consumers' Association of Canada looked at Lloydminster, skirting the border of Saskatchewan and Alberta, and discovered that motorists on the Alberta side pay on average \$900 more.

I noticed that the hon. Member for Vermilion-Lloydminster stood up tonight and made an impassioned appeal that Alberta's cigars should be as cheap as Saskatchewan's cigars, and I would expect that he would follow up on that and make a impassioned appeal on behalf of Alberta drivers that their rates are as cheap as drivers on the Saskatchewan side.

The premium rate increases compare well under public auto insurance with the inflationary increases over the same period of time. There's great financial strength, says Mr. Pawley, in public auto insurance. He suggested that in Manitoba a 102 cent return on a \$1 premium. Those are figures from the year 2000. Operating costs are less than 50 percent of the industry average. It is mandated to be financially self-sufficient and operate on a break even basis over the long term.

Now, what is Mr. Pawley's conclusion, Mr. Chairman? Well, he says that in Alberta the Conservatives have been saying that the voters shouldn't look to the other three western provinces as examples of the benefit of public auto insurance. He says that our Premier rejects public auto insurance because it flies in the teeth of the official ideology of privatization and smaller government. He mocks the idea of public auto insurance because it actually involves the government running something. He asks: why is Alberta, why is the Premier the odd man out in western Canada? Surely our Premier is not saying that it can't work here because Albertans are failures at public administration and can't be as efficient as Manitoba, British Columbia, or Saskatchewan.

He doesn't think the Premier will listen to him. He thinks the Premier would see him as a left-wing ideologue, a left-wing nut. Mr. Pawley suggests that our Premier should then seek advice on this issue from other right-wing buddies in the west; for example, Gordon Campbell in British Columbia, Elwin Hermanson of the Saskatchewan Party, Tory leader Stuart Murray in Manitoba, or previous conservative-minded Premiers in those provinces; for example, in British Columbia Premier Vander Zalm or Premier Bennett or Premier Devine of Saskatchewan or in Manitoba Premier Filmon or Premier Lyon, all of whom have maintained the public

auto insurance systems in their provinces notwithstanding that they were established by NDP governments.

Conservative and Liberal governments that have come along have not dared to touch these systems. Why? Because they work so well. They deliver the lowest possible price in the fairest possible way, and the voters would not tolerate any government, no matter how right wing, dismantling public auto insurance once they've had the opportunity to make use of that system and to experience the advantages.

Well, you know, I want to indicate, Mr. Chairman, that there are lots of good reasons why we should have public auto insurance and why this particular bill fails the key test, and that is whether or not it indicates that there is going to be a public system or not.

Opponents have consistently argued that it should be left to private enterprise since public coverage would remove the enterprise and competition of individuals. If public funds are utilized, political bureaucracy will be rampant and a scheme of individual coverage by the state is socialism. The opponents, Mr. Pawley goes on to say, argue that universal coverage will destroy initiative and ambition and there will thus be a premium for comparative idleness to be taken out of the pockets of the laborious and the conscientious.

Other arguments that he identifies used by those opposed to public auto insurance is that standards would be lowered, that governments should only concern themselves with coverage for the needy and that the creating or sustaining of such coverage for all classes is beyond the province and power of government, that government cannot provide for the necessities of people, that requiring people to pay under universal coverage is dangerous, that and there's no confidence in compulsory equalization. He points out, Mr. Chairman, that in 1830 opponents of tax-supported education for all children made exactly the same arguments in the United States. This has ever been the argument against public advances and progressive changes in society, and it is being used against us again.

9:30

Despite all of the difficulties and all of the arguments – and there were some difficulties in setting up some of these programs – they have stood the test of time. They are the kind of program that delivers the goods for people, delivers it consistently and in a fair manner, and wherever it's been implemented in Canada, it has been successful, so successful, indeed, that no subsequent government, no matter how right wing, has been willing to go back to the kind of system that we have in Alberta and which we are going to continue to have even with the so-called reforms that the government is trying to put in place. We are going to continue with all of the disadvantages of a private system, save some more equity in the apportionment of rates.

That's the only change, and it's not enough, Mr. Chairman. It's far from being enough. It falls far short of the mark that has been set in the other three western provinces. So I put to the Assembly the question raised by former Premier Howard Pawley, the father of public auto insurance: why is Alberta remaining the odd man out in western Canada? Why indeed? That's a question that will be asked certainly by many Albertans at the next election.

Thank you.

The Chair: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Chairman. I'd certainly like to rise and respond to some of those comments. Quite frankly, to say that Alberta is the odd man out in the western provinces, well, thank heavens we are, and thank heavens we have not gone the route of our neighbouring provinces, following their socialist policies which have

resulted in decimated economies. When we talk about our next-door neighbours and that 20 percent of their budget is coming from federal government transfers and we're exactly the opposite, thank heavens we are the odd man out. Compared to what they're doing there, it's frankly extremely disappointing.

I happen to believe, Mr. Chairman, that I understand the socialist policies that we're hearing advocated here. They sound good. They sound appealing to a certain number of people who, unfortunately, have not ever been in business, not ever had to make a payroll with their own money. Yeah, these socialist policies sound kind of appealing to a certain number of people, but quite frankly they're disastrous. They're absolutely disastrous in the long run. When we look at government insurance, people say: oh, it's cheaper; it's better; it's this and that. Well, you start looking at the social engineering that's being applied in the government insurance of our next-door neighbours and you find that, in fact, the good drivers in those provinces are having to subsidize the bad drivers. That's how it works. Right?

So if you happen to be a bad driver, yes, you are probably going to be able to get quoted better insurance rates in our neighbouring provinces, but if you're a good driver, it'll be exactly the opposite case. Do we want that? Do we want to subsidize bad drivers and have good drivers have to pay more? No, I don't think so. That's just the first reason why we don't have government insurance here and don't want government insurance.

Of course, when you really think of it, if government insurance, which we've heard advocated here numerous times – if it is so good to get government involved in private business and get government involved to roll back those prices, well, why stop at insurance? I mean, groceries are too high for some people, too, and the price of a new car and the price of just about everything. So according to the policies being advocated by the opposition here, why stop at insurance? Why not get government everything and order those prices rolled back? If profit is so bad, you know, if you think profits are so terrible, roll them back on everybody. I mean, that's the kind of policy that's being advocated by the opposition here.

Quite frankly, I can never understand why socialists are just so jealous of other people trying to make money. The socialists, you know, are just so opposed to other people making money and so jealous that they'd advocate ganging up on them through government policies to take those profits away from those bad people making those profits. Thank heavens Alberta is the odd man out on this.

The reality, Mr. Chairman, is that these socialist policies of getting the government involved to regulate everything and roll back those prices have been tried before. Unfortunately, when we look at Russia, it just didn't work. The reality is that when the government gets involved and rolls those prices back and regulates everything to be cheap, in very short order there isn't any supply: cheap prices, no supply, nothing on the shelves anymore, nobody supplying insurance anymore. So it just gets worse and worse.

Frankly, Mr. Chairman, I think it's a good message to all Albertans on what our opposition would be like if, in fact, they ever form the government in this province. This is the message being sent here, that if they were to form the government in this province and started taking over everything with socialist policies, they would scare off every business. There would be the end of the Alberta advantage.

Chair's Ruling Decorum

The Chair: Hon. member, now that you've drawn a breath, I just wanted to remind hon. members that we are in committee and that

it's not incumbent on each and every one of you to talk at the same time as the person who's been recognized. We would hope that you could converse in a very, very quiet, unobtrusive way.

We'll now hear from the hon. Member for Calgary-Currie and, hopefully, only him.

Debate Continued

Mr. Lord: Thank you, Mr. Chairman. Just to continue, the reality is that if you've ever had to run a business yourself, if you've ever had to make a payroll with your own money, if you've ever been in a business where it's your own money at risk, you realize just how much of a coward venture capital is. Venture capital is the world's biggest coward. It runs at the very first sign of socialism. So in this province we have the advantage that we have, we have the economy that we have, and we have the Alberta advantage that we have because we stood up and strongly said: we believe in free enterprise and capitalism, and people who want to invest their money and take those risks are welcome in Alberta. That has not been the message in our neighbouring provinces, and that is why they are the have-not provinces, who have to depend on our money going to Ottawa and coming back to them to keep them afloat.

So for someone to stand in this House and say that we should be following the same disastrous road that they have followed and get into government regulation, government insurance—next thing we'll be in government groceries. We'll be in everything across the board, and it won't be an Alberta advantage. We'll have joined the other provinces as have-not provinces, and then we won't be the odd man out. That's what the opposition would have happen in this province.

Colleagues, I hope that you ignore the opposition's calls here to go down the road of government insurance. I think it would be a huge mistake. Thank you, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. This is what I like: a good, honest, straightforward debate. I appreciate the hon. member's comments, but there are a couple of things that I think I want to set straight. One is that the advantage of public auto insurance comes from charging good drivers higher rates so that they can subsidize bad drivers. This is not the source of the savings that occur in public automobile systems, as I just indicated in the comments that I communicated from the speech of former Premier Howard Pawley. If the hon. member has forgotten already what I actually said, perhaps he can review *Hansard* and see the itemization of the savings that occur and why those savings occur, because ex Premier Pawley is now teaching at a university, and he is probably one of the most knowledgeable individuals on automobile insurance in the country.

9:40

I'd like to just read the report highlights from the auto insurance rate comparison study of Manitoba, Saskatchewan, Alberta, and British Columbia. This is done by the Consumers' Association of Canada, and they studied 17 cities in four western provinces. Here's what they found.

1. Alberta consumers pay on average about twice as much for auto insurance than consumers in the other three western provinces with public auto insurance systems.
2. A consumer in Lloydminster, Alberta could pay up to \$8,980 more annually for auto insurance than if they lived literally across the street in Lloydminster, Saskatchewan.

Apparently the same situation applies to cigars.

3. A driver in Winnipeg could pay up to \$9,080 less for auto

insurance than if they lived in Edmonton, a comparable sized city with similar prairie-like driving conditions.

4. In Alberta older drivers who drive newer, much more expensive cars, and who have driving convictions, pay up to \$2,430 less annually for auto insurance than young drivers with clean driving records. In the three public auto provinces, where rates are based on a driver's record, a young good driver pays less than a bad older driver.

Mr. Chairman, I just want to indicate that these are based on comparisons of actual cases, and I can make the report available for the hon. member, because I'm sure he wouldn't want to misrepresent the advantages of public auto insurance further.

The second point that I want to make, Mr. Chairman, has to do with the Alberta advantage, the economic advantage of Alberta. Government members would like to believe that this is due solely to the enlightened policies of this government, and quite frankly—and I see some of them are applauding already—nothing could be further from the truth. The reason Alberta has the economic advantage it has is because of the oil and the gas in this province that other provinces do not have. This fuels the Alberta economy, and whether or not the government has occasionally done a good thing or two about handling the economy or not is not the decisive question. This government would like to take all the credit for the oil and gas and the tremendous revenues that it has. It's like the government trying to take credit for the enormous surpluses that the Alberta government has every year, \$3.4 billion in this year, as if this was somehow a result of the fiscal policies of the Alberta government.

In fact, we have somewhat lower royalties on the oil and gas than, say, Alaska or some European countries that have free enterprise economies and governments as well, so we actually get less revenue than we could have or would have if the New Democrats were the government. But nobody should say that it's the government's excellent management that produces those surpluses because it's not, Mr. Chairman. It is due very, very precisely to royalties from oil and, in particular, natural gas. So you can take credit all you want for the Alberta advantage, but God put that oil and gas under the ground, as we were told 50 years ago, for Social Credit and not for the Progressive Conservatives.

The Chair: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you, Mr. Chairman. I rise today because I did not think that I came into this Assembly this evening to listen to what the former Premier of Manitoba, Mr. Howard Pawley, had indicated. It seems to me that we are engaged in a debate over whether we should have public or private car insurance. The bill that we have in front of us does not give us that option. The bill presented in front of us deals with private car insurance.

Towards the end of July of this past summer I convened a forum in St. Albert to which I invited constituents. I invited those who wanted to speak on behalf of and whose interest stemmed from their legal interest in injury claims, if you will, or representing injured persons in car accidents, so a number of lawyers attended. I invited a number of car insurance providers, agents, and brokers who are in my community, so they came as well. I also invited a number of constituents, some of whom, indeed, had been victims of a car accident. Some of them, like the majority of my constituents, are required to have car insurance because they do own a car and drive one and, therefore, by our rules must make sure that they properly insure it.

The discussion that evening divided into three topics. First of all, I must say that at that stage of the debate—and we have advanced quite a bit further—in late July a number of the injury lawyers who were present were quite, as I have said before, pre-emptive and

presumptive about what we were discussing. They presumed that we were going to do a number of things, and they were pre-emptive in their strike against our proposals. Those who were in the car insurance industry did come, and they did give us their perspective, but it was their perspective on it. A number of my constituents had questions, and a number who were victims of accidents presented their perspective as well: their great desire to be able to take their case to court and to get properly compensated for the injuries that they had suffered.

What I want to address most specifically were the concerns of the majority of my constituents, who pay for car insurance and who are finding that lately – and this is over the past two years, I'm going to say – are not able to afford car insurance. I can tell you about Darren, a young 18 year old in my community who wanted to get a summer job in which he would be required to drive the vehicles of the company who would be employing him. The company would not hire him because the insurance on the vehicles was too expensive.

I can tell you about the senior, a senior who's quite representative of a number of seniors in my community who are 70 years-plus in age who after having driven for years and years with very safe driving records have had a minor accident. These are the people who for some reason their car insurance companies have decided not to renew their policies. So they, too, are finding that it's not accessible. Indeed, if they are asked to go to facility or to go to Kingsway, another provider of high-risk car insurance in our community here, they can't afford it.

So I'm finding, as I have found for a long time, that those who were required to buy car insurance, my family included, are finding that the rates have gone high without any acceptable explanation. They have risen without justification in the minds of the consumers and in my mind too.

I also find that there are those who are finding gross inequity in their ability to receive insurance policies. Many of you remember and sat in this Legislature when I discussed my private member's bill, which was the Insurance (Gender Premium Equity) Amendment Act. I can tell you that unmarried young male drivers under 25 are the ones who have been forced to pay very high car insurance premiums. That is in my estimation an unequal access to car insurance for males, so I am very, very pleased that this piece of legislation addresses that issue. It eliminates that factor of gender.

It also is going to eliminate the factor of age. I can tell you that while two years ago, indeed three years ago most of those constituents who contacted me were young male drivers, I have an equal number of constituents who have approached me on the issue of age because they are seniors. These are seniors who are finding it very, very difficult to get affordable coverage in their car insurance premiums. Why I'm leading to describing this is because we had to do something about the issue.

9:50

There are also those who have been accident victims. They are individuals – and we have them in all the constituencies, I'm sure, around this province – who have very specifically endured soft-tissue injury that has affected their lives, their working circumstances, and their ability to participate in a number of activities. So these are the individuals who are finding it very, very difficult to continue in their lifestyle when they have been, through no fault of their own, accident victims.

We have to address this, and we have to address it so that we ourselves have proper coverage should we be involved in an at-fault accident. We have to have the confidence that the other drivers on the road have sufficient coverage so that should we be the victims,

they themselves and their insurance companies will be able to cover the issues and to compensate us justly for our victimization, I guess I'm going to say, by virtue of an accident for which we were not at fault.

So what I'm driving at, Mr. Chairman, is to indicate that in our communities we are wrestling with the issue of car insurance that from the provider's point of view, indeed, it has not been very transparent, nor has it been accountable to the individual customer. From the legal profession's point of view all they want is the ability to be able to represent their clients should they be, indeed, victims that have far-reaching needs as a result of being a victim of a car accident.

We also have those who are neither victims nor are they, indeed, individuals who are by virtue of age or circumstance or gender or consideration of the people with whom they share a residence – they are the ones who are finding it very difficult to rationalize why they have to pay the premiums that they pay. This is why we as a government are dealing with a piece of legislation that we trust and hope will put in place regulations that will look after all those factors that I believe we want considered in order to have affordable, accessible, and fair car insurance premiums. Will we have it absolutely correct so that it will be a perfect world where no one will challenge? No, I don't think so. But will we have a better circumstance in the delivery of car insurance than we currently have? Yes, we will.

I have also in my constituency a number of individuals who make a very honest living by working as car insurance brokers and working in the car insurance industry. I have a number of lawyers who very justifiably represent their clients when their needs are such that they as victims of a car accident must make claims in order to look after the circumstances in which they find themselves.

But I also have, shared by both the lawyers and by the insurance companies, individuals who must have insurance on their cars and who must feel that they have a government who is concerned enough about their circumstances to make sure, whatever it takes, to give them the opportunity to afford car insurance, to have car insurance that is accessible to them, and that they are not turned away or sent to another facility or another company that will charge them two and three times and in some cases four times the going rate. I also have constituents, myself included, all the people who live in my community who, I believe, want to make sure that there is fairness in the delivery of this particular aspect of required business that we must be involved in, and that is that we must have car insurance.

So let's deal with all the other circumstances, the traffic vigilance that we must take. We must make sure that people respect the rules of the road. We must do things that will educate drivers not to drive recklessly and put other people's lives in peril when they are on the road. We must make sure that individuals properly represent and make sure that they have the opportunity to state their case before a jury or a judge, if you will, in a court. We have to make sure that all those things happen. We have to make sure that individuals and beginning drivers are at least aware of the fact that they have a responsibility when they are on the road.

But in addition to that, we must also make sure, if we require them to have car insurance, that they can afford it and that they then can reap the benefits of the insurance that they so expensively right now but, we hope, will more equitably pay for under the new system.

Thank you very much, Mr. Chairman, for the opportunity to speak to this. It is an issue that is of grave concern to all my constituents. It's an issue that I don't take lightly. It's something that a number of individuals have contacted me with respect to, and I think we have an obligation to address this and address it in the spirit of fairness, in the spirit of equal access, and in the spirit of affordable coverage.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I want to spend a little time talking about a particular section of this bill that I'm not happy with and then ultimately bring in an amendment for this section. The one I'm particularly interested in, first of all, is the rate board. It's called the automobile insurance rate board. It starts on page 12 of the bill. This is a board that is going to have a great deal of power under this piece of legislation.

They've got all kinds of rules in this bill about how the board may be established and how the board and the chair are appointed, the remuneration provided, and talks about other staff and persons required by the board and that they can

from time to time appoint one or more persons having special technical or other knowledge to inquire into and report to the Board in respect of any matter before the Board or in respect of which the Board considers it necessary to have information for the proper carrying out of its duties.

There has to be a quorum for them to carry on, that

an order, direction, approval or other instrument purporting to be signed by the chair, the vice-chair or a member of the Board on behalf of the Board is admissible in evidence in any proceedings as proof, in the absence of evidence to the contrary,

- (a) that the order, direction, approval or instrument is the act of the Board or of a quorum of the Board, and
- (b) that the person signing it was authorized to do so without proof of the appointment of the individual signing as a member of the Board, or the individual's designation as chair or vice-chair, as the case may be, or of the individual's signature.

Then it goes on to talk about how the rules governing their procedures are made, and the most important part from my perspective is the powers of the board. They can

investigate any matter it thinks fit respecting automobile insurance in Alberta, including rates, benefits and availability of insurance.

It can prohibit

- (i) an insurer from charging any rate for the minimum insurance above a rate filed pursuant to section 655,
- (ii) any change in class of an automobile from the classification of that automobile filed pursuant to [the same section], or
- (iii) any change that would have the effect of increasing a rate for the minimum insurance.

Then a number of other powers available to them.

10:00

Mr. Chairman, what I believe is very important when you have a board that has this kind of power is that what happens in their proceedings is available to public scrutiny, and there is no provision for that in this bill. There are pages and pages of what they can do and how they can do it, but nowhere included anywhere in their powers and duties is there any provision for sharing that information publicly other than their publishing of an annual report. Because of the amount of money involved, because of the impact that this has on people's lives, we don't think that's adequate.

So on behalf of my colleague for Edmonton-Gold Bar I would at this time like to move an amendment to this particular section.

The Chair: To the pages: would you please hand them out to people who are actually sitting here first, and then you can fill in later? That way the benches can get some over here. Then we can start. Amendment A4?

Ms Carlson: Yes, A4.

The Chair: You can move it now, please.

Ms Carlson: Okay. Thank you, Mr. Chairman. On behalf of my colleague for Edmonton-Gold Bar, I'm moving that Bill 53, the Insurance Amendment Act, 2003 (No. 2), be amended in section 15 in the proposed section 653 by adding the following after subsection (13).

(13.1) All proceedings of the Board must be open to the public.

(13.2) The Board must ensure that all proceedings of the Board are recorded and made publicly available in either written or electronic media format.

We think this is an excellent addition to this particular bill. We see that likely it was an oversight in the writing of the bill that it wasn't originally included, because all members in this Assembly know how important it is that boards that are making important decisions that directly affect the public, that directly affect money, that have the ability to call expert witnesses, that have the ability to have information provided by their boards used in courts or other judicial areas definitely need to have very tight control over the recordings of the proceedings of those particular meetings.

Now, we're used to having *Hansard* record what we say in public meetings that are making key decisions and then having a record of those proceedings available to the general public. That's the kind of situation that we're asking for here, that people can come and listen to the proceedings of the boards, that they not be closed, behind-door meetings, and that records are made. This board, particularly in the first few years, is going to be making some significant and important decisions, and we want to make sure that whatever they're doing is in an open kind of format that can be reviewed and can be watched if people wish to actually show up at the meetings and watch them. That's a very important part of how this particular bill will proceed.

The worst thing that could happen is that you bring in this kind of legislation affecting a pocketbook issue for voters and have the decisions made behind closed doors. So we're helping the government out in this particular instance by bringing in the kind of amendment that will make proceedings more open, will make them more available to the public, and will help reduce the amount of concern or suspicion that people have about the decisions and how the decisions are made with this particular board.

Of course, many people will want to be on this board. There will be a lot of scrutiny on how people get appointed and whether they're friends of friends or whether they actually bring some expertise to the table. In particular, what they say, how they say it, and how the decisions are made is going to come under close scrutiny for some time and, I would suggest, some long time, not some short time. So the best way to eliminate concerns and the best way to ensure that good decisions are made is to just make the process open and transparent and the board members accountable.

Now, you'd think that wouldn't be very much to ask for, but in our experience in this province that isn't necessarily the way these kinds of boards tend to operate. So rather than have the government get themselves into a big kerfuffle over this because people are unhappy with the proceedings and us having to come back and amend this act next year or the year after if they hold out for a very long time, we're suggesting that making proceedings transparent be incorporated into the bill at this particular time.

With that, Mr. Chairman, I would urge all members in this Assembly to accept this amendment in the good faith in which it is intended, and we can proceed accordingly. Thank you.

The Chair: The hon. Member for Medicine Hat.

Mr. Renner: Thank you, Mr. Chairman. I just want to briefly address this amendment. I want to remind members what the nature of this board is. This is a board that is being struck with a number of responsibilities. The main one is establishing what the benchmark insurance rate is going to be and putting the grid in place.

I think that there is some confusion that this is some kind of a board that is going to operate similarly to the Automobile Insurance Board, that we have now, where individual companies will come and make requests for rate changes. I just want to remind all members that we've reversed that whole mechanism so that insurance companies no longer come to government asking for rate changes. Instead, the rate board that we create through this legislation will be responsible for collecting and collating all of the relevant data, analyzing that data, and then, based upon the analysis of that data, determining what is going to be the rate structure that will be used for the next successive year.

I don't think that that kind of work is the kind of work that lends itself to a series of public meetings. If the board finds it necessary on a specific issue that might come up to hold hearings, then it's well within their authority to hold public hearings, and there's nothing that would preclude them from doing so. But when we ask a board to do technical analysis of sometimes confidential information, we can hardly expect them to do all of their business in public. So I would urge members not to support this proposed amendment.

The Chair: The hon. Member for Edmonton-Highlands on amendment A4.

Mr. Mason: Thank you very much, Mr. Chairman. Well, I'm pleased to speak to the amendment by the hon. Member for Edmonton-Gold Bar. The hon. Member for Medicine Hat has just described some differences between the board envisaged in Bill 53 and the Alberta Automobile Insurance Board, which has been in existence, as I understand it, since the days of the Lougheed government.

10:10

It might help to review just how the Alberta Automobile Insurance Board operated. It approved changes to car insurance rates. It reports currently to the Minister of Finance, and its directors are appointed by the minister. It has an incredibly low public profile, Mr. Chairman. It doesn't even have a web site. It does publish an annual report, but this is not even posted on the government web site, nor are the directors of the AIB. It reviews behind closed doors rate application increases for compulsory coverage, mostly third-party liability insurance. There's no opportunity currently for policyholders to challenge rate increases. Locations and dates of board meetings are not advertised or even made public. Minutes of board meetings are not published or made public.

The AIB appears to largely act as a rubber stamp for the insurance industry. Only two out of 157 rate applications in 2002 were rejected by the AIB. Another 14 were approved with some modification. The balance were accepted as applied for. Clearly, the AIB needs some sort of transformation into a government watchdog rather than an industry lapdog.

Now, let's contrast that with what's envisaged in the present legislation. It will not just rubber-stamp any longer virtually anything brought before it. Instead, the government is moving to a heavily regulated model because they recognize that free enterprise has not worked in automobile insurance rates. They don't want to make it a public system, clearly, so they're going to regulate, and they're going to set the rates. That's a qualitative difference, and I acknowledge that. But they are still going to allow the board to meet

privately, and the rates that it sets will be subject to strong lobbying pressure, I'm sure, from the industry either directly or indirectly.

So how do consumers know that this board is going to act always in their interest if they don't know what's going on? It's probably true that there's technical information that the board talks about. Nevertheless, if we don't make it public, if we don't pass this amendment, then just knowing how these things work, it will not be able to represent the consumers first and foremost on a long-term, ongoing basis. So sooner or later the consumer is going to get the shaft unless the consumer has a guarantee of transparency, and it's clear that government doesn't want that. That's what this amendment is about.

Mr. Chairman, I think that if we want to make sure that consumers' interests are protected, we need to cut the consumer in on the deal. They at least need to be able to see what's going on so that if their interests are not being looked after by the new board, then they can contact their MLAs, they can contact the government, and hopefully things will get back on track. So I think that without this in the long run this board will cease operating in the interests of the public and the consumer of automobile insurance if, in fact, it operates in their interests in the first place.

So I urge members to support the amendment. Thank you.

The Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. Speaking in favour of the amendment, I think there are a number of advantages to having board meetings made public. Paramount among them is the possibility for public education. Part of the problem that we face right now is the lack of understanding on behalf of ordinary people in terms of how the system operates and the rationale behind decisions, the reason why rates have risen. There's no clear understanding. With the lack of information to the contrary people make some assumptions, and many of them are probably unwarranted.

So I think a major part of having meetings in public would be the opportunity for a public education program to help all of us better understand the insurance industry and why our automobile rates are set at the levels that they are. That's going to be, as the Member for Medicine Hat has reminded us, the major role of this board, and that's to set those rates.

I can't think of anything more interesting to individuals in the province than the factors that go into those rates being set. Why would they be done behind closed doors and then announced? Asking for them to meet in public I don't think is asking anything more than we already do of many, many bodies. The Member for Medicine Hat indicated that they were to collect, analyze, and then determine a rate, and that's no different than many other bodies that operate and by law have to operate in public.

I can't think of anything more complicated than, say, a budget for the city in terms of the technical detail, the kinds of competing interests that have to be dealt with in setting tax rates for the city. School board budgets. I can think of a variety of boards that are required to do their deliberations in public and to make their decisions in public who deal with all kinds of very, very complicated information. And, true, at those meetings they often have technical experts who bring information to bear and commission and have reports prepared on different aspects of the matters that they're dealing with, but it seems to work successfully.

I think it's not only that the rate setting should be open, but it should appear to be open. I can share with you the frustration, for instance, that those boards that meet in private cause citizens. If you

look at the standing policy committees, which hold only part of their meetings in public and then retreat behind closed doors, there's always the suspicion, whether rightly placed or not, that decisions that are not in the public interest are being made behind those closed doors.

After all, this board will be paid from public funds. Taxpayers will be the ones that eventually foot the bill for the operations, and to claim that they should do this in private and then announce their decisions I think is in error. That's why I think the amendment before us makes sense. It's democratic, and I think it's in the interests of citizens.

Thanks, Mr. Chairman.

The Chair: Are you ready for the question?

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to participate in the debate on the amendment in regard to making all the proceedings of the proposed auto board open to the public. The board also "must ensure that all proceedings of the Board are recorded and made publicly available in either written or electronic media format." This shouldn't cause anyone any harm, Mr. Chairman.

10:20

When we consider other boards in this province, we look at, for instance, the EUB. There's a public process involved in hearings before that board. Let's, for instance, Mr. Chairman, look at gas cost recovery rates. On a monthly basis there would be hearings before the board. We look at the EUB in matters relating to electricity. We look at the EUB in matters relating to oil and gas development. Those hearings are public. They're open to the public. Public consultation, public representation is routine. It's part of the process. So if it's good enough for one sector of the economy, if it's good enough for one regulatory approval process, why is it not good enough for the other?

When we consider how consumers in this province feel about the regulatory process and how they feel about the insurance industry, this amendment is very important. Amendment A4 is very important, Mr. Chairman, because it would do a lot to restore public confidence in the regulatory process for automobile insurance rate applications in this province.

Now, board proceedings in the past have not been public. The majority of consumers who have been faced with double-digit increases are astonished, and the hon. Member for Edmonton-Highlands spoke about this earlier. Just in one calendar year I believe 155 or 157 applications were approved. Some of them, granted, were approved with amendments, but this board met nine times in that calendar year, and I think that's about 17 applications per meeting. They've got their work cut out for them, but it's all done behind closed doors.

This is why the public is so suspicious. They are the ones that are forced to dig deeper into their pockets every six months to renew their car insurance premiums. Car insurance premiums have gotten so high that it's become a tradition that there are now monthly payments on your car insurance.

Mr. Mason: You can put them on your credit card.

Mr. MacDonald: You can even put them on your credit card, I am told.

However, when one considers that the insurance payment for the automobile may be more expensive than the monthly car payments, as they would say: Houston, we have a problem.

Another way of fixing this problem is to make the whole process

open to the public. We can't simply say that there is proprietary information. It's a competitive market. I'm told our third-party liability automobile insurance market here is competitive. I know that there are between 75 and 80 participants in that market. Some, of course, have a larger market share than other participants, but I don't think they would mind if all proceedings of the board were open to the public.

If someone, let's say a consumer, were interested, Mr. Chairman, in following the proceedings of the board and perhaps wanted to go and see which insurance providers or sellers or companies had appeared before the board recently, what was said, or what rate application was filed, this would allow that consumer, perhaps, an easier time to shop around. If we're going to have this free market, that's what the free market would be all about. Consumers need all the information if they are to make a sound decision, and if they don't have all the information, how do we expect them to make a sound decision?

It's time. It's time again that we put consumers first in this province. It doesn't matter if one looks at another provincial government, Mr. Chairman, or one looks at one of the state regulatory bodies in America. Consumer information and consumer protection seem to be paramount. They seem to be a number one focus of government policy. But not here. Not here in this province. I'm sad to have to say this. I've looked at a lot of different web sites, and it's a shame a person can't have a look at the rate calculator web site of this government, because it was mysteriously pulled. However, we have to reverse that trend, and we can reverse that trend. We can start that with amendment A4.

I'm asking everyone in the Assembly this evening to consider A4 and recognize that we have to make the whole process public. This is an ideal way to start, by amending section 15 in the proposed section 653 by adding the following after subsection (13).

(13.1) All proceedings of the Board must be open to the public.

(13.2) The Board must ensure that all proceedings of the Board are recorded and made publicly available in either written or electronic media format.

In conclusion, Mr. Chairman, we've got to start to put the consumers first, not the interests of select industry insiders or this group or that group. Consumers. Automobile insurance consumers have taken it on the financial chin for over three years for no reason other than that we have had lax regulatory approval processes for the auto insurance industry in this province. In fact, we could say that we have none.

An Hon. Member: None?

Mr. MacDonald: None. Absolutely.

Optional, comprehensive, collision: there's no approval process for those financial service products. There is for the third-party liability portion only. Hopefully by the time we're done repairing this bill, Bill 53, there will be. There will be a strengthened regulatory approval process. That's one of the roles of government. Government has a role to play. The right-wing ideologues have trouble grasping that, but a government has a responsibility, and this is what amendment A4 is about. I'm going to say that it's about responsible government. We need to further discuss this as Bill 53 proceeds through committee, but a public process is a good process.

Before I cede the floor to another colleague or another member of this Assembly, I would urge all hon. members to please vote for this amendment A4. Thank you.

[Motion on amendment A4 lost]

The Chair: The hon. Member for Edmonton-Highlands.

10:30

Mr. Mason: Thank you very much, Mr. Chairman. I would like to propose an amendment to Bill 53, Insurance Amendment Act, 2003 (No. 2). I will have one of the pages deliver this to the table and circulate it to members.

The Chair: Hon. member, if you wish to move amendment A5, please do so.

Mr. Mason: Thank you very much, Mr. Chairman. I will. I move that Bill 53, the Insurance Amendment Act, 2003 (No. 2), be amended in section 15 in the proposed section 654 by adding the following after subsection (1):

(1.1) In addition to the powers and duties of the Board provided for under subsection (1), the Board shall conduct an annual examination of insurance rates in Alberta and other jurisdictions to ensure that Alberta insurance rates remain competitive.

If I may speak to that, Mr. Chairman, I actually hope the government will accept this. One has to retain some sense of optimism in this place, and I still do. I think this gives the government a chance to sort of be really clear with Albertans about what they are trying to achieve through this act.

The Premier has said that the government will establish a regime in Alberta in which the rates are competitive with the other western provinces. Notwithstanding the fact that they have a more efficient and superior system of delivering auto insurance, the Premier has committed the province to matching their rates in a broad sense. What the amendment, then, does is to instruct the board to look at the rates on an annual basis, to look at the rates in Saskatchewan, in Manitoba, in British Columbia, and, I guess, in other jurisdictions – but we particularly have in mind those ones that the Premier has benchmarked – and, in doing so, make sure that as they do their job as set out in the legislation, Alberta insurance rates remain competitive.

I would urge hon. members to support that because that's the object of the exercise. The object of the exercise, as stated by the government, as enunciated by the Premier, is to have rates in Alberta competitive with other jurisdictions in western Canada. To do that in a different way, I suppose, the hon. Member for Calgary-Currie earlier talked about Alberta being the odd man out, but as far as the bottom line for Albertans, if we may take the Premier at his word, then Alberta will not be the odd man out because the rates will be competitive according to the commitment made by the Premier.

So I guess we just want to make sure that there are mechanisms in place whereby the board, doing its job, can actually accomplish that goal. If it can, then good on the government, Mr. Chairman, but I would hate to think that we might just have competitive rates in the next year or so or until the election is out of the way and then we'd see the rates creep up again and rise above the rates in our neighbouring provinces. So here's a mechanism to ensure that the board checks those rates and ensures that our rates remain competitive.

What we've done here, Mr. Chairman, is to provide a specific mechanism whereby the board set up in the Insurance Amendment Act can make sure that they're doing what the Premier wants them to do. Surely members of the government cannot be opposed to that. Here we are helping the act meet the political objectives set for it by the leader of the Progressive Conservative Party and the Premier of the province.

So I do sincerely hope that members opposite will find favour with this amendment and will decide to support it, and I look forward to the comments of other members with respect to this amendment. Thank you.

The Chair: The hon. Member for Medicine Hat, followed by the hon. Member for Edmonton-Riverview.

Mr. Renner: Well, thank you very much, Mr. Chairman. I just want to comment on the amendment brought forward by the Member for Edmonton-Highlands. The member quite rightly points out that the Premier and the government have been very clear that one of the objectives of the exercise we're going through right now is that we will end up with a situation where there are rates that are comparable with other western provinces. But I want to point out to the member and to all members that an amendment such as we have before us is not needed because in the provisions in the act that talk about the duties of the board, the act makes it very clear that the board's main duty is to determine and set on an annual basis premiums for basic coverage that the insurers will use as a benchmark for auto insurance.

It also provides for authority for the board to exercise and perform any other powers and duties assigned to it by the minister. So earlier when I was talking about another motion that had been brought forward by the opposition, I talked about the fact that there may be times when it's appropriate that the board be asked to hold hearings of some kind or other. It may also be appropriate that from time to time the minister will direct the board to conduct such a survey and to report its findings back to government, to the minister, through the annual report.

So the nature of this bill is that it is enabling. There are a lot of different things that we will in all likelihood encounter as we move down the road to reformed insurance. I think that this is something that is laudable and may well become one of the responsibilities of the board, but I don't think that it is necessary nor would it be particularly productive to include it in legislation. Heaven forbid that at some point in time we may not be wanting to compare ourselves to other western provinces because we're so far below them that it's no longer a laudable goal to have comparable prices to other western provinces. That's why the bill was designed the way it is. It gives powers to the minister to authorize the board to do certain things, but let's not handcuff the board with responsibilities that may or may not apply five years from now before we even get it started.

The Chair: The hon. Member for Edmonton-Riverview on amendment A5.

10:40

Dr. Taft: Thank you, Mr. Chairman. My comments are fairly brief. While I like this amendment in principle, I do have a concern with it. I would even consider an amendment to the amendment, but I don't suppose I'll proceed with that. My concern is with the phrase that reads, "The board shall conduct an annual examination of insurance rates in Alberta and other jurisdictions." It doesn't specify here which jurisdictions we're talking about. Are we meaning other provinces? Are we meaning other countries? It's simply too vague. It's of no value for Alberta to be compared to just any other jurisdiction. It needs to be more specific. So I see an amendment that has the right spirit behind it but is, in my view, a bit flawed in the execution and in the detail.

So those are my only comments on this amendment. Thank you, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. In regard to amendment A5, as moved by the hon. Member for Edmonton-Highlands, I would be more than

considering supporting this amendment. I certainly would support it, and I would urge all members to support this amendment. Contrary to what the hon. Member for Medicine Hat has just suggested, I don't see this as a handcuff of the board in any way, shape, or form. I think this is increasing the scope of the duties and the powers of the board in a positive fashion.

Again, with the interests of consumers at heart, there are enough sweeping regulations dealing with a broad range of matters in this legislation. This is all about regulations, that the minister may do this or may do that. When one considers that we are contemplating here, Mr. Chairman, that in addition to the powers and duties of the board provided under subsection (1), "the board shall conduct an annual examination of insurance rates in Alberta and other jurisdictions to ensure that [automobile] insurance rates remain competitive," well, we could break that down into two examinations.

The first, of course, is within Alberta. We know what happened, but we don't know the reason why. We know we had four geographic zones at one time in this province. The city of Edmonton was being discriminated against by this government, and now we have, it looks like, three geographic zones. There is, essentially, the north, the rural south, and what we're going to have, the metro area. This amendment would give the board the opportune time and ample time to do an examination of these regions on an annual basis.

Now, when we look at Edmonton, metro Edmonton, as I understand it, will include St. Albert. It will include Sherwood Park. It will include Leduc. Does the same apply to Calgary? Do the bedroom communities of Calgary also fit in? For instance, let's pick the community of Okotoks. Is that classified with rural Alberta? With the acceptance of this amendment this board could examine those issues. We could see if rates are fair. We know that the driving habits and the driving patterns are different in rural areas than in urban areas of this province. I've been told that 20 percent of the drivers are in rural areas, 80 percent of the fatalities. Eighty percent of the drivers in urban areas, 20 percent of the fatalities. There are many, many issues that could be examined here.

The importance of this amendment could also help out businesses. Let's say, Mr. Chairman, that a business has a fleet of vehicles located in Edmonton for oil service work. Insurance costs with these zones – there could be a significant difference. If the entrepreneur moved the fleet to Grande Prairie, would there be substantial savings there? Or moved the fleet to Calgary or to Medicine Hat? What would the costs be there? I hope I can convince members to support this amendment because it certainly is a good one.

Now, there are a lot of pluses to this annual examination of insurance rates within the province of Alberta. A lot of pluses. I would have to ask: is this amendment just for passenger vehicles? Is it also going to be for commercial vehicles, farm vehicles? There is a difference; we all know that.

Now, doing a review of other jurisdictions' insurance rates to ensure that Alberta insurance rates remain competitive. Well, we know right now that they're not competitive. We know that. We know that from studies that have been done by the Consumers' Association of Canada. The most recent study would be in September of 2003. Would that help? Would it help consumers? It might make a government that's bent on continuing with a private delivery of insurance in this province, but consumers might be interested to know. So if there was a competitive examination of insurance rates let's say in the Canadian provinces – we could just, Mr. Chairman, consider Alberta. We have a compulsory minimum third-party liability of \$200,000. That is the same in B.C., Manitoba, New Brunswick, Newfoundland, the Territories, Nova Scotia, Ontario, PEI, but again the province of Quebec is different, with a \$50,000 compulsory minimum third-party liability which a guy buys with his

plate. Saskatchewan and the Yukon also have a \$200,000 minimum.

Medical payments. This is where consumers would love to know and would love to have a board that's looking after their interests to examine these issues. Now, for medical payments in Alberta it's \$10,000 for chiropractic, \$500 a person, a time limit of two years. In B.C. the same medical payment is \$150,000. In Manitoba there's no time or amount limit, and that includes rehabilitation costs. These are all comparative costs, and this is something this board could do with this amendment A5, Mr. Chairman. Now, New Brunswick has a \$50,000 personal time limit of four years on medical benefits. Newfoundland is different again; it's roughly half of that. The same with the Territories, the same with Nova Scotia. In Ontario medical payments are 10 times what they are in Alberta. In P.E.I. it's \$25,000. In Quebec no time or amount limit. Saskatchewan has over half a million dollars, and the Yukon has the same, oddly enough, as Alberta.

10:50

Now, funeral expenses vary across the country, Mr. Chairman, from \$2,000 in Alberta to \$6,000 in Manitoba, in Quebec \$3,700, Saskatchewan \$5,400, and in some provinces a thousand dollars.

Maximum disability benefits. In Alberta it's \$300 a week, 80 percent of gross wages. B.C. is almost the same. In Manitoba it's \$61,500 per year. In New Brunswick it's \$250 a week. In Newfoundland it's \$140 a week as it is in Nova Scotia and P.E.I. In Ontario, for instance, it's 80 percent of net wages to a maximum of \$400 a week. So these are all benefits.

Now, do we have the right to sue for pain and suffering? In Alberta if we were to look at an annual examination of insurance rates and what's going on in other jurisdictions, yes, at the moment. At the moment, but if this bill goes through, well, that's going to be restricted. That's going to change. B.C., yes. Manitoba, no. New Brunswick, yes. Newfoundland, yes. The Territories, yes. Nova Scotia, yes. Ontario, yes, with qualifications. I suppose if we were to have Bill 53 become law, it would be, yes, with qualifications, here. I guess that's how you could describe it. The province of Quebec, no. Saskatchewan, no. The territory of the Yukon, yes.

The right to sue for economic loss exceeding no-fault benefits. Currently in Alberta, yes. B.C., yes. Manitoba, no. New Brunswick, Newfoundland, Nova Scotia, and the Territories, yes. Ontario, again, yes, with qualifications. P.E.I., yes. Saskatchewan, yes; for economic losses that exceed no-fault benefits for loss of income, can only recover gross income losses exceeding \$56,855 a year net of income taxes.

So that would be one example of a comparison that could be used. We could look at the review, the 40 Canadian cities and 10 provinces, Mr. Chairman. The Consumers' Association of Canada auto insurance rates study did. To have an insurance board look after the interests of consumers like the Consumers' Association of Canada study is doing would be a real plus for Alberta consumers. It would be a real plus.

I think that this is a very good amendment, and I would encourage all hon. members to support this amendment. So with those remarks in conclusion, I would strongly urge all members to support amendment A5, as moved by the hon. Member for Edmonton-Highlands. Thank you.

[Motion on amendment A5 lost]

The Chair: Are you ready for the question?

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. There's a

lot to discuss in this legislation, and every time an Alberta consumer gets a renewal increase in the mail or shops around for insurance and they have price shock – they realize that they don't have enough money for the insurance they want to carry – it will emphasize to all members just how important an issue we're dealing with here.

Whenever one considers that we had an overhaul in this Assembly of the Insurance Act in 1999 and very little of any of this, as I recall, was discussed, I don't think we can spend enough time examining this bill very closely and in detail.

Now, there are many improvements or repairs that can be made to this bill. I would have difficulty, in all conscience, supporting this legislation in its entirety. There are some good ideas in here but not enough to warrant supporting this legislation after one considers the overwhelming research that indicates that public insurance, public no-fault insurance, is the best alternative at this time in this province. We don't have to at this time because all hon. members know whenever you compare Manitoba, Saskatchewan, Alberta, and British Columbia what the logical thing to do in this province is, and that is to adopt public insurance.

Now, on the way here tonight I was listening to the debate, and hon. members on this side of the Assembly were accused of being socialists for wanting to promote and encourage this government to adopt public automobile insurance similar to what the Insurance Corporation of B.C. has, ICBC. I was surprised that hon. members on the government side could actually stand and accuse people of being socialists for encouraging them to adopt public insurance when this is the same government that has made no effort to sell off its own bank. This is the only jurisdiction, whether we're looking at the lower 48 states or the other Canadian provinces, that owns its own bank, and we have a lot to answer for for that.

How can we accuse one group of being wrong whenever they want to promote a publicly administered insurance plan, yet we fail to recognize that we own our own bank? And not only do we own our own bank; the government has been very sound and prudent in promoting the use of co-ops to distribute natural gas and electricity to rural Alberta consumers. We can distribute these essential commodities, these essential services, on a cost recovery basis unless there's some sort of plan – and I'm suspicious of that – by this government to eliminate slowly but surely those Alberta traditions that work, the rural gas co-ops and the REAs, which are on a cost recovery basis. Unless there is a plan afoot, Mr. Chairman, to do that, I do not know why someone would be so hostile and so closed minded to the idea of having public auto insurance.

11:00

The facts are there. Those organizations exist on a nonprofit basis and a cost-recovery basis only, and they're governed by the local citizens, who have their own interests and the interests of their neighbours at heart. It's a good idea. I don't think it should be attacked by this government, and I think the idea, the whole notion of self-reliance, working together co-operatively is what we need to do with auto insurance as well.

Now, I have some more ideas in regard to improving this bill. I think we're going to be stuck with it for a while. I don't think it's the right policy. I certainly don't think that, Mr. Chairman. We're going to have to work and do our best to improve it. One of the ways I think we can improve this is by proposing another amendment. If I could please have this amendment circulated. I should have had it to the chair earlier, and I apologize.

The Chair: Hon. member, would you like to move amendment A6 now, please?

Mr. MacDonald: Thank you, Mr. Chairman. I would like to move at this time amendment A6. This is an amendment to move that Bill 53, the Insurance Amendment Act, 2003 (No. 2), be amended in section 15 in the proposed section 654 by adding the following after subsection (1).

- (1.1) The Board shall ensure that the Board's telephone number, physical address, and world wide web address, if any, are included on every policy.

I would encourage all members to consider this amendment. I know that this government has pulled some of their information off their web site, the rate calculator that they had on there that they were trying to promote this proposed government policy on, but they got real cautious real quick. They got cold feet because the rate calculator proved to Albertans that this policy is not all it's being trumped up to be. It is not reducing auto insurance premiums for Albertans. Now, I don't know who pulled the plug on this web site. I know that we want to pull the plug on electricity deregulation. I don't know what orders were received from whom to shut this web site down, but it was. It has not been reimplemented.

Again, if a consumer – and let's put the consumer first – was dissatisfied with their insurance, how their policy was being processed, how claims, if any, were being processed, if they had any concerns about their rights, well, they could just simply look at their policy and they would know who to phone. Now, surely when this government can promote a consumer advocate for electricity and recognize earlier that there's a role for a consumer advocate in this proposed board, this would give the board an ideal means of communicating directly with the consumers. Any issues that were to come up, like skyrocketing premiums, the handpicking of clients, unfair treatment of consumers, they would know about immediately, Mr. Chairman.

[Mr. Snelgrove in the chair]

If a consumer was shopping around, they could go to the world-wide web address – and hopefully there will be one for this board – they could, for instance, find out all about the board. They could find out if there are any public hearings going on, if there are any filings for rate increases, and who is behind the filings. All this could be on the worldwide web address. To strengthen this board should be the top priority of this government.

Now, we look at what's going on. I'm not going to talk too long about the skyrocketing premiums, but let's put the consumers first. With this amendment a consumer will have access to information at their fingertips. We have to look at the issue of fairness here. The consumers won't have to wait to pull this insurance slip from their glove box and fumble around. The information will be there for them. We can with this amendment A6 make sure, Mr. Chairman, that we will put those interests first, and those are the interests of consumers.

Now, I'm sure there are members that are anxious to improve this amendment – and they can if they wish – if there's other information that should be on there, perhaps who is going to be on the board. I think, however, that in the interests of being concise, the telephone number, the address, and the web site address should be sufficient to provide consumers with direct access to the board that is going to be setting their rates and finally starting to regulate the insurance industry in this province, putting the interests of consumers first.

With those comments, Mr. Chairman, I will cede the floor to another member of this Assembly. Thank you.

11:10

The Acting Chair: The hon. Member for Medicine Hat.

Mr. Renner: Well, thank you very much, Mr. Chairman. I'd like to just address this proposed amendment brought forward by the hon. Member for Edmonton-Gold Bar. I think it falls into a similar status to the last amendment that we dealt with. There already is ample regulation-making authority within the bill. If this type of information should become necessary, then there's nothing that prevents that information from being required on policies elsewhere in the act, not necessarily in the sections we're dealing with under Bill 53. There is regulation-making authority to determine what information and how the information should be presented on insurance policies.

I also want to draw the members' attention to section 661.3. This is a new section that has been added to the act. It authorizes regulations to create a dispute resolution system to handle consumer complaints in the areas of premiums, availability, and fault determination in respect of automobile insurance. So I would suggest to the member that if the new section that's part of this act is going to be effective, it will obviously be necessary that consumers be made aware of it, and I'm sure that there will be ample opportunity for consumers to know what the process is for them to either lodge a complaint or to find out information from this agent.

So, again, I think this is a redundant amendment, and I urge all members not to support the amendment.

The Acting Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. I will be very brief, but we have been operating to date in this province with a regulatory process for automobile insurance. We have been operating to keep the consumers in the dark. There is nothing the matter with making public the board's term of reference for deciding rate increases through this amendment, requiring board procedures and meeting dates and locations to be made public, and allowing the public access to this information.

This amendment gives the public the ultimate in access if they wish. Through this amendment we can make available to all consumers the full schedule of rates filed with the board, as I said, by the insurers. We can post all auto insurance information for the public on the web site. This amendment will give consumers of automobile insurance products complete access to the board. Let's be open and accountable and transparent here.

Thank you.

[Motion on amendment A6 lost]

The Acting Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I have an amendment which I would like to propose, and I'll provide that to the table and to all hon. members.

The Acting Chair: This will be amendment A7.

Mr. Mason: Thanks, Mr. Chairman. I move that Bill 53, the Insurance Amendment Act, 2002 (No. 2), be amended in section 15 by renumbering the proposed section 657 as section 657(1) and adding the following after subsection (1).

(2) Prior to making any regulations respecting discount and surcharge rates, the Lieutenant Governor in Council must seek input through public consultation.

Mr. Chairman, again, the political goals as enumerated by the Premier and the legislation are not in congruence. The legislation doesn't say what the Premier said. I think that it's important that we make sure that there is public consultation built into the act. This is important.

When you have the rate-setting process – the government has said

that they are going to have a starting default rate for new drivers and that they're going to allow people to earn discounts through a period of accident-free, offence-free driving, and they also have made it clear that they want to punish bad drivers. Frankly, Mr. Chairman, just as an aside, punishing bad drivers was never the initial intention. I think it's fair to charge bad drivers more, but it's not a section of the Criminal Code, so punishment is maybe not the right term. The government is going to allow drivers to work their way toward lower rates or, alternatively, hit drivers with a bad record with higher rates.

In principle there's nothing wrong with that, Mr. Chairman, but the concern that we have is that certain drivers under the current free enterprise or laissez-faire system – the unregulated free enterprise system that has failed so miserably charges exorbitant rates to certain categories of drivers, that being the elderly and male drivers under 25. The government is quite rightly putting an end to this kind of discrimination. They should put an end to the discrimination against Edmonton as well, but they've chosen instead to phase that out over a period of time, which makes Edmontonians feel bad. They feel bad that they're discriminated against by this government when the government won't even allow discrimination on the basis of age or gender. But I guess that discrimination against Edmonton is not unheard of in the government.

So the question is: who is going to pay if it's not young male drivers and if it's not senior citizens and, eventually, if it's not Edmontonians? Who's going to make it up? Well, by the sounds of it, it's going to be people who've had a couple of fender benders. They're the ones that are going to get hit with the really big rates because, of course, we have to continue to pay a premium to the insurance company so that they can take our money and invest it in the stock market. That's free enterprise, I guess, Mr. Chairman.

I just want to indicate that the problem is that if they just transfer the victim from being young male drivers under 25 to people that have had a couple of fender benders, with no regard as to the actual costs that are necessary to support the system, then it's just gouging but gouging a different group.

11:20

So it's important, in our view, that the cabinet should have some public consultation. We know that the government likes to have consultation in different forms. Normally it's in the form of a questionnaire; for example, the one that was referenced yesterday by the hon. Premier about the Wheat Board. It's clear, Mr. Chairman, that in that case there's a distinction between the kind of consultation favoured by the government and the expressed democratic will of Alberta farmers as expressed through their votes for the Wheat Board. So not all consultation is valid, and that's a good example of: if you ask the question in a certain way, you'll get the answer you want. That's why we have the wide range in views between the government's so-called consultation questionnaire and the expressed views of farmers.

[Mr. Tannas in the chair]

Now, in this case public consultation is not defined, and I'm thinking that maybe we should have defined it a little more tightly, Mr. Chairman, so that we don't have that kind of questionnaire that goes out. But listen; any kind of consultation by this government would be a step forward. This amendment will provide the opportunity for the government to actually ask the public before they set the regulations for discounts for good drivers and surcharges for bad drivers.

So I think it's a good idea, and there's no reason, in our view, at all not to put requirements for public consultation into legislation,

because the facts show that when it's not put in the legislation, the government doesn't do it, or they only do it when they've got some other motive, such as undermining the Wheat Board.

Mr. MacDonald: Selective hearing.

Mr. Mason: They could have selective hearing. The hon. Member for Edmonton-Gold Bar has suggested that that could very well be possible.

I know that the government likes to consult when they want to have something changed that they've already kind of decided to do. For example, we've seen consultation on the heritage fund of a sort – questionnaires is what they do – or on the Wheat Board. So why not put it in the legislation and make it mandatory for the setting of our car insurance rates? Clearly, Mr. Chairman, the record of the government on consulting with the public on auto insurance could be improved. I believe it could be improved. It could be somewhat better. Any amount of public consultation on car insurance at all would be an infinite increase in the amount of public consultation.

So I urge members to support this particular amendment so that we make sure it actually occurs, and I'll look forward with interest to the comments of other members to my amendment, Mr. Chairman. Thank you very much.

The Chair: The hon. Member for Medicine Hat.

Mr. Renner: Well, thank you very much, Mr. Chairman. It's a pleasure for me to address the amendment proposed by the Member for Edmonton-Highlands. Again, I think we're dealing with an amendment that is unnecessary, that has already been committed to by the government. I can remember that at the time the press conference was held with respect to the introduction of this bill, I made it very clear that there was a lot of work to be done on this bill in the development of the regulations, and at each step along the way there was a commitment from the government to inform the public of what the nature of the discussion is and to encourage the public to provide input into that discussion.

I think it's also somewhat mischievous that the member would choose to specifically reference public consultation with respect to discount and surcharge rates when, frankly, I think that there are numerous other areas where I would suggest the public probably would want to be more involved than in this particular area, and I speak in particular of the regulations that are to be developed with respect to protocol for the diagnosis and treatment of injuries. There are a number of regulations that need to be developed to implement this legislation, and I think that it would probably be very short-sighted of this Legislature to consider passing an amendment that would restrict that public consultation only to one particular, very small, very specific area of the regulation development.

So, again, Mr. Chairman, the government is on public record as committing itself to public consultation in the development of the regulations, and as such this amendment is unnecessary.

[Motion on amendment A7 lost]

The Chair: The next speaker is the hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I, too, would like to introduce an amendment this evening. Perhaps I'll have it distributed, and I'll speak to the part of the bill that it amends as it's being distributed.

We go to section 655 in the bill, where we talk about the annual

report that will be required by the Insurance Amendment Act. It's a little weak in some of the detail provided, Mr. Chairman, and we're taking a look at strengthening the requirements here. I think these amendments proposed will be very beneficial in terms of making the annual report actually effective and helping to make the information there accountable.

As section 655(1) reads now, it talks about the annual report: "the Board must make and submit to the Minister an annual report on the operations of the Board." In our amendment in the first section, in subsection (1), we want to add "not later than March 31 in a given year" after "operations of the Board." This is an amendment that I'm moving on behalf of the Member for Edmonton-Gold Bar.

The Chair: We'll call this amendment A8.

Ms Carlson: Yes. A8.

We think that it's very beneficial to give a time line to when the annual report should be filed. That's a normal requirement for most organizations. They have a year-end, they have a deadline for filing, and there's no reason why this board should be any different than any other organization in that regard. It's just tightening up the accountability and the responsibility. That's what happens here.

Then if you look at 655(2), it says that "the Minister must lay the report before the Legislative Assembly if it is then sitting or, if it is not then sitting, within 15 days after the commencement of the next sitting." We're adding the following after subsection (2) as subsection (3). It says that "the annual report shall contain information regarding any approved premium rate changes for all classifications of automobile insurance." So that would be similar to adding management notes or other disclosure information in other normal annual statements.

Because the rate issue is the most important issue to consumers, it's certainly going to be one of the most important issues for anybody reading the annual report, and particularly since the government defeated our amendment that talked about having their meetings part of the public record, this is going to be the only opportunity for people to review the actions of this particular board. We feel that it's really important that particularly approved premium rate changes for all classifications be included in the annual report. It can be a footnote; it can be something more substantial than that. We're not specifying that, just that it be included in the report.

So I do urge all members of the Assembly to consider this amendment and support it.

11:30

The Chair: The hon. Member for Medicine Hat.

Mr. Renner: Thank you, Mr. Chairman. Having just had an opportunity to read the amendment, I would like to make a couple of observations and comments. With respect to the annual report it's common practice that any government agency that is required to file an annual report do so in a timely manner. So, again, I don't think that this suggested amendment is necessary. Obviously, if the legislation requires an annual report, then it will also be understood that it will be filed in a timely manner.

As for the second part of the amendment I meant to actually raise the point earlier, but it certainly comes much more into focus when we look at the suggestion that "the annual report contain information regarding any approved premium rate changes." There have been comments made by members of the opposition that indicate that they're still stuck in the mind-set of the old world and they haven't quite comprehended the fact that we're taking a gigantic leap forward and that no longer will this board be a rate approval board.

They talk about making representations to the board for rate changes. I'll remind members once again that the proposal that is before us in Bill 53 establishes a rate-setting board. The board is responsible for gathering relevant information, analyzing that information, and setting rates. There will not be a process for the board to receive application for rate increases. It will be the responsibility of the board to set the rates based upon relevant information that is provided to them under their authority to gather that information, and they will then be responsible for setting rates, not approving rates, and I think all members need to keep that in mind.

Therefore, again, Mr. Chairman, I believe this amendment to be unnecessary.

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. Well, I assume that the board will be providing an annual report, and I presume that it's going to be in a timely fashion. So on those points I don't disagree with the hon. Member for Medicine Hat. But what's going to be in the report, and how do we know that the board is going to be operating in the interests of the public? How are we going to know if it's not specified that it be included in their annual report?

I think there's a real danger with this board. I understand what the hon. Member for Medicine Hat is saying in terms of this board being quite different and being a more proactive board, something that actually scopes out what the rates should be and actually sets them, but we don't know that the board is going to do that efficaciously, whether it's going to do it in the interests of the public. We're not sure how the board is going to make the decisions and whether or not we might get back to the situation where the board will be setting the rates in a way that favours the insurance companies at the expense of the consumers, and this is the big risk as far as I'm concerned. There's nothing in the act that I have seen that guarantees that consumers' interests are going to be predominant.

Every time an amendment is proposed that would have that effect, the hon. Member for Medicine Hat stands up and says that it's not necessary. Well, I beg to differ, Mr. Chairman. I think it is necessary that we put some boundaries around that board that ensures that it acts in a transparent manner or in a transparent manner as possible and that it acts in the interests of consumers rather than insurance companies. So I'm certainly going to support the amendment made by the hon. Member for Edmonton-Ellerslie on behalf of the hon. Member for Edmonton-Gold Bar.

Thank you, Mr. Chairman.

[Motion on amendment A8 lost]

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Chairman. I have an additional amendment which I will provide to the table and to members of the Assembly.

The Chair: The hon. Member for Edmonton-Highlands to move.

Mr. Mason: Thank you very much, Mr. Chairman. I move that Bill 53, Insurance Amendment Act, 2003 (No.2), be amended in section 13 in the proposed section 650.1 by adding the following after subsection (3): "(3.1) Prior to defining minor injury in the regulations, the Lieutenant Governor in Council must seek input through public consultation."

The Chair: This will be called amendment A9.

Mr. Mason: Thank you, Mr. Chairman. This is similar to amendment A7, which would have required the Lieutenant Governor in Council to seek input through public consultation when making regulations respecting discount and surcharge rates.

Now, the hon. Member for Medicine Hat said that we shouldn't just do it for this one thing, that there are other areas where we ought to have public consultation, so I just worked really quickly in the last 10 minutes to get this amendment ready. No, that's not true. I had it all along. I just want to indicate that the question of minor injury is critical, and the government has been less than clear about what a minor injury is going to be.

Here's the big rub. We've seen the big battle that's been played out in the newspapers and in the Tory caucus, not between the insurance industry and the public but between the insurance industry and the accident lawyers. This has been tremendous. I've enjoyed it, Mr. Chairman. I've enjoyed seeing the battle of the ads in the papers and so on back and forth between the injury lawyers on the one hand and the big insurance companies on the other. Over \$1.1 billion in insurance company profits in Alberta – you know, those little dollar bill things that look like a Lotto 6/49 ad. They've been on the front page of all the papers for weeks.

So here's this battle that's been played out, and what has it been about? It's been about putting caps on personal injury awards. It's of tremendous importance. It's here that the insurance companies hope to pay for any costs that might be incurred by the government regulating their industry, and it's here that the injury lawyers make their money, and their livelihoods are at risk. So it's very important to both of those parties, Mr. Chairman, and therefore it's been a real battle in the Tory caucus too. Which special interest is going to prevail? This is important stuff, but of course the question also affects the public, and that's where the New Democrats come in. So we want to make sure that the public gets consulted because it may well be that the government wants to pay for any cost savings in insurance premiums by limiting what you get in return for those premiums, and that is by putting a cap on personal injury awards.

11:40

It's a bit of a shell game, Mr. Chairman. On the one hand, we can give you slightly lower rates, but you're also going to get less for those rates. The public is very concerned that they're going to lose out and that they're going to get a cheaper product but a reduced product as well. I think that's a big issue for the public as well as the special interests. So given that the government has yet to say exactly how they're going to deal with this, it's important that there be public consultation so that people's rights are not taken away in order to finance somewhat lower rates that the government will permit the insurance industry to charge.

In respect of that, Mr. Chairman, this amendment is made, and it would require the cabinet to talk to the public, to consult with the public, before they define a minor injury in the regulations. I thought I heard one of the members – I think it was the hon. Member for Medicine Hat – say that the government would be consulting with Albertans on the regulations, in which case this amendment will not interfere with the government's plans in any way, but it might have the effect of making them keep a promise that they apparently have made. So I urge all hon. members to support this amendment.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Medicine Hat.

Mr. Renner: Thank you, Mr. Chairman. Well, the Member for

Edmonton-Highlands has actually just pretty much summarized my comments for me. He made reference to comments I made earlier about a commitment that the government has made to seek public input throughout the development of regulations, this being no different than any of the others, and my response would be the same as it was to his previous amendment, that this amendment simply is not necessary. The government is on record as committing to public consultation, public input in the development of all regulations related to Bill 53.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. At this time I would like to rise, Mr. Chairman, and urge all hon. members to support amendment A9. Certainly, selective public consultation by this government has to be changed, and we have to have thorough public consultation like the hon. Member for Edmonton-Highlands states in this amendment.

When we put so much faith in the regulations of this legislation, that "the Lieutenant Governor in Council . . . seek input through public consultation" is a very good, sound idea, and it would promote good public policy. It's the best that can be done. The hon. member, I believe, is trying to improve the bill, recognizing that so much of this is going to be done through regulation. It's the best of a very bad situation. There's absolutely nothing the matter with public consultation. There should have been a public consultation process in the development of this bill. There wasn't, but it's not too late to start, and I would urge all hon. members to please support A9.

Thank you.

[Motion on amendment A9 lost]

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. As we continue with the debate this evening on Bill 53 in committee, one must have an examination of the potential effect of this bill on consumers and on auto insurance, and we have to be very, very careful when we're talking about putting a cap on nonmonetary damages, as they say, for minor injuries. We essentially are leaving the definition of minor injuries up to regulation, but in other jurisdictions there have been studies done that indicate that this is not going to work. Now, there are conflicting reports about just exactly how this will work. Are we going to now add a lot of costs to the accident benefits category? If we were to put this cap on, will costs just be transferred to another portion of the policy? As the hon. member states, is it a shell game? Now, I have yet to be convinced that it is not.

In Nova Scotia these reforms, these changes, they think, may actually end up increasing costs. Is that what's going to happen here? There doesn't seem to be savings. The same sort of ideas have been attempted in the province of Nova Scotia, and it doesn't seem to have that much potential for savings.

Now, perhaps we have in this province a study done to show exactly how much is going to be saved. I haven't seen it yet. I haven't even seen the KPMG actuarial study that so much of this bill, as I understand it, was based on. I had to use the freedom of information law to try to receive that information, and to date I have been unsuccessful. Hopefully, that will be my Christmas gift from the government: a return of my FOIP request and the KPMG actuarial study on this legislative process.

Mr. Mason: You're only going to get a lump of coal.

Mr. MacDonald: Well, I could get a scuttle of coal, but certainly with electricity deregulation not working as well as planned, that coal could come in real handy, real handy. That could be the best Christmas gift a person ever gets in light of what's gone on with electricity deregulation.

Mr. Chairman, another matter of great interest and great concern in regards to this bill is the setting of insurance rates by different regions of the province. We had the four, as I said earlier, and gradually it's going to be reduced to three. The discrimination against the motorists in this city is going to be, as it was described, phased out, and no one has explained to this hon. member or anyone that lives in my neighbourhood why we should pay more. No one has explained that.

At this time I would like to ensure that Edmonton drivers are not discriminated against or subsidizing the auto insurance premiums of other drivers across the province, and I would like to proceed with another amendment to Bill 53, Mr. Chairman.

11:50

The Chair: Hon. Member for Edmonton-Ellerslie, are you wanting to speak to the amendment, or do you want to move the amendment?

Ms Carlson: I want to speak to the amendment.

The Chair: Okay. Hon. Member for Edmonton-Gold Bar, would you move amendment A10?

Mr. MacDonald: Thank you, Mr. Chairman. Now that we've had time to circulate it in the Assembly, I would be pleased to move that Bill 53, the Insurance Amendment Act, 2003 (No. 2) be amended in section 15, (a) in the proposed section 656 by adding the following after subsection (2): "(2.1) Geographic location must not be a factor in determining premiums for basic coverage," and (b) in the proposed section 660 by adding the following after subsection (2): "(2.1) No insurer may use geographic location as a factor in determining premiums for additional coverage."

I think this is an amendment that should be supported by all members of this Assembly. We had the discussion earlier. There was no rhyme nor reason why Edmonton drivers should be paying higher premiums than other areas of the province.

People are talking about how unsafe Edmonton drivers are, and one only has to look at the Alberta traffic collision statistics for 2002. There's no mention of that in here. This document would be from Alberta Transportation, and it was compiled in a building not too far from here. I would think that if there were greater hazards in metro Edmonton, then certainly it would be mentioned in here. This is a comprehensive study on the traffic collisions in this province, the collision occurrence by month, by day of the week, by time period, even by holiday period, and the age of the casualties, unfortunately. But there's no mention that I see of a significant difference between, let's say, Edmonton or Calgary. There are differences between urban and rural areas as far as fatalities go, but to simply just discriminate against one area I don't think is fair.

In the original proposal where we had St. Albert and we had Sherwood Park and Edmonton in one group, in one metro area, certainly there's going to be a longer commute within that zone. The same did not apply to other areas. I don't think that's fair. Edmontonians didn't think that was fair.

I encourage all hon. members that represent constituencies in this city to stand up and speak out and support this amendment because we do not want to see discrimination by this government toward the city of Edmonton in any way, shape, or form in Bill 53 or, as a matter of fact, in any government policy or any government legisla-

tion. We have to lock into this bill the fact that Edmontonians should not be treated unfairly, and this amendment A10 will do that.

So in light of the hour, Mr. Chairman, I would urge all hon. members to consider this amendment and vote for it, please.

The Chair: The hon. Member for Medicine Hat.

Mr. Renner: Thank you very much, Mr. Chairman. I would like to address the amendment that's currently before us. Hon. members are well aware that this issue of geographic risk has been an issue of much public debate of late. I want to emphasize to all members that the bill that's before us is a bill that allows us to transition from a highly statistically based system to a reformed insurance system that strikes a balance, removes some of the statistics and the predictive type of statistics from the rating base, but the nature of the beast is that there are still some predictors that are relevant to keep in mind. Even in the public insurance havens that the opposition members are so fond of, these kinds of geographic distinctions continue to play a role. The government has indicated that it is the intention to phase out the differences between the metropolitan areas of Calgary and Edmonton over a period of time.

But I want to emphasize and the member talked about there not being a statistical difference in the number of accidents. The difference in rating is not based on the number of accidents, but it's based on the cost of settling the claims, the average cost of claims per vehicle insured. So it's very straightforward. There were X number of vehicles insured within this region, the total claims that were paid out were Y, and therefore it's very simple to calculate what the average cost per vehicle was.

That's what has historically been used by the industry, and the government has indicated the intention to over time blend the rates of the metropolitan areas within the province. To blend the rates across metropolitan and nonmetropolitan would be very difficult, to say the least, and still maintain any semblance of having insurance under the new regime cost-effective with respect and comparable to insurance under the existing system. So I cannot recommend that we accept this amendment.

As for the second part of the amendment, that suggested that geographic location should not be used "as a factor in determining premiums for additional coverage," I'm assuming that the member is referring to coverage for optional coverage such as collision. Just to remind the member and all members that it is not the intention of this bill to regulate the rates for optional coverage. However, the bill does provide for what is called a file and use and requires the rate-setting board to monitor the rates for optional coverage and report to the minister if rates for any particular company seem inappropriate given the circumstances.

Again, I urge members not to support this amendment.

12:00

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I strongly support this amendment, and in the event that there's a division on this amendment, under Standing Order 32(2.1) I would ask for unanimous consent from the Assembly to shorten the bells to one-minute intervals.

The Chair: Having heard the motion, all those members who concur with the motion to shorten the bells to one minute, please say aye.

Some Hon. Members: Aye.

The Chair: Those opposed, please say no.

Some Hon. Members: No.

The Chair: The motion is carried.

The hon. Member for St. Albert, who has tried a number of times to get up.

Mrs. O'Neill: Mr. Chairman, I just wanted to make one brief point, and while I don't like the discrimination against the capital region rates that is there, I want to say that a constituent sent me a message to inform me of how traditionally there has been a differential between the rates charged in different regions. One of the reasons that he commented on was the fact that not only as a group are there more accidents that must be addressed, but he also said that the cost of repairs in most instances is higher in this particular area.

So it isn't just that capital region, or Edmonton, drivers are poorer drivers. The fact is that there are a number of factors that contribute to the traditional differential of costs, and while I don't like this, I am pleased that we will transition it so that it will become equal in a rather short time.

Thank you.

The Chair: Before I recognize the hon. Member for Edmonton-Rutherford, in order to change, we have to have unanimous consent, and in the last vote we did have some noes. So it is in fact not carried but defeated.

The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Chairman. I wanted to follow up on the comments with regard to the geographic distinction made by the members for Medicine Hat and St. Albert. I, like I'm sure most Albertans, probably was not aware of the fact that a geographic differentiation existed in the first place. The fact that the geographic distinction will be removed over a three-year period and equalized I think is a very elegant resolution of a very sticky problem. As the Member for St. Albert said, when we learned of this, it was not something we were very happy about. It had to be corrected, and it had to be corrected in a way that did not unfairly impact on other geographic areas.

I want to commend the Member for Medicine Hat for bringing this very elegant solution to the table, and I encourage colleagues to defeat this amendment.

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. I just want to thank the Member for Edmonton-Gold Bar for sticking up for Edmonton and bringing forward this resolution. I'm glad somebody did it, and I'm looking forward to the rest of my colleagues representing Edmonton constituencies in their support for this.

I urge everyone, not only Edmonton MLAs but all members, to support amendment A10. Thank you.

The Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I think the hon. Member for Medicine Hat eloquently spoke to the reason why it's difficult to take out the geographic discrimination in rates that currently exists in every driver's policy now and the profound attempt that the government will make, in fact the commitment the government has made, to take out that geographic discrimination over three years.

But I really rose, Mr. Chairman, to again seek unanimous consent of the House to shorten the bells if we have a division. I spoke with the Member for Edmonton-Highlands, and he raised the concern that he hadn't been consulted on the request. That's an appropriate

concern to raise. Sometimes I forget to include the third party in discussions. In this particular case it wasn't my motion, but I think if we ask the question again and all members were interested in the hour, we might get unanimous consent. I'd request you do so.

The Chair: The hon. Government House Leader has moved that the committee reduce the bell time to one minute.

[Unanimous consent granted]

The Chair: Are you ready for the question?

Some Hon. Members: Question.

The Chair: Okay. The question has been called. Amendment A10 as moved by the hon. Member for Edmonton-Gold Bar.

Hon. member, you're standing. I don't know why.

Mr. Mason: Because I wish to speak to the amendment, Mr. Chairman.

The Chair: Oh. A little late in the game, sir. The question has been called. When I began into the thing – I try not to rush them – and looked, there was no one standing and no one prompting to stand, so we call. To stand after the call is made is not on. So we'll try it again.

Mr. Mason: Thank you.

The Chair: We are on amendment A10 to Bill 53 as moved by the hon. Member for Edmonton-Gold Bar.

[The voice vote indicated that the motion on amendment A10 lost]

[Several members rose calling for a division. The division bell was rung at 12:07 a.m.]

[One minute having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Blakeman	Carlson	Mason
Bonner	MacDonald	Massey

12:10

Against the motion:

Abbott	Dunford	Magnus
Ady	Goudreau	Marz
Amery	Griffiths	McClelland
Boutilier	Hancock	Melchin
Broda	Hlady	Oberg
Calahasen	Horner	Renner
Cenaiko	Jacobs	Snelgrove
Danyluk	Knight	Strang
DeLong	Kryczka	Taylor
Doerksen	Lord	VanderBurg
Ducharme	Lund	

Totals:	For – 6	Against – 32
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[Motion on amendment A10 lost]

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. You know, I want to indicate that one of the laudable parts of Bill 53 is the fact that it has eliminated discrimination in the setting of rates based on gender and based on age, and this kind of discrimination has been going on for a long time. It's something that I get asked about by school classes very often in the School at the Legislature. You know, it's a good subject for discussion with the children because they can sort of understand the issue.

You say: well, do you know that boys get charged more for insurance than girls do? The girls love that, and the boys are quite indignant. Then you sort of explain why. It's that as a class young men up to 25 have a much higher accident rate, and young women have a much lower accident rate. Well, you know, the boys are quite indignant about that, Mr. Chairman. Then you say: "Well, it's because boys are, generally, as a group more careless. They speed more, and they take more chances, so they have more accidents." Then they feel a little better, I guess. I don't know why that is exactly.

Then you ask the children the question: is every boy more careless than every girl? Is every boy a bad driver, and is every girl a good driver? You know, it's late, and I'm trying to make it understandable for some of my colleagues opposite. So then they say: well, no, not every boy is going to be a bad driver, and not every girl is going to be a good driver. So then I ask the question: is it fair that every boy should have to pay higher premiums than every girl? It's not universal, but by and large the kids get it. These are kids in grades 5 and 6, by and large. So they're 11 or 12 years old. They have an understanding, then, of how making broad statistical groupings as a basis for insurance policy is wrong, how it's not fair, how it operates against the principle of individual responsibility.

I know that this is an important principle to my Progressive Conservative colleagues and probably to my Liberal colleagues and certainly to me. Personal responsibility. So you shouldn't be charged because others in your class of policyholders statistically have a higher accident rate. That's, I think, where we've all arrived now, Mr. Chairman, on the basis of gender and on the basis of age. The same arguments exactly can be made for our senior citizens. Not all senior citizens have a higher accident rate, so you shouldn't be charged a higher rate.

However, what bothers me about this bill is that it does allow that sort of discrimination based upon geographical location. I know that in the previous discussion and not only in the previous debate on the last amendment but generally with respect to this debate on the bill as a whole, the argument has been made a number of times by government members that it's somehow more difficult to phase out discrimination based on geographical location than it was based on age or gender. Quite frankly, Mr. Chairman, that's a load of fertilizer, to put it in parliamentary language. The government could have as easily eliminated discrimination against Edmontonians as they did against senior citizens or as they did against young male drivers, but they chose not to. Why not? That's what I'd like to know, Mr. Chairman.

I hope that all members who represent Edmonton will stand up for Edmonton literally as well as figuratively. You know, when you line up all the Edmonton MLAs to see if they're prepared to stand up for Edmonton, you see a lot of empty space. To their credit the Liberal MLAs stood up for Edmonton. The New Democrat MLAs have stood up for Edmonton. But where are the Tories on this question?

Mr. McClelland: Point of order.

The Chair: The Member for Edmonton-Rutherford on a point of order. Do you have a citation?

Mr. McClelland: The Member for Edmonton-Highlands well knows, as does everyone in the Chamber, that . . .

The Chair: Do you have a citation, hon. member?

**Point of Order
Clarification**

Mr. McClelland: Twenty-one. It is not appropriate to refer to either the presence or absence of other members.

The Chair: The hon. member does not have to respond to that. Time allocation is the point of Standing Order 21, and that's hardly relevant in this case, so if the hon. member would continue, we'll take that as an attempt at clarification.

Debate Continued

Mr. Mason: Well, I could give a brief speech on closure if you wanted, Mr. Chairman, but I think I'll go back to the issue. You know, I wasn't attempting to draw attention to members' absence in the Chamber, but with a standing vote it will be very apparent who did stand up for Edmonton and who didn't because it'll be recorded in *Hansard*.

Mr. Chairman, if I can just go back to my comments with respect to this bill. I just think that it's wrong. There are so many things that have happened. Edmonton, of course, lost a seat, and that was a subject of quite a bit of political discussion. Then more recently there was an ATCO application that quickly, within two days, changed in order to increase gas rates in Edmonton so that they didn't jump so much in Calgary, and this was the subject of a question that I raised in this Assembly. The question is, you know: what is it about this government, and why is it okay to consistently not place Edmonton's interests on the same level as Calgary or other parts of the province? It's a repeating pattern, and I want to get it on the record. I'm very, very concerned that not all Edmonton MLAs seem to be fighting as hard as they might for this city and its citizens.

12:20

Now, if I could move on to another issue, Mr. Chairman, it has to do with the question of whether or not consumer interests are properly represented in the dispute resolution mechanism, and there's nothing here in this part of the bill that specifies that consumer representation would be paramount in the deliberations of the board as a whole and particularly not in respect to the question of dispute resolution, and as such I have an amendment which I wish to propose, and I will send it to the table and other members and speak to it in a moment.

Some Hon. Members: Question. Question.

The Chair: There is no question. There's a motion.

Hon. Member for Edmonton-Highlands, will you move amendment A11, please?

Mr. Mason: Thank you very much, Mr. Chairman. Members will be pleased to know that this is the last amendment that I have this evening. [some applause] I'll do anything for applause. Thank you.

Mr. Chairman, I move that Bill 53, the Insurance Amendment Act, 2003 (No. 2), be amended in section 18 in the proposed section 661.3 by adding the following after subsection (2): "(3) Any dispute resolution mechanism established under this section shall include

majority representation from consumer interests and policyholders."

Just to speak to that, Mr. Chairman, I think that one of the biggest differences between what the government is proposing and existing public insurance schemes in the other three western provinces is the fact that they are operated and managed in the interests of the policyholders primarily. There is no other interest there. There is no competing interest other than the policyholders, who all have an interest in low rates, good coverage, and traffic safety, and those things are not contradictory.

But the scheme that the Alberta government is proposing will retain other competing interests besides the policyholders, and the main interest is going to be the insurance industry itself. There's going to be a conflict, there's going to be a struggle between the interests of the insurance industry, that would like to have higher rates so that they can have higher profits, and the policyholders, on the other hand, who would like to have lower rates. Similarly, there's going to be a conflict between the insurance industry and the awards and the payouts that they want to make because they want to minimize those and the policyholders want to maximize those.

So there's a built-in conflict in the system that the Alberta government is proposing which does not exist in public auto insurance, and it's going to be a real problem. I can just see it. It's going to carry on creating conflict and pressure on both the government and on the insurance board, and the question is: how will it be resolved?

Well, the only way to resolve it, in my view, Mr. Chairman, is in the interest of the policyholder and the consumer of insurance. Otherwise, we'll have no advantage. We'll be at a disadvantage relative to public auto insurance because, of course, the insurance industry will want to move rates up and move payments down. We are being quite clear about this. We're not hiding it at all. We want the consumer's interest and the policyholder's interest to predominate, and particularly we want it to predominate in disputes. So the amendment places a dispute resolution mechanism with a majority representation from consumer interests and policyholders, and we hope that that will go a long way towards making the Alberta scheme operate in the interest of the consumers rather than the insurance companies.

Without this, we believe that eventually, once again, notwithstanding all the reforms that the government is proposing, consumer interests will come second to the interests of the insurance industry, and as a result we'll eventually see higher rates than we need to pay and we will see attempts to further limit payouts and awards. So I think all members should look very carefully at this amendment and support it so that we can ensure that the consumer remains king.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Medicine Hat, followed by the hon. Member for Edmonton-Gold Bar.

Mr. Renner: Thank you, Mr. Chairman. I want to just make a couple of quick comments about the proposed amendment. I find it somewhat surprising that the member would suggest that a dispute mechanism should not be a neutral kind of an organization. It's somewhat like saying: I want to set up a dispute mechanism to resolve disputes in a sporting contest, but I insist that the majority of representatives in that dispute resolution process be from one side and not the other.

The essence of dispute resolutions, Mr. Chairman, is that the process be neutral and not be favouring one side or the other. I think that that applies in this case, and it applies in many other dispute resolution mechanisms. So I think it would be a mistake for this Assembly to insist that a dispute mechanism process be predeter-

mined at the outset and predisposed to making decisions in favour of one side or the other. That would bring into question, I think, the credibility of the organization.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. Could I cede the floor to the Member for Edmonton-Highlands, who would like to respond to the comments from the hon. Member for Medicine Hat, before I enter debate, please?

The Chair: We normally don't have such a thing as ceding. We're in committee, and you can speak as long as you don't succeed yourself. If you wish to sit down and the next person pops up . . .

Edmonton-Highlands. The hon. member may speak.

Mr. Mason: Surprise, surprise, Mr. Chairman. Well, I just wanted to say that given the history of the government appointments to the existing rate-setting/rate approval board, you know, we don't have confidence that there's going to be neutral appointees. Don't forget that 145 out of 147 applications made in private at nine meetings in the year 2002 were approved by this group, so that's not neutral, and those are government appointments. So without some language in the act we have no confidence that the government is actually going to appoint neutral people.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. In regard to amendment A11, as moved by the hon. Member for Edmonton-Highlands, any form of a dispute resolution mechanism established under this section is, again, in the interest of consumers. How should we improve the efficiency of administration, increase the use of alternative dispute resolutions to resolve matters whether they're between policyholders or consumer interests?

12:30

One has to pay heed to the paper that was put out by the Faculty of Management, University of Calgary, in June of this year. Norma Nielson and Anne Kleffner, both with PhD degrees, have made some interesting recommendations to fix Alberta's auto insurance system. I don't know if they were involved in the consultation process around Bill 53. I suspect not, but hopefully I would be proven wrong by members opposite, because certainly some of the ideas that they had presented – and I think this is essentially the spirit of amendment A11, as presented by the hon. Member for Edmonton-Highlands.

This amendment would, as we increase the use of alternative dispute resolutions, be appropriate. As outlined in this report that I mentioned, I believe that this would help reduce time and cost.

There would certainly be an increase in consumer satisfaction. I think we could possibly avoid some disputes. Would this help improve efficiency of administration? I think so. I think it would do that as well.

In conclusion on my remarks on amendment A11 I would urge all hon. members of this Assembly before this bill is passed to have a look at the recommended reforms to Alberta's auto insurance system that I talked about earlier that have been presented by the Faculty of Management at the University of Calgary because it certainly is an interesting read.

Thank you.

[Motion on amendment A11 lost]

[The clauses of Bill 53 as amended agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report Bill 53.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Snelgrove: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 53 with some amendments. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: All those who concur in this report, please say aye.

Hon. Members: Aye.

The Deputy Speaker: Those opposed, please say no. So ordered.

Mr. Hancock: Mr. Speaker, I would move that we adjourn until 1:30 p.m.

[Motion carried; at 12:37 a.m. on Wednesday the Assembly adjourned to 1:30 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, December 3, 2003**

1:30 p.m.

Date: 2003/12/03

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy. As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country. Amen.

Please be seated.

head: **Introduction of Visitors**

Mr. Jonson: Mr. Speaker, I am pleased to introduce to you and through you to members of the Assembly Master Corporal Brian Curry, a Canadian air force reservist serving with the Prairie Region Cadet Detachment in Edmonton. He is accompanied today by Captain Grant Cree, public affairs officer.

Mr. Speaker, Albertans were shocked and saddened by the tragic loss of life in the attack on the World Trade Center on September 11, 2001. Using his own initiative and ingenuity, Master Corporal Curry designed and donated a monument dedicated to those who died in the World Trade Center. This monument, a 2.5-metre-high scale model of the trade center with the names of all 2,987 victims on it, is currently on display at the New York port authority near Times Square, where more than 200,000 people pass by each day.

Part of my ministry's mandate, Mr. Speaker, is to promote relations between the U.S. and Alberta. I cannot think of a better way to enhance that relationship than to demonstrate our solidarity during a time of need, as Master Corporal Curry has done with his wonderful monument.

Master Corporal Curry and Captain Cree are seated in your gallery, Mr. Speaker, and I would ask that they please rise and receive the traditional warm welcome of the Assembly.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of the Assembly 24 grade 6 students from Earl Buxton elementary school in my constituency of Edmonton-Whitemud. They are accompanied today by their teacher, Mrs. Val Ritter. They're here, obviously, to observe and learn with keen interest about government and about their Legislature Building. They're seated in the members' gallery. I would ask that they please stand and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Minister of Seniors.

Mr. Woloshyn: Thank you, Mr. Speaker. It's my pleasure to rise today to introduce to you and to members of the Assembly staff members of the office of the public guardian. The office of the public guardian provides service to dependent Albertans throughout the province by providing appropriate decision-making mechanisms for individuals who are unable to make personal nonfinancial decisions for themselves. The office of the public guardian is celebrating an important milestone as December 2003 marks the

25th anniversary of the enactment of the Dependent Adults Act in Alberta.

Mr. Speaker, I'd ask the following five people to rise as I call their names to introduce them and receive our welcome. I will start with Darrel Koller, who is the public guardian for Red Deer central region – he is the only one who has been in the office since its inception – Brenda Lee Doyle, the newly appointed director of the office of the public guardian; Colin Grant, public guardian for the Calgary region; Barbara Hendry, public guardian for the Edmonton region; and Barbara Martini, public guardian for the north region. I would ask that we extend them the warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Manning.

Mr. Vandermeer: Thank you, Mr. Speaker. It's my privilege today to introduce to you and through you to the members of this Assembly 20 wonderful and, I will add, well-behaved students from Kildare elementary school. They are accompanied by their teacher, Mr. Iain Watson, and their student teacher, Mr. Dan Pagnucco. They are seated in the members' gallery, and I would ask that they rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Whitecourt-St. Anne.

Mr. VanderBurg: Thank you, Mr. Speaker. I'd like to introduce to you and through you to members of the Assembly two very special visitors in the members' gallery: first, my constituency assistant, a very bright and capable person that keeps me well organized in the constituency, Faye MacAskill, and her favourite helper and her favourite grandson, Dylan. Would you please rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a pleasure to introduce to you and through you to all hon. Members of this Legislative Assembly visitors from Suzuki charter school in the constituency of Edmonton-Gold Bar. Mr. Ian Gray, the teacher with the class, today is accompanied by two parents, Ms Jeannette Smit and Mr. Daniel Cottell, and 15 students from the Suzuki school. Every visit I have to Mr. Gray's classroom is a pleasure. The classroom is well organized, and the students, one can tell, are very well instructed. These guests are in the members' gallery, and I would now ask them please to rise and receive the warm and traditional welcome of this Assembly.

Thank you.

The Speaker: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you, Mr. Speaker. It's my pleasure this afternoon to introduce to you and through you to all members of the Assembly a constituent of Edmonton-Glengarry, Jennifer Ellefson. Jennifer is the niece of the late Brian King, who was a well-known and widely respected staff member in this building for 10 years. I would ask that Jennifer now please rise and accept the traditional warm welcome of the House.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. It is my pleasure to rise and introduce to you and through you to all members of the House 65 visitors from St. Albert. These grade 6 students attend J.J. Nearing

elementary. The residents of St. Albert value education, and these kids are definitely a reflection of that. They're a great group. The staff and parents are to be commended on the great job they do at J.J. Nearing. The students are accompanied by teachers Mrs. Sonia Reid, Mrs. Christine Sowinski, student teacher Jennifer Windsor, and teacher aide Barb Cannon as well as parent helpers Mrs. Charlene Heavener, Mrs. Margo Brenneis, Mrs. Corinne Van De Walle, Mrs. Kim Opalinsky, Mrs. Beth Purdon. They are seated in the public gallery, and I would ask that they rise and receive the traditional warm welcome of the House.

The Speaker: The hon. Minister of Environment.

Dr. Taylor: Yes. Thank you, Mr. Speaker. I'm pleased to be able to introduce three people in the members' gallery today. They are Michael Carten, the president and CEO of Sustainable Energy Technologies – and what's interesting about this group is that they're working with BP Canada on solar energy and are actually going to have a project in northern Alberta with solar energy, so it's very positive that they've got some patented technology – Jeff Henwood, who is the VP of . . . Hmm, I can't read it. He's the VP of something. Sorry, Jeff. And Lanny Westersund. I'm very pleased to have these people here in spite of the fact that I can't read what you're VP and president of. Please stand and enjoy the warm welcome of the House.

Ms Graham: Mr. Speaker, it gives me great pleasure to introduce to you and to members of the Assembly a young man, Mr. Tye Bietz, who's seated in the members' gallery. Tye is a first-year honours science student at the U of A and is a fifth generation Albertan and spent many of his early years in the constituency of Calgary-Lougheed, my constituency, and spent many hours on the campaign trail with his mother and I.

Tye at age 19 is an Olympic-class trapshooter and has been both the Albertan and the Canadian champion in his age category since he was 13. Competing on the world stage, he has had many remarkable successes, topped this year at the Pan Am Games when he became the only Canadian male trapshooter to qualify for the 2004 Olympic Games in Athens. Tye's next task, Mr. Speaker, is to convince the Canadian Olympic Committee that as an Albertan and a rising star he should be allowed to compete at this summer's Olympic Games.

I'd ask all of the members of the Assembly to join with me in welcoming Tye and showing our support for him and his bid to represent us in the Olympics.

1:40head: Oral Question Period

Electricity Deregulation

Dr. Nicol: Mr. Speaker, the Premier has said that the Alberta Liberal opposition is opposed to electricity deregulation because it is, and I quote, the right thing to oppose, close quote. I agree with the Premier, and as an MLA I have opposed electricity deregulation since 1995. I continue to oppose deregulation because it has led to the closure of hockey rinks, swimming pools, and community centres and has made electricity unaffordable to many seniors and other Albertans on fixed incomes. To the Premier: given how much electricity deregulation has already hurt Alberta, why do you need, and I quote, a complete and absolute collapse, brownouts all over the place, an atrocious price for no power at all, end quote, before you even consider unplugging deregulation?

Mr. Klein: Mr. Speaker, it stands to reason that if there's a total collapse of the system, we have to rethink it, but that hasn't hap-

pened. I take great exception to the assertions by the hon. Leader of the Opposition. I don't know of any hockey rinks that have had to close. I don't know of any community centres and I don't know of any seniors that have been left in the dark and without heat.

Mr. Speaker, I misspoke, perhaps, when I said that the Liberals were right. What I meant to say is that the Liberals always oppose. That's what I meant to say. They always oppose, whether the project is right or wrong or in between. If it's a government program, they oppose, and that is their function in life. Their reason, their justification for being there is to oppose. Some people may say that I'm speaking undemocratically, but that is the simple fact. The fact of life is that they oppose everything the government does because they want to get us fired and they want to be the government and they want us to be on their side, God forbid, to oppose everything that they do. That is the nature of politics. That is the nature of the parliamentary system in Canada and wherever the parliamentary system exists. Their function is to oppose.

Now, relative to deregulation, Mr. Speaker, how can they oppose 3,000 megawatts of new power coming onstream? How could they oppose competition in a system where people are advertising and offering fantastic deals relative to electricity? They can oppose, as we do, sloppy billing practices, and we are taking care of that through the Department of Government Services, and the minister will gladly outline what his department is doing to curb and to make sure that sloppy billing practices are not the practice in the future and that those who carry out sloppy billing practices are brought to task. I can't see how the opposition could oppose that, but because the government is doing it, they will oppose it.

The Speaker: The hon. leader.

Dr. Nicol: Thank you, Mr. Speaker. Again to the Premier: given that the Alberta Association of Municipal Districts and Counties is also opposed to electricity deregulation, will you unplug deregulation?

Mr. Klein: Mr. Speaker, no, we will not unplug deregulation. We will not unplug a program that has accommodated some 3,000 additional megawatts of power in the province of Alberta. Why would we?

Mr. Speaker, before, under the old system, that's when we were faced with brownouts. The system that the Liberals like, the system that the Liberals promote is the same system that threatened the people of this province with brownouts and blackouts, and they supported that system.

Dr. Nicol: Again to the Premier, Mr. Speaker: given that your own Bolger commission pointed to the failure of electricity deregulation, don't you think it's time to unplug deregulation?

Mr. Klein: Mr. Speaker, the Bolger commission did not say that. Relative to the Bolger commission, the report was delivered to the Minister of Energy, and I'll have him respond and maybe clarify for the sake of truth what the Bolger commission actually says.

The Speaker: The hon. minister to supplement.

Mr. Smith: Well, thank you very much, Mr. Speaker. If one were to go through it as it's posted on web sites and is available, you find that the Bolger commission says: what is the government doing right? They talk about robust competition in the business-to-business market. They talk about the most advanced industrial systems market in North America. They talk about the best competitive generation model in North America.

They say what needs to be fixed: exactly the things that we asked them to look at. That was consumer billing issues, issues where the meter is read by the transmission arm and then it's reported by the retail arm. That needs to be fixed. We don't have that problem in two out of the three networks. We have it in one.

And the Bolger commission said: get to a plan, find the plan, stick to it, and continue forward. That, Mr. Speaker, is exactly what the government is doing.

Automobile Insurance

Dr. Nicol: Mr. Speaker, the Alberta government still rejects any plan that would deliver real savings on auto insurance. My questions are to the Premier. Why has your government rejected a rollback of 15 percent on auto premiums?

Mr. Klein: Mr. Speaker, we do what we think is the right thing to do relative to this issue in Alberta, and we deemed that the right thing to do was to freeze auto insurance premiums.

Mr. Mason: They're the highest rates in western Canada.

Mr. Klein: Mr. Speaker, I heard some yipping from across the way that they are the highest in western Canada. Well, you know, that is not right. What the hon. member says is simply not right. As a matter of fact, I was listening to an ad. I know that the insurance company in question is probably self-serving, but in British Columbia, where it's state owned, the ad went on to say that a person of a particular age and with the same driving record actually pays a lot less in Alberta than he or she would pay in British Columbia. The ad also went on to say that even if you had tickets in Alberta and had the same number of tickets in British Columbia, the amount that you would be paying in Alberta would be a lot less.

Now, if this member who is yipping across the way – and I can't identify him – would like to sue that company for false advertising and if he's calling this company a liar, Mr. Speaker, then I would ask him to stand up and say outside the Chamber that that company is lying.

Speaker's Ruling Anticipation

The Speaker: Hon. members, yesterday the chair provided some caution with respect to certain questions on bills before the House. At approximately 12:35 or 12:40 this a.m. this Assembly rose after giving Committee of the Whole support to the bill in question. Later today, tomorrow the bill is up for third reading, so we're not going to debate Bill 53 in the House, please, during question period. If they're questions specifically on policy, we'll deal with them, not the bill.

1:50

Automobile Insurance (continued)

Dr. Nicol: Mr. Speaker, to the Premier. You claim that your plan will save 80 percent for drivers. Your calculator that you've put on the computer does not show that for most of the drivers who call in. Why is it that your calculator doesn't work?

Mr. Klein: I don't know if it's a case of the calculator not working, but I understand that what has been posted on the web site are estimates only. I'll have the hon. Minister of Finance respond.

Mrs. Nelson: Thank you very much. Not to get into the debate on

the bill, our focus has been to put in place a structure that provides access to an insurance plan, that provides comparable rates to an insurance plan, and that rewards good drivers and penalizes bad drivers. So the structure that we've put in place and are focusing on this fall is a new structure for Albertans that will deliver an insurance plan that meets the requirements under the law of the province of Alberta that you must carry automobile insurance.

We have put in place on the web site samples of how this grid will work that they are debating and that will be part of the regulations as a result of this bill. We believe that we will accomplish that goal quite easily by following through on providing accessible insurance to all Albertans, affordable insurance to all Albertans, and comparably priced insurance to all Albertans.

Dr. Nicol: Mr. Speaker, again to the Premier. Given that the government spent \$1 million for actuarial studies on insurance rates, isn't it time to give Alberta drivers evidence that they will be able to save money? Can you release the information from that actuarial study?

Mr. Klein: Mr. Speaker, I don't see why not, but I'll have the hon. minister respond.

Mrs. Nelson: Mr. Speaker, we have said in the process of doing the evaluation that as we've done the assessments, the actuarial study will be updated, and when the final copy is completed by the actuarial company, it will be made available.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Electricity Consultant

Mr. MacDonald: Thank you, Mr. Speaker. Last July this government hired its own electricity blackout expert, Kellan Fluckiger, who was the former energy adviser to the Governor of California, Gray Davis. Gray Davis did not unplug electricity deregulation quickly, and he was terminated. Now, his economic and energy adviser is a former chief operations officer for the California Independent Systems Operator. Mr. Fluckiger was also in charge of California's chaotic electricity system and tried to organize the massive electricity shortage there. My first question is to the Premier. Did this government hire Mr. Fluckiger to manage rolling blackouts in this province considering he's had so much experience at this in the past in California?

Mr. Klein: Mr. Speaker, the question is a somewhat silly question, with all due respect, because there have been no rolling blackouts. We have no rolling blackouts. As a matter of fact, we have an excess of power.

I will agree with the hon. member of the opposition that the situation in California was indeed chaotic. We are not going down that road. That's why we have taken such a long time – well, it's been over eight years now – to bring about deregulation and, certainly, to learn from the mistakes in other jurisdictions and to learn from the successes in other jurisdictions that have undertaken deregulation. Mr. Speaker, I'll have the Minister of Energy speak to it because I'm not sure of all the details surrounding California, but I do know that it was a bit of a mess, to say the least.

This is not a mess. This is a situation that has brought on 3,000 megawatts of new power. This is a situation that has brought about competition.

By the way, I'll remind the hon. member that when he talks about power rates going up, the majority of customers are still on a regulated system, are still on a regulated rate. They're still on a regulated rate, but they won't tell the public that, because they are afraid to tell the truth. That's the problem.

The Speaker: The hon. member.

Mr. MacDonald: Thank you. Again to the Premier, Mr. Speaker: why did this government hire Gray Davis' ex energy adviser and put him in charge of negotiating an Alberta connection to the Pacific Northwest power grid, which, everyone knows, will only increase our domestic prices in this province? Why did your government do that?

Mr. Klein: Mr. Speaker, I'm not familiar with the details relative to the hiring of a consultant. That was obviously done through the Department of Energy, and I'll have the appropriate minister respond.

Mr. Smith: Well, Mr. Speaker, Mr. Fluckiger is employed on a contractual basis with the Department of Energy after an extensive search across North America for the appropriate individual to do the appropriate job. Mr. Fluckiger is at term. Actually, it's interesting, because if you read the Liberals' Unplugged method, you'll see that their program actually copies the California program, that would cost taxpayers some 5 billion dollars to recoup their costs and then pay outrageous costs for power for the next 10 years. I don't think anybody in Alberta wants to do that.

Mr. MacDonald: Again, Mr. Speaker, to the Premier: is Mr. Fluckiger working exclusively for the government of Alberta, or is he still representing now the interests of California's electricity industry?

Mr. Klein: I'll have the hon. minister respond.

Mr. Smith: Well, I think there's an appropriate person to ask for that, Mr. Speaker. In between the member's blackouts he can refer to Mr. Fluckiger personally to determine what his status is.

The Speaker: The hon. leader of the third party.

Municipal Regulation of Oil and Gas Development

Dr. Pannu: Thank you, Mr. Speaker. Alberta's municipal governments have absolutely no say on oil and gas developments taking place within their boundaries, not even when they're proposed for heavily populated and environmentally sensitive areas. Total control rests with the provincial Energy and Utilities Board. The EUB's mandate is to facilitate energy development, not to protect local citizens. Strathcona county recently set up a council committee, the first of its kind in Alberta, to try to give municipalities a voice when it comes to the siting of oil and gas developments. My questions are to the Minister of Municipal Affairs. Given that municipal approval is required for windmills to generate green power, why then is the same authority denied to local governments when it comes to oil and gas developments proposed for densely populated and environmentally sensitive areas?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you. In fact, just the other day the hon. member from the Liberal opposition asked the exact same question,

and it had to do with the fact that under provincial regulation that we have today, the EUB is of a provincial nature all across the province. We have 360 municipalities, Mr. Speaker, so we have to look from a planning, from an authority perspective at how we look out for the entire provincial interest.

One thing, though, that's important that the hon. member didn't mention is the fact that the stakeholders, municipal leaders, all have an opportunity to present their case in terms of planning and developing in the long term for the interests of not only their municipality but for the entire province, and that's exactly what has happened.

2:00

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: why is this minister and this government allowing the rights of Hastings Lake residents in Strathcona county to be dismissed out of hand by the Energy and Utilities Board while the minister stands idly by and does nothing to support local governments trying to stand up for their citizens?

Mr. Boutilier: Mr. Speaker, what the hon. member has just said is simply not true. I have a lot of faith, contrary to what the hon. member thinks, relative to municipal leaders in terms of their local authority and looking out for the interests of their citizens in Strathcona county. That's what they've been doing. They have in fact been presenting to the hearings that have been held. We look at it from a municipal perspective and also from a provincewide perspective, and again, to the hon. member, that's exactly what has happened. A consultant and stakeholders have spoken to them about the issues, and I'm very pleased to say that municipal leaders have done a very good job in terms of the points they've brought to the EUB.

The Speaker: The hon. Minister of Energy to supplement.

Mr. Smith: Thank you very much, Mr. Speaker. In fact, as the leader of the third party fully knows, that decision is open for examination. It was an open process. There were some 87 objections filed by members of the community, and the EUB evaluated each and every one of those objections. They also instructed the applicant to even further his area of interest and contact.

I can say that the Alberta Energy and Utilities Board has a great respect for the people of Sherwood Park, has a great respect for the process that's going on there, and has acted in the interests of the people of Sherwood Park, who of course benefit from oil and gas explorations throughout this great province, but also for each and every individual who is interested in the decision.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My last question is to the Minister of Municipal Affairs. If the minister won't make oil and gas development subject to municipal approval, will the province at least give local governments the authority to use exclusionary zoning to keep oil and gas developments out of heavily populated and environmentally sensitive areas, and if not, why not?

Mr. Boutilier: You know, I'm so pleased that the hon. member had mentioned in terms of what the Municipal Government Act offers to the people of Alberta. The Federation of Canadian Municipalities, which represents over 2,000 municipalities across Canada, said that

Alberta's Municipal Government Act is a leader that other provinces should be following. Need I say any more, Mr. Speaker?

The Speaker: The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Riverview.

Kyoto Accord

Mrs. Jablonski: Thank you. Mr. Speaker, on Tuesday a senior Kremlin official declared that Russia would not ratify the international treaty known as the Kyoto accord, requiring cuts in the emissions of gases linked to global warming, delivering what many consider a fatal blow to years of diplomatic efforts. My constituents in Red Deer-North and all Albertans remain committed to taking action to reduce greenhouse gas emissions and addressing the issue of climate change. My question is for the Minister of Environment. How does the position of the Russian government affect Albertans and Alberta's plan to reduce emissions?

The Speaker: The hon. minister.

Dr. Taylor: Thank you, Mr. Speaker. We have to be clear that this recent announcement is not the official position of the Russian government. What we have is the chief scientific adviser and the chief economic adviser to Mr. Putin advising him not to ratify the Kyoto agreement. That's the advice he is being given, and I think it's good advice. It certainly vindicates the Alberta position.

Now, as I've said recently, you know, it's not over till the fat lady sings, and Mr. Putin is going to have to sing at some time, and until Mr. Putin sings, we don't know what the official position of the Russian government is. As we go forward, we wait. This Russian position is very clearly a vindication of the Alberta position, something that we've been arguing for a number of years.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you. Also to the Minister of Environment: why do some people believe that the Kyoto treaty will be severely jeopardized if Russia does not ratify?

Dr. Taylor: Well, hon. member, the Kyoto agreement will fail because it needs 55 percent of the countries with 55 percent of the emissions. Without Russia's ratification the international treaty will fail. They need the Russian ratification for it to come into effect.

Mrs. Jablonski: My final supplemental is to the Minister of International and Intergovernmental Relations. What is the minister doing to follow up on reports that the Russian government will not ratify the Kyoto protocol?

Mr. Jonson: Mr. Speaker, as has already been mentioned, we have not had an indication that this particular report is substantiated. My department is and has been in contact with the Foreign Affairs ministry on this matter, and at this point in time we do not have an official position on the matter.

However, Mr. Speaker, this is a very important statement, it having been made by a very senior official in the Russian government. We hope that it reflects and comes to reflect the overall position and official position of the Russian government, and therefore we will see the opening for a more constructive and realistic approach to greenhouse gas emissions.

U.K./Calgary Regional Health Authority Consortium

Dr. Taft: Mr. Speaker, reports out of the U.K. today show that the Calgary health region's involvement in a private consortium to provide health services in the U.K. could lead to a loss of badly needed health care staff in Calgary and in other parts of Alberta. These private clinics in the U.K. will not be allowed to recruit staff from British public hospitals. In fact, a representative from the consortium has confirmed that current frontline staff in Alberta will be invited to come over to the U.K. My question is to the Premier. Is the Premier prepared to sit back and watch the Calgary health region poach its own staff away from Alberta to work in private clinics in Britain?

Mr. Klein: Mr. Speaker, the hon. member is presenting a worst case scenario, an absolute worst case scenario. This simply will not happen. As I understand it – and I haven't seen the formal agreement or even the preliminary agreement; I don't even know if there is one yet – if a health practitioner from Calgary or the Calgary region goes to the U.K., then an equivalent replacement will have to be put in place. In other words, there will have to be assurances of an equivalent replacement.

Mr. Speaker, in a conversation with Dr. Grant Gall, who's the dean of the Faculty of Medicine at the University of Calgary, he indicates to me that there will be some advantages, because he says that it's not uncommon for nurses and doctors from time to time to take leaves of absence and to seek the opportunity to study or to practise elsewhere. If they choose to practise in the U.K. at this particular hospital, they will not lose their place in line; they will not lose any seniority. So there are some advantages as well. The other advantage, of course, is that this will generate significant revenue for the RHA.

Dr. Taft: Well, back to the Premier again: where are these replacements going to come from? Has the Calgary health region or this consortium presented the government with any plan as to where this private consortium will get the health professionals needed to run these private clinics? Where are these replacements going to come from?

Mr. Klein: Mr. Speaker, the hon. Minister of Health and Wellness has been on top of this issue, and I'll have him respond.

Mr. Mar: Mr. Speaker, the details of this arrangement are still being worked out, but I want to repeat what I've said in this House before and assure Albertans that there will be no net loss of physicians from the regional health authority in Calgary. Indeed, there are a great number of possibilities that this will benefit the regional health authority dramatically. There has been a commitment that any revenue that comes to the regional health authority as a result of this arrangement will be directly put into frontline health services in that region.

There has been a commitment, Mr. Speaker, as the Premier indicated, that if people are on a sabbatical and going over to provide services in the U.K., there will be an equivalent health care professional brought in. These individuals can be recruited from all over, but in order to recruit, in order to retain the very best physicians and health care workers from anywhere in the world, we need money to do it. This is why this is a unique opportunity. It is an extraordinary example. Let me say this: only a person who is an ideologue would suggest that this isn't a good idea.

2:10

We are open to all kinds of ideas on this side, Mr. Speaker. Look at how we develop policy. We seek to understand the issues. We listen carefully to constituents from around this province to ask them what is of concern to them in the health care system. Here's what is of concern to Albertans. Albertans say that we want access to high-quality services within the public health care system. That is what our focus is on. That is what we have sought to understand. We then look at all of these different ideas. We weigh the pros and cons, we weigh the benefits, we weigh the risks, and we choose wisely with respect to moving forward on these ideas.

Mr. Speaker, in contrast, the opposition's policy is developed in a manner that perhaps a two year old would develop it. I'd say to my two-year-old daughter, "Mackenzie, what do you think of P3s?" She'd say, "No." If I asked her, "What do you think of innovative ways of delivering public services?" she'd say, "No." If I said: what about a new way of . . .

The Speaker: Hon. minister, I have no doubt that the people of Alberta are impressed with the parenting skills of the hon. Minister of Health and Wellness, but this is question period.

Dr. Taft: Well, the minister is right about one thing. Albertans do want access to services. They shouldn't have to travel to England to get them.

To the Premier: why won't the Premier do the right thing and call on the health region to withdraw from this misguided venture?

Mr. Klein: Mr. Speaker, it is not a misguided venture. It is innovative. It represents to me thinking outside the box. It will accommodate the development of medical expertise both here and in the U.K. It will generate revenue for the regional health authority, but anything that is good is opposed by the opposition.

You know, Mr. Speaker, I find it very, very interesting. I wasn't going to bring this up, but so obsessed with this situation and with the RHA is this hon. member that I understand he recruited someone in England to report back on the activities of Dr. Jivraj and Dr. Gall. Perhaps he can confirm or deny this. I was told it was a reporter, of all things, from the *London Guardian*. Now, perhaps the hon. member can confirm or deny that he had an operative in London to follow Dr. Jivraj and Dr. Gall and the rest of the delegation around. If he did, who paid for it? How was this expensed? I would really like to know. Now, if it's false, you know, if it's all a lot of blarney, then the hon. member can stand up and say so.

The Speaker: The hon. Member for Bonnyville-Cold Lake, followed by the hon. Member for Edmonton-Ellerslie.

Aboriginal Policy Framework

Mr. Ducharme: Thank you, Mr. Speaker. First Nations and Métis people in Alberta are expressing a desire to more fully participate in the province's economic opportunities. Given that Alberta's aboriginal policy framework recognizes the importance of socio-economic opportunities for aboriginal people and the potential to benefit from the natural resources sector, my question is to the Minister of Aboriginal Affairs and Northern Development. What kinds of efforts are being made by government to create opportunities for aboriginal people?

Ms Calahasen: Well, Mr. Speaker, in the year 2000 the government of Alberta actually approved the APF. It's a landmark policy document by a government. In fact, all across Canada my colleagues

at the federal/provincial/territorial ministers' meeting that I go to drool over what we've been doing with this government's progress on the aboriginal side.

In fact, Mr. Speaker, the aboriginal policy framework has two components to be able to achieve our goals and our objectives. Number one is on the internal side. On the internal side on the aboriginal policy initiative, which is a cross-ministry initiative, we have done a number of things. I think it's really important for me to be able to bring that information forward. In fact, it's available in the first annual report.

We were involved with Alberta Children's Services and Alberta Justice in terms of leading the proposed agreement in principle regarding the establishment of Blood tribe jurisdiction over child welfare matters. We were also involved in initiating involvement of the aboriginal tobacco framework as part of Alberta's tobacco reduction strategy. We also worked with Alberta Learning on the First Nations, Métis, and Inuit education policy framework. We also were involved in a first provincial program in aboriginal studies, including historical and contemporary issues. We also introduced the First Nations training to employment program with Human Resources and Employment. As you know, Mr. Speaker, EnCana Executive Vice-president Randy Eresman called Canada's aboriginal community our largest source of untapped manpower.

These are the kinds of things we're doing internally, Mr. Speaker. I would like to continue on the external side.

The Speaker: Well, I'd invite the hon. minister to take advantage of the section of the Routine that says Ministerial Statements. We'll be here tomorrow afternoon. We'll look forward to such a statement. But now we'll go to questions.

The hon. Member for Bonnyville-Cold Lake.

Mr. Ducharme: Thank you, Mr. Speaker. In light of your guidance I'll just direct one final question to the same minister. Can the minister provide some specific examples of the external partnerships that are strengthening Alberta's economic well-being?

Ms Calahasen: Well, I'm so glad to be able to talk on the external side, because, as I said, all my colleagues across the country drool over what's happening in Alberta. So I want to talk about the external component, Mr. Speaker, and I want to talk about the examples that have been happening. As an example, the St. Mary spillway, which borders the Blood reserve: Alberta public works stipulated in a tender that Blood members be given the opportunity to participate, and over \$2.5 million in payroll was actually earned by the band members.

Mr. Speaker, in the energy sector we have been working with Chevron Canada and Aseniwuche Winewak Nation, which was looking at a guiding principles agreement in March of 2001 which sets out the principles in the areas of land stewardship, project consultation, and a number of other things. Sturgeon Lake First Nation and Devon Energy Limited signed a joint venture partnership for the production of oil wells on the reserve and for the provision of oil and gas services from the First Nation to Devon Energy Limited.

On the forestry sector side, Al-Pac. Bigstone Forestry Incorporated is a sustainable wood harvesting company that was created through a partnership between Al-Pac, Weyerhaeuser Canada, Bigstone Cree Nation. [interjections] Oh, Mr. Speaker, I still have some more here.

In fact, Sustainable Resource Development has some success stories. SRD has renewed a memorandum of agreement with the North Central Aboriginal Association to make sure that they can get the coniferous wood in forest management unit S11.

We have Learning successes. We have been working with the Kainai board for the Blood reserve and treaty 6 tribal ventures, which would talk about the Stoney/Nakoda 15, 25, and 35 program being developed by Alberta Learning. Oh, I've got so much, Mr. Speaker.

The Speaker: Thank you very much, hon. minister. One of the administrative mechanisms is to try and keep the set of questions in the five-minute time frame. We've now arrived at that, so now we'll move on to the hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Calgary-Fort.

Coal Bed Methane

Ms Carlson: Thank you, Mr. Speaker. Tomorrow in Camrose the Alberta Surface Rights Federation is holding a special meeting to address their concerns regarding the lack of information and regulation surrounding coal bed methane development. To date there are approximately 1,000 coal bed methane wells in Alberta, and the ministries have yet to establish an advisory committee to formulate the regulations. My first question is to the Minister of Energy. Given that coal bed methane production is well under way in Alberta, why has this government once again gotten ahead of itself and allowed production to go ahead prior to developing specific regulations dealing with unconventional gas?

2:20

Mr. Smith: Mr. Speaker, the companies involved in the production of unconventional gas have been around for a long time. Coal bed methane is not new to this province. What is new is the fact that there's new drilling technology, there's new extraction technology, and there's new seismic technology that allows us to be blessed with as much as 500 trillion cubic feet of this resource in this province.

Now, what we've seen through consultation and discussion with stakeholders is a very environmentally responsible approach to development of this product, this resource in Alberta. We're also particularly blessed in that the coal formation, the mid-coal formation of the Horseshoe Canyon, is not subject to water disposal and is, in fact, very dry. The deeper coal bed methane, Mr. Speaker, is in the Mannville zone. That Mannville zone is brackish water. What the companies do is reinject that saline or brackish or salt water back into the reservoir.

So, in fact, we have a very environmentally responsible approach to it. It has worked well with landowners, and the process is covered under the regulations set out by the Department of Energy and the Alberta Energy and Utilities Board. If there are any specific issues relating to coal bed methane, those are being covered by a stakeholders committee.

Ms Carlson: Mr. Speaker, when will the government decide to establish an advisory committee to formulate the coal bed methane regulations, and which department will be responsible, the Ministry of Environment or the Ministry of Energy?

Mr. Smith: I think that committee is probably about two to three years old now, Mr. Speaker. That program was in response to what we saw happen in the United States as they wrestled with the development of their coal bed methane and, in fact, did a poor job in their early stages. They're now getting much better at it. We haven't run into those controversies. We've got a particularly good approach to coal bed methane development. Regulations, as they're required, will be developed in the full course of time. Of course, not

one department in this government does anything solo. It's always done in consultation with the other departments.

Ms Carlson: Mr. Speaker, to the same minister: then what actions are the ministries taking to minimize the impacts of coal bed methane extraction to ensure that our province doesn't become an environmental wasteland like the Powder River basin in Colorado and Wyoming?

Mr. Smith: Mr. Speaker, the Powder River basin is not an environmental wasteland, as the member knows; neither is the Appalachian basin or the Warrior basin, where this coal bed methane was originally extracted under the new technologies.

Mr. Speaker, we have inset, because of our experience with natural gases and resources for the last 40 years, some of the best regulations in the world. We're the best regulator in the world. I would say that we have the best Department of Environment and Department of Energy in any oil producing jurisdiction, and I would think that they would continue in that pursuit of excellence.

The Speaker: The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Mill Woods.

Calgary Transportation Issues

Mr. Cao: Thank you, Mr. Speaker. In rural Alberta we frequently have suffered natural disasters, but in urban Calgary we are under tremendous growth pressure with no less urgency. Indeed, Calgary has grown by leaps and bounds. The population has reached 1 million, and in the last five years we've grown by 100,000 residents. New residents don't come with the proper infrastructure in their suitcases but with their free enterprising spirits and skills. I know that transportation roadways play a vital role in economic development and quality of life for Alberta, particularly in the large industrial park in my riding. My question today is to the Minister of Transportation. What have you done for Calgary during recent years?

The Speaker: I think, hon. minister, there are sections in the Order Paper called Written Questions and Motions for Returns. "Recent years" might elicit a response beyond 30 seconds, but try and stay within 30 seconds if you would, please.

Mr. Stelmach: Mr. Speaker, over the last three years we've certainly dedicated a fair amount of funds to the city of Calgary through the 5 cents a litre and also through other grants. I believe that over the last three years it is in excess of \$500 million. We have also assumed the full responsibility for the Deerfoot Trail. We've just recently extended it to highway 2, and that's helped out greatly. We are ongoing studying other, better economical additions to the city's roadways. We're also completing the three interchanges on the Deerfoot Trail. So there is a fair amount of investment going into Calgary.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. My supplemental question is to the same minister. Given that the city of Calgary council has recently approved \$900 million for transportation-related projects out of a \$2.5 billion five-year capital budget, how does the minister plan to assist them in these projects?

Mr. Stelmach: Mr. Speaker, the funds raised locally by the city will

of course go to their priorities. With the additional 5 cents a litre that they will be receiving from the global taxpayer of the province of Alberta, we do have some input in the kind of priorities that the city of Calgary puts forward in terms of their roadways. Overall, over the next three years just on the 5 cents a litre they will be receiving about \$212 million. Coupled with the money that they're raising, there'll be a sizable investment to the city of Calgary roadway system.

Again, we're going to do the ongoing completion of the roadways that we are responsible for around the city of Calgary as well. Highway 8 comes to mind. We're doing a functional plan there. We're completing the Stoney Trail part of the ring road. So there is a fair amount of work. I believe the ring road, the Stoney Trail, should be done by about 2007, so there'll be a vast improvement in the roadway system in and around Calgary in the next three years.

The Speaker: The hon. member.

Mr. Cao: Well, thank you. My last supplemental question is to the same minister. The minister mentioned the ring road around Calgary. Could you give us an idea what the status of it is now in terms of the land acquisition for the ring road?

Mr. Stelmach: Mr. Speaker, through the forward, very visionary thinking of the previous administration under Premier Lougheed we actually had purchased all of the land for the ring roads around Edmonton and Calgary – that's the transportation and utility corridor – so the land is in place. Now it's up to us to work on a plan to complete the roadway.

We are of course waiting with bated breath to see what news we will be receiving from the federal government in terms of infrastructure support. We're just waiting for the regime to change and see who we'll be working with in the future. There have been certainly loud musings from Ottawa that there'll be some contribution to growth pressures, population pressures when it comes to transportation. So we're awaiting that.

Given that, we have committed to completing the north/south trade corridor, and part of that north/south trade corridor, of course, is all the roadways within the city of Calgary as well. So that's the most information we have to date.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Edmonton-Highlands.

Unlicensed Day Homes

Dr. Massey: Thank you, Mr. Speaker. Burger flippers at McDonald's earn more than some workers caring for Alberta children. Fewer licensed child care spaces, unmonitored day homes, and declining day care college programs are the direct result of government policy with respect to children. My questions are to the Minister of Children's Services. What is the government doing to assure Albertans that children placed in unlicensed day homes are safe and well cared for?

Ms Evans: Mr. Speaker, there are no issues that we are aware of that relate to unlicensed day homes in Alberta. We have 41,000 spaces for children in regulated day cares. We had 256 withdrawals over this last year, but we actually have 7,000 unused spaces for children in day cares. Part of the reason that we subsidize parents is so that they are involved in the direct choices made for children that they place, so we rely on those parents to work with the community, work with the provider and make sure that the best care possible is there for the children. I will go so far as to say that the reporting has had

certain inaccuracies as it relates to Alberta and Alberta's day care community.

2:30

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. To the same minister: given that we wouldn't abandon school-age children to unlicensed and unmonitored teachers, why is the government willing to place preschoolers in unlicensed and unmonitored homes?

Ms Evans: Well, the government does not place children in unlicensed and unmonitored homes. People choose to put their children based on their own best interests and on their own perceptions. A lot of grandmothers and aunts and uncles and family members would be disturbed if this government took the position that if there was somebody in their home receiving care, it was an unlicensed, unregulated, and poor placement for the child. Many of these homes are extended family members. We are with the pilot project, in fact, encouraging that. Mr. Speaker, it's a good thing for children to be surrounded by their own family members.

The inconsistencies here in this report, painting black the whole unregulated environment, seem to deem that the government is leaving capacity unfulfilled for these families.

I'll point out one other thing. In the past year's budget we provided \$5.6 million for day cares and day homes that seek to raise their qualifications so that they can provide 80 percent of those dollars for the day care workers, therefore having an effect of sustaining very strong and very capable workers, making sure that the staff turnovers are lower, and giving parents the opportunity to see extra developmental capacity built into programs in family day homes and in family day care. Mr. Speaker, we're working on an accreditation program, and we have all of the providers across Alberta bringing us ideas and better practices that we can do in that capacity. I think that rather than moving in a reverse fashion, we've moved forward to provide higher standards of care, and where people make their own individual choices, that is not something that government interferes in.

Where we have had complaints, Mr. Speaker, we have gone in and, to the best of our ability within the constitutional limitations, done an investigation, brought those issues to court, prosecuted those people that are doing things in an untoward fashion, and made sure wherever possible that we guide people to get educated about what the best places are in their community, to go to the Net, www.child.gov.ab.ca. They can find out how to be subsidized, find out what the standards are.

Mr. Speaker, I think we're doing more rather than less.

The Speaker: The hon. member.

Dr. Massey: Thank you. To the same minister. In spite of the minister's claims, poorly paid day care workers say that they cannot afford to continue programs. Why? What is the government going to do about it?

Ms Evans: Mr. Speaker, I referenced the \$5.6 million last year. We are providing for those day care employees to receive additional supports, to receive additional training. Our program at Grant MacEwan has added an even stronger opportunity for day care workers to be informed. We are, as I've said, putting more money into staff development than we had done previously through the accreditation program, providing those dollars to day cares where they have illustrated a willingness to work in elevating their

standards and making sure that the staff that are educated there are fully qualified in looking after the children.

Thank you, Mr. Speaker.

The Speaker: Hon. members, before we go to the next order in the Routine, I'm going to call on the Deputy Speaker for a special presentation. The hon. Deputy Speaker.

Page Recognition

Mr. Tannas: Thank you, Mr. Speaker. All hon. members, each day of the session we are served by the tireless efforts of our pages. On behalf of all the members of this Assembly we want to give each page a small Christmas gift to say thank you and to wish each and every one a Merry Christmas. I'd ask the Speaker's page, Greg Andrews, to distribute these gifts for us with our Merry Christmas.

The Speaker: Hon. members, might we revert briefly to the Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

The Speaker: Well, we have six members who want to participate. We'll call on the hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. It is, indeed, a pleasure for me this afternoon to rise and introduce to you and to all members of the Assembly a very special guest that we have with us this afternoon, His Honour Wayne Ayling, the mayor of the city of Grande Prairie. Wayne is accompanied by his wife, Christine; his parents, Mr. Don and Mrs. Elaine Ayling of Stettler; sister Lois from Edmonton; and an aunt, Kay Strain. I would ask them to please rise and receive the warm welcome of this Assembly. They're seated in the members' gallery.

Thank you.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to all members of the Assembly a playwright, an actor, screenwriter, director, and theatre educator, a graduate of the MFA program in playwriting from the University of Alberta, and now the 2003 Governor General literary award recipient for playwriting for his *Einstein's Gift*, which received production at the Citadel Theatre last season. He is my constituent and a friend and an honoured writer. I would ask Vern Thiessen to please rise, and would you please give him a warm welcome. Another literary champion for Edmonton.

The Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you very much, Mr. Speaker. I do have an introduction, but I would like to make one clarification for the record. The parents of Mayor Ayling, who is one of the award recipients we will be hearing about later, Don and Elaine Ayling, actually live in Calgary-Lougheed. They're my constituents, and I welcome them here today as well.

It is also my pleasure, Mr. Speaker, to introduce to you and other members of the Assembly Mr. Michael O'Reilly, who is seated also in the members' gallery. He is a resident of Calgary-Lougheed as well, and I just had the pleasure of meeting him for the first time

today. He tells me that he spends at least half of his time in Edmonton, so he covers all of the bases. I will be telling you more about him during Recognitions. He is one of the two recipients of the Dr. Gary McPherson awards of excellence, which were awarded today at City Hall. So I'd like him to stand.

As well, I'd like to recognize Dr. Gary McPherson, who's also in the members' gallery, for whom these awards have been named.

Let's give them a warm welcome from all of us.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I'm pleased to rise and introduce to you and through you to all members of this Assembly my guests who are seated in the public gallery. They have traveled here from the Hastings Lake area to come and watch the proceedings of the House. They are Vic and Marie Newman, owners of the Berry Inn Bed and Breakfast; Carl Hoybak, Hastings Lake Bible Camp; Bill and Greta Voight, Hastings Lake Bible Camp. I will now ask them to please rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I, too, have some guests from the Hastings Lake area – I'm not sure that all of them could stay – who are concerned about the impact of drilling in their neighbourhood. They are Bonnie Riddell, from the Elk Island public school district; a resident, Kelly Rolston; sisters Shirley and Marion McFall and their mother, Betty McFall, from the McFall ranch. I would ask them, if they are here, to please rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Glenora.

Mr. Hutton: Thank you very much, Mr. Speaker. It is a pleasure for me to rise and introduce to you and through you to members of the Assembly a constituent of mine who is a very strong proponent of public education. Last week I tabled her response to the Learning Commission, and she is here today to watch the proceedings. I would ask my constituent, Mary Dunnigan, to please stand and receive the traditional warm welcome of this Assembly.

2:40head: **Recognitions**

The Speaker: The hon. Member for Medicine Hat.

International Volunteer Day

Mr. Renner: Well, thank you. Mr. Speaker, December 5 marks International Volunteer Day, a day when communities around the world celebrate and honour those who dedicate their time to improving the lives of others. This week the Alberta government will pay tribute to six outstanding volunteers. I might add that one of those volunteers is Mrs. Evelyn Stahl, from the constituency of Medicine Hat.

The Minister of Community Development, responsible for tourism, will present each of these individuals with stars of the millennium volunteer achievement awards from the Wild Rose Foundation in the category of youth, adult, or senior. They will also be inducted into Alberta's volunteer wall of fame in the Legislature pedway, which was created as a tribute to volunteers in honour of the International Year of Volunteers in 2001.

Every year in every part of our province volunteers are making a difference in our schools, hospitals, youth centres, theatres, and nonprofit organizations. In fact, over 70 percent of adult Albertans

offer their time, skills, and talents to benefit others. Please let them know how much their service means and join me in sincerely thanking all of them.

The Speaker: The hon. Member for Grande Prairie-Wapiti.

Wayne Ayling

Mr. Graydon: Thank you, Mr. Speaker. I rise to recognize the mayor of Grande Prairie, Wayne Ayling, who was introduced a few minutes ago. He has joined us in the gallery along with Dr. Gary McPherson. Wayne Ayling is one of the first recipients of the Dr. Gary MacPherson award, presented by the Premier's Council on the Status of Persons with Disabilities at a ceremony today at city hall commemorating the International Day of Disabled Persons. Congratulations, Wayne.

As a lawyer, volunteer, culture and sport organizer, alderman, and now mayor, he has contributed to the inclusion of persons with disabilities in Grande Prairie. Last year he created a policy that allows AISH recipients to travel free on the Grande Prairie transit system, the first city in Canada to put in a policy like that. He's also spent a decade as a wheelchair basketball referee and recently received the Queen's Golden Jubilee Medal for his outstanding contributions.

Congratulations, Mayor Ayling. Thank you for helping the disabled community in so many ways, and congratulations as well for doing such a good job of filling the rather large shoes of the previous mayor of Grande Prairie.

Michael O'Reilly

Ms Graham: Well, Mr. Speaker, I too am very pleased to rise today and recognize Michael O'Reilly, the other recipient of the Dr. Gary McPherson award of excellence, which was presented today in conjunction with the International Day of Disabled Persons. Mr. O'Reilly is being recognized for leadership in the area of community inclusion for persons with disabilities.

As president of Thibodeau's Centre for Hearing Health and Communication Mr. O'Reilly uses a holistic approach to help deaf and hard-of-hearing individuals. He believes in the philosophy of social innovation through entrepreneurial activity.

Two recent Thibodeau projects illustrate this social entrepreneurship in action. The first involves a partnership with the University of Alberta and Grant MacEwan Community College to provide hearing aids, education, and training to deaf and hard-of-hearing individuals and their families in Ukraine. The second relates to the Canadian Snowflake Foundation, which is an endowment fund Mr. O'Reilly established and raises money for deaf or hard-of-hearing services and supports.

Congratulations, and thanks for your contributions.

The Speaker: The hon. Member for Edmonton-Centre.

Violence against Women

Ms Blakeman: Thank you, Mr. Speaker. This Saturday, December 6, is the 14th anniversary of the massacre of 14 young women at l'école Polytechnique. These murders were committed for the sole reason that the victims were women. I was executive director of the Alberta Advisory Council on Women's Issues on December 6, 1989, and one year later, with the support of the council and the help of women from many community organizations, I started a commemorative event which was held each year until recently. Those original committee members have stayed connected, and many continue to work on this issue. My thanks for their vigilance.

Fourteen years later the harsh emotions have faded, but the statistics continue to mount. Women under 25 are at highest risk, particularly when leaving an abusive relationship. Aboriginal women die from spousal violence at eight times the rate of nonaboriginal women, and 21 percent of women victims are abused while pregnant. One in two women has been a victim. A hundred of our sisters die each year in Canada. Those are just spousal violence statistics, not sexual assault, not child abuse.

Thank you.

Steven Kesler

Mr. Lord: Mr. Speaker, just recently we had a milestone of sorts in the Marda Loop district of Calgary-Currie when one of our most famous small businesspeople quietly sold his business and went into retirement. A shy, soft-spoken fellow, Steven Kesler hasn't been in the news much since 1985, but he was the biggest news story in Canada that year, garnering front-page headlines for months as the drugstore vigilante, a media circus I well remember, having started his legal defence fund. Tens of thousands across Canada supported Steve, and thankfully many donated money as well, but Steven himself had never sought out and was frankly embarrassed by such attention and was very glad to see it all eventually go away.

There are still many profound questions raised by that incident that to this day remain unanswered, such as: how far can a small businessperson go when, clearly, the system is failing to protect them? But those are questions for another day.

Today I just wanted to recognize this footnote in the history of the Marda Loop and send my congratulations and best wishes to Steve and his wife Mary for having survived long enough in their small business to finally reach retirement.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Clarence Peters

Mr. Marz: Well, thank you, Mr. Speaker. I rise today to recognize Clarence Peters, who was honoured this past summer by the Calgary Stampede board awarding Clarence the prestigious pioneer of rodeo award.

By the time most men start thinking about chasing girls, Clarence at age 14 was already chasing chuckwagons around the half mile of hell at the Edmonton chuckwagon races. As Clarence became more experienced on the circuit, he was more in demand, often riding every heat, sometimes nine or more in a single evening.

Over the years Clarence won championship buckles, outriding for such chuckwagon greats as Tommy Dorchester, Dale Flett, Hally Walgenbach, Dallas Dorchester, and Bobby Cosgrave. Clarence rode for the chuckwagons from the age of 14 to 35, when he took about four years off only to return for another few years to ride for the Buddy Bensmiller outfit in 1979, when he won his 10th championship buckle.

Clarence has enjoyed a very long time in the sport he loved, a sport that has many risks but provides many thrills and excitement for so many fans.

This past weekend the Huxley community also honoured Clarence for his accomplishments with the presentation of a plaque commemorating his achievements. Congratulations, Clarence, on a very successful career in the sport of chuckwagon racing.

Thank you.

The Speaker: The hon. Member for Edmonton-Highlands.

Violence against Women

Mr. Mason: Thank you, Mr. Speaker. On December 6, 1989, Marc Lepine entered l'école Polytechnique in Montreal, killing 14 young women because they were women. December 6 is a day to remember that violence against women continues to plague our society. A new report by the Canadian Institute for Health Information found that 8.4 percent of Canadian women report some type of partner violence. The highest rate was in Alberta, at 11.5 percent.

Jack Layton, leader of Canada's NDP, was a founder of the White Ribbon campaign commemorating December 6. The white ribbon is a symbol of men taking responsibility for ending men's violence against women. Today I would like to recognize all men and women who are working to end violence against women and children. We recognize those who work and give of their time and energy in emergency shelters, transition houses, and crisis centres. We salute those who will not give up until the violence stops.

Thank you, Mr. Speaker.

The Speaker: The Clerk will go on to the next item of the Routine, but, hon. members, today's seven presentations were outstanding. I wish all the citizens of Alberta could hear this all the time. Congratulations to all of you.

head: Presenting Petitions

The Speaker: The hon. Member for Calgary-Bow.

Ms DeLong: Thank you, Mr. Speaker. I rise today to present a petition signed by 59 Albertans petitioning the Legislative Assembly to urge the provincial government to "establish a provincially subsidized monthly transit pass program for low income Albertans that would apply to all municipalities with a public transit system."

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I rise to table a petition signed by 2,319 Albertans petitioning the Legislature to urge the government of Alberta to establish "the Chinchaga Wilderness as a legislated protected area."

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I'm presenting a petition signed by 277 Albertans petitioning the Legislative Assembly to urge the government of Alberta to "introduce legislation declaring a moratorium on any future expansion of Confined Feeding Operations, with a view to phasing out existing operations within the next three years."

2:50head: Tabling Returns and Reports

Mrs. McClellan: Mr. Speaker, I wish to table three documents today. The first is the annual report of the Alberta Agricultural Products Marketing Council for the fiscal year ended March 31, 2002. This is in accordance with the provisions of the Marketing of Agricultural Products Act.

Secondly, the Alberta Grain Commission annual report for 2002-2003. It was their goal to increase communication with the Alberta crop industry.

Finally, Mr. Speaker, I'm pleased to table the 2003 program for the Alberta Order of Excellence investiture ceremony, which was

held on October 16, 2003, at Government House. The Alberta Order of Excellence is the highest honour that the province of Alberta can bestow on a citizen. This year's three respected inductees are the Rt. Hon. Donald F. Mazankowski, Audrey Morrice, James Palmer, and Dr. Leonard Ratzlaff. Each shares a fervent belief in the human spirit and the promotion of education and lifelong learning.

Thank you, Mr. Speaker.

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you, Mr. Speaker. I have four tablings today. The first is the 2003 annual report for the Certified General Accountants Association.

Secondly, we have the 2001-2003 annual report of the Appeals Commission; thirdly, the 2003 annual report for the Alberta Land Surveyors' Association; and, lastly, the 2003 annual report for the Institute of Chartered Accountants of Alberta.

Thank you.

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. I rise today with two brief tablings. The first is copies of the special bulletin that I issued today called Albertans recognize International Day of Disabled Persons.

The second is the official program regarding ceremonial proceedings that occurred today at Edmonton city hall in honour of International Day of Disabled Persons. This was a special recognition event which our Premier's Council on the Status of Persons with Disabilities helped co-organize along with the city of Edmonton's Advisory Board on Services for Persons with Disabilities and with the Alberta Disabilities Forum. I just want to thank our staff, Terry Keyko, and others for their outstanding work in that regard.

Thank you.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. Sheila Precoor, Angela Krizan, Laura Smith, Katrina Plamondon, Julie Meilleur, Natasha Willier, and Julie Stephenson, who are all nurses, have asked me to table copies of their letters to their MLA. They are outlining a number of concerns including their ability to provide safe care, the small number of negotiating hours before this was sent to arbitration, and their concern of the possibility of nurses moving away from Alberta because of the current situation.

Thank you.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I rise to table with permission the appropriate number of copies of letters from Mary-Ellen Wiechnik, Donna Maxwell, D. Woodward, Marilyn Nydakus, Alan Besecker, Margriet Edwards, Diane Lantz, Sherry Stone, Judy White, Pauline Worsfold, and Elayne Tarzwell. These letters express a range of concerns about negotiations between the PHAA and the UNA. They are all personal and heartfelt and represent, as I go through them, well over two centuries of nursing experience across this province.

Thank you.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I have a number of tablings. First I'd like to table letters from the Riverbend Elementary Parent's Society in Calgary, concerned with the cutbacks and the impact that the cutbacks in education have had on the programs that are offered in Riverbend elementary school.

I also have copies of a number of postcards that were sent to the Leader of the Official Opposition asking him to urge the Minister of Learning to reinstate funding so that there could be more teachers, teacher aides, and special-needs programs in public schools.

The last one is again from parents in Riverbend elementary school concerned with the cutbacks and the effect that the cutbacks are having on programs at Riverbend elementary school.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. I have, with permission, two sets of tablings this afternoon. The first is letters of concern from constituents of the area of Clover Bar-Fort Saskatchewan. These letters of concern in regard to the collective bargaining negotiations going on between the Provincial Health Authorities Association and the United Nurses of Alberta are written by Pauline Worsfold, Darlene Graumann, and Linda Slusarenko.

The second series of tablings I have are from Judy Howe, Donna Nelson, Veronica Chan, Joan Porter, and Ronda Paluch. These are also nurses concerned about the collective bargaining agreement and the progress of that collective bargaining process between the UNA and the Provincial Health Authorities Association. These nurses are from the constituency of Westlock-Barrhead.

Thank you.

The Speaker: Actually, it's Barrhead-Westlock.
The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I've got two sets of tablings today. The first set is letters from three residents of the Hastings Lake area. The first letter is from the Berry Inn Bed & Breakfast, dated November 25, addressed to the EUB, stating their concerns about the adverse effect that gas drilling will have on their business. The second letter is from Shirley McFall, dated November 23, addressed to the EUB, requesting the board to be fair and responsible and protect the public interest, as they're mandated to do. The third letter is from Marion McFall, dated November 30, addressed to the Premier. She is concerned that despite hundreds of letters opposing oil well drilling near her family home at Hastings Lake, drilling continues to go apace.

The second tabling, Mr. Speaker, is a document which contains the results of a survey conducted by the Central Alberta Council on Aging. A large majority of respondents are deeply concerned about the 40 percent or more increase in long-term care, and almost 100 percent found the electricity and natural gas prices intolerably high.

Thank you, Mr. Speaker.

head: **Orders of the Day**

head: **Government Bills and Orders**

head: Second Reading

Bill 57

Miscellaneous Statutes Amendment Act, 2003 (No. 2)

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. It's my privilege to move

in the tradition of the House Bill 57, Miscellaneous Statutes Amendment Act, 2003 (No. 2), for second reading.

[Motion carried; Bill 57 read a second time]

Bill 56

Alberta Court of Justice Act

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. I'm pleased to rise and move second reading of Bill 56, the Alberta Court of Justice Act.

This bill is the third pillar of the government's reform of family law in Alberta. Last year this House passed the Adult Interdependent Relationships Act, dealing with nontraditional family relationships. This year the House has been considering and I hope will pass Bill 45, the Family Law Act. The Family Law Act consolidates and modernizes family law as it applies to all families in Alberta. The Alberta Court of Justice Act is the third pillar and proposes to establish a unified family law court to deal with our updated and modernized family law.

3:00

The need for a unified family court was strongly stated in the report of the Unified Family Court Task Force that was released in December of 2000. The task force was chaired by the hon. Member for Calgary-Lougheed and included MLAs, members of the judiciary, and members of the legal profession. In speaking to the bill, Mr. Speaker, I wanted to pay tribute to the members of the task force and to quote from their report:

The Task Force considers that all Albertans, wherever they live, have an equal entitlement to the services of the family-law court, judicial and otherwise. This should be recognized as a guiding principle. Where it is not possible to make those services equally available in terms of time and distance, every effort should be made to make them as accessible as possible, and in any event accessible within a reasonable time and distance, and creative and innovative measures should be adopted to give full effect to this guiding principle.

This bill has been based upon those very principles of equal access and the use of creative and innovative measures to do this.

I'd like to discuss four things with members as the House begins its review of the bill: why we need a unified family court, the factors that need to be considered in developing a unified family court, the principles of the bill and why it's a very good approach to developing a unified court, and the process of consultation and discussion that will continue after the introduction of the bill.

Currently, Mr. Speaker, there are two courts in Alberta that provide family law justice and services to Albertans. First, the Court of Queen's Bench sits either through resident judges or circuit judges in 13 centres in Alberta. Second, the specialized judges of the family and youth divisions of the provincial court do most of the provincial jurisdiction family court work in and around Edmonton and Calgary, and the remainder of the provincial court judges provide family law services in 75 centres around the rest of the province.

Some problems or inefficiencies exist because there are two court systems providing family law services. For example, the public can find it confusing as to which level of court they should be in. Similar proceedings can be dealt with in either court in many matters, so litigation may be duplicated. Public resources are expended under two separate systems that often overlap in jurisdiction. Having a single family court would eliminate the confusion, the overlap, the duplication, and the inefficient use of resources. As

well, having a single family court would provide the following opportunities.

Justices could specialize in family law matters. Although I want to be clear that we are not critical of judges and justices in the existing system, some justices do specialize or devote a large portion of their time to family law cases, but having a specialized court would attract justices who wish to specialize in family law matters. The government could focus public resources and, particularly, programs and services on one unified system rather than trying to cover two systems. A unified family court would be developed with the average citizen in mind, with easy to understand procedures which would also allow individuals to represent themselves in court where and when it was appropriate to do so.

There are very good reasons to have a unified family court, and as a result I don't believe that there is any opposition to the principle of having a unified family court. The debate and the discussion is really over how that court should appear.

Mr. Speaker, in developing a unified family court, there are several constraints that have to be considered and addressed. The first constraint is the Canadian Constitution. I don't wish to be overly technical, but there are two levels of court doing family law work because of the Constitution.

Section 96 of the Constitution requires that the federal government appoint judges to the Court of Queen's Bench. These judges are often referred to as section 96 judges. This has also been interpreted to mean that a province cannot confer on a body other than a Queen's Bench level court functions or authorities analogous to that of the so-called superior court. So, then, Alberta cannot confer on the provincial court, which is appointed and paid for by the province, functions or authority normally belonging to the Court of Queen's Bench, or section 96 justices.

Given these realities of the Constitution, a unified family court that has complete jurisdiction over family law needs to have section 96 court powers or at least needs to include section 96 court justices. Section 96 court justices are appointed by and paid for by the federal government. No province acting alone can establish a unified family court with section 96 powers. There has to be a partnership with the federal government, and that is the first constraint on the legislation.

The second constraint is judicial independence. Judges sitting today have been appointed by the federal government to sit in the Court of Queen's Bench and by the province to sit in the provincial court. As well as working with the federal government, we need to work with judges and justices at both levels of court to develop a court structure that justices will want to be appointed to.

The third constraint is resources. The percentage of judicial time spent on family law matters is very large. We could not build a new system and leave the existing systems as they are. As the new system is established, we need to be able to transfer resources from the old systems to the new. We cannot just build a new system and operate it alongside the old.

The fourth constraint is the geography of Alberta. We have two large urban centres, a number of regional centres, numerous small towns and rural communities throughout the province. We need to develop a court model that allows equal access for all Albertans to settle their family law disputes within a reasonable distance from their place of residence.

So, Mr. Speaker, then I'd like to turn to the bill itself, and as I explain to the House some of the key features, I believe members will understand how Bill 56 addresses both the opportunities and the challenges of developing a unified court in Alberta. Part 1 of the bill sets out the sections needed to establish the Alberta Court of Justice.

In section 2 the constitution of the court is described. These provisions create a court called the Alberta Court of Justice, having

two divisions: a family division, or section 96 court, and a provincial division. Members will appreciate that with these two divisions, the bill establishes the necessary section 96 component of a unified court. The provincial division would continue to handle civil matters under \$25,000, residential tenancy matters, adult criminal matters, and traffic matters. The family division would consider all family matters, including youth and criminal justice matters.

Section 3 describes how the court would be composed. The family division – in other words, the section 96 division – would be composed of a federally appointed Chief Justice and a number of federally appointed justices. To the extent that the federal government funds new judicial positions to the family division, new judges would be appointed. We anticipate that three-quarters of the federal appointments will come from the existing provincial court family judges. The other appointments would come from either members of the Court of Queen's Bench or from new appointments.

As only a limited number of new federal judicial positions would be made available, the future of the section 96 family division positions would be filled as Court of Queen's Bench positions became vacant. New judges would be appointed to the Alberta Court of Justice rather than to the Court of Queen's Bench until there was an appropriate balance of judges between the two courts. The fact that new appointments would go to the new court until the balance was reached is an indication that a significant part of the workload of the existing court would be transferred to the new court. This also addresses the problem of trying to resource a new court while continuing to operate the existing courts. Of course, the movement of judicial positions would occur over time until the full complement of the Alberta Court of Justice was reached.

Section 4 of the bill addresses the issue of transitioning from the current system to the new system by providing that each Court of Queen's Bench justice would also be a justice of the Alberta Court of Justice. This way, those justices could continue to deal with family law matters. As well, the Alberta Court of Justice would have provincial judges of the provincial division to sit in the family division. Provincial judges can handle most but not all family matters. As part of the implementation of the new structure we would have a single court administration that would be able to direct matters appropriately. Essentially, matters that needed to go before a section 96 justice would go before that justice. Other matters could be placed before a provincial judge of the family division.

The ability to use provincial judges in this way does a couple of things, Mr. Speaker. First, it allows the new court to be developed while continuing to provide existing court functions. It allows us to manage the transition to a fully resourced unified court. It also allows unified family court coverage of the entire province. Many other provinces have introduced family courts, but they've had to do it on a pilot basis or a geographic-specific basis. By setting up this structure and by providing for this particular type of transition, we see an opportunity to build a family court which could serve the whole province.

Mr. Speaker, I want to talk about covering the entire province. Referring again to the quotation I read from the Unified Family Court Task Force, it states: "The Task Force considers that all Albertans, wherever they live, have an equal entitlement to the services of the family-law court, judicial and otherwise." In establishing a unified family court, we do not want to have a unified court that's available only to Albertans in Edmonton or Calgary, or both, or only to Albertans in the 13 centres served by the Court of Queen's Bench. We want all Albertans, wherever they live, to have access to the court. Access is not just a matter of appearing before a justice. It means access to all those services, counseling, and precourt processes for dispute resolution. All members of this House

will know that family law problems do not stop at the borders of our cities and larger towns. Small-town Albertans and rural Albertans have the same need for these services as their city neighbours, and this bill represents a way of providing all Albertans with equitable access to justice in the family law area.

3:10

The other important component of the bill that I'd like to draw members' attention to is the provisions for officers and employees found in section 13 and onwards. The task force was very clear that the judicial component of a unified family court was only one aspect of a successful system. The availability of programs and services is also essential. Our intention is to make a broad spectrum of family law programs and services available to families through the unified court, and these provisions provide us with the framework to do that.

I can't stress this aspect enough, Mr. Speaker. Albertans need more than an efficient and effective forum to resolve their disputes. They need a family justice system that will actually help them, help them to resolve their disputes as easily and as amicably as possible, help them through the trauma of family disputes, and, in particular, help their children to adjust to new family circumstances. Moreover, they need a system that will encourage them to take responsibility for their own disputes and dispute resolution while ensuring that the necessary tools and expertise are available to ensure their success.

You'll note that the act is very large. In addition to setting up the court, the act contains many of the provisions of the existing Provincial Court Act. For example, part 2, called Provincial Judges, contains the provisions for the appointment of provincial division judges, provisions for retirement, provisions for reappointment.

Part 3, Family Division, sets out the jurisdiction of the family division and also sets out the powers the court will need in order to consider family matters.

Part 4, entitled Provincial Division, describes the jurisdiction of the provincial division and sets out what are essentially the existing provisions surrounding civil claims.

In part 5, General Judicial Matters, we find the general powers that are necessary for the Alberta Court of Justice to do its work.

Part 6 covers the administration of the court and, more specifically, the council of judges. The council of judges is made up of the chief judges and members of the provincial division and family division. Its role is to review the court's business plans, set general policy on court sittings, look at the operation of the act, its rules, and court officers.

There are also a number of consequential amendments contained in the bill which will do two things. They'll change references in other statutes from provincial court to provincial division and, more importantly, will amend substantive family law to give authority to the family division of the Alberta Court of Justice to hear and consider family law matters.

Other provinces in Canada, Mr. Speaker, have unified family court systems, and different provinces have addressed unified family court issues in different ways. There is no perfect model. The task force looked at models in other provinces and made recommendations about the composition of a unified family court in Alberta. They also did a lot of work finding out what Albertans want in a unified family court. Although this bill adopts the principles of the task force, I want to be clear: it does not adopt their recommendation as far as the court model is concerned. While the task force was concerned with the constitutional constraints and the difficulty of transition and therefore recommended a different model, I believe that the model proposed in the bill does the best job of any model in addressing the issue of equal access to justice for Albertans across the province, and that makes it worth striving for.

I began my remarks by noting some of the constraints that we have to address when developing a unified family court. We also have to

act in partnership with the federal government, with the justices of the Court of Queen's Bench, and with the judges of the provincial court. We need to involve lawyers and listen carefully to the advice and experience of the practising family law bar. Most importantly, we have listened to Albertans, and because this has to be a court that works well for Albertans, it can't be a court that only works well for lawyers and judges.

The introduction of this bill is not the end of consultations or discussions about how we should develop a unified family court or what its model should look like. The government does not intend to pass Bill 56 in this sitting of the Legislature or encourage the Legislature to pass it but, rather, wants to table the bill so that the bill can look at a preferred model for a unified family court. We believe that the discussion of a unified family court will be advanced if there's a legislative proposal to debate and upon which to base discussion.

I know that the practice of hon. members of the House is to be constructive in their analysis when family law matters are on the floor for debate. I would like to ask all members to be equally constructive in their discussion of this bill. If this is not a model of the unified family court that would benefit Albertans, then we need to consider an alternative model that is guided by the same principles that have guided this model.

These principles are guided by the result of the task force, the needs of the federal government, and our needs as a provincial government representing Albertans. These include providing a single court with a jurisdiction to hear all family matters, providing access to an array of programs and services, providing specialized judges who are experts in family law, providing a user-friendly environment where procedures are easier to understand, achieving efficiencies by reducing overlap and duplication by using alternative dispute resolution, ensuring that access to services is maintained in terms of the diversity of services offered in the community served, encouraging people to be involved and take responsibility for their own dispute resolution, take responsibility for ensuring that the best interests of the child come first, and having access to the tools and expertise to be successful.

I'm convinced that this bill is a good model and a good approach, but I'm open to the discussion of members and Albertans. As I indicated earlier, it would not be our intention to pursue passage of the bill. We wanted to put it on the table to have a model for people to look at, to open the discussion, and I hope that we'll be able to bring back this or a better model for consideration in the next sitting of the Legislature.

Mr. Speaker, I would move that we adjourn debate at this time so that we can have that full and complete public discussion before we bring the bill or a new form of the bill back for discussion by members in this House.

[Motion to adjourn debate carried]

head: **Government Bills and Orders**

head: Committee of the Whole

[Mr. Tannas in the chair]

The Chair: I now call the committee to order.

Bill 57

Miscellaneous Statutes Amendment Act, 2003 (No. 2)

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill?

[The clauses of Bill 57 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Bill 48

Alberta Heritage Foundation for Science and Engineering Research Amendment Act, 2003

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill?

Mr. Doerksen: Mr. Chairman, I just want to thank the various members who spoke at second reading in support of the efforts and work we're trying to do at the Alberta ingenuity fund, more commonly known here as the Alberta Heritage Foundation for Science and Engineering Research. I don't believe that there are any amendments to be forwarded on this bill, so I would ask that we proceed.

Thank you.

The Chair: The hon. Member for Edmonton-Mill Woods.

3:20

Dr. Massey: Thank you. Just a couple of comments about Bill 48, Mr. Chairman. It's a good bill, and we're pleased to have it here and to support it.

It's going to build the international reputation of science and engineering research in this province and has the potential to add to the top-notch research environment that already exists in this area in the province. It's going to attract and train and help us retain the brightest students and researchers in engineering and science, and it will attract funding from public and industry sources to the betterment of research in this area. We'll see in the future that it holds the promise of creating and being the basis for many new enterprises and businesses in our province, so we're delighted to see it here. We're delighted to see the money from the fund being expended.

Thank you.

The Chair: The hon. leader of the third party.

Dr. Pannu: Thank you, Mr. Chairman. I'd like to make a very few remarks on Bill 48, Alberta Heritage Foundation for Science and Engineering Research Amendment Act, 2003. This bill is about making the foundation and its work even better than it is now.

I notice that other than making some minor editorial changes which are a response to the changes in designations of ministers and the addition of a new minister, section 8 is repealed and is substituted by provisions which I think are good provisions. They certainly are a considerable improvement over the relatively vague section 8 which it replaces. It specifies the market value, defines it, exactly what's meant by it. It specifies that the foundation can draw 4.5 percent of the market value every year, and if in a given year the foundation requires less than 4.5 percent, then the difference between that which is withdrawn and the 4.5 percent amount can be transferred over to the next year. It can be made available to researchers and institutions that draw on this fund in the following year. So, certainly, that is an improvement, and there's greater

clarity and specification with respect to the provisions of the existing act.

With those few remarks, I think it's a good bill. It certainly makes the needed improvements and has the New Democrat opposition's support. Thank you.

[The clauses of Bill 48 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report bills 57 and 48.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Yes. Thank you, Mr. Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports the following: Bill 57 and Bill 48. That is my report.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

head: **Government Bills and Orders**

head: Third Reading

Bill 48

Alberta Heritage Foundation for Science and Engineering Research Amendment Act, 2003

Mr. Doerksen: Mr. Speaker, I again want to thank all members of the Assembly for their support of this bill and the ability of the Alberta ingenuity fund, the trade name under which it operates, to continue and sustain their investment in research in the province of Alberta while at the same time now allowing the fund to grow in value and sustain its value.

Mr. Speaker, while I call for third reading of this bill and move it, I do want to just point Albertans' attention to two things just to illustrate the importance of the Alberta ingenuity fund. One would be the Water for Life strategy, that was unveiled last week by the Minister of Environment. It talks about the importance of science and research in that initiative, and the Alberta ingenuity fund actually has begun to play a role in this already. You can actually read about it on their web site. I would invite members of the Assembly or all Albertans to look up their web site – it's under the worldwide web, albertaingenuity.ca – and read about the good things that this fund is doing.

On October 15, 2003, there was a significant announcement made by the ingenuity research to do with a centre for water research, which is actually a collaborative initiative by three of Alberta's universities, those being the University of Lethbridge, the University

of Calgary, and the University of Alberta. This is an excellent first step in addressing some of the scientific and research requirements under the Water for Life strategy, and I'm pleased that the ingenuity fund has taken this on as kind of a flagship initiative that will begin to make its mark for the future of Alberta.

So with those few comments, Mr. Speaker, I am pleased to support this change because it means a more stable and ongoing commitment to the research in this province.

[Motion carried; Bill 48 read a third time]

Bill 51
Natural Resources Conservation Board
Amendment Act, 2003

The Deputy Speaker: The hon. Member for Whitecourt-St. Anne.

Mr. VanderBurg: Thank you, Mr. Speaker. I'm pleased to move third reading of the Natural Resources Conservation Board Amendment Act, 2003. First, let me thank the Minister of Sustainable Resource Development and his staff and the chairman of the NRCB for educating me with regard to the dealings of this very important board.

The role of the Natural Resources Conservation Board is to provide an impartial process to review projects that could affect Alberta's natural resources. As I mentioned in earlier debate under this act, the board may also give other responsibilities under other acts such as the Agricultural Operation Practices Act. Those responsibilities may include running a regulatory system in addition to the board's quasi-judicial status.

The board's duties have increased significantly since this act was originally established. For the board to function effectively and efficiently, its roles and responsibilities must be clear. For that to happen, some changes are needed. They need to clarify the board's more comprehensive function. They need to ensure adequate resources to meet an increased workload, and they need to keep the financial processes consistent with government practice.

Mr. Speaker, the amendments proposed in the Natural Resources Conservation Board Amendment Act bring the clarity needed to distinguish its diverse and comprehensive duties and enhance its accountability. The changes will also clarify financial controls, membership of the board, and the objective nature of the appeals. They will permit the board to fill its quasi-judicial role in a fair and neutral fashion and still keep its administration businesslike and efficient.

Thank you.

3:30

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. Our concerns, certainly my concerns remain what they were, and nothing has been done to address those. Fundamentally my concern is that this bill will have the effect of increasing the power of the minister over the Natural Resources Conservation Board by giving her or him, in effect, complete budget control. So that, of course, as I said earlier, reduces the independence of this board – if it doesn't in actuality, it does in appearance – and for this board to function well, independence is crucial. The public must perceive this board and the processes it administers as above politics and above political interference, beyond the reach of those kinds of interests.

So that fundamental concern remains, and as a result I for one feel compelled to oppose this bill. Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker, for the opportunity to briefly comment on Bill 51, Natural Resources Conservation Board Amendment Act, 2003. Other than outlining the maximum number of members of the board by way of this act and specifying that they'll be appointed for a five-year term and their designation, then, as either full-time or part-time, the most important part of the bill is contained in section 22, which will now be renumbered. The addition to that section 22 in the form of sub (2) is the one that concerns me most. That's the one that would seem to take away whatever independence and autonomy this board has had from the minister in the past.

The renumbering of section 22 and the addition of sub (2) very strongly redefine who has the control, and that's the minister. So the board's ability as a quasi-judicial body, as the Member for Whitecourt-Lac Ste. Anne emphasized, will be compromised further by the change that's sought by way of this act. So it's a step backwards.

If the role and the functions of the board are to be quasi judicial, then its independence must be protected. It's not merely a question of perception here. It's a question of, really, the actual substance of that independence that remains with the board. This bill will very seriously reduce that, so it will make the ability of the Natural Resources Conservation Board even more restricted by making it accountable first and foremost to the minister himself because it won't be in a position to exercise independence from the minister.

So for that reason, the New Democrat opposition remains opposed to Bill 51. Thank you, Mr. Speaker.

Hon. Members: Question.

The Deputy Speaker: The question has been called. The hon. Member for Whitecourt-St. Anne to conclude.

Mr. VanderBurg: Question.

[Motion carried; Bill 51 read a third time]

Bill 44
Personal Information Protection Act

The Deputy Speaker: The hon. Minister for Government Services.

Mr. Coutts: Thank you, Mr. Speaker. I'm pleased to rise in the Assembly this afternoon to move third reading of Bill 44, the Personal Information Protection Act.

Mr. Speaker, Albertans value the privacy of their personal information and want to ensure that this information is not being used inappropriately by commercial organizations in the private sector. The Personal Information Protection Act will establish clear, concise, and commonsense rules for commercial organizations in their collection, use, and disclosure of personal information.

The government certainly appreciates and acknowledges the support on both sides of the House for the principles embodied in Bill 44. It is also important to note that this bill is very similar to the act recently passed in British Columbia, which will enable organizations in both provinces to operate under the same rules. It would be very positive if other provinces were to follow our lead.

Mr. Speaker, I believe that Bill 44 has improved with the consultations that have occurred since introduction in May. We have heard from many organizations and have responded by making some amendments to the bill. We have heard from our stakeholders that

the Personal Information Protection Act is good legislation and will be much easier for businesses to comply with as opposed to the federal privacy legislation that will take effect next year.

I would like to thank the hon. Member for Spruce Grove-Sturgeon-St. Albert for his participation in moving second reading of the bill in my absence. I know, Mr. Speaker, from the debate we have had that the passage of Bill 44 will provide Alberta businesses with the certainty that they will be governed by a provincial act designed for Albertans to meet Albertans' specific needs.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I do have a number of comments about this act that I feel compelled to put on the record, and perhaps at some date the minister can respond. This act, as the minister said, applies to commercial activities. It's being brought in to avoid the federal legislation taking hold in Alberta, and of course I hope that works out for the best.

But there are some complications. As health critic I think of these complications especially in terms of the Health Information Act and the relationship between that piece of legislation and this particular bill we're discussing today. The fundamental question really is: what is the relationship between the two bills? What is the relationship between the Health Information Act, on the one hand, and the Personal Information Protection Act on the other?

For example, we have many health care professionals who will find themselves caught under both pieces of legislation. A pharmacist, for example, may fill a prescription that comes under the Health Information Act and needs to proceed through that whole system, and then he may have a prescription that's simply under the Personal Information Protection Act. It may not even be clear to that pharmacist which act applies.

3:40

For example, if it is a prescription written by a doctor under the public health care system, the legislation that applies is the Health Information Act. If it's a prescription written by a doctor who's working through Workers' Compensation, then it's a commercial activity, and it's under the Personal Information Protection Act. The pharmacist may not know, and this, of course, will create problems for pharmacists.

The same kind of thing could happen to surgeons, for example, who may have one patient who comes in – let's say it's a plastic surgeon – for removal of a suspicious mole on their arm. That is a medical procedure covered for information purposes under the Health Information Act. The next patient may be seeing the plastic surgeon for something entirely private: a facelift, a tummy tuck; who knows? That kind of business is under this bill we're debating today. Again, this is going to cause frustrations, confusion, and extra work and bureaucracy for any number of health professionals. That's an issue that, to the best of my knowledge, has not been sorted out through either legislation or regulations.

If the minister, perhaps another day, wants to respond to those concerns in writing, I'd appreciate that. I would actually suggest that we should consider folding the Health Information Act under this piece of legislation at some point in the future.

I also have to return to my concern about what the costs are going to be to businesses of complying with this piece of legislation. Has the government done any analysis? What is the effect of that going to be? When I go to small, little businesses, as I did a couple of weeks ago – I went to a coffee shop, and the coffee shop owner had his business cards out, and underneath his name and title he had in

brackets: chief privacy officer. Well, there probably weren't three employees in his entire business, and they had to have a chief privacy officer.

So I worry. I worry about the kinds of bureaucracy we're putting in place. I understand why it's going in, because I also respect the need for managing privacy, but this is a bill that I think we're going to be revisiting sooner than many of us expect.

What education program is in place as these businesspeople struggle to implement this legislation, as health professionals struggle to implement it? How are they getting trained? I believe the FOIP commissioner has efforts under way here. I just hope that they're adequate.

And, of course, there are some fuzzy areas around the jurisdiction of this bill. We had some discussion around its application to political parties or not and sorted that out. How clear is it now how the bill will apply or won't apply to charities, to professional bodies, to clubs, and on and on? There's a lot of room here for clarification. I'll be looking to the regulations for good guidance on that.

So it's with some reservation that I consider this bill. I guess we do need to move forward. It is presumably more workable than the federal legislation. I just hope we haven't cut too many corners in thinking this through.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I'd like to make a few comments at third reading of Bill 44, the Personal Information Protection Act. This is an important act for Albertans. The question of personal privacy with respect to your personal information seems to almost daily be in the news because of breaches of that information or falsifying of that information or actually the theft of that information by individuals, so it's become an increasingly important aspect in our lives. I suspect that part of that is due to the rapid advances in technology and the amounts of information that can now be stored and transmitted.

That being said, the act has tried to deal with a number of concerns that would assure Albertans that their personal information is well cared for, yet I don't believe the act has addressed the three major criticisms that were leveled against it by the federal Privacy Commissioner. One of the weaknesses was the power given to the Lieutenant Governor in Council to make regulations. The commissioner pointed out four areas in the bill that concerned him. One was giving consent, that they have powers with respect to giving consent. The powers listed are also procedures that can be used in making and responding to access requests. A third concern was that they would be able to make regulations with respect to the circumstances in which personal information can be collected, used, or disclosed without consent – that was a major concern of the commissioner – and the ability of the cabinet to declare areas of personal information to which the act does not apply. The commissioner identified the regulation power of the cabinet as being a major weakness or flaw in Bill 44.

There were two other concerns. The second one was the business of grandfathering, those provisions in the bill that talk about information collected before and after the coming into effect of the bill, the act stating that information collected prior to the bill was deemed to have been collected pursuant to consent given by that individual. This is a very difficult problem because I think it was pointed out in some letters to us that there are service providers that have massive lists of customers. Were they required to gather consent, it would be a horrendous task for them. Yet that being the case still doesn't detract from the commissioner's concern that information was gathered that indeed may not conform to the

provisions of this act and that that is really a concern and that there's no really meaningful protection for that information that's sitting out there with respect to individuals.

The third area that the commissioner mentioned that is still in the act and is still of concern is the permission that the bill gives employers with respect to the rights of employment. The commissioner points out that it's really the workplace where most of us spend our waking lives. For the bill to allow the collection, use, and disclosure of employee personal information without consent really does deprive employees and prospective employees of control over their own personal information.

I'm sure, as my colleague for Edmonton-Riverview indicated, that we are going to be back sooner rather than later with amendments to the act as the act goes into force and we work our way through it. Maybe given the nature of this kind of legislation, that's the only way it could have been done, Mr. Speaker.

So with those few comments, I conclude. Thank you.

3:50

The Deputy Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I'd like to again comment briefly on Bill 44, the Personal Information Protection Act, or PIPA. I want to note that the minister did invite us for consultations on the bill and expressed considerable interest in addressing some concerns that we had shared with him, but my understanding is that we weren't able to get the minister's agreement to make some necessary changes in the act in order to narrow the scope of one particular term, agreement, which is used as a blanket category when talking about the effect of this act with respect to protecting privacy on accessing information.

My colleague from Edmonton-Highlands has spoken extensively to our concerns, has communicated those concerns personally to the minister, shared those concerns with him, and had some discussions. Later my colleague from Edmonton-Highlands tried to amend the act with respect to that particular concern so that the collective agreements are exempted from the provisions of the act. That has not happened. We have expressed our opposition to that part of the bill consistently, and we continue to have those concerns.

I guess that the New Democrat opposition will have to now wait to have a look at the regulations that are developed and approved by the minister as the bill is proclaimed. I urge the minister to address that concern that we have specifically expressed with respect to the possible application and use of this act to restrict the ability of labour organizations, employees' representative organizations, to have access to the information of their members or employees that they represent in workplaces where they're represented, especially during organizing drives and after a certificate has been issued but before a first collective agreement is reached.

So there is a potential problem with the bill. We have certainly flagged it. We have drawn the minister's attention to it. We appreciate the fact that he gave some consideration to this. Now we will wait to see whether or not that concern and consideration that he has expressed to this point gets translated into specifically allaying those concerns as the regulations of the bill are developed after its passage in conjunction with its proclamation.

Thank you, Mr. Speaker.

[Motion carried; Bill 44 read a third time]

Bill 50

Wildlife Amendment Act, 2003

The Deputy Speaker: The hon. Member for West Yellowhead.

Mr. Strang: Thank you very much, Mr. Speaker. I would like to move third reading of the Wildlife Amendment Act, 2003.

The intent of this bill is to make the Wildlife Act more effective in a number of areas, primarily enforcement and administration. During committee we learned that many of the amendments support the work of the fish and wildlife officers. Increased penalties for poaching: increasing the fine for wildlife violation sends a clear message to the public and to the courts that Alberta takes such violations very seriously. Seizure of equipment used in poaching: authority to seize and retain equipment used by poachers certainly directly supports enforcement efforts. Reciprocal agreements: the capacity to co-operate with other jurisdictions ensures that those convicted of serious wildlife violations elsewhere won't be able to get hunting licenses in Alberta and vice versa.

Access to warrants and authorizations: another enforcement-related amendment that gives fish and wildlife officers access to federal investigation related warrants for more information about wildlife offenders. Outstanding fines for wildlife offences: people who haven't paid fines for wildlife violations won't be able to buy hunting or fishing licences until outstanding fines have been taken off. Trafficking in wildlife: advertising wildlife for sale – they may not be sold – will be deemed as an act of trafficking in wildlife. Reducing wildlife/human conflict: to reduce wildlife/human encounters, Alberta will require the authorization to issue cleanup orders to make people clean up food, resources, or other attractants that draw wildlife to settled areas. Exemptions of employees: another amendment related to duties of fish and wildlife officers, including wildlife research and duties that involve hunting and enforcement activities.

In conclusion, Mr. Speaker, Alberta is a very big province, and it is impossible to monitor everybody in the wilderness areas. With our rapidly growing population more people are living in rural areas or enjoying recreational activities on public land and where wildlife is more common. Accordingly, the Wildlife Act introduces additional valuable tools to assist our government in protecting and managing wildlife for Albertans.

Thank you very much, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Mr. Speaker. It is indeed a pleasure to rise today and talk to Bill 50, the Wildlife Amendment Act, 2003, and, certainly, to thank the hon. member for bringing this particular bill forward because it does address a number of issues and tightens up legislation in regard to our wildlife here in the province. One of the things that we certainly saw in the bill and liked was that there are increasing penalties for certain offences. As well, what would happen with the changes in this bill is that repeat offenders would face higher penalties than first-time offenders. As well, those who are convicted of offences in relation to key species such as grizzly bear would face significantly higher penalties.

We certainly like the section of the act that will provide authority for an officer to order the cleanup of attractants or other actions that would attract certain forms of wildlife to garbage containers. Having grown up in Jasper, I've had many occasions to witness the bears coming into town or at the lodge dump, where the grizzlies would gather on a nightly basis to feed. Certainly, one of the highlights of our evenings was to go out and watch the grizzlies in action.

4:00

Dr. Taft: Was it like being here?

Mr. Bonner: Well, no. These guys are tame compared to those

grizzlies. There's no fear here. I think that if the opportunity arose today, Mr. Speaker, I'd also have to say that I have too much respect for the grizzly to put myself in that situation again.

We certainly enjoyed the portion of the act that was amended to require trappers to first have grounds or belief that the traps are unlawfully set and report such findings to an officer. This, again, is a very good change in the act.

As well, we like the new class of authorities called guide designations, which are now being used in accordance with various criteria in the regulations. These were formerly called guide licences. Amendments that will be taking place will be more like licences and permits and, therefore, have similar requirements pertaining to them. Provisions would also be made to deal similarly with new documents created in the future by prescribing them in regulation.

So, Mr. Speaker, in summary, certainly many good points with this particular bill and very happy that I've had the opportunity to point out some of the highlights. I would urge all members in the Assembly to support this bill.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I rise to speak on Bill 50, Wildlife Amendment Act, 2003, which is sponsored by the hon. Member for West Yellowhead. It deals with matters that fall within the purview of the Sustainable Resource Development ministry. Again, my hon. colleague from Edmonton-Highlands has spoken at some length on this bill during previous debate.

The question of increasing penalties for poaching has been addressed by way of this bill, and strengthening the authority of fish and wildlife officers dealing with these offences related to poaching and other related offences is certainly something that on the surface would seem to promise improvement with respect to the ability of this legislation to ensure sustainability of resources and resource development.

But there are concerns, Mr. Speaker. One not only needs the capacity to deter poaching - and that's what I suppose the increase in fines will do - but one also needs to ask questions related to the enforcement of the law. If a law is not enforced properly, it loses credibility and hurts, as a matter of fact, the credibility of legislative measures and actions as such. So enforcement is a key component of any legislative attempt to deter wildlife poaching and related acts.

As a bill I think it certainly expresses well the concern of this government about wildlife poaching, and many of the amendments here relate to improved enforcement. If you look at the record of this ministry with respect to enforcement, one doesn't get any assurance from the evidence that's available that this bill, when passed, will make much of a difference on the issue of deterrence, because deterrence is as much a function of the magnitude and the severity of penalties as it is the probability of enforcement of those penalties.

As the Alberta Union of Provincial Employees has indicated very clearly,

While it is a positive idea to introduce a law raising fines for poachers, the department has cut operating funds to front-line Fish and Wildlife enforcement officers to the point that they are unable to enforce the law as the public [expects and] deserves.

These are the words of the president of the Alberta Union of Provincial Employees, which represents the enforcement staff of the department.

The AUPE statement continues: "Operating budgets for fish and wildlife enforcement districts across Alberta have been slashed from 20 per cent to 50 per cent." So the conclusion by AUPE is that "a commitment to enforcement means we have to pay for enforcement," but the resources are not there.

In the 2000-2001 fiscal year, Mr. Speaker, roughly two and a half years ago, fish and wildlife officers made 230,000 contacts with the public. In 2001-2002 that was down to 116,000. In the current year, which is just about to end within weeks from today - that is, the 2002-2003 fiscal year; well, it has a few more months - it has fallen to 70,000 contacts with the public. So the department's own documentation states that the proactive compliance checks are the best way to identify noncompliance with fisheries, wildlife, and parks' laws. But if that is the case, then what does the rapidly dropping frequency of contacts with the public over the last three years say about the real commitment to increasing proactive compliance checks? Not much.

There can't be these contacts, there can't be these checks unless there are wildlife officers, field officers, out there in the field

- preventing harm to endangered species and other environmental damage,
- protecting citizens and owners of livestock and property from such illegal activities as discharging firearms close to buildings and night hunting,
- helping ensure Alberta's tourism industry remains economically viable.

These are some of the points that are made by the Alberta Union of Provincial Employees.

4:10

There are other concerns that have resulted from the impact felt by fish and wildlife officers due almost exclusively to a lack of available funding: for example, reduction or elimination of proactive preventative enforcement compliance efforts; district equipment being inoperable and needing repairs or replacement; equipment being unsafe or unreliable to conduct patrols and compliance checks; lack of funding for specialized patrols, operations, or programs such as helicopters or horse patrols, surrogate operations, night flights; unidentified priority fish and wildlife enforcement programs; reduced ability to meet personal and public expectations for an adequate level of service due to vacancies in fish and wildlife offices, district administration, and wildlife and fisheries biologist positions; office closures; district budgetary restrictions; inability to replace older vehicle fleet, thus placing a larger financial burden on district budgets for maintenance costs; a reduction in funding for surveys of fish and wildlife population that's unable to accurately look at resources. I could go on.

Let me just conclude this part, Mr. Speaker, by referring to two other negative impacts of cutbacks in resources: loss of credibility to the public or other agencies, stakeholder groups, and even other divisions within the department; and the feeling on the part of officers that they don't have the support. They feel worthless; they're demoralized. Staff surveys and health and wellness programs do not compensate for officers' dedication and commitment to the protection of Alberta's natural resources.

These are some of the impacts from the point of view of failure to enforce existing laws. So tightening or strengthening the existing laws in terms of the penalties is a halfway measure unless enforcement of this measure is guaranteed, is improved, improved considerably. The only way that that can happen is if more resources are put at the disposal of the enforcement people and their numbers are increased so that they're adequate enough to provide surveillance, spot-checks, or what have you. Poaching is not likely to decrease in this province. Both the *Edmonton Journal* and the *Edmonton Sun* have outlined those concerns extensively.

So while the bill is strong on the side of increasing penalties, it certainly falls short and, in fact, is silent on the question of what to do about enforcement. Enforcement is the key, Mr. Speaker, to protect endangered species, to stop poaching, to discourage illegal

activity in this area of our province's life. So the bill in that sense doesn't really measure up to or doesn't really address the real outstanding issues that need to be addressed if poaching is to be stopped, if endangered species are to be provided protection, and the fish and wildlife are to be enhanced as an asset, as a resource which all of us can enjoy and on which depends, of course, among other things, the future of the tourism industry in this province.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for West Yellowhead to close debate.

Mr. Strang: Thank you very much, Mr. Speaker. I just want to thank all members for their contribution to this bill. I strongly believe, number one, that this is going to give our fish and wildlife officers the extra tools that they need, and I guess I just want to reinforce the aspect that enforcement is not just patrolling. It involves education, communication with all Albertans.

In addition to the good work regularly done by our uniformed fish and wildlife officers, there also has certainly been a lot of good work done by our undercover operations. Just to let the House know, over the last six years undercover operations have resulted in 1,100 charges and about \$1.1 million in fines and about 20 years in prison sentences. There are almost 2,000 department staff working for Sustainable Resource Development, and about \$37 million is being spent on fish and wildlife. This is up from last year.

So I'd encourage all members to support this very important piece of legislation. Thank you.

[Motion carried; Bill 50 read a third time]

Bill 43

Post-secondary Learning Act

The Deputy Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. It certainly is an honour to be able to rise and speak to Bill 43 today and to move Bill 43 at third reading.

Mr. Speaker, this bill has had a very checkered past. It was first introduced in May of this year to sit over for the summer. During the summer we undertook an extensive consultation with all of the stakeholders and came forward with a bill that is not what everyone wanted; however, it is probably the best bill. It does some wonderful things for students. The ability for technical schools or colleges to be able to grant degrees where the quality is there certainly will help our rural students, especially if some of the rural colleges take us up on this.

Mr. Speaker, the whole idea of combining four bills into one truly signifies the importance of our postsecondary institutions working together, retaining their diversity but still working together. That certainly sends a message loud and clear. We have already seen that happening in our postsecondary system.

So I certainly will listen to what everyone has to say. I know that there are some people on our side who wish to speak to the bill. I'd just like to in advance thank everyone who has been part of this bill, including all the colleges, technical schools, and universities, including the students' associations, faculty associations, and anyone else who has had a part in this. It truly is a revolutionary bill, and it's something that is going to benefit students in Alberta for many, many years to come, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I appreciate the chance to speak in third on Bill 43, which is a bill that I have followed from the beginning, in fact from before it was Bill 43, back to the preparation of the first draft.

My compliments to the minister on bringing it in in May and letting it sit over the summer for public consultation. I appreciate that, and it led to many good amendments, as he said. My compliments to the student leaders in the gallery, who, frankly, set an example for all Albertans on how to effectively respond to a piece of legislation and, I will say bluntly, set an example that I feel their faculty associations would be well advised to follow. In this case, the students should be teaching the faculty on effective democratic activity.

Dr. Oberg: Can we quote you on that, Kevin?

Dr. Taft: You can quote me on that. I'll probably hear from many of my constituents, but I genuinely think that's true.

I represent most of the neighbourhoods that are adjacent to Alberta's largest postsecondary institution, the University of Alberta, and there are a couple of clauses in this bill that will be of great benefit to those neighbourhoods and to the neighbourhoods around other universities in this province. Those are clauses that remove universities' rights to unilaterally expropriate land and subject developments undertaken by the university that are primarily commercial to municipal zoning. Most Albertans haven't realized, unless they've lived close to a university, that until this bill universities could expropriate land at will and then were entirely exempt from municipal zoning. So this is a very good development for constituents in Edmonton-Riverview and I think for Albertans in general, and again I'm grateful to the minister for working those into the legislation.

One of my concerns with Bill 43 is that it doesn't express a clear sense of purpose for postsecondary education in general or for universities in particular. I think that in the long run we may regret that. With something as massive as this bill and something as massive as our postsecondary education system in this province, a clear statement of purpose is an outstanding place to begin, and in my view, at least, the preamble of this bill, nor any other section of bill, doesn't achieve that.

4:20

There has been a great deal of debate about tuition fees in this bill, and there are always going to be two sides to that debate, or maybe more than two sides. We in the opposition have been concerned for years, long before I was here, about the upward trend of tuition fees, and they have in real terms gone up very dramatically in the last decade. There was a cap in place. Under the existing legislation Bill 43, depending on whose terminology you use, keeps it in place, removes it, or creates a soft cap. From my perspective, in the long term it's such a soft cap that it is effectively removed.

The reason I say that is that when you combine the allowance for increases in tuition with the other increases – for example, the hon. Member for Edmonton-Mill Woods and I were calculating the other day that an increase of \$275 on a \$4,500 tuition is about 6 percent. If you add to that the consumer price index of, let's say, 3 percent, there's a 9 percent tuition fee hike, and that can continue. If that trend does continue, we will see a doubling of tuition fees within the decade, and that is a concern for us. Our preference would be that tuition fees go down.

If you listen to the universities, the U of A, for example, is saying that for every dollar in tuition a student paid 10 or 12 years ago, the provincial government would put in \$10. Today for every dollar

that's put in by students, the province is putting in \$2.43. That's tough – that's tough – and it's the wrong direction to be going with education, and unfortunately this bill encourages that direction.

Another issue that we raised as a concern was the issue under section 88 that removes the right to strike from faculty. That section was somewhat amended, imposing, I believe, binding arbitration. In effect, it has many of the same effects, but I will say this: most of the faculty associations in this province willingly walked away from that issue. So they make their bed; they can lie in it. I'm not going to fight their fights if they don't have the courage to do so.

I am concerned about the broader direction of the bill in creating something called Campus Alberta. There's always been a need, at least certainly for 40 years, in this country and in this province for some co-ordination among postsecondary institutions. As multiple universities develop in the country and in Alberta, there needs to be co-ordination. You don't need a school of environmental design in every university, you don't need a school of East European studies in every university, and on and on. There needs to be some co-ordination, that stands to reason. Especially in the last decade there needs to be co-ordination between the colleges and the universities with the colleges providing entry-level programs for universities, transfer programs, whether it's in science or business or nursing or whatever. Clearly, there needs to be co-ordination.

But my concern with the entire spirit of this bill is that we are creating a single system. We are taking the diversity of institutions in this province and we are creating a single system, and in the process we are losing some of the strengths that a diverse system offers. We are taking postsecondary education in this province and creating a single kind of hierarchical structure with the minister very clearly at the top. If you go through the traditions of postsecondary education, especially at universities, that's a complete inversion of how universities historically have functioned. Universities function driven from the very front lines, driven from the research done by the professors and faculty, driven by the work done by the students and their teachers in the classroom, not driven from commanders on top.

I think a huge mistake is being made here philosophically that effectively equates postsecondary education institutions with government departments or major corporations. Government departments are top-down structures. The commander at the top gives the orders, and everybody is expected to follow the policy. The same thing with corporations. Universities, on the other hand, genuinely are bottom-up institutions. We, in fact, don't want all the policies followed from the top in the sense that we don't want a groupthink occurring in our universities. I'm concerned that what we have developing here is, in fact, a top-down command-and-control approach to postsecondary education, which will be bad for everybody.

I mentioned that it reduces diversity. I am also concerned that it increases the risk of major mistakes. When power is centralized to the degree that we are beginning to see in Bill 43, the people at the top will be issuing orders and will have power that is very, very wide ranging. Inevitably, a mistake at the top will get magnified as it reaches out through the entire system. We shall see a system that is slower to respond, and when it chooses to do things, it will do things more clumsily. So this complete turning upside down of the postsecondary system in the province is a real worry for me.

I also am concerned – and it's consistent with what I've just said – with the effect of Bill 43 on student governance and the ability of student associations to govern themselves. This has been hotly debated. There have again been some amendments made there, but fundamentally student associations at postsecondaries are adult organizations. The student executives are there because they are elected by the student bodies, and they should be accountable to

those students who vote them into place, full stop. These aren't high school or junior high school councils. These are large institutions with in some cases million dollar budgets run by adults with professional staff, accountable to their elected members. I feel that Bill 43 takes much too paternalistic a view to student associations and student organizations. If the student associations mess up, that's the student associations' problem. They should be allowed to solve it as any other business run by adults should be allowed to solve its problems.

So, Mr. Speaker, I made several points here. I think most fundamentally my biggest concern is around a long-term loss of respect for the fundamental purpose of a university. I am concerned about threats to academic freedom. Certainly, I could trot out any number of examples over the last several years of overt public or covert private pressures being placed on universities to discipline researchers who do work that's not approved of. I don't need to go through that. I've made a number of those examples public before.

Fundamentally, I do like the notion that a university is a kind of Socrates of society. It's in a university where the relentless questioning of everything should be encouraged, including the questioning of the Minister of Learning, the questioning of the Member for Edmonton-Riverview, the questioning of the Legislature. As uncomfortable as that questioning ought to make us, we should celebrate that because it's through that questioning that we will become a stronger society and a better democracy.

Universities are not fundamentally about preparing people for careers. They're not fundamentally about serving governments or corporations or unions or religious organizations. They're not about economic diversification, although all of those things are wonderful, and universities in the normal course of their activities serve all of those. I would say, instead, that universities are fundamentally about extending knowledge in the service of democracy and a better civilization.

Thank you.

4:30

The Deputy Speaker: The hon. Member for Wetaskiwin-Camrose, followed by the hon. Member for Edmonton-Strathcona.

Mr. Johnson: Thank you, Mr. Speaker. It's my pleasure to be part of the debate today on Bill 43, a piece of legislation that responds to the changing realities of our postsecondary education system. I want to first of all thank and compliment the Minister of Learning for bringing forth this very, very important legislation.

The Post-secondary Learning Act acknowledges that our world is changing, the needs of our workforce are changing, and our postsecondary education system is also changing. Alberta's future depends on a skilled and educated workforce, and we know that our postsecondary education system is a key to that future workforce. Our system has worked remarkably well in the past, and we must ensure that it does in the future as well.

In today's global economy innovation, ideas, skills, and knowledge are vital to our success and prosperity, and we have to make sure our system is prepared to meet these demands. As a government we must be forward thinking in our approach and in our direction. I believe that Bill 43 with its amendments gives us the necessary legislation to direct our postsecondary system in the future.

Mr. Speaker, the time has come to make changes. The last time that Alberta conducted a major review of institutional statutes was in 1981. Now, 22 years later, times have changed. Bill 43 addresses today's needs and directs our future. This legislation will allow our postsecondary institutions to move forward in serving all Albertans in a co-ordinated, complementary, Campus Alberta direction.

Our postsecondary institutions have experienced remarkable growth since 1994 as students from across the country and the world flock to our schools. It is worth mentioning that many parts of Canada have seen minimal increases or, even worse, decreases in their enrollments, yet Alberta grows against this trend. Bill 43 will allow institutions to better deal with increasing enrollments.

Mr. Speaker, Bill 43 also addresses an issue that has been foremost in many minds, especially postsecondary students: our tuition policy. Postsecondary education is a significant investment for students, but it is one of the best investments anyone can make, especially in Alberta, where there are great jobs, the cost of living is low, and the standard of living is high. It is a great investment for students, for government, and for society.

Mr. Speaker, the revisions to the tuition policy proposed in Bill 43 allow for growth, provide clarity on what tuition fees should include, and ensure that institutions remain open and accountable to their students. The policy continues to focus on maintaining affordability for postsecondary students.

Students in institutions have been adequately consulted on the revisions to our tuition policy since the spring sitting of this Assembly. In fact, I have done some consulting myself. The result of all the consultations is a policy that balances the need to allow for growth in the system with the need to ensure that postsecondary education is affordable to all.

I realize that many students leave postsecondary schooling with a significant debt load. The average Alberta debt load for students is around \$11,000. To me that is not an unreasonable debt to have in this province, where job opportunities are plentiful. My concern about student debt would be much greater if jobs were unavailable upon graduation. Government, therefore, can provide solutions to the student debt problem by ensuring that jobs are available. That, of course, is the challenge to any government, and this government, I believe, is doing a very, very good job in that respect.

Mr. Speaker, Alberta is a province whose growth is not slowing down. Our workforce is booming, and our postsecondary education system is growing so fast that we can barely keep up. Legislation that worked fine in 1981 will no longer suffice. It is time that we moved forward with our objectives so that we can adjust to the always changing learning needs of the system.

I have found there to be positive support for Bill 43 in my constituency, especially with the amendments made at the previous stage. I support Bill 43 because it addresses the issues that face our postsecondary learning system, and I know that our system is improved because of it.

Thank you, Mr. Speaker.

The Deputy Speaker: Before we go to the section on comments or questions, I wonder if the Assembly would give consent to briefly revert to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**
(reversion)

The Deputy Speaker: The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Thanks, Mr. Speaker. Ladies and gentlemen, while we're dealing with education, it's truly an honour to have a class visit us from the small village of Clandonald, just north of Vermilion. We have 16 grades 5 and 6 students here today. They are not only very bright and intelligent; they're well mannered. And they're

accompanied by adults much the same. They're here with their teacher, Mr. Robert Stachniak, and parents Tammi Etherington and Tracey Snider. I would like them to rise and please accept the traditional warm welcome of the Assembly.

head: **Government Bills and Orders**

head: Third Reading

Bill 43
Post-secondary Learning Act
(continued)

The Deputy Speaker: The hon. Member for Wetaskiwin-Camrose, having been the third speaker, are there any comments or questions? Go on to the next one?

The hon. Member for Edmonton-Strathcona, then. Did you wish to speak?

Dr. Pannu: Mr. Speaker, I'm willing to let this hon. member.

The Deputy Speaker: Okay. The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. Just a few comments because I think almost everything that can be said about Bill 43 has been said and was said the other evening when we debated it at Committee of the Whole.

I guess I'd remind my colleague from Edmonton-Riverview that it's a poor teacher that can't learn from his or her students. I'm sure that the students have taught many given the actions that they've been engaged in with respect to Bill 43. I'll leave it at that.

One of the hardest parts for the opposition to accept is the tuition provisions in the bill. I say difficult because it's part of a larger problem that faces postsecondary institutions not just in Alberta but across the country.

Statistics Canada has on their web site a document about tuition fees in the country, and they have posted that the average tuition fee in Alberta in 1993-94 was \$2,209 and that the average fee in this year, 2003-2004, is now \$4,487. They compute that as an increase in the province – this is average university tuition increases – at a rate of 103 percent, one of the highest rates of tuition growth in the country. It's that information that I think should cause us concern with Bill 43 because what we haven't had and what we need so badly is a long-term plan for financing postsecondary schools in the province.

4:40

I'd hope that we won't a decade from now, in 2013, be looking back and seeing similar increases. I think that unless we do some planning for that future, some long-term planning that takes the pressure off postsecondary institutions to turn to students for financing of the institutions, we will, and I think that would be regrettable for students in Alberta but more importantly for the future of our province.

[The Speaker in the chair]

So while there's immediate debate about the tuition fees and their caps, I think that they are symptomatic of the much larger problem that has to be addressed and hasn't been addressed, and that's the financing of postsecondary schools. It's not exclusively a provincial concern. This is a federal concern, and as I said, it's a problem that's faced institutions across the dominion.

Tuition aside for just a minute, I'm concerned by the sometimes narrow view that we take of assessing the quality of our institutions, and there's a rather interesting report put out by the Canadian Centre for Policy Alternatives, where they look at a number of measures. They look at equity in terms of who is able to enroll in universities and in our colleges. They have a quality ranking with respect to the class sizes and the number of international students, et cetera, in the institutions. They have an accountability ranking, they have an accessibility ranking, and they have an overall ranking for institutions. If you look at the indicators, I think you can quarrel with them, and some of them are rather different in terms of the conclusions that they make.

In the overall ranking we come out as a province as number seven, and smaller provinces come out with much higher rankings. So I guess one of the things that I hoped might come out of Bill 43 is a broadening of the indicators that we see, for instance, in the department's performance measures in the business plans, because I think that at the current time those measures are still very narrow and are not getting at really the essence and the heart of our postsecondary schools.

Just in conclusion, Mr. Speaker, I agree with my colleague from Edmonton-Riverview that the centralization of power in Edmonton with respect to postsecondary schools is something that we should view very, very carefully. The Member for Edmonton-Riverview indicated that top-down models of management reflected government management or business management, and I'm not quite sure that that's true. It seems to me that enlightened businesses and enlightened governments have moved to much more inclusive management models, and there have been great efforts in successful management to move to models that depend more on participation of those involved in the enterprise than they do on orders coming from the top down. There are a number of models around that are not top-down, and in fact in many places top-down models are seen as being very ineffective with respect to the enterprise.

So that concern that there's centralizing of power in Edmonton and with the government I think is one that's – and I do agree with my colleague from Edmonton-Riverview – going to come back and going to present some problems in the future.

Thanks, Mr. Speaker.

The Speaker: The hon. Member for Calgary-Fort, then the hon. Member for Edmonton-Strathcona.

Mr. Cao: Thank you, Mr. Speaker. Before I go into detail, I would like to express my appreciation for the students' associations and the faculty associations from U of C, SAIT, Mount Royal College, whose executives have met with me in my office and voiced their concerns. I am also very encouraged by the amendments introduced by the Minister of Learning to Bill 43.

The benefits of higher education to society and individuals are indisputable. The creation and transfer of knowledge will become the comparative advantage in the new global economy. Further education is a number one factor in determining whether an individual can improve their financial, social, and health circumstances. Future social unity and citizenship will depend on the education and training available. Individuals must be able to reflect reasonably, to acquire knowledge, and communicate effectively and be able to utilize the tools of a technology-based society.

Mr. Speaker, these benefits demonstrate clearly that higher education is the key to our future success in society as individuals. It is a tribute to the higher education system that despite fiscal restructuring and a rapid rate of change in the breadth and depth of knowledge, our institutions have massively expanded the number of

students gaining a credential, have maintained quality in teaching, and also have highly successful research.

However, we cannot maintain these standards by standing still. Higher education is now at a crossroad. If we get things wrong now, we will pay the price for many years to come. So the system needs to be modernized and reformed. Today access may not be best served by trying only to provide more of the same kinds of programs. Future success means we have to be prepared to offer a multitude of choices and opportunities both in the kinds of educational experience available and the means by which it can be obtained. Bill 43, the Post-secondary Learning Act, is the means by which we can set the course for the future of postsecondary education in this province, and I think the amendments we have discussed today helped cement the Campus Alberta vision that I hold dearly, which we'll pursue through this course.

On the subject of degree granting I would like to begin by speaking on the portion dealing with it because it is a key to change in our system, and it's one that I feel will provide a lot of opportunities for our institutions and for our students. We know that Albertans have a need for increased access to degrees. We also know that university enrollment will continue to climb until at least 2011, according to the research. The labour market and society will continue to demand access to degree programs, and Albertans will not accept anything less than quality degree opportunities. Original consultation with the postsecondary sector and key stakeholders identifies a need to create increased access to undergraduate-level programming.

When this bill was tabled this spring, it established the creation of the Campus Alberta Board of Accreditation and Co-ordination to facilitate a co-ordinated, balanced evolution of the adult learning system. This was a positive legislative change intended to ensure quality degree programs across the province regardless of the types of institutions.

From what I understand, further consultation slightly shifted the role of the board, and this is what is reflected in this proposed new amendment in Bill 43. The focus group included institutions, academic staff, students, and industry, and this group strongly supported the concept of quality assessment while they also felt that the co-ordination role of the postsecondary system needed to stay with the minister. These proposed amendments take this comment into account and fine-tune the focus of the board around quality, including the proposal that will change the name to Campus Alberta Quality Council.

4:50

As institutions work to respond to the range of demands they face, we are seeing the blurring of institutional boundaries between universities, colleges, and technical institutes. With this blurring comes a risk of conformity through a drift toward the current definition of academic excellence, the traditional university environment. But the reality is that all students are not the same, and all their needs and all the needs of society are not the same either. We have a responsibility to put in place a vision and public policy that will encourage responsive diversity. We must set the overall strategic direction for postsecondary education and provide a framework that sets the overall mission, roles, and responsibility for institutions.

The Campus Alberta Quality Council answers this. It will review proposals from both private and public institutions wishing to offer degree-granting opportunities and make recommendations based on quality and an organizational review of the institution. The ministry will continue to be involved in the overall system co-ordination role.

I want to also talk now about the student organizations, another section in Bill 43. A student expressed concerns over the deals with student organizations. Over the summer extensive consultations

continued with student organizations on this section of the bill, which deals with the powers of student associations, including audits and investigations. I share their concerns. Student organizations were consulted extensively to find out what level of accountability they would find acceptable. Student organizations felt that first and foremost their accountability should be to the students they serve, and I think the amendments reflect this fact.

However, it was felt that some other level of accountability is required due to the large amount of funds entrusted to the student organizations. Rather than being accountable to the board, the student organizations agree that it would be more acceptable to be accountable to the Minister of Learning. In the rare cases where the need for an investigation arises, student organizations asked that the ministry cover these costs. Both these points are covered in the amendments to the bill now.

Students requested a number of other amendments that have been included to update and clarify wording relating to their roles, responsibilities, and communication processes, and the proposed amendments respond to this concern. A student bylaw will be retained in this act. Amendments will clarify that student organizations are the official channel of communication with the board and that the mechanism set out in their constitution be used to manage their own affairs.

Now, another factor in the equation is the academic staff. I would like to speak about what the academic staff expressed to me. During the consultations the faculty associations raised concerns about the harshness of section 88 containing the strike and lockout provision. Originally, this provision was added as a way to formalize what was already in place in most agreements between faculty and the boards while ensuring maximum protection for students in case of an unresolved agreement. The amendments proposed modify this section by clarifying compulsory arbitration as a dispute resolution mechanism while continuing to support existing agreements that have been negotiated in good faith between the boards and associations.

There were a number of other concerns raised by the faculty associations that have been resolved. Academic staff associations requested a change to the nomination of faculty to university boards. They proposed that faculty that are currently nominated by the general faculties council should be nominated through the academic staff association. They contended that this would be more equitable given that student organizations and nonacademic staff associations have representation on the boards. The proposed amendment will allow for a balance where one member of the faculty will be nominated by the academic staff association, one by the general faculties council. This aligns the academic staff association with other bodies that are able to nominate board members.

On the side of the student tuition, I share the concern about rising student tuition, and there's a concern about the fact that it has been removed from the legislation and moved into regulations. I can tell the students that, as I told them in my office, this is a matter of trust, and I think that you can trust the government of Alberta and the minister in this factor, and we have done so well. So the fact is that we have to move it to the regulations because there are some institutions that did so well in managing their costs, and their student tuition is still very low. They're reaching the 30 percent, so we need some way to manage that rather than making it a fixed number in the legislation. So I can guarantee to the students that I support your concern about tuition because I do have students in my family at university.

Thank you very much.

The Speaker: The hon. Member for Edmonton-Strathcona, the

option to exercise the question segment or proceed to the debate.

Then proceed, hon. member.

Dr. Pannu: Thank you, Mr. Speaker. I rise to speak on Bill 43 in third reading. We have had some debate on the provisions of this bill in this Assembly over the last week or so. I certainly want to acknowledge that the minister did put this bill up for public examination for some time, and that encouraged some discussion, some critical analysis and examination, so I do want to express my appreciation for his decision some months ago to let the bill circulate so that he could get some of the responses and reactions.

I want to acknowledge the student leaders sitting in the members' gallery up there, Mr. Speaker. I applaud their continuing efforts to seek changes in the bill which would satisfy and address their concerns fully. Although they haven't succeeded in getting changes made on all the issues that were a matter of concern to them, they have succeeded in getting the minister to make some changes in response to their efforts, in response to their expression of concern and mobilization of pressure on the minister to do so. I certainly applaud the broad interests that the students have addressed by way of their response and criticism of this piece of legislation.

One thing on which they certainly, I think, have reason to be deeply disappointed is the issue of tuition fees. The issue of tuition fees is one where the bill has failed to in fact move forward to assure young Albertans, young men and women, that postsecondary education in this province will remain affordable for them.

5:00

Mr. Speaker, I just want to quickly read from a communication that I've received. A parent from rural Alberta says: my concern with Bill 43 is as follows.

It is unclear to me what the Minister of Learning hopes to accomplish by removing the cap on university tuitions. Post secondary fees are already making it very hard for many families to send their kids to further education. Surely the Minister can see the benefit of universal access to post secondary education. Taking the cap off tuitions endangers access. Also, Bill 43 proposes to limit Student Unions' ability to act politically. I'm not sure what . . .

The name of the minister is mentioned; I won't use his name.

. . . is afraid of. Dissent and public political expression are the cornerstones of democracy. By limiting the students' ability to organize it sends a message to students that the system is against them. Is this the way we wish to encourage political interest and engagement in the democratic process? We already know a large portion of this age bracket does not vote. They feel their input does not matter; they are detached from the process. What better way to confirm their suspicions than to enact something . . .

And these are the words of the writer.

. . . as oppressive as Bill 43.

Then he urges: "I hope you will vote against Bill 43."

The letter obviously was written before any amendments were made. Some of those oppressive provisions of the bill have been softened a bit; nevertheless, Mr. Speaker, the concerns expressed there are generally broadly shared, certainly expressed by students.

This letter touches on one particular aspect of educational institutions which we most often do not get to talk about in this Assembly, and that's the general milieu, the sort of institutional culture that schools and universities are and how they leave an imprint on students who experience that culture. Often among educational scholars that is known as a hidden curriculum. What's in the curriculum that's written up is one thing, but how those curriculum activities and learning activities are organized is equally important and sometimes more important.

It's not a question necessarily of hiding these impacts deliberately. Sometime we can't perceive them. These are unintended conse-

quences of some of the decisions that we make, and one of those things that concerns me in this bill is the authoritarian nature of this bill and how it centralizes the powers, as I've spoken before, in the hands of one person. I'm not talking about this particular minister. While he is in this portfolio, yes, he's the minister who will be exercising that highly centralized power, but the ministry as such becomes the arbiter of some of the most fundamental decisions that must remain with students, with faculty, with the academic communities which are represented in our postsecondary institutions, and that's what this bill does not allow to happen. These decisions are now concentrated in the hands of the minister.

Just to refer to another document, Mr. Speaker, Cambridge Strategies Inc. did an analysis of Bill 43, the Post-secondary Learning Act, and I want to just read a few of their observations into the record of the Assembly.

Alberta's Bill 43, Post-Secondary Learning Act, marks a significant deviation from the plans, priorities and practices followed by the Government of Alberta since 1993. It may be one of the most important departures from the policy course charted and followed by the Alberta government for the past decade.

One of the striking aspects of Bill 43 is its substantial variance from the Alberta government's decade-old governing philosophy. It contains robust measures to enable a vigorous and direct government role in the marketplace. While this Bill appears to focus on post-secondary education, the powers it establishes have significant implications for much of the Alberta economy, and indeed much of the province's economic future as Alberta adapts, in part, to a knowledge-based economy.

This Bill appears to embrace directions that diverge from the stated directions of Alberta government business plan and its core businesses of People, Prosperity and Preservation. The key directions that government set for itself under these core businesses, and reaffirmed in the last budget, are:

- unleashing innovation;
- leading in learning;
- competing in a global marketplace; and
- making Alberta the best place to live, work and visit.

Mr. Speaker, the conclusion of this analysis by Cambridge Strategies Inc. is that the degree of centralization that will be achieved by way of this bill in terms of who makes what decisions sort of works against the aspirations as stated here in the government's own business plan.

They have about 15 or 16 different specific observations that they make on the bill and draw attention to its weaknesses and departures from the government's official position with respect to business plans, but one observation in particular that I want to draw to the attention of the House is observation 12 in their document. It says:

Bill 43 effectively revives the forsaken government role of centralized planning, controlling and directing the economy. While there is precedent for government control over innovation and entrepreneurship, few would argue that this has proven to be an ideal practice. Is government demonstrably better than the marketplace in picking winners and losers, and in determining what skills the marketplace will need, as Bill 43 implies?

Then in the concluding section, Mr. Speaker, a paragraph or two, this commentary says:

Is Bill 43 a deliberate signal that the Government of Alberta is turning away from the principles in its business plan? . . . If the Alberta government is not changing its governance philosophy, it might be useful to test the soundness and probity of changes proposed by Bill 43 by examining the proposed legislation's consistency with the stated vision, direction and priorities of the Alberta government. It may be helpful to examine whether the policy approaches in many of the provisions of Bill 43 actually align with the governing principles, and how the proposed legislation serves to abet the government's vision for Alberta's future.

The answer to these questions from the point of view of the writers

of this report is that it really runs against the grain of the government's governing philosophy.

Mr. Speaker, I would quickly now try to conclude without saying much on the details of the bill, which I have done before. I would like to introduce an amendment with your permission. I will ask the pages, perhaps, to distribute them, and I'll wait.

The Speaker: In the meantime, hon. member, you might make sure you have the appropriate copies of the letter that you quoted from and the document that you quoted from to table in the House. That is the appropriate parliamentary way, so you should be tabling both of those.

Dr. Pannu: Mr. Speaker, the letter that I quoted from has already been tabled in the House. I tabled it last week. The document, certainly I will make copies and have it tabled.

The Speaker: I believe, hon. member, that the amendment has been circulated, so the hon. member may proceed. But you are, as I understand, moving it on behalf of your colleague, not yourself.

Dr. Pannu: Yes.

The Speaker: And you'll identify the type of amendment it is, then, as well.

Dr. Pannu: Thank you, Mr. Speaker. With your permission I would like to move on behalf of my colleague the hon. Member for Edmonton-Highlands that the motion for third reading of Bill 43, Post-secondary Learning Act, be amended by deleting all words after "that" and substituting the following: "Bill 43, Post-secondary Learning Act, be not now read a third time because the Legislative Assembly believes that it provides for tuition fees to escalate beyond the means of postsecondary students." So, Mr. Speaker, with your permission I'll speak to the motion in the time remaining, and then other members certainly will have a chance to respond.

5:10

The motion acknowledges the financial hardship that the current levels of tuition fees are causing for a very large number of postsecondary students and their families in this province. There's growing evidence, Mr. Speaker, that postsecondary education is being seen by growing numbers of families, many of them middle-income and middle-class families, as something that's beyond their children's reach. They're beginning to tell surveyors, opinion poll experts, us, politicians, that education at the postsecondary level has already reached a stage, in terms of the costs that are involved, where it is becoming unaffordable for many, many Albertans, middle-class families, students coming from those families in particular. Since they have difficulty qualifying for student loans, they're in growing numbers deciding not to go to college or university for that very reason.

Alberta's tuition fees have been growing at an extremely fast rate over the last 10 years. They have tripled over the last 10 years, and there's no end to that ongoing increase. The bill, in effect, removes the cap on tuition fees and allows them to grow at anywhere from 5 percent plus onwards, and that simply is not, Mr. Speaker, the thing that Alberta families and Alberta postsecondary students wanted to have done to them by way of a piece of legislation that's before us today, Bill 43. So the intent of this amendment is to make sure that Albertans are not encumbered by a tuition fee regime that this bill will make certain for them to have to live with. So, for that reason,

I would ask all members to support this amendment.
Thank you, Mr. Speaker.

The Speaker: On the amendment, the hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I rise to support the amendment on Bill 43. As the mover has indicated, the provisions in section 62 of the bill with respect to tuition are really unsatisfactory with respect to containing tuition costs.

There have been a number of interpretations placed on it by government speakers, but when it's all stripped away, the bottom line is that it allows institutions to exceed the 30 percent tuition cap. As soon as they get to the 30 percent, then a new set of rules applies, and I think you can extrapolate from that that each year the cost of living plus the provisions in the bill would allow tuitions to far exceed the 30 percent. In fact, with a little bit of bookkeeping there could be no cap at all.

I don't think that that's in Alberta's best interests, and it's certainly not in the best interests of students and our concern that we keep Alberta institutions accessible financially and that those institutions don't become the exclusive home of students from well-to-do families.

The motion would allow the government to go back and to address the problem that seems to be evident to almost anyone who examines those provisions of the bill and to work with students and institutions to come to a more satisfactory conclusion.

Thank you.

The Speaker: On the amendment, the hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Speaker. I want to thank the Assembly for the opportunity to speak to Bill 43 and, in particular, to the amendment as proposed by the hon. Member for Edmonton-Highlands, that does state that tuition fees are allowed "to escalate beyond the means of postsecondary students." Certainly, for any of us that have had children in these institutions over the last decade, we have had the opportunity to see firsthand exactly the rapid rise in tuition rates and what a great burden it has placed on those students. Not only has it placed a great burden on those students, but we also see that the level of debt that students have upon graduating from university has continued to climb.

This is one of the areas that causes me great concern, because the advantages that my children had were that they could live in this city, that they didn't have to pay those rates for room and board on top of their tuition, so certainly it made going to university very, very affordable. But if they would have had to pay room and board on top, I know that they would have easily exceeded the \$11,000 average that most students are facing today.

Earlier in debate the hon. Member for Edmonton-Riverview indicated that one of the things that this bill was lacking was a clear statement of purpose. This purpose was certainly on the whole idea of capping of tuition fees. We've had a great deal of debate in the Assembly so far, Mr. Speaker, regarding tuition fees, and as the speaker previous to me, the hon. Member for Edmonton-Mill Woods, had indicated, section 62 of the bill does not adequately deal with tuition fees. The cap that was put on was certainly a very soft cap, and it wasn't defined, and it certainly isn't effective in keeping the costs at a 30 percent level. It did a reasonably good job, I would think, for those universities and postsecondary institutions who have

not reached their 30 percent cap. But it is not set. It is soft, and as a result the latitudes provided to those postsecondary institutions who have reached their 30 percent cap is too great. I would not want to see in this province a rapid increase of tuition fees for those institutions that have reached their 30 percent.

Now, then, as well, a number of speakers have talked about the affordability and the accessibility of our postsecondary institutions, and I thought it was quite interesting that in a recent tour to Grande Prairie, where we had the opportunity to visit Grande Prairie community college, the president of the college happened to indicate that the possibility of future development of the oil sands was going to be hindered more by the lack of trained and highly educated personnel than it would be affected by the Kyoto agreement.

5:20

I think that when we take a look at and have a vision of what is happening in the future, certainly with the way the tuition fees are spelled out in section 62, it will remove accessibility for many of our students. What we will do, in effect, is start to restrict postsecondary education to students in urban areas or, as the hon. Member for Edmonton-Mill Woods said, the well-to-do students.

So these are some of the concerns that I have, and that is why I'm speaking to the amendment as proposed by the hon. Member for Edmonton-Highlands. Certainly, I would like the government to have the opportunity to review those provisions of this bill that discuss tuition fees and particularly the manner in which tuition fees were capped. I look forward to further debate on this particular amendment.

Thank you very much.

[The voice vote indicated that the motion on the amendment lost]

[Several members rose calling for a division. The division bell was rung at 5:22 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:		
Bonner	Massey	Pannu
Against the motion:		
Amery	Griffiths	Mar
Calahasen	Haley	Marz
Cao	Hancock	Maskell
Coutts	Hlady	McClellan
DeLong	Hutton	Oberg
Doerksen	Jablonski	Pham
Dunford	Jacobs	Rathgeber
Fritz	Klapstein	Tannas
Gordon	Knight	Taylor
Goudreau	Kryczka	Woloshyn
Graham	Magnus	Yankowsky
Graydon		
Totals:	For — 3	Against — 34

[Motion on amendment to third reading of Bill 43 lost]

The Speaker: The House now stands adjourned until 8 p.m.

[The Assembly adjourned at 5:35 p.m.]

Legislative Assembly of Alberta

Title: **Wednesday, December 3, 2003**

8:00 p.m.

Date: 2003/12/03

[Mr. Shariff in the chair]

The Acting Speaker: Please be seated. Hon. members, before we proceed with Orders of the Day, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

The Acting Speaker: The hon. Minister of Innovation and Science.

Mr. Doerksen: Mr. Speaker, thank you for this opportunity. I want to introduce to you a very special lady in my life who is visiting us today in the Legislature and who is taking her bachelor of education degree at the University of Alberta. This week she actually received a very nice letter from the Minister of Learning when she received a nice little cheque in the mail having received the Jason Lang scholarship. So I'd like to introduce to everybody my daughter Pam, who is with us this evening. If you'd stand and receive the traditional warm welcome of the Assembly.

head: **Government Bills and Orders**

head: Committee of the Whole

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order.

Bill 38

Workers' Compensation Amendment Act, 2003

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. We in the Liberal opposition had spoken in favour of Bill 38, the Workers' Compensation Amendment Act, 2003, and I had a question. I had a note from the sponsoring member, who indicated that a plan was in place but that he would check, so I was expecting to get some kind of an update or an answer on that. Difficult to proceed when you don't have all the information here. [interjection] Okay. The Minister of Justice and Attorney General is generously offering to sub in on this.

This amendment is really designed to bring into place the adult interdependent partnership and to recognize that as part of an amendment to pay a deceased worker's pension to dependent children if they were living with that worker at the time of the death but they don't currently live with a spouse or with an adult interdependent partner. I was trying to make sure that there was, I think, a quality being assessed here. I believe that was my question. So I'll hope that, in fact, that's going to happen and trust in that and allow the bill to proceed.

We have no objections to what's being put forward. In fact, we're encouraging of it. Thank you.

The Deputy Chair: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Chairman. As I understand it, there were two queries with respect to the act which I can provide some information on. The first was with respect to the coming into force of section 81 of the Adult Interdependent Relationships Act. What the House will recognize is that certain sections of the Adult Interdependent Relationships Act were not proclaimed until other things could be done to make them effective. This deals with the issues relative to the Workers' Compensation Act. Once this act is passed, we then can proclaim that section of the Adult Interdependent Relationships Act, and it can come into effect relative to the Workers' Compensation Act. So that's the net effect of this. There was some time necessary for the Workers' Compensation Board to examine how the Adult Interdependent Relationships Act would impact their statute and their business.

With respect to children, of course, the concept is to make sure that children are treated in the same manner whether they are children of married parents or children of adult interdependent partners.

So the act is really very straightforward. It just aligns the law so that family law is family law and children are treated in the same manner. It'll come into force now on the proclamation of that section of the Adult Interdependent Relationships Act, which of course has no further impediments when this bill gets passed.

[The clauses of Bill 38 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 46

Municipal Government Amendment Act, 2003

The Deputy Chair: Are there any questions, comments, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. I appreciate the opportunity to speak again to this bill but during committee. When I had spoken to this on December 2, I had asked a number of questions of the minister, and he just referred me back to his comments in *Hansard*. From reading through that and some other investigation, I understand the context of this now. Essentially, we have a situation where there was a court challenge against what was an accepted practice, and the challenge won, in fact. Was it the Urban Development Institute? Yes. What that did was put into jeopardy a number of other arrangements that had been of some long standing but, in fact, were not written into law. In essence, it's common law versus written law, and we're now providing the written law to support that so that it doesn't jeopardize anything else.

There is support for this from AUMA and from AAMD and C. As well, the mayors of Calgary and Edmonton through the roles, responsibilities, and resources committee have given their support for this.

I stand by my earlier comments addressing the concerns around safety of water and the public concerns that have been expressed and the onus on us as legislators to ensure that we're being open and accountable to taxpayers and citizens around those health and safety

issues, but I have no problem with this bill going forward as I understand it.

Thank you.

[The clauses of Bill 46 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

8:10

Bill 52

Health Professions Amendment Act, 2003

The Deputy Chair: Are there any questions, comments, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. There was some discussion on this bill in the last couple of days, and nothing has occurred nor any information come to my attention in the interval to allay some of the concerns I raised, so I shall repeat them briefly here and perhaps elaborate on some of the sections of this bill given that we are in committee.

My fundamental concerns here are ones of privacy and cost, and I feel like this bill, which is part of the larger process of computerizing our entire health information system in Alberta, raises those concerns, the first being: how are we genuinely protecting confidentiality and privacy here? Secondly, what are the real costs involved?

When I think of all the thousands and thousands of health professionals in Alberta who work every day and I think of the countless tens or possibly hundreds of thousands of procedures that are conducted every day and I try to imagine all that information being put into a computer system, I really, really become concerned that we are stepping into an electronic black hole of costs, the kind of thing that we might see dwarfing even the out-of-control costs of the gun registry. This bill merits those comments because it's part of that process. This bill, as I understand it, is being brought forward to facilitate that computerization.

Some of the sections, of course, are straightforward. It's simply changes of names or corrections in terminology, updates of language that has been used in other acts. A couple of these sections are more substantive. For example, section 4 of the bill, which amends section 122(1) of the Health Professions Act, compels the registrar to disclose information about registered health professionals such as their demographic status, their education, their training, their experience, and so on to the minister or to persons directed by the minister. This is the kind of thing that I think we just need to be very deliberate in approving. We don't want to blindly be stepping into situations where private information may be circulated or may be passed on at the minister's direction to who knows who.

One of the other concerns I raised with this bill is that an awful lot of it is going to be sorted out in regulations which we haven't seen, so we don't really know in detail what we're voting on. If there was one thing I would ask for with this bill, it would be a cost-benefit analysis. How much is this registry going to cost? What, really, are the benefits going to be?

So, Mr. Chairman, with those comments, I simply register my skepticism about this particular bill and, more generally, about the

larger process that this bill is part of. As a result, I will probably be opposing the bill.

Thank you.

[The clauses of Bill 52 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 55

Farm Implement Amendment Act, 2003

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you very much, Mr. Chairman. I'm pleased to rise again to address Bill 55, the Farm Implement Amendment Act, 2003, and I'd like to thank the Deputy Premier and Minister of Agriculture, Food and Rural Development for allowing me to carry this bill through the House.

During second reading of this bill I was pleased to hear that there is general support for this bill, and I appreciate the comments being made by members of the opposition. This gives me further confidence in the fact that this amendment is making a much-needed change to the licensing conditions for farm implement dealers and distributors. I'm not surprised by the support as we have consulted with and taken advice from the industry on this issue.

I'd like to take some time to address those issues that have been raised. One was concerning levies. The levies will be assessed annually for each dealer and distributor located in Alberta until a minimum fund of \$500,000 is established. At that point, levies will be reduced to a nominal fee or may be nullified. At a proposed amount of \$750 per year it's expected to take less than two years to reach this amount. Producers do not have to pay these levies. Only dealers and distributors do.

It's important to note that these levies are set by the Farm Implement Board, not by government, as section 36(b) points out, and the \$500,000 limit was established by the current board, which was recommended to them by the industry. I'd like to assure the members that public funds will not be used for the compensation fund. We expect that within a month of collecting the levies, starting in January of 2004, between \$300,000 and \$350,000 will be raised initially if the proposed levy is \$750, which will be set by the board.

Dealers and distributors that were not licensed in 2003 will pay an additional assessment, about the same amount. New dealers and distributors will always pay the full levy as determined by the Farm Implement Board. Additional levies will be assessed on dealers and distributors with a high claims record at the discretion, again, of the board. The fund will be properly accounted for and documented and will be available for public scrutiny as explained in section 42 of the bill.

There were also some concerns raised over an increase in bureaucracy, and I'd like to assure the members that we actually expect that once the initial transfer of the process is complete, the amount of the bureaucracy needed will likely decrease. The Farmers' Advocate office in the department of agriculture, which is very well respected in the agricultural community, is currently responsible

for the administration of bonds and claims. They will retain responsibility for clerical functions of the compensation fund, and it's expected that fewer functional staff hours will actually be required, but the administration of the fund, the investment of the fund, the payouts, and the levies are all the responsibility of the new board.

There will continue to be a very quick turnaround time for hearings, and this is obviously a priority, and the office of the Farmers' Advocate is well experienced in those areas.

One point that was raised by the Leader of the Opposition: why is this type of compensation fund not in place for all rural businesses? Well, as it stands, farm implement dealers and distributors can only be licensed if they are properly bonded. The current process for securing a bond is in many cases putting people out of business. It's simply not feasible for them to obtain bonds, making it impossible to be licensed. Other businesses in rural Alberta haven't had the same burden as dealers because the bond requirements aren't as prohibitive because the cost of the salable items doesn't compare. A combine is around roughly \$350,000. A tractor could be \$195,000 to \$200,000 or \$225,000. So it's quite different than a \$35,000 or \$50,000 truck from a different type of dealer. So some sort of guarantee is still required for farm dealerships.

The need for a compensation fund for dealers and distributors becomes evident because of the costs that I highlighted. Many farmers make several large purchases a year during good years, and the loss of a deposit on a combine plus the residual cost of a trade-in could actually bankrupt a farmer. To acquire a combine, in many cases a down payment is required before it's delivered, or in some cases a trade-in is accepted as the down payment. In those cases, if the deal is signed, the trade-in may actually be sold, and if a dealer were to go bankrupt, that would have that farmer be out, and they could claim under this new compensation fund.

8:20

The compensation fund, it's important to note, is not insurance against a bad business year. It's a way to ensure that dealers and distributors are able to fairly and properly indemnify their customers specifically relating to warranty and sales agreement obligations.

Let me reiterate that the compensation fund will be completely run outside the purview of the provincial government and will have no impact on the provincial government's budget. It's not a government-run insurance program. It's a totally industry-run compensation fund.

Mr. Chairman, this government recognizes that by not making these changes to the Farm Implement Act more and more unlicensed dealers and distributors will surface. This will leave many more producers vulnerable to significant and even devastating financial losses due to broken contracts and unfulfilled warranties relating to their farm implements and could cause them to go bankrupt as well. So passing this bill will accomplish much in avoiding that scenario.

So with those comments, Mr. Chair, I'll conclude, and if there are some other questions by any of the members, I'd be happy to try to answer them. Thank you.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. Pleased to speak in – where the heck are we? – Committee of the Whole on Bill 55, Farm Implement Amendment Act, 2003, and I did speak to this in second reading.

The Leader of the Official Opposition, who is also our agriculture critic, had spoken about this and was urging us to support the bill because it is something that's needed. He was, as the member said,

questioning whether the appropriate amount of money is going to be gathered, and the member has just answered that question by explaining: yes, it's to be in about the same range as this piece of equipment or the most expensive piece of equipment. That's the point: you want either the service in place for the life of the machinery that you buy and/or you need that bond to be able to help you to go and buy that service from some other place. So that's good for the industry. It's good for agriculture.

There was a concern expressed to make sure that it didn't become too bureaucratic. That may well be what the member was talking about when we talked about the tire fund, which has also amassed a rather large surplus and is now expected to put some of it out.

Mr. MacDonald: Are snowmobiles going to be in that?

Ms Blakeman: The question from my colleague is: will snowmobiles be included in this? In fact, some of the farm implement dealers are also known for manufacturing snowmobiles, and they would in fact be covered under this. Part of what's being anticipated here is a crossover between the implement dealers and manufacturers and those same companies, businesses, carrying other products, so they are covered here.

We discussed whether the fee was appropriate for the level of coverage and the actuarial conditions, whether it is going to help sustain the players in the industry, and the integration of the economy with the agricultural area crossing over to the industrial area. That's part of my conversation about the snowmobiles. So our questions have been answered.

Given my understanding of the bill I'm willing to support it at this stage. Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I'm pleased to rise to speak to the Farm Implement Amendment Act. I just want to indicate that the problems that we have with this bill relate to the elimination of the need for agriculture implement dealers to keep – is it bonds?

An Hon. Member: A bond.

Mr. Mason: Keep a bond. I'll just be very brief, Mr. Chairman. [interjections] Yes. I'm informed by my Liberal colleagues that, you know, every time somebody says "bond" in this place, they think of their agent in London that the Premier spoke about today in question period. I don't know if the Liberals really are the British Secret Service so much as they are a deep international criminal conspiracy with tentacles in every capital of the world. Nevertheless, nevertheless.

I want to come back to this issue, and quite frankly I don't agree with it, Mr. Chairman. I don't agree with removing the requirement for farm implement dealers to have bonds. If they can't be bonded, if they can't afford a bond, maybe they ought not to be in the business.

I think that the real question is the policies of the federal and provincial governments with respect to supporting farming and the desire, in fact – I would go so far as to call it a desire – on the part of government to eliminate so-called inefficient small farms. This is undermining the rural economy, in our view. Between 1996 and 2001 government and corporation policies eliminated 11 percent of farm families in Canada, and of course the government argues that these are inefficient, but I think the question is that government policies, defective markets, and big corporations which have

insufficient competition are responsible for what is wiping out the farms of families in this country. They're painted as insufficient, but I don't believe that's so.

For example, Stats Canada data shows that over the past 40 years no other sector has matched the efficiency gains of farmers. The prices that farmers receive for their products have not increased in any real sense for 25 years. According to the president of the National Farmers' Union, Mr. Stewart Wells, only those who can produce and deliver their products at 1975 prices are qualified to lecture farmers on efficiency because that's the situation. The situation is that farms have led the country in efficiency gains at a time when their prices have not increased since 1975.

So, Mr. Chairman, we want to indicate that we believe that if other sectors of the agricultural economy, for example farm implement dealers, are struggling now, it is because of the policies of this government and of the federal government to push so-called inefficient family farms off the map, and it has a cascading effect throughout the economy. We want to indicate that we don't support the changes that are proposed in this bill and will not be supporting it.

Thank you, Mr. Chairman.

8:30

The Deputy Chair: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Yes, Mr. Chairman. Just a few comments to address those concerns that were brought up by Edmonton-Centre about the bureaucracy perhaps growing to be top-heavy. I'd just like to point out that the board will be made up of one dealer member from the Canada West Equipment Dealers Association, one manufacturer member from PIMA Agricultural Manufacturers Association, one distributor member from the Canadian Farm and Industrial Equipment Institute, three farmer members from various commodity groups, which can change over the period of time, and one farmer member that's appointed by the minister of agriculture, as well as the Farmer's Advocate doing clerical work. These are member representatives, so it's in their best interests to keep the levies down to make sure that they're accountable to their members by making sure that the bureaucracy doesn't get too top-heavy.

That also addresses the Member for Edmonton-Strathcona's concerns the other day on the composition of the board. I believe he raised that as well.

I'm a little surprised to hear the Member for Edmonton-Highlands not supporting an initiative that is mirroring that which is existing in Saskatchewan and Manitoba, which are NDP governments there, so he is basically voting against what our neighbouring socialist provinces are doing. So I'm not too sure where the member's coming from on that, but I'd like to assure him that this is a substitute for the bond issue. It will make it more affordable for dealers and distributors, and it will provide the same level of security and comfort for the producers, which are their customers.

So at that I would call for the question.

The Deputy Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. I just want to make an observation here that my understanding is that the impetus for this bill was a change in the approach and attitude of the insurance industry that occurred after the World Trade Center attack. Insurance companies began squeezing the dealers and distributors a bit for more information, and they refused bonds and service and so on, or they're requiring all of their business to go through a particular

insurance company. As well, premiums providing this kind of insurance have gone up.

My observation is simply that there is a much broader crisis in the insurance industry than what we have been spending so much time on in this Legislature debating. In other words, there is a much broader crisis in the insurance industry than just automotive insurance. Also, I know from reports in my constituency office that property and business insurance is a really big concern. I reflect back on a survey undertaken earlier this year of small businesses that identified insurance costs as the single biggest problem that small businesses are facing, and it may be that we are going to be debating in the future more and more bills that stem from this chronic and widespread crisis across the entire spectrum of insurance.

So I'm just putting a bit of context around this particular bill and trying to raise a long-term warning that the insurance crisis that we're seeing in the automotive business could be flaring up in business insurance, casualty insurance, property insurance over the next couple of years. We're seeing an early sign of that in this bill.

Thank you.

The Deputy Chair: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Yes. I'd just like to address his comments, Mr. Chairman. The member is correct that there's been a downturn in the markets that has caused some prices to increase, and the insurance industry is an area where prices increased, but increased prices due to 9-11 are not unique to the private sector. One only needs to look at the two major expenditures of this government for which many of the members in here are constantly asking for increases, and those are health and education. Those costs have gone up extremely high in the public sector, so it's not just due to the prices in the private sector. Prices are going up in the public sector at a very high rate as well as going up in the private sector.

I guess that addresses the comments that the member brought up, so unless there's more, I'll take my seat.

[The clauses of Bill 55 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that the committee rise and report bills 38, 46, 52, and 55.

[Motion carried]

[Mr. Shariff in the chair]

The Acting Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Speaker. I'd like to report that the Committee of the Whole has had under consideration certain bills. The committee reports the following: Bill 38, Bill 46, Bill 52, and Bill 55.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. At this time I'd like to request unanimous consent of the House to read Bill 57 for third reading. It having been read in second reading this afternoon, it will require the unanimous consent of the House to proceed.

[Unanimous consent granted]

head: **Government Bills and Orders**

head: Third Reading

Bill 57
Miscellaneous Statutes Amendment
Act, 2003 (No. 2)

The Acting Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. In accordance with the practice and tradition of the House I would move Bill 57, Miscellaneous Statutes Amendment Act, 2003 (No. 2) for third reading.

[Motion carried; Bill 57 read a third time]

8:40 **Bill 38**
Workers' Compensation Amendment Act, 2003

Mr. Dunford: Sir, on behalf of the Member for Clover Bar-Fort Saskatchewan I'd like to move third reading of Bill 38, the Workers' Compensation Amendment Act, 2003.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. Bill 38 has certainly been reviewed on this side of the House, and it is a bill that we are pleased to support.

Thank you.

[Motion carried; Bill 38 read a third time]

Bill 45
Family Law Act

The Acting Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you very much, Mr. Speaker. I'm pleased to rise this evening to move third reading of Bill 45, the Family Law Act.

Over the years, Mr. Speaker, I've been privileged to work on a number of family law initiatives, including the chairmanship of the MLA review of the maintenance enforcement program and child access and more recently the Unified Family Court Task Force and now the implementation steering committee. I've been a strong advocate for the need to consolidate our family law legislation.

Mr. Speaker, these initiatives have been about simplifying Alberta family law, making it easier for Albertans to understand and to access. Bill 45 marks the culmination of Alberta Justice's family law reform project, which has involved reviewing all of our family legislation, ensuring that it is up to date, and introducing amendments where appropriate to ensure that our legislation meets the current needs of Alberta families.

As you know, Mr. Speaker, this bill was introduced in the spring

and held over until the fall sitting. This allowed government to accept feedback from key justice stakeholders and the public. It also allowed us to introduce some House amendments.

Because the content of the bill has been the subject of full debate in the House, I won't revisit any specifics during third reading. I would, however, like to take this opportunity to once again commend Alberta Justice and the Alberta Law Reform Institute for all of their efforts in bringing this legislation forward and to all others who provided input or who commented on the legislation after it was introduced. All of your help is appreciated.

Mr. Speaker, I am proud of the legislation that we now have and feel that the bill places the emphasis where it should be, with a big focus on children, and also provides a framework for arranging family affairs, reducing confrontation, and in turn having the effect of reducing the emotional and financial costs of family law.

Mr. Speaker, I close by encouraging all members to support third reading of Bill 45.

The Acting Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. We've come to third reading on Bill 45. I think this bill will have a profound effect on families in Alberta. We are basically updating and consolidating all of the laws that affect how families behave and particularly how they come apart, how they dissolve, and the expectations that are placed upon people when that happens. So this is an important bill and a bill, I think, that will affect people probably every day of their lives.

I appreciate the amount of careful consideration that's been put into the development of the bill by the minister and his staff, the sponsoring member, and most particularly by those people who responded to any request for public consultation, and certainly those people that have been in contact with me expressing their concerns, their hopes, and their dreams as far as what they were looking for out of this act.

Now, I did speak at length to this bill a week ago and brought forward a number of amendments which I was hoping would be accepted because, as I explained at the time that I introduced the amendments, I felt that it was necessary in order to create legislation that was in fact Charter proof and did not subject Alberta taxpayers to an additional series of expenses and costs related to challenging or defending the government's position through the courts. I was not successful in doing that. Therefore, I do expect that there will be some court challenges on what's been missed here.

I also raised a number of points where I felt that inequality had been entrenched into this legislation, which is a second profound disappointment for me in this bill, particularly around cases where we are treating people who have access to the Divorce Act – that is, people who are married – differently than people who have access to only the Family Law Act. The divorcing people would have in some cases a choice between the Divorce Act and the Family Law Act. There are inequities that are being created with this bill that I was trying to correct.

In particular, I think we have caused some people to have to go to additional expense and time and through court manoeuvres in order to achieve what they are seeking, particularly around the surrogacy and assisted-conception sections that are in the bill, where in effect we are now creating legal parents. Because of the technological advances in new reproductive technology, we can create parents where we couldn't before. I was seeking to be able to have many different people be able to seek these remedies, to be creating parents rather than to be creating specifically mothers and fathers. I felt that the concept of parent was more inclusive and more important,

therefore, than segregating this into stereotypical gender-specific roles. The government was not supportive of that.

I think these are the areas that were most likely to receive the challenges. The government seems to be willing to spend taxpayers' money defending that. So be it.

I did raise some other issues which have been unresolved, particularly around notification being given to youth 16 and above that are children of divorcing or separating parents who are in a situation of a breakup of a household relationship in which there are children. Those 16 and above would be given a copy of the affidavits and various court notifications, which I felt could be harmful in that people do awful things when their household is breaking up and say awful things about one another, and now we're going to be putting this in the mail or otherwise presenting these to young people. I felt that was unfortunate. Hopefully, we can all use common sense and be careful about the application of these particular clauses and sections.

Now, around the contact and access sections I've had contact again from the Alberta Grandparents' Association, who are valiantly trying to get a last-minute reprieve from what is about to be entrenched in this legislation. I certainly admire their perseverance. It's a strongly held and deeply felt campaign that they are waging here.

8:50

I agree about the test. I think the test is too difficult here. Essentially, when we're talking about who can have contact, if the parents have determined that they didn't want grandparents to have contact, how do grandparents fight that? The determination was the best interests of the child, but there is an overriding philosophy that is enshrined in here that has parental rights first. Therefore, the test is against the grandparents. They have to prove that there's a good reason why they should be given contact, rather than the parents having to prove why contact should be denied. I agree with the grandparents' rights groups that the test is too hard. I think that as our definition and understanding of family shifts to cope with the realities in front of us, we want to have as many positive role models and loving people looking out for children as possible. I felt that this was unnecessarily harsh against the grandparents to have to leap the bar that was set very high for them here.

So when there are statements made by, for example, the sponsoring member – and this is taken from the *Hansard* of November 19 – that it's important that our Alberta Legislature “be reflective of what Albertans see as fair and appropriate,” the grandparents group is pointing out that in a public opinion poll three-quarters of respondents felt that grandchildren should have the right to a relationship with their grandparents. When parents deny access to grandchildren, they should be required to provide valid reasons for denying that access.

The sponsoring Member for Calgary-Lougheed had also mentioned that the Department of Justice had looked at best practices of legislation across the country, and this group is questioning whether the civil code of Quebec was looked at, which has a clause that “in no case may the father or mother, without a grave reason, interfere with . . . relations between the child and his grandparents.” So, again, that test is reversed there.

The parenting after separation courses that the Member for Calgary-Lougheed referred to on November 19. Increasingly we look towards court-ordered mediation and voluntary mediation around these family disputes, which are excellent ideas as long as they're not coerced. Mediation doesn't work if it's coerced. This group is inquiring as to why there couldn't be a mandatory mediation program where families could meet to resolve these issues. I

don't know that I'm supportive of that particular concern that they're expressing, because again I think there are some excellent programs available throughout Alberta in different centres where families can voluntarily go into mediation. I'm always a little cautious about it being forced upon people. I think it's less effective.

Potential ramifications of grandparent access on the parents. We get into this discussion about an intact family and a non-intact family, and again we've created an inequality here. A non-intact family has different rules around it than an intact one, and I'm not comfortable with that. I think we should have approached it on the same playing field, on an even basis.

I've already pointed out the best interests of the child and that I felt that that test was too high.

Who knows? There may well be court challenges coming forward from some of these groups against what has been developed into this legislation. That's why the courts are there. If people believe strongly that there is an inequality that's been created or that has been upheld and brought along, that's why that Charter is there. Part of what makes Canada such a great country, in my opinion, is that we do have the existence of that Charter that gives us that opportunity as citizens to challenge what the legislators have done if we believe that it's not fair.

So viewing this legislation in total, are we better off with it than without it? Yes. Does it resolve some difficulties and some problems that exist in Alberta society? Yes, it does. Is this the best it could have been? No, it's not.

I have grave concerns when I see legislators knowingly allow inequities to go forward and knowingly discriminate against an identifiable group of people, and in this case it was same-sex parents. I think that is so wrong, and it's part of why I ran for election. I really object to that. I don't think we can call ourselves a society that values equality or a society that's progressive when we continue to say: well, everybody's equal except for these people. That's not equality, and it's not acceptable to me and never will be.

I think we could have made this legislation better, and the government made the choice not to. I'll continue to fight what I feel are the omissions, deliberate and otherwise, in this legislation, but on balance of what I see in here, I think we're better to have the legislation than not. It's always a question of: is the glass half full or half empty? This is always the point that's a difficult one for me. Do I support legislation that I know is flawed because I think that overall, on balance, it's better to have it than not to have it? Or do I say, no, I can't support it because we should really make it as good as we can?

We're not likely to come back and open this legislation up voluntarily for five or 10 years, so that means that we have to live with this for a very long period of time, perhaps even a generation in the life of Alberta society. Is that appropriate? Should I be willing to let that go? Should I be willing to allow a distinct group of people in Alberta to be discriminated against, perhaps for as long as a generation? That always causes me a great deal of careful thought. It is a difficulty for me, and I have to tell you, as I stand here right now, that I'm still undecided about whether I would support this in third reading. I did support it in principle in second reading, and I fought hard for those amendments in committee. Having them be so resoundingly rejected is causing me some difficulties because of the philosophy that backstops that.

So thank you for the opportunity to discuss what I believe will be the effect of this bill in third reading. It's mostly very good work, and a little bit of it is very bad work. Thank you.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I was listening with interest to the remarks from my colleague from Edmonton-Centre in regard to the Family Law Act, Bill 45. I, too, share her concerns. Certainly, when this bill was left on the Order Paper over the summer from the spring session, it allowed many people an opportunity to have a second look at this legislative initiative, and many people have contacted our constituency office in regard to this bill.

There certainly are some problems with the bill, as was expressed by the hon. Member for Edmonton-Centre, that are going to create uncertainty and unfairness, and that may leave certain sections of the legislation vulnerable to court challenge. Now, perhaps before we conclude debate at third reading on this, the hon. Member for Calgary-Lougheed could tell the Assembly or perhaps even table in the Assembly any legal opinions that may have been made by the Justice department or perhaps by the Alberta Law Reform Institute. Maybe it'll be similar to what happened with the debate around the insurance reforms. There were outside legal opinions sought, and perhaps those legal opinions would go a long way to satisfying this member's issues.

9:00

When we look at the bill and we review some of the concerns that were outlined, I certainly had permission, Mr. Speaker, to discuss this constituent's concerns in the Assembly, but just for her own privacy I will simply refer to this constituent as Rosemary. Rosemary phoned our office some time ago and expressed concerns about Bill 45, and I certainly would like to ensure that Rosemary's concerns are on the record before we vote on this legislation. When we consider support for persons in need, this would be her primary concern.

Now, in this section we are dealing with the question of support for children over the age of 18 who are pursuing an education. Under the Divorce Act children are certainly entitled to receive support over the age of 18 if they are pursuing an education and, thus, remain dependent. This has been amended, and whether it would satisfy Rosemary or not is yet to be seen, but the express exclusion of such applications to mean the children of common-law relationships will be treated significantly differently than those of married relationships. This exclusion and the resulting difference in treatment, in her opinion, would almost certainly violate the equality provisions of the Charter. Now, it has been fixed by the amendment, but Rosemary was quite determined that that change should be made.

Rosemary also had reservations about raising the age from 18 to 22 years. Those were her opinions as well.

With those remarks, Mr. Speaker, we will see through the course of time what happens with this legislation, and hopefully Rosemary and others will be satisfied with the work not only by the hon. Member for Calgary-Lougheed but satisfied with the work of this Assembly in the matter of the reforming of the Family Law Act.

Thank you.

The Acting Speaker: Hon. members, Standing Order 29 kicks in. Any questions?

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I just wanted to say a few things about the Family Law Act, Bill 45. First of all, I wanted to thank the Member for Calgary-Lougheed for carrying the bill and for being a diligent and innovative supporter of the reform of family law in this province over a number of years, perhaps not starting with but at least including the review of the maintenance enforcement program, in many ways identifying the need for the reform of family

law and being persistent in ensuring that that case was carried and that the job was done. So I think it's important to put on the record the amount of work that's been undertaken by that particular member of this House to make sure that family law in this province has been modernized, brought up to date, made accessible to Albertans.

I also wanted to put on record my thanks to the staff in the Department of Justice because this has been a strong and a long-time project that's occupied a lot of hours, a lot of talent, a lot of consultation with the public. It would be remiss of me to allow third reading to happen without saying on the record what a good job, what a great job by the people in the Department of Justice in this province who have worked so hard on family law reform over what has been at least a three-year project.

I think that no law is perfect. Otherwise, we would just pass them and go home and not have to come back. I expect that we'll revisit and improve laws in this province on an ongoing basis. There may be things that have been missed. Maybe even some of the things that hon. members opposite have talked about will have to be revisited. But this is a good piece of work, Mr. Speaker. It's a good piece of work because of the efforts of Calgary-Lougheed, because of the strong efforts of the people in the Department of Justice, and because of the participation of so many stakeholders and so many Alberta citizens in taking an interest in family law and making sure that our children come first.

Thank you, Mr. Speaker.

The Acting Speaker: Standing Order 29.

Anybody else wish to speak on the bill? The hon. Member for Calgary-Lougheed to close debate.

Ms Graham: Yes, Mr. Speaker. I so do.

[Motion carried; Bill 45 read a third time]

Bill 46

Municipal Government Amendment Act, 2003

The Acting Speaker: The hon. Government House Leader on behalf of the Minister of Municipal Affairs.

Mr. Hancock: Yes, Mr. Speaker. Thank you. It's my pleasure to move on behalf of the Minister of Municipal Affairs the Municipal Government Amendment Act, 2003.

There was some discussion of the act in committee this afternoon. I think it covered most of the ground. The act provides for some changes to make certain the practice that has been undertaken in the province between the municipal governments and developers and also rules with respect to the management of certain sports, clarifying that for municipal governments in the province.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. Certainly, Bill 46, the Municipal Government Amendment Act, has been studied and has been examined by the hon. Member for Edmonton-Glengarry. At this time in third reading we would like to state on the record that we are going to support this bill as well.

Thank you.

The Acting Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutillier: Thank you, Mr. Speaker. In closing debate, I want to thank all of the hon. members who have . . .

The Acting Speaker: Hon. minister, we just need to make sure that nobody else wants to speak before you close debate. Does anybody else wish to speak on this bill?

The hon. Minister of Municipal Affairs to close debate.

Mr. Boutilier: Thank you. Mr. Speaker, I want to thank all of the hon. members who have brought forward feedback, important comments relative to this enabling legislation. I also want to thank the many stakeholders, including the Urban Development Institute, the UDI group, as well as the Home Builders' association, the AUMA, the AAMD and C, the cities of Edmonton and Calgary, and many other municipalities who have been involved. I do want to say that MLAs have brought forward important feedback as we continue to grow and make the Alberta advantage even stronger. I believe this enabling legislation will do that in helping developers and also helping municipalities.

Thank you, Mr. Speaker.

[Motion carried; Bill 46 read a third time]

9:10

Bill 49

Public Lands Amendment Act, 2003

The Acting Speaker: The hon. Member for Bonnyville-Cold Lake.

Mr. Ducharme: Thank you, Mr. Speaker. Winston Churchill once said: it is a fine thing to be honest, but it is also important to be right. It is with a strong conviction of doing what is right that I rise today to move third reading of Bill 49, the Public Lands Amendment Act, 2003.

When the Minister of Sustainable Resource Development asked me to sponsor this bill on his behalf, I did so because I supported the proposed amendments. The changes to the Public Lands Act were, one, to provide for better enforcement tools for unlawful activities on public land regardless of who commits these acts. This amendment does not create new restrictions for the use of public land. It's about clarifying existing rules and giving better tools to deal with unlawful activities, whether it be trespassing on closed roads, destroying gates, or preventing access to those who have the right to lawfully access the area. Two, it allows the government to respond to increased demand within the agricultural industry to allow some bison grazing on public land.

Mr. Speaker, this is the seventh government bill that I have had the privilege of sponsoring. Prior to tabling the legislation, I met with the Official Opposition critic, the Member for Edmonton-Ellerslie, to discuss and review the proposed amendments in Bill 49. At the conclusion of this meeting the Member for Edmonton-Ellerslie indicated to me that the opposition was in agreement with the amendments and that the process should go rather quickly. Therefore, it was with dismay that prior to second reading of Bill 49 the Liberals issued a press release stating that the government's Bill 49 could lead to Oka in the oil fields by increasing the conflict between oil field contractors and First Nations in Alberta's north. Innuendo in the press release raised concerns that Bill 49 could be an infringement on First Nations treaty rights. For some reason the Liberals seem to be under the impression that this legislation will in some strange way incite violence, that it will escalate disagreement between some aboriginal groups and contractors in northern Alberta.

Mr. Speaker, I said this in committee and it warrants repeating: this type of misrepresentation of the facts is not only misleading to Albertans but is also quite irresponsible. The intent of the legislation is to be able to deal respectfully and legally with unlawful activities on our public lands. It is not directed at any one group or individual.

We know that we have had conflict situations in the past. This act is intended to reduce conflict. I think that Albertans expect that government should take action on illegal activities in a safe and effective way.

Does this legislation mean that every time a blockade occurs, the police will be called? Not necessarily. As with all government legislation or processes discussion, negotiation, and reason will be the first line of action in dealing with any situation. This is only one tool in a toolbox to deal with any illegal activities on public land.

Furthermore, Mr. Speaker, unlawful activities on public land such as blockades and demanding fees for access have never been an issue for interpretation of the treaties. Treaties are not the issue here. There are other legitimate, sincere efforts to deal with the interpretation of treaties.

Mr. Speaker, over my lifetime I have established many personal friendships with aboriginal people. During my business career several hundred business transactions have occurred between myself and the aboriginal community. Therefore, I was very saddened to see and hear the remarks made by the Official Opposition in the past few days. Their record in concerns about aboriginal issues in the past has been dismal at best. Shame on them for twisting and turning the truth on the amendments in Bill 49. At the end of the day I will be able to look my First Nations friends in the eyes, but I doubt the opposition parties will be able to do so as I believe they used the aboriginal peoples to further their political cause and not truly to assist them.

Mr. Speaker, the actions of our Premier over the past few days on this issue have provided me with great joy. I'm very confident that when the Premier and the Minister of Aboriginal Affairs and Northern Development meet within the next few days with the treaty chiefs, a renewed commitment will be achieved between the First Nations and the government in developing a consultation process that will clearly provide the tools to resolve present and future concerns.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. This bill has, I guess, been an unexpectedly contentious one in this sitting of the Legislature. I listened to the comments from the Member for Bonnyville-Cold Lake, and I could tell the passion in his voice. I respect that, although I disagree with a number of his comments.

I'll open by explaining my understanding of the meeting he had with the Member for Edmonton-Ellerslie, our critic in this area. She did make it clear that her first reading of the bill did not raise any great concerns and that, in fact, her memory of the briefing is that it emphasized the issue of buffalo grazing on Crown lands but that on further study, when she took the bill back and had others look at it, there were different concerns that came to the surface, and as things have played out, those concerns weren't shared by the opposition alone. They were widely held. So different accounts of a meeting and perhaps, well, we'll never get past that difference.

I guess I also have to ask who is being irresponsible here. When the Member for Bonnyville-Cold Lake suggests that the opposition is being irresponsible, I would have to say that perhaps the government itself is being irresponsible here. We were meeting in the last couple of days with the chiefs of the Treaty 8 bands, and they told us repeatedly that they hadn't heard anything about this bill being developed until they read it in the media a few days after it had had first reading. So is that responsible consultation? Is that a responsible way to develop policy that affects so many people? Not in my books.

The chiefs of the Treaty 8 bands have felt overlooked and fundamentally betrayed in this process. I'm not saying that that was the intention of the government. I don't imagine that it was. I don't believe that it was. As the Premier himself said, I think it was yesterday – he apologized to them for legislation getting out ahead of consultation, so I'm not attributing or imputing motives to the government here. I'm simply saying that good, responsible consultation should have occurred before this bill was brought in. And, my goodness, the money was there for responsible consultation to take place. In the spring sitting earlier this year the minister of aboriginal affairs and the Minister of Sustainable Resource Development and, in fact, I think the Premier all spoke about a \$6 million fund being made available for consultation on the issues of access to roads and blockades of roads in the north and the whole conflict between the oil field contractors and the native bands.

Well, if we look at, say, five or six months having passed – let's say five months since then, 30 days a month, 150 days. If the consultations were going on every one of those days, we were spending \$40,000 a day, seven days a week for five months on the consultations. A staggering amount of money. Where has the money gone? The minister of aboriginal affairs is shaking her head. Perhaps tomorrow she can provide for us information. Where has the \$6 million gone?

I understand today that there was an additional \$2 million talked about to advance consultations with the Treaty 8 bands. These are large sums of money. Where is the money going? Who's getting this money? Is it being well spent? What's the accountability on this money? Where is the responsibility? Our job in part is to hold the government accountable. When we hear of \$6 million commitments, we watch five months of work go on, the money's gone, apparently a report is prepared, it's not made public, the Treaty 8 chiefs, one of the key stakeholders in this, say they haven't seen it. We want some accountability, and we will back off when we see some explanation of what's happened to that money.

9:20

I also have to ask myself – and this has puzzled me from the beginning of the debates on this bill: what's wrong with the current laws? Why is it that we suddenly need to clarify laws on things like erecting barricades on roads leading to Crown lands? Why are we needing to clarify those laws? I would have thought that if a barricade were put up on one of these roads, it was already illegal. Certainly, if I were to go out and put up a barricade on one of these roads, I would assume that I'm breaking the law. Maybe I'm incorrect. Maybe there's been no law to address that, but that's tough for me to believe. So my question is: what is so wrong with the laws that have been in place to date that we suddenly need to clarify them and, in clarifying them, perhaps magnify them and make them more intrusive?

Particularly, there's a concern that's been brought up by a number of people that this could allow a police officer to deputize or delegate authority to somebody else to remove the barricade. We are concerned about that. There has been an explanation here about the need to hire a D9 bulldozer, for example, to take down a barricade. Again I ask the question: do those laws not already exist? Do those capacities not already exist? What is it about this particular bill that is absolutely so essential that cannot be done already?

Perhaps some of the misunderstandings, some of the strains and hard feelings around this bill would have been diminished if the report prepared through the summer by the consultant was made public. When information is held back from the public, when information is held back from key stakeholders such as the Treaty 8 chiefs, then suspicions are fueled. When there's a context of

suspicion and then a bill brought in like this one, we're going to get explosive arguments, we're going to get offended stakeholders, and we're going to get hard feelings, and instead of going forward constructively, we find we're going backwards.

So a lot of misunderstandings around Bill 49. I think from my perspective they result primarily from a fumbled process, a process that leaves a lot of questions unanswered. Where's the money? Where's the report? What's the direction here?

With those comments, Mr. Speaker, I guess it will be clear to members here that I for one will be opposing this bill. Thank you.

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I just wanted to rise and make a few comments on Bill 49 because it was clear from the comments made by the member opposite from Edmonton-Riverview that he still misunderstands the difference between Bill 49 and what's intended with Bill 49 and the \$6 million that's been talked about over the past year with respect to consultation. I thought the Minister of Aboriginal Affairs and Northern Development had explained it fairly clearly several times during the course of this session in question period, but it appears not to be the case, and I think it's a very important concept that needs to be understood.

We adopted as a government an aboriginal policy framework, and I take some pride in that because we started the process of that when I was minister of intergovernmental and aboriginal affairs. It's a very important document. It deals with a number of issues related to how this government deals with aboriginal governments on a government-to-government basis, recognizing that there are difficulties with that when aboriginal governments are not necessarily in place in the same way that we know and understand other governments in this country to be – understanding the concept and the ability to do that, talking about how this government ensures that aboriginal issues and First Nation issues are taken into account in every context when we deal with the people of this province and understanding the role that this government has played as a leader in this country in settling land claim negotiations, a better record than any other government in this country, recognizing the work that we've done with First Nations and aboriginal people on economic development and developing opportunity.

The essence of the aboriginal policy framework is a recognition that there needs to be consultation as you deal with issues relative to what has been referred to as traditional land use and traditional lands but recognizing that reserve lands, the lands reserved for Indians, as it's referred to in the Constitution of this country, are the First Nations land, held for them by the government of Canada. The traditional lands, so-called, are public lands owned by the people of Alberta for all the people of Alberta, but First Nations people, treaty people, have some rights to traditional use.

In engaging in development or engaging in any sort of opportunities within those areas, there is an obligation on government and on industry to consult. I like to frame it in the context of consulting: if you owned land in Edmonton and you wanted to develop it, you'd have to consult the neighbours. They didn't have an ownership interest in the land, but they did have some interests, and those interests have to be taken into account when you do a development. That's the type of consultation in a similar manner, a good neighbour policy, that you need to undertake when you're in parts of this province where there have been traditional uses on lands with respect to First Nations people.

So we developed the aboriginal policy framework, and now there need to be resources put into the aboriginal policy framework to make it effective. The \$6 million is the first tranche of that consulta-

tion process, developing the consultation process, making sure that it's a fair and effective process because in consultation with First Nations people it's not sufficient to send a registered letter and say that you're going to build a development. There has to be an appropriate consultation process that takes into account the people, where they are, and the nature of the consultation that's necessary: their needs, their aspirations, their goals.

We need to develop that consultation process in consultation itself with all the stakeholders to make sure it's going to be a fair and effective process and deal with all the issues. That's what's beginning to be financed by the \$6 million. It happened to coincide with one issue in northern Alberta relative to Slave Lake. The \$6 million was not budgeted and not put in to solve the Slave Lake area issue. It was put in there to start the process of building the capacity, both within government and in the community, to have a proper and appropriate consultation process.

So I just wanted to rise and be clear on that because the Member for Edmonton-Riverview obviously missed that explanation when the Minister of Aboriginal Affairs and Northern Development gave it. That \$6 million really has nothing to do with Bill 49. It has nothing to do with that local issue other than that if we had had that consultation process in place and developed, perhaps the issues under Bill 49 would never have happened.

The Acting Speaker: Standing Order 29 kicks in.

Seeing none, the hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I stand to urge all members of this Assembly to vote to reject this bill at third reading. Certainly, as we heard earlier from speakers in regard to this bill, the consultation process has been nonexistent or inadequate, to say the least. To blame this side of the House for legislative complacency or incompetency is totally wrong. Now, if money had been allocated for a process to consult with the Treaty 8 chiefs, then that's what that money should've been used for, or at least a portion of it. Where the money went, who knows, Mr. Speaker? But to simply blame this side of the House for bad legislation is wrong. The member may be quoting Winston Churchill, but I'm afraid he's acting like Anthony Eden.

There are a lot of different issues that we could discuss with Bill 49; however, I had the pleasure and the honour along with our caucus colleagues of receiving a visit in regard to this matter yesterday from the Treaty 8 chiefs. They, as my colleague from Edmonton-Riverview stated, did not feel in any way that there had been a consultation process. They heard about this bill in the media. How did that happen? To stand up and say that it's all the opposition's fault is, plain and simple, wrong.

9:30

Now, when we look at the First Nations community, we look at the communities in the north, we look at how oil and gas development is changing not only everyone else's lives but their lives, we have to remember that the First Nations people had not changed the physical shape of this province in which they lived long before we came here. To do that would have been unthinkable. They were hunters, and they were fishermen. They were herbalists, not agriculturalists. They were warriors in defence, sometimes, of the extensions to their own traditional grounds, their hunting territories. They had no concept of individual ownership of land. Their environment, the lands, the forest, the rivers, and the lakes around them were the domain of their Great Spirit. They considered all those lands and the animals and the people in them to be sacred. Their religion was a reflection of their temperament.

I would urge this government, in conclusion, that the best thing we can do now is to pull this bill. The Premier admitted in this House earlier in the week in question period that mistakes had been made. Have a consultation process with the Treaty 8 chiefs and see if this issue can be resolved in a better manner than what is being attempted here in a rather, in my view, ham-fisted way. Please pull this bill over the Christmas period. Before the winter session starts, have a good, robust conversation and negotiation with the Treaty 8 chiefs. Go back to the table because this bill, at this time, is wrong, and I cannot support it.

Thank you.

The Acting Speaker: Standing Order 29 kicks in.

Does anybody else wish to speak on the bill? The hon. Member for Bonnyville-Cold Lake to close debate.

Mr. Ducharme: Question.

[The voice vote indicated that the motion for third reading carried]

[Several members rose calling for a division. The division bell was rung at 9:34 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[Mr. Shariff in the chair]

For the motion:

Amery	Griffiths	Nelson
Boutilier	Hancock	Oberg
Cao	Hlady	O'Neill
Cenaiko	Hutton	Ouellette
Coutts	Jablonski	Pham
DeLong	Jacobs	Rathgeber
Doerksen	Knight	Renner
Ducharme	Kryczka	Smith
Dunford	Magnus	Snelgrove
Fritz	Marz	Taylor
Goudreau	Maskell	Yankowsky
Graham	McClellan	

Against the motion:

Blakeman	Mason	Taft
MacDonald		

Totals: For – 35 Against – 4

[Motion carried; Bill 49 read a third time]

Bill 52

Health Professions Amendment Act, 2003

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure to move on behalf of the hon. Minister of Health and Wellness Bill 52, the Health Professions Amendment Act, 2003.

[Motion carried; Bill 52 read a third time]

Bill 55

Farm Implement Amendment Act, 2003

The Acting Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Speaker. I move third reading of Bill 55, the Farm Implement Amendment Act, 2003.

As I stated before, it will replace the current bond requirement needed for farm dealers and distributors to qualify for a licence and provide security for farm producers at an affordable price for distributors and dealers.

I'd also like to thank the opposition for their support on this very important bill.

Thank you.

[Motion carried; Bill 55 read a third time]

Bill 43

Post-secondary Learning Act

[Debate adjourned December 3]

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. Certainly, there has been a lot said already about Bill 43, the Post-secondary Learning Act. There has been a flurry of amendments, but I cannot support this legislation. That's for certain. I feel very, very strongly that this is another act that is going to concentrate power where it doesn't belong, and that's with the provincial government. There is a perception that this is a government that decentralizes, gives power to the people.

9:50

An Hon. Member: To the people?

Mr. MacDonald: Exactly. But it is exactly the opposite. As the hon. Member for Edmonton-Highlands says: it's concentrating power in the hands of a few. When we consider what has gone on in this province over the last 10 years, this is another example of that. Now, you may not agree, and you can certainly participate in the debate, but we're also here when we remove tuition caps from legislation and leave it up to regulations.

We're also changing fundamentally our whole concept publicly of postsecondary education. It has been a tradition not only in this province but across the country, particularly since the Second World War, that we would make postsecondary education available to all those who, essentially, had the marks or the qualifications to get in. We have had a tremendous period of economic prosperity, and that, in my view, is a result of having affordable, accessible postsecondary education. Bill 43 is going to limit and it's going to restrict the accessibility and the affordability to many people of a postsecondary education.

I'm not going to go into any detail, but I will remind all hon. members of this Assembly of the republic of Ireland and how they have changed their economic fortunes and their demographic profile for the first time in centuries, where people are now moving to Ireland instead of away from Ireland because of the economic activity. The economic activity is occurring because they made postsecondary education as accessible as possible to all those who could qualify.

But what are we doing? We are allowing, through this bill, tuition fee increases, and the tuition fee increases are going to grow and grow to the point where only the very wealthy will be able to afford to send their children to our universities. I think that is wrong. Whenever we look at the history of this province and we look at the contribution not only of the University of Alberta but the University of Calgary and various other universities and colleges and technical institutes in the development of this province in the last 98 years, I

think we are going the wrong way with Bill 43. I think we're going the wrong way for a number of reasons.

When we require universities to submit regular business plans to the Minister of Learning, when we prohibit strikes, when we give the minister the right to order audits and dissolve students' associations as well as dissolve university boards of governors, when we talk about removing the 30 percent tuition fee cap from legislation and leaving it up to regulations, we are talking about limits, exemptions, to municipal zoning for universities, and recognizing some of the changes that have occurred as a result of the amendments that were discussed, but we are requiring postsecondary institutions also to get government permission before expropriating land.

There are a number of issues in this bill certainly, but it would be very difficult to support this bill and then read about a student who essentially, through no fault of their own, could not afford to go from, let's say, McNally high school next year to the University of Alberta, and that probably will occur. I'm just picking McNally high school as an example, but you cannot support a bill that is going to restrict and limit postsecondary education.

Is underfunding the problem for our universities? Should we fund them in a different way? Other jurisdictions do, but here we want to restrict and we want to limit who can get in, and once they get in, we want to also restrict what they can say. Well, with student governments, student associations, they could be in trouble if they say the wrong thing.

Mr. Mason: They could be dissolved like one of the school boards.

Mr. MacDonald: Well, hopefully, they wouldn't be dissolved like one of the school boards or like one of the regional health authority chief health officers, or maybe we could take a group of democratically elected officials like the regional health authorities and say that the people voted for you, but we don't want you. We want to have handpicked representatives who will essentially agree with our proposals.

Universities and students should be encouraged to stand up and speak their minds. John Kennedy once said, and I quote: a critical society is a free society. We should never, never, ever discourage students from standing up and speaking out. In a democracy that is essential, and students, in my view, should be encouraged to examine alternate views.

When you decide, well, we might have to audit this student association or we might have to dissolve this student association, what sort of message are we transmitting to those students and to their associations?

Now, I don't think that we should be interfering with student rights, and this has been discussed in previous stages of this legislation very thoroughly by not only the hon. Member for Edmonton-Riverview but the hon. Member for Edmonton-Mill Woods.

At this time in third reading I would urge all members to say no again to Bill 43 for the reasons that I have just discussed.

With those remarks, Mr. Speaker, I will cede the floor to another speaker. Thank you.

The Acting Speaker: Standing Order 29.

The hon. Member for St. Albert.

Mrs. O'Neill: To speak to the third reading of the bill, Mr. Speaker. I just wanted to say a couple of words with respect to Bill 43 this evening. I haven't had the opportunity as yet, and I'd like to take this moment to speak to the merits of it.

However, having said that, I do want to ask the question and put

it to everyone here, particularly in reference to the previous speaker's comments. I find it strange. Since when does examining the books limit students' ability to speak out freely? An incredible disconnect between those two points. So I needed to say that because I felt that the Member for Edmonton-Gold Bar has taken great liberties in going down a path of great irrelevance to this particular bill.

10:00

What I do want to say, too, is the fact that this is a consolidation into one act which governs postsecondary institutions in the province of Alberta. It speaks to governance responsibilities and to management practices that are, indeed, very necessary to have a consistency and to have the consolidation in one act with reference to the various institutions, how they are governed, how they are managed around this province.

It does speak also to sharing the responsibilities of governance with those who are not only members of the board of the respective institutions but those, indeed, who are members of the councils or organizations within those institutions. When I had the opportunity to sit on the board of governors of the University of Alberta several years ago, the chairman at the time assisted us in putting together our financial statements so that they were according to the generally accepted accounting practices in the business world. I can say that I felt that was a great opportunity and a great step forward to bring the accounting accountability or practices of the university in sync with how organizations of that magnitude and of those expenditures and revenues did report.

Why I bring that up is simply because I think that this act, indeed, takes it even a step further, enhances and consolidates those directives that we as a government feel are necessary in order to place in one act those principles, if you will, and practices that account for good governance.

There was consultation, as everybody knows, over the summer, this act having been introduced in the spring of this year. I believe that the consultation yielded some very good suggestions which are included in the amendments that were put forward by the minister with respect to this act. I think they took into account the comments that a number of stakeholders made, and I think they further enhanced the strength of this act.

I want to speak specifically to the establishment of a Campus Alberta quality council to, as the act reads, provide advice and recommendations to the minister. That speaks to the Campus Alberta quality council as different from that which would be an accreditation board or group. It is necessary and, I think, very helpful to those students who want to access our postsecondary institutions.

I'd also like to make a point. I don't believe that parents send their children to postsecondary institutions. I think young adults choose postsecondary institutions which they choose to attend. So, yes, there are many of us as parents who assist these young people in their choices, whether it be a technical institution, whether it be a college, or whether it be a university. However, I'd like to remind everybody that, yes, the young adult or the older adult for that matter who chooses to work towards a university degree also is making the best investment they can ever make in themselves and their futures, and that is by the role they play and how they participate in paying tuition.

For a government with public dollars who expends more than 50 percent of the cost of a student at one of our postsecondary institutions and what it costs for that student to be educated, I do indeed think we have a responsibility to put into one act, as it's here in this particular Bill 43, all of those rules of governance and, indeed,

management that will make for clear, accountable, and, I think, responsible reaction to what the public of this province expects.

So I would urge everybody to support this bill. Thank you.

The Acting Speaker: Standing Order 29.

Mr. MacDonald: A question, please, for the hon. Member for St. Albert.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. Given that Bill 43 empowers the minister to order an audit of student association finances and dissolve the union if the minister is not satisfied with the results and given that student associations already comply with auditing requirements, does the hon. Member for St. Albert not consider that to be undemocratic and oppressive and that the provincial government should not be interfering with elected student governments?

Mrs. O'Neill: Mr. Speaker, in response to that, first of all, I don't find it undemocratic. I think that the students' unions would welcome the opportunity to open their books for such scrutiny should they be needed. [interjections] I'm sorry. I'm not getting the . . .

The Acting Speaker: The hon. Member for St. Albert has the floor.

Mrs. O'Neill: The point that I wish to make is that I believe that the students who are members of student unions are very responsible. I think that they do manage their finances very well, and there should be no problem, if they wish and as their current practice is, to allow others to look at and scrutinize their expenditures if the need arises, and I would assume that probably it won't.

Thank you.

The Acting Speaker: Hon. Member for Edmonton-Centre, are you rising to ask a question? Anybody else have a question?

Seeing none, the hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker, for the opportunity to speak to Bill 43 in third reading. Just given my scheduling I haven't been able to participate in a lot of this debate, so I'm glad I was afforded the opportunity to make some additional comments.

First off, I just wanted to respond to a comment that the Minister of Learning had made to me after my initial comments in second reading. I think he afforded himself the opportunity to question me directly after my debate and was asking if I had met with the board of governors for the various educational institutions in my riding, and when I indicated that my loyalty, my responsibility was to my constituents, many of whom were students – indeed, I had met with them – he appeared to dismiss that and put forward that if I hadn't spoken to the institutions, well, then what I had spoken to didn't count.

I found that a really interesting comment, because I would put to the minister that I have a duty to a number of different constituencies beyond just the board of governors for any given institution. I think we all have a duty for . . . [interjection] If the minister wishes to speak, the minister has the opportunity to get up and speak. It's his bill. He's got closing comments, and he can question me afterwards, so he doesn't need to heckle me in between.

I think we have a duty to the parents of people that are attending institutions. I think we have a duty to the students that live in our

riding. I think we have a duty to the general public overall for advanced education in our province. I think that included in that is a duty to the business community around advanced education and postsecondary institutions, including institutes of technology.

So for the minister to be somehow putting to me that in not speaking to the board of governors of the institutions in my riding I have, therefore, lost my moral right to speak out on this – I refute that. I think we have responsibilities not only as MLAs but wider responsibilities as legislators, especially around postsecondary education, to a number of constituencies. [interjection] I can see now that the Minister of Environment has awoken and is back to his usual heckling commentary, so this could be a much longer evening than we had anticipated. [interjections] His colleagues are advising him to return to his slumber, and that might be a good idea at this point.

10:10

I did want to make that point to the minister because I think that this debate should and in some cases did involve a lot more than just speaking to the board of governors, and I don't think that speaking to the board of governors should have been the be-all and end-all of any debate around this. Nor does a lack of speaking to them somehow remove an MLA's ability to speak on this issue. I wanted to come out and refute that point.

This is another one of the bills that we had brought forward as part of the 2003 government agenda which were very large, comprehensive bills that had a very far-reaching potential effect on Alberta society. The bills were, for the most part, introduced in the spring and left over the summer, and then we came back in the fall with large amendment packages. I'm thinking of three different bills now that came in with, you know, 20 or more pages amending 80 or a hundred different clauses in the bills. It's a challenge, I'll admit, for the opposition, with our more limited resources, to be able to go through huge amendment packages and scrutinize them and be able to spend the time that we would like to on them. That isn't always possible. I think there was some movement in what was being asked for, certainly, by the student groups, but let me go through the concerns that I raised in second reading to see how much got addressed or where, indeed, there was movement on various issues of concern.

We still have the removal of the 30 percent cap on tuition, and I think that that is of great concern. It's certainly of great concern to the students that have spoken to me, but I've also heard now from parents and grandparents and people on the street and people in the bank lineup with lots of heartfelt consideration about the importance of access to postsecondary education. My colleague from Edmonton-Gold Bar had raised the excellent example that we have before us of Ireland, where they decided to make education an investment rather than an expense, where they were looking to make that as accessible as possible and to move that by investing in education and taking a very wide-ranging and holistic attitude toward it, including bringing in the business community and other communities. They were able to leapfrog their entire country forward by decades in their world standing. That's an excellent example for us.

One of the arguments that I often hear used by the government is concern about passing on intergenerational debt. I have long used the example of student tuition, university tuition in particular, as an example of how, in fact, there was an almost instantaneous transfer of intergenerational debt through the policies of this government. In their zeal to cut back on programs, to set aside money – and frankly, with the oil and gas that was coming out of the soil under our feet, they've been able to sock money away to pay down the debt, the fear

being that they didn't wish to pass this debt on to the next generation.

Because of the choices that were made about budgeting and how we set this money aside from a surplus to pay down this debt, I would argue that we have policies like we see before us around university tuition, postsecondary tuition, which have in fact resulted in an immediate transfer and a new creation of debt. I mean, it just didn't happen. Nor would it have been commonplace or accepted that most students, a lot of students, would be coming out of postsecondary educational institutions with \$20,000, \$25,000 debts. I know that some of my constituents have talked to me about \$40,000 debts if they are in some of those faculties like law or medicine, which are more expensive. So I argue that the removal of the 30 percent cap on tuition in fact advances that transfer of intergenerational debt and accelerates it.

Fundamentally I just disagree with the choices that the government makes around tuition and accessibility for people, because with that goes that whole package of student finance and access to loans. That loan system that we have now assumes that if your parents have enough money, they're going to be willing to pay. Well, you know, as the Member for St. Albert pointed out, lots of times students choose to follow a particular course of study and they don't have the support of their parents, but given the student finance setup that we have right now, those students can't get a student finance loan. They've got to look for alternative sources of funding, and that can cause them additional debt load. So I think there are a number of problems around an attitude toward tuition and the expectations that we have around tuition. So I don't feel that this was resolved at all.

Another area that I spoke about was banning strikes in the universities and colleges. There has been some movement in this area. The amendments moved this bill towards a binding arbitration situation, not the ideal that I was hoping for. I still believe in a collective bargaining process and a respect for a collective bargaining process. I don't see that in what's before us. So that was some improvement but not as much improvement as I've been hoping for in that particular area.

The empowerment of the minister to order the audit of student association finances and dissolve the unions: there's been a softening here of the intrusiveness or requirements from the minister. You know, the student unions had always produced audits which were available, so I still view what's possible here as a control factor, as the setup for the minister to be able to use this legislation to bring the hammer down on student associations, to control them for whatever reasons, and I object to that.

These are student unions which are elected by their student bodies. I think they have to, need to work with the other communities in that larger university or postsecondary sector, but I disagree still with the control that's being exerted here and the potential of the threat that is implicit in that. There is a paternalistic viewpoint here or a need for control that I question. I don't find it a healthy relationship, but I do recognize that the minister did move on some of the restrictions there, and I give him credit for that.

I continue to have concerns with the overall concept of interference in academic pursuit and the independence, the free thinking of postsecondary institutions. I still believe that this bill will put a chill on academic freedom and independent thought. The requirement of the Learning minister to approve the business plans I think will have a direct or possibly an indirect chill on that sort of pushing forward that we expect to come out of our free-thinking institutions.

There were a couple of things that I had approved of originally, and they remain intact in the bill. I thank the minister for not bringing forward amendments that would have minimized the positive effect of that, and that is around the universities requiring

approval before expropriating land and giving city councils more say over how universities use their commercial property.

10:20

I have to say that I think one of the other unexpected results of this bill was an opportunity for students and, indeed, younger people to get involved in the process of the creation of legislation, to come to understand the relationship between ministers and cabinet and backbenchers. I know we have some faithful attendees from student groups that have come a number of times to watch from the galleries and, in fact, go back and forth between the public and the members' galleries. That was an unexpected but I think very positive development that came out of this bill and this proposed legislation. It did become a lightning rod for students to begin to develop an understanding of how this democratic process works and how they can influence it.

I'm very encouraged by that, and I hope that the students and their friends and families that got involved in this advocacy movement understand what a terrific job they did in both coming to understand the issues themselves, in educating their fellow students, their peers and families and friends on the issues and even a wider population beyond that. I think that's a very positive outcome of this. They did an excellent job, and I also think that to a certain extent they did it with great style and panache. Good on them. They need to understand that this is the beginning, not the end.

Thank you.

The Acting Speaker: Standing Order 29?

There being none, the hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I want to address this bill and put on the record some of my concerns with respect to the bill and the direction that we've seen of late. I want to start with tuition fees. When I was on city council a few years ago, we were invited to a lunch by the board of governors of the University of Alberta.

Ms Blakeman: Just a few?

Mr. Mason: It wasn't very long ago. It might seem like a lifetime ago, Mr. Speaker, but it was just a few years ago.

The council was invited by the board of governors of the University of Alberta to a luncheon in the beautiful Timms Centre. It was all catered, and it was quite lovely. There was some discussion, and we heard a presentation from the president of the university, Dr. Fraser, and they invited comments from the members of city council about issues at the university.

It was interesting. Some of my colleagues on city council who were rather of the conservative bent, I might say, and would make some hon. members here look downright liberal raised the issue of student debt and raised the issue of high tuition fees and the concerns that they were hearing in the community. Other councillors joined the refrain. It seemed to be the main theme.

So if municipal politicians are hearing it – and I know as a provincial politician now I'm hearing it, and I'm sure other members are hearing it – it's got to be a concern of the grass roots of this province. You know, it was interesting. Some of the public members on the board of governors are people who are appointed by the government itself, and they're not just from Edmonton, because it's a provincial institution. They're from places like Red Deer and Grande Prairie and so on. There was obviously a resonance, because they had some of these concerns themselves.

So the question is: why are tuition fees rising so quickly? Well,

the University of Alberta and other postsecondary institutions in this province have aspirations. They want to be the best postsecondary institution in their area, in their field, in the world in some cases. They would like to be able to do more things. They'd like to be bigger. They'd like to be better. They'd like to be more innovative. They'd like to attract the best people: the best researchers, the best teachers. They want to attract grant money for research in the case of universities, and they need money to do that, Mr. Speaker. The government has a policy, on the face of it, of supporting the quest of our postsecondary institutions for excellence.

I am convinced that most postsecondary boards, at least the public members, really are torn on this question of tuition fees because they know that it's turning out to be a lot of money, but they need the money from somewhere. They're not getting the money they need from the government, so they turn to the students. This is the door that's left ajar for them by the government, and it's been limited in the past only by a 30 percent rule.

I've never liked the 30-percent rule, quite frankly, Mr. Speaker, because I've always felt that in some ways it was a bit like the driver of the cart with the horse or the donkey who holds the carrot on a fishing pole out in front of the donkey so that the donkey is always moving towards the carrot, so the cart moves along. I've always felt that it's like the carrot on the stick for postsecondary institutions to always be pushing up the tuition fees a little bit towards that goal. As is usual here, no matter how bad things are, they can always get worse. So as some of the institutions have maybe got a little bit closer to that carrot, the government has decided to let them eat it, and they're going to take off this 30 percent cap.

So what does that mean? There are still some limitations. It's been replaced by some limitations. It's sort of a nod towards the concern that completely unregulated tuition fees will go the way as completely unregulated electricity, that we'll see a dramatic increase in price. I think the minister has given a nod in the direction of those people who have the concerns that increases to tuition could accelerate, and they'd have a real problem on their hands.

Mr. Speaker, I know that postsecondary institutions are full, and I know the government's fondness for market mechanisms to control supply and demand, but I really don't think it's suitable in the case of education. I guess I'd have to ask the question: if provinces poorer than our own can freeze tuition over a period of time, why can't we do it in Alberta? Well, the answer is: we can do it in Alberta. So the question then becomes: why do we choose not to? Why isn't keeping tuition at an affordable level a priority for the government? What are their other competing priorities that interfere with this objective?

Well, we know that the government has a very strong commitment to debt reduction and has been putting an enormous amount of money towards debt reduction. We know that the government wants to be a low-tax environment, and they have a four-year program to cut corporate taxes by a billion dollars. Now, the government argues that a tax cut for corporations will have beneficial effects on the economy. And I hear some thumping in the back corner, Mr. Speaker. Maybe it will; maybe it will. But I would submit to you, Mr. Speaker, that a far better investment for that money, if you want to produce economic growth and economic development, would be to invest it in our education system and specifically in postsecondary education and making that education accessible to everyone.

10:30

Economists who've looked at this would really make a serious argument that investing in education is a major impetus to economic development and growth. In fact, what it does is it allows Albertans of all walks of life to participate on a more equitable basis in the

economic growth of the province. It not only produces economic growth in and of itself; it equalizes the economic opportunity of Albertans, so it's a very good objective to have. I believe that tuition fees and student debt is a major disincentive towards people from this province being able to pursue a postsecondary education.

I note, Mr. Speaker, that in terms of our percentage of students that finish grade 12 – are we the lowest in the country? Very, very nearly, if not the lowest in the country. We are very near to the lowest, so I think this is a real issue for many Albertan families.

Many middle-class, working-class families in this province are faced with very hard decisions about whether or not to go into the workforce or to continue on with their schooling. I think that the evidence bears that out. So I am concerned that the 30 percent guideline, as bad as it is, has been replaced with something that will be even worse.

Secondly, I want to talk about the autonomy of student associations. Mr. Speaker, like some in this House I got my start in politics in university politics and worked as well for an organization of postsecondary students in the province. I was impressed with the ability of students to govern their own affairs and manage significant assets, manage political issues, and I think that as adults, as they are, they need to have some protection from interference by the government.

Normally, postsecondary institutions' administrations pay close attention to their student association or student union and have, in my view, sufficient powers now to make sure that things don't get off the rails, or if they do get off the rails, they have the power to get them back on the rails. When I say power, I'm talking about a variety of influences and not just the power to just put them in trusteeship or something of that nature.

There's no need to give additional power to the minister over student associations in this province. I don't know what the case for that is other than a desire to centralize power in the hands of the minister, and I think a highly centralized education system with excessive power in the hands of the minister is not in anyone's interest, Mr. Speaker. Yet that seems to be a trend.

The minister has recently taken some credit for the Edmonton public school board's accomplishments. I just want to draw people's memory back to the history of conflict that we've seen between this minister and that school board over the last year or so. There were floated thoughts of dissolving the board that appeared in certain accounts. There was an audit. When the school board disagreed with the minister, he sent in the auditors. I think, based upon what's happened over the last year or so, it's really a bit cheeky for this minister to take any credit at all for what the Edmonton public school system has done and the school system that it's built up because they've operated under difficult conditions with a hostile minister to continue to provide some of the best education in the country, if not the world.

Mr. Speaker, I think that we need a more inclusive, democratic model with more sources of authority than the minister. We need to have an education system, including a postsecondary education system, where autonomy is respected, where differences of view and freedom of speech are respected, where employees are allowed to speak their mind if they feel that there's something wrong, where unions – yes, even unions – are respected, and the constant attempts to centralize power and to stifle dissent in the education system in this province is, in my view, unacceptable.

I see certain provisions of this bill as furthering those trends, and so I'm afraid I'm going to have to not support the bill for that reason. I urge other members to reject this bill and go back to a consultative process so that we have a more broadly pluralistic and democratic

education system in the province than the one that's envisaged in this bill.

So, Mr. Speaker, I see my time is up.

The Acting Speaker: Hon. members, Standing Order 29.

Anybody else wish to speak on the bill? The hon. Minister of Learning to close debate.

Dr. Oberg: Thank you very much, Mr. Speaker. Thank you to everyone who has joined into the debate. There have been a lot of issues that have been raised. There have been a lot of issues that have been dealt with. It's just unfortunate that more people didn't actually read the bill before they talked to it. It would have been nice, but it's been a good debate. Let's have the vote.

[Motion carried; Bill 43 read a third time]

Bill 53

Insurance Amendment Act, 2003 (No. 2)

The Acting Speaker: The hon. Member for Medicine Hat.

Mr. Renner: Thank you, Mr. Speaker. It's my pleasure to move Bill 53, the Insurance Amendment Act, 2003 (No. 2) for third reading.

The Acting Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I have an amendment which I would like to propose on third reading.

10:40

The Acting Speaker: Hon. member, in order for the amendment to be dealt with, I believe you need to provide your signature on it. For debate purposes we shall refer to this as amendment A1.

Mr. Mason: Thank you, Mr. Speaker. I appreciate that.

I'm not going to be long on this one, Mr. Speaker. The motion is that third reading of Bill 53, the Insurance Amendment Act, 2003, be amended by deleting all words after "that" and substituting the following: "Bill 53, Insurance Amendment Act, 2003, be not now read a third time because the bill discriminates against Alberta drivers based on geographic location."

Mr. Speaker, the government has done one thing in Bill 53 that is positive, and that is they have eliminated discrimination based on age and based on gender. They did that because the public would no longer accept that kind of thing. They have failed, and they have given many reasons, none of which I accept, by continuing discrimination based on geographical location. In my view, it could easily have been dealt with, as easily as eliminating discrimination based upon gender and age. I think that we ought not accept any bill that continues discrimination, in particular discrimination based against Edmonton.

The Acting Speaker: The hon. Government House Leader is rising on a point of order.

Point of Order Similar Amendments

Mr. Hancock: Yes, Mr. Speaker. In terms of the wording "the bill discriminates against Alberta drivers," is that all Alberta drivers? It doesn't make sense on the face of it.

Secondly, it appears to be a similar amendment to an amendment which was dealt with, I believe, in committee. With respect to the

question of geographic location, I believe an amendment was brought forward by Edmonton-Gold Bar.

The Acting Speaker: Hon. member, do you have a citation for the point of order?

Mr. Hancock: For starters, Mr. Speaker, 23(f), which “debates any previous vote of the Assembly unless it is that member’s intention to move that it be rescinded.”

The Acting Speaker: The hon. Member for Edmonton-Highlands on the point of order.

Mr. Mason: Thank you very much, Mr. Speaker. I would argue that there is a fundamental difference between an amendment to the bill, which would change the text of the bill, and a reasoned amendment, which basically says that the bill is not to be read because of a certain thing. They are entirely different motions. It would be my view that the hon. Government House Leader has no point of order at all.

The Acting Speaker: Hon. members, the point of order being raised deals with a matter that was dealt with at committee stage. We are currently in Assembly. As for the Standing Orders there is no contradiction. This amendment is in order.

The hon. Government House Leader.

Point of Order Reasoned Amendment

Mr. Hancock: Mr. Speaker, on a separate point of order, then, I would suggest that this amendment is out of order because as a reasoned amendment in *Erskine May, Parliamentary Practice*, page 505, “The amendment must not be concerned in detail with the provisions of the bill upon which it is moved, nor anticipate amendments thereto which may be moved in committee.” Of course, it is an amendment which could be moved in committee because it deals specifically with an amendment which was dealt with and rejected in committee. Therefore, it’s out of order as a reasoned amendment.

The Acting Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. Nice try, to the Government House Leader, but it does not anticipate something that would be done in committee. Since it comes after committee, how can it anticipate something that has already passed?

The Acting Speaker: Hon. leader, what page were you referring to in *Erskine May*? Page 505? Okay. Hon. members, the chair has been advised that as per the rules that we apply in this Legislature, the amendment is in order, so we shall proceed with it.

Debate Continued

Mr. Mason: Mr. Speaker, well, you know, why is the Government House Leader so desperate to prevent this motion from being put? Why? Well, you know, we might ask the hon. members for Edmonton-Glenora or Edmonton-Beverly-Clareview or St. Albert or Edmonton-Calder, Edmonton-Meadowlark, Edmonton-Mill Creek, all representing Edmonton or the Edmonton area. I know they’re here tonight, and I know that they’ll want to get up and stand with the opposition on this motion and stand up and defend Edmonton and protect Edmonton from being singled out for discrimination by this government in the bill.

So, Mr. Speaker, I just want to indicate that there’s a lot that’s bad about this bill, but the one thing that I think is unconscionable is to permit the discrimination on insurance rates against Edmonton and the Edmonton area. You know, the government has done a good thing. I’m willing to give it credit. They got rid of discrimination on the basis of age, they got rid of discrimination on the basis of gender, and they’ve said that the insurance industry could no longer do that. But they’re going to take three years to phase out discrimination against Edmonton. Well, it’s unacceptable. As an Edmonton MLA I have to take a stand against this, and I urge all colleagues from Edmonton and region to take a similar stand against this and send this bill back to the government so that it can be produced in an equitable and fair fashion for all people of Alberta, including the people of the capital region.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I’d like to speak against this amendment, and I’d like to speak against this amendment on two points. First of all, the amendment doesn’t refer at all to discrimination against Edmonton drivers. It talks about discrimination against Alberta drivers. I presume that means that because of his socialist philosophy he would like us to have the regime that they have in Saskatchewan.

But there’s a more important and pressing reason why we should not vote in favour of this amendment. First of all, it is, in effect, an amendment to say that the insurance bill that’s before the House should not be passed. That would be a way of eliminating the whole area that we’ve engaged in with respect to removing the discrimination by age, gender, and marital status, which, the member has already indicated, are very important discriminations to eliminate. It will also result in Albertans having to be at the beck and call of the insurance companies with respect to increasing rates if they decide to do so, because we won’t have in place the mechanisms necessary to freeze the rates, and we won’t have in place the mechanisms necessary to put in place a fair rate structure, which is necessary to eliminate the age, sex, and marital status discrimination.

10:50

Now, the question of geographic discrimination is very important, and it’s a question that members from Edmonton have raised in caucus and raised in discussions on this bill and that other members from the surrounding area have raised, in fact that members of caucus have taken into account in discussion. First of all, there was not a clear understanding, I think, in the public and even with this member and maybe others that there was geographic discrimination in the first place, so that came as a bit of an interesting piece of information. But knowing that, then the question was: if we’re eliminating discrimination in this bill, why would we not eliminate all types of discrimination in the bill? A very good question and a very laudable goal.

Why can’t we do it now? One of the goals and the primary goal of the legislation is to keep insurance rates for good drivers in Alberta that have the best rates at least at their present level if not lowering them. It’s a very difficult thing to do, as the hon. member well knows, given that there are lots of rates for those drivers, young drivers and older drivers, whose rates are very, very high. To bring them down to the standard rates, that’s a very, very difficult thing to achieve in and of itself, but under the guidance of the Member for Medicine Hat we’ve come up with a plan that seems to be able to do that. A very difficult task. The member has dedicated a lot of time and effort and worked with the stakeholders to achieve that.

So the question then, Mr. Speaker, is: should we throw that whole process out because it's, again, even more difficult to achieve the laudable goal of removing geographic discrimination at the same time? The answer to that is clearly no. The answer to that is that we should make the progress that we can make now, and we should work diligently on further progress to eliminate that one further factor. That, in fact, is what government has agreed to do, and that in fact is what the hon. Member for Medicine Hat has indicated in this House, that over the next three years, even more quickly, I would suggest, if it can be found possible to do, we would remove that geographic discrimination. How can we do that? We can do that by improving our traffic safety across the province and particularly in Edmonton, where there appear to be more accidents and more damage payments than in other parts of the province, which is why the higher rates are there in the first place. So we can improve our traffic safety, and if we do that, that means that consumers will save because the payout pool will go down. When the payout pool goes down, under this very important insurance reform the rates for consumers will go down.

So that's a very important reason to have this bill now: so that we can take out the discriminations which are extant at the current time for age, sex, and marital status, and we can have the opportunity to work diligently to remove the geographic discrimination which, quite frankly, most people didn't know existed. Now that they know it exists, we ought to try and remove it. We can remove that by improving our traffic safety record, by lowering the damage payout pool. We can improve it through the mechanisms which have been proposed to reduce damage payments and adjusting costs by improving the process under which those are determined. We can do that over the next two to three years, sooner if possible, so that there are equitable rates across the province based on driver experience rather than based on the category of person or the geography of area that you live in.

So it's important to defeat this amendment because it's political grandstanding by the hon. Member for Edmonton-Highlands trying to show that he's standing up for Edmonton, whereas by passing this amendment, he will actually be putting drivers in Edmonton and drivers right across this province at peril.

The Acting Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. Given the sudden vigour of this debate, I'm wondering if under citation 32(2.1) I could request unanimous consent to waive suborder 2 to shorten 10-minute intervals between any division bells that may be called on this particular vote. Could we shorten that to one minute?

[Unanimous consent granted]

Mr. MacDonald: It doesn't matter, Mr. Speaker, whether we're talking about insurance or electricity deregulation in this province; an accident is an accident.

In light of the hour and the fact that the Conservative Cinderellas have to be home by midnight, I will keep my remarks short. I would urge all members in this Assembly to support the amendment proposed by the hon. Member for Edmonton-Highlands. When we look at the Alberta Finance presentation from October 15, 2003, this is sort of the draft of Bill 53. Now, I don't know if this is still on the government web site or not. I know the rate calculator isn't, for obvious reasons. Whenever one looks at this, Mr. Speaker, and one looks at the amendment, the amendment urges that Bill 53 "be not now read a third time because the bill discriminates against Alberta drivers based on geographic location." That location at this time is Edmonton.

Now, we look at the different classes of drivers that are referred to, vehicle use classes that are referred to in the KPMG study, the actuarial study that a lot of this legislation is based on. Drivers have paid for the actuarial study, but they have yet to see it. You've got class 1: pleasure use, short annual mileage. You've got class 2: pleasure use, long annual mileage. You've got class 3: driving to and from work or school. Class 4: driving to and from work or school. There's a distance here separating classes 3 and 4 if you use your vehicles less than 16 kilometres or more than 16 kilometres in a daily trip. Now, also, class 5 for business purposes and class 6, farm use, vehicle of a farmer used for pleasure.

If you carry on here – and this is where it gets interesting, Mr. Speaker – the benchmark premium rate. Is there discrimination against Edmonton drivers? Well, we look at the first class in Calgary – and this is for third-party liability – \$200,000. In Calgary the premium rate is \$1,345. In Edmonton it is \$1,586. In the north it's \$1,003 for the same class.

Now, the second class of driver. If the second class of driver, for instance, was to have third-party liability of half a million dollars, in Calgary that would be \$1,622. In Edmonton it would be close to \$300 more, \$1,900.

We can go to the third class, and we can say, Mr. Speaker: let's have a million dollars' worth of third-party liability. In Calgary that would cost someone in the third class \$1,800, and in Edmonton it would cost \$325 more. Now, in the remainder of the province that insurance, let's say in Lloydminster or Vermilion, would cost \$1,471.

So why are Edmonton drivers according to this actuarial table, that was the flagship of this bill, forced to pay more? They certainly are if you look at these tables, and I would encourage all hon. members to have a look at this. This city and its drivers are being discriminated against by this legislation for no apparent reason. If the roads are unsafe, if the drivers are motoring in a dangerous fashion, show us. Prove it to us – prove it to us – because you won't release your own statistics. This is another chance. This is another chance. You had two chances in this Assembly, all hon. members, to roll back the third-party liability portion of automobile insurance premiums by 15 percent and save a considerable amount of money. A hundred and fifty million dollars could be returned to motorists. But two times – two times – you said no to rollbacks. So this amendment gives you a third chance.

11:00

Last night after midnight – and I don't think there was a curfew – there were very few members who were recorded in the vote. Now, what we need to do is reconsider, Mr. Speaker, take the amendment as proposed by the Member for Edmonton-Highlands. Do the right thing and vote to end this geographic discrimination against the drivers of the city of Edmonton.

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Glenora.

Mr. Hutton: Thank you, Mr. Speaker. I have just listened to the hon. members for Edmonton-Highlands and for Edmonton-Gold Bar, and I want to encourage the members of this Assembly to vote down this amendment.

When I first was presented with the hon. Member for Medicine Hat's proposal, I was stunned, as was the Government House Leader, were discrepant numbers with regard to geographic charges, that we in Edmonton are bad drivers. We asked the hon. member to go back and see if he could find a compromise, and he did that with the Department of Justice, with the Finance department, with the

Minister of Transportation's department, with the Government Services minister and brought this back. It is a lot of work that went into this. I commend the hon. member for doing that because we want to have young drivers out on the streets working jobs in this city as soon as possible at a lower rate. That was the motivation behind the legislation that we're bringing forward here. A lot of these young drivers who have no record are coming into the workplace and can't even be hired because it would be too prohibitive.

This is striking a balance. We always talk about that as legislators, that we have to strike a balance. When we raised this, taking three years to level the playing field I think is reasonable and commendable for this member. As a representative of Edmonton, again, I was surprised that we're such lousy drivers. I am glad that the Minister of Transportation has gotten involved in looking at prevention so that perhaps we'll become better drivers and we won't need actuaries to come back and tell us that we're costing the system too much money.

So I just want to reaffirm what the Government House Leader has said. This is grandstanding by the hon. Member for Edmonton-Highlands. He wants to say that he is standing up for Edmonton and we are not, and I believe we are. We're standing up for young males and unmarried individuals in Edmonton, and I think that's commendable.

Thank you, Mr. Speaker.

The Acting Speaker: Hon. Member for Edmonton-Highlands, you've already spoken.

Mr. Mason: Can I close, Mr. Speaker?

The Acting Speaker: No. Not on the amendment.

[The voice vote indicated that the motion on the amendment lost]

[Several members rose calling for a division. The division bell was rung at 11:05 p.m.]

[One minute having elapsed, the Assembly divided]

[Mr. Shariff in the chair]

For the motion:

Blakeman	Mason	Taft
MacDonald		

Against the motion:

Amery	Griffiths	Maskell
Boutilier	Hancock	McClellan
Calahasen	Hlady	Nelson
Cao	Horner	Oberg
Coutts	Hutton	O'Neill
DeLong	Jablonski	Pham
Doerksen	Jacobs	Renner
Ducharme	Knight	Smith
Dunford	Kryczka	Taylor
Fritz	Magnus	Yankowsky
Goudreau	Marz	Zwozdesky
Graham		

Totals:	For – 4	Against – 34
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[Motion on amendment to third reading of Bill 53 lost]

11:10

The Acting Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I rise to join in this exciting debate on Bill 53, the Insurance Amendment Act, 2003 (No. 2), at third reading and just to make a few comments from my perspective and to reflect some of the views some of the constituents in my area have also enunciated, all within the parameters of the particular stage that we're at.

Before I do that, I want to sincerely thank and congratulate the hon. Member for Medicine Hat for an enormous amount of work that I know he personally put into this. A great deal of study has gone into this. I know he's looked at every aspect imaginable, taught many members on both sides of the House, I suspect, a lot more than we ever cared to know about automobile insurance and so on. He's looked at other jurisdictions, done some comparable rate shopping, I'm sure, and had the good support and a lot of good effort also from the Provincial Treasurer, who's ultimately responsible for this. I just wanted to go on the record saying thank you for the enormous amount of work that they have done leading up to this.

Just to review a couple of issues, Mr. Speaker. The issue of having unacceptable increases coming at us as they were in the spring was quickly recognized by the government. It was time to do something about that. In fact, that's what Bill 53 will do. We know that there were claims made by individuals about not only skyrocketing rates and premiums but also about rather lavish profits having been made within the insurance industry. Now, profit in itself is not a bad word, but there has to be a balance there when you're providing a service, of course, that is absolutely required and essential. In fact, automobile insurance is a requirement for everybody who is an Alberta driver, and you're required to carry – what is it? – at least \$200,000 of liability coverage. So in this case a review was prompted, and I think we've come up with some solutions. Granted, it will take a little bit of time still to bring all of the good work of Bill 53 into effect, but I am confident that it will be done.

Secondly, Mr. Speaker, once the bill is passed and the particular proclamation has been received and the regulations are finalized and developed and so on, we will also see the impact in full of many things such as the insurance rate freeze that has been talked about, and that is a very good thing.

I am also encouraged that there are some incentives built into this particular bill, Mr. Speaker, which have been the subject of much debate here, and I'm also encouraged by the so-called discrepancies or discriminations that have been addressed. Other members have already indicated that discriminations will be eliminated with respect to age, gender, marital status, and so on. So, too, will this issue of so-called discrepancy or geographic discrepancy regarding premiums or billings be eliminated, although it will take a little longer than we all would like to do.

Nonetheless, it is important to recognize that this is an extremely complex issue and that it is the insurance companies and their brokers who are providing this service. As part of the relationships that we all have with those companies and brokers, it's important to take the due diligence required to make sure that we get it done right.

I have to say that I want to really emphasize that I would venture to say 95, maybe 99 percent of Albertans didn't even know that discrepancy existed on a geographic basis. One of the good works done by the Member for Medicine Hat was to flush that out, and I congratulate him for doing that. We will now fix that problem which we were not acutely aware of.

The other parts of this bill that address damages for suffering, be they medical or dental or rehabilitative in nature or whether they

affect income continuance or hospitalization or so on, they will be addressed very satisfactorily. In fact, I was interested to note that the accident benefits for medical and rehab costs will in fact be increased from \$10,000 to \$50,000. We will be eliminating so-called double recovery of compensation. Claims for lost income will be based on net wages. Insurers will be required to provide coverage to all drivers. Premiums will be varied throughout the province and then differences will be eliminated between Calgary and Edmonton, as I've referenced earlier. There are many other good benefits to this which, for the record, need to be noted.

One other important aspect of all this is the consumer protection side. Mr. Speaker, page 6 of the bill, section 7, which amends the bigger section 627, clarifies consumers' interests with respect to increasing limits of coverage. In fact, consumer protection overall is addressed. There are a couple of things that I just want to specifically highlight here. Again, based on phone calls I've received, some concerns were referenced with respect to this. For example, in the case of disputes over whether an injury should be considered serious or not, an independent medical assessment would provide nonbinding decisions. Furthermore, binding decisions would be pursued through the courts. Finally, consumers with other concerns about their insurance companies' practices can, of course, contact the Alberta Insurance Council. Those are just a few examples of some additional consumer protection that is built in.

The issues of a medical nature such as proper and prompt diagnosis being provided for injured victims – that issue has been raised to my attention, and it will be abundantly addressed through this act and through the accompanying regulations.

Then comes the favourite section, I'm sure, to some members, and that is that issue dealing with minor injuries, Mr. Speaker. I know that regulations will be forthcoming, and I'm particularly interested in the definitions that are being developed because they are being developed by a very thorough process led by the past registrar of the Alberta College of Physicians and Surgeons, who, I think, is well known to members of this Assembly and who, in my opinion, is a very credible individual. But he's not doing this alone. He's leading a consultation that will include – and this is a key part – representatives of injured people, representatives of insurers, the legal community, health care providers, and so on. So it will be a very thorough panel that comes up with these particular definitions and the cap issue that has been referenced.

I do note, and I have said before, that it's not for me to determine what the level of the cap is, but suffice it to say that great discussion has already occurred over many, many weeks, I'm sure, in determining something that is palatable. I'm not personally a particular fan of caps as such, but I understand the reason and the rationale behind them. If in the end, Mr. Speaker, we're able to save \$250 million because the whole package has come in, it would be difficult to separate or extract one of the key components, and that is the cap issue, which has to be restricted to minor injuries as will be clearly and specifically defined by medical and other experts who understand those matters extremely well. So I understand the rationale for that.

Furthermore, I note with some interest a section here that hasn't been referenced a whole lot, to my recollection anyway. It's on page 11, Mr. Speaker, and it deals with

establishing and governing a system or process under which a person or a committee, panel or other body may review any injury to a person and give an opinion as to whether or not the injury is a minor injury.

That will be sufficiently addressed, as I've just indicated.

Just to move on and start to wrap up here, Mr. Speaker, one other important aspect is on page 13. That talks about establishing the

automobile insurance rate board. The powers and the duties of that board are something I'll just refer readers of *Hansard* and people interested in the bill to have a look at because it's very specific about some improvements that need to be made and will be made. Under the premiums for basic coverage, where this particular board will have the power to determine and set premiums for basic coverage, that will be done on an annual basis. I think this is a very laudable provision.

Secondly, there are also prohibitions, which I won't get into right now, but they're adequately addressed.

The issue of having a dispute resolution mechanism is another issue that has been brought to my attention by several individuals. They were asking, Mr. Speaker, how it is that through this bill complaints might be resolved. Well, there it is. It's all spelled out on page 24 of Bill 53. It will be, of course, on a different page once the final bill is printed, I suspect. Premiums or the basis on which premiums were determined or the availability of insurance and how it's provided and so on will all be clarified, and that is a very good thing.

11:20

So let me conclude by simply saying: what is it that Albertans want through all of this review? My impressions based on phone calls and based on listening to debate in the House and coverage and studies and everything else that I've reviewed is that, first of all, Albertans want choice in insurance, they want variety, they want availability, they want affordability, they want predictability, and they certainly want something that is stable. This complete, thorough review, this bill, and the subsequent regulations, in my view, will provide all of that. Those particular objectives, Mr. Speaker, are in fact hallmarks of this government. Providing consumers with choice and variety where we are able to or where we need to, providing affordability, stability, predictability, and so on, are all well documented, and this province has received numerous accolades, as has our Premier, for that particular leadership.

What Albertans do not want is a system that without this bill would have continued to see these rates and premiums skyrocketing the way that they were. Nobody wants to pay increased premiums for being good drivers. This particular bill provides incentives for people to not only be good drivers but to become good and better drivers, and I'm satisfied that this particular bill will help provide all those mechanisms that are necessary to accomplish the objectives that I just enunciated.

So, Mr. Speaker, with that, and before I lose my audience tonight, I will stop there and simply say thank you to the people involved with this. I ask for all members to support this particular bill so that we can get on with more affordable rates and better insurance coverage overall and the incentives that we need. Let's get rid of the discriminations that exist. Let's make sure we do it right. We'll develop the regulations and make sure that it does get done correctly.

Thank you, Mr. Speaker. I'm happy to support this bill at this stage.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a good opportunity to further the limited public discussion on Bill 53 at this time in third reading. Certainly, I appreciate the hon. Minister of Community Development's participation in the debate here this evening, but I'm afraid this bill is only going to give Alberta consumers two choices as a result: high and even higher automobile insurance prices.

Now, the hon. minister also talked about cost savings to the

consumer. Well, this is really cost savings to the industry because the industry has been lobbying and lobbying constantly for this. Certainly, there are claims that there will be cost reductions. There will be over \$200 million taken from accident victims as a result of a limit on general damages for less serious injuries. We're passing this bill, and we still don't know what the definition of less serious injuries is. We're going to leave that up to the regulatory process. I don't have the confidence in this that the member opposite has.

We are talking about increasing the accident benefit coverage from \$10,000 to \$50,000. In B.C. it is \$150,000. I could stand corrected, but we'll just have a quick look here. It is \$150,000 in B.C. Now, what I'm afraid is going to happen and what has been articulated in studies done by the insurance industry themselves about some of the proposed reforms that have occurred in other provinces is that there will just be a financial shift. When we reduce claims or limit general damages for less serious injuries, there will be just a shift to the money that's available through the accident benefit coverage. I don't know what studies have been done by the hon. Member for Medicine Hat in regard to this, but that is a concern that I have.

Now, certainly we all know that the insurance industry has returned to profitability. If we look at the assets that have been squirreled away in the last five years by the industry across the country, according to Stats Canada, it is a significant increase. Net profits may be down, but the assets of the industry certainly have increased.

In my consultations in the province in regard to this automobile insurance crisis, the skyrocketing premiums, I had the pleasure of meeting a gentleman from Olds, a gentleman by the name of C. Kenneth McIver, who has written a book titled *Winning the Claims Game!*, the inside goods on insurance claims practices in Canada. He finished this book in 1999. I think it should be in the Legislature Library, and I'm going to make every effort to ensure that it's there. If any of the hon. members would like to borrow my copy after this debate, I would welcome anyone, and I will loan it out.

An Hon. Member: That's a socialist idea, lending your books. Why don't you sell it to me?

Mr. MacDonald: No. I would lend this book; I would not dare sell it because it was given to me by Mr. McIver, and I was grateful to receive it. [interjection] No, no.

An Hon. Member: Table it.

Mr. MacDonald: Table the book? Well, the book is an example of the author's extensive knowledge in insurance matters in this province, and in 1994 it would have been a benefit, certainly now, to drivers of this province if this gentleman had been part of the consultation process that was drafting the new Insurance Act. As far as I know, he wasn't, and as far as I know, he wasn't consulted in regard to Bill 53. I feel very strongly that Mr. McIver should have been.

When we look at what has been the lead-up to Bill 53 and we look at some of the correspondence going back a couple of years which I received through freedom of information, FOIP, this is correspondence between the hon. Minister of Finance and Mr. Jim Rivait, the Insurance Bureau of Canada's lobbyist. This is a letter dated June 25, 2001. This was written before 9-11. This letter refers to the increasing cost pressures for insurance across the province. It goes on to say that the Insurance Bureau of Canada is preparing a package that clearly defines the issues along with a process for resolving these issues, and it will be submitted to the minister. Now, I don't know what that proposal would be, but I would suspect that Bill 53 is a general reflection of those definitions.

Later on in the same year, in October, the Minister of Finance got one letter from Mr. Rivait, who is writing and is concerned about the escalating health care costs in the province of Alberta. We never did get an opportunity—and that's why we needed more public consultation on this debate—to find out exactly what these costs are. There is fundamental change to how we deliver health care in this province by this government. They are more interested in promoting private health care than protecting public health care, and as a result of that . . .

Mr. Mason: Point of order, Mr. Speaker.

11:30

The Acting Speaker: Hon. Member for Edmonton-Highlands, are you rising on a point of order?

**Point of Order
Decorum**

Mr. Mason: We are not in committee.

The Acting Speaker: Well, that's not necessarily a point of order, but, yes, this is Assembly, and members are supposed to be seated in their own seats and not be moving into anybody else's seat. A good point to be raised.

Hon. Member for Edmonton-Gold Bar, you may proceed.

Debate Continued

Mr. MacDonald: Thank you very much, Mr. Speaker. Now, the Insurance Bureau of Canada made a submission to the Commission on the Future of Health Care in Canada in September of 2001, and this document is entitled *Restoring Confidence*. They say that rehabilitation in Canada today exhibits some of the most serious examples of poor systems performance, fragmentation, lack of service standards, and quality control. They are talking about health care rehabilitation costs. This is a very important issue that has not been addressed with this legislation. How much exactly is it costing us to rehabilitate accident victims, and what part of our increased claims costs are going to private health providers? Someone knows somewhere, and they won't say. They want to blame others.

Now, this report goes on to say, and I quote: unfortunately for rehabilitation services, which is the area of health care where insurers have most experience, there is currently no guarantee that this expectation will be met; the inability of Canada's rehabilitation sector to perform at the high level of outcome standards, operational efficiency, and accountability expected of other parts of the health system is a source of very significant costs. End of quote. Do we have the time to discuss the fact that motor vehicle incidents were the second largest source, 15 percent, of hospitalizations from injuries?

In the case of individuals injured by automobiles, Mr. Speaker, insurance companies estimate that between 80 and 90 percent of medical claims relate to soft tissue injuries where treatment may be provided by a physician and/or other regulated or nonregulated health service providers. Now, we're going to allow by regulation a definition of, essentially, soft tissue injuries.

It's also interesting, Mr. Speaker, to note that in the case of injuries from motor vehicles 42 percent of hospital admissions involve individuals aged 15 to 35, while another 34 percent are people between 35 and 64 years old. Now, there are many reasons for us to worry that this issue has not been addressed in the process that has resulted in this bill.

In conclusion on this matter, Mr. Speaker, I would like to point out that in 1991 expenditures on medical rehabilitation services for

Canadian private automobile insurers in millions of dollars – and I would like to have the breakdown for Alberta – was roughly \$370 million, and that skyrocketed to well over a billion dollars in the year 2000. These are IBC statistics, and I think they're very important, and they're very compelling. We're not getting from this government their statistics on the costs of rehabilitation for accident victims. Someone somewhere knows, and we're certainly not getting it from the insurance industry. I think that it's wrong.

Now, Mr. Speaker, in regard to those concerns, I have at this time for the Assembly's consideration an amendment, please. If I could have them distribute it to all the members, I would be grateful.

The Acting Speaker: Hon. members, we have a recommittal motion. The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. At this time I would like to move an amendment to the motion for third reading of Bill 53. I move that the motion for third reading be amended by striking out all the words after "that" and substituting the following: "Bill 53, the Insurance Amendment Act, 2003 (No.2), be not now read a third time but that it be recommitted to Committee of the Whole for the purpose of reconsidering sections 6 and 13."

Now, Mr. Speaker, this amendment would bring the sections of the bill dealing with minor injuries as well as the section regarding the reduction of automobile accident claim awards back into the Committee of the Whole.

Thank you.

The Acting Speaker: On the amendment, the hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to speak to this amendment because I believe that it's very important that we send this back to committee, because there are certain deficiencies in the bill and certain deficiencies in how the whole thing has been approached.

For example, section 6, which talks about reductions in claim awards, does not really deal with the most important question, which is to make sure that rates are as low as possible.

I want to go on to section 13, which is minor injuries, and here we have the source of most of the public conflict over this particular bill. We saw and I see again today, Mr. Speaker, on the front page of one of the daily newspapers a little ad across the bottom that's a stretched green dollar bill talking about the \$1.1 billion of insurance industry profits in Alberta this year. Of course, this ad is taken out by an organization that purports to be victims of traffic injuries and so on. However, I believe and I think I'm on solid ground in believing that this organization is actually a front for the injury lawyers. I know this may shock some members of this Assembly, but I certainly think that that's what it is.

11:40

So we've seen a battle here because the government, having not gone down the road of public auto insurance, which they ought to have done, is desperate to find some savings in insurance that they can pass on to consumers, but what they're doing is limiting the product that you receive for that price. So, Mr. Speaker, it's a bit like telling people who have been driving a Volvo, for example, for some time that you're going to sell them a car a lot cheaper, and then when they take delivery of their new car and they see that it's a couple of thousand dollars cheaper, they also realize that it's a subcompact car, say a little Chev or something like that. So there's a savings, but the savings is realized by reducing the product. You

get less product for less money, so you don't really get the same thing for less. So that's one of the reasons why we've called this a shell game.

They're putting limitations on claims for minor injuries. We don't know what the limits are actually going to be because, as usual, we have an enormous section in this bill which we see in almost every bill of substance that comes from this government these days, and it always starts with the same words: "The Lieutenant Governor in Council may make regulations." How many times have we seen that? These are sometimes the longest and most substantive sections in the government's legislation, and this is not the only bill where we've seen this.

So what the government has done is asked us to delegate our legislative authority to the cabinet, and the cabinet essentially makes legislation because the Assembly is too weak to stand up to the government and tell them that we need to protect our constitutional rights and set the legislation of this province. So, of course, the Legislature itself becomes increasingly anemic and irrelevant, and the government concentrates more power in its own hands. There are some problems with that, Mr. Speaker, because, quite frankly, here the debate takes place in public. Here opposition members can participate in the debate. Here citizens that voted for someone other than the governing party have a voice, but of course in the cabinet none of those things happen. So this is a very, very deficient piece of legislation.

You know, much has been made tonight about the hon. Member for Medicine Hat's hard work with respect to this. I agree that he's worked hard on this bill, but it seems that many of the issues remain to be settled and will be settled by the cabinet, and I think that that's potentially a deficiency in the bill and may lead to decisions being made of a political expedient nature and not the thoroughgoing reform which some have suggested that the government is undertaking.

So having said that, Mr. Speaker, I want to indicate that I will indeed be supporting the amendment of the hon. Member for Edmonton-Gold Bar, and I believe that it would be beneficial not just for the rights of the Assembly but also in the interests of the public if we did recommit the bill to Committee of the Whole so that sections 6 and 13 could be reconsidered. I'm sure that there will be time in everyone's busy schedule in the next week to proceed with that and make sure that the Assembly solves some of these basic questions and does so in the interest of the public, of the consumer, and not necessarily in the interests of the insurance industry or the injury lawyers. The biggest concern I have in all of this, Mr. Speaker, is that in the conflict between those two groups the public, the consumer of insurance, has become lost and is not going to get the full benefit that they might if all options were on the table, including public auto insurance.

So with that, Mr. Speaker, I will take my seat and urge other members of the Assembly to participate in this debate.

The Acting Speaker: Hon. members, this amendment, for the record, will be referred to as reasoned amendment A2. The hon. Member for Edmonton-Riverview.

Dr. Taft: Yes. I'll just speak briefly to amendment A2, in support of it. This amendment, if it passes, would give an opportunity to explore a particular issue that's been brought to my attention, and in case the amendment doesn't pass, I'm going to raise the issue, so perhaps somebody like the Member for Medicine Hat might be able to address it in some other forum.

The basic question and the reason I'm supporting the amendment is in addressing section 6. I believe it would probably come under

section 6, and I listened to the Member for Medicine Hat talk about this, and I did appreciate his comments. The issue that I have wondered about would be: how much money do insurance companies expect to save by shifting responsibility for payment of lost wages to employer-sponsored or other disability plans?

There are various ways that Bill 53 proposes to reduce costs. One of them is by shifting responsibility, or reducing the liability may be a better way to put it, of the auto insurance companies for lost wages and relying more heavily on employer-sponsored or other disability plans. How much does that particular provision add up to in savings? I would be able to explore that issue more fully with the members if this particular amendment were to pass, so that's why I will be voting for it.

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. I'm voting in favour of this amendment because, in fact, I had been hoping that there would have been an amendment on section 6, which I had spoken about in both second and Committee of the Whole. I understand the arguments coming forth. I've read the document that was commissioned by the government and everyone carefully explaining what they call double-dipping, whereby someone who in fact was eligible to receive, for example, two disability pensions could in fact do that. It seems that where the government is more concerned about this issue is people being able to pull from, for example, government-sponsored programs like AISH and recover from an automobile insurance coverage as well. But I'm representing a sector of people who have been responsible and are trying to look after themselves, which is a philosophy that I hear repeatedly stated from the government. So I don't understand why they are insisting on pushing through something that has the effect of penalizing those Albertans that are trying to be responsible for themselves, and that is the sector of people who are self-employed or work as consultants.

Specifically I'm talking about the arts sector. At this point in time there are more people employed in that sector in Alberta than in the manufacturing sector. I think it's the third or fourth largest employment sector, cultural industries, in Alberta. As much as we can afford to, we have all tried to make sure that we're paying for individual disability premiums to make sure that we're covered, but at different times being consultants and self-employed we do end up getting coverage under other employment programs. We're not going to drop the one we've been paying for all along because when we go back, we'd be paying premiums that are double and triple what we were before, so we keep paying for those.

So from my point of view, this isn't about double-dipping; it's about double-paying because, in effect, I am double-paying right now. I still had that disability premium that I've carried all the way along, plus I would also be eligible for coverage under the coverage that I would get through the Legislative Assembly.

11:50

This section 6 just discourages me and others from taking responsibility and trying to make sure that we have looked after ourselves because we'd end up paying for premiums that we would not be allowed to pull from. I just feel that it's penalizing those Albertans. This has been a significant sacrifice for me at different points in my life, and I know that it's certainly a sacrifice for my colleagues in the arts sector. These are not cheap premiums, so to keep this up has been difficult, and to have us trying to take that responsibility and then not being able to draw from a disability

pension that would come along with that is patently unfair, I think. It certainly does not support individual rights or freedom of choice. I don't think we should be penalizing Albertans for trying to make free choices there.

I had hoped to see an amendment on this. It's obviously not going to happen, and I would support the efforts of the Member for Edmonton-Gold Bar to try and recommit to Committee of the Whole so we could be considering that.

Thank you very much.

[Motion on amendment A2 lost]

The Acting Speaker: The hon. Member for Medicine Hat to close debate.

Mr. Renner: Thank you, Mr. Speaker. It's my pleasure to close debate on this bill. Just before we proceed to the vote, I would like to take a few moments of the Assembly's time to make a few acknowledgments and to thank the acknowledgments that I've received from members of both the government as well as the opposition throughout the debate on this bill. It has, as you know, Mr. Speaker, been a rather contentious bill, and I acknowledge the fact that we're dealing with some very difficult issues with respect to this bill. I feel very strongly that we're moving in the right direction, and at the end of the day Albertans will be very well served by this bill.

I would like to acknowledge the support of the Minister of Finance as well as a surprisingly small but dedicated group of staff within the Ministry of Finance who have worked so diligently on this legislation throughout the summer and fall to get it this far.

I also would just like to acknowledge that with a notable few exceptions most of the debate that we have had on this bill has been extremely productive, and I think it's worth noting that the government accepted one of the proposed amendments that was brought forward by the opposition. I think it adds some quality to the bill. Other amendments that were brought forward by the opposition although not accepted by the government I think can be incorporated into the regulation-making process.

So with that, Mr. Speaker, I again recommit the government to further development on this bill through the regulation-making process, to seek public input, to keep the public informed on the development of regulations, and I look forward to support of the Assembly on this bill so that we can start that very, very important process and ensure that we bring an insurance regime to Albertans that will in fact be fair, will be accessible and affordable to all Albertans.

Thank you very much, Mr. Speaker.

[Motion carried; Bill 53 read a third time]

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Mr. Speaker, my perusal of the Order Paper would suggest there only remain two bills on the Order Paper that we haven't dealt with, being Bill 33, which has been subsumed by the bill we just passed, and Bill 56, which I indicated was going to be left over to the spring. Therefore, pursuant to Government Motion 28 agreed to December 1, 2003, I move that we adjourn.

[Motion carried; pursuant to Government Motion 28 the Assembly adjourned at 11:56 p.m.]

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